

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTCarlsbad Field Office
OCD ArtesiaFORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018**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.
NMNM057239

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
LIZARD POT FEDERAL 2H9. API Well No.
30-015-3814610. Field and Pool or Exploratory Area
WC WILLIAMS SINK; BS11. County or Parish, State
EDDY COUNTY, NM**SUBMIT IN TRIPLICATE - Other instructions on page 2**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator
COG OPERATING LLCContact: AMANDA AVERY
E-Mail: aavery@concho.com3a. Address
2208 W MAIN STREET
ARTESIA, NM 882103b. Phone No. (include area code)
Ph: 575-748-69404. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 36 T19S R31E SESW 660FSL 1980FWL**12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" 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	Venting and/or Flaring
	<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 recompleat 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 requests permission to install a Vapor Combustor Unit (VCU) at the Horned Owl Federal #3H tank battery. This request is due to the fact that the cost of installing and operating equipment necessary to capture the gas exceeds the value of the gas over the life of the facility. COG Operating LLC understands that the following conditions apply:

1. COG Operating LLC may be required to provide economic justification and provide volume verification to the Authorized Officer upon request.
2. COG Operating LLC will comply with NTL-4A requirements.
3. If volume being combusted is less than 50 MCF of gas per day, it is considered unavoidably lost, therefore, no royalty obligation shall be accrued and will not be required to be reported.
 - a. Unavoidably Lost production shall mean (1) those gas vapors which are released (in this case combusted) from low-pressure storage tanks.
4. Essentially all measured combusted volumes over 50 MCF will require payment of royalties and

NM OIL CONSERVATION
ARTESIA DISTRICT

NOV 07 2017

SEE COA'S
MULTIPLE RECEIVED
OGBOR B 10/21/17**SEE ATTACHED FOR**
CONDITIONS OF APPROVAL

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

Electronic Submission #364542 verified by the BLM Well Information System
For COG OPERATING LLC, sent to the Carlsbad
Committed to AFMSS for processing by DEBORAH MCKINNEY on 02/07/2017 ()

Name (Printed/Typed) AMANDA AVERY

Title AUTHORIZED REPRESENTATIVE

Signature (Electronic Submission)

Date 01/23/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

J. D. W. Little

Title

TLPET

Date

10/20/17

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

CFO

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)

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

Additional data for EC transaction #364542 that would not fit on the form

32. Additional remarks, continued

volumes need to be reported on OGOR B reports as disposition code 08.

5. Per 43 CFR 3162.7-5(d)/Onshore Order No.3.III.1.1, site facility diagram must be submitted within 60 days of equipment installation.

6. This approval does not authorize any additional surface disturbance.

7. Subject to like approval from NMOCD.

The Lizard Pot 2 Battery tank vapor measurement method was performed in the following manner:

Measurement Instrument: Fox Instruments Thermal Mass Meter

? This meter technology was chosen due to its volume turndown capabilities

? The meter was calibrated for 3" diameter pipe.

? A standard gas analysis, comparable to the gas expected from the Monet Fed 3H production stream, was also inputted into the thermal mass meter transmitter for gas density calculations.

? The calibration of the meter allows for a span of 0-300 Mcfd.

? Test results 31.2 MSCF on 1/9/17

The thermal mass meter was installed on the outlet of the production tanks. The valve to the combustor was placed in the closed position and all tank vapors were directed to the thermal mass meter. Our technician verified there were no leaks on the tank vent valves or thief hatches during testing. The tank vapors were measured for 24 hours, we feel our measured volumes are higher than the actual production.

Company contact is Layne Rodgers 575-631-0286

Attached are the following:

Site Security Diagram of the current tank battery, as well as the location of the VCU and the manifold line connecting the tanks to the VCU.

Specification sheet(s) for the VCU.

