



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



IN REPLY REFER TO:

NM126440

3105.2 (P0220)

Reference:

Big Papi Fed Com 2H

E/2W/2 of sec. 4, T. 26 S., R. 29 E., NMPM,

Eddy County, NM

30-015-37833

OCT 20 2014

RECEIVED OGD
2014 OCT 27 P 3:32

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

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM126440 involving 80.00 acres of Federal land in lease NMNM115417, and 80.00 acres of Federal land in lease NM53231, Eddy County, New Mexico, which comprise a 160.00 acre well spacing unit.

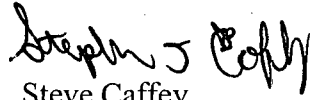
The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath the E/2W/2 of sec. 4, T. 26 S., R. 29 E., NMPM, and is effective 4/1/14. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold 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,

A handwritten signature in black ink, appearing to read "Steve J Caffey".

Steve Caffey
Assistant Field Manager,
Lands and Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver (357B-1, Antoinette Contreras, Stacey Kaiser)

NM Taxation & Revenue Dept. (Revenue Processing Div.)

NMOCD

NM (9200)

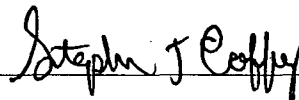
NM (P0220-CFO, File Room)

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.
- B. Approve the attached Communitization Agreement covering the E/2W/2 of sec. 4, T. 26 S., R. 29 E., 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
Steve Caffey
Asst. Field Mgr.

Effective: 4/1/14

Contract No.: Com. Agr. NM126440



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Carlsbad, New Mexico 88220-6292
www.nm.blm.gov



In Reply Refer to
NM126440
3107 (P0220)

Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NM126440

Date of Completion:	6/22/14
Date of First Production:	6/26/14
Field:	Corral Canyon; BS, South
Operator, Well Name & No, API Number:	COG Operating; Big Papi Fed Com 2H; 3001537833
Surface Location:	E/2W/2 sec.4, T. 26 S., R. 29 E.
Total Depth:	12,985 MD; 8,637 TVD
Surface Elevation:	2,975 GL
Producing Formation:	Bone Spring (8,839 – 12,885)
Well Capable of Production in Paying Quantities:	Yes
Initial Daily Production:	Oil 595 BBL; Gas 750 MCF; Water 2,176 BBL
Current Status:	Producing Oil Well

Remarks: CA NM126440, effective 4/1/2014, communitizes production of all gas and fluid hydrocarbons in the Bone Spring formation beneath the E/2W/2 of sec.4, T. 26 S., R. 29 E., NMPM, and comprises 80.00 acres of Federal land in lease NM115417, and 80.00 acres of Federal land in lease NM53231 for a 160 well spacing unit, whose leases are held by actual production.

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

/S/ **Arthur Morrison**
October 20, 2014

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