

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



COG Operating
Houma State # 3
5609

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
- 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 _____
- [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.

PHYLLIS A. EDWARDS
Print or Type Name

Signature

REGULATORY ANALYST
Title

Date

432-685-4340

pedwards@conchoresources.com
e-mail Address

2007 APR 19 AM 9 48

**Houma State #3
Eddy County, NM
API #: 30-015 35256**

*96714
top of Glorieta
to top of Albo*

We are presently drilling a North ½, 40 acre spacing
Loco Hills; Glorieta-Yeso oil well
TD of approximately 6000' Date spudded: 4-11-07

Location:
1450' FNL & 330' FWL Sec 16, T17S, R30E, Unit E

This well had to be drilled at a non-standard location due to pipeline
constrictions.

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 Houma State #2 which was recently drilled and is approximately 1500' to the
east/southeast (1650' N&W).

The Houma State #2 completion broke the Yeso up into 4 perf/stimulation
intervals: 3 Blinbry and 1 Paddock.

At this time, we assume the Houma State #3 will/should be very similar.

Houma State #2 has perms from: 4402' – 5785' overall, but broken up into 4
separate intervals, with 4 separate fracs

1st interval: 5568' – 5785',
acidized w/ 2500 gals,
frac'd w/ 95,340 gals Viking hybrid gel, 8,004 # LiteProp 125 14/30, 73,046#
white sand 16/30, 13,403# SiberProp 16/30

2nd interval: 5201' – 5471',
acidized w/ 3000 gals,
frac'd w/ 90,500 gals Viking hybrid gel, 8,012# LiteProp 125 14/30, 74,880# white
sand 16/30, 15,440# SiberProp 16/30

3rd interval: 4812' – 5115',
acidized w/ 3000 gals,
frac'd w/ 101,346 gals Viking hybrid gel, 8,032# LiteProp 125 14/30, 75,060#
white sand 16/30, 15,020# SiberProp 16/30

4th interval: 4402' – 4680',
acidized w/ 2500 gals,
frac'd w/ 6002 Linear Gel; 81,497 gals. Sand laden Linear Gel; 4368 gals Flush;
8000# Liteprop 125 14/30 sand; 74,860# 16/30 White sand; 15,480# SiberProp
16/30 sand.

Attachment 1

Plat showing pipeline

Attachment 2

Map & legend of offset wells.

