

DATE IN 8.8.11	SUSPENSE	ENGINEER D.B.	LOGGED IN 8.8.11	TYPE NSL	APP NO. 1127057418
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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



COG 229137

Spruce Fed #2

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]**

8467

[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 _____

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

INTEREST ARE THE SAME

[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

[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

Permitting Tech
Title

8-4-11
Date

(432) 685-4384
Phone Number

kholly@conchoresources.com
E-mail Address

**Spruce Federal #2
Eddy County, NM**

COG proposes to drill a **VERTICAL** NE/4 SW/4, 40 acre spacing
Red Lake; Glorieta Yeso, Northeast oil well
TD of approximately 4700'

Location:

2500' FSL & 2310' FWL Sec 25, T17S, R27E, Unit K

**This well had to be drilled at a non-standard location due to an Arch site
being too close to original location.**

The plan for this well is to complete it in the Yeso formation.
We won't know the exact perms until we drill & log it, but it will be very similar to
the Kool Aid State #3 (2160' FNL & 2310' FEL, Section 24, T17S, R28E, UL G)
which was completed in March 2009.

The Kool Aid State #3 completion has Yeso perms from 4280' – 5070', divided into
3 perf/stimulation intervals.

1st interval: 4280' – 4480',
acidized w/ 2500 gals,
frac w/ 111,450 gal Slvr Stm gel, 140,141# White, & 33,172# CRC.

2nd interval: 4590' – 4790',
acidized w/ 2500 gals,
frac w/ 112,168 gal Slvr Stm gel, 132,583# White, & 34,283# CRC.

3rd interval: 4870' – 5070',
acidized w/ 2500 gals,
frac w/ 115,495 gal Slvr Stm gel, 143,285# White, & 36,640# CRC.

Attachment 1

Plat & map

Attachment 2

Map & legend of offset wells.

Attachment 3

Updated land plat showing COG Operating LLC acreage.
The acreage we are encroaching is the SE/4 NW/4 and SW/4 NE/4 of Section
25.

Offset acreage is owned by Occidental Permian.
(copy of notice to Occidental Permian 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	Pool Code 96836	Pool Name Red Lake; Glorieta-Yeso, Northeast
Property Code	Property Name SPRUCE FEDERAL	Well Number 2
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3566'

