



IN REPLY REFER TO:

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

New Mexico State Office
P.O. Box 27115
Santa Fe, New Mexico 87502-0115
www.blm.gov/nm



IN REPLY REFER TO:

NM135472
3105.2 (P0220)

Reference:

Communitization Agreement
Sam Adams 12 Fed Com UBB 4H
T. 17 S., R. 29 E.,
Section 12: S2N2
Eddy County, NM

January 14, 2016

COG Operating, LLC
One Concho Center
600 West Illinois Avenue
Mid Land, TX 79701

RECEIVED OGD
2016 JAN 22 P 2:44

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM135472 involving 80 acres of Federal land in lease NMNM123516 and 80 acres of Federal land in lease NMNM7752, Eddy County, New Mexico, which comprises a 160 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Yeso formation beneath Sec. 12, S2N2, T. 17 S., R. 29 E., NMPM, and is effective 08/01/2014. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

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

If you have any questions regarding this approval, please contact Edward G Fernandez, Petroleum Engineer at (575) 234-2220.

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

Sincerely,



Stephen Caffey
Assistant Field Manager,
Lands and Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver

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

NMOCD

NM (9200)

NM (P0220-CFO, File Room)

Determination - Approval - Certification

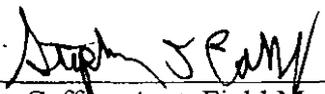
Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement 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 that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.

- B. Approve the attached Communitization Agreement covering Sec. 12: S2N2, T. 17 S., R. 29 E., NMPM, as to all producible hydrocarbons from the Yeso formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (c) are not met.

- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved:



Stephen Caffey, Asst. Field Mgr.
Authorized Officer

Effective: 08/01/2014

Contract No.: Com. Agr. NM135472



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
NM135472
3107 (P0220)

Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NM135472

Date of Completion: 11/14/2014
Date of First Production: 11/26/2014
Field: Empire
Operator, Well Name & No, API Number: COG Operating; Sam Adams 12 Fed Com UBB 4H;
30-015-41618
Surface Location: Section 12, SWNW, T. 17 S., R. 29 E.
Bottom Location: Section 12, SENE, T. 17 S., R. 29 E.
Total Depth: 9,314 MD; 4,836 TVD
Surface Elevation: 3,646 GL
Producing Formation: Yeso (5,300 – 9,200)
Well Capable of Production in Paying Quantities: Yes
Initial Daily Production: Oil 58 BBL; Gas 61 MCF; Water 703 BBL
Current Status: Producing Oil Well

Remarks: CA NM135472, effective 08/01/2014, communitizes production of all gas and fluid hydrocarbons in the Yeso formation beneath Sec. 12, S2N2, T. 17 S., R. 29 E., NMPM, and comprises 80 acres of Federal land in lease NM123516, and 80 acres of Federal land in lease NM7752 for a 160-acre well spacing unit whose leases are held by actual production.

If you have any questions regarding this memorandum, please email Deborah Ham at dham@blm.gov.

/S/ Deborah Ham
01/14/2016

cc:
ONRR-MS 63230B
First Production File
LLNM (P0220, File Room)