

DATE IN 5/21/10	SUSPENSE	ENGINEER Brooks	LOGGED IN 5/21/10	TYPE NSL	APP NO. 1014142491
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ABOVE THIS LINE FOR DIVISION USE ONLY

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



1014142491

RECEIVED

5/21/10 Unit # 724

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]

Eddy Co.

6211

[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

INTEREST ARE THE SAME

- [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.

ROBYN M. ODOM
Print or Type Name

Signature

REGULATORY ANALYST
Title

5/20/10
Date

(432) 685-4385
Phone Number

rodom@conchoresources.com
E-mail Address

**Skelly Unit #724
Eddy County, NM**

COG proposes to drill a **VERTICAL** NW 1/4, 40 acre spacing
Fren; Glorieta-Yeso oil well
TD of approximately 6750'

Non-standard location:
2314' FNL & 815' FWL Sec 21, T17S, R31E, Unit E

This well had to be drilled at a non-standard location due to electrical lines.

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 similar to the

Willow State #8
330 FSL & 1650 FEL, Section 16, T17S, R31E, UL O
drilled in March 2006

The Willow State #8 Yeso completion has overall perforations from 5380.5' – 5845.5', but is divided into 2 perf/stimulation intervals. At this time, we assume the Skelly Unit 601 will be very similar.

1st Interval: 5650' – 5845.5', 67 total holes.
acidized w/ 2265 gals acid,
frac'd w/ 8000# LiteProp, 30,000 gals 30# gel, 54,663 gals 40# gel, & 90,560#
16/30 sand

2nd Interval: 5380.5' – 5544', 56 total holes.
acidized w/ 2550 gals acid,
frac'd w/ 8006# LiteProp, 30,000 gals 30# gel, 53,000 gals 40# gel, & 91,740#
16/30 sand

Attachment 1

Plat and map

Attachment 2

Map and legend of offset wells.

Attachment 3

Updated land plat showing COG Operating LLC acreage.
The acreage we are encroaching on is the SE/4 NW/4 of Section 21.
Proof of notification to offset operator is attached.

Interests are common.

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

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410

DISTRICT IV
11885 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
11885 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-015-	Pool Code 26770	Pool Name FREN; GLORIETA-YESO
Property Code 305607	Property Name SKELLY UNIT	Well Number 724
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3747'

Surface Location

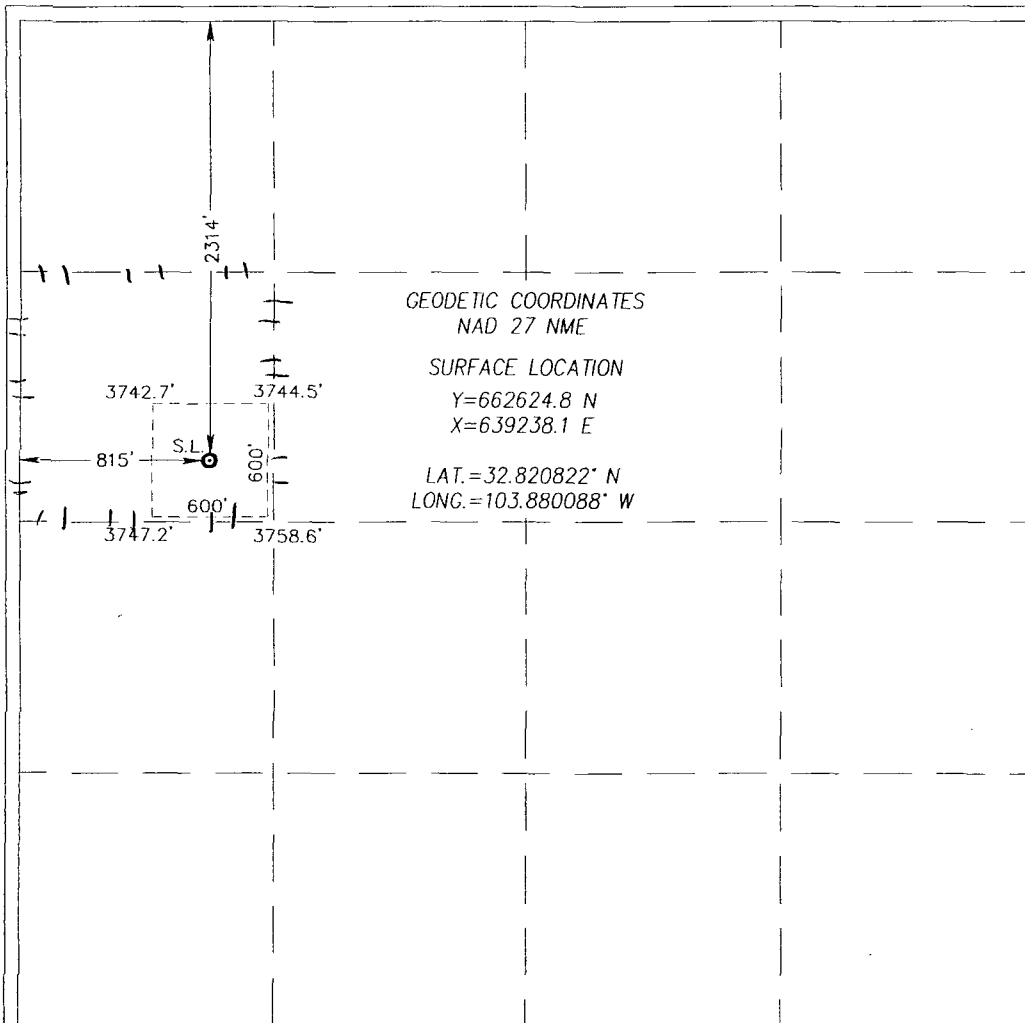
UL or lot No. E	Section 21	Township 17-S	Range 31-E	Lot Idn	Feet from the 2314	North/South line NORTH	Feet from the 815	East/West line WEST	County EDDY
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Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
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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.

