RECEIVED: 7/18/17

REVIEWER:

LRL

PLEL 17 19940877

TYPE: N3L

ABOVE THIS TABLE FOR OCD DIVISION USE OF

NEW MEXICO OIL CONSERVATION DIVISION

Geological & Engineering Bureau



- Geological & Engineeni	
1220 South St. Francis Drive, San	Ita Fe, NM 87505
ADMINISTRATIVE APPLICATION	TION CHECKLIST
THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLIA REGULATIONS WHICH REQUIRE PROCESSING AT TH	
Applicant: COG Operating LLC	OGRID Number: 229137
Well Name: Malco 23 Federal Com #13H, 14H, 23H, 24H	API: 30-015-46804
Pool: Empire; Glorieta-Yeso	Pool Code: 96210
SUBMIT ACCURATE AND COMPLETE INFORMATION REQUINDICATED BEL	.ow
1) TYPE OF APPLICATION: Check those which apply for [A. Location – Spacing Unit – Simultaneous Dedicati NSL NSP(PROJECT AREA)	A]
[II] Injection – Disposal – Pressure Increase – Ent	OLS OLM nanced Oil Recovery EOR PPR FOR OCD ONLY
 NOTIFICATION REQUIRED TO: Check those which approve A. Offset operators or lease holders B. Royalty, overriding royalty owners, revenue of C. Application requires published notice D. Notification and/or concurrent approval by S. Notification and/or concurrent approval by S. Surface owner G. For all of the above, proof of notification or p. No notice required 	Notice Complete Application Content Complete
3) CERTIFICATION: I hereby certify that the information s administrative approval is accurate and complete to understand that no action will be taken on this applications are submitted to the Division.	the best of my knowledge. I also
Note: Statement must be completed by an individual wi	th managerial and/or supervisory capacity.
	250.022.5
Dalor Donall	07/14/2017 Date
Robyn Russell	54.0
Print or Type Name	(432) 685-4385
	Phone Number
Signatura	Rrussell@concho.com e-mail Address
Signature	e-mail Address



July 14, 2017

New Mexico Oil Conservation Division 1220 S. St. Francis Drive Santa Fe, NM 87505

RE: Malco 23 Federal Com #13H, 14H, 23H, 24H NSL

To Whom It May Concern,

COG Operating LLC respectfully requests approval of a non-standard project area for the following wells:

Malco 23 Federal Com #13H - API #3001544297

SHL: 125 FNL 1543 FWL, UL C, Sec 23, T17S, R28E BHL: 10 FSL 1650 FWL, UL N, Sec 23, T17S, R28E

TVD: 3858'

Malco 23 Federal Com #14H - API #30015

SHL: 125 FNL 1919 FWL, UL C, Sec 23, T17S, R28E BHL: 10 FSL 2271 FWL, UL N, Sec 23, T17S, R28E

TVD: 3858'

Malco 23 Federal Com #23H - API #30015

SHL: 125 FNL 1443 FWL, UL C, Sec 23, T17S, R28E BHL: 10 FSL 1650 FWL, UL N, Sec 23, T17S, R28E

TVD: 4350'

Malco 23 Federal Com #24H - API #30015

SHL: 125 FNL 2019 FWL, UL C, Sec 23, T17S, R28E BHL: 10 FSL 2271 FWL, UL N, Sec 23, T17S, R28E

TVD: 4350'

The granting of this NSL will optimize the completed lateral length of this wellbore, reducing waste while protecting correlative rights, and improving well economics and increasing revenue to the State of New Mexico and the Federal Government.

COG Operating LLC is the Operator in Section 23, T17S, R30E. ZPZ Delaware I,LLC, Et. Al., as non-operating working interest owners of the leasehold in the offset tracts, has been sent notification via certified mail. Copies of said mail have been attached to this application.

Please contact me should you have any questions.

