C 7B

PMAM1416855924

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 M	IANDATORY FOR ALL ADMINISTRATIVE APPLICATION WHICH REQUIRE PROCESSING AT THE I		REGULATIONS
Appli	cation Acronyms			ntion1
	[DHC-Dow	nhole Commingling] [CTB-Lease Comm	ningling] [PLC-Pool/Lease Comming	gling]
		ool Commingling] [OLS - Off-Lease Stor [WFX-Waterflood Expansion] [PMX-Pre		
	[EOR-Qua	[WFX-Waterflood Expansion] [PMX-Pre [SWD-Salt Water Disposal] [IPI-Inj lified Enhanced Oil Recovery Certification	ection Pressure Increase] n] [PPR-Positive Production Respo	229/37
[1]	THEOFAI	TEICATION - Check Those which Appl	yior[A] #In API# 3	30-015-4092
	[A]	Location - Spacing Unit - Simultaneous I NSL NSP SD		30-015-4155
		One Only for [B] or [C]	Atole c'	Glorietz
	[B]	Commingling - Storage - Measurement ☐ DHC ☒ CTB ☐ PLC ☐	PC OLS OLM YE	50 250.
	[C]	Injection - Disposal - Pressure Increase - WFX PMX SWD	Enhanced Oil Recovery	
	[D]	Other: Specify		
[2]	NOTIFICAT	ION REQUIRED TO: - Check Those Wh	nich Apply, or Does Not Apply	
	[A]	■ Working, Royalty or Overriding Roy	yalty Interest Owners	
	[B]	Offset Operators, Leaseholders or S	urface Owner	
	[C]	Application is One Which Requires	Published Legal Notice	
	[D]	Notification and/or Concurrent App U.S. Bureau of Land Management - Commissioner of P		
	[E]	For all of the above, Proof of Notific	cation or Publication is Attached, and/o	r,
	[F]	☐ Waivers are Attached		
[3]		CURATE AND COMPLETE INFORM ATION INDICATED ABOVE.	ATION REQUIRED TO PROCESS	тне түре
	oval is accurate a	TION: I hereby certify that the information and complete to the best of my knowledge. quired information and notifications are sul	I also understand that no action will b	
	Note	Statement must be completed by an individual w	ith managerial and/or supervisory capacity.	
	len Jameson	Carles Jes	Permitting Specialist	4/28/14
Print	or Type Name	Signature	Title	Date
			cjameson@concho.com e-mail Address	
			C-IIIdii 1 Iddi Coo	



COG Operating, LLC Caden Jameson One Concho Center 600 W. Illinois Avenue Midland, Texas 79701

200 300 m p 1: 25

New Mexico Oil Conservation Division Richard Ezeanyim 1220 S St. Francis Drive Santa Fe, New Mexico 87505

RE: Surface Commingle

Dear Mr. Ezeanyim,

COG Operating LLC respectfully requests approval for a surface commingle for the following oil and gas wells:

Stonewall 9 Fee 1H Eddy County, NM Surface: 300' FSL & 330' FWL, Sec. 9

T19S, R26E, Unit M API# 30-015-40925

Stonewall 9 Fee 3H Eddy County, NM Surface: 150' FSL & 2310' FEL. Sec. 9

Surface: 150' FSL & 2310' FEL, Sec. 9

T19S, R26E, Unit O API# 30-015-41555

COG Operating LLC respectfully requests to send all future production from the wells identified above to the Stonewall 9 Fee 1H CTB.

The wells listed above will produce to a tank battery located on the Stonewall 9 Fee 1H well site operated by COG Operating LLC. Production will be measured using well tests using an isolated Three Phase, Test Separator to meter oil, water, and gas set upstream of all sale points, holding tanks, and water tank. Monthly production totals and weekly well tests will be calculated using calibrated meters on the Free Water Knockout. Please see attached Operation description for further detail.

