



ConocoPhillips
2208 West Main Street
Artesia, New Mexico 88210
www.conocophillips.com

September 20, 2021

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

Re: Application for Administrative Approval of Lease Commingle (CTB)

Dear Mr. McClure,

COG Operating LLC respectfully requests approval for lease commingling for the following wells:

Scout State Com 601H
API# 30-015-46955
Purple Sage; Wolfcamp (Gas)
Ut. A, Sec. 6-T25S-R28E
Eddy County, NM

Scout State Com 602H
API# 30-015-46956
Purple Sage; Wolfcamp (Gas)
Ut. A, Sec. 6-T25S-R28E
Eddy County, NM

Scout State Com 603H
API# 30-015-46957
Purple Sage; Wolfcamp (Gas)
Ut. C, Sec. 6-T25S-R28E
Eddy County, NM

Scout State Com 604H
API# 30-015-46958
Purple Sage; Wolfcamp (Gas)
Ut. C, Sec. 6-T25S-R28E
Eddy County, NM

Scout State Com 605H
API# 30-015-46959
Purple Sage; Wolfcamp (Gas)
Ut. D, Sec. 6-T25S-R28E
Eddy County, NM

Scout State Com 606H
API# 30-015-46960
Purple Sage; Wolfcamp (Gas)
Ut. D, Sec. 6-T25S-R28E
Eddy County, NM

Oil Production:

The oil production from all wells will be measured separately by allocation meter prior to being commingled at the Central Tank Battery located in Ut. C, Sec. 6-T25S-R28E. In the event the CTB is over capacity or in the case of battery or pipeline repairs 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 this case, the oil will remain segregated and will be measured by lact meter when offloading at said stations.

Gas Production:

The gas production from all wells will be measured separately by allocation meter prior to being commingled and entering a gas flow line to the gas custody transfer meter at the Central Tank Battery located in Ut. C, Sec. 6-T25S-R28E.

All owners of interest have been notified by certified mail that should they have an objection to this surface commingling, they must file a formal protest with the NMOCD within 20 days of the date of this application. Proof of owner notification and copy of Public Notice is enclosed.

Please see the enclosed Administrative Application Checklist, C-107B Application for Surface Commingling, 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.

Sincerely,

A handwritten signature in black ink that reads "Jeanette Barron". The signature is written in a cursive, flowing style.

Jeanette Barron
Regulatory Coordinator

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: Scout State Com 601H (And five other wells please see attached)	API: 30-015-46955
Pool: Purple Sage; Wolfcamp (Gas)	Pool Code: 98220

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

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

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

FOR OCD ONLY	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	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

Signature

9/20/21

Date

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 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. 98220 Purple Sage; Wolfcamp (Gas)
(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 Coordinator DATE: 9/20/21

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) 393-9720

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

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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 30-015-46955	2 Pool Code 98220	3 Pool Name Purple Sage: Wolfcamp (Gas)
4 Property Code 327858	5 Property Name SCOUT STATE COM	6 Well Number 601H
7 OGRID No. 229137	8 Operator Name COG OPERATING LLC	9 Elevation 3050'

" 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	6	25-S	28-E		280'	NORTH	876'	EAST	EDDY

" Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	18	25-S	28-E		200'	SOUTH	440'	EAST	EDDY

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
960			

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>17 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 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.</p> <p><i>Jeanette Barron</i> 9/20/21 Signature Date</p> <p>Jeanette Barron Printed Name</p> <p>jeanette.barron@conocophillips.com E-mail Address</p>
	<p>18 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>Date of Survey Signature and Seal of Professional Surveyor</p> <p><i>PA GARRETT J. SMELKER</i> 25036 03/12/2020 PROFESSIONAL SURVEYOR</p> <p>Certificate Number</p>
	<p>SURFACE HOLE LOCATION (SHL) NEW MEXICO EAST - NAD 83 X=607022.45 LAT.= 32.16575165° N Y=424100.26 LONG.= 104.12105568° W 280' FNL, 876' FEL - SECTION 6</p>
	<p>FIRST TAKE POINT (FTP) NEW MEXICO EAST - NAD 83 X=607457.66 LAT.= 32.16560920° N Y=424049.30 LONG.= 104.11964953° W 330' FNL, 440' FEL - SECTION 6</p>
<p>LAST TAKE POINT (LTP) NEW MEXICO EAST - NAD 83 X=607534.49 LAT.= 32.12339068° N Y=408691.24 LONG.= 104.11949979° W 330' FSL, 440' FEL - SECTION 18</p>	
<p>BOTTOM HOLE LOCATION (BHL) NEW MEXICO EAST - NAD 83 X=607535.98 LAT.= 32.12303318° N Y=408561.19 LONG.= 104.11949581° W 200' FSL, 440' FEL - SECTION 18</p>	

District I
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-015-46956		2 Pool Code 98220		3 Pool Name Purple Sage; Wolfcamp (Gas)	
4 Property Code 327858		5 Property Name SCOUT STATE COM			6 Well Number 602H
7 OGRID No. 229137		8 Operator Name COG OPERATING LLC			9 Elevation 3050'

" 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	6	25-S	28-E		280'	NORTH	906'	EAST	EDDY

" Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	18	25-S	28-E		200'	SOUTH	1342'	EAST	EDDY

12 Dedicated Acres 960	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>16</p> <p>N(83):424378.59' E(83):605239.18'</p> <p>N(83):424386.67' E(83):602546.90'</p> <p>N(83):421727.34' E(83):602552.30'</p> <p>N(83):419046.69' E(83):605214.02'</p> <p>N(83):418070.06' E(83):602556.63'</p> <p>N(83):416413.34' E(83):602578.91'</p> <p>N(83):413757.84' E(83):602569.83'</p> <p>N(83):411101.80' E(83):602599.35'</p> <p>N(83):408397.42' E(83):605300.46'</p> <p>N(83):424378.35' E(83):607900.94'</p> <p>N(83):421701.41' E(83):607874.42'</p> <p>N(83):419036.15' E(83):607868.84'</p> <p>N(83):416404.62' E(83):607863.33'</p> <p>N(83):413773.61' E(83):607917.56'</p> <p>N(83):411065.60' E(83):607947.35'</p> <p>N(83):408354.00' E(83):607878.38'</p>	<p>17 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 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.</p> <p><i>Jeanette Barron</i> 9/20/21 Signature Date</p> <p>Jeanette Barron Printed Name</p> <p>jeanette.barron@conocophillips.com E-mail Address</p>	
	<p>SURFACE HOLE LOCATION (SHL) NEW MEXICO EAST - NAD 83 X=606992.47 LAT.= 32.16575198° N Y=424100.32 LONG.= 104.12115256° W 280' FNL, 906' FEL - SECTION 6</p>	<p>FIRST TAKE POINT (FTP) NEW MEXICO EAST - NAD 83 X=606555.63 LAT.= 32.16561941° N Y=424051.23 LONG.= 104.12256462° W 330' FNL, 1342' FEL - SECTION 6</p>	<p>18 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>Date of Survey _____ Signature and Seal of Professional Surveyor _____</p> <p>25036 03/12/2020 PROFESSIONAL SURVEYOR</p> <p>Certificate Number _____</p>
	<p>LAST TAKE POINT (LTP) NEW MEXICO EAST - NAD 83 X=606633.75 LAT.= 32.12307828° N Y=408575.82 LONG.= 104.12241012° W 330' FSL, 1342' FEL - SECTION 18</p>	<p>BOTTOM HOLE LOCATION (BHL) NEW MEXICO EAST - NAD 83 X=606633.75 LAT.= 32.12307828° N Y=408575.82 LONG.= 104.12241012° W 200' FSL, 1342' FEL - SECTION 18</p>	
	<p>CALCULATED CORNER</p>	<p>LTP BHL</p>	

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Revised August 1, 2011
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-015-46957		2 Pool Code 98220		3 Pool Name Purple Sage; Wolfcamp (Gas)	
4 Property Code 327858		5 Property Name SCOUT STATE COM			6 Well Number 603H
7 OGRID No. 229137		8 Operator Name COG OPERATING LLC			9 Elevation 3056'

" Surface Location

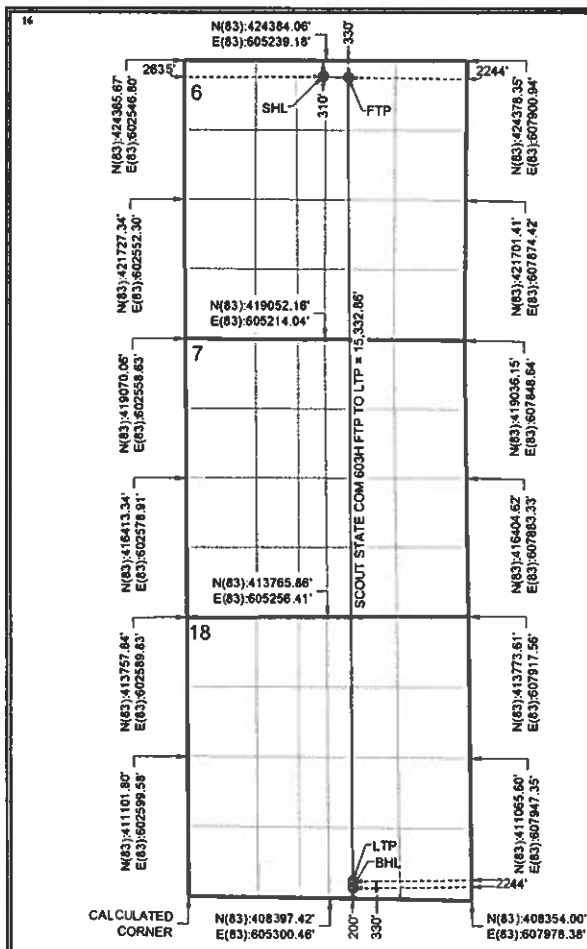
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	6	25-S	28-E		310'	NORTH	2635'	WEST	EDDY

" Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	18	25-S	28-E		200'	SOUTH	2244'	EAST	EDDY

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
960			

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.



SURFACE HOLE LOCATION (SHL)
NEW MEXICO EAST - NAD 83
X=605182.42 LAT.= 32 16568944" N
Y=424074.05 LONG.= 104.12700233" W
310' FTL, 2635' FWL - SECTION 6

FIRST TAKE POINT (FTP)
NEW MEXICO EAST - NAD 83
X=605653.61 LAT.= 32 16562955" N
Y=424053.17 LONG.= 104.12547971" W
330' FSL, 2244' FEL - SECTION 6

LAST TAKE POINT (LTP)
NEW MEXICO EAST - NAD 83
X=605730.04 LAT.= 32 12348080" N
Y=408720.49 LONG.= 104.12532842" W
330' FSL, 2244' FEL - SECTION 18

BOTTOM HOLE LOCATION (BHL)
NEW MEXICO EAST - NAD 83
X=605731.53 LAT.= 32 12312332" N
Y=408590.45 LONG.= 104.12532443" W
200' FSL, 2244' FEL - SECTION 18

17 OPERATOR CERTIFICATION

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.

