

DATE IN <u>6-17-10</u>	SUSPENSE	ENGINEER <u>[Signature]</u>	LOGGED IN <u>6-17-10</u>	TYPE <u>DHC</u>	APP NO. <u>PTG-W 1016856293</u>
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ABOVE THIS LINE FOR DIVISION USE ONLY

## NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



COG operating

### ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

#### Application Acronyms:

**[NSL-Non-Standard Location]** **[NSP-Non-Standard Proration Unit]** **[SD-Simultaneous Dedication]**  
**[DHC-Downhole Commingling]** **[CTB-Lease Commingling]** **[PLC-Pool/Lease Commingling]**  
**[PC-Pool Commingling]** **[OLS - Off-Lease Storage]** **[OLM-Off-Lease Measurement]**  
**[WFX-Waterflood Expansion]** **[PMX-Pressure Maintenance Expansion]**  
**[SWD-Salt Water Disposal]** **[IPI-Injection Pressure Increase]**  
**[EOR-Qualified Enhanced Oil Recovery Certification]** **[PPR-Positive Production Response]**

#### [1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication  
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement  
☒ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify \_\_\_\_\_

Folk Federal #1  
30-015-35727

F.L.L. Fed #4  
30-015-35728

#### [2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☒ Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners  
 [B] ☐ Offset Operators, Leaseholders or Surface Owner  
 [C] ☐ Application is One Which Requires Published Legal Notice  
 [D] ☐ Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office  
 [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,  
 [F] ☐ Waivers are Attached

#### [3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

KANICIA CARRILLO  
Print or Type Name

[Signature]  
Signature

REGULATORY ANALYST  
Title

5/25/10  
Date

kcarrillo@conchoresources.com  
e-mail Address



June 16, 2010

New Mexico Oil Conservation Division  
Attn: Will Jones  
1220 South St. Francis Drive  
Santa Fe, NM 87505

Re: Request for Down Hole Commingling and Measurement of Hydrocarbon Production for:

Folk Federal #1  
Eddy County, NM  
API # 30-015-35727

Folk Federal #4  
Eddy County, NM  
API # 30-015-35728

RECEIVED OGC  
2010 JUN 17 AM 11:15

Pools:  
(96610) Empire; Glorieta-Yeso  
(28509) Grayburg Jackson SR; Queen Grayburg SA

Dear Mr. Jones,

COG Operating LLC as operator of the above mentioned wells respectfully requests approval for down hole commingling and measurement of production.

COG proposes to commingle production from the above mentioned pools. Production will be measured at the Folk Federal battery located in the SE/4 NE/4, Section 17, T17S, R29E. The lease has common interest in both pools. Testing will be conducted and allocation percentages will be sent to OCD after completion of this well. The percentages will be used to allocate production based on increased production from the Grayburg/San Andres formation.

Please contact me at 432-685-4332 or e-mail at [kcarrillo@conchoresources.com](mailto:kcarrillo@conchoresources.com) if you need additional information.

Thank you for your attention in this matter.

Sincerely,

COG Operating LLC

Kanicia Carrillo  
Regulatory Analyst

Attachments: Administrative Application, BLM Notification, C-107A's, and C-102's for both formations

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
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**NEW MEXICO OIL CONSERVATION DIVISION**  
**- Engineering Bureau -**  
 1220 South St. Francis Drive, Santa Fe, NM 87505



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**[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]**  
**[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]**  
**[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]**  
**[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]**

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]  
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☐ NSL ☐ NSP ☐ SD  
 Check One Only for [B] or [C]  
 [B] Commingling - Storage - Measurement  
☒ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM  
 [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR  
 [D] Other: Specify \_\_\_\_\_
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☒ Does Not Apply  
 [A] ☐ Working, Royalty or Overriding Royalty Interest Owners  
 [B] ☐ Offset Operators, Leaseholders or Surface Owner  
 [C] ☐ Application is One Which Requires Published Legal Notice  
 [D] ☐ Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office  
 [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,  
 [F] ☐ Waivers are Attached

