



ConocoPhillips  
2208 West Main Street  
Artesia, New Mexico 88210  
[www.conocophillips.com](http://www.conocophillips.com)

June 1, 2021

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:

Screwdriver 24 Fed Com 2H  
API# 30-015-42914  
Lusk; Bone Spring, West  
Ut. P, Sec. 24-T19S-R31E  
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 [jeanette.barron@conocophillips.com](mailto:jeanette.barron@conocophillips.com) or call 575.748.6974.

Sincerely,

  
Jeanette Barron  
Regulatory Technician II

Revised March 23, 2017

|           |           |       |         |
|-----------|-----------|-------|---------|
| RECEIVED: | REVIEWER: | TYPE: | APP NO: |
|-----------|-----------|-------|---------|

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: Screwdriver 24 Federal 2

API: 30-015-42914

Pool: Lusk; Bone Spring, West

Pool Code: 41480

**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 holdersB. ☒ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☐ Notification and/or concurrent approval by SLOE. ☒ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☐ 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

Date

6/1/21

575-746-6974

Phone Number

jeanette.barron@conocophillips.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<br>Non-Commingled<br>Production | Calculated Gravities /<br>BTU of Commingled<br>Production |  | Calculated Value of<br>Commingled<br>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: 4/1/21

TYPE OR PRINT NAME Jeanette Barron TELEPHONE NO.: 575.748.6974

E-MAIL ADDRESS: jeanette.barron@conocophillips.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) 748-1283 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

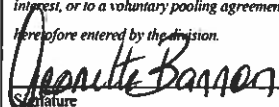
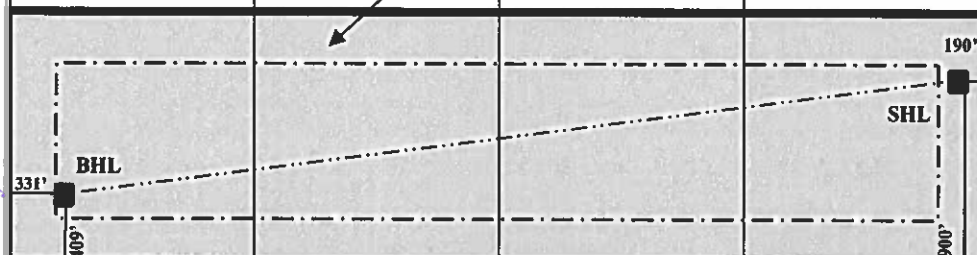
State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

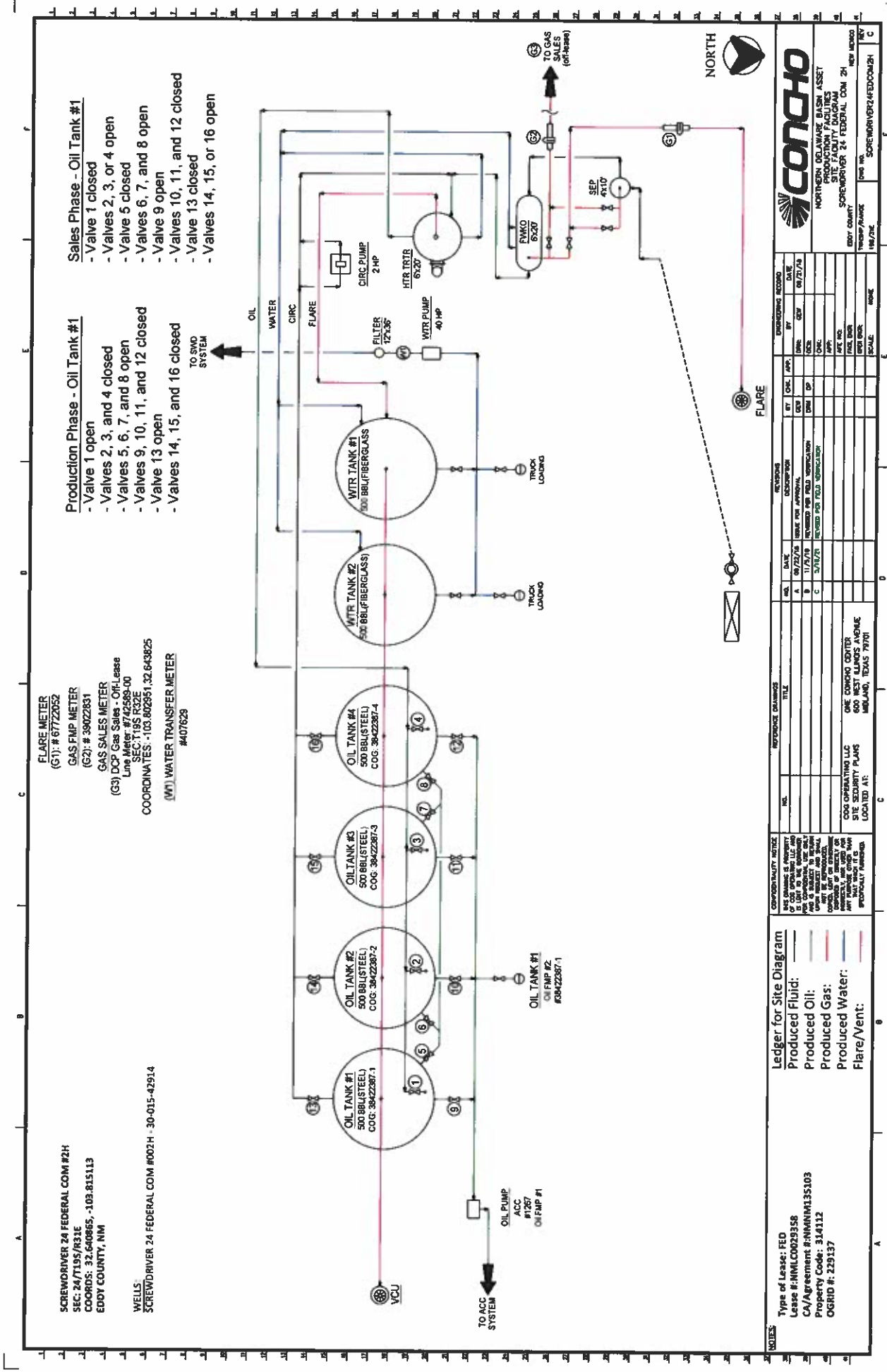
Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office  
☐ AMENDED REPORT  
(As Drilled)

