

HOLLAND & HART^{LLP}



Jordan L. Kessler

Associate

Phone (505) 988-4421

Fax (505) 983-6043

jlkessler@hollandhart.com

February 20, 2017

NSL-7511

VIA HAND DELIVERY

meeting 3/24/17

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.

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 from 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 Devon's protest was withdrawn on December 9, 2016.

Holland & Hart^{LLP}

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

110 North Guadalupe Suite 1 Santa Fe, New Mexico 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Boulder Carson City Colorado Springs Denver Denver Tech Center Billings Boise Cheyenne Jackson Hole Las Vegas Reno Salt Lake City Santa Fe Washington, D.C. ©

HOLLAND & HART



David Catanach
February 20, 2017
Page 2

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.

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.

Sincerely,

Jordan L. Kessler

ATTORNEY FOR COG OPERATING LLC

Enclosures

958072211



October 6, 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 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.

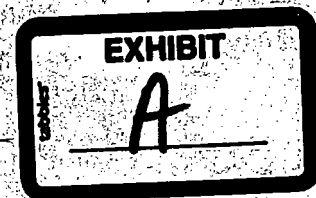
The affected offset tracts are the SE/4SE/4 and SW/4SE/4 of Sec. 25-T22S-R31E where Oxy USA, Inc. is the designated operator, the W/2E/2 of Sec. 36-T22S-R31E where COG Operating, LLC, is the designated operator, and Lot 2 of Sec. 1-T23S-R31E where Devon Energy Production Company, LP, is the designated 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



CORPORATE ADDRESS:

ONE CONCHO CENTER | 600 WEST ILLINOIS AVENUE | MIDLAND, TEXAS 79701
P432.683.7443 | F432.683.7441

ARTESIA WEST OFFICE

2208 MAIN STREET | ARTESIA, NEW MEXICO 88210
P575.748.6940 | F575.746.2096

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO
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ABOVE THIS LINE FOR DIVISION USE ONLY

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



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

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

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

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

- [D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

- [A] ☒ Working, Royalty or Overriding Royalty Interest Owners
 [B] ☒ Offset Operators, Leaseholders or Surface Owner
 [C] ☐ Application is One Which Requires Published Legal Notice
 [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Deborah L. Wilbourn
 Print or Type Name

Deborah L. Wilbourn
 Signature

Regulatory Analyst
 Title

10/6/16
 Date

dwilbourn@concho.com
 e-mail Address

DISTRICT I
1020 N. FRANCHIS DR., HOBBS, NM 88240
Phone: (505) 393-6101 Fax: (505) 393-0780

DISTRICT II
911 S. FIRST ST., ARTESIA, NM 88210
Phone: (505) 748-1883 Fax: (505) 748-0728

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

DISTRICT IV
1020 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 476-3400 Fax: (505) 476-3408

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 30-015-43670	Pool Code 39350	Pool Name Livingston Ridge; Bone Spring
Property Code 39847	Property Name BULTACO STATE	Well Number 3H
GRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3478.7'

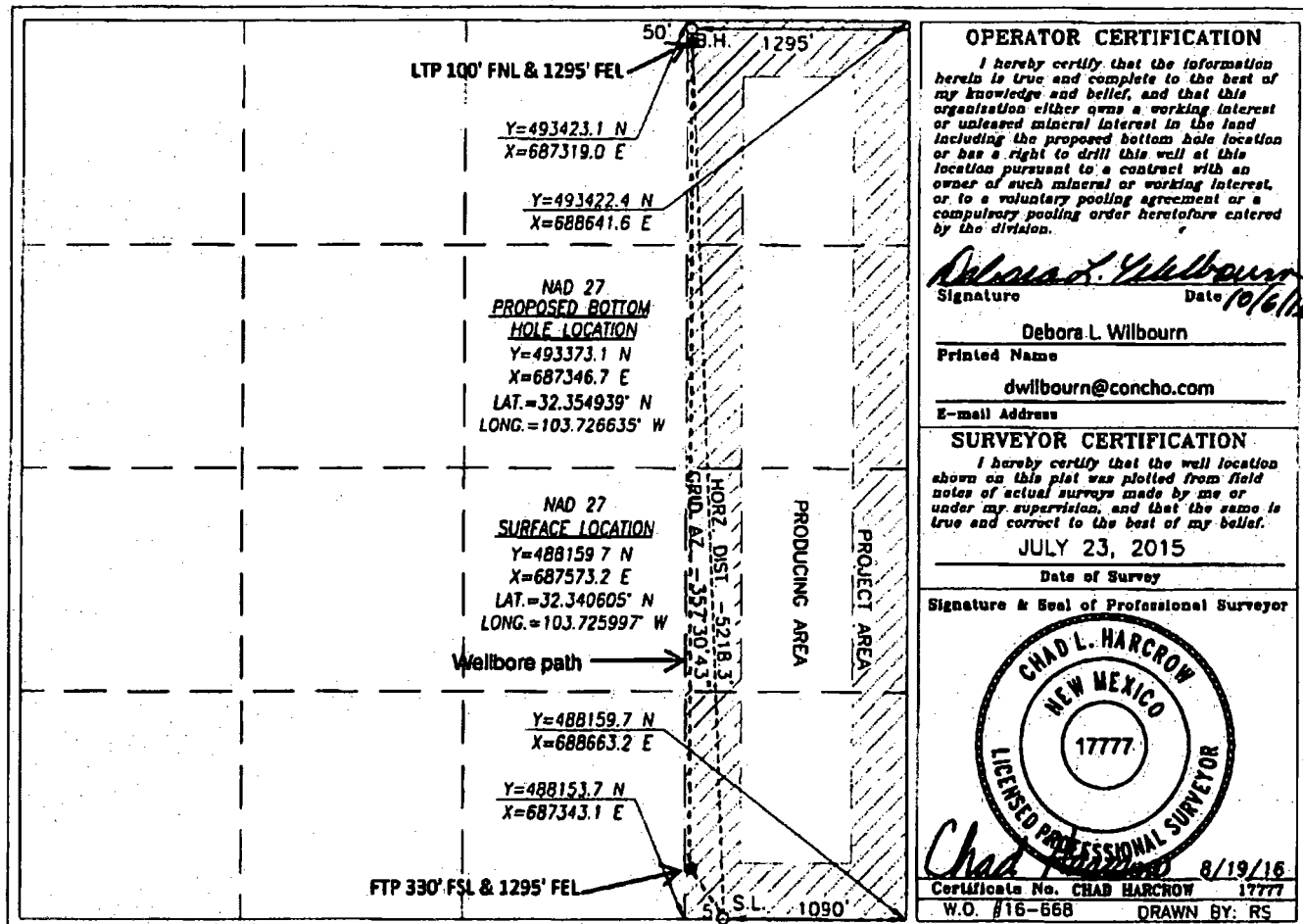
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	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
A	36	22-S	31-E		50	NORTH	1295	EAST	EDDY
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**





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	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 Dr., 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



October 6, 2016

Certified Mail – 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 Kidwell at 432-685-2535 or Greg Geist at 432-221-0452 or by email at dkidwell@concho.com or ggeist@concho.com.

