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NOV:16:2020 11:53:37
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Via Federal Express

November 12, 2020

United States Department of the Interior
BLM - Carlsbad Field Office
Attn: Lisa Rivera
301 Dinosaur Trail
Santa Fe, New Mexico 87508

NMNM 142928

Re: Communitization Agreement
Tenderloin Fed Com E/2 Project
Section 1: E/2
Section 12: E/2
Township 22 South, Range 33 East
Lea County, New Mexico

Bureau of Land Management:

Please find enclosed for your approval that certain Communitization Agreement dated April 1, 2020, covering the captioned lease/lands. Upon your review and approval, please return one (1) approved original to my attention. A self-addressed stamped envelope has been provided for your convenience.

Thank you for your assistance. Should you have any questions, please do not hesitate to contact me by phone at 432-685-4375 or by email at Lreyna@concho.com.

Regards,
COG OPERATING LLC

A handwritten signature in blue ink that reads "Laura Reyna".

Laura Reyna
Land Coordinator
Delaware Basin East - North

lr
Encl.

Federal Communitization Agreement

Contract No. NMNM 142928

THIS AGREEMENT entered into as of the 1st day of April, 2020 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: ~~E $\frac{1}{2}$~~ Lots 1, 2, S2 NE, SE *W*

Section 12: E $\frac{1}{2}$

Lea County, New Mexico

Containing 640.01 acres, and this agreement shall include only the Bone Spring formation underlying said lands and the crude oil and associated natural gas hereafter referred to as "communitized substances," producible from such formation(s).

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, 600 W. Illinois Ave., Midland, TX, 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.
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 or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian 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 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 pool 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 April 1, 2020, 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 duly authorized representative, and shall remain in force and effect for a period of 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 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 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 occur 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. Nondiscrimination. 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.


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:

**WORKING INTEREST OWNERS AND/OR
LESSEES OF RECORD:**

COG OPERATING LLC

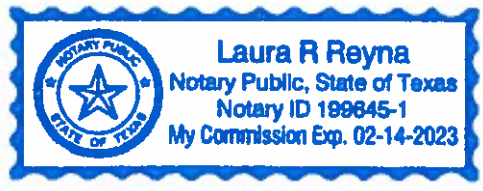
Date: 11/12/2020

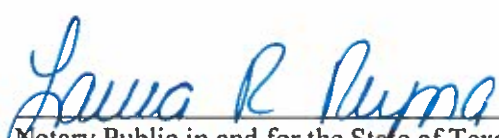
By: 
Sean Johnson
Attorney-In-Fact *JNL*

ACKNOWLEDGEMENT

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

This instrument was acknowledged before me on the 12th day of November, 2020, by Sean Johnson, 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
My Commission expires: 2-14-2023

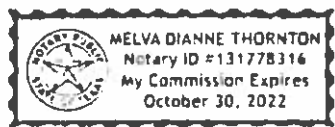
WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

Date: 4-22-2020

By: David A. Scott
Name: DAVID A. Scott
Title: Vice-President

STATE OF Texas §
COUNTY OF HARRIS §

This instrument was acknowledged before me on 22ND April, 2020, by DAVID A. Scott, as Vice-President of Advance Energy Partners Hat Mesa, LLC, a Delaware, on behalf of same.



Melva Thornton
Notary Public in and for the State of TEXAS
My Commission Expires: 10/30/2020

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

CM Resources, LLC

Date: 5/18/20

By: [Signature]

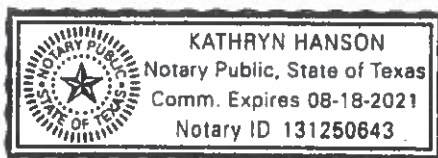
Name: Brandon Gaynor

Title: Senior Vice President

STATE OF Texas §

COUNTY OF Midland §

This instrument was acknowledged before me on May 18, 2020, by Brandon Gaynor, as Senior vice president of CM Resources, LLC, a Delaware limited liability company, on behalf of same.



Kathryn Hanson
Notary Public in and for the State of Texas
My Commission expires: 8/18/21

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

Marshall & Winston, Inc.

Date: April 29, 2020

By: *Tom M. Brandt*

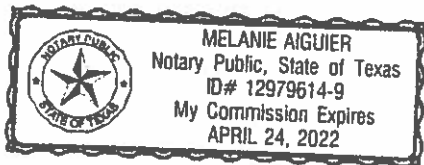
Name: Tom M. Brandt

Title: President

STATE OF TEXAS §

COUNTY OF MIDLAND §

This instrument was acknowledged before me on April 29, 2020 by
Tom M. Brandt, as President of
Marshall & Winston, Inc., a Nevada corporation, on behalf of same.



