

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



May 9, 2017

COG Operating, LLC
Attn: Ms. Debora L. Wilbourn

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL-7530

COG Operating, LLC
OGRID 229137
White Falcon 16 State Com. Well No. 12H
API No. 30-025-43697

Non-Standard Location

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	226' FNL & 852' FWL	D	16	25S	35E	Lea
Penetration Point	330' FNL & 1270' FWL	D	16	25S	35E	Lea
Final perforation	330' FSL & 1270' FWL	M	21	25S	35E	Lea
Terminus	200' FSL & 1270' FWL	M	21	25S	35E	Lea

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W/2 W/2 of Section 16	160	WC-025 G-08 S253534O; Bone Spring	97088
W/2 W/2 of Section 21	160		

Reference is made to your application received on March 9, 2017.

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 COG Operating, LLC is seeking this location in order to develop the reserves in the WC-025 G-08 S2535340; Bone Spring Pool in the W/2 of Section 16 and Section 21. The applicant also stated that within the project area, it has two proposed wells and one producing well.

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/mam

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