



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

August 24, 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 Production LLC respectfully requests approval for lease commingling for the following wells:

Eata Fajita State Com 6H
API# 30-025-41774
Triple X; Bone Spring, West
Ut. O, Sec. 8-T24S-R33E
Lea County, NM

Eata Fajita State Com 10H
API# 30-025-42275
Triple X; Bone Spring, West
Ut. P, Sec. 8-T24S-R33E
Lea 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. O, Sec. 8-T24S-R33E. 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:

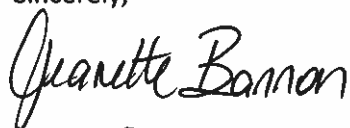
The gas production from all wells will be measured separately prior to being commingled and entering a gas flow line to the gas custody transfer meter at the Central Tank Battery located in Ut. O, Sec. 8-T24S-R33E.

No owner notification is necessary. A letter from a certified Landman stating COG Production is 100% working interest owner 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 Production, LLCOGRID Number: 217955Well Name: Eata Fajita St Com 6H & 10HAPI: 30-025-41774 / 30-025-42275Pool: Triple X; Bone Spring, WestPool Code: 96674

**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☐ PPR2) **NOTIFICATION REQUIRED TO:** Check those which apply.A. ☐ Offset operators or lease holdersB. ☐ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☒ Notification and/or concurrent approval by SLOE. ☐ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☐ For all of the above, proof of notification or publication is attached, and/or,H. ☐ No notice required**FOR OCD ONLY**☐ Notice Complete☐ Application
Content
Complete

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for
 administrative approval is **accurate** and **complete** to the best of my knowledge. I also
 understand that **no action** will be taken on this application until the required information and
 notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Jeanette Barron

Print or Type Name

8/24/21
 Date
575-746-6974

Phone Number

jeanette.barron@conocophillips.com

e-mail Address

Signature

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 Production LLC

OPERATOR ADDRESS: 2208 W Main Street, Artesia, New Mexico 88210

APPLICATION TYPE:

☐ Pool Commingling ☒ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☒ State ☐ Federal

Is this an Amendment to existing Order? ☐ Yes ☐ No If "Yes", please include the appropriate Order No. _____

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling

☐ Yes ☐ No

(A) POOL COMMINGLING
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

(2) Are any wells producing at top allowables? ☐ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No

(4) Measurement type: ☐ Metering ☐ Other (Specify)

(5) Will commingling decrease the value of production? ☐ Yes ☐ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING
Please attach sheets with the following information

(1) Pool Name and Code.

(2) Is all production from same source of supply? ☒ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No

(4) Measurement type: ☒ Metering ☐ Other (Specify)

(C) POOL and LEASE COMMINGLING
Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT
Please attached sheets with the following information

(1) Is all production from same source of supply? ☐ Yes ☐ No

(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)
Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.

(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Jeanette Barron

TITLE: Regulatory Coordinator

DATE: 8/24/21

TYPE OR PRINT NAME Jeanette Barron TELEPHONE NO.: 575.748.6974

E-MAIL ADDRESS: jeanette.barron@conocophillips.com

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

District II
811 S First St., Artesia, NM 88210
Phone (505) 748-1283 Fax (575) 748-9720

District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone (505) 334-6178 Fax (505) 334-6170

District IV
1220 S St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3460 Fax (505) 476-3462

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

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

☐ AMENDED REPORT
(As Drilled)

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-41774	² Pool Code 96674	³ Pool Name Triple X; Bone Spring, West
⁴ Property Code 39209	⁵ Property Name Eata Fajita State	
⁷ OGRID No. 217955	⁸ Operator Name COG Production LLC	
	⁶ Well Number 6H	
	⁹ Elevation 3592' GR	

¹⁰ Surface Location

UL or lot no. O	Section 8	Township 24S	Range 33E	Lot Idn	Feet from the 190	North/South line South	Feet from the 1980	East/West line East	County Lea
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	5	24S	33E	2	431	North	2278	East	Lea

¹² Dedicated Acres 319.75	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.

16		<p>BHL 431'</p>	2278'	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 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. <u>Jeanette Barron</u> <u>8/24/21</u> Signature Date Jeanette Barron Printed Name jeanette.barron@conocophillips.com E-mail Address
	Producing Area 9695-19235'			
			Sec 5-T24S-R33E	
		<p>SHL 190'</p>	1980'	18 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. <hr/> Date of Survey Signature and Seal of Professional Surveyor: <hr/> Certificate Number
			Sec 8-T24S-R33E	

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

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1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

☐ AMENDED REPORT
(As Drilled)

WELL LOCATION AND ACREAGE DEDICATION PLAT

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⁴ Property Code 39209	⁵ Property Name Eata Fajita State	⁶ Well Number 10H
⁷ OGRID No. 217955	⁸ Operator Name COG Production LLC	⁹ Elevation 3604' GR

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	8	24S	33E		200	South	850	East	Lea

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	5	24S	33E	1	431	North	382	East	Lea

¹² Dedicated Acres 319.72	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.

