



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

June 16, 2022

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

Re: Application for Administrative Approval of Lease Commingle (CTB)

Dear Mr. McClure,

COG Operating LLC respectfully requests approval for lease commingling for the following wells:

Ben Lilly 2 State Com 3H
API# 30-025-41203
Berry; Bone Springs, North
Ut. N, Sec. 2-T21S-R33E
Lea County, NM

Ben Lilly 2 State Com 4H
API# 30-025-41204
Berry; Bone Springs, North
Ut. M, Sec. 2-T21S-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. M, Sec. 2-T21S-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:

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. M, Sec. 2-T21S-R32E.

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

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

Thank you for your attention to this matter.

Sincerely,

Jeanette Barron

Jeanette Barron
Regulatory Coordinator

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: <u>COG Operating, LLC</u>	OGRID Number: <u>229137</u>
Well Name: <u>Ben Lilly 2 State Com 3H & 4H</u>	API: <u>30-025-41203 / 30-025-41204</u>
Pool: <u>Berry; Bone Spring, North</u>	Pool Code: <u>5535</u>

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

1) **TYPE OF APPLICATION:** Check those which apply for [A]

A. Location – Spacing Unit – Simultaneous Dedication

☐ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD

B. Check one only for [I] or [II]

[I] Commingling – Storage – Measurement

☐ DHC ☒ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

2) **NOTIFICATION REQUIRED TO:** Check those which apply.

- A. ☐ Offset operators or lease holders
- B. ☒ Royalty, overriding royalty owners, revenue owners
- C. ☐ Application requires published notice
- D. ☒ Notification and/or concurrent approval by SLO
- E. ☐ Notification and/or concurrent approval by BLM
- F. ☐ Surface owner
- G. ☐ For all of the above, proof of notification or publication is attached, and/or,
- H. ☐ No notice required

FOR OCD ONLY

- ☐ Notice Complete
☐ Application Content Complete

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Jeanette Barron

Print or Type Name

Jeanette Barron
 Signature

06.16.22

Date

575-746-6974

Phone Number

jeanette.barron@conocophillips.com

e-mail Address

District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised August 1, 2011

OIL CONSERVATION DIVISION

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

Submit the original
application to the Santa Fe
office with one copy to the
appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: COG Operating LLC

OPERATOR ADDRESS: 2208 W Main Street, Artesia, New Mexico 88210

APPLICATION TYPE:

☐ Pool Commingling ☒ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☒ State ☐ Federal

Is this an Amendment to existing Order? ☐ Yes ☐ No If "Yes", please include the appropriate Order No. _____
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
☐ Yes ☐ No

(A) POOL COMMINGLING

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

(2) Are any wells producing at top allowances? ☐ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No.

(4) Measurement type: ☐ Metering ☐ Other (Specify)

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

(B) LEASE COMMINGLING

Please attach sheets with the following information

(1) Pool Name and Code.

(2) Is all production from same source of supply? ☒ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No

(4) Measurement type: ☒ Metering ☐ Other (Specify)

(C) POOL and LEASE COMMINGLING

Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

(1) Is all production from same source of supply? ☐ Yes ☐ No

(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

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

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

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

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Jeanette Barron TITLE: Regulatory Coordinator DATE: 06.16.22

TYPE OR PRINT NAME Jeanette Barron TELEPHONE NO.: 575.748.6974

E-MAIL ADDRESS: jeanette.barron@conocophillips.com

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3469 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-41203	² Pool Code 5535	³ Pool Name Berry; Bone Spring, North
⁴ Property Code 39446	⁵ Property Name Ben Lilly 2 State Com	
⁷ OGRID No. 229137	⁸ Operator Name COG Operating LLC	⁶ Well Number 3H
		⁹ Elevation 3824' GR

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	2	21S	33E		330	South	1980	West	Lea

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	2	21S	33E	3	292	North	1907	West	Lea

¹² Dedicated Acres 200.11	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

16	<div style="border: 1px dashed black; padding: 5px;"> <div style="text-align: right; border-bottom: 1px dashed black; margin-bottom: 5px;">BHL</div> <div style="text-align: left; border-top: 1px dashed black; margin-top: 5px;">SHL</div> </div>	
Bottom Perf 18550' 382' FNL & 1906' FWL	Producing Area 11778-18550	

17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Jeanette Barron

Signature

6/16/22

Date

Jeanette Barron

Printed Name

jeanette.barron@conocophillips.com

E-mail Address

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey

Signature and Seal of Professional Surveyor:

REFER TO ORIGINAL PLAT

Certificate Number

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
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1000 Rio Brazos Road, Aztec, NM 87410
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District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office
☐ AMENDED REPORT
(As Drilled)

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-41204		² Pool Code 5535	³ Pool Name Berry; Bone Spring, North
⁴ Property Code 39446	⁵ Property Name Ben Lilly 2 State Com		⁶ Well Number 4H
⁷ OGRID No. 229137	⁸ Operator Name COG Operating LLC		⁹ Elevation 3819' GR

