



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

June 27, 2023

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

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

Dear Mr. McClure,

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

Ben Lilly 2 State Com 1H
API# 30-015-41202
Berry; Bone Spring, North
Ut. P, Sec. 2-T21S-R33E
Eddy County, NM

Ben Lilly 2 State Com 2H
API# 30-015-40794
Berry; Bone Spring, North
Ut. O, Sec. 2-T21S-R33E
Eddy County, NM

Ben Lilly 2 Com 5H
API# 30-015-41915
Berry; Bone Spring, North
Ut. P, Sec. 2-T21S-R33E
Eddy County, NM

Oil Production:

The oil production from all wells will be measured separately by bulk and test prior to commingling at the Central Tank Battery located in Ut. O, 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, Sec 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 bulk and test prior to commingling and entering a gas flow line to the gas custody transfer meter at the Central Tank Battery located in Ut. O, Sec. 2-T21S-R33E.

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.

Well testing will be by separating and measuring the oil and gas production from the well for a minimum of twenty-four consecutive hours.

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

Revised March 23, 2017

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

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



ADMINISTRATIVE APPLICATION CHECKLIST

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

Applicant: _____ OGRID Number: _____
 Well Name: _____ API: _____
 Pool: _____ Pool Code: _____

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.

06.29.23

Date

 Print or Type Name

 Phone Number

Jeanette Barron

Signature

 e-mail Address

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised August 1, 2011

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

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

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: COG Operating LLC
OPERATOR ADDRESS: 2208 W Main Street, Artesia, New Mexico 88210
APPLICATION TYPE:

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

LEASE TYPE: ☐ Fee ☒ State ☐ Federal

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

(A) POOL COMMINGLING
Please attach sheets with the following information

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

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

(B) LEASE COMMINGLING
Please attach sheets with the following information

- (1) Pool Name and Code. 5535 Berry; Bone Spring, North
(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) Bulk and Test

(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: 06.29.23

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) 476-3460 Fax: (505) 476-3462

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-41202		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 1H
⁷ OGRID No. 229137	⁸ Operator Name COG Operating LLC			⁹ Elevation 3784' 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
P	2	21S	33E		330	South	660	East	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
A	2	21S	33E	1	342	North	693	East	Lea

¹² Dedicated Acres 240.23	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			BHL
			SHL

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
06.29.23

Signature
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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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 30-025-40794		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 2H
⁷ OGRID No. 229137	⁸ Operator Name COG Operating LLC		⁹ Elevation 3808' GR

¹⁰ Surface Location

UL or lot no. O	Section 2	Township 21S	Range 33E	Lot Idn	Feet from the 330	North/South line South	Feet from the 1980	East/West line East	County Lea
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. 2	Section 2	Township 21S	Range 33E	Lot Idn	Feet from the 350	North/South line North	Feet from the 2079	East/West line East	County Lea
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¹² Dedicated Acres 240.17	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.

<div style="text-align: center;"> </div>	<p>¹⁶</p>		<p>¹⁷ OPERATOR CERTIFICATION</p> <p><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></p> <p><u>Jeanette Barron</u> 06.29.23 Signature Date</p> <p><u>Jeanette Barron</u> Printed Name</p> <p>jeanette.barron@conocophillips.com E-mail Address</p> <p>¹⁸ SURVEYOR CERTIFICATION</p> <p><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></p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>REFER TO ORIGINAL PLAT</p> <p>Certificate Number</p>

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
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811 S. First St., Artesia, NM 88210
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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 30-025-41915		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 5H
⁷ OGRID No. 229137	⁸ Operator Name COG Operating LLC		⁹ Elevation 3784' 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
P	2	21S	33E		330	South	833	East	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
1	2	21S	33E	1	338	North	681	East	Lea

¹² Dedicated Acres 240.23	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				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. <u>Jeanette Barron</u> 06.29.23 Signature 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



Ben Lilly 2 State Com #2H CTB
SECTION 2, T21S, R33E, UNIT O
COORDS: 32.5012, -103.5408
LEA COUNTY, NM

WELLS:
BEN LILLY 2 STATE COM #001H: 30-025-41202
BEN LILLY 2 STATE COM #002H: 30-025-40794
BEN LILLY 2 STATE COM #005H: 30-025-41915

