

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTNMOCD
ArtesiaFORM 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.
NMNM105217

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.
NMNM114179

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other8. Well Name and No.
BLUE THUNDER 4 FEDERAL 12. Name of Operator
COG OPERATING LLCContact: AMANDA AVERY
E-Mail: aaavery@concho.com9. API Well No.
30-015-341253a. Address
2208 W MAIN STREET
ARTESIA, NM 882103b. Phone No. (include area code)
Ph: 575-748-694010. Field and Pool, or Exploratory
LUSK; MORROW, WEST

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 4 T19S R31E 810FSL 660FWL

11. County or Parish, and State

EDDY 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 Measuremen t |
| | <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 shall 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 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 requests approval of an Off Lease Measurement - Gas Only for the following well:

Blue Thunder 4 Federal #1
SHL: 810ft FSL & 660ft FWL
Sec 4 T19S R31E
Lusk; Morrow, West (GAS)
API # 30-015-34125
CA #NMNM114179

LEASE NMNM-105217

The gas production will be measured and sold at the DCP meter #726923 located at the Blue Thunder 5 (30-015-38977)
Federal #4H Sec 5 T19S R31E. LEASE NMNM-100958

NATIONAL CONSERVATION
ARTESIA DISTRICT

MAR 20 2017

RECEIVED

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

Electronic Submission #358240 verified by the BLM Well Information System
For COG OPERATING LLC, sent to the Carlsbad
Committed to AFMSS for processing by DEBORAH MCKINNEY on 11/17/2016 ()

Name (Printed/Typed) AMANDA AVERY

Title AUTHORIZED REPRESENTATIVE

Signature (Electronic Submission)

Date 11/16/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

MAR 2 2017

Approved By

Title

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

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

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.

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

APPLICATION FOR OFF LEASE MEASUREMENT - GAS ONLY

Proposal for the Blue Thunder 4 Federal #1:

COG Operating LLC respectfully requests approval for Off Lease Measurement, gas only for the following well:

Federal Lease NMNM114179 Royalty Rate 12.5%

| Well Name | Location | API# | Pool | BOPD | Oil Gravities | MCFPD | BTU |
|--------------------------|-----------------|--------------|-------------------|------|---------------|-------|------|
| Blue Thunder 4 Fed #1 | Sec 4 T19S R31E | 30-015-34125 | Lusk, Morrow West | 2 | 56.7 | 346 | 1219 |

An attached map shows the Federal leases and well locations in Section 4 T19S R31E and 5 T19S R31E. Working, royalty and overriding interest owners have been notified of this proposal via certified mail (see attached).

Gas Metering:

A tank battery is located at the Blue Thunder 4 Federal #1 well that is used for oil and water production. The gas production is piped to a separate meter located at the Blue Thunder 5 Federal #4H location. No commingling will take place.

The BLM's interest in the well is associated with CA #NMNM114179 (Blue Thunder 4 Federal #1) The lease has a royalty rate of 12.5%. Waste is not induced and no correlative rights are impaired. The meter will be calibrated on a regular basis per API, NMOCD and BLM specifications. The BLM and OCD will be notified of any future changes in the facilities.

Process and Flow Descriptions:

The flow of production is shown in detail on the enclosed facility diagram and map which shows the lease boundaries, location of wells and location of flow lines, facility and gas sales meter. The off lease measurement of this production is the most effective economical means of producing the reserves and will not result in reduced royalty of improper measurement. COG feels it is not in the best interest of the American public to have the operator plug the wells at this time as there are still recoverable minerals.

