

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM 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.  
NMNM105885

6. If Indian, Allottee or Tribe Name

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

**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: NETHA AARON

E-Mail: oaaron@concho.com

8. Well Name and No.

HERCULES FEDERAL 3H

9. API Well No.

30-005-29050-00-S1

3a. Address

ONE CONCHO CENTER 600 W ILLINOIS AVENUE  
MIDLAND, TX 79701

3b. Phone No. (include area code)

Ph: 432-818-2319

Fx: 432-685-4396

10. Field and Pool, or Exploratory

TULK-WOLFCAMP, SOUTHWEST

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

Sec 15 T15S R31E NWSW 1980FSL 430FWL

11. County or Parish, and State

CHAVES COUNTY, NM

**12. CHECK 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"/> 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 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 for Off Lease Measurement on the following well:

Hercules Federal Com 3H  
Chavez County, NM  
API# 30-005-29050  
Communitization Agreement # NMNM-125999  
Surface: 1980 FNL & 430 FWL Sec 15, T15S, R31E, Unit L

This well is producing from the Wildcat; Abo-Wolfcamp (oil-97715) pool. The Off-Lease Measurement facility is located on COG Operating LLC Property, at the Hercules Federal Com 2H well site, Sec 15, T15S, R31E, Unit D. This facility has a dcp Midstream gas sales meter, meter number 726141-00

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

Electronic Submission #129127 verified by the BLM Well Information System  
For COG OPERATING LLC, sent to the Roswell  
Committed to AFMSS for processing by DAVID GLASS on 01/25/2012 (12DG0093SE)

Name (Printed/Typed) NETHA AARON

Title AUTHORIZED REPRESENTATIVE

Signature (Electronic Submission)

Date 01/24/2012

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By DAVID R GLASS

Title PETROLEUM ENGINEER

Date 09/14/2012

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 Roswell

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.

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\*

MW/ocd 10/02/2012

OCT 02 2012

**Additional data for EC transaction #129127 that would not fit on the form**

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

NMNM124864

NMNM125711

NMNM125999

**32. Additional remarks, continued**

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

## Revisions to Operator-Submitted EC Data for Sundry Notice #129127

	Operator Submitted	BLM Revised (AFMSS)
Sundry Type:	OLM NOI	OLM SR
Lease:	NMNM105885	NMNM105885
Agreement:	NMNM125999	NMNM124864 (NMNM124864) NMNM125711 (NMNM125711) NMNM125999 (NMNM125999)
Operator:	COG OPERATING LLC 550 WEST TEXAS SUITE 100 MIDLAND, TX 79701 Ph: 432-685-4342	COG OPERATING LLC ONE CONCHO CENTER 600 W ILLINOIS AVENUE MIDLAND, TX 79701 Ph: 432.685.9158
Admin Contact:	NETHA AARON AUTHORIZED REPRESENTATIVE E-Mail: oaaron@concho.com  Ph: 432-818-2319 Fx: 432-685-4396	NETHA AARON AUTHORIZED REPRESENTATIVE E-Mail: oaaron@concho.com  Ph: 432-818-2319 Fx: 432-685-4396
Tech Contact:	NETHA AARON AUTHORIZED REPRESENTATIVE E-Mail: oaaron@concho.com  Ph: 432-818-2319 Fx: 432-685-4396	NETHA AARON AUTHORIZED REPRESENTATIVE E-Mail: oaaron@concho.com  Ph: 432-818-2319 Fx: 432-685-4396
Location: State: County:	NM CHAVEZ	NM CHAVES
Field/Pool:	WILDCAT; ABO, WOLFCAMP	TULK-WOLFCAMP, SOUTHWEST
Well/Facility:	HERCULES FEDERAL COM 3H Sec 15 T15S R31E NWSW 1980FSL 430FWL 33.014069 N Lat, 103 816789 W Lon	HERCULES FEDERAL 3H Sec 15 T15S R31E NWSW 1980FSL 430FWL

