



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

July 10, 2024

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

Re: Application for Administrative Approval of Pool Lease Commingle

Dear Mr. McClure,
COG Operating LLC respectfully requests approval for pool lease commingling for the following wells:

Redtail Federal Com 602H
API# 30-025-53389
Diamondtail ; Bone Springs
Ut. B, Sec. 2-T23S-R32E
Lea County, NM

Redtail Federal Com 701H
API# 30-015-52784
Diamondtail; Wolfcamp
Ut. B, Sec. 2-T23S-R32E
Lea County, NM

Redtail Federal Com 703H
API# 30-025-52722
Diamondtail; Wolfcamp
Ut. B, Sec. 2-T23S-R32E
Lea County, NM

Oil Production:

The oil production from all wells will be measured separately prior to being commingled at the Central Tank Battery located in Ut. A, Sec. 2-T23S-R32E. In the event the CTB is over capacity or in the case of battery or pipeline repairs the oil production from these wells may be transported by truck to either the Red Hills Offload Station, located in Unit O, Section 4-T26S-R32E, or the Jal Offload Station, located in Unit D, Section 4-T26S-R37E, Lea County. In this case, the oil will remain segregated and will be measured by lact meter when offloading at said stations.

Gas Production:

The gas production from all wells will be measured separately prior to being commingled and entering a gas flow line to the gas custody transfer meter at the Central Tank Battery located in Ut. A, Sec. 2-T23S-R32E.

Well testing will be by separating and measuring the oil and gas production from the well for a minimum of twenty-four consecutive hours.

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

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

Thank you for your attention to this matter.

Sincerely,

Jeanette Barron

Regulatory Coordinator

Revised March 23, 2017

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

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



ADMINISTRATIVE APPLICATION CHECKLIST

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

Applicant: _____ 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

FOR OCD ONLY

- ☐ Notice Complete
☐ Application Content Complete

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

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

07.10.24

Date

Print or Type Name

Phone Number

Jeanette Barron

Signature

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

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.

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
17645 Diamondtail; Wolfcamp	42.0/1278	42.16/1219			
51683 Red Tank; Bone Spring	42.5/1160				

- (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: 07.10.24
TYPE OR PRINT NAME Jeanette Barron TELEPHONE NO.: 575.748.6974
E-MAIL ADDRESS: jeanette.barron@conocophillips.com

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION		Revised July 9, 2024	
	Submittal Type:	<input type="checkbox"/> Initial Submittal		
		<input type="checkbox"/> Amended Report		
		<input checked="" type="checkbox"/> As Drilled		

WELL LOCATION INFORMATION

API Number 30-025-53389	Pool Code 17644	Pool Name DIAMONDTAIL; BONE SPRING
Property Code 329921	Property Name REDTAIL FEDERAL COM	Well Number 602H
OGRID No. 229137	Operator Name COG OPERATING LLC	Ground Level Elevation 3738.1'
Surface Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input checked="" type="checkbox"/> Federal

Surface Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
2	2	23-S	32-E		220 FNL	1945 FEL	32.340371°N	103.643177°W	LEA

Bottom Hole Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
0	14	23-S	32-E		75 FSL	1555 FEL	32.297666°N	103.641929°W	LEA

Dedicated Acres 959.25	Infill or Defining Well Defining	Defining Well API 30-025-53389	Overlapping Spacing Unit (Y/N) Y	Consolidation Code N/A
Order Numbers. N/A			Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
2	2	23-S	32-E		177 FNL	1449 FEL	32.340494°N	103.641571°W	LEA

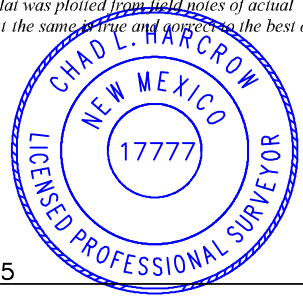
First Take Point (FTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
2	2	23-S	32-E		327 FNL	1416 FEL	32.340084°N	103.641467°W	LEA

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
0	14	23-S	32-E		137 FSL	1549 FEL	32.297836°N	103.641912°W	LEA

Unitized Area or Area of Uniform Interest	Spacing Unit Type <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation: 3766'
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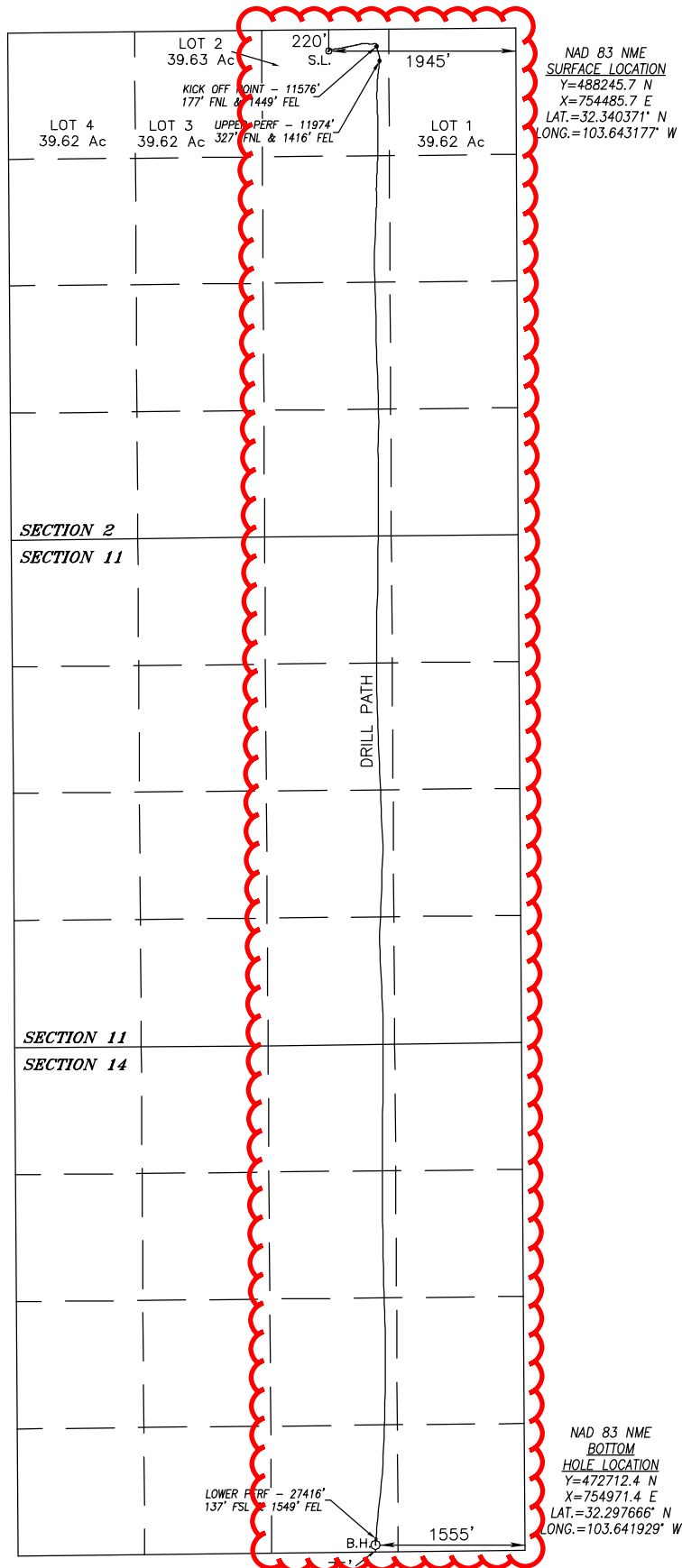
OPERATOR CERTIFICATIONS <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i> <i>If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i>		SURVEYOR CERTIFICATIONS <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i>	
Signature Laura Koenig Date 5/13/2025		Signature and Seal of Professional Surveyor  Chad Harcrow 1/16/25	
Printed Name laura.j.koenig@conocophillips.com Email Address		Certificate Number 17777	Date of Survey APRIL 20, 2023 W.O.#25-46 DRAWN BY: WN PAGE 1 OF 2

Note: 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.

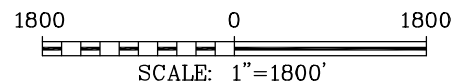
ACREAGE DEDICATION PLATS

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.



SURFACE INFO & BOREPATH SHOWN HEREON IS BASED ON DIRECTIONAL SURVEY REPORT PROVIDED BY COG OPERATING LLC FOR THE REDTAIL FEDERAL COM 602H SUPPLIED TO HARCROW SURVEYING, LLC ON JANUARY 15, 2025



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) 476-3462

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-53389		Pool Code 51683	Pool Name Red Tank;Bone Spring
Property Code 329921	Property Name REDTAIL FEDERAL COM		Well Number 602H
OGRID No. 229137	Operator Name COG OPERATING LLC		Elevation 3735.8'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
2	2	23-S	32-E		220	NORTH	2005	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	14	23-S	32-E		50	SOUTH	1460	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
959.53			

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

**NAD 83 NME
SURFACE LOCATION**
Y=488245.0 N
X=754425.7 E
LAT.=32.340370° N
LONG.=103.643372° W

POINT LEGEND	
1	Y=488486.1 N X=756429.8 E
2	Y=485855.9 N X=756440.7 E
3	Y=483219.5 N X=756454.1 E
4	Y=480578.9 N X=756471.8 E
5	Y=477938.3 N X=756489.2 E
6	Y=472655.1 N X=756526.5 E
7	Y=472624.9 N X=753890.9 E
8	Y=477901.7 N X=753854.8 E
9	Y=483190.4 N X=753818.6 E
10	Y=488458.4 N X=753788.5 E

**NAD 83 NME
PROPOSED BOTTOM
HOLE LOCATION**
Y=472688.4 N
X=755066.2 E
LAT.=32.297599° N
LONG.=103.641623° W

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 07.10.24
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.
APRIL 20, 2023
Date of Survey
Signature & Seal of Professional Surveyor
CHAD L. HARCROW
NEW MEXICO
LICENSED PROFESSIONAL SURVEYOR
17777
Chad Harcrow 2/6/24
Certificate No. CHAD HARCROW 17777
W.O. #24-91 DRAWN BY: WN

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240
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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 30-025-52784	Pool Code 17645	Pool Name Diamondtail;Wolfcamp
Property Code 329921	Property Name REDTAIL FEDERAL COM	Well Number 701H
OGRID No. 229137	Operator Name COG OPERATING LLC	Elevation 3738.1'

