

RECEIVED: 10/1/20	REVIEWER: DM	TYPE: OLM	APP NO: pDM2027650763
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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

Applicant: COG Operating, LLC **OGRID Number:** 229137
Well Name: Howitzer Federal Com 602H and three other wells (see attached) **API:** 30-015-45831
Pool: Purple Sage; Wolfcamp (Gas) **Pool Code:** 98220

**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

- ☐ Notice Complete
☐ 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

Jeanette Barron
 Signature

Date

10/1/20

575-746-6974

Phone Number

jbarron@concho.com

e-mail Address



CONCHO

October 1, 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:

Howitzer Federal Com 602H
 API# 30-015-45831
 Purple Sage; Wolfcamp (Gas)
 Ut. A, Sec. 12 -T24S-R28E
 Eddy County, NM

Howitzer Federal Com 603H
 API# 30-015-45832
 Purple Sage; Wolfcamp (Gas)
 Ut. A, Sec. 12 -T24S-R28E
 Eddy County, NM

Howitzer Federal Com 605H
 API# 30-015-45833
 Purple Sage; Wolfcamp (Gas)
 Ut. H, Sec. 12 -T24S-R28E
 Eddy County, NM

Howitzer Federal Com 606H
 API# 30-015-45834
 Purple Sage; Wolfcamp (Gas)
 Ut. H, Sec. 12 -T24S-R28E
 Eddy 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 or call 575.748.6974.

Sincerely,

 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: 10/1/20

TYPE OR PRINT NAME Jeanette Barron TELEPHONE NO.: 575.748.6974

E-MAIL ADDRESS: jbarron@concho.com

DISTRICT I1625 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) 748-1383 Fax: (575) 748-9720**DISTRICT III**1000 RIO BRAZOS RD., 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, New Mexico 87505

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

☒ AMENDED REPORT
As Drilled

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-45831		Pool Code 98220	Pool Name Purple Sage; Wolfcamp (Gas)
Property Code 325315	Property Name HOWITZER FEDERAL COM		Well Number 602H
OGRID No. 229137	Operator Name COG OPERATING, LLC		Elevation 2974.6'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	12	24-S	28-E		1014	NORTH	620	EAST	EDDY

Bottom Hole Location If Different From Surface

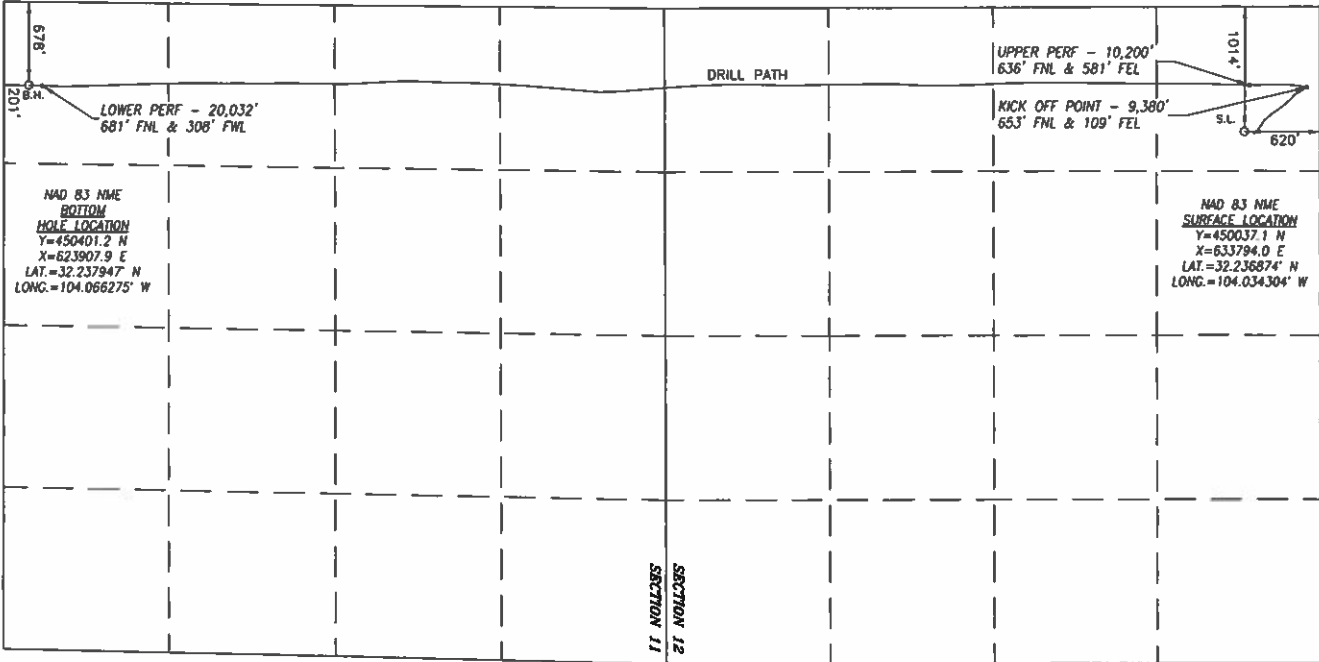
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	11	24-S	28-E		678	NORTH	201	WEST	EDDY

