

DATE IN 7.22.11	SUSPENSE	ENGINEER D.B.	LOGGED IN 7.22.11	TYPE NSL	APP NO 1120348598
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ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



C06-229137

Folk Fed # 22

**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

**Application Acronyms:**

- [NSL-Non-Standard Location]** **[NSP-Non-Standard Proration Unit]** **[SD-Simultaneous Dedication]**
- [DHC-Downhole Commingling]** **[CTB-Lease Commingling]** **[PLC-Pool/Lease Commingling]**
- [PC-Pool Commingling]** **[OLS - Off-Lease Storage]** **[OLM-Off-Lease Measurement]**
- [WFX-Waterflood Expansion]** **[PMX-Pressure Maintenance Expansion]**
- [SWD-Salt Water Disposal]** **[IPI-Injection Pressure Increase]**
- [EOR-Qualified Enhanced Oil Recovery Certification]** **[PPR-Positive Production Response]**

D-17+175-29E

6442

EJdy

[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [A] Location - Spacing Unit - Simultaneous Dedication  
 NSL  NSP  SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement  
 DHC  CTB  PLC  PC  OLS  OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
 WFX  PMX  SWD  IPI  EOR  PPR

- [D] Other: Specify \_\_\_\_\_

RECEIVED OGD  
201 JUL 22 AM 11:33

[2] **NOTIFICATION REQUIRED TO: - Check Those Which Apply, or  Does Not Apply**

- [A]  Working, Royalty or Overriding Royalty Interest Owners
- [B]  Offset Operators, Leaseholders or Surface Owner
- [C]  Application is One Which Requires Published Legal Notice
- [D]  Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E]  For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F]  Waivers are Attached

INTEREST ARE THE SAME

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **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.

Kelly J. Holly  
 Print or Type Name

*[Signature]*  
 Signature

Permitting Tech  
 Title

7-21-11  
 Date

(432) 685-4384  
 Phone Number

kholly@conchoresources.com  
 E-mail Address

**Folk Federal #22  
Eddy County, NM**

COG proposes to drill a NW/4 NW/4, 40 acre spacing  
Empire; Glorieta-Yeso, East Oil Well  
TD of approximately 5450'

**Non-Standard Location:**

300' FNL & 990' FWL      Sec 17, T17S, R29E, Unit D

**This well had to be drilled at a non-standard location due to  
buried pipelines.**

This well is to be completed in the Empire; Glorieta-Yeso, East (96610) formation. We won't know the exact perms until we drill & log it, but it will be very similar to the Folk Federal #4 which was completed in October 2007 and is located 2310' FNL & 2110' FWL, Unit F in Sec 17, T17S, R29E.

Folk Federal #4 has Yeso open perms from: 4300' – 5160' overall, but broken up into 3 separate intervals, with 3 separate fracs:

1<sup>st</sup> interval: 4960' – 5160'  
acidized w/ 5000 gals,  
frac w/ 69,248 gals gel, & 61,172# 16/30 sand, & 5676# LiteProp

2<sup>nd</sup> interval: 4510' – 4710'  
acidized w/ 5000 gals,  
frac w/ 68,981 gals gel, & 61,488# 16/30 sand, & 5766# LiteProp

3<sup>rd</sup> interval: 4300' – 4440'  
acidized w/ 5000 gals,  
frac w/ 68,906 16/30 sand, & 4330# LiteProp

**Attachment 1  
Plat & Map**

**Attachment 2  
Map & legend of offset wells.**

**Attachment 3**

Updated land plat showing that COG Operating LLC acreage.  
The acreage we are encroaching is the SW/4 SW/4 and SE/4 SW/4 of Section 8.

Offset acreage is owned by COG Operating and Nadel and Gussman Heyco,  
LLC.

Proof of notification to Nadel and Gussman Heyco is attached.

COG Operating LLC respectfully requests permission to have this NSL approved.

