

DATE IN 11/30/09	SUSPENSE	ENGINEER <i>Brooks</i>	LOGGED IN 11/30/09	TYPE NSL	APP NO. 0933456893
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ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



*COG 6124*

**ADMINISTRATIVE APPLICATION CHECKLIST**

*McCoy State #3*

*Eddy Co.*

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**

INTEREST 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

RECEIVED  
2009 DEC 1 PM 3:51

**[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]*  
 Signature

REGULATORY ANALYST  
 Title

11/23/09  
 Date

(432) 685-4385  
 Phone Number

rododm@conchoresources.com  
 E-mail Address

**Robyn Odom**

---

November 23, 2009

Dear Mr. Brooks,

Attached is a copy of the proof of notification to B P America Production Co. and an updated Administrative Application Checklist page for the McCoy State #3 NSL application. Please let me know if you need any more information in the approval of this application.

Thank you,

***Robyn Odom***

Regulatory Analyst

COG Operating LLC

550 W. Texas Avenue, Suite 100

Midland, TX 79701

p.432.685.4385

f.432.685.4396

[rodom@conchoresources.com](mailto:rodom@conchoresources.com)



RECEIVED OCD  
2009 NOV 30 A 8:03

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

November 11, 2009

B P America Production Co.  
P.O. Box 3092  
Houston, TX 77253-3092

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 Maljamar: YESO oil well.

**McCoy State #3  
Eddy County, NM**

Location:

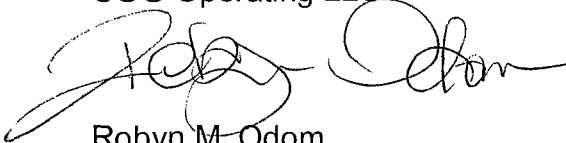
**1550' FSL & 990' FEL**

**Sec 8, T17S, R29E, UL I**

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



Robyn M. Odom  
Regulatory Analyst

432-685-4385  
[rodом@conchoresources.com](mailto:rodом@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:

B P AMERICA PRODUCTION CO.  
P.O. BOX 3092  
HOUSTON, TX 77253-3092

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature [Signature] ☐ Agent ☐ Addressee:

X B. Received by (Printed Name) Guille Prater Date of Delivery NOV 17 2004

C. Is delivery address different from item 1? ☐ Yes ☐ No

D. If YES, enter delivery address below:

3. Service Type: ☒ Certified Mail ☐ Express Mail  
☐ Registered Mail ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D. ☐ Yes

4. Restricted Delivery? (Extra Fee) 7002 3150 0005 0459 5790

102595-02-M-1540

Article Number (enter from service label)

3811, February 2004

Domestic Return Receipt

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## NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



### ADMINISTRATIVE APPLICATION CHECKLIST

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☐ WFX   ☐ PMX   ☐ SWD   ☐ IPI   ☐ EOR   ☐ PPR

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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,**

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Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

ROBYN M. ODOM  
Print or Type Name

Signature

REGULATORY ANALYST  
Title

10/23/09  
Date

(432) 685-4385  
Phone Number

rodom@conchoresources.com  
E-mail Address

**McCoy State #3  
Eddy County, NM**

COG proposes to drill a NE/4 of SE/4, 40 acre spacing  
Empire; Glorieta-Yeso, East Oil Well  
TD of approximately 5450'

**Non-Standard** Location:  
1550' FSL & 990' FEL      Sec 8, T17S, R29E, Unit I

**This well had to be drilled at a non-standard location due to  
a buried 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:

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

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

3<sup>rd</sup> 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 SE/4 & the SE/4  
of Section 8.

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

1301 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

☐ AMENDED REPORT

API Number 30-015-	Pool Code 96610	Pool Name EMPIRE; GLORIETA-YESO, EAST
Property Code	Property Name McCOY STATE	Well Number 3
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3609'

## Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	8	17-S	29-E		1550	SOUTH	990	EAST	EDDY

