

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]

- [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

- CTB 815
 - COG OPERATING, LLC
 22 9137
 WOV
 - TELE DELUXE
 State # 44
 30-025-42362
 - D40501C-29Ked
 444
 30-025-43090
 Pool
 - WC-025-0852535
 340's Bone Spring
 17088

[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.

Debora L. Wilbourn

Debora L. Wilbourn

Regulatory Analyst

2/24/17

Print or Type Name

Signature

Title

Date

dwilbourn@concho.com
 e-mail Address



February 24, 2017

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

Re: Application for Administrative Approval
Off-lease Measurement and Lease Commingling

Dear Mr. McMillan,

COG Operating, LLC, respectfully requests approval for Off-lease Measurement and Lease Commingling of gas only for the following wells:

Tele Delux 32 State #4H
API #30-025-42362
WC-025 G-08 S2535340; Bone Spring
SHL 150' FNL 660' FEL, Sec. 32-T25S-R35E
BHL 287' FSL 376' FEL, Sec. 32-T25S-R35E
Lea County

Duo Sonic 29 Federal #4H
API #30-025-43090
WC-025 G-08 S2535340; Bone Spring
SHL 150' FSL 660' FEL, Sec. 29-T25S-35E
BHL 330' FNL 651' FEL, Sec. 29-T25S-35E
Lea County

COG Operating LLC is seeking commingling approval in order to reduce operating expenses and to increase efficiency of operations.

The off-lease Targa sales meter for the Tele Delux 32 State #4H will be located in Unit B, Sec. 28-T25S-R35E. There will be an allocation meter set on location. All gas produced from this well will be measured at the allocation meter prior to entering the pipeline where it will flow to the gas sales meter.

The Duo Sonic 29 Federal #4H BLM assigned Facility Measurement Point (FMP) will be an allocation meter set on location. All gas produced from this well will be measured at the allocation meter prior to entering the pipeline where it will be commingled with gas from the Tele Delux 32 State #4H.

Also, please see the attached Administrative Application Checklist, plats for referenced wells, proof of notice to all interest owners, site facility diagrams and maps with lease boundaries that show well and facility locations.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in cursive script that reads "Debora L. Wilbourn".

Debora L. Wilbourn
Regulatory Analyst

Enclosures

CORPORATE ADDRESS

ONE CONCHO CENTER | 500 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

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 West 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: Debra L. Wilbourn TITLE: Regulatory Analyst DATE: 2/24/17

TYPE OR PRINT NAME Debra L. Wilbourn TELEPHONE NO.: 575-748-6958 E-MAIL ADDRESS: dwilbourn@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 87503
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 30-025-42362	² Pool Code 97088	³ Pool Name WC025 G08 S2535340 Bone Spring
⁴ Property Code 314082	⁵ Property Name TELE DELUX 32 STATE	
⁷ OGRID No. 229137	⁶ Operator Name COG Operating LLC	
		⁸ Well Number 4H
		⁹ Elevation 3218.9

" Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	32	25S	35E		150	NORTH	660	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
P	32	25S	35E		287	SOUTH	376	EAST	LEA

¹⁰ Dedicated Acres 160	¹¹ Joint or Infill	¹² Consolidation Code	¹³ 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.

	<p>" OPERATOR CERTIFICATION</p> <p><i>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 leased 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 as hereinafter defined by the Division.</i></p> <p style="text-align: right;"> Signature Date 2/24/12 </p> <p>Debora L. Wilbourn Printed Name</p> <p>dwilbourn@concho.com E-mail Address</p> <hr/> <p>" SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>Date of Survey _____ Signature and Seal of Professional Surveyor _____</p> <p style="text-align: center;">**see original plat**</p> <p>Certificate Number _____</p>
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CONCHO

