

DATE IN 5/23/16	SUSPENSE	ENGINEER LRL	LOGGED IN 5/24/16	TYPE NSL	P/LEL APP NO 16/4536985
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ABOVE THIS LINE FOR DIVISION USE ONLY

R: 05/23/16
via E-mail

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]

NSL-7438

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☐ SD

CONCHO [217955] COG

WELL: AZORES FEDERAL #7H

API: 30-025-43170

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

POOL: WC-025 G06 9253206M;

BONE SPRING

[#97899]

- [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

Signature

Regulatory Analyst
Title

Date

5/23/2016

mwilson@concho.com
e-mail Address



May 31, 2016

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

Re: Application for Unorthodox Well Location
Azores Federal #7H API No. 30-025-43170
SHL: 210' FNL & 2550' FEL (Unit B) Section 32, T24S, R32E
Proposed First Perf: 200' FSL & 2510' FWL, Section 29, T24S, R32E
BHL: 50' FNL & 2310' FWL (Unit B) Section 29, T24S, R32E
Proposed Last Perf: 100' FNL & 2310' FWL, Section 29, T24S, R32E
Lea County, New Mexico

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 Azores Federal #7H 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 Azores Federal #7H well will allow for efficient recovery of reserves thereby preventing waste and improving well performance.

The affected offset tracts are the SESW and SWSE of Section 20, T24S, R32E and the NENW and NWNE of Section 32, T24S, R32E. Please be advised that Devon Energy Production Company, L.P. is the designated operator of all of Section 20 and Devon Energy Production Company, LP and Yates Petroleum Corporation are operators of Section 32, T24S, R32E. A notice letter of this application has been sent by certified mail this date to both Devon Energy Production Company, L.P. and Yates Petroleum Corporation, 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,

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
1025 N. FRENCH DR., HOHNS, NM 88240
Phone: (505) 793-8181 Fax: (505) 303-9720

DISTRICT II
511 E. FIRST ST., ARTESIA, NM 86210
Phone: (505) 748-1283 Fax: (505) 748-9720

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 334-8178 Fax: (505) 334-8170

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 476-3480 Fax: (505) 476-3482

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 30-025-43170	Pool Code 97899	Pool Name WC-025 G-06 S253206M;BONE SPRING
Property Code 39881	Property Name AZORES FEDERAL	Well Number 7H
UGRID No. 217955	Operator Name COG PRODUCTION, LLC	Elevation 3491.3'

