

DATE IN <u>5.20.11</u>	SUSPENSE	ENGINEER <u>DB.</u>	LOGGED IN <u>5.20.11</u>	TYPE <u>NSL</u>	APP NO <u>1114040960</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

Folk Fed #28

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 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.

Kelly J. Holly
 Print or Type Name

[Signature]
 Signature

Permitting Tech
 Title

5-18-11
 Date

(432) 685-4384
 Phone Number

kholly@conchoresources.com
 E-mail Address

**Folk Federal #25
Eddy County, NM**

COG proposes to drill a SW/4 NW/4, 40 acre spacing
Empire; Glorieta-Yeso, East Oil Well
TD of approximately 5450'

Non-Standard Location:

2509' FNL & 330' FWL Sec 17, T17S, R29E, Unit E

**This well had to be drilled at a non-standard location due to
Archeology at original location.**

This well is to be completed in the Empire; Glorieta-Yeso, East (96610) formation. We won't know the exact perms until we drill & log it, but it will be very similar to the Folk Federal #4 which was completed in October 2007 and is located 2310' FNL & 2110' FWL, Unit F in Sec 17, T17S, R29E.

Folk Federal #4 has Yeso open perms from: 4300' – 5160' overall, but broken up into 3 separate intervals, with 3 separate fracs:

1st interval: 4960' – 5160'
acidized w/ 5000 gals,
frac w/ 69,248 gals gel, & 61,172# 16/30 sand, & 5676# LiteProp

2nd interval: 4510' – 4710'
acidized w/ 5000 gals,
frac w/ 68,981 gals gel, & 61,488# 16/30 sand, & 5766# LiteProp

3rd interval: 4300' – 4440'
acidized w/ 5000 gals,
frac w/ 68,906 16/30 sand, & 4330# LiteProp

Attachment 1

Plat & Map

Attachment 2

Map & legend of offset wells.

Attachment 3

Updated land plat showing COG Operating LLC owns offset acreage.
The acreage we are encroaching is the NW/4 SW/4 of Section 17 and NE/4 SE/4
of Section 18.

All interests are the same.

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

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

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

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

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

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 July 16, 2010
Submit to Appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015	Pool Code 96610	Pool Name <i>undis</i> Empire; Glorieta-Yeso, East
Property Code 302495	Property Name FOLK FEDERAL	Well Number 25
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3668'

Surface Location

UL or lot No. E	Section 17	Township 17-S	Range 29-E	Lot Idn	Feet from the 2509	North/South line NORTH	Feet from the 330	East/West line WEST	County EDDY
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Bottom Hole Location If Different From Surface