I have attached the notice sent certified mail to all interest owners, a diagram of our battery facility, and map of lease boundaries showing well and facility locations.

Please contact me at 432-254-5559 should you have any questions.

"onle Jeson

Sincerely,

Caden Jameson
Permitting Specialist
COG Operating LLC

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

E-MAIL ADDRESS:

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.

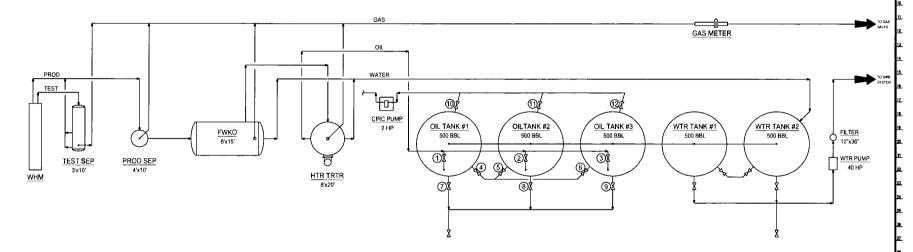
APPLICATION	FOR SURFACE	COMMINGLING	G (DIVERSE	OWNERSHIP)				
	Operating LLC							
OPERATOR ADDRESS: One	Concho Center	r, 600 W. Illi	nois Ave,	Midland, TX 79	707			
APPLICATION TYPE:								
☐ Pool Commingling	ng Pool and Lease Co	mmingling Off-Lease	Storage and Measu	rement (Only if not Surface	Commingled)			
	State Fede							
Is this an Amendment to existing Order					1.			
Have the Bureau of Land Management ☐ Yes ☑ No	(BLM) and State Land	office (SLO) been no	tified in writing	of the proposed commi	ngling			
		OL COMMINGLIN						
	Gravities / BTU of	Calculated Gravities /		Calculated Value of				
(1) Pool Names and Codes Non-Commingled Production Production Production Calculated Glavines / Calculated Glav								
(2) Are any wells producing at top allowa(3) Has all interest owners been notified b		onosad gamminatinas	□Yes □No.					
 (3) Has all interest owners been notified b (4) Measurement type: Metering 		oposed comminging?	∐Yes ∐No.	r e				
(5) Will commingling decrease the value		□No If "yes", descri	ibe why comming	ling should be approved				
Mar.	(B) I FA	SE COMMINGLIN	VC.					
	` '	ts with the following in						
(1) Pool Name and Code. Atoka; G.			· Aller	######################################				
(2) Is all production from same source of								
(3) Has all interest owners been notified by(4) Measurement type: ☐Metering ☑		posed commingling? Onthly Well	XYes □N	10 wat 4				
(4) Weastiement type	d Other (Speetry) [4](outling Meil	lests	P 2				

		LEASE COMMIN ts with the following in						
(1) Complete Sections A and E.	Flease attach sheet	is with the following i	ntor mation					
O		ORAGE and MEA						
(1) Is all production from same source of		ets with the following	information					
(1) Is all production from same source of(2) Include proof of notice to all interest of	—	10						
(E) Al		ORMATION (for all its with the following it		ypes)				
(1) A schematic diagram of facility, inclu								
(2) A plat with lease boundaries showing(3) Lease Names, Lease and Well Number		ions. Include lease numb	ers if Federal or St	ate lands are involved.				
I hamby godiff that the information above i								
I hereny centry marine miormation above i	s true and complete to the	hest of my knowledge ar	nd belief					
	-	best of my knowledge ar		. DATE: 5/2	7/14			
SIGNATURE: Carles TYPE OR PRINT NAME Caden J.	T	e best of my knowledge ar ITLE: Permitting	g ROW Spec	DATE: 5/2				

STONEWALL 9 FEE 1H BATTERY SECTION 9, T19S, R26E, UNIT M EDDY COUNTY, NM

WELLS:

5TONEWALL 9 FEE #001H: 30-015-40925 STONEWALL 9 FEE #003H: 30-015-41555



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

Midland, TX 79701

Production Phase - Oil Tank #1

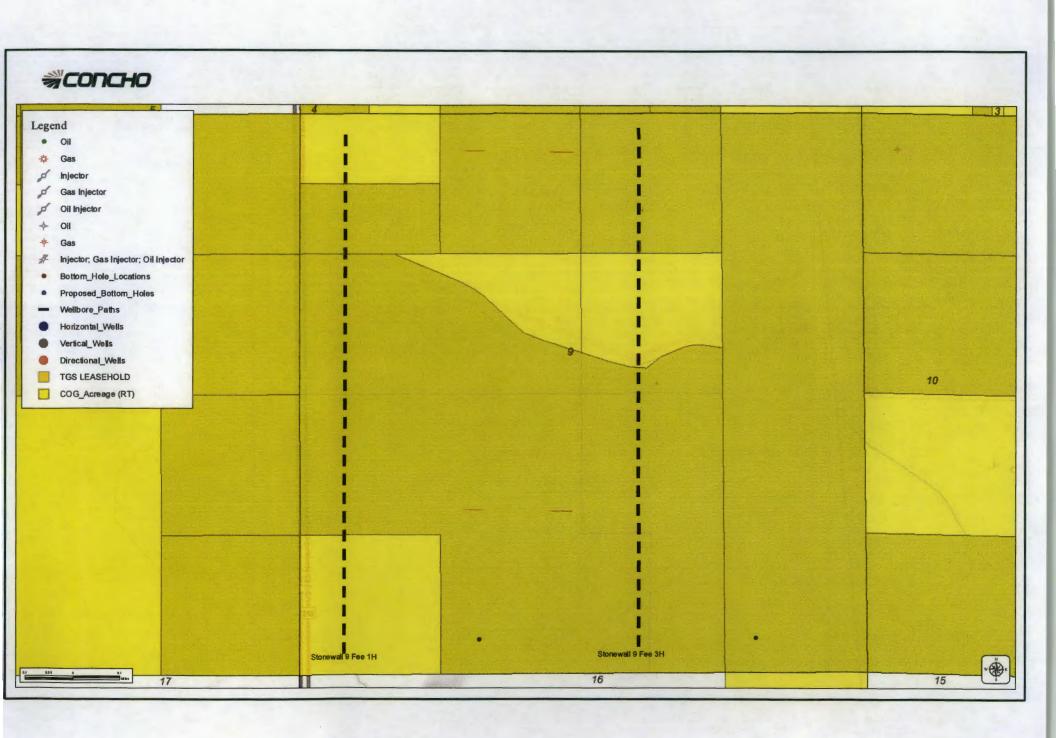
- Valve 1 open
- Valves 2 and 3 closed
- Valves 4, 5, and 6 open
- Valves 7, 8, and 9 closed
- Valves 10, 11, and 12 closed

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

														3
NOTES: CONFIDENTIALITY NOTICE	T	REFERENCE DRAWINGS			REVISIONS			E	NONEERIN	G RECORD	Ville			77
THIS ORANDEC IS PROPERTY	NO.	TITLE	NO.	DATE	DESCRIPTION	BY	CHK. API	P	BY	DATE			\frown	I
OF CDC GHEATING LLC AND			A	06/01/12	ISSUE FOR SITE PERMITTING	CRB		DRN:	CRB	06/01/12				- 2
FOR COMPIDENTIAL USE ONLY	,							DES:	CRB	06/01/12				Ш.
AND IS SUBJECT TO RETURN UPON REQUEST AND SHALL			-					CHK:			1	NEW MEXICO SHELF ASSET		72
NOT BE REPRODUCED.								APP:			1	PRODUCTION FACILITIES		
COPED, LENT OR OPHERMES LESPORED OF ORDERED Y OR								AFE NO	>:		1 .	SITE FACILITY DIAGRAM TANDARD TANK BATTERY "A"		40
MORECTLY, MOR USED FOR		COG OPERATING LLC	_			-		FACIL EN	CR: C	C. BLEDSOE	EDOY COUNTY	IANUARU IANK BATIERT A	NEW MEXICO	, I
ANY PURPOSE OTHER THAN THAT WHICH IT IS		600 WEST ILLINOIS AVENUE	-			-	_	OPER EN			TWNSHP/RANGE	DWG NO.		v #
SPECIFICALLY FURNISHED.		MIDLAND, TEXAS 79701	-					SCALE:			MULTIPLE	0-1700-81-005	, A	

