



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

September 21, 2021

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

Re: Application for Administrative Approval of Pool Lease Commingle

Dear Mr. McClure,

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

War Eagle Federal Com 504H  
API# 30-025-47429  
Teas; Bone Spring  
Ut. P, Sec. 12-T20S-R33E  
Lea County, NM

War Eagle Federal Com 701H  
API# 30-025-47431  
Tonto; Wolfcamp  
Ut. P, Sec. 12-T20S-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. P, Sec. 12-T20S-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 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. P, Sec. 12-T20S-R33E.

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 is enclosed.

Please see the enclosed Administrative Application Checklist, C-107B Application for Pool Lease Commingling, plats for referenced wells, site facility diagram, maps with lease boundaries showing wells and facility locations, production history and comunization agreement application.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink that reads "Jeanette Barron". The script is cursive and fluid, with the first name and last name clearly distinguishable.

Jeanette Barron  
Regulatory Coordinator

Revised March 23, 2017

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

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Geological & Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND  
 REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Applicant:** COG Operating, LLC**OGRID Number:** 229137**Well Name:** War Eagle Federal Cpm 504H, 601H, 701H**API:** 30-02547429/ 30-025-47430 /30-025-47431**Pool:** Teas; Bone Spring / Tonto; Wolfcamp**Pool Code:** 58960 / 59500

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

**1) TYPE OF APPLICATION:** Check those which apply for [A]

A. Location - Spacing Unit - Simultaneous Dedication

☐ NSL☐ NSP (PROJECT AREA)☐ NSP (PRORATION UNIT)☐ SD

B. Check one only for [ I ] or [ II ]

[ I ] Commingling - Storage - Measurement

☐ DHC☐ CTB☒ PLC☐ PC☐ OLS☐ OLM

[ II ] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX☐ PMX☐ SWD☐ IPI☐ EOR☐ PPR**2) NOTIFICATION REQUIRED TO:** Check those which apply.A. ☐ Offset operators or lease holdersB. ☒ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☐ Notification and/or concurrent approval by SLOE. ☒ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☐ For all of the above, proof of notification or publication is attached, and/or,H. ☐ No notice required**FOR OCD ONLY**☐

Notice Complete

☐Application  
Content  
Complete

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

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

Jeanette Barron

Print or Type Name

*Jeanette Barron*

Signature

Date

9/21/21

575-746-6974

Phone Number

jeanette.barron@conocophillips.com

e-mail Address

District I  
1625 N. French Drive, Hobbs, NM 88240  
District II  
811 S. First St., Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St Francis Dr, Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107-B  
Revised August 1, 2011

**OIL CONSERVATION DIVISION**  
1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

Submit the original  
application to the Santa Fe  
office with one copy to the  
appropriate District Office.

**APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**

OPERATOR NAME: COG Operating LLC  
OPERATOR ADDRESS: 2208 W Main Street, Artesia, New Mexico 88210  
APPLICATION TYPE:

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

LEASE TYPE: ☐ Fee ☐ State ☒ Federal

Is this an Amendment to existing Order? ☐ Yes ☐ No If "Yes", please include the appropriate Order No. \_\_\_\_\_  
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling  
☐ Yes ☐ No

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

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
59500 Tonto: Wolfcamp	39.2//1398	38.7/1412			
58960 Teas, Bone Spring	38.3/1425				

- (2) Are any wells producing at top allowances? ☒ 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

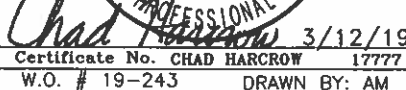
- (1) A schematic diagram of facility, including legal location.  
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.  
(3) Lease Names, Lease and Well Numbers, and API Numbers.

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: 9/21/21

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 RD., AZTEC, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170

## DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505  
Phone: (505) 478-3400 Fax: (505) 478-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

Form C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <b>30-025-47429</b>	Pool Code <b>58960</b>	Pool Name <b>Teas; Bone Spring</b>
Property Code <b>328892</b>	Property Name <b>WAR EAGLE FEDERAL COM</b>	Well Number <b>504H</b>
OGRID No. <b>229137</b>	Operator Name <b>COG OPERATING, LLC</b>	Elevation <b>3606.7'</b>

## 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	12	20-S	33-E		100	SOUTH	590	EAST	LEA

## 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
1	1	20-S	33-E		50	NORTH	1000	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
639.6			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>NAD 83 NME <u>PROPOSED BOTTOM HOLE LOCATION</u> Y=586131.0 N X=763623.0 E LAT.=32.609251° N LONG.=103.611450° W</p>	<p>Y=586173.6 N X=761991.8 E</p> <p>LOT 4 39.63 Ac</p> <p>LOT 3 39.76 Ac</p> <p>LOT 2 39.64 Ac</p> <p>LOT 1 39.79 Ac</p> <p>GRID AZ. = 359°35'23" HORZ. DIST. = 10404.4'</p>	<p>Y=586185.6 N X=764622.6 E</p> <p>LIP 100' FNL &amp; 1000' FEL Y=586081.0 N X=763623.4 E LAT.=32.609114° N LONG.=103.611450° W</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Jeanette Barron</i> 9/21/21 Signature Date</p> <p><b>Jeanette Barron</b> Printed Name jeanette.barron@conocophillips.com</p> <p>E-mail Address</p>
	<p>SECTION 1</p> <p>SECTION 12</p> <p>NAD 83 NME <u>SURFACE LOCATION</u> Y=575728.3 N X=764107.6 E LAT.=32.580650° N LONG.=103.610106° W</p> <p>Y=575621.0 N X=762058.6 E</p> <p>Y=575630.4 N X=764698.2 E</p> <p>LEASE X-ING LAT.=32.591262° N LONG.=103.611442° W</p> <p>LEASE X-ING LAT.=32.587635° N LONG.=103.611440° W</p> <p>FTP 100' FSL &amp; 1000' FEL Y=575726.9 N X=763697.5 E LAT.=32.580654° N LONG.=103.611437° W GRID AZ. TO FTP 269°47'44"</p>	<p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>FEBRUARY 22, 2019 Date of Survey</p> <p>Signature &amp; Seal of Professional Surveyor</p> <p></p> <p><i>Chad Harcrow</i> 3/13/19 Certificate No. CHAD HARCROW 17777 W.O. # 19-244 DRAWN BY: AM</p>	





WAR EAGLE FEDERAL 22 P CTB  
SECTION 12, T20S, R33E, UNIT P  
COORDS: 32.582167, -103.612201  
LEA COUNTY, NM

WELLS:  
WAR EAGLE FEDERAL COM #504H: 30-025-47429  
WAR EAGLE FEDERAL COM #701H: 30-025-47431

## METERS

(G1) Tester #1 Oil Meter # 15021004  
(G1) Tester #1 Gas Meter # 15022350  
(W1) Tester #1 Water Meter # 15054300  
(G2) Tester #2 Oil Meter # 15021005  
(G2) Tester #2 Gas Meter # 15022351  
(W2) Tester #2 Water Meter # 15054301

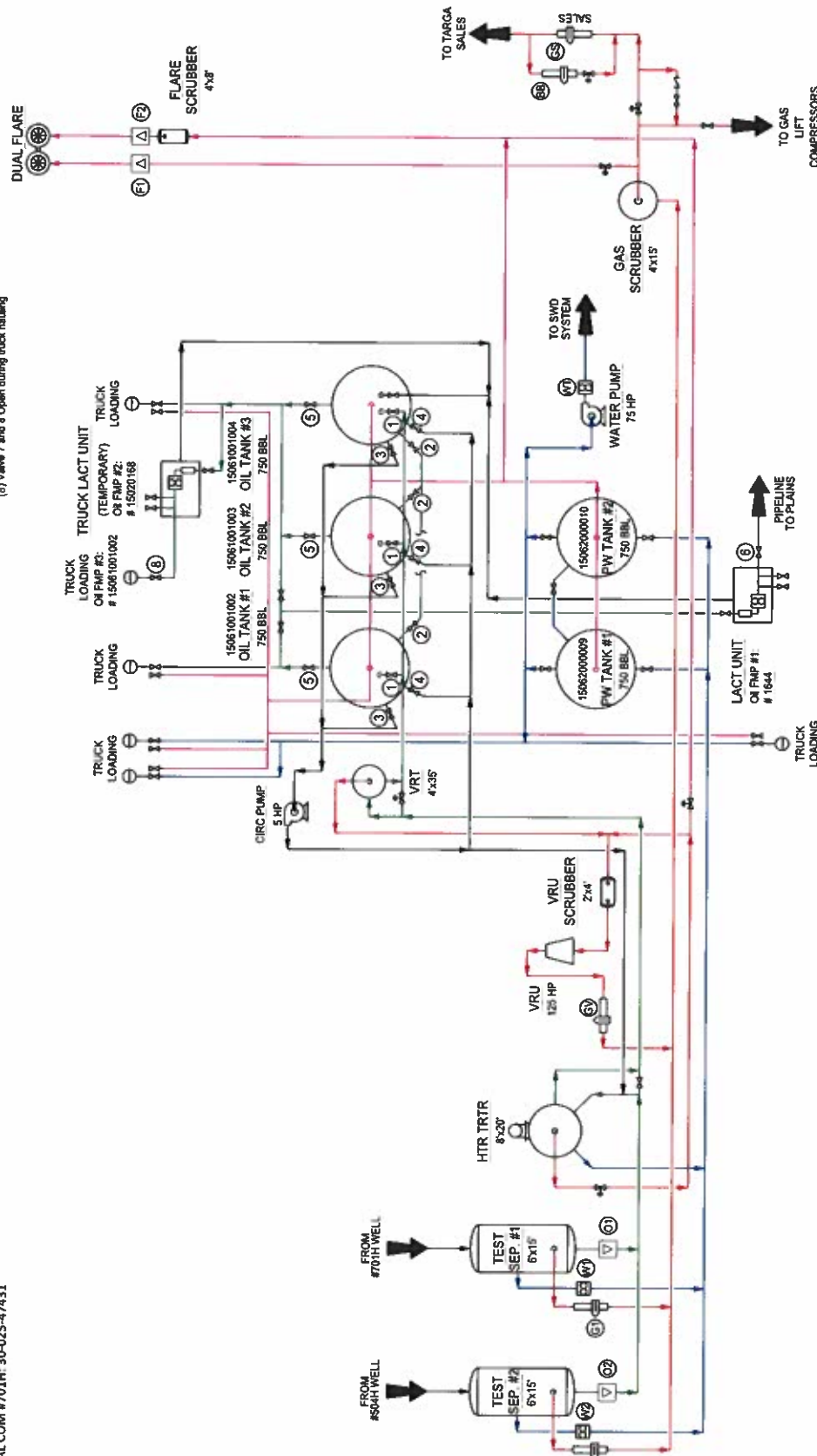
## METERS

(F1) HP Flare Gas Meter # 15011362  
(F2) LP Flare Gas Meter # 15011363  
(W1) Water Transfer Meter # 15050007  
(G1) VRU Gas Meter # 15046014  
(G2) Targa FMP Gas Sales Meter # 118001354  
(BB) Targa Gas By Back Meter # 118001355

## Production Phase/Sales Phase

(1) Valve 1 Open  
(2) Valve 2 Open  
(3) Valve 3 and 4 Closed  
(4) Valve 5 Open  
(5) Valve 6 Open  
(6) Valve 7 Locked Closed  
(7) Valve 8 Locked Closed during Pipeline Sales  
(8) Valve 7 and 8 Open during truck hauling

FACILITY VOLUME  
- OIL: 4,000 BPD  
- WATER: 8,000 BPD  
- GAS: 8 MMSCFD



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

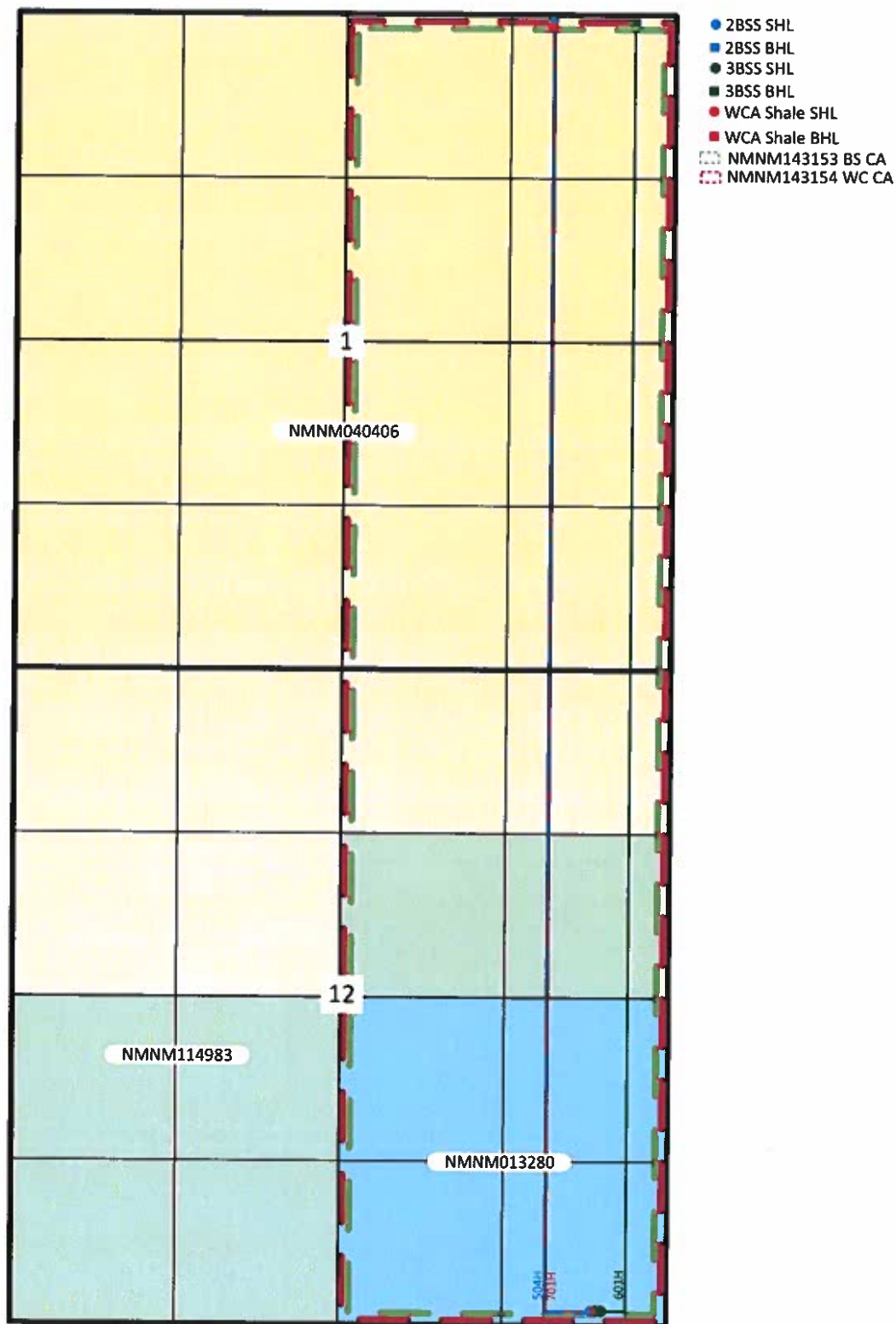
Type of Facility: Federal  
Lease #: MNM0013280  
CA #: MNM0143154 & MNM0143153  
NMOC Property Code: 328932  
NMOC OGRID #: 229137

ConocoPhillips

DE LAWARE BASIN EAST ASSET  
PRODUCTION FACILITIES  
SITE FACILITY DIAGRAM  
WAR EAGLE FEDERAL 22 P CTB  
LEA COUNTY, NM  
TARGA PHASE  
ONE MA  
NEW 42500  
REV C

NO.	REFERENCE	DATE	DESCRIPTION	BY	CHK	APP	REVISION
A	02/28/20	02/28/20	REVISION FOR REVIEW	AS	CS	AS	02/28/20
B	07/26/20	07/26/20	REVISION FOR REVIEW	AS	CS	AS	07/26/20
C	09/29/21	09/29/21	REVISION FOR FIELD VERIFICATION	AS	CS	AS	09/29/21
<p>CONOCO PHILLIPS ONE CONOCO CENTER 600 WEST ALBUQUERQUE AVENUE MIDLAND, TEXAS 79701</p>							
<p>CONOCO PHILLIPS SITE SECURITY PLANS LOCATED AT:</p>							
<p>CONOCO PHILLIPS SPECIFICALLY FORWARDED</p>							

# War Eagle Federal Com Wells



Sec. 1, 12-T20S-R33E  
Lea County, NM





# War Eagle Fed Com 604H & 701H

&

## Red Hills and Jal Offload Station Map

War Eagle Fed  
Com 504H, 701H  
Lea County, NM

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
TH31 ALT 02 KK SAS FIELD	32	33	34	35	36

