

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Road, 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-101

May 27, 2004

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

Submit to appropriate District Office

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address COG OPERATING LLC 550 W. Texas, Suite 1300 Midland, TX 79701		² OGRID Number 299137
³ Property Code 302644	⁴ Property Name USP FEE	⁵ API Number 30 - 015-34438
⁹ Proposed Pool 1 Harrison Ranch, DELAWARE NE		¹⁰ Proposed Pool 2

⁷ 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	16	23S	29E		319	NORTH	946	WEST	EDDY

⁸ Proposed 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
N	9	23S	29E		226	SOUTH	1362	WEST	EDDY

Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary ROTARY	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 2957'
¹⁶ Multiple N	¹⁷ Proposed Depth 11,065'	¹⁸ Formation DELAWARE	¹⁹ Contractor	²⁰ Spud Date 7-7-06
Depth to Groundwater		Distance from nearest fresh water well		Distance from nearest surface water
Pit: Liner: Synthetic ☐ _____mils thick Clay ☐ Pit Volume: _____bbls Drilling Method: Closed-Loop System ☐ Fresh Water ☐ Brine ☐ Diesel/Oil-based ☐ Gas/Air ☐				

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17-1/2	13-3/8	48	308	350	Circ 120 sx to nit
12-1/4	9-5/8	40	2 800	850	Circ 198 sx to nit
8-3/4	7	26	10 690	1565	Circ 227 sx to nit
8-3/4	4-1/2	13-1/2	12 341	285	Circ 46 sx fr liner top

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

On 1-8-07, this well was completed as an Atoka gas well, but is uneconomical to produce.

COG proposes to re-complete as a 40 acre spacing Delaware oil well.

Perfs will be at 5546' - 62' & 5565' - 67'.

The perfs will be acidized w/ 2000 gals acid.

NSL-5639

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines ☐ , a general permit ☐ , or an (attached) alternative OCD-approved plan ☐ .	OIL CONSERVATION DIVISION	
	Approved by:	
Printed name: Phyllis A. Edwards	Title:	
Title: Regulatory Analyst	Approval Date: FOR RECORDS ONLY Expiration Date:	
E-mail Address: pedwards@conchoresources.com		
Date: 6-8-07	Phone: 432-685-4340	Conditions of Approval Attached ☐

FOR RECORDS ONLY



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

June 12, 2007

COG Operating, L.L.C.
550 W. Texas
Suite 1300
Midland, Texas 79701

Attention: Ms. Phyllis A. Edwards

Re: **USP Fee Well No. 2**
API No. 30-015-34438

Surface Location: 319' FNL & 946' FWL, Unit D, Section 16

Bottomhole Location (Delaware): 226' FSL & 1362' FWL, Unit N, Section 9

Both in T-23 South, R-29 East, NMPM,

Eddy County, New Mexico

Administrative Order NSL-5639

Dear Ms. Edwards:

Reference is made to the following:

- (a) COG Operating, L.L.C.'s ("COG") application for a non-standard well location (*administrative application reference No. pCLP0716235979*) for the USP Fee Well No. 2 that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on June 11, 2007; and
- (b) the Division's records pertinent to your request.

COG requests approval of an unorthodox oil well location for its existing USP Fee Well No. 2 which is located at a surface location 319 feet from the North line and 946 feet from the West line (Unit D) of Section 16, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico, and which is located at an unorthodox bottomhole location in the Delaware formation 226 feet from the South line and 1362 feet from the West line (Unit N) of Section 9, Township 23 South, Range 29 East, NMPM. The well is to be completed in the Undesignated Northeast Harroun Ranch-Delaware Pool (Oil - 96878) and is to be dedicated to a standard 40-acre oil spacing and proration unit comprising the SE/4 SW/4 of Section 9.

The Northeast Harroun Ranch-Delaware Pool is currently governed by Division Rule 19.15.3.104.B.

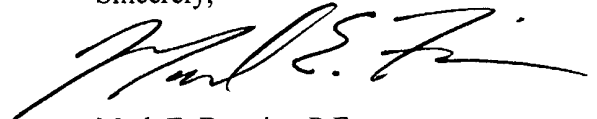
It is our understanding that the well was originally directionally drilled as an Atoka test, and that the well is now uneconomic to produce in the Laguna Salado-Atoka Gas Pool. COG now proposes to complete the well up-hole in the Delaware interval.

The well is to be perforated in the Delaware formation at a depth of 5546'-5562' and 5565'-5567'. According to the directional survey, the bottomhole location in the Delaware formation at the perforation point is 226 feet from the South line and 1362 feet from the West line (Unit N) of Section 9.

The affected offset acreage is the SW/4 SW/4 of Section 9, and the N/2 NW/4 of Section 16. The applicant provided notice of this application to Devon Energy Corporation, the only affected offset operator and/or interest owner. By letter dated June 6, 2007, Devon Energy Corporation waived objection to the proposed unorthodox oil well location.

Pursuant to the authority granted under the provisions of Division Rule 19.15.3.104.F(2), the above-described unorthodox oil well location in the Undesignated Northeast Harroun Ranch-Delaware Pool is hereby approved.

Sincerely,

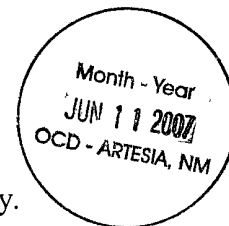


Mark E. Fesmire, P.E.
Division Director

MEF/drc

cc: New Mexico Oil Conservation Division - Artesia

TO: BRYAN ARRAUT



Bryan,

Here is a copy of the plug back NSL C-101 that we talked about on the phone today.
I will notify you with the NSL order number as soon as it approved.
Please let me know if you need anything else and as always,

THANKS FOR YOUR HELP !!!