METERS

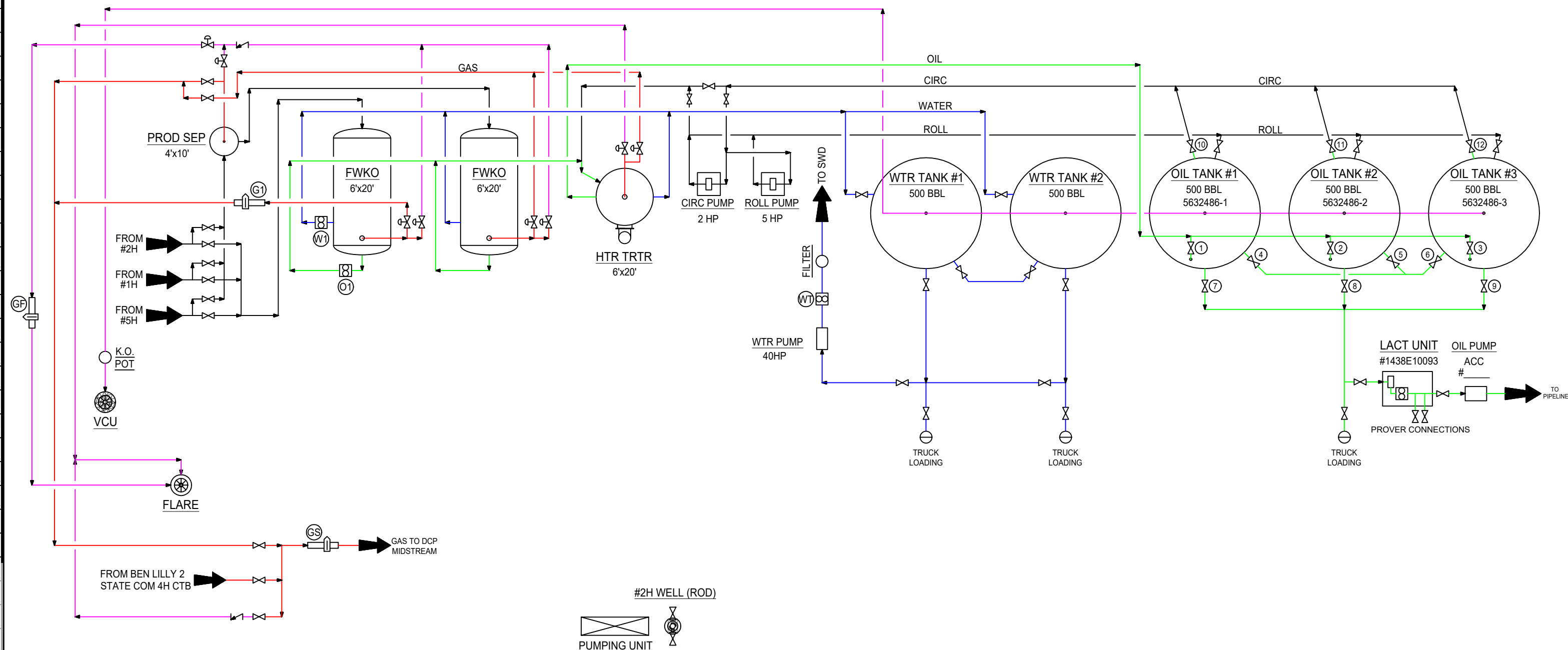
(W1) Water Test Meter #444008
(O1) Oil Test Meter #12123031601
(WT) Water Transfer Meter #421757
(G1) (1H) Test Gas Meter #39022001
(GS) DCP Sales Gas Meter #728845-00
(GF) Flare Gas Meter #39022631

Production Phase - Oil Tank #1

- Valve 1 open
- Valves 2 and 3 closed
- Valves 4, 5, and 6 open
- Valves 7, 8, and 9 closed
- Valve 10 open
- Valves 11 and 12 closed

Sales Phase - Oil Tank #1

- Valve 1 closed
- Valves 2 or 3 open
- Valve 4 closed
- Valves 5 and 6 open
- Valve 7 open
- Valves 8 and 9 closed
- Valve 10 closed
- Valves 11 or 12 open



NOTES:

Type of Facility: State
LEASE #:
CA #:
NMOCD Property Code: 39446
NMOCD OGRID #: 229137

Legend for Site Diagram

Produced Fluid: —
Produced Oil: —
Produced Gas: —
Produced Water: —
Flare/Vent: —

CONFIDENTIALITY NOTICE

THIS DRAWING IS PROPERTY OF COG OPERATING LLC AND IS LENT TO THE BORROWER FOR CONFIDENTIAL USE ONLY AND IS SUBJECT TO RETURN UPON REQUEST AND SHALL NOT BE REPRODUCED, COPIED, LENT OR OTHERWISE DISPOSED OF DIRECTLY OR INDIRECTLY, NOR USED FOR ANY PURPOSE OTHER THAN THAT WHICH IT IS SPECIFICALLY FURNISHED.