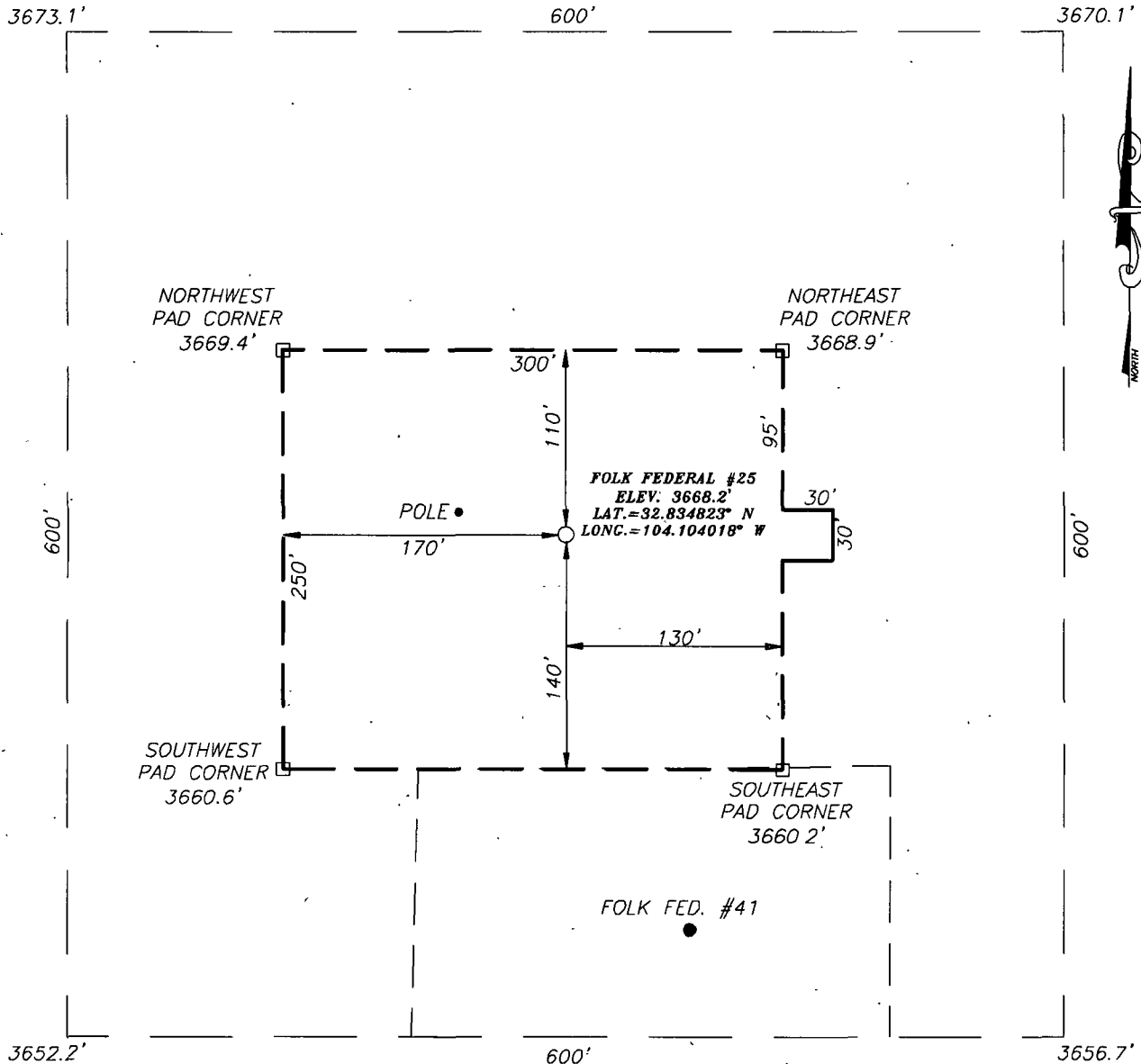
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

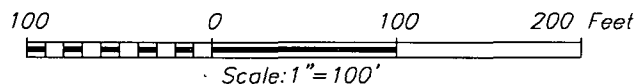
<p>GEODETIC COORDINATES NAD 27 NME 3673.1' 3670.1' SURFACE LOCATION Y=667496.2 N X=570435.1 E LAT.=32.834823° N LONG.=104.104018° W 3652.2' 3656.7'</p> <p>DETAIL 600' 600'</p> <p>S.L. SEE DETAIL 330'</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information herein is true and complete 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>Kelly J. Holly</i> 5-17-11 Signature Date Kelly J. Holly Printed Name kholly@conchoresources.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>MAY 3, 2011</p> <p>Date of Survey Signature and Seal of Professional Surveyor: <i>RONALD J. EIDSON</i> RONALD J. EIDSON NEW MEXICO 3239 Professional Surveyor 5/12/2011 Certificate Number: 12641 Ronald J. Eidson 3239 LA JWSC W.O.: 11.11.0700</p>

SECTION 17, TOWNSHIP 17 SOUTH, RANGE 29 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF U.S. HWY. #82 AND CO. RD. #211 (OLD LOCO RD.), GO NORTH ON CO. RD. #211 APPROX. 1.6 MILES. TURN LEFT AND GO SOUTHWEST APPROX. 0.4 MILES TO THE FOLK FED. #41 WELL PAD THE LOCATION STAKE IS APPROX. 250 FEET NORTHWEST OF EXISTING WELL HEAD.



COG OPERATING, LLC

FOLK FEDERAL #25 WELL
 LOCATED 2509 FEET FROM THE NORTH LINE
 AND 330 FEET FROM THE WEST LINE OF SECTION 17,
 TOWNSHIP 17 SOUTH, RANGE 29 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO.

