

New Mexico Oil Conservation Division, District I

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
1625 N. French Drive
Hobbs, NM 88240FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

EC

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.

8. Well Name and No.
HERCULES FEDERAL COM 1H9. API Well No.
30-005-27999-00-S110. Field and Pool, or Exploratory
UNDESIGNATED-ABO-WOLFCAMP11. County or Parish, and State
CHAVES COUNTY, NM**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator
COG OPERATING LLCContact: NETHA AARON
E-Mail: aaaron@conchresources.com3a. Address
550 WEST TEXAS AVENUE SUITE 100
MIDLAND, TX 79701-42873b. Phone No. (include area code)
Ph: 432-818-2319
Fx: 432-685-4396

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

Sec 15 T15S R31E SWNW 1980FNL 330FWL

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☐
- Notice of Intent
-
- ☒
- Subsequent Report
-
- ☐
- Final Abandonment Notice

TYPE OF ACTION

- | | | | |
|-----------------------------------------------|-------------------------------------------|----------------------------------------------------|-------------------------------------------|
| <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <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 | Surface Comminglin |
| <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 recomple 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 recomple 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 Surface Commingle on the following wells:
Hercules Federal Com 1H
Chaves 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

HOBBS OCD

JUN 02 2011

RECEIVED

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

Electronic Submission #107968 verified by the BLM Well Information System
For COG OPERATING LLC, sent to the Roswell
Committed to AFMSS for processing by DAVID GLASS on 05/11/2011 (11DG0204SE)

Name (Printed/Typed) NETHA AARON

Title AUTHORIZED REPRESENTATIVE

Signature (Electronic Submission)

Date 05/10/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By DAVID R GLASS

Title PETROLEUM ENGINEER

Date 05/11/20

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 **

Additional data for EC transaction #107968 that would not fit on the form

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

NMNM124864
NMNM125711

32. Additional remarks, continued

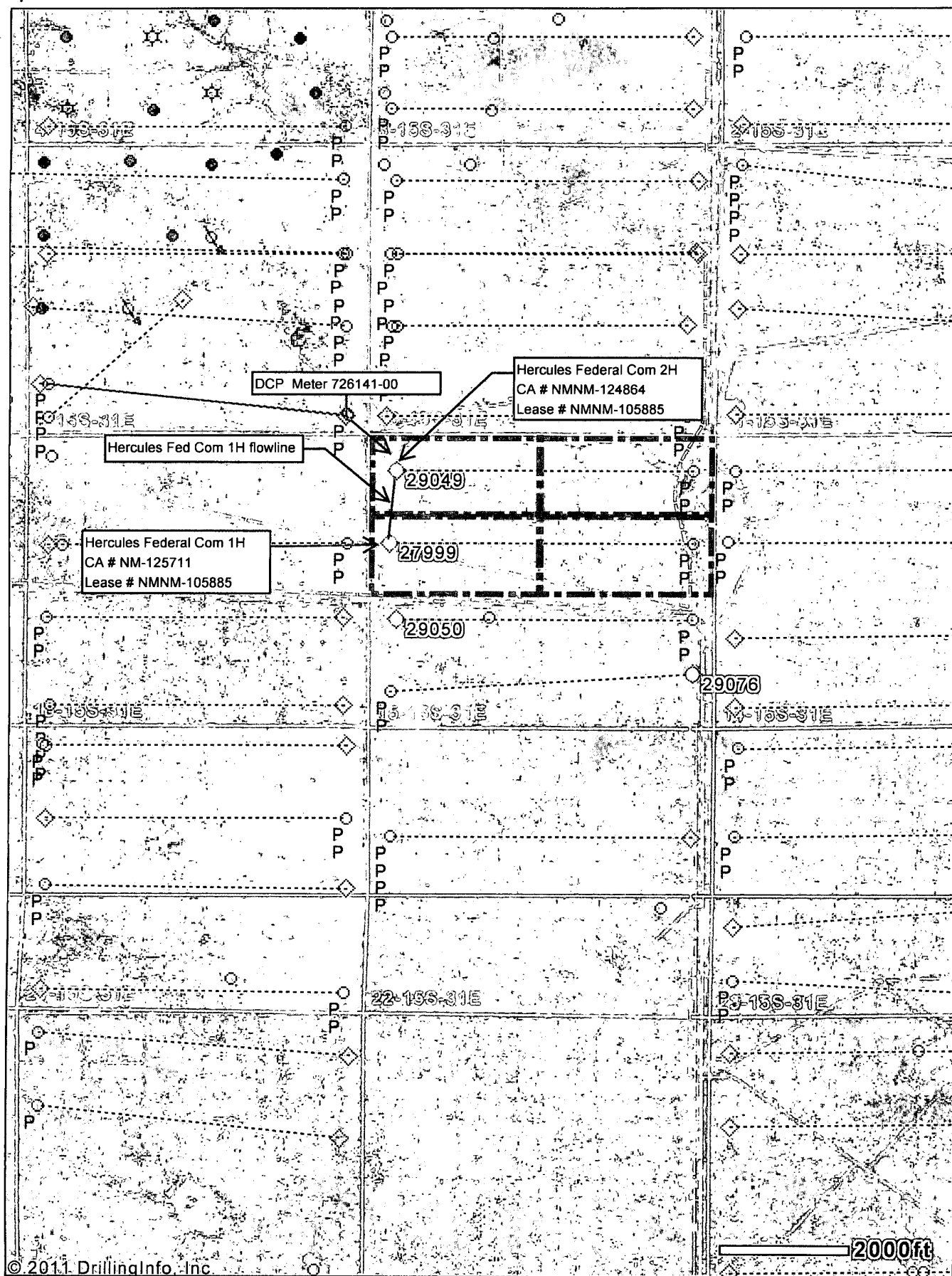
The Hercules Federal Com 1H has a Communitization Agreement NMNM 125771. This agreement comprises 160.00-acre well spacing unit. It involves 80 acres of Federal land in oil and gas lease NM-105885 and 80.00 acres of State land lease V0-8010.

