

RECEIVED: 12/04/2017	REVIEWER: MAM	TYPE: CTB	APP NO: DMAM1733851237
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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 LLC **OGRID Number:** 229137
Well Name: Tumak Federal 2 & 3/ Malco 23 Federal Com 13H **API:** 30-015-40464,30-015-40459,30-015-44297
Pool: Empire;Glorieta-Yeso **Pool Code:** 96210.

**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

☐ PPR

FOR OCD ONLY

☐

Notice Complete

☐

Application
Content
Complete

2) NOTIFICATION REQUIRED TO: Check those which apply.

A. ☐ Offset operators or lease holders

B. ☒ Royalty, overriding royalty owners, revenue owners

C. ☒ Application requires published notice

D. ☐ Notification and/or concurrent approval by SLO

E. ☒ Notification and/or concurrent approval by BLM

F. ☐ Surface owner

G. ☐ For all of the above, proof of notification or publication is attached, and/or,

H. ☐ No notice required

3) 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

KC

Signature

10/20/17

Date

432-853-1275

Phone Number

kc Castillo@concho.com

e-mail Address



Kanicia Castillo

Oil & Gas Division

RECEIVED OCD

2017 DEC -4 A 1: 27

December 1, 2017

New Mexico Oil Conservation Division
Michael McMillan
1220 S St. Francis Drive
Santa Fe, New Mexico 87505

Re: Request for Surface Commingle

Mr. McMillan,

COG Operating LLC respectfully requests approval to Surface Commingle our Malco23 Federal com 13H well at our Tumak Fedal #2 battery.

Tumak Federal 2	Tumak Federal 3	Malco 23 Federal Com13H
Eddy County, NM	Eddy County, NM	Eddy County, NM
API # 30-015-40464	API# 30-015-40459	API# 30-015-44297
Surface: 984 FSL & 474 FWL	Surface: 245 FSL & 230 FWL	Surface: 125 FNL & 1543 FWL
Sec 14, T17S, R28E, Unit M	Sec 14, T17S, R28E, Unit M	Sec 23, T17S, R28E, Unit C

Consolidating our battery facilities will extend the economic life for these wells and lessen surface disturbance.

The Tumak wells have common ownership and will be measured with their own test separator. The Malco well will have it's on meter and separator.

Commingleing will not reduce the value of production.

Attached is an updated diagram of the battery facility, a map showing the well locations and the location of the CTB, admin checklist, and notice to all interest owners and publication. Please contact me at 432-685-4332 should you have any questions.

Sincerely,

COG Operating LLC
Kanicia Castillo

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 West Illinois Ave, Odessa, TX 79761

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. Empire;Glorieta, Yeso 96210

(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 attach 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: Regulatory Advisor DATE: 10/20/17

TYPE OR PRINT NAME Kanicia Castillo TELEPHONE NO.: 432-853-1275

E-MAIL ADDRESS: kcastillo@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 30-015-44297		² Pool Code 96210		³ Pool Name Empire; Glorieta-Yeso	
⁴ Property Code		⁵ Property Name MALCO 23 FEDERAL COM			⁶ Well Number 13H
⁷ OGRID NO.		⁸ Operator Name COG OPERATING, LLC			⁹ Elevation 3637'
¹⁰ Surface Location					
UL or lot no. C	Section 23	Township 17S	Range 28E	Lot Idn	Feet from the 125
				North/South line NORTH	Feet From the 1543
				East/West line WEST	County EDDY
¹¹ Bottom Hole Location If Different From Surface					
UL or lot no. N	Section 23	Township 17S	Range 28E	Lot Idn	Feet from the 10
				North/South line SOUTH	Feet from the 1650
				East/West line WEST	County EDDY
¹² Dedicated Acres		¹³ Joint or Infill		¹⁴ Consolidation Code	
				¹⁵ Order No.	

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.