Surface Location

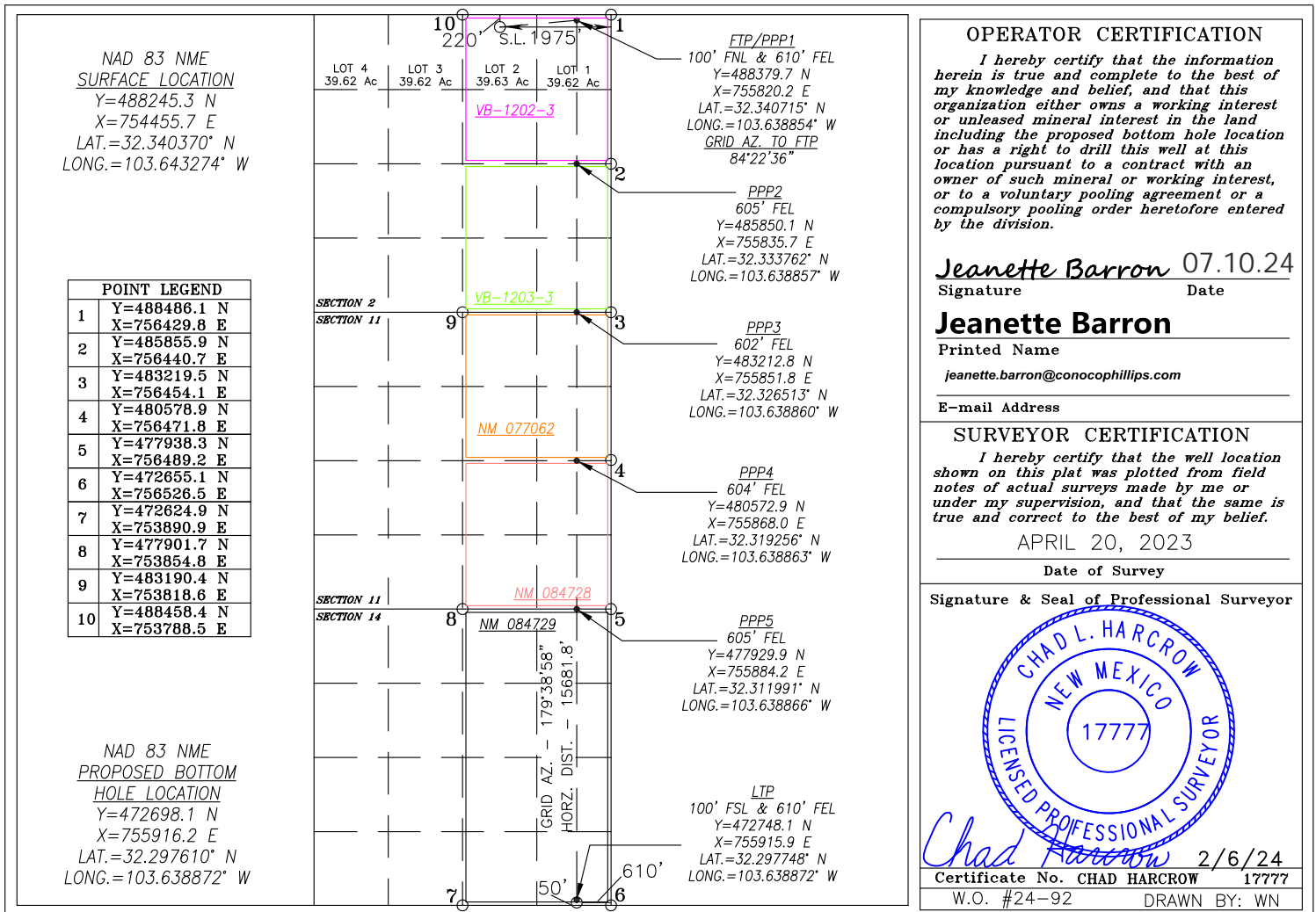
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
2	2	23-S	32-E		220	NORTH	1975	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	14	23-S	32-E		50	SOUTH	610	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
480			

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



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

DISTRICT II
611 S. FIRST ST., ARTESIA, NM 88210
Phone: (575) 746-1283 Fax: (575) 746-9720

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

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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 30-025-52722	Pool Code 17645	Pool Name Diamondtail;Wolfcamp
Property Code 329921	Property Name REDTAIL FEDERAL COM	Well Number 703H
OGRID No. 229137	Operator Name COG OPERATING LLC	Elevation 3737.0'

Surface Location

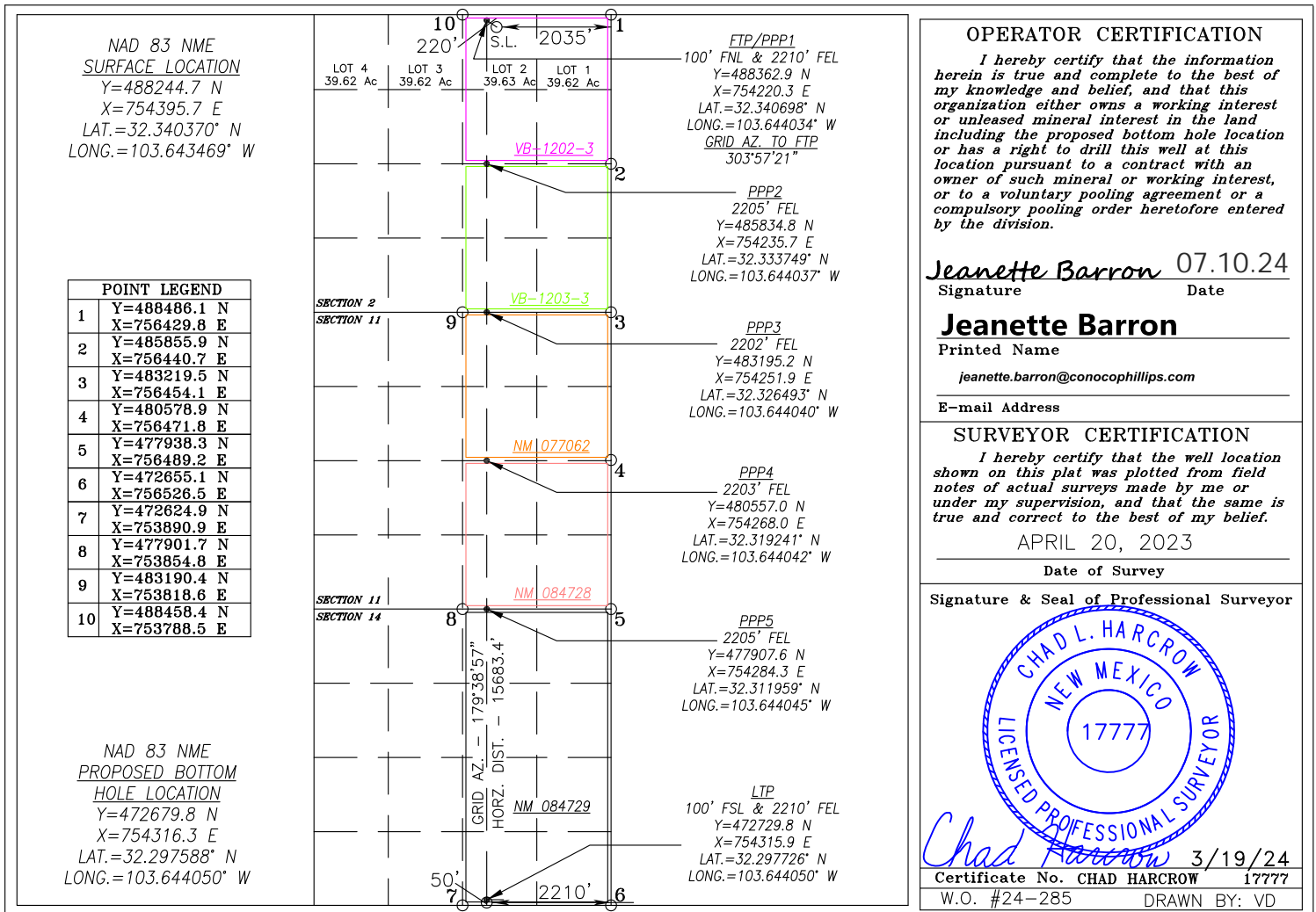
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
2	2	23-S	32-E		220	NORTH	2035	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	14	23-S	32-E		50	SOUTH	2210	EAST	LEA

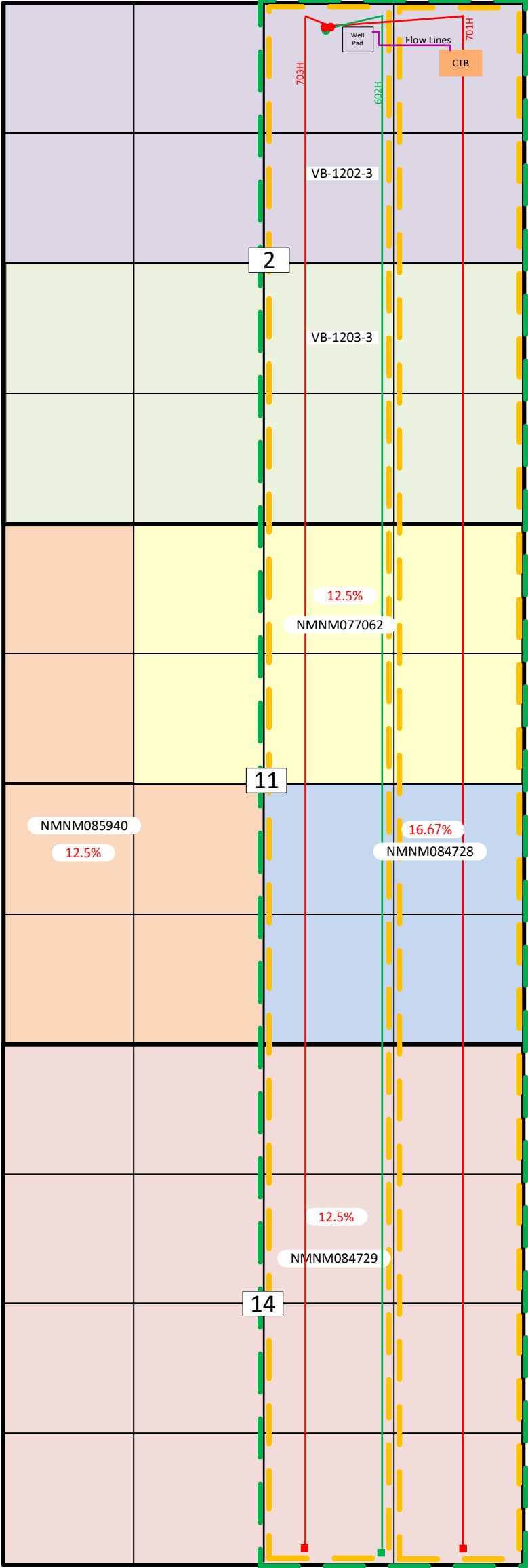
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
480			

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OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



JB 06.02.24

Redtail Fed Com Wells



- Bone Spring SHL
- Bone Spring BHL
- WFMP A SHL
- WFMP A BHL
- Proposed WFMP CA
- Proposed Bone Spring CA

Redtail Fed Com 602H 30-025-52783
Redtail Fed Com 701H 30-025-52784
Redtail Fed Com 703H 30-025-52722

Sec 2, 11 & 14 T23S R32E
Lea County NM



REDTAIL FEDERAL 2 A CTB

SECTION 2, T23S, R32E, UNIT A
COORDS: 32.338927, -103.639377
LEA COUNTY, NM

WELLS:

REDTAIL FEDERAL COM #602H: 30-025-52783
REDTAIL FEDERAL COM #701H: 30-025-52784
REDTAIL FEDERAL COM #703H: 30-025-52722

Royalty Free Fuel Usage:

(1) Compressors
(1) Heater Treater

Estimated Total Usage: ____ mcf/day

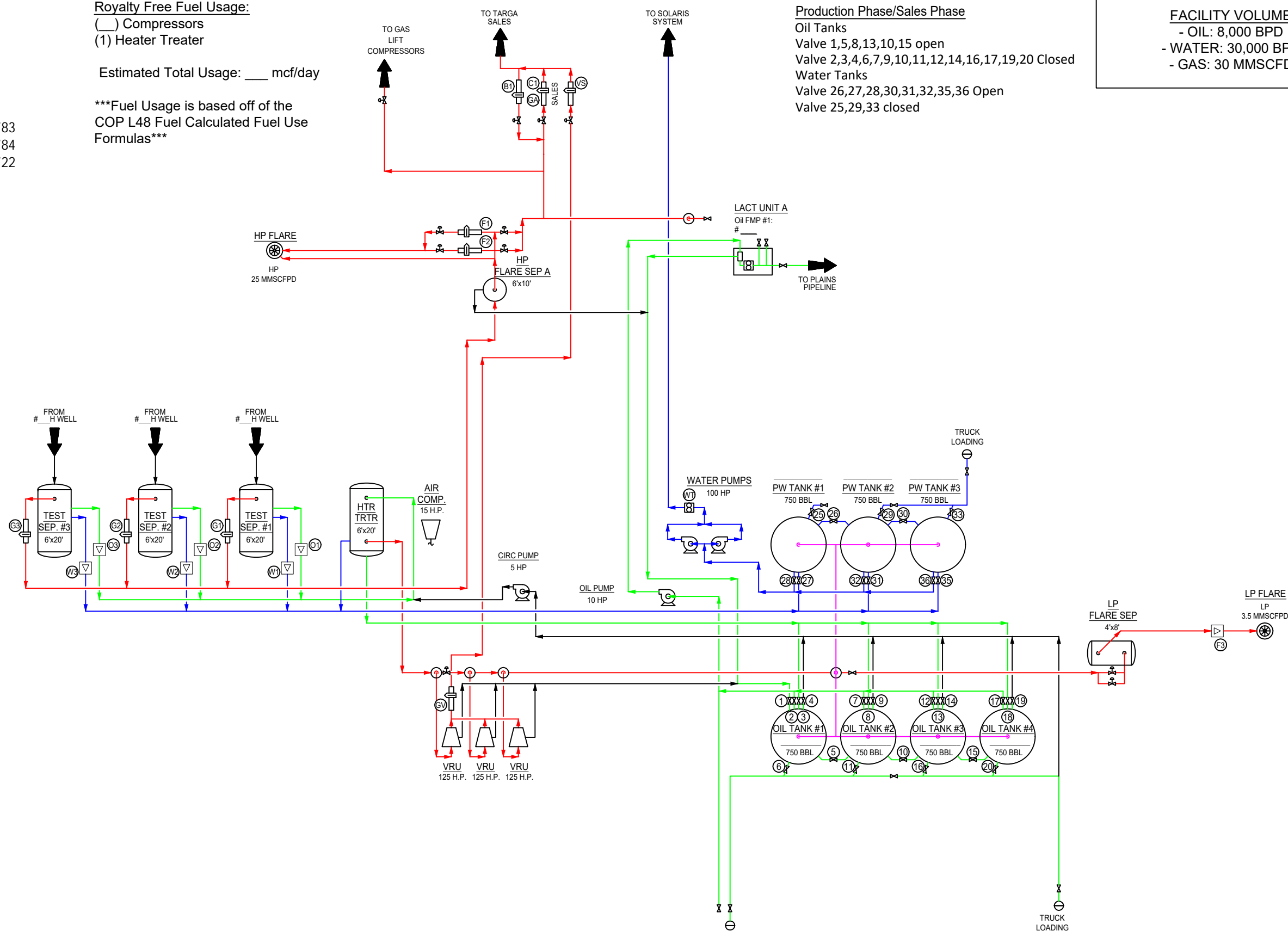
***Fuel Usage is based off of the
COP L48 Fuel Calculated Fuel Use
Formulas***