Zone Name		Prod Date	Days Up	Oil Prod	Gas Prod	Water Prod	
STONEWALL 9 FEE 1H	Atoka; Glorieta Yeso	11/2013	30	3859.00	4,388.00	16,342.00	
STONEWALL 9 FEE 1H	Atoka; Glorieta Yeso	12/2013	31	3130.00	4,232.00	13,694.00	
STONEWALL 9 FEE 1H	Atoka; Glorieta Yeso	01/2014	31	2578.00	3,475.00	11,771.00	
STONEWALL 9 FEE 1H	Atoka; Glorieta Yeso	02/2014	28	1976.00	2,818.00	9,647.00	
STONEWALL 9 FEE 1H	Atoka; Glorieta Yeso	03/2014	31	2088.00	2,664.00	8,869.00	
STONEWALL 9 FEE 1H	Atoka; Glorieta Yeso	04/2014	30	2029.00	2,730.00	8,817.00	
Total				15660.00	20,307.00	69,140.00	
STONEWALL 9 FEE 3H	Atakai Clariata Vana	02/2014	40	0.00	0.00	27 427 00 -	
STONEWALL 9 FEE 3H	Atoka; Glorieta Yeso	03/2014	19	0.00	0.00	37,137.00 F	irst Month of Production
STONEWALL 9 FEE 3H	Atoka; Glorieta Yeso	04/2014	30	5557.00	7,115.00	59,243.00	
Total				5557.00	7115.00	96380.00	





Lakewood Area

Tank Battery Operational Description Test Method Allocation

Summary

The following is a description of the facility operations at a standard tank battery installed in the Lakewood area. The plan of development for this area includes the installation of one tank battery per half section. Each battery will be equipped to handle 4 producing wells from that half section.

Operational Description

1. 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 while the remaining wells are combined in the production header for separation and storage of produced fluids. The test/production header is illustrated in Figure 1 below. In this diagram, the shaded valves indicate a closed position. Therefore, this illustration shows well "1H" to be in test while the remaining wells are routed to the 2-Phase Separator. Using the valves in the header, any single well can be isolated from the remaining wells and placed into test.

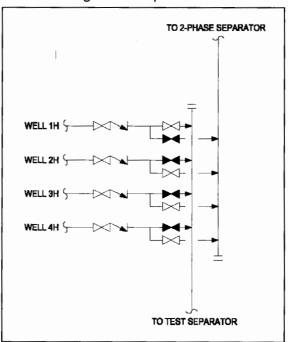


Figure 1: Test/Production Header Diagram

2. The test separator is a 3-phase horizontal separator used for measuring produced fluids from a given well. Separate meters are used for measuring oil, water, and gas from the production well. Turbine meters are used for measuring oil and water flow while an orifice meter is used

Updated: 3/5/12 1



for measuring gas flow. Once the produced fluids have been metered, all three phases are recombined and routed to the 2-phase separator where the well is tied in with the bulk fluids from other wells. A diagram of the test separator is shown in Figure 2 below.

