



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

July 27, 2021

Attn: Dean McClure
NM Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application for Administrative Approval of Surface Commingle

Dear Mr. McClure,

COG Operating LLC respectfully requests approval for surface commingling for the following wells:

Dump Yard 2 State 1H
API# 30-015-42433
Fenton; Bone Spring, NE
Ut. M, Sec. 2-T21S-R28E
Eddy County, NM

Dump Yard 2 State 2H
API# 30-015-42518
Fenton; Bone Spring, NE
Ut. N, Sec. 2-T21S-R28E
Eddy County, NM

Oil Production:

The oil production from all wells will be measured separately by allocation meter prior to being commingled at the Central Tank Battery located in Ut. N, Sec. 2-T21S-R28E. In the event the CTB is over capacity or in the case of battery or pipeline repairs 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 this case, the oil will remain segregated and will be measured by lact meter when offloading at said stations.

Gas Production:

The gas production from the two wells will be measured separately by subtraction method. Dump Yard 2 State 2H will be measured by an allocation meter prior to being commingled with the Dump Yard 2 State 1H at the gas sales meter located in Ut. N, Sec. 2 -T21S-R28E.

Due to different ownership between the two wells all owners of interest have been notified by certified mail that should they have an objection to this surface commingling, they must file a formal protest with the NMOCD within 20 days of the date of this application. Proof of owner notification is enclosed.

Please see the enclosed Administrative Application Checklist, C-107B Application for Surface Commingling, plats for referenced wells, site facility diagram, maps with lease boundaries showing wells and facility locations, also enclosed is production history.

Thank you for your attention to this matter.

Sincerely,

Jeanette Barron
Regulatory Coordinator

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

Applicant: <u>COG Operating, LLC</u>	OGRID Number: <u>229137</u>
Well Name: <u>Dump Yard 2 State 1H & 2H</u>	API: <u>30-015-42433 / 30-015-42518</u>
Pool: <u>Fenton; Bone Spring, NE</u>	Pool Code: <u>24310</u>

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

Jeanette Barron
Signature

7/28/21
Date

575-746-6974
Phone Number

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 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. 24310 Fenton, Bone Spring, NE
(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) By subtraction method

(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: _____ TITLE: Regulatory Coordinator DATE: 7/28/29

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

¹ API Number 30-015-42433		² Pool Code 24310		³ Pool Name Fenton; Bone Spring, NE	
⁴ Property Code 313355		⁵ Property Name Dump Yard 2 State			⁶ Well Number 1H
⁷ OGRID No. 229137		⁸ Operator Name COG Operating LLC			⁹ Elevation 3375'

