



CONCHO

November 10, 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:

Avion Federal Com 301H
API# 30-025-44736
Diamond Tail; Bone Spring
Ut. A, Sec. 22-T23S-R32E
Lea 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, communization agreement application.

Thank you for your attention to this matter. If you have questions or need further information, please email me at jbarron@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

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: Avion Federal Com 301H **API:** 30-025-44736
Pool: Diamond Tail; Bone Spring **Pool Code:** 17644

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

11/10/20
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: 11/10/20

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: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1293 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-44736		² Pool Code 17644	³ Pool Name WC025G06S223421L - Bone Spring
⁴ Property Code 312816	⁵ Property Name AVION FEDERAL COM		⁶ Well Number 301H
⁷ OGRID No. 229137	⁸ Operator Name COG OPERATING, LLC.		⁹ Elevation 3698.7

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	22	23 S	32 E		480	NORTH	330	EAST	LEA

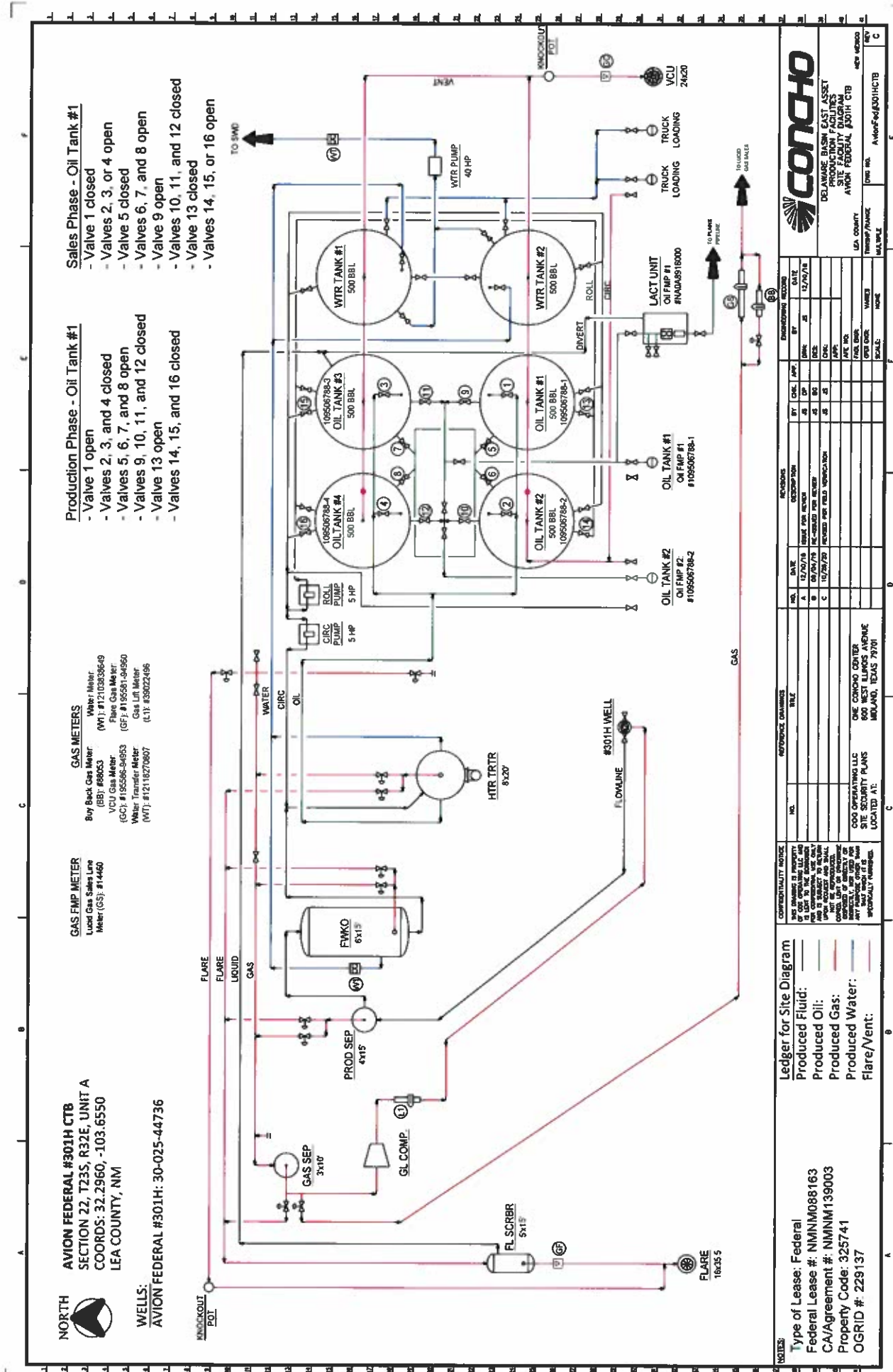
¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	27	23 S	32 E		207	SOUTH	327	EAST	LEA