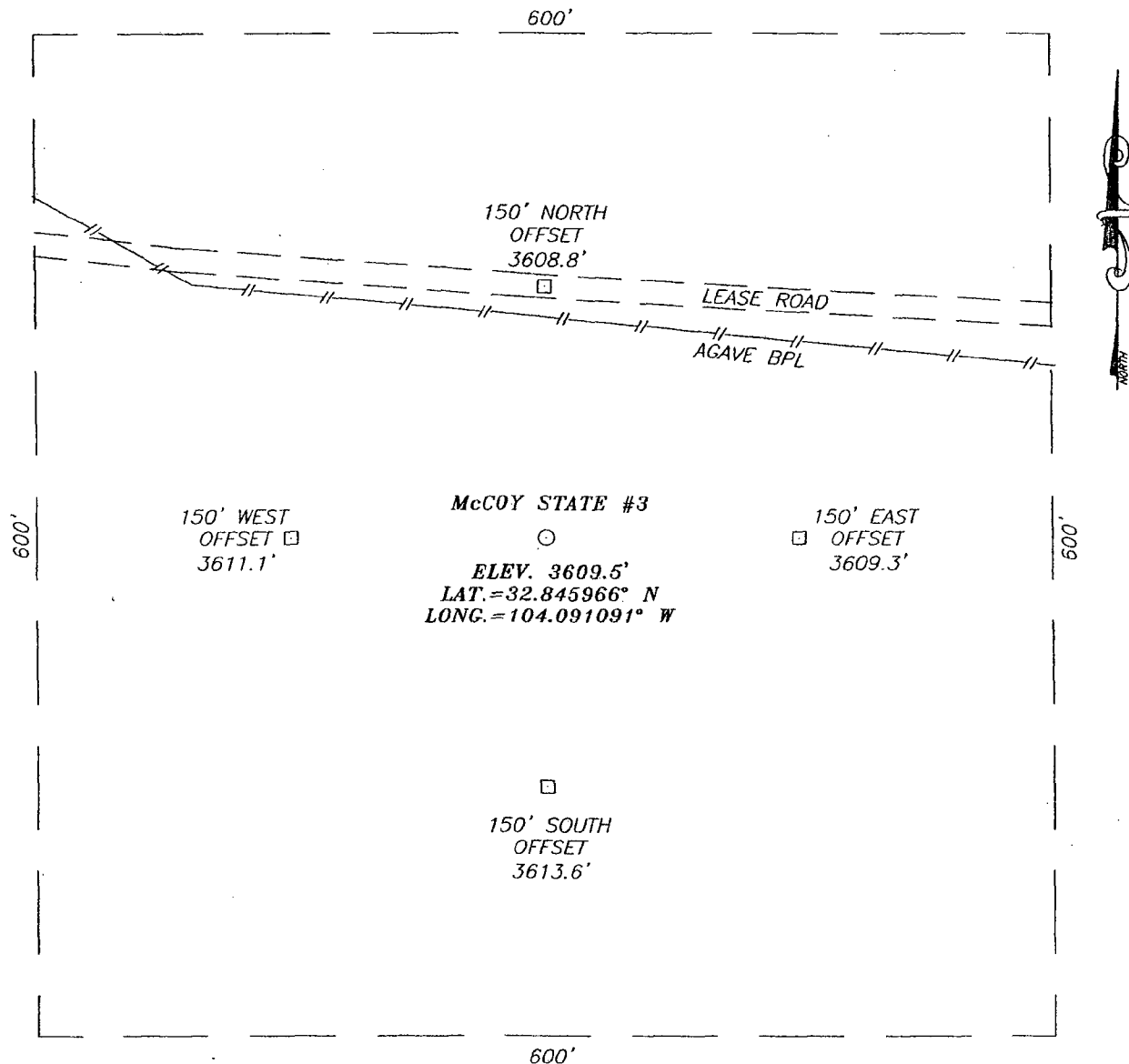
## Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 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

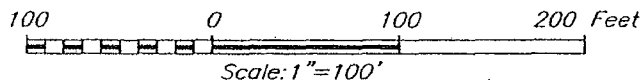
	<b>OPERATOR CERTIFICATION</b> I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill 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.  Signature _____ Date 10/23/09 Robyn Odom Printed Name _____
	<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 Surveyed _____ Signature & Seal of Professional Surveyor  10/22/09
	Certificate No. GARY EIDSON 12641 RONALD J. EIDSON

**SECTION 8, TOWNSHIP 17 SOUTH, RANGE 29 EAST, N.M.P.M.,**  
 EDDY COUNTY, NEW MEXICO



**DIRECTIONS TO LOCATION**

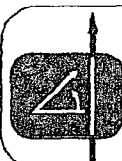
FROM THE INTERSECTION OF U.S. HWY. #82 AND CO. RD. #211 (OLD LOCO RD.), GO NORTH ON CO. RD. #211 APPROX. 2.4 MILES. TURN RIGHT AND GO EAST APPROX. 0.3 MILES. THIS LOCATION IS APPROX. 150 FEET SOUTH OF LEASE ROAD.