¹⁰ Surface Location

UL or lot no. M	Section 2	Township 21S	Range 33E	Lot Idn	Feet from the 330	North/South line South	Feet from the 660	East/West line West	County Lea
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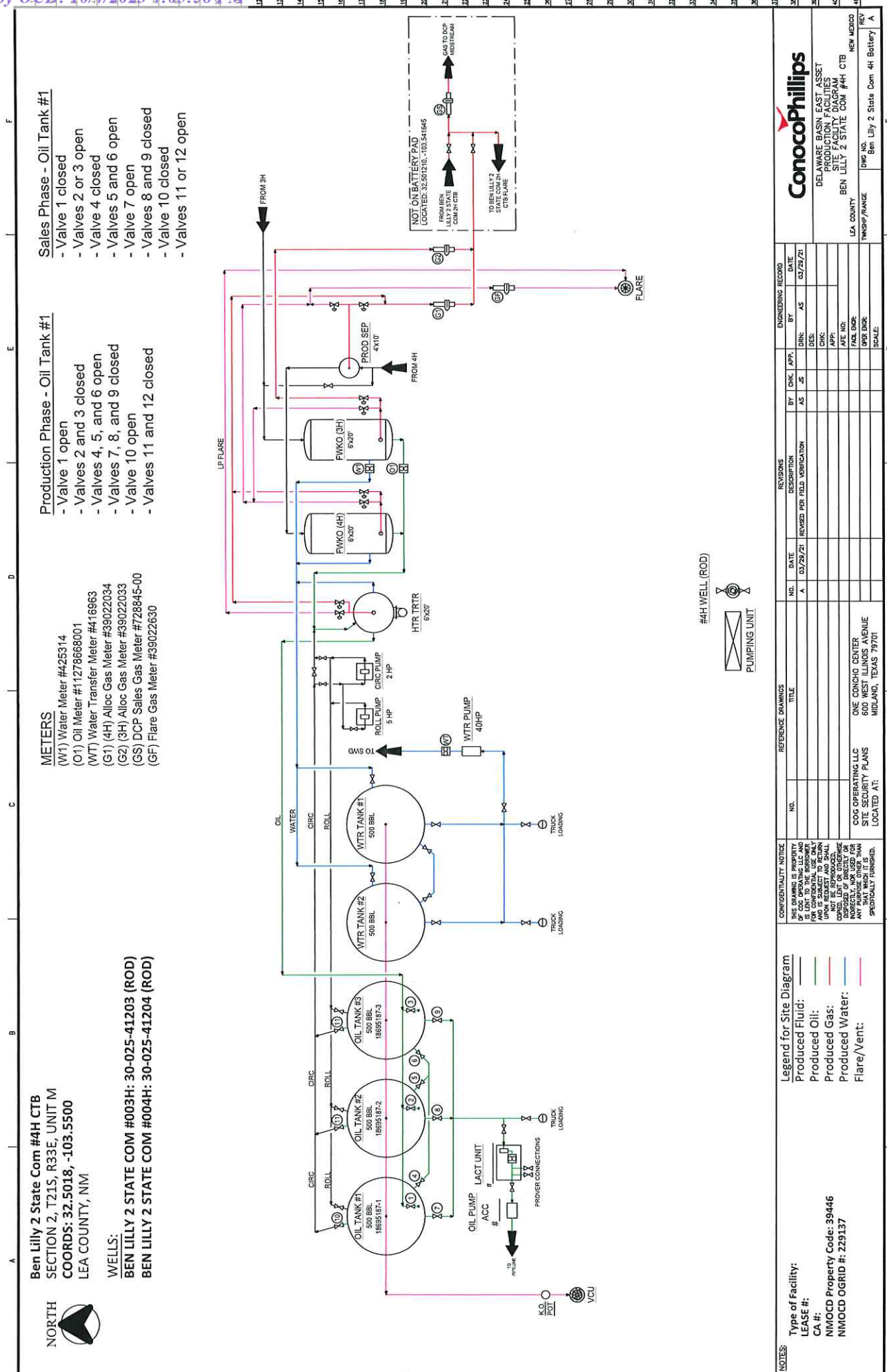
¹¹ Bottom Hole Location If Different From Surface

UL or lot no. D	Section 2	Township 21S	Range 33E	Lot Idn 4	Feet from the 332	North/South line North	Feet from the 637	East/West line West	County Lea
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¹² Dedicated Acres 240.05	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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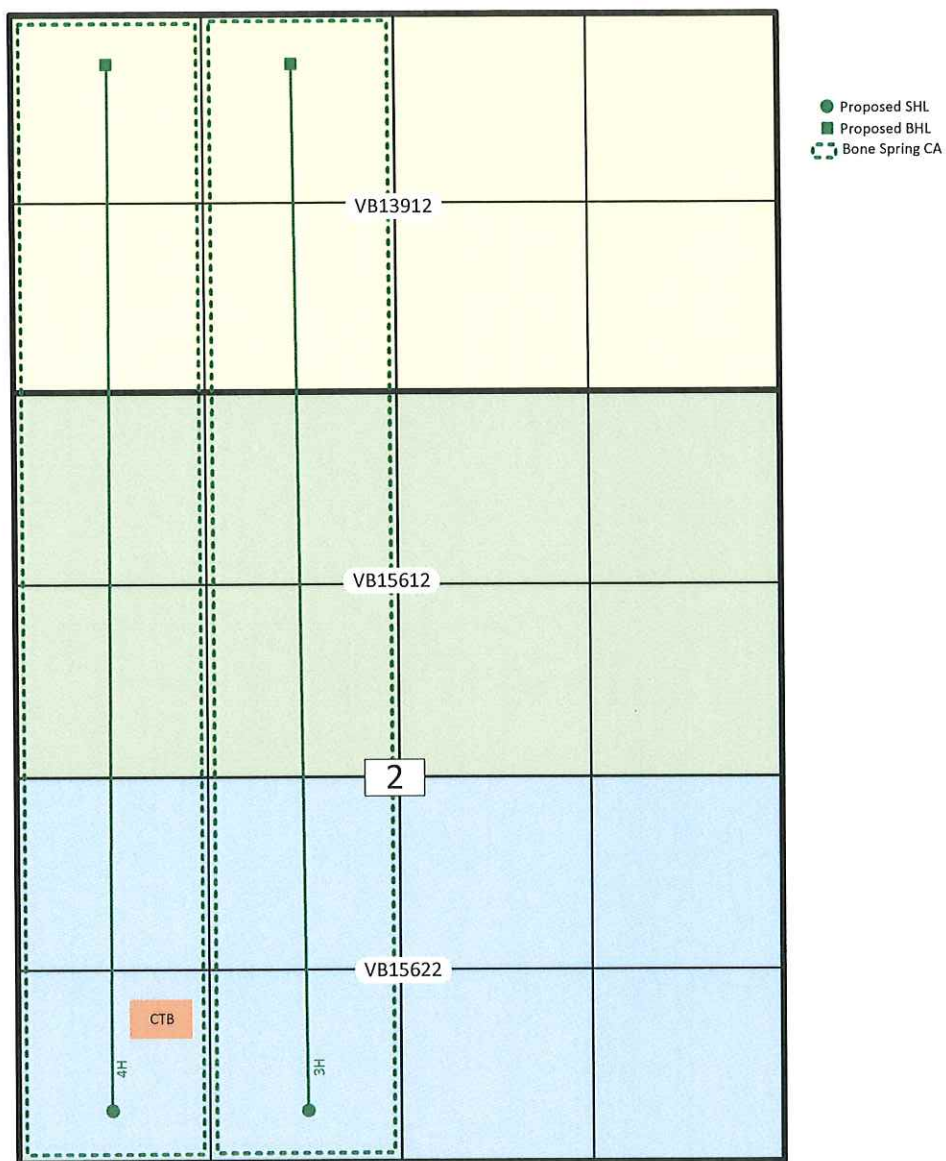
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