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

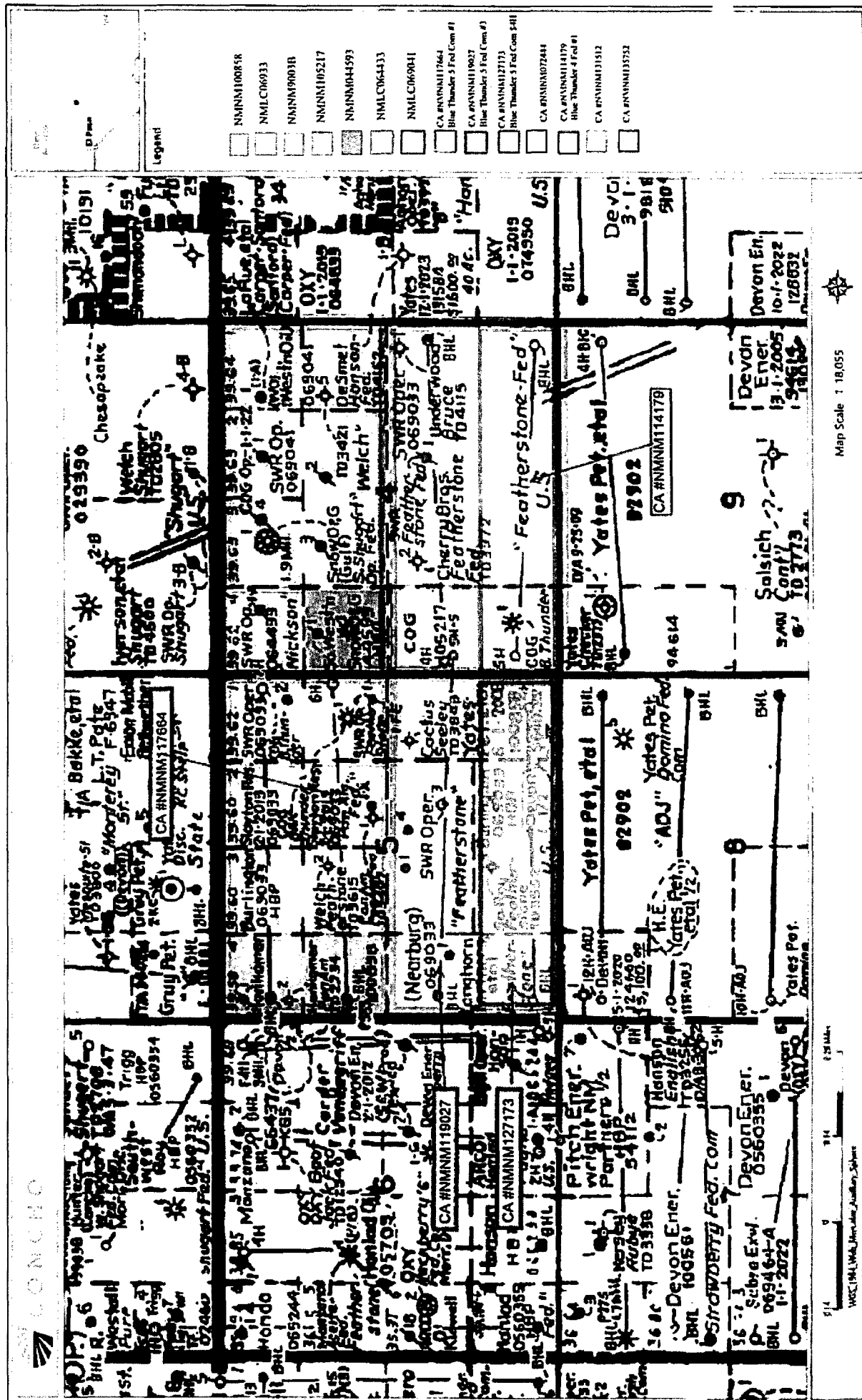
Signed:

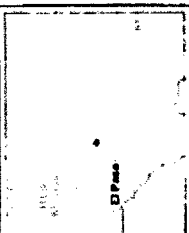


Printed Name: Amanda Avery

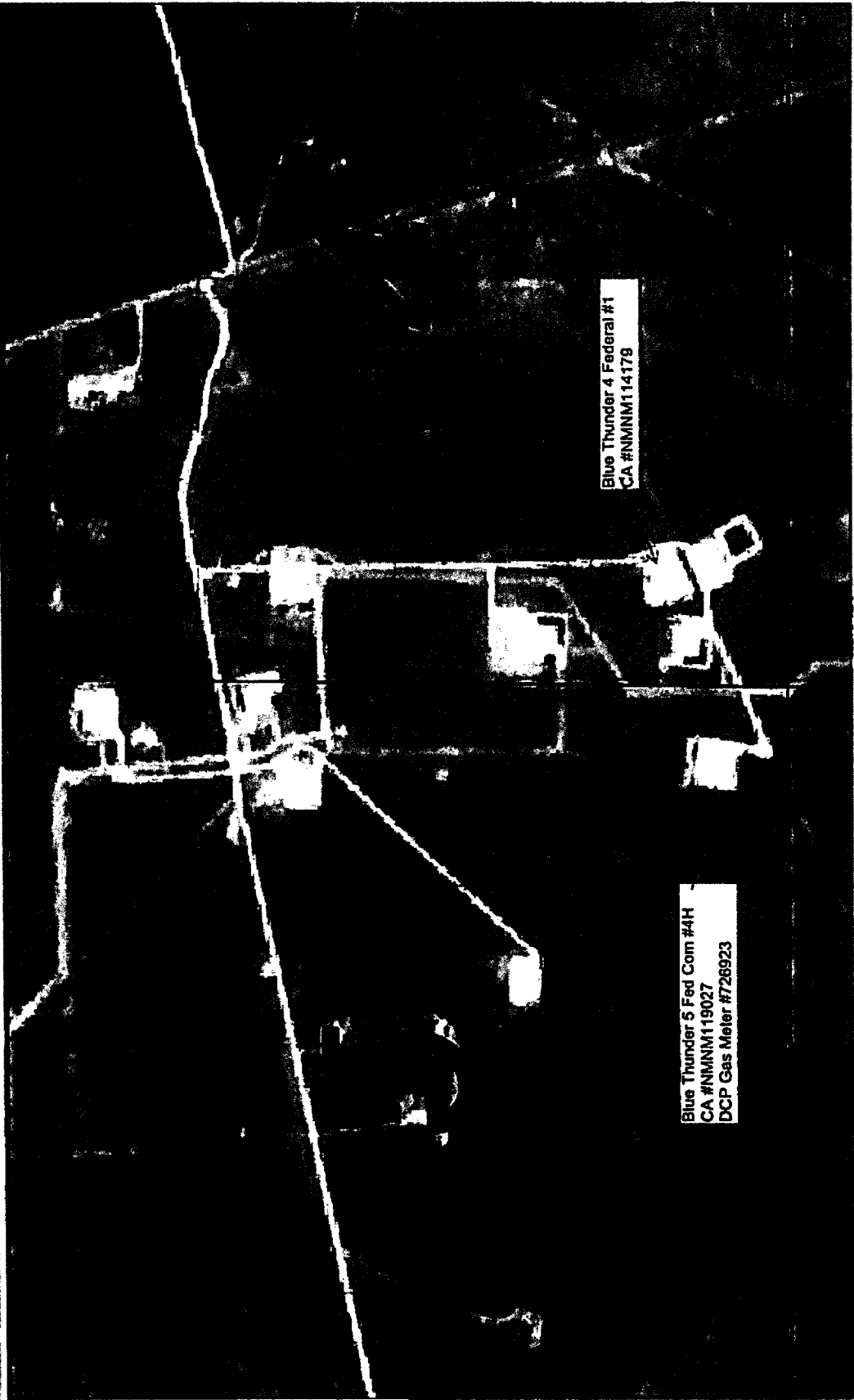
Title: Regulatory Tech

Date 10/15/16



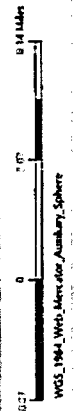


- Legend**
- RapidEye NM May_2016
 - Red Band,1
 - Green Band,2
 - Blue Band,3
 - RapidEye TX May_2016
 - Red Band,1
 - Green Band,2
 - Blue Band,3
 - RapidEye TX Nov_2015
 - Red Band,1
 - Green Band,2
 - Blue Band,3
 - RapidEye TX June_2014
 - Red Band,1
 - Green Band,2
 - Blue Band,3