Surface Location

UL or lot No. K	Section 25	Township 17-S	Range 27-E	Lot Idn	Feet from the 2500	North/South line SOUTH	Feet from the 2310	East/West line WEST	County EDDY
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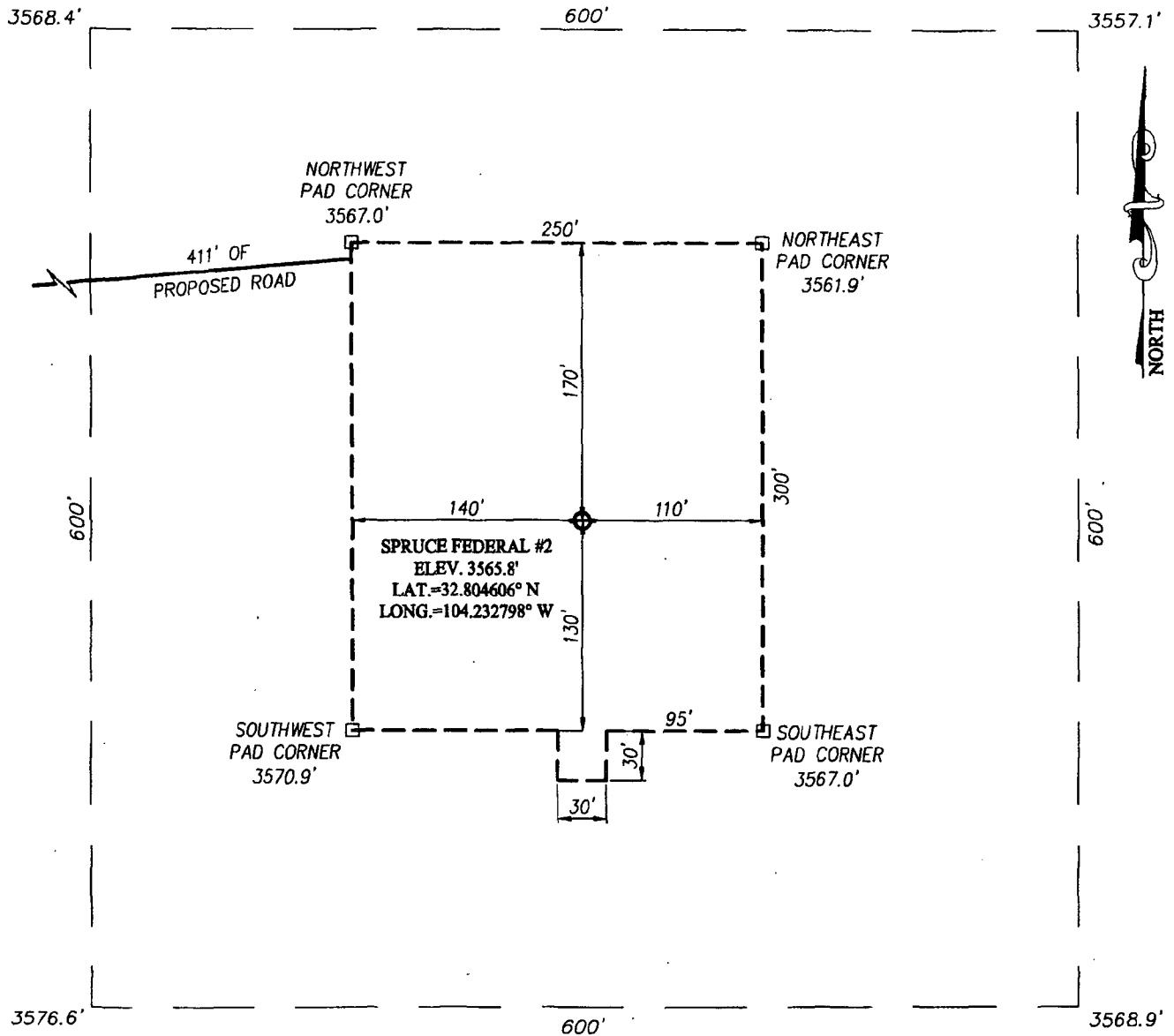
Bottom Hole Location If Different From Surface

UL or lot No. 40	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

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

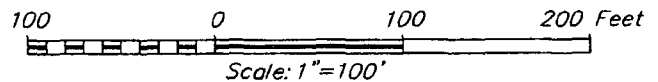
	OPERATOR CERTIFICATION I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this 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. 6-20-11 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. JUNE 8, 2011 Date of Survey Signature & Seal of Professional Surveyor: Certificate Number Gary G. Eidson 12641 Ronald J. Eidson 3239 DSS JWSC W.O.: 11.11.0799

SECTION 25, TOWNSHIP 17 SOUTH, RANGE 27 EAST, N.M.P.M.
 EDDY COUNTY NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF U.S. HWY. #82 AND CO. RD. #204 (HILLTOP), GO SOUTHEAST ON CO. RD. #204 APPROX. 0.35 MILES. TURN LEFT AND GO EAST APPROX. 0.1 MILE. TURN RIGHT AND GO SOUTH APPROX. 250 FEET TO THE COG OPERATING, LLC SPRUCE FEDERAL #4 WELL PAD. FROM THE NORTHEAST CORNER OF THE WELL PAD, FOLLOW PROPOSED ROAD SURVEY STAKES EAST 0.1 MILE TO THIS LOCATION.



