



August 20, 2020

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

Re: Application for Administrative Approval of Lease Commingle (CTB)

Dear Mr. McClure,

COG Operating LLC respectfully requests approval for lease commingling for the following wells:

Lychee BSW State Com 1H
API# 30-025-42445
Berry; Bone Spring, South
Ut. O, Sec. 22-T21S-R34E
Lea County, NM

Lychee State Com 503H
API# 30-025-46423
Berry; Bone Spring, South
Ut. N, Sec. 22-T21S-R34E
Lea County, NM

Oil Production:

The oil production from all wells will be measured separately by allocation meter prior to being commingled at the Central Tank Battery located in Ut. O, Sec. 22-T21S-R34E. In the event the CTB is over capacity or in the case of battery or pipeline repairs 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 this case, the oil will remain segregated and will be measured by lact meter when offloading at said stations.

Gas Production:

The gas production from all wells will be measured separately by allocation meter prior to being commingled and entering a gas flow line to the gas custody transfer meter at the Central Tank Battery located in Ut. O, Sec. 22-T21S-R34E. The Targa gas sales meter # 1611057.

All owners of interest have been notified by certified mail that should they have an objection to this surface commingling, they must file a formal protest with the NMOCD within 20 days of the date of this application. Proof of owner notification.

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

CORPORATE ADDRESS

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



Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink that reads "Jeanette Barron".

Jeanette Barron
Regulatory Technician II

CORPORATE ADDRESS

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

Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & 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

Applicant: COG Operating, LLCOGRID Number: 229137Well Name: Lychee BWS St Com 1h & Lychee St Com 503HAPI: 30-025-42445 / 30-025-46423Pool: BERRY; BONE SPRING, SOUTHPool Code: 96660

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION
 INDICATED BELOW**

1) **TYPE OF APPLICATION:** Check those which apply for [A]

A. Location - Spacing Unit - Simultaneous Dedication

☐ NSL☐ NSP (PROJECT AREA)☐ NSP (PRORATION UNIT)☐ SD

B. Check one only for [I] or [II]

[I] Commingling - Storage - Measurement

☐ DHC☒ CTB☐ PLC☐ PC☐ OLS☐ OLM

[II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX☐ PMX☐ SWD☐ IPI☐ EOR☐ PPR2) **NOTIFICATION REQUIRED TO:** Check those which apply.A. ☐ Offset operators or lease holdersB. ☒ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☒ Notification and/or concurrent approval by SLOE. ☐ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☒ For all of the above, proof of notification or publication is attached, and/or,H. ☐ No notice required**FOR OCD ONLY**☐

Notice Complete

☐Application
Content
Complete3) **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.

Jeanette Barron

Print or Type Name

Jeanette Barron
 Signature

Date

8/20/20

575-746-6974

Phone Number

jbarron@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: 2208 W Main Street, Artesia, New Mexico 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. Berry; Bone Spring, South 96660
(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: Jeanette Barron TITLE: Regulatory Technician II DATE: 8/20/20

TYPE OR PRINT NAME Jeanette Barron TELEPHONE NO.: 575.748.6974

E-MAIL ADDRESS: jbarron@concho.com

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
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, NM 87505

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-42445		² Pool Code 96660		³ Pool Name BERRY; BONE SPRINGS, SOUTH	
⁴ Property Code 316022		⁵ Property Name LYCHEE BWS STATE COM			⁶ Well Number 1H
⁷ OGRID No. 229137		⁸ Operator Name COG OPERATING, LLC			⁹ Elevation 3684'

¹⁰ Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	22	21S	34E		200	SOUTH	1980	EAST	LEA

¹¹ 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
J	15	21S	34E		2220	SOUTH	2014	EAST	LEA

¹² Dedicated Acres 240	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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.

	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature: <i>Jeanette Barron</i> Date: <i>8/20/20</i> Printed Name: Jeanette Barron E-mail Address: jbarron@concho.com
	¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. REFER TO ORIGINAL PLAT Date of Survey: Signature and Seal of Professional Surveyor: Certificate Number:

District I
1625 N. French Dr., Hobbs, NM 88240
Phone (575) 393-6161 Fax (575) 393-9720
District II
811 S. First St., Artesia, NM 88210
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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office
☒ AMENDED REPORT
As Drilled

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-46423		2 Pool Code 96660		3 Pool Name Berry; Bone Spring, South	
4 Property Code 322718		5 Property Name LYCHEE STATE COM			6 Well Number 503H
7 OGRID NO. 229137		8 Operator Name COG OPERATING, LLC			9 Elevation 3713'

