

RECEIVED: 7/6/2017	REVIEWER: LRL	TYPE: NSL	APP NO: PLEL1718763202
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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: <u>COG Operating LLC</u>	OGRID Number: <u>229137</u>
Well Name: <u>Carmen 3 Federal Com #91H</u>	API: <u>30-015-44271</u>
Pool: <u>Loco Hills; Glorieta-Yeso</u>	Pool Code: <u>96718</u>

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

NSL - 7559

- 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	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	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.

Robyn Russell
 Print or Type Name

Robyn Russell
 Signature

07/03/2017
 Date

(432) 685-4385
 Phone Number

Rrussell@concho.com
 e-mail Address



July 3, 2017

New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

RE: Carmen 3 Federal Com #91H NSL

To Whom It May Concern,

COG Operating LLC respectfully requests approval of a non-standard project area for the following wells:

Carmen 3 Federal Com #91H – API #3001544271
SHL: 430 FNL 170 FEL, Lot 1, Sec 3, T17S, R30E
BHL: 330 FNL 10 FWL, Lot 4, Sec 3, T17S, R30E
TVD: 4775'

The granting of this NSL will optimize the completed lateral length of this wellbore, reducing waste while protecting correlative rights, and improving well economics and increasing revenue to the State of New Mexico and the Federal Government.

COG Operating LLC is the Operator in Section 3, T17S, R30E. Apache Corporation, Et. Al., as non-operating working interest owners of the leasehold in these sections, has been sent notification via certified mail. Copies of said mail have been attached to this application.

Please contact me should you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Robyn Russell".

Robyn Russell
Regulatory Analyst
COG Operating, LLC
(432) 685-4385
Russell@concho.com

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
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, NM 87505

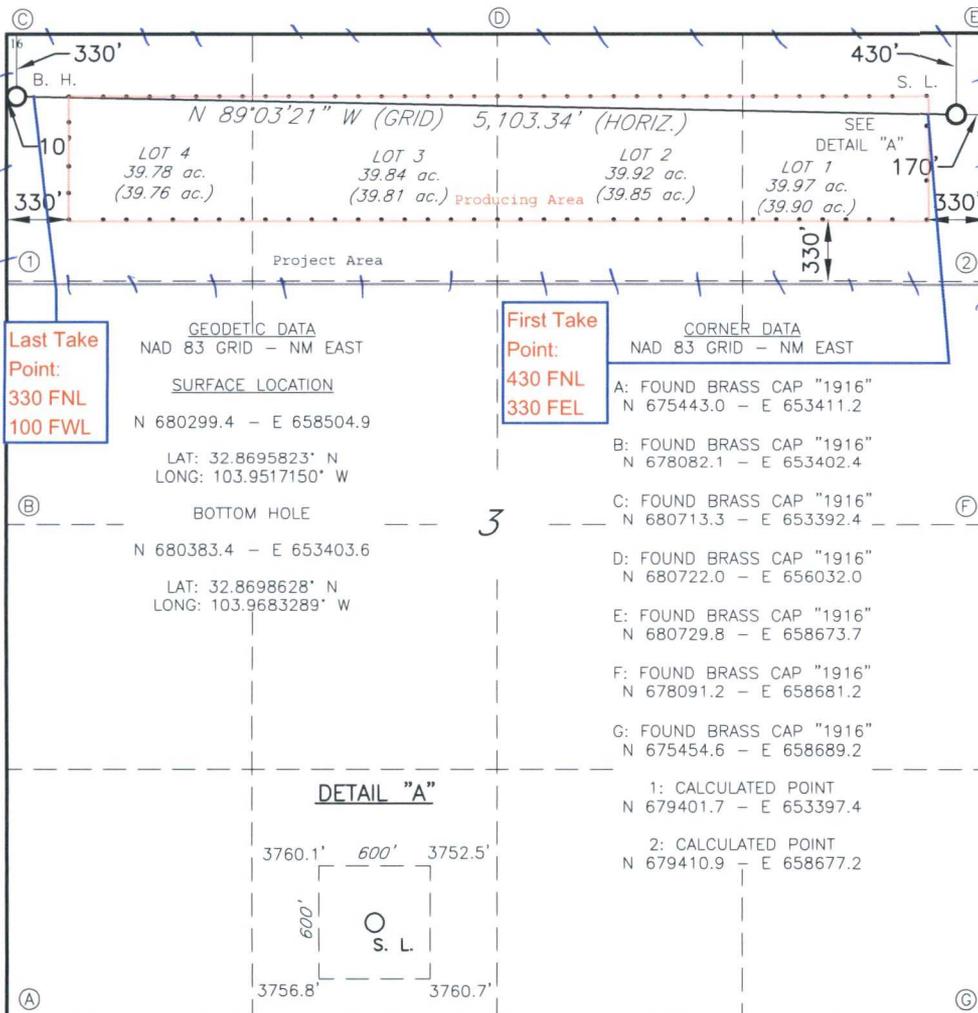
Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-44271		² Pool Code 96718		³ Pool Name Loco Hills; Glorieta-Yeso					
⁴ Property Code 39065		⁵ Property Name CARMEN 3 FEDERAL COM						⁶ Well Number 91H	
⁷ GRID NO. 229137		⁸ Operator Name COG OPERATING, LLC						⁹ Elevation 3756'	
¹⁰ Surface Location									
UL or lot no. 1	Section 3	Township 17S	Range 30E	Lot Idn	Feet from the 430	North/South line NORTH	Feet From the 170	East/West line EAST	County EDDY
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. 4	Section 3	Township 17S	Range 30E	Lot Idn	Feet from the 330	North/South line NORTH	Feet from the 10	East/West line WEST	County EDDY
¹² Dedicated Acres 159.32		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.