**COG OPERATING, LLC**

McCOY STATE #3 WELL  
 LOCATED 1550 FEET FROM THE SOUTH LINE  
 AND 990 FEET FROM THE EAST LINE OF SECTION 8,  
 TOWNSHIP 17 SOUTH, RANGE 29 EAST, N.M.P.M.,  
 EDDY COUNTY, NEW MEXICO.

Survey Date: 10/13/09	Sheet 1 of 1 Sheets
W.O. Number: 09.11.0913	Dr By: LA
Date: 10/21/09	09110913
	Scale: 1"=100'



PROVIDING SURVEYING SERVICES  
 SINCE 1946  
**JOHN WEST SURVEYING COMPANY**  
 412 N. DAL PASO  
 HOBBS, N.M. 88240  
 (575) 393-3117

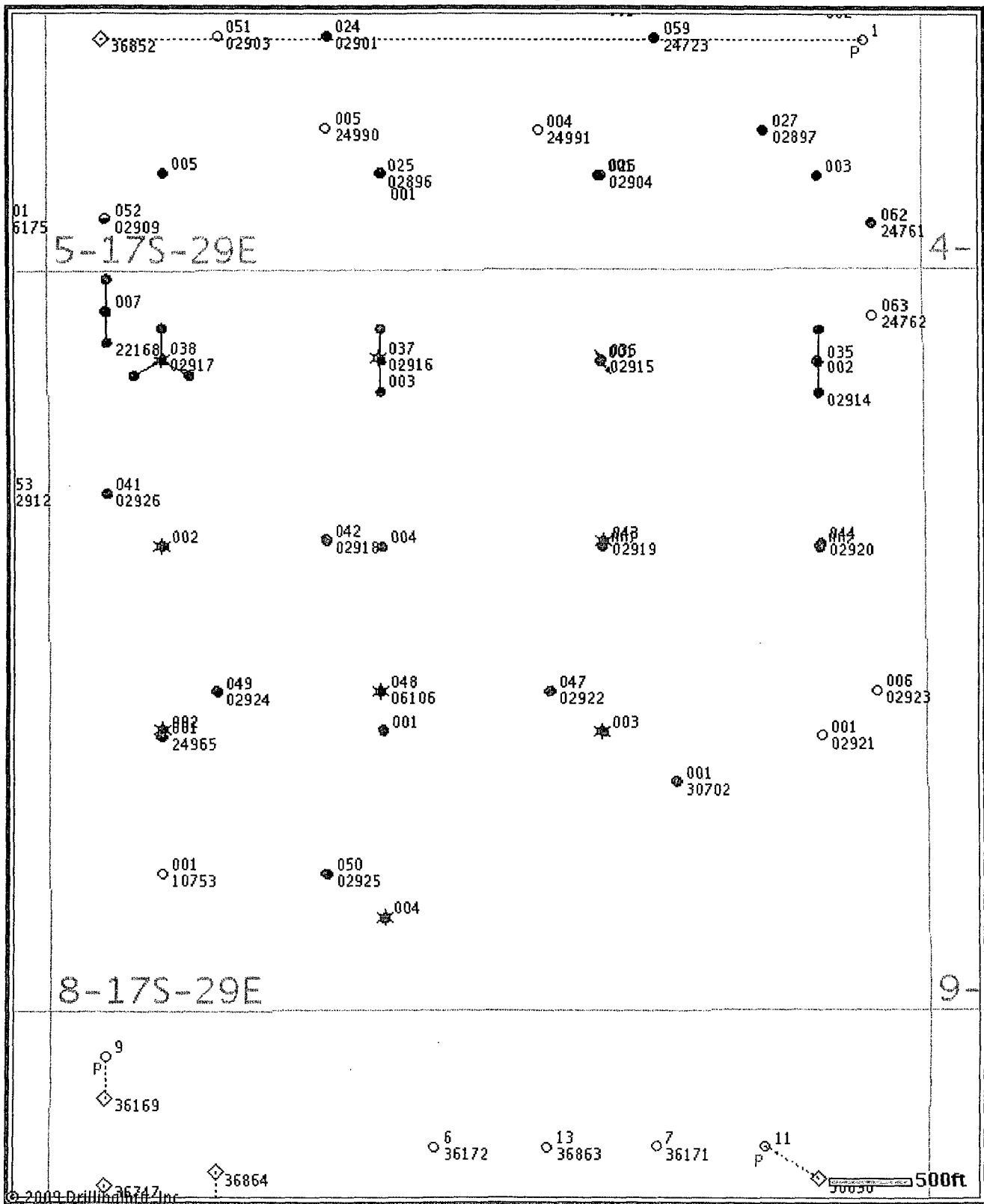


### Offset Wells to McCoy State #3

API#	Operator	Lease	Well#	County	Legal	Field Name	Reservoir Name	Total Depth	Well Type	Well Status	First Prod.	Last Prod.
30-015-02914	MARKS AND GARNER PRODUCTION LTD CO	CAVE POOL UNIT	035	EDDY	S:8, T:17S, R:29E	GRAYBURG JACKSON	SR-Q-G-SA	0	O	Shut-in	Jan 1963	May 2009
30-015-02926	MARKS AND GARNER PRODUCTION LTD CO	CAVE POOL UNIT	041	EDDY	S:8, T:17S, R:29E	GRAYBURG JACKSON	SR-Q-G-SA	0	O	Temporarily Abandoned	Jan 1964	Aug 2007
30-015-22168	FINNEY OIL COMPANY	HUMBLE 8	007	EDDY	S:8, T:17S, R:29E	GRAYBURG JACKSON	SR-Q-G-SA	0	O	Active	Jan 1987	Jul 2009
30-015-30702	EOG RESOURCES INC	CONOCO 8 STATE COM	001	EDDY	S:8, T:17S, R:29E	RED LAKE	UPPER PENN, EAST	10,920	O	Flowing	Mar 2000	Jul 2009
