

DATE IN 11/19/08	SUSPENSE	ENGINEER Brooks	LOGGED IN 11/19/08	TYPE NSL	APP NO. PKVR0832451033
---------------------	----------	--------------------	-----------------------	-------------	---------------------------

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 #12
5975

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 _____

RECEIVED
NOV 19 PM 1 45

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☒ Does Not Apply INTERESTS 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.

ROBYN M. ODOM
Print or Type Name

Signature

AGENT
Title

11-17-08
Date

rododom@conchoresources.com
e-mail Address

**Folk Federal #12
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 5400'

Non-Standard Location:

SHL: 1160' FNL & 990' FWL Sec 17, T17S, R29E, Unit D
BHL: 1650' FNL & 990' FWL Sec 17, T17S, R29E, Unit E

**This well had to be drilled at a non-standard location due to
A Pipeline.**

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 & Map

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 SW/4 & the NW/4
of Section 17.

All interests are the same.

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

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

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

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

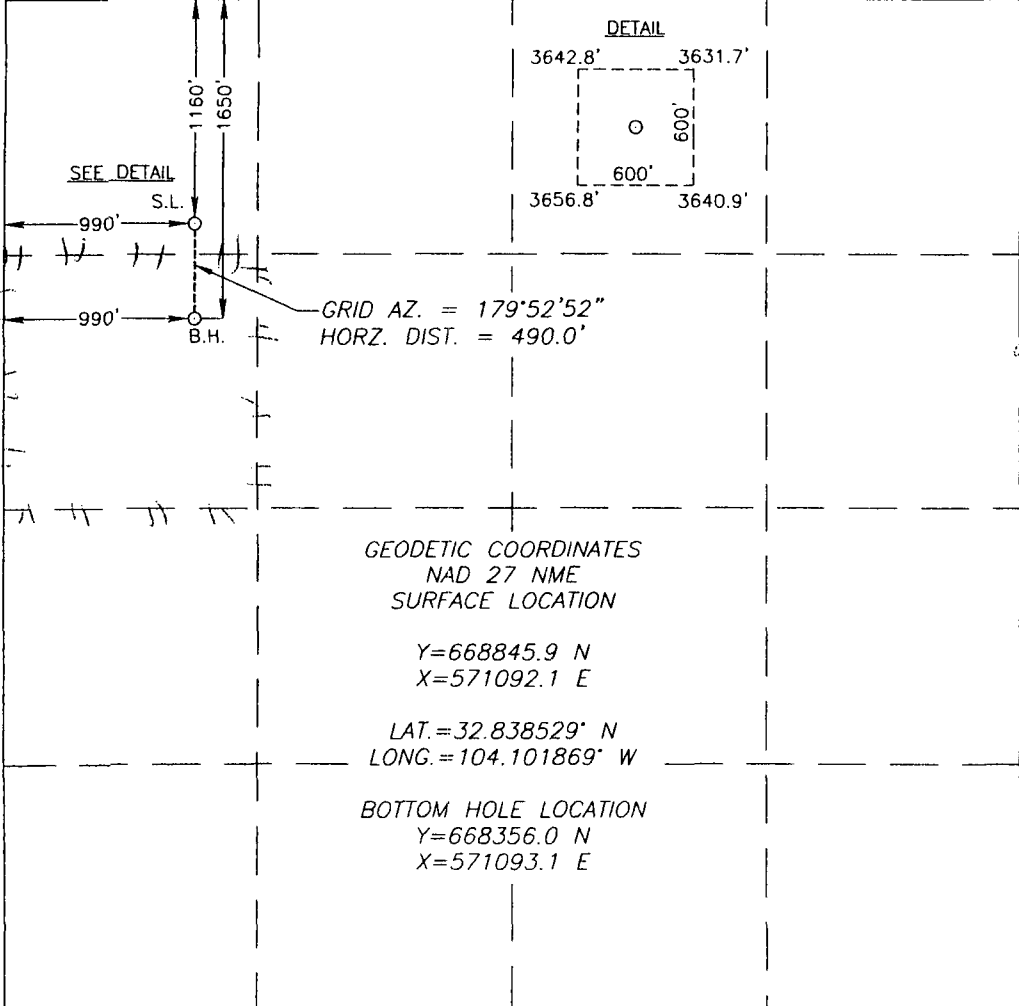
☐ AMENDED REPORT

API Number 30-015-	Pool Code 96610	Pool Name EMPIRE; YESO, EAST
Property Code 302495	Property Name FOLK FEDERAL	Well Number 12
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3642'

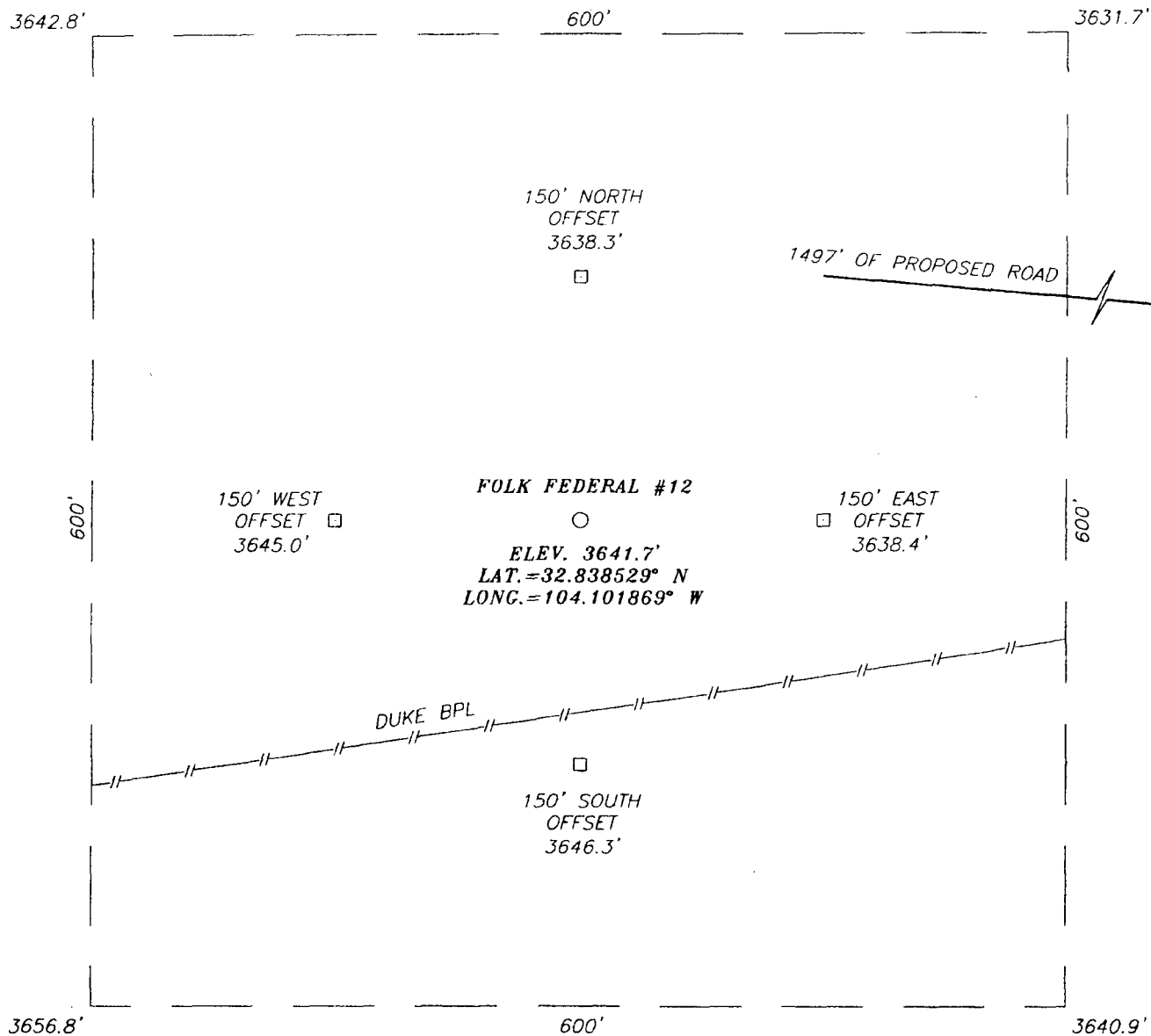
Surface Location									
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	17	17-S	29-E		1160	NORTH	990	WEST	EDDY

