

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
OCD Hobbs

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

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.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMLC061842	
2. Name of Operator COG OPERATING LLC /		6. If Indian, Allottee or Tribe Name	
3a. Address ONE CONCHO CENTER 600 W. ILLINOIS AVE MIDLAND, TX 79701		7. If Unit or CA/Agreement, Name and/or No. NM135168 + NM134918	
3b. Phone No. (include area code) Ph: 432-685-4332		8. Well Name and No. FLAT HEAD FEDERAL COM 6H /	
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 14 T17S R32E Mer NMP 1115FNL 1650FEL /		9. API Well No. 30-025-41759	
		10. Field and Pool, or Exploratory MALJAMAR	
		11. 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	Surface Commingling
	<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 recompleat 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 recompleat 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 for surface commingle and off lease measurement and storage.

Flat Head Federal Com 6H
NMLC061842
CA NM135168
API 30-025-41759
Sec 14 17S 32E NWNE 1115FNL 1650FEL

Flat Head Federal Com 8H
NMLC061842
CA NM134918

14. I hereby certify that the foregoing is true and correct. Electronic Submission #327203 verified by the BLM Well Information System For COG OPERATING LLC, sent to the Hobbs	
Name (Printed/Typed) KANICIA CASTILLO	Title PREPARER
Signature (Electronic Submission)	Date 12/23/2015

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>J.D. Whitlock</u>	Title <u>TL PET</u>	Date <u>7/24/17</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>CFO</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.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

KZ

Additional data for EC transaction #327203 that would not fit on the form

32. Additional remarks, continued

API 30-025-42375

Sec 14 T17S R32E NENE 1170FNL 330FEL

Consolidating production to one battery will extend the economic life for these wells and lessen surface disturbance.

Commingle will not reduce value of production.

All interest owners have been notified.

All lease Royalty Rates are 12-1/2%.

Please see attachments.

APPLICATION FOR COMMINGLE AND OFF LEASE MEASUREMENT AT A COMMON CENTRAL TANK BATTERY

Central Tank Battery Proposal for the Flat Head Federal Com Wells:

COG Operating is requesting approval for the Central Tank Battery, Lease Commingle, Off Lease Measurement, Sales, & Storage for the following wells:

Federal Lease NMLC061842 (12.5%)

CA NMNM135168 (160 Acres of Fee Lands 40 acres of Federal lands)

Well Name	Location	API #	Pool 44500	Oil BOPD	Gravities	MCFPD	BTU
Flat Head Federal Com 6H	NENE Sec. 14-T17S-R32E-B <i>NWNE</i>	30-025-41759	Maljamar; Yeso, West	44	37.4	47	1332

CA NMNM134918 (160 Acres of Fee Lands 40 acres of Federal lands)

Flat Head Federal Com 8H	NENE Sec. 14-T17S-R32E-A	30-025-42375	Maljamar Yeso, West	62	37.6	69	1270
--------------------------	--------------------------	--------------	------------------------	----	------	----	------

Attached map displays the federal leases and well locations in Section 14, T17S-R32E and Section 11, T17S-R32E.

The BLM's interest in all two wells is the same. Waste is not induced and no correlative rights are impaired.

Oil & Gas metering:

The central tank battery is located on the pad for the Flat Head Federal Com #6H well located in NWNE, Sec. 14-T17S-R32E on federal lease NMLC 061842 in Lea County, New Mexico. Flowlines from producing wells terminate into the test/production header which serves as the inlet to the tank battery. From the header, one well can be put in test and the remaining well is produced into the 2-phase production separator.

The one 3-phase horizontal test separators and associated metering devices have been sized for the expected range of fluid rates from the production wells. The sizing and calibration of this equipment ensures accurate measurement of produced fluids from a well in test. Separate meters are used for measuring oil, water and gas. After fluids are separated, oil and water flow rates are measured using turbine meters (Tester #1: (PO) #429259) and the gas flow rate is measured using an orifice meter (Tester #1: (PG) #39022121). After measurement the fluids are recombined with the main production stream and routed to the 2-phase separator for processing.

Monthly gas and oil production will be allocated based on the percentage of each wells contribution as determined through well tests. This battery is able to handle a total of 8 horizontal wells. Each well will be tested at least once a month and the duration of each test will be a minimum of three days. Using the subtraction method for a two well facility, one well will be continuously metered through a test separator and one well will be produced into the 2-phase separator. A producing well that has different ownership than other wells at the battery will be continuously metered separately through a test separator prior to commingling production together into the 2-phase separator. Wells with common ownership will be produced into either the test separator or production separator. The production for the well not being metered will be determined by taking the total production from the battery and subtracting the metered volumes from the test separators. The oil test meters will be proven as per API, NMOCD, and BLM specifications, when installed, once per month for the first 3 months (to establish a consistent repeatability factor), and then quarterly thereafter. The factor obtained will be used to allocate the production volumes. The gas test meters will be calibrated on a regular basis per API, NMOCD and BLM specifications.

