

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
 Folk Federal #5

ADMINISTRATIVE APPLICATION CHECKLIST *NSL-5938*

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 _____

30-615-

2008 SEP 4 PM 3 10
 RECEIVED

[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.

PHYLLIS A. EDWARDS _____ *Phyllis A. Edwards* _____ REGULATOR ANALYST _____ *9-3-08*
 Print or Type Name Signature Title Date

 e-mail Address *pedwards@conchoresources.com*

**Folk Federal #5
Eddy County, NM**

COG proposes to drill a NW/4 of NW/4 of N/2, 40 acre spacing
Empire; Glorieta-Yeso, East Oil Well
TD of approximately 5500'

*What about
GLORIETA PP?*

Non-Standard Location:

SHL: 1250' FNL & 330' FWL Sec 17, T17S, R29E, Unit D
BHL: 1650' FNL & 330' FWL Sec 17, T17S, R29E, Unit E

YESO PENETRATION POINT:

1552' FNL & 331' FWL Sec 17, T17S, R29E, Unit E

**This well had to be drilled at a non-standard location due to
Archeological Issues.**

This well is to be completed in the Empire; Glorieta-Yeso, East (96610) formation. We won't know the exact perms until we drill & log it, but it will be very similar to the Folk Federal #4 which was completed in October 2007 and is located 2310' FNL & 2110' FWL, Unit F in Sec 17, T17S, R29E.

Folk Federal #4 has Yeso open perms from: 4300' – 5160' overall, but broken up into 3 separate intervals, with 3 separate fracs:

1st interval: 4960' – 5160'
acidized w/ 5000 gals,
frac w/ 69,248 gals gel, & 61,172# 16/30 sand, & 5676# LiteProp

2nd interval: 4510' – 4710'
acidized w/ 5000 gals,
frac w/ 68,981 gals gel, & 61,488# 16/30 sand, & 5766# LiteProp

3rd interval: 4300' – 4440'
acidized w/ 5000 gals,
frac w/ 68,906 16/30 sand, & 4330# LiteProp

**Attachment 1
Plat**

Attachment 2
Map & legend of offset wells.

Attachment 3
Updated land plat showing that COG Operating LLC owns offset acreage.
The acreage we are encroaching is the NW/4 ~~& the~~ NW/4
of Section 17.

All interests are the same.

COG Operating LLC respectfully requests permission to have this NSL approved.

State of New Mexico

Energy, Minerals and Natural Resources Department

DISTRICT I

1625 N. FRENCH DR., HOBBS, NM 88240

DISTRICT II

1501 W. GRAND AVENUE, ARTESIA, NM 88210

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 October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT *G. LORIERA* AMENDED REPORT

API Number 30-015-	Pool Code 96610	Pool Name EMPIRE; YESO, EAST
Property Code 302495	Property Name FOLK FEDERAL	Well Number 5
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3655'