DISTRICT I  
1625 N. FRENCH DR., HOBBS, NM 88240  
DISTRICT II  
1301 W. GRAND AVENUE, ARTESIA, NM 88210  
DISTRICT III  
1000 RIO BRAZOS RD., AZTEC, NM 87410  
DISTRICT IV  
11885 S. ST. FRANCIS DR., SANTA FE, NM 87505

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 July 16, 2010  
Submit to Appropriate  
District Office

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number 30-015-39271	Pool Code 96610	Pool Name Empire; Glorieta-Yeso, East
Property Code 302495	Property Name FOLK FEDERAL	Well Number 22
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3635'

Surface Location

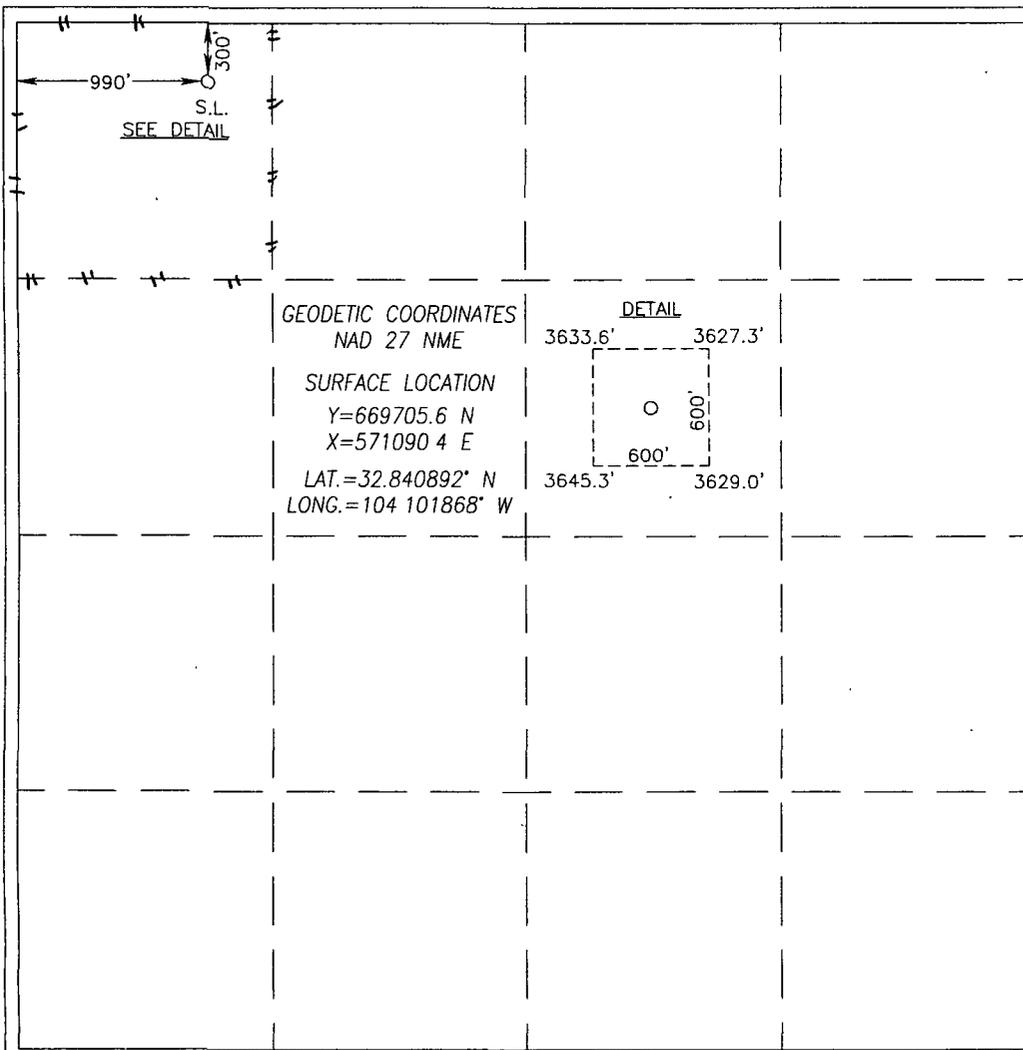
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	17	17-S	29-E		300	NORTH	990	WEST	EDDY

