

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**Carlsbad Field Office**  
**OCD Artesia**

FORM APPROVED  
MB NO. 1004-0137  
Expires: January 31, 2018

**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.**

Lease Serial No.  
NMLC056551A

<b>SUBMIT IN TRIPLICATE - Other instructions on page 2</b>		6. If Indian, Allottee or Tribe Name
		7. If Unit or CA/Agreement, Name and/or No.
1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	8. Well Name and No. Multiple--See Attached	
2. Name of Operator COG OPERATING LLC	Contact: KANICIA CASTILLO E-Mail: kcastillo@concho.com	9. API Well No. Multiple--See Attached
3a. Address 600 W ILLINOIS AVENUE MIDLAND, TX 79701	3b. Phone No. (include area code) Ph: 432-685-4332	10. Field and Pool or Exploratory Area GRAYBURG LOCO HILLS-QU-GB-SA
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Multiple--See Attached		11. County or Parish, State EDDY COUNTY, NM

**12. CHECK THE 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"/> Hydraulic Fracturing	<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 Surface Commingling
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<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 recomple 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomple in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must 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 requests approval for surface commingle/Pool commingle and off lease sales of gas on the following wells:

Holder CB Federal 1  
NMLC056551A  
API 30-015-20708  
Sec 17 T17S R30E SWNW 1980FNL 660FWL  
Grayburg Jackson;SR-Q-G-SA 28509

Holder CB Federal 2  
NMLC056551A  
API 30-015-20709

**NM OIL CONSERVATION**  
ARTESIA DISTRICT

AUG 01 2017

RECEIVED

14. I hereby certify that the foregoing is true and correct. <b>Electronic Submission #328690 verified by the BLM Well Information System</b> <b>For COG OPERATING LLC, sent to the Carlsbad</b> <b>Committed to AFMSS for processing by DEBORAH MCKINNEY on 02/01/2016 (16DLM0289SE)</b>	
Name (Printed/Typed) KANICIA CASTILLO	Title PREPARER
Signature (Electronic Submission)	Date 01/15/2016

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

Approved By <i>J.D. Whitlock</i>	Title <i>TLPET</i>	Date <i>7/24/17</i>
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 <i>CFO</i>

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.

(Instructions on page 2)

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

## Additional data for EC transaction #328690 that would not fit on the form

### Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMLC056551A	NMLC056551A	HOLDER CB FED 5	30-015-26529-00-S1	Sec 17 T17S R30E NWNW 1295FNL 990FWL
NMLC056551A	NMLC056551A	HOLDER CB FED 6	30-015-31891-00-S2	Sec 17 T17S R30E SWNW 2310FNL 990FWL
NMLC056551A	NMLC056551A	HOLDER CB FED 7	30-015-31892-00-S1	Sec 17 T17S R30E SWNW 1650FNL 330FWL
NMLC056551A	NMLC056551A	HOLDER CB FEDERAL 10	30-015-35272-00-S1	Sec 17 T17S R30E NWNW 330FNL 990FWL
NMLC056551A	NMLC056551A	HOLDER CB FEDERAL 12	30-015-35962-00-S1	Sec 17 T17S R30E SWNW 1830FNL 990FWL
NMLC056551A	NMLC056551A	HOLDER CB FEDERAL 20	30-015-36670-00-S1	Sec 17 T17S R30E NWNW 330FNL 330FWL 32.840780 N Lat, 104.001170 W Lon
NMLC056551A	NMLC056551A	HOLDER CB FEDERAL 4	30-015-25837-00-S2	Sec 17 T17S R30E SWNW 2310FNL 330FWL
NMLC056551A	NMLC056551A	HOLDER CB FEDERAL 9	30-015-35273-00-S1	Sec 17 T17S R30E NWNW 920FNL 330FWL
NMLC056551A	NMLC056551A	HOLDER CB FEDRL 1	30-015-20708-00-S1	Sec 17 T17S R30E SWNW 1980FNL 660FWL
NMLC056551A	NMLC056551A	HOLDER CB FEDRL 2	30-015-20709-00-S1	Sec 17 T17S R30E NWNW 660FNL 660FWL

### 32. Additional remarks, continued

Sec 17 T17S R30E NWNW 660FNL 660FWL  
Grayburg Jackson;SR-Q-G-SA 28509

Holder CB Federal 4  
NMLC056551A  
API 30-015-25837  
Sec 17 T17S R30E SWNW 2310FNL 330FWL  
Loco Hills;Glorieta-Yeso

Holder CB Federal 5  
NMLC056551A  
API 30-015-26529  
Sec 17 T17S R30E NWNW 1295FNL 990FWL  
Grayburg Jackson;SR-Q-G-SA 28509

Holder CB Federal 6  
NMLC056551A  
API 30-015-31891  
Sec 17 T17S R30E SWNW 2310FNL 990FWL  
Grayburg Jackson;SR-Q-G-SA 28509

Holder CB Federal 7  
NMLC056551A  
API 30-015-31892  
Sec 17 T17S R30E SWNW 1650FNL 330FWL  
Loco Hills;Glorieta-Yeso