EDGE

MANUFACTURING & TECHNOLOGY

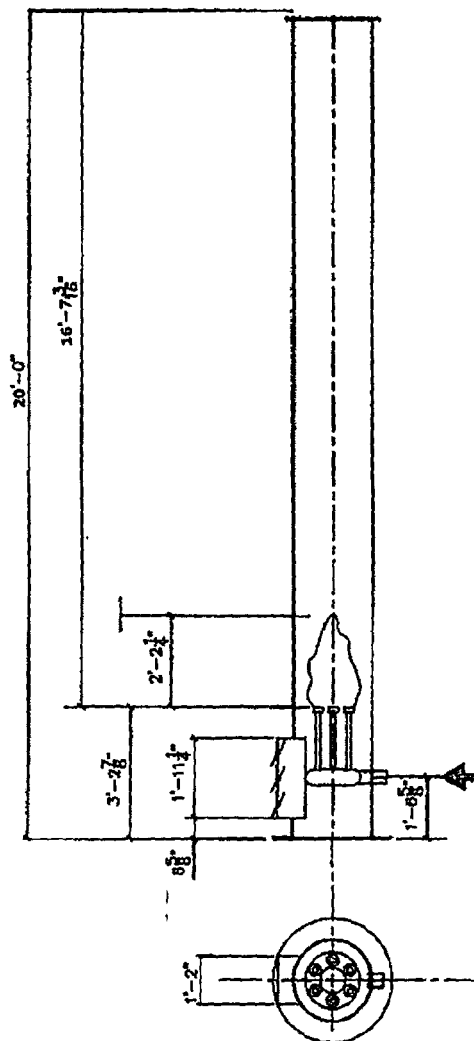
2606 W CR 130, Midland TX 79705
432-687-7060

THERMAL OXIDATION CALCULATIONS

Flow Rate 1.157 SCFS
Temperature (vapor) 585 deg. R
Pav 10 in. W.C.
Temperature (air) 545 deg. R
Hgt:D Ratio 8.5
Diameter 24 in.
Ambient air density 0.0716 lb./cf

Formula	C	H	
MW avg	36	6	
H:C Ratio	42.00		
Mass flow	0.1283		Lbs/sec
Air required	2.1810		Lbs/sec 29.0694 SCFS
CO2	0.4030		Lbs/sec 3.47 SCFS
H2O	0.1649		Lbs/sec 6.94 SCFS
N2	1.72		Lbs/sec 23.59 SCFS
Exit Mass	2.2909		Lbs/sec 34.0052 SCFS
MW	28.72		
Heat Input	2576		BTU/sec.
Temperature rise	1049.10		deg. F/sec
Total Volume	92.11		ACFS
Stack Area	3.14		SF
Velocity	29.32		fps
Stack height	21.66		ft.
Residence	0.78		sec.

Pdraft 0.1935 in.WC
Area req'd (air intake) 273 in.2
Grill size 14x23 in.



BURNER

Vs = 892 fps
Mach exit = .202 x Vs = 180.18 fps
AREA = .996 in.2
 ΔP = 10.4 in.WC
Lf = 2.19 ft.

← HEADER INLET

1	REVISED PER FINAL DATA	8/14/14
REV.	DESCRIPTION	DATE

Edge CXV 24" Combustor Data Sheet

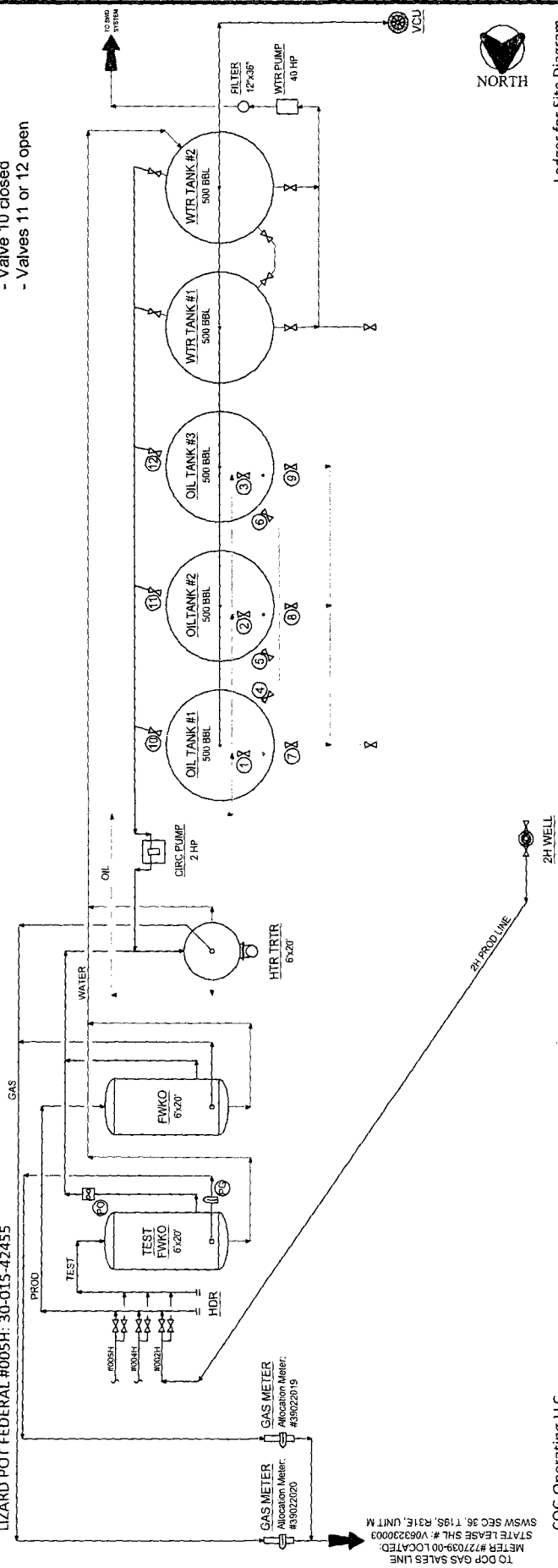
LIZARD POT FEDERAL 2H BATTERY
SESW SECTION 36, T19S, R31E, UNIT N
EDDY COUNTY, NM