	<p>17 OPERATOR CERTIFICATION</p> <p>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.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>
	<p>18 SURVEYOR CERTIFICATION</p> <p>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.</p> <p>10-26-2016</p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor _____</p> <p>19680</p> <p>Certificate Number _____</p> <p>6-26-17 BH</p>

RRC - Job No.: LS1609302D4

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

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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
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Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
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Santa Fe, New Mexico 87505

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Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-40464	Pool Code 96210	Pool Name Empire;Glorieta-Yeso
Property Code 39326	Property Name TUMAK FEDERAL	Well Number 2
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3708'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	14	17-S	28-E		984	SOUTH	474	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	14	17-S	28-E		988	SOUTH	916	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40.0			

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

DETAIL

3717.1' 3709.0'

3705.8' 3691.2'

600'

600'

916'

474'

984'

988'

S.L. SEE DETAIL

B.H.

GRID AZ. = 83°58'24"

HORZ. DIST. = 517.5'

GEODETIC COORDINATES
NAD 27 NME

SURFACE LOCATION
Y=665682.4 N
X=555328.1 E
LAT. = 32.829918° N
LONG. = 104.153212° W

BOTTOM HOLE LOCATION
Y=665736.8 N
X=555842.6 E

SECTION, CORNER COORDINATES TABLE

① - Y=665980.2 N, X=554845.5 E
② - Y=666102.5 N, X=556140.5 E
③ - Y=664774.1 N, X=556176.8 E
④ - Y=664652.5 N, X=554883.3 E

OPERATOR CERTIFICATION

I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

2/1/13

Signature _____ Date _____

Brian Maiorino

Printed Name _____

bmaiorino@concho.com

E-mail Address _____

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.

SEPTEMBER 30, 2011

Date of Survey _____

Signature & Seal of Professional Surveyor: _____

GARY G. EIDSON
NEW MEXICO
12641
RECEIVED
PROFESSIONAL SURVEYOR
Certification Number Gary G. Eidson 12641
Ronald F. Eidson 3239
ACR WSC W.O.: 11.11.1092

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-40459	Pool Code 96210	Pool Name Empire;Glorieta-Yeso
Property Code 39326	Property Name TUMAK FEDERAL	Well Number 3
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3702'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	14	17-S	28-E		245	SOUTH	230	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	14	17-S	28-E		359	SOUTH	344	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40			

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

CORNER COORDINATES
A) Y=665980.2 N; X=554845.5 E
B) Y=666102.5 N; X=556140.5 E
C) Y=664774.1 N; X=556176.8 E
D) Y=664652.5 N; X=554883.3 E

GEODETIC COORDINATES
NAD 27 NME
SURFACE LOCATION
Y=664919.4 N
X=555105.8 E
LAT.=32.827822' N
LONG.=104.153939' W
BOTTOM HOLE LOCATION
Y=665013.9 N
X=555203.1 E

DETAIL
T17S R28E
344'
S.L.
230'
245'
359'
GRID AZ.=45°49'23"
HORIZ.DIST.=135.7'

DETAIL
3710.2'
3689.1'
600'
3703.6'
3695.6'

SEE DETAIL

OPERATOR CERTIFICATION

I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

1/18/13
Date
Signature
Brian Maiorino
Printed Name
bmaiorino@concho.com
E-mail Address

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.

SEPTEMBER 28, 2011
Date of Survey
Signature & Seal of Professional Surveyor:
Ronald J. Eidson
Certificate Number: 12641
Ronald J. Eidson 3239
AF/DSR RelWO#11.11.1093 JWSC W.O.: 12.13.0987

TUMAK FEDERAL #3 BATTERY
SECTION 14, T17S, R28E SWSW
EDDY COUNTY, NM

WELLS:

TUMAK FEDERAL #2: 30-015-40464
TUMAK FEDERAL #3: 30-015-40459
MALCO FED COM 13H: 30-015-44297

Production Phase

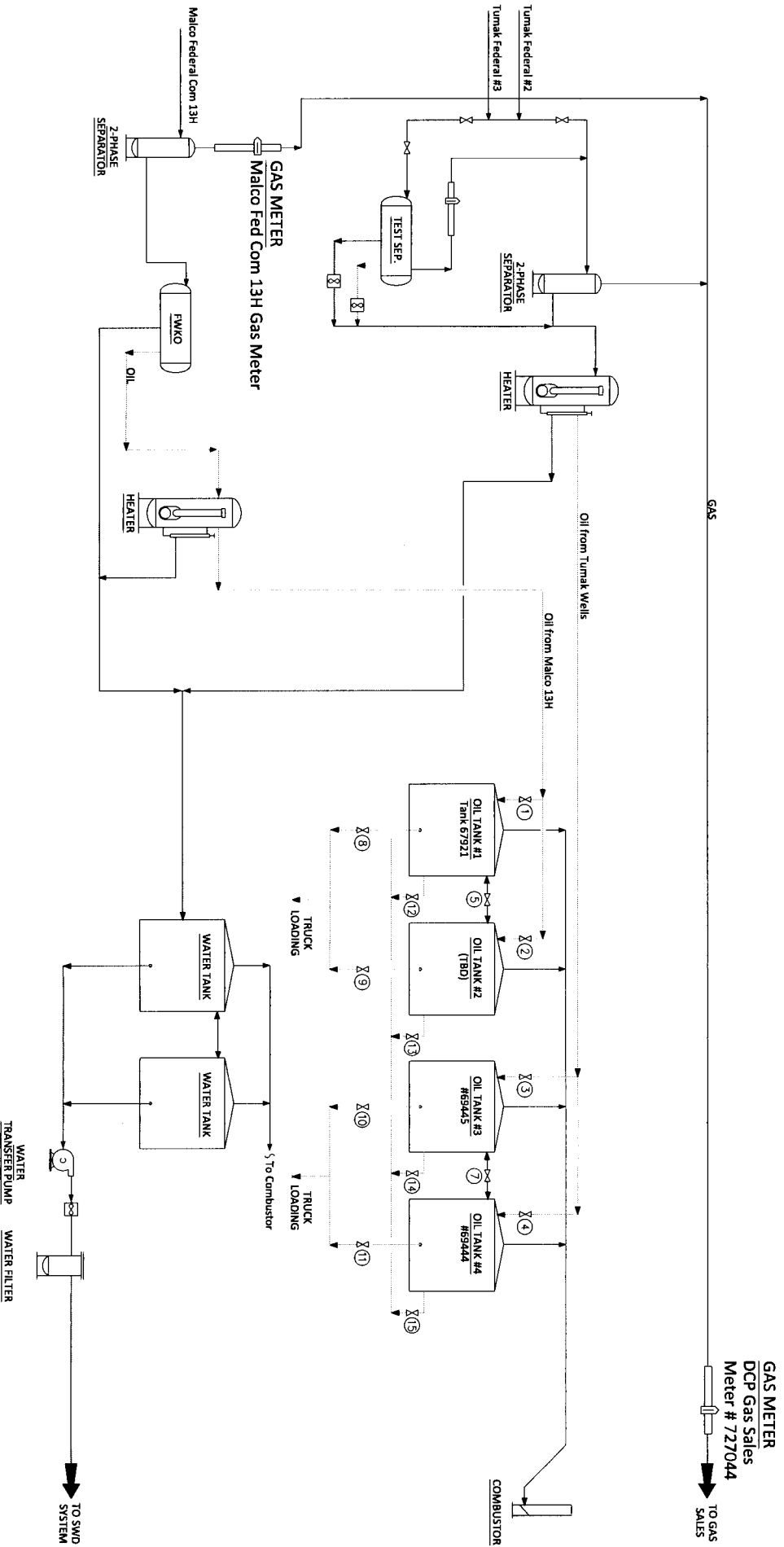
Oil Tank #1:

- Open Valves: 1, 5, 6, 7
- Closed Valves: 2, 3, 4, 8, 9, 10, 12, 13, 14, 15

Sales Phase

Oil Tank #1:

- Open Valves: 2, 6, 7, 8
- Closed Valves: 1, 3, 4, 5, 9, 10, 12, 13, 14, 15



CONCHO

Location of Site Security Plan:

COG Operating, LLC.
600 W. Illinois
Midland, TX 79701

DATE	BY	REVISION DESCRIPTION

SITE FACILITY DIAGRAM

Tumak Federal #3 Battery
Eddy County, NM



11/2/2017	BS	Commingle Notice, C107B, and Tank Battery Diagram	Tumak Federal 2 & 3/Malco 23 Federal Com #13H	Sent Certified Mail to ZPZ Delaware I, LLC c/o: Apache Corporation PO Box 840133 Dallas, TX 75284 GC #: 91-7199-9991-7038-1570-8627
11/2/2017	BS	Commingle Notice, C107B, and Tank Battery Diagram	Tumak Federal 2 & 3/Malco 23 Federal Com #13H	Sent Certified Mail to Cardinal River Energy 211 N. Robinson, Suite 200 Oklahoma City, OK 73102 GC #: 91-7199-9991-7038-1570-88634
11/2/2017	BS	Commingle Notice, C107B, and Tank Battery Diagram	Tumak Federal 2 & 3/Malco 23 Federal Com #13H	Sent Certified Mail to Paul Stafford 11005 Queenswick Ct Oklahoma City, OK 73162 GC #: 91-7199-9991-7038-1570-8641
11/2/2017	BS	Commingle Notice, C107B, and Tank Battery Diagram	Tumak Federal 2 & 3/Malco 23 Federal Com #13H	Sent Certified Mail to Gregory A. Wilson P.O. Box 130 Arcadia, OK 73007 GCR#: 91-7199-9991-7038-1570-8658
11/2/2017	BS	Commingle Notice, C107B, and Tank Battery Diagram	Tumak Federal 2 & 3/Malco 23 Federal Com #13H	Sent Certified Mail to Callan Oil and Gas, LLC 609 Heatherstone Road Edmond, OK 73034 GCR#: 91-7199-9991-7038-1570-8665
11/2/2017	BS	Commingle Notice, C107B, and Tank Battery Diagram	Tumak Federal 2 & 3/Malco 23 Federal Com #13H	Sent Certified Mail to Fenergy LLC 301 NW 151st Street Edmond, OK 73013 GCR#: 91-7199-9991-7038-1570-8672
11/2/2017	BS	Commingle Notice, C107B, and Tank Battery Diagram	Tumak Federal 2 & 3/Malco 23 Federal Com #13H	Sent Certified Mail to Environmental Risk Reduction 119 N. Robinson, Suite 777 Oklahoma City, OK 73014 GCR#: 91-7199-9991-7038-1570-8689
11/2/2017	BS	Commingle Notice, C107B, and Tank Battery Diagram	Tumak Federal 2 & 3/Malco 23 Federal Com #13H	Sent Certified Mail to William C. Dean 1805 Devonshire Street Nichols Hills, OK 73116 GCR#: 91-7199-9991-7038-1570-8696
11/2/2017	BS	Commingle Notice, C107B, and Tank Battery Diagram	Tumak Federal 2 & 3/Malco 23 Federal Com #13H	Sent Certified Mail to Silverton Petroleum, Inc. P.O. Box 26 Graham, TX 76450 GCR#: 91-7199-9991-7038-1570-8702
