

RECEIVED: 02/07/19	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL1903840865
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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:** Daisy State Com #501H **API:** \_\_\_\_\_  
**Pool:** Hay Hollow; Bone Spring, North **Pool Code:** 30216

**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**

- ☐ 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.**

Debora L. Wilbourn

Print or Type Name

Debora L. Wilbourn

Signature

2/7/19  
 Date

575-748-6958

Phone Number

dwilbourn@concho.com

e-mail Address

## **Lowe, Leonard, EMNRD**

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**From:** Lowe, Leonard, EMNRD  
**Sent:** Wednesday, February 20, 2019 3:56 PM  
**To:** 'Debora Wilbourn'  
**Subject:** RE: Daisy State Com 501H NSL Application

**Importance:** High

Debora Wilbourn,

Good afternoon.

The OCD Santa Fe Office will withdraw your NSL application.

### **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](mailto:leonard.lowe@state.nm.us)  
Website: <http://www.emnrd.state.nm.us/oed/>

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**From:** Debora Wilbourn <DWilbourn@concho.com>  
**Sent:** Monday, February 18, 2019 1:39 PM  
**To:** Lowe, Leonard, EMNRD <Leonard.Lowe@state.nm.us>  
**Cc:** Jones, William V, EMNRD <WilliamV.Jones@state.nm.us>; McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>; Travis Macha <TMacha@concho.com>; Chesney Gilleland <CGilleland@concho.com>; Ashley Roush <ARoush@concho.com>; Nuny Rincones <mrincones@concho.com>; Tyler Adams <tadams@concho.com>; Debora Wilbourn <DWilbourn@concho.com>  
**Subject:** [EXT] Daisy State Com 501H NSL Application  
**Importance:** High

Mr. Lowe,

Concho Resources LLC would like to withdraw the referenced NSL application, please.

Thanks,

***Debora L. Wilbourn***

**Production Compliance Lead**

[dwilbourn@concho.com](mailto:dwilbourn@concho.com)

O - 575.748.6958

C - 575-513-0168

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



February 7, 2019

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

Re: Application for Nonstandard Wellbore Location  
**Daisy State Com 501H**  
SHL: 275' FNL 415' FWL (Unit D), Section 24-T25S-R27E  
Proposed FTP: 100' FNL 100' FWL (Unit D), Section 24-T25S-R27E  
BHL: 50' FSL 100' FWL (Unit M), Section 25-T25S-R27E  
Proposed LTP: 100' FSL 100' FWL (Unit M), Section 25-T25S-R27E  
Eddy County, New Mexico

Dear Mr. Lowe:

Pursuant to Division Rule 19.15.15.13, COG Operating LLC (COG) respectfully requests administrative approval of a non-standard wellbore location for its Daisy State Com 501H well. The producing interval of this well does not meet the requirement of the producing area being 330' from the outer boundary. Attached is a Form C-102 showing the project/producing area of this well.

COG is seeking approval of the unorthodox location in order to maximize recovery of reserves. The New Mexico Oil Conservation Division's approval of the unorthodox completed interval for the Daisy State Com 501H well will allow for efficient recovery of reserves, thereby preventing waste and improving well performance. Please see attached Engineering Statement for more detail.

The Daisy State Com wells will be drilled in the Bone Spring formation. The Daisy State Com 503H will be the defining well of the horizontal spacing unit and will enable COG to pull in the proximity tracts in the W/2W/2 of both Sections 24 and 25, which will make this area of development a 640-acre spacing unit. The affected offset tracts are the E/2E/2 of both Sections 23 and 26. The operators of the offset tracts have been notified by certified mail of COG's application for the Daisy State Com 501H NSL application. The notice letter advises said 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](mailto:dwilbourn@concho.com).

Sincerely,

A handwritten signature in blue ink that reads "Debora L. Wilbourn".