Survey Date: 5/3/11	Sheet 1 of 1 Sheets
W.O. Number: 11.11.0700	Dr By: LA
Date: 5/11/11	11110700
	Scale: 1" = 100'

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

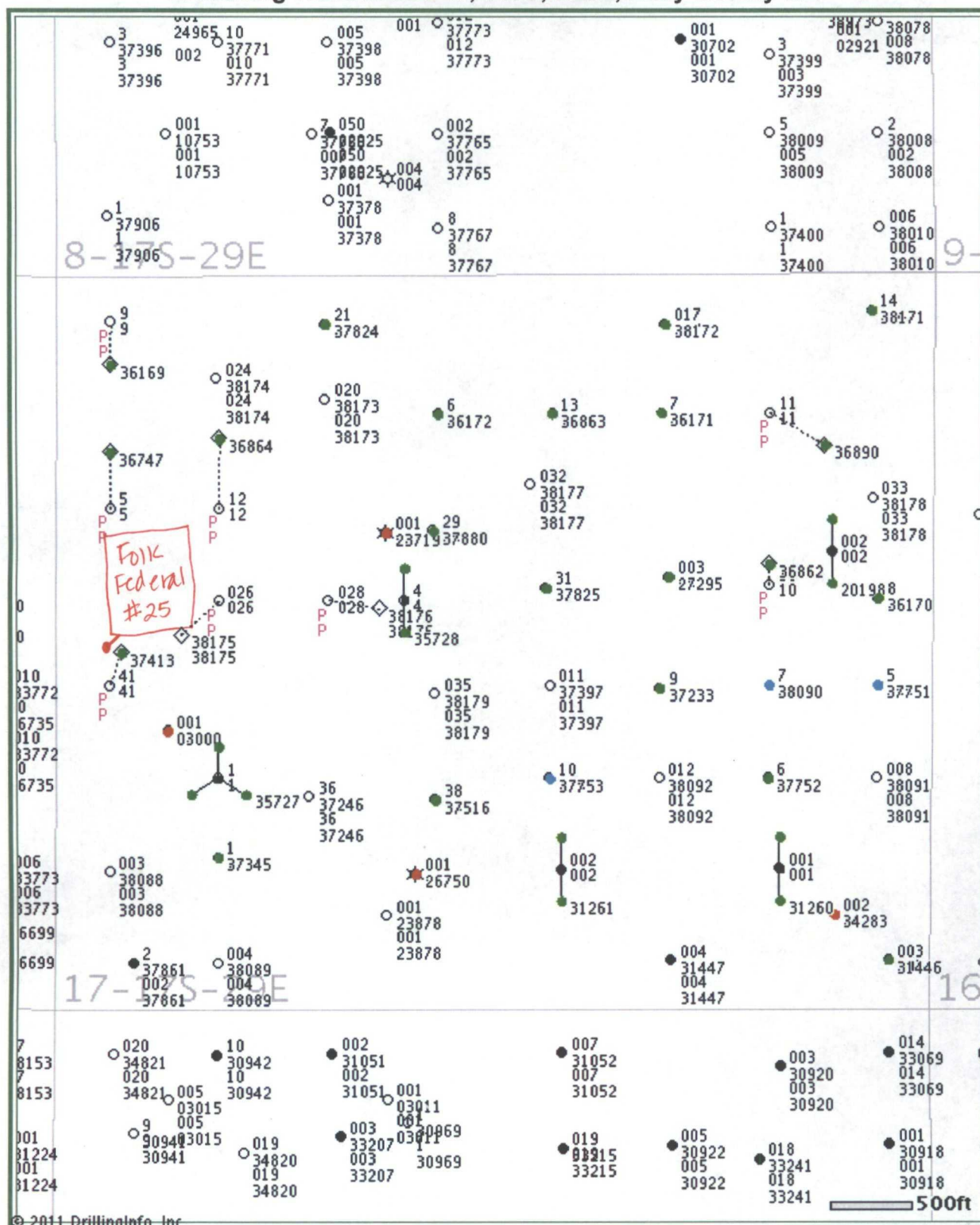
Producing Wells in Sec 17, T17S, R29E, Eddy County NM