Sincerely,

A handwritten signature in cursive script that reads "Debora L. Wilbourn".

Debora L. Wilbourn
Regulatory Analyst

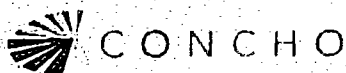
Enclosure

CORPORATE ADDRESS

ONE CONCHO CENTER | 600 WEST ILLINOIS AVENUE | MIDLAND, TEXAS 79701
P432.683.7443 | F432.683.7441

ARTESIA WEST OFFICE

2208 MAIN STREET | ARTESIA, NEW MEXICO 88210
P575.748.6940 | F575.746.2096



October 6, 2016

Certified Mail – Return Receipt Requested
7013 3020 0000 8749 9108

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

Re: Application for Unorthodox Well Location
Bultaco State #3H API No. 30-016-43670
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
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Eddy County, NM

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Sincerely,

Debora L. Wilbourn
Regulatory Analyst

Enclosure

CORPORATE ADDRESS

ONE CONCHO CENTER | 1500 WEST ILLINOIS AVENUE | MIDLAND, TEXAS 79701
P432.683.7443 | F432.683.7441

ARTESIA WEST OFFICE

2200 MAIN STREET | ARTESIA, NEW MEXICO 88210
P575.748.6940 | F575.746.2096



October 6, 2016

Certified Mail – Return Receipt Requested
7013 3020 0000 8749 9153

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. 30-015-43670
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.

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Sincerely,

A handwritten signature in cursive script that reads "Debora L. Wilbourn".

Debora L. Wilbourn
Regulatory Analyst

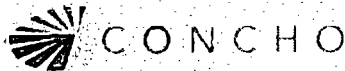
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CORPORATE ADDRESS

ONE CONCHO CENTER | 600 WEST ILLINOIS AVENUE | MIDLAND, TEXAS 79701
P432 683 7443 | F432 683 7441

ARTESIA WEST OFFICE

2208 MAIN STREET | ARTESIA, NEW MEXICO 88210
P575 748 6940 | F575 746 2096



October 6, 2016

Certified Mail – Return Receipt Requested
7013 3020 0000 8749 9115

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

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. 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,

Debora L. Wilbourn
Regulatory Analyst

Enclosure

CORPORATE ADDRESS

ONE CONCHO CENTER | 500 WEST ILLINOIS AVENUE | MIDLAND TEXAS 79701
P 432.089.7443 | F 432.083.7441

ARTESIA WEST OFFICE

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



October 6, 2016

Certified Mail – Return Receipt Requested
7013 3020 0000 8749 9139

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

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. 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.

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Sincerely,

Debora L. Wilbourn
Regulatory Analyst

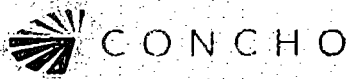
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CORPORATE ADDRESS

ONE CONCHO CENTER 1600 WEST ILLINOIS AVENUE MIDLAND, TEXAS 79701
P 432 683.7442 | F 432 683.7441

ARTESIA WEST OFFICE

2208 MAIN STREET | ARTESIA, NEW MEXICO 88210
P 575 740-6940 | F 575 740-2090



October 6, 2016

Certified Mail – Return Receipt Requested
7013 3020 0000 8749 9122

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

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. 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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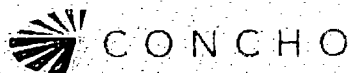
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P 575.748.0940 | F 575.746.2096



October 6, 2016

Certified Mail – Return Receipt Requested
7013 3020 0000 8749 9146

Leonart & Karen Trout
4308 Crestgate Ave.
Midland, TX 79707

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. Trout:

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Sincerely,

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Debora L. Wilbourn
Regulatory Analyst

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2200 MAIN STREET | ARTESIA, NEW MEXICO 88210
P575.748.6940 | F575.746.2096



October 6, 2016

Certified Mail – Return Receipt Requested
7013 3020 0000 8749.9160

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

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,

Debora L. Wilbourn
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



September 7, 2016

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

Re: Application for Unorthodox Well Location
Bullaco State #3H API No. 30-016-43670
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 Greg Geist at 432-221-0452 or b.

Sincerely,

Debora L. Wilbourn
Regulatory Analyst

Enclosure

OXY USA INC
P O BOX 27570
HOUSTON TX 77277

CORPORATE ADDRESS
One Concho Center | 600 West Illinois Avenue
PHONE 432.683.7443 | FAX 432.683.7441

Bullaco 3434-NSL

2. Article Number

Transfer from Service 1

U.S. Postal Service
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com.

OFFICIAL USE

9/17/16

7016 0910 0000 2654 6740

Ce

Postage and Fees

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$

☐ Return Receipt (electronic) \$

☐ Certified Mail Restricted Delivery \$

☐ Adult Signature Required \$

☐ Adult Signature Restricted Delivery \$

Postage \$

Total Postage and Fees \$

Sent: OXY USA INC

Street: P O BOX 27570

City, S: HOUSTON TX 77277

PS Form 3870, April 2015 PSN 7530-02-000-9002 See Reverse for Instructions

COMPLETE THIS SECTION OF DELIVERY

A. Signature ☐ Agent ☐ Address

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes ☐ No

If YES, enter delivery address below:

8. Service Type

☒ Certified Mail® ☐ Priority Mail Express®

☐ Registered ☐ Return Receipt for Merchandise

☐ Insured Mail ☐ Collect on Delivery

4. Restricted Delivery? (Extra Fee) ☐ Yes

7016 0910 0000 2654 6740

CONCHO

October 6, 2016

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

U.S. Postal Service
CERTIFIED MAIL RECEIPT
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Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

JAMES R & ROBIN L BARTEL
96 WHITNEY
CODY WY 82414-8011

PS Form 3800, August 2006 See Reverse for Instructions

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. 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

