

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 LLC
 Patton 5 Fee #4H

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.

Adam Rankin _____
 Print or Type Name Signature

Attorney 8/28/12
 Title Date
 agrankin@hollandhart.com
 e-mail Address

RECEIVED OGD
 2012 AUG 28 P 14:03

HOLLAND & HART^{LLP}



Adam G. Rankin
Phone 505-954-7294
Fax 505-983-6043
AGRankin@hollandhart.com

August 28, 2012

VIA HAND DELIVERY

Jami Bailey
Oil Conservation Division
New Mexico Department of
Energy, Minerals and Natural Resources
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

2012 AUG 28 P 4:03
RECEIVED OGD

Re: Application of COG Operating LLC for administrative approval of an unorthodox well location for its Patton 5 Fee No. 4H well in Section 5, Township 19 South, Range 26 East, N.M.P.M., Eddy County, New Mexico.

Dear Ms. Bailey:

COG Operating LLC ("COG") (OGRID No. 229137) hereby seeks administrative approval pursuant to the provisions of Division Rule 19.15.15.13 NMAC for an unorthodox well location for its Patton 5 Fee No. 4H well in Section 5, Township 19 South, Range 26 East, N.M.P.M., Eddy County, New Mexico. As drilled, the well has a surface location 2310 feet from the North line and 235 feet from the West line of said Section 5.

The well was originally planned as a horizontal well targeting the Yeso formation, Atoka; Glorieta-Yeso Pool, but the lateral had to be abandoned. COG now proposes to complete up hole in the vertical portion of the well bore within the Grayburg-San Andres formation, Dayton; West San Andres Pool. A completed interval in that location will result in an unorthodox well location requiring Division approval.

Exhibit A is a land plat for Section 5 and surrounding sections that shows the as-drilled, non-standard location of the Patton 5 Fee No. 4H well in relation to adjoining units. This location is unorthodox because the Dayton; West San Andres Pool under this acreage is governed by the Division's statewide rules which provide for wells on 40-acre spacing units to be located no closer than 330 feet to the outer boundary of the spacing unit. As drilled, this location is 235 feet from the West line of said Section 5. As a result, the proposed completed interval will be closer to the western boundary of the section line than allowed by Division rules.

Exhibit B is the Well Location and Acreage Dedication Plat (Form C-102), which shows that the Patton 5 Fee No. 4H well encroaches on the spacing and proration unit to the West.

Holland & Hart LLP

Phone [505] 988-4421 Fax [505] 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C.

HOLLAND & HART^{LLP}



Exhibit C is a list of the affected parties. Pursuant to 19.15.4.12(A)(2)(c) NMAC, affected parties are those toward whom the non-standard location encroaches. Here, a portion of the completed interval encroaches to the West upon Cimarex Energy Company's unit. The affected party, therefore, is Cimarex Energy Company. A copy of this application with all attachments was mailed to the notice recipient. Because COG anticipates the Cimarex Energy Company will protest this application, COG has filed an application for a hearing in this matter for the September 20 hearing docket.

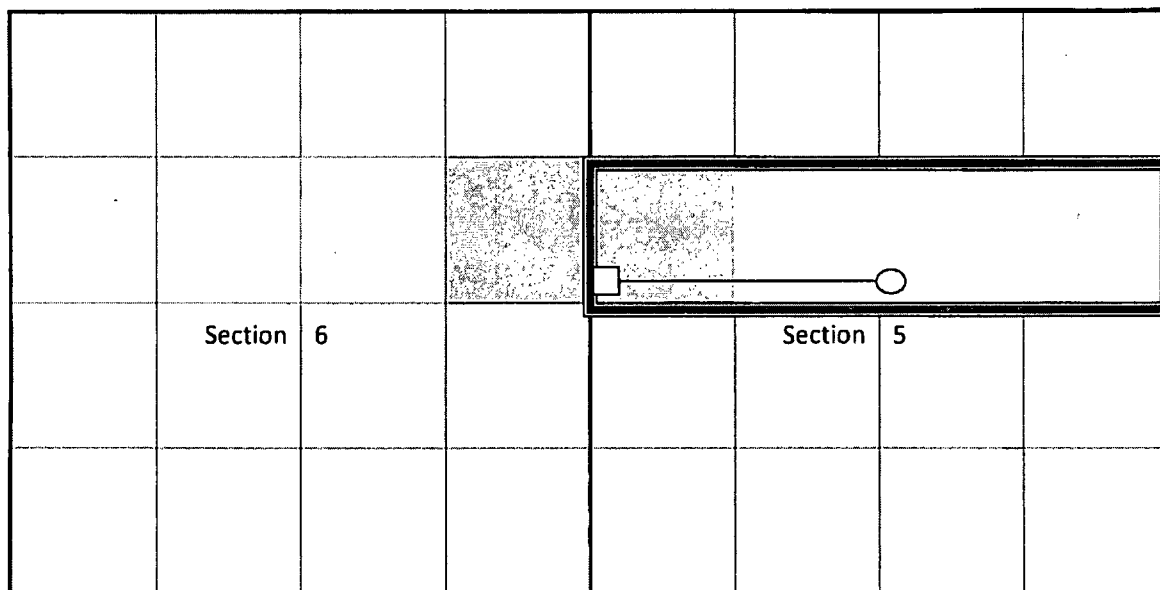
Your attention to this application is appreciated.