T25S-R25E, Lea County

20

21

NMNM132953
29

28

Duo Sonic 29 Fed 4H

Tele Delux 32 St 4H

VB-1834

32

VB-1835

33

5

4



Legend

0 0.14 0.28 Miles

WGS, 1984, Web_Mercator, Auxiliary_Sphere

Map Scale 1:18,055



3/4/2016

gas meter larga

Targa Sales meter#161001018

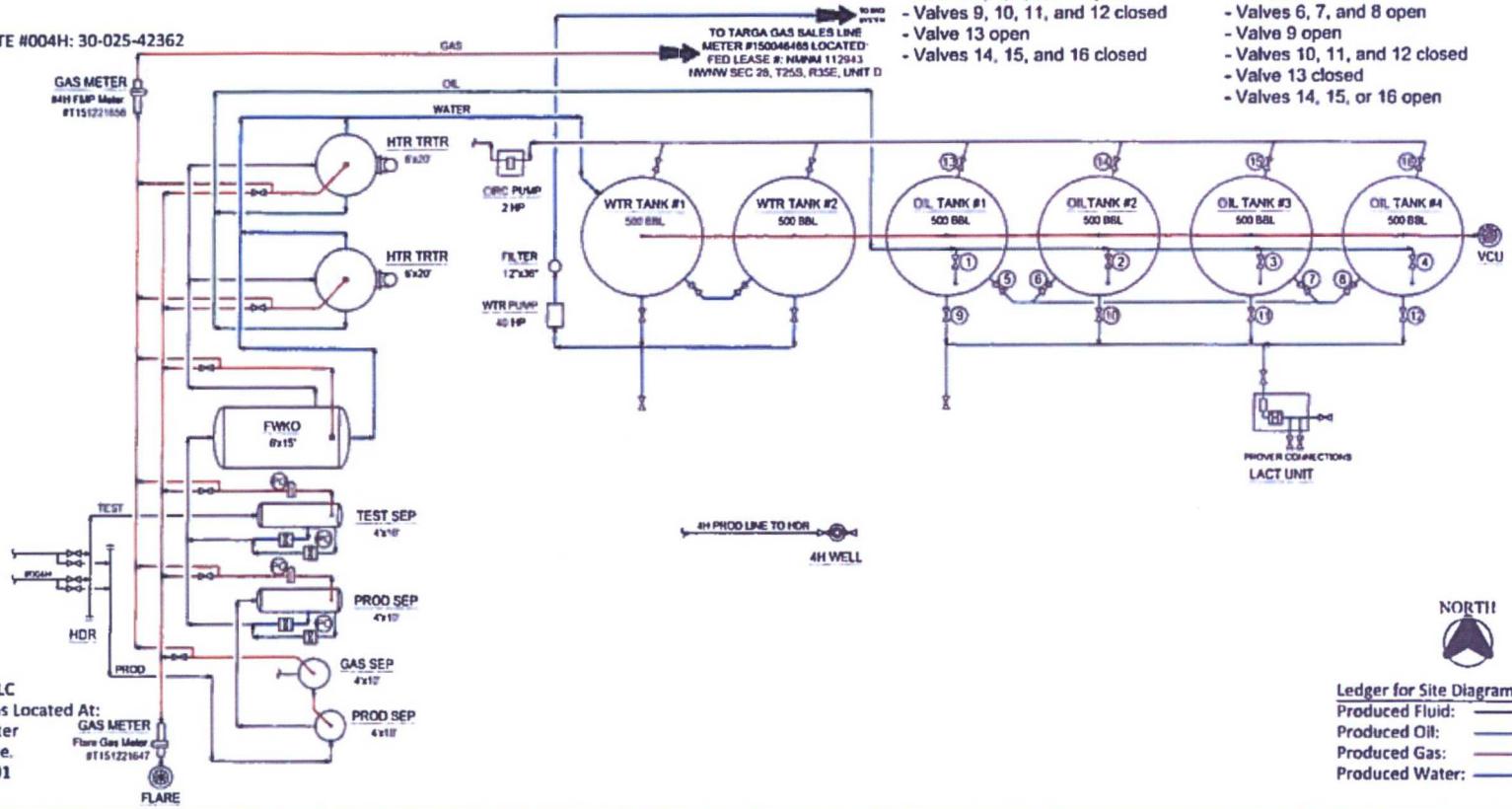
Meter sits alone on side of Road.

