



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](http://www.blm.gov/nm)



IN REPLY REFER TO:

NM133058

3105.2 (P0220)

Reference: CORRECTION  
Hobgoblin 7 Fed Com UBB 4H  
N2 of sec 7, T17S, R.30 E,  
Eddy County, NM

January 14, 2016

COG Operating, LLC  
600 West Illinois Avenue  
Midland, TX 88220-6292

Gentlemen:

Enclosed is a corrected copy of Communitization Agreement NM133058 involving 74.75 acres of Federal land in lease NMNM7752, and 240 acres of Federal land in lease NM117122, Eddy County, New Mexico, which comprise a 314.75 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Yeso formation beneath the N2 of sec. 7, T. 17 S., R. 30 E., NMPM, and is effective 1/1/14. 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.

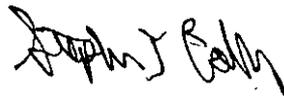
Copies of this approval letter are being distributed to the appropriate Federal agencies. You are requested to furnish all interested parties with the appropriate evidence of this approval. Any production royalties that are due must be reported and paid according to regulations set up by the Office of 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.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen J. Caffey".

Stephen Caffey  
Assistant Field Manager,  
Lands and Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver (357B-1, Antoinette Contreras, Stacey Kaiser)

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

NMOCD

NM (9200)

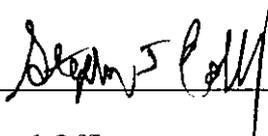
NM (P0220-CFO, File Room)

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. 7: N2, T. 17 S., R. 30 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:



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Authorized Officer  
Stephen Caffey  
Asst. Field Mgr.

Effective: 1/1/14

Contract No.: Com. Agr. NM133058



# 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  
NM133058  
3107 (P0220)

### Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NM133058

Date of Completion: 05/27/2014  
Date of First Production: 05/30/2014  
Field: Loco Hills  
Operator, Well Name & No, API Number: COG Operating; Hobgoblin 7 Fed Com UBB 4H; 3001541815  
Surface Location: N2 sec. 7, T. 17 S., R. 30 E.  
Total Depth: 9,529 MD; 5,025 TVD  
Surface Elevation: 3,671' GL  
Producing Formation: Yeso (5,280 – 9,445)  
Well Capable of Production in Paying Quantities: Yes  
Initial Daily Production: Oil 311 BBL; Gas 132 MCF; Water 2,077 BBL  
Current Status: Producing Oil Well  
Remarks: CA NM133058, effective 01/01/2014, communitizes production of all gas and fluid hydrocarbons in the Yeso formation beneath the N2 of sec. 7, T. 17S; R. 30E., NMPM, and comprises 74.75 acres of Federal land in lease NM7752, and 240.00 acres of Federal land in lease NM117122 for a 314.75 well spacing unit, whose leases are held by actual production.

If you have any questions regarding this memorandum, please call Arthur Morrison at [ajmorrison@blm.gov](mailto:ajmorrison@blm.gov).

/S/ Arthur Morrison  
September 26, 2014

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