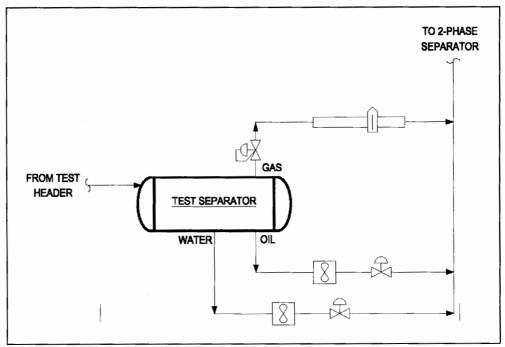


Figure 2: Test Separator with 3-Phase Metering

- 3. The test separator 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. When a well is placed in test, it will remain in test for a minimum of 3 days. This allows adequate time for the well to level out and accurate daily production rates to be measured. Each well will be placed in test once a month at a minimum. Given the number of wells and the duration of well tests, it is likely that each well could be tested as often as 2-3 times per month. Allocation of co-mingled production will be based on average well tests taken during the previous month.
- 4. Fluids from the production header are routed to the 2-Phase Separator where gas and liquids are separated. Gas is sent directly to the gas sales system and liquids are sent to the FWKO for further separation. In addition to providing a means of bulk gas/liquid separation, this vessel also helps to alleviate slugs of fluid which enter the system and would otherwise disrupt the separation process.
- 5. Liquids from the 2-Phase Separator are sent to the Free Water Knock Out (FWKO). The primary function of this vessel is to provide sufficient retention time for oil and water to separate. Water from the FWKO is sent to water storage tanks. Oil from the FWKO is sent to the Heater-Treater for a final stage of polishing and water removal. Any gas that flashes off in this stage of separation is tied directly into the gas sales system.
- 6. Oil from the FWKO is routed to the Heater-Treater wherein heat is applied to help break any remaining emulsions and remove water from the oil stream. Oil from the Heater-Treater is sent

Updated: 3/5/12 2



- to the oil storage tanks. Water from the Heater-Treater is tied into the water line from the FWKO going to the storage tanks. Any gas that flashes off in this stage of separation is tied directly into the gas sales system.
- 7. Oil from the Heater-Treater is sent to 500 BBL oil tanks located on site. These tanks allow for storage of oil prior to sales through a pipeline LACT or trucking. Valves are installed on each tank to provide the ability to isolate a tank for sales or to further treat the fluids by circulating back through the separation process. Oil tanks are connected together with a common overflow line that serves to prevent spills caused by over running a single tank.
- 8. Water from the FWKO and Heater Treater is sent to 500 BBL water tanks located on site. These tanks provide water storage prior to being pumped into the salt water disposal (SWD) system. One water tank is used as the primary tank for water handling while the second tank provides overflow protection and operational flexibility. A transfer pump is connected to the water tanks and is operated automatically by the facility PLC based on the level of water in the tanks. This pump discharges into the SWD system which gathers and disposes of produced water.

Updated: 3/5/12 3

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 following wells to the Stonewall 9 Fee 1H Central Tank Battery:

Stonewall 9 Fee 1H Eddy County, NM Surface: 300' FSL & 330' FWL, Sec. 9 T19S, R26E, Unit M API# 30-015-40925

Stonewall 9 Fee 3H Eddy County, NM Surface: 150' FSL & 2310' FEL, Sec. 9 T19S, R26E, Unit O API# 30-015-41555

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,

Caden Jameson 432.254.5559 Permitting Specialist COG Operating LLC

This letter was sent to all parties with interests in these wells.

LEGAL NOTICE

COG Operating LLC is applying for a surface commingle with the New Mexico Oil Conservation Division to produce 2 oil and gas wells into a central tank battery consisting of separate leases in Eddy County, New Mexico. The 2 wells are producing from the Atoka; Glorieta Yeso Pool and named as follows:

Stonewall 9 Fee 1H Eddy County, NM Surface: 300' FSL & 330' FWL, Sec. 9 T19S, R26E, Unit M API# 30-015-40925

Stonewall 9 Fee 3H Eddy County, NM Surface: 150' FSL & 2310' FEL, Sec. 9 T19S, R26E, Unit O API# 30-015-41555

Interested parties must file objections or requests for hearing with the New Mexico Oil Conservation Division 1220 South Saint Francis Dr. Santa Fe, NM 87505 within 20 days. Additional information can be obtained by contacting Caden Jameson, COG Operating LLC, 600 West Illinois Ave, Midland, TX 79701. Phone 432.254.5559

Published in the Artesia Daily Press, Artesia, N.M., June 13 2014 Legal No. 23028.