16				17 OPERATOR CERTIFICATION <i>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.</i> <u>Jeanette Barron</u> Signature <u>8/24/21</u> Date <u>Jeanette Barron</u> Printed Name <u>jeanette.barron@conocophillips.com</u> E-mail Address
Sec 5-T24S-R33E				
Sec 8-T24S-R33E				18 SURVEYOR CERTIFICATION <i>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.</i> _____ Date of Survey _____ Signature and Seal of Professional Surveyor: _____ _____ Certificate Number

200'



EATA FAJITA C CTB
SECTION 8, T24S, R33E, UNIT O
COORDS: 32.226293, -103.591082
LEA COUNTY, NM

WELLS:

EATA FAJITA STATE COM #006H: 30-025-41774
EATA FAJITA STATE COM #010H: 30-025-42275

NOT ON BATTERY PAD
Location: 32.225707, -103.583317

METERS
Luced Sales Gas Meter:
(GS): #14406

METERS
Water Transfer Meter:
(WT): #436354

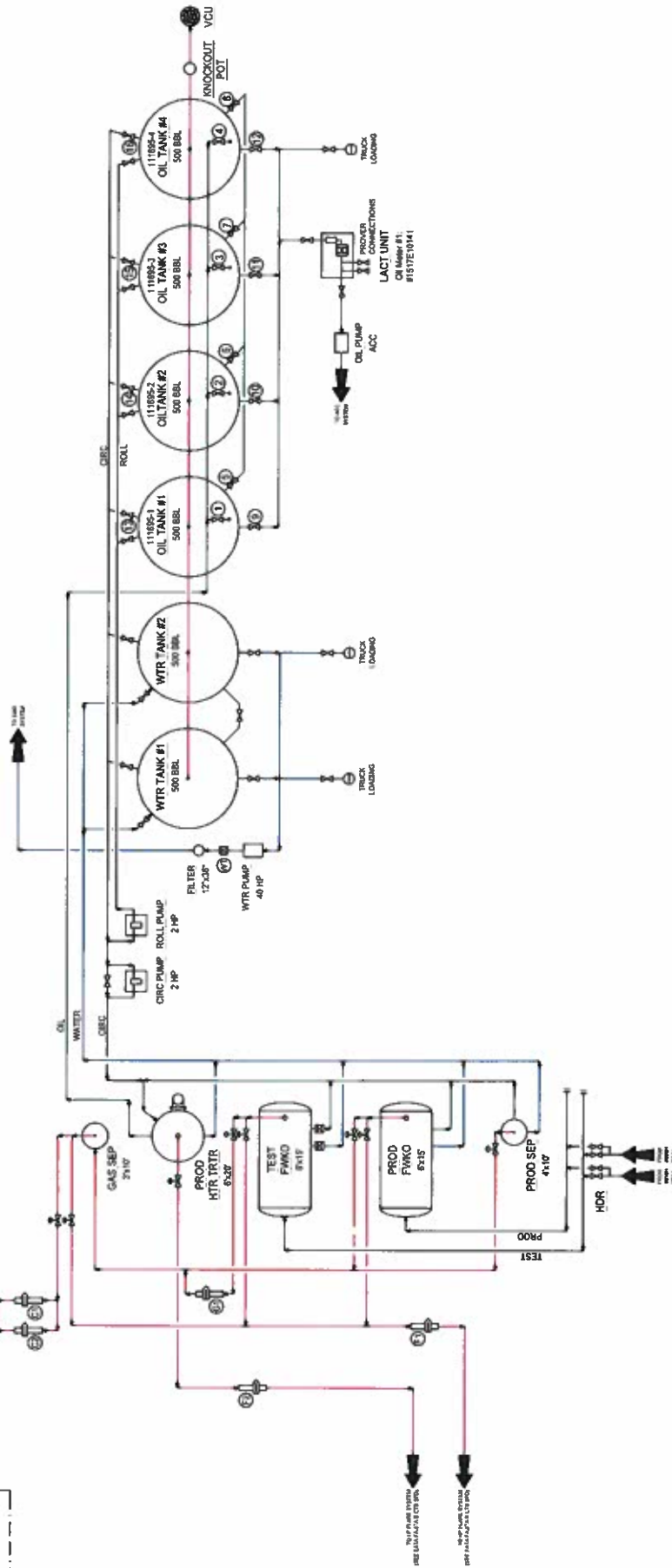
GAS METERS
Gas Test Meter:
(G1): #39022145
Check Gas Meter:
(C1): #39022559
Check Gas Meter:
(C2): #39022711
#RH Gas LA Meter:
(L1): #39022172
HP Flare Gas Meter:
(F1): #39022188
LP Flare Gas Meter:
(F2): #39022829