WELLS:

LIZARD POT FEDERAL #002H: 30-015-38146
LIZARD POT FEDERAL #004H: 30-015-38236
LIZARD POT FEDERAL #005H: 30-015-42455

Production Phase - Oil Tank #1
- 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

Sales Phase - Oil Tank #1
- 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

TO DCP GAS SALES LINE
METER #177039-00 LOCATED
STATE LEASE SHL #: V063230003
SESW SEC 36, T19S, R31E, UNIT N

NOTES:

Type of Lease: Federal
State Lease SHL #: V063230003
Property Code: 39867
OGRID #: 229137

CONFIDENTIALITY NOTICE
THIS DRAWING IS PROPERTY
OF CONCHO AND IS NOT TO BE
REPRODUCED OR COPIED IN ANY
MANNER WITHOUT THE WRITTEN
CONSENT OF CONCHO. ANY
VIOLATION OF THIS NOTICE
MAY BE CAUSE FOR LEGAL
ACTION.

REFERENCE DRAWINGS

NO.	TITLE
1	CONCHO OPERATING LLC 600 WEST ILLINOIS AVENUE MIDLAND, TEXAS 79701

DATE	BY	CHK	DESCRIPTION
01/20/17	01/20/17	01/20/17	UNLTD FOR LIZARD POT 2H BTRY
01/20/17	01/20/17	01/20/17	UNLTD FOR LIZARD POT 2H BTRY
01/20/17	01/20/17	01/20/17	UNLTD FOR LIZARD POT 2H BTRY

CONCHO
NEW MEXICO BASIN ASSET
SITE FACILITY DIAGRAM
LIZARD POT FEDERAL 2H BATTERY
EDDY COUNTY
NEW MEXICO
DWC NO. D-1700-B1-005



Ledger for Site Diagram
Produced Fluid:
Produced Oil:
Produced Gas:
Produced Water:

**BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

**CONDITIONS OF APPROVAL TO INSTALL
VAPOR COMBUSTOR UNIT (VCU)**

**COG Operating LLC
Lizard Pot Federal 2H
3001538146, Lease-NM057239**

1. These conditions of approval are for installation of a VCU on low-pressure oil storage tank facilities. This approval is due to the fact that the cost of installing and operating equipment necessary to capture the gas exceeds the value of the gas over the life of the facility. The operator may be required to provide economic justification to the Authorized Officer upon request. The operator may be required to provide volume verification to the Authorized Officer upon request.
2. Comply with 43 CFR 3179 requirements.
3. If volume being combusted is less than 50 MCF of gas per day, it is considered "unavoidably lost", therefore, no royalty obligation shall be accrued and will not be required to be reported.
 - a. "Unavoidably Lost" production shall mean (1) those gas vapors which are released (in this case combusted) from low-pressure storage tanks.
4. Essentially all measured combusted volumes over 50 MCF will require payment of royalties and volumes need to be reported on OGOR "B" reports as disposition code "33".
5. Per 43 CFR 3162.7-5(d)/Onshore Order No.3.III.1.1, site facility diagram must be submitted within 60 days of equipment installation.
6. This approval does not authorize any additional surface disturbance.
7. Subject to like approval from NMOCD.