Red Hills Offload  
Station  
Lea County, NM

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
TH31 ALT 02 KK SAS FIELD	32	33	34	35	36

Jal Offload Station  
Lea County, NM

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

War Eagle Fed Com 504H & 701H PLC									
Date Sent	Initials	Name	Address	City	State	ZipCode	Certified Return Receipt No.	Delivered	
09.21.21	J8	Bureau of Land Management	414 W Taylor	Hobbs	NM	88240	7020 3160 0000 0978 9887		
09.21.21	J8	W. B. Strange, as Trustee of the Charles E. Strange 1976 Trust # I	P.O. Box 1509	Inverness	FL	32651	7020 3160 0000 7981 5319		
09.21.21	J8	Wing Resources IV, LLC	2100 McKinney Ave Suite 1540	Dallas	TX	75201	7020 3160 0000 7981 5326		
09.21.21	J8	Mark T. Manning	2500 Beech Street	Bakersfield	CA	93301	7020 3160 0000 7981 6712		
09.21.21	J8	Teckla Oil Co., LLC	4791 East Stallion Lane	Iwerness	FL	32651	7020 3160 0000 7981 6729		
09.21.21	J8	Prime Rock Resources ORRI, Inc.	1209 N Orange St.	Wilmington	DE	19801	7020 3160 0000 7981 6644		
09.21.21	J8	Wynn-Crosby Partners II, Ltd.	5500 W. Plano Parkway Suite 200	Plano	TX	75093	7020 3160 0000 7981 6651		
09.21.21	J8	HEF-LIN Energy Corporation	510 Hearn Street	Austin	TX	78703	7020 3160 0000 7981 6668		
09.21.21	J8	Monarch Bay, Ltd.	510 Hearn Street	Austin	TX	78703	7020 3160 0000 7981 6675		
09.21.21	J8	Castleton, Ltd.	510 Hearn Street Suite 200	Austin	TX	78703	7020 3160 0000 7981 6682		
09.21.21	J8	Snyder Petroleum Corporation	510 Hearn Street Suite 360	Austin	TX	78703	7020 3160 0000 7981 6699		
09.21.21	J8	Advance Royalties, LP	1675 S State Street Suite B	Dover	DE	19901	7020 3160 0000 7981 6705		
09.21.21	J8	Southern Union Exploration Company	504 Lavaca 8th Floor Lavaca Plaza	Austin	TX	78701	7020 3160 0000 7981 6514		
09.21.21	J8	HTI Resources, Inc.	P.O. Box 10690	Savannah	GA	31412	7020 3160 0000 7981 6521		
09.21.21	J8	Michael G. Mooney	P.O. Box 7405	Midland	TX	79708	7020 3160 0000 7981 6538		
09.21.21	J8	Wesley K. Noe	3323 Maxwell	Midland	TX	79707	7020 3160 0000 7981 6545		
09.21.21	J8	Chris Smith	4204 Crestgate	Midland	TX	79707	7020 3160 0000 7981 6552		
09.21.21	J8	Black Stone Minerals Company, L.P	1001 Fannin Suite 2020	Houston	TX	77002	7020 3160 0001 0979 3129		
09.21.21	J8	Unknown Heirs and Assigns of the Estate of Mrs. U. Vera Cox, Deceased	9521 Lechner Road	Fort Worth	TX	76179	7020 3160 0001 0979 3136		
09.21.21	J8	Unknown Heirs and Assigns of the of Vera Leah Cox, Deceased	9521 Lechner Road	Fort Worth	TX	76179	7020 3160 0001 0979 3143		
09.21.21	J8	The Wheat Company, a Trust	441 Baltusrol Dr	Aptos	CA	95003	7020 3160 0001 0979 3150		
09.21.21	J8	The Braille Institute of America	741 N Vermont Ave.	Los Angeles	CA	90029	7020 3160 0001 0979 3167		
09.21.21	J8	Bank of America, N.A. Sole Trustee of the Selma E. Andrews Perpetual Charitable Trust	P.O. Box 831041	Dallas	TX	75283-1041	7020 3160 0001 0979 3273		
09.21.21	J8	Bank of America, N.A. Sole Trustee of the Selma E. Andrews Trust for the benefit of Peggy Barnett	P.O. Box 830308	Dallas	TX	75283-0308	7020 3160 0001 0979 3280		
09.21.21	J8	Eric J. Coll	3113 45th St.	Lubbock	TX	79413	7020 3160 0001 0979 3297		
09.21.21	J8	Jon F. Coll	P.O. Box 1818	Roswell	NM	88202	7020 3160 0001 0979 3303		
09.21.21	J8	Charles H. Coll	5207 S Hummingbird Ln.	Roswell	NM	88203	7020 3160 0001 0979 3310		
09.21.21	J8	Max W. Coll II Testamentary Trust u/w/o Max W. Coll II, Catherine Coll, Trustee	83 La Barbara Trail	Santa Fe	NM	87505	7020 3160 0001 0979 3327		
09.21.21	J8	Clarke C. Coll	3972 S Spring Loop	Roswell	NM	88203	7020 3160 0001 0979 3334		
09.21.21	J8	Sally Rodgers	152 Arroyo Hondo Rd. Apt 8	Santa Fe	NM	87508-5941	7020 3160 0001 0979 3341		
09.21.21	J8	Max W. Coll III	7625 El Centro BLVD Unit 1	Las Cruces	NM	88012	7020 3160 0001 0979 3358		
09.21.21	J8	Unknown Heirs and Assigns of the Estate of Jon F. Coll II, Deceased	2905 Diamond A Dr. A	Roswell	NM	88201	7020 3160 0001 0979 3365		
09.21.21	J8	Melanie Coll De Temple	5653 Tobias Avenue	Van Nuys	CA	91411	7020 3160 0001 0979 3372		
09.21.21	J8	Eiz Oil Properties, Ltd.	PO Box 73406	Phoenix	AZ	85050	7020 3160 0001 0979 3389		
09.21.21	J8	George H. Eiz, Jr., Trustee of the George H. Eiz, Sr. Trust	1105 Xanthima Ave	McAllen	TX	78504-3519	7020 3160 0001 0979 3396		
09.21.21	J8	Progeny Petroleum, Inc.	735 State Street	Santa Barbara	CA	93101	7020 3160 0001 0979 3402		
09.21.21	J8	C & I Powell Revocable Living Trust dated 6/16/1978	114 Las Brisas Drive	Monterey	CA	93940	7020 3160 0001 0979 3419		
09.21.21	J8	Edward T. Dreesen, Jr. and Kathleen G. Dreesen Revocable Living Trust dated April 30, 2014	P.O. Box 830	Palo Cedro	CA	96073	7020 3160 0001 0978 8934		
09.21.21	J8	Edward T. Dreesen Jr.	P.O. Box 830	Palo Cedro	CA	96073	7020 3160 0001 0978 8941		
09.21.21	J8	Ingrid Dreesen Powell	114 Las Brisas Drive	Monterey	CA	93940	7020 3160 0001 0978 8958		
09.21.21	J8	Christopher Rapkoch	3415 Lafayette Ave S	Seattle	WA	98144	7020 3160 0001 0978 8965		
09.21.21	J8	Antonia Dean	2381 Brother Abdon Way	Santa Fe	NM	87505	7020 3160 0001 0978 8972		
09.21.21	J8	Mary Dupuis	3119 3rd Ave	Great Falls	MT	59045	7020 3160 0001 0978 8989		
09.21.21	J8	Joseph Rapkoch	955 Teton Ave	Shelby	MT	59474	7020 3160 0001 0978 8996		
09.21.21	J8	Gabrielle Taheri	7107 97th Ave	Lakewood	WA	98498	7020 3160 0001 0978 9009		
09.21.21	J8	Kathleen Hogg	406 Idaho	Lewistown	MT	59457	7020 3160 0001 0978 9016		
09.21.21	J8	John Rapkoch	86 Paramatta Rd	Doubleview	Weste	Australia	7020 3160 0001 0978 9023		



War Eagle Fed Com 504H & 701H PLC									
Date Sent	Initials	Name	Address	City	State	ZipCode	Certified Return Receipt No.	Delivered	
09.21.21	J8	Mark Rapkoch	216 25th Ave	Laurel,	MT	59044	7020 3160 0001 0978 9030		
09.21.21	J8	Margaret Rapkoch	4525 S Warner Apt 11	Tacoma,	WA	98409	7020 3160 0001 0978 9047		
09.21.21	J8	Thomas Rapkoch	695 Rodenberry Ave	Las Vegas	NV	89123	7020 3160 0001 0978 9054		
09.21.21	J8	Marc Ducharme	7 Xavier Terrace	Newport,	RI	2840	7020 3160 0001 0978 9061		
09.21.21	J8	Denise Crimmins	108 Riverview Ave.	Middletown,	RI	2842	7020 3160 0001 0978 9733		
09.21.21	J8	Michelle Deane	307 Highland Rd.	Tiverton,	RI	2878	7020 3160 0001 0978 9740		
09.21.21	J8	Celeste Martley	663 Union Street	Portsmouth,	RI	2871	7020 3160 0001 0978 9757		
09.21.21	J8	Aimee Ducharme	16 Congdon Ave	Newport,	RI	2840	7020 3160 0001 0978 9764		
09.21.21	J8	Fazken Land & Minerals, Ltd.	6101 Holiday Hill Rd	Midland,	TX	77056	7020 3160 0001 0978 9771		
09.21.21	J8	Stephen Rapkoch	3311 N. 18th Street	Tacoma,	WA	98406	7020 3160 0001 0978 9788		
09.21.21	J8	Geoffrey Rapkoch	2017th Ave	Great Falls	MT	59401	7020 3160 0001 0978 9795		
09.21.21	J8	Michael Rapkoch	1963 Patricia Ln.	Billings,	MT	59102	7020 3160 0001 0978 9801		
09.21.21	J8	Karen Kelly	303 Meridale Ave	Johnson City	TN	37601	7020 3160 0001 0978 9818		
09.21.21	J8	Daniel Rapkoch	844 W. Broadway	Butte,	MT	59701	7020 3160 0001 0978 9825		
09.21.21	J8	Jennifer Rapkoch	9541 Bakelake Dr	Minocqua,	WI	54548	7020 3160 0001 0978 9832		
09.21.21	J8	Prime Rock Resources Agent Co. Inc., as Nominee f/b/o Prime Rock Resources, LLC	203 W Wall Street Suit 1000	Midland,	TX	79701	7020 3160 0001 0978 9849		
09.21.21	J8	Chevron U.S.A. Inc.1301 McKinney St, Houston, TX, 77010	1301 McKinney St	Houston,	TX	77010	7020 3160 0001 0978 9856		
09.21.21	J8	Marathon Oil Permian LLC	5555 San Felipe Street	Houston,	TX	77056	7020 3160 0001 0978 9863		
09.21.21	J8	Warwick-Ares LLC	900 W Withshire Blvd	Oklahoma City	OK	73116	7020 3160 0001 0978 9870		



# Certificate of Analysis

Number: 6030-21090062-003A

Artesia Laboratory  
200 E Main St.  
Artesia, NM 88210  
Phone 575-746-3481

Concho Oil & Gas  
Concho Oil & Gas  
2407 Pecos Ave.  
Artesia, NM 88210

Sep. 10, 2021

Station Name: War Eagle federal 22 P CTB 504H  
Station Number: 15002351  
Type of Sample: Spot-Cylinder  
Heat Trace Used: N/A  
Sampling Method: Fill and Purge  
Sampling Company: COG  
Last Inst. Cal.: 08/02/2021 0:00 AM  
Analyzed: 09/10/2021 12:34:57 by KNF

Sampled By: Chris Myers  
Sample Of: Gas Spot  
Sample Date: 09/09/2021 10:25  
Sample Conditions: 95 psia, @ 112 °F Ambient: 85 °F  
Effective Date: 09/09/2021 10:25  
Method: GPA-2261M  
Cylinder No: 5030-01754  
Instrument: 6030\_GC6 (Inficon GC-3000 Micro)

## Analytical Data

Components	Un-normalized Mol %	Mol. %	Wt. %	GPM at 14.73 psia	
Hydrogen Sulfide	0.000	0.00000	0.000		GPM TOTAL C2+
Nitrogen	3.309	3.28646	3.686		GPM TOTAL C3+
Methane	64.726	64.28085	41.285		GPM TOTAL iC5+
Carbon Dioxide	0.822	0.81595	1.438		
Ethane	15.309	15.20390	18.303	4.086	
Propane	9.698	9.63086	17.002	2.666	
Iso-butane	1.158	1.15024	2.677	0.378	
n-Butane	3.036	3.01514	7.016	0.955	
Iso-pentane	0.676	0.67126	1.939	0.247	
n-Pentane	0.721	0.71634	2.069	0.261	
Hexanes Plus	1.238	1.22900	4.585	0.539	
	100.693	100.00000	100.000	9.132	

<b>Calculated Physical Properties</b>	<b>Total</b>	<b>C6+</b>
Relative Density Real Gas	0.8665	3.2176
Calculated Molecular Weight	24.98	93.19
Compressibility Factor	0.9949	
<b>GPA 2172 Calculation:</b>		
<b>Calculated Gross BTU per ft<sup>3</sup> @ 14.73 psia &amp; 60°F</b>		
Real Gas Dry BTU	1425	5141
Water Sat. Gas Base BTU	1401	5052
Ideal, Gross HV - Dry at 14.73 psia	1418.3	5141.1
Ideal, Gross HV - Wet	1393.6	5051.6

Comments: H2S Field Content 0 ppm

  
Data reviewed by: Krystle Fitzwater, Laboratory Manager

Quality Assurance: The above analyses are performed in accordance with ASTM, UOP, GPA guidelines for quality assurance, unless otherwise stated.

Powered By SURECHEM



Certificate of Analysis  
Number: 6030-21090062-001A

Artesia Laboratory  
200 E Main St.  
Artesia, NM 88210  
Phone 575-746-3481

Concho Oil & Gas  
Concho Oil & Gas  
2407 Pecos Ave.  
Artesia, NM 88210

Sep. 10, 2021

Station Name: War Eagle federal 22 P CTB 701HB  
Station Number: 15002350  
Type of Sample: Spot-Cylinder  
Heat Trace Used: N/A  
Sampling Method: Fill and Purge  
Sampling Company: COG  
Last Inst. Cal.: 08/02/2021 0:00 AM  
Analyzed: 09/10/2021 12:22:23 by KNF

Sampled By: Chris Myers  
Sample Of: Gas Spot  
Sample Date: 09/09/2021 11:28  
Sample Conditions: 94 psia, @ 117 °F Ambient: 86 °F  
Effective Date: 09/09/2021 11:28  
Method: GPA-2261M  
Cylinder No: 1111-003917  
Instrument: 6030\_GC6 (Inficon GC-3000 Micro)

Analytical Data

Components	Un-normalized Mol %	Mol. %	Wt. %	GPM at 14.73 psia		
Hydrogen Sulfide	0.000	0.00000	0.000		GPM TOTAL C2+	8.789
Nitrogen	3.334	3.31325	3.835		GPM TOTAL C3+	4.570
Methane	66.159	65.73945	43.570		GPM TOTAL IC5+	0.823
Carbon Dioxide	0.208	0.20688	0.376			
Ethane	15.805	15.70477	19.510	4.219		
Propane	9.357	9.29766	16.938	2.573		
Iso-butane	0.935	0.92947	2.232	0.306		
n-Butane	2.759	2.74140	6.583	0.868		
Iso-pentane	0.559	0.55536	1.655	0.204		
n-Pentane	0.601	0.59759	1.781	0.218		
Hexanes Plus	0.920	0.91417	3.520	0.401		
	100.637	100.00000	100.000	8.789		

<b>Calculated Physical Properties</b>	<b>Total</b>	<b>C6+</b>
Relative Density Real Gas	0.8394	3.2176
Calculated Molecular Weight	24.20	93.19
Compressibility Factor	0.9953	
<b>GPA 2172 Calculation:</b>		
<b>Calculated Gross BTU per ft<sup>3</sup> @ 14.73 psia &amp; 60°F</b>		
Real Gas Dry BTU	1398	5141
Water Sat. Gas Base BTU	1375	5052
Ideal, Gross HV - Dry at 14.73 psia	1391.8	5141.1
Ideal, Gross HV - Wet	1367.5	5051.6

Comments: H2S Field Content 0 ppm

Data reviewed by: Krystle Fitzwater, Laboratory Manager

Quality Assurance: The above analyses are performed in accordance with ASTM, UOP, GPA guidelines for quality assurance, unless otherwise stated.