Surface Location

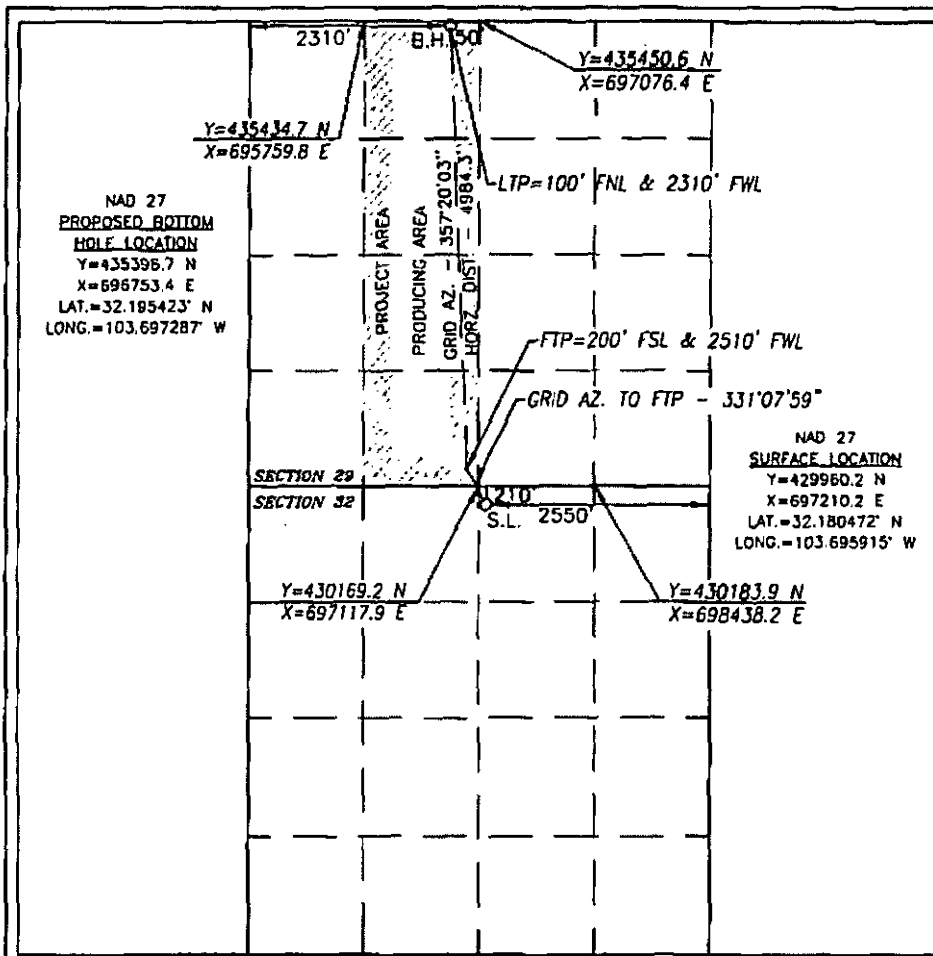
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	32	24-S	32-E		210	NORTH	2550	EAST	LEA

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
C	29	24-S	29-E		50	NORTH	2310	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160			

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.

Signature Date

Melanie J. Wilson 5/20/16

Printed Name
mwilson@concho.co

E-mail Address

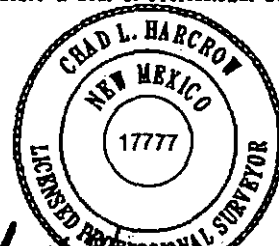
SURVEYOR CERTIFICATION

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.

JANUARY 26, 2016

Date of Survey

Signature & Seal of Professional Surveyor



Chad L. Harcrow 5/18/16
Certificate No. CHAD HARCROW 17777
W.O. # 16-211 DRAWN BY: AM

Azores Federal #7H 30-025-43170**Application for Non Standard Location****Notification List**

<i>Date Sent</i>	<i>Initials</i>	<i>Sent Certified Return Receipt to:</i>	<i>Receipt No.</i>	<i>Rec'd</i>
5/31/2016	MJW	Devon Energy Production Company, L.P., 333 W Sheradan Ave., Oklahoma City, OK 74102	7013 3020 0000 8749 8767	6/3/2016
5/31/2016	MJW	Yates Petroleum Corporation, 105 South Fourth St., Artesia, NM 88210	7014 3020 0000 8749 8774	6/3/2016

Mailed 5/31/2016

Melanie J. Wilson



May 23, 2016

Certified Mail – Return Receipt Requested
7013 3020 0000 8749 2574

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210

Re: Application for Unorthodox Well Location
Azores Federal #7H API No. 30-025-43170
SHL: 210' FNL & 2550' FEL (Unit B) Section 32, T24S, R32E
Proposed First Perf: 200' FSL & 2510' FWL, Section 29, T24S, R32E
BHL: 50' FNL & 2310' FWL (Unit B) Section 29, T24S, R32E
Proposed Last Perf: 100' FNL & 2310' FWL, Section 29, T24S, R32E
Lea County, New Mexico

Gentlemen:

Attached is a copy of COG Production LLC (COG)'s Application for Unorthodox Well Location for the Azores Federal #7H well in Section 32, T24S, R32E, 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.

