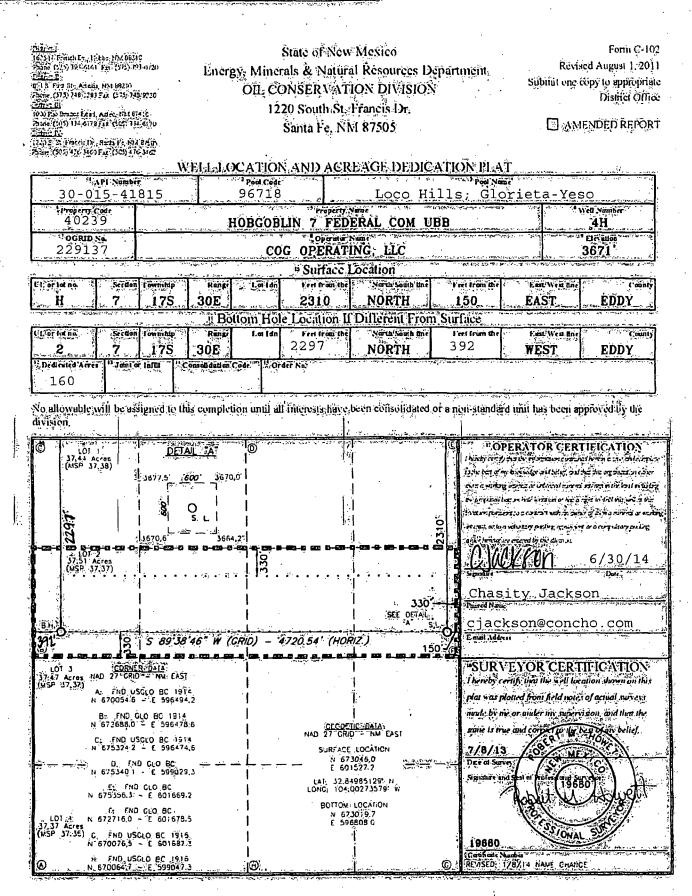
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	Signature (Electronic Submission)						· · · ·	Date	07/02/2014	4			
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fradulent statements or representations as to any matter within its jurisdiction.	Title 181	J.S.C. Section	n 1001 and	Title 43 U.S	C. Section	1212. make	e it a crime fo	or any person kn	owingly and	willfully	to make to any d	epartment or	agency

** REVISED **

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United States Department of the Interior

BUREAU OF LAND MANAGEMENT Pecos District Carlsbad Field Office 620 E. Greene Carlsbad, New Mexico 88220-6292 www.blm.gov/nm



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IN REPLY REFER TO: NM133058 3105.2 (P0220)

August 5, 2014

Reference: Hobgoblin 7 Fed Com UBB 4H T. 17 S., R. 30 E., Section 7, N2 Eddy County, NM

COG Operating, LLC 600 West Illinois Avenue Midland, TX 79701

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM133058 involving 34.385 acres of Federal land in lease NM7752, Tract 1A, 40.365 acres of Federal land in lease NM7752, Tract 1B, and 240 acres of Federal land in lease NM117122, Tract 2, Eddy County, New Mexico, which comprise a 314.75 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath T. 17 S., R. 30 E., Section 7, N2, NMPM, and is effective 01/01/2014. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

Copies of this approval letter are being distributed to the appropriate Federal agencies. You are requested to furnish all interested parties with the appropriate evidence of this approval. Any production royalties that are due must be reported and paid according to regulations set up by the Office of Natural Resources Revenue at 1-800-525-9167 or 303-231-3504.

If you have any questions regarding this approval, please contact Edward G. Fernandez, Petroleum Engineer at (575) 234-2220.

Please furnish all interested principals with appropriate evidence of this approval.

Sincerely,

iph J Colli

Steve Caffey Assistant Field Manager, Lands and Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver (357B-1, Antoinette Contreraz, Stacey Kaiser) NM Taxation & Revenue Dept. (Revenue Processing Div.) NMOCD NM (9200) NM (P0220-CFO, File Room)

Determination - Approval - Certification

Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.

Approve the attached Communitization Agreement covering T. 17 S., R. 30 E., Section 7, N2, NMPM, as to all producible hydrocarbons from the Bone Spring formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (e) are not met.

C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved:

Authorized Officer

Effective: 01/01/2014

Contract No.: Com. Agr. NM133058

United States Department of the Interior



BUREAU OF LAND MANAGEMENT

Carlsbad Field Office 620 E. Greene Carlsbad, New Mexico 88220-6292 www.nm.blm.gov



In Reply Refer to NM133058 3107 (P0220)

Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NM133058

Date of Completion:	05/27/2014						
Date of First Production:	05/30/2014						
Field:	Loco Hills						
Operator, Well Name & No, API Number:	COG Operating; Hobgoblin 7 Fed Com UBB 4H; 3001541815						
Surface Location:	N2 sec. 7, T. 17 S., R. 30 E.						
Total Depth:	9,529 MD; 5,025 TVD						
Surface Elevation:	3,671' GL						
Producing Formation:	Yeso (5,280 – 9,445)						
Well Capable of Production in Paying Quantities:	Yes						
Initial Daily Production:	Oil 311 BBL; Gas 132 MCF; Water 2,077 BBL						
Current Status	Producing Oil Well						

Remarks: CA NM132970, effective 01/01/2014, communitizes production of all gas and fluid hydrocarbons in the Yeso formation beneath the N2 of sec. 7, T. 17S, R. 30E., NMPM, and comprises 34.385 acres of Federal land in lease NM7752, Tract 1A, 40.365 acres of Federal land in lease NM7752, Tract 1B, and 240.00 acres of federal land in lease NM117122, Tract 2, for a 314.75 well spacing unit, whose leases are held by actual production.

If you have any questions regarding this memorandum, please call Arthur Morrison at ajmorrison@blm.gov.

/S/ Arthur Morrison August 5, 2014

cc: ONRR-MS 63230B First Production File LLNM (P0220, File Room)