

Revised March 23, 2017

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|-----------|-----------|-------|---------|
| RECEIVED: | REVIEWER: | TYPE: | APP NO: |
|-----------|-----------|-------|---------|

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: COG Operating LLC **OGRID Number:** 229137
Well Name: Mercury State Com 705H **API:** 30-015-47524
Pool: Purple Sage; Wolfcamp, Gas **Pool Code:** 98220

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

- 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

- ☐ Notice Complete
☐ 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.

Mayte Reyes

Print or Type Name

01/20/2021

Date

(575) 748-6945

Phone Number

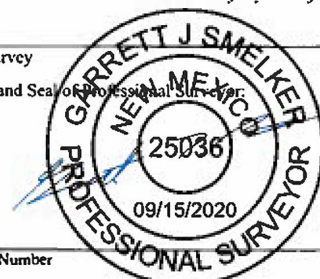
mreyes1@concho.com

e-mail Address

Mayte Reyes
 Signature

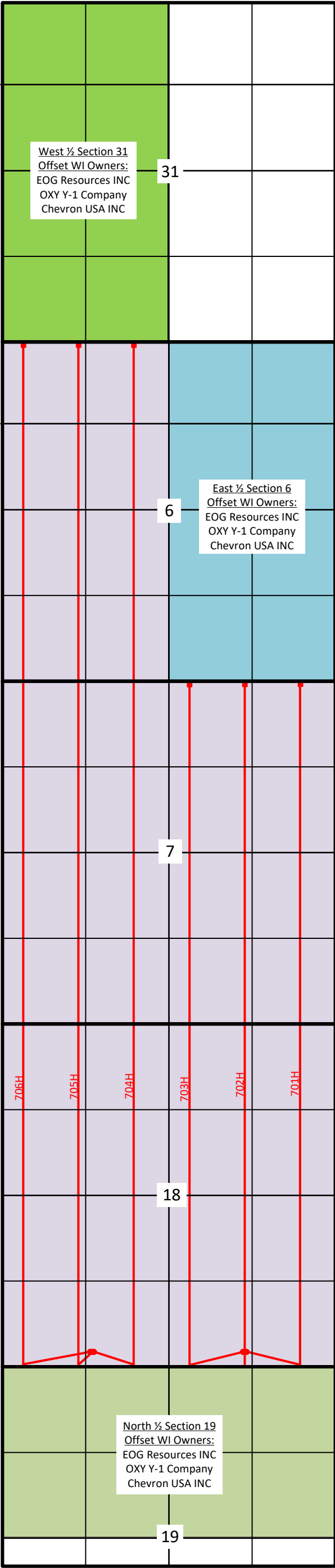
Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office
☐ AMENDED REPORT

Certificate Number



Mercury State Com 704H-706H Lease Map

Section 18, T26S R28E & Section 31, T25S R28E



Mercury State Com 704H-706H
Application for Non-Standard Location
Notification List

| Tract | Date Sent | Notification Sent to: | Receipt No. |
|-------|-----------|---|--------------------------|
| | | Mercury State Com 704H | |
| | 1/20/2021 | EOG Resources, INC., 5509 Champions Drive, Midland, TX 79706 | 7014 1820 0001 8703 2707 |
| | 1/20/2021 | OXY Y-1 Company, 5 Greenway Plaza, Suite 110, Houston, TX 77046 | 7014 1820 0001 8703 2684 |
| | 1/20/2021 | Chevron 6301 Deauville Avenue, Midland, TX 79706 | 7014 1820 0001 8703 2691 |
| | | Mercury State Com 705H | |
| | 1/20/2021 | EOG Resources, INC., 5509 Champions Drive, Midland, TX 79706 | 7014 1820 0001 8703 2714 |
| | 1/20/2021 | OXY Y-1 Company, 5 Greenway Plaza, Suite 110, Houston, TX 77046 | 7014 1820 0001 8703 2721 |
| | 1/20/2021 | Chevron 6301 Deauville Avenue, Midland, TX 79706 | 7014 1820 0001 8703 2738 |
| | | Mercury State Com 706H | |
| | 1/20/2021 | EOG Resources, INC., 5509 Champions Drive, Midland, TX 79706 | 7014 1820 0001 8703 2745 |
| | 1/20/2021 | OXY Y-1 Company, 5 Greenway Plaza, Suite 110, Houston, TX 77046 | 7014 1820 0001 8703 2752 |
| | 1/20/2021 | Chevron 6301 Deauville Avenue, Midland, TX 79706 | 7020 3160 0000 7981 6569 |



January 20, 2021

**EOG Resources Inc
5509 Champions Drive
Midland, TX 79706**

**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 Dedication and Acreage Plat (C-102) with the New Mexico Oil Conservation Division seeking to designate a non-standard location in Section 18, T26S, R28E, 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 "Mayte Reyes".

