

30-015-43158
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:
NM136899
3105.2 (P0220)

Reference:
Communitization Agreement
Crapshoot 13 Fed Com 2H
T. 20 S., R. 29 E.,
Sec. 13: W2E2
Eddy County, NM

04/04/2017

COG Operating, LLC
600 West Illinois Avenue
Midland, TX 79701

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM136899 involving 40 acres of Federal land in lease NMNM0555546 and 120 acres of Federal land in lease NMNM0359258, 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.13, W2E2, T. 20 S., R. 29 E., NMPM, and is effective 11/01/2015.

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.

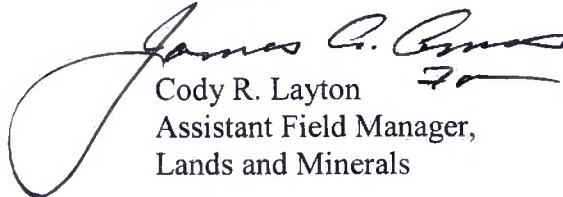
Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is 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.

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 "James C. Brown", is written over the typed name "Cody R. Layton".

Cody R. Layton
Assistant Field Manager,
Lands and Minerals

1 Enclosure:
1 - Communitization Agreement

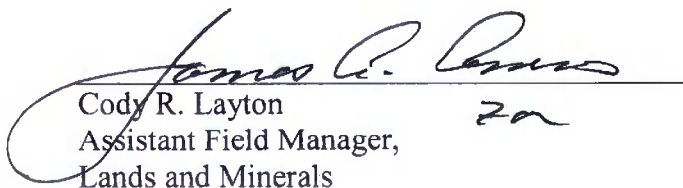
cc:
ONRR, Denver
NM Taxation & Revenue Dept. (Revenue Processing Div.)
NMOCD
Commissioner of Public Lands
NM (9200)
NM (P0220-CFO, File Room)

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. 13: W2E2, T. 20 S., R. 29 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: 04/04/2017


Cody R. Layton
Assistant Field Manager,
Lands and Minerals

Effective: 11/01/2015

Contract No.: Com. Agr. NM136899



United States Department of the Interior

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Carlsbad, New Mexico 88220-6292
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In Reply Refer to
NM136899
3107 (P0220)

Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NM136899

Date of Completion:	10/16/2015
Date of First Production:	11/12/2015
Field:	Parkway
Operator, Well Name & No, API Number:	COG Operating; Crapshoot 13 Fed Com 2H; 30-015-43158
Surface Location:	Sec. 24, NENE, T. 20 S., R. 29 E.
Bottom Location:	Sec. 13, NWNE, T. 20 S., R. 29 E.
Total Depth:	13,562 MD; 8,417 TVD
Surface Elevation:	3,320 GL
Producing Formation:	Bone Spring (8,900– 13,455)
Well Capable of Production in Paying Quantities:	Yes
Initial Daily Production:	Oil 582 BBL; Gas 875 MCF; Water 1612 BBL
Current Status:	Producing Oil Well

Remarks: CA NM136899, effective 11/01/2015, communitizes production of all gas and fluid hydrocarbons in the Bone Spring formation beneath Sec.13, W2E2, T. 20 S., R. 29 E., NMPM, and comprises 40 acres of Federal land in lease NMNM0555546 and 120 acres of Federal land in lease NMNM0359258 for a 160 acre well spacing unit whose leases are held by actual production. **Per production penetration of wellbore, surface location is not within com agreement boundary.**

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

/S/ Deborah Ham
04/04/2017

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