

DATE IN <u>3-16-10</u>	SUSPENSE	ENGINEER <u>DB</u>	LOGGED IN <u>3-16-10</u>	TYPE <u>NSL</u>	PTGW APP NO. <u>1007549741</u>
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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



COG
6175
Firewater State #10

ADMINISTRATIVE APPLICATION CHECKLIST

30-015-37640

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]**

RECEIVED OGD
20 MAR 2010
A 11:14

[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

INTEREST ARE THE SAME

- [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.

ROBYN M. ODOM
Print or Type Name

Signature

REGULATORY ANALYST
Title

3/15/10
Date

(432) 685-4385
Phone Number

rododm@conchoresources.com
E-mail Address

**Firecracker State #10
Eddy County, NM**

COG proposes to drill a **VERTICAL** SE/4, 40 acre spacing
Empire;Glorieta-Yeso oil well
TD of approximately 5400'

Location:

1650' FNL & 2335' FEL Sec 24, T17S, R28E, Unit G

This well had to be drilled at a non-standard location due to a road too close to original location.

The plan for this well is to complete it in the Yeso formation.
We won't know the exact perms until we drill & log it, but it will be very similar to the Kool Aid State #3 (2160' FNL & 2310' FEL, Section 24, T17S, R28E, UL G) which was completed in March 2009.

The Kool Aid State #3 completion has Yeso perms from 4280' – 5070', divided into 3 perf/stimulation intervals.

1st interval: 4280' – 4480',
acidized w/ 2500 gals,
frac w/ 111,450 gal Slvr Stm gel, 140,141# White, & 33,172# CRC.

2nd interval: 4590' – 4790',
acidized w/ 2500 gals,
frac w/ 112,168 gal Slvr Stm gel, 132,583# White, & 34,283# CRC.

3rd interval: 4870' – 5070',
acidized w/ 2500 gals,
frac w/ 115,495 gal Slvr Stm gel, 143,285# White, & 36,640# CRC.

Attachment 1

Plat & map

Attachment 2

Map & legend of offset wells.

Attachment 3

Updated land plat showing COG Operating LLC acreage.

The acreage we are encroaching is the NE/4 SE/4 of Section 14 and the SE/4 NE/4 of Section 14.

Proof of notifications to the offset operators attached.

Interests are the same.

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

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

OIL CONSERVATION DIVISION

11885 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410

DISTRICT IV
11885 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-015- 37640	Pool Code 96210	Pool Name <i>under</i> EMPIRE; GLORIETA-YESO
Property Code 37882	Property Name FIRECRACKER STATE	Well Number 10
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3609'