Sincerely,

Robyn Russell Regulatory Analyst COG Operating, LLC (432) 685-4385

District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Artesia, NM 88210

Phone: (575) 748-1283 Fax: (575) 748-9720 <u>District III</u> 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 <u>District IV</u>

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, NM 87505

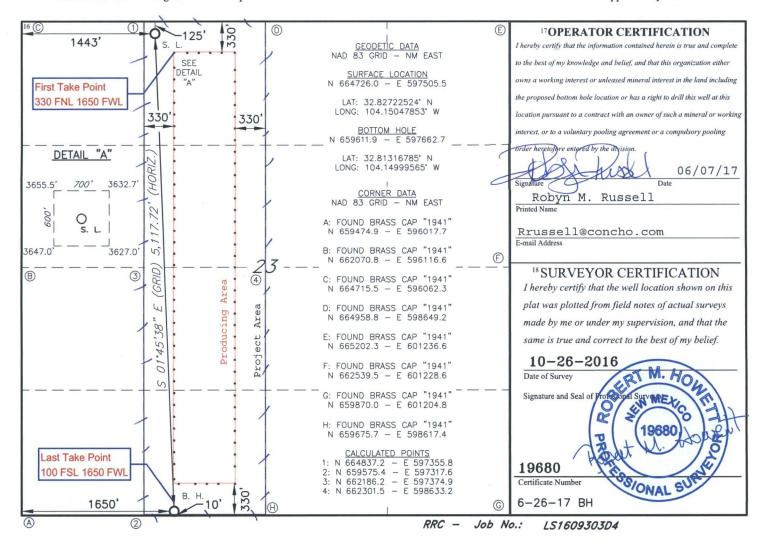
Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

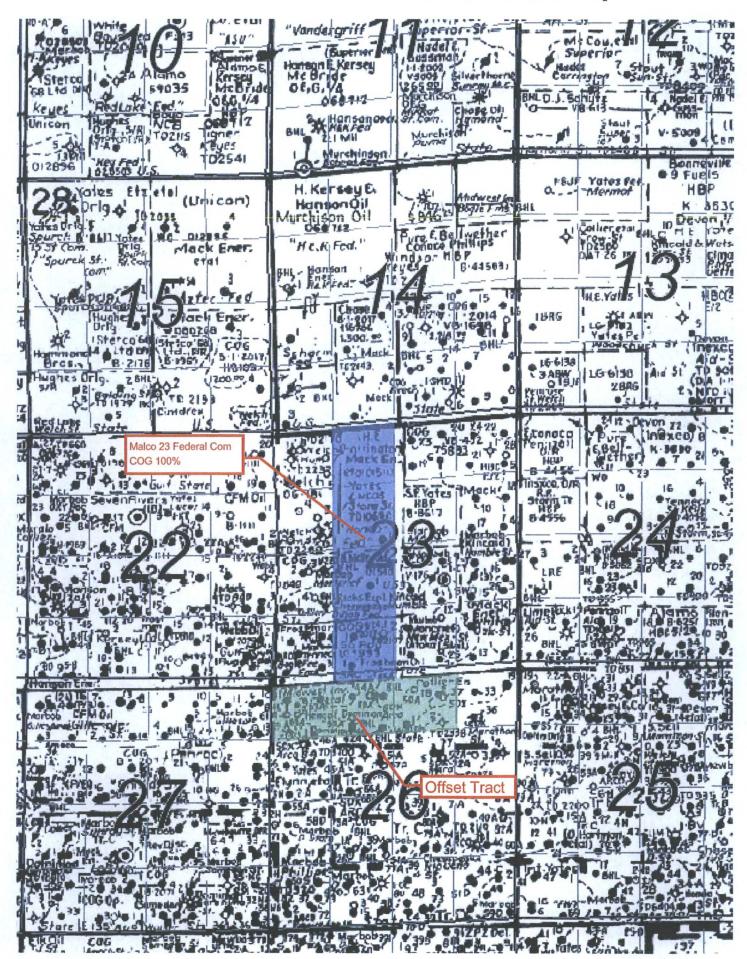
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

