

February 11, 2021

Attn: Dean McClure NM Oil Conservation Division 1220 South Saint Francis Drive Santa Fe, New Mexico 87505

Re: Application for Administrative Approval Off-lease Measurement – Oil Only

Dear Mr. McClure,

COG Operating LLC respectfully requests approval for off-lease measurement – Oil only for the following wells:

Tomahawk Federal Unit 701H API# 30-015-47439 Purple Sage; Wolfcamp (Gas) Ut. P, Sec. 20-T24S-R28E Eddy County, NM

Tomahawk Federal Unit 703H API# 30-015-47307 Purple Sage; Wolfcamp (Gas) Ut. N, Sec. 20-T24S-R28E Eddy County, NM

Tomahawk Federal Unit 705H API# 30-015-47309 Purple Sage; Wolfcamp (Gas) Ut. N, Sec. 20-T24S-R28E Eddy County, NM

Tomahawk Federal Unit 707H API# 30-015-47586 Purple Sage; Wolfcamp (Gas) Ut. O, Sec. 19-T24S-R28E Eddy County, NM

Tomahawk Federal Unit 709H API# 30-015-47352 Purple Sage; Wolfcamp (Gas) Ut. A, Sec. 29-T24S-R28E Eddy County, NM Tomahawk Federal Unit 702H API# 30-015-47442 Purple Sage; Wolfcamp (Gas) Ut. P, Sec. 20-T24S-R28E Eddy County, NM

Tomahawk Federal Unit 704H API# 30-015-47308 Purple Sage; Wolfcamp (Gas) Ut. N, Sec. 20-T24S-R28E Eddy County, NM

Tomahawk Federal Unit 706H API# 30-015-47585 Purple Sage; Wolfcamp (Gas) Ut. O, Sec. 19-T24S-R28E Eddy County, NM

Tomahawk Federal Unit 708H API# 30-015-47584 Purple Sage; Wolfcamp (Gas) Ut. O, Sec. 19-T24S-R28E Eddy County, NM

Tomahawk Federal Unit 710H API# 30-015-47444 Purple Sage; Wolfcamp (Gas) Ut. A, Sec. 29-T24S-R28E Eddy County, NM

CORPORATE ADDRESS

Received by OCD: 2/11/2021 2:50:57 PM

ARTESIA WEST OFFICE

2208 Main Street | Artesia, New Mexico 88210 P 575,748 6940 | F 575,746,2096

One Concho Center | 600 West Illinois Avenue | Midland, Texas 79701 P 432.683.7443 | F 432.683.7441



Tomahawk Federal Unit 711H API# 30-015-47321 Purple Sage; Wolfcamp (Gas) Ut. C, Sec. 29-T24S-R28E Eddy County, NM

Tomahawk Federal Unit 713H API# 30-015-47320 Purple Sage; Wolfcamp (Gas) Ut. C, Sec. 29-T24S-R28E Eddy County, NM

Tomahawk Federal Unit 715H API# 30-015-47501 Purple Sage; Wolfcamp (Gas) Ut. B, Sec. 30-T24S-R28E Eddy County, NM

Tomahawk Federal Unit 717H API# 30-015-47503 Purple Sage; Wolfcamp (Gas) Ut. C, Sec. 30-T24S-R28E Eddy County, NM

Oil Production:

Tomahawk Federal Unit 712H AP!# 30-015-47336 Purple Sage; Wolfcamp (Gas) Ut. C, Sec. 29-T24S-R28E Eddy County, NM

Tomahawk Federal Unit 714H API# 30-015-47500 Purple Sage; Wolfcamp (Gas) Ut. B, Sec. 30-T24S-R28E Eddy County, NM

Tomahawk Federal Unit 716H API# 30-015-47502 Purple Sage; Wolfcamp (Gas) Ut. A, Sec. 30-T24S-R28E Eddy County, NM

Tomahawk Federal Unit 718H API# 30-015-47504 Purple Sage; Wolfcamp (Gas) Ut. C, Sec. 30-T24S-R28E Eddy County, NM

The oil production from these wells may be transported by truck to either the Red Hills Offload Station, located in Unit O, Section 4-T26S-R32E, or the Jal Offload Station, located in Unit D, Section 4-T26S-R37E, Lea County in the event the CTB on lease is over capacity or in the case of battery or pipeline repairs. Oil will remain segregated and will be measured by lact meter when offloading at the Offload Stations.

Notifications have been sent to all working interest owners

Please see the enclosed Administrative Application Checklist, C-107-B Application for Off Lease Measurement, plats for referenced wells, site facility diagram, maps with lease boundaries showing wells and facility locations, communization agreement application.

Thank you for your attention to this matter. If you have questions or need further information, please email me at <u>ibarron@concho.com</u> or call 575.748.6974.

Sincerely,

Jeanette Barron Regulatory Technician II

Released to Imaging: 4/16/2021 4:40:51 PM

CORPORATE ADDRESS

Received by OCD: 2/11/2021 2:50:57 PM

One Concho Center | 600 West Illinois Avenue | Midland, Texas 79701 **P** 432.683.7443 | **F** 432.683.7441

ARTESIA WEST OFFICE

2208 Main Street | Artesia, New Mexico 88210 P 575.748.6940 | F 575.746.2096

DECENTER				
RECEIVED:	REVIEWER:	TYPE:	APP NO:	
		ABOVE THIS TABLE FOR OCD		
	- Geolog	CO OIL CONSERV gical & Engineering Francis Drive, Sant	g Bureau –	
	ADMINIS			
THIS CHI	CKLIST IS MANDATORY FOR	ALL ADMINISTRATIVE APPLIC REQUIRE PROCESSING AT THE	ATIONS FOR EXCEPTIONS TO	DIVISION RULES AND
pplicant: COG Operat	ing, LLC			Number: <u>229137</u>
	c Federal Unit 701H (plus 17	more wells) see attached	API: 30-0	
Purple Sage; Wolfcan	ıp (Gas)	<u> </u>	Pool C	ode: 98220
SUBMIT ACCURAT	E AND COMPLETE IN	NFORMATION REQUI		IE TYPE OF APPLICATION
) TYPE OF APPLICA	ATION: Check those	which apply for [A]	
A. Location –	Spacing Unit – Simu			
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 [1] Commi [1] Injectice [11] Injectice [11] Injectice [11] Injectice [11] Injectice [11] V [11] V	EQUIRED TO: Check berators or lease ho overriding royalty of tion requires publish tion and/or concurr tion and/or concurr owner the above, proof of the above, proof of the required	PLC PC C Sure Increase – Enho SWD IPI E whose which apply olders owners, revenue ow ned notice rent approval by SL rent approval by BL of notification or pu	onced Oil Recovery OR PPR ners O M blication is attache	FOR OCD ONLY Notice Complete Application Content Complete
administrative a understand that	hereby certify that oproval is accurate no action will be to submitted to the Di	and complete to taken on this applica	he best of my know	plication for /ledge. I also ed information and
Note:	Statement must be comp	leted by an individual with	managerial and/or super	visory capacity.
anette Barron			2/11/2 Date	/
			Date	
int or Type Name	NMN		575-746-6974 Phone Number jbarron@concho.com	

Received by OCD: 2/11/2021 2:50:57 PM

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 Ope	erating LLC				
OPERATOR ADDRESS: 2208 W M	Aain Street, Artesia, Ne	ew Mexico 88210	·		
APPLICATION TYPE:					
Pool Commingling Lease Commingling	g Pool and Lease Com	nmingling 🛛 🖾 Off-Lease	Storage and Measur	ement (Only if not Surface	e Commingled)
LEASE TYPE: Fee	State 🛛 Feder	ral			
Is this an Amendment to existing Order? Have the Bureau of Land Management (Yes No	Yes No If " BLM) and State Land	'Yes", please include t office (SLO) been not	he appropriate O ified in writing o	rder No of the proposed comm	ingling
		L COMMINGLING with the following in			
(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
 (2) Are any wells producing at top allowab (3) Has all interest owners been notified by (4) Measurement type: Metering (5) Will commingling decrease the value of 	<pre>/ certified mail of the prop] Other (Specify)</pre>		Yes No.	ng 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 supp

ply? 🛛 Yes 🗌 No (3) Has all interest owners been notified by certified mail of the proposed commingling?

(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

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

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

TITLE: Regulatory Technician II

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

(3) Lease Names, Lease and Well Numbers, and API Numbers.

