

RECEIVED: 7/18/2017	REVIEWER: LRL	TYPE: NSL	APP NO: PLEL 1719940539
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & 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

Applicant: COG Operating LLC	OGRID Number: 229137
Well Name: Malco 23 Federal Com #13H, 14H, 23H, 24H	API: 30-015- 41244
Pool: Empire; Glorieta-Yeso	Pool Code: 96210

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW **NSL-7564**

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
- A. Location – Spacing Unit – Simultaneous Dedication
 NSL NSP (PROJECT AREA) NSP (PRORATION UNIT) SD
- B. Check one only for [I] or [II]
- [I] Commingling – Storage – Measurement
 DHC CTB PLC PC OLS OLM
- [II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

FOR OCD ONLY	
<input checked="" type="checkbox"/>	Notice Complete
<input checked="" type="checkbox"/>	Application Content Complete

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
- A. Offset operators or lease holders
 B. Royalty, overriding royalty owners, revenue owners
 C. Application requires published notice
 D. Notification and/or concurrent approval by SLO
 E. Notification and/or concurrent approval by BLM
 F. Surface owner
 G. For all of the above, proof of notification or publication is attached, and/or,
 H. No notice required

3) **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 Russell

Print or Type Name


 Signature

07/14/2017
 Date

(432) 685-4385
 Phone Number

Russell@concho.com
 e-mail Address



July 14, 2017

New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

RE: **Malco 23 Federal Com #13H, 14H, 23H, 24H NSL**

To Whom It May Concern,

COG Operating LLC respectfully requests approval of a non-standard project area for the following wells:

Malco 23 Federal Com #13H – API #3001544297
SHL: 125 FNL 1543 FWL, UL C, Sec 23, T17S, R28E
BHL: 10 FSL 1650 FWL, UL N, Sec 23, T17S, R28E
TVD: 3858'

Malco 23 Federal Com #14H – API #30015
SHL: 125 FNL 1919 FWL, UL C, Sec 23, T17S, R28E
BHL: 10 FSL 2271 FWL, UL N, Sec 23, T17S, R28E
TVD: 3858'

Malco 23 Federal Com #23H – API #30015
SHL: 125 FNL 1443 FWL, UL C, Sec 23, T17S, R28E
BHL: 10 FSL 1650 FWL, UL N, Sec 23, T17S, R28E
TVD: 4350'

Malco 23 Federal Com #24H – API #30015
SHL: 125 FNL 2019 FWL, UL C, Sec 23, T17S, R28E
BHL: 10 FSL 2271 FWL, UL N, Sec 23, T17S, R28E
TVD: 4350'

The granting of this NSL will optimize the completed lateral length of this wellbore, reducing waste while protecting correlative rights, and improving well economics and increasing revenue to the State of New Mexico and the Federal Government.

COG Operating LLC is the Operator in Section 23, T17S, R30E. ZPZ Delaware I, LLC, Et. Al., as non-operating working interest owners of the leasehold in the offset tracts, has been sent notification via certified mail. Copies of said mail have been attached to this application.

Please contact me should you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Robyn Russell".

Robyn Russell
Regulatory Analyst
COG Operating, LLC
(432) 685-4385
Russell@concho.com

