

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



March 27, 2017

COG Operating LLC
Attn: Ms. Debora L. Wilbourn

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL-7511

COG Operating LLC
OGRID 229137
Bultaco State Well No. 3H
API No. 30-015-43670

Non-Standard Location

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	5' FSL & 1090' FEL	P	36	22S	31E	Eddy
Penetration Point	330' FSL & 1295' FEL	P	36	22S	31E	Eddy
Final perforation	100' FNL & 1295' FEL	A	36	22S	31E	Eddy
Terminus	50' FNL & 1295' FEL	A	36	22S	31E	Eddy

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 E/2 of Section 36	160	Livingston Ridge; Bone Spring	39350

Reference is made to your application received on October 6, 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. 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 COG Operating, LLC. is seeking this location to maximize recovery of reserves in their intended pool to efficiently produce oil and gas in Section 36.

It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 19.15.4.12 A (2) NMAC, in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 19.15.15.13 (B) NMAC, the above-described unorthodox location is hereby approved.

The above approvals are 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.


DAVID R. CATANACH
Director

DRC/lrl

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