Sales Phase - Oil Tank #1

- Valve 1 closed
- Valves 2, 3, or 4 open
- Valve 5 closed
- Valves 6, 7, and 8 open
- Valve 9 open
- Valves 10, 11, and 12 closed
- Valve 13 closed
- Valves 14, 15, or 16 open

Production Phase - Oil Tank #1

- Valve 1 open
- Valves 2, 3, and 4 closed
- Valves 5, 6, 7, and 8 open
- Valves 9, 10, 11, and 12 closed
- Valve 13 open
- Valves 14, 15, and 16 closed



Legend for Site Diagram
Produced Fluid:
Produced Oil:
Produced Gas:
Produced Water:
Flare/Vent:

Type of Lease: State
Lease #: VC01900
CA #:
Property Code: 327344
OGRID #: 217955

CONVEYANCE		RECORD	
NO.	DATE	BY	DATE
A	03/03/21	CH	03/03/21
B	03/03/21	CH	03/03/21
C	07/28/21	CH	08/03/21
D	08/16/21	CH	08/16/21

COG PRODUCTION LLC
SITE SECURITY PLANS
LOCATED AT:

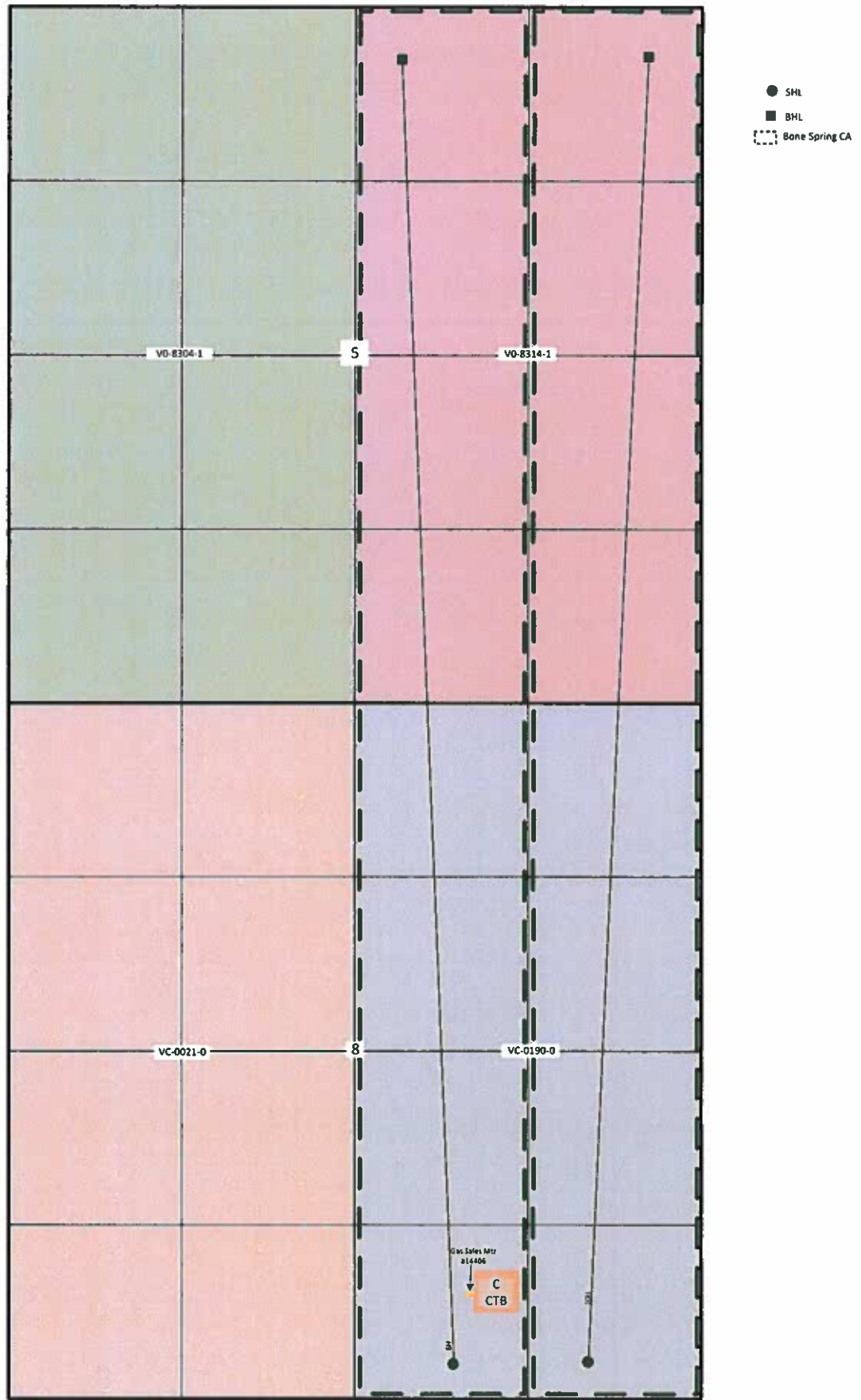
ONE CONOCO CENTER
600 WEST KILBOURN AVENUE
MIDLAND, TEXAS 79701