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, NM 87505

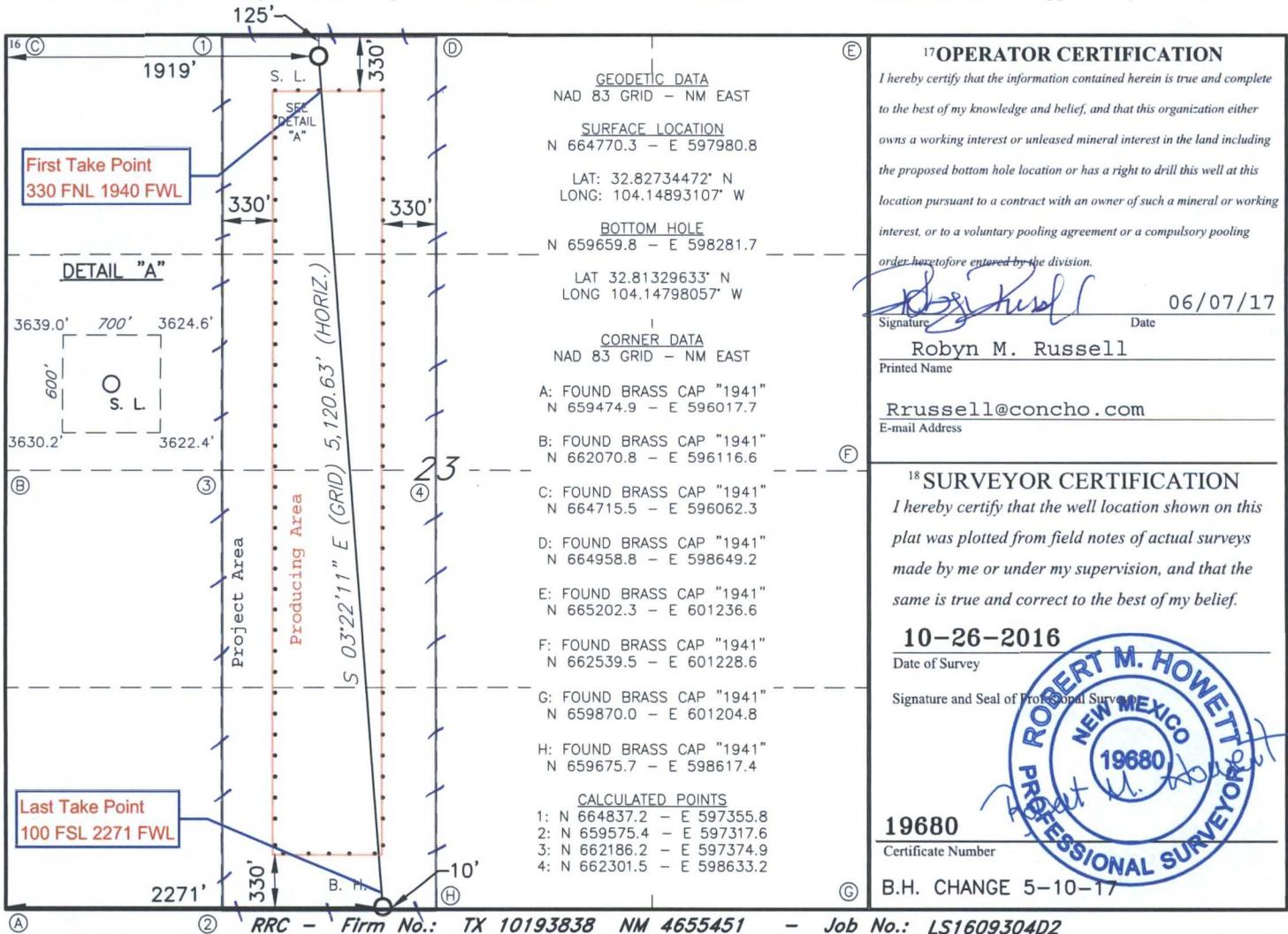
Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