Combined fluids from the production header and test separators will be routed to a 2-phase separator where gas and liquids are separated. Gas separated at this point is sent to the DCP Midstream CDP meter #742574-00 which is located in NWNE, Sec. 14-T17S-R32E. Liquids from this separator are routed to additional vessels for processing before being sent to the oil and water storage tanks. Any gas that flashes off during the additional processing stages is tied directly into the gas sales system upstream of the DCP Midstream CDP meter. This meter will be calibrated on a regular basis per API, NMOCD and BLM specifications.

The Flat Head Federal Com 6H battery will have three 500 BBL oil tanks that all wells will utilize. These oil tanks have a common delivery point on the northwest side of the location where oil is hauled via trucking by Holly Transportation. Oil sales volume is determined by gauging of sealed tanks before and after the truck is loaded in accordance with applicable API, NMOCD, and BLM specifications.

Water from all producing wells will be separated through the use of a FWKO and heater-treater prior to being routed to the two 500 BBL water tanks. Water will then be transferred out of the tanks and tied into a Company owned SWD system. Bulk water leaving the facility is measured using a turbine meter.

Flat Head Federal Com 6H production will flow into the test/production header and is routed through the process as described above. No other unique metering devices are included on this individual well.

Flat Head Federal Com 8H production will flow into the test/production header and is routed through the process as described above. No other unique metering devices are included on this individual well.

The BLM and OCD will be notified of any future changes in the facilities.

Process and Flow Descriptions:

The flow of produced fluids is shown in detail on the enclosed facility diagram, along with a map which shows the lease boundaries, communication agreement boundaries, and location of wells, facility, and gas sales meter. The proposed commingling is appropriate based on the BLM's guidance in IM 2013-152. The proposed commingling will maximize the ultimate recovery of oil and/or gas from the federal leases and will reduce environmental impacts by minimizing surface disturbance, reduce the surface facility footprint and overall emissions. The proposed commingling is the most effective economical means of producing the reserves and will reduce operating expenses, as well as, not adversely affect federal royalty income, production accountability, or the distribution of royalty.

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

Working, royalty, and overriding interest owners have been notified of this proposal via certified mail (see attached).

Signed: 

Printed Name: Kanicia Castillo

Title: Lead Regulatory Analyst

Date: 12/22/2015

FLAT HEAD FEDERAL COM 6H BATTERY
NWNE SECTION 14, T17S, R32E, UNIT B
LEA COUNTY, NM

WELLS:

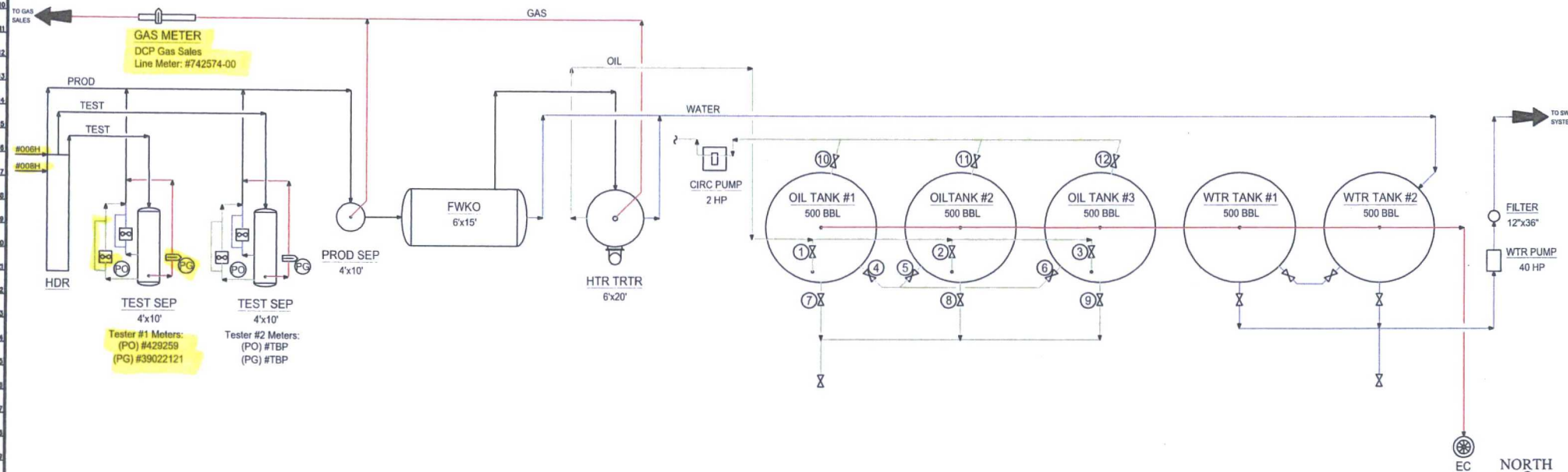
FLAT HEAD FEDERAL COM #006H: 30-025-41759
FLAT HEAD FEDERAL COM #008H: 30-025-42375