WELL LOCATION AND ACREAGE DEDICATION PLAT

|  |                      |   |                     |  |                             |                                  |                             |   |                       |
|--|----------------------|---|---------------------|--|-----------------------------|----------------------------------|-----------------------------|---|-----------------------|
| <sup>1</sup> API Number<br><b>30-015-42914</b>               |                      | <sup>2</sup> Pool Code<br><b>41480</b>                          |                     | <sup>3</sup> Pool Name<br><b>Lusk; Bone Spring, West</b> |                             |                                  |                             |   |                       |
| <sup>4</sup> Property Code<br><b>314112</b>                  |                      | <sup>5</sup> Property Name<br><b>Screwdriver 24 Federal Com</b> |                     |  |                             |                                  |                             | <sup>6</sup> Well Number<br><b>2H</b>     |                       |
| <sup>7</sup> OGRID No.<br><b>229137</b>                      |                      | <sup>8</sup> Operator Name<br><b>COG Operating LLC</b>          |                     |  |                             |                                  |                             | <sup>9</sup> Elevation<br><b>3544' GR</b> |                       |
| <sup>10</sup> Surface Location                               |                      |   |                     |  |                             |                                  |                             |   |                       |
| UL or lot no.<br><b>P</b>                                    | Section<br><b>24</b> | Township<br><b>19S</b>  | Range<br><b>31E</b> | Lot Idn  | Feet from the<br><b>900</b> | North/South line<br><b>South</b> | Feet from the<br><b>190</b> | East/West line<br><b>East</b>             | County<br><b>Eddy</b> |
| <sup>11</sup> Bottom Hole Location If Different From Surface |                      |   |                     |  |                             |                                  |                             |   |                       |
| UL or lot no.<br><b>M</b>                                    | Section<br><b>24</b> | Township<br><b>19S</b>  | Range<br><b>31E</b> | Lot Idn  | Feet from the<br><b>409</b> | North/South line<br><b>South</b> | Feet from the<br><b>331</b> | East/West line<br><b>West</b>             | County<br><b>Eddy</b> |
| <sup>12</sup> Dedicated Acres<br><b>160</b>                  |                      | <sup>13</sup> Joint or Infill                                   |                     | <sup>14</sup> Consolidation Code                         |                             | <sup>15</sup> Order No.          |                             |   |                       |

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.

|    |   |  |  |  |  |  |  |  |
|----|---|--|--|--|--|--|--|--|
| 16 |   |  |  |  | <b>17 OPERATOR CERTIFICATION</b><br>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 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.<br><br>Signature<br>4/1/21<br>Date<br>Jeanette Barron<br>Printed Name<br>Jeanette.barron@conocophillips.com<br>E-mail Address |  |  |  |
|    |   |  |  |  | <b>18 SURVEYOR CERTIFICATION</b><br>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.<br><br>Date of Survey<br>Signature and Seal of Professional Surveyor:<br><br>REFER TO ORIGINAL PLAT<br><br>Certificate Number  |  |  |  |
|    |  |  |  |  |  |  |  |  |



**NOTES:**

Type of Lease: FED  
Lease #: NMDC0029358  
CA/Agreement #: NMNM135103  
Property Code: 314112  
OGRID #: 229137