Phyllis

Phyllis Edwards

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

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO
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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



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 Attachment 3 includes Devon letter
 waiving right to NSL objection

[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
 Print or Type Name

Phyllis A. Edwards
 Signature

REGULATORY ANALYST
 Title

6-8-07
 Date

FOR RECORDS ONLY

pedwards@conchoresources.com
 e-mail Address
 432-685-4340

**USP Fee #2
Eddy County, NM
API #: 30-015 34438**

Presently a 320 acre spacing Laguna Salado; Atoka (Gas) well (TD 12,432')
Atoka is uneconomical to produce.

COG proposes to re-complete this to a
40 acre spacing Wildcat; Delaware oil well (PBSD of approximately 11,065')

Surface Location:
319' FNL & 946' FWL Sec 16, T23S, R29E, Unit D

Non-Standard Bottom Hole Location:
226' FSL & 1362' FWL Sec 9, T23S, R29E, Unit N

The proposed Delaware re-completion perms will be 5546' – 62' and 5565' – 67'.
The perms will be acidized with 2000 gals acid.

Attachment 1

Permit, plat, & directional survey showing proposed
Delaware BHL location coordinates at 5555'

Attachment 2

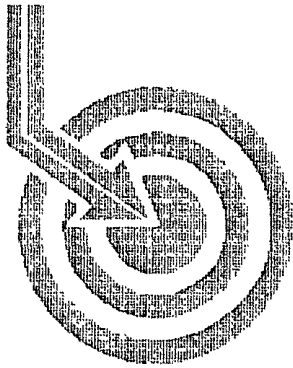
Map & legend of offset wells.

Attachment 3

Updated land plat showing that Devon is offset operator to COG Operating LLC
The acreage we are encroaching on is the NE/4 of the NW/4 of Section 16
Letter from Devon waiving right to object to this NSL

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

FOR RECORDS ONLY



Scientific Drilling

COG RESOURCES

Field: USP
Site: Eddy County, NM
Well: USP Fee #2
Wellpath: VH - Job #32K0706563
Survey: 07/15/06

This survey is correct to the best of my knowledge
and is supported by actual field data.

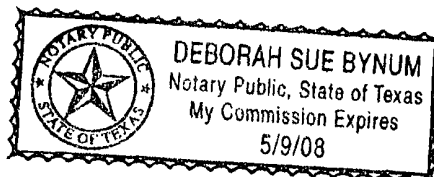
.....*Pluhator*..... Company Representative

Notorized this date 9th of August, 2006.

Deborah Sue Bynum

Notary Signature
County of Midland
State of Texas

FOR RECORDS ONLY





Scientific
Drilling

Scientific Drilling International Survey Report

Company: COG RESOURCES
Field: USP
Site: Eddy County, NM
Well: USP Fee #2
Wellpath: VH - Job #32K0706563

Date: 08/09/2006 Time: 17:13:29 Page: 1
Co-ordinate(N/E) Reference: Site: Eddy County, NM, Grid North
Vertical (TVD) Reference: SITE 0.0
Section (VS) Reference: Well (0.00N,0.00E,36.93Azi)
Survey Calculation Method: Minimum Curvature Db: Sybase

Survey: 07/15/06
KSRC 0' 2022'

Start Date: 07/15/2006

Company: Scientific Drilling International
Tool: Keeper, Keeper Gyro

Engineer: Madrid/Rehders
Tied to: From Surface

Survey

MD ft	Incl deg	Azimuth deg	TVB ft	VS ft	N/S ft	E/W ft	DLS deg/100ft	ClsD ft	ClsA deg
0.00	0.00	0.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00
100.00	0.87	163.49	100.00	-0.45	-0.73	0.22	0.87	0.70	163.49
200.00	1.05	172.18	199.98	-1.56	-2.36	0.56	0.23	2.43	166.76
300.00	1.01	187.35	299.97	-2.97	-4.15	0.57	0.27	4.18	172.20
400.00	0.94	180.71	399.95	-4.40	-5.84	0.45	0.13	5.86	175.64
500.00	0.82	190.47	499.94	-5.70	-7.37	0.32	0.19	7.37	177.53
600.00	1.12	200.61	599.93	-7.27	-8.99	-0.14	0.35	8.99	180.92
700.00	1.00	181.17	699.91	-8.92	-10.77	-0.51	0.38	10.79	182.69
800.00	0.95	193.33	799.89	-10.38	-12.45	-0.72	0.21	12.47	183.29
900.00	1.14	195.32	899.88	-12.07	-14.22	1.17	0.19	14.27	184.70
1000.00	1.37	202.76	999.85	-14.15	-16.28	-1.89	0.28	16.39	186.64
1100.00	1.46	205.32	1099.82	-16.56	-18.53	-2.90	0.11	19.76	188.00
1200.00	1.31	204.18	1199.79	-18.92	-20.73	-3.91	0.15	21.10	190.70
1300.00	1.43	203.17	1299.77	-21.25	-22.92	-4.87	0.12	23.43	192.01
1400.00	1.21	210.66	1399.74	-23.51	-24.97	-5.90	0.28	25.66	193.30
1500.00	1.27	209.04	1499.72	-25.66	-26.85	-6.98	0.07	27.74	194.57
1600.00	1.02	199.12	1599.70	-27.60	-28.60	-7.81	0.32	29.71	195.24
1700.00	1.19	200.64	1699.68	-29.40	-30.41	-8.60	0.25	31.61	195.79
1800.00	1.68	205.18	1799.65	-31.94	-32.65	-9.72	0.50	34.07	196.58
1900.00	1.99	211.67	1899.59	-35.10	-35.46	-11.26	0.37	37.20	197.61
2000.00	1.97	219.09	1999.53	-38.55	-38.27	-13.25	0.26	40.50	199.10
2100.00	1.72	205.44	2099.48	-41.74	-40.96	-14.98	0.50	43.61	200.09
2200.00	1.50	199.57	2199.44	-44.36	-43.61	-15.82	0.52	46.39	199.94
2300.00	1.47	199.84	2299.41	-46.21	-46.10	-15.57	0.74	48.66	198.66
2400.00	1.33	160.78	2399.38	-47.55	-48.40	-14.75	0.14	50.60	196.94
2500.00	1.77	163.90	2499.35	-49.13	-50.98	-13.94	0.45	52.85	195.29
2600.00	1.81	162.13	2599.30	-50.97	-53.97	-13.02	0.07	55.52	193.57
2700.00	1.99	149.50	2699.24	-52.55	-56.97	-11.66	0.45	58.15	191.57
2800.00	1.87	172.36	2799.19	-54.37	-60.08	-10.56	0.77	61.00	189.97
2900.00	1.23	220.40	2899.15	-56.61	-62.52	-11.04	1.39	63.43	190.01
2922.00	1.23	220.38	2921.15	-57.08	-62.88	-11.35	0.00	63.89	190.23



