

DATE IN 8/15/12	SUSPENSE 9/5/12	Brooks	LOGGED IN 8/17/12	NSL	TYPE	APP NO PKUR1223029112
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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 Operating LLC
 Taylor D #29
 6678

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 _____

2012 AUG 15 2:30:43
 RECEIVED OGD

[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

Permitting Tech
 Title

8-13-12
 Date

(432) 685-4384
 Phone Number

kholly@concho.com
 E-mail Address

**Taylor D #29
Lea County, NM**

COG proposes to drill a **VERTICAL** SE/4 NE/4, 40 acre spacing
Maljamar; Yeso, West oil well
TD of approximately 7100'

Location:

1650' FNL & 1130' FEL Sec 9, T17S, R32E, Unit H

This well had to be drilled at a non-standard location due to houses 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 J C Federal #9 (1650' FNL & 1650' FEL, Section 22, T17S, R32E, UL G) which was completed in October 2007.

The J C Federal #9 completion has Yeso perms from 5478' – 6535', divided into 3 perf/stimulation intervals.

1st interval: 5478' – 5840',
acidized w/ 3000 gals,
frac'd w/ 42,294 gals 40# linear gel; 38,096 gal 30# linear gel; 7,382# LiteProp;
22,049# 16/30 white; 21,873# SiberProp resin coated; Flush w/5,292 gal linear gel.

2nd interval: 6055' – 6255',
acidized w/ 5342 gals,
frac'd w/ 50,048# gal gel & 61,612 gals 16/30 sand.

3rd interval: 6335' – 6535',
acidized w/ 5000 gals,
frac'd w/ 49,601# gal gel & 45,586 gals 16/30 sand.

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 Units B & G of Section 9.

Offset acreage is owned by Erma Lowe, Maralo and Occidental Permian.
Proof of notification to the offset operators is 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
Phone: (575) 393-6161 Fax: (575) 393-0720
DISTRICT II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
DISTRICT III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
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 30-025-40569	Pool Code 44500	Pool Name Maljamar, Yeso West
Property Code 37687	Property Name TAYLOR D	Well Number 29
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 4116'

Surface Location

UL or lot No. H	Section 9	Township 17-S	Range 32-E	Lot Idn	Feet from the 1650	North/South line NORTH	Feet from the 1130	East/West line EAST	County LEA
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Bottom Hole Location If Different From Surface

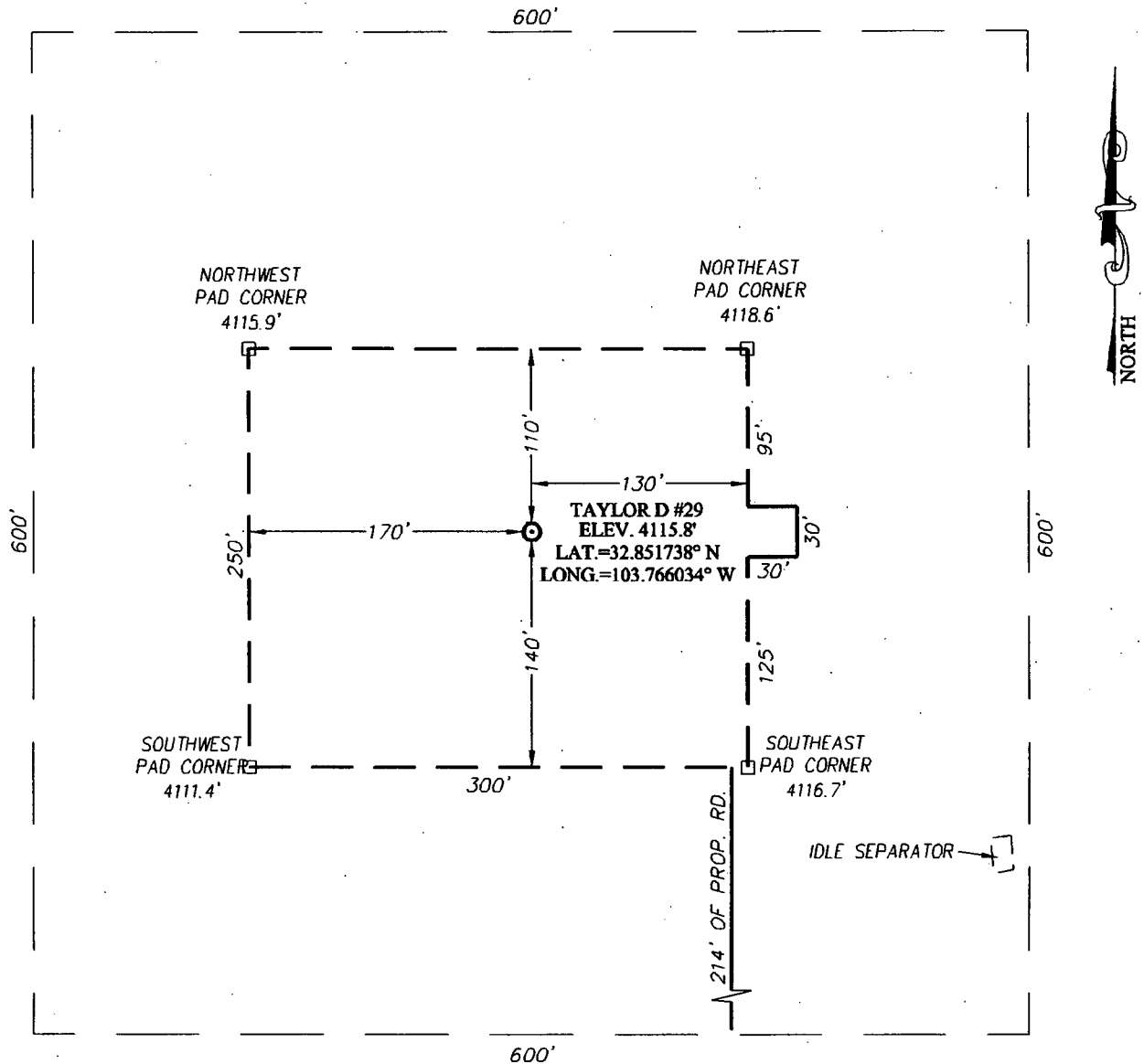
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.						

