

NSL-7719

Revised March 23, 2017

RECEIVED: 5/9/18	REVIEWER: LRL	TYPE: NSL	APP NO: PUEL 1813851383
------------------	---------------	-----------	-------------------------

ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & 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

Applicant: COG Operating LLC **OGRID Number:** 229137
Well Name: Gissler Federal #16H **API:** 30-015-44913
Pool: Loco Hills; Glorieta-Yeso **Pool Code:** 96718

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 ☐ PPR

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
 A. ☒ Offset operators or lease holders
 B. ☐ Royalty, overriding royalty owners, revenue owners
 C. ☐ Application requires published notice
 D. ☐ Notification and/or concurrent approval by SLO
 E. ☐ Notification and/or concurrent approval by BLM
 F. ☐ Surface owner
 G. ☒ For all of the above, proof of notification or publication is attached, and/or,
 H. ☐ No notice required

FOR OCD ONLY	
<input checked="" type="checkbox"/>	Notice Complete NIR
<input checked="" type="checkbox"/>	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

05/08/2018

Date

(432) 685-4385

Phone Number

Russell@concho.com

e-mail Address



May 8, 2018

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

RE: **Gissler Federal #16H NSL**

To Whom It May Concern:

COG Operating LLC respectfully requests approval of a non-standard location for the following well(s):

Gissler Federal #16H – API #30-015-44913
SHL 1550 FSL 170 FEL UL I Sec 6 T17S, R30E
BHL 1650 FSL 10 FEL UL I Sec 5 T17S, R30E
TVD 4550

The granting of this NSL 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 100% working interest and operates the offset leases in Section 6, T17S, R30E. Apache Corporation, as the operating working interest owner of the leasehold in Sec 4, T17S, R30E, has been notified of this application and has provided a letter to waive any objection to this NSL. A copy of said letter has been attached to this application.

Please contact me should you have any questions.

Sincerely,

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 30-015-44913		² Pool Code 96718	³ Pool Name Loco Hills; Glorieta-Yeso
⁴ Property Code 302499	⁵ Property Name GISSLER FEDERAL		⁶ Well Number 16H
⁷ OGRID NO. 229137	⁸ Operator Name COG OPERATING, LLC		⁹ Elevation 3689'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	6	17S	30E		1550	SOUTH	170	EAST	EDDY

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
I	5	17S	30E		1650	SOUTH	10	EAST	EDDY

¹² Dedicated Acres 160	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.

<p>GEODETIC DATA NAD 83 GRID - NM EAST SURFACE LOCATION N 676968.5 - E 642672.8 LAT: 32 8605738' N LONG 104 0033138' W BOTTOM HOLE N 677085.9 - E 648114.1 LAT: 32 8608485' N LONG 103 9855922' W GEODETIC DATA NAD 27 GRID - NM EAST SURFACE LOCATION N 678904.9 - E 601493.8 LAT: 32 8604583' N LONG 104 0028052' W BOTTOM HOLE N 677022.2 - E 606935.1 LAT: 32 8607327' N LONG 103 9850839' W</p>	<p>CORNER DATA NAD 83 GRID - NM EAST A. FOUND BRASS CAP "1914" N 675387.8 - E 637653.6 B. FOUND BRASS CAP "1914" N 678025.5 - E 637653.4 C. FOUND BRASS CAP "1914" N 680665.9 - E 637854.6 D. FOUND BRASS CAP "1916" N 680673.4 - E 640190.1 E. FOUND BRASS CAP "1916" N 680680.6 - E 642829.7 F. FOUND BRASS CAP "1916" N 680688.3 - E 645470.0 G. FOUND BRASS CAP "1916" N 680696.5 - E 648110.9</p>	<p>H. FOUND BRASS CAP "1916" N 678076.6 - E 648121.2 I. FOUND BRASS CAP "1916" N 675436.4 - E 648128.9 J. FOUND BRASS CAP "1916" N 675428.2 - E 645488.7 K. FOUND BRASS CAP "1916" N 675419.9 - E 642848.2 L. FOUND BRASS CAP "1916" N 675403.7 - E 640208.3 M. CALCULATED CORNER N 678059.3 - E 642838.9 CALCULATED POINTS 1 N 678050.7 - E 641519.1 2 N 676731.2 - E 641523.7 3 N 676739.6 - E 642843.6 4 N 676756.5 - E 648125.0</p>	<p>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: <i>[Signature]</i> Date: 10/18/17 Printed Name: Robyn M. Russell E-mail Address: Rrussell@concho.com</p>
<p>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. 8-30-2017 Date of Survey Signature and Seal of Professional Surveyor <i>[Signature]</i> 19680 Certificate Number</p>			<p>NEW MEXICO PROFESSIONAL SURVEYOR 19680</p>

Job No.: LS1708553



Memorandum

To: Leonard Lowe
Engineering Bureau
New Mexico Oil Conservation Division

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

Date: May 8, 2018

Subject: Gissler Federal #16H 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.