## Federal Communitization Agreement

Contract No. \_\_\_\_\_

THIS AGREEMENT entered into as of the 1st day of June, 2019, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

### WITNESSETH:

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

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

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

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

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

**Township 20 South, Range 33 East, N.M.P.M.**

Section 1: Lots 1 & 2, S $\frac{1}{2}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$  (aka E $\frac{1}{2}$ )

Section 12: N $\frac{1}{2}$ NE $\frac{1}{4}$ , S $\frac{1}{2}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$  (aka E $\frac{1}{2}$ )

Lea County, New Mexico

Containing 639.6 acres, more or less, and this agreement shall include only the **Bone Spring formation** underlying said lands and the crude oil and associated natural gas (or) oil and gas hereafter referred to as "communitized substances," producible from such pool.

War Eagle Federal Com 504H  
War Eagle Federal Com 601H  
E $\frac{1}{2}$  Bone Spring

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be **COG Operating LLC, 600 W. Illinois Ave., Midland, TX, 79701**. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same pool as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof,

*War Eagle Federal Com 504H  
War Eagle Federal Com 601H  
E½ Bone Spring*

but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is June 1, 2019, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the

War Eagle Federal Com 504H  
War Eagle Federal Com 601H  
E½ Bone Spring

United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.

13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

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

**OPERATOR:  
WORKING INTEREST OWNER  
AND/OR LESSEE OF RECORD:**

Date: 3/11/2021

By: \_\_\_\_\_

COG OPERATING LLC

Sean Johnson  
Attorney-In-Fact

#### ACKNOWLEDGEMENT

STATE OF TEXAS       §  
                                  §  
COUNTY OF MIDLAND §

This instrument was acknowledged before me on the 11<sup>th</sup> day of March, 2021, by Sean Johnson, Attorney-In-Fact of COG Operating LLC, a Delaware Limited Liability Company, on behalf of same.




Laura R Reyna  
Notary Public in and for the State of Texas  
My Commission expires: 2-14-2023

War Eagle Federal Com 504H  
War Eagle Federal Com 601H  
E% Bone Spring

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

Date: 12-4-19

By: 

Name: M. A. Sirgo III

Title: Director

PRIME ROCK RESOURCES AGENT CO. INC.,  
AS NOMINEE F/B/O PRIME ROCK RESOURCES, LLC

ACKNOWLEDGEMENT

STATE OF Texas §  
COUNTY OF Midland §

This instrument was acknowledged before me on DECEMBER 4<sup>th</sup>, 2019, by M. A. Sirgo III, as Director of Prime Rock Resources Agent Co, Inc., a Delaware corporation, as nominee f/b/o Prime Rock Resources, LLC, a Texas Limited Liability Company, on behalf of same.



Peggy A. Redman  
Notary Public in and for the State of TEXAS  
My Commission Expires: 05/06/2021

War Eagle Federal Com 504H  
War Eagle Federal Com 601H  
E 1/2 Bone Spring

## WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

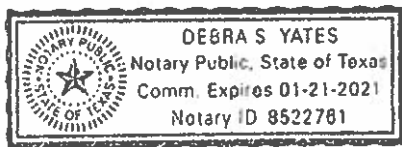
Date: October 7, 2020Fasken Land and Minerals, Ltd.By: Tommy E. Taylor  
Tommy E. Taylor, Vice-President Fasken  
Management, LLC, the General Partner of Fasken  
Land and Minerals, Ltd.

## ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY OF MIDLAND

This foregoing instrument was acknowledged before me on October 7, 2020, by  
Tommy E. Taylor, Vice-President of Fasken Management, LLC, a Texas limited liability company, as  
General Partner of Fasken Land and Minerals, Ltd., a Texas limited partnership, on behalf of said limited  
liability company and said limited partnership.

Debra S. Yates  
Notary Public

War Eagle Federal Com 504H  
War Eagle Federal Com 601H  
E½ Bone Spring



WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

WPX ENERGY PERMIAN, LLC

Date: 19 JULY 2019

By: [Signature]

Name: GREGORY J. GEIST TEST

Title: VICE PRESIDENT, LAND

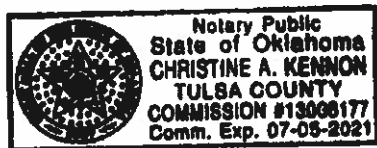
[Signature]

ACKNOWLEDGEMENT

STATE OF Oklahoma §

COUNTY OF Tulsa §

This instrument was acknowledged before me on 19 JULY, 2019, by GREGORY J. GEIST, as VICE PRESIDENT, LAND of WPX Energy Permian, LLC, a Delaware Limited Liability Company, on behalf of same.



[Signature]  
Notary Public in and for the State of Oklahoma  
My Commission Expires: 07-05-2021

War Eagle Federal Com 504H  
War Eagle Federal Com 601H  
E 1/2 Bone Spring

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

Date: 10/2/2019

By: [Signature]  
Name: Lindsay B. Weddle  
Title: Attorney-in-fact

CONOCOPHILLIPS COMPANY

HL  
See

ACKNOWLEDGEMENT

STATE OF Texas §  
COUNTY OF Harris §

This instrument was acknowledged before me on Oct. 2, 2019, by Lindsay B. Weddle, as Attorney-in-fact of ConocoPhillips Company, a Delaware Corporation, on behalf of same.



[Signature]  
Notary Public in and for the State of Texas  
My Commission Expires: 6/20/2023

War Eagle Federal Com 504H  
War Eagle Federal Com 601H  
E 1/2 Bone Spring

**WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD**

**CHEVRON U.S.A. INC.**

Date: \_\_\_\_\_

By: Subject to Compulsory Pooling Order R-21090

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ §

§

COUNTY OF \_\_\_\_\_ §

§

This instrument was acknowledged before me on \_\_\_\_\_, 2019, by  
\_\_\_\_\_, as \_\_\_\_\_ of Chevron  
U.S.A. Inc., a \_\_\_\_\_, on behalf of same.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

**War Eagle Federal Com 304H  
War Eagle Federal Com 601H  
E½ Bone Spring**

**WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD**

**MARATHON OIL PERMIAN LLC**

Date: \_\_\_\_\_

By: Subject to Compulsory Pooling Order R-21090

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on \_\_\_\_\_, 2019, by \_\_\_\_\_, as \_\_\_\_\_ of Marathon Oil Permian LLC, a \_\_\_\_\_, on behalf of same.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

**War Eagle Federal Com 504H  
War Eagle Federal Com 601H  
E½ Bone Spring**

**WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD**

**NOVO OIL & GAS NORTHERN DELAWARE, L.L.C.**

Date: \_\_\_\_\_

By: Subject to Compulsory Pooling Order R-21090

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ §

§

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on \_\_\_\_\_, 2019, by \_\_\_\_\_, as \_\_\_\_\_ of Novo Oil & Gas Northern Delaware, L.L.C., a \_\_\_\_\_, on behalf of same.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

**War Eagle Federal Com 504H  
War Eagle Federal Com 601H  
E% Bone Spring**

**WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD**

**AMERICAN PRODUCTION PARTNERSHIP LTD.-IV**

Date: \_\_\_\_\_ By: Subject to Compulsory Pooling Order R-21090  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ §  
COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on \_\_\_\_\_, 2019, by \_\_\_\_\_, as \_\_\_\_\_ of American Production Partnership Ltd.-IV, a \_\_\_\_\_, on behalf of same.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

War Eagle Federal Com 504H  
War Eagle Federal Com 601H  
E½ Bone Spring



**WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD**

**AMERICAN PRODUCTION PARTNERSHIP LTD. III**

Date: \_\_\_\_\_ By: Subject to Compulsory Pooling Order R-21090  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ §  
COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on \_\_\_\_\_, 2019, by \_\_\_\_\_, as \_\_\_\_\_ of American Production Partnership Ltd. III, a \_\_\_\_\_, on behalf of same.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

*War Eagle Federal Com 504H  
War Eagle Federal Com 601H  
E½ Bone Spring*

**WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD**

**SUN EXPLORATION AND PRODUCTION COMPANY**

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: Subject to Compulsory Pooling Order R-21090

Title: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on \_\_\_\_\_, 2019, by \_\_\_\_\_, as \_\_\_\_\_ of Sun Exploration and Production Company, a \_\_\_\_\_, on behalf of same.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

**War Eagle Federal Com 504H  
War Eagle Federal Com 601H  
E½ Bone Spring**

**WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD**

**CHESAPEAKE EXPLORATION LLC**

Date: \_\_\_\_\_ By: \_\_\_\_\_  
Name: Subject to Compulsory Pooling Order R-21090  
Title: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ §  
COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on \_\_\_\_\_, 2019, by \_\_\_\_\_, as \_\_\_\_\_ of Chesapeake Exploration LLC, a \_\_\_\_\_, on behalf of same.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

**War Eagle Federal Com 504H  
War Eagle Federal Com 601H  
E½ Bone Spring**

**EXHIBIT "A"**

Plat of communitized area covering 639.6 acres in Lots 1, 2, S½NE¼ and SE¼ (aka E½) of Section 1 & N½NE¼, S½NE¼ and SE¼ of Section 12 (aka E½), T20S – R33E, N.M.P.M., Lea County, New Mexico  
Communitized depths are hereby limited to the Bone Spring

**Tract 1:**  
NM-040406



**Tract 2:**  
NM-114983



**Tract 3:**  
NM-013280



		Tract 1 NM-040406 Sec. 1: Lots 1, 2, S½NE¼, SE¼ Sec. 12: N½NE¼ 399.6 acres	
Section 1			
Section 12			
		Tract 2 NM-114983  S½NE¼ 80.0 Acres	
		Tract 3 NM-013280  SE¼ 160.0 Acres	

War Eagle Federal Com 504H  
War Eagle Federal Com 601H  
E½ Bone Spring

**EXHIBIT "B"**

To Communitization Agreement dated June 1, 2019 embracing the following described land  
in Lots 1, 2, S½NE¼ and SE¼ (aka E½) of Section 1 & N½NE¼, S½NE¼ and SE¼ of Section 12 (aka E½),  
T20S - R33E, N.M.P.M., Lea County, New Mexico  
Communitized depths are hereby limited to the Bone Spring

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

**DESCRIPTION OF LEASES COMMITTED**

**TRACT #1**

Lease Serial Number: NM-040406  
Original Lessee: Eva G. Manning  
Current Lessee: COG Operating LLC  
Prime Rock Resources Agent Co, Inc., as nominee f/b/o Prime Rock Resources, LLC  
Novo Oil & Gas Northern Delaware, L.L.C.  
WPX Energy Permian, LLC  
American Production Partnership Ltd.-IV  
American Production Partnership Ltd. III  
Lease Effective Date: December 1, 1972  
Description of Land Committed: Insofar and only insofar as said lease covers:  
Township 20 South - Range 33 East  
Section 1: Lots 1, 2, S½NE¼, SE¼  
Section 12: N½NE¼  
Number of Acres: 399.6  
Royalty Rate: 12.50%  
WI Owner Names and Interests: COG Operating LLC 86.366865%  
Prime Rock Resources Agent Co, Inc.  
as nominee f/b/o Prime Rock Resources LLC. 5.8137560%  
Chesapeake Exploration LLC 3.5920640%  
Marathon Oil Permian LLC 2.3063220%  
Fasken Land & Minerals, Ltd. 1.9209930%  
ORRI: Charles E. Strange 1976 Trust #1  
South Burbank Petroleum, LP  
Mark T. Manning  
Teckla Oil Co., LLC  
Wynn-Crosby Partners II, Ltd.

**TRACT #2**

Lease Serial Number: NM-114983  
Original Lessee: Samson Resources Co.  
Current Lessee: COG Operating LLC  
Lease Effective Date: December 1, 2005  
Description of Land Committed: Insofar and only insofar as said lease covers:  
Township 20 South - Range 33 East  
Section 12: S½NE¼  
Number of Acres: 80.0  
Royalty Rate: 12.50%  
WI Owner Names and Interests: COG Operating LLC 86.366865%  
Prime Rock Resources Agent Co, Inc.  
as nominee f/b/o Prime Rock Resources LLC. 5.8137560%  
Chesapeake Exploration LLC 3.5920640%  
Marathon Oil Permian LLC 2.3063220%  
Fasken Land & Minerals, Ltd. 1.9209930%  
ORRI: None

War Eagle Federal Com 504H  
War Eagle Federal Com 601H  
E½ Bone Spring

**EXHIBIT "B" (cont.)**

**TRACT #3**

Lease Serial Number: NM-013280  
Original Lessee: Phillips Petroleum Company  
Current Lessee: COG Operating LLC  
ConocoPhillips Company  
Sun Exploration and Production Company  
Lease Effective Date: July 1, 1951  
Description of Land Committed: Insofar and only insofar as said lease covers:  
Township 20 South - Range 33 East  
Section 12: SE¼  
Number of Acres: 160.0  
Royalty Rate: 12.50%  
WI Owner Names and Interests: COG Operating LLC 86.366865%  
Prime Rock Resources Agent Co, Inc.  
as nominee f/b/o Prime Rock Resources LLC. 5.8137560%  
Chesapeake Exploration LLC 3.5920640%  
Marathon Oil Permian LLC 2.3063220%  
Fasken Land & Minerals, Ltd. 1.9209930%  
ORRI: HTI Resources, Inc.  
Black Stone Minerals Company, L.P.  
Heirs of Thomas S. Cox  
The Wheat Company, a Trust  
The Braille Institute of America  
Bank of America, N.A., Sole Trustee of the Selma E. Andrews Perpetual  
Charitable Trust  
Bank of America, N.A., Sole Trustee of the Selma E. Andrews Trust, for  
benefit of Peggy Barnett  
Eric J. Coll  
Jon F. Coll  
Charles H. Coll  
Max W. Coll  
Clarke C. Coll  
Sally Rogers  
Max W. Coll III  
John F. Coll II  
Melanie Coll  
Etz Oil Properties, Ltd.  
George H. Etz, Sr Trust  
Progeny Petroleum, Inc.  
Betty Kye Dreesen Irrevocable Trust  
Edward T. Dreesen, Jr.  
Ingrid Dreesen Powell  
Cecile Marie Dreesen  
Heirs or Devises of Peter L. Rapkoch  
JoAnn Bills  
Ann C Rapkoch  
Stephen Rapkoch  
Geoffrey Rapkoch  
Michael Rapkoch  
Karen R. Irish  
Daniel Rapkoch  
Jennifer Rapkoch

War Eagle Federal Com 504H  
War Eagle Federal Com 601H  
E½ Bone Spring



# RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest In Communitized Area
1	399.6	62.4765%
2	80.0	12.5078%
3	160.0	25.0157%
<b>Total</b>	<b>639.6</b>	<b>100.0000%</b>

**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. 20854  
ORDER NO. R-21090**

**ORDER**

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on November 14, 2019, 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 compulsory 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 described depth(s) and location(s) in the Unit.
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 Surface Location or Bottom Hole Location of a well is changed from the location described in Exhibit A, Operator shall submit an amended Exhibit A, which the Division shall append to this Order.
19. 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 before commencing production of the well.
20. The Operator shall commence drilling the initial well within one (1) year after the date of this Order; and (b) for an infill well, no later than thirty (30) days after completion of the well.

CASE NO. 20854  
ORDER NO. R-21090

21. Operator shall comply with the infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC.
22. This Order shall terminate automatically if Operator fails to comply with Paragraphs 20 or 21.
23. Operator shall submit to OCD and each owner of a working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs") no later than: (a) for an initial well, no later than thirty (30) days after the date of this Order; (b) for an infill well proposed by Operator, no later than (30) days after the later of the initial notice period pursuant to 19.15.13.10(B) NMAC or the extension granted by the OCD Director pursuant 19.15.13.10(D) NMAC; or (c) for an infill well proposed by an owner of a Pooled Working Interest, no later than thirty (30) days after expiration of the last action required by 19.15.13.11 NMAC.
24. 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."
25. No later than within one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and 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 OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
26. No later than sixty (60) days after the later of the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, 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.


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27. 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."
28. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and 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 OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
29. 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.
30. 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.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to OCD and 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.*

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- 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  
AS/jag

Date: February 12, 2020



CASE NO. 20854  
ORDER NO. R-21090

**Exhibit "A"**

Applicant: COG Operating LLC  
Operator: COG Operating LLC (OGRID 229137)

Spacing Unit: Horizontal Oil  
Building Blocks: quarter-quarter section equivalents  
Spacing Unit Size: 640 acres (more or less)  
Orientation of Unit: North/South

**Spacing Unit Description:**

Lots 1-2, S/2 NE/4, and the SE/4 (E/2 equivalent) of irregular Section 1, and the E/2 of Section 12, Township 20 South, Range 33 East, Lea County, New Mexico

Pooling this Vertical Extent: Bone Spring Formation  
Depth Severance? (Yes/No): No

Pool: Teas; Bone Spring (Pool code 58960)  
Pool Spacing Unit Size: quarter-quarter sections  
Governing Well Setbacks: Horizontal Oil Well Rules  
Pool Rules: Latest Horizontal Rules Apply

Proximity Tracts: Yes  
Proximity Defining Well: Well No. 504H is to be drilled closer than 330 feet from the Proximity Tracts and therefore defines the Horizontal Spacing Unit.