Signature: Robyn Odom Date: 5/12/2010

Printed Name: Robyn Odom

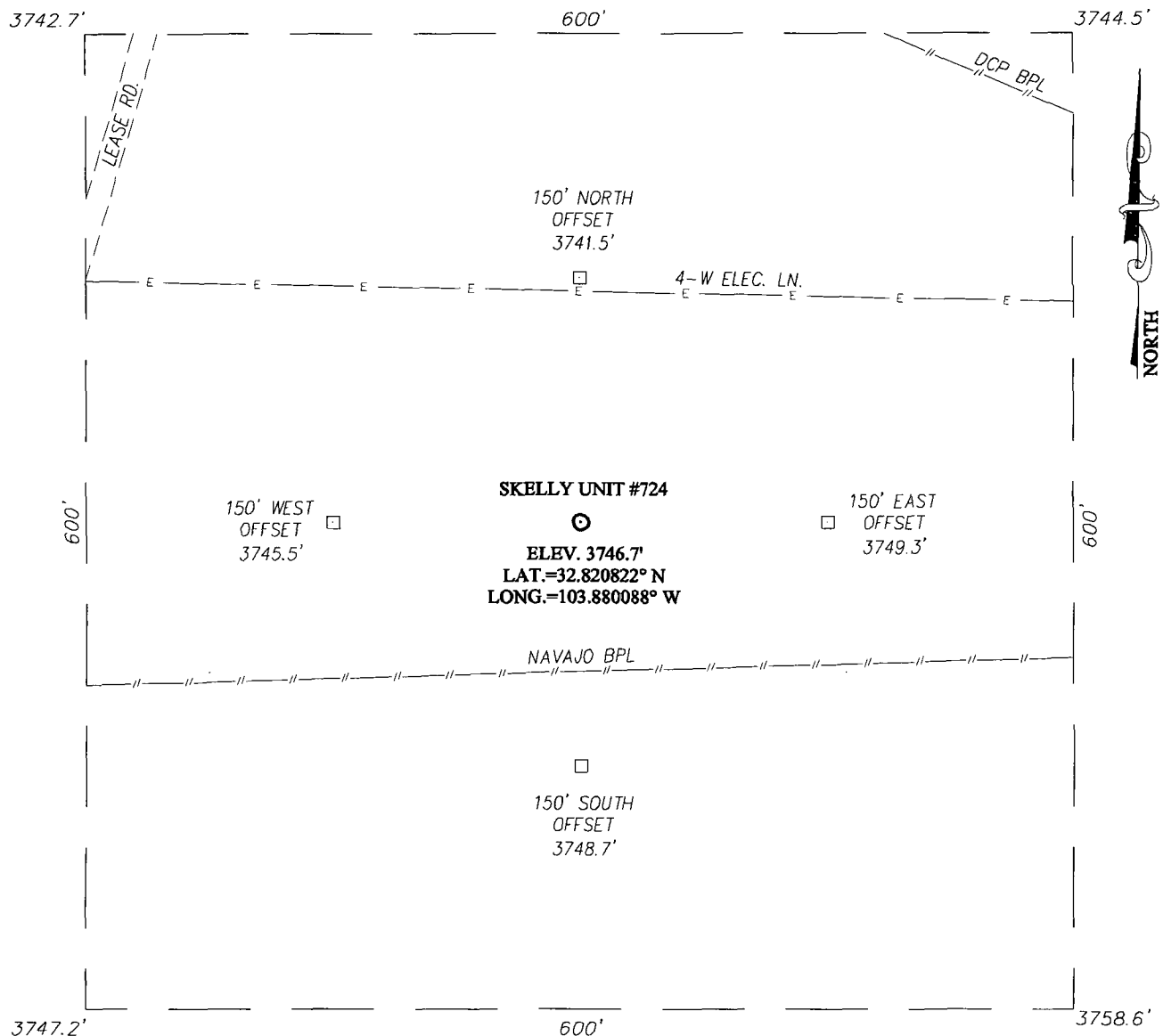
SURVEYOR CERTIFICATION

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 Surveyed: APRIL 20, 2010
Signature & Seal of Professional Surveyor: RONALD J. EIDSON
Date: 09.11.1308

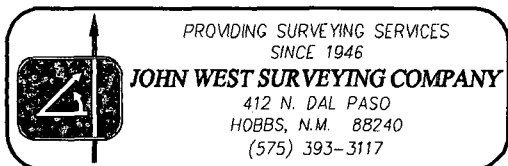
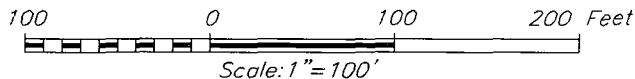
Certificate No. GARY G. EIDSON 12641
RONALD J. EIDSON 3239

SECTION 21, TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF U.S. HWY. #82 CO. RD.
#223 (SWEET GUM RD.) GO NORTH ON CO. RD. #223
APPROX. 0.9 MILES. TURN LEFT AND GO WEST
APPROX. 0.4 MILES. TURN LEFT AND GO SOUTH
APPROX. 0.3 MILES. THIS LOCATION STAKE IS
APPROX. 300 FEET OF LEASE RD.



COG OPERATING, LLC

SKELLY UNIT #724 WELL
LOCATED 2314 FEET FROM THE NORTH LINE
AND 815 FEET FROM THE WEST LINE OF SECTION 21,
TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO

Survey Date: 4/20/10	Sheet 1 of 1 Sheets
W.O. Number: 09.11.1308	Dr. By: DSS
Date: 4/27/10	Rel. W.O.: 09111308
	Scale: 1"=100'

Offset Wells to Skelly Unit #724

API#	Operator	Lease	Well#	County	Legal	Field Name	Reservoir Name	Total Depth	Well Type	Well Status	First Prod.	Last Prod.
30-015-05315	FOREST OIL CORPORATION	SKELLY UNIT	061	EDDY	S21, T:17S, R31E	GRAYBURG JACKSON	SR-Q-G-SA	0		Injection Well	Jan 1971	Nov 2009
30-015-05315	WISER OIL CO (THE)	SKELLY UNIT	061	EDDY	S21, T:17S, R31E	GRAYBURG JKSN SR-Q-G-SA(DO NOT USE)		0		Injection Well	Jan 1967	Dec 1977
30-015-05316	FOREST OIL CORPORATION	SKELLY UNIT	062	EDDY	S21, T:17S, R31E	GRAYBURG JACKSON	SR-Q-G-SA	3,555		Injection Well	Jan 1971	Nov 2009
30-015-05316	WISER OIL CO (THE)	SKELLY UNIT	062	EDDY	S21, T:17S, R31E	GRAYBURG JKSN SR-Q-G-SA(DO NOT USE)		3,555		Injection Well	Jan 1969	Dec 1977
30-015-05317	WISER OIL CO (THE)	SKELLY UNIT	063	EDDY	S21, T:17S, R31E	GRAYBURG JKSN SR-Q-G-SA(DO NOT USE)		3,571		Injection Well	Jan 1972	Dec 1977
30-015-05317	FOREST OIL CORPORATION	SKELLY UNIT	063	EDDY	S21, T:17S, R31E	GRAYBURG JACKSON	SR-Q-G-SA	3,571		Injection Well	Jan 1967	Nov 2009
30-015-05318	WISER OIL CO (THE)	SKELLY UNIT	060	EDDY	S21, T:17S, R31E	GRAYBURG JKSN SR-Q-G-SA(DO NOT USE)		0		Injection Well	Jan 1967	Dec 1977
30-015-05318	FOREST OIL CORPORATION	SKELLY UNIT	060	EDDY	S21, T:17S, R31E	GRAYBURG JACKSON	SR-Q-G-SA	0		Injection Well	Jan 1969	Nov 2009
30-015-05319	FOREST OIL CORPORATION	SKELLY UNIT	064	EDDY	S21, T:17S, R31E	GRAYBURG JACKSON	SR-Q-G-SA	3,586		Injection Well	Jan 2001	Nov 2009
30-015-05319	WISER OIL CO (THE)	SKELLY UNIT	064	EDDY	S21, T:17S, R31E	GRAYBURG JKSN SR-Q-G-SA(DO NOT USE)		3,586		Injection Well	Jan 1967	Dec 1967
30-015-05320	WISER OIL CO (THE)	SKELLY UNIT	059	EDDY	S21, T:17S, R31E	GRAYBURG JKSN SR-Q-G-SA(DO NOT USE)		3,654		Injection Well	Jan 1967	Dec 1977
30-015-05320	FOREST OIL CORPORATION	SKELLY UNIT	059	EDDY	S21, T:17S, R31E	GRAYBURG JACKSON	SR-Q-G-SA	3,654		Injection Well	Jan 1969	Oct 2009
30-015-05321	WISER OIL CO (THE)	SKELLY UNIT	009	EDDY	S21, T:17S, R31E	GRAYBURG JACKSON	SR-Q-G-SA	0		Pumping	Jan 1967	Jul 1994
30-015-05321	WISER OIL CO (THE)	SKELLY UNIT	009	EDDY	S21, T:17S, R31E	GRAYBURG JKSN SR-Q-G-SA(DO NOT USE)		0		Pumping	Apr 1969	Dec 1977
30-015-05322	FOREST OIL CORPORATION	SKELLY UNIT	014	EDDY	S21, T:17S, R31E	GRAYBURG JACKSON	SR-Q-G-SA	0		Active	Jan 1967	Nov 2009
30-015-05322	WISER OIL CO (THE)	SKELLY UNIT	014	EDDY	S21, T:17S, R31E	GRAYBURG JKSN SR-Q-G-SA(DO NOT USE)		0		Active	Apr 1969	Dec 1974
30-015-05323	WISER OIL CO (THE)	SKELLY UNIT	013	EDDY	S21, T:17S, R31E	GRAYBURG JKSN SR-Q-G-SA(DO NOT USE)		0		Active	Jan 1967	Dec 1977
30-015-05323	FOREST OIL CORPORATION	SKELLY UNIT	013	EDDY	S21, T:17S, R31E	GRAYBURG JACKSON	SR-Q-G-SA	0		Active	Apr 1969	Nov 2009

