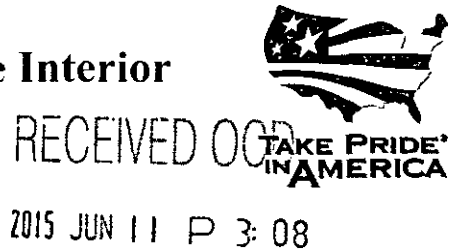




United States Department of the Interior

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



2015 JUN 11 P 3: 08

IN REPLY REFER TO:
NM134623
3105.2 (P0220)

Reference:
Communitization Agreement
Ridge Nose Fed Com 1H
T. 26 S., R. 29 E.,
Section 31, NWNE, Lot 6
Section 30, W2E2
Eddy County, NM

June 4, 2015

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

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM134623 involving 200 acres of Fee land and 26.27 acres of Federal land in lease NMNM121474, Eddy County, New Mexico, which comprises a 226.27 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Delaware formation beneath the NWNE and Lot 6 of sec. 31, and beneath the W2E2 of sec. 30, T. 26 S., R. 29 E., NMPM, and is effective 02/01/2015. 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 "Stephen J. Caffey". The signature is fluid and cursive, with the first name "Stephen" being more legible than the last name "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

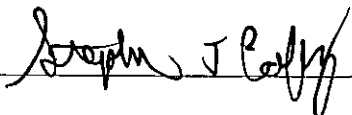
Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- 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 the NWNE and Lot 6 of sec. 31, and the W2E2 of sec. 30, T. 26 S., R. 29 E., NMPM, as to all producible hydrocarbons from the Delaware 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:



Authorized Officer

Effective: 02/01/2015

Contract No.: Com. Agr. NM134623



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
NM134623
3107 (P0220)

Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NM134623

Date of Completion:	04/14/2015
Date of First Production:	05/04/2015
Field:	Brushy Draw
Operator, Well Name & No, API Number:	COG Production; Ridge Nose Fed Com 1H ; 30-015-42391
Surface Location:	Section 31: SWNE, T. 26 S., R. 29 E.
Total Depth:	13,030 MD; 6,377 TVD
Surface Elevation:	2,901' GL
Producing Formation:	Delaware (6,545 – 12,980)
Well Capable of Production in Paying Quantities:	Yes
Initial Daily Production:	Oil 273 BBL; Gas 369 MCF; Water 3640 BBL
Current Status:	Producing Oil Well
Remarks:	CA NM134623, effective 02/01/15, communitizes production of all gas and fluid hydrocarbons in the Delaware formation beneath sec. 31: NWNE and Lot 6, and beneath sec. 30: W2E2, T. 26 S., R. 29 E., NMPM, and comprises 200 acres of Fee land and 26.27 acres of Federal land in lease NMNM121474 for a 226.27 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/ Deborah M Ham
06/04/2015

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