

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
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.

RECEIVED
NMOCD
ARTESIA DISTRICT
Artesia
MAR 20 2017

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

| | | |
|--|---|---|
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. NMNM54290 |
| 2. Name of Operator COG PRODUCTION LLC Contact: MELANIE WILSON E-Mail: mwilson@concho.com | | 6. If Indian, Allottee or Tribe Name |
| 3a. Address 2208 W MAIN STREET ARTESIA, NM 88210 | 3b. Phone No. (include area code) Ph: 575-748-6952 | 7. If Unit or CA/Agreement, Name and/or No. |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 2 T26S R29E Mer NMP NENW 191FNL 1841FWL | | 8. Well Name and No. REPOSADO FEDERAL 3H |
| | | 9. API Well No. 30-015-40652 |
| | | 10. Field and Pool, or Exploratory CORRAL CANYON;BONE SPRING |
| | | 11. County or Parish, and State EDDY COUNTY, NM |

12. CHECK 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"/> 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 |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | Off-Lease Measuremen t |
| | <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 recompleate 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 shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices 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 Production LLC respectfully requests permission for Off Lease Storage, Measurement and Sales for the Reposado Federal #3H.

All interest owners have been notified of this proposal.

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

Storage facilities and sales meter is located on the well pad in Unit C, NENW of Section 2, T26S R29E.

The following items are attached:

1. Application letter to OCD

Accepted for record - NMOCD

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

| | |
|--|--------------------------|
| 14. I hereby certify that the foregoing is true and correct. Electronic Submission #339136 verified by the BLM Well Information System For COG PRODUCTION LLC, sent to the Carlsbad | |
| Name (Printed/Typed) MELANIE WILSON | Title SUBMITTING CONTACT |
| Signature (Electronic Submission) | Date 05/12/2016 |
| THIS SPACE FOR FEDERAL OR STATE OFFICE USE | |
| APPROVED MAR 20 2017 BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE | |
| Approved By _____ | Title _____ |
| 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 to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. | |

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

• **Additional data for EC transaction #339136 that would not fit on the form**

32. Additional remarks, continued

2. Maps showing lease numbers, locations of leases and subject well
3. Site facility diagram
4. C-102's for both laterals
5. Interest owner notification letter
6. Notification list

*Verbal authorization was given 05/12/2016 by Duncan Whitlock.

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240
Phone: (575) 963-6181 Fax: (575) 383-9720

DISTRICT II
511 S. FIRST ST., ARTESIA, NM 88210
Phone: (505) 334-6178 Fax: (505) 334-6170

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
(As Drilled)

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|----------------------------|--------------------------------------|--|
| API Number 30-015-40652 | Pool Code 13354 | Pool Name CORRAL CANYON; BONE SPRING, SOUTH |
| Property Code 316143 | Property Name REPOSADO FEDERAL | Well Number 3H |
| OGRID No. 217955 | Operator Name COG PRODUCTION, LLC | Elevation 3000.0 |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| 3 | 2 | 26-S | 29-E | | 191 | NORTH | 1841 | WEST | EDDY |

