

DATE IN <u>7/21/10</u>	SUSPENSE	ENGINEER <u>TW.</u>	LOGGED IN <u>7/21/10</u>	TYPE <u>NSL</u>	PTGW APP NO. <u>1020752663</u>
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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
White Oak State #12

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 _____

2010 JUL 21 A 11:14
RECEIVED OGD

[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

[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

Robyn Odom
Signature

REGULATORY ANALYST
Title

7/20/10
Date

(432) 685-4385
Phone Number

rodomb@conchoresources.com
E-mail Address

White Oak State #12

Eddy County, NM

COG proposes to drill a **VERTICAL** SE/4, 40 acre spacing
Empire; Glorieta-Yeso, East oil well
TD of approximately 5350'

Non-Standard Location:

1060' FSL & 1650' FEL Sec 23, T17S, R28E, Unit O

This well had to be drilled at a non-standard location due to a buried pipeline.

The plan for this well is to complete it in the Yeso formation.
We won't know the exact perms until we drill & log it, but it will be very similar to the Kool Aid State #3 (2160' FNL & 2310' FEL, Section 24, T17S, R28E, UL G) which was completed in March 2009.

The Kool Aid State #3 completion has Yeso perms from 4280' – 5070', divided into 3 perf/stimulation intervals.

1st interval: 4280' – 4480',
acidized w/ 2500 gals,
frac w/ 111,450 gal Slvr Stm gel, 140,141# White, & 33,172# CRC.

2nd interval: 4590' – 4790',
acidized w/ 2500 gals,
frac w/ 112,168 gal Slvr Stm gel, 132,583# White, & 34,283# CRC.

3rd interval: 4870' – 5070',
acidized w/ 2500 gals,
frac w/ 115,495 gal Slvr Stm gel, 143,285# White, & 36,640# CRC.

Attachment 1

Plat & map

Attachment 2

Map & legend of offset wells.

Attachment 3

Updated land plat showing COG Operating LLC acreage.
The acreage we are encroaching is the NE/4 SE/4 and the NE/4 SE/4
of Section 23.

Proof of notification to offset operator is attached.

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

11885 SOUTH ST. FRANCIS DR.

Santa Fe, New Mexico 87505

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410

DISTRICT IV
11885 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-015-	Pool Code 96210	Pool Name EMPIRE; GLORITEA-YESO
Property Code 302584	Property Name WHITE OAK STATE	Well Number 12
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3683'

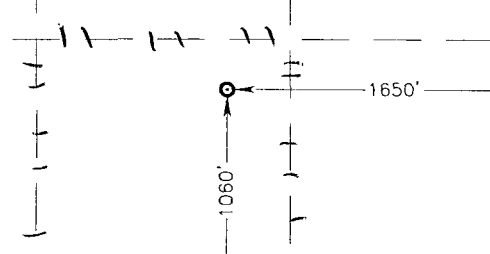
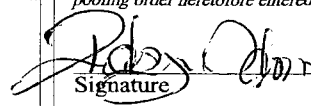
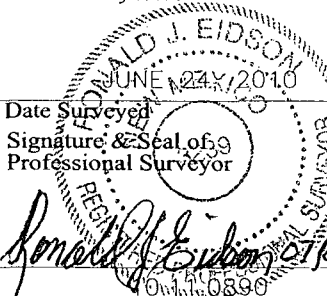
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	23	17-S	28-E		1060	SOUTH	1650	EAST	EDDY

