RECEIVED: 08/31/18 REVIEWER: LRL TYPE: NSL APP NO: pLEL1824951541

ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

	- Geological & E	CONSERVATION DIVISION Engineering Bureau – Drive, Santa Fe, NM 87505
- 115	ADMINISTRATIVE	APPLICATION CHECKLIST
\$		STRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND OCESSING AT THE DIVISION LEVEL IN SANTA FE
Applicant:_	COG Op cating LLC	OGRID Number: 229137
ا Name: ا		API:
ool:	WC-025 G09 S243532M; Wolfbone	Pool Code: 98098
SUBMIT AC		ATION REQUIRED TO PROCESS THE TYPE OF APPLICATION ICATED BELOW
•	APPLICATION: Check those which ation – Spacing Unit – Simultaneou NSL NSP (PROJECT ARE)	us Dedication
2) NOTIFICA A.	ATION REQUIRED TO: Check those of the control of th	PC OLS OLM rease - Enhanced Oil Recovery IPI EOR PPR FOR OCD ONLY which apply. revenue owners ice proval by SLO proval by BLM cation or publication is attached, and/or,
administr understa	rative approval is accurate and co	ormation submitted with this application for omplete to the best of my knowledge. I also this application until the required information and
	Note: Statement must be completed by a	n individual with managerial and/or supervisory capacity.
		08/31/2018
Debora L. Wilbou	<u> </u>	Date
Print or Type N	lame	575-513-1282 Phone Number
Delige	ad Tellegin	dwilbourn@concho.com
Signature		e-mail Address

Oil Conservation Division Attention: Mr. Leonard Lowe 1220 South Saint Francis Drive Santa Fe, New Mexico 87505

Re: Application for Unorthodox Well Locations

Snap Back Fee #603H

SHL: 2430' FSL 2180' FEL (Unit J), Sec. 18-T24S-R35E

Proposed FTP: 2310' FSL 2430' FEL, Sec. 18-T24S-R35E

BHL: 2310' FNL 2430' FEL (Unit G), Sec. 19-T24S-R35E

Proposed LTP: 2440' FNL 2430' FEL, Sec. 19-T24S-R35E

Lea County, NM

Dear Mr. Lowe:

COG Operating LLC (COG) respectfully requests administrative approval of a Non-standard Horizontal Spacing Unit for its Snap Back Fee #603H well. The completed interval of this well will not meet the requirement for being 330' from the outer boundary of the spacing unit. Attached is Form C-102 showing the Horizontal Spacing Unit for this well.

COG is seeking approval of the Non-standard Horizontal Spacing Unit in order to maximize recovery of reserves. The New Mexico Oil Conservation Division's approval of the non-standard completed interval for the Snap Back Fee #603H well will allow for efficient recovery of reserves, thereby preventing waste and improving well performance. (Please see attached Engineering Statement for more detailed information.)

The affected offset tract is the SW/4 of Sec. 18 and NW/4 of Sec.19-T24S-R35E. COG Operating LLC is the operator of the offsetting acreage, therefore the working interest owners under COG's acreage have been notified by Certified Mail of the proposed Non-standard Horizontal Spacing Unit. The notice letter advises said working interest owners that in the event they have an objection to COG's application, they must file a written letter with the Division within twenty (20) days from the date the Division receives this application.

Thank you for your consideration of this application. Should you have questions or require further information, please contact me at 575-748-6958 or by email at dwilbourn@concho.com.

Sincerely,

Debora L. Wilbourn Regulatory Analyst

Enclosure cc: OCD Hobbs

DISTRICT I DISTRICT II 511 S. FIRST ST., ARTZSIA, NM 85210 Phone: (575) 748-1283 Fex: (575) 748-5720

State of New Mexico ists N. Frence Br., Houses, Nat 68240 Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR. Santa Fe. New Mexico 87505

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

DISTRICT III 1000 RG BRAZOS RD., AZTEC, NM 57410 Phone: (505) 334-6178 Pax: (505) 334-6170

□ AMENDED REPORT

DISTRICT IV 1220 S. ST. FRANCIS DR., SANTA FE, NM 87505 Phone: (605) 476-3480 Fax: (505) 476-3462

	WELL LOCATION AND	<u>ACREAGE DEDICATION PLA</u>	Γ	
API Number	Pool Code	Pool Code Pool Name		
	98098	98098 WC-025 G-09 S243532M; V		
Property Code	Prop	erty Name	Well Number	
	SNAP BACK	603H		
OGRID No.	Operator Name Elevation			
229137	COG OPERATING, LLC 3351.2'			

