

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



July 27, 2017

COG Operating LLC
Attn: Ms. Robyn Russell

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL-7559

COG Operating LLC
OGRID 229137
Carmen 3 Federal Com Well No 91H
API No 30-015-44271

Non-Standard Location

Proposed Location

	<u>Footages</u>	<u>Unit/Lot Sec</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	430' FNL & 170' FEL	A/1 3	17S	30E	Eddy
Penetration Point	430' FNL & 330' FEL	A/1 3	17S	30E	Eddy
Final perforation	330' FNL & 100' FWL	D/4 3	17S	30E	Eddy
Terminus	330' FNL & 10' FWL	D/4 3	17S	30E	Eddy

Proposed Project Area

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
N/2 N/2 of Section 3	159.32	Loco Hills, Glorieta-Yeso	96718

Reference is made to your application received on July 3, 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 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 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 optimize the completed lateral length of the well, reducing waste while protecting correlative rights and improving well economics

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 — Artesia District Office
Bureau of Land Management — Carlsbad