Bottom Hole Location If Different From Surface

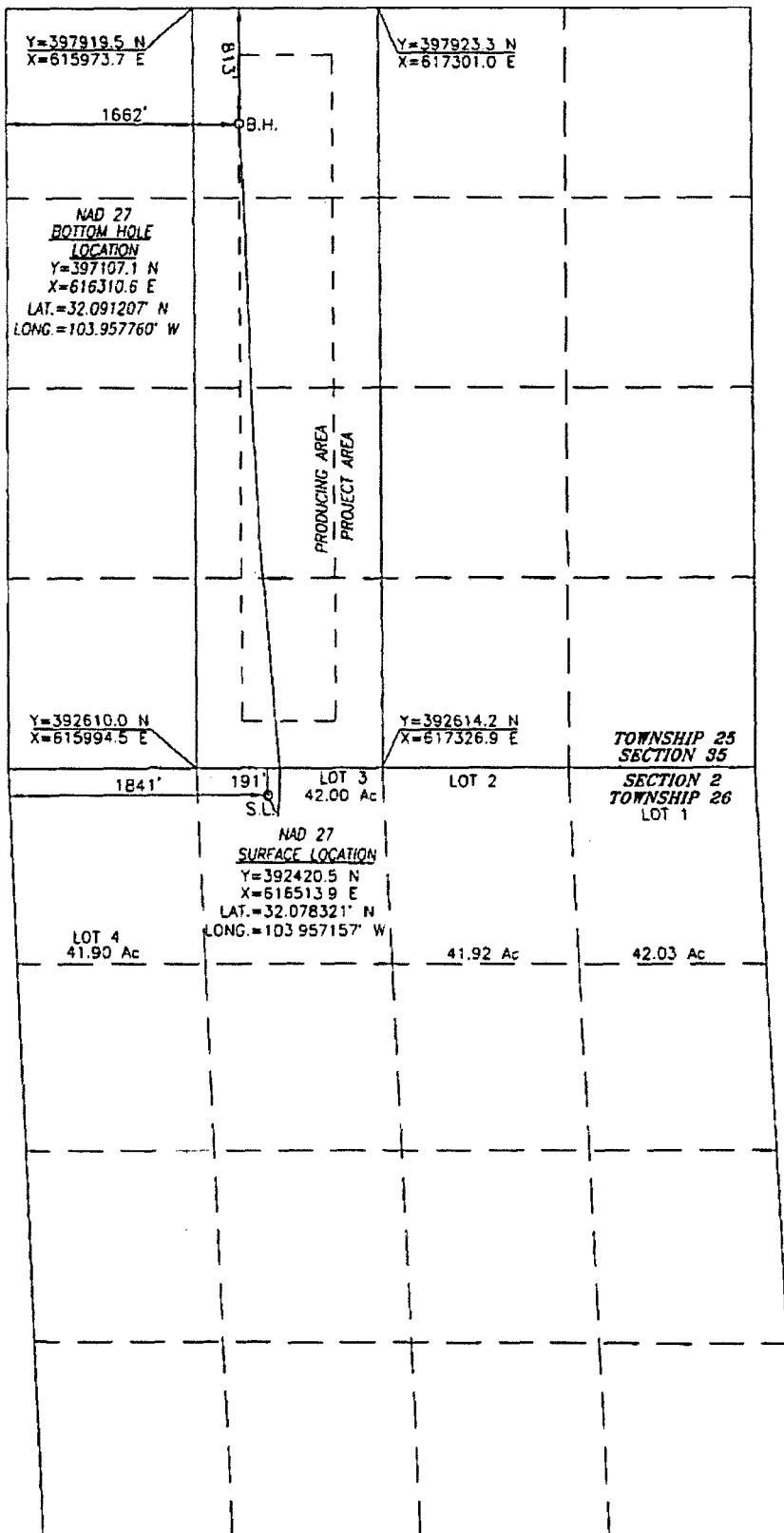
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| C | 35 | 25-S | 29-E | | 813 | NORTH | 1662 | WEST | EDDY |

| | | | |
|------------------------|-----------------|--------------------|-----------|
| 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

LAT 1
SEE PAGE 2

| | | |
|---------------------|--|---------------------|
| Property Code | Property Name REPOSADO FEDERAL | Well Number 3H |
| DGRID No. 217955 | Operator Name COG OPERATING, LLC | Elevation 3000.0 |



BOREPATH SHOWN HEREON IS BASED ON A
DIRECTIONAL SURVEY REPORT PROVIDED BY
TDS FOR THE OSPREY 20 STATE COM #1H ON
SEPTEMBER 23, 2014.