		* 1	LLL L	OCITION I	IIID /ICI	CEAGE DEDIC	ATTION TELL	. 1		
1	API Number	ber 2 Pool Code				³ Pool Name				
30-0	15-	96210 Empire; Glorieta-Yeso								
⁴ Property Co 31832		MALCO 23 FEDE				18.00°/			6 Well Number	
70GRID 1 22913		*Operator Name COG OPERATING, LLC *Operator Name 3639								
				1	¹⁰ Surface	Location				
UL or lot no.	Section	Township	Range	Lot Idn I	Feet from the	North/South line	Feet From the	East/We	est line	County
C	23	17S	28E		125	NORTH	1443	WE	WEST EDDY	
			11]	Bottom Hole	Location	If Different Fr	om Surface			
UL or lot no.	Section	Township	Range	Lot Idn I	Feet from the	North/South line	Feet from the	East/We	est line	County
N	23	17S	28E		10	SOUTH	1650	WE	ST	EDDY
Dedicated Acres	3 Joint	or Infill 14 (Consolidation	Code 15 Order	No.					

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.







Memorandum

To: Leonard Lowe

Engineering Bureau

New Mexico Oil Conservation Division

From: Bryan Montgomery

Reservoir Engineering Supervisor, NM Shelf Team

COG Operating LLC

Date: June 8, 2017

Subject: Malco 23 Federal Com #13H 14H 23H 24H NSL Engineer Statement

COG Operating LLC (COG) is requesting a non-standard location exception (NSL) for this horizontal well to be able to access and drain Yeso reserves that would otherwise be left in the reservoir, thereby preventing waste of an economic resource. The Yeso is a very low permeability reservoir that does not sufficiently drain a great distance from wellbores and their hydraulic fractures. In addition, it would not be economical to try to access these reserves with a vertical well.

Malco 23 Federal Com #13H 14H 23H 24H

Application for Non-Standard Location

Notification List

Tract	Date Sent	Notification Sent to:	Receipt No.
Tract 1		ZPZ Delaware I, LLC, 2000 Post Oak Blvd., Ste. 100, Houston, TX 77056	91-7199-9991-7035-3278-4867
Tract 1		Yates Petroleum Corp, 105 South Fourth Street, Artesia, NM 88210	91-7199-9991-7035-3278-4874
		Khody Land and Minerals Co., 210 Park Ave., Suite 900,	01 7100 0001 7035 3379 4881
Tract 1		Oklahoma City, OK 73102	91-7199-9991-7035-3278-4881
Tract 1		Chase Oil Corporation, PO Box 1767, Artesia, NM 88211	91-7199-9991-7035-3278-4898



June 27, 2017

ZPZ Delaware I, LLC Attn: Laci Stretcher 303 Veterans Airpark Lane, Ste. 1000 Midland, Texas 79705

RE: Designation of Non-Standard Locations by COG Operating LLC Eddy County, New Mexico

in horast att grant

This letter is to arivise you that COG Operating LLC has filed the enclosed Well Corporation and Acres in Plats (C-102) with the New Mexico Oil Conservation Division seeking to designate non-standard locations in Section 23, T17S, R28E. Eddy County. New Mexico

Should your company have any objection, it must be filed in writing within twenty (20) days from the date of this notice. Non response within the 20 day notice shall constitute an approval/waiver of protest to COG's non-standard location.

Please contact me should you have any questions

Sincerely,

Robyn Russell Regulatory Analyst COG Operating, LLC (432) 685-4385

17 44

ONE CONCIDENTE 600 W. H. MIDI AND

303 Veterans Airpark Lane, St ZPZ Delaware I, LLC Midland, Texas 79705 Attn: Laci Stretcher

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	The Person Name of Street, or other Person Name of Street, or
Complete items 1, 2, and 3. 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.	A. Bignature X	
ZPZ Delaware I, LLC Attn: Laci Stretcher 303 Veterans Airpark Lane, Ste. 1000 Midland, Texas 79705 Re: NSL/Malco 23 Fed Com #13H, 14H, 23H, 8	ddress different from item 1? r delivery address below: No 2 24H	
9590 9402 2419 6249 3309 04 2. Article Number (Transfer from service label)	3. Service Type □ Adult Signature □ Adult Signature Restricted Delivery □ Certified Mail Restricted Delivery □ Collect on Delivery □ Collect on Delivery □ Collect on Delivery Restricted Delivery □ Signature Confirmation	
	1715 stricted Delivery Restricted Delivery	

0715

PS Form 3811, July 2015 PSN 7530-02-000-9053

8870 2607 1991 7036 0788

Domestic Return Receipt

Robyn Russell

From:

Stretcher, Laci <Laci.Stretcher@apachecorp.com>

Sent:

Monday, July 10, 2017 1:14 PM

To:

Robyn Russell

Subject:

[External] RE: Malco NSL

Yes, we did. That's weird that it said closed, but no, I have the copy that arrived 6/30/2017.

