

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED  
OMB NO. 1004-0135  
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.***SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

|  |   |  |
|--|---|--|
| 1. Type of Well<br><input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other                     |   | 5. Lease Serial No.<br>NMLC029418A                           |
| 2. Name of Operator<br>COG OPERATING LLC   |   | 6. If Indian, Allottee or Tribe Name                         |
| Contact: BRIAN MAIORINO<br>E-Mail: bmaiorino@concho.com  |   | 7. If Unit or CA/Agreement, Name and/or No.<br>892000276B    |
| 3a. Address<br>ONE CONCHO CENTER 600 W ILLINOIS AVENUE<br>MIDLAND, TX 79701  | 3b. Phone No. (include area code)<br>Ph: 432-221-0467 | 8. Well Name and No.<br>SKELLY UNIT 989                      |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description)<br>Sec 23 T17S R31E SENW 1980FNL 1649FWL<br>32.821819 N Lat, 103.842993 W Lon |   | 9. API Well No.<br>30-015-36498-00-S1                        |
|  |   | 10. Field and Pool, or Exploratory<br>MAR LOCO-GLORIETA YESO |
|  |   | 11. County or Parish, and State<br>EDDY COUNTY, NM           |

## 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION                                   | TYPE OF ACTION                                |   |  |   |
|--|---|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize              | <input type="checkbox"/> Deepen           | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off   |
| <input type="checkbox"/> Subsequent Report           | <input type="checkbox"/> Alter Casing         | <input type="checkbox"/> Fracture Treat   | <input type="checkbox"/> Reclamation               | <input type="checkbox"/> Well Integrity   |
| <input type="checkbox"/> Final Abandonment Notice    | <input type="checkbox"/> Casing Repair        | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete                | <input checked="" type="checkbox"/> Other |
|  | <input type="checkbox"/> Change Plans         | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon       | Venting and/or Flaring                    |
|  | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back        | <input type="checkbox"/> Water Disposal            |   |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

COG Operating LLC Respectfully request to flare at the Skelly Unit 989 Central Tank Battery,  
ULF-23-T17S-R31E

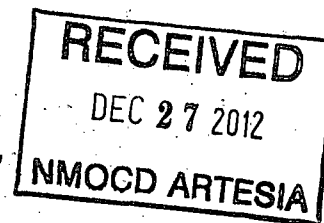
From 12/4/12 to 2/4/13

# of wells produciung to battery:23

bbls oil/day:445

MCF gas/day:918

Reason: Rupture in DCP flowline, need to flare gas untill repaired.

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL****Accepted for record  
NMOC D***RDade 1/3/13*

|   |                                 |
|---|---------------------------------|
| 14. Thereby certify that the foregoing is true and correct.   |                                 |
| Electronic Submission #161712 verified by the BLM Well Information System<br>For COG OPERATING LLC, sent to the Carlsbad<br>Committed to AFMSS for processing by KURT SIMMONS on 12/11/2012 (13KMS4088SE) |                                 |
| Name (Printed/Typed) BRIAN MAIORINO   | Title AUTHORIZED REPRESENTATIVE |
| Signature (Electronic Submission)   | Date 12/05/2012                 |

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

|   |                              |                        |
|---|------------------------------|------------------------|
| Approved By <u>DUNCAN WHITLOCK</u>  | Title <u>SUPERVISORY PET</u> | Date <u>12/22/2012</u> |
| Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. |                              | Office <u>Carlsbad</u> |

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\***

**Additional data for EC transaction #161712 that would not fit on the form**

**32. Additional remarks, continued**

Duncan Whitloc @ Carlsbad, NM BLM office gave verbal approval 12/05/12

BUREAU OF LAND MANAGEMENT  
Carlsbad Field Office  
620 East Greene Street  
Carlsbad, New Mexico 88220  
575-234-5972

COG Operating LLC  
Skelly Unit 989 Central Tank Battery  
NM71030C

December 22, 2012

### **Condition of Approval to Flare Gas**

1. Report all volumes on OGOR reports.
2. Comply with NTL-4A requirements
3. Subject to like approval from NMOCD
4. **Flared volumes will still require payment of royalties**
5. Install gas meter on vent/flare line to measure gas prior to venting/flaring operations if it is not equipped as such at this time. Gas meter to meet all requirements for sale meter as Federal Regulations and Onshore Order #5.
6. This approval does not authorize any additional surface disturbance.
7. Submit updated facility diagram as per Onshore Order #3.
8. Approval not to exceed 90 days for date of approval.
9. Submit Subsequent Report with actual volumes of gas flared for each month gas is flared.
10. **Provide list of well going to facility and flaring gas.**