| DATE IN | SUSPENSE | ENGINEER | LOGGED IN | TYPE | APP NO. |
|---|---|---|---|---|---|
| 7/07/2015 | | MAM | 7/07/2015 | CTB | pMAM1518857664 |

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 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]** 757

-EOG Resources, LLC
Pilum 15 Fee 7
1H API# 30-015-42643
2H API# 30-015-42644
3H API# Pending

[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

Pool
-Atoka; Glorieta-
Yeso
3250

[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.**

| Kanicia Castillo | | Lead Regulatory Analyst | 6/22/15 |
|---|---|---|---|
| Print or Type Name | Signature | Title | Date |

kcastillo@concho.com
E-mail Address

CONCHO

RECEIVED OCD
2015 JUL -7 P 3:08

July 2, 2015

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

Re: Surface Commingle

Mr. McMillan,
COG Operating LLC respectfully requests approval to Surface Commingle our Pilum 15 Fee wells. The CTB is located at the Pilum 15 Fee #2H well:

Pilum 15 Fee 1H
Eddy County, NM
API # 30-015-42643
Surface: 2485 FSL & 425 FEL
Sec 16, T18S, R26E, Unit I

Pilum 15 Fee 2H
Eddy County, NM
API # 30-0015-42644
Surface: 789 FSL & 450 FEL
Sec 16, T18S, R26E, Unit P

Pilum 15 Fee 3H
Eddy County, NM
API# Pending
Surface: 240 FSL & 2310 FEL
Sec 22, T18S, R26E, Unit B

Consolidating our battery facilities will extend the economic life for these wells and lessen surface disturbance. The #1H and #2 will have its own separator and the #3 production will be determined by subtraction method. Commingling will not reduce the value of production.

These wells will be producing from the Atoka; Glorieta - Yeso, 3250. Attached is a 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,

Kanicia Castillo
Lead Regulatory Analyst
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

State of New Mexico
Energy, Minerals and Natural Resources Department

**OIL CONSERVATION DIVISION**
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Form C-107-B
Revised August 1, 2011

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, Midland, Texas 79701
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. Atoka;Glorieta-Yeso, 3250
(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) Well test method with common ownership.

## (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: _____ TITLE: Lead Regulatory Analyst DATE: 6/22/15

TYPE OR PRINT NAME Kanicia Castillo TELEPHONE NO.: 432-685-4332

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 | 2 Pool Code | 3 Pool Name |
|---|---|---|
| | | |

| 4 Property Code | 5 Property Name | 6 Well Number |
|---|---|---|
| | PILUM 15 FEE | 1H |
| 7 OGRID NO. | 8 Operator Name | 9 Elevation |
| | COG OPERATING, LLC | 3352' |

## 10 Surface Location

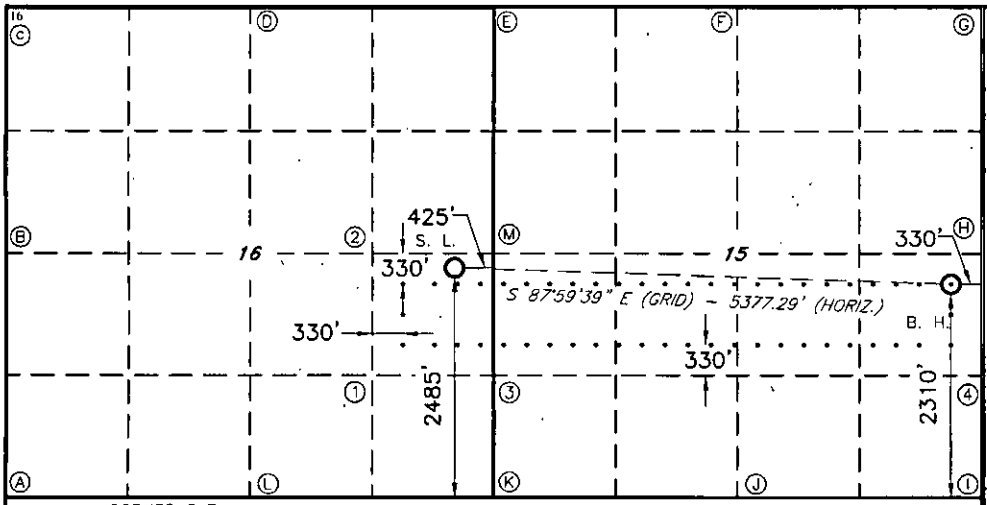
| UL or lot no. | Section | Township | Range | Lot Idn. | Feet from the | North/South line | Feet From the | East/West line | County |
|---|---|---|---|---|---|---|---|---|---|
| I | 16 | 18S | 26E | | 2485 | SOUTH | 425 | EAST | EDDY |

## 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 |
|---|---|---|---|---|---|---|---|---|---|
| I | 15 | 18S | 26E | | 2310 | SOUTH | 330 | EAST | 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.




CORNER DATA
NAD 27 GRID – NM EAST

A: FOUND COTTON SPINDLE
N: 633133.5 – E: 480997.7

B: CALCULATED CORNER
N: 635775.9 – E: 481013.2

C: FOUND COTTON SPINDLE
N: 638418.3 – E: 481028.7

D: CALCULATED CORNER
N: 638424.6 – E: 483677.7

E: FOUND COTTON SPINDLE
N: 638430.8 – E: 486326.6

F: FOUND 5/8" REBAR
N: 638414.7 – E: 488971.0

G: CALCULATED CORNER
N: 638425.9 – E: 491615.4

H: CALCULATED CORNER
N: 635773.4 – E: 491605.6

I: FOUND COTTON SPINDLE
N: 633121.0 – E: 491595.8

J: CALCULATED CORNER
N: 633128.5 – E: 488961.2

K: CALCULATED CORNER
N: 633136.0 – E: 486326.6

L: CALCULATED CORNER
N: 633134.7 – E: 483662.1

M: CALCULATED CORNER
N: 635783.4 – E: 486326.6

1: CALCULATED CORNER
N: 634458.4 – E: 484996.3

2: CALCULATED CORNER
N: 635781.5 – E: 484998.3

3: CALCULATED CORNER
N: 634459.7 – E: 486326.6

4: CALCULATED CORNER
N: 634447.2 – E: 491600.7

GEODETIC DATA
NAD 27 GRID – NM EAST

SURFACE LOCATION
N: 635620.1
E: 485901.6
LAT: 32.74740549° N
LONG: 104.37918856° W

BOTTOM HOLE
N: 635431.9
E: 491274.3

## 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 Date

Printed Name

E-mail Address

## 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.*

8-12-14
Date of Survey

Signature and Seal of Professional Surveyor

ROBERT M. HOWETT
NEW MEXICO
19680
PROFESSIONAL SURVEYOR

19680
Certificate Number

RRC – Firm No.: TX 10193838 NM 4655451 – Job No.: LS140319

District I
1625 N. French Dr., Hobbs, NM 88240
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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 | 2 Pool Code | 3 Pool Name |
|---|---|---|
| 30-015-42644 | 3250 | Atoka;Glorieta-Yeso |