Sincerely,

Adam G. Rankin
ATTORNEY FOR COG OPERATING LLC

cc: David K. Brooks, Oil Conservation Division
Artesia District Office, Oil Conservation Division
Stuart Dirks, COG Operating LLC (w/o enclosures)

Patton 5 Fee #4H
T 19S, R 26E, Section 5



Surface Location



Bottom Hole Location



Non-Standard Spacing Unit for Yeso Lateral



Standard Spacing Unit for San Andres Vertical



Standard Spacing Unit encroached upon.

Cimarex Energy Co. - Operator

Yates Petroleum Corp.

Abo Petroleum Corp.

Myco Industries, Inc.

Oxy Y-1 Co.

Gustav Johnson

COG Operating LLC

EXHIBIT

tabbles

A

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 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) 476-3470 Fax: (505) 476-3462

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

Form C-102
August 1, 2011
Permit 134735

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-39842	2. Pool Code 3250	3. Pool Name ATOKA GLORIETA-YESO
4. Property Code 38945	5. Property Name PATTON 5 FEE	6. Well No. 004H
7. OGRID No. 229137	8. Operator Name COG OPERATING LLC	9. Elevation 3368

10. Surface Location

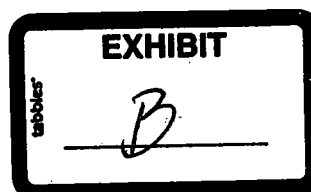
UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
E	5	19S	26E		2310	N	235	W	EDDY

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
H	5	19S	26E	H	2260	N	330	E	EDDY
12. Dedicated Acres 160.00		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>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.</i>		
	E-Signed By: Diane Kuykendall Title: Production Reporting Mgr Date: 12/13/2011		
	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>			
Surveyed By: Gary Eidson Date of Survey: 11/9/2011 Certificate Number: 12641			



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, 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	Pool Code	Pool Name
Property Code	Property Name PATTON 5 FEE	Well Number 4
OGRID No.	Operator Name COG OPERATING, LLC	Elevation 3368'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	5	19-S	26-E		2310	NORTH	235	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
Dedicated Acres		Joint or Infill	Consolidation Code		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

LOT 4	LOT 3	LOT 2	LOT 1
39.34 AC.	39.27 AC.	39.19 AC.	39.12 AC.
<p>GEODETIC COORDINATES NAD 27 NME</p> <p>SURFACE LOCATION Y=614892.2 N X=475942.2 E LAT.=32.690413° N LONG.=104.411532° W</p>			

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 _____ Date _____

Printed Name _____

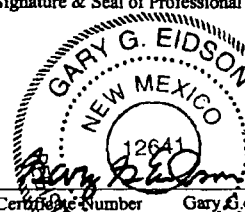
E-mail Address _____

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.

NOVEMBER 9, 2011

Date of Survey _____
Signature & Seal of Professional Surveyor: _____



Certificate Number Gary G. Eidson 12641
Ronald J. Eidson 3239

DSR Ref. W.O. 12.13.1366 (N.M.S.C. W.O.: 12.13.1368)

EXHIBIT C
COG Operating LLC's NSL Application
Patton 5 Fee No. 4H Well

Cimarex Energy Co.
600 N. Marienfeld St. Ste. 600
Midland, TX 79701

5736411_1

HOLLAND & HART^{LLP}



Adam G. Rankin
Phone 505-988-4421
Fax 505-983-6043
agrarkin@hollandhart.com

August 28, 2012

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Cimarex Energy Co.
600 N. Marienfeld St. Ste. 600
Midland, TX 79701

**Re: Application of COG Operating LLC for administrative approval of an
unorthodox well location for its Patton 5 Fee No. 4H well in Section 5,
Township 19 South, Range 26 East, N.M.P.M., Eddy County, New Mexico.**

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on August 27 by COG Operating LLC for administrative approval of an unorthodox well location for its Patton 5 Fee No. 4H well. As drilled, the well has a surface location 2310 feet from the North line and 235 feet from the West line of said Section 5.

As an owner of an interest that may be affected by the well, you may object to this application. Objections must be filed in writing within twenty days from this date at the Division's Santa Fe office that is located at 1220 South Saint Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application for an unorthodox well location may be approved.

Sincerely,

Adam G. Rankin
ATTORNEY FOR COG OPERATING LLC

Enclosures

Holland & Hart^{LLP}

Phone [505] 988-4421 Fax [505] 983-6043 www.hollandhart.com

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