Surface Location

UL or lot No. J	Section 14	Township 17-S	Range 28-E	Lot Idn	Feet from the 2310	North/South line SOUTH	Feet from the 1600	East/West line EAST	County EDDY
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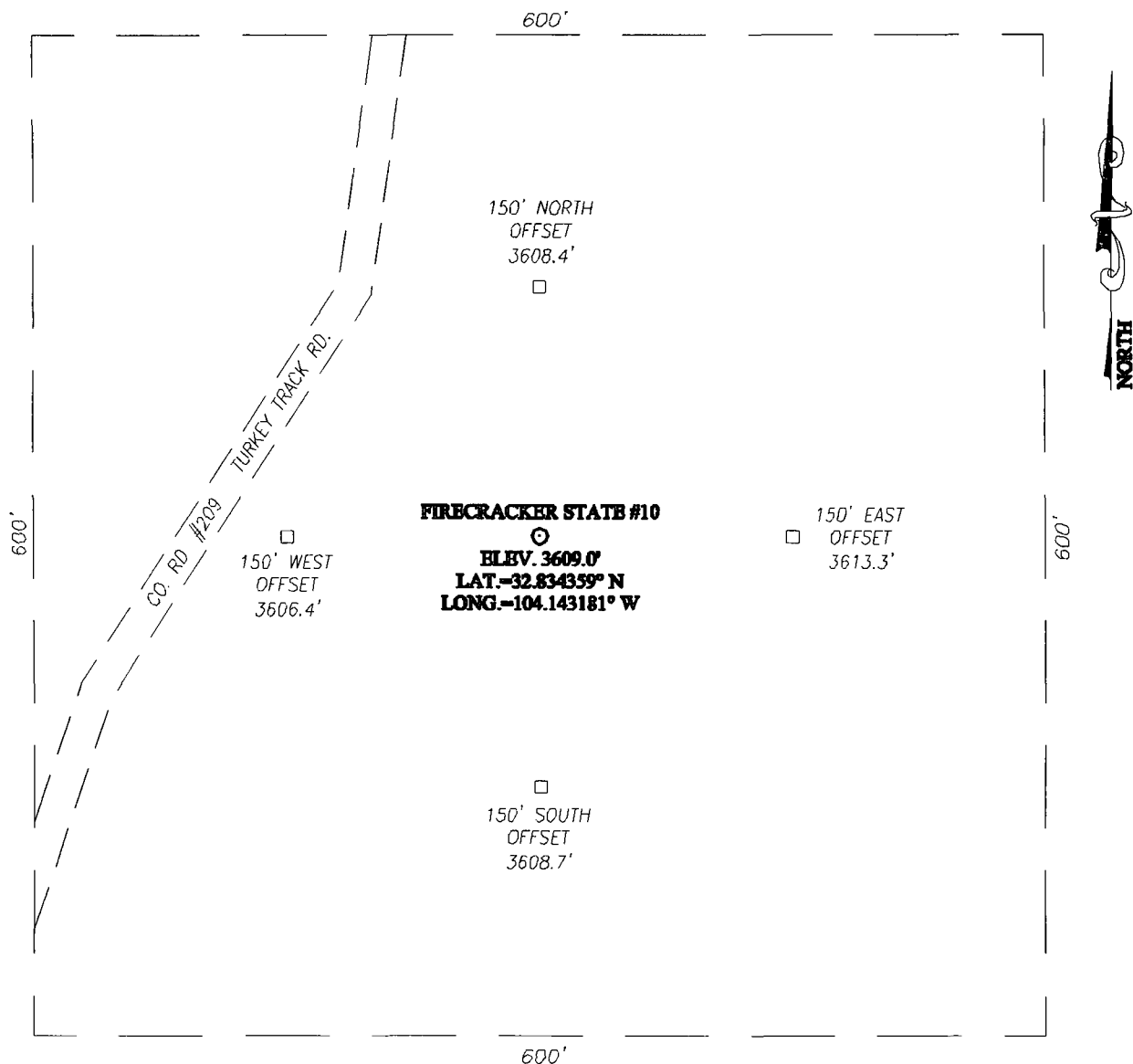
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/EAST line	County
Dedicated Acres 40	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

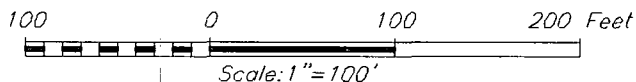
<p>GEODETIC COORDINATES NAD 27 NME</p> <p>SURFACE LOCATION Y=667303.5 N X=558406.1 E LAT.=32.834359° N LONG.=104.143181° W</p> <p>S.L. 1600'</p> <p>2310'</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and 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>[Signature]</i> 2/19/2010 Signature Date Robyn Odom Printed Name</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><i>[Signature]</i> 2/17/10 Date Surveyed Signature & Seal of Professional Surveyor GARY G. EIDSON RONALD J. EIDSON</p> <p>Certificate No. 12641 3239</p>
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SECTION 14, TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF ST. HWY. #82 AND CO. RD. #209 (TURKEY TRACK RD.), GO NORTH ON CO. RD. #209 APPROX. 2.4 MILES. THIS LOCATION STAKE IS APPROX. 160 FEET EAST OF CO. RD. #209.



PROVIDING SURVEYING SERVICES
 SINCE 1946
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 HOBBS, N.M. 88240
 (575) 393-3117

COG OPERATING, LLC

FIRECRACKER STATE #10 WELL
 LOCATED 2310 FEET FROM THE SOUTH LINE
 AND 1600 FEET FROM THE EAST LINE OF SECTION 14,
 TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO.

Survey Date: 02/10/10	Sheet 1 of 1 Sheets
W.O. Number: 09.11.1227	Dr By: DSS
Date: 02/16/10	09111227
	Scale: 1"=100'