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,

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

Melanie J. Wilson
Lead Regulatory Analyst

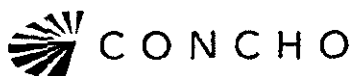
Enclosure

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



May 23, 2016

Certified Mail – Return Receipt Requested
7013 3020 0000 8749 2604

Devon Energy Production Company, L.P.
333 W. Sheridan Avenue
Oklahoma City, OK 74102

Re: Application for Unorthodox Well Location
Azores Federal #7H API No. 30-025-43170
SHL: 210' FNL & 2550' FEL (Unit B) Section 32, T24S, R32E
Proposed First Perf: 200' FSL & 2510' FWL, Section 29, T24S, R32E
BHL: 50' FNL & 2310' FWL (Unit B) Section 29, T24S, R32E
Proposed Last Perf: 100' FNL & 2310' FWL, Section 29, T24S, R32E
Lea County, New Mexico

Gentlemen:

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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,

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

Melanie J. Wilson
Lead Regulatory Analyst

Enclosure

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

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Wednesday, June 22, 2016 1:53 PM
To: 'Melanie Wilson'
Cc: Jones, William V, EMNRD
Subject: RE: NSL APPLICATION - AZORES FEDERAL #7H & #11H

Importance: High

Melanie Wilson,

The PN notice time frame shall start today (06.22.2016) as the OCD now has a complete application for NSL request for

API # 30-025-43170 and API # 30-025-43171

Azores Federal # 7H & # 11H.

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/oed/>

From: Melanie Wilson [mailto:MWilson@concho.com]
Sent: Wednesday, June 22, 2016 11:08 AM
To: Lowe, Leonard, EMNRD <Leonard.Lowe@state.nm.us>
Cc: Jones, William V, EMNRD <WilliamV.Jones@state.nm.us>
Subject: RE: NSL APPLICATION - AZORES FEDERAL #7H & #11H

Mr. Lowe,

Attached is the mailing list for this NSL application with the green card dates received recorded.

Please let me know if you need anything further from me.

Thank you!

Melanie J. Wilson

Lead Regulatory Analyst
NM Basin Team

COG Operating LLC

2208 West Main Street
Artesia NM 88210
mwilson@concho.com
Phone: 575-748-6952

Lowe, Leonard, EMNRD

From: Melanie Wilson <MWilson@concho.com>
Sent: Wednesday, June 22, 2016 11:08 AM
To: Lowe, Leonard, EMNRD
Cc: Jones, William V, EMNRD
Subject: RE: NSL APPLICATION - AZORES FEDERAL #7H & #11H
Attachments: Azores Federal #7H Mailing List Rec Dates.pdf

Mr. Lowe,

Attached is the mailing list for this NSL application with the green card dates received recorded.

Please let me know if you need anything further from me.

Thank you!

Melanie J. Wilson

Lead Regulatory Analyst
NM Basin Team

COG Operating LLC

2208 West Main Street
Artesia NM 88210
mwilson@concho.com
Phone: 575-748-6952



From: Lowe, Leonard, EMNRD [mailto:Leonard.Lowe@state.nm.us]
Sent: Tuesday, May 31, 2016 2:22 PM
To: Melanie Wilson
Cc: Jones, William V, EMNRD
Subject: [External] RE: NSL APPLICATION - AZORES FEDERAL #7H & #11H

Melanie Wilson,

Yes, re-notice needs to be done with the correct information.

Please notify OCD when your received notice notification has been completed, the 20 day PN time frame will commence afterwards. You do not need to submit green cards to the OCD. Just a date when they were received on the affected party end.

If needed in the future, green cards may be kept on your end for proof if needed.

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/>

From: Melanie Wilson [<mailto:MWilson@concho.com>]
Sent: Tuesday, May 31, 2016 11:11 AM
To: Lowe, Leonard, EMNRD <Leonard.Lowe@state.nm.us>
Cc: Jones, William V, EMNRD <WilliamV.Jones@state.nm.us>
Subject: RE: NSL APPLICATION - AZORES FEDERAL #7H & #11H

Good Morning Mr. Lowe,
Attached please find the updated letters for the #7H and the #11H. Do I need to re-notice Yates and Devon with the revised letters?
Please let me know if anything further is needed.
Thank you!
Melanie

From: Lowe, Leonard, EMNRD [<mailto:Leonard.Lowe@state.nm.us>]
Sent: Thursday, May 26, 2016 2:47 PM
To: Melanie Wilson
Cc: Jones, William V, EMNRD
Subject: [External] RE: NSL APPLICATION - AZORES FEDERAL #7H & #11H

Melanie Wilson,

In reference to your latest information, please submit the following:

- An updated letter will for each of the # 7H & # 11H

The status of your submitted applications for # 7H and # 11H are currently suspended until a complete application has been received.

