

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

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.5. Lease Serial No.
NMNM100844
NM 95630

6. If Indian, Allottee or Tribe Name

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

NM123395

8. Well Name and No.
COMET 22 FEDERAL COM 3

9. API Well No.

3001535821

10. Field and Pool, or Exploratory
CROW FLATS; WOLFCAMP

11. County or Parish, and State

EDDY COUNTY COUNTY, NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

COG OPERATING LLC

Contact: NETHA AARON

E-Mail: aaaron@conchoresources.com

3a. Address

550 WEST TEXAS SUITE 100
MIDLAND, TX 79701

3b. Phone No. (include area code)

Ph: 432-818-2319

Fx: 432-685-4396

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 22 T16S R28E 1980FNL 330FWL

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 Measurement
	<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 shall 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 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 Operating, LLC respectfully request permission for Off-Lease Measurement for the Comet 22 Federal Com #3 well. This well has a Communitization Agreement, NMNM-123395. COG is measuring and storing all production separately. A diagram is attached showing the battery operation.

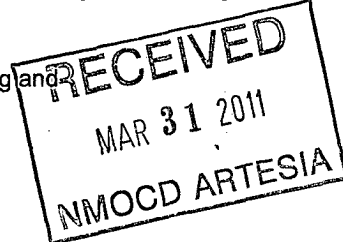
All interest owners have been notified of this proposal.

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

Our meter is located on COG Operating LLC property at the Comet 22 Federal #4 battery. The property is located at Sec 22, T16S, R28E, Unit C, 330 FNL, 1650 FWL, N32° 54' 618" W 104° 10' 253". ON Lease # NM 100844

I have attached the following:

NEW



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

Electronic Submission #104375 verified by the BLM Well Information System
For COG OPERATING LLC, sent to the Carlsbad

Name (Printed/Typed) NETHA AARON

Title AUTHORIZED REPRESENTATIVE

Signature (Electronic Submission)

Date 03/15/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

Title

LPEY

Date

3/25/11

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

CFO

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 #104375 that would not fit on the form

32. Additional remarks, continued

- A map showing the lease numbers and locations of leases and wells that will contribute production to the off-lease measurement
- An updated facility diagram
- Estimated monthly production for each well
- A Plat of the locations
- Interest owner notification letters

COG Operating LLC is requesting approval for surface ~~commencing~~ and off-lease storage and measurement of hydrocarbon production from the following formation(s) and well(s):

Federal Lease No. Com : NMNM-123395, (NM-95630, ~~NM-496044~~)

LEASE

<u>Well Name</u>	<u>API No.</u>	<u>Loc. 1/4 Sec. Twp. Rng.</u>	<u>Formation</u>	<u>BOPD</u>	<u>Oil Gravity</u>	<u>MCFPD</u>	<u>BTU</u>
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Comet 22 Federal Com #3	3001535821	SWNW, Sec. 22, T16S, R28E	Crow Flats, Wolfcamp	120	40.1/@60°	688	1357
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With hydrocarbon production from:

Federal Lease No. NMNM-100844

<u>Well Name</u>	<u>API No.</u>	<u>Loc. 1/4 Sec. Twp. Rng.</u>	<u>Formation</u>	<u>BOPD</u>	<u>Oil Gravity</u>	<u>MCFPD</u>	<u>BTU</u>
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Comet 22 Federal #4	3001535716	NENW, Sec. 22, T16S, R28E	Crow Flats, Wolfcamp	41	40.1/@60°	333	1269
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The storage and measuring facility is located at NENW 1/4, Sec. 22, T 16S, R 28E, on Lease No. NMNM-100844, Eddy, New Mexico. BLM will be notified if there is any future change in the facility location.

Details of the proposed method for allocating production to contributing sources are as follows:

Gas & Oil are kept separate. Each well has its own oil tanks and gas meter.