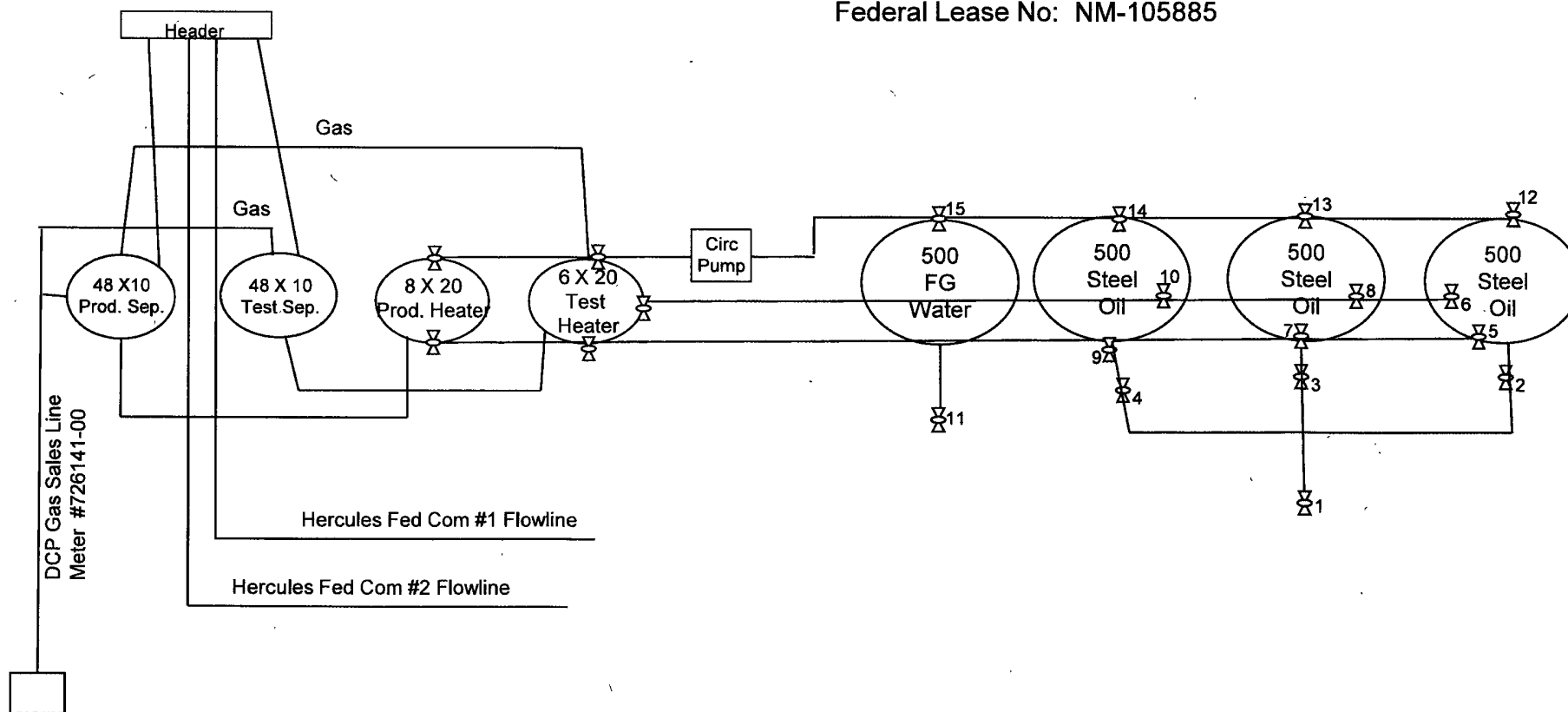
# COG OPERATING LLC

Site Security Plan is located at:  
550 W. Texas Ave Ste. 100, Midland, Texas 79701  
(432)-683-7443