¹⁶ <div style="border: 1px dashed black; padding: 5px; margin: 10px;">BHL</div> <div style="border: 1px dashed black; padding: 5px; margin: 10px;">SHL</div>					¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i> <div style="text-align: right;"> <i>Jeanette Barron</i> 6/16/22 Signature Date </div> <div style="text-align: center;"> Jeanette Barron Printed Name jeanette.barron@conocophillips.com E-mail Address </div> ¹⁸ SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i> <div style="text-align: center;"> Date of Survey Signature and Seal of Professional Surveyor: REFER TO ORIGINAL PLAT </div> <div style="text-align: center;"> Certificate Number </div>



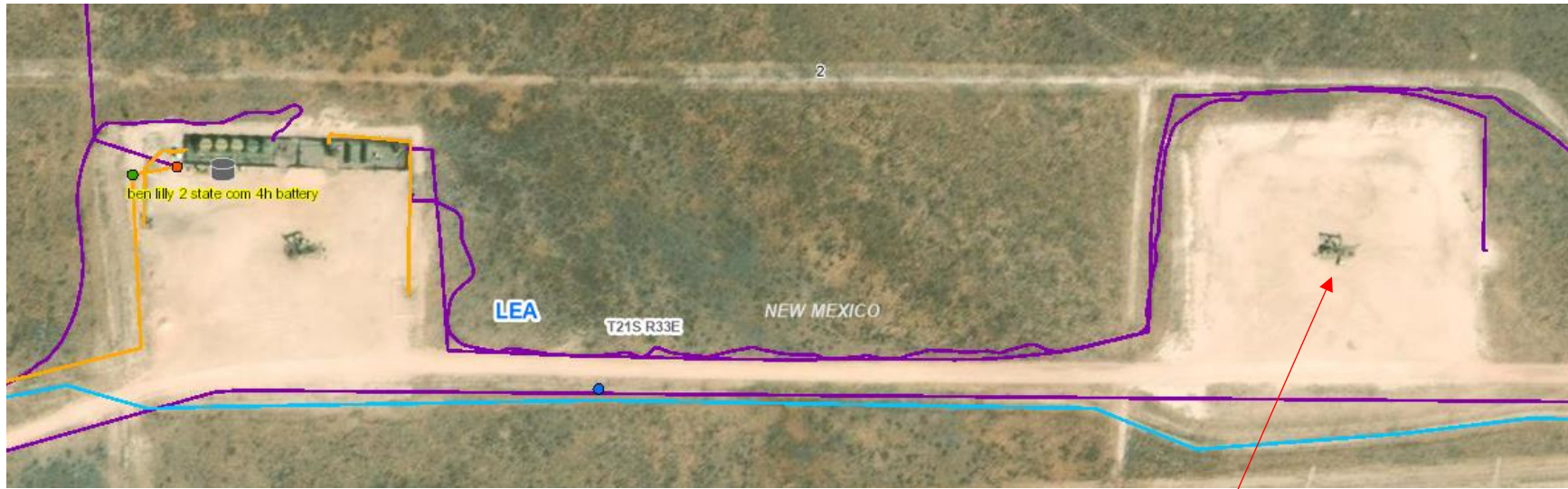
JB 08.10.21

Ben Lilly 2 St Com Wells



Sec 2, T21S R33E
Lea County, NM

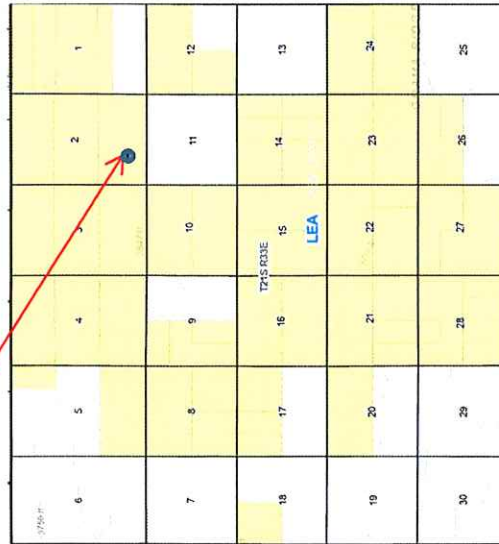
Ben Lilly 2 State Com 3H & 4H



Ben Lilly 2 St Com 3H

Ben Lilly 2 State Com 3H & 4H & Red Hills and Jal Offload Station Map

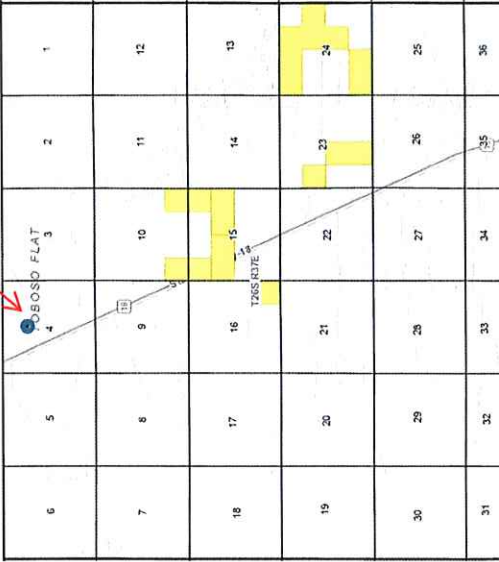
Ben Lilly 2 State Com 3H & 4H
Lea County, NM



Red Hills Offload Station
Lea County, NM



Jal Offload Station
Lea County, NM



BEN LILLY 2 STATE COM 3H & 4H							
Date Sent	Initials	Name	Address	City	State	ZipCode	Certified Return Receipt No.
06.16.22	JB	DANIEL E GONZALES	PO BOX 93998	ALBUQUERQUE	NM	87199	7017 3040 0000 1205 2514
06.16.22	JB	FOUNDATION MINERALS LLC	PO BOX 50820	MIDLAND	TX	79710	7017 3040 0000 1205 2521
06.16.22	JB	GAHR RANCH & INVESTMENTS PRITNRSH	PO BOX 1889	MIDLAND	TX	79702	7017 3040 0000 1205 2538
06.16.22	JB	GAHR RANCH & INVESTMENTS PRITNRSH	PO BOX 1889	MIDLAND	TX	79702	7017 3040 0000 1205 2545
06.16.22	JB	MCMULLEN MINERALS LLC	PO BOX 470857	FORT WORTH	TX	76147	7017 3040 0000 1205 2552
06.16.22	JB	OAK VALLEY MINERAL & LAND LP	PO BOX 50820	MIDLAND	TX	79710	7017 3040 0000 1205 2569
06.16.22	JB	PEGASUS RESOURCES LLC	PO BOX 733980	DALLAS	TX	75373	7017 3040 0000 1205 2576
06.16.22	JB	PENASCO PETROLEUM LLC	PO BOX 2292	ROSWELL	NM	88202	7017 3040 0000 1205 2583
06.16.22	JB	POST OAK MAVROS II LLC	34 S WYNDEN DR, STE 210	HOUSTON	TX	77056	7017 3040 0000 1205 2590
06.16.22	JB	REBEKAH A FORT	1817 DOROTHY ST	ALBUQUERQUE	NM	87112	7017 3040 0000 1205 2606
06.16.22	JB	RFORT MINERAL PROPERTIES LLC	9716 ADMIRAL EMERSON AVE NE	ALBUQUERQUE	NM	87111	7017 3040 0000 1205 2613