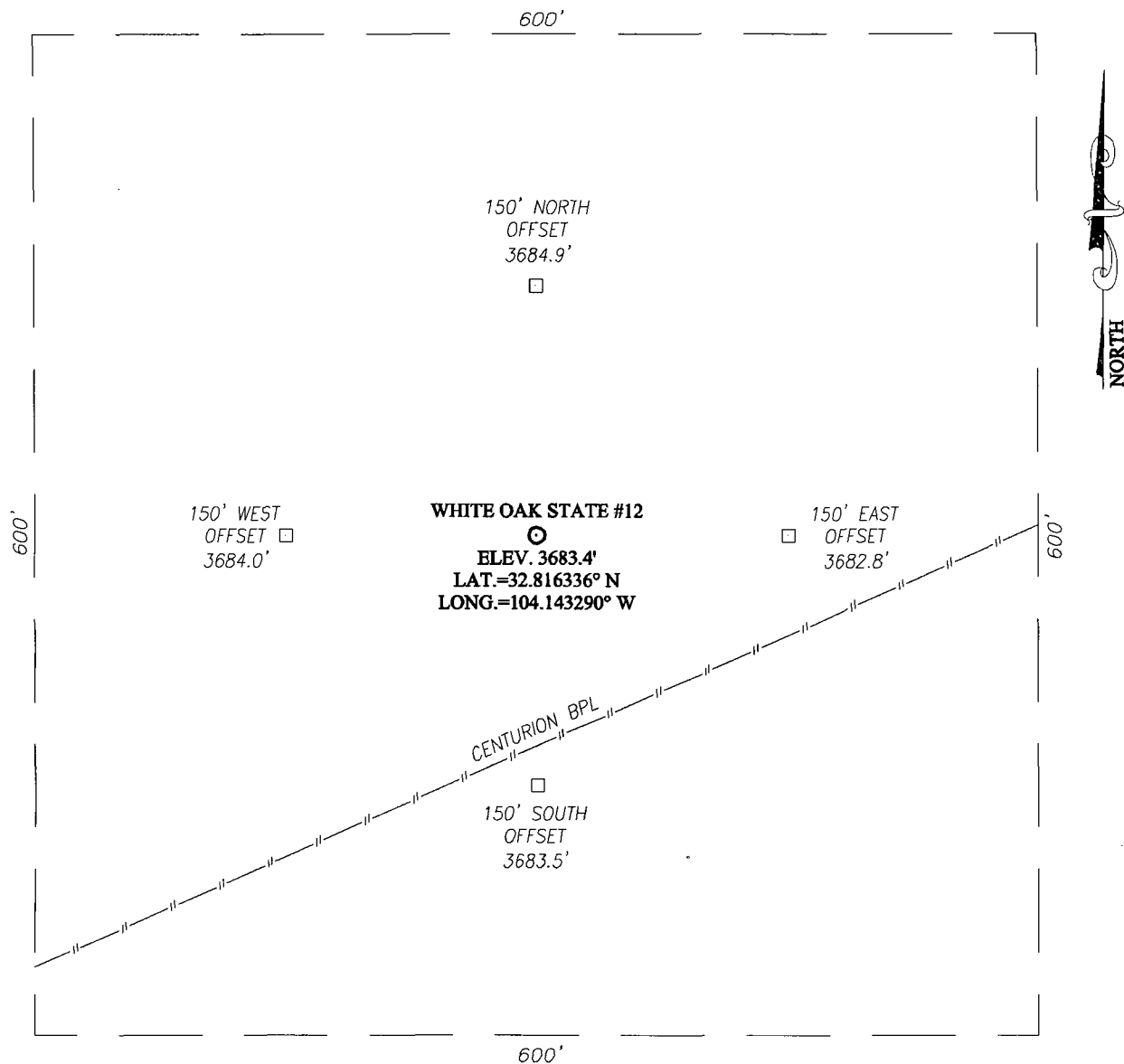
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/EAST 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

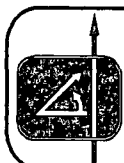
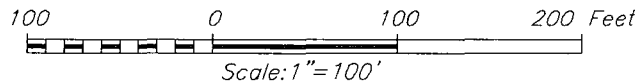
GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION Y=660746.5 N X=558384.6 E LAT.=32.816336° N LONG.=104.143290° W 	OPERATOR CERTIFICATION I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest 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.  7/16/2010 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.  Date Surveyed Signature & Seal of Professional Surveyor Certificate No. GARY G. EIDSON 12641 RONALD J. EIDSON 3239
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SECTION 23, TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M.,
 EDDY COUNTY NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF ST. HWY. #82 AND CO. RD. #209 (TURKEY TRACK RD.), GO NORTH ON CO. RD. #209 APPROX. 1.0 MILE. TURN RIGHT AND GO EAST APPROX. 0.1 MILE TO THE EXISTING WHITE OAK STATE #7 WELL. THIS LOCATION STAKE IS APPROX. 680 FEET NORTHEAST OF EXISTING WELL.



