

Jordan L. Kessler Associate

Phone (505) 988-4421 Fax (505) 983-6043 jlkessier@hollandhart.com

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February 20, 2017

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VIA HAND DELIVERY

David Catanach
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Supplemental information for approval of an unorthodox well location for COG Operating LLC's Bultaco State No. 3H Well in the E/2 E/2 of Section 36, Township 22 South, Range 31 East, NMPM, Eddy County, New Mexico.

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Dear Mr. Catanach:

COG Operating LLC (OGRID 229137) seeks administrative approval for its **Bultaco State No.** 3H Well to be completed within the Livingston Ride; Bone Spring Pool (Pool Code 39350) underlying the E/2 E/2 of Section 36, Township 22 South, Range 31 East, NMPM, Eddy County, New Mexico. The original attached administrative application was submitted on October 6, 2016. This letter is intended to provide supplemental information for the Division's consideration of the administrative application.

Exhibit A is the original administrative application and proof of notice submitted to the Division by COG on October 6, 2016. The Bultaco State No. 3H Well has been drilled form a surface location 5 feet from the South line, 1,090 feet from the East line (Unit P) of Section 36. The upper most perforation will be located 330 from the South line, 1,295 feet from the East line (Unit P) and the lower most perforation will be 100 feet from the North line, 1,295 feet from the East line (Unit A) from the of Section 36. Since this acreage is governed by the Division's statewide rules which provide for wells to be located no closer than 330 feet to the outer boundary of the spacing unit, the completed interval for this well will be unorthodox because it is located closer than 330 feet to the northern, northwestern, western, and southwestern boundaries of the project area.

As shown on pages 5 through 13 of **Exhibit A**, all affected parties were provided notice of this administrative application. The application was initially protested by Devon, an interest owner in the tract affected to the southwest. Devon's protest was withdrawn on December 9, 2016.



David Catanach February 20, 2017 Page 2

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Exhibit B is an ownership plat illustrating ownership in the E/2 of Section 36. The Bultaco State No. 3H Well encroaches on the spacing unit in the W/2 E/2 of Section 36. COG is a leasehold owner of a single state lease covering the E/2 of Section 36 (State Lease No. VO-6206-3). The E/2 of Section 36 is subject to a single joint operating agreement, and ownership in the E/2 of Section 36 is common. Due to farmout agreements with certain interest owners in the W/2 E/2, the percent owned by each working interest owner in the E/2 E/2 of Section 36 is not identical to the percent owned by each working interest owner in the W/2 E/2. COG owns a higher percentage of the working interest in the W/2 E/2. Therefore, the only party adversely affected by the Bultaco State No. 3H Well's encroachment to the West is COG.

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Exhibit C is a plat showing COG's development plan and the three wells developing the E/2 of Section 36. In addition to the Bultaco State No. 3H Well, COG is the operator of two additional existing wells in the E/2 of Section 36: the Bultaco State 1H Well, producing from the E/2 E/2 of Section 36, and the Bultaco State 2H Well, producing from the W/2 E/2 of Section 36. Approval of the unorthodox completed interval for the Bultaco State No. 3H Well will allow COG to use their preferred well spacing plan for horizontal wells in this area and thereby prevent waste.

Your attention to this matter is appreciated!

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ATTORNEY FOR COG OPERATING LLC He with the dead that

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Enclosures

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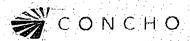
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Oil Conservation Division Attention: Mr. Leonard Lowe 1220 South Saint Francis Drive Santa Fe. New Mexico 87505

Application for Unorthodox Well Location

Bultaco State #3H API No. 30-015-43670

SHL: 5 FSL & 1090 FEL (Unit P), Section 36-T22S-R31E

Proposed First Perf. 330' FSL & 1295' FEL

BHL: 50 FNL & 1295 FEL (Unit A), Section 36-T22S-R31E

Proposed Last Perf. 100' FNL & 1295' FEL

Eddy County, NM

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 Bultaco State #3H 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 Bultaco State #3H well will allow for efficient recovery of reserves thereby preventing waste and improving well. er oggvedd Trait performance STATE OF THE PROPERTY OF THE PARTY OF THE PA

The affected offset tracts are the SE/4SE/4 and SW/4SE/4 of Sec. 25-T22S-R31E where Oxy USA, Inc. is the designated operator, the W/2E/2 of Sec. 36-T22S-R31E where COG Operating, LLC; is the designated operator, and Lot 2 of Sec. 1-T23S-R31E where Devon Energy Production Company, LP, is the designated operator. The notice letters advise Oxy USA Inc. Devon Energy Production Company. LP, and the working interest owners under W/2E/2 Sec. 36, that should they have an objection 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 575-748-6958 or by email at dwilbourn@concho.com.

Sincerely,

Debora L. Wilbourn Regulatory Analyst

Enclosure cc: OCD Artesia

CORPORATE ADDRESS

ARTESIA WEST OFFICE

2208 MAIN STREET LARTESIA NEW MEXICO 88210 P575 748 6940 | F575.746:2096

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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



		1220 South St. Fidnes Drive, Salida Fe, Nife 67505	2.011.03	-
		ADMINISTRATIVE APPLICATION	CHECKLIST	
	THIS CHECKLIST IS A	ANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTION WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL		EGULATIONS
Appl	[DHC-Dow [PC-Po	is: indard Location] [NSP-Non-Standard Proration Unit] [inhole Commingling] [CTB-Lease Commingling] [F	SD-Simultaneous Dedical PLC-Pool/Lease Commingl -Off-Lease Measurement] Diance Expansion] ure increase]	ing)
[1]	TYPE OF AI	PPLICATION - Check Those Which Apply for [A] Location - Spacing Unit - Simultaneous Dedication NSL NSP SD		
	Checi [B]	c One Only for [B] or [C] Commingling - Storage - Measurement DHC CTB PLC PC O	LS 🗌 OLM	
	[C]	Injection - Disposal - Pressure Increase - Enhanced Oi WFX PMX SWD PI PI E		· .
	[D]	Other: Specify		
[2]	NOTIFICAT [A]	ION REQUIRED TO: - Check Those Which Apply, or Working, Royalty or Overriding Royalty Interest		
	(B)	Offset Operators, Leaseholders or Surface Owner		
	[C]	Application is One Which Requires Published Le	gal Notice	; · ·
	[D]	Notification and/or Concurrent Approval by BLN U.S Bureau of Land Management - Commissioner of Public Lands, State Li	f or SLO and Office	
	(E)	For all of the above, Proof of Notification or Pub	lication is Attached, and/or	•
	[F]	☐ Waivers are Attached		
[3]		CURATE AND COMPLETE INFORMATION REQ ATION INDICATED ABOVE.	QUIRED TO PROCESS	ГНЕ ТҮРЕ
	oval is <mark>accurate</mark> a	TION: I hereby certify that the information submitted wand complete to the best of my knowledge. I also undersequired information and notifications are submitted to the	tand that no action will be	
	Note	: Statement must be completed by an Individual-with managerial	and/or supervisory capacity.	مدود
	Debora L. Wilho Print or Type Na		Regulatory Analyst Title	10/6/16 Date
	• •		dwilbourn@conche e-mail Address	

DISTRICT 1
1025 M. FRENCH DR., HODBS. NA 08240
Phome (076) 377-4161 Fau (076) 339-0720

State of New Mexico

HOURS, NA 08240 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

MITESIA, NM 68210

1220 SOUTH ST. FRANCIS DR. Santa Fe, New Mexico 87505

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

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (800) 334-8178 Pag: (800) 334-8170
DISTRICT IV
1970 S. ST., FRANCIS DE., SANTA JE, RM 87504
Phone: (805) 478-8408 Pag: (865) 479-8408

C AMENDED REPORT

API Number 30-015-43670	Pont Code 39350	•	PLAT Pool Name n Ridge; Bone Spring
Property Code 39847	Property Name BULTACO STATE		Well Number 3H
05RID No. 229137	•	ator Name RATING, LLC	Elevation 3478.7'