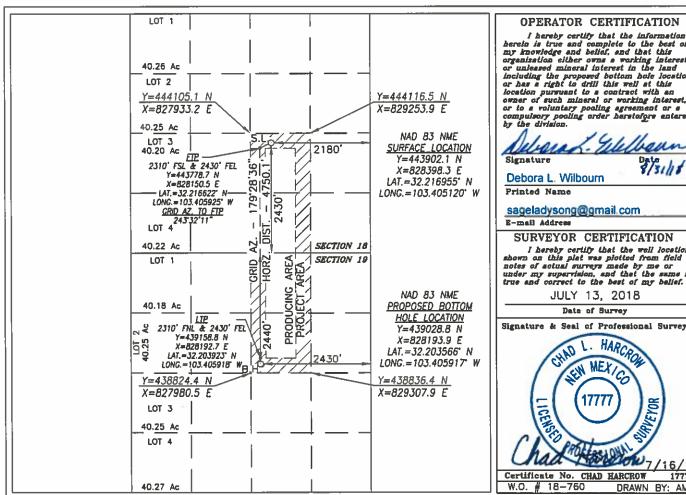
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	18	24-5	35-E		2430	SOUTH	2180	EAST	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
G	19	24-5	35-E		2440	NORTH	2430	EAST	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



OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unlessed mineral interest in the land or unlessed 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order herstofpre entered by the division.

8/31/18

17777

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.

