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|-------------------|---------------------|---------------|----------------|---------|-----------------------------|
| 8-4-06 DATE IN | 8-24-06 SUSPENSE | ENGINEER M.S. | LOGGED IN M.S. | TYPE SD | PMESD- APP NO. 624036955 |
|-------------------|---------------------|---------------|----------------|---------|-----------------------------|

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

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



2006 AUG 4 PM 2:15

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.

Jerry W. Sherrell
 Print or Type Name

Jerry W. Sherrell
 Signature

Production Clerk
 Title

8/2/06
 Date

jerrys@mackenergycorp.com
 e-mail Address



Post Office Box 960
Artesia, NM 88211-0960
Office (505) 748-1288
Fax (505) 746-9539

August 2, 2006

*Oil Conservation Division
Attn: Mike Stogner
1220 South St. Francis Drive
Santa Fe, NM 87505*

Dear Mr. Stogner:

Mack Energy contract operator for COG Operating LLC respectfully requests an administrative approval without notice and hearing of the following Non Standard Spacing Unit.

The well location and legal description is as follows:

*Continental A State #12
330 FNL & 583 FWL
Sec. 30-T17S-R29E
Eddy County, New Mexico*

The well will be completed in the Empire Yeso Pool.

Attached to this application are the following exhibits.

- A.) Well location and acreage dedication plat (form C-102) filed with the Artesia office of the Oil Conservation Division this is Lot 1 and is 27.71 acres which is less than 70% of a 40 acre Unit therefore a Non Standard Spacing Unit (Exhibit A).*
- B.) Map showing the proposed location, the respective proration units, and the offsetting proration units (Exhibit B).*

Please note that COG is the operator of the offsetting proration units in the Empire Yeso Pool, therefore no other operators are required to be notified. This location is not encroaching the offsetting units. The proposed location is the second Empire Yeso well in this Lot.

Oil Conservation Division

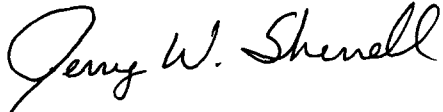
August 2, 2006

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Thank you for your assistance in this matter. If you have any questions, please feel free to call me at (505) 748-1288.

Sincerely,

MACK ENERGY CORPORATION

A handwritten signature in cursive script that reads "Jerry W. Sherrell". The signature is written in black ink and is positioned above the printed name and title.

Jerry W. Sherrell
Production Clerk

JWS/

Enclosures

DISTRICT I

P.O. Box 1990, Hobbs, NM 88241-1990

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised February 10, 1994
Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT II

P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT IV

P.O. Box 2088, Santa Fe, NM 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-------------------------|--|---------------------------|
| API Number | Pool Code 96210 | Pool Name Empire; Yeso |
| Property Code 302472 | Property Name CONTINENTAL "A" State | Well Number 12 |
| OGRID No. 229137 | Operator Name COG OPERATING LLC | Elevation 3660 |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| D | 30 | 17 S | 29 E | | 330 | NORTH | 583 | 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 | 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>911.9' \updownarrow 330'</p> <p>← 583' →</p> <p>LOT 1 27.71 AC.</p> | | | | <p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><u>Crissa D. Carter</u></p> <p>Signature</p> <p>Crissa D. Carter</p> <p>Printed Name</p> <p>Production Clerk</p> <p>Title</p> <p>3-24-99</p> <p>Date</p> |
| <p>LOT 2 27.94 AC.</p> | | | | |
| <p>LOT 3 28.17 AC.</p> | | | | |
| <p>LOT 4 28.40 AC.</p> <p>941.2'</p> | | | | |

| | |
|---|-------|
| 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. | |
| JUNE 19, 1997 | |
| Date Surveyed | JLP |
| <p>Signature & Seal of Professional Surveyor</p> <p><u>Richard J. Edson</u></p> <p>NEW MEXICO</p> <p>6-19-97</p> <p>P.O. BOX 97-114 1026</p> | |
| Certificate No. | 676 |
| JOHN W. WEST, | 676 |
| EDSON, | 3239 |
| GARY G. EDSON, | 12641 |

Handwritten notes and lists, possibly a ledger or index, covering the majority of the page. The text is dense and includes various alphanumeric codes and names.

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

08/23/06 15:35:25
OGOEEM -TPJU
PAGE NO: 1

Sec : 30 Twp : 17S Rng : 29E Section Type : NORMAL

| | | | |
|--|---|---|---|
| 1 27.71 CS E04201 0000 CONCOPHILLIPS CO U 09/11/60 C A A | C 40.00 CS E04201 0000 CONCOPHILLIPS CO U 09/11/60 A A A A | B 40.00 Federal owned U A A A A | A 40.00 Federal owned U A A A A |
| 2 27.94 CS E04201 0000 CONCOPHILLIPS CO U U 09/11/60 A C | F 40.00 CS E04201 0000 CONCOPHILLIPS CO U U 09/11/60 A A A A A | G 40.00 Federal owned U U A A A A A | H 40.00 Federal owned U U A A A A A |
| 3 28.17 CS E04201 0000 CONCOPHILLIPS CO U U 09/11/60 A A A | K 40.00 CS OG0181 0001 HARVEY E YATES CO U U 09/18/66 A A A A A | J 40.00 CS OPEN U U R A A A A A | I 40.00 CS OPEN U U R A A A A A |
| 4 28.40 CS B07596 0000 CONCOPHILLIPS CO U U 05/10/48 A A | N 40.00 CS B07596 0000 CONCOPHILLIPS CO U U 05/10/48 A A A A | O 40.00 CS OPEN U R C A A A A | P 40.00 CS OPEN U R C A A A |