

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018**SUNDRY NOTICES AND REPORTS ON WELLS NMOC**
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.
NMNM23002

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
SPRUCE GOOSE FEDERAL COM 2H9. API Well No.
30-015-43878-00-X110. Field and Pool or Exploratory Area
LUSK11. County or Parish, State
LEA 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
ONE CONCHO CENTER 600 W ILLINOIS AVENUE
MIDLAND, TX 79701-42873b. Phone No. (include area code)
Ph: 575-748-69404. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 12 T19S R31E Lot 1 985FNL 390FEL**HOBBS OCD****MAR 31 2017**

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

RECEIVED

TYPE OF SUBMISSION

TYPE OF ACTION

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Hydraulic Fracturing☐ New Construction☐ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☒ Other
Off-Lease Measuremen
t

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 respectfully requests approval for Off-lease Measurement of gas only for the Spruce Goose Federal Com #2H.

The off-lease measurement meter will be located at the Piper Federal #1 battery located in Unit H Sec 12-T19S-R31E, Eddy County. COG Operating, LLC will segregate all production.

SHL of this well is on lease NMNM23002, where production will be measured.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

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

Electronic Submission #364366 verified by the BLM Well Information System

For COG OPERATING LLC, sent to the Hobbs

Committed to AFMSS for processing by PRISCILLA PEREZ on 02/01/2017 (17PP0118SE)

Name (Printed/Typed) AMANDA AVERY

Title AUTHORIZED REPRESENTATIVE

Signature (Electronic Submission)

Date 01/20/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

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

APPROVED
MAR 13 2017
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.

(Instructions on page 2)

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

DISTRICT I
1600 N. FREDERICK DR., DOWNEY, NM 88040
Phone: (505) 592-4191 Fax: (505) 592-0700

DISTRICT II
611 E. FIRST ST., ARTESIA, NM 88210
Phone: (505) 748-1253 Fax: (505) 748-8770

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 334-6170 Fax: (505) 334-6170

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 476-3486 Fax: (505) 476-3486

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL 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 30-015-43878	Pool Code 41450	Pool Name Lusk; Bone Spring, North
Property Code 316703	Property Name SPRUCE GOOSE FEDERAL COM	Well Number 2H
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3626.2'

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	12	19-S	31-E		985	NORTH	390	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
A	7	19-S	32-E		330	NORTH	50	EAST	LEA

Dedicated Acres	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**

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 unless 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.

Signature: *Debora L. Wilbourn* Date: 11/10/16

Printed Name: Debora L. Wilbourn

E-mail Address: dwilbourn@concho.com

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.

MAY 9, 2016

Date of Survey

Signature & Seal of Professional Surveyor

Chad L. Harcroft

CHAD L. HARCROFT
NEW MEXICO
17777
LICENSED PROFESSIONAL SURVEYOR

8/17/16

Certificate No. CHAD HARCROFT 17777

W.O. 16-322 DRAWN BY: AM

DISTRICT I
1000 N. FREEDOM DR., ROSA, NM 86046
Phone: (505) 890-0191 Fax: (505) 890-0700

DISTRICT II
511 S. FIRST ST., ARTESIA, NM 86210
Phone: (505) 746-1000 Fax: (505) 746-0700

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 334-0170 Fax: (505) 334-0170

DISTRICT IV
1229 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 476-3400 Fax: (505) 476-3400

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL 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 30-025-43169	Pool Code 41450	Pool Name LUSK; BONE SPRING, NORTH
Property Code 308225	Property Name SPRUCE GOOSE FEDERAL COM	Well Number 3H
GRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3623.7

