

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - 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

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]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A] - NSL
- COG OPERATING, LLC
229137
- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD
- Check One Only for [B] or [C] - Well
- FLYSWATER STATE #34
30-015-42764
- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR Pool
- Wildcat G-02
S2427030, Bone
Spring
97837
- [D] Other: Specify _____
- [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

[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.

Melanie J. Parker Print or Type Name	 Signature	Regulatory Analyst Title	01/15/2015 Date
		mparker@concho.com e-mail Address	



January 15, 2015

New Mexico Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Attention: Mr. Michael McMillan

Re: Application for Unorthodox Well Location
Flyswatter State #3 API No. 30-015-42764
Township 23 South, Range 27 East
Section 31: 190' FSL & 1980' FWL
Eddy County, New Mexico

Dear Mr. McMillan:

Pursuant to Division Rule 19.15.15.13, COG Operating LLC (COG) respectfully requests administrative approval of an unorthodox oil well location for its Flyswatter State #3 well. This well does not meet the 330' from the outer boundary of the project area requirement. The vertical section of this well was drilled in December 2014. The well was initially planned as a 3rd Bone Spring horizontal well with a pilot hole for full wireline evaluation, which is why the surface location was placed 190' from the section line. Wireline logs did not look as promising as we had hoped, so rather than choosing another horizontal target on the fly, we decided it would be in our best interest to zone test the 3rd, 2nd, and 1st Bone Spring to determine which zone shows the most potential as a horizontal target. Once we finish the zone testing, the pilot hole will be sidetracked and a horizontal well will be drilling in the most promising zone.

The only affected offset tract is the NENW Section 7, Township 24 South, Range 27 East, which was part of a BLM lease that expired December 31, 2014 and is currently unleased. The BLM has been sent a copy of this application by certified mail. A copy of this application has also been sent by certified mail, return receipt requested, to the New Mexico State Land Office.

Attached is a Form C-102 showing the well and the project area, being the SESW of Section 31, T23S, R27E.

Thank you for your consideration of this application. Should you have questions or require further information, please contact me at 575-748-6952 or by email at mparker@concho.com.

Sincerely,

Melanie J. Parker
Lead Regulatory Analyst

DISTRICT I
1625 N. FRENCH DR., BOBBS, NM 86240
Phone: (575) 295-6191 Fax: (575) 295-6720

DISTRICT II
811 S. FIRST ST., ARTESIA, NM 86210
Phone: (575) 748-1283 Fax: (575) 748-0720

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 334-6179 Fax: (505) 334-6170

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 478-3460 Fax: (505) 478-3462

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 30-015-42764	Pool Code 97837	Pool Name WILDCAT G-02 S2427030; BONE SPRING
Property Code 313834	Property Name FLYSWATTER STATE	Well Number 3
OCRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3258.0

Surface Location

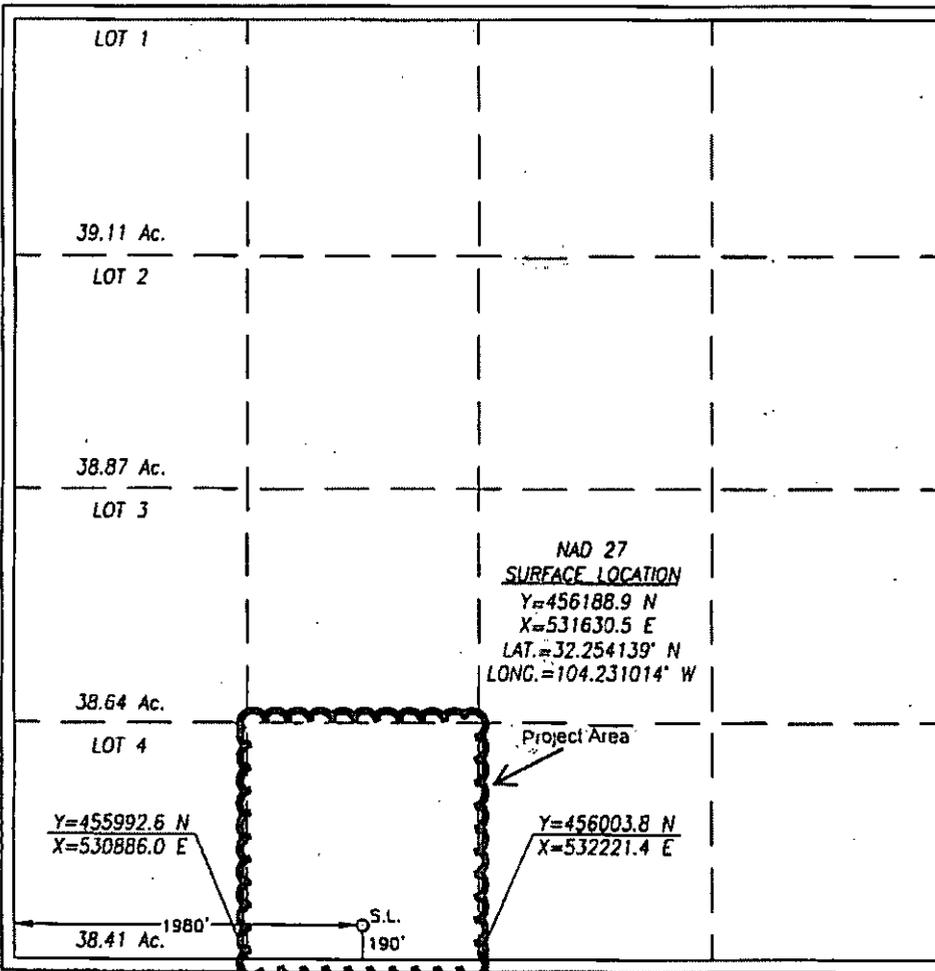
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	31	23-S	27-E		190	SOUTH	1980	WEST	EDDY

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	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.

