

| | | | | | |
|----------------------|----------|-----------------|------------------------|-------------|----------------------------|
| 9/27/2014 DATE IN | SUSPENSE | MAM ENGINEER | 5/27/2014 LOGGED IN | CTB TYPE | PMAM/14/4748302 APP NO. |
|----------------------|----------|-----------------|------------------------|-------------|----------------------------|

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- 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

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]

[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]

[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]

[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]

[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]

[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication

☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement

☐ DHC ☒ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

Tarpan 33 Fee

#1H API# 30-015-40056

#2H API# 30-015-40057

#3H API# 30-015-40122

#4H API# 30-015-41662

Sherman 4 Fee 10H

API# 30-015-42152

CTB
- Concho operating
224137

Pool
- Atok, Glomieto -
Yes
325

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

[A] ☒ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

RECEIVED
OCD
SEP 27 A 9:31

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **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.

Caden Jameson

Print or Type Name

Signature

Permitting Specialist

Title

4/28/14

Date

cjameson@concho.com

e-mail Address

May 20, 2014

COG Operating, LLC
Caden Jameson
One Concho Center
600 W. Illinois Avenue
Midland, Texas 79701

RECEIVED OGD

2014 MAY 27 AM 9:34

New Mexico Oil Conservation Division
Richard Ezeanyim
1220 S St. Francis Drive
Santa Fe, New Mexico 87505

RE: Surface Commingle

Dear Mr. Ezeanyim,

COG Operating LLC respectfully requests approval for a surface commingle for the following oil and gas wells:

Tarpan 33 FEE 1H
Eddy County, NM
API # 30-015-40056
Surface: 150 FSL & 380 FWL, Sec 33,
T18S, R26E, Unit M

Tarpan 33 Fee 2H
Eddy County, NM
API # 30-015-40057
Surface: 150 FSL & 1040 FWL, Sec 33
T18S, R26E, Unit A

Tarpan 33 Fee 3H
Eddy County, NM
API #: 30-015-40122
Surface: 150 FSL & 1700 FWL, Sec 33
T18S, R26E, Unit A

Sherman 4 FEE 10H
Eddy County, NM
API # 30-015-42152
Surface: 150 FSL & 330 FWL, Sec 33,
T18S, R26E, Unit M

Tarpan 33 Fee 4H
Eddy County, NM
API # 30-015-41662
Surface: 150' FSL & 2310 FWL
T18S, R26E, Unit A

The current COG Operating LLC Tarpan 33 Fee 1H battery consists of three wells including the Tarpan 33 Fee 1H, Tarpan 33 Fee 2H, and the Tarpan 33 Fee 3H. The request is to send production from the Sherman 4 Fee 10H into the existing Tarpan 33 Fee 1H battery. The Sherman 4 Fee 10H is not currently a producing well.

The wells listed above will produce to a tank battery located on the Tarpan 33 Fee 1H well site operated by COG Operating LLC. Production will be separated using an isolated Three Phase, Free Water Knockout to meter oil, water, and gas set upstream of all sale points, holding tanks, and water tank. Monthly production totals and weekly well tests will be calculated using calibrated meters on the Free Water Knockout.

I have attached proof of notice to all of our working interest owners, a diagram of our battery facility, and a map with communitized boundaries showing all well and facility locations.

Please contact me at 432-254-5559 should you have any questions.

Sincerely,



Caden Jameson
Permitting Specialist
COG Operating LLC

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: One Concho Center, 600 W. Illinois Ave, Midland, TX 79707
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. Atoka; Glorieta-Yeso
(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: Caden Jameson TITLE: Permitting Specialist DATE: 5/20/14
TYPE OR PRINT NAME Caden Jameson TELEPHONE NO.: 432-234-5559
E-MAIL ADDRESS: cjameson@concho.com

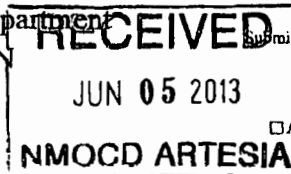
DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