30-015-05324	WISER OIL CO (THE)	SKELLY UNIT	012	EDDY	S21, T:17S, R31E	GRAYBURG JKSN SR-Q-G-SA(DO NOT USE)		2,235	G	Active	Jan 1967	May 1974
30-015-05324	FOREST OIL CORPORATION	SKELLY UNIT	012	EDDY	S21, T:17S, R31E	GRAYBURG JACKSON	SR-Q-G-SA	2,235	G	Active	Apr 1969	Nov 2009
30-015-05325	FOREST OIL CORPORATION	SKELLY UNIT	010	EDDY	S21, T:17S, R31E	GRAYBURG JACKSON	SR-Q-G-SA	2,247	G	Active	Jan 1967	Nov 2009
30-015-05325	WISER OIL CO (THE)	SKELLY UNIT	010	EDDY	S21, T:17S, R31E	GRAYBURG JKSN SR-Q-G-SA(DO NOT USE)		2,247	G	Active	Apr 1969	Apr 1974
30-015-05326	FOREST OIL CORPORATION	SKELLY UNIT	006	EDDY	S21, T:17S, R31E	GRAYBURG JACKSON	SR-Q-G-SA	0	O	Active	Jan 1967	Aug 2009
30-015-05327	FOREST OIL CORPORATION	SKELLY UNIT	007	EDDY	S21, T:17S, R31E	GRAYBURG JACKSON	SR-Q-G-SA	0	O	Pumping	Jan 1967	Feb 2009
30-015-05328	FOREST OIL CORPORATION	SKELLY UNIT	008	EDDY	S21, T:17S, R31E	GRAYBURG JACKSON	SR-Q-G-SA	0	O	Active	Jan 1967	Nov 2009
30-015-05329	FOREST OIL CORPORATION	SKELLY UNIT	004	EDDY	S21, T:17S, R31E	GRAYBURG JACKSON	SR-Q-G-SA	0	O	Active	Jan 1967	Nov 2009
30-015-05330	FOREST OIL CORPORATION	SKELLY UNIT	011	EDDY	S21, T:17S, R31E	GRAYBURG JACKSON	SR-Q-G-SA	0	O	Shut-in	Jan 1967	Aug 2004
30-015-05330	WISER OIL CO (THE)	SKELLY UNIT	011	EDDY	S21, T:17S, R31E	GRAYBURG JKSN SR-Q-G-SA(DO NOT USE)		0	O	Shut-in	Jan 1967	Dec 1977
30-015-05331	WISER OIL CO (THE)	SKELLY UNIT	074	EDDY	S21, T:17S, R31E	GRAYBURG JKSN SR-Q-G-SA(DO NOT USE)		0	PI	Injection Well	Jan 1967	Dec 1977
30-015-05331	FOREST OIL CORPORATION	SKELLY UNIT	074	EDDY	S21, T:17S, R31E	GRAYBURG JACKSON	SR-Q-G-SA	0	PI	Injection Well	Jan 1969	May 1997
30-015-05332	FOREST OIL CORPORATION	SKELLY UNIT	015	EDDY	S21, T:17S, R31E	GRAYBURG JACKSON	SR-Q-G-SA	0	O	Pumping	Jan 1967	Nov 2009
30-015-05333	WISER OIL CO (THE)	SKELLY UNIT	075	EDDY	S21, T:17S, R31E	GRAYBURG JKSN SR-Q-G-SA(DO NOT USE)		0	I	Injection Well	Jan 1967	Dec 1967
30-015-05333	FOREST OIL CORPORATION	SKELLY UNIT	075	EDDY	S21, T:17S, R31E	GRAYBURG JACKSON	SR-Q-G-SA	0	I	Injection Well	Jan 2001	Nov 2009
30-015-05334	FOREST OIL CORPORATION	SKELLY UNIT	016	EDDY	S21, T:17S, R31E	GRAYBURG JACKSON	SR-Q-G-SA	2,250	G	Active	Jan 1967	Nov 2009
30-015-05335	FOREST OIL CORPORATION	SKELLY UNIT	005	EDDY	S21, T:17S, R31E	GRAYBURG JACKSON	SR-Q-G-SA	0	O	Pumping	Jan 1967	Nov 2009
30-015-05337	FOREST OIL CORPORATION	SKELLY UNIT	069	EDDY	S21, T:17S, R31E	GRAYBURG JACKSON	SR-Q-G-SA	3,230	I	Injection Well	Jan 1967	Nov 2009
30-015-05338	FOREST OIL CORPORATION	SKELLY UNIT	068	EDDY	S21, T:17S, R31E	GRAYBURG JACKSON	SR-Q-G-SA	3,510	I	Injection Well	Jan 1967	Nov 2007
	FOREST OIL	SKELLY UNIT			S21, T:17S,							

