

DATE IN 10/10/12	SUSPENSE 10-30	ENGINEER Brooks	LOGGED IN 10/22/12	TYPE NSL	APP NO. PKUR12291642653
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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



COB Operating LLC  
 Nelson South Federal Com  
 #2

**ADMINISTRATIVE APPLICATION CHECKLIST**

6701

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

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.

Kelly J. Holly  
 Print or Type Name

Signature

Permitting Tech  
 Title

10-10-12  
 Date

(432) 685-4384  
 Phone Number

kholly@concho.com  
 E-mail Address

RECEIVED OOD  
 10-10-12

**Nelson South Federal Com #2  
Lea County, NM**

COG proposes to drill a **VERTICAL** SW/4 SW/4, 40 acre spacing  
Maljamar, Yeso, West oil well  
TD of approximately 7100'

**Location:**

1045' FSL & 990' FWL      Sec 10, T17S, R32E, Unit M

**This well had to be drilled at a non-standard location due to a water buried pipeline too close to original location.**

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 J C Federal #9 (1650' FNL & 1650' FEL, Section 22, T17S, R32E, UL G) which was completed in October 2007.

The J C Federal #9 completion has Yeso perms from 5478' – 6535', divided into 3 perf/stimulation intervals.

1<sup>st</sup> interval: 5478' – 5840',  
acidized w/ 3000 gals,  
frac'd w/ 42,294 gals 40# linear gel; 38,096 gal 30# linear gel; 7,382# LiteProp;  
22,049# 16/30 white; 21,873# SiberProp resin coated; Flush w/5,292 gal linear gel.

2<sup>nd</sup> interval: 6055' – 6255',  
acidized w/ 5342 gals,  
frac'd w/ 50,048# gal gel & 61,612 gals 16/30 sand.

3<sup>rd</sup> interval: 6335' – 6535',  
acidized w/ 5000 gals,  
frac'd w/ 49,601# gal gel & 45,586 gals 16/30 sand.

**Attachment 1**

Plat & map

**Attachment 2**

Map & legend of offset wells.

**Attachment 3**

Updated land plat showing COG Operating LLC acreage.  
The acreage we are encroaching on is Units L & K of Section 10.

Offset acreage is owned by Devon Energy.  
Proof of notification to the offset operator is attached.

Interests are the same.

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

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 <b>30-025-</b>	Pool Code <b>44500</b>	Pool Name <b>Maljamar; Yeso West</b>
Property Code	Property Name <b>NELSON SOUTH FEDERAL COM</b>	Well Number <b>2</b>
OGRID No. <b>229137</b>	Operator Name <b>COG OPERATING, LLC</b>	Elevation <b>4112'</b>