Production Phase - Oil Tank #1

- Valve 1 open
- Valves 2 and 3 closed
- Valves 4, 5, and 6 open
- Valves 7, 8, and 9 closed
- Valves 10, 11, and 12 closed

Sales Phase - Oil Tank #1

- Valve 1 closed
- Valves 2 or 3 open
- Valve 4 closed
- Valves 5 and 6 open
- Valve 7 open
- Valves 8 and 9 closed
- Valves 10, 11, and 12 closed



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: —
Future: —

NOTES:

Type of Lease: Federal
Federal Lease #: NMLC 061842
Property Code: 40481
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, LENT OR OTHERWISE DISPOSED OF DIRECTLY OR INDIRECTLY, NOR USED FOR ANY PURPOSE OTHER THAN THAT WHICH IT IS SPECIFICALLY FURNISHED.

REFERENCE DRAWINGS

NO.	TITLE
1	FLAT HEAD FEDERAL COM 6H BATTERY
2	FLAT HEAD FEDERAL COM 6H BATTERY
3	FLAT HEAD FEDERAL COM 6H BATTERY
4	FLAT HEAD FEDERAL COM 6H BATTERY
5	FLAT HEAD FEDERAL COM 6H BATTERY
6	FLAT HEAD FEDERAL COM 6H BATTERY
7	FLAT HEAD FEDERAL COM 6H BATTERY
8	FLAT HEAD FEDERAL COM 6H BATTERY
9	FLAT HEAD FEDERAL COM 6H BATTERY
10	FLAT HEAD FEDERAL COM 6H BATTERY
11	FLAT HEAD FEDERAL COM 6H BATTERY
12	FLAT HEAD FEDERAL COM 6H BATTERY
13	FLAT HEAD FEDERAL COM 6H BATTERY
14	FLAT HEAD FEDERAL COM 6H BATTERY
15	FLAT HEAD FEDERAL COM 6H BATTERY
16	FLAT HEAD FEDERAL COM 6H BATTERY
17	FLAT HEAD FEDERAL COM 6H BATTERY
18	FLAT HEAD FEDERAL COM 6H BATTERY
19	FLAT HEAD FEDERAL COM 6H BATTERY
20	FLAT HEAD FEDERAL COM 6H BATTERY
21	FLAT HEAD FEDERAL COM 6H BATTERY
22	FLAT HEAD FEDERAL COM 6H BATTERY
23	FLAT HEAD FEDERAL COM 6H BATTERY
24	FLAT HEAD FEDERAL COM 6H BATTERY
25	FLAT HEAD FEDERAL COM 6H BATTERY
26	FLAT HEAD FEDERAL COM 6H BATTERY
27	FLAT HEAD FEDERAL COM 6H BATTERY
28	FLAT HEAD FEDERAL COM 6H BATTERY
29	FLAT HEAD FEDERAL COM 6H BATTERY
30	FLAT HEAD FEDERAL COM 6H BATTERY
31	FLAT HEAD FEDERAL COM 6H BATTERY
32	FLAT HEAD FEDERAL COM 6H BATTERY
33	FLAT HEAD FEDERAL COM 6H BATTERY
34	FLAT HEAD FEDERAL COM 6H BATTERY
35	FLAT HEAD FEDERAL COM 6H BATTERY
36	FLAT HEAD FEDERAL COM 6H BATTERY
37	FLAT HEAD FEDERAL COM 6H BATTERY
38	FLAT HEAD FEDERAL COM 6H BATTERY
39	FLAT HEAD FEDERAL COM 6H BATTERY
40	FLAT HEAD FEDERAL COM 6H BATTERY
41	FLAT HEAD FEDERAL COM 6H BATTERY