Thanks,

LACI LAWRENCE STRETCHER, RPL

direct 432-818-1846 | mobile 325-338-7407 |

ZP2

From: Robyn Russell [mailto:Rrussell@concho.com]

Sent: Monday, July 10, 2017 12:55 PM

To: Stretcher, Laci <Laci.Stretcher@apachecorp.com>

Subject: RE: Malco NSL

Hey Laci,

I just wanted to see if you received this NSL in the mail. We checked online and it said that the business was closed.

Thank you,

Robyn Russell Regulatory Analyst (432) 685-4385

From: Robyn Russell

Sent: Wednesday, June 28, 2017 8:29 AM

To: 'Stretcher, Laci' Subject: RE: Malco NSL

Hey Laci,

Attached is the NSL package. We got it in the mail this morning so hopefully you should receive it today or tomorrow.

Thank you,

Robyn Russell Regulatory Analyst (432) 685-4385

From: Stretcher, Laci [mailto:Laci.Stretcher@apachecorp.com]

Sent: Tuesday, June 27, 2017 4:15 PM



June 8. 2017

Yates Petroleum Corporation 105 South Fourth Street Artesia, NM 88210

RE: Designation of Non-Standard Locations by COG Operating LLC Eddy County, New Mexico

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Should your company have any objection, it must be filed in writing within twenty (20) days from the date of this notice. Non response within the 20 day notice shall constitute an approval waiver of protest to COG's non-standard location.

Please contact me should you have any questions.

Sincerely.

Robyn Russell Regulatory Analyst COG Operating, LLC (432) 685-4385

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SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON	DELIVERY
 Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. 	A) Signature X	☐ Agent☐ Addressee
Attach this card to the back of the mailpiece, or on the front if space permits.	B Received by (Printed Name)	C) Date of Delivery
1. Article Addressed to:	D. Is delivery address different from If YES, enter delivery address	
Yates Petroleum Corp		
105 South Fourth Street		
Artesia, NM 88210		
	3. Service Type Adult Signature	☐ Priority Mail Express® ☐ Registered Mail™
	☐ Adult Signature Restricted Delivery ☐ Certified Mail®	Registered Mail Restricted Delivery
9590 9402 1910 6104 6234 14	☐ Certified Mail Restricted Delivery ☐ Collect on Delivery	Return Receipt for Merchandise
Article Number (Transfer from service label)	☐ Collect on Delivery Restricted Delivery	☐ Signature Confirmation™ ☐ Signature Confirmation
91 7199 9991 7035 327	8 4874 d Delivery	Restricted Delivery

Yates Petroleum Corp 105 South Fourth Street Artesia, NM 88210

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON	DELIVERY
 Complete items 1, 2, and 3. 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. 	A) Signature X B) Received by (Printed Name)	Agent Addressee C) Date of Delivery
1. Article Addressed to:	D. Is delivery address different from If YES, enter delivery address	below: No
Yates Petroleum Corp	COG OPERATING	ITC
105 South Fourth Street	RECEIV	
A -basis NINA DODAG		
Artesia, NM 88210	JUN 1 4 201	
Artesia, NIVI 88210	3. Service Type Adult Signature Adult Signature Restricted Delivery	☐ Prionty Mail Express® ☐ Registered Mail™ ☐ Registered Mail Restricte
	3. Service Type Adult Signature Adult Signature Restricted Delivery Certified Mail®	☐ Priority Mail Express®☐ Registered Mail TM☐ Registered Mail Restricte Delivery☐ Return Receipt for
9590 9402 1910 6104 6234 14	3. Service Type Adult Signature Adult Signature Restricted Delivery Certified Mail® Certified Mail Restricted Delivery Collect on Delivery	☐ Priority Mail Express® ☐ Registered Mail™ ☐ Registered Mail Restricts Delivery ☐ Return Receipt for Merchandise
	3. Service Type Adult Signature Adult Signature Restricted Delivery Certified Mail® Certified Mail Restricted Delivery	☐ Priority Mail Express®☐ Registered Mail Testricto Delivery☐ Return Receipt for



June 8. 2017

Khody Land and Minerals Co. 210 Park Ave., Suite 900 Oklahoma City, OK 73102

RE: Designation of Non-Standard Locations by COG Operating LLC Eddy County, New Mexico

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Please contact me should you have any questions

Sincerely.