Scientific
Drilling

Field: USP
Site: Eddy County, NM
Well: USP Fee #2
Wellpath: VH - Job #32K0706563
Survey: 07/15/06

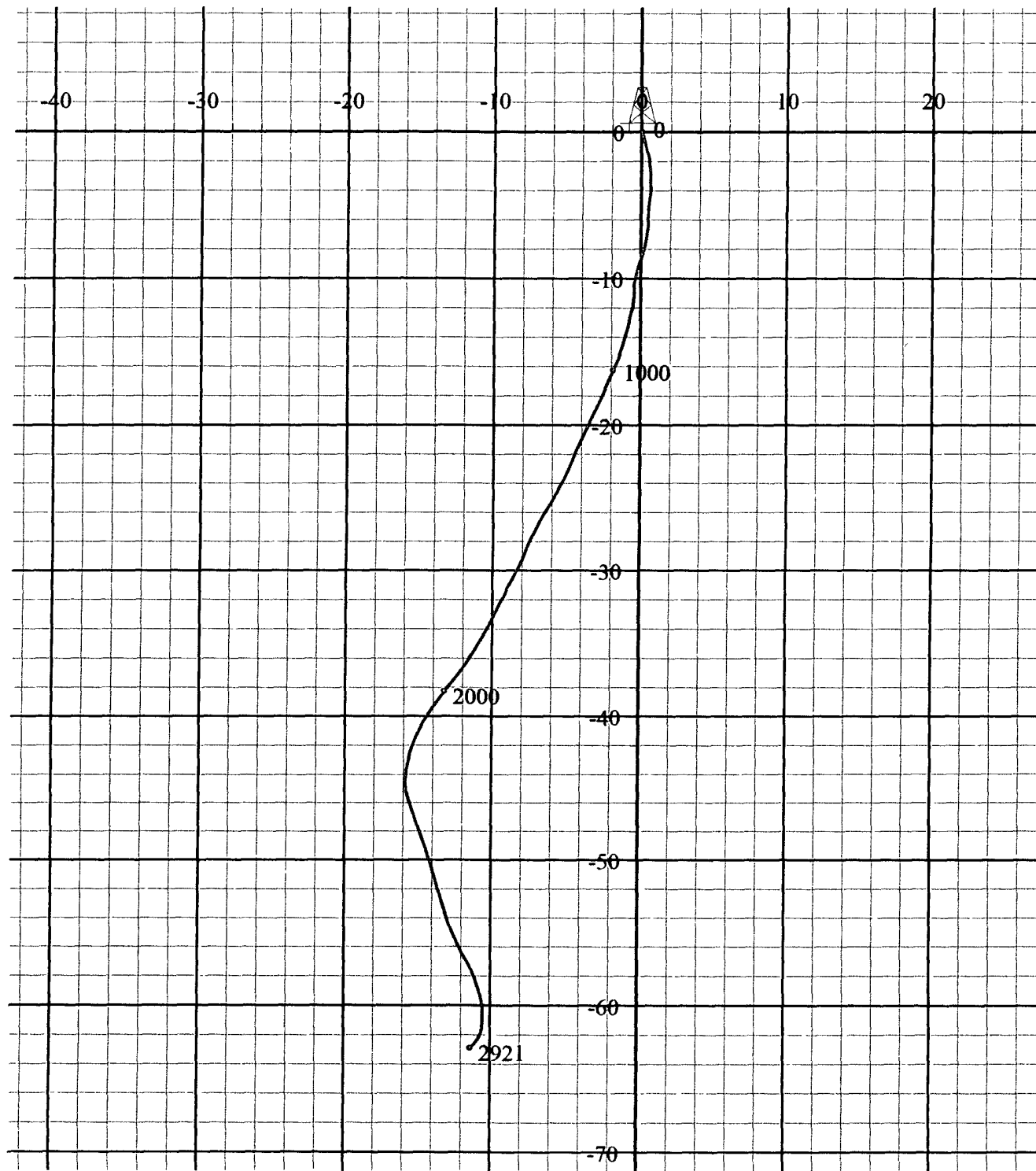


Azimuths to Grid North
True North: 0.00°
Magnetic North: 0.00°

Magnetic Field
Strength: 0nT
Dip Angle: 0.00°
Date: 08/09/2006
Model: igrf2000

West(-)/East(+) [10ft/in]

South(-)/North(+) [10ft/in]



Actual Wellpath Report

Actual Wellpath
Page 1 of 6



REFERENCE WELLPATH IDENTIFICATION

Operator	Concho O&G	Slot	SHL
Area	Eddy County, NM	Well	USP FEE #2
Field	Undes. Laguna Salado; Atoka	Wellbore	Actual Wellbore Surveys
Facility	USP FEE		