Attachment 3

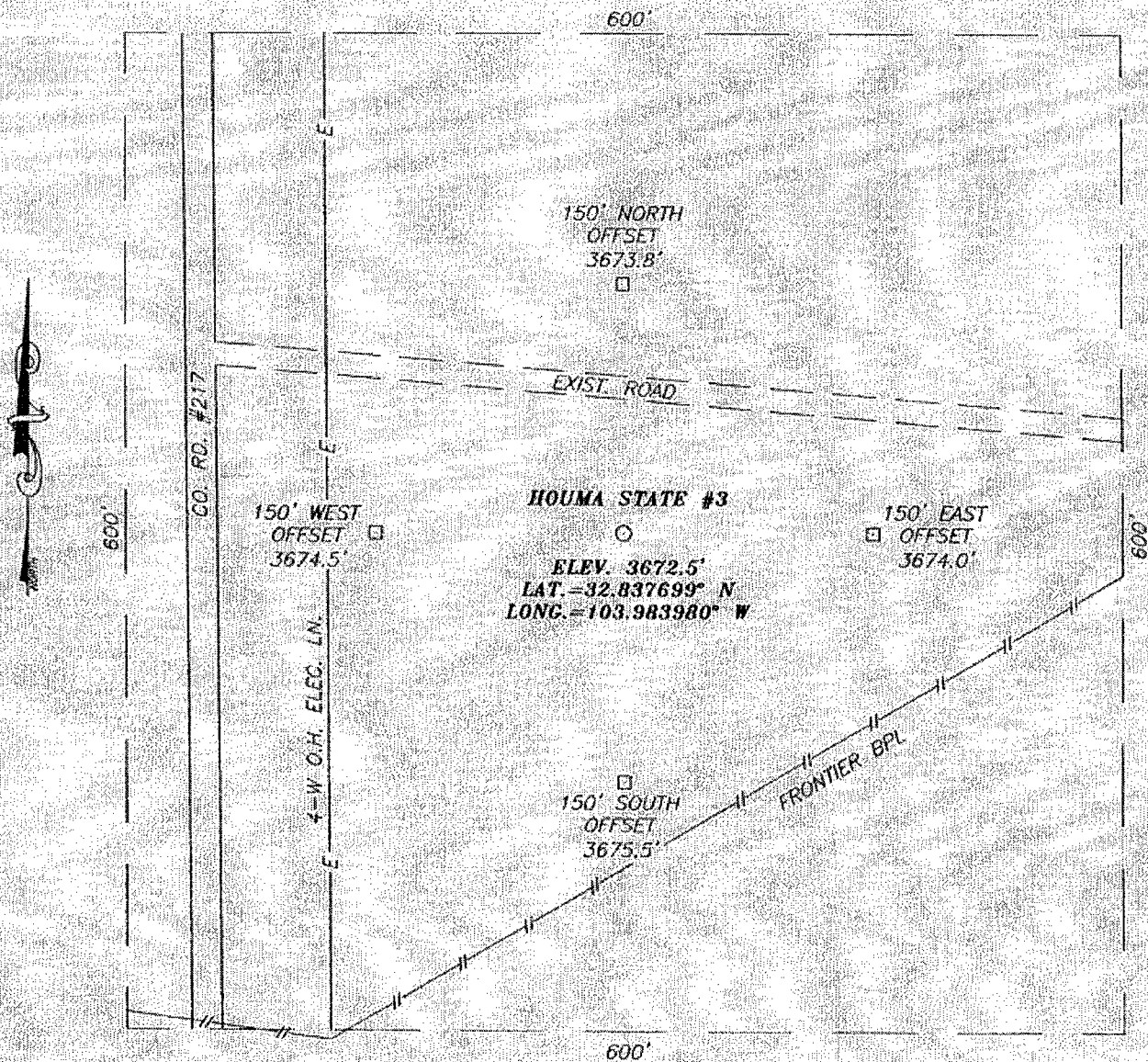
Updated land plat showing that COG Operating LLC owns offset acreage.

The acreage we are encroaching on is the N/2 NW/4 of Section 16.

COG owns all of Section 16.

COG Operating LLC respectfully requests permission to have this NSL approved.

SECTION 16, TOWNSHIP 17 SOUTH, RANGE 30 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF U.S. HWY. #82 AND CO. RD. #217 (HAGERMAN CUTOFF) GO NORTH ON CO. RD. #217 FOR APPROX. 1.3 MILES. THIS LOCATION IS APPROX. 250 FEET EAST.



COG OPERATING, LLC

HOUMA STATE #3
 LOCATED 1450 FEET FROM THE NORTH LINE
 AND 330 FEET FROM THE WEST LINE OF SECTION 16,
 TOWNSHIP 17 SOUTH, RANGE 30 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO.

Survey Date: 11/13/06	Sheet 1 of 1 Sheets		
W.O. Number: 06.11.1806	Dr By: LA	Rev 1-N/A	
Date: 12/5/06	Disk: CD#5	Q6111806	Scale: 1"=100'



PROVIDING SURVEYING SERVICES
 SINCE 1946
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 MORRIS, N.M. 88240
 (505) 393-3117

Figure 1 displays four maps (001, 002, 003, 004) showing the spatial distribution of 1000 randomly generated points (open circles) and 1000 randomly generated points (filled circles) in the study area. The maps are arranged in a 2x2 grid. A scale bar indicates 1000m.

