

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

Carlsbad Field Office
OCD ArtesiaBase Serial No.
Multiple--See Attached

If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

7. If Unit or CA/Agreement, Name and/or No.
Multiple--See Attached

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other8. Well Name and No.
Multiple--See Attached

2. Name of Operator

COG OPERATING LLC

Contact: MAYTE X REYES
E-Mail: mreyes1@concho.com9. API Well No.
Multiple--See Attached

3a. Address

600 W ILLINOIS AVENUE
MIDLAND, TX 79701

3b. Phone No. (include area code)

Ph: 575.748.6945

10. Field and Pool, or Exploratory
Multiple--See Attached

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Multiple--See Attached

11. County or Parish, and State

EDDY COUNTY, NM

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

TYPE OF SUBMISSION

TYPE OF ACTION

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☐ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☒ Other
Surface Commingling

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 shall 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 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 requests approval to Surface Pool/Lease Commingle and Off Lease Sales Gas only the following wells:

Primero Federal #1H
SHL: 850? FNL & 847? FWL
Section 23. T26S. R24E.
Washington Ranch; Morrow South (G) [96854]
API 30-015-30503
Federal Lease No. NNMN100316

Yellowstone 3 Federal #3
SHL: 1980? FSL & 660? FWL

NM OIL CONSERVATION
ARTESIA DISTRICT

JUL 29 2016

RECEIVED

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #344959 verified by the BLM Well Information System

For COG OPERATING LLC, sent to the Carlsbad

Committed to AFMSS for processing by PRISCILLA PEREZ on 07/19/2016 (16PP1735SE)

Name (Printed/Typed) MAYTE X REYES

Title REGULATORY ANALYST

Signature (Electronic Submission)

Date 07/18/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By DUNCAN WHITLOCK

Title TECHNICAL LPET

Date 07/26/2016

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 Carlsbad

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 #344959 that would not fit on the form

5. Lease Serial No., continued

NMNM100316
NMNM108027
NMNM53148

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM100316	NMNM100316	PRIMERO FEDERAL 1	30-015-30503-00-S1	Sec 23 T26S R24E NWNW 850FNL 847FWL
NMNM108027	NMNM108027	YELLOWSTONE 3 FEDERAL 3	30-015-39823-00-S1	Sec 3 T26S R25E NWSW 1980FSL 660FWL
NMNM53148	NMNM53148	FEDERAL C U 1	30-015-24031-00-S1	Sec 35 T25S R25E SWNE 1980FNL 1980FEL

10. Field and Pool, continued

WILDCAT

32. Additional remarks, continued

Section 3. T26S. R25E
WC-015 G-02 S262503L; Bone Spring [97945]
API 30-015-39823
Federal Lease No. NMNM108027

Federal CU #1
SHL: 1980? FNL & 1980? FEL
Section 35. T25S. R25E
Cottonwood Spring; Morrow Gas [96612]
API# 30-015-24031
Federal Lease No. NMNM053148

The commingled gas production will be sold at the Enterprise sales meter #68478 located in UL "J"
NWSE Section 32. T25S. R25E.

See attached.

APPLICATION FOR SURFACE POOL/LEASE COMMINGLE & OFF-LEASE-SALES GAS ONLY

Proposal for Primero Fed #1, Yellowstone 3 Fed #3 and Federal CU #1:

COG Operating LLC respectfully request approval for Surface Pool/Lease Commingle and Off-Lease Sales gas only for the following wells:

Federal Lease NMNM100316 Royalty Rate 12.5%

Well Name	Location	API #	Pool [96856]	BOPD	Oil Gravities	MCFPD	BTU
Primero Fed #1	Sec. 23-T26S-R24E	30-015-30503	Washington Ranch; Morrow South	-	-	55	1065.00

Federal Lease NMNM108027 Royalty Rate 12.5%

Well Name	Location	API #	Pool [97945]	BOPD	Oil Gravities	MCFPD	BTU
Yellowstone 3 Fed #3	Sec. 3-T26S-R25E	30-015-39823	WC-015 G-02 S262503L; Bone Spring	-	-	5	1098.00

Federal Lease NMNM053148 Royalty Rate 12.5%

Well Name	Location	API #	Pool [96612]	BOPD	Oil Gravities	MCFPD	BTU
Federal CU #1	Sec. 35-T25S-R25E	30-015-24031	Cottonwood Spring; Morrow Gas	-	-	3	1101.00

An attached map shows the federal leases and well locations in Section 23. T26S. R24E, Section 3. T26S. R25E and Section 35. T25S. R25E. Working, royalty, and overriding interest owners have been notified of this proposal via certified mail (see attached).

