

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

November 8, 2022

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

Re: Application for Administrative Approval Off-lease Measurement – Oil Only

Dear Mr. McClure,

COG Operating LLC respectfully requests approval for off-lease measurement – Oil only for the following wells:

Double ABJ 16 Fed Com 501H API# 30-025-47162 Mesa Verde; Bone Spring Ut. P, Sec.16-T24S-R32E Lea County, NM Double ABJ 16 Fed Com 502H API# 30-025-47286 Mesa Verde; Bone Spring Ut. P, Sec.16-T24S-R32E Lea County, NM

Oil Production:

The oil production from these wells may be transported by truck to either the Red Hills Offload Station, located in Unit O, Section 4-T26S-R32E, or the Jal Offload Station, located in Unit D, Section 4-T26S-R37E, Lea County in the event the CTB on lease is over capacity or in the case of battery or pipeline repairs. Oil will remain segregated and will be measured by lact meter when offloading at the Offload Stations.

Notifications have been sent to all working interest owners

Please see the enclosed Administrative Application Checklist, C-107-B Application for Off Lease Measurement, plats for referenced wells, site facility diagram, maps with lease boundaries showing wells and facility locations and communization agreement application.

Thank you for your attention to this matter. If you have questions or need further information, please email me at <u>jeanette.barron@conocophillips.com</u> or call 575.748.6974.

Sincerely,

Jeanette Barron

Jeanette Barron Regulatory Coordinator

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	RECEIVED:	REVIEWER:	TYPE:	APP NO:	
			ABOVE THIS TABLE FOR OCD D	VISION USE ONLY	
		- Geologi	CO OIL CONSERV ical & Engineering rancis Drive, Santa	g Bureau –	
		ADMINIST	RATIVE APPLICATI	ON CHECKLIST	
	This C	HECKLIST IS MANDATORY FOR A		TIONS FOR EXCEPTIONS	
Ap	plicant:			OGR	ID Number:
We	II Name:			API:	
Poo	ol:			Pool	Code:
			INDICATED BELC	W	THE TYPE OF APPLICATION
1)		CATION: Check those – Spacing Unit – Simu ISL □ NSP _@		n	SD
2)	[I] Com [II] Injec [II] I	ne only for [1] or [1] mingling – Storage – M DHC CTB F tion – Disposal – Press WFX PMX S REQUIRED TO: Check operators or lease ho cy, overriding royalty c cation requires publish cation and/or concurr cation and/or concurr ce owner of the above, proof concurr tice required	PLC PC C ure Increase – Enha SWD IPI E those which apply olders whers, revenue ow hed notice rent approval by SL rent approval by BL	anced Oil Recove OR PPR	FOR OCD ONLY Notice Complete Application Content Complete
3)	CERTIFICATION administrative understand the	I : I hereby certify that approval is accurate	and complete to t ken on this applica	he best of my kn	

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

11.08.22 Date Print or Type Name

Jeanette Barron Signature

Phone Number

e-mail Address

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District I 1625 N. French Drive, Hobbs, NM 88 District II	State of New Mexico Energy, Minerals and Natural Resources Department				
811 S. First St., Artesia, NM 88210 <u>District III</u> 1000 Rio Brazos Road, Aztec, NM 87 <u>District IV</u> 1220 S. St Francis Dr, Santa Fe, NM 87505	410 OIL CONSERVATION DIVISION 1220 S. St Francis Drive Santa Fe, New Mexico 87505				
APPLICATION FOR SURFACE COMMINGLING (DIVERSI					
OPERATOR NAME:	COG Operating LLC				
OPERATOR ADDRESS:	2208 W Main Street, Artesia, New Mexico 88210				

Form C-107-B Revised August 1, 2011

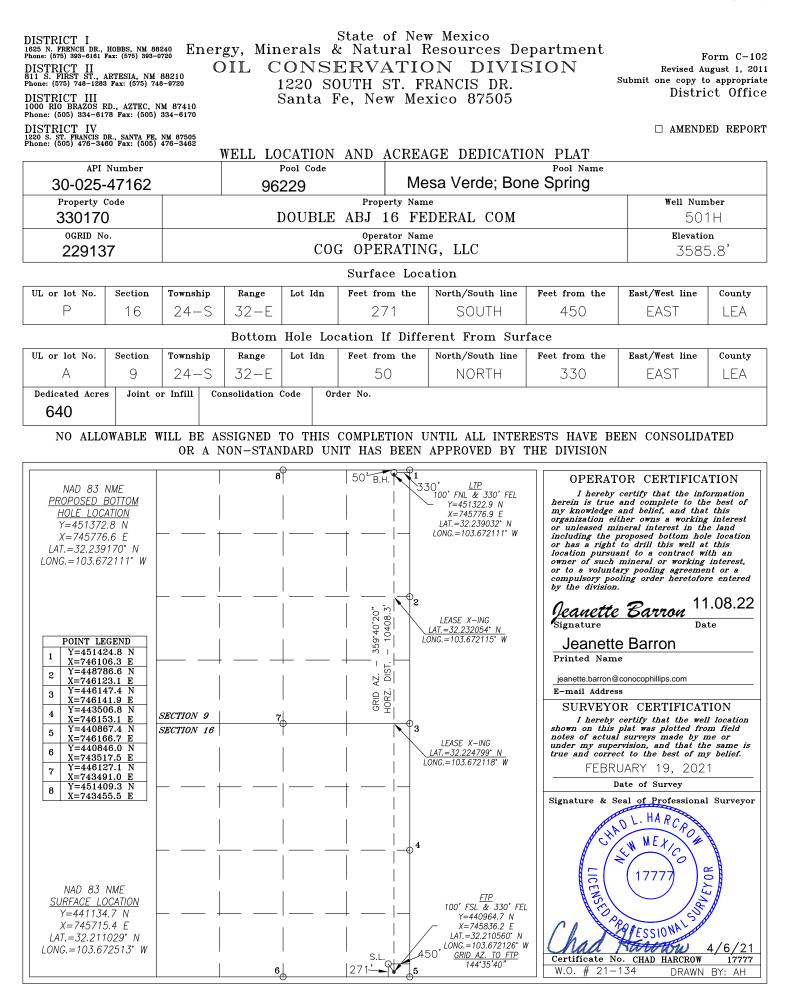
Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

