



December 28, 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:

Hambone Federal Com 704H
API# 30-015-46669
Purple Sage; Wolfcamp (Gas)
Ut. K, Sec. 8-T26S-R29E
Eddy County, NM

Hambone Federal Com 705H
API# 30-015-46670
Purple Sage; Wolfcamp (Gas)
Ut. K, Sec. 8-T26S-R29E
Eddy County, NM

Hambone Federal Com 706H
API# 30-015-46671
Purple Sage; Wolfcamp (Gas)
Ut. K, Sec. 8-T26S-R29E
Eddy 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 copies of the submitted FMP sundries.

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
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

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: COG Operating, LLC

OGRID Number: 229137

Well Name: Hambone Federal Com 704H and two other wells

API: 30-015-46669

Pool: Purple Sage; Wolfcamp (Gas)

Pool Code: 98220

**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 holdersB. ☒ Royalty, overriding royalty owners, revenue ownersC. ☒ Application requires published noticeD. ☒ Notification and/or concurrent approval by SLOE. ☒ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☐ 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.

Jeanette Barron

Print or Type Name

Jeanette Barron
 Signature

Date

12/28/20

575-746-6974

Phone Number

jbarron@concho.com

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

Form C-107-B
Revised August 1, 2011

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

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: 12/28/20

TYPE OR PRINT NAME Jeanette Barron TELEPHONE NO.: 575.748.6974

E-MAIL ADDRESS: jbarron@concho.com

DISTRICT I
1825 N. FRENCH DR., HOBBS, NM 88240
Phone: (878) 393-4181 Fax: (878) 393-0720

DISTRICT II
811 S. FIRST ST., ARTESIA, NM 88210
Phone: (878) 746-1353 Fax: (878) 746-9720

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) 478-3480 Fax: (505) 478-3488

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 30-015-46669	Pool Code 98220	Pool Name Purple Sage; Wolfcamp (Gas)
Property Code 323072	Property Name HAMBONE FEDERAL COM	Well Number 704H
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 2895.3'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	8	26-S	29-E		1353	SOUTH	1755	WEST	EDDY

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
C	5	26-S	29-E		200	NORTH	2178	WEST	EDDY

Dedicated Acres 560	Joint or Infill	Consolidation Code	Order No.
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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

<p>Y=392602.5 N X=639919.8 E</p> <p>2178' B.H.</p> <p>Y=392610.2 N X=642555.7 E</p> <p>200'</p> <p>LTP 330' FNL & 2178' FWL Y=392278.9 N X=642099.6 E LAT.=32.078037° N LONG.=104.008007° W</p> <p>LEASE X-ING LAT.=32.071683° N LONG.=104.007993° W</p> <p>GRID AZ. = 359°43'21" - 9021.4 HORZ. DIST.</p> <p>SECTION 5 SECTION 8</p> <p>EIP 1420' FSL & 2178' FWL Y=383387.6 N X=642142.6 E LAT.=32.053595° N LONG.=104.007954° W GRID AZ. TO FTP 82°20'31"</p> <p>Y=383331.9 N X=639960.4 E</p> <p>1755'</p> <p>S.L.</p> <p>1353'</p>	<p>NAD 83 NME PROPOSED BOTTOM HOLE LOCATION Y=392408.9 N X=642098.9 E LAT.=32.078394° N LONG.=104.008008° W</p>	<p>OPERATOR CERTIFICATION</p> <p>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.</p> <p><i>Jeanette Barron</i> 12/28/20 Signature Date</p> <p>Jeanette Barron Printed Name</p> <p>jbarron@concho.com E-mail Address</p> <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>JULY 3, 2019 Date of Survey</p> <p>Signature & Seal of Professional Surveyor</p> <p><i>Chad L. Harcrow</i> 8/7/19 Certificate No. CHAD HARCROW 17777 W.O. #19-1119 DRAWN BY: CD</p>
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DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240
Phone: (505) 393-6161 Fax: (505) 393-0780

DISTRICT II
811 S. FIRST ST., ARTESIA, NM 88210
Phone: (505) 746-1283 Fax: (505) 746-9720

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 334-6178 Fax: (506) 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 30-015-46670	Pool Code 98220	Pool Name Purple Sage; Wolfcamp (Gas)
Property Code 323072	Property Name HAMBONE FEDERAL COM	Well Number 705H
GRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 2895.8'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	8	26-S	29-E		1353	SOUTH	1725	WEST	EDDY

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	5	26-S	29-E		200	NORTH	1254	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
560			

