

ConocoPhillips 2208 West Main Street Artesia, New Mexico 88210 www.conocophillips.com

December 28, 2021

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

Re: Application for Administrative Approval of Pool Commingle and Off Lease Measurement

Dear Mr. McClure,

COG Operating LLC respectfully requests approval for pool commingling and Off Lease Measurement for the following wells:

Monet Federal Com 3H API# 30-025-42763 Draper Mill; Bone Springs Ut. C, Sec. 4-T25S-R33E Lea County, NM

Monet Federal Com 9H API# 30-025-42766 Red Hills; Upr Bone Srpings Ut. D, Sec. 4-T25S-R33E Lea County, NM

Monet Federal Com 601H API# 30-025-47824 Draper Mill; Bone Springs Ut. C, Sec. 4-T25S-R33E Lea County, NM

Monet Federal Com 701H API# 30-025-47826 WC-025G-09 S253309P; Upr Wolfcamp Ut. C, Sec. 4-T25S-R33E Lea County, NM

#### **Oil Production:**

The oil production from all wells will be measured separately by allocation meter prior to being commingled at the Central Tank Battery located in Ut. C, Sec. 4-T25S-R33E. In the event the CTB is over capacity or in the case of battery or pipeline repairs 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 this case, the oil will remain segregated and will be measured by lact meter when offloading at said stations.

Monet Federal Com 8H API# 30-025-42765 Red Hills; Upr Bone Srpings Ut. C, Sec. 4-T25S-R33E Lea County, NM

Monet Federal Com 10H API# 30-025-42767 Red Hills; Upr Bone Srpings Ut. D, Sec. 4-T25S-R33E Lea County, NM

Monet Federal Com 602H API# 30-025-47825 Draper Mill; Bone Springs Ut. C, Sec. 4-T25S-R33E Lea County, NM

# **Gas Production:**

The gas production from all wells will be measured separately by allocation meter prior to being commingled and entering a gas flow line to the gas custody transfer meter at the Central Tank Battery located in Ut. C, Sec. 4-T25S-R33E.

All owners of interest have been notified by certified mail that should they have an objection to this pool commingling, they must file a formal protest with the NMOCD within 20 days of the date of this application. Proof of owner notification.

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

Thank you for your attention to this matter.

Sincerely,

lanetti Bannon

Jeanette Barron Regulatory Coordinator

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Revised March 23, 2017

		TYPE		
RECEIVED:	REVIEWER:	TYPE:	APP NO:	
	- Geolog	ical & Engineering rancis Drive, Sant	<b>ATION DIVISION</b> g Bureau –	
		RATIVE APPLICAT		
THIS CH			ATIONS FOR EXCEPTIONS TO D E DIVISION LEVEL IN SANTA FE	ivision rules and
pplicant: COG Opera	ting, LLC		OGRID	Number: 229137
	Federal Com 3H and 6 oth	ers please see attached	API: 30-02	
	e Spring & WC-025G-09			de: <u>96392 // 98180</u>
SUBMIT ACCURA	TE AND COMPLETE IN	IFORMATION REQU		TYPE OF APPLICATION
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administrative of understand that	approval is accurate	and complete to aken on this applic	bmitted with this ap the best of my know ation until the require	ledge. I also
Not	e: Statement must be comp	leted by an individual wit	h managerial and/or superv	isory capacity.
			12/28/21	
Jeanette Barron			Date	°
Print or Type Name			575-746-6974 Phone Number	

jeanette.barron@conocophillips.com e-mail Address

Jeanette Barron Signature

811 S. First St., Artesia, NM 88210

1220 S. St Francis Dr, Santa Fe, NM

1625 N. French Drive, Hobbs, NM 88240

1000 Rio Brazos Road, Aztec, NM 87410

District I

District II

District III

District IV

87505

Form C-107-B Revised August 1, 2011

State of New Mexico Energy, Minerals and Natural Resources Department

**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 Op	erating LLC				
OPERATOR ADDRESS: 2208 W	Main Street, Artesia, N	ew Mexico 88210			
APPLICATION TYPE:					
Pool Commingling Lease Commingli	ng Pool and Lease Co	nmingling 🗍 Off-Lease S	Storage and Measur	ement (Only if not Surface	e Commingled)
LEASE TYPE: 🗌 Fee	State 🛛 Fede	ral			
Is this an Amendment to existing Order? Yes No If "Yes", please include the appropriate Order 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
96392 Draper Mill; Bone Spring	45.6 / 1332	48.9 / 1308			
97900 Red Hills; Bone Spring	44.0 / 1314				
98180; Upper Wolfcamp	45.7 / 1379				
				l	
<ul> <li>(2) Are any wells producing at top allowables? Xes No</li> <li>(3) Has all interest owners been notified by certified mail of the proposed commingling? Xes No.</li> </ul>					
<ul> <li>(4) Measurement type: Metering</li> <li>(5) Will commingling decrease the value</li> </ul>		⊠No If "yes", descri	be why commingl	ing should be approved	
	(B) LEA	SE COMMINGLIN	G		

# Please attach sheets with the following information

Yes No

Pool Name and Code. (1)

(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?

(4) Measurement type: Metering Other (Specify)

#### (C) POOL and LEASE COMMINGLING Please attach sheets with the following information

Complete Sections A and E. (II)

#### (D) OFF-LEASE STORAGE and MEASUREMENT Please attached sheets with the following information

Is all production from same source of supply? Yes No (1) Include proof of notice to all interest owners. (2)

## (E) ADDITIONAL INFORMATION (for all application types) Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.

A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved. (2)

Lease Names, Lease and Well Numbers, and API Numbers. (3)

I hereby certify that the information above is true and complete to the best of my knowledge and belief. SIGNATURE: ( Caritte Damon TITLE: Regulatory Coordinator

DATE: 12/28/21

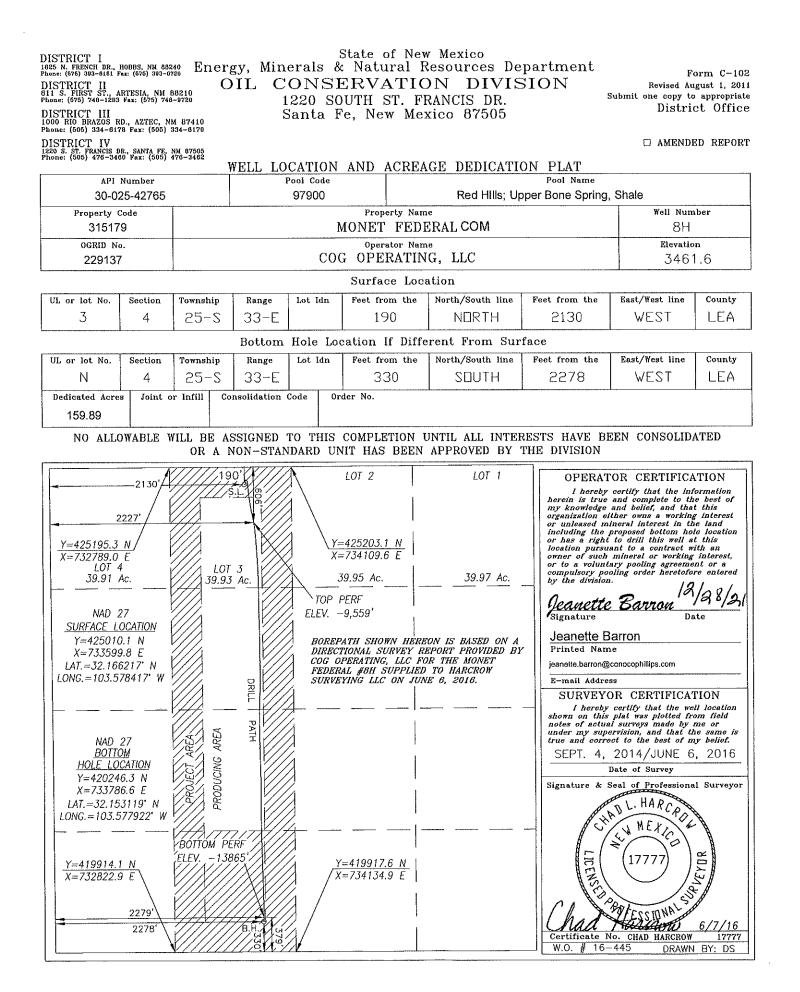
TYPE OR PRIMT NAME Jeanette Barron TELEPHONE NO .: 575.748.6974

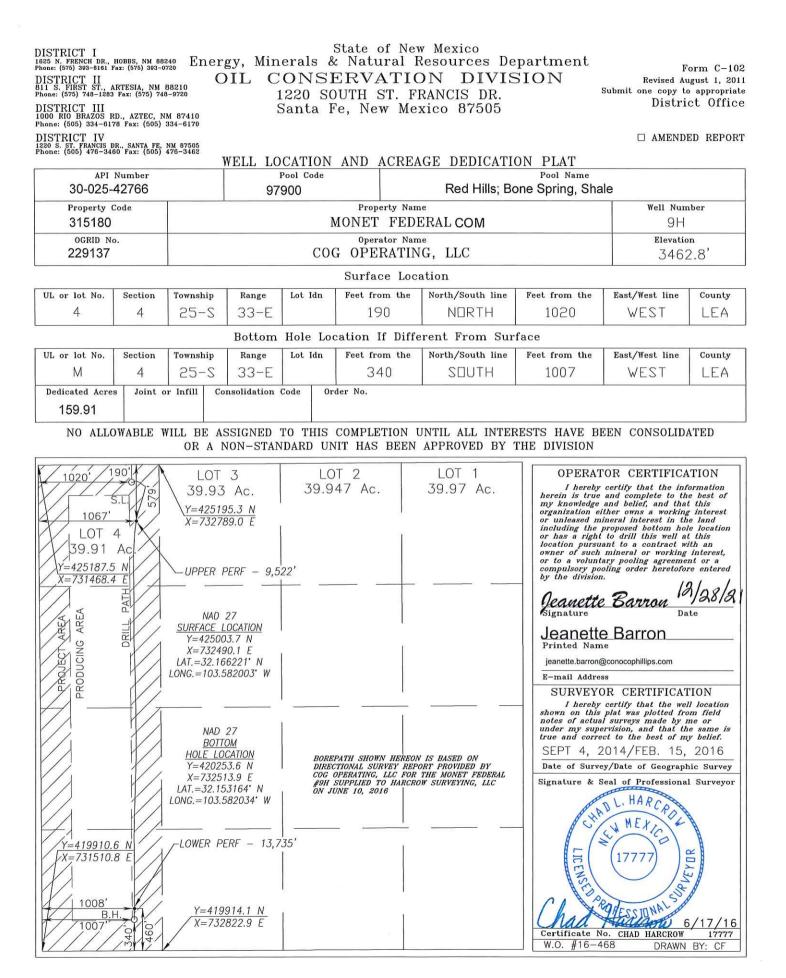
E-MAIL ADDRESS: \_jeanette.barron@conocophillips.com