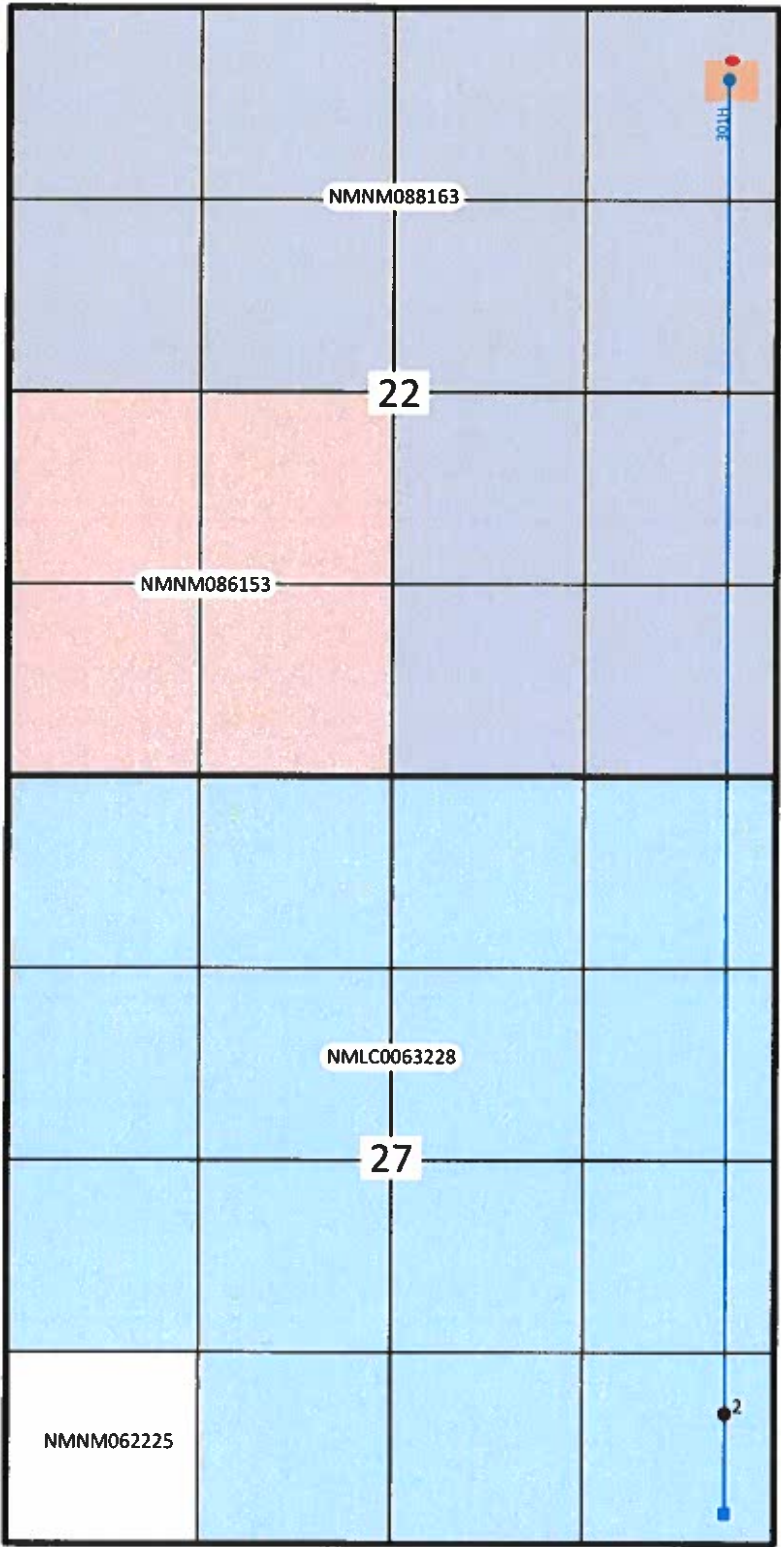
¹² Dedicated Acres 1.60	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