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
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, New Mexico 87505



Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|----------------------------|-------------------------------------|-----------------------------------|
| API Number 30-015-40056 | Pool Code 3250 | Pool Name Atoka; Glorieta-Yeso |
| Property Code 39124 | Property Name TARPAN 33 FEE | Well Number 1H |
| OGRID No. 229137 | Operator Name COG OPERATING, LLC | Elevation 3376' |

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 | 33 | 18-S | 26-E | | 150 | SOUTH | 890 | WEST | EDDY |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| D | 33 | 18-S | 26-E | | 332 | NORTH | 377 | WEST | EDDY |

| | | | |
|------------------------|-----------------|--------------------|-----------|
| Dedicated Acres 160 | Joint or Infill | Consolidation Code | 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

| | | |
|--|---|--|
| | <p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Chasity Jackson</i> 11/19/12 Signature Date</p> <p>Chasity Jackson Printed Name</p> <p>cjackson@concho.com E-mail Address</p> | |
| | <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>APRIL 5, 2012</p> <p>Date of Survey</p> <p>Signature & Seal of Professional Surveyor:</p> <p><i>Ronald J. Eidson</i> Ronald J. Eidson 3239 Certificate Number 12641 Professional Surveyor AF WSC W.O.: 12.11.0740</p> | <p>GEODETIC COORDINATES NAD 27 NME</p> <p>SURFACE LOCATION Y=617388.5 N X=481863.2 E</p> <p>LAT.=32.697285° N LONG.=104.392291° W</p> <p>BOTTOM HOLE LOCATION Y=622233.2 N X=481345.0 E</p> |
| | <p>CORNER COORDINATES TABLE</p> <p>① - Y=622564.8 N, X=480964.6 E</p> <p>② - Y=622558.9 N, X=482293.1 E</p> <p>③ - Y=617232.9 N, X=480973.6 E</p> <p>④ - Y=617241.1 N, X=482293.4 E</p> | |
| | <p>HORIZ. DIST.=4873.7'</p> <p>GRID. AZ.=353°53'42"</p> <p>890'</p> <p>150'</p> | |

DISTRICT I
1635 N. Fourth Dr., Hobbs, NM 88240
Phone: (505) 393-6161 Fax: (505) 393-6720

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone: (505) 748-1283 Fax: (505) 748-9720

DISTRICT III
1000 Rio Tuzas 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, New Mexico 87505

Form C-102

Revised August 1, 2011

Submit one copy to appropriate District Office

RECEIVED

DEC 30 2013

RECOMMENDED REPORT

NMOCD ARTESIA

WELL LOCATION AND ACREAGE DEDICATION

| | | |
|-----------------------------------|--|--|
| API Number 30-015-40057 | Pool Code 3250 | Pool Name Atoka; Glorieta Yeso |
| Property Code | Property Name TARPAN 33 FEE | Well Number 2H |
| OGRID No. 229137 | Operator Name COG OPERATING, LLC | Elevation 3377' |

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 | 33 | 18-S | 26-E | | 150 | SOUTH | 1040 | WEST | EDDY |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| D | 33 | 18-S | 26-E | | 330 | NORTH | 998 | WEST | EDDY |

| | | | |
|-------------------------------|-----------------|--------------------|-----------|
| Dedicated Acres 160 | Joint or Infill | Consolidation Code | 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

| | |
|---|--|
| <p>CORNER COORDINATES TABLE</p> <p>A - Y=622564.8 N, X=480964.6 E B - Y=622558.9 N, X=482293.1 E C - Y=617241.1 N, X=482293.4 E D - Y=617232.9 N, X=480973.6 E</p> <p>GEODETIC COORDINATES NAD 27 NME</p> <p>SURFACE LOCATION Y=617389.4 N X=482013.1 E</p> <p>Estimated Completed Interval: 555 FSL 990 FWL</p> <p>BOTTOM HOLE LOCATION Y=622230.5 N X=481963.2 E</p> | <p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p> 12-12-13 Signature Date</p> <p>Kelly J. Holly Printed Name</p> <p>kholly@concho.com E-mail Address</p> |
| | <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>NOVEMBER 22, 2013 Date of Survey</p> <p>Signature & Seal of Professional Surveyor:</p> <p></p> <p>Certificate Number 12641 Garry G. Eidson Ronald J. Eidson 3239</p> <p>BLACK REL W.O. 11/1/92 JWSC W.O. 13.1.1337</p> |