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

COG OPERATING, LLC

WHITE OAK STATE #12 WELL
 LOCATED 1060 FEET FROM THE SOUTH LINE
 AND 1650 FEET FROM THE EAST LINE OF SECTION 23,
 TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO.

Survey Date: 6/24/10	Sheet 1 of 1 Sheets
W.O. Number: 10.11.0890	Dr By: DSS
Date: 7/1/10	10110890
	Scale: 1"=100'

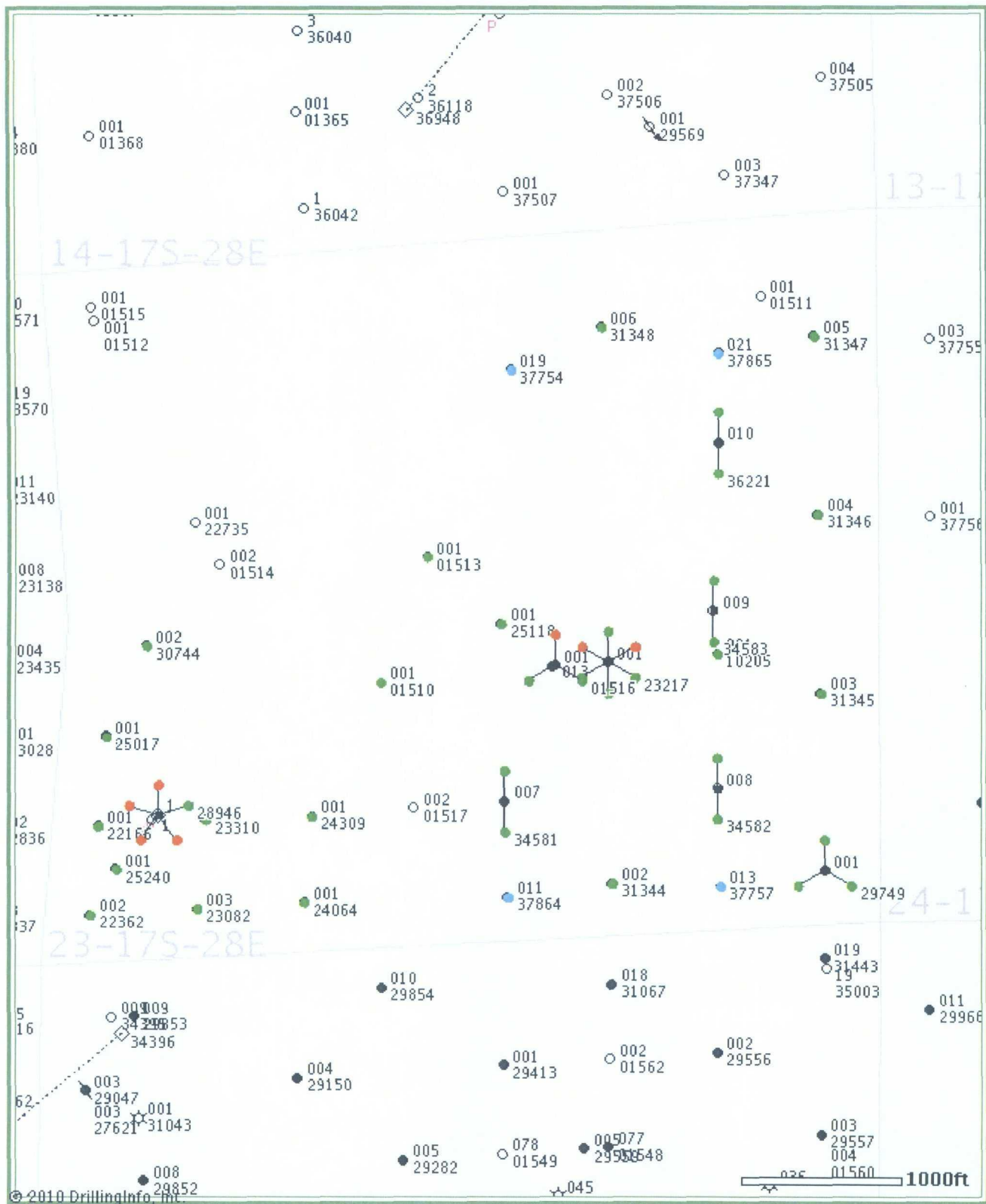
Offset Wells to White Oak State #12

API#	Operator	Lease	Well#	County	Legal	Field Name	Reservoir Name	Total Depth	Well Type	Well Status	First Prod.	Last Prod.
30-015-01510	FI-RO CORP TANDEM ENERGY CORPORATION	MALCO	001	EDDY	S:23, T:17S, R:28E	RED LAKE	QUEEN-GRAYBURG-SA	0	PO	Pumping	Jan 1961	Nov 2001
30-015-01513		HONDO FEDERAL	001	EDDY	S:23, T:17S, R:28E	RED LAKE	QUEEN-GRAYBURG-SA	2,149	PO	Pumping	Apr 1962	Jan 2010
30-015-10205	MARBOB ENERGY CORP	HUMBLE STATE 23	001	EDDY	S:23, T:17S, R:28E	RED LAKE	QUEEN-GRAYBURG-SA		O	Pumping	Aug 1993	Mar 1994
30-015-22166	C F M OIL CO DBA LOUIS AND JUDY FULTON	WOLF	001	EDDY	S:23, T:17S, R:28E	EMPIRE	YATES-SEVEN RIVERS, EAST	0	O	Pumping	Jan 1979	Apr 2010
30-015-22362	C F M OIL CO DBA LOUIS AND JUDY FULTON	WOLF	002	EDDY	S:23, T:17S, R:28E	EMPIRE	YATES-SEVEN RIVERS, EAST	802	O	Pumping	Jan 1993	Apr 2010
30-015-23082	C F M OIL CO DBA LOUIS AND JUDY FULTON	WOLF	003	EDDY	S:23, T:17S, R:28E	EMPIRE	YATES-SEVEN RIVERS, EAST	807	O	Pumping	Jan 1993	Apr 2010
30-015-23217	MARBOB ENERGY CORP	NEW MEXICO CY STATE	001	EDDY	S:23, T:17S, R:28E	EMPIRE	ATOKA (GAS)	11,000	D	Pumping	Jan 1984	Dec 1993
