

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**Carlsbad Field Office**
OCD Artesia
FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018
Lease Serial No.
NMLC056551A**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.

SUBMIT IN TRIPLICATE - Other instructions on page 2		6. If Indian, Allottee or Tribe Name
1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		7. If Unit or CA/Agreement, Name and/or No.
2. Name of Operator COG OPERATING LLC Contact: KANICIA CASTILLO E-Mail: kcastillo@concho.com		8. Well Name and No. Multiple--See Attached
3a. Address 600 W ILLINOIS AVENUE MIDLAND, TX 79701	3b. Phone No. (include area code) Ph: 432-685-4332	9. API Well No. Multiple--See Attached
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Multiple--See Attached		10. Field and Pool or Exploratory Area GRAYBURG LOCO HILLS-QU-GB-SA
		11. County or Parish, State EDDY COUNTY, NM

12. CHECK THE 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"/> Hydraulic Fracturing	<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	Surface Commingling
	<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 recompleat 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must 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 requests approval for surface commingle/Pool commingle and off lease sales of gas on the following wells:

Holder CB Federal 1
NMLC056551A
API 30-015-20708
Sec 17 T17S R30E SWNW 1980FNL 660FWL
Grayburg Jackson;SR-Q-G-SA 28509

Holder CB Federal 2
NMLC056551A
API 30-015-20709

NM OIL CONSERVATION
ARTESIA DISTRICT

AUG 01 2017

RECEIVED

14. I hereby certify that the foregoing is true and correct. Electronic Submission #328690 verified by the BLM Well Information System For COG OPERATING LLC, sent to the Carlsbad Committed to AFMSS for processing by DEBORAH MCKINNEY on 02/01/2016 (16DLM0289SE)	
Name (Printed/Typed) KANICIA CASTILLO	Title PREPARER
Signature (Electronic Submission)	Date 01/15/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>J.D. Whitlock</u>	Title <u>TLPET</u>	Date <u>7/24/17</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>CFO</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.

(Instructions on page 2)

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

RUP 8-2-17

Additional data for EC transaction #328690 that would not fit on the form

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMLC056551A	NMLC056551A	HOLDER CB FED 5	30-015-26529-00-S1	Sec 17 T17S R30E NWNW 1295FNL 990FWL
NMLC056551A	NMLC056551A	HOLDER CB FED 6	30-015-31891-00-S2	Sec 17 T17S R30E SWNW 2310FNL 990FWL
NMLC056551A	NMLC056551A	HOLDER CB FED 7	30-015-31892-00-S1	Sec 17 T17S R30E SWNW 1650FNL 330FWL
NMLC056551A	NMLC056551A	HOLDER CB FEDERAL 10	30-015-35272-00-S1	Sec 17 T17S R30E NWNW 330FNL 990FWL
NMLC056551A	NMLC056551A	HOLDER CB FEDERAL 12	30-015-35962-00-S1	Sec 17 T17S R30E SWNW 1830FNL 990FWL
NMLC056551A	NMLC056551A	HOLDER CB FEDERAL 20	30-015-36670-00-S1	Sec 17 T17S R30E NWNW 330FNL 330FWL
				32.840780 N Lat, 104.001170 W Lon
NMLC056551A	NMLC056551A	HOLDER CB FEDERAL 4	30-015-25837-00-S2	Sec 17 T17S R30E SWNW 2310FNL 330FWL
NMLC056551A	NMLC056551A	HOLDER CB FEDERAL 9	30-015-35273-00-S1	Sec 17 T17S R30E NWNW 920FNL 330FWL
NMLC056551A	NMLC056551A	HOLDER CB FEDRL 1	30-015-20708-00-S1	Sec 17 T17S R30E SWNW 1980FNL 660FWL
NMLC056551A	NMLC056551A	HOLDER CB FEDRL 2	30-015-20709-00-S1	Sec 17 T17S R30E NWNW 660FNL 660FWL

32. Additional remarks, continued

Sec 17 T17S R30E NWNW 660FNL 660FWL
Grayburg Jackson;SR-Q-G-SA 28509

Holder CB Federal 4
NMLC056551A
API 30-015-25837
Sec 17 T17S R30E SWNW 2310FNL 330FWL
Loco Hills;Glorieta-Yeso

Holder CB Federal 5
NMLC056551A
API 30-015-26529
Sec 17 T17S R30E NWNW 1295FNL 990FWL
Grayburg Jackson;SR-Q-G-SA 28509

Holder CB Federal 6
NMLC056551A
API 30-015-31891
Sec 17 T17S R30E SWNW 2310FNL 990FWL
Grayburg Jackson;SR-Q-G-SA 28509