Surface Location

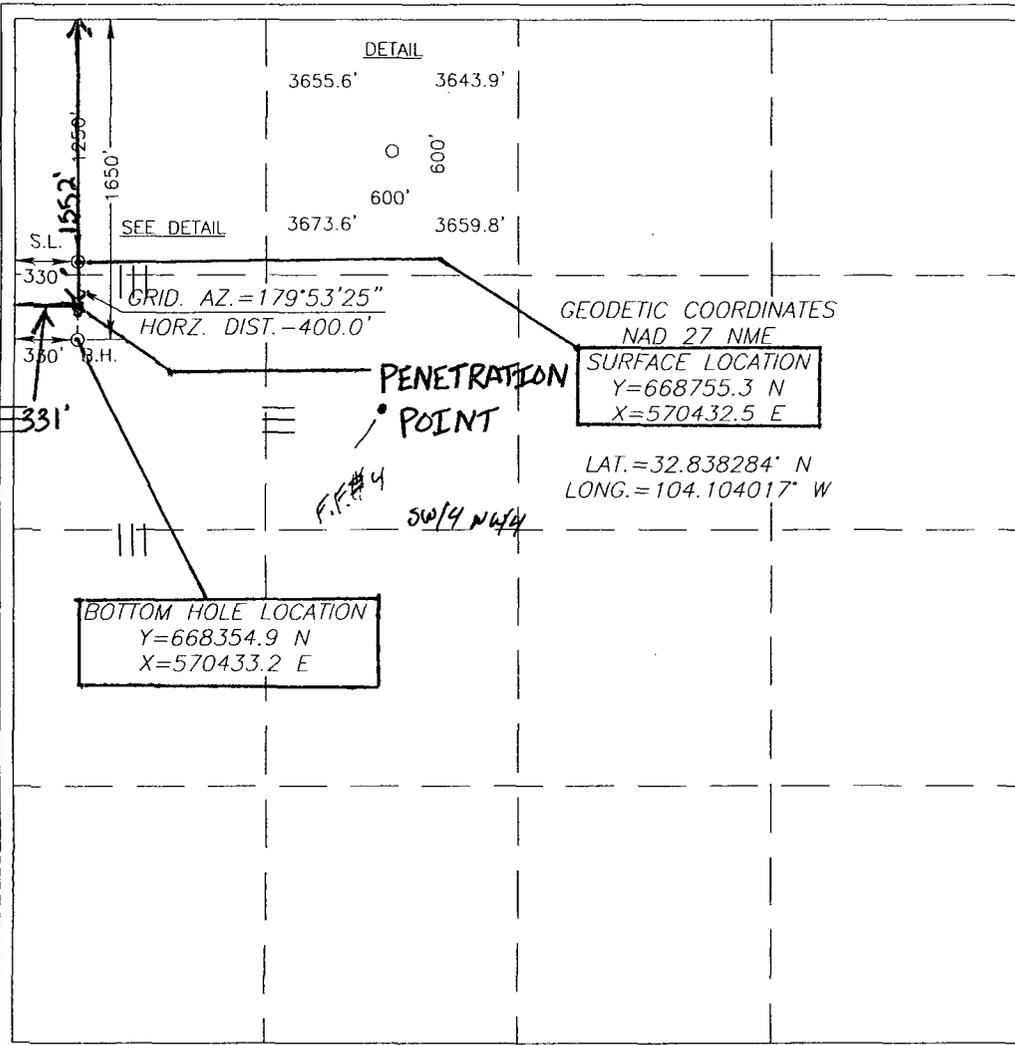
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	17	17-S	29-E		1250	NORTH	330	WEST	EDDY

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
E	17	17-S	29-E		1650	NORTH	330	WEST	EDDY

Dedicated Acres 40	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



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 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.

Phyllis A. Edwards 9/3/08
Signature Date
Phyllis A. Edwards
Printed Name
Regulatory Analyst