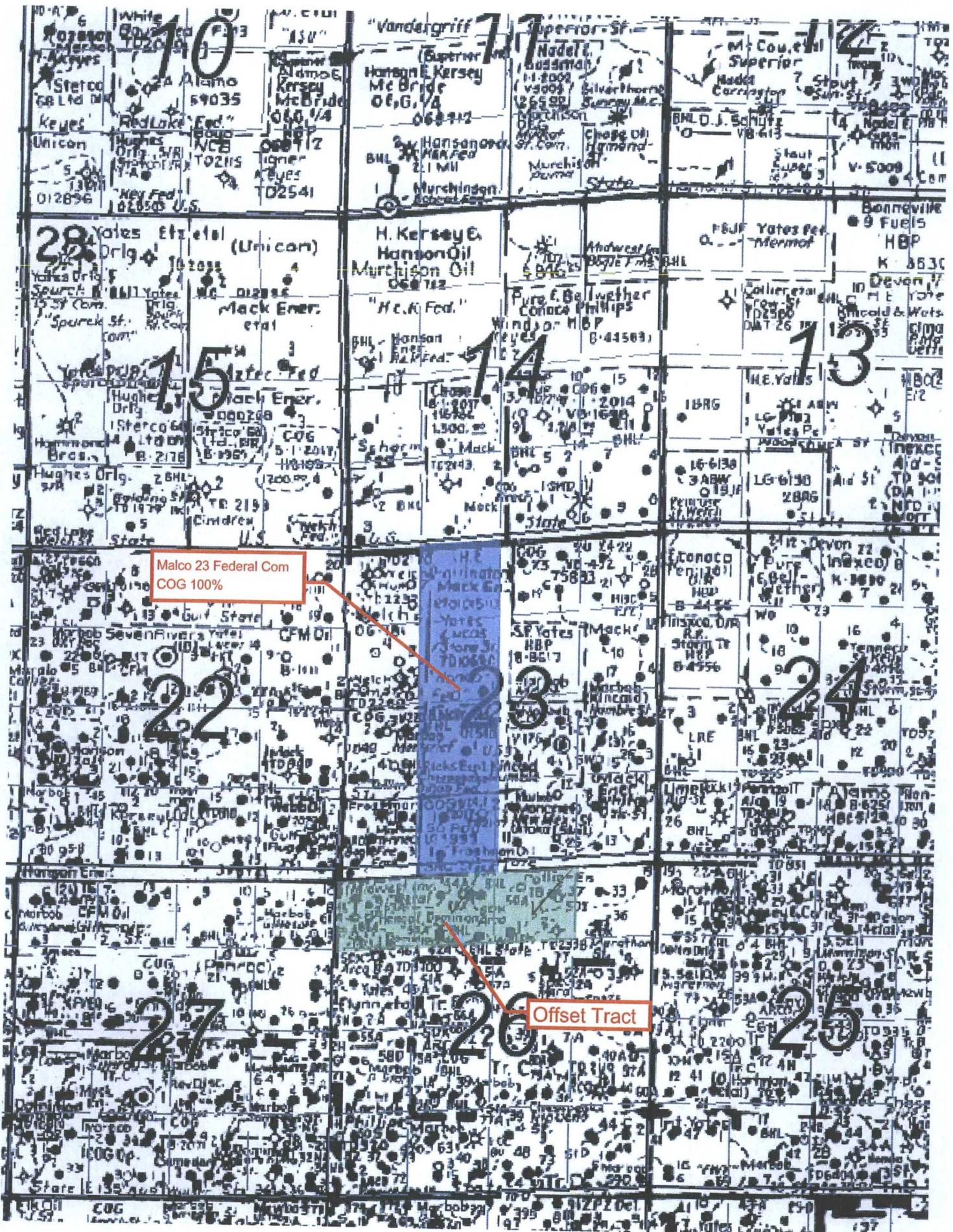
WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-		² Pool Code 96210		³ Pool Name Empire; Glorieta-Yeso					
⁴ Property Code		⁵ Property Name MALCO 23 FEDERAL COM					⁶ Well Number 14H		
⁷ OGRID NO. 229137		⁸ Operator Name COG OPERATING, LLC					⁹ Elevation 3628'		
¹⁰ Surface Location									
UL or lot no. C	Section 23	Township 17S	Range 28E	Lot Idn	Feet from the 125	North/South line NORTH	Feet From the 1919	East/West line WEST	County EDDY
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. N	Section 23	Township 17S	Range 28E	Lot Idn	Feet from the 10	North/South line SOUTH	Feet from the 2271	East/West line WEST	County EDDY
¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.



Malco 23 Federal Com #13H, 14H, 23H, 24H Lease Map





Memorandum

**To: Leonard Lowe
Engineering Bureau
New Mexico Oil Conservation Division**

**From: Bryan Montgomery
Reservoir Engineering Supervisor, NM Shelf Team
COG Operating LLC**

Date: June 8, 2017

Subject: Malco 23 Federal Com #13H 14H 23H,24H NSL Engineer Statement

COG Operating LLC (COG) is requesting a non-standard location exception (NSL) for this horizontal well to be able to access and drain Yeso reserves that would otherwise be left in the reservoir, thereby preventing waste of an economic resource. The Yeso is a very low permeability reservoir that does not sufficiently drain a great distance from wellbores and their hydraulic fractures. In addition, it would not be economical to try to access these reserves with a vertical well.