JULY 13, 2018

Date of Survey

Signature & Seal of Professional Surveyor

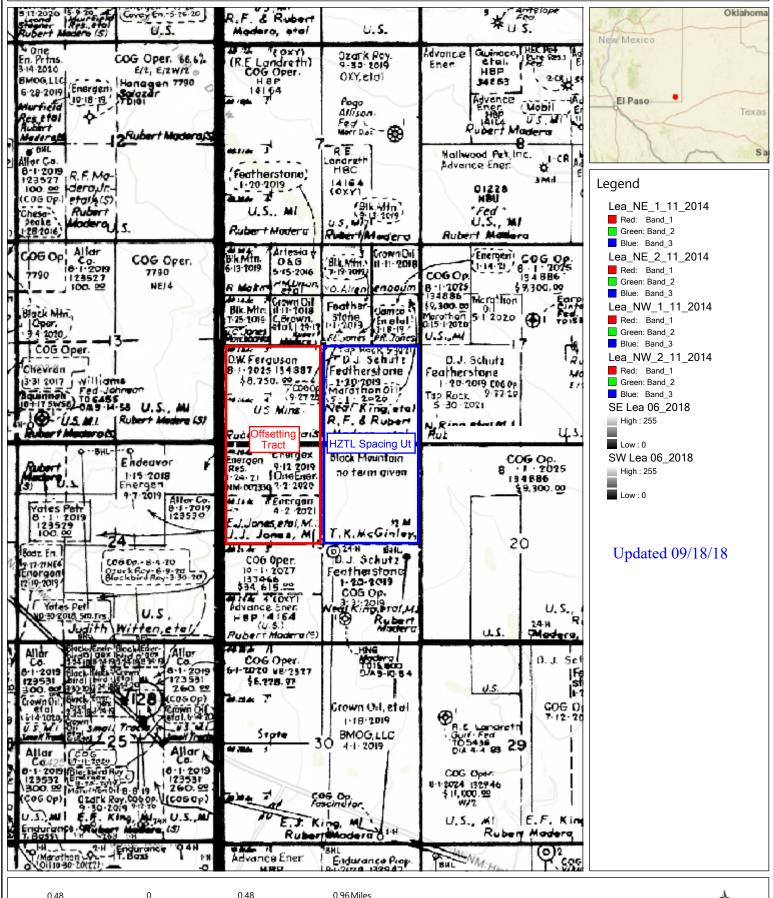


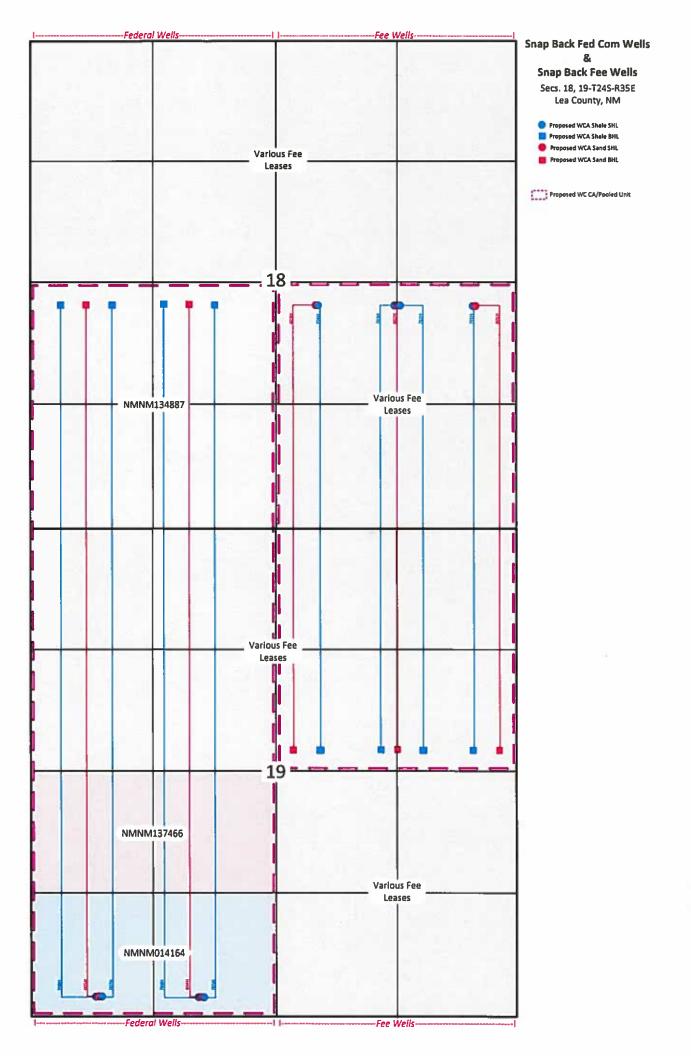
Certificate No. CHAD HARCROW DRAWN BY: AM

WGS_1984_Web_Mercator_Auxiliary_Sphere

CONCHO Snap Back Fee 603H

Secs. 17, 20-T24S-R35E Lea County, NM





Snap Back Fee 601H and 603H – NSL Applications Engineering Statement

The Snap Back Fee 601H and 603H wells are part of a development project in which COG Operating LLC (COG) will test reduced spacing in the Wolfbone interval. There are a total of 9 wells in the SE/4 of Sec. 18 and NE/4 of Sec. 19, T24S-R35E, that will be testing this reduced spacing.

Approval of NSLs for the Snap Back Fee 601H and 603H wells will provide adequate spacing for the planned spacing test and will allow economic recovery along with the co-development of the other wells in the section. By testing the viability of simultaneous development on reduced spacing within a single interval, COG is attempting to maximize recoverable resources from the interval and minimize waste created should we not simultaneously develop these targets.

Snap Back Fee 603H Owner Notification List

Tracts	Working Interest Owners	Certified Receipt No.	Received
	Chevron U.S.A. Inc.		
1	P. O. Box 2100	7017 3040 0000 2540 3617	
	Houston, TX 77252		
	Crown Oil Partners VI, LLC		
1	P. O. Box 50820	7017 3040 0000 2540 3648	
	Midland, TX 79710		
	Crump Energy Partners III, LLC		
1	P. O. Box 50820	7017 3040 0000 2540 3662	
	Midland, TX 79710		
	Ozark Royalty Company		
1	3652 Northwood Drive	7017 3040 0000 2540 3686	
	Memphis, TN 38111		
	Tap Rock Resources, LLC		
1	602 Park Point Dr.	7017 3040 0000 2540 3709	
	Golden, CO 80401		



Certified Mail – Return Receipt Request 7017 3040 0000 2540 3617

Chevron U.S.A., Inc. P. O. Box 2100 Houston, TX 77252

Re: Application for Unorthodox Well Locations

Snap Back Fee #603H

SHL: 2430' FSL 2180' FEL (Unit J), Sec. 18-T24S-R35E

Proposed FTP: 2310' FNL 2430' FWL, Sec. 18-T24S-R35E

BHL: 2310' FNL 2430' FEL (Unit G), Sec. 19-T24S-R35E

Proposed LTP: 2440' FNL 2430' FEL, Sec. 19-T24S-R35E

Lea County, NM

Gentlemen:

Attached is a copy of COG Operating LLC (COG)'s Application for a Non-standard Horizontal Spacing Unit for the Snap Back Fee #603H well, the SHL of which is located in Sec. 18-T24S-R35E, Lea County, New Mexico. You are being provided a copy of this Application per OCD's requirement to notify the operators/working interest owners of the affected offset acreage. If you have any objection to this Application, notification should be given to OCD within 20 days of receipt of this letter.

COG is seeking approval of the non-standard unit in order to allow for the efficient recovery of reserves, thereby preventing waste.