**Ledger for Site Diagram**

Produced Fluid: \_\_\_\_\_  
Produced Oil: \_\_\_\_\_  
Produced Gas: \_\_\_\_\_  
Produced Water: \_\_\_\_\_  
Flare/Vent: \_\_\_\_\_

| REFERENCE DRAWINGS |          | REVISIONS                      |     | REVISION RECORD |      |
|--------------------|----------|--------------------------------|-----|-----------------|------|
| NO.                | DATE     | DESCRIPTION                    | BY  | CHK.            | APP. |
| A                  | 06/22/18 | ISSUE FOR APPROVAL             | CKR | CKR             | CKR  |
| B                  | 11/17/18 | REVISED FOR FIELD VERIFICATION | CKR | CKR             | CKR  |
| C                  | 3/18/19  | REVISED FOR FIELD VERIFICATION | CKR | CKR             | CKR  |

|   |  |   |  |
|---|--|---|--|
| CONCOMITANT NOTICE  |  | CONCOMITANT NOTICE  |  |
| THIS DRAWING IS PROPERTY OF CONCHO BASIN ASSET PRODUCTION FACILITIES. IT IS TO BE USED FOR THE PURPOSES OF THE FIELD VERIFICATION ONLY. IT IS NOT TO BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE WRITTEN PERMISSION OF CONCHO BASIN ASSET PRODUCTION FACILITIES. |  | THIS DRAWING IS PROPERTY OF CONCHO BASIN ASSET PRODUCTION FACILITIES. IT IS TO BE USED FOR THE PURPOSES OF THE FIELD VERIFICATION ONLY. IT IS NOT TO BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE WRITTEN PERMISSION OF CONCHO BASIN ASSET PRODUCTION FACILITIES. |  |

|  |  |  |  |
|--|--|--|--|
| CONCHO BASIN ASSET PRODUCTION FACILITIES |  | CONCHO BASIN ASSET PRODUCTION FACILITIES |  |
| Screwdriver 24 Federal COM #2H           |  | Screwdriver 24 Federal COM #2H           |  |
| SEC: 24/1195/R31E                        |  | SEC: 24/1195/R31E                        |  |
| COORDS: 32.640885, -103.815113           |  | COORDS: 32.640885, -103.815113           |  |
| EDDY COUNTY, NM                          |  | EDDY COUNTY, NM                          |  |

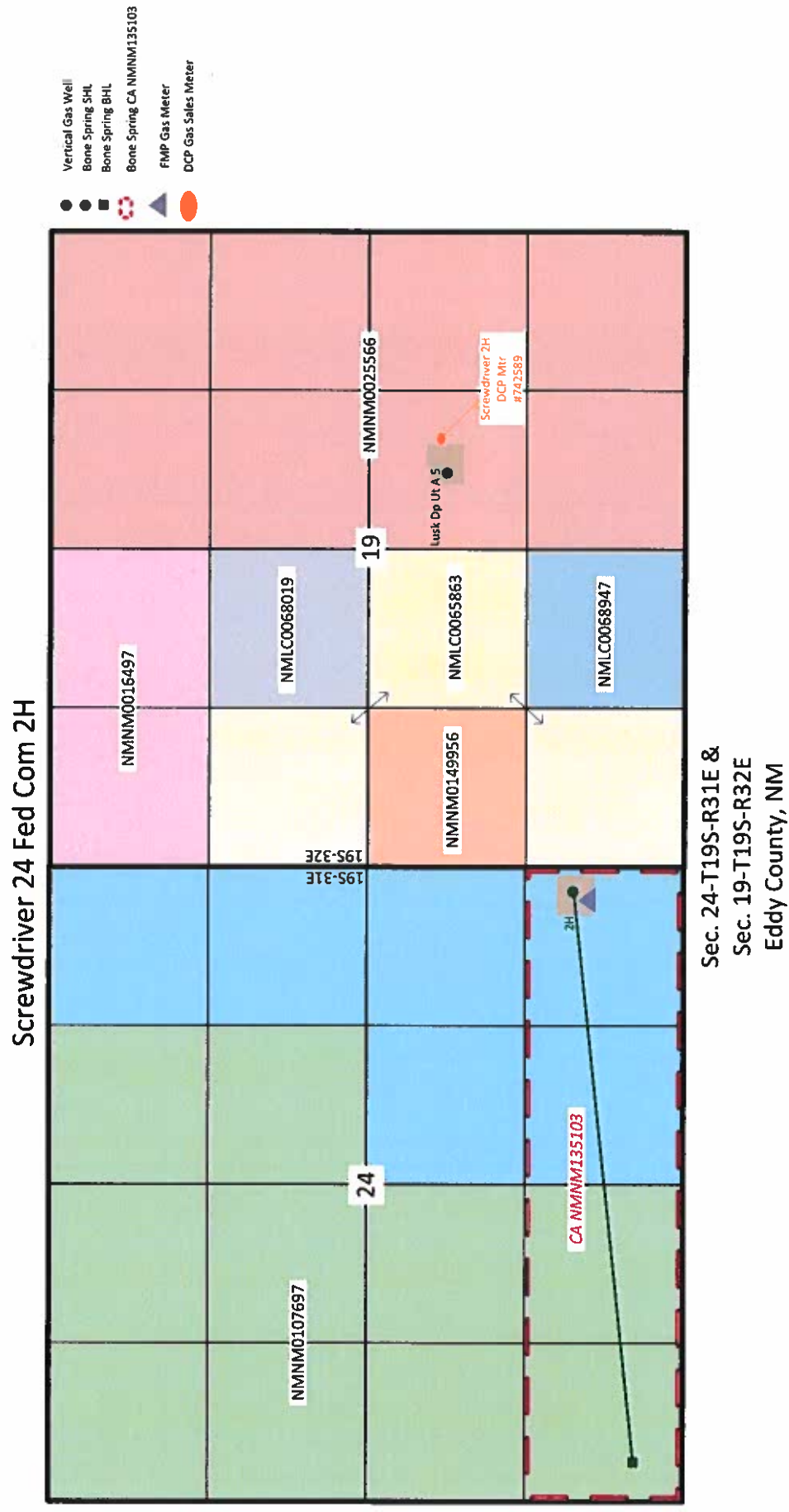
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|---|--|---|--|
| WELLS:  |  | WELLS:  |  |
| Screwdriver 24 Federal COM #002H - 30-015-42914 |  | Screwdriver 24 Federal COM #002H - 30-015-42914 |  |

