

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**NMOCD**  
**Hobbs**

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.*

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

5. Lease Serial No.  
NMNM0554252

6. If Indian, Allottee or Tribe Name

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

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

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 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"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Plug and Abandon
	<input type="checkbox"/> Plug Back
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input checked="" type="checkbox"/> Other Off-Lease Measurement

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 recompletable 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 recompletable 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.

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 EOG Jolly Roger 16 State #1H. The location of this well is NENE, Sec 16 T24S R34E.

The following documents are attached:

1) Map showing lease numbers and locations of leases and wells that will contribute production to

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**

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

**Electronic Submission #335320 verified by the BLM Well Information System  
For COG OPERATING LLC, sent to the Hobbs  
Committed to AFMSS for processing by PRISCILLA PEREZ on 04/18/2016 (16PP0530SE)**

Name (Printed/Typed) AMANDA AVERY Title AUTHORIZED REPRESENTATIVE

Signature (Electronic Submission) Date 03/31/2016

**APPROVED**

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

Approved By \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

Office \_\_\_\_\_

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.

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 #335320 that would not fit on the form**

**32. Additional remarks, continued**

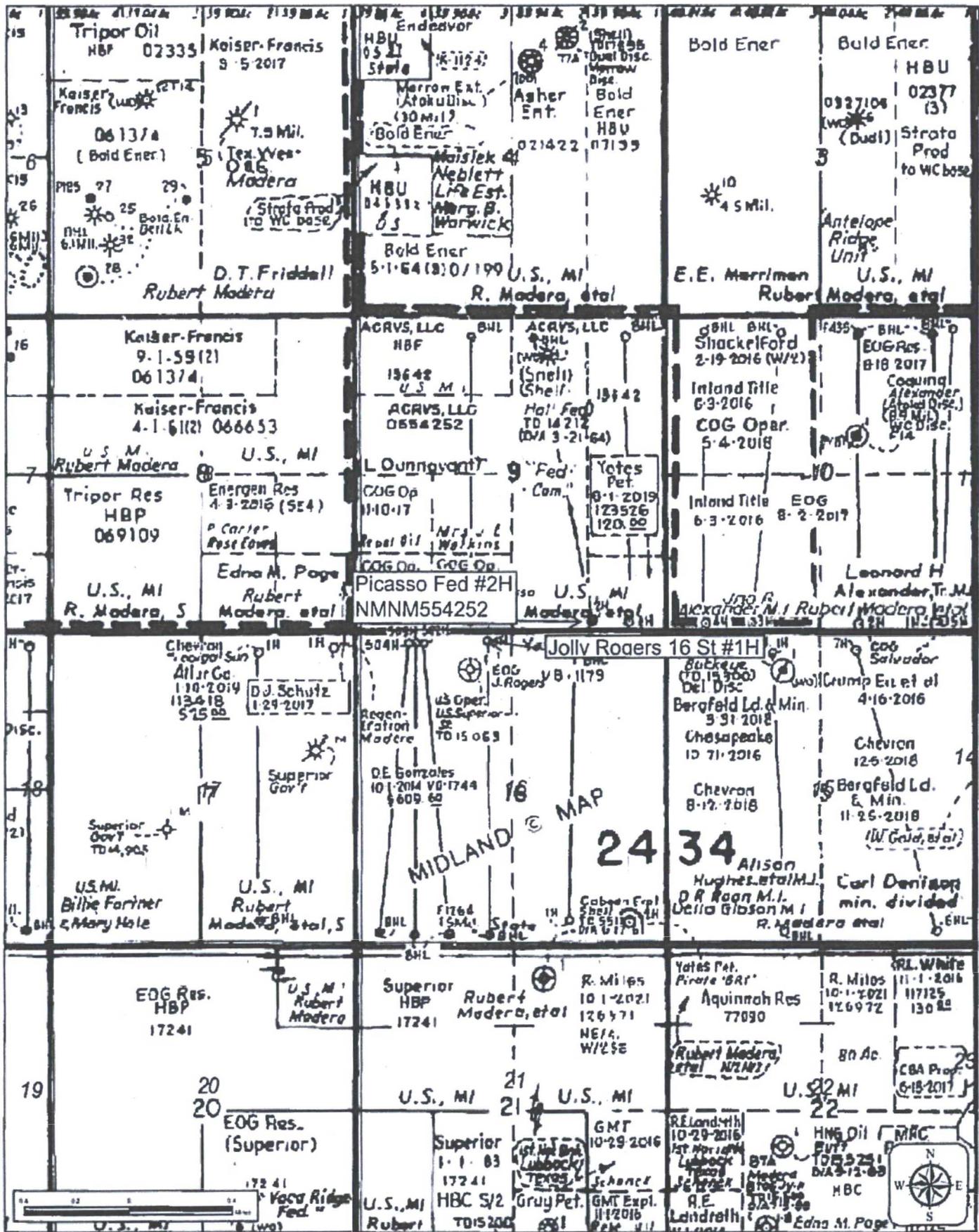
the off lease measurement.

