

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTNMOCD  
HobbsFORM APPROVED  
OMB NO. 1004-0137  
Expires: January 31, 2018**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.  
NMNM104685

6. If Indian, Allottee or Tribe Name

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

**SUBMIT IN TRIPLICATE - Other instructions on page 2**

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 7 T19S R32E Lot 2 1980FNL 210FWL

8. Well Name and No.  
SPRUCE GOOSE FEDERAL COM 3H

9. API Well No.

30-025-43169-00-S1

10. Field and Pool or Exploratory Area  
LUSK-BONE SPRING, NORTH

11. County or Parish, State

LEA COUNTY, NM

**12. CHECK THE 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"/> Hydraulic Fracturing	<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 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 must 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 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 #3H.

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 will segregate all production.

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct. <b>Electronic Submission #364382 verified by the BLM Well Information System For COG OPERATING LLC, sent to the Hobbs Committed to AFMSS for processing by PRISCILLA PEREZ on 02/03/2017 (17PP0130SE)</b>	
Name (Printed/Typed) AMANDA AVERY	Title AUTHORIZED REPRESENTATIVE
Signature (Electronic Submission)	Date 01/20/2017
<b>THIS SPACE FOR FEDERAL OR STATE OFFICE USE</b>	
Approved By _____	Title _____ Date _____
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.	

(Instructions on page 2)

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



DISTRICT I  
1625 N. FRENCH DR., HOBBS, NM 88240  
Phone: (575) 363-6181 Fax: (575) 363-0720

DISTRICT II  
911 S. FIRST ST., ARTESIA, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720

DISTRICT III  
1000 RIO BRAZOS RD., AZTEC, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV  
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3460

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 <b>30-025-43169</b>	Pool Code <b>41450</b>	Pool Name <b>LUSK; BONE SPRING, NORTH</b>
Property Code <b>308225</b>	Property Name <b>SPRUCE GOOSE FEDERAL COM</b>	Well Number <b>3H</b>
OGRID No. <b>229137</b>	Operator Name <b>COG OPERATING, LLC</b>	Elevation <b>3623.7</b>

**Surface Location**

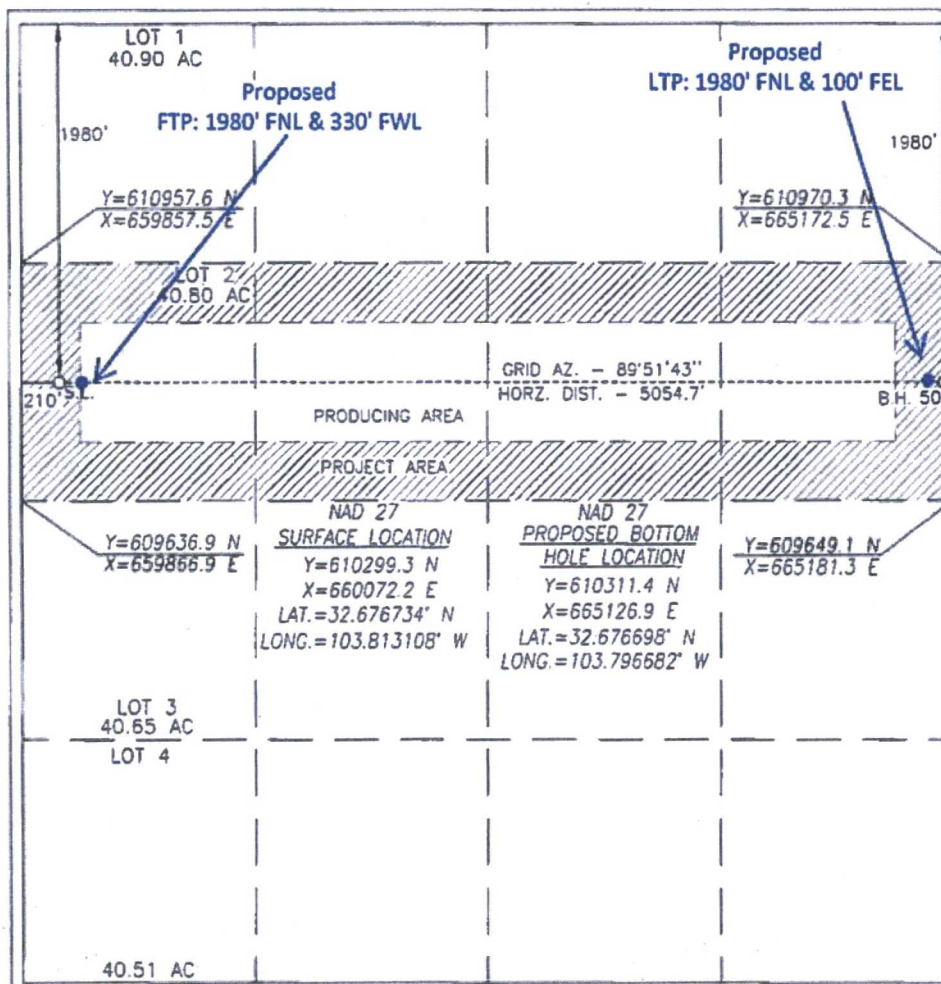
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
2	7	19-S	32-E		1980	NORTH	210	WEST	LEA