Blue Thunder 4 Federal #1
CA #NMNM114179

Blue Thunder 5 Fed Com #4H
CA #NMNM119027
DCP Gas Meter #726923



Map Scale 1:9,027

| Date Sent | Initials | Document Type | Well Name | Sent Certified Return Receipt to: | Receipt No. |
|------------|----------|---------------|---------------------------|---|-----------------------|
| 11/16/2016 | aa | OLM | Blue Thunder 4 Federal #1 | Abo Petroleum Corp PO Box 900 Artesia, NM 88210 | 701609100000026545620 |
| 11/16/2016 | aa | OLM | Blue Thunder 4 Federal #1 | Devon Energy PO Box 843559 Dallas, TX 7253559 | 701609100000026545637 |
| 11/16/2016 | aa | OLM | Blue Thunder 4 Federal #1 | J & L Exploration LLC PO Box 51067 Midland, TX 79710 | 701609100000026545644 |
| 11/16/2016 | aa | OLM | Blue Thunder 4 Federal #1 | Occidental Permian LTD PO Box 841803 Dallas, TX 75284 | 701609100000026545651 |
| 11/16/2016 | aa | OLM | Blue Thunder 4 Federal #1 | Paul and Patricia Slayton PO Box 2035 Roswell, NM 88202 | 701609100000026545668 |
| 11/16/2016 | aa | OLM | Blue Thunder 4 Federal #1 | Mycos Industries Inc PO Box 840 Artesia, NM 88210 | 701609100000026545675 |
| 11/16/2016 | aa | OLM | Blue Thunder 4 Federal #1 | McCombs Energy LTD 5599 San Felipe Ste 1200 Houston, TX 77056 | 701609100000026545682 |
| 11/16/2016 | aa | OLM | Blue Thunder 4 Federal #1 | OXY PO Box 841803 Dallas TX 75284 | 701609100000026545699 |
| 11/16/2016 | aa | OLM | Blue Thunder 4 Federal #1 | Fawn Alcorn Pierce 502 Carter Dr Roswell, NM 88203 | 701609100000026545705 |
| 11/16/2016 | aa | OLM | Blue Thunder 4 Federal #1 | Yates Petroleum Corp 105 S Fourth Street Artesia, NM 88210 | 701609100000026545712 |

BLUE THUNDER 4 FEDERAL 1 BATTERY
SWSW SECTION 4, T19S, R31E, UNIT M
EDDY COUNTY, NM

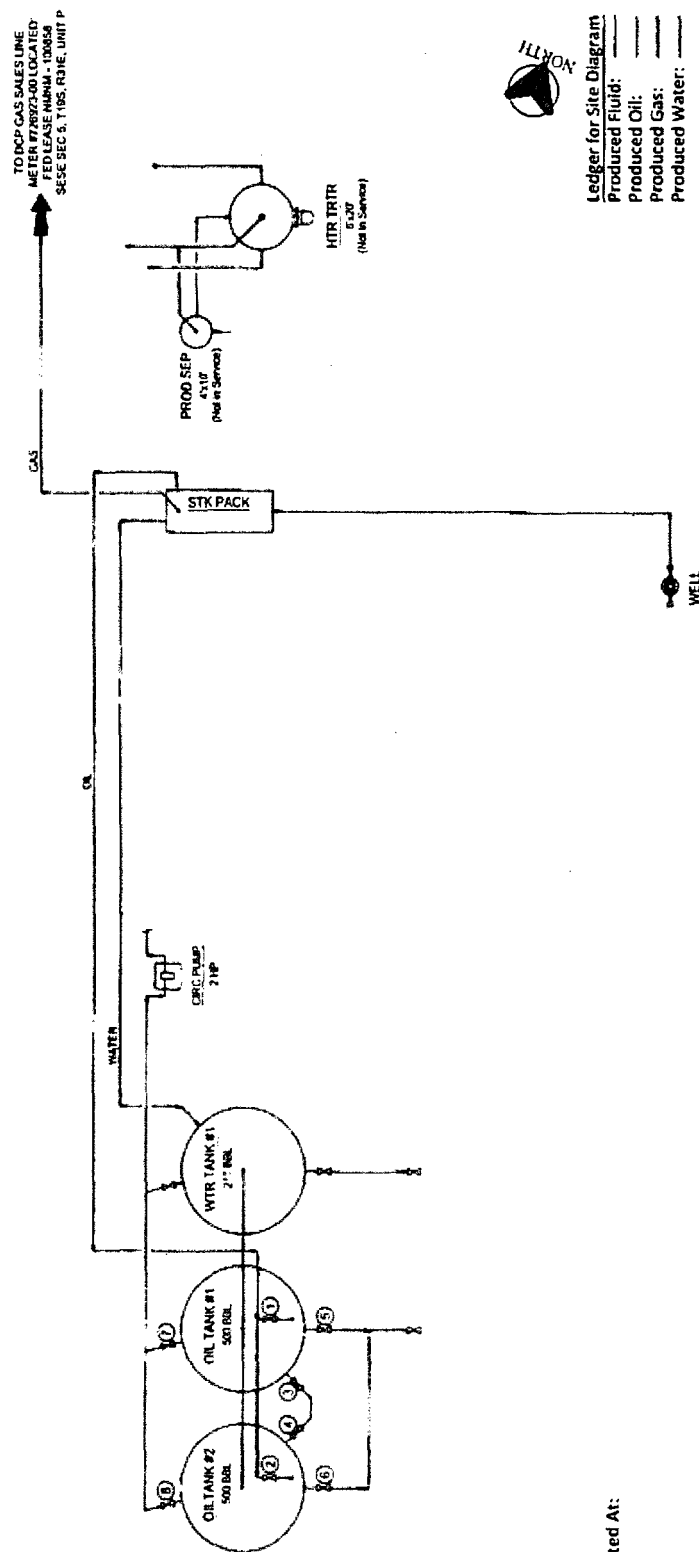
WELLS:
BLUE THUNDER 4 FEDERAL #001: 30-015-34125