The Hercules Federal Com 2H has a Communitization Agreement NMNM 124864. This agreement comprises 160.00-acre well spacing unit. It involves 80 acres of Federal land in oil and gas lease NM-105885 and 80.00 acres of State land lease V0-8010.

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 #107968

| | Operator Submitted | BLM Revised (AFMSS) |
|----------------|----------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| Sundry Type: | SURCOM NOI | SURCOM SR |
| Lease: | NMNM105885 | NMNM105885 |
| Agreement: | | NMNM124864 NMNM125711 |
| Operator: | COG OPERATING LLC 550 WEST TEXAS SUITE 100 MIDLAND, TX 79701 Ph: 432-818-2319 | COG OPERATING LLC 550 WEST TEXAS AVENUE SUITE 100 MIDLAND, TX 79701-4287 Ph: 432-685-9158 |
| Admin Contact: | NETHA AARON AUTHORIZED REPRESENTATIVE E-Mail: oaaron@conchoresources.com Ph: 432-818-2319 Fx: 432-685-4396 | NETHA AARON AUTHORIZED REPRESENTATIVE E-Mail: oaaron@conchoresources.com Ph: 432-818-2319 Fx: 432-685-4396 |
| Tech Contact: | NETHA AARON AUTHORIZED REPRESENTATIVE E-Mail: oaaron@conchoresources.com Ph: 432-818-2319 Fx: 432-685-4396 | NETHA AARON AUTHORIZED REPRESENTATIVE E-Mail: oaaron@conchoresources.com Ph: 432-818-2319 Fx: 432-685-4396 |
| Location: | | |
| State: | NM | NM |
| County: | CHAVEZ COUNTY | CHAVES |
| Field/Pool: | WILDCAT; ABO, WOLFCAMP | UNDESIGNATED-ABO-WOLFCAMP |
| Well/Facility: | HERCULES FEDERAL COM 1H Sec 15 T15S R31E 1980FNL 330FWL | HERCULES FEDERAL COM 1H Sec 15 T15S R31E SWNW 1980FNL 330FWL |





- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

A. Signature

X

☐ Agent
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If delivery address below: ☐ No

MAILROOM 6

3. Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

April 19 2011

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

1. Article Addressed to:

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

Certified Mail Article Number

2. Article Number
(Transfer from service label)

91 7199 9991 7030 0517 3884

Re: Request for Off Lease PS Form 3811 February 2004

Domestic Return Receipt

102595-02-M-15

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 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 1H
Chavez County, NM
API# 30-005-27999
Communitization Agreement # NMNM-125711**

Surface: 1980 FNL & 330 FWL Sec 15, T15S, R31E, Unit E

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

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

Sincerely,

Netha Aaron

COG Operating LLC
Netha Aaron
Regulatory Analyst

| | | |
|-----------------------|-----------------------------------|------------------------|
| Confirmation Services | Package ID 9171999991703005173884 | Electronic Certified |
| | Destination ZIP Code 73118 | First Class Letter |
| | Customer Reference | |
| | Recipient: | PBP Account # 41592288 |
| | Address: | Serial # 1364097 |
| | | APR 19 2011 3 10pm |

550 W. Texas Ave Ste. 100, Midland, Texas 79701
(432)-683-7443

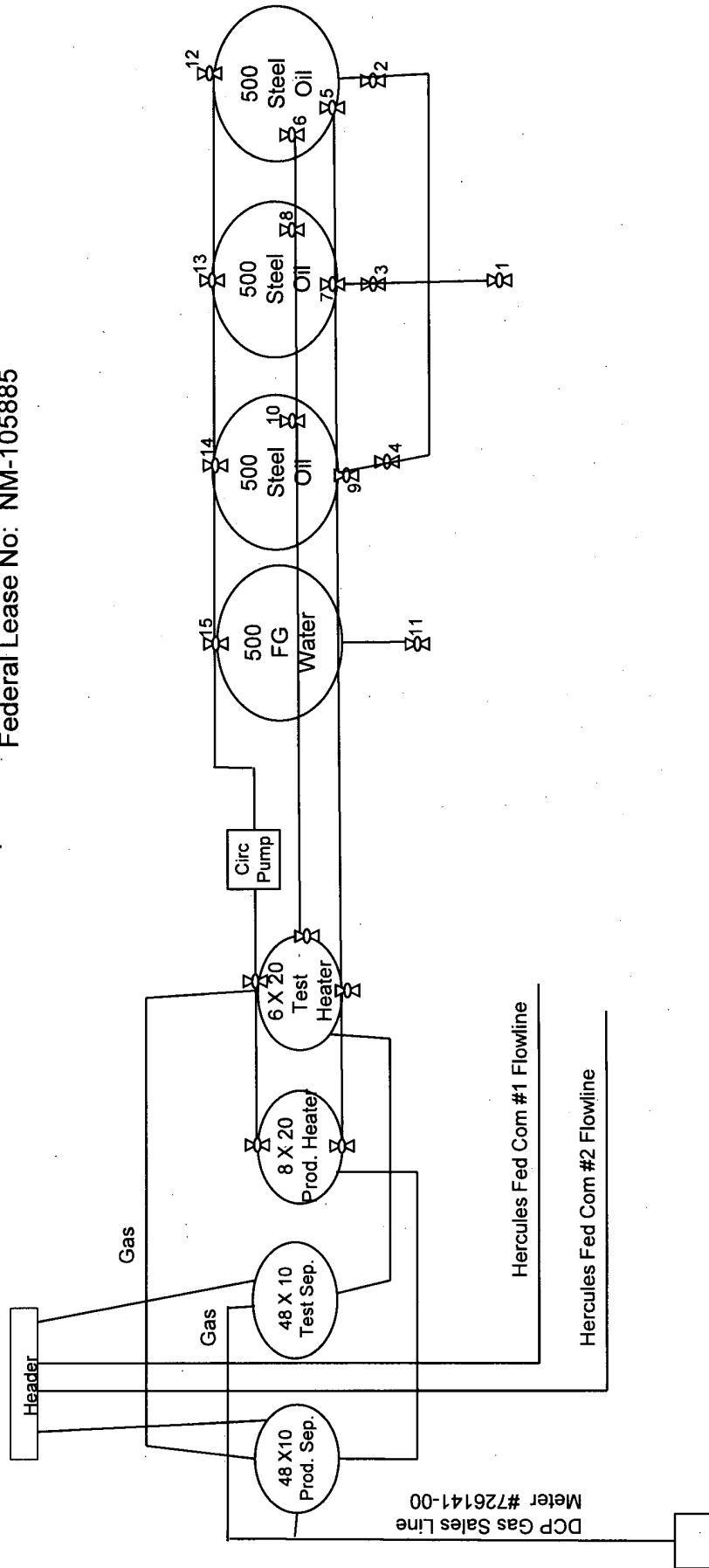
Hercules Fed Com Battery

Hercules Fed Com # 1H Well

Chaves County, NM

API #30-005-29049

Federal Lease No: NM-105885



Sales Phase:

Valves #1, 2, 3 and 4 - Open

Valves #12,13,14,15 - Closed

Valves #5,6,7,8,9 and 10 - Open

Production Phase:

Valves #1,2,3,4,12,13,14,15 - Closed

Valves #5,6,7,8,9 and 10 - Open

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):

deral 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> |
|------------------------------|----------------|--------------------------------|------------------------|-------------|--------------------|--------------|
| rcules Federal Com 1H | 30-005-27999 | SWNW, Sec.15, T15S, R31E | Wildcat; Abo, Wolfcamp | 145 | 39.1/@60° | 250 593 |

th hydrocarbon production from:

deral 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> |