REFERENCE DRAWINGS

NO.	TITLE
1	ONE CONCHO CENTER
2	600 WEST ILLINOIS AVENUE
3	MIDLAND, TEXAS 79701
4	COG OPERATING LLC
5	SITE SECURITY PLANS
6	LOCATED AT:

REVISIONS

NO.	DATE	DESCRIPTION	BY	CHK.	APP.
1	03/29/21	REVISED PER FIELD VERIFICATION	AS	JS	
2					
3					
4					
5					
6					

ENGINEERING RECORD

BY	DATE
DRN: AS	03/29/21
DES:	
CHK:	
APP:	
AFE NO:	
FACIL ENGR:	
OPER ENGR:	
SCALE:	

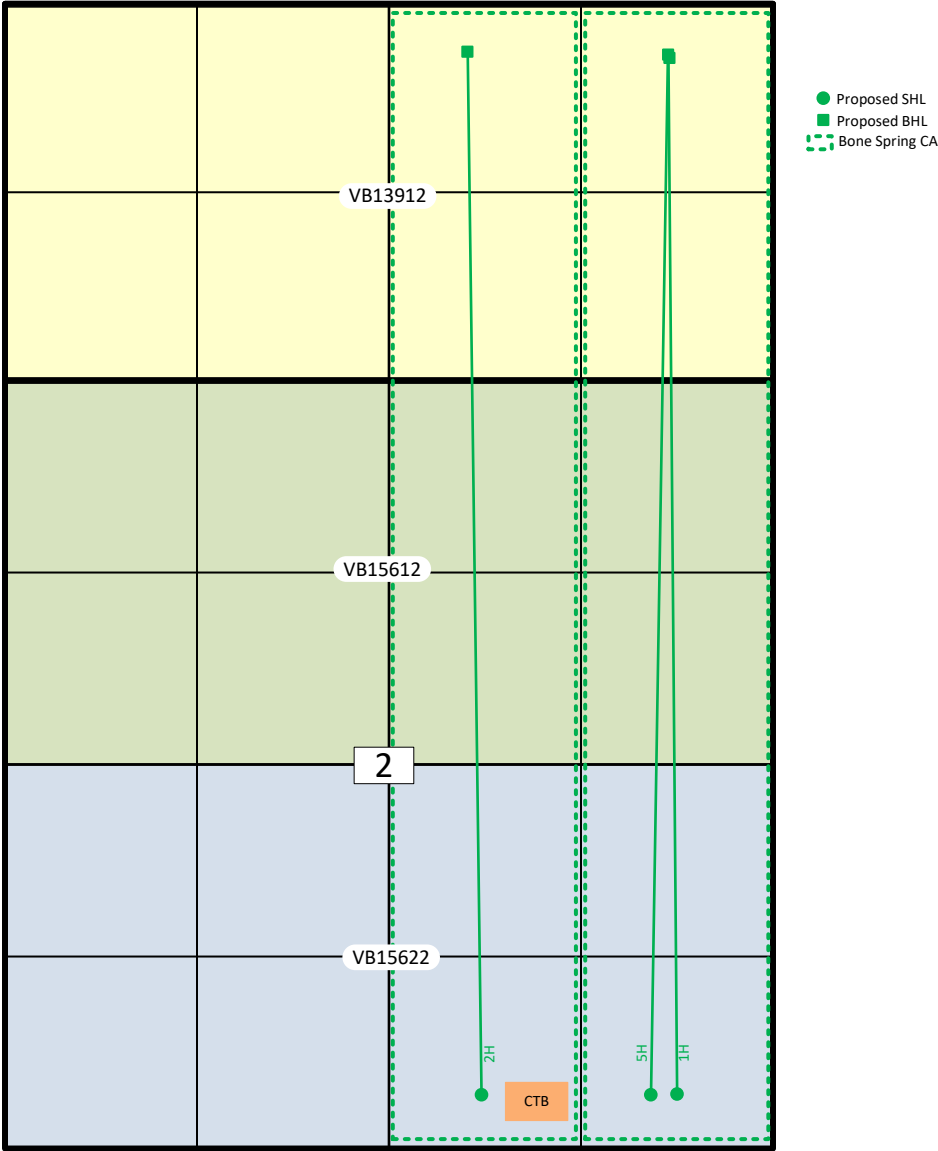


DELAWARE BASIN EAST ASSET
PRODUCTION FACILITIES
SITE FACILITY DIAGRAM