¹⁰ Surface Location

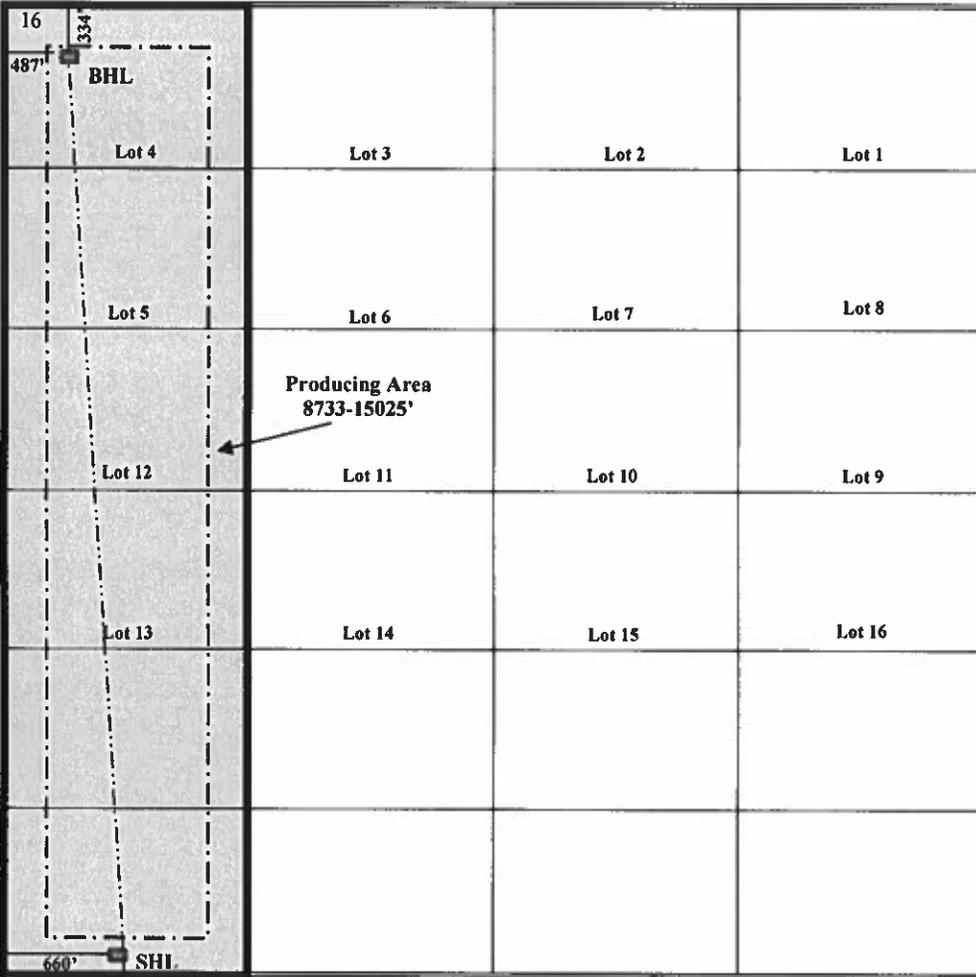
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	2	21S	28E		190	South	660	West	Eddy

¹¹ 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
4	2	21S	28E		334	North	487	West	Eddy

¹² Dedicated Acres 227.09	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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.



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 hereinafter entered by the division.

Jeanette Barron 7/28/21
 Signature Date
 Jeanette Barron
 Printed Name
 jbaron@concho.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.

Date of Survey
 Signature and Seal of Professional Surveyor:
REFER TO ORIGINAL PLAT
 Certificate Number

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone: (575) 393-6161 Fax: (575) 393-0720
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 811 S. First St., Artesia, NM 88210
 Phone: (575) 748-1283 Fax: (575) 748-9720
District III
 1000 Rio Brazos Road, Aztec, NM 87410
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District IV
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 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

¹ API Number 30-015-42518		² Pool Code 24310		³ Pool Name Fenton; Bone Spring, NE	
⁴ Property Code 313355		⁵ Property Name Dump Yard 2 State			⁶ Well Number 2H
⁷ OGRID No. 229137		⁸ Operator Name COG Operating LLC			⁹ Elevation 3376'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	2	21S	28E		190	South	1700	West	Eddy

¹¹ 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
3	2	21S	28E		471	North	1687	West	Eddy

¹² Dedicated Acres 227.07	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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>16</p>	<p>¹⁷ 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> 7/28/21 Signature Date</p> <p>Jeanette Barron Printed Name</p> <p>jbarron@concho.com E-mail Address</p>
	<p>¹⁸ 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 Signature and Seal of Professional Surveyor:</p>
	<p>REFER TO ORIGINAL PLAT</p>
	<p>Certificate Number</p>