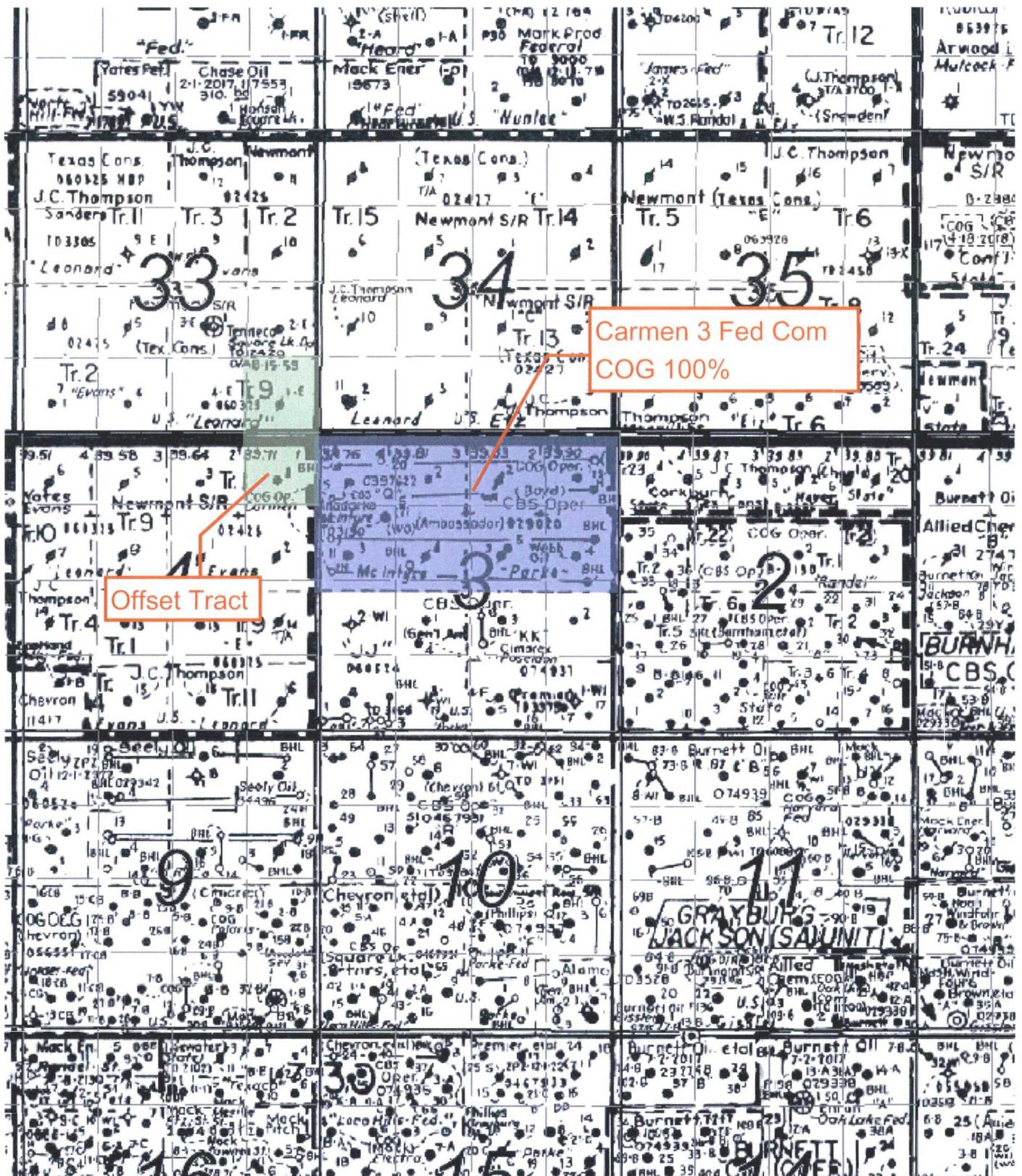
17 OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

