

Approved

NSL

Order

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 Cabinet Secretary

Adrienne E. Sandoval, Director
Oil Conservation Division



February 10, 2021

Ms. Mayte Reyes
mreyes1@concho.com

NON-STANDARD LOCATION

Administrative Order NSL-8125

**COG Operating, LLC [OGRID 229137]
Mercury State Com Well No. 702H
API No. 30-015-47521**

Proposed Location

| | <u>Footages</u> | <u>Unit/Lot</u> | <u>Sec.</u> | <u>Twsp</u> | <u>Range</u> | <u>County</u> |
|------------------------------|--------------------|-----------------|-------------|-------------|--------------|---------------|
| Surface | 220 FSL & 1430 FEL | O | 18 | 26S | 28E | Eddy |
| First Take Point | 10 FSL & 1430 FEL | O | 18 | 26S | 28E | Eddy |
| Last Take Point/ Terminus | 50 FNL & 1430 FEL | B | 7 | 26S | 28E | Eddy |

Proposed Horizontal Gas Units

| <u>Description</u> | <u>Acres</u> | <u>Pool</u> | <u>Pool Code</u> |
|---------------------------------------|--------------|-----------------------------|------------------|
| E/2 of Section 18 E/2 of Section 7 | 640 | Purple Sage; Wolfcamp (GAS) | 98220 |

Reference is made to your application received on January 20, 2021.

You have requested to complete this horizontal well as a gas well described above in the referenced pool or formation. This well is governed by special rules, R-14262, for the Purple Sage; Wolfcamp (Gas) Pool and provides for 320-acre units, with wells located at least 330 feet from a unit outer boundary.

This well's completed interval is as close as 10 feet to the southern edge and 50 feet to the northern edge. Encroachment will impact the following tract.

Section 19, encroachment to the NE/4
Section 6, encroachment to the SE/4

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.

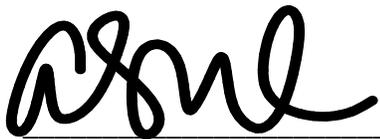
Division understands you are seeking this unorthodox location in order to optimize the recovery of minerals in place and thus preventing waste within the Wolfcamp formation underlying the E/2 of Section 18 and Section 7.

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



ADRIENNE E. SANDOVAL
Division Director

AES/lrl

cc: Oil Conservation Division – Artesia District Office
State Land Office - Oil, Gas and Mineral Division

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Friday, February 12, 2021 9:27 AM
To: Mayte Reyes
Cc: Bratcher, Mike, EMNRD; Kautz, Paul, EMNRD; 'lisa@rwbyram.com'; Holm, Anchor E.
Subject: APPROVED NSLs_Mercury State Com Wells_SEC 18 26S 28E
Attachments: NSL-8124_Aproved Order.pdf; NSL-8125_Aproved Order.pdf; NSL-8126_Aproved Order.pdf; NSL-8127_Aproved Order.pdf

Mayte Reyes,

The following NSL Administrative Orders have been issued and will soon be available on the Division's web site:

<http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx>

| NSL | AMD | Applicant | OGRID | WELL NAME | API # |
|-------------|------------|--------------------|--------------|--|--------------|
| 8127 | - | COG Operating, LLC | 229137 | Mercury State Com Well No. 704H | 30-015-47523 |
| 8126 | - | COG Operating, LLC | 229137 | Mercury State Com Well No. 703H | 30-015-47522 |
| 8125 | - | COG Operating, LLC | 229137 | Mercury State Com Well No. 702H | 30-015-47521 |
| 8124 | - | COG Operating, LLC | 229137 | Mercury State Com Well No. 701H | 30-015-47520 |

A copy of the approved orders are attached.

Leonard R. Lowe

Engineering Bureau
OCD - EMNRD
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<http://www.emnrd.state.nm.us/ocd/>