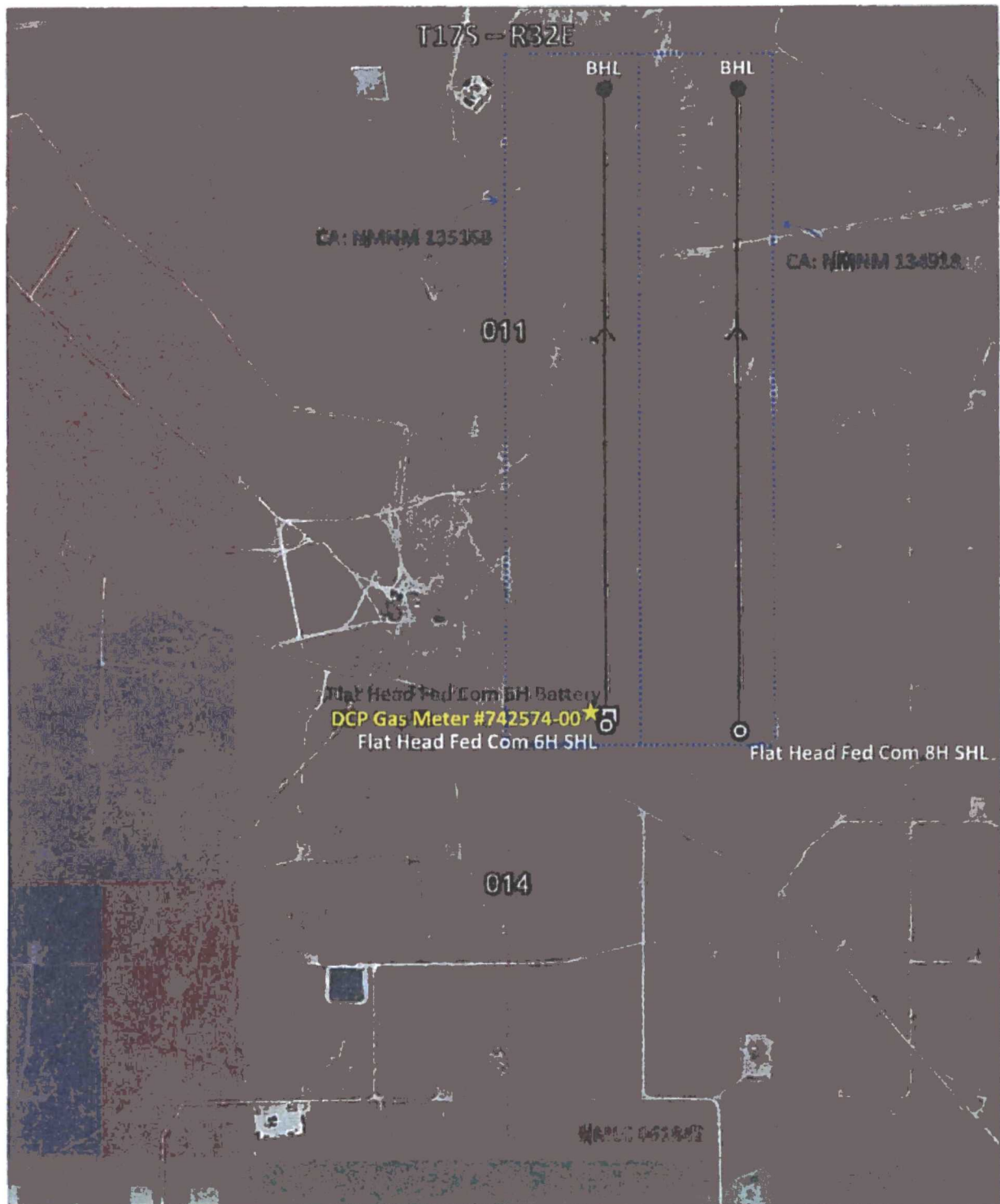
COG OPERATING LLC
600 WEST ILLINOIS AVENUE
MIDLAND, TEXAS 79701

NO.	DATE	DESCRIPTION	BY	CHK.	APP.
A	06/01/12	ISSUE FOR SITE PERMITTING	CRB		
B	8/28/15	UPDATED FOR FLAT HEAD FED 6H BTY	CRB		
C					
D					
E					
F					
G					
H					
I					
J					
K					
L					
M					
N					
O					
P					
Q					
R					
S					
T					
U					
V					
W					
X					
Y					
Z					

ENGINEERING RECORD
BY: CRB
DATE: 06/01/12
DES: CRB
CHK: CRB
APP: CRB
AFE NO: CRB
FACI ENR: C. BLEDSOE
OPER ENR: VARIES
SCALE: NONE

CONCHO
NEW MEXICO SHELF ASSET PRODUCTION FACILITIES SITE FACILITY DIAGRAM FLAT HEAD FEDERAL COM 6H BATTERY
LEA COUNTY
DWG NO. D-1700-81-005
REV B