Holder CB Federal 7
NMLC056551A
API 30-015-31892
Sec 17 T17S R30E SWNW 1650FNL 330FWL
Loco Hills;Glorieta-Yeso

Holder CB Federal 9
NMLC056551A
API 30-015-35273
Sec 17 T17S R30E NWNW 920FNL 330FWL
Loco Hills;Glorieta-Yeso

Holder CB Federal 10
NMLC056551A
API 30-015-35272
Sec 17 T17S R30E NWNW 330FNL 990FWL
Loco Hills;Glorieta-Yeso

Holder CB Federal 12
NMLC056551A
API 30-015-35962
Sec 17 T17S R30E SWNW 1830FNL 990FWL
Loco Hills;Glorieta-Yeso

Holder CB Federal 20
NMLC056551A
API 30-015-~~36662~~ 36670
Sec 17 T17S R30E NWNW 330FNL 330FWL
Loco Hills;Glorieta-Yeso

Consolidating production to one battery will extend the economic life for these wells and lessen surface disturbance.

Commingle will not reduce value of production.

All interest owners have been notified.

All lease Royalty Rates are 12-1/2%.

Please see attachments.

APPLICATION FOR A POOL COMMINGLE

Pool Commingle Proposal for the Holder CB Federal Wells:

COG Operating is requesting approval for a Pool commingle for the following wells:

Federal Lease NMLC056551A (12.5%)

Well Name	Location	API #	Pool	BOPD	Oil Gravities	MCFPD	BTU
Holder CB Fed 1	SWNW Sec. 17-T17S-R30E-E	30-015-20708	Grayburg Jackson; SR-Q-G-SA 28509	.41	37.1	8	1437*
Holder CB Fed 2	NWNW Sec. 17-T17S-R30E-D	30-015-20709	Grayburg Jackson; SR-Q-G-SA 28509	2	37.1	1	1437*
Holder CB Fed 4	SWNW Sec. 17-T17S-R30E-E	30-015-25837	Loco Hills; Glorieta-Yeso 96718	3	37.1	43	1437*
Holder CB Fed 5	NWNW Sec. 17-T17S-R30E-D	30-015-26529	Grayburg Jackson; SR-Q-G-SA 28509	2	37.1	4	1437*
Holder CB Fed 6	SWNW Sec. 17-T17S-R30E-E	30-015-31891	Grayburg Jackson; SR-Q-G-SA 28509	2	37.3	124	1533
Holder CB Fed 7	SWNW Sec. 17-T17S-R30E-E	30-015-31892	Loco Hills; Glorieta-Yeso 96718	5	37.3	2	1416
Holder CB Fed 9	NWNW Sec. 17-T17S-R30E-D	30-015-35273	Loco Hills; Glorieta-Yeso 96718	10	37.3	5	1358
Holder CB Fed 10	NWNW Sec. 17-T17S-R30E-D	30-015-35272	Loco Hills; Glorieta-Yeso 96718	10	37.3	37	1333
Holder CB Fed 12	SWNW Sec. 17-T17S-R30E-E	30-015-35962	Loco Hills; Glorieta-Yeso 96718	2	37.3	5	1437
Holder CB Fed 20	NWNW Sec. 17-T17S-R30E-D	30-015-36670	Loco Hills; Glorieta-Yeso 96718	0	37.3	0	1437*

*These are proposed totals for these wells; once these wells are turned back on the production information will be amended.

Attached map displays the federal leases and well locations in Section 17-T17S-R30E.

The BLM's interest in all ten wells is the same. Lease NMLC 056551A royalty rate is 12.5%.

Oil & Gas metering:

The central tank battery is located on the pad for the Holder CB Federal #6 well located in SWNW, Sec. 17-T17S-R30E on federal lease NMLC 056551A in Eddy County, New Mexico. 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 3-phase horizontal 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. Separate meters are used for measuring oil, water and gas. After fluids are separated, oil and water flow rates are measured using turbine meters (PO) #TBP, and the gas flow rate is measured using an orifice meter (PG) #TBP. After measurement the fluids are recombined with the main production stream and routed to the heater-treater for processing.

Monthly gas and oil production will be allocated based on the percentage of each wells contribution as determined through well tests. This battery will handle a total of 8 horizontal wells. Each well will be tested at least once a month and the duration of each test will be a minimum of three days. The oil test meter will be proven as per API, NMOCD, and BLM specifications, when installed, once per month for the first 3 months (to establish a consistent repeatability factor), and then quarterly thereafter, the factor obtained will be used to allocate the production volumes. The gas test meter will be calibrated on a regular basis per API, NMOCD and BLM specifications.