COG OPERATING, LLC

SPRUCE FEDERAL #2 WELL
 LOCATED 2500 FEET FROM THE SOUTH LINE
 AND 2310 FEET FROM THE WEST LINE OF SECTION 25,
 TOWNSHIP 17 SOUTH, RANGE 27 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO

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

Survey Date: 6/8/11	Sheet 1 of 1 Sheets
W.O. Number: 11.11.0799	Dr. By: DSS
Date: 6/11/11	Rel. W.O.: 11110799
	Scale: 1"=100'

Producing Wells in Sec 25, T17S, R27E, Eddy County, NM

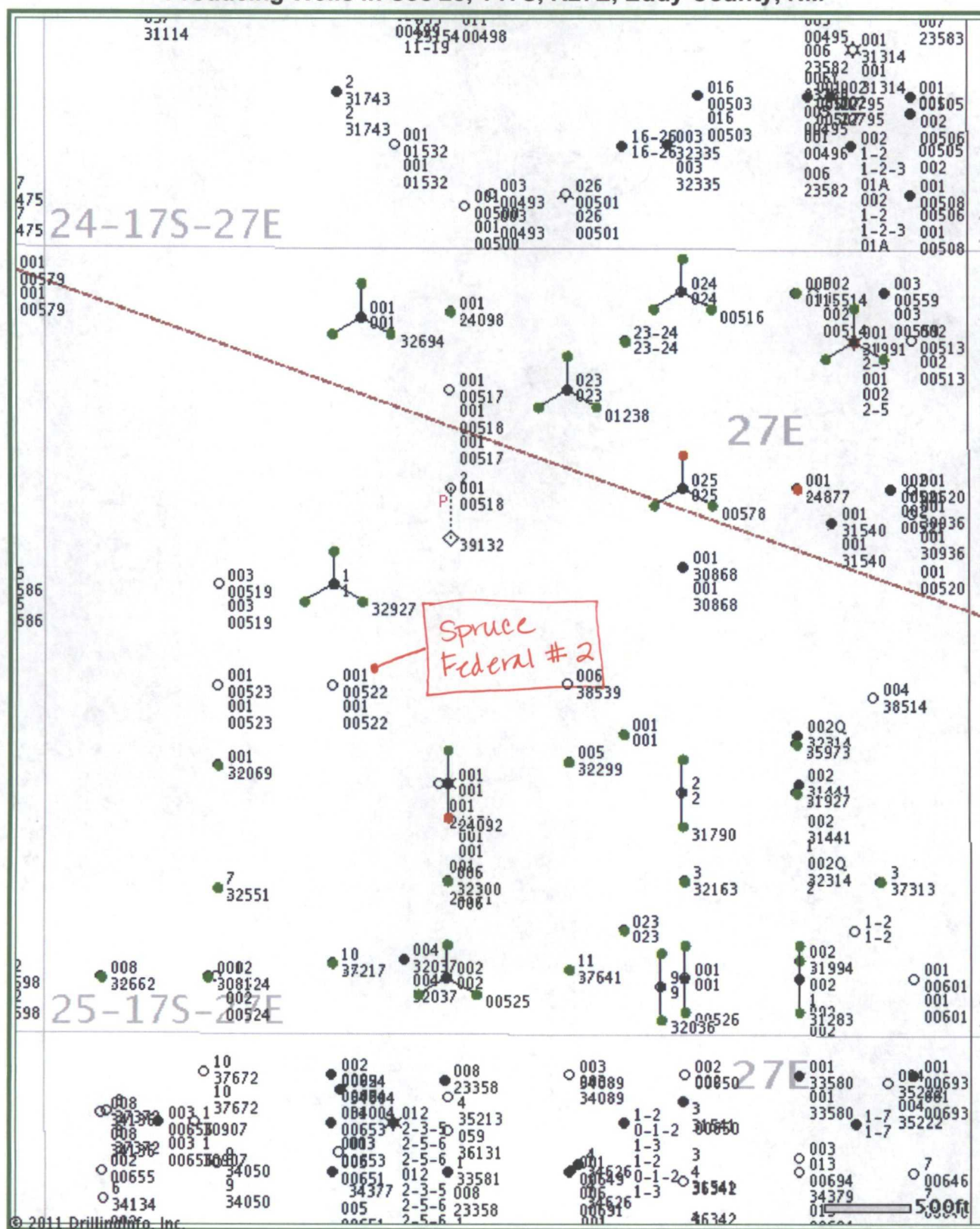
API#	Operator	Lease	Well#	County	Legal	Total Depth	Well Type	Well Status	First Prod.	Last Prod.	Avg. (BO/D)
30-015-01238	SDX RESOURCES INC	BERRY B	023	EDDY	S:25, T:17S, R:27E	0	O	Shut-in	Jan 1969	Jan 2000	0.03
30-015-24877	C&D MANAGEMENT COMPANY DBA FREEDOM VENTURES	MICHAEL STATE	001	EDDY	S:25, T:17S, R:27E	2,038	PG	Active	Oct 1984	Sep 2010	0.03
30-015-00526	ASPEN OIL INC	BRAINARD	001	EDDY	S:25, T:17S, R:27E		PO	Temporarily Abandoned	Feb 1949	Jan 1996	0.10
30-015-32927	MACK ENERGY CORP	DOGWOOD FEDERAL	1	EDDY	S:25, T:17S, R:27E	7,331	O	Active	Dec 2003	Jan 2008	0.16
30-015-32927	COG OPERATING LLC	DOGWOOD FEDERAL	1	EDDY	S:25, T:17S, R:27E	7,331	O	Active	Jan 2008	Jan 2008	0.16
30-015-32299	LIME ROCK RESOURCES A, L.P.	ENRON FEDERAL	005	EDDY	S:25, T:17S, R:27E	3,185	O	Active	Aug 2002	Apr 2011	0.17
30-015-00526	BEDINGFIELD, J. E.	BRAINARD	001	EDDY	S:25, T:17S, R:27E		PO	Temporarily Abandoned	Jan 1948	Dec 1955	0.26
30-015-00525	BEDINGFIELD, J. E.	BRAINARD	002	EDDY	S:25, T:17S, R:27E	0	O	Temporarily Abandoned	Jan 1953	Dec 1955	0.29
30-015-00516	DORAL ENERGY CORP.	BERRY B	024	EDDY	S:25, T:17S, R:27E	0	PO	Active	Jan 1964	Oct 2010	0.32
30-015-24098	MWJ PRODUCING CO	ROPER FEDERAL	001	EDDY	S:25, T:17S, R:27E	0	PO	Pumping	May 1982	Jan 1991	0.32
30-015-32694	MACK ENERGY CORP	REDBUD FEDERAL	001	EDDY	S:25, T:17S, R:27E	7,130	O	Active	Oct 2003	Dec 2003	0.35
30-015-00525	MANN F FEDERAL	BRAINARD	002	EDDY	S:25, T:17S, R:27E	0	O	Temporarily Abandoned	Jan 1958	Dec 1971	0.42
30-015-00578	LATCH, LEONARD	BERRY	025	EDDY	S:25, T:17S, R:27E	0	O	Pumping	Nov 1955	Dec 1965	0.45
30-015-00000	NIX & CURTIS	DELHI STATE	002	EDDY	S:25, T:17S, R:27E		O	Active	Jan 1953	Jul 1953	0.45
30-015-00000	NIX & CURTIS	DELHI STATE	'2-5	EDDY	S:25, T:17S, R:27E		O	Active	Jan 1956	Nov 1957	0.47
					S:25,						