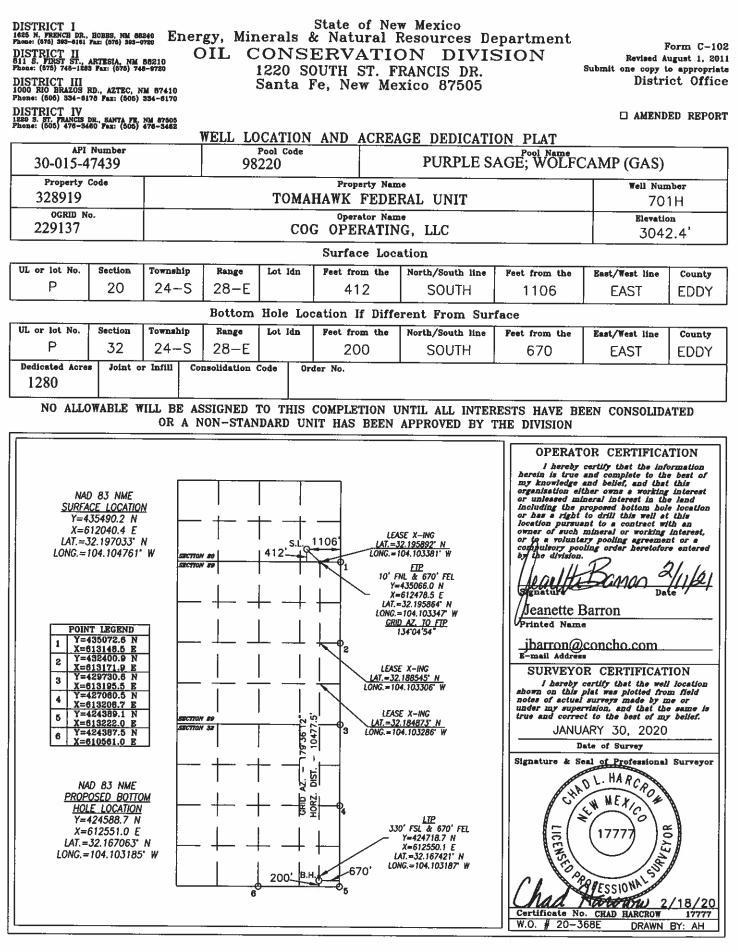
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

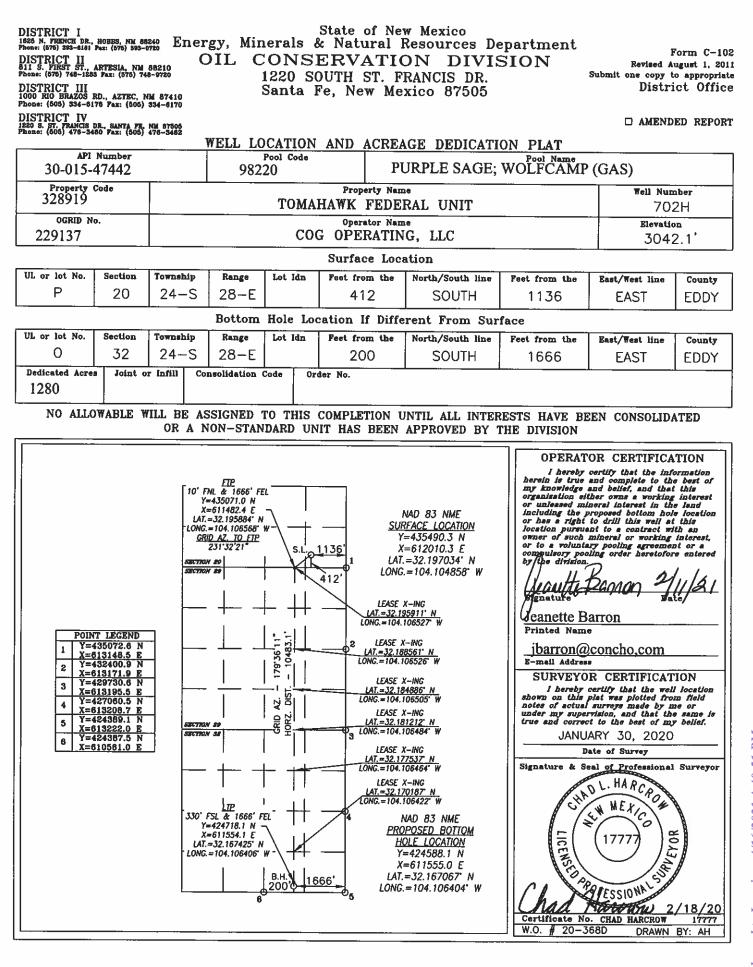
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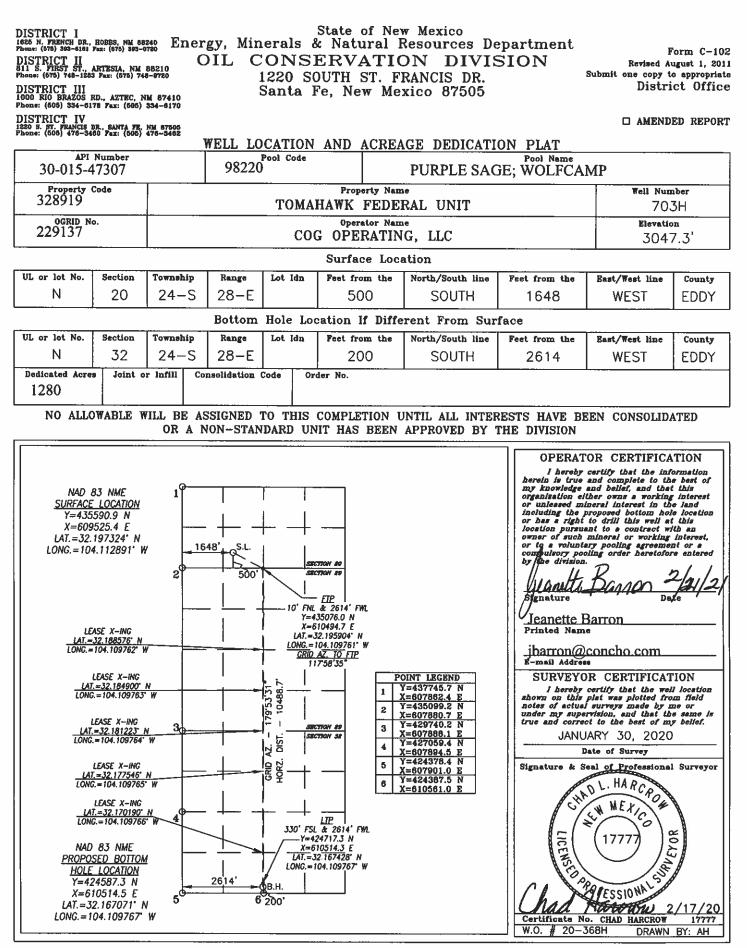
DATE: 2/11/21

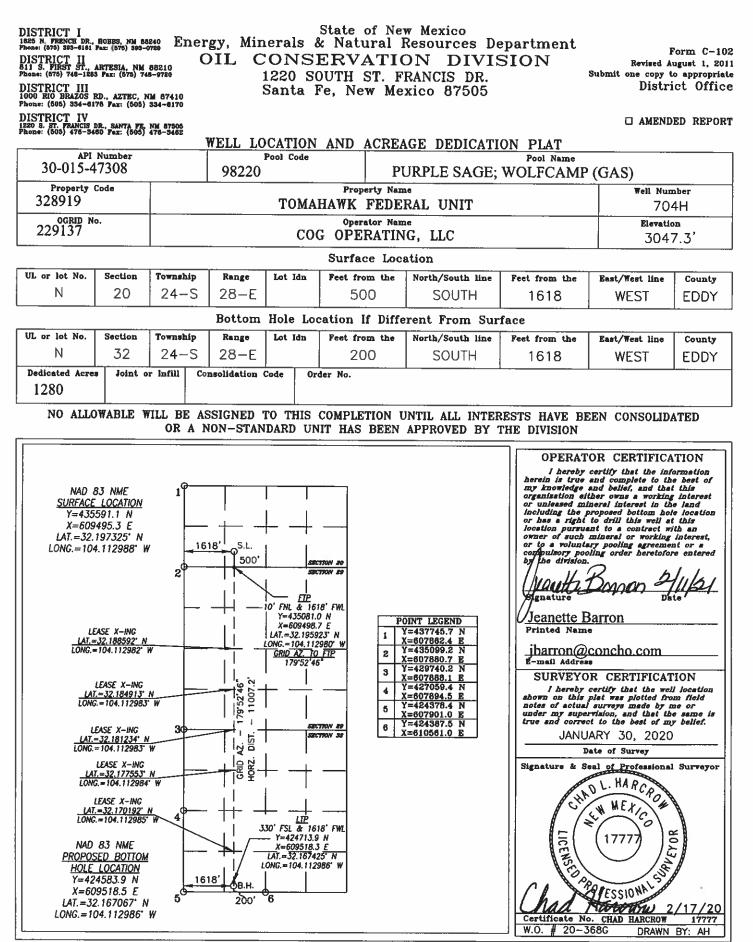
Yes No

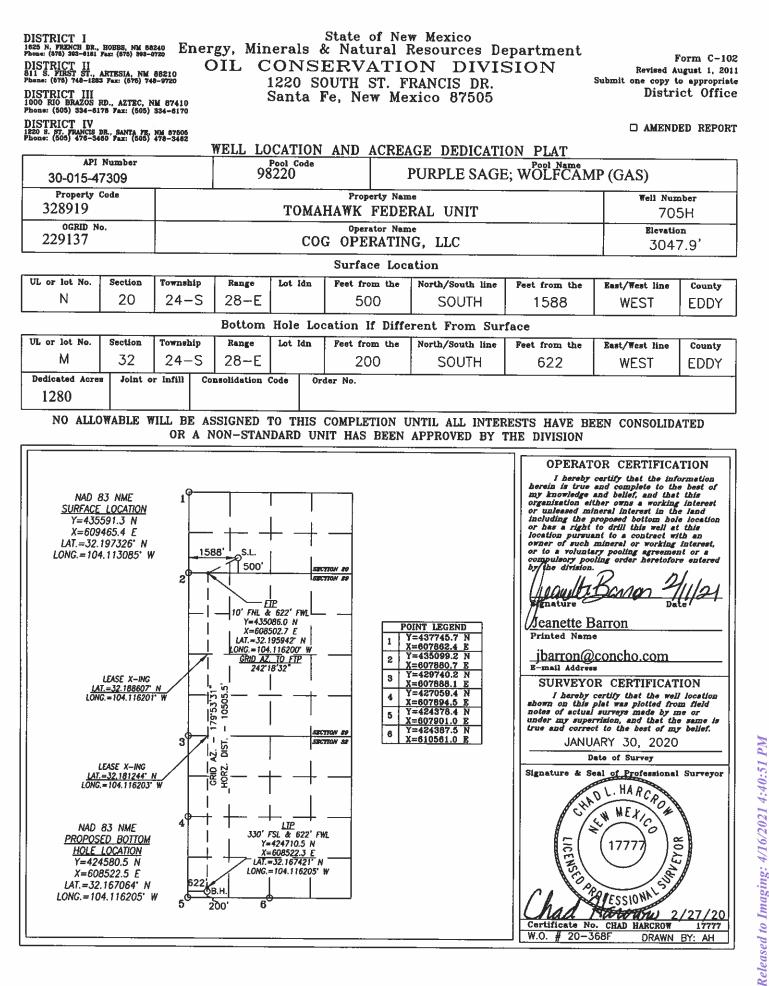
TYPE OR PRINT NAME Jeanette Barron TELEPHONE NO.: 575.748.6974







