

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



August 9, 2017

COG Operating LLC
Attn: Ms. Robyn Russell

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL-7563

COG Operating LLC
OGRID 229137
Malco 23 Federal Com Well No. 23H
API No. 30-015-PENDING

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	125` FNL & 1443` FWL	C	23	17S	28E	Eddy
Penetration Point	330` FNL & 1650` FWL	C	23	17S	28E	Eddy
Final perforation	100` FSL & 1650` FWL	N	23	17S	28E	Eddy
Terminus	10` FSL & 1650` FWL	N	23	17S	28E	Eddy

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 W/2 of Section 23	160	Empire; Glorieta-Yeso	96210

Reference is made to your application received on July 18, 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 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 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.

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 Field Office