2000 JUN 17 11:15  
 RECEIVED OGD  
 Folk Federal #4  
 30-015-35728

- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

**Note: Statement must be completed by an individual with managerial and/or supervisory capacity.**

KANICIA CARRILLO  
 Print or Type Name

Signature

REGULATORY ANALYST  
 Title

5/25/10  
 Date

kcarrillo@conchoresources.com  
 e-mail Address

**Affidavit of Fact**

STATE OF TEXAS                   §

COUNTY OF MIDLAND           §

Affiant on Oath swears that the following statements are true:

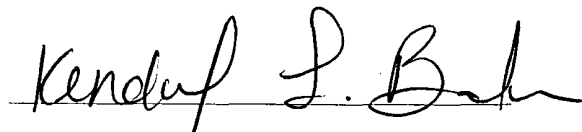
My name is Stuart Dirks. I am Senior Landman for COG Operating LLC. I am familiar with the ownership of the Folk Federal No. 1 (API 30-015-35727), Folk Federal No. 2 (API 30-015-20198), Folk Federal No. 3 (API 30-015-27295), Folk Federal No. 4 (API 30-015-35728), Folk Federal No. 6 (API 30-015-36172), Folk Federal No. 7 (API 30-015-36171), Folk Federal No. 8 (API 30-015-36170), Folk Federal No. 9 (API 30-015-36169), Folk Federal No. 10 (API 30-015-36862), Folk Federal No. 11 (API 30-015-36890), Folk Federal No. 12 (API 30-015-36864), and Folk Federal No. 13 (API 30-015-36863), all of which are situated in Section 17, Township 17 South, Range 29 East, Eddy County, New Mexico. I hereby confirm that the working interests and royalty interests in these wells are common.

Affiant



Stuart A. Dirks

SUBSCRIBED AND SWORN TO before me on the 26<sup>th</sup> day of May, 2010.

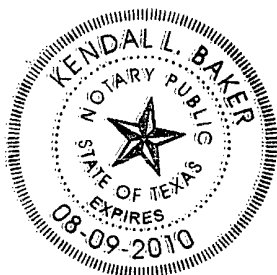


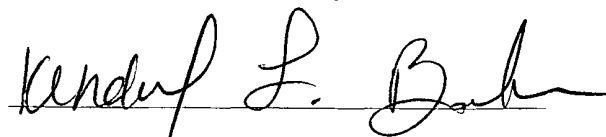
Notary Public, State of Texas

STATE OF TEXAS                   §

COUNTY OF MIDLAND           §

This instrument was acknowledged before me on this 26<sup>th</sup> day of May, 2010, by Stuart A. Dirks, Notary Public for the State of Texas.





Notary Public, State of Texas

DISTRICT I  
1625 N. FRENCH DR., HOBBS, NM 88240

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

DISTRICT II  
1301 W. GRAND AVENUE, ARTESIA, NM 88210

OIL CONSERVATION DIVISION  
1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-015-35727	Pool Code 96610	Pool Name Empire Yeso, East
Property Code 302495	Property Name FOLK FEDERAL	Well Number 1
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3647'

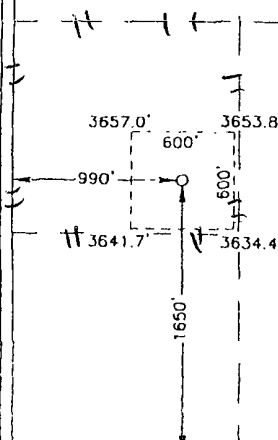
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	17	17-S	29-E		1650	SOUTH	990	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=666367.7 N X=571097.2 E</p> <p>LAT.=32.831717° N LONG.=104.101870° W</p> 	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>K. Carrillo</i> 5/27/10 Signature Date Karinia Carrillo Printed Name</p> <p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>GARY G. EIDSON MAY 25 2010 Date Surveyed JR Signature &amp; Seal of Professional Surveyor Gary G. Eidson 5/27/10 07-11-0669 Certificate No. GARY EIDSON 12841</p>
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**District I**  
1625 N. French Dr., Hobbs, NM 88240  
**District II**  
1301 W. Grand Avenue, Artesia, NM 88210  
**District III**  
1000 Rio Brazos Rd., Aztec, NM 87410  
**District IV**  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised June 10, 2003  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number <b>30-015-35727</b>	<sup>2</sup> Pool Code <b>28509</b>	<sup>3</sup> Pool Name <b>Grayburg Jackson SR; Queen Grayburg SA</b>
<sup>4</sup> Property Code <b>302495</b>	<sup>5</sup> Property Name <b>Folk Federal</b>	
<sup>7</sup> OGRID No. <b>229137</b>	<sup>8</sup> Operator Name <b>COG OPERATING LLC</b>	
		<sup>6</sup> Well Number <b>1</b>
		<sup>9</sup> Elevation <b>3647</b>