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone: (505) 393-6161 Fax: (505) 393-0720

DISTRICT II
871 S. First St., Artesia, NM 88210
Phone: (505) 748-1283 Fax: (505) 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, New Mexico 87505

RECEIVED Form C-102
Revised August 1, 2011
DEC 05 2012
One copy to appropriate District Office
NMOCD ARTESIA
AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|----------------------------|-------------------------------------|----------------------------------|
| API Number 30-015-40122 | Pool Code 3250 | Pool Name Atoka;Glorieta-Yeso |
| Property Code 39124 | Property Name TARPAN 33 FEE | Well Number 3H |
| OGRID No. 229137 | Operator Name COG OPERATING, LLC | Elevation 3380' |

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 | 33 | 18-S | 26-E | | 150 | SOUTH | 1700 | WEST | EDDY |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| C | 33 | 18-S | 26-E | | 337 | NORTH | 1705 | WEST | EDDY |

| | | | |
|--------------------------|-----------------|--------------------|-----------|
| Dedicated Acres 160.0 | Joint or Infill | Consolidation Code | 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

| | |
|--|---|
| <p>GEODETIC COORDINATES NAD 27 NME</p> <p>SURFACE LOCATION Y=617393.4 N X=482672.9 E</p> <p>LAT.=32.697300° N LONG.=104.389658° W</p> <p>BOTTOM HOLE LOCATION Y=622177.4 N X=482664.8 E</p> <p>CORNER COORDINATES TABLE</p> <p>④ - Y=622558.9 N, X=482293.1 E ⑤ - Y=622553.0 N, X=483621.6 E ⑥ - Y=617241.1 N, X=482293.4 E ⑦ - Y=617249.4 N, X=483613.2 E</p> | <p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature: <i>Brian Maiorino</i> Date: 11/13/12 Printed Name: Brian Maiorino E-mail Address: bmaiorino@concho.com</p> <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>FEBRUARY 16, 2012</p> <p>Date of Survey Signature & Seal of Professional Surveyor: RONALD J. EIDSON NEW MEXICO 3239 Gary C. Eidson 12641 Ronald J. Eidson 3239 AF</p> |
|--|---|

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 Huerfano 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) 476-3469 Fax: (505) 476-3462

RECEIVED
State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis
Santa Fe, New Mexico 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|----------------------------|-------------------------------------|-----------------------------------|
| API Number 30-015-41662 | Pool Code 3250 | Pool Name Atoka; Glorieta-Yeso |
| Property Code 39124 | Property Name TARPAN 33 FEE | Well Number 4H |
| GRID No. 229137 | Operator Name COG OPERATING, LLC | Elevation 3378' |