30-015-01238	LEONARD LATCH	BERRY B	023	EDDY	T:17S, R:27E	0	O	Shut-in	Jan 1958	Dec 1971	0.48
30-015-00578	LEONARD LATCH	BERRY B	025	EDDY	S:25, T:17S, R:27E	0	O	Pumping	Jan 1956	Dec 1971	0.48
30-015-32694	MACK ENERGY CORP	REBUD FEDERAL	001	EDDY	S:25, T:17S, R:27E	7,130	O	Active	May 2003	Oct 2003	0.61
30-015-00000	DEAN WHITE OIL CO.	BERRY	023	EDDY	S:25, T:17S, R:27E		O	Active	Nov 1951	Dec 1952	0.65
30-015-32069	COG OPERATING LLC	FIR FEDERAL	001	EDDY	S:25, T:17S, R:27E	7,208	O	Pumping	Feb 2002	Apr 2011	0.67
30-015-00525	GEORGE A CHASE JR DBA G AND C SERVICE	BRAINARD	002	EDDY	S:25, T:17S, R:27E	0	O	Temporarily Abandoned	Apr 1950	Mar 2011	0.90
30-015-00516	LEONARD LATCH	BERRY B	024	EDDY	S:25, T:17S, R:27E	0	PO	Active	Jan 1959	Dec 1971	1.29
30-015-30812	COG OPERATING LLC	BEECH FEDERAL	001	EDDY	S:25, T:17S, R:27E	7,244	O	Pumping	Jan 2000	Apr 2011	1.43
30-015-00000	LATCHE, LEONARD	BERRY	'23-24	EDDY	S:25, T:17S, R:27E		O	Active	Jan 1956	Dec 1957	1.61
30-015-00516	LATCH, LEONARD	BERRY	024	EDDY	S:25, T:17S, R:27E	0	PO	Active	Jan 1955	Dec 1965	1.61
30-015-01155		DELHI STATE	005	EDDY	S:25, T:17S, R:27E		O	Active	Jan 1959	Jun 1966	1.67
30-015-00000	BEDINGFIELD J.E.	BRAINARD	001	EDDY	S:25, T:17S, R:27E		O	Active	Apr 1947	Nov 1947	1.80
30-015-00000		DELHI STATE	002	EDDY	S:25, T:17S, R:27E		O	Active	Mar 1952	Feb 1964	2.00
30-015-01238	LATCH, LEONARD	BERRY	023	EDDY	S:25, T:17S, R:27E	0	O	Shut-in	Jan 1953	Dec 1955	2.16
30-015-32551	LIME ROCK RESOURCES A, L.P.	ENRON FEDERAL	7	EDDY	S:25, T:17S, R:27E	3,223	O	Active	Apr 2009	Apr 2011	2.33
30-015-31927	MARBOB ENERGY CORP	STATE 25	1	EDDY	S:25, T:17S, R:27E	8,130	O	Flowing	Sep 2001	Mar 2011	2.52
30-015-31994	MARBOB ENERGY CORP	STATE 25	002	EDDY	S:25, T:17S, R:27E	8,150	O	Flowing	Nov 2001	Mar 2011	2.52
					S:25,						

