

| | | | |
|---------------------|---------------|-----------|-------------------------|
| RECEIVED: 9/22/2017 | REVIEWER: LRL | TYPE: NSL | APP NO: PLEL 1726948733 |
|---------------------|---------------|-----------|-------------------------|

ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

710/13/17

RECEIVED
NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505
 2017 SEP 22 P 3:48



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: COG Operating LLC | OGRID Number: 229137 |
| Well Name: Zeppo 5 Federal Com #15H | API: 30-025- |
| Pool: Maljamar, Yeso, West | Pool Code: 44500 |

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

NSL - _____

- 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

Signature

09/20/2017
Date

(432) 685-4385
Phone Number

Russell@concho.com
e-mail Address



September 20, 2017

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

RE: Zeppo 5 Federal Com #15H NSL

To Whom It May Concern,

COG Operating LLC respectfully requests approval of a non-standard location for the following well(s):

Zeppo 5 Federal Com #15H – API #30-025-PENDING
SHL: 2490 FNL 2335 FEL, UL G, Sec 5, T17S, R32E
BHL: 55 FSL 2308 FEL, UL O, Sec 8, T17S, R32E
TVD: 5700'

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 5, 8, T17S, R32E. Conoco, Et. Al., as non-operating working interest owners of the leasehold in the offset tracts, 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 black ink, appearing to read "Robyn Russell", written over a white background.

Robyn Russell
Regulatory Analyst
COG Operating, LLC
(432) 685-4385
Rrussell@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 30-025- | | ² Pool Code 44500 | | ³ Pool Name Maljamar; Yeso, West | |
| ⁴ Property Code | | ⁵ Property Name ZEPO 5 FEDERAL COM | | | ⁶ Well Number 15H |
| ⁷ GRID NO. 229137 | | ⁸ Operator Name COG OPERATING, LLC | | | ⁹ Elevation 4099' |

¹⁰ Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet From the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| G | 5 | 17S | 32E | | 2490 | NORTH | 2335 | EAST | LEA |

¹¹ 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| O | 8 | 17S | 32E | | 55 | SOUTH | 2308 | EAST | LEA |

| | | | |
|--------------------------------------|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 240 | 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.

DETAIL "A"

GEODETIC DATA
NAD 83 GRID - NM EAST

SURFACE LOCATION
N: 678523.6 - E: 708881.2
LAT: 32.86409342° N
LONG: 103.78767289° W

BOTTOM HOLE
N: 670510.8 - E: 708957.0
LAT: 32.84206920° N
LONG: 103.78756096° W

CORNER DATA
NAD 83 GRID - NM EAST

A: FOUND BRASS CAP "1913"
N: 670449.0 - E: 705989.7

B: FOUND BRASS CAP "1913"
N: 673083.7 - E: 705979.1

C: FOUND 1-1/2" IRON PIPE
N: 675723.3 - E: 705965.0

D: FOUND BRASS CAP "1913"
N: 678363.7 - E: 705942.4

E: FOUND BRASS CAP "1913"
N: 681002.8 - E: 705922.6

F: FOUND BRASS CAP "1913"
N: 681021.0 - E: 711201.1

G: FOUND BRASS CAP "1913"
N: 678382.0 - E: 711216.6

H: FOUND PK NAIL
N: 675742.1 - E: 711243.8

I: FOUND BRASS CAP "1913"
N: 673102.5 - E: 711246.5

J: FOUND BRASS CAP "1912"
N: 670464.6 - E: 711264.7

K: FOUND BRASS CAP "1912"
N: 670454.6 - E: 708627.4

CALCULATED POINTS
1: N 678372.9 - E 708583.2
2: N 678377.5 - E 709899.8
3: N 670459.5 - E 709946.0

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] Date 8/23/17
Signature Date
Robyn M. Russell
Printed Name
Russell@concho.com
E-mail Address

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.