Gas metering:

Each well is equipped with a gas allocation meter that will continuously meter gas production prior to commingling and these measurements shall be used to allocate production/sales to the wells. Allocation Meter #88522001 belongs to the Primero Federal #1H, allocation meter #88522086 belongs to the Yellowstone 3 Federal #3, and allocation meter #88522003 belongs to the Federal CU #1. These meters will be the Federal measurement points which production will be reported for sales of produced gas. All three wells will utilize the CDP Enterprise sales meter #68478 which is located at the NWSE Unit Letter J Section 32. T25S. R25E.

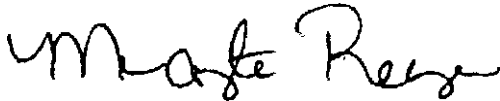
The BLM's interest in all three wells are associated with Federal Lease #NMNM100316, Federal Lease #NMNM108027, and Federal Lease #NMNM053148 which all three leases have a royalty rate of 12.5%. Waste is not induced and no correlative rights are impaired. These meters will be calibrated on a regular basis per API, NMOCD and BLM specifications. The BLM and OCD will be notified of any future changes in the facilities.

The commingling of production is in the interest of conservation and will result in the most effective, economic means of producing the reserves in place from the affected wells and will not result in reduced royalty or improper measurement of production. The proposed commingling will reduce the surface facility footprint and overall emissions.

COG will use allocation gas meters to measure the gas prior to commingling. These meters will meet all measurement requirements of API Federal regulations for gas sales meters. COG requests this type of commingle application due to economics. It is not economical to install a gas sales meter run and meter at the cost of \$65,000.00, these equipment and maintenance would have an uneconomical pay out for an installation of this type. COG feels it is not in the best interest of the American public to have the operator plug the wells at this time, there are still recoverable minerals.

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

Signed:

A handwritten signature in cursive script, appearing to read "Mayte Reyes".

Printed Name: Mayte Reyes

Title: Regulatory Analyst

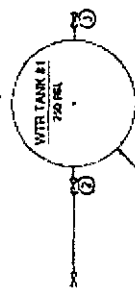
Date: 7-18-16

PRIMERO FEDERAL #1 BATTERY
 NESW SECTION 23, T26S, R24E, UNIT K
 EDDY COUNTY, NM

WELLS
 PRIMERO FEDERAL #001: 30-015-30503

Production Phase - Tank #1
 - Valve 1 open
 - Valve 2 open
 - Valve 3 closed
 - Valve 4 open

Sales Phase - Tank #1
 - Valve 1 open
 - Valve 2 open
 - Valve 3 closed
 - Valve 4 open



WATER LINE



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: _____

TO ENTERPRISE GAS SALES
 LINE METER #6478 LOCATED
 STATE LEASE #10-5156-001
 NYSE SECTION 22, T25S, R25E, UNIT J

GAS LINE

CONCHO NEW MEXICO SHEL ASSET PRODUCTION FACILITIES PRIMERO FEDERAL #1 BATTERY EDDY COUNTY, NM D-1700-81-003	
OPERATING RECORDS DATE BY TIME COMMENTS 1. 10/1/11 2. 10/1/11 3. 10/1/11 4. 10/1/11 5. 10/1/11 6. 10/1/11 7. 10/1/11 8. 10/1/11 9. 10/1/11 10. 10/1/11	RECEIVED DATE BY TIME COMMENTS 1. 10/1/11 2. 10/1/11 3. 10/1/11 4. 10/1/11 5. 10/1/11 6. 10/1/11 7. 10/1/11 8. 10/1/11 9. 10/1/11 10. 10/1/11
COG OPERATING LLC 600 WEST ILLINOIS AVENUE MIDLAND, TEXAS 79701	
Type of Lease: Federal Federal Lease #: NMNM - 100316 Property Code: 308093 OGRID #: 228137	