E OWNERSHIP)

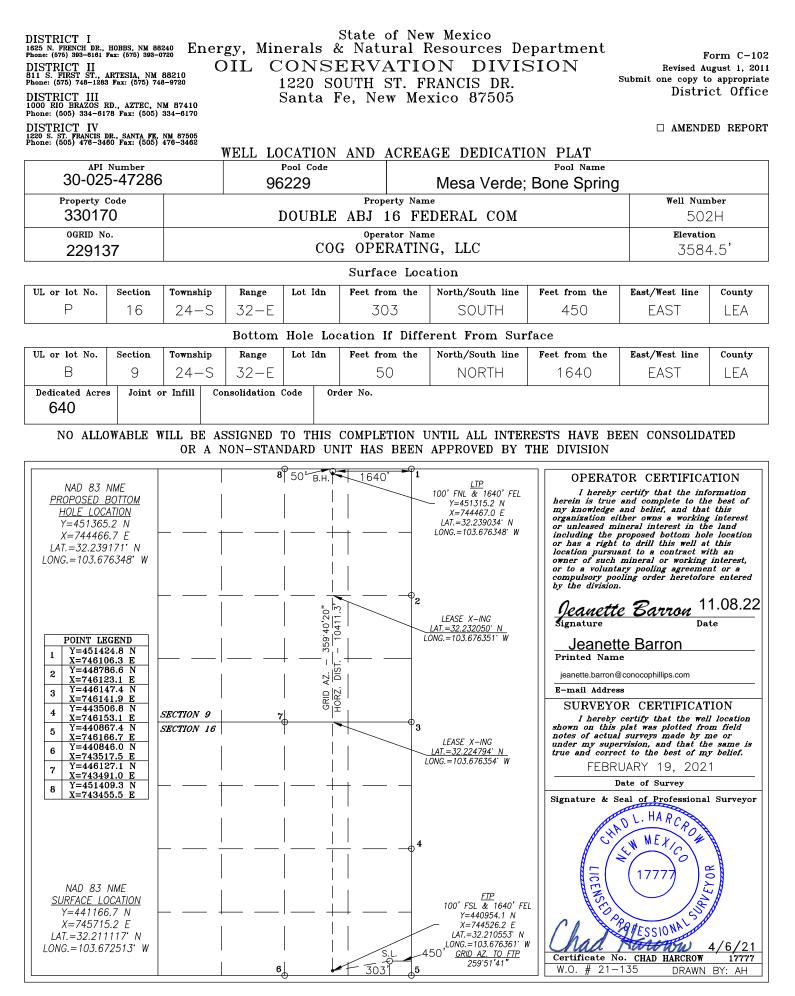
OPERATOR NAME:	COG Opera	iting LLC					
OPERATOR ADDRESS:	DPERATOR ADDRESS: 2208 W Main Street, Artesia, New Mexico 88210						
APPLICATION TYPE:							
Pool Commingling Lease	Commingling	Pool and Lease Cor	nmingling Off-Lease	Storage and Measur	rement (Only if not Surface	e Commingled)	
LEASE TYPE: Fe		state 🛛 Feder		-	· -	U ,	
Is this an Amendment to exis				he appropriate (order No		
Have the Bureau of Land Ma						ingling	
\square Yes \square No	ingeniene (D				i die proposed comm		
			L COMMINGLIN				
		Please attach sheet	s with the following ir	formation			
(1) Pool Names and Codes	1	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes	
			-				
			_				
 (2) Are any wells producing at top allowables? Yes No (3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No. (4) Measurement type: Metering Other (Specify) (5) Will commingling decrease the value of production? Yes No If "yes", describe why commingling should be approved 							
]		SE COMMINGLIN s with the following ir				
(1) Pool Name and Code.							
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(1) Complete Sections A and I	<u>.</u>						
			ORAGE and MEA				
(1) T 11 1 2 6			ets with the following	information			
(1) Is all production from sam(2) Include proof of notice to a	-		0				
(2) Include proof of notice to all interest owners.							
(E) ADDITIONAL INFORMATION (for all application types)							
			s with the following ir	nformation			
(1) A schematic diagram of fa	•		To-shods 1		4 - 1		
 (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: <u>Jeanette Barron</u>		TI	TLE: <u>Regulatory Coordin</u>	ator DATE: 11	.08.22		