Surface Location

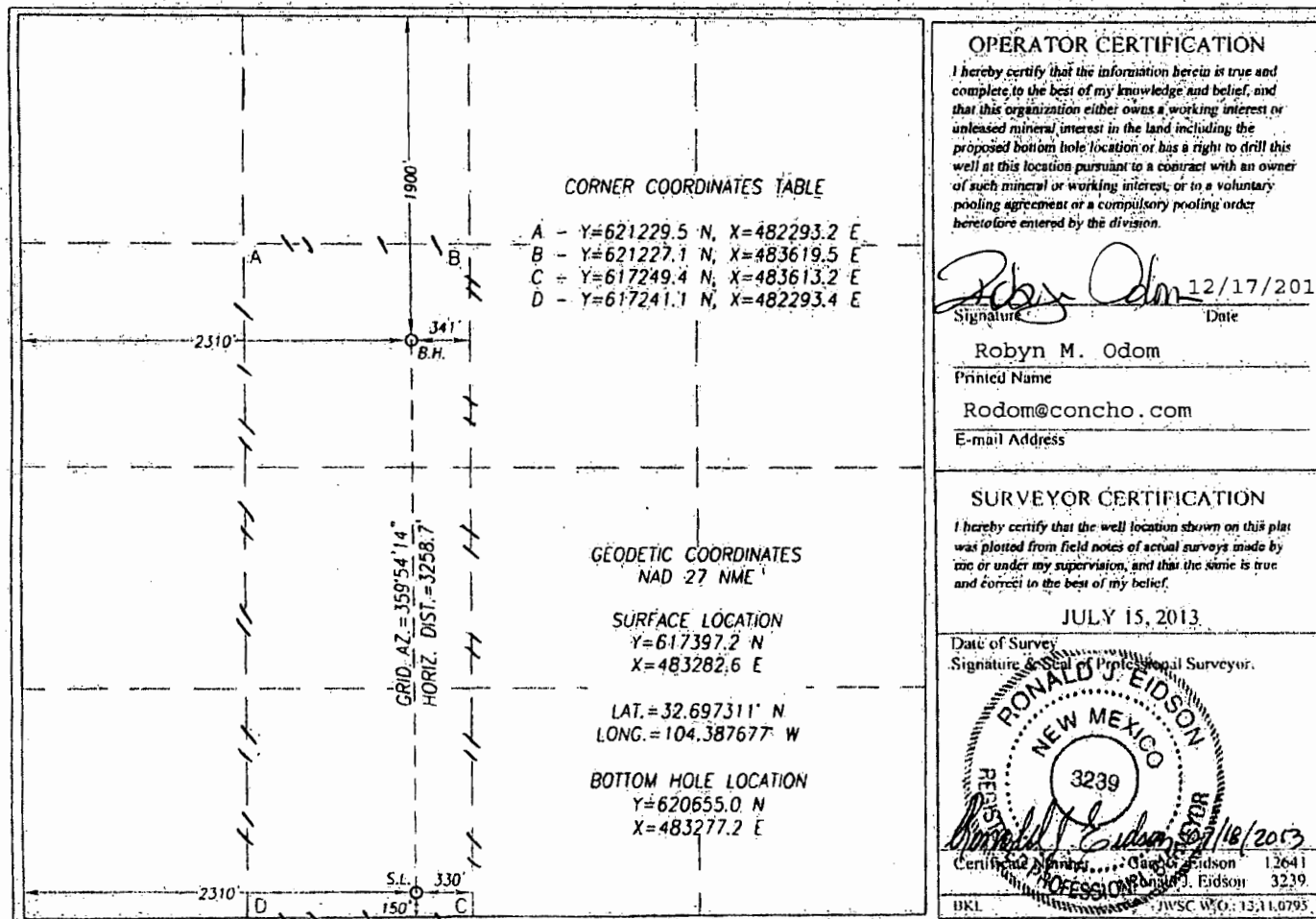
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| N | 33 | 18-S | 26-E | | 150 | SOUTH | 2310 | WST | EDDY |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| F | 33 | 18-S | 26-E | | 1900 | NORTH | 2310 | WEST | EDDY |

| | | | |
|------------------------|-----------------|--------------------|-----------|
| Dedicated Acres 120 | Joint or Infill | Consolidation Code | 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



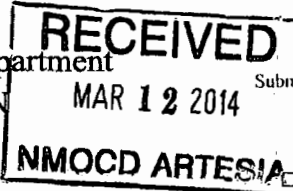
DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

DISTRICT III
1060 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, New Mexico 87505



Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|------------------------------------|--|--|
| API Number 30-015- 42152 | Pool Code 3250 | Pool Name Atoka; Glorieta Veso |
| Property Code 38909 | Property Name SHERMAN 4 FEE | Well Number 10H |
| OGRID No. 229137 | Operator Name COG OPERATING, LLC | Elevation 3374' |

