

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Susana Martinez**  
Governor

**John Bemis**  
Cabinet Secretary

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

**Jami Bailey**  
Division Director  
Oil Conservation Division



September 11, 2012

COG Operating, LLC  
Attn: Ms. Kelly J. Holly

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

**Administrative Order NSL-6678**  
**Administrative Application Reference No. pKVR12-23029112**

**COG Operating, LLC**  
OGRID 229137  
**Taylor D Well No. 29**  
**API No. 30-025-40569**

**Proposed Location:**

| <u>Footages</u>     | <u>Unit</u> | <u>Section</u> | <u>Township</u> | <u>Range</u> | <u>County</u> |
|---------------------|-------------|----------------|-----------------|--------------|---------------|
| 1650 FNL & 1130 FEL | H           | 9              | 17S             | 32E          | Lea           |

**Proposed Unit:**

| <u>Description</u>     | <u>Acres</u> | <u>Pool</u>        | <u>Pool Code</u> |
|------------------------|--------------|--------------------|------------------|
| SE/4 NE/4 of Section 9 | 40           | West Maljamar Yeso | 44500            |

Reference is made to your application received on August 15, 2012.

You have requested to drill or re-complete this well at an unorthodox oil well location described above, in the referenced pool or formation. This location is governed by statewide Rule 15.9.A [19.15.15.9.A NMAC], which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. This location is less than 330 feet from a unit boundary.

Your application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].

It is our understanding that you are seeking this location to avoid interference with existing surface structures.

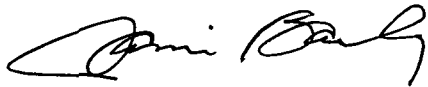
It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 4.12.A(2), in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 15.13.B, 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 5.9 [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", with a stylized, cursive script.

Jami Bailey  
Director

JB/db

cc: New Mexico Oil Conservation Division – Hobbs