

DATE IN <u>6/29/15</u>	SUSPENSE	ENGINEER <u>MAM</u>	LOGGED IN <u>6/29/15</u>	TYPE <u>CTB</u>	APP NO. <u>PSAG/518059292</u>
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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 CTB
☐ NSL ☐ NSP ☐ SD Operator: LOG Operating LLC
Pool: Welch Bone Springs
 Check One Only for [B] or [C] Well: Screech Owl Federal
 [B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☒ OLM 1, 2, 3, 4
 [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR API: 30-015-42826
73
 [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.

Melanie J. Wilson

Melanie J. Wilson

Regulatory Analyst

06/22/2015

Print or Type Name

Signature

Title

Date

mwilson@concho.com
 e-mail Address



June 22, 2015

New Mexico Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Attention: Mr. Michael McMillan

Re: Application for Off Lease Measurement
Screech Owl Federal #1H API No. 30-015-42825
Screech Owl Federal #2H API No. 30-015-42826
Screech Owl Federal #3H API No. 30-015-42827
Screech Owl Federal #4H API No. 30-015-42828
Producing from Sections 19 and 30, T26S, R27E
Tank Battery with Measurement in Section 18, T26S, R27E
Eddy County, New Mexico

Dear Mr. McMillan:

Pursuant to Division Rule 19.15.15.13, COG Operating LLC (COG) respectfully requests administrative approval of off lease measurement for its Screech Owl Federal #1H, 2H, 3H and 4H wells. An off lease tank battery was approved by BLM to accommodate these wells in order to minimize surface damage while leaving surface area available for future development. The facility site will have four completely separate batteries, one of which will service the wells listed above. No other wells will produce to this battery.

COG Operating LLC is the only working interest owner in the producing lease. BTA Oil Producers LLC is the only overriding royalty owner and has been furnished a copy of this application. BLM is being furnished a copy of this application and is the only royalty interest owner.

Thank you for your consideration of this application. Should you have questions or require further information, please contact me at 575-748-6952 or by email at mwilson@concho.com.

Sincerely,

A handwritten signature in black ink that reads "Melanie J. Wilson".

