



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

January 23, 2023

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

Dear Mr. McClure,

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

Hambone Federal Com 505H
API# 30-015-48976
Corral Canyon; Bone Spring, South
Ut. K, Sec.8-T26S-R29E
Eddy County, NM

Oil Production:

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

The Hambone Federal 8P CTB in Sec.8, T26S, R29E will be utilized to produce two new Bone Spring wells the Hambone Federal Com 505H and 506H. This Pad will be two CTBs on one pad, each well will have its own measurement for oil, water, and gas, with a designated FMP for both oil & gas.

Notifications have been sent to all working interest owners

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

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

Sincerely,
Jeanette Barron

Jeanette Barron
Regulatory Coordinator

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

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



ADMINISTRATIVE APPLICATION CHECKLIST

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

Applicant: _____ OGRID Number: _____
 Well Name: _____ API: _____
 Pool: _____ Pool Code: _____

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

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

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

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

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

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

 Print or Type Name

01.23.23
 Date

Jeanette Barron
 Signature

 Phone Number

 e-mail Address

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised August 1, 2011

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

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

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

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

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

LEASE TYPE: Fee State Federal

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

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

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

(2) Are any wells producing at top allowables? Yes No
(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No.
(4) Measurement type: Metering Other (Specify)
(5) Will commingling decrease the value of production? Yes No If "yes", describe why commingling should be approved

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

(1) Pool Name and Code.
(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: 01.23.23
TYPE OR PRINT NAME Jeanette Barron TELEPHONE NO.: 575.748.6974
E-MAIL ADDRESS: jeanette.barron@conocophillips.com

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

DISTRICT II
811 S. FIRST ST., ARTESIA, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

DISTRICT III
1000 RIO BRAZOS 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) 476-3460 Fax: (505) 476-3482

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 30-015-48976	Pool Code 13354	Pool Name Corral Canyon: Bone Spring, South
Property Code 323072	Property Name HAMBONE FEDERAL COM	Well Number 505H
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 2894.7'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	8	26-S	29-E		1553	SOUTH	1725	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	5	26-S	29-E		50	NORTH	2310	WEST	EDDY

Dedicated Acres 640	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

LTP
100' FNL & 2310' FWL
Y=392509.2 N
X=642230.4 E
LAT.=32.078669° N
LONG.=104.007582° W

LEASE X-ING
LAT.=32.071685° N
LONG.=104.007560° W

LEASE X-ING
LAT.=32.060708° N
LONG.=104.007524° W

NAD 83 NME SURFACE LOCATION
Y=383531.1 N
X=641681.4 E
LAT.=32.053993° N
LONG.=104.009442° W

GRID AZ. - 359°45'07"
HORZ. DIST. - 9175.6'

B.H. 50'

S.L.

SECTION 5
SECTION 8

OPERATOR CERTIFICATION

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.

Jeanette Barron 01.23.23
Signature Date

Jeanette Barron
Printed Name

jeanette.barron@conocophillips.com
E-mail Address

SURVEYOR CERTIFICATION

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

JULY 3, 2019
Date of Survey

Signature & Seal of Professional Surveyor

Chad Harcrow 1/4/22

Certificate No. CHAD HARCROW 17777
W.O. #20-1449 DRAWN BY: AH

HAMBONE FEDERAL 8K BSS CTB
 SECTION 8, T26S, R29E, UNIT K
 COORDS: 32.057055, -104.007994
 EDDY COUNTY, NM

WELLS:

WELL	API #
HAMBONE 505H	30-015-48976
HAMBONE 506H	30-015-48975

METERS

(O1) TESTER#1 OIL METER# _____
 (G1) TESTER#1 GAS METER _____
 (W1) TESTER#1 WATER METER _____
 (O2) TESTER#2 OIL METER# _____
 (G2) TESTER#2 GAS METER _____
 (W2) TESTER#2 WATER METER _____

METERS

(F1) HP FLARE GAS METER# _____
 (F2A) LP FLARE GAS METER# _____
 (F2B) LP FLARE GAS METER# _____
 (W4) WATER TRANSFER METER# _____
 (GV1) VRU GAS METER# _____
 (GV2) VRU GAS METER# _____
 (GC1) VCU GAS METER# _____
 (GC2) VCU GAS METER# _____
 (GS) FMP GAS SALES METER#501 _____
 (GS) FMP GAS SALES METER#502 _____
 (BB) GAS BUY BACK METER# _____