N

Memorandum

To: Leonard Lowe
Engineering Bureau
New Mexico Oil Conservation Division

From: Adam Clay Reker, MBA, RPL
Landman, NM Shelf Team
COG Operating LLC

Date: April 17, 2018

Subject: Gissler Federal #16H and #17H NSL Landman Statement

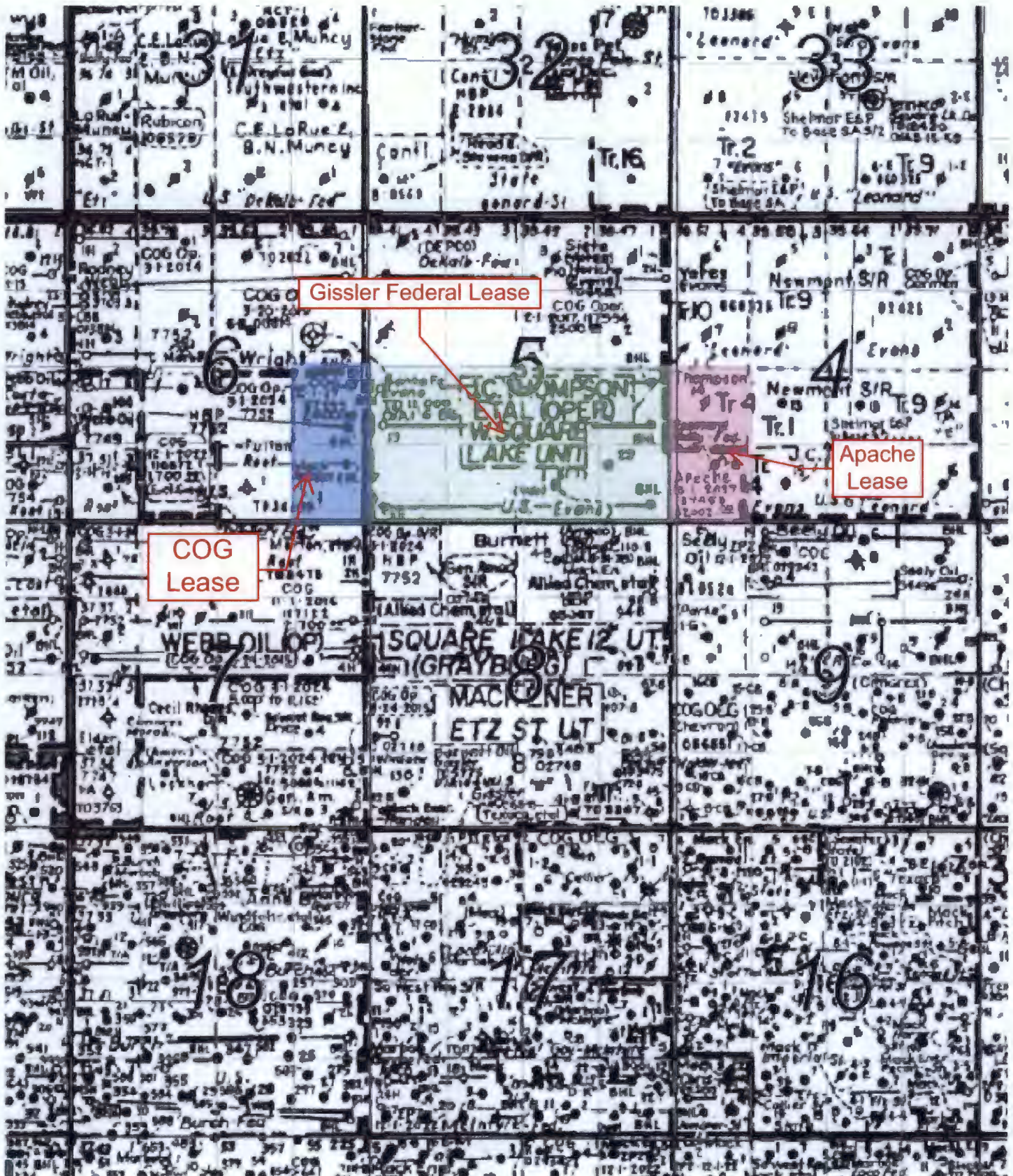
I, Adam Clay Reker, Landman for COG Operating LLC, have examined or have had title attorneys/contract land professionals examine the lands and leases associated with the Gissler Federal #16H and Gissler Federal #17H Wells and their offsets.

