



January 29, 2021

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 – Oil Only

Dear Mr. McMillan,

COG Production LLC respectfully requests approval for off-lease measurement for the following wells:

Eider Federal 2H
API# 30-025-41813
Wildcat; Bone Spring
Ut. O, Sec. 35-T24S-R32E
Lea County, NM

Oil Production:

The oil production from these wells may be transported by truck to either the Red Hills Offload Station, located in Unit O, Section 4-T26S-R32E, or the Jal Offload Station, located in Unit D, Section 4-T26S-R37E, Lea County in the event the CTB on lease is over capacity or in the case of battery or pipeline repairs. Oil will remain segregated and will be measured by lact meter when offloading at the Offload Stations.

No owner notification is necessary. A letter from a certified Landman stating all owners and interest are identical is enclosed. A certified letter to the BLM office will be mailed out, information attached.

Please see the enclosed Administrative Application Checklist, C-107-B Application for Off Lease Measurement, plats for referenced wells, site facility diagram, maps with lease boundaries showing wells and facility locations.

Thank you for your attention to this matter. If you have questions or need further information, please email me at jbarron@concho.com or call 575.748.6974.

Sincerely,

Jeanette Barron
Regulatory Technician II

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

| | | | |
|-----------|-----------|-------|---------|
| RECEIVED: | REVIEWER: | TYPE: | APP NO: |
|-----------|-----------|-------|---------|

ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & 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

| | |
|---------------------------------------|-----------------------------|
| Applicant: COG Production, LLC | OGRID Number: 217955 |
| Well Name: Eider Federal 2H | API: 30-025-41813 |
| Pool: Wildcat; Bone Springs | Pool Code: 97964 |

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
- A. Location – Spacing Unit – Simultaneous Dedication
 NSL NSP (PROJECT AREA) NSP (PRORATION UNIT) SD
- B. Check one only for [I] or [II]
- [I] Commingling – Storage – Measurement
 DHC CTB PLC PC OLS OLM
- [II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
- A. Offset operators or lease holders
 B. Royalty, overriding royalty owners, revenue owners
 C. Application requires published notice
 D. Notification and/or concurrent approval by SLO
 E. Notification and/or concurrent approval by BLM
 F. Surface owner
 G. For all of the above, proof of notification or publication is attached, and/or,
 H. No notice required

| FOR OCD ONLY |
|---|
| <input type="checkbox"/> Notice Complete |
| <input type="checkbox"/> Application Content Complete |

3) **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.

Jeanette Barron _____

Print or Type Name

Signature

1/29/21

Date

575-746-6974

Phone Number

e-mail Address

jbarron@concho.com

e-mail Address

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, New Mexico 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: Jeanette Barron TITLE: Regulatory Technician II DATE: 1/29/21
TYPE OR PRINT NAME Jeanette Barron TELEPHONE NO.: 575.748.6974
E-MAIL ADDRESS: jbarron@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
 1320 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, 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 30-025-41813 | | ² Pool Code 97964 | | ³ Pool Name WC-025 G-07 S243225C; LWR BONE SPRINGS | |
| ⁴ Property Code 314193 | | ⁵ Property Name EIDER FEDERAL | | | ⁶ Well Number 2H |
| ⁷ OGRID No. 217955 | | ⁸ Operator Name COG PRODUCTION LLC | | | ⁹ Elevation 3534.3' |

*** Surface Location**

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| O | 35 | 24-S | 32-E | | 190 | SOUTH | 1795 | 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| B | 26 | 24-S | 32-E | | 342 | NORTH | 1827 | EAST | LEA |

| | | | |
|--------------------------------------|-------------------------------|----------------------------------|-------------------------|
| ¹⁰ Dedicated Acres 320 | ¹¹ Joint or Infill | ¹² Consolidation Code | ¹³ 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.

