



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:
NM135592
3105.2 (P0220)

Reference: CORRECTION
Communitization Agreement
Roy Batty Federal Com 3H
T. 24 S., R. 33 E.,
Section 11: Entire Section
Lea County, NM

03/21/2016

COG Operating, LLC
One Concho Center
600 West Illinois Avenue
Mid Land, TX 79701

Gentlemen:

RECEIVED OGD
2016 MAR 28 P 2:08

This letter is to correct previous approval letter for CA NMN135592 dated 02/24/2016.

Enclosed is an approved copy of Communitization Agreement NM135592 involving 320 acres of Federal land in lease NMLC063798 and 320 acres of Fee land, Lea County, New Mexico, which comprises a 640 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath Sec. 11, Entire Section, T. 24 S., R. 33 E., NMPM, and is effective 02/01/2014. 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.

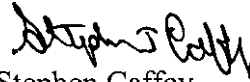
Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is accurate.

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 or Deborah Ham at (575) 234-5965.

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

Sincerely,

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

Stephen Caffey
Assistant Field Manager,
Lands and Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver

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:

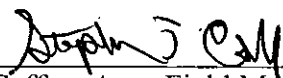
- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement 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 Sec. 11: Entire Section, T. 24 S., R. 33 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 (c) are not met.

Approval also requires operator to submit copies of sundries or any other documentation regarding activity with this well to the Bureau of Land Management (BLM), Carlsbad Field Office pursuant to Item 9 of the approved Communitization Agreement.

- 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:



Stephen Caffey, Asst. Field Mgr.
Authorized Officer

Effective: 02/01/2014

Contract No.: Com. Agr. NM135592



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Carlsbad, New Mexico 88220-6292
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In Reply Refer to
NM135592
3107 (P0220)

Memorandum

To: State Director (9210)

CORRECTION

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NM135592

Date of Completion:	02/16/2014
Date of First Production:	02/17/2014
Field:	Red Hills
Operator, Well Name & No, API Number:	COG Operating; Roy Batty Fed Com 3H; 30-025-41333
Surface Location:	Section 11, SWSE, T. 24 S., R. 33 E.
Bottom Location:	Section 11, NWNE, T. 24 S., R. 33 E.
Total Depth:	15,601 MD; 11,116 TVD
Surface Elevation:	3,608 GL
Producing Formation:	Bone Spring (11,304 – 15,380)
Well Capable of Production in Paying Quantities:	Yes
Initial Daily Production:	Oil 754 BBL; Gas 1058 MCF; Water 663 BBL
Current Status:	Producing Oil Well
Remarks:	CA NM135592, effective 02/01/2014, communitizes production of all gas and fluid hydrocarbons in the Bone Spring formation beneath Sec. 11, Entire Section, T. 24 S., R. 33 E., NMPM, and comprises 320 acres of Federal land in lease NMLC063798, and 320 acres of Fee land for a 640-acre well spacing unit whose leases are held by actual production.

If you have any questions regarding this memorandum, please email Deborah Ham at dham@blm.gov.

/S/ **Deborah Ham**
03/21/2016

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