

Application

Received: 10/07/2019

This application is placed in file for record. It MAY or MAY NOT have been reviewed to be determined Administratively Complete

RECEIVED: 10/7/19	REVIEWER: DM	TYPE: PLC	APP NO: pDM1929652300
-------------------	--------------	-----------	-----------------------

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: Hennin Federal 12H	API: 30-025-44640
Pool: Wildcat; Bone Spring	Pool Code: 97088

**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

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

FOR OCD ONLY

- ☐ Notice Complete
☐ Application Content Complete

- 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.

Delilah Flores

Print or Type Name

Signature

9/23/2019

Date

575-748-6946

Phone Number

dflores2@concho.com

e-mail Address



September 23, 2019

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

Re: Application for Administrative Approval of Pool Commingle and Off-Lease Measurement

Dear Mr. McMillan,

COG Operating LLC, respectfully requests approval for off-lease measurement and commingling for the following wells:

Hennin Federal #12H
API# 30-025-44640
Wildcat; Bone Spring
SHL: 210' FNL 2132' FEL, Ut. B, Sec. 3-T26S-R35E
BHL: 200' FSL 1956' FEL, Ut. O, Sec. 3-T26S-R35E
Lea County, NM

Hennin Federal #24H
API# 30-025-44641
Wildcat; Wolfcamp
SHL: 210' FNL 2162' FEL, Ut. B, Sec. 3-T26S-R35E
BHL: 201' FSL 2287' FEL, Ut. O, Sec. 3-T26S-R35E
Lea County, NM

Oil Production:

The oil production from all wells will be measured separately on-lease by Coriolis meters. The oil from the Hennin Federal #12H & #24H wells will flow to a CTB on-lease, where it will be stored and sold. In addition, the oil production from all of these wells may also 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 the event the CTB on lease is over capacity or in the case of battery or pipeline repairs. In this case the oil will remain segregated and will be measured by lact meter when offloading at said stations.

Gas Production:

Gas produced from the Hennin Federal #12H & #24H will be measured by allocation meter prior to being commingled and entering a flow line to the on-lease gas custody transfer meter.

COG Operating LLC owns 100% of this well therefore no notifications or publications will be necessary.

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 and prior month's production along with copies of the submitted FMP sundries.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Delilah Flores".

Delilah Flores, Regulatory Technician
Enclosures

CORPORATE ADDRESS

ONE CONCHO CENTER | 600 WEST ILLINOIS AVENUE | MIDLAND, TEXAS 79701
P432.683.7443 | F432.683.7441

ARTESIA WEST OFFICE

2208 MAIN STREET | ARTESIA, NEW MEXICO 88210
P575.748.6940 | F575.746.2096

Received by OCD: 10/7/2019 9:56:12 AM

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, NM 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
Wildcat; Bone Springs	47.2 / 1407.5			
Wildcat; Wolfcamp	47.6 / 1431.7			

- (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
(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:  TITLE: Regulatory Technician DATE: 9/23/2019

TYPE OR PRINT NAME: Delilah Flores TELEPHONE NO.: 575-748-6946

E-MAIL ADDRESS: dflores2@concho.com

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240
Phone: (575) 393-6181 Fax: (575) 393-8720

DISTRICT II
511 S. FIRST ST., ARTESIA, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-8720

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) 476-3460 Fax: (505) 476-3462

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 30-025-44640	Pool Code	Pool Name Wildcat; Bone Spring
Property Code 321160	Property Name HENNIN FEDERAL	Well Number 12H
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3170.0'

Surface Location


UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	3	26-S	35-E		210	NORTH	2132	EAST	LEA

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	3	26--S	35-E		200	SOUTH	1956	EAST	LFA

Dedicated Acres	Joint or Infill	Consolidation Code	Order 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