API#	Operator	Lease	Well#	County	Legal	Total Depth	Well Type	Well Status	First Prod.	Last Prod.	Avg. (BO/D)
30-015-23719	COG OPERATING LLC	FEDERAL KL-17	001	EDDY	S:17, T:17S, R:29E	10,740	G	Pumping	Aug 1982	Feb 2011	0.11
30-015-31260	CLAYTON WILLIAMS ENERGY INC	PHILLIPS 17 FEDERAL	001	EDDY	S:17, T:17S, R:29E	4,805	O	Temporarily Abandoned	Nov 2000	Mar 2011	0.55
30-015-35728	COG OPERATING LLC	FOLK FEDERAL	4	EDDY	S:17, T:17S, R:29E	5,600	O	Active Permit	Oct 2007	Aug 2010	0.71
30-015-03000		FOLK FEDERAL	001	EDDY	S:17, T:17S, R:29E		O	Active	Jun 1959	Jul 1961	0.81
30-015-34283	CIMAREX ENERGY CO. OF COLORADO	MUSKEGON 17 FEDERAL COM	002	EDDY	S:17, T:17S, R:29E	11,500	PG	Active Permit	May 2006	Sep 2007	0.83
30-015-37413	COG OPERATING LLC	FOLK FEDERAL	41	EDDY	S:17, T:17S, R:29E	5,450	PO	Active Permit	Jan 2011	Feb 2011	1.04
30-015-31261	CLAYTON WILLIAMS ENERGY INC	PHILLIPS 17 FEDERAL	002	EDDY	S:17, T:17S, R:29E	4,506	O	Temporarily Abandoned	Sep 2000	Mar 2011	1.10
30-015-20198	COG OPERATING LLC	FOLK FEDERAL	002	EDDY	S:17, T:17S, R:29E	0	O	Active	Mar 1969	Feb 2011	1.18
30-015-35728	COG OPERATING LLC	FOLK FEDERAL	4	EDDY	S:17, T:17S, R:29E	5,600	O	Active Permit	Dec 2010	Feb 2011	1.18
30-015-35727	COG OPERATING LLC	FOLK FEDERAL	1	EDDY	S:17, T:17S, R:29E	5,123	O	Active Permit	Oct 2010	Feb 2011	2.25
30-015-35727	COG OPERATING LLC	FOLK FEDERAL	1	EDDY	S:17, T:17S, R:29E	5,123	O	Active Permit	Oct 2010	Dec 2010	2.26
30-015-31261	CLAYTON WILLIAMS ENERGY INC	PHILLIPS 17 FEDERAL	002	EDDY	S:17, T:17S, R:29E	4,506	O	Temporarily Abandoned	Dec 2000	Mar 2011	2.77
30-015-20198	MACK ENERGY CORP	FOLK FEDERAL	002	EDDY	S:17, T:17S, R:29E	0	O	Active	Jan 1972	Dec 1977	3.26
30-015-31260	CLAYTON WILLIAMS ENERGY INC	PHILLIPS 17 FEDERAL	001	EDDY	S:17, T:17S, R:29E	4,805	O	Temporarily Abandoned	Sep 2000	Mar 2011	3.29
30-015-31446	CLAYTON WILLIAMS ENERGY INC	PHILLIPS 17 FEDERAL	003	EDDY	S:17, T:17S, R:29E	4,427	O	Pumping	Jan 2001	Mar 2011	3.84
					S:17,						