	<p>" OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or released 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Jeanette Barron</i> 11/10/20 Signature Date</p> <p>Jeanette Barron Printed Name</p> <p>jbarron@concho.com E-mail Address</p> <p>" SURVEYOR CERTIFICATION</p> <p>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.</p> <p>FEBRUARY 11, 2019 Date of Survey</p> <p><i>FILMON F. JARAMILLO</i> Signature and Seal of Professional Surveyor</p> <p>Certificate Number: FILMON F. JARAMILLO, PLS 12797 SURVEY NO. 5609C</p>
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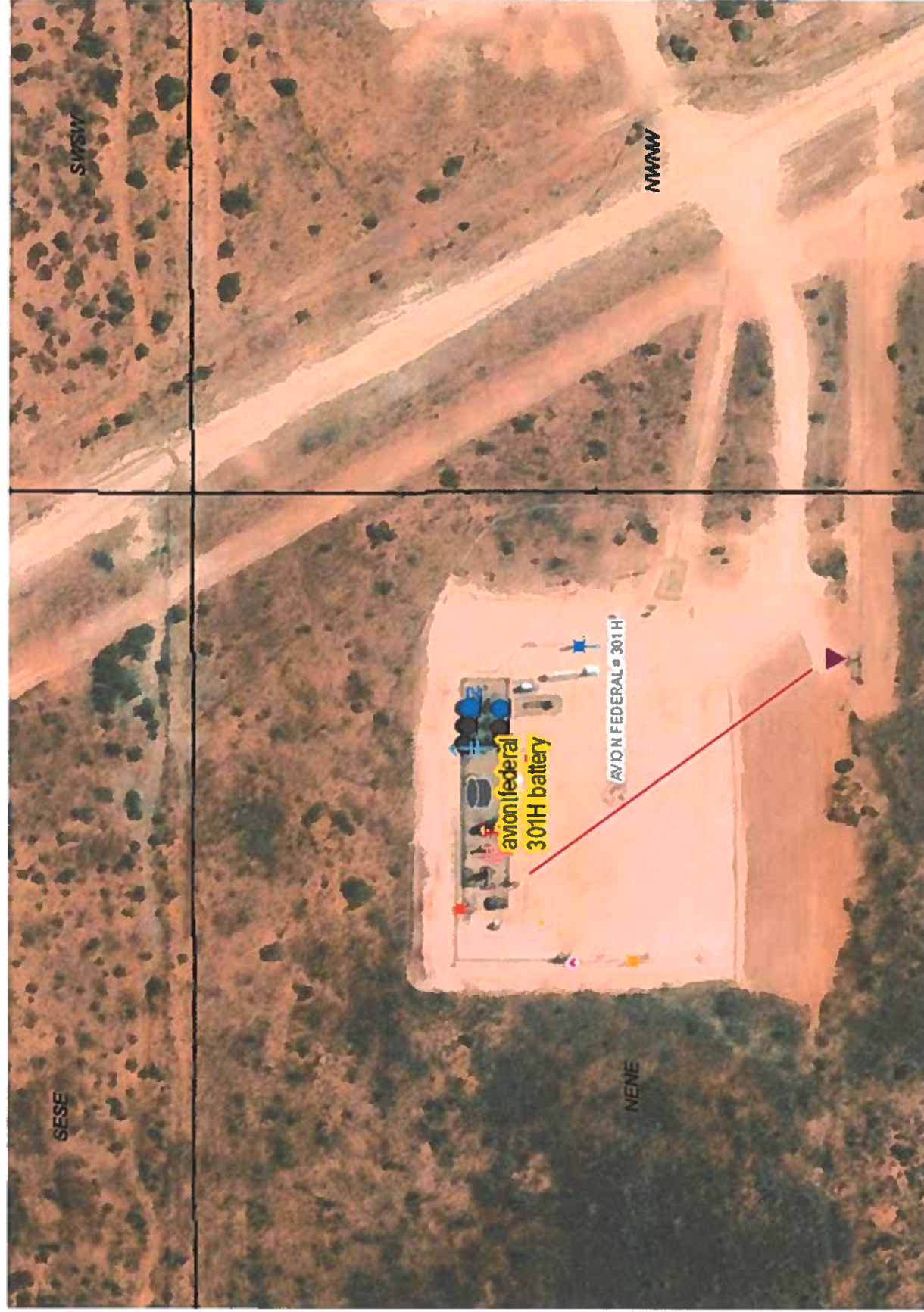