Production Phase - Oil Tank #1

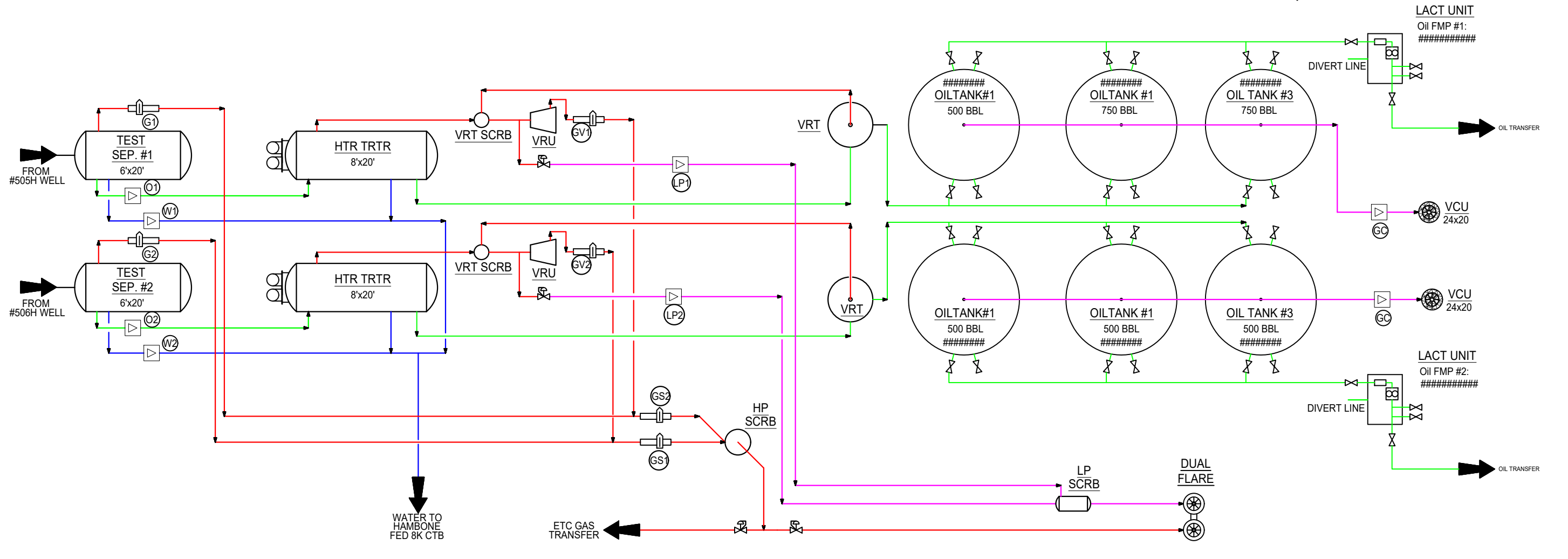
- Valve 1 open
- Valves 2, 3, and 4 closed
- Valves 5, 6, 7, and 8 open
- Valves 9, 10, 11, and 12 closed
- Valve 13 open
- Valves 14, 15, and 16 closed

Sales Phase - Oil Tank #1

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

FACILITY DESIGN CAPACITIES

- OIL: 4000 BPD
- WATER: 10,000 BPD
- GAS: 10 MMSCFD



NOTES:

Type of Lease: Federal
 Federal Lease #: NMNM123925
 Property Code:
 OGRID #: 229137

Ledger for Site Diagram

Produced Fluid: _____
 Produced Oil: _____
 Produced Gas: _____
 Produced Water: _____
 Flare/Vent: _____

CONFIDENTIALITY NOTICE

THIS DRAWING IS PROPERTY OF COG OPERATING LLC AND IS LENT TO THE BORROWER FOR CONFIDENTIAL USE ONLY AND IS SUBJECT TO RETURN UPON REQUEST AND SHALL NOT BE REPRODUCED, COPIED, LENT OR OTHERWISE DISPOSED OF DIRECTLY OR INDIRECTLY, NOR USED FOR ANY PURPOSE OTHER THAN THAT WHICH IT IS SPECIFICALLY FURNISHED.

REFERENCE DRAWINGS		REVISIONS			ENGINEERING RECORD			
NO.	TITLE	NO.	DATE	DESCRIPTION	BY	CHK.	APP.	DATE
A	5/19/22	ISSUED FOR REVIEW	EO					5/19/22

