

Approved

NSP

Order

Approved: 01/03/19

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, Ph.D
Deputy Cabinet Secretary

Adrienne E. Sandoval, Director
Oil Conservation Division



January 3, 2020

Mr. Stan Wagner
swagner@concho.com

ADMINISTRATIVE NON-STANDARD HORIZONTAL SPACING UNIT

Administrative Order NSP-2121

COG Operating, LLC [OGRID 229137]
Hambone Federal Com Well No. 704H, [API No. 30-015-PENDING]
Hambone Federal Com Well No. 705H, [API No. 30-015-PENDING]
Hambone Federal Com Well No. 706H, [API No. 30-015-PENDING]

Reference is made to your application received on November 14, 2019.

Non-Standard Horizontal Spacing Unit

You have also requested approval of a non-standard horizontal gas spacing unit to be included in your proposed horizontal spacing unit, as follows:

Proposed Horizontal Spacing Unit:

Description	Acres	Pool	Pool Code
N/2 SW/4 & NW/4 of Section 8 W/2 of Section 5	560	Purple Sage; Wolfcamp (Gas)	98220

You have requested an exception pursuant to Rule 19.15.16.15(A)(3) NMAC, to approve a non-standard horizontal gas spacing unit comprising 560-acres, consisting of the entire area described above as the horizontal spacing unit. The proposed horizontal spacing unit does not consist of a quarter section or equivalent in both sections, as required by Rule 19.15.16.15(B)(3) NMAC.

We understand that you are seeking this exception in order to allow you to create a 560-acres, non-standard horizontal spacing unit, comprised of N/2 SW/4 and the NW/4 of Section 8 and W/2 of Section 5, all in Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico.

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 which are being excluded.

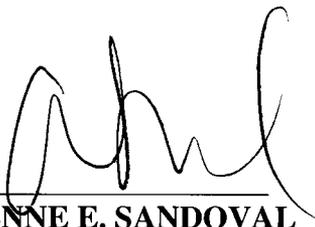
You have requested a non-standard horizontal spacing unit in order to accommodate BLM environmental concerns in reference to establishing proper surface locations within the area to adequately develop the acreage and, therefore, reducing waste while protecting correlative rights, and improving economics within the referenced Horizontal Spacing Unit.

Pursuant to the authority conferred by Division Rule 19.15.16.15(B)(5) NMAC, the above-described non-standard horizontal spacing unit is hereby approved. Further, the Applicant may add additional wells to the horizontal spacing unit with a Sundry notice to the Engineering Bureau, reference this NSP Order.

General Provisions

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.



ADRIENNE E. SANDOVAL
Division Director

AES/lrl

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

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Monday, January 6, 2020 8:28 AM
To: 'Stan Wagner'
Cc: Mike Bratcher (mike.bratcher@state.nm.us); Podany, Raymond, EMNRD; Goetze, Phillip, EMNRD; Murphy, Kathleen A, EMNRD; Warnell, Terry G, EMNRD; Rose-Coss, Dylan H, EMNRD; McClure, Dean, EMNRD; Lamkin, Baylen, EMNRD; 'lisa@rwbyram.com'; 'drossmango@blm.gov'
Subject: Approved NSP-2121, COG OPERATING_3 Wells_8 26S 29E
Attachments: NSP-2121_ORDER.pdf

Importance: High

Mr. Stan Wagner,

The following NSP Administrative Order has been issued and will soon be available on the Division's web site:
<http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx>

NSP-2121

COG Operating, LLC

Hambone Federal Com Well No. 704H [API No. 30-015-PENDING]

Hambone Federal Com Well No. 705H [API No. 30-015-PENDING]

Hambone Federal Com Well No. 706H [API No. 30-015-PENDING]

A = 560 Acres

N/2 SW/4 & NW/4 of Section 8

W/2 of Section 5, 26S 29E

Leonard R. Lowe

Engineering Bureau

OCD-EMNRD

1220 S. St. Francis

Santa Fe, N.M. 87004

O:505-476-3492

C: 505-930-6717

F: 505-476-3462

<http://www.emnrd.state.nm.us/ocd/>