06.16.22	JB	ROLLA R HINKLE III	P O BOX 2292	ROSWELL	NM	88202-2292	7017 3040 0000 1205 2620
06.16.22	JB	ROSILEE WIINN	140 WHISPERING WOODS LOOP	KERRVILLE	TX	78028	7017 3040 0000 1205 2637
06.16.22	JB	SORTIDA RESOURCES LLC	PO BOX 50820	MIDLAND	TX	79710	7017 3040 0000 1205 2644
06.16.22	JB	THOMAS M BEALL	PO BOX 3098	MIDLAND	TX	79702	7017 3040 0000 1205 2651
06.16.22	JB	STATE OF NEW MEXICO	PO BOX 1148	SANTA FE	NM	87504-1148	7017 3040 0000 1205 2668
06.16.22	JB	GAMBLE PRODUCTION PARTNERS LLC	PO BOX 11354	MIDLAND	TX	79702	7017 3040 0000 1205 2675
06.16.22	JB	HOFFMANN PARTNERSHIP LTD	265 SAINT MARKS PATH	KERRVILLE	TX	78028	7017 3020 0000 8749 4158
06.16.22	JB	PETRO-QUEST OIL & GAS LP	P O BOX 294151	KERRVILLE	TX	78029	7017 3020 0000 8749 4165

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

COG Operating LLC
Ben Lilly 2 State Com Well No. 4H
Lots 4, 5, 12, 13 and W2SW4 (W2W2 equivalent)
Section 2, Township 21 South, Range 33 East, Lea County, New Mexico
Bone Spring

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated September 9, 2013, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

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

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

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 24th day of October, 2013.



Ray Powell
COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

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STATE OF NEW MEXICO

§

§

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF LEA

§

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of September 9, 2013, by and between the parties subscribing, ratifying, or consenting hereto, such parties hereinafter being referred to as "Parties hereto;"

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil and gas and the prevention of waste to consent to and approve the development or operation of State lands under agreements made by lessees of oil and gas leases thereon, jointly or severally, with other oil and gas lessees of State Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule, or regulation of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communitized area on an acreage or other basis found by the Commissioner to be fair and equitable.