Monthly charge for supervision: While drilling: \$7000 While producing: \$700  
As the charge for risk, 200 percent of reasonable well costs.

**Proposed Wells:**

**War Eagle Federal Com Well No. 504H, API No. 30-025-Pending**

SHL: 100 feet from the South line and 590 feet from the East line,  
(Unit P) of Section 12, Township 20 South, Range 33 East, NMPM.  
BHL: 50 feet from the North line and 1000 feet from the East line,  
(Lot 1) of Section 1, Township 20 South, Range 33 East, NMPM.

Completion Target: 2nd Bone Spring at approx 10272 feet TVD.  
Well Orientation: South to North  
Completion Location expected to be: standard

**War Eagle Federal Com Well No. 601H, API No. 30-025-Pending**

SHL: 100 feet from the South line and 530 feet from the East line,  
(Unit P) of Section 12, Township 20 South, Range 33 East, NMPM.  
BHL: 50 feet from the North line and 330 feet from the East line,  
(Lot 1) of Section 1, Township 20 South, Range 33 East, NMPM.

CASE NO. 20854  
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Completion Target: 3rd Bone Spring Sand at approx 10887 feet TVD.  
Well Orientation: South to North  
Completion Location expected to be: standard

CASE NO. 20854  
ORDER NO. R-21090

## Federal Communitization Agreement

Contract No. \_\_\_\_\_

THIS AGREEMENT entered into as of the 1st day of June, 2019, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

### WITNESSETH:

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

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

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

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

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

**Township 20 South, Range 33 East, N.M.P.M.**

Section 1: Lots 1 & 2, S½NE¼, SE¼ (aka E½)

Section 12: N½NE¼, S½NE¼, SE¼ (aka E½)

Lea County, New Mexico

Containing 639.6 acres, more or less, and this agreement shall include only the **Wolfcamp formation** underlying said lands and the crude oil and associated natural gas (or) oil and gas hereafter referred to as "communitized substances," producible from such pool.

*War Eagle Federal Com 701H  
E½ Wolfcamp*

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be **COG Operating LLC, 600 W. Illinois Ave., Midland, TX, 79701**. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same pool as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof,

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but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is June 1, 2019, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United

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States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.

13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

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

**OPERATOR:  
WORKING INTEREST OWNER  
AND/OR LESSEE OF RECORD:**

Date: 3/11/2021

By: \_\_\_\_\_

COG OPERATING LLC

Sean Johnson  
Attorney-In-Fact

#### ACKNOWLEDGEMENT

STATE OF TEXAS

§  
§  
§

COUNTY OF MIDLAND

This instrument was acknowledged before me on the 11<sup>th</sup> day of March, 2021, by Sean Johnson, Attorney-In-Fact of COG Operating LLC, a Delaware Limited Liability Company, on behalf of same.



Laura R Reyna  
Notary Public in and for the State of Texas  
My Commission expires: 2-14-2023

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E% Wolfcamp

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

Date: 12-4-19

By: *M. A. Sirgo III*

Name: M. A. Sirgo III

Title: Director

PRIME ROCK RESOURCES AGENT CO. INC. AS  
NOMINEE F/B/O PRIME ROCK RESOURCES, LLC

ACKNOWLEDGEMENT

STATE OF Texas §  
COUNTY OF Midland §

This instrument was acknowledged before me on DECEMBER 4, 2019, by  
M. A. Sirgo III as Director of Prime Rock  
Resources Agent Co, Inc., <sup>a Delaware corporation</sup> as nominee F/B/O Prime Rock Resources, LLC, as a  
Texas Limited Liability Company, on behalf of same.



Peggy A. Redman  
Notary Public in and for the State of TEXAS  
My Commission Expires: 05/06/2021



# WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

Date: \_\_\_\_\_

Fasken Land and Minerals, Ltd.

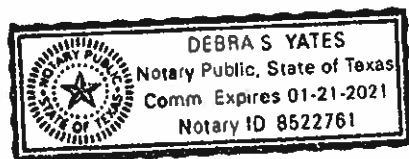
By: Tommy E. Taylor *[Signature]*  
 Tommy E. Taylor, Vice-President Fasken  
 Management, LLC, the General Partner of Fasken  
 Land and Minerals, Ltd.

## ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY OF MIDLAND

This foregoing instrument was acknowledged before me on October 7, 2020, by  
 Tommy E. Taylor, Vice-President of Fasken Management, LLC, a Texas limited liability company, as  
 General Partner of Fasken Land and Minerals, Ltd., a Texas limited partnership, on behalf of said limited  
 liability company and said limited partnership.



Debra S Yates  
 Notary Public

War Eagle Federal Com 701H  
 E% Wolfcamp

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

WPX ENERGY PERMIAN, LLC

Date: 16 JULY 2019

By: [Signature]

Name: GREGORY J. GEIST <sup>TOST</sup>

Title: VICE PRESIDENT, LAND

[Signature]

ACKNOWLEDGEMENT

STATE OF OKLAHOMA §  
COUNTY OF TULSA §

This instrument was acknowledged before me on 16 JULY, 2019, by GREGORY J. GEIST, as VICE PRESIDENT, LAND of WPX Energy Permian, LLC, a DELAWARE Limited Liability Company, on behalf of same.



[Signature]  
Notary Public in and for the State of OKLAHOMA  
My Commission Expires: 07-05-2021

War Eagle Federal Com 701H  
E% Wolfcamp

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

Date: 10/2/2019

By: [Signature]

Name: Lindsay B. Weddle

Title: Attorney-in-fact

fs  
lw

ACKNOWLEDGEMENT

STATE OF Texas §  
COUNTY OF Harris §

This instrument was acknowledged before me on Oct. 2, 2019, by Lindsay B. Weddle, as Attorney-in-fact of ConocoPhillips Company, a Delaware Corporation, on behalf of same.



[Signature]  
Notary Public in and for the State of Texas  
My Commission Expires: 6/20/2023

**WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD**

**CHEVRON U.S.A. INC.**

Date: \_\_\_\_\_

By: Subject to Compulsory Pooling Order R-21091

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on \_\_\_\_\_, 2019, by  
\_\_\_\_\_, as \_\_\_\_\_ of Chevron  
U.S.A. Inc., a \_\_\_\_\_, on behalf of same.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

*War Eagle Federal Com 701H  
E% Wolfcamp*

**WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD**

**MARATHON OIL PERMIAN LLC**

Date: \_\_\_\_\_

By: Subject to Compulsory Pooling Order R-21091

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on \_\_\_\_\_, 2019, by \_\_\_\_\_, as \_\_\_\_\_ of Marathon Oil Permian LLC, a \_\_\_\_\_, on behalf of same.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

*War Eagle Federal Com 701H  
E% Wolfcamp*

**WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD**

**NOVO OIL & GAS NORTHERN DELAWARE, L.L.C.**

Date: \_\_\_\_\_ By: Subject to Compulsory Pooling Order R-21091  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ §  
COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on \_\_\_\_\_, 2019, by \_\_\_\_\_, as \_\_\_\_\_ of Novo Oil & Gas Northern Delaware, L.L.C., a \_\_\_\_\_, on behalf of same.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

**WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD**

**AMERICAN PRODUCTION PARTNERSHIP LTD.-IV**

Date: \_\_\_\_\_

By: Subject to Compulsory Pooling Order R-21091

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on \_\_\_\_\_, 2019, by \_\_\_\_\_, as \_\_\_\_\_ of American Production Partnership Ltd.-IV, a \_\_\_\_\_, on behalf of same.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

**War Eagle Federal Com 701H  
E% Wolfcamp**



**WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD**

**AMERICAN PRODUCTION PARTNERSHIP LTD. III**

Date: \_\_\_\_\_

By: Subject to Compulsory Pooling Order R-21091

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on \_\_\_\_\_, 2019, by \_\_\_\_\_, as \_\_\_\_\_ of American Production Partnership Ltd. III, a \_\_\_\_\_, on behalf of same.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

**War Eagle Federal Com 701H  
E% Wolfcamp**

**WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD**

**SUN EXPLORATION AND PRODUCTION COMPANY**

Date: \_\_\_\_\_

By: Subject to Compulsory Pooling Order R-21091

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on \_\_\_\_\_, 2019, by \_\_\_\_\_, as \_\_\_\_\_ of Sun Exploration and Production Company, a \_\_\_\_\_, on behalf of same.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

**War Eagle Federal Com 701H  
E% Wolfcamp**

**WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD**

**CHESAPEAKE EXPLORATION LLC**

Date: \_\_\_\_\_

By: Subject to Compulsory Pooling Order R-21091

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on \_\_\_\_\_, 2019, by  
\_\_\_\_\_, as \_\_\_\_\_ of Chesapeake  
Exploration LLC, a \_\_\_\_\_, on behalf of same.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

**War Eagle Federal Com 701H  
E% Wolfcamp**

**EXHIBIT "A"**

Plat of communitized area covering 639.6 acres in Lots 1, 2, S½NE¼ and SE¼ (aka E½) of Section 1 & N½NE¼, S½NE¼ and SE¼ of Section 12 (aka E½), T20S - R33E, N.M.P.M., Lea County, New Mexico  
Communitized depths are hereby limited to the Wolfcamp

**Tract 1:**  
NM-040406



**Tract 2:**  
NM-114983



**Tract 3:**  
NM-013280



		Tract 1 NM-040406 Sec. 1: Lots 1, 2, S½NE¼, SE¼ Sec. 12: N½NE¼ 399.6 acres	
Section 1			
Section 12			
		Tract 2 NM-114983  S½NE¼ 80.0 Acres	
		Tract 3 NM-013280  SE¼ 160.0 Acres	

War Eagle Federal Com 701H  
E½ Wolfcamp

**EXHIBIT "B"**

To Communitization Agreement dated June 1, 2019 embracing the following described land  
in Lots 1, 2, S½NE¼ and SE¼ (aka E¼) of Section 1 & N½NE¼, S½NE¼ and SE¼ of Section 12 (aka E¼),  
T20S – R33E, N.M.P.M., Lea County, New Mexico  
Communitized depths are hereby limited to the Wolfcamp

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

**DESCRIPTION OF LEASES COMMITTED**

**TRACT #1**

Lease Serial Number: NM-040406  
Original Lessee: Eva G. Manning  
Current Lessee: COG Operating LLC  
Prime Rock Resources Agent Co, Inc., as nominee f/b/o Prime Rock Resources, LLC  
Novo Oil & Gas Northern Delaware, L.L.C.  
WPX Energy Permian, LLC  
American Production Partnership Ltd.-IV  
American Production Partnership Ltd. III  
Lease Effective Date: December 1, 1972  
Description of Land Committed: Insofar and only insofar as said lease covers:  
Township 20 South - Range 33 East  
Section 1: Lots 1, 2, S½NE¼, SE¼  
Section 12: N½NE¼  
Number of Acres: 399.6  
Royalty Rate: 12½ %  
WI Owner Names and Interests: COG Operating LLC 86.366865%  
Prime Rock Resources Agent Co, Inc.  
as nominee f/b/o Prime Rock Resources, LLC 5.8137560%  
Chesapeake Exploration LLC 3.5920640%  
Marathon Oil Permian LLC 2.3063220%  
Fasken Land & Minerals, Ltd. 1.9209930%  
ORRI: Charles E Strange 1976 Trust #1  
South Burbank Petroleum, LP  
Mark T Manning  
Teckla Oil Co., LLC  
Wynn-Crosby Partners II, Ltd

**TRACT #2**

Lease Serial Number: NM-114983  
Original Lessee: Samson Resources Co.  
Current Lessee: COG Operating LLC  
Lease Effective Date: December 1, 2005  
Description of Land Committed: Insofar and only insofar as said lease covers:  
Township 20 South - Range 33 East  
Section 12: S½NE¼  
Number of Acres: 80.0  
Royalty Rate: 12½ %  
WI Owner Names and Interests: COG Operating LLC 86.366865%  
Prime Rock Resources Agent Co, Inc.  
as nominee f/b/o Prime Rock Resources, LLC 5.8137560%  
Chesapeake Exploration LLC 3.5920640%  
Marathon Oil Permian LLC 2.3063220%  
Fasken Land & Minerals, Ltd. 1.9209930%  
ORRI: None

**War Eagle Federal Com 701H  
E¼ Wolfcamp**

**EXHIBIT "B" (cont.)**

**TRACT #3**

**Lease Serial Number:** NM-013280

**Original Lessee:** Phillips Petroleum Company

**Current Lessee:** COG Operating LLC  
ConocoPhillips Company  
Sun Exploration and Production Company

**Lease Effective Date:** July 1, 1951

**Description of Land Committed:** Insofar and only insofar as said lease covers:  
Township 20 South - Range 33 East  
Section 12: SE¼

**Number of Acres:** 160.0

**Royalty Rate:** 12½ %

**WI Owner Names and Interests:**

COG Operating LLC	86.366865%
Prime Rock Resources Agent Co, Inc. as nominee f/b/o Prime Rock Resources, LLC	5.8137560%
Chesapeake Exploration LLC	3.5920640%
Marathon Oil Permian LLC	2.3063220%
Fasken Land & Minerals, Ltd.	1.9209930%

**ORRI:**

HTI Resources, Inc.  
Black Stone Minerals Company, L.P.  
Heirs of Thomas S. Cox  
The Wheat Company, a Trust  
The Braille Institute of America  
Bank of America, N.A., Sole Trustee of the Selma E. Andrews Perpetual  
Charitable Trust  
Bank of America, N.A, Sole Trustee of the Selma E. Andrews Trust, for benefit  
of Peggy Barnett  
Eric J. Coll  
Jon F. Coll  
Charles H. Coll  
Max W. Coll  
Clark C Coll  
Sally Rogers  
Max W. Col III  
Jon F. Coll II  
Melanie Coll  
Etz Oil Properties, Ltd  
George H. Etz, Sr. Trust  
Progeny Petroleum, Inc.  
Betty Kyte Dreesen Irrevocable Trust  
Edward T. Dreesen, Jr.  
Ingrid Dreesen Powell  
Cecile Marie Dreesen  
Heirs or Devises of Peter L. Rapkock  
JoAnn Bills  
Ann C. Rapkock  
Stephen Rapkock  
Geoffrey Rapkock  
Michael Rapkock  
Karen R. Irish  
Daniel Rapkoch  
Jennifer Rapkoch

**War Eagle Federal Com 701H  
E½ Wolfcamp**

## RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest In Communitized Area
1	399.6	62.4765%
2	80.0	12.5078%
3	160.0	25.0157%
<b>Total</b>	<b>639.6</b>	<b>100.0000%</b>

*War Eagle Federal Com 701H  
E½ Wolfcamp*



**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. 20855  
ORDER NO. R-21091**

**ORDER**

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on November 14, 2019, 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 compulsory 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 described depth(s) and location(s) in the Unit.
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 Surface Location or Bottom Hole Location of a well is changed from the location described in Exhibit A, Operator shall submit an amended Exhibit A, which the Division shall append to this Order.
19. 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 before commencing production of the well.
20. The Operator shall commence drilling the initial well within one (1) year after the date of this Order; and (b) for an infill well, no later than thirty (30) days after completion of the well.

CASE NO. 20855  
ORDER NO. R-21091

21. Operator shall comply with the infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC.
22. This Order shall terminate automatically if Operator fails to comply with Paragraphs 20 or 21.
23. Operator shall submit to OCD and each owner of a working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs") no later than: (a) for an initial well, no later than thirty (30) days after the date of this Order; (b) for an infill well proposed by Operator, no later than (30) days after the later of the initial notice period pursuant to 19.15.13.10(B) NMAC or the extension granted by the OCD Director pursuant 19.15.13.10(D) NMAC; or (c) for an infill well proposed by an owner of a Pooled Working Interest, no later than thirty (30) days after expiration of the last action required by 19.15.13.11 NMAC.
24. 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."
25. No later than within one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and 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 OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
26. No later than sixty (60) days after the later of the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, 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.

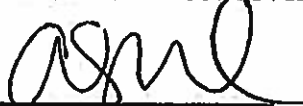
CASE NO. 20855  
ORDER NO. R-21091

27. 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."
28. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and 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 OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
29. 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.
30. 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.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to OCD and 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.*

CASE NO. 20855  
ORDER NO. R-21091

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.

