

RECEIVED: 12/04/2017	REVIEWER: m Am	TYPE: OLM	APP NO: DMAm1733854529
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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: COG Operating LLC	OGRID Number: 229137
Well Name: Zapata BQZ State Com #1H	API: 30-025-40001
Pool: Jennings; Upr Bone Spring Shale	Pool Code: 97879

**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 holdersB. ☒ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☐ Notification and/or concurrent approval by SLOE. ☐ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☒ For all of the above, proof of notification or publication is attached, and/or,H. ☐ No notice required**FOR OCD ONLY**☐ Notice Complete☐ 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.

Deborah L. Wilbourn

Print or Type Name

Deborah L. Wilbourn
 Signature

December 4, 2017

Date

575-748-6958

Phone Number

dwilbourn@concho.com

e-mail Address



December 4, 2017

Oil Conservation Division
Attn: Mr. Michael McMillan
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application for Administrative Approval
Zapata BQZ State Com #1H
API #30-025-40001
SHL: 330' FSL 2180' FWL, Ut. N, Sec. 2-T26S-R32E
BHL: 330' FNL 1980' FWL, Ut. C, Sec. 2-T26S-R32E
Lea County, NM

Dear Mr. McMillan:

Pursuant to OCD Rule 19.15.12.C.4, COG Operating LLC (COG) respectfully requests administrative approval for Off-Lease Measurement of gas only for the Zapata BQZ State Com #1H well.

The off-lease Lucid gas sales meter will be located in Unit O, Sec. 2-T26S-R32E where gas will flow and custody transfer will occur. The location of the gas sales meter is outside the communitization agreement boundary for said well.

The working interest owners in the Zapata BQZ State Com #1H have been notified by certified mail of COG's intent to measure and sell the gas off-lease.

Please see the attached Administrative Application Checklist, C-102, site facility diagram, lease map, last six months of production, and list of working interest owners. Proof of delivery of notifications will be provided at a later date.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in cursive script that reads "Debora L. Wilbourn".

Debora L. Wilbourn
Regulatory Analyst

Enclosures

CORPORATE ADDRESS

ONE CONCHO CENTER | 600 WEST ILLINOIS AVENUE | MIDLAND, TEXAS 79701
P432.683.7443 | F432.683.7441

ARTESIA WEST OFFICE

2208 MAIN STREET | ARTESIA, NEW MEXICO 88210
P575.748.6940 | F575.746.2096

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-40001	² Pool Code 97879	³ Pool Name Jennings; Upr Bone Spring Shale
⁴ Property Code 38431	⁵ Property Name Zapata BQZ State Com	⁶ Well Number 1H
⁷ OGRID No. 229137	⁸ Operator Name COG OPERATING LLC	⁹ Elevation 3256

" 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	26S	32E		330	S	2180	W	Lea

" Bottom Hole Location If Different From Surface

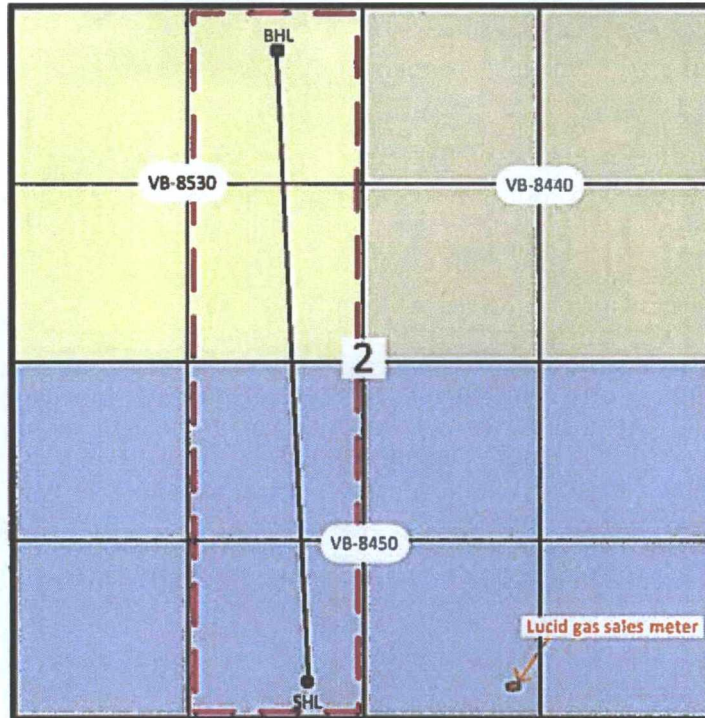
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	2	26S	32E		330	N	1980	W	Lea

¹⁰ Dedicated Acres 160	¹¹ Joint or Infill	¹² Consolidation Code	¹³ 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>" OPERATOR CERTIFICATION</p> <p>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.</p> <p><i>Debra L. Wilbourn</i> Signature Date 12/4/11</p> <p>Debra L. Wilbourn Printed Name</p> <p>dwilbourn@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>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>
	<p>*see original plat dated 12/12/2010*</p> <p>Certificate Number</p>

Zapata BQZ State Com #1H



Bone Spring CA

Sec. 2-T26S-R32E
Lea County, NM

ZAPATA BQZ STATE COM. #001H
 API No: 30-025-40001
 Location: SHL-Ut. n Sec. 02-T26S-32E
 Lease:

Production Phase - Oil Tank #1
 Valve 4 Open
 Valves 8 Closed
 Valves 5 and 9 Closed