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

Dedicated Acres 40	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



**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 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.

*Kelly J. Holly* 4-14-11  
Signature Date

Kelly J. Holly  
Printed Name

kholly@conchoresources.com  
E-mail Address

**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

APRIL 4, 2011

Date of Survey  
Signature & Seal of Professional Surveyor:

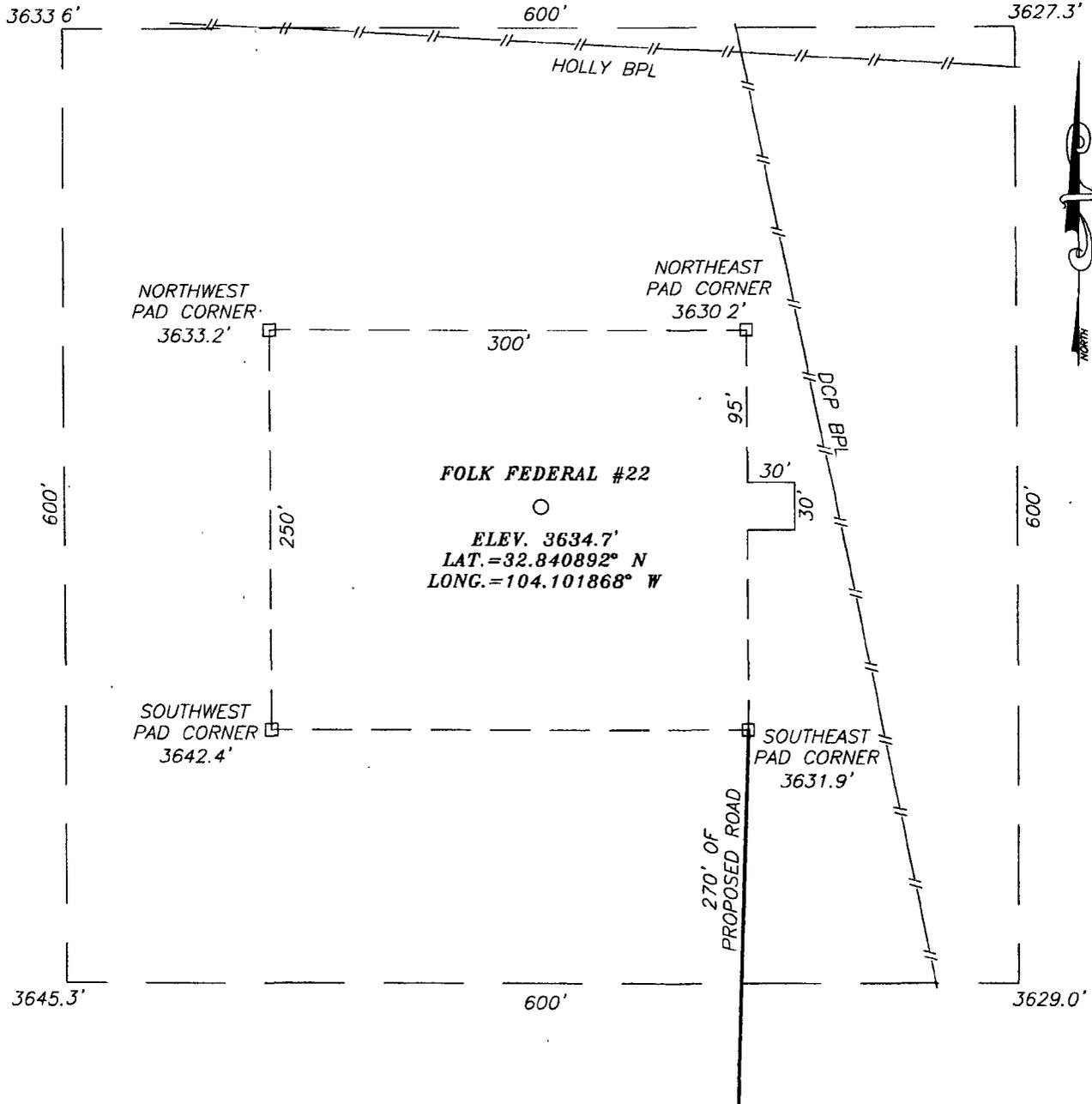
*Ronald J. Eidson*  
Professional Surveyor