TYPE OR PRINT NAME Jeanette Barron TELEPHONE NO.: <u>575.748.6974</u>

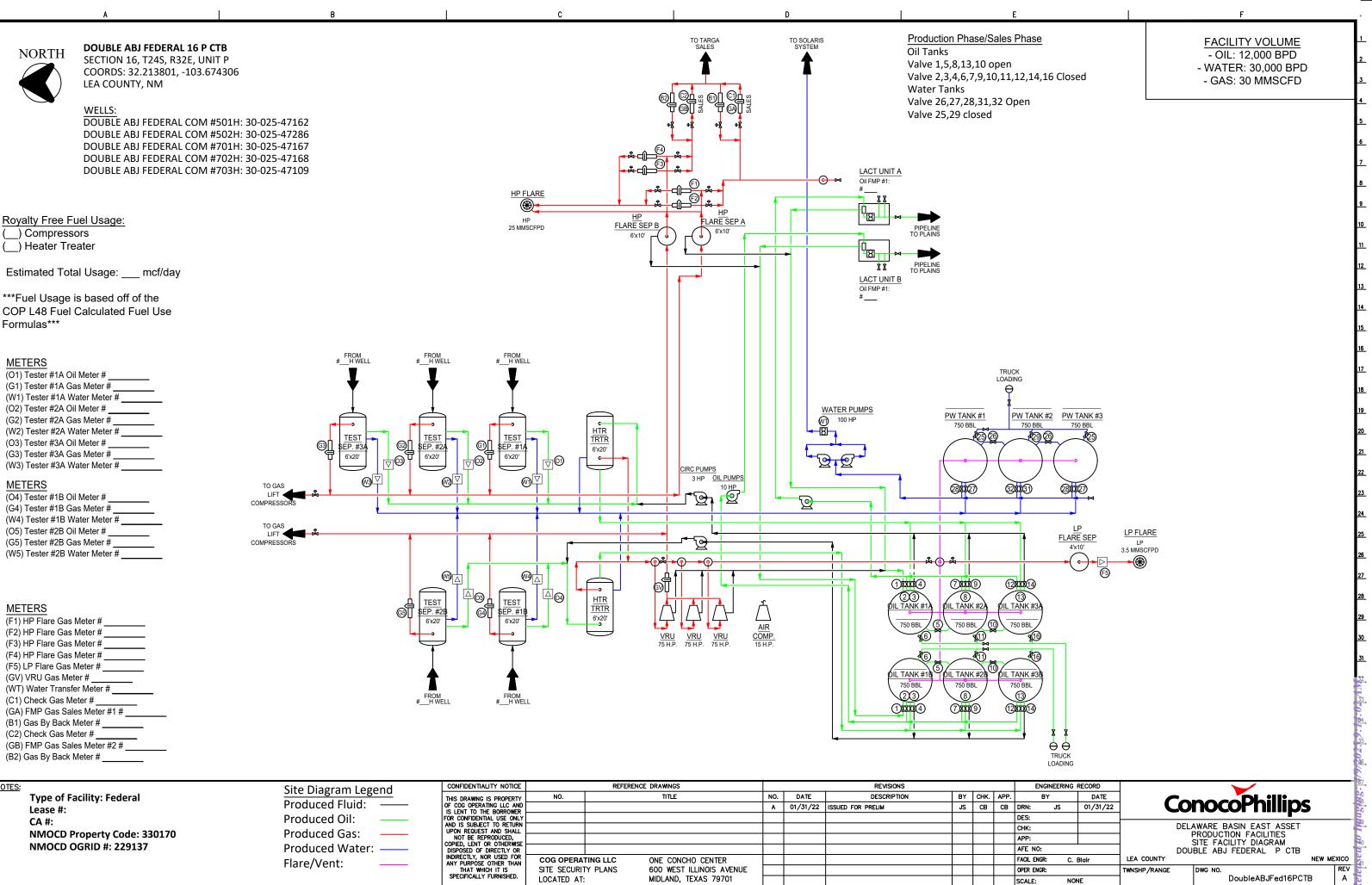
E-MAIL ADDRESS:_jeanette.barron@conocophillips.com



