LOGGED IN

PCLPU712727044

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 CHECKI

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] Location - Spacing Unit - Simultaneous Dedication KECEIVEI ■ NSL □ NSP □ SD Check One Only for [B] or [C] MAY 04 2007 Commingling - Storage - Measurement DHC CTB PLC PC OLS OLM Oil Conscivation Division 1220 S. St. Francis Drive [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery Santa Fe. NM 87505 □ WFX □ PMX □ SWD □ IPI □ EOR □ PPR [D]Other: Specify [2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply Working, Royalty or Overriding Royalty Interest Owners [B] Offset Operators, Leaseholders or Surface Owner Application is One Which Requires Published Legal Notice [C] Notification and/or Concurrent Approval by BLM or SLO [D]U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office For all of the above, Proof of Notification or Publication is Attached, and/or. [E] [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. PHYLLIS A. EDWARDS Print or Type Name

pedwards@conchoresources.com

e-mail Address

Polaris B Federal #6 Eddy County, NM

COG propses to drill a South ½, 40 acre spacing Loco Hills; Glorieta-Yeso oil well TD of approximately 6000'

COG received BLM approval for a directional drill on 1-25-07.

Location:

Surface:

1156' FSL & 1650' FEL

Sec 9, T17S, R30E, Unit O

BHL:

990' FSL & 1650' FEL

Sec 9, T17S, R30E, Unit O

This well had to be drilled at a non-standard location due to pipeline constrictions.

COG respectfully requests permission to drill this well vertically:

1156' FSL & 1650' FEL

Sec 9, T17S, R30E, Unit O

The plan for this well is to complete it in the Yeso formation. We won't know the exact perfs until we drill & log it, but it will be very similar to the Polaris B Federal #5 (330' FSL & 330' FWL, UL P) which was completed in November 2006.

The Polaris B Federal #5 completion broke the Yeso up into 4 perf/stimulation intervals. At this time, we assume the Polaris B Federal #5 should be very similar.

Polaris B Federal #5 has perfs from: 4465' – 5782' overall, but broken up into 4 separate intervals, with 4 separate fracs

1st interval: 5569.5' - 5782',

acidized w/ 3000 gals,

frac'd w/ 97,104 gals gel, 8,174 # LiteProp, & 87,611# 16/30 sand.

2nd interval: 5258' - 5478',

acidized w/ 3000 gals,

frac'd w/ 108,600 gals 30# gel, 58,900 gals 40# gel, 8012# LiteProp, & 91,700# 16/30 sand.

3rd interval: 4942' - 5155',

acidized w/ 3000 gals,

frac'd w/ 94,710 gals gel, 7,985# LiteProp, & 90,837# 16/30 sand.

4th interval: 4465' – 4750',

acidized w/ 2500 gals,

frac'd w/ 32,545 gals 30# gel, 61,576 gals 30# gel, 91,820# 16/30 sand & 8023# LiteProp.

Attachment 1

Permit, plat, & plat showing pipeline

Attachment 2

Map & legend of offset wells.

Attachment 3

Updated land plat showing that COG Operating LLC owns offset acreage. The acreage we are encroaching on is the NW/4 of the SE/4 of Section 9.

COG owns all of the SE/4 of Section 9.

COG has operating rights 4000' & below in the NW/4 of Section 9

COG Operating LLC respectfully requests permission to have this NSL approved.

· ATS-01-161

OPERATOR'S COPY

Form 3160 -3 FORM APPROVED OMB No. 1004-0137 Expires March 31, 2007 (April 2004) UNITED STATES 5. Lease Serial No. DEPARTMENT OF THE INTERIOR LC-029342B BUREAU OF LAND MANAGEMENT 6. If Indian, Allotee or Tribe Name APPLICATION FOR PERMIT TO DRILL OR REENTER 7 If Unit or CA Agreement, Name and No. DRILL REENTER la. Typeofwork-: 8. Lease Name and Well No. Oil Well lb. Type of Well: Gas Well Single Zone Multiple Zone Polaris B Federal #6 2. Name of Operator 9. API Well No. COG Operating LLC 3b. PhoneNo. (include area code) 3a. Address 10. Field and Pool, or Exploratory 550 W. Texas, Suite 1300 Midland, TX 79701 (505)685-4372 Loco Hills; Glorietta Yeso 4. Location of Well (Report location clearly andinaccorounce with any State requirements*) I I, Sec., T. R. M. or Blk. and Survey or Area 1156 FSL & 1650 FEL At proposed prod. zone 990 FSL & 1650 FEL Sec 9 T17S R30E 12. County or Parish 13. State 14. Distance in miles and direction from nearest town or post office* 2 miles north of Loco Hills, NMROSWELL CONTROLLED WATER BASIN NM Eddy 15. Distance from proposed* 16. No. of acres in lease 17. Spacing Unit dedicated to this well location to nearest property or lease line, ft. (Also to nearest drlg. unit line, if any) 164 320 40 18. Distance from proposed location* to nearest well, drilling, completed, 19. Proposed Depth 20. BLM/BlA Bond No. on file applied for, on this lease, ft. 660 6000 NMB000215 2 1. Elevations (Show whether DF, KDB, RT, GL, etc.) 22 Approximate date work will start* 2.3 Estimated duration 3697' GR 1/15/2006 12 days 24. Attachments The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form: 1. Well plat certified by a registered surveyor. 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). 2. A Drilling Plan. 3. A Surface Use Plan (if the location is on National Forest System Lands, the 5. Operator certification SUPO shall be filed with the appropriate Forest Service Office) 6. Such other site specific information and/or plans as may be required by the authorized officer. 25. Signature Name (Printed'/Typed) Date Jerry W. Sherrell 12/14/06 Title Production Clerk Approved by (Sign Name (Printedl/Typed) 1 m Office Application approval does not warrantor certify that the applicant holds lega or equitable time to those rights in the subject lea ould entitle the applicant to conduct operations thereon. APPROVAL FOR 1 YEAR Conditions of approval, if any, are attached