COG OPERATING LLC

Site Security Plan is located at:

550W. Texas Ave Ste 100 Midland, Texas 79701
(432)-683-7443

November 2010

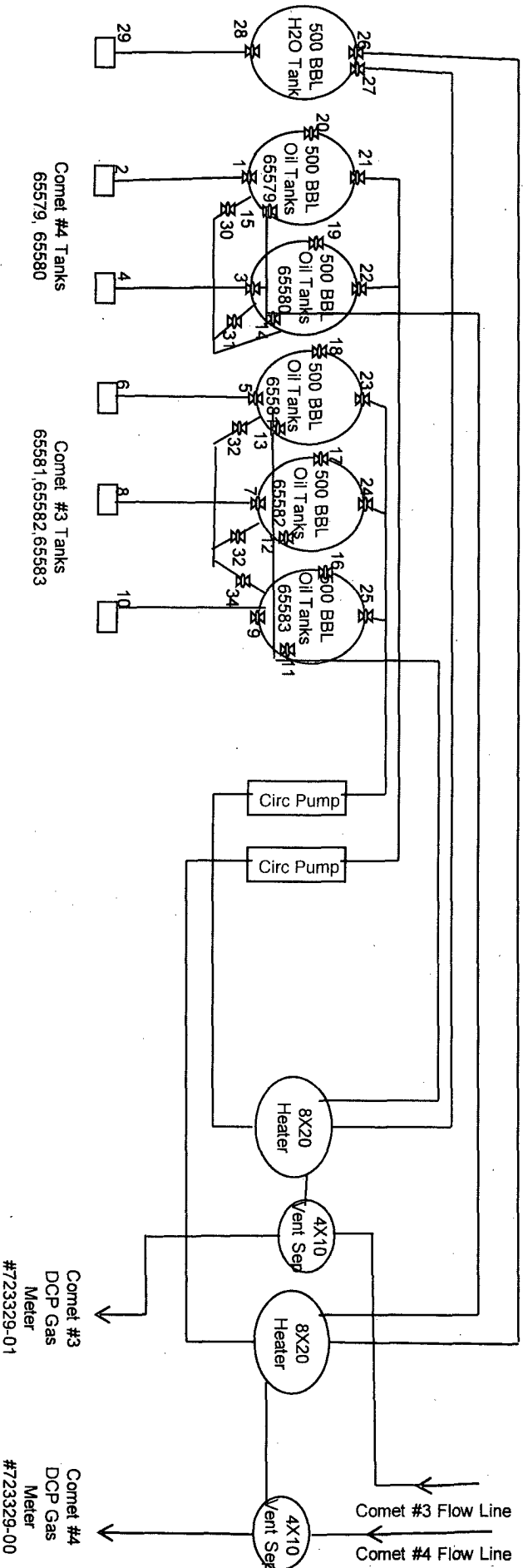
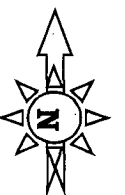
Comet 22 Federal 4

Comet 22 Federal Com 3

NE/NW, Sec 22, T16S, R28E, Unit C

Eddy County, NM

NM/NM100844



Production Phase:

Valves-1,2,3,4,5,6,7,8,9 & 10 Closed
Valves-11,12,13,14 or 15 Open
Valves-16,17,18,19 or 20 Open
Valves-21,22,23,24 or 25 Open
Valves-30,31,32,33 & 34 Open
Water Line Valves-26 & 27 Open
Valves-28 & 29 Closed

Sales Phase:

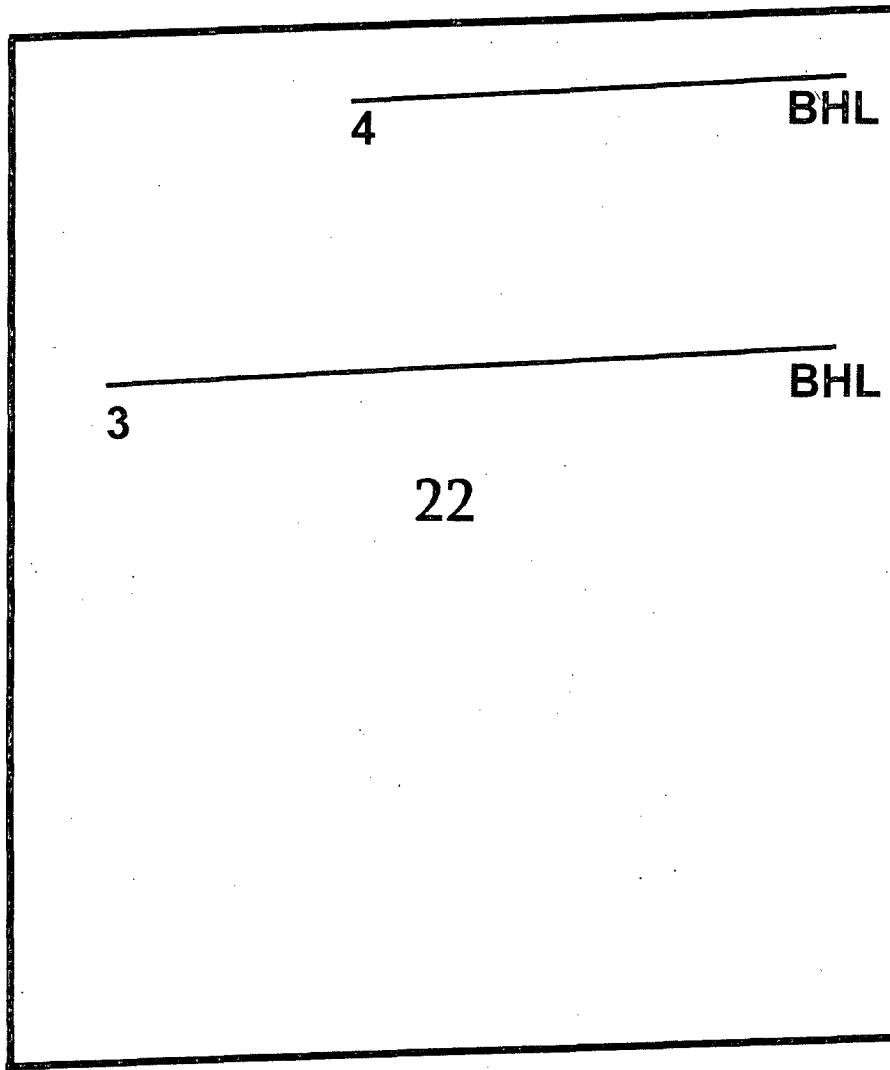
Valves-1&2, 3&4, 5&6, 7&8 or 9&10 Open
Valves-11,12,13,14 or 15 Open
Valves-16,17,18,19 or 20 Open
Valves-21,22,23,24,25 Closed
Valves-30,31,32,33, 34 Closed
Water is Trucked Valves-28, 29 Open

Wells in Battery

Comet 22 Federal Com #3: 30-015-35821
Tank 65581, 65582, 65583
Comet 22 Federal #4: 30-015-35716 *
Tank 65579, 65580

* Indicates battery location

T16S - R28E





11/10/2010

Kanicia Carrillo

550 W Texas, Suite 100

Midland, TX 79701


Nearburg Exploration Company

Attn: Jonny Reyes

3300 North A Street

Building 2, Suite 120

Midland, TX 79705

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none">Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.Print your name and address on the reverse so that we can return the card to you.Attach this card to the back of the mailpiece, or on the front if space permits.		A. Signature 	
1. Article Addressed to: Nearburg Exploration Co 3300 North A Street Bldg 2, Suite 120 Midland, TX 79705		B. Received by (Printed Name) S. Sordo	
2. Article Number (Transfer from service label) 91 7108 2133 3939 1362 2401		C. Date of Delivery 11/12/10	
3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes			

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

Dear Mr. Reyes,

This letter will serve as notice, under Rule 19.15.N.1207.A, that COG Operating LLC has requested administrative approval from the Oil Conservation Division in Santa Fe, NM for an Off-Lease Storage Facility on the following well:

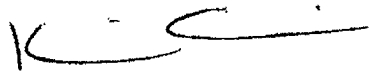
Comet 22 Federal Com #3
Eddy County, NM
API # 30-015-35821
Surface: 1980 FNL & 330 FWL Sec 22, T16S, R28E, Unit E
BHL: 1955 FNL & 381 FEL Sec 22, T16S, R28E, Unit H
Crow Flats; Wolfcamp (Oil - 97102)

The Off-Lease Storage facility will be located, at the Comet 22 Federal #4 surface location, 330FNL & 1650 FWL, Sec 22, T16S, R28E, Unit C. Our purchaser will transport all oil from this location.

COG Operating LLC plans to keep all production separate. The current system configuration is that of commonly accepted oil field practice for testing producing oil wells.

Should you or your company 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 Storage Facility if no objection has been made within the twenty (20) days after the application has been received.