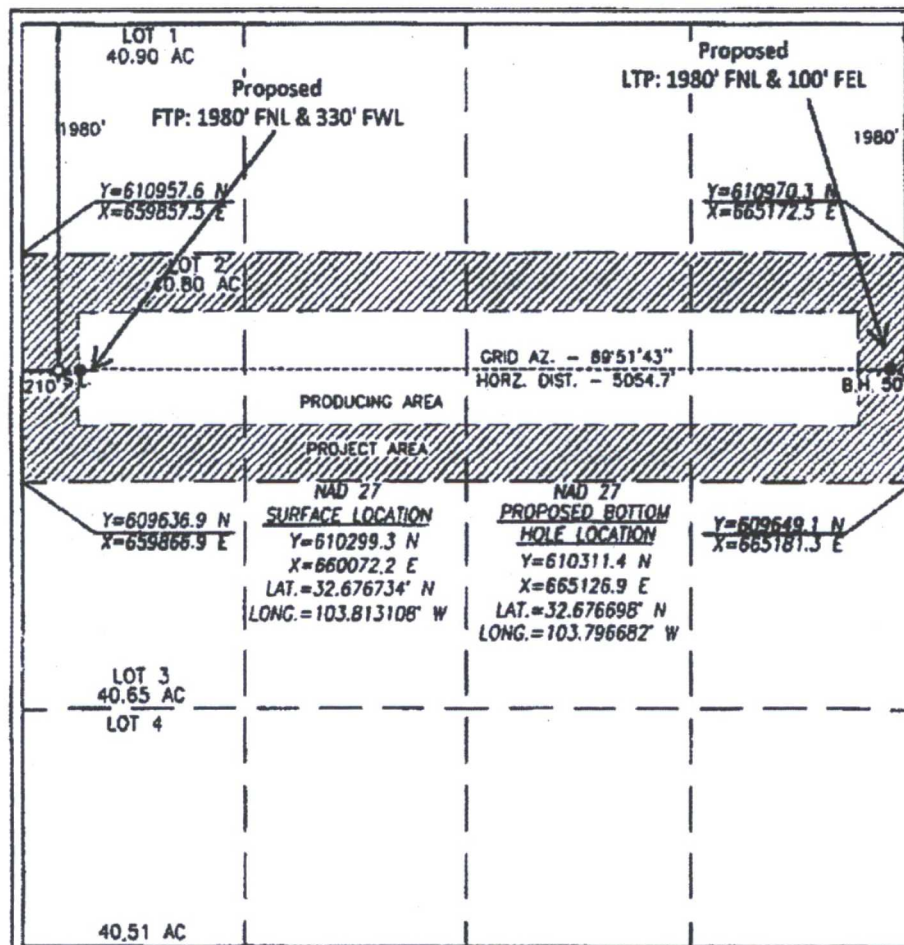
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
2	7	19-S	32-E		1980	NORTH	210	WEST	LEA

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
H	7	19-S	32-E		1980	NORTH	50	EAST	LEA
Dedicated Acres 160.86	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



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 unknown 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.

Debora L. Wilbourn
Signature Date 7/12/16

Debora L. Wilbourn
Printed Name
dwilbourn@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.

JULY 12, 2016

Date of Survey

Signature & Seal of Professional Surveyor



Chad L. Harcrow 7/12/16
Certificate No. CHAD HARCROW 17777
W.O. # 18-561 DRAWN BY: CH



