

DATE IN 5/12/16	SUSPENSE	ENGINEER MAM	LOGGED IN 5/16/16	TYPE OLM	APP NO. DyAm413749754
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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

[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.

Melanie J. Wilson  
Print or Type Name

*Melanie J. Wilson*  
Signature

Regulatory Analyst  
Title

05/12/2016  
Date

mwilson@concho.com  
e-mail Address

- ULY-10Y  
- COG Production LLC  
229137  
LUCY  
- REPASADO  
Fed 434  
30-05-40652  
POD  
- Curric Canyon  
Bone Spring, Socy  
13354

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 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 Commingling)

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-Commingling Production	Calculated Gravities / BTU of Commingling Production		Calculated Value of Commingling Production	Volumes

- (2) Are any wells producing at top allowances? ☐ 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 B.

**(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: Melanie J. Wilson TITLE: Regulatory Analyst DATE: May 12, 2016

TYPE OR PRINT NAME Melanie J. Wilson TELEPHONE NO.: 575-748-6952

E-MAIL ADDRESS mwilson@coucho.com



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](mailto:mwilson@concho.com).

Sincerely,

Melanie J. Wilson  
Lead Regulatory Analyst

Enclosures

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CORPORATE ADDRESS

ONE CONCHO CENTER | 600 WEST ILLINOIS AVENUE | MIDLAND, TEXAS 79701  
P 432.683.7443 | F 432.683.7441

ARTESIA WEST OFFICE

2208 MAIN STREET | ARTESIA, NEW MEXICO 88210  
P 575.748.6940 | F 575.746.2096

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**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.*

FORM APPROVED  
OMB NO. 1004-0135  
Expires: July 31, 2010

5. Lease Serial No.  
NMNM54290

6. If Indian, Allottee or Tribe Name

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

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well  
☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.  
REPOSADO FEDERAL 3H

2. Name of Operator  
COG PRODUCTION LLC

Contact: MELANIE WILSON  
E-Mail: mwilson@concho.com

9. API Well No.  
30-015-40652

3a. Address  
2208 W MAIN STREET  
ARTESIA, NM 88210

3b. Phone No. (include area code)  
Ph: 575-748-6952

10. Field and Pool, or Exploratory  
CORRAL CANYON;BONE SPRING

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec 2 T26S R29E Mer NMP NENW 191FNL 1841FWL

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
	<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 recompleat 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 recompleat 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

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 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 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  
1825 N. FRENCH DR., HOBBS, NM 88240  
Phone: (505) 393-8161 Fax: (505) 393-8728

DISTRICT II  
511 S. FIRST ST., ARTESIA, NM 88210  
Phone: (505) 749-1283 Fax: (505) 749-9723

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

DISTRICT IV  
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505  
Phone: (505) 476-3450 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**