BEN LILLY 2 STATE COM #2H CTB

LEA COUNTY	NEW MEXICO
TWNHP/RANGE	DWG NO. Ben Lilly 2 State Com 2H Battery
REV A	

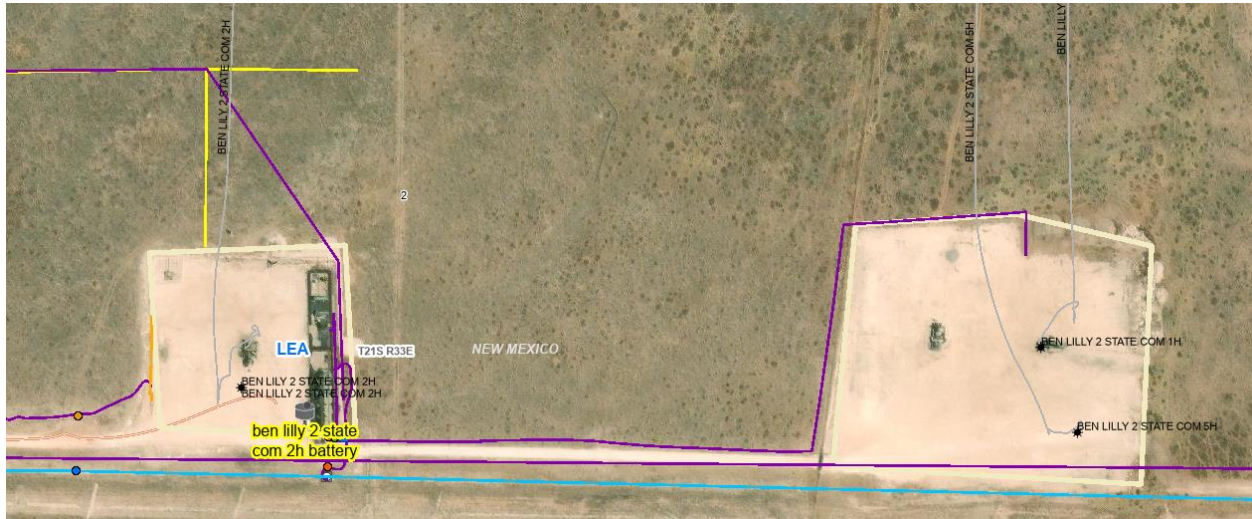
JB 08.10.21

Ben Lilly 2 St Com Wells



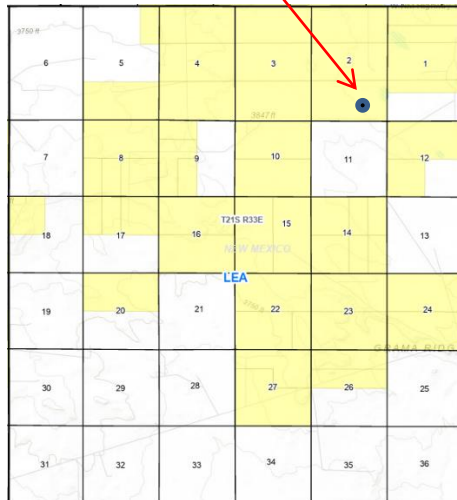
Sec 2, T21S R33E
Lea County, NM

Ben Lilly 2 St Com 1H-2H & 5H

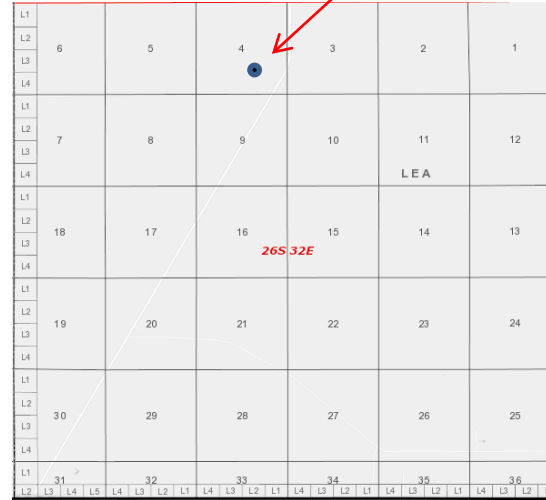


Ben Lilly 2 State Com 1H-2H & 5H & Red Hills and Jal Offload Station Map

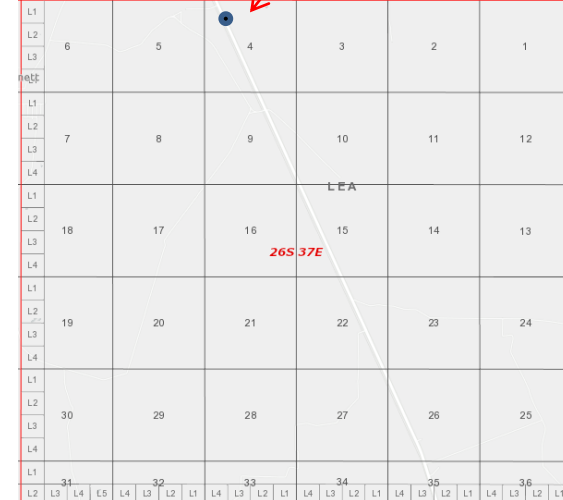
**Ben Lilly 2 St Com Wells
Eddy County, NM**