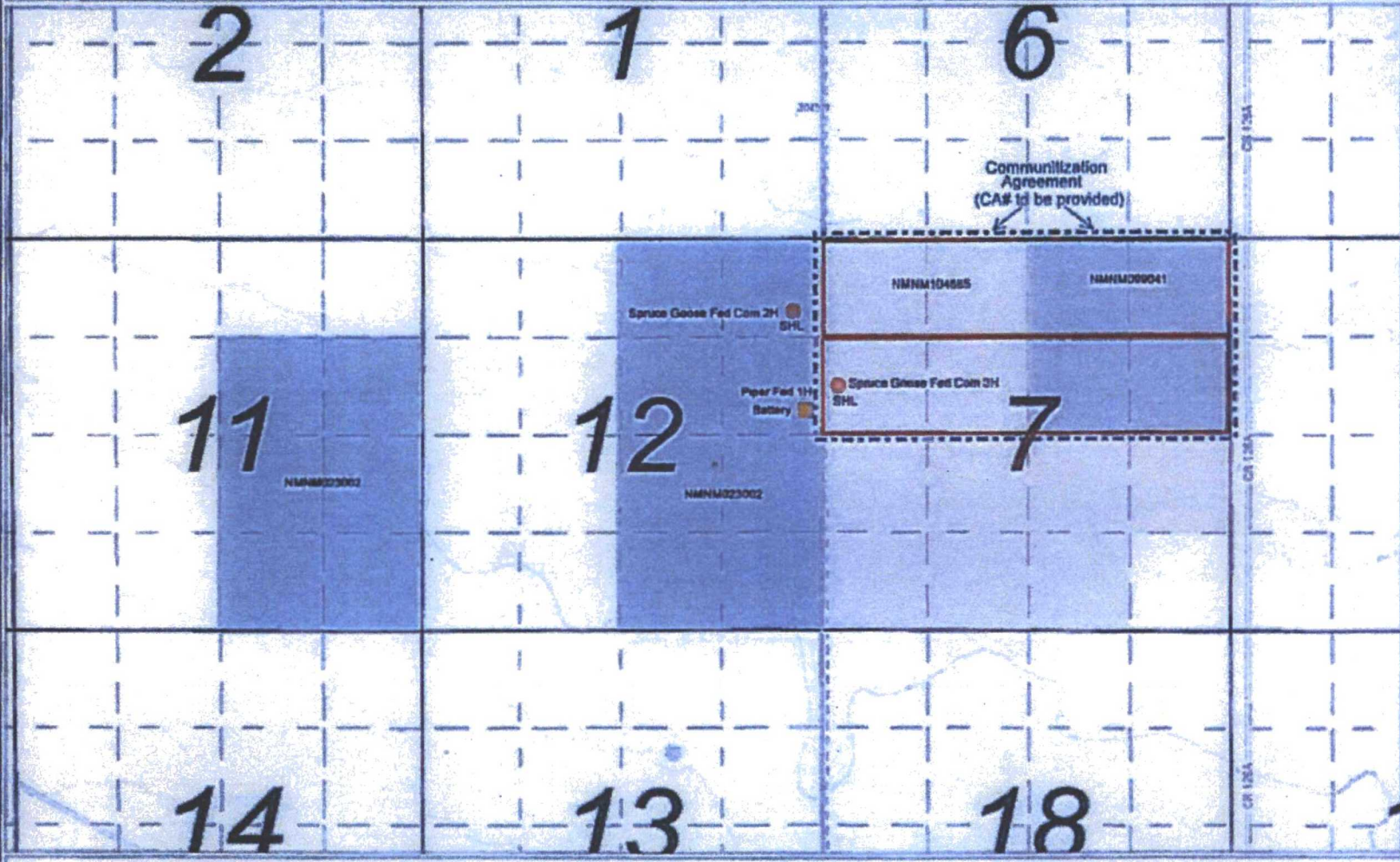
CONCHO

T19S-R31E, Eddy County

T19S-R32E, Lea County



Legend



0 14 0 14 0 14 0 14 Miles
WGS 1984, Web Mercator Auxiliary Sphere

Map Scale 1:18,055





T195-J1312, Eddy County

TIME-RITE, Ltd. Carty



6571 1700 West Valley Road, Suite 200

Map Scale: 1:9,027



Legend

TD2: Section Learning

- [illegible]

Table 1. Regional Survey

- **Protein**
- **all proteins are**
- **long chains**
- **of amino acids**
- **linked together**
- **by peptide bonds**
- **forming**
- **polypeptides**
- **or chains**

704 - Copyright 2018 VTD

- [illegible]