If you have any questions regarding this application, please contact Matt Solomon at (432) 685-4352 or Sean Johnson at (432) 818-2230 or by email at msolomon@concho.com or sjohnson@concho.com.

Sincerely, Lebour of Lebbourn

Debora L. Wilbourn Regulatory Analyst



Certified Mail – Return Receipt Request 7017 3040 0000 2540 3648

Crown Oil Partners VI, LLC P. O. Box 50820 Midland, TX 79710

Re:

Application for Unorthodox Well Locations

Snap Back Fee #603H

SHL: 2430' FSL 2180' FEL (Unit J), Sec. 18-T24S-R35E

Proposed FTP: 2310' FNL 2430' FWL, Sec. 18-T24S-R35E

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Lea County, NM

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Sincerely,

Debora L. Wilbourn
Regulatory Analyst



Certified Mail – Return Receipt Request 7017 3040 0000 2540 3662

Crump Energy Partners III, LLC P. O. Box 50820 Midland, TX 79710

Re: Application for Unorthodox Well Locations

Snap Back Fee #603H

SHL: 2430' FSL 2180' FEL (Unit J), Sec. 18-T24S-R35E

Proposed FTP: 2310' FNL 2430' FWL, Sec. 18-T24S-R35E

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Lea County, NM

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Sincerely,

Debora L. Wilbourn
Regulatory Analyst



Certified Mail – Return Receipt Request 7017 3040 0000 2540 3686

Ozark Royalty Company 3652 Northwood Drive Memphis, TN 38111

Re:

Application for Unorthodox Well Locations

Snap Back Fee #603H

SHL: 2430' FSL 2180' FEL (Unit J), Sec. 18-T24S-R35E

Proposed FTP: 2310' FNL 2430' FWL, Sec. 18-T24S-R35E

BHL: 2310' FNL 2430' FEL (Unit G), Sec. 19-T24S-R35E

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Lea County, NM

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If you have any questions regarding this application, please contact Matt Solomon at (432) 685-4352 or Sean Johnson at (432) 818-2230 or by email at msolomon@concho.com or sjohnson@concho.com.

Sincerely,

Debora L. Wilbourn
Regulatory Analyst



Certified Mail – Return Receipt Request 7017 3040 0000 2540 3709

Tap Rock Resources, LLC 602 Park Point Drive Golden 80401

Re:

Application for Unorthodox Well Locations

Snap Back Fee #603H

SHL: 2430' FSL 2180' FEL (Unit J), Sec. 18-T24S-R35E

Proposed FTP: 2310' FNL 2430' FWL, Sec. 18-T24S-R35E

BHL: 2310' FNL 2430' FEL (Unit G), Sec. 19-T24S-R35E

Proposed LTP: 2440' FNL 2430' FEL, Sec. 19-T24S-R35E

Lea County, NM

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Singerely,

Debora L. Wilbourn

Regulatory Analyst

Lowe, Leonard, EMNRD

From: Debora Wilbourn < DWilbourn@concho.com>

Sent: Friday, August 31, 2018 5:25 PM

To: Lowe, Leonard, EMNRD
Cc: Beth Ryan; Matt Solomon

Subject: Snap Back Fee 603H - NSL Application **Attachments:** Snap Back Fee 603H - NSL Application.pdf

Mr. Lowe,

I have attached our NSL application for the Snap Back Fee 603H well. Please let me know if you should need anything further.

Thanks,

Debora Wilbourn

Regulatory Analyst II North Delaware Basin Asset Team dwilbourn@concho.com 575.748.6958

Concho West I 2208 W Main St I Artesia, NM I 88210-3720 I 575.748.6940



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Attached to and made a part of that certain Joint Operating Agreement dated June 1, 2018, by and between COG Operating LLC, as Operator and Energen Resources Corporation, et al, as Non-Operators.

I. <u>DESCRIPTION: OF LANDS:</u>

Township 24 South - Range 35 East, NMPM

Section 18: SW/4

Section 19: W/2

Lea County, New Mexico

Containing 481.55 acres, more or less

II. **DEPTH RESTRICTIONS:**

Limited to the Wolfcamp Formation.

III. **PARTIES TO AGREEMENT:**

COG Operating LLC Energen Resources Corporation 600 W. Illinois Ave. 605 Richard Arrington, Jr. Blvd. North

Midland, TX 79701 Birmingham, AL 35203

NM Delaware Basin Land Lead Attn: Attn: 432-683-7443 Phone: Phone: 432-221-0856 Fax: Fax: Email: Email:

Advance Energy Partners, LLC OXY USA Inc.