10 Surface Location

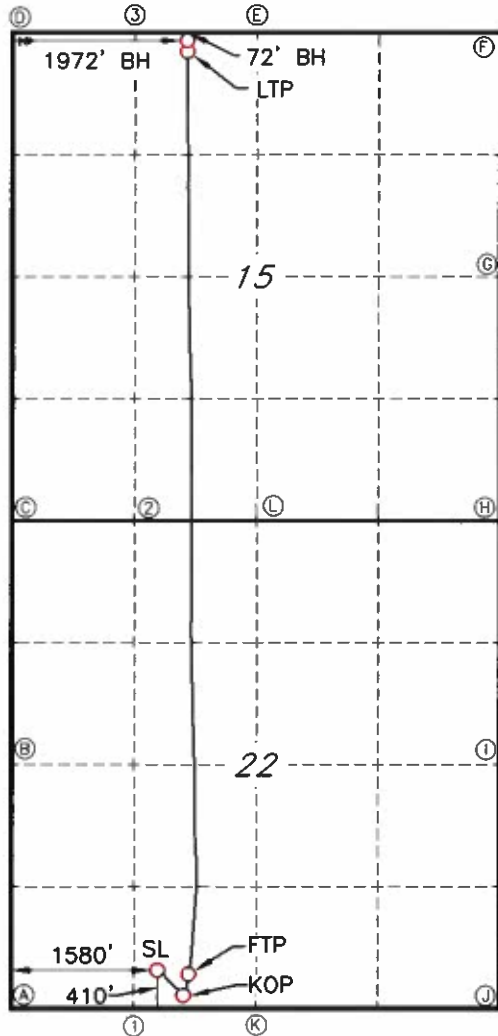
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
N	22	21S	34E		410	SOUTH	1580	WEST	LEA

11 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
C	15	21S	34E		72	NORTH	1972	WEST	LEA

12 Dedicated Acres 320	13 Joint or Infill	14 Consolidation Code	15 Order No.
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No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.



GEODETIC DATA
NAD 83 GRID - NM EAST

SURFACE LOCATION (SL)
N: 531563.4 - E: 810340.9
LAT: 32.4583113° N
LONG: 103.4611952° W
LAT: 32.27.29.9204" N
LONG: 103.27.40.3028" W

LAST TAKE POINT (LTP)
N: 541462.5 - E: 810647.8
LAT: 32.4855119° N
LONG: 103.4589377° W
LAT: 32.29.07.8428" N
LONG: 103.27.35.7758" W

KICK OFF POINT (KOP)
134'-FSL/1857'-FWL (SEC.22)
N: 531290.5 - E: 810620.7
LAT: 32.4575550° N
LONG: 103.4602956° W
LAT: 32.27.27.1979" N
LONG: 103.27.37.0641" W
MD=10,021.00/TVD=9997.68

BOTTOM HOLE
N: 541643.9 - E: 810645.9
LAT: 32.4860103° N
LONG: 103.4589390° W
LAT: 32.29.09.6371" N
LONG: 103.27.35.7805" W
MD=20,826.00/TVD=10,651.24

FIRST TAKE POINT (FTP)
408'-FSL/1921'-FWL (SEC.22)
N: 531565.1 - E: 810681.8
LAT: 32.4583081° N
LONG: 103.4600900° W
LAT: 32.27.29.9092" N
LONG: 103.27.36.3239" W
MD=10,717.00/TVD=10,563.38