Avion Federal Wells

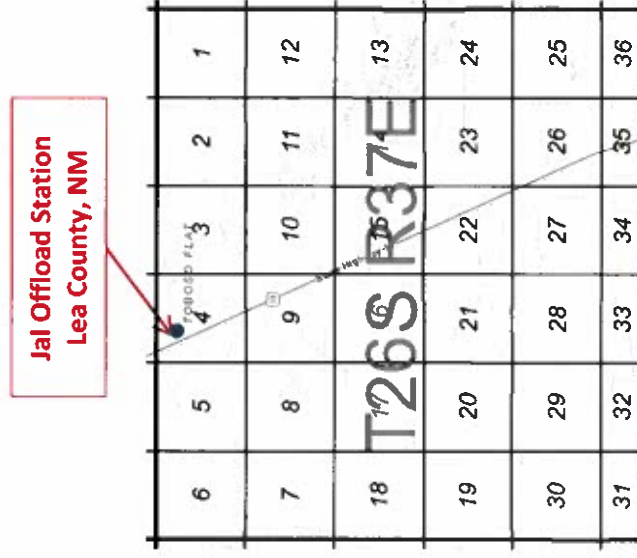
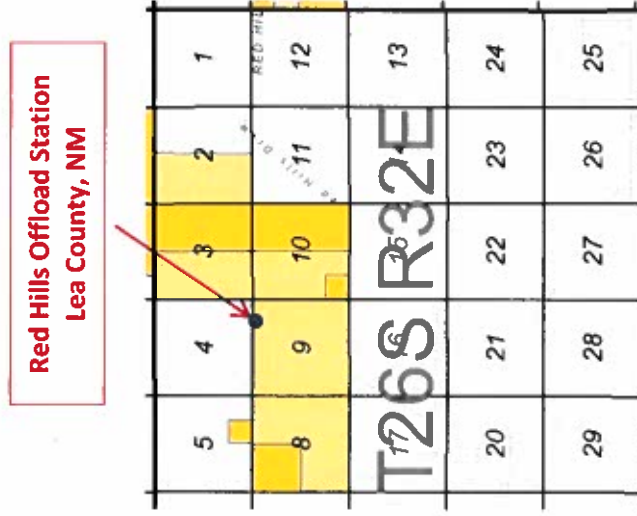
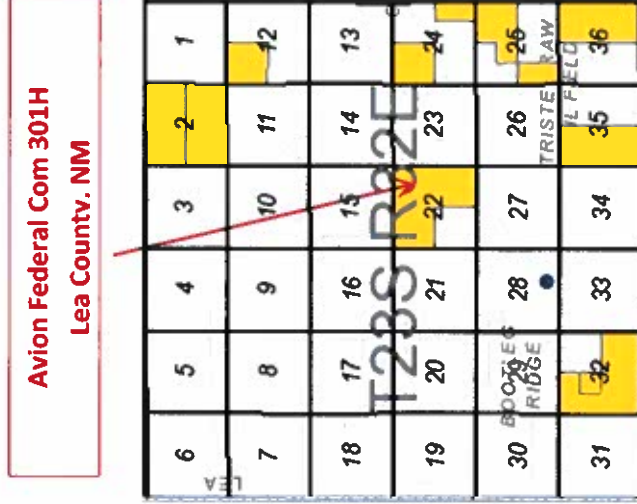


- Existing Vert Delaware Well
- Proposed Av Shale SHL
- Proposed Av Shale BHL
- Lucid Gas Sales Meter

