

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



October 01, 2014

Ocean Munds-Dry
Attorney for COG Operating
1048 Paseo De Peralta
Santa Fe, New Mexico 87501

Re: Request for extension to commence the Drilling of COG's Flat Head Federal Com Well No. 8H Pursuant to Division Order No. R-13765/Case No. 15021.

Dear Ms. Munds-Dry:

The Oil Conservation Division (OCD) received your letter dated September 22, 2014, regarding the referenced subject on September 22, 2014. It is our understanding that COG still plans to drill this well, but it is still waiting for the approval of the application for permit to drill (APD) from the Bureau of Land Management (BLM). It is also our understanding that COG has only one rig operating in the Yeso Shelf, and therefore COG needs extra time to schedule this rig to drill the well whenever BLM approves the APD.

The OCD has reviewed your request and hereby extends the date to commence the drilling of this well to November 1, 2015.

If you have any question, please contact Richard Ezeanyim at (505)-476-3467

Sincerely;

Jami Bailey
Director

Cc: Oil Conservation Division District II – Artesia

JB/re

Ezeanyim, Richard, EMNRD

From: Ocean Munds-Dry <omundsdry@concho.com>
Sent: Tuesday, September 30, 2014 11:27 AM
To: Ezeanyim, Richard, EMNRD
Subject: RE: Request for extension to Commence the Drilling of COG's Flat Head Federal Well

Richard:

Thank you for your e-mail. We have been waiting for the approved APD from the BLM. As you may know, the BLM has an extreme backlog of permits pending approval. As soon as we get the APD we can schedule the rig to drill the well. We are only running 1 rig on the Shelf so it may not get scheduled right away. Please let me know if that gives you enough information or if I can provide you further detail.

Thanks,
Ocean

From: Ezeanyim, Richard, EMNRD [<mailto:richard.ezeanyim@state.nm.us>]
Sent: Tuesday, September 30, 2014 11:05 AM
To: Ocean Munds-Dry
Subject: FW: Request for extension to Commence the Drilling of COG's Flat Head Federal Well

Ocean:

Please refer to my email below. I need to get this extension out very quickly. Thank you and have a very nice day.

Richard

From: Ezeanyim, Richard, EMNRD
Sent: Friday, September 26, 2014 2:26 PM
To: Ocean Munds-Dry (omundsdry@concho.com)
Subject: Request for extension to Commence the Drilling of COG's Flat Head Federal Well

Hi, Ocean:

The Director wants to know some of those scheduling issues that prevents COG from meeting the deadline imposed by Order No. R-13765. Please list some of those scheduling issues and e-mail them to me. Thank you and have a nice day.

Richard

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RECEIVED 005
Ocean Munds-Dry
omundsdry@concho.com

2014 SEP 22 P 1:03

September 22, 2014

VIA HAND-DELIVERY

Ms. Jami Bailey, Director
Attn: Richard Ezeanyim
Oil Conservation Division
New Mexico Department of Energy, Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

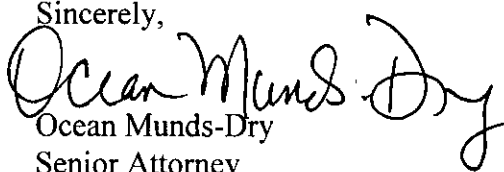
Re: **Order No. R-13765/Case No. 15021:** Application of COG Operating LLC for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.

Dear Ms. Bailey:

Division Order No. R-13765 granted COG Operating LLC's application for a non-standard spacing unit and compulsory pooling on October 29, 2013. The order authorized the drilling of COG's Flat Head Federal Com Well No. 8H at a location in the E/2 E/2 of Section 11 and NE/4 NE/4 of Section 14, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico. A copy of the order is enclosed for your convenience.

Ordering Paragraph 5 of Order No. R-13765 requires COG to commence drilling the proposed well on or before November 1, 2014, unless COG obtains a time extension from the Division Director for good cause shown. COG still plans to drill the well as soon as possible but has encountered numerous scheduling issues. Therefore, COG respectfully requests an extension until November 1, 2015 to commence drilling the Flat Head Federal Com Well No. 8H.

Thank you for your time and attention to this matter.

Sincerely,

Ocean Munds-Dry
Senior Attorney

Enclosure