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| RECEIVED: 7/18/2017 | REVIEWER: LRL | TYPE: NSL NSP → PLEL1719932379 } deleted 7/24/17 PLEL1719932879 } | APP NO: |
|---------------------|---------------|--|---------|

ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NSL 554-A

NSP-2068-A

NEW MEXICO OIL CONSERVATION DIVISION

- Geological & Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



used previous
approved
App No.

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

Applicant: COG Operating LLC

OGRID Number: 229137

Well Name: Burkett 16 State #12H

API: 30-015-44268

Pool: Fren; Glorieta-Yeso

Pool Code: 26770

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION
INDICATED BELOW**

1) **TYPE OF APPLICATION:** Check those which apply for [A]

A. Location - Spacing Unit - Simultaneous Dedication

☒ NSL☐ NSP (PROJECT AREA)☒ NSP (PRORATION UNIT)☐ SD

B. Check one only for [I] or [II]

[I] Commingling - Storage - Measurement

☐ DHC☐ CTB☐ PLC☐ PC☐ OLS☐ OLM

[II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX☐ PMX☐ SWD☐ IPI☐ EOR☐ PPR2) **NOTIFICATION REQUIRED TO:** Check those which apply.A. ☐ Offset operators or lease holdersB. ☐ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☐ Notification and/or concurrent approval by SLOE. ☐ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☐ For all of the above, proof of notification or publication is attached, and/or,H. ☒ No notice required**FOR OCD ONLY**☐

Notice Complete

☐

Application
Content
Complete

3) **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.

Robyn Russell

Print or Type Name

Signature

07/14/2017

Date

(432) 685-4385

Phone Number

Russell@concho.com

e-mail Address



July 14, 2017

New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

RE: Burkett 16 State #12H NSL & NSP

To Whom It May Concern,

COG Operating LLC respectfully requests approval of a non-standard project area and non-standard location for the following well:

Burkett 16 State #12H – API #3001544268
SHL: 1160 FNL 1630 FEL, UL B, Sec 16, T17S, R31E
BHL: 990 FNL 10 FWL, UL D, Sec 16, T17S, R31E
TVD: 4850'

This NSP is requested due to COG's lease not covering a standard project area when drilling horizontally in an east/west orientation. Additionally, there are vertical wells producing from the Yeso in UL A, Sec 16, T17S, R31E.

The granting of this NSL & NSP 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.

Attached to this application is a plat showing this well's location, an updated lease map and letters from the designated Landman and Engineer. COG Operating LLC owns and operates the offset leases in UL A & H of Sec 17, T17S, R31E. All interests are the same in these offsets leases and no notification is needed.

Please contact me should you have any questions.

Sincerely,

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

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

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
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | | | | | |
|--|---------------|--|--------------|---|-----------------------|---------------------------|-----------------------|---------------------------------|----------------|
| ¹ API Number 30-015-44268 | | ² Pool Code 26770 | | ³ Pool Name Fren; Glorieta-Yeso | | | | | |
| ⁴ Property Code 39075 | | ⁵ Property Name BURKETT 16 STATE | | | | | | ⁶ Well Number 12H | |
| ⁷ GRID NO. 229137 | | ⁸ Operator Name COG OPERATING, LLC | | | | | | ⁹ Elevation 3850' | |
| ¹⁰ Surface Location | | | | | | | | | |
| UL or lot no. B | Section 16 | Township 17S | Range 31E | Lot Idn | Feet from the 1160 | North/South line NORTH | Feet From the 1630 | East/West line EAST | County EDDY |
| ¹¹ Bottom Hole Location If Different From Surface | | | | | | | | | |
| UL or lot no. D | Section 16 | Township 17S | Range 31E | Lot Idn | Feet from the 990 | North/South line NORTH | Feet from the 10 | East/West line WEST | County EDDY |
| ¹² Dedicated Acres 120 | | ¹³ Joint or Infill | | ¹⁴ Consolidation Code | | ¹⁵ Order No. | | | |

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.

Project Area
Producing Area

Bottom Hole
LAT: 32.8390860° N
LONG: 103.8632435° W

Corner Data
A: FOUND BRASS CAP "1916"
N 664997.0 - E 679588.8
B: FOUND BRASS CAP "1916"
N 667637.2 - E 679574.4
C: FOUND BRASS CAP "1916"
N 670276.7 - E 679559.4
D: FOUND BRASS CAP "1916"
N 670274.2 - E 682217.6
E: FOUND BRASS CAP "1916"
N 670310.3 - E 684840.6
F: FOUND BRASS CAP "1916"
N 667672.2 - E 684855.9
G: FOUND 1/2" REBAR
N 665033.2 - E 684869.2
H: FOUND BRASS CAP "1916"
N 665014.1 - E 682228.9
1: CALCULATED POINT
N 668956.9 - E 679566.9
2: CALCULATED POINT
N 668991.3 - E 684848.3