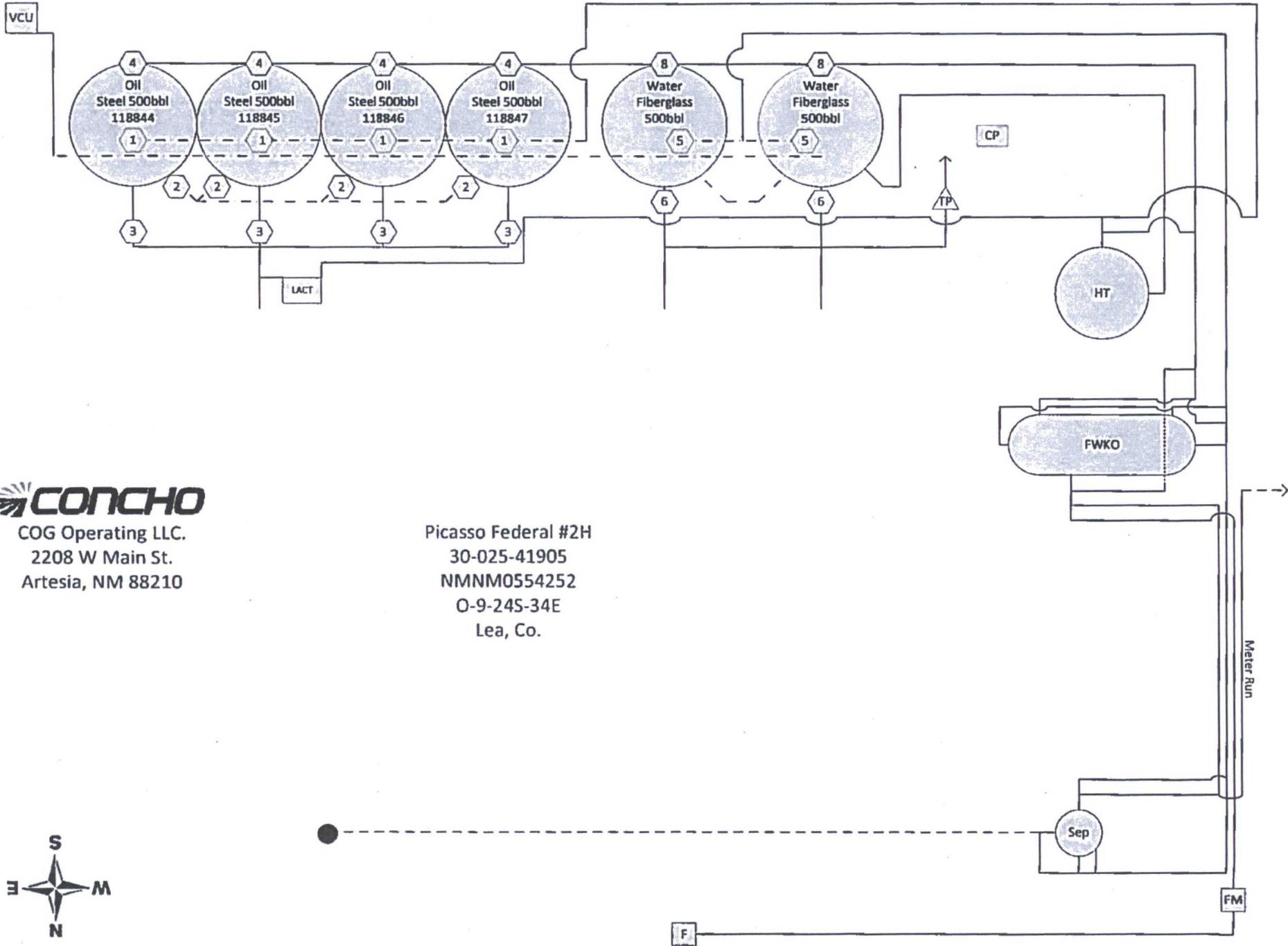
2) Facility Diagram

3) Plat of the location.

