CONCHO

November 10, 2020

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

Re: Application for Administrative Approval
Off-lease Measurement – Oil Only

Dear Mr. McClure,

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

Tenderloin Fed Com 4H
API# 30-025-43891
Grama Ridge; Bone Spring, West
Ut. M, Sec. 12-T22S-R33E
Lea County, NM

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

Notifications have been sent to all working interest owners

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

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

Sincerely,

Jeanette Barron

Jeanette Barron
Regulatory Technician II

CORPORATE ADDRESS
One Concho Center | 600 West Illinois Avenue | Midland Texas 79701
P 432 683.7443 | F 432.683.7441

ARTESIA WEST OFFICE
2208 Main Street | Artesia, New Mexico 88210
P 575.748 6940 | F 575.746.2096

Received by OCD: 12/18/2020 9:50:01AM

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

(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 Technician II DATE: 11/10/20

TYPE OR PRINT NAME Jeanette Barron TELEPHONE NO.: 575.748.6974

E-MAIL ADDRESS: jbarron@concho.com

Received by OCD: 12/18/2020 9:50:01AM

Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:

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: COG Operating, LLC **OGRID Number:** 229137
Well Name: Tenderloin Federal Com 4H **API:** 30-025-43891
Pool: GRAMA RIDGE; BONE SPRINGS, WEST **Pool Code:** 28432

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

FOR OCD ONLY
☐ Notice Complete
☐ Application Content Complete

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

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.

Jeanette Barron
Print or Type Name

11/10/20
Date

575-746-6974
Phone Number

Jeanette Barron
Signature

jbarron@concho.com
e-mail Address

Received by OCD: 12/18/2020 9:50:01AM

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 Road, 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, NM 87505

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

☐ AMENDED REPORT
(As Drilled)

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-025-43891	28432	Grama Ridge; Bone Spring, West

[4] Property Code	[5] Property Name	[6] Well Number
318328	Tenderloin Federal Com	4H

[7] OGRID No.	[8] Operator Name	[9] Elevation
229137	COG Operating LLC	3524.3' GR

[10] Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	12	22S	33E		655	South	660	West	Lea

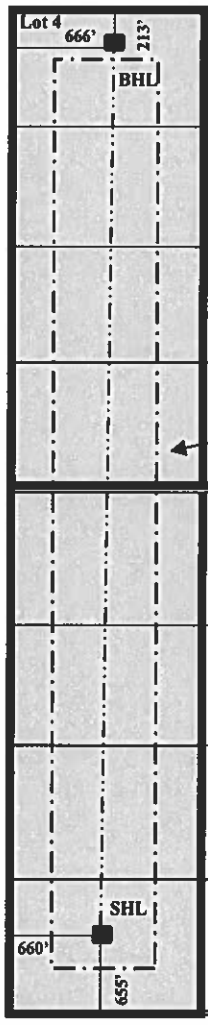
[11] Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	1	22S	33E	4	213	North	666	West	Lea

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
320			

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.

16



Lot 3	Lot 2	Lot 1
Producing Area 11041-20650'		Sec 1-T22S-R33E
		Sec 12-T22S-R33E

[17] OPERATOR CERTIFICATION

I hereby certify that the information contained 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Jeanette Barron 11/10/20
Signature Date

Jeanette Barron
Printed Name

jbarron@concho.com
E-mail Address

[18] 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.

Date of Survey

Signature and Seal of Professional Surveyor:

REFER TO ORIGINAL PLAT

Certificate Number

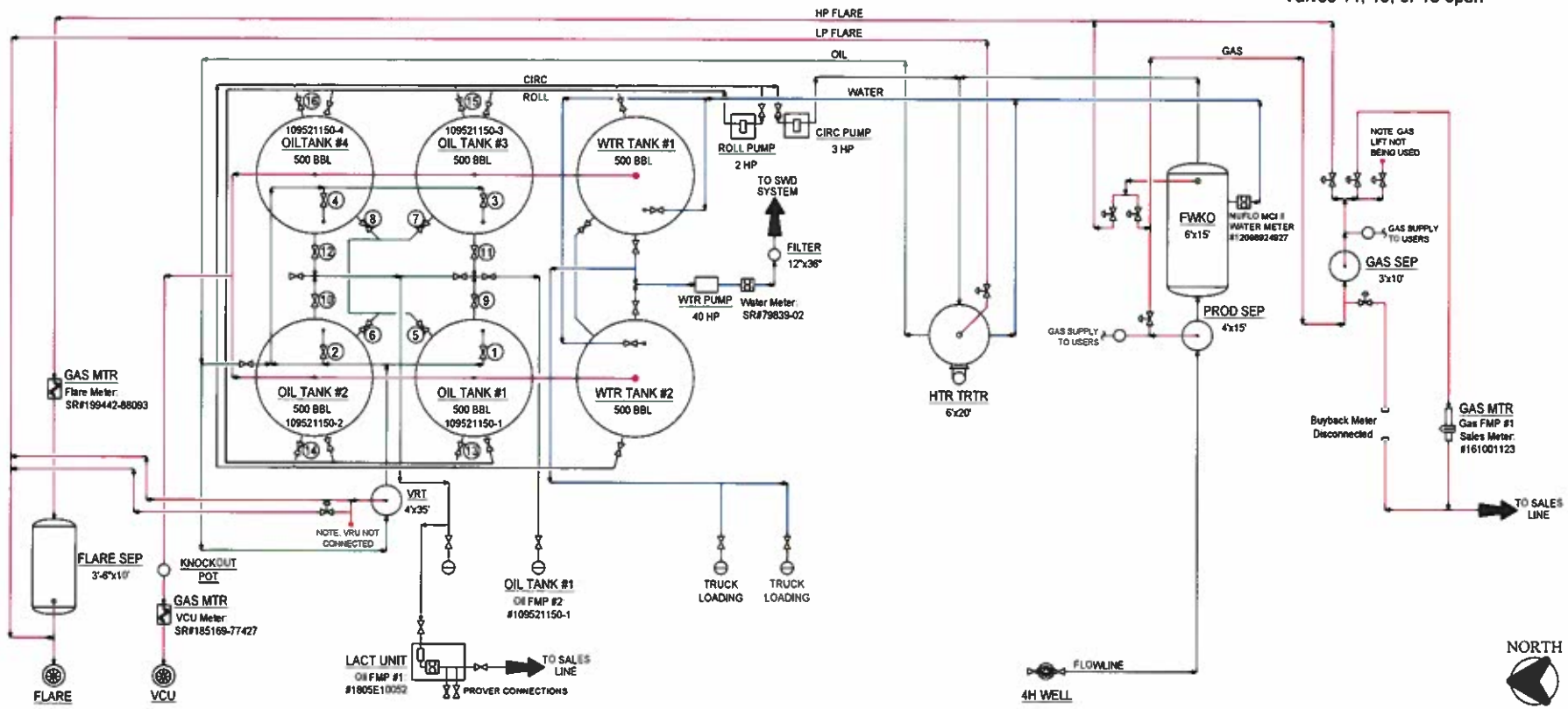
Received by OCD: 12/18/2020 9:50:01AM

TENDERLOIN FED COM 4H BATTERY
SECTION 12, T22S, R33E, UNIT M
LEA COUNTY, NM
COORDS: 32.400900°, -103.532086°

WELLS:
TENDERLOIN FED COM #004H: 30-025-43891

Production Phase - Oil Tank #1
- Valve 1 open
- Valves 2, 3, and 4 sealed closed
- Valves 5, 6, 7, and 8 open
- Valves 9, 10, 11, and 12 sealed closed
- Valve 13 open
- Valves 14, 15, and 16 sealed closed

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



NOTES:
Type of Lease: Federal
Federal Lease SHL #: NMNM 17440
CA/Agreement #: NMNM138432
Property Code: 318328
OGRID #: 229137

Ledger for Site Diagram
Produced Fluid:
Produced Oil:
Produced Gas:
Produced Water:
Flare/Vent:

CONFIDENTIALITY NOTICE: THIS DRAWING IS PROPERTY OF COG OPERATING LLC AND IS LENT TO THE RECEIVER 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

REVISIONS				
NO.	DATE	DESCRIPTION	BY	CHK.	APP.
A	08/03/18	ISSUED FOR REVIEW	JS	MK	
B	10/05/20	REVISED PER FIELD VERIFICATION	RTG		