Production Phase - Oil Tank #1

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

Sales Phase - Oil Tank #1

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



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



Federal Lease #: NMNM - 105217
Property Code: 34747
OGRID #: 229137

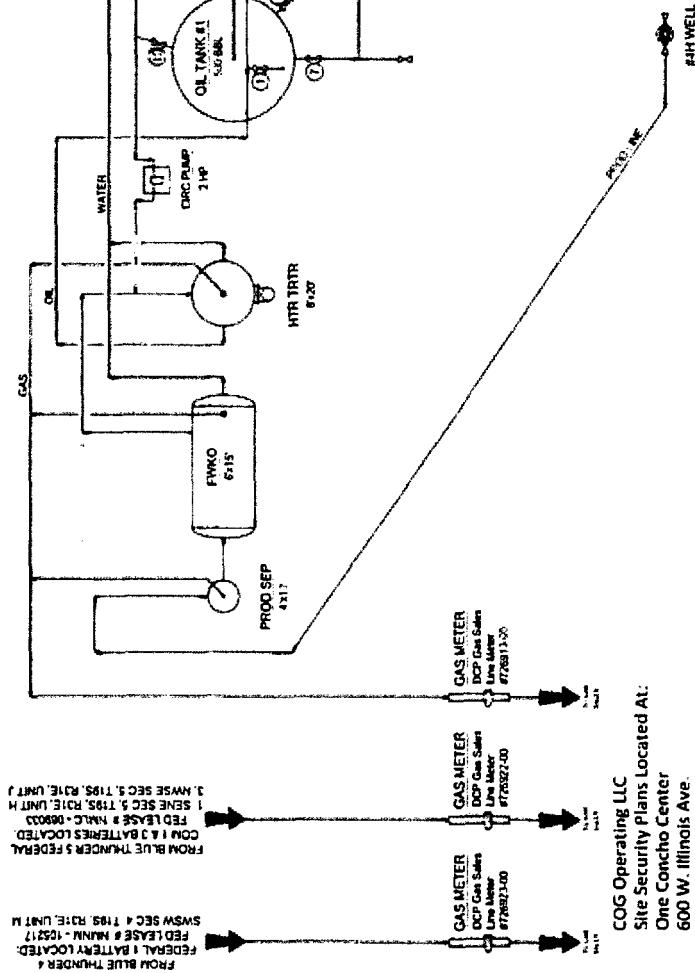
**COG Operating LLC
Site Security Plans Located At:
One Concho Center
600 W. Illinois Ave.
Midland, TX 79701**

[illegible]

WELLS:
BLUE THUNDER 5 FEDERAL #004H: 30-015-38477

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**

Type of Lease: Federal
Federal Lease #: NIMNM - 100858
Property Code: 38447
OGRID #: 229137



NORTH

Ledger for Site Diagram

| | |
|-----------------|-------|
| Produced Fluid: | _____ |
| Produced Oil: | _____ |
| Produced Gas: | _____ |
| Produced Water: | _____ |



CONCHO

[illegible]

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

Run Time: 02:31 PM

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Run Date: 11/16/2016

01 02-25-1920;041STAT0437;30USC185 SEC.