Combined fluids from the production header and test separator will be routed to a heater-treater where gas, oil, and water are separated. Gas separated at this point is sent to the DCP Midstream CDP meter #713924-00 which is located in SWNW, Sec. 17-T17S-R30E. Oil and water from this separator are routed to the oil and water storage tanks. Any gas that flashes off during the additional processing stages is tied directly into the gas sales system upstream of the CDP meter. This meter will be calibrated on a regular basis per API, NMOCD and BLM specifications.

The Holder CB Federal 6-7 battery will have two 500 BBL oil tanks that all wells will utilize. These oil tanks have a common delivery point on the northwest side of the location where oil is hauled via trucking by Holly Transportation. Oil sales volume is determined by gauging of sealed tanks before and after the truck is loaded in accordance with applicable API, NMOCD, and BLM specifications.

Water from all producing wells will be separated through the use of the heater-treater prior to being routed to the one 500 BBL water tank. Water will then be transferred out of the tanks and tied into a Company owned SWD system. Bulk water leaving the facility is measured using a turbine meter.

Holder CB Federal #1 production will flow into the test/production header and is routed through the process as described above. No other unique metering devices are included on this individual well.

Holder CB Federal #2 production flows into the test/production header and is routed through the process as described above. No other unique metering devices are included on this individual well.

Holder CB Federal #4 production flows into the test/production header and is routed through the process as described above. No other unique metering devices are included on this individual well.

Holder CB Federal #5 production flows into the test/production header and is routed through the process as described above. No other unique metering devices are included on this individual well.

Holder CB Federal #6 production will flow into the test/production header and is routed through the process as described above. No other unique metering devices are included on this individual well.

Holder CB Federal #7 production flows into the test/production header and is routed through the process as described above. No other unique metering devices are included on this individual well.

Holder CB Federal #9 production flows into the test/production header and is routed through the process as described above. No other unique metering devices are included on this individual well.

Holder CB Federal #10 production flows into the test/production header and is routed through the process as described above. No other unique metering devices are included on this individual well.

Holder CB Federal #12 production flows into the test/production header and is routed through the process as described above. No other unique metering devices are included on this individual well.

Holder CB Federal #20 production flows into the test/production header and is routed through the process as described above. No other unique metering devices are included on this individual well.


The BLM and OCD will be notified of any future changes in the facilities.

Process and Flow Descriptions:

The flow of produced fluids is shown in detail on the enclosed facility diagram, along with a map which shows the lease boundaries, and location of wells, facility, and gas sales meter. The proposed commingling is appropriate based on the BLM's guidance in IM 2013-152. The proposed commingling will maximize the ultimate recovery of oil and/or gas from the federal leases and will reduce environmental impacts by minimizing surface disturbance, reduce the surface facility footprint and overall emissions. The proposed commingling is the most effective economical means of producing the reserves and will reduce operating expenses, as well as, not adversely affect federal royalty income, production accountability, or the distribution of royalty.

Working, royalty, and overriding interest owners have been notified of this proposal via certified mail (see attached).

COG Operating, LLC understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

Signed: 
Printed Name: Kanicia Castillo
Title: Lead Regulatory Analyst
Date: 1/14/2016

HOLDER CB FEDERAL 6-7 BATTERY

(HOLDER CB FEDERAL #006)
SWNW SECTION 17, T17S, R30E, UNIT E
EDDY COUNTY, NM

WELLS:

HOLDER CB FEDERAL #001: 30-015-20708
HOLDER CB FEDERAL #002: 30-015-20709
HOLDER CB FEDERAL #004: 30-015-25837
HOLDER CB FEDERAL #005: 30-055-26529