1200 0 1200
SCALE 1"=1200'

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

Melanie J. Wilson 5/12/2016

Printed Name

mwilson@concho.com

E-mail Address

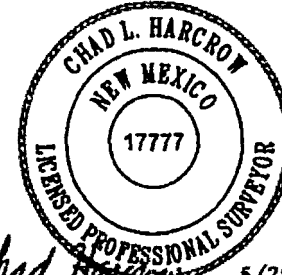
SURVEYOR CERTIFICATION

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.

MAY 13, 2015

SURVEY DATE/DATE OF GEOGRAPHIC REPORT

Signature & Seal of Professional Surveyor



Chad L. Harcrow 5/25/15

Certificate No. CHAD HARCROW 17777

DISTRICT I
1625 N. FRENCH DR., HOBBBS, NM 88240
Phone: (575) 393-8101 Fax: (575) 393-0780

DISTRICT II
811 S. FIRST ST., ARTESIA, NM 88210
Phone: (575) 748-1263 Fax: (575) 748-9720

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 334-8178 Fax: (505) 334-8170

DISTRICT IV
1850 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
(As Drilled)

WELL LOCATION AND ACREAGE DEDICATION PLAT

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|----------------------------|--------------------------------------|--|
| API Number 30-015-40652 | Pool Code 13354 | Pool Name CORRAL CANYON; BONE SPRING, SOUTH |
| Property Code 316143 | Property Name REPOSADO FEDERAL | Well Number 3H |
| OGRID No. 217955 | Operator Name COG PRODUCTION, LLC | Elevation 3000.0 |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| 3 | 2 | 26-S | 29-E | | 191 | NORTH | 1841 | WEST | EDDY |

Bottom Hole Location If Different From Surface

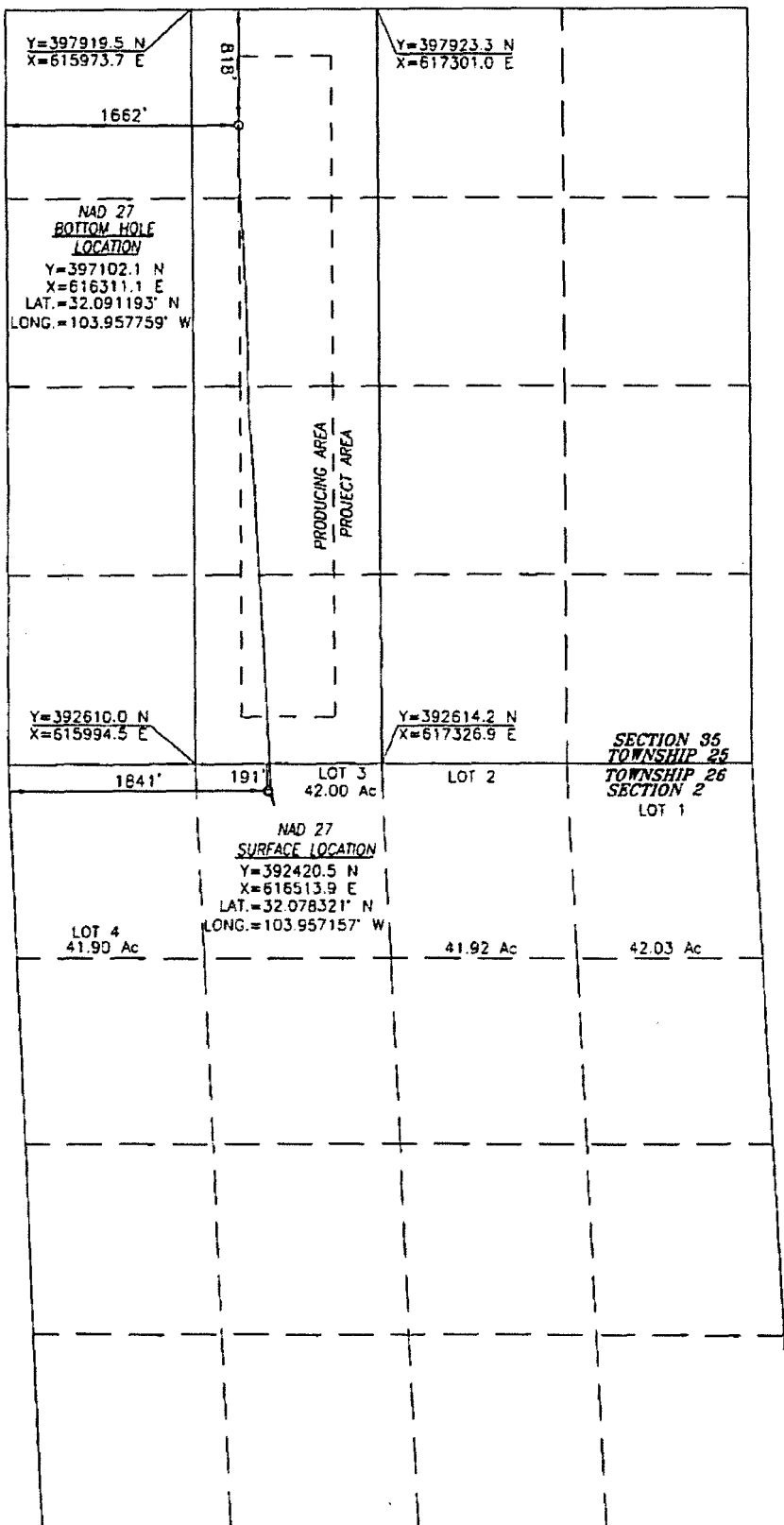
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| C | 35 | 25-S | 29-E | | 818 | NORTH | 1662 | WEST | EDDY |