<p>Y=394059.7 N X=844233.2 E</p> <p>UPPER PERF - 12,496' 401' FNL & 2036' FEL</p> <p>BOREPATH SHOWN HEREON IS BASED ON DIRECTIONAL SURVEY REPORT PROVIDED BY COG OPERATING, LLC FOR THE HENNIN FEDERAL #12H SUPPLIED TO HARCROW SURVEYING, LLC ON NOVEMBER 2, 2018</p>	<p>210'</p> <p>SL</p> <p>2132'</p> <p>KICK OFF POINT - 11,785' 23' FNL & 2026' FEL</p> <p>DRILL PATH</p> <p>PROJECT AREA</p> <p>PRODUCING AREA</p>	<p>NAD 83 NME SURFACE LOCATION Y=393854.2 N X=844746.4 E LAT = 32 078998" N LONG = 103 353738" W</p>	<p>OPERATOR CERTIFICATION</p> <p>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.</p> <p><u>Amanda Avery</u> 2/13/18 Signature Date</p> <p><u>Amanda Avery</u> Printed Name</p> <p><u>aavery@concho.com</u> E-mail Address</p>
		<p>NAD 83 NME BOTTOM HOLE LOCATION Y=388973.3 N X=844967.1 E LAT = 32 065577" N LONG = 103 353168" W</p> <p>LOWER PERF - 16,949' 449' FSL & 1952' FEL</p> <p>Y=388782.7 N X=845605.3 E</p> <p>1956'</p>	<p>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>AUG 15, 2017/JULY 16, 2018 Date of Survey/Date of Geographic Survey</p> <p>Signature & Seal of Professional Surveyor</p> <p> 12/13/18 Certificate No. CHAD HARCROW 17777 WO # 18-1470 DRAWN BY AM</p>

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240
Phone: (575) 393-6181 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) 476-3460 Fax: (505) 476-3482

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 30-025-44641	Pool Code 98117	Pool Name Wildcat; Wolfcamp
Property Code 321160	Property Name HENNIN FEDERAL	Well Number 24H
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3170.7'

Surface Location

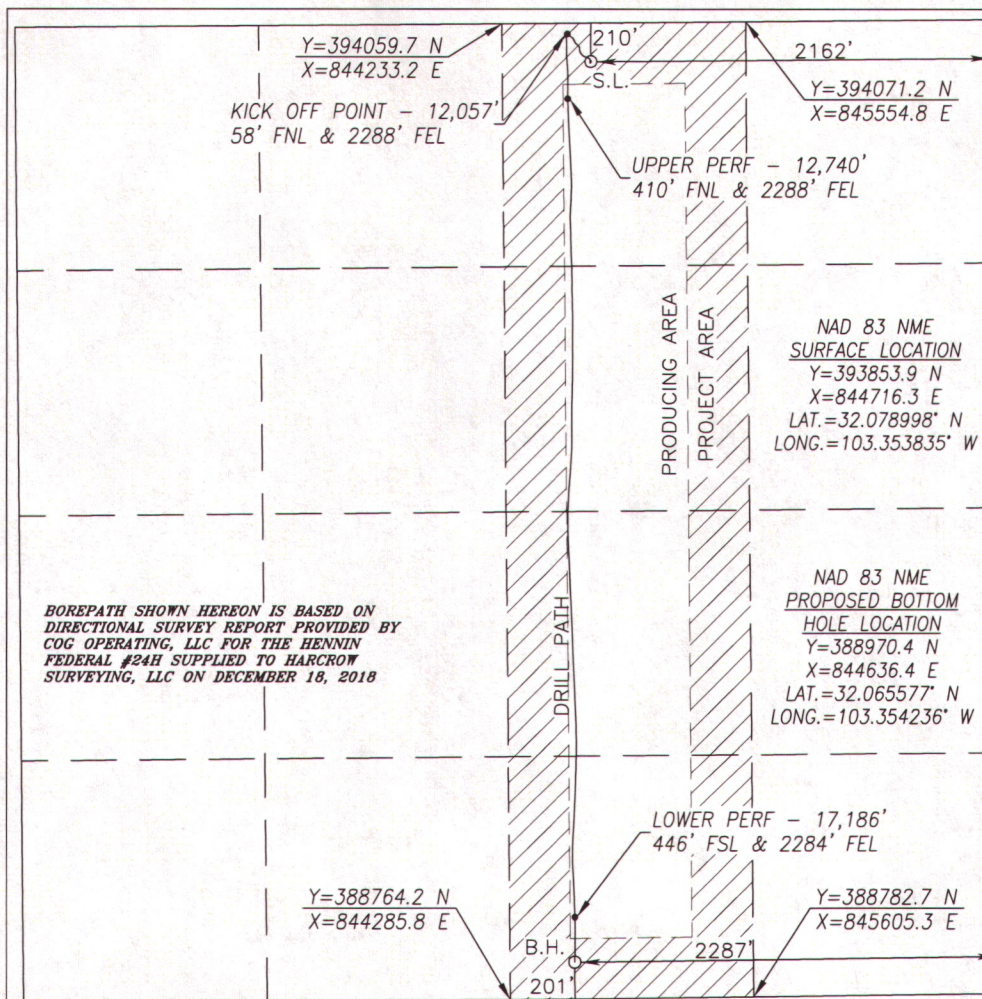
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	3	26-S	35-E		210	NORTH	2162	EAST	LEA