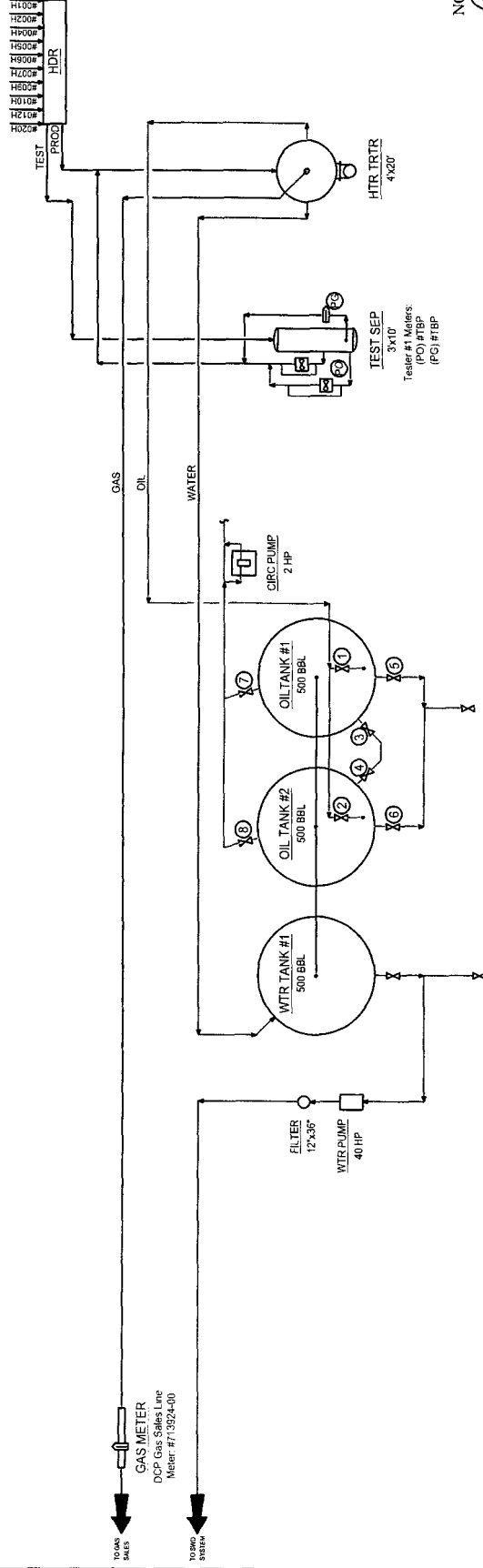
WELLS
HOLDER CB FEDERAL #006: 30-015-31891
HOLDER CB FEDERAL #007: 30-015-31892
HOLDER CB FEDERAL #009: 30-015-35273
HOLDER CB FEDERAL #010: 30-015-35272
HOLDER CB FEDERAL #012: 30-015-35962
HOLDER CB FEDERAL #020: 30-015-36670

Production Phase - Oil Tank #1

- Valve 1 open
- Valves 2 closed
- Valves 3 and 4 open
- Valves 5 and 6 closed
- Valves 7 and 8 closed

Sales Phase - Oil Tank #1

- Valve 1 closed
- Valves 2 open
- Valve 3 and/or 4 closed
- Valve 5 open
- Valves 6 closed
- Valves 7 and 8 closed



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: _____

NOTES

Type of Lease: Federal
Federal Lease #: SHL: NMLC - 056651A
Property Code: 302504
OGRID #: 229137

CONFIDENTIALITY NOTICE
IF YOU ARE NOT AN EMPLOYEE OF CONCHO OIL FIELD, YOU ARE NOT TO DISCLOSE ANY INFORMATION CONTAINED HEREIN TO ANY OTHER PERSON OR ENTITY. ANY VIOLATION OF THIS NOTICE MAY BE CAUSE FOR IMMEDIATE TERMINATION OF EMPLOYMENT AND/OR PROSECUTION.

INSURANCE POLICIES
NO. TITLE
COG OPERATING LLC
600 W. ILLINOIS AVE
MIDLAND, TEXAS 79701

REVISIONS
DATE BY CHK APP
06/01/12 JCB JCB
06/01/12 JCB JCB
06/01/12 JCB JCB

OPERATING RECORD
DATE BY CHK APP
06/01/12 JCB JCB
06/01/12 JCB JCB
06/01/12 JCB JCB

CONCHO
NEW MEXICO SHELF ASSET
SOUTHWESTERN
SITE FACILITY DIAGRAM
HOLDERS CB FEDERAL 6-7 BATTERY
EDDY COUNTY NEW MEXICO
INSTRUMENT NO. D-1700-BI-005

Holder CB Federal 6-7 Battery Map

T17S R30E

Holder CB Fed 20 SHL O

O Holder CB Fed 10 SHL

O Holder CB Fed 2 SHL

Holder CB Fed 9 SHL O

O Holder CB Fed 5 SHL

Holder CB Fed 7 SHL O

O Holder CB Fed 12 SHL

Holder CB Fed 1 SHL O

O Holder CB Fed 6 SHL

Holder CB Fed 4 SHL O

017

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page**

Run Time: 10:10 AM

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Run Date: 01/14/2016

01 02-25-1920;041STAT0437;30USC226

Total Acres Serial Number
160.000 NMLC-- 0 056551A

Case Type 310781: O&G RENEWAL LEASE - PD

Commodity 459: OIL & GAS

Case Disposition: AUTHORIZED

Serial Number: NMLC-- 0 056551A

Name & Address			Int Rel	% Interest
BREWER MARK	2101 W RUNYAN AVE	ARTESIA NM 88210	OPERATING RIGHTS	0 000000000
BUCKHORN ENTERPRISES	2101 W RUNYAN AVE	ARTESIA NM 88210	OPERATING RIGHTS	0 000000000
CHASE OIL CORP	PO BOX 1767	ARTESIA NM 882111767	OPERATING RIGHTS	0 000000000
COG OPERATING LLC	600 W ILLINOIS AVE	MIDLAND TX 797014882	LESSEE	100 000000000
COG OPERATING LLC	600 W ILLINOIS AVE	MIDLAND TX 797014882	OPERATING RIGHTS	0 000000000
MACK C CHASE TRUSTEE	PO BOX 693	ARTESIA NM 88210	OPERATING RIGHTS	0 000000000