Holder CB Federal 9  
NMLC056551A  
API 30-015-35273  
Sec 17 T17S R30E NWNW 920FNL 330FWL  
Loco Hills;Glorieta-Yeso

Holder CB Federal 10  
NMLC056551A  
API 30-015-35272  
Sec 17 T17S R30E NWNW 330FNL 990FWL  
Loco Hills;Glorieta-Yeso

Holder CB Federal 12  
NMLC056551A  
API 30-015-35962  
Sec 17 T17S R30E SWNW 1830FNL 990FWL  
Loco Hills;Glorieta-Yeso

Holder CB Federal 20  
NMLC056551A  
API 30-015-~~35962~~ **36670**  
Sec 17 T17S R30E NWNW 330FNL 330FWL  
Loco Hills;Glorieta-Yeso

Consolidating production to one battery will extend the economic life for these wells and lessen surface disturbance.

Commingle will not reduce value of production.

All interest owners have been notified.

All lease Royalty Rates are 12-1/2%.

Please see attachments.

## APPLICATION FOR A POOL COMMINGLE

### Pool Commingle Proposal for the Holder CB Federal Wells:

COG Operating is requesting approval for a Pool commingle for the following wells:

Federal Lease NMLC056551A (12.5%)					Oil		
Well Name	Location	API #	Pool	BOPD	Gravities	MCFPD	BTU
Holder CB Fed 1	SWNW Sec. 17-T17S-R30E-E	30-015-20708	Grayburg Jackson; SR-Q-G-SA 28509	.41	37.1	8	1437*
Holder CB Fed 2	NWNW Sec. 17-T17S-R30E-D	30-015-20709	Grayburg Jackson; SR-Q-G-SA 28509	2	37.1	1	1437*
Holder CB Fed 4	SWNW Sec. 17-T17S-R30E-E	30-015-25837	Loco Hills; Glorieta-Yeso 96718	3	37.1	43	1437*
Holder CB Fed 5	NWNW Sec. 17-T17S-R30E-D	30-015-26529	Grayburg Jackson; SR-Q-G-SA 28509	2	37.1	4	1437*
Holder CB Fed 6	SWNW Sec. 17-T17S-R30E-E	30-015-31891	Grayburg Jackson; SR-Q-G-SA 28509	2	37.3	124	1533
Holder CB Fed 7	SWNW Sec. 17-T17S-R30E-E	30-015-31892	Loco Hills; Glorieta-Yeso 96718	5	37.3	2	1416
Holder CB Fed 9	NWNW Sec. 17-T17S-R30E-D	30-015-35273	Loco Hills; Glorieta-Yeso 96718	10	37.3	5	1358
Holder CB Fed 10	NWNW Sec. 17-T17S-R30E-D	30-015-35272	Loco Hills; Glorieta-Yeso 96718	10	37.3	37	1333
Holder CB Fed 12	SWNW Sec. 17-T17S-R30E-E	30-015-35962	Loco Hills; Glorieta-Yeso 96718	2	37.3	5	1437
Holder CB Fed 20	NWNW Sec. 17-T17S-R30E-D	30-015-36670	Loco Hills; Glorieta-Yeso 96718	0	37.3	0	1437*

\*These are proposed totals for these wells; once these wells are turned back on the production information will be amended.

Attached map displays the federal leases and well locations in Section 17-T17S-R30E.

The BLM's interest in all ten wells is the same. Lease NMLC 056551A royalty rate is 12.5%.

## Oil & Gas metering:

The central tank battery is located on the pad for the Holder CB Federal #6 well located in SWNW, Sec. 17-T17S-R30E on federal lease NMLC 056551A in Eddy County, New Mexico. Flowlines from producing wells terminate into the test/production header which serves as the inlet to the tank battery. From the header, one well can be put in test while the remaining wells are combined in the production header for separation and storage of produced fluids.

The 3-phase horizontal test separator and associated metering devices have been sized for the expected range of fluid rates from the production wells. The sizing and calibration of this equipment ensures accurate measurement of produced fluids from a well in test. Separate meters are used for measuring oil, water and gas. After fluids are separated, oil and water flow rates are measured using turbine meters (PO) #TBP, and the gas flow rate is measured using an orifice meter (PG) #TBP. After measurement the fluids are recombined with the main production stream and routed to the heater-treater for processing.

Monthly gas and oil production will be allocated based on the percentage of each wells contribution as determined through well tests. This battery will handle a total of 8 horizontal wells. Each well will be tested at least once a month and the duration of each test will be a minimum of three days. The oil test meter will be proven as per API, NMOCD, and BLM specifications, when installed, once per month for the first 3 months (to establish a consistent repeatability factor), and then quarterly thereafter, the factor obtained will be used to allocate the production volumes. The gas test meter will be calibrated on a regular basis per API, NMOCD and BLM specifications.

Combined fluids from the production header and test separator will be routed to a heater-treater where gas, oil, and water are separated. Gas separated at this point is sent to the DCP Midstream CDP meter #713924-00 which is located in SWNW, Sec. 17-T17S-R30E. Oil and water from this separator are routed to the oil and water storage tanks. Any gas that flashes off during the additional processing stages is tied directly into the gas sales system upstream of the CDP meter. This meter will be calibrated on a regular basis per API, NMOCD and BLM specifications.