Jeanette Barron 9/20/21
Signature Date

Jeanette Barron
Printed Name

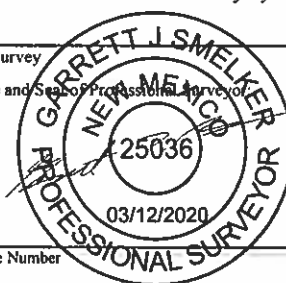
jeanette.barron@conocophillips.com
E-mail Address

" SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey

Signature and Seal of Professional Surveyor



Certificate Number

District I

1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II

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☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1 API Number 30-015-46958		2 Pool Code 98220		3 Pool Name Purple Sage; Wolfcamp (Gas)	
4 Property Code 327858		5 Property Name SCOUT STATE COM			6 Well Number 604H
7 OGRID No. 229137		8 Operator Name COG OPERATING LLC			9 Elevation 3056'

" Surface Location

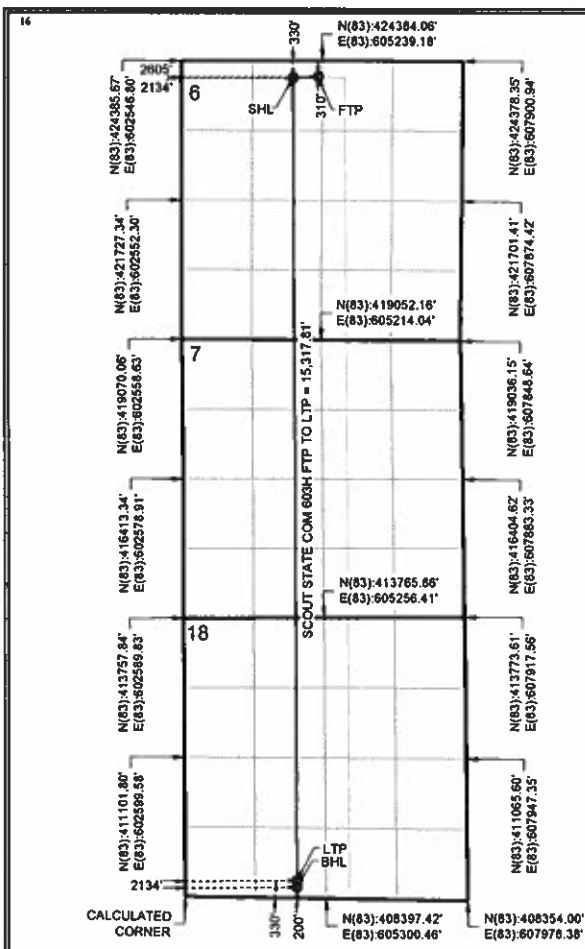
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	6	25-S	28-E		310'	NORTH	2605'	WEST	EDDY

" Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	18	25-S	28-E		200'	SOUTH	2134'	WEST	EDDY

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
960			

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.



SURFACE HOLE LOCATION (SHL)
NEW MEXICO EAST - NAD 83
X=605152.36 LAT.= 32.16568979° N
Y=424074.12 LONG.= 104.12709949° W
310' FNL, 2605' FWL - SECTION 6

FIRST TAKE POINT (FTP)
NEW MEXICO EAST - NAD 83
X=604681.49 LAT.= 32.16563804° N
Y=424054.39 LONG.= 104.12862133° W
330' FNL, 2134' FWL - SECTION 6

LAST TAKE POINT (LTP)
NEW MEXICO EAST - NAD 83
X=604745.87 LAT.= 32.12353058° N
Y=408736.72 LONG.= 104.12850742° W
330' FSL, 2134' FWL - SECTION 18

BOTTOM HOLE LOCATION (BHL)
NEW MEXICO EAST - NAD 83
X=604746.55 LAT.= 32.12317313° N
Y=408606.69 LONG.= 104.12850604° W
200' FSL, 2134' FWL - SECTION 18

17 OPERATOR CERTIFICATION

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.

Jeanette Barron 9/20/21
Signature Date

Jeanette Barron
Printed Name

jeanette.barron@conocophillips.com

E-mail Address

" SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey

Signature and Seal of Professional Surveyor

Garrett J. Smelter
25036

03/12/2020

Certificate Number

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WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-015-46959		2 Pool Code 98220	3 Pool Name Purple Sage; Wolfcamp (Gas)
4 Property Code 327858	5 Property Name SCOUT STATE COM		6 Well Number 605H
7 OGRID No. 229137	8 Operator Name COG OPERATING LLC		9 Elevation 3064'

" Surface Location

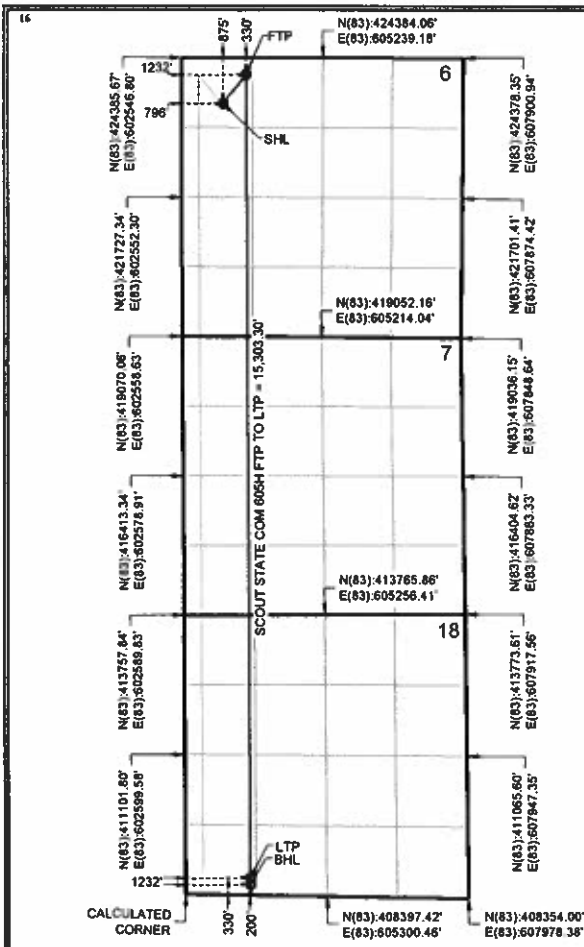
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	6	25-S	28-E		875'	NORTH	796'	WEST	EDDY

" Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	18	25-S	28-E		200'	SOUTH	1232'	WEST	EDDY

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
960			

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.



SURFACE HOLE LOCATION (SHL)
NEW MEXICO EAST - NAD 83
X=603344.62 LAT.= 32.16414911° N
Y=423510.24 LONG.= 104.13294502° W
875' FNL, 796' FWL - SECTION 6

FIRST TAKE POINT (FTP)
NEW MEXICO EAST - NAD 83
X=603779.49 LAT.= 32.16584421° N
Y=424054.93 LONG.= 104.13153636° W
330' FNL, 1232' FWL - SECTION 6

LAST TAKE POINT (LTP)
NEW MEXICO EAST - NAD 83
X=603843.78 LAT.= 32.12357664° N
Y=408821.74 LONG.= 104.13141991° W
330' FSL, 1232' FWL - SECTION 18

BOTTOM HOLE LOCATION (BHL)
NEW MEXICO EAST - NAD 83
X=603844.46 LAT.= 32.12321820° N
Y=408821.74 LONG.= 104.13141991° W
200' FSL, 1232' FWL - SECTION 18

17 OPERATOR CERTIFICATION

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.

Jeanette Barron 9/20/21
Signature Date

Jeanette Barron
Printed Name

jeanette.barron@conocophillips.com

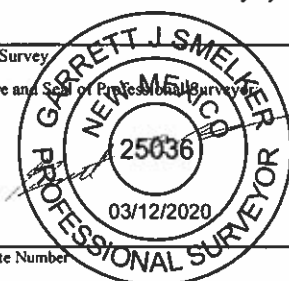
E-mail Address

" SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey

Signature and Seal of Professional Surveyor



Certificate Number

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**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1 API Number 30-015-46960		2 Pool Code 98220	3 Pool Name Purple Sage; Wolfcamp (Gas)
4 Property Code 327858	5 Property Name SCOUT STATE COM		6 Well Number 606H
7 OGRID No. 229137	8 Operator Name COG OPERATING LLC		9 Elevation 3064'

*** Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	6	25-S	28-E		875'	NORTH	766'	WEST	EDDY

" Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	18	25-S	28-E		200'	SOUTH	330'	WEST	EDDY

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
960			

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.

SURFACE HOLE LOCATION (SHL)
NEW MEXICO EAST - NAD 83
X=603314.63 LAT = 32.16414946° N
Y=423510.30 LONG = 104.13304194° W
875' FNL, 766' FWL - SECTION 6

FIRST TAKE POINT (FTP)
NEW MEXICO EAST - NAD 83
X=602877.49 LAT = 32.16585031° N
Y=424055.47 LONG = 104.13445139° W
330' FNL, 330' FWL - SECTION 6

LAST TAKE POINT (LTP)
NEW MEXICO EAST - NAD 83
X=602941.69 LAT = 32.12362264° N
Y=408766.83 LONG = 104.13433519° W
330' FSL, 330' FWL - SECTION 18

BOTTOM HOLE LOCATION (BHL)
NEW MEXICO EAST - NAD 83
X=602942.37 LAT = 32.1236519° N
Y=408636.80 LONG = 104.13433379° W
200' FSL, 330' FWL - SECTION 18