A TDM - Spine 2015 YTD

☆ TDU - Paving 2016 YTD

PIPER FEDERAL 1 BATTERY
SENE SECTION 12, T19S, R31E, UNIT H
EDDY COUNTY, NM

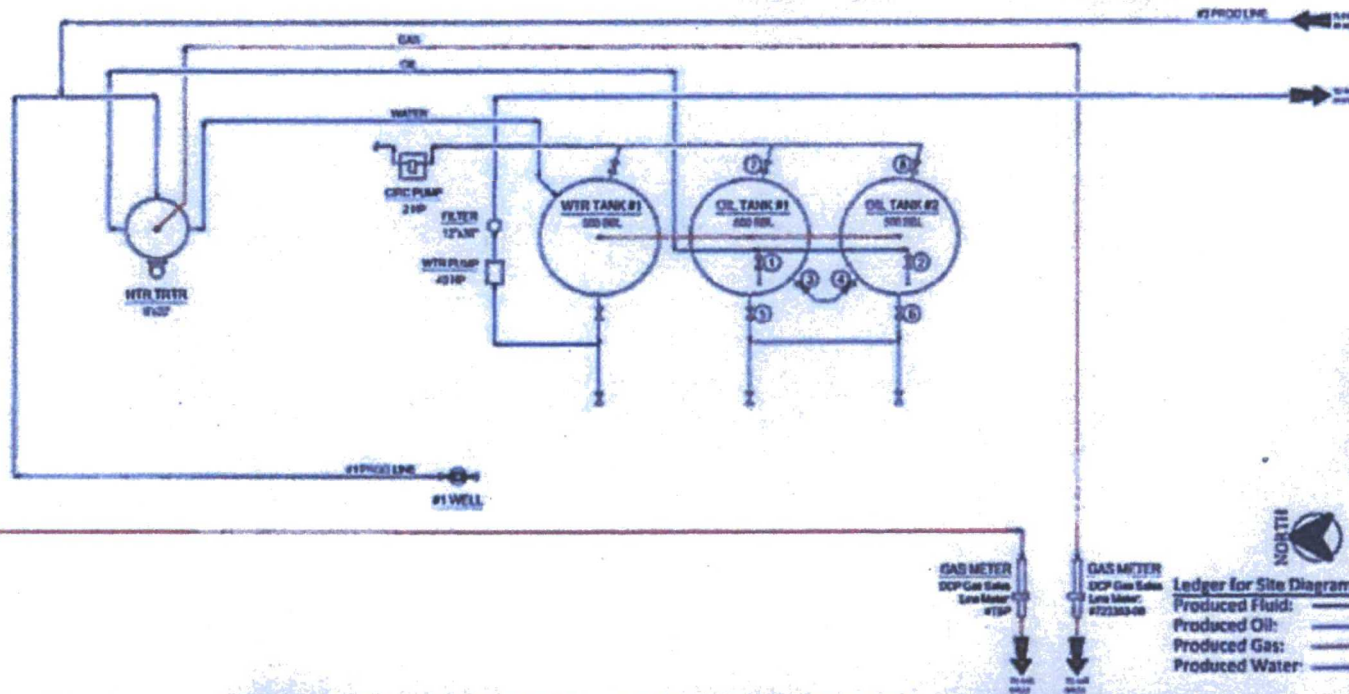
WELLS:
PIPER FEDERAL #001: 30-015-35788
PIPER FEDERAL #003: 30-015-36005

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



Type of Lease: Federal
Federal Lease #: NMNM - 023002
Property Code: 308223
OGRID #: 229137

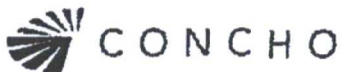
CONCHO OPERATING LLC
600 WEST SLEEPER AVENUE
MIDLAND, TEXAS 79701

NO.	DATE	DESCRIPTION	BY	CHKD BY	REVISION
1	01/01/01	ISSUED FOR OIL TANK #1	CON	CON	01/01/01
2	01/01/01	ISSUED FOR OIL TANK #2	CON	CON	01/01/01
3	01/01/01	ISSUED FOR OIL TANK #3	CON	CON	01/01/01
4	01/01/01	ISSUED FOR OIL TANK #4	CON	CON	01/01/01
5	01/01/01	ISSUED FOR OIL TANK #5	CON	CON	01/01/01
6	01/01/01	ISSUED FOR OIL TANK #6	CON	CON	01/01/01
7	01/01/01	ISSUED FOR OIL TANK #7	CON	CON	01/01/01
8	01/01/01	ISSUED FOR OIL TANK #8	CON	CON	01/01/01

CONCHO

NEW MEXICO BASIN ASSETS
PRODUCTION FACILITIES
SITE SAFETY DIAGRAM
PIPER FEDERAL 1 BATTERY

NEW MEXICO
REV 0



November 11, 2016

Attn: Michael McMillan
NM Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application for Administrative Approval
Off-lease Storage and Measurement

Dear Mr. McMillan,

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

Spruce Goose Federal Com #3H
API #30-025-43169
Lusk; Bone Spring, North
SHL 1980' FNL 210' FWL, Sec. 7-T19S-R32E, Lea County
BHL 1980' FNL 50' FEL, Sec. 7-T19S-R32E, Lea County

The off-lease measurement meter will be located at the Piper Federal #1 battery located in Unit H, Sec. 12-T19S-R31E, Eddy County. COG Operating, LLC, will segregate all production.