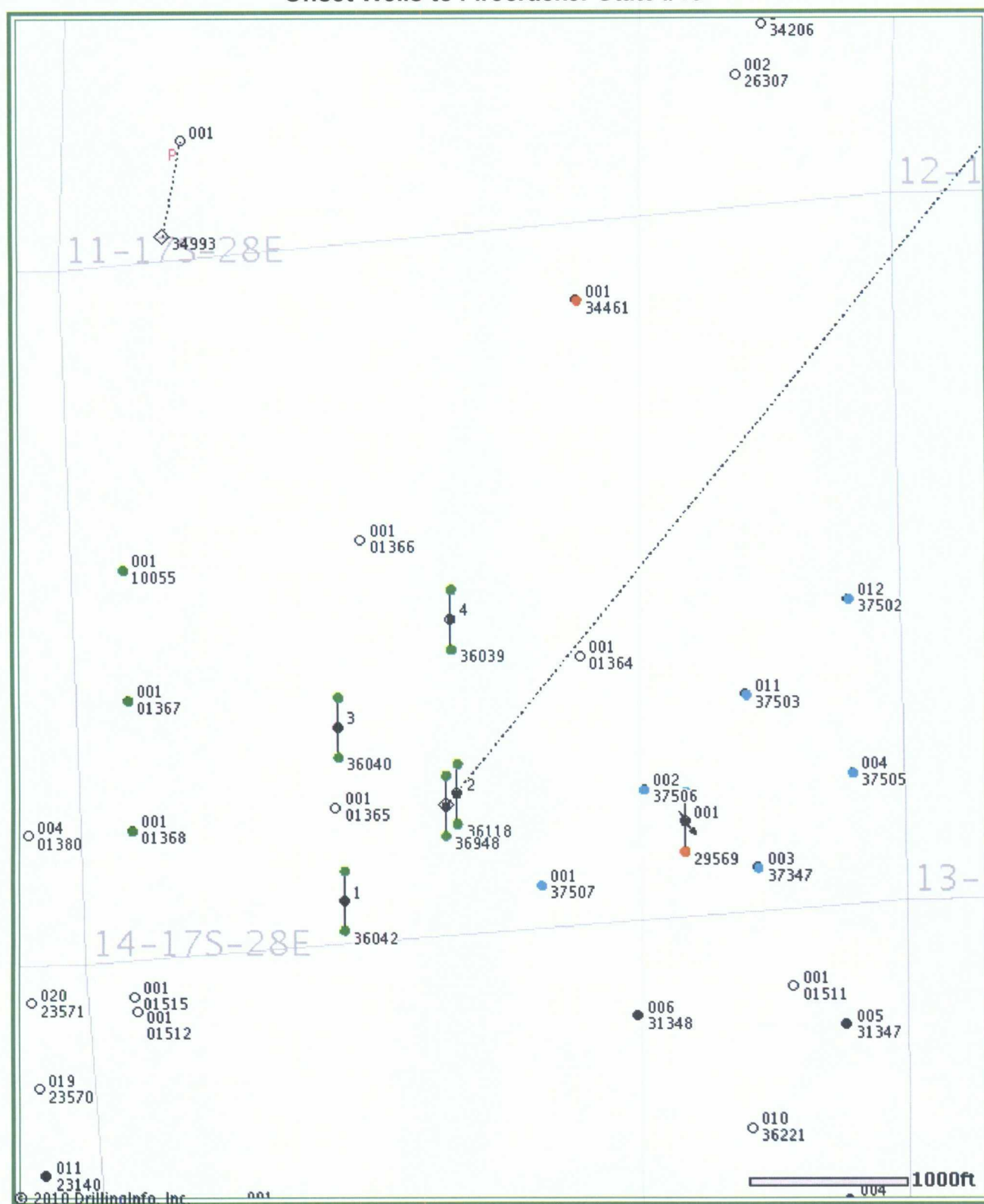
Offset Wells to Firecracker State #10

API#	Operator	Lease	Well#	County	Legal	Field Name	Reservoir Name	Total Depth	Well Type	Well Status	First Prod.	Last Prod.
30-015-01367	HANSON OPERATING CO INC	SCHRAM FEDERAL	001	EDDY	S:14, T:17S, R:28E	RED LAKE	QUEEN-GRAYBURG-SA	2,220	PO	Pumping	Oct 1962	Mar 2008
30-015-01368	MACK ENERGY CORP	WELCH FEDERAL	001	EDDY	S:14, T:17S, R:28E	RED LAKE	QUEEN-GRAYBURG-SA	0	PO	Pumping	Dec 1961	Nov 1995
30-015-10055	HANSON OPERATING CO INC	H AND K FEDERAL	001	EDDY	S:14, T:17S, R:28E	RED LAKE	QUEEN-GRAYBURG-SA	2,198	O	Active	Jan 1963	Nov 2001
30-015-29569	COG OPERATING LLC	AID STATE 14	001	EDDY	S:14, T:17S, R:28E	SWD	CISCO	10,540	D	Salt Water Disposal	Nov 2001	Nov 2009
30-015-29569	MACK ENERGY CORP	AID STATE 14	001	EDDY	S:14, T:17S, R:28E	AID	MORROW (GAS)	10,540	D	Salt Water Disposal		
30-015-34461	MURCHISON OIL & GAS INC	PUMA	001	EDDY	S:14, T:17S, R:28E	EMPIRE	MORROW, SOUTH (GAS)	10,285	PG	Active	Jun 2006	Nov 2009
30-015-36039	MACK ENERGY CORP	BLACK CAT FEDERAL	4	EDDY	S:14, T:17S, R:28E	EMPIRE	YESO	5,193	O	Active Permit	Oct 2008	Nov 2009