Sincerely,

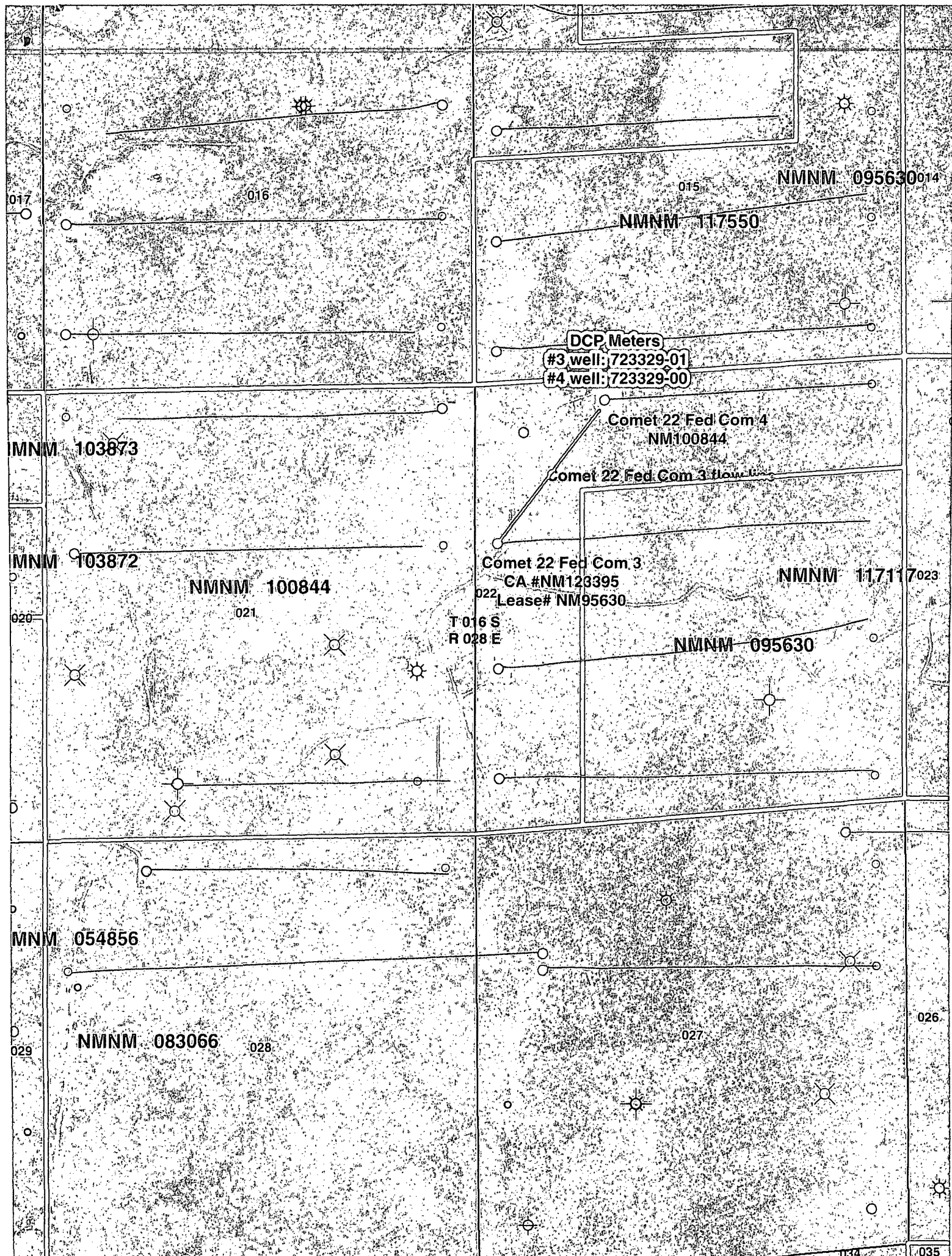


COG Operating, LLC

Kanicia Carrillo

Regulatory Analyst

Confirmation Services	Package ID: 9171082133393913622401	Electronic Certified
	Destination ZIP Code: 79705	First Class Letter
	Customer Reference:	
	Recipient: _____	PBP Account #: 41592288
	Address: _____	Serial #: 1364097
		NOV 10 2010 2:37pm



NMNM 095630014

NMNM 117550

DCP Meters
#3 well: 723329-01
#4 well: 723329-00

Comet 22 Fed Com 4
NM100844

Comet 22 Fed Com 3 flow line

Comet 22 Fed Com 3
CA #NM123395
Lease# NM95630

NMNM 117117023

NMNM 095630

T 016 S
R 028 E

NMNM 100844

NMNM 103873

NMNM 103872

NMNM 054856

NMNM 083066

026

027

028

029

034

035

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

Off-Lease Measurement

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 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.
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 measurement from various sources is a privilege which is granted to lessees 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. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be color which simulates "standard Environmental Colors" – Shale Green, Munsell Soil Color No. 5Y 4/2.