Sincerely,

Debora L. Willbourn

Debora L. Willbourn
Regulatory Analyst

Enclosure

CORPORATE ADDRESS

P F

SENDER'S COPY OF THIS SERVICE

☐ Complete Items 1, 2, and 3. Also complete Item 4 if Restricted Delivery is desired.
☐ Print your name and address on the reverse so that we can return the card to you.
☐ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
JAMES R & ROBIN L BARTEL
96 WHITNEY
CODY WY 82414-8011

Bultaco #3H-NSE

2. Article Number
(Transfer from service label)
7013 3020 0000 8749 9115

PS Form 3811 July 2014

RECIPIENT'S COPY OF THIS SERVICE

A. Signature
James Bartel ☐ Agent ☐ Addressee

B. Received by (Printed Name)
James Bartel

C. Date of Delivery
10/11/16

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

3. Service Type
☒ Certified Mail® ☐ Priority Mail Express®
☐ Registered® ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ Collect on Delivery

4. Restricted Delivery? (Extra Fee) ☐ Yes ☒ No

October 6, 2016

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

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. 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
Greg Geist at 432-221-0452 or by

Sincerely,

Debora L. Wilbourn

Debora L. Wilbourn
Regulatory Analyst

Enclosure

CORPORATE ADDRESS

P

F

2265 648 0000 8749 9222

CERTIFIED MAIL™ RECEIPT™	
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For delivery information visit our website at www.usps.com™	
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Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

10/16/16

JOHN R & LINDA STUCKLEY
4305 CRESTGATE AVE
MIDLAND TX 79707

PS Form 3811, August 2006 See Reverse for Instructions

SENDER COMPLETE THIS SECTION		RECIPIENT COMPLETE THIS SECTION	
<ul style="list-style-type: none">Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.Print your name and address on the reverse so that we can return the card to you.Attach this card to the back of the mailpiece, or on the front if space permits.		<p>A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below:</p>	
1. Article Addressed to: JOHN R & LINDA STUCKLEY 4305 CRESTGATE AVE MIDLAND TX 79707		3. Service Type <input checked="" type="checkbox"/> Certified Mail™ <input type="checkbox"/> Priority Mail Express™ <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> Collect on Delivery	
2. Article Number (Transfer from service label)		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	

Bultaco St 3H - NSL

7013 3020 0000 8749 9222

PS Form 3811, July 2013

Domestic Return Receipt

October 6, 2016

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

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. 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 INFORMATION SECTION	
<input type="checkbox"/> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. <input type="checkbox"/> Print your name and address on the reverse so that we can return the card to you. <input type="checkbox"/> Attach this card to the back of the mailpiece, or on the front if space permits.	
1. Article Addressed to:	
DAVID R & GWEN SMITH 14806 BARTON GROVE LANE HUMBLE TX 77396	
COMPLETE THIS SECTION FOR DELIVERY	
A. Signature <input checked="" type="checkbox"/> <i>Gwen Smith</i>	<input type="checkbox"/> Agent <input type="checkbox"/> Addressee
B. Received by (Printed Name) <i>Gwen Smith</i>	C. Date of Delivery <i>10-12-16</i>
D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
3. Service Type <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> Collect on Delivery	
4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	

2. Article Number
(Transfer from service label) 7013 3020 0000 8749 9139

PS Form 3811, July 2013

Domestic Return Receipt

OFFICIAL USE	
Postage \$	
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees \$	

DAVID R & GWEN SMITH
14806 BARTON GROVE LANE
HUMBLE TX 77396

PS Form 3811, July 2013 August 2006 See Reverse for instructions



September 7, 2016

Leonard & Karen Trout
4308 Crestgate Ave.
Midland, TX 79707

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 Kirdwall at 432-685-7525 or Greg Geist at 432-221-0452 or:

Sincerely,

Debora L. Wilbourn

Debora L. Wilbourn
Regulatory Analyst

Enclosure

SENDER COMPLETES THIS SECTION		RECIPIENT COMPLETES THIS SECTION	
<p>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p> <p>1. Article Addressed to:</p> <p>LEONARD & KAREN TROUT 4308 CRESTGATE AVE MIDLAND TX 79707</p>		<p>A. Signature <i>Karen Trout</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>Karen Trout</i> C. Date of Delivery <i>9/12/16</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below:</p> <p>3. Service Type <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Priority Mail Express™ <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> Collect on Delivery</p> <p>Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	
<p>2. Article Number (Transfer from service label)</p>		<p>4. Return Receipt (Hardcopy) <input type="checkbox"/> Return Receipt (Electronic) <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Adult Signature Required <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/></p>	

7016 0910 0000 2654 6788

CORPORATE ADDRESS:
One Concho Center | 600 West Illinois Avenue
PHONE 432.683.7443 | FAX 432.683.7441

October 6, 2016

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. 30-015-43670
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 unorthodox location in order to achieve an efficient recovery of reserves.

SENDER COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

RICHARD K BARR FAMILY TRUST
BEVERLY J BARR TRUSTEE
8027 CHALK KNOLL DR
AUSTIN TX 78735

COMPLETE THIS SECTION FOR DELIVERY

A. Signature

X

By Agent ly Kidwell at 432-685-2535 or
Addressed to @concho.com

B. Received by (Printed Name)

C. Date of Delivery

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

3. Service Type

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

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number

(Transfer from service label)

7013 3020 0000 8749 9153

PS Form 3811, July 2013

Domestic Return Receipt

ST OFFICE

F

CERTIFIED MAIL™ RECEIPT

(Domestic Mail Only: No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage \$

Certified Fee

Return Receipt Fee
(Endorsement Required)

Restricted Delivery Fee
(Endorsement Required)

Total Postage & Fees \$

RICHARD K BARR FAMILY TRUST
BEVERLY J BARR TRUSTEE
8027 CHALK KNOLL DR
AUSTIN TX 78735

PS Form 3800, August 2006

See Reverse for instructions



September 7, 2016

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

iny Kidwell at 432-685-2535 or
@concho.com

RECIPIENT COMPLETION SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

SCOTT E WILSON BYPASS TRUST
CYNTHIA M WILSON TRUSTEE
4601 MIRADOR DR
AUSTIN TX 79735

ADDRESSEE SIGNATURE AND ADDRESS SECTION

A. Signature
Cynthia M. Wilson ☐ Agent ☒ Addressee
B. Received by (Printed Name)
Cynthia M. Wilson
C. Date of Delivery
☐ Yes ☒ No
If YES, enter delivery address below:

3. Service Type
☒ Certified Mail® ☐ Priority Mail Express®
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ Collect on Delivery