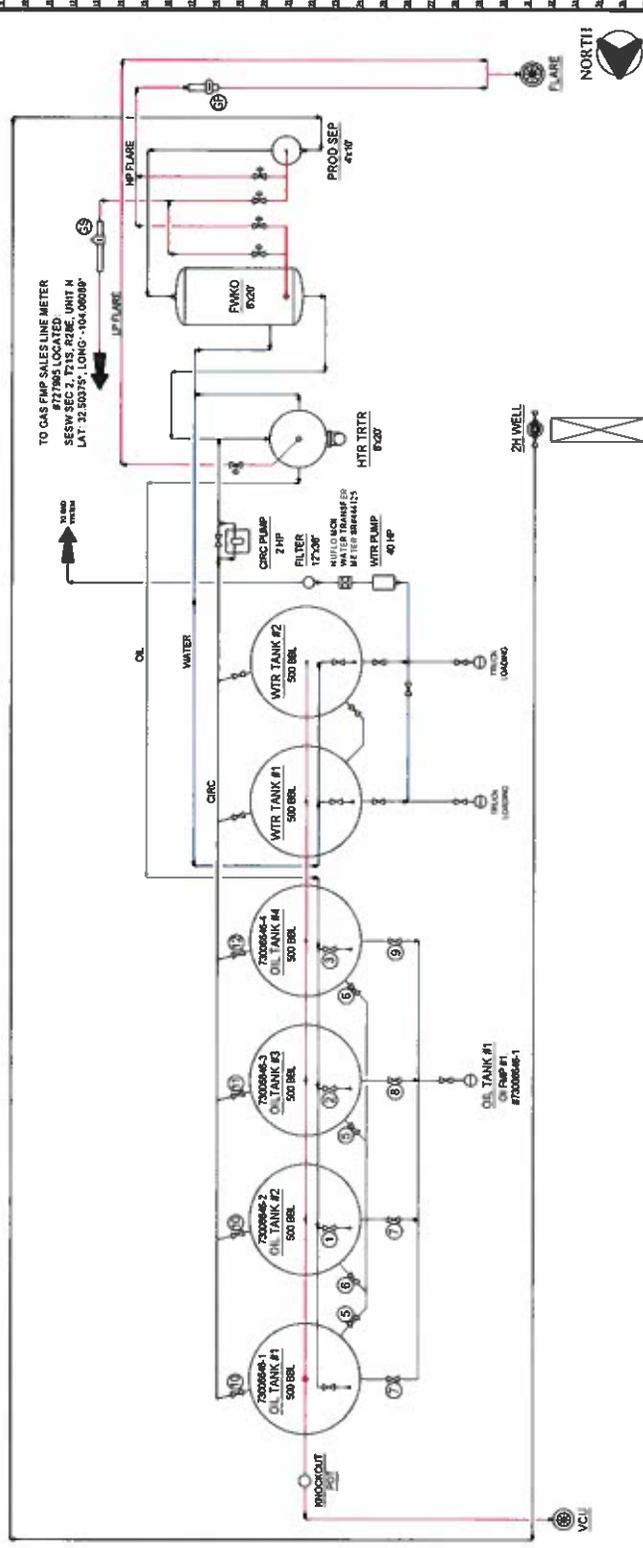
DUMP YARD 2 STATE 2H BATTERY
 SESW SECTION 2, T21S, R28E, UNIT N
 COORDS: 32.502798°, -104.059841°
 EDDY COUNTY, NM

WELLS:
 DUMP YARD 2 STATE #002H: 30-015-42518

GAS METER
 Pines Gas Meter
 ALLOC: 1004.024 Meter
 COS: #15202298

Production Phase - Oil Tank #1
 - Valve 1 open
 - Valves 2 and 3 sealed closed
 - Valves 4, 5, and 6 open
 - Valves 7, 8, and 9 sealed closed
 - Valves 10, 11, and 12 sealed closed

Sales Phase - Oil Tank #1
 - Valve 1 sealed closed
 - Valves 2 or 3 open
 - Valve 4 sealed closed
 - Valves 5 and 6 open
 - Valve 7 open
 - Valves 8 and 9 sealed closed
 - Valves 10, 11, and 12 sealed closed



NOTES:

Type of Lease: State
 State Lease #: VB1833
 Property Code: 313355
 OGRID #: 228137