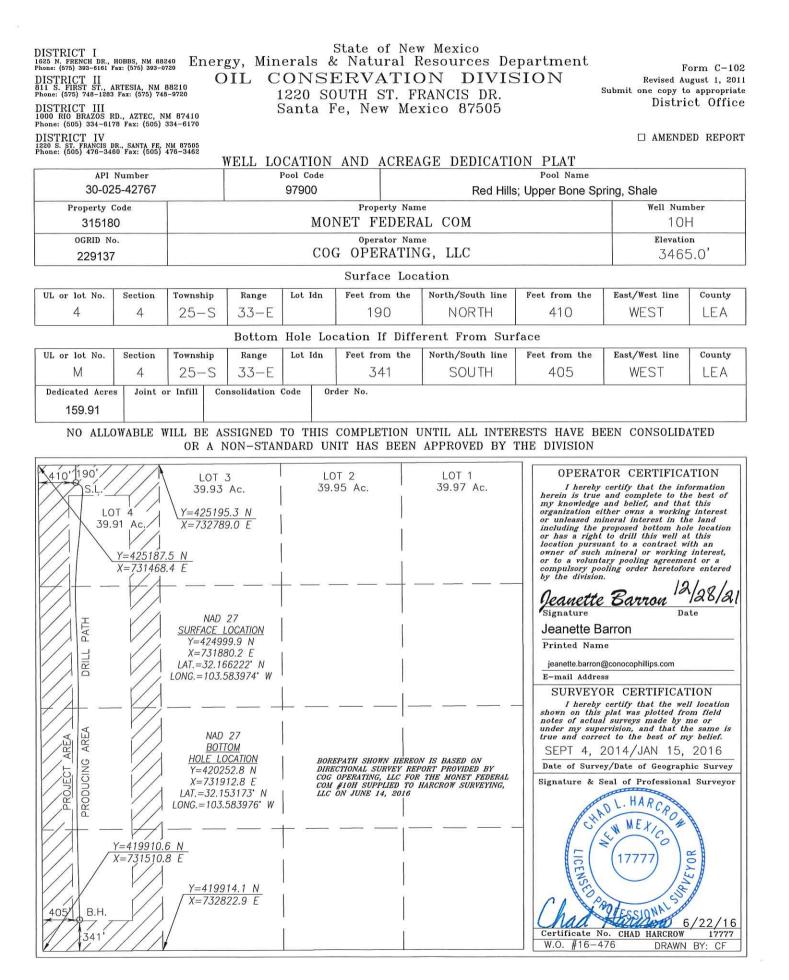
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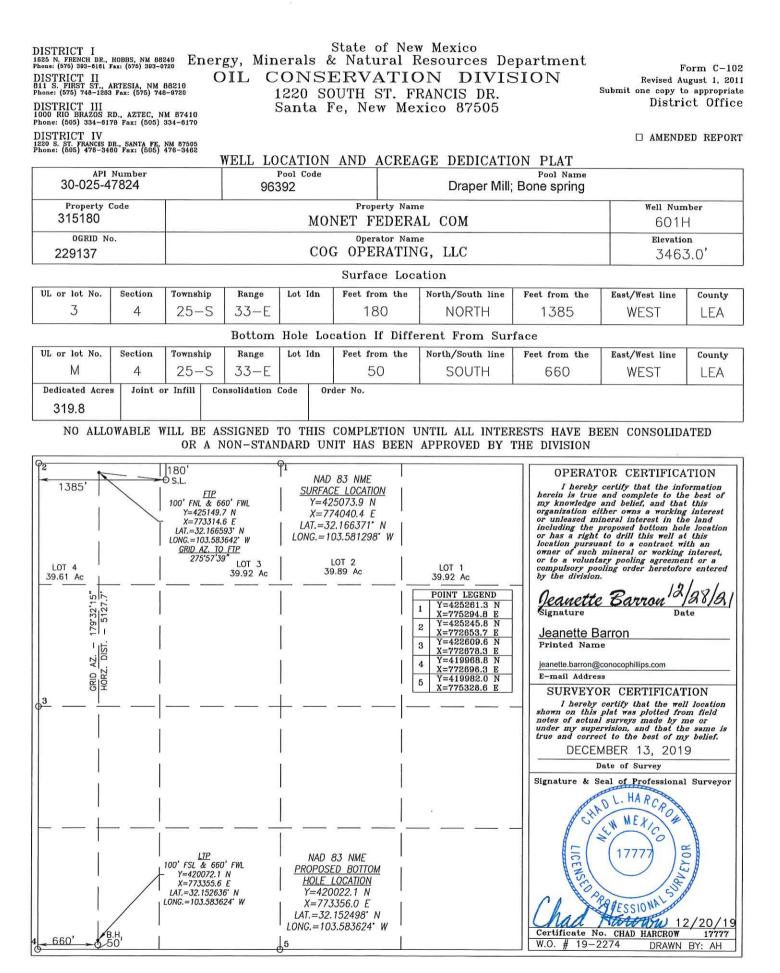
DISTRICT I 625 N. FRENCH DR., HOBBS, NM BUZ house: (576) 393-6161 Fax: (576) 393-07 DISTRICT II 11 S. FIRST ST., ARTESIA, NM 6 hone: (575) 748-1263 Fax: (575) 748- DISTRICT III 000 RIO BRAZOS RD., AZTEC, NM hone: (505) 334-6178 Fax: (505) 3	8210 -9720 ( 87410	OIL C	erals & ONSI 220 SC		Resources De DN DIVIS RANCIS DR.	SION	Revised Au ubmit one copy to	orm C-102 gust 1, 2011 appropriate ct Office
)ISTRICT IV 220 S. St. FRANCIS DR., SANTA FE, M mone: (505) 476-3460 Frax: (505) 4	IM 87505 76-3462						🗆 AMENDE	ED REPORT
API Number			CATION Pool Code	AND ACREA	AGE DEDICATIO	<u>DN PLAT</u> Pool Name		
30-025-42763			96392		Drap	er Mill; Bone Spri	ng	
Property Code			1	Property Nan			Well Num	ber
315179 Ogrid No.			i	Operator Nan			3H Elevatio	n
229137	1		CO	G OPERATIN			3461	
				Surface Loc	ation			
UL or lot No. Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
3 4	25-8	33-E		190	NDRTH	1980	WEST	LEA
		Bottom	Hole Lo	cation If Diffe	erent From Surf	face		
UL or lot No. Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N 4	25-5	33-E		334	SOUTH	1638	WEST	LEA
Dedicated Acres Joint of 159.89	r Infill Co	onsolidation (	Codie Or	der No.				
1980' <u>Y=425195.3 N</u> <u>X=732789.0 E</u> LOT 4 <u>39.91 Ac.</u> NAD 27 <u>SURFACE LOCATION</u> Y=425009.1 N X=733449.9 E LAT.=32.166217' N LONG.=103.578902' W NAD 27 <u>BOTTOM</u> HOLE LOCATION		PRODUCING AREA	Y=4 X=7 UPPEI 95 <i>39</i> <i>BOREPATI</i> <i>DIRECTIO</i> <i>COG OPEI</i>		ORT PROVIDED BY THE MONET FEDERAL	I hereby herein is true my knowledge i or ganization ell or unleased mi inciding the p or has a right location pursua owner of such or to a volunta compulsory poo by the division. <u>Decenette</u> Signature Jeanette Bi Printed Nam- jeanelle.barron@ E-mail Address SURVEYO I hereby shown on this notes of actual under my supe true and correct	Barron Da arron e concophillips.com	ormation e best of t this r interest e land t this interest, at or a re entered NA 8/2 [ tto Ito Ito Ito Ito Ito Ito Ito

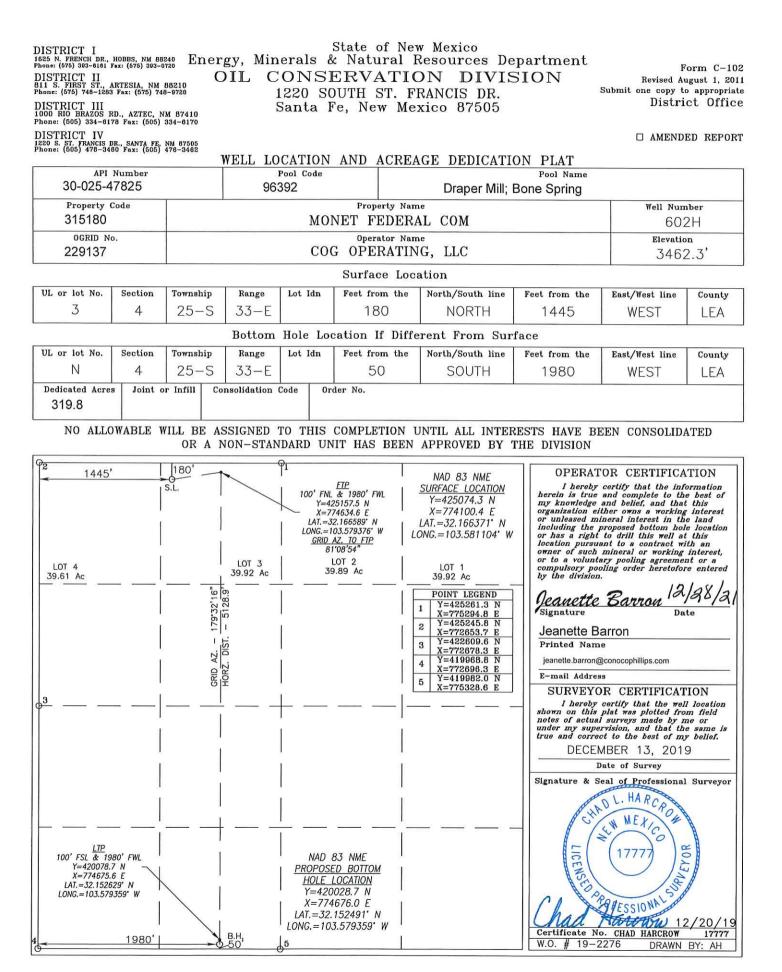
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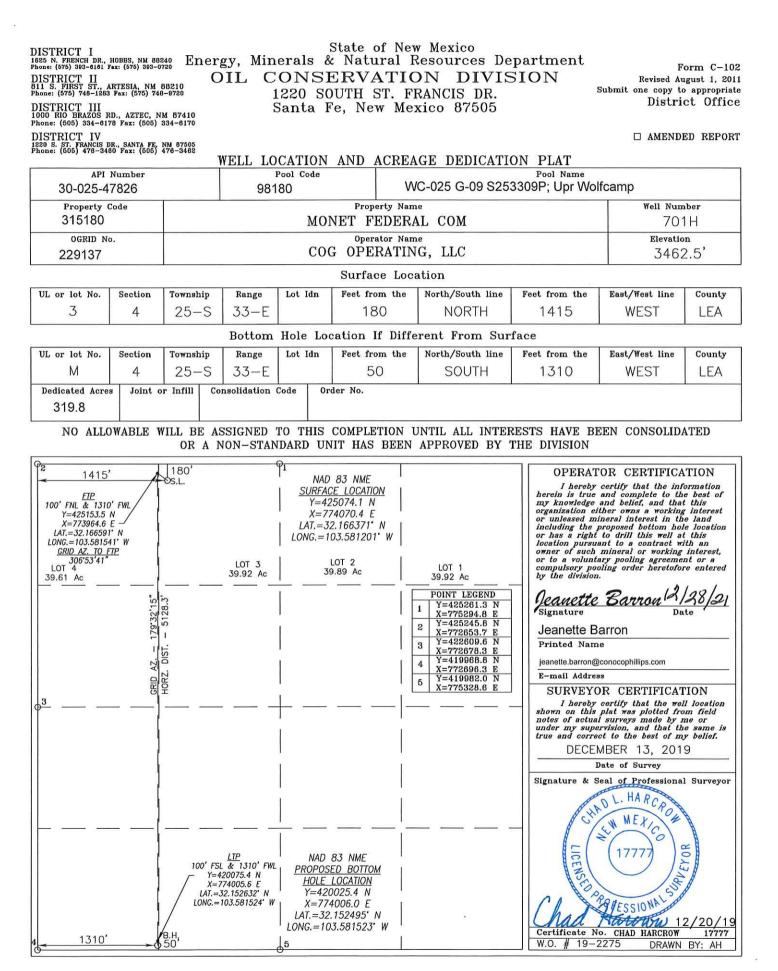


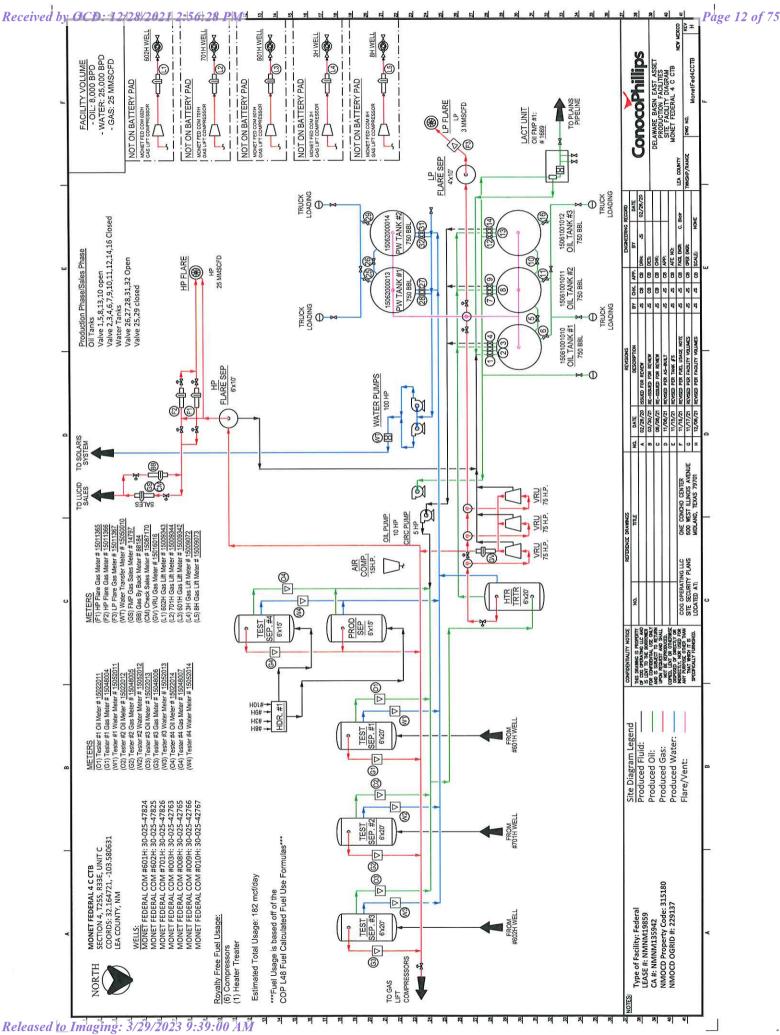




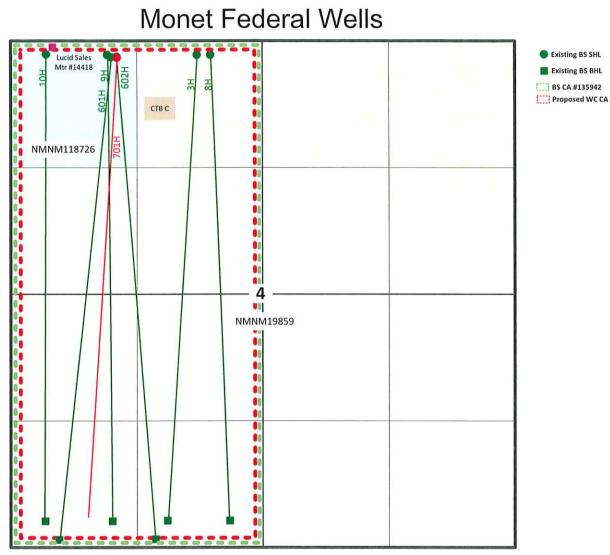




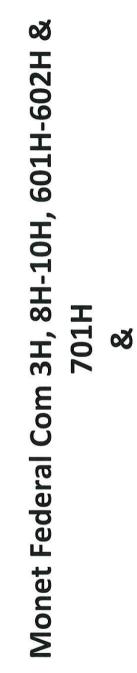




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Sec. 4-T25S-R33E, Lea County, NM



