

HOBBS OCD

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
OCD Hobbs

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

SEP 21 2016

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.
NMNM95641

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
NMNM134754

8. Well Name and No.
KING AIR 8 FEDERAL COM 4H ✓

9. API Well No.
30-025-42200-00-S1

10. Field and Pool, or Exploratory
LUSK

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

RECEIVED
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
ONE CONCHO CENTER 600 W ILLINOIS AVENUE
MIDLAND, TX 79701-4287

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 8 T19S R32E SWSW 58FSL 982FWL ✓
32.668134 N Lat; 103.794383 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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Onshore Order Variance
	<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 requests permission to install a Vapor Combustor Unit (VCU) at the Horned Owl Federal #3H tank battery. This request is due to the fact that the cost of installing and operating equipment necessary to capture the gas exceeds the value of the gas over the life of the facility. COG Operating LLC understands that the following conditions apply:

1. COG Operating LLC may be required to provide economic justification and provide volume verification to the Authorized Officer upon request.
2. COG Operating LLC will comply with NTL-4A requirements.
3. If volume being combusted is less than 50 MCF of gas per day, it is considered ?unavoidably lost?, therefore, no royalty obligation shall be accrued and will not be required to be reported.
 - a. "Unavoidably Lost" production shall mean (1) those gas vapors which are released (in this case combusted) from low-pressure storage tanks.
4. Essentially all measured combusted volumes over 50 MCF will require payment of royalties and

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

**Electronic Submission #345715 verified by the BLM Well Information System
For COG OPERATING LLC, sent to the Hobbs
Committed to AFMSS for processing by PRISCILLA PEREZ on 07/26/2016 (16PP0963SE)**

Name (Printed/Typed) AMANDA AVERY Title AUTHORIZED REPRESENTATIVE

Signature (Electronic Submission) Date 07/25/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By DUNCAN WHITLOCK Title TECHNICAL LPET Date 09/16/2012

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 Hobbs

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 ****

MAB/OCD 9/26/2016

Additional data for EC transaction #345715 that would not fit on the form

32. Additional remarks, continued

volumes need to be reported on OGOR "B" reports as disposition code "08".

5. Per 43 CFR 3162.7-5(d)/Onshore Order No.3.III.1.1, site facility diagram must be submitted within 60 days of equipment installation.

6. This approval does not authorize any additional surface disturbance.

7. Subject to like approval from NMOCD.

Attached are the following:

Site Security Diagram of the current tank battery, as well as the location of the VCU and the manifold line connecting the tanks to the VCU.

Contact name and number to retrieve information on volumes being combusted.

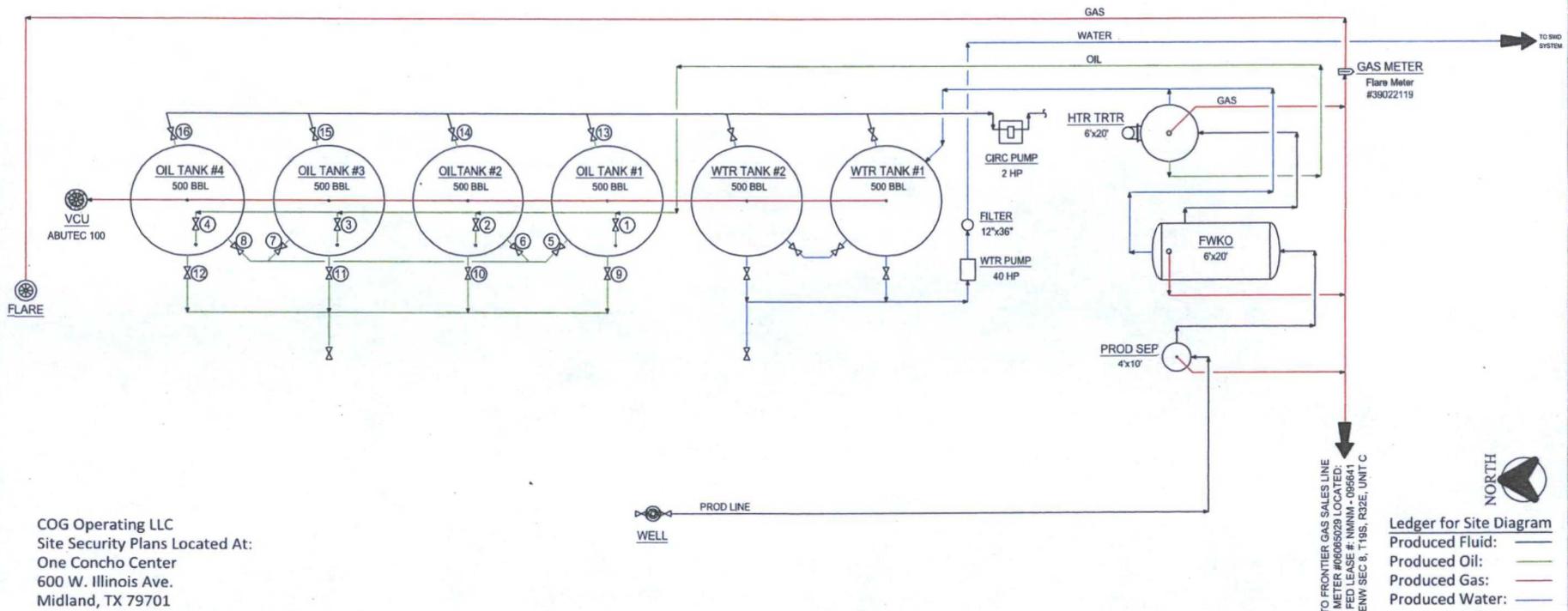
Specification sheet(s) for the VCU.

KING AIR 8 FEDERAL COM 4H BATTERY
 SWSW SECTION 8, T19S, R32E, UNIT M
 LEA COUNTY, NM

WELLS:
 KING AIR 8 FEDERAL COM #004H: 30-025-42200

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, and 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 Concho Center
 600 W. Illinois Ave.
 Midland, TX 79701

TO FRONTIER GAS SALES LINE
 METER #0605029 LOCATED:
 FED LEASE #: NMNM - 095841
 NENN SEC 8, T19S, R32E, UNIT C

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

NOTES:

Type of Lease: Federal
 Federal Lease #: NMNM - 092771
 Property Code: 40109
 OGRID #: 229137

CONFIDENTIALITY NOTICE
 THIS DRAWING IS PROPERTY OF COG OPERATING LLC AND IS LOANED TO THE WORKER FOR CONFIDENTIAL USE ONLY AND IS SUBJECT TO RETURN UPON REQUEST AND SHALL NOT BE REPRODUCED, COPIED, LENT OR OTHERWISE DISPOSED OF DIRECTLY OR INDIRECTLY FOR USE FOR ANY PURPOSE OTHER THAN THAT WHICH IT IS SPECIFICALLY FURNISHED.

REFERENCE DRAWINGS		REVISIONS				ENGINEERING RECORD	
NO.	TITLE	NO.	DATE	DESCRIPTION	BY	CHK.	APP.
A		1	09/01/12	ISSUE FOR SITE PERMITTING	CRB		
B		2	06/25/16	UPDATED FOR KING AIR 8 FED 4H BTY	CRB		

COG OPERATING LLC
 600 WEST ILLINOIS AVENUE
 MIDLAND, TEXAS 79701

BY	DATE
DRN: CRB	09/01/12
DES: CRB	09/01/12
CHK:	
APP:	
APP NO:	
FAK: CRB: C. BLEDSOE	
OPER DNR: VABES	
SCALE: NONE	

CONCHO

NEW MEXICO SHELF ASSET
 PRODUCTION FACILITIES
 SITE FACILITY DIAGRAM

KING AIR 8 FEDERAL COM 4H BATTERY
 LEA COUNTY NEW MEXICO

TOWNSHIP/RANGE: MULTIPLE
 DWG NO. D-1700-81-005
 REV B

COG Operating LLC Contacts

Ronnie Tice 432-528-9501

Stan Hammond 432-210-3818