



ConocoPhillips  
2208 West Main Street  
Artesia, New Mexico 88210  
www.conocophillips.com

May 7, 2021

Attn: Dean McClure  
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. McClure,

COG Operating LLC respectfully requests approval for off-lease measurement – Oil only for the following wells:

Barn Owl Federal 2H  
API# 30-015-42472  
Welch; Bone Spring  
Ut. B, Sec. 19-T26S-R27E  
Eddy County, NM

Barn Owl Federal 3H  
API# 30-015-41283  
Welch; Bone Spring  
Ut. N, Sec. 18-T26S-R27E  
Eddy 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.

Notifications have been sent to all working interest owners

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 and communization agreement application.

Thank you for your attention to this matter. If you have questions or need further information, please email me at [jeanette.barron@conocophillips.com](mailto:jeanette.barron@conocophillips.com) or call 575.748.6974.

Sincerely,

Jeanette Barron  
Regulatory Technician II

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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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

<b>Applicant:</b> COG Operating, LLC	<b>OGRID Number:</b> 229137
<b>Well Name:</b> Barn Owl Federal 2H & 3H	<b>API:</b> 30-015-42472 / 30-015-41283
<b>Pool:</b> WC-025 G-09 S243532M; WOLFBONE	<b>Pool Code:</b> 98098

**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

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

- 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

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

*Jeanette Barron*

Signature

4/30/21

Date

575-746-6974

Phone Number

jeanette.barron@conocophillips.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 Operating 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: 4/30/21

TYPE OR PRINT NAME Jeanette Barron TELEPHONE NO.: 575.748.6974

E-MAIL ADDRESS: jeanette.barron@conocophillips.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  
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, NM 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

<sup>1</sup> API Number 30-015-42472		<sup>2</sup> Pool Code 64010		<sup>3</sup> Pool Name Welch; Bone Spring	
<sup>4</sup> Property Code 39841		<sup>5</sup> Property Name Barn Owl Federal			<sup>6</sup> Well Number 2H
<sup>7</sup> OGRID No. 229137		<sup>8</sup> Operator Name COG Operating LLC			<sup>9</sup> Elevation 3319' GR

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	19	26S	27E		520	North	1450	East	Eddy

<sup>11</sup> Bottom Hole Location If Different From Surface

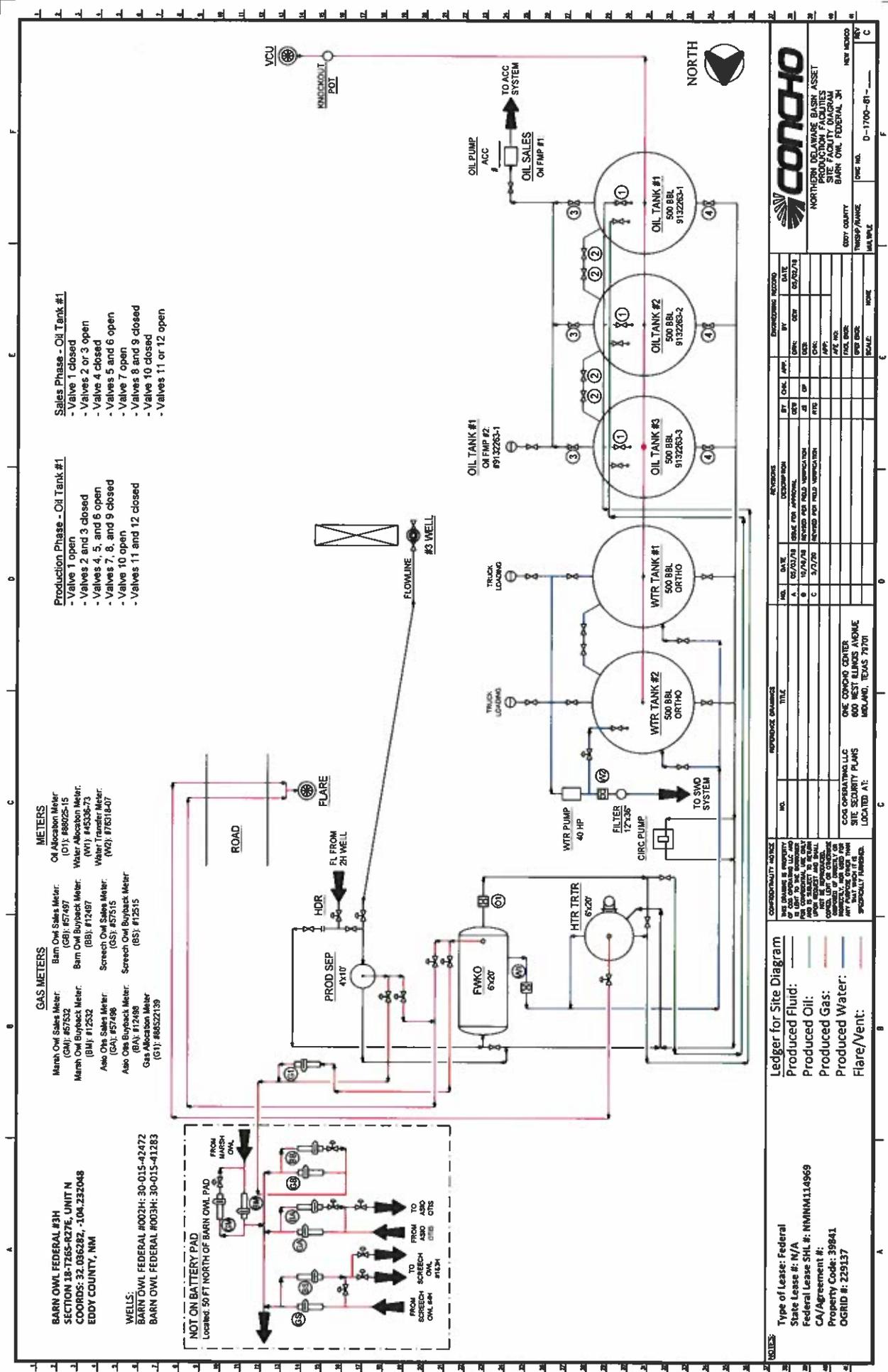
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	18	26S	27E		334	North	1894	East	Eddy

