

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



June 12, 2017

COG Operating LLC  
Attn: Ms. Robyn Russell

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL-7538

**COG Operating LLC**  
OGRID 22937  
**Burch Keely Unit Well No. 964H**  
**API No. 30-015-44149**

**Non-Standard Location**

**Proposed Location:**

	<u>Footages</u>	<u>Unit/lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	1485` FNL & 215` FEL	H	24	17S	29E	Eddy
Penetration Point	1500` FNL & 10` FWL	2	19	17S	30E	Eddy
Final perforation	1650` FNL & 100` FEL	H	19	17S	30E	Eddy
Terminus	330` FNL & 10` FEL	H	19	17S	30E	Eddy

**Proposed Project Area:**

<u>Description</u>	<u>Acres</u>
<u>Pool</u>	<u>Pool Code</u>
Lot 2, S/2 NE/4, and SE/4 NW/4 of Irregular Section 19 (S/2 N/2 equivalent) of Irregular Section 19	157.43
Burch Keely; Glorieta-Upper Yeso	97918

Reference is made to your application received on May 12, 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 the Special Rules for the Burch Keely; Glorieta-Upper Yeso Pool, which provide for 40-acre units with wells to be located at least 330 feet from outer unit boundaries, and Rule 19.15.16.14.B(2) NMAC concerning directional wells in designated project areas. This surface location is outside the project area, and is permitted by Rule 19.15.16.15.B (4) NMAC which allows for surface locations outside project

area. 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 requesting this non-standard location to drain reserves in the Yeso formation that would otherwise be stranded. Further, it would be uneconomical to access these reserves with a vertical well, per COG Operating LLC engineer.

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

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 – Artesia District Office  
Bureau of Land Management – Carlsbad