ATTACHMENT 2

Houma State #3 Offset Wells

API#	Company	Lease Name	Well#	County	Legal	Field	Depth	First Prod	Prac IP BO/D	Prac IP MCF/D	Cur Pro
30-015-30232	MARBOB ENERGY CORP	RED FEDERAL	003	EDDY	S:17, T:17S, R:30E	LOCO HILLS	4821	Oct 1998	77.60	111.10	621
30-015-29354	SOUTHWEST ROYALTIES INC	MCINTYRE F	003	EDDY	S:17, T:17S, R:30E						
30-015-30371	MARBOB ENERGY CORP	BIRDIE FEDERAL	005	EDDY	S:17, T:17S, R:30E	LOCO HILLS	4850	Nov 1998	65.16	0.00	535
30-015-30638	COG OPERATING LLC	WICHITA STATE	001	EDDY	S:16, T:17S, R:30E	LOCO HILLS	4798	Aug 1999	39.63	74.17	208
30-015-21177	MACK ENERGY CORPORATION	MCINTYRE D	002	EDDY	S:17, T:17S, R:30E	GRAYBURG JACKSON	0				
30-015-04175	MACK ENERGY CORPORATION	ETZ C STATE	008	EDDY	S:16, T:17S, R:30E	GRAYBURG JKSN SR-Q-G-SA(DO NOT USE)		Jan 1959	4.82	0.00	0
30-015-04175	MACK ENERGY CORPORATION	ETZ C STATE	008	EDDY	S:16, T:17S, R:30E	GRAYBURG JACKSON		Jan 1947	12.29	0.00	0
30-015-04185	COG OPERATING LLC	ETZ STATE UNIT	108	EDDY	S:17, T:17S, R:30E	GRAYBURG JACKSON	3251	Jan 1983	2.00	0.00	412
30-015-04185	MACK ENERGY CORPORATION	ETZ STATE UNIT	108	EDDY	S:17, T:17S, R:30E	GRAYBURG JKSN SR-Q-G-SA(DO NOT USE)	3251	Feb 1973	63.81	191.87	996
30-015-20551	COG OPERATING LLC	ETZ STATE UNIT	107	EDDY	S:16, T:17S, R:30E	GRAYBURG JACKSON	0	Jan 2001			0
30-015-21178	COG OPERATING LLC	ETZ STATE UNIT	120	EDDY	S:17, T:17S, R:30E	GRAYBURG JACKSON	0	Jan 1993	2.00	0.00	985
30-015-22154	MACK ENERGY CORP	ETZ C STATE	027	EDDY	S:16, T:17S, R:30E	GRAYBURG JACKSON	0				0
30-015-04175	YANCEY-HARRIS CO.	ETZ ST. B	008	EDDY	S:16, T:17S, R:30E	GRAYBURG-JACKSON		Jan 1948	9.48	0.00	
30-015-34376	BP AMERICA PRODUCTION COMPANY	GOLDFISH 17 FEDERAL	1	EDDY	S:17, T:17S, R:30E	LOCO HILLS	11250	Jun 2006		141.48	7
30-015-34376	BP AMERICA PRODUCTION COMPANY	GOLDFISH 17 FEDERAL	1	EDDY	S:17, T:17S, R:30E	W/CAT ATOKA & LOCO HILLS (MORROW)	11250				
30-015-04178	MACK ENERGY CORPORATION	RANDEL STATE	002	EDDY	S:16, T:17S, R:30E	GRAYBURG JKSN SR-Q-G-SA(DO NOT USE)	0	Jan 1973	11.00	0.00	318
30-015-04178	MACK ENERGY CORPORATION	RANDEL STATE	002	EDDY	S:16, T:17S, R:30E	GRAYBURG JACKSON	0	Jan 1971	10.75	0.00	117
30-015-10496	MACK ENERGY CORP	ETZ C STATE	009	EDDY	S:16, T:17S, R:30E	GRAYBURG JACKSON	0				0
30-015-20547	MACK ENERGY CORPORATION	ETZ STATE UNIT	101	EDDY	S:17, T:17S, R:30E	GRAYBURG JACKSON	0	Jan 1979	2.54	5.14	527
30-015-20547	MACK ENERGY CORPORATION	ETZ STATE UNIT	101	EDDY	S:17, T:17S, R:30E	GRAYBURG JKSN SR-Q-G-SA(DO NOT USE)	0	Jan 1972	42.62	0.00	272
30-015-20684	COG OPERATING LLC	ETZ STATE UNIT	102	EDDY	S:16, T:17S, R:30E	GRAYBURG JACKSON	0	Jan 1993	2.29	3.61	886
30-015-00000		ETZ STATE UNIT	004	EDDY	S:16, T:17S, R:30E	GRAYBURG JACKSON		Jan 1979	8.64	0.00	126
30-015-00000		ETZ STATE UNIT	004	EDDY	S:16, T:17S, R:30E	GRAYBURG JKSN SR-Q-G-SA(DO NOT USE)		Jul 1972	30.65	0.00	157
30-015-20551	COG OPERATING LLC	ETZ C STATE	107	EDDY	S:16, T:17S, R:30E	GRAYBURG JACKSON	0	Jan 1979	5.82	17.68	582
30-015-20551	COG OPERATING LLC	ETZ C STATE	107	EDDY	S:16, T:17S, R:30E	GRAYBURG JKSN SR-Q-G-SA(DO NOT USE)	0	Jul 1972	61.94	109.13	214
30-015-04232		GULF FEDERAL	001	EDDY	S:17, T:17S, R:30E	GRAYBURG JACKSON		May 1953	7.33	0.00	286

