Revised March 23, 2017

RECEIVED: 7/18/2019	REVIEWER: LRL	TYPE: NSL		138352
1	A REW MEXICO OI - Geological & 220 South St. Francis	Engineering Bu	DN DIVISION Jireau –	
	ADMINISTRATIV			
	T IS MANDATORY FOR ALL ADMI REGULATIONS WHICH REQUIRE P			vision rules and
Applicant: COG Operating LL	C		OGRID	lumber: 229137
Well Name: Malco 23 Federa	l Com #13H, 14H, 23H, <mark>24H</mark>		API: 30-015	-44,0447
Pool: Empire; Glorieta-Yeso			Pool Coo	de: 96210
1) TYPE OF APPLICATIO		DICATED BELOW n apply for [A] ous Dedication	NSL-7565	TYPE OF APPLICATION
 DHC [II] Injection – WFX 2) NOTIFICATION REQUANCE A. Offset operconstruction operconstructi operconstruction operconstruction o	ng – Storage – Measu CTB PLC Disposal – Pressure Ind PMX SWD IIRED TO: Check those ators or lease holders erriding royalty owners	PC OLS crease – Enhanc IPI EOR which apply.	PPR	FOR OCD ONLY Notice Complete
D. Notification E. Notification F. Surface owr	e above, proof of noti	pproval by SLO pproval by BLM	ation is attached	Content Complete
administrative appro understand that no	reby certify that the in oval is accurate and c action will be taken o mitted to the Division.	complete to the lon this application	best of my knowle	edge. I also
Note: State	ement must be completed by	an individual with mar	agerial and/or supervis	ory capacity.
			07/14/2017 Date	
Robyn Russell			Duie	
Print or Type Name			(432) 685-4385	
As H			Phone Number	
Signature	XVI		Rrussell@concho.com e-mail Address	
Signature			e-mail Address	

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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 nonoperating 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 Rrussell@concho.com

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 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

 District III

 100 Rio Brazos Road, Aztec, NM 87410

 Phone: (505) 334-6178 Fax: (505) 334-6170

 District IV

 1202 S. St. Francis Dr., Santa Fe, NM 87505

 Phone: (505) 476-3460 Fax: (505) 476-3440

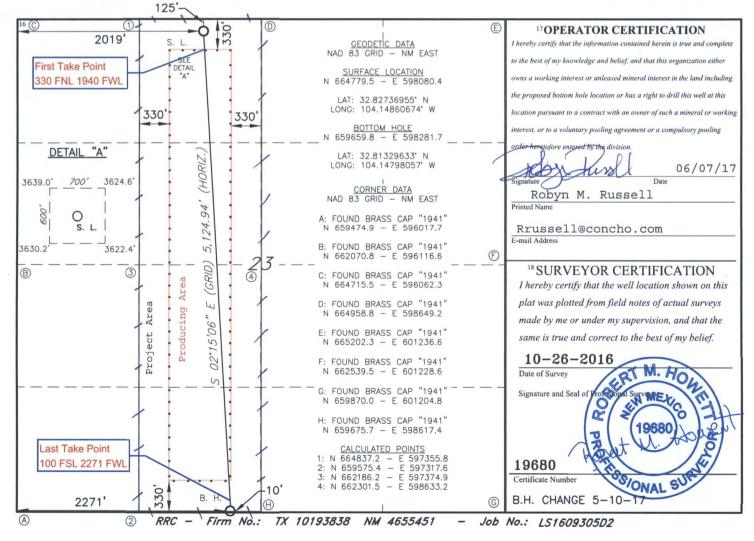
State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

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

AMENDED REPORT

		N	ELL L	UCATIO.	N AND ACI	REAGE DEDIC	ATION PLA	.1		
1	API Number	er 2Pool Code ³ Pool Name								
30-0	15-			96210		Er	mpire; Glor	rieta-Y	leso	
⁴ Property Coo	de	⁵ Property Name MALCO 23 FEDERAL COM				⁶ Well Number 24H				
7 OGRID N	NO.	8 Operator Name 9 Elevation								
22913	7	COG OPERATING, LLC 3626'					3626'			
					¹⁰ Surface	Location				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/We	est line	County
C	23	17S	28E		125	NORTH	2019	WE	ST	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/We	est line	County
N	23	17S	28E		10	SOUTH	2271	WE	ST	EDDY
12 Dedicated Acres	12 Dedicated Acres 13 Joint or Infill 14 Consolidation Code 15 Order No.									
160		-				۹.				

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.



Malco 23 Federal Com #13H, 14H, 23H, 24H Lease Map

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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.