ConocoPhillips
DELAWARE BASIN EAST ASSET
PRODUCTION FACILITIES
SITE FACILITY DIAGRAM
EATA FAJITA C CTB

LA COUNTY
TRACAP/NAME
MULTIPLE

WELL NO. EATA FAJITA C CTB
D

Eata Fajita State Wells



Sec. 5,8-T24S-R33E
Lea County, NM

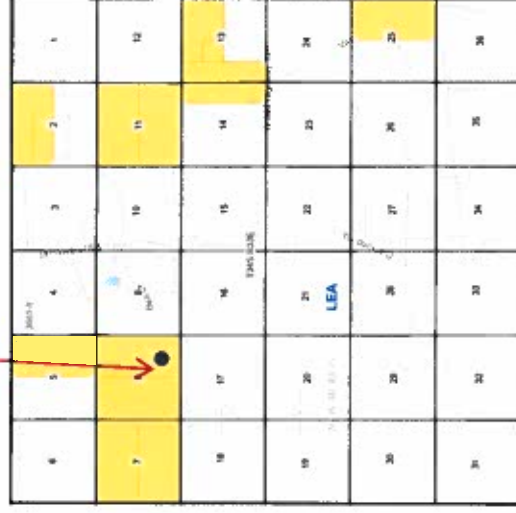
EATA FAJITA STATE COM 6H & 10H

C CTB

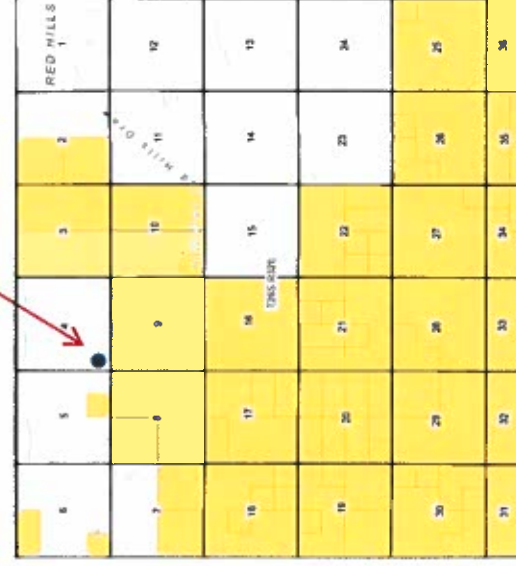


Eata Fajita St Com 6H & 10H & Red Hills and Jal Offload Station Map

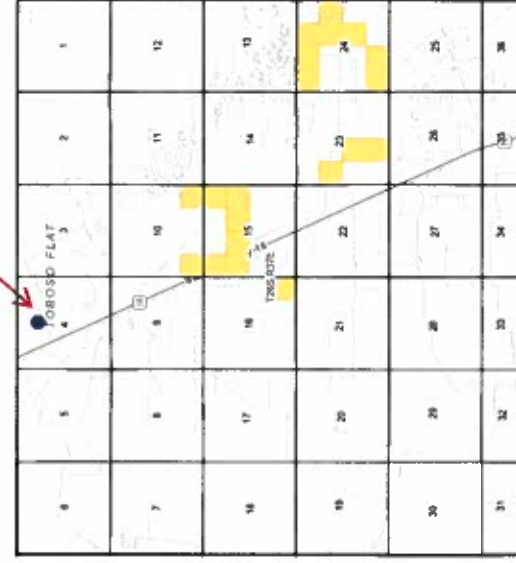
Eata Fajita St Com 6H & 10H
Lea County, NM



Red Hills Offload Station
Lea County, NM



Jal Offload Station
Lea County, NM





ConocoPhillips
600 W. Illinois Ave.
Midland, TX 79701
www.conocophillips.com

8/17/2021

RE: Eata Fajita State Com 6H, 10H ownership

To Whom It Concerns,

I am the ConocoPhillips landman whose area of responsibility includes the following wells in T24S-R33E, Lea County, New Mexico.

