

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



C06
Eagle Feather Fed #2
30-025-38885

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

Eagle Feather Federal #2
 NMNM13430
 API# 30-025-38885

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 _____

2010 JUN 16 P 3:30
 RECEIVED OGD

[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.

Kanicia Carrillo _____ *K.C.* _____ REGULATORY ANALYST _____ 06/04/10
 Print or Type Name Signature Title Date

 kcarrillo@conchoresources.com
 e-mail Address

OLM - 25



June 15, 2010

COG Operating, LLC
Kancia Carrillo
550 W. Texas Ave., Suite 100
Midland, TX 79701

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

RECEIVED OGD
2010 JUN 16 PM 3:30

Dear Mr. Jones,

COG Operating LLC respectfully requests approval for an Off-Lease Measurement on the following well:

**Eagle Feather Federal #2
Lea County, NM
API # 30-025-38885
Surface: 660 FNL & 1630 FEL Sec 21, T26S, R36E, Unit B**

This well is producing from the Pawnee; Strawn (Gas - 82670) Pool. The Off-Lease Measurement facility is located, on Southern Union Gas property, Sec 4, T26S, R 36E, N32 03.891 / W103 16.030. This facility consists of one (1) gas meter (#57193) for the above mentioned well.

Southern Union Gas Services insisted that we tie into their gas line and use the meter located on their property.

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

Please contact me at 432-685-4332 should you have any questions.

Sincerely,

COG Operating LLC
Kancia Carrillo
Regulatory Analyst

COG Operating, LLC is requesting approval off-lease measurement of hydrocarbon production from the following formation(s) and well(s):

Federal Lease No. NMNM13430

<u>Well Name</u>	<u>API No.</u>	<u>Loc: 1/4, 1/4 Sec. Twp. Rng.</u>	<u>Formation</u>	<u>BOPD</u>	<u>Oil Gravity</u>	<u>MCFPD</u>	<u>BTU</u>
Eagle Feather #2	300253888	East 1/2, Sec.21, T26S, R36E	Pawnee; Strawn Gas	11	48.4/@60°	941	1080

The storage and measuring facility is located at NE 1/4, Sec. 4, T 26S, R 36E, on Southern Union Gas Facility property, Lea, New Mexico. Meter # 57193. BLM will be notified if there is any future change in the facility location.

Details of the proposed method for allocating production to contributing sources are as follows: A traditional method will be used in allocating production. COG Operating, LLC's meter is on Southern Union Gas property because that's the only option given to us by the gas purchaser.