| | | | |
|------------------------|-----------------|--------------------|-----------|
| Dedicated Acres 160 | Joint or Infill | Consolidation Code | Order No. |
|------------------------|-----------------|--------------------|-----------|

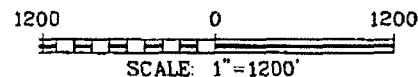
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

LAT 2
SEE PAGE 2

| | | |
|---------------------|--|---------------------|
| Property Code | Property Name REPOSADO FEDERAL | Well Number 3H |
| OGRID No. 217955 | Operator Name COG OPERATING, LLC | Elevation 3000.0 |



BOREPATH SHOWN HEREON IS BASED ON A
DIRECTIONAL SURVEY REPORT PROVIDED BY
TDS FOR THE OSPREY 20 STATE COM #1H ON
SEPTEMBER 23, 2014.



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

Melanie J. Wilson

Printed Name

mwilson@concho.co

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 13, 2015

SURVEY DATE/DATE OF GEOGRAPHIC REPORT

Signature & Seal of Professional Surveyor

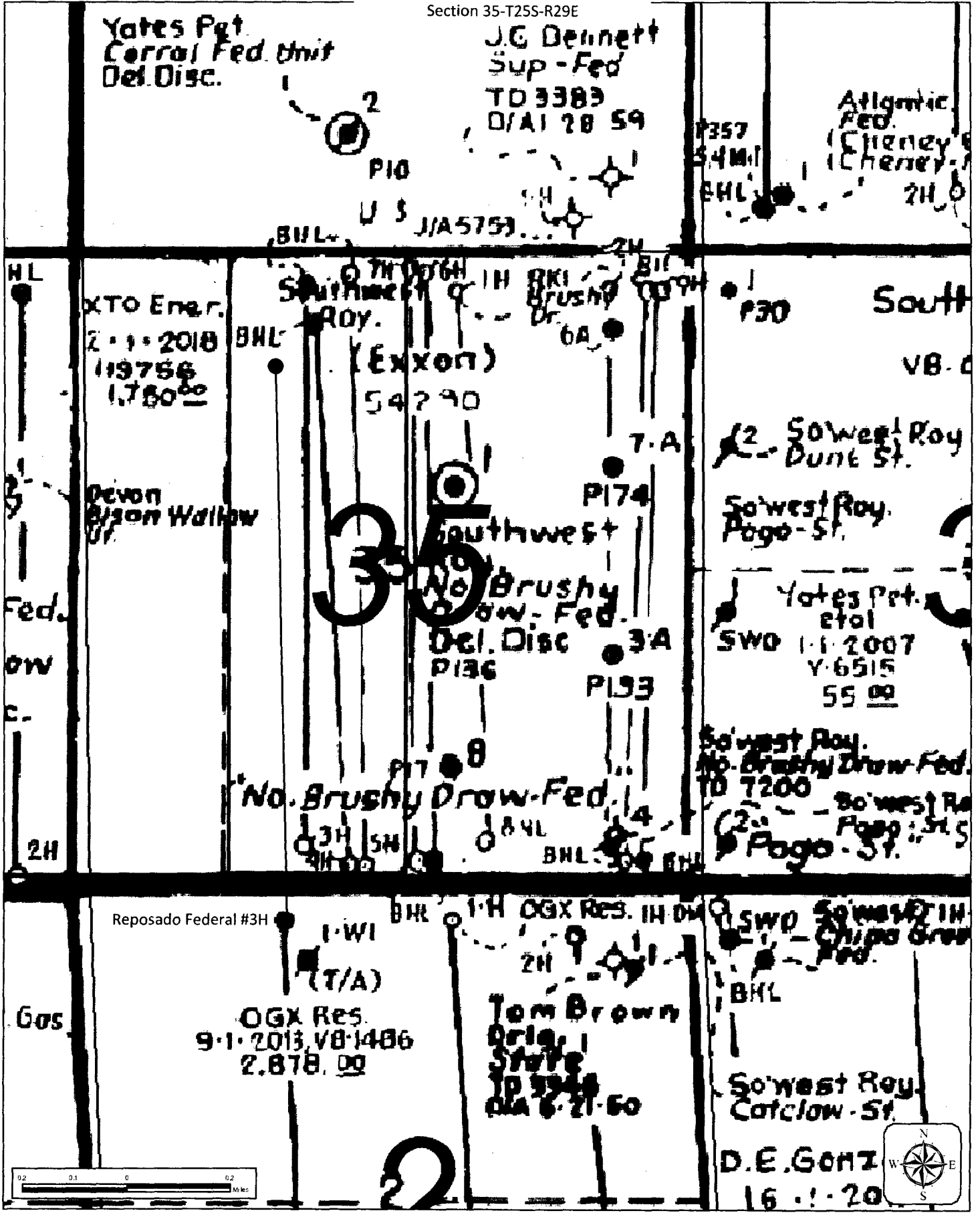


Certificate No. CHAD HARCROW 17777



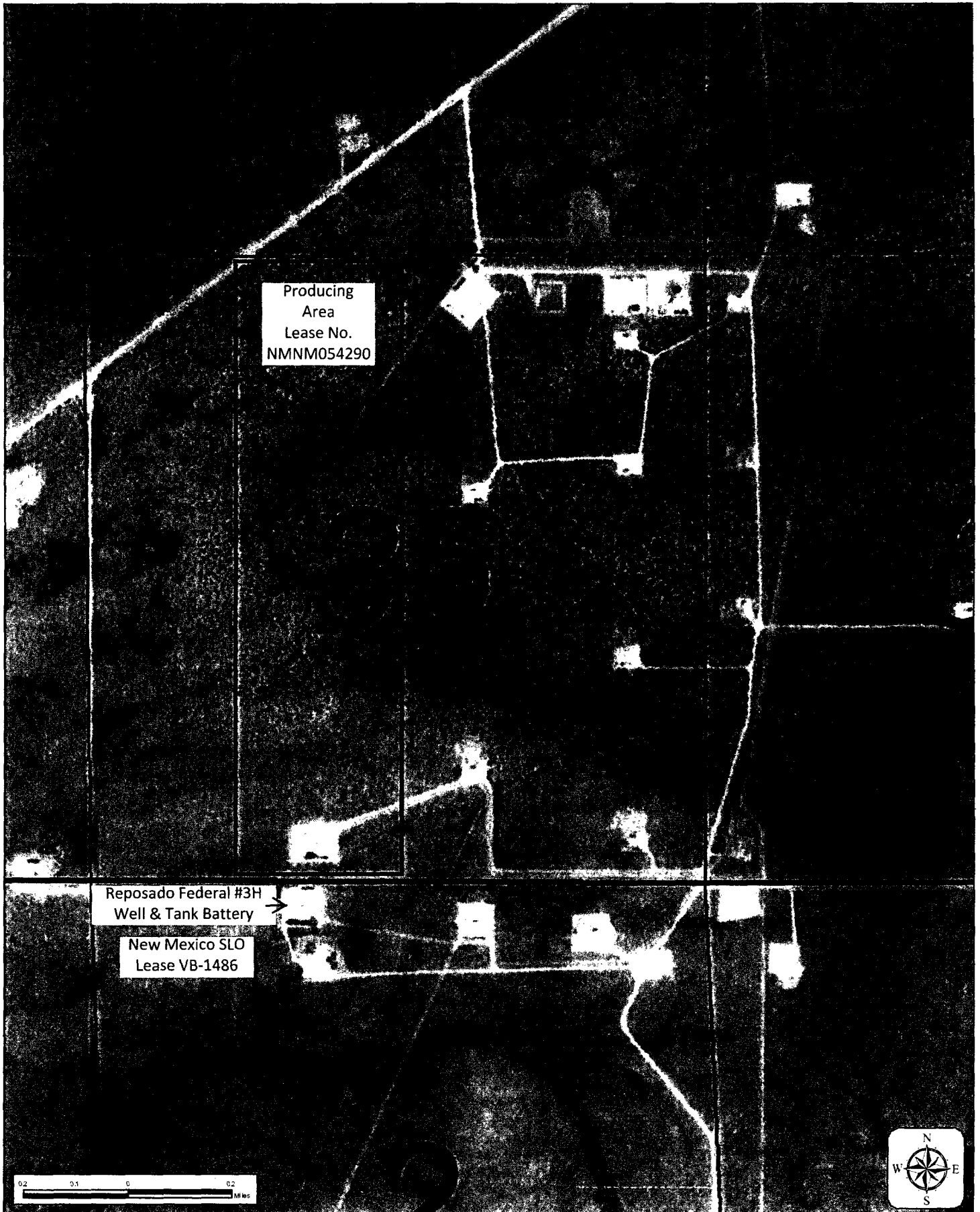
Reposado Federal #3H
SHL: 191' FNL & 1841' FWL
Section 2-T26S-R29E
BHL: 813' FNL & 1662' FWL (Lat 1)
BHL: 818' FNL & 1662' FWL (Lat 2)
Section 35-T25S-R29E