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 EIVED

OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe. New Mexico 87505

DEC 26 2012

AMENDED REPORT

Form C-102

District Office

Revised August 1, 2011

it one copy to appropriate

NMOCD ARTESIA

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code		Pool Name				
30-015-	3250	Atoka;	Glorieta Ye	eso			
Property Code		Property Name			Well Number		
38976	S	TONEWALL 9 F	EE		1H		
OGRID No.		Operator Name			Elevation		
229137	CO	G OPERATING,	LLC		3360'		

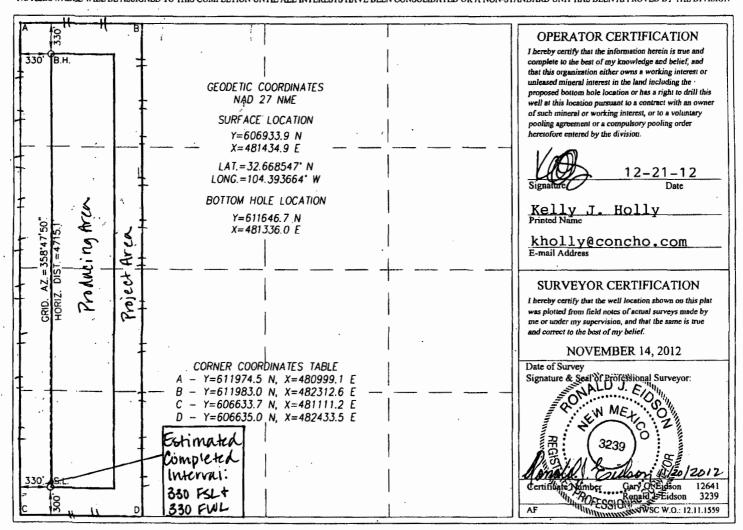
Surface Location

UL or lot No.	Section	Township	Range	Lot ldn	Feet from the	North/South line	Feet from the	East/West line	County
M	9	19-S	26-E		300	SOUTH	330	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No. D	Section 9	Township 19-S	Range 26-E	Lot Idn	Feet from the 330	North/South line NORTH	Feet from the 330	East/West line WEST	County EDDY
Dedicated Acres	Joint or	Infill C	onsolidation C	ode Ord	er 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



DISTRICT 1
1623 N. French Dr., Hobbs, NM 88240
Phone; (575) 393-6161 Fax; (575) 393-0720
<u>DISTRICT 11</u>
811 S. First St., Artesia, NM 88210
Phone; (575) 748-1283 Fax; (575) 748-9720
<u>DISTRICT III</u>
1000 Rio Hrazos Read, Azice, NM 87410
Phone; (505) 334-6178 Fax; (505) 334-6170
<u>DISTRICT IV</u>
1220 S. St. Firsteis 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 EIVED 1220 South St. Francis Dr. JUL 1 8 2013 Santa Fe, New Mexico 87505

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

DAMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Paol Code	Pool Name				
30-015-4/555	3250	Atoka; Glorieta Yeso				
Property Code	Prop	Property Name				
38976	STONEV	VALL 9 FEE	3 H			
OGRID No.	Oper	Elevation				
229137	COG OPE	RATING, LLC	3357'			

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
В	9	19-S	26-E		150	SOUTH	2310.	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
0	9	19-S	26-E		330	NORTH	2298	EAST	EDDY
Dedicated Acres Joint or Infill Consolidation				ode Ord	er No.				
160									

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

