



November 25, 2020

Attn: Dean McClure
NM Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application for Administrative Approval
Off-lease Measurement – Oil Only

Dear Mr. McClure,

COG Operating LLC respectfully requests approval for off-lease measurement – Oil only for the following wells:

Hambone Federal Com 701H
API# 30-015-46812
Purple Sage; Wolfcamp (Gas)
Ut. P, Sec. 8-T26S-R29E
Eddy County, NM

Hambone Federal Com 702H
API# 30-015-46813
Purple Sage; Wolfcamp (Gas)
Ut. P, Sec. 8-T26S-R29E
Eddy County, NM

Hambone Federal Com 703H
API# 30-015-46814
Purple Sage; Wolfcamp (Gas)
Ut. P, Sec. 8-T26S-R29E
Eddy County, NM

Oil Production:

The oil production from these wells may be transported by truck to either the Red Hills Offload Station, located in Unit O, Section 4-T26S-R32E, or the Jal Offload Station, located in Unit D, Section 4-T26S-R37E, Lea County in the event the CTB on lease is over capacity or in the case of battery or pipeline repairs. Oil will remain segregated and will be measured by lact meter when offloading at the Offload Stations.

Notifications have been sent to all working interest owners

Please see the enclosed Administrative Application Checklist, C-107-B Application for Off Lease Measurement, plats for referenced wells, site facility diagram, maps with lease boundaries showing wells and facility locations and communization agreement application.

Thank you for your attention to this matter. If you have questions or need further information, please email me at ibarron@concho.com or call 575.748.6974.

Sincerely,

Jeanette Barron
Regulatory Technician II

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 575.748 6940 | F 575 746 2096

Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & 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

Applicant: COG Operating, LLC **OGRID Number:** 229137
Well Name: Hambone Federal Com 701H and two others **API:** 30-015-46812
Pool: Purple Sage; Wolfcamp (Gas) **Pool Code:** 98220

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION
 INDICATED BELOW**

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
 A. Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD
- B. Check one only for [I] or [II]
 [I] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☒ OLM
 [II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

2) **NOTIFICATION REQUIRED TO:** Check those which apply.

- A. ☐ Offset operators or lease holders
 B. ☒ Royalty, overriding royalty owners, revenue owners
 C. ☒ Application requires published notice
 D. ☐ Notification and/or concurrent approval by SLO
 E. ☒ Notification and/or concurrent approval by BLM
 F. ☐ Surface owner
 G. ☐ For all of the above, proof of notification or publication is attached, and/or,
 H. ☐ No notice required

FOR OCD ONLY

- ☐ Notice Complete
☐ Application
 Content
 Complete

- 3) **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.

Jeanette Barron

Print or Type Name

Jeanette Barron
 Signature

11/25/20
 Date

575-746-6974

Phone Number

jbarron@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 W Main Street, Artesia, New Mexico 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 attached 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: Jeanette Barron

TITLE: Regulatory Technician II

DATE: 11/25/20

TYPE OR PRINT NAME Jeanette Barron TELEPHONE NO.: 575.748.6974

E-MAIL ADDRESS: jbarron@concho.com

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240
Phone: (505) 393-0161 Fax: (505) 393-0720

DISTRICT II
811 S. FIRST ST., ARTESIA, NM 88210
Phone: (505) 748-1283 Fax: (505) 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) 478-3460 Fax: (505) 478-3462

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 30-015-46812	Pool Code 98220	Pool Name PURPLE SAGE; WOLFCAMP (GAS)
Property Code 323072	Property Name HAMBONE FEDERAL COM	Well Number 701H
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 2914.4'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	8	26-S	29-E		222	SOUTH	1168	EAST	EDDY

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
A	5	26-S	29-E		200	NORTH	330	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
640			

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

<p>NAD 83 NME <u>PROPOSED BOTTOM HOLE LOCATION</u> Y=392419.9 N X=644899.1 E LAT.=32.078401° N LONG.=103.998967° W</p>	<p>Y=392610.2 N X=642555.7 E</p>	<p>200' B.H. 330'</p> <p>Y=392621.3 N X=645220.7 E</p> <p>LTP 330' FNL & 330' FEL Y=392289.9 N X=644900.7 E LAT.=32.078043° N LONG.=103.998963° W</p>	<p>LEASE X-ING LAT.=32.071725° N LONG.=103.998897° W</p>	<p>LEASE X-ING LAT.=32.064362° N LONG.=103.998821° W</p>	<p>LEASE X-ING LAT.=32.060692° N LONG.=103.998783° W</p>	<p>LEASE X-ING LAT.=32.057021° N LONG.=103.998745° W</p>	<p>ETP 330' FSL & 330' FEL Y=382287.1 N X=645020.0 E LAT.=32.050545° N LONG.=103.998678° W GRID AZ. TO ETP 82°33'17"</p>	<p>Y=381953.2 N X=642682.2 E</p>
	<p>SECTION 5</p> <p>SECTION 8</p>							
<p>NAD 83 NME <u>SURFACE LOCATION</u> Y=382177.7 N X=644182.8 E LAT.=32.050252° N LONG.=104.001381° W</p>								

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.

Jeanette Barron 11/25/20
Signature Date

Jeanette Barron
Printed Name

jbarron@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 3, 2019

Date of Survey

Signature & Seal of Professional Surveyor



Chad Harcrow 8/7/19
Certificate No. CHAD HARCROW 17777
W.O. #19-1116 DRAWN BY: CD

DISTRICT I
1925 N. FRENCH DR., HOBBS, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

DISTRICT II
811 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) 334-6176 Fax: (505) 334-6170

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 476-3480 Fax: (505) 476-3462

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 30-015-46813	Pool Code 98220	Pool Name Purple Sage; Wolfcamp (Gas)
Property Code 323072	Property Name HAMBONE FEDERAL COM	Well Number 702H
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 2914.0'

Surface Location



UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	8	26-S	29-E		222	SOUTH	1198	EAST	EDDY

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
A	5	26-S	29-E		200	NORTH	1254	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
640			

**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**

<p>NAD 83 NME <u>PROPOSED BOTTOM HOLE LOCATION</u> Y=392416.1 N X=643974.4 E LAT.=32.078398° N LONG.=104.001952° W</p>	<p>Y=392610.2 N X=642555.7 E</p>	<p>200 B.H.</p>	<p>Y=392621.3 N X=645220.7 E</p>	<p>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.  Signature Date 11/25/20 Printed Name Jeanette Barron E-mail Address jbarron@concho.com</p>
	<p>SECTION 5 SECTION 8</p>	<p>GRID AZ. - 359°18'46" HORZ. DIST. - 10131.3'</p>	<p>LEASE X-ING LAT.=32.071711° N LONG.=104.001882° W</p> <p>LEASE X-ING LAT.=32.064362° N LONG.=104.001805° W</p> <p>LEASE X-ING LAT.=32.060697° N LONG.=104.001767° W</p> <p>LEASE X-ING LAT.=32.057030° N LONG.=104.001728° W</p>	
<p>NAD 83 NME <u>SURFACE LOCATION</u> Y=382177.6 N X=644152.8 E LAT.=32.050252° N LONG.=104.001478° W</p>	<p>Y=381953.2 N X=642682.2 E</p>	<p>S.L.</p>	<p>Y=381957.6 N X=645352.8 E</p>	<p>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 3, 2019 Date of Survey Signature & Seal of Professional Surveyor  Certificate No. CHAD HARCROW 17777 W.O. #19-1115 DRAWN BY: CD</p>

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

DISTRICT II
611 S. FIRST ST., ARTESIA, NM 88210
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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 30-015-46814	Pool Code 98220	Pool Name Purple Sage; Wolfcamp (Gas)
Property Code 323072	Property Name HAMBONE FEDERAL COM	Well Number 703H
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 2913.8'

Surface Location

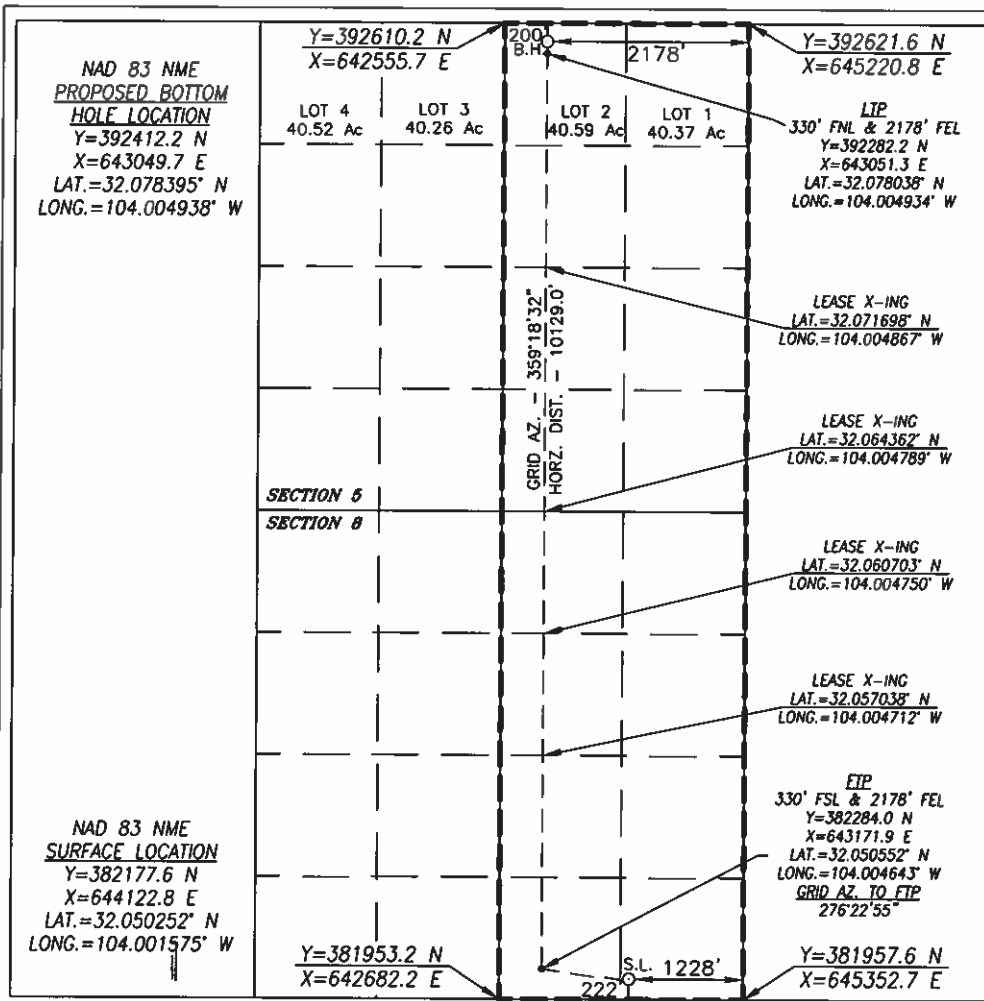
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	8	26-S	29-E		222	SOUTH	1228	EAST	EDDY

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
B	5	26-S	29-E		200	NORTH	2178	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
640			

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

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Jeanette Barron 11/25/20
Signature Date

Jeanette Barron
Printed Name

jbarron@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.