Malco 23 Federal Com #13H 14H 23H 24H

Application for Non-Standard Location

Notification List

Tract	Date Sent	Notification Sent to:	Receipt No.
Tract 1		ZPZ Delaware I, LLC, 2000 Post Oak Blvd., Ste. 100, Houston, TX 77056	91-7199-9991-7035-3278-4867
Tract 1		Yates Petroleum Corp, 105 South Fourth Street, Artesia, NM 88210	91-7199-9991-7035-3278-4874
Tract 1		Khody Land and Minerals Co., 210 Park Ave., Suite 900, Oklahoma City, OK 73102	91-7199-9991-7035-3278-4881
Tract 1		Chase Oil Corporation, PO Box 1767, Artesia, NM 88211	91-7199-9991-7035-3278-4898



June 27, 2017

ZPZ Delaware I, LLC
Attn: Laci Stretcher
303 Veterans Airpark Lane, Ste. 1000
Midland, Texas 79705

RE: **Designation of Non-Standard Locations by COG Operating LLC**
Eddy County, New Mexico

June 27, 2017

This letter is to advise you that COG Operating LLC has filed the enclosed Well Completion and Assignment Plans (C-102) with the New Mexico Oil Conservation Division seeking to designate non-standard locations in Section 23, T17S, R28E, Eddy County, New Mexico.

Should your company have any objection, it must be filed in writing within twenty (20) days from the date of this notice. Non response within the 20 day notice shall constitute an approval/waiver of protest to COG's non-standard location.

Please contact me should you have any questions.

Sincerely,

Robyn Russell
Regulatory Analyst
COG Operating, LLC
(432) 685-4385
Russell@concho.com

ZPZ Delaware I, LLC
 Attn: Laci Stretcher
 303 Veterans Airpark Lane, St
 Midland, Texas 79705

91 7199 9991 7036 0788 0715

CONCEPT
 ONE CONCEPT CENTER
 800 WEST MOORE AVENUE
 MIDLAND, TX 79701

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- 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.

ZPZ Delaware I, LLC
 Attn: Laci Stretcher
 303 Veterans Airpark Lane, Ste. 1000
 Midland, Texas 79705
 Re: NSL/Malco 23 Fed Com #13H, 14H, 23H, & 24H

9590 9402 2419 6249 3309 04

2. Article Number (Transfer from service label)

91 7199 9991 7036 0788 0715

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

- A. Signature Agent
- X Addressee
- B. Received by (Printed Name) C. Date of Delivery

Address different from item 1? Yes
 If delivery address below: No

3. Service Type
- Adult Signature
 - Adult Signature Restricted Delivery
 - Certified Mail®
 - Certified Mail Restricted Delivery
 - Collect on Delivery
 - Collect on Delivery Restricted Delivery
 - Priority Mail Express®
 - Registered Mail™
 - Registered Mail Restricted Delivery
 - Return Receipt for Merchandise
 - Signature Confirmation™
 - Signature Confirmation Restricted Delivery

Restricted Delivery

Domestic Return Receipt

Robyn Russell

From: Stretcher, Laci <Laci.Stretcher@apachecorp.com>
Sent: Monday, July 10, 2017 1:14 PM
To: Robyn Russell
Subject: [External] RE: Malco NSL

Yes, we did. That's weird that it said closed, but no, I have the copy that arrived 6/30/2017.

Thanks,

LACI LAWRENCE STRETCHER, RPL
direct 432-818-1846 | mobile 325-338-7407 | ZPZ

From: Robyn Russell [mailto:Rrussell@concho.com]
Sent: Monday, July 10, 2017 12:55 PM
To: Stretcher, Laci <Laci.Stretcher@apachecorp.com>
Subject: RE: Malco NSL

Hey Laci,

I just wanted to see if you received this NSL in the mail. We checked online and it said that the business was closed.

Thank you,

Robyn Russell
Regulatory Analyst
(432) 685-4385

From: Robyn Russell
Sent: Wednesday, June 28, 2017 8:29 AM
To: 'Stretcher, Laci'
Subject: RE: Malco NSL

Hey Laci,

Attached is the NSL package. We got it in the mail this morning so hopefully you should receive it today or tomorrow.

Thank you,

Robyn Russell
Regulatory Analyst
(432) 685-4385

From: Stretcher, Laci [mailto:Laci.Stretcher@apachecorp.com]
Sent: Tuesday, June 27, 2017 4:15 PM



June 8, 2017

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210

RE: Designation of Non-Standard Locations by COG Operating LLC
Eddy County, New Mexico

This notice is being sent to you by the New Mexico State Oil and Gas Conservation Commission (COG) with the New Mexico State Land Division seeking to designate a non-standard location for a well on Section 23, T17S, R28E, Eddy County, New Mexico.