4. Restricted Delivery? (Extra Fee) ☐ Yes ☒ No

Bultaco 3H - NSL

2. Article Number
(Transfer from service label)

7016 0910 0000 2654 6801

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For delivery information, visit our website at www.usps.com

OFFICIAL USE

Certified Mail Fee
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Extra Services & Fees (check box, add fee as appropriate)
☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$

Postage
\$

Total Postage and Fees
\$

SCOTT E WILSON BYPASS TRUST
CYNTHIA M WILSON TRUSTEE
4601 MIRADOR DR
AUSTIN TX 79735

PS Form 3800, April 2015 PSN 7530-02-000-9017 See Reverse for Instructions

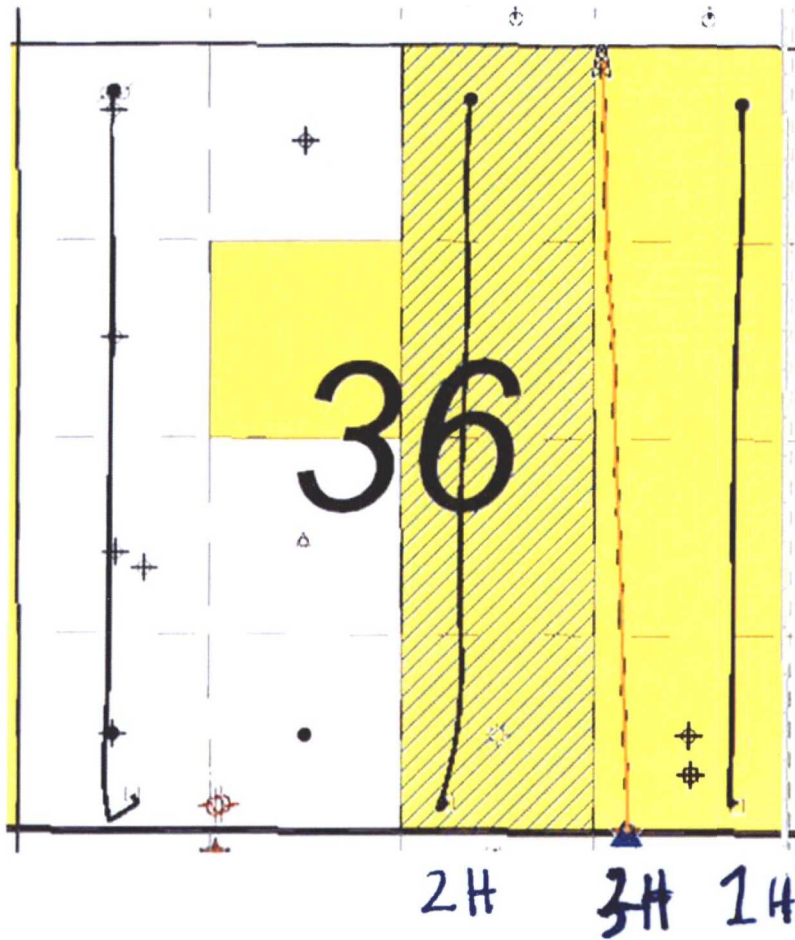


EXHIBIT
B

	Bultaco 1H & 3H E2E2	Bultaco 2H (APO) W2E2
COG	0.9	0.975
David & Gwen Smith	0.008333	0.00208333
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



10/06/2016 DATE IN	SUSPENSE	ENGINEER LRL	10/27/2016 LOGGED IN	NSL TYPE	PKSC1628041664 APP NO
-----------------------	----------	--------------	-------------------------	-------------	--------------------------

ABOVE THIS LINE FOR DIVISION USE ONLY

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



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A] NSL - 7511
 [A] Location - Spacing Unit - Simultaneous Dedication COG Operating LLC (229137)
☒ NSL ☐ NSP ☐ SD Bultaco state #3H (30-015-43670)
 Livingston Ridge; Bonse Spring (39350)
 Check One Only for [B] or [C]
 [B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
 [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR
 [D] Other: Specify _____

- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
 [A] ☒ Working, Royalty or Overriding Royalty Interest Owners
 [B] ☒ Offset Operators, Leaseholders or Surface Owner
 [C] ☐ Application is One Which Requires Published Legal Notice
 [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] ☐ Waivers are Attached

- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

- [4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate and complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Deborah L. Wilbourn
 Print or Type Name

Deborah L. Wilbourn
 Signature

Regulatory Analyst
 Title

10/6/16
 Date

dwilbourn@concho.com
 e-mail Address



October 6, 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 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,

A handwritten signature in cursive script that reads "Debora L. Wilbourn".

Debora L. Wilbourn
Regulatory Analyst

Enclosure
cc: OCD Artesia

CORPORATE ADDRESS

ONE CONCHO CENTER | 600 WEST ILLINOIS AVENUE | MIDLAND, TEXAS 79701
P432.683.7443 | F432.683.7441

ARTESIA WEST OFFICE

2208 MAIN STREET | ARTESIA, NEW MEXICO 88210
P575.748.6940 | F575.746.2096

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)

jamesbruce@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:

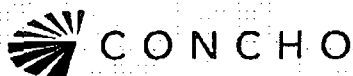
Devon Energy Production Company, L.P. ("Devon") objects to the above application. Granting the application will impair Devon's correlative rights in offsetting acreage.

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)



December 9, 2016

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

Attention: Mr. Cole Metcalf

Re: **Bultaco State 3H**
Section 36: E $\frac{1}{4}$ SE $\frac{1}{4}$
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

AGREED TO AND ACCEPTED BY:

