

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NM OIL CONSERVATION
ARTESIA DISTRICT

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.
NMNM12559

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
CA NMNM 135939

8. Well Name and No.
COTTONMOUTH 23 FEDERAL COM 2H

9. API Well No.
30-015-43015

10. Field and Pool, or Exploratory
UNKNOWN

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
COG OPERATING LLC
Contact: AMANDA AVERY
E-Mail: aavery@concho.com

3a. Address
600 W ILLINOIS AVENUE
MIDLAND, TX 79701

3b. Phone No. (include area code)
Ph: 575-748-6940

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 23 T26S R28E NWNW 190FNL 380FWL

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 recomple 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 recomple 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 permission for Off Lease Measurement for the Picasso Federal #2H.

Cottonmouth 23 Federal
Com 2H (30-015-43015)

All interest owners have been notified of this proposal

No Federal or Indian royalties will be reduced by the approval of this application.

The meter is located on the COG Operating LLC Diamondback 22 State Com #3H, 550' FNL & 660' FEL of Sec 22 T26S R28E. which is 5HL for the well in question.

The following documents are attached.

Accepted for record - NMOCD

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

Electronic Submission #336355 verified by the BLM Well Information System
For COG OPERATING LLC, sent to the Carlsbad
Committed to AFMSS for processing by PRISCILLA PEREZ on 04/13/2016 (16PP0947SE)

Name (Printed/Typed) AMANDA AVERY Title AUTHORIZED REPRESENTATIVE

Signature (Electronic Submission) Date 04/13/2016

APPROVED

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____ Title _____ Date _____

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.

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

Additional data for EC transaction #336355 that would not fit on the form

32. Additional remarks, continued

- 1) Map showing lease numbers and locations of leases of wells that will contribute production to the off lease measurement.
- 2) Facility Diagram
- 3) Plat of the location.
- 4) Interest Owners notification letters.

NM OIL CONSERVATION
ARTESIA DISTRICT

MAR 30 2015

DISTRICT I
1825 N. FRENCH DR., HOBBS, NM 88240
Phone: (505) 325-6181 Fax: (505) 325-6728

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210
Phone: (505) 748-1283 Fax: (505) 748-0720

DISTRICT III
1009 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 334-8178 Fax: (505) 334-8170

DISTRICT IV
11045 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 476-3480 Fax: (505) 476-3482

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
11885 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

RECEIVED

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015- 43015	Pool Code 30215	Pool Name Hay Hollow, Bone Spring
Property Code 38980	Property Name COTTONMOUTH 23 FEDERAL COM	Well Number 2H
OCRID No. 217955	Operator Name COG PRODUCTION, LLC	Elevation 2979.8

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	22	26-S	28-E		190	NORTH	330	EAST	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	23	26-S	28-E		330	SOUTH	990	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160			

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

NAD 27
SURFACE LOCATION
Y=376384.2 N
X=582417.4 E
LAT=32.034516° N
LONG.=104.067367° W

Y=376567.5 N
X=581455.2 E

Y=376568.2 N
X=582748.7 E

190' S.L. 630'

Wellbore

Fee

SECTION 22

990' 330'

NAD 27
PROPOSED BOTTOM
HOLE LOCATION
Y=371642.6 N
X=583702.3 E
LAT=32.021472° N
LONG.=104.063259° W

Y=371315.3 N
X=582709.9 E

Y=371311.7 N
X=584034.3 E

NMNM012559

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.

Melanie J Parker 6/16/14
Signature Date

Melanie J Parker
Printed Name

mparker@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.

JANUARY 6, 2014
Date of Survey

Signature & Seal of Professional Surveyor

CHAD L. HARCROW
NEW MEXICO
17777
LICENSED PROFESSIONAL SURVEYOR

Chad L. Harcrow 1/29/14
Certificate No. CHAD HARCROW 17777
W.O. # 14-60 DRAWN BY SP