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

<p>Y=392602.5 N X=639919.8 E</p> <p>1254'</p> <p>200' B.H.</p> <p>Y=392610.2 N X=642555.7 E</p> <p>LTP 330' FNL & 1254' FWL Y=392276.2 N X=641175.5 E LAT.=32.078037° N LONG.=104.010990° W</p> <p>LEASE X-ING LAT.=32.071669° N LONG.=104.010981° W</p> <p>GRID AZ. - 359°45'28" HORZ. DIST. - 8996.7'</p> <p>SECTION 5 SECTION 8</p> <p>ETP 1420' FSL & 1254' FWL Y=383409.6 N X=641213.0 E LAT.=32.053663° N LONG.=104.010955° W GRID AZ. TO ETP 279°26'34"</p> <p>Y=383331.9 N X=639960.4 E</p> <p>1725'</p> <p>S.L.</p> <p>1353'</p> <p>Y=383315.9 N X=642656.3 E</p>	<p>NAD 83 NME <u>PROPOSED BOTTOM HOLE LOCATION</u> Y=392406.2 N X=641174.9 E LAT.=32.078394° N LONG.=104.010991° W</p> <p>NAD 83 NME <u>SURFACE LOCATION</u> Y=383330.9 N X=641685.8 E LAT.=32.053443° N LONG.=104.009429° W</p>	<p>OPERATOR CERTIFICATION</p> <p>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.</p> <p><i>Jeanette Barron</i> 12/28/20 Signature Date</p> <p>Jeanette Barron Printed Name</p> <p>jbarron@concho.com E-mail Address</p> <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>JULY 3, 2019 Date of Survey</p> <p>Signature & Seal of Professional Surveyor</p> <p><i>Chad L. Harcrow</i> 8/7/19 Certificate No. CHAD HARCROW 17777 W.O. #19-1118 DRAWN BY: CD</p>
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DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 58240
Phone: (505) 393-6161 Fax: (505) 393-0720

DISTRICT II
511 S. FIRST ST., ARTESIA, NM 88210
Phone: (505) 746-1853 Fax: (505) 746-9720

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 334-6176 Fax: (505) 334-6170

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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 30-015-46671	Pool Code 98220	Pool Name Purple Sage; Wolfcamp (Gas)
Property Code 323072	Property Name HAMBONE FEDERAL COM	Well Number 706H
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 2895.6

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	8	26-S	29-E		1353	SOUTH	1695	WEST	EDDY

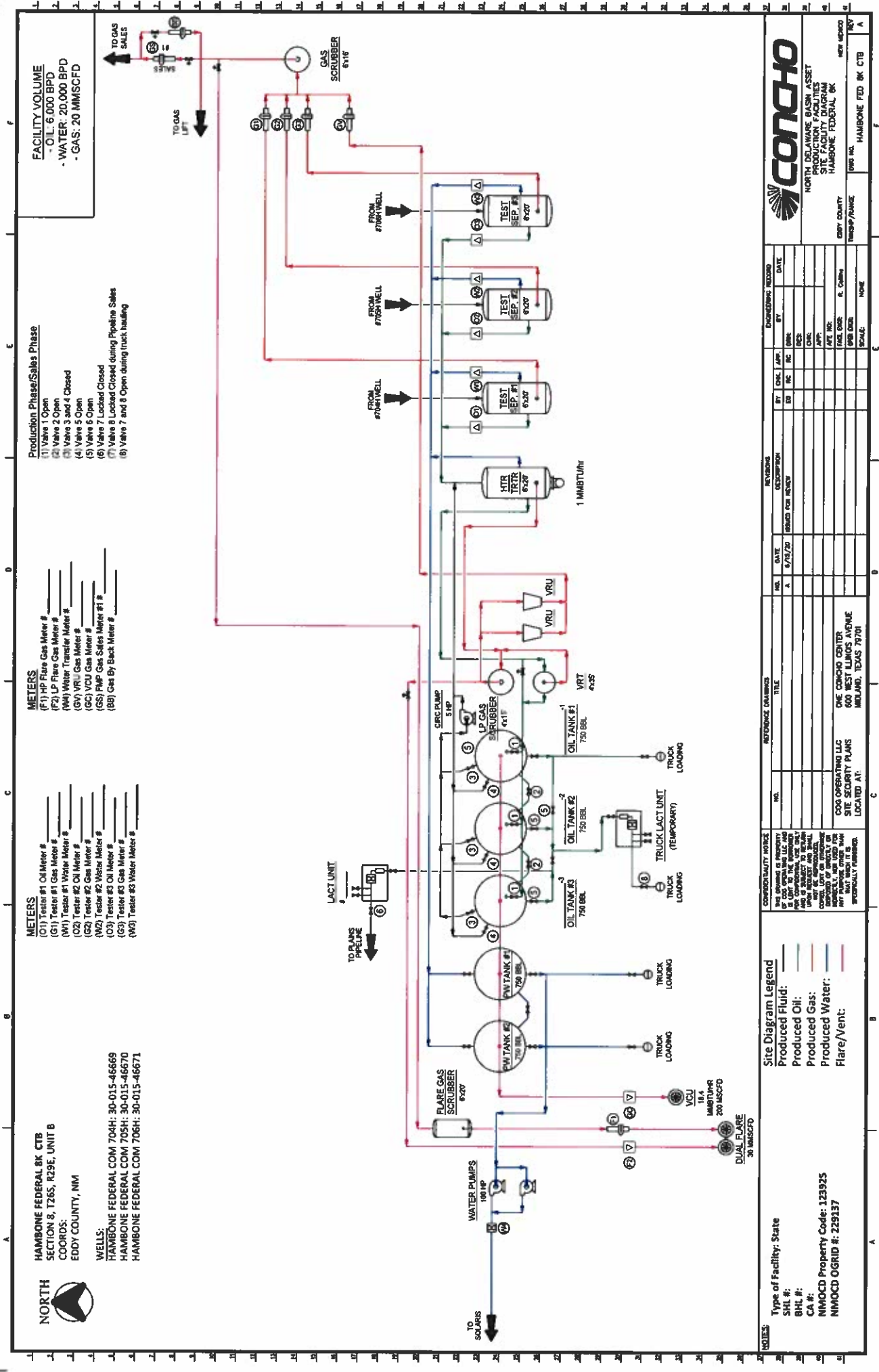
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	5	26-S	29-E		200	NORTH	330	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
560			