Dedicated Acres 640	Joint or Infill	Consolidation Code	Order No.
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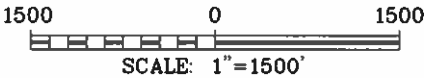
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

SEE PAGE 2

Property Code 325315	Property Name HOWITZER FEDERAL COM	Well Number 602H
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 2974.6'



SURFACE INFO AND BOREPATH SHOWN HEREON
IS BASED ON DIRECTIONAL SURVEY REPORT
PROVIDED BY COG OPERATING, LLC FOR THE
HOWITZER FEDERAL COM #602H SUPPLIED TO
HARCROW SURVEYING, LLC ON JANUARY 2,
2020



OPERATOR CERTIFICATION

I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Jeannette Barron 10/1/20
Signature Date

Jeannette Barron

Printed Name

jbarron@concho.com

E-mail Address

SURVEYOR CERTIFICATION

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.

AUG. 28, 2018/JUNE 26, 2019

Date of Survey/Date of Geographic Survey

Signature & Seal of Professional Surveyor



Chad Hargrow 1/7/20

Certificate No. CHAD HARCROW 17777

DISTRICT I
1825 N. FRENCH DR., HOBBS, NM 88240
Phone: (575) 395-6161 Fax: (575) 395-6720

DISTRICT II
811 S. FIRST ST., ARTESIA, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-8720

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 478-3460 Fax: (505) 478-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

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

☒ AMENDED REPORT
As Drilled

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-45832	Pool Code 98220	Pool Name Purple Sage; Wolfcamp (Gas)
Property Code 325315	Property Name HOWITZER FEDERAL COM	Well Number 603H
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 2974.4'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	12	24-S	28-E		1044	NORTH	620	EAST	EDDY