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

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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,	91-7199-9991-7035-3278-4881
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



Sent Certified Mail Receipt #: 91-7199-9991-7036-0788-0715

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

Condition of the second se

This letter is to any service that GOG Operating LLC has filed the enclosed Well Concerns and Asreage Plets (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,

Vin

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

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

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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 mailplece, or on the front if space permits. 	A. Elgnature X B. Received by (Printed Name)	C. Date of Delivery
ZPZ Delaware I, LLC Attn: Laci Stretcher	ddress different from r delivery address	
Attn: Laci Stretcher 303 Veterans Airpark Lane, Ste. 1000 Midland, Texas 79705 Re: NSL/Malco 23 Fed Com #13H, 14H, 23H,	& 24H	
303 Veterans Airpark Lane, Ste. 1000 Midland, Texas 79705	& 24H 3. Service Type Adult Signature Adult Signature Restricted Delivery Certified Mail Restricted Delivery Collect on Delivery Collect on Delivery Restricted Delivery	Priority Mail Express® Registered Mail™ Degistered Mail Restricted Delivery Return Receipt for Merchandise Signature Confirmation™

Robyn Russell

From: Sent: To: Subject: Stretcher, Laci <Laci.Stretcher@apachecorp.com> Monday, July 10, 2017 1:14 PM Robyn Russell [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 | ZPZ

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



Sent Certified Mail Receipt #. 91-7199-9991-7035-3278-4874

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.

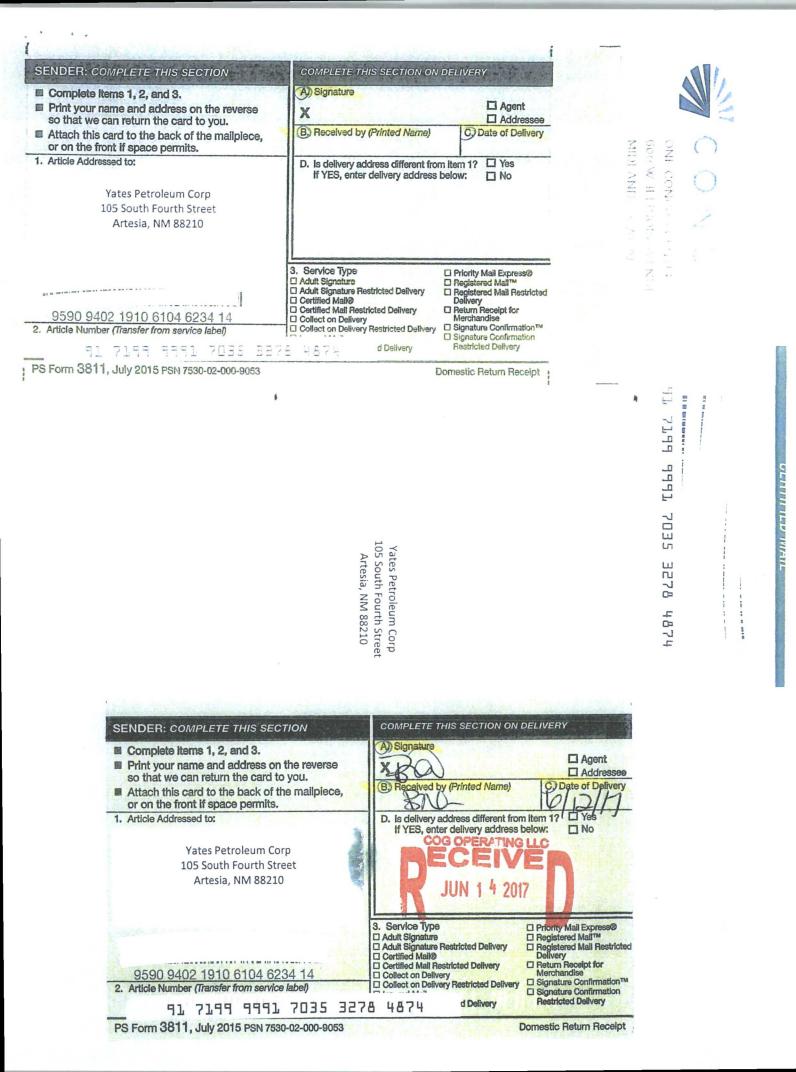
Piease contact me should you have any questions.

Sincerely. Robyn Russell

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

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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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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.