# Red Hills and Jal Offload Station Map

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	Summary Report											
API: 30-025	5-42763											_
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Printed On	: Tuesday, December 28 2021											
		Production					Injection					
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBL		Water(BBL	Co2(MCF)	Gas(MCF)	Other	_	Pressure
2021	[97900] RED HILLS; UPPER BONE SPRING SHALE	May	831	27719	1872	31	0	0		-	0	
2021	[97900] RED HILLS; UPPER BONE SPRING SHALE	Jun	751	27962	2223	30	0				0	
2021	[97900] RED HILLS; UPPER BONE SPRING SHALE	Jul	771	29974	1065	31	0				0	
2021	[97900] RED HILLS; UPPER BONE SPRING SHALE	Aug	674	25173	1307	31	0		-	-	0	
	[97900] RED HILLS; UPPER BONE SPRING SHALE	Sep	712	27240	1362	30	0		-		0	
2021	[97900] RED HILLS;UPPER BONE SPRING SHALE	Oct	211	8843	325	10	0	0	0		0	
Production	Summary Report										Т	
API: 30-02												
MONET FE	DERAL COM #008H					-						
Printed On	: Tuesday, December 28 2021											
		Production					Injection					
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBL	Davs P/I		Co2(MCF)	Gas(MCF)	Other		Pressure
	[97900] RED HILLS; UPPER BONE SPRING SHALE	May	689	17687	2102	31	0				0	
	[97900] RED HILLS;UPPER BONE SPRING SHALE	Jun	866	1.0000000000000000000000000000000000000	2076					1	0	
	[97900] RED HILLS;UPPER BONE SPRING SHALE	Jul	1128		3067	31	0			-	0	
	[97900] RED HILLS;UPPER BONE SPRING SHALE	Aug	1269		2285		0				0	
	[97900] RED HILLS;UPPER BONE SPRING SHALE	Sep	1445		1274						0	
	[97900] RED HILLS;UPPER BONE SPRING SHALE	Oct	433		408			-	-		0	
	n Summary Report											
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Printed On	n: Tuesday, December 28 2021									<u> </u>	_	
		Production					Injection					
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBL			Co2(MCF)				Pressure
	[97900] RED HILLS;UPPER BONE SPRING SHALE	May	991	903	2114		-	1.1.**			0	
	[97900] RED HILLS;UPPER BONE SPRING SHALE	Jun	948							-	0	
	[97900] RED HILLS;UPPER BONE SPRING SHALE	Jul	1031		1952			-			0	
	[97900] RED HILLS;UPPER BONE SPRING SHALE	Aug	844		2283	31			-		0	
	[97900] RED HILLS; UPPER BONE SPRING SHALE	Sep	881		3014	6522			S. 22		0	
2021	[97900] RED HILLS;UPPER BONE SPRING SHALE	Oct	293	249	440	10	0	0	0 0	<u></u>	0	
Production	n Summary Report											
API: 30-02	5-42767											
MONET FE	EDERAL COM #010H			<u>14</u>	-		_	1				
Printed Or	n: Tuesday, December 28 2021											
		Production	ı				Injection					
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBl	Days P/I	Water(BBI	Co2(MCF)	Gas(MCF)	Other		Pressure
2021	[97900] RED HILLS; UPPER BONE SPRING SHALE	May	1769		2400				-		0	
2021	[97900] RED HILLS; UPPER BONE SPRING SHALE	Jun	1662	2864	2160			C		-	0	
2021	[97900] RED HILLS; UPPER BONE SPRING SHALE	Jul	1757	3036	3266	31	. 0	0 0	) 0	1	0	
	[[97900] RED HILLS; UPPER BOINE SPRING SHALE						1	1	1	1	-	
2021	[ [97900] RED HILLS; OPPER BONE SPRING SHALE [ [97900] RED HILLS; UPPER BONE SPRING SHALE	Aug	1733	3163	1791	. 31	. 0	C	0 0	)	0	
2021 2021			1733 1593		1791 1546						0	

		Monet F	Monet Fed Com 3H, 8H, 9H, 10H, 601H-602H &701H	701H				
Date Sent	Initials	Name	Address	City	State	ZipCode	Certified Return Receipt No.	Delivered
10 00 01	ġ	Avinash C. Ahuia, as Trustee Ahuja Children 2012 Long Term Trust	500 N Shoreline Blvd. #322	Corpus Christi	ΧĻ	78401	7017 3040 0000 1205 2170	
12.02.21	e e	BLM	414 W. Taylor	Hobbs	NN	88240	7017 3040 0000 1205 2187	
12.28.21	9 8	Chisos Minerals, LLC	1111 Bagby St., Ste. 2150	Houston	¥	77002	7017 3040 0000 1205 2163	
12.28.21	9	Colburn Oil LP	PO Box 2524	Midland	¥	79702	7017 3040 0000 1205 2194	
12.28.21	8	Commerce First Royalties, LP	14241 Dallas Parkway, Ste. 600	Dallas	¥	75254	7017 3040 0000 1205 2200	
12.28.21	8	Erik aka Eric C. Bateman	3519 Roxanne Ave.	Long Beach	8	80806	7017 3040 0000 1205 2217	
10 30 01	ġ	Escondido Oil and Gas, LLC	P.O. Box 51390	Midland	X	79710	7017 3040 0000 1205 2224	
12 28 21	<u>ه</u>	Fortis Minerals II, LLC	1111 Bagby St., Ste. 2150	Houston	¥	77002	7017 3040 0000 1205 2248	
17 28 71	e e	GGM Exploration, Inc. Attn: Will Rogers	P.O. Box 123610	Fort Worth	ř	76121	7017 3040 0000 1205 2255	
12 28 21	e e	Maven Royalty Fund, LP	620 Texas Street, Ste. 300	Shreveport	A	71101	7017 3040 0000 1205 2262	
12 28 21	9 g	MECO IV, LLC	1200 Seventeenth St., Ste. 975	Denver	8	80202	7017 3040 0000 1205 2279	
12.22.21	2	Montego Capital Fund 3 Ltd.	P.O. Box 2640	Midland	Ă	79702	7017 3040 0000 1205 2286	
12.28.21	8	Pegasus Resources, LLC	P.O. Box 470698	Fort Worth	¥	76147	7017 3040 0000 1205 2293	
12.28.21	ВГ	R&R Royalty Ltd.	500 N Shoreline Blvd. #322	Corpus Christi	ř	78401	7017 3040 0000 1205 2309	
12 28 21	<u>a</u>	TD Minerals LLC Attn: Walt Nixon	8111 Westchester, Ste. 900	Dallas	¥	75225	7017 3040 0000 1205 2316	
12.28.21	8	Tilden Capital Minerals, LLC Attn; William Malloy	P.O. Box 470857	Ft. Worth	¥	76147	7017 3040 0000 1205 2323	
12.28.21	٩ſ	Unified Assets, Ltd.	3344 Ocean Drive	Corpus Christi	¥	78411	7017 3040 0000 1205 2330	
12.28.21	ß	West Bend Energy Partners, LLC	P.O. Box 472087	Fort Worth	¥	76147	7017 3040 0000 1205 2347	

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# Contract No. NMNM 135942

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 25 South, Range 33 East, N.M.P.M. Section 4: W/2 Lea County, New Mexico

containing 319.84 acres, 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.

Monet Federal Com #3H, 8H, #9H, #10H Page | 1

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- 3. The Operator of the communitized area shall be COG Operating LLC, 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.
- 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 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.

Monet Federal Com #3H, 8H, #9H, #10H Page | 2 воок 2077 раде 197 . . . .

- 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 <u>November 1, 2015</u>, 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 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.

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BOOK 2077 PAGE 198

- 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. <u>Non-Discrimination</u>: 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:**

#### COG OPERATING LLC,

Date: 1.20.16

Aller By: Ina

Mona D. Ables Vice President of Land

## ACKNOWLEDGEMENT

STATE OF TEXAS COUNTY OF MIDLAND

This instrument was acknowledged before me on \_\_\_\_\_\_, 2016, by Mona D. Ables, Vice President of Land of COG Operating LLC, a Delaware limited liability company, on behalf of said limited liability company.

§ §

MELISSA L. DIMIT lotary Public, State of Texas My Commission Expires September 09, 2017

100

Notary Public in and for the State of Texas

Monet Federal Com #3H, 8H, #9H, #10H Page | 4

# WORKING INTEREST OWNER AND/OR LESSEE OF RECORD:

COG OPERATING LLC

ables MW By: Printed Name: Mona D. Ables Title: Vice President of Land 100

R&R ROYALTY, LTD. By: Magnum O&G, Inc., General Partner

By:\_\_\_\_\_ Printed Name: <u>Rajan D. Ahuja</u>\_\_\_\_\_ Title:\_\_\_\_<u>Vice President – Land</u>\_\_\_\_\_

#### ACKNOWLEDGEMENTS

STATE OF TEXAS	ş
	ş
COUNTY OF MIDLAND	§

This instrument was acknowledged before me on \_\_\_\_\_\_, 2016, by Mona D. Ables, Vice President of Land of COG Operating LLC, a Delaware limited liability company, on behalf of said limited liability company.

ALL PORT	MELISSA L. DIMIT
	Notary Public, State of Texas
LA X AN	My Commission Expires
14 C 61 1 1 1	September 09, 2017

STATE OF TEXAS	ş
	ş
COUNTY OF NUECES	ş

Notary Public in and for the State of Texas

This instrument was acknowledged before me on \_\_\_\_\_\_, 2016, by Rajan D. Ahuja, as VP of Land of Magnum Oil & Gas, Inc., general partner of R&R Royalty, Ltd., on behalf of said entity.

Notary Public in and for the State of Texas

Monet Federal Com #3H, 8H, #9H, #10H Page | 5

2 X 2

#### WORKING INTEREST OWNER AND/OR LESSEE OF RECORD:

#### COG OPERATING LLC

By: Printed Name: Mona D. Ables Title: Vice President of Land

R&R ROYALTY, LTD. By: Magnum O&G, Inc., General Partner 6 By: Printed Name: Rajan D. Ahuja Title: Vice President – Land

#### ACKNOWLEDGEMENTS

STATE OF TEXAS	§
	§
COUNTY OF MIDLAND	ş

This instrument was acknowledged before me on \_\_\_\_ , 2015, by Mona D. Ables, Vice President of Land of COG Operating LLC, a Delaware limited liability company, on behalf of said limited liability company.

Notary Public in and for the State of Texas

STATE OF TEXAS § § δ COUNTY OF NUECES

This instrument was acknowledged before me on JANUARY 11, 2016, by Rajan D. Ahuja, as VP of Land of Magnum Oil & Gas, Inc., general partner of R&R Royalty, Ltd., on behalf of said entity.



Notary Public in and for the State of Texas

Monet Federal Com #3H, 8H, #9H, #10H Page | 5

Received by OCD: 12/28/2021 2:56:28 PM

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# EXHIBIT **B**

Attached to and made a part of that Communitization Agreement dated November 1, 2015, covering W/2 of Section 4, T-25-S, R-33-E, Lea Co., New Mexico.