30-015-02915	MARKS AND GARNER PRODUCTION LTD CO	CAVE POOL UNIT	036	EDDY	S:8, T:17S, R:29E	SWD	GRAYBURG	2,450	D	Salt Water Disposal	Jan 1963	Aug 1963
30-015-02917		CAVE POOL UNIT	038	EDDY	S:8, T:17S, R:29E	GRAYBURG JACKSON	SR-Q-G-SA		O	Active	Jan 1963	Apr 1963
30-015-02918		CAVE POOL UNIT	042	EDDY	S:8, T:17S, R:29E	GRAYBURG JACKSON	SR-Q-G-SA		O	Active	Jan 1963	Feb 1963
30-015-02920		CAVE POOL UNIT	044	EDDY	S:8, T:17S, R:29E	GRAYBURG JACKSON	SR-Q-G-SA	2,450	O	Active	Jan 1963	Dec 1983
30-015-02922		CAVE POOL UNIT	047	EDDY	S:8, T:17S, R:29E	GRAYBURG JACKSON	SR-Q-G-SA		O	Active	Jan 1963	Dec 1983
30-015-24965		ARCO 8 STATE COM	001	EDDY	S:8, T:17S, R:29E	GRAYBURG JACKSON	SR-Q-G-SA	10,670	O	Active		
30-015-02924		CAVE POOL UNIT	049	EDDY	S:8, T:17S, R:29E	GRAYBURG JACKSON	SR-Q-G-SA		O	Active	Jan 1963	Dec 1983
30-015-02925		CAVE POOL UNIT	050	EDDY	S:8, T:17S, R:29E	GRAYBURG JACKSON	SR-Q-G-SA		O	Active	Jan 1963	Dec 1983
30-015-22168		HUMBLE 8	007	EDDY	S:8, T:17S, R:29E	PEARSALL	SEVEN RIVERS	0	O	Active		
30-015-00000	CONTINENTAL OIL COMPANY	STATE T	001	EDDY	S:8, T:17S, R:29E	CAVE POOL			O	Active	Nov 1956	Dec 1962
30-015-00000	KINCAID & WATSON	ATLANTIC STATE	001	EDDY	S:8, T:17S, R:29E	CAVE POOL			O	Active	Dec 1956	Dec 1962

