



*Mack*

P.O. Box 960  
Artesia, NM 88211-0960  
Office (505) 748-1288  
Fax (505) 746-9539

May 25, 2006

Oil Conservation Division  
Attn: Mike Stogner  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Dear Mr. Stogner:

Mack Energy contract operator for COG Operating LLC respectfully requests an administrative approval without notice and hearing of the following unorthodox well location.

Because of our desire to drill this well in a timely manner, we also request your approval be expedited. The well location and legal description is as follows:

Mesquite State #19  
1035 FNL & 1115 FWL  
Sec. 20, T17S, R29E  
Eddy County, New Mexico

30-015-34820

The well will be completed in the Paddock formation in the East Empire Yeso Pool.

Attached to this application are the following exhibits.

- A.) Well location and acreage dedication plat (form C-102) filed with the Artesia office of the Oil Conservation Division (Exhibit A).
- B.) A plat showing the proposed unorthodox locations, the respective proration units, and the offsetting proration units (Exhibit B).
- C.) A map showing the reason for the unorthodox location, the original location would have fallen on top of or too close to a number of existing pipelines (Exhibit C).
- D.) A lease & well location map showing that there is 2 wells staked and 2 producing wells for effective 10-acre spacing on this particular 40-acre tract (Exhibit D).

2006 MAY 30 PM 2:02

*Oil Conservation Division*

*May 25, 2006*

*Page 2*

*Moving the location 45' to the south and 125' east will give the distance needed to build a location away from the numerous pipelines. Due to the heavy concentrations of pipelines and powerlines in this area, this is the only possible location for this well. There are no other possible orthodox locations for this well due to 1 other staked well and two other producing wells being located on 10-acre spacing.*

*Thank you for your assistance in this matter. If you have any questions, please feel free to call.*

*Sincerely,*

*MACK ENERGY CORPORATION*

A handwritten signature in cursive script that reads "Jerry W. Sherrell". The signature is written in black ink and is positioned above the typed name and title.

*Jerry W. Sherrell  
Production Clerk*

*JWS/*

*Enclosures*

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 \_\_\_\_\_

2006 MAY 30 PM 2 02

- [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.

Jerry W. Sherrell		Production Clerk	5/25/2006
Print or Type Name	Signature	Title	Date
		jerrys@mackenergycorp.com	
		e-mail Address	



P.O. Box 960  
Artesia, NM 88211-0960  
Office (505) 748-1288  
Fax (505) 746-9539

May 25, 2006

**VIA CERTIFIED MAIL 7004 2510 0004 3033 2451**  
**CERTIFIED RETURN RECEIPT MAIL**

Clayton Williams Energy, Inc.  
6 Desta Dr. Ste. 6500  
Midland, TX 79705

Dear Sir or Madam:

**This letter will serve as a notice that Mack Energy contract operator for COG Operating LLC has requested administrative approval from the NMOCD for an unorthodox East Empire Yeso oil well location for the Mesquite State #19 under Rule 104.F. (3). The location for this well is 1035 FNL & 1115 FWL of Section 20-T17S-R29E, 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. The Division Director may approve the unorthodox location if no objection to the unorthodox location has been made within the 20 days after the application has been received.**

Sincerely,

A handwritten signature in black ink that reads "Jerry W. Sherrell".

**Jerry W. Sherrell**  
**Production Clerk**

JWS/

Enclosures

Oil Conservation Division  
1220 S. St Francis Dr.  
Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address COG OPERATING LLC 550 W TEXAS MIDLAND, TX 79701		2. OGRID Number 229137
		3. API Number 30-015-34820
4. Property Code 302527	5. Property Name MESQUITE STATE	6. Well No. 019

7. Surface Location

UL - Lot	Section	Township	Range	Lot Ltn	Feet From	N/S Line	Feet From	E/W Line	County
D	20	17S	29E	D	1035	N	1115	W	EDDY

8. Pool Information

EMPIRE; YESO, EAST	96610
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Additional Well Information

9. Well Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3630
14. Multiple N	15. Proposed Depth 5500	16. Formation Yeso Formation	17. Contractor	18. Spud Date 5/5/2006
Depth to Ground water 110		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000
Pk: Liner: Synthetic <input checked="" type="checkbox"/> 12 _____ mils thick Clay <input type="checkbox"/> Pk Volume: 3000 _____ bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input checked="" type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	350	375	0
Int1	12.25	8.625	24	800	500	0
Prod	7.875	5.5	17	5500	1200	0