|------------------------------|----------------|--------------------------------|------------------------|-------------|--------------------|--------------|
| rcules Federal Com 2H | 30-005-29049 | NWNW, Sec.15, T15S, R31E | Wildcat; Abo, Wolfcamp | 113 | 39.3/@60° | 167 593 |

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

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

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

**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 call (575) 627-0205 or after office hours call (575) 420-2832. 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.

New Mexico Oil Conservation Division, District I

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
3625 N. French Drive
Hobbs, NM 88240FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

EC

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.
NMNM1257118. Well Name and No.
HERCULES FEDERAL COM 1H9. API Well No.
30-005-27999-00-S110. Field and Pool, or Exploratory
UNDESIGNATED-ABO-WOLFCAMP11. County or Parish, and State
CHAVES COUNTY, NM**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator
COG OPERATING LLCContact: NETHA AARON
E-Mail: oaaron@conchoresources.com3a. Address
550 WEST TEXAS AVENUE SUITE 100
MIDLAND, TX 79701-42873b. Phone No. (include area code)
Ph: 432-818-2319
Fx: 432-685-4396

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

Sec 15 T15S R31E SWNW 1980FNL 330FWL

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 Measuremen t |
| | <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 1H
Chaves County, NM
API # 30-005-27999
Surface: 1980 FNL & 330 FWL Sec 15, T15S, R31E, Unit E

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 our Hercules Federal Com 2H well site, Sec 15, T15S, R 31E, Unit D. This facility has a dcp Midstream gas sales meter, meter #726141-00.

HOBBS OCD

JUN 02 2011

RECEIVED

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

Electronic Submission #107956 verified by the BLM Well Information System

For COG OPERATING LLC, sent to the Roswell

Committed to AFMSS for processing by DAVID GLASS on 05/11/2011 (11DG0203SE)

Name (Printed/Typed) NETHA AARON

Title AUTHORIZED REPRESENTATIVE

Signature (Electronic Submission)

Date 05/10/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By DAVID R GLASS

Title PETROLEUM ENGINEER

Date 05/11/2011

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.

