

State of New Mexico  
Energy, Minerals and Natural Resources Department

**Susana Martinez**  
Governor

**David Martin**  
Cabinet Secretary-Designate

**Brett F. Woods, Ph.D.**  
Deputy Cabinet Secretary

**Jami Bailey, Division Director**  
Oil Conservation Division



February 3, 2014

COG Operating LLC  
Attn: Ms. Holly Kelly

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

**Administrative Order NSL-7000**  
**Administrative Application Reference No. pMAM1403149675**

**COG Operating LLC**  
OGRID 229137  
**Noose Federal Well Com No. 11 H**  
**API No. 30-015-pending**

**Proposed Location:**

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	150 FSL & 1130 FEL	P	35	19S	25E	Eddy
Penetration Point	330 FSL & 1130 FEL	P	35	19S	25E	Eddy
Terminus	330 FNL & 1130 FEL	A	35	19S	25E	Eddy

**Proposed Project Area:**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 E/2 of Section 35	160	N. Seven Rivers; Glorieta-Yeso	97565

Reference is made to your application received on January 31, 2014.

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.

February 3, 2014

Page 2

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 you are seeking this location for engineering reasons, in order to maximize production of hydrocarbons underlying this project area and prevent waste.

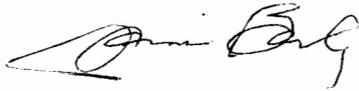
It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

Pursuant to the authority conferred by Division Rule [19.15.15.13 (B) NMAC], the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule [19.15.15.9 NMAC].

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Jami Bailey". The signature is fluid and cursive, with the first name "Jami" and last name "Bailey" clearly distinguishable.

Jami Bailey  
Director

JB/mam

cc: New Mexico Oil Conservation Division – Artesia  
United States Bureau of Land Management – Carlsbad