

RECEIVED: 8/20/20	REVIEWER: DM	TYPE: OLM	APP NO: pDM2023430022
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
- Geological & Engineering Bureau -  
1220 South St. Francis Drive, Santa Fe, NM 87505



**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

<b>Applicant:</b> COG Operating, LLC	<b>OGRID Number:</b> 229137
<b>Well Name:</b> Pork Pie State Com 704H	<b>API:</b> 30-025-46276
<b>Pool:</b> WC-025 G-09 S243532M, Wolfbone	<b>Pool Code:</b> 98098

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW**

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
- A. Location - Spacing Unit - Simultaneous Dedication  
☐ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD
- B. Check one only for [ I ] or [ II ]
- [ I ] Commingling - Storage - Measurement  
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☒ OLM
- [ II ] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
- A. ☐ Offset operators or lease holders  
B. ☒ Royalty, overriding royalty owners, revenue owners  
C. ☐ Application requires published notice  
D. ☐ Notification and/or concurrent approval by SLO  
E. ☐ Notification and/or concurrent approval by BLM  
F. ☐ Surface owner  
G. ☐ For all of the above, proof of notification or publication is attached, and/or,  
H. ☐ No notice required

FOR OCD ONLY	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	Application Content Complete

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

**Note: Statement must be completed by an individual with managerial and/or supervisory capacity.**

Jeanette Barron

Print or Type Name

Signature

8/20/20  
Date

575-746-6974  
Phone Number

jbarron@concho.com  
e-mail Address



August 20, 2020

Attn: Dean McClure  
NM Oil Conservation Division  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

Re: Application for Administrative Approval  
Off-lease Measurement – Oil Only

Dear Mr. McClure,

COG Operating LLC, respectfully requests approval for off-lease measurement – Oil only for the following wells:

Pork Pie State Com 704H  
API# 30-025-46276  
WC-025 G-09 S243532M; Wolfbone  
Ut. O, Sec. 15-T24S-R35E  
Lea County, NM

**Oil Production:**

The oil production from these wells may be transported by truck to either the Red Hills Offload Station, located in Unit O, Section 4-T26S-R32E, or the Jal Offload Station, located in Unit D, Section 4-T26S-R37E, Lea County in the event the CTB on lease is over capacity or in the case of battery or pipeline repairs. Oil will remain segregated and will be measured by lact meter when offloading at the Offload Stations.

Notifications have been sent to all working interest owners

Please see the enclosed Administrative Application Checklist, C-107-B Application for Off Lease Measurement, plats for referenced wells, site facility diagram, maps with lease boundaries showing wells and facility locations, and communization agreement application.

Thank you for your attention to this matter. If you have questions or need further information, please email me at [jbarron@concho.com](mailto:jbarron@concho.com) or call 575.748.6974.

Sincerely,

A handwritten signature in cursive script that reads "Jeanette Barron".

Jeanette Barron  
Regulatory Technician II

**CORPORATE ADDRESS**

One Concho Center | 600 West Illinois Avenue | Midland, Texas 79701  
P 432.683.7443 | F 432.683.7441

**ARTESIA WEST OFFICE**

2208 Main Street | Artesia, New Mexico 88210  
P 575.748.6940 | F 575.746.2096

District I  
1625 N. French Drive, Hobbs, NM 88240  
District II  
811 S. First St., Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St Francis Dr, Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107-B  
Revised August 1, 2011

**OIL CONSERVATION DIVISION**  
1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

Submit the original  
application to the Santa Fe  
office with one copy to the  
appropriate District Office.

**APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**

OPERATOR NAME: COG Operating LLC

OPERATOR ADDRESS: 2208 W Main Street, Artesia, New Mexico 88210

APPLICATION TYPE:

☐ Pool Commingling ☐ Lease Commingling ☐ Pool and Lease Commingling ☒ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☐ State ☒ Federal

Is this an Amendment to existing Order? ☐ Yes ☐ No If "Yes", please include the appropriate Order No. \_\_\_\_\_

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling

☐ Yes ☐ No

**(A) POOL COMMINGLING**  
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

(2) Are any wells producing at top allowables? ☐ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No.

(4) Measurement type: ☐ Metering ☐ Other (Specify)

(5) Will commingling decrease the value of production? ☐ Yes ☐ No If "yes", describe why commingling should be approved

**(B) LEASE COMMINGLING**  
Please attach sheets with the following information

(1) Pool Name and Code.