17 OPERATOR CERTIFICATION
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.

Jeanette Barron 9/20/21
Signature Date

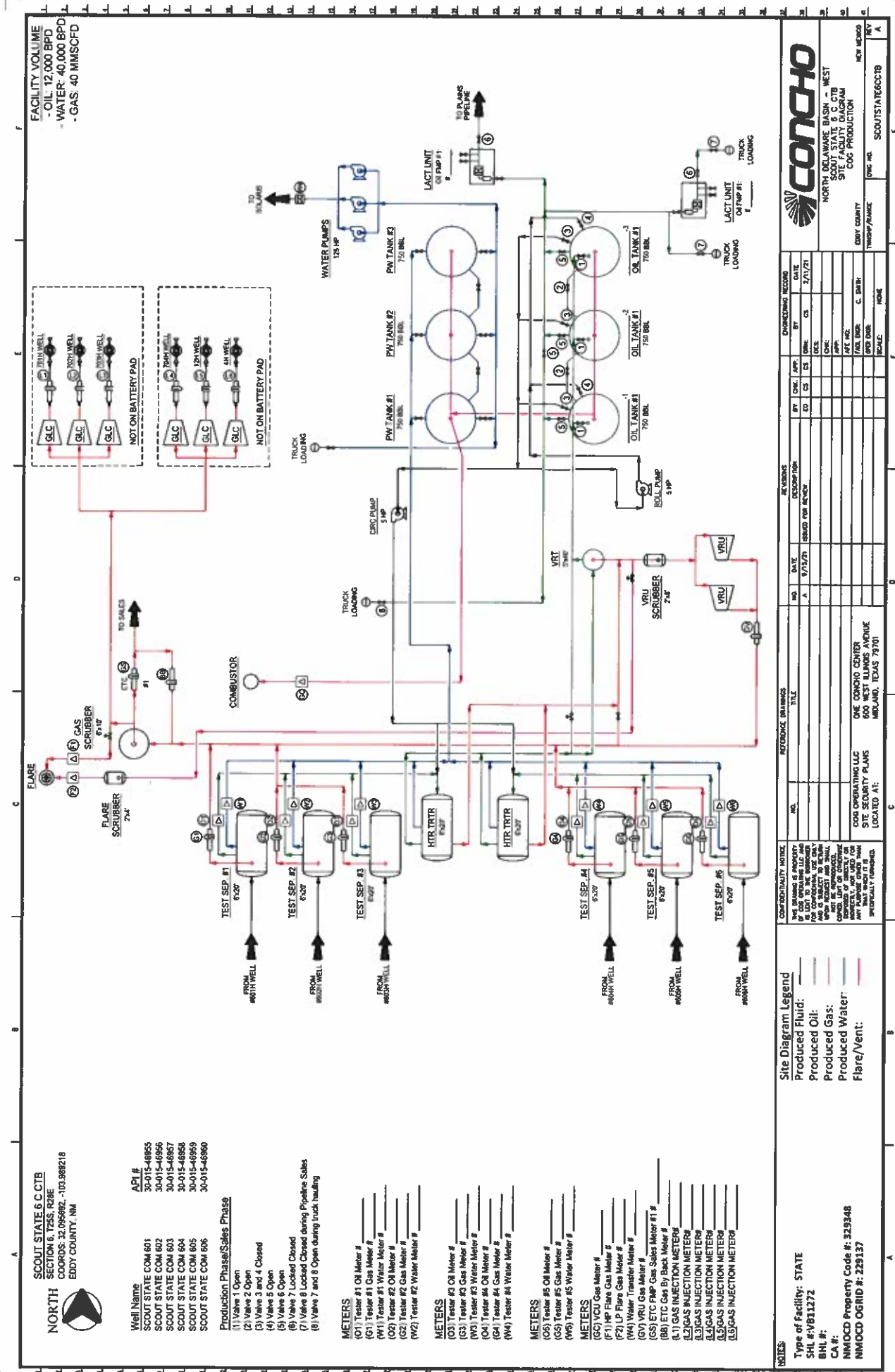
Jeanette Barron
Printed Name

jeanette.barron@conocophillips.com
E-mail Address

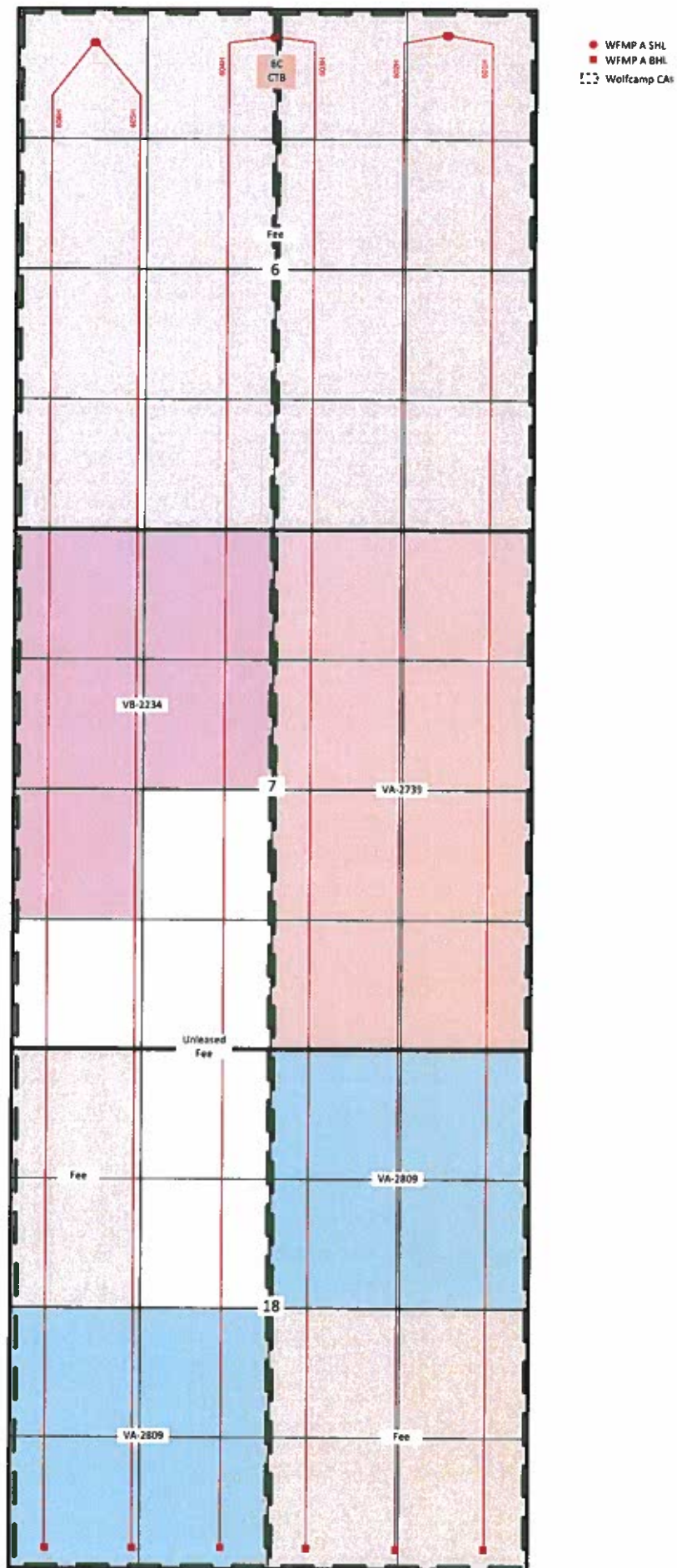
" SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey _____
Signature and Seal of Professional Surveyor _____