**Red Hills Offload Station
Lea County, NM**



**Jal Offload Station
Lea County, NM**



Ben Lilly 2 St Com 1H-2H & 5H						
Sent	Name	Address	City	State	ZipCode	Certified Mail
06.29.23	THOMAS M BEALL	PO BOX 3098	MIDLAND	TX	79702	7020 1810 0000 1415 2725
06.29.23	ROLLA R HINKLE III	P O BOX 2292	ROSWELL	NM	88202-2292	7020 1810 0000 1415 2732
06.29.23	OAK VALLEY MINERAL & LAND LP	PO BOX 50820	MIDLAND	TX	79710	7020 1810 0000 1415 2749
06.29.23	GAHR RANCH & INVESTMENTS PRTNRSH	PO BOX 1889	MIDLAND	TX	79702	7020 1810 0000 1415 2756
06.29.23	DANIEL E GONZALES	PO BOX 93998	ALBUQUERQUE	NM	87199	7020 1810 0000 1415 2763
06.29.23	KIMMERIDGE MINERAL FUND LP	1401 LAWRENCE ST STE 1750	DENVER	CO	80202	7020 1810 0000 1415 2770
06.29.23	PEGASUS RESOURCES LLC	PO BOX 733980	DALLAS	TX	75373	7020 1810 0000 1415 2787
06.29.23	HOFFMANN PARTNERSHIP LTD	265 SAINT MARKS PATH	KERRVILLE	TX	78028	7020 1810 0000 1415 2794
06.29.23	ROSILEE WINN	140 WHISPERING WOODS LOOP	KERRVILLE	TX	78028	7020 1810 0000 1415 2800
06.29.23	GAMBLE PRODUCTION PARTNERS LLC	PO BOX 11354	MIDLAND	TX	79702	7020 1810 0000 1415 2817
06.29.23	REBEKAH A FORT	1817 DOROTHY ST	ALBUQUERQUE	NM	87112	7020 1810 0000 1415 2824
06.29.23	PENASCO PETROLEUM LLC	PO BOX 4168	ROSWELL	NM	88202	7020 1810 0000 1415 2831
06.29.23	RFORT MINERAL PROPERTIES LLC	9716 ADMIRAL EMERSON AVE NE	ALBUQUERQUE	NM	87111	7020 1810 0000 1415 2848
06.29.23	PETRO-QUEST OIL & GAS LP	P O BOX 294151	KERRVILLE	TX	78029	7020 1810 0000 1415 2855
06.29.23	SORTIDA RESOURCES LLC	PO BOX 50820	MIDLAND	TX	79710	7020 1810 0000 1415 2862
06.29.23	POST OAK MAVROS II LLC	34 S WYNDEN DR STE 210	HOUSTON	TX	77056	7020 1810 0000 1415 2879
06.29.23	MSH FAMILY REAL ESTATE PARTNERSHIP	4143 MAPLE AVE STE 500	DALLAS	TX	75219	7020 1810 0000 1415 2886
06.29.23	SMP SIDECAR TITAN MINERAL HOLDINGS	4143 MAPLE AVE STE 500	DALLAS	TX	75219	7020 1810 0000 1415 2893
06.29.23	SMP TITAN FLEX LP	4143 MAPLE AVE STE 500	DALLAS	TX	75219	7020 1810 0000 1415 2909
06.29.23	SMP TITAN MINERAL HOLDINGS LP	4143 MAPLE AVE STE 500	DALLAS	TX	75219	7020 1810 0000 1415 2916
06.29.23	SLO	PO BOX 1148	SANTA FE	NM	87504-1148	7020 1810 0000 1415 2923

Production Summary Report						
API: 30-025-41202						
BEN LILLY 2 STATE COM #001H						
Printed On: Thursday, June 29 2023						
		Production				
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBL)	Days P/I
2022	[5535] BERRY;BONE SPRING, NORTH	Nov	1002	2605	875	26
2022	[5535] BERRY;BONE SPRING, NORTH	Dec	825	2657	996	27
2023	[5535] BERRY;BONE SPRING, NORTH	Jan	0	0	0	0
2023	[5535] BERRY;BONE SPRING, NORTH	Feb	0	0	0	0
2023	[5535] BERRY;BONE SPRING, NORTH	Mar	427	1051	253	19
2023	[5535] BERRY;BONE SPRING, NORTH	Apr	900	2190	705	22
Production Summary Report						
API: 30-025-40794						
BEN LILLY 2 STATE COM #002H						
Printed On: Thursday, June 29 2023						
		Production				
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBL)	Days P/I
2022	[5535] BERRY;BONE SPRING, NORTH	Nov	938	2553	1354	19
2022	[5535] BERRY;BONE SPRING, NORTH	Dec	1126	3791	2242	26
2023	[5535] BERRY;BONE SPRING, NORTH	Jan	0	0	0	0
2023	[5535] BERRY;BONE SPRING, NORTH	Feb	0	137	0	1
2023	[5535] BERRY;BONE SPRING, NORTH	Mar	1001	2578	980	31
2023	[5535] BERRY;BONE SPRING, NORTH	Apr	1386	3530	1794	24
Production Summary Report						
API: 30-025-41915						
BEN LILLY 2 STATE COM #005H						
Printed On: Thursday, June 29 2023						
		Production				
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBL)	Days P/I
2022	[5535] BERRY;BONE SPRING, NORTH	Nov	929	977	288	25
2022	[5535] BERRY;BONE SPRING, NORTH	Dec	851	1451	583	27
2023	[5535] BERRY;BONE SPRING, NORTH	Jan	0	0	0	0
2023	[5535] BERRY;BONE SPRING, NORTH	Feb	0	0	0	0
2023	[5535] BERRY;BONE SPRING, NORTH	Mar	428	570	150	19
2023	[5535] BERRY;BONE SPRING, NORTH	Apr	853	1295	368	21

Scanned Image

NEW MEXICO STATE LAND OFFICE**CERTIFICATE OF APPROVAL****COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

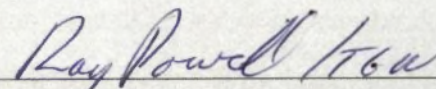
COG Operating LLC
Ben Lilly 2 State Com Well No. 1H (Bone Spring)
Township 21 South, Range 33 East, NMPM
Section 2 : Lots 1, 8, 9, 16 and E2SE4 (E2E2 Equivalent)
Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **November 15, 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 **7th day of February, 2014**.

