

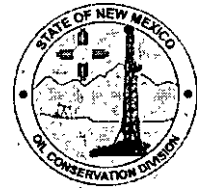
State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Tony Delfin
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



March 11, 2016

COG PRODUCTION, LLC
Attn: Ms. Mayte Reyes

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL-7393

COG Production, LLC
OGRID 229137
Cabo Blanco State Well No. 9H
API No. 30-025-43022

Proposed Location:

| | <u>Footages</u> | <u>Unit/lot</u> | <u>Sec.</u> | <u>Twsp</u> | <u>Range</u> | <u>County</u> |
|---------------------------------|----------------------|-----------------|-------------|-------------|--------------|---------------|
| Surface | 450' FNL & 1165' FEL | 1 | 5 | 24S | 33E | Lea |
| Penetration Point | 650' FNL & 1165' FEL | 1 | 5 | 24S | 33E | Lea |
| Final perforation (Terminus) | 330' FSL & 1165' FEL | P | 5 | 24S | 33E | Lea |

Proposed Project Area:

| <u>Description</u> | <u>Acres</u> | <u>Pool</u> | <u>Pool Code</u> |
|----------------------|--------------|-----------------------------|------------------|
| E/2 E/2 of Section 5 | 159.72 | Triple X; Bone Spring, West | 96674 |

Reference is made to your application received on March 7, 2016.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by statewide Rule 19.15.15.9.A NMAC, which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary, and Rule 19.15.16.14.B(2) NMAC concerning directional wells in designated project areas. This location is unorthodox because portions of the proposed completed interval are closer to outside boundaries of the proposed project area than any location that would be a standard location under the applicable pool rules.

Your application has been duly filed under the provisions of Division Rules 19.15.15.13 NMAC and 19.15.4.12.A(2) NMAC.

It is our understanding that you are seeking this location to enhance hydrocarbon recovery between existing wells.

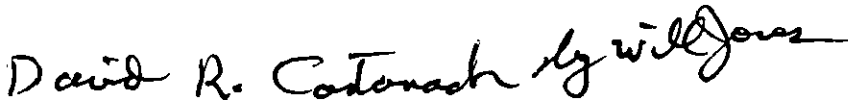
It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

Pursuant to the authority conferred by Division Rule 9.15.15.13 (B) NMAC, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 19.15.5.9 NMAC.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on March 11, 2016.


DAVID R. CATANACH
Director

DRC/mam

cc: New Mexico Oil Conservation Division – Hobbs
New Mexico State Land Office – Oil, Gas, and Minerals