Sec. 22, 27-T23S-R32E
Lea County, NM



Avion Federal Com 301H & Red Hills and Jal Offload Station Map



AVION FEDERAL 301H									
Date Sent	Initials	Name	Address	City	State	ZipCode	Certified Return Receipt No.	Delivered	
11.10.20	JB	CONOCO PHILLIPS COMPANY	22295 NETWORK PLACE	CHICAGO	IL	60673-1222	7017 3040 0000 1206 4029		
11.10.20	JB	BLM	414 WEST TAYLOR	HOBBS	NM	88240	7017 3040 0000 1206 4012		



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:

MAY 09 2019

NMNM139003
3105.2 (NM920)

Reference:
Communitization Agreement
Avion Federal Com #301H
Section 22: E2E2
Section 27: E2E2
T. 23 S., R. 32 E., N.M.P.M.
Lea County, NM

COG Operating LLC
One Concho Center
600 W. Illinois Avenue
Midland, Texas 79701

To Whom It May Concern:

Enclosed is an approved copy of Communitization Agreement NMNM139003 involving 160 acres of Federal land in lease NMNM088163, and 160 acres of Federal land in lease NMLC063228, Lea County, New Mexico, which comprise a 320-acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath the E2E2, Sec. 22 and E2E2 Sec. 27, T. 23 S., R. 32 E., NMPM, Lea County, NM, and is effective January 01, 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.

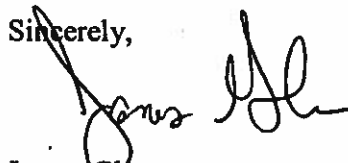
Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is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

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 E2E2, Sec. 22, and the E2E2 Sec. 27, T. 23 S., R. 32 E., NMPM, as to all producible hydrocarbons from the Bone Springs formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (c) are not met.
- 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: January 01, 2018

Contract No.: Com. Agr. NMNM139003

LEA COUNTY, NM
KEITH MANES, COUNTY CLERK
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Book 2132 Page 564
2 of 10
06/27/2019 10:08 AM
BY MYRA SALMON

Federal/Federal

Contract No. NM139003

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 23 South, Range 32 East, N.M.P.M.

Section 22: E/2E/2

Section 27: E/2E/2

Lea County, New Mexico

containing 320.00 acres, and this agreement shall include only the **Bone Spring** 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.

Avion Federal Com 301H

LEA COUNTY, NM
KEITH MANES, COUNTY CLERK
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06/27/2019 10:00 AM
BY MYRA SALMON

Federal/Federal

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 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

Avion Federal Com 301H

Federal/Federal

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 January 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

Avion Federal Com 301H

LEA COUNTY, NM
 KEITH HANES, COUNTY CLERK
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 06/27/2019 10:08 AM
 BY MYRA SALMON

Federal/Federal

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:

COG Operating LLC

Date:

6/12/18

By:


 Mark A. Carter
 Attorney-In-Fact

56 MT

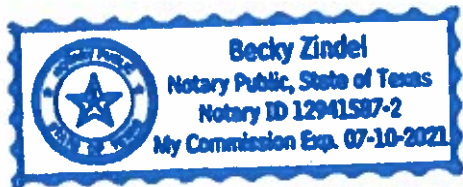
ACKNOWLEDGEMENT


STATE OF TEXAS §

§

COUNTY OF MIDLAND §

The foregoing instrument was acknowledged before me on the 12th day of June, 2018, by Mark A. Carter, as Attorney-In-Fact of COG Operating LLC, a Delaware limited liability company, on behalf of said limited liability company.



7/10/21
 My Commission Expires

 Notary Public In and for the State of Texas

LEA COUNTY, NM
KEITH MANES, COUNTY CLERK
000043510
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06/27/2019 10:08 AM
BY MYRA SALMON

Federal/Federal

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD:

DATE: 6/12/18

COG Operating LLC

By: 

Printed Name: Mark A. Carter

Title: Attorney-In-Fact SG MT

DATE: 5/15/2018

ConocoPhillips Company

By: 

Printed Name: J.E. Carlton

Title: Attorney-in-Fact huc

DATE: 5/15/2018

Burlington Resources Oil & Gas Company LP

By: BROG GP LLC, its sole general partner

By: 

Printed Name: James E. Carlton

Title: Vice President huc

Federal/Federal

ACKNOWLEDGEMENTS

STATE OF TEXAS §
§
COUNTY OF MIDLAND §

This instrument was acknowledged before me on June 12, 2018, by Mark A. Carter, Attorney-in-Fact, of COG Operating LLC, A Delaware Limited Liability Company, on behalf of said limited liability company.