**COMMISSIONER OF PUBLIC LANDS**

of the State of New Mexico

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NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

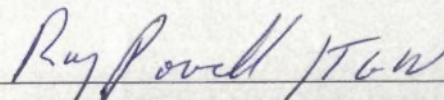
COG Operating LLC
Ben Lilly 2 State Com Well No. 1H (Bone Spring)
Township 21 South, Range 33 East, NMPM
Section 2 : Lots 1, 8, 9, 16 and E2SE4 (E2E2 Equivalent)
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IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **7th day of February, 2014**.


COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

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Ben Lilly 2 State Com #1H

**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

§

COUNTY OF LEA

§

§

KNOW ALL MEN BY THESE PRESENTS:

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of November 15, 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, 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 1, 8, 9, 16 and E½SE¼; (E½E½)
Lea County, New Mexico,

ONLINE version
December 2007

State/State
State/Fee

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2013 JAN 24 AM 8 05

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Ben Lilly 2 State Com #1H

containing 240.23 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

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Ben Lilly 2 State Com #1H

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.

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Ben Lilly 2 State Com #1H

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.

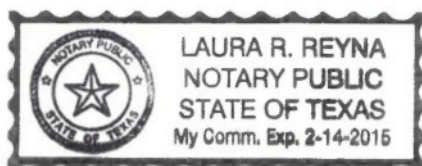
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

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 January 8, ²⁰¹⁴~~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

2014 JAN 24 AM 8 05

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Ben Lilly 2 State Com #1H

STATE/STATE OR
STATE/FEE

EXHIBIT "A"

Attached to and made a part of that Communitization Agreement dated November 15, 2013 ,
covering Township 21 South, Range 33 East, NMPM, Section 2: Lots 1, 8, 9, 16 and E½SE¼,
Lea County NM, containing 240.23 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 9 and 16
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: E½SE¼
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%

2019 JAN 24 AM 8 05

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Ben Lilly 2 State Com #1H

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 1 and 8 Lea County, New Mexico
No. of Acres:	80.23, 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%

2014 JAN 24 PM 8 05

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Ben Lilly 2 State Com #1H

Plat of communitized area covering Lots 1, 8, 9, 16 and E½SE¼ of Section 2,
T21S – R33E, N.M.P.M.
Lea County, NM, containing 240.23 acres, more or less.

			BHL: 330' FNL & 660' FEL Tract 3 VB- 1391 80.23 acres
			Tract 1 VB- 1561 80.0 acres
			Tract 2 VB-1562 80.0 acres
			SHL: 330' FSL & 660' FEL

RECAPITULATION

Tract Number	Number of Acres Committed	Percentage of Interest in Communitized Area
No. 1	80.00	33.3014195%
No. 2	80.00	33.3014195%
No. 3	<u>80.23</u>	<u>33.3971610%</u>
	240.23	100.0000000%

ONLINE version
December 2007

State/State
State/Fee

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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. 2H
W2E2, 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 **November 7, 2012**, 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.
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- (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 **7th day of January, 2013**.



COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

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NEW MEXICO STATE LAND OFFICE**CERTIFICATE OF APPROVAL****COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

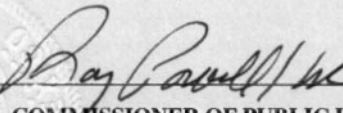
**COG Operating LLC
Ben Lilly 2 State Com Well No. 2H
W2E2, Section 2, Township 21 South, Range 33 East, Lea County, New Mexico
Bone Spring**

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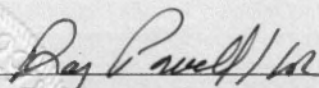
**COG Operating LLC
Ben Lilly 2 State Com Well No. 2H
W2E2, Section 2, Township 21 South, Range 33 East, Lea County, New Mexico
Bone Spring**

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IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **7th day of January, 2013**.



COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico



From: [Barron, Jeanette](#)
To: [Clelland, Sarah, EMNRD](#)
Subject: [EXTERNAL] Re: [EXTERNAL]Action ID 234318 CTB-1128
Date: Monday, May 5, 2025 7:11:02 AM
Attachments: [Ben Lilly 2 St Com 1H, 2H & 5H NMOCD Surface Commingle Application.pdf](#)

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

Here you go...thanks Sarah!!

