

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Secretary

Gabriel Wade, Acting Director
Oil Conservation Division



March 8, 2019

Debora Wilbourn
dwilbourn@concho.com

NON-STANDARD LOCATION

Administrative Order NSL-7824

COG Operating LLC [OGRID 229137]
Fez Federal Com Well No. 711H
API No. 30-025-PENDING

Proposed Location

	<u>Footages</u>	<u>Unit/lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	330 FSL & 2390 FEL	O	9	25S	35E	Lea
First Take Point	100 FSL & 2580 FEL	O	9	25S	35E	Lea
Last Take Point	100 FNL & 2580 FEL	B/2	4	25S	35E	Lea
Terminus	50 FNL & 2580 FEL	B/2	4	25S	35E	Lea

Proposed Horizontal Spacing Unit

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E2 of Section 9	641.64	Wildcat; Wolfbone	98098
E2 of Section 4			

Reference is made to your application received on January 17, 2019.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. Sub Paragraph (a) of Paragraph (1) of Subsection B of 19.15.16.15 NMAC governs this proposed well and provides that the operator shall dedicate to each horizontal oil well a standard horizontal spacing unit that comprises of one or more contiguous tracts that the horizontal oil well's completed interval penetrates, each of which consists of a governmental quarter-quarter section or equivalent.

This well's completed interval is as close as 60 feet to the western edge along the proposed well path within the horizontal spacing unit. Encroachments will impact the following tracts.

Section 4, encroachment to the E2 W2
Section 9, encroachment to the E2 W2

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (8) Subsection A of 19.15.2.7 NMAC, in all adjoining units towards which the proposed location encroaches.

Division understands you seek this location in order to provide adequate well spacing for the planned spacing test and will allow economic recovery along with the co-development of the other wells in the section.

Your application has been filed under Subsection 6 of Paragraph of Section (C) of 19.15.16.15 NMAC, 19.15.15.13 NMAC and Paragraph (2) of Subsection A of 19.15.4.12 NMAC.

Per Subsection B of 19.15.15.13 NMAC, Division approves this unorthodox location.

The above approvals are subject to your following all other applicable Division rules.

Jurisdiction of this case is retained for the entry of further orders as Division deems necessary.



Gabriel Wade
Acting Director

GW/mam

cc: Oil Conservation Division – Hobbs District Office
Bureau of Land Management – Carlsbad Field Office