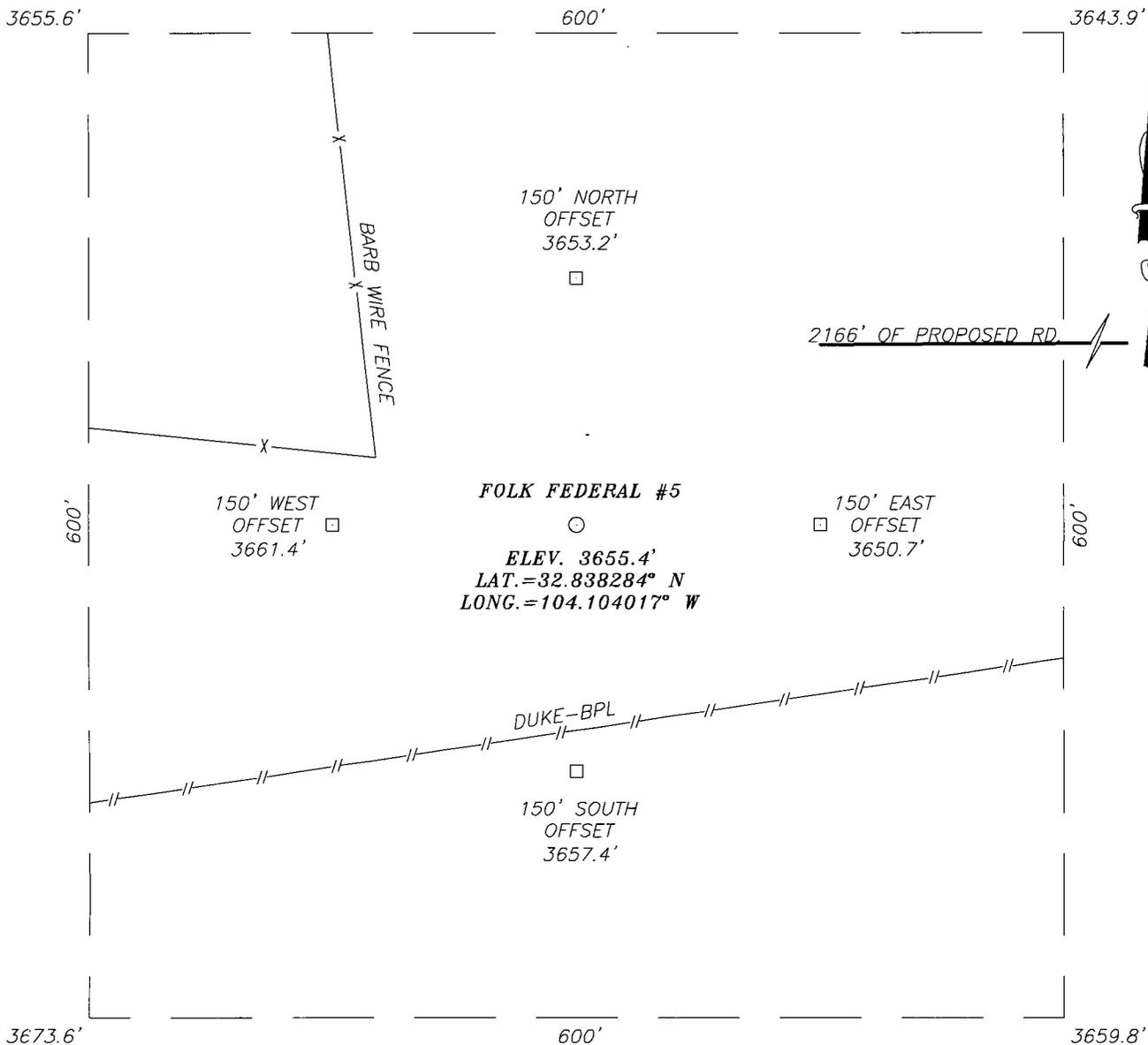
SURVEYOR CERTIFICATION

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.

GARY G. EIDSON
Date: Surveyor Seal of Professional Surveyor 12641
RECEIVED DISTRICT IV 5/27/08

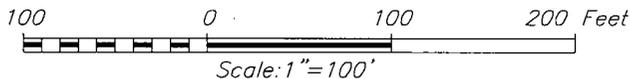
Certificate No. GARY EIDSON 12641
RONALD J. EIDSON 3239

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



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF U.S. HWY. #82 AND CO. RD. #211 (OLD LOCO RD.), GO NORTH ON CO. RD. #211 APPROX. 1.8 MILES TO A PROPOSED ROAD SURVEY. FOLLOW STAKED ROAD WEST APPROX. 2320 FEET TO THIS LOCATION.