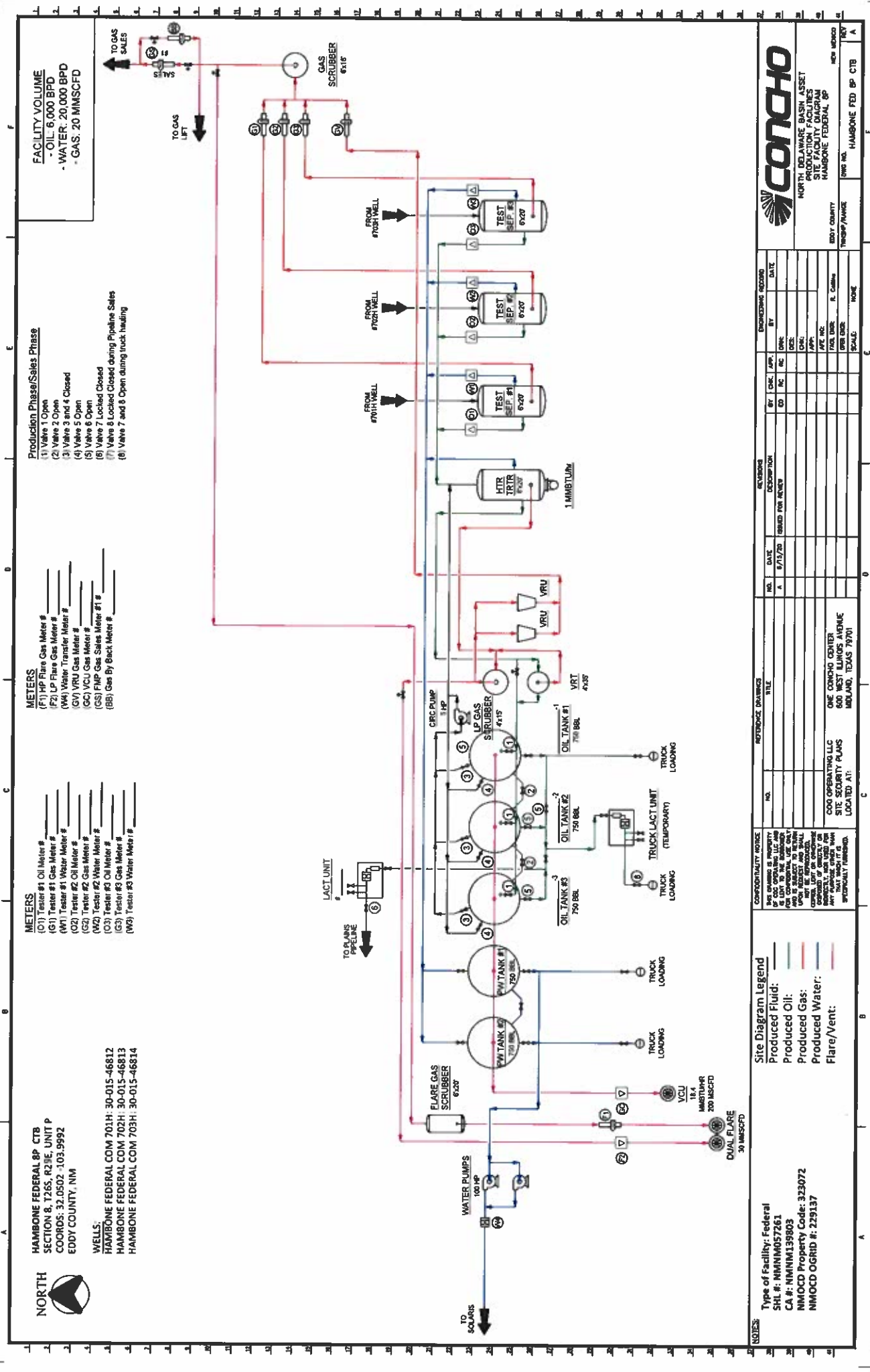
JULY 3, 2019

Date of Survey

Signature & Seal of Professional Surveyor

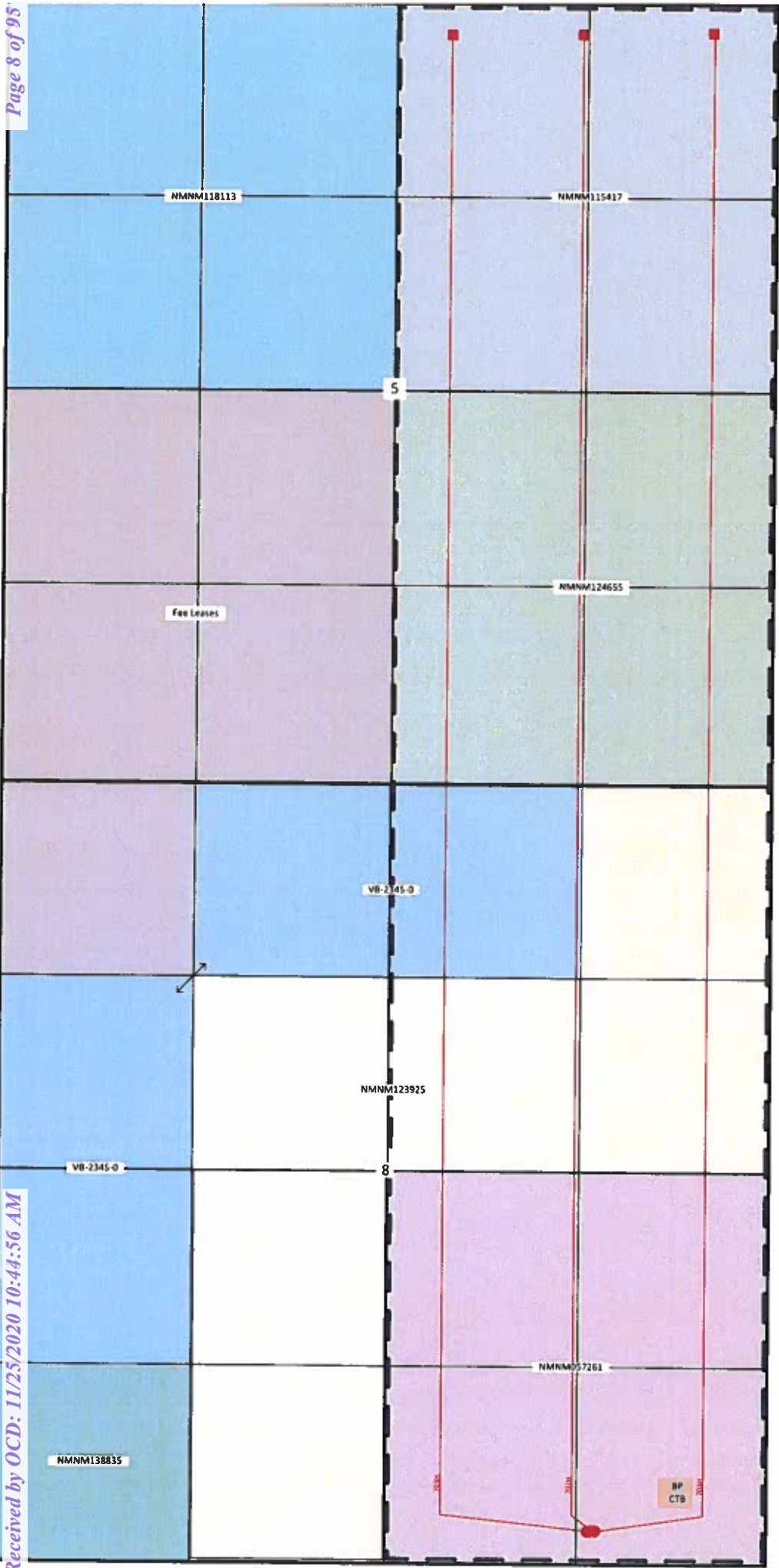


Chad Harcrow 8/7/19
Certificate No. **CHAD HARCROW** 17777
W.O. #19-1114 DRAWN BY: CD



Hambone Federal Wells
Sec. 5, 8-T26S-R29E
Eddy County, NM

- Wolfcamp A Shale SHL
- Wolfcamp A Shale BHL
- ▭ Purple Sage WC CA
E/2 CA #NNNM139803

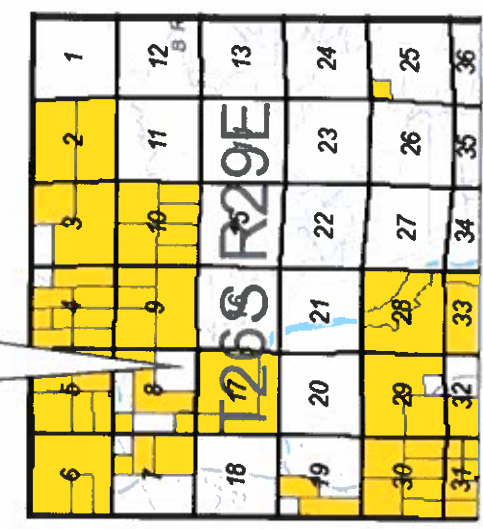




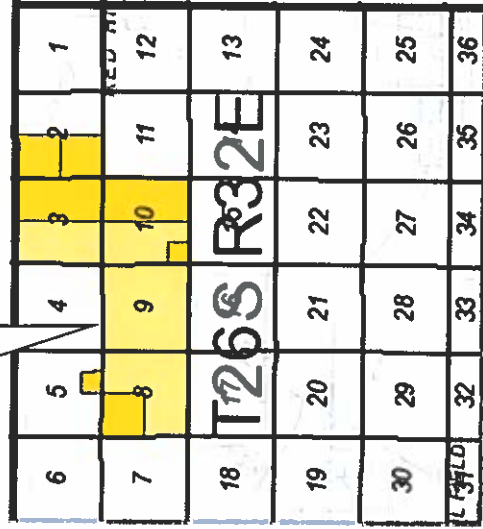
Hambone Federal Com 701H-703H

Red Hills and Jal Offload Station Map

Hambone Federal
Com 701H-703H



Red Hills Offload
Station
Lea County, NM



Jal Offload Station
Lea County, NM



Hambone Fed Com 701H-703H OLM									
Date Sent	Initials	Name	Address	City	State	ZipCode	Certified Return Receipt No.	Delivered	
11.25.20	JB	MRC PERMIAN COMPANY	ONE LINCOLN CENTER, SUITE 1500 5400 LBJ FREEWAY	DALLAS	TX	75240	7017 3040 0000 1206 4456		
11.25.20	JB	OXY Y-1 COMPANY	5 GREENWAY PLAZA, SUITE 110	HOUSTON	TX	77046	7017 3040 0000 1206 4463		
11.25.20	JB	EOG RESOURCES INC	5509 CHAMPIONS DR	MIDLAND	TX	79706	7017 3040 0000 1206 4470		
11.25.20	JB	BLM	620 E Green Street	Carlsbad	NM	88220	7017 3040 0000 1206 4487		



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

New Mexico State Office
301 Dinosaur Trail
Santa Fe, New Mexico 87508
www.blm.gov/new-mexico



In Reply Refer To:
NMNM139803
3105.2 (NM925)

FEB 13 2020

Reference:
Communitization Agreement
Hambone Fed Com 26H
Section 5: E2
Section 8: E2
T. 26 S., R. 29 E., N.M.P.M.
Eddy County, NM

COG Operating LLC.
600 W. Illinois Ave.
Midland, TX 79701-4882

To Whom It May Concern:

Enclosed is an approved copy of Communitization Agreement NMNM139803 involving 160 acres of Federal land in lease NMNM115417, 160 acres of Federal land in lease NMNM124655, 160 acres of Federal land in lease NMNM57261, 120 acres of Federal land in lease NMNM123925, and 40 acres of State land, Eddy County, New Mexico, which comprise a 640-acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Wolfcamp formation beneath the E2, Sec. 5 and E2 Sec. 8, T. 26 S., R. 29 E., NMPM, Eddy County, NM, and is effective August 15, 2018. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases, which are committed hereto.

Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is accurate.

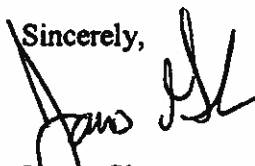
Copies of this approval letter are being distributed to the appropriate Federal agencies. You are requested to furnish all interested parties with the appropriate evidence of this approval. Any

production royalties that are due must be reported and paid according to regulations set up by the Office of Natural Resources Revenue at 1-800-525-9167 or 303-231-3504.

If you have any questions regarding this approval, contact Idu Opral C. Ijeoma (505) 954-2152.

Please furnish all interested principals with appropriate evidence of this approval.

Sincerely,



James Glover
Supervisory Geologist
Branch of Reservoir Management
Division of Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver

NM Taxation & Revenue Dept. (Revenue Processing Div.)

NMOCD

NM (9200)

NM (P0220-CFO, File Room)

NMSO (NM925, File)

NM State Land Comm.

Determination - Approval - Certification


Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases, which are committed hereto.
- B. Approve the attached Communitization Agreement covering the E2, Sec. 5 and E2, Sec. 8, T. 26 S., R. 29 E., NMPM, as to all producible hydrocarbons from the Wolfcamp formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (c) are not met.

Approval also requires operator to submit copies of sundries or any other documentation regarding activity with this well to the Bureau of Land Management (BLM), Carlsbad Field Office pursuant to Item 9 of the approved Communitization Agreement.

- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved:



James Glover
Supervisory Geologist
Branch of Reservoir Management
Division of Minerals

Effective: August 15, 2018

Contract No.: Com. Agr. NMNM139803

RECEIVED

MAR 04 2019

BLM, NMSO
SANTA FEFEDERAL FORM
COMMUNITIZATION AGREEMENTContract No. NMNM139803

THIS AGREEMENT entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this Agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this Agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this Agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this Agreement (hereinafter referred to as "communitized area") are described as follows:

Township 26 South, Range 29 East, N.M.P.M.
E/2 of Section 5 & E/2 of Section 8
Eddy County, New Mexico

containing 640.00 acres, and this agreement shall include only the **Wolfcamp Formation** underlying said lands and the natural gas and associated liquid hydrocarbons, hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this Agreement for all purposes is Exhibit A, a plat designating the communitized area and, Exhibit B, designating the operator of the communitized area and showing the acreage, percentage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be **COG Operating LLC**, as Operator, 600 W. Illinois Avenue, Midland, Texas 79701. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this Agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of

Federal Communitization Agreement
Hambone Fed Com 26H

oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.