CORNER DATA
NAD 83 GRID - NM EAST

A: FOUND 100D NAIL
N: 531137.0 - E: 808764.8

B: FOUND BRASS CAP "1913"
N: 533770.0 - E: 808742.2

C: FOUND BRASS CAP "1913"
N: 536410.0 - E: 808719.0

D: FOUND BRASS CAP "1913"
N: 541690.6 - E: 808674.0

E: FOUND BRASS CAP "1913"
N: 541723.9 - E: 811313.9

F: FOUND BRASS CAP "1913"
N: 541760.5 - E: 813954.0

G: FOUND BRASS CAP "1913"
N: 539115.7 - E: 813976.4

H: FOUND BRASS CAP "1913"
N: 536472.7 - E: 814000.1

I: FOUND BRASS CAP "1913"
N: 533832.2 - E: 814022.3

J: FOUND BRASS CAP "1913"
N: 531191.3 - E: 814045.0

K: FOUND BRASS CAP "1913"
N: 531164.5 - E: 811401.4

L: FOUND BRASS CAP "1913"
N: 536439.9 - E: 811359.9

CALCULATED POINTS

1: N: 531150.8 - E: 810083.1
2: N: 536425.0 - E: 810039.4
3: N: 541707.2 - E: 809994.0

17 OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling and therefore entered by the division

Signature: Jeanette Barron Date: 8/20/20

Printed Name: Jeanette Barron

E-mail Address: jbarron@concho.com

18 SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

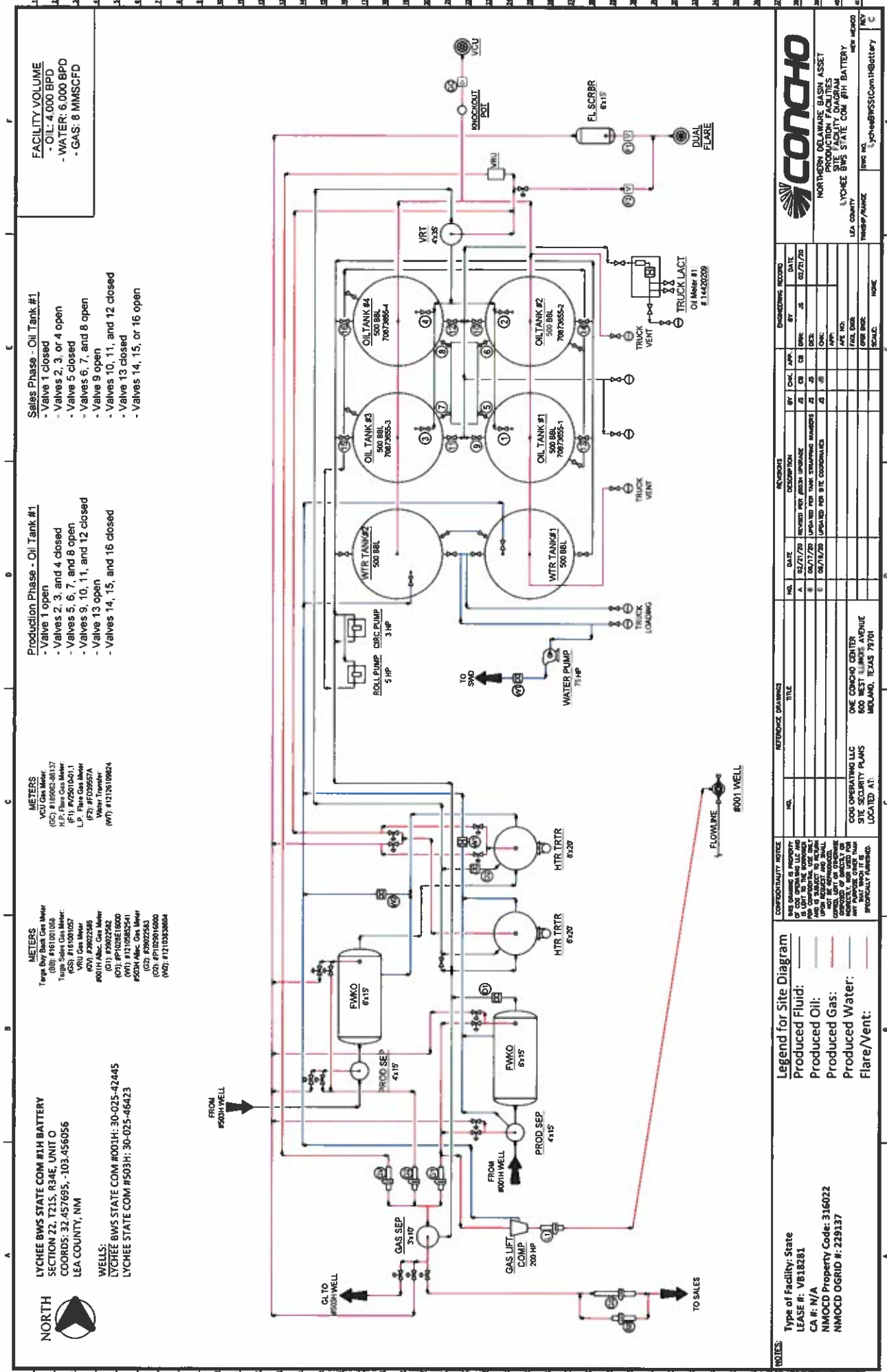
09-09-2019
Date of Survey

Signature and Seal of Professional Surveyor: Robert M. Howett

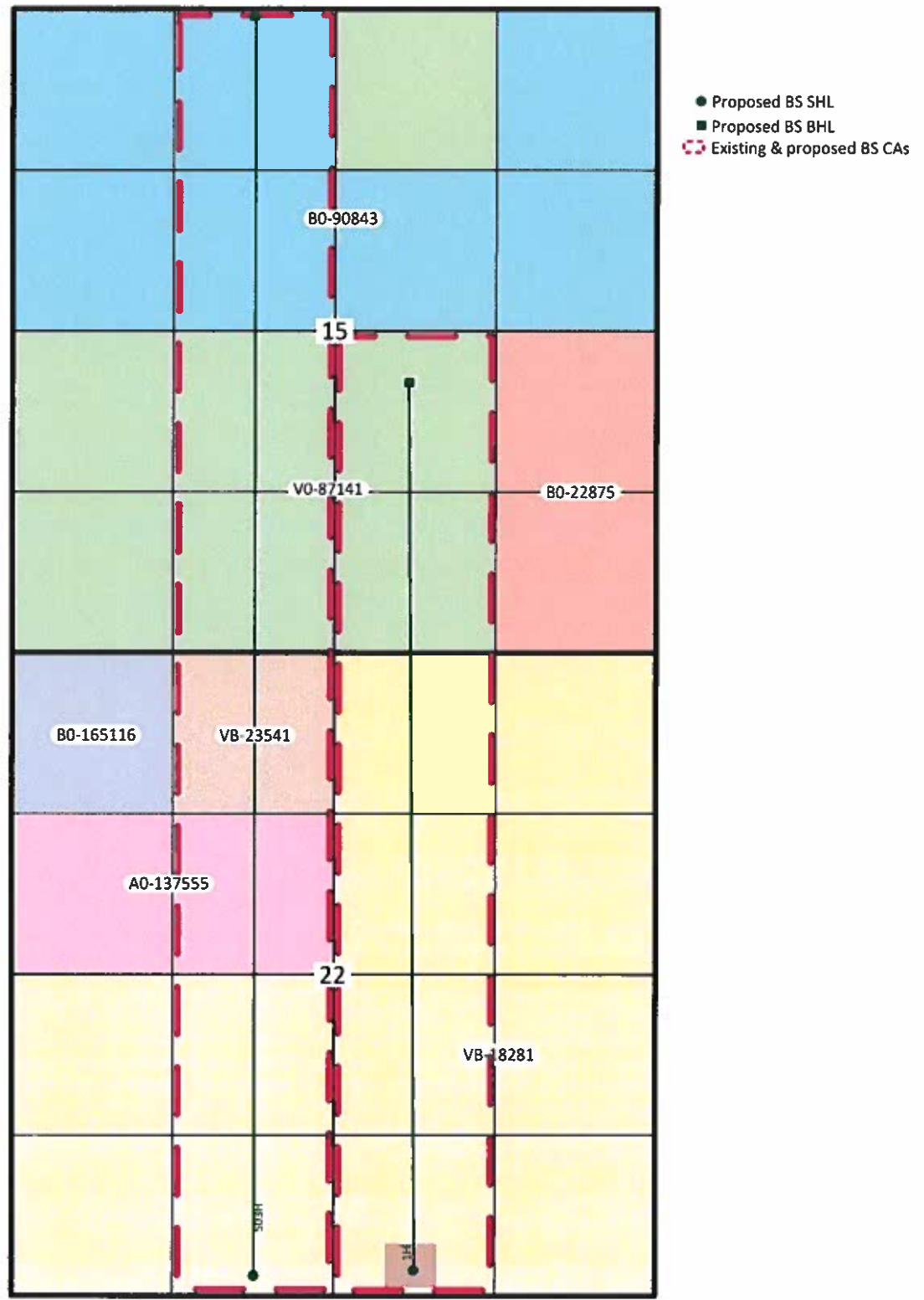
19680
Certificate Number

REV:3-9-2020 AS DRILL

Job No.: LS19090864AD



Lychee State Com Wells

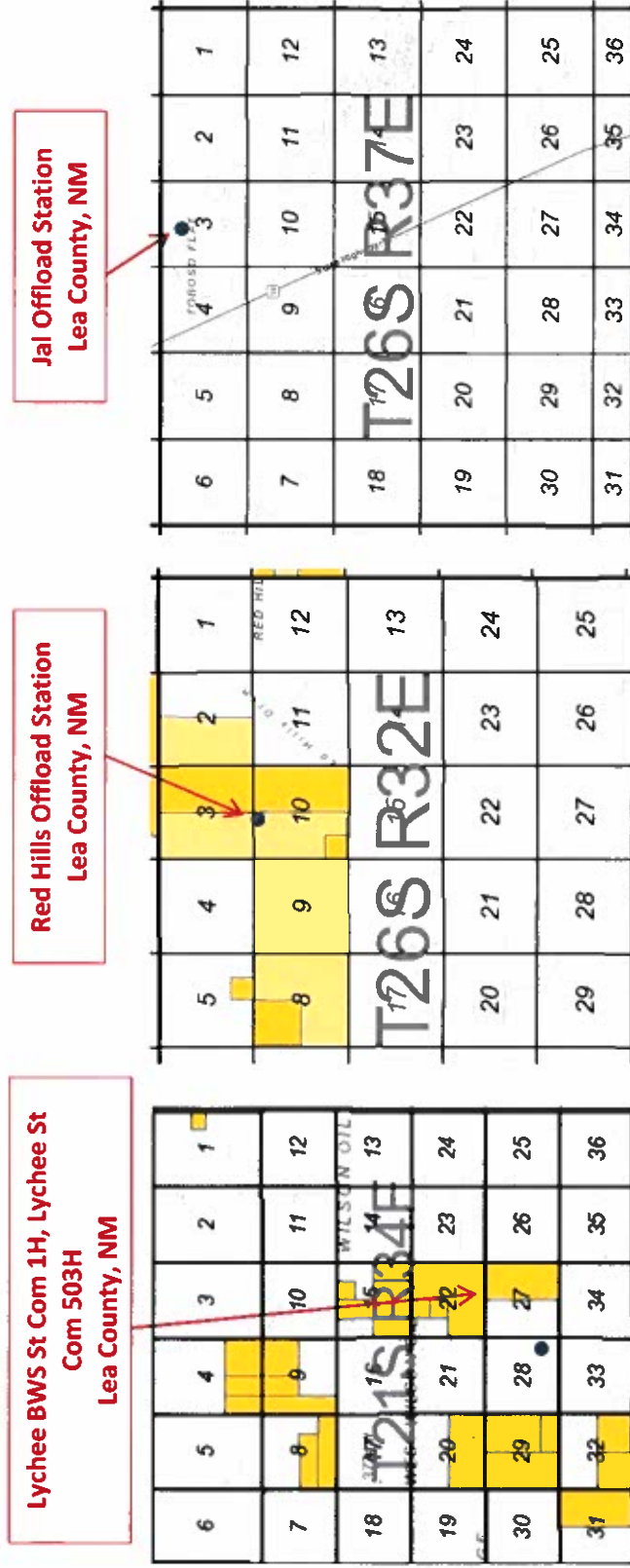


Sec. 15, 22-T21S-R34E