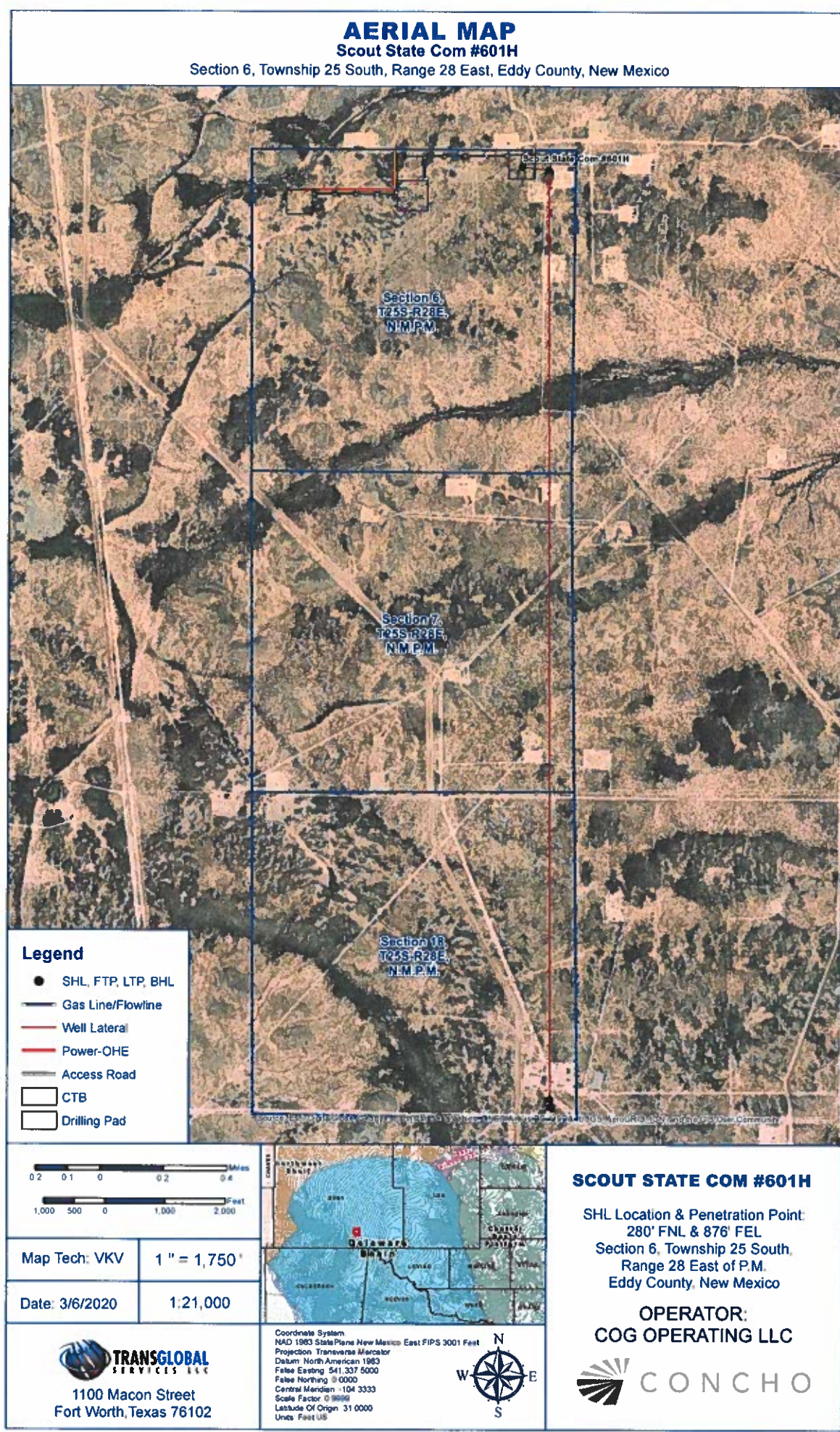
Certificate Number _____

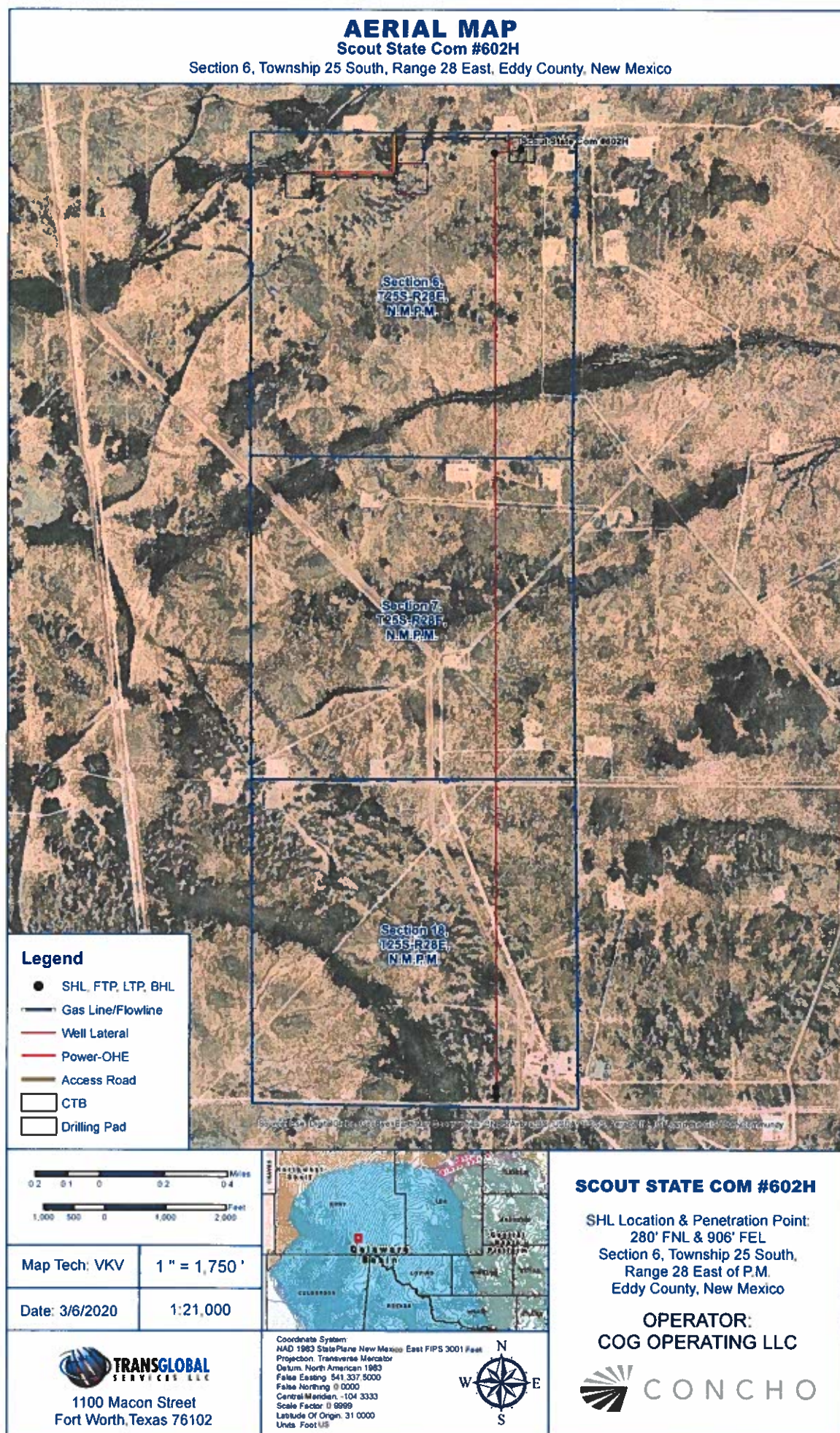


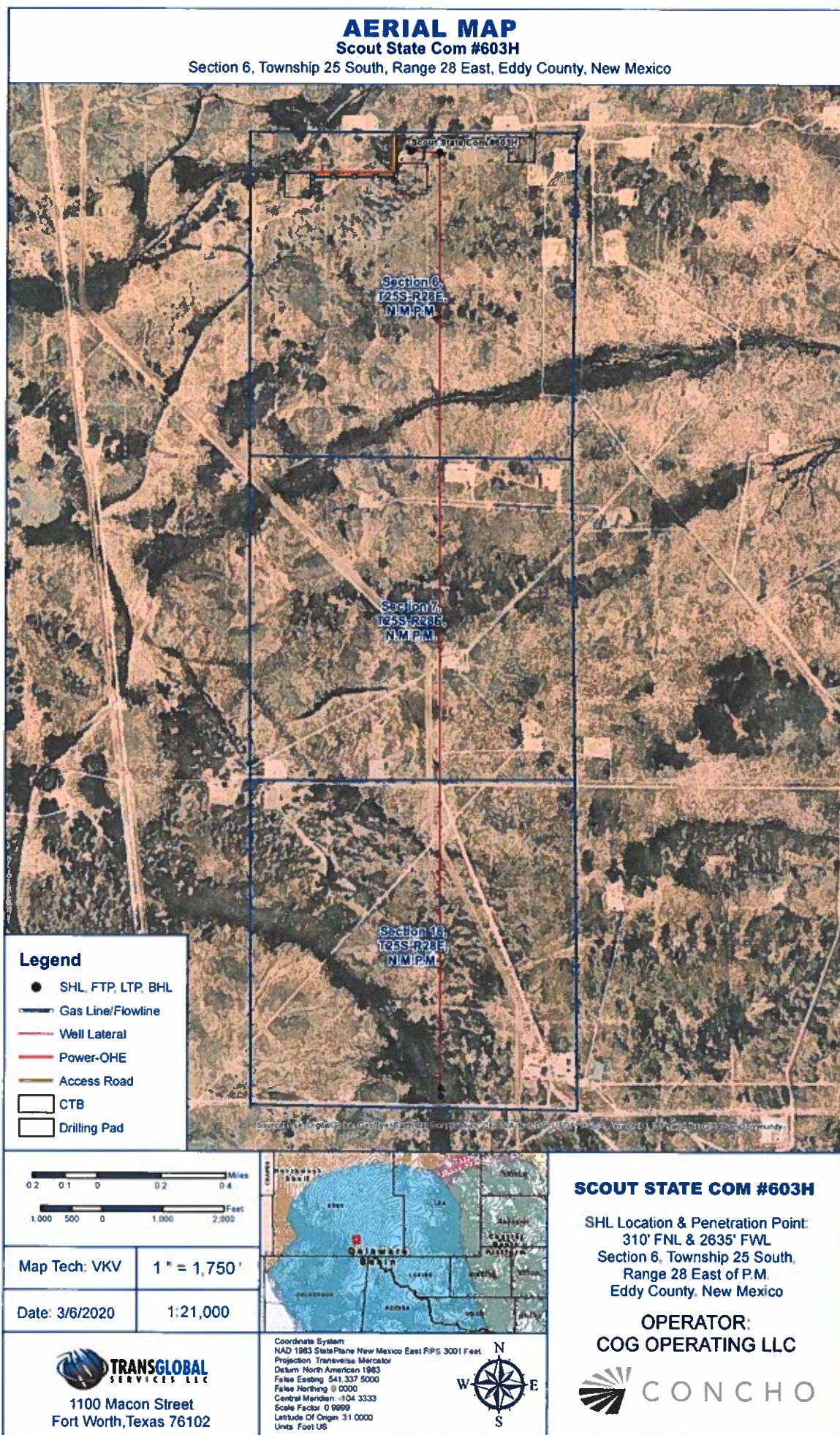
Scout State Com Wells

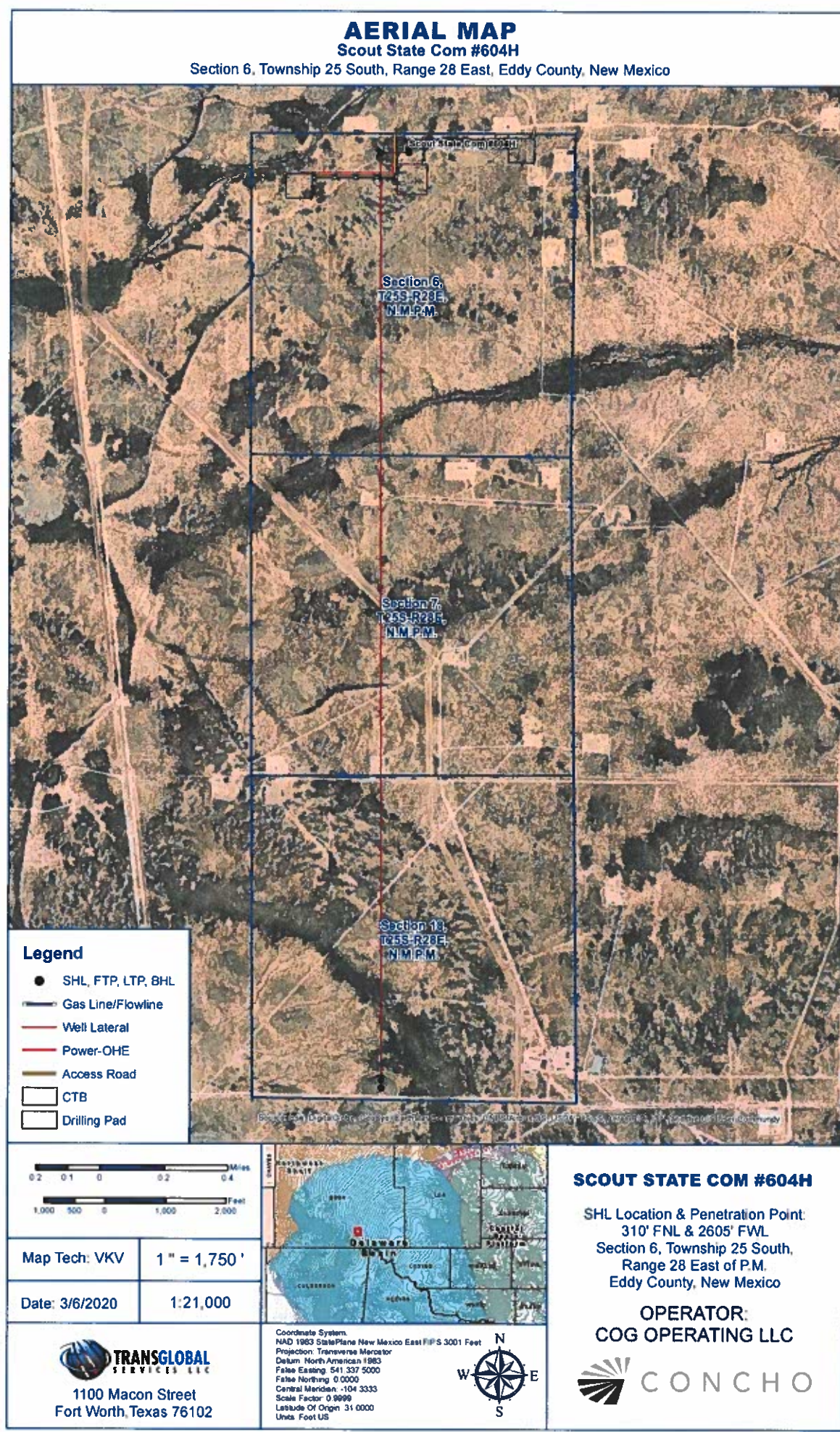


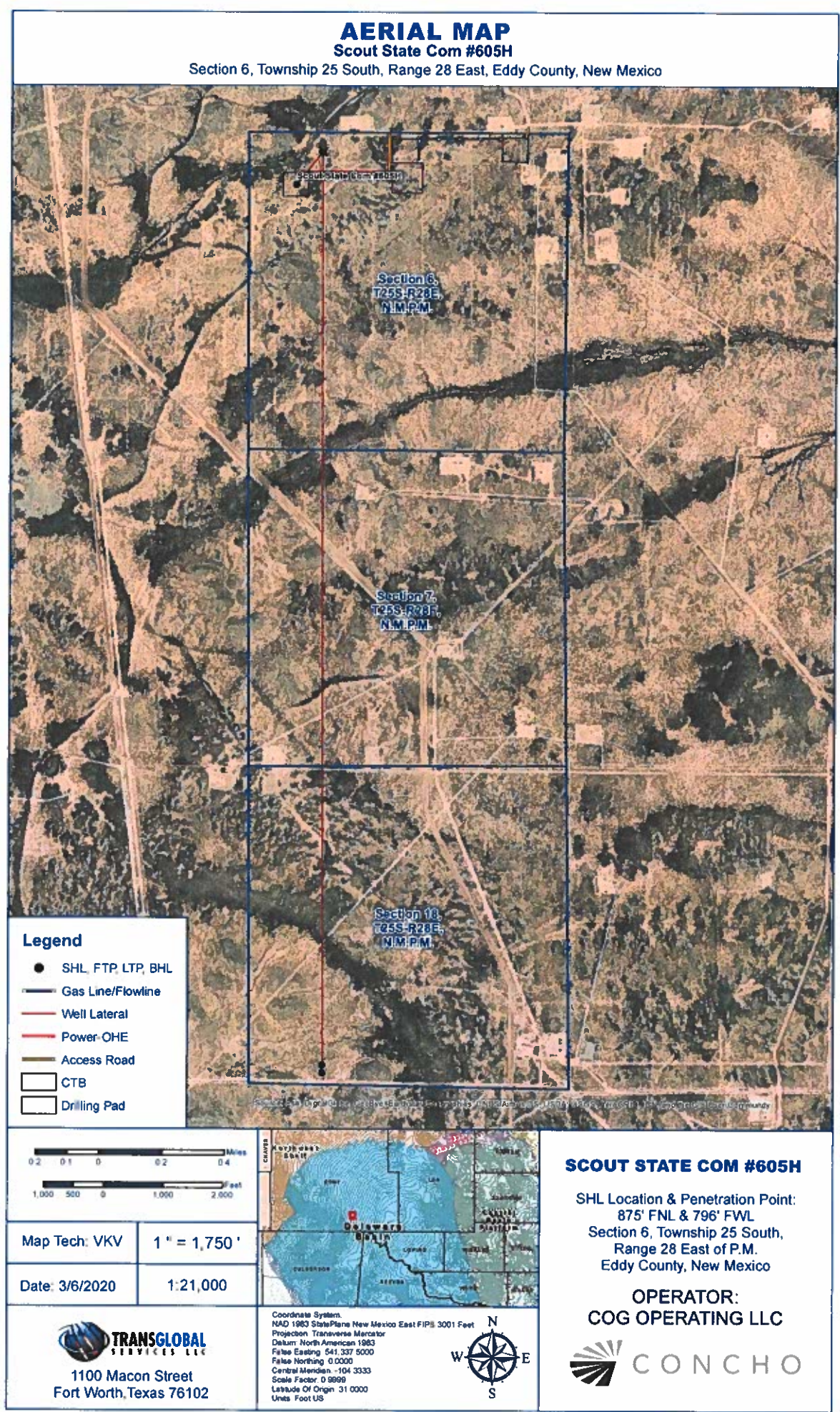
Sec. 6, 7, 18-T255-R28E
Eddy County, NM

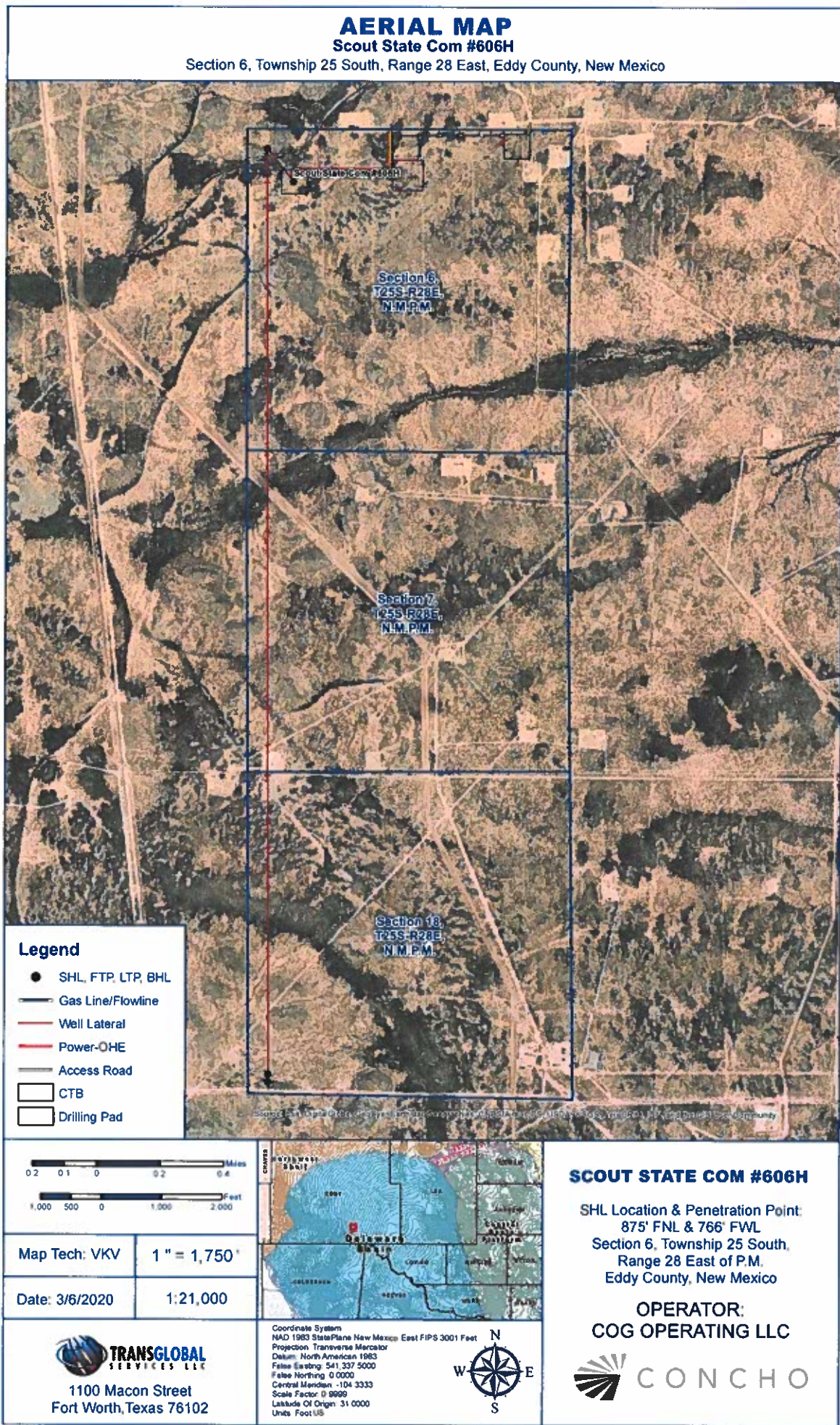






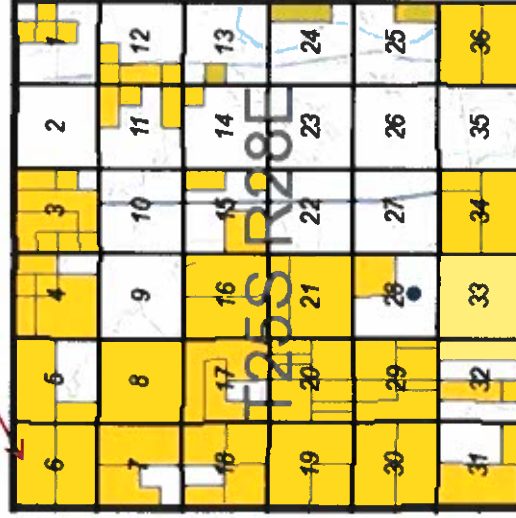




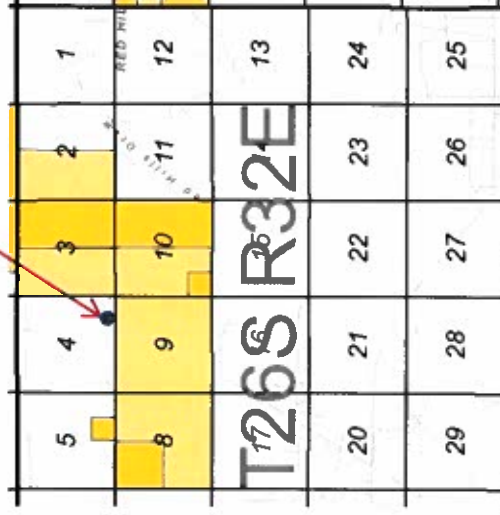


Scout St Com 601H-606H & Red Hills and Jal Offload Station Map

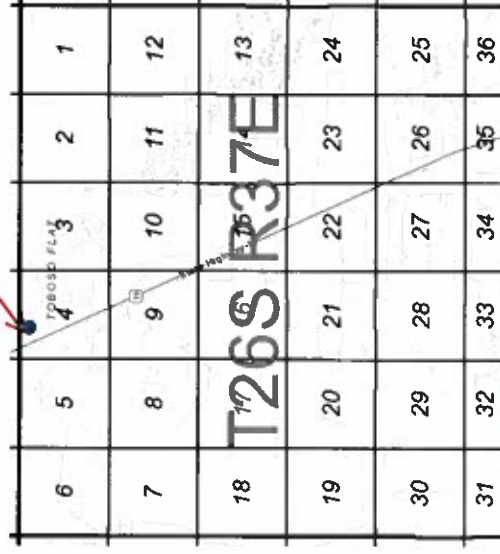
Scout St Com 601H-606H
Eddy County, NM



Red Hills Offload Station
Lea County, NM



Jal Offload Station
Lea County, NM



ARTESIA DAILY PRESS**LEGAL NOTICES**

COG Operating LLC (COG), 2208 West Main Street, Artesia, New Mexico, 88210, is seeking administrative approval from the New Mexico Oil Conservation Division to commingle the oil and gas production from the Scout State Com 601H-606H wells. Said wells are located in Section 6, Township 25 South, Range 28 East, Eddy County, New Mexico. The Central Tank Battery (CTB) where production will be commingled is located in Ut C, Section 6-T25S-R28E, Eddy County, New Mexico. In the event oil production at the CTB is over capacity or in the case of battery or pipeline repairs, COG is also seeking administrative approval for off-lease measurement at either the Red Hills Off-load Station in Unit O, Section 4-T26S-R32E or the Jal Off-load Station in Unit D, Section 4-T26S-R37E, Lea County, NM. Any interested party who has an objection to this must give notice in writing to the Oil Conservation Division, 1220 South Saint Francis Street, Santa Fe, New Mexico, 87505, within ten (10) days of this notice. Any interested party with questions or comments may contact Lizzy Laufer (432) 221-0470 lizz.laufer@conocophillips.com at ConocoPhillips, 600 West Illinois, Midland, Texas 79701.

Published in the Artesia Daily Press, Artesia, NM September 23, 2021.

Scout St Com 601H-606H CTB

Date Sent	Initials	Name	Address	City	State	ZipCode	Certified Return Receipt No.	Delivered
09.20.21	JB	Occidental Permian Limited Partnership	5 Greenway Plaza, Suite 110	Houston	TX	77046	7020 3160 0001 0978 9894	
09.20.21	JB	OXY Y-1 Company	5 Greenway Plaza, Suite 110	Houston	TX	77046	7020 3160 0001 0978 9900	
09.20.21	JB	Nestegg Energy	2308 Sierra Vista Road	Artesia	NM	88210	7020 3160 0001 0978 9917	