Melanie J. Wilson
Lead Regulatory Analyst

cc: OCD Artesia

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

- (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: Melanie J. Wilson

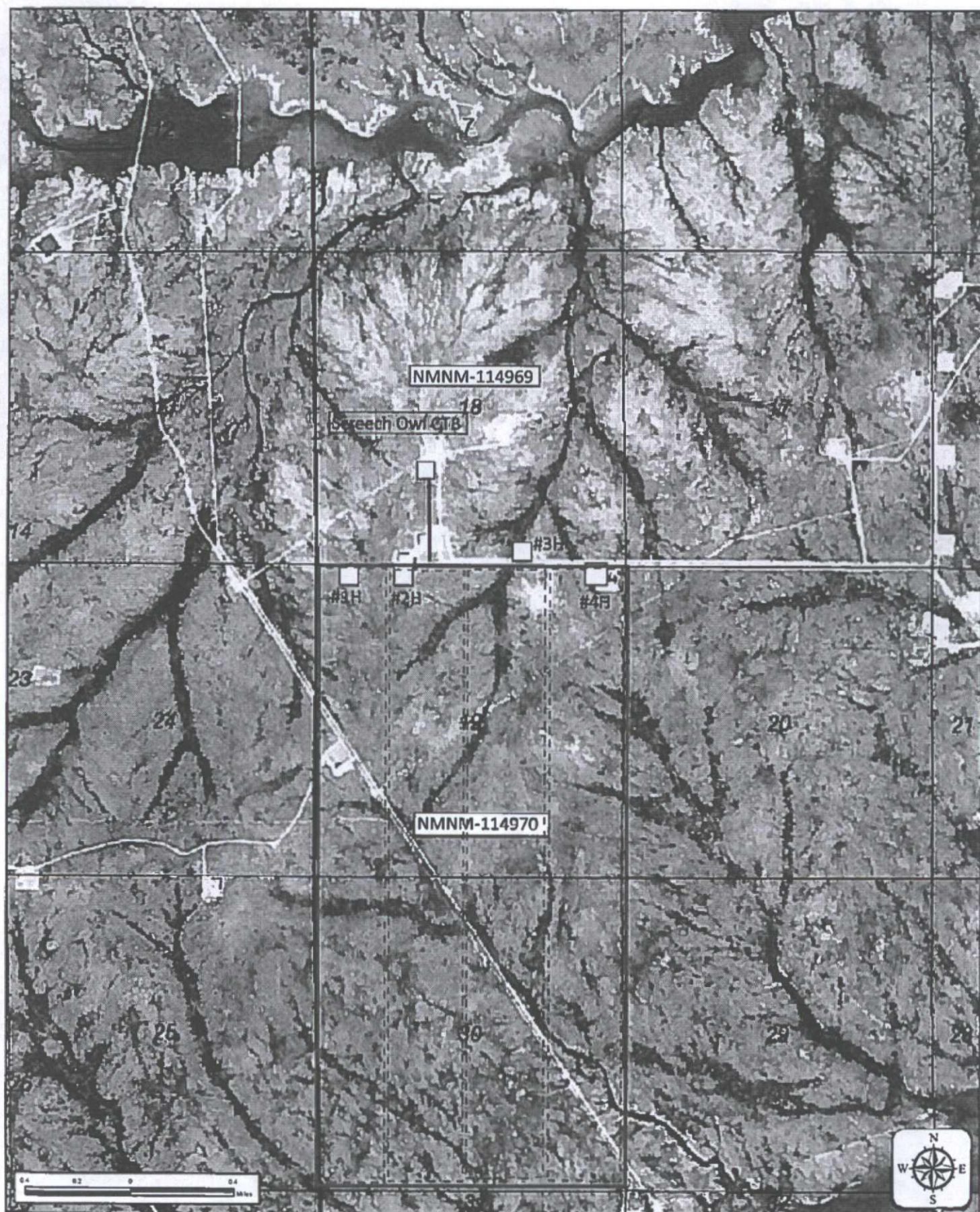
TITLE: Regulatory Analyst

DATE: 06/22/2015

TYPE OR PRINT NAME Melanie J. Wilson

TELEPHONE NO.: 575-748-6952

mwilson@concho.com



Road



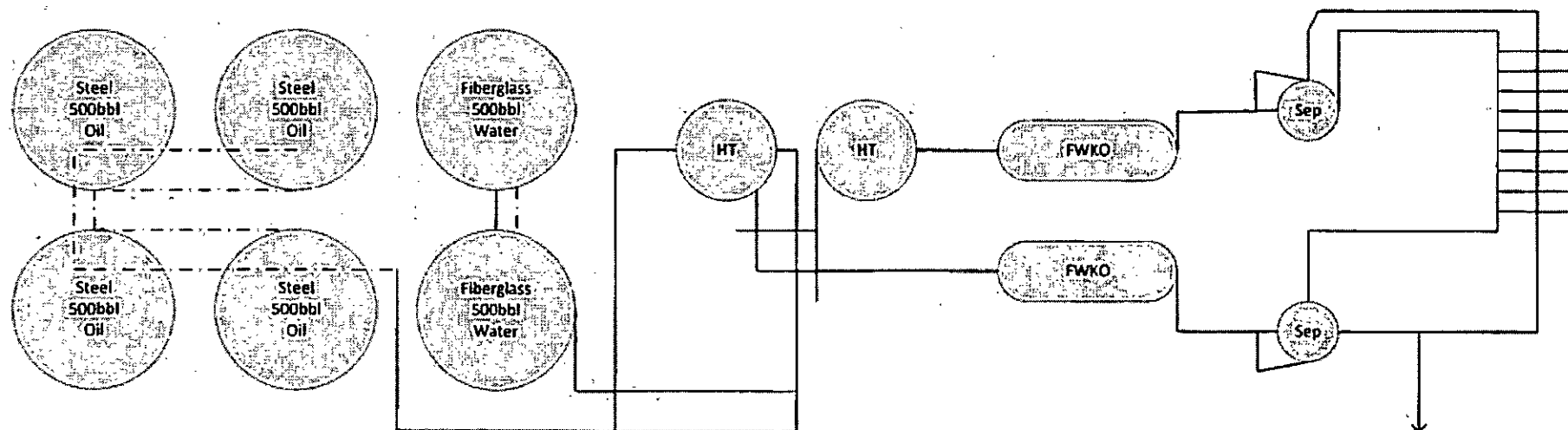
COG Operating LLC.
2208 W Main St.
Artesia, NM 88210