Surface Location

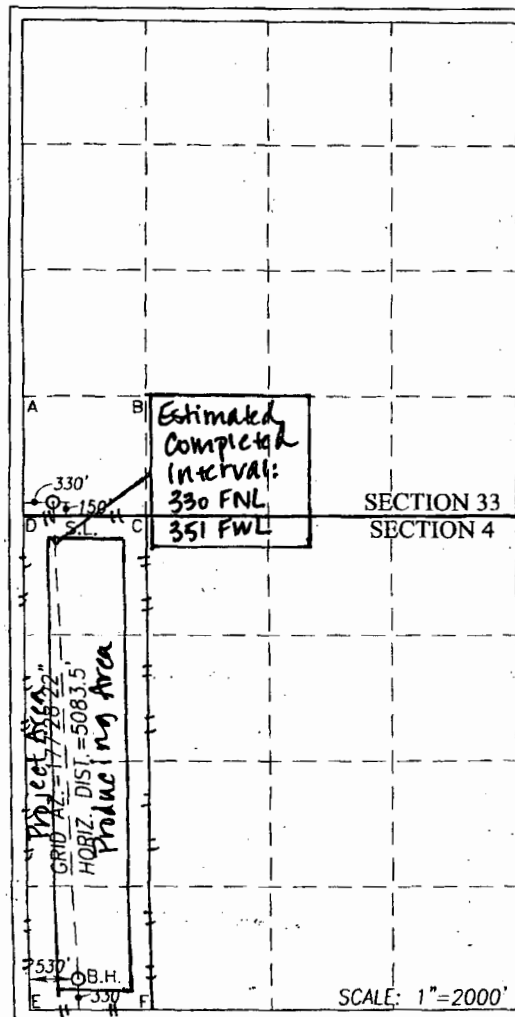
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| M | 33 | 18-S | 26-E | | 150 | SOUTH | 330 | WEST | EDDY |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| M | 4 | 19-S | 26-E | | 330 | SOUTH | 530 | WEST | EDDY |

| | | | |
|-------------------------------|-----------------|--------------------|-----------|
| Dedicated Acres 160 | Joint or Infill | Consolidation Code | 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



GEODETIC COORDINATES
NAD 27 NME

SURFACE LOCATION
Y=617385.0 N
X=481303.3 E

LAT.=32.697275° N
LONG.=104.394111° W

BOTTOM HOLE LOCATION
Y=612307.8 N
X=481527.4 E

CORNER COORDINATES TABLE

A - Y=618565.9 N, X=480971.3 E
B - Y=618570.6 N, X=482293.3 E
C - Y=617241.1 N, X=482293.4 E
D - Y=617232.9 N, X=480973.6 E
E - Y=611974.5 N, X=480999.1 E
F - Y=611983.0 N, X=482312.6 E

OPERATOR CERTIFICATION

I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: Kelly J. Holly Date: 3-11-14

Printed Name: Kelly J. Holly

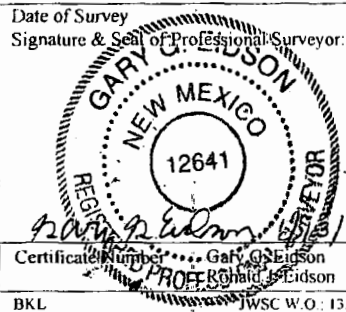
E-mail Address: kholly@concho.com

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.

DECEMBER 17, 2013

Date of Survey
Signature & Seal of Professional Surveyor:



Certificate Number: 12641
PROF. Gary C. Edson 3239

BKL JWSC W.O. 13.11.1431

Mr. Ezeanyim,

Attached to this sheet is the notification sent to all 93 interest owners via certified mail to the last known address of each party. Should anyone object to this proposed commingle I can be reached at the email or phone number below. Thanks for your time and consideration and please contact me should you need any further information.