REPORT SUMMARY INFORMATION

Projection System	NAD27 / TM New Mexico State Planes, Eastern Zone (3001), US feet	Software System	WellArchitect™ 1.2
North Reference	Grid	User	GomeOscR
Scale	0.999922	Report Generated	05/30/07 at 16:47:59
Wellbore last revised	07/17/06	Database/Source file	WA_Midland/Actual_V

WELLPATH LOCATION

	Local coordinates		Grid coordinates		Geographic coordinates	
	North [feet]	East [feet]	Easting [US feet]	Northing [US feet]	Latitude [°]	Longitude [°]
Slot Location	0.00	0.00	604465.48	477245.45	32 18 41.800N	103 59 42.700W
Facility Reference Pt			604465.48	477245.45	32 18 41.800N	103 59 42.700W
Field Reference Pt			604465.48	477245.45	32 18 41.800N	103 59 42.700W

WELLPATH DATUM

Calculation method	Minimum curvature	Rig on Directional Profile (RT) to Facility Vertical Datum	0.00 feet
Horizontal Reference Pt	Facility Center	Rig on Directional Profile (RT) to RKB	0.00 feet
Vertical Reference Pt	Rig on Directional Profile (RT)	Facility Vertical Datum to Mud Line (Facility)	0.00 feet
MD Reference Pt	Rig on Directional Profile (RT)	Section Origin	N 0.00, E 0.00 ft
Field Vertical Reference	RKB	Section Azimuth	36.93°

Actual Wellpath Report

Actual Wellpath

Page 2 of 6



REFERENCE WELLPATH IDENTIFICATION			
Operator	Concho O&G	Slot	SHL
Area	Eddy County, NM	Well	USP FEE #2
Field	Undes. Laguna Salado; Atoka	Wellbore	Actual Wellbore Surveys
Facility	USP FEE		

WELLPATH DATA (191 stations)

MD [feet]	Inclination [°]	Azimuth [°]	TVD [feet]	Vert Sect [feet]	North [feet]	East [feet]	DLS [°/100ft]	Path Comment
0.00	0.000	0.000	0.00	0.00	0.00	0.00	0.00	
100.00	0.870	163.490	100.00	-0.45	-0.73	0.22	0.87	
200.00	1.050	172.180	199.98	-1.56	-2.36	0.56	0.23	
300.00	1.010	187.350	299.97	-2.97	-4.15	0.57	0.27	
400.00	0.940	180.710	399.95	-4.40	-5.84	0.45	0.13	
500.00	0.820	189.470	499.94	-5.70	-7.37	0.32	0.18	
600.00	1.120	200.610	599.93	-7.27	-8.99	-0.14	0.35	
700.00	1.000	181.170	699.91	-8.92	-10.77	-0.51	0.38	
800.00	0.950	193.330	799.89	-10.38	-12.45	-0.72	0.21	
900.00	1.140	195.320	899.88	-12.07	-14.22	-1.17	0.19	
1000.00	1.370	202.760	999.85	-14.15	-16.28	-1.89	0.28	
1100.00	1.460	205.320	1099.82	-16.56	-18.53	-2.90	0.11	
1200.00	1.310	204.180	1199.79	-18.92	-20.73	-3.91	0.15	
1300.00	1.430	203.170	1299.77	-21.25	-22.92	-4.87	0.12	
1400.00	1.210	210.660	1399.74	-23.51	-24.97	-5.90	0.28	
1500.00	1.270	209.040	1499.72	-25.66	-26.85	-6.98	0.07	
1600.00	1.020	199.120	1599.70	-27.60	-28.66	-7.81	0.32	
1700.00	1.190	208.640	1699.68	-29.48	-30.41	-8.60	0.25	
1800.00	1.680	205.180	1799.65	-31.94	-32.65	-9.72	0.50	
1900.00	1.990	211.670	1899.59	-35.10	-35.46	-11.26	0.37	
2000.00	1.970	219.090	1999.53	-38.55	-38.27	-13.25	0.26	
2100.00	1.720	205.440	2099.48	-41.74	-40.96	-14.98	0.50	
2200.00	1.500	188.570	2199.44	-44.36	-43.61	-15.82	0.52	
2300.00	1.470	159.840	2299.41	-46.21	-46.10	-15.57	0.74	
2400.00	1.330	160.780	2399.38	-47.55	-48.40	-14.75	0.14	
2500.00	1.770	163.900	2499.35	-49.13	-50.98	-13.94	0.45	
2600.00	1.810	162.130	2599.30	-50.97	-53.97	-13.02	0.07	
2700.00	1.990	149.500	2699.24	-52.55	-56.97	-11.66	0.45	
2800.00	1.870	172.360	2799.19	-54.37	-60.08	-10.56	0.77	
2900.00	1.230	220.400	2899.15	-56.61	-62.52	-11.04	1.39	
2922.00	1.230	220.380	2921.15	-57.08	-62.88	-11.35	0.00	
2975.00	0.800	229.700	2974.14	-58.01	-63.55	-12.00	0.87	
3007.00	0.100	38.800	3006.14	-58.20	-63.67	-12.15	2.81	
3039.00	1.100	40.900	3038.14	-57.86	-63.42	-11.93	3.13	
3070.00	2.200	40.900	3069.12	-56.97	-62.74	-11.35	3.55	
3102.00	3.300	37.400	3101.09	-55.44	-61.55	-10.38	3.48	
3132.00	4.400	37.100	3131.02	-53.42	-59.94	-9.17	3.67	
3163.00	5.500	35.000	3161.90	-50.75	-57.78	-7.60	3.60	
3195.00	6.600	32.800	3193.72	-47.38	-54.98	-5.72	3.51	
3226.00	7.700	31.100	3224.48	-43.54	-51.70	-3.68	3.61	

Actual Wellpath Report

Actual Wellpath

Page 3 of 6



REFERENCE WELLPATH IDENTIFICATION

Operator	Concho O&G	Slot	SHL
Area	Eddy County, NM	Well	USP FEE #2
Field	Undes. Laguna Salado; Atoka	Wellbore	Actual Wellbore Surveys
Facility	USP FEE		