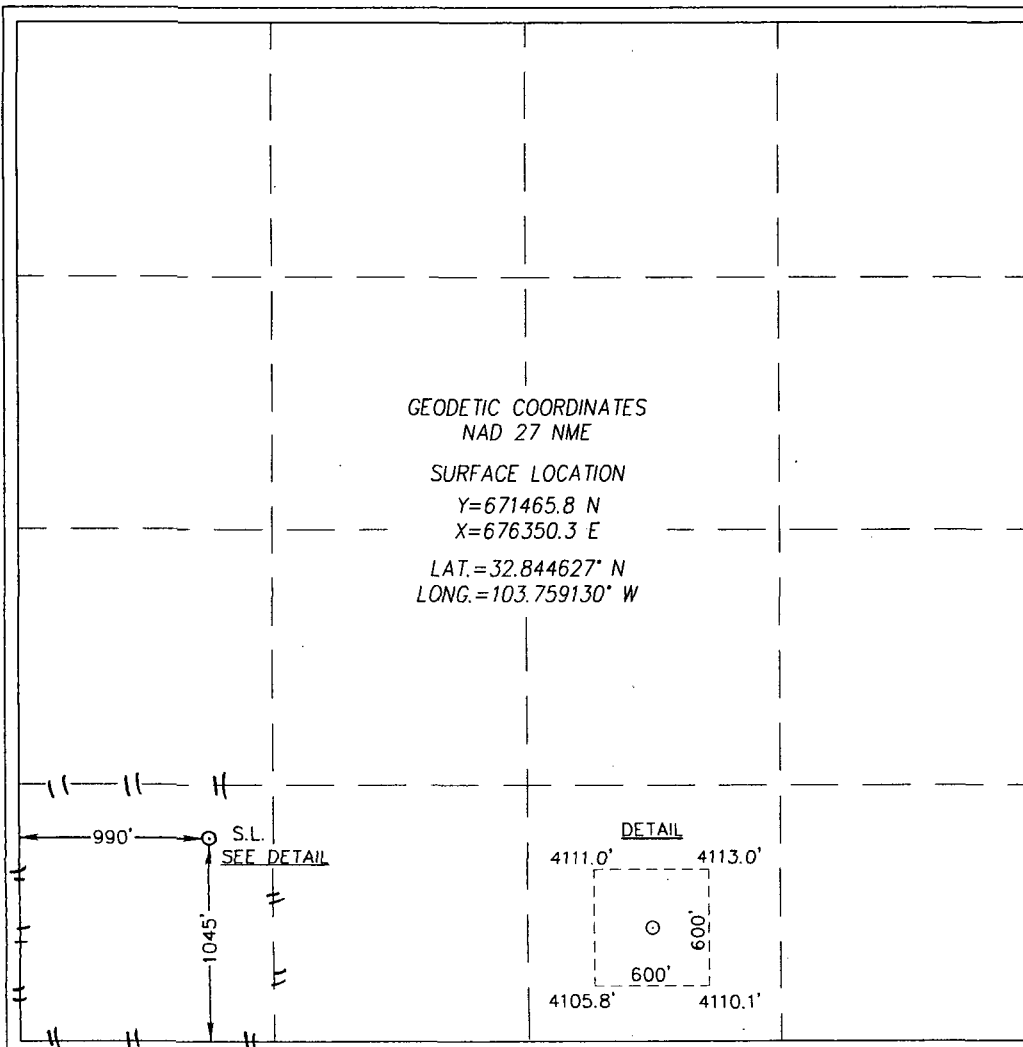
Surface Location

UL or lot No. <b>M</b>	Section <b>10</b>	Township <b>17-S</b>	Range <b>32-E</b>	Lot Idn	Feet from the <b>1045</b>	North/South line <b>SOUTH</b>	Feet from the <b>990</b>	East/West line <b>WEST</b>	County <b>LEA</b>
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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
Dedicated Acres <b>40</b>	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



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.

 10-2-12  
Signature Date

Kelly J. Holly  
Printed Name

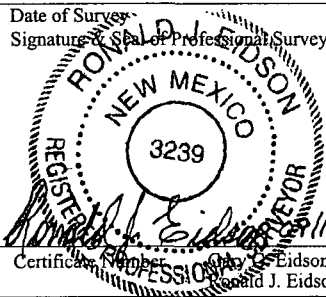
kholly@concho.com  
E-mail Address

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.