Case Type 288100: ROW-O&G PIPELINES
Commodity 969: OIL & GAS FACILITIES

Case Disposition: AUTHORIZED

Total Acres Serial Number
0.600 NMNM-- - 132778

| Name & Address | | | Serial Number: NMNM-- - 132778 | Int Rel | % Interest |
|-------------------|----------------|----------------------|--------------------------------|---------------|------------|
| COG OPERATING LLC | 2208 W MAIN ST | ARTESIA NM 882103720 | HOLDER/BILLEE | 100 000000000 | |

| | | | Serial Number: NMNM-- - 132778 | | | | | |
|---------|-------|-------|--------------------------------|----------|-------------|-----------------------|--------|---------------------|
| Mer Twp | Rng | Sec | STyp | SNr Suff | Subdivision | District/Field Office | County | Mgmt Agency |
| 23 | 0190S | 0310E | 004 | ALIQ | NWSW, | CARLSBAD FIELD OFFICE | EDDY | BUREAU OF LAND MGMT |
| 23 | 0190S | 0310E | 005 | ALIQ | NESE, | CARLSBAD FIELD OFFICE | EDDY | BUREAU OF LAND MGMT |

| | | | Serial Number: NMNM-- - 132778 | |
|------------|------|---------------------------|--------------------------------|----------------|
| Act Date | Code | Action | Action Remark | Pending Office |
| 06/04/2014 | 842 | CAT 3 COST RECOVERY-PROC | | |
| 06/16/2014 | 110 | APLN COMPLETE | | |
| 06/16/2014 | 124 | APLN RECD | | |
| 06/16/2014 | 501 | REFERENCE NUMBER | PROJ-BLUE THUNDER; | |
| 06/30/2014 | 971 | COST RECOV (PROC) RECD | \$784.00;1 | |
| 05/06/2015 | 005 | NEPA ANALYSIS APPROVED | CX-NMP0200-2015-0380; | |
| 05/06/2015 | 241 | AUTH OFFERED APPLICANT | | |
| 05/06/2015 | 315 | RENTAL RATE DET/ADJ | | |
| 05/06/2015 | 880 | CAT 3 COST RECOVERY-MON | | |
| 06/01/2015 | 307 | ROW GRANTED-ISSUED | | |
| 06/01/2015 | 502 | LENGTH IN FEET | 750; | |
| 06/01/2015 | 504 | WIDTH IN FEET (TOTAL) | 33; | |
| 06/01/2015 | 505 | DIAMETER OF PIPE (INCHES) | 6; | |
| 06/01/2015 | 974 | AUTOMATED RECORD VERIF | BC/AB; | |
| 06/02/2015 | 065 | COST RECOV (MON) RECD | \$798.00;1 | |
| 06/02/2015 | 111 | RENTAL RECEIVED | \$305.89;30YRS/15-44 | |
| 06/01/2025 | 853 | COMPL/REVIEW DUE DATE | | |
| 12/31/2044 | 763 | EXPIRES | | |

| | | Serial Number: NMNM-- - 132778 |
|---------|--|--------------------------------|
| Line Nr | Remarks | |
| 0002 | BLUE THUNDER 5 FED NO 5H GAS PIPELINE; | |

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

Run Time: 02:31 PM

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Run Date: 11/16/2016

01 10-21-1976;090STAT2776;43USC1761

Total Acres

Serial Number

Case Type 281001: ROW-ROADS

0.320

NMNM-- - 126225

Commodity 971: NON-ENERGY FACILITIES

Case Disposition: AUTHORIZED

Serial Number: NMNM-- - 126225

| Name & Address | Int Rel | % Interest |
|--|---------------|---------------|
| CONCHO RESOURCES INC 550 W TEXAS AVE STE 1300 MIDLAND TX 797014210 | HOLDER/BILLEE | 100 000000000 |

Serial Number: NMNM-- - 126225

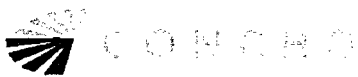
| Mer Twp Rng Sec | STyp | SNr SUFF | Subdivision | District/Field Office | County | Mgmt Agency |
|--------------------|------|----------|-------------|-----------------------|--------|---------------------|
| 23 0190S 0310E 004 | ALIQ | | SWSW, | CARLSBAD FIELD OFFICE | EDDY | BUREAU OF LAND MGMT |
| 23 0190S 0310E 005 | ALIQ | | SESE, | CARLSBAD FIELD OFFICE | EDDY | BUREAU OF LAND MGMT |