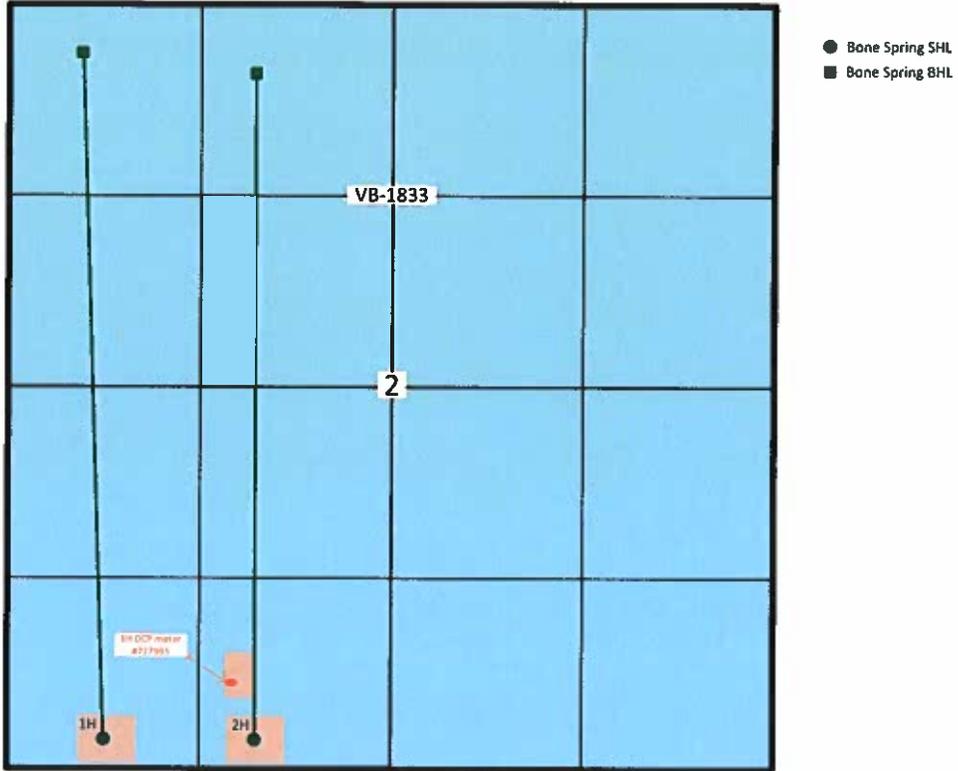
Ledger for Site Diagram

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

NO.	DATE	DESCRIPTION	BY	CHKD	DATE
1	10/29/21	INSTALL FOR NEW OIL TANKS	RTG		10/29/21
2	03/09/21	INSTALL FOR NEW OIL TANKS	RTG		03/09/21

CONCHO
 NORTHERN DELAWARE BASIN ASSET
 PRODUCTION FACILITIES
 DUMP YARD 2 STATE 2H BATTERY
 EDDY COUNTY, NM
 MAP NO. 0-1700-81-000

Dump Yard State Wells



Sec. 2-T21S-R28E
Eddy County, NM

Dump Yard 2 State 1H & 2H

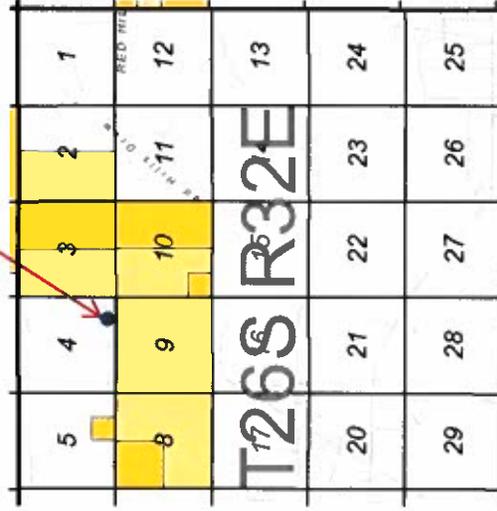


Dump Yard 2 State 1H & 2H & Red Hills and Jal Offload Station Map

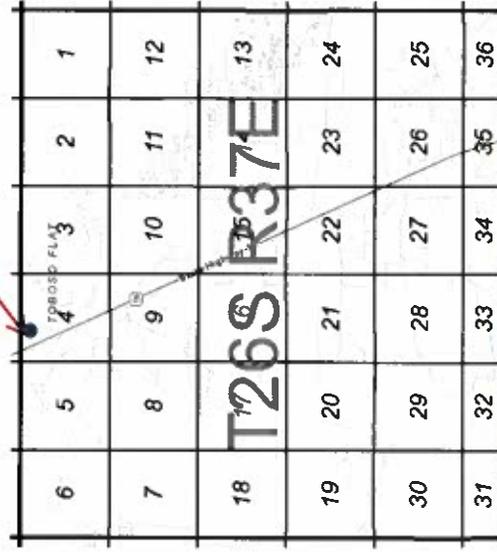
Dump Yard 2 State 1H & 2H
Eddy County, NM