METERS

(O1) #1 Oil Meter # _____
(G1) #1 Gas Meter # _____
(W1) #1 Water Meter # _____
(O2) #2 Oil Meter # _____
(G2) #2 Gas Meter # _____
(W2) #2 Water Meter # _____
(O3) #3 Oil Meter # _____
(G3) #3 Gas Meter # _____
(W3) #3 Water Meter # _____

METERS

(F1) HP Flare Gas Meter # _____
(F2) HP Flare Gas Meter # _____
(F3) LP Flare Gas Meter # _____
(GV) VRU Gas Meter # _____
(VS) VRU Sales Gas Meter # _____
(WT) Water Transfer Meter # _____
(C1) Check Gas Meter # _____
(GA) FMP Gas Sales Meter #1 # _____
(B1) Gas By Back Meter # _____



NOTES:

Type of Facility: Federal
Lease #: NMNM077062
CA #: In Progress
NMOCD Property Code: 329921
NMOCD OGRID #: 229137

Site Diagram Legend

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

NO.	TITLE
COG OPERATING LLC SITE SECURITY PLANS LOCATED AT:	ONE CONCHO CENTER 600 WEST ILLINOIS AVENUE MIDLAND, TEXAS 79701

REVISIONS

NO.	DATE	DESCRIPTION	BY	CHK.
A	09/18/23	ISSUED FOR PRELIM	JS	CB
B	11/13/23	REVISED PER 604H WELL DROP	JS	RC
C	12/12/23	REVISED PER WATER TANK REMOVAL	JS	RC

ENGINEERING RECORD

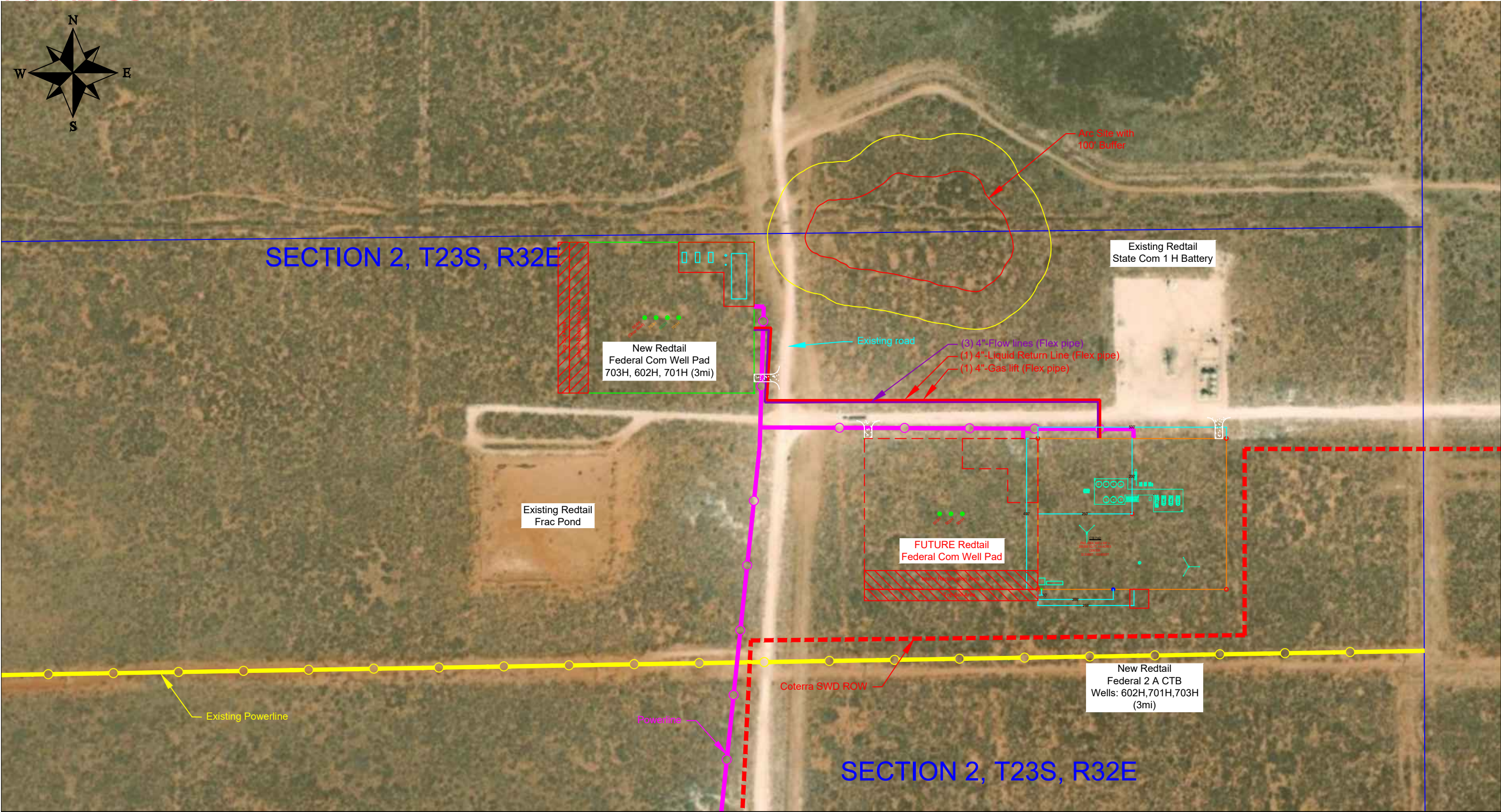
APP.	BY	DATE
CB	DRN: JS	09/18/20
RC	DES:	
RC	CHK:	
	APP:	
	AFE NO:	
	FACIL ENGR:	C. Blair
	OPER ENGR:	
	SCAF:	NONE



DELAWARE BASIN EAST ASSE
PRODUCTION FACILITIES
SITE FACILITY DIAGRAM
REDTAIL FEDERAL 2 A CTB

LEA COUNTY		REDTAIL FEDERAL 2 ACTB		NEW MEXICO	
TWNSHP/RANGE	DWG NO.	RedtailFederal2ACTB		REV	C

FINAL SUD Rev2

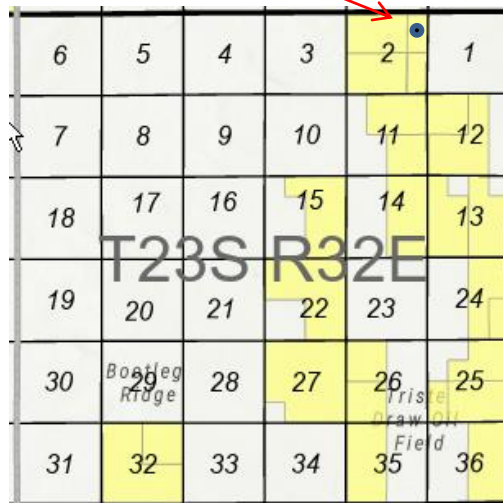


Facility Plan
Redtail E/2 Federal Project
Sec 2, T23S, R32E

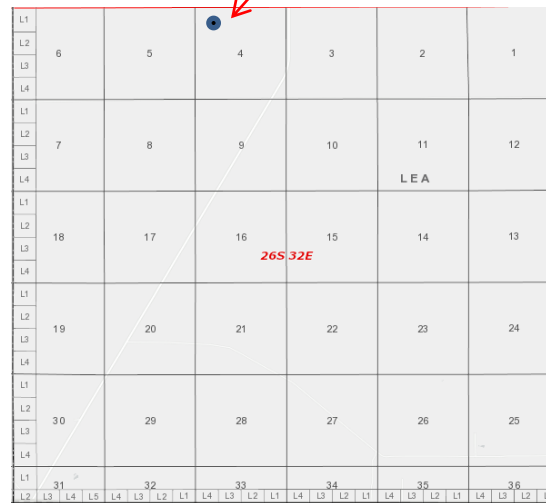
REV	DATE	BY
E	12/12/23	JS
F	01/22/24	JS
C	10/12/23	JS
D	11/13/23	JS