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-🗮 <u>NO</u>	TES:	Site Diagram Legend	CONFIDENTIALITY NOTICE		REFERENCE DRAW	NGS			REVISIONS				
38	Type of Facility: Federal		THIS DRAWING IS PROPERTY	NO.	TIT	Έ	NO.	DATE	DESCRIPTION	B	Ү СН	IK. A'	√PP.
	Lease #:	Produced Fluid: ——	OF COG OPERATING LLC AND IS LENT TO THE BORROWER				A	01/31/22	ISSUED FOR PRELIM	J	s ci	в с	СВ
<u>_</u>	CA #:	Produced Oil:	FOR CONFIDENTIAL USE ONLY										
	-		AND IS SUBJECT TO RETURN UPON REQUEST AND SHALL										
2	NMOCD Property Code: 330170	Produced Gas: ——	NOT BE REPRODUCED.										
	NMOCD OGRID #: 229137	Produced Water:	COPIED, LENT OR OTHERWISE DISPOSED OF DIRECTLY OR										
		Flare/Vent:	INDIRECTLY, NOR USED FOR ANY PURPOSE OTHER THAN	COG OPERATI	ING LLC ONE	CONCHO CENTER							
		THAT WHICH IT IS	SITE SECURITY	PLANS 600 \	VEST ILLINOIS AVENUE								
2			SPECIFICALLY FURNISHED.	LOCATED AT:	MIDLA	ND, TEXAS 79701							
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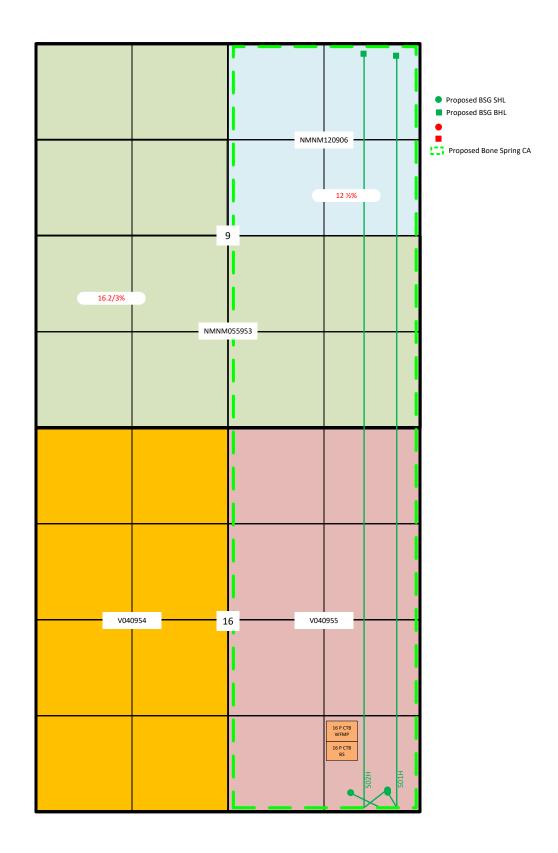
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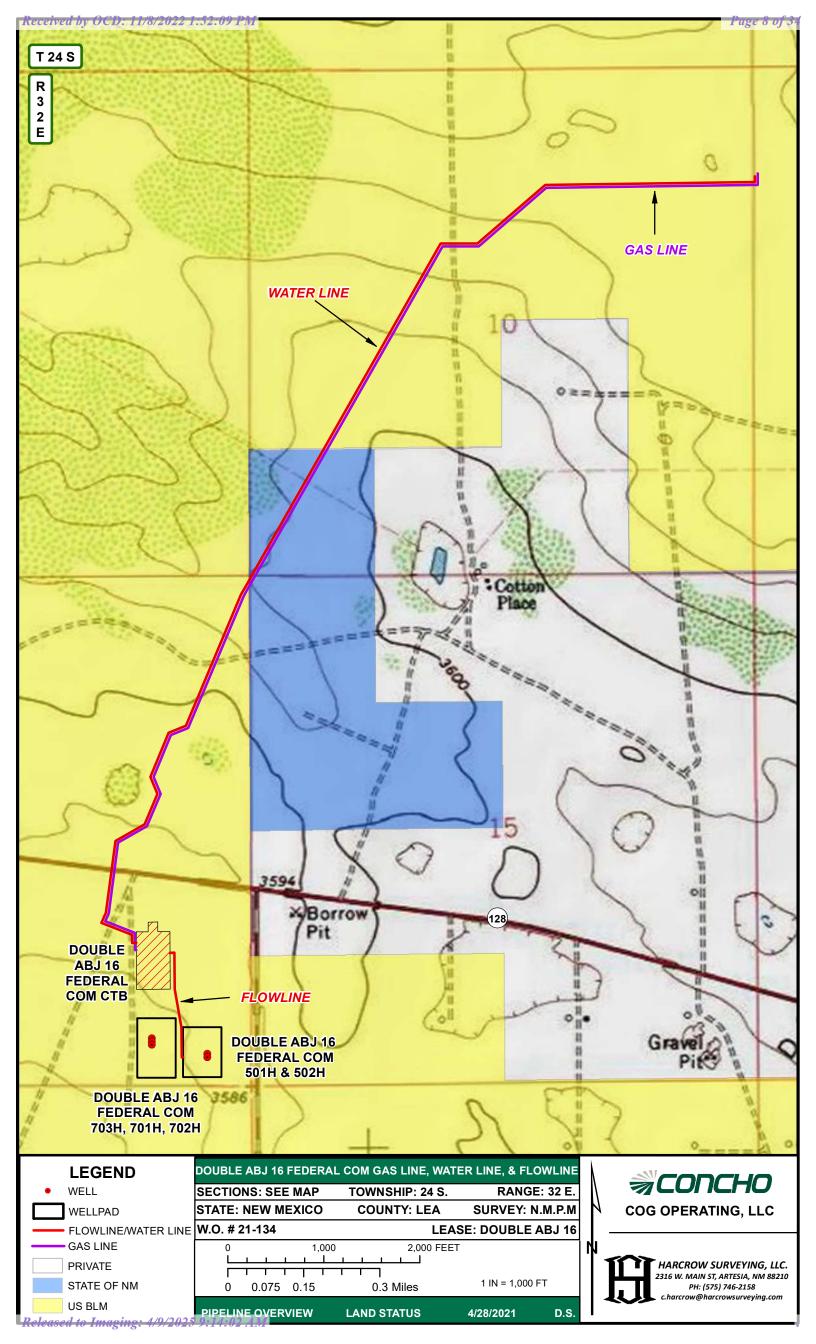
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02/04/21 RR 02.25.22 JB

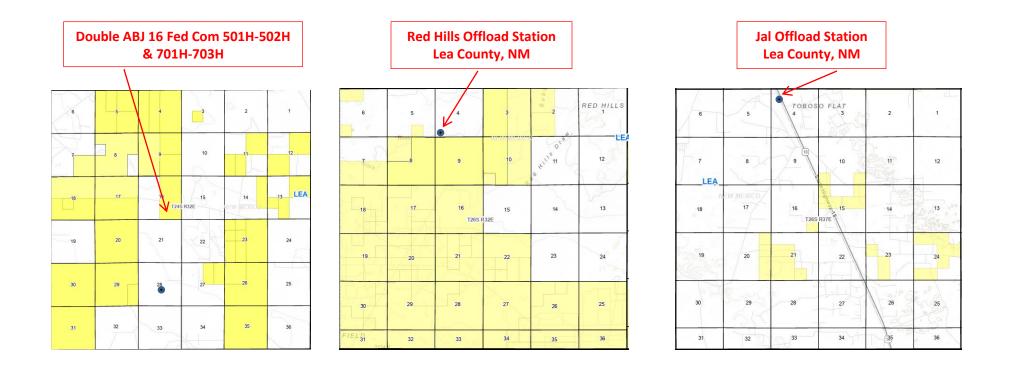
Double ABJ 16 Federal Com Wells Sec 16, T24S, R32E