May 3, 2011

## Hercules Fed Com Battery

Hercules Fed Com #2H Well  
Hercules Fed Com # 1H Well  
660'FNL & 430' FWL \* Sec15-T15S-R31E \* Unit D  
Chaves County, NM  
API #30-005-29049  
Federal Lease No: NM-105885



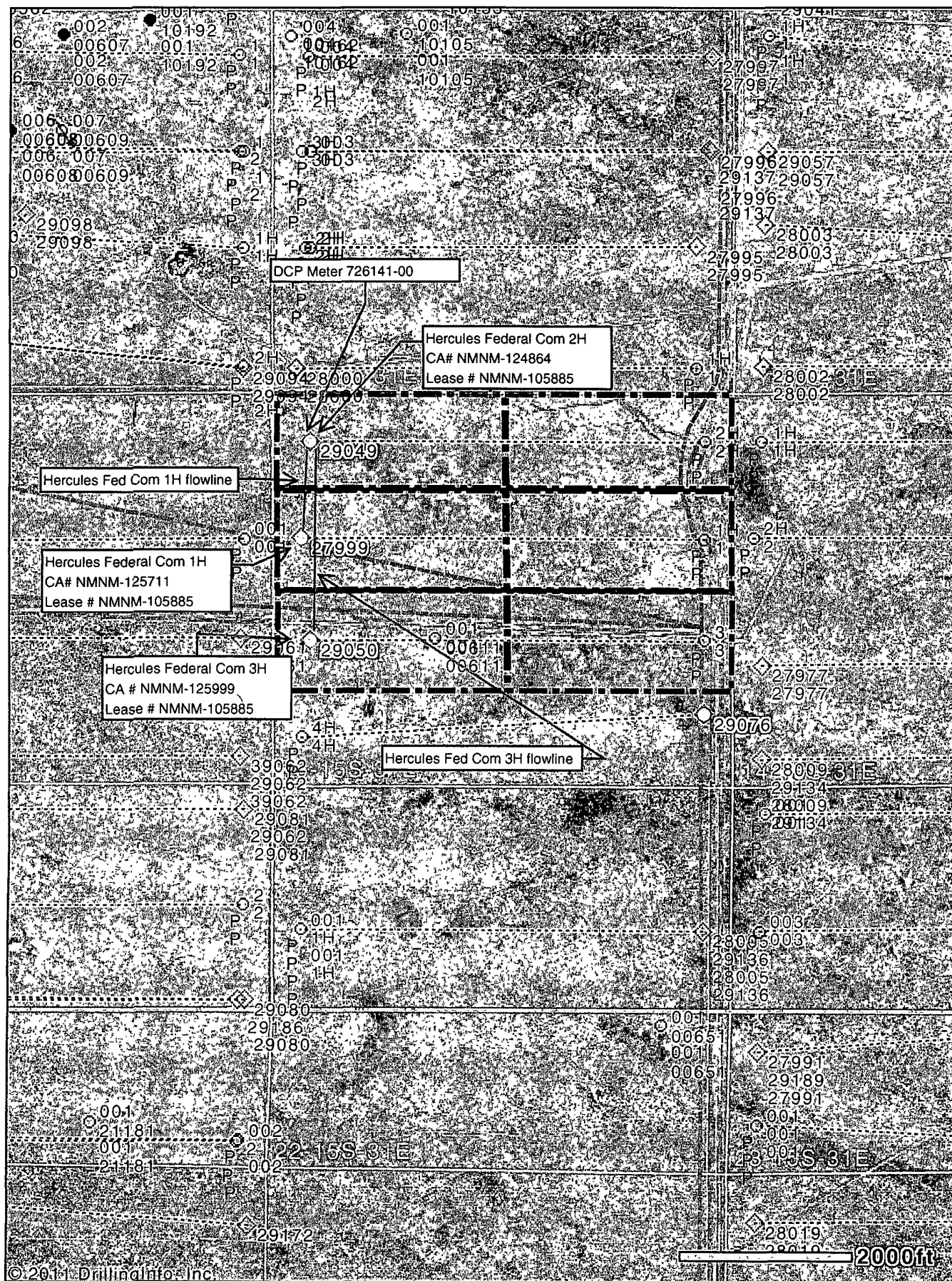
### Production Phase:

Valves #1,2,3,4,12,13,14,15 - Closed  
Valves #5,6,7,8,9 and 10 - Open

### Sales Phase:

Valves #1,2,3 and 4 - Open  
Valves #12,13,14,15 - Closed  
Valves #5,6,7,8,9 and 10 - Open

## Hercules Federal Battery



**COG Operating LLC** is requesting approval for surface commingling and off-lease storage and measurement of hydrocarbon production from the following formation(s) and well(s):

**Lease No.: SHL – NM-105885, BHL – VO-8010, Com No.:NMNM 125711**

<u>Well Name</u>	<u>API No.</u>	<u>Loc: ¼ ¼ Sec. Twp. Rng.</u>	<u>Formation</u>	<u>BOPD</u>	<u>Oil Gravity</u>	<u>MCFPD</u>	<u>BTU</u>
Chaves Federal Com 1H	30-005-27999	SWNW, Sec.15, T15S, R31E	Wildcat; Abo, Wolfcamp	145	39.1/@60°	250	593

th hydrocarbon production from:

**Lease No.: SHL – NM-105885, BHL – VO-8010, Com No.NMNM 124864**

<u>Well Name</u>	<u>API No.</u>	<u>Loc: ¼ ¼ Sec. Twp. Rng.</u>	<u>Formation</u>	<u>BOPD</u>	<u>Oil Gravity</u>	<u>MCFPD</u>	<u>BTU</u>
Chaves Federal Com 2H	30-005-29049	NWNW, Sec.15, T15S, R31E	Wildcat; Abo, Wolfcamp	113	39.3/@60°	167	593

th hydrocarbon production from:

**Lease No.: SHL – NM-105885, BHL – VO-8010, Com No.NMNM 125999**

<u>Well Name</u>	<u>API No.</u>	<u>Loc: ¼ ¼ Sec. Twp. Rng.</u>	<u>Formation</u>	<u>BOPD</u>	<u>Oil Gravity</u>	<u>MCFPD</u>	<u>BTU</u>
Chaves Federal Com 3H	30-005-29050	NWSW, Sec.15, T15S, R31E	Wildcat; Abo, Wolfcamp			not producing yet	

A storage and measuring facility is located at NWNW, Sec.15, T15S, R31E on Lease No.: NM 105885, Chavez County, New Mexico. BLM will be notified if there is any future change in the facility location.

Details of the proposed method for allocating production to contributing sources are as follows:

Oil and Gas are to be measured at individual test facilities, and production allocated based on well tests.



January 16, 2012

Chesapeake Operating, Inc.  
Attn: Robert Martin  
6100 N. Western  
Oklahoma City, OK 73118

Federal Expressed

Re: Request for Off Lease Measurement and Surface Commingle

Mr. Martin:

This letter will serve as notice under Rule 104.F (3) that COG Operating LLC has requested administrative approval from the Oil Conservation Division in Santa Fe, NM for Off Lease Measurement and Surface Commingle for the following wells:

**Hercules Federal Com 1H**  
**Chavez County, NM**  
**API# 30-005-27999**  
**Communitization Agreement # NMNM-125711**  
**Surface: 1980 FNL & 330 FWL**  
**Sec 15, T15S, R31E, Unit E**

**Hercules Federal Com 2H**  
**Chavez County, NM**  
**API #: 30-005-29049**  
**Communitization Agreement # NMNM-124864**  
**Surface: 660 FNL & 430 FWL**  
**Sec 15, T15S, R31E, Unit D**

**Hercules Federal Com 3H**  
**Chavez County, NM**  
**API# 30-005-29050**  
**Communitization Agreement # NMNM-125999**  
**Surface: 1980 FNL & 430 FWL**  
**Sec 15, T15S, R31E, Unit L**

The battery is located on COG Operating, LLC property, Hercules Federal Com #2H, Sec 15, T15S, R31E, Unit E.