30-015-32300	LIME ROCK RESOURCES A, L.P.	ENRON FEDERAL	006	EDDY	T:17S, R:27E	3,180	O	Active	Dec 2002	Apr 2011	2.67
30-015-31283	LIME ROCK RESOURCES A, L.P.	RESLER STATE	1	EDDY	S:25, T:17S, R:27E	3,600	O	Pumping	Nov 2002	Apr 2011	2.97
30-015-32662	LIME ROCK RESOURCES A, L.P.	ENRON FEDERAL	008	EDDY	S:25, T:17S, R:27E	3,220	O	Active	May 2003	Apr 2011	3.17
30-015-32163	LIME ROCK RESOURCES A, L.P.	ENRON FEDERAL	3	EDDY	S:25, T:17S, R:27E	3,177	O	Pumping	Mar 2002	Apr 2011	3.93
30-015-32036	LIME ROCK RESOURCES A, L.P.	ENRON FEDERAL	9	EDDY	S:25, T:17S, R:27E	7,950	PO	Active	Sep 2006	Apr 2011	4.70
30-015-35973	LIME ROCK RESOURCES A, L.P.	RESLER STATE	2	EDDY	S:25, T:17S, R:27E	3,830	U	Active Permit	Jan 2009	Apr 2011	4.83
30-015-37641	LIME ROCK RESOURCES A, L.P.	ENRON FEDERAL	11	EDDY	S:25, T:17S, R:27E	3,258	O	Active Permit	May 2010	Apr 2011	8.47
30-015-37313	LIME ROCK RESOURCES A, L.P.	RESLER STATE	3	EDDY	S:25, T:17S, R:27E	3,855	O	Active Permit	Feb 2010	Apr 2011	8.97
30-015-31283	SDX RESOURCES INC	RESLER STATE	1	EDDY	S:25, T:17S, R:27E	3,600	O	Pumping	Oct 2000	Oct 2002	10.35
30-015-32927	COG OPERATING LLC	DOGWOOD FEDERAL	1	EDDY	S:25, T:17S, R:27E	7,331	O	Active	Feb 2008	Apr 2011	14.00
30-015-31790	COG OPERATING LLC	BEECH FEDERAL	2	EDDY	S:25, T:17S, R:27E	7,800	PO	Pumping	Jul 2010	Apr 2011	14.30
30-015-37217	LIME ROCK RESOURCES A, L.P.	ENRON FEDERAL	10	EDDY	S:25, T:17S, R:27E	3,233	O	Active Permit	Apr 2010	Apr 2011	14.37
30-015-24092	COG OPERATING LLC	SPRUCE FEDERAL	001	EDDY	S:25, T:17S, R:27E	9,985	G	Pumping	Jan 2010	Apr 2011	17.03
30-015-32036	SDX RESOURCES INC	ENRON FEDERAL	9	EDDY	S:25, T:17S, R:27E	7,950	PO	Active	Sep 2006	Dec 2006	17.55
30-015-31790	COG OPERATING LLC	BEECH FEDERAL	2	EDDY	S:25, T:17S, R:27E	7,800	PO	Pumping	Jul 2001	Jul 2010	62.77
30-015-00578	DORAL ENERGY CORP.	BERRY B	025	EDDY	S:25, T:17S, R:27E	0	O	Pumping	Jan 1964	Mar 2011	
30-015-24092	COG OPERATING LLC	SPRUCE FEDERAL	001	EDDY	S:25, T:17S, R:27E	9,985	G	Pumping	Jul 1999	Dec 2009	
		OXY			S:25,						

