

3/27/08 DATE IN		W Jones ENGINEER	3/27/08 LOGGED IN	DHC TYPE 4601	PKURO808750727 APP NO.
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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.

Kanicia Carrillo
Print or Type Name

Signature

Regulatory Analyst
Title

03/24/08
Date

kcarrillo@conchoresources.com
e-mail Address

RECEIVED
2008 MAR 27 PM 1:05



RECEIVED

2008 MAR 27 PM 1 04

March 24, 2008

New Mexico Oil Conservation Division
Attn: Will Jones
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Request for Down Hole Commingling and Measurement of Hydrocarbon Production for:
Schley Federal #11
Eddy County, NM
API # 30-015-32134

Pools:

(28509) Grayburg Jackson SR; Queen Grayburg SA
(96610) Empire; Yeso, East

Dear Mr. Jones,

COG Operating LLC as operator of the above mentioned well respectfully requests approval for down hole commingling and measurement of production.

COG proposes to commingle production from the above mentioned pools. Production will be measured at the Schley Federal battery located in the SW/4 NW/4, Section 29, T17S, R29E. The lease has common interest in both pools. Testing will be conducted and allocation percentages will be sent to OCD after completion of this well. The percentages will be used to allocate production based on increased production from the Yeso formation.

Please contact me at 432-685-4332 or e-mail at kcarrillo@conchoresources.com if you need additional information.

Thank you for your attention in this matter.

Sincerely,

COG Operating LLC

A handwritten signature in black ink, appearing to read "K. Carrillo", written over a horizontal line.

Kanicia Carrillo
Regulatory Analyst

Attachments: C-107A and C-102's for both formations

District I
1625 N. French Drive, Hobbs, NM 88240

District II
1301 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE
____ Single Well
____ Establish Pre-Approved Pools
EXISTING WELLBORE
____ Yes ____ No

APPLICATION FOR DOWNHOLE COMMINGLING

COG OPERATING LLC 550 W. Texas, Suite 550 Midland, TX 79701
Operator Address

Schley Federal 11 Unit F, Sec 29, T-17S, R-29E Eddy
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 229137 Property Code 302561 API No. 30-015-32134 Lease Type: ☒ Federal ____ State ____ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Grayburg Jackson SR; Queen Grayburg SA (Oil)	Empire; Yeso, East	
Pool Code	28509	96610	
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2553.5 - 3741	3972 - 4257.5	
Method of Production (Flowing or Artificial Lift)	Pump		
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)			
Producing, Shut-In or New Zone	Producing	New Zone	
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: 02/14/08 Oil/ Gas /Water Rates: 6/0/0	Date: Rates:	Date: Rates:
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas Percentages to be determined after completion.	Oil Gas Percentages to be determined after completion.	Oil Gas % %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No ____
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes ____ No ____

Are all produced fluids from all commingled zones compatible with each other? Yes ☒ No ____

Will commingling decrease the value of production? Yes ____ No ☒

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes ____ No ☒

NMOCD Reference Case No. applicable to this well: _____

Attachments:
C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
Production curve for each zone for at least one year. (If not available, attach explanation.)
For zones with no production history, estimated production rates and supporting data.
Data to support allocation method or formula.
Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools
List of all operators within the proposed Pre-Approved Pools
Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Kanicia Carrillo TITLE Regulatory Analyst DATE 03/24/08

TYPE OR PRINT NAME Kanicia Carrillo TELEPHONE NO. (432) 685-4332

E-MAIL ADDRESS kcarrillo@conchoresources.com

District I
1625 N. French Dr., Hobbs, NM 88240
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1301 W. Grand Avenue, Artesia, NM 88210
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1000 Rio Brazos Rd., Aztec, NM 87410
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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 June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-32134	² Pool Code 96610	³ Pool Name Empire; Yeso, East
⁴ Property Code 302561	⁵ Property Name Schley Federal	⁶ Well Number 11
⁷ OGRID No. 229137	⁸ Operator Name COG OPERATING LLC	⁹ Elevation 3604'

¹⁰ Surface Location

UL or lot no. F	Section 29	Township 17S	Range 29E	Lot Idn	Feet from the 2185	North/South line North	Feet from the 1650	East/West line West	County Eddy
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¹¹ 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
¹² Dedicated Acres 40	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

¹⁶ <p>A diagram showing a well location on a grid. A vertical line with arrows at both ends is labeled '2185''. A horizontal line with arrows at both ends is labeled '1650''. A small circle representing the well is located at the intersection of these two lines.</p>	¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i> Signature Kanicia Carrillo Printed Name Regulatory Analyst Title and E-mail Address 03/24/08 Date			
	¹⁸ 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> Referred Original Survey Date of Survey Signature and Seal of Professional Surveyor:			
	Certificate Number			

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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 June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-32134		² Pool Code 28509	³ Pool Name Grayburg JacksonSR; Queen SA
⁴ Property Code 302561	⁵ Property Name Schley Federal		⁶ Well Number 11
⁷ OGRID No. 229137	⁸ Operator Name COG OPERATING LLC		⁹ Elevation 3604'

¹⁰ Surface Location

UL or lot no. F	Section 29	Township 17S	Range 29E	Lot Idn	Feet from the 2185	North/South line North	Feet from the 1650	East/West line West	County Eddy
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¹¹ 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
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¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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

	¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>	
	Signature Kanicia Carrillo	
	Printed Name Regulatory Analyst	
Title and E-mail Address		Date 03/24/08
¹⁸ 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>		
Referred Original Survey		Date of Survey
Signature and Seal of Professional Surveyor:		Certificate Number

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator **COG Operating LLC**3a. Address
550 W. Texas Ave., Suite 1300 Midland, TX 797013b. Phone No. (include area code)
432-685-43324. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Unit F, 2185 FNL & 1650 FWL, Section 29, T17S, R29E

5. Lease Serial No.

NM - 29281

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

Schley Federal #11

9. API Well No.

30-015-32134

10. Field and Pool, or Exploratory Area

Grybg Jackson SR Queen Grybrg SA

11. County or Parish, State

Eddy County, NM**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Recomplete to
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Yeso &
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	commingle w/ SA

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

COG Operating LLC proposes to recomplete to the Yeso as follows:

- 1. MIRU. POOH w/ rods. NU BOP. Pooh w/tbg. PU 4-3/4" bit and 4-3-1/2 DCs and RIH to CIBP at 3840'. RU power swivel and drill out CIBP. PD power swivel. Continue in hole to PBTD at 4451'. Circ well clean. Pooh w/ tbg and LD bit and collars. PU 10K packer and PU and RIH w/ 3-1/2" tbg. set pkr at +/- 3970'.**
- 2. Frac existing Yeso perms 3972' -4257.5' w/ 114,000 gals 30# gel carrying 116,000# 16/30 sand. Release pkr and POOH laying down tbg and pkr. RIH w/ 2-7/8" tbg and land EOT at +/- 4300'. ND BOP. RIH w/rods and pump. HWOB.**

COG proposes to down hole commingle the Grayburg Jackson SR Queen Grayburg SA, (28509) with the Empire; Yeso, East, (96610).

Commingling will not reduce the value of the total remaining production.

The intervals are as follows:

Grayburg Jackson SR Queen Grayburg SA 2553.5' - 3741'
Empire; Yeso, East 3972' - 4257.5'

Percentages to be determined after completion.

Ownership in all zones is the same.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Kanicia CarrilloTitle **Regulatory Analyst**

Signature

Date

03/24/2008**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title

Date

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)