Red Hills Offload Station
Lea County, NM



Jal Offload Station
Lea County, NM



Production Summary Report											
API: 30-015-42433											
DUMP YARD 2 STATE #001H											
Printed On: Friday, July 23 2021											
		Production					Injection				
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I	Water(BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure
2020	[24310] FENTON;BONE SPRING, NORTHEAST	Dec	638	2751	1784	31	0	0	0	0	0
2021	[24310] FENTON;BONE SPRING, NORTHEAST	Jan	741	2918	2265	31	0	0	0	0	0
2021	[24310] FENTON;BONE SPRING, NORTHEAST	Feb	620	2690	2353	28	0	0	0	0	0
2021	[24310] FENTON;BONE SPRING, NORTHEAST	Mar	782	2893	2425	30	0	0	0	0	0
2021	[24310] FENTON;BONE SPRING, NORTHEAST	Apr	750	2620	2531	30	0	0	0	0	0
2021	[24310] FENTON;BONE SPRING, NORTHEAST	May	608	2489	1568	31	0	0	0	0	0

Production Summary Report											
API: 30-015-42518											
DUMP YARD 2 STATE #002H											
Printed On: Friday, July 23 2021											
		Production					Injection				
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I	Water(BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure
2020	[24310] FENTON;BONE SPRING, NORTHEAST	Dec	0	1288	0	4	0	0	0	0	0
2021	[24310] FENTON;BONE SPRING, NORTHEAST	Jan	129	1935	6	8	0	0	0	0	0
2021	[24310] FENTON;BONE SPRING, NORTHEAST	Feb	180	1530	0	6	0	0	0	0	0
2021	[24310] FENTON;BONE SPRING, NORTHEAST	Mar	209	1723	0	10	0	0	0	0	0
2021	[24310] FENTON;BONE SPRING, NORTHEAST	Apr	140	1370	0	5	0	0	0	0	0
2021	[24310] FENTON;BONE SPRING, NORTHEAST	May	224	1525	0	5	0	0	0	0	0