Operator of Communitized Area: COG Operating LLC

## **DESCRIPTION OF LEASES COMMITTED:**

#### Tract No. 1

Lease Date: Lease Term: Recordation: Lessor: Original Lessee: Current Lessee: **Description of Land Committed:** 

Number of Acres: **Royalty Rate:** WI Owner Names and Interests: **ORRI Owners:** 

#### Tract No. 2

Lease Date: Lease Term: Recordation: Lessor: Original Lessee: Current Lessee: **Description of Land Committed:** 

Number of Acres: Royalty Rate: WI Owner Names and Interests: **ORRI Owners:** 

January 1, 1974 Ten (10) Years N/A **BLM Lease NMNM 19859** C. C. Bateman COG Operating LLC Insofar and only insofar as said lease covers: Township 25 South, Range 33 East Section 4: Lot 3, S/2NW/4, SW/4 Lea County, New Mexico 279.93 12.5% COG Operating LLC Of Record

100.000000%

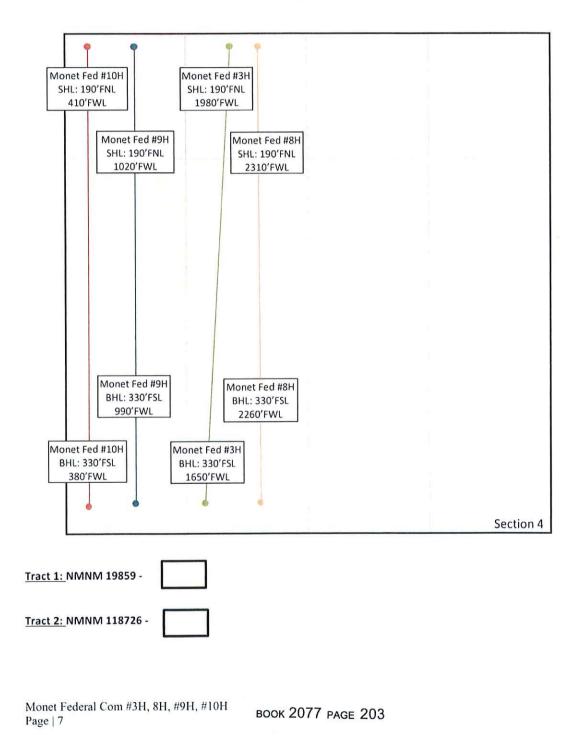
September 1, 2007 Ten (10) Years N/A BLM Lease NMNM 118726 R&R Royalty, Ltd. R&R Royalty, Ltd. Insofar and only insofar as said lease covers: Township 25 South, Range 33 East Section 4: Lot 4 Lea County, New Mexico 39.91 12.5% R&R Royalty, Ltd. 100.000000% Of Record

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Plat of communitized area covering W/2 of Section 4, T-25-S, R-33-E, N.M.P.M., Lea County, New Mexico

Monet Federal Com #3H, #8H, #9H, #10H



Released to Imaging: 3/29/2023 9:39:00 AM

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest In Communitized Area
1	279.93	87.522%
2	39.91	12.478%
Total	319.84	100.000%



STATE OF NEW MEXICO COUNTY OF LEA FILED At 2:09 o'clock \_\_\_\_\_\_M JAN 1 1 2017 Recorded in Book 2077 Page 194

Keith Manes, Lea County Clerk By A Beauchamp Deputy



Monet Federal Com #3H, 8H, #9H, #10H Page | 8

## **Federal Communitization Agreement**

Contract No.

THIS AGREEMENT entered into as of the 1<sup>st</sup> of July, 2021, 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 25 South, Range 33 East, N.M.P.M. Section 4: W/2, Lea County, New Mexico

Containing **319.8** acres, and this agreement shall include only certain depths within the **Wolfcamp** formation underlying said lands, as shown in Exhibit A, and the oil and 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 depths communitized 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 Avenue, 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 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 July 1, 2021, 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 2year 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.
- <u>Nondiscrimination</u>. 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:**

#### COG OPERATING LLC

Date:

By:

Sean Johnson Attorney-In-Fact

### ACKNOWLEDGEMENT

# STATE OF TEXAS COUNTY OF MIDLAND

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This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_\_, 2021, 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:

# LIST OF PARTIES TO FEDERAL COMMUNITIZATION AGREEMENT:

Working Interest Owners:	COG Operating LLC
	R&R Royalty, Ltd.
	MECO IV, LLC

# TRACT 1: USA NMNM 118726

Lessee of Record per SRP:	R&R Royalty, Ltd.; MECO IV, LLC
Operating Rights Owner per SRP:	R&R Royalty, Ltd.; MECO IV, LLC
ORRI Owner:	Avinash C. Ahuja, as Trustee of the Ahuja Children 2012 Long Term Trust; Unified Assets, Ltd.

# TRACT 2: USA NM 019859

Lessee of Record:	ConocoPhillips Company
Operating Rights Owner per SRP:	COG Operating LLC
ORRI Owners:	ConocoPhillips Company; Eric C. Bateman aka Erik C. Bateman; West Bend Energy Partners, LLC; Tilden Capital Minerals, LLC; GGM Exploration, Inc.; Pegasus Resources, LLC; Maven Royalty Fund, LP; Chisos Minerals, LLC; Escondido Oil and Gas, LLC; Commerce First Royalties, LP; Montego Capital Fund 3 LTD

.

# WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

	COG Operating LLC
Date: B	By:
	Sean Johnson Attorney-In-Fact
	ConocoPhillips Company
Date: E	Scan Johnson
	Sean Johnson Attorney-In-Fact
	R&R Royalty, Ltd.
Date: E	Зу:
	ne:
	MECO IV, LLC

Date: \_\_\_\_\_ By: \_\_\_\_\_ Name: \_\_\_\_\_ Title: \_\_\_\_\_

Monet Federal Com 701H

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# ACKNOWLEDGEMENTS

STATE OF TEXAS			
COUNTY OF MIDLAND			

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_\_, 2021, by Sean Johnson, Attorney-In-Fact of COG Operating LLC, a Delaware limited liability company, on behalf of same.

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> Notary Public in and for the State of Texas My Commission expires:

# STATE OF TEXAS § SCOUNTY OF MIDLAND §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_\_, 2021, by Sean Johnson, Attorney-In-Fact of ConocoPhillips Company, a Delaware corporation, on behalf of same.

Notary Public in and for the State of Texas My Commission expires:

> Notary Public in and for the State of Texas My Commission expires:

STATE OF	§					
COUNTY OF	§					
This instrument was acknow	vledged before me on the	day of				, 2021,
by	, as		of	MECO	IV,	LLC,
	, on behalf of sam	e.				

Notary Public in and for the State of Texas My Commission expires:

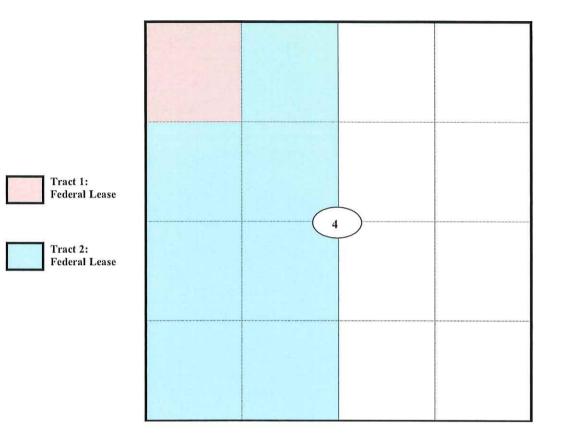
Monet Federal Com 701H

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## EXHIBIT "A"

Plat of communitized area covering 319.8 acres in the W/2 of Section 4, Township 25 South, Range 33 East, N.M.P.M., Lea County, New Mexico

## Monet Federal Com 701H



Released to Imaging: 3/29/2023 9:39:00 AM

Monet Federal Com 701H

#### EXHIBIT "B"

Attached to and made a part of that Communitization Agreement dated July 1, 2021, covering W/2 of Section 4, Township 25 South, Range 33 East, N.M.P.M., Lea County, New Mexico

Operator of Communitized Area: COG Operating LLC

#### **DESCRIPTION OF LEASES COMMITTED:**

# TRACT 1: LOT 4 OF SECTION 4, TOWNSHIP 25 SOUTH, RANGE 33 EAST, CONTAINING 39.91 ACRES, MORE OR LESS

Lease 1	
Lease Date:	September 1, 2007
Lease Term:	Ten (10) Years
Recordation:	Unrecorded
Lessor:	USA NMNM 118726
Original Lessee:	R&R Royalty, Ltd.
Current Lessee:	R&R Royalty, Ltd.; MECO IV, LLC
Description of Land Committed:	Insofar only as said lease covers:
	Township 25 South, Range 33 East
	Section 4: Lot 4
	Lea County, New Mexico
Number of Acres:	39.91
Royalty Rate:	12.5%
WI Owner Names and Interests:	R&R Royalty, Ltd 1%
	MECO IV, LLC – 99%
ORRI Owners:	Avinash C. Ahuja, as Trustee of the Ahuja Children 2012
	Long Term Trust; Unified Assets, Ltd.

# TRACT 2: LOT 3, S/2NW/4, SW/4 OF SECTION 4, TOWNSHIP 25 SOUTH, RANGE 33 EAST, CONTAINING 279.89 ACRES, MORE OR LESS

Lease 2	
Lease Date:	January 1, 1974
Lease Term:	Ten (10) Years
Recordation:	Unrecorded
Lessor:	USA NM 019859
Original Lessee:	C.C. Bateman
Current Lessee:	COG Operating LLC
Description of Land Committed:	Insofar only as said lease covers:
-	Township 25 South, Range 33 East
	Section 4: Lot 3, S/2NW/4, SW/4
	Lea County, New Mexico
Number of Acres:	279.89
Royalty Rate:	12.5%
WI Owner Names and Interests:	COG Operating LLC - 100%
ORRI Owners:	ConocoPhillips Company; Eric C. Bateman aka Erik C.
	Bateman; West Bend Energy Partners, LLC; Tilden Capital
	Minerals, LLC; GGM Exploration, Inc.; Pegasus Resources,
	LLC; Maven Royalty Fund, LP; Chisos Minerals, LLC;
	Escondido Oil and Gas, LLC; Commerce First Royalties,
	LP; Montego Capital Fund 3 LTD
	Di, Monogo Cuphari and 5 DID

Monet Federal Com 701H

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Tract No.	No. of Acres Committed	Percentage of Interest In Communitized Area
1	39.91	12.48%
2	279.89	87.52%
Total	319.80	100.00%

## RECAPITULATION

Monet Federal Com 701H



Concho Oil & Gas Concho Oil & Gas 2407 Pecos Ave. Artesia, NM 88210

Station Name: Monet Fed 701H Station Number: 15048004 Station Location: COG Sample Point: Test Meter run Type of Sample: Spot-Cylinder Heat Trace Used: N/A Sampling Method: Fill and Purge Sampling Company: SPL Routing ID: L48INVID GL#: 702013

Certificate of Analysis

Number: 6030-21120082-004A

Artesia Laboratory 200 E Main St. Artesia, NM 88210 Phone 575-746-3481

Dec. 13, 2021

Sampled By: Kevin Grinder Sample Of: Gas Spot Sample Date: 12/06/2021 11:10 Sample Conditions: 157 psig, @ 110 °F Ambient: 42 °F Effective Date: 12/06/2021 11:10 Method: GPA-2261M Cylinder No: 1111-001245 Instrument: 70142339 (Inficon GC-MicroFusion) Last Inst. Cal.: 12/06/2021 0:00 AM Analyzed: 12/13/2021 13:27:51 by ERG

## **Analytical Data**

Components	Un-normalized Mol %	Mol. %	Wt. %	GPM at 14.73 psia		
Nitrogen	1.073	1.07349	1.280		GPM TOTAL C2+	7.965
Methane	71.325	71,36428	48.734		GPM TOTAL C3+	4.297
Carbon Dioxide	0.110	0.10976	0.206		GPM TOTAL IC5+	1.043
Ethane	13.649	13.65624	17.480	3.668		
Propane	7.470	7,47413	14.029	2.068		
Iso-butane	1.045	1.04588	2.588	0.344		
n-Butane	2.658	2.65987	6.581	0.842		
Iso-pentane	0.632	0.63255	1.943	0.232		
n-Pentane	0.793	0.79294	2.435	0.289		
Hexanes Plus	1.190	1,19086	4.724	0.522		
	99.945	100.00000	100.000	7.965		
Calculated Physical Pi	roperties	Tota		C6+		
Relative Density Real G	as	0.8146	i	3.2176		
Calculated Molecular W		23.49	)	93.19		
Compressibility Factor	*	0,9953	5			
GPA 2172 Calculation:	:					
<b>Calculated Gross BTU</b>	l per ft³ @ 14.73 ps	sia & 60°F				
Real Gas Dry BTU		1399	)	5141		
Water Sat. Gas Base B	TU	1375	i	5052		
Ideal, Gross HV - Dry at	t 14.73 psia	1392.7	,	5141.1		
Ideal, Gross HV - Wet		1368.4	i	5051.6		
Comments: Mcf/day 3	30.6					

Hydrocarbon Laboratory Manager

Quality Assurance:

The above analyses are performed in accordance with ASTM, UOP, GPA guidelines for quality assurance, unless otherwise stated.

Powered By SURECT (1994)



Concho Oil & Gas Concho Oil & Gas 2407 Pecos Ave.

# Certificate of Analysis

Number: 6030-21120082-002A

Artesia Laboratory 200 E Main St. Artesia, NM 88210 Phone 575-746-3481

Dec. 13, 2021

Artesia, NM 88210 Station Name: Monet Fed 3H, 8H, 9H, 10H Station Number: 15002257 COG Station Location: Sample Point: Test Meter run Type of Sample: Spot-Cylinder Heat Trace Used: N/A Sampling Method: Fill and Purge Sampling Company: SPL Routing ID: L48INVID 702013 GL#:

Sampled By: Kevin Grinder Sample Of: Gas Spot Sample Date: 12/06/2021 11:05 Sample Conditions: 95.6 psig, @ 60.8 °F Ambient: 42 °F Effective Date: 12/06/2021 11:05 Method: GPA-2261M 1111-001220 Cylinder No: Instrument: 70142339 (Inficon GC-MicroFusion) 12/06/2021 0:00 AM Last Inst. Cal.: Analyzed: 12/13/2021 13:12:47 by ERG

## **Analytical Data**

Components Un-	normalized Mol %	Mol. %	Wt. %	GPM at 14.73 psia		
Nitrogen	1.445	1.43385	1.479	6664011111 I I I I I I I I I I I I I I I I I	GPM TOTAL C2+	9.179
Methane	55.463	55.03507	32.509		GPM TOTAL C3+	4.738
Carbon Dioxide	11.205	11.11821	18.016		GPM TOTAL iC5+	0.597
Ethane	16.649	16.52049	18.290	4.441		
Propane	10.726	10.64301	17.280	2.947		
Iso-butane	1.194	1.18518	2.536	0.390		
n-Butane	2.558	2.53796	5.431	0.804		
lso-pentane	0.515	0.51112	1.358	0.188		
n-Pentane	0.498	0.49386	1.312	0.180		
Hexanes Plus	0.525	0.52125	1.789	0.229		
	100.778	100.00000	100.000	9.179		
Calculated Physical Prop	erties	Total		C6+		
Relative Density Real Gas		0.9424		3.2176		
Calculated Molecular Weigl	ht	27.16	i	93.19		
Compressibility Factor		0.9947	,			
GPA 2172 Calculation:						
Calculated Gross BTU pe	r ft <sup>a</sup> @ 14.73 p	sia & 60°F				
Real Gas Dry BTU	• •	1314	•	5141		
Water Sat, Gas Base BTU		1292	2	5052		
Ideal, Gross HV - Dry at 14	.73 psia	1307.3	3	5141.1		
Ideal, Gross HV - Wet		1284.6	5	5051.6		

Hydrocarbon Laboratory Manager

Quality Assurance:

The above analyses are performed in accordance with ASTM, UOP, GPA guidelines for quality assurance, unless otherwise stated.