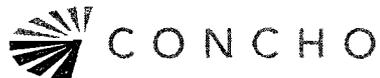
Signature: *Robyn M. Russell* Date: 7/03/17
Printed Name: Robyn M. Russell
E-mail Address: Rrussell@concho.com

18 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.

Date of Survey: 6-20-2017
Signature and Seal of Professional Surveyor: *Robert M. Howett*
Certificate Number: 19680
6-27-17 BH

Carmen 3 Federal Com #91H Lease Map





Memorandum

To Leonard Lowe
Engineering Bureau
New Mexico Oil Conservation Division

From Bryan Montgomery
Reservoir Engineering Supervisor, NM Shelf Team
COG Operating LLC

Date June 7, 2017

Subject Carmen 3 Federal Com #91H NSL Engineer Statement

COG Operating LLC (COG) is requesting a non-standard location exception (NSL) for this horizontal well to be able to access and drain Yeso reserves that would otherwise be left in the reservoir, thereby preventing waste of an economic resource. The Yeso is a very low permeability reservoir that does not sufficiently drain a great distance from wellbores and their hydraulic fractures. In addition, it would not be economical to try to access these reserves with a vertical well.

Carmen 3 Federal Com #91H
Application for Non-Standard Location
Notification List

Tract	Date Sent	Notification Sent to:	Receipt No.
Tract 1		✓ Apache Corporation, 303 Veterans Airpark Ln., Suite 600Midland, TX 79705	91-7199-9991-7036-0788-0951
Tract 1		✓ Black Shale Minerals LLC, PO Box 2243, Longview, TX 75606-2243	91-7199-9991-7035-3278-4904
Tract 1		✓ Chisos Ltd., 670 Dona Ana Road, SW, Deming, NM 88030	91-7199-9991-7035-3278-4515



Sent Certified Mail
Receipt #: 91-7199-9991-7036-0788-0951

June 7, 2017

Apache Corporation
303 Veterans Airpark Ln., Suite 600
Midland, TX 79705

RE: Designation of a Non-Standard Location by COG Operating LLC
Eddy County, New Mexico

To Whom It May Concern:

This letter is to advise you that COG Operating LLC has filed the enclosed Well Deviation and Acreage Plat (CG-162) with the New Mexico Oil Conservation Division seeking to designate a non-standard location in Section 3, T17S, R30E, Eddy County, New Mexico.

Should your company have any objection, it must be filed in writing within twenty (20) days from the date of this notice. Non response within the 20 day notice shall constitute an approval/waiver of protest to COG's non-standard location.

Please contact me should you have any questions

Sincerely,

A handwritten signature in blue ink that reads "Robyn Russell".