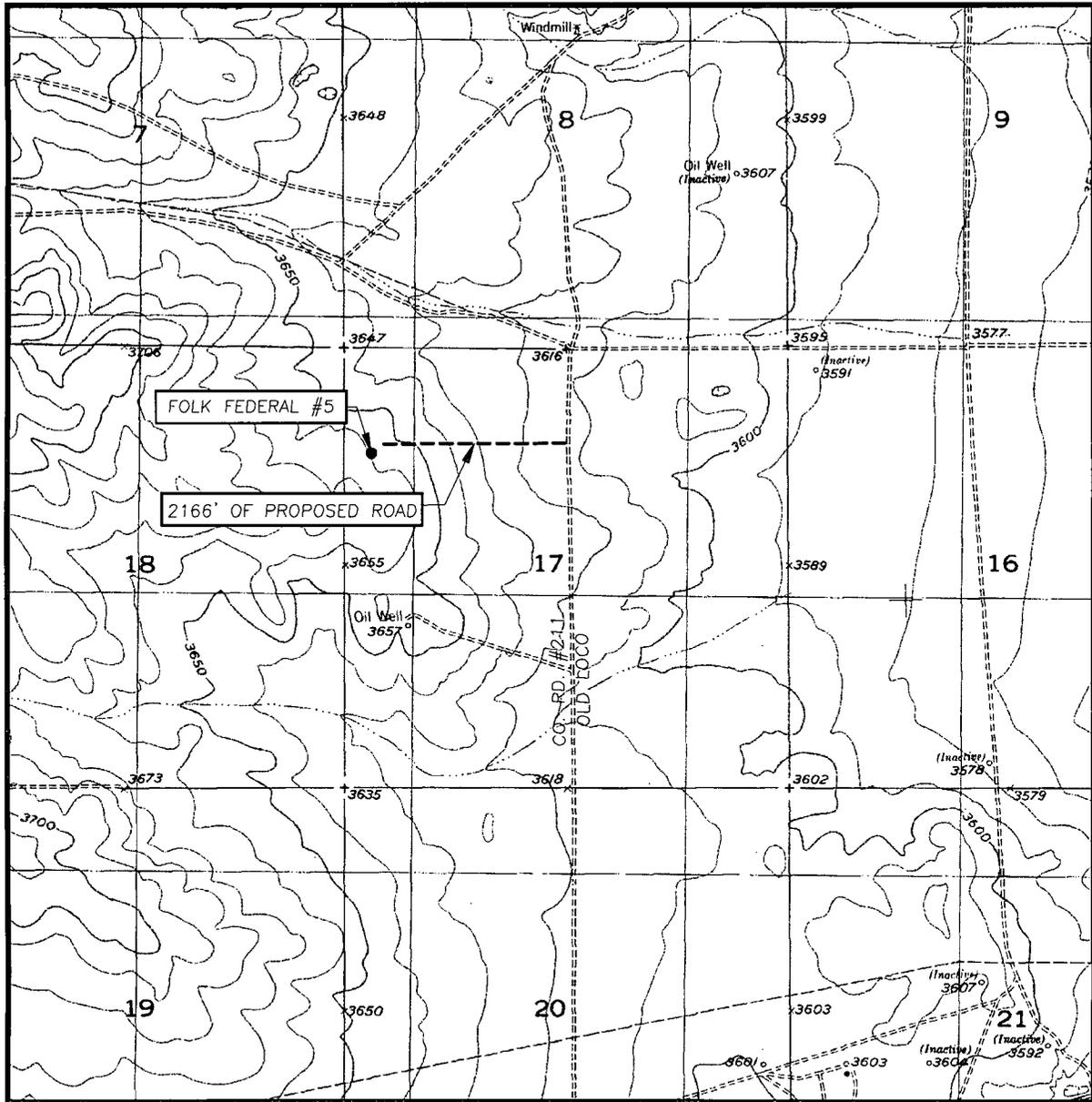

PROVIDING SURVEYING SERVICES
 SINCE 1946
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 HOBBS, N.M. 88240
 (505) 393-3117

COG OPERATING, LLC

FOLK FEDERAL #5
 LOCATED 1250 FEET FROM THE NORTH LINE
 AND 330 FEET FROM THE WEST LINE OF SECTION 17,
 TOWNSHIP 17 SOUTH, RANGE 29 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO.

Survey Date: 03/10/08	Sheet 1 of 1 Sheets
W.O. Number: 08.11.0141	Dr By: AR
Date: 3/15/08	Rev 1: N/A
08110141	Scale: 1"=100'

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
RED LAKE SE, N.M. - 10'

SEC. 17 TWP. 17-S RGE. 29-E

SURVEY N.M.P.M.

COUNTY EDDY STATE NEW MEXICO

DESCRIPTION 1250' FNL & 330' FWL

ELEVATION 3655'

