

DATE IN <b>2.9.12</b>	SUSPENSE	ENGINEER <b>RE</b>	LOGGED IN <b>2.9.12</b>	TYPE <b>OLM</b>	APP NO. <b>1204046788</b>
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*PTGW*

ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



*COG Operating 227955*

*Canvasback 13 Fed. 1H*

**ADMINISTRATIVE APPLICATION CHECKLIST** *30-D15-39191*

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Application Acronyms:**

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]**
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]**
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]**
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]**
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]**
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]**

- [1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**
- [A] Location - Spacing Unit - Simultaneous Dedication  
 NSL  NSP  SD
  - Check One Only for [B] or [C]
  - [B] Commingling - Storage - Measurement  
 DHC  CTB  PLC  PC  OLS  OLM
  - [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
 WFX  PMX  SWD  IPI  EOR  PPR
  - [D] Other: Specify \_\_\_\_\_

- [2] **NOTIFICATION REQUIRED TO: - Check Those Which Apply, or  Does Not Apply**
- [A]  Working, Royalty or Overriding Royalty Interest Owners
  - [B]  Offset Operators, Leaseholders or Surface Owner
  - [C]  Application is One Which Requires Published Legal Notice
  - [D]  Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
  - [E]  For all of the above, Proof of Notification or Publication is Attached, and/or,
  - [F]  Waivers are Attached

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

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

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

<u>Mayte Reyes</u> Print or Type Name	<u><i>Mayte Reyes</i></u> Signature	<u>Regulatory Analyst</u> Title	<u>2/7/2012</u> Date
<u>OLM - 59</u>		<u>mreyes1@concho.com</u> 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.

2012 FEB - 6 A 10:16

**APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**

OPERATOR NAME: COG Production 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

(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 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: Mayte Reyes TITLE: Regulatory Analyst DATE: 2/7/2012

TYPE OR PRINT NAME Mayte Reyes TELEPHONE NO.: 575-748-6945

E-MAIL ADDRESS mreyes1@concho.com

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0137  
Expires: July 31, 2010

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

**SUBMIT IN TRIPLICATE - Other Instructions on page 2.**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NM114979
2. Name of Operator COG Operating LLC		6. If Indian, Allottee, or Tribe Name
3a. Address 2208 W. Main Street Artesia, NM 88210	3b. Phone No. (include area code) 575-748-6945	7. If Unit or CA. Agreement Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) SHL: 330' FNL & 480' FWL, Unit D (NWNW) Sec 13-T24S-R31E BHL: 330' FSL & 480' FWL, Unit M (SWSW) Sec 13-T24S-R31E		8. Well Name and No. Canvasback 13 Federal #1H
		9. API Well No. 30-015-39191
		10. Field and Pool, or Exploratory Area Cotton Draw; Bone Spring, East
		11. County or Parish, State Eddy NM

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Off-Lease Measurement</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths or pertinent markers and sands. Attach the Bond under which the work will be performed or provide the Bond No. on file with the BLM/ BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notice shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

COG Operating LLC respectfully requests permission for Off-Lease Measurement for the Canvasback 13 Federal #1H.

All interest owners have been notified of this proposal.

No Federal or Indian royalties will be reduced by the approval of this application.

Our meter is located on the COG Operating LLC, Seabiscuit Federal Com #1H. The location of this well is Unit M, SWSW of Sec 12-T24S-R31E.

The following attachments are enclosed:

- 1) Map showing lease numbers and locations of leases and wells that will contribute production to the off-lease measurement
- 2) Facility diagram
- 3) Plat of the location
- 4) Interest owners notification letters

14. I hereby certify that the foregoing is true and correct.

Name (Printed/ Typed) Mayte Reyes	Title: Regulatory Analyst
Signature: <i>Mayte Reyes</i>	Date: 2/7/12

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by:	Title:	Date:
Conditions of approval, if any are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office:	

Title 18 U.S.C. Section 1001 AND Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**COG Production LLC** is requesting approval for Off Lease Measurement for the following well:

Canvasback 13 Federal #1H

Eddy County, NM

API# 30-015-39191

SHL: 330' FNL & 480' FWL of Sec 13-T24S-R31E

BHL: 330' FSL & 480' FWL of Sec 13-T24S-R31E

Cotton Draw; Bone Spring, East

The Off-Lease Measurement facility will be located at the Seabiscuit Federal Com #1H, 330' FSL & 530' FWL of Sec 12-T24S-R31E. Well will have its own tanks and meter and all equipment is located on Federal Land. No surface commingle will take place.

The Off Lease Measurement of Production is in the interest of conservation, economic feasibility, the reduction of environmental impact area, and will not result in reduced royalty or improper measurement of production.



February 7, 2012

Mayte Reyes  
2208 W. Main Street  
Artesia, NM 88210

Will Jones  
New Mexico Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

Dear Mr. Jones,

COG Production LLC respectfully requests approval for Off-Lease Measurement on the following well:

Canvasback 13 Federal #1H  
Eddy County, NM  
API# 30-015-39191  
SHL: 330' FNL & 480' FWL of Sec 13-T24S-R31E  
BHL: 330' FSL & 480' FWL of Sec 13-T24S-R31E  
Cotton Draw; Bone Spring, East

The Off-Lease Measurement facility will be located at the Seabiscuit Federal Com #1H, 330' FSL & 530' FWL of Sec 12-T24S-R31E.

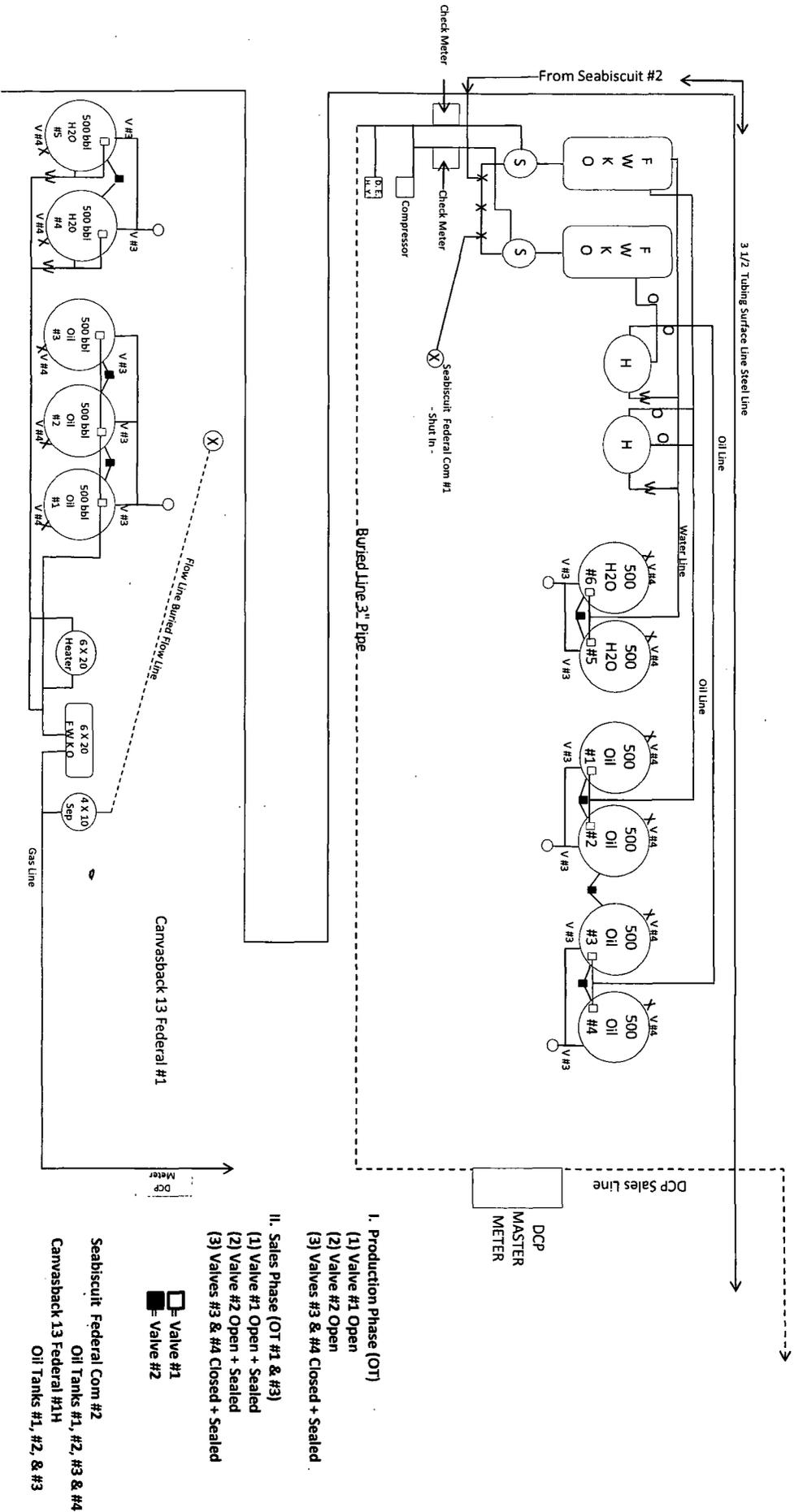
COG Production LLC will keep all production separate.

I have attached proof of notice to our only working interest owner, Oxy Permian LTD, a diagram of our battery facility and a map with lease boundaries showing all well and facility locations.