NO.	DATE	DESCRIPTION	BY	CHK.	APP.
A	5/19/22	ISSUED FOR REVIEW	EO		

CONCHO

NORTHERN DELAWARE BASIN ASSET
 PRODUCTION FACILITIES
 SITE FACILITY DIAGRAM
 HAMBONE FEDERAL 8K BSS CTB

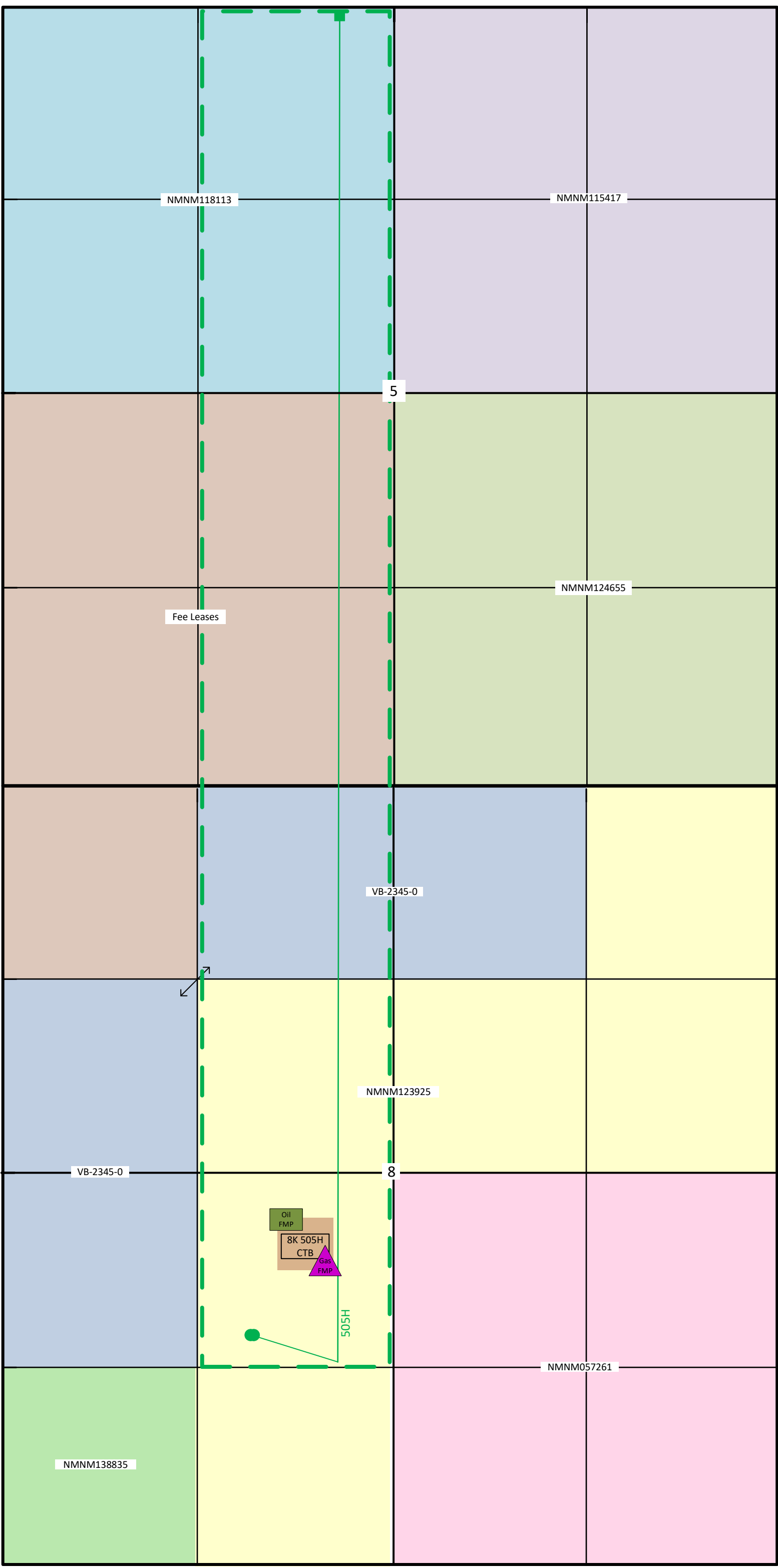
LEA COUNTY NEW MEXICO

TWNSHP/RANGE MULTIPLE DWG NO. HAMBONEFEDERAL8KBSSCTB REV A

Hambone Federal Wells

Sec. 5, 8-T26S-R29E
Eddy County, NM

- 2nd Bone Spring Sand SHL
- 2nd Bone Spring Sand BHL
- ▭ Bone Spring CA
- HAMBONE FED COM 505H
API 30-15-48976
- Pipelines
- Oil FMP
- Gas FMP

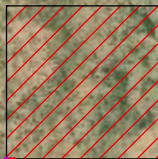


05

R
2
9
E

T 26 S

08



HAMBONE
FED 8
K CTB

GASLINE 1 = 766.3'

FLOWLINE 1 = 766.5'
FLOWLINE 2 = 766.5'



HAMBONE FED COM
#506H & #505H

HAMBONE FED COM
#706H, #705H, #704H

LEGEND

- WELL
- WELLPAD
- GASLINE
- FLOWLINE

HAMBONE FED COM GASLINE AND FLOWLINES

SECTION: 8	TOWNSHIP: 26 S.	RANGE: 29 E.
STATE: NEW MEXICO	COUNTY: EDDY	SURVEY: N.M.P.M
W.O. # 20-1459	LEASE: HAMBONE FED COM	

0 500 1,000 FEET

0 0.035 0.07 0.14 Miles

1 IN = 500 FT

PIPELINE OVERVIEW

IMAGERY

11/10/2020

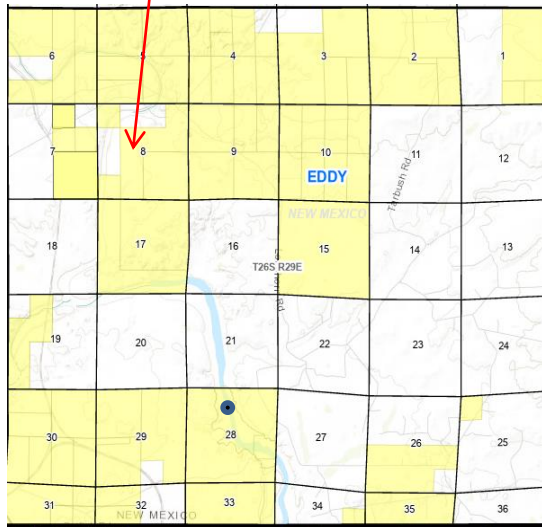
D.S.