Lea County, NM

LYCHEE BSW STATE COM 1H & LYCHEE STATE COM 503H



Lychee BWS St Com 1H, Lychee St Com 503H & Red Hills and Jal Offload Station Map



Lychee BWS St Com 1H Lychee St Com 503H CTB

Date Sent	Initials	Name	Address	City	State	ZipCode	Certified Return Receipt No.	Delivered
08.20.20	JB	JOHN S CATRON & FLETCHER R	P O BOX 788	SANTA FE	NM	87501	7017 3040 0000 1206 3633	
08.20.20	JB	WILSON OIL COMPANY	PO BOX 1297	SANTA FE	NM	87504	7017 3040 0000 1206 3565	
08.20.20	JB	COMMISSIONER OF PUBLIC LANDS	PO BOX 1148	SANTA FE	NM	87504-1148	7017 3040 0000 1206 3572	
08.20.20	JB	VLADIN, LLC	P.O. BOX 100	ARTESIA	NM	88211	7017 3040 0000 1206 3589	
08.20.20	JB	KAISER-FRANCIS OIL COMPANY	6733 SOUTH YALE AVENUE	TULSA	OK	74136	7017 3040 0000 1206 3558	
08.20.20	JB	FORTUNA III PERMIAN, LLC	2 GREENWAY PLAZA, SUITE 240	HOUSTON	TX	77046	7017 3040 0000 1206 3541	
08.20.20	JB	EOG RESOURCES INC	5509 CHAMPION DR	MIDLAND	TX	79706	7017 3040 0000 1206 3619	
08.20.20	JB	JOHN A YATES	P O BOX 100	ARTESIA	NM	88211	7017 3040 0000 1206 3626	

Production Summary Report						
API: 30-025-42445						
LYCHEE BWS STATE COM #001H						
Printed On: Thursday, August 20 2020						
		Production				
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBL)	Days P/I
2020	[96660] BERRY;BONE SPRING, SOUTH	Jan	7925	25684	8400	31
2020	[96660] BERRY;BONE SPRING, SOUTH	Feb	2185	6742	2321	15