Casing/Cement Program: Additional Comments

COG proposes to drill a 17 1/2 hole to 350', run 13 3/8 casing and cement. Drill a 12 1/4 hole to 800', run 8 5/8 casing and cement. Drill a 7 7/8 hole to 5500 test yeso formation, run 5 1/2 casing and cement. Note: On production string a fluid caliper will be run and will figure cement with 25% excess, attempt to circulate.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	2000	2000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input checked="" type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCB-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION	
	Approved By: Bryan Arant	
	Title: Geologist	
	Approved Date: 4/26/2006	Expiration Date: 4/26/2007
	Printed Name: Electronically filed by Diane Kuykendall Title: Regulatory Analyst Email Address: dkuykendall@conchoresources.com Date: 4/26/2006 Phone: 432-685-4372	
Conditions of Approval Attached		

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone:(505) 393-6161 Fax:(505) 393-0720

District II  
1301 W. Grand Ave., Artesia, NM 88210  
Phone:(505) 748-1283 Fax:(505) 748-9720

District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV  
1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone:(505) 476-3470 Fax:(505) 476-3462

**State of New Mexico**  
**Energy, Minerals and Natural Resources**

**Oil Conservation Division**

**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

Form C-102  
Permit 28473

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-015-34820	2. Pool Code 96610	3. Pool Name EMPIRE; YESO, EAST
4. Property Code 302527	5. Property Name MESQUITE STATE	6. Well No. 019
7. OGRID No. 229137	8. Operator Name COG OPERATING LLC	9. Elevation 3630

**10. Surface Location**

UL - Lot D	Section 20	Township 17S	Range 29E	Lot Idn	Feet From 1035	N/S Line N	Feet From 1115	E/W Line W	County EDDY
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**11. Bottom Hole Location If Different From Surface**

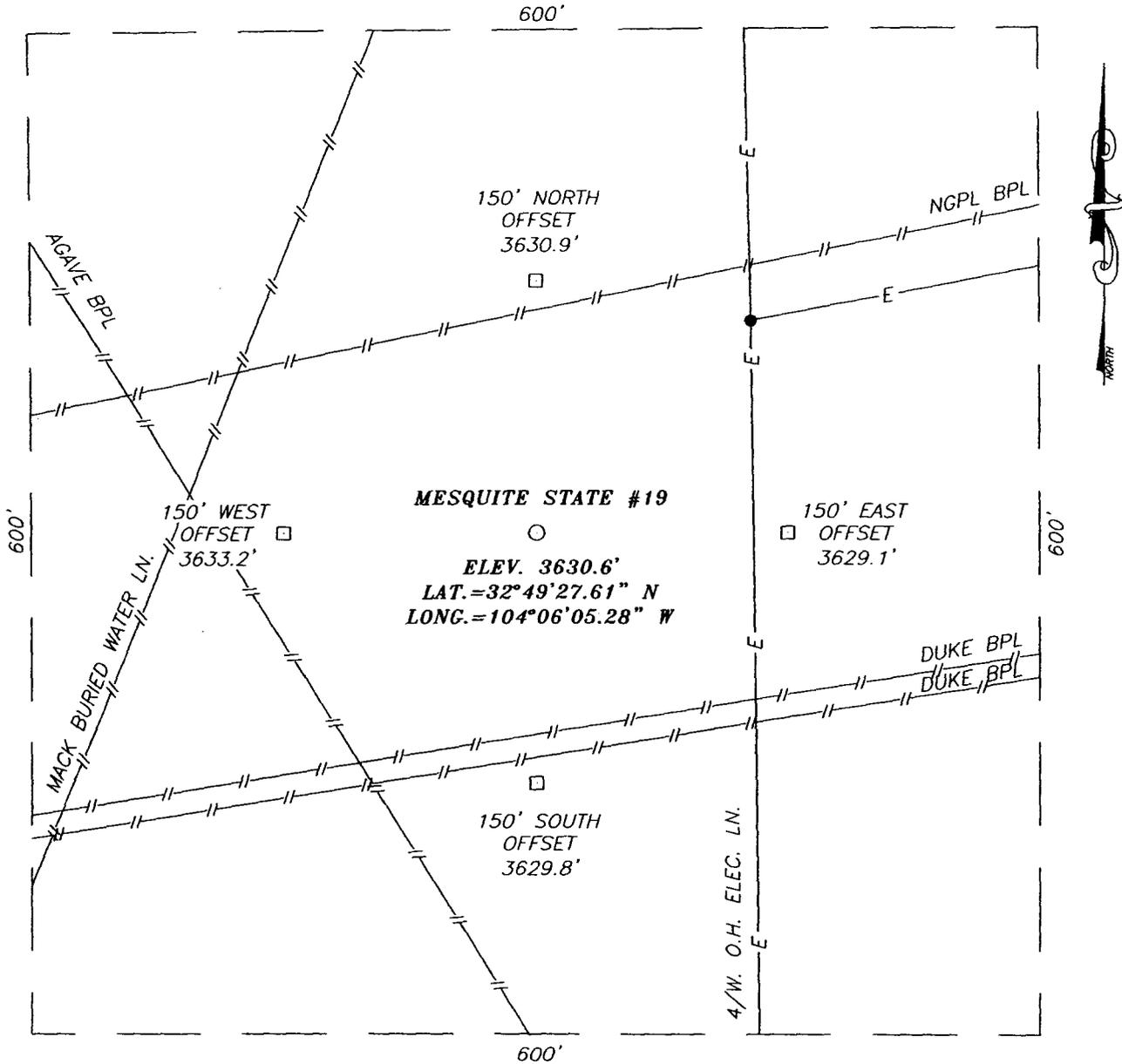
UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 40.00		13. Joint or Infill		14. Consolidation Code		15. Order No.			