Title 18 U.S.C. Section 1001 and Tide 43 U.S.C. Section 1212, make it a crime for any person knowirilly and willfully to make to any department or agency of the United

*(Instructions on page 2)

SEE ATTACHED FOR CONDITIONS OF APPROVAL

States any false, fictitious or fraudulent statements or representations as to any matter within its juris iction.

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

State of New Mexico

DISTRICT I 1625 N. FRENCH DR., HORBS, NM 88240

Energy, Minerals and Natural Resources Department

DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410

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

Form C-102 Revised October 12, 2005 Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

DISTRICT IV 1220 S. ST. FRANCIS DR., SANTA FR., NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Na	ıme
	96718	Loco Hills;	Glorieta-Yeso
Property Code	Property	Name	Well Number
302547	POLARIS B	FEDERAL	6
OGRID No.	Operator	· Name	Elevation
229137	COG OPERA	TING, LLC	3697'

Surface Location

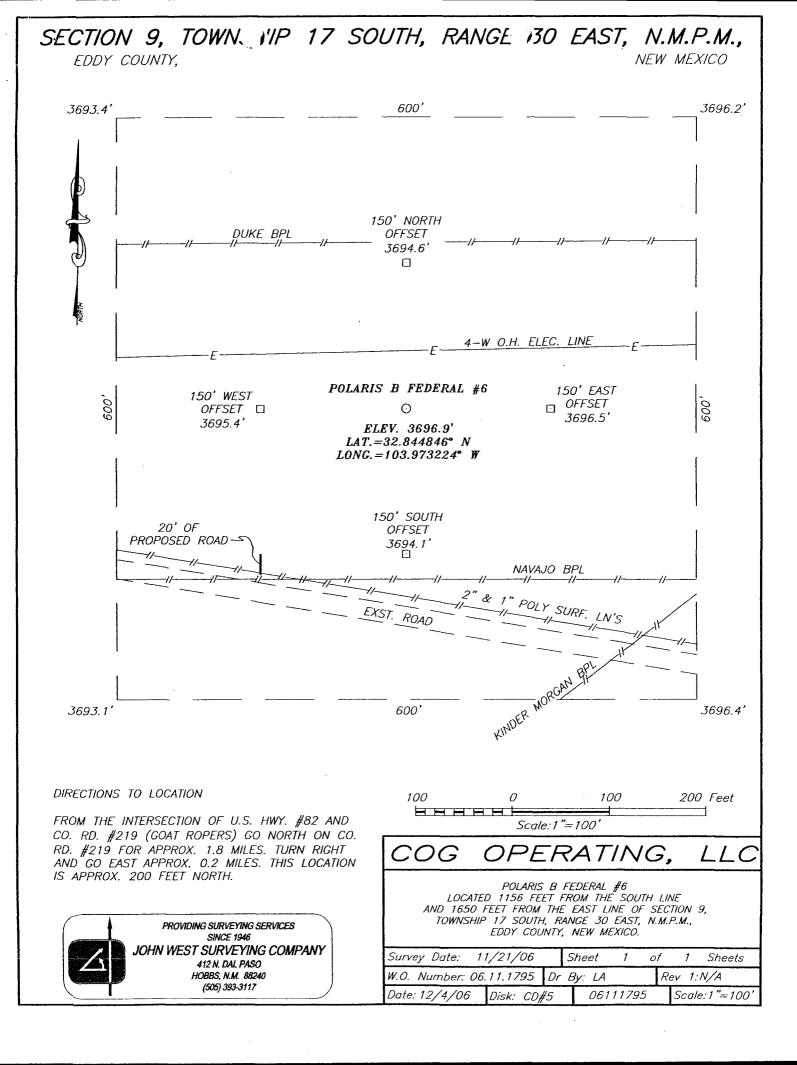
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	9	17-S	30-E		1156	SOUTH	1650	EAST	EDDY