(2) Is all production from same source of supply? ☐ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No

(4) Measurement type: ☐ Metering ☐ Other (Specify)

**(C) POOL and LEASE COMMINGLING**  
Please attach sheets with the following information

(1) Complete Sections A and E.

**(D) OFF-LEASE STORAGE and MEASUREMENT**  
Please attached sheets with the following information

(1) Is all production from same source of supply? ☒ Yes ☐ No

(2) Include proof of notice to all interest owners.

**(E) ADDITIONAL INFORMATION (for all application types)**  
Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.

(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Jeanette Barron

TITLE: Regulatory Technician II

DATE: 8/20/20

TYPE OR PRINT NAME Jeanette Barron TELEPHONE NO.: 575.748.6974

E-MAIL ADDRESS: jbarron@concho.com

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
**District II**  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
**District III**  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
**District IV**  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

☐ AMENDED REPORT

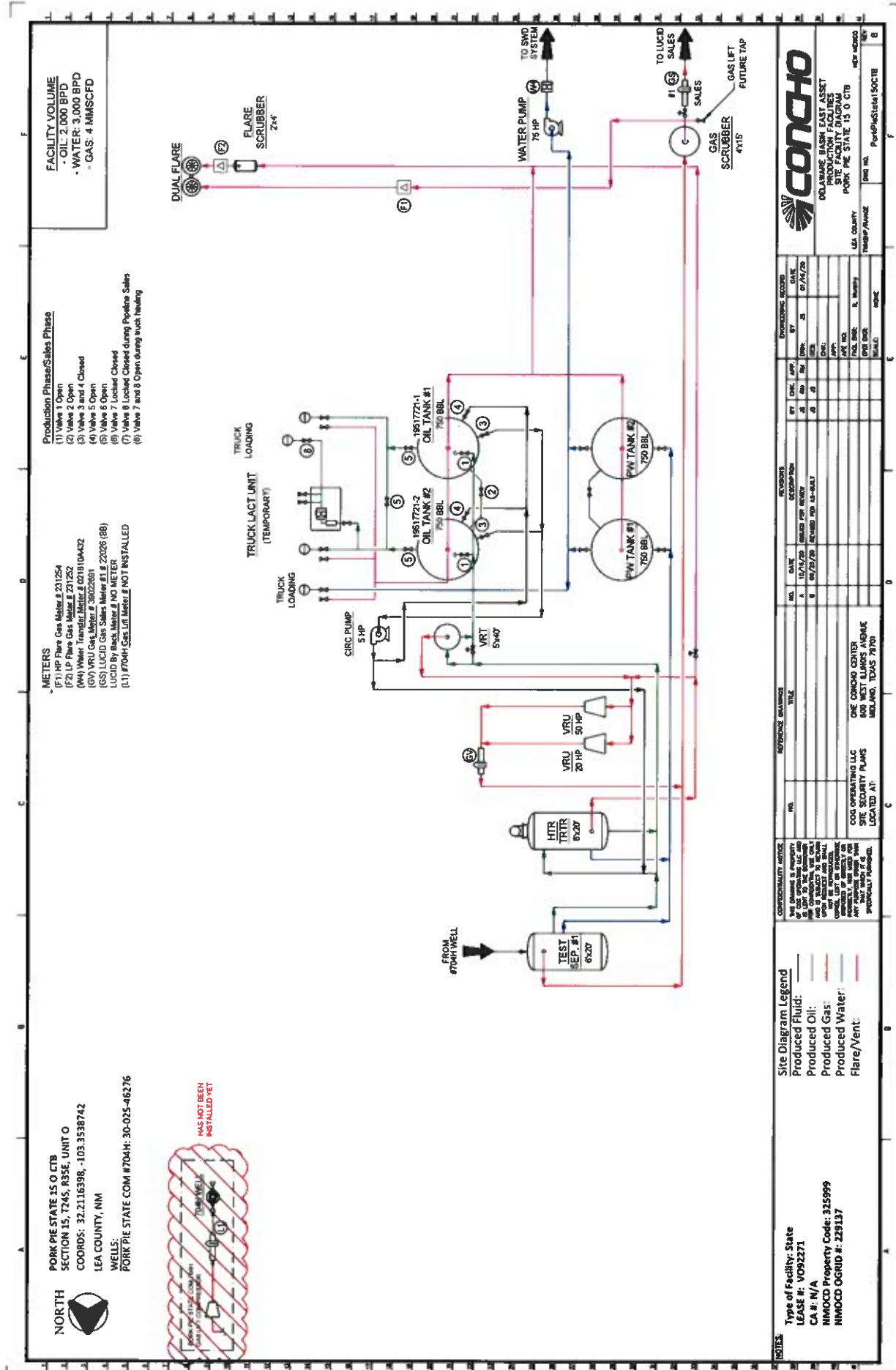
**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number <b>30-025-46276</b>		<sup>2</sup> Pool Code <b>98098</b>		<sup>3</sup> Pool Name <b>WC-025 G-09 S243532M; Wolfbone</b>	
<sup>4</sup> Property Code <b>325999</b>		<sup>5</sup> Property Name <b>PORK PIE STATE COM</b>			<sup>6</sup> Well Number <b>704H</b>
<sup>7</sup> OGRID NO. <b>229137</b>		<sup>8</sup> Operator Name <b>COG OPERATING, LLC</b>			<sup>9</sup> Elevation <b>3337'</b>
<sup>10</sup> Surface Location					
UL or lot no. <b>0</b>	Section <b>15</b>	Township <b>24S</b>	Range <b>35E</b>	Lot Idn	Feet from the <b>500</b>
				North/South line <b>SOUTH</b>	Feet From the <b>2180</b>
				East/West line <b>EAST</b>	County <b>LEA</b>
<sup>11</sup> Bottom Hole Location If Different From Surface					
UL or lot no. <b>B</b>	Section <b>10</b>	Township <b>24S</b>	Range <b>35E</b>	Lot Idn	Feet from the <b>50</b>
				North/South line <b>NORTH</b>	Feet from the <b>2310</b>
				East/West line <b>EAST</b>	County <b>LEA</b>
<sup>12</sup> Dedicated Acres <b>320</b>		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code	
				<sup>15</sup> Order No.	