YELLOWSTONE 3 FEDERAL #3 BATTERY
NWSW SECTION 3, T26S, R25E, UNIT 1
EDDY COUNTY, NM

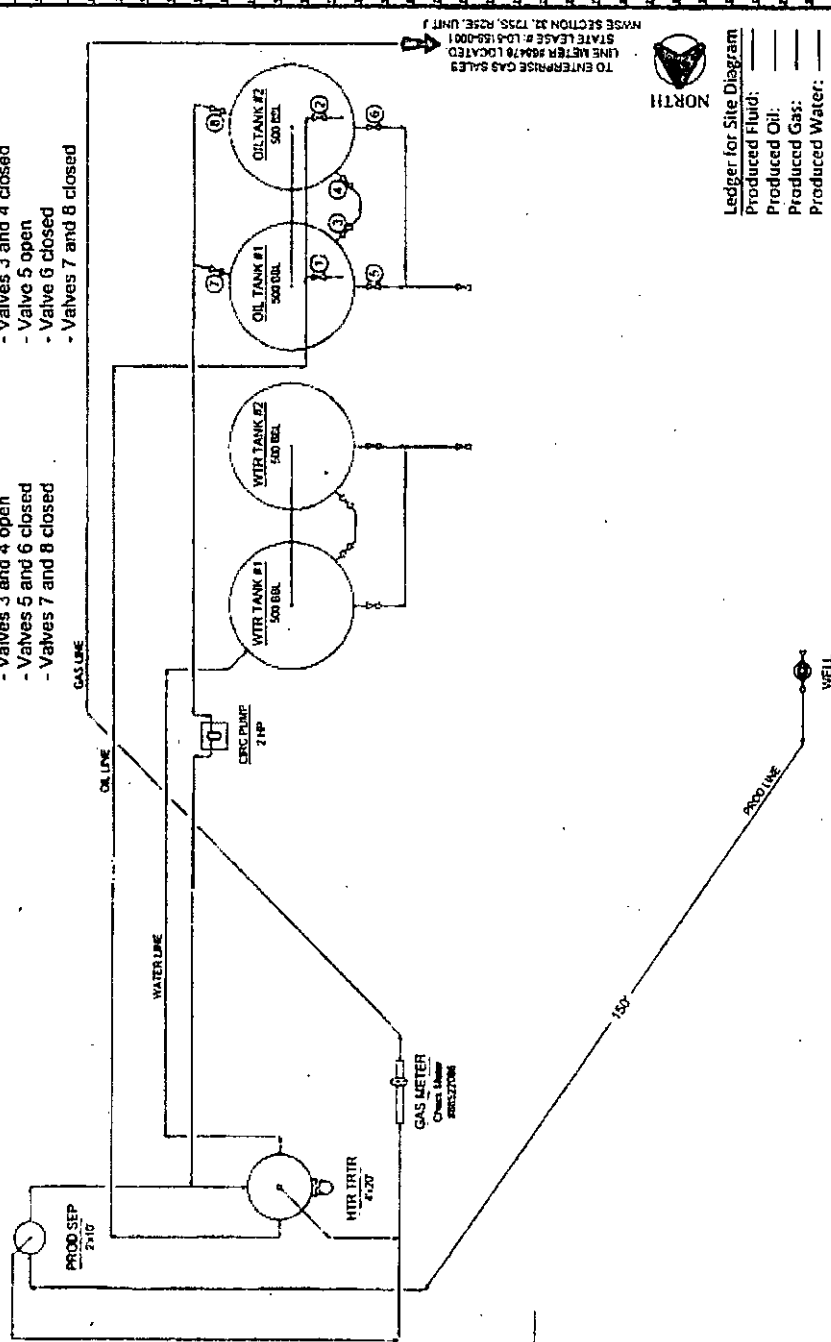
WELLS:
YELLOWSTONE 3 FEDERAL #D03: 30-015-39823

Production Phase - Oil Tank #1

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

Sales Phase - Oil Tank #1

- Valve 1 closed
- Valve 2 open
- Valves 3 and 4 closed
- Valve 5 open
- Valve 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**

Type of Lease: Federal
Federal Lease #: NMNM - 109027
Property Code: 310243
OGRID #: 229137

[illegible]

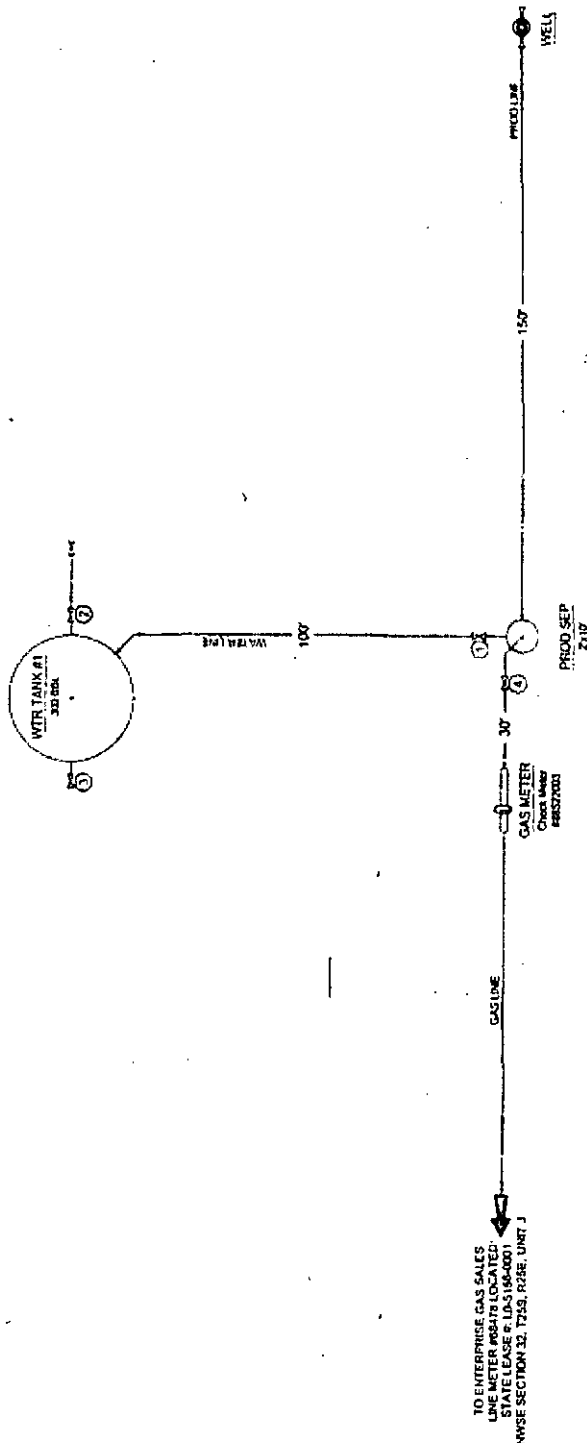
FEDERAL CU #1 BATTERY
SWNE SECTION 35, T25S, R25E, UNIT G
EDDY COUNTY, NM