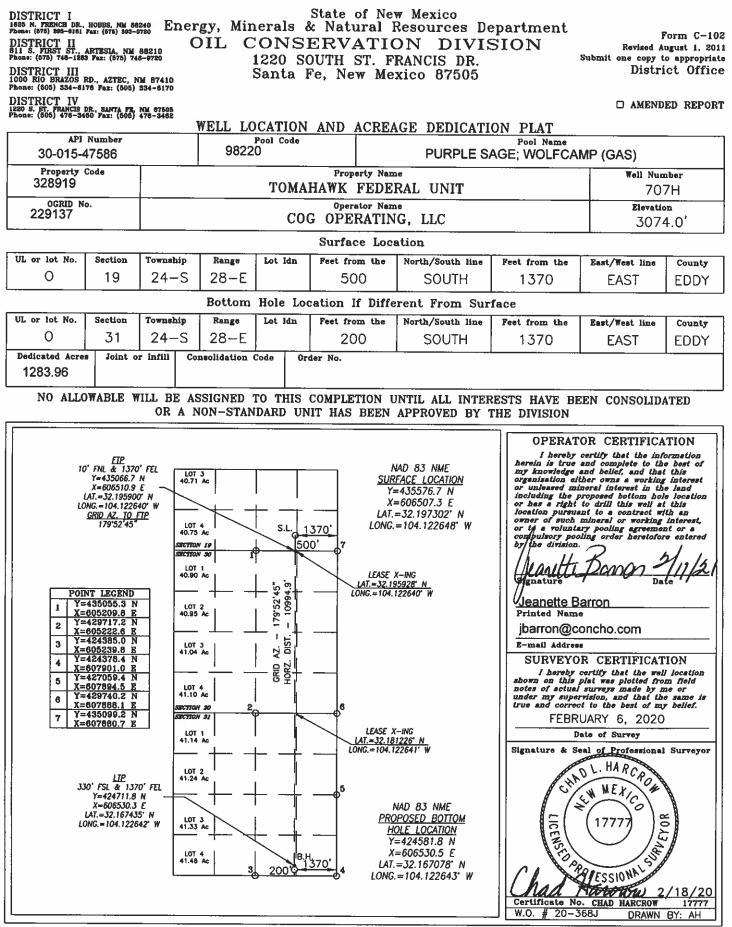




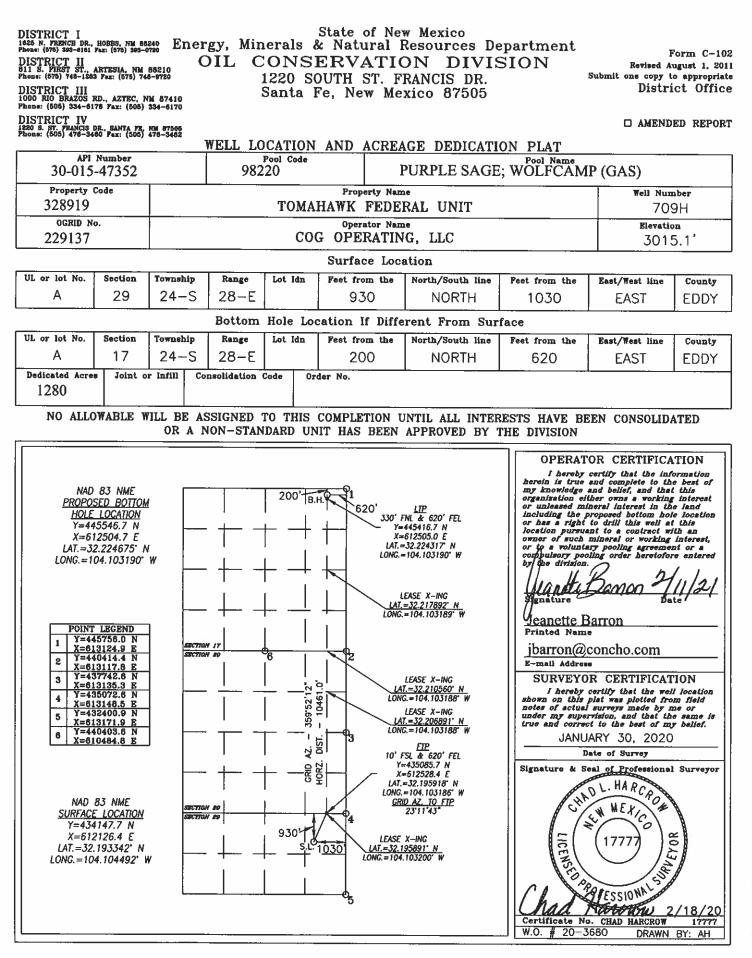
DISTRICT I 1020 N. FRENCH DR., HOBES, NM 682 Phane: (676) 533-614 Faz: (676) 353-0 DISTRICT II 811 S. FIRST ST., ARTESIA, NM 1 Phone: (676) 746-1283 Faz: (676) 746 DISTRICT III 1000 RIO BRAZOS RD., AZTEC, N Phone: (606) 334-6176 Faz: (606) 1	38210 -9720	DIL C	ONS 1220 S		Resources De ON DIVIS RANCIS DR.		Revised A Submit one copy t	Form C-102 ugust 1, 2011 o appropriate ct Office
DISTRICT IV 1220 S. ST. FRANCIS DR., SANTA FR. Phone: (505) 476-3480 Fax: (505)	104-0110						C AMEND	ED REPORT
API Number	F70-3462		CATION	AND ACREA	AGE DEDICATI	ON PLAT Pool Name		
30-015-47585		98220)		PURPLE	SAGE; WOLFC	AMP (GAS)	
Property Code 328919			ТОМА	Property Nam HAWK FEDE			Well Num	
OGRID No. 229137				Operator Nam G OPERATIN	ne		Elevatic 307	n
				Surface Loc	ation	_ · _ ,,	<u></u>	
UL or lot No. Section O 19	Township 24-S	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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UL ar lot No. Section	Township	Range	Lot Idn	Feet from the	North/South line	face Feet from the	East/West line	County
P 31	24-S	28-E		200	SOUTH	374	EAST	EDDY
Dedicated Acres Joint of 1283.96	Infill Co	nsolidation	Code Oi	der No.				
NO ALLOWABLE W	ILL BE A	SSIGNED ' NON-STAN	TO THIS	COMPLETION UNIT HAS BEEN	UNTIL ALL INTER APPROVED BY	RESTS HAVE BI	CEN CONSOLID	ATED
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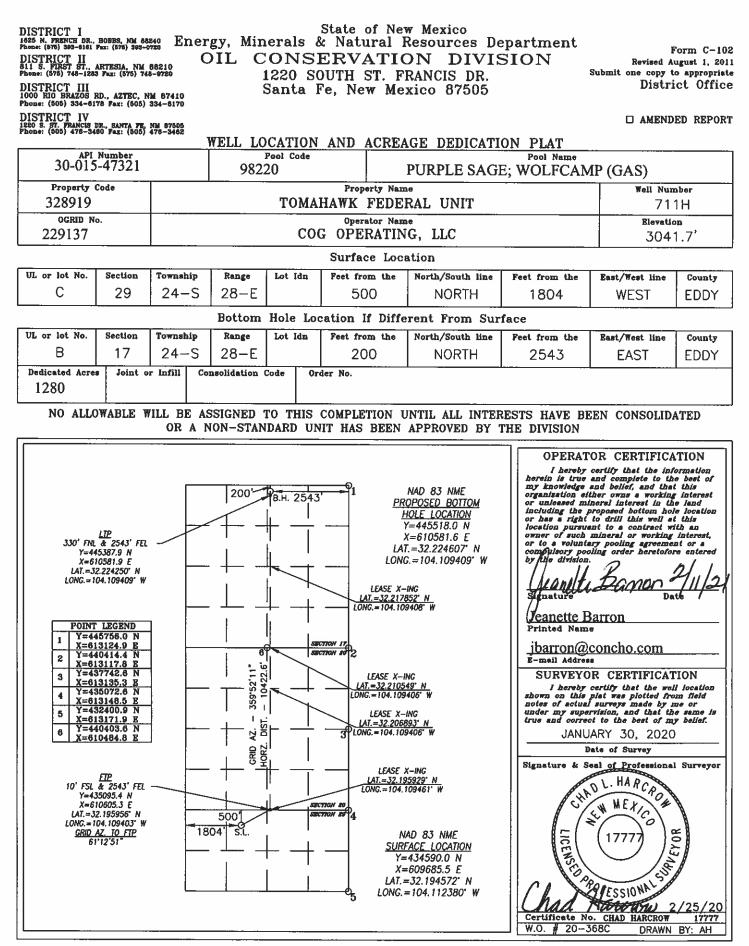
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DISTRICT I 1620 N. FRENCH DR., HOBBS, Phone: (570) 580-6161 Faz: (570 DISTRICT II 601 S. FURST ST., ARTESIA Phone: (570) 746-1283 Faz: (1 DISTRICT III 1000 RIO BRAZOS RD., AZ' Phone: (500) 334-6170 Faz: DISTRICT IV	A, NM 88210 575) 748-9720 TEC, NM 87410 (505) 334-8170	OIL C	erals & ONSI 1220 SC	ERVAT	al R TIO . FR	Mexico esources De N DIVIS ANCIS DR. ico 87505	SION	Revised A Submit one copy t Distri	Corm C-102 agust 1, 2011 o appropriate ct Office ED REPORT	
1220 S. ST. FRANCIS DR., SAN Phone: (505) 476-3460 Fax:	TA FE, NM 87605 (505) 478-3462	WELL LO	CATION	AND AC	יפדאו		ገለ ይገለጥ			
	WELL LOCATION AND ACREAGE DEDICATION PLAT API Number Pool Code Pool Name 0-015-47584 98220 PURPLE SAGE: WOLECAMP (GAS)									
Property Code	·	98220 PURPLE SAGE; WOLFCAMP (GAS) Property Name Well Number								
328919		TOMAHAWK FEDERAL UNIT 708H								
OGRID No. 229137			Elevatio 3074	-						
				Surface	Loca	tion				
UL or lot No. Sect	1		Lot Idn	Feet from	the	North/South line	Feet from the	East/West line	County	
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UL or lot No. Sect	ion Townshi		Hole Loc	Feet from		ent From Sur	ACC Feet from the	East/West line	County	
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1	oint or Infill	Consolidation (Code Or	der No.					· · · · · · · · · · · · · · · · · · ·	
1283.96										
NO ALLOWAD						NTIL ALL INTER Approved by 7		EN CONSOLIDA	ATED	
10' FNL 4 Y=432 X=602 LONG =10 GRID A GRID A 241' POINT LEG 1 X=43305 1 X=60520 2 Y=42971 2 X=60520 3 X=42436 3 X=42436 3 X=42436 3 X=60523 4 Y=42436 3 X=60789 6 Y=42705 5 X=60789 6 Y=42974 X=60788 7 Y=43509 7 Y=43509 7 X=60788 330' FSL Y=42 X=60 LAT.=32	GEND - 5.3 N 9.8 E 7.2 N 2.6 E 5.0 N 9.8 E 8.4 N 1.0 E 9.4 N 4.5 E 9.2 N 0.2 N 9.2 N 532.2 E 2.352.2 E 2.167448' N 2.167448' N 2.468' W	LOT 3 41.04 Ac			SURF: Y=- X= LAT.= LONG.= SE X-INC 2.195885 04.125800 04.1258000000000000000000000000000000000000	ING 107 N	I hereby herein is true organization eit or unleased min including the p or has a right location pursua owner of such or to a volunta complisory poo. by the division. Signature <u>Deanette B</u> Printed Name <u>jbarron@C</u> <u>B-mail Address</u> SURVEYO I hereby shown on this pools of actual under my super true and correct FEBRI DI Signature & Se	Bamon Barron Concho.com R CERTIFICAT Concho.com R CERTIFICAT plat was plotted fro surveys made by z rurveys made by z surveys made by z ulary 6, 2020 at of Survey cal of Professional D. HARCRON MEXCON MEXCON MEXCON MEXCON CHAD HARCROW	Prometion best of this this interest e location this the man this the man the man t	