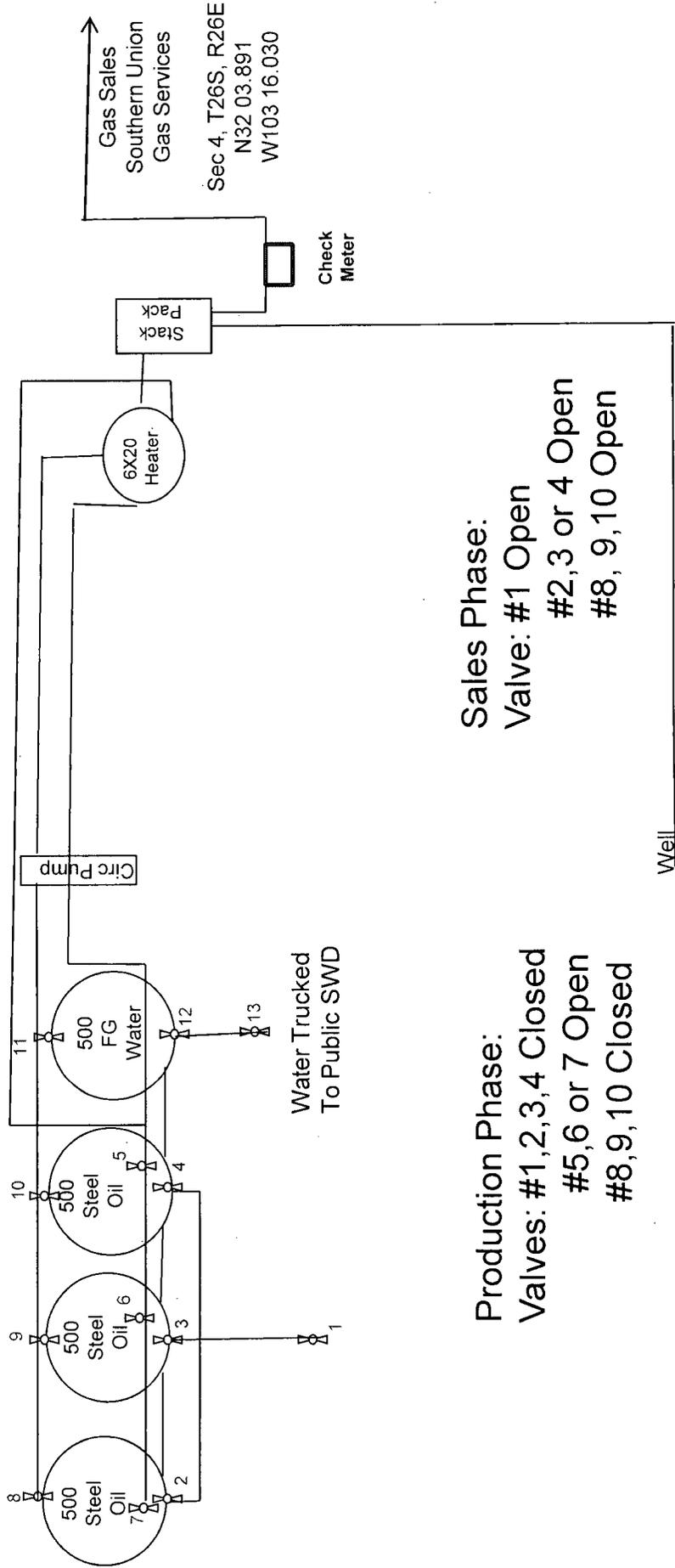
COG OPERATING LLC

550 W. Texas Ave Ste 100 Midland, Texas 79701
 (432)-683-7443

February, 2010

Eagle Feather Federal #2

660' FNL, 1630' FEL
 Sec 21, T26S, R36E, Unit B
 NMNM13430
 Lea County, NM
 API - 30-025-38885



Production Phase:
 Valves: #1,2,3,4 Closed
 #5,6 or 7 Open
 #8,9,10 Closed

Sales Phase:
 Valve: #1 Open
 #2,3 or 4 Open
 #8, 9,10 Open



EAGLE FEATHER FEDERAL #2
 Located at 660' FNL and 1630' FEL
 Section 21, Township 26 South, Range 36 East,
 N.M.P.M., Lea County, New Mexico.

basin
surveys

focused on excellence
 in the oilfield

P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (505) 393-7316 - Office
 (505) 392-3074 - Fax
 basin-surveys.com

W.O. Number: JWS 18695TR

Survey Date: 10-18-2007

Scale: 1" = 2 MILES

Date: 10-19-2007

C.O.G.
OPERATING
L.L.C.

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 and Natural Resources Department

Form C-102
Revised October 12, 2005

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-38885	Pool Code 82670	Pool Name Pawnee; Strawn Gas
Property Code 37152	Property Name EAGLE FEATHER FEDERAL	Well Number 2
OGRID No. 229137	Operator Name C.O.G. OPERATING L.L.C.	Elevation 2927'

Surface Location

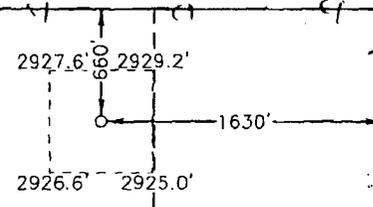
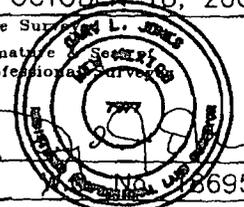
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	21	26 S	36 E		660	NORTH	1630	EAST	LEA