Screech Owl CTB

18/26S/27E

Lat: 32.039458

Long: -104.231814





June 22, 2015

Certified Mail – Return Receipt Requested
7013 3020 0000 8749 6848

BTA Oil Producers LLC
104 South Pecos
Midland, TX 79701

Re: Application for Off Lease Measurement
Screech Owl Federal #1H API No. 30-015-42825
Screech Owl Federal #2H API No. 30-015-42826
Screech Owl Federal #3H API No. 30-015-42827
Screech Owl Federal #4H API No. 30-015-42828
Producing from Sections 19 and 30, T26S, R27E
Tank Battery with Measurement in Section 18, T26S, R27E
Eddy County, New Mexico

Gentlemen:

Attached is a copy of COG's Application for Off Lease Measurement. You are being sent a copy of this Application per OCD's requirement to notify the overriding royalty owner. If you have any objection to this Application, notification should be given to OCD within 20 days of receipt of this letter. If you have no objection, please indicate same by signing the statement below.

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

Sincerely,

Melanie J. Wilson
Lead Regulatory Analyst

Enclosure

BTA Oil Producers LLC has no objection to COG Operating LLC's Application for Off Lease Measurement of the Screech Owl Federal #1H, 2H, 3H and 4H wells.

By:

Date: 06/29/2015

Printed Name: Ben Grimes

Title: Operations Mgr.

CORPORATE ADDRESS

One Concho Center | 600 West Illinois Avenue | Midland, Texas 79701
PHONE 432.683.7443 | FAX 432.683.7441

LOCAL ADDRESS

Concho West | 2208 West Main Street | Artesia, New Mexico 88210
PHONE 575.748.6940 | FAX 575.748.6968

DISTRICT I
1625 N. FRANCHIS DR., ROSA, NM 87240
Phone: (505) 393-6101 FAX: (505) 393-6720

DISTRICT II
511 S. FIRST ST., ARTESIA, NM 88210
Phone: (505) 748-1283 FAX: (505) 748-0720

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 334-0176 FAX: (505) 334-0170

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 476-3480 FAX: (505) 476-3482

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-42825		Pool Code 64010	Pool Name Welch; Bone Spring
Property Code 313961	Property Name SCREECH OWL FEDERAL		Well Number 1H
OGRID No. 229137	Operator Name COG OPERATING, LLC		Elevation 3342.5'