|                                     |  |                                     |  |
|-------------------------------------|--|-------------------------------------|--|
| FLARE METER                         |  | FLARE METER                         |  |
| (G1): # 6772052                     |  | (G1): # 6772052                     |  |
| GAS FMP METER                       |  | GAS FMP METER                       |  |
| (G2): # 39022831                    |  | (G2): # 39022831                    |  |
| GAS SALES METER                     |  | GAS SALES METER                     |  |
| (G3) DCP Gas Sales - Off-Lease      |  | (G3) DCP Gas Sales - Off-Lease      |  |
| Line Meter #742589-00               |  | Line Meter #742589-00               |  |
| SEC-1195 R32E                       |  | SEC-1195 R32E                       |  |
| COORDINATES - 103.602951, 32.643625 |  | COORDINATES - 103.602951, 32.643625 |  |
| (W1) WATER TRANSFER METER           |  | (W1) WATER TRANSFER METER           |  |
| #407629                             |  | #407629                             |  |

|  |  |  |  |
|--|--|--|--|
| CONCHO BASIN ASSET PRODUCTION FACILITIES |  | CONCHO BASIN ASSET PRODUCTION FACILITIES |  |
| Screwdriver 24 Federal COM #2H           |  | Screwdriver 24 Federal COM #2H           |  |
| SEC: 24/1195/R31E                        |  | SEC: 24/1195/R31E                        |  |
| COORDS: 32.640885, -103.815113           |  | COORDS: 32.640885, -103.815113           |  |
| EDDY COUNTY, NM                          |  | EDDY COUNTY, NM                          |  |

|   |  |   |  |
|---|--|---|--|
| WELLS:  |  | WELLS:  |  |
| Screwdriver 24 Federal COM #002H - 30-015-42914 |  | Screwdriver 24 Federal COM #002H - 30-015-42914 |  |

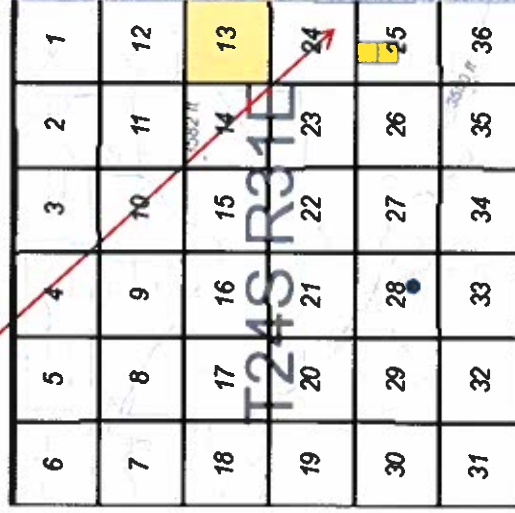
|                                     |  |                                     |  |
|-------------------------------------|--|-------------------------------------|--|
| FLARE METER                         |  | FLARE METER                         |  |
| (G1): # 6772052                     |  | (G1): # 6772052                     |  |
| GAS FMP METER                       |  | GAS FMP METER                       |  |
| (G2): # 39022831                    |  | (G2): # 39022831                    |  |
| GAS SALES METER                     |  | GAS SALES METER                     |  |
| (G3) DCP Gas Sales - Off-Lease      |  | (G3) DCP Gas Sales - Off-Lease      |  |
| Line Meter #742589-00               |  | Line Meter #742589-00               |  |
| SEC-1195 R32E                       |  | SEC-1195 R32E                       |  |
| COORDINATES - 103.602951, 32.643625 |  | COORDINATES - 103.602951, 32.643625 |  |
| (W1) WATER TRANSFER METER           |  | (W1) WATER TRANSFER METER           |  |
| #407629                             |  | #407629                             |  |