WELLPATH DATA (191 stations)

MD [feet]	Inclination [°]	Azimuth [°]	TVD [feet]	Vert Sect [feet]	North [feet]	East [feet]	DLS [°/100ft]	Path Comment
3257.00	8.800	31.400	3255.16	-39.11	-47.90	-1.37	3.55	
3289.00	9.800	33.500	3286.74	-33.96	-43.54	1.40	3.30	
3321.00	10.800	34.900	3318.22	-28.24	-38.81	4.62	3.22	
3353.00	12.000	35.600	3349.59	-21.92	-33.64	8.27	3.77	
3385.00	13.100	36.700	3380.83	-14.97	-28.03	12.38	3.52	
3417.00	14.200	37.400	3411.92	-7.42	-22.01	16.93	3.48	
3448.00	15.300	37.400	3441.90	0.47	-15.74	21.72	3.55	
3478.00	16.300	37.800	3470.77	8.64	-9.26	26.71	3.35	
3510.00	17.300	38.100	3501.40	17.89	-1.97	32.40	3.14	
3572.00	19.400	37.100	3560.24	37.40	13.50	44.30	3.42	
3666.00	20.100	35.300	3648.72	69.16	39.13	63.05	0.99	
3728.00	20.200	34.200	3706.92	90.50	56.68	75.22	0.63	
3793.00	20.600	33.500	3767.84	113.13	75.50	87.84	0.72	
3856.00	20.000	32.800	3826.93	134.94	93.79	99.79	1.03	
3919.00	20.500	32.500	3886.04	156.68	112.15	111.56	0.81	
3983.00	20.100	32.500	3946.06	178.82	130.88	123.49	0.63	
4044.00	19.500	33.500	4003.46	199.43	148.21	134.74	1.13	
4107.00	19.100	35.300	4062.92	220.23	165.39	146.50	1.14	
4168.00	19.200	34.200	4120.54	240.23	181.83	157.90	0.61	
4230.00	19.400	33.900	4179.06	260.69	198.81	169.38	0.36	
4292.00	19.900	34.200	4237.44	281.52	216.09	181.05	0.82	
4353.00	19.600	34.600	4294.86	302.11	233.09	192.70	0.54	
4414.00	19.200	36.000	4352.39	322.36	249.63	204.40	1.01	
4476.00	18.700	36.000	4411.03	342.49	265.92	216.24	0.81	
4542.00	19.000	36.000	4473.49	363.81	283.17	228.77	0.45	
4603.00	19.300	35.300	4531.12	383.82	299.43	240.43	0.62	
4665.00	19.000	36.300	4589.69	404.15	315.93	252.33	0.72	
4724.00	19.200	36.300	4645.44	423.46	331.49	263.76	0.34	
4816.00	19.200	35.600	4732.32	453.71	355.98	281.52	0.25	
4909.00	18.500	34.900	4820.33	483.74	380.51	298.86	0.79	
5004.00	19.100	34.200	4910.26	514.33	405.73	316.22	0.67	
5096.00	17.900	34.200	4997.51	543.49	429.88	332.63	1.30	
5187.00	18.300	35.600	5084.01	571.74	453.06	348.81	0.65	
5279.00	17.900	37.100	5171.45	600.32	476.08	365.75	0.67	
5371.00	18.100	36.000	5258.95	628.75	498.92	382.67	0.43	
5463.00	18.200	34.900	5346.37	657.39	522.26	399.29	0.39	
5555.00	18.100	37.100	5433.80	686.04	545.45	416.14	0.75	
5647.00	18.500	34.600	5521.15	714.92	568.86	433.04	0.96	
5739.00	18.500	37.000	5608.39	744.10	592.53	450.12	0.83	
5830.00	19.100	34.900	5694.54	773.42	616.27	467.32	0.99	

Actual Wellpath Report

Actual Wellpath
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REFERING WELL IDENTIFICATION

Operator	Concho O&G	Slot	SHL
Area	Eddy County, NM	Well	USP FEE #2
Field	Undes. Laguna Salado; Atoka	Wellbore	Actual Wellbore Surveys
Facility	USP FEE		

WELLPATH DATA (191 stations)