DISTRICT I 1825 N. FRENCH DR., HOBBS, NM 683 Phoses: (675) 339-6161 Part (676) 539-0 DISTRICT II 611 S. FIRST ST., ARTESIA, NM 1 Phone: (575) 748-1283 Part: (676) 746 DISTRICT III 1000 RIO BRAZOS RD., AZTEC, N Phone: (506) 334-6176 Part: (506) 5	88210 5-9720 M 87410 334-6170	$\begin{array}{c} \text{OIL} \mathbf{C} \\ 1 \end{array}$	erals & ONSI 220 S(Resources De DN DIVIS RANCIS DR.	SION	Revised A Submit one copy t	Form C-102 ugust 1, 2011 o appropriate ict Office
DISTRICT IV 1220 S. ST. FRANCIS DR., SANTA FF. 1 Phone: (505) 476-3460 Faz: (505)	NM 87505 476-3462						D AMEND	ED REPORT
API Number			CATION	AND ACREA	GE DEDICATI	ON PLAT Pool Name	. <u>.</u>	
30-015-47444		98220			PURPLE SAG	E; WOLFCAMP	(GAS)	
Property Code			TOMA	Property Nam			Well Nun	
328919 OGRID No.			TOMA	Operator Nam			710 Elevatio	
229137			COO	G OPERATIN			3014	
				Surface Loca	ation			
UL or lot No. Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A 29	24–S	28-E		930	NORTH	1060	EAST	EDDY
1		· ······			rent From Sur	face		
UL or lot No. Section B 17	Township 24-S	Range 28-E	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres Joint or		20-L	ode Or	200 der No.	NORTH	1581	EAST	EDDY
1280								
NO ALLOWABLE W	ILL BE AS	SIGNED T	O THIS	COMPLETION U	NTIL ALL INTER	ESTS HAVE BE	EN CONSOLIDA	TED
	ORAN	ION-STANE	DARD UN	IT HAS BEEN	APPROVED BY 7	THE DIVISION		1100
$\begin{array}{c} \text{NAD 83 NME} \\ \underline{PROPOSED BOTTOM} \\ \underline{HOLE LOCATION} \\ Y=445532.3 N \\ X=611543.6 E \\ LAT.=32.224641' N \\ LONG.=104.106298' \\ \hline \\ 1 & \underline{Y=445756.0 N} \\ 1 & \underline{X=613124.9 B} \\ 2 & \underline{Y=440414.4 N} \\ \underline{X=613135.3 E} \\ 4 & \underline{Y=435072.6 N} \\ 3 & \underline{Y=435072.6 N} \\ \underline{X=613135.3 E} \\ 4 & \underline{Y=435072.6 N} \\ \underline{X=613135.3 E} \\ 4 & \underline{Y=435072.6 N} \\ \underline{X=613135.3 E} \\ 5 & \underline{Y=435400.9 N} \\ \underline{X=613145.8 E} \\ 5 & \underline{Y=432400.9 N} \\ \underline{X=613145.8 E} \\ 5 & \underline{Y=432400.9 N} \\ \underline{X=613145.8 E} \\ 5 & \underline{Y=435400.9 N} \\ \underline{X=613151.9 E} \\ 6 & \underline{Y=440403.6 N} \\ \underline{X=610484.8 E} \\ \hline \\ \end{array}$	LEASE LAT.=32. LONG.=10- SECTION LEASE LAT.=32. LONG.=104 LEASE LAT.=32. LONG.=104 LEASE LAT.=32. LONG.=104 LEASE	x-ING 210555' N 1.106295' W x-ING 206892' N 4.106295' W 4.106295' W		581' 330' F Y= X= IAT- LONG: 2 2 3 10' FSL & y=43500 X=6115; LAT.=32.15 LONG.= 104. GRID 42.	1581' FEL 10.6 N 157.3 E 15937' N 1062935' W 10 FTP	I hereby herein is true organization eit or unleased mili including the p or has a right iocetion pursus owner of such or to a volunta compulsory poo. of the division. Agnature Jeanette Ba Printed Name ibarron@cd E-mail Address SURVEYO I hereby of shown on this notes of sotual under my super true and correc JANU/ Dr Signature & Se	R CERTIFICAT rertify that the vel- blat was plotted fro, surveys made by m vision, and that the t to the best of my ARY 30, 2020 ate of Survey al of Professional L. HARCROM MEXICON	Vermation best of this interest e location this interest, alor a e entered interest, alor a e entered interest, interest, alor a e entered interest, int



