

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

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

David Catanach, Division Director
Oil Conservation Division



January 13, 2015

COG OPERATING LLC
Attn: Mr. Michael Feldewert

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL-7220
Administrative Application Reference No. pMAM1436335429

COG Operating LLC
OGRID 229137
Cuatro Hijos Fee Well No. 3H
API No. 30-025-42276

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	190 FSL & 1980 FWL	N	17	19S	35E	Lea
Penetration Point	330 FSL & 1980 FWL	N	17	19S	35E	Lea
Terminus	330 FNL & 1980 FWL	C	17	19S	35E	Lea

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 W/2 of Section 17	160	Scharb; Bone Spring	55610

Reference is made to your application received on December 23, 2014.

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 the Special Rules for the Scharb; Bone Spring, which provides for 80-acre units, with wells located at least 200 feet from a center of a governmental quarter-quarter section. Rule 19.15.16.14.B(2) NMAC concerning directional wells in designated project areas is also applicable, making setback requirements apply to the distance from the outer boundary of the designated project area. This location is unorthodox because portions of the proposed completed interval are less than 460 feet from an outer boundary.

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

It is our understanding that you are seeking this location because it will allow for efficient well spacing and reservoir drainage.

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 19.15.4.12 A (2) NMAC, in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 9.15.15.13 (B) NMAC, 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 19.15.5.9 NMAC.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on January 13, 2015.



DAVID CATANACH
Director

DC/mam

cc: New Mexico Oil Conservation Division – Hobbs
New Mexico State Land Office – Oil, Gas, and Minerals