Mayte Reyes
Sr. Regulatory Analyst
COG Operating LLC
(575) 748-6945
mreyes1@concho.com



January 20, 2021

OXY Y-1 Company
5 Greenway Plaza, Suite 110
Houston, TX 77046

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

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Sr. Regulatory Analyst
COG Operating LLC
(575) 748-6945
mreyes1@concho.com



January 20, 2021

**Chevron U.S.A.
6301 Deauville Avenue
Midland, TX 79706**

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Eddy County, New Mexico**

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Mayte Reyes
Sr. Regulatory Analyst
COG Operating LLC
(575) 748-6945
mreyes1@concho.com



January 20, 2021

Leonard Lowe
Engineering Bureau
New Mexico Oil Conservation Division
Energy Minerals and Natural Resources Dept.
1220 S. St. Francis Drive
Santa Fe, NM 87004

RE: Request for Approval of Unorthodox location. **Mercury State Com 705H**

Dear Mr. Lowe,

COG Operating LLC respectfully requests approval of a non-standard horizontal spacing unit for the following well:

Mercury State Com 705H – API #30-015-47524

SHL: 220' FSL & 1425' FWL, U/L N, Sec 18, T26S, R28E FTP: 10' FSL & 1210' FWL U/L M, SEC 18, T26S, R28E

BHL: 50' FNL & 1210' FWL, U/L A, Lot 1 Sec 6, T26S, R28E LTP: 50' FNL & 1210' FWL U/L A Lot 1 SEC 6, T26S, R28E

The granting of this NSL will allow for spacing of the wellbore in this project for optimum recovery of the minerals in place, improve well economics and increase revenue to the State of New Mexico and the Federal Government.

The affected offset tracts are as follows:

Sec. 31-T25S-R28E, W1/2

Sec. 19-T26S-R28E, N1/2

COG Operating LLC notified the offset Operators in section 31-T25S-R28E and section 19-T26S-R28E. Certified letters are attached.

Should you have questions or require further information, please contact me should you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Mayte Reyes".

Mayte Reyes
Senior Regulatory Analyst
COG Production LLC
(575) 748-6945
mreyes1@concho.com

District I1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0120**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- 47524 | 2 Pool Code 98220 | 3 Pool Name Purple Sage; Wolfcamp, Gas |
| 4 Property Code | 5 Property Name MERCURY STATE COM | 6 Well Number 705H |
| 7 OGRID No. 229137 | 8 Operator Name COG OPERATING LLC | 9 Elevation 3051' |

" Surface Location

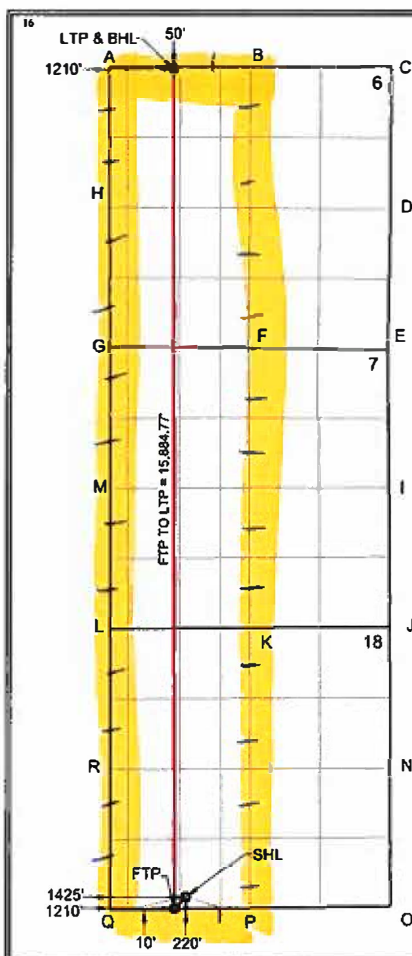
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| N | 18 | 26-S | 28-E | | 220' | SOUTH | 1425' | WEST | EDDY |

" 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| L1 | 6 | 26-S | 28-E | | 50' | NORTH | 1210' | WEST | EDDY |

| | | | |
|--|---------------------------|------------------------------|---------------------|
| 12 Dedicated Acres 958.16 | 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.

**CORNER DATA
NEW MEXICO EAST - NAD 83**

- A - FOUND IRON PIPE W/ BRASS CAP
N:392509.79' E:602690.57'
- B - FOUND IRON PIPE W/ BRASS CAP
N:392516.22' E:605361.54'
- C - FOUND IRON PIPE W/ BRASS CAP
N:392514.19' E:608025.07'
- D - FOUND IRON PIPE W/ ALUMINUM CAP
N:389814.82' E:608020.24'
- E - CALCULATED CORNER
N:387180.00' E:607971.61'
- F - CALCULATED CORNER
N:387183.42' E:605337.33'
- G - CALCULATED CORNER
N:387186.83' E:602707.00'
- H - FOUND IRON PIPE W/ BRASS CAP
N:389846.03' E:602698.85'
- I - CALCULATED CORNER
N:384545.37' E:607990.79'
- J - FOUND 600 NAIL IN MOUND OF STONE
N:381910.75' E:608009.97'
- K - CALCULATED CORNER
N:381890.61' E:605361.30'
- L - FOUND IRON PIPE W/ BRASS CAP
N:381870.55' E:602723.22'
- M - FOUND BENT IRON PIPE
N:384527.64' E:602715.14'
- N - FOUND 1/2" IRON ROD W/ BLUE CAP
N:379222.87' E:608018.50'
- O - CALCULATED CORNER
N:376615.08' E:608036.32'
- P - CALCULATED CORNER
N:376583.10' E:605382.33'
- Q - FOUND IRON PIPE W/ BRASS CAP
N:376551.24' E:602738.95'
- R - FOUND BENT IRON PIPE NO CAP
N:379211.06' E:602731.16'

**LAST TAKE POINT (LTP) &
BOTTOM HOLE LOCATION (BHL)
NEW MEXICO EAST - NAD 83**
X=603900.71
Y=382460.52
LAT.= 32.07879261° N
LONG.= 104.13133600° W
50' FNL 1210' FWL
SECTION 8

**SURFACE HOLE LOCATION (SHL)
NEW MEXICO EAST - NAD 83**
X=604163.34
Y=376788.37
LAT.= 32.03570912° N
LONG.= 104.13058309° W
220' FSL 1425' FWL
SECTION 18

**FIRST TAKE POINT (FTP)
NEW MEXICO EAST - NAD 83**
X=603948.88
Y=376575.82
LAT.= 32.03512594° N
LONG.= 104.13127647° W
10' FSL 1210' FWL
SECTION 18

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.

Mayte Reyes 10-1-2020
Signature Date

Mayte Reyes

Printed Name

mreyes1@concho.com

E-mail Address

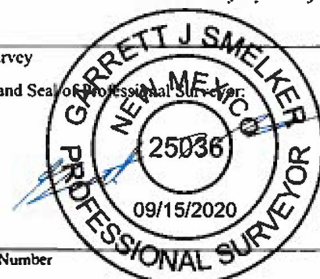
" SURVEYOR CERTIFICATION

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

Signature and Seal of Professional Surveyor

Certificate Number



District I
1625 N. French Dr., Hobbs, NM 88240
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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 15137

CONDITIONS OF APPROVAL

| | | | | | | | | | |
|--------------|-------------------|--------------------|------------------|--------|--------|----------------|-------|--------------|-----------|
| Operator: | COG OPERATING LLC | 600 W Illinois Ave | Midland, TX79701 | OGRID: | 229137 | Action Number: | 15137 | Action Type: | NSL |
| OCD Reviewer | | | | | | | | | Condition |
| Ilowe | | | | | | | | | None |