

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 _____
- [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

RECEIVED
 2007 NOV 19 PM 3 54

[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.

| | | | |
|--------------------|-----------|-------------------------------|----------|
| Kanicia Carrillo | | Regulatory Analyst | 11/16/07 |
| Print or Type Name | Signature | Title | Date |
| | | kcarrillo@conchoresources.com | |
| | | e-mail Address | |



November 16, 2007

New Mexico Oil Conservation Division
Attn: Will Jones
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Request for Down Hole Commingling and Measurement of Hydrocarbon Production for:
Aladdin 11 State #1
Eddy County, NM
API # 30-015-34654

Pools:

Undes Hills, Atoka (97398) and Hess; Morrow, East (79380)

Dear Mr. Jones,

COG Operating LLC as operator of the above mentioned well respectfully requests approval for down hole commingling and measurement of production.

COG proposes to commingle production from the above mentioned pools. Production will be measured at the Alladin 11 State #1 battery located in the NE/4 SW/4, Section 11, T24S, R23E. The lease has common interest in both pools. We are currently producing and testing out of the Undes Hills, Atoka. We have prior tests for the Hess; Morrow, East, which is the original pool. This pool is shut in using a RBP, set at 9650'.

Please contact me at 432-685-4332 or e-mail at kcarrillo@conchoresources.com if you need additional information.

Thank you for your attention to this matter.

Sincerely,

COG Operating LLC

A handwritten signature in black ink, appearing to read "K. Carrillo".

Kanicia Carrillo
Regulatory Analyst

Attachments: C-107A and C-102's for both formations

District I
1625 N. French Drive, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

District II
1301 W. Grand Avenue, Artesia, NM 88210

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE
 Single Well
 Establish Pre-Approved Pools
EXISTING WELLBORE
 Yes No

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

APPLICATION FOR DOWNHOLE COMMINGLING

COG OPERATING LLC
Operator

550 W. Texas, Suite 500 **Midland, TX 79701**
Address

1300 **DHC-3967**

Aladdin 11 State **1** **Unit K, Sec 11, T-24S, R-23E** **Eddy**
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. **229137** Property Code _____ API No. **30-015-34654** Lease Type: Federal State Fee

| DATA ELEMENT | UPPER ZONE | INTERMEDIATE ZONE | LOWER ZONE |
|--|---|---|-----------------|
| Pool Name | Undes Hess Hills;Atoka (Gas) | Hess;Morrow, East (Gas) | |
| Pool Code | 97398 | 78380 | |
| Top and Bottom of Pay Section (Perforated or Open-Hole Interval) | 9,502 - 9,528 | 10,456 - 10,480 10,570 - 10,580 | |
| Method of Production (Flowing or Artificial Lift) | Flowing | Flowing | |
| Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone) | | | |
| Oil Gravity or Gas BTU (Degree API or Gas BTU) | | | |
| Producing, Shut-In or New Zone | New - Producing | Shut In | |
| Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.) | Date: 11/08/07 Oil/ Gas /Water Rates: 0/222/0 | Date: 09/27/07 Oil/ Gas /Water Rates: 1/154/0 | Date: Rates: |
| Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.) | Oil Gas 0 % 59 % | Oil Gas 100 % 41 % | Oil Gas % % |

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes No _____
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes _____ No _____

Are all produced fluids from all commingled zones compatible with each other? Yes No _____

Will commingling decrease the value of production? Yes _____ No

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes _____ No

NMOCD Reference Case No. applicable to this well: _____

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE K. Carrillo TITLE Regulatory Analyst DATE 11/16/07

TYPE OR PRINT NAME Kanicia Carrillo TELEPHONE NO. (432) 685-4332

E-MAIL ADDRESS kcarrillo@conchoresources.com

District I
 1625 N. French Dr., Hobbs, NM 88240
District II
 1301 W. Grand Ave., Artesia, NM 88210
District III
 1000 Rio Brazos Rd., Aztec, NM 87410
District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505