OPERATOR COG OPERATING, LLC

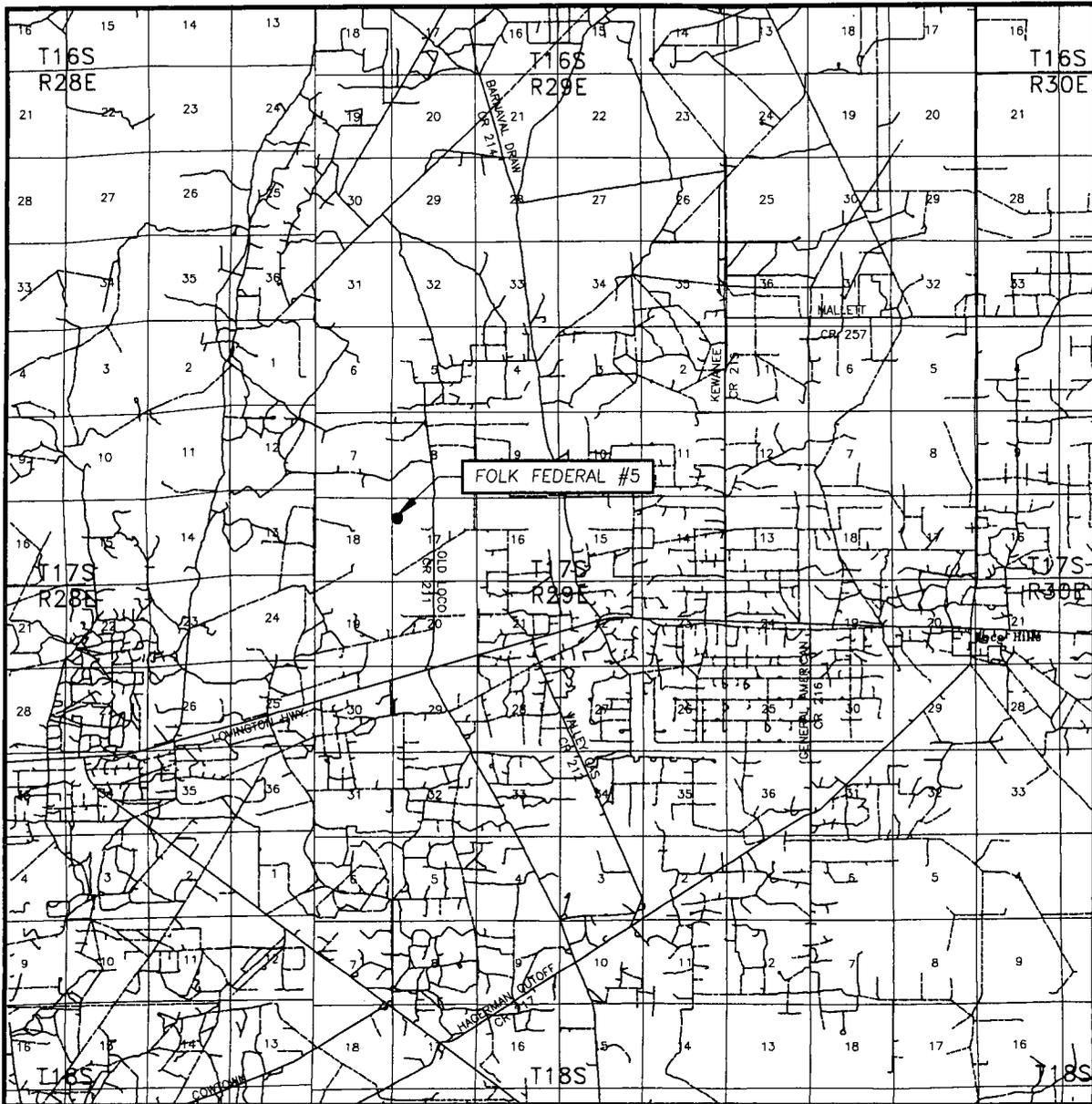
LEASE FOLK FEDERAL

U.S.G.S. TOPOGRAPHIC MAP
RED LAKE SE, N.M.



PROVIDING SURVEYING SERVICES
 SINCE 1946
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 HOBBS, N.M. 88240
 (505) 383-3117

VICINITY MAP



SCALE: 1" = 2 MILES

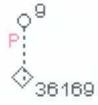
SEC. 17 TWP. 17-S RGE. 29-E
 SURVEY _____ N.M.P.M.
 COUNTY EDDY STATE NEW MEXICO
 DESCRIPTION 1250' FNL & 330' FWL
 ELEVATION 3655'
 OPERATOR COG OPERATING, LLC
 LEASE FOLK FEDERAL



PROVIDING SURVEYING SERVICES
 SINCE 1948
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 HOBBS, N.M. 88240
 (505) 393-3117

☆004

8-17S-29E



○⁶
36172

○⁷
36171

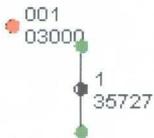
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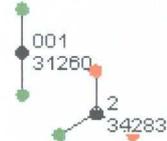
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○020
34821