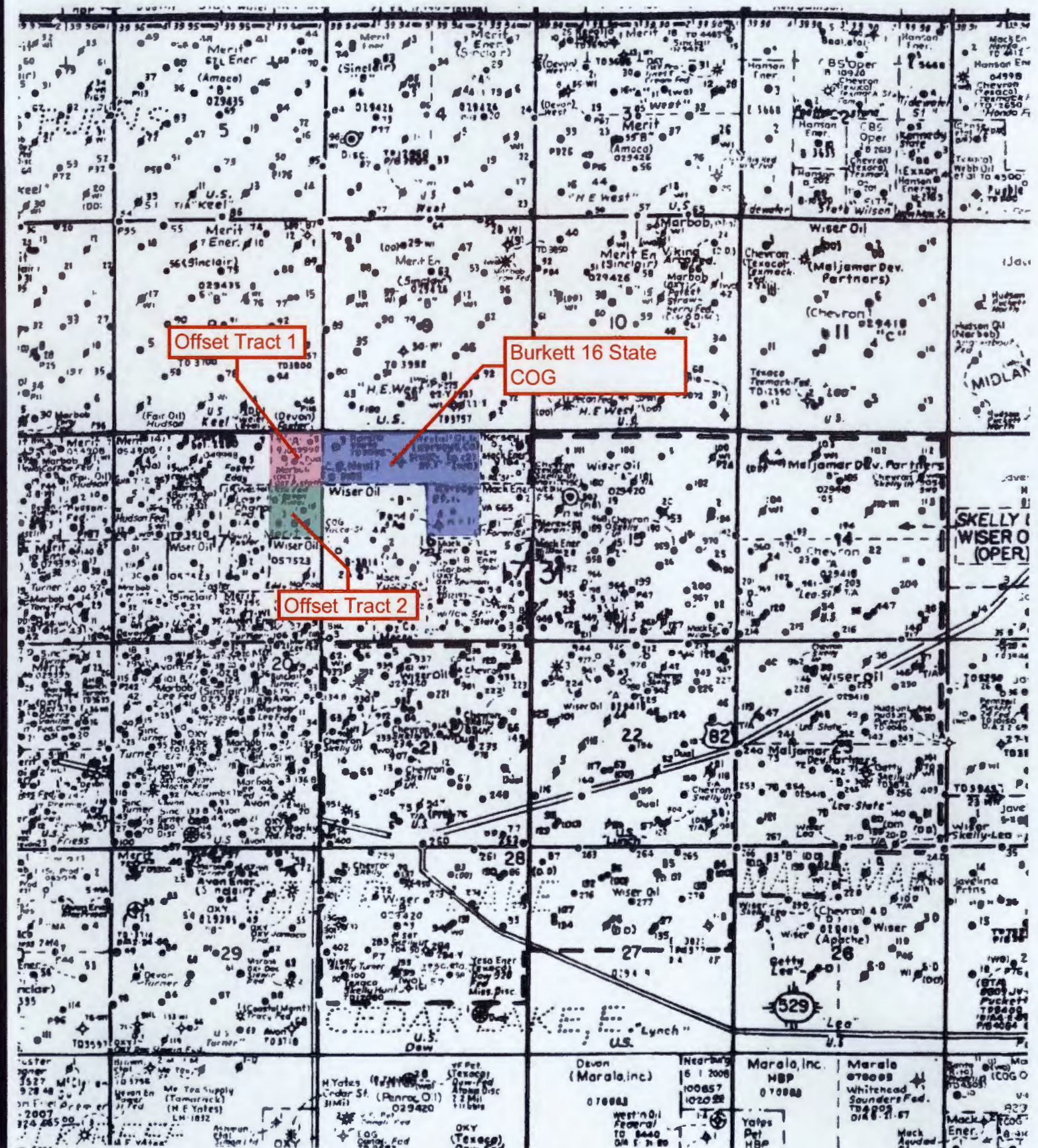
17 OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *Robyn M. Russell* Date: 07/10/17
Printed Name: Robyn M. Russell
E-mail Address: Russell@concho.com

18 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.

6-22-2017
Date of Survey
Signature and Seal of Professional Surveyor: *Robert M. Howett*
19680
Certificate Number
6-27-2017 BH

Burkett 16 State #12H Land Plat





Memorandum

To: Leonard Lowe
Engineering Bureau
New Mexico Oil Conservation Division

From: Joseph Scott
Landman, NM Shelf Team
COG Operating LLC

Date: July 10, 2017

Subject: Burkett 16 State #12H NSL Landman Statement

I, Joseph Scott, Landman for COG Operating LLC, have examined the lands and leases associated with the subject well and its offsets:

The offset lease USA LC-049998-A in the NE/4NE/4 and SE/4NE/4 of Section 17, T17S-R31E is wholly owned 100% by COG Operating at all depths. This fact was confirmed by an ownership report prepared dated November 19, 2007.

The aforementioned lands and lease is the only offset location not within the 330' setback rule.



Memorandum

To: Leonard Lowe
Engineering Bureau
New Mexico Oil Conservation Division

From: Bryan Montgomery
Reservoir Engineering Supervisor, NM Shelf Team
COG Operating LLC

Date: July 10, 2017

Subject: Burkett 16 State #12H 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.

Lowe, Leonard, EMNRD

From: Robyn Russell <Rrussell@concho.com>
Sent: Wednesday, July 19, 2017 2:57 PM
To: Lowe, Leonard, EMNRD
Subject: Burkett 16 State #12H NSL & NSP Application Additional Information

Hey Leonard,

COG owns and operates the vertical wells in Unit A of Sec 16, 17S, 31E. Interest in these wells are the same and no notice is needed.

Thank you,

Robyn Russell

Regulatory Analyst
COG Operating LLC
600 W. Illinois Ave
Midland, Tx 79701
(432) 685-4385



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