Robyn Russell
Regulatory Analyst
COG Operating, LLC
(432) 685-4385
Rrussell@concho.com



CONCHO

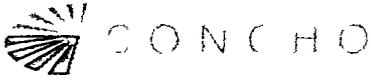
ONE CONCHO CENTER
600 W ILLINOIS AVENUE
MIDLAND TX 79701

91 7199 9991 7036 0788 0951

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<input type="checkbox"/> Complete items 1, 2, and 3 <input type="checkbox"/> Print your name and address on the reverse so that we can return the card to you <input type="checkbox"/> Attach this card to the back of the mailpiece, or on the front if space permits 1 Article Addressed to Apache Corporation 303 Vertans Airpark Ln, Suite 600 Midland, TX 79705 9590 9402 2420 6249 0704 55 2 * Article Number (Transfer from service label) 91 7199 9991 7036 0788 0951 PS Form 3811, July 2015 PSN 7530-02-000-9053	(A) Signature X <input type="checkbox"/> Agent <input type="checkbox"/> Addressee (B) Received by (Printed Name) (C) Date of Delivery D Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below <input type="checkbox"/> No 3 Service Type <input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery Domestic Return Receipt

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<input type="checkbox"/> Complete items 1, 2, and 3 <input type="checkbox"/> Print your name and address on the reverse so that we can return the card to you <input type="checkbox"/> Attach this card to the back of the mailpiece, or on the front if space permits 1 Article Addressed to Apache Corporation 303 Vertans Airpark Ln, Suite 600 Midland, TX 79705 9590 9402 2420 6249 0704 55 2. Article Number (Transfer from service label) 91 7199 9991 7036 0788 0951 PS Form 3811, July 2015 PSN 7530-02-000-9053	(A) Signature X <i>Donna Berry</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee (B) Received by (Printed Name) (C) Date of Delivery Donna Berry 6-9-17 D Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below <input type="checkbox"/> No RECEIVED JUN 12 2017 3 Service Type <input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery Domestic Return Receipt

Apache Corporation
303 Veterans Airpark Ln, Suite
Midland, TX 79705



Sent Certified Mail
Receipt # 91-7199-9991-7035-3278-4904

June 7 2017

**Black Shale Minerals LLC
PO Box 2243
Longview, TX 75606-2243**

**RE Designation of a Non-Standard Location by COG Operating LLC
Eddy County New Mexico**

Dear Sirs,

This is to advise you that COG Operating LLC has filed an application for Designation of a Non-Standard Location (C-112) with the New Mexico Construction Division seeking to designate a non-standard location in Section 3 T17S R30E Eddy County New Mexico.

Should your company have any objection, it must be filed in writing within twenty (20) days from the date of this notice. Non-response within the 20 day notice shall constitute an approval/waiver of protest to COG's non-standard location.

Please contact me should you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Robyn Russell".

Robyn Russell
Regulatory Analyst
COG Operating LLC
(432) 685-4385
Russell@concho.com



Sent Certified Mail
Receipt #: 91-7199-9991-7035-3278-4515

June 7, 2017

**Chisos Ltd.
670 Dona Ana Road, SW
Deming, NM 88030**

**RE: Designation of a Non-Standard Location by COG Operating LLC
Eddy County, New Mexico**

Unauthorized Copy Prohibited

This letter is to advise you that COG Operating LLC has filed the enclosed Well Designation and Acknowledgment (C-102) with the New Mexico Oil Conservation Division seeking to designate a non-standard location in Section 3, T17S, R30E, Eddy County, New Mexico.

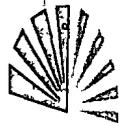
Should your company have any objection, it must be filed in writing within twenty (20) days from the date of this notice. Non response within the 20 day notice shall constitute an approval/waiver of protest to COG's non-standard location.

Please contact me should you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Robyn Russell".

Robyn Russell
Regulatory Analyst
COG Operating, LLC
(432) 685-4385
Russell@concho.com



CONCHO

ONE CONCHIO CENTER
600 W ILLINOIS AVENUE
MIDLAND TX 79701

91 7199 9991 7035 3278 4515

SENDER COMPLETE THIS SECTION

- Complete Items 1, 2, and 3
- 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

Chisos Ltd,
670 Dona Ana Road, SW
Deming, NM 88030

9590 9402 1910 6104 6234 38

2 Article Number (Transfer from service label)

91 7199 9991 7035 3278 4515

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

(A) Signature

X

- Agent
- Addressee

(B) Received by (Printed Name)

(C) Date of Delivery

- Is delivery address different from item 1? Yes
- If YES, enter delivery address below No

3 Service Type

- Adult Signature
- Adult Signature Restricted Delivery
- Certified Mail®
- Certified Mail Restricted Delivery
- Collect on Delivery
- Collect on Delivery Restricted Delivery
- Priority Mail Express®
- Registered Mail™
- Registered Mail Restricted Delivery
- Return Receipt for Merchandise
- Signature Confirmation™
- Signature Confirmation Restricted Delivery