30-015-05339	CORPORATION	UNIT	067	EDDY	R:31E S:21, T:17S, R:31E	GRAYBURG JACKSON	SR-Q-G-SA	0	I	Injection Well	Jan 1967	Nov 2009
30-015-05340	WISER OIL CO (THE)	SKELLY UNIT	077	EDDY	S:21, T:17S, R:31E	GRAYBURG JKSN SR-Q-G-SA(DO NOT USE)		3,650	I	Injection Well	Jan 1967	Dec 1967
30-015-05340	FOREST OIL CORPORATION	SKELLY UNIT	077	EDDY	S:21, T:17S, R:31E	GRAYBURG JACKSON	SR-Q-G-SA	3,650	I	Injection Well	Jan 2001	May 2006
30-015-05341	FOREST OIL CORPORATION	SKELLY UNIT	066	EDDY	S:21, T:17S, R:31E	GRAYBURG JACKSON	SR-Q-G-SA	0	I	Injection Well	Jan 1967	Nov 2009
30-015-05342	FOREST OIL CORPORATION	SKELLY UNIT	065	EDDY	S:21, T:17S, R:31E	GRAYBURG JACKSON	SR-Q-G-SA	99,999	I	Injection Well	Jan 1967	Nov 2009
30-015-22263	FOREST OIL CORPORATION	SKELLY UNIT	129	EDDY	S:21, T:17S, R:31E	GRAYBURG JACKSON	SR-Q-G-SA	0	O	Active	Jan 1993	Nov 2009
30-015-25037	WISER OIL CO (THE)	SKELLY UNIT	149	EDDY	S:21, T:17S, R:31E	GRAYBURG JACKSON	SR-Q-G-SA	3,900	PO	Active	Jan 1993	Feb 2002
30-015-28783	FOREST OIL CORPORATION	SKELLY UNIT	234	EDDY	S:21, T:17S, R:31E	GRAYBURG JACKSON	SR-Q-G-SA	3,950	O	Pumping	Jun 1996	Nov 2009
30-015-28784	FOREST OIL CORPORATION	SKELLY UNIT	235	EDDY	S:21, T:17S, R:31E	GRAYBURG JACKSON	SR-Q-G-SA	3,950	O	Pumping	Apr 1996	Nov 2009
30-015-28788	FOREST OIL CORPORATION	SKELLY UNIT	247	EDDY	S:21, T:17S, R:31E	GRAYBURG JACKSON	SR-Q-G-SA	3,950	O	Active	Jun 1996	Nov 2009
30-015-28789	FOREST OIL CORPORATION	SKELLY UNIT	262	EDDY	S:21, T:17S, R:31E	GRAYBURG JACKSON	SR-Q-G-SA	3,950	O	Pumping	Jul 1996	Nov 2009
30-015-28810	FOREST OIL CORPORATION	SKELLY UNIT	248	EDDY	S:21, T:17S, R:31E	GRAYBURG JACKSON	SR-Q-G-SA	3,950	O	Pumping	May 1996	Nov 2009
30-015-28811	FOREST OIL CORPORATION	SKELLY UNIT	260	EDDY	S:21, T:17S, R:31E	GRAYBURG JACKSON	SR-Q-G-SA	3,950	O	Pumping	Jun 1996	Nov 2009
30-015-28892	FOREST OIL CORPORATION	SKELLY UNIT	220	EDDY	S:21, T:17S, R:31E	GRAYBURG JACKSON	SR-Q-G-SA	3,800	O	Pumping	Mar 1997	Nov 2009
30-015-28893	FOREST OIL CORPORATION	SKELLY UNIT	221	EDDY	S:21, T:17S, R:31E	GRAYBURG JACKSON	SR-Q-G-SA	3,850	O	Pumping	Dec 1996	Nov 2009
30-015-28894	FOREST OIL CORPORATION	SKELLY UNIT	222	EDDY	S:21, T:17S, R:31E	GRAYBURG JACKSON	SR-Q-G-SA	3,900	O	Active	Dec 1996	Nov 2009
30-015-28964	FOREST OIL CORPORATION	SKELLY UNIT	223	EDDY	S:21, T:17S, R:31E	GRAYBURG JACKSON	SR-Q-G-SA	3,982	O	Pumping	Aug 1996	Nov 2009
30-015-29063	FOREST OIL CORPORATION	SKELLY UNIT	246	EDDY	S:21, T:17S, R:31E	GRAYBURG JACKSON	SR-Q-G-SA	3,950	O	Pumping	Nov 1996	Nov 2009
30-015-29181	FOREST OIL CORPORATION	SKELLY UNIT	233	EDDY	S:21, T:17S, R:31E	GRAYBURG JACKSON	SR-Q-G-SA	3,900	O	Pumping	Jan 1997	Nov 2009
30-015-29326	CHEVRON U S A INC	SKELLY UNIT	901	EDDY	S:21, T:17S, R:31E	FREN	PADDOCK	9,200	G	Pumping	Dec 1997	Feb 2010

30-015-29856	FOREST OIL CORPORATION	SKELLY UNIT	400	EDDY	S21, T:17S, R:31E	GRAYBURG JACKSON	SR-Q-G-SA		3,922		O	Pumping		Jan 1998	Nov 2009
30-015-31375	CHEVRON U S A INC	SKELLY UNIT	908	EDDY	S21, T:17S, R:31E	FREN	PADDOCK		5,805		O	Pumping		Jan 2001	Feb 2010
30-015-31385	CHEVRON U S A INC	SKELLY UNIT	907	EDDY	S21, T:17S, R:31E	FREN	PADDOCK		5,400		O	Pumping		Feb 2001	Feb 2010
30-015-31664	CHEVRON U S A INC	SKELLY UNIT	912	EDDY	S21, T:17S, R:31E	FREN	PADDOCK		5,438		U	Pumping		Aug 2001	Feb 2010
30-015-31665	CHEVRON U S A INC	SKELLY UNIT	914	EDDY	S21, T:17S, R:31E	FREN	PADDOCK		5,400		U	Pumping		Jul 2001	Feb 2010
30-015-31666	CHEVRON U S A INC	SKELLY UNIT	930	EDDY	S21, T:17S, R:31E	FREN; PADDOCK			5,295		O	Pumping		May 2001	Oct 2008
30-015-31667	CHEVRON U S A INC	SKELLY UNIT	931	EDDY	S21, T:17S, R:31E	FREN	PADDOCK		5,370		O	Pumping		Jul 2001	Feb 2010
30-015-31975	CHEVRON U S A INC	SKELLY UNIT	933	EDDY	S21, T:17S, R:31E	FREN	PADDOCK		5,415		O	Active		Apr 2002	Feb 2010
30-015-31976	CHEVRON U S A INC	SKELLY UNIT	934	EDDY	S21, T:17S, R:31E	FREN	PADDOCK		5,255		O	Active		May 2002	Feb 2010
30-015-31977	CHEVRON U S A INC	SKELLY UNIT	935	EDDY	S21, T:17S, R:31E	FREN	PADDOCK		5,446		O	Active		Apr 2002	Feb 2010
30-015-32436	CHEVRON U S A INC	SKELLY UNIT	951	EDDY	S21, T:17S, R:31E	CEDAR LAKE	MORROW, NORTH (GAS)		12,000		G	Active		Nov 2002	Feb 2010
30-015-32595	CHEVRON U S A INC	SKELLY UNIT	936	EDDY	S21, T:17S, R:31E	FREN	PADDOCK		5,265		O	Active		Apr 2003	Feb 2010
30-015-32596	CHEVRON U S A INC	SKELLY UNIT	937	EDDY	S21, T:17S, R:31E	FREN	PADDOCK		5,305		O	Active		Apr 2003	Feb 2010
30-015-32597	CHEVRON U S A INC	SKELLY UNIT	938	EDDY	S21, T:17S, R:31E	FREN	PADDOCK		5,410		O	Active		Jul 2003	Feb 2010
30-015-32598	CHEVRON U S A INC	SKELLY UNIT	939	EDDY	S21, T:17S, R:31E	FREN	PADDOCK		5,360		O	Active		Jul 2003	Feb 2010
30-015-00000		DOW B	039	EDDY	S21, T:17S, R:31E	FREN	PADDOCK				G	Active		May 1960	Jan 1965
30-015-00000		DOW B	021	EDDY	S21, T:17S, R:31E	FREN	PENN (GAS)				G	Active		Jan 1963	Dec 1965
30-015-05336		SKELLY UNIT	076	EDDY	S21, T:17S, R:31E	GRAYBURG JACKSON	SR-Q-G-SA		3,405		O	Active		Jan 1967	Jul 1979
30-015-05336		SKELLY UNIT	076	EDDY	S21, T:17S, R:31E	FREN	SEVEN RIVERS		3,405		O	Active		Jan 1969	Mar 1986
	CHEVRON USA,	SKELLY			S21, T:17S,										