**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	Joint or Infill	Consolidation Code	Order No.
<b>160.86</b>			

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 unleased 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  
**dwlilbourn@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

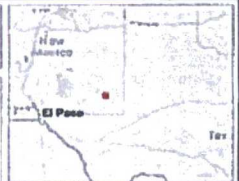


*Chad Harcrow* 7/12/16  
Certificate No. CHAD HARCROW 17777  
W.O. # 16-561 DRAWN BY: CH

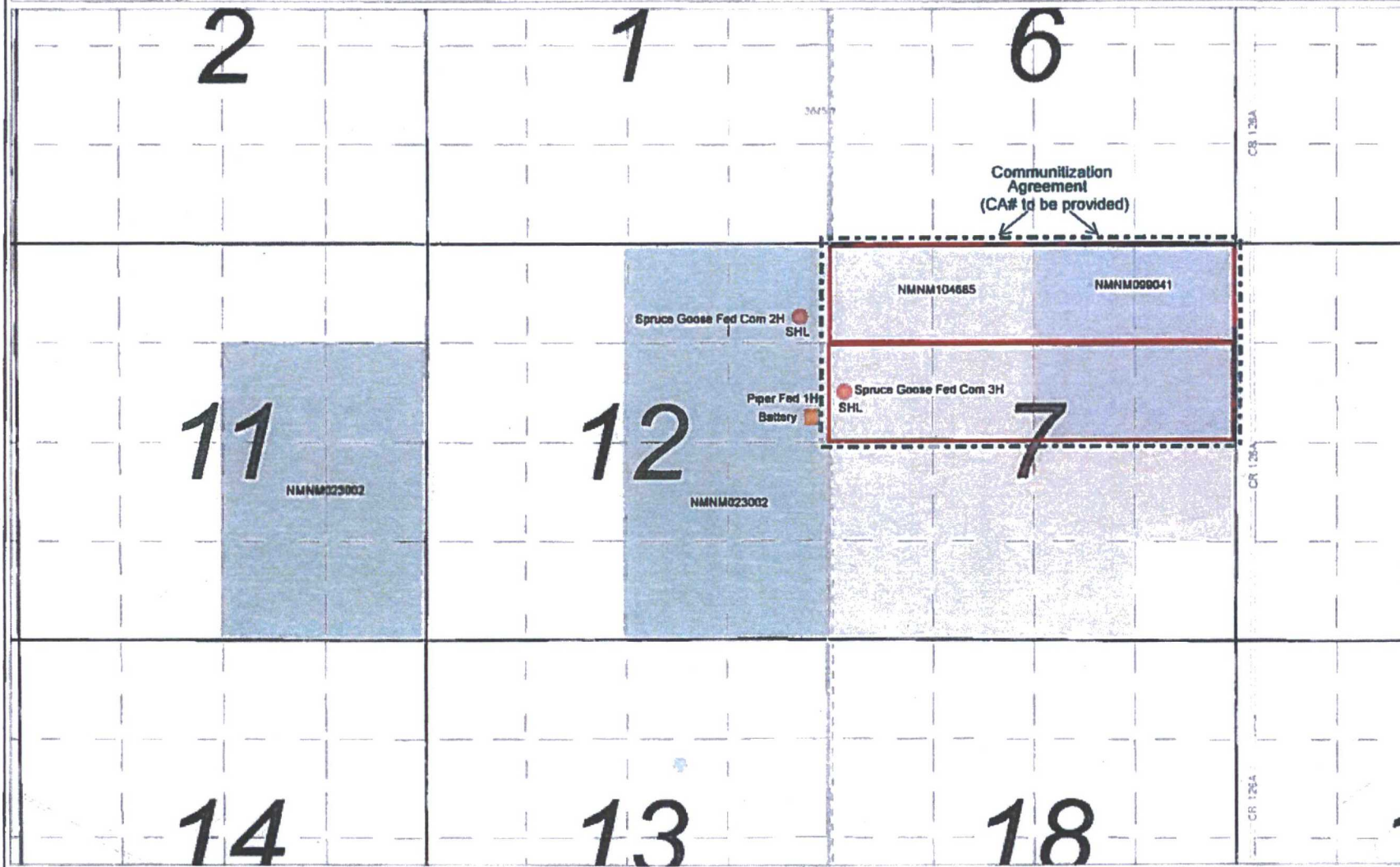


T19S-R31E, Eddy County

T19S-R32E, Lea County



Legend



0 14 0 14 0 28 Miles  
WGS\_1984\_Web\_Mercator\_Auxiliary\_Sphere

Map Scale 1:18,055







CONCHO T19S-R31E, Eddy County

T19S-R32E, Lea County



### Legend

#### TDM - Surface Locations

- SURF
- + ASD
- ◆ ASD-GAS
- ◆ ASD-LOC
- ◆ ASD-OG
- ◆ ASD-OG
- ◆ COJ
- ◆ DAA
- ◆ DAA-G
- ◆ DAA-OG
- ◆ GAS
- ◆ PJ
- ◆ RIACOG
- ◆ RIAG
- ◆ RIAG
- ◆ RIAG
- ◆ JSA
- ◆ JSA-G
- ◆ JSA-G
- ◆ JSA-OG
- ◆ LOC
- ◆ MON
- ◆ OAG
- ◆ OBSERV
- ◆ OIL
- ◆ PILOT
- ◆ SRV
- ◆ START
- ◆ STEAM
- ◆ STG
- ◆ SUS
- ◆ SWD
- ◆ TA
- ◆ TA-G
- ◆ TA-G
- ◆ TA-OG
- ◆ TREATD
- ◆ UDSW
- ◆ WTRUP