The Holder CB Federal 6-7 battery will have two 500 BBL oil tanks that all wells will utilize. These oil tanks have a common delivery point on the northwest side of the location where oil is hauled via trucking by Holly Transportation. Oil sales volume is determined by gauging of sealed tanks before and after the truck is loaded in accordance with applicable API, NMOCD, and BLM specifications.

Water from all producing wells will be separated through the use of the heater-treater prior to being routed to the one 500 BBL water tank. Water will then be transferred out of the tanks and tied into a Company owned SWD system. Bulk water leaving the facility is measured using a turbine meter.

Holder CB Federal #1 production will flow into the test/production header and is routed through the process as described above. No other unique metering devices are included on this individual well.

Holder CB Federal #2 production flows into the test/production header and is routed through the process as described above. No other unique metering devices are included on this individual well.

Holder CB Federal #4 production flows into the test/production header and is routed through the process as described above. No other unique metering devices are included on this individual well.

Holder CB Federal #5 production flows into the test/production header and is routed through the process as described above. No other unique metering devices are included on this individual well.

Holder CB Federal #6 production will flow into the test/production header and is routed through the process as described above. No other unique metering devices are included on this individual well.

Holder CB Federal #7 production flows into the test/production header and is routed through the process as described above. No other unique metering devices are included on this individual well.

Holder CB Federal #9 production flows into the test/production header and is routed through the process as described above. No other unique metering devices are included on this individual well.

Holder CB Federal #10 production flows into the test/production header and is routed through the process as described above. No other unique metering devices are included on this individual well.

Holder CB Federal #12 production flows into the test/production header and is routed through the process as described above. No other unique metering devices are included on this individual well.

Holder CB Federal #20 production flows into the test/production header and is routed through the process as described above. No other unique metering devices are included on this individual well.


The BLM and OCD will be notified of any future changes in the facilities.

**Process and Flow Descriptions:**

The flow of produced fluids is shown in detail on the enclosed facility diagram, along with a map which shows the lease boundaries, and location of wells, facility, and gas sales meter. The proposed commingling is appropriate based on the BLM's guidance in IM 2013-152. The proposed commingling will maximize the ultimate recovery of oil and/or gas from the federal leases and will reduce environmental impacts by minimizing surface disturbance, reduce the surface facility footprint and overall emissions. The proposed commingling is the most effective economical means of producing the reserves and will reduce operating expenses, as well as, not adversely affect federal royalty income, production accountability, or the distribution of royalty.

Working, royalty, and overriding interest owners have been notified of this proposal via certified mail (see attached).

COG Operating, LLC understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

Signed:   
Printed Name: Kanicia Castillo  
Title: Lead Regulatory Analyst  
Date: 1/14/2016

**HOLDER CB FEDERAL 6-7 BATTERY**

(HOLDER CB FEDERAL #006)  
SWNW SECTION 17, T17S, R30E, UNIT E  
EDDY COUNTY, NM

**WELLS:**

HOLDER CB FEDERAL #001: 30-015-20708  
HOLDER CB FEDERAL #002: 30-015-20709  
HOLDER CB FEDERAL #004: 30-015-25837  
HOLDER CB FEDERAL #005: 30-055-26529

**WELLS**

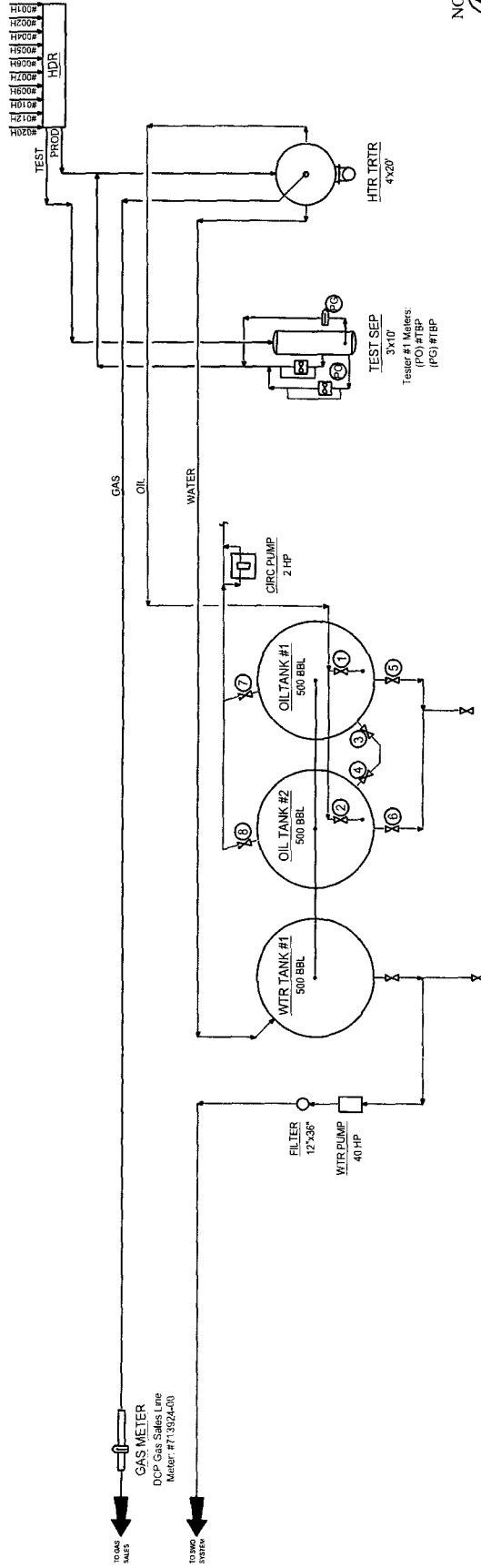
HOLDER CB FEDERAL #006: 30-015-31891  
HOLDER CB FEDERAL #007: 30-015-31892  
HOLDER CB FEDERAL #009: 30-015-35273  
HOLDER CB FEDERAL #010: 30-015-35272  
HOLDER CB FEDERAL #012: 30-015-35962  
HOLDER CB FEDERAL #020: 30-015-36670