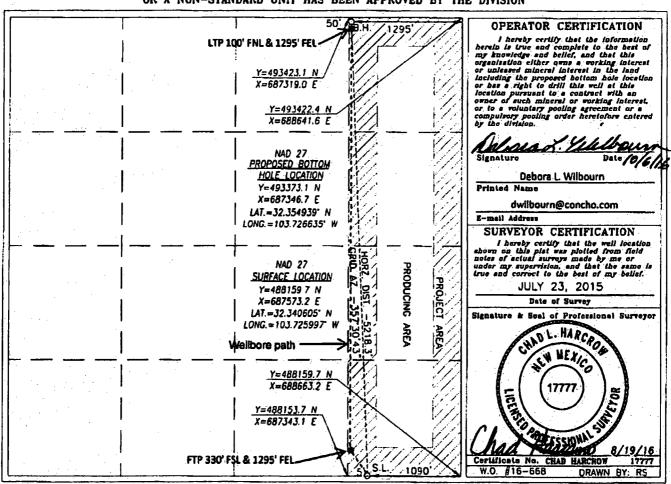
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Р	36	22 - S	31-E		5	SOUTH	1090	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Rango	Lot 1dn	Feet from the	North/South line	Feet from the	East/West line	County
Α	36	22-S	31-E		50	· · NORTH	1295	EAST	EDDY
Dedicated Acre	Joint e	r Infill C	acidatica	Code Or	der No.	*************************************	·	<u> </u>	
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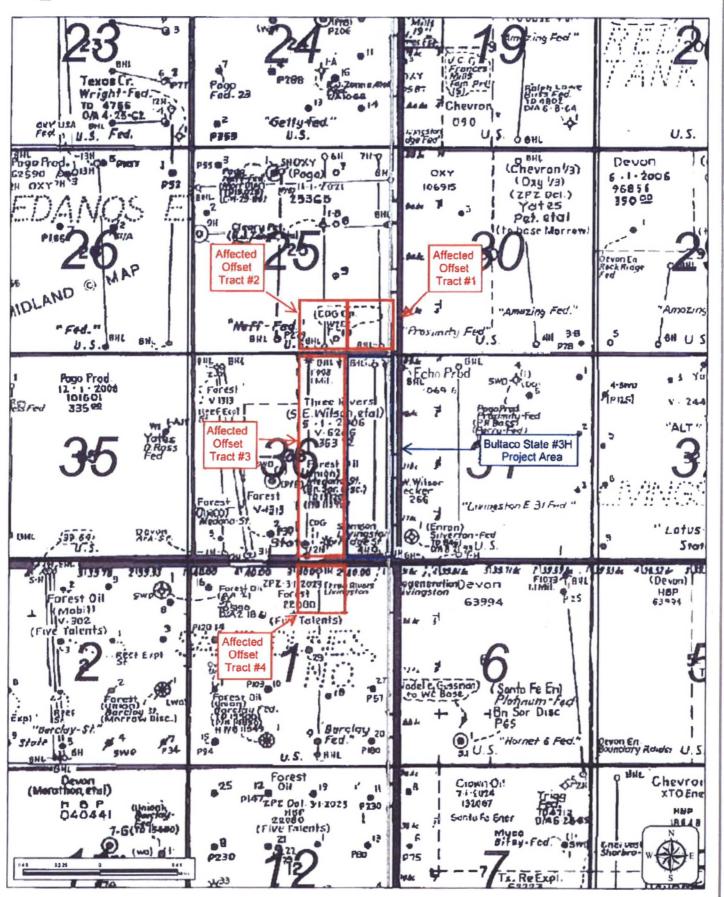
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION





T22S-R31E

Bultaco State #3H

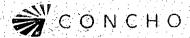


Bultaco State #3H. API #30-015-43670

Application for Non Standard Location Notification List

Date Sent	Initials	Tract	Sent Certified Return Receipt to:	Receipt No.	Rec'd
10/05/16	DLW	1, 2	Oxy USA, Inc., P. O. Box 27570, Houston, TX 77277	7013 3020 0000 8749 9108	
10/05/16	DLW	3	James R. & Robin L. Bartel, 96 Whitney, Cody, WY 82414-8011	7013 3020 0000 8749 9115	
10/05/15	DLW	3	John R. & Linda Stuckley, 4305 Crestgate Ave., Midland, TX 79707	7013 3020 0000 8749 9122	
10/05/16	DLW	3	David R & Gwen Smith; 14806 Barton Grove Lane, Humble, TX 77396	7013 3020 0000 8749 9139	
10/05/16	DLW	3	Leonard & Karen Trout, 4308 Crestgate Ave., Midland, TX 79707	7013 3020 0000 8749 9146	
10/05/16	DLW	3	Richard K. Barr Family Trust, Beverly J. Barr, Trustee, 8027 Chalk Knoll Or., Austin, TX 78735	7013 3020 0000 8749 9153	
10/05/16	DLW	3	Scott E. Wilson Bypass Trust, Cynthia M. Wilson, Trustee, 4601 Mirador Dr., Austin, TX 79735	7013 3020 0000 8749 9160	
10/05/16	DLW	4	Devon Energy Production Company, LP, 333 West Sheridan Ave.; Oklahoma City, OK 73102	7013 3020 0000 8749 9177	

Mailed 10/5/16
Debora L. Wilbourn



Certified Mall - Return Receipt Requested 7013 3020 0000 8749 9177

Devon Energy Production Company, LP 333 West Sheridan Ave. Oklahoma City, OK 73012

Re: Application for Unorthodox Well Location

Bultaco State #3H API No. 30-015-43670

SHL: 5' FSL & 1090' FEL (Unit P), Section 36-T22S-R31E

Proposed First Perf: 330' FSL & 1295' FEL

BHL: 50' FNL & 1295' FEL (Unit A), Section 36-T22S-R31E

Proposed Last Perf: 100' FNL & 1295' FEL

Eddy County, NM

Gentlemen:

Attached is a copy of COG Operating LLC (COG)'s Application for Unorthodox Well Location for the Bultaco State #3H well, the SHL of which is located in Section 36-T22S-R31E, Eddy County, New Mexico. You are receiving a second notice of this Application due to one of the offset owners being inadvertently left off the first round of notifications. There have been no changes to the application itself: If you have any objection to this Application, notification should be given to OCD within 20 days of receipt of this letter.

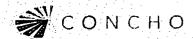
COG is seeking approval of the unorthodox location in order to allow for the efficient recovery of reserves thereby preventing waste.

If you have any questions regarding this application, please contact Danny Kldwell at 432-685-2535 or Greg Gelst at 432-221-0452 or by email at dkidwell@concho.com or ggeist@concho.com.

Sincerely.

Debora L. Wilbourn Regulatory Analyst

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Oxy USA, Inc P. O. Box 27570 Houston, TX 77277

Re: Application for Unorthodox Well Location

Bultaco State #3H API No. 30-015-43670

SHL: 5' FSL & 1090' FEL (Unit P) Section 36-T22S-R31E

Proposed First Perf. 330 FSL & 1295 FEL

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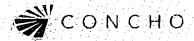
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Sincerely.

Debora L. Wilbourn Regulatory Analyst

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Richard K. Barr Family Trust Beverly J. Barr, Trustee 8027 Chalk Knoll Drive Austin, TX 78735

Re: Application for Unorthodox Well Location

Bultaco State #3H API No. 30-015-43870

SHL 5 FSL & 1090 FEL (Unit P), Section 36-T228-R31E

Proposed First Perf. 330' FSL & 1295' FEL

BHL: 50' FNL & 1295' FEL (Unit A), Section 36-T22S-R31E

Proposed Last Perf: 100' FNL & 1295' FEL

Eddy County, NM

Dear Ms. Barr.

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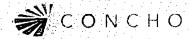
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Sincerely, Debara L'Elelbaurn

Debora L. Wilbourn Regulatory Analyst



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James R. & Robin L. Bartel 96 Whitney Cody, WY 82414-8011

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Re:

Application for Unorthodox Well Location

Bultaco State #3H

API No. 30-015-43670

SHL

5' FSL & 1090' FEL (Unit P) Section 36-T22S-R31E

Proposed First Perf: 330' FSL & 1295' FEL

50' FNL & 1295' FEL (Unit A), Section 36-T22S-R31E

Proposed Last Perf. 100' FNL & 1295' FEL

Eddy County, NM

Dear Mr. and Mrs. Bartel:

Attached is a copy of COG Operating LLC (COG)'s Application for Unorthodox Well Location for the Bultaco State #3H well, the SHL of which is located in Section 36-T22S-R31E, Eddy County New Mexico You are receiving a second notice of this Application due to one of the offset owners being inadvertently left off the first round of notifications. There have been no changes to the application itself 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 Danny Kidwell at 432-685-2535, or Greg Geist at 432-221-0452 or by email at dkidwell@concho.com or ggeist@concho.com.

Sincerely, Debors of Ellebourn

Debora L. Wilbourn

Regulatory Analyst



Certified Mail - Return Receipt Requested 7013 3020 0000 8749 9139

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David R & Gwen Smith 14806 Barton Grove Lane Humble, TX 77396

Re.

Application for Unorthodox Well Location

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Bultaco State #3H API No: 30-015-43670

5' FSL & 1090' FEL (Unit P) Section 36-T22S-R31E

Proposed First Perf: 330 FSL & 1295 FEL

BHL:

50' FNL & 1295' FEL (Unit A), Section 36-T22S-R31E

Proposed Last Perf. 100' FNL & 1295' FEL

Eddy County, NM

Dear Mr and Mrs. Smith:

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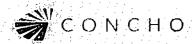
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Sincerely, Debara L'Ellbourn

Debora L. Wilbourn Regulatory Analyst

Enclosure

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John R. & Linda Stuckley 4305 Crestgate Ave. Midland, TX 79707

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Re: Application for Unorthodox Well Location

Bultaco State #3H API No: 30-015-43670

SHL: 5' FSL & 1090' FEL (Unit P), Section 36-T22S-R31E

Proposed First Perf: 330' FSL & 1295 FEL

BHL: 50' FNL & 1295' FEL (Unit A), Section 36-T22S-R31E

Proposed Last Perf: 100' FNL & 1295 FEL

Eddy County, NM

Dear Mr. and Mrs. Stuckley:

Attached is a copy of COG Operating LLC (COG)'s Application for Unorthodox Well Location for the Bultaco State #3H well, the SHL of which is located in Section 36-T22S-R31E, Eddy County New Mexico. You are receiving a second notice of this Application due to one of the offset owners being inadvertently left off the first round of notifications. There have been no changes to the application itself.

