08/06/2014

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PMAMIY 21856763

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

| TI | HIS CHECKLIST IS I | MANDATORY FOR ALL ADMINISTRATIVE APPLICATION WHICH REQUIRE PROCESSING AT THE D | | AND REGULATIONS |
|---------|------------------------------|--|--|--|
| Applic | [DHC-Dov | indard Location] [NSP-Non-Standard Prora Inhole Commingling] [CTB-Lease Comm | ingling] [PLC-Pool/Lease Com age] [OLM-Off-Lease Measure ssure Maintenance Expansion] ection Pressure Increase] | mingling] ment] -wsi7130 - CoG-C ^O F.Od Which |
| [1] | TYPE OF A [A] | PPLICATION - Check Those Which Apply Location - Spacing Unit - Simultaneous I | , | |
| | Chec [B] | k One Only for [B] or [C] Commingling - Storage - Measurement DHC CTB PLC | PC OLS OLM | |
| | [C] | Injection - Disposal - Pressure Increase - WFX PMX SWD | | 3 B |
| | [D] | Other: Specify | | P001 |
| [2] | NOTIFICAT [A] | TION REQUIRED TO: - Check Those Wh Working, Royalty or Overriding Roy | ich Apply, or \(\sime\) Does Not App valty Interest Owners | Triplex; Triplex; Bone Spring was 96674 Well Enta Fujita Stat #84 30-025-4199 |
| | [B] | Offset Operators, Leaseholders or Su | ırface Owner | weu |
| | [C] | Application is One Which Requires | Published Legal Notice | #84 |
| | [D] | Notification and/or Concurrent Appr U.S. Bureau of Land Management - Commissioner of Po | roval by BLM or SLO ublic Lands, State Land Office | 30-025-4199 |
| | [E] | For all of the above, Proof of Notific | eation or Publication is Attached, | and/or, |
| | [F] | Waivers are Attached | | |
| [3] | | CCURATE AND COMPLETE INFORMA ATION INDICATED ABOVE. | ATION REQUIRED TO PROC | ESS THE TYPE |
| | val is accurate : | TION: I hereby certify that the information and complete to the best of my knowledge. equired information and notifications are sub- | I also understand that no action v | |
| Melan | Not e ie J. Parker | Statement must be completed by an individual wi | th managerial and/or supervisory capa Regulatory Analyst | 08/04/2014 |
| Print o | or Type Name | Signature | Title | Date |
| | | | mparker@concho.com e-mail Address | |



July 31, 2014

Certified Mail - Return Receipt No. 7012 3460 0000 7063 4207

New Mexico Oil Conservation Division 1220 South Saint Francis Drive Santa Fe, New Mexico 87505

Attention: Ms. Jami Bailey

Division Director

Re: Application for Unorthodox Well Location

Eata Fajita State #8H API No. 30-025-41999

SHL: 190' FSL & 1380' FWL (Unit N) Section 8, T24S, R33E

First take point: 330' FSL & 1380' FWL (Unit N) Section 8, T24S, R33E

BHL: 330' FNL & 1380' FWL (Unit C) Section 8, T24S, R33E

Lea County, New Mexico

Dear Ms. Bailey:

Pursuant to Division Rule 19.15.15.13, COG Production LLC (COG) respectfully requests administrative approval of an unorthodox oil well location for its Eata Fajita State #8H well. This well does not meet the 330' from the outer boundary of the producing area requirement. COG Production LLC has drilled and is currently producing Bone Spring wells in this section as described below.

Eata Fajita State #1H SHL: 190' FSL & 660' FWL BHL: 360' FNL & 660' FWL Eata Fajita State #2H SHL: 420' FSL & 2105' FWL BHL: 372' FNL & 2056' FWL Eata Fajita State #3H SHL: 190' FSL & 2073' FEL BHL: 348' FNL & 2073' FEL Eata Fajita State #4H SHL: 190' FSL & 380' FEL BHL: 345' FNL & 421' FEL

We plan to test infill drilling in a lower target within the 2nd Bone Spring Sand to enhance hydrocarbon recovery between the existing wellbores.

The affected offset tract is the W/2W/2 of Section 8, T24S, R33E. COG Production LLC is the designated operator of all of Section 8, T24S, R33E.