**Production Phase - Oil Tank #1**

- Valve 1 open
- Valves 2 closed
- Valves 3 and/or 4 open
- Valves 5 and 6 closed
- Valves 7 and 8 closed

**Sales Phase - Oil Tank #1**

- Valve 1 closed
- Valves 2 open
- Valve 3 and/or 4 closed
- Valve 5 open
- Valves 6 closed
- Valves 7 and 8 closed



COG Operating LLC  
Site Security Plans Located At:  
One Concho Center  
600 W. Illinois Ave.  
Midland, TX 79701

Ledger for Site Diagram  
Produced Fluid: \_\_\_\_\_  
Produced Oil: \_\_\_\_\_  
Produced Gas: \_\_\_\_\_  
Produced Water: \_\_\_\_\_

**NOTES:**

Type of Lease: Federal  
Federal Lease #: SHL - 056551A  
Property Code: 302504  
OGRID #: 229137

**CONFIDENTIALITY NOTICE**

THIS DRAWING IS PROPERTY OF CONCHO HOLDING LLC AND IS LOANED TO THE BORROWER FOR USE ONLY IN THE PROJECT AND IS NOT TO BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE WRITTEN PERMISSION OF CONCHO HOLDING LLC.

**REFERENCE DRAWINGS**

NO.	TITLE
1	COG OPERATING LLC 600 WEST ILLINOIS AVENUE MIDLAND, TEXAS 79701

**REVISIONS**

NO.	DATE	DESCRIPTION
A	06/01/13	ISSUED FOR SITE PERMITTING
B	07/01/13	UPDATED FOR HOLDING CO TO 4-7 BAY

**ENGINEERING RECORD**

BY	CHK	APP.	DATE
ONE	ONE	ONE	06/01/13
ONE	ONE	ONE	07/01/13



NEW MEXICO SHELF ASSET  
PRODUCTION FACILITIES  
HOLDING CO FEDERAL 6-7 BATTERY  
COUNTY: EDDY  
TRUSS/NAME: \_\_\_\_\_  
WELL NO.: D-1700-01-005  
WELL ID: \_\_\_\_\_

# Holder CB Federal 6-7 Battery Map

117S R30E

Holder CB Fed 20 SHL O

O Holder CB Fed 10 SHL

O Holder CB Fed 2 SHL

Holder CB Fed 9 SHL O

O Holder CB Fed 5 SHL

Holder CB Fed 7 SHL O

O Holder CB Fed 12 SHL

Holder CB Fed 1 SHL O

Holder CB Fed 4 SHL O

O Holder CB Fed 6 SHL

017

**DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(MASS) Serial Register Page**

Run Time: 10:10 AM

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Run Date: 01/14/2016

01 02-25-1920;041STAT0437;30USC226

Case Type 310781: O&G RENEWAL LEASE - PD

Commodity 459: OIL & GAS

Case Disposition: AUTHORIZED

Total Acres

160.000

Serial Number

NMLC-- 0 056551A

Serial Number: NMLC-- 0 056551A

Name & Address			Int Rel	% Interest
BREWER MARK	2101 W RUNYAN AVE	ARTESIA NM 88210	OPERATING RIGHTS	0 000000000
BUCKHORN ENTERPRISES	2101 W RUNYAN AVE	ARTESIA NM 88210	OPERATING RIGHTS	0 000000000
CHASE OIL CORP	PO BOX 1767	ARTESIA NM 882111767	OPERATING RIGHTS	0 000000000
COG OPERATING LLC	600 W ILLINOIS AVE	MIDLAND TX 797014882	LESSEE	100 000000000
COG OPERATING LLC	600 W ILLINOIS AVE	MIDLAND TX 797014882	OPERATING RIGHTS	0 000000000
MACK C CHASE TRUSTEE	PO BOX 693	ARTESIA NM 88210	OPERATING RIGHTS	0 000000000

Serial Number: NMLC-- 0 056551A

Mer Twp	Rng	Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23 0170S	0300E	009	ALIQ		W2SW;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0170S	0300E	017	ALIQ		W2NW;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMLC-- 0 056551A