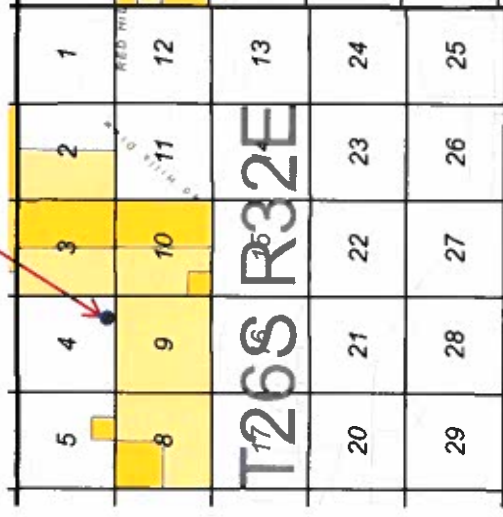


# Screwdriver 24 Federal Com #2H & Red Hills and Jal Offload Station Map

Screwdriver 24 Federal Com #2H  
Eddy County, NM



Red Hills Offload Station  
Lea County, NM



Jal Offload Station  
Lea County, NM







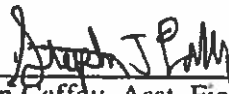
| Screwdriver 24 Fed Com 2H |          |                                       |                        |               |       |         |                              |           |  |
|---------------------------|----------|---------------------------------------|------------------------|---------------|-------|---------|------------------------------|-----------|--|
| Date Sent                 | Initials | Name                                  | Address                | City          | State | ZipCode | Certified Return Receipt No. | Delivered |  |
| 06.01.21                  | JB       | Devon Energy Production Company, L.P. | 333 West Sheridan Ave. | Oklahoma City | OK    | 73102   | 7017 3040 0000 1205 1807     |           |  |
| 06.01.21                  | JB       | McVay Drilling Company                | PO Box 2450            | Hobbs         | NM    | 88240   | 7017 3040 0000 1205 1814     |           |  |
| 06.01.21                  | JB       | BLM                                   | 620 E. Green Street    | Carlsbad      | NM    | 88220   | 7017 3040 0000 1205 1791     |           |  |

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 sec. 24: S2S2, T. 19 S., R. 31 E., NMPM, as to all producible hydrocarbons from the Bone Spring 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:

  
\_\_\_\_\_  
Stephen Caffey, Asst. Field Mgr.  
Authorized Officer

Effective: 02/01/2015

Contract No.: Com. Agr. NM135103

ATTN BRITTANY HALL  
COG OPERATING LLC  
600 W ILLINOIS AVE  
MIDLAND TX 79701-9808

Federal/Federal

Contract No. NR135703

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 19 South, Range 31 East, N.M.P.M.  
Section 24: S/2 S/2  
Eddy County, New Mexico

containing 160.00 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.

Screwdriver 24 Federal Com #2H

1

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.



Federal/Federal

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 February 1, 2015 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.

Federal/Federal

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.

Federal/Federal

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 (NMLC-029358, NMNM-0107697)

COG Operating LLC

Date: 4.20.15

By: Mona D. Ables  
Mona D. Ables, Vice President of Land *AY*  
*6/16*

OPERATING RIGHTS OWNER (NMLC-029358, NMNM-0107697)

Concho Oil & Gas LLC

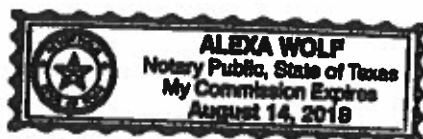
Date: 4.20.15

By: Mona D. Ables  
Mona D. Ables, Vice President of Land *AY*  
*6/16*

ACKNOWLEDGEMENT

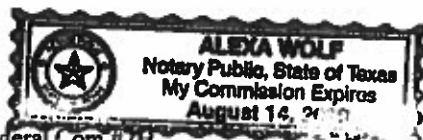
STATE OF TEXAS §  
COUNTY OF midland §  
§

This instrument was acknowledged before me on April 20, 2015, by Mona D. Ables, Vice President of Land of COG Operating LLC, a Delaware limited liability company, on behalf of same.



Alexa Wolf  
Notary Public in and for the State of Texas

This instrument was acknowledged before me on April 20, 2015, by Mona D. Ables, Vice President of Land of Concho Oil & Gas LLC, a Texas limited liability company, on behalf of same.



Alexa Wolf  
Notary Public in and for the State of Texas

Federal/Federal

RECORD TITLE OWNER (NMNM-0107697):

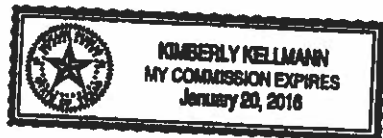
Conoco Phillips Company

By: [Signature]  
Printed Name: Thomas J. Atkins  
Title: Attorney-in-Fact

ACKNOWLEDGEMENT

STATE OF Texas §  
§  
COUNTY OF Harris §

This instrument was acknowledged before me on June 8<sup>th</sup>, 2015, by  
Thomas J. Atkins, as Attorney-in-Fact, on behalf of  
Conoco Phillips Company, a Delaware Corporation.



K. Kellmann  
Notary Public in and for the State of Texas



Federal/Federal

RECORD TITLE OWNER (NMNM-0107697) /  
OPERATING RIGHTS OWNER (NMNM-0107697):

Devon Energy Production Company, LP

By:   
Printed Name: John D. Raines  
Title: Vice President

*MM*  
*a*

ACKNOWLEDGEMENT

STATE OF Oklahoma §  
§  
COUNTY OF Oklahoma §

This instrument was acknowledged before me on June 24, 2015, by  
John D. Raines, as Vice President, on behalf of  
Devon Energy Production Company, LP, a \_\_\_\_\_.