COG OPERATING LLC

Jeff Gasch

NM Asset Manager

Date: 12/9/16

DEVON ENERGY CORPORATION

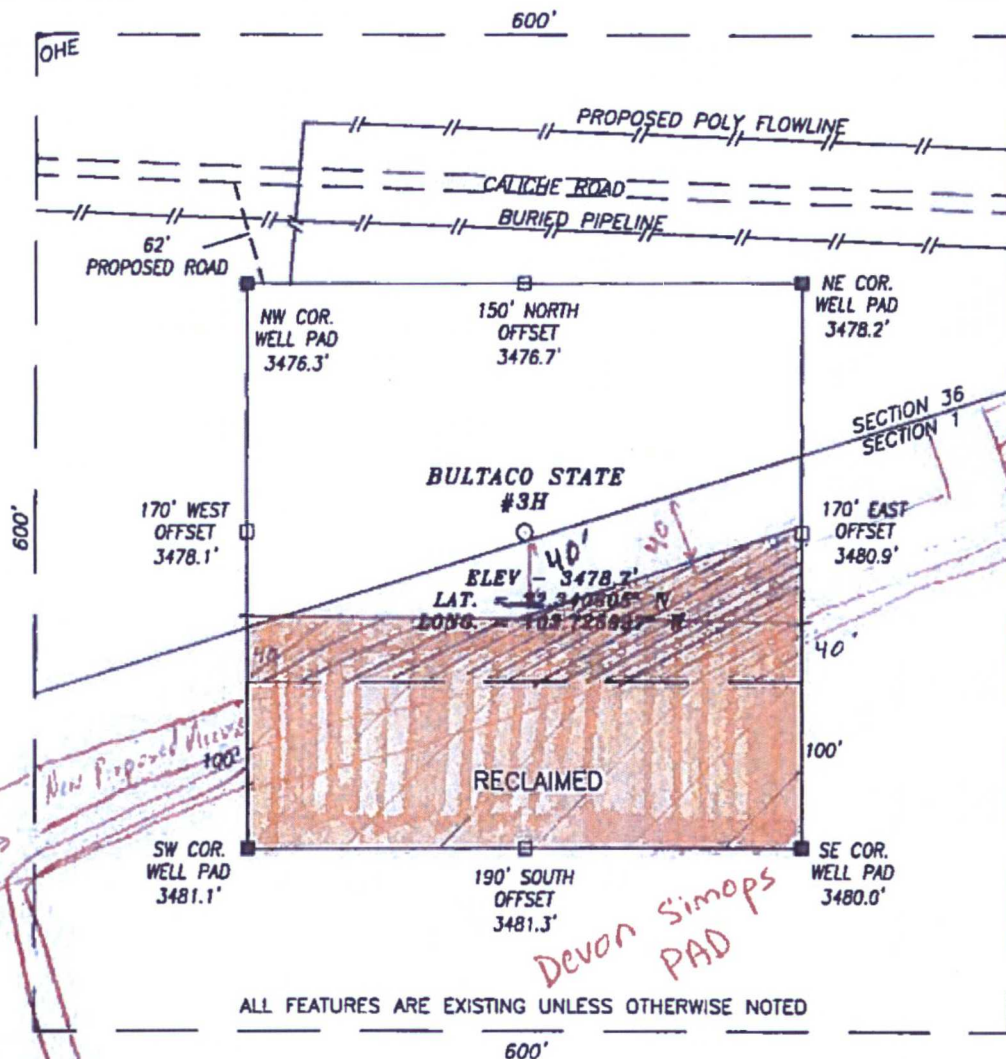
By: S. Scott Prather

Title: Manager - Land

Date: 12/14/2016

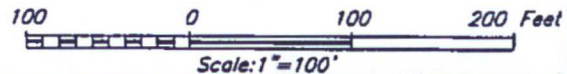
PLAN IP COG USES BASE BEAM BIG

SECTION 36, TOWNSHIP 22 SOUTH, RANGE 31 EAST, N.M.P.M.,
EDDY COUNTY NEW MEXICO



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 SOUTHEAST CORNER; THEN CONTINUE SOUTHEAST 0.15 MILES; THEN PROPOSED LOCATION IS APPROX. 275 FEET SOUTH.



HARCROW SURVEYING, LLC
2314 W. MAIN ST, ARTESIA, N.M. 88210
PH: (575) 746-2158 FAX: (575) 746-2158
c.harcrow@harcrowsurveying.com