30-015-23217	MARBOB ENERGY CORP	NEW MEXICO CY STATE	001	EDDY	S:23, T:17S, R:28E	WILDCAT	GROUP 3 (DO NOT USE)	11,000	D	Pumping	Feb 1994	Mar 1994
30-015-23217	MARBOB ENERGY CORP	NEW MEXICO CY STATE	001	EDDY	S:23, T:17S, R:28E	EDDY UNDESIGNATED	ATOKA (GAS)	11,000	D	Pumping	Apr 1981	Dec 1982
30-015-23217	MARBOB ENERGY CORP	NEW MEXICO CY STATE	001	EDDY	S:23, T:17S, R:28E	RED LAKE	QUEEN-GRAYBURG-SA	11,000	D	Pumping	Jan 1973	Dec 1993
30-015-23217	MARBOB ENERGY CORP	NEW MEXICO CY STATE	001	EDDY	S:23, T:17S, R:28E	EMPIRE	ABO	11,000	D	Pumping	Jan 1994	Jan 1994
30-015-23310	C F M OIL CO DBA LOUIS AND JUDY FULTON	WOLF	004	EDDY	S:23, T:17S, R:28E	EMPIRE	YATES-SEVEN RIVERS, EAST	850	O	Pumping	Jan 1993	Apr 2010
30-015-24064	C F M OIL CO DBA LOUIS AND JUDY FULTON	SRC STATE	001	EDDY	S:23, T:17S, R:28E	EMPIRE	YATES-SEVEN RIVERS, EAST	0	O	Pumping	Apr 1982	Apr 2010
30-015-24309	MARBOB ENERGY CORP	SRC STATE	001	EDDY	S:23, T:17S, R:28E	RED LAKE	QUEEN-GRAYBURG-SA	3,494	O	Pumping	Dec 1982	Nov 2009
30-015-25017	MARBOB ENERGY CORP	MONCRIEF STATE	001	EDDY	S:23, T:17S, R:28E	RED LAKE	QUEEN-GRAYBURG-SA	839	PO	Pumping	Oct 1984	Mar 2010
30-015-25118	MARBOB ENERGY CORP	M.C. STATE	001	EDDY	S:23, T:17S, R:28E	RED LAKE	QUEEN-GRAYBURG-SA	3,525	O	Pumping	Jan 1994	Mar 2010
30-015-25240	MARBOB ENERGY CORP	TENNECO FEE	001	EDDY	S:23, T:17S, R:28E	RED LAKE	QUEEN-GRAYBURG-SA	3,025	O	Pumping	May 1985	Mar 2010
30-015-28946	CONCHO EXPLORATION	DINAH 23 FEDERAL COM	1	EDDY	S:23, T:17S, R:28E	EMPIRE	ATOKA (GAS)	10,560	G	Salt Water Disposal	Sep 1996	Nov 2000