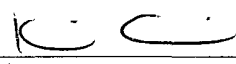
**<sup>10</sup> Surface Location**

UL or lot no. <b>L</b>	Section <b>17</b>	Township <b>17S</b>	Range <b>29E</b>	Lot Idn	Feet from the <b>1650</b>	North/South line <b>South</b>	Feet from the <b>990</b>	East/West line <b>West</b>	County <b>Eddy</b>
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**<sup>11</sup> Bottom Hole Location If Different From Surface**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<sup>12</sup> Dedicated Acres <b>40</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.					

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<b><sup>17</sup> OPERATOR CERTIFICATION</b> <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature Kanicia Carrillo Printed Name Regulatory Analyst Title and E-mail Address 5/25/10 Date			
	<b><sup>18</sup> SURVEYOR CERTIFICATION</b> <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i> Date of Survey Signature and Seal of Professional Surveyor:			
	Certificate Number			

## DISTRICT I

1625 N. FRENCH DR., BOBBS, NM 86240

## DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 86210

## DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

## DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

## State of New Mexico

Energy, Minerals and Natural Resources Department

## OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

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## WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-015-35728		Pool Code 96610	Pool Name Empire Glorieta Yeso, East
Property Code	Property Name FOLK FEDERAL		Well Number 4
OGRID No. 229137	Operator Name COG OPERATING, LLC		Elevation 3634'

## Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	17	17-S	29-E		2310	NORTH	2110	WEST	EDDY

## Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>GEODETTIC COORDINATES NAD 27 NME Y=667697.9 N X=572214.2 E LAT.=32.835367° N LONG.=104.098224° W</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>K.C.</i> 5/27/10 Signature Date Kanicia Carrillo Printed Name</p> <p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>DATE SURVEYED MAY 25/10 SIGNATURE &amp; SEAL OF PROFESSIONAL SURVEYOR JR 12641 6/4/10 07.11.0670 Certificate No. GARY SIDSON 12641</p>
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**District I**

1625 N. French Dr., Hobbs, NM 88240

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Form C-102

Revised June 10, 2003

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☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-015-35728</b>	<sup>2</sup> Pool Code <b>28509</b>	<sup>3</sup> Pool Name <b>Grayburg Jackson SR; Queen Grayburg SA</b>
<sup>4</sup> Property Code <b>302495</b>	<sup>5</sup> Property Name <b>Folk Federal</b>	<sup>6</sup> Well Number <b>4</b>
<sup>7</sup> OGRID No. <b>229137</b>	<sup>8</sup> Operator Name <b>COG OPERATING LLC</b>	<sup>9</sup> Elevation <b>3634</b>

<sup>10</sup> Surface Location

UL or lot no. <b>F</b>	Section <b>17</b>	Township <b>17S</b>	Range <b>29E</b>	Lot Idn	Feet from the <b>2310</b>	North/South line <b>North</b>	Feet from the <b>2110</b>	East/West line <b>West</b>	County <b>Eddy</b>
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<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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	Certificate Number



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB NO. 1004-0135  
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.***SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM0397623
2. Name of Operator COG OPERATING LLC		6. If Indian, Allottee or Tribe Name
Contact: KANICIA CARRILLO E-Mail: kcarrillo@conchoresources.com		7. If Unit or CA/Agreement, Name and/or No.
3a. Address 550 WEST TEXAS AVE STE 1300 MIDLAND, TX 79701	3b. Phone No. (include area code) Ph: 432-685-4332	8. Well Name and No. FOLK FEDERAL 4
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 17 T17S R29E 2310FNL 2110FWL 32.83537 N Lat, 104.09822 W Lon		9. API Well No. 30-015-35728
		10. Field and Pool, or Exploratory GRAYBURG JACKSON;SR-Q-G-S
		11. County or Parish, and State EDDY COUNTY, NM