Powered By SURECHIEM



Concho Oil & Gas Concho Oil & Gas 2407 Pecos Ave. Artesia, NM 88210

Station Name: Monet Fed 601H 15048005 Station Number: Station Location: COG Sample Point: Test Meter run Type of Sample: Spot-Cylinder Heat Trace Used: N/A Sampling Method: Fill and Purge Sampling Company: SPL Routing ID: L48INVID GL#: 702013

Certificate of Analysis

Number: 6030-21120082-001A

Artesia Laboratory 200 E Main St. Artesia, NM 88210 Phone 575-746-3481

Dec. 13, 2021

Sampled By: Kevin Grinder Sample Of: Gas Spot Sample Date: 12/06/2021 15:00 Sample Conditions: 163 psig, @ 119 °F Ambient: 42 °F Effective Date: 12/06/2021 15:00 Method: GPA-2261M Cylinder No: 5030-01820 70142339 (Inficon GC-MicroFusion) Instrument: Last Inst. Cal.: 12/06/2021 0:00 AM Analyzed: 12/13/2021 13:05:43 by ERG

## Analytical Data

Components	Un-normalized Mol %	Mol. %	Wt. %	GPM at 14.73 psia		
Nitrogen	1.108	1.10627	1.313		GPM TOTAL C2+	8.037
Methane	71.261	71.12401	48.343		GPM TOTAL C3+	4.377
Carbon Dioxide	0.113	0.11228	0.209		GPM TOTAL iC5+	1.084
Ethane	13.651	13.62492	17.358	3.660		
Propane	7.515	7.50033	14.013	2.076		
Iso-butane	1.063	1.06125	2.613	0.349		
n-Butane	2.747	2.74191	6.752	0.868		
Iso-pentane	0.686	0.68468	2.093	0.252		
n-Pentane	0.861	0.85964	2.628	0.313		
Hexanes Plus	1.187	1.18471	4.678	0.519		
	100.192	100.00000	100.000	8.037		
Calculated Physical	Properties	Total		C6+		
Relative Density Real	Gas	0.8185	i	3.2176		
Calculated Molecular	Weight	23.60	ŧ	93.19		
Compressibility Factor		0.9953	l.			
GPA 2172 Calculatio	on:					
Calculated Gross B1	ՐՍ per ft³ @ 14.73 թ։	sia & 60°F				
Real Gas Dry BTU		1405	5	5141		
Water Sat. Gas Base	BTU	1381		5052		
Ideal, Gross HV - Dry at 14.73 psia		1398.0	)	5141.1		
Ideal, Gross HV - We	t	1373.7	•	5051.6		

Comments: Mcf/day 4858

Hydrocarbon Laboratory Manager

Quality Assurance:

The above analyses are performed in accordance with ASTM, UOP, GPA guidelines for quality assurance, unless otherwise stated.

Powered By SURE 1995

From:	McClure, Dean, EMNRD on behalf of Engineer, OCD, EMNRD
To:	Barron, Jeanette
Cc:	McClure, Dean, EMNRD; Kautz, Paul, EMNRD; Wrinkle, Justin, EMNRD; Powell, Brandon, EMNRD; Paradis, Kyle O; Walls, Christopher
Subject:	Approved Administrative Order PLC-804-A
Date:	Friday, March 24, 2023 11:01:15 AM
Attachments:	PLC804A Order.pdf

NMOCD has issued Administrative Order PLC-804-A which authorizes COG Operating, LLC (229137) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-42763	Monet Federal Com #3H	E/2 W/2	4-25S-33E	97900
30-025-42765	Monet Federal Com #8H	E/2 W/2	4-25S-33E	97900
30-025-42766	Monet Federal Com #9H	W/2 W/2	4-25S-33E	97900
30-025-42767	Monet Federal Com #10H	W/2 W/2	4-25S-33E	97900
30-025-47824	Monet Federal Com #601H	W/2	4-25S-33E	96392
30-025-47825	Monet Federal Com #602H	W/2	4-25S-33E	96392
30-025-47826	Monet Federal Com #701H	W/2	4-25S-33E	<b>98180</b>

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. If you have any questions regarding this matter, please contact me.

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

From:	McClure, Dean, EMNRD on behalf of Engineer, OCD, EMNRD
To:	Barron, Jeanette
Cc:	McClure, Dean, EMNRD; Kautz, Paul, EMNRD; Wrinkle, Justin, EMNRD; Powell, Brandon, EMNRD; Paradis, Kyle O; Walls, Christopher
Subject:	Approved Administrative Order PLC-804
Date:	Wednesday, March 15, 2023 12:43:28 PM
Attachments:	PLC804 Order.pdf

NMOCD has issued Administrative Order PLC-804 which authorizes COG Operating, LLC (229137) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-42763	Monet Federal Com #3H	E/2 W/2	4-25S-33E	97900
30-025-42765	Monet Federal Com #8H	E/2 W/2	4-25S-33E	97900
30-025-42766	Monet Federal Com #9H	W/2 W/2	4-25S-33E	97900
30-025-42767	Monet Federal Com #10H	W/2 W/2	4-25S-33E	97900
30-025-47824	Monet Federal Com #601H	W/2	4-25S-33E	96392
30-025-47825	Monet Federal Com #602H	W/2	4-25S-33E	96392
30-025-47826	Monet Federal Com #701H	W/2	4-25S-33E	98180

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. If you have any questions regarding this matter, please contact me.

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

From:	Barron, Jeanette
To:	McClure, Dean, EMNRD
Subject:	RE: [EXTERNAL] FW: [EXTERNAL]surface commingling application PLC-804
Date:	Tuesday, January 24, 2023 7:46:57 AM
Attachments:	image001.png
	image002.png
	image003.png
	image004.png
	image005.png
	Monet Fed Com PC - NMOCD C-107B revised.pdf

Good morning Dean,

Please see attached revised C-107B and also the new certificate tracking information. The letters using the new language will be sent out today.

Thanks for your help with this!

Have a great day!

Thank you,

Jeanette Barron | Regulatory Coordinator, Delaware Basin NM Regulatory | ConocoPhillips O: 575-748-6974 | C: 575-703-7411 | 2208 W. Main Street, Artesia, New Mexico

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From: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>
Sent: Monday, January 23, 2023 1:44 PM
To: Barron, Jeanette <Jeanette.Barron@conocophillips.com>
Subject: RE: [EXTERNAL] FW: [EXTERNAL]surface commingling application PLC-804

Hello Jeanette,

That is quite clear, thank you.

Please provide me with the new tracking numbers once new notice for the application using the new language has been conducted. Additionally, please remember to remove mention of allocation via metering from Form C-107B.

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

From: Barron, Jeanette <<u>Jeanette.Barron@conocophillips.com</u>>
Sent: Tuesday, January 10, 2023 10:47 AM
To: McClure, Dean, EMNRD <<u>Dean.McClure@emnrd.nm.gov</u>>
Subject: RE: [EXTERNAL] FW: [EXTERNAL]surface commingling application PLC-804

Hello Dean and Happy New Year!! I had the facility engineer create a flow description and revamp the cover letter, please let me know if this will work or if you have any questions...thanks a million!

Thank you,

Jeanette Barron | Regulatory Coordinator, Delaware Basin NM Regulatory | ConocoPhillips 0: 575-748-6974 | C: 575-703-7411 | 2208 W. Main Street, Artesia, New Mexico

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From: McClure, Dean, EMNRD <<u>Dean.McClure@emnrd.nm.gov</u>>
Sent: Thursday, December 15, 2022 5:06 PM
To: Barron, Jeanette <<u>Jeanette.Barron@conocophillips.com</u>>
Subject: RE: [EXTERNAL] FW: [EXTERNAL]surface commingling application PLC-804

#### Hello Jeanette,

My recommendation would be to remove "and measured separately" out of that sentence making it then read "The oil production from all wells will be allocated by well test prior to being commingled at...."

Then you would need to make the same change for gas production and anywhere else it is mentioned. Additionally upon form C-107B, you will need to uncheck the box where it says allocation is being done via metering and instead check other and type in "well test".

I'm wondering if the reason for the inclusion of the highlighted language is to describe how each well test is conducted? If so, I recommend putting it within its own paragraph using language that makes clear each well is only measured separately during the 24 hour well test such that the interest owners could not mistakenly think the production is being measured separately all of the time.

#### **Oil Production:**

The oil production from all wells will be allocated and measured separately by well test prior to being commingled at the Central Tank Battery located in Ut. C, Sec. 4-T25S-R33E. In the event the CTB is over capacity or in the case of battery or pipeline repairs 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 this case, the oil will remain segregated and will be measured by lact meter when offloading at said stations.

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

From: Barron, Jeanette <<u>leanette.Barron@conocophillips.com</u>>
Sent: Thursday, December 15, 2022 9:20 AM
To: McClure, Dean, EMNRD <<u>Dean.McClure@emnrd.nm.gov</u>>
Subject: RE: [EXTERNAL] FW: [EXTERNAL]surface commingling application PLC-804

Dean, sorry about all the confusion on this one so these wells will be allocated via well test, please see attached and let me know if the lanuage now makes sense...lol

Thank you,

 Jeanette Barron | Regulatory Coordinator, Delaware Basin NM Regulatory | ConocoPhillips

 0: 575-748-6974 | C: 575-703-7411 | 2208 W. Main Street, Artesia, New Mexico

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From: McClure, Dean, EMNRD <<u>Dean.McClure@emnrd.nm.gov</u>>
Sent: Tuesday, December 13, 2022 11:22 AM
To: Barron, Jeanette <<u>Jeanette.Barron@conocophillips.com</u>>
Subject: RE: [EXTERNAL] FW: [EXTERNAL]surface commingling application PLC-804

Jeanette,

The included language is not indicative of allocation being determined via well test. Please see below for an example of how other operators allow interest owners to know that allocation is going to be determined via well test. Additionally, please note that the primary problem here is not that I was confused about what COG's intent is, but that the interest owners are likely to have been confused as well. The most likely believe they would have had is that COG intends to allocate via metering. Presuming that COG actually intends to allocate via well test, this qualifies as a major modification and will require new notification of the application. Having said that, the application provided to them during the new notification will need to be clear about COG's intent.

#### Covington A Federal 25 Battery

Production flows through a 30" X 10' two-phase production separator. The combined oil and water stream flow to a 4' X 20' threephase heater-treater. Oil then flows to two oil tanks for storage then sales via trucking (oil FMP). Oil production is allocated back to each well based on well test.

For testing purposes, Covington A Federal 25 Battery is equipped with a 30" X 10' two-phase separator and a 4' X 20' three-phase heater-treater. The three-phase heater-treater is equipped with turbine meters for oil and water measurement. An orifice meter measures the combined gas production from both separators. All wells at the battery have been online for at least 19 years and are in Range 3 of decline. These wells are tested at least once per month as specified in Hearing Order R-14299.

Gas production flows from all of the separators and is measured through OXY check meter 83210 which serves as the gas FMP for BLM then to sales. Gas production is allocated back to each well based on the aforementioned well tests. The gas is commingled per PLC 767A.

All water from the Covington A Federal 25 Battery is sent to the Salt Water Disposal Distribution system.

- Are any wells producing at top allowables? Yes XNo (3) Has all interest owners been notified by certified mail of the proposed commingling? ⊠Yes □No. Measurement type: Metering Other (Specify) WELL TEST (4) (5)
- Will commingling decrease the value of production? TYes No If "yes", describe why commingling should be approved

Dean McClure

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

From: Barron, Jeanette < Jeanette.Barron@conocophillips.com >

Sent: Monday, December 12, 2022 4:11 PM

To: McClure, Dean, EMNRD < Dean.McClure@emnrd.nm.gov> Subject: RE: [EXTERNAL] FW: [EXTERNAL]surface commingling application PLC-804

Sorry about that here is the correction.

Thank you,

Jeanette Barron | Regulatory Coordinator, Delaware Basin NM Regulatory | ConocoPhillips O: 575-748-6974 | C: 575-703-7411 | 2208 W. Main Street, Artesia, New Mexico

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From: McClure, Dean, EMNRD < Dean.McClure@emnrd.nm.gov> Sent: Wednesday, November 30, 2022 9:51 AM To: Barron, Jeanette < Jeanette.Barron@conocophillips.com > Subject: RE: [EXTERNAL] FW: [EXTERNAL]surface commingling application PLC-804

Ms. Barron,

Your email message seems to imply that COG intends to allocate via well test, but the attached cover letter specifically states that allocation shall be done by measuring the production from each well separately.