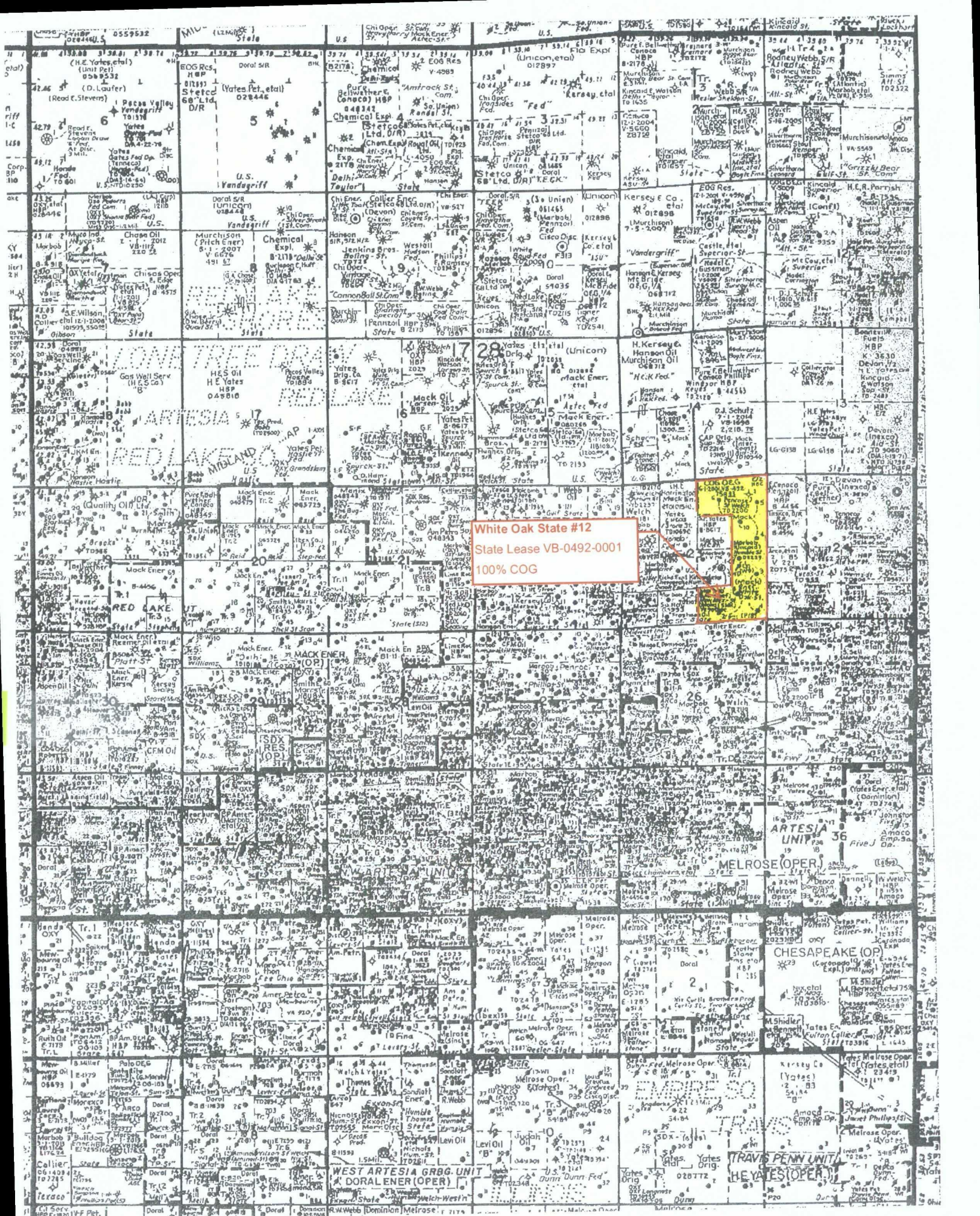
30-015-28946	CONCHO EXPLORATION	FEDERAL COM	1	EDDY	T:17S, R:28E	ANDERSON	WOLFCAMP		10,560	G	Salt Water Disposal	Dec 2000	Jun 2001
30-015-28946	CHESAPEAKE OPERATING, INC.	DINAH 23 FEDERAL COM	1	EDDY	S:23, T:17S, R:28E	EMPIRE	MORROW, SOUTH (GAS)		10,560	G	Salt Water Disposal	Jun 2001	Feb 2009
30-015-29749	COG OPERATING LLC	WHITE OAK STATE	001	EDDY	S:23, T:17S, R:28E	RED LAKE	QUEEN-GRAYBURG-SA		7,924	O	Pumping	Apr 1998	Apr 2010
30-015-29749	MACK ENERGY CORP	WHITE OAK STATE	001	EDDY	S:23, T:17S, R:28E	EMPIRE	ABO		7,924	O	Pumping	Oct 1997	Mar 1998
30-015-30744	MARBOB ENERGY CORP	MONCRIEF STATE	002	EDDY	S:23, T:17S, R:28E	RED LAKE	QUEEN-GRAYBURG-SA		4,025	O	Pumping	Oct 1999	Mar 2010
30-015-31344	COG OPERATING LLC	WHITE OAK STATE	002	EDDY	S:23, T:17S, R:28E	RED LAKE	QUEEN-GRAYBURG-SA		3,406	O	Pumping	Feb 2001	Apr 2010
30-015-31345	COG OPERATING LLC	WHITE OAK STATE	003	EDDY	S:23, T:17S, R:28E	RED LAKE	QUEEN-GRAYBURG-SA		4,400	O	Pumping	Jan 2001	Apr 2010
30-015-31346	COG OPERATING LLC	WHITE OAK STATE	004	EDDY	S:23, T:17S, R:28E	RED LAKE	QUEEN-GRAYBURG-SA		4,072	O	Pumping	Dec 2000	Apr 2010
30-015-31347	COG OPERATING LLC	WHITE OAK STATE	005	EDDY	S:23, T:17S, R:28E	EMPIRE	YESO		4,065	O	Pumping	Feb 2001	Apr 2010
30-015-31348	COG OPERATING LLC	WHITE OAK STATE	006	EDDY	S:23, T:17S, R:28E	EMPIRE	YESO		4,020	O	Pumping	Apr 2001	Apr 2010
30-015-23217	MARBOB ENERGY CORP	NEW MEXICO CY STATE	001	EDDY	S:23, T:17S, R:28E	SWD	PENN		11,000	D	Pumping	Jan 2003	Mar 2010
30-015-29749	MACK ENERGY CORP	WHITE OAK STATE	001	EDDY	S:23, T:17S, R:28E	ARTESIA	QUEEN-GRAYBURG-SAN ANDRES		7,924	O	Pumping		
30-015-01516		HUMBLE 23	001	EDDY	S:23, T:17S, R:28E	RED LAKE	QUEEN-GRAYBURG-SA		2,180	O	Active	Jan 1963	Feb 1979
30-015-01516		HUMBLE 23	001	EDDY	S:23, T:17S, R:28E	EMPIRE	YATES-SEVEN RIVERS, EAST		2,180	O	Active		
30-015-01516	KINCAID AND WATSON DRILLING CO	HUMBLE STATE	001	EDDY	S:23, T:17S, R:28E	RED LAKE GRAYBURG			2,180	O	Active	Mar 1962	Dec 1962
30-015-34581	COG OPERATING LLC	WHITE OAK STATE	007	EDDY	S:23, T:17S, R:28E	EMPIRE	YESO		5,260	O	Active Permit	Nov 2007	Apr 2010
30-015-34582	COG OPERATING LLC	WHITE OAK STATE	008	EDDY	S:23, T:17S, R:28E	EMPIRE; YESO 96210			5,255	O	Active Permit	Nov 2006	Dec 2006
30-015-34583	COG OPERATING LLC	WHITE OAK STATE	009	EDDY	S:23, T:17S, R:28E	EMPIRE	YESO		5,512	O	Active Permit	Sep 2007	Apr 2010
30-015-34582	COG OPERATING LLC	WHITE OAK STATE	008	EDDY	S:23, T:17S, R:28E	EMPIRE	YESO		5,255	O	Active Permit	Nov 2006	Apr 2010
30-015-34583	COG OPERATING LLC	WHITE OAK STATE	009	EDDY	S:23, T:17S, R:28E	EMPIRE; GLORIETA-YESO 96210			5,512	O	Active Permit		