10-31-2016
Date of Survey
Signature and Seal of Professional Surveyor
[Signature]
19680
Certificate Number



Memorandum

To: Leonard Lowe
Engineering Bureau
New Mexico Oil Conservation Division

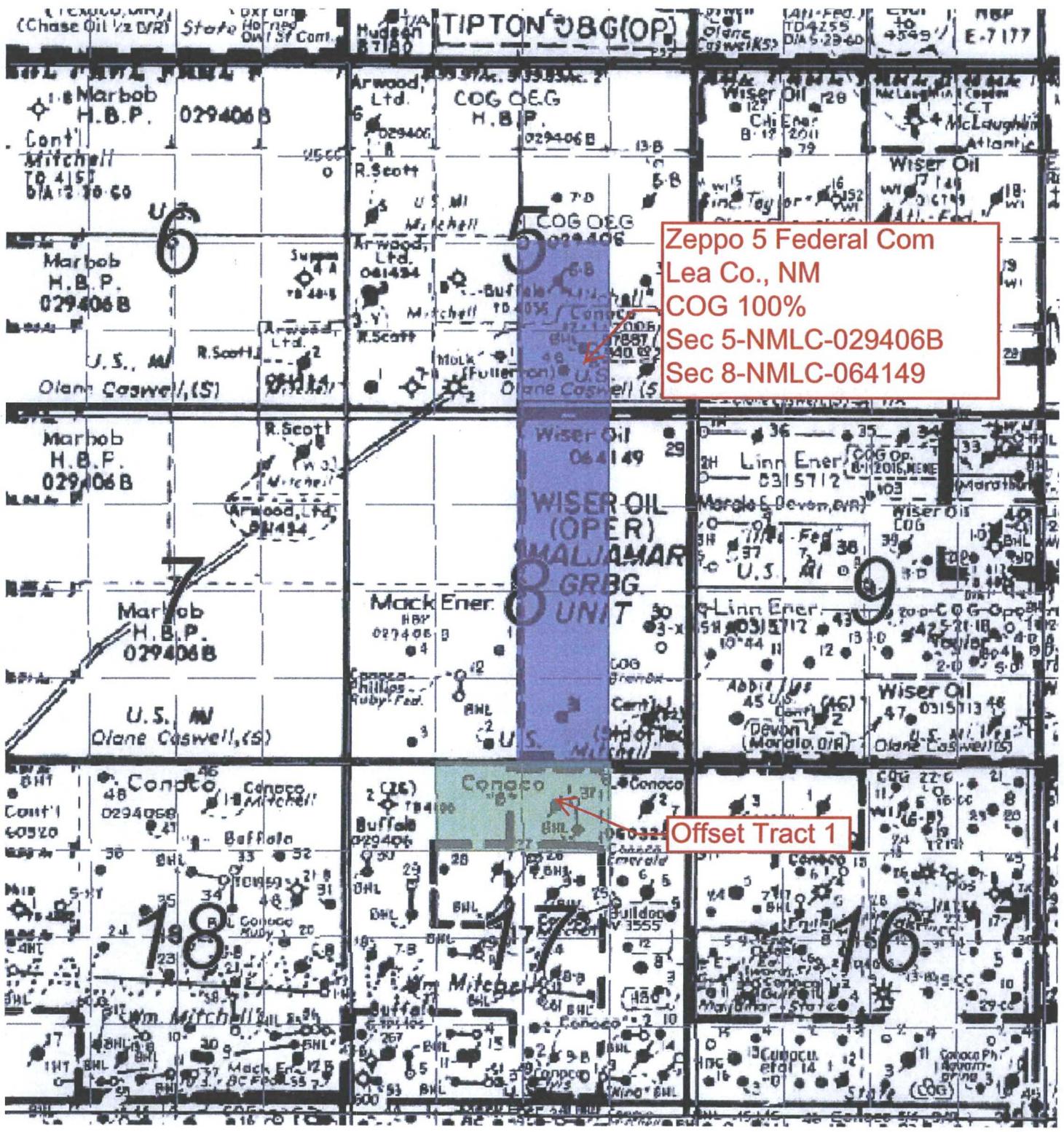
From: Bryan Montgomery
Reservoir Engineering Supervisor, NM Shelf Team
COG Operating LLC

Date: August 23, 2017

Subject: Zeppo 5 Federal Com #15H NSL Engineer Statement

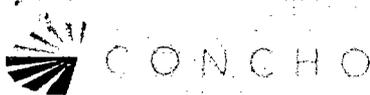
COG Operating LLC (COG) is requesting a non-standard location exception (NSL) for this horizontal well to be able to access and drain Yeso reserves that would otherwise be left in the reservoir, thereby preventing waste of an economic resource. The Yeso is a very low permeability reservoir that does 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.