MD [feet]	Inclination [°]	Azimuth [°]	TVD [feet]	Vert Sect [feet]	North [feet]	East [feet]	DLS [°/100ft]	Path Comment
5924.00	19.300	36.300	5783.31	804.32	641.40	485.32	0.53	
6017.00	19.400	35.600	5871.06	835.13	666.35	503.41	0.27	
6110.00	19.200	37.400	5958.83	865.86	691.06	521.69	0.67	
6140.00	19.300	38.100	5987.15	875.75	698.88	527.74	0.84	
6171.00	19.200	37.400	6016.42	885.97	706.96	534.00	0.81	
6202.00	18.600	37.400	6045.75	896.01	714.94	540.10	1.94	
6234.00	17.800	37.400	6076.15	906.01	722.88	546.17	2.50	
6264.00	16.900	37.400	6104.78	914.95	729.98	551.61	3.00	
6295.00	16.300	36.000	6134.49	923.81	737.08	556.90	2.33	
6326.00	15.200	36.000	6164.33	932.22	743.89	561.85	3.55	
6358.00	14.100	35.600	6195.29	940.31	750.45	566.58	3.45	
6389.00	13.100	36.300	6225.42	947.60	756.35	570.86	3.27	
6419.00	12.400	36.300	6254.68	954.22	761.69	574.78	2.33	
6450.00	11.200	36.300	6285.02	960.56	766.80	578.53	3.87	
6482.00	10.100	36.000	6316.47	966.47	771.57	582.02	3.44	
6512.00	9.100	35.600	6346.05	971.47	775.63	584.95	3.34	
6543.00	8.300	36.700	6376.69	976.16	779.42	587.71	2.64	
6574.00	8.300	36.000	6407.37	980.64	783.02	590.36	0.33	
6605.00	7.200	36.000	6438.08	984.82	786.40	592.82	3.55	
6636.00	6.100	36.700	6468.87	988.41	789.30	594.95	3.56	
6698.00	5.500	37.100	6530.56	994.67	794.31	598.71	0.97	
6760.00	5.900	31.400	6592.25	1000.82	799.40	602.16	1.12	
6821.00	6.100	28.900	6652.92	1007.15	804.91	605.36	0.54	
6914.00	5.300	30.000	6745.46	1016.30	812.96	609.90	0.87	
6977.00	5.800	30.700	6808.16	1022.36	818.21	612.98	0.80	
7038.00	6.200	30.000	6868.83	1028.69	823.72	616.20	0.67	
7101.00	6.000	28.300	6931.47	1035.32	829.56	619.46	0.43	
7163.00	5.400	25.800	6993.16	1041.39	835.04	622.26	1.05	
7227.00	5.700	26.200	7056.86	1047.47	840.60	624.98	0.47	
7287.00	6.500	29.000	7116.52	1053.76	846.25	627.94	1.42	
7350.00	6.700	32.500	7179.10	1060.95	852.47	631.64	0.71	
7413.00	6.700	33.900	7241.67	1068.29	858.62	635.67	0.26	
7474.00	6.700	34.200	7302.26	1075.39	864.51	639.65	0.06	
7535.00	6.200	34.900	7362.87	1082.24	870.16	643.54	0.83	
7597.00	5.800	33.900	7424.53	1088.72	875.50	647.20	0.67	
7658.00	6.000	37.000	7485.21	1094.98	880.61	650.84	0.62	
7718.00	6.600	37.000	7544.85	1101.57	885.87	654.80	1.00	
7779.00	6.800	39.500	7605.43	1108.68	891.45	659.21	0.58	
7841.00	6.900	39.900	7666.99	1116.06	897.14	663.93	0.18	
7903.00	6.900	40.200	7728.54	1123.50	902.84	668.72	0.06	

Actual Wellpath Report

Actual Wellpath

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INTEQ

REFERENCE WELLPATH IDENTIFICATION			
Operator	Concho O&G	Slot	SHL
Area	Eddy County, NM	Well	USP FEE #2
Field	Undes. Laguna Salado; Atoka	Wellbore	Actual Wellbore Surveys
Facility	USP FEE		

WELLPATH DATA (191 stations)

MD [feet]	Inclination [°]	Azimuth [°]	TVD [feet]	Vert Sect [feet]	North [feet]	East [feet]	DLS [%/100ft]	Path Comment
7964.00	7.100	38.100	7789.08	1130.93	908.61	673.42	0.53	
8027.00	7.000	36.300	7851.61	1138.66	914.77	678.09	0.38	
8091.00	6.700	36.300	7915.15	1146.29	920.92	682.61	0.47	
8153.00	6.900	35.600	7976.71	1153.63	926.86	686.92	0.35	
8216.00	6.800	37.400	8039.26	1161.15	932.90	691.39	0.38	
8277.00	6.600	37.800	8099.85	1168.26	938.54	695.73	0.34	
8338.00	6.200	35.300	8160.47	1175.06	944.00	699.78	0.80	
8400.00	6.400	37.400	8222.09	1181.86	949.48	703.81	0.49	
8463.00	6.300	38.800	8284.71	1188.83	954.96	708.11	0.29	
8524.00	6.500	35.300	8345.33	1195.63	960.39	712.21	0.72	
8588.00	7.000	34.600	8408.88	1203.14	966.55	716.51	0.79	
8649.00	6.900	36.700	8469.43	1210.52	972.55	720.81	0.45	
8710.00	6.800	36.300	8530.00	1217.80	978.40	725.14	0.18	
8773.00	6.700	34.600	8592.56	1225.20	984.43	729.44	0.35	
8832.00	6.800	38.100	8651.15	1232.13	990.01	733.55	0.72	
8892.00	7.000	40.200	8710.72	1239.33	995.60	738.10	0.54	
8954.00	7.000	39.500	8772.26	1246.88	1001.40	742.94	0.14	
9014.00	7.100	38.800	8831.80	1254.24	1007.11	747.59	0.22	
9075.00	6.700	41.300	8892.36	1261.55	1012.72	752.30	0.82	
9136.00	6.400	40.200	8952.96	1268.49	1017.99	756.84	0.53	
9194.00	6.000	26.100	9010.63	1274.70	1023.18	760.26	2.71	
9258.00	5.900	14.900	9074.29	1281.03	1029.37	762.58	1.82	
9321.00	7.600	12.400	9136.85	1287.83	1036.57	764.31	2.74	
9384.00	8.300	25.800	9199.25	1296.08	1044.73	767.18	3.14	
9446.00	8.100	38.800	9260.62	1304.84	1052.16	771.87	3.00	
9509.00	8.100	40.600	9322.99	1313.70	1058.99	777.54	0.40	
9572.00	7.600	37.800	9385.40	1322.30	1065.65	782.98	1.00	
9636.00	6.300	37.800	9448.93	1330.04	1071.77	787.72	2.03	
9700.00	5.500	37.800	9512.59	1336.62	1076.97	791.76	1.25	
9763.00	5.600	48.600	9575.29	1342.65	1081.39	795.91	1.66	
9826.00	6.000	49.700	9637.97	1348.87	1085.55	800.73	0.66	
9890.00	6.100	44.400	9701.62	1355.50	1090.14	805.66	0.89	
9952.00	6.200	42.700	9763.26	1362.10	1094.96	810.24	0.34	
10015.00	6.700	39.500	9825.86	1369.15	1100.30	814.88	0.98	
10078.00	6.200	39.200	9888.46	1376.23	1105.77	819.37	0.80	
10165.00	5.600	43.000	9975.00	1385.14	1112.51	825.23	0.82	
10228.00	5.600	44.100	10037.70	1391.25	1116.97	829.47	0.17	
10291.00	5.500	43.000	10100.40	1397.30	1121.38	833.67	0.23	
10354.00	5.500	38.800	10163.11	1403.32	1125.94	837.62	0.64	
10417.00	5.800	38.500	10225.81	1409.52	1130.79	841.49	0.48	