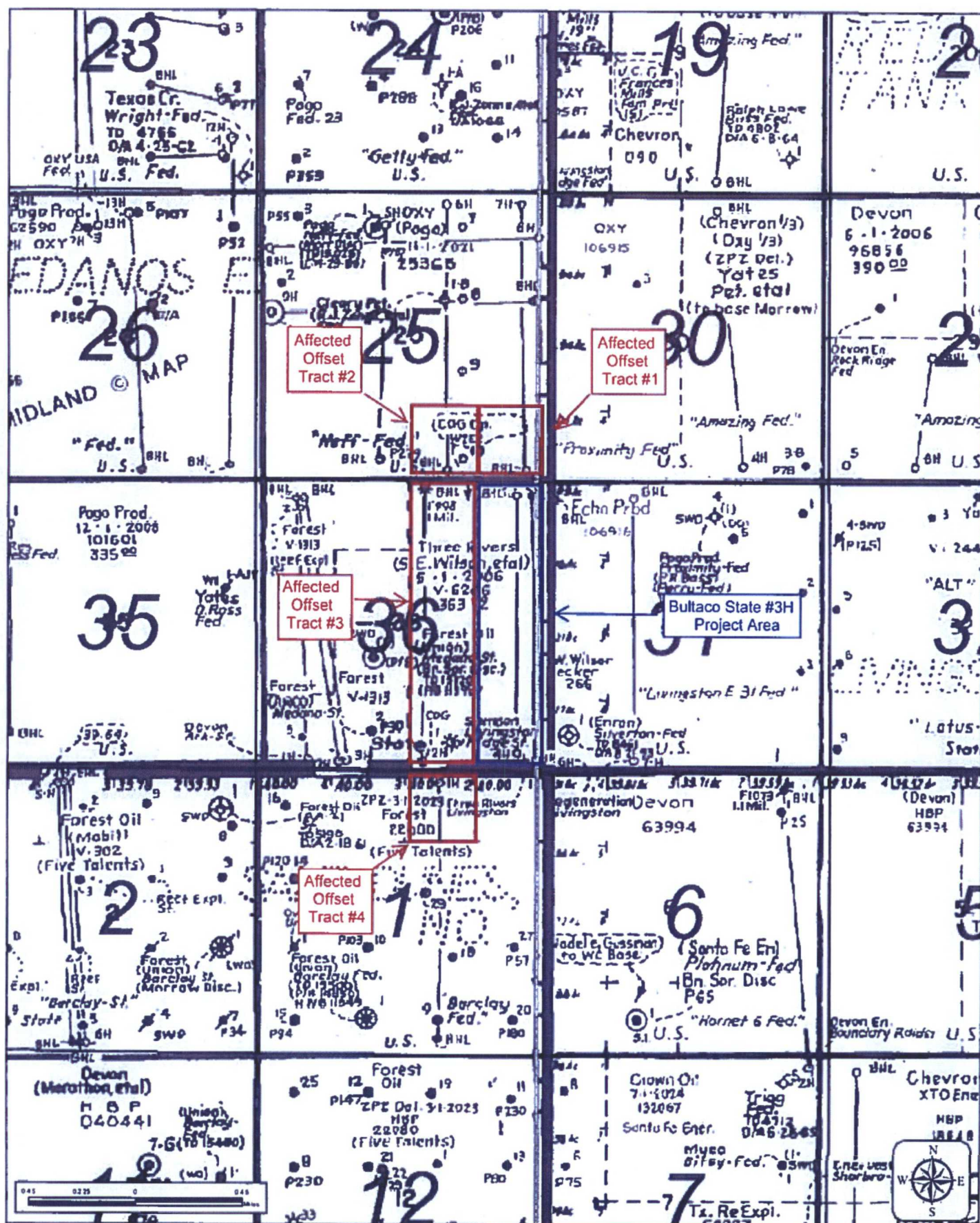
COG OPERATING, LLC

BULTACO STATE #3H WELL
LOCATED 5 FEET FROM THE SOUTH LINE
AND 1080 FEET FROM THE EAST LINE OF SECTION 36,
TOWNSHIP 22 SOUTH, RANGE 31 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO

SURVEY DATE: JULY 23, 2015 PAGE: 1 OF 1

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 ✓	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 Dr., 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



USPS Tracking®

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 **Get Easy Tracking Updates ›**
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Tracking Number: 70133020000087499177

Updated Delivery Day: Tuesday, October 11, 2016

Product & Tracking Information

Available Actions

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

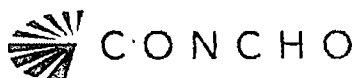
Track It

Manage Incoming Packages

Track all your packages from a dashboard
No tracking numbers necessary

Sign up for My USPS ›





December 9, 2016

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

Attention: Mr. Cole Metcalf

Re: **Bultaco State 3H**
Section 36: E $\frac{1}{4}$ SE $\frac{1}{4}$
Township 22 South – Range 31 East
Eddy County, New Mexico

Dear Cole,

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Sincerely,
COG OPERATING LLC

Danny Kidwell
Senior Landman, NM Basin

AGREED TO AND ACCEPTED BY:

COG OPERATING LLC

Jeff Gasch

NM Asset Manager

Date: 12/9/16

DEVON ENERGY CORPORATION

By: S. Scott Prather

Title: Manager - Land

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 I
1625 N. FRENCH DR., HOBBBS, NM 88240
Phone: (505) 353-6181 Fax: (505) 353-0720

DISTRICT II
511 E. FIRST ST., ARTESIA, NM 88210
Phone: (505) 748-1283 Fax: (505) 748-0720

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 87503
Phone: (505) 478-3480 Fax: (505) 478-3488

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 30-015-43670	Pool Code 39350	Pool Name Livingston Ridge; Bone Spring
Property Code 39847	Property Name BULTACO STATE	Well Number 3H
GRID No. 229137	Operator Name COG OPERATING, 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
P	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
A	36	22-S	31-E		50	NORTH	1295	EAST	EDDY

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

<p>LTP 100' FNL & 1295' FEL</p> <p>Y=493423.1 N X=687319.0 E</p> <p>Y=493422.4 N X=688641.6 E</p> <p>NAD 27 PROPOSED BOTTOM HOLE LOCATION Y=493373.1 N X=687345.7 E LAT.=32.354939° N LONG.=103.726635° W</p> <p>NAD 27 SURFACE LOCATION Y=488159.7 N X=687573.2 E LAT.=32.340605° N LONG.=103.725997° W</p> <p>Wellbore path</p> <p>Y=488159.7 N X=688663.2 E</p> <p>Y=488153.7 N X=687343.1 E</p> <p>FTP 330' FSL & 1295' FEL</p> <p>50' B.H. 1295'</p> <p>PRODUCING AREA</p> <p>PROJECT AREA</p> <p>GRID AZ - 357 20 43</p> <p>50' S.L. 1090'</p>	<p>OPERATOR CERTIFICATION</p> <p>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.</p> <p><i>Debora L. Wilbourn</i> Signature Date 10/6/15</p> <p>Debora L. Wilbourn Printed Name dwilbourn@concho.com E-mail Address</p> <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>JULY 23, 2015 Date of Survey</p> <p>Signature & Seal of Professional Surveyor</p> <p> CHAD L. HARCROW NEW MEXICO 17777 LICENSED PROFESSIONAL SURVEYOR</p> <p><i>Chad L. Harcrow</i> Signature Date 8/19/16</p> <p>Certificate No. CHAD HARCROW 17777 W.O. #16-668 DRAWN BY: RS</p>
--	--

Lowe, Leonard, EMNRD

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 <WilliamV.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/oed/>

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.

DATE IN 9/8/2016	SUSPENSE	ENGINEER LRL	LOGGED IN 9/8/2016	TYPE NSL	APP NO. pKSC1625238825
------------------	----------	--------------	--------------------	----------	------------------------

ABOVE THIS LINE FOR DIVISION USE ONLY

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



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

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

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

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

NSL
 COG Operating LLC (229137)
 Bultaco State #3H
 30-015-43670
 Livingston Ridge: Bone Spring
 (39350)

[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.

Debra L. Wilbourn
 Print or Type Name

Debra L. Wilbourn
 Signature

Regulatory Analyst
 Title

9/7/16
 Date

dwilbourn@concho.com
 e-mail Address



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

DISTRICT I
1625 N. FRENCH DR., HOBBES, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

DISTRICT II
911 S. FIRST ST., ARTESIA, NM 88210
Phone: (505) 748-1263 Fax: (505) 748-0720

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

DISTRICT IV
1820 S. ST. FRANCIS DR., SANTA FE, NM 87503
Phone: (505) 476-3400 Fax: (505) 476-3402

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 30-015-43670	Pool Code 39350	Pool Name Livingston Ridge; Bone Spring
Property Code 39847	Property Name BULTACO STATE	Well Number 3H
OGRID No. 229137	Operator Name COG OPERATING, 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
P	36	22-S	31-E		5	SOUTH	1090	EAST	EDDY

