

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:

NM136810

3105.2 (P0220)

Reference:

Communitization Agreement

03/02/2017

Sneed 9 Fed Com 11H

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

Sec. 9: N2N2

Sec. 10: NWNW

Lea County, NM

COG Operating, LLC

600 West Illinois Avenue

Midland, TX 79701

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM136810 involving 120 acres of Federal land in lease NMNM0315712, 40.01 acres of Federal land in lease NMLC064150 and 40 acres of Fee land, Lea County, New Mexico, which comprises a 200.01 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Yeso formation beneath Sec. 9, N2N2 and Sec. 10, NWNW, T. 17 S., R. 32 E., NMPM, and is effective 06/15/2016. 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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RECEIVED

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,



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)

NM (P0220-CFO, File Room)

Determination - Approval - Certification

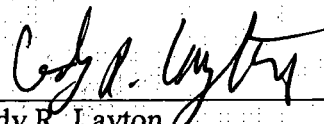
Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- 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. 9: N2N2, Sec. 10: NWNW, 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.

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: 03/02/2017


Cody R. Layton
Assistant Field Manager,
Lands and Minerals

Effective: 06/15/2016

Contract No.: Com. Agr. NM136810



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
NM136810
3107 (P0220)

Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NM136810

Date of Completion:	12/27/2016
Date of First Production:	12/28/2016
Field:	Maljamar
Operator, Well Name & No, API Number:	COG Operating; Sneed 9 Fed Com 11H; 30-025-43284
Surface Location:	Sec. 9, NWNW, T. 17 S., R. 32 E.
Bottom Location:	Sec. 10, NWNW, T. 17 S., R. 32 E.
Total Depth:	11,688 MD; 5,774 TVD
Surface Elevation:	4,089 GL
Producing Formation:	Yeso (6,061– 11,551)
Well Capable of Production in Paying Quantities:	Yes
Initial Daily Production:	Oil 355 BBL; Gas 453 MCF; Water 3504 BBL
Current Status:	Producing Oil Well

Remarks: CA NM136810, effective 06/15/2016, communitizes production of all gas and fluid hydrocarbons in the Yeso formation beneath Sec.9, N2N2 and Sec. 10, NWNW, T. 17 S., R. 32 E., NMPM, and comprises 120 acres of Federal land in lease NMNM0315712, 40.01 acres of Federal land in lease NMLC064150 and 40 acres of Fee land for a 200.01 acre well spacing unit whose leases are held by actual production.

If you have any questions regarding this memorandum, please call Deborah Ham at (575) 234-5965.

/S/ Deborah Ham
03/02/2017

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