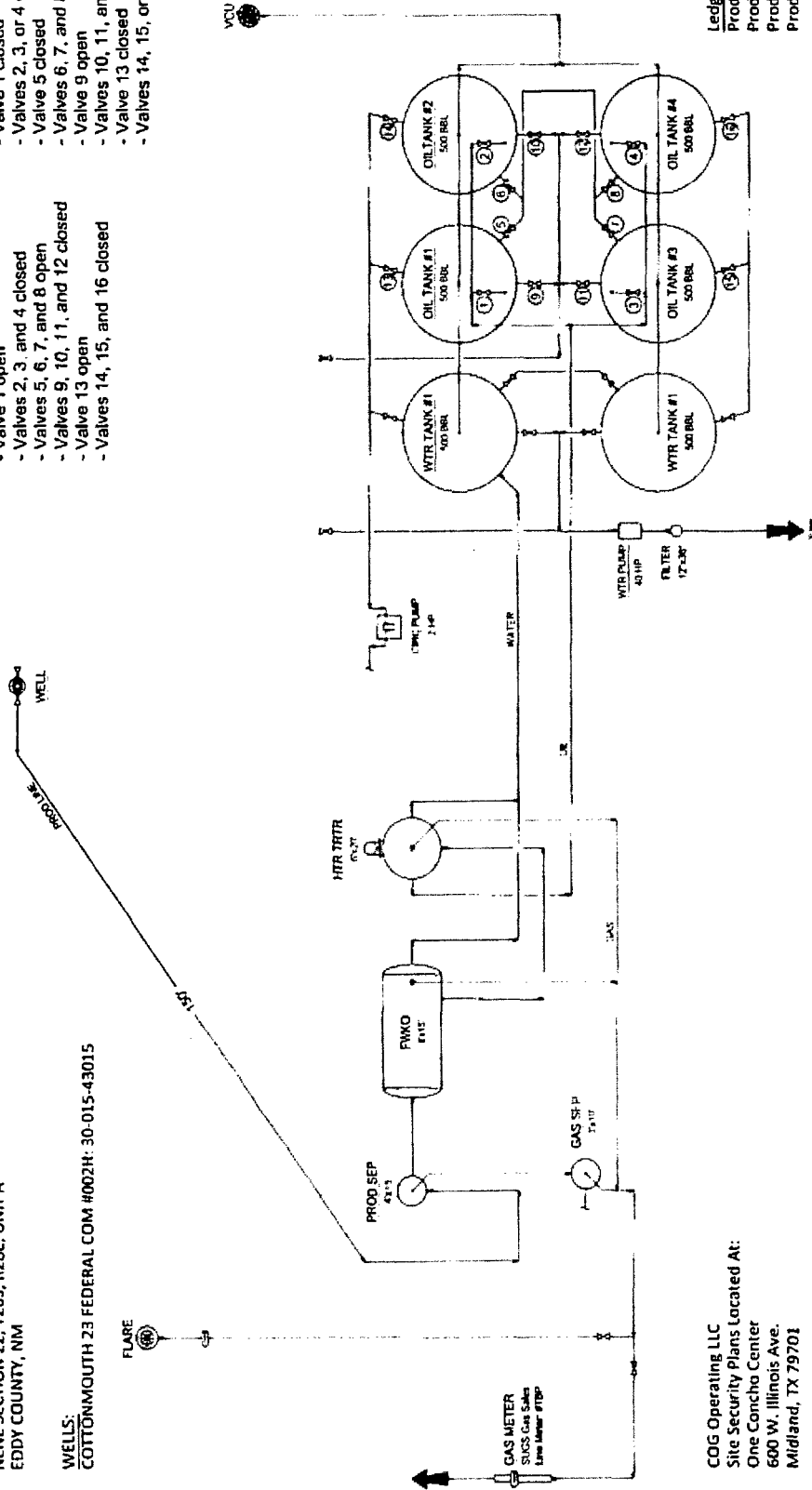
WELLS:
COTTONMOUTH 23 FEDERAL COM #002H: 30-015-43015

Production Phase - Oil Tank #1

- Valve 1 open
- Valves 2, 3 and 4 closed
- Valves 5, 6, 7, and 8 open
- Valves 9, 10, 11, and 12 closed
- Valve 13 open
- Valves 14, 15, and 16 closed

Sales Phase - Oil Tank #1

- Valve 1 closed
- Valves 2, 3, or 4 open
- Valve 5 closed
- Valves 6, 7, and 8 open
- Valve 9 open
- Valves 10, 11, and 12 closed
- Valve 13 closed
- Valves 14, 15, or 16 open



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

Type of Lease: Federal
Federal Lease #: NMNM - 012559
Property Code: 38980
OGRID #: 217955

Ledger for Site Diagram

Produced Fluid:	Produced Oil:	Produced Gas:	Produced Water:

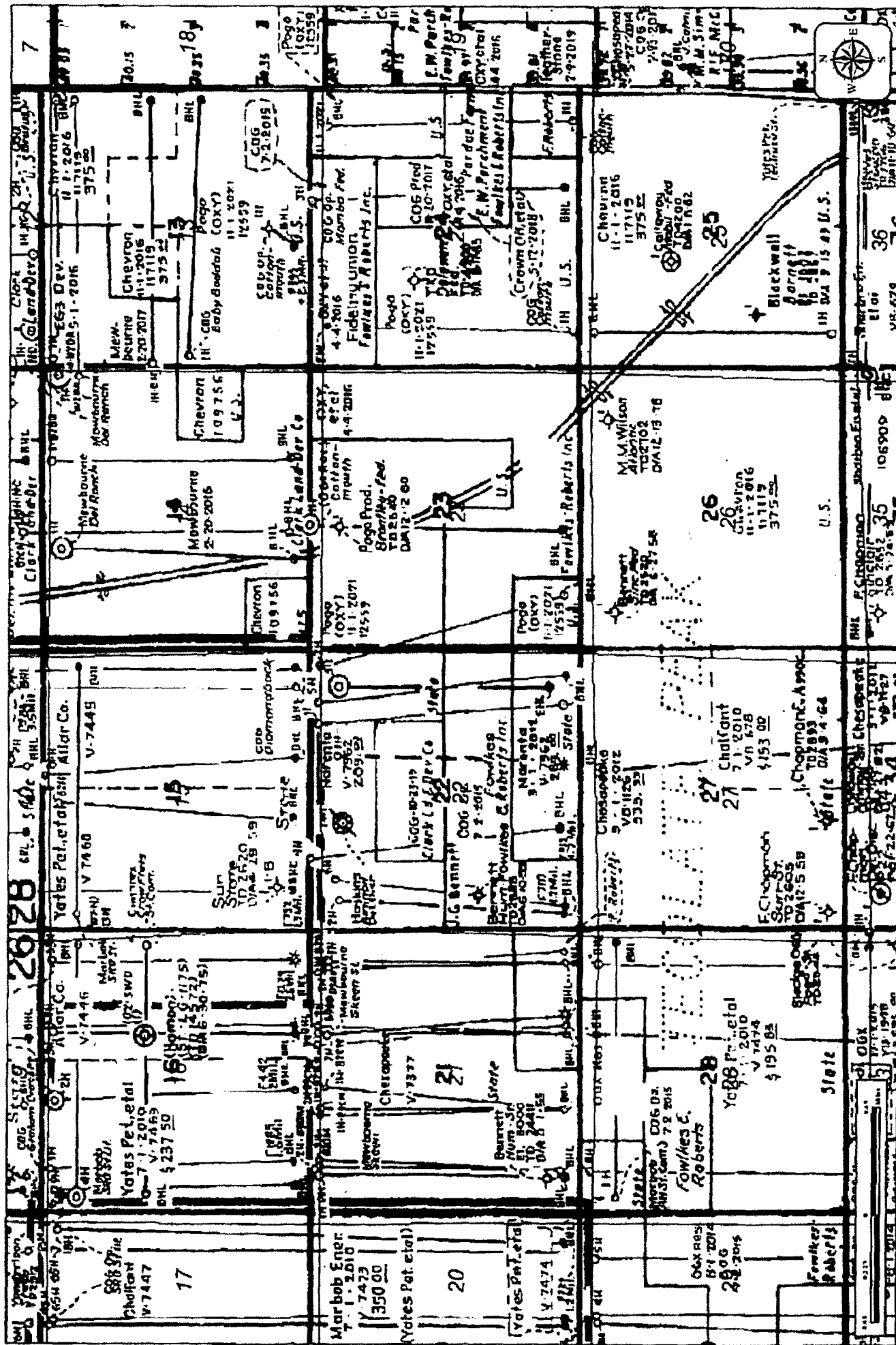


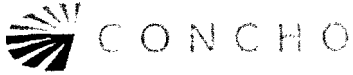
04-07-03

NEW MEDCO SELF ASSET PRODUCTION FACILITIES SITE FACILITY DIAGRAM COTTONWOOD 23 FEDERAL COM 2H BATTERY 9 COUNTRY	PROD 144	REV 0	0-1700-NI-005
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Cottonmouth 23 Fed Com #2H





April 7, 2016

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

To Whom It May Concern:

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

Cottonmouth 23 Federal Com #2H
Eddy County
API# 30-015-43015
SHL 190' FNL & 330' FEL of Sec 22-T26S- R28E
BHL 330' FSL & 990' FWL of Sec 22- T26S-R28E
Red Hills; Bone Spring, North

The Off-Lease Measurement meter will be located at the Diamondback 22 State Com #3H NENE, Sec 22- T26S R28E.

COG Operating LLC will keep all production separate.

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

Sincerely,

Amanda Avery
Regulatory Technician

DATE IN	SUSPENSE	ENGAGE/LR	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]

[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
 Print or Type Name

Amanda Avery
 Signature

Regulatory Tech
 Title

4/11/16
 Date

aavery@concho.com
 e-mail Address

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

**COG Operating, LLC
Cottonmouth 23 Federal Com 2H
30-015-43015
NMNM-12559
CA NMNM-135939**

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.