  
Notary Public in and for the State of Oklahoma

Federal Federal

OPERATING RIGHTS OWNER (NMNM-0107697):

McVay Drilling Company

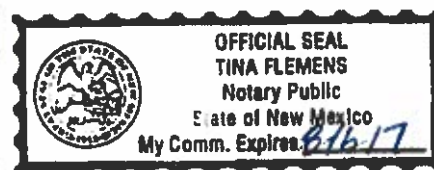
By: [Signature]  
Printed Name: Mike McVay  
Title: President

ACKNOWLEDGEMENT

STATE OF NM §  
COUNTY OF Lea §

This instrument was acknowledged before me on April 20th, 2015, by  
Mike McVay as President on behalf of  
McVay Drilling Company, a Oklahoma Corporation.

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



Federal/Federal

OPERATING RIGHTS OWNER (NMNM-0107697):

Moutray Properties, LLC

By: [Signature]  
Printed Name: Gil Moutray  
Title: Manager

ACKNOWLEDGEMENT

STATE OF NM §  
COUNTY OF Eddy §

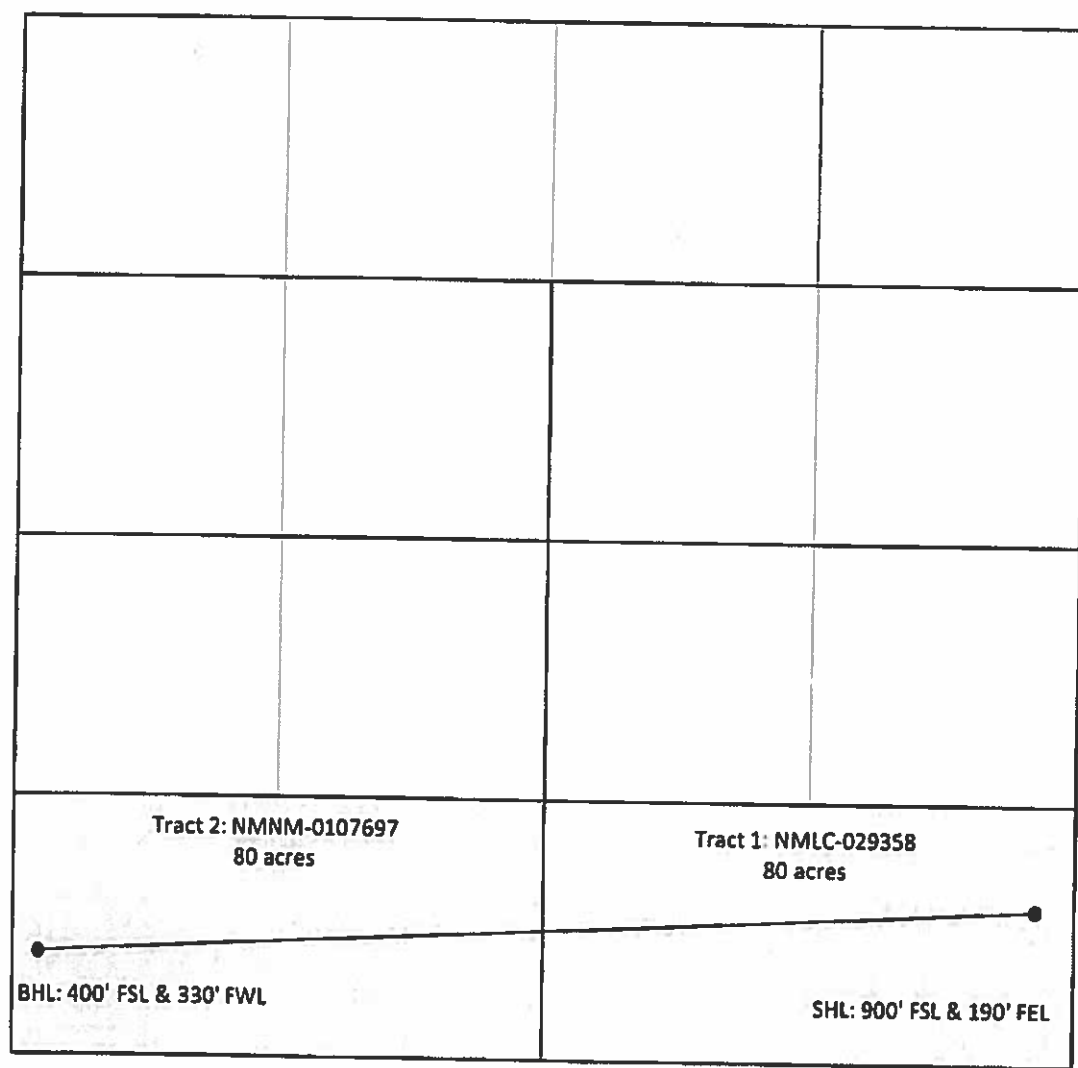
This instrument was acknowledged before me on May 18, 2015, by  
Gil Moutray, as Manager, on behalf of  
Moutray Properties, LLC, a \_\_\_\_\_.

[Signature]  
Notary Public in and for the State of NM  
OFFICIAL SEAL  
Barbara Gwynne  
NOTARY PUBLIC-STATE OF NEW MEXICO  
My commission expires 4-23-17

Federal/Federal

**EXHIBIT "A"**  
**Plat of communitized area covering S/2 S/2 of Section 24, T19S, R31E,**  
**N.M.P.M., Eddy County, New Mexico**

**Screwdriver 24 Federal Com #2H**



Screwdriver 24 Federal Com #2H



Federal/Federal

## EXHIBIT "B"

Attached to and made a part of that Communitization Agreement dated February 1, 2015  
covering S/2 S/2 of Section 24, T-19S, R-31E, N.M.P.M., Eddy County, New Mexico.