| 4 Property Code | 5 Property Name | 6 Well Number |
|---|---|---|
| 313706 | PILUM 15 FEE | 2H |

| 7 OGRID NO. | 8 Operator Name | 9 Elevation |
|---|---|---|
| 229137 | COG OPERATING, LLC | 3356' |

## 10 Surface Location

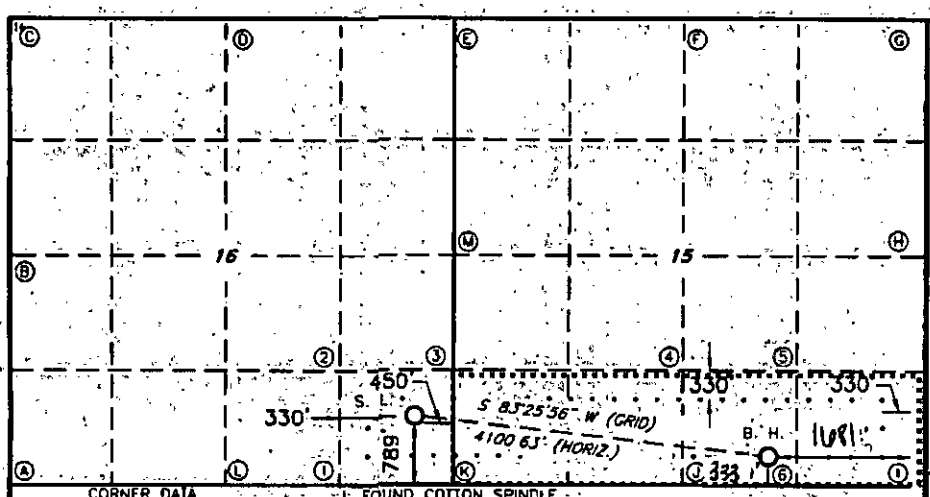
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet From the | East/West line | County |
|---|---|---|---|---|---|---|---|---|---|
| P | 16 | 18S | 26E | | 789 | SOUTH | 450 | EAST | EDDY |

## 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 |
|---|---|---|---|---|---|---|---|---|---|
| O | 15 | 18S | 26E | | 333 | SOUTH | 1681 | EAST | EDDY |

| 12 Dedicated Acres | 13 Joint or Infill | 14 Consolidation Code | 15 Order No. |
|---|---|---|---|
| 160 | | | |

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.




CORNER DATA
NAD 27 GRID – NM EAST

A: FOUND COTTON SPINDLE
N: 633133.5 – E: 480997.7

B: CALCULATED CORNER
N: 635775.9 – E: 481013.2

C: FOUND COTTON SPINDLE
N: 638418.3 – E: 481028.7

D: CALCULATED CORNER
N: 638424.6 – E: 483677.7

E: FOUND COTTON SPINDLE
N: 638430.8 – E: 486326.6

F: CALCULATED CORNER
N: 638414.7 – E: 488971.0

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N: 633134.7 – E: 483662.1

M: CALCULATED CORNER
N: 635783.4 – E: 486326.6

1: CALCULATED CORNER
N: 633135.3 – E: 484994.4

2: CALCULATED CORNER
N: 634458.4 – E: 484996.3

3: CALCULATED CORNER
N: 634459.7 – E: 486326.6

4: CALCULATED CORNER
N: 634453.5 – E: 488963.6

5: CALCULATED CORNER
N: 634450.3 – E: 490282.2

6: CALCULATED CORNER
N: 633124.8 – E: 490278.5

GEODETIC DATA
NAD 27 GRID – NM EAST

SURFACE LOCATION
N: 633924.6
E: 485876.7

LAT: 32.74274492° N
LONG: 104.37926727° W

BOTTOM HOLE
N: 633455.7
E: 489948.4

## 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.*

CJackson 3/2/15
Signature Date

Chasity Jackson
Printed Name

cjackson@concho.com
E-mail Address

## 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.*

11-18-14
Date of Survey

Signature and Seal of Professional Surveyor

ROBERT M. HOWETT
NEW MEXICO
19680
PROFESSIONAL SURVEYOR

19680
Certificate Number

RRC – Firm No.: TX 10193838 NM 4655451 – Job No.: LS140541

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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 | Pool Code | Pool Name |
|---|---|---|
| | | |

| Property Code | Property Name | Well Number |
|---|---|---|
| | PILUM 15 FEE | 3H |

| OGRID No. | Operator Name | Elevation |
|---|---|---|
| | COG OPERATING, LLC | 3338' |

Surface Location

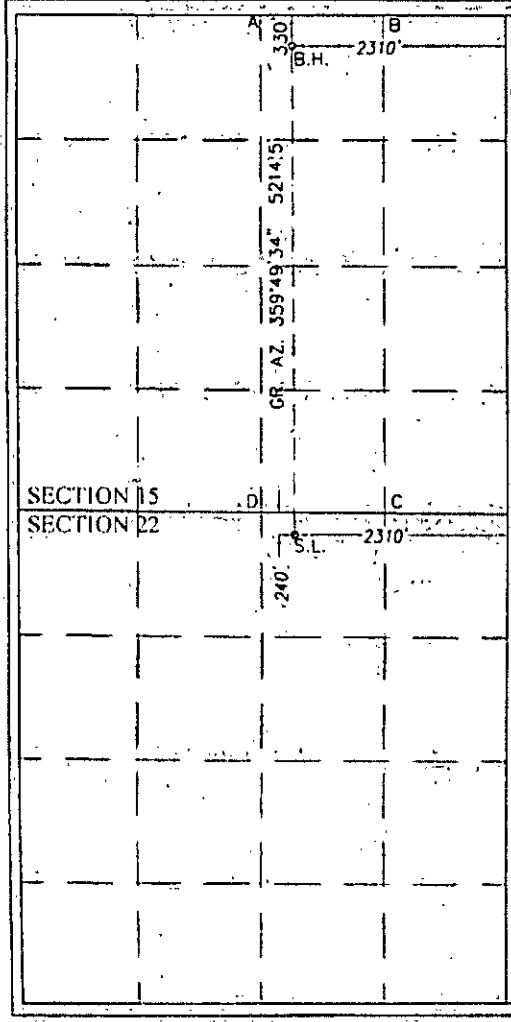
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---|---|---|---|---|---|---|---|---|---|
| B | 22 | 18-S | 26-E | | 240 | NORTH | 2310' | EAST | EDDY |

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 |
|---|---|---|---|---|---|---|---|---|---|
| B | 15 | 18-S | 26-E | | 330 | NORTH | 2310 | EAST | EDDY |

| Dedicated Acres | 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




GEODETIC COORDINATES
NAD 27 NME

SURFACE LOCATION
Y=632885.1 N
X=489323.0 E

LAT.=32.739891° N
LONG.=104.368058° W

BOTTOM HOLE LOCATION
Y=638098.2 N
X=489307.2 E

CORNER COORDINATES TABLE

A - Y=638428.4 N, X=488970.9 E
B - Y=638427.2 N, X=490293.1 E
C - Y=633118.3 N, X=490299.7 E
D - Y=633127.6 N, X=488964.4 E

SCALE: 1"=2000'

## 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.*

Signature Date

Printed Name

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.*

MAY 7, 2014

Date of Survey
Signature & Seal of Professional Surveyor

RONALD J. EIDSON
NEW MEXICO
3239
REGISTERED PROFESSIONAL SURVEYOR

06/04/2014

Certificate Number GARY G. EIDSON 12641
RONALD J. EIDSON 3239

LSL JWSC W.O. 14.11.0500

Pilum 15 Fee 2H CTB Notices

| | | | | |
|---|---|---|---|---|
| 6/25/2015 | TC | Commingle Notice W/C107B and Battery Diagram | **Pilum 15 Fee #2H CTB** | Sent Certified Mail to Hughes and Hughes, LLC, 6957 NW Expressway #112 Oklahoma City, OK 73132, GC: 91 7199 9991 7033 2436 9692 |
| 6/25/2015 | TC | Commingle Notice W/C107B and Battery Diagram | **Pilum 15 Fee #2H CTB** | Sent Certified Mail to Michael C. Walton, Sole Trustee of the Michael C. Walton and Judith A. Walton Trust, 17473 Table Mountain Road, Jamestown, CA 95327, GC: 91 7199 9991 7033 2436 9685 |
| 6/25/2015 | TC | Commingle Notice W/C107B and Battery Diagram | **Pilum 15 Fee #2H CTB** | Sent Certified Mail to Pyle Family Trust, James R. Pyle and Jean A. Pyle, Trustees, 480 Bray Central Drive, Allen, TX 75013 \| GC: 91 7199 9991 7033 2436 9678 |
| 6/25/2015 | TC | Commingle Notice W/C107B and Battery Diagram | **Pilum 15 Fee #2H CTB** | Sent Certified Mail to Pyle Family Trust, James R. Pyle and Jean A. Pyle, Trustees, 65330 E. Rolling Hills Drive, Tucson, AZ 85737 \| GC: 91 7199 9991 7033 2436 9661 |
| 6/25/2015 | TC | Commingle Notice W/C107B and Battery Diagram | **Pilum 15 Fee #2H CTB** | Sent Certified Mail to Robert Everest Parks, 4611 Shady Hills Drive, Stillwater, OK 74075 \| GC: 91 7199 9991 7033 2436 9654 |
| 6/25/2015 | TC | Commingle Notice W/C107B and Battery Diagram | **Pilum 15 Fee #2H CTB** | Sent Certified Mail to Sarah Jane Ott, 219 Shady Hills Drive, Hot Springs, AR 71901 \| GC: 91 7199 9991 7033 2436 9647 |
| 6/25/2015 | TC | Commingle Notice W/C107B and Battery Diagram | **Pilum 15 Fee #2H CTB** | Sent Certified Mail to Stephen A. Everest, Jr., Remainderman & Stephen A. Everest, Sr., Life Tenant Stephen A. Everest, Sr., Successor Trustee of the E.A. and A.L. Everest Living Trust under agreement dated April 14, 1998, Remainderman, 1019 East Waco, Kermit, TX 79745 \| GC: 91 7199 9991 7033 2436 9630 |
| 6/25/2015 | TC | Commingle Notice W/C107B and Battery Diagram | **Pilum 15 Fee #2H CTB** | Sent Certified Mail to Thomas E. Campbell, 2885 Huckleberry, Fayetteville, AR 72703 \| GC: 91 7199 9991 7033 2436 9623 |
| 6/25/2015 | TC | Commingle Notice W/C107B and Battery Diagram | **Pilum 15 Fee #2H CTB** | Sent Certified Mail to Yates Industries LLC & Sharbro Energy LLC, P.O. Box 840, Artesia, NM 88211, Attn: Ms. Hannah Palomin \| GC: 91 7199 9991 7033 2436 9616 |
| 6/25/2015 | TC | Commingle Notice W/C107B and Battery Diagram | **Pilum 15 Fee #2H CTB** | Sent Certified Mail to New Mexico State Highway & Transportation Dept., PO Box 1149, Santa Fe, NM 87504 \| 91 7199 9991 7033 2436 9609 |

Pilum 15 Fee 2H
Production Data

| Daily Prod Entity Name | Prod Date | Oil Volume | Gas Volume | Water Volume |
|---|---|---|---|---|
| PILUM 15 FEE #2H | 07/01/2015 | 0.0000 | 0.0000 | 0.0000 |
| **Monthly Average:** | | **0.0000** | **0.0000** | **0.0000** |
| PILUM 15 FEE #2H | 06/30/2015 | 99.7200 | 234.0000 | 920.0000 |
| PILUM 15 FEE #2H | 06/29/2015 | 91.4200 | 219.0000 | 901.0000 |
| PILUM 15 FEE #2H | 06/28/2015 | 101.1200 | 215.0000 | 977.0000 |
| PILUM 15 FEE #2H | 06/27/2015 | 106.6500 | 209.0000 | 1,006.0000 |
| PILUM 15 FEE #2H | 06/26/2015 | 94.1900 | 199.0000 | 1,043.0000 |
| PILUM 15 FEE #2H | 06/25/2015 | 91.4100 | 216.0000 | 872.0000 |
| PILUM 15 FEE #2H | 06/24/2015 | 108.0400 | 233.0000 | 824.0000 |
| PILUM 15 FEE #2H | 06/23/2015 | 8.3100 | 52.0000 | 225.0000 |
| PILUM 15 FEE #2H | 06/22/2015 | 110.1300 | 239.0000 | 924.0000 |
| PILUM 15 FEE #2H | 06/21/2015 | 90.0400 | 244.0000 | 1,122.0000 |
| PILUM 15 FEE #2H | 06/20/2015 | 109.4200 | 244.0000 | 975.0000 |
| PILUM 15 FEE #2H | 06/19/2015 | 108.0400 | 235.0000 | 970.0000 |
| PILUM 15 FEE #2H | 06/18/2015 | 102.5000 | 236.0000 | 847.0000 |
| PILUM 15 FEE #2H | 06/17/2015 | 105.2700 | 269.0000 | 962.0000 |
| PILUM 15 FEE #2H | 06/16/2015 | 96.9500 | 266.0000 | 858.0000 |
| PILUM 15 FEE #2H | 06/15/2015 | 106.6500 | 255.0000 | 1,010.0000 |
| PILUM 15 FEE #2H | 06/14/2015 | 108.0600 | 252.0000 | 962.0000 |
| PILUM 15 FEE #2H | 06/13/2015 | 102.4900 | 247.0000 | 977.0000 |
| PILUM 15 FEE #2H | 06/12/2015 | 106.6600 | 252.0000 | 976.0000 |
| PILUM 15 FEE #2H | 06/11/2015 | 99.7200 | 246.0000 | 1,002.0000 |
| PILUM 15 FEE #2H | 06/10/2015 | 108.0400 | 237.0000 | 948.0000 |
| PILUM 15 FEE #2H | 06/09/2015 | 106.6500 | 246.0000 | 1,111.0000 |
| PILUM 15 FEE #2H | 06/08/2015 | 117.7300 | 250.0000 | 829.0000 |
| PILUM 15 FEE #2H | 06/07/2015 | 96.9600 | 255.0000 | 981.0000 |
| PILUM 15 FEE #2H | 06/06/2015 | 108.0300 | 262.0000 | 960.0000 |
| PILUM 15 FEE #2H | 06/05/2015 | 116.3500 | 256.0000 | 1,006.0000 |
| PILUM 15 FEE #2H | 06/04/2015 | 99.7300 | 269.0000 | 950.0000 |
| PILUM 15 FEE #2H | 06/03/2015 | 128.8100 | 252.0000 | 1,066.0000 |
| PILUM 15 FEE #2H | 06/02/2015 | 120.5000 | 260.0000 | 1,055.0000 |
| PILUM 15 FEE #2H | 06/01/2015 | 124.6600 | 233.0000 | 980.0000 |
| **Monthly Average:** | | **102.4750** | **236.0667** | **941.3000** |
| PILUM 15 FEE #2H | 05/31/2015 | 108.0400 | 248.0000 | 1,121.0000 |
| PILUM 15 FEE #2H | 05/30/2015 | 108.0400 | 247.0000 | 984.0000 |
| PILUM 15 FEE #2H | 05/29/2015 | 105.9600 | 249.0000 | 999.0000 |
| PILUM 15 FEE #2H | 05/28/2015 | 105.2700 | 245.0000 | 1,059.0000 |
| PILUM 15 FEE #2H | 05/27/2015 | 113.5700 | 250.0000 | 1,018.0000 |
| PILUM 15 FEE #2H | 05/26/2015 | 94.1900 | 252.0000 | 1,059.0000 |
| PILUM 15 FEE #2H | 05/25/2015 | 114.3200 | 267.0000 | 1,054.0000 |
| PILUM 15 FEE #2H | 05/24/2015 | 135.7400 | 257.0000 | 1,165.0000 |
| PILUM 15 FEE #2H | 05/23/2015 | 105.2700 | 259.0000 | 1,078.0000 |
| PILUM 15 FEE #2H | 05/22/2015 | 126.0700 | 262.0000 | 1,093.0000 |
| PILUM 15 FEE #2H | 05/21/2015 | 135.7400 | 265.0000 | 1,093.0000 |
| PILUM 15 FEE #2H | 05/20/2015 | 128.8100 | 273.0000 | 1,047.0000 |
| PILUM 15 FEE #2H | 05/19/2015 | 120.5100 | 285.0000 | 1,126.0000 |
| PILUM 15 FEE #2H | 05/18/2015 | 132.9700 | 281.0000 | 1,089.0000 |
| PILUM 15 FEE #2H | 05/17/2015 | 116.3500 | 279.0000 | 1,112.0000 |
| PILUM 15 FEE #2H | 05/16/2015 | 128.8500 | 281.0000 | 1,120.0000 |
| PILUM 15 FEE #2H | 05/15/2015 | 108.0400 | 285.0000 | 1,101.0000 |
| PILUM 15 FEE #2H | 05/14/2015 | 132.9700 | 271.0000 | 1,192.0000 |
| PILUM 15 FEE #2H | 05/13/2015 | 116.3400 | 258.0000 | 1,038.0000 |
| PILUM 15 FEE #2H | 05/12/2015 | 117.7300 | 242.0000 | 1,056.0000 |
| PILUM 15 FEE #2H | 05/11/2015 | 114.9700 | 240.0000 | 1,064.0000 |
| PILUM 15 FEE #2H | 05/10/2015 | 98.3400 | 240.0000 | 1,278.0000 |
| PILUM 15 FEE #2H | 05/09/2015 | 142.6700 | 295.0000 | 1,048.0000 |
| PILUM 15 FEE #2H | 05/08/2015 | 130.1900 | 281.0000 | 1,158.0000 |
| PILUM 15 FEE #2H | 05/07/2015 | 106.6600 | 277.0000 | 1,237.0000 |
| PILUM 15 FEE #2H | 05/06/2015 | 145.4300 | 271.0000 | 1,127.0000 |

Pilum 15 Fee 2H
Production Data

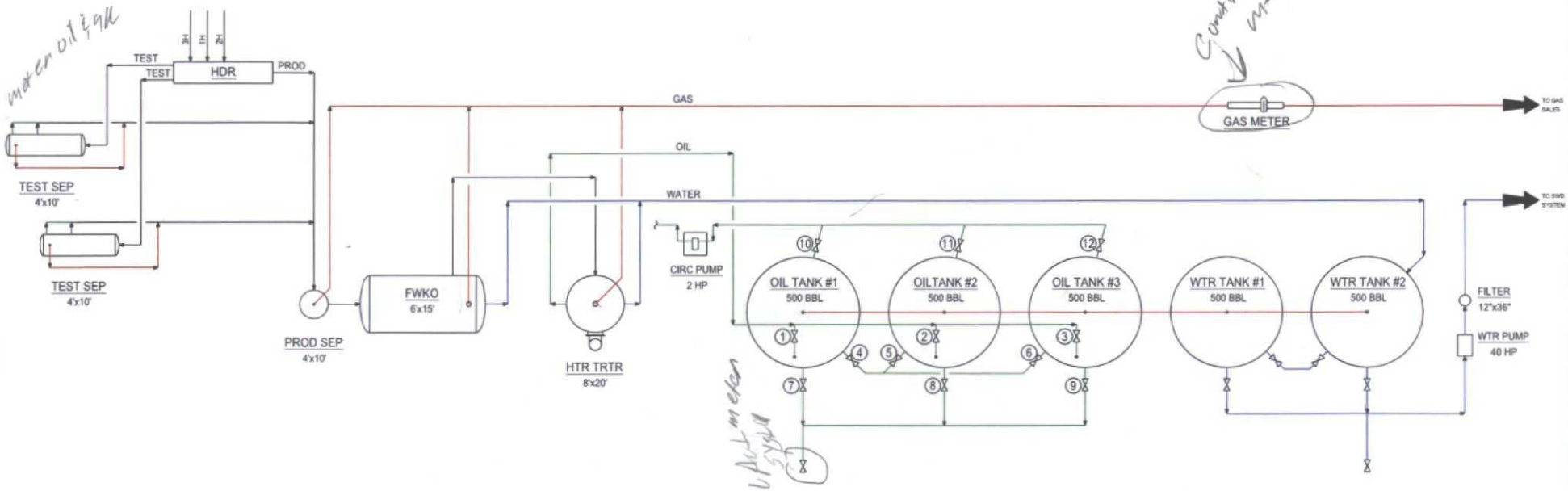
| | | | | |
|---|---|---|---|---|
| PILUM 15 FEE #2H | 05/05/2015 | 146.8200 | 278.0000 | 1,196.0000 |
| PILUM 15 FEE #2H | 05/04/2015 | 124.6600 | 268.0000 | 895.0000 |
| PILUM 15 FEE #2H | 05/03/2015 | 134.3500 | 270.0000 | 1,126.0000 |
| PILUM 15 FEE #2H | 05/02/2015 | 117.7300 | 288.0000 | 1,225.0000 |
| PILUM 15 FEE #2H | 05/01/2015 | 132.9700 | 270.0000 | 1,183.0000 |
| **Monthly Average:** | | **120.9539** | **265.6129** | **1,101.3226** |
| PILUM 15 FEE #2H | 04/30/2015 | 150.9800 | 283.0000 | 1,192.0000 |
| PILUM 15 FEE #2H | 04/29/2015 | 119.1300 | 277.0000 | 1,185.0000 |
| PILUM 15 FEE #2H | 04/28/2015 | 150.2900 | 266.0000 | 1,059.0000 |
| PILUM 15 FEE #2H | 04/27/2015 | 119.1200 | 237.0000 | 1,103.0000 |
| PILUM 15 FEE #2H | 04/26/2015 | 102.4900 | 279.0000 | 1,242.0000 |
| PILUM 15 FEE #2H | 04/25/2015 | 150.9800 | 284.0000 | 1,274.0000 |
| PILUM 15 FEE #2H | 04/24/2015 | 109.4200 | 271.0000 | 1,170.0000 |
| PILUM 15 FEE #2H | 04/23/2015 | 157.9000 | 279.0000 | 1,318.0000 |
| PILUM 15 FEE #2H | 04/22/2015 | 121.8900 | 278.0000 | 1,300.0000 |
| PILUM 15 FEE #2H | 04/21/2015 | 141.2800 | 295.0000 | 1,191.0000 |
| PILUM 15 FEE #2H | 04/20/2015 | 130.2000 | 269.0000 | 1,293.0000 |
| PILUM 15 FEE #2H | 04/19/2015 | 166.2100 | 279.0000 | 1,297.0000 |
| PILUM 15 FEE #2H | 04/18/2015 | 138.5100 | 273.0000 | 1,029.0000 |
| PILUM 15 FEE #2H | 04/17/2015 | 149.5900 | 250.0000 | 1,110.0000 |
| PILUM 15 FEE #2H | 04/16/2015 | 110.8100 | 236.0000 | 1,150.0000 |
| PILUM 15 FEE #2H | 04/15/2015 | 52.6300 | 188.0000 | 1,134.0000 |
| PILUM 15 FEE #2H | 04/14/2015 | 171.7500 | 271.0000 | 1,338.0000 |
| PILUM 15 FEE #2H | 04/13/2015 | 132.9800 | 282.0000 | 1,242.0000 |
| PILUM 15 FEE #2H | 04/12/2015 | 135.7400 | 292.0000 | 1,289.0000 |
| PILUM 15 FEE #2H | 04/11/2015 | 146.8200 | 296.0000 | 1,198.0000 |
| PILUM 15 FEE #2H | 04/10/2015 | 150.9700 | 296.0000 | 1,169.0000 |
| PILUM 15 FEE #2H | 04/09/2015 | 132.9600 | 260.0000 | 1,116.0000 |
| PILUM 15 FEE #2H | 04/08/2015 | 127.4300 | 267.0000 | 1,457.0000 |
| PILUM 15 FEE #2H | 04/07/2015 | 141.2800 | 322.0000 | 1,368.0000 |
| PILUM 15 FEE #2H | 04/06/2015 | 155.1300 | 315.0000 | 1,430.0000 |
| PILUM 15 FEE #2H | 04/05/2015 | 148.2100 | 320.0000 | 1,349.0000 |
| PILUM 15 FEE #2H | 04/04/2015 | 138.5100 | 326.0000 | 1,430.0000 |
| PILUM 15 FEE #2H | 04/03/2015 | 130.2000 | 315.0000 | 1,384.0000 |
| PILUM 15 FEE #2H | 04/02/2015 | 128.8900 | 311.0000 | 1,353.0000 |
| PILUM 15 FEE #2H | 04/01/2015 | 148.2000 | 298.0000 | 1,521.0000 |
| **Monthly Average:** | | **135.3500** | **280.5000** | **1,256.3667** |
| PILUM 15 FEE #2H | 03/31/2015 | 142.6700 | 212.0000 | 1,136.0000 |
| PILUM 15 FEE #2H | 03/30/2015 | 34.6300 | 140.0000 | 839.0000 |
| PILUM 15 FEE #2H | 03/29/2015 | 135.7400 | 303.0000 | 1,397.0000 |
| PILUM 15 FEE #2H | 03/28/2015 | 84.4800 | 256.0000 | 1,175.0000 |
| PILUM 15 FEE #2H | 03/27/2015 | 132.9700 | 267.0000 | 1,248.0000 |
| PILUM 15 FEE #2H | 03/26/2015 | 130.2000 | 294.0000 | 1,403.0000 |
| PILUM 15 FEE #2H | 03/25/2015 | 144.0500 | 259.0000 | 1,393.0000 |
| PILUM 15 FEE #2H | 03/24/2015 | 144.1300 | 232.0000 | 1,123.0000 |
| PILUM 15 FEE #2H | 03/23/2015 | 120.5000 | 289.0000 | 1,201.0000 |
| PILUM 15 FEE #2H | 03/22/2015 | 112.2000 | 275.0000 | 1,262.0000 |
| PILUM 15 FEE #2H | 03/21/2015 | 126.0400 | 260.0000 | 1,329.0000 |
| PILUM 15 FEE #2H | 03/20/2015 | 132.9700 | 261.0000 | 1,440.0000 |
| PILUM 15 FEE #2H | 03/19/2015 | 132.9700 | 279.0000 | 1,292.0000 |
| PILUM 15 FEE #2H | 03/18/2015 | 115.6500 | 254.0000 | 1,449.0000 |
| PILUM 15 FEE #2H | 03/17/2015 | 116.3500 | 343.0000 | 1,491.0000 |
| PILUM 15 FEE #2H | 03/16/2015 | 99.7300 | 254.0000 | 1,247.0000 |
| PILUM 15 FEE #2H | 03/15/2015 | 96.9500 | 235.0000 | 1,465.0000 |
| PILUM 15 FEE #2H | 03/14/2015 | 96.9600 | 251.0000 | 1,387.0000 |
| PILUM 15 FEE #2H | 03/13/2015 | 108.0400 | 253.0000 | 1,408.0000 |
| PILUM 15 FEE #2H | 03/12/2015 | 110.1100 | 234.0000 | 1,463.0000 |
| PILUM 15 FEE #2H | 03/11/2015 | 103.8900 | 239.0000 | 1,698.0000 |
| PILUM 15 FEE #2H | 03/10/2015 | 110.9900 | 182.0000 | 1,390.0000 |
| PILUM 15 FEE #2H | 03/09/2015 | 22.2100 | 74.0000 | 872.0000 |
| PILUM 15 FEE #2H | 03/08/2015 | 66.4800 | 230.0000 | 1,418.0000 |

**PILUM 15 FEE 2H BATTERY**
SECTION 15, T18S, R26E
EDDY COUNTY, NM

WELLS:
PILUM 15 FEE 1H: 30-015-42643
PILUM 15 FEE 2H: 30-015-42644
PILUM 15 FEE 3H: PENDING

**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




COG Operating LLC
Site Security Plans Located At:
One Concho Center
600 W. Illinois Ave.
Midland, TX 79701

Ledger for Site Diagram
Produced Fluid: ——
Produced Oil: ——
Produced Gas: ——
Produced Water: ——

NOTES:

Type of Lease: FEE
Property Code: 313706
OGRID #: 229137

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

| NO. | TITLE |
|---|---|

COG OPERATING LLC
600 WEST ILLINOIS AVENUE
MIDLAND, TEXAS 79701

REVISIONS

| NO. | DATE | DESCRIPTION | BY | CHK. | APP. |
|---|---|---|---|---|---|
| A | 06/17/2015 | ISSUE FOR COMMINGLE PERMITTING | KCH | | |

ENGINEERING RECORD

| | BY | DATE |
|---|---|---|
| DRN: | KCH | 06/17/2015 |
| DES: | | |
| CHK: | | |
| APP: | | |
| AFE NO: | | |
| FACIL ENGR: | K. HINSHAW | |
| OPER ENGR: | VARIES | |
| SCALE: | NONE | |

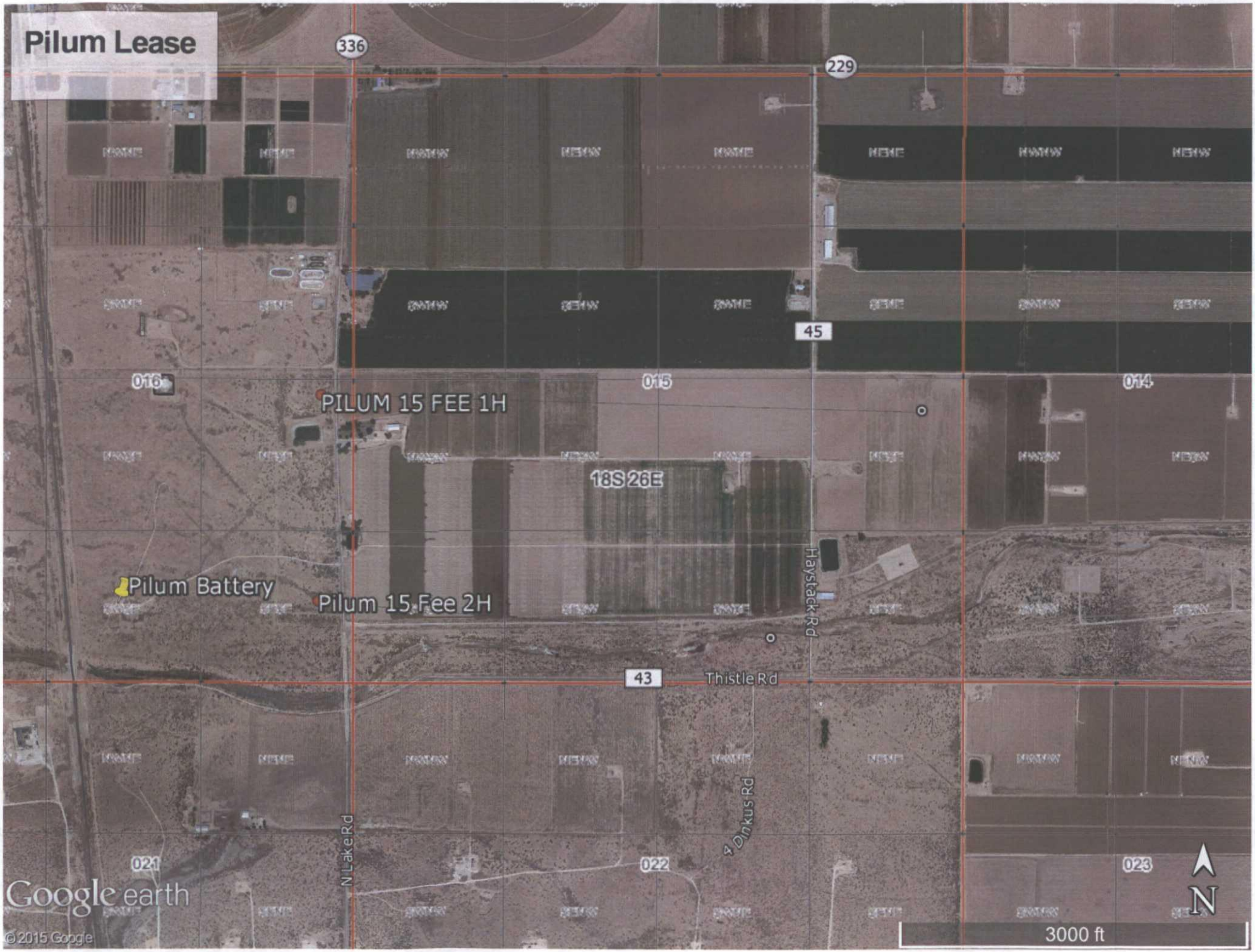
CONCHO

NEW MEXICO SHELF ASSET
PRODUCTION FACILITIES
SITE FACILITY DIAGRAM
PILUM 15 FEE 2H BATTERY

EDDY COUNTY — NEW MEXICO
TWNSHP/RANGE: MULTIPLE
DWG NO.: D-1700-81-005
REV: B

Pilum 15 Fee 2H
Production Data

| | | | | |
|---|---|---|---|---|
| PILUM 15 FEE #2H | 03/07/2015 | 105.2700 | 197.0000 | 1,531.0000 |
| PILUM 15 FEE #2H | 03/06/2015 | 66.4900 | 191.0000 | 1,030.0000 |
| PILUM 15 FEE #2H | 03/05/2015 | 63.7100 | 228.0000 | 1,430.0000 |
| PILUM 15 FEE #2H | 03/04/2015 | 59.6100 | 209.0000 | 1,508.0000 |
| PILUM 15 FEE #2H | 03/03/2015 | 79.1400 | 172.0000 | 1,312.0000 |
| PILUM 15 FEE #2H | 03/02/2015 | 76.1800 | 188.0000 | 1,576.0000 |
| PILUM 15 FEE #2H | 03/01/2015 | 76.9400 | 172.0000 | 1,314.0000 |
| **Monthly Average:** | | **101.5565** | **233.3226** | **1,329.9032** |
| PILUM 15 FEE #2H | 02/28/2015 | 61.3700 | 177.0000 | 1,498.0000 |
| PILUM 15 FEE #2H | 02/27/2015 | 72.5300 | 167.0000 | 1,442.0000 |
| PILUM 15 FEE #2H | 02/26/2015 | 61.4000 | 141.0000 | 1,547.0000 |
| PILUM 15 FEE #2H | 02/25/2015 | 44.7500 | 126.0000 | 1,231.0000 |
| PILUM 15 FEE #2H | 02/24/2015 | 44.7500 | 135.0000 | 1,490.0000 |
| PILUM 15 FEE #2H | 02/23/2015 | 0.0000 | 104.0000 | 1,706.0000 |
| PILUM 15 FEE #2H | 02/22/2015 | 0.0000 | 72.0000 | 1,588.0000 |
| PILUM 15 FEE #2H | 02/21/2015 | 0.0000 | 60.0000 | 1,501.0000 |
| PILUM 15 FEE #2H | 02/20/2015 | 0.0000 | 0.0000 | 1,697.0000 |
| PILUM 15 FEE #2H | 02/19/2015 | 0.0000 | 0.0000 | 1,746.0000 |
| PILUM 15 FEE #2H | 02/18/2015 | 0.0000 | 0.0000 | 1,702.0000 |
| PILUM 15 FEE #2H | 02/17/2015 | 0.0000 | 0.0000 | 1,698.0000 |
| PILUM 15 FEE #2H | 02/16/2015 | 0.0000 | 0.0000 | 1,552.0000 |
| PILUM 15 FEE #2H | 02/15/2015 | 0.0000 | 0.0000 | 1,737.0000 |
| PILUM 15 FEE #2H | 02/14/2015 | 0.0000 | 0.0000 | 1,828.0000 |
| PILUM 15 FEE #2H | 02/13/2015 | 0.0000 | 0.0000 | 1,908.0000 |
| PILUM 15 FEE #2H | 02/12/2015 | 0.0000 | 0.0000 | 1,892.0000 |
| PILUM 15 FEE #2H | 02/11/2015 | 0.0000 | 0.0000 | 1,946.0000 |
| PILUM 15 FEE #2H | 02/10/2015 | 0.0000 | 0.0000 | 1,284.0000 |
| PILUM 15 FEE #2H | 02/09/2015 | 0.0000 | 0.0000 | 2,311.0000 |
| PILUM 15 FEE #2H | 02/08/2015 | 0.0000 | 0.0000 | 1,560.0000 |
| PILUM 15 FEE #2H | 02/07/2015 | 0.0000 | 0.0000 | 1,690.0000 |
| PILUM 15 FEE #2H | 02/06/2015 | 0.0000 | 0.0000 | 1,560.0000 |
| PILUM 15 FEE #2H | 02/05/2015 | 0.0000 | 0.0000 | 1,823.0000 |
| PILUM 15 FEE #2H | 02/04/2015 | 0.0000 | 0.0000 | 1,451.0000 |
| PILUM 15 FEE #2H | 02/03/2015 | 0.0000 | 0.0000 | 0.0000 |
| PILUM 15 FEE #2H | 02/02/2015 | 0.0000 | 0.0000 | 0.0000 |
| PILUM 15 FEE #2H | 02/01/2015 | 0.0000 | 0.0000 | 0.0000 |
| **Monthly Average:** | | **10.1714** | **35.0714** | **1,478.1429** |


Pilum Lease
336
229
45
016
015
014
PILUM 15 FEE 1H
18S 26E
Pilum Battery
Pilum 15 Fee 2H
Haystack Rd
43
Thistle Rd
N Lake Rd
Dinkus Rd
021
022
023
Google earth
© 2015 Google
N
3000 ft

# 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 Pilum 15 Fee #2H well. The three wells, details, and locations are the following:

Pilum 15 Fee #1H, located in the southeast quarter of section 16, T18S, R26E, Unit I, 2485'FSL & 425'FEL.
Pilum 15 Fee #2H, located in the southeast quarter of section 16, T18S, R26E, Unit P, 789'FSL 450'FEL.
Pilum 15 Fee #3H, located in the Northeast quarter of section 22, T18S, R26E, Unit A, 240'FNL & 2310'FEL.

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., July 3, 2015 Legal No. 23559.

# 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.

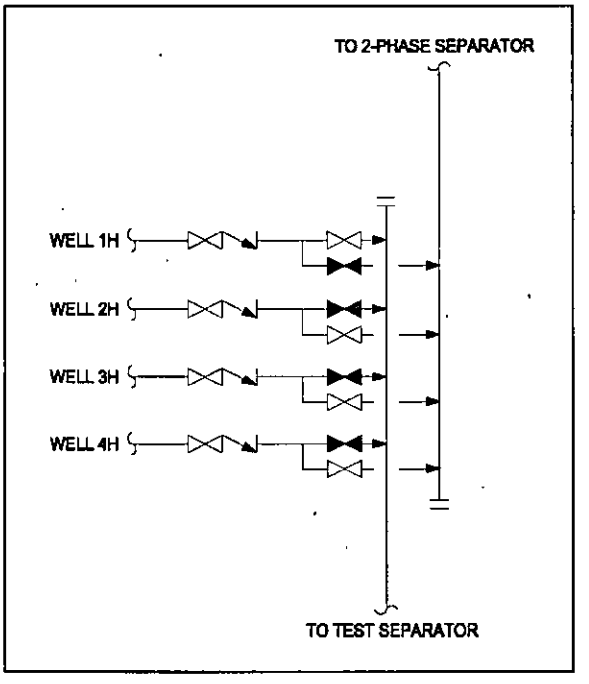



**Figure 1: Test/Production Header Diagram**

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

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.

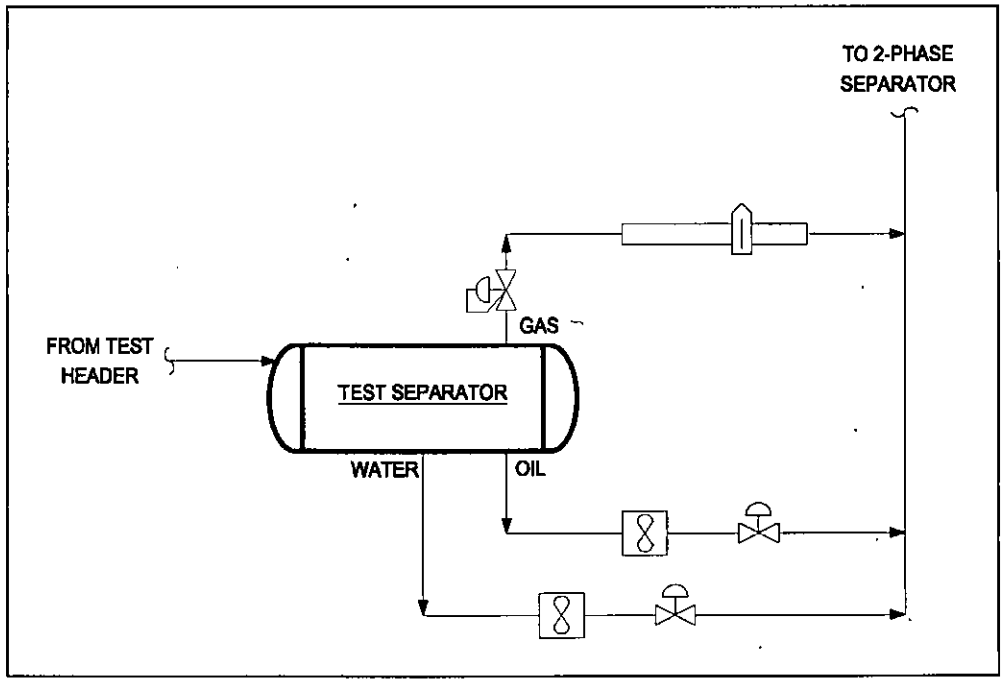



**Figure 2: Test Separator with 3-Phase Metering**

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

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.

Attachments

- Process Flow Diagram: Lakewood Area Standard Tank Battery

## McMillan, Michael, EMNRD

**From:** Kanicia Castillo <kcastillo@concho.com>
**Sent:** Tuesday, July 28, 2015 1:05 PM
**To:** McMillan, Michael, EMNRD
**Subject:** FW: Pilum 15 Fee Well No.1H, 2H, and 3H allocation method

Michael,

Please see explanation below.

Thank you,

*Kanicia Castillo*
**Lead Regulatory Analyst**
**COG OPERATING LLC**
One Concho Center
600 W. Illinois Avenue
Midland, TX 79701
P.432.685.4332
F.432.221.0858
CONCHO

---

**From:** Kevin Hinshaw
**Sent:** Tuesday, July 28, 2015 1:49 PM
**To:** Kanicia Castillo
**Subject:** RE: Pilum 15 Fee Well No.1H, 2H, and 3H allocation method

Typically, we would rotate the wells that are in test separator and production separator. Currently, with only two wells producing into the battery, one well is produced into test separator and one well thru the production separator. When we drill the 3H, another test separator will be added and two wells will be in test and other well production allocated by subtraction method. We will rotate the wells between prod and test separators to ensure the accuracy of each.

See pic below. The wells surface locations and battery location are all located in section 16 and the lateral is drilled thru sect 15. The battery is not on the Pilum 2H wellpad, due to surface owners request, but since it is the well closest to the battery, we named it the 2H battery.

Let me know if you need any more information.

Thanks