Flat Head Federal Com 6H Battery Map



003

002

001

006

NMLC 0059576

010

011

012

007

NMLC 0064150

NMNM 0315712

015

014

NMLC 0061842

013

018

NMLC 0054687

NMNM 0080258

6H

8H

003

002

001

006

NMNM
135168

011

NMNM
134918

012

007

NMLC 0059576

010

NMLC 0064150

NMNM 0315712

NMNM
136466

015

NMLC 0054687

NMNM 0080258

6H

8H

014

NMLC 0061842

013

018

NMNM 133181

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

Run Time: 07:26 AM

Page 1 of 3

Run Date: 10/09/2015

01 02-25-1920;041STAT0437;30USC226

Case Type 311111: O&G LSE NONCOMP PUB LAND

Commodity 459: OIL & GAS

Case Disposition: AUTHORIZED

Total Acres
320.000

Serial Number
NMLC-- 0 061842

Serial Number: NMLC-- 0 061842

Name & Address			Int Rel	% Interest
CHASE CROUCH GERENE	PO BOX 693	ARTESIA NM 882110693	OPERATING RIGHTS	0.000000000
CHASE OIL CORP	PO BOX 1767	ARTESIA NM 882111767	OPERATING RIGHTS	0.000000000
CHASE RICHARD L	PO BOX 359	ARTESIA NM 882110359	OPERATING RIGHTS	0.000000000
CHASE ROBERT C	2306 SIERRA VISTA DR	ARTESIA NM 88210	OPERATING RIGHTS	0.000000000
COG OPERATING LLC	600 W ILLINOIS AVE	MIDLAND TX 797014882	LESSEE	100.000000000
COG OPERATING LLC	600 W ILLINOIS AVE	MIDLAND TX 797014882	OPERATING RIGHTS	0.000000000
DEVON ENERGY PROD CO LP	333 W SHERIDAN AVE	OKLAHOMA CITY OK 731025010	OPERATING RIGHTS	0.000000000
MACK C CHASE TRUSTEE	PO BOX 693	ARTESIA NM 88210	OPERATING RIGHTS	0.000000000

Serial Number: NMLC-- 0 061842

Mer Twp Rng Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23 0170S 0320E 014	ALIQ		E2,	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

Serial Number: NMLC-- 0 061842

Act Date	Code	Action	Action Remark	Pending Office
08/11/1939	387	CASE ESTABLISHED		
08/11/1939	496	FUND CODE	05;145003	
08/11/1939	530	RLTY RATE - 12 1/2%		
08/11/1939	868	EFFECTIVE DATE		
09/29/1941	232	LEASE COMMITTED TO UNIT	NMNM70987X;MALJAMAR C	
09/13/1943	553	CASE CREATED BY ASGN	CUT OF NMLC058697-B;	
09/13/1943	660	MEMO OF 1ST PROD-ALLOC	MALJAMAR COOP REPRES	
11/15/1956	658	MEMO OF 1ST PROD-ACTUAL		
09/19/1975	940	NAME CHANGE RECOGNIZED	KEWANEE OIL CO/IND	
10/24/1979	940	NAME CHANGE RECOGNIZED	CONTL OIL/CONOCO INC	
01/11/1983	140	ASGN FILED	(1) CONOCO/PETRO-LEWIS	
01/11/1983	140	ASGN FILED	(1) CONOCO/PTNRSH PRO	
01/11/1983	140	ASGN FILED	(2) CONOCO/PETRO-LEWIS	
01/11/1983	140	ASGN FILED	(2) CONOCO/PTNRSH PRO	
02/11/1983	140	ASGN FILED	PETRO-LEWIS/PTNRSH	
01/24/1985	139	ASGN APPROVED	(1) EFF 02/01/83;	
01/24/1985	139	ASGN APPROVED	(2) EFF 02/01/83;	
01/24/1985	139	ASGN APPROVED	(3) EFF 02/01/83;	
01/24/1985	139	ASGN APPROVED	(4) EFF 02/01/83;	
01/24/1985	139	ASGN APPROVED	EFF 03/01/83;	
03/11/1985	963	CASE MICROFILMED/SCANNED	CNUM 102,531 AC	
09/01/1986	676	SUS OPS & PROD/NO PMT		
01/02/1987	932	TRF OPER RGTS FILED		
02/03/1987	933	TRF OPER RGTS APPROVED	EFF 02/01/87;	
04/03/1987	140	ASGN FILED	CONOCO INC/MARBOB	
05/28/1987	139	ASGN APPROVED	EFF 05/01/87;	
05/31/1987	678	SUSP LIFTED		
07/06/1987	932	TRF OPER RGTS FILED		
01/06/1988	933	TRF OPER RGTS APPROVED	EFF 08/01/87;	
07/26/1988	140	ASGN FILED	PTNRSH PROP/FMP OPER	

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: 03:19 PM

Page 1 of 1

Run Date: 11/10/2015

01 02-25-1920;041STAT0437;30USC181

Total Acres

Serial Number

Case Type 318310: O&G COMMUNITIZATION AGRMT

200.000

NMNM-- - 135168

Commodity 459: OIL & GAS

Case Disposition: AUTHORIZED

Serial Number: NMNM-- - 135168

Name & Address			Int Rel	% Interest
BLM CARLSBAD FO	620 E GREENE ST	CARLSBAD NM 88220	OFFICE OF RECORD	0.000000000
COG OPERATING LLC	600 W ILLINOIS AVE	MIDLAND TX 797014882	OPERATOR	100.000000000