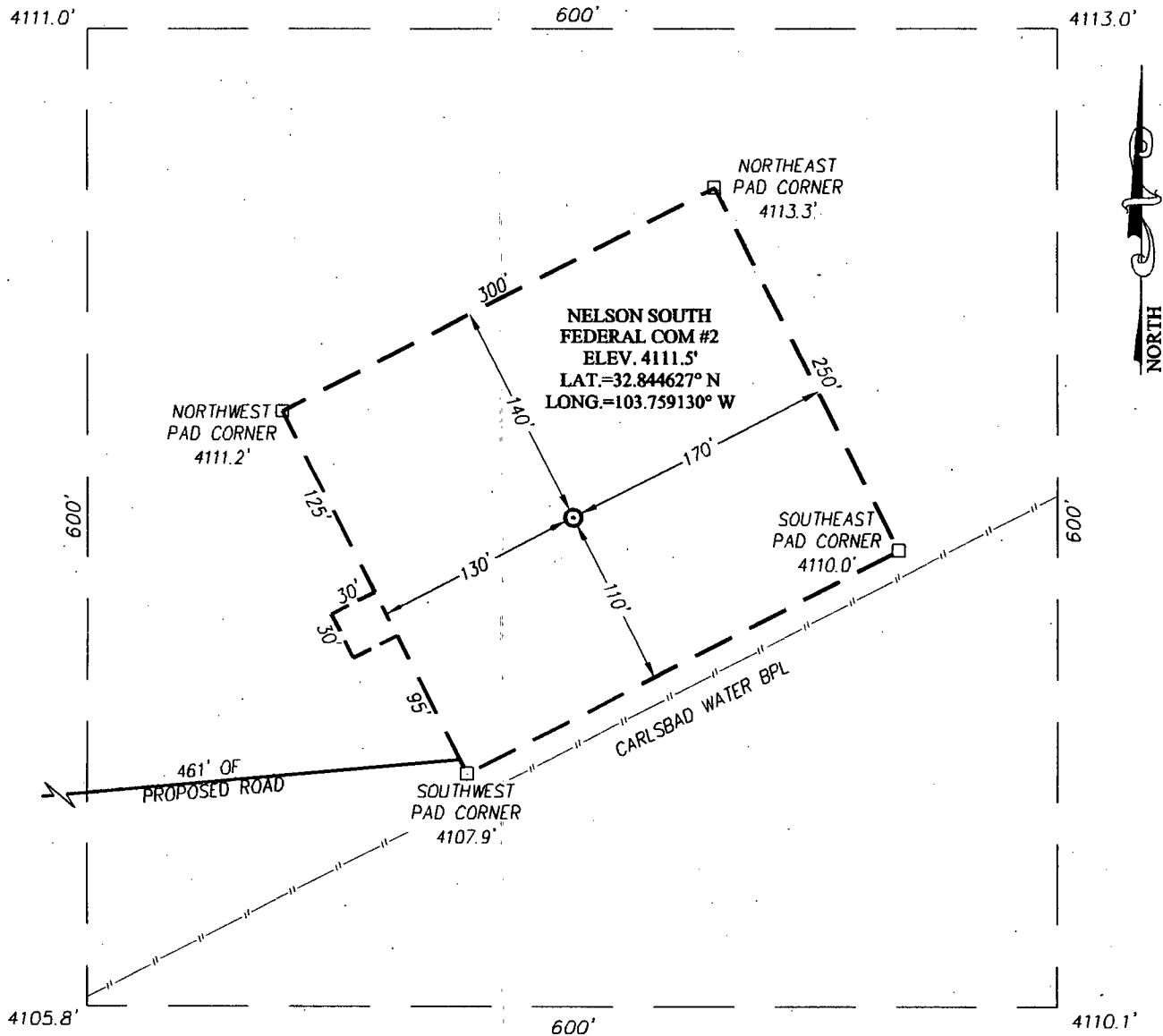
SEPTEMBER 5, 2012

Date of Survey  
Signature of Professional Surveyor:

  
Certification Number 12641  
Ronald J. Eidson 3239

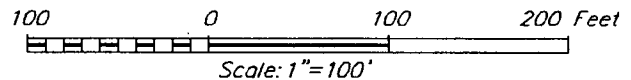
AF JWSC W.O.: 12.11.1516

**SECTION 10, TOWNSHIP 17 SOUTH, RANGE 32 EAST, N.M.P.M.**  
**LEA COUNTY** **NEW MEXICO**



**DIRECTIONS TO LOCATION**

FROM THE INTERSECTION OF U.S. HWY. #82 AND L-126 (MALJAMAR RD.) GO SOUTH ON L-126 APPROX. 0.9 MILES. TURN LEFT AND GO EAST ON TWO TRACK ROAD APPROX. 0.1 MILES. THE LOCATION IS 430 FEET NORTHEAST OF THE DRY HOLE MARKER.



**COG OPERATING, LLC**

**NELSON SOUTH FEDERAL COM #2 WELL**  
**LOCATED 1045 FEET FROM THE SOUTH LINE**  
**AND 990 FEET FROM THE WEST LINE OF SECTION 10,**  
**TOWNSHIP 17 SOUTH, RANGE 32 EAST, N.M.P.M.,**  
**LEA COUNTY, NEW MEXICO**

Survey Date: 9/5/12	CAD Date: 9/10/12	Drawn By: AF
W.O. No.: 12111516	Rev.:	Rel. W.O.:

Sheet 1 of 1

PROVIDING SURVEYING SERVICES  
 SINCE 1946  
**JOHN WEST SURVEYING COMPANY**  
 412 N. DAL PASO  
 HOBBS, N.M. 88240  
 (575) 393-3117 www.jwsc.biz