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input checked="" type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

COG Operating LLC proposes to recompleate to the GB/SA as follows:

Folk Fed #4 San Andres / GB Add Pay Procedure

1. MI. Hold safety mtg. RU.
2. POOH w/ rods and pump.
3. NU BOP.
4. Release TAC and POOH w/ tbq.
5. RIH w/ CIBP and set at +/- 3800?. Do not cap with cement. COG plans to commingle with Yeso after separately production testing the San Andres and GB.
6. RIH and perforate lower San Andres from 3560? ? 3760? w/ 1 spf, 26 holes.
7. Frac lower San Andres with 128,250 gals of gel carrying 178,400# of 16/30 sand.

14. I hereby certify that the foregoing is true and correct. <b>Electronic Submission #88034 verified by the BLM Well Information System For COG OPERATING LLC, sent to the Carlsbad</b>	
Name (Printed/Typed) KANICIA CARRILLO	Title PREPARER
Signature (Electronic Submission)	Date 06/16/2010

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By _____	Title _____	Date _____
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office _____

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\***

**Additional data for EC transaction #88034 that would not fit on the form**

**32. Additional remarks, continued**

8. RIH w/ perf gun and composite frac plug and set plug at +/- 3530?. Perforate middle San Andres from 3290? ? 3490? w/ 1 spf, 26 holes.
  9. Frac middle San Andres with 128,250 gals of gel carrying 178,400# of 16/30 sand.
  10. RIH w/ perf gun and composite frac plug and set plug at +/- 3250?. Perforate middle San Andres from 3020? ? 3220? w/ 1 spf, 26 holes.
  11. Frac middle San Andres with 128,250 gals of gel carrying 178,400# of 16/30 sand.
  12. RIH w/ perf gun and composite frac plug and set plug at +/- 2600?. Perforate Grayburg from 2346? ? 2354? w/ 2 spf, 6 holes and from 2280? ? 2300? w/ 2 spf, 12 holes and from 2180? ? 2190? w/ 2 spf, 6 holes.
  13. Acidize and swab test each Grayburg sand separately. Based on swab results, appropriate stimulation will be performed (acid only or frac).
  14. RIH w/ bit and drill out CFP at 2600?, 3250?, and 3500?. Clean out to CIBP at 3800?.
  15. POOH w/ bit and scraper.
  16. RIH w/ tbg and land EOT at +/- 3700?.
  17. ND BOP.
  18. RIH w/ rods and pump.
  19. HWOB
  20. RDMO.
- COG intends to test GB/SA separately from Yeso to determine it producing characteristics and evaluation. COG plans to commingle GB/SA/Yeso at a later date.

COG proposes to down hole commingle the Grayburg Jackson SR Queen Grayburg SA, (28509) with the Empire; Glorieta-Yeso, (96610).

Commingling will not reduce the value of the total remaining production.

The proposed intervals are as follows:

Grayburg Jackson SR Queen Grayburg SA      2396' - 3686'

Empire; Glorieta-Yeso                      4960' - 5160'

Percentages to be determined after completion.

Ownership in all zones are the same.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB NO. 1004-0135  
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*5. Lease Serial No.  
NMNM0397623  
6. If Indian, Allottee or Tribe Name**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well  
☒ Oil Well ☐ Gas Well ☐ Other8. Well Name and No.  
FOLK FEDERAL 12. Name of Operator  
COG OPERATING LLCContact: KANICIA CARRILLO  
E-Mail: kcarrillo@conchoresources.com9. API Well No.  
30-015-357273a. Address  
550 WEST TEXAS AVE STE 1300  
MIDLAND, TX 797013b. Phone No. (include area code)  
Ph: 432-685-433210. Field and Pool, or Exploratory  
GRAYBURG JACKSON;SR-Q-G-S

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 17 T17S R29E 1650FSL 990FWL  
32.83172 N Lat, 104.10187 W Lon11. County or Parish, and State  
EDDY COUNTY, NM

## 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input checked="" type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomple horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomple in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

COG Operating LLC proposes to recomple to the GB/SA as follows:

Folk Fed #1 San Andres / GB Add Pay Procedure

1. MI. Hold safety mtg. RU.
2. POOH w/ rods and pump.
3. NU BOP.
4. Release TAC and POOH w/ tbg.
5. RIH w/ CIBP and set at +/- 3800?. Do not cap with cement. COG plans to commingle with Yeso after separately production testing the San Andres and GB.
6. RIH and perforate lower San Andres from 3600? ? 3700? w/ 1 spf, 16 holes.
7. Frac lower San Andres with 66,760 gals of gel carrying 89,200# of 16/30 sand.