11490 Westheimer Rd. Suite 950 5 Greenway Plaza, Suite 110

Houston, TX 7704 Houston, TX 77077

Phone: Phone: Fax: Fax: Email: Email:

OneEnergy Partners Operating, LLC EOG Y Resources, Inc. 5309 Champions Drive 2929 Allen Parkway, Suite 200 Midland, TX 79706 Houston, TX 77019

Attn: Attn: Phone: Phone: Fax: Fax: Email: Email:

PERCENTAGES OF INTERESTS:

Total WI	100.000000%*
EOG-Y Resources, Inc.	3.344201%
OneEnergy Partners Operating, LLC	5.537674%
Energen Resources Corporation	24.452151%
Advance Energy Partners, LLC	4.741080%
OXY USA, Inc.	45.257882%
COG Operating LLC	16.66/013%

Lowe, Leonard, EMNRD

From: Debora Wilbourn <DWilbourn@concho.com>
Sent: Tuesday, September 18, 2018 2:38 PM

To: Lowe, Leonard, EMNRD
Cc: Jones, William V, EMNRD

Subject: RE: NSL Application: Snap Back Fee Well No, 603H

Attachments: Snap Back Fee 603H - NSL Letter to NMOCD (corrected).docx; OA - Snapback Fed Com SW Sec 18

_W2 Sec 19 Exhibit A.docx; Snap Back Fee 603H - Offsetting Acreage Map.pdf

Mr. Lowe,

I have attached the following per your request:

- 1. Corrected application cover letter
- 2. Exhibit A from the Joint Operating Agreement (JOA) covering the SW/4 of Sec. 18 & the W/2 of Sec. 19, showing the working interest owners and their percentage interest in said tracts. All of these owners' working interests are spread percentage-wise across the entire 481.55 acres.
- 3. Offsetting acreage map with the Horizontal Spacing Unit and Offsetting Tract more visible.

Please note that I was advised by our attorney that our offsetting acreage would be the entire SW/4 of Sec. 18 and the entire NW/4 of Sec. 19. This is due to the fact that the ~320 acres is being operated under the aforementioned JOA, will be communitized as one block of acreage and will be included in one ~320 acre horizontal spacing unit.

Please let me know if you need further information.

Debora

From: Lowe, Leonard, EMNRD [mailto:Leonard.Lowe@state.nm.us]

Sent: Tuesday, September 18, 2018 1:26 PM

To: Debora Wilbourn

Cc: Jones, William V, EMNRD

Subject: [External] NSL Application: Snap Back Fee Well No, 603H

Importance: High

**** External email. Use caution. ****

Debora Wilbourn.

The NSL Application for the above subject well for COG Operating, LLC, has not provided proper notice.

From my review of your submittal, your affected tracts are located in the following areas: Section 18, E2 SW4 & Section 19, E2 NW4.

Your application letter is full of ERRORS as well. Please perform the following:

- 1. Resubmit the Letter requesting an Unorthodox approval request. Correct the direction (N W) referenced for the FTP and verify the rest are correct. Correct the affected tracts referenced, UNLESS COG DID NOT PROPERLY NOTICE THE AFFECTED TRACTS, then proper notice needs to be completed.
- 2. I'm going to ASSUME you notified the Working Interest in the CORRECT affected tracts, though your initial letter states otherwise. So for assurance, please identify the location of all the "Owner Notification List" within your application and resubmit.

3. Please provide a clear and correct Offsetting Tract map. The one submitted does not clearly state the proposed project area and affected tracts.

I just want THREE items to be resubmitted.

If nothing is resubmitted by the COB your 20 will not start until all information stated above is received. And all proper notice is completed, if not completed at all.

Please assure all information submitted is correct prior to submitting.

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/

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Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD

Sent: Friday, September 21, 2018 9:30 AM

To: 'Debora Wilbourn'

Cc: Brown, Maxey G, EMNRD; Kautz, Paul, EMNRD; Jones, William V, EMNRD; McMillan, Michael, EMNRD;

Goetze, Phillip, EMNRD; Dawson, Scott, EMNRD; 'lisa@rwbyram.com'

Subject: NSL-7759 & 7760_COG Operating LLC_Snap Back Fee Well No. 601H & 603H_SEC 18 24S 35E

Importance: High

Debora L. Wilbourn,

The following Administrative Orders have been issued. The Orders will soon be available on the Division's web site: http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx

COG Operating LLC [229137]

POOL: WC-025 G-09 S243532M; Wolfbone

NSL-7759 Snap Back Fee Well No. 601H API No. 30-025-PENDING

NSL-7760 Snap Back Fee Well No. 603H API No. 30-025-PENDING

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/