

DATE 6-10-2015	SUSPENSE	ENGINEER MAM	LOGGED IN 6-11-2015	TYPE NSL	APP NO PHAMIS 16229724
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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. Wilson

Print or Type Name

Melanie J. Wilson

Signature

Regulatory Analyst

Title

06/10/2015

Date

mwilson@concho.com
 e-mail Address

rec'd
6-10-2015

- NSL 7315
 - COG Production LLC
 217958
 - well
 - MACHO MACHO STATE
 COM 64
 30-025-42488
 Pool
 - Triplex Bone
 Springs well
 96675



June 9, 2015

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

Attention: Mr. Michael McMillan

Re: Application for Unorthodox Well Location
Macho Nacho State Com #6H API No. 30-025-42488
Section 7, T24S, R33E
Lea County, New Mexico
SHL: 190' FSL & 2155' FEL (Unit O) Planned First Perf: 590' FSL & 1795' FEL
BHL: 230' FNL & 1500' FEL (Unit B) Planned Last Perf: 330' FNL & 1500' FEL

Dear Mr. McMillan:

Pursuant to Division Rule 19.15.15.13, COG Production LLC (COG) respectfully requests administrative approval of an unorthodox oil well location for its Macho Nacho State Com #6H 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.

Macho Nacho State #1H	SHL: 330' FNL & 330' FEL	BHL: 407' FNL & 483' FWL
Macho Nacho State #2H	SHL: 1870' FNL & 380' FEL	BHL: 1894' FNL & 357' FWL
Macho Nacho State #3H	SHL: 1870' FSL & 330' FEL	BHL: 1830' FSL & 355' FWL
Macho Nacho State #4H	SHL: 330' FSL & 190' FEL	BHL: 903' FSL & 342' FWL

We plan to test infill drilling in the lower Avalon shale to enhance hydrocarbon recovery between the existing wellbores.

The affected offset tract is the E2E2 of Section 7, T24S, R33E. COG Production LLC is the designated operator of all of Section 7, T24S, R33E. The SE4SE4 of Section 6, T24S, R33E is also affected. Cimarex Energy Company is the operator of that section. They have been notified of this application by certified mail, return receipt requested.

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 mwilson@concho.com.

Sincerely,

Melanie J. Wilson
Lead Regulatory Analyst

cc: OCD Hobbs

CORPORATE ADDRESS

One Concho Center | 600 West Illinois Avenue | Midland, Texas 79701
PHONE 432.683.7443 | FAX 432.683.7441

LOCAL ADDRESS

Concho West | 2208 West Main Street | Artesia, New Mexico 88210
PHONE 575.748.6940 | FAX 575.748.6968

DISTRICT IV
1820 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

☐ AMENDED REPORT

API Number 30-025-42488		Pool Code 96674	Pool Name Triple X; Bone Spring, West
Property Code 313475	Property Name MACHO NACHO STATE COM		Well Number 6H
OGRID No. 217955	Operator Name COG PRODUCTION, LLC		Elevation 3571.0

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	7	24-S	33-E		190'	SOUTH	2155'	EAST	LEA

UL or lot No. B	Section 7	Township 24-S	Range 33-E	Lot Idn	Feet from the 230'	North/South line NORTH	Feet from the 1500'	East/West line EAST	County LEA
Dedicated Acres 160		Joint or Infill	Consolidation Code		Order No.				

The figure is a survey plat showing a proposed bottom hole location and a surface location. A central vertical strip is shaded and labeled "PROJECT AREA". To the left of this area, the "PROPOSED BOTTOM HOLE LOCATION" is marked with NAD 27 coordinates: Y=451316.4 N, X=724494.7 E, LAT.=32.238700° N, and LONG.=103.607266° W. To the right of the project area, the "SURFACE LOCATION" is marked with NAD 27 coordinates: Y=446452.3 N, X=723874.7 E, LAT.=32.225341° N, and LONG.=103.609377° W. The plat also shows a "B.H.O." (Bottom Hole Offset) of 230' and a distance of 1500' from the proposed bottom hole location to the surface location. At the bottom, a "S.I." (Surface Intersection) is marked with a distance of 2155' and a bearing of 190°. The coordinates for the surface intersection are Y=446259.5 N, X=723389.3 E and Y=446267.2 N, X=724710.2 E.