#### **Oil Production:**

The oil production from all wells will be measured separately by allocation meter prior to being commingled at the Central Tank Battery located in Ut. C, Sec. 4-T25S-R33E. In the event the CTB is over capacity or in the case of battery or pipeline repairs 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 this case, the oil will remain segregated and will be measured by lact meter when offloading at said stations.

#### Gas Production:

Gas production for wells 3H, 8H, 9H & 10H will be measured separately by test meter prior to being commingled and entering a gas flow line to the gas custody transfer meter. The gas production from wells 601H, 602H & 701H will be continuously measured separately by test meter prior to being commingled and entering a gas flow line to the gas custody transfer meter of being commingled and entering a gas flow line to the gas custody transfer meter prior to being commingled and entering a gas flow line to the gas custody transfer meter at the Central Tank Battery located in Ut. C, Sec. 4-T25S-R33E.

Based upon my prior review, it seems that the facility diagram supports that COG may be intending to allocate via well test. If this is the case, then the current application is not sufficient for the project and a new application with new notice will need to be submitted.

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

From: Barron, Jeanette <<u>leanette.Barron@conocophillips.com</u>>
Sent: Wednesday, October 12, 2022 5:56 AM
To: McClure, Dean, EMNRD <<u>Dean.McClure@emnrd.nm.gov</u>>
Subject: [EXTERNAL] FW: [EXTERNAL]surface commingling application PLC-804

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Good morning and thanks for the response Dean, happy to hear you are doing well!! As for me and my family we are all good!!

I know the first one on the list is waiting for a copy of the CA (still working on this) and the second one is the allocation method. I sent an email with the correct statement awhile back but thought I would resend it for an easy find.

Hope you have a great day!

Thank you,

Jeanette Barron | Regulatory Coordinator, Delaware Basin NM Regulatory | ConocoPhillips 0: 575-748-6974 | C: 575-703-7411 | 2208 W. Main Street, Artesia, New Mexico

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From: Barron, Jeanette Sent: Tuesday, August 23, 2022 10:13 AM To: McClure, Dean, EMNRD <<u>Dean.McClure@state.nm.us</u>> Subject: RE: [EXTERNAL]surface commingling application PLC-804

Hello Dean,

I was just doing a review on what is still outstanding with you and found this email I had flagged but I guess missed?? 🙁 Please see attached cover letter stating that wells will be allocated via well test.

Thank you,

Jeanette Barron | Regulatory Coordinator, Delaware Basin NM Regulatory | ConocoPhillips 0: 575-748-6974 | C: 575-703-7411 | 2208 W. Main Street, Artesia, New Mexico

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From: McClure, Dean, EMNRD <<u>Dean.McClure@state.nm.us</u>>
Sent: Friday, April 29, 2022 12:23 PM
To: Barron, Jeanette <<u>Jeanette.Barron@conocophillips.com</u>>
Subject: [EXTERNAL]surface commingling application PLC-804

**CAUTION**: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

#### Ms. Barron,

I am reviewing surface commingling application PLC-804 which involves a commingling project that includes the Monet federal 4 C CTB and is operated by COG Operating, LLC (229137).

Please confirm Concho's intended allocation method. Within the summary it is stated that each well will be individually metered, but the facility diagram implies that several of the wells will be allocated via well test.

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

From:	Barron, Jeanette
To:	McClure, Dean, EMNRD
Subject:	RE: [EXTERNAL] FW: [EXTERNAL]surface commingling application PLC-804
Date:	Monday, March 6, 2023 8:48:09 AM
Attachments:	image001.png
	image002.png
	image003.png
	image004.png
	image005.png
	Monet Fed Com Affidavit legal notice.pdf

Good morning Dean,

The ones highlighted in yellow were returned did not find anything on 9535. But I have also attached at affidavit of publication that was published on February 1, 2023.

Please let me know what else you need from me to do to get this approved...thank you!

<mark>2/14/2023</mark>	BLM	7020 3160 0001 0978 9528	Returned
2/22/2023	Chisos Minerals, LLC	7020 3160 0001 0978 9535	<b>Returned?</b>
2/4/2023	Escondido Oil and Gas, LLC	7020 3160 0001 0978 9573	<b>Returned?</b>
2/18/2023	Fortis Minerals II, LLC	7020 3160 0001 0978 9580	<b>Returned</b>

Thank you,

 Jeanette Barron | Regulatory Coordinator, Delaware Basin NM Regulatory | ConocoPhillips

 0: 575-748-6974 | C: 575-703-7411 | 2208 W. Main Street, Artesia, New Mexico

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From: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>
Sent: Friday, February 24, 2023 8:39 AM
To: Barron, Jeanette <Jeanette.Barron@conocophillips.com>
Subject: RE: [EXTERNAL] FW: [EXTERNAL]surface commingling application PLC-804

Hello Jeanette,

Please confirm the following persons have received notification of this amended application:

2/14/2023	BLM	7020 3160 0001 0978 9528	Returned
2/22/2023	Chisos Minerals, LLC	7020 3160 0001 0978 9535	<b>Returned?</b>
2/4/2023	Escondido Oil and Gas, LLC	7020 3160 0001 0978 9573	<b>Returned?</b>
2/18/2023	Fortis Minerals II, LLC	7020 3160 0001 0978 9580	Returned

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

From: McClure, Dean, EMNRD
Sent: Tuesday, January 24, 2023 11:09 AM
To: Barron, Jeanette <<u>Jeanette.Barron@conocophillips.com</u>>
Subject: RE: [EXTERNAL] FW: [EXTERNAL]surface commingling application PLC-804

Thank you, please confirm that none of the notifications are returned and remind me of this application in 3 weeks.

Dean McClure Petroleum Engineer, Oil Conservation Division New Mexico Energy, Minerals and Natural Resources Department (505) 469-8211 From: Barron, Jeanette <<u>leanette.Barron@conocophillips.com</u>> Sent: Tuesday, January 24, 2023 7:47 AM To: McClure, Dean, EMNRD <<u>Dean.McClure@emnrd.nm.gov</u>> Subject: RE: [EXTERNAL] FW: [EXTERNAL]surface commingling application PLC-804

Good morning Dean,

Please see attached revised C-107B and also the new certificate tracking information. The letters using the new language will be sent out today.

Thanks for your help with this!

Have a great day!

Thank you,

Jeanette Barron | Regulatory Coordinator, Delaware Basin NM Regulatory | ConocoPhillips O: 575-748-6974 | C: 575-703-7411 | 2208 W. Main Street, Artesia, New Mexico

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From: McClure, Dean, EMNRD <<u>Dean.McClure@emnrd.nm.gov</u>>
Sent: Monday, January 23, 2023 1:44 PM
To: Barron, Jeanette <<u>Jeanette.Barron@conocophillips.com</u>>
Subject: RE: [EXTERNAL] FW: [EXTERNAL]surface commingling application PLC-804

Hello Jeanette,

That is quite clear, thank you.

Please provide me with the new tracking numbers once new notice for the application using the new language has been conducted. Additionally, please remember to remove mention of allocation via metering from Form C-107B.

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

From: Barron, Jeanette <<u>leanette.Barron@conocophillips.com</u>>
Sent: Tuesday, January 10, 2023 10:47 AM
To: McClure, Dean, EMNRD <<u>Dean.McClure@emnrd.nm.gov</u>>
Subject: RE: [EXTERNAL] FW: [EXTERNAL]surface commingling application PLC-804

Hello Dean and Happy New Year!!

I had the facility engineer create a flow description and revamp the cover letter, please let me know if this will work or if you have any questions...thanks a million!

Thank you,

Jeanette Barron | Regulatory Coordinator, Delaware Basin NM Regulatory | ConocoPhillips 0: 575-748-6974 | C: 575-703-7411 | 2208 W. Main Street, Artesia, New Mexico

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From: McClure, Dean, EMNRD <<u>Dean.McClure@emnrd.nm.gov</u>> Sent: Thursday, December 15, 2022 5:06 PM To: Barron, Jeanette <<u>Jeanette.Barron@conocophillips.com</u>> Subject: RE: [EXTERNAL] FW: [EXTERNAL]surface commingling application PLC-804

Hello Jeanette,

My recommendation would be to remove "and measured separately" out of that sentence making it then read "The oil production from all wells will be allocated by well test prior to being commingled at...."

Then you would need to make the same change for gas production and anywhere else it is mentioned. Additionally upon form C-107B, you will need to uncheck the box where it says allocation is being done via metering and instead check other and type in "well test".

I'm wondering if the reason for the inclusion of the highlighted language is to describe how each well test is conducted? If so, I recommend putting it within its own paragraph using language that makes clear each well is only measured separately during the 24 hour well test such that the interest owners could not mistakenly think the production is being measured separately all of the time.

#### **Oil Production:**

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

From: Barron, Jeanette <<u>leanette.Barron@conocophillips.com</u>>
Sent: Thursday, December 15, 2022 9:20 AM
To: McClure, Dean, EMNRD <<u>Dean.McClure@emnrd.nm.gov</u>>
Subject: RE: [EXTERNAL] FW: [EXTERNAL]surface commingling application PLC-804

Dean, sorry about all the confusion on this one so these wells will be allocated via well test, please see attached and let me know if the lanuage now makes sense...lol

Thank you,

Jeanette Barron | Regulatory Coordinator, Delaware Basin NM Regulatory | ConocoPhillips 0: 575-748-6974 | C: 575-703-7411 | 2208 W. Main Street, Artesia, New Mexico

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From: McClure, Dean, EMNRD <<u>Dean.McClure@emnrd.nm.gov</u>>

Sent: Tuesday, December 13, 2022 11:22 AM

To: Barron, Jeanette < Jeanette.Barron@conocophillips.com >

Subject: RE: [EXTERNAL] FW: [EXTERNAL]surface commingling application PLC-804

Jeanette,

The included language is not indicative of allocation being determined via well test. Please see below for an example of how other operators allow interest owners to know that allocation is going to be determined via well test. Additionally, please note that the primary problem here is not that I was confused about what COG's intent is, but that the interest owners are likely to have been confused as well. The most likely believe they would have had is that COG intends to allocate via metering. Presuming that COG actually intends to allocate via well test, this qualifies as a major modification and will require new notification of the application. Having said that, the application provided to them during the new notification will need to be clear about COG's intent.

#### Covington A Federal 25 Battery

Production flows through a 30" X 10' two-phase production separator. The combined oil and water stream flow to a 4' X 20' threephase heater-treater. Oil then flows to two oil tanks for storage then sales via trucking (oil FMP). Oil production is allocated back to each well based on well test.

For testing purposes, Covington A Federal 25 Battery is equipped with a 30" X 10' two-phase separator and a 4' X 20' three-phase heater-treater. The three-phase heater-treater is equipped with turbine meters for oil and water measurement. An orifice meter measures the combined gas production from both separators. All wells at the battery have been online for at least 19 years and are in Range 3 of decline. These wells are tested at least once per month as specified in Hearing Order R-14299.

Gas production flows from all of the separators and is measured through OXY check meter 83210 which serves as the gas FMP for BLM then to sales. Gas production is allocated back to each well based on the aforementioned well tests. The gas is commingled per PLC 767A.

All water from the Covington A Federal 25 Battery is sent to the Salt Water Disposal Distribution system.

(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) WELL TEST

(5) Will commingling decrease the value of production? 🗌 Yes 🛛 No If "yes", describe why commingling should be approved

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

From: Barron, Jeanette <<u>leanette.Barron@conocophillips.com</u>>
Sent: Monday, December 12, 2022 4:11 PM
To: McClure, Dean, EMNRD <<u>Dean.McClure@emnrd.nm.gov</u>>
Subject: RE: [EXTERNAL] FW: [EXTERNAL]surface commingling application PLC-804

Sorry about that here is the correction.

Thank you,

Jeanette Barron | Regulatory Coordinator, Delaware Basin NM Regulatory | ConocoPhillips O: 575-748-6974 | C: 575-703-7411 | 2208 W. Main Street, Artesia, New Mexico

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From: McClure, Dean, EMNRD <<u>Dean.McClure@emnrd.nm.gov</u>>
Sent: Wednesday, November 30, 2022 9:51 AM
To: Barron, Jeanette <<u>Jeanette.Barron@conocophillips.com</u>>
Subject: RE: [EXTERNAL] FW: [EXTERNAL]surface commingling application PLC-804

Ms. Barron,

Your email message seems to imply that COG intends to allocate via well test, but the attached cover letter specifically states that allocation shall be done by measuring the production from each well separately.

#### **Oil Production:**

The oil production from all wells will be measured separately by allocation meter prior to being commingled at the Central Tank Battery located in Ut. C, Sec. 4-T25S-R33E. In the event the CTB is over capacity or in the case of battery or pipeline repairs 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 this case, the oil will remain segregated and will be measured by lact meter when offloading at said stations.

#### Gas Production:

Gas production for wells 3H, 8H, 9H & 10H will be measured separately by test meter prior to being commingled and entering a gas flow line to the gas custody transfer meter. The gas production from wells 601H, 602H & 701H will be continuously measured separately by test meter prior to being commingled and entering a gas flow line to the gas custody transfer meter in the being commingled and entering a gas flow line to the gas custody transfer meter prior to being commingled and entering a gas flow line to the gas custody transfer meter at the Central Tank Battery located in Ut. C, Sec. 4-T25S-R33E.