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 16916

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|---------------------------------------|--------------------------------------|---|
| 1. API Number 30-015-34654 | 2. Pool Code 78380 | 3. Pool Name HESS;MORROW, EAST (GAS) |
| 4. Property Code 35472 | 5. Property Name ALADDIN 11 STATE | |
| 6. Well No. 001 | 7. OGRID No. 229137 | |
| 8. Operator Name COG OPERATING LLC | 9. Elevation 4380 | |

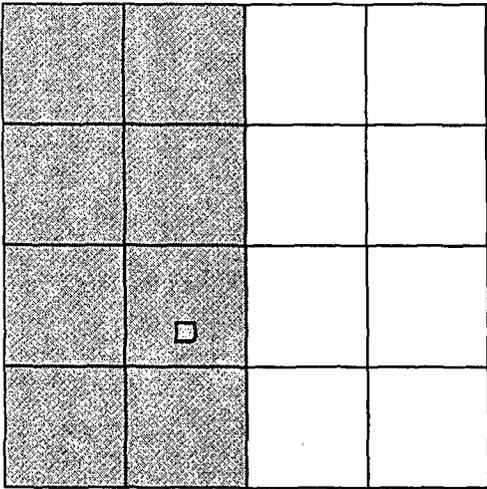
10. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| K | 11 | 24S | 23E | | 1707 | S | 1950 | W | EDDY |

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 320.00 | | 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

| | |
|---|---|
|  | <p style="text-align: center;">OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p>E-Signed By: Diane Kuykendall Title: Regulatory Analyst Date: 2/27/2006</p> <hr/> <p style="text-align: center;">SURVEYOR CERTIFICATION</p> <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: Ronald Eidson Date of Survey: 9/27/2005 Certificate Number: 3239</p> |
|---|---|

State of New Mexico

Energy, Minerals and Natural Resources Department

DISTRICT I

1020 N. FRANCIS DR., HOHNS, NM 86240

DISTRICT II

1302 W. GRAND AVENUE, ARTISIA, NM 86210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised JUNE 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

| | | |
|----------------------------|-------------------------------------|--|
| API Number 30-015-34654 | Pool Code 97398 | Pool Name Undes Hess Hills Atoka(Gas) |
| Property Code 35472 | Property Name ALADDIN STATE 11 | Well Number 1 |
| GRID No. 299137 | Operator Name COG OPERATING, LLC | Elevation 4380' |

Surface Location

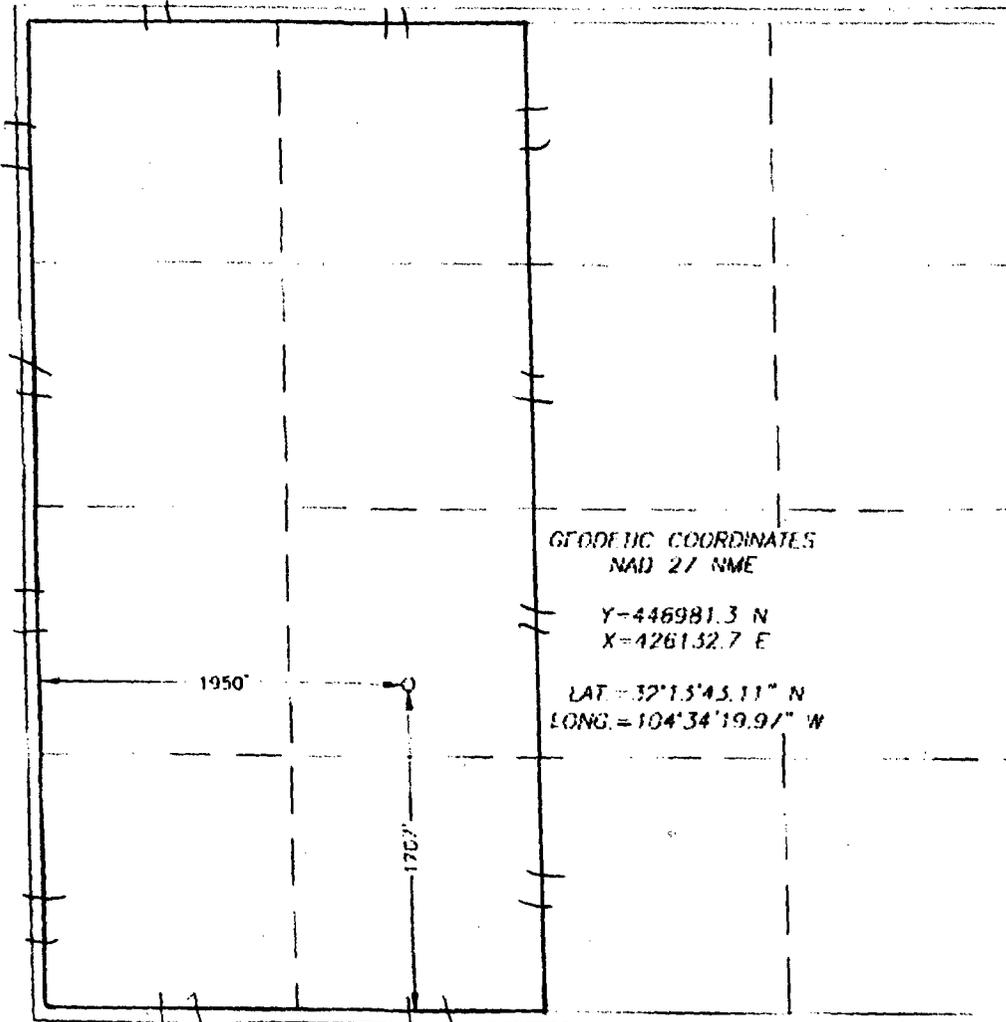
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| K | 11 | 24-S | 23-E | | 1707 | SOUTH | 1950 | WEST | 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 320 | 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