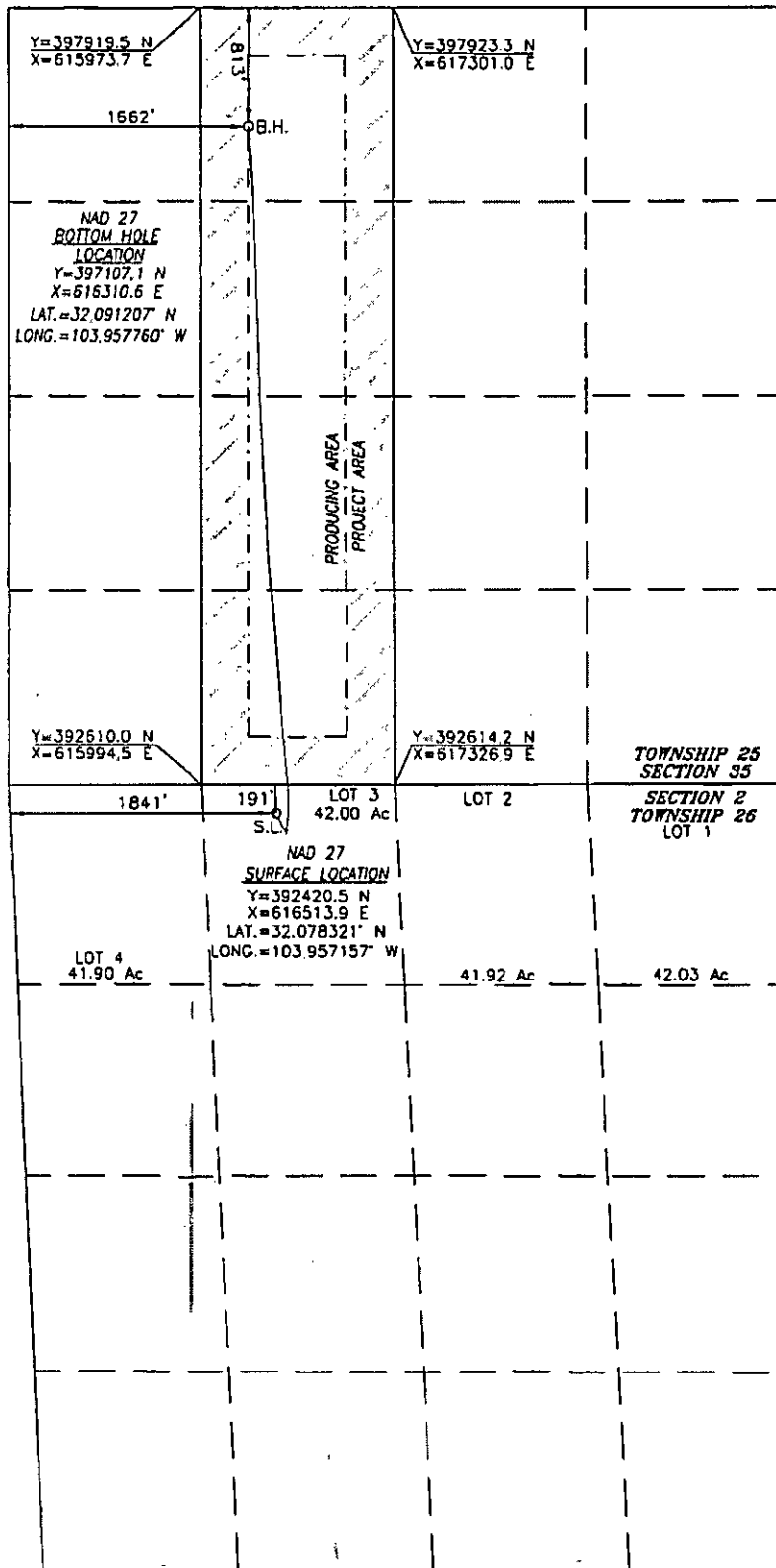
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	35	25-S	29-E		813	NORTH	1662	WEST	EDDY

Dedicated Acres 160	Joint or Infill	Consolidation Code	Order No.
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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

LAT 1  
SEE PAGE 2

Property Code	Property Name	Well Number
	REPOSADO FEDERAL	3H
GRID 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 unless 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

