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DATE IN 6/11/2015	SUSPENSE	ENGINEER MAM	LOCATED 6/11/2015	TYPE NSL	APPROVAL PAMIS/6239875
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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.

Melanie J. Wilson

Print or Type Name

Signature

Regulatory Analyst

Title

06/11/2015

Date

mwilson@concho.com

e-mail Address

- NSL 7316
 - COG Productions LLC
 217935
 - well
 - Macho Macho State
 Com 7H
 2015 JUN 11 A 11:00
 RECEIVED OGD
 30-0254248
 - Triple X, Bone
 Spring, West
 96674

DISTRICT I
1625 N. FRANCH DR., BOBBS, NM 88240
Phone: (505) 353-6191 Fax: (505) 353-0725

DISTRICT II
511 S. FIRST ST., ARTESIA, NM 88210
Phone: (505) 748-1223 Fax: (505) 748-9720

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 334-6170 Fax: (505) 334-6170

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-42489	Pool Code 96674	Pool Name Triple X; Bone Spring, West
Property Code 313475	Property Name MACHO NACHO STATE COM	Well Number 7H
GRID No. 217955	Operator Name COG PRODUCTION, LLC	Elevation 3571.7

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	7	24-S	33-E		190'	SOUTH	2255'	EAST	LEA

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
B	7	24-S	33-E		230'	NORTH	2340'	EAST	LEA
Dedicated Acres 160	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>Last Perf 330' FNL & 2340' FEL</p> <p>Y=451539.5 N X=723353.5 E</p>		<p>Y=451547.5 N X=724673.3 E</p>	
LOT 1 38.32 Ac.	<p>NAD 27 PROPOSED BOTTOM HOLE LOCATION Y=451311.3 N X=723654.7 E LAT.=32.238701° N LONG.=103.609982° W</p>	PRODUCING AREA	PROJECT AREA
LOT 2 38.36 Ac.			<p>NAD 27 SURFACE LOCATION Y=446451.8 N X=723774.6 E LAT.=32.225341° N LONG.=103.609700° W</p>
LOT 3 38.39 Ac.	<p>Penetration Point 552' FSL & 2443' FEL</p> <p>Y=446259.5 N X=723389.3 E</p>		<p>Y=446267.2 N X=724710.2 E</p>
LOT 4 38.42 Ac.			

OPERATOR CERTIFICATION

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 as before entered by the Division.

Signature *Melanie J. Wilson* Date **3/15/15**
Printed Name
Melanie J. Wilson
E-mail Address
mwilson@concho.com

SURVEYOR CERTIFICATION

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.

FEBRUARY 10, 2015

Date of Survey

Signature & Seal of Professional Surveyor



Signature *Chad L. Harcrow* Date **3/16/15**
Certificate No. **CHAD HARCROW 17777**
W.O. # **15-148** DRAWN BY: **AF**



June 11, 2015

Certified Mail – Return Receipt Requested
7013 3020 0000 8749 8842

Cimarex Energy Company of Colorado
202 S Cheyenne Ave., Suite 1000
Tulsa, OK 74103

Re: Application for Unorthodox Well Location
Macho Nacho State Com #7H API No. 30-025-42489
SHL: 190' FSL & 2255' FEL (Unit O) Section 7, T24S, R33E
BHL: 230' FNL & 2340' FEL (Unit B) Section 7, T24S, R33E
Lea County, New Mexico

Gentlemen:

Attached is a copy of COG's Application for Unorthodox Well Location for the Macho Nacho State Com #7H well in Section 7, T24S, R33E, Lea County, New Mexico. You are being sent a copy of this Application per OCD's requirement to notify the operator of the offset affected acreage. If you have any objection to this Application, notification should be given to OCD within 20 days of receipt of this letter.

If you have any questions regarding this Application, please contact me at 575-748-6952 or by email at mwilson@concho.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Melanie J. Wilson".