2020	[96660] BERRY;BONE SPRING, SOUTH	Mar	112	2226	2257	19
2020	[96660] BERRY;BONE SPRING, SOUTH	Apr	0	0	0	0
2020	[96660] BERRY;BONE SPRING, SOUTH	May	541	3971	3253	23
2020	[96660] BERRY;BONE SPRING, SOUTH	Jun	797	3822	3986	24

Production Summary Report						
API: 30-025-46423						
LYCHEE STATE COM #503H						
Printed On: Thursday, August 20 2020						
		Production				
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBL)	Days P/I
2020	[96660] BERRY;BONE SPRING, SOUTH	Feb	0	0	12918	4
2020	[96660] BERRY;BONE SPRING, SOUTH	Mar	16521	14103	55701	26
2020	[96660] BERRY;BONE SPRING, SOUTH	Apr	28086	31172	45487	30
2020	[96660] BERRY;BONE SPRING, SOUTH	May	27225	28180	34675	31
2020	[96660] BERRY;BONE SPRING, SOUTH	Jun	24995	23807	28400	30



August 20, 2020

Commissioner of Public Lands
NM State Land Office
P. O. Box 1148
Santa Fe, NM 87504-1148

RE: Application for CTB and Lease Commingle

Lychee BWS State Com 1H
API# 30-025-42445
Berry; Bone Springs, South
Ut. O, Sec. 22-T21S-R34E
Lea County, NM

Lychee State Com 503H
API# 30-025-46423
Berry; Bone Springs, South
Ut. N, Sec. 22-T21S-R34E
Lea County, NM

To Whom it May Concern:

Please find enclosed check in the amount of \$150.00, which constitutes payment of the required fee for the referenced Lease Commingling application.

If you have any questions, please do not hesitate to contact me at jbarron@concho.com or 575-748-6974.