Surface Location

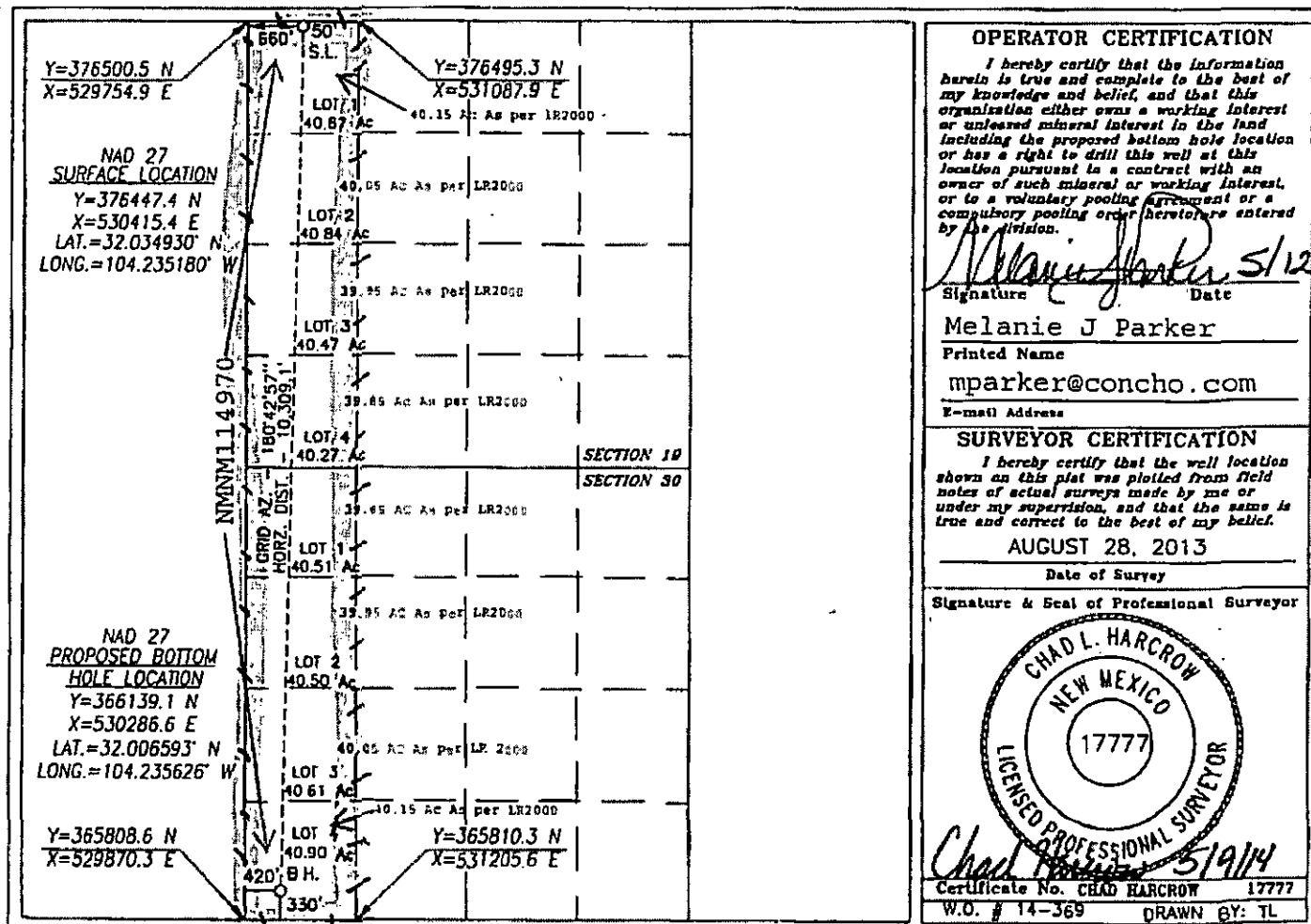
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	19	26-S	27-E		50	NORTH	660	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	30	26-S	27-E		330	SOUTH	420	WEST	EDDY

Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



DISTRICT IV
1820 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 478-3400 Fax: (505) 478-3482

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-42826	Pool Code 64010	Pool Name Welch; Bone Spring
Property Code 313961	Property Name SCREECH OWL FEDERAL	Well Number 2H
OCRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3340.0'