I certify that COG Production LLC, a subsidiary of ConocoPhillips, owns 100% of the working interest in the captioned wells.

Sincerely,

A handwritten signature in black ink, appearing to read "MS", written over a horizontal line.

Matt Solomon
Staff Land Negotiator
matt.solomon@conocophillips.com
432-685-4352

Eata Fajita St 6H & 10H									
Date Sent	Initials	Name	Address	City	State	ZipCode	Certified Return Receipt No.	Delivered	
08.24.21	JB	SLO	P O Box 1148	Santa Fe	NM	87504-1148	7017 3040 0000 1205 2057		

25-
⑤

40267

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

COG Operating LLC
 Eata Fajita State #10H
 Vertical Extent: Bone Spring
Township: 24 South, Range: 33 East, NMPM
 Section 5 : E2E2
 Section 8 : E2E2
 Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Consolidation Agreement for the development and operation of acreage which is described within the referenced Agreement dated May 1, 2015, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

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

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

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 10th day of August, 2015.




 COMMISSIONER OF PUBLIC LANDS
 of the State of New Mexico

BOOK 1982 PAGE 62

Eata Fajita State Com #10H

**New Mexico State Land Office
Oil, Gas, and Minerals Division
ONLINE VERSION
CONSOLIDATION OF STATE OIL AND GAS LEASES**

COG Production LLC, Lessee, record title owner of State Oil and Gas Leases numbered **V0-8314** and **VC-0021**, requests approval of lease consolidation affecting:

Sections 5 and 8: E2E/2, T24S, R33E, NMPM, Lea County, NM to establish a **320.0** acre proration unit in the **Bone Spring** formation.

Lessee submits a plat, Exhibit A, showing the subject area, leases involved and the requested consolidation. This plat also delineates the proration unit and locates and designates the completed well and consolidated horizon.

Lessee states that the State of New Mexico, for the assigned beneficiaries, owns the royalty interest under these leases and agrees that the state, at its own election, is entitled to delivery in-kind of its share of all communitized substances produced from the leased area.

Approval is requested pursuant to authority granted by applicable statutes. Approval will promote conservation and is in the best interest of the State.

This consolidation, if approved by the Commissioner of Public Lands, shall be effective **5/1/15**, and shall continue in effect for **365** days and as long thereafter as communitized substances are produced from the consolidated 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 consolidated area, if such 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 provision 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 is 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 consolidated 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 consolidated area, this Consolidation may be terminated at any time by the Lessee. This consolidation shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the consolidated area are commenced and are thereafter conducted and prosecuted with reasonable diligence. Intention to commence such operations shall be filed with the Commissioner 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.

Requesting approval of consolidation of NM state oil and gas leases

ONLINE version

SHYLVHG *HFHPEHU

Consolidation of leases
BOOK 1982 PAGE 63

2015 JUL 31 PM 8 52

1

Eata Fajita State Com #10H

OPERATOR:

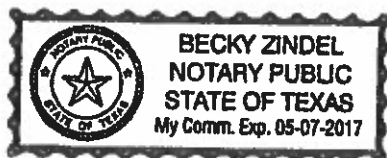
COG Production LLC

By: Mona D. Ables
Mona D. Ables
Vice President of Land MW
ms

ACKNOWLEDGEMENT

STATE OF TEXAS §
 § ss.
COUNTY OF MIDLAND §

This instrument was acknowledged before me on July 14, 2015, by Mona D. Ables, Vice President of Land, of COG Production LLC, a Delaware Limited Liability Company, on behalf of same.