Caden Jameson

cjameson@concho.com

432.254.5559

May 1, 2014

Certified Mail:

RE: Request for Surface Commingle

To Whom It May Concern:

This letter will serve as notice under Rule 104.F (3) that COG Operating LLC has requested administrative approval from the Oil Conservation Division in Santa Fe, NM for Surface Commingle of production from the following wells to the Tarpan 33 Fee #3 Tank Battery:

| | |
|---|---|
| Tarpan 33 FEE 1H Eddy County, NM API # 30-015-40056 Surface: 150 FSL & 380 FWL, Sec 33, T18S, R26E, Unit M | Sherman 4 FEE 10H Eddy County, NM API # 30-015-42152 Surface: 150 FSL & 330 FWL, Sec 33, T18S, R26E, Unit M |
| Tarpan 33 Fee 2H Eddy County, NM API # 30-015-40057 Surface: 150 FSL & 1040 FWL, Sec 33 T18S, R26E, Unit A | Tarpan 33 Fee 4H Eddy County, NM API# 30-015-41662 Surface: 150' FSL 2310' FWL T18S, R26E, Unit N |
| Tarpan 33 Fee 3H Eddy County, NM API #: 30-015-40122 Surface: 150 FSL & 1700 FWL, Sec 33 T18S, R26E, Unit A | |

Should 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 Surface Commingle if no objection has been made within the 20 days after the application has been received.

Sincerely,

Caden Jameson
Permitting Specialist
COG Operating LLC



| Name | Prod Date | Days Up | Oil Prod | Gas Prod |
|-------------------|-----------|---------|----------|----------|
| TARPAN 33 FEE #1H | 10/2013 | 31 | 1,892.00 | 1,880.00 |
| TARPAN 33 FEE #1H | 11/2013 | 30 | 1,943.00 | 2,598.00 |
| TARPAN 33 FEE #1H | 12/2013 | 31 | 1,648.00 | 2,727.00 |
| TARPAN 33 FEE #1H | 01/2014 | 31 | 1,544.00 | 1,592.00 |
| TARPAN 33 FEE #1H | 02/2014 | 28 | 964.00 | 1,413.00 |
| TARPAN 33 FEE #1H | 03/2014 | 31 | 1,011.00 | 212.00 |
| TARPAN 33 FEE #1H | 04/2014 | 30 | 1,234.00 | 114.00 |
| TARPAN 33 FEE #2H | 04/2014 | 29 | 3,772.00 | 4,887.00 |
| TARPAN 33 FEE #3H | 10/2013 | 31 | 2,019.00 | 2,800.00 |
| TARPAN 33 FEE #3H | 11/2013 | 30 | 1,808.00 | 2,429.00 |
| TARPAN 33 FEE #3H | 12/2013 | 27 | 1,884.00 | 2,230.00 |
| TARPAN 33 FEE #3H | 01/2014 | 31 | 2,394.00 | 2,075.00 |
| TARPAN 33 FEE #3H | 02/2014 | 28 | 1,915.00 | 2,577.00 |
| TARPAN 33 FEE #3H | 03/2014 | 29 | 2,210.00 | 4,357.00 |
| TARPAN 33 FEE #3H | 04/2014 | 30 | 3,677.00 | 4,802.00 |

McMillan, Michael, EMNRD

From: Diane Kuykendall <DKuykendall@concho.com>
Sent: Tuesday, May 27, 2014 4:25 PM
To: McMillan, Michael, EMNRD
Cc: Caden Jameson
Subject: FW: Tarpan 33 Fee and Sherman Fee production Eddy Co.
Attachments: Tarpan 10-2013 to 4-2014 report 1723.xlsx

All 3 Tarpan wells are in the pool code 3250 Atoka; Glorieta-Yeso
#2 well hung on 4/2/2014
first production 4/9/2014

see attached spreadsheet for the last 6 months production

Sherman 4 Fee 10H – is in the completion phase

From: Caden Jameson
Sent: Tuesday, May 27, 2014 3:56 PM
To: Diane Kuykendall
Subject: FW: Tarpan 33 Fee and Sherman Fee production Eddy Co.