Sincerely,

A handwritten signature in black ink that reads "Jeanette Barron".

Jeanette Barron
Regulatory Technician II

CORPORATE ADDRESS

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



**APPLICATION FOR
COMMINGLING AND OFF-LEASE STORAGE
ON STATE TRUST LANDS**



This application form is required for all commingling applications requiring approval by the Commissioner of Public Lands.

Applicant: COG OPERATING, LLC
Well Name: LYCHEE BWS STATE COM 1H
Pool: BONE SPRINGS, SOUTH

OGRID #: 229137
API #: 30-025-42445

OPERATOR NAME: COG OPERATING, LLC
OPERATOR ADDRESS: 2208 W. MAIN STREET, ARTESIA, NEW MEXICO

APPLICATION REQUIREMENTS – SUBMIT:

1. New Mexico Oil Conservation Division (NMOCD) application packet (or equivalent information if no application is required by NMOCD),
2. Commingling application fee of \$150.

CERTIFICATION: To the best of my knowledge,

- All business leases and rights-of-way necessary for conducting the proposed operation on State Trust lands have been applied for or obtained,
- The information submitted with this application is **accurate** and **complete**, and
- No loss will accrue to the state of New Mexico as a result of the proposed operation.

I also understand that **no action** will be taken on this application until the required information and fee are submitted to the State Land Office.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Jeanette Barron

Print or Type Name

Jeanette Barron

Signature

8/20/20

Date

575.748.6974

Phone Number

jbarron@concho.com

e-mail Address

Submit application to:
 Commissioner of Public Lands
 Attn: Commingling Manager
 PO Box 1148
 Santa Fe, NM 87504-1148

Questions?
 Contact the Commingling Manager:
 505.827.5791

Upon approval, the requesting organization will receive an acknowledgment letter from the Commissioner of Public Lands.

**NEW MEXICO
STATE
LAND OFFICE**

**APPLICATION FOR
COMMINGLING AND OFF-LEASE STORAGE
ON STATE TRUST LANDS**



This application form is required for all commingling applications requiring approval by the Commissioner of Public Lands.

Applicant: COG OPERATING, LLC
Well Name: LYCHEE STATE COM 503H
Pool: BONE SPRINGS, SOUTH

OGRID #: 229137
API #: 30-025-46423

OPERATOR NAME: COG OPERATING, LLC
OPERATOR ADDRESS: 2208 W. MAIN STREET, ARTESIA, NEW MEXICO

APPLICATION REQUIREMENTS – SUBMIT:

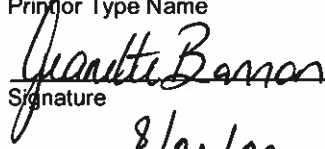
1. New Mexico Oil Conservation Division (NMOCD) application packet (or equivalent information if no application is required by NMOCD),
2. Commingling application fee of \$150.

CERTIFICATION: To the best of my knowledge,

- All business leases and rights-of-way necessary for conducting the proposed operation on State Trust lands have been applied for or obtained,
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- No loss will accrue to the state of New Mexico as a result of the proposed operation.

I also understand that **no action** will be taken on this application until the required information and fee are submitted to the State Land Office.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Jeanette Barron
 Print or Type Name

 Signature
 8/20/20
 Date

575.748.6974
 Phone Number
 jbarron@concho.com
 e-mail Address

Submit application to:
 Commissioner of Public Lands
 Attn: Commingling Manager
 PO Box 1148
 Santa Fe, NM 87504-1148

Questions?
 Contact the Commingling Manager:
 505.827.5791

Upon approval, the requesting organization will receive an acknowledgment letter from the Commissioner of Public Lands.

Accounts Payable

COG OPERATING LLC

600 W ILLINOIS AVE
MIDLAND TX 79701
(855) 687-8097

BANK OF AMERICA
Atlanta, GA

32-2
1110 TX

Check No	Check Date	Check Amount
0000456424	08/19/2020	*****\$150.00

PAY One Hundred Fifty Dollars and Zero Cents

TO COMMISSIONER OF PUBLIC LANDS
THE STATE OF NEW MEXICO
ORDER OIL & GAS ACCOUNTING DIVISION
OF P O BOX 1148
SANTA FE NM 87504-1148


TWO SIGNATURES REQUIRED FOR CHECKS OVER \$200,000

⑈0000456424⑈ ⑆061112788⑆ ⑈3299840837⑈

PLEASE DETACH AT PERFORATION ABOVE

PLEASE DETACH AT PERFORATION ABOVE

COG OPERATING LLC

600 W ILLINOIS AVE
MIDLAND TX 79701
(855) 687-8097

Invoice #		Inv. Date	Description	Amount	Check Number	Discount	Net Amount
081720		08/17/2020	LYCHEE LEASE COMMINGLE APPLICATION	150.00	0000456424	0.00	150.00

From: [Vanessa Peace](#)
To: [Jeanette Barron](#)
Cc: [Jeff Hill](#)
Subject: [External] RE: Lychee BSW State Com 1H & Lychee State Com 503H Certified letter
Date: Thursday, January 7, 2021 1:02:34 PM
Attachments: [image001.jpg](#)
[image002.png](#)

**** External email. Use caution. ****

Good Afternoon, Jeanette,

Yes, we did receive the information regarding the lease commingle on Lychee BSW State Com 1H & Lychee State Com 503H.