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 leases are more particularly described in the schedule attached hereto, marked Exhibit A and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the Bone Spring formation (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

WHEREAS, the parties hereto desire to communitize and pool their respective interests in said leases subject to this Agreement for the purpose of developing, operating, and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

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 undersigned as follows:

1. The lands covered by this Agreement (hereinafter referred to as the "communitized area") are described as follows:

Township 21 South, Range 33 East, NMPM

Section 2: Lots 4, 5, 12, 13, and W $\frac{1}{2}$ SW $\frac{1}{4}$; (W $\frac{1}{2}$ W $\frac{1}{2}$)

Lea County, New Mexico,

ONLINE version
December 2007

State/State
State/Fee

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BOOK 1865 PAGE 901

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases described in Exhibit A hereto insofar as they cover hydrocarbons within and that may be produced from said formation (hereinafter referred to as "Communitized Substances") beneath the above-described land, into a single communitization, for the development, production, operation, and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this Agreement for all purposes is Exhibit A showing the acreage and ownership (Lessees of Record) of all leases within the communitized area.

2. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit A hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.

3. Subject to Paragraph 4, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit A hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this Agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this Agreement shall remain in full force and effect as originally issued and amended.

4. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.

5. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.

6. The commencement, completion, and continued operation or production of a well or wells for communitized substances on the communitized area shall be considered as the commencement, completion, continued operation, or production as to each of the leases described in Exhibit A hereto.

7. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This Agreement shall be subject to all applicable Federal and State laws, executive orders, rules, and regulations affecting the performance of the provisions hereof, and no party

2013 OCT 29 AM 9 30

9. This Agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities; provided, that this Agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the operator to obtain a pipeline connection or to market the gas therefrom, and if either: (a) a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this Agreement in order to prevent the expiration of such lease; or (b) each of the State of New Mexico oil and gas leases covering lands subject to this Agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this Agreement may be terminated at any time by mutual agreement of the parties hereto. This Agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such production, a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this Agreement.

10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices, and well logs and records which may be required under the laws and regulations of the State of New Mexico.

11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit A hereto and in the applicable oil and gas regulations of the State of New Mexico.

12. If any order of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, upon which this Agreement is predicated or based is in anyway changed or modified, then in such event said Agreement is likewise modified to conform thereto.

13. 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 instruments, 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.

2013 OCT 24 AM 8 03

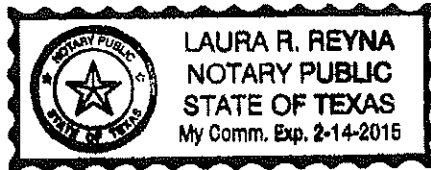
OPERATOR AND LESSEE OF RECORD:

COG OPERATING LLC

BY: Mona D. Ables
Mona D. Ables
Vice President of Land

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

This instrument was acknowledged before me on October 1, 2013, by Mona D. Ables, Vice President of Land of COG Operating LLC, a Delaware limited liability company, on behalf of same.



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

2013 OCT 24 AM 8 03

ONLINE version
December 2007

State/State
State/Fee

4

BOOK 1865 PAGE 904

part of that commitment agreement dated September 15, 2015,
covering Township 21 South, Range 33 East, NMPM, Section 2: Lots 4, 5, 12, 13, and W½SW¼,
Lea County NM, containing 240.05 acres, more or less.

OPERATOR of Communitized Area: COG Operating LLC

DESCRIPTION OF LEASES COMMITTED:

TRACT NO. 1

Serial No. of Lease: VB-1561
Date of Lease: January 1, 2009
Lessor: State of New Mexico
Lessee of Record: COG Operating LLC
Description of Lands Committed: Insofar and only insofar as lease covers
Township 21 South, Range 33 East, NMPM
Section 2: Lots 12 and 13
Lea County, New Mexico
No. of Acres: 80.00, more or less
Royalty Rate: 3/16
Name and Percent of ORRI Owners: As of Record

Name and Percent of WI Owners:

COG Operating LLC

100.00%

2013 OCT 29 AM 9 30

TRACT NO. 2

Serial No. of Lease: VB-1562
Date of Lease: January 1, 2009
Lessor: State of New Mexico
Lessee of Record: COG Operating LLC
Description of Lands Committed: Insofar and only insofar as lease covers
Township 21 South, Range 33 East, NMPM
Section 2: W½SW¼
Lea County, New Mexico
No. of Acres: 80.00, more or less
Royalty Rate: 3/16
Name and Percent of ORRI Owners: As of Record

Name and Percent of WI Owners:

COG Operating LLC

100.00%

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December 2007

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State/Fee

BOOK 1865 PAGE 905

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Lessor:
Lessee of Record:

Description of Lands Committed:

State of New Mexico
COG Operating LLC
Insofar and only insofar as lease covers
Township 21 South, Range 33 East, NMPM
Section 2: Lots 4 and 5
Lea County, New Mexico
80.05, more or less
3/16
As of Record

No. of Acres:

Royalty Rate:

Name and Percent of ORRI Owners:

Name and Percent of WI Owners:

COG Operating LLC

100.00%


2013 OCT 29 AM 9 30

ONLINE version
December 2007

State/State
State/Fee

6

BOOK 1865 PAGE 906

BHL: 330' FWL & 660' FWL Tract 3 VB 1391 80.05 acres			
Tract 1 VB- 1561 80.0 acres			
Tract 2 VB-1562 80.0 acres			
SHL: 330' FSL & 660' FWL 			