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Double ABJ 16 Fed Com 501H-502H & 701H-703H & Red Hills and Jal Offload Station Map



	Double ABJ 16 Fed Com 501H-502H & 701H-703H							
Date Sent	Initials	Name	Address	City	State	ZipCode	Certified Return Receipt No.	Delivered
11.08.22	JB	FIRST ROSWELL COMPANY LTD	111 S. Kentucky Ave	Roswell	NM	88203	7013 3020 0000 8749 4738	
11.08.22	JB	THOMAS E JENNINGS	111 S. Kentucky Ave	Roswell	NM	88203	7013 3020 0000 8749 4172	
11.08.22	JB	BLM	414 W. Taylor	Hobbs	NM	88240	7013 3020 0000 8749 4745	

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the 1st day of January, 2022, 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 notowned 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 "communitizedarea") are described as follows:

Township 24 South, Range 32 East, N.M.P.M. Section 9: E/2 Section 16: E/2 Lea County, New Mexico

Containing 640.00 acres, and this agreement shall include only the Bone Spring formation underlying said lands and oil and gas hereafter referred to as "communitized substances," producible from such formation(s).

- 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 landswithin the communitized area.
- 3. The Operator of the communitized area shall be COG Operating LLC, As Operator, 600 W. Illinois Avenue, Midland, Texas 79701. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area andfour (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.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/8th or 12 ½ percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining 7/8th should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the communitized area and the Communitization Agreement is terminated, whichever occurs first.

Any party acquiring a Federal lease of the unleased Federal lands included in the communitized area established hereunder, will be subject to this Agreement as of the effective date of the Federal leases to said party (ies). Upon issuance of the Federal lease and payment of its proportionate cost of the well, including drilling, completing and equipping the well, the acquiring party (ies) shall own the working interest described in the Tract, as described on Exhibit "B", and shall have the rights and obligations of said working interest as to the effective date of the Federal Lease.

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 formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
- 8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
- 9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
- 10. The date of this agreement is January 1, 2022, 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 terminatedat 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.

- This agreement shall be binding upon the parties hereto and shall extend to and be binding upon 13. their respective heirs, executors, administrators, successors, and assigns.
- This agreement may be executed in any number of counterparts, no one of which needs to be 14. 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.
- Nondiscrimination. In connection with the performance of work under this agreement, the 15. 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 arehereby 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 LESSEE OF RECORD:

COG OPERATING LLC

Rvan D. Owen Attorney-In-Fact MP AR

ACKNOWLEDGEMENT

By:

STATE OF TEXAS	§
	§
COUNTY OF MIDLAND	§

Date:

SEP 1 9 2022

day of September 2022.

This instrument was acknowledged before me on the L^{U} by Ryan D. Owen, as attorney-in-fact of COG OPERATING LLC, a Delaware limited liability company, on behalf of said limited liability company.



NOTARY PUBLIC in and for the State of Texas

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

Date:	SER / 9 2022	By: Ryan D. Owen Attorney-In-Fact
Date:	9 SEP 2022	FIRST ROSWELL COMPANY, LTD By: JF Management Company By: Mame: Name: Title: President
Date:	9 SEP 2022	By: Marg Senno

ACKNOWLEDGEMENT

STATE OF TEXAS § § COUNTY OF MIDLAND §

This instrument was acknowledged before me on the <u>I</u> day of <u>September</u>, 2022, by Ryan D. Owen, as attorney-in-fact of COG PRODUCTION LLC, a Delaware limited liability company, on behalf of said limited liability company.

NOTARY PUBLIC in and for the State of Texas

JENNIFER LUJANO My Notary ID # 133529476 Expires January 12, 2026

STATE OF NEW MEXICO} } SS. COUNTY OF CHAVES }

The foregoing instrument was acknowledged before me this 9th of September 2022, by Thomas E. Jennings, President of JF Management Company, a New Mexico corporation, General Partner of **FIRST ROSWELL COMPANY, LTD.**, a New Mexico limited partnership, on behalf of said corporation and partnership.

STATE OF NEW MEXICO NOTARY PUBLIC KAY SRADER Commission Number 1099018 Ny Commission Expires November 30, 2023

Hay Gradu

Kay Sråder Notary Public – State of New Mexico

My commission expires: 30 November 2023

STATE OF NEW MEXICO} } SS. COUNTY OF CHAVES }

The foregoing instrument was acknowledged before me this9th day of September 2022 by **THOMAS E. JENNINGS**, a married man dealing in his sole and separate property.