Becky Zindel
Notary Public in and for the State of Texas
My Commission Expires 5/7/17

ONLINE version
Revised December 2014

Consolidation of leases

2

2015 JUL 31 4:14 PM

BOOK 1982 PAGE 64

Eata Fajita State Com #10H

EXHIBIT "A"

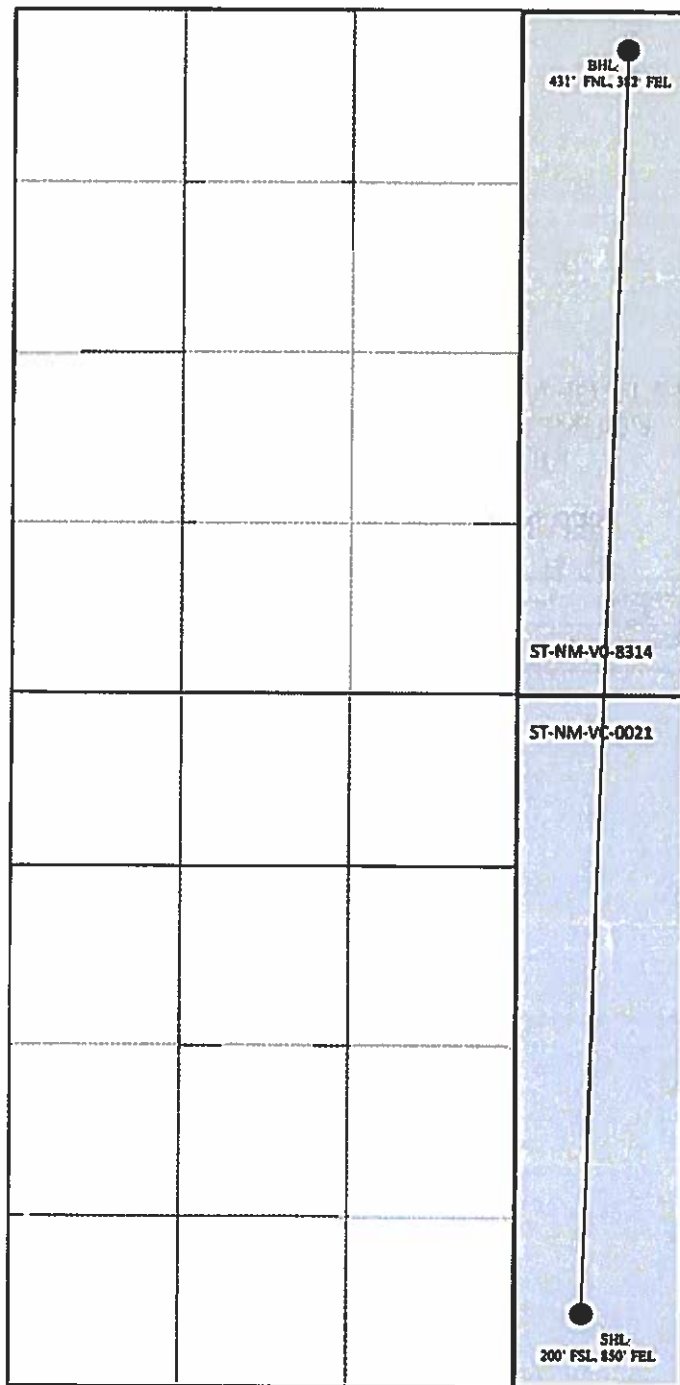
PLAT OF CONSOLIDATED AREA

Township 24 South, Range 33 East, N.M.P.M.

Section 5: E/2E/2

Section 8: E/2E/2

Lea County, New Mexico



ONLINE version
Revised December 2014

Consolidation of leases
BOOK 1982 PAGE 65

40267

STATE OF NEW MEXICO
COUNTY OF LEA
FILED

SEP 22 2015

at 9:38 o'clock A M
and recorded in Book 1982
Page 62
Pat Chappelle, Lea County Clerk
By [Signature] Deputy



BOOK 1982 PAGE 66

25-
(5)

40266

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

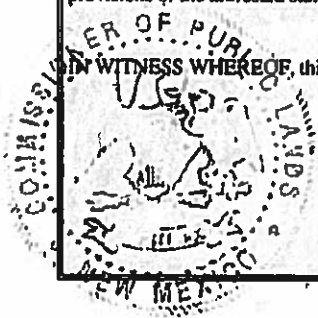
COG Operating LLC
 Esta fajita State #6H
 Vertical Extent: Bone Spring
Township: 24 South, Range: 33 East, NMPM
 Section 5 : W2E2
 Section 8 : W2E2
 Lea County, New Mexico


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

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

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 7th day of August, 2015.




 COMMISSIONER OF PUBLIC LANDS
 of the State of New Mexico

BOOK 1982 PAGE 57

Eata Fajita State Com #6H

**New Mexico State Land Office
Oil, Gas, and Minerals Division
ONLINE VERSION
CONSOLIDATION OF STATE OIL AND GAS LEASES**

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Sections 5 and 8: W2E/2, T24S, R33E, NMPM, Lea County, NM to establish a 320.0 acre proration unit in the Bone Spring formation.