Bottom Hole Location If Different From Surface

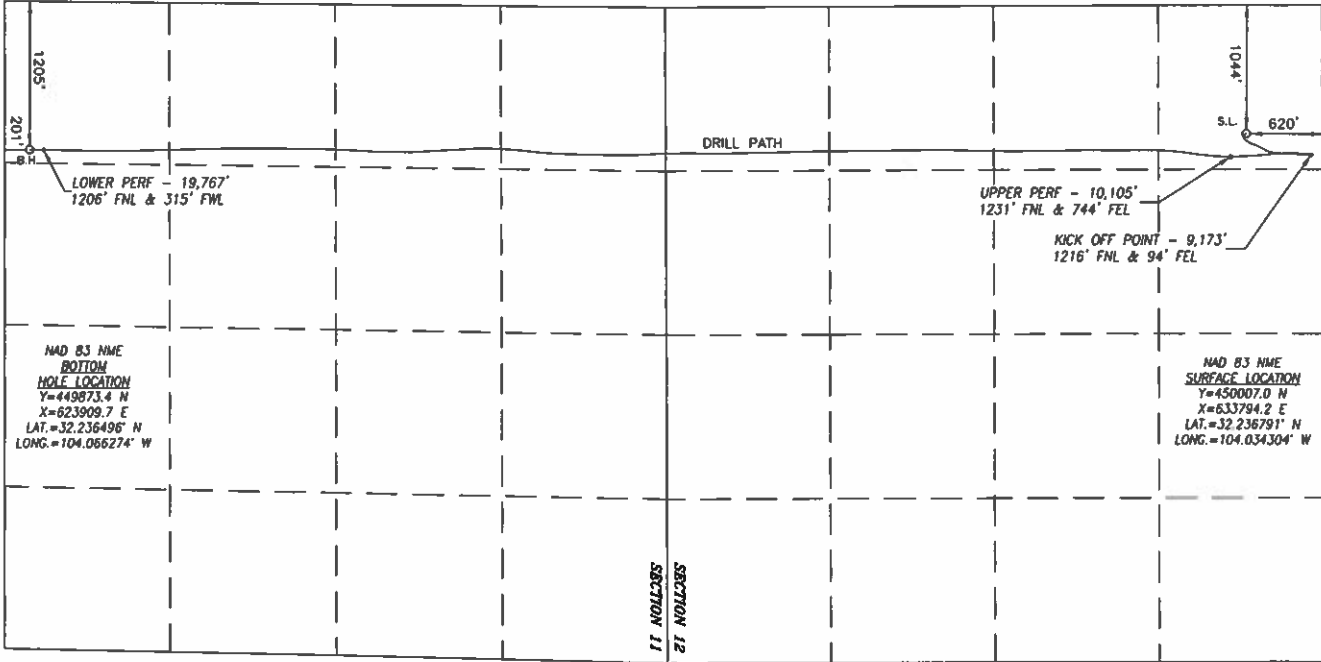
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	11	24-S	28-E		1205	NORTH	201	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
640			

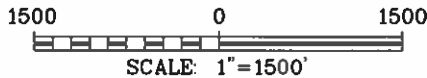
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

SEE PAGE 2

Property Code 325315	Property Name HOWITZER FEDERAL COM	Well Number 603H
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 2974.4'



SURFACE INFO AND BOREPATH SHOWN HEREON
IS BASED ON DIRECTIONAL SURVEY REPORT
PROVIDED BY COG OPERATING, LLC FOR THE
HOWITZER FEDERAL COM #603H SUPPLIED TO
HARCROW SURVEYING, LLC ON DECEMBER 11,
2019



OPERATOR CERTIFICATION

I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Jeanette Barron 10/1/20
Signature Date

Jeanette Barron

Printed Name

jbarron@concho.com

E-mail Address

SURVEYOR CERTIFICATION

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.

AUG. 28, 2018/JUNE 26, 2019

Date of Survey/Date of Geographic Survey

Signature & Seal of Professional Surveyor



Chad Harcrow 12/13/19

Certificate No. CHAD HARCROW 17777

PAGE 2 OF 2

W.O. #19-2313

DRAWN BY: WN

DISTRICT I

1825 N. FRENCH DR., HOBBS, NM 88240
Phone: (575) 393-8181 Fax: (575) 393-0720

DISTRICT II

811 S. FIRST ST., ARTESIA, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-0720

DISTRICT III

1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 334-8178 Fax: (505) 334-8170

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 478-3480 Fax: (505) 478-3482

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

☒ AMENDED REPORT

As Drilled

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-45833	Pool Code 98220	Pool Name Purple Sage; Wolfcamp (Gas)
Property Code 325315	Property Name HOWITZER FEDERAL COM	Well Number 605H
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 2963.5'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	12	24-S	28-E		2125	NORTH	300	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	11	24-S	28-E		1767	NORTH	194	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
640			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