Operator of Communitized Area: COG Operating LLC

## DESCRIPTION OF LEASES COMMITTED:

Tract No. 1

|                                |  |                   |            |                      |                  |  |             |
|--------------------------------|--|-------------------|------------|----------------------|------------------|--|-------------|
| Lease Serial Number:           | NMLC-029358  |                   |            |                      |                  |  |             |
| Lease Date:                    | January 1, 1940  |                   |            |                      |                  |  |             |
| Lease Term:                    | Five (5) Years   |                   |            |                      |                  |  |             |
| Lessor:                        | United States of America   |                   |            |                      |                  |  |             |
| Lessee:                        | Charles E. Jones   |                   |            |                      |                  |  |             |
| Description of Land Committed: | Insofar only as said lease covers:<br><u>Township 19 South, Range 31 East</u><br>Section 24: S/2 SE/4<br>Eddy County, New Mexico   |                   |            |                      |                  |  |             |
| Number of Acres:               | 80   |                   |            |                      |                  |  |             |
| Royalty Rate:                  | Subject to sliding scale royalty between 12.5% and 32%   |                   |            |                      |                  |  |             |
| WI Owner Names and Interests:  | <table border="0"> <tr> <td>COG Operating LLC</td> <td>95.000000%</td> </tr> <tr> <td>Concho Oil &amp; Gas LLC</td> <td><u>5.000000%</u></td> </tr> <tr> <td></td> <td>100.000000%</td> </tr> </table> | COG Operating LLC | 95.000000% | Concho Oil & Gas LLC | <u>5.000000%</u> |  | 100.000000% |
| COG Operating LLC              | 95.000000%   |                   |            |                      |                  |  |             |
| Concho Oil & Gas LLC           | <u>5.000000%</u>   |                   |            |                      |                  |  |             |
|                                | 100.000000%  |                   |            |                      |                  |  |             |
| ORRI Owners:                   | Of Record  |                   |            |                      |                  |  |             |

Tract No. 2

|                                     |  |                   |            |                      |           |                                     |            |                          |            |                        |                  |  |             |
|-------------------------------------|--|-------------------|------------|----------------------|-----------|-------------------------------------|------------|--------------------------|------------|------------------------|------------------|--|-------------|
| Lease Serial Number:                | NMNM-0107697, segregated out of NMLC-029358  |                   |            |                      |           |                                     |            |                          |            |                        |                  |  |             |
| Lease Date:                         | January 1, 1940  |                   |            |                      |           |                                     |            |                          |            |                        |                  |  |             |
| Lease Term:                         | Five (5) Years   |                   |            |                      |           |                                     |            |                          |            |                        |                  |  |             |
| Lessor:                             | United States of America   |                   |            |                      |           |                                     |            |                          |            |                        |                  |  |             |
| Lessee:                             | Charles E. Jones   |                   |            |                      |           |                                     |            |                          |            |                        |                  |  |             |
| Description of Land Committed:      | Insofar only as said lease covers:<br><u>Township 19 South, Range 31 East</u><br>Section 24: S/2 SW/4<br>Eddy County, New Mexico   |                   |            |                      |           |                                     |            |                          |            |                        |                  |  |             |
| Number of Acres:                    | 80   |                   |            |                      |           |                                     |            |                          |            |                        |                  |  |             |
| Royalty Rate:                       | 12.5%  |                   |            |                      |           |                                     |            |                          |            |                        |                  |  |             |
| WI Owner Names and Interests:       | <table border="0"> <tr> <td>COG Operating LLC</td> <td>16.625000%</td> </tr> <tr> <td>Concho Oil &amp; Gas LLC</td> <td>0.875000%</td> </tr> <tr> <td>Devon Energy Production Company, LP</td> <td>70.000000%</td> </tr> <tr> <td>*Moutray Properties, LLC</td> <td>10.000000%</td> </tr> <tr> <td>McVay Drilling Company</td> <td><u>2.500000%</u></td> </tr> <tr> <td></td> <td>100.000000%</td> </tr> </table> <p>*Subject to Farmout Agreement dated January 27, 2015 by and between COG Operating LLC and Moutray Properties, LLC</p> | COG Operating LLC | 16.625000% | Concho Oil & Gas LLC | 0.875000% | Devon Energy Production Company, LP | 70.000000% | *Moutray Properties, LLC | 10.000000% | McVay Drilling Company | <u>2.500000%</u> |  | 100.000000% |
| COG Operating LLC                   | 16.625000%   |                   |            |                      |           |                                     |            |                          |            |                        |                  |  |             |
| Concho Oil & Gas LLC                | 0.875000%  |                   |            |                      |           |                                     |            |                          |            |                        |                  |  |             |
| Devon Energy Production Company, LP | 70.000000%   |                   |            |                      |           |                                     |            |                          |            |                        |                  |  |             |
| *Moutray Properties, LLC            | 10.000000%   |                   |            |                      |           |                                     |            |                          |            |                        |                  |  |             |
| McVay Drilling Company              | <u>2.500000%</u>   |                   |            |                      |           |                                     |            |                          |            |                        |                  |  |             |
|                                     | 100.000000%  |                   |            |                      |           |                                     |            |                          |            |                        |                  |  |             |
| ORRI Owners:                        | Of Record  |                   |            |                      |           |                                     |            |                          |            |                        |                  |  |             |