Act Date	Code	Action	Action Remark	Pending Office
09/21/1936	387	CASE ESTABLISHED		
09/22/1936	496	FUND CODE	05;145003	
09/22/1936	868	EFFECTIVE DATE		
08/30/1955	553	CASE CREATED BY ASGN	OUT OF NMLC056551;	
05/02/1956	140	ASGN FILED	HOLDER/GULF OIL	
08/06/1956	139	ASGN APPROVED	EFF 06/01/56;	
02/17/1958	314	RENEWAL APLN FILED		
07/01/1958	242	LEASE RENEWED	THRU 06/30/68;	
03/07/1968	314	RENEWAL APLN FILED		
07/01/1968	242	LEASE RENEWED	THRU 06/30/78;	
09/01/1972	650	HELD BY PROD - ACTUAL		
09/01/1972	658	MEMO OF 1ST PROD-ACTUAL		
09/26/1972	102	NOTICE SENT-PROD STATUS		
03/09/1978	314	RENEWAL APLN FILED		
07/01/1978	242	LEASE RENEWED	THRU 06/30/88;	
07/15/1986	817	MERGER RECOGNIZED	CHEVRON USA/GULF OIL	
07/15/1986	940	NAME CHANGE RECOGNIZED	GULF OIL/CHEVRON USA	
03/13/1987	963	CASE MICROFILMED/SCANNED	CNUM 103,103 RW	
11/05/1987	140	ASGN FILED	CHEVRON USA/MARBOB	
02/26/1988	314	RENEWAL APLN FILED		
03/01/1988	932	TRF OPER RGTS FILED		
03/08/1988	139	ASGN APPROVED	EFF 12/01/87;	
03/08/1988	933	TRF OPER RGTS APPROVED	EFF 04/01/88;	
06/01/1988	974	AUTOMATED RECORD VERIF	JAM/JAM	
07/01/1988	242	LEASE RENEWED	THRU 06/30/98;	
07/01/1988	868	EFFECTIVE DATE		
10/23/1990	575	APD FILED	MARBOB ENERGY CE	
11/05/1990	576	APD APPROVED	HOLDER CB FED NO 5	
03/26/1991	575	APD FILED	MARBOB ENERGY CE	
04/15/1991	576	APD APPROVED	HOLDER CB FED NO 6	
10/01/1992	621	RLTY RED-STRIPPER WELL	10.1%/1/	

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM



**DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
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Run Date: 01/14/2016

12/07/1992	140	ASGN FILED	MARBOB/CHASE OIL CORP
12/07/1992	932	TRF OPER RGTS FILED	GRAY TR/CHASE TR
01/25/1993	625	RLTY REDUCTION APPV	/1/
04/02/1993	139	ASGN APPROVED	EFF 01/01/93;
04/02/1993	933	TRF OPER RGTS APPROVED	EFF 01/01/93;
04/02/1993	974	AUTOMATED RECORD VERIF	CM/KRP
04/07/1993	909	BOND ACCEPTED	EFF 04/05/93;NM2151
07/16/1993	974	AUTOMATED RECORD VERIF	GAG
02/18/1994	974	AUTOMATED RECORD VERIF	LR
07/05/1994	932	TRF OPER RGTS FILED	CHASE OIL/BREWER
07/05/1994	932	TRF OPER RGTS FILED	TOLLE ETAL/CHASE OIL
10/14/1994	933	TRF OPER RGTS APPROVED	(1)EFF 08/01/94;
10/14/1994	933	TRF OPER RGTS APPROVED	(2)EFF 08/01/94;
10/14/1994	974	AUTOMATED RECORD VERIF	MC
06/03/1996	932	TRF OPER RGTS FILED	BREWER/BUCKHORN
09/23/1996	933	TRF OPER RGTS APPROVED	EFF 07/01/96;
09/23/1996	974	AUTOMATED RECORD VERIF	ANN
07/01/1998	242	LEASE RENEWED	THRU 06/30/18;
07/01/1998	530	RLTY RATE - 12 1/2%	/A/
07/01/1998	868	EFFECTIVE DATE	LAST RENEWAL;
03/15/1999	103	ADDTL INFO RECD	STIPS:PRAIRIE CHICKEN
04/27/1999	974	AUTOMATED RECORD VERIF	MCS
04/29/1999	314	RENEWAL APLN FILED	FLUIDS TEAM
11/01/2000	621	RLTY RED-STRIPPER WELL	2.9%
07/17/2001	625	RLTY REDUCTION APPV	
01/01/2003	621	RLTY RED-STRIPPER WELL	6.1%:/1/
12/09/2003	625	RLTY REDUCTION APPV	/1/
03/01/2004	621	RLTY RED-STRIPPER WELL	2.9%:/3/
07/09/2004	974	AUTOMATED RECORD VERIF	BCO
04/01/2005	621	RLTY RED-STRIPPER WELL	2.9%:/2/
02/09/2006	625	RLTY REDUCTION APPV	/2/
02/09/2006	625	RLTY REDUCTION APPV	/3/
03/08/2006	974	AUTOMATED RECORD VERIF	MV
04/02/2006	974	AUTOMATED RECORD VERIF	ANN
05/10/2006	140	ASGN FILED	CHASE OIL/COG OIL &1
05/23/2006	932	TRF OPER RGTS FILED	CHASE OIL/COG OIL &1
07/26/2006	139	ASGN APPROVED	EFF 06/01/06;
07/26/2006	933	TRF OPER RGTS APPROVED	EFF 06/01/06;
07/26/2006	974	AUTOMATED RECORD VERIF	ANN
03/17/2010	940	NAME CHANGE RECOGNIZED	COG O&G/COG OPER

