



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:

Communitization Agreement

02/24/2016

Roy Batty Federal Com 1H

T. 24 S., R. 33 E.,

Section 11: Entire Section

Lea County, NM

RECEIVED OGD
2016 MAR -1 P 2:30

COG Operating, LLC

One Concho Center

600 West Illinois Avenue

Mid Land, TX 79701

Gentlemen:

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.

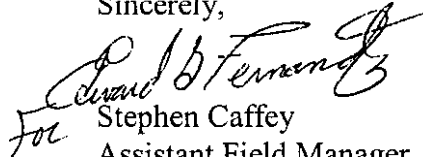
The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath Sec. 11, Entire Section, T. 24 S., R. 33 E., NMPM, and is effective 09/01/2013. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners 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 or Deborah Ham at (575) 234-5965.

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

Sincerely,

For 
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

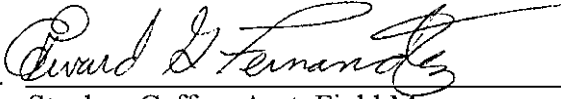
Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- 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:


for Stephen Caffey, Asst. Field Mgr.
Authorized Officer

Effective: 09/01/2013

Contract No.: Com. Agr. NM135592



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



In Reply Refer to
NM135592
3107 (P0220)

Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NM135592

Date of Completion:	09/04/2013
Date of First Production:	09/07/2013
Field:	Red Hills
Operator, Well Name & No, API Number:	COG Operating; Roy Batty Fed Com 1H; 30-025-41099
Surface Location:	Section 11, SWSW, T. 24 S., R. 33 E.
Bottom Location:	Section 11, NWNW, T. 24 S., R. 33 E.
Total Depth:	15,477 MD; 11,069 TVD
Surface Elevation:	3,603 GL
Producing Formation:	Bone Spring (11,257 – 15,420)
Well Capable of Production in Paying Quantities:	Yes
Initial Daily Production:	Oil 724 BBL; Gas 1128 MCF; Water 929 BBL
Current Status:	Producing Oil Well
Remarks:	CA NM135592, effective 09/01/2013, 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
02/24/2016

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