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	990	WEST	EDDY
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

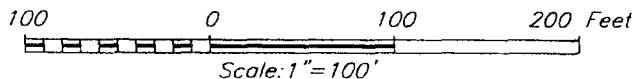
 DETAIL 3642.8' 3631.7' 600' 3656.8' 3640.9' SEE DETAIL S.L. B.H. GRID AZ. = 179°52'52" HORZ. DIST. = 490.0' 990' 990' 1160' 1650' GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION Y=668845.9 N X=571092.1 E LAT.=32.838529° N LONG.=104.101869° W BOTTOM HOLE LOCATION Y=668356.0 N X=571093.1 E	OPERATOR CERTIFICATION 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. <i>Robyn Odom</i> 10/24/2008 Signature Date Robyn Odom Printed Name 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. RONALD J. EIDSON OCTOBER 17, 2008 Date Surveyed REV. 10/23/08 JC Signature & Seal of Professional Surveyor <i>Ronald J. Eidson</i> 10/23/08 Certificate No. GARY EIDSON 12841 RONALD J. EIDSON 3239
--	---

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



DIRECTIONS TO LOCATION

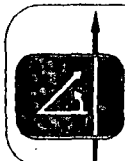
FROM THE INTERSECTION OF HWY. #83 AND CO. RD. #211 (OLD LOCO), GO NORTH ON CO. RD. #211 APPROX. 1.7 MILES TO A PROPOSED ROAD SURVEY. FOLLOW ROAD SURVEY 1497 FEET WEST TO THIS LOCATION.



COG OPERATING, LLC

FOLK FEDERAL #12 WELL
LOCATED 1160 FEET FROM THE NORTH LINE
AND 990 FEET FROM THE WEST LINE OF SECTION 17,
TOWNSHIP 17 SOUTH, RANGE 29 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.

Survey Date: 10/17/08	Sheet 1 of 1 Sheets
W.O. Number: 08.11.1425	Dr By: JC
Date: 10/22/08	08111425
	Rev 1: N/A
	Scale: 1"=100'



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

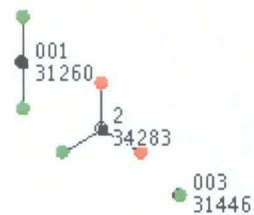
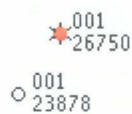
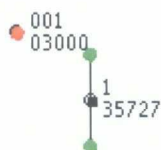
Offset Wells to Folk Federal 12