Dump Yard 2 ST 1H & 2H CTB

Date Sent	Initials	Name	Address	City	State	ZipCode	Certified Return Receipt No.	Delivered
07.27.21	JB	Alasco Oil & Gas Inc	302 W Tilden	Roswell	NM	88203	7017 3040 0000 1206 3695	
07.27.21	JB	Bane Bigbie & Melanie Bigbie	PO Box 998	Ardmore	OK	73402	7017 3040 0000 1206 3701	
07.27.21	JB	Barbe Development LLC	PO Box 2107	Roswell	NM	88202	7017 3040 0000 1206 3718	
07.27.21	JB	Charmer LLC	4815 Vista Del Oso Court NE	Albuquerque	NM	87109	7017 3040 0000 1206 3725	
07.27.21	JB	Commissioner of Public Lands	PO Box 1148	Santa Fe	NM	87504	7017 3040 0000 1206 3732	
07.27.21	JB	Don Grady & Sally Grady	PO Box 30801	Albuquerque	NM	87190	7017 3040 0000 1206 3749	
07.27.21	JB	Duane Brown	706 W Apache Drive	Yuma	CO	80759	7017 3040 0000 1206 3756	
07.27.21	JB	Hutchings Oil Company	PO Box 1216	Albuquerque	NM	87103	7017 3040 0000 1206 3763	
07.27.21	JB	Innovations Inc	PO Box 40	Cedar Crest	NM	87008	7017 3040 0000 1206 3770	
07.27.21	JB	Jacks Peak LLC	PO Box 294928	Kerville	TX	78029	7017 3040 0000 1206 3787	
07.27.21	JB	Leonard Legacy Royalty LLC	PO Box 3422	Midland	TX	79702	7017 3040 0000 1206 3794	
07.27.21	JB	Levi Oil & Gas LLC	PO Box 568	Artesia	NM	88211	7017 3040 0000 1206 3800	
07.27.21	JB	LML Properties LLC	PO Box 3194	Boulder	CO	80307	7017 3040 0000 1206 3817	
07.27.21	JB	Long LLC	215 South State Street, Suite 100	Salt Lake City	UT	84111	7017 3040 0000 1206 3824	
07.27.21	JB	Markel Investments, LLC	605 W Country Club Drive	Roswell	NM	88201	7017 3040 0000 1206 3831	
07.27.21	JB	Miller & Dastarac, Inc	2308 Sierra Vista Rd	Artesia	NM	88210	7017 3040 0000 1206 3848	
07.27.21	JB	Mitchell Exploration Inc	6212 Homestead Blvd	Midland	TX	79707	7017 3040 0000 1206 3855	
07.27.21	JB	Monarch Oil & Gas Inc	302 W Tilden	Roswell	NM	88203	7017 3040 0000 1205 1906	
07.27.21	JB	Natalie V Hanagan	1922 18th Avenue West	Williston	ND	58801	7017 3040 0000 1205 1913	
07.27.21	JB	Panhandle Properties LLC	PO Box 647	Artesia	NM	88211	7017 3040 0000 1205 1920	
07.27.21	JB	Petrolux, Inc	302 W Tilden	Roswell	NM	88203	7017 3040 0000 1205 1937	
07.27.21	JB	Premier Oil and Gas, Inc	PO Box 837205	Richardson	TX	75083	7017 3040 0000 1205 1944	
07.27.21	JB	Real Time Zone Inc	PO Box 1834	Roswell	NM	88202	7017 3040 0000 1205 1951	
07.27.21	JB	Regeneration Energy Corporation	PO Box 210	Artesia	NM	88211	7017 3040 0000 1205 1968	
07.27.21	JB	Ronadero Company Inc	PO Box 746	Big Horn	WY	82833	7017 3040 0000 1205 1975	
07.27.21	JB	Southwest Petroleum Land Services LLC	1901 W. 4th Street	Roswell	NM	88201	7017 3040 0000 1205 1982	
07.27.21	JB	Stephen T Mitchell & Rosa Mitchell	6212 Homestead Blvd	Midland	TX	79707	7017 3040 0000 1205 1999	
07.27.21	JB	Surf Oil & Gas, Inc	302 W Tilden	Roswell	NM	88203	7017 3040 0000 1205 2002	
07.27.21	JB	The Allar Company	PO Box 1567	Graham	TX	76450	7017 3040 0000 1205 2019	

From: [Stephen Mitchell](#)
To: [Barron, Jeanette](#)
Subject: [EXTERNAL]Re: Dump Yard 2 St 1H & 2H
Date: Monday, August 16, 2021 9:38:06 AM

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hello Jeanette,

I have reviewed the attached document outlining the Surface Commingling of the Dump Yard wells in section 2-T21S-R28E. Stephen and Rosa Mitchell, and Mitchell Exploration approve the referenced proposal. Please let me know if you require any additional confirmation.

Sincerely,

Stephen T Mitchell and Rosa E Mitchell

On Mon, Aug 16, 2021 at 9:25 AM Barron, Jeanette <Jeanette.Barron@conocophillips.com> wrote:

Hello Mr. Mitchell,

Thanks for returning my call. Due to you Stephan Mitchell and Mitchell Exploration not receiving the certified copies of this proposal that was mailed out on July 27th, 2021 regarding the Dump Yard wells please except this copy for you records. If you would please reply to this email should you or Mitchell Exploration approve or have any objections to this proposal...thank you!

Have a great week!

Thank you,

Jeanette Barron | Regulatory Coordinator, Delaware Basin NM Regulatory
| **ConocoPhillips**

O: 575-748-6974 | C: 575-703-7411 | 2208 W. Main Street, Artesia, New Mexico

From: [Barron, Jeanette](#)
To: [Lisa Durban](#)
Subject: RE: [EXTERNAL]Re: Dump Yard 2 St 1H & 2H

Thank you Lisa for the quick response. Have a great day!