Line Nr	Remarks	Serial Number: NMLC-- 0 056551A
0002	MMS AUDIT ASSESSMENT REPORT FROM 01/31/1994 TO	
0003	02/28/1994.	
0004	-	
0005	/A/AC 534 RLTY RATE SLIDING, SCH D, EFF 9/22, 1996	
0006	THRU 6/30/1988.	
0007	10/14/1994 - OPERATOR MACK ENERGY NM 2151-SW	
0008	OPERATOR BONDED - 07/26/2006	
0009	COG OPERATING LLC - NMB000215 - S W:	



FILE

January 6, 2016

Bureau of Land Management - Carlsbad Field Office  
Attn: Mr. Ed Fernandez  
620 E. Greene Street  
Carlsbad, NM 88220

RECEIVED

**RE: Request for Surface and Pool Commingle**

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 Surface & Pool Commingle of production from the following wells into the Holder CB Federal #6 Central Tank Battery located in Eddy County, New Mexico:

Holder CB Federal # 1  
API # 30-015-20708  
Grayburg Jackson;SR-Q-G-SA 28509  
Surface: 1980 FNL & 660 FWL  
Sec 17, T17S, R30E, Unit E

Holder CB Federal # 7  
API# 30-015-31892  
Loco Hills; Glorieta Yeso 96718  
Surface: 1650 FNL & 330 FWL  
Sec 17, T17S, R30E, Unit E

Holder CB Federal # 2  
API # 30-015-20709  
Grayburg Jackson;SR-Q-G-SA 28509  
Surface: 660 FNL & 660 FWL  
Sec 17, T17S, R30E, Unit D

Holder CB Federal # 9  
API# 3-015-35273  
Loco Hills; Glorieta Yeso 96718  
Surface: 920 FNL & 330 FWL  
Sec 17, T17S, R30E, Unit D

Holder CB Federal # 4  
API # 30-015-25837  
Loco Hills; Glorieta Yeso 96718  
Surface: 2310 FNL & 330 FWL  
Sec 17, T17S, R30E, Unit E

Holder CB Federal # 10  
API# 30-015-35272  
Loco Hills; Glorieta Yeso 96718  
Surface: 330 FNL & 990 FWL  
Sec 17, T17S, R30E, Unit D

Holder CB Federal # 5  
API #: 30-015-26529  
Grayburg Jackson;SR-Q-G-SA 28509  
Surface: 1295 FNL & 990 FWL  
Sec 17, T17S, R30E, Unit D

Holder CB Federal # 12  
API# 30-015-35962  
Loco Hills; Glorieta Yeso 96718  
Surface: 1830 FNL & 990 FWL  
Sec 17, T17S, R30E, Unit E

Holder CB Federal # 6  
API# 30-015-31891  
Grayburg Jackson;SR-Q-G-SA 28509  
Surface: 2310 FNL & 990 FWL  
Sec 17, T17S, R30E, Unit E

Holder CB Federal # 20  
API# 30-015-36670  
Loco Hills; Glorieta Yeso 96718  
Surface: 330 FNL & 330 FWL  
Sec 17, T17S, R30E, Unit D

A copy of this application is enclosed for your reference. Should you, or your company, have any objection, it must be filed in writing within twenty (20) days from the date of this notice to the New Mexico Oil Conservation Division at the following address: 1220 S St. Francis Drive, Santa Fe, New Mexico 87505. The Division Director may approve the Surface Commingle if no objection has been made within the 20 days after the application has been received. Please do not hesitate to reach us with any questions at the phone number given below.