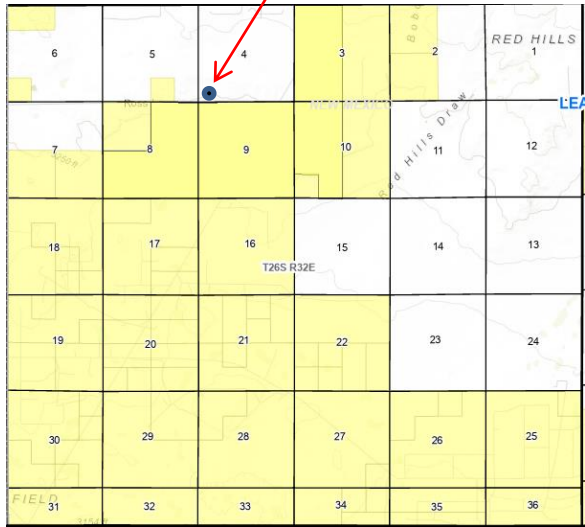
HARCROW SURVEYING, LLC.
2316 W. MAIN ST, ARTESIA, NM 88210
PH: (575) 746-2158
c.harcrow@harcrowsurveying.com

Hambone Fed Com 505H & Red Hills and Jal Offload Station Map

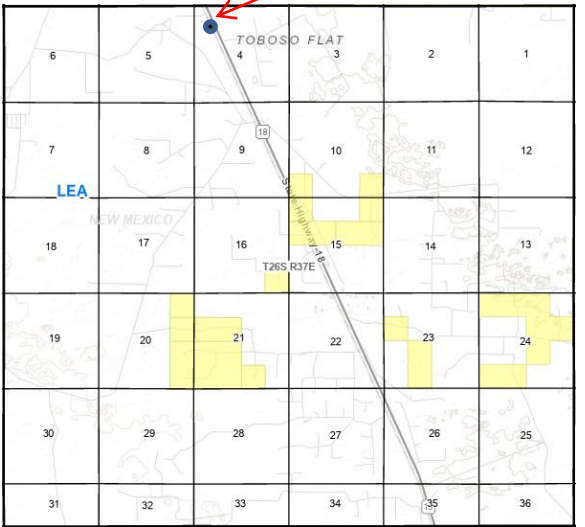
**Hambone Fed Com 505H
Eddy County, NM**



**Red Hills Offload Station
Lea County, NM**



**Jal Offload Station
Lea County, NM**



Hambone Fed Com 505H OLM								
Date Sent	Initials	Name	Address	City	State	ZipCode	Certified Return Receipt No.	Delivered
01.23.23	JB	MRC Permian Company	One Lincoln Center, 5400 LBJ Freeway Suite 1500	Dallas	TX	75240	7020 3160 0001 0978 9481	
01.23.23	JB	Devon Energy Corporation	333 W. Sheridan Avenue	Oklahoma City	OK	73102	7020 3160 0001 0978 9474	
01.23.23	JB	BLM	620 E. Green St	Carlsbad	NM	88220	7020 3160 0001 0978 9467	

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the 1st of November, 2021, 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 26 South, Range 29 East, N.M.P.M.
Section 5: E2W2
Section 8: E2NW, NESW
Eddy County, New Mexico

Containing 280.00 acres, and this agreement shall include only the **Bone Spring** Formation underlying said lands and the 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 lands within the communitized area.
- 3. The Operator of the communitized area shall be **COG Operating LLC**, 600 W. Illinois Avenue, 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 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 **November 1, 2021**, 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.

Statement of Written Consent by All Named Owners:

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

COG OPERATING LLC

By: _____
Justin K. Williams
Attorney-in-fact

STATE OF TEXAS)
COUNTY OF MIDLAND)

This instrument was acknowledged before me on _____, 2021, by Justin K. Williams, 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

CONCHO OIL & GAS LLC

By: _____
Justin K. Williams
Attorney-in-fact

STATE OF TEXAS)
COUNTY OF MIDLAND)

This instrument was acknowledged before me on _____, 2021, by Justin K. Williams, Attorney-in-fact of **CONCHO OIL & GAS LLC**, a Texas limited liability company, on behalf of same.

Notary Public in and for the State of Texas

GRIZZLY OPERATING LLC

By: _____
As: _____

STATE OF TEXAS)
COUNTY OF _____)

This instrument was acknowledged before me on _____, 2021, by _____, as _____ of **GRIZZLY OPERATING LLC**, on behalf of same.

Notary Public in and for the State of Texas

MRC PERMIAN COMPANY

By: _____
As: _____

STATE OF TEXAS)
COUNTY OF _____)

This instrument was acknowledged before me on _____, 2021, by _____, as _____ of **MRC PERMIAN COMPANY**, on behalf of same.

Notary Public in and for the State of Texas

DEVON ENERGY PRODUCTION COMPANY, LP

By: _____
As: _____

STATE OF TEXAS)
COUNTY OF _____)

This instrument was acknowledged before me on _____, 2021,
by _____, as _____
of DEVON ENERGY PRODUCTION COMPANY, LP, on behalf of same.