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.

	<p><b>17 OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature: <u>Jeanette Barron</u> Date: <u>8/20/20</u> Printed Name: <u>Jeanette Barron</u> E-mail Address: <u>jbarron@concho.com</u></p>
	<p><b>18 SURVEYOR CERTIFICATION</b> I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p><b>6-11-2019</b> Date of Survey Signature and Seal of Professional Surveyor: <u>[Signature]</u> <b>19680</b> Certificate Number</p>

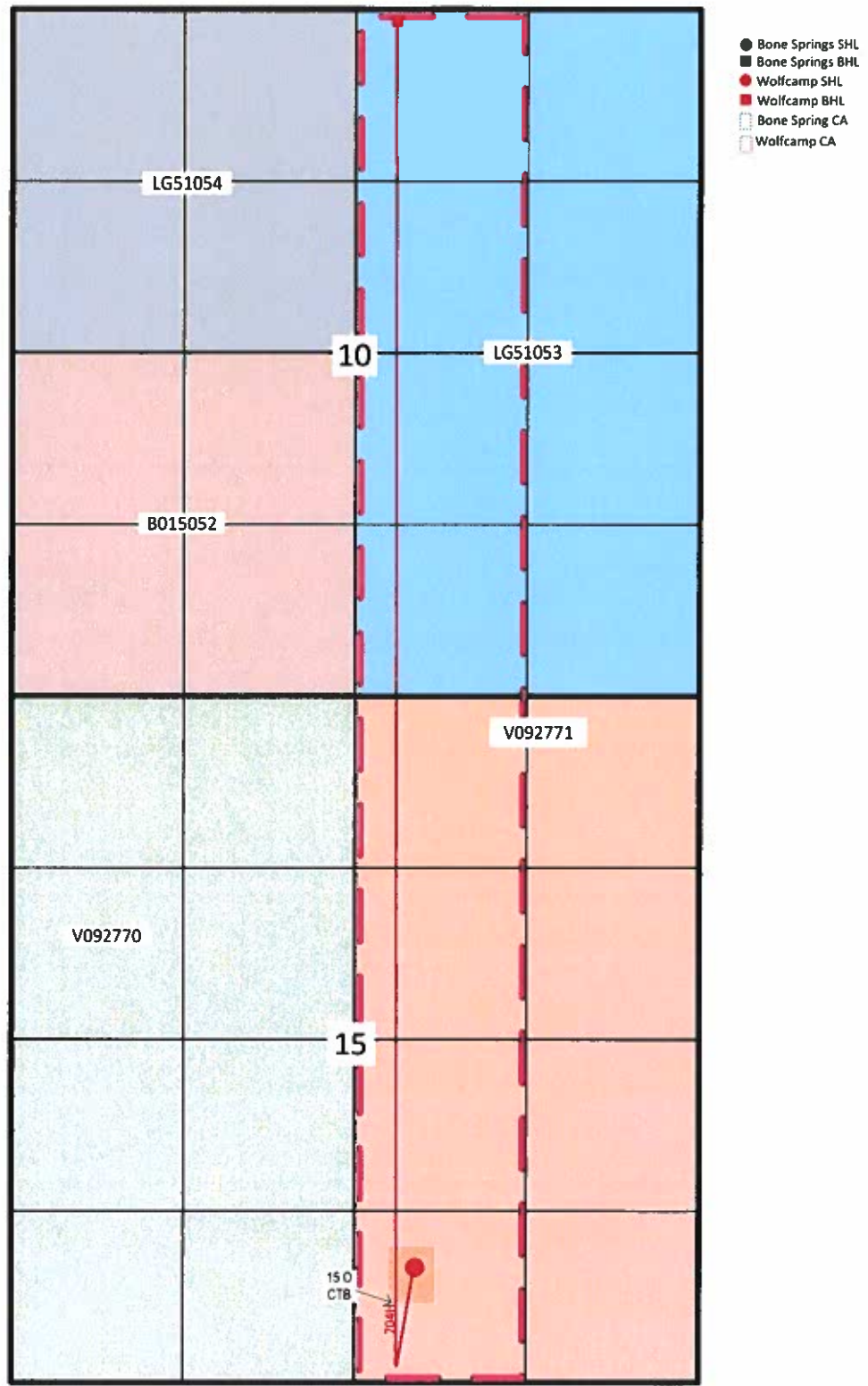
Job No: LS19030307



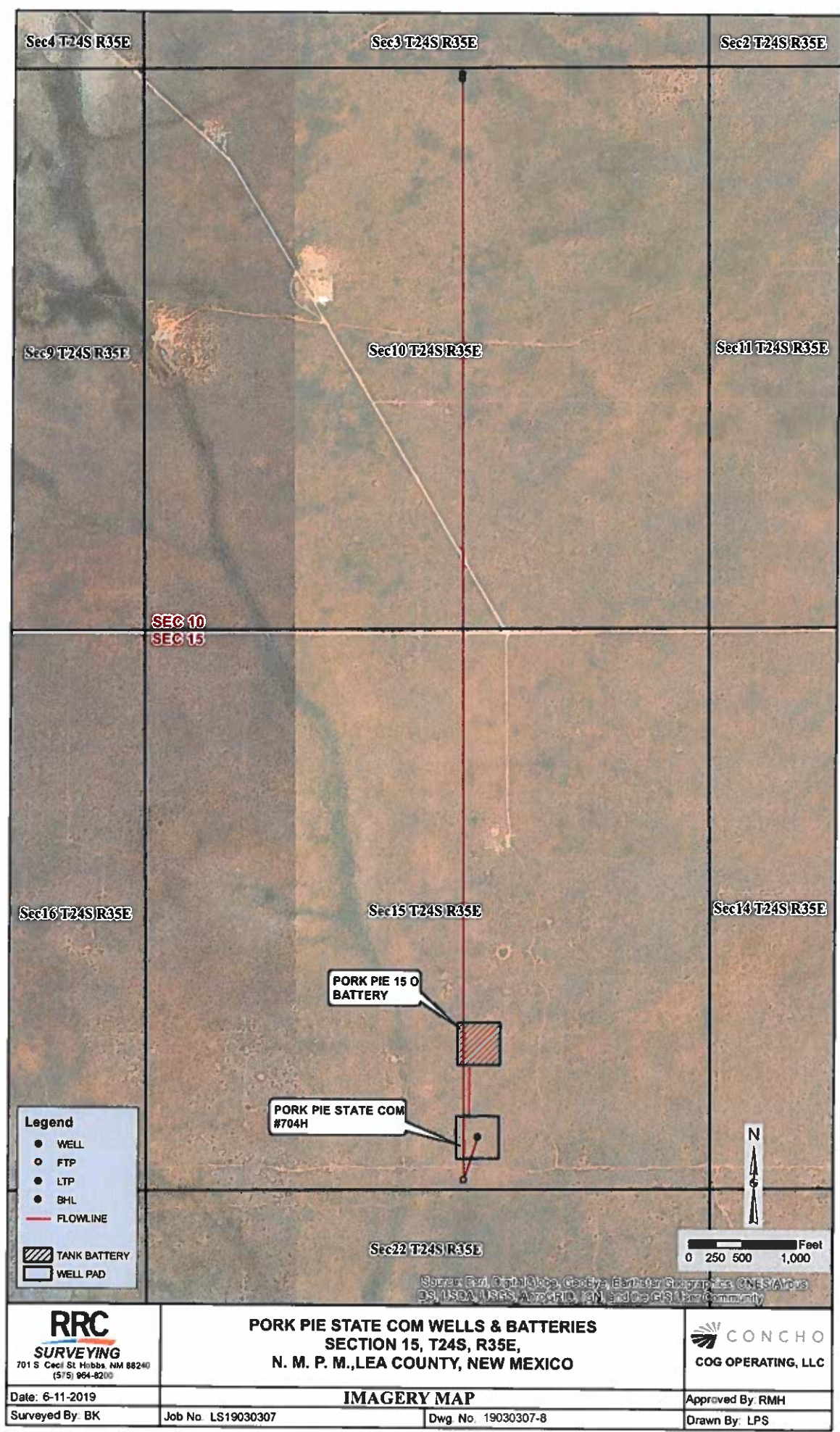


JB 07.11.19  
DW 12/18/19  
DW-01/14/19

# Pork Pie State Com Wells



Sec 10, 15-T24S-R35E  
Lea County, New Mexico



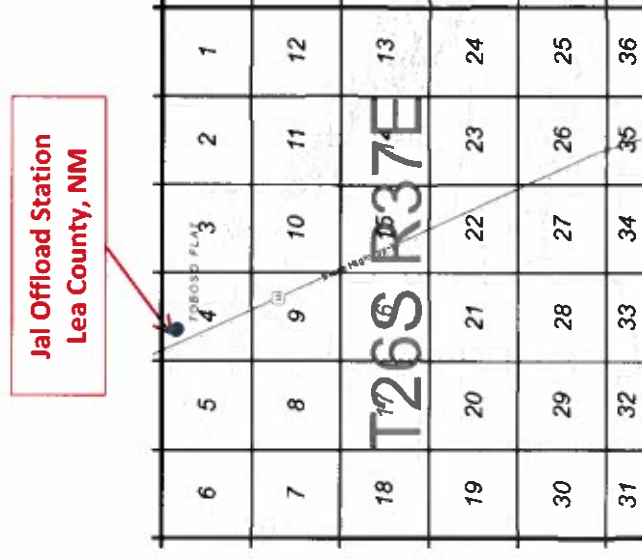
