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|---------|----------|--------------|-------------------|----------|-----------------------------------------------------|
| DATE IN | SUSPENSE | ENGINEER LRL | LOGGED IN 10/3/16 | TYPE NSL | APP NO. PKSC1627741397 PKSC1627741332 |
|---------|----------|--------------|-------------------|----------|-----------------------------------------------------|

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]
- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD
 NSL
 COG Production LLC (217955)
 Azores Federal #8(30-025-43212)
 WC-025 G-06 S253206M;BONE
 SPRING (97899)
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLMNSL
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR
~~COG Production LLC (217955)~~
~~Azores Federal #12~~
~~30-025-43178~~
- [D] Other: Specify _____
~~WC-025 G-06~~
~~S253206M;BONE SPRING~~
~~(97899)~~
- [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. Wilson
 Print or Type Name

Melanie J. Wilson
 Signature

Regulatory Analyst
 Title

7/8/16
 Date

mwilson@concho.com
 e-mail Address



July 8, 2016

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

Re: Applications for Unorthodox Well Locations
Section 29-T24S-R32E
Lea County, New Mexico

Azores Federal #8H API No. 30-025-43212
SHL: 210' FSL & 1780' FWL (Unit N)
Planned FTP: 330' FSL & 1780' FWL
BHL: 50' FNL & 1650' FWL (Unit C)
Planned LTP: 100' FNL & 1650' FWL

~~Azores Federal #12H API No. 30-025-43178
SHL: 210' FSL & 1680' FWL (Unit N)
Planned FTP: 330' FSL & 990' FWL
BHL: 50' FNL & 990' FWL (Unit D)
Planned LTP: 100' FNL & 990' FWL~~

Dear Mr. Lowe:

Pursuant to Division Rule 19.15.15.13, COG Production LLC (COG) respectfully requests administrative approval of unorthodox oil well locations for its Azores Federal #8H and ~~#12H~~ wells. The producing intervals of these wells do not meet the 330' from the outer boundary of the producing area requirement. Attached are Forms C-102 showing the project areas and the producing areas of these wells.

COG is seeking approval of the unorthodox locations in order to maximize recovery of reserves. The New Mexico Oil Conservation Division's approval of the unorthodox completed intervals for the Azores Federal #8H and #12H wells will allow for efficient recovery of reserves thereby preventing waste and improving well performance.

The affected offset tracts are the SWSW and SESW of Section 20, T24S, R32E. Please be advised that Devon Energy Production Company, L.P. is the designated operator of all of Section 20. A notice of this application has been sent by certified mail this date to Devon Energy Production Company, L.P., advising them that if they object to COG's application, they must file a written objection with the Division within twenty (20) days from the date the Division received this application.

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 mwilson@concho.com.

Sincerely,

Melanie J. Wilson
Lead Regulatory Analyst

Enclosure
cc: OCD Hobbs

DISTRICT I
1685 N. FRENCH DR., HOBBS, NM 88240
Phone: (575) 393-8181 Fax: (575) 393-9790

DISTRICT II
611 S. FIRST ST., ARTESIA, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 334-5178 Fax: (505) 334-8170

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87502
Phone: (505) 476-3466 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 30-025-43212 | Pool Code 97899 | Pool Name WC-025 G-06 S253206M; Bone Spring |
| Property Code 39881 | Property Name AZORES FEDERAL | Well Number 8H |
| OGRID No. 217955 | Operator Name COG PRODUCTION, LLC | Elevation 3494.8' |