Notary Public in and for the State of Texas

LIST OF PARTIES TO FEDERAL COMMUNITIZATION AGREEMENT:

Working Interest Owners:

COG Operating LLC	Signature attached
Concho Oil & Gas LLC	Signature attached
Devon Energy Production Company, LP	
MRC Permian Company	

TRACT 1 – NMNM 118113

Lessees of Record:	COG Operating LLC	Signature attached
	Concho Oil & Gas LLC	Signature attached
	Grizzly Operating LLC	

ORRI Owners: Nestegg Energy Corporation, VanGuard Operating, LLC

TRACT 2 – NMNM 123925

Lessees of Record:	COG Operating LLC	Signature attached
	Concho Oil & Gas LLC	Signature attached

ORRI Owners: Nestegg Energy Corporation

TRACT 3 – Multiple Fee Leases

Lessees of Record:	COG Operating LLC	Signature attached
	Concho Oil & Gas LLC	Signature attached

ORRI Owners: N/A

TRACT 4 – State Lease VB-2345

Lessees of Record: MRC Permian Company

ORRI Owners: N/A

EXHIBIT "A"

Plat of communitized area covering the E2W2 of Section 5, and the E2NW & NESW of Section 8,
T26S, R29E, Eddy County, New Mexico

Hambone Fed Com 505H unit

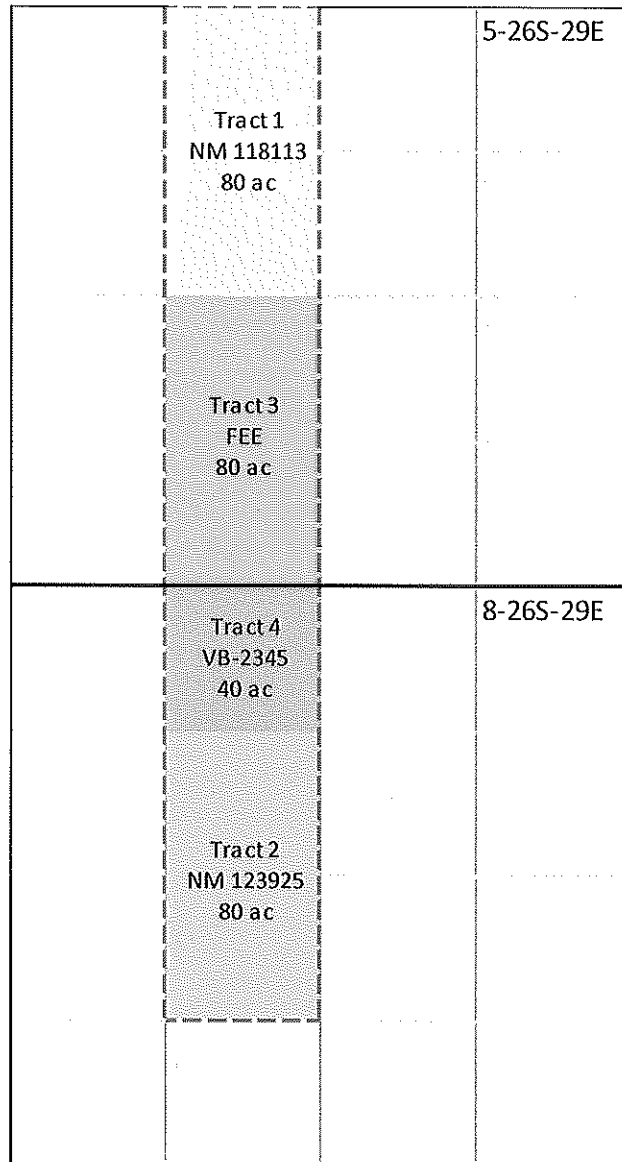


EXHIBIT "B"

Leases covering communitized area covering the E2W2 of Section 5, and the E2NW & NESW of Section 8, T26S, R29E, Eddy County, New Mexico

Operator of Communitized Area: COG Operating LLC

**TRACT 1 (Sec. 5: E2NW)
FEDERAL LEASE
80.00 acres**

Date: June 1, 2007
Lessor: USA NMNM 118113
Current Lessee: COG Operating LLC
Concho Oil & Gas LLC
Devon Energy Production Company LP
Recorded: N/A
Description: Insofar and only insofar as to
Township 26 South, Range 29 East, N.M.P.M.
Section 5: E2NW
Eddy County, New Mexico
Royalty: 1/8th

**TRACT 2 (Sec. 8: SENW)
FEDERAL LEASE
80.00 acres**

Date: December 1, 2009
Lessor: USA NMNM 123925
Current Lessee: COG Operating LLC
Concho Oil & Gas LLC
Recorded: N/A
Description: Insofar and only insofar as to
Township 26 South, Range 29 East, N.M.P.M.
Section 8: SENW, NESW
Eddy County, New Mexico
Royalty: 1/8th

**TRACT 3 (Sec. 5: E2SW)
MULTIPLE FEE LEASES
Authority to pool granted via Lease, Designation of Pooled Unit, and/or Compulsory Pooling Order
80.00 acres**

**TRACT 4 (Sec. 8: NENW)
STATE LEASE VB-2345
Authority to pool granted via State Communitization Agreement and/or Compulsory Pooling Order
40.00 acres**

Federal CA – Hambone Fed Com #505H Com unit
Sec. 5: E2W2 & Sec. 8: E2NW, NESW, T26S-R29E, Bone Spring