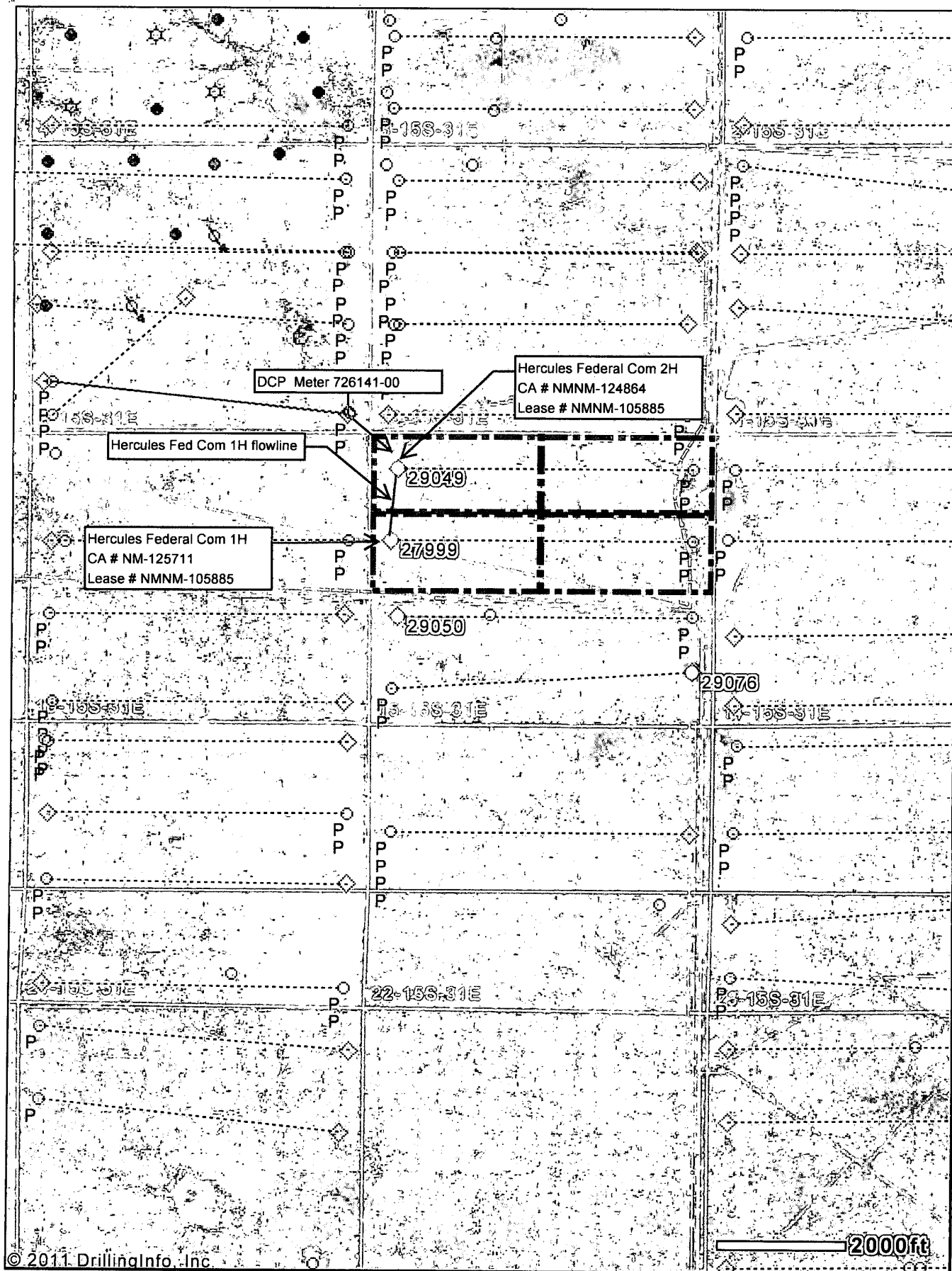
Office Roswell

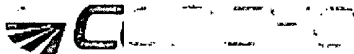
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL
BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