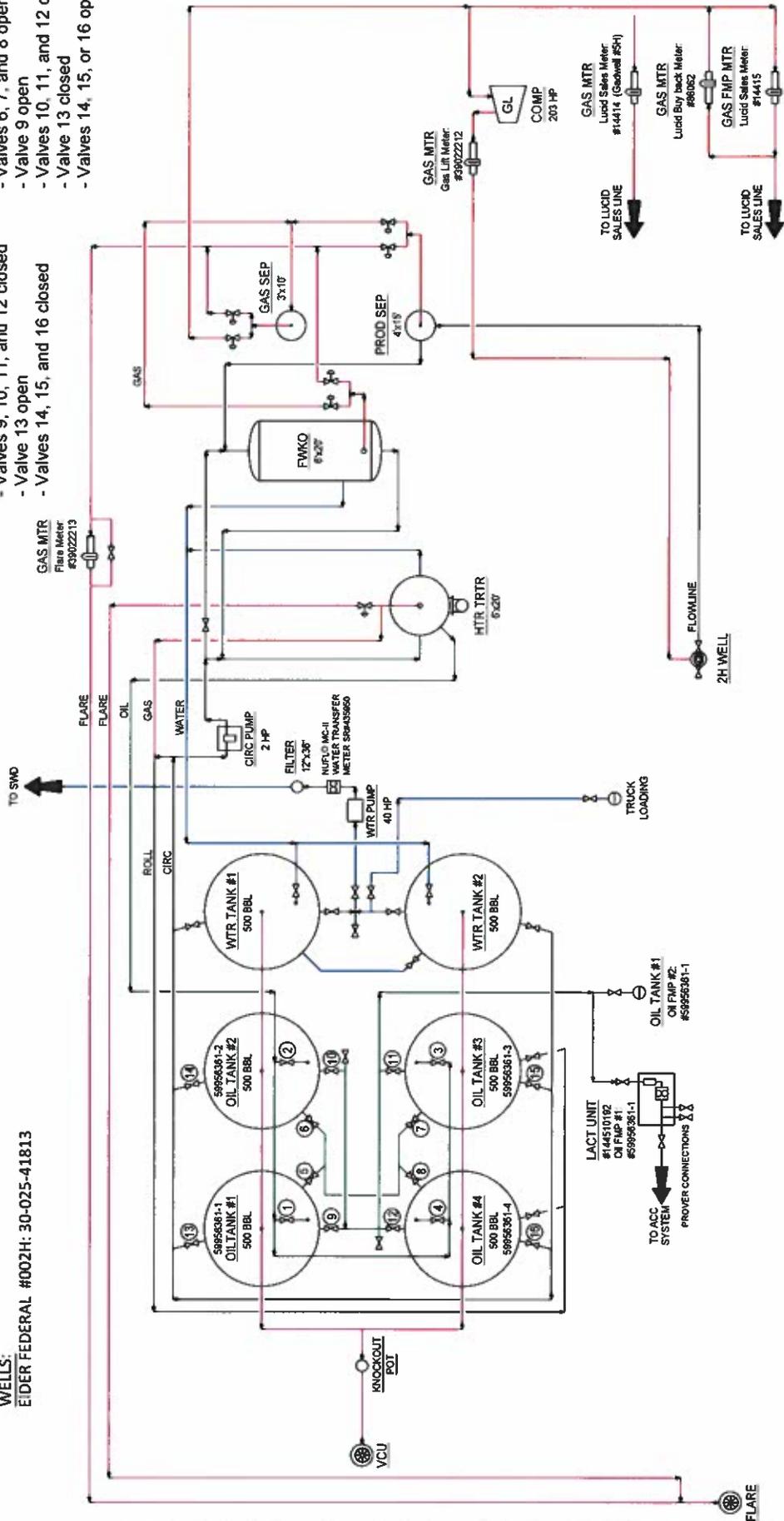
| | | |
|--------------------|---|---------------------|
| | 17 OPERATOR CERTIFICATION | |
| | I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. | |
| | Signature <i>Janette Barron</i> | Date <i>1/29/21</i> |
| | Janette Barron Printed Name | |
| | jbarron@condho.com E-mail Address | |
| | 18 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. | |
| | REFER TO ORIGINAL PLAT | |
| | Date of Survey | |
| | Signature and Seal of Professional Surveyor: | |
| Certificate Number | | |