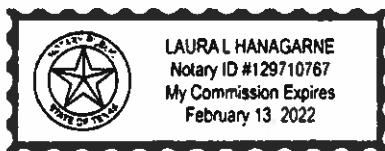


7/10/21
My Commission Expires

Becky Zindel
Notary Public in and for the State of Texas

STATE OF Texas §
§
COUNTY OF Harris §

This instrument was acknowledged before me on May 15, 2018, by J.E. Carlton, as attorney-in-fact of ConocoPhillips Company, a Delaware Corporation, on behalf of said Corporation.

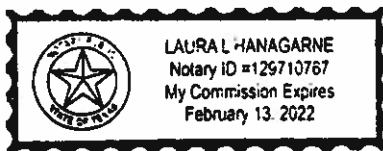


02/13/2022
My Commission Expires

Laura L Hanagarne
Notary Public in and for the State of Texas

STATE OF Texas §
§
COUNTY OF Harris §

This instrument was acknowledged before me on May 15, 2018, by James E. Carlton, as Vice President of BROG GP LLC, a Delaware limited liability company and sole general partner of Burlington Resources Oil & Gas Company LP, on behalf of the partnership.



02/13/2022
My Commission Expires

Laura L Hanagarne
Notary Public in and for the State of Texas

EXHIBIT "A"

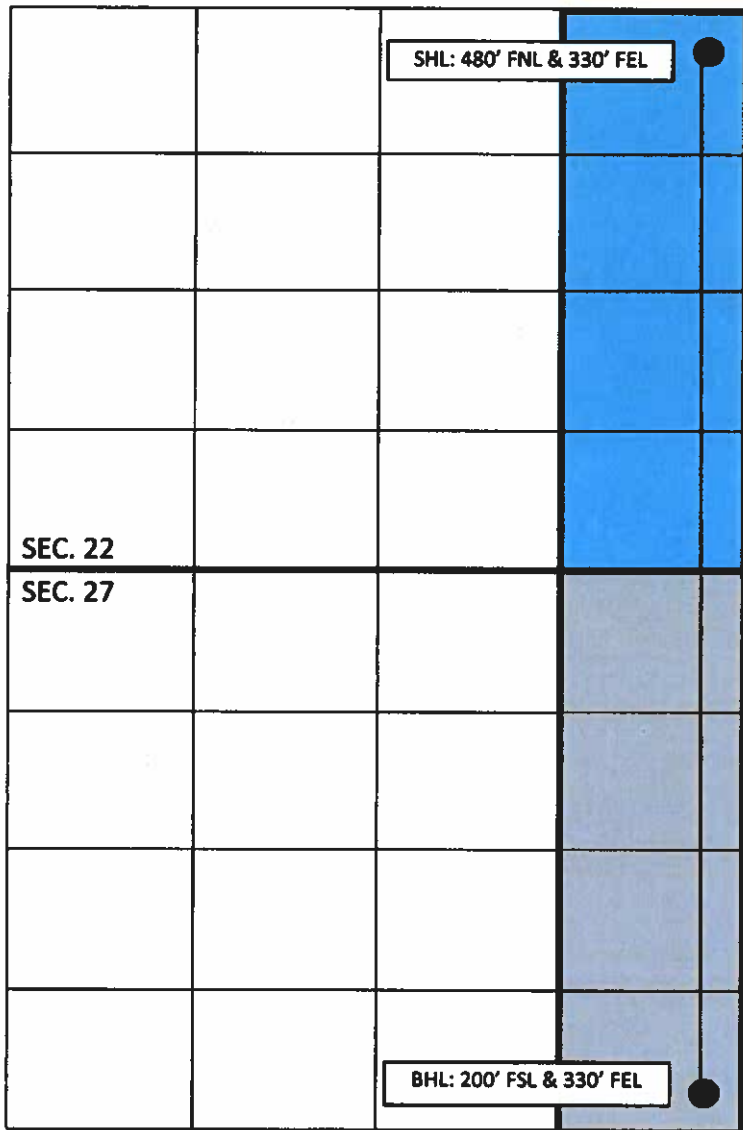
Plat of communitized area covering E/2E/2 of Section 22
& the E/2E/2 of Section 27, T23S – R32E, N.M.P.M., Lea County, New Mexico