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

[Handwritten Signature]

Signature

Kanicia Carrillo

Printed Name

Regulatory Analyst

Title

08/13/07

Date

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.

Date: 08/06/05
Signature: *[Handwritten Signature]*
Professional Seal of RONALD J. EIDSON
Professional Surveyor No. 3239

Certificate No. RONALD J. EIDSON 3239

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 May 27, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

| |
|---|
| WELL API NO. 30-015-34654 |
| 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. |
| 7. Lease Name or Unit Agreement Name Aladdin 11 State |
| 8. Well Number 1 |
| 9. OGRID Number 229137 |
| 10. Pool name or Wildcat 97398 Undes Hess Hills; Atoka (Gas) |

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)
 1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
COG OPERATING LLC

3. Address of Operator
550 W. Texas, Suite 1300 Midland, TX 79701

4. Well Location
 Unit Letter. **K** : **1707** feet from the **South** line and **1950** feet from the **West** line
 Section **11** Township **24S** Range **23E** NMPM County **Eddy**

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
4380' GR

Pit or Below-grade Tank Application or Closure
 Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____
 Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material **synthetic**

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

| | | | |
|--|---|--|--|
| NOTICE OF INTENTION TO: | | SUBSEQUENT REPORT OF: | |
| PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> | P AND A <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | MULTIPLE COMPL <input type="checkbox"/> | CASING/CEMENT JOB <input type="checkbox"/> | |
| OTHER: Intent to DHC Atoka & Morrow <input checked="" type="checkbox"/> | | OTHER: <input type="checkbox"/> | |

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

COG Operating, LLC requests approval to complete this well as a downhole commingle in the following pools:

| POOL | PERFS | Oil Rate | Oil% | Gas Rate | Gas% | WTR Rate | WTR % |
|---|------------------------------------|----------|------|----------|------|----------|-------|
| Undes Hess Hills; Atoka (Gas) 97398 (New Pool) | 9,502 - 9,528 | 0 | 0% | 222 | 59% | 0 | 0% |
| Hess; Morrow, East (Gas) 78380 (Current Pool) | 10,456 - 10,480 10,570 - 10,580 | 1 | 100% | 154 | 41% | 0 | 0% |

Ownership is identical for the specified pools.
 Commingling will not decrease the value of production.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Kanicia Carrillo TITLE Regulatory Analyst DATE 11-16-07

Type or print name Kanicia Carrillo E-mail address: kcarrillo@conchoresources.com Telephone No. 432-685-4332

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____
 Conditions of Approval (if any): _____