30-015-32895	INC.	UNIT	952	EDDY	R:31E S:21, T:17S, R:31E	CEDAR LAKE	MORROW, NORTH (GAS)	11,850	O	Active	Oct 2003	Dec 2003
30-015-32895	CHEVRON U S A INC	SKELLY UNIT	952	EDDY	R:31E S:21, T:17S, R:31E	HENSHAW	WOLFCAMP, SE (O)	11,850	O	Active		
30-015-00000	SKELLY OIL CO	DOW B FED	002	EDDY	S:21, T:17S, R:31E	GRAYBURG JACKSON QUEEN GBR S A CTD			G	Active	Jan 1947	Dec 1966
30-015-00000	SKELLY OIL CO	DOW B FED	003	EDDY	S:21, T:17S, R:31E	GRAYBURG JACKSON QUEEN GBR S A CTD			O	Active	Jan 1954	Dec 1966
30-015-00000	SKELLY OIL CO	DOW B FED	004	EDDY	S:21, T:17S, R:31E	GRAYBURG JACKSON QUEEN GBR S A CTD			O	Active	Jan 1947	Dec 1966
30-015-00000	SKELLY OIL CO	DOW B FED	005	EDDY	S:21, T:17S, R:31E	GRAYBURG JACKSON QUEEN S A CTD			G	Active	Jan 1947	Dec 1966
30-015-00000	SKELLY OIL CO	DOW B FED	006	EDDY	S:21, T:17S, R:31E	GRAYBURG JACKSON QUEEN GBR S A CTD			G	Active	Jan 1947	Dec 1966
30-015-00000	SKELLY OIL CO	DOW B FED	007	EDDY	S:21, T:17S, R:31E	GRAYBURG JACKSON QUEEN GBR S A CTD			G	Active	Jan 1947	Dec 1966
30-015-00000	SKELLY OIL CO	DOW B FED	022	EDDY	S:21, T:17S, R:31E	GRAYBURG JACKSON QUEEN GBR S A CTD			O	Active	Apr 1957	Dec 1966
30-015-00000	SKELLY OIL CO	DOW B FED	023	EDDY	S:21, T:17S, R:31E	GRAYBURG JACKSON QUEEN GBR S A CTD			O	Active	Jul 1957	Dec 1966
30-015-00000	SKELLY OIL CO	DOW B FED	024	EDDY	S:21, T:17S, R:31E	GRAYBURG JACKSON QUEEN GBR S A CTD			G	Active	Sep 1957	Dec 1966
30-015-00000	SKELLY OIL CO	DOW B FED	025	EDDY	S:21, T:17S, R:31E	GRAYBURG JACKSON QUEEN GBR S A CTD			G	Active	Oct 1957	Dec 1966
30-015-00000	SKELLY OIL CO	DOW B FED	026	EDDY	S:21, T:17S, R:31E	GRAYBURG JACKSON QUEEN GBR S A CTD			G	Active	Dec 1957	Dec 1966
30-015-00000	SKELLY OIL CO	DOW B FED	027	EDDY	S:21, T:17S, R:31E	GRAYBURG JACKSON QUEEN GBR S A CTD			G	Active	Jan 1958	Dec 1966
30-015-00000	SKELLY OIL CO	DOW B FED	038	EDDY	S:21, T:17S, R:31E	GRAYBURG JACKSON QUEEN GBR S A CTD			G	Active	Feb 1962	Dec 1966
30-015-00000	SKELLY OIL CO	DOW B AND LYNCH B FED	028	EDDY	S:21, T:17S, R:31E	GRAYBURG JACKSON QUEEN GBR S A CTD			G	Active	Jan 1958	Dec 1966
30-015-00000	SKELLY OIL CO	LYNCH A FED SEC 22	008	EDDY	S:21, T:17S, R:31E	GRAYBURG JACKSON QUEEN GBR S A CTD			G	Active	Jan 1962	Dec 1962
30-015-00000	SKELLY OIL COMPANY	DOW B	021	EDDY	S:21, T:17S, R:31E	EDDY COUNTY WILDCATS			G	Active	Oct 1954	Dec 1956
30-015-00000	SKELLY OIL CO	DOW B	008	EDDY	S:21, T:17S, R:31E	FREN	MORROW		O	Active	Jan 1947	Dec 1966
30-015-00000	SKELLY OIL CO	DOW B	009	EDDY	S:21, T:17S, R:31E	FREN	MORROW		O	Active	Jan 1947	Dec 1966