11/2/2017	BS	Commingle Notice, C107B, and Tank Battery Diagram	Tumak Federal 2 & 3/Malco 23 Federal Com #13H	Sent Certified Mail to Mark Wilson Family Partnership 4501 Greentree Blvd. Midland, TX 79707 GCR#: 91-7199-9991-7038-1570-8719
11/2/2017	BS	Commingle Notice, C107B, and Tank Battery Diagram	Tumak Federal 2 & 3/Malco 23 Federal Com #13H	Sent Certified Mail to Ergodic Resources, LLC P.O. Box 2021 Roswell, NM 88202 GCR#: 91-7199-9991-7038-1570-8726
11/2/2017	BS	Commingle Notice, C107B, and Tank Battery Diagram	Tumak Federal 2 & 3/Malco 23 Federal Com #13H	Sent Certified Mail to Mark E. Boling Revocable Trust 8210 Louisiana BLVD NE STE B. Albuquerque, NM 87113 GCR#: 91-7199-9991-7038-1570-8733
11/2/2017	BS	Commingle Notice, C107B, and Tank Battery Diagram	Tumak Federal 2 & 3/Malco 23 Federal Com #13H	Sent Certified Mail to Abuelo, LLC 21 Crook Drive Artesia, NM 88210 GCR#: 91-7199-9991-7038-1570-8740
11/2/2017	BS	Commingle Notice, C107B, and Tank Battery Diagram	Tumak Federal 2 & 3/Malco 23 Federal Com #13H	Sent Certified Mail to Loco Hills Production Company LLC P.O. Box 779 Artesia, NM 88211 GC #: 91-7199-9991-7038-1570-8757
11/2/2017	BS	Commingle Notice, C107B, and Tank Battery Diagram	Tumak Federal 2 & 3/Malco 23 Federal Com #13H	Sent Certified Mail to Clifton Eugene Shumate, Jr. and Carol Ann Shumate P.O. Box 2473 Midland, TX 79702 GC #: 91-7199-9991-7038-1570-8771
11/2/2017	BS	Commingle Notice, C107B, and Tank Battery Diagram	Tumak Federal 2 & 3/Malco 23 Federal Com #13H	Sent Certified Mail to Stratco Operating Co., Inc., as Debtor, Attn: John Patrick Lowe 218 N. Getty Street Uvalde, TX 78801 GC #: 91-7199-9991-7038-1570-8788
11/2/2017	BS	Commingle Notice, C107B, and Tank Battery Diagram	Tumak Federal 2 & 3/Malco 23 Federal Com #13H	Sent Certified Mail to Office of Natural Resources Revenue, Attn: Royalty Management Program P.O. Box 25627 Denver, CO 80225-0627 GC: 91-7199-9991-7038-1570-8795
11/2/2017	BS	Commingle Notice, C107B, and Tank Battery Diagram	Tumak Federal 2 & 3/Malco 23 Federal Com #13H	Sent Certified Mail to Nestegg Energy Corporation 2308 Sierra Vista Road Artesia, NM 88210-9409 GC #: 91-7199-9991-7038-1570-8801
11/2/2017	BS	Commingle Notice, C107B, and Tank Battery Diagram	Tumak Federal 2 & 3/Malco 23 Federal Com #13H	Sent Certified Mail to Fasken Acquisitions 02, Lts 6101 Holiday Hill Rd. Midland, TX 79707 GCR#: 91-7199-9991-7038-1570-8818