## Producing wells in Sec 10, T17S, R32E, Lea County

API#	Operator	Lease	Well#	County	Legal	Total Depth	Well Type	Well Status	First Prod.	Last Prod.	Avg. (BO/D)
30-025-20760	FOREST OIL CORPORATION	MALJAMAR GRAYBURG UNIT	059	LEA	S:10, T:17S, R:32E		PO	Temporarily Abandoned	Jan 1967	Dec 1985	0.00
30-025-21374	FOREST OIL CORPORATION	MALJAMAR GRAYBURG UNIT	061	LEA	S:10, T:17S, R:32E	4,200	PO	Shut-in	Jan 1967	Aug 2004	0.00
30-025-00000	NICHOLS LEONARD	ILES FEDERAL REPORT NO 2	025	LEA	S:10, T:17S, R:32E		G	Active	Sep 1962	Dec 1962	0.00
30-025-00501	WALSH & WATTS INC	ILES FEDERAL	001	LEA	S:10, T:17S, R:32E	11,713	O	Pumping	Jan 1963	Jul 2012	0.03
30-025-32039	LINN OPERATING, INC.	MALJAMAR GRAYBURG UNIT	095	LEA	S:10, T:17S, R:32E	4,426	PO	Pumping	Aug 1993	Feb 2012	0.10
30-025-00000	SINCLAIR OIL AND GAS CO	ILES X FEDERAL	008	LEA	S:10, T:17S, R:32E		AP	Unknown	Jul 1965	Apr 1966	0.10
30-025-20764	WISER OIL CO (THE)	MALJAMAR GRAYBURG UNIT	063	LEA	S:10, T:17S, R:32E		O	Temporarily Abandoned	Jan 1967	Jul 1974	0.29
30-025-33292	LINN OPERATING, INC.	MALJAMAR GRAYBURG UNIT	112	LEA	S:10, T:17S, R:32E	4,450	O	Pumping	Jun 1996	Jun 2012	0.67
30-025-00000	BOLLER & NICHOLS	ILES	002	LEA	S:10, T:17S, R:32E		G	Active	Nov 1946	Dec 1960	0.90
30-025-00000	NICHOLS LEONARD	ILES X FEDERAL	003	LEA	S:10, T:17S, R:32E		G	Active	Jan 1961	Jan 1963	1.00
30-025-00000	SINCLAIR OIL AND GAS CO	A C TAYLOR H	002	LEA	S:10, T:17S, R:32E		AP	Unknown	May 1965	Apr 1966	1.07
30-025-00491	BOLLER & NICHOLS	ILES	004	LEA	S:10, T:17S, R:32E		O	Active	Feb 1948	Apr 1955	1.13
30-025-00000	NICHOLS LEONARD	ILES X FEDERAL	002	LEA	S:10, T:17S, R:32E		G	Active	Jan 1961	Mar 1962	1.26
30-025-00000	BOLLER & NICHOLS	ILES	003	LEA	S:10, T:17S, R:32E		O	Active	Jun 1947	Dec 1960	1.65
30-025-33039	LINN OPERATING, INC.	MALJAMAR GRAYBURG UNIT	106	LEA	S:10, T:17S, R:32E	4,425	O	Active	Mar 1996	Jun 2012	1.73
					S:10,						