Surface Location

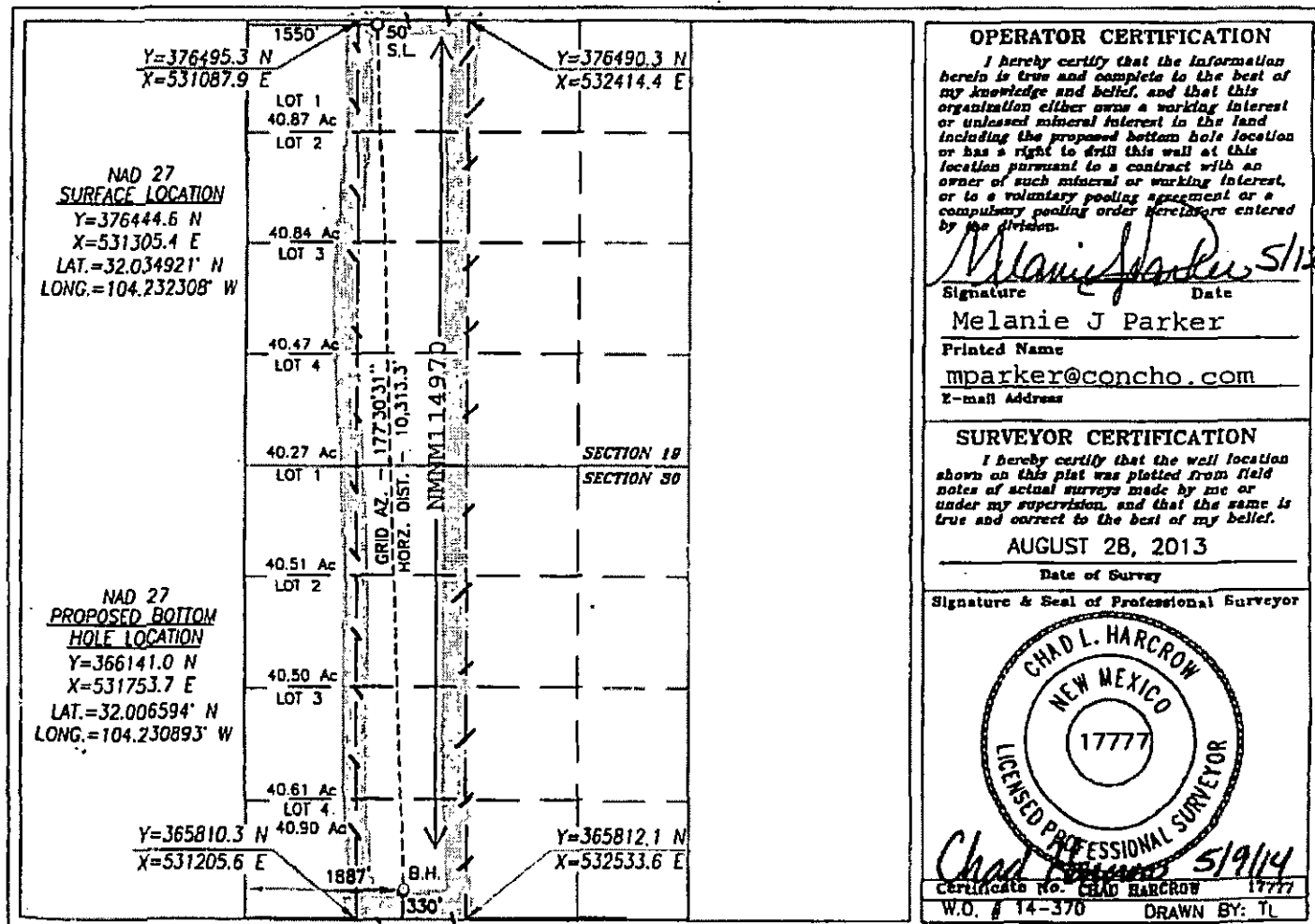
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	19	26-S	27-E		50	NORTH	1550	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	30	26-S	27-E		330	SOUTH	1887	WEST	EDDY

Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.
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DISTRICT I
1625 N. FREYER DR., BOERS, NM 88240
Phone: (505) 363-6161 Fax: (505) 363-6729

DISTRICT II
811 S. FIRST ST., ARTESIA, NM 88210
Phone: (505) 748-1282 Fax: (505) 748-8780

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 334-6176 Fax: (505) 334-6176

DISTRICT IV
1200 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3162

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-42827	Pool Code 64010	Pool Name Welch; Bone Spring
Property Code 313961	Property Name SCREECH OWL FEDERAL	Well Number 3H
OCRD No. 229137	Operator Name COG OPERATING, LLC	Elevation 3297.3