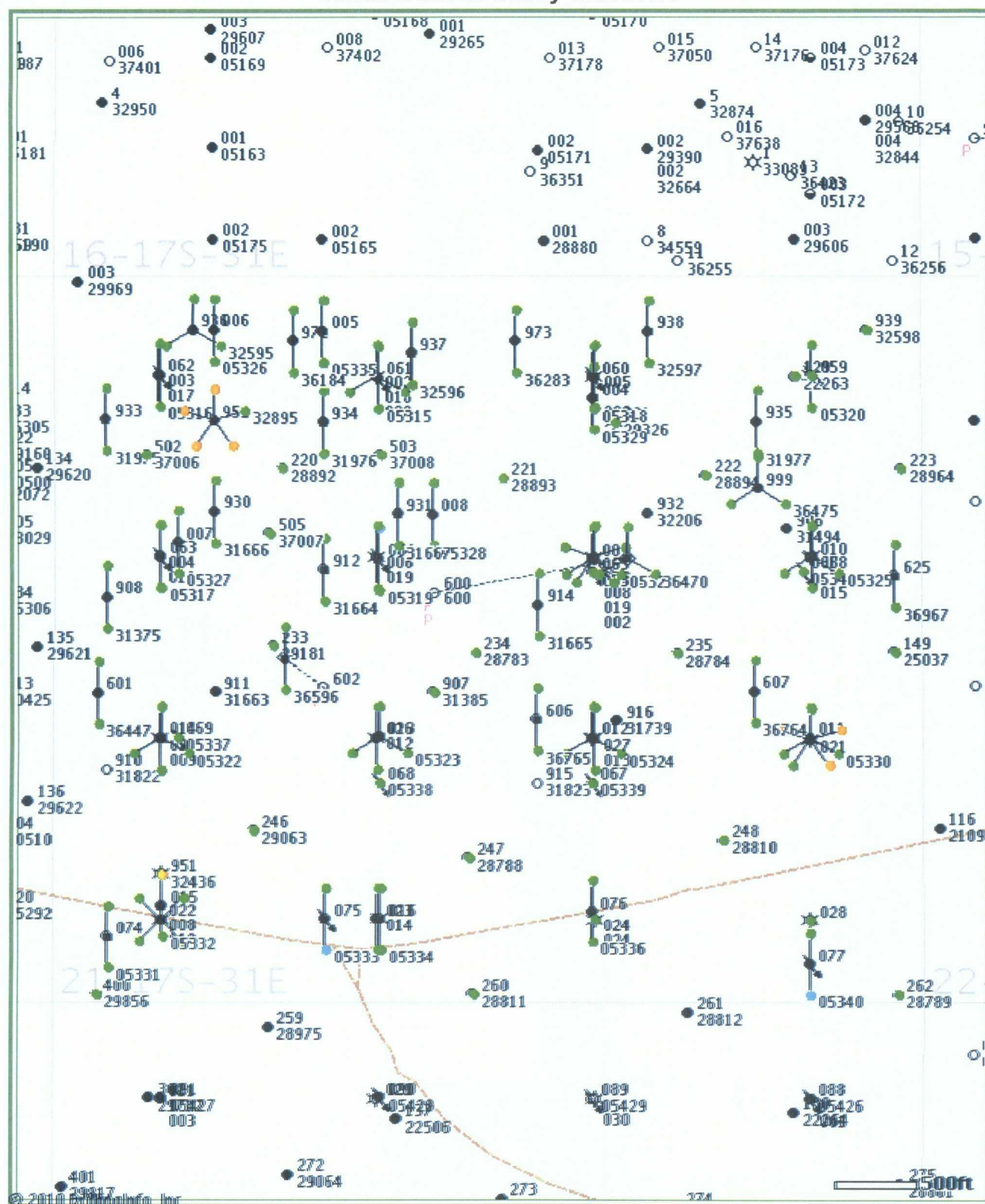
30-015-00000	SKELLY OIL CO.	DOW	010	EDDY	S21, T:17S, R31E	FREN		MORROW			O	Active	Jan 1949	Dec 1962
30-015-00000	SKELLY OIL CO.	DOW B	012	EDDY	S21, T:17S, R31E	FREN		MORROW			O	Active	Jan 1947	Dec 1966
30-015-00000	SKELLY OIL CO.	DOW B	013	EDDY	S21, T:17S, R31E	FREN		MORROW			O	Active	Jan 1947	Dec 1966
30-015-00000	SKELLY OIL CO.	DOWB	014	EDDY	S21, T:17S, R31E	FREN		MORROW			O	Active	Jun 1947	Dec 1966
30-015-00000	SKELLY OIL CO.	DOW B	015	EDDY	S21, T:17S, R31E	FREN		MORROW			O	Active	Oct 1947	Dec 1966
30-015-00000	SKELLY OIL CO.	DOW B	016	EDDY	S21, T:17S, R31E	FREN		MORROW			O	Active	Oct 1949	Dec 1966
30-015-00000	SKELLY OIL CO.	DOW B	017	EDDY	S21, T:17S, R31E	FREN		MORROW			O	Active	Dec 1949	Dec 1966
30-015-00000	SKELLY OIL CO.	DOW B	018	EDDY	S21, T:17S, R31E	FREN		MORROW			O	Active	Sep 1950	Dec 1966
30-015-00000	SKELLY OIL CO.	DOW B	019	EDDY	S21, T:17S, R31E	FREN		MORROW			O	Active	Oct 1950	Dec 1953
30-015-00000	SKELLY OIL CO.	DOW B	020	EDDY	S21, T:17S, R31E	FREN		MORROW			O	Active	Nov 1950	Dec 1966
30-015-00000	SKELLY OIL CO	DOW B FED	019	EDDY	S21, T:17S, R31E	FREN		MORROW			O	Active	Jan 1954	Dec 1966
30-015-00000	SKELLY OIL CO	DOW B FED	021	EDDY	S21, T:17S, R31E	GRAYBURG JACKSON		SR-Q-G-SA			G	Active	Jan 1963	Dec 1965
30-015-00000	SKELLY OIL CO.	DOW B	008	EDDY	S21, T:17S, R31E	FREN POOL					O	Active	Jan 1949	Dec 1953
30-015-00000	dOW B	DOW B	002	EDDY	S21, T:17S, R31E	GRAYBURG JACKSON		SR-Q-G-SA			O	Active	Jan 1949	Dec 1951
30-015-00000	SKELLY OIL COMPANY	DOW B	010	EDDY	S21, T:17S, R31E	FREN POOL					O	Active	Jan 1947	Dec 1966
30-015-00000	SKELLY OIL CO	DOW B FEDERAL	021	EDDY	S21, T:17S, R31E	FREN PENN					G	Active	Jan 1957	Mar 1958
30-015-00000	SKELLY OIL COMPANY	DOW B	021	EDDY	S21, T:17S, R31E	FREN-PENNSYLVANIAN					G	Active		
30-015-05329	SKELLY OIL COMPANY	SKELLY UNIT	004	EDDY	S21, T:17S, R31E	FREN 7 RVRS				0	O	Active	Jan 1971	Dec 1971
30-015-05335	SKELLY OIL COMPANY	SKELLY UNIT	005	EDDY	S21, T:17S, R31E	FREN 7 RVRS				0	O	Pumping	Jan 1971	Dec 1971
	SKELLY OIL	SKELLY			S21, T:17S,									