Surface Location

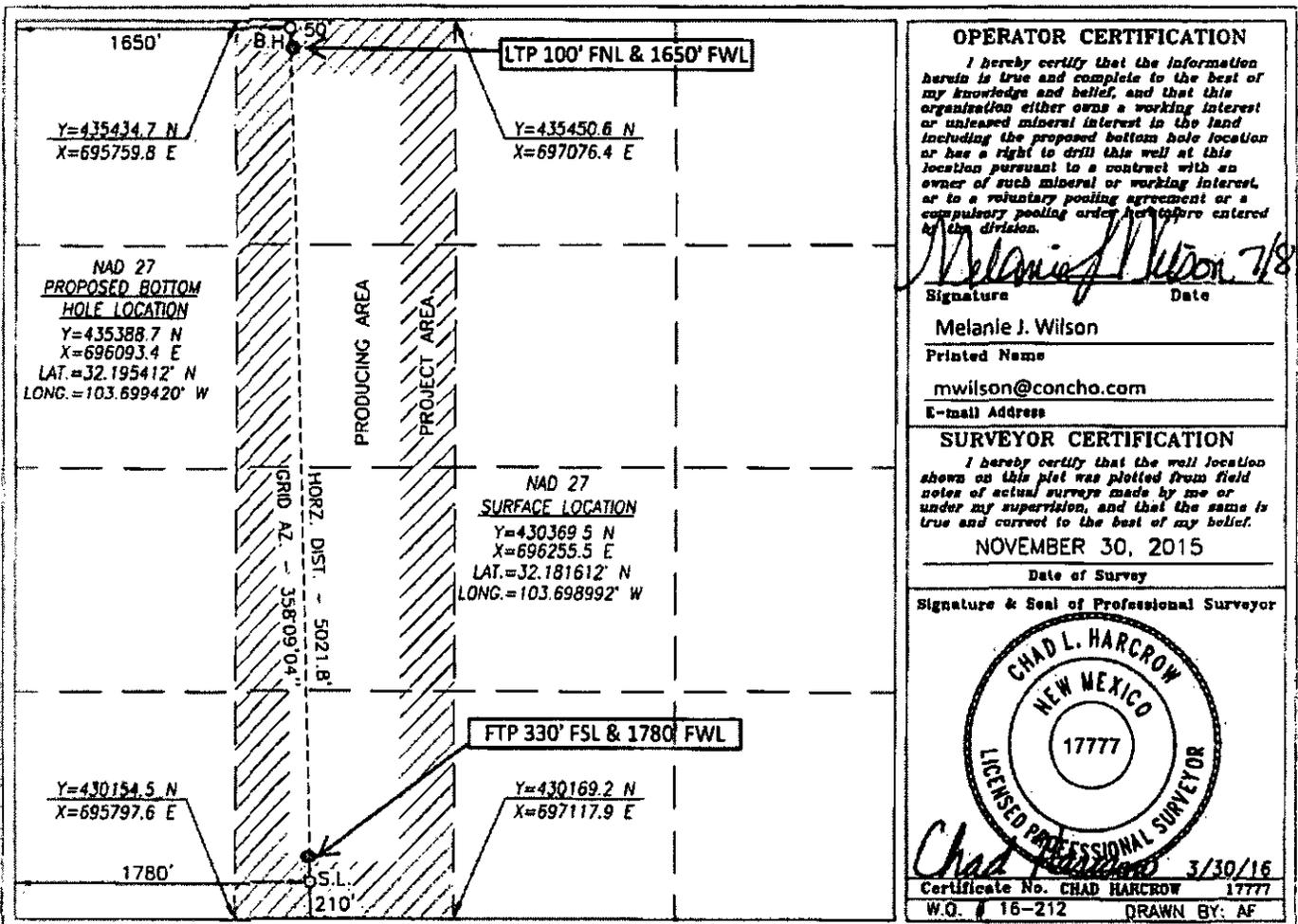
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| N | 29 | 24-S | 32-E | | 210 | SOUTH | 1780 | WEST | LEA |

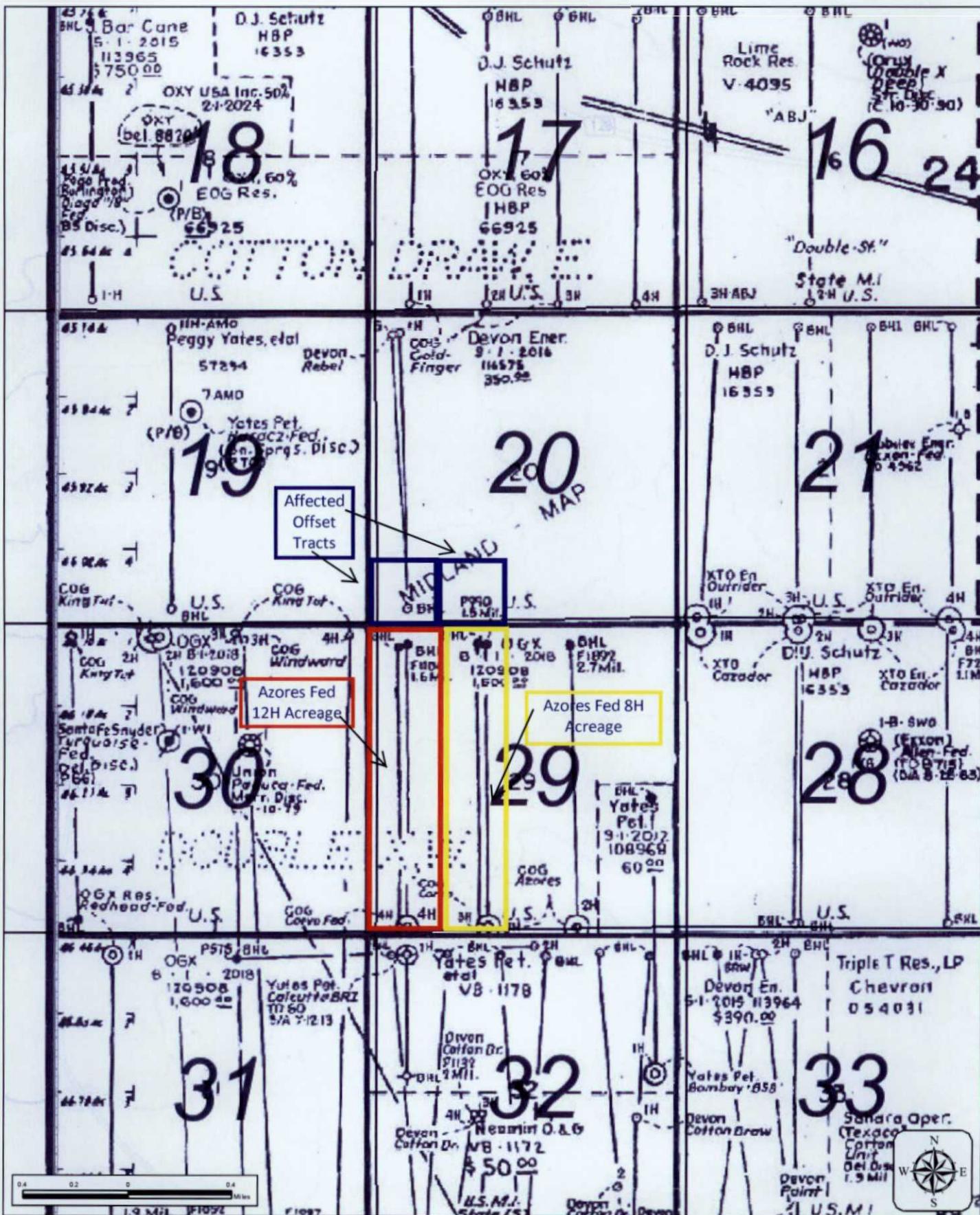
Bottom Hole Location If Different From Surface

