

DATE IN 6/21/16	SUSPENSE	ENGINEER LRL	LOGGED IN 6/21/16	TYPE NSL	PLE APP NO 1617538550
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ABOVE THIS LINE FOR DIVISION USE ONLY

R: 6/21/16
e-mailed

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



NSL-74307

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]

COG Operating LLC
[#229137]

- [1] TYPE OF APPLICATION - Check Those Which Apply for [A] WELL: VAST STATE WELL # 2H
[A] Location - Spacing Unit - Simultaneous Dedication API: 30-025-42942
☒ NSL ☐ NSP ☐ SD
Check One Only for [B] or [C] POOL: RED HILLS; UPPER BONE
[B] Commingling - Storage - Measurement SPRING SHALE
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM [#97900]
[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

6/21/16
Date

mwilson@concho.com
e-mail Address



June 21, 2016

Oil Conservation Division
Attention: Mr. Leonard Lowe
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application for Unorthodox Well Location
Vast State #2H API No. 30-025-42942
SHL: 210' FSL & 350' FEL (Unit P) Section 17, T26S, R33E
Proposed First Perf: 330' FSL & 350' FEL, Section 17, T26S, R33E
BHL: 50' FNL & 330' FEL (Unit A) Section 17, T26S, R33E
Proposed Last Perf: 100' FNL & 330' FEL, Section 17, T26S, R33E
Lea County, New Mexico

Dear Mr. Lowe:

Pursuant to Division Rule 19.15.15.13, COG Operating LLC (COG) respectfully requests administrative approval of an unorthodox oil well location for its Vast State #2H well. The producing interval of this well does not meet the 330' from the outer boundary of the producing area requirement. Attached is a Form C-102 showing the project area and the producing area of this well.

COG is seeking approval of the unorthodox location in order to maximize recovery of reserves. The New Mexico Oil Conservation Division's approval of the unorthodox completed interval for the Vast State #2H well will allow for efficient recovery of reserves thereby preventing waste and improving well performance.

The affected offset tracts are the SESE of Section 8, T26S, R33E and the SWSW of Section 9, T26S, R33E. A notice letter of this application has been sent by certified mail this date to all owners in the affected offset tracts advising them that if they object to COG's application, they must file a written objection with the Division within twenty (20) days from the date the Division received this application.

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,

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

Melanie J. Wilson
Lead Regulatory Analyst

Enclosure
cc: OCD Hobbs

CORPORATE ADDRESS

ONE CONCHO CENTER | 600 WEST ILLINOIS AVENUE | MIDLAND, TEXAS 79701
P 432.683.7443 | F 432.683.7441

ARTESIA WEST OFFICE

2208 MAIN STREET | ARTESIA, NEW MEXICO 88210
P 575.748.6940 | F 575.746.2096

DISTRICT I

1625 N. French Dr., Hobbs, NM 88240
Phone (505) 383-8101 Fax: (505) 383-0720

DISTRICT II

511 S. First St., Artesia, NM 88210
Phone (505) 744-1823 Fax: (505) 744-8720

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone (505) 834-8179 Fax: (505) 834-8170

DISTRICT IV

1225 E. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-5400 Fax: (505) 476-5402State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

1226 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102

Revised August 1, 2011

Submit one copy to appropriate
District Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-42942	Pool Code 97900	Pool Name RED HILLS; UPPER BONE SPRING SHALE
Property Code 315647	Property Name VAST STATE	Well Number 2H
UGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3259

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	17	26 S	33 E		210	SOUTH	350	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	17	26 S	33 E		50	NORTH	330	EAST	LEA
Dedicated Acres 160	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

N: 382924.1 E: 726473.1 (NAD-27)	N: 382941.0 E: 729115.4 (NAD-27)	N: 382949.5 E: 730438.6 (NAD-27)	N: 382957.5 E: 731781.8 (NAD-27)	PROPOSED BOTTOM HOLE LOCATION Lat - N 32.050522° Long - W 103.586345° NMSPCE - N 382905.8 E 731432.2 (NAD-27) PROPOSED LAST TAKE POINT Lat - N 32.051098° Long - W 103.718292° NMSPCE - N 382855.6 E 690243.5 (NAD-27) PROPOSED FIRST TAKE POINT Lat - N 32.037033° Long - W 103.586416° NMSPCE - N 377898.7 E 731450.3 (NAD-27) SURFACE LOCATION Lat - N 32.036703° Long - W 103.586416° NMSPCE - N 377878.7 E 731451.1 (NAD-27)	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 undivided 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 is a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature <u>Melanie J. Wilson</u> Date <u>6/21/16</u> Printed Name mwilson@concho.com Email Address
N: 377642.7 E: 726512.9 (NAD-27)	N: 377656.7 E: 729157.8 (NAD-27)	N: 377663.6 E: 730480.3 (NAD-27)	N: 377670.6 E: 731802.7 (NAD-27)		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 <u>DECEMBER 22, 2015</u> Date Surveyed Signature of Professional Surveyor Professional Surveyor 7977 Certification No. <u>7977</u> Scale: 1" = 1000' WD Num.: 32122