RECAPULATION

TRACT NO.	NO. OF ACRES COMMITTED	PERCENT OF INTEREST IN COMMUNITIZED AREA
1	80.00	28.57%
2	80.00	28.57%
3	80.00	28.57%
4	40.00	14.29%
TOTAL	280.00	100.00%

Federal CA – Hambone Fed Com #505H Com unit
Sec. 5: E2W2 & Sec. 8: E2NW, NESW, T26S-R29E, Bone Spring

NM State Land Office
Oil, Gas, & Minerals Division

STATE/FEDERAL OR
STATE/FEDERAL/FEE
Revised August, 2021

ONLINE Version
COMMUNITIZATION AGREEMENT

API Initial Well: 30-0¹⁵ - 48976

Hambone Fed Com 505H

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:

Subdivisions E2W2 of Section 5 and E2NW, NESW of Section 8,

Sect(s) -----, T 26S, R 29E, NMPM Eddy County, NM

containing 280.00 acres, more or less, and this agreement shall include only the

Bone Spring Formation

or pool, underlying said lands and the oil and gas

(hereinafter referred to as "communitized substances") producible from such formation.

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 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 is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is November 1 2021 Month 1 Day, 2021 Year, 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 duly authorized representative, and by the Commissioner or his duly authorized representative, and shall remain in force and effect for a period of two (2) years 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 two-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 the capability 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.
- 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 See next page Lessees of Record _____

By _____
Print name of person

Type of authority

Attach additional page(s) if needed.

[Acknowledgments are on following page.]

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.

NMSLO Communitization Agreement Self-Certification:

Approval of this Communitization Agreement does not constitute an adjudication of any federal, Tribal or private interests, and neither the Commissioner of Public Lands nor the State Land Office warrant or certify that the information supplied by the party submitting this agreement is accurate with regard to all private, Tribal or federal interests. The responsibility of the Commissioner and State Land Office is to protect and adjudicate only the State Land Office interests during the processing of Communitization Agreements. The State Land Office will only verify the accuracy of state leases in the proposed Communitization Agreement. All non-state interests must be certified by the Operator.

As Operator of the Hambone Fed Com 502H (API No. 30-015-48973), Justin K. Williams, as Attorney-in-fact of COG Operating LLC, hereby certifies that all lessees and/or working interest owners that are parties to this Communitization Agreement, as shown on Exhibit A, have the legal rights and interests they claim to the private or federal or Tribal leases subject to this Communitization Agreement and COG Operating LLC, has obtained written consent and authority to enter into this Agreement on their behalf. Written consent/signatures of lessees and/or other interest owners will be made available to the State Land Office immediately upon request. Any misrepresentation or material omission by the Operator in this respect will be grounds to void the Communitization Agreement.

COG OPERATING LLC

By: _____

Sean Johnson
Attorney-in-fact

STATE OF TEXAS)
COUNTY OF MIDLAND)

This instrument was acknowledged before me on _____, 2022, 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

MRC PERMIAN COMPANY

By: _____
As: _____

STATE OF TEXAS)
COUNTY OF _____)

This instrument was acknowledged before me on _____, 2021,
by _____, as _____
of MRC PERMIAN COMPANY, on behalf of same.

Notary Public in and for the State of Texas

****MRC Permian Company is subject to Compulsory Pooling Order No. R-22017.**

EXHIBIT "A"

To Communitization Agreement dated November 1, 2021
Plat of communitized area covering the E2W2 of Section 5, and the E2NW, NESW of Section 8,
T26S, R29E, Eddy County, New Mexico

Hambone Fed Com 505H unit

	Tract 2 FEDERAL 160 ac	5-26S-29E
	Tract 3 FEE 80 ac	
	Tract 1 VB-2345 40 ac	8-26S-29E

EXHIBIT "B"

To Communitization Agreement dated November 1, 2021
Embracing the E2W2 of Section 5, and the E2NW, NESW of Section 8,
T26S, R29E, Eddy County, New Mexico

Operator of Communitized Area: COG Operating LLC

TRACT 1 – STATE **40 gross acres**

Serial No.: VB-2345
 Lease Date: February 1, 2014
 Lease Term: 5 years
 Lessor: State of New Mexico
 Lessee of Record: MRC Permian Company
 Description of Land: Township 26 South, Range 29 East, N.M.P.M.
 Section 8: NENW
 Eddy County, New Mexico
 No. of Acres: 40 acres
 Royalty Rate: 3/16th
 ORRI Owners: N/A
 WI Owners: COG Operating LLC; Concho Oil & Gas LLC; MRC Permian Company

TRACT 2 – FEDERAL **160 gross acres**

Serial No.: NMNM 118113
 Lease Date: June 1, 2007
 Lease Term: 10 years
 Lessor: United States of America
 Current Lessee: COG Operating LLC, Concho Oil & Gas LLC, Grizzly Operating LLC
 Description of Land: Insofar and only insofar as said lease covers
Township 26 South, Range 29 East, N.M.P.M.
 Section 5: E2NW
 Eddy County, New Mexico
 No. of Acres: 80 acres
 Royalty Rate: 1/8th
 ORRI Owners: Nestegg Energy Corporation; VanGuard Operating LLC
 WI Owners: COG Operating LLC, Concho Oil & Gas LLC, MRC Permian Company