STATE OF NEW MEXICO NOTARY PUBLIC KAY SRADER Commission Number 1099018 My Commission Expires November 30, 2023

My commission expires: 30 November 2023

Ray Grader

Kay Srader Notary Public – State of New Mexico

DOUBLE ABJ 16 FED COM E2-WC-CA

EXHIBIT "A"

Plat of communitized area covering 640.00 acres in the E/2 of Sections 9 and 16, Township 24 South - Range 32 East, N.M.P.M. Lea County, New Mexico

Double ABJ 16 Federal Com

		Tract 2 USA NM- 120906 160.0 acres	
		Tract 1 USA NM- 055953 160.0 acres	
Sec. 9 T24S-32E	2		
		Tract 3 St of NM VO-4095-6 320.0 acres	
×	- ×		
Sec. 16 T24S-32E			

DOUBLE ABJ 16 FED COM E2-BS-CA

EXHIBIT "B"

Attached to and made a part of that Communitized Agreement dated January 1, 2022 covering the E/2 of Sections 9 and 16, Township 24 South - Range 32 East, N.M.P.M., Lea County, New Mexico

Operator of Communitized Area: COG OPERATING LLC

DESCRIPTION OF LEASES COMMITTED:

I. OIL AND GAS LEASES SUBJECT TO AGREEMENT:

TDACT 4.		
<u>TRACT 1:</u> Serial Number:		
	USA NMNM 120906	
Lease Date:	November 1, 2008	
Lease Term:	10 years	
Recordation:	Unrecorded	
Lessor:	United States of America	
Original Lessee:	OGX Resources LLC	
Current Lessee:	COG Production LLC	
Description of Land Committed:	Insofar and only insofar as said	lease covers:
	Township 24 South - Range 32	East, N.M.P.M
	Insofar and only insofar as said	l lease covers:
	Section 9: NE/4	
	Lea County, New Mexico	
Number of Acres:	160.00	
Royalty Rate:	12½%	
WI Owner Names and Interests:	COG Operating LLC	100%
ORRI Owners:	Of Record.	
TRACT 2:		
Serial Number:	USA NMNM 055953	
Lease Date:	July 1, 1983	
Lease Term:	10 years	
Recordation:	Unrecorded	
Lessor:	United States of America	
Original Lessee:	G.W. Anderson	
Current Lessee:	EOG Resources, Inc.	
Description of Land Committed:	Insofar and only insofar as said	l lease covers:
	Township 24 South - Range 32	
	Section 9: SE/4	
	Lea County, New Mexico	
Number of Acres:	160.00 acres, more or less	
Royalty Rate:	12½%	
WI Owner Names and Interests:	COG Operating LLC	75.000000%
	First Roswell Company, Ltd	20.833333%
	Thomas E. Jennings	4.166667%
ORRI Owners:	Of Record.	

TRACT NO. 3		
Serial Number:	VO-4095-6	
Lease Date:	November 1, 2008	
Lease Term:	5 years	
Recordation:	Unrecorded	
Lessor:	State of New Mexico	
Original Lessee:	Yates Petroleum Corporation	
Current Lessee:	COG Operating LLC	
Description of Land Committed:	Insofar and only insofar as said	d lease covers:
	Township 24 South, Range 32	East, N.M.P.M
	Section 16: E/2	
	Lea County, New Mexico	
Number of Acres:	160.00 acres, more or less	
Royalty Rate:	12½%	
WI Owner Names and Interests:	COG Operating LLC	100.00%
ORRI Owners:	Of Record.	
		12 C

RECAPULATION

TRACT NO.	NO. OF ACRES COMMITTED	PERCENT OF INTEREST IN COMMUNITIZED AREA
1	160.00	25.00%
2	160.00	25.00%
3	320.00	50.00%
TOTAL	640.00	100.00%

STATE/FEDERAL OR

STATE/FEDERAL/FEE Revised August, 2021

ONLINE Version COMMUNITIZATION AGREEMENT

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto,"

WITNESSETH:

WHEREAS, the Act of February 25, 1920, 41 Stat. 437, as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a federal oil and gas lease, or any portions 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 Commissioner of Public Lands of the State of New Mexico, herein called "the Commissioner", is authorized to consent to and approve agreements pooling state oil and gas leases or any portion thereof, when separate tracts under such state leases cannot be independently developed and operated economically in conformity with well-spacing and gas proration rules and regulations established for the field or area and such 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 land subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, 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 the 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 24 South, Range 32 East, N.M.P.M. Section 9: E/2 Section 16: E/2 Lea County, New Mexico

containing **640.00** acres, more or less, and this agreement shall include only the **Bone Spring** Formation underlying said lands and the oil and gas hereinafter referred to as "communitized substances" producible from such formation.

ONLINE version June 2022 State/Fed/Fee

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- 2. Attached hereto, and made a part of this agreement for all purposes, is 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. All matters of operation 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 three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
- 4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, 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 and the State of New Mexico, 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 therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.
- 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 stepscale rate of royalty, such rate shall be determined separately as to production from each communitized 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 formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
- 8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands 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.

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- 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 is such failure results from, compliance with any such laws, orders, rules or regulations.
- 10. The date of this agreement is January 1, 2022, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his/her duly authorized representative, and by the Commissioner or his/her duly authorized representative, and shall remain in force and effect for a period of one (1) year and so long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules & regulations; provided, that the one-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; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.
- 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 interest 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 lands shall be subject to approval by the Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.
- 12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.

State/Fed/Fee

- 13. The 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 of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. 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 written and have set opposite their respective names the date of execution.

OPERATOR WORKING INTEREST OWNER LESSEE OF RECORD:

COG OPERATING LLC

SEP 1 9 2022

§ §

Date: ____

By:

Ryan D. Owen Attorney-In-Fact

ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY OF MIDLAND §

This instrument was acknowledged before me on the _____ day of <u>SUMDUM</u>, 2022, by Ryan D. Owen, attorney-in-fact of **COG Operating LLC**, a Delaware limited liability company, on behalf of said limited liability company.