ATTACHMENT 2

30-015-04232		GULF FEDERAL	001	EDDY	S:17, T:17S, R:30E	GRAYBURG JKSN SR-Q- G-SA(DO NOT USE)				0
30-015-00000		MCINTYRE D	003	EDDY	S:17, T:17S, R:30E	GRAYBURG JACKSON	Jan 1979	9.75	16.54	744
30-015-00000		MCINTYRE D	003	EDDY	S:17, T:17S, R:30E	GRAYBURG JKSN SR-Q- G-SA(DO NOT USE)	Nov 1974	30.00	8.06	204
30-015-00000	SINCLAR OIL & GAS CO,	MCINTYRE D	007	EDDY	S:17, T:17S, R:30E	GRAYBURG JACKSON	Jan 1947	17.07	0.00	0
30-015-00000	KERSEY AND CO	RANDEL STATE	019	EDDY	S:16, T:17S, R:30E	GRAYBURG JACKSON	Apr 1953	6.65	0.00	
30-015-35256	COG OPERATING LLC	HOUMA STATE	003	EDDY	S:16, T:17S, R:30E	LOCO HILLS	6000			
30-015-35244	COG OPERATING LLC	CADDO FEDERAL	001	EDDY	S:17, T:17S, R:30E	LOCO HILLS	6000			

COG OPERATING LLC

Fasken Center, Tower II
550 West Texas Avenue, Suite 1300
Midland, TX 79701
Phone: (432) 683-7443
Fax: (432) 683-1166

FAX COVER SHEET
Privileged and Confidential
4-23-07

3 pages including cover

To: NMOCD – Santa Fe
David Brooks
505-476-3462

From: Phyllis Edwards

Subject: Houma State #3
C-102 & letter

David,

Attached are the items we discussed on the phone today.

Thanks for your help !!!

Phyllis Edwards @ (432) 685-4340.

The information transmitted by this Facsimile is considered privileged and confidential, and is intended only for the use of the individual or entity named. If the reader of this message is not the intended recipient or the employee or agent responsible to deliver it to the intended recipient, you should be aware that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please immediately notify us by telephone, and return the original message to us at the above address via the U.S. Postal Service.

Thank you.

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

April 23, 2007

New Mexico Oil Conservation Division
Attn: David Brooks
1220 South St. Francis
Santa Fe, NM 87505

Re: Non-standard location for the Houma State #3
API No. 30-015-35256
Eddy County, NM

Dear David,

The working interests are the same.