10" Gas Pipeline

1mile from location
North

TELE DELUX STATE 4H BATTERY
NENE SECTION 32, T25S, R35E, UNIT A
LEA COUNTY, NM

WELLS:
TELE DELUX STATE #004H: 30-025-42362



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, and 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

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

GAS METER
Flare Gas Meter
#1151221647



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

NOTES: Type of Lease: State State Lease #: VB18340000 Property Code: 317335 OGRID #: 229137	CONFIDENTIALITY NOTICE: THIS DRAWING IS PROPERTY OF COG OPERATING LLC AND IS LOANED TO YOU. IT IS NOT TO BE REPRODUCED OR COPIED FOR ANY OTHER PURPOSE. ANY REPRODUCTION OR COPIING OF THIS DRAWING WITHOUT THE WRITTEN PERMISSION OF COG OPERATING LLC IS STRICTLY PROHIBITED.	REFERENCE DRAWINGS: NO. DATE TITLE A 01/20/12 4H PROD LINE TO HDR B 02/13/17		REVISIONS: NO. DATE DESCRIPTION BY CHL APP. A 01/20/12 4H PROD LINE TO HDR FOR SITE PERMITTING CMB B 02/13/17 4H PROD LINE TO HDR FOR SITE PERMITTING CMB			ENGINEERING RECORD: DESIGNED BY DATE DRAWN BY DATE CHECKED BY DATE APP. DATE PROJ. NO. DATE SCALE: NONE		DELAWARE BASH ASSET PRODUCTION FACILITIES SITE FACILITY DIAGRAM TELE DELUX STATE 4H BATTERY	LEA COUNTY TOWNSHIP/RANGE NMA T15E	SHEET NO. D-1700-01-005 REV B
		COG OPERATING LLC 600 WEST ILLINOIS AVENUE MIDLAND, TEXAS 79701		SCALE: NONE							

Tele Delux 32 State #4H API #30-025-42362 & Duo Sonic 29 Federal #4H API #30-025-43090
Application for Off-lease Gas Measurement & Lease Commingling
Notification List

<i>Date Sent</i>	<i>Initials</i>	<i>Sent Certified Return Receipt to:</i>	<i>Receipt No.</i>	<i>Rec'd</i>
2/24/17	SD	Commissioner of Public Lands	7016 2070 0000 8090 9258	
2/24/17	SD	OXY Y-1 Company	7016 2070 0000 8090 9265	
2/24/17	SD	EOG Y Resources, Inc.	7016 2070 0000 8090 9272	
2/24/17	SD	EOG M Resources, Inc.	7016 2070 0000 8090 9289	
2/24/17	SD	EOG A Resources, Inc.	7016 2070 0000 8090 9296	
2/24/17	SD	Bureau of Land Management	7016 2070 0000 8090 9302	

Mailed
Debora L. Wilbourn

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

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.

5. Lease Serial No.
NMNM132953

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No.
DUO SONIC 29 FEDERAL 4H

2. Name of Operator **ENDURANCE RESOURCES LLC** Contact: **STORMI DAVIS**
E-Mail: **sdavis@concho.com**

9. API Well No.
30-025-43090-00-S1

3a. Address
203 WEST WALL SUITE 1000
MIDLAND, TX 79701

3b. Phone No. (include area code)
Ph: 575-748-6946

10. Field and Pool or Exploratory Area
DELAWARE

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 29 T25S R35E SESE 150FSL 660FEL

11. County or Parish, State
LEA COUNTY, NM

12. CHECK THE APPROPRIATE BOX(ES) 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"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<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 Onshore Order Variance
	<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 of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must 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 must be filed once testing has been completed. Final Abandonment Notices must 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 to designate Meter #SF18695 as the official facility measurement point (FMP) for gas produced from this well. (Please see attached site facility diagram.) The FMP meter is located on lease NMNM132953 at the Duo Sonic 29 Federal #4H battery. Meter meets API and AGA standards and will measure and be calibrated in compliance with all federal requirements and regulations.