ENGINEERING RECORD	BY	DATE
DRN:	JS	08/03/18
DES:		
CHK:		
APP:		
AFE NO:		
FACL ENGR:		
OPER ENGR:	VARIES	
SCALE:	NONE	

COG OPERATING LLC
SITE SECURITY PLANS
LOCATED AT:
ONE CONCHO CENTER
600 WEST ILLINOIS AVENUE
MIDLAND, TEXAS 79701

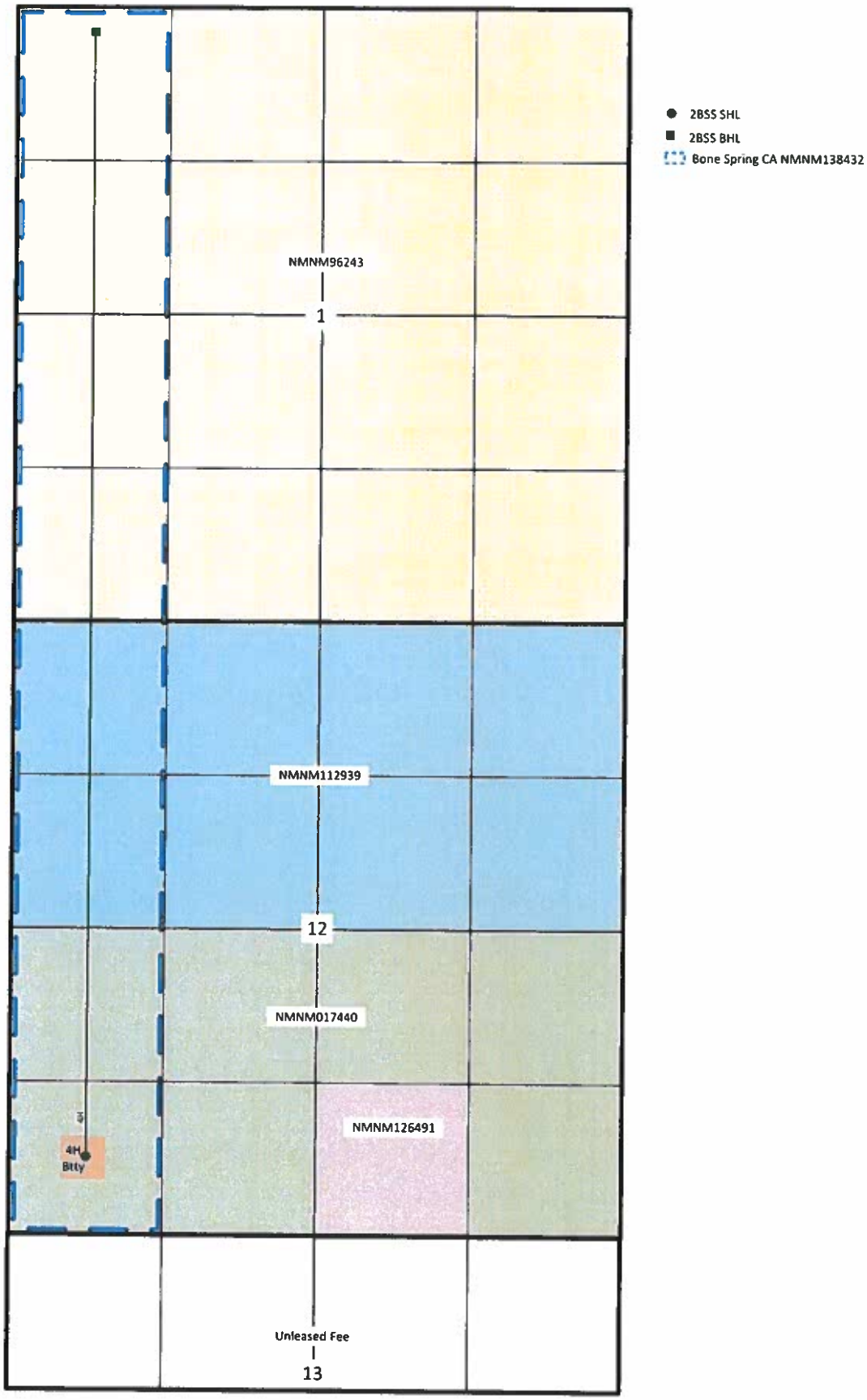
CONCHO

NORTHERN DELAWARE BASIN ASSET
PRODUCTION FACILITIES
SITE FACILITY DIAGRAM
TENDERLOIN FED COM 4H BATTERY

LEA COUNTY NEW MEXICO
TWNSHP/RANGE: MULTIPLE
DWG NO. D-1700-81-005
REV B

DW - 01 23 20

Tenderloin Federal Com 4H Well



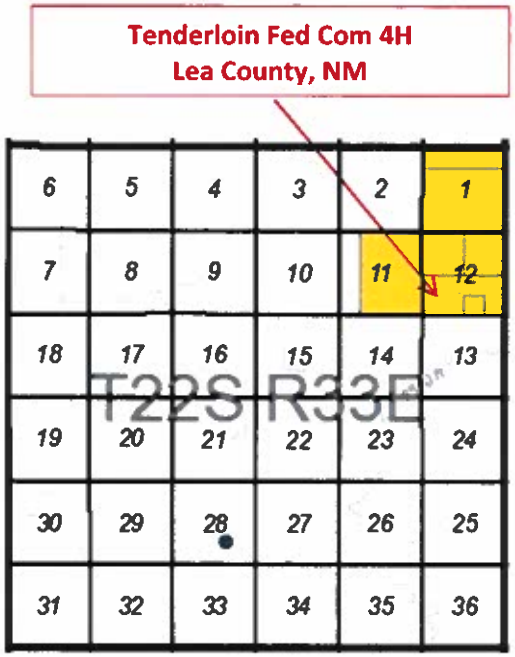
Sec. 1, 12, 13-T22S-R33E
Lea County, NM

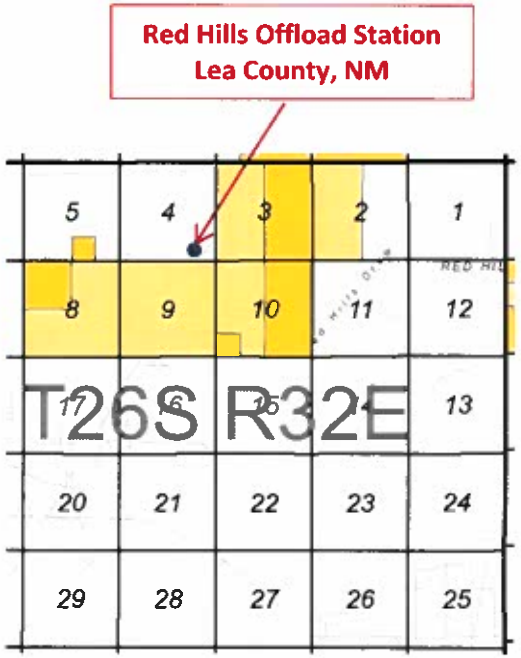
Received by OCD: 12/18/2020 9:50:01AM

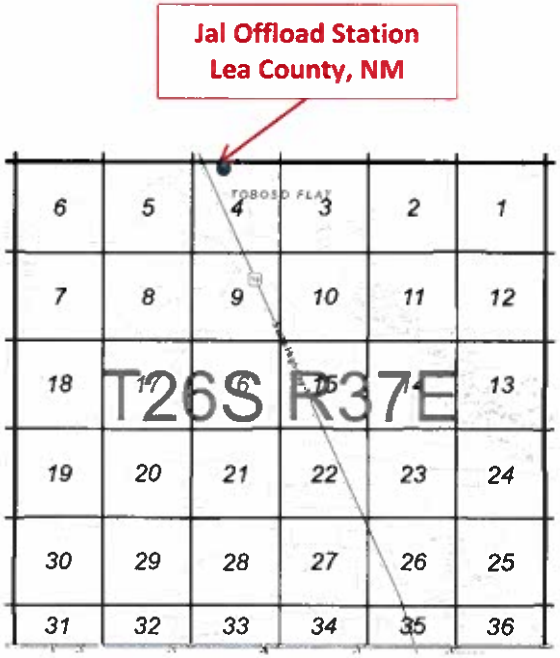
TENDERLOIN FED COM 4H

Received by OCD: 12/18/2020 9:50:01AM

Tenderloin Fed Com 4H
&
Red Hills and Jal Offload Station Map







TENDERLOIN FED COM 4H								
Date Sent	*Initials*	Name	Address	City	State	ZipCode	Certified Return Receipt No.	Delivered
11.10.20	JB	MARSHALL & WINSTON, INC.	P.O. BOX 50880	MIDLAND	TX	79710-0880	7019 1640 0001 2960 0040	
11.10.20	JB	OXY Y-1 COMPANY	S GREENWAY PLAZA, SUITE 110	HOUSTON	TX	77046	7017 3040 0000 1206 3893	
11.10.20	JB	ADVANCE ENERGY PARTNERS LLC	11490 WESTHEIMER ROAD SUITE 950	HOUSTON	TX	77077	7017 3040 0000 1206 3909	
11.10.20	JB	CM RESOURCES, LLC	303 W WALL STREET SUITE 100	MIDLAND	TX	79701	7017 3040 0000 1206 3954	
11.10.20	JB	BULLHEAD ENERGY, LLC	PO BOX 470158	FT WORTH	TX	76147	7017 3040 0000 1205 3443	
11.10.20	JB	EOG RESOURCES	5509 CHAMPIONS DR.	MIDLAND	TX	79706	7017 3040 0000 1206 3947	
11.10.20	JB	BLM	414 WEST TAYLOR	HOBBS	NM	88240	7019 1640 0001 2960 0064	

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 Lot 4, SWNW, W2 of sec. 01 and W2W2 of sec. 12, T. 22 S., R. 33 E., NMPM, as to all producible hydrocarbons from the Bone Spring 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: 09/10/2018

Cody R. Layton
Assistant Field Manager
Lands and Minerals

Effective: March 1, 2017

Contract No.: Com. Agr. NMNM138432

Received by OCD: 12/18/2020 9:50:01AM

Page 11 of 33

LEA COUNTY, NM
KEITH MANES, COUNTY CLERK
000031484
Book2140 Page 574
1 of 16
10/11/2018 09:06 AM
BY ANGELA BEAUCHAMP

Federal/Federal

FEDERAL COMMUNITIZATION AGREEMENT

Well Name: Tenderloin Federal Com #4H

Contract No. NMNM 138432