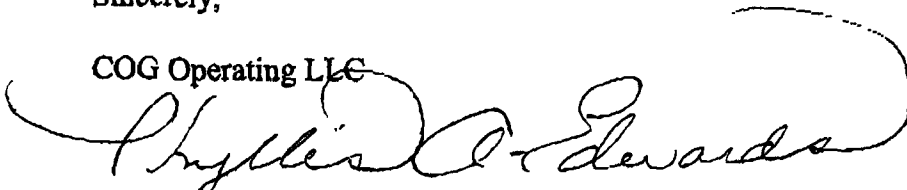
The Loco Hills; Glorieta Yeso Oil Pool is a 40 acre spacing unit. This well is 130' from the North line. COG owns all of section 16, so we own the Mesilla lease to the north of this well.

If you require anything further, please call me at 432-685-4340 or e-mail @ pedwards@conchoresources.com.

Thanks so much for your help !!!

Sincerely,

COG Operating LLC

A handwritten signature in black ink, appearing to read "Phyllis A. Edwards". The signature is fluid and cursive, with a large loop at the end.

Phyllis A. Edwards
Regulatory Analyst

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505

Form C-102
Permit 42437

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-35256	2. Pool Code 96718	3. Pool Name LOCO HILLS; PADDOCK
4. Property Code 302505	5. Property Name HOUMA STATE	6. Well No. 003
7. OGRID No. 229137	8. Operator Name COG OPERATING LLC	9. Elevation 3672

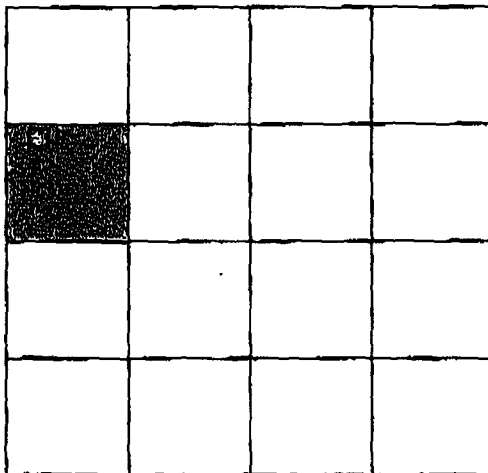
10. Surface Location

UL - Lot E	Section 16	Township 17S	Range 30E	Lot Idn	Feet From 1450	N/S Line N	Feet From 330	E/W Line W	County EDDY
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11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 40.00		13. Joint or Infill		14. Consolidation Code		15. 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 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(s) 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.

E-Signed By: Diane Kuykendall

Title: Regulatory Analyst

Date: 11/29/2006

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.

Surveyed By: Gary Eidson

Date of Survey: 11/13/2006

Certificate Number: 12641

Well File Search - Select API Number to View

Please select the API Number you wish to view from the list below by clicking the radio button next to the API Number. Then click the "Continue" button to see the thumbnails for the API you selected. The search results are broken out by groups of 25 on each page. Switching pages can be done by clicking the "Next 25" or "Previous 25" links.

5 Records found

Displaying Screen 1 of 1

- | ☐ | API Number | ULSTR | Footages |
|-----------------------|--|--------------|---------------------|
| ☐ | 3001504175 | E-16-17S-30E | 1980 FNL & 660 FWL |
| | Well Name & Number: ETZ C STATE No. 008 | | |
| | Operator: MACK ENERGY CORP | | |
| ☐ | 3001510496 | E-16-17S-30E | 1370 FNL & 660 FWL |
| | Well Name & Number: ETZ C STATE No. 009 | | |
| | Operator: MACK ENERGY CORP | | |
| ☐ | 3001520551 | E-16-17S-30E | 1880 FNL & 660 FWL |
| | Well Name & Number: ETZ STATE UNIT No. 107 | | |
| | Operator: COG OPERATING LLC | | |
| ☐ | 3001522154 | E-16-17S-30E | 1850 FNL & 1315 FWL |
| | Well Name & Number: ETZ C STATE No. 027 | | |
| | Operator: MACK ENERGY CORP | | |
| ☐ | 3001535256 | E-16-17S-30E | 1450 FNL & 330 FWL |
| | Well Name & Number: HOUMA STATE No. 003 | | |
| | Operator: COG OPERATING LLC | | |

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