Redtail Fed Com 602H, 702H & 703H & Red Hills and Jal Offload Station Map

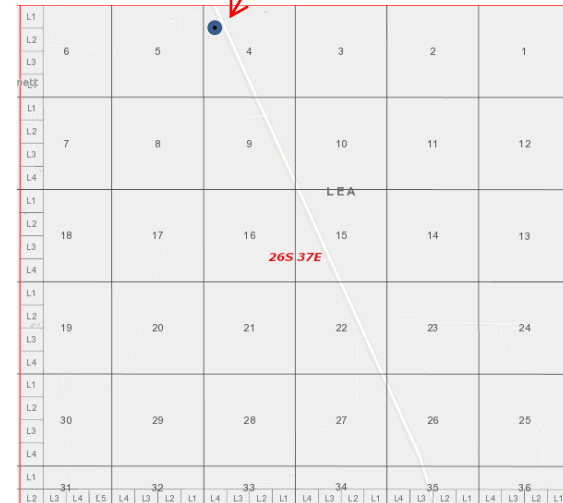
Redtail Fed Com 602H, 702H &
703H



Red Hills Offload Station
Lea County, NM



Jal Offload Station
Lea County, NM



REDTAIL FEDERAL COM 602H, 701H & 703H								
Date Sent	Initials	Name	Address	City	State	ZipCode	Certified Return Receipt No.	Delivered
07.10.24	JB	Alasco Oil and Gas, Inc.	302 W. Tilden	Roswell	NM	88203	7020 1810 0000 1415 4279	
07.10.24	JB	Alma Williams	Howard 219 Rush Creek Drive	Rockwell	TX	75032	7020 1810 0000 1415 4286	
07.10.24	JB	Ann Murphy Ezzell, a/k/a Ann Murphy Daily	P.O. Box 2648	Roswell	NM	80202	7020 1810 0000 1415 4293	
07.10.24	JB	Apollo Permian, LLC	P.O. Box 14779	Oklahoma City	OK	73113	7020 1810 0000 1415 4309	
07.10.24	JB	Bane Bigbie	P.O. Box 998	Ardmore	OK	73402	7020 1810 0000 1415 4316	
07.10.24	JB	BLM	620 E. Green Street	Carlsbad	NM	88220	7020 1810 0000 1415 4323	
07.10.24	JB	Chalfant Family Partnership LP	P.O. Box 3123	Midland	TX	79702	7020 1810 0000 1415 4330	
07.10.24	JB	Cimarex Energy Co.	6001 Deauville Blvd	Midland	TX	79706	7020 1810 0000 1415 4347	
07.10.24	JB	Contango Agentco Onshore, Inc.	111 E. 5Th Street, Ste. 300	Fort Worth	TX	76102	7020 1810 0000 1415 4354	
07.10.24	JB	DJHC, Ltd.	5600 Lovers Lane #116-341	Dallas	TX	75209	7020 1810 0000 1415 4361	
07.10.24	JB	Dorchester Minerals LP	3838 Oak Lawn Ave, Ste 300	Dallas	TX	75219-4541	7020 1810 0000 1415 4378	
07.10.24	JB	Earl E. Ellis and Wife, Anne W. Ellis	19 Cumberland Drive	Pinehurst	NC	28374	7020 1810 0000 1415 4385	
07.10.24	JB	Eileen Grevey LLC	915 Camino Ranchitos, NW	Albuquerque	NM	87114	7020 1810 0000 1415 4392	
07.10.24	JB	Estate Of Frances H. Yednak	28003 Bridgetown Ct., Unit 5112	Bonita Springs	FL	34135	7020 1810 0000 1415 4408	
07.10.24	JB	Estate Of Frances H. Yednak, Deceased	11 Myrtle Ave.	Dobbs Ferry	NY	10522	7020 1810 0000 1415 4415	
07.10.24	JB	Helen A. Grevey LLC	PO Box 5383	Denver	CO	80217	7020 1810 0000 1415 4422	
07.10.24	JB	Hutchings Oil Company	P.O. Box 1216	Albuquerque	NM	87103	7020 1810 0000 1415 4439	
07.10.24	JB	HW Land Company, LLC	3711 N. Classen Blvd	Oklahoma City	OK	73118	7020 1810 0000 1415 4446	
07.10.24	JB	Innoventions, Inc.	PO Box 40	Cedar Crest	NM	87008	7020 1810 0000 1415 4453	
07.10.24	JB	James K. Lusk and Martha L. Lusk Trust	2020 Osceola Street	Denver	CO	80212	7020 1810 0000 1415 4460	
07.10.24	JB	James K. Lusk and Martha L. Lusk Trust U/A dated 4-29-92, James K. Lusk, Trustee	2717 Onate Dr.	Roswell	NM	88201	7020 1810 0000 1415 4477	
07.10.24	JB	Jetstream Royalty Partners, LP	P.O. Box 471396	Fort Worth	TX	76147	7020 1810 0000 1415 4484	
07.10.24	JB	KRE/MDT2	500 N Akard St., Ste 1500	Dallas	TX	75201-6652	7020 1810 0000 1415 4491	
07.10.24	JB	Lazy J Bar Cane, LLC	P.O. Box 3660	Roswell	NM	88202	7020 1810 0000 1415 4507	
07.10.24	JB	LEM, LLC	P.O. Box 2484	Roswell	NM	88202	7020 1810 0000 1415 4514	
07.10.24	JB	Marathon Oil Permian LLC	990 Town and Country Blvd	Houston	TX	77024	7020 1810 0000 1415 4521	
07.10.24	JB	Mariane Fisher LLC	PO Box 5383	Denver	CO	80217	7020 1810 0000 1415 4538	
07.10.24	JB	Mark B. Murphy Irrevocable Trust U/A dated 12-11-12, Mark B. Murphy, Trustee	P.O. Box 2484	Roswell	NM	88202	7020 1810 0000 1415 4545	
07.10.24	JB	Matthew B. Murphy	P.O. Box 1561	Roswell	NM	88202	7020 1810 0000 1415 4552	
07.10.24	JB	Mitchell Exploration, Inc.	6212 Homestead Blvd	Roswell	NM	88201	7020 1810 0000 1415 4569	
07.10.24	JB	Pegasus Resources II, LLC	P.O. Box 470698	Fort Worth	TX	76147	7020 1810 0000 1415 4576	
07.10.24	JB	Permian Basin Investment Corp.	4010 Chainhurst Dr.	Richardson	TX	75082	7020 1810 0000 1415 4583	
07.10.24	JB	Robert Eaton	2505 Don Juan NW	Albuquerque	NM	87104	7020 1810 0000 1415 4590	
07.10.24	JB	Robin L. Morgan	135 W. Cottonwood Road	Artesia	NM	88210	7020 1810 0000 1415 4606	
07.10.24	JB	Sealy Hutchings Cavin, Inc.	P.O. Box 1125	Roswell	NM	88202	7020 1810 0000 1415 4613	
07.10.24	JB	State Land Office	PO Box 1148	Santa Fe	NM	87504-1148	7020 1810 0000 1415 4620	
07.10.24	JB	Strata Production Company	P.O. Box 1030	Roswell	NM	88202	7020 1810 0000 1415 4637	
07.10.24	JB	Susan S. Murphy Marital Trust U/A dated 11- 15-12, Susan S. Murphy, Trustee	P.O. Box 2484	Roswell	NM	88202	7020 1810 0000 1415 4644	
07.10.24	JB	TD Minerals LLC	8111 Westchester Drive, Ste. 900	Dallas	TX	75225	7020 1810 0000 1415 4651	
07.10.24	JB	Warren, Inc.	P.O. Box 10400	Albuquerque	NM	87184	7020 1810 0000 1415 4668	
07.10.24	JB	West Bend Energy Partners III, LLC	1320 S. University Dr., Ste. 701	Fort Worth	TX	76107	7020 1810 0000 1415 0042	
07.10.24	JB	Western Oil Producers, Inc.	P.O. Box 2800	Midland	TX	79702	9589 0710 5270 0581 8700 82	
07.10.24	JB	Winn Investments, Inc.	706 W. Brazos	Roswell	NM	88201	9589 0710 5270 0581 8700 75	

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the **1st day of January, 2024**, 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 advantage 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 23 South, Range 32 East, N.M.P.M.

Section 2: Lots 1-2, S2NE4, SE4

Section 11: E2

Section 14: E2

Lea County, New Mexico

Containing **959.23** acres, and this agreement shall include only the **3rd Bone Spring Formation, (defined herein as the stratigraphic equivalent of between 11,104' and 12,312' total vertical depth, as seen in the Triste Draw Federal #2 well API 30-025-27708)**, 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 lands within 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 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 therefrom 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 1/6th 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 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, 2024**, 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.

**OPERATOR:
COG OPERATING LLC**

Date: _____

By: _____

Ryan D. Owen
Attorney-in-fact

ACKNOWLEDGEMENT

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

The instrument was acknowledged before me on _____, 2024, 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

COG OPERATING LLC

Date: _____

By: _____

Ryan D. Owen
Attorney-In-Fact

CONOCOPHILLIPS COMPANY

Date: _____

By: _____

Ryan D. Owen
Attorney-In-Fact

MARATHON OIL PERMIAN LLC

Date: _____

By: _____

Name: _____

Title: _____

CIMAREX ENERGY CO.

Date: _____

By: _____

Name: _____

Title: _____

STRATA PRODUCTION CO.

Date: _____

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

The instrument was acknowledged before me on _____, 2024, 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

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

The instrument was acknowledged before me on _____, 2024, by Ryan D. Owen, as attorney-in-fact of **CONOCOPHILLIPS COMPANY**, a Delaware corporation, on behalf of said corporation.

NOTARY PUBLIC in and for the State of Texas

STATE OF _____ §
 §
COUNTY OF _____ §

The instrument was acknowledged before me on _____, 2024, by _____, as _____, of **MARATHON OIL PERMIAN LLC**, a _____, on behalf of same.

Notary Public - State of _____

ACKNOWLEDGEMENT cont.

STATE OF _____ §

§

COUNTY OF _____ §

The instrument was acknowledged before me on _____, 2024, by
_____, as _____ of **CIMAREX ENERGY CO**, a
_____, on behalf of same.

Notary Public - State of _____

STATE OF _____ §

§

COUNTY OF _____ §

The instrument was acknowledged before me on _____, 2024, by
_____, as _____ of **STRATA PRODUCTION CO.**, a
_____, on behalf of same.

Notary Public in and for the State of _____

EXHIBIT "A"

Plat of communitized area covering **959.23** acres in Lots 1-2, S2NE4, SE4 of Section 2, E2 of Section 11, and the E2 of Section 14, Township 23 South, Range 32 East, N.M.P.M., Lea County, New Mexico, **but only as to the 3rd Bone Spring Formation.**

Tract 1:

Sec 2: Lots 1-2,
S2NE

VB-1202-3

**Tract 2:**

Sec 2: SE
VB-1203-3

**Tract 3:**

Sec 11: NE
NMNM 77062

**Tract 4:**

Sec 11: SE
NMNM 84728

**Tract 5:**

Sec 14: E2
NMNM 84729



		39.62	39.61
		40	40
		40	40
Sec. 2		40	40
		40	40
		40	40
		40	40
Sec. 11		40	40
		40	40
		40	40
		40	40
Sec. 14		40	40

EXHIBIT "B"

Leases covering communitized area covering Lots 1-2, S2NE4, SE4 of Section 2, E2 of Section 11, and the E2 of Section 14, Township 23 South, Range 32 East, N.M.P.M., Lea County, New Mexico, **but only as to the 3rd Bone Spring Formation.**

Operator of Communitized Area: COG Operating LLC

TRACT 1

Lessor: VB-1202-3
 Date: August 1, 2007
 Original Lessee: MGM Oil & Gas Company
 Current Lessee: COG Operating LLC
 Recording: Unrecorded
 Description: Insofar and only insofar as the lease covers:
Township 23 South, Range 32 East, N.M.P.M.
 Section 2: Lots 1-2, S2NE
 Royalty: 18.75%
 WI Owner Name & Interests: COG Operating LLC 100.000000%
 ORRI Owners: Of Record

TRACT 2

Lessor: VB-1203-3
 Date: August 1, 2007
 Original Lessee: MGM Oil & Gas Company
 Current Lessee: COG Operating LLC
 Recording: Unrecorded
 Description: Insofar and only insofar as the lease covers:
Township 23 South, Range 32 East, N.M.P.M.
 Section 2: SE
 Royalty: 12.50%
 WI Owner Name & Interests: COG Operating LLC 100.000000%
 ORRI Owners: Of Record

TRACT 3

Date: January 1, 1983
 Lessor: NMNM 77062
 Original Lessee: Yates Petroleum Corporation
 Current Lessee: Cimarex Energy Company
 Recording: Unrecorded
 Description: Insofar and only insofar as the lease covers:
Township 23 South, Range 32 East, N.M.P.M.
 Section 11: NE
 Royalty: 12.50%
 WI Owner Name & Interests: COG Operating LLC 75.000000%
 ConocoPhillips Company 25.000000%

ORRI Owners: Of Record

TRACT 4

Date: December 1, 1984

Lessor: NMNM 84728

Original Lessee: Permian Hunter Corporation

Current Lessee: COG Operating LLC

Recording: Unrecorded

Description: Insofar and only insofar as the lease covers:
Township 23 South, Range 32 East, N.M.P.M.
 Section 11: SE

Royalty: 16.67%

WI Owner Name & Interests:	COG Operating LLC	79.166666%
	Marathon Oil Permian LLC	16.666667%
	ConocoPhillips Company	4.166667%

ORRI Owners: Of Record

TRACT 5

Date: June 1, 1990

Lessor: NMNM 84729

Original Lessee: Esping-Creson

Current Lessee: COG Operating LLC

Recording: Unrecorded

Description: Insofar and only insofar as the lease covers:
Township 23 South, Range 32 East, N.M.P.M.
 Section 14: E2

Royalty: 12.50%

WI Owner Name & Interests:	COG Operating LLC	79.166666%
	Marathon Oil Permian LLC	16.666667%
	ConocoPhillips Company	4.166667%

ORRI Owners: Of Record

RECAPITULATION

TRACT NUMBER	NUMBER OF ACRES COMMITTED	PERCENTAGE OF INTEREST IN COMMUNITIZED AREA
1	159.23	16.5998%
2	160.00	16.6800%
3	160.00	16.6800%
4	160.00	16.6800%
5	320.00	33.3601%
TOTAL	959.23	100.0000%

NM State Land Office
Oil, Gas, & Minerals Division

STATE/FEDERAL OR
STATE/FEDERAL/FEE
Revised June, 2022

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 23 South, Range 32 East, N.M.P.M.