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
O	3	26-S	35-E		201	SOUTH	2287	EAST	LEA

Dedicated Acres 160	Joint or Infill	Consolidation Code	Order 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



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.

Amanda Avery 1/9/18
Signature Date

Amanda Avery
Printed Name

aavery@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.

AUG. 15, 2017/JULY 5, 2018

Date of Survey/Date of Geographic Survey

Signature & Seal of Professional Surveyor

Chad L. Harcrow 1/8/19
Certificate No. CHAD HARCROW 17777
W.O. # 18-1808 DRAWN BY: AM

HENNIN FEDERAL 3B CTB
SECTION 3, T26S, R35E, UNIT B
COORDS: 32.077899, -103.353847
LEA COUNTY, NM

WELLS:
HENNIN FED #012H: 30-025-44640
HENNIN FED #024H: 30-025-44641

GAS FMP METER
Targa Gas Sales Line:
Meter (GS): #1611157

GAS LIFT METERS
24H Gas Lift Meter:
(L1): #39022502
12H Gas Lift Meter:
(L2): #39022501

WATER METERS
Water Transfer Meter:
(WT): #N70AEF16000
Circ Htr Trtr Meter:
(WO): #12103838625

ALLOCATION METERS
#24H Alloc. Gas Meter:
(G1): #39022492
#24H Alloc. Oil Meter:
(O1): #N7031B16000
#24H Alloc. Water Meter:
(W1): #12102676728

