

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Secretary

Adrienne Sandoval, Division Director
Oil Conservation Division



Notice of C-104 Denial and Request for Information

OCD denies your C-104 – *Request for Allowable and Authorization to Transport* because it is incomplete or conflicts with other information provided to OCD.

The sale or transport of product without a C-104 approved by OCD violates the Oil and Gas Act and the implementing rules, including 19.15.7.15 and 19.15.16.19 NMAC.

To avoid an enforcement action, you must submit the indicated information no later than 30 days after receipt of this notice.

Test Allowable, New Well and Recompleted Well

AMEND C104

- ☐ C-103 (or BLM equivalent) for all casing strings
 - ☐ Spud Notice
 - ☐ Surface Casing
 - ☐ Intermediate Casing (if applicable)
 - ☐ Additional Intermediate Casing (if applicable)
 - ☐ Production Casing or Liner
- ☒ Applicable Order (NSL, NSP, Other TEG?/Ready Date?/PBTD?/)

} Rule 19.15.7.14
HARD COPIES ONLY

☐ Deviation Survey for Vertical Wells

☐ Directional Survey

☒ C-102 (As-Drilled Plat for Horizontal Well)

New Well and Recompleted Well Only

☒ C-103 Completion Sundry (or BLM equivalent)

☒ C-105 Completion Report (or BLM equivalent)

☒ All Logs Run on Well

? (if applicable)

AMEND

If you have any questions please contact the local OCD District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



**NOTICE TO OPERATORS
TEST ALLOWABLE
For Horizontal Wells**

5/15/2017

Operators drilling Horizontal Wells may transport oil or gas encountered during drilling, completion, or recompletion provided the operator has filed and the OCD district office has approved a Form C-104, Request for Allowable and Authorization to Transport, stating REASON FOR FILING CODE as "RT" and specifying the Ready Date of transport or 1st sales for the proposed formation or pool.

All administrative and regulatory approvals for the well must be in place before the division will approve a test allowable; i.e. NSL, NSP, DHC, Drilling Sundries. The operator should review the Conditions of Approval that the Division has noted on the Application for Permit to Drill and comply with special requirements listed by the district office for C-104 approval.

Approval of Test Allowable C-104 grants authorization **not to exceed 90 days after the "Ready Date"** to transport oil or gas during the drilling, completion, or recompletion processes ONLY. Oil and gas volumes produced and sold during these activities are to be designated and submitted in a timely manner on appropriate OCD and BLM forms. The approval of a Test Allowable shall not authorize production in excess of the authorized allowable.

A New Well C-104 marked as "NW" should be submitted and approved before the expiration of the 90-day "Test Allowable" to continue transportation. If all required documents are not received and approved within 90 days, the well may be shut in.

TEST ALLOWABLE REQUIREMENTS:

- 1) Operator shall file and have approved with the appropriate NMOCD district office Form C-104 designating REASON FOR FILING CODE as "RT" prior to transporting. Operator shall review Conditions of Approval on the Application for Permit to Drill before filing the C-104.
- 2) The "Ready Date" of first transport/sale must be specified on the Form C-104. To avoid impacting C-115 reporting, the Ready Date shall not be after the date of first sale.

- 3) For a "Test Allowable" C-104, the operator is not required to complete Section V "Well Test Data" Nos.31-41.
- 4) A copy of the well's deviation and/or directional survey and "As Drilled" C-102, must be provided prior to Test Allowable C-104 approval. It does not have to be a certified copy; an informational copy will suffice. The certified copy should still be submitted at a later date. Directional Surveys should be submitted as required by NMOCD Rule 19.15.16.14 NMAC. If the "As drilled" C-102 is not available at the time of submittal, please contact the appropriate District Office.
- 5) EXTENSIONS to the 90 day "RT" approval period, will be granted ONLY IN EXTRAORDINARY CIRCUMSTANCES and will require Santa Fe approval.
- 6) For wells not requiring a Test Allowable C-104, the operator will comply with Log, Completions and Workover reports; NMOCD Rule 19.15.16.19.A NMAC

PLEASE NOTE: Allow district offices sufficient time to review and approve C-104's prior to the designated Ready Date. If needed, please contact the appropriate District Office for a timeline of submittal and approval processes.

