

|                      |          |                    |                        |             |                           |
|----------------------|----------|--------------------|------------------------|-------------|---------------------------|
| 6/09/2016<br>DATE IN | SUSPENSE | MIA UN<br>ENGINEER | 6/09/2016<br>LOGGED IN | OLM<br>TYPE | PRM 1616148135<br>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 \_\_\_\_\_
- [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
- [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.

Amanda Avery  
Print or Type Name

Amanda Avery  
Signature

Regulatory Tech  
Title

Date

aaavery@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, NM 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<br>Non-Commingled<br>Production | Calculated Gravities /<br>BTU of Commingled<br>Production |  | Calculated Value of<br>Commingled<br>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: Amanda Avery TITLE: Regulatory Tech DATE: 6/19/16  
TYPE OR PRINT NAME Amanda Avery TELEPHONE NO.: 575-748-6940  
E-MAIL ADDRESS aavery@concho.com



June 2, 2016

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

Dear Mr. McMillan,

COG Operating LLC respectfully requests approval for Off-Lease Measurement, Storage and Sales of oil and gas on the following well:

Big Papi Federal Com #2H  
Eddy County  
API# 30-015-37833  
SHL 330' FNL & 1980' FWL of Sec 4-T26S- R29E  
BHL 325' FSL & 2108' FWL of Sec 4- T26S- R29E  
Corral Canyon; BS, South

The Off-Lease Measurement meter will be located at the Big Papi Federal Com #1H, 330' FNL & 1980' FEL of Sec 4-T26S- R29E.

COG Operating LLC will keep all production separate.

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

Sincerely,

A handwritten signature in cursive script that reads "Amanda Avery".

Amanda Avery  
Regulatory Technician

---

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 575.746.2095

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 Blvd., Aztec, NM 87410  
 Phone: (505) 334-6178 Fax: (505) 334-6179  
 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<br><b>30-015-37833</b> |   | <sup>2</sup> Pool Code<br><b>13354</b> | <sup>3</sup> Pool Name<br><b>Corral Canyon; Bone Spring, South</b> |
| <sup>4</sup> Property Code<br><b>308S96</b>    | <sup>5</sup> Property Name<br><b>Big Papi Federal Com</b> |  | <sup>6</sup> Well Number<br><b>2H</b>                              |
| <sup>7</sup> OGRID No.<br><b>229137</b>        | <sup>8</sup> Operator Name<br><b>COG Operating LLC</b>    |  | <sup>9</sup> Elevation<br><b>2975' GR</b>                          |

<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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| C             | 4       | 26S      | 29E   |         | 330           | North            | 1980          | West           | 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| N             | 4       | 26S      | 29E   |         | 352           | South            | 2108          | West           | Eddy   |

|   |                               |                                  |                         |
|---|-------------------------------|----------------------------------|-------------------------|
| <sup>12</sup> Dedicated Acres<br><b>160</b> | <sup>13</sup> Joint or Infill | <sup>14</sup> Consolidation Code | <sup>15</sup> 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.

Com Agmt NNM 126440

|                        |             |                               |   |
|------------------------|-------------|-------------------------------|---|
| <sup>16</sup><br>1980' | SHL<br>330' | Producing Area<br>8839-12885' | <p><b><sup>17</sup> OPERATOR CERTIFICATION</b></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 undivided 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> <br/>           Signature           <span style="float: right;">7/15/14<br/>Date</span> </p> <p>Stormi Davis<br/>Printed Name</p> <p>sdavis@concho.com<br/>E-mail Address</p> <p><b><sup>18</sup> SURVEYOR CERTIFICATION</b></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 style="text-align: center; font-weight: bold;">REFER TO ORIGINAL PLAT</p> <p>Certificate Number</p> |
| 2108'                  | BHL<br>352' |                               |   |