Sincerely,

Mayte Reyes  
Regulatory Analyst

**Canvasback 13 Federal #1H**  
**Sec 13-T24S-R31E Unit Letter D**  
**Eddy County, NM**



**I. Production Phase (OT)**

- (1) Valve #1 Open
- (2) Valve #2 Open
- (3) Valves #3 & #4 Closed + Sealed

**II. Sales Phase (OT #1 & #3)**

- (1) Valve #1 Open + Sealed
- (2) Valve #2 Open + Sealed
- (3) Valves #3 & #4 Closed + Sealed



Seabiscuit Federal Com #2  
 Oil Tanks #1, #2, #3 & #4  
 Canvasback 13 Federal #1H  
 Oil Tanks #1, #2, & #3

DISTRICT I  
1625 N. FRENCH DR., HOBBS, NM 88240

DISTRICT II  
1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III  
1000 RIO BRAZOS RD., AZTEC, NM 87410

DISTRICT IV  
1330 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION  
1330 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

Form C-102  
Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number <b>30-015-39191</b>	Pool Code <b>96556</b>	Pool Name <b>COTTON DRAW; BONE SPRING, EAST</b>
Property Code <b>78689</b>	Property Name <b>CANVASBACK "13" FEDERAL</b>	Well Number <b>1H</b>
OGRID No. <b>217955</b>	Operator Name <b>OGX RESOURCES</b>	Elevation <b>3569'</b>

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	13	24-S	31-E		330	NORTH	480	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	13	24-S	31-E		330	SOUTH	480	WEST	EDDY

Dedicated Acres <b>160</b>	Joint or Infill	Consolidation Code	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

**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.

*Joe T. Janica*  
Signature Date  
Joe T. Janica 04/01/11  
Printed Name

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**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.

NOVEMBER 5 2010  
Date Surveyed  
Signature & Seal of Professional Surveyor  
Professional Surveyor  
3239  
11/18/2010  
Certificate Number 12641  
RICHARD J. EDSON 3239

GEODETIC COORDINATES  
NAD 27 NME

SURFACE LOCATION  
Y=445577.0 N  
X=684092.6 E

LAT.=32.223606° N  
LONG.=103.738031° W

BOTTOM HOLE LOCATION  
Y=440955.9 N  
X=684118.9 E

DETAIL

3565.0'	3562.8'
3574.5'	3573.8'

EXHIBIT "A"

**RECEIVED**  
JUN 27 2011  
NMOC D ARTESIA





February 7, 2012

Mayte Reyes  
2208 W. Main Street  
Artesia, NM 88210

Oxy Permian LTD  
P.O. Box 27757  
Houston, TX 77227-7757

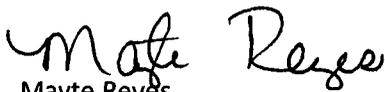
This letter will serve as notice, under Rule 19.15.N.1207.A, that COG Production LLC has requested administrative approval from the Oil Conservation Division in Santa Fe, NM for Off-Lease Measurement for the following well:

Canvasback 13 Federal #1H  
Eddy County, NM  
API# 30-015-39191  
SHL: 330' FNL & 480' FWL of Sec 13-T24S-R31E  
BHL: 330' FSL & 480' FWL of Sec 13-T24S-R31E  
Cotton Draw; Bone Spring, East

The Off-Lease Measurement facility will be located at the Seabiscuit Federal Com #1H, 330' FSL & 530' FWL of Sec 12-T24S-R31E.

Should you or your company have any objection, it must be filed in writing within twenty (20) days from the date of this notice. The Division Director may approve the Off-Lease Measurement Facility if no objection has been made within the twenty (20) days after the application has been received.

Sincerely,

  
Mayte Reyes  
Regulatory Analyst

**INCHO**

West  
st Main Street  
IM 88210

OF THE RETURN ADDRESS, FOLD AT DOTTED LINE  
**CERTIFIED MAIL**



7011 1570 0000 7781 1161

Oxy Permian LTD  
P.O. Box 27757  
Houston, TX 77227-7757

U.S. Postal Service™  
**CERTIFIED MAIL™ RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**  
CANVAS BACK 13 FEB 11 H SOFF

Postage	\$	LEASE METSUNG HERE MAYE Postmaster Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage		

Sent To: Oxy Permian LTD  
P.O. Box 27757  
Houston, TX 77227-7757

Street, Apt. No. or PO Box No:  
City, State, Zip

PS Form 3800, August 2000

7011 1570 0000 7781 1161

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Oxy Permian LTD  
P.O. Box 27757  
Houston, TX 77227-7757

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X

Agent

Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1?  Yes

If YES, enter delivery address below:  No

3. Service Type

Certified Mail

Express Mail

Registered

Return Receipt for Merchandise

Insured Mail

C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes

2. Article Number

(Transfer from service label)

7011 1570 0000 7781 1161