Should your company have a objection, it must be filed in writing within twenty (20) days from the date of this notice. The Division Director approve the Off Lease Measurement and Surface Commingle if no objection has been made within the 20 after the application has been received.

Sincerely,

COG Operating LLC  
Netha Aaron  
Regulatory Analyst

**Shipment Receipt  
Address Information**

<b>Ship to:</b>	<b>Ship from:</b>
Receivable	Netha Aaron
Company, Inc.	COG OPERATING LLC
61 Western Ave.	550 W. Texas Ave., Ste. 100
Okla City, OK	Midland, TX
73	79701
US	US
0000000000	4328182319

**Shipping Information**

Tracking number: 793123274340

Ship date: 01 17 2012

Estimated shipping charges: 15.63

**Package Information**

Service type: Priority Overnight

Package type: FedEx Envelope

Number of packages: 1

Total weight: 1LBS

Declared value: 0.00USD

Special Services:

Pickup Drop-off: Drop off package at FedEx location

**Billing Information**

Bill transportation to: MyAccount-448

Your reference: Hercules Fed Com 3H OLM OLS

P.O. no.:

Invoice no.:

Department no.:

Thank you for shipping online with FedEx ShipManager at fedex.com!

**Please Note**

FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery or misrouting. Actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including return of contents, is limited to the greater of \$100 or the authorized declared value. Recoverable losses are limited to \$500 for jewelry, precious metals, negotiable instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits. The estimated shipping charge may be different than the actual charges for your shipment. Differences may occur based on actual weight, dimensions or other factors. Consult the FedEx Rate Sheet for details on how shipping charges are calculated.



## Netha Aaron

---

**From:** trackingupdates@fedex.com  
**Sent:** Wednesday, January 18, 2012 10:01 AM  
**To:** Netha Aaron  
**Subject:** FedEx Shipment 793123274340 Delivered

---

This tracking update has been requested by:

Company Name COG OPERATING LLC  
Name Netha Aaron  
E-mail aaron@conchresources.com

---

Our records indicate that the following shipment has been delivered:

Reference	Hercules Fed Com 3H OLM/OLS
Ship (P/U) date	Jan 17 2012
Delivery date	Jan 18 2012 9 46 AM
Sign for by	B SPENCER
Delivery location	Oklahoma City OK
Delivered to	Mailroom
Service type	FedEx Priority Overnight
Packaging type	FedEx Envelope
Number of pieces	1
Weight	0 50 lb
Special handling/Services	Deliver Weekday
Tracking number	79312327 3 0

Shipper Information	c o t on	
Netha Aaron	o	
COG OPERATING LLC	e O e In	
550 W Texas Ave Ste 1	00 o	e .ve
Midland	O o C	
TX	O	
US	US	
79701	73118	

Please do not respond to this message. This email was sent from an unattended mailbox. This report was generated at approximately 10:01 AM CST on 01/18/2012.

To learn more about FedEx Express, please visit our website at [fedex.com](http://fedex.com).

All weights are estimated.

To track the latest status of your shipment, click on the tracking number above, or visit us at [fedex.com](http://fedex.com).

Affidavit of Fact

STATE OF TEXAS           §

COUNTY OF MIDLAND    §

Affiant on oath swears that the following statements are true:

My name is Spencer Davis Armour. I am a Landman for COG Operating LLC. I am familiar with the ownership of the Hercules Federal Com 1H (API 30-005-27999), Hercules Federal Com 2H (API 30-005-29049), Hercules Federal Com 3H (API 30-005-29050) all of which are situated in Section 15, Township 15 South, Range 31 East, Chavez County, New Mexico. I hereby confirm that the working interests and royalty interest in these wells are common.