Revisions to Operator-Submitted EC Data for Sundry Notice #107956

| | Operator Submitted | BLM Revised (AFMSS) |
|--------------------------------|----------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| Sundry Type: | OLM NOI | OLM SR |
| Lease: | NMNM105885 | NMNM105885 |
| Agreement: | | NMNM125711 |
| Operator: | COG OPERATING LLC 550 WEST TEXAS SUITE 100 MIDLAND, TX 79701 Ph: 432-818-2319 | COG OPERATING LLC 550 WEST TEXAS AVENUE SUITE 100 MIDLAND, TX 79701-4287 Ph: 432-685-9158 |
| Admin Contact: | NETHA AARON AUTHORIZED REPRESENTATIVE E-Mail: oaaron@conchoresources.com Ph: 432-818-2319 Fx: 432-685-4396 | NETHA AARON AUTHORIZED REPRESENTATIVE E-Mail: oaaron@conchoresources.com Ph: 432-818-2319 Fx: 432-685-4396 |
| Tech Contact: | NETHA AARON AUTHORIZED REPRESENTATIVE E-Mail: oaaron@conchoresources.com Ph: 432-818-2319 Fx: 432-685-4396 | NETHA AARON AUTHORIZED REPRESENTATIVE E-Mail: oaaron@conchoresources.com Ph: 432-818-2319 Fx: 432-685-4396 |
| Location: State: County: | NM CHAVEZ COUNTY | NM CHAVES |
| Field/Pool: | WILDCAT; ABO, WOLFCAMP | UNDESIGNATED-ABO-WOLFCAMP |
| Well/Facility: | HERCULES FEDERAL COM 1H Sec 15 T15S R31E 1980FNL 330FWL | HERCULES FEDERAL COM 1H Sec 15 T15S R31E SWNW 1980FNL 330FWL |





- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

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

A. Signature

X

☐ Agent

☐ Addressee

B. Received by (Printed Name)

RECEIVED

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes

A 1 2011
If delivery address below: ☐ No

MAILROOM 6

3. Service Type

☒ Certified Mail

☐ Express Mail

☐ Registered

☐ Return Receipt for Merchandise

☐ Insured Mail

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

April 19 2011

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

Certified Mail Article Number

2. Article Number

(Transfer from service label)

91 7199 9991 7030 0517 3884

Re: Request for Off Lease PS Form 3811 February 2004

Domestic Return Receipt

102595-02-M-15

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 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 1H

Chavez County, NM

API# 30-005-27999

Communitization Agreement # NMNM-125711

Surface: 1980 FNL & 330 FWL Sec 15, T15S, R31E, Unit E

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

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

Sincerely,

Netha Aaron

COG Operating LLC
Netha Aaron
Regulatory Analyst

| | | |
|-----------------------|-----------------------------------|------------------------|
| Confirmation Services | Package ID 9171999991703005173884 | Electronic Certified |
| | Destination ZIP Code 73118 | First Class Letter |
| | Customer Reference | |
| | Recipient: | PBP Account # 41592288 |
| | Address: | Serial # 1364097 |
| | | APR 19 2011 3 10pm |