30-015-36040	MACK ENERGY CORP	BLACK CAT FEDERAL	3	EDDY	S:14, T:17S, R:28E	EMPIRE	YESO	5,800	PO	Active Permit	Sep 2008	Nov 2009
30-015-36948	MACK ENERGY CORP	BLACK CAT FEDERAL	2	EDDY	S:14, T:17S, R:28E	EMPIRE	YESO	11,514	PO	Active Permit		
30-015-36042	MACK ENERGY CORP	BLACK CAT FEDERAL	1	EDDY	S:14, T:17S, R:28E	EMPIRE; YESO		5,800	PO	Active Permit	Mar 2008	Apr 2008
30-015-36118	MACK ENERGY CORP	BLACK CAT FEDERAL	2	EDDY	S:14, T:17S, R:28E	EMPIRE	YESO	5,185	O	Active Permit	Sep 2008	Nov 2009
30-015-36042	MACK ENERGY CORP	BLACK CAT FEDERAL	1	EDDY	S:14, T:17S, R:28E	EMPIRE (YESO)	YESO	5,800	PO	Active Permit	Mar 2008	Nov 2009
30-015-36118	MACK ENERGY CORP	BLACK CAT FEDERAL	2	EDDY	S:14, T:17S, R:28E	EMPIRE; YESO		5,185	O	Active Permit		
30-015-36040	MACK ENERGY CORP	BLACK CAT FEDERAL	3	EDDY	S:14, T:17S, R:28E	EMPIRE; YESO		5,800	PO	Active Permit		
30-015-36039	MACK ENERGY CORPORATION	BLACK CAT FEDERAL	4	EDDY	S:14, T:17S, R:28E	EMPIRE; GLORIETA-YESO		5,193	O	Active Permit		
30-015-36948	CIMAREX ENERGY CO. OF COLORADO	UTAH 21 FEDERAL COM	2	EDDY	S:14, T:17S, R:28E	Unknown (ABO (O))	ABO (O)	11,514	PO	Active Permit		
	COG OPERATING	FIRECRACKER			S:14, T:17S,							