Attached is a Form C-102 showing the project area and the producing area of this well.

Thank you for your consideration of this application. Should you have questions or require further information, please contact me at 575-748-6952 or by email at mparker@concho.com.

Singerely,

Lead Regulatory Analyst

cc: OCD Hobbs

DISTRICT I DISTRICT II 811 S. FIRST ST., ARTESIA, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

State of New Mexico 1025 N. FRENCH DR., HOBBS, NM 88240 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION 1220 SOUTH ST. FRANCIS DR.

DISTRICT III 1000 RIO BRAZOS RD., AZTEC, NM 87410 Phone: (505) 334-6176 Fax: (505) 334-6170

Santa Fe, New Mexico 87505

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

☐ AMENDED REPORT

DISTRICT IV 1220 S. ST. FRANCIS DR., SANTA FE, NM 87608 Phone: (505) 476-3460 Fax: (505) 476-3462

| | | | ACREAGE DEDICATION PLAT | | | |
|---|-----------|-----------|-----------------------------|-----------|--|--|
| API Number 30-025-41999 Property Code | | Pool Code | Pool Name | | | |
| | | 96674 | Triple X; Bone Spring, West | | | |
| | | Prop | Well Number | | | |
| | 39209 | EATA FA | AJITA STATE | 8H | | |
| | OGRID No. | Oper | ator Name | Elevation | | |
| | 217955 | COG PROI | DUCTION, LLC | 3582.7 | | |

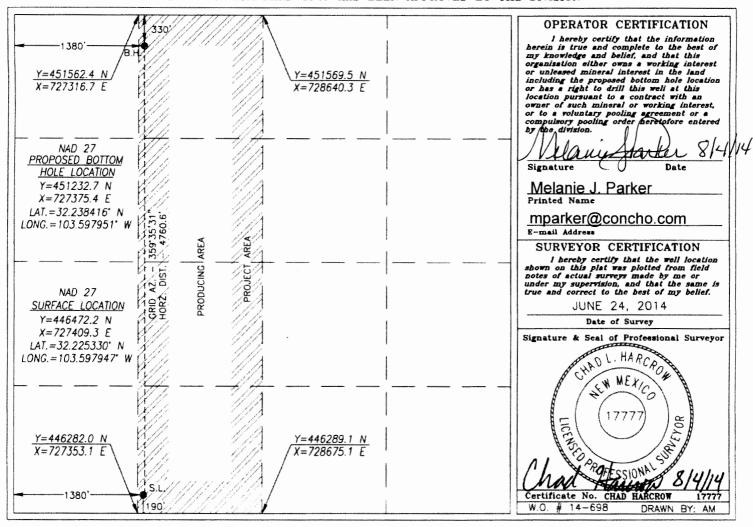
Surface Location

| UL or lot No. | Section | Township | Range | Lot ldn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| N | 8 | 24-S | 33-E | | 190 | SOUTH | 1380 | WEST | LEA |

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 |
|--|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | С | 8 | 24-S | 33-E | | 330 | NORTH | 1380 | WEST | LEA |
| Dedicated Acres Joint or Infill Consolidation Code Order No. | | | | | | | | | | |
| | 160 | | | | | | | | | |

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





August 8th, 2014

Mr. Michael A. McMillan Engineering and Geological Services Bureau, Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

Re:

Eata Fajita State #5H, #7H & #8H All of Section 8: T24S-R33E Lea County, New Mexico

Dear Mr. McMillan:

Please be advised that COG Operating LLC ("Concho") owns the leasehold in all of Sec. 8-T24S-R33E, Lea Co., New Mexico. We own the leasehold in this acreage by virtue of two New Mexico State leases as follows:

NM State Lease #: VC-1900 (W/2) ~ 320 acres NM State Lease #: VC-2100 (E/2) ~ 320 acres

Concho has 100% working interest in both of these leases. The working interests and net revenue interests are the same in both of these leases. There are no overriding royalty interests in either of these leases. Therefore, the ownership is the same throughout all of Sec. 8-T24S-R33E.

Please feel free to contact me at (432) 221-0465 if you have any questions in regards to this matter.

Sincerely,

COG OPERATING LLC

Mike Wallace Sr. Landman

COG Operating LLC Phone: 432-221-0465 Fax: 432-221-0856 mwallace@concho.com