DISTRICT I 1020 N. FRENCH DR. HOBBS. NM 6824(Phone: (675) 309-6161 Par. (675) 329-0781 DISTRICT II 011 S. FIRST ST., ARTESIA, NM 88 Phone: (675) 746-1483 Par.: (575) 745-1 DISTRICT III 1000 RIO BRAZOS RD., AZTEC, NM Phone: (508) 334-6176 Par.: (505) 33-	Energy, Minerals & Natu OIL CONSERVA 1220 SOUTH S Santa Fe, New	of New Mexico Iral Resources Do ATION DIVIS ST. FRANCIS DR. W Mexico 87505	SION	Revised A Submit one copy t	form C-102 agust 1, 2011 o appropriate ct Office
DISTRICT IV 1220 S. ST. FRANCIS DR., SANTA FE, NM Phone: (505) 476-3460 Fai: (505) 476	N 87505 78-3462			🗆 AMEND	ED REPORT
API Number	WELL LOCATION AND A Pool Code	CREAGE DEDICATI	ON PLAT Pool Name		<u> </u>
30-015-47336	98220	PURPLE SAC		MP (GAS)	
Property Code 328919		rty Name FEDERAL UNIT		Well Num 712	
OGRID No. 229137	•	tor Name RATING, LLC		Blevatio	n
229137		e Location		3042	2.0
UL or lot No. Section 7	Township Range Lot Idn Feet from		Feet from the	East/West line	County
C 29	24-S 28-E 50	0 NORTH	1774	WEST	EDDY
	Bottom Hole Location I				
	Township Range Lot Idn Feet from 24-S 28-E 20		Feet from the 1774	East/West line	County
Dedicated Acres Joint or			1//4	WEST	EDDY
1280					
$\frac{LIP}{330^{\circ} FNL & 1774^{\circ} FWL - Y=445373.4 NX=609611.3 ELAT=32.224215^{\circ} NLONG=104.112548^{\circ} W\frac{POINT LEGEND}{1 Y=445676.9 N}X=607836.4 E2 Y=443034.4 NX=607841.6 E3 Y=440391.8 NX=607847.2 E4 Y=437745.7 NX=607862.4 E5 Y=435099.2 NX=607880.7 E6 Y=440403.6 NX=610484.8 E\frac{FIP}{10^{\circ} FSL & 1774^{\circ} FWL - Y=435100.2 NX=609654.7 ELAT=32.195975^{\circ} NLONG=104.112476^{\circ} WGRID AZ_10 FIP}{3597555^{\circ}}$	OR A NON-STANDARD UNIT HAS	NAD 83 NME PROPOSED BOTTOM HOLE LOCATION Y=445503.4 N X=609610.7 E LAT.=32.224573° N LONG.=104.112549° W	OPERAT I hereby herein is true my knowledge or unleased mi including the or has a right location purport owner of such owner of such in figurature Jeanette I Printed Nam <u>ibarron@</u> E-mail Addres SURVEYO I hereby shown on this solder my supe true and correct JANU I Signature & S Chillion Constructio	Damping Street S	Virmation best of this interest interest interest interest, to a entered Virtual then interest, to a entered Virtual te Virtual same is belief.

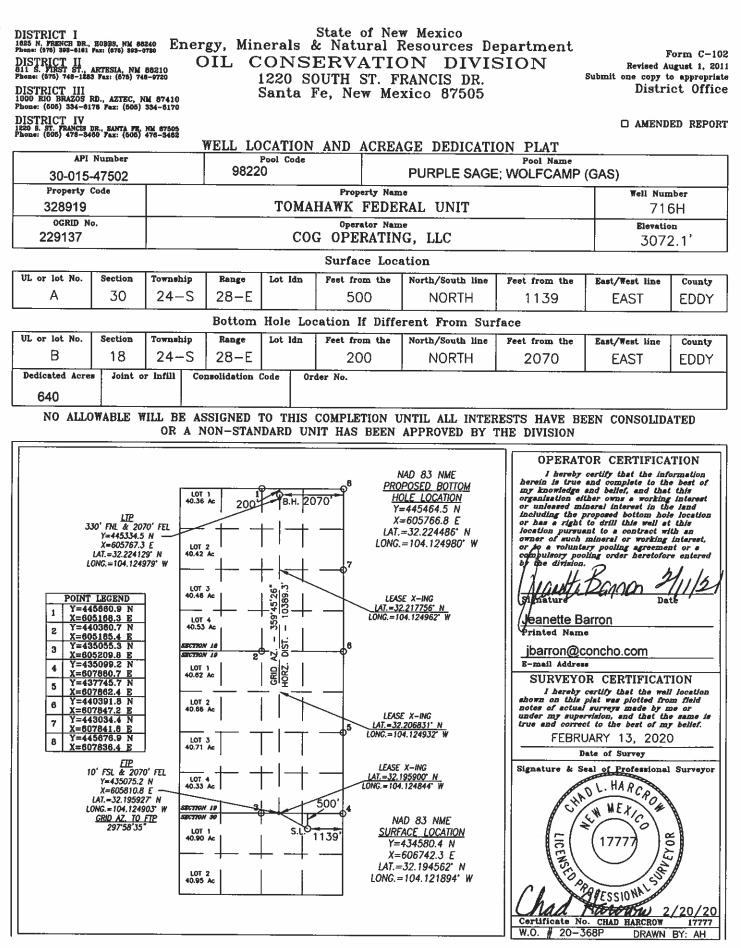
STRICT I S. N. FRENCH DR., Set: (076) 393-6101 STRICT II S. FIRST ST., As: (575) 748-1285 STRICT III O RIO BRAZOS H ne: (505) 334-61	ARTESIA, NM Pax: (575) 74 ID., AZTEC, N	88210 8-9720		ON 1220	s & ISE S0	CRVATIO UTH ST. F	Resources De DN DIVIS RANCIS DR. xico 87505	SION	Revised A Submit one copy t	Form C-10 ugust 1, 20 o appropria ict Offic
STRICT IV 5 8. ST. FRANCIS I 10: (505) 475-34	R., SANTA FE, 10 Fax: (505)	NM 87608 476-3462	WELL LO	CATT	ON	AND ACDE	AGE DEDICATI		D AMEND	ED REPOR
арі 30-015-	Number			Pool Co		AND ACKEP		Pool Name		
Property (<u> </u>	982	.20		Property Nam	PURPLE SAG	E; WOLFCAN		
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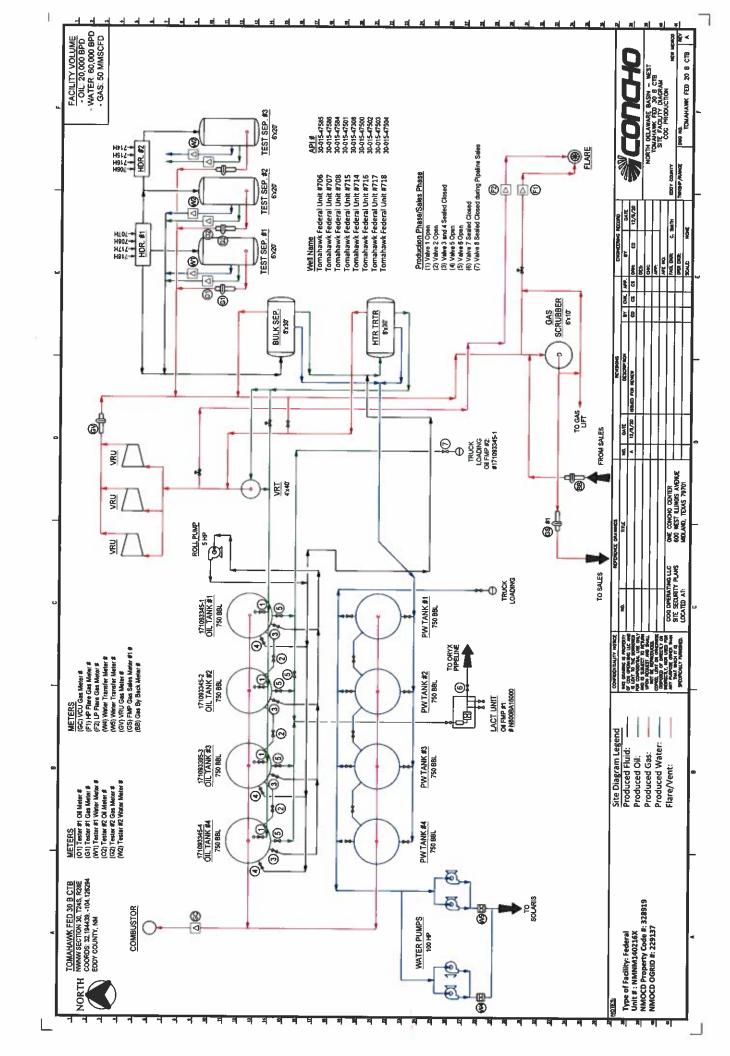
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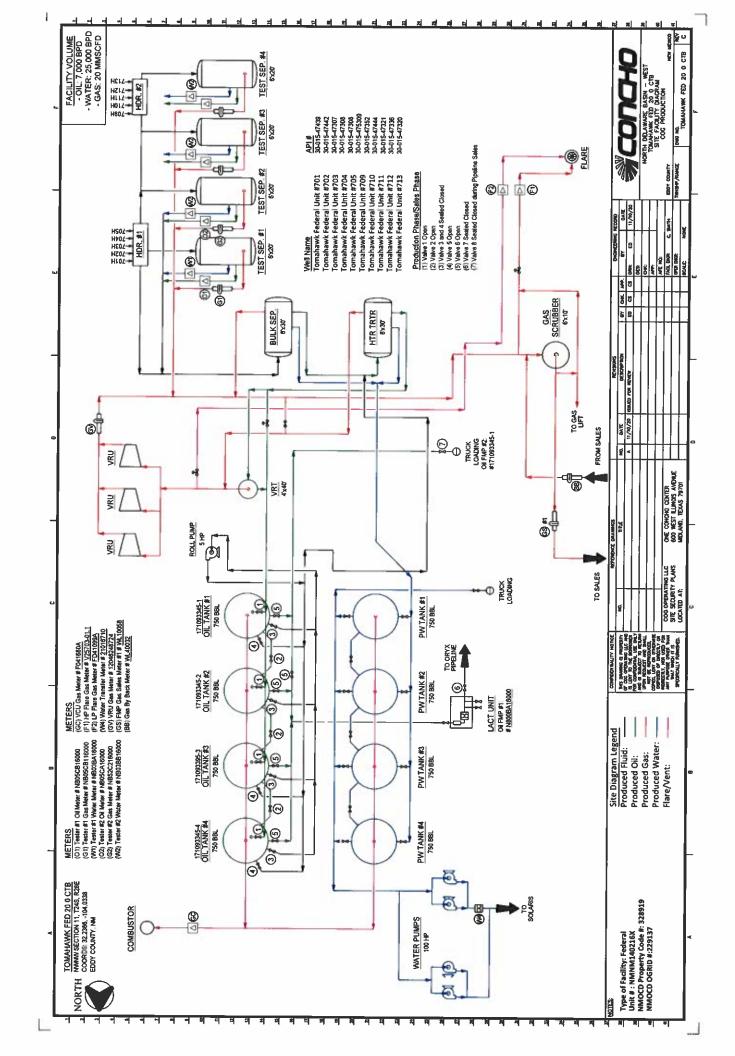
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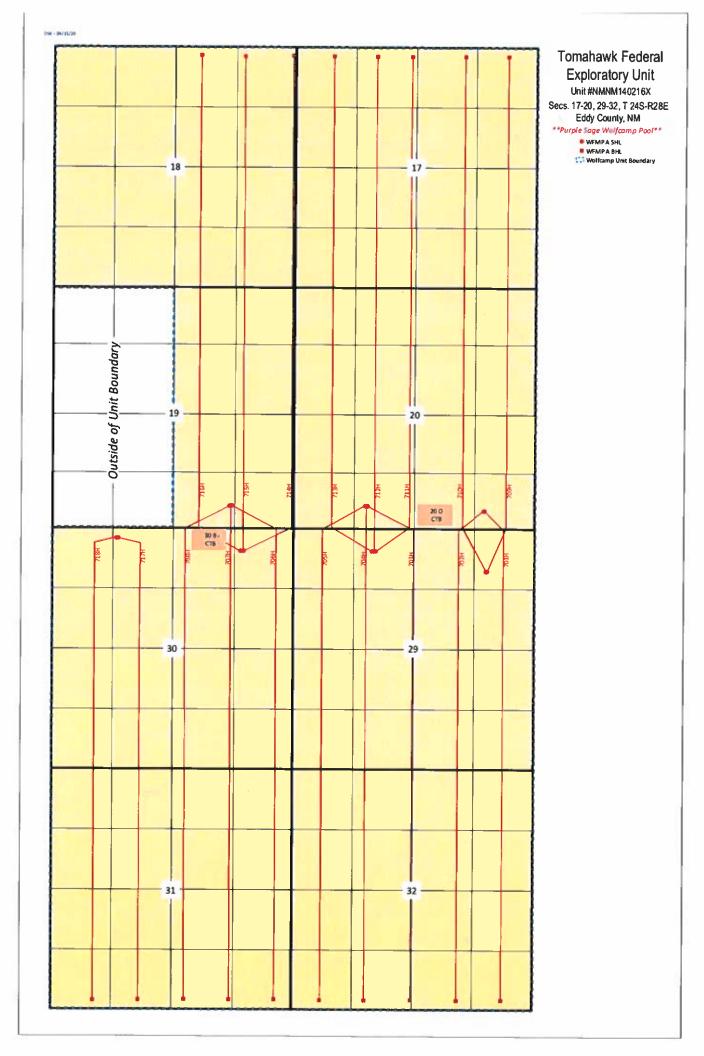