●10
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500ft

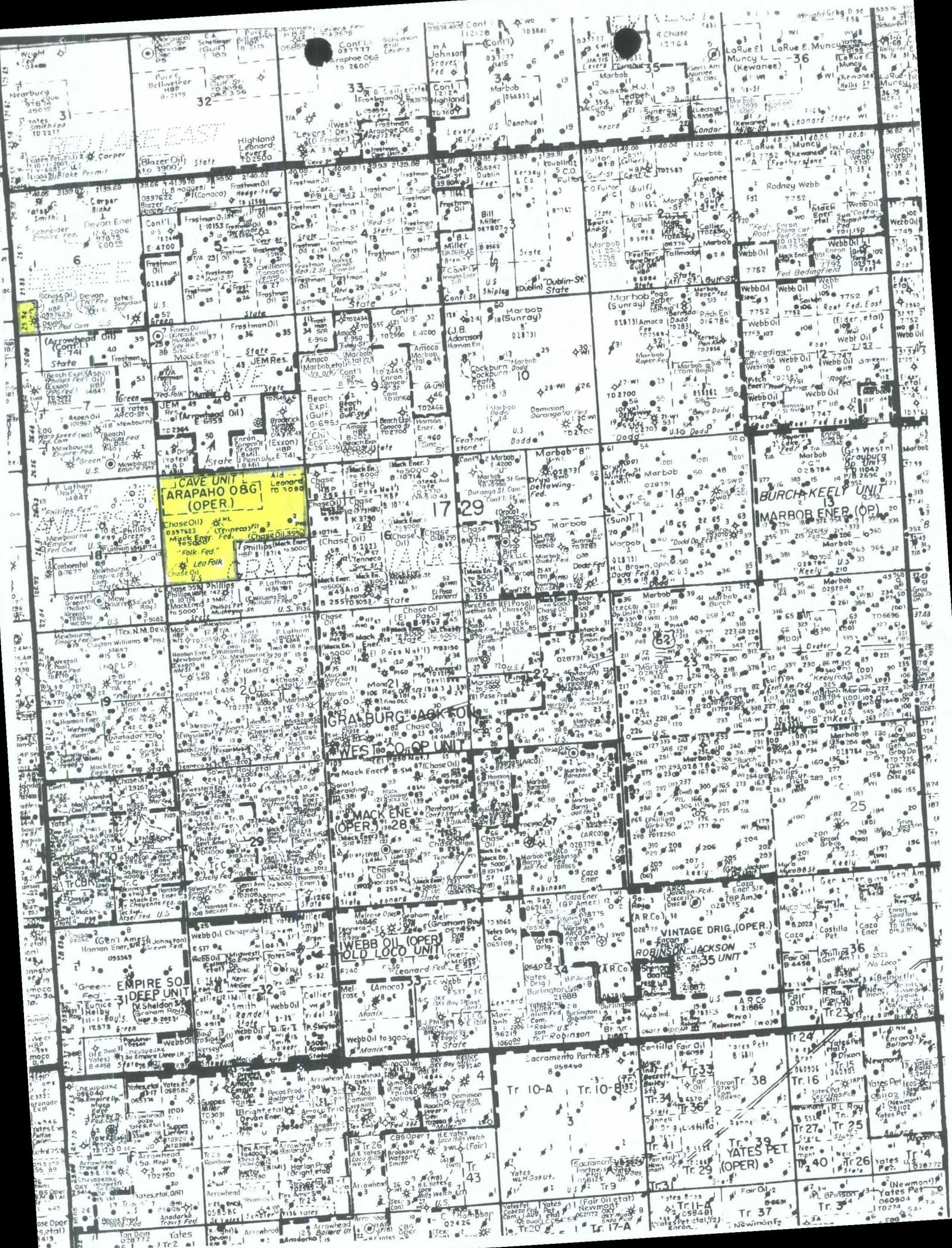
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Folk Federal #5 Offset Wells

API#	Operator	Lease	Well#	County	Legal	First Prod.	Last Prod.	Field Name	Reservoir Name	Total Depth	Well
30-015-20198	MACK ENERGY CORP	FOLK FEDERAL	002	EDDY	S:17, T:17S, R:29E	Jan 1972	Dec 1977	GRAYBURG JKSN SR-Q-G-SA(DO NOT USE)		0	Act
30-015-20198	COG OPERATING LLC	FOLK FEDERAL	002	EDDY	S:17, T:17S, R:29E	Mar 1969	Dec 2007	GRAYBURG JACKSON	SR-Q-G-SA	0	Act
30-015-23719	COG OPERATING LLC	FEDERAL KL-17	001	EDDY	S:17, T:17S, R:29E	Aug 1982	Dec 2007	EMPIRE	MORROW, SOUTH (GAS)		Pui
30-015-26750	CONOCOPHILLIPS COMPANY	MUSKEGON "17" STATE COM.	001	EDDY	S:17, T:17S, R:29E	May 1992	Dec 2007	EMPIRE	MORROW, SOUTH (GAS)	0	Pui
30-015-27295	COG OPERATING LLC	FOLK FEDERAL	003	EDDY	S:17, T:17S, R:29E	Mar 1993	Dec 2007	GRAYBURG JACKSON	SR-Q-G-SA	0	Act
30-015-31260	CLAYTON WILLIAMS ENERGY INC	PHILLIPS 17 FEDERAL	001	EDDY	S:17, T:17S, R:29E	Sep 2000	Jan 2008	EMPIRE	YESO, EAST	4,805	Ter
30-015-31260	CLAYTON WILLIAMS ENERGY INC	PHILLIPS 17 FEDERAL	001	EDDY	S:17, T:17S, R:29E	Nov 2000	Jan 2008	GRAYBURG JACKSON	SR-Q-G-SA	4,805	Ter
30-015-31261	CLAYTON WILLIAMS ENERGY INC	PHILLIPS 17 FEDERAL	002	EDDY	S:17, T:17S, R:29E	Sep 2000	Jan 2008	EMPIRE	YESO, EAST	4,506	Ter
30-015-31261	CLAYTON WILLIAMS ENERGY INC	PHILLIPS 17 FEDERAL	002	EDDY	S:17, T:17S, R:29E	Dec 2000	Jan 2008	GRAYBURG JACKSON	SR-Q-G-SA	4,506	Ter
30-015-31446	CLAYTON WILLIAMS ENERGY INC	PHILLIPS 17 FEDERAL	003	EDDY	S:17, T:17S, R:29E	Jan 2001	Jan 2008	EMPIRE	YESO, EAST	4,427	Pui
30-015-03000		FOLK FEDERAL	001	EDDY	S:17, T:17S, R:29E	Jun 1959	Jul 1961	EDDY UNDESIGNATED	GROUP 1		Act
30-015-34283	GRUY PETROLEUM MANAGEMENT CO.	MUSKEGON 17 FEDERAL COM	2	EDDY	S:17, T:17S, R:29E			EMPIRE	MORROW, SOUTH (GAS)	10,915	Act
30-015-34283	COG OPERATING LLC	MUSKEGON 17 FEDERAL COM	2	EDDY	S:17, T:17S, R:29E			EMPIRE; ABO		10,915	Act