Vast State #2H NSL Application

Notification List

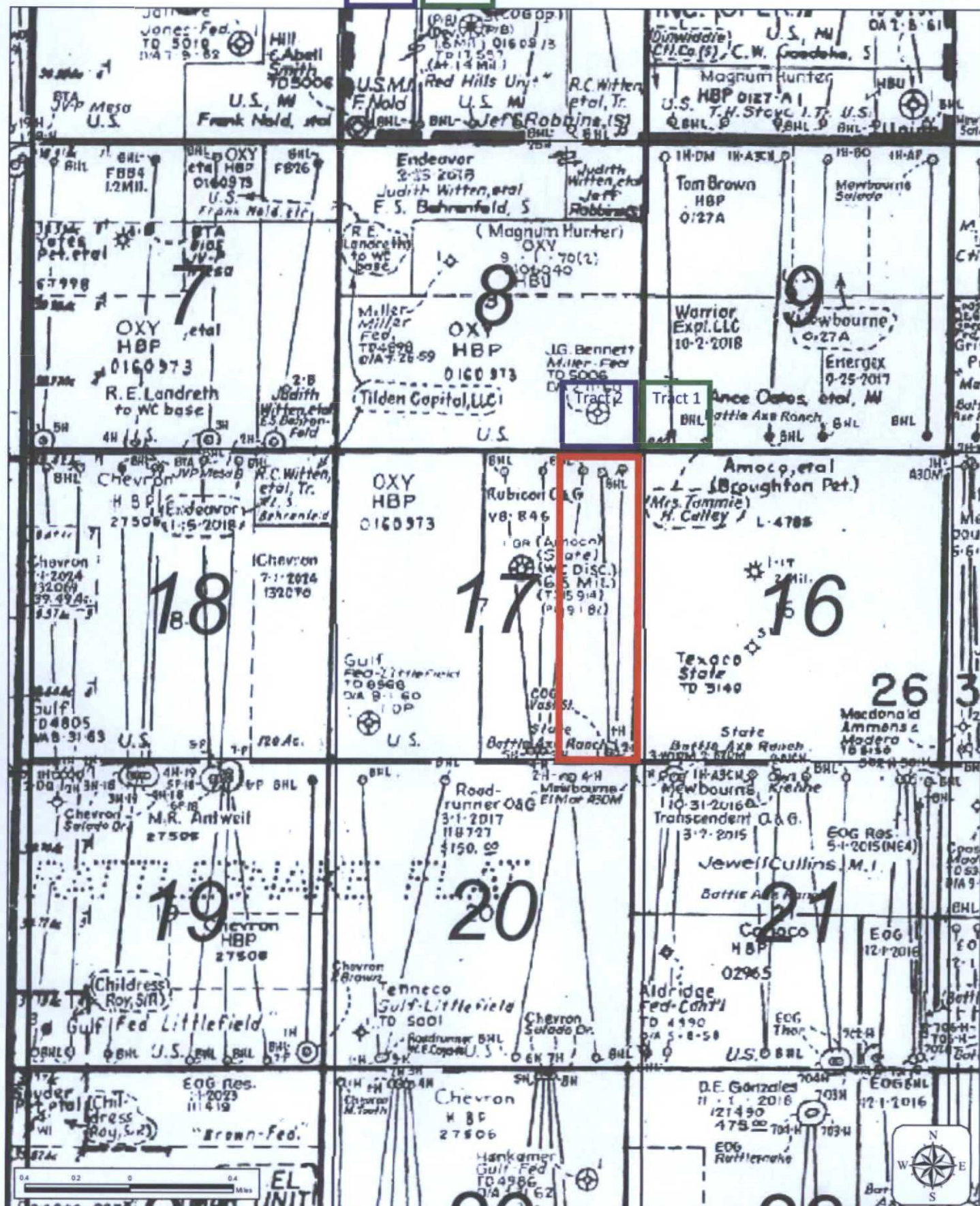
Date Sent	Initials	Document Type	Well Name	Tract #	Sent Certified Return Receipt to:	Receipt No.
6/21/2016	aa	NSL	Vast State #2H	1	Peregrine Production Inc PO Box 1844, Midland TX	7013302000087502143
6/21/2016	aa	NSL	Vast State #2H	1	Dorchester Minerals LP 3838 Oak Lawn Ave Ste 300 Dallas TX	7013302000087502150
6/21/2016	aa	NSL	Vast State #2H	1	Chesapeake Exploration Limited Patnership PO Box 18496 OKC OK	7013302000087502167
6/21/2016	aa	NSL	Vast State #2H	1	Chesapeake ORC LLC 6100 North Western Ave OKC OK 73118	7013302000087502174
6/21/2016	aa	NSL	Vast State #2H	1	Oscura Resources, INC PO Box 2292 Roswell, NM 88202-2292	7013302000087502181
6/21/2016	aa	NSL	Vast State #2H	1	Spinnaker Royalty Co, LP 3788 Oak Lawn Ave Ste 300 Dallas TX	7013302000087502198
6/21/2016	aa	NSL	Vast State #2H	1	Buddy Fort 9716 Admiral Emerson Ave, NE Albuquerque NM	7013302000087502204
6/21/2016	aa	NSL	Vast State #2H	1	Tommy L Fort PO Box 5356 Midland TX	7013302000087502211
6/21/2016	aa	NSL	Vast State #2H	1	Marcy Fort Burns 10316 Country Manor PL NW Albuquerque NM	7013302000087502228
6/21/2016	aa	NSL	Vast State #2H	1	Robert Mitchell Raindl PO Box 853 Tahoka TX	7013302000087502235
6/21/2016	aa	NSL	Vast State #2H	1	Ricky D Raindl PO Box 142454 Irving TX	7013302000087502242
6/21/2016	aa	NSL	Vast State #2H	1	Brent Raindl 8200 Douglas Ave St 200 Dallas, TX 75225	7013302000087502259
6/21/2016	aa	NSL	Vast State #2H	1	Debra K Primera PO Box 28504 Austin, TX 78755	7013302000087502266
6/21/2016	aa	NSL	Vast State #2H	1	Brady Lynn Raindl 4206 133rd Street Lubbock TX 79423	7013302000087502273
6/21/2016	aa	NSL	Vast State #2H	1	Bradley S Bates 101 Blackberry Court Midland, TX	7013302000087502136
6/21/2016	aa	NSL	Vast State #2H	1	WBA Resources LTD 110 W Louisiana, Ste 300 Midland TX	7013302000087486555
6/21/2016	aa	NSL	Vast State #2H	1	Sagebrush Interests, LLC 2245 Fondron Ste 11112 Houston TX	7013302000087486566
6/21/2016	aa	NSL	Vast State #2H	1	RSC Resources LP 6824 Island Circle Midland, TX 79707	70133020000874865763
6/21/2016	aa	NSL	Vast State #2H	1	Zane Kiehn 1501 Mary Street Pecos, TX 79772	7013302000087486580
6/21/2016	aa	NSL	Vast State #2H	1	Katherine Ross Madera Sharbutt 206 Farnell Lane Manhattan MT	7013302000087486597
6/21/2016	aa	NSL	Vast State #2H	1	Lela Ellen Madera 187 George Strait Canyon Lake, TX 78113	7013302000087486603