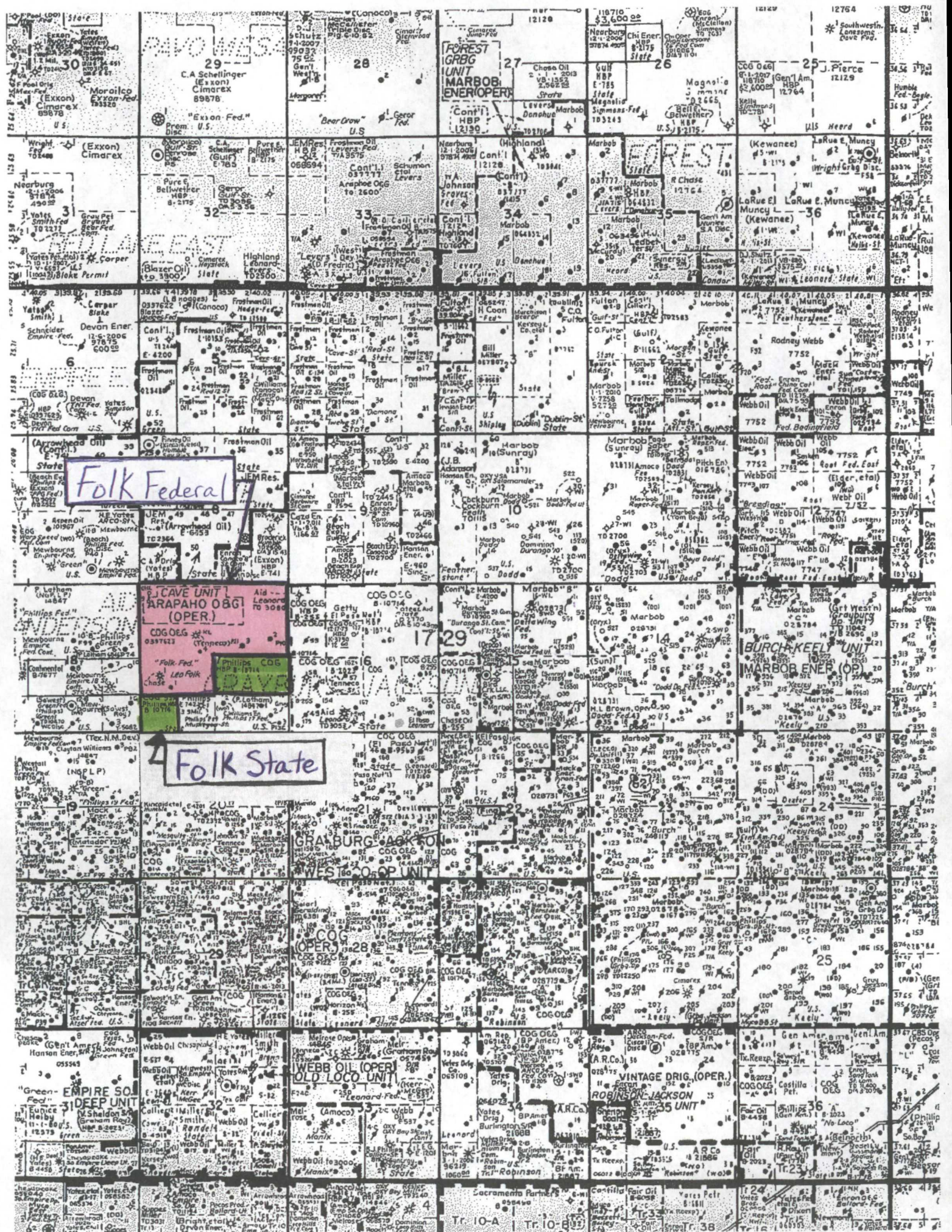
30-015-37516	COG OPERATING LLC	FOLK FEDERAL	38	EDDY	T:17S, R:29E	5,070	O	Active Permit	Sep 2010	Feb 2011	4.46
30-015-27295	COG OPERATING LLC	FOLK FEDERAL	003	EDDY	S:17, T:17S, R:29E	5,050	PO	Active	Mar 1993	Feb 2011	4.68
30-015-37880	COG OPERATING LLC	FOLK FEDERAL	29	EDDY	S:17, T:17S, R:29E	5,477	O	Active Permit	Nov 2010	Feb 2011	6.50
30-015-35727	COG OPERATING LLC	FOLK FEDERAL	1	EDDY	S:17, T:17S, R:29E	5,123	O	Active Permit	Nov 2007	Jun 2010	6.93
30-015-36172	COG OPERATING LLC	FOLK FEDERAL	6	EDDY	S:17, T:17S, R:29E	5,463	O	Active Permit	Mar 2009	Feb 2011	7.29
30-015-36169	COG OPERATING LLC	FOLK FEDERAL	9	EDDY	S:17, T:17S, R:29E	5,408	O	Active Permit	Nov 2009	Feb 2011	8.00
30-015-36171	COG OPERATING LLC	FOLK FEDERAL	7	EDDY	S:17, T:17S, R:29E	5,465	O	Active Permit	Jul 2009	Feb 2011	8.57
30-015-36170	COG OPERATING LLC	FOLK FEDERAL	8	EDDY	S:17, T:17S, R:29E	5,462	O	Active Permit	Apr 2009	Feb 2011	10.36
30-015-36864	COG OPERATING LLC	FOLK FEDERAL	12	EDDY	S:17, T:17S, R:29E	5,421	O	Active Permit	Sep 2009	Feb 2011	12.39
30-015-36863	COG OPERATING LLC	FOLK FEDERAL	13	EDDY	S:17, T:17S, R:29E	5,531	O	Active Permit	Apr 2010	Feb 2011	13.21
30-015-37825	COG OPERATING LLC	FOLK FEDERAL	31	EDDY	S:17, T:17S, R:29E	5,478	O	Active Permit	Dec 2010	Feb 2011	13.71
30-015-36890	COG OPERATING LLC	FOLK FEDERAL	11	EDDY	S:17, T:17S, R:29E	5,412	O	Active Permit	Dec 2009	Feb 2011	14.00
30-015-37347	COG OPERATING LLC	FIRECRACKER STATE	3	EDDY	S:17, T:17S, R:29E	5,320	O	Active Permit	May 2010	Feb 2011	16.21
30-015-37345	COG OPERATING LLC	FOLK STATE	1	EDDY	S:17, T:17S, R:29E	5,515	O	Active Permit	May 2010	Feb 2011	16.71
30-015-37233	COG OPERATING LLC	FOLK STATE	9	EDDY	S:17, T:17S, R:29E	5,130	O	Active Permit	Jul 2010	Feb 2011	20.11
30-015-38171	COG OPERATING LLC	FOLK FEDERAL	14	EDDY	S:17, T:17S, R:29E	5,478	O	Active Permit	Jan 2011	Feb 2011	20.32
30-015-37752	COG OPERATING LLC	FOLK STATE	6	EDDY	S:17, T:17S, R:29E	5,055	O	Active Permit	Aug 2010	Feb 2011	20.64
					S:17,						