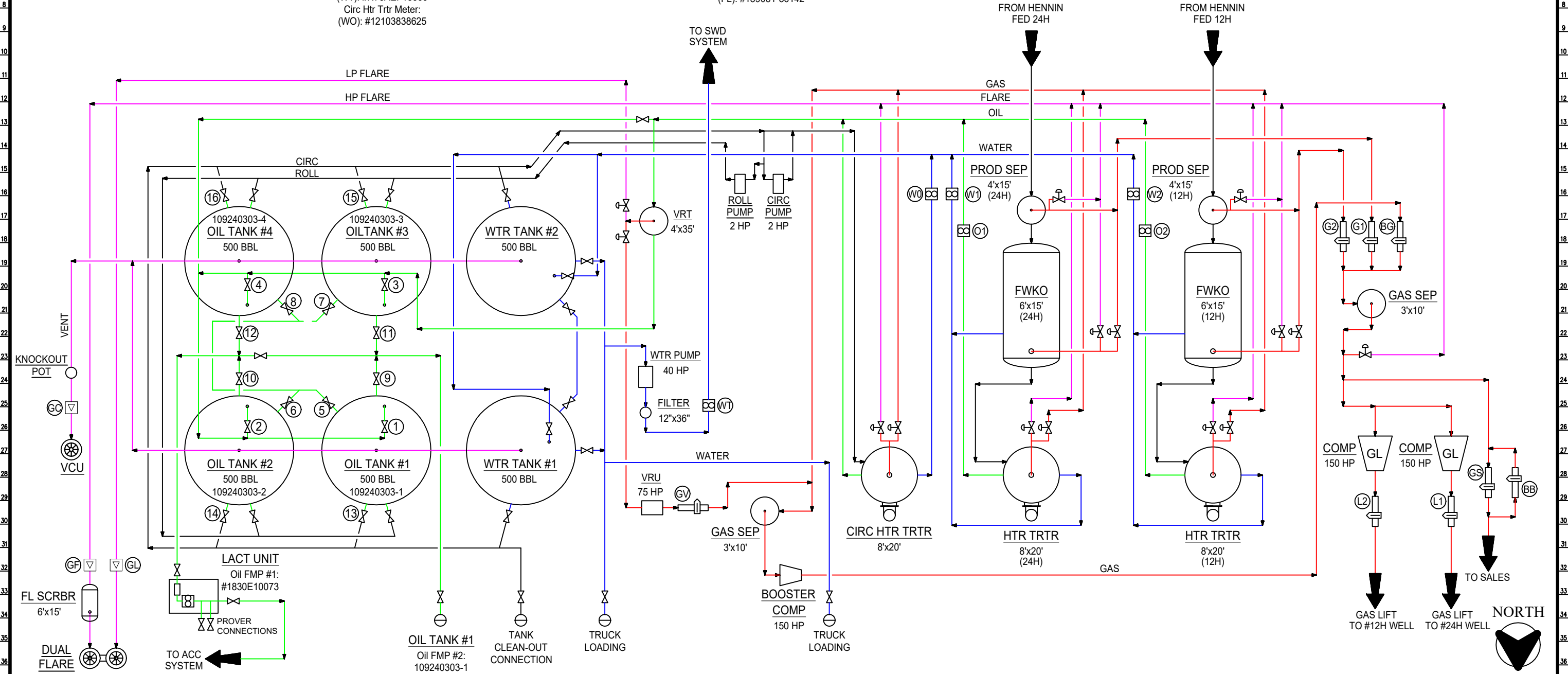
#12H Alloc. Gas Meter:
(G2): #39022491
#12H Alloc. Oil Meter:
(O2): #N70A8116000
#12H Alloc. Water Meter:
(W2): #12103838644

GAS METERS
VRU Gas Meter:
(GV): #39022493
High Pressure Flare Gas Meter:
(GF): #1890103-86135
VCU Gas Meter:
(GC): #39022494
Booster Comp. Gas Meter:
(BG): #39022494
Buy Back Gas Meter:
(BB): #1611158
Low Pressure Flare Gas Meter:
(FL): #189081-86142

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

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

FACILITY DESIGN CAPACITIES
- OIL: 4000 BPD
- WATER: 6000 BPD
- GAS: 8000 MMSCFD



NOTES:
Type of Lease: Federal
Federal Lease BHL #: NMNM 120365
CA/Agreement #: N/A
Property Code: 321160
OGRID #: 229137

Ledger for Site Diagram
Produced Fluid: —
Produced Oil: —
Produced Gas: —
Produced Water: —
Flare/Vent: —

CONFIDENTIALITY NOTICE
THIS DRAWING IS PROPERTY OF COG OPERATING LLC AND IS LENT 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		REVISIONS		ENGINEERING RECORD	
NO.	TITLE	NO.	DATE	DESCRIPTION	BY
A		08/06/18	ISSUED FOR REVIEW	JS	CB
B		08/09/18	REVISED PER SKIM TANK REMOVAL	JS	CB
C		10/11/18	REVISED PER FIELD VERIFICATION	JS	DP
D		10/11/18	REVISED AS NOTED	JS	CB
E		06/18/19	ISSUED PER AS-BUILT	JS	JS
F		8/23/19	REVISED FOR METER INSTALL	RTG	

COG OPERATING LLC
SITE SECURITY PLANS
LOCATED AT:

ONE CONCHO CENTER
600 WEST ILLINOIS AVENUE
MIDLAND, TEXAS 79701

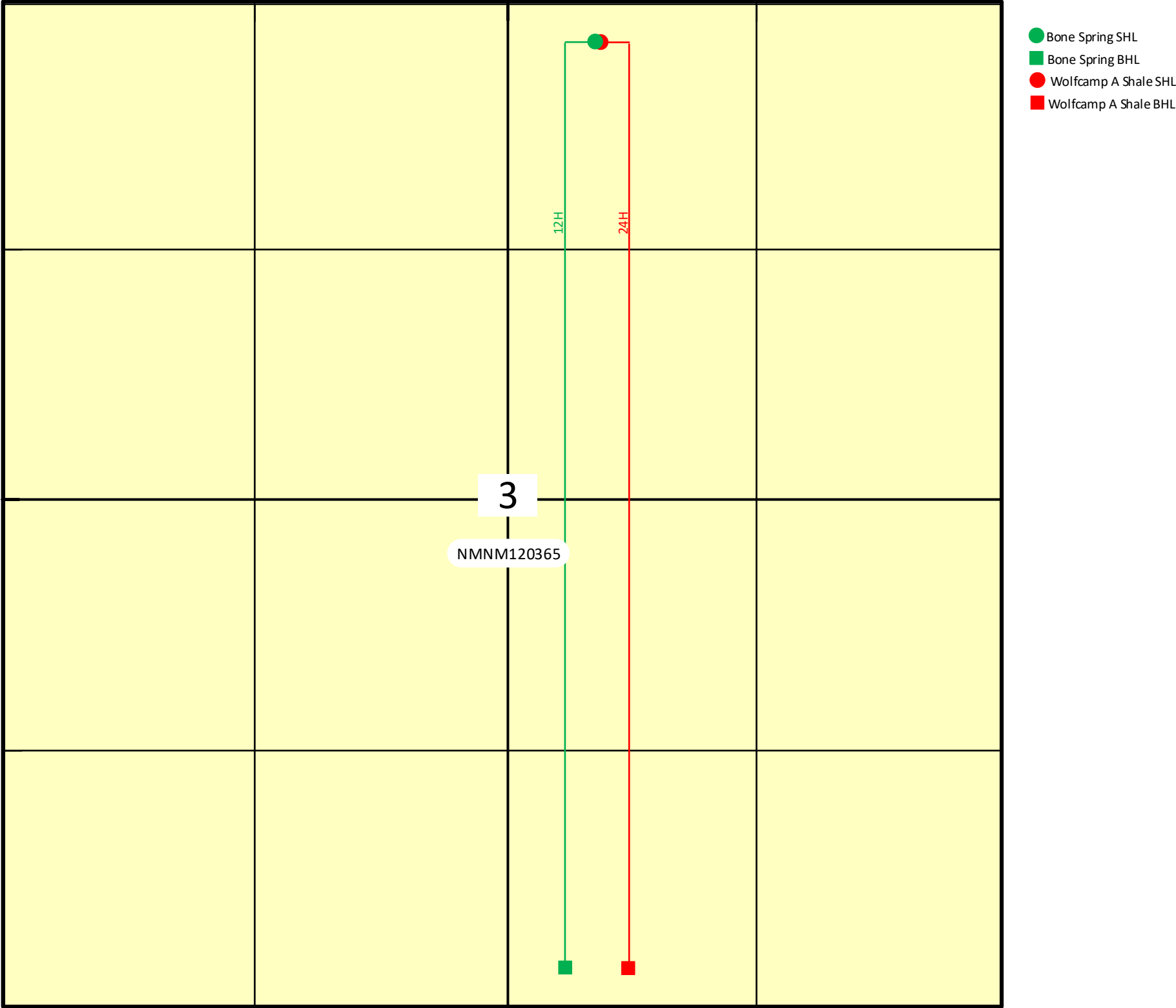
**NORTHERN DELAWARE BASIN ASSET
PRODUCTION FACILITIES
SITE FACILITY DIAGRAM
HENNIN FEDERAL 3B CTB**