Section 2: Lots 1-2, S2NE4, SE4

Section 11: E2

Section 14: E2

Lea County, New Mexico

containing **959.23** acres, more or less, and this agreement shall include only the **3rd Bone Spring Formation, (defined herein as the stratigraphic equivalent of between 11,104' and 12,312' total vertical depth, as seen in the Triste Draw Federal #2 well API 30-025-27708)**, underlying said lands and the Oil and associated hydrocarbons (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 **January 1, 2024**, 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.

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:
COG OPERATING LLC

Date: _____

By: _____

Ryan D. Owen
Attorney-in-fact

ACKNOWLEDGEMENT

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

The instrument was acknowledged before me on _____, 2024, 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

COG OPERATING LLC

Date: _____ By: _____
Ryan D. Owen
Attorney-in-fact

CONOCOPHILLIPS COMPANY

Date: _____ By: _____
Ryan D. Owen
Attorney-in-fact

MARATHON OIL PERMIAN LLC

Date: _____ By: _____
Name: _____
Title: _____

CIMAREX ENERGY CO.

Date: _____ By: _____
Name: _____
Title: _____

STRATA PRODUCTION CO.

Date: _____ By: _____
Name: _____
Title: _____

ACKNOWLEDGEMENT

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

The instrument was acknowledged before me on _____, 2024, 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

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

The instrument was acknowledged before me on _____, 2024, by Ryan D. Owen, as attorney-in-fact of **CONOCOPHILLIPS COMPANY**, a Delaware corporation, on behalf of said corporation.

NOTARY PUBLIC in and for the State of Texas

STATE OF _____ §
 §
COUNTY OF _____ §

The instrument was acknowledged before me on _____, 2024, by _____, as _____, of **MARATHON OIL PERMIAN LLC**, a _____, on behalf of same.

Notary Public - State of _____

ACKNOWLEDGEMENT cont.

STATE OF _____ §

§

COUNTY OF _____ §

The instrument was acknowledged before me on _____, 2024, by
_____, as _____, of **CIMAREX ENERGY CO.**, a
_____, on behalf of same.

Notary Public - State of _____

STATE OF _____ §

§

COUNTY OF _____ §

The instrument was acknowledged before me on _____, 2024, by
_____, as _____, of **STRATA PRODUCTION CO.**, a
_____, on behalf of same.

Notary Public - State of _____

EXHIBIT "A"

Attached to and made a part of the Communitization Agreement dated January 1, 2024,
Covering Lots 1-2, S2NE4, SE4 of Section 2, E2 of Section 11, and the E2 of Section 14, Township 23
South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Communitized depths are limited to the 3rd Bone Spring formation

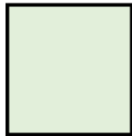
Tract 1:

Sec 2: Lots 1-2,
S2NE

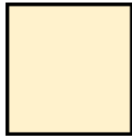
VB-1202-3

**Tract 2:**

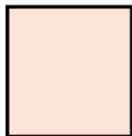
Sec 2: SE
VB-1203-3

**Tract 3:**

Sec 11: NE
NMNM 77062

**Tract 4:**

Sec 11: SE
NMNM 84728

**Tract 5:**

Sec 14: E2
NMNM 84729



		39.62	39.61
		40	40
		40	40
		40	40
Sec. 2		40	40
		40	40
		40	40
		40	40
		40	40
Sec. 11		40	40
		40	40
		40	40
		40	40
Sec. 14		40	40

EXHIBIT "B"

Attached to and made a part of the Communitization Agreement dated January 1, 2024,
Covering Lots 1-2, S2NE4, SE4 of Section 2, E2 of Section 11, and the E2 of Section 14, Township 23
South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Operator of Communitized Area: COG Operating LLC

TRACT 1

Lessor: VB-1202-3
Date: August 1, 2007
Original Lessee: MGM Oil & Gas Company
Current Lessee: COG Operating LLC
Recording: Unrecorded
Description: Insofar and only insofar as the lease covers:
Township 23 South, Range 32 East, N.M.P.M.
Section 2: Lots 1-2, S2NE
Royalty: 18.75%
WI Owner Name & Interests: COG Operating LLC 100.000000%
ORRI Owners: Of Record

TRACT 2

Lessor: VB-1203-3
Date: August 1, 2007
Original Lessee: MGM Oil & Gas Company
Current Lessee: COG Operating LLC
Recording: Unrecorded
Description: Insofar and only insofar as the lease covers:
Township 23 South, Range 32 East, N.M.P.M.
Section 2: SE
Royalty: 12.50%
WI Owner Name & Interests: COG Operating LLC 100.000000%
ORRI Owners: Of Record

TRACT 3

Date: January 1, 1983
Lessor: NMNM 77062
Original Lessee: Yates Petroleum Corporation
Current Lessee: Cimarex Energy Company
Recording: Unrecorded
Description: Insofar and only insofar as the lease covers:
Township 23 South, Range 32 East, N.M.P.M.
Section 11: NE
Royalty: 12.50%
WI Owner Name & Interests: COG Operating LLC 75.000000%
ConocoPhillips Company 25.000000%
ORRI Owners: Of Record

TRACT 4

Date: December 1, 1984
 Lessor: NMNM 84728
 Original Lessee: Permian Hunter Corporation
 Current Lessee: COG Operating LLC
 Recording: Unrecorded
 Description: Insofar and only insofar as the lease covers:
Township 23 South, Range 32 East, N.M.P.M.
 Section 11: SE
 Royalty: 16.67%
 WI Owner Name & Interests: COG Operating LLC 79.166666%
 Marathon Oil Permian LLC 16.666667%
 ConocoPhillips Company 4.166667%
 ORRI Owners: Of Record

TRACT 5

Date: June 1, 1990
 Lessor: NMNM 84729
 Original Lessee: Esping-Creson
 Current Lessee: Strata Production Co.
 Recording: Unrecorded
 Description: Insofar and only insofar as the lease covers:
Township 23 South, Range 32 East, N.M.P.M.
 Section 14: E2
 Royalty: 12.50%
 WI Owner Name & Interests: COG Operating LLC 79.166666%
 Marathon Oil Permian LLC 16.666667%
 ConocoPhillips Company 4.166667%
 ORRI Owners: Of Record

RECAPITULATION

TRACT NUMBER	NUMBER OF ACRES COMMITTED	PERCENTAGE OF INTEREST IN COMMUNITIZED AREA
1	159.23	16.5998%
2	160.00	16.6800%
3	160.00	16.6800%
4	160.00	16.6800%
5	320.00	33.3601%
TOTAL	959.23	100.0000%

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the **1st day of January, 2024**, 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 23 South, Range 32 East, N.M.P.M.

Section 2: Lot 1, SE4NE4, E2SE4

Section 11: E2E2

Section 14: E2E2

Lea County, New Mexico

Containing **479.61** acres, and this agreement shall include only the **Wolfcamp** 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 lands within 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 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.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/8th or 1/6th 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 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, 2024**, 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.

**OPERATOR:
COG OPERATING LLC**

Date: _____

By: _____

Ryan D. Owen
Attorney-in-fact

ACKNOWLEDGEMENT

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

The instrument was acknowledged before me on _____, 2024, 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

COG OPERATING LLC

Date: _____

By: _____
Ryan D. Owen
Attorney-In-Fact

CONOCOPHILLIPS COMPANY

Date: _____

By: _____
Ryan D. Owen
Attorney-In-Fact

MARATHON OIL PERMIAN LLC

Date: _____

By: _____
Name: _____
Title: _____

CIMAREX ENERGY CO.

Date: _____

By: _____
Name: _____
Title: _____

STRATA PRODUCTION COMPANY

Date: _____

By: _____
Name: _____
Title: _____

ACKNOWLEDGEMENTS

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

The instrument was acknowledged before me on _____, 2024, 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

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

The instrument was acknowledged before me on _____, 2024, by Ryan D. Owen, as attorney-in-fact of **CONOCOPHILLIPS COMPANY**, a Delaware corporation, on behalf of said corporation.

NOTARY PUBLIC in and for the State of Texas

STATE OF _____ §
 §
COUNTY OF _____ §

The instrument was acknowledged before me on _____, 2024, by _____, as _____, of **MARATHON OIL PERMIAN LLC**, a Delaware limited liability company, on behalf of said limited liability company.

Notary Public - State of _____

ACKNOWLEDGEMENTS Cont.

STATE OF _____ §
COUNTY OF _____ §

The instrument was acknowledged before me on _____, 2024, by _____, as _____, of **CIMAREX ENERGY CO**, a _____, on behalf of same.

Notary Public - State of _____

STATE OF _____ §
COUNTY OF _____ §

The instrument was acknowledged before me on _____, 2024, by _____, as _____, of **STRATA PRODUCTION CO.**, a _____, on behalf of same.

Notary Public - State of _____

EXHIBIT "A"

Plat of communitized area covering **479.61** acres in Lot 1, SE4NE4, E2SE4 of Section 2, E2E2 of Section 11, and the E2E2 of Section 14, Township 23 South, Range 32 East, N.M.P.M., Lea County, New Mexico, **but only as to the Wolfcamp Formation**

Tract 1:

Sec 2: Lots 1,
SE4NE4

VB-1202-3

**Tract 2:**

Sec 2: E2SE4
VB-1203-3

**Tract 3:**

Sec 11: E2NE4
NMNM 77062

**Tract 4:**

Sec 11: E2SE4
NMNM 84728

**Tract 5:**

Sec 14: E2E2
NMNM 84729



			39.61
			40
			40
			40
Sec. 2			40
			40
			40
			40
			40
Sec. 11			40
			40
			40
			40
Sec. 14			40

EXHIBIT "B"

Leases covering communitized area covering Lot 1, SE4NE4, E2SE4 of Section 2, E2E2 of Section 11, and the E2E2 of Section 14, Township 23 South, Range 32 East, N.M.P.M., Lea County, New Mexico; ***but only as to the Wolfcamp Formation***

Operator of Communitized Area: COG Operating LLC

TRACT 1

Lessor: VB-1202-3
 Date: August 1, 2007
 Original Lessee: MGM Oil & Gas Company
 Current Lessee: COG Operating LLC
 Recording: Unrecorded
 Description: Insofar and only insofar as the lease covers:
Township 23 South, Range 32 East, N.M.P.M.
 Section 2: Lots 2, SE4NE4
 Royalty: 18.75%
 WI Owner Name & Interests: COG Operating LLC 100.000000%
 ORRI Owners: Of Record

TRACT 2

Lessor: VB-1203-3
 Date: August 1, 2007
 Original Lessee: MGM Oil & Gas Company
 Current Lessee: COG Operating LLC
 Recording: Unrecorded
 Description: Insofar and only insofar as the lease covers:
Township 23 South, Range 32 East, N.M.P.M.
 Section 2: E2SE4
 Royalty: 12.50%
 WI Owner Name & Interests: COG Operating LLC 100.000000%
 ORRI Owners: Of Record

TRACT 3

Date: January 1, 1983
 Lessor: NMNM 77062
 Original Lessee: Yates Petroleum Corporation
 Current Lessee: Cimarex Energy Company
 Recording: Unrecorded
 Description: Insofar and only insofar as the lease covers:
Township 23 South, Range 32 East, N.M.P.M.
 Section 11: E2NE4
 Royalty: 12.50%
 WI Owner Name & Interests: COG Operating LLC 75.000000%
 ConocoPhillips Company 25.000000%
 ORRI Owners: Of Record

TRACT 4

Date: December 1, 1984
 Lessor: NMNM 84728
 Original Lessee: Permian Hunter Corporation
 Current Lessee: Strata Production Co.
 Recording: Unrecorded
 Description: Insofar and only insofar as the lease covers:
Township 23 South, Range 32 East, N.M.P.M.
 Section 11: E2SE4
 Royalty: 16.67%
 WI Owner Name & Interests: COG Operating LLC 79.166666%
 Marathon Oil Permian LLC 16.666667%
 ConocoPhillips Company 4.166667%
 ORRI Owners: Of Record

TRACT 5

Date: June 1, 1990
 Lessor: NMNM 84729
 Original Lessee: Esping-Creson
 Current Lessee: Strata Production Co.
 Recording: Unrecorded
 Description: Insofar and only insofar as the lease covers:
Township 23 South, Range 32 East, N.M.P.M.
 Section 14: E2E2
 Royalty: 12.50%
 WI Owner Name & Interests: COG Operating LLC 79.166666%
 Marathon Oil Permian LLC 16.666667%
 ConocoPhillips Company 4.166667%
 ORRI Owners: Of Record

RECAPITULATION

TRACT NUMBER	NUMBER OF ACRES COMMITTED	PERCENTAGE OF INTEREST IN COMMUNITIZED AREA
1	79.61	16.5989%
2	80.00	16.6802%
3	80.00	16.6802%
4	80.00	16.6802%
5	160.00	33.3604%
TOTAL	479.61	100.0000%

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

**STATE/FEDERAL OR
STATE/FEDERAL/FEE**
Revised June, 2022

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 23 South, Range 32 East, N.M.P.M.