6/21/2016	aa	NSL	Vast State #2H	1	Warrior Exploration LLC 310 W Wall St Ste 305 Midland TX	7013302000087486610
6/21/2016	aa	NSL	Vast State #2H	1	Energex, LLC 4425 98th St Ste 200 Lubbock TX 79424	7013302000087486627
6/21/2016	aa	NSL	Vast State #2H	1	Petrus Energy LP PO Box 4127 Midland, TX 79704	7013302000087486634
6/21/2016	aa	NSL	Vast State #2H	1	Endeavor Energy Resources, LP 110 N Marenfield Ste 200 Midland, TX 79701	7013302000087486641
6/21/2016	aa	NSL	Vast State #2H	1	Transcendent Oil & Gas Properties, LLC PO Box 9612 Midland, TX	7013302000087486658
6/21/2016	aa	NSL	Vast State #2H	1	William E and Karen Hardie 5803 Cranston Place Midland TX	7013302000087486665
6/21/2016	aa	NSL	Vast State #2H	1	Mewbourne Oil Company PO Box 7698 Tyler TX	7013302000087486672
6/21/2016	aa	NSL	Vast State #2H	1	Gary D Douglas Basin Land Services PO Box 10565 Midland TX	70160910000026530015
6/21/2016	aa	NSL	Vast State #2H	1	Axis Energy Corp PO Box 2107 Roswell NM	70160910000026530022
6/21/2016	aa	NSL	Vast State #2H	1	Chad and Marci Barbee PO Box 2107 Roswell, NM 88202	70160910000026545019
6/21/2016	aa	NSL	Vast State #2H	1	Joe Glenn Fenn, The Residuary Trust, PO Box 1757 Roswell, NM	70160910000026545026
6/21/2016	aa	NSL	Vast State #2H	1	Bill Fenn PO Box 1757 Roswell NM	70160910000026545033
6/21/2016	aa	NSL	Vast State #2H	1	Nail Bay Royalties, LLC PO Box 671099 Dallas, TX	70160910000026545040
6/21/2016	aa	NSL	Vast State #2H	1	Newkumet Exploration INC PO Box 11330 Midland, TX	70160910000026545064
6/21/2016	aa	NSL	Vast State #2H	1	Bennett T Easterling PO Box 188 Quemado, NM	70160910000026545071
6/21/2016	aa	NSL	Vast State #2H	1	Ross E Easterling, JR PO Box 3334 Eagle, CO	70160910000026545088
6/21/2016	aa	NSL	Vast State #2H	1	Lance S Easterling 522 Harbert Street Columbus, TX	70160910000026545095
6/21/2016	aa	NSL	Vast State #2H	1	The Lance Sears Easterling Trust C/O First National Bank 201 Elm Sweetwater TX	70160910000026545101
6/21/2016	aa	NSL	Vast State #2H	1	Susan R Easterling 7731 Broadway San Antonio TX	70160910000026545118
6/21/2016	aa	NSL	Vast State #2H	1	The Susan Ross Easterling Trust c/o First National Bank 201 Elm St Sweetwater, TX	70160910000026545125
6/21/2016	aa	NSL	Vast State #2H	1	Elizabeth Reetenwald PO Box PMP 239 Carmichael CA	70160910000026545132
6/21/2016	aa	NSL	Vast State #2H	1	EOG Resources INC PO Box 2267 Midland, TX	70160910000026545149