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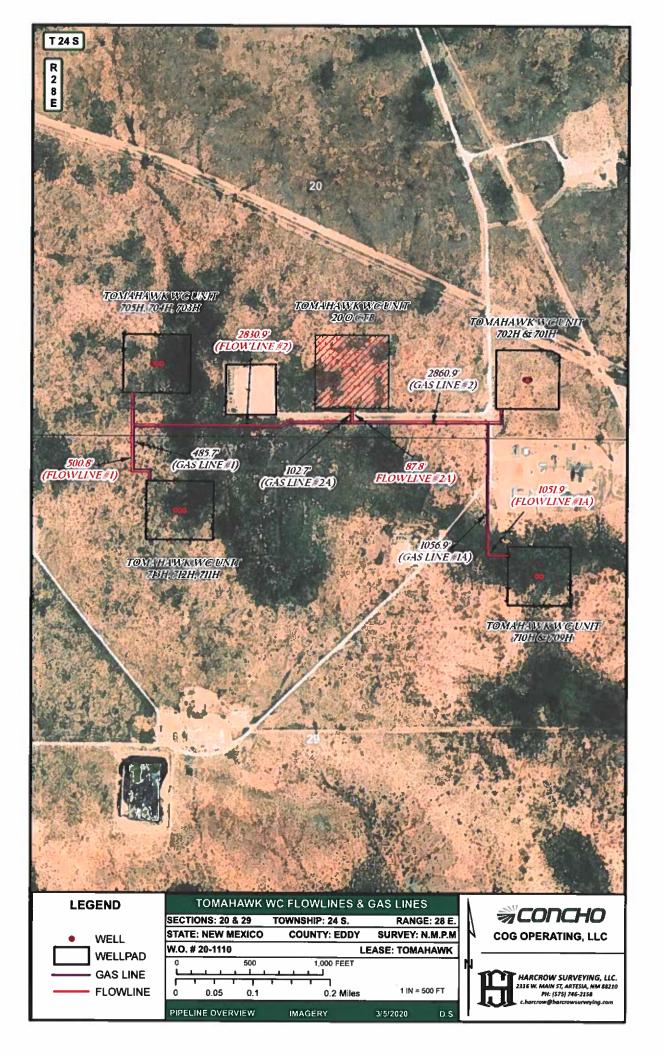


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Tomahawk Fed Unit 701H-718H

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Red Hills and Jal Offload Station Map

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02.11.21	JB	Parrot Head Properties, LLC	P.O. Box 429	Roswell	MN	88202	7017 3040 0000 126 4395	
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STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

CASE NO. 20659 ORDER NO. R-21254

APPLICATION OF COG OPERATING LLC FOR APPROVAL OF THE TOMAHAWK UNIT, ELIMINATION OF INTERNAL SETBACKS WITHIN UNIT AREA, AND APPROVAL FOR SURFACE COMMINGLING, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case come for hearing at 8:15 a.m. on August 23, 2019, at Santa Fe, New Mexico, before Examiners Michael McMillan and Kathleen Murphy.

NOW, on this 9th day of April 2020, the Division Director, having considered the testimony, the record and recommendations of the Examiner,

FINDS THAT

(1) Due public notice has been given, and the Oil Conservation Division ("OCD") has jurisdiction of this case and of the subject matter.

(2) COG Operating LLC ("Concho" or "Applicant") seeks approval of the Tomahawk WC Federal Exploratory Unit ("Unit"), a federal exploratory unit; elimination of internal setbacks within the Unit Area; and approval for surface commingling within the Unit.

(3) The Unit comprises the following lands ("Unit Area"), comprising 4,803.16 acres (more or less) of federal, state, and fee lands, in Eddy County, New Mexico

Township 24 South, Range 28 East, NMPM

Section 17:AllSection 18:AllSection 19:E/2Section 20:AllSection 29:All

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Case No. 20659 Order No. R-21254 Page 2 of 7

> Section 30: All Section 31: All Section 32: All

(4) In addition to specifying the Unit Area, the Unit Agreement defines the Unitized Interval and limits the unit to horizontal wells completed within that Unitized Interval. The specifics are as follows:

- (a) The "Unitized Interval" is the Wolfcamp formation with the stratigraphic equivalent of the top of the Wolfcamp formation at a measured depth of 9,285 feet beneath the surface to the base of the Wolfcamp formation at a measured depth of 10,853 feet beneath the surface as seen on the gamma ray log for the High Brass Fee Well No. 1 (API No. 30-015-33952), located in Section 20, Township 24 South, Range 28 East, Eddy County, New Mexico.
- (b) The Unit currently encompasses a portion of the Purple Sage; Wolfcamp Gas Pool (Pool Code 98220). Rule 2 of the Special Rules for the Pool requires horizontal wells to be located no closer than 330 feet to the exterior boundary of the applicable spacing unit, with 10-foot setbacks for the surface location and bottom hole location from any quarter-quarter section line. However, the statewide rules for horizontal oil wells eliminate any internal setbacks within a unit boundary.

Applicant appeared at the hearing through counsel and presented the following (5)

- (a) The Unit is comprised of four (4) federal tracts, or 41.67% of the Unit acreage; three (3) state tracts, or 20.83% of the Unit Acreage; and forty-two (42) patented (fee) tracts comprising 37.50% of the Unit acreage. All federal, state and fee leases are past their primary terms.
- **(b)** Previously, there were five nonparticipating fee mineral owners, making up about 0.25% of the Unit acreage. These owners were given offers and notified of this hearing but have not responded to offers to voluntarily participate in the Unit. At the time of the hearing, three of the five mineral owners, making up about 0.13% of the Unit acreage, have signed the Unit Agreement to participate as working interest owners.
- (c) The federal exploratory unit agreement was used with modifications as specified in preceding findings as well as insertion of language identifying participating area boundaries and provision that the Unit may be contracted.
- (d) The Unit Agreement has been given written preliminary approval by the Bureau of Land Management ("BLM") [Concho Exhibit No. 3] as well as

testimony:

Case No. 20659 Order No. R-21254 Page 3 of 7

by the Commissioner of Public Lands, New Mexico State Land Office ("NMSLO"). Concho anticipates over 85% working interest participating in the Unit. The BLM will not give final approval of the Unit without at least 85% participation.