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

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 July 16, 2010  
Submit one copy to appropriate  
District Office  
☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

|   |  |  |  |   |                                 |
|---|--|--|--|---|---------------------------------|
| <sup>1</sup> API Number<br>30-015-37832 |  | <sup>2</sup> Pool Code<br>13354                    |  | <sup>3</sup> Pool Name<br>Corral Canyon; Bone Spring, South <i>K2</i> |                                 |
| <sup>4</sup> Property Code<br>308596    |  | <sup>5</sup> Property Name<br>Big Papi Federal Com |  |   | <sup>6</sup> Well Number<br>1H  |
| <sup>7</sup> OGRID No.<br>229137        |  | <sup>8</sup> Operator Name<br>COG Operating LLC    |  |   | <sup>9</sup> Elevation<br>2975' |

<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             | 4       | 26S      | 29E   |         | 330           | North            | 1980          | 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| O             | 4       | 26S      | 29E   |         | 334           | South            | 1826          | East           | Eddy   |

|                                      |                               |                                  |                         |
|--------------------------------------|-------------------------------|----------------------------------|-------------------------|
| <sup>12</sup> Dedicated Acres<br>160 | <sup>13</sup> Joint or Infill | <sup>14</sup> Consolidation Code | <sup>15</sup> 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.

*Com Agent NMMN 127282*

*Gas Mtr 57327*

|  |    |  |     |       |   |
|--|----|--|-----|-------|---|
| <div style="border: 2px solid black; padding: 5px; transform: rotate(-15deg);"> <b>RECEIVED</b><br/> JUL 18 2011<br/> NMOCD ARTESIA </div> | 16 |  | SHL | 1980' | <sup>17</sup> <b>OPERATOR CERTIFICATION</b><br>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 undivided 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.<br><i>[Signature]</i> 7/14/11<br>Signature Date<br>Stormi Davis<br>Printed Name<br>sdavis@concho.com<br>Email Address |
|  |    |  |     |       |   |
|  |    |  |     |       |   |
|  |    |  |     |       |   |
|  |    |  | BHL | 1826' | <sup>18</sup> <b>SURVEYOR CERTIFICATION</b><br>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.<br>Date of Survey<br>Signature and Seal of Professional Surveyor.<br><br>REFER TO ORIGINAL PLAT<br>Certificate Number  |



June 2, 2016

Dear Interest Owner,

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

Big Papi Federal Com #2H  
Eddy County, NM  
API# 30-015-37833  
SHL: 330' FNL & 1980' FWL of Sec 4- T26S R29E  
BHL: 325' FSL & 2108' FWL of Sec 4- T26S R29E  
Corral Canyon; BS, South

The Off-Lease Measurement facility will be located at the Big Papi Federal Com #1H  
330' FNL & 1980' FEL of Sec 4-T26S R29E.

Should you or your company have an objection, it must be filed in writing within twenty (20) days from the date of this notice. The Division Director may approve the Off-Lease Measurement Facility if no objection has been made within the twenty (20) days after the application has been received.

Sincerely,

A handwritten signature in cursive script that reads "Amanda Avery".