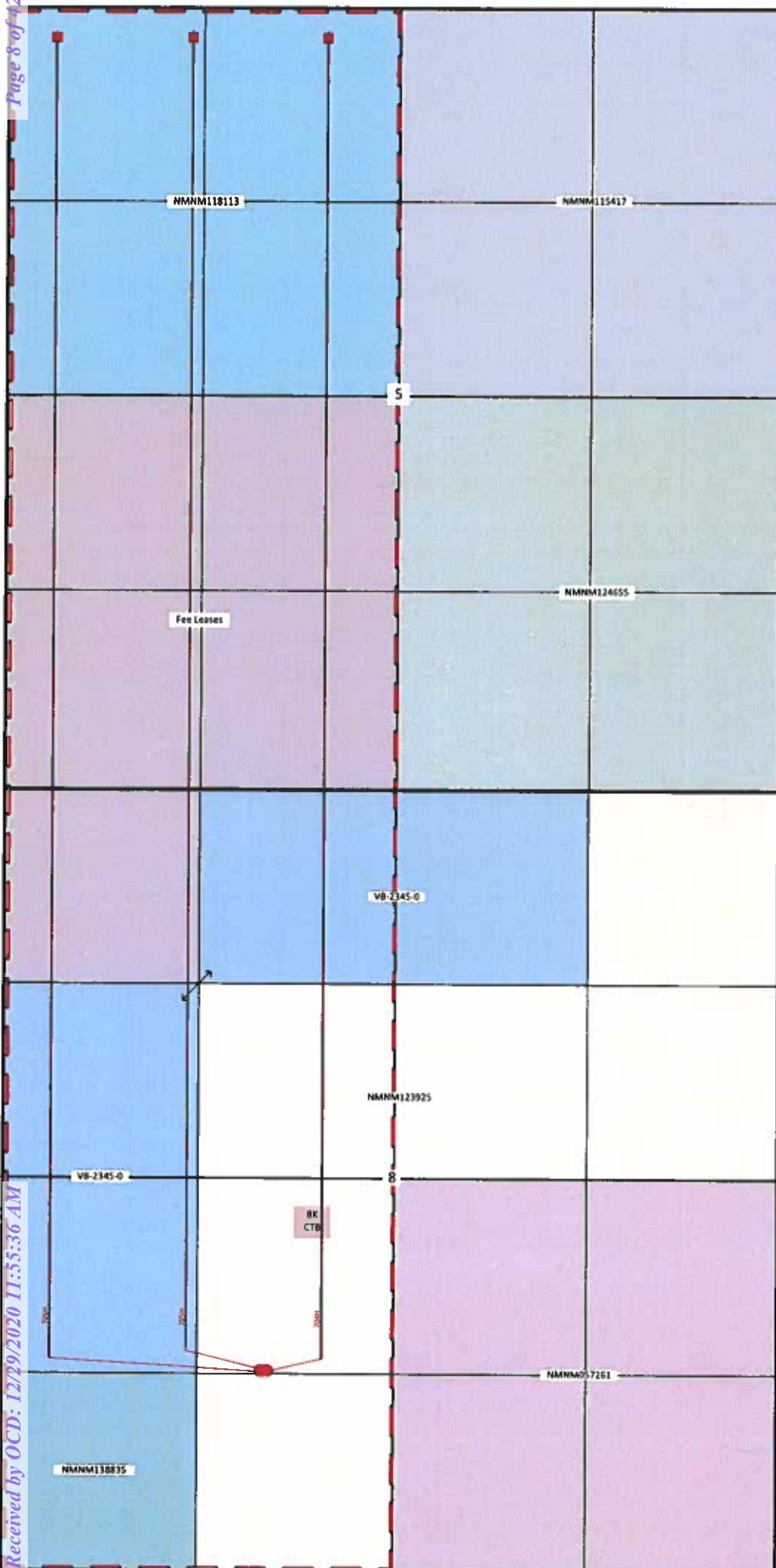
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>NAD 83 NME <u>PROPOSED BOTTOM HOLE LOCATION</u> Y=392403.5 N X=640250.9 E LAT.=32.078394° N LONG.=104.013974° W</p> <p>NAD 83 NME <u>SURFACE LOCATION</u> Y=383331.7 N X=641655.8 E LAT.=32.053445° N LONG.=104.009526° W</p>	<p>OPERATOR CERTIFICATION</p> <p>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.</p> <p><i>Jeanette Barron</i> 12/28/20 Signature Date</p> <p>Jeanette Barron Printed Name</p> <p>jbarron@concho.com E-mail Address</p> <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>JULY 3, 2019 Date of Survey</p> <p>Signature & Seal of Professional Surveyor</p> <p>Chad Harcrow 8/7/19 Certificate No. CHAD HARCROW 17777 W.O. #19-1117 DRAWN BY: WN</p>
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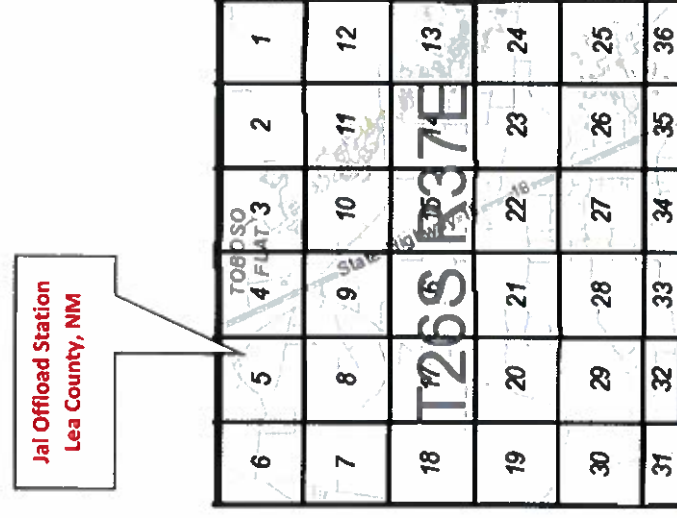
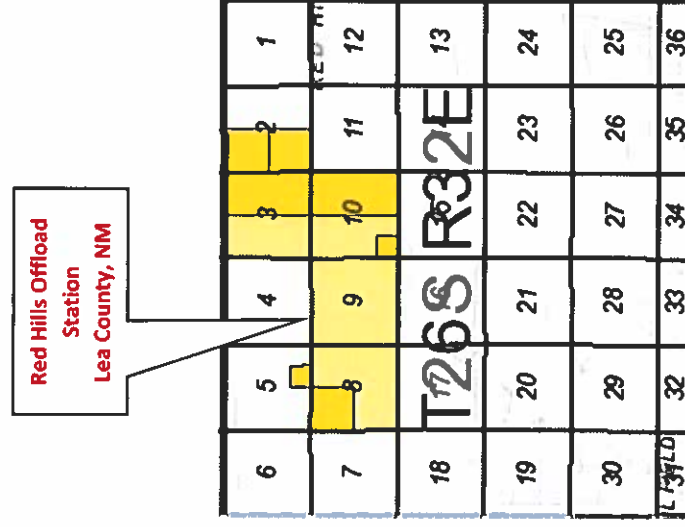
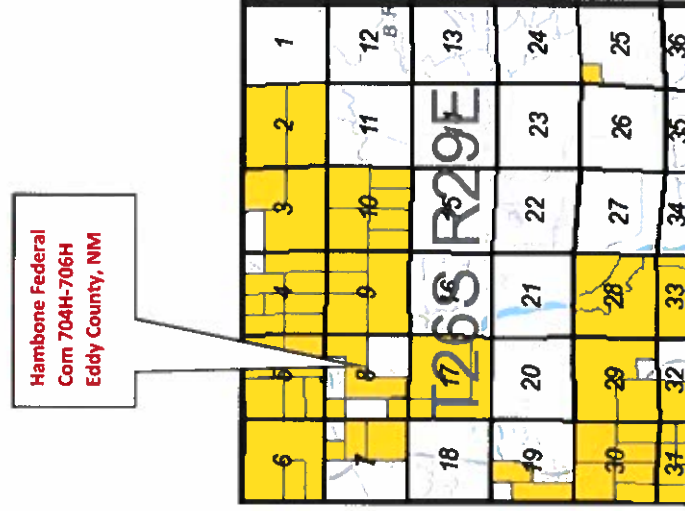
Eddy County, NM