Debora L. Wilbourn  
Production Compliance Lead

Enclosure

cc:--OCD Artesia

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CORPORATE ADDRESS

ONE CONCHO CENTER | 600 WEST ILLINOIS AVENUE | MIDLAND, TEXAS 79701  
P 432.683.7443 | F 432.683.7441

ARTESIA WEST OFFICE

2208 MAIN STREET | ARTESIA, NEW MEXICO 88210  
P 575.748.6940 | F 575.746.2096

DISTRICT I  
1825 N. FRENCH DR., HOBBS, NM 88240  
Phone: (575) 393-8181 Fax: (575) 393-0720

DISTRICT II  
511 S. FIRST ST., ARTESIA, NM 88210  
Phone: (575) 746-1263 Fax: (575) 746-0720

DISTRICT III  
1000 RIO BRAZOS RD., AZTEC, NM 87410  
Phone: (505) 334-8178 Fax: (505) 334-8170

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, New Mexico 87505

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

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number Not yet assigned	Pool Code 30216	Pool Name Hay Hollow, Bone Spring, North
Property Code	Property Name DAISY 24 STATE COM	Well Number 501H
GRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3051.0'

**Surface Location**


UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	24	25-S	27-E		275	NORTH	385	WEST	EDDY

**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
M	25	25-S	27-E		50	SOUTH	100	WEST	EDDY

Dedicated Acres 640	Joint or Infill	Consolidation Code	Order No.
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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

<p>Y=408403.0 N X=597350.8 E</p> <p>385'</p> <p>NAD 83 NME SURFACE LOCATION Y=408130.8 N X=597736.4 E LAT.=32.121900° N LONG.=104.151153° W</p> <p>1275' S.L.</p> <p>Y=408422.3 N X=599982.4 E</p> <p>100' FNL &amp; 100' FWL Y=408303.8 N X=597451.0 E LAT.=32.122376° N LONG.=104.152074° W GRID AZ. TO FTP 301°12'52"</p> <p>SECTION 24 SECTION 25</p> <p>NAD 83 NME PROPOSED BOTTOM HOLE LOCATION Y=397852.3 N X=597575.9 E LAT.=32.093645° N LONG.=104.151728° W</p> <p>GRID AZ. - 179°18'55" HORZ. DIST. - 10452.2'</p> <p>100'</p> <p>Y=397801.9 N X=597476.9 E</p> <p>100'</p> <p>B.H. 50'</p> <p>Y=397812.9 N X=600076.6 E</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>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 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Debora L. Wilbourn</i> 2/7/19 Signature Date</p> <p>Debora L. Wilbourn Printed Name</p> <p>dwlbourn@concho.com E-mail Address</p> <p><b>SURVEYOR CERTIFICATION</b></p> <p>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.</p> <p>DECEMBER 4, 2018 Date of Survey</p> <p>Signature &amp; Seal of Professional Surveyor</p> <p></p> <p><i>Chad Harcrow</i> 1/29/19 Certificate No. CHAD HARCROW 17777 W.O. # 18-1538 DRAWN BY: JH</p>
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# **Daisy State Com 501H**

## **Engineering Statement for NSL Application**

The Daisy State Com 501H well is a part of a development project in which COG Operating LLC (COG) will test reduced spacing in the Second Bone Spring interval. There are a total of 4 wells in Sec. 24, 25-T25S-R27E that will be testing this reduced spacing.

Approval of the NSL for the Daisy State Com 501H well 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.

## Daisy State Com 501H – Offset Operators

### Offset Operator

### Certified Return Receipt No.

Delivered

#### TRACT 1:

Mewbourne Oil Company  
500 W. Texas, Ste 1020  
Midland, TX 79701

7017 3040 0000 2540 4089

#### TRACT 2:

Chevron USA, Inc.  
P. O. Box 200027  
Houston, TX 77216

7017 3040 0000 2540 4072

## **Lowe, Leonard, EMNRD**

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**From:** Debora Wilbourn <DWilbourn@concho.com>  
**Sent:** Thursday, February 7, 2019 10:45 AM  
**To:** Lowe, Leonard, EMNRD  
**Cc:** Jones, William V, EMNRD; Travis Macha; Tim Baker; Debora Wilbourn  
**Subject:** [EXT] Daisy 24 State Com 501H NSL application  
**Attachments:** Daisy State Com 501H NSL Application.pdf  
  
**Importance:** High

Mr. Lowe,

Attached is the NSL Application for COG's Daisy 24 State Com 501H NSL. Please let me know if you need further information.

Thank you,

***Debora L. Wilbourn***

**Production Compliance Lead**

[dwilbourn@concho.com](mailto:dwilbourn@concho.com)

O - 575.748.6958

C - 575-513-0168

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