Based upon my prior review, it seems that the facility diagram supports that COG may be intending to allocate via well test. If this is the case, then the current application is not sufficient for the project and a new application with new notice will need to be submitted.

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

From: Barron, Jeanette <<u>leanette.Barron@conocophillips.com</u>>
Sent: Wednesday, October 12, 2022 5:56 AM
To: McClure, Dean, EMNRD <<u>Dean.McClure@emnrd.nm.gov</u>>
Subject: [EXTERNAL] FW: [EXTERNAL]surface commingling application PLC-804

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Good morning and thanks for the response Dean, happy to hear you are doing well!! As for me and my family we are all good!!

I know the first one on the list is waiting for a copy of the CA (still working on this) and the second one is the allocation method. I sent an email with the correct statement awhile back but thought I would resend it for an easy find.

Hope you have a great day!

Thank you,

Jeanette Barron | Regulatory Coordinator, Delaware Basin NM Regulatory | ConocoPhillips O: 575-748-6974 | C: 575-703-7411 | 2208 W. Main Street, Artesia, New Mexico

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From: Barron, Jeanette Sent: Tuesday, August 23, 2022 10:13 AM To: McClure, Dean, EMNRD <<u>Dean.McClure@state.nm.us</u>> Subject: RE: [EXTERNAL]surface commingling application PLC-804

Hello Dean,

I was just doing a review on what is still outstanding with you and found this email I had flagged but I guess missed?? (E) Please see attached cover letter stating that wells will be allocated via well test.

Thank you,

Jeanette Barron | Regulatory Coordinator, Delaware Basin NM Regulatory | ConocoPhillips O: 575-748-6974 | C: 575-703-7411 | 2208 W. Main Street, Artesia, New Mexico

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From: McClure, Dean, EMNRD <<u>Dean.McClure@state.nm.us</u>> Sent: Friday, April 29, 2022 12:23 PM To: Barron, Jeanette <<u>Jeanette.Barron@conocophillips.com</u>> Subject: [EXTERNAL]surface commingling application PLC-804 **CAUTION**: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

#### Ms. Barron,

I am reviewing surface commingling application PLC-804 which involves a commingling project that includes the Monet federal 4 C CTB and is operated by COG Operating, LLC (229137).

Please confirm Concho's intended allocation method. Within the summary it is stated that each well will be individually metered, but the facility diagram implies that several of the wells will be allocated via well test.

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

# Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

> Beginning with the issue dated February 01, 2023 and ending with the issue dated February 01, 2023.

upon

Publisher

Sworn and subscribed to before me this 1st day of February 2023.

Business Manager

My commission expires January 29, 2027 (Seal)

STATE OF NEW MEXICO NOTARY PUBLIC **GUSSIE RUTH BLACK** COMMISSION # 1087526 COMMISSION EXPIRES 01/29/2027

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

67116810

00275379

JEANETTE BARRON CONOCO PHILLIPS ACCOUNTS PAYABLE P O BOX 2200 BARTSVILLE, OK 74005-2200

### LEGAL NOTICE February 1, 2023

COG Operating LLC (COG), 2208 West Main, Artesia, New Mexico, 88210, is seeking administrative approval from the New Mexico Ol administrative approval from the New Mexico Oil Conservation Division to pool commingle the oil and gas production from the Monet Fed Com 3H, 8H, 9H, 10H, 601H, 602H & 701H. Said wells are located in Section 4, Township 25 South, Range 33 East, Lea County, New Mexico. The Central Tank Battery (CTB) where production will be commingled is located in Ut C, Section 4-T25S-R33E, Lea County, New Mexico. In the event oil production at the CTB is over capacity or in the case of battery or pipeline repairs, COG is also seeking administrative approval for off-lease measurement at either the Red Hills Off-load Station in Unit O, Section 4-T26S-R32E or the for off-lease measurement at either the Red Hills Off-load Station in Unit O, Section 4-T26S-R32E or the 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 Michael Potts (432) 999-0260 michael.potts@conocophillips.com at ConocoPhillips, 600 West Illinois, Midland, Texas 79701. #00275379

Form C-107-B Revised August 1, 2011

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 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 Ope	erating LLC				
OPERATOR ADDRESS: 2208 W M	Main Street, Artesia, N	ew Mexico 88210			
APPLICATION TYPE:					
Pool Commingling Lease Comminglin	g Pool and Lease Cor	nmingling Off-Lease	Storage and Measur	ement (Only if not Surface	Commingled)
LEASE TYPE: Fee	State 🛛 Feder				
Is this an Amendment to existing Order		"Yes", please include t			
Have the Bureau of Land Management	(BLM) and State Land	office (SLO) been not	ified in writing o	of the proposed comm	ngling
		L COMMINGLIN s with the following in			
(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
96392 Draper Mill; Bone Spring	45.6 / 1332	48.9 / 1308			
97900 Red Hills; Bone Spring	44.0 / 1314				
98180; Upper Wolfcamp	45.7 / 1379				
(2) Are any wells producing at top allowal					
<ul> <li>(3) Has all interest owners been notified b</li> <li>(4) Measurement type: Metering 2</li> </ul>		bosed commingling? bhase Production-Some we	Yes No.	nuous measurement and	some wells
will have Intermittent testing.					some wens
(5) Will commingling decrease the value of	of production? UYes	⊠No If "yes", descri	be why commingli	ng should be approved	
	· · /	SE COMMINGLIN s with the following in			
(1) Pool Name and Code.					
(2) Is all production from same source of s				_	
<ul> <li>(3) Has all interest owners been notified by</li> <li>(4) Measurement type: Metering </li> </ul>		losed comminging ?	□Yes □N	U	
	· · · · · · · · · · · · · · · · / ·				
		LEASE COMMIN s with the following in			
(1) Complete Sections A and E.	i rease attach sheet	o with the following in	in a manufic m		
*					

## (D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

Is all production from same source of supply? Yes No
 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: <u>Jeanette Barron</u> TITLE: <u>Regulatory Coordinator</u> DATE: <u>01.24.23</u> TYPE OR PRINT NAME <u>Jeanette Barron</u> TELEPHONE NO.: <u>575.748.6974</u>

E-MAIL ADDRESS: \_jeanette.barron@conocophillips.com

		Monet Fed Com 3H, 8H,	9H, 10H, 601H-602H &	701H REVISE	D		
Date Sent	Initials	Name	Address	City	State	ZipCode	Certified Return Receipt No.
01.24.23	JB	Avinash C. Ahuja, as Trustee Ahuja Children 2012 Long Term Trust	500 N Shoreline Blvd. #322	Corpus Christi	ТХ	78401	7020 3160 0001 0978 9511
01.24.23	JB	BLM	414 W. Taylor	Hobbs	NM	88240	7020 3160 0001 0978 9528
01.24.23	JB	Chisos Minerals, LLC	1111 Bagby St., Ste. 2150	Houston	ТΧ	77002	7020 3160 0001 0978 9535
01.24.23	JB	Colburn Oil LP	PO Box 2524	Midland	ТΧ	79702	7020 3160 0001 0978 9542
01.24.23	JB	Commerce First Royalties, LP	14241 Dallas Parkway, Ste. 600	Dallas	ТΧ	75254	7020 3160 0001 0978 9559
01.24.23	JB	Erik aka Eric C. Bateman	3519 Roxanne Ave.	Long Beach	CA	90808	7020 3160 0001 0978 9566
01.24.23	JB	Escondido Oil and Gas, LLC	P.O. Box 51390	Midland	ТΧ	79710	7020 3160 0001 0978 9573
01.24.23	JB	Fortis Minerals II, LLC	1111 Bagby St., Ste. 2150	Houston	ТΧ	77002	7020 3160 0001 0978 9580
01.24.23	JB	GGM Exploration, Inc. Attn: Will Rogers	P.O. Box 123610	Fort Worth	ТХ	76121	7020 3160 0001 0978 9597
01.24.23	JB	Maven Royalty Fund, LP	620 Texas Street, Ste. 300	Shreveport	LA	71101	7020 3160 0001 0978 9603
01.24.23	JB	MECO IV, LLC	1200 Seventeenth St., Ste. 975	Denver	CO	80202	7020 3160 0001 0978 9610
01.24.23	JB	Montego Capital Fund 3 Ltd.	P.O. Box 2640	Midland	ТΧ	79702	7020 3160 0001 0978 9627
01.24.23	JB	Pegasus Resources, LLC	P.O. Box 470698	Fort Worth	ТΧ	76147	7020 3160 0001 0978 9634
01.24.23	JB	R&R Royalty Ltd.	500 N Shoreline Blvd. #322	Corpus Christi	ТХ	78401	7020 3160 0001 0978 9641
01.24.23	JB	TD Minerals LLC Attn: Walt Nixon	8111 Westchester, Ste. 900	Dallas	ТΧ	75225	7020 3160 0001 0978 9658
01.24.23	JB	Tilden Capital Minerals, LLC Attn; William Malloy	P.O. Box 470857	Ft. Worth	тх	76147	7020 3160 0001 0978 9665
01.24.23	JB	Unified Assets, Ltd.	3344 Ocean Drive	Corpus Christi	тх	78411	7020 3160 0001 0978 9672
01.24.23	JB	West Bend Energy Partners, LLC	P.O. Box 472087	Fort Worth	ТΧ	76147	7020 3160 0001 0978 9689



ConocoPhillips 2208 West Main Street Artesia, New Mexico 88210 www.conocophillips.com

December 28, 2021

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

Re: Application for Administrative Approval of Pool Commingle and Off Lease Measurement

Dear Mr. McClure,

COG Operating LLC respectfully requests approval for pool commingling and Off Lease Measurement for the following wells:

Monet Federal Com 3H API# 30-025-42763 Draper Mill; Bone Springs Ut. C, Sec. 4-T25S-R33E Lea County, NM

Monet Federal Com 9H API# 30-025-42766 Red Hills; Upr Bone Srpings Ut. D, Sec. 4-T25S-R33E Lea County, NM

Monet Federal Com 601H API# 30-025-47824 Draper Mill; Bone Springs Ut. C, Sec. 4-T25S-R33E Lea County, NM

Monet Federal Com 701H API# 30-025-47826 WC-025G-09 S253309P; Upr Wolfcamp Ut. C, Sec. 4-T25S-R33E Lea County, NM Monet Federal Com 8H API# 30-025-42765 Red Hills; Upr Bone Srpings Ut. C, Sec. 4-T25S-R33E Lea County, NM

Monet Federal Com 10H API# 30-025-42767 Red Hills; Upr Bone Srpings Ut. D, Sec. 4-T25S-R33E Lea County, NM

Monet Federal Com 602H API# 30-025-47825 Draper Mill; Bone Springs Ut. C, Sec. 4-T25S-R33E Lea County, NM

#### **Oil Production:**

Multiphase production from each the 601H, 602H and the 702H flows into the facility through a dedicated individual test separator. The corresponding wells and separator assignments are shown on the SFD. The 3H, 8H, 9H, 10H flow into the facility through a test manifold, allowing for intermittent testing of each individual well to meet regulation, with the out of test wells producing to the bulk production separator. From each separator the phases of flow are split, then metered for allocation and sent to the next part of the process.

The oil production from each tester and production vessel is sent to the heater treater in the corresponding vessel train, being commingled at the Central Tank Battery located in Ut. C, Sec. 4-T25S-R33E.

In the event the CTB is over capacity or in the case of battery or pipeline repairs 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 this case, the oil will remain segregated and will be measured by lact meter when offloading at said stations.

#### **Gas Production:**

Multiphase production from each the 601H, 602H and the 702H flows into the facility through a dedicated individual test separator. The corresponding wells and separator assignments are shown on the SFD. The 3H, 8H, 9H, 10H flow into the facility through a test manifold, allowing for intermittent testing of each individual well to meet regulation, with the out of test wells producing to the bulk production separator. From each separator the phases of flow are split, then metered for allocation and sent to the next part of the process. Gas production from each tester and production vessel is sent to a gas flow line to the gas custody transfer meter at the Central Tank Battery located in Ut. C, Sec. 4-T25S-R33E.

All owners of interest have been notified by certified mail that should they have an objection to this pool commingling, they must file a formal protest with the NMOCD within 20 days of the date of this application. Proof of owner notification.

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

Thank you for your attention to this matter.

Sincerely,

Jeanette Barron

Jeanette Barron Regulatory Coordinator

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

# APPLICATION FOR SURFACE COMMINGLING SUBMITTED BY COG OPERATING, LLC

## **ORDER NO. PLC-804**

# <u>ORDER</u>

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

# FINDINGS OF FACT

- 1. COG Operating, LLC ("Applicant") submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells identified in Exhibit A ("Application").
- 2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
- 3. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
- 4. Applicant provided notice of the Application to the Bureau of Land Management ("BLM") or New Mexico State Land Office ("NMSLO"), as applicable.
- 5. Applicant certified the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.
- 6. Applicant submitted or intends to submit one or more proposed communitization agreement(s) ("Proposed Agreement(s)") to the BLM or NMSLO, as applicable, identifying the acreage of each lease to be consolidated into a single pooled area ("Pooled Area"), as described in Exhibit B.

