

8/12/2014 DATE	SUSPENSE	mmAm ENGINEER	8/12/2014 LOGGED IN	NSL TYPE	PMAM14 22454637 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 _____

- NSL 7134
- COG Productions LLC
217955
WCH
- Queso State #3H
30-025-42006
Pool

[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.

Melanie J. Parker

Print or Type Name

Signature

Regulatory Analyst

Title

08/11/2014

Date

mparker@concho.com
e-mail Address



August 11, 2014

Certified Mail – Return Receipt No. 7012 3460 0000 7063 4214

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

Attention: Mr. Michael McMillan

Re: Application for Unorthodox Well Location
Queso State #3H API No. 30-025-42006
SHL: 400' FSL & 1260' FEL (Unit P) Section 36, T23S, R32E
First take point: 579' FSL & 1265' FEL (Unit P) Section 36, T23S, R32E
BHL: 330' FNL & 1300' FEL (Unit B) Section 36, T23S, R32E
Lea County, New Mexico

Dear Mr. McMillan:

Pursuant to Division Rule 19.15.15.13, COG Production LLC (COG) respectfully requests administrative approval of an unorthodox oil well location for its Cabo Blanco State #3H well. This well does not meet the 330' from the outer boundary of the producing area requirement. COG Production LLC has drilled and is currently producing Bone Spring wells in this section as described below.

Queso State #1H	SHL: 180' FSL & 2260' FEL	BHL: 332' FNL & 2258' FEL
Queso State #2H	SHL: 373' FSL & 380' FEL	BHL: 396' FNL & 463' FEL

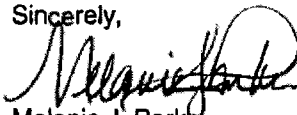
We plan to test infill drilling in a lower target within the 2nd Bone Spring Sand to enhance hydrocarbon recovery between the existing wellbores.

The affected offset tract is the W2E2 of Section 36, T23S, R32E. COG Production LLC is the designated operator of the entire east half of Section 36, T23S, R32E.

Attached is a Form C-102 showing the project area and the producing area of this well.

Thank you for your consideration of this application. Should you have questions or require further information, please contact me at 575-748-6952 or by email at mparker@concho.com.

Sincerely,


Melanie J. Parker
Lead Regulatory Analyst

cc: OCD Hobbs

DISTRICT I
1825 N. FRENCH DR., MORRIS, NM 88240
Phone: (505) 363-6181 Fax: (505) 363-6720

DISTRICT II
811 N. FIRST ST., ARTESIA, NM 88210
Phone: (505) 748-1833 Fax: (505) 748-6700

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

DISTRICT IV
1825 N. ST. FRANCIS DR., SANTA FE, NM 87508
Phone: (505) 476-3460 Fax: (505) 476-3462

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 30-025-42006	Pool Code 96603	Pool Name Triste Draw; Bone Spring
Property Code 39455	Property Name QUESO STATE	Well Number 3H
UGRID No. 217955	Operator Name COG PRODUCTION, LLC	Elevation 3644.2

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	23-S	32-E		400	SOUTH	1260	EAST	LEA

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	23-S	32-E		330	NORTH	1300	EAST	LEA

Dedicated Acres 160	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**

		Y=462059.9 N X=719389.1 E		330' B.H.		Y=462084.7 N X=720711.9 E		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 unless 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. <i>Melanie J. Parker</i> 8/12/14 Signature Date Printed Name E-mail Address mparker@concho.com	
NAD 27 PROPOSED BOTTOM HOLE LOCATION Y=461740.1 N X=719413.3 E LAT.=32.267446° N LONG.=103.623476° W				GRID AZ. - 359°11'29" HORZ. DIST. - 4549.6'				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. JUNE 24, 2014 Date of Survey Signature & Seal of Professional Surveyor  <i>Chad L. Harcrow</i> 8/18/14 Certificate No. CHAD HARCROW 17777 W.O. # 14-728 DRAWN BY: AM	
NAD 27 SURFACE LOCATION Y=457191.0 N X=719477.5 E LAT.=32.254940° N LONG.=103.623366° W				PROJECT AREA		PRODUCING AREA			
Y=456790.4 N X=719418.7 E				S.L.		Y=456805.3 N X=720739.6 E			



Mike Wallace
Sr. Landman

August 8th, 2014

Mr. Michael A. McMillan
Engineering and Geological Services Bureau,
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Re: Queso St. #3H
E/2 of Section 36-T23S-R32E
Lea County, New Mexico

Dear Mr. McMillan:

Please be advised that COG Operating LLC ("Concho") owns the leasehold in the E/2 of Sec. 36-T23S-R32E, Lea Co., New Mexico. We own the leasehold in this acreage by virtue New Mexico State lease VB-8313 (320 acres).

Concho has 100% working interest in this lease. The working interest, net revenue interest and the overriding royalty interests are the same throughout the E/2 of Sec. 36.

Please feel free to contact me at (432) 221-0465 if you have any questions in regards to this matter.

Sincerely,

COG OPERATING LLC

A handwritten signature in black ink, appearing to read "Mike Wallace", written over a horizontal line.

Mike Wallace
Sr. Landman
COG Operating LLC
Phone: 432-221-0465
Fax: 432-221-0856
mwallace@concho.com