30-015-05326	COMPANY	UNIT	006	EDDY	R-31E	FREN 7 RVRS		0	O	Active	Jan 1971	Dec 1971
30-015-05327	SKELLY OIL COMPANY	SKELLY UNIT	007	EDDY	S-21, T-17S, R-31E	FREN 7 RVRS		0	O	Pumping	Jan 1971	Dec 1971
30-015-05328	SKELLY OIL COMPANY	SKELLY UNIT	008	EDDY	S-21, T-17S, R-31E	FREN 7 RVRS		0	O	Active	Jan 1971	Dec 1971
30-015-05321	SKELLY OIL COMPANY	SKELLY UNIT	009	EDDY	S-21, T-17S, R-31E	FREN 7 RVRS		0	O	Pumping	Jan 1971	Dec 1971
30-015-05325	SKELLY OIL COMPANY	SKELLY UNIT	010	EDDY	S-21, T-17S, R-31E	FREN 7 RVRS		2,247	G	Active	Jan 1971	Dec 1971
30-015-05330	SKELLY OIL COMPANY	SKELLY UNIT	011	EDDY	S-21, T-17S, R-31E	FREN 7 RVRS		0	O	Shut-in	Jan 1971	Dec 1971
30-015-05324	SKELLY OIL COMPANY	SKELLY UNIT	012	EDDY	S-21, T-17S, R-31E	FREN 7 RVRS		2,235	G	Active	Jan 1971	Dec 1971
30-015-05323	SKELLY OIL COMPANY	SKELLY UNIT	013	EDDY	S-21, T-17S, R-31E	FREN 7 RVRS		0	O	Active	Jan 1971	Dec 1971
30-015-05322	SKELLY OIL COMPANY	SKELLY UNIT	014	EDDY	S-21, T-17S, R-31E	FREN 7 RVRS		0	O	Active	Jan 1971	Dec 1971
30-015-05332	SKELLY OIL COMPANY	SKELLY UNIT	015	EDDY	S-21, T-17S, R-31E	FREN 7 RVRS		0	O	Pumping	Jan 1971	Dec 1971
30-015-05334	SKELLY OIL COMPANY	SKELLY UNIT	016	EDDY	S-21, T-17S, R-31E	FREN 7 RVRS		2,250	G	Active	Jan 1971	Dec 1971
30-015-32895	CHEVRON U S A INC	SKELLY UNIT	952	EDDY	S-21, T-17S, R-31E	SWD	WOLFCAMP	11,850	O	Active	Nov 2005	Feb 2010
30-015-00000	SKELLY OIL CO	DOW B FEDERAL	039	EDDY	S-21, T-17S, R-31E				G	Active	Feb 1965	Dec 1965
30-015-36184	COG OPERATING LLC	SKELLY UNIT	972	EDDY	S-21, T-17S, R-31E	FREN	PADDOCK	6,415	O	Active Permit	Sep 2008	Feb 2010
30-015-36283	COG OPERATING LLC	SKELLY UNIT	973	EDDY	S-21, T-17S, R-31E	FREN	PADDOCK	6,407	O	Active Permit	Sep 2008	Feb 2010
30-015-36447	COG OPERATING LLC	SKELLY UNIT	601	EDDY	S-21, T-17S, R-31E	FREN (PADDOCK)	PADDOCK	6,700	O	Active Permit	Feb 2009	Feb 2010
30-015-36475	COG OPERATING LLC	SKELLY UNIT	999	EDDY	S-21, T-17S, R-31E	FREN (PADDOCK)	PADDOCK	6,500	O	Active Permit	Nov 2008	Feb 2010
30-015-36472	COG OPERATING LLC	SKELLY UNIT	993	EDDY	S-21, T-17S, R-31E	FREN (PADDOCK)	PADDOCK	6,790	O	Active Permit	Jan 2009	Feb 2010
30-015-36470	COG OPERATING LLC	SKELLY UNIT	600	EDDY	S-21, T-17S, R-31E	FREN (PADDOCK)	PADDOCK	6,568	O	Active Permit	Nov 2008	Feb 2010
30-015-36596	COG OPERATING LLC	SKELLY UNIT	602	EDDY	S-21, T-17S, R-31E	FREN (PADDOCK)	PADDOCK	6,677	O	Active Permit	Jan 2009	Feb 2010

30-015-36283	CHEVRON USA INCORPORATED	SKELLY UNIT	973	EDDY	S21, T-17S, R31E	FREN; GLORIETA-YESO			6,407	O	Active Permit		
30-015-36184	COG OPERATING LLC	SKELLY UNIT	972	EDDY	S21, T-17S, R31E	FREN; GLORIETA-YESO			6,415	O	Active Permit		
30-015-36764	COG OPERATING LLC	SKELLY UNIT	607	EDDY	S21, T-17S, R31E	FREN (PADDOCK)	PADDOCK		6,811	O	Active Permit	Sep 2009	Feb 2010
30-015-36765	COG OPERATING LLC	SKELLY UNIT	606	EDDY	S21, T-17S, R31E	FREN (PADDOCK)	PADDOCK		6,813	O	Active Permit	Aug 2009	Feb 2010
30-015-36475	COG OPERATING LLC	SKELLY UNIT	999	EDDY	S21, T-17S, R31E	FREN; GLORIETA-YESO			6,500	O	Active Permit		
30-015-36470	COG OPERATING LLC	SKELLY UNIT	600	EDDY	S21, T-17S, R31E	FREN	PENN (GAS)		6,568	O	Active Permit		
30-015-36475	COG OPERATING LLC	SKELLY UNIT	999	EDDY	S21, T-17S, R31E	FREN	PENN (GAS)		6,500	O	Active Permit		
30-015-36470	COG OPERATING LLC	SKELLY UNIT	600	EDDY	S21, T-17S, R31E	FREN; GLORIETA-YESO			6,568	O	Active Permit		
30-015-32595	CHEVRON USA INC.	SKELLY UNIT	936	EDDY	S21, T-17S, R31E	FREN; PADDOCK			5,265	O	Active		
30-015-31665	TEXACO EXPLORATION & PRODUCTION INC. (MACK ENERGY AGENT)	SKELLY UNIT	914	EDDY	S21, T-17S, R31E	FREN; PADDOCK			5,400	U	Pumping		
30-015-32596	CHEVRON USA INC.	SKELLY UNIT	937	EDDY	S21, T-17S, R31E	FREN; PADDOCK			5,305	O	Active		
30-015-31664	TEXACO EXPLORATION & PRODUCTION INC.	SKELLY UNIT	912	EDDY	S21, T-17S, R31E	FREN; PADDOCK			5,438	U	Pumping		
30-015-31976	CHEVRON TEXACO (MACK ENERGY AGENT)	SKELLY UNIT	934	EDDY	S21, T-17S, R31E	FREN; PADDOCK			5,255	O	Active		
30-015-31375	MACK ENERGY CORPORATION (AGENT FOR TEXACO E&P INC.)	SKELLY UNIT	908	EDDY	S21, T-17S, R31E	FREN; PADDOCK			5,805	O	Pumping		
30-015-32597	CHEVRON UNIT INC.	SKELLY UNIT	938	EDDY	S21, T-17S, R31E	FREN; PADDOCK			5,410	O	Active		
30-015-31977	CHEVRON TEXACO (MACK ENERGY AGENT)	SKELLY UNIT	935	EDDY	S21, T-17S, R31E	FREN; PADDOCK			5,446	O	Active		
30-015-31975	CHEVRON TEXACO	SKELLY UNIT	933	EDDY	S21, T-17S, R31E	FREN; PADDOCK			5,415	O	Active		
30-015-31667	TEXACO EXPLORATION & PRODUCTION INC.	SKELLY UNIT	931	EDDY	S21, T-17S, R31E	FREN; PADDOCK			5,370	O	Pumping		
	CHEVRON USA	SKELLY			S21, T-17S,								