WELLS:
FEDERAL CU #001: 30-015-24031

Production Phase - Tank #1

Sales Phase - Tank #1

- Valve 1 open
- Valve 2 open
- Valve 3 closed
- Valve 4 open



TO ENTERPRISE GAS SALES
LINE METER #68478 LOCATED
STATE LEASE # 10-516-0001
PURCHASE SECTION 32, T749, R25E, UN

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

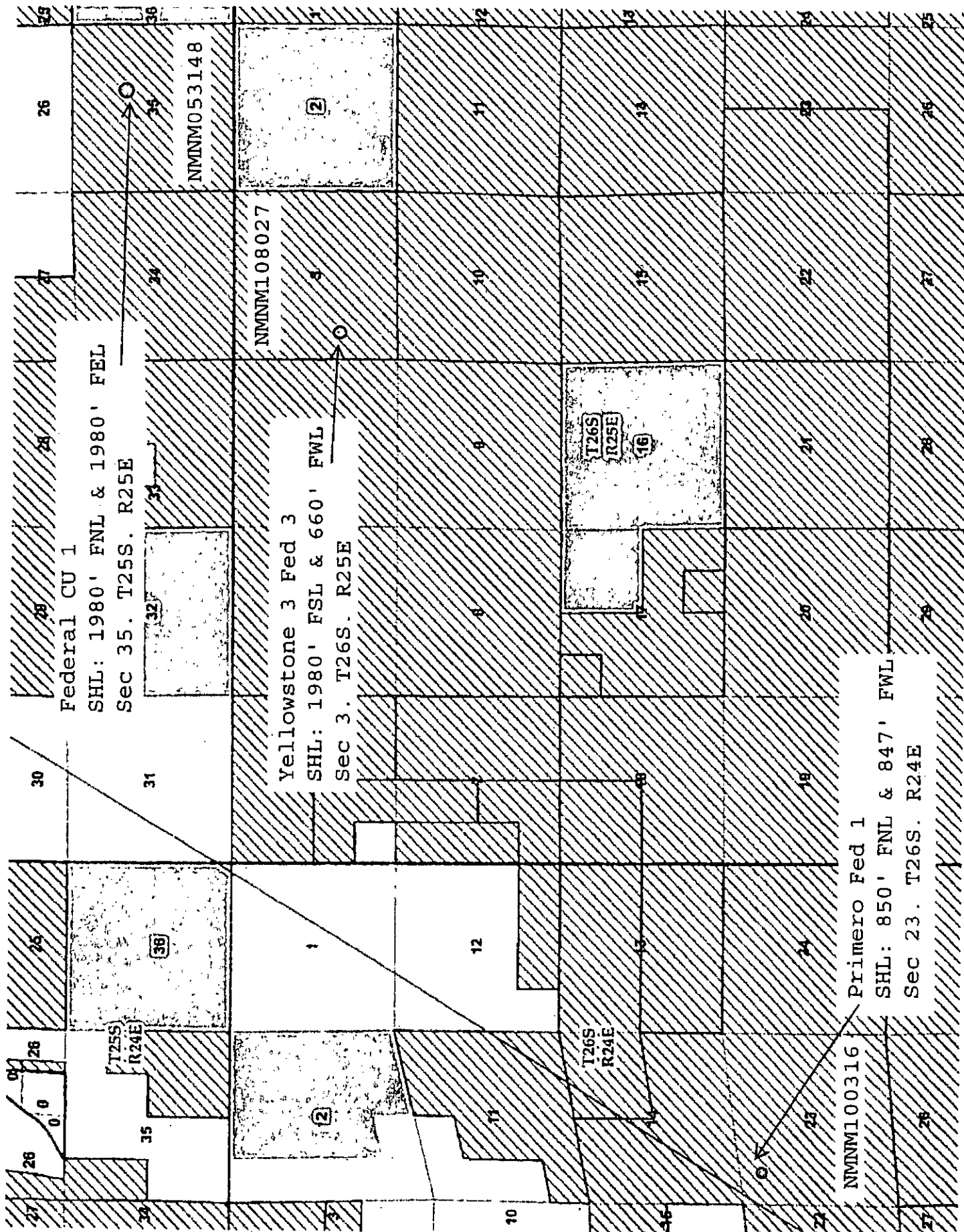
Type of Lease: Federal
Federal Lease #: NNMN - 053148
Property Code: 310251
OGRID #: 229137