Affiant

\_\_\_\_\_  
Spencer Davis Armour

SUBSCRIBED AND SWORN TO before me on the        day of January, 2012.



as J. Minnick  
Notary Public, State of Texas

STATE OF TEXAS           §

COUNTY OF MIDLAND    §

This instrument was acknowledged before me on this 20 day of Ja ary, 2012, by  
Spencer Davis Armour, Notary Public for the State of Texas.

\_\_\_\_\_  
Notary Public, State of Texas

**Bureau of Land Management  
Roswell Field Office  
2909 West Second Street  
Roswell, New Mexico 88201-1287  
(575) 627-0272**

**Off-Lease Measurement, Off-Lease Storage, And Surface Commingling  
Conditions Of Approval**

1. This agency will be notified of any change in your sales method or location of the sales meter.
2. This agency shall be notified of any spill or discharge as required by NTL-3A.
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.
4. This approval is subject to like approval by the New Mexico Oil Conservation Division.
5. Additional wells and/or leases require additional commingling approvals.
6. Contact the BLM Roswell Field Office at least 24 hours prior to the commencing any monthly well test. For wells in Chaves and Roosevelt County, during office hours or after office hours call (575) 627-0205. Engineer on call during office hours phone (575) 627-0275 or phone (after hours) call (575) 626-5749.
7. 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 to the BLM Roswell Field Office at 2909 West Second Street, Roswell, New Mexico 88201-1287 for wells in Chaves or Roosevelt County if you have not already done so.

State of New Mexico  
Energy, Minerals and Natural Resources Department

---

**Susana Martinez**  
Governor

**John Bemis**  
Cabinet Secretary

**Brett F. Woods, Ph.D.**  
Deputy Cabinet Secretary

**Jami Bailey**  
Division Director  
Oil Conservation Division



Administrative Order CTB-649

August 1, 2012

COG Operating, LLC  
550 W. Texas Avenue, Suite 100  
Midland, Texas 79701

Attention: Brian Maiorino:

COG Operating, LLC is hereby authorized to surface commingle oil and gas production from the Wildcat; Abo-Wolfcamp Pool from the following Federal and State Leases and wells.

Hercules Federal Com Well No. 1H (**API 30-005-27999**), Section 15, T-15-S, R-31-E.

Hercules Federal Com Well No. 2H (**API No. 30-005-29049**), Section 15, T-15-S, R-31-E.

Hercules Federal Com Well No. 3H (**API No. 30-005-29050**), Section 15, T-15-S, R-31-E.

Hercules Federal Com Well No. 4H (**API No. 30-005-29076**), Section 15, T-15-S, R-31-E.

**All in NMPM, Chaves County, New Mexico**

The project area for each of these four horizontal wells is 160 acres, and the wells are producing under a Communitization Agreement of Federal Lease Number NM-105885 and State Lease Number V0-8010, with each lease comprising of 80 acres.

The commingled oil and gas production from the wells detailed above shall be measured and sold at the Central Tank Battery (CTB), located in Unit D, of Section 15, Township 15 South, Range 31 East, NMPM, Chaves County, New Mexico.

The oil and gas production from each well shall be continuously measured with allocation meters before commingling with production from other wells. The allocation meters shall be calibrated monthly.

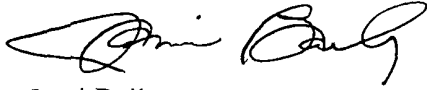
NOTE: This installation shall be installed and operated in accordance with the applicable Division Rules and Regulations. It is the responsibility of the producer to notify the transporter of this commingling authority.

August 1, 2012  
Page 2

FURTHER: The operator shall notify the Hobbs District office of the Division prior to implementation of the commingling operations.

**This approval is subject to like approval from the Bureau of Land Management (BLM) and the State Land Office (SLO) before commencing the commingling operations.**

DONE at Santa Fe, New Mexico, on August 1, 2012.

A handwritten signature in black ink, appearing to read "Jami Bailey".

Jami Bailey  
Division Director

JB/re

cc: Oil Conservation Division – Hobbs  
Bureau of Land Management BLM – Roswell  
State Land Office (SLO) –Oil Gas and Minerals Division