Melanie J. Wilson

Date

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



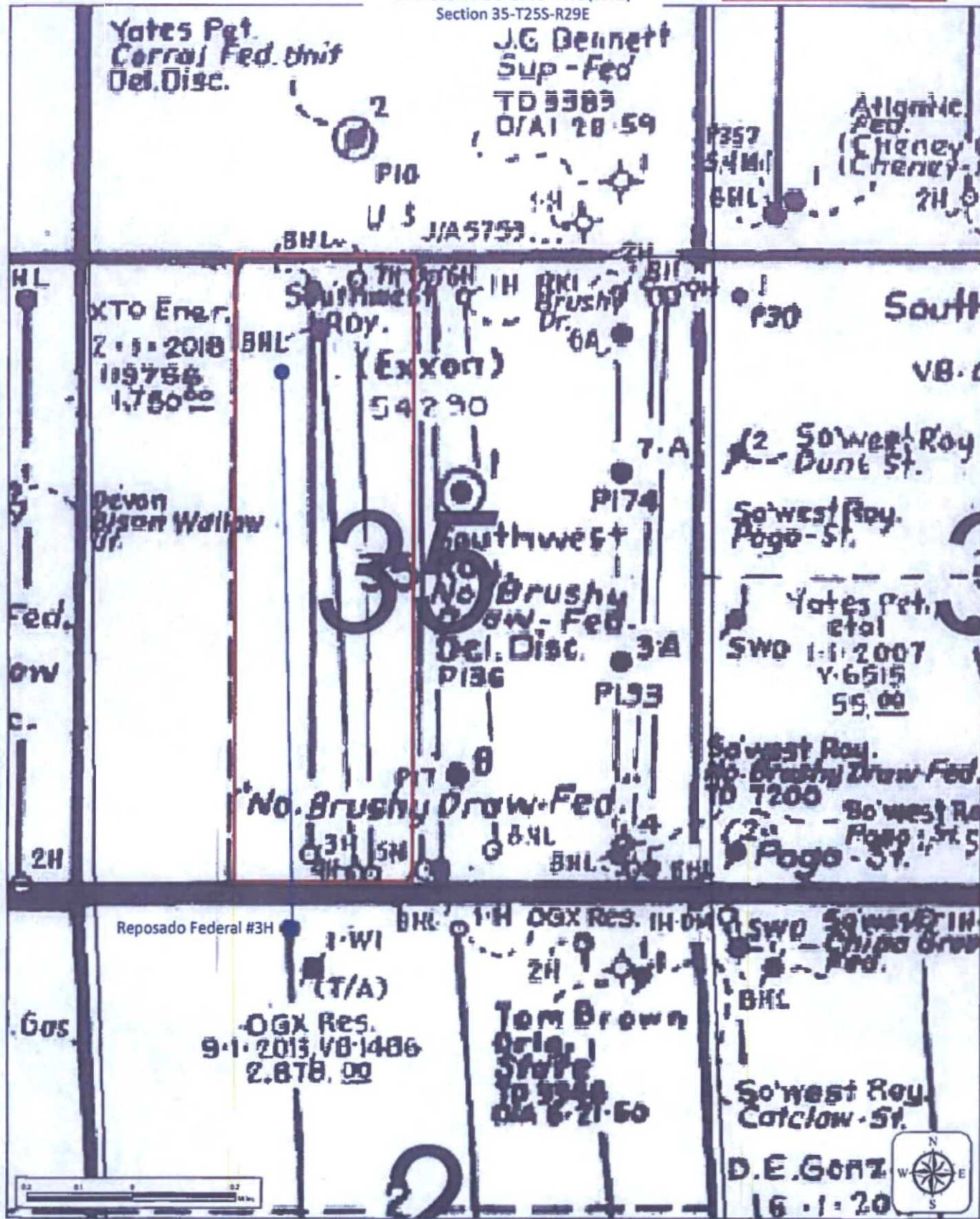
Chad L. Harcrow 5/25/15  
Certificate No. CHAD HARCROW 17777





