

State of New Mexico  
Energy, Minerals and Natural Resources Department

**Susana Martinez**  
Governor

**John Bemis**  
Cabinet Secretary

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

**Jami Bailey**  
Division Director  
Oil Conservation Division



October 23, 2012

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

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

**Administrative Order NSL-6698**  
**Administrative Application Reference No. pDKB1229150096**

**COG Operating, LLC**  
OGRID 229137  
**McIntyre DK Federal Well No. 15**  
**API No. 30-015-35475**  
**Proposed Location:**

	<b>Footages</b>	<b>Unit</b>	<b>Sec.</b>	<b>Twsp</b>	<b>Range</b>	<b>County</b>
Surface	261 FSL & 2618 FWL	N	17	17S	30E	Eddy
Penetration Point	327 FSL & 2306 FWL	N	17	17S	30E	Eddy
Terminus	330 FSL & 2250 FWL	N	17	17S	30E	Eddy

**Proposed Project Area:**

<b>Description</b>	<b>Acres</b>	<b>Pool</b>	<b>Pool Code</b>
SE/4 SE/4 of Section 17	40	Loco Hills; Glorieta-Yeso	97618

Reference is made to your application received on October 17, 2012.

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 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, and Rule 15.16.14.B(2) [19.15.16.14.B(2) NMAC] concerning directional wells in designated project areas. This location is unorthodox because portions of the proposed producing area are less than 330 feet from an outer boundary of the project area.

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 pipelines.

October 23, 2012

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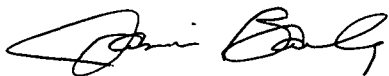
It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

Pursuant to the authority conferred by Division Rule 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". The signature is fluid and cursive, with the first name "Jami" and last name "Bailey" clearly distinguishable.

Jami Bailey  
Director

JB/db

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