Serial Number: NMNM-- - 126225

| Act Date | Code | Action | Action Remark | Pending Office |
|------------|------|--------------------------|----------------------|----------------|
| 02/02/2011 | 005 | NEPA ANALYSIS APPROVED | EA-NMP0200-11-270; | |
| 02/11/2011 | 124 | APLN RECD | | |
| 02/11/2011 | 840 | CAT 1 COST RECOVERY-PROC | | |
| 02/18/2011 | 110 | APLN COMPLETE | | |
| 02/18/2011 | 971 | COST RECOV (PROC) RECD | \$112.00;1 | |
| 03/01/2011 | 315 | RENTAL RATE DET/ADJ | | |
| 03/29/2011 | 065 | COST RECOV (MON) RECD | \$112.00;1 | |
| 03/29/2011 | 111 | RENTAL RECEIVED | \$152.32;30YRS/11-40 | |
| 07/14/2011 | 307 | ROW GRANTED-ISSUED | | |
| 07/14/2011 | 501 | REFERENCE NUMBER | PROJ-BLUE THUNDER; | |
| 07/14/2011 | 503 | LENGTH IN MILES | 0.25; | |
| 07/14/2011 | 504 | WIDTH IN FEET (TOTAL) | 30; | |
| 07/14/2011 | 974 | AUTOMATED RECORD VERIF | BGC,TH; | |
| 07/14/2021 | 853 | COMPL/REVIEW DUE DATE | | |
| 12/31/2040 | 763 | EXPIRES | | |

Serial Number: NMNM-- - 126225

| Line Nr | Remarks |
|---------|--------------|
| 0001 | ACCESS ROAD; |



November 16, 2016

RE: Off Lease Measurement -- Gas Only -- Blue Thunder 4 Federal #1

Dear Interest Owner:

This is to advise you the COG Operating LLC is filing an application with the New Mexico Oil Conservation Division (NMOCD) and the Bureau of Land Management (BLM) seeking approval for Off Lease Measurement -- Gas Only.

A copy of or application submitted to the Division is attached.

Any objections or request that a hearing should be held regarding this application must be submitted in writing to the New Mexico Oil Conservation Division Santa Fe office within 20 days from the date of this letter. The Division Director may approve this application if no objection has been made within the 20 days after the application has been received.

If you have any questions regarding the application, please contact me at 575-748-6940 or email me a @ aavery@concho.com.

Sincerely,

A handwritten signature in cursive script that reads "Amanda Avery".

Amanda Avery
Regulatory Tech

Enclosure

| | | | | | |
|---------|----------|----------|-----------|------|--------|
| DATE IN | SUSPENSE | ENGINEER | LOGGED IN | TYPE | APP NO |
|---------|----------|----------|-----------|------|--------|

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]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

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 _____

[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.

Amanda Avery

Amanda Avery

Regulatory Tech

06/22/2015

Print or Type Name

Signature

Title

Date

aavery@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: 2208 W. Main Street, Artesia, NM 88210
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 |
|--------------------------|--|---|--|---|---------|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

- (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)
(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 Amanda Avery TITLE Regulatory Tech DATE: 11/16/16

TYPE OR PRINT NAME Amanda Avery TELEPHONE NO. 575-748-6940

E-MAIL ADDRESS avery@concho.com

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

**COG Operating, LLC
Blue Thunder 4 Federal 1
30-015-34125
NMNM-105217
CA NMNM-114179**

Off-Lease Measurement and Sales Conditions of Approval

Approval of off-lease measurement is subject to the following conditions of approval:

1. This agency shall be notified of any change in sales method or location of the Sales point.
2. This agency shall be notified of any spill or discharge as required by NTL-3A. No gas may be vented/flared without proper measurement and prior approval. Any gas vented must be flared.
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 and/or product accountability.
4. This approval is subject to like approval by the New Mexico Oil Conservation Division.
5. Additional wells and/or leases require additional approvals.
6. 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.
7. Approval for off-lease from various sources is a privilege which is granted to lessees/operators 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.
8. Production measurement must comply with all Federal Regulations, API, and AGA standards.