 Wolfcamp CA NMNM139922





Hambone Federal Com 704H-706H Red Hills and Jal Offload Station Map



Hambone Federal Com 704H-706H								
Date Sent	Initials	Name	Address	City	State	ZipCode	Certified Return Receipt No.	Delivered
12.28.20	JB	DEVON ENERGY PRODUCTION CO LP	333 W Sheridan Ave	Oklahoma City	OK	73102-5010	7017 3040 0000 1206 4685	
12.28.20	JB	MRC PERMIAN COMPANY	ONE LINCOLN CENTRE STE 1500 S400 LYNDON B JOHNSON FWY	Dallas	TX	75240-1017	7017 3040 0000 1206 4678	
12.28.20	JB	BLM	620 E Green Street	Carlsbad	NM	88220	7017 3040 0000 1206 4654	
12.28.20	JB	NMSLO	310 Old Santa Fe Trail	Santa Fe	NM	87501	7017 3040 0000 1206 4661	

ARTESIA DAILY PRESS

LEGAL NOTICES

COG Operating LLC (COG), 2208 West Main, Artesia, New Mexico, 88210, is seeking administrative approval from the New Mexico Oil Conservation Division for off-lease measurement of oil from the Hambone Federal Com 704H-706H wells. Said wells are located in Section 8, Township 26 South, Range 29 East, Eddy County, New Mexico. The Central Tank Battery (CTB) where production will be commingled is located in Ut K, Section 8-T26S-R29E, Eddy County, New Mexico. In the event the CTB is over capacity or in the case of battery or pipeline repairs, approval for off-lease measurement of the oil at the Red Hills Off-load Station in Unit O, Section 4-T26S-R32E or Jal Off-load Station in Unit D, Section 4-T26S-R37E, Lea County, NM. Any interested party who has an objection to this must give notice in writing to the Oil Conservation Division, 1220 South Saint Francis Street, Santa Fe, New Mexico, 87505, within ten (10) days of this notice. Any interested party with questions or comments may contact Hunter Hall Macha (432) 253-4525 hhall@concho.com at COG Operating LLC, 600 West Illinois, Midland, Texas 79701.