30-015-36747	COG OPERATING LLC	FOLK FEDERAL	5	EDDY	T:17S, R:29E	5,555	O	Active Permit	Aug 2010	Feb 2011	23.68
30-015-36862	COG OPERATING LLC	FOLK FEDERAL	10	EDDY	S:17, T:17S, R:29E	5,550	O	Active Permit	Aug 2009	Feb 2011	25.68
30-015-37751	COG OPERATING LLC	FOLK STATE	5	EDDY	S:17, T:17S, R:29E	5,043	O	Active Permit	Jan 2011	Feb 2011	34.79
30-015-38090	COG OPERATING LLC	FOLK STATE	7	EDDY	S:17, T:17S, R:29E	5,463	O	Active Permit	Jan 2011	Feb 2011	58.96
30-015-37753	COG OPERATING LLC	FOLK STATE	10	EDDY	S:17, T:17S, R:29E	5,167	O	Active Permit	Jan 2011	Feb 2011	61.50
30-015-37824	COG OPERATING LLC	FOLK FEDERAL	21	EDDY	S:17, T:17S, R:29E	5,467	O	Active Permit	Jan 2011	Feb 2011	72.82
30-015-26750	CONOCOPHILLIPS COMPANY	MUSKEGON "17" STATE COM.	001	EDDY	S:17, T:17S, R:29E	10,880	G	Pumping	May 1992	Feb 2011	
30-015-38172	COG OPERATING LLC	FOLK FEDERAL	017	EDDY	S:17, T:17S, R:29E	5,500	PO	Active Permit	Feb 2011	Feb 2011	

Producing Wells in Sec 17, T17S, R29E, Eddy County NM



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Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Wednesday, June 15, 2011 9:20 AM
To: 'Kelly Holly'
Subject: Folk Fed #25 - NSL Application

Dear Ms. Holly

As you have correctly noted in your application, this location encroaches diagonally to the southwest toward the NE/SE of Section 18.

You state that COG owns the offset acreage. However, OCD records show two wells in Unit I of Section 18 operated by Mewbourne Oil Company that are completed in the Yeso, the Empire 18 State ## 7 and 10.

If this information is correct, it would seem that notice to Mewbourne of this application will be required.

Please contact if you have questions or other concerns.

Sincerely

David Brooks

**COG OPERATING LLC
550 W. TEXAS, SUITE 1300
MIDLAND, TX 79701**

June 15, 2011

Mewbourne Oil Company
500 W Texas Ave # 1020
Midland, TX 79701-4279

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.

**Folk Federal #25
Eddy County, NM**

SHL: 2059' FNL & 330' FWL Sec 17, T17S, R29E, Unit E

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.