Diane, good afternoon! Kanicia said you could help me out with this information for the OCD. They are wanting cumulative production for the locations below...can you help? Thanks

From: McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]
Sent: Tuesday, May 27, 2014 2:23 PM
To: Caden Jameson
Subject: Tarpan 33 Fee and Sherman Fee production Eddy Co.

Caden:

Can you provide the last 6 months and cum production for each of the following wells:

Tarpan Fee 1H

Tarpan Fee 2H

Tarpan Fee 3H

Also, I need the pool that the wells are producing from.
lastly, please verify that the Sherman 4 Fee 10H has no production.

Thank You

Michael A. McMillan

Engineering and Geological Services Bureau, Oil Conservation Division
1220 South St. Francis Dr., Santa Fe NM 87505
O: 505.476.3448 F. 505.476.3462

Lakewood Area

Tank Battery Operational Description

Test Method Allocation

Summary

The following is a description of the facility operations at a standard tank battery installed in the Lakewood area. The plan of development for this area includes the installation of one tank battery per half section. Each battery will be equipped to handle 4 producing wells from that half section.

Operational Description

1. Flowlines from producing wells terminate into the test/production header which serves as the inlet to the tank battery. From the header, one well can be put in test while the remaining wells are combined in the production header for separation and storage of produced fluids. The test/production header is illustrated in Figure 1 below. In this diagram, the shaded valves indicate a closed position. Therefore, this illustration shows well "1H" to be in test while the remaining wells are routed to the 2-Phase Separator. Using the valves in the header, any single well can be isolated from the remaining wells and placed into test.

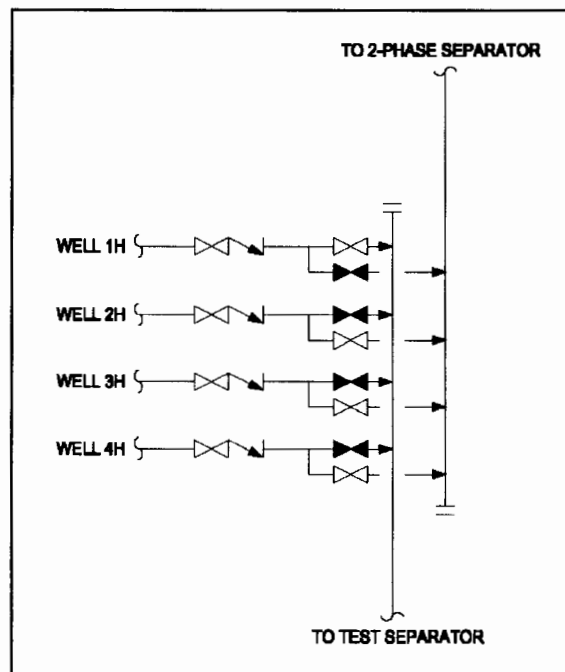


Figure 1: Test/Production Header Diagram

2. The test separator is a 3-phase horizontal separator used for measuring produced fluids from a given well. Separate meters are used for measuring oil, water, and gas from the production well. Turbine meters are used for measuring oil and water flow while an orifice meter is used

for measuring gas flow. Once the produced fluids have been metered, all three phases are recombined and routed to the 2-phase separator where the well is tied in with the bulk fluids from other wells. A diagram of the test separator is shown in Figure 2 below.