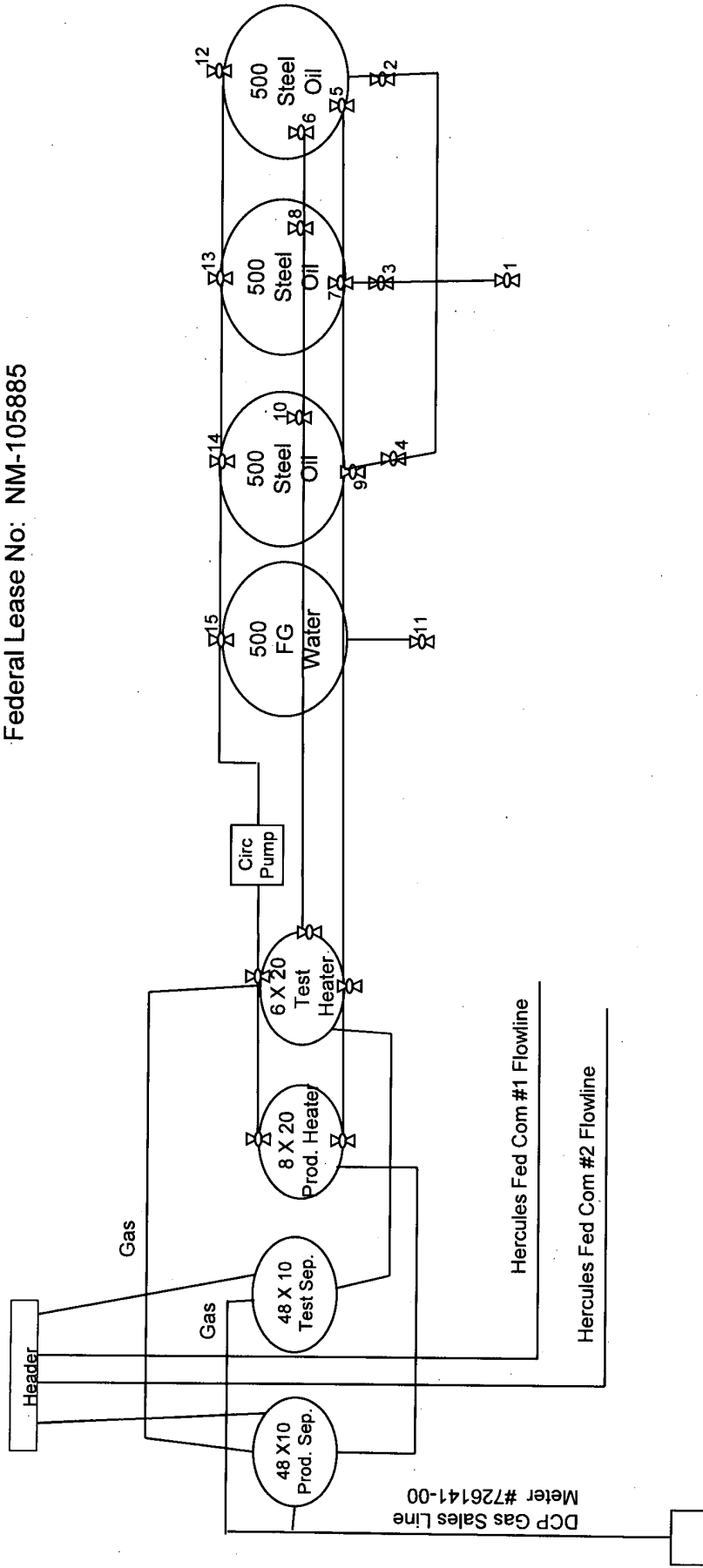
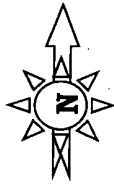
COG OPERATING LLC

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

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):

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

| | | | | | | |
|------------------------------|---------------------------------------|------------------------------------|------------------|-------------|--------------------|--------------|
| <u>Well Name</u> BTU | <u>API No.</u> | <u>Loc: 1/4 1/4 Sec. Twp. Rng.</u> | <u>Formation</u> | <u>BOPD</u> | <u>Oil Gravity</u> | <u>MCFPD</u> |
| rcules Federal Com 1H | 30-005-27999 SWNW, Sec.15, T15S, R31E | Wildcat; Abo, Wolfcamp | 145 | 39.1/@60° | 250 | 593 |

th hydrocarbon production from:

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

| | | | | | | |
|------------------------------|---------------------------------------|------------------------------------|------------------|-------------|--------------------|--------------|
| <u>Well Name</u> BTU | <u>API No.</u> | <u>Loc: 1/4 1/4 Sec. Twp. Rng.</u> | <u>Formation</u> | <u>BOPD</u> | <u>Oil Gravity</u> | <u>MCFPD</u> |
| rcules Federal Com 2H | 30-005-29049 NWNW, Sec.15, T15S, R31E | Wildcat; Abo, Wolfcamp | 113 | 39.3/@60° | 167 | 593 |

Storage and measuring facility is located at NWNW, Sec.15, T15S, R31E on Lease No.: NM 105885, Chavez County, New Mexico. It 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.

**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 call (575) 627-0205 or after office hours call (575) 420-2832. 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.