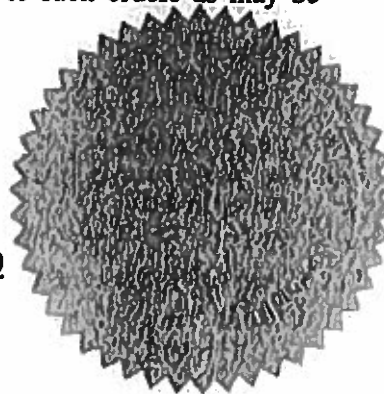
**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL  
DIRECTOR**

AS/jag

**Date: February 12, 2020**



CASE NO. 20855  
ORDER NO. R-21091

**Exhibit "A"**

Applicant: COG Operating LLC  
Operator: COG Operating LLC (OGRID 229137)

Spacing Unit: Horizontal Oil  
Building Blocks: quarter-quarter section equivalents  
Spacing Unit Size: 640 acres (more or less)  
Orientation of Unit: North/South

Spacing Unit Description:  
Lots 1-2, S/2 NE/4, and the SE/4 (E/2 equivalent) of irregular Section 1, and the E/2 of Section 12, Township 20 South, Range 33 East, Lea County, New Mexico

Pooling this Vertical Extent: Wolfcamp Formation  
Depth Severance? (Yes/No): No

Pool: Tonto; Wolfcamp (Pool code 59500)  
Pool Spacing Unit Size: quarter-quarter sections  
Governing Well Setbacks: Horizontal Oil Well Rules  
Pool Rules: Latest Horizontal Rules Apply

Proximity Tracts: Yes  
Proximity Defining Well: Well No. 701H is to be drilled closer than 330 feet from the Proximity Tracts and therefore defines the Horizontal Spacing Unit.

Monthly charge for supervision: While drilling: \$7000 While producing: \$700  
As the charge for risk, 200 percent of reasonable well costs.

**Proposed Well:**

**War Eagle Federal Com Well No. 701H, API No. 30-025-Pending**  
SHL: 100 feet from the South line and 560 feet from the East line, (Unit P) of Section 12, Township 20 South, Range 33 East, NMPM.  
BHL: 50 feet from the North line and 1000 feet from the East line, (Lot 1) of Section 1, Township 20 South, Range 33 East, NMPM.

Completion Target: Wolfcamp A at approx 11037 feet TVD.  
Well Orientation: South to North  
Completion Location expected to be: standard

CASE NO. 20855  
ORDER NO. R-21091

**From:** [McClure, Dean, EMNRD](#) on behalf of [Engineer, OCD, EMNRD](#)  
**To:** [Barron, Jeanette](#)  
**Cc:** [McClure, Dean, EMNRD](#); [Kautz, Paul, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); [Paradis, Kyle O](#); [Walls, Christopher](#)  
**Subject:** Approved Administrative Order PLC-792  
**Date:** Monday, February 6, 2023 4:28:37 PM  
**Attachments:** [PLC792 Order.pdf](#)

---

NMOCD has issued Administrative Order PLC-792 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
30-025-47429	War Eagle Federal Com #504H	E/2	1-20S-33E	58960
		E/2	12-20S-33E	
30-025-47431	War Eagle Federal Com #701H	E/2	1-20S-33E	59500
		E/2	12-20S-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





# United States Department of the Interior



BUREAU OF LAND MANAGEMENT  
New Mexico State Office  
301 Dinosaur Trail  
Santa Fe, New Mexico 87508  
<https://www.blm.gov/new-mexico>

In Reply Refer To:  
NMNM143153 (NMNM105736819)  
3105.2 (NM920)

**JAN 04 2023**

Reference:  
Communitization Agreement  
War Eagle Fed Com #504H, #601H  
Section 1: Lots 1, 2, S2NE, SE;  
Section 12: E2.  
T. 20 S., R. 33 E., N.M.P.M.  
Lea County, NM

COG Operating, LLC  
600 W. Illinois Avenue  
Midland, TX 79701

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NMNM143153 involving 399.60 acres of Federal land in lease NMNM040406, 80.00 acres of Federal land in lease NMNM114983, and 160.00 acres of Federal land in lease NMNM013280, Lea County, New Mexico, which comprise a 639.60 acre well spacing unit.

The agreement communitizes all rights to oil and gas from the Bone Spring formation beneath Lots 1, 2, S2NE, SE of sec. 1, and the E2 of sec. 12, T. 20 S., R. 33 E., NMPM, Lea County, NM, and is effective June 1, 2019. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

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

Copies of this approval letter are being distributed to the appropriate Federal agencies. You are requested to furnish all interested parties with the appropriate evidence of this approval. Any production royalties that are due must be reported and paid according to regulations set up by the Office of Natural Resources Revenue at 1-800-525-9167 or 303-231-3504.

If you have any questions regarding this approval, please contact Elizabeth Rivera at (505) 954-2162.

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

Sincerely,

**KYLE  
PARADIS**

Digitally signed by  
KYLE PARADIS  
Date: 2023.01.04  
08:57:58 -07'00'

Kyle Paradis  
Branch Chief of Reservoir Management  
Division of Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver

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

NMOCD

NM (9200)

NMP020, (CFO, File Room)

NMSO (NM925, File)

DETERMINATION - APPROVAL - CERTIFICATION

Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 266(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- A. Determine and certify that the plan of development and operation contemplated in the attached Communitization Agreement is necessary, advisable, and in the public interest for the purpose of more properly conserving the natural resources.
- B. Approve the attached Communitization Agreement NMNM143153 involving Federal Leases NMNM040406, NMNM114983, and NMNM013280. This Communitization Agreement is in Secs. 1 and 12, T. 20 S., R. 33 E., NMPM, Lea County, New Mexico, for production of oil and gas producible from the Bone Spring Formation.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said Communitization Agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the Communitization Agreement.

Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto. In addition, approval of this agreement does not warrant or certify that the State or Patented land descriptions and acreages are consistent with the latest survey for those lands.

This approval is granted subject to the condition that the requirements of Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982 be satisfied for all wells drilled anywhere within the communitized area.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a leases site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated, or the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells, as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated, or the date on which gas is first measured through permanent metering facilities, whichever first occurs.

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for civil penalties for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3163.2(e)(2).

KYLE  
PARADIS

Digitally signed by KYLE  
PARADIS  
Date: 2023.01.04 08:58:29  
-07'00'

Kyle Paradis  
Branch Chief of Reservoir Management  
Division of Minerals

Effective: June 1, 2019  
Contract No.: NMNM143153



# United States Department of the Interior



BUREAU OF LAND MANAGEMENT  
New Mexico State Office  
301 Dinosaur Trail  
Santa Fe, New Mexico 87508  
<https://www.blm.gov/new-mexico>

In Reply Refer to:  
NMNM143153  
3105.2 (NM9250)

JAN 11 2022

Reference:  
Communitization Agreement  
War Eagle Federal Com #504H and #601H  
Section 01: Lots 1, 2, S2NE, SE;  
Section 12: E2.  
T. 20 S., R. 33 E., N.M.P.M.  
Lea County, NM

COG Operating LLC  
600 W. Illinois Avenue  
Midland, TX 79701

Gentlemen:

The submitted Communitization Agreement is being returned unapproved for the following reasons:

- Signatures from all Lessee's must be obtained and a copy of the signatures or a self-certification statement should be included with the CA. Lessees cannot be pooled.
- The Lessees and/or Working Interest Owners listed on Exhibit "B" do not match our records for Tracts 1 and 3 (see attached serial register pages).
- This CA is closed. You must submit 2 originals and 1 copy of a new CA to our office.

If you have any questions regarding this letter, please contact Elizabeth Rivera at (505) 954-2162 or email at [lriviera@blm.gov](mailto:lriviera@blm.gov).

Sincerely,

KYLE PARADIS

Digitally signed by KYLE  
PARADIS  
Date: 2022.01.11 09:27:47  
-0700'

Kyle Paradis  
Branch Chief of Reservoir Management  
Division of Minerals

3 Enclosures:

- 1 - Communitization Agreement
- 2 - Serial Register Pages
- 3 - CA Federal Model Form



# United States Department of the Interior

BUREAU OF LAND MANAGEMENT  
New Mexico State Office  
301 Dinosaur Trail  
Santa Fe, New Mexico 87508  
<https://www.blm.gov/new-mexico>



In Reply Refer to:  
NMNM143154  
3105.2 (NM9250)

JAN 11 2022

Reference:  
Communitization Agreement  
War Eagle Federal Com #701H  
Section 01: Lots 1, 2, S2NE, SE;  
Section 12: E2.  
T. 20 S., R. 33 E., N.M.P.M.  
Lea County, NM

COG Operating LLC  
600 W. Illinois Avenue  
Midland, TX 79701

Gentlemen:

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If you have any questions regarding this letter, please contact Elizabeth Rivera at (505) 954-2162 or email at [lriviera@blm.gov](mailto:lriviera@blm.gov).

Sincerely,

KYLE PARADIS

Digitally signed by KYLE  
PARADIS  
Date: 2022.01.11 09:29:06  
-07'00'

Kyle Paradis  
Branch Chief of Reservoir Management  
Division of Minerals

3 Enclosures:

- 1 – Communitization Agreement
- 2 – Serial Register Pages
- 3 – CA Federal Model Form



CONCHO

Via Federal Express

RECEIVED

MAR 12 2021

BLM, NMSO  
SANTA FE

March 11, 2021

United States Department of the Interior  
BLM - Carlsbad Field Office  
301 Dinosaur Trail  
Santa Fe, New Mexico 87508

NMNM 143153

Re: Communitization Agreement  
War Eagle Fed Com 504H & 601H  
Section 1: E2  
Section 12: E2  
Township 20 South, Range 33 East  
Lea County, New Mexico

Bureau of Land Management:

Please find enclosed for your approval that certain Communitization Agreement dated June 1, 2019, covering the captioned lease/lands. Upon your review and approval, please return one (1) approved original to my attention. A self-addressed stamped envelope has been provided for your convenience.

Thank you for your assistance. Should you have any questions, please do not hesitate to contact me by phone at 432-685-4375 or by email at [Laura.R.Reyna@concho.com](mailto:Laura.R.Reyna@concho.com).

Regards,

Laura Reyna  
Land Coordinator  
Delaware Basin East - North

:lr  
Encl.

RECEIVED

RECEIVED

MAR 12 2021

DEC - 7 2022

BLM, NMSO  
SANTA FEFederal Communitization AgreementBLM, NMSO  
SANTA FEContract No. NMNM 143153

THIS AGREEMENT entered into as of the 1st day of **June, 2019**, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

## WITNESSETH:

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

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

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

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

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

Township 20 South, Range 33 East, N.M.P.M.Section 1: Lots 1 & 2, S $\frac{1}{2}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$  (aka E $\frac{1}{2}$ )Section 12: N $\frac{1}{2}$ NE $\frac{1}{4}$ , S $\frac{1}{2}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$  (aka E $\frac{1}{2}$ )

Lea County, New Mexico

Containing 639.6 acres, more or less, and this agreement shall include only the Bone Spring formation underlying said lands and the crude oil and associated natural gas (or) oil and gas hereafter referred to as "communitized substances," producible from such pool. *formation. m*

War Eagle Federal Com 504H  
War Eagle Federal Com 601H  
E $\frac{1}{2}$  Bone Spring



2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be **COG Operating LLC, 600 W. Illinois Ave., Midland, TX, 79701**. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same <sup>formation</sup> pool as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof,

but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is **June 1, 2019**, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the

United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.

13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

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

**OPERATOR:  
WORKING INTEREST OWNER  
AND/OR LESSEE OF RECORD:**

**COG OPERATING LLC**

Date: 3/11/2021

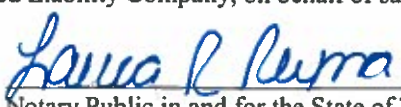
By:   
Sean Johnson  
Attorney-In-Fact

**ACKNOWLEDGEMENT**

STATE OF TEXAS           §  
  §  
COUNTY OF MIDLAND   §

This instrument was acknowledged before me on the 11<sup>th</sup> day of March, 2021, by Sean Johnson, Attorney-In-Fact of **COG Operating LLC**, a Delaware Limited Liability Company, on behalf of same.



  
Notary Public in and for the State of Texas  
My Commission expires: 2-14-2023

War Eagle Federal Com 504H  
War Eagle Federal Com 601H  
E½ Bone Spring

**WORKING INTEREST OWNERS  
AND/OR LESSEES OF RECORD**

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

Date: 10/12/22By: 

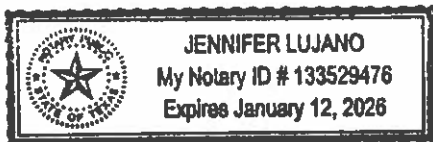
Ryan D. Owen  
Attorney-In-Fact

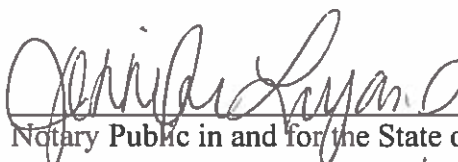
BTR A12

**ACKNOWLEDGEMENT**

STATE OF TEXAS       §  
                                     §  
COUNTY OF MIDLAND §

This instrument was acknowledged before me on the 12 day of October, 2022, by Ryan D. Owen, 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

My Commission expires: 01/12/26

War Eagle Federal Com 504H  
War Eagle Fed Com 601H  
E ½ Bone Spring

WORKING INTEREST OWNERS  
AND/OR LESSEES OF RECORD

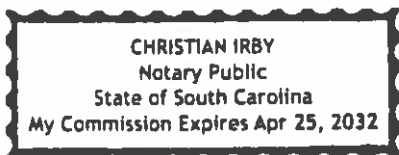
Date: 6/7/2022

Trilogy Operating Inc.

By: [Signature]  
Name: Michael G McConney  
Title: President

STATE OF SC §  
COUNTY OF Anderson §  
§

This instrument was acknowledged before me on the 7 day of July, 2022, by Michael G McConney, as President of Trilogy Operating Inc., a Officer, on behalf of said Corporation.



[Signature]  
NOTARY PUBLIC in and for the State of SC  
My Commission Expires: 4/25/2032

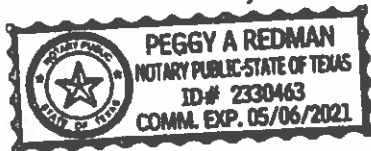
## WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

PRIME ROCK RESOURCES AGENT CO. INC.,  
AS NOMINEE F/B/O PRIME ROCK RESOURCES, LLCDate: 12-4-19By: *M. A. Sirgo III*Name: M. A. Sirgo IIITitle: Director

## ACKNOWLEDGEMENT

STATE OF Texas §COUNTY OF Midland §

This instrument was acknowledged before me on DECEMBER 4<sup>th</sup>, 2019, by  
M. A. Sirgo III as Director of Prime Rock  
Resources Agent Co, Inc., a Delaware corporation as nominee f/b/o Prime Rock Resources, LLC, a  
Texas Limited Liability Company, on behalf of same.

Peggy A. RedmanNotary Public in and for the State of TEXASMy Commission Expires: 05/06/2021

## WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

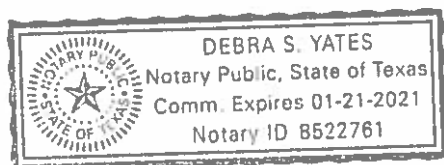
Date: October 7, 2020Fasken Land and Minerals, Ltd.By: Tommy E. Taylor  
Tommy E. Taylor, Vice-President Fasken  
Management, LLC, the General Partner of Fasken  
Land and Minerals, Ltd.

## ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY OF MIDLAND

This foregoing instrument was acknowledged before me on October 7, 2020, by Tommy E. Taylor, Vice-President of Fasken Management, LLC, a Texas limited liability company, as General Partner of Fasken Land and Minerals, Ltd., a Texas limited partnership, on behalf of said limited liability company and said limited partnership.

Debra S Yates  
Notary Public

War Eagle Federal Com 504H  
War Eagle Federal Com 601H  
E 1/2 Bone Spring



WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

WPX ENERGY PERMIAN, LLC

Date: 19 JULY 2019

By: [Signature]

Name: GREGORY J. GEIST TEST

Title: VICE PRESIDENT, LAND

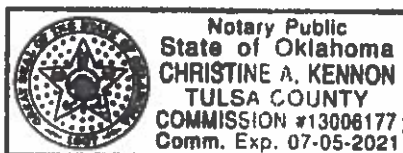
[Signature]

ACKNOWLEDGEMENT

STATE OF OKLAHOMA §

COUNTY OF TULSA §

This instrument was acknowledged before me on 19 JULY, 2019, by GREGORY J. GEIST, as VICE PRESIDENT, LAND of WPX Energy Permian, LLC, a Delaware Limited Liability Company, on behalf of same.



Christine A. Kennon  
Notary Public in and for the State of OKLAHOMA  
My Commission Expires: 07-05-2021

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

Date: 10/2/2019

CONOCO PHILLIPS COMPANY

By: [Signature]  
Name: Lindsay B. Weddle  
Title: Attorney-in-fact

LB

ACKNOWLEDGEMENT

STATE OF Texas §  
COUNTY OF Harris §

This instrument was acknowledged before me on Oct. 2, 2019, by Lindsay B. Weddle, as Attorney-in-fact of ConocoPhillips Company, a Delaware Corporation, on behalf of same.



