

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Tony Delfin
Acting Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



November 21, 2016

COG Operating, LLC
Attn: Ms. Debora Wilbourn

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL-7485

COG Operating, LLC
OGRID 229137
Lusk Deep Unit A Well No. 33H
API No. 30-025-43390

Non-Standard Location

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	373` FSL & 1166` FEL	P	18	19S	32E	Lea
Penetration Point	80` FNL & 1918` FEL	B	19	19S	32E	Lea
Final perforation	334` FSL & 1820` FEL	O	19	19S	32E	Lea
Terminus	50` FSL & 1822` FEL	O	19	19S	32E	Lea

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W/2 E/2 of Section 19	160	Lusk; Bone Spring	41440

Reference is made to your application received on November 17, 2016.

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 Division Rule 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 surface location is outside the project area, and is permitted by Rule 19.15.16.15.B (4) NMAC which allows for surface locations outside the project area. This location is unorthodox because portions of the proposed completed interval are closer to the outside boundaries of the proposed project area than any location that would be a standard location under the applicable pool rules.

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.

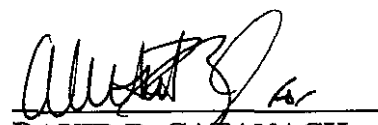
It is our understanding that COG Operating, LLC is seeking this location because the operator had inadvertently perforated the lateral at an unorthodox location.

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

Pursuant to the authority conferred by Division Rule 19.15.15.13 (B) NMAC, the above-described unorthodox location is hereby approved.

The above approvals are 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.



DAVID R. CATANACH
Director

DRC/lrl

cc: Oil Conservation Division – Hobbs District Office
Bureau of Land Management – Carlsbad