EIDER FEDERAL 2H BATTERY
 SECTION 35, T24S, R32E, UNIT O
 COORDS: 32.167553, -103.642679
 LEA COUNTY, NM

WELLS:
 EIDER FEDERAL #002H: 30-025-41813

- 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, or 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



NOTES:

Type of Lease: Federal
 Lease #: MNM 1209007
 CA/Agreement #: N/A
 Property Code: 314193
 OGRID #: 217955

Ledger for Site Diagram

Produced Fluid: _____
 Produced Oil: _____
 Produced Water: _____
 Flare/Vent: _____

CONFIDENTIALITY NOTICE:
 THE DRAWING IS PROPERTY OF COO PRODUCTION LLC AND NOT BE REPRODUCED, COPIED, OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, WITHOUT THE WRITTEN PERMISSION OF COO PRODUCTION LLC. THIS DRAWING IS FOR INFORMATION ONLY AND DOES NOT REPRESENT A CONTRACT. ANY DISCREPANCY BETWEEN THIS DRAWING AND ANY PREVIOUS DRAWING SHALL BE RECORDED AND NOTED SPECIFICALLY THEREON.

| NO. | REFERENCE DRAWINGS | DATE | BY | CHK. | APP. | DESCRIPTION |
|-----|--------------------|----------|----|------|------|-------------------------------|
| A | | 06/22/18 | JL | JK | | ISSUED FOR REVIEW |
| B | | 07/04/18 | JL | JK | | ISSUED FOR S.A. REQUEST |
| C | | 07/20/18 | JL | JK | | ISSUED FOR FIELD VERIFICATION |
| D | | 07/27/21 | JL | JK | | ISSUED FOR FIELD VERIFICATION |

CONCHO
 NORTHERN DELAWARE BASIN ASSET
 PRODUCTION FACILITIES
 EIDER FEDERAL 2H BATTERY

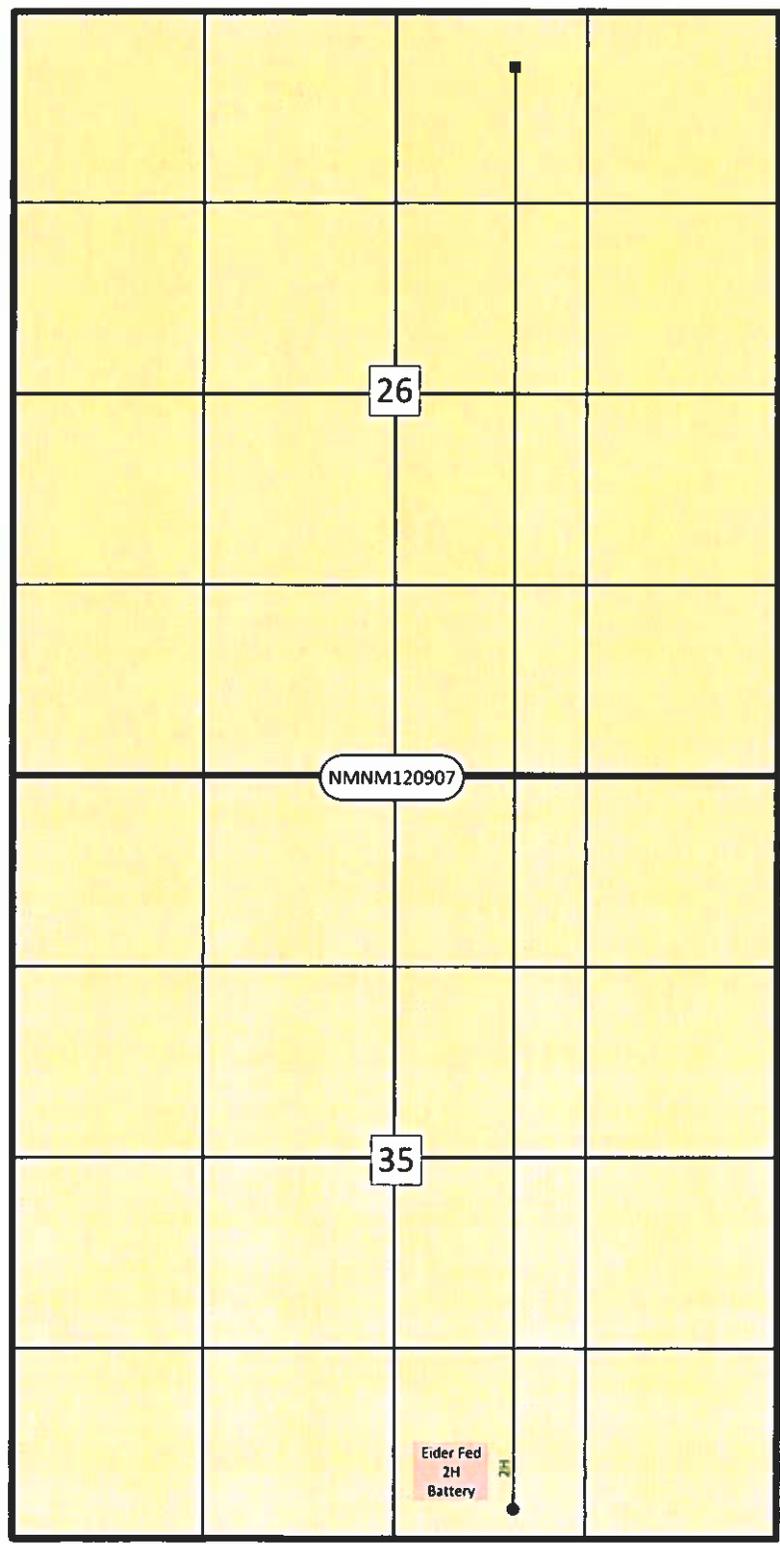
CONCHO ENERGY SERVICES
 600 WEST LUMAS AVENUE
 MIDLAND, TEXAS 79701