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Debora L. Wilbourn Regulatory Analyst

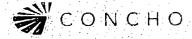
Enclosure

CORPORATE ADDRESS ARTESIA WEST OFFICE

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Walter Letting

THE RESIDENCE



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THE RESERVE

Leonart & Karen Trout 4308 Crestgate Ave Midland, TX 79707

Re: Application for Unorthodox Well Location

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Bultaco State #3H API No. 30-015-43670

SHL: 5 FSL & 1090 FEL (Unit P). Section 36-722S-R31E

Proposed First Perf. 330' FSL & 1295' FEL

BHL: 50' FNL & 1295' FEL (Unit A), Section 36-T22S-R31E

Proposed Last Perf: 100' FNL & 1295' FEL

Eddy County, NM

Dear Mr. and Mrs. Trout.

Attached is a copy of COG Operating LLC (COG)'s Application for Unorthodox Well Location for the Bultaco State #3H well, the SHL of which is located in Section 36-T22S-R31E, Eddy County, New Mexico. You are receiving a second notice of this Application due to one of the offset owners being inadvertently left off the first round of notifications. There have been no changes to the application itself.

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Sincerely,

Debora L. Wilbourn Regulatory Analyst

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Enclosure

COLLEGE PROPERTY.



October 6:2016

Certified Mail - Return Receipt Requested 7013 3020 0000 8749 9160

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Sand to the Wallship

Scott E. Wilson Bypass Trust Cynthia M. Wilson, Trustee 4601 Mirador Drive Austin, TX 79735

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Application for Unorthodox Well Location Re:

API No. 30-015-43670 Bultaco State #3H

5' FSL & 1090' FEL (Unit P) Section 36-T22S-R31E SHL

Proposed First Perf: 330 FSL & 1295 FEL

50' FNL & 1295' FEL (Unit A), Section 36-T22S-R31E BHL:

Proposed Last Perf: 100' FNL & 1295' FEL

Eddy County, NM

Dear Ms. Wilson:

Attached is a copy of COG Operating LLC (COG)'s Application for Unorthodox Well-Location for the Bultaco, State #3H; well, the SHL of which is located in Section 36-T22S-R31E, Eddy County, New Mexico You are receiving a second notice of this Application due to one of the offset owners being inadvertently left off the first round of notifications. There have been no changes to the application itself If you have any objection to this Application, notification should be given to OCD within 20 days of receipt of this letter

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Sincerely. lebora L. Welbourn

Sept. 15. 15

Debora L. Wilbourn Regulatory Analyst

Enclosure

The state of CORPORATE ADDRESS

ONE CONCHO CENTER 1500 WEST ILLINOIS AVENUE (MIDLAND, TEXAS 79701 2208 MAIN STREET (ARTESIA NEW MEXICO 882)0 P432,683,7443 | F432,683,7441

ARTESIA WEST OFFICE

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September 7, 2016

Oxy USA, Inc. P. O. Box 27570 Houston, TX 77277

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Application for Unorthodox Well Location Re.

Bultaco State #3H

API No. 30-015-43670

SHL:

5' FSL & 1090' FEL (Unit P), Section 36-T22S-R31E

Proposed First Perf: 330' FSL & 1295' FEL

BHL: 50' FNL & 1295' FEL (Unit A), Section 35-T22S-R31E

Proposed Last Perf: 100' FNL & 1295' FEL

Eddy County, NM

Gentlemen:

Attached is a copy of COG Operating LLC (COG)'s Application for Unorthodox Well Location for the Bullaco State #3H well, the SHL of which is located in Section 36-T22S-R31E, Eddy 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 Danny Kidwell at 432-685-2535 or Gree Geist at 432-221-0452 or b

Chassak	SENDERICOMPLETE THIS SECTION AS CONTROL	COMPLETE, INSTRUCTION ON DELIVERY		
Sincerely, Debase X Welbon	Complete items 1, 2, and 3, Also complete items 4 if Restricted Delivery is desired. Print your name and address on the reverse	A. Signature		
Debora L. Wilbourn Regulatory Analyst	so that we can return the card to you. Attach this card to the back of the maliplece, or on the front if space permits.	B-Received by (Printed Marrie) C. Date of Delive		
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October 6: 2016

James R. & Robin L. Bartel 96 Whitney Cody WY 82414-8011

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Re. Application for Unorthodox Well Location

Bultaco State #3H API No. 30-015-43670

SHL 5 FSL & 1090' FEL (Unit P), Section 36-T22S-R31E

Proposed First Perf: 330 FSL & 1295 FEL

BHL 50' FNL & 1295' FEL (Unit A), Section 36-T22S-R31E

Proposed Last Perf: 100' FNL & 1295' FEL

Eddy County, NM

Dear Mr. and Mrs. Bartel

Attached is a copy of COG Operating LLC (COG)'s Application for Unorthodox Well Location for the Bultaco State #3H well, the SHL of which is located in Section 36-T22S-R31E, Eddy County New Mexico. You are receiving a second notice of this Application due to one of the offset owners being inadvertently left off the first round of notifications. There have been no changes to the application itself by 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.

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Greg Geist at 432-221-0452 or b	SECONDO DE LA COMPANSIONE DEL COMPANSIONE DE LA	COMPANY THE SAME HAS DESCRIBED TO THE SAME PARTY OF THE SAME PARTY
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Debora L. Willbourn Regulatory Analyst	1. Article Addressed to:	D. Is delivery address different from Item 1?
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COLLEGE HOLD

October 6, 2016

John R & Linda Stuckley 4305 Crestgate Ave. Midland, TX 79707

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Re Application for Unorthodox Well Location

Bultaco State #3H

API No. 30-015-43670

SHL

5' FSL & 1090' FEL (Unit P). Section 36-T22S-R31E

Proposed First Perf: 330' FSL & 1295' FEL

BHL 50'

50' FNL & 1295' FEL (Unit A), Section 36-T22S-R31E

Proposed Last Perf. 100 FNL & 1295 FEL

Eddy County, NM

Dear Mr and Mrs Stuckley:

Attached is a copy of COG Operating LLC (COG)'s Application for Unorthodox Well Location for the Bultaco State #3H well, the SHL of which is located in Section 36-T22S-R31E, Eddy County, New Mexico. You are receiving a second notice of this Application due to one of the offset owners being inadvertently left off the first round of notifications. There have been no changes to the application itself. 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 regarded Greg Geist at 432-221-0452 or by Sincerely,	tern 4 if Restricted Delivery is desired. Print your name and address on the reverse	A. Signature X. Agent Addresses B. Received by (Printed Name) C. Date of Dollvan
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	PS Form 3811, July 2013 Domestic Ret	um Receipt



David R & Gwen Smith 14806 Barton Grove Lane Humble TX 77396

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14806 BART	8 GWEN SMITH ON GROVE LANE LE TX 77396 Sec Reverse for instructions
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Re: Application for Unorthodox Well Location

Bultaco State #3H

API No. 30-015-43670

SHL 5' FSL & 1090' FEL (Unit P), Section 36-T22S R31E

子篇读出 高兴的人

Proposed First Perf. 330' FSL & 1295' FEL

50' FNL & 1295' FEL (Unit A). Section 36-T22S-R31E

Proposed Last Perf: 100' FNL & 1295' FEL

Eddy County, NM

Dear Mr and Mrs. Smith:

Attached is a copy of COG Operating LLC (COG)'s Application for Unorthodox Well Location for the Bultaco, State #3H, well, the SHL of which is located in Section 36-T22S-R31E, Eddy County, New Mexico. You are receiving a second notice of this Application due to one of the offsel owners being inadvertently left off the first round of notifications. There have been no changes to the application itself. If you have any objection to this Application, notification should be given to OCD within 20 days of receipt of this letter. in a serie of the second of the series of

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

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September 7, 2016

Leonart & Karen Trout 4308 Crestgate Ave. Midland TX 79707

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Re

Application for Unorthodox Well Location

Bultaco State #3H

API No. 30-015-43670

SHL: 5' FSL & 1090' FEL (Unit P), Section 38-T22S-R31E

Proposed First Perf: 330' FSL & 1295' FEL

BHL:

50 FNL & 1295' FEL (Unit A), Section 35-T22S-R31E

Proposed Last Perf: 100' FNL & 1295' FEL

Eddy County, NM

Dear Mr. and Mrs. Trout:

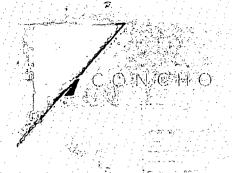
Priont 432.683.7443 | Fax 432.683 7441

Attached is a copy of COG Operating LLC (COG)'s Application for Unorthodox Well Location for the Bultaco State #3H well, the SHL of which is located in Section 36-T22S-R31E, Eddy County, New Mexico. You are being sent a copy of this Application per OCD's requirement to notify the working interest owners in 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 Danny Kidwell at 432-885-2535 or Greg Gelst at 432-221-0452 or

Sincerely. Complete Items 1, 2, and 3. Also complete Item 4 If Restricted Delivery is desired. Print your name and address on the reverse Date of Deliver so that we can return the card to you. Debora L. Wilbourn Attach this card to the back of the maliplece, or on the front if space permits. Regulatory Analyst 1. Article Addressed to: If YES, enter delivery address below: Enclosure LEONARD & KAREN TROUT 4308 CRESTGATE AVE MIDLAND TX 79707 3. Service Type Priority Mail Express* Cortified Mail Registered ☐ Return Receipt for Merchandle I Insured Mail Collect on Delivery CORPORATE ADDRES: One Concho Center | 600 West Illinois Avenu-☐ Yes



4 34 5 32

Richard K. Barr Family Trust Beverly J Barr Trustee 8027 Chalk Knoll Drive Austin TX 78735

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Application for Unorthodox Well Location Re

Bultaco State #3H

API No. 30-015-43670

SHL: 5' FSL & 1090' FEL (Unit P), Section 36-T22S-R31E

Proposed First Perf: 330' FSL & 1295' FEL

BHL: 50' FNL & 1295' FEL (Unit A), Section 36-T22S-R31E

Proposed Last Perf: 100 FNL & 1295' FEL

Domestic Return Receipt

Eddy County, NM

Dear Ms Barr.

