

HOBBS OCDUNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**Carlsbad Field Office**
OCD HobbsELECTRONICALLY APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SEP 21 2016

SUNDRY NOTICES AND REPORTS ON WELLS*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.***SUBMIT IN TRIPLICATE - Other instructions on reverse side.**5. Lease Serial No.
NMNM95641

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
NMNM1347548. Well Name and No.
KING AIR 8 FEDERAL COM 4H ✓9. API Well No.
30-025-42200-00-S110. Field and Pool, or Exploratory
LUSK11. County or Parish, and State
LEA COUNTY, NM**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Onshore Order Variance
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleate 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 recompleation 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 requests permission to install a Vapor Combustor Unit (VCU) at the Horned Owl Federal #3H tank battery. This request is due to the fact that the cost of installing and operating equipment necessary to capture the gas exceeds the value of the gas over the life of the facility. COG Operating LLC understands that the following conditions apply:

1. COG Operating LLC may be required to provide economic justification and provide volume verification to the Authorized Officer upon request.
2. COG Operating LLC will comply with NTL-4A requirements.
3. If volume being combusted is less than 50 MCF of gas per day, it is considered ?unavoidably lost?, therefore, no royalty obligation shall be accrued and will not be required to be reported.
 - a. "Unavoidably Lost" production shall mean (1) those gas vapors which are released (in this case combusted) from low-pressure storage tanks.
4. Essentially all measured combusted volumes over 50 MCF will require payment of royalties and

14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #345715 verified by the BLM Well Information System For COG OPERATING LLC, sent to the Hobbs Committed to AFMSS for processing by PRISCILLA PEREZ on 07/26/2016 (16PP0963SE)	
Name (Printed/Typed) AMANDA AVERY	Title AUTHORIZED REPRESENTATIVE
Signature (Electronic Submission)	Date 07/25/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>DUNCAN WHITLOCK</u>	Title <u>TECHNICAL LPET</u>	Date <u>09/16/2012</u>
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 <u>Hobbs</u>

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 **

MAB/OCD 9/26/2016

Additional data for EC transaction #345715 that would not fit on the form

32. Additional remarks, continued

volumes need to be reported on OGOR "B" reports as disposition code "08".

5. Per 43 CFR 3162.7-5(d)/Onshore Order No.3.III.1.1, site facility diagram must be submitted within 60 days of equipment installation.

6. This approval does not authorize any additional surface disturbance.

7. Subject to like approval from NMOCD.

Attached are the following:

Site Security Diagram of the current tank battery, as well as the location of the VCU and the manifold line connecting the tanks to the VCU.

Contact name and number to retrieve information on volumes being combusted.

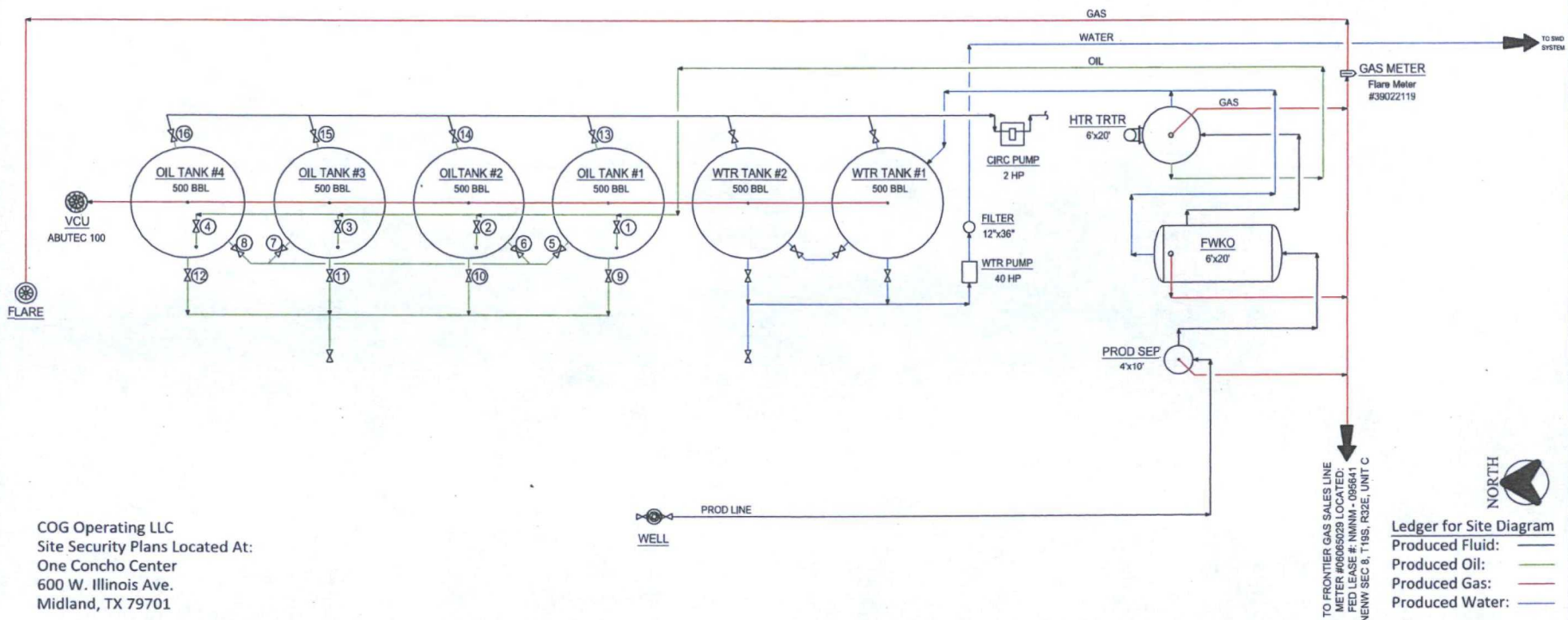
Specification sheet(s) for the VCU.