#### TDM - Directional Surveys

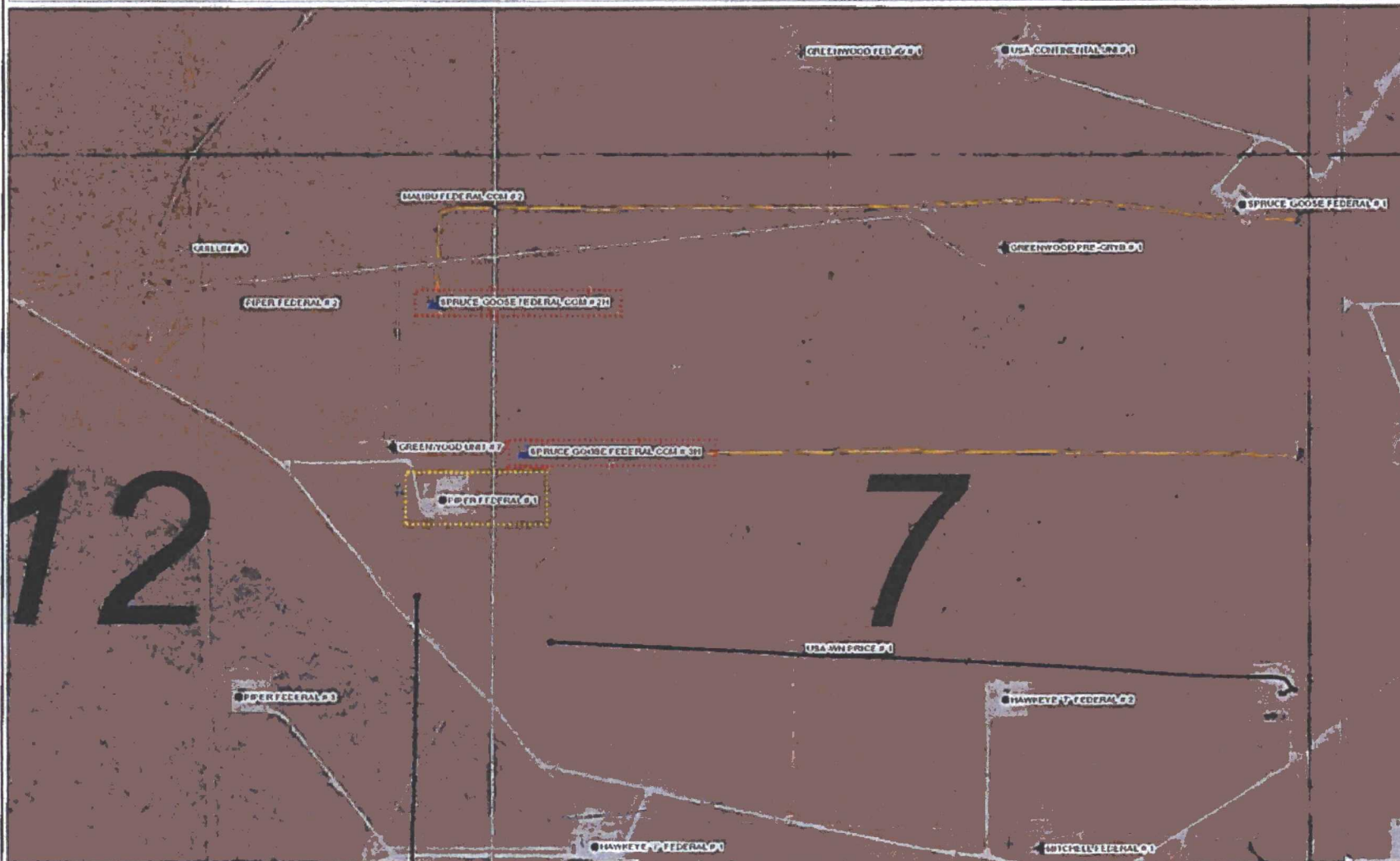
- PRODUCER
- AT TD / PENDING
- SPUD / DRILLING
- PERMITTED
- ABANDONED
- PILOT / MONITOR
- GAS STORAGE
- SWEPS
- PRODUCERS
- SUSPENDED
- OTHER

#### TDM - Completions 2016 YTD

- ◆ DRY HOLE
- ◆ DEVELOPMENT WELL GAS
- ◆ DEVELOPMENT WELL OIL
- ◆ INJECTION
- ◆ INJECTION WATER
- ◆ NEW FIELD WILDCAT DISCOVERY
- ◆ SUCCESSFUL OUTPOST EXTENSION
- ◆ PILOT HOLE
- ◆ UNCLASSIFIED