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS, FOLD AT DOTTED LINE

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:

Cimarex Energy Company of Colorado
202 S Cheyenne Ave., Suite 1000
Tulsa, OK 74103

Machado & Scho St. Com. b/tt NSL
[Redacted]

2. Article Number
(Transfer from service label)

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

- ☐ Agent
- ☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

- ☒ Certified Mail®
- ☐ Registered
- ☐ Insured Mail
- ☐ Priority Mail Express®
- ☐ Return Receipt for Merchandise
- ☐ Collect on Delivery

4. Restricted Delivery? (Extra Fee) ☐ Yes

7013 3020 0000 8749 8781

PS Form 3811, July 2013

Domestic Return Receipt



June 9, 2015

Certified Mail – Return Receipt Requested
7013 3020 0000 8749 8781

Cimarex Energy Company of Colorado
202 S Cheyenne Ave., Suite 1000
Tulsa, OK 74103

Re: Application for Unorthodox Well Location
Macho Nacho State Com #6H API No. 30-025-42488
SHL: 190' FSL & 2155' FEL (Unit O) Section 7, T24S, R33E
BHL: 230' FNL & 1500' FEL (Unit B) Section 7, T24S, R33E
Lea County, New Mexico

Gentlemen:

Attached is a copy of COG's Application for Unorthodox Well Location for the Macho Nacho State Com #6H well in Section 7, T24S, R33E, Lea County, New Mexico. You are being sent a copy of this Application per OCD's requirement to notify the operator of the offset affected acreage. If you have any objection to this Application, notification should be given to OCD within 20 days of receipt of this letter.

If you have any questions regarding this Application, please contact me at 575-748-6952 or by email at mwilson@concho.com.

Sincerely,

A handwritten signature in black ink that reads "Melanie J. Wilson".

Melanie J. Wilson
Lead Regulatory Analyst

Enclosure

McMillan, Michael, EMNRD

From: Melanie Wilson <mwilson@concho.com>
Sent: Thursday, June 11, 2015 8:44 AM
To: McMillan, Michael, EMNRD
Subject: RE: NSL APPLICATION - MACHO NACHO STATE COM #6H 30-025-42488

The penetration point is 509' FSL & 1873' FEL, Section 7, T24S, R33E
Final perforation is planned at 330' FNL & 1500' FEL, Section 7, T24S, R33E
Thanks,
Melanie

From: McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]
Sent: Thursday, June 11, 2015 7:58 AM
To: Melanie Wilson
Subject: RE: NSL APPLICATION - MACHO NACHO STATE COM #6H 30-025-42488

I need the penetration point and final perforation
Mike

From: Melanie Wilson [<mailto:mwilson@concho.com>]
Sent: Wednesday, June 10, 2015 3:22 PM
To: Garcia, John A, EMNRD
Cc: McMillan, Michael, EMNRD; Mayte Reyes
Subject: NSL APPLICATION - MACHO NACHO STATE COM #6H 30-025-42488

Mr. Garcia,
Attached please find COG's Administrative Application Checklist along with our request for administrative approval of an NSL for our Macho Nacho State Com #6H well.
Please let me know if you need anything more to begin processing this application.
Thank you,

Melanie J. Wilson

Lead Regulatory Analyst
NM Basin Team

COG Operating LLC

2208 West Main Street

Artesia NM 88210

mparker@concho.com

Phone: 575-748-6952



CONFIDENTIALITY NOTICE: The information in this email may be confidential and/or privileged. If you are not the intended recipient or an authorized representative of the intended recipient, you are hereby notified that