Serial Number: NMNM-- - 135168

Mer Twp	Rng	Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23 0170S	0320E	011	ALIQ		W2E2,	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23 0170S	0320E	014	ALIQ		NWNE,	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 135168

Act Date	Code	Action	Action Remark	Pending Office
09/12/2014	387	CASE ESTABLISHED		
09/12/2014	516	FORMATION	GLORIETA YESO	
09/12/2014	525	ACRES-NONFEDERAL	160;80% FEE	
09/12/2014	526	ACRES-FED INT 100%	40;20%	
09/12/2014	654	AGRMT PRODUCING	/1/	
09/12/2014	658	MEMO OF 1ST PROD-ACTUAL	/1/30-025-41759	
09/12/2014	868	EFFECTIVE DATE	30-025-41759	
10/05/2015	334	AGRMT APPROVED		
10/05/2015	643	PRODUCTION DETERMINATION	/1/	

Serial Number: NMNM-- - 135168

Line Nr	Remarks
0001	RECAPITULATION EFFECTIVE SEPTEMBER 12, 2014
0002	TRACT # LSE SERIAL # AC COMMITTED PCT INT
0003	1 FEE 160.00 80.00
0004	2 NMLC061842 40.00 20.00
0005	TOTAL 200.00 100.00

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION

Run Time: 03:12 PM

Page 1 of 1

Run Date: 11/10/2015

(MASS) Serial Register Page

01 02-25-1920;041STAT0437;30USC181

Total Acres

Serial Number

Case Type 318310: O&G COMMUNITIZATION AGRMT

200.000

NMNM-- - 134918

Commodity 459: OIL & GAS

Case Disposition: AUTHORIZED

Serial Number: NMNM-- - 134918

Name & Address			Int Rel	% Interest
BLM CARLSBAD FO	620 E GREENE ST	CARLSBAD NM 88220	OFFICE OF RECORD	0.000000000
COG OPERATING LLC	600 W ILLINOIS AVE	MIDLAND TX 797014882	OPERATOR	100.000000000

Serial Number: NMNM-- - 134918

Mer Twp Rng Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23 01705 0320E 011	ALIQ		E2E2,	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23 01705 0320E 014	ALIQ		NENE,	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 134918

Act Date	Code	Action	Action Remark	Pending Office
05/15/2013	387	CASE ESTABLISHED		
05/15/2013	516	FORMATION	GLORIETA YESO	
05/15/2013	525	ACRES-NONFEDERAL	160;80% FEE	
05/15/2013	526	ACRES-FED INT 100%	40;20% FEDERAL	
05/15/2013	868	EFFECTIVE DATE	30-025-42375	
03/24/2015	654	AGRMT PRODUCING	/1/	
03/24/2015	658	MEMO OF 1ST PROD-ACTUAL	/1/30-025-42375	
07/22/2015	643	PRODUCTION DETERMINATION	/1/	

Serial Number: NMNM-- - 134918

Line Nr	Remarks			
0001	RECAPITULATION EFFECTIVE MAY 15, 2013			
0002	TRACT # LEASE SERIAL # AC COMMITTED PCT INT			
0003	1 FEE	80.00	40.00	
0004	2 FEE	80.00	40.00	
0005	3 NMLC061842	40.00	20.00	
0006	TOTAL	200.00	100.00	



Sent Certified Mail
Return Receipt: 91 7199 9991 7035 3203 1992

November 12, 2015

ALEXIS R. LAMPHERE
8134 DANCING AVE
LAS VEGAS NV 89131

RE: Request for Surface Commingle

To Whom It May Concern:

This letter will serve as notice under Rule 104.F (3) that COG Operating LLC has requested administrative approval from the Oil Conservation Division in Santa Fe, NM for Surface Commingle of production from the wells listed below into the Flat Head Federal Com 6H Central Tank Battery.

Flat Head Federal Com 6H
Lea County, NM
API # 30-025-41759
Surface: 1115 FNL & 1650 FEL
Sec 14, T17S, R32E, Unit B

Flat Head Federal Com 17H
Lea County, NM
API #: Pending
Surface: 1190 FNL & 1160 FEL
Sec 14, T17S, R32E, Unit A

Flat Head Federal Com 8H
Lea County, NM
API # 30-025-42375
Surface: 1170 FNL & 330 FEL
Sec 14, T17S, R32E, Unit A

Flat Head Federal Com 25H
Lea County, NM
API# Pending
Surface: 1015 FNL & 2310 FEL
Sec 14, T17S, R32E, Unit B

Flat Head Federal Com 27H
Lea County, NM
API# Pending
Surface: 1170 FNL & 990 FEL
Sec 14, T17S, R32E, Unit A

Flat Head Federal Com 15H
Lea County, NM
API #: Pending
Surface: 940 FNL & 2440 FEL
Sec 14, T17S, R32E, Unit B

Flat Head Federal Com 26H
Lea County, NM
API# Pending
Surface: 1123 FNL & 1823 FEL
Sec 14, T17S, R32E, Unit B

Flat Head Federal Com 28H
Lea County, NM
API:
Surface: 1205 FNL & 525 FEL
Sec 14, T17S, R32E, Unit A

Should you, or your company, have any objection, it must be filed in writing within twenty (20) days from the date of this notice to the New Mexico Oil Conservation Division at the following address: 1220 S St. Francis Drive, Santa Fe, New Mexico 87505. The Division Director may approve the Surface Commingle if no objection has been made within the 20 days after the application has been received. Please do not hesitate to reach us with any questions at the phone number given below.