Surface Location

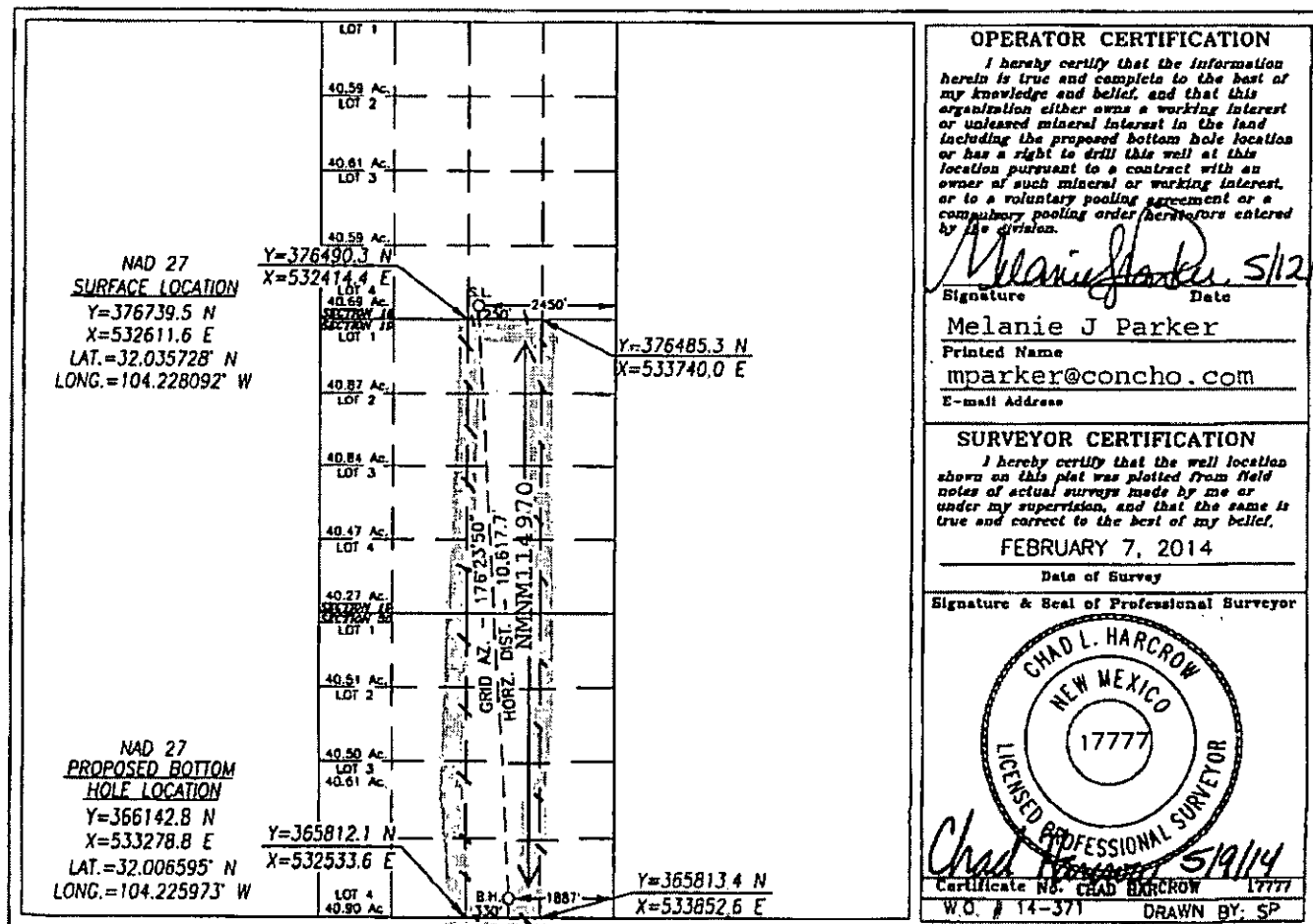
UL or lot No.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
0	18	26-S	27-E		250	SOUTH	2450	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
0	30	26-S	27-E		330	SOUTH	1887	EAST	EDDY

Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



DISTRICT I
1623 N. FRENCH DR., HOBBES, NM 86240
Phone: (575) 343-6191 Fax: (575) 343-6770

DISTRICT II
611 S. FIRST ST., ARTESIA, NM 86210
Phone: (575) 746-1283 Fax: (575) 746-9770

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 334-8178 Fax: (505) 334-8170

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87503
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102

Revised August 1, 2011

Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-42828	Pool Code 64010	Pool Name Welch; Bone Spring
Property Code 313961	Property Name SCREECH OWL FEDERAL	Well Number 4H
OCRD No. 229137	Operator Name COG OPERATING, LLC	Elevation 3316.2'