Sincerely,

**COG OPERATING LLC**



Kanicia Castillo

432.685.4332

Lead Regulatory Analyst

1/6/2016	Commingling Notice Ltr, C-107B, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to Ann D. Allison P O BOX 64035 LUBBOCK TX 79464-0435   GC: 91 7199 9991 7035 3203 1817
1/6/2016	Commingling Notice Ltr, C-107B, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to ANNE S. JOHNSON 14511 W SELMA ST. WICHITA KS 67227   GC: 91 7199 9991 7035 3203 1800
1/6/2016	Commingling Notice Ltr, C-107B, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to CHARLES F MALONE LIVING TRUST U/I/A DATED 8/17/1987 2701 CHRYSLER DRIVE ROSWELL NM 88201-5207   GC: 91 7199 9991 7035 3203 1794
1/6/2016	Commingling Notice Ltr, C-107B, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to CLEAR FORK MINERALS, LLC 309 W 7TH STREET SUITE 500 FORT WORTH TX 76102   GC: 91 7199 9991 7035 3203 1787
1/6/2016	Commingling Notice Ltr, C-107B, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to EARL L MALONE ESTATE 6023 WEYMOUTH DR DALLAS TX 75252-7837   GC: 91 7199 9991 7035 3203 1770
1/6/2016	Commingling Notice Ltr, C-107B, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to DAVID H HARRINGTON PO BOX 2071 MIDLAND TX 79702   GC: 91 7199 9991 7035 3203 1763
1/6/2016	Commingling Notice Ltr, C-107B, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to DANIS A COPPEL PO BOX 1958 POTTSDORF TX 73078   GC: 91 7199 9991 7035 3203 1756
1/6/2016	Commingling Notice Ltr, C-107B, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to ELIZABETH EATON 5870 S CURTICE ST LITTLETON CO 80120-1909   GC: 91 7199 9991 7035 3203 1749
1/6/2016	Commingling Notice Ltr, C-107B, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to G P CROSSLEY D/I/A NATURAL GAS SERVICES P O BOX 2464 ROSWELL NM 88202   GC: 91 7199 9991 7035 3203 1732
1/6/2016	Commingling Notice Ltr, C-107B, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to GEORGE D MITCHELL 2861 NORTH TANDOLE DRIVE ALTADENA CA 91001-1811   GC: 91 7199 9991 7035 3203 1725
1/6/2016	Commingling Notice Ltr, C-107B, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to GEORGE O BRIEN P O BOX 1743 MIDLAND TX 79702   GC: 91 7199 9991 7035 3203 1718
1/6/2016	Commingling Notice Ltr, C-107B, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to GILBERT J. EATON 48 ARIZONA STATE DRIVE NEWARK DE 19713-1144   GC: 91 7199 9991 7035 3203 1701
1/6/2016	Commingling Notice Ltr, C-107B, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to JAMES GEBEL PO BOX 162 ROSWELL NM 88202   GC: 91 7199 9991 7035 3203 1695
1/6/2016	Commingling Notice Ltr, C-107B, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to JAMES T. COPPEL P O BOX 43 SPENCER IN 47460-9406   GC: 91 7199 9991 7035 3203 1688
1/6/2016	Commingling Notice Ltr, C-107B, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to LAURA LYNN MCCAMPBELL 6023 WEYMOUTH DRIVE DALLAS TX 75252   GC: 91 7199 9991 7035 3203 1671
1/6/2016	Commingling Notice Ltr, C-107B, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to LEE ROY & DOBBS ANN BRIGHAM, TRUSTS G/T BRIGHAM TRUST 7557 N RIVER ROAD PASO ROBLES CA 93406   GC: 91 7199 9991 7035 3203 1664
1/6/2016	Commingling Notice Ltr, C-107B, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to LINDA E SCHWARZ 324 W RAMONA AVENUE COLORADO SPRINGS CO 80905   GC: 91 7199 9991 7035 3203 1657
1/6/2016	Commingling Notice Ltr, C-107B, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to MARY J. MCWHORTER C/O JAMES MCWHORTER 769 CANYON RD LOGAN UT 84321-4316   GC: 91 7199 9991 7035 3203 164C
1/6/2016	Commingling Notice Ltr, C-107B, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to MCWHORTER LUV TR DTD 10/30/00 6140 E VOLTAIRE AVE SCOTSDALE AZ 85254-3807   GC: 91 7199 9991 7035 3203 1633
1/6/2016	Commingling Notice Ltr, C-107B, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to MIA M. SIMMONS 1272 11TH STREET LOS OXOS CA 93402-1331   GC: 91 7199 9991 7035 3203 1626
1/6/2016	Commingling Notice Ltr, C-107B, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to MICHAEL HERD MOORE IRREVOCABLE TRUST JAMES L FALGOUT TTE 2929 NORTH CENTRAL EXPRESSWAY STE 235 RICHARDSON TX 75080   GC: 91 7199 9991 7035 3203 1619
1/6/2016	Commingling Notice Ltr, C-107B, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to MICHAEL H MOORE P O BOX 14594 TALLAHASSEE FL 32317-4594   GC: 91 7199 9991 7035 3203 1602
1/6/2016	Commingling Notice Ltr, C-107B, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to Robie Royalties Inc P O Box 660082 Dallas TX 75266-0082   GC: 91 7199 9991 7035 3203 159C
1/6/2016	Commingling Notice Ltr, C-107B, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to Bureau of Land Management - Carlsbad Field Office Attn: Mr. Ed Fernandez 620 E. Greene Street Carlsbad, NM 88220   GC: 91 7199 9991 7035 3203 1589
1/6/2016	Commingling Notice Ltr, C-107B, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to PAMELA ANNE EVANS 7625 PARKVIEW CIRCLE AUSTIN TX 78731   GC: 91 7199 9991 7035 3203 1572
1/6/2016	Commingling Notice Ltr, C-107B, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to TEXAS PRESBYTERIAN FOUNDATION C/O FARMERS NATIONAL CO AGENT ATTN: OIL & GAS DEPT P O BOX 3480 OMAHA NE 68103-048   GC: 91 7199 9991 7035 3203 1565
1/6/2016	Commingling Notice Ltr, C-107B, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to THE CLARE COMPANY LLC 30831 OLYMPIC PLACE LAGUNA NIGUEL CA 92657   GC: 91 7199 9991 7035 3203 1558
1/6/2016	Commingling Notice Ltr, C-107B, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to Virginia E. Eaton 461 Rittenhouse Blvd Jeffersonville PA 19403-3382   GC: 91 7199 9991 7035 3203 1541