Serial Number: NMLC-- 0 056551A

Mer Twp	Rng	Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23 0170S	0300E	009	ALIQ		W2SW;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0170S	0300E	017	ALIQ		W2NW;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMLC-- 0 056551A

Act Date	Code	Action	Action Remark	Pending Office
09/21/1936	387	CASE ESTABLISHED		
09/22/1936	496	FUND CODE	05;145003	
09/22/1936	868	EFFECTIVE DATE		
08/30/1955	553	CASE CREATED BY ASGN	OUT OF NMLC056551;	
05/02/1956	140	ASGN FILED	HOLDER/GULF OIL	
08/06/1956	139	ASGN APPROVED	EFF 06/01/56;	
02/17/1958	314	RENEWAL APLN FILED		
07/01/1958	242	LEASE RENEWED	THRU 06/30/68;	
03/07/1968	314	RENEWAL APLN FILED		
07/01/1968	242	LEASE RENEWED	THRU 06/30/78;	
09/01/1972	650	HELD BY PROD - ACTUAL		
09/01/1972	658	MEMO OF 1ST PROD-ACTUAL		
09/26/1972	102	NOTICE SENT-PROD STATUS		
03/09/1978	314	RENEWAL APLN FILED		
07/01/1978	242	LEASE RENEWED	THRU 06/30/88;	
07/15/1986	817	MERGER RECOGNIZED	CHEVRON USA/GULF OIL	
07/15/1986	940	NAME CHANGE RECOGNIZED	GULF OIL/CHEVRON USA	
03/13/1987	963	CASE MICROFILMED/SCANNED	CNUM 103,103 RW	
11/05/1987	140	ASGN FILED	CHEVRON USA/MARBOB	
02/26/1988	314	RENEWAL APLN FILED		
03/01/1988	932	TRF OPER RGTS FILED		
03/08/1988	139	ASGN APPROVED	EFF 12/01/87;	
03/08/1988	933	TRF OPER RGTS APPROVED	EFF 04/01/88;	
06/01/1988	974	AUTOMATED RECORD VERIF	JAM/JAM	
07/01/1988	242	LEASE RENEWED	THRU 06/30/98;	
07/01/1988	868	EFFECTIVE DATE		
10/23/1990	575	APD FILED	MARBOB ENERGY CE	
11/05/1990	576	APD APPROVED	HOLDER CB FED NO 5	
03/26/1991	575	APD FILED	MARBOB ENERGY CE	
04/15/1991	576	APD APPROVED	HOLDER CB FED NO 6	
10/01/1992	621	RLTY RED-STRIPPER WELL	10.14/1/	

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
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12/07/1992	140	ASGN FILED	MARBOB/CHASE OIL CORP
12/07/1992	932	TRF OPER RGTS FILED	GRAY TR/CHASE TR
01/25/1993	625	RLTY REDUCTION APPV	/1/
04/02/1993	139	ASGN APPROVED	EFF 01/01/93;
04/02/1993	933	TRF OPER RGTS APPROVED	EFF 01/01/93;
04/02/1993	974	AUTOMATED RECORD VERIF	CM/KRP
04/07/1993	909	BOND ACCEPTED	EFF 04/05/93;NM2151
07/16/1993	974	AUTOMATED RECORD VERIF	GAG
02/18/1994	974	AUTOMATED RECORD VERIF	LR
07/05/1994	932	TRF OPER RGTS FILED	CHASE OIL/BREWER
07/05/1994	932	TRF OPER RGTS FILED	TOLLE ETAL/CHASE OIL
10/14/1994	933	TRF OPER RGTS APPROVED	(1)EFF 08/01/94;
10/14/1994	933	TRF OPER RGTS APPROVED	(2)EFF 08/01/94;
10/14/1994	974	AUTOMATED RECORD VERIF	MCS
06/03/1996	932	TRF OPER RGTS FILED	BREWER/BUCKHORN
09/23/1996	933	TRF OPER RGTS APPROVED	EFF 07/01/96;
09/23/1996	974	AUTOMATED RECORD VERIF	ANN
07/01/1998	242	LEASE RENEWED	THRU 06/30/18;
07/01/1998	530	RLTY RATE - 12 1/2%	/A/
07/01/1998	868	EFFECTIVE DATE	LAST RENEWAL;
03/15/1999	103	ADDTL INFO RECD	STIPS:PRAIRIE CHICKEN
04/27/1999	974	AUTOMATED RECORD VERIF	MCS
04/29/1999	314	RENEWAL APLN FILED	FLUIDS TEAM
11/01/2000	621	RLTY RED-STRIPPER WELL	2.9%
07/17/2001	625	RLTY REDUCTION APPV	
01/01/2003	621	RLTY RED-STRIPPER WELL	6.1%;/1/
12/09/2003	625	RLTY REDUCTION APPV	/1/
03/01/2004	621	RLTY RED-STRIPPER WELL	2.9%;/3/
07/09/2004	974	AUTOMATED RECORD VERIF	BCO
04/01/2005	621	RLTY RED-STRIPPER WELL	2.9%;/2/
02/09/2006	625	RLTY REDUCTION APPV	/2/
02/09/2006	625	RLTY REDUCTION APPV	/3/
03/08/2006	974	AUTOMATED RECORD VERIF	MV
04/02/2006	974	AUTOMATED RECORD VERIF	ANN
05/10/2006	140	ASGN FILED	CHASE OIL/COG OIL &1
05/23/2006	932	TRF OPER RGTS FILED	CHASE OIL/COG OIL &1
07/26/2006	139	ASGN APPROVED	EFF 06/01/06;
07/26/2006	933	TRF OPER RGTS APPROVED	EFF 06/01/06;
07/26/2006	974	AUTOMATED RECORD VERIF	ANN
03/17/2010	940	NAME CHANGE RECOGNIZED	COG O&G/COG OPER