- (e) The Unit is located geographically within the Purple Sage; Wolfcamp Gas Pool and all wells are expected to produce primarily oil. The main target intervals consist of shale and sands within the Wolfcamp formation.
- (f) Subject to final instruction from the BLM, the acreage in the Unit is divided two areas: the northern portion of the Unit designated the "Northern BLM Option 1 Initial Participation Area" and the southern portion of the Unit which does not overlap. Obligation wells are to be drilled in the two areas with the intent of merging the two areas into a single Unit (identified as a Preferred Rapid Development Participation Area) based on the geological evidence from the wells and demonstrations of the production.
- (g) The initial well will be the Tomahawk 18 17 Well No. 701H to be drilled at a location in the N/2 of Sections 17 and 18 of Township 24 South, Range 28 East, NMPM or a different well and at a location approved by the BLM, with multiple wells planned in each participating area.
- (h) The setbacks from the Unit boundaries set forth in the statewide rules for horizontal oil well completions should be adequate to protect offsetting mineral owners located outside the Unit.
- (i) Elimination of internal setbacks within the Unit Area is consistent with the statewide rules for horizontal wells and supports efficient development of the Unit Area.
- (j) Approval in this Order for surface commingling within the Unit allows for administrative efficiencies at the OCD, fewer tank batteries, reduced surface disturbance, and reduction of costs for each wellbore.
- (k) The Plan of Developments submitted each year by the operator of this Unit will be of public record that can be accessed by interested parties.
- (1) Applicant has provided notice of this application and hearing to all owners within the Unit and to offset operators and working interest owners in any wells dedicated to the Wolfcamp;Purple Sage Gas Pool in producing adjacent spacing units surrounding the Unit.
- (m) Applicant has caused notice of this application to be published in the Carlsbad Argus newspaper published in the city of Carlsbad, Eddy County, New Mexico.

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Case No. 20659 Order No. R-21254 Page 4 of 7

(6) EOG Resources, Inc. ("EOG"), an interest owner in the Unit, entered an appearance and was represented at the hearing by counsel and opposed the application. EOG subsequently dismissed its protest and opposition of the application on January 3, 2020, and has ratified the Unit Agreement.

(7) MRC Permian Company, an interest owner in the Unit, entered an appearance and was represented at the hearing by counsel but did not oppose the application. No other party entered an appearance or otherwise opposed this application.

The OCD concludes:

(8) Applicant has provided proper and adequate notice of this application and hearing.

(9) The geologic evidence presented demonstrates that the entire Unit should be productive within the Unitized Interval. Within the Unit, the OCD's statewide rules for horizontal oil well setbacks from the outer Unit Area boundaries as wells as elimination of internal setbacks should apply. Unit Wells should be defined as those wells allowed for in the Unit Agreement.

(10) The provisions contained in the Unit Agreement are in the best interest of conservation and the prevention of waste.

(11) Approval of the Unit will provide the Applicant the flexibility to locate and drill wells in the Unit to maximize recovery of oil and gas from the Unitized Interval, thereby preventing waste, and will provide the Applicant latitude to conduct operations in an effective and efficient manner within the Unit.

(12) Approval of the authority for surface commingling within the Unit will decrease impacts to surface resources, increase efficiency of operation and reduce the potential for waste.

(13) The Tomahawk WC Federal Exploratory Unit should be approved.

(14) COG Operating LLC should be designated the Unit operator.

(15) Applicant should provide to the OCD a written copy of the final approval of the Tomahawk WC Federal Exploratory Unit by the BLM. Applicant should submit a copy of the annual Tomahawk WC Federal Unit Plan of Development to the OCD for review.

(16) In the event of subsequent joinder by any other party, or expansion or contraction of the Unit Area, the Unit operator should file with the OCD, within sixty (60) days thereafter, counterparts of the Unit Agreement reflecting the subscription of those interests having joined or ratified.

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Case No. 20659 Order No. R-21254 Page 5 of 7

IT IS THEREFORE ORDERED THAT

(1) As per the application of COG Operating LLC, the Tomahawk WC Federal Exploratory Unit [NMNM140216X] ("Unit") of federal, state, and fee lands in Eddy County, New Mexico, is hereby approved.

The Unit shall comprise the following 4,803.16 acres (more or less) in Eddy (2)County, New Mexico:

Township 24 South, Range 28 East, NMPM

Section 17: All Section 18: All Section 19: E/2 Section 20: All Section 29: All Section 30: All Section 31: All Section 32: All

(3) The portion of this application asking for elimination of internal setbacks is hereby approved.

(4) The portion of this application asking for approval of surface commingling for wells completed within the Unit is hereby approved with the following conditions:

- (a) The oil and gas production from each well shall be separated and metered prior to commingling.
- Applicant shall measure the commingled oil at the central tank battery in (b) accordance with 19.15.18.15 NMAC or 19.15.23.8 NMAC.
- (c) Applicant shall measure the commingled gas at the central delivery point in accordance with 19.15.19.9 NMAC, provided however that if the gas is flared, regardless whether OCD has granted an exception pursuant to 19.15.18.12(B) NMAC, Applicant shall report the gas in accordance with 19.15.18.12(F) NMAC.
- (d) Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10(C)(2) NMAC.
- Prior to commingling, the Applicant shall notify the OCD by filing Form (e) C-103 with the Engineering Bureau of the Santa Fe office with the information requirements described in 19.15.12.10(B)(2) NMAC.

Case No. 20659 Order No. R-21254 Page 6 of 7

> (f) The Applicant may commence commingling upon the OCD's approval of Form C-103, subject to compliance with any conditions of the approval, and the written approved by the BLM or NMSLO, as applicable. *See* 19.15.12.10(B)(3) and (C)(4)(h) NMAC.

(5) This order shall be effective on the first day of the month following the later of (i) the entry date of this order or (ii) the date on which final approval of the Tomahawk WC Federal Exploratory Unit is obtained by Applicant from the BLM. The final approval letter by the BLM shall be provided by the Unit operator to the OCD and included in this case file.

(6) COG Operating LLC (OGRID No. 229137) is hereby designated the Unit operator.

(7) Pursuant to the Unit Agreement, the Unitized Interval shall include all oil and gas in the Wolfcamp formation of the unitized lands, defined as the stratigraphic equivalent of the top of the Wolfcamp formation at a measured depth of 9,285 feet beneath the surface to the base of the Wolfcamp formation at a measured depth of 10,853f eet beneath the surface as seen on the gamma ray log in the High Brass Fee Well No. 1 (API No. 30-015-33952), located in Section 20, Township 24 South, Range 28 East, Eddy County, New Mexico.

(8) All future wells within the horizontal limits of this Unit but not designated per the Unit Agreement as Unit wells shall be dedicated and subject to the requirements of existing pools or statewide rules.

(9) Any Unit well may be drilled anywhere within any Participating Area provided that no portion of the completed interval is closer than the setbacks set forth in the OCD statewide rules for horizontal oil wells to the outer boundary of the Unit unless otherwise approved by the OCD pursuant to Rule 19.15.15.13 NMAC.

(10) The plan contained within the Tomahawk WC Federal Exploratory Unit Agreement for the development and operation of the Unit is hereby approved in principle; provided, however, notwithstanding any of the provisions contained in the Unit Agreement, this approval shall not be considered as waiving or relinquishing, in any manner, any right, duty, or obligation that is now, or may hereafter be, vested in the Division to supervise and control operations for the unit and production of oil and gas therefrom.

(11) All future annual Plans of Development submitted and approved by the BLM for the Unit shall be submitted annually to the OCD for review.

(12) The Unit operator shall file with the OCD an executed original or executed counterpart of the Unit Agreement within sixty (60) days of the date of final approval of the Unit by the BLM. In the event of subsequent joinder by any other party, or expansion or contraction of the Unit, the Unit operator shall file with the OCD, within sixty (60) days thereafter, counterparts of the Unit Agreement reflecting subscription of those interests having joined or ratified.

Received by OCD: 2/11/2021 2:50:57 PM

Page 36 of 44

(13) Jurisdiction of this case is retained for entry of such further orders as the OCD may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

NE SANDOVAL Director

AS/KAM

Cc: NM State Lands Office

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COMPLETE THIS SECTION ON	DELIVERY
A Signature X Sarah O'Shaughnessy	Agent
B. Received by (Printed Name) Sarah O'Shaughnessy	C. Date of Delivery
DIs delivery address different from If YES, enter delivery address	n item 1? Yes below: No
3. Service Type Adult Signature Adult Signature Restricted Delivery Certified Mail® Certified Mail® Restricted Delivery Collect on Delivery Collect on Delivery Collect on Delivery Collect on Delivery Collect on Delivery	 □ Priority Mail Express® □ Registered Mail™ □ Registered Mail Restricte Delivery □ Return Receipt for Merchandise □ Signature Confirmation™
	The second second second second second

			Tomahawk Fed Unit 701H-718H OLM	LM				
					State			
Date Sent	Initials	Name	Address	City		ZipCode	Certified Return Receipt No.	Delivered
02.11.21	ß	Norma Chanley	407 Arriba	Hobbs	MN	88240	7017 3040 0000 1206 4357	
02.11.21	ß	Featherstone Development Corporation	P.O. Box 429	Roswell	WN	88202	7017 3040 0000 1206 4364	
02.11.21	Øſ	Big Three Energy Group	P.O. Box 429	Roswell	MN	88202	7017 3040 0000 1206 4371	
02.11.21	8	Prospector LLC	P.O. Box 429	Roswell	WN	88202	7017 3040 0000 1206 4388	
02.11.21	er	Parrot Head Properties, LLC	P.O. Box 429	Roswell	WN	88202	7017 3040 0000 1206 4395	
02.11.21	ß	McCombs Energy LLC	755 E. Mulberry Avenue	San Antonio	ř	78212	7017 3040 0000 1206 4340	
02.11.21	8	Roy G. Barton III	1919 N. Turner Street	Hobbs	WN	88240	7017 3040 0000 1206 4401	
02.11.21	8ľ	Roy G. Barton Jr.	1919 N. Turner Street	Hobbs	MN	88240	7017 3040 0000 1206 4432	
02.11.21	8	Brett C. Barton	1919 N. Turner Street	Hobbs	WN	88240	7017 3040 0000 1206 4425	
02.11.21	8	Heidi C. Barton	2008 N. Vega	Hobbs	MN	88240	7017 3040 0000 1206 4418	
02.11.21	BL	BLM	620 E. Green Street	Carisbad	WN	88220	7017 3040 0000 1206 4333	