Ledger for Site Diagram
Produced Fluid: _____
Produced Oil: _____
Produced Gas: _____
Produced Water: _____



NEW MEXICO DAILY ASSET
PRODUCTION FACILITIES
SITE FACILITY DIAGRAM
FEDERAL QUARTER BATTERY

[illegible]



Primero Fed 1

SHL: 850' FNL & 847' FWL

Sec 23. T26S. R24E

NMNM100316

Federal CU 1

SHL: 1980' FNL & 1980' FEL

Sec 35. T25S. R25E

Yellowstone 3 Fed 3

SHL: 1980' FSL & 660' FWL

Sec 3. T26S. R25E

NMNM053148

NMNM108027

fed OU check meter number 8852203 lat 32° 5' 17.29"N long 104° 21' 53.23"W

enterprize master meter primero ID #68478

yellow stoned check meter number 88522086

primero fed check meter 88522001 lat 32° 1' 52.01"N long 104° 28' 29.42"W

Enterprise

88478 Meter #88478

AVS#SEC 32 4255 R25E

primero Federal

check meter #88522001

AVS#SEC 23 4265 R24E

yellow stone Federal

check meter #88522086

AVS#SEC 31 4265 R25E

Federal 30/1

check meter #88522003

AVS#SEC 31 4255 R25E

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

Run Time: 04:18 PM

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Run Date: 06/28/2016

01 12-22-1987;101STAT1330;30USC181 ET SE
Case Type 312021: O&G LSE COMP PD -1987
Commodity 459: OIL & GAS
Case Disposition: AUTHORIZED

Total Acres 2,518.300
Serial Number NMNM-- 100316

Serial Number: NMNM-- 100316

Name & Address			Int Rel	% Interest
COG OPERATING LLC	600 WILLINOIS AVE	MIDLAND TX 797014882	LESSEE	79.230000000
CONCHO OIL & GAS LLC	600 WILLINOIS AVE. ONE CONCHO CE	MIDLAND TX 797014882	LESSEE	4.170000000
EMG OIL PROPERTIES INC	1000 W 4TH ST	ROSWELL NM 88201	LESSEE	3.270000000
SLASH FOUR ENTERPRISES INC	PO BOX 1433	ROSWELL NM 88202	LESSEE	6.666700000
SORENSEN DAVID J	PO BOX 1453	ROSWELL NM 88202	LESSEE	6.663300000

Serial Number: NMNM-- 100316

Mer Twp Rng Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23 0260S 0240E 014	ALIQ		SE;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0260S 0240E 014	LOTS		1,2,3,4,5,6,7,8;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0260S 0240E 015	ALIQ		SW;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0260S 0240E 015	LOTS		1,2,3,4;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0260S 0240E 022	LOTS		1-10,15,16;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0260S 0240E 023	ALL		ENTIRE SECTION	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0260S 0240E 024	ALL		ENTIRE SECTION	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- 100316