Melanie Aiguier

Notary Public in and for the State of Texas

My Commission Expires: 4/24/22

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

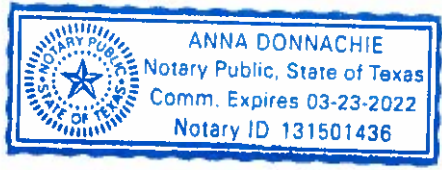
Wells Fargo Bank, N.A., as Trustee of the
John H. Burton and Mary Burton dated July
30, 1980

Date: 4/30/2020

By: [Signature]
Name: Bryan Frazier
Title: Vice President

STATE OF Texas §
COUNTY OF Tarrant §

This instrument was acknowledged before me on April 30th, 2020 by
Bryan Frazier, as vice-president
of Wells Fargo Bank, N.A. as Trustee of the John H. Burton and Mary C. Burton dated July 30, 1980, a
corporation, on behalf of same



[Signature]
Notary Public in and for the State of Texas
My Commission Expires: 3-23-22

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

Oxy Y-1 Company

Date: _____

By: Subject to Compulsory Pooling Order R-21452

Name: _____

Title: _____

STATE OF _____ §

COUNTY OF _____ §

This instrument was acknowledged before me on _____, 20__, by _____, as _____ of **Oxy Y-1 Company**, a _____, on behalf of same.

Notary Public in and for the State of _____
My Commission Expires: _____

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

Bullhead Energy, LLC

Date: _____

By: Subject to Compulsory Pooling Order R-21452

Name: _____

Title: _____

STATE OF _____ §

COUNTY OF _____ §

This instrument was acknowledged before me on _____, 20__, by
_____, as _____ of

Bullhead Energy, LLC a _____, on behalf of same.

Notary Public in and for the State of _____

My Commission Expires: _____

EXHIBIT "A"

sec. 1: lots 1, 2, S2NE, SE 2N

**Plat of communitized area covering 640.01 acres in the E½ of Sections 1 & 12, T22S – R33E, N.M.P.M.,
Lea County, New Mexico**