Affidavit of Publication

No. 24483

State of New Mexico

County of Eddy:

Danny Scott

being duly sworn says: that she is the

Publisher

of the Artesia Daily Press, a daily newspaper of General circulation, published in English at Artesia, said county and state, and that the hereto attached

Legal Ad

was published in a regular and entire issue of the said Artesia Daily Press, a daily newspaper duly qualified for that purpose within the meaning of Chapter 167 of the 1937 Session Laws of the state of New Mexico for

1 Consecutive weeks/day on the same

day as follows:

First Publication November 15, 2017

Second Publication

Third Publication

Fourth Publication

Fifth Publication

Sixth Publication

Seventh Publication

Subscribed and sworn before me this

15th day of November 2017



OFFICIAL SEAL
Latisha Romine
NOTARY PUBLIC-STATE OF NEW MEXICO

My commission expires:

5/12/2019

Copy of Publication:

Legal Notice

COG Operating, LLC is applying to surface commingle three oil wells to a central tank battery in Eddy County, New Mexico. The central tank battery is located at the Tumak Federal #3H well. The three wells, details, and locations are the following:

Tumak Federal 2, located in the southwest quarter of section 14, T17S, R28E, Unit M, 984' FSL & 474' FWL.

Tumak Federal 3, located in the southwest quarter of section 14, T17S, R28E, Unit M, 245' FSL & 230' FWL.

Malco Federal Com 13H, located in the northwest quarter of section 23, T17S, R28E, Unit C, 125' FNL & 1543' FWL.

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 Kanicia Castillo, COG Operating LLC, One Concho Center, 600 W Illinois Ave, Midland, TX 79701. Phone number is 432-685-4332.

Published in the Artesia Daily Press, Artesia, N.M., Nov. 15, 2017 Legal No. 24483.

Latisha Romine

Latisha Romine

Notary Public, Eddy County, New Mexico

Production Summary Report API: 30-015-40464 TUMAK FEDERAL #002			
Year	Oil(BBLS)	Gas(MCF)	Days P/I
4/1/2017	228	790	30
5/1/2017	210	781	31
6/1/2017	182	837	30
7/1/2017	167	814	31
8/1/2017	178	748	31
9/1/2017	165	749	30
Cum	28650	70624	

Production Summary Report API: 30-015-40459 TUMAK FEDERAL #003			
Year	Oil(BBLS)	Gas(MCF)	Days P/I
4/1/2017	286	948	30
5/1/2017	286	1038	31
6/1/2017	262	968	30
7/1/2017	281	1017	31
8/1/2017	265	1045	31
9/1/2017	248	995	30
Cum	27705	71486	



Adam Reker

December 6, 2017

One Concho Center
600 W. Illinois Avenue
Midland TX 79701

RE: Tumak Federal #2 and Tumak Federal #3 Wells
SW/4SW/4, Section 14, T17S-R28E
Eddy County, New Mexico

To Whom It May Concern,

According to my personal research and the opinion of our title attorney who is licensed to practice law in the State of New Mexico, the subject wells have common ownership. The Tumak Federal #2 (API: 300-15-40464) and the Tumak Federal #3 (300-15-40459) are located within the SW/4SW/4 of Section 14, T17S-R28E. This ownership is uniform for all cost bearing interests, as well as the burdens... Including working interest, royalty interest, and overriding royalty interests.

The area that these wells are located within is maintained by me on behalf of COG Operating LLC. I certify that to the best of my knowledge and in the opinion of our attorney, that this ownership is uniform for the purposes of commingling.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Reker".

Adam Reker, RPL
areker@concho.com

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

Central Tank Battery Proposal for the Tumak & Malco 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 NMNM0315712 (12.5%)

CA NM136312 (120 Acres of Fee Lands, 80 Acres of Federal lands)

Well Name	Location	API #	Pool 44500	Oil BO/Y	Gravities	MCF/Y	BTU
Tumak Federal 2 SWNW Sec. 14-T17S-R28E-M	30-015-40464		Empire; Glorieta-Yeso	3313	40	4543	1271
Tumak Federal 3 SWNW Sec. 14-T17S-R28E-M	30-015-40459		Empire; Glorieta-Yeso	6817	40	10,627	1273

Federal Lease NMNM315712 (12.5%)

CA NM136810(40 Acres of Fee Lands, 160 Acres of Federal lands)

Well Name	Location	API #	Pool 44500	Oil BO/Y	Gravities	MCF/Y	BTU
Malco Federal Com 13H NENW Sec.23-T17S-R28E-C	30-015-44297		Empire; Glorieta-Yeso	Not completed yet			

Attached map displays the federal leases and well locations in Section 9, T17S-R32E.

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

Oil & Gas metering:

The central tank battery is located on the Tumak Federal 3 Battery located in SWSW, Sec. 14-T17S-R28E on federal lease NMNM 118109 in Eddy County, New Mexico. Flowlines from Malco Federal Com 13H will terminate into the inlet separator which serves as the inlet to the tank battery.