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=674041.4 N X=674215.9 E</p> <p>LAT.=32.851738° N LONG.=103.766034° W</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> Signature</p> <p>8-2-12 Date</p> <p>Kelly J. Holly Printed Name</p> <p>kholly@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>APRIL 2, 2012</p> <p>Date of Survey</p> <p>Signature of Registered Professional Surveyor: Ronald Eidson</p> <p> Certificate Number: 3239</p> <p>ACR 5/3/12 JWSC W.O.: 12.11.0315</p>	

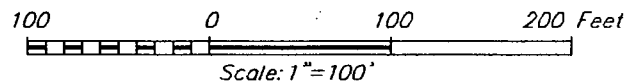
SECTION 9, TOWNSHIP 17 SOUTH, RANGE 32 EAST, N.M.P.M.
LEA COUNTY

SHIP 17 SOUTH, RANGE 32 EAST, N.M.P.M.
NEW MEXICO



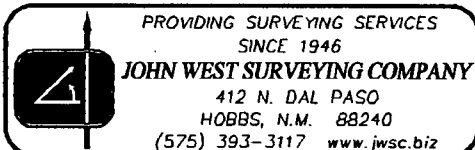
DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF U.S. HWY. #82 AND CO. RD. L-126 (MALJAMAR RD.), GO SOUTH ON CO. RD. L-126 APPROX. 0.6 MILES. TURN RIGHT AND FOLLOW MEANDERING ROAD 0.3 MILES. TURN RIGHT AND GO NORTH 0.3 MILES. TURN RIGHT AND GO 0.1 MILE TO ROAD SURVEY. FOLLOW NORTH 214 FEET TO THE LOCATION



COG OPERATING, LLC

TAYLOR D #29 WELL
LOCATED 1650 FEET FROM THE NORTH LINE
AND 1130 FEET FROM THE EAST LINE OF SECTION 9,
TOWNSHIP 17 SOUTH, RANGE 32 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO



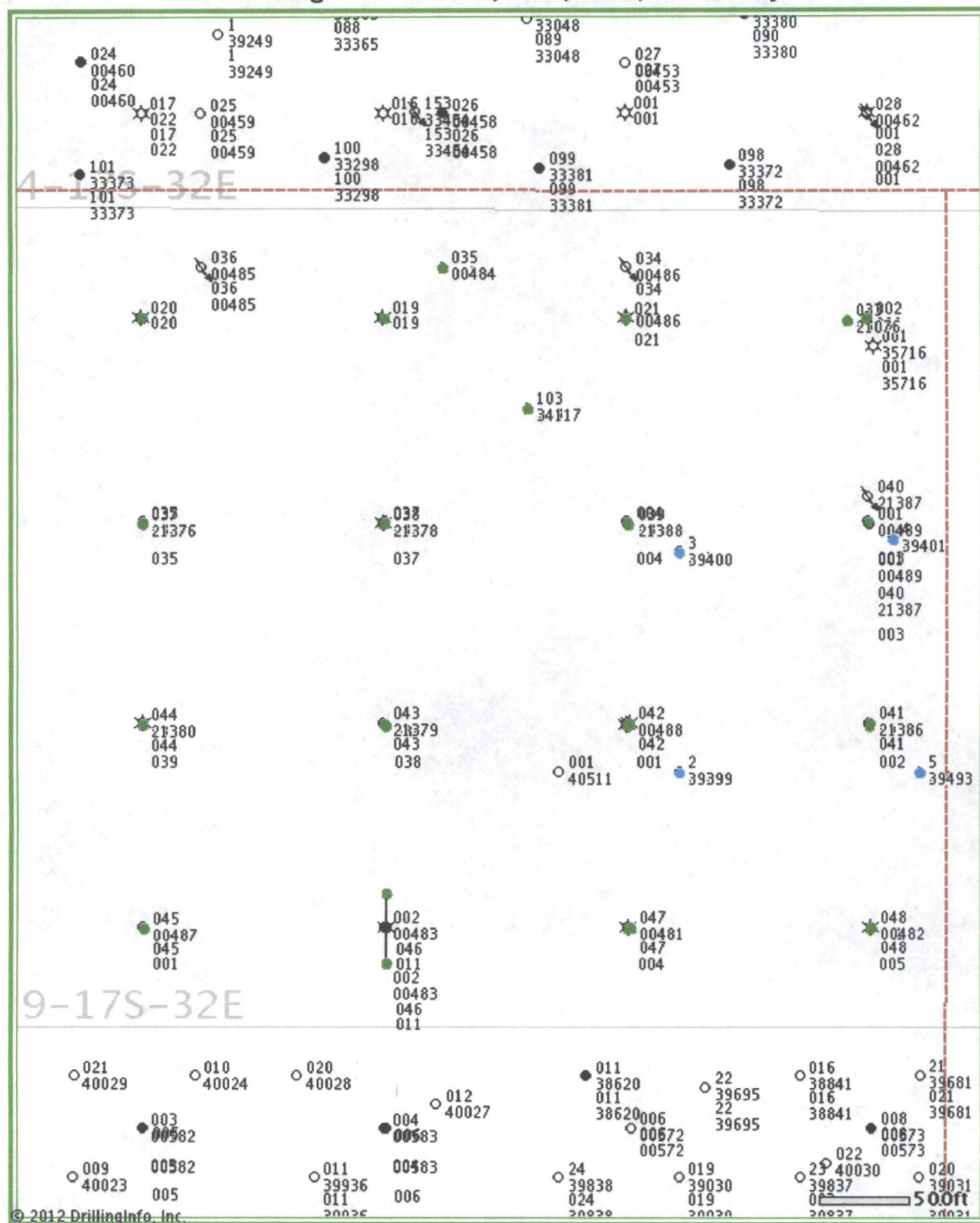
Survey Date: 4/02/12	CAD Date: 4/27/12	Drawn By: ACR
W.O. No.: 12110315	Rev: 5/3/12	Rel. W.O.: Sheet 1 of 1