3239  
NEW MEXICO  
REG. PROFESSIONAL SURVEYOR

Certificate Number: Ronald J. Eidson 12641  
Professional Surveyor: Ronald J. Eidson 3239

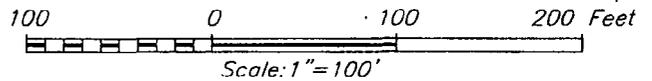
LA JWSC W.O. 11.11.0698

**SECTION 17, TOWNSHIP 17 SOUTH, RANGE 29 EAST, N.M.P.M.,**  
 EDDY COUNTY, NEW MEXICO



**DIRECTIONS TO LOCATION**

FROM THE INTERSECTION OF U.S. HWY. #82 AND CO. RD. #211 (OLD LOCO RD.), GO NORTH ON CO. RD. #211 APPROX. 1.9 MILES. TURN LEFT AND GO WEST APPROX. 0.3 MILES TO THE FOLK FED. #24. THIS LOCATION IS APPROX. 520 FEET NORTH OF EXISTING WELL.



PROVIDING SURVEYING SERVICES SINCE 1946  
**JOHN WEST SURVEYING COMPANY**  
 412 N. DAL PASO  
 HOBBS, N.M. 88240  
 (575) 393-3117

**COG OPERATING, LLC**

FOLK FEDERAL #22 WELL  
 LOCATED 300 FEET FROM THE NORTH LINE  
 AND 990 FEET FROM THE WEST LINE OF SECTION 17,  
 TOWNSHIP 17 SOUTH, RANGE 29 EAST, N.M.P.M.,  
 EDDY COUNTY, NEW MEXICO.

Survey Date: 4/4/11	Sheet 1 of 1 Sheets		
W.O. Number: 11 11.0698	Dr By: LA	Rev 1:N/A	
Date: 4/8/11	11110698	Scale: 1"=100'	