Gas will be separated at the inlet separator and measured through meter #TBD before being sent to sales meter #(TBD). Liquids from the 2-phase separator are routed to the FWKO where any free water from the oil stream is dumped into (2) 500 BBL water tanks. Water will then be pumped out of the tanks and tied into a Company owned SWD system. The oil from the FWKO is dumped into the heater treater where heat is applied to separate any remaining oil-water emulsions. The oil will be produced into (2) 500 bbl tanks dedicated to the Malco Federal Com 13H. Oil production will be measured by a coriolis meter and verified through daily tank gauging. The Tumak Federal 3 battery will have (2) 500 BBL oil tanks that will handle production from the existing Tumak wells and (2) 500 bbl oil tanks that will handle production from the newly drilled Malco Federal Com 13H. The oil from these tanks will hauled by Holly Transportation. The tank gauging equipment and coriolis meters will be calibrated on a regular basis per API, NMOCD and BLM specifications.

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.

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, communization 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: 11/17/2017

McMillan, Michael, EMNRD

From: Kanicia Castillo <KCastillo@concho.com>
Sent: Thursday, December 7, 2017 12:51 PM
To: McMillan, Michael, EMNRD
Subject: RE: Tumak Federal Battery Eddy Co.
Attachments: Tumak Federal Site Facility Diagram_Revised.pdf

Please see the message below from our facilities engineer, Kevin Hinshaw.

Here is an updated diagram.

- Existing Tumak Facility
 - 2 producing Tumak wells
 - Test separator w/ oil, water, gas meters, Production Separator, Heater Treater
 - (2) Oil tanks dedicated to Tumak wells, (2) water tanks
 - DCP Gas Sales Meter
- Malco Fed Com 13H Battery Modifications
 - Install new 2-phase separator, FWKO, Heater Treater
 - Gas meter off 2-phase separator to measure Malco 13H gas volumes
 - (2) Oil tanks dedicated to Malco Fed Com 13H well for daily measurement through tank gauging
 - Water is combined with Tumak wells water production

Gas volumes for Tumak Wells will be allocated to well from test separator measurement.

Gas volumes for Malco Fed Com 13H well will be determined by daily measurements at gas meter

Total Gas Volume for Tumak wells will be determined by subtracting Malco gas meter from total volume sold through DCP gas meter.

Please let me know if you need any additional information.

Thanks,

Kanicia Castillo

Regulatory Advisor
COG OPERATING LLC
One Concho Center
600 W. Illinois Avenue
Midland, TX 79701
P.432.685.4332
F.432.221.0867



From: McMillan, Michael, EMNRD [mailto:Michael.McMillan@state.nm.us]
Sent: Wednesday, December 06, 2017 10:38 AM
To: Kanicia Castillo
Subject: [External] RE: Tumak Federal Battery Eddy Co.

Kanicia:

Can you normalize the production to Barrels/Day for the Summary.

I am not clear on how the wells will be measured. I assume that the Tumac wells are measured with a combination of metering and well testing.

The Malco well is continuously measured-is that correct? The facility diagram is not very clear.

Call me or e-mail me

Mike

From: Kanicia Castillo [<mailto:KCastillo@concho.com>]

Sent: Wednesday, December 6, 2017 9:28 AM

To: McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>

Subject: RE: Tumak Federal Battery Eddy Co.

Michael,

Please see the attached landman letter and BLM summary. I'm still working on the additional info.

Thank you,

Kanicia Castillo

Regulatory Advisor

COG OPERATING LLC

One Concho Center

600 W. Illinois Avenue

Midland, TX 79701

P.432.685.4332

F.432.221.0867



From: McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]

Sent: Monday, December 04, 2017 5:15 PM

To: Kanicia Castillo

Subject: [External] Tumak Federal Battery Eddy Co.

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

Kanicia:

I need a statement from a landman stating identical ownership for the Tumac Wells

I need the BLM description of how the wells will be measured.

I am not clear of how the Malco Federal Com well No. 13H is measured-I assume it is being metered separately

The Tumac wells are measured with a combination of metering and well testing-is that correct?

I need the last 6 month's monthly production.

Mike

Thanks

Mike

Michael McMillan

1220 South St. Francis

Santa Fe, New Mexico

505-476-3448

Michael.mcmillan@state.nm.us