Avion Federal Com 301H

Tract 1:
USA NM-088163



Tract 2:
USA LC-63228



Avion Federal Com 301H

LEA COUNTY, NM
 KEITH MANES, COUNTY CLERK
 888843518
 Book 2152 Page 564
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 06/27/2019 10:00 AM
 BY MYRA SALMON

Federal/Federal

EXHIBIT "B"

Attached to and made a part of that Communitization Agreement dated January 1, 2018, covering E/2E/2 of Section 22 & the E/2E/2 of Section 27, T23S – R32E, N.M.P.M., Lea County, New Mexico

Operator of Communitized Area: **COG Operating LLC**

DESCRIPTION OF LEASES COMMITTED:

Tract No.:	One (1)	
Lease Serial No.:	USA NM-088163	
Lease Date:	March 1, 1992	
Lease Term:	Five (5) years	
Lessor:	United States of America	
Original Lessee:	Strata Production Company	
Present Lessee:	COG Operating LLC	
Description of Land Committed:	Burlington Resources Oil & Gas Company LP Insofar only as said lease covers: <u>Township 23 South, Range 32 East, N.M.P.M.</u> Section 22: E/2E/2 Lea County, New Mexico	
Number of Acres:	160.00	
Royalty Rate:	12.5%	
Name and Percent of ORRI Owners:	Of Record	
Name and Percent of WI Owners:	COG Operating LLC	100.00%
Recordation:	Not Recorded	

Tract No.:	Two (2)	
Lease Serial No.:	USA LC-63228	
Lease Date:	June 1, 1951	
Lease Term:	Five (5) years	
Lessor:	United States of America	
Original Lessee:	ConocoPhillips Company	
Present Lessee:	ConocoPhillips Company	
Description of Land Committed:	Insofar only as said lease covers: <u>Township 23 South, Range 32 East, N.M.P.M.</u> Section 27: E/2E/2 Lea County, New Mexico	
Number of Acres:	160.00	
Royalty Rate:	12.5%	
Name and Percent of ORRI Owners:	Of Record	
Name and Percent of WI Owners:	ConocoPhillips Company	100.00%
Recordation:	Not Recorded	

Avion Federal Com 301H

LEA COUNTY, NM
KEITH MANES, COUNTY CLERK
888843518
Book 2152 Page 564
18 of 18
06/27/2019 10:08 AM
BY MYRA SALMON

Federal/Federal

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	160.00	50.000000%
2	160.00	50.000000%
Total	320.00	100.000000%

From: [Jeanette Barron](#)
To: [McClure, Dean, EMNRD](#)
Subject: [EXT] RE: off lease measurement application for Avion Federal 301H CTB (OLM-219)
Date: Monday, December 28, 2020 11:27:16 AM
Attachments: [Image011.png](#)

Hello Dean,
This will be mailed out today...thank you!

AVION FEDERAL 301H								
Date Sent	Initials	Name	Address	City	State	Zip Code	Certified Return Receipt No.	Delivered
12.28.20	JB	CONOCO PHILLIPS COMPANY	700 Plaza Office Building	Bartlesville	OK	74004	7017 3040 0000 1206 4647	

Thank you,
Jeanette Barron
Regulatory Technician

COG Operating LLC | 2208 W. Main Street, Artesia, NM 88210
Office: (575) 748-6974 | Cell: (575) 703-7411



From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Sent: Thursday, December 17, 2020 11:05 AM
To: Jeanette Barron <JBarron@concho.com>
Subject: [External] RE: off lease measurement application for Avion Federal 301H CTB (OLM-219)

A signed green card will be ideal, but alternatively you may reach out to Conoco and confirm they have received notice of this application. If you do so, please submit to me their response email confirming they have received notice.

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

From: Jeanette Barron <JBarron@concho.com>
Sent: Thursday, December 17, 2020 11:02 AM
To: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Subject: [EXT] RE: off lease measurement application for Avion Federal 301H CTB (OLM-219)

Hello Dean,
You know I didn't even notice that, I just seen that we had the green card and was happy to see it! I am not in the office today but can run by there to see if we have one that is signed?