KING AIR 8 FEDERAL COM 4H BATTERY
SWSW SECTION 8, T19S, R32E, UNIT M
LEA COUNTY, NM

WELLS:
KING AIR 8 FEDERAL COM #004H: 30-025-42200

Production Phase - Oil Tank #1
- Valve 1 open
- Valves 2, 3, and 4 closed
- Valves 5, 6, 7, and 8 open
- Valves 9, 10, 11, and 12 closed
- Valve 13 open
- Valves 14, 15, and 16 closed

Sales Phase - Oil Tank #1
- Valve 1 closed
- Valves 2, 3, or 4 open
- Valve 5 closed
- Valves 6, 7, and 8 open
- Valve 9 open
- Valves 10, 11, and 12 closed
- Valve 13 closed
- Valves 14, 15, or 16 open



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

NOTES:

Type of Lease: Federal
Federal Lease #: NMNM - 092771
Property Code: 40109
OGRID #: 229137

CONFIDENTIALITY NOTICE
THIS DRAWING IS PROPERTY
OF COG OPERATING LLC AND
IS LOANED TO THE BORROWER
FOR CONFIDENTIAL USE ONLY
AND IS SUBJECT TO RETURN
UPON REQUEST AND SHALL
NOT BE REPRODUCED,
COPIED, LOANED OR OTHERWISE
DISPOSED OF DIRECTLY OR
INDIRECTLY FOR USE FOR
ANY PURPOSE OTHER THAN
THAT WHICH IT IS
SPECIFICALLY FURNISHED.

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

REVISIONS		BY		CHK		APP	
NO.	DATE	DESCRIPTION	BY	CHK	APP	DATE	DATE
A	06/01/12	ISSUE FOR SITE PERMITTING	CRB			06/01/12	
B	06/25/16	UPDATED FOR KING AIR 8 FED 4H BTRY	CRB			06/25/16	

ENGINEERING RECORD		BY		CHK		APP	
NO.	DATE	DESCRIPTION	BY	CHK	APP	DATE	DATE
1	06/01/12	ISSUE FOR SITE PERMITTING	CRB			06/01/12	
2	06/25/16	UPDATED FOR KING AIR 8 FED 4H BTRY	CRB			06/25/16	

CONCHO		NEW MEXICO SHELF ASSET		PRODUCTION FACILITIES		SITE FACILITY DIAGRAM	
LEA	COUNTY	TOWNSHIP/RANGE	WELL NO.	WELL NO.	WELL NO.	WELL NO.	WELL NO.
LEA	COUNTY	TOWNSHIP/RANGE	WELL NO.	WELL NO.	WELL NO.	WELL NO.	WELL NO.
LEA	COUNTY	TOWNSHIP/RANGE	WELL NO.	WELL NO.	WELL NO.	WELL NO.	WELL NO.

COG Operating LLC Contacts

Ronnie Tice 432-528-9501

Stan Hammond 432-210-3818