Actual Wellpath Report

Actual Wellpath

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REPORTING WELL PATH IDENTIFICATION

Operator	Concho O&G	Slot	SHL
Area	Eddy County, NM	Well	USP FEE #2
Field	Undes. Laguna Salado; Atoka	Wellbore	Actual Wellbore Surveys
Facility	USP FEE		

WELLPATH DATA (191 stations)

MD [feet]	Inclination [°]	Azimuth [°]	TVD [feet]	Vert Sect [feet]	North [feet]	East [feet]	DLS [°/100ft]	Path Comment
10480.00	6.100	38.100	10288.47	1416.05	1135.91	845.54	0.48	
10575.00	6.700	37.400	10382.88	1426.64	1144.29	852.02	0.64	
10606.00	6.900	39.500	10413.66	1430.30	1147.16	854.30	1.03	
10699.00	5.300	46.000	10506.13	1440.13	1154.46	860.94	1.87	
10765.00	6.000	41.600	10571.81	1446.58	1159.15	865.43	1.25	
10829.00	6.100	40.200	10635.45	1453.30	1164.25	869.84	0.28	
10889.00	6.200	46.900	10695.11	1459.68	1168.90	874.27	1.21	
10952.00	6.900	46.200	10757.70	1466.76	1173.85	879.48	1.12	
11016.00	6.900	44.400	10821.23	1474.37	1179.25	884.95	0.34	
11079.00	7.300	41.300	10883.75	1482.11	1184.96	890.24	0.88	
11142.00	7.300	39.200	10946.24	1490.10	1191.07	895.41	0.42	
11205.00	7.000	36.300	11008.75	1497.94	1197.27	900.21	0.74	
11268.00	6.500	36.000	11071.31	1505.35	1203.25	904.58	0.80	
11331.00	6.400	33.900	11133.91	1512.42	1209.05	908.63	0.41	
11395.00	5.800	33.500	11197.55	1519.21	1214.70	912.41	0.94	
11458.00	5.200	27.900	11260.26	1525.20	1219.88	915.50	1.28	
11520.00	4.600	32.100	11322.03	1530.46	1224.47	918.14	1.13	
11583.00	5.400	44.100	11384.80	1535.92	1228.74	921.54	2.08	
11646.00	5.000	43.700	11447.54	1541.58	1232.85	925.50	0.64	
11709.00	5.000	42.700	11510.30	1547.04	1236.86	929.26	0.14	
11773.00	5.500	44.400	11574.03	1552.86	1241.10	933.30	0.82	
11836.00	6.600	34.200	11636.68	1559.47	1246.25	937.44	2.43	
11899.00	7.400	33.500	11699.21	1567.13	1252.63	941.72	1.28	
11962.00	7.000	35.600	11761.71	1575.02	1259.13	946.19	0.76	
12025.00	7.100	34.200	11824.24	1582.75	1265.47	950.62	0.32	
12088.00	6.900	33.200	11886.77	1590.41	1271.86	954.88	0.37	
12151.00	6.100	36.000	11949.36	1597.54	1277.73	958.92	1.37	
12246.00	6.200	38.500	12043.81	1607.71	1285.83	965.08	0.30	
12320.00	6.300	35.300	12117.37	1615.76	1292.27	969.91	0.49	
12370.00	6.300	35.300	12167.07	1621.25	1296.75	973.08	0.00	Projection to Bit from last Baker Survey@12,320'
12433.00	6.300	35.300	12229.69	1628.16	1302.39	977.08	0.00	Projection

WELLPATH COMPOSITION Ref Wellbore: Actual Wellbore Surveys Ref Wellpath: Actual Wellpath

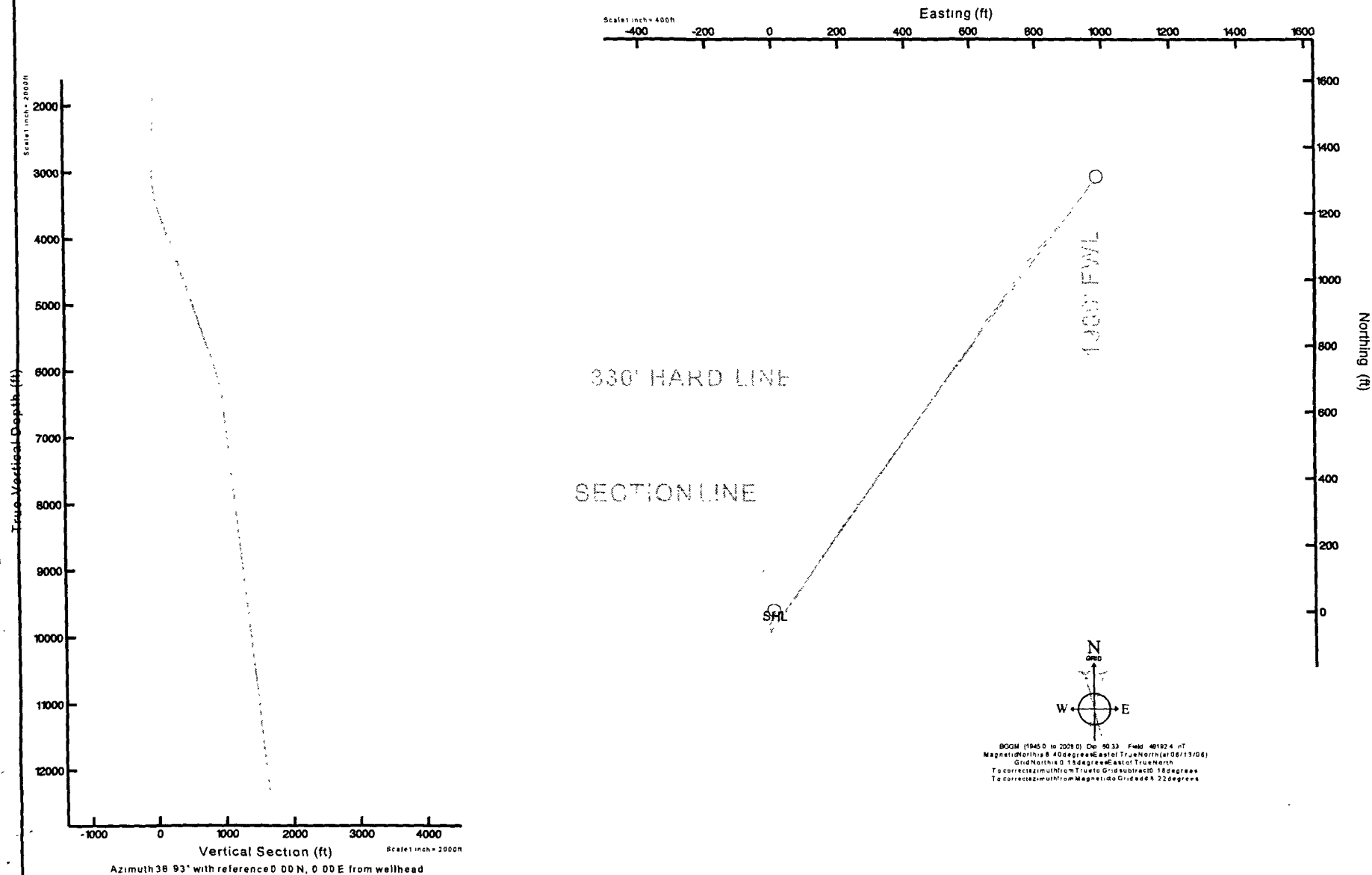
Start MD [feet]	End MD [feet]	Positional Uncertainty Model	Log Name/Comment	Wellbore
0.00	2922.00	Generic gyro - northseeking (Standard)	Gyro 0'-2922	Actual Wellbore Surveys
2922.00	12433.00	NaviTrak (Standard)	MWD 2922'-	Actual Wellbore Surveys

Concho O&G

Location Eddy County, NM
Field Undes Laguna Salado, Atoka
Facility USP FEE

Slot SHL
Well USP FEE #2
Wellbore Actual Wellbore Surveys

**BAKER
HUGHES**
INTEQ



The map displays the Laguna Salada area, showing various oil and gas fields, leases, and company names. The map is divided into numbered sections (1-30) and includes labels for major companies like ExxonMobil, Chevron, and U.S. Potash. Key features include the Laguna Salada So. Unit, the Laguna Salada So. Unit, and the Laguna Salada So. Unit. The map also shows the location of the Laguna Salada So. Unit, the Laguna Salada So. Unit, and the Laguna Salada So. Unit.



Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8280
Fax 405-552-8113

June 6, 2007

COG Operating LLC
550 West Texas, Suite 1300
Midland, Texas 79701
Attn: Phyllis A. Edwards

Re: USP Fee #2
API #: 30-015-34438
Eddy County, New Mexico
Request for Unorthodox Well Location

Gentlemen:

Devon Energy Production Company, L.P. ("Devon") is in receipt of COG Operating LLC's ("COG") letter dated May 31, 2007 advising of COG's administrative application for a non-standard well location covering the referenced well.

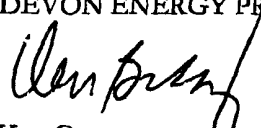
Please be advised that Devon waives its right to object to COG's non-standard well location subject to the following:

1. COG waives its right to object to a mirror non-standard location of 226' FNL & 1362' FWL of Section 16-T23S-R29E.
2. COG shall provide Devon with a copy of a drilling survey for the USP Fee #2.
3. COG shall provide Devon with completion and testing information associated with the Delaware completion attempt in the USP Fee #2.

If the above meets with your approval please so indicate by signing and returning one copy of this letter at your earliest convenience. If there are any questions or if additional information is required, feel free to contact me at (405) 552-4633.

Yours very truly,

DEVON ENERGY PRODUCTION COMPANY, L.P.


Ken Gray
Senior Land Advisor

Agreed to and accepted this 7th day of June, 2007.

By: 
Title: Senior Landman

FOR RECORDS ONLY

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

May 31, 2007

Devon Energy Corp.
Attn: Land Dept.
20 North Broadway
Oklahoma City, OK 73102-8260

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 Wildcat; Delaware oil well.

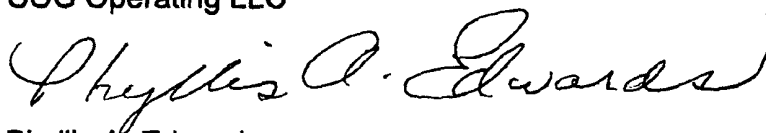
**USP Fee #2
Eddy County, NM
API #: 30-015 34438**

**Surface: 319' FNL & 946' FWL Sec 16, T23S, R29E, Unit D
BHL: 226' FSL & 1362' FWL Sec 9, T23S, R29E, Unit N**

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 approve the unorthodox location if no objection to the unorthodox location has been made within the 20 days after the application has been received.

Sincerely,

COG Operating LLC



Phyllis A. Edwards
Regulatory Analyst



FOR RECORDS ONLY