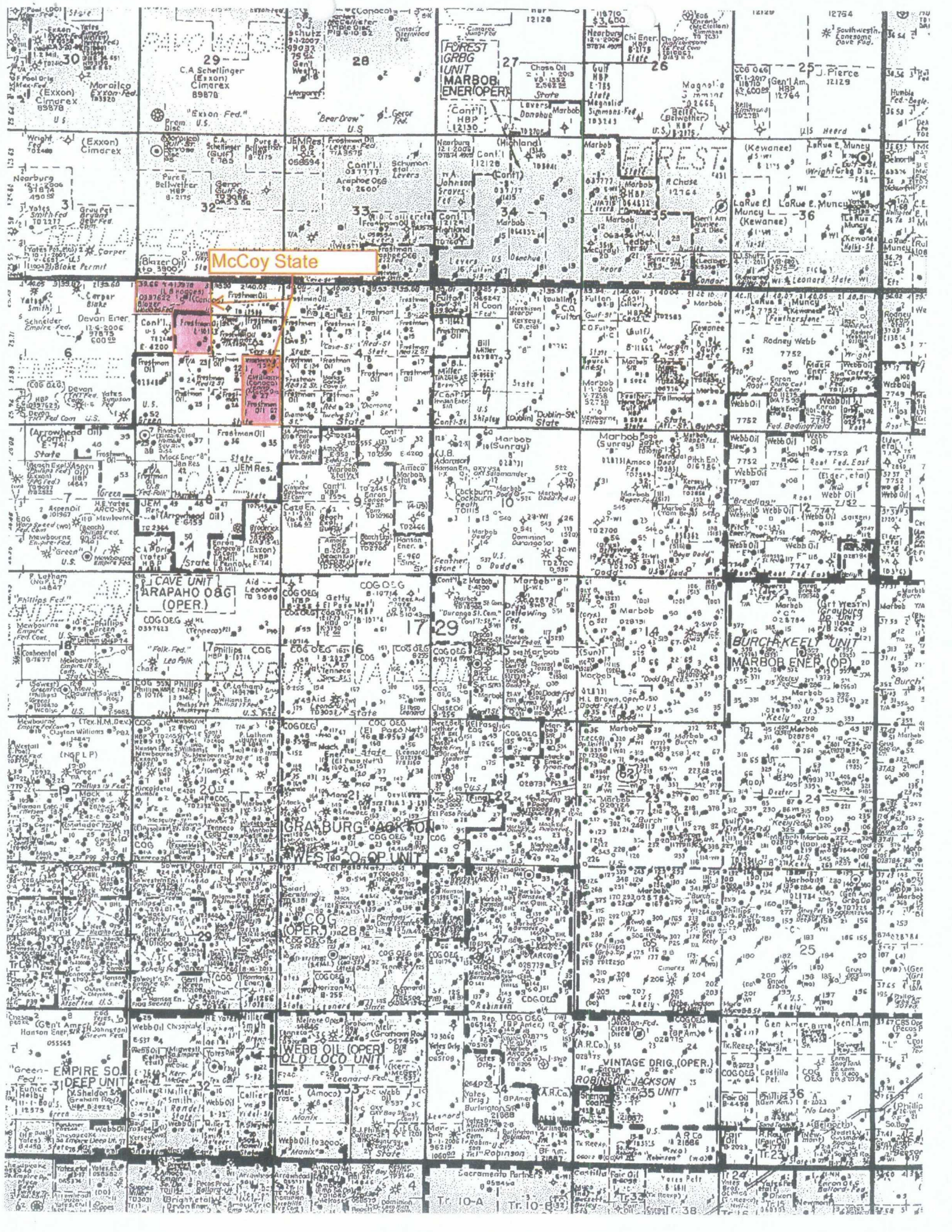
30-015-00000	KINCAID & WATSON	HUMBLE STATE	003	EDDY	S:8, T:17S, R:29E	CAVE POOL				O	Active	Aug 1956	Dec 1961
30-015-00000	KINCAID & WATSON	HUMBLE STATE	004	EDDY	S:8, T:17S, R:29E	CAVE POOL				O	Active	Sep 1956	Dec 1962
30-015-00000	LEONARD OIL COMPANY	FED. POLK	002	EDDY	S:8, T:17S, R:29E	CAVE POOL				G	Active	Jul 1956	Mar 1962
30-015-00000	CONTINENTAL OIL COMPANY	STATE T-8	002	EDDY	S:8, T:17S, R:29E	CAVE POOL				O	Active	May 1957	Dec 1962
30-015-00000	CONTINENTAL OIL COMPANY	STATE U-8	001	EDDY	S:8, T:17S, R:29E	CAVE POOL				O	Active	May 1957	Dec 1962
30-015-00000	CONTINENTAL OIL COMPANY	STATE U-8	002	EDDY	S:8, T:17S, R:29E	CAVE POOL				O	Active	Jun 1957	Dec 1962
30-015-00000	KINCAID & WATSON	ATLANTIC ST.	002	EDDY	S:8, T:17S, R:29E	CAVE POOL				G	Active	Jun 1957	Dec 1962
30-015-00000	KINCAID & WATSON	ATLANTIC ST.	003	EDDY	S:8, T:17S, R:29E	CAVE POOL				G	Active	Mar 1957	Dec 1962
30-015-00000	KINCAID & WATSON	ATLANTIC ST.	004	EDDY	S:8, T:17S, R:29E	CAVE POOL				G	Active	Sep 1957	Dec 1962
30-015-00000	GEN AMERICAN	HUMBLE ST	001	EDDY	S:8, T:17S, R:29E	GRAYBURG	UPPER PENN			G	Active	Jan 1958	Dec 1961
30-015-02916	CONTINENTAL OIL CO	CAVE POOL	037	EDDY	S:8, T:17S, R:29E	CAVE GRAYBURG				G	Active	Jan 1963	Dec 1969
30-015-02919	CONTINENTAL OIL CO	CAVE POOL	043	EDDY	S:8, T:17S, R:29E	CAVE GRAYBURG		2,450		G	Active	Jan 1963	Dec 1969
30-015-06106	CONTINENTAL OIL CO	CAVE POOL	048	EDDY	S:8, T:17S, R:29E	CAVE GRAYBURG				G	Active	Jan 1963	Dec 1969
30-015-00000	KINCAID AND WATSON DRILLING CO	ATLANTIC STATE	001	EDDY	S:8, T:17S, R:29E	CAVE GRAYBURG				G	Active	Jan 1962	Dec 1962