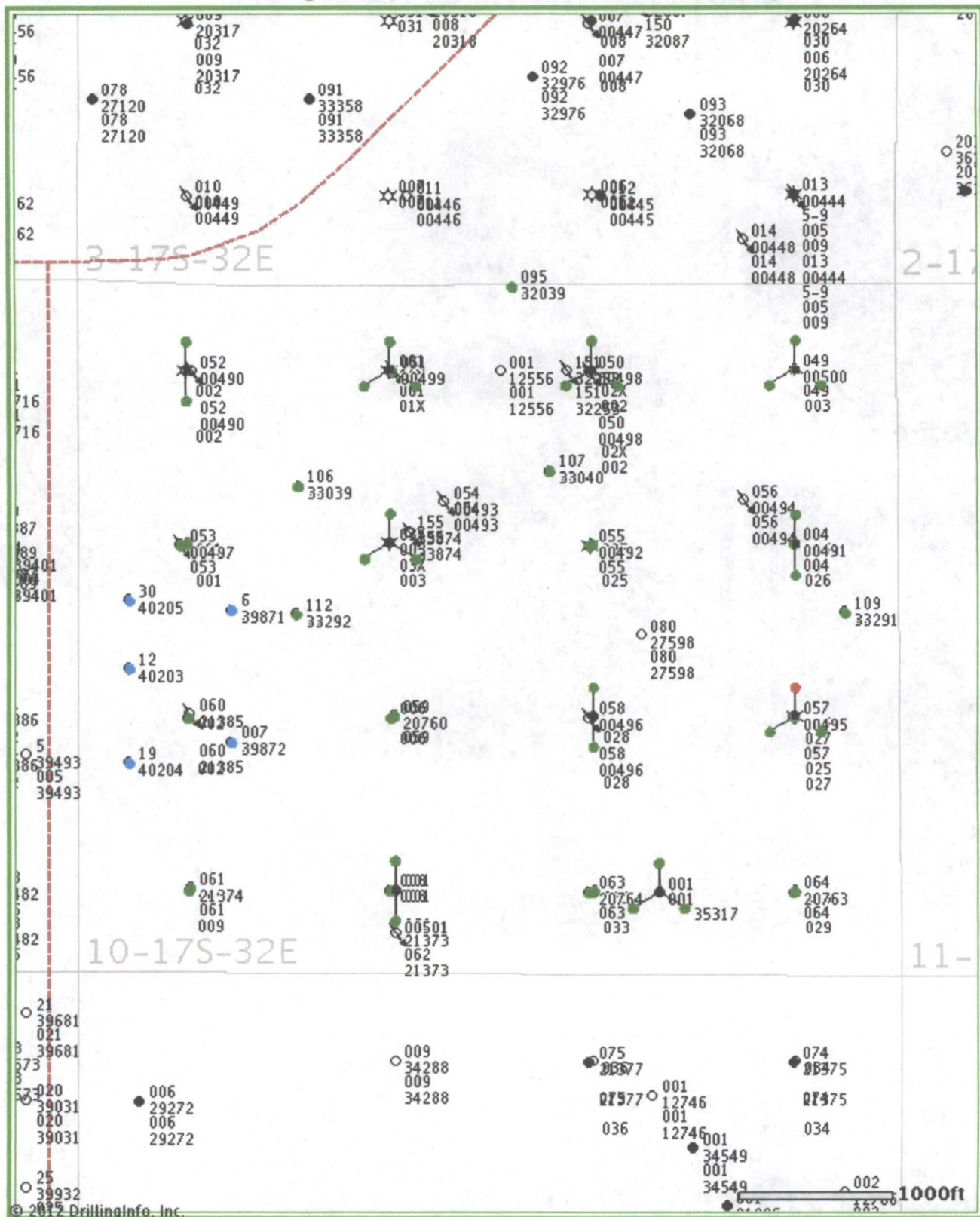
30-025-33040	LINN OPERATING, INC.	MALJAMAR GRAYBURG UNIT	107	LEA	T:17S, R:32E	4,450	O	Pumping	Jun 1996	Jun 2012	1.73
30-025-00000	NICHOLS LEONARD	ILES FEDERAL REPT 3	003	LEA	S:10, T:17S, R:32E		O	Active	Jan 1963	Dec 1966	1.90
30-025-00500	CHEVRON U S A INC	MALJAMAR GRAYBURG UNIT	049	LEA	S:10, T:17S, R:32E		O	Active	Jan 1967	Mar 1967	2.00
30-025-00000	BOLLER & NICHOLS	ILES	002	LEA	S:10, T:17S, R:32E		G	Active	Aug 1946	Dec 1960	2.23
30-025-00495	LINN OPERATING, INC.	MALJAMAR GRAYBURG UNIT	057	LEA	S:10, T:17S, R:32E	0	O	Active	Jan 1967	Jun 2012	2.63
30-025-00000	SINCLAIR OIL AND GAS CO	ILES FEDERAL BATTERY 3	033	LEA	S:10, T:17S, R:32E		AP	Unknown	Jan 1965	Dec 1966	2.90
30-025-35317	DEVON ENERGY PRODUCTION COMPANY, LP	MALJAMAR 10 FEDERAL	001	LEA	S:10, T:17S, R:32E	12,700	O	Flowing	Oct 2004	Jun 2012	2.93
30-025-00000	BOLLER & NICHOLS	ILES	003	LEA	S:10, T:17S, R:32E		G	Active	Jan 1952	Dec 1960	2.94
30-025-20763	CHEVRON U S A INC	MALJAMAR GRAYBURG UNIT	064	LEA	S:10, T:17S, R:32E		O	Active	Jan 1967	Dec 1971	3.39
30-025-00000	NICHOLS LEONARD	ILES X FEDERAL	002	LEA	S:10, T:17S, R:32E		G	Active	Jan 1961	Nov 1962	3.73
30-025-35317	DEVON ENERGY PRODUCTION COMPANY, LP	MALJAMAR 10 FEDERAL	001	LEA	S:10, T:17S, R:32E	12,700	O	Flowing	Dec 2002	Jun 2012	3.90
30-025-33291	LINN OPERATING, INC.	MALJAMAR GRAYBURG UNIT	109	LEA	S:10, T:17S, R:32E	4,400	O	Pumping	Sep 1996	Jun 2012	4.37
30-025-00000	SINCLAIR OIL AND GAS CO	ILES X FEDERAL	009	LEA	S:10, T:17S, R:32E		AP	Unknown	Jul 1965	Dec 1966	4.97
30-025-00000	BOLLER & NICHOLS	ILES	02X	LEA	S:10, T:17S, R:32E		O	Active	Jan 1949	Dec 1953	6.42
30-025-00000	BOLLER & NICHOLS	ILES	03X	LEA	S:10, T:17S, R:32E		O	Active	Jan 1951	Dec 1953	6.42
30-025-00000	BOLLER & NICHOLS	ILES	001	LEA	S:10, T:17S, R:32E		G	Active	Jan 1950	Dec 1960	6.58
30-025-00492	SINCLAIR OIL AND GAS CO.	MALJAMAR GRAYBURG UNIT	055	LEA	S:10, T:17S, R:32E		G	Active	Jan 1967	Dec 1969	9.87
					S:10,						