Make sure all information on C-104's & sundry filings is complete and correct.
(If not complete and correct the operator may be asked to amend the forms and resubmit)

C-104 form and instructions are available on the OCD website at:
<http://www.emnrd.state.nm.us/OCD/forms.html>

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



OIL CONSERVATION DIVISION
NOTICE TO OIL AND GAS OPERATORS

**CHANGES IN DIVISION RULES FOR THE FILING OF COMPLETION REPORTS
AND HYDRAULIC FRACTURE DISCLOSURES**

On August 10, 2017, the New Mexico Oil Conservation Commission approved Order No. R-14353-B which adopted changes to two sections of the New Mexico Administrative Code (NMAC) that involve the reporting requirements to the Division by operators. The changes in NMAC are:

PART 7 FORMS AND REPORTS

19.15.7.16 WELL COMPLETION OR RECOMPLETION REPORT AND LOG (Form C-105)

The Commission approved an increase in the time period for filing the Form C-105 with the appropriate Division District office following the completion or recompletion of a well. This period has increased from 20 days to 45 days. Please remember that the proper filing of a Form C-105 includes all required supplemental documents such as test results and log suites.

PART 16 DRILLING AND PRODUCTION

19.15.16.19 LOG, COMPLETION AND WORKOVER REPORTS

Under this section, the Commission approved changes to the filing date of the completion report and the method of reporting to the Division information detailing the content of the hydraulic fracturing treatment used for the well completion. The filing period is increased to 45 days to conform with the changes in 19.15.7.16 NMAC. Furthermore, the Division will discontinue the use of its own disclosure form and operators must complete and file the FracFocus Chemical Disclosure Registry (<https://fracfocus.org/>) for reporting the content of hydraulic fracture treatments. The operator will be responsible for establishing and maintaining an account with the Registry to comply with this reporting requirement. The filing period for the disclosure will also be 45 days following the completion, recompletion, or additional hydraulic fracturing treatments of the well.

Effective date for these changes is September 26, 2017. Please review the specific content of the changes in these sections of the NMAC as provided in following link: <http://164.64.110.239/nmac/title19/T19C015.htm>. Please contact the appropriate District Supervisor or the Engineering Bureau staff in Santa Fe with any questions regarding these changes.

DAVID R. CATANACH, Director

September 26, 2017

RECEIVED

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., 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

Form C-104
Revised August 1, 2011

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit one copy to appropriate District Office

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address COG Operating LLC 2208 W. Main Street Artesia, NM 88210		² OGRID Number 229137
		³ Reason for Filing Code/ Effective Date NW
API Number 30-015-45548	⁵ Pool Name Delaware River; Bone Spring	⁶ Pool Code 16800
⁷ Property Code 323005	⁸ Property Name SRO 4 State Com	⁹ Well Number 502H

II. ¹⁰ Surface Location

Ul or lot no. D	Section 4	Township 26S	Range 28E	Lot Idn	Feet from the 223	North/South Line North	Feet from the 1190	East/West line West	County Eddy
--------------------	--------------	-----------------	--------------	---------	----------------------	---------------------------	-----------------------	------------------------	----------------

¹¹ Bottom Hole Location

Ul or lot no. M	Section 9	Township 26S	Range 28E	Lot Idn	Feet from the 51	North/South Line South	Feet from the 1000	East/West line West	County Eddy
¹² Lse Code S	¹³ Producing Method Code F	¹⁴ Gas Connection Date 10/22/19	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date				

III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ O/G/W
	ACC	O
298751	Energy Transfer 2001 Bryan Street, Ste 3700 Dallas, TX 75201	G
	Holly Refining and Marketing	O

IV. Well Completion Data

²¹ Spud Date 3/13/19	²² Ready Date 10/22/19	²³ TD 18,157'	²⁴ PBTD 18,055'	²⁵ Perforations 8,151-17,940'	²⁶ DHC, MC
²⁷ Hole Size	²⁸ Casing & Tubing Size	²⁹ Depth Set	³⁰ Sacks Cement		
17 1/2"	13 3/8"	710'	325		
12 1/4"	9 7/8"	2,441'	830		
8 3/4"	5.5"	18,142'	3285		
	2 7/8"	7,330'			