Jeanette Barron | Regulatory Coordinator, Delaware Basin NM | **ConocoPhillips**
O: 575-748-6974 | **C:** 575-909-2803 | 2208 W. Main Street, Artesia, New Mexico

Confidentiality Notice:

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From: Clelland, Sarah, EMNRD <Sarah.Clelland@emnrd.nm.gov>
Sent: Thursday, May 1, 2025 9:27 AM
To: Barron, Jeanette <Jeanette.Barron@conocophillips.com>
Subject: [EXTERNAL]Action ID 234318 CTB-1128

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.

To whom it may concern (c/o Jeanette Barron for COG Operating, LLC.),

The Division is reviewing the following application:

Action ID	234318
Admin No.	CTB-1128
Applicant	COG Operating, LLC.
Title	Ben Lilly 2 State Com 2H CTB
Sub. Date	06/29/2023

Please provide the following additional supplemental documents:

-

Please provide additional information regarding the following:

- Application states that allocation will be via metering. Facility diagram seems to indicate via well test. Please verify which allocation method will be used.

Additional notes:

-

All additional supplemental documents and information may be provided via email and should be done by replying to this email. The produced email chain will be uploaded to the file for this application.

Please note that failure to take steps to address each of the requests made in this email within 10 business days of receipt of this email may result in the Division rejecting the application requiring the submittal of a new application by the applicant once it is prepared to address each of the topics raised.

COMMENT

Approval from Division is required prior to conducting work which modifies the well design.

Please contact the Environmental Bureau at OCD.Enviro@emnrd.nm.gov for instructions regarding the submittal process for applications of this type.

Thanks,

Sarah Clelland

Petroleum Specialist
State of New Mexico
Energy, Minerals, and Natural Resources Department
Oil Conservation Division
Cell: (505) 537-0627
Sarah.Clelland@emnrd.nm.gov

From: [Barron, Jeanette](#)
To: [Clelland, Sarah, EMNRD](#)
Subject: Re: [EXTERNAL] Re: [EXTERNAL]Action ID 234318 CTB-1128
Date: Tuesday, May 27, 2025 10:55:49 AM
Attachments: [Ben Lilly 2 St Com 1H, 2H & 5H NMOCD Surface Commingle Application.pdf](#)

Jeanette Barron | Regulatory Coordinator, Delaware Basin NM | ConocoPhillips
O: 575-748-6974 | **C:** 575-909-2803 | 2208 W. Main Street, Artesia, New Mexico

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From: Clelland, Sarah, EMNRD <Sarah.Clelland@emnrd.nm.gov>
Sent: Tuesday, May 27, 2025 10:27 AM
To: Barron, Jeanette <Jeanette.Barron@conocophillips.com>
Subject: RE: [EXTERNAL] Re: [EXTERNAL]Action ID 234318 CTB-1128

Hi Jeanette,

Hope your long weekend was long enough. I know it wasn't for me.

The Process Flow Diagram is exactly the same as the one I already had and the C-107 B says test meter. Well Test or Metering???

If COG is indeed metering please have them redo the PFD to reflect metering. Also, please update you C-107B with allocation method of well test or metering.

Thanks,

Sarah Clelland

Petroleum Specialist
State of New Mexico
Energy, Minerals, and Natural Resources Department
Oil Conservation Division
Cell: (505) 537-0627
Sarah.Clelland@emnrd.nm.gov

From: Barron, Jeanette <Jeanette.Barron@conocophillips.com>
Sent: Friday, May 9, 2025 9:12 AM
To: Clelland, Sarah, EMNRD <Sarah.Clelland@emnrd.nm.gov>
Subject: Re: [EXTERNAL] Re: [EXTERNAL]Action ID 234318 CTB-1128

Hello Sarah, happy Firday!!!

Here you go, let me know if there is anything else you need.

Hope you have a great Mother's Day weekend!

Jeanette Barron | Regulatory Coordinator, Delaware Basin NM | **ConocoPhillips**
O: 575-748-6974 | C: 575-909-2803 | 2208 W. Main Street, Artesia, New Mexico

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From: Clelland, Sarah, EMNRD <Sarah.Clelland@emnrd.nm.gov>
Sent: Thursday, May 8, 2025 3:55 PM
To: Barron, Jeanette <Jeanette.Barron@conocophillips.com>
Subject: RE: [EXTERNAL] Re: [EXTERNAL]Action ID 234318 CTB-1128

Now that we know it is metering, please provide a new Process Flow Diagram to show metering. It still looks like it is well test on the diagram.