Deal

From:	McClure, Dean, EMNRD
To:	Jeanette Barron
Cc:	McClure, Dean, EMNRD; Simmons, Kurt, EMNRD; Bratcher, Mike, EMNRD; Powell, Brandon, EMNRD; lisa@rwbyram.com; Glover, James; kparadis@blm.gov; Walls, Christopher; Holm, Anchor E.; Walls, Christopher
Subject:	Approved Administrative Order OLM-233
Date:	Friday, April 16, 2021 4:27:20 PM
Attachments:	OLM233 Order.pdf

NMOCD has issued Administrative Order OLM-233 which authorizes COG Operating, LLC (229137) to surface commingle or off-lease measure, as applicable, the following wells:

			Pool
Well API	Well Name	Location (NMPM)	Code
30-015-47439	Tomahawk Federal Unit #701H	P-20-24S-28E	98220
30-015-47442	Tomahawk Federal Unit #702H	P-20-24S-28E	98220
30-015-47307	Tomahawk Federal Unit #703H	N-20-24S-28E	98220
30-015-47308	Tomahawk Federal Unit #704H	N-20-24S-28E	98220
30-015-47309	Tomahawk Federal Unit #705H	N-20-24S-28E	98220
30-015-47585	Tomahawk Federal Unit #706H	O-19-24S-28E	98220
30-015-47586	Tomahawk Federal Unit #707H	O-19-24S-28E	98220
30-015-47584	Tomahawk Federal Unit #708H	O-19-24S-28E	98220
30-015-47352	Tomahawk Federal Unit #709H	A-29-24S-28E	98220
30-015-47444	Tomahawk Federal Unit #710H	A-29-24S-28E	98220
30-015-47321	Tomahawk Federal Unit #711H	C-29-24S-28E	98220
30-015-47336	Tomahawk Federal Unit #712H	C-29-24S-28E	98220
30-015-47320	Tomahawk Federal Unit #713H	C-29-24S-28E	98220
30-015-47500	Tomahawk Federal Unit #714H	A-30-24S-28E	98220
30-015-47501	Tomahawk Federal Unit #715H	A-30-24S-28E	98220
30-015-47502	Tomahawk Federal Unit #716H	A-30-24S-28E	98220
30-015-47503	Tomahawk Federal Unit #717H	C-30-24S-28E	98220
30-015-47504	Tomahawk Federal Unit #718H	C-30-24S-28E	98220
-			

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval.

Dean McClure Petroleum Engineer, Oil Conservation Division New Mexico Energy, Minerals and Natural Resources Department (505) 469-8211

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State of New Mexico Energy, Minerals and Natural Resources Department

Notice

Order: OLM-233

Operator: COG Operating, LLC (229137)

Publication Date:

Date Sent: 2/11/2021

Noticed Persons

Date	Person	Certified Tracking Number	Status
2/12/2021	Norma Chanley	7017 3040 0000 1206 4357	Delivered
2/16/2021	Featherstone Development Corporation	7017 3040 0000 1206 4364	Delivered
2/16/2021	Big Three Energy Group	7017 3040 0000 1206 4371	Delivered
2/16/2021	Prospector LLC	7017 3040 0000 1206 4388	Delivered
2/16/2021	Parrot Head Properties, LLC	7017 3040 0000 1206 4395	Delivered
2/17/2021	McCombs Energy UC	7017 3040 0000 1206 4340	Delivered
2/12/2021	Roy G. Barton III	7017 3040 0000 1206 4401	Delivered
2/12/2021	Roy G. Barton Jr.	7017 3040 0000 1206 4432	Delivered
2/12/2021	Brett C. Barton	7017 3040 0000 1206 4425	Delivered
2/12/2021	Heidi C. Barton	7017 3040 0000 1206 4418	Delivered
2/12/2021	BLM	7017 3040 0000 1206 4333	Delivered

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

APPLICATION FOR OFF-LEASE MEASUREMENT SUBMITTED BY COG OPERATING, LLC

ORDER NO. OLM-233

<u>ORDER</u>

The Director of the New Mexico Oil Conservation Division ("OCD"), having considered the application and the recommendation of the Engineering Bureau, issues the following Order.

FINDINGS OF FACT

- 1. COG Operating, LLC ("Applicant") submitted a complete application to off-lease measure the oil production ("Application") from the wells, pool, and lease identified in Exhibit A.
- 2. Applicant provided notice of the Application to all persons owning a working interest in the oil production to be off-lease measured in accordance with 19.15.23.9(A)(5) NMAC, and those persons either submitted a written waiver or did not file an objection to the Application.
- 3. Applicant provided notice of the Application to the Bureau of Land Management or New Mexico State Land Office, as applicable.
- 4. Applicant was authorized by Order R-21254 to surface commingle oil production from the pools, leases, and wells identified in Exhibit A.

CONCLUSIONS OF LAW

- 5. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, and 19.15.23 NMAC.
- 6. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9(A)(5) NMAC.
- 7. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

<u>ORDER</u>

- 1. Applicant is authorized to off-lease measure oil production from the wells, pool, and lease identified in Exhibit A.
- 2. The oil production from the wells identified in Exhibit A shall be physically separated from the oil production from other wells and no commingling of production from different leases shall occur in accordance with 19.15.23.9(A)(3) NMAC and 19.15.23.9(A)(4) NMAC, except as otherwise provided in order(s) issued by OCD.

Order No. OLM-233

- 3. Applicant shall measure the commingled oil at a central tank battery described in Exhibit A in accordance with 19.15.18.15 NMAC or 19.15.23.8 NMAC.
- 4. Applicant shall calibrate the meters used to measure or allocate oil production in accordance with 19.15.12.10(C)(2) NMAC.
- 5. OCD retains jurisdiction and reserves the right to modify or revoke this Order if it is deemed necessary to prevent waste or protect correlative rights, public health, or the environment.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

ADRIEŇNF DIRECTOR

AS/dm

DATE: 4/16/2021

Order No. OLM-233

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State of New Mexico Energy, Minerals and Natural Resources Department

Exhibit A

Order: OLM-233				
Operator: COG Operating, LLC (229137)				
Central Tank Battery: Tomahawk F	Fed 30 B Central Tank Battery			
Central Tank Battery Location (NMPM): Unit B, Section	on 30, Township 24 South, Range 28 East			
Central Tank Battery: Tomahawk F	Central Tank Battery: Tomahawk Fed 30 O Central Tank Battery			
Central Tank Battery Location (NMPM): Unit O, Section 20, Township 24 South, Range 28 East				
Central Tank Battery: Red Hills Offload Station				
Central Tank Battery Location (NMPM): Unit O, Secti	ion 4, Township 26 South, Range 32 East			
Central Tank Battery: Jal Offload S	tation			
Central Tank Battery Location (NMPM): Unit D, Secti	ion 4, Township 26 South, Range 37 East			
Gas Custody Transfer Meter Location (NMPM):				
Pools				
Pool Name	Pool Code			
PURPLE SAGE; WOLFCAMP (GAS)	98220			

Leases as defin	ed in 19.15.12.7(C) NN	IAC
Lease	Location (N	NMPM)
	All	Sec 17-T24S-R28E
	All	Sec 18-T24S-R28E
	E/2	Sec 19-T24S-R28E
Surface Commingling D 21254	All	Sec 20-T24S-R28E
Surface Commingling R-21254	All	Sec 29-T24S-R28E
	All	Sec 30-T24S-R28E
	All	Sec 31-T24S-R28E
	All	Sec 32-T24S-R28E

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Well API	Well Name	Location (NMPM)	Pool Code	Train
30-015-47439	Tomahawk Federal Unit #701H	P-20-24S-28E	98220	
30-015-47442	Tomahawk Federal Unit #702H	P-20-24S-28E	98220	
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30-015-47500	Tomahawk Federal Unit #714H	A-30-24S-28E	98220	
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30-015-47502	Tomahawk Federal Unit #716H	A-30-24S-28E	98220	
30-015-47503	Tomahawk Federal Unit #717H	C-30-24S-28E	98220	
30-015-47504	Tomahawk Federal Unit #718H	C-30-24S-28E	98220	

District I 1625 N. French Dr., Hobbs, NM 88240

District II

District IV

Phone:(575) 393-6161 Fax:(575) 393-0720

811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720

Phone:(505) 334-6178 Fax:(505) 334-6170

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

District III 1000 Rio Brazos Rd., Aztec, NM 87410

CONDITION	s

Action 17863

State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

CONDITIONS OF APPROVAL

Operator:				OGRID:	Action Number:	Action Type:
COG OPE	ERATING LLC	600 W Illinois Ave	Midland, TX79701	229137	17863	C-107B
OCD Reviewer	Condition					
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval.					