# **CONCLUSIONS OF LAW**

- 7. 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, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.
- 8. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10.A.(2) NMAC, 19.15.12.10.C.(4)(c) NMAC, and 19.15.12.10.C.(4)(e) NMAC, as applicable.

Order No. PLC-804

- 9. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9.A.(5) NMAC and 19.15.23.9.A.(6) NMAC, as applicable.
- 10. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10.B.(1) NMAC or 19.15.12.10.C.(1) NMAC, as applicable.
- 11. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10.B.(3) NMAC and 19.15.12.10.C.(4)(h) NMAC.
- 12. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

# <u>ORDER</u>

1. Applicant is authorized to surface commingle oil and gas production from the pools, leases, and wells identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

2. For each Pooled Area described in Exhibit B, Applicant shall submit a Proposed Agreement to the BLM or NMSLO, as applicable, prior to commencing oil and gas production. If Applicant fails to submit the Proposed Agreement, this Order shall terminate on the following day.

No later than sixty (60) days after the BLM or NMSLO approves or denies a Proposed Agreement, Applicant shall submit a Form C-103 to OCD with a copy of the decision and a description of the approved lands, as applicable. If Applicant withdraws or the BLM or NMSLO denies a Proposed Agreement, this Order shall terminate on the date of such action, and Applicant shall cease commingling the production from the Pooled Area. If the BLM or NMSLO approves but modifies the Proposed Agreement(s), Applicant shall comply with the approved Agreement(s), and no later than sixty (60) days after such decision, Applicant shall submit a new surface commingling application to OCD to conform this Order with the approved Agreement(s). If Applicant fails to submit the new surface commingling application, this Order shall terminate on the date of such action.

Applicant shall allocate the oil and gas production to each lease within a Pooled Area in proportion to the acreage that each lease bears to the entire acreage of the Pooled Area described in Exhibit B until the Proposed Agreement which includes the Pooled Area is approved. After the Proposed Agreement is approved, the oil and gas production from the Pooled Area shall be allocated as required by the BLM's or NMSLO's, as applicable, approval of the Agreement, including any production that had been allocated previously in accordance with this Order.

3. The allocation of oil and gas production for the wells identified as a part of Train A1 in Exhibit C shall be based on the production life of each well as measured for three periods: (a) the initial production period shall be measured from the first production until the earlier of either the peak production rate or thirty (30) days after the first production; (b) the plateau period shall be measured from the end of the initial production period until the well is plugged and abandoned.

During the initial production period, the oil and gas production for each well identified as a part of Train A1 in Exhibit C shall be allocated using a production curve calculated from a minimum of ten (10) well tests per month, except that any day in which a well test cannot achieve an accurate result due to a temporary change in oil and gas production shall not be included in the computation of time determining the well test schedule. The production curve shall be calculated by interpolating daily production for each day using the known daily production obtained by well tests and shall use a method of interpolation that is at minimum as accurate as maintaining a constant rate of change for each day's production between the known daily production values.

During the plateau period, the oil and gas production for each well identified as a part of Train A1 in Exhibit C shall be allocated using a minimum of three (3) well tests per month.

During the decline period, the oil and gas production for each well identified as a part of Train A1 in Exhibit C shall be allocated as follows: (a) a minimum of three (3) well tests per month when the decline rate is greater than twenty-two percent (22%) per month; (b) a minimum of two (2) well tests per month when the decline rate is between twenty-two percent (22%) and ten percent (10%) per month; and (c) a minimum of one (1) well test per month when the decline rate is less than ten percent (10%) per month.

Upon OCD's request, Applicant shall submit a Form C-103 to the OCD Engineering Bureau that contains the decline rate curve and other relevant information demonstrating the production life of a well.

Applicant shall conduct a well test by separating and metering the oil and gas production from that well for either (a) a minimum of twenty-four (24) consecutive hours; or (b) a combination of nonconsecutive periods that meet the following conditions: (i) each period shall be a minimum of six (6) hours; and (ii) the total duration of the nonconsecutive periods shall be a minimum of eighteen (18) hours.

The well test requirements of this Order shall be suspended for any well shut-in for a period that continues for more than fifteen (15) days until the well commences production.

- 4. The oil and gas production for each well identified as a part of Train A2 in Exhibit C shall be separated and metered prior to commingling it with production from another well.
- 5. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.

Order No. PLC-804

- 6. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8.B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8.E. NMAC.
- 7. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10.C.(2) NMAC.
- 8. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
- 9. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
- 10. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
- 11. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

DATE: <u>3/11/23</u>

DYLAŇ/M. EØGE DIRECTOR (ACTING)

# **Exhibit A**

Order: PLC-804 Operator: COG Operating, LLC (229137) Central Tank Battery: Monet Federal 4 C Central Tank Battery Central Tank Battery Location: UL C, Section 4, Township 25 South, Range 33 East Central Tank Battery: Red Hills Offload Station Central Tank Battery Location: UL O, Section 4, Township 26 South, Range 32 East Central Tank Battery: Jal Offload Station Central Tank Battery Location: UL D, Section 4, Township 26 South, Range 37 East Gas Title Transfer Meter Location: UL C, Section 4, Township 25 South, Range 33 East

# Pools

Pool Name	Pool Code
<b>DRAPER MILL; BONE SPRING</b>	96392
<b>RED HILLS; UPPER BONE SPRING SHALE</b>	97900
WC-025 G-09 S253309P; UPR WOLFCAMP	98180

Lease	UL or Q/Q	S-T-R
CA Bone Spring NMNM 135942	W/2	4-25S-33E
NMNM 019859	W/2 minus D	4-25S-33E
NMNM 118726	D	4-25S-33E

## Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-42763	Monet Federal Com #3H	E/2 W/2	4-25S-33E	97900
30-025-42765	Monet Federal Com #8H	E/2 W/2	4-25S-33E	97900
30-025-42766	Monet Federal Com #9H	W/2 W/2	4-25S-33E	97900
30-025-42767	Monet Federal Com #10H	W/2 W/2	4-25S-33E	97900
30-025-47824	Monet Federal Com #601H	<b>W</b> /2	4-25S-33E	96392
30-025-47825	Monet Federal Com #602H	<b>W</b> /2	4-25S-33E	96392
30-025-47826	Monet Federal Com #701H	W/2	4-25S-33E	98180

# **Exhibit B**

Order: PLC-804 Operator: COG Operating, LLC (229137)

	<b>Pooled Areas</b>			
Pooled Area	UL or Q/Q	S-T-R	Acres	Pooled Area ID
 CA Wolfcamp NMNM 143930	W/2	4-258-33E	319.8	Α

# **Leases Comprising Pooled Areas**

Lease	UL or Q/Q	S-T-R	Acres	Pooled Area ID
NMNM 019859	W/2 minus D	4-25S-33E	279.89	Α
NMNM 118726	D	4-25S-33E	39.91	Α

# **Exhibit C**

Order: PLC-804

**Operator: COG Operating, LLC (229137)** 

# Wells

Well API	Well Name	UL or Q/Q	S-T-R	Train
30-025-42763	Monet Federal Com #3H	E/2 W/2	4-25S-33E	A1
30-025-42765	Monet Federal Com #8H	E/2 W/2	4-25S-33E	A1
30-025-42766	Monet Federal Com #9H	W/2 W/2	4-25S-33E	A1
30-025-42767	Monet Federal Com #10H	W/2 W/2	4-25S-33E	A1
30-025-47824	Monet Federal Com #601H	<b>W</b> /2	4-25S-33E	A2
30-025-47825	Monet Federal Com #602H	W/2	4-25S-33E	A2
30-025-47826	Monet Federal Com #701H	<b>W</b> /2	4-25S-33E	A2

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

# APPLICATION FOR SURFACE COMMINGLINGSUBMITTED BY COG OPERATING, LLCORDER NO. PLC-804-A

# <u>ORDER</u>

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

# FINDINGS OF FACT

- 1. COG Operating, LLC ("Applicant") submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells identified in Exhibit A ("Application").
- 2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
- 3. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
- 4. Applicant provided notice of the Application to the Bureau of Land Management ("BLM") or New Mexico State Land Office ("NMSLO"), as applicable.
- 5. Applicant certified the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.
- 6. Applicant submitted or intends to submit one or more proposed communitization agreement(s) ("Proposed Agreement(s)") to the BLM or NMSLO, as applicable, identifying the acreage of each lease to be consolidated into a single pooled area ("Pooled Area"), as described in Exhibit B.

# **CONCLUSIONS OF LAW**

- 7. 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, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.
- 8. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10.A.(2) NMAC, 19.15.12.10.C.(4)(c) NMAC, and 19.15.12.10.C.(4)(e) NMAC, as applicable.

Order No. PLC-804-A

- 9. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9.A.(5) NMAC and 19.15.23.9.A.(6) NMAC, as applicable.
- 10. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10.B.(1) NMAC or 19.15.12.10.C.(1) NMAC, as applicable.
- 11. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10.B.(3) NMAC and 19.15.12.10.C.(4)(h) NMAC.
- 12. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

# <u>ORDER</u>

1. Applicant is authorized to surface commingle oil and gas production from the pools, leases, and wells identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

- 2. This Order supersedes Orders PLC-804 and OLM-148.
- 3. For each Pooled Area described in Exhibit B, Applicant shall submit a Proposed Agreement to the BLM or NMSLO, as applicable, prior to commencing oil and gas production. If Applicant fails to submit the Proposed Agreement, this Order shall terminate on the following day.

No later than sixty (60) days after the BLM or NMSLO approves or denies a Proposed Agreement, Applicant shall submit a Form C-103 to OCD with a copy of the decision and a description of the approved lands, as applicable. If Applicant withdraws or the BLM or NMSLO denies a Proposed Agreement, this Order shall terminate on the date of such action, and Applicant shall cease commingling the production from the Pooled Area. If the BLM or NMSLO approves but modifies the Proposed Agreement(s), Applicant shall comply with the approved Agreement(s), and no later than sixty (60) days after such decision, Applicant shall submit a new surface commingling application to OCD to conform this Order with the approved Agreement(s). If Applicant fails to submit the new surface commingling application, this Order shall terminate on the date of such action.

Applicant shall allocate the oil and gas production to each lease within a Pooled Area in proportion to the acreage that each lease bears to the entire acreage of the Pooled Area described in Exhibit B until the Proposed Agreement which includes the Pooled Area is approved. After the Proposed Agreement is approved, the oil and gas production from the Pooled Area shall be allocated as required by the BLM's or NMSLO's, as applicable, approval of the Agreement, including any production that had been allocated previously in accordance with this Order.

4. The allocation of oil and gas production for the wells identified as a part of Train A1 in Exhibit C shall be based on the production life of each well as measured for three periods: (a) the initial production period shall be measured from the first production until the earlier of either the peak production rate or thirty (30) days after the first production; (b) the plateau period shall be measured from the end of the initial production period until the well is plugged and abandoned.

During the initial production period, the oil and gas production for each well identified as a part of Train A1 in Exhibit C shall be allocated using a production curve calculated from a minimum of ten (10) well tests per month, except that any day in which a well test cannot achieve an accurate result due to a temporary change in oil and gas production shall not be included in the computation of time determining the well test schedule. The production curve shall be calculated by interpolating daily production for each day using the known daily production obtained by well tests and shall use a method of interpolation that is at minimum as accurate as maintaining a constant rate of change for each day's production between the known daily production values.

During the plateau period, the oil and gas production for each well identified as a part of Train A1 in Exhibit C shall be allocated using a minimum of three (3) well tests per month.

During the decline period, the oil and gas production for each well identified as a part of Train A1 in Exhibit C shall be allocated as follows: (a) a minimum of three (3) well tests per month when the decline rate is greater than twenty-two percent (22%) per month; (b) a minimum of two (2) well tests per month when the decline rate is between twenty-two percent (22%) and ten percent (10%) per month; and (c) a minimum of one (1) well test per month when the decline rate is less than ten percent (10%) per month.

Upon OCD's request, Applicant shall submit a Form C-103 to the OCD Engineering Bureau that contains the decline rate curve and other relevant information demonstrating the production life of a well.

Applicant shall conduct a well test by separating and metering the oil and gas production from that well for either (a) a minimum of twenty-four (24) consecutive hours; or (b) a combination of nonconsecutive periods that meet the following conditions: (i) each period shall be a minimum of six (6) hours; and (ii) the total duration of the nonconsecutive periods shall be a minimum of eighteen (18) hours.

The well test requirements of this Order shall be suspended for any well shut-in for a period that continues for more than fifteen (15) days until the well commences production.

- 5. The oil and gas production for each well identified as a part of Train A2 in Exhibit C shall be separated and metered prior to commingling it with production from another well.
- 6. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.

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- 7. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8.B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8.E. NMAC.
- 8. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10.C.(2) NMAC.
- 9. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
- 10. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
- 11. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
- 12. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

**DATE:** 3/24/23

DYLAN M. FUGE DIRECTOR (ACTING)

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30-025-47826	Monet Federal Com #701H	<b>W</b> /2	4-25S-33E	A2

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

CONDITIONS

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

Operator:	OGRID:
COG OPERATING LLC	229137
600 W Illinois Ave	Action Number:
Midland, TX 79701	69234
	Action Type:
	[C-107] Surface Commingle or Off-Lease (C-107B)

#### Created By Condition Condition Date 3/29/2023 dmcclure Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

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