14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #88035 verified by the BLM Well Information System  
For COG OPERATING LLC, sent to the Carlsbad**

Name (Printed/Typed) KANICIA CARRILLO

Title PREPARER

Signature (Electronic Submission)

Date 06/16/2010

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By _____	Title _____	Date _____
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office _____	

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\***

## Additional data for EC transaction #88035 that would not fit on the form

### 32. Additional remarks, continued

8. RIH w/ perf gun and composite frac plug and set plug at +/- 3500?. Perforate middle San Andres from 3150? ? 3400? w/ 1 spf, 26 holes.
9. Frac middle San Andres with 128,250 gals of gel carrying 178,400# of 16/30 sand.
10. RIH w/ perf gun and composite frac plug and set plug at +/- 2600?. Perforate middle Grayburg from 2380? ? 2400? w/ 2 spf, 12 holes and from 2290? ? 2336? w/ 2 spf, 12 holes.
11. Acidize and swab test each Grayburg sand separately. Based on swab results, appropriate stimulation will be performed (acid only or frac).
12. RIH w/ bit and drill out CFP at 2600? and 3500?. Clean out to CIBP at 3800?.
13. POOH w/ bit and scraper.
14. RIH w/ tbg and land EOT at +/- 3700?.
15. ND BOP.
16. RIH w/ rods and pump.
17. HWOB
18. RDMO.

COG intends to test GB/SA separately from Yeso to determine its producing characteristics and evaluation. COG plans to commingle GB/SA/Yeso at a later date.

COG proposes to down hole commingle the Grayburg Jackson SR Queen Grayburg SA, (28509) with the Empire; Glorieta-Yeso, (96610).

Commingling will not reduce the value of the total remaining production.

The proposed intervals are as follows:

Grayburg Jackson SR Queen Grayburg SA	2396' - 3686'
Empire; Glorieta-Yeso	4370' - 4950'

Percentages to be determined after completion.

Ownership in all zones are the same.

District I  
1625 N. French Drive, Hobbs, NM 88240

District II  
1301 W. Grand Avenue, Artesia, NM 88210

District III  
1000 Rio Brazos Road, Aztec, NM 87410

District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107A  
Revised June 10, 2003

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

APPLICATION TYPE  
Single Well  
Establish Pre-Approved Pools  
EXISTING WELLBORE  
Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

COG OPERATING LLC 550 W. Texas, Suite 550 Midland, TX 79701  
Operator Address

Folk Federal #1 L. 17, 17S 29E Eddy  
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 229137 Property Code 302495 API No. 30-015-35727 Lease Type: x Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	<i>under</i> Grayburg Jackson; Sr-Q-G-SA		<i>under</i> Empire; Glorieta-Yeso, East
Pool Code	28509		96610
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2396-3686		4370-4950
Method of Production (Flowing or Artificial Lift)			
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)			39.4
Producing, Shut-In or New Zone	New Zone		Producing
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date:  Rates:	Date:  Rates:	Date: 4/10/10  Rates: O G W 17 4 120
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas  % %	Oil Gas  % %	Oil Gas  % %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes x No  
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes No  
Are all produced fluids from all commingled zones compatible with each other? Yes x No  
Will commingling decrease the value of production? Yes No x  
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes x No  
NMOCD Reference Case No. applicable to this well:

Attachments:  
C-102 for each zone to be commingled showing its spacing unit and acreage dedication.  
Production curve for each zone for at least one year. (If not available, attach explanation.)  
For zones with no production history, estimated production rates and supporting data.  
Data to support allocation method or formula.  
Notification list of working, royalty and overriding royalty interests for uncommon interest cases.  
Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools  
List of all operators within the proposed Pre-Approved Pools  
Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.  
Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE *K. Carrillo* TITLE Regulatory Analyst DATE 5/25/10  
TYPE OR PRINT NAME Kanicia Carrillo TELEPHONE NO. ( 432 ) 685-4332  
E-MAIL ADDRESS kcarrillo@conchoresources.com

District I  
1625 N. French Drive, Hobbs, NM 88240

District II  
1301 W. Grand Avenue, Artesia, NM 88210

District III  
1000 Rio Brazos Road, Aztec, NM 87410

District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107A  
Revised June 10, 2003

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

APPLICATION TYPE  
Single Well  
Establish Pre-Approved Pools  
EXISTING WELLBORE  
Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

COG OPERATING LLC 550 W. Texas, Suite 550 Midland, TX 79701  
Operator Address

Folk Federal #4 F, 17, 17S 29E Eddy  
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 229137 Property Code 302495 API No. 30-015-35728 Lease Type: x Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Grayburg Jackson; SR-Q-G-SA		Empire; Glorieta-Yeso, East
Pool Code	28509		96610
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2396-3686		4960-5160
Method of Production (Flowing or Artificial Lift)			
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)			39.4
Producing, Shut-In or New Zone	New Zone		Producing
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date:  Rates:	Date:  Rates:	Date: 2/3/10  Rates: O G W 5 12 25
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas  % %	Oil Gas  % %	Oil Gas  % %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes x No  
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes No

Are all produced fluids from all commingled zones compatible with each other? Yes x No

Will commingling decrease the value of production? Yes No x

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes x No

NMOCD Reference Case No. applicable to this well:

Attachments:  
C-102 for each zone to be commingled showing its spacing unit and acreage dedication.  
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For zones with no production history, estimated production rates and supporting data.  
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List of all operators within the proposed Pre-Approved Pools  
Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.  
Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE TITLE Regulatory Analyst DATE 5/25/10

TYPE OR PRINT NAME Kanicia Carrillo TELEPHONE NO. ( 432 ) 685-4332

E-MAIL ADDRESS kcarrillo@conchoresources.com

**Brooks, David K., EMNRD**

---

**From:** Brooks, David K., EMNRD  
**Sent:** Monday, June 28, 2010 10:36 AM  
**To:** 'kcarillo@conchoresources.com'  
**Subject:** Folk Fed #1 and #4; DHC applications

Dear Ms. Carrillo

The Forms C-107-A for these applications do not indicate the bottomhole pressure in the respective zones to be commingled.

Because the depth of the lowest perf is greater than 150% of the highest per depth, that information is required.

Sincerely  
David K. Brooks  
Legal Examiner  
505-476-3450

## Brooks, David K., EMNRD

---

**From:** Kanicia Castillo [KCarrillo@conchoresources.com]  
**Sent:** Tuesday, July 06, 2010 11:58 AM  
**To:** Brooks, David K., EMNRD  
**Subject:** RE: Folk Fed #1 and #4; DHC applications

David,

Here is the information you requested.

Let me know if you need anything else.

Thank you,

Folk Fed #1  
297 psi after a 1 week SI period  
Fluid level shot

Folk Fed #4  
267 psi after a 1 week SI period  
Fluid level shot

*Kanicia Castillo*

Regulatory Analyst  
COG OPERATING LLC  
550 W. Texas Avenue, Suite 100  
Midland, Texas 79701  
p.432.685.4332  
f.432.685.4396



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---

**From:** Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]  
**Sent:** Monday, June 28, 2010 11:54 AM  
**To:** Kanicia Castillo  
**Subject:** FW: Folk Fed #1 and #4; DHC applications

---

**From:** Brooks, David K., EMNRD  
**Sent:** Monday, June 28, 2010 10:36 AM  
**To:** 'kcarillo@conchoresources.com'  
**Subject:** Folk Fed #1 and #4; DHC applications



Dear Ms. Carrillo

The Forms C-107-A for these applications do not indicate the bottomhole pressure in the respective zones to be commingled.

Because the depth of the lowest perf is greater than 150% of the highest per depth, that information is required.

Sincerely  
David K. Brooks  
Legal Examiner  
505-476-3450

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