<sup>12</sup> Dedicated Acres 160	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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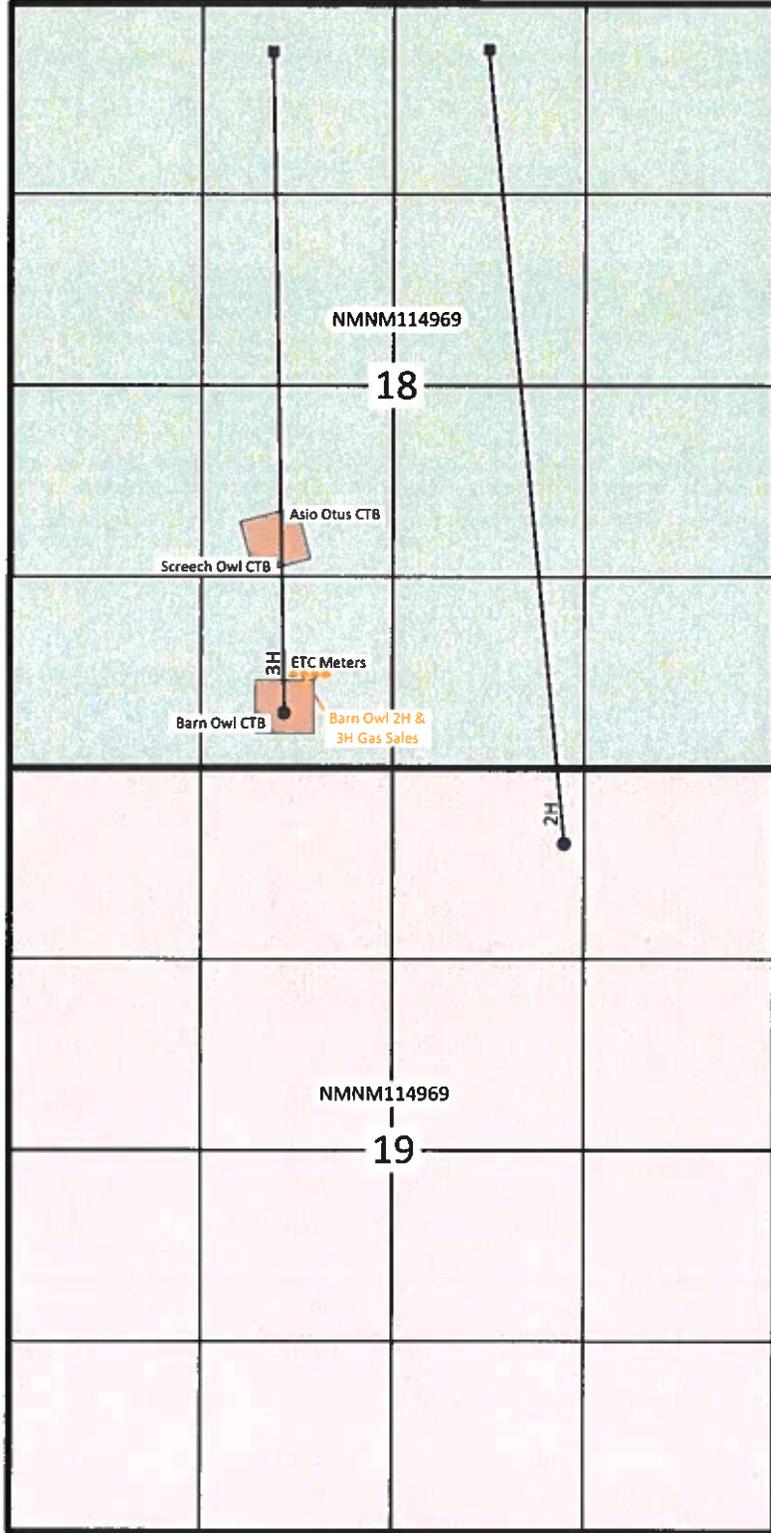
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p><sup>16</sup></p>	<p><sup>17</sup> OPERATOR CERTIFICATION</p> <p><i>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.</i></p> <p><i>Jeanette Barron</i> 4/30/21 Signature Date</p> <p>Jeanette Barron Printed Name</p> <p>Jeanette.barron@conocophillips.com E-mail Address</p>
	<p><sup>18</sup> SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>REFER TO ORIGINAL PLAT</p>
	<p>Certificate Number</p>





