

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



May 22, 2017

COG Operating LLC
Attn: Ms. Robyn Russell

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL-7533

COG Operating LLC
OGRID 22937
Burch Keely Unit Well No. 962H
API No. 30-015-44101

Non-Standard Location

Proposed Location:

	<u>Footages</u>	<u>Unit/lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	296' FNL & 153' FEL	A	24	17S	29E	Eddy
Penetration Point	296' FNL & 10' FWL	1	19	17S	30E	Eddy
Final perforation	330' FNL & 100' FEL	A	19	17S	30E	Eddy
Terminus	330' FNL & 10' FEL	A	19	17S	30E	Eddy

Proposed Project Area:

<u>Description</u>	<u>Acres</u>
<u>Pool</u>	<u>Pool Code</u>
Lot 1, N/2 NE/4, and NE/4 NW/4 of Irregular Section 19 (N/2 N/2 equivalent) of Irregular Section 19	157.43
Burch Keely; Glorieta-Upper Yeso	97918

Reference is made to your application received on May 8, 2017.

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 Burch Keely; Glorieta-Upper Yeso Pool, which provide for 40-acre units with wells to be located at least 330 feet from outer unit boundaries, and Rule 19.15.16.14.B(2) NMAC concerning directional wells in designated project areas. 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 project

area. This location is unorthodox because portions of the proposed completed interval are closer to 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 requesting this non-standard location to drain reserves in the Yeso formation that would otherwise be stranded. Further, it would be uneconomical to access these reserves with a vertical well, per COG Operating LLC engineer.

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/mam

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