6/21/2016	aa	NSL	Vast State #2H	1	Mewbourne Oil Company 500 West Texas Ste 1020 Midland TX	70160910000026545156
6/21/2016	aa	NSL	Vast State #2H	1	Aledo Royalty Company PO Box 9 Aledo TX 76008	70160910000026545163
6/21/2016	aa	NSL	Vast State #2H	1	Kimball Art Foundation 301 Commerce Street Ste 2240 Forth Worth, TX	70160910000026545170
6/21/2016	aa	NSL	Vast State #2H	1	The Burnett Foundation 801 Cherry Street Forth Worth, TX	70160910000026545187
6/21/2016	aa	NSL	Vast State #2H	1	JC Pace Ltd 420 Throckmorton Ste 710 Forth Worth TX	70160910000026545194
6/21/2016	aa	NSL	Vast State #2H	1	Lowe Royalty Partners LP 551 San Felipe Ste 400 Houston TX	70160910000026545200
6/21/2016	aa	NSL	Vast State #2H	1	Gordo Sound Royalties LP PO Box 671099 Dallas, TX	70160910000026545217
6/21/2016	aa	NSL	Vast State #2H	1	John Huff C/O Oceanengineering International 1911 FM 529 Houston TX	70160910000026545224
6/21/2016	aa	NSL	Vast State #2H	1	White Oak Energy Royalty Partners L.P. 12941 N Freeway #550 Houston TX	70160910000026545231
6/21/2016	aa	NSL	Vast State #2H	1	Rave Energy Inc 910 Louisiana Street St 5030 Houston TX	70160910000026545248
6/21/2016	aa	NSL	Vast State #2H	1	Energy Royalties LLC PO Box 27116 Houston TX	70160910000026545255
6/21/2016	aa	NSL	Vast State #2H	1	WMH2, LLC 712 Main Street #2150 Houston TX	70160910000026545262
6/21/2016	aa	NSL	Vast State #2H	1	Oil Nut Bay Royalties, LP PO Box 671099 Dallas TX	70160910000026545279
6/21/2016	aa	NSL	Vast State #2H	1	Chilton Minerals LTD 5111 Broadway San Antonio TX	70160910000026545286
6/21/2016	aa	NSL	Vast State #2H	1	Trunk Bay Royalty Patners, LTD PO Box 671099 Dallas TX	70160910000026545293
6/21/2016	aa	NSL	Vast State #2H	2	Occidental Permian LP 5 East Greenway Plaza #110 Houston TX	70160910000026545323
6/21/2016	aa	NSL	Vast State #2H	2	Matador Petroleum Corporation 8340 Meadow Road Ste 158 Dallas, TX	70160910000026545330
6/21/2016	aa	NSL	Vast State #2H	2	Matador E & P Company Inc 8340 Meadow Road Ste 158 Dallas, TX	70160910000026545306
6/21/2016	aa	NSL	Vast State #2H	2	Sandi Miller 1015 Fern Drive Roswell, NM	70160910000026545316
6/21/2016	aa	NSL	Vast State #2H	2	Attn: Janice Miller Miller Family Mineral Interest LLC 2511 NE 181st Ave Vancouver WA	70160910000026545347
6/21/2016	aa	NSL	Vast State #2H	2	Khody Land and Minerals Company 210 Park Avenue Ste 900 OKC OK	70160910000026545354
6/21/2016	aa	NSL	Vast State #2H	2	WPX Energy Inc 3500 One Williams Center MD 44 Tulsa OK 74172	70160910000026545361