## Producing Wells in Sec 17, T17S, R29E, Eddy County NM

API#	Operator	Lease	Well#	County	Legal	Total Depth	Well Type	Well Status	First Prod.	Last Prod.	Avg. (BO/D)
30-015-23719	COG OPERATING LLC	FEDERAL KL-17	001	EDDY	S:17, T:17S, R:29E	10,740	G	Pumping	Aug 1982	Apr 2011	0.03
30-015-31260	CLAYTON WILLIAMS ENERGY INC	PHILLIPS 17 FEDERAL	001	EDDY	S:17, T:17S, R:29E	4,805	O	Temporarily Abandoned	Nov 2000	Apr 2011	0.67
30-015-35728	COG OPERATING LLC	FOLK FEDERAL	4	EDDY	S:17, T:17S, R:29E	5,600	O	Active Permit	Oct 2007	Aug 2010	0.71
30-015-03000		FOLK FEDERAL	001	EDDY	S:17, T:17S, R:29E		O	Active	Jun 1959	Jul 1961	0.81
30-015-34283	CIMAREX ENERGY CO. OF COLORADO	MUSKEGON 17 FEDERAL COM	002	EDDY	S:17, T:17S, R:29E	11,500	PG	Active Permit	May 2006	Sep 2007	0.83
30-015-31261	CLAYTON WILLIAMS ENERGY INC	PHILLIPS 17 FEDERAL	002	EDDY	S:17, T:17S, R:29E	4,506	O	Temporarily Abandoned	Sep 2000	Apr 2011	1.33
30-015-20198	COG OPERATING LLC	FOLK FEDERAL	002	EDDY	S:17, T:17S, R:29E	0	O	Active	Mar 1969	Apr 2011	1.90
30-015-35728	COG OPERATING LLC	FOLK FEDERAL	4	EDDY	S:17, T:17S, R:29E	5,600	O	Active Permit	Dec 2010	Apr 2011	1.90
30-015-35727	COG OPERATING LLC	FOLK FEDERAL	1	EDDY	S:17, T:17S, R:29E	5,123	O	Active Permit	Oct 2010	Dec 2010	2.26
30-015-20198	MACK ENERGY CORP	FOLK FEDERAL	002	EDDY	S:17, T:17S, R:29E	0	O	Active	Jan 1972	Dec 1977	3.26
30-015-31261	CLAYTON WILLIAMS ENERGY INC	PHILLIPS 17 FEDERAL	002	EDDY	S:17, T:17S, R:29E	4,506	O	Temporarily Abandoned	Dec 2000	Apr 2011	3.30
30-015-31260	CLAYTON WILLIAMS ENERGY INC	PHILLIPS 17 FEDERAL	001	EDDY	S:17, T:17S, R:29E	4,805	O	Temporarily Abandoned	Sep 2000	Apr 2011	3.97
30-015-35727	COG OPERATING LLC	FOLK FEDERAL	1	EDDY	S:17, T:17S, R:29E	5,123	O	Active Permit	Oct 2010	Apr 2011	4.43
30-015-31446	CLAYTON WILLIAMS ENERGY INC	PHILLIPS 17 FEDERAL	003	EDDY	S:17, T:17S, R:29E	4,427	O	Pumping	Jan 2001	Apr 2011	4.63
30-015-35727	COG OPERATING LLC	FOLK FEDERAL	1	EDDY	S:17, T:17S, R:29E	5,123	O	Active Permit	Nov 2007	Jun 2010	6.93
					S:17,						

30-015-27295	COG OPERATING LLC	FOLK FEDERAL	003	EDDY	T:17S, R:29E	5,050	PO	Active	Mar 1993	Apr 2011	7.60
30-015-37345	COG OPERATING LLC	FOLK STATE	1	EDDY	S:17, T:17S, R:29E	5,515	O	Active Permit	May 2010	Apr 2011	11.03
30-015-36172	COG OPERATING LLC	FOLK FEDERAL	6	EDDY	S:17, T:17S, R:29E	5,463	O	Active Permit	Mar 2009	Apr 2011	12.67
30-015-36169	COG OPERATING LLC	FOLK FEDERAL	9	EDDY	S:17, T:17S, R:29E	5,408	O	Active Permit	Nov 2009	Apr 2011	13.93
30-015-36171	COG OPERATING LLC	FOLK FEDERAL	7	EDDY	S:17, T:17S, R:29E	5,465	O	Active Permit	Jul 2009	Apr 2011	13.93
30-015-36170	COG OPERATING LLC	FOLK FEDERAL	8	EDDY	S:17, T:17S, R:29E	5,462	O	Active Permit	Apr 2009	Apr 2011	15.83
30-015-37752	COG OPERATING LLC	FOLK STATE	6	EDDY	S:17, T:17S, R:29E	5,055	O	Active Permit	Aug 2010	Apr 2011	16.20
30-015-36863	COG OPERATING LLC	FOLK FEDERAL	13	EDDY	S:17, T:17S, R:29E	5,531	O	Active Permit	Apr 2010	Apr 2011	21.53
30-015-36864	COG OPERATING LLC	FOLK FEDERAL	12	EDDY	S:17, T:17S, R:29E	5,421	O	Active Permit	Sep 2009	Apr 2011	21.53
30-015-36890	COG OPERATING LLC	FOLK FEDERAL	11	EDDY	S:17, T:17S, R:29E	5,412	O	Active Permit	Dec 2009	Apr 2011	22.80
30-015-37880	COG OPERATING LLC	FOLK FEDERAL	29	EDDY	S:17, T:17S, R:29E	5,477	O	Active Permit	Nov 2010	Apr 2011	22.80
30-015-37347	COG OPERATING LLC	FIRECRAKER STATE	3	EDDY	S:17, T:17S, R:29E	5,320	O	Active Permit	May 2010	Apr 2011	23.27
30-015-38177	COG OPERATING LLC	FOLK FEDERAL	32	EDDY	S:17, T:17S, R:29E	5,517	O	Active Permit	Apr 2011	Apr 2011	24.27
30-015-37233	COG OPERATING LLC	FOLK STATE	9	EDDY	S:17, T:17S, R:29E	5,130	O	Active Permit	Jul 2010	Apr 2011	27.17
30-015-38171	COG OPERATING LLC	FOLK FEDERAL	14	EDDY	S:17, T:17S, R:29E	5,478	O	Active Permit	Jan 2011	Apr 2011	31.03
30-015-37516	COG OPERATING LLC	FOLK FEDERAL	38	EDDY	S:17, T:17S, R:29E	5,070	O	Active Permit	Sep 2010	Apr 2011	31.67
30-015-36747	COG OPERATING LLC	FOLK FEDERAL	5	EDDY	S:17, T:17S, R:29E	5,555	O	Active Permit	Aug 2010	Apr 2011	41.17
					S:17,						