30-015-32595	INC	UNIT	936	EDDY	R:31E S:21, T:17S, R:31E	FREN; PADDOCK		5,265	O	Active		
30-015-31666	CHEVRON U S A INC	SKELLY UNIT	930	EDDY		FREN (PADDOCK)	PADDOCK	5,295	O	Pumping	Jan 2008	Feb 2010
30-015-36596	COG OPERATING LLC	SKELLY UNIT	602	EDDY	S:21, T:17S, R:31E	GRAYBURG	STRAWN (GAS)	6,877	O	Active Permit		
30-015-36472	COG OPERATING LLC	SKELLY UNIT	993	EDDY	S:21, T:17S, R:31E	FREN	PENN (GAS)	6,790	O	Active Permit		
30-015-36447	COG OPERATING LLC	SKELLY UNIT	601	EDDY	S:21, T:17S, R:31E	FREN; GLORIETA-YESO		6,700	O	Active Permit		
30-015-36967	COG OPERATING LLC	SKELLY UNIT	625	EDDY	S:21, T:17S, R:31E	FREN (PADDOCK)	PADDOCK	6,804	O	Active Permit	Nov 2009	Feb 2010
30-015-37008	FOREST OIL CORPORATION	SKELLY UNIT	503	EDDY	S:21, T:17S, R:31E	GRAYBURG (JACKSON;SR-Q-G-SA)	JACKSON;SR-Q-G-SA	4,600	PO	Active Permit		
30-015-37007	FOREST OIL CORPORATION	SKELLY UNIT	505	EDDY	S:21, T:17S, R:31E	GRAYBURG (JACKSON;SR-Q-G-SA)	JACKSON;SR-Q-G-SA	4,600	PO	Active Permit		
30-015-37006	FOREST OIL CORPORATION	SKELLY UNIT	502	EDDY	S:21, T:17S, R:31E	GRAYBURG (JACKSON;SR-Q-G-SA)	JACKSON;SR-Q-G-SA	4,600	PO	Active Permit		
30-015-32895	CHEVRON USA INC	SKELLY UNIT	952	EDDY	S:21, T:17S, R:31E	CEDAR LAKE;MORROW, NORTH (GAS)	GAS	11,850	O	Active		
30-015-32895	CHEVRON USA INC	SKELLY UNIT	952	EDDY	S:21, T:17S, R:31E	HENSHAW; WOLFCAMP, SE (O)	O	11,850	O	Active		
30-015-36765	COG OPERATING LLC	SKELLY UNIT	606	EDDY	S:21, T:17S, R:31E	FREN; GLORIETA-YESO		6,813	O	Active Permit		
30-015-36764	COG OPERATING LLC	SKELLY UNIT	607	EDDY	S:21, T:17S, R:31E	FREN; GLORIETA-YESO		6,811	O	Active Permit		
30-015-36967	COG OPERATING LLC	SKELLY UNIT	625	EDDY	S:21, T:17S, R:31E	FREN; GLORIETA-YESO		6,804	O	Active Permit		

Offset Wells to Skelly Unit #724



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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.		COMPLETE THIS SECTION ON DELIVERY Signature: <u>[Signature]</u> ☒ Agent ☐ Addressee Received by (Printed Name): <u>JOHN A. PHAM</u> Date of Delivery: <u>5-17-80</u> Is delivery address different from item 1? ☐ Yes ☒ No If YES, enter delivery address below:	
1. Article Addressed to: Chevron USA P.O. BOX 4635 Houston, TX 77251		3. Service Type ☒ Certified Mail ☐ Express Mail ☐ Registered ☒ Return Receipt for Merchandise ☐ Insured Mail ☐ C.O.D. 4. Restricted Delivery? (Extra Fee) ☐ Yes ☒ No	
2. Article Number: (Transfer from service label) PS Form 3811, February 2004		5. Domestic Return Receipt 9507 106 2113 3637 3795 5372	

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

April 12, 2010

Chevron USA
P.O. Box 1635
Houston, TX 77251

Re: Request for Unorthodox Well Location

To Whom It May Concern:

This letter will serve as notice under Rule 104.F (3) that COG Operating LLC has requested administrative approval from the Oil Conservation Division in Santa Fe, NM for an unorthodox Fren: GLORIETA-YESO oil well.

**SKELLY UNIT #724
Eddy County, NM**

2314' FNL & 815' FWL Sec 21, T17S, R31E, Unit E

Should your company have any objection, it must be filed in writing within twenty (20) days from the date of this notice. The Division Director may allow COG to produce from the unorthodox location after the well is drilled, if no objection has been made within the 20 days after the application has been received.

Sincerely,

COG Operating LLC

A handwritten signature in black ink, appearing to read "Robyn Odom". The signature is fluid and cursive, with the first name "Robyn" and last name "Odom" clearly distinguishable.

Robyn Odom
Regulatory Analyst

432-685-4385
rodome@conchoresources.com

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Friday, May 21, 2010 2:51 PM
To: 'Robyn Odom'
Subject: Skelly Unit #724; NSL Application

Dear Ms. Odom

The referenced application states that this location encroaches toward the SE/4 NW/4 of Section 21. If your footage calls are correct (815 FWL) there would be no encroachment to the east unless this is a irregular section, and the east-west dimension of the SW/4 SW/4 is less than 1145 feet. Please advise if this is the case.

In any case, it would seem that this location encroaches to the south, toward the NW/4 SW/4 of Section 21. The footage call (2314 FNL) would place the well 324 feet from the south line of the spacing unit, so that it would encroach by 6 feet. (There would be no diagonal encroachment it this is a regular section, but, of course, if it encroaches to the east, as your application states, and also to the south, it would necessarily also encroach diagonally to the southeast.)

The question, then, is to whom should notice have been given. Our database shows that COG is the operator of the NW/4 SW/4 in the Yeso; so no notice would be required by reason of that encroachment if the working interest ownership is identical. Otherwise notice to non-operators in the quarter-quarter would be required. Please address this issue.

Even if there is no actual encroachment toward the SE/4 NW/4, notice to Chevron would be required because, according to our database, there are two existing, active Glorieta-Yeso wells in the SW/4 NW/4 of Section 21-17S-31E, operated by Chevron. Thus COG is seeking to become the second operator in the Glorieta Yeso in the SW/4 NW/4 of Section 21, and notice would be required pursuant to Rule 15.12. Please address this issue also.

Thanks

David K. Brooks
Legal Examiner

Brooks, David K., EMNRD

From: Robyn Odom [rodom@conchoresources.com]
Sent: Friday, May 21, 2010 4:16 PM
To: Brooks, David K., EMNRD
Subject: RE: Skelly Unit #724; NSL Application

Dear, Mr. Brooks,

COG does own the offset acreage of the NW/4 SW/4 of Sec 21. I thought that this location was encroaching also to the NE/4 SW/4 of Sec. 21 so I notified Chevron due to their wells in that Unit. I am unsure of how you calculate to find if a location encroaches diagonally. Could you explain how I can figure this out? Please let me know if you need any more information in the approval of this application. Have a great day!

Thank you,

Robyn Odom
(432) 685-4385

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From: Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]
Sent: Friday, May 21, 2010 3:51 PM
To: Robyn Odom
Subject: Skelly Unit #724; NSL Application

Dear Ms. Odom

The referenced application states that this location encroaches toward the SE/4 NW/4 of Section 21. If your footage calls are correct (815 FWL) there would be no encroachment to the east unless this is a irregular section, and the east-west dimension of the SW/4 SW/4 is less than 1145 feet. Please advise if this is the case.

In any case, it would seem that this location encroaches to the south, toward the NW/4 SW/4 of Section 21. The footage call (2314 FNL) would place the well 324 feet from the south line of the spacing unit, so that it would encroach by 6 feet. (There would be no diagonal encroachment if this is a regular section, but, of course, if it encroaches to the east, as your application states, and also to the south, it would necessarily also encroach diagonally to the southeast.)

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Chevron. Thus COG is seeking to become the second operator in the Glorieta Yeso in the SW/4 NW/4 of Section 21, and notice would be required pursuant to Rule 15.12. Please address this issue also.

Thanks

David K. Brooks
Legal Examiner

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