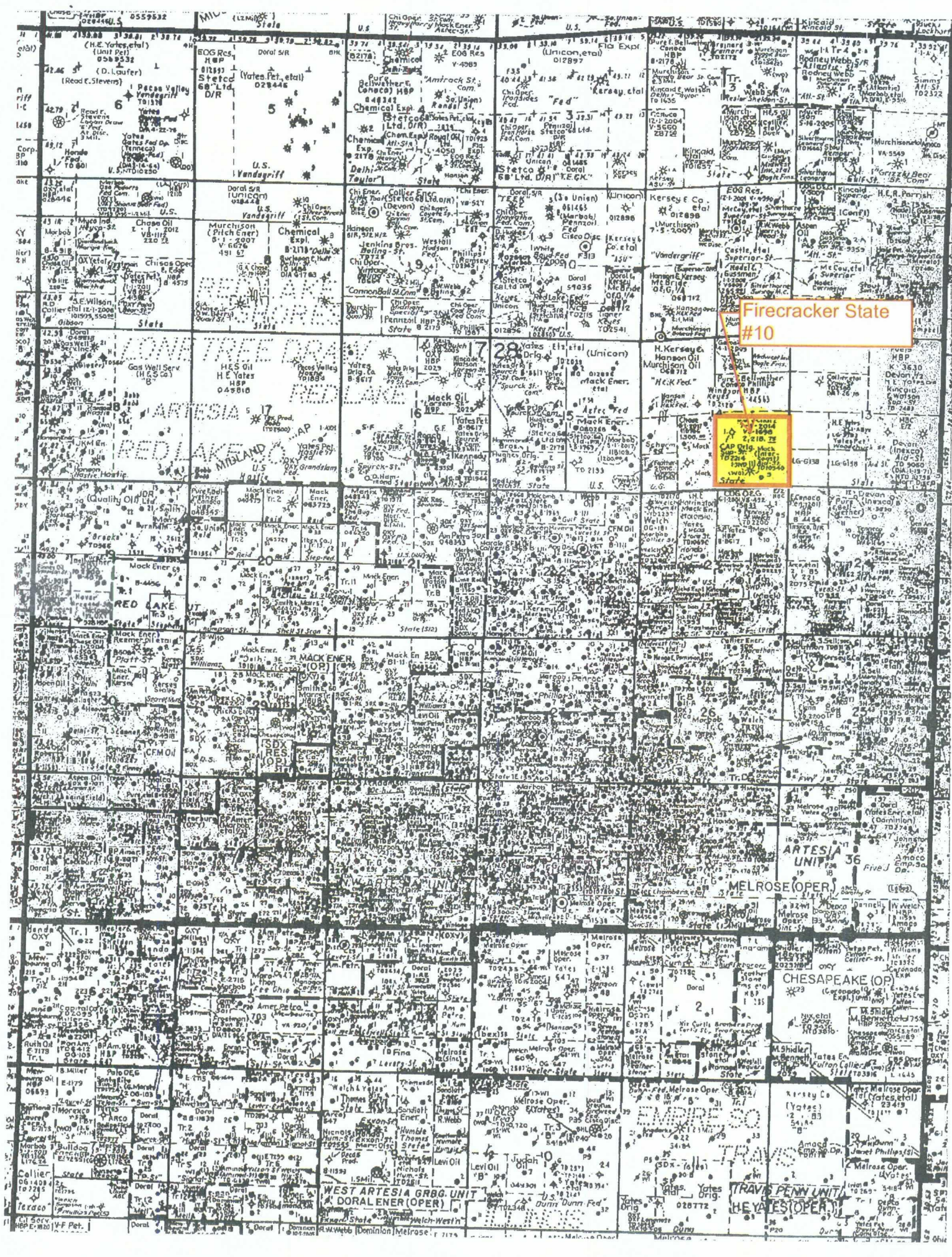
DI Search Results (Printable Table)

30-015-37347	LLC	STATE	003	EDDY	R:28E S:14, T:17S, R:28E	EMPIRE (YESO)	YESO	5,300	PO	Active Permit		
30-015-37507	COG OPERATING LLC	FIRECRACKER STATE	001	EDDY	S:14, T:17S, R:28E	EMPIRE (YESO)	YESO	5,400	PO	Active Permit		
30-015-37506	COG OPERATING LLC	FIRECRACKER STATE	002	EDDY	S:14, T:17S, R:28E	EMPIRE (YESO)	YESO	5,400	PO	Active Permit		
30-015-37505	COG OPERATING LLC	FIRECRACKER STATE	004	EDDY	S:14, T:17S, R:28E	EMPIRE (YESO)	YESO	5,400	PO	Active Permit		
30-015-37503	COG OPERATING LLC	FIRECRACKER STATE	011	EDDY	S:14, T:17S, R:28E	EMPIRE (YESO)	YESO	5,400	PO	Active Permit		
30-015-37502	COG OPERATING LLC	FIRECRACKER STATE	012	EDDY	S:14, T:17S, R:28E	EMPIRE (YESO)	YESO	5,400	PO	Active Permit		

Offset Wells to Firecracker State #10



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Firecracker State
#10

State
#10

ARTESIA
UNIT 36

MELROSE (OPER)

CHESAPEAKE (OP)

TRAVIS

TRAVIS PENN UNIT

HE YATES OPER

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:

CONOCO-PHILLIPS
 MID-CONTINENT BUSINESS CENTER
 3300 NORTH A STREET, BLDG 6
 MIDLAND, TX 79705

COMPLETE THIS SECTION ON DELIVERY

- A. Signature ☒ Agent ☐ Addressee
[Signature]
- B. Received by (Printed Name) *R. H. H.* C. Date of Delivery *2/25/04*
- D. Is delivery address different from item 1? ☐ Yes ☐ No
 If YES, enter delivery address below:

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

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

2. Article Number *7009* *2250* *0001* *0942* *4193*
 (Transfer from service label)

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

**COG OPERATING LLC
550 W. TEXAS, SUITE 100
MIDLAND, TX 79701**

February 23, 2010

Conoco – Phillips
Mid-Continent Business Unit
3300 North A Street, Bldg 6
Midland, TX 79705

Re: Request for Unorthodox Well Location

To Whom It May Concern:

This letter will serve as notice under Rule 104.F (3) that COG Operating LLC has requested administrative approval from the Oil Conservation Division in Santa Fe, NM for an unorthodox Empire: YESO, EAST oil well.