30-015-36862	COG OPERATING LLC	FOLK FEDERAL	10	EDDY	T:17S, R:29E	5,550	O	Active Permit	Aug 2009	Apr 2011	41.80
30-015-38174	COG OPERATING LLC	FOLK FEDERAL	24	EDDY	S:17, T:17S, R:29E	5,406	O	Active Permit	Mar 2011	Apr 2011	66.17
30-015-37751	COG OPERATING LLC	FOLK STATE	5	EDDY	S:17, T:17S, R:29E	5,043	O	Active Permit	Jan 2011	Apr 2011	69.07
30-015-38175	COG OPERATING LLC	FOLK FEDERAL	26	EDDY	S:17, T:17S, R:29E	5,595	O	Active Permit	Mar 2011	Apr 2011	69.93
30-015-38091	COG OPERATING LLC	FOLK STATE	8	EDDY	S:17, T:17S, R:29E	5,128	O	Active Permit	Apr 2011	Apr 2011	75.70
30-015-37413	COG OPERATING LLC	FOLK FEDERAL	41	EDDY	S:17, T:17S, R:29E	5,476	O	Active Permit	Jan 2011	Apr 2011	76.03
30-015-38090	COG OPERATING LLC	FOLK STATE	7	EDDY	S:17, T:17S, R:29E	5,463	O	Active Permit	Jan 2011	Apr 2011	82.60
30-015-37825	COG OPERATING LLC	FOLK FEDERAL	31	EDDY	S:17, T:17S, R:29E	5,478	O	Active Permit	Dec 2010	Apr 2011	97.57
30-015-37861	COG OPERATING LLC	FOLK STATE	2	EDDY	S:17, T:17S, R:29E	5,470	O	Active	Mar 2011	Apr 2011	112.47
30-015-38172	COG OPERATING LLC	FOLK FEDERAL	017	EDDY	S:17, T:17S, R:29E	5,500	PO	Active Permit	Feb 2011	Apr 2011	125.30
30-015-37824	COG OPERATING LLC	FOLK FEDERAL	21	EDDY	S:17, T:17S, R:29E	5,467	O	Active Permit	Jan 2011	Apr 2011	134.30
30-015-37753	COG OPERATING LLC	FOLK STATE	10	EDDY	S:17, T:17S, R:29E	5,167	O	Active Permit	Jan 2011	Apr 2011	181.80
30-015-26750	CONOCOPHILLIPS COMPANY	MUSKEGON "17" STATE COM.	001	EDDY	S:17, T:17S, R:29E	10,880	G	Pumping	May 1992	Mar 2011	
30-015-38173	COG OPERATING LLC	FOLK FEDERAL	020	EDDY	S:17, T:17S, R:29E	5,500	PO	Active Permit	Apr 2011	Apr 2011	