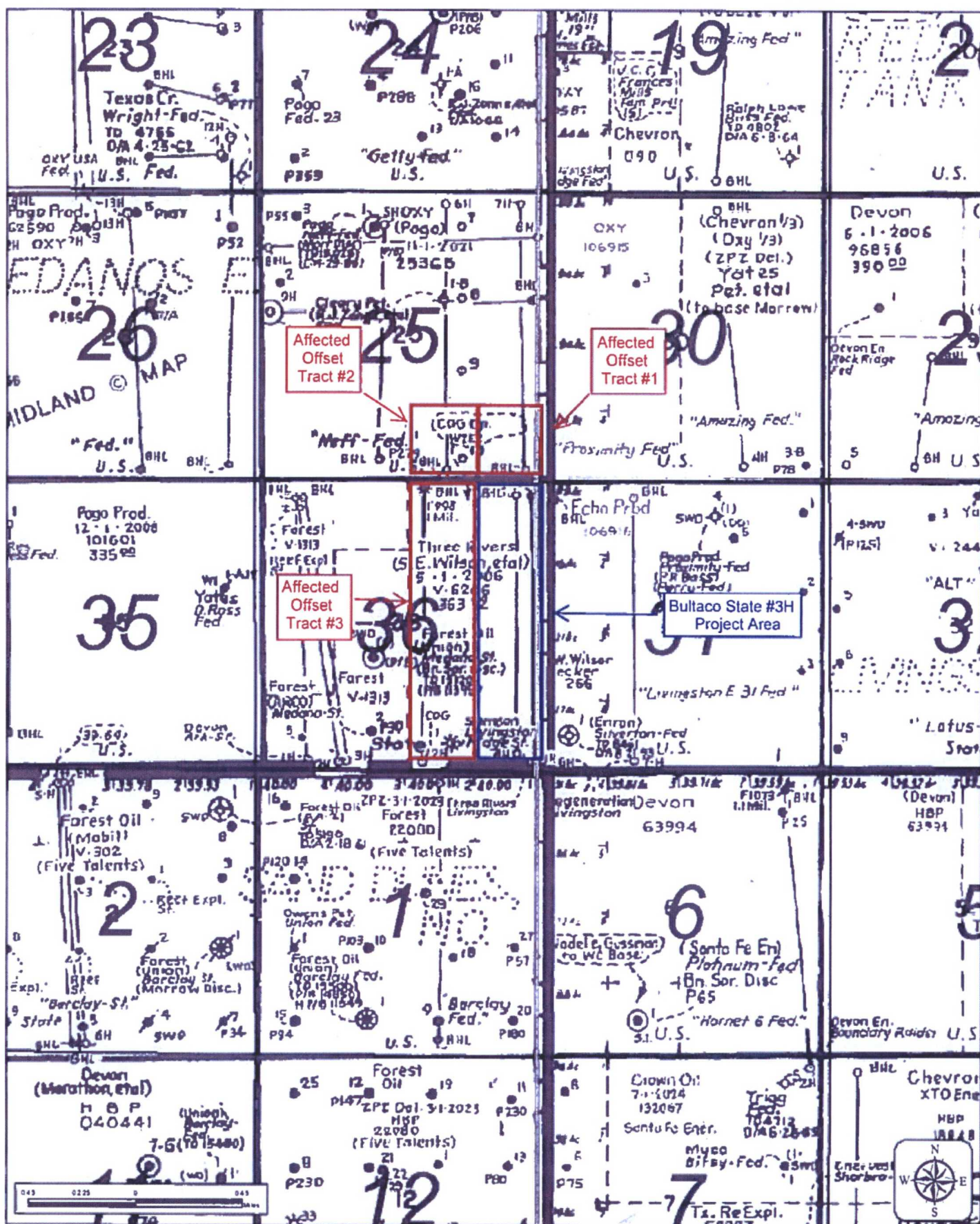
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	36	22-S	31-E		50	NORTH	1295	EAST	EDDY

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**

<p>LTP 100' FNL & 1295' FEL</p> <p>50' B.H. 1295'</p> <p>Y=493423.1 N X=687319.0 E</p> <p>Y=493422.4 N X=688641.6 E</p> <p>NAD 27 PROPOSED BOTTOM HOLE LOCATION Y=493373.1 N X=687346.7 E LAT.=32.354939° N LONG.=103.726635° W</p> <p>NAD 27 SURFACE LOCATION Y=488159.7 N X=687573.2 E LAT.=32.340605° N LONG.=103.725997° W</p> <p>Wellbore path</p> <p>Y=488159.7 N X=688663.2 E</p> <p>Y=488159.7 N X=687343.1 E</p> <p>FTP 330' FSL & 1295' FEL</p> <p>50' S.L. 1090'</p> <p>PRODUCING AREA</p> <p>PROJECT AREA</p>	<p>OPERATOR CERTIFICATION</p> <p>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.</p> <p><i>Debora L. Wilbourn</i> Signature Date 9/9/16</p> <p>Debora L. Wilbourn Printed Name</p> <p>dwillbourn@concho.com E-mail Address</p> <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>JULY 23, 2015 Date of Survey</p> <p>Signature & Seal of Professional Surveyor</p> <p> Chad L. Harcrow Certificate No. CHAD HARCROW 17777 W.O. #16-668 DRAWN BY: RS</p>
---	---



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. & Robin 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	
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

Lowe, Leonard, EMNRD

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 Bulltaco 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 | 2208 W Main St | Artesia, NM | 88210-3720 | 575.748.6958



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Lowe, Leonard, EMNRD

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

✓ 432-254-5556 (CELL PHONE)
01.17.17 I returned call to Rand French. Informed him of
SET TO HEARING REASON.

Lowe, Leonard, EMNRD

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>

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CONCHO

October 6, 2016

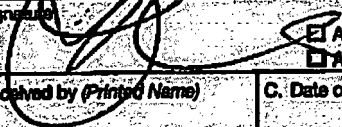
Richard K. Barr Family Trust
Beverly J. Barr, Trustee
8027 Chalk Knoll Drive
Austin, TX 78735

Re: Application for Unorthodox Well Location
Bultaco State #3H API No. 30-015-43670
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 unorthodox location in order to ... the efficient recovery of reserves

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p> <p>1. Article Addressed to:</p> <p>RICHARD K BARR FAMILY TRUST BEVERLY J BARR TRUSTEE 8027 CHALK KNOLL DR AUSTIN TX 78735</p>		<p>A. Signature  <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery _____</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below: _____</p>	
<p>2. Article Number (Transfer from service label) 7013 3020 0000 8749 9153</p>		<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Registered® <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> Collect on Delivery</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	

PS Form 3811, July 2013 Domestic Return Receipt

CERTIFIED MAIL... RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

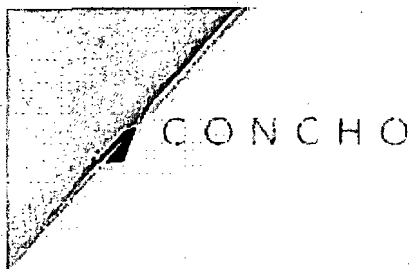
OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