State of Texas

State/Fed/Fee

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WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

Date:	SEP 1 9 2022	By:	COG OPERATING LLC
			Attorney-In-Fact MP MP
			FIRST ROSWELL COMPANY, LTD
Date:	9 SEP 2022	By:	By: JF Management Company General Partner
		Name:	- Thursday Quanta /
		Title:	By: Thomas E. Jennings President
Date:	9 SEP 2022	Ву:	THOMAS EJENNINGS

ONLINE version June 2022 1

ACKNOWLEDGEMENT

STATE OF TEXAS § § COUNTY OF MUDIAND S
COUNTY OF MIDLAND § This instrument was acknowledged before me on the day of d
JENNIFER LUJANO My Notary ID # 133529476 Expires January 12, 2026
STATE OF NEW MEXICO}
} SS. COUNTY OF CHAVES }
The foregoing instrument was acknowledged before me this 9 th of September 2022, by Thomas E. Jennings, President of JF Management Company, a New Mexico corporation, General Partner of FIRST ROSWELL COMPANY, LTD. , a New Mexico limited partnership, on behalf of said corporation and partnership. STATE OF NEW MEXICO
NOTARY PUBLIC
KAY SRADER
Commission Number 1099018 My Commission Expires November 30, 2023
My commission expires: 30 November 2023 Kay Srader Notary Public – State of New Mexico
STATE OF NEW MEXICO} SS.
COUNTY OF CHAVES }
The foregoing instrument was acknowledged before me this9th day of September 2022 by THOMAS E. JENNINGS , a married man dealing in his sole and separate property.

STATE OF NEW MEXICO NOTARY PUBLIC KAY SRADER Commission Number 1099018 My Commission Expires November 30, 2023

My commission expires: 30 November 2023

Ray Grader

Notary Public - State of New Mexico

DOUBLE ABJ 16 FED COM E2-WC-CA

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Ехнівіт "А"

Attached to and made a part of the Communitization Agreement dated January 1, 2022, Covering the E/2 of Sections 9 and 16, Township 24 South - Range 32 East, N.M.P.M. Lea County, New Mexico

Communitized depths are limited to the Bone Spring formation

	Tract 2 USA NM- 120906 160.0 acres	
	Tract 1 USA NM- 055953 160.0 acres	
Sec. 9 T24S-32E		
	Tract 3 St of NM VO-4095-6 320.0 acres	
Sec. 16 T24S-32E		

State/Fed/Fee

Ехнівіт "В"

Attached to and made a part of the Communitization Agreement dated January 1, 2022, Covering the E/2 of Sections 9 and 16, Township 24 South - Range 32 East, N.M.P.M. Lea County, New Mexico

Operator of Communitized Area: COG OPERATING LLC

DESCRIPTION OF LEASES COMMITTED:

USA NMNM 120906		
November 1, 2008		
10 years		
Unrecorded		
United States of America		
OGX Resources LLC		
COG Production LLC		
Insofar and only insofar as said	lease covers:	
Township 24 South - Range 32	East, N.M.P.M	
Section 9: NE/4		
Lea County, New Mexico		
160.00 acres, more or less		
COG Operating LLC	100%	
Of Record.		
USA NMNM 055953		
Recordation: Unrecorded		
Original Lessee: G.W. Anderson Current Lessee: EOG Resources. Inc.		
Insofar and only insofar as said lease covers:		
	East, N.M.P.M	
	75.000000%	
First Roswell Company, Ltd	20.833333%	
	November 1, 2008 10 years Unrecorded United States of America OGX Resources LLC COG Production LLC Insofar and only insofar as said <u>Township 24 South - Range 32</u> Section 9: NE/4 Lea County, New Mexico 160.00 acres, more or less COG Operating LLC Of Record. USA NMNM 055953 July 1, 1983 10 years Unrecorded United States of America G.W. Anderson EOG Resources, Inc.	

ORRI Owners:

ONLINE version June 2022 Thomas E. Jennings

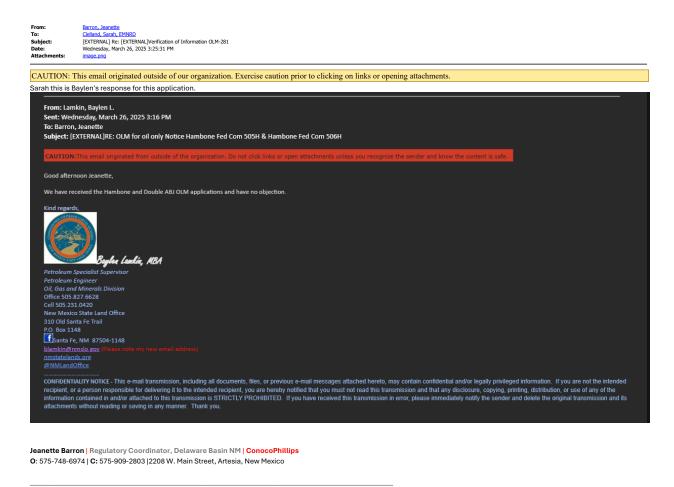
Of Record.