09.20.21	JB	AGAR-Wheeler Ltd.	3607 Northfield Drive	Midland	TX	79707	7020 3160 0001 0978 9924	
09.20.21	JB	Thomas R. Smith	5705 Pinehurst	Farmington	NM	87402	7020 3160 0001 0978 9931	
09.20.21	JB	SLO	PO Box 1148	Santa Fe	NM	87504-1148	7020 3160 0001 0978 9948	
09.20.21	JB	Devon Energy	333 West Sheridan Ave.	Oklahoma City	OK	73102	7020 3160 0001 0978 9955	

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 undersigned as follows:

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

Subdivisions Sec. 6: Lots 1-2, S2NE (NE4) & S2E4, Sec. 7: E2, Sec. 18: E2

Of Sect(s) -- Twnshp **25S** Rng **28E** NMPM **Eddy** County, NM

containing ^{960.48} acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases and/or depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this agreement for all purposes, is Exhibit A showing the acreage, depths communitized and ownership (Lessees of Record) of all leases within the communitized area.

2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.
3. Subject to Paragraph 4, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.

4. **COG Operating LLC** shall be the Operator of the said communitized area and all matters of operation shall be determined and performed by **COG Operating LLC**.

5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.

6. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.

7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.

8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, 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 compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.

9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: (a) a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or (b) each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this agreement may be

terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.

12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.

13. 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 instruments, 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.

14. 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.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

PARTIES TO COMMUNITIZATION AGREEMENT:

COG Operating LLC

Signature attached

Operator

Lessee of Record: Tracts 1, 2, 3, 4 & 5

Occidental Permian LLC

Subject to Compulsory Pooling Order attached.

