

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
**Concho Field Office**  
**OCD Hobbs**

FORM APPROVED  
OMB NO. 1004-0135  
Expires: July 31, 2010

**SUNDRY NOTICES AND REPORTS ON HOBBS**  
*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.  
NMNM0554252

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.**

JAN 08 2015

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  COG OPERATING LLC  Contact: MELANIE J WILSON  
E-Mail: mwilson@concho.com

3a. Address ONE CONCHO CENTER 600 W ILLINOIS AVENUE MIDLAND, TX 79701-4287

3b. Phone No. (include area code) Ph: 575-748-6952

8. Well Name and No. PICASSO FEDERAL 2H

9. API Well No. 30-025-41905-00-S1

10. Field and Pool, or Exploratory RED HILLS

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec 9 T24S R34E SWSE 190FSL 1330FEL 32.225207 N Lat, 103.470202 W Lon

**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 Onshore Order Variance
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<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 recomplete 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 recompletion 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 to install a Micro Motion Coriolis LACT at the Picasso Federal #2H facility.  
Meter #CMF300M355NRAAEZZZ Serial #14420260  
Transmitter #2700C12ABAEZZX Serial #3286383

14. I hereby certify that the foregoing is true and correct.  
**Electronic Submission #298683 verified by the BLM Well Information System For COG OPERATING LLC, sent to the Hobbs Committed to AFMSS for processing by LINDA JIMENEZ on 05/06/2015 (15LJ1186SE)**

Name (Printed/Typed) MELANIE J WILSON Title REGULATORY ANAYLST

Signature (Electronic Submission) Date 04/20/2015

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

Approved By DUNCAN WHITLOCK Title TECHNICAL LPET Date 01/05/2016

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 Hobbs *KZ*

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.

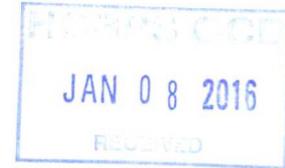
**\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\***

JAN 14 2016

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# Coriolis LACT Meter Conditions of Approval

Picasso Federal 2H  
NM0554252, Sec. 9, SWSE, T24S, R34E  
COG Operating LLC



1. Approval is for meter number CMF300M355NRAAEZZZ – Serial No. 14420260 and transmitter number 2700C12ABAEZZX- Serial No. 3286383.
2. The Coriolis meter shall be designed, installed and operated in accordance with all applicable API standards, including API 5.6, as may be amended or revised from time to time.
3. The metering facility shall include a temperature probe to monitor the actual oil temperature during custody transfer. This information will be recorded and used in calculating the volume of oil metered during each transaction.
4. The meter shall have a non-resettable totalizer.
5. The custody transfer meter shall be proven monthly in conformance with Onshore Oil and Gas Order No. 4.III.D. The meter proving is to be *witnessed by BLM, contact 575-361-2822; a minimum of 24 hours prior to meter proving.* Meter proving records shall be maintained for a period of six years from the date of generation and will be made available for audit upon request.
6. A copy of the monthly meter proving will be submitted to the appropriate BLM office within 30 days of proving.
7. The run ticket associated with each oil transfer shall include the measured or calculated BS&W, oil gravity, temperature recorded during the transfer and *beginning & ending totalizer readings.* Such records shall be maintained for a period of six years from the date of generation and will be made available for audit upon request.
8. A copy of run ticket shall be submitted to the appropriate BLM office within 30 days of ticket generation and will be made available for audit upon request.
9. Operator to maintain tank gauging data to be used as a comparison with the LACT meter readings.
10. All other provisions of the Onshore Oil and Gas Orders, especially No. 3 and No. 4 shall be met.
11. This approval may be subject to future review and if determined inadequate with regards to accurate measurement, the approval will be withdrawn.
12. Upon installation of LACT, submit an updated facility diagram as per Onshore Order No. 3.

JDW 11.3.2015