RECAPITULATION

Tract Number	Number of Acres Committed	Percentage of Interest in Communitized Area
No. 1	80.00	33.3180626%
No. 2	80.00	33.3180626%
No. 3	<u>80.05</u>	<u>33.3638748%</u>
	240.05	100.0000000%

ONLINE version
December 2007State/State
State/Fee

BOOK 1865 PAGE 907

7

10486

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

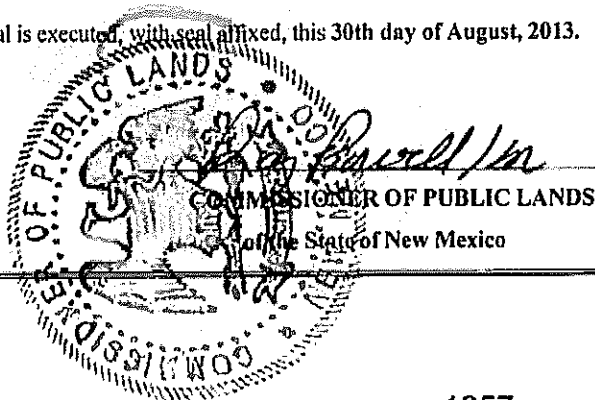
COG Operating LLC
Ben Lilly 2 State Com Well No. 3H
Lots 3, 6, 11, and 14 and E2SW4 (E2W2 Equivalent)
Section 2, Township 21 South, Range 33 East, Lea County, New Mexico
Bone Spring

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **June 27, 2013**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

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

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

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 30th day of August, 2013.



BOOK 1857 PAGE 461

Ben Lilly 2 State Com #3H

**NM STATE LAND OFFICE
OIL, GAS, AND MINERALS DIVISION**

**STATE/STATE OR
STATE/FEE**
Revised March 2007

COMMUNITIZATION AGREEMENT

ONLINE Version

STATE OF NEW MEXICO

§

§

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF LEA

§

THAT THIS AGREEMENT (which is NOT to be used for carbon dioxide or helium) is entered into as of June 27, 2013, by and between the parties subscribing, ratifying, or consenting hereto, such parties hereinafter being referred to as "Parties hereto;"

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil and gas and the prevention of waste to consent to and approve the development or operation of State lands under agreements made by lessees of oil and gas leases thereon, jointly or severally, with other oil and gas lessees of State Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule, or regulation of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communitized area on an acreage or other basis found by the Commissioner to be fair and equitable.

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 leases are more particularly described in the schedule attached hereto, marked Exhibit A and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the Bone Spring formation (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

WHEREAS, the parties hereto desire to communitize and pool their respective interests in said leases subject to this Agreement for the purpose of developing, operating, and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

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 undersigned as follows:

1. The lands covered by this Agreement (hereinafter referred to as the "communitized area") are described as follows:

Township 21 South, Range 33 East, NMPM

Section 2: Lots 3, 6, 11, 14, and E $\frac{1}{2}$ SW $\frac{1}{4}$; (E $\frac{1}{2}$ W $\frac{1}{2}$)

Lea County, New Mexico,

ONLINE version
December 2007

State/State
State/Fee

2013 AUG 21 PM 8 00

1

BOOK 1857 PAGE 462

Ben Lilly 2 State Com #3H

containing 240.11 acres, more or less. It is the judgment of the parties hereto that the communitization, pooling, and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases described in Exhibit A hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "Communitized Substances") beneath the above-described land, into a single communitization, for the development, production, operation, and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this Agreement for all purposes is Exhibit A showing the acreage and ownership (Lessees of Record) of all leases within the communitized area.

2. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit A hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.

3. Subject to Paragraph 4, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit A hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this Agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this Agreement shall remain in full force and effect as originally issued and amended.

4. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.

5. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.

6. The commencement, completion, and continued operation or production of a well or wells for communitized substances on the communitized area shall be considered as the commencement, completion, continued operation, or production as to each of the leases described in Exhibit A hereto.

7. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This Agreement shall be subject to all applicable Federal and State laws, executive orders, rules, and regulations affecting the performance of the provisions hereof, and no party

Ben Lilly 2 State Com #3H

hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this Agreement if compliance is prevented by or if such failure results from compliance with any such laws, orders, rules, and regulations.

8. COG Operating LLC shall be the Operator of said communitized area and all matters of operation shall be determined and performed by COG Operating LLC.

9. This Agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities; provided, that this Agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the operator to obtain a pipeline connection or to market the gas therefrom, and if either: (a) a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this Agreement in order to prevent the expiration of such lease; or (b) each of the State of New Mexico oil and gas leases covering lands subject to this Agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this Agreement may be terminated at any time by mutual agreement of the parties hereto. This Agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such production, a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this Agreement.

10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices, and well logs and records which may be required under the laws and regulations of the State of New Mexico.

11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit A hereto and in the applicable oil and gas regulations of the State of New Mexico.

12. If any order of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, upon which this Agreement is predicated or based is in anyway changed or modified, then in such event said Agreement is likewise modified to conform thereto.

13. 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 instruments, 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.

Ben Lilly 2 State Com #3H

14. 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.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

OPERATOR AND LESSEE OF RECORD:

COG OPERATING LLC

BY: Mona D. Ables
Mona D. Ables
Vice President of Land

STATE OF TEXAS §
§
COUNTY OF MIDLAND §

This instrument was acknowledged before me on August 5, 2013, by Mona D. Ables, Vice President of Land of COG Operating LLC, a Delaware limited liability company, on behalf of same.