DI Search Results (Printable Table)

30-015-34283	CIMAREX ENERGY CO. OF COLORADO	MUSKEGON 17 FEDERAL COM	2	EDDY	S:17, T:17S, R:29E	May 2006	Sep 2007	EMPIRE	ABO	10,915	Act
30-015-35728	COG OPERATING LLC	FOLK FEDERAL	4	EDDY	S:17, T:17S, R:29E	Oct 2007	Dec 2007	EMPIRE	YESO, EAST	5,600	Act
30-015-35727	COG OPERATING LLC	FOLK FEDERAL	1	EDDY	S:17, T:17S, R:29E	Nov 2007	Dec 2007	EMPIRE	YESO, EAST	5,123	Act
30-015-35728	COG OPERATING LLC	FORK FEDERAL	4	EDDY	S:17, T:17S, R:29E			EMPIRE GLORIETA YESO, EAST		5,600	Act
30-015-35727	COG OPERATING LLC	FOLK FEDERAL	1	EDDY	S:17, T:17S, R:29E			EMPIRE; GLORIETA-YESO, EAST		5,123	Act



**CAVE UNIT
ARAPAHO O&G
(OPER.)**

17 29

**BURCH-KEELY UNIT
MARBOR ENER (OP)**

**GRABURG-ACKON
WEST CO. OP UNIT**

**MACK ENER
(OPER.)**

**WEBB OIL (OPER)
OLD LOCO UNIT**

**VINTAGE DRIG. (OPER.)
ROBINSON-JACKSON**

**EMPIRE SO.
SIDEPEEP UNIT**

**YATES PET.
(OPER.)**

Tr 10-A

Tr 10-B

Tr 38

Tr 16

Tr 25

Tr 2

Tr 3

Tr 4

Tr 5

Tr 6

Tr 7

Tr 8

Tr 9

Tr 10

Tr 11

Tr 12

Tr 13

Tr 14

Tr 15

Tr 16

Tr 17

Tr 18

Tr 19

Tr 20

Tr 21

Tr 22

Tr 23

Tr 24

Tr 25

Tr 26

Tr 27

Tr 28

Tr 29

Tr 30

Tr 31

Tr 32

Tr 33

Tr 34

Tr 35

Tr 36

Tr 37

Brooks, David K., EMNRD

From: Phyllis Edwards [PEdwards@conchoresources.com]
Sent: Monday, October 06, 2008 1:29 PM
To: Brooks, David K., EMNRD
Subject: FW: Folk Federal #5 - NSL Application
Attachments: 5.pdf

Dear Mr. Brooks,

Attached is the additional information you requested before the above mentioned NSL application could be processed. Please let me know if you require any additional information.

Thanks for your help !!!

Phyllis Edwards

Regulatory Analyst



COG Operating LLC

Fasken Tower II

550 W. Texas Avenue, Suite 1300

Midland, TX 79701

432-685-4340 P

432-685-4399 F

pedwards@conchoresources.com

From: Kendal Baker
Sent: Thursday, September 11, 2008 11:17 AM
To: Phyllis Edwards
Subject: RE: Folk Federal #5 - NSL Application

Ok after some research it looks like we need to send out two notices, one to Clayton Williams and one to ConocoPhillips. It looks like Clayton Williams may be the operator of the N/2 of Sec. 18, but ConocoPhillips has the leasehold rights for the N/2 of Sec. 18. I asked Stuart and Brent and they suggested to send notice to both companies, their thought was it is better to send it to too many people than not enough. I hope this is of some help and please don't hesitate if you need anything else.

**Thanks,
Kendal**

10/21/2008



Kendal L. Baker
Land Coordinator
550 W. Texas Ave, Suite 1300
Midland, Texas 79701
Phone: 432-686-3031
Email: Kbaker@conchoresources.com

From: Phyllis Edwards
Sent: Wednesday, September 10, 2008 9:42 AM
To: Kendal Baker
Cc: Robyn Odom
Subject: FW: Folk Federal #5 - NSL Application

Kendal,

I sent the attached land plat with a NSL application. Please read the examiner's e-mail below and let me know what I need to submit.