Section 2: Lot 1, SE4NE4, E2SE4

Section 11: E2E2

Section 14: E2E2

Lea County, New Mexico

containing **479.61** acres, more or less, and this agreement shall include only the **Wolfcamp** formation, underlying said lands and the Oil and associated hydrocarbons (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 **January 1, 2024**, 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.

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:
COG OPERATING LLC

Date: _____

By: _____

Ryan D. Owen
Attorney-in-fact

ACKNOWLEDGEMENT

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

The instrument was acknowledged before me on _____, 2024, 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

COG OPERATING LLC

Date: _____ By: _____
Ryan D. Owen
Attorney-in-fact

CONOCOPHILLIPS COMPANY

Date: _____ By: _____
Ryan D. Owen
Attorney-in-fact

MARATHON OIL PERMIAN LLC

Date: _____ By: _____
Name: _____
Title: _____

CIMAREX ENERGY CO.

Date: _____ By: _____
Name: _____
Title: _____

STRATA PRODUCTION CO.

Date: _____ By: _____
Name: _____
Title: _____

ACKNOWLEDGEMENTS

STATE OF TEXAS §
 §
 COUNTY OF MIDLAND §

The instrument was acknowledged before me on _____, 2024, 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

STATE OF TEXAS §
 §
 COUNTY OF MIDLAND §

The instrument was acknowledged before me on _____, 2024, by Ryan D. Owen, as attorney-in-fact of **CONOCOPHILLIPS COMPANY**, a Delaware corporation, on behalf of said corporation.

 NOTARY PUBLIC in and for the State of Texas

STATE OF _____ §
 §
 COUNTY OF _____ §

The instrument was acknowledged before me on _____, 2024, by _____, as _____, of **MARATHON OIL PERMIAN LLC**, a Delaware limited liability company, on behalf of said limited liability company.

 Notary Public - State of _____

ACKNOWLEDGEMENTS Cont.

STATE OF _____ §

§

COUNTY OF _____ §

The instrument was acknowledged before me on _____, 2024, by
_____, as _____, of **CIMAREX ENERGY CO.**, a
_____, on behalf of same.

Notary Public - State of _____

STATE OF _____ §

§

COUNTY OF _____ §

The instrument was acknowledged before me on _____, 2024, by
_____, as _____, of **STRATA PRODUCTION CO.**, a
_____, on behalf of same.

Notary Public - State of _____

EXHIBIT "A"

Attached to and made a part of the Communitization Agreement dated January 1, 2024,
Covering Lot 1, SE4NE4, E2SE4 of Section 2, E2E2 of Section 11, and the E2E2 of Section 14, Township 23
South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Communitized depths are limited to the Wolfcamp formation

Tract 1:

Sec 2: Lots 1,
SE4NE4

VB-1202-3

**Tract 2:**

Sec 2: E2SE4
VB-1203-3

**Tract 3:**

Sec 11: E2NE4
NMNM 77062

**Tract 4:**

Sec 11: E2SE4
NMNM 84728

**Tract 5:**

Sec 14: E2E2
NMNM 84729



			39.61
			40
			40
Sec. 2			40
			40
			40
			40
Sec. 11			40
			40
			40
			40
Sec. 14			40

EXHIBIT "B"

Attached to and made a part of the Communitization Agreement dated January 1, 2024,
Covering Lot 1, SE4NE4, E2SE4 of Section 2, E2E2 of Section 11, and the E2E2 of Section 14, Township 23
South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Operator of Communitized Area: COG Operating LLC

TRACT 1

Lessor: VB-1202-3
Date: August 1, 2007
Original Lessee: MGM Oil & Gas Company
Current Lessee: COG Operating LLC
Recording: Unrecorded
Description: Insofar and only insofar as the lease covers:
Township 23 South, Range 32 East, N.M.P.M.
Section 2: Lots 2, SE4NE4
Royalty: 18.75%
WI Owner Name & Interests: COG Operating LLC 100.000000%
ORRI Owners: Of Record

TRACT 2

Lessor: VB-1203-3
Date: August 1, 2007
Original Lessee: MGM Oil & Gas Company
Current Lessee: COG Operating LLC
Recording: Unrecorded
Description: Insofar and only insofar as the lease covers:
Township 23 South, Range 32 East, N.M.P.M.
Section 2: E2SE4
Royalty: 12.50%
WI Owner Name & Interests: COG Operating LLC 100.000000%
ORRI Owners: Of Record

TRACT 3

Date: January 1, 1983
Lessor: NMNM 77062
Original Lessee: Yates Petroleum Corporation
Current Lessee: Cimarex Energy Company
Recording: Unrecorded
Description: Insofar and only insofar as the lease covers:
Township 23 South, Range 32 East, N.M.P.M.
Section 11: E2NE4
Royalty: 12.50%
WI Owner Name & Interests: COG Operating LLC 75.000000%
ConocoPhillips Company 25.000000%
ORRI Owners: Of Record

TRACT 4

Date: December 1, 1984
 Lessor: NMNM 84728
 Original Lessee: Permian Hunter Corporation
 Current Lessee: Strata Production Co.
 Recording: Unrecorded
 Description: Insofar and only insofar as the lease covers:
Township 23 South, Range 32 East, N.M.P.M.
 Section 11: E2SE4
 Royalty: 16.67%
 WI Owner Name & Interests: COG Operating LLC 79.166666%
 Marathon Oil Permian LLC 16.666667%
 ConocoPhillips Company 4.166667%
 ORRI Owners: Of Record

TRACT 5

Date: June 1, 1990
 Lessor: NMNM 84729
 Original Lessee: Esping-Creson
 Current Lessee: Strata Production Co.
 Recording: Unrecorded
 Description: Insofar and only insofar as the lease covers:
Township 23 South, Range 32 East, N.M.P.M.
 Section 14: E2E2
 Royalty: 12.50%
 WI Owner Name & Interests: COG Operating LLC 79.166666%
 Marathon Oil Permian LLC 16.666667%
 ConocoPhillips Company 4.166667%
 ORRI Owners: Of Record

RECAPITULATION

TRACT NUMBER	NUMBER OF ACRES COMMITTED	PERCENTAGE OF INTEREST IN COMMUNITIZED AREA
1	79.61	16.5989%
2	80.00	16.6802%
3	80.00	16.6802%
4	80.00	16.6802%
5	160.00	33.3604%
TOTAL	479.61	100.0000%

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the **1st day of January, 2024**, 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 23 South, Range 32 East, N.M.P.M.

Section 2: Lot 2, SW4NE4, W2SE4

Section 11: W2E2

Section 14: W2E2

Lea County, New Mexico

Containing **479.62** acres, and this agreement shall include only the **Wolfcamp** 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 lands within 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 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.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/8th or 1/6th 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 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, 2024**, 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.

**OPERATOR:
COG OPERATING LLC**

Date: _____ By: _____
Ryan D. Owen
Attorney-in-fact

ACKNOWLEDGEMENT

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

The instrument was acknowledged before me on _____, 2024, 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

COG OPERATING LLC

Date: _____

By: _____
Ryan D. Owen
Attorney-In-Fact

CONOCOPHILLIPS COMPANY

Date: _____

By: _____
Ryan D. Owen
Attorney-In-Fact

MARATHON OIL PERMIAN LLC

Date: _____

By: _____
Name: _____
Title: _____

CIMAREX ENERGY CO.

Date: _____

By: _____
Name: _____
Title: _____

STRATA PRODUCTION COMPANY

Date: _____

By: _____
Name: _____
Title: _____

ACKNOWLEDGEMENTS

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

The instrument was acknowledged before me on _____, 2024, 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

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

The instrument was acknowledged before me on _____, 2024, by Ryan D. Owen, as attorney-in-fact of **CONOCOPHILLIPS COMPANY**, a Delaware corporation, on behalf of said corporation.

NOTARY PUBLIC in and for the State of Texas

STATE OF _____ §
 §
COUNTY OF _____ §

The instrument was acknowledged before me on _____, 2024, by _____, as _____, of **MARATHON OIL PERMIAN LLC**, a Delaware limited liability company, on behalf of said limited liability company.

Notary Public - State of _____

ACKNOWLEDGEMENTS Cont.

STATE OF _____ §
COUNTY OF _____ §

The instrument was acknowledged before me on _____, 2024, by _____, as _____, of **CIMAREX ENERGY CO.**, a _____, on behalf of same.

Notary Public - State of _____

STATE OF _____ §
COUNTY OF _____ §

The instrument was acknowledged before me on _____, 2024, by _____, as _____, of **STRATA PRODUCTION COMPANY.**, a _____, on behalf of same.

Notary Public - State of _____

EXHIBIT "A"

Plat of communitized area covering **479.62** acres in Lot 2, SW4NE4, W2SE4 of Section 2, W2E2 of Section 11, and the W2E2 of Section 14, Township 23 South, Range 32 East, N.M.P.M., Lea County, New Mexico, **but only as to the Wolfcamp Formation**

Tract 1:

Sec 2: Lots 2,
SW4NE4

VB-1202-3

**Tract 2:**

Sec 2: W2SE4
VB-1203-3

**Tract 3:**

Sec 11: W2NE4
NMNM 77062

**Tract 4:**

Sec 11: W2SE4
NMNM 84728

**Tract 5:**

Sec 14: W2E2
NMNM 84729



		39.62	
		40	
		40	
		40	
Sec. 2		40	
		40	
		40	
		40	
		40	
Sec. 11		40	
		40	
		40	
		40	
Sec. 14		40	

EXHIBIT "B"

Leases covering communitized area covering Lot 2, SW4NE4, W2SE4 of Section 2, W2E2 of Section 11, and the W2E2 of Section 14, Township 23 South, Range 32 East, N.M.P.M., Lea County, New Mexico, **but only as to the Wolfcamp Formation**

Operator of Communitized Area: COG Operating LLC

TRACT 1

Lessor: VB-1202-3
 Date: August 1, 2007
 Original Lessee: MGM Oil & Gas Company
 Current Lessee: COG Operating LLC
 Recording: Unrecorded
 Description: Insofar and only insofar as the lease covers:
Township 23 South, Range 32 East, N.M.P.M.
 Section 2: Lots 2, SW4NE4
 Royalty: 18.75%
 WI Owner Name & Interests: COG Operating LLC 100.000000%
 ORRI Owners: Of Record

TRACT 2

Lessor: VB-1203-3
 Date: August 1, 2007
 Original Lessee: MGM Oil & Gas Company
 Current Lessee: COG Operating LLC
 Recording: Unrecorded
 Description: Insofar and only insofar as the lease covers:
Township 23 South, Range 32 East, N.M.P.M.
 Section 2: W2SE
 Royalty: 12.50%
 WI Owner Name & Interests: COG Operating LLC 100.000000%
 ORRI Owners: Of Record

TRACT 3

Date: January 1, 1983
 Lessor: NMNM 77062
 Original Lessee: Yates Petroleum Corporation
 Current Lessee: Cimarex Energy Company
 Recording: Unrecorded
 Description: Insofar and only insofar as the lease covers:
Township 23 South, Range 32 East, N.M.P.M.
 Section 11: W2NE
 Royalty: 12.50%
 WI Owner Name & Interests: COG Operating LLC 75.000000%
 ConocoPhillips Company 25.000000%
 ORRI Owners: Of Record

TRACT 4

Date: December 1, 1984
 Lessor: NMNM 84728
 Original Lessee: Permian Hunter Corporation
 Current Lessee: Strata Production Co.
 Recording: Unrecorded
 Description: Insofar and only insofar as the lease covers:
Township 23 South, Range 32 East, N.M.P.M.
 Section 11: W2SE
 Royalty: 16.67%
 WI Owner Name & Interests: COG Operating LLC 79.166666%
 Marathon Oil Permian LLC 16.666667%
 ConocoPhillips Company 4.166667%
 ORRI Owners: Of Record

TRACT 5

Date: June 1, 1990
 Lessor: NMNM 84729
 Original Lessee: Esping-Creson
 Current Lessee: Strata Production Co.
 Recording: Unrecorded
 Description: Insofar and only insofar as the lease covers:
Township 23 South, Range 32 East, N.M.P.M.
 Section 14: W2E2
 Royalty: 12.50%
 WI Owner Name & Interests: COG Operating LLC 79.166666%
 Marathon Oil Permian LLC 16.666667%
 ConocoPhillips Company 4.166667%
 ORRI Owners: Of Record

RECAPITULATION

TRACT NUMBER	NUMBER OF ACRES COMMITTED	PERCENTAGE OF INTEREST IN COMMUNITIZED AREA
1	79.62	16.6006%
2	80.00	16.6799%
3	80.00	16.6799%
4	80.00	16.6799%
5	160.00	33.3597%
TOTAL	479.62	100.0000%

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

**STATE/FEDERAL OR
STATE/FEDERAL/FEE**
Revised June, 2022

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 23 South, Range 32 East, N.M.P.M.