Thank you,

Jeanette Barron | Regulatory Coordinator, Delaware Basin NM Regulatory | **ConocoPhillips**
O: 575-748-6974 | C: 575-703-7411 | 2208 W. Main Street, Artesia, New Mexico

From: Lisa Durban <lldurban@yahoo.com>
Sent: Monday, August 16, 2021 11:40 AM
To: Barron, Jeanette <Jeanette.Barron@conocophillips.com>
Subject: [EXTERNAL]Re: Dump Yard 2 St 1H & 2H

CAUTION:This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

I approve this proposal.
Lisa Durban
LML Properties,LLC

[Sent from Yahoo Mail for iPhone](#)

On Monday, August 16, 2021, 10:40 AM, Barron, Jeanette <Jeanette.Barron@conocophillips.com> wrote:

Hello Lisa

Thanks for returning my call. Due to LML Properties LLC not receiving the certified copies of this proposal that was mailed out on July 27th, 2021 regarding the Dump Yard wells please except this copy for you records. If you would please reply to this email should LML Properties LLC approve or have any objections to this proposal...thank you!

Have a great week!

Thank you,

Jeanette Barron | Regulatory Coordinator, Delaware Basin NM Regulatory
| **ConocoPhillips**

O: 575-748-6974 | C: 575-703-7411 | 2208 W. Main Street, Artesia, New Mexico

From: [Engineer, OCD, EMNRD](#)
To: [Barron, Jeanette](#)
Cc: [McClure, Dean, EMNRD](#); [Simmons, Kurt, EMNRD](#); [Bratcher, Mike, EMNRD](#); [Hawkins, James, EMNRD](#); [Powell, Brandon, EMNRD](#); lisa@rwbyram.com; [Holm, Anchor E.](#); [Dawson, Scott](#)
Subject: Approved Administrative Order CTB-1004
Date: Friday, August 27, 2021 10:21:39 AM
Attachments: [CTB1004 Order.pdf](#)

NMOCD has issued Administrative Order CTB-1004 which authorizes COG Operating, LLC (229137) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool Code
30-015-42433	Dump Yard 2 State #1H	W/2 W/2	2-21S-28E	24310
30-015-42518	Dump Yard 2 State #2H	E/2 W/2	2-21S-28E	24310

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. If you have any questions regarding this matter, please contact me.

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Notice

Order: CTB-1004

Operator: COG Operating, LLC (229137)

Publication Date:

Submittal Date: 7/28/2021

Noticed Persons

Date	Person	Certified Tracking Number	Status
7/29/2021	Alasco Oil & Gas Inc	7017 3040 0000 1206 3695	Delivered
8/2/2021	Bane Bigbie & Melanie Bigbie	7017 3040 0000 1206 3701	Delivered
7/29/2021	Barbe Development LLC	7017 3040 0000 1206 3718	Delivered
7/30/2021	CharmarLLC	7017 3040 0000 1206 3725	Delivered
7/20/2021	Commissioner of Public Lands	7017 3040 0000 1206 3732	Delivered
8/3/2021	Don Grady & Sally Grady	7017 3040 0000 1206 3749	Delivered
7/31/2021	Duane Brown	7017 3040 0000 1206 3756	Delivered
7/30/2021	HU1chings Oil Company	7017 3040 0000 1206 3763	Delivered
8/2/2021	Innoventions Inc	7017 3040 0000 1206 3770	Delivered
8/2/2021	Jacks Peak LLC	7017 3040 0000 1206 3787	Delivered
7/30/2021	Leonard legacy Royalty LLC	7017 3040 0000 1206 3794	Delivered
8/2/2021	Levi Oil & Gas LLC	7017 3040 0000 1206 3800	Delivered
	LML Properties LLC	7017 3040 0000 1206 3817	Returned
7/31/2021	Long LLC	7017 3040 0000 1206 3824	Delivered
7/29/2021	Markel Investments, LLC	7017 3040 0000 1206 3831	Delivered
7/29/2021	Miller & Dastarac, Inc	7017 3040 0000 1206 3848	Delivered
8/3/2021	Mitchell Exploration Inc	7017 3040 0000 1206 3855	In Transit
7/29/2021	Monarch Oil & Gas Inc	7017 3040 0000 1205 1906	Delivered
7/31/2021	Natalie V Hanagan	7017 3040 0000 1205 1913	Delivered
7/30/2021	Panhandle Properties LLC	7017 3040 0000 1205 1920	Delivered
7/29/2021	Petrolux, Inc	7017 3040 0000 1205 1937	Delivered
8/2/2021	Premier Oil and Gas. Inc	7017 3040 0000 1205 1944	Delivered
7/29/2021	Real Time Zone Inc	7017 3040 0000 1205 1951	Delivered
7/29/2021	Regeneration Energy Corpora	7017 3040 0000 1205 1968	Delivered
8/5/2021	Ronadero Company Inc	7017 3040 0000 1205 1975	Delivered
7/29/2021	Southwest Petroleum Land Services LLC	7017 3040 0000 1205 1982	Delivered
8/3/2021	Stephen T Mitchell & Rosa Mitchell	7017 3040 0000 1205 1999	In Transit
7/29/2021	Surf Oil & Gas, Inc	7017 3040 0000 1205 2002	Delivered
7/30/2021	The Allar Company	7017 3040 0000 1205 2019	Delivered
Emails sent on 8/16/2021			
8/16/2021	LML Properties LLC	Notice via Email	Approved
8/16/2021	Mitchell Exploration Inc	Notice via Email	Approved
8/16/2021	Stephen T Mitchell & Rosa Mitchell	Notice via Email	Approved