Act Date	Code	Action	Action Remark	Pending Office
10/21/1997	387	CASE ESTABLISHED	9710069	
10/22/1997	191	SALE HELD		
10/22/1997	267	BID RECEIVED	\$50380.00;	
10/22/1997	392	MONIES RECEIVED	\$50380.00;	
11/18/1997	237	LEASE ISSUED		
11/18/1997	974	AUTOMATED RECORD VERIF	LBO	
12/01/1997	496	FUND CODE	05;145003	
12/01/1997	530	RLTY RATE - 12 1/2%		
12/01/1997	868	EFFECTIVE DATE		
12/02/1997	600	RECORDS NOTED		
12/15/1997	084	RENTAL RECEIVED BY ONRR	\$3778.50;11/MULTIPLE	
05/26/1998	899	TRF OF ORR FILED	(1)	
05/26/1998	899	TRF OF ORR FILED	(2)	
06/30/1998	963	CASE MICROFILMED/SCANNED		
10/21/1998	084	RENTAL RECEIVED BY ONRR	\$3778.50;21/000000004	
02/02/1999	650	HELD BY PROD - ACTUAL	/1/	
05/03/1999	140	ASGN FILED	PRIMERO INC/MARBOB EN	
06/09/1999	139	ASGN APPROVED	EFF 06/01/99;	
06/09/1999	974	AUTOMATED RECORD VERIF	JLV	
10/12/1999	643	PRODUCTION DETERMINATION	/1/	
10/12/1999	658	MEMO OF 1ST PROD-ACTUAL	/1/#1 PRIMERO FED;	
10/18/1999	084	RENTAL RECEIVED BY ONRR	\$3779;21/23	
06/02/2001	269	ASGN DENIED	MARBOB EN/COG OPERA	
02/14/2005	140	ASGN FILED	BRANEX RE/EMG OIL P;1	
03/24/2005	139	ASGN APPROVED	EFF 03/01/05;	
03/24/2005	974	AUTOMATED RECORD VERIF	MV	
12/18/2007	974	AUTOMATED RECORD VERIF	ANN	

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
(MASS) Serial Register Page**

Run Time: 04:19 PM

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Run Date: 06/28/2016

01 12-22-1987;101STAT1330;30USC181 ET SE
Case Type 312021: O&G LSE COMP PD -1987
Commodity 459: OIL & GAS
Case Disposition: AUTHORIZED

Total Acres 640.000
Serial Number NMNM-- - 108027

Name & Address			Serial Number: NMNM-- - 108027	Int Rel	% Interest
CHEVRON MIDCONTINENT LP	6301 DEAUVILLE	MIDLAND TX 797062964	OPERATING RIGHTS	0.000000000	
CIMAREX ENERGY CO OF COLORADO	1700 LINCOLN ST STE 1800	DENVER CO 802034518	OPERATING RIGHTS	0.000000000	
COG OPERATING LLC	600 W ILLINOIS AVE	MIDLAND TX 797014882	OPERATING RIGHTS	0.000000000	
ECHO PROD INC	PO BOX 1210	GRAHAM TX 76450	LESSEE	100.000000000	
LATIGO PETROLEUM INC	15 W 6TH ST #1100	TULSA OK 74119	OPERATING RIGHTS	0.000000000	
OXY USA INC	5 GREENWAY PLZ #110	HOUSTON TX 770460521	OPERATING RIGHTS	0.000000000	
SAMSON RESOURCES CO	200 N LORRAINE #1010	MIDLAND TX 79701	OPERATING RIGHTS	0.000000000	
TALUS INC	PO BOX 1210	GRAHAM TX 76450	OPERATING RIGHTS	0.000000000	
THE ALLAR CO	PO BOX 1567	GRAHAM TX 76450	OPERATING RIGHTS	0.000000000	
TWIN MONTANA INC	PO BOX 1210	GRAHAM TX 76450	OPERATING RIGHTS	0.000000000	

Serial Number: NMNM-- - 108027

Mer Twp	Rng	Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23	02605	0250E	003	ALL	ENTIRE SECTION	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 108027

Act Date	Code	Action	Action Remark	Pending Office
01/15/2002	387	CASE ESTABLISHED	200201024	
01/16/2002	191	SALE HELD		
01/16/2002	267	BID RECEIVED	\$48000.00;	
01/16/2002	392	MONIES RECEIVED	\$48000.00;	
02/15/2002	237	LEASE ISSUED		
02/15/2002	974	AUTOMATED RECORD VERIF	BTM	
03/01/2002	496	FUND CODE	05;145003	
03/01/2002	530	RLTY RATE - 12 1/2%		
03/01/2002	868	EFFECTIVE DATE		
03/25/2002	963	CASE MICROFILMED/SCANNED		
06/03/2002	899	TRF OF ORR FILED	ECHO PRODUCTION INC;1	
09/04/2002	932	TRF OPER RGTS FILED	ECHO PRODUCTION INC;1	
10/28/2002	933	TRF OPER RGTS APPROVED	EFF 10/01/02;	
10/28/2002	974	AUTOMATED RECORD VERIF	JLV	
04/30/2003	817	MERGER RECOGNIZED	KUKUI INC/ANIMAS ENE	
06/27/2003	932	TRF OPER RGTS FILED	ANIMAS/SAGA;	
07/29/2003	933	TRF OPER RGTS APPROVED	EFF 07/01/03;	
07/29/2003	974	AUTOMATED RECORD VERIF	MV	
07/12/2004	932	TRF OPER RGTS FILED	SAGA PETRO/LATIGO	
08/20/2004	933	TRF OPER RGTS APPROVED	EFF 08/01/04;	
08/20/2004	974	AUTOMATED RECORD VERIF	MV	
05/22/2006	932	TRF OPER RGTS FILED	LATIGO PE/ALLAR COM;1	
07/03/2006	933	TRF OPER RGTS APPROVED	EFF 06/01/06;	
07/03/2006	974	AUTOMATED RECORD VERIF	ANN	
08/14/2006	940	NAME CHANGE RECOGNIZED	CIMAREX/CIMAREX OF CO	
12/08/2006	932	TRF OPER RGTS FILED	LATIGO PE/CHEVRON M;1	
02/14/2007	933	TRF OPER RGTS APPROVED	EFF 01/01/07;	