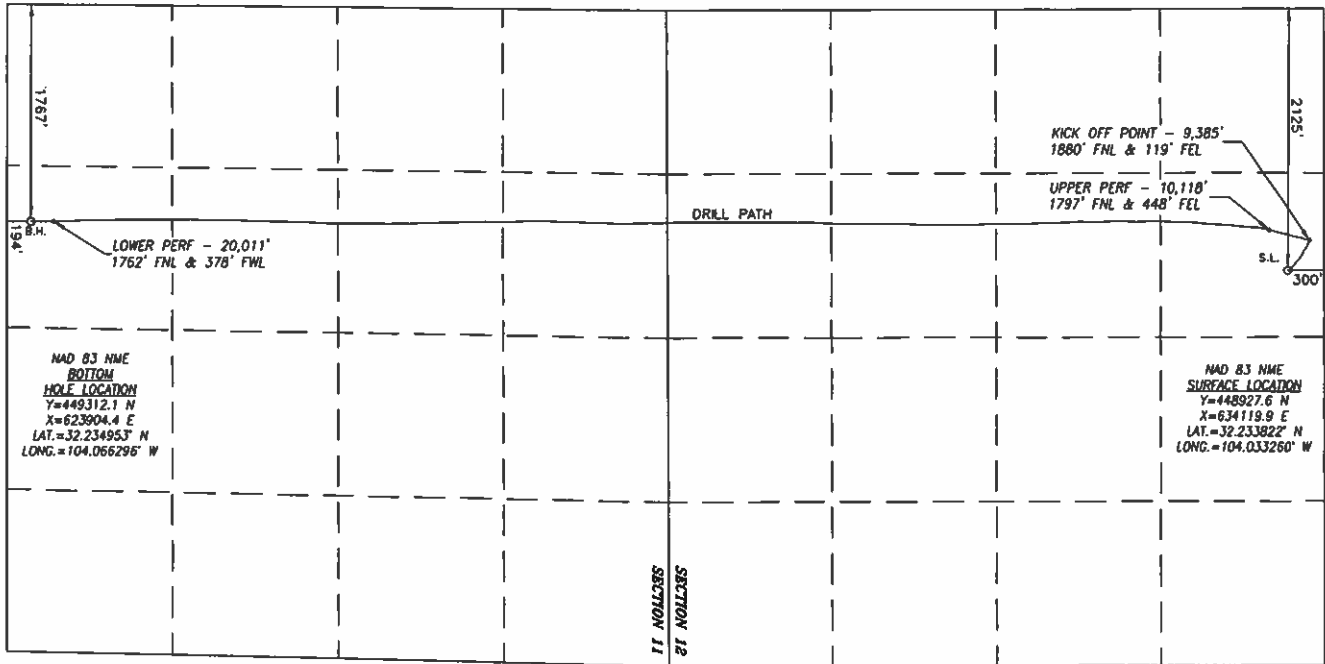
SEE PAGE 2

PAGE 1 OF 2

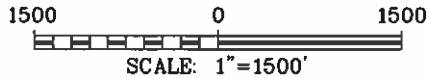
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DRAWN BY: WN

Property Code 325315	Property Name HOWITZER FEDERAL COM	Well Number 605H
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 2963.5'



SURFACE INFO AND BOREPATH SHOWN HEREON
IS BASED ON DIRECTIONAL SURVEY REPORT
PROVIDED BY COG OPERATING, LLC FOR THE
HOWITZER FEDERAL COM #605H SUPPLIED TO
HARCROW SURVEYING, LLC ON JANUARY 20,
2020



OPERATOR CERTIFICATION

I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Jeanette Barron 10/1/20
Signature Date

Jeanette Barron

Printed Name

jbarron@concho.com

E-mail Address

SURVEYOR CERTIFICATION

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.

OCT. 20, 2018/AUG. 26, 2019

Date of Survey/Date of Geographic Survey

Signature & Seal of Professional Surveyor



Chad Harcrow 1/21/20
Certificate No. CHAD HARCROW 17777

DISTRICT I

1825 N. FRENCH DR., HOBBS, NM 88240
Phone: (575) 393-8181 Fax: (575) 393-8720

DISTRICT II

811 S. FIRST ST., ARTESIA, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-8720

DISTRICT III

1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 478-3480 Fax: (505) 478-3482