PS Form 3811, July 2013

Attached is a copy of COG Operating LLC (COG)'s Application for Unorthodox Well, Location for the Bultaco State #3H well, the SHL of which is located in Section 36-T22S-R31E, Eddy County New Mexico You are receiving a second notice of this Application due to one of the offset owners being inadvertently left off the first round of notifications. There have been no changes to the application itself If you have any objection to this Application, notification should be given to OCD within 20 days of receipt. of this letter.

e efficient recovery of reserves

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Complete Items 1, 2, and 3. Also complete Item 4 if Restricted Delivery is desired. Print your name and address on the reverse.	A Signafuto El Agent 19 Kidwell a	t 432-685-2535 or <u>m</u>
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September 7, 2016

Scott E Wilson Bypass Trust Cynthia M. Wilson, Trustee 4601 Mirador Drive Austin, TX 79735

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Re

28 Form 3811, July 2013

Application for Unorthodox Well Location

Bultaco State #3H

API No. 30-015-43670

5' FSL & 1090' FEL (Unit P), Section 36-T22S-R31E

Proposed First Perf. 330' FSL & 1295' FEL

50' FNL & 1295' FEL (Unit A), Section 35-T22S-R31E

Proposed Last Perf. 100' FNL & 1295' FEL

Eddy County, NM

Dear Ms Wilson

Attached is a copy of COG Operating LLC (COG)'s Application for Unorthodox Well Location for the Bultaco State #3H well, the SHL of which is located in Section 36-T22S-R31E, Eddy County, New Mexico You are being sent a copy of this Application per OCD's requirement to notify the working interest owners in 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.

<u></u>	IIIY IXIUWEII 81 432-003-2939 UI
ENDERS COMPLETE SHIP SECTION	@concho.com
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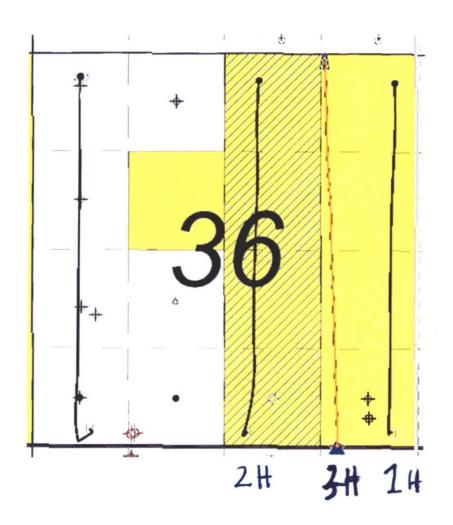
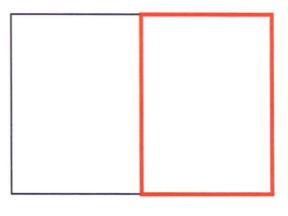


EXHIBIT B

Bultaco 1H & 3H E2E2 Bultaco 2H (APO) W2E2

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Richard K Barr Fmaily Trust	0.025	0.00625
Leonard Trust	0.008333	0.00208333
John Stuckley	0.008334	0.00208334
James Bartel	0.025	0.00625
Scott Wilson Bypass Trust	0.025	0.00625



E2 JOA dated 1/1/2006



NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -1220 South St. Francis Drive, Santa Fe, NM 87505



		ADMINISTR	LATIVE APP	LICATION	CHECKLIST	<u></u>
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approval is ac	curate an	d complete to the		edge. I also unde	with this application for ad rstand that no action will be he Division.	
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	Type Nan		Signature		Title	Date
i. Tanangan				· ·	dwilbourn@conch	



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

Application for Unorthodox Well Location

Bultaco State #3H

API No. 30-015-43670

SHL:

5' FSL & 1090' FEL (Unit P), Section 36-T22S-R31E

Proposed First Perf: 330' FSL & 1295' FEL

50' FNL & 1295' FEL (Unit A), Section 36-T22S-R31E

Proposed Last Perf. 100' FNL & 1295' FEL

Eddy County, NM

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 Bultaco State #3H 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 Bultaco State #3H well will allow for efficient recovery of reserves thereby preventing waste and improving well performance.

The affected offset tracts are the SE/4SE/4 and SW/4SE/4 of Sec. 25-T22S-R31E where Oxy USA, Inc. is the designated operator, the W/2E/2 of Sec. 36-T22S-R31E where COG Operating, LLC, is the designated operator, and Lot 2 of Sec. 1-T23S-R31E where Devon Energy Production Company, LP, is the designated operator. The notice letters advise Oxy USA, Inc., Devon Energy Production Company, LP, and the working interest owners under W/2E/2 Sec. 36, that should they have an objection 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 575-748-6958 or by email at dwilbourn@concho.com.

Sincerely,

Debora L. Wilbourn Regulatory Analyst

Enclosure

cc: OCD Artesia

Debora L. Elelbourn

JAMES BRUCE ATTORNEY AT LAW

POST OFFICE BOX 1056 SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213 SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone) (505) 660-6612 (Cell) (505) 982-2151 (Fax)

jamesbrut a nol.com

October 31, 2016

Via e-mail

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

Re:

COG Operating LLC

Administrative application for an unorthodox oil well location

Bultaco State Well No. 3H E/2E/2 §36-22S-31E Eddy County, New Mexico

Dear Mr. McMillan:

Devon Energy Production Company, L.P. ("Devon") objects to the above application. Granting the application will impair Devon's correlative rights in offsetting acreage.

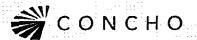
Very truly yours,

James Bruce

Attorney for Devon Energy Production Company, L.P.

CC:

Debora L. Wilbourn (via e-mail) Ocean Munds-Dray (via e-mail)



December 9, 2016

Devon Energy Corporation 6488 Seven Rivers Highway Artesia, New Mexico 88210

Attention: Mr. Cole Metcalf

Re:

Bultaco State 3H Section 36: E¼SE¼

Township 22 South - Range 31 East

Eddy County, New Mexico

Dear Cole,

This letter is to confirm in writing, the agreement between COG Operating LLC ("COG") and Devon Energy Corporation ("Devon") to settle the issue of COG's placement of its Bultaco State 3H well pad, which was constructed partially in Section 1, T23S-R31E of the Tomb Raider/Bultaco State Drill Island.

COG, at Devon's recommendation, agrees to use a buried base beam for its anchors and reclaim a portion of the referenced well pad, not more than forty feet (40') from the wellhead of the Bultaco State 3H well, such work to commence within six (6) months after the date of this letter. The intent is to reclaim as much of the well pad as possible, up to forty feet (40') South from the wellhead, leaving sufficient access to the buried base beam. A plat of the reclamation is attached to this letter agreement.

COG further agrees to reimburse Devon for all reasonable costs incurred if Devon should need to re-survey its well pad due to the existence of COG's Bultaco State 3H well pad.

Devon further agrees to withdraw its protest to NMOCD of COG's Non-Standard Location for the Bultaco State 3H well, such action to be taken within ten (10) days after the Date of this letter. Your signature below constitutes Devon's agreement to the terms of this letter agreement.

Sincerely, COG OPERATING LLC

Danny Kidwell

Senior Landman, NM Basin

Janny Kirlevell

AGREED TO AND ACCEPTED BY:

COG OPERATING LLC

Jeff Gasch

NM Asset Manager

Date: ______

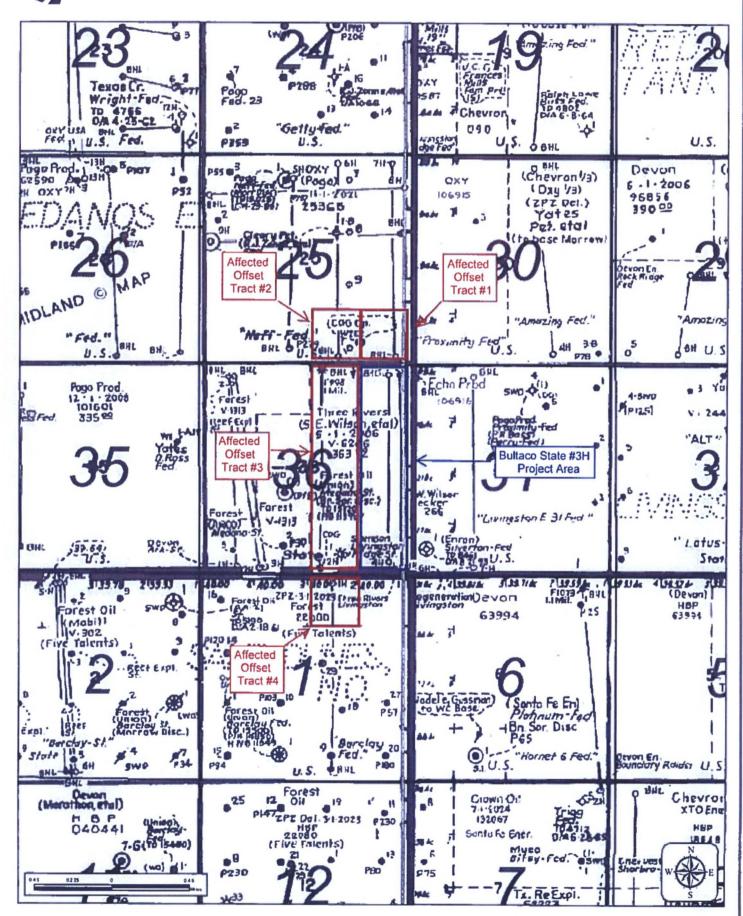
DEVON ENERGY CORPORATION

By: S. Scorr Prather

Title: Manager - Land

Date: 12/14/-2016

SECTION 36, TOWNSHIP 22 SOUTH, RANGE 31 EAST, N.M.P.M. EDDY COUNTY NEW MEXICO 600' OHE PROPOSED POLY FLOWLING CALICHE ROAD 62' PROPOSED ROAD NE COR. WELL PAD 150' NORTH NW COR 3478.2 OFFSET WELL PAD Lê 50 3476.7 3476.3 Road SECTION SECTIO BULTACO STATE #3H 170' WEST 170' EAST OFFSET OFFSET - 3478 3478.1 3480.9 ELEV LAT. = 40 100 RECLAIMED SW COR. WELL PAD 190' SOUTH Simops WELL PAD 3481.1 OFFSET 3480.01 3481.3 Devor ALL FEATURES ARE EXISTING UNLESS OTHERWISE NOTED 600' DIRECTIONS TO LOCATION: FROM THE INTERSECTION OF HWY 128 AND RED RD., GO NORTH ON RED RD. APPROX. 6.5 MILES. THEN TURN RIGHT (EAST) AND GO APPROX. 0.4 MILES; THEN TURN RIGHT (SOUTH) AND GO APPROX. 0.15 MILES; THEN TURN LEFT (SOUTHEAST) AND GO APPROX. 0.2 MILES TO THE EXISTING LIVINGSTON RIDGE 36 ST. #1; THE CONTINUE ACROSS PAD AND EXIT ON THE SOUTEAST CORNER; THEN CONTINUE SOUTHEAST 0.15 MILES; THEN PROPOSED LOCATION IS APPROX. 275 FEET SOUTH. 200 Feet 100 Scale: 1 = 100' **OPERATING** COG BULTACO STATE #3H WELL
LOCATED 5 FEET FROM THE SOUTH LINE
AND 1090 FEET FROM THE EAST LINE OF SECTION 36,
TOWNSHIP 22 SOUTH, RANGE 31 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO HARCROW SURVEYING, LLC 2314 W. MAIN ST. ARTESIA, N.M. 88210 PH: (575) 746-2158 FAX: (575) 746-2158 c.harcrow@harcrowsurveying.com SURVEY DATE: JULY 23, 2015 PAGE: OF DRAFTING DATE: JULY 27, 2015 APPROVED BY: CH DRAWN BY: WN FILE: 15-718



Bultaco State #3H API #30-015-43670

Application for Non Standard Location Notification List

Date Sent	Initials	Tract	Sent Certified Return Receipt to:	Receipt No.	Rec'd
10/05/16	DLW	1, 2	Oxy USA, Inc., P. O. Box 27570, Houston, TX 77277	7013 3020 0000 8749 9108	
10/05/16	DLW	3 🗳	James R. & Robin L. Bartel, 96 Whitney, Cody, WY 82414-8011	7013 3020 0000 8749 9115	:
10/05/16	DLW	3 🗸	John R. & Linda Stuckley, 4305 Crestgate Ave., Midland, TX 79707	7013 3020 0000 8749 9122	
10/05/16	DLW	-3 1/	David R & Gwen Smith, 14806 Barton Grove Lane, Humble, TX 77396	7013 3020 0000 8749 9139	
10/05/16	DLW	3 V	Leonard & Karen Trout, 4308 Crestgate Ave., Midland, TX 79707	7013 3020 0000 8749 9146	
10/05/16	DLW	3 🗸	Richard K. Barr Family Trust, Beverly J. Barr, Trustee, 8027 Chalk Knoll Dr., Austin, TX 78735	7013 3020 0000 8749 9153	
10/05/16	DLW	3 V	Scott E. Wilson Bypass Trust, Cynthia M. Wilson, Trustee, 4601 Mirador Dr., Austin, TX 79735	7013 3020 0000 8749 9160	
10/05/16	DLW	4	Devon Energy Production Company, LP, 333 West Sheridan Ave., Oklahoma City, OK 73102	7013 3020 0000 8749 9177	:

Mailed 10/5/16 Debora L. Wilbourn English

Customer Service

USPS Mobile

Register / Sign In

■USPS.COM'

USPS Tracking®

Still Have Questions? Browse our FAQs >



Available Actions

Tracking Number: 70133020000087499177

Updated Delivery Day: Tuesday, October 11, 2016

Product & Tracking Information

Postal Product:

Features: Certified Mail

DATE & TIME

STATUS OF ITEM

LOCATION

October 11, 2016 , 7:50 am

Delivered

OKLAHOMA CITY, OK 73102

Your item was delivered at 7.50 am on October 11, 2016 in OKLAHOMA CITY, OK 73102

October 11, 2016 , 7 40 am

Arrived at Unit

OKLAHOMA CITY, OK 73102

October 9, 2016 , 7.10 am

In Transit to Destination

October 8, 2016, 1.10 am

Departed USPS Facility

OKLAHOMA CITY, OK 73107

October 7, 2016, 2.28 pm

Arrived at USPS Facility

OKLAHOMA CITY, OK 73107

October 6 2016 , 11 49 pm

Departed USPS Facility

LUBBOCK, TX 79402

October 6, 2016, 9:43 pm

Arrived at USPS Facility

LUBBOCK, TX 79402

Track Another Package

Tracking (or receipt) number

Track It

Manage Incoming Packages

Track all your packages from a dashboard No tracking numbers necessary

Sign up for My USPS



1/11/2017



December 9, 2016

Devon Energy Corporation 6488 Seven Rivers Highway Artesia, New Mexico 88210

Attention: Mr. Cole Metcalf

Re:

Bultaco State 3H Section 36: E¼SE¼

Township 22 South - Range 31 East

Eddy County, New Mexico

Dear Cole.

This letter is to confirm in writing, the agreement between COG Operating LLC ("COG") and Devon Energy Corporation ("Devon") to settle the issue of COG's placement of its Bultaco State 3H well pad, which was constructed partially in Section 1, T23S-R31E of the Tomb Raider/Bultaco State Drill Island.

COG, at Devon's recommendation, agrees to use a buried base beam for its anchors and reclaim a portion of the referenced well pad, not more than forty feet (40') from the wellhead of the Bultaco State 3H well, such work to commence within six (6) months after the date of this letter. The intent is to reclaim as much of the well pad as possible, up to forty feet (40') South from the wellhead, leaving sufficient access to the buried base beam. A plat of the reclamation is attached to this letter agreement.

COG further agrees to reimburse Devon for all reasonable costs incurred if Devon should need to re-survey its well pad due to the existence of COG's Bultaco State 3H well pad.

Devon further agrees to withdraw its protest to NMOCD of COG's Non-Standard Location for the Bultaco State 3H well, such action to be taken within ten (10) days after the Date of this letter. Your signature below constitutes Devon's agreement to the terms of this letter agreement.

Sincerely,		
COG OPERATING	LL	C

Danny Kidwell Senior Landman, NM Basin

Janny Rislevell

AGREED TO AND ACCEPTED BY:

Devon Energy Corporation

Jeff Gasch

By: S. Scorr Prather

NM Asset Manager

Date: 12/9/b

Date: 12/14/2016

McMillan, Michael, EMNRD

From:

McMillan, Michael, EMNRD

Sent:

Monday, October 31, 2016 1:54 PM

To:

'Debora Wilbourn'

Cc:

Jim Bruce

Subject:

Bultaco State Well No. 3H suspended application

Debora:

Your NSL application has been suspended for 30-days pending further review for the Bultaco State Well No. 3H.

Thank You

MICHAEL A. MCMILLAN

Engineering Bureau, Oil Conservation Division 1220 south St. Francis Dr., Santa Fe NM 87505 O; 505.476.3448 Michael.McMillan@state.nm.us JAMES BRUCE ATTORNEY AT LAW

POST OFFICE BOX 1056 SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213 SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone) (505) 660-6612 (Cell) (505) 982-2151 (Fax)

jamesbruc@aol.com

October 31, 2016

Via e-mail

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

Re: COG Operating LLC

Administrative application for an unorthodox oil well location

Bultaco State Well No. 3H E/2E/2 §36-22S-31E Eddy County, New Mexico

Dear Mr. McMillan:

Devon Energy Production Company, L.P. ("Devon") objects to the above application. Granting the application will impair Devon's correlative rights in offsetting acreage.