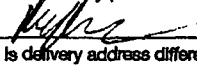
Sincerely,

COG Operating LLC



Kelly J. Holly
Permitting Tech

432-685-4384
kholly@conchoresources.com

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<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. 		A. Signature X  <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to: Mewbourne Oil Company 500 W Texas Ave #1020 Midland, TX 79701-4279		B. Received by (Printed Name) 	C. Date of Delivery 6-26
		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 type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
2. Article Number (Transfer from service label)		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
		91 7199 9991 7030 4045 5297	
PS Form 3811, February 2004		Domestic Return Receipt	
		102505-02-M-1540	

UNITED STATES POSTAL SERVICE



First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

• Sender: Please print your name, address, and ZIP+4 in this box •

COG OPERATING LLC
ATTN: KELLY J. HOLLY
550 W TEXAS AVE, SUITE 100
MIDLAND, TX 79701

David Brooks

From: Kelly Holly [<mailto:kholly@conchoresources.com>]
Sent: Wednesday, June 15, 2011 9:39 AM
To: Brooks, David K., EMNRD
Subject: RE: Folk Fed #23; NSL Application

Ok. I will send out a notification letter to Clayton Williams. I will re-submit the NSL as soon as I get proof of notification back.

Thank you.

From: Brooks, David K., EMNRD [<mailto:david.brooks@state.nm.us>]
Sent: Wednesday, June 15, 2011 10:04 AM
To: Kelly Holly
Subject: Folk Fed #23; NSL Application

Dear Ms. Holly

It seems that the location requested in the referenced application encroaches diagonally toward the unit adjoining to the southwest, presumably the SE/NE of Section 18.

OCD records indicate that Clayton Williams Energy Inc. is the operator of a well in that unit. Therefore we believe that notice of this application to Clayton Williams Energy Inc. will be required.

Please contact if you have questions or other concerns.

Sincerely

David Brooks

Brooks, David K., EMNRD

From: Kelly Holly [kholly@conchoresources.com]
Sent: Monday, June 20, 2011 2:12 PM
To: Brooks, David K., EMNRD
Subject: RE: Folk Fed #23; NSL Application
Attachments: Folk Federal 25.pdf; Folk Federal 23.pdf

Attached is the letter and proof of notification for the Folk Federal # 23 and # 25.

Let me know if you need anything else.

Thanks!

From: Brooks, David K., EMNRD [<mailto:david.brooks@state.nm.us>]
Sent: Monday, June 20, 2011 2:59 PM
To: Kelly Holly
Subject: RE: Folk Fed #23; NSL Application

Email is fine.

David

From: Kelly Holly [<mailto:kholly@conchoresources.com>]
Sent: Monday, June 20, 2011 1:39 PM
To: Brooks, David K., EMNRD
Subject: RE: Folk Fed #23; NSL Application

Ok. Can I email it to you or do you need me to Fedex it?

From: Brooks, David K., EMNRD [<mailto:david.brooks@state.nm.us>]
Sent: Monday, June 20, 2011 2:38 PM
To: Kelly Holly
Subject: RE: Folk Fed #23; NSL Application

Ms. Holly

You do not need to re-submit the application. However, I will you either to furnish a copy of you cover letter to CW, or a statement that the notice complied with Rule 19.15.15.13.D.

Thanks

David Brooks

From: Kelly Holly [<mailto:kholly@conchoresources.com>]
Sent: Monday, June 20, 2011 1:21 PM
To: Brooks, David K., EMNRD
Subject: RE: Folk Fed #23; NSL Application

Hi David,

I have received proof of notification that Clayton Williams has received the NSL letter that I sent. Do I need to resubmit the whole NSL? Or just the proof?

From: Brooks, David K., EMNRD [<mailto:david.brooks@state.nm.us>]

Sent: Wednesday, June 15, 2011 11:01 AM

To: Kelly Holly

Subject: RE: Folk Fed #23; NSL Application

Thanks. It will expedite matters, however, if you re-submit the application, together with your cover letter to Clayton Williams, as soon as you have sent notification. We do not actually require proof of receipt for administrative applications, as we do for hearing applications

Sincerely

David Brooks

From: Kelly Holly [<mailto:kholly@conchoresources.com>]

Sent: Wednesday, June 15, 2011 9:39 AM

To: Brooks, David K., EMNRD

Subject: RE: Folk Fed #23; NSL Application

Ok. I will send out a notification letter to Clayton Williams. I will re-submit the NSL as soon as I get proof of notification back.

Thank you.

From: Brooks, David K., EMNRD [<mailto:david.brooks@state.nm.us>]

Sent: Wednesday, June 15, 2011 10:04 AM

To: Kelly Holly

Subject: Folk Fed #23; NSL Application

Dear Ms. Holly

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Sincerely

David Brooks