



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:

NM136466

3105.2 (P0220)

Reference:

Communitization Agreement

11/04/2016

Ragnar Fed Com 25H

T. 17 S., R. 32 E.,

Sec. 15: W2E2

Lea County, NM

COG Operating, LLC

600 West Illinois Avenue

Midland, TX 79701

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM136466 involving 80 acres of Federal land in lease NMNM0315712 and 80 acres of Federal land in lease NMLC054687, Lea County, New Mexico, which comprises a 160 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Yeso formation beneath Sec.15, W2E2, T. 17 S., R. 32 E., NMPM, and is effective 09/01/2015. 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.

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.

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2016 NOV 14 PM 2:15

If you have any questions regarding this approval, please contact Chris Walls at (575) 234-2234 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 "Cody R. Layton", written over the word "Sincerely,".

Cody R. Layton
Assistant Field Manager,
Lands and Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver

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

NMOCD

Commissioner of Public Lands

NM (9200)

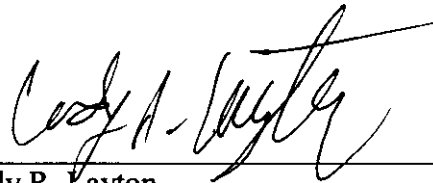
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Determination - Approval - Certification

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. 15: W2E2, T. 17 S., R. 32 E., NMPM, as to all producible hydrocarbons from the Yeso formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (c) 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: 11/04/2016



Cody R. Layton
Assistant Field Manager,
Lands and Minerals

Effective: 09/01/2015

Contract No.: Com. Agr. NM136466



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In Reply Refer to
NM136466
3107 (P0220)

Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NM136466

Date of Completion: 09/30/2016
Date of First Production: 10/12/2016
Field: Maljamar
Operator, Well Name & No, API Number: COG Operating; Ragnar Fed Com 25H; 30-025-43131
Surface Location: Sec. 22, NWNE, T. 17 S., R. 32 E.
Bottom Location: Sec. 15, NWNE, T. 17 S., R. 32 E.
Total Depth: 11,146 MD; 6,280 TVD
Surface Elevation: 4,014 GL
Producing Formation: Yeso (6,608 – 11,048)
Well Capable of Production in Paying Quantities: Yes
Initial Daily Production: Oil 370 BBL; Gas 204 MCF; Water 1550 BBL
Current Status: Producing Oil Well
Remarks: CA NM136466, effective 09/01/2015, communitizes production of all gas and fluid hydrocarbons in the Yeso formation beneath Sec.15, W2E2, T. 17 S., R. 32 E., NMPM, and comprises 80 acres of Federal land in lease NMNM0315712 and 80 acres of Federal land in lease NMLC054687 for a 160 acre well spacing unit whose leases are held by actual production. Per wellbore direction and producing area, surface location of well is not within CA boundary.
If you have any questions regarding this memorandum, please call Deborah Ham at (575) 234-5965.

/S/ Deborah Ham
11/04/2016

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

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