Sincerely,

COG Operating LLC

Kanicia Castillo - Lead Regulatory Analyst
Direct: 432.685.4332
kcastillo@concho.com

11/12/2015	TC	Commingling Notice w/ C1078	Flat Head Fed Com 6H CTB	Sent Certified Mail to Bank of Oklahoma, Attn: Mineral Management Division, ATTN: BELLA DANIEL TRUST, CHARLES TAUBMAN FAMILY LIMITED PARTNERSHIP LP NO. 1, LP: CHARLES TAUBMAN FAMILY LIMITED; PARTNERSHIP LP NO. 2, LP: DENSON FAMILY PARTNERSHIP, HERMAN P & SOPHIA TAUBMAN FOUNDATION; L.N. TAUBMAN REVOCABLE TRUST, LAWRENCE NATHAN TAUBMAN, SSP; LOUIS TAUBMAN MARITAL DEDUCT. TRUST FBO LAWRENCE N TAUBMAN, DONALD LEVY TTE; LOUIS TAUBMAN MARITAL DEDUCT. TRUST FBO MAURINE TAUBMAN, DONALD LEVY TTE; LOUIS TAUBMAN SURVIVORS TRUST FBO MAURINE TAUBMAN, DONALD LEVY TTE; MAURINE TAUBMAN TRUST DTD 12-4-86 BANK OF OK & MAURINE TAUBMAN, CO-ITTEES: MAURINE TAUBMAN, SSP; MILTON TAUBMAN 1969 TR IN ADMRS; DECLARATION OF TRUST INDEBTURE UNDER DATE OF 11/12/69-RICHARD J TAUBMAN DESCENDANTS TRUST, RICHARD J TAUBMAN TRUST DTD 9/24/1990; ROBERT M TAUBMAN FAMILY PARTNERSHIP; RONY TAUBMAN SEPARATE PROPERTY TRUST AND TAUBMAN MINERALS PARTNERSHIP I GC. 91 7199 9991 7035 3203 2005
11/12/2015	TC	Commingling Notice w/ C1078	Flat Head Fed Com 6H CTB	Sent Certified Mail to ALEXIS R. LAMPHIERE 8134 DANCING AVE LAS VEGAS NV 89131 I GC: 91 7199 9991 7035 3203 199
11/12/2015	TC	Commingling Notice w/ C1078	Flat Head Fed Com 6H CTB	Sent Certified Mail to BILLY E. THIMBLE PO BOX 1125 FERNLEY NV 89408 I GC: 91 7199 9991 7035 3203 198
11/12/2015	TC	Commingling Notice w/ C1078	Flat Head Fed Com 6H CTB	Sent Certified Mail to CHARLES A. THIMBLE 24305 TAREE DR. NORTHEAST KINGSTON WA 98346 I GC: 91 7199 9991 7035 3203 197
11/12/2015	TC	Commingling Notice w/ C1078	Flat Head Fed Com 6H CTB	Sent Certified Mail to CHARLES R. QUADIA P O BOX 10181 MIDLAND TX 79702 I GC: 91 7199 9991 7035 3203 196
11/12/2015	TC	Commingling Notice w/ C1078	Flat Head Fed Com 6H CTB	Sent Certified Mail to DALE R. THIMBLE 37728 N 86TH LN PEORIA AZ 85381 I GC: 91 7199 9991 7035 3203 195
11/12/2015	TC	Commingling Notice w/ C1078	Flat Head Fed Com 6H CTB	Sent Certified Mail to Devon Energy Production Company L.P. Contact: Mag Mahlinghouse 333 W. Sheridan Ave. Oklahoma City, OK 73102 I GC: 91 7199 9991 7035 3203 1947
11/12/2015	TC	Commingling Notice w/ C1078	Flat Head Fed Com 6H CTB	Sent Certified Mail to GERALDINE E. HULING PO BOX 555 BUSHLAND TX 79012 I GC: 91 7199 9991 7035 3203 193
11/12/2015	TC	Commingling Notice w/ C1078	Flat Head Fed Com 6H CTB	Sent Certified Mail to GOLDEN TRIANGLE ROYALTY & OIL INC PO BOX 4133 ROSWELL, NM 88202 I GC: 91 7199 9991 7035 3203 192
11/12/2015	TC	Commingling Notice w/ C1078	Flat Head Fed Com 6H CTB	Sent Certified Mail to JOHN WILLIAM THIMBLE PO BOX 234 ELKO NV 89803 I GC: 91 7199 9991 7035 3203 191
11/12/2015	TC	Commingling Notice w/ C1078	Flat Head Fed Com 6H CTB	Sent Certified Mail to MARATHON OIL COMPANY P.O. BOX 3487 HOUSTON, TX 77253-3487 I GC: 91 7199 9991 7035 3203 190
11/12/2015	TC	Commingling Notice w/ C1078	Flat Head Fed Com 6H CTB	Sent Certified Mail to MARK T. HAWKINS PO BOX 3192 MIDLAND TX 79702 I GC: 91 7199 9991 7035 3203 189
11/12/2015	TC	Commingling Notice w/ C1078	Flat Head Fed Com 6H CTB	Sent Certified Mail to MARSHALL & WINSTON, INC P.O. BOX 50860 MIDLAND TX 79710-0860 I GC: 91 7199 9991 7035 3203 188
11/12/2015	TC	Commingling Notice w/ C1078	Flat Head Fed Com 6H CTB	Sent Certified Mail to OFFICE OF NATURAL RESOURCES REVENUE ATTN: ROYALTY MANAGEMENT PROGRAM P.O. BOX 25627 DENVER CO 80225-0627 I GC: 91 7199 9991 7035 3203 1879
11/12/2015	TC	Commingling Notice w/ C1078	Flat Head Fed Com 6H CTB	Sent Certified Mail to VICTORIA E. BAEHAL 1379 11TH STREET GREELEY CO 80631 I GC: 91 7199 9991 7035 3203 186
11/12/2015	TC	Commingling Notice w/ C1078	Flat Head Fed Com 6H CTB	Sent Certified Mail to WINSTON PARTNERS LTD C/O MERISTEM, ATTN: LYNN KARLS 601 CARLSON PRWY, STE 800 MINNETONKA, MN 55305 I GC: 91 7199 9991 7035 3203 1855