Lessee submits a plat, Exhibit A, showing the subject area, leases involved and the requested consolidation. This plat also delineates the proration unit and locates and designates the completed well and consolidated horizon.

Lessee states that the State of New Mexico, for the assigned beneficiaries, owns the royalty interest under these leases and agrees that the state, at its own election, is entitled to delivery in-kind of its share of all communitized substances produced from the leased area.

Approval is requested pursuant to authority granted by applicable statutes. Approval will promote conservation and is in the best interest of the State.

This consolidation, if approved by the Commissioner of Public Lands, shall be effective 5/1/15, and shall continue in effect for 365 days and as long thereafter as communitized substances are produced from the consolidated 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 consolidated area, if such 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 provision 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 is 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 consolidated 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 consolidated area, this Consolidation may be terminated at any time by the Lessee. This consolidation shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the consolidated area are commenced and are thereafter conducted and prosecuted with reasonable diligence. Intention to commence such operations shall be filed with the Commissioner 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.

Requesting approval of consolidation of NM state oil and gas leases

ONLINE version

5HYLVHG *HFHPEHU

Consolidation of leases
BOOK 1982 PAGE 58

1

Eata Fajita State Com #6H

OPERATOR:

COG Production LLC

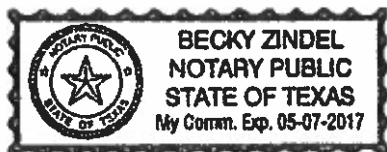
By: Mona D. Ables
Mona D. Ables
Vice President of Land

MW
pm

ACKNOWLEDGEMENT

STATE OF TEXAS §
 § ss.
COUNTY OF MIDLAND §

This instrument was acknowledged before me on July 14, 2015, by Mona D. Ables, Vice President of Land, of COG Production LLC, a Delaware Limited Liability Company, on behalf of same.



Becky Zindel
Notary Public in and for the State of Texas
My Commission Expires 5/7/17

ONLINE version
Revised December 2014

Consolidation of leases

2

2015 JUL 31 10 25

BOOK 1982 PAGE 59

Eata Fajita State Com #6H

EXHIBIT "A"