Should your company have any objection, it must be filed in writing within twenty (20) days from the date of this notice. Non response within the 20 day notice shall constitute an approval/waiver of protest to COG's non-standard location.

Please contact me should you have any questions

Sincerely,

Robyn Russell
Regulatory Analyst
COG Operating, LLC
(432) 685-4385
Russell@concho.com



CONQUEST

ONE CONQUEST CENTER
P.O. BOX 111111
MIDLAND, TX 79711-1111

91 7199 9991 7035 3278 4874

UNDELIVERED MAIL

SENDER: COMPLETE THIS SECTION

COMPLETE THIS SECTION ON DELIVERY

- Complete items 1, 2, and 3.
- 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 Agent
 Addressee

(B) Received by (Printed Name) Date of Delivery

1. Article Addressed to:

Yates Petroleum Corp
105 South Fourth Street
Artesia, NM 88210

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

2. Article Number (Transfer from service label)

9590 9402 1910 6104 6234 14

3. Service Type

Adult Signature Priority Mail Express®
 Adult Signature Restricted Delivery Registered Mail™
 Certified Mail® Registered Mail Restricted Delivery
 Certified Mail Restricted Delivery Return Receipt for Merchandise
 Collect on Delivery Signature Confirmation™
 Collect on Delivery Restricted Delivery Signature Confirmation Restricted Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9053 Domestic Return Receipt

Yates Petroleum Corp
105 South Fourth Street
Artesia, NM 88210

SENDER: COMPLETE THIS SECTION

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- 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 Agent
 Addressee

(B) Received by (Printed Name) Date of Delivery

1. Article Addressed to:

Yates Petroleum Corp
105 South Fourth Street
Artesia, NM 88210

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

COG OPERATING LLC
RECEIVED
JUN 14 2017

2. Article Number (Transfer from service label)

9590 9402 1910 6104 6234 14

3. Service Type

Adult Signature Priority Mail Express®
 Adult Signature Restricted Delivery Registered Mail™
 Certified Mail® Registered Mail Restricted Delivery
 Certified Mail Restricted Delivery Return Receipt for Merchandise
 Collect on Delivery Signature Confirmation™
 Collect on Delivery Restricted Delivery Signature Confirmation Restricted Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9053 Domestic Return Receipt



June 8, 2017

**Khody Land and Minerals Co.
210 Park Ave., Suite 900
Oklahoma City, OK 73102**

**RE: Designation of Non-Standard Locations by COG Operating LLC
Eddy County, New Mexico**

On June 8, 2017, the New Mexico Department of Game and Fish (DGF) received a request from COG Operating LLC (COG) for a Non-Standard Location (NSL) for a well in Section 23, T17S, R28E, Eddy County, New Mexico.

Should your company have any objection, it must be filed in writing within twenty (20) days from the date of this notice. Non response within the 20 day notice shall constitute an approval/waiver of protest to COG's non-standard location.

Please contact me should you have any questions.

Sincerely,

Robyn Russell
Regulatory Analyst
COG Operating, LLC
(432) 685-4385
Russell@concho.com



CONCO

ONE CONTACT SERVICE
800-WEATHERLINE
MIDLAND, TEXAS

91 7199 9991 7035 3278 4881

ULTRACOLOR MAIL

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. 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 <input checked="" type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee	
	B) Received by (Printed Name)	C) Date of Delivery
1. Article Addressed to: Khody Land and Minerals Co. 210 Park Ave., Suite 900 Oklahoma City, OK 73102	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
2. Article Number (Transfer from service label) 9590 9402 1910 6104 6233 77	3. Service Type <input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery	
3. Article Number (Transfer from service label) 91 7199 9991 7035 3278 4881	Restricted Delivery	

PS Form 3811, July 2015 PSN 7530-02-000-9053 Domestic Return Receipt

Khody Land and Minerals Co.
210 Park Ave., Suite 900
Oklahoma City, OK 73102

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. 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 <input checked="" type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee	
	B) Received by (Printed Name) L Hawkins	C) Date of Delivery 6/12/17
1. Article Addressed to: Khody Land and Minerals Co. 210 Park Ave., Suite 900 Oklahoma City, OK 73102	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
2. Article Number (Transfer from service label) 9590 9402 1910 6104 6233 77	3. Service Type <input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery	
3. Article Number (Transfer from service label) 91 7199 9991 7035 3278 4881	Restricted Delivery	