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 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 22 South, Range 33 East, N.M.P.M.
Section 1: W½W½
Section 12: W½W½
Lea County, New Mexico

containing 320.02 ares, and this agreement shall include only the Bone Spring Formation underlying said lands and the natural gas and associated liquid hydrocarbons, hereafter referred to as "communitized substances," producible from such formation.

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.

Received by OCD: 12/18/2020 9:50:01 AM

Page 12 of 33

4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.

5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal, State, or fee land included within the CA area are to be placed in an interest earning escrow or trust account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this Agreement shall not be affected by this Agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this Agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any non-communitized lease production, provided, however, in regard 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 non-communitized 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 March 1, 2017, 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

Received by OCD: 12/18/2020 9:50:01 AM

duly authorized representative, and shall remain in force and effect for a period of two (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 sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of non-production. The two (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 occurs 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. Non-Discrimination: 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.

Page 13 of 33

Received by OCD: 12/18/2020 9:50:01AM

Page 14 of 33

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.

OPERATOR
OPERATING RIGHTS OWNER
RECORD TITLE OWNER (NMNM—112939 and NMNM 96243):

Statement of Written Consent by All Named Owners:

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

COG OPERATING LLC

By: Mark A. Carter
Mark A. Carter
Attorney-in-Fact

STATE OF TEXAS §
§
COUNTY OF MIDLAND §

This Instrument was acknowledged before me on February 19, 2018, by Mark A. Carter, Attorney-in-Fact of COG Operating LLC, a Delaware limited liability company, on behalf of same.