Communitized depths are hereby limited to the Bone Spring formation

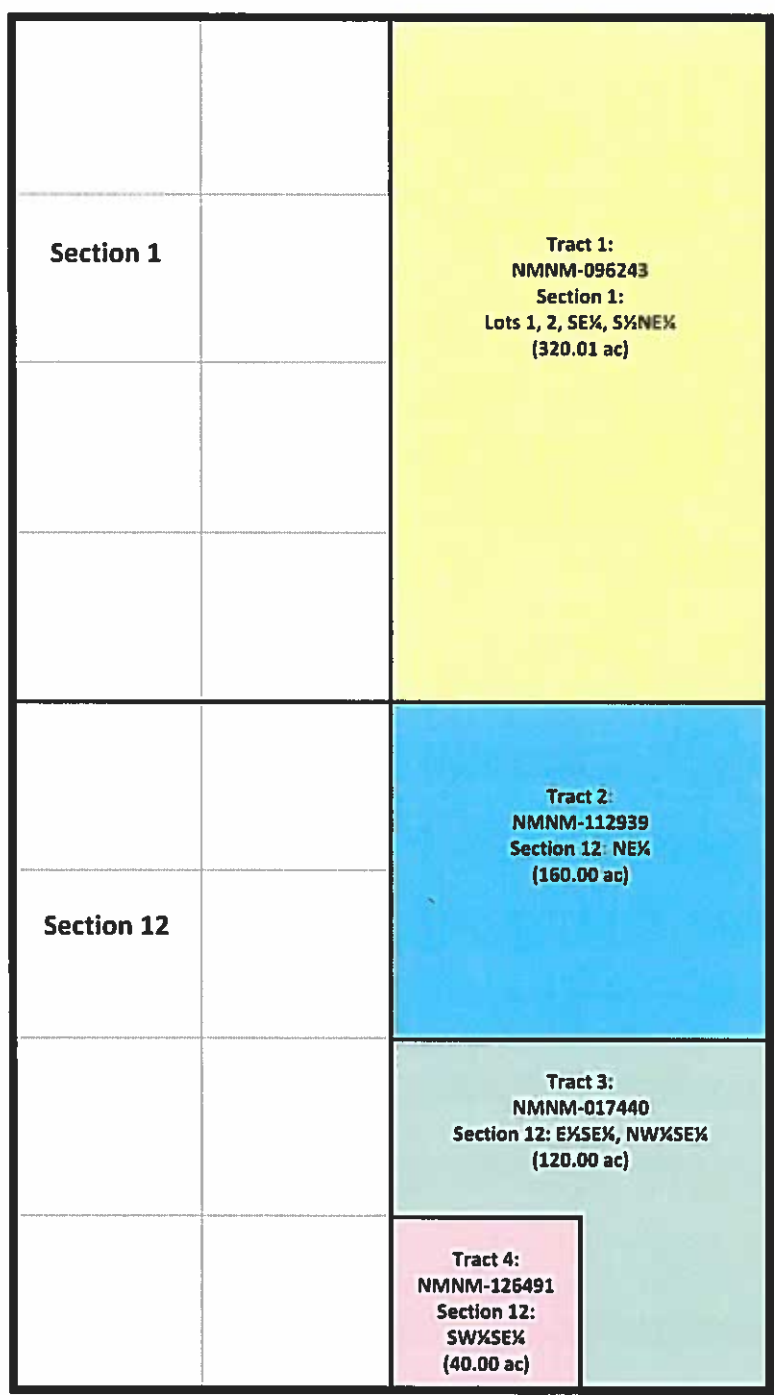


EXHIBIT "B"

To Communitization Agreement dated April 1, 2020 embracing the following described land in the E½ of Sections 1 & 12, T22S – R33E, N.M.P.M., Lea County, New Mexico

Operator of Communitized Area: COG Operating LLC

DESCRIPTION OF LEASES COMMITTED

TRACT No. 1

Lease Date:	March 1, 1996
Lessor:	United States of America
Serial No. of Lease:	NMNM - 096243
Current Lessee:	COG Operating LLC
Description of Land Committed:	Insofar and only insofar as said lease covers: <u>Township 22 South, Range 33 East</u> Section 1: Lots 1, 2, SE¼, S¼NE¼ Lea County, New Mexico
Number of Acres:	320.01
Royalty Rate:	12 ½%
WI Owner Names and Interests:	COG Operating LLC 61.7498400% CM Resources, LLC 15.0000780% Advance Energy Partners Hat Mesa, LLC 11.4000590% Marshall & Winston, Inc. 9.3750490% OXY Y-1 Company 1.8749710% Bullhead Energy, LLC 0.6000030%
ORRI Owners:	Pegasus Resources, LLC Tilden Capital Minerals, LLC GGM Exploration, Inc. Cynthia Mae Wilson, as Trustee of the Bypass Trust Beverly Jean Renfro Barr, as Trustee of the Family Trust Todd M. Wilson Chi Energy, Inc. William R. Bergman

TRACT No. 2

Lease Date: January 1, 2005
 Lessor: United States of America
 Serial No. of Lease: NMNM - 112939
 Current Lessee: COG Operating LLC
 Description of Land Committed: Insofar only as said lease covers:
Township 22 South, Range 33 East
 Section 12: NE¼
 Lea County, New Mexico
 Number of Acres: 160.00
 Royalty Rate: 12 ½%
 WI Owner Names and Interests:

COG Operating LLC	61.7498400%
CM Resources, LLC	15.0000780%
Advance Energy Partners Hat Mesa, LLC	11.4000590%
Marshall & Winston, Inc.	9.3750490%
OXY Y-1 Company	1.8749710%
Bullhead Energy, LLC	0.6000030%

ORRI Owners:
 Cynthia Mae Wilson, as Trustee of the Bypass Trust
 Beverly Jean Renfro Barr, as Trustee of the Family Trust
 Todd M. Wilson and Carol I. Wilson, husband and wife
 Chi Energy, Inc.
 Cuthbert Resources, LLC
 Pocahontas Oil Co. Inc.
 Daniel Energy, Inc.
 CM Royalties, LP.

TRACT No. 3

Lease Date: January 1, 1973
 Lessor: United States of America
 Serial No. of Lease: NMNM - 017440
 Current Lessee: Wells Fargo Bank, N.A. as Trustee of the John H. Burton and Mary C. Burton dated July 30, 1980
 Description of Land Committed: Insofar only as said lease covers:
Township 22 South, Range 33 East
 Section 12: E½SE¼, NW¼SE¼
 Lea County, New Mexico
 Number of Acres: 120.00
 Royalty Rate: 12 ½%
 WI Owner Names and Interests:

COG Operating LLC	61.7498400%
CM Resources, LLC	15.0000780%
Advance Energy Partners Hat Mesa, LLC	11.4000590%
Marshall & Winston, Inc.	9.3750490%
OXY Y-1 Company	1.8749710%
Bullhead Energy, LLC	0.6000030%

ORRI Owners:
 Cynthia Mae Wilson, as Trustee of the Bypass Trust
 Beverly Jean Renfro Barr, as Trustee of the Family Trust
 Patterson-UTI Energy, Inc.
 Devon Energy Production Company, L.P.
 Wolfcamp Title, LLC
 Mustang Oil & Gas, LLC
 Madison M. Hinkle
 Rolla R. Hinkle III

TRACT No. 4

Lease Date: June 1, 2011
 Lessor: United States of America
 Serial No. of Lease: NMNM - 126491
 Current Lessee: COG Operating LLC
 Description of Land Committed: Insofar only as said lease covers:
Township 22 South, Range 33 East
 Section 12: SW¼SE¼
 Lea County, New Mexico
 Number of Acres: 40.00
 Royalty Rate: 12 ½%
 WI Owner Names and Interests:

COG Operating LLC	61.7498400%
CM Resources, LLC	15.0000780%
Advance Energy Partners Hat Mesa, LLC	11.4000590%
Marshall & Winston, Inc.	9.3750490%
OXY Y-1 Company	1.8749710%
Bullhead Energy, LLC	0.6000030%

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest In Communitized Area
1	320.01	50.00%
2	160.00	25.00%
3	120.00	18.75%
4	40.00	6.25%
Total	640.01	100.00%

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

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
COG OPERATING, LLC**

**CASE NO. 21337
ORDER NO. R-21452**

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on August 20, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. COG Operating, LLC ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.

9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the

well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.

29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



ADRIENNE SANDOVAL
DIRECTOR
AES/jag

Date: 9/03/2020


CASE NO. 21337
ORDER NO. R-21452

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Exhibit A

COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 21337	APPLICANT'S RESPONSE
Date: July 7, 2020	
Applicant	COG Operating LLC
Designated Operator & OGRID (affiliation if applicable)	229137
Applicant's Counsel:	Holland & Hart
Case Title:	APPLICATION OF COG OPERATING LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	
Well Family	Tenderloin wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	Gramma Ridge; Bone Spring West Pool (Pool Code 28432)
Well Location Setback Rules:	Standard
Spacing Unit Size:	640-acres, more or less
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	640-acres, more or less
Building Blocks:	quarter-quarter sections
Orientation:	South-North
Description: TRS/County	E/2 of Sections 1 and 12, T22S, R33E, Lea County
Standard Horizontal Well Spacing Unit (Y/N), if No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	Yes, E/2 E/2 of Sections 1 and 12
Proximity Defining Well: if yes, description	Tenderloin Federal Com 502H
Applicant's Ownership in Each Tract	Exhibit A-3
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	

Well #1	<u>Tenderloin Federal Com 501H (API pending)</u> SHL: 230 FNL and 975 FEL (Unit A) of Section 13 BHL: 50 FNL and 330 FEL (Lot 1) of Section 1 Township 22 South, Range 33 East Completion Target: Bone Spring formation Well Orientation: South to North Completion Location expected to be: Standard
Well #2	<u>Tenderloin Federal Com 502H (API pending)</u> SHL: 230 FNL and 1005 FEL (Unit A) of Section 13 BHL: 50 FNL and 1645 FEL (Lot 2) of Section 1 Township 22 South, Range 33 East Completion Target: Bone Spring formation Well Orientation: South to North Completion Location expected to be: Standard
Horizontal Well First and Last Take Points	Exhibit A-1
Completion Target (Formation, TVD and MD)	Exhibit A-4
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$7,000
Production Supervision/Month \$	\$700
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit C
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-3
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	Exhibit D
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4

Cost Estimate for Production Facilities	Exhibit A-4
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit A-2 and B-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit A-2 and B-1
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-1
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit A-2
Well Bore Location Map	Exhibit A-2 and B-1
Structure Contour Map - Subsea Depth	Exhibit B-1
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibit B-3
Additional Information	
Special Provisions/Stipulations	None
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Michael H. Feldewert
Signed Name (Attorney or Party Representative):	
Date:	7-Jul-20

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

COMMENTS

Action 171348

COMMENTS

Operator: COG OPERATING LLC 600 W Illinois Ave Midland, TX 79701	OGRID: 229137
	Action Number: 171348
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

COMMENTS

Created By	Comment	Comment Date
dmcclure	NMNM 142928	12/30/2022

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dmcclure	None	12/30/2022