API#	Operator	Lease	Well#	County	Legal	First Prod.	Last Prod.	Field Name	Reservoir Name	Total Depth	Well Status
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	Active
30-015-20198	COG OPERATING LLC	FOLK FEDERAL	002	EDDY	S:17, T:17S, R:29E	Mar 1969	Jul 2008	GRAYBURG JACKSON	SR-Q-G-SA	0	Active
30-015-23719	COG OPERATING LLC	FEDERAL KL-17	001	EDDY	S:17, T:17S, R:29E	Aug 1982	Jul 2008	EMPIRE	MORROW, SOUTH (GAS)	10,740	Pumping
30-015-26750	CONOCOPHILLIPS COMPANY	MUSKEGON "17" STATE COM.	001	EDDY	S:17, T:17S, R:29E	May 1992	Jul 2008	EMPIRE	MORROW, SOUTH (GAS)	10,880	Pumping
30-015-27295	COG OPERATING LLC	FOLK FEDERAL	003	EDDY	S:17, T:17S, R:29E	Mar 1993	Jul 2008	GRAYBURG JACKSON	SR-Q-G-SA	5,050	Active
30-015-31260	CLAYTON WILLIAMS ENERGY INC	PHILLIPS 17 FEDERAL	001	EDDY	S:17, T:17S, R:29E	Sep 2000	Aug 2008	EMPIRE	YESO, EAST	4,805	Temporarily Abandoned
30-015-31260	CLAYTON WILLIAMS ENERGY INC	PHILLIPS 17 FEDERAL	001	EDDY	S:17, T:17S, R:29E	Nov 2000	Aug 2008	GRAYBURG JACKSON	SR-Q-G-SA	4,805	Temporarily Abandoned
30-015-31261	CLAYTON WILLIAMS ENERGY INC	PHILLIPS 17 FEDERAL	002	EDDY	S:17, T:17S, R:29E	Sep 2000	Aug 2008	EMPIRE	YESO, EAST	4,506	Temporarily Abandoned
30-015-31261	CLAYTON WILLIAMS ENERGY INC	PHILLIPS 17 FEDERAL	002	EDDY	S:17, T:17S, R:29E	Dec 2000	Aug 2008	GRAYBURG JACKSON	SR-Q-G-SA	4,506	Temporarily Abandoned
30-015-31446	CLAYTON WILLIAMS ENERGY INC	PHILLIPS 17 FEDERAL	003	EDDY	S:17, T:17S, R:29E	Jan 2001	Aug 2008	EMPIRE	YESO, EAST	4,427	Pumping
30-015-03000		FOLK FEDERAL	001	EDDY	S:17, T:17S, R:29E	Jun 1959	Jul 1961	EDDY UNDESIGNATED	GROUP 1		Active
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	Active Permit
30-015-34283	COG OPERATING LLC	MUSKEGON 17 FEDERAL COM	2	EDDY	S:17, T:17S, R:29E			EMPIRE; ABO		10,915	Active Permit
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	Active Permit
30-015-35728	COG OPERATING LLC	FOLK FEDERAL	4	EDDY	S:17, T:17S, R:29E	Oct 2007	Jul 2008	EMPIRE	YESO, EAST	5,600	Active Permit

DI Search Results (Printable Table)

30-015-35727	COG OPERATING LLC	FOLK FEDERAL	1	EDDY	S:17, T:17S, R:29E	Nov 2007	Jul 2008	EMPIRE	YESO, EAST	5,123	Active Permit
30-015-35728	COG OPERATING LLC	FORK FEDERAL	4	EDDY	S:17, T:17S, R:29E			EMPIRE GLORIETA YESO, EAST		5,600	Active Permit
30-015-35727	COG OPERATING LLC	FOLK FEDERAL	1	EDDY	S:17, T:17S, R:29E			EMPIRE; GLORIETA-YESO, EAST		5,123	Active Permit
30-015-36169	COG OPERATING LLC	FOLK FEDERAL	9	EDDY	S:17, T:17S, R:29E			EMPIRE	YESO, EAST	5,500	Active Permit
30-015-36170	COG OPERATING LLC	FOLK FEDERAL	8	EDDY	S:17, T:17S, R:29E			EMPIRE	YESO, EAST	5,500	Active Permit
30-015-36171	COG OPERATING LLC	FOLK FEDERAL	7	EDDY	S:17, T:17S, R:29E			EMPIRE	YESO, EAST	5,500	Active Permit
30-015-36172	COG OPERATING LLC	FOLK FEDERAL	6	EDDY	S:17, T:17S, R:29E			EMPIRE	YESO, EAST	5,500	Active Permit