Very truly yours,

James Bruce

Attorney for Devon Energy Production Company, L.P.

cc: Debora L. Wilbourn (via e-mail)
Ocean Munds-Dray (via e-mail)

DISTRICT II 611 8. FIRST 5T., ARTESIA, NM 88210 Phone: (676) 748-1283 Fax: (576) 748-9720

State of New Mexico DISTRICT I
1930 N. PRENCE DR. BOBES. NM 98840 Energy, Minerals & Natural Resources Department
phone (873) 323-0951 (Fau) (875) 323-0752 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

DISTRICT IV 1220 S. ST. FRANCIS DE., SANTA FZ. NM 67603 Phunes (805) 476-3460 Far: (805) 476-3468

DISTRICT III 1000 RIO BRAZOS RD., AZTEC, NM 87410 Phone: (808) 334-6178 Fax: (808) 334-6170

O AMENDED REPORT

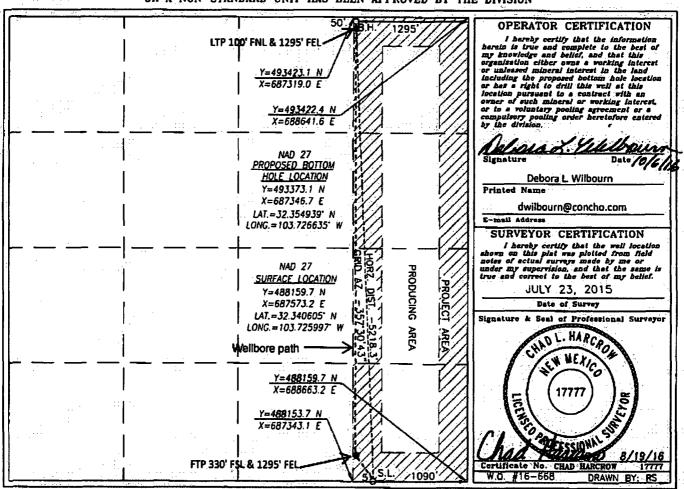
 	WELL	LOCATION	N AND	ACREAGE	DEDICATION	PLAT	
API Number 30-015-43670		Pool Code 39350		-	11 111 1	Pool Name on Ridge; Bone Sp	oring
Property Code 39847				perty Name CO STATI	3 · ·		Well Number
OGRID No. 229137		CC		RATING,	LLC		Elevation 3478.7'

UL or lot No. Section Township Range Lot Idn Feet from the North/South line East/West line Feet from the County P 22-S 36 31-E 5 SOUTH 1090 **EAST EDDY**

Surface Location

Bottom Hole Location if Different From Surface										
1	UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	Α	36	22-S	31-E		50	NORTH	1295	EAST	EDDY
	Dedicated Acres	Joint o	:		Code Or	der 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



From: Lowe, Leonard, EMNRD

Sent: Wednesday, October 5, 2016 2:01 PM

To: 'Debora Wilbourn'
Cc: Jones, William V, EMNRD

Subject: RE: NSL Application Public Notice - Bultaco State #3H

Importance: High

Debora Wilbourn,

OCD will discard your current NSL application request for Bultaco State No. 3H.

After you have sent out your entire required public notice, submit all information for NSL application review. Ensure you update your application to show all affected party tracts.

Once a complete application is received and the 20 day PN period ends review shall commence.

Thank you,

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 Cell: 505-930-6717 Fax: 505-476-3462

E-mail: leonard.lowe@state.nm.us

Website: http://www.emnrd.state.nm.us/ocd/

From: Debora Wilbourn [mailto:DWilbourn@concho.com]

Sent: Wednesday, October 5, 2016 1:10 PM

To: Lowe, Leonard, EMNRD < Leonard. Lowe@state.nm.us>

Cc: Jones, William V, EMNRD < William V. Jones@state.nm.us>; Melanie Wilson < MWilson@concho.com>

Subject: RE: NSL Application Public Notice - Bultaco State #3H

Thank you, Mr. Lowe. I was thinking maybe this was the problem, but was waiting on Melanie to come into the office to talk with her about it before calling you back. She concurred with you.

I will be notifying the other offset owner(s) and will send you that information as soon as I have it.

Debora Wilbourn

Regulatory Analyst NM Basin Asset Team dwilbourn@concho.com 575.748.6958



From: Lowe, Leonard, EMNRD [mailto:Leonard.Lowe@state.nm.us]

Sent: Wednesday, October 05, 2016 12:45 PM

To: Debora Wilbourn

Cc: Jones, William V, EMNRD

Subject: [External] NSL Application Public Notice

**** External email. Use caution. ****

Debora Wilbourn,

NSL Application

API No: 30-015-43670

Well: Bultaco State No. 3H, Section 36_22S_31E

Public notice is lacking for Unit B of Section 1_23S_31E

The First Perforation is 330.9 feet of the hypotenuse. The OCD procedure of the hypotenuse recognized for the set back is 467 feet. 330.9 feet is less than 467 feet, therefore public notice is required for this location for all affected parties.

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 Cell: 505-930-6717 Fax: 505-476-3462

E-mail: leonard.lowe@state.nm.us

Website: http://www.emnrd.state.nm.us/ocd/

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DATE N 9/8/2016 SUSPENSE

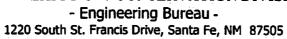
ENGINEER LRL

100GED 81 9/8/2016

TYPE NSL

_{АРР NO.} pKSC1625238825

NEW MEXICO OIL CONSERVATION DIVISION





		ADMINISTRATIVE APPLICATION	CHECKLIST			
	HIS CHECKLIST IS M	IANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCE WHICH REQUIRE PROCESSING AT THE DIVISION LEVE 81	PTIONS TO DIVISION RULES AN EL IN SANTA FE	ID REGULATIONS		
	[NSL-Non-Sta [DHC-Dow [PC-Po	ndard Location] [NSP-Non-Standard Proration Unit] nhole Commingling] [CTB-Lease Commingling] tol Commingling] [OLS - Off-Lease Storage] [OL [WFX-Waterflood Expansion] [PMX-Pressure Main [SWD-Salt Water Disposal] [IPI-Injection Pre	[PLC-Pool/Lease Commi .M-Off-Lease Measureme ntenance Expansion]	ngling] nt]		
[1]	TYPE OF AI	PPLICATION - Check Those Which Apply for [A] Location - Spacing Unit - Simultaneous Dedication NSL □ NSP □ SD	Bultaco 30-015-			
	Check [B]	COne Only for [B] or [C] Commingling - Storage - Measurement DHC CTB PLC PC	(39350) OLS OLM	on Ridge: Bone Spring		
	[C]	Injection - Disposal - Pressure Increase - Enhanced WFX PMX SWD IPI				
	[D]	Other: Specify				
[2]	NOTIFICAT [A]	ION REQUIRED TO: - Check Those Which Apply, Working, Royalty or Overriding Royalty Intere				
	[B]	Offset Operators, Leaseholders or Surface Own	ner			
	[C]	Application is One Which Requires Published	Legal Notice			
	[D]	Notification and/or Concurrent Approval by BI U.S. Bureau of Land Management - Commissioner of Public Lands, Stat	LM or SLO le Land Office			
	(E)	[E] For all of the above, Proof of Notification or Publication is Attached, and/or,				
	[F]	☐ Waivers are Attached				
[3]		CURATE AND COMPLETE INFORMATION RI ATION INDICATED ABOVE.	EQUIRED TO PROCES	SS THE TYPE		
	/al is accurate a	TION: I hereby certify that the information submitted and complete to the best of my knowledge. I also undequired information and notifications are submitted to the submitted t	erstand that no action will	administrative l be taken on this		
	Note	: Statement must be completed by an individual with manageri	al and/or supervisory capacity	, ,		
-	Debora L. Wilbor Print or Type Na		Regulatory Analyst Title	9/7/16 Date		
			dwilboum@con e-mail Add			



September 7, 2016

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

Re:

Application for Unorthodox Well Location

Bultaco State #3H

API No. 30-015-43670

SHL:

5':FSL & 1090' FEL (Unit P), Section 36-T22S-R31E

Proposed First Perf: 330' FSL & 1295' FEL

BHL:

50' FNL & 1295' FEL (Unit A), Section 35-T22S-R31E

Proposed Last Perf: 100' FNL & 1295' FEL

Eddy County, NM

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 Bultaco State #3H 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 Bultaco State #3H well will allow for efficient recovery of reserves thereby preventing waste and improving well performance.

The affected offset tracts are the SE/4SE/4 and SW/4SE/4 of Sec. 25-T22S-R31E where Oxy USA, Inc. is the designated operator, as well as the W/2E/2 of Sec. 36-T22S-R31E where COG Operating, LLC, is the designated operator. The notice letters advise Oxy USA, Inc., and the working interest owners under W/2E/2 Sec. 36, that should they have an objection 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 575-748-6958 or by email at dwilbourn@concho.com.