Thanks for your help !!!

Phyllis Edwards

Regulatory Analyst



COG Operating LLC

Fasken Tower II

550 W. Texas Avenue, Suite 1300

Midland, TX 79701

432-685-4340 P

432-685-4399 F

pedwards@conchoresources.com

From: Brooks, David K., EMNRD [<mailto:david.brooks@state.nm.us>]
Sent: Tuesday, September 09, 2008 3:36 PM
To: Phyllis Edwards
Subject: Folk Federal #5 - NSL Application

Dear Ms. Edwards

It appears that once again we have the question of encroachment towards a diagonal offset.

This well encroaches not only toward the NW/4 NW/4 (Unit D) of Section 17, but also, on the diagonal, toward the adjoining unit to the northwest, presumably Unit A of Section 18, about which we were furnished no title information.

OCD records do not indicate that there are any wells in Unit A of Section 18. Accordingly, there is presumably no division-designated operator.

10/21/2008

Please ascertain the working interest ownership of this diagonally adjoining unit, so we can ascertain if there are additional parties who must be noticed.

Sincerely,

David K. Brooks
Legal Examiner
505-476-3450

Confidentiality Notice: This e-mail, including all attachments is for the sole use of the intended recipient (s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited unless specifically provided under the New Mexico Inspection of Public Records Act. If you are not the intended recipient, please contact the sender and destroy all copies of this message. -- This email has been scanned by the Sybari - Antigen Email System.

This inbound email has been scanned by the MessageLabs Email Security System.

**COG OPERATING LLC
550 W. TEXAS, SUITE 1300
MIDLAND, TX 79701**

September 23, 2008

Clayton Williams Energy
Six Desta Drive, Suite 3000
Midland, TX 79705

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 Empire: YESO, EAST oil well.

**Folk Federal #5
Eddy County, NM**

**SHL: 1250' FNL & 330' FWL Sec 17, T17S, R29E, Unit D
BHL: 1650' FNL & 330' FWL Sec 17, T17S, R29E, Unit E**

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



Phyllis A. Edwards
Regulatory Analyst

432-685-4340
pedwards@conchoresources.com

**COG OPERATING LLC
550 W. TEXAS, SUITE 1300
MIDLAND, TX 79701**

September 11, 2008

Conoco – Phillips
Mid-Continent Business Unit
3300 North A Street, Bldg 6
Midland, TX 79705

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 Empire: YESO, EAST oil well.

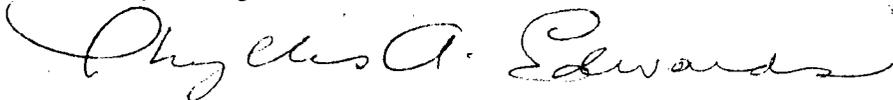
**Folk Federal #5
Eddy County, NM**

**SHL: 1250' FNL & 330' FWL Sec 17, T17S, R29E, Unit D
BHL: 1650' FNL & 330' FWL Sec 17, T17S, R29E, Unit E**

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Sincerely,

COG Operating LLC



Phyllis A. Edwards
Regulatory Analyst

432-685-4340

pedwards@conchoresources.com

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:

Clayton Williams Energy
Six Desta Drive, Suite 3000
Midland, TX 79705

2. Article Number

(Transfer from service label)

7005 0390 0000 6041 4919

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

Kathy Stark

 Agent Addressee

B. Received by (Printed Name)

Kathy Stark

C. Date of Delivery

10/2/08

D. Is delivery address different from item 1? YesIf 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**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:

Conoco - Phillips
Mid-Continent Business Unit
3300 North A Street, Bldg 6
Midland, TX 79705

2. Article Number

(Transfer from service label)

7005 0390 0000 6041 4902

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X Theresa Leach

 Agent Addressee

B. Received by (Printed Name)

Theresa Leach

C. Date of Delivery

9/12/08

D. Is delivery address different from item 1? YesIf 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

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Tuesday, September 09, 2008 1:36 PM
To: 'Phyllis Edwards'
Subject: Folk Federal #5 - NSL Application

Dear Ms. Edwards

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This well encroaches not only toward the NW/4 NW/4 (Unit D) of Section 17, but also, on the diagonal, toward the adjoining unit to the northwest, presumably Unit A of Section 18, about which we were furnished no title information.

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Please ascertain the working interest ownership of this diagonally adjoining unit, so we can ascertain if there are additional parties who must be noticed.

Sincerely,

David K. Brooks
Legal Examiner
505-476-3450