Serial No.: NMNM 123925
 Lease Date: December 1, 2009
 Lease Term: 10 years
 Lessor: United States of America
 Current Lessee: Regeneration Energy Corporation
 Description of Land: Insofar and only insofar as said lease covers
Township 26 South, Range 29 East, N.M.P.M.
 Section 8: SENW & NESW
 Eddy County, New Mexico

State CA Sig/Exhibits – Hambone Fed Com #505H Com unit
 Sec. 5: E2W2 & Sec. 8: E2NW, NESW, T26S-R29E, Bone Spring

No. of Acres: 80 acres
 Royalty Rate: 1/8th
 ORRI Owners: Nestegg Energy Corporation
 WI Owners: COG Operating LLC, Concho Oil & Gas LLC, MRC Permian Company

TRACT 3 -- FEE 80 gross acres

Recording No.: 1044/122
 Lease Date: August 20, 2015
 Lease Term: 4 years
 Lessor: M. Brad Bennett, LP
 Current Lessee: COG Operating LLC
 Description of Land: Insofar and only insofar as said lease covers
Township 26 South, Range 29 East, N.M.P.M.
 Section 5: NESW
 Eddy County, New Mexico

No. of Acres: 40 gross acres
 Royalty Rate: 1/4th
 ORRI Owners: N/A
 WI Owners: COG Operating LLC, Concho Oil & Gas LLC, MRC Permian Company, Devon Energy Production Company, LP

Recording No.: 1044/130
 Lease Date: September 23, 2015
 Lease Term: 4 years
 Lessor: Debra Roland
 Current Lessee: COG Operating LLC
 Description of Land: Insofar and only insofar as said lease covers
Township 26 South, Range 29 East, N.M.P.M.
 Section 5: NESW
 Eddy County, New Mexico

No. of Acres: 40 gross acres
 Royalty Rate: 1/4th
 ORRI Owners: N/A
 WI Owners: COG Operating LLC, Concho Oil & Gas LLC, MRC Permian Company, Devon Energy Production Company, LP

Recording No.: 1044/134
 Lease Date: September 23, 2015
 Lease Term: 4 years
 Lessor: L.E. Opperman and Nicolette A. Opperman
 Current Lessee: COG Operating LLC
 Description of Land: Insofar and only insofar as said lease covers
Township 26 South, Range 29 East, N.M.P.M.
 Section 5: NESW
 Eddy County, New Mexico

No. of Acres: 40 gross acres

State CA Sig/Exhibits – Hambone Fed Com #505H Com unit
 Sec. 5: E2W2 & Sec. 8: E2NW, NESW, T26S-R29E, Bone Spring

Royalty Rate: 1/4th
 ORRI Owners: N/A
 WI Owners: COG Operating LLC, Concho Oil & Gas LLC, MRC Permian Company, Devon Energy Production Company, LP

Recording No.: 1044/126
 Lease Date: August 20, 2015
 Lease Term: 4 years
 Lessor: M. Brad Bennett, LP
 Current Lessee: COG Operating LLC
 Description of Land: Insofar and only insofar as said lease covers
Township 26 South, Range 29 East, N.M.P.M.
 Section 5: SESW, less 2.5-ac tract out of the SE corner of said SW4, being 300' East-West by 360' N-S, and more fully described by metes and bounds in Warranty Deed dtd 8/21/46, Vol 93, Page 261, James G. Finley, grantor, and El Paso Natural Gas Company, grantee, Deed Records, Eddy County, New Mexico
 Eddy County, New Mexico

No. of Acres: 77.5 gross acres
 Royalty Rate: 1/4th
 ORRI Owners: N/A
 WI Owners: COG Operating LLC, Concho Oil & Gas LLC, MRC Permian Company, Devon Energy Production Company, LP

Recording No.: 1044/132
 Lease Date: August 26, 2015
 Lease Term: 4 years
 Lessor: Debra Roland
 Current Lessee: COG Operating LLC
 Description of Land: Insofar and only insofar as said lease covers
Township 26 South, Range 29 East, N.M.P.M.
 Section 5: SESW, less 2.5-ac tract out of the SE corner of said SW4, being 300' East-West by 360' N-S, and more fully described by metes and bounds in Warranty Deed dtd 8/21/46, Vol 93, Page 261, James G. Finley, grantor, and El Paso Natural Gas Company, grantee, Deed Records, Eddy County, New Mexico
 Eddy County, New Mexico

No. of Acres: 77.5 gross acres
 Royalty Rate: 1/4th
 ORRI Owners: N/A
 WI Owners: COG Operating LLC, Concho Oil & Gas LLC, MRC Permian Company, Devon Energy Production Company, LP

Recording No.: 1044/139
 Lease Date: August 25, 2015
 Lease Term: 4 years
 Lessor: L.E. Opperman and Nicolette A. Opperman

State CA Sig/Exhibits – Hambone Fed Com #505H Com unit
 Sec. 5: E2W2 & Sec. 8: E2NW, NESW, T26S-R29E, Bone Spring