5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal, State, or fee land included within the CA area are to be placed in an interest earning escrow or trust account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this Agreement shall not be affected by this Agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this Agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any non-communitized lease production, provided, however, in regard to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any non-communitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this Agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this Agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This Agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this Agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules, or regulations.
10. The date of this agreement is August 15, 2018, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of two (2) years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this Agreement may be terminated at any time by mutual agreement of the parties hereto. This

Federal Communitization Agreement
Hambone Fed Com 26H

Agreement shall not terminate upon cessation of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of non-production. The two (2) year term of this Agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.

11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this Agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occurs in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This Agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This Agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Non-Discrimination: In connection with the performance of work under this Agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written and have set opposite their respective names the date of execution.

OPERATOR, RECORD TITLE OWNER & OPERATING RIGHTS OWNER

Statement of Written Consent by All Named Owners:

I, the undersigned, hereby certify, on behalf of COG Operating LLC, the Operator of the proposed Communitization Agreement, that all working interest owners (i.e., the lessees of record and operating rights owners) shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the working interest owners of the Federal or Indian leases subject to the Communitization Agreement, and that the written consents of all the named owners have been obtained and will be made available to the BLM immediately upon request.

OPERATOR / OPERATING RIGHTS OWNER / RECORD TITLE OWNER

COG OPERATING LLC

By: _____

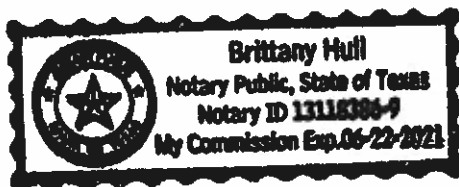
Mark A. Carter
Attorney-in-Fact

AR
JNC

STATE OF TEXAS)

COUNTY OF MIDLAND)

This instrument was acknowledged before me on Feb. 22, 2019, by Mark A. Carter, Attorney-in-Fact of COG Operating LLC, a Delaware limited liability company, on behalf of same.

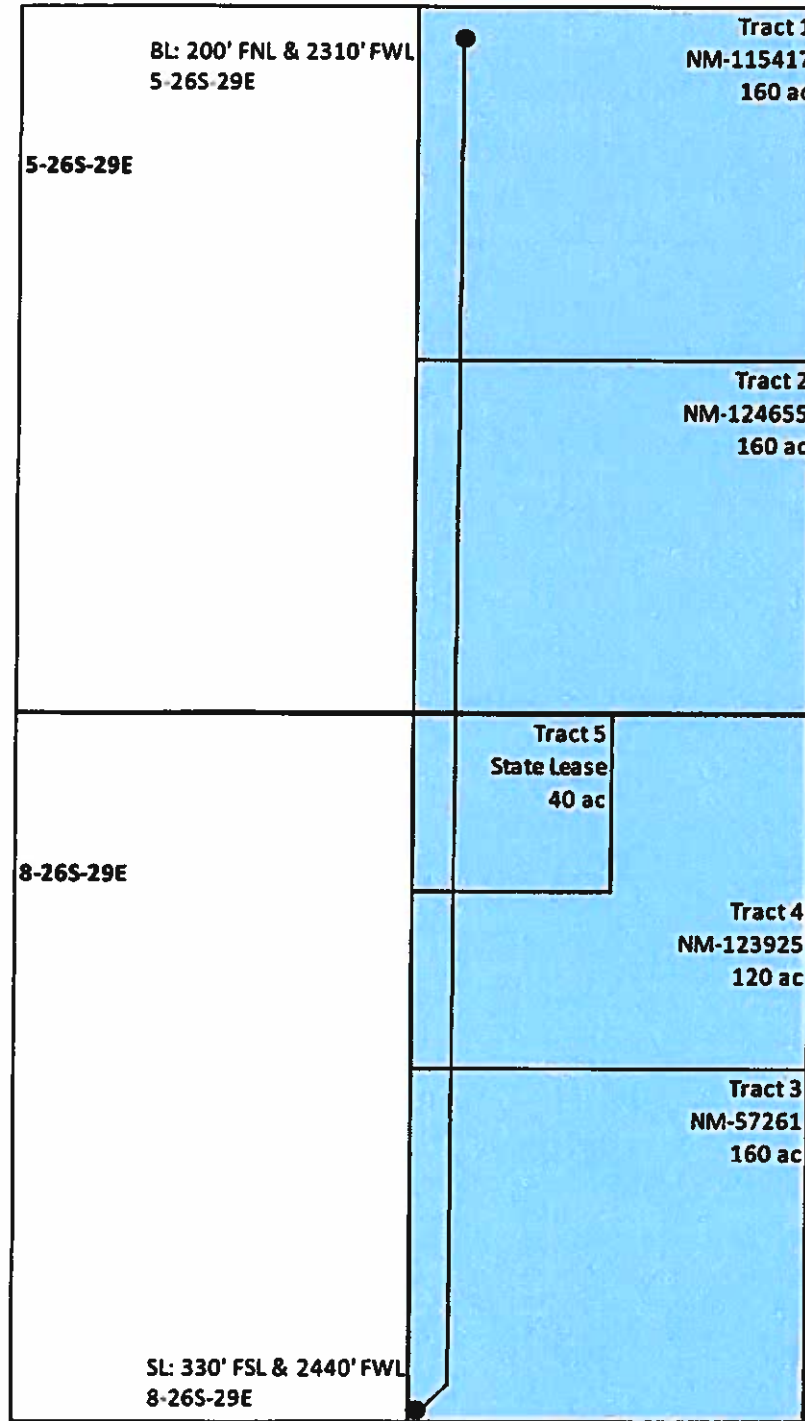


Notary Public in and for the State of Texas

EXHIBIT "A"

Plat of communitized area covering the E/2 of Sections 5 & 8, T26S-R29E,
Eddy County, New Mexico

Hambone Fed Com 26H



Federal Communitization Agreement
Hambone Fed Com 26H

EXHIBIT "B"

Description of leases committed to communitized area covering the E/2 of Sections 5 & 8, T26S-R29E, Eddy County, New Mexico

Operator of Communitized Area: COG Operating LLC

TRACT 1

1. Date: March 1, 2006
 Lessor: United States of America
 Lessee of Record: COG Operating LLC / Concho Oil & Gas LLC
 Lease No.: NMNM – 115417
 Recorded: Unrecorded
 Description: Insofar and only insofar as said lease covers:
 Township 26 South, Range 29 East, N.M.P.M.
 Section 5: NE/4
 Eddy County, New Mexico

 No. of Acres: 160 ac
 Royalty: 1/8th
 Working Interest: COG Operating LLC 55.9821%
 Concho Oil & Gas LLC 2.9464%
 OXY USA Inc. 3.5714%
 OXY Y-1 Company 8.0000%
 Tap Rock Resources 6.2500%
 EOG Y Resources Inc. 1.0000%
 EOG A Resources Inc. 8.0000%
 EOG M Resources Inc. 8.0000%
 MRC Permian Company 6.2500%

TRACT 2

2. Date: June 1, 2010
 Lessor: United States of America
 Lessee of Record: The Allar Company
 Lease No.: NMNM – 124655
 Recorded: Unrecorded
 Description: Insofar and only insofar as said lease covers:
 Township 26 South, Range 29 East, N.M.P.M.
 Section 5: SE/4
 Eddy County, New Mexico

 No. of Acres: 160 ac
 Royalty: 1/8th
 Working Interest: COG Operating LLC 55.9821%
 Concho Oil & Gas LLC 2.9464%
 OXY USA Inc. 3.5714%
 OXY Y-1 Company 8.0000%
 Tap Rock Resources 6.2500%
 EOG Y Resources Inc. 1.0000%
 EOG A Resources Inc. 8.0000%

Federal Communitization Agreement
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EOG M Resources Inc.	8.0000%
MRC Permian Company	6.2500%

TRACT 3

3. **Date:** April 1, 1984
 Lessor: United States of America
 Lessee of Record: Regeneration Energy Corporation
 Lease No.: NMNM – 57261
 Recorded: Unrecorded
 Description: Insofar and only insofar as said lease covers:
 Township 26 South, Range 29 East, N.M.P.M.
 Section 8: SE/4
 Eddy County, New Mexico

No. of Acres: 160 ac
 Royalty: 1/8th
 Working Interest: COG Operating LLC 55.9821%
 Concho Oil & Gas LLC 2.9464%
 OXY USA Inc. 3.5714%
 OXY Y-1 Company 8.0000%
 Tap Rock Resources 6.2500%
 EOG Y Resources Inc. 1.0000%
 EOG A Resources Inc. 8.0000%
 EOG M Resources Inc. 8.0000%
 MRC Permian Company 6.2500%

TRACT 4

4. **Date:** December 1, 2009
 Lessor: United States of America
 Lessee: COG Operating LLC / Concho Oil & Gas LLC
 Lease No.: NMNM – 123925
 Recorded: Unrecorded
 Description: Insofar and only insofar as said lease covers:
 Township 26 South, Range 29 East, N.M.P.M.
 Section 8: NE/4 NE/4 and S/2 NE/4
 Eddy County, New Mexico

No. of Acres: 120 ac
 Royalty: 1/8th
 Working Interest: COG Operating LLC 55.9821%
 Concho Oil & Gas LLC 2.9464%
 OXY USA Inc. 3.5714%
 OXY Y-1 Company 8.0000%
 Tap Rock Resources 6.2500%
 EOG Y Resources Inc. 1.0000%
 EOG A Resources Inc. 8.0000%
 EOG M Resources Inc. 8.0000%
 MRC Permian Company 6.2500%

TRACT 5

5. **Date:** February 1, 2014
 Lessor: State of New Mexico
 Lessee of Record: MRC Permian Company*
 Lease No.: VB-2345
 Recorded: Unrecorded
 Description: Insofar and only insofar as said lease covers:
 Township 26 South, Range 29 East, N.M.P.M.
 Section 8: NW/4 NE/4
 Eddy County, New Mexico

No. of Acres: 40 ac
 Royalty: 3/16th
 Working Interest:

COG Operating LLC	55.9821%
Concho Oil & Gas LLC	2.9464%
OXY USA Inc.	3.5714%
OXY Y-1 Company	8.0000%
Tap Rock Resources	6.2500%
EOG Y Resources Inc.	1.0000%
EOG A Resources Inc.	8.0000%
EOG M Resources Inc.	8.0000%
MRC Permian Company	6.2500%

*Compulsory Pooled under Order No. R-20287.

RECAPULATION

Tract No.	No. of Acres Committed	Percentage of Interest In Communitized Area
1	160.00	25.00%
2	160.00	25.00%
3	160.00	25.00%
4	120.00	18.75%
5	40.00	6.25%
TOTAL	640.00	100.00%

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

COG Operating LLC
Hambone Federal Com #26H
Vertical Extent: Wolfcamp
Township: 26 South, Range: 29 East, NMPM
Section 5 : E2
Section 8: E2
Eddy County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated August 15, 2018, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 1st Day of April, 2019.



Stephanie Garcia Richerdt

COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

COG OPERATING LLC
TESSA ELDER 1CC-8
600 W ILLINOIS AVE
MIDLAND, TX 79701

Reception: 1909025 Book: 1125 Page: 0411 Pages: 20
Recorded: 07/11/2019 11:57 AM Fee: \$50.00
Eddy County, New Mexico - Robin Van Natta, County Clerk



RN

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

COG Operating LLC
 Hambone Federal Com #26H
 Vertical Extent: Wolfcamp
Township: 26 South, Range: 29 East, NMPM
 Section 5 : E2
 Section 8: E2
 Eddy County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated August 15, 2018, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 1st Day of April, 2019.



Stephanie Garza Richard

COMMISSIONER OF PUBLIC LANDS
 of the State of New Mexico

NM State Land Office
Oil, Gas, & Minerals Division

STATE/FEDERAL OR
STATE/FEDERAL/FEE

Revised Feb. 2013
2019 FEB -4 PM 9:13

ONLINE Version
COMMUNITIZATION AGREEMENT

Contract No. _____

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto,"

WITNESSETH:

WHEREAS, the Act of February 25, 1920, 41 Stat. 437, as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a federal oil and gas lease, or any portions thereof, with other lands, whether or not owned by the United States, when separate tracts under such federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area, and such communitization or pooling is determined to be in the public interest; and,

WHEREAS, the Commissioner of Public Lands of the State of New Mexico, herein called "the Commissioner", is authorized to consent to and approve agreements pooling state oil and gas leases or any portion thereof, when separate tracts under such state leases cannot be independently developed and operated economically in conformity with well-spacing and gas proration rules and regulations established for the field or area and such pooling is determined to be in the public interest; and,

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of the agreement;

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Subdivisions E/2,
Sect 5 & 8, T 26S, R 29E, NMPM Eddy County NM
containing 640.00 acres, more or less, and this agreement shall include only the
Wolfcamp Formation
underlying said lands and the hydrocarbons from the said formation (hereinafter
referred to as "communitized substances") producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit "B" designating the operator of the communitized area and showing the acreage, percentage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States and the State of New Mexico, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.
6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any federal lease bearing a sliding-or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is August 15 2018 Month Day, Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his duly authorized representative, and by the Commissioner or his duly authorized representative, and shall remain in force and effect for a period of two (2) years and so long thereafter as communitized substances are produced or can be produced from the communitized area in paying quantities; provided, that the two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of the capability of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

- IN WITNESS WHEREOF**, the parties hereto have executed this agreement as of the day and year first written and have set opposite their respective names the date of execution.

