

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: NM135752 3105.2 (P0220)

Eddy County, NM

Reference: Communitization Agreement Firefox Fed Com 4H T. 19 S., R. 31 E., Section 4: N2S2

04/13/2016

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

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM135752 involving 40 acres of Federal land in lease NMNM105217, and 120 acres of Federal land in lease NMLC069033, Eddy County, New Mexico, which comprises a 160 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath Sec. 4, N2S2, T. 19 S., R. 31 E., NMPM, and is effective 05/23/2015. 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.

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,

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)

RECEIVED OCC

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.
- Approve the attached Communitization Agreement covering Sec. 4: N2S2, T. 19 S.,
 R. 32 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.
- 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: 05/23/2015

Contract No.: Com. Agr. NM135752

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BUREAU OF LAND MANAGEMENT



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

In Reply Refer to NM135752 3107 (P0220)

Memorandum

To:

State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NM135752

Date of Completion:

07/08/2015

Date of First Production:

07/14/2015

Field:

Hackberry

Operator, Well Name & No, API Number:

COG Operating; Firefox Fed Com 4H; 30-015-41571

Surface Location:

Sec. 4, NWSW, T. 19 S., R. 31 E.

Bottom Location:

Sec. 4, NESE, T. 19 S., R. 31 E.

Total Depth:

13,365 MD; 8,887 TVD

Surface Elevation:

3,568 GL

Producing Formation:

Bone Spring (8,987 - 13,310)

Well Capable of Production in Paying Quantities:

Initial Daily Production:

Oil 255 BBL; Gas 184 MCF; Water 1468 BBL

Current Status:

Producing Oil Well

Remarks: CA NM135752, effective 05/23/2015, communitizes production of all gas and fluid hydrocarbons in the Bone Spring formation beneath Sec. 4, N2S2, T. 19 S., R. 31 E., NMPM, and comprises 40 acres of Federal land in lease NMNM105217, and 120 acres of Federal land in lease NMLC069033 for a 160 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 04/13/2016

cc:

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