Producing Area
E/2W/2
Section 35-T25S-R29E
Lease No. NMNM054290





Reposado Federal #3H



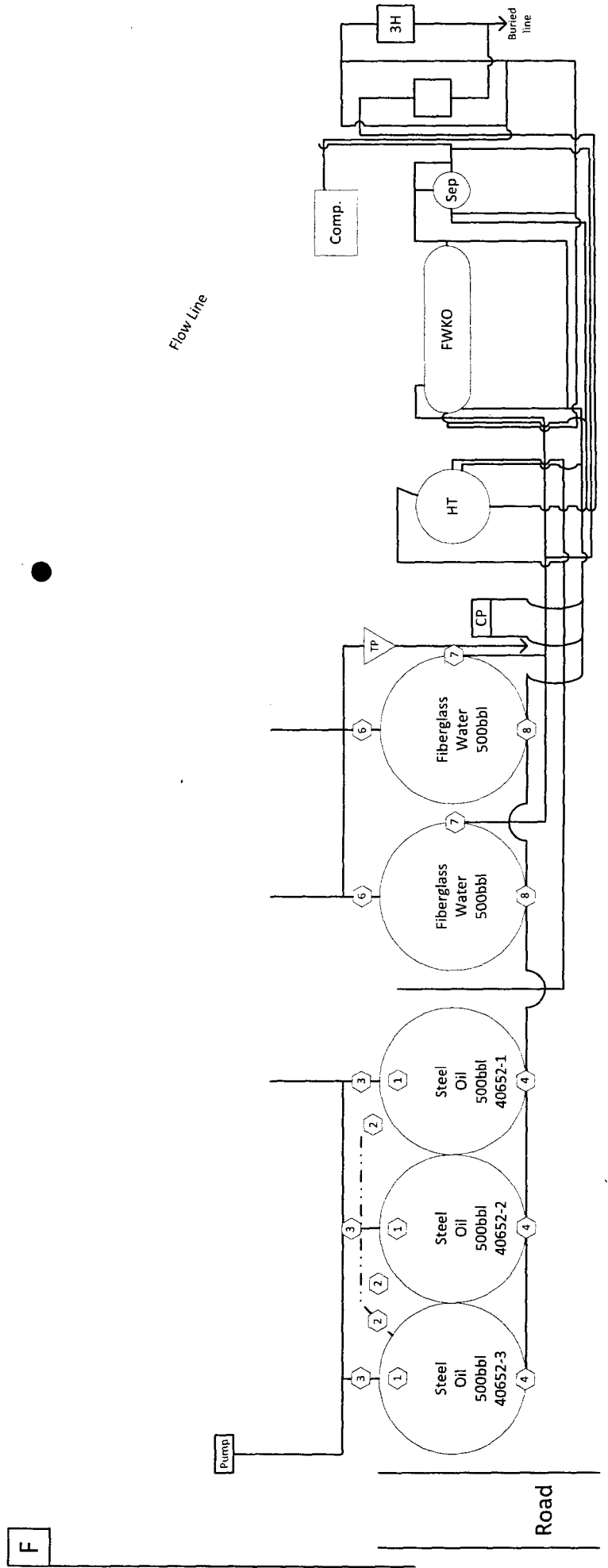
Producing
Area
Lease No.
NMNM054290

Reposado Federal #3H
Well & Tank Battery

New Mexico SLO
Lease VB-1486

0.2 0.1 0 0.2
Miles







May 12, 2016

Certified Mail – Return Receipt Requested
7013 3020 0000 8749 9443

Mr. Mitchel E. Cheney
7670 Woodway, Suite 175
Houston, TX 77063

Re: Off Lease Measurement Application
Reposado Federal #3H
Producing Area: E/2W/2 Section 35-T25S-R29E, Eddy County, NM

Dear Mr. Cheney,

You have been identified as having an overriding royalty interest in the above referenced well. This letter serves as notice, under Rule 19.15.N.1207.A, that COG Production LLC has requested administrative approval from the NM Oil Conservation Division for off lease measurement for the well, described as follows:

Reposado Federal #3H
API #30-015-40652
SHL: 191' FNL & 1841' FWL of Section 2-T26S-R29E
BHL: 813' FNL & 1662' FWL of Section 35-T25S-R29E (Lat 1)
BHL: 818' FNL & 1662' FWL of Section 35-T25S-R29E (Lat 2)
Eddy County, New Mexico
Corral Draw; Bone Spring, South

The off lease measurement will be located on the well pad, which is in the section south of the producing area.

Should you 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 days after the application has been received.