Sincerely,

Debora L. Wilbourn Regulatory Analyst

Enclosure

cc: OCD Artesia

Debora L. Elelbaurn

DISTRICT II 611 S. FIRST ST., ARTESIA, NM 88210 Phone: (878) 748-1263 Fax: (878) 748-9720

DISTRICT 1
State of New Mexico
1935 N. PRENCH BR. HUBBS, NM 65240
PROME (678) 283-4161 Pag: (879) 283-6770
Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR. Santa Fe, New Mexico 87505

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

DISTRICT III 1000 RIO BRAZOS RD., AZTEC, NM 87410 Phone: (608) 334-6178 Fax: (806) 334-6170 DISTRICT IV 1220 S. ST. FRANCIS DR., SANTA FR. NM 87503 Phone: (505) 476-3469 Paz; (505) 476-3462

Dedicated Acres

Joint or Infill

O AMENDED REPORT

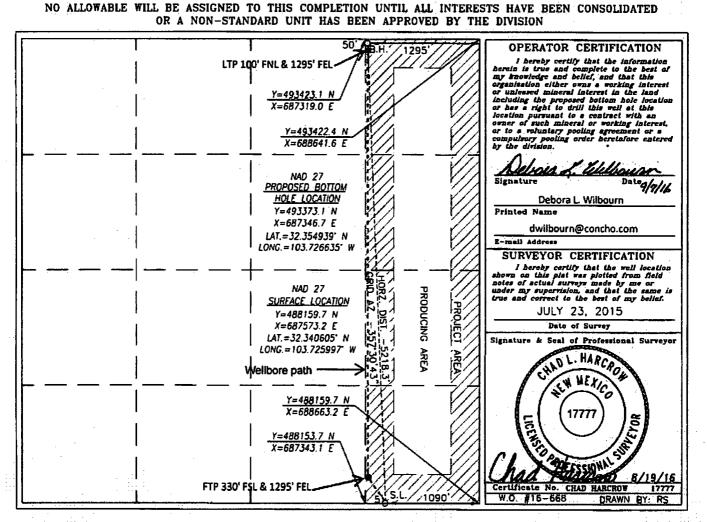
	LOCATION AND	ACREAGE	DEDICATION	PLAT	1 .	
API Number 30-015-43670	Pool Code		Livingsto	Peol Name n Ridge; Bon	e Spring	.:::
Property Code 39847		ACO STATE			Wel	Number 3H
OGRID No. 229137	-	erator Name ERATING, I	TC			evation 3478.7

Surface Location

UL or lot No.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
Р	36	22-S	31-E		5	SOUTH	1090	EAST	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
Δ .	36	22 - S	31-F		50	NORTH	1295	EAST	EDDY

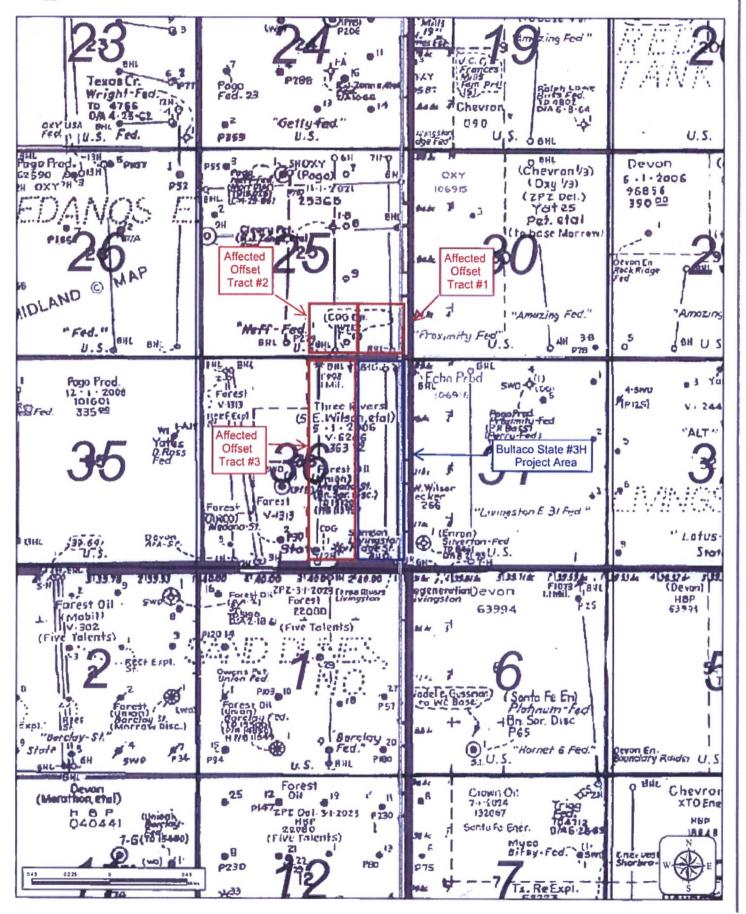
Order No. 160

Consolidation Code





Bultaco State #3H



Bultaco State #3H API #30-015-43670

Application for Non Standard Location Notification List

Date Sent	Initials	Tract	Sent Certified Return Receipt to:	Receipt No.	Rec'd
09/07/16	DLW	1, 2	Oxy USA, Inc., P. O. Box 27570, Houston, TX 77277	7016 0910 0000 2654 6740	
09/07/16	DLW	3	James R. & Röbin L. Bartel, 96 Whitney, Cody, WY 82414-8011	7016 0910 0000 2654 6757	
09/07/16	DLW	3	John R. & Linda Stuckley, 4305 Crestgate Ave., Midland, TX 79707	7016 0910 0000 2654 6764	<u>}.</u> 1:
09/07/16	DLW	3	David R & Gwen Smith, 14806 Barton Grove Lane, Humble, TX 77396	7016 0910 0000 2654 6771	
09/07/16	DLW	. 3	Leonard & Karen Trout, 4308 Crestgate Ave., Midland, TX 79707	7016 0910 0000 2654 6788	
09/07/16	DLW	3	Richard K. Barr Family Trust, Beverly J. Barr, Trustee, 8027 Chalk Knoll Dr., Austin, TX 78735	7016 0910 0000 2654 6795	
09/07/16	DLW	3	Scott E. Wilson Bypass Trust, Cynthia M. Wilson, Trustee, 4601 Mirador Dr., Austin, TX 79735	7016 0910 0000 2654 6801	• • • • • • • • • • • • • • • • • • • •

Mailed 9/7/16 Debora L. Wilbourn

From: Collins, Karen, EMNRD

Sent: Thursday, September 8, 2016 11:33 AM

To: Lowe, Leonard, EMNRD

Subject: RE: Oops!

Attachments: Bulltaco State #3H NSL Application.pdf

Hello,

Please see the attached ready to go document.

Thank you, Karen

Karen Collins

Executive Administrative Assistant
Oil Conservation Division
Energy, Minerals, & Natural Resources
1220 South St. Francis Drive
Santa Fe, New Mexico 87505
(505) 476-3488

From: Lowe, Leonard, EMNRD

Sent: Thursday, September 8, 2016 10:35 AM

To: Collins, Karen, EMNRD < Karen. Collins@state.nm.us>

Subject: FW: Oops!

Enjoy.....thank you Ma'am!

From: Debora Wilbourn [mailto:DWilbourn@concho.com]

Sent: Wednesday, September 7, 2016 3:40 PM

To: Lowe, Leonard, EMNRD < Leonard.Lowe@state.nm.us>

Subject: Oops!

I am so sorry —I had another well name in front of me when I sent that package. Should have read Bultaco State #3H. The only thing I have changed is the well name in this email.

Debora Wilbourn

Regulatory Analyst
NM Basin Asset Team
Concho West I 2208 W Main St I Artesia, NM I 88210-3720 I 575.748.6958

CONCHO

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From:

Lowe, Leonard, EMNRD

Sent:

Friday, January 13, 2017 2:24 PM

To:

'Debora Wilbourn'

Cc:

"Rand French'; Jones, William V, EMNRD; McMillan, Michael, EMNRD

Subject:

COG Operating NSL application Bultaco State No. 3H denied

Importance:

High

Debora Wilbourn,

After further review by the Engineering Bureau, your NSL application for the Bultaco State No. 3H has been denied. If the applicant wishes to further pursue this request, they may submit their case at a OCD hearing.

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 Cell: 505-930-6717

Fax: 505-476-3462

E-mail: leonard.lowe@state.nm.us

Website: http://www.emnrd.state.nm.us/ocd/

V.M. 01.16.17 T= 10:18

01.17.17 I returned call to Rand French Informed him of

SET TO HEARING YEGSON.

From:

Rand French < RFrench@concho.com>

Sent:

Thursday, January 12, 2017 2:28 PM

To:

Lowe, Leonard, EMNRD

Cc:

Debora Wilbourn

Subject:

FW: Scanned from a Xerox Multifunction Device

Attachments:

Scanned from a Xerox Multifunction Device.pdf

Mr. Lowe,

Thanks for helping us on this NSL application for the Bultaco State #3H. The attached are the "return receipts" along with a UPS tracking number showing that it was delivered to Devon Energy. Also attached is a letter signed by both COG Operating and Devon Energy stating that we have reached an agreement and that they will withdraw their protest of COG's Non-Standard Location.

If you need anything, please call me. 575-748-6965 or my cell 432-254-5556.

Thanks Rand

----Original Message----

From: PRT03-AW@concho.com [mailto:PRT03-AW@concho.com]

Sent: Thursday, January 12, 2017 1:29 PM

To: Rand French

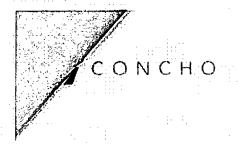
Subject: Scanned from a Xerox Multifunction Device

Please open the attached document. It was scanned and sent to you using a Xerox Multifunction Device.

Attachment File Type: pdf, Multi-Page

Multifunction Device Location: ARW Upstairs SE corner Device Name: PRT03-ARW

For more information on Xerox products and solutions, please visit http://www.xerox.com 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.