LAURA R. REYNA
NOTARY PUBLIC
STATE OF TEXAS
My Comm. Exp. 02-14-2019

Laura R Reyna
Notary Public in and for the State of Texas

LEA COUNTY, NM
KEITH MANES, COUNTY CLERK
000031484
Book2140 Page 374
5 of 16
10/11/2018 09:06 AM
BY ANGELA BEAUCHAMP

Tenderloin Federal Com #4H

Received by OCD: 12/18/2020 9:50:01AM

Page 15 of 33

OPERATING RIGHTS OWNER (NMNM 112939 and NMNM 096243):

ADVANCE ENERGY PARTNERS, LLC

By: David A. Scott
Name: DAVID A. Scott
Title: VICE President

STATE OF Texas §
§
COUNTY OF Harris §

This instrument was acknowledged before me on June 22, 2017, by David A. Scott, as V.P. - Land, Legal and Contracts of Advance Energy Partners, LLC, a Delaware Limited Liability Company, on behalf of said Limited Liability Company.

BRIAN ANDREW VAN STAVEREN
Notary Public, State of Texas
Comm. Expires 01-20-2021
Notary ID 13097010-9

Notary Public in and for the State of Texas

LEA COUNTY, NM
KEITH MANES, COUNTY CLERK
000031484
Book2140 Page 574
6 of 16
10/11/2018 09:06 AM
BY ANGELA BEAUCHAMP

Received by OCD: 12/18/2020 9:50:01AM

Page 16 of 33

LEA COUNTY, NM
KEITH MANES, COUNTY CLERK
000031494
Book2148 Page 574
7 of 16
10/11/2018 09:06 AM
BY ANGELA BEAUCHAMP

OPERATING RIGHTS OWNER (NMNM—112939 and NMNM 96243):

MARSHALL & WINSTON INC.

By: Tom M Brandt
Name: Tom M. Brandt
Title: President

STATE OF TEXAS §
§
COUNTY OF MIDLAND §

This instrument was acknowledged before me on April 7, 2017, by Tom M. Brandt, as President of Marshall & Winston, Inc., a Nevada corporation, on behalf of said corporation.

Melanie Aiguier
Notary Public in and for the State of Texas

MELANIE AIGUIER
Notary Public, State of Texas
My Commission Expires
April 24, 2018

Tenderloin Federal Com #4H

Received by OCD: 12/18/2020 9:50:01 AM

LEA COUNTY, NM
KEITH MANES, COUNTY CLERK
000031484
Book2140 Page 574
8 of 16
10/11/2018 09:06 AM
BY ANGELA BEAUCHAMP

Federal/Federal

OPERATING RIGHTS OWNER (NMNM—112939 and NMNM 96243):

CM RESOURCES, LLC

By: _____
Name: Brandon Gaynor
Title: Senior Vice President

STATE OF Texas §
§
COUNTY OF Midland §

This instrument was acknowledged before me on December 15th, 2017, by Brandon Gaynor, as Sr. Vice President of CM Resources LLC, a Texas limited liability company, on behalf of said company.

TAYLOR CRAIGHEAD
Notary ID # 129346705
My Commission Expires
March 14, 2021

Notary Public in and for the State of Texas

Tenderloin Federal Com #4H

Received by OCD: 12/18/2020 9:50:01 AM

Page 18 of 33

LEA COUNTY, NM
KEITH MANES, COUNTY CLERK
000031484
Book2148 Page 574
9 of 16
10/11/2018 09:06 AM
BY ANGELA BEAUCHAMP

Federal/Federal

OPERATING RIGHTS OWNER (NMNM—017440):

OXY Y-1 COMPANY

By: _____
Name: _____
Title: Bradley S. Dusek
Attorney-in-fact

STATE OF Texas §
§
COUNTY OF Harris §

This instrument was acknowledged before me on 30, June, 2017, by Bradley S. Dusek, as Attorney-in-Fact of Oxy Y-1 Company, a New Mexico Corporation, on behalf of said Corporation.

GINGER BAILEY GARCIA
Notary Public, State of Texas
Comm. Expires 04-07-2019
Notary ID 13018125-7

Notary Public in and for the State of TX

Tenderloin Federal Com #4H

Received by OCD: 12/18/2020 9:50:01AM

LEA COUNTY, NM
KEITH MANES, COUNTY CLERK
000931484
Book2149 Page 574
18 of 16
10/11/2018 09:06 AM
BY ANGELA BEAUCHAMP

Federal/Federal

RECORD TITLE OWNER (NMNM—017440):

FIRST INTL BANK OF ARIZONA

By: Subject to Compulsory Pooling Order R-14428
Name: _____
Title: _____

STATE OF _____ §
§
COUNTY OF _____ §

This instrument was acknowledged before me on _____, 2017, by _____, as _____ of _____ _____, a _____ _____, on behalf of said _____ _____.