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO
---------	----------	----------	-----------	------	--------

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]** Flat Head Fed Com
 #6H API# 30-025-41759
 #8H API# 30-025-42375

- [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

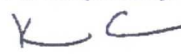
- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

- [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.

Kanicia Castillo

Print or Type Name


 Signature

Lead Regulatory Analyst

Title

12/18/15

Date

kcastillo@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: One Concho Center, 600 W. Illinois Ave, Midland, TX 79707
APPLICATION TYPE:

☐ Pool Commingling ☒ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingling)

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. Maljamar; Yeso, West 44500
(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) Test method w/common interest.

(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: K C TITLE: Lead Regulatory Analyst DATE: 9/09/15
TYPE OR PRINT NAME Kanicia Castillo TELEPHONE NO.: 432-685-4332
E-MAIL ADDRESS: kcastillo@concho.com

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

Flat Head Federal Com 6H 3001502541759, Flat Head Federal Com 8H 3002542375

Lease NMLC061842 & CAs NMNM135168, NMNM134918

COG Operating LLC

July 24, 2017

Condition of Approval

Surface commingling and off CA storage, measurement and sales

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 or product accountability.
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 Federal Regulations, AGA 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 43 CFR 3178 & 3179 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. Submit meter numbers upon installation of meters and also provide updated facility diagram with meters numbers.
11. Notify this office 24 Hrs. prior to any meter calibration/proving to allow time for an inspector to witness.

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

Flat Head Federal Com 6H 3001502541759, Flat Head Federal Com 8H 3002542375

Lease NMLC061842 & CAs NMNM135168, NMNM134918

COG Operating LLC

July 24, 2017

Condition of Approval

Surface commingling and off CA storage, measurement and sales

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 or product accountability.
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 Federal Regulations, AGA 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 43 CFR 3178 & 3179 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. Submit meter numbers upon installation of meters and also provide updated facility diagram with meters numbers.
11. Notify this office 24 Hrs. prior to any meter calibration/proving to allow time for an inspector to witness.

The approval of this commingling is as per Category I of IM NMPO-2013-02. These 2 wells are associated with a common lease (NMLC061842) having a royalty rate of 12 1/2%. The wells are associated to two different CA's, (NMNM135168 & NMNM134918) having a common production allocation to the Federal Lease – 20% and FEE – 80%. By combining the production of these CA's the royalty value will not be affected due to all the production is coming from the same formation, Yeso. Therefore the commingling of these wells will have no royalty rate or royalty value issues do to everything being the similar. This does not mean that the allocation of production to each well will be 100% accurate each month. By approving this request it will only guarantee that the public's interest will not be compromised.