Chisos Ltd,
670 Dona Ana Road, SW
Deming, NM 88030

SENDER COMPLETE THIS SECTION

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9590 9402 1910 6104 6234 38

2 Article Number (Transfer from service label)

91 7199 9991 7035 3278 4515

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

(A) Signature

X *Prinace RRA*

- Agent
- Addressee

(B) Received by (Printed Name)

B. Jacobson

(C) Date of Delivery

6/10/17

- Is delivery address different from item 1? Yes
- If YES, enter delivery address below No

RECEIVED
JUN 13 2017

3 Service Type

- Adult Signature
- Adult Signature Restricted Delivery
- Certified Mail®
- Certified Mail Restricted Delivery
- Collect on Delivery
- Collect on Delivery Restricted Delivery
- Priority Mail Express®
- Registered Mail™
- Registered Mail Restricted Delivery
- Return Receipt for Merchandise
- Signature Confirmation™
- Signature Confirmation Restricted Delivery

Domestic Return Receipt

Lowe, Leonard, EMNRD

From: Robyn Russell <Rrussell@concho.com>
Sent: Monday, July 10, 2017 12:23 PM
To: Lowe, Leonard, EMNRD
Subject: RE: Carmen 3 Fed Com 91H NSL Additional Information

They are all equally in those two units

Thank you,

Robyn Russell
Regulatory Analyst
(432) 685-4385

From: Lowe, Leonard, EMNRD [mailto:Leonard.Lowe@state.nm.us]
Sent: Monday, July 10, 2017 1:19 PM
To: Robyn Russell
Subject: [External] RE: Carmen 3 Fed Com 91H NSL Additional Information

**** External email. Use caution. ****

Robyn Russell,

It's the same plat as submitted in the original. I didn't think the original was incorrect.

What is your definition of Tract?
You identified 3 entities in Tract. Where are each located in?

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

From: Robyn Russell [mailto:Rrussell@concho.com]
Sent: Monday, July 10, 2017 12:06 PM
To: Lowe, Leonard, EMNRD <Leonard.Lowe@state.nm.us>
Subject: Carmen 3 Fed Com 91H NSL Additional Information

Hey Leonard,

Please see the attached corrected Land plat for this application. The SE/4SE/4 of Sec 33, 16S, 30E and the NE/4NE/4 of Sec 4, 17S, 30E are both included in Offset Tract 1.

Lowe, Leonard, EMNRD

From Lowe, Leonard, EMNRD
Sent Monday, July 10, 2017 12:19 PM
To 'Robyn Russell'
Subject RE: Carmen 3 Fed Com 91H NSL Additional Information

Robyn Russell,

It's the same plat as submitted in the original. I didn't think the original was incorrect.

What is your definition of Tract?

You identified 3 entities in Tract. Where are each located in?

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

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

From Robyn Russell [mailto:Rrussell@concho.com]
Sent Monday, July 10, 2017 12:06 PM
To Lowe, Leonard, EMNRD <Leonard.Lowe@state.nm.us>
Subject Carmen 3 Fed Com 91H NSL Additional Information

Hey Leonard,

Please see the attached corrected Land plat for this application. The SE/4SE/4 of Sec 33, 16S, 30E and the NE/4NE/4 of Sec 4, 17S, 30E are both included in Offset Tract 1.

Please let me know if you need anything else for the approval of this application.