Amanda Avery  
Regulatory Tech

---

CORPORATE ADDRESS

ONE CONCHO CENTER | 600 WEST ILLINOIS AVENUE | MIDLAND, TEXAS 79701  
P 432.683.7443 | F 432.683.7441

ARTESIA WEST OFFICE

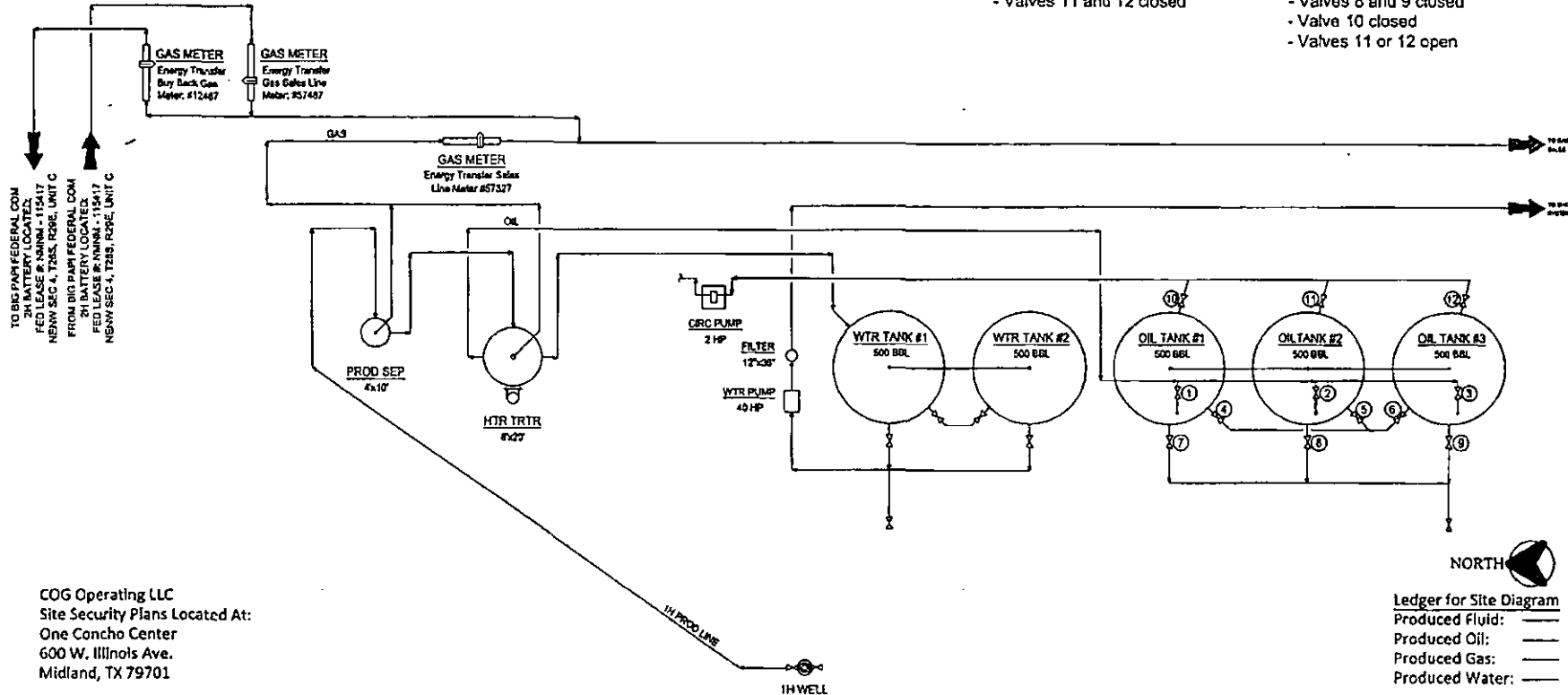
2208 MAIN STREET | ARTESIA, NEW MEXICO 88210  
P 575.748.6940 | F 575.746.2096

| <i>Date Sent</i> | <i>Initial</i> | <i>Document Type</i>  | <i>Well Name</i>         | <i>Sent Certified Return Receipt to:</i>                         | <i>Receipt No.</i>   |
|------------------|----------------|-----------------------|--------------------------|--|----------------------|
| 6/2/2016         | AA             | Off Lease Measurement | Big Papi Federal Com #2H | Mitchel E Cheney 7670 Woodway Ste 174 Houston, TX 77063          | 70133020000087502129 |
| 6/2/2016         |                | Off Lease Measurement | Big Papi Federal Com #2H | Nestegg Energy Corp 2308 Sierra Vista Rd Artesia, NM 88210       | 70133020000087502112 |
| 6/2/2016         |                | Off Lease Measurement | Big Papi Federal Com #2H | Lynn S and Grace Charuk 3921 Tanforan Ave Midland, TX 79707-1427 | 7013302000008752099  |
| 6/2/2016         |                | Off Lease Measurement | Big Papi Federal Com #2H | Oxy USA Inc PO Box 841803 Dallas, TX 75284                       | 70133020000087500000 |