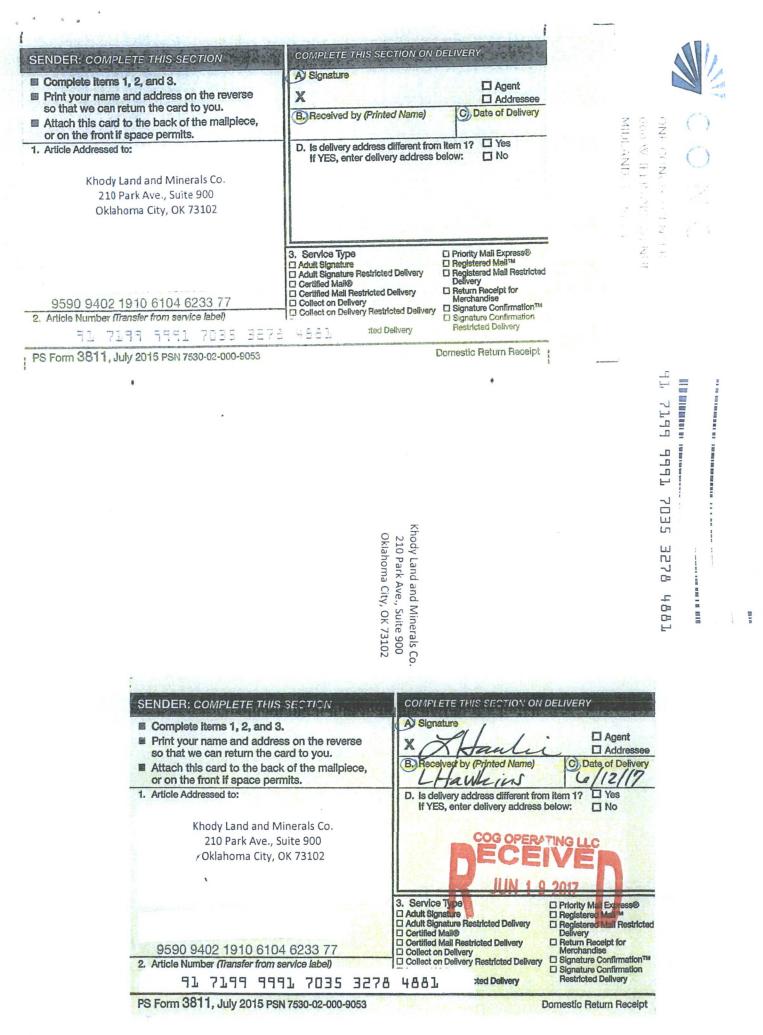
Please contact me should you have any questions

Sincerely.

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

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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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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.

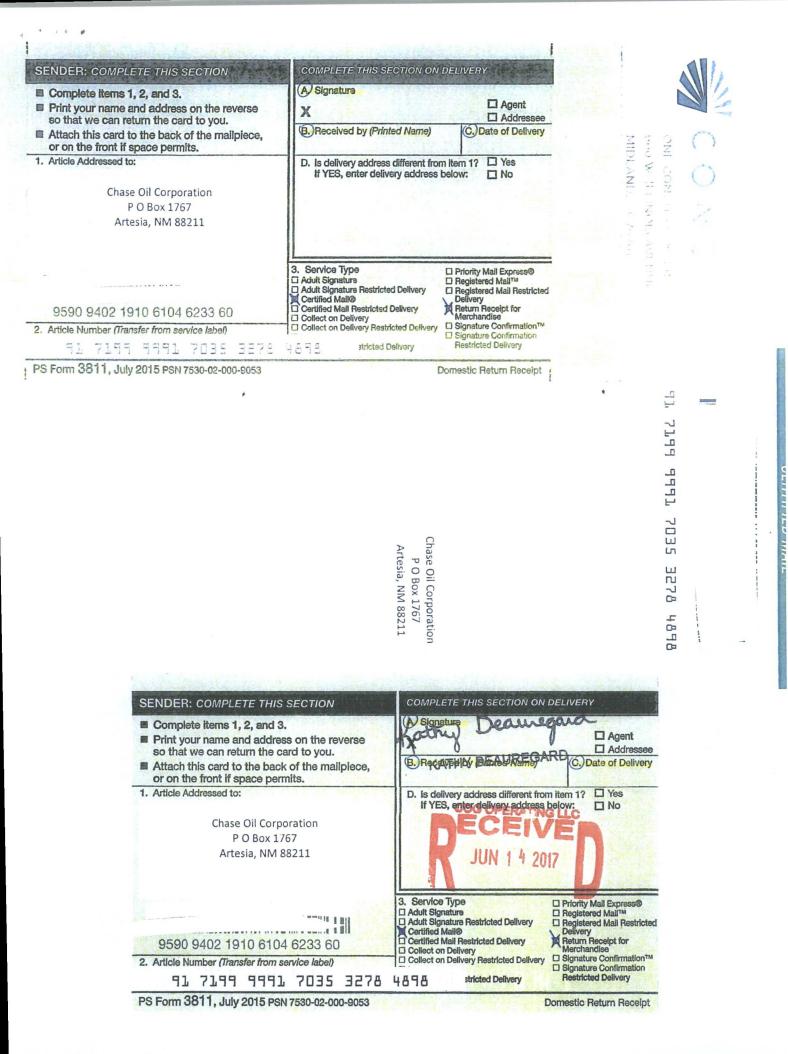
Please contact me should you have any questions

Sincerely,

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

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and the second sec	11915 STA
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