Operator COG Operating LLC Lessees of Record Concho Oil & Gas LLC, et al
By Signatures Attached Signatures Attached
Print name of person
Type of authority

Attach additional page(s) if needed.

[Acknowledgments are on following page.]


COG OPERATING LLC

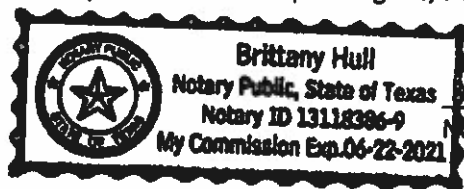
By: 
Mark A. Carter
Attorney-in-Fact

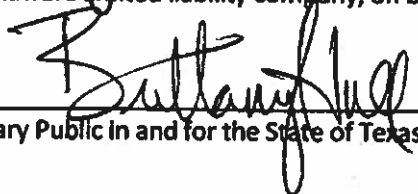
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ACKNOWLEDGMENT

STATE OF TEXAS §
§
COUNTY OF MIDLAND §

This instrument was acknowledged before me on  2019, by Mark A. Carter, Attorney-in-Fact of COG Operating LLC, a Delaware limited liability company, on behalf of same.




Notary Public in and for the State of Texas

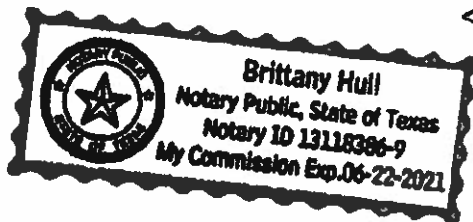
CONCHO OIL & GAS LLC

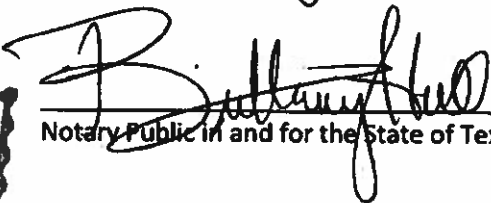
By: 
Mark A. Carter
Attorney-in-Fact AR
JNC

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

The foregoing instrument was acknowledged before me on the 29th day of January, 2019, by Mark A. Carter, Attorney-in-Fact for Concho Oil & Gas LLC, a Texas limited liability company, on behalf of said limited liability company.




Notary Public in and for the State of Texas

REGENERATION ENERGY CORPORATION

By: Raye Miller
Name: Raye Miller
Title: President

STATE OF ~~TEXAS~~ New Mexico)
COUNTY OF ~~MIDLAND~~ Eddy)

This instrument was acknowledged before me on 14th day of May, 2018, by Raye Miller, President of REGENERATION ENERGY COMPANY, a New Mexico Corporation on behalf of same.



OFFICIAL SEAL
ALEXIS C. CARTER
NOTARY PUBLIC-STATE OF NEW MEXICO

My commission expires: 12-29-19

Alexis Carter

Notary Public in and for the State of Texas

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RECORD TITLE OWNER (NM-124655)

THE ALLAR COMPANY

By: [Signature]
Name: John Chiles Graham
Title: President

STATE OF TEXAS)
 YOUNG)
COUNTY OF ~~MIDLAND~~)

This instrument was acknowledged before me on May 10, 2018, by
John Chiles Graham, President of **THE ALLAR**
COMPANY, a Texas Corporation on behalf of same.



[Signature]
Notary Public in and for the State of Texas

State/Fed or State/Fed/Fee
Hambone Fed Com 26H

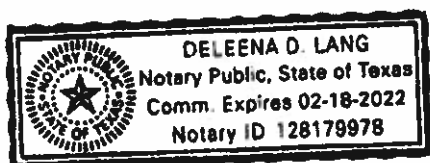
OPERATING RIGHTS OWNER (NM-115417)

OXY USA INC.

By: [Signature]
Name: Bradley S. Dusek
Title: Attorney-in-Fact

STATE OF TEXAS)
COUNTY OF HARRIS)
~~MIDLAND~~

This instrument was acknowledged before me on May 22, 2018, by Bradley S. Dusek, Attorney-in-Fact of OXY USA INC., a Delaware corporation on behalf of same.



[Signature]
Notary Public in and for the State of Texas

OPERATING RIGHTS OWNER (NM-124655)

TAP ROCK RESOURCES, LLC

By: [Signature]
Name: Clinton Spird
Title: VP

STATE OF TEXAS Colorado)
COUNTY OF MIDLAND)
Jefferson)

This instrument was acknowledged before me on October 29, 2018, by Clinton Spird VP - Land + legal of TAP ROCK RESOURCES, LLC, a Delaware LLC on behalf of same.

RACHELLE REESE
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20124064461
MY COMMISSION EXPIRES 09/28/2020

Rachelle Reese
Notary Public in and for the State of Texas Colorado

State/Fed or State/Fed/Fee
Hambone Fed Com 26H

Page 35 of 95

OPERATING RIGHTS OWNER (NM-57261)

EOG Y RESOURCES, INC.

By: Wendy Dalton *or*
Name: Wendy Dalton
Title: Agent and Attorney-in-Fact

STATE OF TEXAS)
)
COUNTY OF MIDLAND)

This instrument was acknowledged before me on May 31, 2018, by
Wendy Dalton, Agent and Attorney-in-Fact of EOG Y
RESOURCES, INC. a New Mexico Corporation on behalf of same.

Sarah Tisdale Semer
Notary Public in and for the State of Texas



Received by OCD: 11/25/2020 10:44:56 AM

State/Fed or State/Fed/Fee
Hambone Fed Com 26H

Page 36 of 95

OPERATING RIGHTS OWNER (NM-57261)

EOG A RESOURCES, INC.

By: Wendy Dalton ✓
Name: Wendy Dalton
Title: Agent and Attorney-in-Fact

STATE OF TEXAS)
)
COUNTY OF MIDLAND)

This instrument was acknowledged before me on May 31, 2018, by
Wendy Dalton, Agent and Attorney-in-Fact of EOG A
RESOURCES, INC. a New Mexico Corporation on behalf of same.

Sarah Tisdale Semer
Notary Public in and for the State of Texas



Received by OCD: 11/25/2020 10:44:56 AM

State/Fed or State/Fed/Fee
Hambone Fed Com 26H

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OPERATING RIGHTS OWNER (NM-57261)

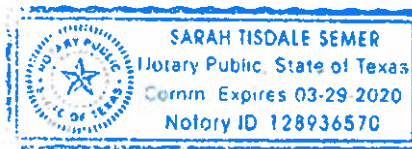
EOG M RESOURCES, INC.

By: Wendy Dalton or
Name: Wendy Dalton
Title: Agent and Attorney-in-Fact

STATE OF TEXAS)
)
COUNTY OF MIDLAND)

This instrument was acknowledged before me on May 31, 2018, by
Wendy Dalton, Agent and Attorney-in-Fact of EOG M
RESOURCES, INC. a New Mexico Corporation on behalf of same.

Sarah Tisdale Semer
Notary Public in and for the State of Texas



Received by OCD: 11/25/2020 10:44:56 AM

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Hambone Fed Com 26H

Released to Imaging: 1/8/2021 10:12:10 AM

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OPERATING RIGHTS OWNER (NM-57261)

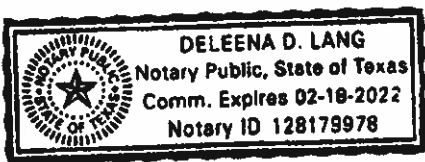
OXY Y-1 COMPANY

By: [Signature]
Name: Bradley S. Dusek
Title: Attorney-in-Fact

STATE OF TEXAS)

COUNTY OF HARRIS)
MIDLAND)

This instrument was acknowledged before me on May 22, 2018, by
Bradley S. Dusek, Attorney-in-Fact of **OXY Y-1**
COMPANY, a New Mexico corporation on behalf of same.



[Signature]
Notary Public in and for the State of Texas

State/Fed or State/Fed/Fee
Hambone Fed Com 26H

By: _____
Name: _____
Title: _____

STATE OF _____ §
§
COUNTY OF _____ §

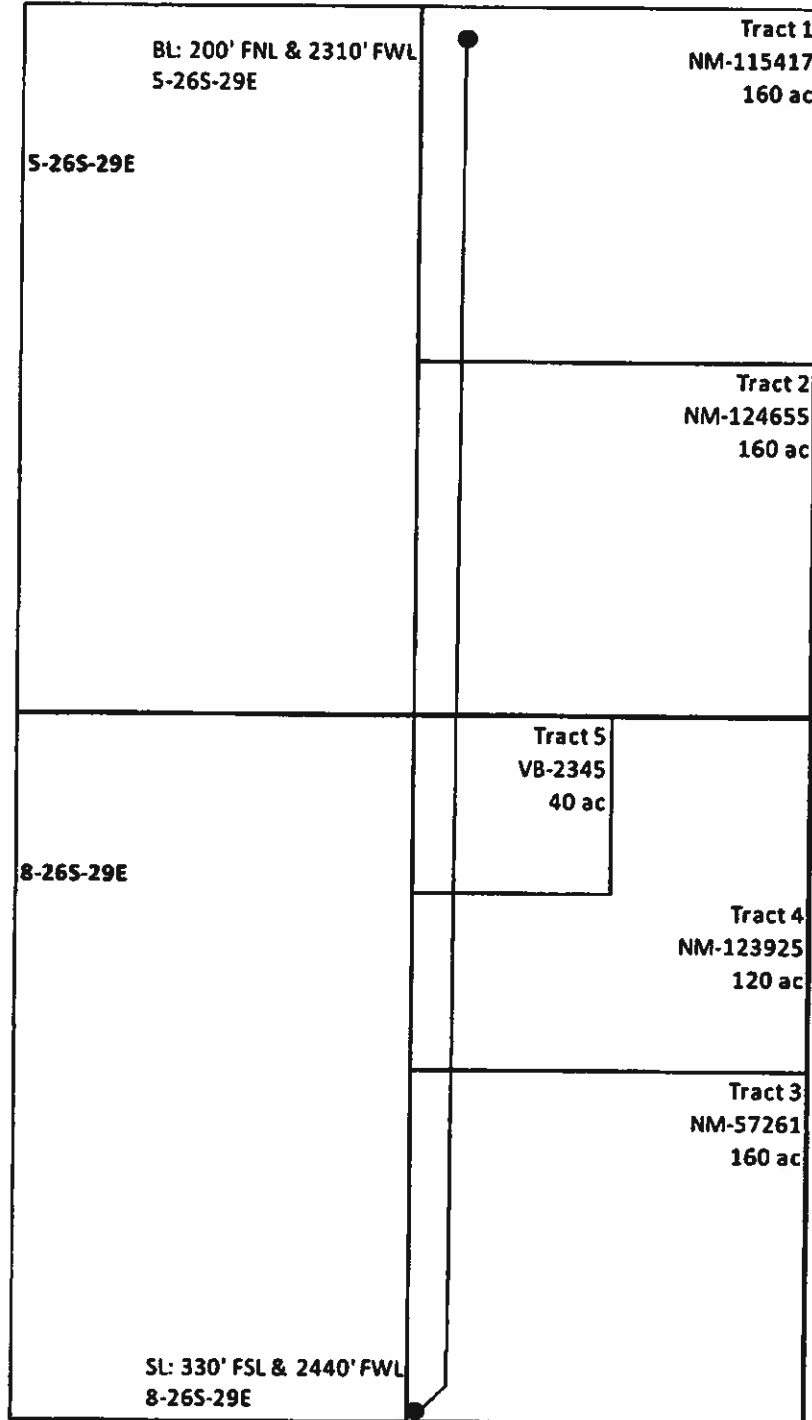
Notary Public in and for the State of Texas

***Compulsory Pooled under Order No. R-20287.**

EXHIBIT "A"

Plat of communitized area covering the E/2 of Section 5 & E/2 of Section 8,
T26S-R29E, Eddy County, New Mexico

Hambone Fed Com 26H



State/Fed or State/Fed/Fee
Hambone Fed Com 26H

EXHIBIT "B"

Description of leases committed to communitized area covering the
E/2 of Section 5 & E/2 of Section 8, T26S-R29E, Eddy County, New Mexico

Operator of Communitized Area: COG Operating LLC

TRACT 1

1. Date: March 1, 2006
 Lessor: United States of America
 Lessee: Marbob Energy Corporation
 Lease No.: NMNM – 115417
 Recorded: Unrecorded
 Description: Insofar and only insofar as said lease covers:
 Township 26 South, Range 29 East, N.M.P.M.
 Section 5: NE/4
 Eddy County, New Mexico
 Royalty: 1/8th
 Working Interest: COG Operating LLC 81.4286%
 Concho Oil & Gas LLC 4.2857%
 OXY USA Inc. 14.2857%