[Signature]  
Notary Public in and for the State of Texas  
My Commission Expires: 6/20/2023

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

CHEVRON U.S.A. INC.

Date: \_\_\_\_\_

By: Subject to Compulsory Pooling Order R-21090

Name: \_\_\_\_\_

Title: \_\_\_\_\_

ACKNOWLEDGEMENT

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on \_\_\_\_\_, 2019, by  
\_\_\_\_\_, as \_\_\_\_\_ of Chevron  
U.S.A. Inc., a \_\_\_\_\_, on behalf of same.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

War Eagle Federal Com 504H  
War Eagle Federal Com 601H  
E½ Bone Spring

**WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD**

**MARATHON OIL PERMIAN LLC**

Date: \_\_\_\_\_

By: Subject to Compulsory Pooling Order R-21090

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ §  
COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on \_\_\_\_\_, 2019, by \_\_\_\_\_, as \_\_\_\_\_ of Marathon Oil Permian LLC, a \_\_\_\_\_, on behalf of same.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

War Eagle Federal Com 504H  
War Eagle Federal Com 601H  
E½ Bone Spring

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

NOVO OIL & GAS NORTHERN DELAWARE, L.L.C.

Date: \_\_\_\_\_

By: Subject to Compulsory Pooling Order R-21090

Name: \_\_\_\_\_

Title: \_\_\_\_\_

ACKNOWLEDGEMENT

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on \_\_\_\_\_, 2019, by  
\_\_\_\_\_, as \_\_\_\_\_ of Novo Oil &  
Gas Northern Delaware, L.L.C., a \_\_\_\_\_, on behalf of same.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

War Eagle Federal Com 504H  
War Eagle Federal Com 601H  
E½ Bone Spring

# WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

AMERICAN PRODUCTION PARTNERSHIP LTD.-IV

Date: \_\_\_\_\_

By: Subject to Compulsory Pooling Order R-21090

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## ACKNOWLEDGEMENT

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on \_\_\_\_\_, 2019, by \_\_\_\_\_, as \_\_\_\_\_ of American Production Partnership Ltd.-IV, a \_\_\_\_\_, on behalf of same.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

War Eagle Federal Com 504H  
War Eagle Federal Com 601H  
E½ Bone Spring

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

AMERICAN PRODUCTION PARTNERSHIP LTD. III

Date: \_\_\_\_\_

By: Subject to Compulsory Pooling Order R-21090

Name: \_\_\_\_\_

Title: \_\_\_\_\_

ACKNOWLEDGEMENT

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on \_\_\_\_\_, 2019, by \_\_\_\_\_, as \_\_\_\_\_ of American Production Partnership Ltd. III, a \_\_\_\_\_, on behalf of same.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

War Eagle Federal Com 504H  
War Eagle Federal Com 601H  
E 1/2 Bone Spring



WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

SUN EXPLORATION AND PRODUCTION COMPANY

Date: \_\_\_\_\_ By: \_\_\_\_\_  
Name: Subject to Compulsory Pooling Order R-21090  
Title: \_\_\_\_\_

ACKNOWLEDGEMENT

STATE OF \_\_\_\_\_ §  
COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on \_\_\_\_\_, 2019, by \_\_\_\_\_, as \_\_\_\_\_ of Sun Exploration and Production Company, a \_\_\_\_\_, on behalf of same.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

# WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

CHESAPEAKE EXPLORATION LLC

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: Subject to Compulsory Pooling Order R-21090

Title: \_\_\_\_\_

## ACKNOWLEDGEMENT

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on \_\_\_\_\_, 2019, by  
\_\_\_\_\_, as \_\_\_\_\_ of Chesapeake  
Exploration LLC, a \_\_\_\_\_, on behalf of same.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

War Eagle Federal Com 504H  
War Eagle Federal Com 601H  
E½ Bone Spring

# EXHIBIT "A"

Plat of communitized area covering 639.6 acres in Lots 1, 2, S½NE¼ and SE¼ (aka E½) of Section 1 & N½NE¼, S½NE¼ and SE¼ of Section 12 (aka E½), T20S – R33E, N.M.P.M., Lea County, New Mexico  
Communitized depths are hereby limited to the Bone Spring

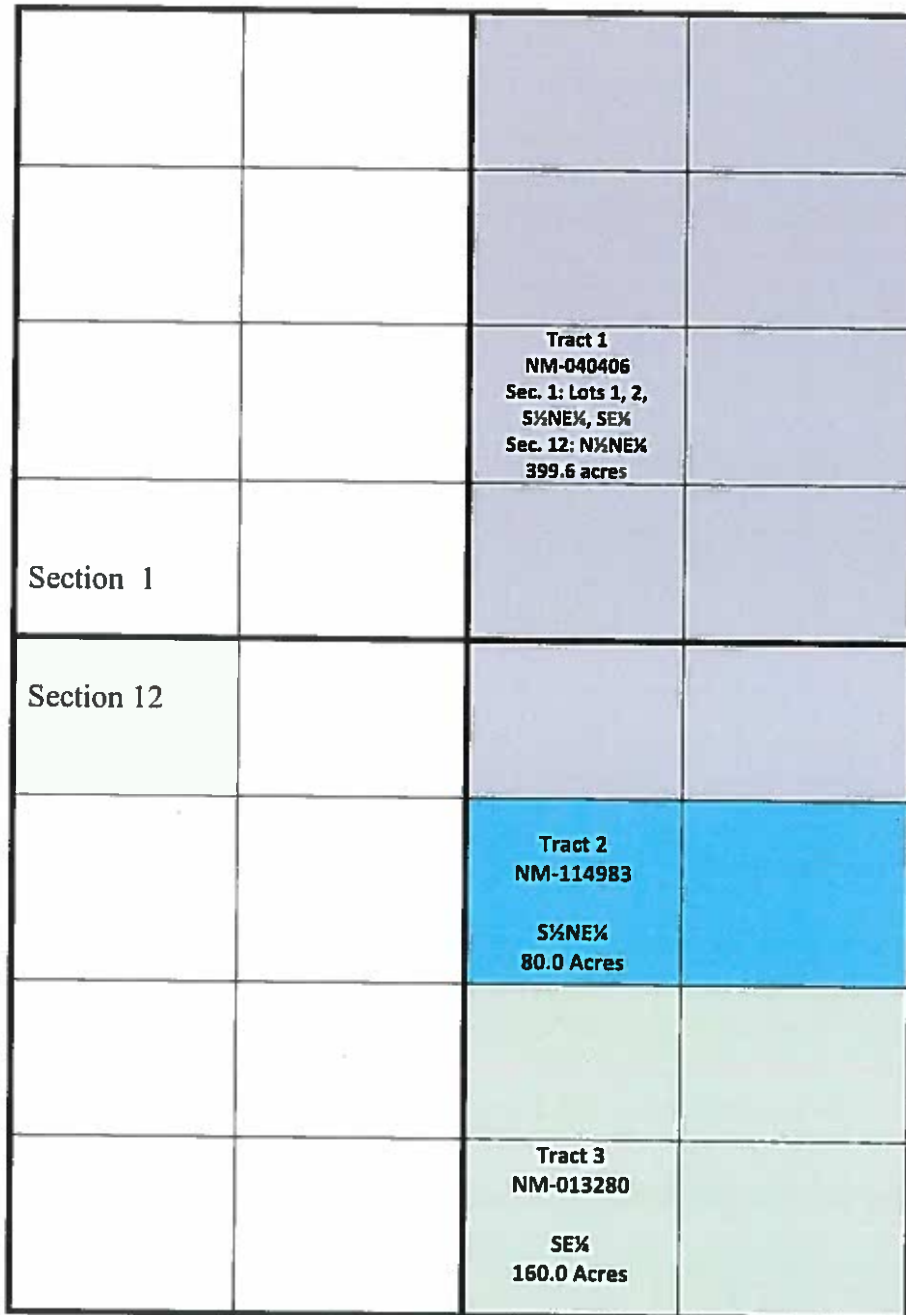
Tract 1:  
NM-040406



Tract 2:  
NM-114983



Tract 3:  
NM-013280



## EXHIBIT "B"

To Communitization Agreement Dated June 1, 2019 embracing the following described land in Lots 1 & 2, S½ NE¼, SE¼ (aka E ½) of Section 1 & NE¼ NE¼, S½ NE¼, SE¼ (aka E ½) of Section 12, T20S-R33E, N.M.P.M., Lea County, New Mexico  
Communitized depths are hereby limited to the Wolfcamp

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

### DESCRIPTION OF LEASES COMMITTED

#### Tract No. 1

Lessor: United States of America, NMNM-040406  
Original Lessee: Eva G. Manning  
Current Lessees of Record: COG Operating LLC  
Prime Rock Resources  
Chesapeake Exploration  
Lease Date: December 1, 1972  
Description: **Insofar and only insofar as said lease covers:**  
Township 20 South – Range 33 East, Lea County, NM  
Section 1: Lots 1, 2, S½NE¼, SE¼  
Section 12: N½NE¼  
Number of Acres: 399.6  
Royalty Rate: 12.5%  
WI Owner Names and Interests: COG Operating LLC 86.366865%  
Prime Rock Resources 5.8137560%  
Chesapeake Exploration LLC 3.5920640%  
Marathon Oil Permian LLC 2.3063220%  
Fasken Land & Minerals, Ltd. 1.9209930%  
ORRI Owners: Charles E Strange 1976 Trust #1  
South Burbank Petroleum, LP  
Mark T Manning  
Teckla Oil Co., LLC  
Wynn-Crosby Partners II, Ltd

#### Tract No. 2

Lessor: United States of America, NMNM-114983  
Original Lessee: Samson Resources Co.  
Current Lessee of Record: COG Operating LLC  
Lease Date: December 1, 2005  
Description: **Insofar and only insofar as said lease covers:**  
Township 20 South – Range 33 East, Lea County, NM  
Section 12: S½NE¼  
Number of Acres: 80.0  
Royalty Rate: 12.5%  
WI Owner Names and Interests: COG Operating LLC 86.366865%  
Prime Rock Resources 5.8137560%  
Chesapeake Exploration LLC 3.5920640%  
Marathon Oil Permian LLC 2.3063220%  
Fasken Land & Minerals, Ltd. 1.9209930%  
ORRI Owners: None

War Eagle Federal Com 504H  
War Eagle Fed Com 601H  
E ½ Bone Spring

**Tract No. 3**

Lessor: United States of America, NMNM-013280  
 Original Lessee: Phillips Petroleum Company  
 Current Lessee of Record: COG Operating LLC  
 ConocoPhillips Company  
 Trilogy Operating Inc.  
 Lease Date: December 1, 2005  
 Description: **Insofar and only insofar as said lease covers:**  
Township 20 South – Range 33 East, Lea County, NM  
 Section 12: SE¼  
 Number of Acres: 160.0  
 Royalty Rate: 12.5%  
 WI Owner Names and Interests: COG Operating LLC 86.366865%  
 Prime Rock Resources 5.8137560%  
 Chesapeake Exploration LLC 3.5920640%  
 Marathon Oil Permian LLC 2.3063220%  
 Fasken Land & Minerals, Ltd. 1.9209930%  
 ORRI Owners: HTI Resources, Inc.  
 Black Stone Minerals Company, L.P.  
 Heirs of Thomas S. Cox  
 The Wheat Company, a Trust  
 The Braille Institute of America  
 Bank of America, N.A., Sole Trustee of the Selma E. Andrews Perpetual  
 Charitable Trust  
 Bank of America, N.A., Sole Trustee of the Selma E. Andrews Trust, for  
 benefit of Peggy Barnett  
 Eric J. Coll  
 Jon F. Coll  
 Charles H. Coll  
 Max W. Coll  
 Clark C. Coll  
 Sally Rogers  
 Max W. Coll III  
 Jon F. Coll II  
 Melanie Coll  
 Etz Oil Properties, Ltd  
 George H. Etz, Sr. Trust  
 Progeny Petroleum, Inc.  
 Betty Kyte Dreesen Irrevocable Trust  
 Edward T. Dreesen, Jr.  
 Ingrid Dreesen Powell  
 Cecile Marie Dreesen  
 Heirs or devisees of Peter L. Rapkock  
 JoAnn Bills  
 Ann C. Rapkock  
 Stephen Rapkock  
 Geoffrey Rapkock  
 Michael Rapkock  
 Karen R. Irish  
 Daniel Rapkock  
 Jennifer Rapkock

War Eagle Federal Com 504H  
 War Eagle Fed Com 601H  
 E ½ Bone Spring

## RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	399.60	62.4765%
2	80.00	12.5078%
3	<u>160.00</u>	<u>25.0157%</u>
Total	639.60	100.0000%

War Eagle Federal Com 504H  
War Eagle Fed Com 601H  
E ½ Bone Spring

RECEIVED

MAR 12 2021

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

BLM, NMSO  
SANTA FE

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

CASE NO. 20854  
ORDER NO. R-21090

**ORDER**

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on November 14, 2019, 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 compulsory 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 described depth(s) and location(s) in the Unit.
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 Surface Location or Bottom Hole Location of a well is changed from the location described in Exhibit A, Operator shall submit an amended Exhibit A, which the Division shall append to this Order.
19. 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 before commencing production of the well.
20. The Operator shall commence drilling the initial well within one (1) year after the date of this Order; and (b) for an infill well, no later than thirty (30) days after completion of the well.

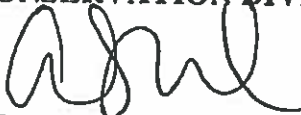
CASE NO. 20854  
ORDER NO. R-21090

21. Operator shall comply with the infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC.
22. This Order shall terminate automatically if Operator fails to comply with Paragraphs 20 or 21.
23. Operator shall submit to OCD and each owner of a working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs") no later than: (a) for an initial well, no later than thirty (30) days after the date of this Order; (b) for an infill well proposed by Operator, no later than (30) days after the later of the initial notice period pursuant to 19.15.13.10(B) NMAC or the extension granted by the OCD Director pursuant 19.15.13.10(D) NMAC; or (c) for an infill well proposed by an owner of a Pooled Working Interest, no later than thirty (30) days after expiration of the last action required by 19.15.13.11 NMAC.
24. 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."
25. No later than within one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and 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 OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
26. No later than sixty (60) days after the later of the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, 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.

27. 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."
28. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and 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 OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
29. 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.
30. 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.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to OCD and 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**  
AS/jag

**Date: February 12, 2020**



CASE NO. 20854  
ORDER NO. R-21090

**Exhibit "A"**

Applicant: COG Operating LLC  
 Operator: COG Operating LLC (OGRID 229137)

Spacing Unit: Horizontal Oil  
 Building Blocks: quarter-quarter section equivalents  
 Spacing Unit Size: 640 acres (more or less)  
 Orientation of Unit: North/South

**Spacing Unit Description:**

Lots 1-2, S/2 NE/4, and the SE/4 (E/2 equivalent) of irregular Section 1, and the E/2 of Section 12, Township 20 South, Range 33 East, Lea County, New Mexico

Pooling this Vertical Extent: Bone Spring Formation  
 Depth Severance? (Yes/No): No

Pool: Teas; Bone Spring (Pool code 58960)  
 Pool Spacing Unit Size: quarter-quarter sections  
 Governing Well Setbacks: Horizontal Oil Well Rules  
 Pool Rules: Latest Horizontal Rules Apply

Proximity Tracts: Yes  
 Proximity Defining Well: Well No. 504H is to be drilled closer than 330 feet from the Proximity Tracts and therefore defines the Horizontal Spacing Unit.

Monthly charge for supervision: While drilling: \$7000 While producing: \$700  
 As the charge for risk, 200 percent of reasonable well costs.

**Proposed Wells:****War Eagle Federal Com Well No. 504H, API No. 30-025-Pending**

SHL: 100 feet from the South line and 590 feet from the East line,  
 (Unit P) of Section 12, Township 20 South, Range 33 East, NMPM.  
 BHL: 50 feet from the North line and 1000 feet from the East line,  
 (Lot 1) of Section 1, Township 20 South, Range 33 East, NMPM.

Completion Target: 2nd Bone Spring at approx 10272 feet TVD.  
 Well Orientation: South to North  
 Completion Location expected to be: standard

**War Eagle Federal Com Well No. 601H, API No. 30-025-Pending**

SHL: 100 feet from the South line and 530 feet from the East line,  
 (Unit P) of Section 12, Township 20 South, Range 33 East, NMPM.  
 BHL: 50 feet from the North line and 330 feet from the East line,  
 (Lot 1) of Section 1, Township 20 South, Range 33 East, NMPM.