Serial Number: NMLC-- 0 056551A

Line Nr	Remarks
0002	MMS AUDIT ASSESSMENT REPORT FROM 01/31/1994 TO
0003	02/28/1994.
0004	-
0005	/A/AC 534 RLTY RATE SLIDING, SCH D, EFF 9/22, 1996
0006	THRU 6/30/1988.
0007	10/14/1994 - OPERATOR MACK ENERGY NM 2151-SW
0008	OPERATOR BONDED - 07/26/2006
0009	COG OPERATING LLC - NMB000215 - S W;



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JAN 15 AM 9 52

January 6, 2016

Bureau of Land Management - Carlsbad Field Office
Attn: Mr. Ed Fernandez
620 E. Greene Street
Carlsbad, NM 88220

RECEIVED

RE: Request for Surface and Pool 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 & Pool Commingle of production from the following wells into the Holder CB Federal #6 Central Tank Battery located in Eddy County, New Mexico:

Holder CB Federal # 1
API # 30-015-20708
Grayburg Jackson;SR-Q-G-SA 28509
Surface: 1980 FNL & 660 FWL
Sec 17, T17S, R30E, Unit E

Holder CB Federal # 7
API# 30-015-31892
Loco Hills; Glorieta Yeso 96718
Surface: 1650 FNL & 330 FWL
Sec 17, T17S, R30E, Unit E

Holder CB Federal # 2
API # 30-015-20709
Grayburg Jackson;SR-Q-G-SA 28509
Surface: 660 FNL & 660 FWL
Sec 17, T17S, R30E, Unit D

Holder CB Federal # 9
API# 3-015-35273
Loco Hills; Glorieta Yeso 96718
Surface: 920 FNL & 330 FWL
Sec 17, T17S, R30E, Unit D

Holder CB Federal # 4
API # 30-015-25837
Loco Hills; Glorieta Yeso 96718
Surface: 2310 FNL & 330 FWL
Sec 17, T17S, R30E, Unit E

Holder CB Federal # 10
API# 30-015-35272
Loco Hills; Glorieta Yeso 96718
Surface: 330 FNL & 990 FWL
Sec 17, T17S, R30E, Unit D

Holder CB Federal # 5
API #: 30-015-26529
Grayburg Jackson;SR-Q-G-SA 28509
Surface: 1295 FNL & 990 FWL
Sec 17, T17S, R30E, Unit D

Holder CB Federal # 12
API# 30-015-35962
Loco Hills; Glorieta Yeso 96718
Surface: 1830 FNL & 990 FWL
Sec 17, T17S, R30E, Unit E

Holder CB Federal # 6
API# 30-015-31891
Grayburg Jackson;SR-Q-G-SA 28509
Surface: 2310 FNL & 990 FWL
Sec 17, T17S, R30E, Unit E

Holder CB Federal # 20
API# 30-015-36670
Loco Hills; Glorieta Yeso 96718
Surface: 330 FNL & 330 FWL
Sec 17, T17S, R30E, Unit D

A copy of this application is enclosed for your reference. Should you, or your company, have any objection, it must be filed in writing within twenty (20) days from the date of this notice to the New Mexico Oil Conservation Division at the following address: 1220 S St. Francis Drive, Santa Fe, New Mexico 87505. The Division Director may approve the Surface Commingle if no objection has been made within the 20 days after the application has been received. Please do not hesitate to reach us with any questions at the phone number given below.

