

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.

NMOCD
Artesia

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

SUBMIT IN TRIPLICATE - Other instructions on page 2

| | |
|--|---|
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | 5. Lease Serial No. NMNM0553777 |
| 2. Name of Operator COG OPERATING LLC Contact: DANA KING E-Mail: dking@concho.com | 6. If Indian, Allottee or Tribe Name |
| 3a. Address ONE CONCHO CENTER, 600 W ILLINOIS AVE MIDLAND, TX 79701 | 7. If Unit or CA/Agreement, Name and/or No. NMNM124947 |
| 3b. Phone No. (include area code) Ph: 432-818-2267 | 8. Well Name and No. GRAVE DIGGER FEDERAL COM 1H |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 2 T20S R25E Mer NMP NWNW 330FNL 380FWL | 9. API Well No. 30-015-37665 |
| | 10. Field and Pool or Exploratory Area N. SEVEN RIVERS-GLOR-YESO |
| | 11. County or Parish, State EDDY COUNTY 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 |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | Venting and/or Flaring |
| | <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 FLARE AT THE GRAVE DIGGER FEDERAL COM BATTERY.

NUMBER OF WELLS TO FLARE: (2)

GRAVE DIGGER FEDERAL COM #1H API #30-015-37665 ✓
GRAVE DIGGER FEDERAL COM #5H API #30-015-40412 ✓

FROM 03/01/2018 to 05/30/2018

BBLS OIL/DAY: 150
MCF/DAY: 500

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

3/12/18
FOR RECORDS ONLY

NM OIL CONSERVATION
ARTESIA DISTRICT
MAR 12 2018

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

Electronic Submission #405261 verified by the BLM Well Information System
For COG OPERATING LLC, sent to the Carlsbad
Committed to AFMSS for processing by JENNIFER SANCHEZ on 02/28/2018 ()

| | |
|-----------------------------------|--------------------------|
| Name (Printed/Typed) DANA KING | Title SUBMITTING CONTACT |
| Signature (Electronic Submission) | Date 02/21/2018 |

RECEIVED

APPROVED

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

MAR 12 2018

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.

(Instructions on page 2)

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

Additional data for EC transaction #405261 that would not fit on the form

32. Additional remarks, continued

REASON: UNPLANNED MIDSTREAM CURTAILMENT
DUE TO PLANT MAINTENANCE, PIPELINE REPAIRS AND HIGH LINE PRESSURE.

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Condition of Approval to Flare Gas

1. Subject to like approval from NMOCD
2. **Flared volumes are considered "avoidably lost" and will require payment of royalties. Volumes shall be reported on OGOR "B" reports as disposition code "08**
3. Approval not to exceed 90 days, if flaring is still required past 90 days submit new request for approval.
4. Submit Subsequent Report with actual volumes of gas flared for each month gas is flared on a sundry form 3160-5.
5. "Avoidably lost" flare volumes shall be metered due to their royalty bearing status. Install gas meter on vent/flare line to measure gas prior to venting/flaring operations if it is not equipped as such at this time.
6. This approval does not authorize any additional surface disturbance.

43CFR §3162.7-1 Disposition of production.

(a) The operator shall put into marketable condition, if economically feasible, all oil, other hydrocarbons, gas, and sulphur produced from the leased land.

(d) The operator shall conduct operations in such a manner as to prevent avoidable loss of oil and gas. A operator shall be liable for royalty payments on oil or gas lost or wasted from a lease site, or allocated to a lease site, when such loss or waste is due to negligence on the part of the operator of such lease, or due to the failure of the operator to comply with any regulation, order or citation issued pursuant to this part.