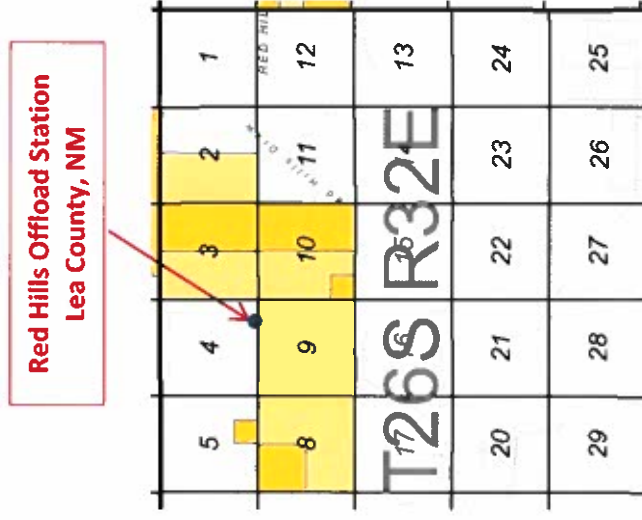
**RRC**  
**SURVEYING**  
701 S Cecil St. Hobbs, NM 88240  
(505) 964-8200

**PORK PIE STATE COM WELLS & BATTERIES**  
**SECTION 15, T24S, R35E,**  
**N. M. P. M., LEA COUNTY, NEW MEXICO**

**CONCHO**  
**COG OPERATING, LLC**

Date: 6-11-2019		<b>IMAGERY MAP</b>		Approved By: RMH	
Surveyed By: BK	Job No. LS19030307	Dwg. No.	19030307-8	Drawn By:	LPS