DATE: 06/22/18
 BY: JL
 CHK: JK
 APP: _____

SCALE: NONE
 WELLS: NONE
 TRUSS: NONE
 VALVES: NONE
 INSTRUMENTS: NONE

APP. NO.: EiderFed2H-Battery
 REV: D

Eider Federal 2H



- Proposed Lwr AV SH SHL
- Proposed Lwr AV SH BHL

Sec. 26, 35-T24S-R32E
 Lea County, NM





Matt Solomon
Staff Landman

January 29, 2021

RE: Off-Lease Measurement For The Eider Federal 2H

To Whom It Concerns:

My name is Matt Solomon, and I am the landman that oversees the captioned well COG Production LLC ("Concho").

Regarding the captioned well the following statement is true:

- 1) Concho owns 100% of the working interest.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "MS", written over a horizontal line.

Matt Solomon - CPL, J.D.
Staff Landman
432-685-4352 (o)
832-544-9492 (c)
msolomon@concho.com

| EIDER FEDERAL 2H | | | | | | | | | |
|------------------|----------|------|-----------------|-------|-------|---------|------------------------------|-----------|--|
| Date Sent | Initials | Name | Address | City | State | ZipCode | Certified Return Receipt No. | Delivered | |
| 01.29.21 | JB | BLM | 414 West Taylor | Hobbs | NM | 88240 | 7017 3040 0000 1206 4739 | | |

From: [Engineer, OCD, EMNRD](#)
To: [Jeanette Barron; Barron, Jeanette](#)
Cc: [McClure, Dean, EMNRD; Bratcher, Mike, EMNRD; Kautz, Paul, EMNRD; lisa@rwbyram.com; Glover, James; kparadis@blm.gov; Walls, Christopher](#)
Subject: Approved Administrative Order OLM-231
Date: Monday, February 22, 2021 4:41:11 PM
Attachments: [OLM231 Order.pdf](#)

NMOCD has issued Administrative Order OLM-231 which authorizes COG Production, LLC (217955) to surface commingle or off-lease measure, as applicable, the following wells:

| Well API | Well Name | Location (NMPM) | Pool Code |
|--------------|-------------------|-----------------|-----------|
| 30-025-41813 | Eider Federal #2H | O-35-24S-32E | 97964 |

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval.