Section 2: Lot 2, SW4NE4, W2SE4

Section 11: W2E2

Section 14: W2E2

Lea County, New Mexico

containing **479.62** acres, more or less, and this agreement shall include only the **Wolfcamp** formation, underlying said lands and the Oil and associated hydrocarbons (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 **January 1, 2024**, 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.

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:
COG OPERATING LLC

Date: _____

By: _____

Ryan D. Owen
Attorney-in-fact

ACKNOWLEDGEMENT

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

The instrument was acknowledged before me on _____, 2024, 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

COG OPERATING LLC

Date: _____ By: _____
Ryan D. Owen
Attorney-in-fact

CONOCOPHILLIPS COMPANY

Date: _____ By: _____
Ryan D. Owen
Attorney-in-fact

MARATHON OIL PERMIAN LLC

Date: _____ By: _____
Name: _____
Title: _____

CIMAREX ENERGY CO.

Date: _____ By: _____
Name: _____
Title: _____

STRATA PRODUCTION CO.

Date: _____ By: _____
Name: _____
Title: _____

ACKNOWLEDGEMENTS

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

The instrument was acknowledged before me on _____, 2024, 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

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

The instrument was acknowledged before me on _____, 2024, by
Ryan D. Owen, as attorney-in-fact of **CONOCOPHILLIPS COMPANY**, a Delaware corporation, on behalf of
said corporation.

NOTARY PUBLIC in and for the State of Texas

STATE OF _____ §
 §
COUNTY OF _____ §

The instrument was acknowledged before me on _____, 2024, by
_____, as _____, of **MARATHON OIL PERMIAN LLC**, a
_____, on behalf of same.

Notary Public - State of _____

ACKNOWLEDGEMENTS Cont.

STATE OF _____ §

COUNTY OF _____ §

The instrument was acknowledged before me on _____, 2024, by
_____, as _____, of **CIMAREX ENERGY CO.**, a
_____, on behalf of same.

Notary Public - State of _____

STATE OF _____ §

COUNTY OF _____ §

The instrument was acknowledged before me on _____, 2024, by
_____, as _____, of **STRATA PRODUCTION CO.**, a
_____, on behalf of same.

Notary Public - State of _____

EXHIBIT "A"

Attached to and made a part of the Communitization Agreement dated January 1, 2024,
Covering Lot 2, SW4NE4, W2SE4 of Section 2, W2E2 of Section 11, and the W2E2 of Section 14,
Township 23 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Communitized depths are limited to the Wolfcamp formation

Tract 1:

Sec 2: Lots 2,
SW4NE4

VB-1202-3

**Tract 2:**

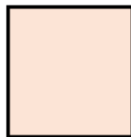
Sec 2: W2SE4
VB-1203-3

**Tract 3:**

Sec 11: W2NE4
NMNM 77062

**Tract 4:**

Sec 11: W2SE4
NMNM 84728

**Tract 5:**

Sec 14: W2E2
NMNM 84729



		39.62	
		40	
		40	
		40	
Sec. 2		40	
		40	
		40	
		40	
		40	
Sec. 11		40	
		40	
		40	
		40	
Sec. 14		40	

EXHIBIT "B"

Attached to and made a part of the Communitization Agreement dated January 1, 2024,
Covering Lot 2, SW4NE4, W2SE4 of Section 2, W2E2 of Section 11, and the W2E2 of Section 14,
Township 23 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Operator of Communitized Area: COG Operating LLC

TRACT 1

Lessor: VB-1202-3

Date: August 1, 2007

Original Lessee: MGM Oil & Gas Company

Current Lessee: COG Operating LLC

Recording: Unrecorded

Description: Insofar and only insofar as the lease covers:
Township 23 South, Range 32 East, N.M.P.M.
Section 2: Lots 2, SW4NE4

Royalty: 18.75%

WI Owner Name & Interests: COG Operating LLC

100.000000%

ORRI Owners: Of Record

TRACT 2

Lessor: VB-1203-3

Date: August 1, 2007

Original Lessee: MGM Oil & Gas Company

Current Lessee: COG Operating LLC

Recording: Unrecorded

Description: Insofar and only insofar as the lease covers:
Township 23 South, Range 32 East, N.M.P.M.
Section 2: W2SE

Royalty: 12.50%

WI Owner Name & Interests: COG Operating LLC

100.000000%

ORRI Owners: Of Record

TRACT 3

Date: January 1, 1983

Lessor: NMNM 77062

Original Lessee: Yates Petroleum Corporation

Current Lessee: Cimarex Energy Company

Recording: Unrecorded

Description: Insofar and only insofar as the lease covers:
Township 23 South, Range 32 East, N.M.P.M.
Section 11: W2NE

Royalty: 12.50%

WI Owner Name & Interests: COG Operating LLC

75.000000%

ConocoPhillips Company 25.000000%

ORRI Owners: Of Record

TRACT 4

Date: December 1, 1984

Lessor: NMNM 84728

Original Lessee: Permian Hunter Corporation

Current Lessee: Strata Production Co.

Recording: Unrecorded

Description: Insofar and only insofar as the lease covers:
Township 23 South, Range 32 East, N.M.P.M.
 Section 11: W2SE

Royalty: 16.67%

WI Owner Name & Interests:	COG Operating LLC	79.166666%
	Marathon Oil Permian LLC	16.666667%
	ConocoPhillips Company	4.166667%

ORRI Owners: Of Record

TRACT 5

Date: June 1, 1990

Lessor: NMNM 84729

Original Lessee: Esping-Creson

Current Lessee: Strata Production Co.

Recording: Unrecorded

Description: Insofar and only insofar as the lease covers:
Township 23 South, Range 32 East, N.M.P.M.
 Section 14: W2E2

Royalty: 12.50%

WI Owner Name & Interests:	COG Operating LLC	79.166666%
	Marathon Oil Permian LLC	16.666667%
	ConocoPhillips Company	4.166667%

ORRI Owners: Of Record

RECAPITULATION

TRACT NUMBER	NUMBER OF ACRES COMMITTED	PERCENTAGE OF INTEREST IN COMMUNITIZED AREA
1	79.62	16.6006%
2	80.00	16.6799%
3	80.00	16.6799%
4	80.00	16.6799%
5	160.00	33.3597%
TOTAL	479.62	100.0000%

Received by OGD: 7/10/2024 8:22:17 AM Tracking Number:		Previous
70201810000014154279		
Copy Add to Informed Delivery		
Latest Update		Delivered
Your item was delivered to an individual at the address at 2:28 pm on July 11, 2024 in ROSWELL, NM 88203.		Delivered, Left with Individual ROSWELL, NM 88203 July 11, 2024, 2:28 pm See All Tracking History
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Tracking Number: 70201810000014154286		Remove
Copy Add to Informed Delivery		
Latest Update		Delivered
Your item has been delivered to the original sender at 9:04 am on July 29, 2024 in ARTESIA, NM 88210.		Delivered, To Original Sender ARTESIA, NM 88210 July 29, 2024, 9:04 am See All Tracking History
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Tracking Number: 70201810000014154293		Remove
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Latest Update		Delivered
Your item was picked up at the post office at 10:56 am on July 15, 2024 in ROSWELL, NM 88201.		Delivered, Individual Picked Up at Post Office ROSWELL, NM 88201 July 15, 2024, 10:56 am See All Tracking History
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Tracking Number: 70201810000014154309		Remove
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Latest Update		Delivered
Your item was picked up at the post office at 2:15 pm on July 17, 2024 in OKLAHOMA CITY, OK 73114.		Delivered, Individual Picked Up at Post Office OKLAHOMA CITY, OK 73114 July 17, 2024, 2:15 pm See All Tracking History
Get More Out of USPS Tracking: USPS Tracking Plus®		What Do USPS Tracking Statuses Mean?
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Tracking Number: 70201810000014154316		Remove
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Latest Update		Delivered
Your item was picked up at the post office at 11:07 am on July 16, 2024 in ARDMORE, OK 73401.		Delivered, Individual Picked Up at Post Office ARDMORE, OK 73401 July 16, 2024, 11:07 am See All Tracking History
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Tracking Number: 70201810000014154330		Remove
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Latest Update		Delivered
Your item was picked up at the post office at 1:21 pm on July 16, 2024 in MIDLAND, TX 79701.		Delivered, Individual Picked Up at Post Office MIDLAND, TX 79701 July 16, 2024, 1:21 pm See All Tracking History
Get More Out of USPS Tracking: USPS Tracking Plus®		What Do USPS Tracking Statuses Mean?
See More		
Tracking Number: 70201810000014154347		Remove
Copy Add to Informed Delivery		
Latest Update		Delivered
Your item was delivered to an individual at the address at 1:46 pm on July 11, 2024 in MIDLAND, TX 79706.		Delivered, Left with Individual MIDLAND, TX 79706 July 11, 2024, 1:46 pm See All Tracking History
Get More Out of USPS Tracking: USPS Tracking Plus®		What Do USPS Tracking Statuses Mean?
See More		
Tracking Number: 70201810000014154354		Remove
Copy Add to Informed Delivery		
Latest Update		Delivered
Your item was delivered to an individual at the address at 10:41 am on July 24, 2024 in FORT WORTH, TX 76107.		Delivered, Left with Individual FORT WORTH, TX 76107 July 24, 2024, 10:41 am See All Tracking History
Get More Out of USPS Tracking: USPS Tracking Plus®		What Do USPS Tracking Statuses Mean?
See More		
Tracking Number: 70201810000014154361		Remove
Copy Add to Informed Delivery		
Latest Update		Delivered
Your item was delivered to an individual at the address at 11:16 am on July 13, 2024 in DALLAS, TX 75209.		Delivered, Left with Individual DALLAS, TX 75209 July 13, 2024, 11:16 am See All Tracking History
Get More Out of USPS Tracking: USPS Tracking Plus®		What Do USPS Tracking Statuses Mean?
See More		
Tracking Number: 70201810000014154378		Remove
Copy Add to Informed Delivery		
Latest Update		Delivered
Your package is moving within the USPS network and is on track to be delivered to its final destination. It is currently in transit to the next facility.		Delivered Out for Delivery Preparing for Delivery Moving Through Network In Transit to Next Facility July 16, 2024 Arrived at USPS Regional Facility DALLAS TX DISTRIBUTION CENTER July 12, 2024, 3:46 pm See All Tracking History
Get More Out of USPS Tracking: USPS Tracking Plus®		What Do USPS Tracking Statuses Mean?
See More		
Tracking Number: 70201810000014154385		Remove
Copy Add to Informed Delivery		
Latest Update		Delivered
Your item was delivered to the front desk, reception area, or mail room at 10:46 am on July 13, 2024 in PINEHURST, NC 28374.		Delivered, Front Desk/Reception/Mail Room PINEHURST, NC 28374 July 13, 2024, 10:46 am See All Tracking History
Get More Out of USPS Tracking: USPS Tracking Plus®		What Do USPS Tracking Statuses Mean?
See More		
Tracking Number: 70201810000014154392		Remove
Copy Add to Informed Delivery		
Latest Update		Delivered
Your item was delivered to an individual at the address at 11:58 am on July 12, 2024 in ALBUQUERQUE, NM 87114.		Delivered, Left with Individual ALBUQUERQUE, NM 87114 July 12, 2024, 11:58 am See All Tracking History
Get More Out of USPS Tracking: USPS Tracking Plus®		What Do USPS Tracking Statuses Mean?
See More		
Tracking Number: 70201810000014154408		Remove
Copy Add to Informed Delivery		
Latest Update		Delivery Attempt
Your item is being held at the BONITA SPRINGS, FL 34135 post office at 9:54 am on July 17, 2024. This is at the request of the customer.		Held at Post Office, At Customer Request BONITA SPRINGS, FL 34135 July 17, 2024, 9:54 am In Transit to Next Facility July 16, 2024 See All Tracking History
Get More Out of USPS Tracking: USPS Tracking Plus®		What Do USPS Tracking Statuses Mean?
See More		
Tracking Number: 70201810000014154415		Remove
Copy Add to Informed Delivery		
Latest Update		Enter and submit the send date.
Unfortunately, there are multiple items with that information. To clarify, please provide a few more details.		Send Date (MM/DD/YYYY) MM/DD/YYYY Submit What Do USPS Tracking Statuses Mean?
Tracking Number: 70201810000014154422		Remove
Copy Add to Informed Delivery		
Latest Update		Delivered
Your item has been delivered and is available at a PO Box at 8:36 am on July 19, 2024 in DENVER, CO 80274.		Delivered, PO Box DENVER, CO 80274 July 19, 2024, 8:36 am See All Tracking History
Get More Out of USPS Tracking: USPS Tracking Plus®		What Do USPS Tracking Statuses Mean?
See More		
Tracking Number: 70201810000014154439		Remove
Copy Add to Informed Delivery		
Latest Update		Delivered
Your item was picked up at the post office at 9:02 am on July 16, 2024 in ALBUQUERQUE, NM 87102.		Delivered, Individual Picked Up at Post Office ALBUQUERQUE, NM 87102 July 16, 2024, 9:02 am See All Tracking History
Get More Out of USPS Tracking: USPS Tracking Plus®		What Do USPS Tracking Statuses Mean?
See More		
Tracking Number: 70201810000014154446		Remove
Copy Add to Informed Delivery		
Latest Update		Delivered
Your item was picked up at the post office at 9:25 am on July 12, 2024 in OKLAHOMA CITY, OK 73118.		Delivered, Individual Picked Up at Post Office OKLAHOMA CITY, OK 73118 July 12, 2024, 9:25 am See All Tracking History
Get More Out of USPS Tracking: USPS Tracking Plus®		What Do USPS Tracking Statuses Mean?
See More		
Tracking Number: 70201810000014154453		Remove
Copy Add to Informed Delivery		
Latest Update		Delivered
Your item was picked up at the post office at 1:56 pm on July 12, 2024 in CEDAR CREST, NM 87008.		Delivered, Individual Picked Up at Post Office CEDAR CREST, NM 87008 July 12, 2024, 1:56 pm See All Tracking History
Get More Out of USPS Tracking: USPS Tracking Plus®		What Do USPS Tracking Statuses Mean?
See More		
Tracking Number: 70201810000014154460		Remove
Copy Add to Informed Delivery		
Latest Update		Delivered
Your item was delivered to an individual at the address at 8:18 am on September 17, 2024 in ARTESIA, NM 88210.		Delivered, Left with Individual ARTESIA, NM 88210 September 17, 2024, 8:18 am See All Tracking History
Get More Out of USPS Tracking: USPS Tracking Plus®		What Do USPS Tracking Statuses Mean?
See More		
Tracking Number: 70201810000014154477		Remove
Copy Add to Informed Delivery		
Latest Update		Delivered
Your item was delivered to the front desk, reception area, or mail room at 8:44 am on August 12, 2024 in ARTESIA, NM 88210.		Delivered, Front Desk/Reception/Mail Room ARTESIA, NM 88210 August 12, 2024, 8:44 am See All Tracking History
Get More Out of USPS Tracking: USPS Tracking Plus®		What Do USPS Tracking Statuses Mean?
See More		
Released to Imaging: 11/18/2025 10:22:54 AM		