TRACT 2

2. Date: June 1, 2010
 Lessor: United States of America
 Lessee: The Allar Company
 Lease No.: NMNM – 124655
 Recorded: Unrecorded
 Description: Insofar and only insofar as said lease covers:
 Township 26 South, Range 29 East, N.M.P.M.
 Section 5: SE/4
 Eddy County, New Mexico
 Royalty: 1/8th
 Working Interest: COG Operating LLC 71.2500%
 Concho Oil & Gas LLC 3.7500%
 Tap Rock Resources LLC 25.0000%

TRACT 3

3. Date: April 1, 1984
 Lessor: United States of America
 Lessee: Wally John Picou
 Lease No.: NMNM – 57261
 Recorded: Unrecorded
 Description: Insofar and only insofar as said lease covers:

State/Fed or State/Fed/Fee
Hambone Fed Com 26H

Township 26 South, Range 29 East, N.M.P.M.
Section 8: SE/4
 Eddy County, New Mexico
 Royalty: 1/8th
 Working Interest: EOG Y Resources, Inc. 4.0000%
 EOG A Resources, Inc. 32.0000%
 EOG M Resources, Inc. 32.0000%
 OXY Y-1 Company 32.0000%

TRACT 4

4. Date: December 1, 2009
 Lessor: United States of America
 Lessee: Marbob Energy Corporation
 Lease No.: NMNM – 123925
 Recorded: Unrecorded
 Description: Insofar and only insofar as said lease covers:
Township 26 South, Range 29 East, N.M.P.M.
Section 8: NE/4 NE/4 and S/2 NE/4
 Eddy County, New Mexico
 Royalty: 1/8th
 Working Interest: COG Operating LLC 95.0000%
 Concho Oil & Gas LLC 5.0000%

TRACT 5 (State Tract)

5. Date: February 1, 2014
 Lessor: State of New Mexico
 Lessee: MRC Permian Company
 Lease No.: VB-2345
 Recorded: Unrecorded
 Description: Insofar and only insofar as said lease covers:
Township 26 South, Range 29 East, N.M.P.M.
Section 8: NW/4 NE/4
 Eddy County, New Mexico
 Royalty: 3/16th
 Working Interest: MRC Permian Company 100.0000%

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest In Communitized Area
1	160.00	25.00%
2	160.00	25.00%
3	160.00	25.00%
4	120.00	18.75%
5	40.00	6.25%
TOTAL	640.00	100.00%

State/Fed or State/Fed/Fee
 Hambone Fed Com 26H

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

COG Operating LLC
 Hambone Federal Com #25H
 Vertical Extent: Wolfcamp
Township: 26 South, Range: 29 East, NMPM
 Section 5 : W2
 Section 8: W2
 Eddy County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated February 1, 2019, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 1st Day of April, 2019.



Stephanie Garcia Richard

COMMISSIONER OF PUBLIC LANDS
 of the State of New Mexico

COG OPERATING LLC
 TESSA ELDER 1CC-8
 100 W ILLINOIS AVE
 MIDLAND, TX 79701

Reception: 1909024 Book: 1125 Page: 0410 Pages: 24

Recorded: 07/11/2019 11:45 AM Fee: \$25.00

Eddy County, New Mexico - Robin Van Natta, County Clerk



RN

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

COG Operating LLC
Hambone Federal Com #25H
Vertical Extent: Wolfcamp
Township: 26 South, Range: 29 East, NMPM
Section 5 : W2
Section 8: W2
Eddy County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated February 1, 2019, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 1st Day of April, 2019.



Stephanie Garcia Richard

COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

NM State Land Office
Oil, Gas, & Minerals Division

STATE/FEDERAL OR
STATE/FEDERAL/FEE

Revised Feb. 2013

ONLINE Version
COMMUNITIZATION AGREEMENT

Contract No. _____

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto,"

WITNESSETH:

WHEREAS, the Act of February 25, 1920, 41 Stat. 437, as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a federal oil and gas lease, or any portions thereof, with other lands, whether or not owned by the United States, when separate tracts under such federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area, and such communitization or pooling is determined to be in the public interest; and,

WHEREAS, the Commissioner of Public Lands of the State of New Mexico, herein called "the Commissioner", is authorized to consent to and approve agreements pooling state oil and gas leases or any portion thereof, when separate tracts under such state leases cannot be independently developed and operated economically in conformity with well-spacing and gas proration rules and regulations established for the field or area and such pooling is determined to be in the public interest; and,

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of the agreement;

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Subdivisions W/2,
Sect 5 & 8, T 26S, R 29E, NMPM Eddy County NM
containing 640.00 acres, more or less, and this agreement shall include only the
Wolfcamp Formation
underlying said lands and the hydrocarbons from the said formation (hereinafter
referred to as "communitized substances") producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit "B" designating the operator of the communitized area and showing the acreage, percentage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States and the State of New Mexico, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.
6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any federal lease bearing a sliding-or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is February 1 2019 Month Day, Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his duly authorized representative, and by the Commissioner or his duly authorized representative, and shall remain in force and effect for a period of two (2) years and so long thereafter as communitized substances are produced or can be produced from the communitized area in paying quantities; provided, that the two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of the capability of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. **Nondiscrimination:** In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.

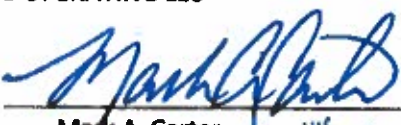
IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first written and have set opposite their respective names the date of execution.

Operator	<u>COG Operating LLC</u>	Lessees of Record	<u>Concho Oil & Gas LLC, et al</u>
By	<u>Signatures Attached</u>		<u>Signatures Attached</u>
	<small>Print name of person</small>		
Type of authority	<u></u>		<u></u>

Attach additional page(s) if needed.

[Acknowledgments are on following page.]

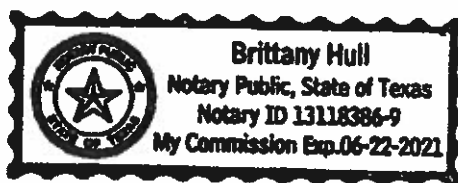
COG OPERATING LLC

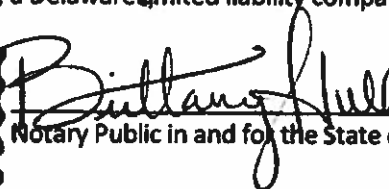
By: 
Mark A. Carter JMC AR
Attorney-in-Fact

ACKNOWLEDGMENT

STATE OF TEXAS §
§
COUNTY OF MIDLAND §

This instrument was acknowledged before me on January 16, 2019, by Mark A. Carter, Attorney-in-Fact of COG Operating LLC, a Delaware limited liability company, on behalf of same.




Notary Public in and for the State of Texas

Hambone Fed Com 25H

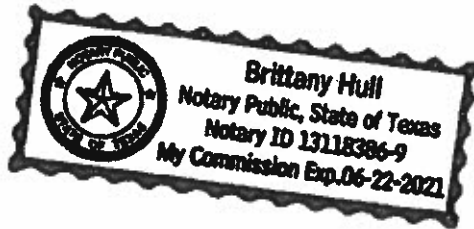
CONCHO OIL & GAS LLC


By: 
Mark A. Carter
Attorney-in-Fact *AK*

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

The foregoing instrument was acknowledged before me on the 16th day of January, 2019, by Mark A. Carter, Attorney-in-Fact for Concho Oil & Gas LLC, a Texas limited liability company, on behalf of said limited liability company.




Notary Public in and for the State of Texas

Hambone Fed Com 25H

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENT


STATE OF _____ §
§
COUNTY OF _____ §

The foregoing instrument was acknowledged before me on the _____ day of _____, 2019, by _____, as _____ for **VANGUARD OPERATING LLC**, a _____, on behalf of same.

Notary Public in and for the State of Texas

***Compulsory Pooled under Order No. R-20286.**

MRC PERMIAN COMPANY

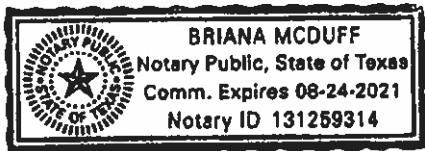
By: 
Name: Craig N. Adams
Title: Exp-Land, Legal & Admin *By full*

ACKNOWLEDGMENT

STATE OF Texas §
COUNTY OF Dallas §

The foregoing instrument was acknowledged before me on the 11th day of January, 2019, by Craig N. Adams, as Exp-Land, Legal & Administrator for MRC PERMIAN COMPANY, a Texas Corporation, on behalf of same.


Notary Public in and for the State of Texas



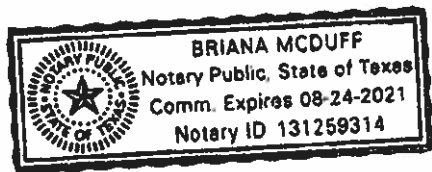
MRC PERMIAN COMPANY

By: Name: Craig N. AdamsTitle: EVP-Land, Legal + Admin *By [Signature]*

ACKNOWLEDGMENT

STATE OF Texas §COUNTY OF Dallas §


The foregoing instrument was acknowledged before me on the 11th day of January, 2019, by Craig N. Adams, as EVP-Land, Legal + Administration for MRC PERMIAN COMPANY, a Texas Corporation, on behalf of same.




 Notary Public in and for the State of Texas

Hambone Fed Com 25H

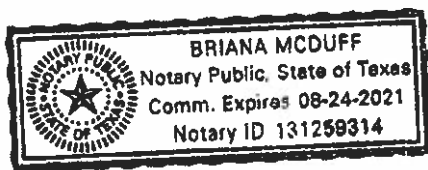
MRC PERMIAN COMPANY

By: 
Name: Craig N. Adams *BU*
Title: EVP- Land, Legal & Admin *pod*

ACKNOWLEDGMENT

STATE OF Texas §
COUNTY OF Dallas §

The foregoing instrument was acknowledged before me on the 11th day of January, 2019, by Craig N. Adams, as EVP- Land, Legal & Admin for MRC PERMIAN COMPANY, a Texas Corporation, on behalf of same.




Notary Public in and for the State of Texas

By: _____
Name: _____
Title: _____

STATE OF _____ §
§
COUNTY OF _____ §

Notary Public in and for the State of Texas

***Compulsory Pooled under Order No. R-20286.**

Federal/State/Fee

LESSEE OF RECORD (Fee Leases)

TAP ROCK RESOURCES

By: [Signature]
Name: Clayton Spaulin
Title: VP

ACKNOWLEDGMENT

STATE OF Colorado §
§
COUNTY OF Jefferson §

The foregoing instrument was acknowledged before me on the 29th day of October, 2018,
by Clayton Spaulin, as VP-Land & Legal for TAP ROCK RESOURCES, a
Delaware LLC, on behalf of same.

RACHELLE REESE
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20124064461
MY COMMISSION EXPIRES 09/28/2020

[Signature]
Notary Public in and for the State of ~~Texas~~ Colorado

Hambone Fed Com 25H

By: _____
Name: _____
Title: _____

STATE OF _____ §
§
COUNTY OF _____ §

Notary Public in and for the State of Texas

***Compulsory Pooled under Order No. R-20286.**

Hambone Fed Com 25H

By: _____
Name: _____
Title: _____

STATE OF _____ §
§
COUNTY OF _____ §

Notary Public in and for the State of Texas

***Compulsory Pooled under Order No. R-20286.**

Hambone Fed Com 25H

LESSOR OF RECORD (No Pooling Clause)

DELAWARE RANCH, INC.

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENT

STATE OF _____ §
COUNTY OF _____ §

The foregoing instrument was acknowledged before me on the _____ day of _____, 2019, by _____, as _____ for DELAWARE RANCH, INC., a _____, on behalf of same.

Notary Public in and for the State of Texas

*Compulsory Pooled under Order No. R-20286.