Please let me know if you need any further information from us.

Thank you, Vanessa

Vanessa Peace

Lease Analyst

Fortuna Resources, LLC

2 Greenway Plaza, Suite 240 | Houston, TX 77046

Cell | 713.918.9553

vpeace@fortunaresourcesllc.com

From: Jeff Hill <jhill@fortunaresourcesllc.com>
Sent: Thursday, January 7, 2021 1:56 PM
To: Jeanette Barron <JBarron@concho.com>
Cc: Vanessa Peace <vpeace@fortunaresourcesllc.com>
Subject: RE: Lychee BSW State Com 1H & Lychee State Com 503H Certified letter

Jeanette,

I am looping in my land department who should be able to answer your question.

Regards,

Jeff

Jeff Hill

Controller

Fortuna Resources MGMT LLC

2 Greenway Plaza, suite 240, Houston 77046

Office: [281 404 4496](tel:2814044496)

Cell: [713 492 4795](tel:7134924795)



From: Jeanette Barron <JBarron@concho.com>

Sent: Thursday, January 7, 2021 1:33 PM

To: JHILL@FORTUNARESOURCESLLC.COM

Subject: Lychee BSW State Com 1H & Lychee State Com 503H Certified letter

Importance: High

Hello,

This email is just to confirm you have received information regarding a lease commingle on Lychee BSW State Com 1H & Lychee State Com 503H.

Concho sent out two certified letters 08.20.20 and 12.09.20 to mentioned address. Fortuna III Permian, LLC 2 Greenway Plaza Suite 240, Houston, TX 77046. Not sure if you ever received them or if this is a good address. If you could please let me know that that you did receive the information or please let me know if you need me to send you anther copy. The state of NM will not approve this unless all owners have been notified, so we just need to confirm you have received the information.

Thank you for your attention to this matter.

Thank you,

Jeanette Barron

Regulatory Technician

COG Operating LLC | 2208 W. Main Street, Artesia, NM 88210

Office: (575) 748-6974 | Cell: (575) 703-7411



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From: [Jeanette Barron](#)
To: [McClure, Dean, EMNRD](#)
Subject: [EXT] RE: notice for CTB-967
Date: Wednesday, December 9, 2020 4:46:33 PM
Attachments: [image001.png](#)

Hello Dean, This will be going out today...thanks

Lychee BWS St Com 1H Lychee St Com 503H CTB								
Date Sent	Initials	Name	Address	City	State	ZipCode	Certified Return Receipt No.	Delivered
12.09.20	JB	FORTUNA III PERMIAN, LLC	2 GREENWAY PLAZA, SUITE 240	HOUSTON	TX	77046	7017 3040 0000 1206 4517	

Thank you,

Jeanette Barron

Regulatory Technician

COG Operating LLC | 2208 W. Main Street, Artesia, NM 88210
Office: (575) 748-6974 | Cell: (575) 703-7411



From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Sent: Wednesday, December 9, 2020 7:38 AM
To: Jeanette Barron <JBarron@concho.com>
Subject: [External] notice for CTB-967

Ms. Barron,

Do you have a status update regarding the notice for this application? In order to finish processing this application, I will need to either have confirmation that the person has received notice which can be done by submitting a signed green card or an email from the person confirming they have received notice. Alternatively, after a good faith effort has been performed to provide notice, you may publish notice and submit the affidavit of publication.

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

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Lychee BWS St Com 1H Lychee St Com 503H CTB							
Date Sent	Initials	Name	Address	City	State	ZipCode	Certified Return Receipt No.
09.15.20	JB	WILSON OIL COMPANY C/O Francis C. Wilson III	123 Lakefront Way	Rancho Mirage	CA	92270	7017 3040 0000 1206 4043
							Delivered

From: [Engineer, OCD, EMNRD](#)
To: [Jeanette Barron](#)
Cc: [McClure, Dean, EMNRD](#); [Bratcher, Mike, EMNRD](#); [Kautz, Paul, EMNRD](#); lisa@rwbyram.com; [Holm, Anchor E.; Dawson, Scott](#)
Subject: Approved Administrative Order CTB-967
Date: Tuesday, January 12, 2021 8:54:09 AM
Attachments: [CTB967 Order.pdf](#)

NMOCD has issued Administrative Order CTB-967 which authorizes COG Operating, LLC (229137) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	Location (NMPPM)	Pool Code
30-025-42445	Lychee BSW State Com 1H	O-22-21S-34E	96660
30-025-46423	Lychee State Com 503H	N-22-21S-34E	96660