CASE NO. 20854  
 ORDER NO. R-21090

Completion Target: 3rd Bone Spring Sand at approx 10887 feet TVD.  
Well Orientation: South to North  
Completion Location expected to be: standard

CASE NO. 20854  
ORDER NO. R-21090



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

**RECEIVED**

December 1, 2022

**DEC - 7 2022**

Bureau of Land Management  
Attn: Elizabeth Rivera, Land Law Examiner (lrivera@blm.gov)  
301 Dinosaur Trail  
Santa Fe, NM 87508

**BLM, NMSO  
SANTA FE**

RE: **Communitization Agreement – War Eagle Federal Com 504H & 601H – E2  
(Bone Spring)**

Dear Ms. Rivera:

Please find enclosed three (3) copies of the subject Agreement and one (1) copy of the associated pooling order. Please return the recorded instrument to the undersigned.

Thank you for your assistance with this matter. Should you have any questions, please do not hesitate to contact me.

Best regards,

**Brian Trejo Rojo** | Associate Land Negotiator, Delaware Basin East | **ConocoPhillips**  
O: 432.688.9025 | C: 432.246.8247 | 600 W. Illinois Ave, Midland, TX 79701 | Brian.TrejoRojo@conocophillips.com



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

RECEIVED

December 1, 2022

DEC - 7 2022

Bureau of Land Management  
Attn: Elizabeth Rivera, Land Law Examiner (lrivera@blm.gov)  
301 Dinosaur Trail  
Santa Fe, NM 87508

BLM, NMSO  
SANTA FE

RE: Communitization Agreement – War Eagle Federal Com 701H – E2 (Wolf Camp)

Dear Ms. Rivera:

Please find enclosed three (3) copies of the subject Agreement and one (1) copy of the associated pooling order. Please return the recorded instrument to the undersigned.

Thank you for your assistance with this matter. Should you have any questions, please do not hesitate to contact me.

Best regards,

**Brian Trejo Rojo** | Associate Land Negotiator, Delaware Basin East | **ConocoPhillips**  
O: 432.688.9025 | C: 432.246.8247 | 600 W. Illinois Ave, Midland, TX 79701 | Brian.TrejoRojo@conocophillips.com



RECEIVED

DEC - 7 2022

BLM, NMSO  
SANTA FE

Federal Communitization Agreement

Contract No. NMNM 143154

RECEIVED

MAR 12 2021

BLM, NMSO  
SANTA FE

THIS AGREEMENT entered into as of the 1st day of **June, 2019**, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

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

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

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

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

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

**Township 20 South, Range 33 East, N.M.P.M.**  
Section 1: Lots 1 & 2, S½NE¼, SE¼ (aka E½)  
Section 12: N½NE¼, S½NE¼, SE¼ (aka E½)  
Lea County, New Mexico

Containing 639.6 acres, more or less, and this agreement shall include only the **Wolfcamp formation** underlying said lands and the crude oil and associated natural gas (or) oil and gas hereafter referred to as "communitized substances," producible from such pool.

War Eagle Federal Com 701H  
E½ Wolfcamp

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be **COG Operating LLC, 600 W. Illinois Ave., Midland, TX, 79701**. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same pool as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof,

but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is **June 1, 2019**, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United

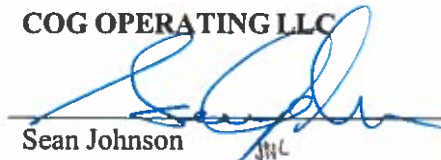
States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.

13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

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

**OPERATOR:  
WORKING INTEREST OWNER  
AND/OR LESSEE OF RECORD:**

Date: 3/11/2021

By: COG OPERATING LLC  
  
Sean Johnson  
Attorney-In-Fact

#### ACKNOWLEDGEMENT

STATE OF TEXAS           §  
  §  
COUNTY OF MIDLAND   §

This instrument was acknowledged before me on the 11<sup>th</sup> day of March, 2021, by Sean Johnson, Attorney-In-Fact of COG Operating LLC, a Delaware Limited Liability Company, on behalf of same.



Laura R Reyna  
Notary Public in and for the State of Texas  
My Commission expires: 2-14-2023

War Eagle Federal Com 701H  
E½ Wolfcamp

**WORKING INTEREST OWNERS  
AND/OR LESSEES OF RECORD**

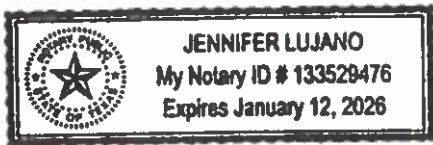
I, the undersigned, hereby certify, on behalf of **COG Operating LLC**, Operator of this Communitization Agreement, that all working interest owners (i.e., lessees of record and operating rights owners) shown on Exhibit B attached to this Agreement are, to the best of my knowledge, the working interest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


Date: 10/12/22 By:   
Ryan D. Owen  
Attorney-In-Fact AR  
BTR

**ACKNOWLEDGEMENT**

STATE OF TEXAS       §  
                                     §  
COUNTY OF MIDLAND §

This instrument was acknowledged before me on the 12 day of October, 2022, by Ryan D. Owen, 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  
My Commission expires: 01/12/26

**WORKING INTEREST OWNERS  
AND/OR LESSEES OF RECORD**

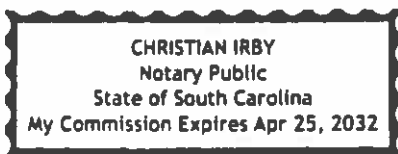
Date: 6/7/2022

Trilogy Operating Inc.

By: [Signature]  
Name: MICHAEL G MOONEY  
Title: President

STATE OF \_\_\_\_\_ §  
COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the 7<sup>th</sup> day of JUNE, 2022, by Michael G Mooney as President of Trilogy Operating Inc., a officer, on behalf of said Corporation.



[Signature]  
NOTARY PUBLIC in and for the State of SC  
My Commission Expires: 4/25/2032



## WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

PRIME ROCK RESOURCES AGENT CO. INC. AS  
NOMINEE F/B/O PRIME ROCK RESOURCES, LLCDate: 12-4-19By: M. A. Sirgo IIIName: M. A. Sirgo IIITitle: Director

## ACKNOWLEDGEMENT

STATE OF Texas §COUNTY OF Midland §

This instrument was acknowledged before me on DECEMBER 4, 2019, by  
M. A. Sirgo III as Director of Prime Rock  
 Resources Agent Co, Inc., <sup>a Delaware corporation</sup> as nominee F/B/O Prime Rock Resources, LLC, as a  
Texas Limited Liability Company, on behalf of same.



Peggy A. Redman  
 Notary Public in and for the State of TEXAS  
 My Commission Expires: 05/06/2021

## WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

Date: \_\_\_\_\_

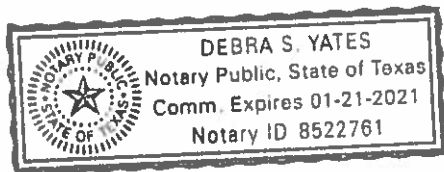
Fasken Land and Minerals, Ltd.By: Tommy E. Taylor *ATK*Tommy E. Taylor, Vice-President Fasken  
Management, LLC, the General Partner of Fasken  
Land and Minerals, Ltd.

## ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY OF MIDLAND

This foregoing instrument was acknowledged before me on October 7, 2020, by  
Tommy E. Taylor, Vice-President of Fasken Management, LLC, a Texas limited liability company, as  
General Partner of Fasken Land and Minerals, Ltd., a Texas limited partnership, on behalf of said limited  
liability company and said limited partnership.

Debra S Yates  
Notary Public



## WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

WPX ENERGY PERMIAN, LLC

Date: 16 JULY 2019By: [Signature]Name: GREGORY J. GEIST <sup>TROT</sup>Title: VICE PRESIDENT, LAND[Signature]

## ACKNOWLEDGEMENT

STATE OF OKLAHOMA §COUNTY OF TULSA §

This instrument was acknowledged before me on 16 JULY, 2019, by GREGORY J. GEIST, as VICE PRESIDENT, LAND of WPX Energy Permian, LLC, a DELAWARE Limited Liability Company, on behalf of same.



[Signature]  
 Notary Public in and for the State of OKLAHOMA  
 My Commission Expires: 07-05-2021

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

Date: 10/2/2019

By: [Signature]  
Name: Lindsay B. Weddle  
Title: Attorney-in-fact

fs  
lw

ACKNOWLEDGEMENT

STATE OF Texas §  
COUNTY OF Harris §

This instrument was acknowledged before me on Oct. 2, 2019, by Lindsay B. Weddle, as Attorney-in-fact of ConocoPhillips Company, a Delaware Corporation, on behalf of same.



[Signature]  
Notary Public in and for the State of Texas  
My Commission Expires: 6/20/2023

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

CHEVRON U.S.A. INC.

Date: \_\_\_\_\_

By: Subject to Compulsory Pooling Order R-21091

Name: \_\_\_\_\_

Title: \_\_\_\_\_

ACKNOWLEDGEMENT

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on \_\_\_\_\_, 2019, by  
\_\_\_\_\_, as \_\_\_\_\_ of Chevron  
U.S.A. Inc., a \_\_\_\_\_, on behalf of same.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

War Eagle Federal Com 701H  
E½ Wolfcamp

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

MARATHON OIL PERMIAN LLC

Date: \_\_\_\_\_

By: Subject to Compulsory Pooling Order R-21091

Name: \_\_\_\_\_

Title: \_\_\_\_\_

ACKNOWLEDGEMENT

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on \_\_\_\_\_, 2019, by  
\_\_\_\_\_, as \_\_\_\_\_ of Marathon Oil  
Permian LLC, a \_\_\_\_\_, on behalf of same.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

NOVO OIL & GAS NORTHERN DELAWARE, L.L.C.

Date: \_\_\_\_\_

By: Subject to Compulsory Pooling Order R-21091

Name: \_\_\_\_\_

Title: \_\_\_\_\_

ACKNOWLEDGEMENT

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on \_\_\_\_\_, 2019, by \_\_\_\_\_, as \_\_\_\_\_ of Novo Oil & Gas Northern Delaware, L.L.C., a \_\_\_\_\_, on behalf of same.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

AMERICAN PRODUCTION PARTNERSHIP LTD.-IV

Date: \_\_\_\_\_

By: Subject to Compulsory Pooling Order R-21091

Name: \_\_\_\_\_

Title: \_\_\_\_\_

ACKNOWLEDGEMENT

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on \_\_\_\_\_, 2019, by \_\_\_\_\_, as \_\_\_\_\_ of American Production Partnership Ltd.-IV, a \_\_\_\_\_, on behalf of same.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

AMERICAN PRODUCTION PARTNERSHIP LTD. III

Date: \_\_\_\_\_

By: Subject to Compulsory Pooling Order R-21091

Name: \_\_\_\_\_

Title: \_\_\_\_\_

ACKNOWLEDGEMENT

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on \_\_\_\_\_, 2019, by \_\_\_\_\_, as \_\_\_\_\_ of American Production Partnership Ltd. III, a \_\_\_\_\_, on behalf of same.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

War Eagle Federal Com 701H  
E½ Wolfcamp

**WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD**

**SUN EXPLORATION AND PRODUCTION COMPANY**

Date: \_\_\_\_\_

By: Subject to Compulsory Pooling Order R-21091

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on \_\_\_\_\_, 2019, by \_\_\_\_\_, as \_\_\_\_\_ of Sun Exploration and Production Company, a \_\_\_\_\_, on behalf of same.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_

My Commission Expires: \_\_\_\_\_



WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

CHESAPEAKE EXPLORATION LLC

Date: \_\_\_\_\_

By: Subject to Compulsory Pooling Order R-21091

Name: \_\_\_\_\_

Title: \_\_\_\_\_

ACKNOWLEDGEMENT

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on \_\_\_\_\_, 2019, by  
\_\_\_\_\_, as \_\_\_\_\_ of Chesapeake  
Exploration LLC, a \_\_\_\_\_, on behalf of same.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

War Eagle Federal Com 701H  
E½ Wolfcamp

### EXHIBIT "A"

Plat of communized area covering 639.6 acres in Lots 1, 2, S½NE¼ and SE¼ (aka E½) of Section 1 & N½NE¼, S½NE¼ and SE¼ of Section 12 (aka E½), T20S – R33E, N.M.P.M., Lea County, New Mexico  
Communitized depths are hereby limited to the Wolfcamp

**Tract 1:**  
NM-040406



**Tract 2:**  
NM-114983



**Tract 3:**  
NM-013280



		Tract 1 NM-040406 Sec. 1: Lots 1, 2, S½NE¼, SE¼ Sec. 12: N½NE¼ 399.6 acres	
Section 1			
Section 12			
		Tract 2 NM-114983  S½NE¼ 80.0 Acres	
		Tract 3 NM-013280  SE¼ 160.0 Acres	

**EXHIBIT "B"**

To Communitization Agreement Dated June 1, 2019 embracing the following described land in Lots 1 & 2, S½ NE¼, SE¼ (aka E ½) of Section 1 & NE¼ NE¼, S½ NE¼, SE¼ (aka E ½) of Section 12, T20S-R33E, N.M.P.M., Lea County, New Mexico  
Communitized depths are hereby limited to the Wolfcamp

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

**DESCRIPTION OF LEASES COMMITTED**

**Tract No. 1**

Lessor:	United States of America, NMNM-040406	
Original Lessee:	Eva G. Manning	
Current Lessees of Record:	COG Operating LLC Prime Rock Resources Chesapeake Exploration	
Lease Date:	December 1, 1972	
Description:	<b>Insofar and only insofar as said lease covers:</b> <u>Township 20 South – Range 33 East, Lea County, NM</u> Section 1: Lots 1, 2, S½NE¼, SE¼ Section 12: N½NE¼	
Number of Acres:	399.6	
Royalty Rate:	12.5%	
WI Owner Names and Interests:	COG Operating LLC 86.366865% Prime Rock Resources 5.8137560% Chesapeake Exploration LLC 3.5920640% Marathon Oil Permian LLC 2.3063220% Fasken Land & Minerals, Ltd. 1.9209930%	
ORRI Owners:	Charles E Strange 1976 Trust #1 South Burbank Petroleum, LP Mark T Manning Teckla Oil Co., LLC Wynn-Crosby Partners II, Ltd	

**Tract No. 2**

Lessor:	United States of America, NMNM-114983	
Original Lessee:	Samson Resources Co.	
Current Lessee of Record:	COG Operating LLC	
Lease Date:	December 1, 2005	
Description:	<b>Insofar and only insofar as said lease covers:</b> <u>Township 20 South – Range 33 East, Lea County, NM</u> Section 12: S½NE¼	
Number of Acres:	80.0	
Royalty Rate:	12.5%	
WI Owner Names and Interests:	COG Operating LLC 86.366865% Prime Rock Resources 5.8137560% Chesapeake Exploration LLC 3.5920640% Marathon Oil Permian LLC 2.3063220% Fasken Land & Minerals, Ltd. 1.9209930%	
ORRI Owners:	None	

War Eagle Federal Com 701H  
E ½ Wolfcamp

**Tract No. 3**

Lessor: United States of America, NMNM-013280  
 Original Lessee: Phillips Petroleum Company  
 Current Lessee of Record: COG Operating LLC  
 ConocoPhillips Company  
 Trilogy Operating Inc.  
 Lease Date: December 1, 2005  
 Description: **Insofar and only insofar as said lease covers:**  
Township 20 South – Range 33 East, Lea County, NM  
 Section 12: SE¼  
 Number of Acres: 160.0  
 Royalty Rate: 12.5%  
 WI Owner Names and Interests: COG Operating LLC 86.366865%  
 Prime Rock Resources 5.8137560%  
 Chesapeake Exploration LLC 3.5920640%  
 Marathon Oil Permian LLC 2.3063220%  
 Fasken Land & Minerals, Ltd. 1.9209930%  
 ORRI Owners: HTI Resources, Inc.  
 Black Stone Minerals Company, L.P.  
 Heirs of Thomas S. Cox  
 The Wheat Company, a Trust  
 The Braille Institute of America  
 Bank of America, N.A., Sole Trustee of the Selma E. Andrews Perpetual  
 Charitable Trust  
 Bank of America, N.A., Sole Trustee of the Selma E. Andrews Trust, for  
 benefit of Peggy Barnett  
 Eric J. Coll  
 Jon F. Coll  
 Charles H. Coll  
 Max W. Coll  
 Clark C. Coll  
 Sally Rogers  
 Max W. Coll III  
 Jon F. Coll II  
 Melanie Coll  
 Etz Oil Properties, Ltd  
 George H. Etz, Sr. Trust  
 Progeny Petroleum, Inc.  
 Betty Kyte Dreesen Irrevocable Trust  
 Edward T. Dreesen, Jr.  
 Ingrid Dreesen Powell  
 Cecile Marie Dreesen  
 Heirs or devisees of Peter L. Rapkock  
 JoAnn Bills  
 Ann C. Rapkock  
 Stephen Rapkock  
 Geoffrey Rapkock  
 Michael Rapkock  
 Karen R. Irish  
 Daniel Rapkock  
 Jennifer Rapkock

RECEIVED

MAR 12 2021

BLM, NMSO  
SANTA FE

**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. 20855  
ORDER NO. R-21091**

**ORDER**

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on November 14, 2019, 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 compulsory 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 described depth(s) and location(s) in the Unit.
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 Surface Location or Bottom Hole Location of a well is changed from the location described in Exhibit A, Operator shall submit an amended Exhibit A, which the Division shall append to this Order.
19. 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 before commencing production of the well.
20. The Operator shall commence drilling the initial well within one (1) year after the date of this Order; and (b) for an infill well, no later than thirty (30) days after completion of the well.