30-025-00000	SINCLAIR OIL AND GAS CO	ILES X FEDERAL	006	LEA	T:17S, R:32E		AP	Unknown	Jan 1965	Dec 1966	10.52
30-025-00000	NICHOLS LEONARD	A C TAYLOR H	001	LEA	S:10, T:17S, R:32E		O	Active	Dec 1962	Dec 1966	12.61
30-025-00000	NICHOLS LEONARD	ILES FEDERAL REPT 3	027	LEA	S:10, T:17S, R:32E		O	Active	Jan 1963	Dec 1966	13.87
30-025-00000	BOLLER, RUTLEDGE & NICHOLS	ILES	01X	LEA	S:10, T:17S, R:32E		O	Active	May 1946	Dec 1951	17.03
30-025-39872	COG OPERATING LLC	TAYLOR D	007	LEA	S:10, T:17S, R:32E	7,014	O	Active Permit	Feb 2012	Jun 2012	17.67
30-025-40203	COG OPERATING LLC	TAYLOR D	12	LEA	S:10, T:17S, R:32E	7,027	U	Active	Mar 2012	Jun 2012	27.67
30-025-00000	NICHOLS LEONARD	ILES FEDERAL REPT 3	025	LEA	S:10, T:17S, R:32E		O	Active	Jan 1963	Dec 1966	29.74
30-025-00000	NICHOLS LEONARD	ILES FEDERAL REPORT NO 2	027	LEA	S:10, T:17S, R:32E		O	Active	Dec 1962	Dec 1962	30.84
30-025-00000	NICHOLS LEONARD	ILES FEDERAL REPORT NO 2	028	LEA	S:10, T:17S, R:32E		O	Active	Dec 1962	Dec 1962	30.84
30-025-00000	NICHOLS LEONARD	ILES FEDERAL REPT 3	028	LEA	S:10, T:17S, R:32E		O	Active	Jan 1963	Dec 1963	31.55
30-025-40205	COG OPERATING LLC	TAYLOR D	30	LEA	S:10, T:17S, R:32E	7,019	U	Active	Feb 2012	Jun 2012	34.00
30-025-00000	NICHOLS LEONARD	ILES FEDERAL REPORT NO 2	003	LEA	S:10, T:17S, R:32E		O	Active	Jan 1961	Dec 1962	37.00
30-025-40204	COG OPERATING LLC	TAYLOR D	19	LEA	S:10, T:17S, R:32E	7,010	O	Active	Feb 2012	Jun 2012	39.90
30-025-00000	NICHOLS LEONARD	ILES FEDERAL REPT 3	026	LEA	S:10, T:17S, R:32E		O	Active	Jan 1963	Dec 1963	41.00
30-025-00000	NICHOLS LEONARD	ILES X FEDERAL	001	LEA	S:10, T:17S, R:32E		G	Active	Jan 1961	Dec 1966	42.03
30-025-00501	PAN AMERICAN PETROLEUM CORP	NORTH MALJAMAR DEEP UNIT	001	LEA	S:10, T:17S, R:32E	11,713	O	Pumping	Nov 1962	Dec 1962	43.23
30-025-35317	DEVON ENERGY PRODUCTION COMPANY, LP	MALJAMAR 10 FEDERAL	001	LEA	S:10, T:17S, R:32E	12,700	O	Flowing	Dec 2001	Nov 2002	54.47
					S:10,						