Richard K. Barr Family Trust Beverly J. Barr, Trustee 8027 Chalk Knoll Drive Austin, TX 78735

91.5		CEIPT Coverage Provided) Int www.usps.com.	
다 마 ()	Postage Centified Fee Return Receipt Fee Idorsement Required) astricted Delivery Fee Idorsement Required) bital Postage & Fees	s	1016/16
C0133	BEVERLY 8027 CH	BARR FAMILY T J BARR TRUST IALK KNOLL DF TIN TX 78735	'EE

Re:

Application for Unorthodox Well Location

Bultaco State #3H

API No. 30-015-43670

SHL: 5' FSL & 1090' FEL (Unit P), Section 36-T22S-R31E

Proposed First Perf. 330' FSL & 1295' FEL

BHL:

50' FNL & 1295' FEL (Unit A), Section 36-T22S-R31E

Proposed Last Perf: 100' FNL & 1295' FEL

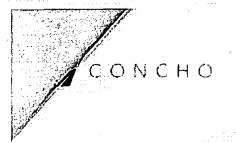
Eddy County, NM

Dear Ms. Barr.

Attached is a copy of COG Operating LLC (COG)'s Application for Unorthodox Well Location for the Bultaco State #3H well, the SHL of which is located in Section 36-T22S-R31E, Eddy County, New Mexico. You are receiving a second notice of this Application due to one of the offset owners being inadvertently left off the first round of notifications. There have been no changes to the application itself. 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 uporthodou location in addates " e efficient recovery of reserves

SENDER: COMPLETE THIS SECTION	Complete this seation on burnery		
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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.	B. Received by (Printed Name) C. Date of Delivery		
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James R. & Robin L. Bartel 96 Whitney Cody, WY 82414-8011

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Application for Unorthodox Well Location

Bultaco State #3H

API No. 30-015-43670

5' FSL & 1090' FEL (Unit P), Section 36-T22S-R31E

Proposed First Perf: 330' FSL & 1295' FEL

BHL: 50' FNL & 1295' FEL (Unit A), Section 36-T22S-R31E

Proposed Last Perf: 100' FNL & 1295' FEL

Eddy County, NM

Dear Mr. and Mrs. Bartel:

Attached is a copy of COG Operating LLC (COG)'s Application for Unorthodox Well Location for the Bultaco State #3H well, the SHL of which is located in Section 36-T22S-R31E, Eddy County, New Mexico. You are receiving a second notice of this Application due to one of the offset owners being inadvertently left off the first round of notifications. There have been no changes to the application itself. 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 regard Greg Geist at 432-221-0452 or b Complete items 1, 2, and 3. Also complete Item 4 If Restricted Delivery is desired. Sincerely, Print your name and address on the reverse so that we can return the card to you. C. Date of Pell Nelsons of Attach this card to the back of the maliplece, or on the front if space permits. Debora L. Wilbourn D. Is delivery address different from item 17. 1. Article Addressed to: If YES, enter delivery address below: Regulatory Analyst JAMES R & ROBIN L BARTEL Enclosure 96 WHITNEY DY WY 82414-8011 3. Service Type Certified Mail* Priority Mail Express* Return Receipt for Merchands Collect on Delivery

CORPORATE ADDRESS

4. Restricted Delivery? (Extra Fee)

10000 8749 9115

☐ Yes



David R & Gwen Smith 14806 Barton Grove Lane Humble, TX 77396

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Application for Unorthodox Well Location

Bultaco State #3H

API No. 30-015-43670

5' FSL & 1090' FEL (Unit P), Section 36-T22S-R31E

Proposed First Perf: 330' FSL & 1295' FEL

50' FNL & 1295' FEL (Unit A), Section 36-T22S-R31E

Proposed Last Perf: 100' FNL & 1295' FEL

Eddy County, NM

Dear Mr. and Mrs. Smith:

Attached is a copy of COG Operating LLC (COG)'s Application for Unorthodox Well Location for the Bultaco State #3H well, the SHL of which is located in Section 36-T22S-R31E, Eddy County, New Mexico. You are receiving a second notice of this Application due to one of the offset owners being inadvertently left off the first round of notifications. There have been no changes to the application itself. 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.

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	ny Kidwell at 432-685-2535 or @concho.com
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John R. & Linda Stuckley 4305 Crestgate Ave. Midland, TX 79707

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Application for Unorthodox Well Location

Bultaco State #3H

API No. 30-015-43670

SHL:

5' FSL & 1090' FEL (Unit P), Section 36-T22S-R31E

Proposed First Perf. 330' FSL & 1295' FEL

BHL:

50' FNL & 1295' FEL (Unit A), Section 36-T22S-R31E

Proposed Last Perf: 100' FNL & 1295' FEL

Eddy County, NM

Dear Mr. and Mrs. Stuckley:

Attached is a copy of COG Operating LLC (COG)'s Application for Unorthodox Well Location for the Bultaco State #3H well, the SHL of which is located in Section 36-T22S-R31E, Eddy County, New Mexico. You are receiving a second notice of this Application due to one of the offset owners being inadvertently left off the first round of notifications. There have been no changes to the application itself. 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.

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If you have any questions r Greg Geist at 432-221-0452		SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY		
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September 7, 2016

Leonart & Karen Trout 4308 Crestgate Ave Midland, TX 79707 U.S. Postal Service

GERIFIED MAIL RECEIPT

Domestic Mail Only

For delivery information Nisit our website at a way was used to be a appropriate of the sea appr

Re Application for Unorthodox Well Location

Bultaco State #3H API No. 30-015-43670

SHL: 5' FSL & 1090' FEL (Unit P), Section 36-T22S-R31E

Proposed First Perf: 330' FSL & 1295' FEL

BHL: 50 FNL & 1295' FEL (Unit A), Section 35-T22S-R31E

Proposed Last Perf: 100' FNL & 1295' FEL

Eddy County, NM

Dear Mr. and Mrs. Trout:

Attached is a copy of COG Operating LLC (COG)'s Application for Unorthodox Well Location for the Bultaco State #3H well, the SHL of which is located in Section 36-T22S-R31E, Eddy County, New Mexico. You are being sent a copy of this Application per OCD's requirement to notify the working interest owners in 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 Danny Kidwell at 432-585-2535

Greg Geist at 432-221-0452 or SENDER: COMPLETE THIS SECTION Sincerely. Complete Items 1, 2, and 3. Also complete Item 4 if Restricted Delivery is desired. hbeva & Ellbow. A Print your name and address on the reverse so that we can return the card to you. Debora L. Wilbourn Attach this card to the back of the maliplece, or on the front if space permits. Regulatory Analyst le delivery address different from item 17 Article Addressed to: If YES, enter delivery address below: **Enclosure** LEONARD & KAREN TROUT 4308 CRESTGATE AVE MIDLAND TX 79707 3. Service Type Priority Mail Express* Certified Mell Return Receipt for Merchandle Collect on Delivery CORPORATE ADDRES! One Concho Center | 600 West Illinois Avenue ☐ Yes PHONE 432.683.7443 | FAX 432.683 7441

Domestic Return Receipt



September 7, 2016

Scott E. Wilson Bypass Trust Cynthia M. Wilson, Trustee 4601 Mirador Drive Austin, TX 79735 CERTIFIED MAIL RECEIPT

Domissite Mail Only

For delivery information, visit our verbile at inventions com

OFFICIAL USE

Certified Mail Fee

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Certified Mail Recentrated Delivery

Adult Signature Restricted Delivery 8

Postage

CYNTHIA M WILSON BYPASS TRUST

CYNTHIA M WILSON TRUSTEE

4601 MIRADOR DR

AUSTIN TX 79735

Re Application for Unorthodox Well Location

Bultaco State #3H

API No. 30-015-43670

SHL: 5' FSL & 1090' FEL (Unit P), Section 36-T22S-R31E

Proposed First Perf. 330' FSL & 1295' FEL

BHL: 50' FNL & 1295' FEL (Unit A), Section 35-T22S-R31E

Proposed Last Perf: 100' FNL & 1295' FEL

Eddy County, NM

Dear Ms Wilson

Attached is a copy of COG Operating LLC (COG)'s Application for Unorthodox Well Location for the Bultaco State #3H well, the SHL of which is located in Section 36-T22S-R31E, Eddy County, New Mexico. You are being sent a copy of this Application per OCD's requirement to notify the working interest owners in 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.

The second secon		ny Kidwell at 432-68	5-2535 or	
SENDER: GOMPLETE THIS SECTION		@concho.com		. :
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From: Lowe, Leonard, EMNRD

Sent: Wednesday, March 29, 2017 9:30 AM

To: 'Debora Wilbourn'

Cc: Podany, Raymond, EMNRD; Sharp, Karen, EMNRD; Jordan Kessler; Holm, Anchor E.; Lisa

Lemon ; Goetze, Phillip, EMNRD; Jones, William V, EMNRD; McMillan, Michael, EMNRD

Subject: APPROVED NSL-7511_COG Operating LLC_Bultaco State Well No. 3H, Eddy County

Importance: High

Ms. Debora Wilbourn,

The following administrative order has been issued and will soon be available on the Division's web site: http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx

NSL-7511

COG Operating LLC API #: 30-015-43670

WELL: Bultaco State Well No. 3H, Eddy 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 Cell: 505-930-6717 Fax: 505-476-3462

E-mail: leonard.lowe@state.nm.us

Website: http://www.emnrd.state.nm.us/ocd/