30-015-34581	COG OPERATING LLC	OAK STATE	007	EDDY	T:17S, R:28E	EMPIRE; GLORIETA-YESO							
	RICKS EXPLORATION , INC.	DINAH 23 FEDERAL COM			S:23, T:17S, R:28E								
30-015-28946			1	EDDY		EMPIRE; MORROW, SOUTH (GAS)	GAS			10,560	G	Salt Water Disposal	
30-015-28946	RICKS EXPLORATION, INC.	DINAH 23 FEDERAL COM			S:23, T:17S, R:28E					10,560	G	Salt Water Disposal	
			1	EDDY		ANDERSON; WOLFCAMP							
30-015-36221	COG OPERATING LLC	WHITE OAK STATE			S:23, T:17S, R:28E								
			010	EDDY		EMPIRE	YESO			5,505	O	Active Permit	Feb 2009
30-015-36221	TEST123	WHITE OAK STATE			S:23, T:17S, R:28E								Apr 2010
			010	EDDY		EMPIRE; GLORIETA-YESO				5,505	O	Active Permit	
30-015-37757	COG OPERATING LLC	WHITE OAK STATE			S:23, T:17S, R:28E								
			013	EDDY		EMPIRE (YESO)	YESO			5,350	PO	Active Permit	
30-015-37754	COG OPERATING LLC	WHITE OAK STATE			S:23, T:17S, R:28E								
			019	EDDY		EMPIRE (YESO)	YESO			5,350	PO	Active Permit	
30-015-37864	COG OPERATING LLC	WHITE OAK STATE			S:23, T:17S, R:28E								
			011	EDDY		EMPIRE (YESO)	YESO			5,350	PO	Active	
30-015-37865	COG OPERATING LLC	WHITE OAK STATE			S:23, T:17S, R:28E								
			021	EDDY		EMPIRE (YESO)	YESO			5,350	PO	Active	