Hambone Fed Com 25H

EXHIBIT "A"
Plat of communitized area covering the W/2 of Section 5 and W/2 of Section 8, T26S-R29E,
Eddy County, New Mexico

Hambone Federal Com 25H

Tract 1: NM-118113 160 acres		BL: 200' FNL & 2310' FWL 5-26S-29E	5-26S-29E	
Tract 4a: Fee 80 acres				
Tract 4b / 4c: Fee 77.5 ac / 2.5 ac				
Tract 5: Fee 40 acres	Tract 6: VB-2345 120 acres		8-26S-29E	
Tract 6: VB-2345 120 acres	Tract 2: NM-123525 120 acres			
Tract 3: NM-138835 40 acres		SL: 330' FSL & 2310' FWL 8-26S-29E		

Hambone Fed Com 25H

EXHIBIT "B"

Attached to and made a part of that Communitization Agreement covering the
W/2 of Section 5 and W/2 of Section 8, T26S-R29E, Eddy County, New Mexico

Operator of Communitized Area: COG Operating LLC

DESCRIPTION OF LEASES COMMITTED:

TRACT 1

1. **Date:** June 1, 2007
 Lessor: United States of America
 Lessee: Southwestern Energy Production Company
 Lease No.: NMNM – 118113
 Recorded: Unrecorded
 Description: Insofar and only insofar as said lease covers:
 Township 26 South, Range 29 East, N.M.P.M.
 Section 5: NW/4
 Eddy County, New Mexico

 No. of Acres: 160

TRACT 2

2. **Date:** September 4, 2009
 Lessor: United State of America
 Lessee: COG Operating LLC / Concho Oil & Gas LLC
 Lease No.: NMNM -- 123925
 Recorded: Unrecorded
 Description: Insofar and only insofar as said lease covers:
 Township 26 South, Range 29 East, N.M.P.M.
 Section 8: SE/4 NW/4, E/2 SW/4
 Eddy County, New Mexico

 No. of Acres: 120

TRACT 3

3. **Date:** November 1, 2018
 Lessor: United States of America
 Lessee: Marathon Oil Permian LLC*
 Lease No.: NMNM -- 138835

Hambone Fed Com 25H

Description: Insofar and only insofar as said lease covers:
Township 26 South, Range 29 East, N.M.P.M.
 Section 8: SW/4 SW/4
 Eddy County, New Mexico

No. of Acres: 40

TRACT 4a

4. **Date:** August 20, 2015
Lessor: M. Brad Bennett, L.P.
Lessee: B.C. Operating, Inc.
Recorded: Book 1044, Page 0122
Description: Insofar and only insofar as said lease covers:
Township 26 South, Range 29 East, N.M.P.M.
 Section 5: N/2 SW/4
 Eddy County, New Mexico
No. of Acres: 40 acres

5. **Date:** September 23, 2015
Lessor: Debra Roland
Lessee: B.C. Operating, Inc.
Recorded: Book 1044, Page 0130
Description: Insofar and only insofar as said lease covers:
Township 26 South, Range 29 East, N.M.P.M.
 Section 5: N/2 SW/4
 Eddy County, New Mexico
No. of Acres: 40 acres

6. **Date:** September 23, 2015
Lessor: L.E. Opperman and Nicolette A. Opperman
Lessee: B.C. Operating, Inc.
Recorded: Book 1044, Page 0134
Description: Insofar and only insofar as said lease covers:
Township 26 South, Range 29 East, N.M.P.M.
 Section 5: N/2 SW/4
 Eddy County, New Mexico
No. of Acres: 40 acres

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TRACT 4b

7. **Date:** August 20, 2015
 Lessor: M. Brad Bennett, L.P.
 Lessee: B.C. Operating, Inc.
 Recorded: Book 1044, Page 0126
 Description: Insofar and only insofar as said lease covers:
 Township 26 South, Range 29 East, N.M.P.M.
 Section 5: S/2 SW/4, SAE a 2.5 acre tract out of the SE/4 of said
 SW/4, being 300' East-West by 360' North-South, and being more
 fully described by metes and bounds in Warranty Deed dated
 8/21/46, Vol. 93, Page 361, James G. Finley, grantor, and El Paso
 Natural Gas Company, grantee, Deed Records, Eddy County, New
 Mexico
 Eddy County, New Mexico

 No. of Acres: 77.5
8. **Date:** August 25, 2015
 Lessor: L.E. Opperman and Nicolette A. Opperman
 Lessee: B.C. Operating, Inc.
 Recorded: Book 1044, Page 0139
 Description: Insofar and only insofar as said lease covers:
 Township 26 South, Range 29 East, N.M.P.M.
 Section 5: S/2 SW/4, SAE a 2.5 acre tract out of the SE/4 of said
 SW/4, being 300' East-West by 360' North-South, and being more
 fully described by metes and bounds in Warranty Deed dated
 8/21/46, Vol. 93, Page 361, James G. Finley, grantor, and El Paso
 Natural Gas Company, grantee, Deed Records, Eddy County, New
 Mexico
 Eddy County, New Mexico

 No. of Acres: 77.5
9. **Date:** August 26, 2015
 Lessor: Debra Roland
 Lessee: B.C. Operating, Inc.
 Recorded: Book 1044, Page 0132
 Description: Insofar and only insofar as said lease covers:
 Township 26 South, Range 29 East, N.M.P.M.
 Section 5: S/2 SW/4, SAE a 2.5 acre tract out of the SE/4 of said
 SW/4, being 300' East-West by 360' North-South, and being more

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fully described by metes and bounds in Warranty Deed dated 8/21/46, Vol. 93, Page 361, James G. Finley, grantor, and El Paso Natural Gas Company, grantee, Deed Records, Eddy County, New Mexico

Eddy County, New Mexico

No. of Acres: 77.5

TRACT 4c

10. Date: September 4, 2009
Lessor: United States of America
Lessee: COG Operating LLC / Concho Oil & Gas LLC
Lease No.: NMNM-123925
Recorded: Unrecorded
Description: Insofar and only insofar as said lease covers:
Township 26 South, Range 29 East, N.M.P.M.
Section 5: 2.5 acres out of the SE/4 SW/4
Eddy County, New Mexico
No. of Acres: 2.5

TRACT 5

11. Date: January 12, 2009
Lessor: Delaware Ranch, Inc.*
Lessee: Marbob Energy Corporation
Recorded: Book 764, Page 1217
Description: Insofar and only insofar as said lease covers:
Township 26 South, Range 29 East, N.M.P.M.
Section 8: NW/4 NW/4
Eddy County, New Mexico
No. of Acres: 40

12. Date: August 1, 2016
Lessor: Frank Blow Fowlkes
Lessee: COG Operating LLC
Recorded: Book 1088, Page 135
Description: Insofar and only insofar as said lease covers:
Township 26 South, Range 29 East, N.M.P.M.
Section 8: NW/4 NW/4

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- No. of Acres:** 40
- Eddy County, New Mexico**
13. **Date:** January 1, 2017
Lessor: Christopher Clegg Fowlkes and Christine Spedel Fowlkes
Lessee: Beacon E&P Resources LLP
Recorded: Book 1091, Page 508
Description: Insofar and only insofar as said lease covers:
Township 26 South, Range 29 East, N.M.P.M.
Section 8: NW/4 NW/4
Eddy County, New Mexico
- No. of Acres:** 40
14. **Date:** January 1, 2017
Lessor: Edwin H. Fowlkes III (aka Trey Fowlkes) and Janet Renee Fowlkes Murrey
Lessee: Beacon E&P Resources LLP
Recorded: Book 1091, Page 507
Description: Insofar and only insofar as said lease covers:
Township 26 South, Range 29 East, N.M.P.M.
Section 8: NW/4 NW/4
Eddy County, New Mexico
- No. of Acres:** 40
15. **Date:** January 1, 2017
Lessor: J.M. Fowlkes, Jr., Maco Stewart Fowlkes, John M. Fowlkes, Preston L. Fowlkes, Lauren Fowlkes, Nancy Fowlkes Donley, Kathleen K. Fowlkes Moller
Lessee: Beacon E&P Resources LLP
Recorded: Book 1091, Page 506
Description: Insofar and only insofar as said lease covers:
Township 26 South, Range 29 East, N.M.P.M.
Section 8: NW/4 NW/4
Eddy County, New Mexico
- No. of Acres:** 40
16. **Date:** January 25, 2017
Lessor: Patrick K. Fowlkes
Lessee: Gunter Properties, Inc.
Recorded: Book 1091, Page 723

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Description: Insofar and only insofar as said lease covers:
Township 26 South, Range 29 East, N.M.P.M.
 Section 8: NW/4 NW/4
 Eddy County, New Mexico

No. of Acres: 40

TRACT 6

17. **Date:** February 1, 2014
Lessor: State of New Mexico
Lessee: MRC Permian Company*
Lease No.: VB-2345
Recorded: Unrecorded
Description: Insofar and only insofar as said lease covers:
Township 26 South, Range 29 East, N.M.P.M.
 Section 8: NE/4 NW/4, SW/4 NW/4, NW/4 SW/4
 Eddy County, New Mexico

No. of Acres: 120

RECAPILATION

Tract 1	160 acres	25.00%
Tract 2	120 acres	18.75%
Tract 3	40 acres	6.25%
Tract 4	160 acres	25.00%
Tract 5	40 acres	6.25%
Tract 6	120 acres	18.75%
Total	640 acres	100.00%

*Compulsory Pooled under Order No. R-20286.

Hambone Fed Com 25H

FEDERAL FORM COMMUNITIZATION AGREEMENT

Contract No. _____

THIS AGREEMENT entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this Agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this Agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this Agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this Agreement (hereinafter referred to as "communitized area") are described as follows:

Township 26 South, Range 29 East, N.M.P.M.
W/2 of Section 5 & W/2 of Section 8
Eddy County, New Mexico

containing 640.00 acres, and this agreement shall include only the **Wolfcamp Formation** underlying said lands and the natural gas and associated liquid hydrocarbons, hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this Agreement for all purposes is Exhibit A, a plat designating the communitized area and, Exhibit B, designating the operator of the communitized area and showing the acreage, percentage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be **COG Operating LLC**, as Operator, 600 W. Illinois Avenue, Midland, Texas 79701. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this Agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.

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4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
 5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal, State, or fee land included within the CA area are to be placed in an interest earning escrow or trust account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this Agreement shall not be affected by this Agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this Agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any non-communitized lease production, provided, however, in regard to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any non-communitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this Agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this Agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This Agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this Agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules, or regulations.
10. The date of this agreement is September 1, 2018, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of two (2) years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities

from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this Agreement may be terminated at any time by mutual agreement of the parties hereto. This Agreement shall not terminate upon cessation of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of non-production. The two (2) year term of this Agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.

11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this Agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occurs in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This Agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This Agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Non-Discrimination: In connection with the performance of work under this Agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written and have set opposite their respective names the date of execution.

OPERATOR / OPERATING RIGHTS OWNER /
RECORD TITLE OWNER (NM-118113, NM-123925)

Statement of Written Consent by All Named Owners:

I, the undersigned, hereby certify, on behalf of COG Operating LLC, the Operator of the proposed Communitization Agreement, that all working interest owners (i.e., the lessees of record and operating rights owners) shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the working interest owners of the Federal or Indian leases subject to the Communitization Agreement, and that the written consents of all the named owners have been obtained and will be made available to the BLM immediately upon request.

COG Operating LLC

By: _____
Sean Johnson
Attorney-in-Fact

STATE OF TEXAS)
)
COUNTY OF MIDLAND)

This instrument was acknowledged before me on _____, by Sean Johnson, Attorney-in-Fact of COG Operating LLC, a Delaware limited liability company, on behalf of same.

Notary Public in and for the State of Texas

Previously
Submitted
to BLM

OPERATING RIGHTS OWNER / RECORD TITLE OWNER (NM-118113, NM-123925)

Concho Oil & Gas LLC

By: _____
Sean Johnson
Attorney-in-Fact

STATE OF TEXAS)
)
COUNTY OF MIDLAND)

This instrument was acknowledged before me on _____, by Sean Johnson, Attorney-in-Fact of Concho Oil & Gas LLC, a Texas limited liability company, on behalf of same.

Notary Public in and for the State of Texas

previously
submitted to
BLM

RECORD TITLE OWNER (NM-118113)

Vanguard Operating

By: Lindsey Ayo
 Name: Lindsey Ayo
 Title: Land Director

STATE OF TEXAS)
)
 COUNTY OF HARRIS)
)
 COUNTY OF MIDLAND)

This instrument was acknowledged before me on 7th FEBRUARY, 2019, by LINDSEY AYO, LAND DIRECTOR of Vanguard Operating, a DELAWARE LIMITED LIABILITY CO. on behalf of same.

Christina de Villiers
 Notary Public in and for the State of Texas



Federal/State Fee

OPERATING RIGHTS OWNER (NM-118113)

DEVON ENERGY PRODUCTION COMPANY, LP

By: Catherine Lebsack
 Name: Catherine Lebsack
 Title: Vice President



ACKNOWLEDGMENT

STATE OF OKLAHOMA §

§

COUNTY OF OKLAHOMA §

The foregoing instrument was acknowledged before me on the 8th day of May, 2018,
 by Catherine Lebsack, as Vice President for DEVON ENERGY PRODUCTION
COMPANY, LP, a Oklahoma limited partnership, on behalf of same.



Courtney Thomas
 Notary Public in and for the State of Texas

Hambone Fed Com 25H


OPERATING RIGHTS OWNER / RECORD TITLE OWNER (NM-138835)

Marathon Oil Permian LLC*

***Subject to State of NMOCD Compulsory Pooling Order No. R-20286 (attached) as a Working Interest Owner, and pending request for internal BLM compulsory pooling as a Record Title Owner.**

OPERATING RIGHTS OWNER


MRC Permian Company

By: 
Name: Craig N. Adams
Title: EVP-Land, Legal + Admin *By [Signature]*

STATE OF TEXAS)
)
COUNTY OF MIDLAND)

This instrument was acknowledged before me on January 11th, 2019, by
Craig N. Adams, EVP-Land, Legal + Admin of MRC Permian
Company, a Texas Corporation on behalf of same.