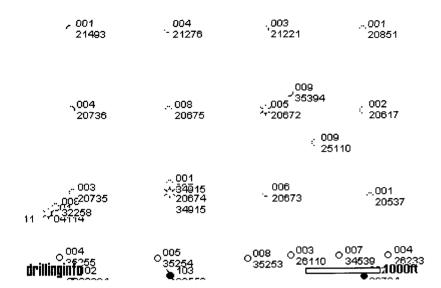
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	9	17S	30E		990	SOUTH	1650	EAST "	EDDY
Dedicated Acre	s Joint o	r Infill	Consolidation (Code Or	der No.				
40									

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

	ON A NON BIANDARD UNII HAD BEEN AITROVED BI	
GE	ODETIC COORDINATES NAD 27 NME Y=671254.6 N	OPERATOR CERTIFICATION I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Ana. 1/22/07 Signature Date Jerry W. Sherrell Printed Name SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.
	X=610596.7 E LAT.=32.844846' N DNG.=103.973224' W 3693.4' 3696.2' 1650' 3696.4'	NOVEMBER 21, 2006 Date Surveyed Signature & Seal of Professional Surveyor ANY A 20nm/2/07/06 06.11.1795 Certificate No. GARY EIDSON 12841





Offset wells to Polaris B Federal #6

ADI# Company	Current I pase Name	Well Name	Well# County Legal		Depth status	wellTvpe
5-25110	LOCO HILLS B FEDERAL	LOCO HILLS B FEDERAL 009	009 EDDY	S:9, T:17S, R:30E	Shut-in	РО
30-015-21276 SEELY OIL CO	ARCO FEDERAL	ARCO FEDERAL 004	004 EDDY	S:9, T:17S, R:30E 0	Pumping	0
30-015-21493 SEELY OIL CO	PARKE G FEDERAL	PARKE G FEDERAL 001	001 EDDY	S:9, T:17S, R:30E 0	Pumping	0
30-015-21221 SEELY OIL CO	ARCO FEDERAL	ARCO FEDERAL 003	003 EDDY	S:9, T:17S, R:30E 0	Pumping	0
30-015-20537 CBS OPERATING CORPORATION	LOCO HOLLS B FEDERAL	LOCO HOLLS B FEDERAL	001 EDDY	S:9, T:17S, R:30E 2900	Injection Well	PO
30-015-20617 CBS OPERATING CORPORATION	LOCO HILLS B FEDERAL	LOCO HILLS B FEDERAL 002	002 EDDY	S:9, T:17S, R:30E	Active	0
30-015-20672 CBS OPERATING CORPORATION	LOCO HILLS B FEDERAL	LOCO HILLS B FEDERAL 005	005 EDDY	S:9, T:17S, R:30E	Flowing	ഒ
30-015-20673 CBS OPERATING CORPORATION	LOCO HILLS B FEDERAL	LOCO HILLS B FEDERAL 006	006 EDDY	S:9, T:17S, R:30E	Active	0
30-015-20674 CBS OPERATING CORPORATION	LOCO HILLS B FEDERAL	LOCO HILLS B FEDERAL 007	007 EDDY	S:9, T:17S, R:30E	Flowing	G
30-015-20675 CBS OPERATING CORPORATION	LOCO HILLS B FEDERAL	LOCO HILLS B FEDERAL 008	008 EDDY	S:9, T:17S, R:30E	Shut-in	0
30-015-20851 SEELY OIL CO	ARCO FEDERAL	ARCO FEDERAL 001	001 EDDY	S:9, T:17S, R:30E 0	Active	0
30-015-04114		PRE-ONGARD WELL 001	001 EDDY	S:9, T:17S, R:30E	Active	G
30-015-20735		PRE-ONGARD WELL 003	003 EDDY	S:9, T:17S, R:30E	Active	0
30-015-32258 MACK ENERGY CORP	HOLDER CB FEDERAL	HOLDER CB FEDERAL 008	008 EDDY	S:9, T:17S, R:30E 5000	Active	0
30-015-20736 ROGER C HANKS	PRE-ONGARD WELL	PRE-ONGARD WELL 004	004 EDDY	S:9, T:17S, R:30E	Active Permit	PO
30-015-34915 GRUY PETROLEUM MANAGEMENT CO.	STEWART 9 FEDERAL COM	STEWART 9 FEDERAL COM 001	001 EDDY	S:9, T:17S, R:30E 11650	Active Permit	PG
30-015-35394 COG OPERATING LLC	POLARIS B FEDERAL	POLARIS B FEDERAL 009	009 EDDY	S:9, T:17S, R:30E 6000	Active Permit	PO
30-015-35393		POLARIS B FEDERAL 008	008 EDDY	S:9, T:17S, R:30E	Active	0
30-015-35395		POLARIS B FEDERAL 010	010 EDDY	S:9, T:17S, R:30E	Active	0
30-015-35396		POLARIS B FEDERAL 011	011 EDDY	S:9, T:17S, R:30E	Active	0
30-015-35397		POLARIS B FEDERAL 012	012 EDDY	S:9, T:17S, R:30E	Active	0
30-015-35471		HOLDER CB FEDERAL 011	011 EDDY	S:9, T:17S, R:30E	Active	0