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

Dedicated Acres 320	Joint or Infill	Consolidation Code	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>SURFACE LOCATION LAT.: N 32°02'00.27" LONG.: W103°16'04.02" SPC- N.: 377821.0 E.: 871833.7 (NAD-83)</p> 	<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 unleased mineral interest in the land including the proposed bottom hole 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> 1/26/09 Signature Date</p> <p>Kanicia Carrillo Printed Name</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>OCTOBER 18, 2007 Date Surveyed</p> <p> Signature Professional Surveyor</p> <p></p> <p>Certificate No. Gary L. Jones 7977</p>
	<p>BASIN SURVEYS</p>

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

5. Lease Serial No.
NMNM13430

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No.
EAGLE FEATHER FEDERAL 02

2. Name of Operator
COG OPERATING LLC

Contact: KANICIA CARRILLO
E-Mail: kcarrillo@conchoresources.com

9. API Well No.
30-025-38885-00-S1

3a. Address
550 W TEXAS AVE SUITE 1300
MIDLAND, TX 79701

3b. Phone No. (include area code)
Ph: 432-685-4332

10. Field and Pool, or Exploratory
STRAWN

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 21 T26S R36E NWNE 660FNL 1630FEL
32.03420 N Lat, 103.26681 W Lon

11. County or Parish, and State
LEA COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Off-Lease Measurement
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

COG Operating, LLC respectfully request permission for OLM.

Our meter is located on Southern Union Gas Facility property. The property is located on Sec 4, T26S, R36E, N32 03.891/ W103 16.030.

Southern Union requested that the meter be located on their facility.

I have attached the following:

- Interest owner notification
- INC
- BLM OFM form

14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #87484 verified by the BLM Well Information System
For COG OPERATING LLC, sent to the Hobbs
Committed to AFMSS for processing by KURT SIMMONS on 06/07/2010 (10KMS0543SE)**

Name (Printed/Typed) KANICIA CARRILLO	Title PREPARER
Signature (Electronic Submission)	Date 06/04/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>DUNCAN WHITLOCK</u>	Title <u>LEAD PET</u>	Date <u>06/10/2010</u>
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office <u>Hobbs</u>

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Additional data for EC transaction #87484 that would not fit on the form

32. Additional remarks, continued

Plat

Map of battery facility

Map of battery location & Gas facility location

Royalties will not be reduced because of meter location. Production will be allocated using the traditional percentage allocation method.



May 13, 2010

Oxy USA Incorporated
Attn: Sally Dehn
5 Greenway Plaza, Suite 110
Houston, TX 77210

Certified Mail Article Number: 7009 2250 0001

Re: Request for Off Lease Measurement

Sally Dehn:

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 Off Lease Measurement. We have a gas meter that is located on Southern Union Gas property, Sec 4, T26S, R26E, N32 03.891 / W103 16.030.

Eagle Feather Federal #2
Lea County, NM
API #: 30-025-38885

Surface: 660' FNL & 1630' FEL Sec 21, T26S, R36E, Unit B

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 Off Lease Measurement if no objection has been made within the 20 days after the application has been received.

Sincerely,

COG Operating LLC

Kanicia Carrillo
Regulatory Analyst

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 		<p>A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <input type="checkbox"/> Date of Delivery</p> <p>C. Date of Delivery MAY 15 2010</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below:</p>	
<p>1. Article Addressed to:</p> <p>Oxy USA Incorporated Attn: Sally Dehn 5 Greenway Plaza, Suite 110 Houston, TX 77210</p>		<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>	
<p>2. Article Number (Transfer from service label)</p> <p>7009 2250 0001 0942 4926</p>		<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	

US Postal Service
CERTIFIED MAIL RECEIPT
Domestic Return Receipt
Postage: \$.44
Certified Fee: 2.80
Return Receipt Fee (Endorsement Required)
Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees
Sent to: Oxy USA Incorporated
Attn: Sally Dehn
Street, Apt. No., or PO Box No.: 5 Greenway Plaza, Suite 110
City, State, ZIP+4: Houston, TX 77210
PS Form 3800, August 2005