Thank you,
Jeanette Barron
Regulatory Technician

COG Operating LLC | 2208 W. Main Street, Artesia, NM 88210
Office: (575) 748-6974 | Cell: (575) 703-7411



From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Sent: Thursday, December 17, 2020 10:42 AM
To: Jeanette Barron <JBarron@concho.com>
Subject: [External] RE: off lease measurement application for Avion Federal 301H CTB (OLM-219)

Hello Jeanette,

Do you have the signed green card for this notice?

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

From: Jeanette Barron <JBarron@concho.com>
Sent: Wednesday, December 16, 2020 2:47 PM
To: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Subject: [EXT] RE: off lease measurement application for Avion Federal 301H CTB (OLM-219)

Here you go

Thank you,
Jeanette Barron
Regulatory Technician

COG Operating LLC | 2208 W. Main Street, Artesia, NM 88210
Office: (575) 748-6974 | Cell: (575) 703-7411



From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Sent: Wednesday, December 16, 2020 1:26 PM
To: Jeanette Barron <JBarron@concho.com>
Subject: [External] off lease measurement application for Avion Federal 301H CTB (OLM-219)

**** External email. Use caution. ****
Ms. Barron,

I am reviewing the off lease measurement application for the Avion Federal 301H CTB (OLM-219) operated by COG Operating, LLC (229137).

Please confirm that the following person has received notice of this application:

<u>11/22/2020</u>	<u>Conoco Phillips Company</u>	<u>7017 3040 0000 1206 4029</u>	<u>In-Transit</u>
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Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

NOTICE: The information in this email may be confidential and/or privileged. If you are not the intended recipient or an authorized representative of the intended recipient, you are hereby notified that any review, dissemination or copying of this email and its attachments, if any, or the information contained herein, is prohibited. If you have received this email in error, please immediately notify the sender by return email and delete this email from your system. Further, any contract terms proposed or purportedly accepted in this email are not binding and are subject to management's final approval as memorialized in a separate written instrument, excluding electronic correspondence, executed by an authorized representative of COG Operating LLC or its affiliates.

From: [Engineer, OCD, EMNRD](#)
To: [Jeanette Barron](#)
Cc: [McClure, Dean, EMNRD](#); [Bratcher, Mike, EMNRD](#); [Kautz, Paul, EMNRD](#); lisa@rwbyram.com; [Glover, James](#); kparadis@blm.gov; [Walls, Christopher](#)
Subject: Approved Administrative Order OLM-219
Date: Friday, January 22, 2021 10:47:28 AM
Attachments: [OLM219 Order.pdf](#)

NMOCD has issued Administrative Order OLM-219 which authorizes COG Operating, LLC (229137) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	Location (NMPM)	Pool Code
30-025-44736	Avion Federal Com #301H	A-22-23S-32E	17644

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-219

Operator: COG Operating, LLC (229137)

Publication Date:

Date Sent: 11/10/2020

Noticed Persons

Date	Person	Certified Tracking Number	Status
11/22/2020	Conoco Phillips Company	7017 3040 0000 1206 4029	In-Transit
11/12/2020	BLM	7017 3040 0000 1206 4012	Delivered
Notice sent on 12/28/2020			
12/30/2020	Conoco Phillips Company	7017 3040 0000 1206 4647	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-219

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: 1/20/2021

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: OLM-219

Operator: COG Operating, LLC (229137)

Central Tank Battery: Avion Federal 301H Central Tank Battery

Central Tank Battery Location (NMPM): Unit A, Section 22, Township 23 South, Range 32 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
DIAMONDTAIL; BONE SPRING	17644

Leases as defined in 19.15.12.7(C) NMAC

Lease	Location (NMPM)
CA BS NMNM 139003	E/2 E/2 Sec 22 & 27 T23S-R32E

Wells

Well API	Well Name	Location (NMPM)	Pool Code	Train
30-025-44736	Avion Federal Com #301H	A-22-23S-32E	17644	

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 11137

CONDITIONS OF APPROVAL

Operator: COG OPERATING LLC 600 W Illinois Ave Midland, TX79701			OGRID: 229137	Action Number: 11137	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.				