Zeppo 5 Federal Com #15H Land Plat



Zeppo 5 Federal Com
 Lea Co., NM
 COG 100%
 Sec 5-NMLC-029406B
 Sec 8-NMLC-064149

Offset Tract 1



Sent Certified Mail
Receipt #: 91-7199-9991-7036-0788-0524

August 30, 2017

ConocoPhillips
600 North Dairy Ashford Rd., 2WL-15058
Houston, TX 77079

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

To Whom It May Concern,

This letter is to advise you that COG Operating LLC has filed the enclosed Well Dedication and Acreage Plats (C-102) with the New Mexico Oil Conservation Division seeking to designate non-standard location in Sections 5 & 8, T17S, R32E, Lea 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, appearing to read "Robyn Russell", written in a cursive style.

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



CONCHO

ONE CONCHO CENTER

600 W. ILLINOIS AVENUE

MIDLAND, TX 79701

91 7199 9991 7036 0788 0524

9500 W. ILLINOIS

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.

ConocoPhillips
 600 North Dairy Ashford Rd., 2WL-15058
 Houston, Texas 77079
 Re: NSL-Zepo5 Federal Com #15H

9590 9402 2244 6193 1778 82

2. Article Number (Transfer from service label)
 91 7199 9991 7036 0788 0524

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

COMPLETE THIS SECTION ON DELIVERY

(A) Signature  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

Domestic Return Receipt

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.

ConocoPhillips
 600 North Dairy Ashford Rd., 2WL-15058
 Houston, Texas 77079
 Re: NSL-Zepo5 Federal Com #15H

9590 9402 2244 6193 1778 82

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COMPLETE THIS SECTION ON DELIVERY

(A) Signature  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

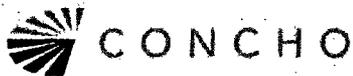
COG OPERATING LLC
RECEIVED
 SEP 15 2017

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

ConocoPhillips
 600 North Dairy Ashford Rd., 2WL-150
 Houston, Texas 77079



October 10, 2017

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

RE: Zeppo 5 Federal Com #15H NSL

To Whom It May Concern,

COG Operating LLC respectfully requests approval of a non-standard location for the following well(s):

Zeppo 5 Federal Com #15H – API #30-025-PENDING
SHL: 2490 FNL 2335 FEL, UL G, Sec 5, T17S, R32E
BHL: 55 FSL 2308 FEL, UL O, Sec 8, T17S, R32E
TVD: 5700'

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 5, 8, T17S, R32E. ConocoPhillips, as Operator of the Yeso formation in the offset tracts, 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 black ink, appearing to read "Robyn Russell".

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

✓
Lowe, Leonard, EMNRD

NSL-7595

From: Robyn Russell <Russell@concho.com>
Sent: Wednesday, October 11, 2017 7:06 AM
To: Lowe, Leonard, EMNRD
Cc: Jones, William V, EMNRD
Subject: RE: NSL Application, additional information: Zeppo 5 Federal Com No. 15H

Hey Leonard,

The Working Interest owner of Unit B of Sec 17 is ConocoPhillips 100%. Please let me know if you need anything else.

Thank you,

Robyn Russell
Regulatory Analyst
(432) 685-4385

From: Lowe, Leonard, EMNRD [mailto:Leonard.Lowe@state.nm.us]
Sent: Tuesday, October 10, 2017 5:02 PM
To: Robyn Russell
Cc: Jones, William V, EMNRD
Subject: [External] NSL Application, additional information: Zeppo 5 Federal Com No. 15H
Importance: High

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

Ms. Robyn Russell,

Per your information provided for the NSL request, please provide the additional information.

A list of working interest with percentages in the affected areas.

Reason: your last take point is less than 100 feet to the boundary toward Unit B of Section 17.

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/>

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

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Friday, October 20, 2017 12:47 PM
To: 'Robyn Russell'
Cc: Brown, Maxey G, EMNRD; Kautz, Paul, EMNRD; Sharp, Karen, EMNRD; 'lisa@rwbyram.com'; 'jglover@blm.gov'; McMillan, Michael, EMNRD; Goetze, Phillip, EMNRD; Jones, William V, EMNRD
Subject: APPROVED NSL-7595 & NSL-7696_COG OPERATING LLC_Zeppo 5 Federal Com Well No. 15H & 25H_SEC 5 17S 32E

Importance: High

Ms. Robyn Russell,

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

NSL-7595

COG Operating LLC
API #: 30-025-Pending
WELL: Zeppo 5 Federal Com Well No. 15H

NSL-7596

COG Operating LLC
API #: 30-025-Pending
WELL: Zeppo 5 Federal Com Well No. 25H

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/>