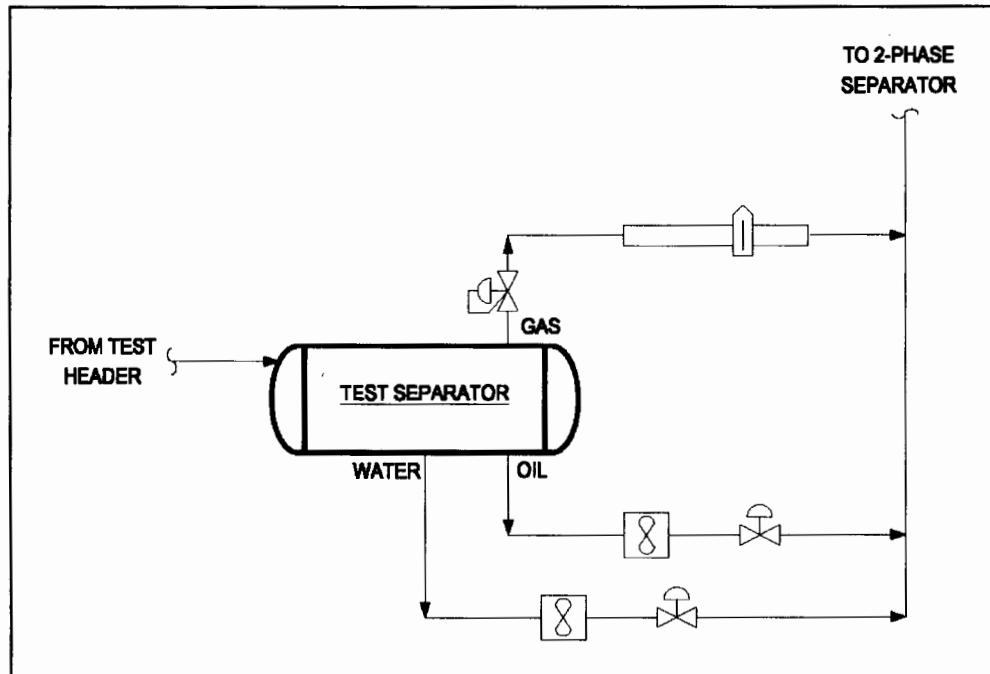


Figure 2: Test Separator with 3-Phase Metering

3. The test separator and associated metering devices have been sized for the expected range of fluid rates from the production wells. The sizing and calibration of this equipment ensures accurate measurement of produced fluids from a well in test. When a well is placed in test, it will remain in test for a minimum of 3 days. This allows adequate time for the well to level out and accurate daily production rates to be measured. Each well will be placed in test once a month at a minimum. Given the number of wells and the duration of well tests, it is likely that each well could be tested as often as 2-3 times per month. Allocation of co-mingled production will be based on average well tests taken during the previous month.
4. Fluids from the production header are routed to the 2-Phase Separator where gas and liquids are separated. Gas is sent directly to the gas sales system and liquids are sent to the FWKO for further separation. In addition to providing a means of bulk gas/liquid separation, this vessel also helps to alleviate slugs of fluid which enter the system and would otherwise disrupt the separation process.
5. Liquids from the 2-Phase Separator are sent to the Free Water Knock Out (FWKO). The primary function of this vessel is to provide sufficient retention time for oil and water to separate. Water from the FWKO is sent to water storage tanks. Oil from the FWKO is sent to the Heater-Treater for a final stage of polishing and water removal. Any gas that flashes off in this stage of separation is tied directly into the gas sales system.
6. Oil from the FWKO is routed to the Heater-Treater wherein heat is applied to help break any remaining emulsions and remove water from the oil stream. Oil from the Heater-Treater is sent

to the oil storage tanks. Water from the Heater-Treater is tied into the water line from the FWKO going to the storage tanks. Any gas that flashes off in this stage of separation is tied directly into the gas sales system.

7. Oil from the Heater-Treater is sent to 500 BBL oil tanks located on site. These tanks allow for storage of oil prior to sales through a pipeline LACT or trucking. Valves are installed on each tank to provide the ability to isolate a tank for sales or to further treat the fluids by circulating back through the separation process. Oil tanks are connected together with a common overflow line that serves to prevent spills caused by over running a single tank.
8. Water from the FWKO and Heater Treater is sent to 500 BBL water tanks located on site. These tanks provide water storage prior to being pumped into the salt water disposal (SWD) system. One water tank is used as the primary tank for water handling while the second tank provides overflow protection and operational flexibility. A transfer pump is connected to the water tanks and is operated automatically by the facility PLC based on the level of water in the tanks. This pump discharges into the SWD system which gathers and disposes of produced water.

Attachments

- Process Flow Diagram: Lakewood Area Standard Tank Battery