Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

FORM APPROVED OMB NO. 1004-0135 Expires: July 31, 2010

If Unit or CA/Agreement, Name and/or No. NMNM135798

Lease Serial No.
NMNM0536344

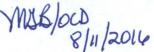
SUNDRY NOTICES AND REPORTS ON WELLS	NMOCD
Do not use this form for proposals to drill or to re-enter an	TT 1.1
abandoned well. Use form 3160-3 (APD) for such proposals.	Hobbs

6. If Indian, Allottee or Tribe Name

1. Type of Well	8. Well Name and No				
☑ Oil Well ☐ Gas Well ☐ Oth	RESOLVER FED	DERAL COM 2H			
2. Name of Operator COG OPERATING LLC	Contact: BRIA E-Mail: bmaiorino@conc		9. API Well No. 30-025-42170-	9. API Well No. 30-025-42170-00-S1	
3a. Address ONE CONCHO CENTER 60 MIDLAND, TX 79701-4287		Phone No. (include area code 432-221-0467	DIAMONDTAIL	10. Field and Pool, or Exploratory DIAMONDTAIL	
4. Location of Well (Footage, Sec., T	, R., M., or Survey Description)	HOBB	11. County or Parish,	and State	
Sec 12 T23S R32E NENW 19 32.325890 N Lat, 103.629111		AUG 0	11. County or Parish, LEA COUNTY,	NM /	
12. CHECK APPR	ROPRIATE BOX(ES) TO IND		NOTICE, REPORT, OR OTHE	ER DATA	
TYPE OF SUBMISSION		ТҮРЕ О	F ACTION		
	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off	
Notice of Intent	☐ Alter Casing	Fracture Treat	Reclamation	□ Well Integrity	
☐ Subsequent Report	☐ Casing Repair	□ New Construction	Recomplete	☑ Other	
☐ Final Abandonment Notice	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	Venting and/or Flari	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	ng	
From 7/18/16 to 10/16/16 # of wells to flare: 1, 30-025-43 bbls oil/day: 400 mcf/day: 1750 Reason: waiting on gas conne		2H			
14. I hereby certify that the foregoing is	Electronic Submission #344642 For COG OPER	ATING LLC, sent to the	Hobbs		
Name (Printed/Typed) BRIAN MA	mitted to AFMSS for processing		RIZED REPRESENTATIVE		
Name(17mea/19pea) BINAIN WIF	NOTHING	TANK AGTITE	NIZED KEI KEGENTATIVE		
Signature (Electronic S	ubmission)	Date 07/14/2	Date 07/14/2016		
	THIS SPACE FOR FE	DERAL OR STATE	OFFICE USE		
Approved By /S/ DAV	ID R. GLASS	Title	OLEUM ENGINEER	'AUL 2 6 2016	
Conditions of approval, if any, are attached certify that the applicant holds legal or equivalent would entitle the applicant to condu-	itable title to those rights in the subjec		Office		
Title 18 U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent s				agency of the United	

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CONDITIONS OF APPROVAL

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 E. Greene
Carlsbad, New Mexico 88220-6292
(575) 234-5972
Venting and/or Flaring
Conditions of Approval

This field office has evaluated the attached Notice of Intent as a request for flaring/venting beyond NTL-4A allowable thresholds (reasons, timeframes, and volumes), and has determined the following Conditions of Approval apply.

Conditions of Approval to Flare Gas

- 1. Comply with NTL-4A requirements
- 2. Subject to like approval from NMOCD
- 3. Flared volumes are considered "avoidably lost" and will require payment of royalties. Volumes shall be reported on OGOR "B" reports as disposition code "08"
- 4. "Avoidably lost" flare volumes shall be metered due to their royalty bearing status. 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.
- Vent/flare gas metering to meet all requirements for a sales meter as per Federal Regulations, Onshore Order #5 and NTL 2008-01. Include meter serial number on sundry (form 3160-5).
- 6. This approval does not authorize any additional surface disturbance.
- 7. An updated facility diagram is required within 60 days of modifications to existing facilities per Onshore Order #3.
- 8. Approval not to exceed 90 days, if flaring is still required past 90 days submit new request for approval.
- 9. Submit Subsequent Report with actual volumes of gas flared for each month gas is flared on a sundry form 3160-5.

Definition: As per NTL-4A II. A. "Avoidably lost" production shall mean the venting or flaring of produced gas without the prior authorization, approval, ratification, or acceptance of the Supervisor and the loss of produced oil or gas when the Supervisor determines that such loss occurred as a result of (1) negligence on the part of the lessee or operator, or (2) the failure of the lessee or operator to take all reasonable measures to prevent and/or to control the loss, or (3) the failure of the lessee or operator to comply fully with the applicable lease terms and regulations, appropriate provisions of the approved operating plan, or the prior written orders of the Supervisor, or (4) and combination of the foregoing.

43CFR3162.7-1 (a) The operator shall put into marketable condition, if economically feasible, all oil, other hydrocarbons, gas and sulphur produced from the leased land.

43CFR3162.1 (a) The operating rights owner or operator, as appropriate, shall comply with applicable laws and regulations; with the lease terms, Onshore Oil and Gas Orders, NTL's; and with other orders and instructions of the authorized officer. These include, but are not limited to, conducting all operations in a manner which ensures the proper handling, measurement, disposition, and site security of leasehold production; which protects other natural resources and environmental quality; which protects life and property; and which results in maximum ultimate economic recovery of oil and gas with minimum waste and with minimum adverse effect on ultimate recovery of other mineral resources.