Robyn Russell Regulatory Analyst COG Operating. LLC (432) 685-4385 Rrussell@concho.com

Khody Land and Minerals Co 210 Park Ave., Suite 900 Oklahoma City, OK 73102 1666

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SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
 Complete items 1, 2, and 3. 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. 	A) Signature X Addressee B. Received by (Printed Name) C) Date of Delivery
1. Article Addressed to:	D. Is delivery address different from item 1? Yes If YES, enter delivery address below: No
Khody Land and Minerals Co.	一种,不是一个一个一个一个一个一个一个一个一个一个一个一个一个一个一个一个一个一个一个
210 Park Ave., Suite 900	COG OPERATING LLC
Oklahoma City, OK 73102	MECEIVE
1	IIIN 1 9 2017
Land 1	3. Service Type ☐ Adult Signature ☐ Adult Signature ☐ Registered Mail® ☐ Registered Mail® ☐ Registered Mail® ☐ Registered Mail®
9590 9402 1910 6104 6233 77	☐ Certified Mall Restricted Delivery ☐ Return Receipt for ☐ Collect on Delivery ☐ Merchandise
2. Article Number (Transfer from service label) 91 7199 9991 7035 3278	☐ Collect on Delivery Restricted Delivery ☐ Signature Confirmation ☐ Signature Confirmation



June 8. 2017

Chase Oil Corporation PO Box 1767 Artesia, NM 88211

RE: Designation of Non-Standard Locations by COG Operating LLC Eddy County, New Mexico

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Please contact me should you have any questions.

Sincerely,

Robyn Russell

Regulatory Analyst COG Operating, LLC

(432) 685-4385

Chase Oil Corporation P O Box 1767 Artesia, NM 88211

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SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
 Complete items 1, 2, and 3. 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. 	B. Recavitive Deaugana Agent Addressee
1. Article Addressed to: Chase Oil Corporation P O Box 1767 Artesia, NM 88211	D. Is delivery address different from item 1?
	3. Service Type Adult Signature Adult Signature Restricted Delivery Certified Mail® Certified Mail Restricted Delivery Collect on Delivery Collect on Delivery

Lowe, Leonard, EMNRD

From:

Lowe, Leonard, EMNRD

Sent:

Thursday, August 10, 2017 12:58 PM

To:

'Robyn Russell'

Cc:

Podany, Raymond, EMNRD; McMillan, Michael, EMNRD; Goetze, Phillip, EMNRD; Jones,

William V, EMNRD; 'jglover@blm.gov'; 'scaffey@blm.gov'; 'rjsanche@blm.gov';

'lisa@rwbyram.com'; Sharp, Karen, EMNRD; Martin, Ed; Holm, Anchor E.

Subject:

FOUR APPROVED NSL's COG OPERATING LLC Malco 23 Federal Com Well No. 13H,

23H, 14H, 24H_SEC 23 17S 28E

Importance:

High

Ms. Robyn Russell,

The following administrative orders have been issued and will soon be available on the Division's web site: http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx

OPERATOR: COG Operating LLC

NSL-7562

API #: 30-015-44297

WELL: Malco 23 Federal Com Well No. 13H

NSL-7563

API #: 30-015-PENDING

WELL: Malco 23 Federal Com Well No. 23H

NSL-7564

API #: 30-015-PENDING

WELL: Malco 23 Federal Com Well No. 14H

NSL-7565

API #: 30-015-PENDING

WELL: Malco 23 Federal Com Well No. 24H

Leonard Lowe

Engineering Bureau

Oil Conservation Division

Energy Minerals and Natural Resources Department

1220 South St. Frances

Santa Fe, New Mexico 87004

Office: 505-476-3492 Cell: 505-930-6717