30-015-31991	OXY USA WTP LIMITED PARTNERSHIP	MEARBALL STATE	001	EDDY	T:17S, R:27E	9,810	G	Pumping	Dec 2001	Mar 2011	
30-015-32694	COG OPERATING LLC	REDBUD FEDERAL	001	EDDY	S:25, T:17S, R:27E	7,130	O	Active	Dec 2003	Apr 2011	

Producing Wells in Sec 25, T17S, R27E, Eddy County, NM



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Non Standard Location
Occidental Permian
-lessee
Sec. 25, Unit G-SWNE
T-17S-R-27E, Eddy County, NM
Lease # NMMN-0-025527

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

July 28, 2011

Occidental Permian, L.P.
5 East Greenway Plaza, Suite 110
Houston, TX 77046

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 Maljamar: GLORIETA-YESO oil well.

**Spruce Federal #2
Eddy County, NM**

Location: 2500' FSL & 2310' FWL

Sec 25, T17S, R27E, Unit K

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,

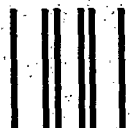
COG Operating LLC



Kelly J. Holly
Permitting Tech

432-685-4384
kholly@concho.com

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits.		A. Signature X <i>Sharmita</i> ☐ Agent ☐ Addressee	
1. Article Addressed to: Occidental Permian, L. P. 5 East Greenway Plaza, Suite 110 Houston, TX 77046		B. Received by (Printed Name) <i>Sharmita</i> C. Date of Delivery <i>8-11</i> D. Is delivery address different from item 1? ☐ Yes ☐ No If YES, enter delivery address below:	
2. Article Number (Transfer from service label)		3. Service Type ☐ Certified Mail ☐ Express Mail ☐ Registered ☐ Return Receipt for Merchandise ☐ Insured Mail ☐ C.O.D. 4. Restricted Delivery? (Extra Fee) ☐ Yes	
91 7199 9991 7030 4014 4047			
PS Form 3811, February 2004		Domestic Return Receipt 102595-02-M-1540	

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 HOLLY 550 W Texas Suite 1300 Midland, TX 79701		