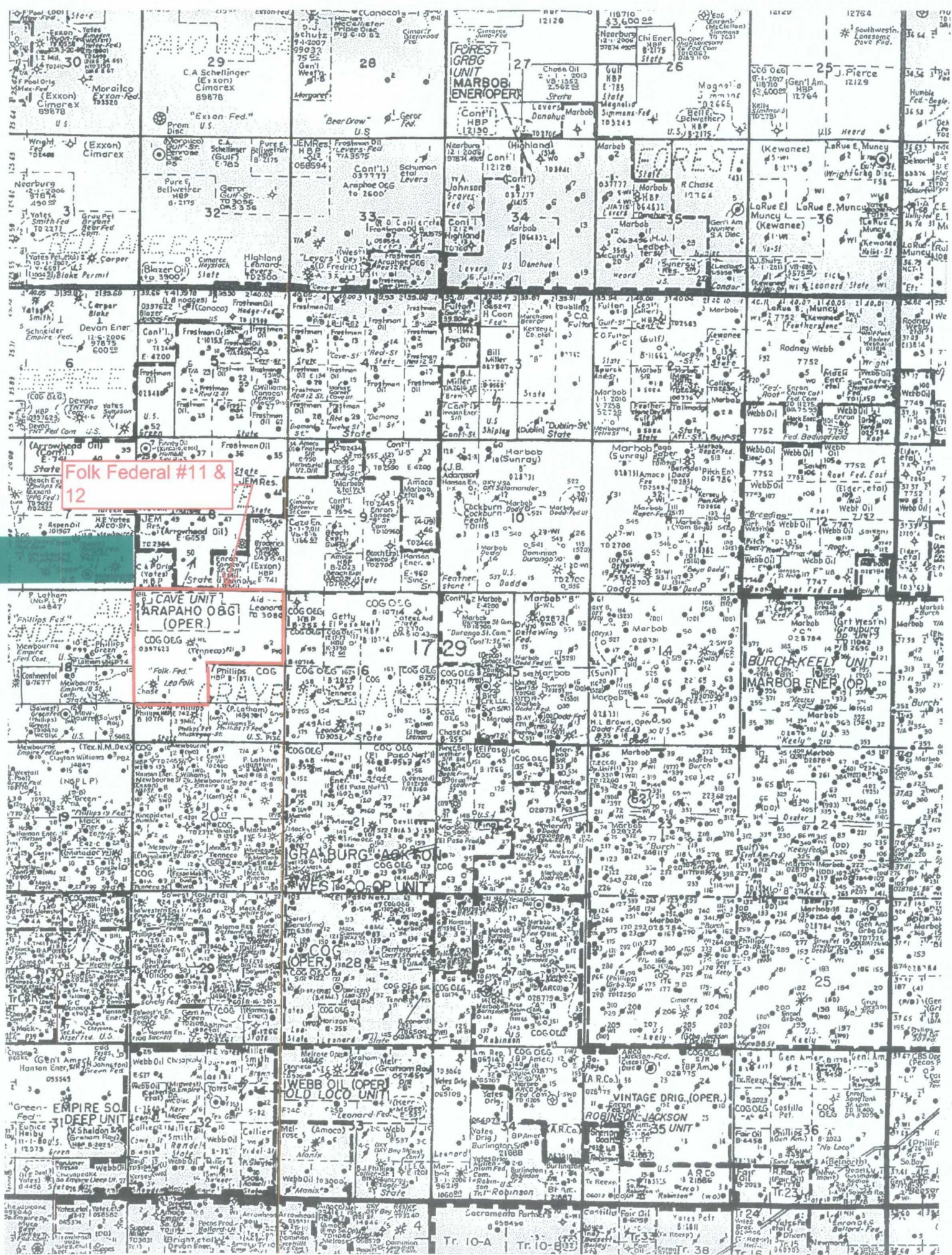
A-175-29E



© 2008 DrillingInfo, Inc.