Current Lessee: COG Operating LLC
 Description of Land: Insofar and only insofar as said lease covers
Township 26 South, Range 29 East, N.M.P.M.
 Section 5: SESW, less 2.5-ac tract out of the SE corner of said SW4, being 300' East-West by 360' N-S, and more fully described by metes and bounds in Warranty Deed dtd 8/21/46, Vol 93, Page 261, James G. Finley, grantor, and El Paso Natural Gas Company, grantee, Deed Records, Eddy County, New Mexico
 Eddy County, New Mexico
 No. of Acres: 77.5 gross acres
 Royalty Rate: 1/4th
 ORRI Owners: N/A
 WI Owners: COG Operating LLC, Concho Oil & Gas LLC, MRC Permian Company, Devon Energy Production Company, LP

Recording No.: 1030/359
 Lease Date: August 1, 2019
 Lease Term: 3 years
 Lessor: Marathon Oil Permian LLC
 Current Lessee: COG Operating LLC
 Description of Land: Insofar and only insofar as said lease covers
Township 26 South, Range 29 East, N.M.P.M.
 Section 5: 2.50-ac tract within SESW, more particularly described as: Beginning at U.S.G.L.O. monument at the SE corner of the SESW of said Section 5 and SW corner of the SWSE of said Section 5 thence along the South line of Section 5 west a distance of 300 feet to a point being the SW corner of the tract hereby described; thence north and parallel with the east and west boundary lines of said Section 5 a distance of 360 feet to a point being the NW corner of this tract; thence at right angles east a distance of 300 feet to a point in the east boundary line of the SESW of said Section 5 and the NE corner of the tract hereby described; thence south along the east boundary line of the SESW of said Section 5 a distance of 36 feet to the place or point of beginning
 Eddy County, New Mexico
 No. of Acres: 2.5 gross acres
 Royalty Rate: 1/4th
 ORRI Owners: N/A
 WI Owners: COG Operating LLC, Concho Oil & Gas LLC, MRC Permian Company, Devon Energy Production Company, LP

RECAPULATION

TRACT NO.	NO. OF ACRES COMMITTED	PERCENT OF INTEREST IN COMMUNITIZED AREA
1	40.00	14.29%
2	160.00	57.14%
3	80.00	28.57%
TOTAL	280.00	100.00%

State CA Sig/Exhibits -- Hambone Fed Com #505H Com unit
 Sec. 5: E2W2 & Sec. 8: E2NW, NESW, T26S-R29E, Bone Spring

From: Barron, Jeanette
To: Clelland, Sarah, EMNRD
Subject: [EXTERNAL] Re: [EXTERNAL]RE: Verification of Information OLM-283
Date: Wednesday, March 26, 2025 3:33:12 PM
Attachments: image.png

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

Hello Sarah please see Baylen's response below

From: Lamkin, Baylen L.
Sent: Wednesday, March 26, 2025 3:16 PM
To: Barron, Jeanette
Subject: [EXTERNAL]RE: OLM for oil only Notice Hambone Fed Com 505H & Hambone Fed Com 506H

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.

Good afternoon Jeanette,

We have received the Hambone and Double ABJ OLM applications and have no objection.

Kind regards,



Baylen Lamkin, MBA

Petroleum Specialist Supervisor

Petroleum Engineer

Oil, Gas and Minerals Division

Office 505.827.6628

Cell 505.231.0420

New Mexico State Land Office

310 Old Santa Fe Trail

P.O. Box 1148

Santa Fe, NM 87504-1148

blamkin@nmslo.gov (Please note my new email address)

nmslstate Lands.org

@NMLandOffice

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Jeanette Barron | Regulatory Coordinator, Delaware Basin NM | ConocoPhillips

O: 575-748-6974 | C: 575-909-2803 | 2208 W. Main Street, Artesia, New Mexico

Confidentiality Notice:

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From: Clelland, Sarah, EMNRD <Sarah.Clelland@emnr.d.nm.gov>

Sent: Wednesday, March 26, 2025 1:16 PM

To: Barron, Jeanette <Jeanette.Barron@conocophillips.com>

Subject: [EXTERNAL]RE: Verification of Information OLM-283

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.

EMAIL

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

The Division is reviewing the following application:

Action ID	178703
Admin No.	OLM-283
Applicant	COG Operating, LLC
Title	Hambone Federal 8K BSS CTB (Oil)
Sub. Date	01/23/2023

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@emnrld.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-283

ORDER

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

FINDINGS OF FACT

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

CONCLUSIONS OF LAW

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

ORDER

1. Applicant is authorized to store and measure oil 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.

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**



**GERASIMOS RAZATOS
DIRECTOR (ACTING)**

DATE: 4/9/2025

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: OLM-283
Operator: COG Operating, LLC (229137)
Central Tank Battery: Hambone Federal 8K BSS Central Tank Battery (Oil)
Central Tank Battery Location: UL K, Section 8, Township 26 South, Range 29 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
CORRAL CANYON;BONE SPRING, SOUTH	13354

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
CA Bone Spring NMNM 105758649	C, F, K, N	05-26S-29E
	C, F, K	08-26S-29E
CA Bone Spring SLO 204828 PUN 1402639	C, F, K, N	05-26S-29E
	C, F, K	08-26S-29E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-48976	HAMBONE FEDERAL COM #505H	C, F, K, N	05-26S-29E	13354
		C, F, K	08-26S-29E	

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

Action 178703

CONDITIONS

Operator: COG OPERATING LLC 600 W Illinois Ave Midland, TX 79701	OGRID: 229137
	Action Number: 178703
	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