Non Standard Location  
Nadel and Gussman Heyco, LLC  
Operators  
Sec. 8, Unit M-SWSW  
T-17S-R-29E, Eddy County, NM  
Lease # B0-4918-103

Non Standard Location  
COG Operating LLC  
Operator  
Sec. 8, N-SESW  
T-17S-R-29E, Eddy County, NM  
Lease # E0-6353-01

COG Operating LLC  
Operator  
Sec. 17, Unit D-NWNW  
T-17S-R-29E, Eddy County, NM  
Well Name: Folk Federal #22  
Lease # MNM-0-397623

CAVE UNIT  
ARAPAHO OBG  
(OPER)

IGRALBURG OBG  
UNIT

MACK ENE  
(OPER)

WEBB OIL (OPER)  
TOLD LOCO UNIT

MELROSE (OPER)

CHESAPEAKE (OP)

GREEN-EMPIRE SO  
SIDEEP UNIT

BALLARD (RBB-SA)  
UNIT

ARROWHEAD (OPER)

TRAVIS PENN UNIT  
(HEATSEOPER)

WEST LOCO

**COG OPERATING LLC  
550 W. TEXAS, SUITE 1300  
MIDLAND, TX 79701**

July 18, 2011

Nadel and Gussman Heyco, LLC  
500 N Main Street  
Roswell, NM 88201-4729

Re: Request for Unorthodox Well Location

To Whom It May Concern:

This letter will serve as notice under Rule 104.F (3) that COG Operating LLC has requested administrative approval from the Oil Conservation Division in Santa Fe, NM for an unorthodox Empire: YESO, EAST oil well.

**Folk Federal #22  
Eddy County, NM**

**SHL: 300' FNL & 990' FWL      Sec 17, T17S, R29E, Unit D**

Should your company have any objection, it must be filed in writing within twenty (20) days from the date of this notice. The Division Director may allow COG to produce from the unorthodox location after the well is drilled, if no objection has been made within the 20 days after the application has been received.

Sincerely,

COG Operating LLC



Kelly J. Holly  
Permitting Tech

432-685-4384  
[kholly@concho.com](mailto:kholly@concho.com)

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> <li>■ Complete Items 1, 2, and 3. Also complete Item 4 if Restricted Delivery is desired.</li> <li>■ Print your name and address on the reverse so that we can return the card to you.</li> <li>■ Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	<p>A. Signature   <input checked="" type="checkbox"/> Agent  <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <input checked="" type="checkbox"/> Kelly J. Holly  C. Date of Delivery <input checked="" type="checkbox"/> 2/19/11</p>
<p>1. Article Addressed to:</p> <p style="text-align: center;">Nadel &amp; Gussman Heyco, LLC  500 N Main Street  Roswell, NM 88201-4729</p>	<p>D. Is delivery address different from Item 1? <input type="checkbox"/> Yes  If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>3. Service Type  <input type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail  <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number  (Transfer from service label)</p>	<p style="text-align: center;">91 7199 9991 7030 4045 5211</p>
<p>PS Form 3811, February 2004 <span style="margin-left: 200px;">Domestic Return Receipt</span> <span style="float: right;">102595-02-M-1540</span></p>	

UNITED STATES POSTAL SERVICE



First-Class Mail  
 Postage & Fees Paid  
 USPS  
 Permit No. G-10

• Sender: Please print your name, address, and ZIP+4 in this box •

COG OPERATING LLC  
ATTN: KELLY J. HOLLY  
550 W TEXAS AVE, SUITE 100  
MIDLAND, TX 79701