- 001

500ft



Brooks, David K., EMNRD

From: Robyn Odom [rodom@conchoresources.com]
Sent: Thursday, December 18, 2008 8:53 AM
To: Brooks, David K., EMNRD
Cc: Phyllis Edwards
Subject: RE: Folk Fed #12 NSL Application
Attachments: Folk Federal 12 NSL.pdf

Dear Mr. Brooks,

I am very sorry for the mistakes. You are correct the 40 acres unit is the SW/4 NW/4 and we are encroaching on the NW/4 of the NW/4. I have attached a corrected letter stating the correct location and encroachment, and that COG owns the offset acreage. Also attached is an updated C-102 showing the penetration point. Please let me know if there is anything else you need to approve this NSL.

Thank you,

Robyn Odom
X4385

From: Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]
Sent: Wednesday, December 17, 2008 5:10 PM
To: Robyn Odom
Subject: Folk Fed #12 NSL Application

This is very confusing:

You say that "COG proposed to drill a NW/4 of NW/4 of N/2, 40 acre spacing . . . well. That makes no sense.

The 40 acres unit shown on your attached C-102 is the SW/4 NW/4, which is where your bottom hole location is located.

The bottom hole location at 1650 FNL and 990 FWL is a standard location if this is a standard section. You do not indicate where the point of penetration of the Yeso will be located.

Your statement about ownership is also unclear to me. As to what specific acreage are all interests the same?

Please furnish more information so I can process this application.

Thanks

David K. Brooks

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.

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Wednesday, December 17, 2008 4:10 PM
To: 'Robyn Odom'
Subject: Folk Fed #12 NSL Application

This is very confusing:

You say that "COG proposed to drill a NW/4 of NW/4 of N/2, 40 acre spacing . . . well. That makes no sense.

The 40 acres unit shown on your attached C-102 is the SW/4 NW/4, which is where your bottom hole location is located.

The bottom hole location at 1650 FNL and 990 FWL is a standard location if this is a standard section. You do not indicate where the point of penetration of the Yeso will be located.

Your statement about ownership is also unclear to me. As to what specific acreage are all interests the same?

Please furnish more information so I can process this application.

Thanks

David K. Brooks

**Folk Federal #12
Eddy County, NM**

COG proposes to drill a SW/4 of NW/4, 40 acre spacing
Empire; Glorieta-Yeso, East Oil Well
TD of approximately 5400'

Non-Standard Location:

SHL: 1160' FNL & 990' FWL Sec 17, T17S, R29E, Unit D
BHL: 1650' FNL & 990' FWL Sec 17, T17S, R29E, Unit E

**This well had to be drilled at a non-standard location due to
A Pipeline.**

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 & Map**

**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.
COG owns the N/2 and the N/2 of SW/4 of Section 17.

All interests are the same.

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

DISTRICT I

1625 N. FRANCH DR., BOBBS, NM 86240

DISTRICT II

1301 W. GRAND AVENUE, ARTERIA, NM 86210

DISTRICT III

1000 Rio Brazos Rd., Astec, NM 87410

DISTRICT IV

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

State of New Mexico

Energy, Minerals and Natural Resources Department

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

☐ AMENDED REPORT

API Number 30-015-	Pool Code 96610	Pool Name EMPIRE; YESO, EAST
Property Code 302495	Property Name FOLK FEDERAL	Well Number 12
OCRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3642'

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		1160	NORTH	990	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	990	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40			

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. <i>Robyn Odom</i> 12/18/2008 Signature Date Robyn Odom Printed Name
11632' FNL & 491' FWL GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION Y=668845.9 N X=571092.1 E LAT.=32.838529° N LONG.=104.101869° W BOTTOM HOLE LOCATION Y=668356.0 N X=571093.1 E	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. RONALD J. EIDSON OCTOBER 17, 2008 Date Surveyed 10/23/08 JC Signature & Seal of Professional Surveyor <i>Ronald J. Eidson</i> 10/23/08 Certificate No. GARY EIDSON 12641 RONALD J. EIDSON 3239