Sincerely,

Melanie J. Wilson
Lead Regulatory Analyst

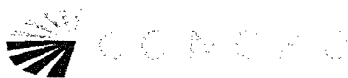
Reposado Federal #3H API 30-015-40652

Application for Off Lease Measurement

Notification List

| Date Sent | Initials | Sent Certified Return Receipt to: | Receipt No. |
|------------------|-----------------|--|--------------------------|
| 5/12/2016 | MJW | Mitchel E. Cheney, 7670 Woodway, Suite 175, Houston, TX 77063 | 7013 3020 0000 8749 9443 |
| 5/12/2016 | MJW | Lynn S. & Grace Charuk, 3921 Tanforan Avenue, Midland, TX 79707-1427 | 7014 3020 0000 8749 8569 |
| 5/12/2016 | MJW | XTO Energy, Inc., PO Box 6501, Englewood, CO 80155 | 7014 3020 0000 8749 9436 |
| 5/12/2016 | MJW | Bureau of Land Management, 600 W Greene Street, Carlsbad, NM 88220 | 7014 3020 0000 8749 2598 |

Mailed 5/12/2016
Melanie J. Wilson



May 12, 2016

Certified Mail – Return Receipt Requested
7013 3020 0000 8749 8712

Oil Conservation Division
Attention: Mr. Leonard Lowe
1220 South Saint Francis Street
Santa Fe, NM 87505

Re: Off Lease Measurement Application
Reposado Federal #3H
Producing Area: E/2W/2 Section 35-T25S-R29E, Eddy County, NM

Dear Mr. Lowe:

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

Reposado Federal #3H
API #30-015-40652
SHL: 191' FNL & 1841' FWL of Section 2-T26S-R29E
BHL: 813' FNL & 1662' FWL of Section 35-T25S-R29E (Lat 1)
BHL: 818' FNL & 1662' FWL of Section 35-T25S-R29E (Lat 2)
Eddy County, New Mexico
Corral Draw; Bone Spring, South

The off lease measurement facility is located on the well pad, which is off lease in Section 2-T26S-R29E, just south of Section 35-T25S-R29E. There is no other production facility located on this well pad and the facility only serves this well.

COG Production LLC owns 100% of the working interest in this well. Enclosed is proof of notice to the royalty and overriding royalty owners. One overriding royalty owner has not been located, therefore notice is being given by advertisement in the Artesia Daily Press. The affidavit of publication will be forwarded to you as soon as it is received. Also enclosed is a diagram of the facility, maps of the producing area and the C-102's for this well.

If you need anything further, please contact me at 575-748-6952 or mwilson@concho.com.

Sincerely,

A handwritten signature in black ink that reads "Melanie J. Wilson".

Melanie J. Wilson
Lead Regulatory Analyst

Enclosures

**Bureau of Land Management
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

**COG Operating, LLC
Reposado Federal 3H
30-015-40652
NMNM-54290**

Off-Lease Measurement and Sales Conditions of Approval

Approval of off-lease measurement is subject to the following conditions of approval:

1. This agency shall be notified of any change in sales method or location of the Sales point.
2. This agency shall be notified of any spill or discharge as required by NTL-3A. No gas may be vented/flared without proper measurement and prior approval. Any gas vented must be flared.
3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments and/or product accountability.
4. This approval is subject to like approval by the New Mexico Oil Conservation Division.
5. Additional wells and/or leases require additional approvals.
6. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days, an application for right-of-way approval must be submitted to the Realty Section if not already done.
7. Approval for off-lease from various sources is a privilege which is granted to lessees/operators for the purpose of aiding conservation and extending the economic life of leases. Applicants should be cognizant that failure to operate in accordance with the provisions outlined in the Authorized Officer's conditions of approval and/or subsequent stipulations or modifications will subject such approval to revocation.
8. Production measurement must comply with all Federal Regulations, API, and AGA standards.