Please see the attached Administrative Application Checklist, plat for referenced well, proof of notice to all interest owners, diagram of site facility and map with lease boundaries showing well and facility locations.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in cursive script, reading "Debora L. Wilbourn".

Debora L. Wilbourn
Regulatory Analyst

Enclosures

CORPORATE ADDRESS

ONE CONCHO CENTER | 600 WEST ILLINOIS AVENUE | MIDLAND, TEXAS 79701
P 432 683 7443 | F 432 683 7441

ARTESIA WEST OFFICE

2208 MAIN STREET | ARTESIA, NEW MEXICO 88210
P 575 748 6940 | F 575 748 2096

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Tony Delfin
Acting Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



December 8, 2016

ADMINISTRATIVE OFF-LEASE MEASUREMENT ORDER

Administrative Order OLM-115
Application Reference No. pKSC1631935100

COG Operating, LLC
Attention: Ms. Debora Willbourn

COG Operating, LLC (OGRID 229137) is hereby authorized to transport and measure gas production off-lease, from the following wells which produce from the Lusk; Bone Spring, North Pool (Pool code 41450) in Lea County, New Mexico:

Lease: Pending Spruce Goose Federal Communitization Agreement
Description : N/2 of Section 7, Township 19 South, Range 32 East, Lea County, New Mexico
Wells: Spruce Goose Federal Well No. 3H 30-025-43169
Spruce Goose Federal Com. Well No. 2H 30-015-43878

The combined project area for these wells includes the N/2 of Section 7, Township 19 South, Range 32 East, NMPM, Lea County, New Mexico.

The gas production from these wells shall be measured through a dedicated, single-well meter at, and sold from the Piper Federal Well No. 1H Central Tank Battery located in Unit H of Section 12, Township 19 South, Range 31 East, NMPM, Eddy County, New Mexico. All meters for the above-referenced wells shall be physically separated from facilities for other wells, so that production from the above-referenced wells will not be commingled prior to measurement with production from any other wells.

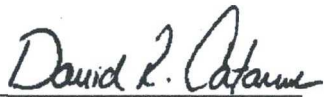
The surface commingling of gas with production from other pools or leases is NOT authorized.

The operator shall notify the Artesia District Office and the Hobbs District Office of the Division before commencement of Off-Lease Measurement.

The approval is subject to like approval by the Bureau of Land Management.

OLM-115
COG Operating, LLC
December 8, 2016
Page 2 of 2

Done at Santa Fe, New Mexico, on December 8, 2016.



DAVID R. CATANACH
Director

DRC/mam

cc: Oil Conservation Division – Artesia
Oil Conservation Division - Hobbs
Bureau of Land Management – Carlsbad

DATE IN 11/14/2016	SUSPENSE	ENGINEER PRG	LOGGED IN 11/14/2016	TYPE OLM	APP NO PKSC 1631935100
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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 (41450)
 [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, Leascholders 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.

Debra L. Wilbourn	<i>Debra L. Wilbourn</i>	Regulatory Analyst	11/11/16
Print or Type Name	Signature	Title	Date
dwilbourn@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 West 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: Debora L. Wilbourn TITLE: REGULATORY ANALYST DATE: 11/14/16

TYPE OR PRINT NAME: DEBORA L. WILBOURN TELEPHONE NO.: 575-748-6958 E-MAIL ADDRESS: dwillbourn@concho.com

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

**COG Operating, LLC
Spruce Goose Federal Com 2H
30-015-43878
NMNM-23002
CA – Com has not been created yet**

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.