Lessee of Record: Tracts 1 & 5

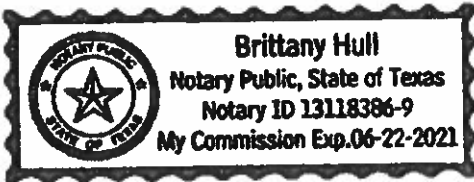
COG OPERATING LLC

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

EM
AR

STATE OF TEXAS)
)
COUNTY OF MIDLAND)

This instrument was acknowledged before me on February 1, 2021, by Mark A. Carter, Attorney-in-Fact of COG Operating LLC, a Delaware limited liability company, on behalf of same.



Brittany Hull
Notary Public in and for the State of Texas

EXHIBIT "A"

Attached to and made a part of that Communitization Agreement dated July 1, 2021

Sec. 6: Lots 1-2, S2NE4 (NE4) & SE4 (E2)

Sec. 7: E2 & Sec. 18: E2, T25S-R28E

Eddy County, New Mexico

Limited to the Wolfcamp formation

Operator of Communitized Area: COG Operating LL, C

TRACT 1

160.48 acres

1. Date: January 13, 2005
 Lessor: Devon Energy Production Company, LP
 Lessee: Occidental Permian LP
 Current Lessee: Occidental Permian LP & COG Operating LLC
 Lease Number: N/A
 Recorded: Original Lease – 590 / 1150; as amended and corrected in Book 603, Page 606;
 Book 654, Page 1115; Book 687, Page 464; Book 1040, Page 344
 Description: Insofar and only insofar as said lease covers:
 Township 25 South, Range 28 East, N.M.P.M.
 Section 6: Lots 1, 2, S2NE
 Eddy County, New Mexico
 Royalty: 1/5th

2. Date: February 15, 2005
 Lessor: Devon Energy Production Company LP
 Lessee: NA
 Recorded: Unrecorded – Exhibit B lease of Operating Agreement
 Description: Insofar and only insofar as said lease covers:
 Township 25 South, Range 28 East, N.M.P.M.
 Section 6: Lots 1, 2, S2NE4
 Eddy County, New Mexico
 Royalty: 1/5th

Lease referenced herein from Devon Energy Production Company LP to Occidental Permian Ltd. is subject to the Exhibit B for lease found on JOA dated February 15, 2005, covering Section 6: Lots 1, 2, S2NE4, T25S-R28E.

TRACT 2
160.00 acres

1. **Date:** June 1, 2019
- Lessor:** Devon Energy Production Company LP
- Lessee:** Mewbourne Oil Company
- Current Lessee:** COG Operating LLC
- Lease Number:** NA
- Recorded:** 1125 / 1090
- Description:** Insofar and only insofar as said lease covers:
Township 25 South, Range 28 East, N.M.P.M.
Section 6: SE4, limited to depths below the b/o the 2nd Bone Spring formation,
being defined at the stratigraphic equivalent of 8,099' as referenced on the Colt
St #1 Well (API 30-015-35557)
Eddy County, New Mexico
- Royalty:** 1/4th

TRACT 3
320.00 acres

1. **Date:** December 1, 2002
- Lessor:** State of New Mexico
- Lessee:** COG Operating LLC
- Current Lessee:** COG Operating LLC
- Lease Number:** VA-2739-0004
- Recorded:** 494 / 742
- Description:** Township 25 South, Range 28 East, N.M.P.M.
Section 7: E2
Eddy County, New Mexico
- Royalty:** 1/8th

TRACT 4
160.00 acres

1. **Date:** February 1, 2003
- Lessor:** State of New Mexico
- Lessee:** COG Operating LLC
- Current Lessee:** COG Operating LLC
- Lease Number:** VA-2809-0001
- Recorded:** 494 / 702
- Description:** Township 25 South, Range 28 East, N.M.P.M.
Section 18: NE4

Royalty: Eddy County, New Mexico
1/8th

TRACT 5
160.00 acres

1. Date: January 13, 2005
Lessor: Devon Energy Production Company, LP
Current Lessee: Occidental Permian LP & COG Operating LLC
Lease Number: N/A
Recorded: Original Lease – 590 / 1150; as amended and corrected in Book 603, Page 606;
Book 654, Page 1115; Book 687, Page 464; Book 1040, Page 344
Description: Insofar and only insofar as said lease covers:
Township 25 South, Range 28 East, N.M.P.M.
Section 18: SE4
Eddy County, New Mexico
Royalty: 1/5th

2. Date: November 1, 2005
Lessor: Marbob Energy Corporation
Lessee: NA
Recorded: Unrecorded – Exhibit B lease of Operating Agreement
Description: Insofar and only insofar as said lease covers:
Township 25 South, Range 28 East, N.M.P.M.
Section 18: SE4
Eddy County, New Mexico
Royalty: 15.65%

Lease referenced herein from Marbob Energy Corporation to Yates Drilling Company, et al. is subject to the Exhibit B for lease found on JOA dated November 1, 2005, covering Section 18: SE4, T25S-R28.

EXHIBIT "B"

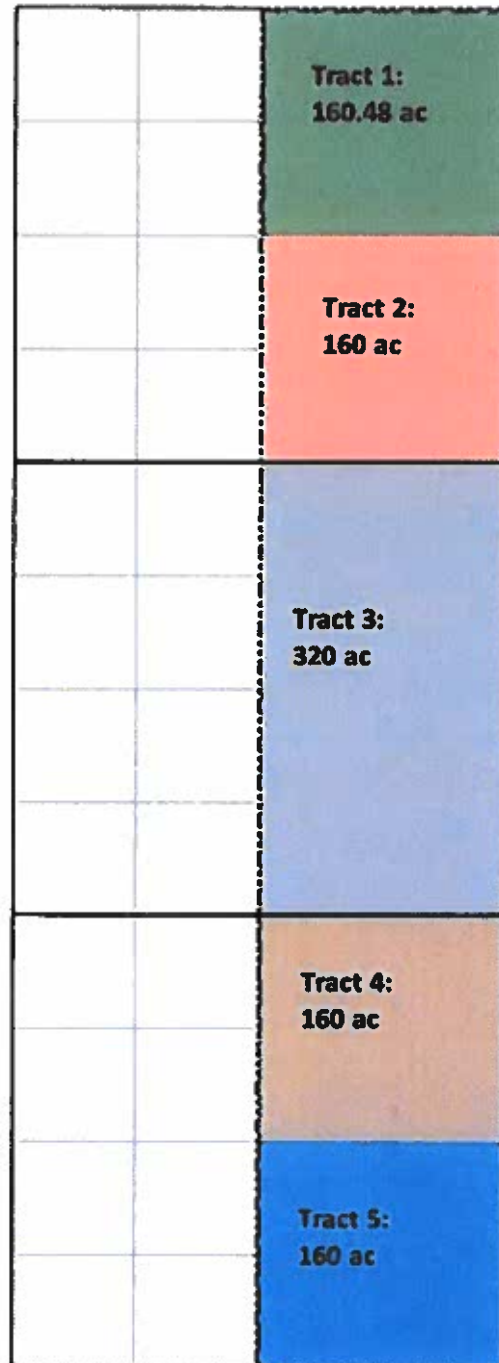
Attached to and made a part of that Communitization Agreement dated July 1, 2021

Sec. 6: Lots 1-2, S2NE4 (NE4) & SE4 (E2)

Sec. 7: E2 & y Sec. 18: E2, T25S-R28E

Eddy County, New Mexico

Limited to the Wolfcamp formation



RECAPULATION

TRACT NO.	NO. OF ACRES COMMITTED	PERCENTAGE OF INTEREST IN COMMUNITIZED AREA
1	160.48	16.70%
2	160.00	16.66%
3	320.00	33.32%
4	160.00	16.66%
5	160.00	16.66%
TOTAL	960.48	100.00%

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

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
COG OPERATING, LLC**

**CASE NO. 21627
ORDER NO. R-21577**

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on January 7, 2021, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. Cog Operating, LLC ("Operator"), submitted an application ("Application") to compulsorily pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.

9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").

23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.

28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


ADRIENNE SANDOVAL
DIRECTOR
AES/kms

Date: 1/19/2021

CASE NO. 21627
ORDER NO. R-21577

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Exhibit "A"

COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 21627	APPLICANT'S RESPONSE
Date	January 7, 2021
Applicant	COG Operating LLC
Designated Operator & OGRID (affiliation if applicable)	OGRID # 229137
Applicant's Counsel:	Ocean Munds-Dry, Michael Rodriguez
Case Title:	Application of COG Operating LLC for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenor:	
Well Family	Scouts
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Gas
Pooling this vertical extent:	Wolfcamp
Pool Name and Pool Code:	Purple Sage-Wolfcamp Gas Pool (Pool code 98220)
Well Location Setback Rules:	Statewide
Spacing Unit Size:	~ 960.48 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	~ 640 acres
Building Blocks:	Quarter-quarter
Orientation:	Standup
Description: TRS County	Lots 1, 2, S/2NE/4, SE/4 of Section 6, E/2 of Section 7, and E/2 of Section 18, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N). If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Attachment B
Well(s)	
Name (API [if assigned]): Surface hole location; Bottom hole location; Completion target (TVD); Orientation, Completion status (standard or non-standard).	Attachment A
Well #1	Scout State Com 601H (API # Pending) SHL: 280 FNL, 876 FEL, Unit A, 6-25S-28E BHL: 200 FSL, 440 FEL, Unit P, 18-25S-28E Completion Target: Wolfcamp formation (Approx. 9350 feet TVD)


CASE NO. 21627
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	Completion status: Standard
Well #2	Scout State Com 602H (API # Pending) SHL: 220 FNL, 808 FEL, Unit A, 6-25S-28E BHL: 330 FSL, 1342 FEL, Unit O, 18-25S-28E Completion Target: Wolfcamp formation (Approx. 9350 feet TVD) Completion status: Standard
Well #3	Scout State Com 603H (API # Pending) SHL: 310 FNL, 2635 FWL, Unit C, 6-25S-28E BHL: 200 FSL, 2244 FEL, Unit O, 18-25S-28E Completion Target: Wolfcamp formation (Approx. 9350 feet TVD) Completion status: Standard
Horizontal Well First and Last Take Points	Attachment A
Completion Target (Formation, TVD and MD)	Attachment G
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Attachment C
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit 3
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit 3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit 3
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Attachment B
Tract List (including lease numbers and owners)	Attachment B
Pooled Parties (including ownership type)	Attachment B
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Attachment C
List of Interest Owners (ie Exhibit A of JOA)	Attachment B
Chronology of Contact with Non-Joined Working Interests	Exhibit 1
Overhead Rates in Proposal Letter	N/A
Cost Estimate to Drill and Complete	Attachment C
Cost Estimate to Equip Well	Attachment C
Cost Estimate for Production Facilities	Attachment C
Geology	
Summary (including special considerations)	Exhibit 2
Spacing Unit Schematic	Attachment D

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Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit 2
Target Formation	Wolfcamp
HSU Cross Section	Attachments F and G
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Attachment A
Tracts	Attachment B
Summary of Interests, Unit Recapitulation (Tracts)	Attachment B
General Location Map (including basin)	Attachment B
Well Bore Location Map	Attachment D
Structure Contour Map - Subsea Depth	Attachment E
Cross Section Location Map (including wells)	Attachment F
Cross Section (including Landing Zone)	Attachment G
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Michael Rodriguez
Signed Name (Attorney or Party Representative):	
Date:	01/13/2021

CASE NO. 21627
ORDER NO. R-21577

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**NM State Land Office
Oil, Gas, & Minerals Division**

**STATE/STATE OR
STATE/FEE**
Revised March 2017

COMMUNITIZATION AGREEMENT

ONLINE Version

KNOW ALL MEN BY THESE PRESENTS: Well Name: **Scout St Com 604H-606H**

STATE OF NEW MEXICO)
SS)

API #: 30 **15** **46958**

30-015-46959, 30-015-46960

COUNTY OF **Eddy**)

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of **July 1**, 20 **21**, by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & gas and the prevention of waste to consent to and approve the development or operation of State Trust Lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State Trust Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communitized areas on an acreage or other basis found by the Commissioner of Public Lands to be fair and equitable.