Thank you,

Robyn Russell

Regulatory Analyst

COG Operating LLC

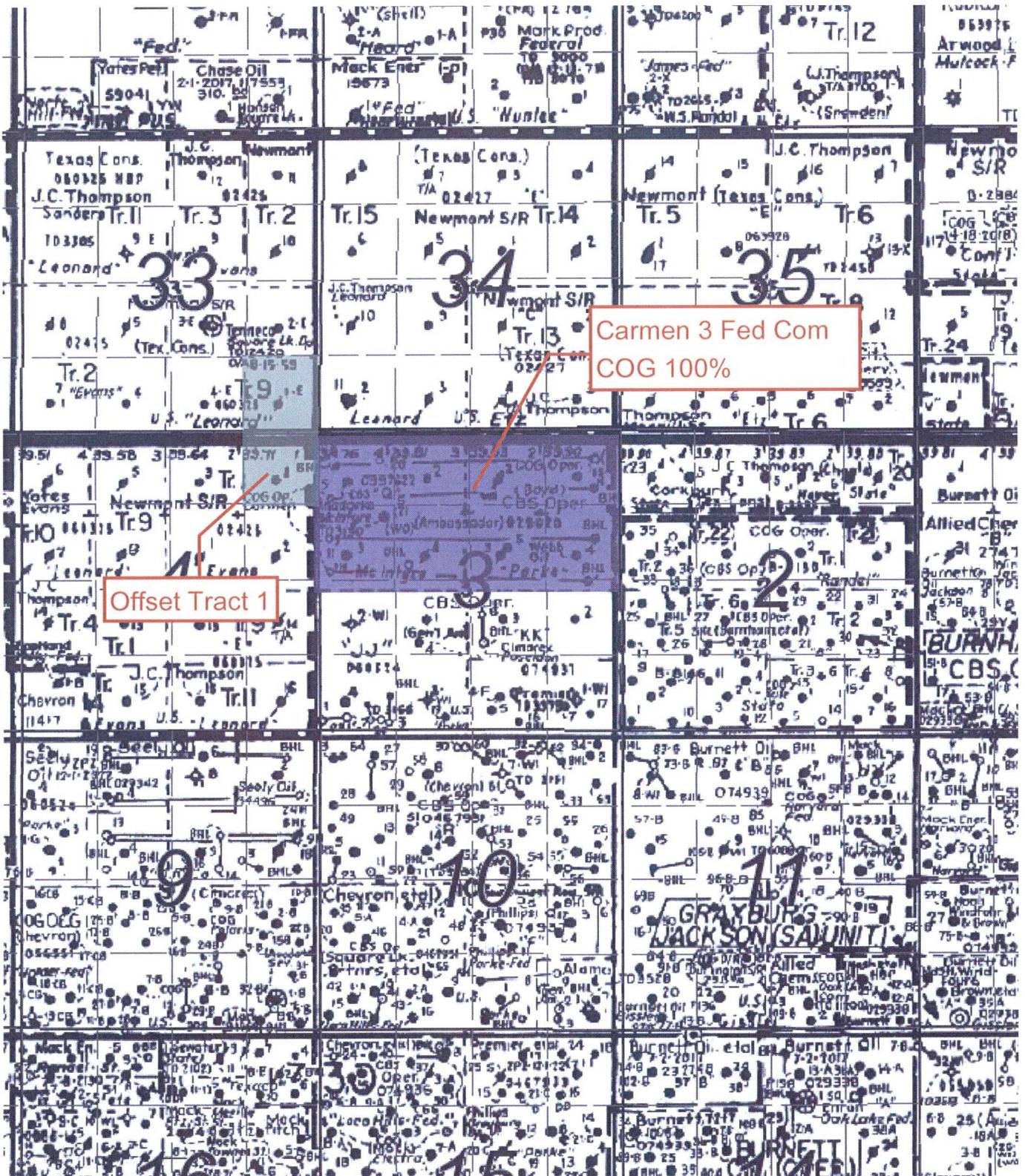
600 W. Illinois Ave

Midland, TX 79701

(432) 685-4385

 CONCHO

Carmen 3 Federal Com #91H Lease Map



Carmen 3 Fed Com
COG 100%

Offset Tract 1

Lowe, Leonard, EMNRD

From Robyn Russell <Rrussell@concho.com>
Sent Monday, July 10, 2017 12:06 PM
To Lowe, Leonard, EMNRD
Subject Carmen 3 Fed Com 91H NSL Additional Information
Attachments Carmen 3 Fed Com 91H Land Plat.pdf

Hey Leonard,

Please see the attached corrected Land plat for this application. The SE/4SE/4 of Sec 33, 16S, 30E and the NE/4NE/4 of Sec 4, 17S, 30E are both included in Offset Tract 1.

Please let me know if you need anything else for the approval of this application.

Thank you,

Robyn Russell

Regulatory Analyst
COG Operating LLC
600 W Illinois Ave
Midland, Tx 79701
(432) 685-4385



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. Further, any contract terms proposed or purportedly accepted in this email are not binding and are subject to management's final approval as memorialized in a separate written instrument, excluding electronic correspondence, executed by an authorized representative of COG Operating LLC or its affiliates.