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| C | 29 | 24-S | 32-E | | 50 | NORTH | 1650 | WEST | LEA |

| | | | |
|------------------------|-----------------|--------------------|-----------|
| Dedicated Acres 160 | 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





Azores Federal #8H 30-025-43212
Azores Federal #12H 30-025-43178
Application for Non Standard Location
Notification List

| <i>Date Sent</i> | <i>Initials</i> | <i>Sent Certified Return Receipt to:</i> | <i>Receipt No.</i> |
|-------------------------|------------------------|-------------------------------------------------------------------------------------|---------------------------|
| 7/8/2016 | MJW | Devon Energy Production Company, L.P., 333 W Sheradan Ave., Oklahoma City, OK 74102 | 7013 3020 0000 8749 8286 |

Mailed 07/08/2016
Melanie J. Wilson



July 8, 2016

Certified Mail – Return Receipt Requested
7013 3020 0000 8749 8286

Devon Energy Production Company, L.P.
333 W. Sheridan Avenue
Oklahoma City, OK 74102

Re: Applications for Unorthodox Well Locations
Section 29-T24S-R32E
Lea County, New Mexico

Azores Federal #8H API No. 30-025-43212
SHL: 210' FSL & 1780' FWL (Unit N)
Planned FTP: 330' FSL & 1780' FWL
BHL: 50' FNL & 1650' FWL (Unit C)
Planned LTP: 100' FNL & 1650' FWL

~~**Azores Federal #12H** API No. 30-025-43178
SHL: 210' FSL & 1680' FWL (Unit N)
Planned FTP: 330' FSL & 990' FWL
BHL: 50' FNL & 990' FWL (Unit D)
Planned LTP: 100' FNL & 990' FWL~~

Gentlemen:

Attached is a copy of COG Production LLC (COG)'s Application for Unorthodox Well Locations for the Azores Federal #8H and Azores Federal #12H wells in Section 29, T24S, R32E, Lea County, New Mexico. You are being sent a copy of this Application per OCD's requirement to notify the operator of the offset affected 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 unorthodox location in order to allow for the efficient recovery of reserves thereby preventing waste.

If you have any questions regarding this application, please contact Ryan Owen at 432-818-2327 or by email at Rowen@concho.com.

Sincerely,

Melanie J. Wilson
Lead Regulatory Analyst

Enclosure

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

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Wednesday, October 5, 2016 8:53 AM
To: 'Melanie Wilson'
Cc: 'lisa@rwbyram.com'; Brown, Maxey G, EMNRD; Kautz, Paul, EMNRD; 'jglover@blm.gov'; 'scaffey@blm.gov'; 'jstovall@blm.gov'; McMillan, Michael, EMNRD; Goetze, Phillip, EMNRD; Jones, William V, EMNRD
Subject: NSL-7463_NSL-7464 (Azores Federal Well No. 8H & Azores Federal Well No. 12H, Lea County) 29 24S 32E
Importance: High

Ms. Melanie J. Wilson,

The following permits have been issued and will soon be available on the Division's web site:
<http://ocdimage.emnrd.state.nm.us/imaging/WellFileCriteria.aspx>

NSL-7463

COG Production, LLC

API: 30-025-43212

WELL: Azores Federal Well No. 8H, Lea County

NSL-7464

COG Production, LLC

API: 30-025-43178

WELL: Azores Federal Well No. 12H, Lea County

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

Fax: 505-476-3462

E-mail: leonard.lowe@state.nm.us

Website: <http://www.emnrd.state.nm.us/ocd/>