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

Ben Lilly 2 State Com #3H

STATE/STATE OR
STATE/FEE

EXHIBIT "A"

Attached to and made a part of that Communitization Agreement dated June 27, 2013,
covering Township 21 South, Range 33 East, NMPM, Section 2: Lots 3, 6, 11, 14, and E½SW¼,
Lea County NM, containing 240.11 acres, more or less.

OPERATOR of Communitized Area: COG Operating LLC

DESCRIPTION OF LEASES COMMITTED:

TRACT NO. 1

Serial No. of Lease: VB-1561
Date of Lease: January 1, 2009
Lessor: State of New Mexico
Lessee of Record: COG Operating LLC
Description of Lands Committed: Insofar and only insofar as lease covers
Township 21 South, Range 33 East, NMPM
Section 2: Lots 11 and 14
Lea County, New Mexico
No. of Acres: 80.00, more or less
Royalty Rate: 3/16
Name and Percent of ORRI Owners: As of Record

Name and Percent of WI Owners:
COG Operating LLC 100.00%

TRACT NO. 2

Serial No. of Lease: VB-1562
Date of Lease: January 1, 2009
Lessor: State of New Mexico
Lessee of Record: COG Operating LLC
Description of Lands Committed: Insofar and only insofar as lease covers
Township 21 South, Range 33 East, NMPM
Section 2: E½SW¼
Lea County, New Mexico
No. of Acres: 80.00, more or less
Royalty Rate: 3/16
Name and Percent of ORRI Owners: As of Record

Name and Percent of WI Owners:
COG Operating LLC 100.00%

Ben Lilly 2 State Com #3H



TRACT NO. 3

Serial No. of Lease:	VB-1391
Date of Lease:	April 1, 2008
Lessor:	State of New Mexico
Lessee of Record:	COG Operating LLC
Description of Lands Committed:	Insofar and only insofar as lease covers <u>Township 21 South, Range 33 East, NMPM</u> Section 2: Lots 3 and 6 Lea County, New Mexico
No. of Acres:	80.11, more or less
Royalty Rate:	3/16
Name and Percent of ORRI Owners:	As of Record
Name and Percent of WI Owners:	
COG Operating LLC	100.00%

2023 AUG 21 PM 8 03

Ben Lilly 2 State Com #3H

Plat of communitized area covering Lots 3, 6, 11, 14 and E½SW¼ of Section 2,
T21S – R33E, N.M.P.M.
Lea County, NM, containing 240.11 acres, more or less.

	 BHL; 330' FNL & 1980' FWL Tract 3 VB 1391 80.11 acres		
	Tract 1 VB- 1561 80.0 acres		
	Tract 2 VB-1562 80.0 acres		
	 SHL; 330' FSL & 1980' FWL		

RECAPITULATION

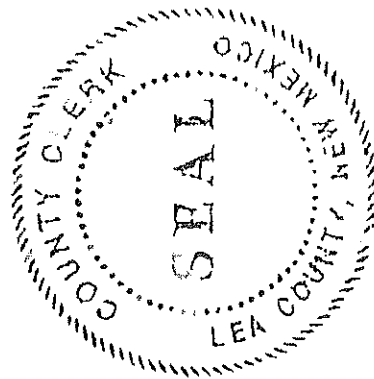
Tract Number	Number of Acres Committed	Percentage of Interest in Communitized Area
No. 1	80.00	33.3180626%
No. 2	80.00	33.3180626%
No. 3	80.11	33.3638748%
	240.11	100.0000000%

10486

STATE OF NEW MEXICO
COUNTY OF LEA
FILED

SEP 17 2013

at 11:55 o'clock A M
and recorded in Book 1857
Page 469
Pat Chappelle, Lea County Clerk
By [Signature] Deputy



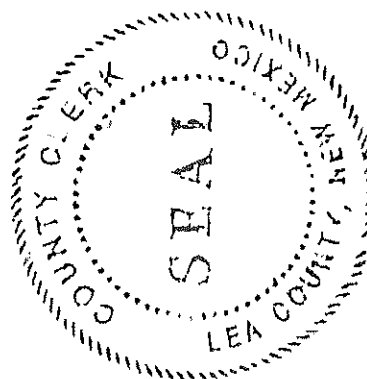
BOOK 1857 PAGE 469

10486

STATE OF NEW MEXICO
COUNTY OF LEA
FILED

SEP 17 2013

at 11:55 o'clock A M
and recorded in Book 1857
Page 461
Pat Chappelle, Lea County Clerk
By [Signature] Deputy



BOOK 1857 PAGE 469

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).

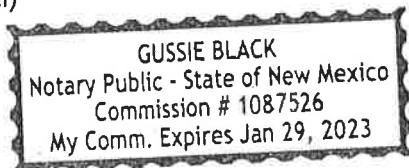
Beginning with the issue dated
September 15, 2022
and ending with the issue dated
September 15, 2022.


Publisher

Sworn and subscribed to before me this
15th day of September 2022.