Affected Offset

Tract 1

Vast State #2H



June 21, 2016

Certified Mail – Return Receipt Requested

Interest Owner
Address

Re: Application for Unorthodox Well Location
Vast State #2H API No. 30-025-42942
SHL: 210' FSL & 350' FEL (Unit P) Section 17, T26S, R33E
Proposed First Perf: 330' FSL & 350' FEL, Section 17, T26S, R33E
BHL: 50' FNL & 330' FEL (Unit A) Section 17, T26S, R33E
Proposed Last Perf: 100' FNL & 330' FEL, Section 17, T26S, R33E
Lea County, New Mexico

Gentlemen:

Attached is a copy of COG Operating LLC (COG)'s Application for Unorthodox Well Location for the Vast State #2H well in Section 17, T26S, R33E, Lea County, New Mexico. You are being sent a copy of this Application per OCD's requirement to notify the interest owners in the affected offset acreage. If you have any objection to this Application, notification should be given to OCD within 20 days of the date of this letter. The Application has been filed with OCD as of this date.

COG is seeking approval of the unorthodox location in order to allow for the efficient recovery of reserves thereby preventing waste.

If you have any questions regarding this application, please contact Ryan Owen at 432-818-2327 or by email at Rowen@concho.com.

Sincerely,

Melanie J. Wilson
Lead Regulatory Analyst

Enclosure

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Wednesday, July 27, 2016 8:08 AM
To: 'Melanie Wilson'
Cc: 'lisa@rwbyram.com'; Brown, Maxey G, EMNRD; Kautz, Paul, EMNRD; 'jglover@blm.gov'; 'scaffey@blm.gov'; 'jstovall@blm.gov'; McMillan, Michael, EMNRD; Goetze, Phillip, EMNRD; Jones, William V, EMNRD
Subject: NSL-7437 (Vast State No. 2H, Lea County) APPROVED
Importance: High

Ms. Melanie J. Wilson,

The following permit has been issued and will soon be available on the Division's web site:
<http://ocdimage.emnrd.state.nm.us/imaging/WellFileCriteria.aspx>

NSL-7437
COG Operating, LLC
API: 30-025-42942
WELL: Vast State No. 2H, Lea County

Leonard Lowe
Engineering Bureau
Oil Conservation Division
Energy Minerals and Natural Resources Department
1220 South St. Frances
Santa Fe, New Mexico 87004
Office: 505-476-3492
Fax: 505-476-3462
E-mail: leonard.lowe@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/>