Published in the Artesia Daily Press, Artesia, NM December 31, 2020.

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

COG Operating LLC
Hambone Federal Com #25H
Vertical Extent: Wolfcamp
Township: 26 South, Range: 29 East, NMPM
Section 5 : W2
Section 8: W2
Eddy County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated February 1, 2019, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 1st Day of April, 2019.



Stephanie Garcia Richard
COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

COG OPERATING LLC
TESSA ELDER 1CC-8
800 W ILLINOIS AVE
MIDLAND, TX 79701

Reception: 1909024 Book: 1125 Page: 0410 Pages: 24
Recorded: 07/11/2019 11:45 AM Fee: \$25.00
Eddy County, New Mexico ~ Robin Van Natta, County Clerk



RN

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

COG Operating LLC
Hambone Federal Com #25H
Vertical Extent: Wolfcamp
Township: 26 South, Range: 29 East, NMPM
Section 5 : W2
Section 8: W2
Eddy County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated February 1, 2019, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 1st Day of April, 2019.



Stephanie Garcia Richard

COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

NM State Land Office
Oil, Gas, & Minerals Division

STATE/FEDERAL OR
STATE/FEDERAL/FEE
Revised Feb. 2013

ONLINE Version

COMMUNITIZATION AGREEMENT

Contract No. _____

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 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:

Subdivisions W/2,
Sect 5 & 8, T 26S, R 29E, NMPM Eddy County NM
containing 640.00 acres, more or less, and this agreement shall include only the
Wolfcamp Formation
underlying said lands and the hydrocarbons from the said formation (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 February 1 2019,
Month Day, Year,
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 duly authorized representative, and by the Commissioner or his duly authorized representative, and shall remain in force and effect for a period of two (2) years and so long thereafter as communitized substances are produced or can be produced from the communitized area in paying quantities; provided, that the two-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 the capability 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.

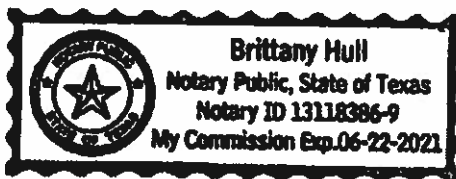
COG OPERATING LLC

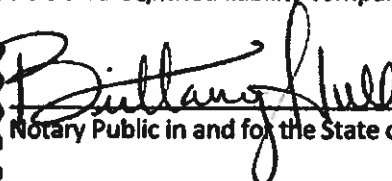
By: 
Mark A. Carter JHC AR
Attorney-in-Fact

ACKNOWLEDGMENT


STATE OF TEXAS §
§
COUNTY OF MIDLAND §

This instrument was acknowledged before me on January 16, 2019, by Mark A. Carter, Attorney-in-Fact of COG Operating LLC, a Delaware limited liability company, on behalf of same.




Notary Public in and for the State of Texas

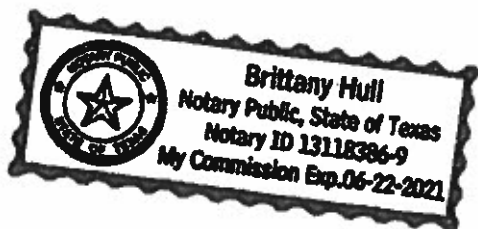
CONCHO OIL & GAS LLC


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

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

The foregoing instrument was acknowledged before me on the 16th day of January, 2019, by Mark A. Carter, Attorney-in-Fact for Concho Oil & Gas LLC, a Texas limited liability company, on behalf of said limited liability company.




Notary Public in and for the State of Texas

Hambone Fed Com 25H


By: _____
Name: _____
Title: _____

STATE OF _____ §
§
COUNTY OF _____ §

Notary Public in and for the State of Texas

***Compulsory Pooled under Order No. R-20286.**

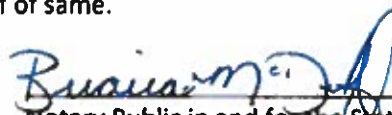
MRC PERMIAN COMPANY

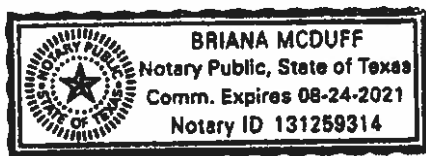
By: 
 Name: Craig N. Adams
 Title: VP-Land, Legal & Admin *By full*

ACKNOWLEDGMENT

STATE OF Texas §
 COUNTY OF Dallas §

The foregoing instrument was acknowledged before me on the 11th day of January, 2019, by Craig N. Adams, as VP-Land, Legal & Administrator for MRC PERMIAN COMPANY, a Texas Corporation, on behalf of same.