Business Manager

My commission expires
January 29, 2023
(Seal)



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

LEGAL NOTICE
September 15, 2022

COG Operating LLC (COG), 2208 West Main Street, Artesia, New Mexico, 88210, is seeking administrative approval from the New Mexico Oil Conservation Division to commingle the oil and gas production from the Ben Lilly 2 State Corn 3H & 4H wells. Said wells are located in Section 2, Township 21 South, Range 33 East, Lea County, New Mexico. The Central Tank Battery (CTB) where production will be commingled is located in Ut M, Section 21-T21S-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 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 Mackayla Stone (432) 235-8695 or email mackayla.stone@conocophillips.com at COG Operating LLC, 600 West Illinois, Midland, Texas 79701.
#38009

67116810

00270825

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

COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>■ Complete items 1, 2, and 3.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>		<p>A. Signature <input checked="" type="checkbox"/> <i>Cynthia H. Phillips</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>	
<p>1. Article Addressed to:</p> <p>PETRO-QUEST OIL & GAS LP P O BOX 294151 KERRVILLE, TX 78029</p>		<p>B. Received by (Printed Name) C. Date of Delivery 06/23/22</p>	
<p>2. Article Number (Transfer from envelope label) 7013 3020 0000 8749 4165</p>		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If delivery address below: <input type="checkbox"/> No</p>	
<p>9590 9402 6479 0346 9355 05</p>		<p> <input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery </p>	
<p>PS Form 3811, July 2020 PSN 7530-02-000-9053 (over \$500) Restricted Delivery</p>			

Domestic Return Receipt

onocPhillips

208 West Main Street
 Artesia, NM 88210

HOFFMANN PARTNERSHIP LTD
 265 SAINT MARKS PATH
 KERRVILLE, TX 78028

7013 3020 0000 8749 4165



EC: 88210372008 2266N203234-01191

RETURN TO SENDER
 UNCLAIMED
 UNABLE TO FORWARD

7-19

UNITED STATES POSTAGE
 02 1P
 0000937856 JUN 16 2022
 \$008.36
 MAILED FROM ZIP CODE 85210

From: [McClure, Dean, EMNRD](#) on behalf of [Engineer, OCD, EMNRD](#)
To: [Barron, Jeanette](#)
Cc: [McClure, Dean, EMNRD](#)
Subject: RE: [EXTERNAL] RE: [EXTERNAL]Action ID: 118175; CTB-1069
Date: Wednesday, October 4, 2023 3:59:38 PM

The Division is now rejecting the application designated as CTB-1069 and submitted via Action ID: 118175. Please prepare, provide notice, and submit a new application once the below referenced topics have been addressed.

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: Wednesday, October 4, 2023 1:50 PM
To: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>
Subject: [EXTERNAL] RE: [EXTERNAL]Action ID: 118175; CTB-1069

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

Hello Dean, I know the attorneys are working on the terminated CAs and it looks like these well are shut in for now. So if you need to terminate the commingle application to get it out of your system that is fine with me. I can resubmit once this gets resolved...thank you for your time and understanding.

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: Saturday, September 30, 2023 10:55 AM
To: Barron, Jeanette <Jeanette.Barron@conocophillips.com>
Subject: [EXTERNAL]Action ID: 118175; CTB-1069

Ms. Barron,

It appears that the CAs depicted below are still in the Terminated status per the NMSLO website.

Please provide a status update regarding these CAs.

CA Bone Spring NMSLO PUN Terminated	E/2 W/2	2-21S-33E
CA Bone Spring NMSLO PUN Terminated	W/2 W/2	2-21S-33E

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: Tuesday, December 13, 2022 1:11 PM
To: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>
Subject: RE: [EXTERNAL] RE: surface commingling application CTB-1069

Hello Dean,
 Here is the delivery receipt for Petro-Quest and a copy of the returned letter for Hoffman.
 Yes I will for sure keep you updated on the CA for this...thank you!

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: Tuesday, December 13, 2022 11:33 AM
To: Barron, Jeanette <Jeanette.Barron@conocophillips.com>
Subject: RE: [EXTERNAL] RE: surface commingling application CTB-1069

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.

Jeanette,

Thank you; I've attached the NOP to the file.

Please check into the tracking numbers below to confirm they are correct. Based off the USPS

report, I'm wondering if the initial numbers in the sequence are incorrect. Public notice may be used in lieu of providing notice directly, but only after a good faith effort has been made to provide direct notice. As such, I am still needing to receive the correct tracking numbers regardless of whether public notice was conducted.

Please keep me informed of updates on the CAs. This application will not be able to be processed until the issue is resolved.

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 3:46 PM
To: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>
Subject: [EXTERNAL] RE: surface commingling application CTB-1069

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

Dean, after visiting with my manager regarding the CAs and she said Land and Legal are working on getting those reinstated also I have attached a copy of the affidavit for these wells.

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 9:35 AM
To: Barron, Jeanette <Jeanette.Barron@conocophillips.com>
Subject: surface commingling application CTB-1069

Ms. Barron,

I am reviewing surface commingling application CTB-1069 which involves a commingling project that includes the Ben Lilly 2 State Com #4H Central Tank Battery and is operated by COG Operating, LLC (229137).

It appears that the CAs for this project has been terminated by the NMSLO for lack of production. Please confirm the current status of these CAs.

CA Bone Spring NMSLO PUN Terminated	E/2 W/2	2-21S-33E
CA Bone Spring NMSLO PUN Terminated	W/2 W/2	2-21S-33E

Additionally, please confirm the tracking numbers for the notification provided to the following 2 persons:

Hoffmann Partnership, LTD	7017 3020 0000 8749 4158
Petro-Quest Oil and Gas LP	7017 3020 0000 8749 4165

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

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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

CONDITIONS

Action 272614

CONDITIONS

Operator: COG OPERATING LLC 600 W Illinois Ave Midland, TX 79701	OGRID: 229137
	Action Number: 272614
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	Rejected under Action ID: 118175; The Division is now rejecting the application designated as CTB-1069 and submitted via Action ID: 118175. Please prepare, provide notice, and submit a new application once the topics referenced within the email communication with the Division have been addressed.	10/4/2023