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
(MASS) Serial Register Page**

Run Time: 04:20 PM

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Run Date: 06/28/2016

01 02-25-1920;041STAT0437;30USC181ETSEQ.

Case Type 311211: O&G LSE SIMO PUBLIC LAND

Commodity 459: OIL & GAS

Case Disposition: AUTHORIZED

Total Acres
640.000

Serial Number
NMNM-- - 053148

Serial Number: NMNM-- - 053148

Name & Address			Int Rel	% Interest
CODY ENERGY INC	7555 E HAMDEN AVE #600	DENVER CO 80231	OPERATING RIGHTS	0.000000000
COG OPERATING LLC	600 W ILLINOIS AVE	MIDLAND TX 797014882	LESSEE	63.750000000
CREE IRA J	3250 CHERRY AVE	LONG BEACH CA 90807	OPERATING RIGHTS	0.000000000
FERGUSON FLOYD J	PO BOX 606	ROSWELL NM 882020606	OPERATING RIGHTS	0.000000000
KONSTANTINE GEORGE P	111 W OCEAN BLVD	LONG BEACH CA 90802	OPERATING RIGHTS	0.000000000
LLANO LAND & EXPL	BOX 2544	ROSWELL NM 882022544	OPERATING RIGHTS	0.000000000
SCHLICHER FRED J	BOX 606	ROSWELL NM 882020606	OPERATING RIGHTS	0.000000000
SMITH MARTIN III	8055 MANCHESTER AVE	PLAYA DEL REY CA 90293	OPERATING RIGHTS	0.000000000
TALUS INC	PO BOX 1210	GRAHAM TX 76450	LESSEE	5.000000000
THE ALLAR CO	PO BOX 1567	GRAHAM TX 76450	LESSEE	21.250000000
TWIN MONTANA INC	PO BOX 1210	GRAHAM TX 76450	LESSEE	10.000000000

Serial Number: NMNM-- - 053148

Mer Twp	Rng	Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23	02505	0250E	035	ALL	ENTIRE SECTION	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 053148

Act Date	Code	Action	Action Remark	Pending Office
01/24/1972	387	CASE ESTABLISHED		
02/01/1972	496	FUND CODE	05;145003	
02/01/1972	530	RLTY RATE - 12 1/2%		
02/01/1972	868	EFFECTIVE DATE		
01/15/1982	209	CASE CREATED BY SEGR	OUT OF NMNM14759;	
05/04/1982	500	GEOGRAPHIC NAME	UNDEFINED FLD;	
05/04/1982	510	KMA CLASSIFIED		
05/04/1982	650	HELD BY PROD - ACTUAL		
02/11/1983	315	RENTAL RATE DET/ADJ	\$2.00;	
05/08/1987	974	AUTOMATED RECORD VERIF	EP/MLC	
06/02/1987	963	CASE MICROFILMED/SCANNED	CNUM 561,277 DS	
05/29/1990	932	TRF OPER RGTS FILED	ENSTAR CORP/ULTRAMAR	
07/02/1990	933	TRF OPER RGTS APPROVED	EFF 06/01/90;	
07/02/1990	974	AUTOMATED RECORD VERIF	RAO/RAO	
07/18/1990	140	ASGN FILED	AMOCO PROD/SCHLICHER	
07/18/1990	140	ASGN FILED	AMOCO/SCHLICHER-FERG	
08/29/1990	974	AUTOMATED RECORD VERIF	MRR/RAYO	
06/26/1991	899	TRF OF ORR FILED		
06/26/1991	932	TRF OPER RGTS FILED	DAVOIL/SCHLICHER ETAL	
06/26/1991	932	TRF OPER RGTS FILED	ULTRAMAR/SCHLICHER	
07/30/1991	139	ASGN APPROVED	(1)EFF 08/01/91;	
07/30/1991	139	ASGN APPROVED	(2)EFF 08/01/91;	
07/30/1991	974	AUTOMATED RECORD VERIF	MRR/MT	
08/27/1991	933	TRF OPER RGTS APPROVED	01EFF 07/01/91;	
08/27/1991	933	TRF OPER RGTS APPROVED	02EFF 07/01/91;	
08/27/1991	974	AUTOMATED RECORD VERIF	RAO/KRP	
06/26/1992	974	AUTOMATED RECORD VERIF	ST/JS	