#### TDM - Spuds 2016 YTD

- ◆ TDM - Permits 2016 YTD



0 07 0 07 0 14 Miles

WGS\_1984\_Web\_Mercator\_Auxiliary\_Sphere

Map Scale 1:9,027

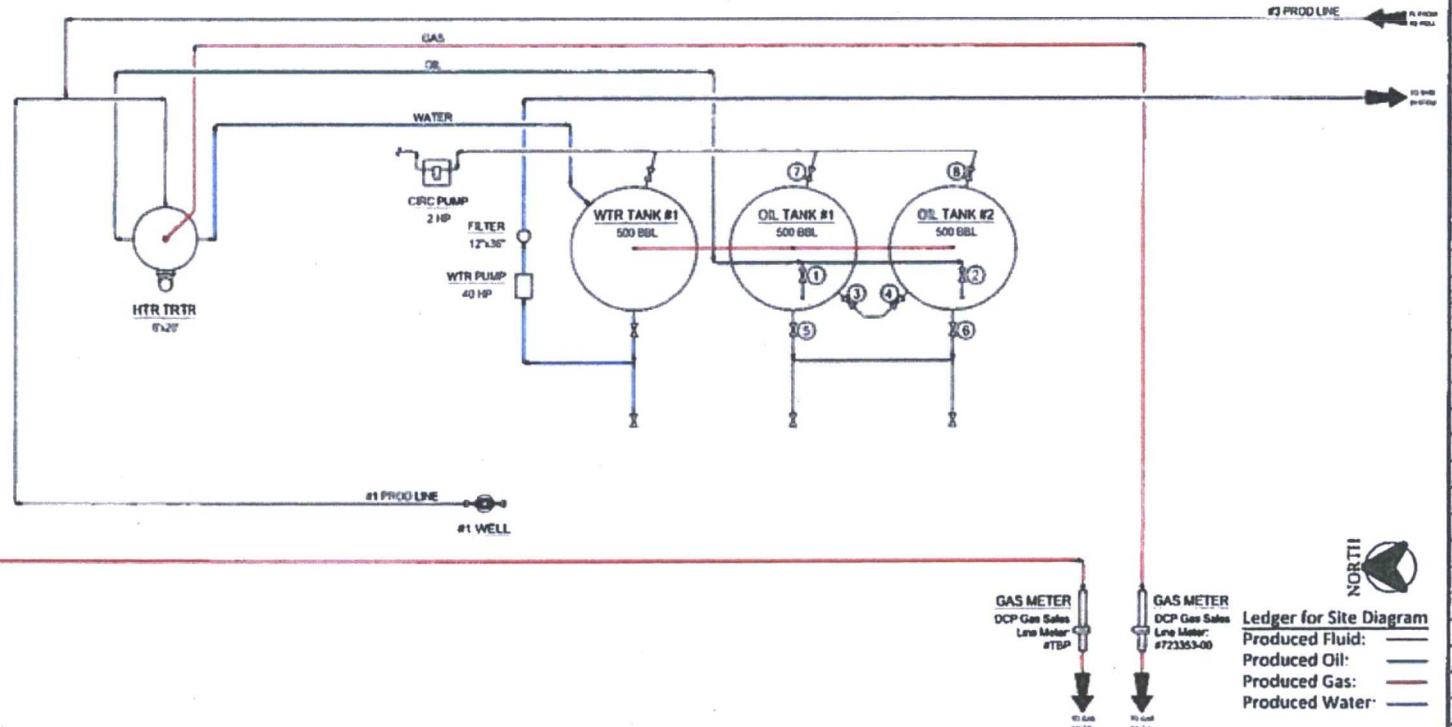




**WELLS:**  
**PIPER FEDERAL #001: 30-015-35788**  
**PIPER FEDERAL #003: 30-015-36005**

- 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



**COG Operating LLC  
Site Security Plans Located At:  
One Concho Center  
600 W. Illinois Ave.  
Midland, TX 79701**

**Ledger for Site Diagram**

Produced Fluid:	_____
Produced Oil:	_____
Produced Gas:	_____
Produced Water:	_____

[illegible]



**Spruce Goose Federal #3H API #30-015-43878****Application for Off-Lease Measurement****Notification List**

<b><i>Date Sent</i></b>	<b><i>Initials</i></b>	<b><i>Sent Certified Return Receipt to:</i></b>	<b><i>Receipt No.</i></b>	<b><i>Rec'd</i></b>
11/11/16	DLW	Devon Energy Production Co., LP, 333 W. Sheridan Ave., Oklahoma City, OK 73102-5010	7013 3020 0000 8749 9269	
11/11/16	DLW	McVay Drilling Company, P. O. Box 2450, Hobbs, NM 88240	7013 3020 0000 8749 9276	
11/11/16	DLW	Moutray Properties, LLC, P. O. Box 1598, Carlsbad, NM 88221-1598	7013 3020 0000 8749 9283	
11/11/16	DLW	Nestegg Energy Corp., 2308 Sierra Vista Rd., Artesia, NM 88210	7013 3020 0000 8749 9214	
11/11/16	DLW	Office of Natural Resources, P. O. Box 25627, Denver, CO 80225	7016 2070 0000 8090 9234	

Mailed 11/11/2016

Debora L. Wilbourn



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 blue ink that reads "Debora L. Wilbourn".

Debora L. Wilbourn  
Regulatory Analyst

Enclosures

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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 575.746.6940 | F 575.746.2096



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.

Debora L. Wilbourn

*Debora L. Wilbourn*

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 attach 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 11/11/16

TYPE OR PRINT NAME: DEBORA L. WILBOURN TELEPHONE NO: 575-748-6958 E-MAIL ADDRESS: dwilbourn@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 3H  
30-025-43169  
NMNM-104685  
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.