V. Well Test Data

³¹ Date New Oil 10/22/19	³² Gas Delivery Date 10/22/19	³³ Test Date 10/22/19	³⁴ Test Length 24 Hrs	³⁵ Tbg. Pressure 500#	³⁶ Csg. Pressure 400#
³⁷ Choke Size 35/64"	³⁸ Oil 236	³⁹ Water 3364	⁴⁰ Gas 993		⁴¹ Test Method Flowing

⁴² I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature:

Amanda Avery

Printed name:

Amanda Avery

Title:

Regulatory Analyst

E-mail Address:

aavery@concho.com

Date:

10/29/19

Phone:

575-748-6962

OIL CONSERVATION DIVISION

Approved by:

Title:

Approve:

DENIED

See Attached Cover Sheet

RECEIVED

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240
Phone: (575) 393-6181 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 RD., AZTECA, NM 87410
Phone: (505) 334-6176 Fax: (505) 334-8170

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
NOV 5 9 2018
CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-45548		Pool Code 16800	Pool Name Delaware River; Bone Spring
Property Code 323005	Property Name SRO 4 STATE COM		Well Number 502H
OGRID No. 229137	Operator Name COG OPERATING, LLC		Elevation 2989.9'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	4	26-S	28-E		223	NORTH	1190	WEST	EDDY

Bottom Hole Location If Different From Surface

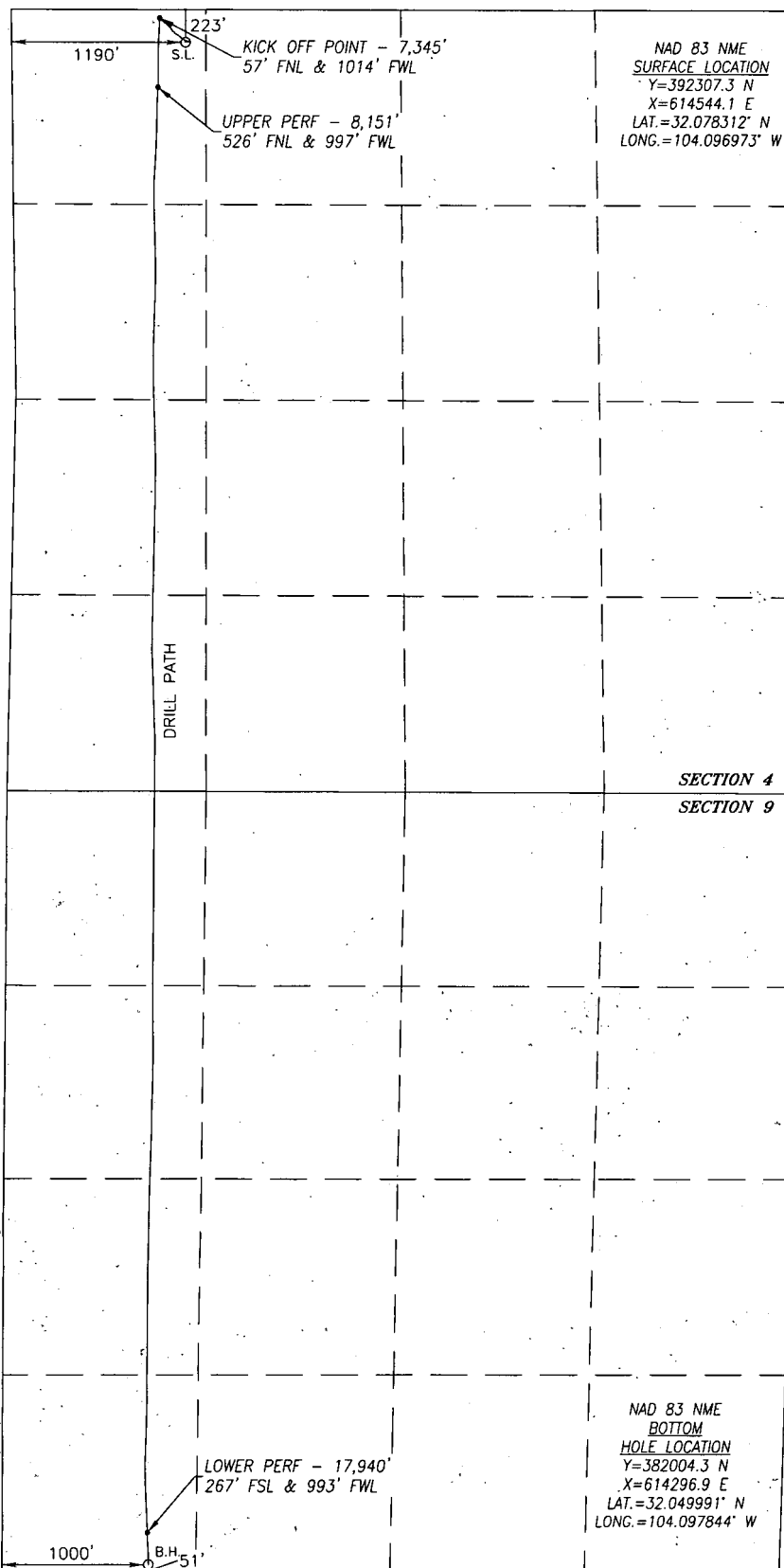
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	9	26-S	28-E		51	SOUTH	1000	WEST	EDDY

Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.
------------------------	-----------------	--------------------	-----------

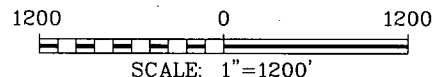
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

SEE PAGE 2

Property Code 323005	Property Name SRO 4 STATE COM	Well Number 502H
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 2989.9'



BOREPATH SHOWN HEREON IS BASED ON DIRECTIONAL SURVEY REPORT PROVIDED BY COG OPERATING, LLC FOR THE SRO 4 STATE COM #502H SUPPLIED TO HARCROW SURVEYING, LLC ON SEPTEMBER 23, 2019



OPERATOR CERTIFICATION

I hereby certify that the information 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 or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Amanda Avery 10/28/19
Signature Date

Amanda Avery
Printed Name

aavery@concho.com
E-mail Address

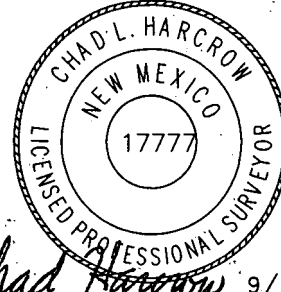
SURVEYOR CERTIFICATION

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.

NOV. 2, 2018/MAR. 28, 2019

Date of Survey/Date of Geographic Survey

Signature & Seal of Professional Surveyor



Chad Harcrow 9/26/19
Certificate No. CHAD HARCROW 17777

NOV 19 2019

I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature	<i>Amanda Avery</i>	Printed Name:	Amanda Avery	Title	Regulatory Tech	Date	10/29/19
E-mail Address: aavery@concho.com							

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well and not later than 60 days after completion of closure. When submitted as a completion report, this shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 11, 12 and 26-31 shall be reported for each zone.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico			Northwestern New Mexico	
T. Rslr	T. Canyon		T. Ojo Alamo	T. Penn A"
T. Salt	T. Strawn		T. Kirtland	T. Penn. "B"
B. Salt	T. Atoka		T. Fruitland	T. Penn. "C"
T. Yates	T. Miss		T. Pictured Cliffs	T. Penn. "D"
T. 7 Rivers	T. Devonian		T. Cliff House	T. Leadville
T. Queen	T. Silurian		T. Menefee	T. Madison
T. Grayburg	T. Montoya		T. Point Lookout	T. Elbert
T. San Andres	T. Rustler		T. Mancos	T. McCracken
T. Glorieta	T. Lamar	2426'	T. Gallup	T. Ignacio Otzte
T. Paddock	T. Bell Canyon	2483'	Base Greenhorn	T. Granite
T. Blinebry	T. Cherry Canyon	3328'	T. Dakota	
T. Tubb	T. Brushy Canyon	4549'	T. Morrison	
T. Drinkard	T. Bone Spring GL	6146'	T. Todilto	
T. Abo	T. 1 st Bone Spring	7045'	T. Entrada	
T. Wolfcamp	T. 2 nd Bone Spring- Sand		T. Wingate	
T. Penn	T. 2nd Bone Spring	7880'	T. Chinle	
T. Cisco (Bough C)	T. 3 rd Bone Spring		T. Permian	

OIL OR GAS SANDS OR ZONES

No. 1, from.....to.....

No. 2, from.....to.....

No. 3, from.....to.....

No. 4, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.....

No. 2, from.....to.....feet.....

No. 3, from.....to.....feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness In Feet	Lithology