Producing Wells in Sec 9, T17S, R32E, Lea County

API#	Operator	Lease	Well#	County	Legal	Total Depth	Well Type	Well Status	First Prod.	Last Prod.	Avg. (BO/D)
30-025-21388	WISER OIL CO (THE)	MALJAMAR GRAYBURG UNIT	039	LEA	S:9, T:17S, R:32E	4,180	O	Temporarily Abandoned	Jan 1967	Nov 1975	0.20
30-025-00488	CHEVRON U S A INC	MALJAMAR GRAYBURG UNIT	042	LEA	S:9, T:17S, R:32E	4,122	G	Active	Jan 1967	May 1967	0.42
30-025-00484	WISER OIL CO (THE)	MALJAMAR GRAYBURG UNIT	035	LEA	S:9, T:17S, R:32E	0	O	Temporarily Abandoned	Jan 1967	Nov 1976	0.43
30-025-00000	SINCLAIR OIL AND GAS CO	A C TAYLOR ET AL	003	LEA	S:9, T:17S, R:32E		AP	Unknown	Aug 1965	Apr 1966	0.57
30-025-00000	NICHOLS	TAYLOR	001	LEA	S:9, T:17S, R:32E		G	Active	May 1960	Dec 1966	0.84
30-025-00487	LINN OPERATING, INC.	MALJAMAR GRAYBURG UNIT	045	LEA	S:9, T:17S, R:32E	0	O	Active	Jan 1967	Mar 2012	0.90
30-025-21379	LINN OPERATING, INC.	MALJAMAR GRAYBURG UNIT	043	LEA	S:9, T:17S, R:32E	4,116	O	Active	Jan 1967	Mar 2012	0.90
30-025-34117	LINN OPERATING, INC.	MALJAMAR GRAYBURG UNIT	103	LEA	S:9, T:17S, R:32E	4,400	O	Pumping	Oct 1997	Mar 2012	0.90
30-025-00000	BOLLER & NICHOLS	ABBIE ILES	001	LEA	S:9, T:17S, R:32E		O	Active	Jan 1945	Dec 1966	1.06
30-025-00000	BOLLER NICHOLS	ILES X FED	004	LEA	S:9, T:17S, R:32E		G	Active	Jan 1960	Dec 1966	1.13
30-025-00000	SINCLAIR OIL AND GAS CO	MALJAMAR GRAYBURG UNIT	046	LEA	S:9, T:17S, R:32E		G	Active	Jan 1967	May 1967	1.16
30-025-21076	CHEVRON U S A INC	MALJAMAR GRAYBURG UNIT	033	LEA	S:9, T:17S, R:32E	4,040	O	Active	Jan 1967	Jun 1992	1.37
30-025-00482	CHEVRON U S A INC	MALJAMAR GRAYBURG UNIT	048	LEA	S:9, T:17S, R:32E		G	Active	Jan 1967	May 1967	1.39
30-025-21380	CHEVRON U S A INC	MALJAMAR GRAYBURG UNIT	044	LEA	S:9, T:17S, R:32E	4,120	G	Active	Jan 1967	May 1967	1.74
30-025-00481	LINN OPERATING, INC.	MALJAMAR GRAYBURG UNIT	047	LEA	S:9, T:17S, R:32E	0	O	Pumping	Jan 1967	Mar 2012	1.84
30-025-21386	LINN OPERATING, INC.	MALJAMAR GRAYBURG UNIT	041	LEA	S:9, T:17S, R:32E	4,175	O	Pumping	Jan 1967	Mar 2012	1.84
30-025-21376	CHEVRON U S A INC	MALJAMAR GRAYBURG UNIT	037	LEA	S:9, T:17S, R:32E	4,110	O	Active	Jan 1967	Dec 1969	1.94
30-025-00000	BOLLER NICHOLS	ILES FEDERAL	011	LEA	S:9, T:17S, R:32E		G	Active	Jun 1960	Dec 1966	2.00
30-025-00000	SINCLAIR OIL AND GAS CO	ILES FEDERAL	038	LEA	S:9, T:17S, R:32E		AP	Unknown	Sep 1965	Dec 1966	3.03
30-025-00000	NICHOLS LEONARD	ILES FEDERAL	020	LEA	S:9, T:17S, R:32E		G	Active	Aug 1961	Dec 1963	3.58
30-025-21378	CHEVRON U S A INC	MALJAMAR GRAYBURG UNIT	038	LEA	S:9, T:17S, R:32E	4,150	G	Active	Jan 1967	Jun 1967	4.23
30-025-39399	COG OPERATING LLC	TAYLOR D	2	LEA	S:9, T:17S, R:32E	7,006	O	Active Permit	Oct 2010	Mar 2012	4.23
					S:9, T:17S,						