70201810000014154620


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Your item was picked up at a postal facility at 10:20 am on July 12, 2024 in SANTA FE, NM 87501.

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Delivered

Delivered, Individual Picked Up at Postal Facility

SANTA FE, NM 87501
July 12, 2024, 10:20 am

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Product Information


See Less ^

Tracking Number:

Remove X

70201810000014154323


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Latest Update

Your item was delivered to an individual at the address at 12:23 pm on July 11, 2024 in CARLSBAD, NM 88220.

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 USPS Tracking Plus®

Delivered

Delivered, Left with Individual

CARLSBAD, NM 88220
July 11, 2024, 12:23 pm

See All Tracking History

What Do USPS Tracking Statuses Mean?

See More v

From: [Barron, Jeanette](#)
To: [Clelland, Sarah, EMNRD](#)
Subject: [EXTERNAL] Re: [EXTERNAL]Action ID 362550 PLC-1051
Date: Friday, November 7, 2025 9:08:53 AM
Attachments: [Redtail Federal Com 602H, 701H & 703H PLC Application.pdf](#)

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

Happy Friday! Here is the revised application...thanks!

Jeanette Barron | Regulatory Coordinator, Delaware Basin NM | **ConocoPhillips**
O: 575-748-6974 | **C:** 575-909-2803 | 2208 W. Main Street, Artesia, New Mexico

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From: Clelland, Sarah, EMNRD <Sarah.Clelland@emnrd.nm.gov>
Sent: Friday, November 7, 2025 8:48 AM
To: Barron, Jeanette <Jeanette.Barron@conocophillips.com>
Subject: [EXTERNAL]Action ID 362550 PLC-1051

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.

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

The Division is reviewing the following application:

Action ID	362550
Admin No.	PLC-1051
Applicant	COG Operating, LLC
Title	Redtail Federal 2 A CTB
Sub. Date	07/10/2024

Please provide the following additional supplemental documents:

-

Please provide additional information regarding the following:

- **Please verify allocation method. Metering or well test?**

Additional notes:

- **If allocation is metering please update summary to make that clear.**

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.

COMMENT

Approval from Division is required prior to conducting work which modifies the well design.

Please contact the Environmental Bureau at OCD.Enviro@emnrd.nm.gov for instructions regarding the submittal process for applications of this type.

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



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

July 10, 2024

Certified Mail – Return Receipt Requested
7020 1810 0000 1415 4279

Alasco Oil and Gas, Inc.
302 W. Tilden
Roswell, NM 88203

Re: Pool Lease Commingle

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

Redtail Federal Com 602H
API# 30-025-52783
Red Tank; Bone Springs
Ut. B, Sec. 2-T23S-R32E
Lea County, NM

Redtail Federal Com 701H
API# 30-015-52784
Diamondtail; Wolfcamp
Ut. B, Sec. 2-T23S-R32E
Lea County, NM

Redtail Federal Com 703H
API# 30-025-52722
Diamondtail; Wolfcamp
Ut. B, Sec. 2-T23S-R32E
Lea County, NM

To whom it concerns:

Attached is a copy of COG Operating LLC's application for pool lease commingling of production from the Redtail Fed Com 602H, 701H & 703H wells. These wells are located in Sections 2, T23S-R32E, Lea County, NM.

You are receiving this information per NMOCD's requirement to notify all parties owning an interest in the minerals affected by this application. Any objections to these proposals should be registered with the NMOCD within 20 days of the date of this letter.

If you have any questions regarding this application, please contact me at 575-748-6974 or by email at jeanette.barron@conocophillips.com

Sincerely,

Jeanette Barron

Jeanette Barron
Regulatory Coordinator
Enclosures

From: [Barron, Jeanette](#)
To: [Clelland, Sarah, EMNRD](#)
Subject: Re: [EXTERNAL] Re: [EXTERNAL]Action ID 362550 PLC-1051
Date: Monday, November 10, 2025 10:15:08 AM
Attachments: [Redtail Fed Com -Owner Letter.pdf](#)
[Redtail Federal Com 602H, 701H & 703H PLC Application.pdf](#)

Good morning, Sarah,

Please see the attached information. The original application states metering I have changed it back to that. It will be continuous measurement, the SFD has been corrected. For the owner letter, a copy of the application is also attached.

Jeanette Barron | Regulatory Coordinator, Delaware Basin NM | **ConocoPhillips**
O: 575-748-6974 | **C:** 575-909-2803 | 2208 W. Main Street, Artesia, New Mexico

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From: Clelland, Sarah, EMNRD <Sarah.Clelland@emnrd.nm.gov>
Sent: Friday, November 7, 2025 12:07 PM
To: Barron, Jeanette <Jeanette.Barron@conocophillips.com>
Subject: RE: [EXTERNAL] Re: [EXTERNAL]Action ID 362550 PLC-1051

Happy Friday to you!

Are you sure it is well test? The way the PFD looks it is metering. Can you send me the letter that was sent to the interest owners?

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

From: Barron, Jeanette <Jeanette.Barron@conocophillips.com>
Sent: Friday, November 7, 2025 9:08 AM
To: Clelland, Sarah, EMNRD <Sarah.Clelland@emnrd.nm.gov>
Subject: [EXTERNAL] Re: [EXTERNAL]Action ID 362550 PLC-1051

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

Happy Friday! Here is the revised application...thanks!

Jeanette Barron | Regulatory Coordinator, Delaware Basin NM | **ConocoPhillips**
O: 575-748-6974 | C: 575-909-2803 | 2208 W. Main Street, Artesia, New Mexico

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

Sent: Friday, November 7, 2025 8:48 AM

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

Subject: [EXTERNAL]Action ID 362550 PLC-1051

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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 SURFACE COMMINGLING
SUBMITTED BY COG OPERATING, LLC**

ORDER NO. PLC-1051

ORDER

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

FINDINGS OF FACT

1. COG Operating, LLC (“Applicant”) submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells as described in Exhibit A (“Application”).
2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
3. Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
4. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
5. Applicant certified the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.
7. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10 A.(2) NMAC, 19.15.12.10 C.(4)(c) NMAC, and 19.15.12.10 C.(4)(e) NMAC, as applicable.
8. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9 A.(5) NMAC and 19.15.23.9 A.(6) NMAC, as applicable.
9. Applicant’s proposed method of allocation, as modified herein, complies with 19.15.12.10 B.(1) NMAC or 19.15.12.10 C.(1) NMAC, as applicable.

10. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10 B.(3) NMAC and 19.15.12.10 C.(4)(h) NMAC.
11. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

1. Applicant is authorized to surface commingle oil and gas production from the pools, leases, and wells as described in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells as described in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

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

9. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ALBERT C. S. CHANG
DIRECTOR**

DATE: 11/14/2025

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **PLC-1051**

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

Central Tank Battery: **Redtail Federal 2 A Central Tank Battery**

Central Tank Battery Location: **UL A, Section 2, Township 23 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: **UL A, Section 2, Township 23 South, Range 32 East**

Pools

Pool Name	Pool Code
DIAMONDTAIL;BONE SPRING	17644
DIAMONDTAIL;WOLFCAMP	17645
RED TANK;BONE SPRING	51683

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
CA Wolfcamp NMNM 106370338	E2E2	02-23S-32E
	E2E2	11-23S-32E
	E2E2	14-23S-32E
CA Wolfcamp NMNM 106370489	W2E2	02-23S-32E
	W2E2	11-23S-32E
	W2E2	14-23S-32E
CA Bone Spring NMNM 106370551	E2	02-23S-32E
	E2	11-23S-32E
	E2	14-23S-32E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-52722	REDTAIL FEDERAL COM #703H	W2E2	02-23S-32E	17645
		W2E2	11-23S-32E	
		W2E2	14-23S-32E	
30-025-52784	REDTAIL FEDERAL COM #701H	E2E2	02-23S-32E	17645
		E2E2	11-23S-32E	
		E2E2	14-23S-32E	
30-025-53389	REDTAIL FEDERAL COM #602H	E2	02-23S-32E	51683
		E2	11-23S-32E	17644
		E2	14-23S-32E	

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

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/oed/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 362550

CONDITIONS

Operator: COG OPERATING LLC 600 W Illinois Ave Midland, TX 79701	OGRID: 229137
	Action Number: 362550
	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 .	11/18/2025