

DATE IN 12/23/2014	SUSPENSE	ENGINEER MAM	LOGGED IN 12/24/2014	TYPE NSL	APP NO PMAM1436335429
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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



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 _____

[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.

MICHAEL H. FELDEWERT

Print or Type Name:

Signature

ATTORNEY

Title

mfeldewert@hollandhart.com

Date

e-mail Address:

NSL
- COG OPERATING, LLC

229137

- well

- Chano Higos Fee #34

30-025-42276

Pool

- Schanb Bone

Spring

55610

HOLLAND & HART^{LLP}



Michael H. Feldewert
Recognized Specialist in the Area of
Natural Resources - Oil and Gas Law -
New Mexico Board of Legal Specialization
mfeldewert@hollandhart.com

December 23, 2014

VIA HAND DELIVERY

Jami Bailey
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application of COG Operating LLC for administrative approval of an unorthodox well location for its Cuatro Hijos Fee No. 3H Well in the E/2W/2 of Section 17, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico.

Dear Ms. Bailey:

COG Operating LLC (OGRID No. 229137) seeks administrative approval of an unorthodox well location for its **Cuatro Hijos Fee No. 3H Well** to be completed within the Scharb; Bone Springs Pool (Pool Code 55610) underlying Section 17, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. As reflected on **Exhibit A** (Form C-102), this well will be drilled from a surface location 190 feet from the South line and 1980 feet from the West line (Unit N). The completed interval for this well will commence 330 feet from the South line and 1980 feet from the West line (Unit N) and extend to a point 330 feet from the North line and 1980 feet from the West Line (Unit C) of Section 17. The Special Pool Rules for the Scharb; Bone Spring Pool require 80-acre spacing units and wells to be located within 200 feet of the center of a quarter-quarter-section. As a result, the completed interval for this well encroaches on the spacing units in the S/2 of Section 8 and the N/2 of Section 20. Approval of this unorthodox completed interval will allow for efficient well spacing and reservoir drainage.

Exhibit B is a land plat for Section 17 and the surrounding sections that shows the proposed **Cuatro Hijos Fee No. 3H Well** in relation to adjoining units and existing wells.

Exhibit C is a list of the parties affected by the encroachment to the North and the South. Each of these parties have been provided notice of this application by certified mail advising them that if they have any objection to this well, it must be filed with the Division within 20 days of the mailing of this notice. In addition, a copy of this application has also been provided to the New Mexico State Land Office.

Holland & Hart^{LLP}

Phone [505] 988-4421 Fax [505] 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, New Mexico 87501 Mailing Address: P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Boulder Carson City Colorado Springs Denver Denver Tech Center Billings Boise Cheyenne Jackson Hole Las Vegas Reno Salt Lake City Santa Fe Washington, D.C. ☐



Your attention to this matter is appreciated.

Sincerely,

A handwritten signature in dark ink, appearing to read "Michael H. Feldewert", written over a horizontal line.

Michael H. Feldewert
ATTORNEY FOR COG OPERATING LLC

cc: New Mexico State Land Office
Post Office Box 1148
Santa Fe, New Mexico 87504

District I
1625 N. French Dr., Hobbs, NM 88240
Phone (505) 393-6181 Fax (505) 393-0720

District II
811 S. First St., Artesia, NM 88210
Phone (505) 748-1283 Fax (505) 748-9720

District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone (505) 334-6178 Fax (505) 334-6170

District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3470 Fax (505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
August 1, 2011
Permit 165841

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-42276	2. Pool Code 55610	3. Pool Name SCHARR, BONE SPRING
4. Property Code 40474	5. Property Name CUATRO HIJOS FEE	6. Well No. 003H
7. OGRID No. 229137	8. Operator Name COG OPERATING LLC	9. Elevation 3842

10. Surface Location									
UL - Lot N	Section 17	Township 19S	Range 35E	Lot Idn	Feet From 190	N/S Line S	Feet From 1980	E/W Line W	County Lea

11. Bottom Hole Location If Different From Surface									
UL - Lot C	Section 17	Township 19S	Range 35E	Lot Idn	Feet From 330	N/S Line N	Feet From 1980	E/W Line W	County Lea
12. Dedicated Acres 160.00		13. Joint or Infill			14. Consolidation Code			15. 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

	OPERATOR CERTIFICATION	
	<i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unless mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i>	
	E-Signed By:	Diane Kuykendall
	Title:	Production Reporting Mgr
	Date:	11/20/2014
	SURVEYOR CERTIFICATION	
	<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>	
	Surveyed By:	Chad Harrow
	Date of Survey:	1/17/2014
	Certificate Number:	17777

EXHIBIT C
COG OPERATING LLC
Cuatro Hijos Fee No. 3H Well

Chevron U.S.A. Inc.
P.O. Box 2100
Houston, Texas 77252

Sundown Production, LLC
Two Galleria Tower
13455 Noel Road, Suite 2000
Dallas, Texas 75240

MRC Permian Company
5400 LBJ Freeway, Suite 1500
Dallas, Texas 75240

OXY USA Inc
6 Desta Drive
Midland, Texas 79705

HOLLAND & HART



Michael H. Feldewert
Recognized Specialist in the Area of
Natural Resources - Oil and Gas Law -
New Mexico Board of Legal Specialization
mfeldewert@hollandhart.com

December 23, 2014

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO AFFECTED PARTIES

Re: Application of COG Operating LLC for administrative approval of an unorthodox well location for its Cuatro Hijos Fee No. 3H Well in the E/2W/2 of Section 17, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico.

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from this date with the applicant and the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact the following:

Jeff Lierly
COG Operating LLC
600 W. Illinois Avenue
Midland, Texas 79701

JLierly@concho.com

Sincerely,

Michael H. Feldewert
ATTORNEY FOR COG OPERATING LLC

Holland & Hart LLP

Phone: (505) 988-4421 Fax: (505) 983-6043 www.hollandhart.com

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