COG's "Chimay" lease and "Newcastle" lease cover the NE/4SE/4 and SE/4SE/4 of Section 6, T17S, R30E in Eddy County, NM, and are owned 100% by COG in the producing interval (The "heel" of the well). Additionally, Apache Corporation is the operator of the producing interval in All of Section 4, T17S-R30E in Eddy County, NM (The "toe" of the well). Apache has waived its right to protest any NSLs on COG's Gissler Lease (See attached copy of this waiver). This information was researched by myself and/or provided by land professionals who rendered ownership reports covering the aforementioned tracts over the last couple of months. Said leases being Federal Lease USA NM-117555, Federal Lease USA NM-02425 and Federal Lease USA NM-137453.

Adam C. REKER

Date 4/17/2018

Gissler Federal #16H Land Plat





April 24, 2018

Apache Corporation
Attn: Laci Stretcher
303 Veterans Airpark Lane Suite 1000
Midland, TX 79705

RE: **Request for Waiver of Objection – Application for Unorthodox Well Locations**
Any and All Wells operated by COG located in Section 5, T17S-R30E, Eddy County New Mexico
"Subject Wells"

Dear Laci,

COG Operating LLC ("COG") will be applying to the New Mexico Oil Conservation Division ("NMOCD") for unorthodox well locations for all wells it drills in Section 5, T17S-R30E. COG is seeking approval of the unorthodox oil well locations in order to maximize recovery of reserves. The NMOCD's approval of the unorthodox completed interval will allow for the efficient recovery of reserves thereby preventing waste and improving well performance.

COG has fulfilled its duties under that certain Letter Agreement dated March 26, 2018, and the NMOCD has subsequently approved Apache Corporation's ("Apache") Thunderbird Unit. Pursuant to the terms of the Letter Agreement, COG is respectfully requesting that Apache waive its right to protest the Subject Wells, along with any future development in Section 5, T17S-R30E, which impacts the East of said section, no closer than 10 feet from the lease line with a last take point no closer than 100 feet from the lease line.

If the foregoing meets your approval, please signify by signing below and email this document to areker@concho.com. If there are any questions concerning this request, please call me at 432-685-2515.

Sincerely,

COG Operating LLC
Adam C. Reker, MBA, RPL

Apache Corporation
Laci Stretcher, RPL

I/We hereby waive any objection to any unorthodox well location(s) or any future development as specified in this letter operated by COG located in Section 5, T17S-R30E.

Apache Corporation

By: Amy D. Lindsey Date: 4/25/18
Name: Amy D. Lindsey
Title: Region Land Manager

From: [Lowe, Leonard, EMNRD](#)
To: ["Robyn Russell"](#)
Cc: [Mike Bratcher \(mike.bratcher@state.nm.us\)](#); [Cordero, Gilbert, EMNRD](#); ["lisa@rwbyram.com"](#); [Dawson, Scott, EMNRD](#); [Jones, William V, EMNRD](#); [McMillan, Michael, EMNRD](#); [Goetze, Phillip, EMNRD](#); ["jglover@blm.gov"](#); ["scaffey@blm.gov"](#); ["rjsanche@blm.gov"](#); ["jstovall@blm.gov"](#)
Subject: APPROVED NSL-7719_COG Operating, LLC_Gissler Federal Well No. 16H _SEC 6 17S 30E
Date: Wednesday, May 23, 2018 11:31:00 AM
Importance: High

Robyn Russell,

The following administrative order has been issued and will soon be available on the Division's web site.

<http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx>

ORDER No: NSL-7719
APPLICANT: COG Operating, LLC. [229137]
WELL: Gissler Federal Well No. 16H [API #: 30-015-44913]
POOL: Loco Hills; Glorieta-Yeso [# 96718]

Leonard Lowe

Engineering Bureau
Oil Conservation Division
Energy Minerals and Natural Resources Department
1220 South St. Frances
Santa Fe, New Mexico 87004
Office: 505-476-3492
Cell: 505-930-6717
Fax: 505-476-3462
E-mail: leonard.lowe@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/>