30-025-00000	NICHOLS LEONARD	ILES FEDERAL	021	LEA	R:32E		G	Active	Jan 1962	Dec 1963	5.03
30-025-00000	SINCLAIR OIL AND GAS CO	ILES FEDERAL	039	LEA	S:9, T:17S, R:32E		AP	Unknown	Sep 1965	Dec 1966	5.61
30-025-00000	SINCLAIR OIL AND GAS CO	ILES FEDERAL	035	LEA	S:9, T:17S, R:32E		AP	Unknown	Jun 1965	Dec 1966	5.84
30-025-00000	SINCLAIR OIL AND GAS CO	A C TAYLOR ET AL	002	LEA	S:9, T:17S, R:32E		AP	Unknown	Jul 1965	Dec 1966	6.61
30-025-00000	BOLLER NICHOLS	ILES X FED	005	LEA	S:9, T:17S, R:32E		G	Active	Jan 1960	Dec 1966	6.65
30-025-00000	SINCLAIR OIL AND GAS CO	ILES FEDERAL	037	LEA	S:9, T:17S, R:32E		AP	Unknown	Aug 1965	Dec 1966	14.94
30-025-39401	COG OPERATING LLC	TAYLOR D	4	LEA	S:9, T:17S, R:32E	7,020	O	Active Permit	Dec 2010	Mar 2012	15.84
30-025-00000	SINCLAIR OIL AND GAS CO	A C TAYLOR ET AL	004	LEA	S:9, T:17S, R:32E		AP	Unknown	Aug 1965	Dec 1966	22.94
30-025-39400	COG OPERATING LLC	TAYLOR D	3	LEA	S:9, T:17S, R:32E	7,018	O	Active Permit	Aug 2011	Mar 2012	27.45
30-025-39493	COG OPERATING LLC	TAYLOR D	5	LEA	S:9, T:17S, R:32E	7,022	O	Active Permit	Mar 2011	Mar 2012	27.45
30-025-00000	NICHOLS LEONARD	ILES FEDERAL	019	LEA	S:9, T:17S, R:32E		G	Active	Aug 1961	Dec 1966	36.19
30-025-00000	SINCLAIR OIL AND GAS CO	A C TAYLOR B	002	LEA	S:9, T:17S, R:32E		AP	Unknown	Jan 1965	Dec 1966	64.55