CASE NO. 20855  
ORDER NO. R-21091

21. Operator shall comply with the infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC.
22. This Order shall terminate automatically if Operator fails to comply with Paragraphs 20 or 21.
23. Operator shall submit to OCD and each owner of a working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs") no later than: (a) for an initial well, no later than thirty (30) days after the date of this Order; (b) for an infill well proposed by Operator, no later than (30) days after the later of the initial notice period pursuant to 19.15.13.10(B) NMAC or the extension granted by the OCD Director pursuant 19.15.13.10(D) NMAC; or (c) for an infill well proposed by an owner of a Pooled Working Interest, no later than thirty (30) days after expiration of the last action required by 19.15.13.11 NMAC.
24. 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."
25. No later than within one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and 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 OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
26. No later than sixty (60) days after the later of the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, 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.

27. 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."
28. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and 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 OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
29. 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.
30. 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.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to OCD and 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.

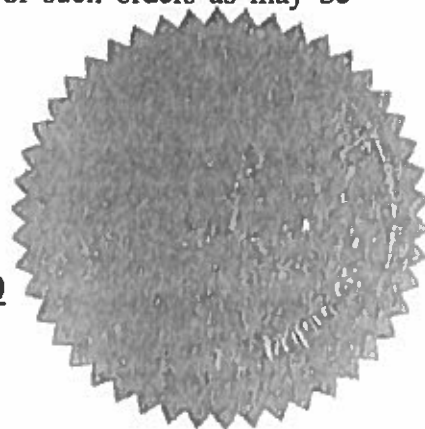
**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL  
DIRECTOR**

AS/jag

**Date: February 12, 2020**



CASE NO. 20855  
ORDER NO. R-21091

Exhibit "A"

Applicant: COG Operating LLC  
 Operator: COG Operating LLC (OGRID 229137)

Spacing Unit: Horizontal Oil  
 Building Blocks: quarter-quarter section equivalents  
 Spacing Unit Size: 640 acres (more or less)  
 Orientation of Unit: North/South

Spacing Unit Description:

Lots 1-2, S/2 NE/4, and the SE/4 (E/2 equivalent) of irregular Section 1, and the E/2 of Section 12, Township 20 South, Range 33 East, Lea County, New Mexico

Pooling this Vertical Extent: Wolfcamp Formation  
 Depth Severance? (Yes/No): No

Pool: Tonto; Wolfcamp (Pool code 59500)  
 Pool Spacing Unit Size: quarter-quarter sections  
 Governing Well Setbacks: Horizontal Oil Well Rules  
 Pool Rules: Latest Horizontal Rules Apply

Proximity Tracts: Yes  
 Proximity Defining Well: Well No. 701H is to be drilled closer than 330 feet from the Proximity Tracts and therefore defines the Horizontal Spacing Unit.

Monthly charge for supervision: While drilling: \$7000 While producing: \$700  
 As the charge for risk, 200 percent of reasonable well costs.

Proposed Well:War Eagle Federal Com Well No. 701H, API No. 30-025-Pending

SHL: 100 feet from the South line and 560 feet from the East line,  
 (Unit P) of Section 12, Township 20 South, Range 33 East, NMPM.  
 BHL: 50 feet from the North line and 1000 feet from the East line,  
 (Lot 1) of Section 1, Township 20 South, Range 33 East, NMPM.

Completion Target: Wolfcamp A at approx 11037 feet TVD.  
 Well Orientation: South to North  
 Completion Location expected to be: standard

CASE NO. 20855  
 ORDER NO. R-21091

DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(MASS) Serial Register Page

Run Date/Time: 2/9/2022 18:04 PM

Page 1 Of 1

01 02-25-1920;041STAT0437;30USC181

Case Type 318310: O&amp;G COMMUNITIZATION AGRMT

Commodity 459: OIL &amp; GAS

Case Disposition: CLOSED

Total Acres:

639.600

Serial Number

NMNM 143154

Case File Juris: CARLSBAD FIELD OFFICE

Serial Number: NMNM-- - 143154

Name & Address				Int Rel		% Interest
BLM NMSO	301 DINOSAUR TRL	SANTA FE	NM	875081560	OFFICE OF RECORD	0.000000000
COG OPERATING LLC	600 W ILLINOIS AVE	MIDLAND	TX	797014882	OPERATOR	100.000000000

Serial Number: NMNM-- - 143154

Mer	Twp	Rng	Sec	S	Type	Nr	Suff	Subdivision	District/ Field Office	County	Mgmt Agency
23	0200S	0330E	001	LOTS				1,2;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0200S	0330E	001	ALIQ				S2NE,SE;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0200S	0330E	012	ALIQ				E2;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

## Relinquished/Withdrawn Lands

Serial Number: NMNM-- - 143154

Serial Number: NMNM-- - 143154

Act Date	Act Code	Action Txt	Action Remarks	Pending Off
06/01/2019	387	CASE ESTABLISHED		
06/01/2019	516	FORMATION	WOLFCAMP;	
03/12/2021	580	PROPOSAL RECEIVED	CA RECD;	
01/11/2022	125	APLN REJ/DENIED		
01/11/2022	970	CASE CLOSED		
01/11/2022	974	AUTOMATED RECORD VERIF	EMR	

Line Number	Remark Text	Serial Number: NMNM-- - 143154
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NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM

**From:** [Barron, Jeanette](#)  
**To:** [McClure, Dean, EMNRD](#)  
**Subject:** RE: [EXTERNAL] RE: surface commingling application PLC-792  
**Date:** Monday, January 30, 2023 11:45:02 AM

---

Hello Dean that is correct the CAs are at the BLM under review.

Thank you,

**Jeanette Barron** | Regulatory Coordinator, Delaware Basin NM Regulatory | **ConocoPhillips**  
**O:** 575-748-6974 | **C:** 575-703-7411 | 2208 W. Main Street, Artesia, New Mexico

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---

**From:** McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>  
**Sent:** Monday, January 30, 2023 9:47 AM  
**To:** Barron, Jeanette <Jeanette.Barron@conocophillips.com>  
**Subject:** RE: [EXTERNAL] RE: surface commingling application PLC-792

**CAUTION:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Or I guess, after reading further into the email chain, the December date is from the BLM sending you a copy of what they have on file? Regardless though, your understanding is that Concho has submitted an amended CA to the BLM from when it was returned in January of 2022 and it is currently under review with the BLM?

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

---

**From:** McClure, Dean, EMNRD  
**Sent:** Monday, January 30, 2023 9:44 AM  
**To:** Barron, Jeanette <[Jeanette.Barron@conocophillips.com](mailto:Jeanette.Barron@conocophillips.com)>  
**Subject:** RE: [EXTERNAL] RE: surface commingling application PLC-792

Hello Jeanette,

Regarding NMNM 143154; based off your attachments, it appears that Concho resubmitted the CA application to the BLM in December of 2022? Presumably its current status is under review with the

BLM?

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

---

**From:** Barron, Jeanette <[Jeanette.Barron@conocophillips.com](mailto:Jeanette.Barron@conocophillips.com)>  
**Sent:** Monday, January 9, 2023 7:13 AM  
**To:** McClure, Dean, EMNRD <[Dean.McClure@emnrd.nm.gov](mailto:Dean.McClure@emnrd.nm.gov)>  
**Subject:** [EXTERNAL] RE: surface commingling application PLC-792

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Good morning Dean,  
Please see attached copies of the CAs for the War Eagle wells. This should take care of everything for this application, if by chance you need anything more please let me know...thanks a million for all your help!!

Have a great week

Thank you,

**Jeanette Barron** | Regulatory Coordinator, Delaware Basin NM Regulatory | **ConocoPhillips**  
**O:** 575-748-6974 | **C:** 575-703-7411 | 2208 W. Main Street, Artesia, New Mexico

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---

**From:** Barron, Jeanette  
**Sent:** Monday, December 12, 2022 4:30 PM  
**To:** McClure, Dean, EMNRD <[Dean.McClure@emnrd.nm.gov](mailto:Dean.McClure@emnrd.nm.gov)>  
**Subject:** RE: surface commingling application PLC-792

Hello Dean,  
These CAs have been returned to the BLM but we (land) did not keep copies for our records. We emailed Elizabeth Rivera with the BLM today for copies, I hope she will respond soon.

Thank you,

**Jeanette Barron** | Regulatory Coordinator, Delaware Basin NM Regulatory | **ConocoPhillips**  
**O:** 575-748-6974 | **C:** 575-703-7411 | 2208 W. Main Street, Artesia, New Mexico

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---

**From:** McClure, Dean, EMNRD <[Dean.McClure@emnrd.nm.gov](mailto:Dean.McClure@emnrd.nm.gov)>

**Sent:** Wednesday, November 30, 2022 9:41 AM

**To:** Barron, Jeanette <[Jeanette.Barron@conocophillips.com](mailto:Jeanette.Barron@conocophillips.com)>

**Subject:** FW: surface commingling application PLC-792

Ms. Barron,

Do you have a status update regarding the below request for information?

Dean McClure

Petroleum Engineer, Oil Conservation Division

New Mexico Energy, Minerals and Natural Resources Department

(505) 469-8211

---

**From:** McClure, Dean, EMNRD

**Sent:** Thursday, February 10, 2022 1:48 PM

**To:** Barron, Jeanette <[Jeanette.Barron@conocophillips.com](mailto:Jeanette.Barron@conocophillips.com)>

**Subject:** surface commingling application PLC-792

Ms. Barron,

I am reviewing surface commingling application PLC-792 which involves the commingling project that includes the War Eagle Federal 22 P CTB and is operated by COG Operating, LLC (229137).

It appears that the CAs for this commingling project has been returned by the BLM. Do you have a status update regarding these CAs?

Dean McClure

Petroleum Engineer, Oil Conservation Division

New Mexico Energy, Minerals and Natural Resources Department

(505) 469-8211

**Affidavit of Publication**

STATE OF NEW MEXICO  
COUNTY OF LEA


I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated  
October 14, 2021  
and ending with the issue dated  
October 14, 2021.



Publisher

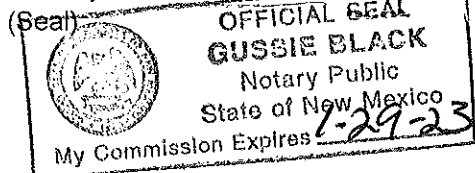
Sworn and subscribed to before me this  
14th day of October 2021.



Business Manager

My commission expires

January 29, 2023



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

**LEGALS****LEGAL NOTICE**  
October 14, 2021

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 War Eagle Federal Com 504H and 701H wells. Said wells are located in Section 1, 12, Township 20 South, Range 33 East, Lea County, New Mexico. The Central Tank Battery (CTB) where production will be commingled is located in Ut P. Section 12-T20S-R33E, Lea 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 Adam Reker (432) 685-2515 [adam.c.reker@conocophillips.com](mailto:adam.c.reker@conocophillips.com) at COG Operating LLC, 600 West Illinois, Midland, Texas 79701. #36929

67112034

00259444

COG OPERATING LLC - ARTESIA  
2208 W. MAIN ST.  
ARTESIA, NM 88210

DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(MASS) Serial Register Page

Run Date/Time: 2/9/2022 18:02 PM

Page 1 Of 1

01 02-25-1920;041STAT0437;30USC181

Case Type 318310: O&amp;G COMMUNITIZATION AGRMT

Commodity 459: OIL &amp; GAS

Case Disposition: CLOSED

Total Acres:

639.600

Serial Number

NMNM 143153

Case File Juris: CARLSBAD FIELD OFFICE

Serial Number: NMNM-- - 143153

Name & Address				Int Rel		% Interest
BLM NMSO	301 DINOSAUR TRL	SANTA FE	NM	875081560	OFFICE OF RECORD	0.000000000
COG OPERATING LLC	600 W ILLINOIS AVE	MIDLAND	TX	797014882	OPERATOR	100.000000000

Serial Number: NMNM-- - 143153

Mer	Twp	Rng	Sec	S	Type	Nr	Suff	Subdivision	District/ Field Office	County	Mgmt Agency
23	0200S	0330E	001	LOTS				1,2;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0200S	0330E	001	ALIQ				S2NE,SE;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0200S	0330E	012	ALIQ				E2;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

## Relinquished/Withdrawn Lands

Serial Number: NMNM-- - 143153

Serial Number: NMNM-- - 143153

Act Date	Act Code	Action Txt	Action Remarks	Pending Off
06/01/2019	387	CASE ESTABLISHED		
06/01/2019	516	FORMATION	BONE SPRING;	
03/12/2021	580	PROPOSAL RECEIVED	CA RECD;	
01/11/2022	125	APLN REJ/DENIED		
01/11/2022	970	CASE CLOSED		
01/11/2022	974	AUTOMATED RECORD VERIF	EMR	

Line Number	Remark Text	Serial Number: NMNM-- - 143153
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NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM



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

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

**ORDER NO. PLC-792**

**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 certified the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.
7. 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**

8. 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.

9. 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.
10. 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.
11. 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.
12. 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.
13. 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 or gas title transfer meter 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 a 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 commingling application to OCD to conform this Order with the approved Agreement(s). If Applicant fails to submit the new surface commingling application or OCD denies the new surface commingling 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 it with production from another well.
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**

  
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**DYLAN M. FUGE**  
**DIRECTOR (ACTING)**

**DATE:** 2/6/2023

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit A

Order: **PLC-792**

Operator: **COG Operating, LLC (229137)**

Central Tank Battery: **War Eagle Federal 22 P Central Tank Battery**

Central Tank Battery Location: **UL P, Section 12, Township 20 South, Range 33 East**

Central Tank Battery: **Red Hills Offload Station**

Central Tank Battery Location: **UL O, Section 4, Township 26 South, Range 32 East**

Central Tank Battery: **Jal Offload Station**

Central Tank Battery Location: **UL D, Section 4, Township 26 South, Range 37 East**

Gas Title Transfer Meter Location: **UL P, Section 12, Township 20 South, Range 33 East**

### Pools

Pool Name	Pool Code
<b>TEAS; BONE SPRING</b>	<b>58960</b>
<b>TONTO; WOLFCAMP</b>	<b>59500</b>

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

Lease	UL or Q/Q	S-T-R
<b>CA Bone Spring NMNM 105736819 (143153)</b>	<b>E/2</b>	<b>1-20S-33E</b>
	<b>E/2</b>	<b>12-20S-33E</b>
<b>NMNM 105332590 (040406)</b>	<b>E/2</b>	<b>1-20S-33E</b>
	<b>N/2 NE/4</b>	<b>12-20S-33E</b>
<b>NMNM 105384175 (114983)</b>	<b>S/2 NE/4</b>	<b>12-20S-33E</b>
<b>NMNM 105447007 (013280)</b>	<b>SE/4</b>	<b>12-20S-33E</b>

### Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
<b>30-025-47429</b>	<b>War Eagle Federal Com #504H</b>	<b>E/2</b>	<b>1-20S-33E</b>	<b>58960</b>
		<b>E/2</b>	<b>12-20S-33E</b>	
<b>30-025-47431</b>	<b>War Eagle Federal Com #701H</b>	<b>E/2</b>	<b>1-20S-33E</b>	<b>59500</b>
		<b>E/2</b>	<b>12-20S-33E</b>	

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit B

Order: **PLC-792**  
Operator: **COG Operating, LLC (229137)**

### Pooled Areas

Pooled Area	UL or Q/Q	S-T-R	Acres	Pooled Area ID
CA Wolfcamp NMNM 105736820 (143154)	E/2	1-20S-33E	639.6	A
	E/2	12-20S-33E		

### Leases Comprising Pooled Areas

Lease	UL or Q/Q	S-T-R	Acres	Pooled Area ID
NMNM 105332590 (040406)	E/2	1-20S-33E	399.6	A
	N/2 NE/4	12-20S-33E		
NMNM 105384175 (114983)	S/2 NE/4	12-20S-33E	80	A
NMNM 105447007 (013280)	SE/4	12-20S-33E	160	A

**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 50541

**CONDITIONS**

Operator: COG OPERATING LLC 600 W Illinois Ave Midland, TX 79701	OGRID: 229137
	Action Number: 50541
	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.	2/7/2023