_____
Notary Public in and for the State of _____

Tenderloin Federal Com #4H

Received by OCD: 12/18/2020 9:50:01 AM

Page 20 of 33

LEA COUNTY, NM
KEITH MANES, COUNTY CLERK
000031484
Book2140 Page 574
11 of 16
10/11/2010 09:06 AM
BY ANGELA BEAUCHAMP

Federal/Federal

OPERATING RIGHTS OWNER (NMNM—017440):

EOG Y RESOURCES INC.

By: Subject to Compulsory Pooling Order R-14428
Name: _____
Title: _____

STATE OF _____ §
§
COUNTY OF _____ §

This instrument was acknowledged before me on _____, 2017, by _____, as _____ of _____ _____, a _____ _____, on behalf of said _____ _____.

_____
Notary Public in and for the State of _____

Tenderloin Federal Com #4H

Received by OCD: 12/18/2020 9:50:01 AM

Page 21 of 33

LEA COUNTY, NM
KEITH MANES, COUNTY CLERK
000031464
Book2149 Page 574
12 of 16
10/11/2018 09:06 AM
BY ANGELA BEAUCHAMP

Federal/Federal

OPERATING RIGHTS OWNER (NMNM—017440):

EOG A RESOURCES INC.

By: Subject to Compulsory Pooling Order R-14428
Name: _____
Title: _____

STATE OF _____ §
§
COUNTY OF _____ §

This instrument was acknowledged before me on _____, 2017, by _____, as _____ of _____ _____, a _____ _____, on behalf of said _____ _____.

_____
Notary Public in and for the State of _____

Tenderloin Federal Com #4H

Received by OCD: 12/18/2020 9:50:01 AM

Page 22 of 33

LEA COUNTY, NM
KEITH MANES, COUNTY CLERK
000031484
Book2140 Page 574
13 of 16
10/11/2018 09:06 AM
BY ANGELA BEAUCHAMP

Federal/Federal

OPERATING RIGHTS OWNER (NMNM—017440):

EOG M RESOURCES INC.

By: Subject to Compulsory Pooling Order R-14428
Name: _____
Title: _____

STATE OF _____ §
§
COUNTY OF _____ §

This instrument was acknowledged before me on _____, 2017, by _____, as _____ of _____ _____, a _____ _____, on behalf of said _____ _____.

_____
Notary Public in and for the State of _____

Tenderloin Federal Com #4H

Received by OCD: 12/18/2020 9:50:01 AM

Page 23 of 33

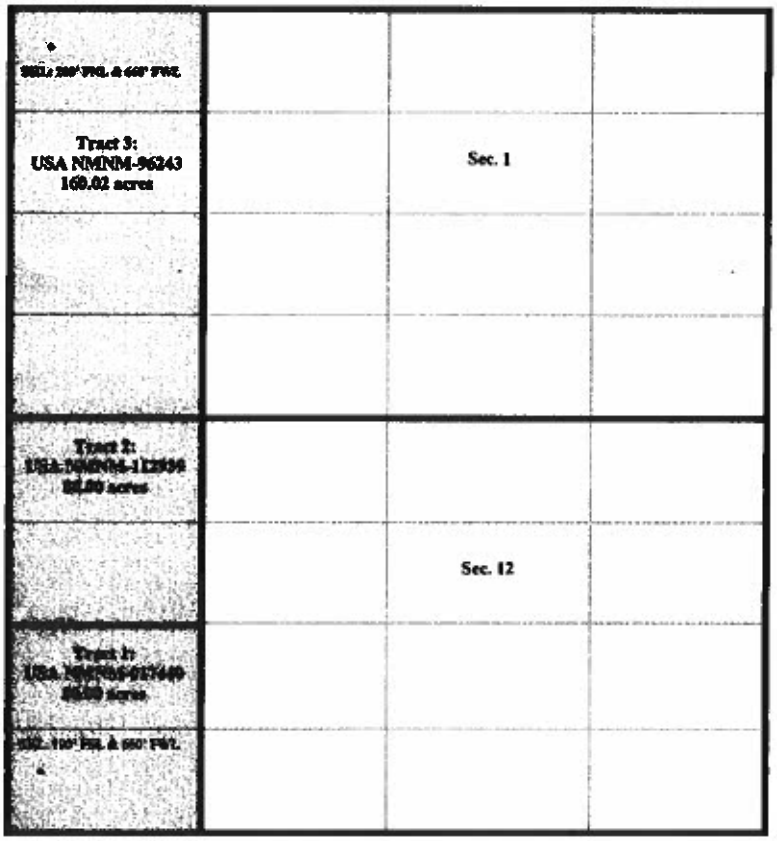
LEA COUNTY, NM
KEITH MANES, COUNTY CLERK
000031484
Book2140 Page 574
14 of 16
10/11/2010 09:06 AM
BY ANGELA BEAUCHAMP

Federal/Federal

EXHIBIT "A"

Plat of communitized area covering W½W½ of Section 12 and W½W½ of Section 1, Township 22 South, Range 33 East, N.M.P.M., Lea County, New Mexico

