

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 15, 2021

Mr. Stan Wagner
Stan.S.Wagner@conocophillips.com

NON-STANDARD LOCATION

Administrative Order NSL-8138

**COG Operating, LLC [OGRID 229137]
Bandana Federal Com Well No. 601H
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	2380 FNL & 1475 FEL	G	12	25S	34E	Lea
First Take Point	2540 FSL & 1000 FEL	I	12	25S	34E	Lea
Last Take Point	100 FSL & 1000 FEL	P	13	25S	34E	Lea
Terminus	50 FSL & 1000 FEL	P	13	25S	34E	Lea

Proposed Horizontal Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 SE/4 of Section 12	240	Fairview Mills; Bone Spring	96340
E/2 E/2 of Section 13			

Reference is made to your application received on February 11th, 2021.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. 19.15.16.15(B)(1)(a) 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 320 feet to the western edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 12, encroachment to the W/2 SE/4
Section 13, encroachment to the W/2 E/2

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in 19.15.2.7(A)(8) NMAC, in all adjoining units towards which the proposed location encroaches. However, the ownership is identical in the affected tracts therefore, notice is not required.

Division understands you are seeking this unorthodox location to allow for efficient well spacing within the Bone spring formation underlying the E/2 SE/4 of Section 12 and the E/2 E/2 of Section 13, therefore maximize resource recovery and preventing waste.

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 19.15.15.13 (B) 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 – Hobbs District Office
Bureau of Land Management – Carlsbad Field Office

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Friday, February 19, 2021 5:24 PM
To: 'Wagner, Stan S'
Cc: Bratcher, Mike, EMNRD; Kautz, Paul, EMNRD; 'lisa@rwbyram.com'; 'jglover@blm.gov'; 'drossmango@blm.gov'
Subject: APPROVED NSL-(8136 -8139)_COG Operating LLC_4 Bandana Federal Com Wells_SEC 12 25S 34E
Attachments: NSL-8136_Aproved Order.pdf; NSL-8137_Aproved Order.pdf; NSL-8138_Aproved Order.pdf; NSL-8139_Aproved Order.pdf

Importance: High

Mr. Stan Wagner,

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	M	Applicant	OGRID	WELL NAME	API #
8139	-	COG Operating, LLC	229137	Bandana Federal Com Well No. 602H	30-025-PENDING
8138	-	COG Operating, LLC	229137	Bandana Federal Com Well No. 601H	30-025-PENDING
8137	-	COG Operating, LLC	229137	Bandana Federal Com Well No. 702H	30-025-PENDING
8136	-	COG Operating, LLC	229137	Bandana Federal Com Well No. 703H	30-025-PENDING

Copies of the approved orders are attached.

Leonard R. Lowe

Engineering Bureau
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