# Pork Pie State Com 704H & Red Hills and Jal Offload Station Map





PORK PIE STATE COM 704H OLM								
Date Sent	Initials	Name	Address	City	State	ZipCode	Certified Return Receipt No.	Delivered
08.20.20	JB	Arkoma Drilling II, LP	5950 Berkshire Lane, Ste 1400	Dallas	TX	75225	7017 3040 0000 1205 3351	
08.20.20	JB	89 Energy II, LLC	123 NW 8th St.	Oklahoma City	OK	73102	7017 3040 0000 1205 3344	
08.20.20	JB	TYC Oil and Gas, LLC	1828 Broken Bend Drive	Westlake	TX	76262	7017 3040 0000 1205 3375	
08.20.20	JB	BEXP I, LP	5914 W. Courtyard Dr. Ste 340	Austin	TX	78730	7017 3040 0000 1205 3368	

**NM State Land Office  
Oil, Gas, & Minerals Division**

**STATE/STATE OR  
STATE/FEE**  
Revised March 2017

**COMMUNITIZATION AGREEMENT**

ONLINE Version

KNOW ALL MEN BY THESE PRESENTS: Well Name: Pork Pie State Com 704H

STATE OF NEW MEXICO )

API #: 30-025-46276

ss)

COUNTY OF LEA )

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of May 15, 2020, by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & gas and the prevention of waste to consent to and approve the development or operation of State Trust Lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State Trust Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communitized areas on an acreage or other basis found by the Commissioner of Public Lands to be fair and equitable.

WHEREAS, the parties hereto, own working, royalty, or other leasehold interests or operating rights under the oil and gas leases and lands subject to this agreement, which leases are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the **Wolfbone** formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

WHEREAS, the parties hereto desire to communitize and pool their respective interests in said leases subject to this agreement for the purpose of developing, operating and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

NOW THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the undersigned as follows:

1. The lands covered by this agreement (hereinafter referred to as the "communitized area") are described as follows:

**Township 24 South – Range 35 East, N.M.P.M.**  
Section 10: W2E2  
Section 15: W2E2  
Lea County, New Mexico

Containing 320.0 acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases and/or depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this agreement for all purposes, is Exhibit A showing the acreage, depths communitized and ownership (Lessees of Record) of all leases within the communitized area.

2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.
3. Subject to Paragraph 4, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.

4. **COG Operating LLC** shall be the Operator of the said communitized area and all matters of operation shall be determined and performed by **Operator**.

5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.

6. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.

7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.

8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.

9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: (a) a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or (b) each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this agreement may be



terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.

12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.

13. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instruments, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

14. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

**OPERATOR AND LESSEE OF RECORD  
(LG-5105-0003 and V0-9277-0001):**

**COG OPERATING LLC**

By: \_\_\_\_\_

Sean Johnson  
Attorney-in-Fact

JNL

**Acknowledgment in an Representative Capacity**

STATE OF TEXAS       §  
                                  §  
COUNTY OF MIDLAND   §

This instrument was acknowledged before me on August 5, 2020, by Sean Johnson, Attorney-in-Fact of COG operating LLC, a Delaware limited liability company, on behalf of said limited liability company.



Laura R Reyna  
Notary Public in and for the State of Texas

## EXHIBIT "A"

Attached to and made a part of that Communitization Agreement dated May 15, 2020 covering the W2E2 of Sections 10 and 15, Township 24 South, Range 35 East, Lea County, New Mexico.

OPERATOR of Communitized Area: **COG Operating LLC**

### DESCRIPTION OF LEASES COMMITTED:

#### TRACT NO. 1

Serial No. of Lease: LG-5105-0003  
 Date of Lease: February 1, 1978  
 Lessor: State of New Mexico  
 Current Lessee of Record: COG Operating LLC  
 Description of Lands Committed: Insofar and only insofar as said lease covers  
 Township 24 South, Range 35 East, N.M.P.M.  
 Section 10: W2E2  
 Lea County, New Mexico  
 No. of Acres: 160.00 acres, more or less

#### TRACT NO. 2

Serial No. of Lease: V0-9277-0001  
 Date of Lease: October 1, 2012  
 Lessor: State of New Mexico  
 Current Lessee of Record: COG Operating LLC  
 Description of Lands Committed: Insofar and only insofar as said lease covers  
 Township 24 South, Range 35 East, N.M.P.M.  
 Section 15: W2E2  
 Lea County, New Mexico  
 No. of Acres: 160.00 acres, more or less

### RECAPITULATION

Tract Number	Number of Acres Committed	Percentage of Interest In Communitized Area
No. 1	160.00	50.00%
No. 2	160.00	50.00%
	320.00	100.00%