COG OPERATING LLC
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JUN 19 2017

PS Form 3811, July 2015 PSN 7530-02-000-9053 Domestic Return Receipt



June 8, 2017

Chase Oil Corporation
PO Box 1767
Artesia, NM 88211

RE: Designation of Non-Standard Locations by COG Operating LLC
Eddy County, New Mexico

To: Valero Energy

This letter is being sent by Concho Energy LLC ("COG") in the state of New Mexico. COG is a subsidiary of Concho Energy, Inc. (C-102) will be filed by COG with the Conservation Division seeking to designate a non-standard location in Section 23, T17S, R28E, Eddy County, New Mexico.

Should your company have any objection, it must be filed in writing within twenty (20) days from the date of this notice. Non response within the 20 day notice shall constitute an approval/waiver of protest to COG's non-standard location.

Please contact me should you have any questions

Sincerely,

Robyn Russell
Regulatory Analyst
COG Operating, LLC
(432) 685-4385
Russell@concho.com

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- 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:

Chase Oil Corporation
P O Box 1767
Artesia, NM 88211

9590 9402 1910 6104 6233 60

2. Article Number (Transfer from service label)

91 7199 9991 7035 3278 4898

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

(A) Signature

X

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

- Adult Signature
- Adult Signature Restricted Delivery
- Certified Mail®
- Certified Mail Restricted Delivery
- Collect on Delivery
- Collect on Delivery Restricted Delivery
- Priority Mail Express®
- Registered Mail™
- Registered Mail Restricted Delivery
- Return Receipt for Merchandise
- Signature Confirmation™
- Signature Confirmation Restricted Delivery

stricted Delivery

Domestic Return Receipt



CON

ONE CON
PO BOX 1767
ARTESIA, NM 88211

91 7199 9991 7035 3278 4898

Chase Oil Corporation
P O Box 1767
Artesia, NM 88211

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- 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:

Chase Oil Corporation
P O Box 1767
Artesia, NM 88211

9590 9402 1910 6104 6233 60

2. Article Number (Transfer from service label)

91 7199 9991 7035 3278 4898

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

(A) Signature

Kathy Deamegard

Agent

Addressee

(B) Received by (Printed Name)

KATHY DEAMEGARD

(C) Date of Delivery

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

RECEIVED
JUN 14 2017

3. Service Type

- Adult Signature
- Adult Signature Restricted Delivery
- Certified Mail®
- Certified Mail Restricted Delivery
- Collect on Delivery
- Collect on Delivery Restricted Delivery
- Priority Mail Express®
- Registered Mail™
- Registered Mail Restricted Delivery
- Return Receipt for Merchandise
- Signature Confirmation™
- Signature Confirmation Restricted Delivery

stricted Delivery

Domestic Return Receipt

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Thursday, August 10, 2017 12:58 PM
To: 'Robyn Russell'
Cc: Podany, Raymond, EMNRD; McMillan, Michael, EMNRD; Goetze, Phillip, EMNRD; Jones, William V, EMNRD; 'jglover@blm.gov'; 'scaffey@blm.gov'; 'rjsanche@blm.gov'; 'lisa@rwbyram.com'; Sharp, Karen, EMNRD; Martin, Ed; Holm, Anchor E.
Subject: FOUR APPROVED NSL's_COG OPERATING LLC_Malco 23 Federal Com Well No. 13H, 23H, 14H, 24H_SEC 23 17S 28E
Importance: High

Ms. Robyn Russell,

The following administrative orders have been issued and will soon be available on the Division's web site:
<http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx>

OPERATOR: COG Operating LLC

NSL-7562

API #: 30-015-44297

WELL: Malco 23 Federal Com Well No. 13H

NSL-7563

API #: 30-015-PENDING

WELL: Malco 23 Federal Com Well No. 23H

NSL-7564

API #: 30-015-PENDING

WELL: Malco 23 Federal Com Well No. 14H

NSL-7565

API #: 30-015-PENDING

WELL: Malco 23 Federal Com Well No. 24H

Leonard Lowe

Engineering Bureau

Oil Conservation Division

Energy Minerals and Natural Resources Department

1220 South St. Frances

Santa Fe, New Mexico 87004

Office: 505-476-3492

Cell: 505-930-6717