WELLS:  
BIG PAPI FEDERAL COM #001H: 30-015-37832

- Valve 1 open
- Valves 2 and 3 closed
- Valves 4, 5, and 6 open
- Valves 7, 8, and 9 closed
- Valve 10 open
- Valves 11 and 12 closed

- Valve 1 closed
- Valves 2 or 3 open
- Valve 4 closed
- Valves 5 and 6 open
- Valve 7 open
- Valves 8 and 9 closed
- Valve 10 closed
- Valves 11 or 12 open



COG Operating LLC  
Site Security Plans Located At:  
One Concho Center  
600 W. Illinois Ave.  
Midland, TX 79701

**Ledger for Site Diagram**  
 Produced Fluid: \_\_\_\_\_  
 Produced Oil: \_\_\_\_\_  
 Produced Gas: \_\_\_\_\_  
 Produced Water: \_\_\_\_\_

Type of Lease: Federal  
Federal Lease #: NMNM - 115417  
Property Code: 308596  
OGRID #: 229137


CONFIDENTIALITY NOTICE

THIS MESSAGE IS PROPERTY OF CCB OPERATING LLC AND IS LOANED TO THE RECIPIENT FOR CONFIDENTIAL USE ONLY AND IS SUBJECT TO RETURN UPON REQUEST AND SHALL NOT BE REPRODUCED, COPIED, LOAN OR OTHERWISE DISSEMINATED WITHOUT THE WRITTEN CONSENT OF CCB. IT IS NOT TO BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT PERMISSION IN WRITING FROM CCB OPERATING LLC.

| REFERENCE DRAWINGS |       |
|--------------------|-------|
| NO.                | TITLE |
|                    |       |
|                    |       |
|                    |       |
|                    |       |
|                    |       |
|                    |       |