4.166667%

TRACT 3:		
Lease Serial No.:	VO-4095-6	
Lease Date:	November 1, 2008	
Lease Term:	5 years	
Recordation:	Unrecorded	
Lessor:	State of New Mexico	
Original Lessee:	Yates Petroleum Corporation	
Current Lessee:	COG Operating LLC	
Description:	Insofar and only insofar as said	d lease covers:
	Township 24 South, Range 32	East, N.M.P.M
	Section 16: E/2	
	Lea County, New Mexico	
Number of Acres:	160.00 acres, more or less	
WI Owners Names and Interests:	COG Operating LLC	100.00%
ORRI Owners:	Of Record.	

Tract Number	Number of Acres Committed	Percentage of Interest in Communitized Area
1	160.00	25.0000%
2	160.00	25.0000%
3	320.00	50.0000%
	640.00	100.0000%

RECAPULATION



Confidentiality Notice:

This e-mail, along with any attachments, may be proprietary, privileged, confidential, or otherwise legally exempt from disclosure, and it is intended exclusively for the individual or entity to which it is addressed. Any dissemination, copying, use of, or reliance upon such information by or to anyone other than addressee is prohibited. If you are not the named addressee, please notify the sender immediately by reply e-mail and delete all copies of this e-mail message and any attachments.

From: Clelland, Sarah, EMNRD <Sarah, Clelland@emnrd,nm.gov> Sent: Wednesday, March 26, 2025 12:49 PM To: Barron, Jeanette < Jeanette.Barron@conocophillips.com> Subject: [EXTERNAL] Verification of Information OLM-281

CAUTION: This email originated from outside of the organization. Do not click links or open attach

EMAIL

To whom it may concern (c/o Jeanette Barron for COG Operating, LLC),

The Division is reviewing the following application:			
Action ID	157158		
Admin No.	OLM-281		
Applicant	COG Operating, LLC		
Title	Double ABJ Federal 16 P CTB (Oil)		
Sub. Date	11/08/2022		

Please provide the following additional supplemental documents:

Please provide additional information regarding the following: • Please verify or provide documentation that SLO was notified of Off Lease Measurement Application.

Additional notes:

All additional supplemental documents and information may be provided via email and should be done by replying to this email. The produced email chain will be uploaded to the file for this application.

Please note that failure to take steps to address each of the requests made in this email within 10 business days of receipt of this email may result in the Division rejecting the application requiring the submittal of a new application by the applicant once it is prepared to address each of the topics raised.

Thanks, Sarah Clelland

Petroleum Specialist State of New Mexico Energy, Minerals, and Natural Resources Department Oil Conservation Division Cell: (505) 537-0627 Sarah.Clelland@emnrd.nm.gov

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

APPLICATION FOR OFF-LEASE MEASUREMENT SUBMITTED BY COG OPERATING, LLC

ORDER NO. OLM-281

<u>ORDER</u>

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

FINDINGS OF FACT

- 1. COG Operating, LLC ("Applicant") submitted a complete application to off-lease measure the oil production ("Application") from the wells, pool, and lease identified in Exhibit A.
- 2. Applicant provided notice of the Application to all persons owning a working interest in the oil production to be off-lease measured in accordance with 19.15.23.9(A)(5) NMAC, and those persons either submitted a written waiver or did not file an objection to the Application.
- 3. Applicant provided notice of the Application to the Bureau of Land Management or New Mexico State Land Office, as applicable.

CONCLUSIONS OF LAW

- 4. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, and 19.15.23 NMAC.
- 5. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9(A)(5) NMAC.
- 6. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

- 1. Applicant is authorized to store and measure oil production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery described in Exhibit A.
- 2. The oil production from the wells identified in Exhibit A shall be physically separated from the oil production from other wells and no commingling of production from different leases or pools shall occur in accordance with 19.15.23.9(A)(3) NMAC and 19.15.23.9(A)(4) NMAC, except as otherwise provided in order(s) issued by OCD.
- 3. Applicant shall measure 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.

Order No. OLM-281

- 4. Applicant shall calibrate the meters used to measure or allocate oil production in accordance with 19.15.12.10(C)(2) NMAC.
- 5. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

DATE: <u>4/9/2025</u>

GERASIMOS RAZATOS DIRECTOR (ACTING)

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State of New Mexico Energy, Minerals and Natural Resources Department

Exhibit A

Order: OLM-281 Operator: COG Operating, LLC (229137) Central Tank Battery: Double ABJ Federal P Central Tank Battery (Oil) Central Tank Battery Location: UL P, Section 16, Township 24 South, Range 32 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:

Pools

Pool Name	Pool Code
MESA VERDE;BONE SPRING	96229

UL or Q/Q	S-T-R
E/2	09-24S-32E
E/2	16-24S-32E
E/2	09-24S-32E
E/2	16-24S-32E
_	E/2 E/2 E/2

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-47162	DOUBLE ABJ 16 FEDERAL COM	E/2	09-24S-32E	96229
	#501H	E/2	16-24S-32E	90229
30-025-47286	DOUBLE ABJ 16 FEDERAL COM	E/2	09-24S-32E	96229
	#502H	E/2	16-24S-32E	90229

Sante Fe Main Office Phone: (505) 476-3441

General Information Phone: (505) 629-6116

Online Phone Directory https://www.emnrd.nm.gov/ocd/contact-us

State of New Mexico Energy, Minerals and Natural Resources **Oil Conservation Division** 1220 S. St Francis Dr. Santa Fe, NM 87505

CONDITIONS

Operator:	OGRID:
COG OPERATING LLC	229137
600 W Illinois Ave	Action Number:
Midland, TX 79701	157158
	Action Type:
	[C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS		
Created By	Condition	Condition Date
sarah.clelland	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 email us at OCD.Engineer@emnrd.nm.gov.	4/9/2025

CONDITIONS

Action 157158