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 leases are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the **Wolfcamp** formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

WHEREAS, the parties hereto desire to communitize and pool their respective interests in said leases subject to this agreement for the purpose of developing, operating and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

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 undersigned as follows:

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

Subdivisions Sec 6: Lots 3-7, SENW, E2SW (W2), Sec 7: Lots 1-4, E2W2 (W2), Sec 18: Lots 1-4, E2W2 (W2)
 Of Sect(s) -- Twnshp **25S** Rng **28E** NMPM **Eddy** County, NM

containing 966.85 acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases and/or depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this agreement for all purposes, is Exhibit A showing the acreage, depths communitized and ownership (Lessees of Record) of all leases within the communitized area.

2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.

3. Subject to Paragraph 4, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.

4. **COG Operating LLC** shall be the Operator of the said communitized area and all matters of operation shall be determined and performed by **COG Operating LLC**.

5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.

6. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.

7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.

8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, 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 compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.

9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: (a) a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or (b) each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this agreement may be

terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.

12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.

13. 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 instruments, 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.

14. 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.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

PARTIES TO COMMUNITIZATION AGREEMENT:

COG Operating LLC

Signature attached

Operator

Lessee of Record: Tracts 1, 2, 4, 5 & 6

Occidental Permian LLC

Subject to Compulsory Pooling Order attached.


Lessee of Record: Tracts 1 & 5

Mewbourne Oil Company

Subject to Compulsory Pooling Order attached.

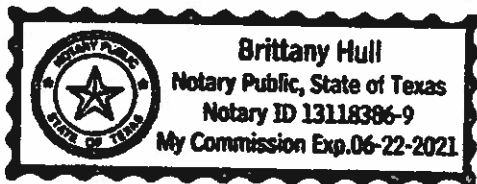
Lessee of Record: Tract 3

COG OPERATING LLC

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

STATE OF TEXAS)
)
COUNTY OF MIDLAND)

This instrument was acknowledged before me on February 1, 20 21, by Mark A. Carter, Attorney-in-Fact of COG Operating LLC, a Delaware limited liability company, on behalf of same.



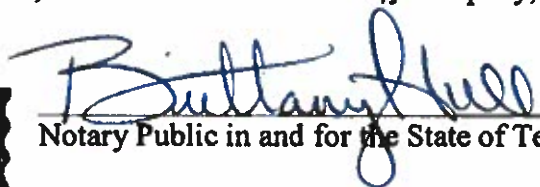

Notary Public in and for the State of Texas

EXHIBIT "A"

Attached to and made a part of that Communitization Agreement dated July 1, 2021

Sec. 6: Lots 3-7, SENW, E2SW (W2)
 Sec. 7: Lots 1-4, E2W2 (W2)
 Sec. 18: Lots 1-4, E2W2 (W2), T25S-R28E
 Eddy County, New Mexico
Limited to the Wolfcamp formation

Operator of Communitized Area: COG Operating LLC

TRACT 1
162.02 acres

1. **Date:** January 13, 2005
 Lessor: Devon Energy Production Company, LP
 Lessee: Occidental Permian LP
 Current Lessee: Occidental Permian LP & COG Operating LLC
 Lease Number: N/A
 Recorded: Original Lease – 590 / 1150; as amended/corrected in: Book 603, Page 606;
 Book 654, Page 1115; Book 687, Page 464; Book 1040, Page 344
 Description: Insofar and only insofar as said lease covers:
 Township 25 South, Range 28 East, N.M.P.M.
 Section 6: Lots 3, 4, 5, SE4NW4
 Eddy County, New Mexico
 Royalty: 1/5th

2. **Date:** February 15, 2005
 Lessor: Devon Energy Production Company LP
 Lessee: NA
 Recorded: Unrecorded – Exhibit B lease of Joint Operating Agreement
 Description: Insofar and only insofar as said lease covers:
 Township 25 South, Range 28 East, N.M.P.M.
 Section 6: Lots 3, 4, 5, SE4NW4
 Eddy County, New Mexico
 Royalty: 20%

Lease referenced herein from Devon Energy Production Company LP to Occidental Permian Ltd. is subject to the Exhibit B for lease found on JOA dated February 15, 2005, covering Section 6: Lots 3, 4, 5, SE4NW4.

State / Fee CA
 W/2 Scout State Com Unit - WC

TRACT 2
161.55 acres

1. Date: June 1, 2019
- Lessor: Devon Energy Production Company LP
- Lessee: Mewbourne Oil Company
- Current Lessee: COG Operating LLC
- Lease Number: NA
- Recorded: 1125 / 1090
- Description: Insofar and only insofar as said lease covers:
Township 25 South, Range 28 East, N.M.P.M.
Section 6: Lots 6, 7, E2SW4, limited to depths below the b/o the 2nd Bone Spring formation, being defined at the stratigraphic equivalent of 8,099' as referenced on the Colt St #1 Well (API 30-015-35557)
Eddy County, New Mexico
- Royalty: 1/4th

TRACT 3
201.70 acres

1. Date: February 1, 2013
- Lessor: State of New Mexico
- Lessee: Mewbourne Oil Company
- Lease Number: VB-2234-0001
- Recorded: 941 / 505
- Description: Township 25 South, Range 28 East, N.M.P.M.
Section 7: Lots 1, 2, 3, E2NW4
Eddy County, New Mexico
- Royalty: 3/16th

TRACT 4
120.40 acres

1. Date: March 25, 2013
- Lessor: Devon Energy Production Company LP
- Lessee: NA
- Recorded: Unrecorded- Exhibit B lease of Operating Agreement
- Description: Insofar and only insofar as said lease covers:
Township 25 South, Range 28 East, N.M.P.M.
Sec 7: Lot 4, E2SW4

Eddy County, New Mexico
 Royalty: 15.65%

Lease referenced herein from Devon Energy Production Company LP to Occidental Permian Ltd. is subject to the Exhibit B for lease found on JOA dated March 25, 2013, covering Section 7: Lot 4, E2SW4, T25S-R28E.

TRACT 5
160.65 acres

1. Date: January 13, 2005
 Lessor: Devon Energy Production Company, LP
 Lessee: Occidental Permian LP
 Current Lessee: Occidental Permian LP & COG Operating LLC
 Lease Number: N/A
 Recorded: Original Lease – 590 / 1150; as amended/corrected in: Book 603, Page 606; Book 654, Page 1115; Book 687, Page 464; Book 1040, Page 344
 Description: Insofar and only insofar as said lease covers:
Township 25 South, Range 28 East, N.M.P.M.
 Section 18: Lots 1, 2, E2NW4
 Eddy County, New Mexico
 Royalty: 1/5th

2. Date: November 1, 2005
 Lessor: Marbob Energy Corporation
 Lessee: NA
 Recorded: Unrecorded – Exhibit B lease of Joint Operating Agreement
 Description: Insofar and only insofar as said lease covers:
Township 25 South, Range 28 East, N.M.P.M.
 Section 18: Lots 1, 2, E/2 NW/4
 Eddy County, New Mexico
 Royalty: 1/5th

Lease referenced herein from Marbob Energy Corporation to Yates Drilling Company, et al. is subject to the Exhibit B for lease found on JOA dated November 1, 2005, covering Section 18: Lots 1, 2, E/2 NW/4, T25S-R28.

TRACT 6
160.53 acres

1. **Date:** February 1, 2003
 Lessor: State of New Mexico
 Lessee: OGX Resources, LLC
 Current Lessee: COG Operating LLC
 Lease Number: VA-2809-0001
 Recorded: Unrecorded
 Description: Township 25 South, Range 28 East, N.M.P.M.
 Section 18: Lots 3, 4, E2SW4
 Eddy County, New Mexico

 Royalty: 1/8th

EXHIBIT "B"

Attached to and made a part of that Communitization Agreement dated July 1, 2021

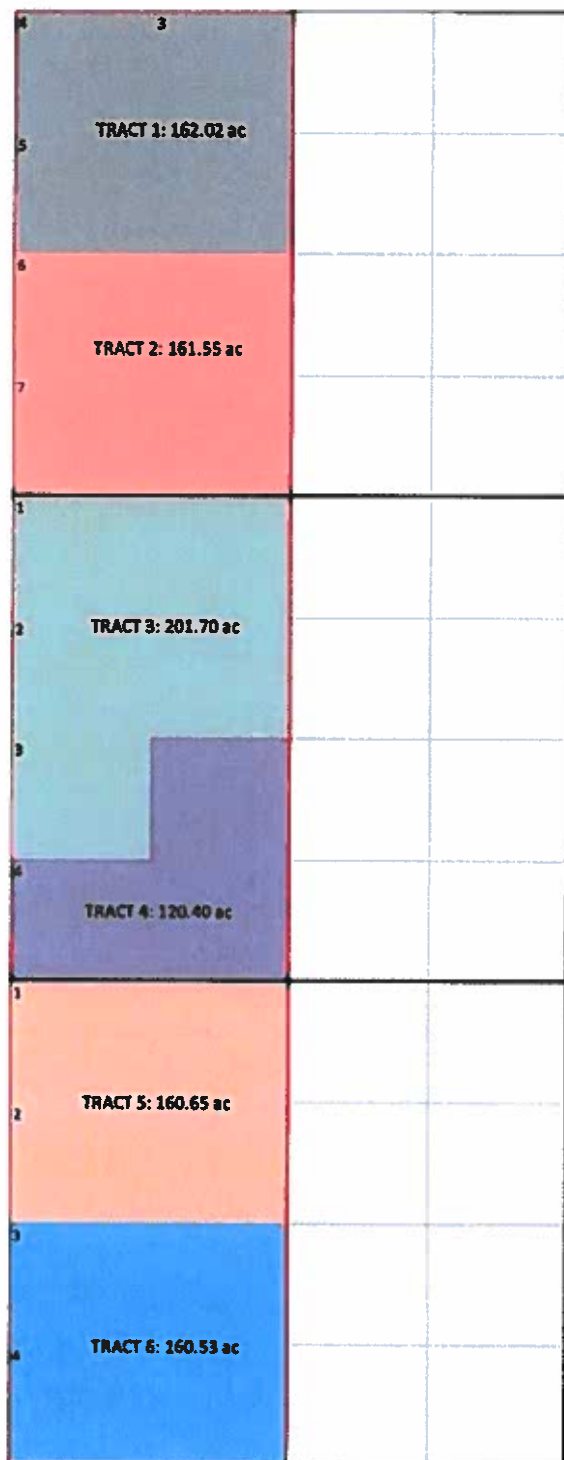
Sec. 6: Lots 3-7, SENW, E2SW (W2)

Sec. 7: Lots 1-4, E2W2 (W2)

Sec. 18: Lots 1-4, E2W2 (W2), T25S-R8E

Eddy County, New Mexico

Limited to the Wolfcamp formation



State / Fee CA
W/2 Scout State Com Unit - WC

RECAPULATION

TRACT NO.	NO. OF ACRES COMMITTED	PERCENTAGE OF INTEREST IN COMMUNITIZED AREA
1	162.02	16.76%
2	161.55	16.71%
3	201.70	20.86%
4	120.40	12.45%
5	160.65	16.62%
6	160.53	16.60%
TOTAL	966.85	100.00%

State / Fee CA
W/2 Scout State Com Unit - WC

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

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
COG OPERATING, LLC**

**CASE NO. 21628
ORDER NO. R-21576**

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on January 7, 2021, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. COG Operating, LLC ("Operator") submitted an application ("Application") to compulsorily pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.