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

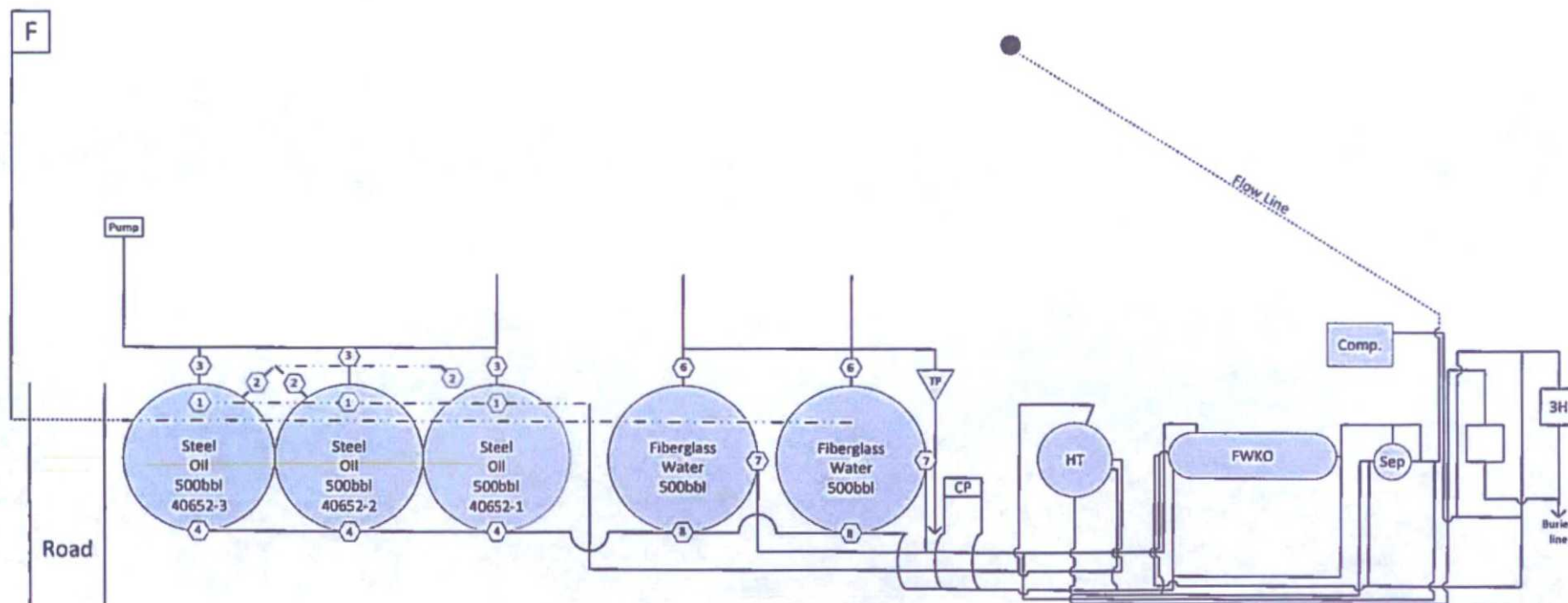






COG Production LLC.  
2208 W Main St.  
Artesia, NM 88210

Reposado Federal #3H  
API #30-015-40652  
Producing Area - E2W2 Section 35-T25S-R29E  
BLM Lease No. NM-54290  
Storage Facility - NENW Section 2-T26S-R29E  
SLO Lease No. VB-1486





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](mailto:mwilson@concho.com).

Sincerely,

A handwritten signature in cursive script that reads "Melanie J. Wilson".

Melanie J. Wilson  
Lead Regulatory Analyst

Enclosures

CORPORATE ADDRESS

ONE CONCHO CENTER | 600 WEST ILLINOIS AVENUE | MIDLAND, TEXAS 79701  
P 432.683.7443 | F 432.683.7441

ARTESIA WEST OFFICE

2208 MAIN STREET | ARTESIA, NEW MEXICO 88210  
P 575.748.6940 | F 575.746.2096



CONCHO

Reposado Federal #3H

Producing  
Area  
Lease No.  
NMNM054290

35

Reposado Federal #3H  
Well & Tank Battery

New Mexico SLO  
Lease VB-1486





May 12, 2016

Certified Mail – Return Receipt Requested  
7013 3020 0000 8749 9443

Interest Owner

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

Dear,

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,

A handwritten signature in black ink, appearing to read "Melanie J. Wilson".

Melanie J. Wilson  
Lead Regulatory Analyst

---

CORPORATE ADDRESS

ONE CONCHO CENTER | 600 WEST ILLINOIS AVENUE | MIDLAND, TEXAS 79701  
P 432.683.7443 | F 432.683.7441

ARTESIA WEST OFFICE

2208 MAIN STREET | ARTESIA, NEW MEXICO 88210  
P 575.748.6940 | F 575.746.2096

# Reposado Federal #3H API 30-015-40652

## Application for Off Lease Measurement

### Notification List

<i><b>Date Sent</b></i>	<i><b>Initials</b></i>	<i><b>Sent Certified Return Receipt to:</b></i>	<i><b>Receipt No.</b></i>
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



**Ryan Owen**  
NM Basin South Land Lead

May 16, 2016

New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505  
Attention: Michael McMillan

**RE: REPOSADO FEDERAL #3H (formerly Reposado 2 State Com #3H)**  
**BHL:** Township 25 South – Range 29 East, N.M.P.M.  
Section 35: E/2 W/2  
**SHL:** Township 26 South – Range 29 East, N.M.P.M.  
Section 2: Lot 3  
Eddy County, New Mexico

Dear Mr. McMillan,

As requested in your email dated May 16, 2016 regarding COG's application for the off-lease measurement of the Reposado Federal #3H this letter confirms that COG Operating LLC is the only Working Interest Owner in this well.

If you have any questions or need further assistance, please feel free to contact me by phone at 432-818-2327 or by email at [Rowen@concho.com](mailto:Rowen@concho.com).

Sincerely,

**COG Operating LLC**

A handwritten signature in black ink, appearing to read "Ryan Owen".  
Ryan Owen  
NM Basin South Land Lead