Tenderloin Federal Com #4H



RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest In Communitized Area
1	80.00	24.9984376%
2	80.00	24.9984376%
3	160.02	50.0031248%
Total	320.02	100.0000000%

Received by OCD: 12/18/2020 9:50:01AM

Page 24 of 33

LEA COUNTY, NM
KEITH MANES, COUNTY CLERK
000031404
Book2140 Page 574
15 of 16
10/11/2018 09:06 AM
BY ANGELA BEAUCHAMP

Federal/Federal

EXHIBIT "B"

Attached to and made a part of that Communitization Agreement dated March 1, 2017, covering W½W½ of Section 12 and W½W½ of Section 1, Township 20 South, Range 33 East, N.M.P.M., Lea County, New Mexico

Operator of Communitized Area: COG Operating LLC

DESCRIPTION OF LEASES COMMITTED:

TRACT NO. 1

Serial No. of Lease:	NMNM-017440	
Effective Date of Lease:	January 1, 1973	
Lease Term:	Ten (10) years	
Lessor:	United States of America	
Current Lessee:	First Int'l Bank of Arizona	
Description of Lands Committed:	Insofar only as said lease covers	
	Township 22 South, Range 33 East, N.M.P.M.	
	Section 12: W½SW¼	
	Lea County, New Mexico	
No. of Acres:	80.00, more or less	
WI Owners and Interests:	EOG Y Resources, Inc.	70.00%
	EOG A Resources, Inc.	10.00%
	EOG M Resources, Inc.	10.00%
	Oxy Y-1	10.00%
	Total	**100.00%**
ORRI Owners:		

TRACT NO. 2

Serial No. of Lease:	NMNM-112939	
Effective Date of Lease:	January 1, 2005	
Lease Term:	Ten (10) years	
Lessor:	United States of America	
Current Lessee:	COG Operating LLC	
Description of Lands Committed:	Insofar only as said lease covers	
	Township 22 South, Range 33 East, N.M.P.M.	
	Section 12: W½NW¼	
	Lea County, New Mexico	
No. of Acres:	80.00, more or less	
WI Owners and Interests:	COG Operating LLC	51.50%
	CM Resources LLC	20.00%
	Advance Energy Partners, LLC	16.00%
	Marshall & Winston, Inc.	12.50%
	Total	**100.00%**
ORRI Owners:		

Received by OCD: 12/18/2020 9:50:01 AM

Page 25 of 33

LEA COUNTY, NM
KEITH MANES, COUNTY CLERK
000031484
Book2148 Page 574
16 of 16
10/11/2018 09:06 AM
BY ANGELA BEAUCHAMP

Federal/Federal

TRACT NO. 3

Serial No. of Lease:	NMNM-96243	
Effective Date of Lease:	March 1, 1996	
Lease Term:	Ten (10) years	
Lessor:	United States of America	
Current Lessee:	COG Operating LLC (100.0%)	
Description of Lands Committed:	Insofar only as said lease covers	
	Township 22 South, Range 33 East, N.M.P.M.	
	Section 1: Lot 4, SW¼NW¼, W½SW¼	
	Lea County, New Mexico	
No. of Acres:	160.02, more or less	
WI Owners and Interests:	COG Operating LLC	51.50%
	CM Resources, LLC	20.00%
	Advance Energy Partners, LLC	16.00%
	Marshall & Winston, Inc.	12.50%
	Total	**100.00%**
Owners:	Of Record	

Received by OCD: 12/18/2020 9:50:01AM

From: Jeanette Barron
To: McClure, Dean, EMNRD
Subject: [EXT] RE: off lease measurement application for Tenderloin Fed Com 4H Battery (OLM-220)
Date: Wednesday, December 16, 2020 2:51:08 PM
Attachments: image001.png
7017 3040 0000 1206 3893.pdf

Here you go

Thank you,
Jeanette Barron
Regulatory Technician

COG Operating LLC | 2208 W. Main Street, Artesia, NM 88210
Office: (575) 748-6974 | Cell: (575) 703-7411

From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Sent: Wednesday, December 16, 2020 1:38 PM
To: Jeanette Barron <JBarron@concho.com>
Subject: [External] off lease measurement application for Tenderloin Fed Com 4H Battery (OLM-220)

**** External email. Use caution. ****
Ms. Barron,

I am reviewing the off lease measurement application for the Tenderloin Fed Com 4H Battery (OLM-220) operated by COG Operating, LLC (229137).

Please confirm the following person has received notice of this application:

11/14/2020	**OXY Y-1 COMPANY**	**7017 3040 0000 1206 3893**	**In-Transit**

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

NOTICE: The information in this email may be confidential and/or privileged. If you are not the intended recipient or an authorized representative of the intended recipient, you are hereby notified that any review, dissemination or copying of this email and its attachments, if any, or the information contained herein, is prohibited. If you have received this email in error, please immediately notify the sender by return email and delete this email from your system. Further, any contract terms proposed or purportedly accepted in this email are not binding and are subject to management's final approval as memorialized in a separate written instrument, excluding electronic correspondence, executed by an authorized representative of COG Operating LLC or its affiliates.