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/>

From: Melanie Wilson [<mailto:MWilson@concho.com>]
Sent: Thursday, May 26, 2016 2:21 PM
To: Lowe, Leonard, EMNRD <Leonard.Lowe@state.nm.us>
Cc: McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>
Subject: NSL APPLICATION - AZORES FEDERAL #7H & #11H

Mr. Lowe,

When I mailed this application, my letter stated that Devon Energy Production Company, LP was the only affected offset operator. I notified Yates Petroleum Corporation because they are the lessee of record of the offset tract. Devon is the operator by virtue of a term assignment from Yates Petroleum to Devon that covers the Bone Spring and Wolfcamp formations. Yates is still operator of the Delaware formation. Our wells will produce from the Bone Spring formation. Do I need to re-word my application letter to state all of this, or is it ok as is, since the Bone Spring formation is where we plan to produce and my letter is correct for that formation?

Thank you,

Melanie Wilson

From: Lowe, Leonard, EMNRD [<mailto:Leonard.Lowe@state.nm.us>]
Sent: Monday, May 23, 2016 4:34 PM
To: Melanie Wilson
Subject: [External] RE: NSL PACKAGE

Melanie Wilson,

An electronic copy will suffice any additional submittals could slow down the processing of the applications.

I shall submit your submittal into our database system tomorrow.

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/>

From: Melanie Wilson [<mailto:MWilson@concho.com>]
Sent: Monday, May 23, 2016 4:11 PM
To: Lowe, Leonard, EMNRD <Leonard.Lowe@state.nm.us>
Cc: McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>
Subject: RE: NSL PACKAGE

Mr. Lowe,

Attached are two NSL packages that I am mailing today. Please let me know if you need anything further on these.

Thank you!

Melanie J. Wilson

Lead Regulatory Analyst
NM Basin Team
COG Operating LLC
2208 West Main Street
Artesia NM 88210
mwilson@concho.com
Phone: 575-748-6952



From: McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]
Sent: Monday, May 23, 2016 3:30 PM
To: Melanie Wilson
Cc: Lowe, Leonard, EMNRD
Subject: [External] RE: NSL PACKAGE

**** External email. Use caution. ****
e-mail to Leonard

From: Melanie Wilson [<mailto:MWilson@concho.com>]
Sent: Monday, May 23, 2016 3:28 PM
To: McMillan, Michael, EMNRD
Subject: NSL PACKAGE

Hi Michael,

I am mailing an NSL application out today. Was wondering if you want me to email it to you or if it is still going to Leonard Lowe.

Thanks,

Melanie J. Wilson

Lead Regulatory Analyst
NM Basin Team
COG Operating LLC
2208 West Main Street
Artesia NM 88210
mwilson@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 any review, dissemination or copying of this email and its attachments, if any, or the information contained herein, is prohibited. If you have received this email in error, please immediately notify the sender by return email and delete this email from your system. Thank you.

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Friday, July 29, 2016 3:40 PM
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-7438_NSL-7439 (Azores Federal Well No. 7H & Azores Federal Well No. 11H, Lea County) 32 24S 32E

Importance: High

Ms. Melanie J. Wilson,

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

NSL-7438

COG Operating, LLC

API: 30-025-43170

WELL: Azores Federal Well No. 7H, Lea County

NSL-7439

COG Operating, LLC

API: 30-025-43171

WELL: Azores Federal Well No. 11H, 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/>