Sincerely,

COG OPERATING LLC



Kanicia Castillo

432.685.4332

Lead Regulatory Analyst

1/6/2016	Continuing Notice Ltr, C-1078, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to Ann D. Allison P.O. BOX 64035 LUBBOCK TX 79464-0035 GC: 91 7199 9991 7035 3203 1817
1/6/2016	Continuing Notice Ltr, C-1078, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to ANNE S. JOHNSON 14511 W SELMA ST. WICHITA KS 67227 GC: 91 7199 9991 7035 3203 1800
1/6/2016	Continuing Notice Ltr, C-1078, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to CHARLES F. MALONE LIVING TRUST U7/1/1987 2701 CHRYSLER DRIVE ROSWELL NM 88701-5207 GC: 91 7199 9991 7035 3203 1794
1/6/2016	Continuing Notice Ltr, C-1078, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to CLEAR FORK MINERALS, LLC 309 W 7TH STREET SUITE 500 FORT WORTH TX 76102 GC: 91 7199 9991 7035 3203 1787
1/6/2016	Continuing Notice Ltr, C-1078, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to EARL L. MALONE ESTATE 6023 WEYMOUTH DR DALLAS TX 75252-7937 GC: 91 7199 9991 7035 3203 1770
1/6/2016	Continuing Notice Ltr, C-1078, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to DAVID H. ARRINGTON PO BOX 2071 MIDLAND TX 79702 GC: 91 7199 9991 7035 3203 1763
1/6/2016	Continuing Notice Ltr, C-1078, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to DAVIS A. COPPEDGE PO BOX 1858 POTTSMORE TX 74076 GC: 91 7199 9991 7035 3203 1756
1/6/2016	Continuing Notice Ltr, C-1078, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to ELIZABETH EATON 5870 S CURTICE ST LITTLETON CO 80120-1909 GC: 91 7199 9991 7035 3203 1749
1/6/2016	Continuing Notice Ltr, C-1078, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to G. P. CROSSLEY D/B/A NATURAL GAS SERVICES P.O. BOX 2464 ROSWELL NM 88202 GC: 91 7199 9991 7035 3203 1732
1/6/2016	Continuing Notice Ltr, C-1078, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to GEORGE D. MITCHELL 2861 NORTH TANDOR DRIVE ALTADENA CA 91001-1811 GC: 91 7199 9991 7035 3203 1725
1/6/2016	Continuing Notice Ltr, C-1078, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to GEORGE O'BRIEN P.O. BOX 1743 MIDLAND TX 79702 GC: 91 7199 9991 7035 3203 1718
1/6/2016	Continuing Notice Ltr, C-1078, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to GILBERT J. EATON 48 ARIZONA STATE DRIVE NEWARK DE 19713-1144 GC: 91 7199 9991 7035 3203 1701
1/6/2016	Continuing Notice Ltr, C-1078, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to JAMES T. COPPEDGE P.O. BOX 43 SPENCER IN 47460-9406 GC: 91 7199 9991 7035 3203 1688
1/6/2016	Continuing Notice Ltr, C-1078, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to LAURA LYNN MCCAMPBELL 6023 WEYMOUTH DRIVE DALLAS TX 75252 GC: 91 7199 9991 7035 3203 1671
1/6/2016	Continuing Notice Ltr, C-1078, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to LEE ROY & DORIS ANN BRIGHAM, TRUST 7557 N RIVER ROAD PASO ROBLES CA 93446 GC: 91 7199 9991 7035 3203 1664
1/6/2016	Continuing Notice Ltr, C-1078, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to LINDA E. SCHWARTZ 324 W RAMONA AVENUE COLORADO SPRINGS CO 80905 GC: 91 7199 9991 7035 3203 1657
1/6/2016	Continuing Notice Ltr, C-1078, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to MARY J. MCWHORTER C/O JAMES MCWHORTER 769 CANTON RD LOGAN UT 84321-4316 GC: 91 7199 9991 7035 3203 164C
1/6/2016	Continuing Notice Ltr, C-1078, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to MIA M. SIMMONS 1272 11TH STREET LOS OSOS CA 93402-1331 GC: 91 7199 9991 7035 3203 1633
1/6/2016	Continuing Notice Ltr, C-1078, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to MICHAEL HERO MOORE IRREVOCABLE TRUST JAMES L'ALGOUT TTE 2929 NORTH CENTRAL EXPRESSWAY, STE 235 RICHARDSON TX 75080 GC: 91 7199 9991 7035 3203 1619
1/6/2016	Continuing Notice Ltr, C-1078, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to MICHAEL H. MOORE P.O. BOX 14594 TALLAHASSEE FL 32317-4594 GC: 91 7199 9991 7035 3203 1602
1/6/2016	Continuing Notice Ltr, C-1078, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to Noble Royalties Inc P.O. Box 660082 Dallas TX 75266-0082 GC: 91 7199 9991 7035 3203 159F
1/6/2016	Continuing Notice Ltr, C-1078, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to Bureau of Land Management - Carlsbad Field Office Attn: Mr. Ed Fernandez 620 E. Greene Street Carlsbad, NM 88720 GC: 91 7199 9991 7035 3203 1589
1/6/2016	Continuing Notice Ltr, C-1078, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to PAMELA ANNE EVANS 7625 PARKVIEW CIRCLE AUSTIN TX 78731 GC: 91 7199 9991 7035 3203 1572
1/6/2016	Continuing Notice Ltr, C-1078, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to TEXAS PRESBYTERIAN FOUNDATION C/O FARMERS NATIONAL CO AGENT ATTN OIL & GAS DEPT P.O. BOX 3480 OMAHA NE 68103-048
1/6/2016	Continuing Notice Ltr, C-1078, Tank Bty diagram	Holder CB Federal 6 CTR	GC: 91 7199 9991 7035 3203 1565
1/6/2016	Continuing Notice Ltr, C-1078, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to THE CLARE COMPANY LLC 30831 OLYMPIC PLACE LAGUNA NIGUEL CA 92657 GC: 91 7199 9991 7035 3203 1558
1/6/2016	Continuing Notice Ltr, C-1078, Tank Bty diagram	Holder CB Federal 6 CTR	Sent Certified Mail to Virginia E. Eaton 461 Rittenhouse Blvd Jeffersonville PA 19403-3382 GC: 91 7199 9991 7035 3203 1541