Notary Public in and for the State of Texas

Federal/State/Fee

LESSEE OF RECORD (Fee Leases)

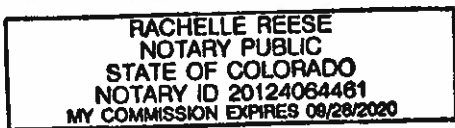
TAP ROCK RESOURCES

By: [Signature]
Name: Clayton Spohn
Title: VP

ACKNOWLEDGMENT

STATE OF Colorado §
§
COUNTY OF Jefferson §

The foregoing instrument was acknowledged before me on the 20th day of October, 2018,
by Clayton Spohn, as VP-Land & Legal for TAP ROCK RESOURCES, a
Delaware LLC, on behalf of same.



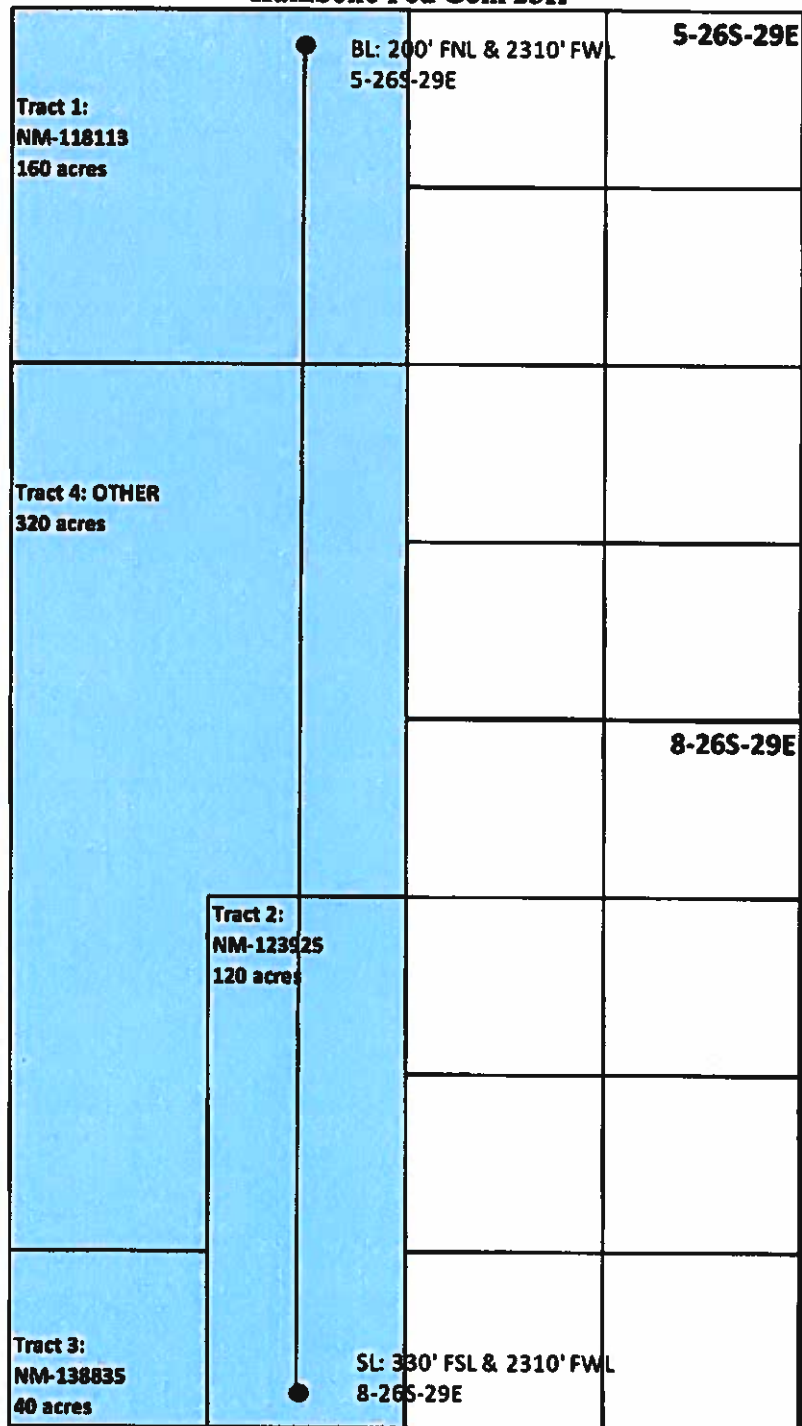
[Signature]
Notary Public in and for the State of ~~Texas~~ Colorado

Hambone Fed Com 25H

EXHIBIT "A"

Plat of communitized area covering the W/2 of Sections 5 & 8, T26S-R29E,
Eddy County, New Mexico

Hambone Fed Com 25H



Federal Communitization Agreement
Hambone Fed Com 25H - W/2 of Sections 5 & 8, T26S-R29E/Wolfcamp

EXHIBIT "B"

Description of leases committed to communitized area covering the W/2 of Sections 5 & 8,
T26S-R29E, Eddy County, New Mexico

Operator of Communitized Area: COG Operating LLC

TRACT 1 (Federal)

Date: June 1, 2007
 Lessor: United States of America
 Record Title Owner: COG Operating LLC
 Concho Oil & Gas LLC
 Vanguard Operating
 Lease No.: NMNM – 118113
 Recorded: Unrecorded
 Description: Insofar and only insofar as said lease covers:
 Township 26 South, Range 29 East, N.M.P.M.
 Section 5: NW/4
 Eddy County, New Mexico
 No. of Acres: 160
 Royalty: 1/8th
 WI Owners: COG Operating LLC 34.6924%
 Marathon Oil Permian LLC 31.3368%*
 MRC Permian Company 18.7500%
 Devon Energy Production Co 12.5000%
 Tap Rock Resources 2.7208%
 ORRI: Of record

*Subject to State of NMOCDC Compulsory Pooling Order No. R-20286 (attached), as a Working Interest Owner.

TRACT 2 (Federal)

Date: September 4, 2009
 Lessor: United State of America
 Record Title Owner: COG Operating LLC
 Concho Oil & Gas LLC
 Lease No.: NMNM -- 123925
 Recorded: Unrecorded
 Description: Insofar and only insofar as said lease covers:
 Township 26 South, Range 29 East, N.M.P.M.
 Section 8: SE/4 NW/4, E/2 SW/4

Federal Communitization Agreement
 Hambone Fed Com 25H - W/2 of Sections 5 & 8, T26S-R29E/Wolfcamp

Eddy County, New Mexico
No. of Acres: 120
Royalty: 1/8th
WI Owners: COG Operating LLC 34.6924%
Marathon Oil Permian LLC 31.3368%*
MRC Permian Company 18.7500%
Devon Energy Production Co 12.5000%
Tap Rock Resources 2.7208%
ORRI: Of record

*Subject to State of NMOCD Compulsory Pooling Order No. R-20286 (attached), as a Working Interest Owner.

TRACT 3 (Federal)

Date: November 1, 2018
Lessor: United States of America
Current Lessee: Marathon Oil Permian LLC*
Lease No.: NMNM -- 138835
Recorded: Unrecorded
Description: Insofar and only insofar as said lease covers:
Township 26 South, Range 29 East, N.M.P.M.
Section 8: SW/4 SW/4
Eddy County, New Mexico
No. of Acres: 40
Royalty: 1/8th
WI Owners: COG Operating LLC 34.6924%
Marathon Oil Permian LLC 31.3368%*
MRC Permian Company 18.7500%
Devon Energy Production Co 12.5000%
Tap Rock Resources 2.7208%
ORRI: Of record

*Subject to State of NMOCD Compulsory Pooling Order No. R-20286 (attached) as a Working Interest Owner, and pending request for internal BLM compulsory pooling as a Record Title Owner.

TRACT 4 (Fee & State)

Date: August 20, 2015
Lessor: M. Brad Bennett, L.P.
Current Lessee: Marathon Oil Permian LLC*
Recorded: Book 1044, Page 0122
Description: Insofar and only insofar as said lease covers:
Township 26 South, Range 29 East, N.M.P.M.
 Section 5: N/2 SW/4
 Eddy County, New Mexico
No. of Acres: 80
Royalty: 1/4th
WI Owners: COG Operating LLC 34.6924%
 Marathon Oil Permian LLC 31.3368%*
 MRC Permian Company 18.7500%
 Devon Energy Production Co 12.5000%
 Tap Rock Resources 2.7208%
ORRI: Of record
Authority for Pooling: Yes

*Subject to State of NMOCD Compulsory Pooling Order No. R-20286 (attached) as a Working Interest Owner.

Date: September 23, 2015
Lessor: Debra Roland
Current Lessee: Marathon Oil Permian LLC*
Recorded: Book 1044, Page 0130
Description: Insofar and only insofar as said lease covers:
Township 26 South, Range 29 East, N.M.P.M.
 Section 5: N/2 SW/4
 Eddy County, New Mexico
Royalty: 1/4th
No. of Acres: 80
WI Owners: COG Operating LLC 34.6924%
 Marathon Oil Permian LLC 31.3368%*
 MRC Permian Company 18.7500%
 Devon Energy Production Co 12.5000%
 Tap Rock Resources 2.7208%
ORRI: Of record

Federal Communitization Agreement
 Hambone Fed Com 25H - W/2 of Sections 5 & 8, T26S-R29E/Wolfcamp

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Authority for Pooling: Yes

*Subject to State of NMOCD Compulsory Pooling Order No. R-20286 (attached) as a Working Interest Owner.

Date: September 23, 2015
Lessor: L.E. Opperman and Nicolette A. Opperman
Current Lessee: Marathon Oil Permian LLC*
Recorded: Book 1044, Page 0134
Description: Insofar and only insofar as said lease covers:
Township 26 South, Range 29 East, N.M.P.M.
Section 5: N/2 SW/4
Eddy County, New Mexico
Royalty: 1/4th
No. of Acres: 80
WI Owners: COG Operating LLC 34.6924%
Marathon Oil Permian LLC 31.3368%*
MRC Permian Company 18.7500%
Devon Energy Production Co 12.5000%
Tap Rock Resources 2.7208%
ORRI: Of record
Authority for Pooling: Yes.

*Subject to State of NMOCD Compulsory Pooling Order No. R-20286 (attached) as a Working Interest Owner.

Date: August 20, 2015
Lessor: M. Brad Bennett, L.P.
Current Lessee: Marathon Oil Permian LLC*
Recorded: Book 1044, Page 0126
Description: Insofar and only insofar as said lease covers:
Township 26 South, Range 29 East, N.M.P.M.
Section 5: S/2 SW/4, SAE a 2.5 acre tract out of the SE/4 of said SW/4, being 300' East-West by 360' North-South, and being more fully described by metes and bounds in Warranty Deed dated 8/21/46, Vol. 93, Page 361, James G. Finley, grantor, and El Paso Natural Gas Company, grantee, Deed Records, Eddy County, New Mexico

Federal Communitization Agreement
Hambone Fed Com 25H - W/2 of Sections 5 & 8, T26S-R29E/Wolfcamp

Eddy County, New Mexico
Royalty: 1/4th
No. of Acres: 77.5
WI Owners: COG Operating LLC 34.6924%
Marathon Oil Permian LLC 31.3368%*
MRC Permian Company 18.7500%
Devon Energy Production Co 12.5000%
Tap Rock Resources 2.7208%
ORRI: Of record
Authority for Pooling: Yes.

*Subject to State of NMOCD Compulsory Pooling Order No. R-20286 (attached) as a Working Interest Owner.

Date: August 25, 2015
Lessor: L.E. Opperman and Nicolette A. Opperman
Current Lessee: Marathon Oil Permian LLC*
Recorded: Book 1044, Page 0139
Description: Insofar and only insofar as said lease covers:
Township 26 South, Range 29 East, N.M.P.M.
Section 5: S/2 SW/4, SAE a 2.5 acre tract out of the SE/4 of said SW/4, being 300' East-West by 360' North-South, and being more fully described by metes and bounds in Warranty Deed dated 8/21/46, Vol. 93, Page 361, James G. Finley, grantor, and El Paso Natural Gas Company, grantee, Deed Records, Eddy County, New Mexico
Eddy County, New Mexico
Royalty: 1/4th
No. of Acres: 77.5
WI Owners: COG Operating LLC 34.6924%
Marathon Oil Permian LLC 31.3368%*
MRC Permian Company 18.7500%
Devon Energy Production Co 12.5000%
Tap Rock Resources 2.7208%
ORRI: Of record
Authority for Pooling: Yes.

*Subject to State of NMOCD Compulsory Pooling Order No. R-20286 (attached) as a Working Interest Owner.