Melanie J. Parker 1/15/15
Signature Date

Melanie J. Parker
Printed Name

mparker@concho.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.

SEPTEMBER 29, 2014
Date of Survey

Signature & Seal of Professional Surveyor

Chad L. Harcrow 1/15/15
Certificate No. CHAD HARCROW 17777
W.O. # 14-859 DRAWN BY: AM



January 15, 2015

Certified Mail – Return Receipt Requested

Bureau of Land Management
Carlsbad Field Office
600 E Greene Street
Carlsbad, NM 88220

Re: Application for Unorthodox Well Location
Flyswatter State #3
API No. 30-015-42764
Township 23 South, Range 27 East
Section 31: 190' FSL & 1980' FWL
Eddy County, New Mexico

Gentlemen:

Attached is a copy of COG's Application for Unorthodox Well Location for the Flyswatter State #3 well in Section 31, Township 23 South, Range 27 East, Eddy County, New Mexico. You are being sent a copy of this Application per OCD's requirement to notify all owners in the offset acreage. According to the Serial Register Page, the BLM lease offsetting this acreage expired December 31, 2014. If you have any objection to this Application, notification should be given to OCD within 20 days of receipt of this letter.

If you have any questions regarding this Application, please contact me at 575-748-6952.

Sincerely,

A handwritten signature in cursive script, appearing to read "Melanie J. Parker".

Melanie J. Parker
Lead Regulatory Analyst

Enclosure



January 15, 2015

Certified Mail – Return Receipt Requested

State of New Mexico
Commissioner of Public Lands
310 Old Santa Fe Trail
Santa Fe, NM 87501

Re: Application for Unorthodox Well Location
Flyswatter State #3
API No. 30-015-42764
Township 23 South, Range 27 East
Section 31: 190' FSL & 1980' FWL
Eddy County, New Mexico

Gentlemen:

Attached is a copy of COG's Application for Unorthodox Well Location for the Flyswatter State #3 well in Section 31, Township 23 South, Range 27 East, Eddy County, New Mexico. You are being sent a copy of this Application because you are the mineral owner of this tract, NM State Lease V0-5755. If you have any objection to this Application, notification should be given to OCD within 20 days of receipt of this letter.

If you have any questions regarding this Application, please contact me at 575-748-6952.

Sincerely,

A handwritten signature in cursive script that reads "Melanie J. Parker".

Melanie J. Parker
Lead Regulatory Analyst

Enclosure

SENDER: COMPLETE THIS SECTION

- 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.

1. Article Addressed to: Flyswater St 3 NS

State of New Mexico
Commissioner of Public Lands
310 Old Santa Fe Trail
Santa Fe, NM 87501

Melanie

2. Article Number
(Transfer from service label)

7013 3020 0000 8749 8835

PS Form 3811, July 2013

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail® Priority Mail Express™
 Registered Return Receipt for Merchandise
 Insured Mail Collect on Delivery

4. Restricted Delivery? (Extra Fee) Yes

SENDER: COMPLETE THIS SECTION

- 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.

1. Article Addressed to: Flyswater St 3 NS

Bureau of Land Management
Carlsbad Field Office
600 E Greene Street
Carlsbad, NM 88220

Melanie

2. Article Number
(Transfer from service label)

7013 3020 0000 8749 8828

PS Form 3811, July 2013

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail® Priority Mail Express™
 Registered Return Receipt for Merchandise
 Insured Mail Collect on Delivery

4. Restricted Delivery? (Extra Fee) Yes

McMillan, Michael, EMNRD

From: Melanie Parker <MParker@concho.com>
Sent: Tuesday, February 03, 2015 10:48 AM
To: McMillan, Michael, EMNRD
Subject: RE: Flyswatter State 3 affected acreage

Yes, that is correct. It should be the NENW Section 6 T24S R27E, not Section 7.
Should I correct it?
Thanks,
Melanie

From: McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]
Sent: Tuesday, February 03, 2015 9:32 AM
To: Melanie Parker
Subject: Flyswatter State 3 affected acreage

Ms. Parker:

In your application for the Flyswatter State 3, you stated that NENW Section 7 T24 S R27E was the affected tract, should it have been NENW Section 6 T24 S R27E?

Thank you

Michael A. McMillan

Engineering and Geological Services Bureau, Oil Conservation Division
1220 South St. Francis Dr., Santa Fe NM 87505
O: 505.476.3448 F. 505.476.3462

CONFIDENTIALITY NOTICE: The information in this email may be confidential and/or privileged. If you are not the intended recipient or an authorized representative of the intended recipient, you are hereby notified that any review, dissemination or copying of this email and its attachments, if any, or the information contained herein, is prohibited. If you have received this email in error, please immediately notify the sender by return email and delete this email from your system. Thank you.