**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**

	<b>OPERATOR CERTIFICATION</b>		
	<p><i>I hereby certify that the information contained 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(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p>		
	<p>E-Signed By: Diane Kuykendall Title: Regulatory Analyst Date: 4/26/2006</p>		
	<hr/>		
	<b>SURVEYOR CERTIFICATION</b>		
	<p><i>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.</i></p>		
	<p>Surveyed By: Gary Eidson Date of Survey: 4/25/2006 Certificate Number: 12641</p>		

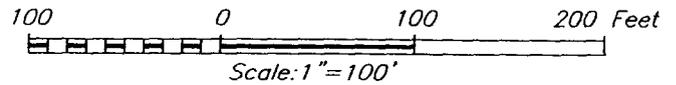


SECTION 20, TOWNSHIP 17 SOUTH, RANGE 29 EAST, N.M.P.M.,  
 EDDY COUNTY, NEW MEXICO



**DIRECTIONS TO LOCATION**

FROM THE INTERSECTION OF ST. HWY. #82 AND CO. RD. #211 (OLD LOCO RD.), GO NORTH ON OLD LOCO RD. APPROX. 0.6 MILES. TURN LEFT AND GO WEST APPROX. 0.3 MILES. TURN RIGHT AND GO NORTH APPROX. 200 FEET. VEER RIGHT AND GO NORTHEAST APPROX. 0.1 MILES. VEER LEFT AND GO NORTH APPROX. 0.2 MILES TO THE MACK MESQUITE STATE #9 WELL PAD. THIS LOCATION IS APPROX. 400 FEET SOUTHEAST.



**MACK ENERGY CORPORATION**

MESQUITE STATE #19  
 LOCATED 1035 FEET FROM THE NORTH LINE  
 AND 1115 FEET FROM THE WEST LINE OF SECTION 20,  
 TOWNSHIP 17 SOUTH, RANGE 29 EAST, N.M.P.M.,  
 EDDY COUNTY, NEW MEXICO.

Survey Date: 04/25/06	Sheet 1 of 1 Sheets
W.O. Number: 06.11.0711	Dr By: M.R.
Date: 04/28/06	Disk: CD#6
06110711	Scale: 1"=100'

PROVIDING SURVEYING SERVICES  
 SINCE 1946  
**JOHN WEST SURVEYING COMPANY**  
 412 N. DAL PASO  
 HOBBS, N.M. 88240  
 (505) 393-3117

District I  
1625 N. French Dr, Hobbs, NM 88240  
District II  
811 South First, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
EnerRy, Minerals & Natural Resources

Form C-102  
Revised March 17, 1999

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number Multiple see attached		Pool Code 28509/96610	Pool Name Grayburg Jackson SR Q G SA/East Empire Yeso
Property Code 23810	Property Name Mesquite State		Well Number Multiple
OGRID No. 013837	Operator Name Mack Energy Corporation		Elevation

Surface Location

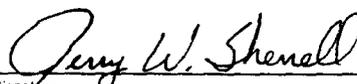
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D,E,K,L,N	20	17S	29E						Eddy

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 200	" joint or Infill	"Consolidation Code	" Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL XL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<sup>16</sup> 20 10  9  18 8  7 07  16 2 6 14  1 15 13 5  4 12  11 3	Mesquite State E-742		<b>" OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief   Signature Jerry W. Sherrell Printed Name Production Clerk Title 8/10/2005 Date	
	<b>"SURVEYOR CERTIFICATION</b> 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.  Date of Survey Signature and Seal of Professional Surveyer		Certificate Number	

## Permit Comments

Operator: COG OPERATING LLC , 229137

Well: MESQUITE STATE #019

API: 30-015-34820

Created By	Comment	Comment Date
JSHERRELL	H2S concentrations of wells in this area from surface to TD are low enough that a contingency plan is not required.	4/26/2008
JSHERRELL	Cog will submit NSL application	4/26/2008

# Permit Conditions of Approval

Operator: COG OPERATING LLC , 229137

Well: MESQUITE STATE #019

API: 30-015-34820

OCD Reviewer	Condition
BArrant	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines
BArrant	As noted, operator to drill surface hole with fresh water mud.