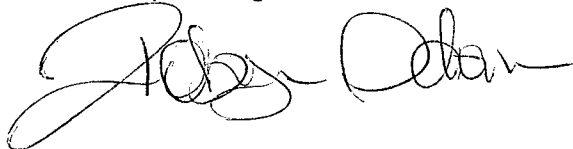
**Firecracker State #10
Eddy County, NM**

2310' FSL & 1600' FEL Sec 14, T17S, R28E, Unit J

Should your company have any objection, it must be filed in writing within twenty (20) days from the date of this notice. The Division Director may allow COG to produce from the unorthodox location after the well is drilled, if no objection has been made within the 20 days after the application has been received.

Sincerely,

COG Operating LLC

A handwritten signature in black ink, appearing to read "Robyn Odom", written over the printed name.

Robyn M. Odom
Regulatory Analyst

432-685-4385
rodome@conchoresources.com

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:

CHISOS, LTD
670 DONA ANA RD. SW
DEMING, NM 88030

COMPLETE THIS SECTION ON DELIVERY

- A. Signature [Signature] ☐ Agent ☐ Addressee
- B. Received by (Printed Name) Benita C. Date of Delivery 2-17-04
- D. Is delivery address different from item 1? ☐ Yes ☒ No
If YES, enter delivery address below:

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.
4. Restricted Delivery? (Extra Fee) ☐ Yes ☒ No

2. Article Number
(Transfer from service label)

7009 2250 0001 0942 4643

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

**COG OPERATING LLC
550 W. TEXAS, SUITE 100
MIDLAND, TX 79701**

March 8, 2010

Chisos, LTD
670 Dona Ana Rd. SW
Deming, NM 88030

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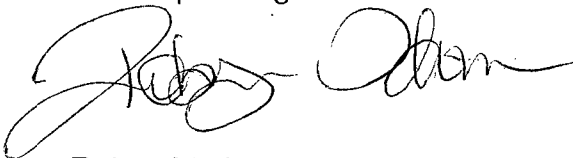
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Robyn M. Odom
Regulatory Analyst

432-685-4385
rodome@conchoresources.com

Brooks, David K., EMNRD

From: Robyn Odom [rodom@conchoresources.com]
Sent: Wednesday, March 17, 2010 9:05 AM
To: Brooks, David K., EMNRD
Subject: RE: Firecracker State #10; NSL Application
Attachments: Firecracker State #10 NSL explanation.doc

Dear Mr. Brooks,

The C-102 has the correct footage. I must have forgot to change that information on the explanation letter. Attached is a corrected letter. Sorry for the confusion. Please let me know if you need any more information in the approval of this application.

Thank you,

Robyn Odom
(432) 685-4385

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From: Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]
Sent: Wednesday, March 17, 2010 9:56 AM
To: Robyn Odom
Subject: Firecracker State #10; NSL Application

Dear Ms. Odom

In this application there is a discrepancy between the application on the one hand, and the C-102 and other attached documents, regarding the proposed location.

The application indicates that this well is to be located 1650 FNL and 2335 FEL, in Unit G of Section 24. The C-102 and the notice letters all state the location as 2310 FSL and 1600 FEL in Unit J of Section 14. According to our database, a well by this name has already been permitted at the latter location.

Please clarify.

Thanks
David K. Brooks
Assistant General Counsel

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prohibited unless specifically provided under the New Mexico Inspection of Public Records Act. If you are not the intended recipient, please contact the sender and destroy all copies of this message. -- This email has been scanned by the Sybari - Antigen Email System.

**Firecracker State #10
Eddy County, NM**

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Empire;Glorieta-Yeso oil well
TD of approximately 5400'

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Attachment 2

Map & legend of offset wells.

Attachment 3

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Interests are the same.

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Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Wednesday, March 17, 2010 8:56 AM
To: 'Robyn Odom'
Subject: Firecracker State #10; NSL Application

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Assistant General Counsel