Dean McClure
 Petroleum Engineer, Oil Conservation Division
 New Mexico Energy, Minerals and Natural Resources Department
 (505) 469-8211

Status
Delivered

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION FOR OFF-LEASE MEASUREMENT
SUBMITTED BY COG PRODUCTION, LLC**

ORDER NO. OLM-231

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having considered the application and the recommendation of the Engineering Bureau, issues the following Order.

FINDINGS OF FACT

1. COG Production, LLC (“Applicant”) submitted a complete application to off-lease measure the oil production ("Application") from the wells, pool, and lease identified in Exhibit A.
2. Applicant provided notice of the Application to all persons owning a working interest in the oil production to be off-lease measured in accordance with 19.15.23.9(A)(5) NMAC, and those persons either submitted a written waiver or did not file an objection to the Application.
3. Applicant provided notice of the Application to the Bureau of Land Management or New Mexico State Land Office, as applicable.

CONCLUSIONS OF LAW

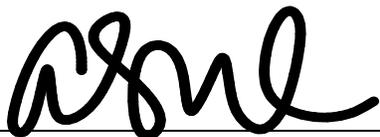
4. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, and 19.15.23 NMAC.
5. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9(A)(5) NMAC.
6. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

1. Applicant is authorized to off-lease measure oil production from the wells, pool, and lease identified in Exhibit A.
2. The oil production from the wells identified in Exhibit A shall be physically separated from the oil production from other wells and no commingling of production from different leases shall occur in accordance with 19.15.23.9(A)(3) NMAC and 19.15.23.9(A)(4) NMAC.
3. Applicant shall measure the commingled oil at a central tank battery described in Exhibit A in accordance with 19.15.18.15 NMAC or 19.15.23.8 NMAC.
4. Applicant shall calibrate the meters used to measure or allocate oil production in accordance with 19.15.12.10(C)(2) NMAC.

5. OCD retains jurisdiction and reserves the right to modify or revoke this Order if it is deemed necessary to prevent waste or protect correlative rights, public health, or the environment.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL
DIRECTOR**

AS/dm

DATE: _____ 2/22/2021 _____

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: OLM-231

Operator: COG Production, LLC (217955)

Central Tank Battery: Eider Federal 2H Battery

Central Tank Battery Location (NMPM): Unit O, Section 35, Township 24 South, Range 32 East

Central Tank Battery: Red Hills Offload Station

Central Tank Battery Location (NMPM): Unit O, Section 4, Township 26 South, Range 32 East

Central Tank Battery: Jal Offload Station

Central Tank Battery Location (NMPM): Unit D, Section 4, Township 26 South, Range 37 East

Gas Custody Transfer Meter Location (NMPM):

Pools

| Pool Name | Pool Code |
|--------------------------------------|-----------|
| WC-025 G-07 S243225C; LWR BONE SPRIN | 97964 |

Leases as defined in 19.15.12.7(C) NMAC

| Lease | Location (NMPM) |
|-------------|-------------------------------|
| NMNM 120907 | W/2 E/2 Sec 26 & 35 T24S-R32E |

Wells

| Well API | Well Name | Location (NMPM) | Pool Code | Train |
|--------------|-------------------|-----------------|-----------|-------|
| 30-025-41813 | Eider Federal #2H | O-35-24S-32E | 97964 | |

District I
 1625 N. French Dr., Hobbs, NM 88240
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District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 16245

CONDITIONS OF APPROVAL

| | | | | | |
|--------------------------------|--------------------|------------------|------------------|-------------------------|------------------------|
| Operator: COG OPERATING LLC | 600 W Illinois Ave | Midland, TX79701 | OGRID: 229137 | Action Number: 16245 | Action Type: C-107B |
|--------------------------------|--------------------|------------------|------------------|-------------------------|------------------------|

| | |
|--------------|--|
| OCD Reviewer | Condition |
| dmcclure | Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. |