Screwdriver 24 Federal Com #2H

Federal/Federal

RECAPITULATION

| Tract No. | No. of Acres Committed | Percentage of Interest in Communitized Area |
|-----------|------------------------|---|
| 1         | 80.00                  | 50.00%                                      |
| 2         | 80.00                  | 50.00%                                      |
| Total     | 160.00                 | 100.00%                                     |

RECEPTION NO: 1511249 STATE OF  
 NEW MEXICO, COUNTY OF EDDY  
 RECORDED 10/19/2015 9:33 AM  
 BOOK 1043 PAGE 0161 *msnr*  
 ROBIN VANNATTA, COUNTY CLERK



Screwdriver 24 Federal Com #2H

13

**From:** [Engineer, OCD, EMNRD](#)  
**To:** [Barron, Jeanette](#)  
**Cc:** [McClure, Dean, EMNRD](#); [Simmons, Kurt, EMNRD](#); [Bratcher, Mike, EMNRD](#); [Hawkins, James, EMNRD](#); [Powell, Brandon, EMNRD](#); [lisa@rwbyram.com](mailto:lisa@rwbyram.com); [Glover, James](#); [Paradis, Kyle O](#); [Walls, Christopher](#)  
**Subject:** Approved Administrative Order OLM-249  
**Date:** Wednesday, August 18, 2021 1:08:12 PM  
**Attachments:** [OLM249 Order.pdf](#)

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NMOCD has issued Administrative Order OLM-249 which authorizes COG Operating, LLC (229137) to surface commingle or off-lease measure, as applicable, the following wells:

| Well API     | Well Name                      | UL or Q/Q | S-T-R      | Pool Code |
|--------------|--------------------------------|-----------|------------|-----------|
| 30-015-42914 | Screwdriver 24 Federal Com #2H | S/2 S/2   | 24-19S-31E | 41480     |

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. If you have any questions regarding this matter, please contact me.

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

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## Notice

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Order: **OLM-249**  
Operator: **COG Operating, LLC (229137)**  
Publication Date:  
Submittal Date: **6/1/2021**

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### Noticed Persons

| Date     | Person                               | Certified Tracking Number | Status    |
|----------|--------------------------------------|---------------------------|-----------|
| 6/4/2021 | Devon Energy Production Company, L.P | 7017 3040 0000 1205 1807  | Delivered |
| 6/3/2021 | McVay Drilling Company               | 7017 3040 0000 1205 1814  | Delivered |
| 6/3/2021 | BLM                                  | 7017 3040 0000 1205 1791  | 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-249**

**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 store and measure oil and gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery described 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, except as otherwise provided in order(s) issued by OCD.
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 of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL  
DIRECTOR**

**DATE:** 8/12/2021

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit A

Order: **OLM-249**  
 Operator: **COG Operating, LLC (229137)**  
 Central Tank Battery: **Screwdriver 24 Federal Com 2H**  
 Central Tank Battery Location: **Unit P, Section 24, Township 19 South, Range 31 East**  
 Central Tank Battery: **Red Hills Offload Station**  
 Central Tank Battery Location: **Unit O, Section 4, Township 26 South, Range 32 East**  
 Central Tank Battery: **Jal Offload Station**  
 Central Tank Battery Location: **Unit D, Section 4, Township 26 South, Range 37 East**  
 Gas Title Transfer Meter Location:

### Pools

| Pool Name                      | Pool Code    |
|--------------------------------|--------------|
| <b>LUSK; BONE SPRING, WEST</b> | <b>41480</b> |

### Leases as defined in 19.15.12.7(C) NMAC

| Lease                             | UL or Q/Q      | S-T-R             |
|-----------------------------------|----------------|-------------------|
| <b>CA Bone Spring NMNM 135103</b> | <b>S/2 S/2</b> | <b>24-19S-31E</b> |

### Wells

| Well API            | Well Name                             | UL or Q/Q      | S-T-R             | Pool         |
|---------------------|---------------------------------------|----------------|-------------------|--------------|
| <b>30-015-42914</b> | <b>Screwdriver 24 Federal Com #2H</b> | <b>S/2 S/2</b> | <b>24-19S-31E</b> | <b>41480</b> |

**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 30243

**CONDITIONS**

|   |   |
|---|---|
| Operator:<br>COG OPERATING LLC<br>600 W Illinois Ave<br>Midland, TX 79701 | OGRID:<br>229137  |
|   | Action Number:<br>30243   |
|   | Action Type:<br>[C-107] Surface Commingle or Off-Lease (C-107B) |

**CONDITIONS**

| Created By | Condition  | Condition Date |
|------------|--|----------------|
| dmcclure   | Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me. | 8/18/2021      |