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Notice

Order: CTB-967

Operator: COG Operating, LLC (229137)

Publication Date:

Date Sent: 8/20/2020

9/15/2020

12/9/2020

Noticed Persons

Date	Person	Certified Tracking Number	Status
8/27/2020	JOHNS CATRON & FLETCHER R	7017 3040 0000 1206 3633	Delivered
8/27/2020	WILSON OIL COMPANY	7017 3040 0000 1206 3565	Refused
8/24/2020	COMMISSIONER OF PUBLIC LANDS	7017 3040 0000 1206 3572	Delivered
8/25/2020	VLAOIN, LLC	7017 3040 0000 1206 3589	Delivered
8/24/2020	KAISER-FRANCIS OIL COMPANY	7017 3040 0000 1206 3558	Delivered
8/27/2020	FORTUNA III PERMIAN, LLC	7017 3040 0000 1206 3541	In-Transit
8/24/2020	EOG RESOURCES INC	7017 3040 0000 1206 3619	Delivered
8/25/2020	JOHN A YATES	7017 3040 0000 1206 3626	Delivered
Notice Sent on 09/15/2020			
9/18/2020	WILSON OIL COMPANY	7017 3040 0000 1206 4043	Delivered
Notice Sent on 12/09/2020			
12/16/2020	FORTUNA III PERMIAN, LLC	7017 3040 0000 1206 4517	Alert

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

**APPLICATION FOR SURFACE COMMINGLING
SUBMITTED BY COG OPERATING, LLC**

ORDER NO. CTB-967

ORDER

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

FINDINGS OF FACT

1. COG Operating, LLC (“Operator”) submitted a complete application to surface commingle and off-lease measure the oil and gas production ("Application") from the pools, leases, and wells identified in Exhibit A.
2. To the extent that ownership is identical, Operator submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7(B) NMAC.
3. Operator proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
4. To the extent that ownership is diverse, Operator provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
5. Operator provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.

CONCLUSIONS OF LAW

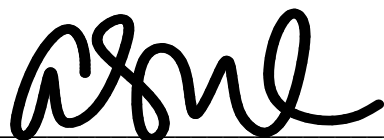
6. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, and 19.15.12 NMAC.
7. Operator satisfied the notice requirements for the Application in accordance with 19.15.12.10(A)(2), (C)(4)(c), and (C)(4)(e) NMAC, as applicable.
8. Operator’s proposed method of allocation, as modified herein, complies with 19.15.12.10(B)(1) or (C)(1) NMAC, as applicable.
9. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10(B)(3) and (C)(4)(h) NMAC.

10. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

1. Operator is authorized to surface commingle and off-lease measure oil and gas production from the pools, leases, and wells identified in Exhibit A.
2. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling.
3. Operator 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. Operator shall measure the commingled gas at a central delivery point or central tank battery described in Exhibit A in accordance with 19.15.19.9 NMAC, provided however that if the gas is flared, and regardless of whether OCD has granted an exception pursuant to 19.15.18.12(B) NMAC, Operator shall report the gas in accordance with 19.15.18.12(F) NMAC.
5. Operator shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10(C)(2) NMAC.
6. Operator shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
7. OCD retains jurisdiction and reserves the right to modify or revoke this Order as it deems necessary to prevent waste or protect correlative rights, public health, or the environment.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL
DIRECTOR**

AS/dm

DATE: 1/11/2021

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: CTB-967

Operator: COG Operating, LLC (229137)

Central Tank Battery: Lychee BWS State Com 1H Battery

Central Tank Battery Location (NMPM): Unit O, Section 22, Township 21 South, Range 34 East

Central Tank Battery: Red Hills Offload Station

Central Tank Battery Location (NMPM): Unit O, Section 4, Township 26 South, Range 32 East

Central Tank Battery: Jal Offload Station

Central Tank Battery Location (NMPM): Unit D, Section 4, Township 26 South, Range 37 East

Gas Custody Transfer Meter Location (NMPM): Unit O, Section 22, Township 21 South, Range 34 East

Pools

Pool Name	Pool Code
BERRY; BONE SPRING, SOUTH	96660

Leases as defined in 19.15.12.7(C) NMAC

Lease	Location (NMPM)
CA BS NMSLO 1352130	W/2 E/2 Sec 22, W/2 SE/4 Sec 25
CA BS NMSLO 1375930	E/2 W/2 Sec 22 & 15

Wells

Well API	Well Name	Location (NMPM)	Pool Code	Train
30-025-42445	Lychee BSW State Com 1H	O-22-21S-34E	96660	
30-025-46423	Lychee State Com 503H	N-22-21S-34E	96660	

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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

CONDITIONS

Action 9788

CONDITIONS OF APPROVAL

Operator:			OGRID:	Action Number:	Action Type:
COG OPERATING LLC 600 W Illinois Ave Midland, TX79701			229137	9788	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.				