30-025-39871	COG OPERATING LLC	TAYLOR D	6	LEA	T:17S, R:32E	7,014	O	Active Permit	Jan 2012	Jun 2012	56.70
30-025-00000	NICHOLS LEONARD	ILES FEDERAL REPORT NO 2	026	LEA	S:10, T:17S, R:32E		O	Active	Sep 1962	Dec 1962	61.65
30-025-00000	SINCLAIR OIL AND GAS CO	ILES FEDERAL BATTERY 3	029	LEA	S:10, T:17S, R:32E		AP	Unknown	Jan 1965	Dec 1966	65.42
30-025-00497	LINN OPERATING, INC.	MALJAMAR GRAYBURG UNIT	053	LEA	S:10, T:17S, R:32E	0	I	Injection Well	Jan 1967	Jun 2012	
30-025-00499	LINN OPERATING, INC.	MALJAMAR GRAYBURG UNIT	051	LEA	S:10, T:17S, R:32E	4,233	PI	Injection Well	Jan 1967	Jun 2011	



### Producing wells in Sec 10, T17S, R32E, Lea County



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Non Standard Location  
Operator: COG Operating LLC  
Legal: SEC10 T17S-R32E UL-I  
OF LEA COUNTY NM

Non Standard Location  
WI Owners: 50% Devon  
Energy/50% COG Operating LLC  
Legal: SEC10 T17S-R32E UL-K  
OF LEA COUNTY NM

Well name: Nelson South Federal #2  
Operator: COG Operating LLC  
Legal: SEC10 T17S-R32E UL-M OF  
LEA COUNTY NM

**COG OPERATING LLC  
ONE CONCHO CENTER  
600 W ILLINOIS AVE  
MIDLAND, TX 79701**

October 2, 2012

Devon Energy Corp.  
Attn: Land Dept.  
20 North Broadway  
Oklahoma City, OK 73102-8260

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 Maljamar, Yeso, West oil well.

**Nelson South Federal Com #2  
Lea County, NM**

**1045' FSL & 990' FWL Sec 10, T17S, R32E, Unit M**

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



Kelly J. Holly  
Permitting Tech  
432.685.4384  
kholly@concho.com

**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.

## 1. Article Addressed to:

Devon Energy Corp.  
Attn: Land Dept.  
20 North Broadway  
Oklahoma City, OK 73102-8260

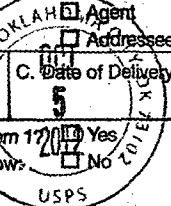
**COMPLETE THIS SECTION ON DELIVERY**

## A. Signature

*[Signature]*

## B. Received by (Printed Name)

*[Signature]*

D. Is delivery address different from item 1? ☒ Yes  
If YES, enter delivery address below:

## 3. Service Type

- ☐ Certified Mail    ☐ Express Mail  
☐ Registered    ☐ Return Receipt for Merchandise  
☐ Insured Mail    ☐ C.O.D.

## 4. Restricted Delivery? (Extra Fee)

☐ Yes

## 2. Article Number

(Transfer from service label)

91 7199 9991 7030 0513 1068

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

UNITED STATES POSTAL SERVICE



First-Class Mail  
Postage & Fees Paid  
USPS  
Permit No. G-10

• Sender: Please print your name, address, and ZIP+4 in this box •

COG Operating LLC  
One Concho Center  
Attn: Kelly Holly  
600 W Illinois Ave  
Midland, TX 79701