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



July 18, 2016

**RE: Surface Pool/Lease Commingle and Off Lease Sales Gas Only
Primero Federal #1, Yellowstone 3 Federal #3, and Federal CU Federal #1**

Dear Interest Owner:

This is to advise you that COG Operating LLC, is filing an application with the New Mexico Oil Conservation Division ("NMOCD") and Bureau of Land Management (BLM) seeking approval for a Surface Pool/Lease Commingle and Off Lease Sales Gas Only for the above mentioned wells.

A copy of our application submitted to the Division is attached.

Any objections or requests that a hearing should be held regarding this application must be submitted in writing to the New Mexico Oil Conservation Division Santa Fe office within 20 days from the date of this letter. The Division Director may approve this application if no objection has been made within the 20 days after the application has been received.

If you have any questions regarding this Application, please contact me at 575-748-6945 or email me at mreyes1@concho.com, or Melanie Wilson at 575-748-6952 email mwilson@concho.com.

Sincerely,

A handwritten signature in black ink that reads "Mayte Reyes".

Mayte Reyes
Regulatory Analyst
COG Production LLC
2208 W. Main Street
Artesia, NM 88210
575.748.6945

Enclosure

CERTIFIED MAILING LIST

Wells, Leases: Primero Federal #1 (NMNM100316), Yellowstone 3 Federal #3 (NMNM108027), Federal CU #1 (NMNM053148)

Owner Name/Address

Certified Mailing Number

Chevron U.S.A., Inc.
Land Department c/o Owner Division
P.O. Box 4538
Houston, Texas 77210

7013 3020 0000 8748 7945

OXY USA Inc
P O Box 27570 Room 13 105
Houston, Texas 77227

7013 3020 0000 8748 7938

David J. Sorenson
P O Box 1453
Roswell, NM 88202

7013 3020 0000 8748 7990

Slash Four Enterprises, Inc
P O Box 1433
Roswell, NM 88202

7013 3020 0000 8748 7983

Paisano Partners
P O Box 1973
Midland, Texas 79702

7013 3020 0000 8748 7952

EMG Oil Properties
1000 West Fourth Street
Roswell, NM 88201

7013 3020 0000 8748 7969

The Allar Company
P O Box 1567
Graham, Texas 76450

7013 3020 0000 8748 7907

Talus Inc.
P O Box 1210
Graham, Texas 76450

7013 3020 0000 8748 7914

Owner Name/Address**Certified Mailing Number**

Magnum Hunter Production, Inc.
202 South Cheyene Ave., Ste 1000
Tulsa, Oklahoma 74103

7013 3020 0000 8748 7976

Twin Montana, Inc
Attn: H T Hunnewell
P O Box 1210
Graham, Texas 76450

7013 3020 0000 8748 7921

COG Operating LLC
600 W Illinois Ave
Midland, TX 79701

7013 3020 0000 8750 1238

Concho Oil & Gas LLC
600 W. Illinois Ave
Midland, TX 79701

7013 3020 0000 8750 1221

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

[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.

Mayte Reyes
 Print or Type Name

Signature

Mayte Reyes

Regulatory Analyst
 Title

7/18/16
 Date

mreyes1@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: 2208 W. Main Street, Artesia, NM 88210
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
Washington Ranch, Morrow South [96856]	BTU: 1.065				
WC-015 G-02 S262503L; Bone Spring [97945]	BTU: 1.098				
Cottonwood Spring, Morrow Gas [96612]	BTU: 1.101				

- (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)
(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: Mayte Reyes TITLE: Regulatory Analyst DATE: 7/18/16

TYPE OR PRINT NAME: Mayte Reyes TELEPHONE NO.: 575-748-6945 E-MAIL ADDRESS: mreyes1@concho.com

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

**Primero Federal #1 3001530503 Lease- NM100316, Yellowstone 3 Federal #3 3001539823 Lease- NM108027,
Federal CU #1 3001524031 Lease- NM53148**

COG Production LLC

July 26, 2016

Condition of Approval

Commingling of lease Gas production and off lease Sales of Gas only

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.
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 Onshore Order #5 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 and/or leases require additional commingling approvals.
10. Notify this office 24 Hrs. prior to any meter proving to allow time for an inspector to witness.