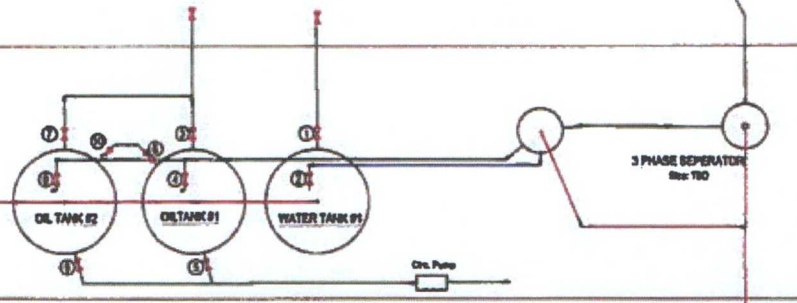
Sales Phase - Oil Tank #1
 Valve 3 and 8 Open
 Valves 4, 6 and 7 Closed

FLARE

COMBUSTOR

WELL

N



CONCHO GAS ALLOCATION METER
 NO. TO BE ASSIGNED

To Local Energy Gas Sales Meter
 Located Off Post 32.0002, +103.0417

NOTES:

CONFIDENTIALITY NOTICE
 THIS DRAWING IS PROPERTY
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 IS LOANED TO THE BORROWER
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REFERENCE DRAWINGS

NO.	FILE	NO.	DATE	DESCRIPTION	BY	CHK.	APP.

CONCHO OPERATING LLC
 800 WEST BLINDS AVENUE
 MIDLAND, TEXAS 79701

REVISIONS

NO.	DATE	DESCRIPTION	BY	CHK.	APP.

ENGINEERING SCALE

BY	DATE
DRG	11/26/2017
CHK	
APP	
DATE	
FILE	
SCALE	AS SHOWN

CONCHO

ZAPATA STATE COM. #001H
 FACILITY SITE DIAGRAM

REV

Drawn by / Name

Draw No.

REV

Zapata BQZ State Com #1H

Jennings; Upr Bone Spring Shale

	Oil BBLS	Gas MCF	Water BBLS
Jan	343	9058	130
Feb	466	7089	126
Mar	413	6961	293
Apr	603	6217	0
May	408	6526	0
Jun	536	6818	0
Jul	44	1651	0
Aug	181	3602	0
Sep	1	0	0

Zapata BQZ State Com #1H - API #30-025-40001
Application for Off-lease Gas Measurement and Sales
Notification List

<i>Date Sent</i>	<i>Initials</i>	<i>Sent Certified Return Receipt Notice to:</i>	<i>Receipt No.</i>	<i>Rec'd</i>
12/4/17	DW	Oxy Y-1 Company, P. O. Box 27570, Houston, TX 77227	7016 2070 0000 8090 9227	
12/4/17	DW	Sharbro Energy LLC, 104 S. 4th St., Artesia, NM 88210	7016 2070 0000 8090 9203	

Mailed 12/4/17
Debora L. Wilbourn



Certified Mail – Return Receipt Requested
7016 2070 0000 8090 9227

December 4, 2017

Oxy Y-1 Company
P. O. Box 27570
Houston, TX 77227

Re: Application for Administrative Approval
Zapata BQZ State Com #1H
API #30-025-40001
SHL: 330' FSL 2180' FWL, Ut. N, Sec. 2-T26S-R32E
BHL: 330' FNL 1980' FWL, Ut. C, Sec. 2-T26S-R32E
Lea County, NM

Dear Interest Owner:

This letter will serve as notice under OCD Rule 19.15.12.C.4 that COG Operating LLC has requested administrative approval from the Oil and Gas Division in Santa Fe, NM for Off-Lease Measurement of the gas only from the referenced Zapata BQZ State Com #1H well.

The off-lease Lucid gas sales meter will be located in Unit O, Sec. 2-T26S-R32E where gas will flow and custody transfer will occur. The location of the gas sales meter will be outside the communitization agreement boundary for said well.

Should your company have an objection to this method of gas measurement, it must be filed with the NMOCD in Santa Fe in writing within twenty (20) days from the date of this notice. The Division Director may approve the Off-Lease Measurement if no objection has been made within this time frame.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in cursive script that reads "Debora L. Wilbourn".
Debora L. Wilbourn
Regulatory Analyst

Enclosures

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ONE CONCHO CENTER | 600 WEST ILLINOIS AVENUE | MIDLAND, TEXAS 79701
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ARTESIA WEST OFFICE

2208 MAIN STREET | ARTESIA, NEW MEXICO 88210
P575.748.6940 | F575.746.2096

Track USPS package


70162070000080909227

Track

USPS package #70162070000080909227

www.usps.com

Delivered: Friday, Dec 8, 2017 05:54 AM



Processed		In transit	Delivered
DATE	TIME	LOCATION	STATUS
Dec 8	5:54 AM	Houston, TX, United States	Delivered, individual picked up at postal facility
Dec 7	4:03 AM	North Houston Tx Distribution Center	Departed USPS regional facility
Dec 6	10:45 AM	North Houston Tx Distribution Center	Arrived at USPS regional facility
Dec 6	9:15 AM	On Its Way To Houston, TX, United States	In transit to destination
Dec 5	5:15 AM	Lubbock Tx Distribution Center	Departed USPS regional facility

Show less shipping details ^

Data from usps.com

Track USPS package

70162070000080909203

Track

USPS package #70162070000080909203

www.usps.com

Delivered: Monday, Dec 11, 2017 08:37 AM



Processed		In transit	Delivered
DATE	TIME	LOCATION	STATUS
Dec 11	8:37 AM	Artesia, NM, United States	Delivered, left with individual
Dec 11	7:34 AM	Artesia, NM, United States	Arrived at unit
Dec 9	5:22 PM	Lubbock Tx Distribution Center	Departed USPS regional facility
Dec 9	4:15 PM	Lubbock Tx Distribution Center	Arrived at USPS regional facility
Dec 9	1:20 AM	Coppell Tx Distribution Center	Departed USPS regional facility

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