 Notary Public in and for the State of Texas



MRC PERMIAN COMPANY

By: Name: Craig N. AdamsTitle: EVP-Land, Legal + Admin *By [Signature]*

ACKNOWLEDGMENT

STATE OF Texas §

§

COUNTY OF Dallas §


The foregoing instrument was acknowledged before me on the 11th day of January, 2019, by Craig N. Adams, as EVP-Land, Legal + Administration for MRC PERMIAN COMPANY, a Texas Corporation, on behalf of same.




 Notary Public in and for the State of Texas

Hambone Fed Com 25H

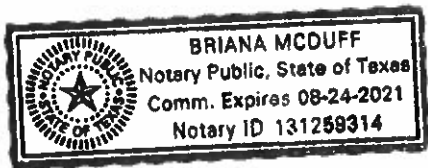
MRC PERMIAN COMPANY

By: 
Name: Craig N. Adams *BU*
Title: EVP- Land, Legal & Admin *pod*

ACKNOWLEDGMENT

STATE OF Texas §
§
COUNTY OF Dallas §

The foregoing instrument was acknowledged before me on the 11th day of January, 2019, by Craig N. Adams, as EVP- Land, Legal & Admin for MRC PERMIAN COMPANY, a Texas Corporation, on behalf of same.




Notary Public in and for the State of Texas

By: _____
Name: _____
Title: _____

STATE OF _____ §
§
COUNTY OF _____ §

Notary Public in and for the State of Texas

***Compulsory Pooled under Order No. R-20286.**

Federal/State/Fee

LESSEE OF RECORD (Fee Leases)

TAP ROCK RESOURCES

By: [Signature]
Name: Clayton Sporn
Title: VP

ACKNOWLEDGMENT

STATE OF Colorado §
COUNTY OF Jefferson §

The foregoing instrument was acknowledged before me on the 29th day of October, 2018,
by Clayton Sporn, as VP-Land & Legal for TAP ROCK RESOURCES, a
Delaware LLC, on behalf of same.

RACHELLE REESE
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20124064461
MY COMMISSION EXPIRES 09/28/2020

[Signature]
Notary Public in and for the State of ~~Texas~~ Colorado

Hambone Fed Com 25H

By: _____
Name: _____
Title: _____

STATE OF _____ §
COUNTY OF _____ §

The foregoing instrument was acknowledged before me on the _____ day of _____, 2019, by _____, as _____ for TAP ROCK RESOURCES, a _____, on behalf of same.

Notary Public in and for the State of Texas

***Compulsory Pooled under Order No. R-20286.**

MARATHON OIL PERMIAN LLC

By: _____

Name: _____

Title: _____

ACKNOWLEDGMENT

STATE OF _____ §

§

COUNTY OF _____ §

The foregoing instrument was acknowledged before me on the _____ day of _____, 2019, by _____, as _____ for **MARATHON OIL PERMIAN LLC**, a _____, on behalf of same.

Notary Public in and for the State of Texas

*Compulsory Pooled under Order No. R-20286.

Hambone Fed Com 25H

LESSOR OF RECORD (No Pooling Clause)

DELAWARE RANCH, INC.

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENT

STATE OF _____ §
COUNTY OF _____ §

The foregoing instrument was acknowledged before me on the _____ day of _____, 2019, by _____, as _____ for DELAWARE RANCH, INC., a _____, on behalf of same.

Notary Public in and for the State of Texas

*Compulsory Pooled under Order No. R-20286.

EXHIBIT "A"

**Plat of communitized area covering the W/2 of Section 5 and W/2 of Section 8, T26S-R29E,
Eddy County, New Mexico**

Hambone Federal Com 25H

Tract 1: NM-118113 160 acres		BL: 200' FNL & 2310' FWL 5-26S-29E	5-26S-29E
Tract 4a: Fee 80 acres			
Tract 4b / 4c: Fee 77.5 ac / 2.5 ac			
Tract 5: Fee 40 acres	Tract 6: VB-2345 120 acres		8-26S-29E
Tract 6: VB-2345 120 acres	Tract 2: NM-123925 120 acres		
Tract 3: NM-138835 40 acres		SL: 330' FSL & 2310' FWL 8-26S-29E	

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EXHIBIT "B"

Attached to and made a part of that Communitization Agreement covering the
W/2 of Section 5 and W/2 of Section 8, T26S-R29E, Eddy County, New Mexico

Operator of Communitized Area: COG Operating LLC

DESCRIPTION OF LEASES COMMITTED:**TRACT 1**

1. **Date:** June 1, 2007
 Lessor: United States of America
 Lessee: Southwestern Energy Production Company
 Lease No.: NMNM – 118113
 Recorded: Unrecorded
 Description: Insofar and only insofar as said lease covers:
 Township 26 South, Range 29 East, N.M.P.M.
 Section 5: NW/4
 Eddy County, New Mexico

 No. of Acres: 160

TRACT 2

2. **Date:** September 4, 2009
 Lessor: United State of America
 Lessee: COG Operating LLC / Concho Oil & Gas LLC
 Lease No.: NMNM -- 123925
 Recorded: Unrecorded
 Description: Insofar and only insofar as said lease covers:
 Township 26 South, Range 29 East, N.M.P.M.
 Section 8: SE/4 NW/4, E/2 SW/4
 Eddy County, New Mexico