Date: August 26, 2015
Lessor: Debra Roland
Current Lessee: Marathon Oil Permian LLC*
Recorded: Book 1044, Page 0132
Description: Insofar and only insofar as said lease covers:
Township 26 South, Range 29 East, N.M.P.M.
Section 5: S/2 SW/4, SAE a 2.5 acre tract out of the SE/4 of said SW/4, being 300' East-West by 360' North-South, and being more fully described by metes and bounds in Warranty Deed dated 8/21/46, Vol. 93, Page 361, James G. Finley, grantor, and El Paso Natural Gas Company, grantee, Deed Records, Eddy County, New Mexico
Eddy County, New Mexico
Royalty: 1/4th
No. of Acres: 77.5
WI Owners: COG Operating LLC 34.6924%
Marathon Oil Permian LLC 31.3368%*
MRC Permian Company 18.7500%
Devon Energy Production Co 12.5000%
Tap Rock Resources 2.7208%
ORRI: Of record
Authority for Pooling: Yes.

*Subject to State of NMOCDC Compulsory Pooling Order No. R-20286 (attached) as a Working Interest Owner.

Date: January 12, 2009
Lessor: Delaware Ranch, Inc.
Current Lessee: COG Operating LLC
Concho Oil & Gas LLC
Recorded: Book 764, Page 1217
Description: Insofar and only insofar as said lease covers:
Township 26 South, Range 29 East, N.M.P.M.
Section 8: NW/4 NW/4
Eddy County, New Mexico
Royalty: 1/5th
No. of Acres: 40
WI Owners: COG Operating LLC 34.6924%

Federal Communitization Agreement
Hambone Fed Com 25H - W/2 of Sections 5 & 8, T26S-R29E/Wolfcamp

Marathon Oil Permian LLC 31.3368%*
MRC Permian Company 18.7500%
Devon Energy Production Co 12.5000%
Tap Rock Resources 2.7208%

ORRI: Of record

Authority for Pooling: Yes.

*Subject to State of NMOCD Compulsory Pooling Order No. R-20286 (attached) as a Working Interest Owner.

Date: August 1, 2016
Lessor: Frank Blow Fowlkes
Current Lessee: COG Operating LLC
Recorded: Book 1088, Page 135
Description: Insofar and only insofar as said lease covers:
Township 26 South, Range 29 East, N.M.P.M.
Section 8: NW/4 NW/4
Eddy County, New Mexico
Royalty: 1/4th
No. of Acres: 40
WI Owners: COG Operating LLC 34.6924%
Marathon Oil Permian LLC 31.3368%*
MRC Permian Company 18.7500%
Devon Energy Production Co 12.5000%
Tap Rock Resources 2.7208%
ORRI: Of record
Authority for Pooling: Yes.

*Subject to State of NMOCD Compulsory Pooling Order No. R-20286 (attached) as a Working Interest Owner.

Date: January 1, 2017
Lessor: Christopher Clegg Fowlkes and Christine Speidel Fowlkes
Current Lessee: Tap Rock Resources LLC
Recorded: Book 1091, Page 508
Description: Insofar and only insofar as said lease covers:
Township 26 South, Range 29 East, N.M.P.M.
Section 8: NW/4 NW/4

Federal Communitization Agreement
Hambone Fed Com 25H - W/2 of Sections 5 & 8, T26S-R29E/Wolfcamp

Eddy County, New Mexico
Royalty: 1/4th
No. of Acres: 40
WI Owners: COG Operating LLC 34.6924%
Marathon Oil Permian LLC 31.3368%*
MRC Permian Company 18.7500%
Devon Energy Production Co 12.5000%
Tap Rock Resources 2.7208%
ORRI: Of record
Authority for Pooling: Yes.

*Subject to State of NMOCD Compulsory Pooling Order No. R-20286 (attached) as a Working Interest Owner.

Date: January 1, 2017
Lessor: Edwin H. Fowlkes III (aka Trey Fowlkes) and Janet Renee Fowlkes Murrey
Current Lessee: Tap Rock Resources, LLC
Recorded: Book 1091, Page 507
Description: Insofar and only insofar as said lease covers:
Township 26 South, Range 29 East, N.M.P.M.
Section 8: NW/4 NW/4
Eddy County, New Mexico
Royalty: 1/4th
No. of Acres: 40
WI Owners: COG Operating LLC 34.6924%
Marathon Oil Permian LLC 31.3368%*
MRC Permian Company 18.7500%
Devon Energy Production Co 12.5000%
Tap Rock Resources 2.7208%
ORRI: Of record
Authority for Pooling: Yes.

*Subject to State of NMOCD Compulsory Pooling Order No. R-20286 (attached) as a Working Interest Owner.

Date: January 1, 2017
Lessor: J.M. Fowlkes, Jr., Maco Stewart Fowlkes, John M. Fowlkes, Preston L. Fowlkes, Lauren Fowlkes, Nancy Fowlkes Donley, Kathleen K. Fowlkes Moller
Current Lessee: Tap Rock Resources, LLC
Recorded: Book 1091, Page 506
Description: Insofar and only insofar as said lease covers:
Township 26 South, Range 29 East, N.M.P.M.
Section 8: NW/4 NW/4
Eddy County, New Mexico
Royalty: 1/4th
No. of Acres: 40
WI Owners: COG Operating LLC 34.6924%
Marathon Oil Permian LLC 31.3368%*
MRC Permian Company 18.7500%
Devon Energy Production Co 12.5000%
Tap Rock Resources 2.7208%
ORRI: Of record
Authority for Pooling: Yes.

*Subject to State of NMOC D Compulsory Pooling Order No. R-20286 (attached) as a Working Interest Owner.

Date: January 25, 2017
Lessor: Patrick K. Fowlkes
Current Lessee: Marathon Oil Permian LLC*
Recorded: Book 1091, Page 723
Description: Insofar and only insofar as said lease covers:
Township 26 South, Range 29 East, N.M.P.M.
Section 8: NW/4 NW/4
Eddy County, New Mexico
Royalty: 1/4th
No. of Acres: 40
WI Owners: COG Operating LLC 34.6924%
Marathon Oil Permian LLC 31.3368%*
MRC Permian Company 18.7500%
Devon Energy Production Co 12.5000%
Tap Rock Resources 2.7208%
ORRI: Of record
Authority for Pooling: Yes.

***Subject to State of NMOCD Compulsory Pooling Order No. R-20286 (attached) as a Working Interest Owner.**

Date: February 1, 2014
Lessor: State of New Mexico
Current Lessee: MRC Permian Company
Lease No.: VB-2345
Recorded: Unrecorded
Description: Insofar and only insofar as said lease covers:
Township 26 South, Range 29 East, N.M.P.M.
Section 8: NE/4 NW/4, SW/4 NW/4, NW/4 SW/4
Eddy County, New Mexico
Royalty: 3/16th
No. of Acres: 120
WI Owners: COG Operating LLC 34.6924%
Marathon Oil Permian LLC 31.3368%*
MRC Permian Company 18.7500%
Devon Energy Production Co 12.5000%
Tap Rock Resources 2.7208%
ORRI: Of record
Authority for Pooling: Yes.

***Subject to State of NMOCD Compulsory Pooling Order No. R-20286 (attached) as a Working Interest Owner.**

Unleased Private Acreage:

Description: Unleased tract being:
Township 26 South, Range 29 East, N.M.P.M.
Section 5: 2.50 acres of land, more or less, located in the SE/4 SW/4, being the same tract of land more particularly described by metes and bounds in that certain Warranty Deed from James G. Finley and wife, Minnie Finley to El Paso Natural Gas Company dated August 21, 1946, filed in Vol 93, Page 361 of the Deed Records of Eddy County, New Mexico
Eddy County, New Mexico
Royalty: N/A

RECAPULATION

Tract No.	No. of Acres Committed	Percentage of Interest In Communitized Area
1	160.00	25.00%
2	120.00	18.75%
3	40.00	6.25%
4	320.00	50.00%
TOTAL	640.00	100.00%

Federal Communitization Agreement
Hambone Fed Com 25H - W/2 of Sections 5 & 8, T26S-R29E/Wolfcamp

Hambone Fed Com 701H-703H OLM								
Date Sent	Initials	Name	Address	City	State	ZipCode	Certified Return Receipt No.	Delivered
12.16.20	JB	NMSLO	310 Old Santa Fe Trail	Santa Fe	NM	87501	7017 3040 0000 1206 4630	

From: [Engineer, OCD, EMNRD](#)
To: [Jeanette Barron](#)
Cc: [McClure, Dean, EMNRD](#); [Bratcher, Mike, EMNRD](#); lisa@rwbyram.com; [Glover, James](#); kparadis@blm.gov; [Walls, Christopher](#); [Holm, Anchor E.](#); [Dawson, Scott](#)
Subject: Approved Administrative Order OLM-225
Date: Monday, January 4, 2021 11:33:32 AM
Attachments: [OLM225 Order.pdf](#)

NMOCD has issued Administrative Order OLM-225 which authorizes COG Operating, LLC (229137) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	Location (NMPPM)	Pool Code
30-015-46812	Hambone Federal Com #701H	P-08-26S-29E	98220
30-015-46813	Hambone Federal Com #702H	P-08-26S-29E	98220
30-015-46814	Hambone Federal Com #703H	P-08-26S-29E	98220

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval.

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

State of New Mexico
Energy, Minerals and Natural Resources Department

Notice

Order: OLM-225
Operator: COG Operating, LLC (229137)
Publication Date:
Date Sent: 11/25/2020

Noticed Persons

Date	Person	Certified Tracking Number	Status
11/30/2020	MRC PERMIAN COMPANY	7017 3040 0000 1206 4456	Delivered
11/30/2020	OXY Y-1 COMPANY	7017 3040 0000 1206 4463	Delivered
11/30/2020	EOG RESOURCES INC	7017 3040 0000 1206 4470	Delivered
11/30/2020	BLM	7017 3040 0000 1206 4487	Delivered
Notice Sent on 12/16/2020			
12/21/2020	NMSLO	7017 3040 0000 1206 4630	Delivered

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION FOR OFF-LEASE MEASUREMENT
SUBMITTED BY COG OPERATING, LLC**

ORDER NO. OLM-225

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having considered the application and the recommendation of the Engineering Bureau, issues the following Order.

FINDINGS OF FACT

1. COG Operating, LLC ("Applicant") submitted a complete application to off-lease measure the oil production ("Application") from the wells, pool, and lease identified in Exhibit A.
2. Applicant provided notice of the Application to all persons owning a working interest in the oil production to be off-lease measured in accordance with 19.15.23.9(A)(5) NMAC, and those persons either submitted a written waiver or did not file an objection to the Application.
3. Applicant provided notice of the Application to the Bureau of Land Management or New Mexico State Land Office, as applicable.

CONCLUSIONS OF LAW

4. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, and 19.15.23 NMAC.
5. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9(A)(5) NMAC.
6. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

1. Applicant is authorized to off-lease measure oil production from the wells, pool, and lease identified in Exhibit A.
2. The oil production from the wells identified in Exhibit A shall be physically separated from the oil production from other wells and no commingling of production from different leases shall occur in accordance with 19.15.23.9(A)(3) NMAC and 19.15.23.9(A)(4) NMAC.
3. Applicant shall measure the commingled oil at a central tank battery described in Exhibit A in accordance with 19.15.18.15 NMAC or 19.15.23.8 NMAC.
4. Applicant shall calibrate the meters used to measure or allocate oil production in accordance with 19.15.12.10(C)(2) NMAC.

5. OCD retains jurisdiction and reserves the right to modify or revoke this Order if it is deemed necessary to prevent waste or protect correlative rights, public health, or the environment.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL
DIRECTOR**

AS/dm

DATE: 1/04/2021

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: OLM-225

Operator: COG Operating, LLC (229137)

Central Tank Battery: Hambone Federal 8P Central Tank Battery

Central Tank Battery Location (NMPM): Unit P, Section 8, Township 26 South, Range 29 East

Central Tank Battery: Red Hills Offload Station

Central Tank Battery Location (NMPM): Unit O, Section 4, Township 26 South, Range 32 East

Central Tank Battery: Jal Offload Station

Central Tank Battery Location (NMPM): Unit D, Section 4, Township 26 South, Range 37 East

Gas Custody Transfer Meter Location (NMPM):

Pools

Pool Name	Pool Code
PURPLE SAGE; WOLFCAMP (GAS)	98220

Leases as defined in 19.15.12.7(C) NMAC

Lease	Location (NMPM)
CA WC NMNM 139803	E/2 Sec 5 & 8 T26S-R29E

Wells

Well API	Well Name	Location (NMPM)	Pool Code	Train
30-015-46812	Hambone Federal Com #701H	P-08-26S-29E	98220	
30-015-46813	Hambone Federal Com #702H	P-08-26S-29E	98220	
30-015-46814	Hambone Federal Com #703H	P-08-26S-29E	98220	

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 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) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 11339

CONDITIONS OF APPROVAL

Operator: COG OPERATING LLC 600 W Illinois Ave Midland, TX79701			OGRID: 229137	Action Number: 11339	Action Type: C-107B
OCD Reviewer	Condition				
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval.				