Melanie J. Wilson
Lead Regulatory Analyst

Enclosure



June 11, 2015

New Mexico Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Attention: Mr. Michael McMillan

Re: Application for Unorthodox Well Location
Macho Nacho State Com #7H API No. 30-025-42489
Section 7, T24S, R33E
Lea County, New Mexico
SHL: 190' FSL & 2255' FEL (Unit O) POP & Planned First Perf: 552' FSL & 2443' FEL
BHL: 230' FNL & 2340' FEL (Unit B) Planned Last Perf: 330' FNL & 2340' FEL

Dear Mr. McMillan:

Pursuant to Division Rule 19.15.15.13, COG Production LLC (COG) respectfully requests administrative approval of an unorthodox oil well location for its Macho Nacho State Com #7H well. This well does not meet the 330' from the outer boundary of the producing area requirement. COG Production LLC has drilled and is currently producing Bone Spring wells in this section as described below.

Macho Nacho State #1H	SHL: 330' FNL & 330' FEL	BHL: 407' FNL & 483' FWL
Macho Nacho State #2H	SHL: 1870' FNL & 380' FEL	BHL: 1894' FNL & 357' FWL
Macho Nacho State #3H	SHL: 1870' FSL & 330' FEL	BHL: 1830' FSL & 355' FWL
Macho Nacho State #4H	SHL: 330' FSL & 190' FEL	BHL: 903' FSL & 342' FWL

We plan to test infill drilling in the lower Avalon shale to enhance hydrocarbon recovery between the existing wellbores.

The affected offset tract is the E2W2 of Section 7, T24S, R33E. COG Production LLC is the designated operator of all of Section 7, T24S, R33E. The SE4SW4 of Section 6, T24S, R33E is also affected. Cimarex Energy Company is the operator of that section. They have been notified of this application by certified mail, return receipt requested.

Attached is a Form C-102 showing the project area and the producing area of this well.

Thank you for your consideration of this application. Should you have questions or require further information, please contact me at 575-748-6952 or by email at mwilson@concho.com.

Sincerely,


Melanie J. Wilson

Lead Regulatory Analyst

cc: OCD Hobbs

CORPORATE ADDRESS

One Concho Center | 600 West Illinois Avenue | Midland, Texas 79701
PHONE 432.683.7443 | FAX 432.683.7441

LOCAL ADDRESS

Concho West | 2208 West Main Street | Artesia, New Mexico 88210
PHONE 575.748.6940 | FAX 575.748.6968

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS, FOLD AT DOTTED LINE

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Cimarex Energy Company of Colorado
202 S. Cheyenne Ave., Suite 1000
Tulsa, OK 74103

2. Article Number:

(Transfer from service label)

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail

☐ Priority Mail Express

☐ Registered

☐ Return Receipt for Merchandise

☐ Insured Mail

☐ Collect on Delivery

4. Restricted Delivery? (Extra Fee)

☐ Yes

PS Form 3811, July 2013

Domestic Return Receipt

7013 3020 0000 8749 8842

McMillan, Michael, EMNRD

From: Melanie Wilson <mwilson@concho.com>
Sent: Thursday, June 11, 2015 10:22 AM
To: McMillan, Michael, EMNRD
Cc: Mayte Reyes
Subject: NSL APPLICATION - MACHO NACHO STATE COM #7H - 30-025-42489
Attachments: Macho Nacho State Com #7H NSL Application.pdf

Mike,

Attached is COG's NSL application for our Macho Nacho State Com #7H well.

The penetration point is 552' FSL & 2443' FEL, Section 7, T24S, R33E and the last perf is planned at 330' FNL & 2340' FEL, Section 7.

Please let me know if you need anything further on this.

Thank you!

Melanie J. Wilson

Lead Regulatory Analyst
NM Basin Team

COG Operating LLC

2208 West Main Street

Artesia NM 88210

mparker@concho.com

Phone: 575-748-6952



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