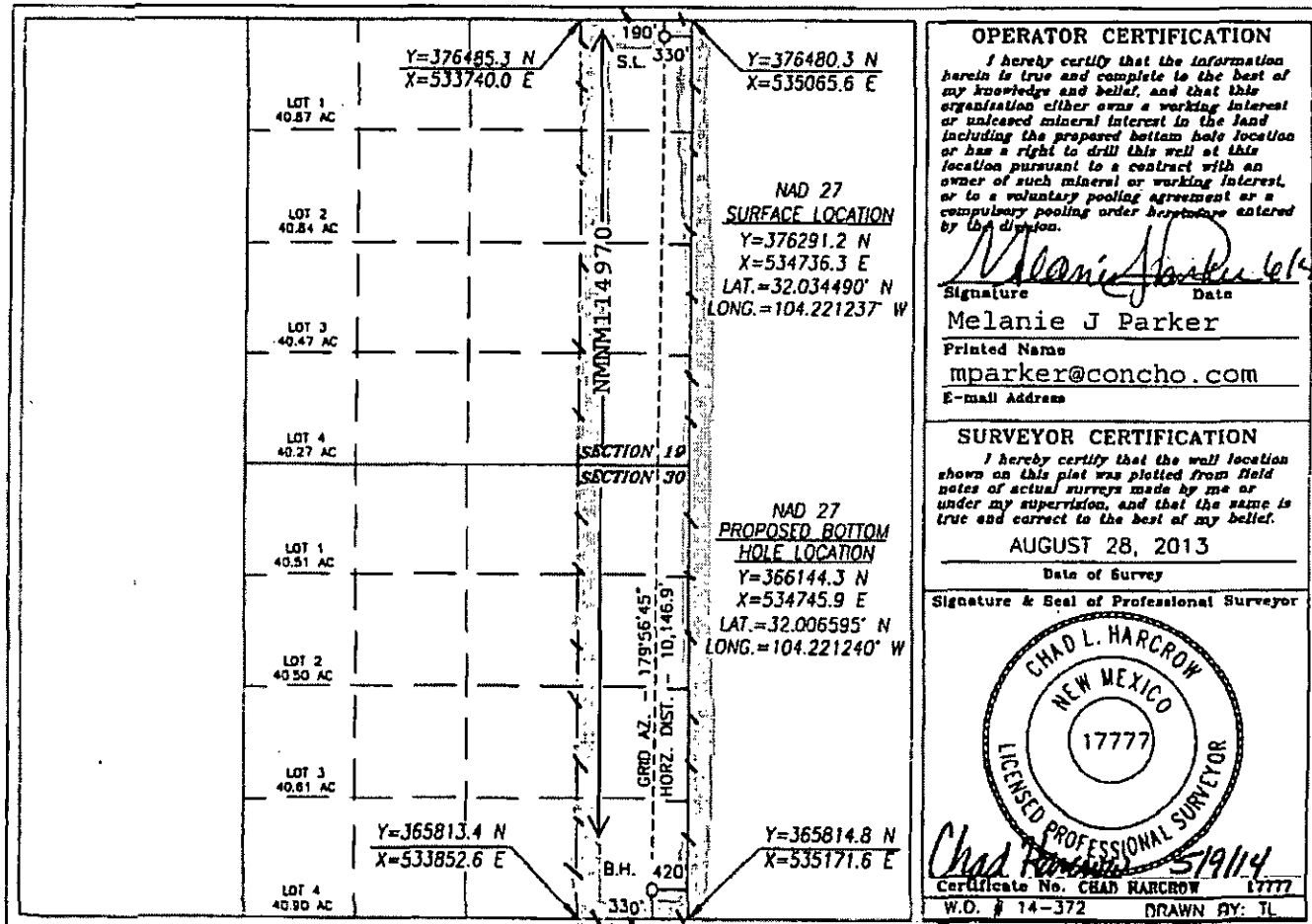
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	19	26-S	27-E		190	NORTH	330	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	30	26-S	27-E		330	SOUTH	420	EAST	EDDY
Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION





June 30, 2015

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Re: **Permission for Off Lease Measurement**
Screech Owl Federal #1H, #2H, #3H, #4H
Township 26 South, Range 27 East N.M.P.M.
Sections 19 & 30
Eddy County, New Mexico

Dear Sir or Madam:

As requested in response to COG Operating LLC's application for permission for off lease measurement, hereby is notification that the Screech Owl Federal #1H, #2H, #3H and #4H wells located in Sections 19 and 30 of Township 26 South, Range 27 East, have or are planning to be drilled on Lease USA NM-114970, and therefore have identical ownership.

If you have any questions, please feel free to contact me by phone at 432-688-6602 or by email at aneagle@concho.com.

Sincerely,

COG Operating LLC

A handwritten signature in black ink that reads "Amanda Neagle". The signature is fluid and cursive, with the first name and last name clearly distinguishable.

Amanda Neagle
Senior Landman
Delaware Basin – South NM