10/6/16

**RICHARD K BARR FAMILY TRUST
BEVERLY J BARR TRUSTEE
8027 CHALK KNOLL DR
AUSTIN TX 78735**

PS Form 3800, August 2006 See Reverse for Instructions



October 6, 2016

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

U.S. Postal Service
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

7013 3020 0000 8749 9115

Ce

JAMES R & ROBIN L BARTEL
96 WHITNEY
CODY WY 82414-8011

PS Form 3800, August 2005 See Reverse for Instructions

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. 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
Greg Geist at 432-221-0452 or b

Sincerely,

Debora L. Wilbourn

Debora L. Wilbourn
Regulatory Analyst

Enclosure

CORPORATE ADDRESS

P F

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

JAMES R & ROBIN L BARTEL
96 WHITNEY
CODY WY 82414-8011

Bultaco State #3H

2. Article Number

7013 3020 0000 8749 9115

PS Form 3811, July 2013 Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature
James Bartel ☐ Agent ☐ Addressee

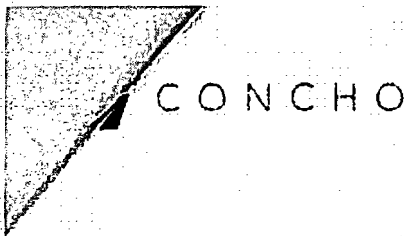
B. Received by (Printed Name)

C. Date of Delivery
10/11/16

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

3. Service Type
☒ Certified Mail® ☐ Priority Mail Express®
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ Collect on Delivery

4. Restricted Delivery? (Extra Fee) ☐ Yes



October 6, 2016

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

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. 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.

7013 3020 0000 8749 9139

OFFICIAL USE

Postage \$
Certified Fee
Return Receipt Fee (Endorsement Required)
Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees \$

DAVID R & GWEN SMITH
14806 BARTON GROVE LANE
HUMBLE TX 77396

PS Form 3800, August 2006 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

1. Article Addressed to:

DAVID R & GWEN SMITH
14806 BARTON GROVE LANE
HUMBLE TX 77396

2. Article Number (Transfer from service label)

7013 3020 0000 8749 9139

PS Form 3811, July 2013

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X *Gwen Smith*
B. Received by (Printed Name)
Gwen Smith
C. Date of Delivery
10-12-16
D. Is delivery address different from item 1? Yes No
If YES, enter delivery address below:

3. Service Type
☒ Certified Mail® ☐ Priority Mail Express™
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ Collect on Delivery

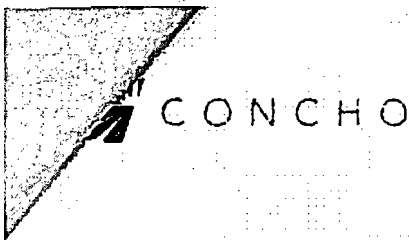
4. Restricted Delivery? (Extra Fee) Yes No

ny Kidwell at 432-685-2535 or @concho.com.

ST OFFICE

POST OFFICE

POST OFFICE



October 6, 2016

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

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. 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
Greg Geist at 432-221-0452 or by

Sincerely,

Debora L. Wilbourn

Debora L. Wilbourn
Regulatory Analyst

Enclosure

CORPORATE ADDRESS

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F

7013 3020 0000 8749 9122

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Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

10/16/16

JOHN R & LINDA STUCKLEY
4305 CRESTGATE AVE
MIDLAND TX 79707

PS Form 3811, August 2006 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

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- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
JOHN R & LINDA STUCKLEY
4305 CRESTGATE AVE
MIDLAND TX 79707

2. Article Number
(Transfer from service label)
7013 3020 0000 8749 9122

PS Form 3811, July 2013

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X *[Signature]* ☐ Agent ☐ Addressee

B. Received by (Printed Name)
[Signature]

C. Date of Delivery
10/8/16

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

3. Service Type
☒ Certified Mail ☐ Priority Mail Express
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ Collect on Delivery

4. Restricted Delivery? (Extra Fee) ☐ Yes ☒ No



September 7, 2016

Leonard & Karen Trout
4308 Crestgate Ave.
Midland, TX 79707

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 Kirlwell at 432-685-7535 or Greg Geist at 432-221-0452 or

Sincerely,

Debora L. Wilbourn

Debora L. Wilbourn
Regulatory Analyst

Enclosure

CORPORATE ADDRESS:
One Concho Center | 600 West Illinois Avenue
PHONE 432.683.7443 | FAX 432.683.7441

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Extra Services & Fees (check box, add fee as appropriate)
☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$
Postage \$
Total Postage and Fees \$

Postmark 9/7/16

LEONARD & KAREN TROUT
4308 CRESTGATE AVE
MIDLAND TX 79707

PS Form 3800, April 2015 PSN 7530-02-000-9047-2 See Reverse for Instructions

7016 0910 0000 2654 6788

SENDER: COMPLETE THIS SECTION

■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
■ Print your name and address on the reverse so that we can return the card to you.
■ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

LEONARD & KAREN TROUT
4308 CRESTGATE AVE
MIDLAND TX 79707

COMPLETE THIS SECTION ON DELIVERY

A. Signature *Karen Trout* ☐ Agent ☐ Address
B. Received by (Printed Name) *Karen Trout* C. Date of Delivery *9/12/16*
D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

3. Service Type
☒ Certified Mail® ☐ Priority Mail Express®
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ Collect on Delivery

4. Restricted Delivery? (Extra Fee) ☐ Yes

7016 0910 0000 2654 6788

7016 0910 0000 2654 6788

Domestic Return Receipt

SENDER: COMPLETE THIS SECTION 1. Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. 2. Print your name and address on the reverse so that we can return the card to you. 3. Attach this card to the back of the mailpiece, or on the front if space permits. 4. Article Addressed to: SCOTT E WILSON BYPASS TRUST CYNTHIA M WILSON TRUSTEE 4601 MIRADOR DR AUSTIN TX 79735		COMPLETE THIS SECTION ON DELIVERY A. Signature <i>Cynthia M. Wilson</i> <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee B. Received by (Printed Name) <i>Cynthia M. Wilson</i> C. Date of Delivery D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No E. Service Type <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> Collect on Delivery F. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
5. Article Number <i>9501 34 - NSL</i> (Transfer from service label)		6. West Main Street Artesia, New Mexico 88210 Fax 575 748 6958	

Lowe, Leonard, EMNRD

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/>