# Barn Owl Wells



- Existing BS SHL
- Existing BS BHL

Sec. 18, 19-T26S-R27E  
Eddy County, NM

# BARN OWL FEDERAL 2H & 3H

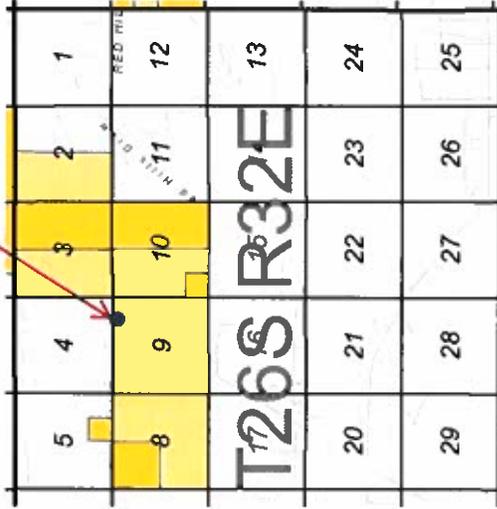


# Barn Owl Federal 2H & 3H & Red Hills and Jal Offload Station Map

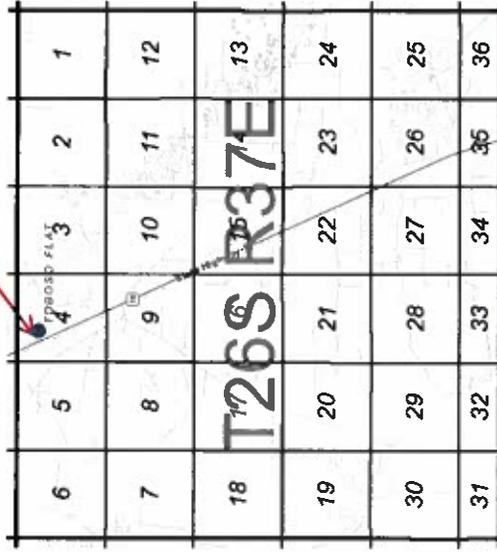
Barn Owl Federal 2H & 3H  
Eddy County, NM



Red Hills Offload Station  
Lea County, NM



Jal Offload Station  
Lea County, NM





Lizzy Laufer  
Landman II

April 30, 2021

Re: **Off-Lease Measurement for the Barn Owl Federal #2H and #3H (the "Wells")**

To Whom It May Concern:

My name is Lizzy Laufer, and I am the landman that oversees the above referenced Well at COG Operating LLC ("COG"). COG is the only working interest owner in the above referenced Wells.

Sincerely,

**COG OPERATING LLC**

A handwritten signature in black ink that reads "E. Laufer".

Lizzy Laufer  
Landman II  
432-221-0470 (o)  
432-888-1002 (c)

Barn Owl Fed 2H & 3H									
Date Sent	Initials	Name	Address	City	State	ZipCode	Certified Return Receipt No.	Delivered	
	JB	BLM	620 E. Green Street	Carlsbad	NM	88220	7017 3040 0000 1205 1654		

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

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

**ORDER NO. OLM-245**

**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 Operating, 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, except as otherwise provided in order(s) issued by OCD.
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:** 5/27/2021

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit A

**Order: OLM-245**  
**Operator: COG Operating, LLC (229137)**  
**Central Tank Battery: Barn Owl Federal 3H Battery**  
**Central Tank Battery Location: Unit N, Section 18, Township 26 South, Range 27 East**  
**Central Tank Battery: Red Hills Offload Station**  
**Central Tank Battery Location: Unit O, Section 4, Township 26 South, Range 32 East**  
**Central Tank Battery: Jal Offload Station**  
**Central Tank Battery Location: Unit D, Section 4, Township 26 South, Range 37 East**  
**Gas Custody Transfer Meter Location:**

### Pools

Pool Name	Pool Code
WELCH; BONE SPRING	64010

### Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
NMNM 114969	All	18-26S-27E

### Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool Code
30-015-42472	Barn Owl Federal #2H	W/2 E/2	18-26S-27E	64010
30-015-41283	Barn Owl Federal #3H	E/2 W/2	18-26S-27E	64010

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

CONDITIONS  
 Action 27266

**CONDITIONS**

Operator: COG OPERATING LLC 600 W Illinois Ave Midland, TX 79701	OGRID: 229137
	Action Number: 27266
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

**CONDITIONS**

Created By	Condition	Condition Date
dmcclore	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval.	5/28/2021