Producing Wells in Sec 9, T17S, R32E, Lea County

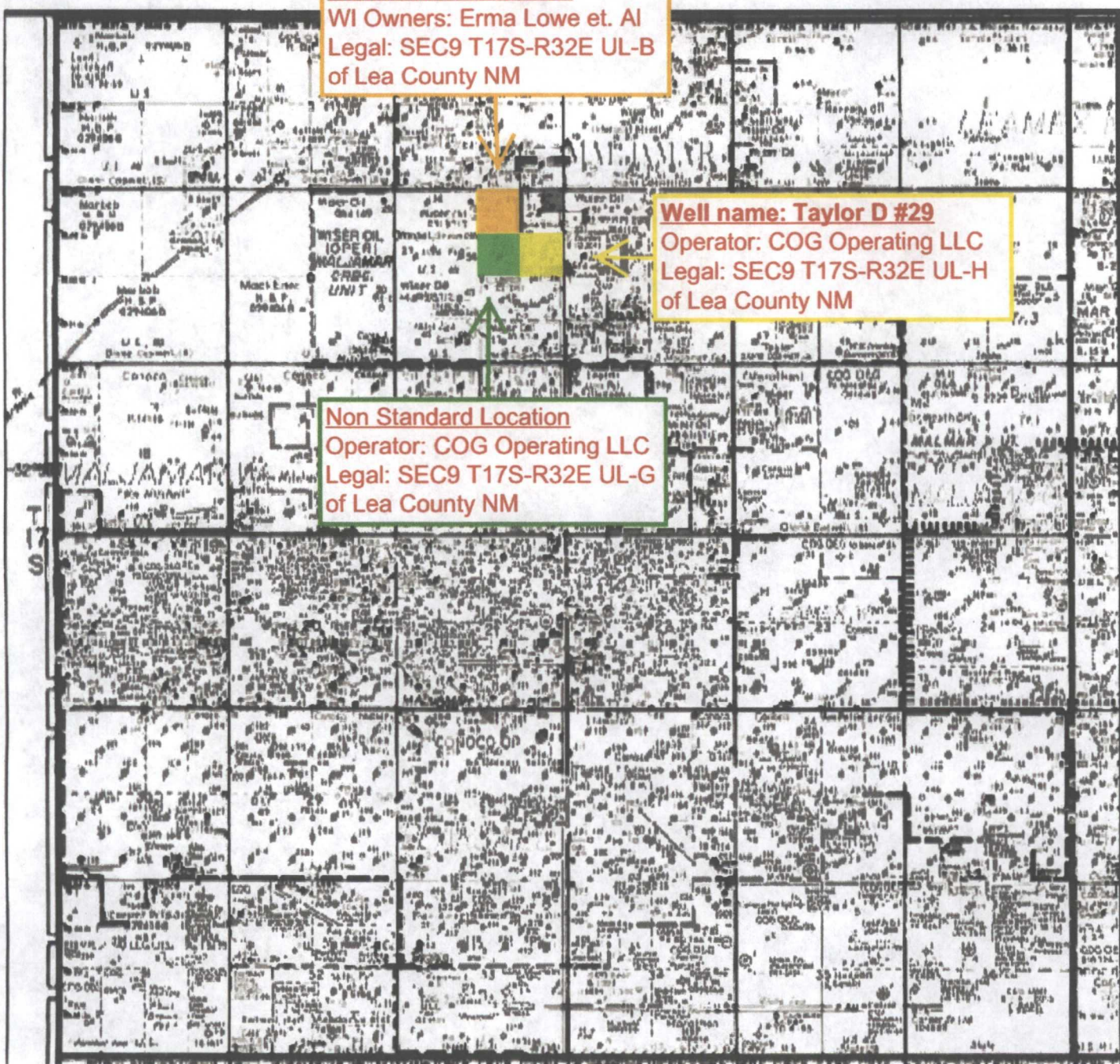


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Non Standard Location
WI Owners: Erma Lowe et. Al
Legal: SEC9 T17S-R32E UL-B
of Lea County NM

Well name: Taylor D #29
Operator: COG Operating LLC
Legal: SEC9 T17S-R32E UL-H
of Lea County NM

Non Standard Location
Operator: COG Operating LLC
Legal: SEC9 T17S-R32E UL-G
of Lea County NM



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

August 2, 2012

Maralo, Inc.
5 Post Oak Park Ste 1010
Houston TX, 77027

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 Maljamar, Yeso, West oil well.

**Taylor D #29
Lea County, NM**

**Location:
1650' FNL & 1130' FEL Sec 9, T17S, R32E, Unit H**

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@concho.com

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

August 2, 2012

Erma Lowe, a widow
5 Post Oak Park Ste 1010
Houston TX, 77027

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 Maljamar, Yeso, West oil well.

**Taylor D. #29
Lea County, NM**

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Sincerely,

COG Operating LLC



Kelly J. Holly
Permitting Tech
432-685-4384
kholly@concho.com

Kelly Holly

From: Kathy Norberg [KNorberg@maralo.com]
Sent: Wednesday, August 08, 2012 4:02 PM
To: Kelly Holly
Subject: Taylor D #29, Leo Co., NM

Kelly:

I received your letter dated 8/2/12 today regarding a request for unorthodox well location. We sold our offsetting leasehold there to COG in 2004 and own no mineral interests there. The only interest we own in offsetting acreage is an override in the Maljamar 10 Fed. #1 in Section 10. The override is owned by Lowe Royalty Partners, LP. Also, we moved away from that address of Five Post Oak Park, Suite 1010 sometime in the mid 1990's.

Kathy Norberg
Land Department
Lowe Partners, LP
Lowe Royalty Partners, LP
Maralo, LLC
4400 Post Oak Parkway, Suite 2550
Houston, Texas 77027
phone: 713-622-5420, ext. 207
fax: 713-960-1672
email: kathynorberg@maralo.com

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

August 2, 2012

Occidental Permian Limited Partnership
P.O. Box 4294
Houston TX 77210-4294

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 Maljamar, Yeso, West oil well.

**Taylor D #29
Lea County, NM**

**Location:
1650' FNL & 1130' FEL Sec 9, T17S, R32E, Unit H**

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@concho.com

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 Holly
550 W Texas Ave, Suite 100
Midland, TX 79701

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:

Occidental Permian Limited Partnership
P.O. Box 4294
Houston TX 77210-4294

2. Article Number
(Transfer from service label)

COMPLETE THIS SECTION ON DELIVERY

A. Signature

- ☐ Agent
☐ Addressee

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 ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

91 7199 9991 7030 0513 1419