A sundry notice for a VCU was submitted 11/29/16 by Endurance Resources LLC, the previous operator.

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

**Electronic Submission #366976 verified by the BLM Well Information System
For ENDURANCE RESOURCES LLC, sent to the Hobbs
Committed to AFMSS for processing by DEBORAH MCKINNEY on 02/14/2017 (17DLM0532SE)**

Name (Printed/Typed) STORMI DAVIS	Title PREPARER
Signature (Electronic Submission)	Date 02/14/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>DUNCAN WHITLOCK</u>	Title TECHNICAL LPET	Date 02/23/2017
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 Hobbs

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 to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Revisions to Operator-Submitted EC Data for Sundry Notice #366976

	Operator Submitted	BLM Revised (AFMSS)
Sundry Type:	OTHER SR	VARI NOI
Lease:	NMNM132953	NMNM132953
Agreement:		
Operator:	COG OPERATING LLC 2208 WEST MAIN ARTESIA, NM 88210 Ph: 575-748-6940	ENDURANCE RESOURCES LLC 203 WEST WALL SUITE 1000 MIDLAND, TX 79701 Ph: 432.242.4680
Admin Contact:	STORMI DAVIS PREPARER E-Mail: sdavis@concho.com Ph: 575-748-6946	STORMI DAVIS PREPARER E-Mail: sdavis@concho.com Ph: 575-748-6946
Tech Contact:	STORMI DAVIS PREPARER E-Mail: sdavis@concho.com Ph: 575-748-6946	STORMI DAVIS PREPARER E-Mail: sdavis@concho.com Ph: 575-748-6946
Location:		
State:	NM	NM
County:	LEA	LEA
Field/Pool:	WILDCAT; BONE SPRING	DELAWARE
Well/Facility:	DUO SONIC 29 FEDERAL 4H Sec 29 T25S R35E Mer NMP SESE 150FSL 660FEL	DUO SONIC 29 FEDERAL 4H Sec 29 T25S R35E SESE 150FSL 660FEL

Bureau of Land Management

Carlsbad Field Office and Hobbs Field Station
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Conditions of Approval

February 23, 2017

**Endurance Resources LLC
Duo Sonic 29 Federal 4H, 3002543090
Lease NM132953**

1. This point will be designated as your custody transfer point.
2. All meters to comply with Federal Regulations and AGA standards for gas sales measurement.
3. All gas volumes shall be reported to ONRR and Royalty to BLM/ONRR will be paid off this meter.
4. Per 43 CFR 3162.7-5(d)/43 CFR 3173.11, site facility diagram must be submitted within 60 days of equipment installation, include all meter number on diagram.

Duo Sonic 29 State 4H - Historical Production						
Prod Month	Oil bbls	Avg/d	Gas mcf	Avg/d	Water bbls	Avg/d
Oct 2016	1551	50	4701	152	13262	428
Nov 2016	27298	910	72410	2414	79591	2653
Dec 2016	15689	506	50824	1639	33836	1091
Jan 2017	6434	208	15954	515	12676	409
Feb 2017	15573	556	41314	1476	29313	1047
Cumulative	66545		185203		168678	

Tele Delux 32 State 4H - Historical Production						
Prod Month	Oil bbls	Avg/d	Gas mcf	Avg/d	Water bbls	Avg/d
Aug-Dec 2015	20705		23314		45908	
Jan-Jun 2016	12172		26602		19538	
Jul 2016	1457	47	3764	121	2345	76
Aug 2016	1663	54	4810	155	2831	91
Sep 2016	1481	49	2227	74	3363	112
Oct 2016	1984	64	1999	64	3721	120
Nov 2016	1592	53	2188	73	2644	88
Dec 2016	1423	46	1632	53	2168	70
Jan 2017	1339	43	368	12	3146	101
Feb 2017	1023	37	953	34	1950	70
Cumulative	44839		67857		87614	