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

**APPLICATION FOR SURFACE COMMINGLING
SUBMITTED BY COG OPERATING, LLC**

ORDER NO. CTB-1004

ORDER

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

FINDINGS OF FACT

1. COG Operating, LLC (“Applicant”) submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells identified in Exhibit A (“Application”).
2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
3. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7(B) NMAC.
4. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
5. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.

CONCLUSIONS OF LAW

6. 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, 70-2-16, and 70-2-17, 19.15.12 NMAC, and 19.15.23 NMAC.
7. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10(A)(2), (C)(4)(c), and (C)(4)(e) NMAC, as applicable.
8. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9(A)(5) and (6) NMAC, as applicable.
9. Applicant’s proposed method of allocation, as modified herein, complies with 19.15.12.10(B)(1) or (C)(1) NMAC, as applicable.

10. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10(B)(3) and (C)(4)(h) NMAC.
11. 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 surface commingle oil and gas production from the pools, leases, and wells identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery described in Exhibit A.

2. The oil production for each well identified in Exhibit A shall be separated and metered prior to commingling.

Gas production for Dump Yard 2 State Well No. 2H (30-015-42518) shall be allocated using allocation meters.

The gas production allocated to Dump Yard 2 State Well No. 1H (30-015-42433) shall be equal to the total commingled gas production minus the gas production allocated to Dump Yard 2 State Well No. 2H (30-015-42518).

3. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15 NMAC or 19.15.23.8 NMAC.
4. Applicant shall measure and market the commingled gas at a central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9 NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8(B) NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8(E) NMAC.
5. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10(C)(2) NMAC.
6. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
7. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.

8. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
9. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL
DIRECTOR**

DATE: 8/26/2021

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **CTB-1004**
 Operator: **COG Operating, LLC (229137)**
 Central Tank Battery: **Dump Yard 2 State 1H Battery**
 Central Tank Battery Location: **Unit M, Section 2, Township 21 South, Range 28 East**
 Central Tank Battery: **Dump Yard 2 State 2H Battery**
 Central Tank Battery Location: **Unit N, Section 2, Township 21 South, Range 28 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 Title Transfer Meter Location: **Unit N, Section 2, Township 21 South, Range 28 East**

Pools

Pool Name	Pool Code
FENTON; BONE SPRING, NORTHEAST	24310

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
VB 01830003	W/2	2-21S-28E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-42433	Dump Yard 2 State #1H	W/2 W/2	2-21S-28E	24310
30-015-42518	Dump Yard 2 State #2H	E/2 W/2	2-21S-28E	24310

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 Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 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 38653

CONDITIONS

Operator: COG OPERATING LLC 600 W Illinois Ave Midland, TX 79701	OGRID: 229137
	Action Number: 38653
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By	Condition	Condition Date
dmcclosure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	8/27/2021