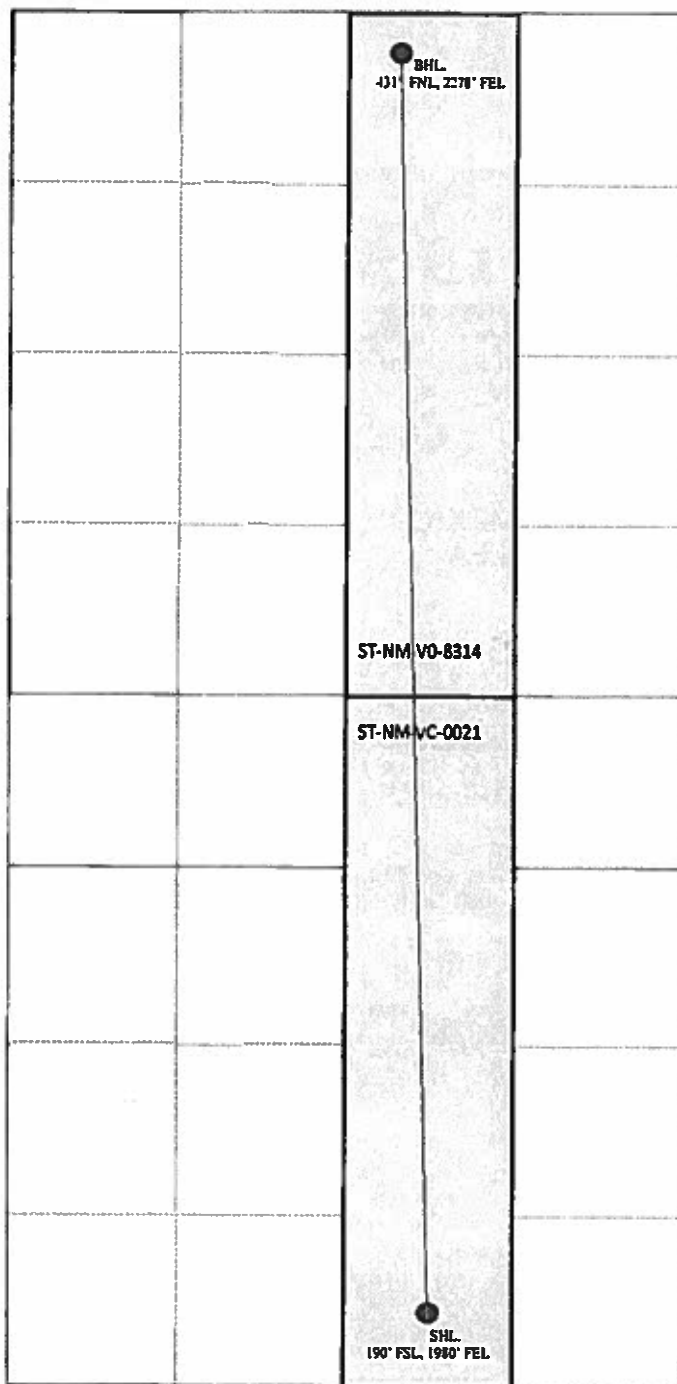
PLAT OF CONSOLIDATED AREA

Township 24 South, Range 33 East, N.M.P.M.

Section 5: W/2E/2

Section 8: W/2E/2

Lea County, New Mexico



ONLINE version
Revised December 2014

Consolidation of leases
BOOK 1982 PAGE 60

40266

STATE OF NEW MEXICO
COUNTY OF LEA
FILED

SEP 22 2015

at 9:30 o'clock A M
and recorded in Book 1982
Page 57
Pat Chappelle, Lea County Clerk
By [Signature] Deputy



EATA FAJITA STATE COM 6H & 10H									
Date Sent	Initials	Name	Address	City	State	ZipCode	Certified Return Receipt No.	Delivered	
08.24.21	JB	SLO	PO BOX	Santa Fe	NM		7017 3040 0000 1205 2057		
02.10.22	JB	Malaga EF7 LLC	PO BOX 470788	Fort Worth	TX	76147	7017 3040 0000 1205 2118		
02.10.22	JB	Malaga Royalty LLC	PO BOX 2064	Midland	TX	79702	7017 3040 0000 1205 2101		

From: [Engineer, OCD, EMNRD](#)
To: [Barron, Jeanette](#)
Cc: [McClure, Dean, EMNRD](#); [Kautz, Paul, EMNRD](#); [Hawkins, James, EMNRD](#); [Powell, Brandon, EMNRD](#); lisa@rwbyram.com; [Dawson, Scott](#)
Subject: Approved Administrative Order CTB-1013
Date: Monday, March 7, 2022 4:49:17 PM
Attachments: [CTB1013 Order.pdf](#)

NMOCD has issued Administrative Order CTB-1013 which authorizes COG Production, LLC (217955) 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
30-025-41774	Eata Fajita State Com #6H	W/2 E/2	5-24S-33E	96674
		W/2 E/2	8-24S-33E	
30-025-42275	Eata Fajita State Com #10H	E/2 E/2	5-24S-33E	96674
		E/2 E/2	8-24S-33E	

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 PRODUCTION, LLC**

ORDER NO. CTB-1013

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 Production, 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.

CONCLUSIONS OF LAW

6. 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.
7. 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.
8. 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.
9. 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.

10. 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.
11. 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. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling.
3. 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.
4. 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.
5. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10.C.(2) NMAC.
6. 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.
7. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
8. 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).
9. 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**

A handwritten signature in black ink, appearing to read 'A. Sandoval', is written over a horizontal line.

**ADRIENNE SANDOVAL
DIRECTOR**

DATE: 3/07/2022

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **CTB-1013**

Operator: **COG Production, LLC (217955)**

Central Tank Battery: **Eata Fajita C Central Tank Battery**

Central Tank Battery Location: **Unit O, Section 8, Township 24 South, Range 33 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 O, Section 8, Township 24 South, Range 33 East**

Pools

Pool Name	Pool Code
TRIPLE X; BONE SPRING, WEST	96674

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
CA Bone Spring NMSLO PUN 1349638	W/2 E/2	5-24S-33E
	W/2 E/2	8-24S-33E
CA Bone Spring NMSLO PUN 1347576	E/2 E/2	5-24S-33E
	E/2 E/2	8-24S-33E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-41774	Eata Fajita State Com #6H	W/2 E/2	5-24S-33E	96674
		W/2 E/2	8-24S-33E	
30-025-42275	Eata Fajita State Com #10H	E/2 E/2	5-24S-33E	96674
		E/2 E/2	8-24S-33E	

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 43979

CONDITIONS

Operator: COG PRODUCTION, LLC 600 W. Illinois Ave Midland, TX 79701	OGRID: 217955
	Action Number: 43979
	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.	3/7/2022