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO
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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] Holder CB Fed 1 30-015-20708
 [A] Location - Spacing Unit - Simultaneous Dedication Holder CB Fed 2 30-015-20709
 ☐ NSL ☐ NSP ☐ SD Holder CB Fed 4 30-015-25837
 Holder CB Fed 5 30-015-26529
 Check One Only for [B] or [C] Holder CB Fed 6 30-015-31891
 [B] Commingling - Storage - Measurement Holder CB Fed 7 30-015-31892
 ☐ DHC ☒ CTB ☒ PLC ☐ PC ☐ OLS ☐ OLM Holder CB Fed 9 30-015-35273
 Holder CB Fed 10 30-015-35272
 [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery Holder CB Fed 12 30-015-35962
 ☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR Holder CB Fed 20 30-015-36670
 [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.

Kanicia Castillo

Lead Regulatory Analyst

1/15/16

Print or Type Name

Signature

Title

Date

kcastillo@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: 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
Grayburg Jackson;SR-Q-G-SA 28509	37.3 / 1534	37.3 / 1487			
Loco Hills;Glorieta-Yeco 96718	37.3 / 1333				

- (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) Well test method on low producing wells.
(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 KC

TITLE Lead Regulatory Analyst DATE 12/16/15

TYPE OR PRINT NAME Kanicia Castillo

TELEPHONE NO. 432-685-4332

E-MAIL ADDRESS kcastillo@concho.com

**Bureau of Land Management
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

**Holder CB Federal wells
Lease NMLC056551A**

COG Operating LLC

July 24, 2017

Condition of Approval

Surface Pool commingling and off lease gas measurement and sales

1. This approval is subject to like approval by the New Mexico Oil Conservation Division.
2. This agency shall be notified of any spill or discharge as required by NTL-3A.
3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments or product accountability.
4. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days, an application for right-of-way approval must be submitted to the Realty Section if not already done.
5. Approval for combining production from various sources is a privilege which is granted to lessees for the purpose of aiding conservation and extending the economic life of leases. Applicants should be cognizant that failure to operate in accordance with the provisions outlined in the Authorized Officer's conditions of approval and/or subsequent stipulations or modifications will subject such approval to revocation.
6. Gas measurement for allocation must be measured as per Federal Regulations, AGA and API requirements for sales meters.
7. All gas and oil subject to royalty shall be measured as per federal regulations and shall be reported to ONRR as required. All gas which is vented, flared or used on lease shall be reported as per NTL-4A to ONRR. All gas which is vented or flared shall be subject to royalty, unless prior approval was given by the authorized officer.
8. This agency shall be notified of any change in sales method or location of sales point.
9. Additional wells require additional commingling approvals.
10. Notify this office 24 Hrs. prior to any meter calibration/proving to allow time for an inspector to witness.
11. Submit meter numbers upon installation of meters and also provide updated facility diagram with meters numbers.