9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").

23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.

28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL
DIRECTOR**
AES/kms

Date: 1/19/2021

**CASE NO. 21628
ORDER NO. R-21576**

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Exhibit "A"

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 21628	APPLICANT'S RESPONSE
Date	January 7, 2021
Applicant	COG Operating LLC
Designated Operator & OGRID (affiliation if applicable)	OGRID # 229137
Applicant's Counsel:	Ocean Munds-Dry, Michael Rodriguez
Case Title:	Application of COG Operating LLC for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenor:	
Well Family	Scouts
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Gas
Pooling this vertical extent:	Wolfcamp
Pool Name and Pool Code:	Purple Sage-Wolfcamp Gas Pool (Pool code 98220)
Well Location Setback Rules:	Statewide
Spacing Unit Size:	~ 966.85 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	~ 640 acres
Building Blocks:	Quarter-quarter
Orientation:	Standup
Description: TRS/County	Lots 3-7, SE/4NW/4, E/2SW/4 of Section 6, Lots 1-4 and E/2W/2 of Section 7, and Lots 1-4 and E/2W/2 of Section 18, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N). If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Attachment B
Well(s)	
Name (API [if assigned]); Surface hole location; Bottom hole location; Completion target (TVD); Orientation, Completion status (standard or non-standard).	Attachment A
Well #1	Scout State Com 604H (API # Pending) SHL: 310 FNL, 2605 FWL, Unit C, 6-25S-28E BHL: 200 FSL, 2134 FWL, Unit N, 18-25S-28E

CASE NO. 21628
ORDER NO. R-21576

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	Completion Target: Wolfcamp formation (Approx. 9350 feet TVD) Completion status: Standard
Well #2	Scout State Com 605H (API # Pending) SHL: 875 FNL, 796 FWL, Unit D, 6-25S-28E BHL: 200 FSL, 1232 FWL, Unit M, 18-25S-28E Completion Target: Wolfcamp formation (Approx. 9350 feet TVD) Completion status: Standard
Well #3	Scout State Com 606H (API # Pending) SHL: 875 FNL, 766 FWL, Unit D, 6-25S-28E BHL: 200 FSL, 330 FWL, Unit M, 18-25S-28E Completion Target: Wolfcamp formation (Approx. 9350 feet TVD) Completion status: Standard
Horizontal Well First and Last Take Points	Attachment A
Completion Target (Formation, TVD and MD)	Attachment G
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Attachment C
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit 3
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit 3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit 3
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Attachment B
Tract List (including lease numbers and owners)	Attachment B
Pooled Parties (including ownership type)	Attachment B
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Attachment C
List of Interest Owners (ie Exhibit A of JOA)	Attachment B
Chronology of Contact with Non-Joined Working Interests	Exhibit 1
Overhead Rates in Proposal Letter	N/A
Cost Estimate to Drill and Complete	Attachment C
Cost Estimate to Equip Well	Attachment C
Cost Estimate for Production Facilities	Attachment C
Geology	
Summary (including special considerations)	Exhibit 2
Spacing Unit Schematic	Attachment D

CASE NO. 21628
ORDER NO. R-21576

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Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit 2
Target Formation	Wolfcamp
HSU Cross Section	Attachments F and G
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Attachment A
Tracts	Attachment B
Summary of Interests, Unit Recapitulation (Tracts)	Attachment B
General Location Map (including basin)	Attachment B
Well Bore Location Map	Attachment D
Structure Contour Map - Subsea Depth	Attachment E
Cross Section Location Map (including wells)	Attachment F
Cross Section (including Landing Zone)	Attachment G
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Michael Rodriguez
Signed Name (Attorney or Party Representative):	<i>MDR</i>
Date:	01/13/2021

From: [Engineer, OCD, EMNRD](#)
To: [Barron, Jeanette](#)
Cc: [McClure, Dean, EMNRD](#); [Hawkins, James, EMNRD](#); [Powell, Brandon, EMNRD](#); [lisa@rwbyram.com](#); [Dawson, Scott](#)
Subject: Approved Administrative Order CTB-1014
Date: Monday, December 20, 2021 4:19:30 PM
Attachments: [CTB1014 Order.pdf](#)

NMOCD has issued Administrative Order CTB-1014 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
30-015-46955	Scout State Com #601H	E/2	6-25S-28E	98220
		E/2	7-25S-28E	
		E/2	18-25S-28E	
30-015-46956	Scout State Com #602H	E/2	6-25S-28E	98220
		E/2	7-25S-28E	
		E/2	18-25S-28E	
30-015-46957	Scout State Com #603H	E/2	6-25S-28E	98220
		E/2	7-25S-28E	
		E/2	18-25S-28E	
30-015-46958	Scout State Com #604H	W/2	6-25S-28E	98220
		W/2	7-25S-28E	
		W/2	18-25S-28E	
30-015-46959	Scout State Com #605H	W/2	6-25S-28E	98220
		W/2	7-25S-28E	
		W/2	18-25S-28E	
30-015-46960	Scout State Com #606H	W/2	6-25S-28E	98220
		W/2	7-25S-28E	
		W/2	18-25S-28E	

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
OIL CONSERVATION DIVISION**

**APPLICATION FOR SURFACE COMMINGLING
SUBMITTED BY COG OPERATING, LLC**

ORDER NO. CTB-1014

ORDER

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

FINDINGS OF FACT

1. COG Operating, LLC (“Applicant”) submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells identified in Exhibit A (“Application”).
2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
3. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7.B. NMAC.
4. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
5. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
6. Applicant submitted or intends to submit one or more proposed communitization agreement(s) (“Proposed Agreement(s)”) to the BLM or NMSLO, as applicable, identifying the acreage of each lease to be consolidated into a single pooled area (“Pooled Area”), as described in Exhibit B.

CONCLUSIONS OF LAW

7. 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, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.
8. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10.A.(2) NMAC, 19.15.12.10.C.(4)(c) NMAC, and 19.15.12.10.C.(4)(e) NMAC, as applicable.

9. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9.A.(5) NMAC and 19.15.23.9.A.(6) NMAC, as applicable.
10. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10.B.(1) NMAC or 19.15.12.10.C.(1) NMAC, as applicable.
11. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10.B.(3) NMAC and 19.15.12.10.C.(4)(h) NMAC.
12. 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 surface commingle oil and gas production from the pools, leases, and wells identified in Exhibit A.

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. For each Pooled Area described in Exhibit B, Applicant shall submit a Proposed Agreement to the BLM or NMSLO, as applicable, prior to commencing oil and gas production. If Applicant fails to submit the Proposed Agreement, this Order shall terminate on the following day.

No later than sixty (60) days after the BLM or NMSLO approves or denies a Proposed Agreement, Applicant shall submit Form C-103 to OCD with a copy of the decision and a description of the approved lands, as applicable. If Applicant withdraws or the BLM or NMSLO denies a Proposed Agreement, this Order shall terminate on the date of such action, and Applicant shall cease commingling the production from the Pooled Area. If the BLM or NMSLO approves but modifies the Proposed Agreement(s), Applicant shall comply with the approved Agreement(s), and no later than sixty (60) days after such decision, Applicant shall submit a new surface commingle application to OCD to conform this Order with the approved Agreement(s). If OCD denies the new surface commingle application, this Order shall terminate on the date of such action.

Applicant shall allocate the oil and gas production to each lease within a Pooled Area in proportion to the acreage that each lease bears to the entire acreage of the Pooled Area described in Exhibit B until the Proposed Agreement which includes the Pooled Area is approved. After the Proposed Agreement is approved, the oil and gas production from the Pooled Area shall be allocated as required by the BLM's or NMSLO's, as applicable, approval of the Agreement, including any production that had been allocated previously in accordance with this Order.

3. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling.

4. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
5. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8.B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8.E. NMAC.
6. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10.C.(2) NMAC.
7. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
8. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
9. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
10. 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: 12/20/21

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **CTB-1014**
Operator: **COG Operating, LLC (229137)**
Central Tank Battery: **Scout State 6 C Central Tank Battery**
Central Tank Battery Location: **Unit C, Section 6, Township 25 South, Range 28 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: **Unit C, Section 6, Township 25 South, Range 28 East**

Pools

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

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
VA 27390004	E/2	7-25S-28E
VA 28090002	NE/4, SW/4	18-25S-28E
VB 22340001	NW/4, L (lot 3)	7-25S-28E
Fee	NE/4	6-25S-28E
Fee	SE/4	6-25S-28E
Fee	SE/4	18-25S-28E
Fee	NW/4	6-25S-28E
Fee	SW/4	6-25S-28E
Fee	E/2 SW/4, M (lot 4)	7-25S-28E
Fee	NW/4	18-25S-28E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-46955	Scout State Com #601H	E/2	6-25S-28E	98220
		E/2	7-25S-28E	
		E/2	18-25S-28E	
30-015-46956	Scout State Com #602H	E/2	6-25S-28E	98220
		E/2	7-25S-28E	
		E/2	18-25S-28E	
30-015-46957	Scout State Com #603H	E/2	6-25S-28E	98220
		E/2	7-25S-28E	
		E/2	18-25S-28E	
30-015-46958	Scout State Com #604H	W/2	6-25S-28E	98220
		W/2	7-25S-28E	
		W/2	18-25S-28E	
30-015-46959	Scout State Com #605H	W/2	6-25S-28E	98220
		W/2	7-25S-28E	
		W/2	18-25S-28E	

30-015-46960	Scout State Com #606H	W/2	6-25S-28E	98220
		W/2	7-25S-28E	
		W/2	18-25S-28E	

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit B

Order: **CTB-1014**
Operator: **COG Operating, LLC (229137)**

Pooled Areas

Pooled Area	UL or Q/Q	S-T-R	Acres	Pooled Area ID
CA Wolfcamp NMSLO	E/2	6-25S-28E	960.48	A
	E/2	7-25S-28E		
	E/2	18-25S-28E		
CA Wolfcamp NMSLO	W/2	6-25S-28E	966.85	B
	W/2	7-25S-28E		
	W/2	18-25S-28E		

Leases Comprising Pooled Areas

Lease	UL or Q/Q	S-T-R	Acres	Pooled Area ID
VA 27390004	E/2	7-25S-28E	320	A
VA 28090002	NE/4	18-25S-28E	160	A
Fee	NE/4	6-25S-28E	160.48	A
Fee	SE/4	6-25S-28E	160	A
Fee	SE/4	18-25S-28E	160	A
VB 22340001	NW/4, L (lot 3)	7-25S-28E	201.7	B
VA 28090002	SW/4	18-25S-28E	160.53	B
Fee	NW/4	6-25S-28E	162.02	B
Fee	SW/4	6-25S-28E	161.55	B
Fee	E/2 SW/4, M (lot 4)	7-25S-28E	120.4	B
Fee	NW/4	18-25S-28E	160.65	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 50124

CONDITIONS

Operator: COG OPERATING LLC 600 W Illinois Ave Midland, TX 79701	OGRID: 229137
	Action Number: 50124
	Action Type: [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.	12/20/2021