 No. of Acres: 120

TRACT 3

3. **Date:** November 1, 2018
 Lessor: United States of America
 Lessee: Marathon Oil Permian LLC*
 Lease No.: NMNM -- 138835

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Description: Insofar and only insofar as said lease covers:
Township 26 South, Range 29 East, N.M.P.M.
 Section 8: SW/4 SW/4
 Eddy County, New Mexico

No. of Acres: 40

TRACT 4a

4. **Date:** August 20, 2015
Lessor: M. Brad Bennett, L.P.
Lessee: B.C. Operating, Inc.
Recorded: Book 1044, Page 0122
Description: Insofar and only insofar as said lease covers:
Township 26 South, Range 29 East, N.M.P.M.
 Section 5: N/2 SW/4
 Eddy County, New Mexico
No. of Acres: 40 acres

5. **Date:** September 23, 2015
Lessor: Debra Roland
Lessee: B.C. Operating, Inc.
Recorded: Book 1044, Page 0130
Description: Insofar and only insofar as said lease covers:
Township 26 South, Range 29 East, N.M.P.M.
 Section 5: N/2 SW/4
 Eddy County, New Mexico
No. of Acres: 40 acres

6. **Date:** September 23, 2015
Lessor: L.E. Opperman and Nicolette A. Opperman
Lessee: B.C. Operating, Inc.
Recorded: Book 1044, Page 0134
Description: Insofar and only insofar as said lease covers:
Township 26 South, Range 29 East, N.M.P.M.
 Section 5: N/2 SW/4
 Eddy County, New Mexico
No. of Acres: 40 acres

TRACT 4b

7. **Date:** August 20, 2015
 Lessor: M. Brad Bennett, L.P.
 Lessee: B.C. Operating, Inc.
 Recorded: Book 1044, Page 0126
 Description: Insofar and only insofar as said lease covers:
 Township 26 South, Range 29 East, N.M.P.M.
 Section 5: S/2 SW/4, SAE a 2.5 acre tract out of the SE/4 of said
 SW/4, being 300' East-West by 360' North-South, and being more
 fully described by metes and bounds in Warranty Deed dated
 8/21/46, Vol. 93, Page 361, James G. Finley, grantor, and El Paso
 Natural Gas Company, grantee, Deed Records, Eddy County, New
 Mexico
 Eddy County, New Mexico
 No. of Acres: 77.5
8. **Date:** August 25, 2015
 Lessor: L.E. Opperman and Nicolette A. Opperman
 Lessee: B.C. Operating, Inc.
 Recorded: Book 1044, Page 0139
 Description: Insofar and only insofar as said lease covers:
 Township 26 South, Range 29 East, N.M.P.M.
 Section 5: S/2 SW/4, SAE a 2.5 acre tract out of the SE/4 of said
 SW/4, being 300' East-West by 360' North-South, and being more
 fully described by metes and bounds in Warranty Deed dated
 8/21/46, Vol. 93, Page 361, James G. Finley, grantor, and El Paso
 Natural Gas Company, grantee, Deed Records, Eddy County, New
 Mexico
 Eddy County, New Mexico
 No. of Acres: 77.5
9. **Date:** August 26, 2015
 Lessor: Debra Roland
 Lessee: B.C. Operating, Inc.
 Recorded: Book 1044, Page 0132
 Description: Insofar and only insofar as said lease covers:
 Township 26 South, Range 29 East, N.M.P.M.
 Section 5: S/2 SW/4, SAE a 2.5 acre tract out of the SE/4 of said
 SW/4, being 300' East-West by 360' North-South, and being more

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fully described by metes and bounds in Warranty Deed dated 8/21/46, Vol. 93, Page 361, James G. Finley, grantor, and El Paso Natural Gas Company, grantee, Deed Records, Eddy County, New Mexico

Eddy County, New Mexico

No. of Acres: 77.5

TRACT 4c

10. Date: September 4, 2009
 Lessor: United States of America
 Lessee: COG Operating LLC / Concho Oil & Gas LLC
 Lease No.: NMNM-123925
 Recorded: Unrecorded
 Description: Insofar and only insofar as said lease covers:
Township 26 South, Range 29 East, N.M.P.M.
 Section 5: 2.5 acres out of the SE/4 SW/4
 Eddy County, New Mexico
 No. of Acres: 2.5

TRACT 5

11. Date: January 12, 2009
 Lessor: Delaware Ranch, Inc.*
 Lessee: Marbob Energy Corporation
 Recorded: Book 764, Page 1217
 Description: Insofar and only insofar as said lease covers:
Township 26 South, Range 29 East, N.M.P.M.
 Section 8: NW/4 NW/4
 Eddy County, New Mexico
 No. of Acres: 40

12. Date: August 1, 2016
 Lessor: Frank Blow Fowlkes
 Lessee: COG Operating LLC
 Recorded: Book 1088, Page 135
 Description: Insofar and only insofar as said lease covers:
Township 26 South, Range 29 East, N.M.P.M.
 Section 8: NW/4 NW/4