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS, FOLD AT DOTTED LINE

SENDER: *COMPLETE THIS SECTION*

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

OXY Y-1 COMPANY
5 GREENWAY PLAZA STE 110
HOUSTON TX 77046

9590 9402 3633 7305 1352 16

7017 3040 0000 1206 3893

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X CVIG
☑ Agent
☐ Addresse

B. Received by *(Printed Name)*

C. Date of Delive
1/14/2

address different from item 1? ☐ Yes
ter delivery address below: ☐ No

3. Service Type
☐ Adult Signature
☐ Adult Signature Restricted Delivery
☐ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
Delivery Restricted Delivery
il Restricted Delivery
(over $500)
☐ Priority Mail Express®
☐ Registered Mail™
☐ Registered Mail Restri Delivery
☐ Return Receipt for Merchandise
☐ Signature Confirmatio
☐ Signature Confirmatio Restricted Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9053 Domestic Return Recei

Received by OCD: 12/18/2020 9:50:01 AM

From: Engineer, OCD, EMNRD
To: Jeanette Barron
Cc: McClure, Dean, EMNRD; Bratcher, Mike, EMNRD; Kautz, Paul, EMNRD; lisa@rwbyram.com; Glover, James; kparadis@blm.gov; Walls, Christopher
Subject: Approved Administrative Order OLM-220
Date: Friday, December 18, 2020 9:40:56 AM
Attachments: OLM220 Order.pdf

NMOCD has issued Administrative Order OLM-220 which authorizes COG Operating, LLC (229137) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	Location (NMPM)	Pool Code
30-025-43891	Tenderloin Fed Com #4H	M-12-22S-33E	28432

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval.

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

State of New Mexico
Energy, Minerals and Natural Resources Department

Notice

Order: OLM-220
Operator: COG Operating, LLC (229137)
Publication Date:
Date Sent: 11/10/2020

Noticed Persons

Date	Person	Certified Tracking Number	Status
11/16/2020	MARSHALi. & WINSTON, INC.	7019 1640 0001 2960 0040	Delivered
11/14/2020	OXY Y-1 COMPANY	7017 3040 0000 1206 3893	In-Transit
11/14/2020	ADVANCE ENERGY PARTNERS LLC	7017 3040 0000 1206 3909	Delivered
11/12/2020	CM RESOURCES, LLC	7017 3040 0000 1206 3954	Delivered
11/17/2020	BULLHEAD ENERGY, UC	7017 3040 0000 1205 3443	Delivered
11/12/2020	EOG RESOURCES	7017 3040 0000 1206 3947	Delivered
11/12/2020	BLM	7019 1640 0001 2960 0064	Delivered

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

APPLICATION FOR OFF-LEASE MEASUREMENT
SUBMITTED BY COG OPERATING, LLC **ORDER NO. OLM-220**

ORDER

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

FINDINGS OF FACT

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

CONCLUSIONS OF LAW

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

ORDER

1. Applicant is authorized to off-lease measure oil production from the wells, pool, and lease identified in Exhibit A.
2. The oil production from the wells identified in Exhibit A shall be physically separated from the oil production from other wells and no commingling of production from different leases shall occur in accordance with 19.15.23.9(A)(3) NMAC and 19.15.23.9(A)(4) NMAC.
3. Applicant shall measure the commingled oil at a central tank battery described in Exhibit A in accordance with 19.15.18.15 NMAC or 19.15.23.8 NMAC.
4. Applicant shall calibrate the meters used to measure or allocate oil production in accordance with 19.15.12.10(C)(2) NMAC.

5. OCD retains jurisdiction and reserves the right to modify or revoke this Order if it is deemed necessary to prevent waste or protect correlative rights, public health, or the environment.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

_____ **DATE:** 12/17/2020

ADRIENNE SANDOVAL
DIRECTOR
AS/dm

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: OLM-220
Operator: COG Operating, LLC (229137)
Central Tank Battery: Tenderloin Fed Com 4H Battery
Central Tank Battery Location (NMPM): Unit M, Section 12, Township 22 South, Range 33 East
Central Tank Battery: Red Hills Offload Station
Central Tank Battery Location (NMPM): Unit O, Section 4, Township 26 South, Range 32 East
Central Tank Battery: Jal Offload Station
Central Tank Battery Location (NMPM): Unit D, Section 4, Township 26 South, Range 37 East
Gas Custody Transfer Meter Location (NMPM):

Pools

Pool Name	Pool Code
GRAMA RIDGE; BONE SPRINGS, WEST	28432

Leases as defined in 19.15.12.7(C) NMAC

Lease	Location (NMPM)	
CA BS NMNM 138432	W/2 W/2	Sec 1-T22S-R33E
	W/2 W/2	Sec 12-T22S-R33E

Wells

Well API	Well Name	Location (NMPM)	Pool Code	Train
30-025-43891	Tenderloin Fed Com #4H	M-12-22S-33E	28432	

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) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 11141

CONDITIONS OF APPROVAL

Operator:	OGRID:	Action Number:	Action Type:
COG OPERATING LLC 600 W Illinois Ave Midland, TX79701	229137	11141	C-107B

OCD Reviewer	Condition
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval.