

DATE IN 08/06/2014	SUSPENSE	ENGINEER mAm	LOGGED IN 08/06/2014	TYPE NSL	APP NO. PMAA142856491
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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



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.

Melanie J. Parker

Melanie J. Parker

Regulatory Analyst

08/04/2014

Print or Type Name

Signature

Title

Date

mparker@concho.com
e-mail Address

- NSL 7131
- COG, Production, LLC
- 2.1.7955
Well state
- Eat & Kagit #54
30-025-41997
Pool
- Triplex; Bone
Spring, west
96674



August 4, 2014

Certified Mail – Return Receipt No. 7012 3460 0000 7063 4207

New Mexico Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Attention: Ms. Jami Bailey
Division Director

Re: Application for Unorthodox Well Location
Eata Fajita State #5H
API No. 30-025-41997
SHL: 185' FSL & 1315' FEL (Unit P) Section 8, T24S, R33E
First take point: 330' FSL & 1315' FEL (Unit P) Section 8, T24S, R33E
BHL: 330' FNL & 1315' FEL (Unit A) Section 8, T24S, R33E
Lea County, New Mexico

Dear Ms. Bailey:

Pursuant to Division Rule 19.15.15.13, COG Production LLC (COG) respectfully requests administrative approval of an unorthodox oil well location for its Eata Fajita State #5H well. This well does not meet the 330' from the outer boundary of the producing area requirement. COG Production LLC has drilled and is currently producing Bone Spring wells in this section as described below.

Eata Fajita State #1H	SHL: 190' FSL & 660' FWL	BHL: 360' FNL & 660' FWL
Eata Fajita State #2H	SHL: 420' FSL & 2105' FWL	BHL: 372' FNL & 2056' FWL
Eata Fajita State #3H	SHL: 190' FSL & 2073' FEL	BHL: 348' FNL & 2073' FEL
Eata Fajita State #4H	SHL: 190' FSL & 380' FEL	BHL: 345' FNL & 421' FEL

We plan to test infill drilling in a lower target within the 2nd Bone Spring Sand to enhance hydrocarbon recovery between the existing wellbores.

The affected offset tract is the W/2E/2 of Section 8, T24S, R33E. COG Production LLC is the designated operator of all of Section 8, T24S, R33E.

Attached is a Form C-102 showing the project area and the producing area of this well.

Thank you for your consideration of this application. Should you have questions or require further information, please contact me at 575-748-6952 or by email at mparker@concho.com.

Sincerely,

Melanie J. Parker
Lead Regulatory Analyst

cc: OCD Hobbs

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240
Phone: (575) 363-6161 Fax: (575) 363-0720

DISTRICT II
811 S. FIRST ST., ARTESIA, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

DISTRICT III
1000 RIO BRAZOS RD., 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, New Mexico 87505

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-41997	Pool Code 96674	Pool Name Triple X; Bone Spring, West
Property Code 39209	Property Name EATA FAJITA STATE	Well Number 5H
OGRID No. 217955	Operator Name COG PRODUCTION, LLC	Elevation 3599.8

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	8	24-S	33-E		185	SOUTH	1315	EAST	LEA

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
A	8	24-S	33-E		330	NORTH	1315	EAST	LEA

Dedicated Acres 160	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>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.</i> Signature: <u>Melanie J. Parker</u> Date: <u>8/4/14</u> Printed Name: <u>Melanie J. Parker</u> E-mail Address: <u>mparker@concho.com</u>
	SURVEYOR CERTIFICATION <i>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.</i> Date of Survey: <u>JUNE 24, 2014</u> Signature & Seal of Professional Surveyor: Certificate No. <u>CHAD HARCROW 17777</u> W.O. # <u>14-696</u> DRAWN BY: <u>AM</u>



Mike Wallace
Sr. Landman

August 8th, 2014

Mr. Michael A. McMillan
Engineering and Geological Services Bureau,
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Re: Eata Fajita State #5H, #7H & #8H
All of Section 8: T24S-R33E
Lea County, New Mexico

Dear Mr. McMillan:

Please be advised that COG Operating LLC ("Concho") owns the leasehold in all of Sec. 8-T24S-R33E, Lea Co., New Mexico. We own the leasehold in this acreage by virtue of two New Mexico State leases as follows:

NM State Lease #: VC-1900 (W/2) – 320 acres
NM State Lease #: VC-2100 (E/2) – 320 acres

Concho has 100% working interest in both of these leases. The working interests and net revenue interests are the same in both of these leases. There are no overriding royalty interests in either of these leases. Therefore, the ownership is the same throughout all of Sec. 8-T24S-R33E.

Please feel free to contact me at (432) 221-0465 if you have any questions in regards to this matter.

Sincerely,

COG OPERATING LLC

A handwritten signature in black ink, appearing to be "Mike Wallace", written over a horizontal line.

Mike Wallace
Sr. Landman
COG Operating LLC
Phone: 432-221-0465
Fax: 432-221-0856
mwallace@concho.com