Offset Wells to White Oak State #12



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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:

Marbob Energy Corporation
P O Box 227
2208 W. Main St.
Artesia, NM 88211-0227

COMPLETE THIS SECTION ON DELIVERY

- A. Signature ☒ Agent
X Kanda Robinson ☐ Addressee
- B. Received by (Printed Name) C. Date of Delivery
Kanda Robinson 7-19-10
- D. Is delivery address different from item 1? ☐ Yes
If 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

2. Article Number
(Transfer from service label)

7010 10780 0001 8634 9806

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

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

July 16, 2010

Marbob Energy Corporation
P O Box 227
2208 W. Main St.
Artesia, NM 88211-0227

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 FREN: Glorieta Yeso oil well.

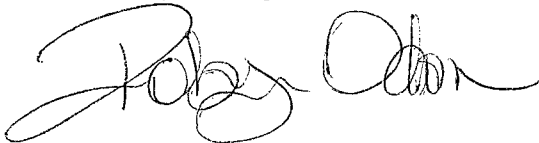
WHITE OAK STATE #12

**Eddy County, NM
1060' FSL & 1650' FEL Sec 23, T17S, R28E, Unit O**

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

A handwritten signature in black ink, appearing to read "Robyn Odom", written over a horizontal line.

Robyn M. Odom
Regulatory Analyst

432-685-4385
Rodom@conchoresources.com