LEA COUNTY
TWN/SHIP/RANGE
MULTIPLE

DWG NO.
D-1700-81-005

NEW MEXICO
REV
F

Hennin Federal Wells





Sec. 3-T26S-R35E, Lea County, NM

Hennin Federal 12H & 24H

Sec. 3 T26S R35E
Lea County, NM

Legend

-  Hennin Federal
-  Hennin Federal 3B CTB

Hennin Federal 24H
Hennin Federal 12H

Hennin Federal 3B CTB

Google Earth

© 2018 Google

1000 ft

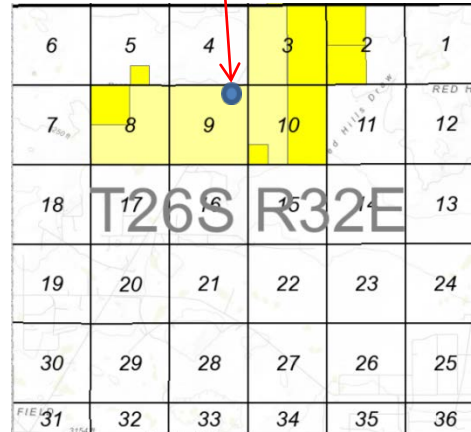


Hennin Federal #12H & #24H & Red Hills and Jal Offload Station Map

Hennin Federal #12H & #24H
Lea County, NM



Red Hills Offload Station
Lea County, NM



Jal Offload Station
Lea County, NM



Time Frame	Production				Injection				
	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/1	Water(BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure
2018									
WC-025 G-08 S2535340;BONE SPRING									
Oct	8868	9450	31863	15	0	0	0	0	0
Nov	21657	29924	70812	30	0	0	0	0	0
Dec	14442	21973	43434	31	0	0	0	0	0
Pool Total:	44967	61347	146109	76	0	0	0	0	N/A
Annual Total:	44967	61347	146109	76	0	0	0	0	N/A
2019									
WC-025 G-08 S2535340;BONE SPRING									
Jan	11954	15881	31215	31	0	0	0	0	0
Feb	9083	13759	20658	28	0	0	0	0	0
Mar	8615	12040	22938	31	0	0	0	0	0
Apr	7424	9023	20958	30	0	0	0	0	0
May	6867	7920	18580	31	0	0	0	0	0
Jun	6092	6989	16884	30	0	0	0	0	0
Pool Total:	50035	65612	131233	181	0	0	0	0	N/A
Annual Total:	50035	65612	131233	181	0	0	0	0	N/A
Grand Total:	95002	126959	277342	257	0	0	0	0	N/A

HENNIN FEDERAL 12H PRODUCTION

Time Frame	Production				Injection				
	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/1	Water(BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure

2018									
WC-025 G-09 S263504N;WOLFCAMP									
Oct	6575	6764	16349	15	0	0	0	0	0
Nov	21700	23700	33255	30	0	0	0	0	0
Dec	13537	13580	21484	31	0	0	0	0	0
Pool Total:	41812	44044	71088	76	0	0	0	0	N/A
Annual Total:	41812	44044	71088	76	0	0	0	0	N/A
2019									
WC-025 G-09 S263504N;WOLFCAMP									
Jan	11049	11676	18347	31	0	0	0	0	0
Feb	8539	7186	17482	28	0	0	0	0	0
Mar	6970	7547	13026	25	0	0	0	0	0
Apr	9215	12498	14527	30	0	0	0	0	0
May	8361	11715	14012	31	0	0	0	0	0
Jun	7183	10398	12064	30	0	0	0	0	0

Pool Total:	51317	61020	89458	175	0	0	0	0	N/A
Annual Total:	51317	61020	89458	175	0	0	0	0	N/A
Grand Total:	93129	105064	160546	251	0	0	0	0	N/A

HENNIN FEDERAL 24H PRODUCTION



August 14, 2019

New Mexico Oil Conservation Division
ATTN: Mike McMillan
1220 South Saint Francis Drive
Santa Fe, NM 87505

**Re: Hennin Federal #12H and #24H
Sections 14 and 23, T25S-R35E
Lea County, NM**

To whom it concerns,

I am the landman at COG Operating LLC/Concho Resources Inc. whose area of responsibility includes Section 3 of Township 26 South, Range 35 east, NMPM Lea County, New Mexico.

A contract landman, a title attorney, and myself have all reviewed the ownership for the aforementioned section and we certify that COG Operating LLC owns 100% of this well. There are no overrides carved out of these lands and the only other owner in these lands is the mineral owner; The Bureau of Land Management.

Respectfully,

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

Adam Reker, MBA, RPL
Landman