4) Interest owners notification letters.







**CONCHO**  
 COG Operating LLC.  
 2208 W Main St.  
 Artesia, NM 88210

Picasso Federal #2H  
 30-025-41905  
 NMNM0554252  
 O-9-24S-34E  
 Lea, Co.



F.

Picasso Federal #2H  
30-025-41905  
NMNM0554252  
O-9-245-34E  
Lea, Co.

**Production Phase (OT#1)**

- A. Valves #1,#2,#4,#5, and #8 Open
- B. Valve #3 Closed and Sealed
- C. Valve #6 Closed
- D. Valves on OT #2, and #3 Positioned:
  - 1. Valves #1, #3, & #4 Closed and sealed

**Production Phase (OT #2)**

- A. Valves #1, #2, #4, #5, and #8 Open
- B. Valve #3 Closed and Sealed
- C. Valve #6 Closed
- D. Valves on OT #1, and #3 Positioned:
  - 1. Valves #1, #3 & #4 Closed and Sealed

**Production Phase (OT #3)**

- A. Valves #1,#2,#4,#5, & #8 Open
- B. Valve #3 Closed and Sealed
- C. Valve #6 Closed
- D. Valves on OT #1, and #2, Positioned:
  - 1. Valves #1, #3 & #4 Closed and Sealed

**Production Phase (OT #4)**

- A. Valves #1,#2,#4,#5, & #8 Open
- B. Valve #3 Closed and Sealed
- C. Valve #6 Closed
- D. Valves on OT #1, #2, and #3 Positioned:
  - 1. Valves #1, #3 & #4 Closed and Sealed

**II. Sales Phase (OT#1)**

- A. Valves #1, #2 and #4 Closed and Sealed
- B. Valve #3 on OT #1 Open
- C. Valves on OT #2, and #3 Positioned:
  - 1. Valve #1, and #2, Open
  - 2. Valve #3 Closed and Sealed

**Sales Phase (OT#2)**

- A. Valves #1, #2 and #4 Closed and Sealed
- B. Valve #3 on OT #2 Open
- C. Valves on OT #1, and #3 Positioned:
  - 1. Valve #1, and #2 Open
  - 2. Valve #3 Closed and Sealed

**Sales Phase (OT#3)**

- A. Valves #1, #2 and #4 Closed and Sealed
- B. Valve #3 on OT #3 Open
- C. Valves on OT #1, and #2 Positioned:
  - 1 Valve #1, and #2 Open
  - 2. Valve #3 Closed and Sealed

**Sales Phase (OT#4)**

- A. Valves #1, #2 and #4 Closed and Sealed
- B. Valve #3 on OT #4 Open
- C. Valves on OT #1, #2, and #3 Positioned:
  - 1 Valve #1, and #2 Open
  - 2. Valve #3 Closed and Sealed



March 31, 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:

Picasso Federal #2H  
Lea County  
API# 30-025-41905  
SHL 190' FSL & 1330' FEL of Sec 9-T24S- R34E  
BHL 352' FNL & 2255' FEL of Sec 9- T24S-R34E  
Red Hills; Bone Spring, North

The Off-Lease Measurement meter will be located at the EOG Jolly Roger 16 State #1H NENE, Sec 16- T24S R34E.

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. There are four overriding royalty owners that our Land Department has been unable to locate. Notice of this application is scheduled to run in the Hobbs Daily News Sun on April 5, 2016. A Copy of the affidavit of publication will be sent to you as soon as it is received.

Sincerely,

A handwritten signature in cursive script that reads "Amanda Avery".

Amanda Avery  
Regulatory Technician

**CORPORATE ADDRESS**

One Concho Center | 600 West Illinois Avenue | Midland, Texas 79701  
PHONE 432.683.7443 | FAX 432.683.7441

**LOCAL ADDRESS**

Concho West | 2208 West Main Street | Artesia, New Mexico 88210  
PHONE 575.748.6940 | FAX 575.748.6968

DATE IN	SUSPENSE	ENGINEER	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

3/29/16  
 Date

aaavery@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  
Picasso Federal 2H  
30-025-41905  
NMNM-0554252**

### **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.