30-015-00000	KINCAID AND WATSON DRILLIN CO	HUMBLE ST	003	EDDY	S:8, T:17S, R:29E	CAVE GRAYBURG CTD				AP	Unknown	Jan 1962	Dec 1962
30-015-00000	KELLY JOHN M	HUMBLE ST	001	EDDY	S:8, T:17S, R:29E	CAVE GRAYBURG CTD				G	Active	Jan 1959	Dec 1960
30-015-02914	ARCHIE M. SPEIR	CAVE POOL UNIT	035	EDDY	S:8, T:17S, R:29E			0		O	Shut-in	Jan 1969	Dec 1969

## Offset Wells to McCoy State #3



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**Brooks, David K., EMNRD**

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**From:** Robyn Odom [rodod@conchoresources.com]  
**Sent:** Wednesday, November 11, 2009 9:57 AM  
**To:** Brooks, David K., EMNRD  
**Subject:** RE: McCoy State #3; NSL Application

Dear Mr. Brooks,

COG does not own the offset acreage of the SW/4 SE/4 of Section 8. Notice of the NSL application will be mailed today to B P America Production Co. I will send proof of notification to the OCD as soon as it is received. Please let me know if you have any questions.

Thank you,

Robyn Odom  
(432) 685-4385

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**From:** Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]  
**Sent:** Wednesday, November 04, 2009 10:46 AM  
**To:** Robyn Odom  
**Subject:** McCoy State #3; NSL Application

Dear Ms. Odom

In addition to the encroachment noted on your application towards the SE/4 SE/4 of Section 8, it seems that this proposed location encroaches diagonally toward the SW/4 SE/4 of Section 8.

Please advise if all working interests in the SW/4 SE/4 are the same as in the NE/4 SE/4 and SE/4 SE/4.

Sincerely

David K. Brooks  
Legal Examiner

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