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

06/21/06 10:38:08  
OGOMES -TQ18  
PAGE NO: 1

Sec : 20 Twp : 17S Rng : 29E Section Type : NORMAL

Section	Area	Owner	Acres												
D	40.00	MEMBOURNE OIL COM	40.00	C	40.00	MEMBOURNE OIL COM	40.00	B	40.00	MEMBOURNE OIL COM	40.00	A	40.00	MEMBOURNE OIL COM	40.00
CS				CS				CS				CS			
E00742 0001				E04201 0003				B06846 0001				B06846 0001			
MEMBOURNE OIL COM				CLAYTON WILLIAMS				CLAYTON WILLIAMS				CLAYTON WILLIAMS			
C	02/11/56			C	09/11/60			C	01/11/47			C	01/11/47		
A	A A A A			A	A A A A			A	A A A A			A	A A A A		
E	40.00	MEMBOURNE OIL COM	40.00	F	40.00	MEMBOURNE OIL COM	40.00	G	40.00	MEMBOURNE OIL COM	40.00	H	40.00	MEMBOURNE OIL COM	40.00
CS				CS				CS				CS			
E00742 0001				E00742 0001				B06846 0001				B06846 0001			
MEMBOURNE OIL COM				MEMBOURNE OIL COM				CLAYTON WILLIAMS				CLAYTON WILLIAMS			
C	02/11/56			C	02/11/56			C	01/11/47			C	01/11/47		
A	A A A A			P	A A A A			A	A A A A			A	A A A A		
L	40.00	MEMBOURNE OIL COM	40.00	K	40.00	MEMBOURNE OIL COM	40.00	J	40.00	MEMBOURNE OIL COM	40.00	I	40.00	MEMBOURNE OIL COM	40.00
CS				CS				CS				CS			
E00742 0001				E00742 0001				B01266 0010				VC0004 0000			
MEMBOURNE OIL COM				MEMBOURNE OIL COM				COG OIL & GAS, L.				MARBOB ENERGY COR			
C	02/11/56			C	02/11/56			C	01/05/43			C	02/01/94		
A	A A A A			A	A A A A			A	A A A A			A	A A A A		
M	40.00	COG OIL & GAS, L.	40.00	N	40.00	MEMBOURNE OIL COM	40.00	O	40.00	CLAYTON WILLIAMS	40.00	P	40.00	COG OIL & GAS, L.	40.00
CS				CS				CS				CS			
E07640 0007				E00742 0001				B06846 0001				B01266 0010			
COG OIL & GAS, L.				MEMBOURNE OIL COM				CLAYTON WILLIAMS				COG OIL & GAS, L.			
C	12/15/63			C	02/11/56			C	01/11/47			C	01/05/43		
A	A A A A			C	A A A A			A	A A A A			A	A A A A		

**Stogner, Michael, EMNRD**

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**From:** Stogner, Michael, EMNRD  
**To:** Jerry Sherrell  
**Cc:**  
**Subject:** RE: NSL orders  
**Attachments:**

**Sent:** Tue 6/20/2006 11:29 AM

Due to the number of request for administrative exceptions to the well location, density, and spacing rules, these two filings are still pending. I again stress to you and to all operators that wells be drilled at standard locations and that such location exceptions be filed as a last dig effort, otherwise expect longer waiting times.

**From:** Jerry Sherrell [mailto:jerrys@mackenergycorp.com]  
**Sent:** Tue 6/20/2006 8:13 AM  
**To:** Stogner, Michael, EMNRD  
**Subject:** NSL orders

Michael, I have submitted some NSL applications last month and was curious about the status. They were submitted for COG Operating LLC. The Schley Federal #16 and the Mesquite State #19. Please let me know the status.

Thanks,

Jerry W. Sherrell

jerrys@mackenergycorp.com

 You replied on 6/21/2006 10:35 AM.

**Stogner, Michael, EMNRD**

**From:** Jerry Sherrell [jerrys@mackenergycorp.com]

**Sent:** Tue 6/20/2006 8:13 AM

**To:** Stogner, Michael, EMNRD

**Cc:**

**Subject:** NSL orders

**Attachments:**

Michael, I have submitted some NSL applications last month and was curious about the status. They were submitted for COG Operating LLC. The Schley Federal #16 and the Mesquite State #19. Please let me know the status.

Thanks,

Jerry W. Sherrell

jerrys@mackenergycorp.com