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United States Department of the Interior

BUREAU OF LAND MANAGEMENT



Carlsbad Field Office 620 E. Greene Carlsbad, New Mexico 88220-6292 www.nm.blm.gov

In Reply Refer to NM127243 3107 (P0220)

Memorandum

To: State Director (9210)

From: Legal Instrument Examiner (P0220)

Subject: First Production, Communitization Agreement NM127243

Date of Completion: December 20, 2011

Date of First Production: December 29, 2011

Field: Culebra Bluff, Bone Spring

Operator, Well Name & No, API Number: COG Operating LLC; Road Lizard 5 Federal Com

2H; 30-015-39283

Location: SWNE sec. 5, T. 23 S., R. 29 E.

Total Depth: 16,805' MD; 8,666' TVD

Surface Elevation: 3,014' GL

Producing Formation: Bone Spring (8,940' – 16,755')

Well Capable of Production in Paying Quantities: Yes

Initial Daily Production: Oil 402 BBL; Gas 860 MCF; Water 2516 BBL

Current Status: Producing Oil Well

Remarks: CA NM127243, effective 6/1/11, communitizes production of all gas and fluid hydrocarbons in the Bone Spring formation beneath the SWNE, NWSE, SWSE of sec. 5, and the W2E2 of sec. 8, T. 23 S., R. 29 E., Eddy County, NM, and is comprised of 120 acres of Federal land in lease NM-59383, and 160 acres of Fee land, for a 280 acre spacing unit.

If you have any questions regarding this memorandum, please call Kurt Simmons at (575) 234-5983.

/S/ Debbie McKinney

January 19, 2012

cc:

ONRR-Denver First Production File LLNM (P0220, File Room)