Hambone Fed Com 25H

- Eddy County, New Mexico
- No. of Acres: 40
13. Date: January 1, 2017
Lessor: Christopher Clegg Fowlkes and Christine Speidel Fowlkes
Lessee: Beacon E&P Resources LLP
Recorded: Book 1091, Page 508
Description: Insofar and only insofar as said lease covers:
Township 26 South, Range 29 East, N.M.P.M.
Section 8: NW/4 NW/4
Eddy County, New Mexico
- No. of Acres: 40
14. Date: January 1, 2017
Lessor: Edwin H. Fowlkes III (aka Trey Fowlkes) and Janet Renee Fowlkes Murrey
Lessee: Beacon E&P Resources LLP
Recorded: Book 1091, Page 507
Description: Insofar and only insofar as said lease covers:
Township 26 South, Range 29 East, N.M.P.M.
Section 8: NW/4 NW/4
Eddy County, New Mexico
- No. of Acres: 40
15. Date: January 1, 2017
Lessor: J.M. Fowlkes, Jr., Maco Stewart Fowlkes, John M. Fowlkes, Preston L. Fowlkes, Lauren Fowlkes, Nancy Fowlkes Donley, Kathleen K. Fowlkes Moller
Lessee: Beacon E&P Resources LLP
Recorded: Book 1091, Page 506
Description: Insofar and only insofar as said lease covers:
Township 26 South, Range 29 East, N.M.P.M.
Section 8: NW/4 NW/4
Eddy County, New Mexico
- No. of Acres: 40
16. Date: January 25, 2017
Lessor: Patrick K. Fowlkes
Lessee: Gunter Properties, Inc.
Recorded: Book 1091, Page 723

Hambone Fed Com 25H

Description: Insofar and only insofar as said lease covers:
Township 26 South, Range 29 East, N.M.P.M.
 Section 8: NW/4 NW/4
 Eddy County, New Mexico

No. of Acres: 40

TRACT 6

17. **Date:** February 1, 2014
Lessor: State of New Mexico
Lessee: MRC Permian Company*
Lease No.: VB-2345
Recorded: Unrecorded
Description: Insofar and only insofar as said lease covers:
Township 26 South, Range 29 East, N.M.P.M.
 Section 8: NE/4 NW/4, SW/4 NW/4, NW/4 SW/4
 Eddy County, New Mexico

No. of Acres: 120

RECAPILATION

Tract 1	160 acres	25.00%
Tract 2	120 acres	18.75%
Tract 3	40 acres	6.25%
Tract 4	160 acres	25.00%
Tract 5	40 acres	6.25%
Tract 6	120 acres	18.75%
Total	640 acres	100.00%

*Compulsory Pooled under Order No. R-20286.

From: [Engineer, OCD, EMNRD](#)
To: [Jeanette Barron](#)
Cc: [McClure, Dean, EMNRD](#); [Bratcher, Mike, EMNRD](#); lisa@rwbyram.com; [Glover, James](#); kparadis@blm.gov; [Walls, Christopher](#); [Holm, Anchor E.](#); [Dawson, Scott](#)
Subject: Approved Administrative Order OLM-228
Date: Friday, January 22, 2021 10:56:59 AM
Attachments: [OLM228 Order.pdf](#)

NMOCD has issued Administrative Order OLM-228 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
30-015-46669	Hambone Federal Com #704H	K-08-26S-29E	98220
30-015-46670	Hambone Federal Com #705H	K-08-26S-29E	98220
30-015-46671	Hambone Federal Com #706H	K-08-26S-29E	98220

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-228
Operator: COG Operating, LLC (229137)
Publication Date:
Date Sent: 12/28/2020

Noticed Persons

Date	Person	Certified Tracking Number	Status
1/4/2021	DEVON ENERGY PRODUCTION CO LP	7017 3040 0000 1206 4685	Delivered
12/13/2020	MRC PERMIAN COMPANY	7017 3040 0000 1206 4678	Delivered
1/5/2021	BLM	7017 3040 0000 1206 4654	Delivered
12/30/2020	NMSLO	7017 3040 0000 1206 4661	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-228

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**



**ADRIENNE SANDOVAL
DIRECTOR**

AS/dm

DATE: 1/20/2021

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: OLM-228

Operator: COG Operating, LLC (229137)

Central Tank Battery: Hambone Federal 8K Central Tank Battery

Central Tank Battery Location (NMPM): Unit K, Section 8, Township 26 South, Range 29 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
PURPLE SAGE; WOLFCAMP (GAS)	98220

Leases as defined in 19.15.12.7(C) NMAC

Lease	Location (NMPM)
CA WC NMSLO	W/2 Sec 5 & 8 T26S-R29E

Wells

Well API	Well Name	Location (NMPM)	Pool Code	Train
30-015-46669	Hambone Federal Com #704H	K-08-26S-29E	98220	
30-015-46670	Hambone Federal Com #705H	K-08-26S-29E	98220	
30-015-46671	Hambone Federal Com #706H	K-08-26S-29E	98220	

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 13264

CONDITIONS OF APPROVAL

Operator: COG OPERATING LLC 600 W Illinois Ave Midland, TX79701			OGRID: 229137	Action Number: 13264	Action Type: 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.				