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  
Holder CB Fed 1 30-015-20708  
Holder CB Fed 2 30-015-20709  
Holder CB Fed 4 30-015-25837  
Holder CB Fed 5 30-015-26529  
Holder CB Fed 6 30-015-31891  
Holder CB Fed 7 30-015-31892
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement  
☐ DHC ☒ CTB ☒ PLC ☐ PC ☐ OLS ☐ OLM  
Holder CB Fed 9 30-015-35273  
Holder CB Fed 10 30-015-35272
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR  
Holder CB Fed 12 30-015-35962  
Holder CB Fed 20 30-015-36670
- [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
- [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

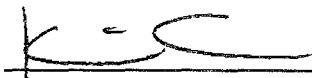
- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[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.

Kanicia Castillo

Print or Type Name

  
Signature

Lead Regulatory Analyst

Title

1/15/16

Date

kc Castillo@concho.com  
e-mail Address

District I  
1625 N. French Drive, Hobbs, NM 88240  
District II  
811 S. First St., 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 Department

Form C-107-B  
Revised August 1, 2011

**OIL CONSERVATION DIVISION**  
1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

Submit the original  
application to the Santa Fe  
office with one copy to the  
appropriate District Office.

**APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**

OPERATOR NAME: COG Operating LLC  
OPERATOR ADDRESS: One Concho Center, 600 W. Illinois Ave, Midland, TX 79707  
APPLICATION TYPE:

☐ Pool Commingling ☐ Lease Commingling ☒ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☒ Fee ☐ State ☐ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No.  
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling  
☒ Yes ☐ No

**(A) POOL COMMINGLING**  
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
Grayburg Jackson;SR-Q-G-SA 28509	37.3 / 1534	37.3 / 1487			
Loco Hills;Glorieta-Yeso 96718	37.3 / 1333				

- (2) Are any wells producing at top allowables? ☐ Yes ☒ No  
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No.  
(4) Measurement type: ☒ Metering ☒ Other (Specify) Well test method on low producing wells.  
(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved

**(B) LEASE COMMINGLING**  
Please attach sheets with the following information

- (1) Pool Name and Code  
(2) Is all production from same source of supply? ☐ Yes ☐ No  
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No  
(4) Measurement type ☐ Metering ☐ Other (Specify)

**(C) POOL and LEASE COMMINGLING**  
Please attach sheets with the following information

- (1) Complete Sections A and E


**(D) OFF-LEASE STORAGE and MEASUREMENT**  
Please attached sheets with the following information

- (1) Is all production from same source of supply? ☐ Yes ☐ No  
(2) Include proof of notice to all interest owners

**(E) ADDITIONAL INFORMATION (for all application types)**  
Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location  
(2) A plat with lease boundaries showing all well and facility locations Include lease numbers if Federal or State lands are involved  
(3) Lease Names, Lease and Well Numbers, and API Numbers

I hereby certify that the information above is true and complete to the best of my knowledge and belief

SIGNATURE:  TITLE: Lead Regulatory Analyst DATE: 12/16/15  
TYPE OR PRINT NAME: Kanicia Castillo TELEPHONE NO.: 432-685-4332  
E-MAIL ADDRESS: kcastillo@concho.com

**Bureau of Land Management  
Carlsbad Field Office  
620 East Greene Street  
Carlsbad, New Mexico 88220  
575-234-5972**

**Holder CB Federal wells  
Lease NMLC056551A**

**COG Operating LLC  
July 24, 2017**

**Condition of Approval**

**Surface Pool commingling and off lease gas measurement and sales**

1. This approval is subject to like approval by the New Mexico Oil Conservation Division.
2. This agency shall be notified of any spill or discharge as required by NTL-3A.
3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments or product accountability.
4. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days, an application for right-of-way approval must be submitted to the Realty Section if not already done.
5. Approval for combining production from various sources is a privilege which is granted to lessees for the purpose of aiding conservation and extending the economic life of leases. Applicants should be cognizant that failure to operate in accordance with the provisions outlined in the Authorized Officer's conditions of approval and/or subsequent stipulations or modifications will subject such approval to revocation.
6. Gas measurement for allocation must be measured as per Federal Regulations, AGA and API requirements for sales meters.
7. All gas and oil subject to royalty shall be measured as per federal regulations and shall be reported to ONRR as required. All gas which is vented, flared or used on lease shall be reported as per NTL-4A to ONRR. All gas which is vented or flared shall be subject to royalty, unless prior approval was given by the authorized officer.
8. This agency shall be notified of any change in sales method or location of sales point.
9. Additional wells require additional commingling approvals.
10. Notify this office 24 Hrs. prior to any meter calibration/proving to allow time for an inspector to witness.
11. Submit meter numbers upon installation of meters and also provide updated facility diagram with meters numbers.