Thanks,

Sarah Clelland

Petroleum Specialist
State of New Mexico
Energy, Minerals, and Natural Resources Department
Oil Conservation Division
Cell: (505) 537-0627
Sarah.Clelland@emnrd.nm.gov

From: Barron, Jeanette <Jeanette.Barron@conocophillips.com>
Sent: Monday, May 5, 2025 2:21 PM
To: Clelland, Sarah, EMNRD <Sarah.Clelland@emnrd.nm.gov>
Subject: [EXTERNAL] Re: [EXTERNAL]Action ID 234318 CTB-1128

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

Sorry for the confusion I redid the C-107B and to the word separately off the summary statement, but well testing is done separately by well... any who hope this one works :)

Jeanette Barron | Regulatory Coordinator, Delaware Basin NM | **ConocoPhillips**
O: 575-748-6974 | C: 575-909-2803 | 2208 W. Main Street, Artesia, New Mexico

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From: Clelland, Sarah, EMNRD <Sarah.Clelland@emnrd.nm.gov>

Sent: Monday, May 5, 2025 1:23 PM
To: Barron, Jeanette <Jeanette.Barron@conocophillips.com>
Subject: [EXTERNAL]Action ID 234318 CTB-1128

Hi Jeanette,

This is still unclear. Summary letter states many times they will measure separately by meter then it says well testing. C-107B still shows metering. Facility Diagram looks to be by well test.

Thanks,

Sarah Clelland

Petroleum Specialist
State of New Mexico
Energy, Minerals, and Natural Resources Department
Oil Conservation Division
Cell: (505) 537-0627
Sarah.Clelland@emnrd.nm.gov

From: Barron, Jeanette <Jeanette.Barron@conocophillips.com>
Sent: Monday, May 5, 2025 7:11 AM
To: Clelland, Sarah, EMNRD <Sarah.Clelland@emnrd.nm.gov>
Subject: [EXTERNAL] Re: [EXTERNAL]Action ID 234318 CTB-1128

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Here you go...thanks Sarah!!

Jeanette Barron | Regulatory Coordinator, Delaware Basin NM | **ConocoPhillips**
O: 575-748-6974 | C: 575-909-2803 | 2208 W. Main Street, Artesia, New Mexico

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From: Clelland, Sarah, EMNRD <Sarah.Clelland@emnrd.nm.gov>
Sent: Thursday, May 1, 2025 9:27 AM
To: Barron, Jeanette <Jeanette.Barron@conocophillips.com>
Subject: [EXTERNAL]Action ID 234318 CTB-1128

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To whom it may concern (c/o Jeanette Barron for COG Operating, LLC.),

The Division is reviewing the following application:

Action ID	234318
Admin No.	CTB-1128
Applicant	COG Operating, LLC.

Title	Ben Lilly 2 State Com 2H CTB
Sub. Date	06/29/2023

Please provide the following additional supplemental documents:

-

Please provide additional information regarding the following:

- Application states that allocation will be via metering. Facility diagram seems to indicate via well test. Please verify which allocation method will be used.

Additional notes:

-

All additional supplemental documents and information may be provided via email and should be done by replying to this email. The produced email chain will be uploaded to the file for this application.

Please note that failure to take steps to address each of the requests made in this email within 10 business days of receipt of this email may result in the Division rejecting the application requiring the submittal of a new application by the applicant once it is prepared to address each of the topics raised.

COMMENT

Approval from Division is required prior to conducting work which modifies the well design.

Please contact the Environmental Bureau at OCD.Enviro@emnrd.nm.gov for instructions regarding the submittal process for applications of this type.

Thanks,

Sarah Clelland

Petroleum Specialist

State of New Mexico

Energy, Minerals, and Natural Resources Department

Oil Conservation Division

Cell: (505) 537-0627

Sarah.Clelland@emnrd.nm.gov

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

**APPLICATION FOR SURFACE COMMINGLING
SUBMITTED BY COG OPERATING, LLC.**

ORDER NO. CTB-1128

ORDER

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 as described 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. 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.

CONCLUSIONS OF LAW

5. 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.
6. 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.
7. 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.
8. 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.

9. 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.
10. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

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

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

2. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling it with production from another well.
3. 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.
4. 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.
5. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10 C.(2) NMAC.
6. 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.
7. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
8. 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).

9. 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**



**GERASIMOS RAZATOS
DIRECTOR (ACTING)**

DATE: 6-4-2025

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **CTB-1128**

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

Central Tank Battery: **Ben Lilly 2 State Com #2H Central Tank Battery**

Central Tank Battery Location: **UL O, Section 2, Township 21 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 O, Section 2, Township 21 South, Range 33 East**

Pools

Pool Name	Pool Code
BERRY;BONE SPRING, NORTH	5535

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
CA Bone Spring SLO 203303 PUN 1339172	E/2 E/2	2-21S-33E
CA Bone Spring SLO 203164 PUN 1333281	W/2 E/2	2-21S-33E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-40794	BEN LILLY 2 STATE COM #002H	W/2 E/2	2-21S-33E	5535
30-025-41202	BEN LILLY 2 STATE COM #001H	E/2 E/2	2-21S-33E	5535
30-025-41915	BEN LILLY 2 STATE COM #005H	E/2 E/2	2-21S-33E	5535

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/oed/contact-us>

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

CONDITIONS

Action 234318

CONDITIONS

Operator: COG OPERATING LLC 600 W Illinois Ave Midland, TX 79701	OGRID: 229137
	Action Number: 234318
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By	Condition	Condition Date
sarah.clelland	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 email us at OCD.Engineer@emnrd.nm.gov .	6/5/2025