COQ OPERATING LLC  
 800 WEST ILLINOIS AVENUE  
 MFR 4401 JST & S 7th 201

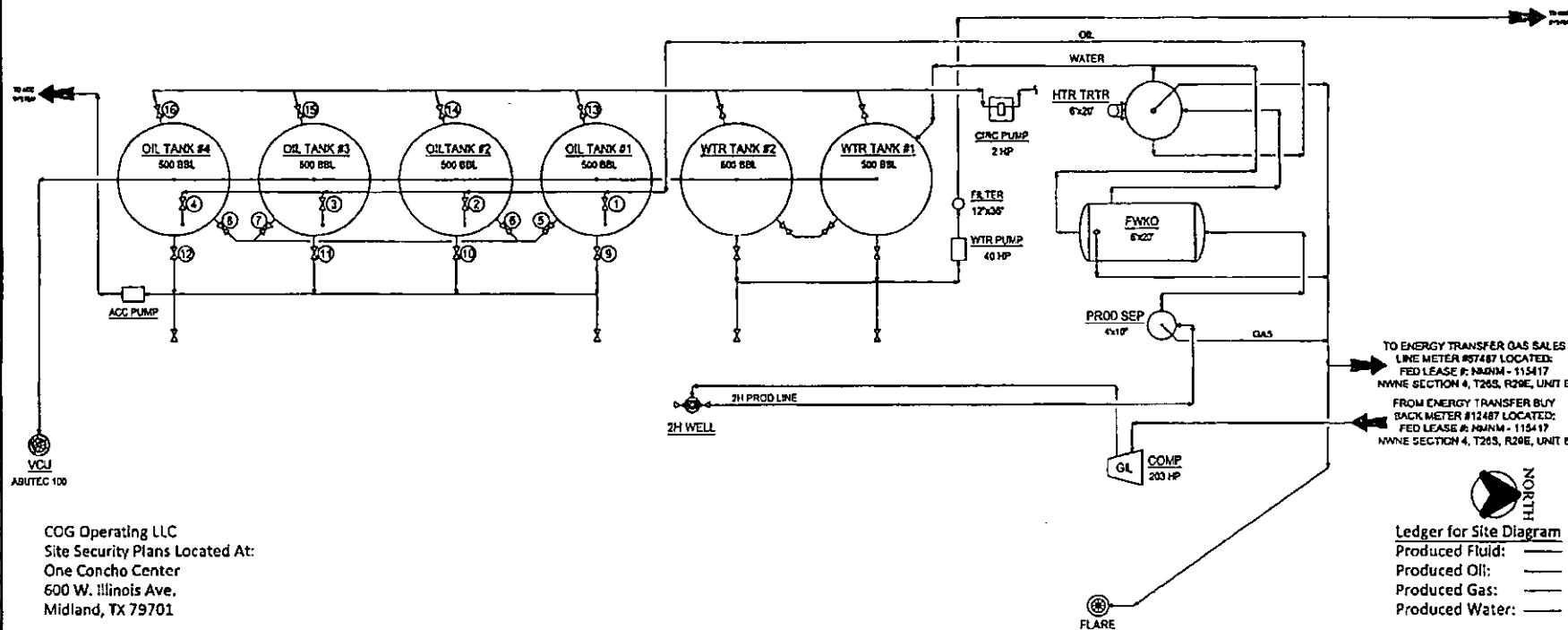
[illegible]

|   |        |               |            |
|---|--------|---------------|------------|
|                        |        |               |            |
| NEW MEXICO BASIN ASSET<br>PRODUCTION FACILITIES<br>SITE FACILITY DIAGRAM<br>BIG PAPA FEDERAL COM IN BATTERY |        |               |            |
| 100% COUNTY   |        |               | NEW MEXICO |
| THRU-0 / RANCE  | ONE 00 | 0-1700-01-000 | NEW        |

**WELLS:**  
**BIG PAPI FEDERAL COM #002H: 30-015-37833**

- 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



COG Operating LLC  
Site Security Plans Located At:  
One Concho Center  
600 W. Illinois Ave.  
Midland, TX 79701

TO ENERGY TRANSFER GAS SALES  
LINE METER #57487 LOCATED:  
FED LEASE #: NWNM - 115417  
NWNE SECTION 4, T26S, R29E, UNIT B

FROM ENERGY TRANSFER BUY  
BACK METER #12487 LOCATED:  
FED LEASE #: NWNM - 115417  
NWNE SECTION 4, T26S, R29E, UNIT B

### Ledger for Site Diagram

**Produced Fluid:**

Produced Oil:

**Produced Gas:**

**Produced Water:**

**INSIDES:**

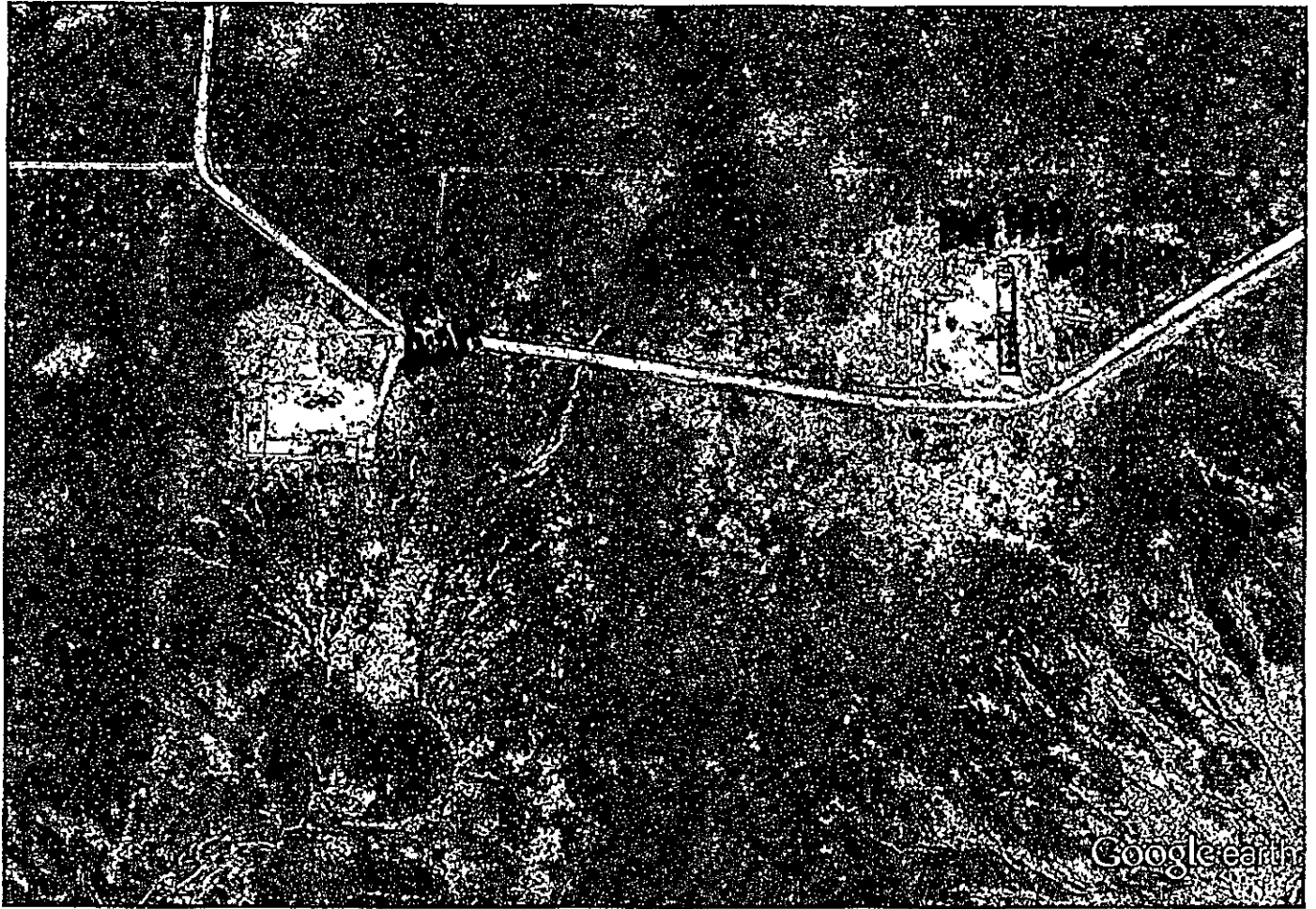
Type of Lease: Federal  
Federal Lease #: NMNM - 115417  
Property Code: 308596  
OGRID #: 229137

CONFIDENTIALITY NOTICE

THIS DRAWING IS PROPERTY  
OF COB OPERATING LLC AND  
IS LOANED TO THE BORROWER  
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AND IS SUBJECT TO RETURN  
UPON REQUEST AND SHALL  
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COPIED, LOAN OR OTHERWISE  
DISPOSED OF SEPARATELY  
OR INCORPORATED INTO ANY  
OTHER WORK FOR ANY  
PURPOSE OTHER THAN  
THAT WHICH IT IS  
SPECIFICALLY FURNISHED

[illegible]
**CONCHO**

NEW MEXICO BASIN ASSET  
PRODUCTION FACILITIES  
SITE FACILITY DIAGRAM  
BIG PAPA FEDERAL COM 24 BATTERY



Google earth

feet  
meters