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

☒ AMENDED REPORT

As Drilled

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-45834	Pool Code 98220	Pool Name Purple Sage; Wolfcamp (Gas)
Property Code 325315	Property Name HOWITZER FEDERAL COM	Well Number 606H
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 2962.6'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	12	24-S	28-E		2155	NORTH	300	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	11	24-S	28-E		2281	NORTH	206	WEST	EDDY

Dedicated Acres 640	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

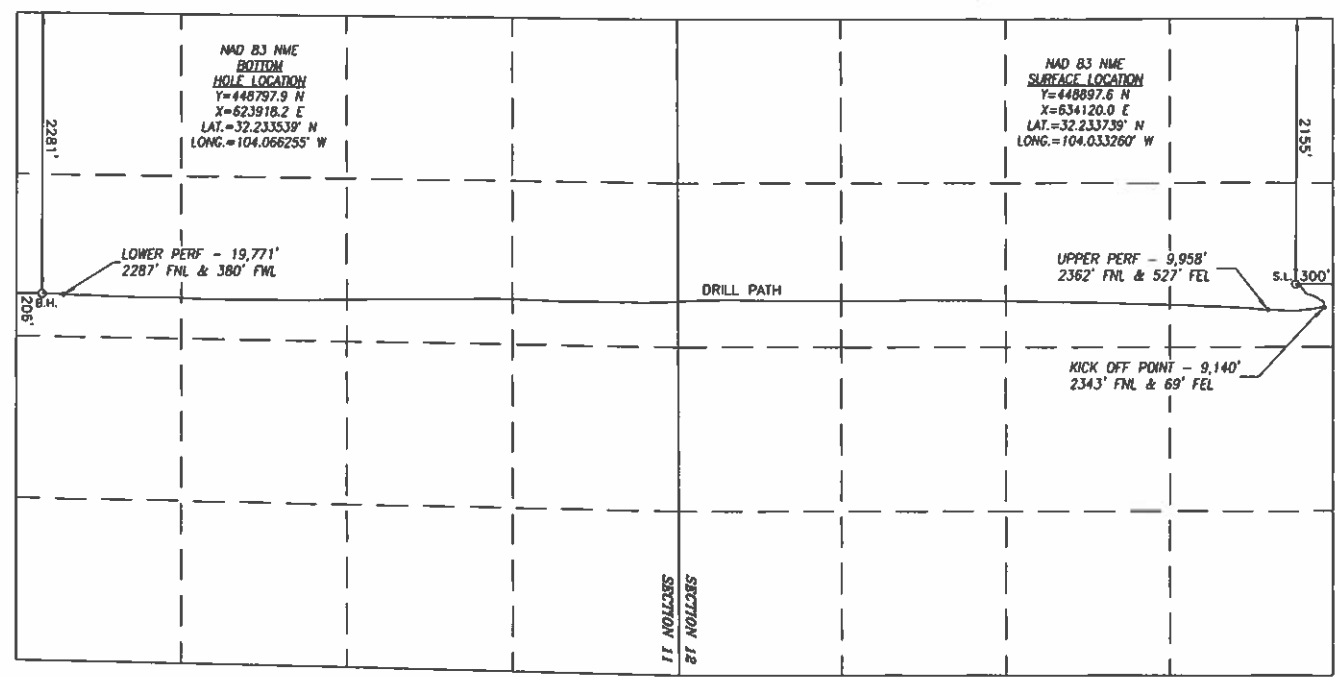
SEE PAGE 2

PAGE 1 OF 2

W.O. # 20-93

DRAWN BY: WN

Property Code 325315	Property Name HOWITZER FEDERAL COM	Well Number 606H
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 2962.6'



SURFACE INFO AND BOREPATH SHOWN HEREON IS BASED ON DIRECTIONAL SURVEY REPORT PROVIDED BY COG OPERATING, LLC FOR THE HOWITZER FEDERAL COM #606H SUPPLIED TO HARCROW SURVEYING, LLC ON JANUARY 20, 2020

1500 0 1500

SCALE: 1"=1500'

OPERATOR CERTIFICATION

I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Jeanette Barron 10/1/20
Signature Date

Jeanette Barron
Printed Name

jbarron@concho.com
E-mail Address

SURVEYOR CERTIFICATION

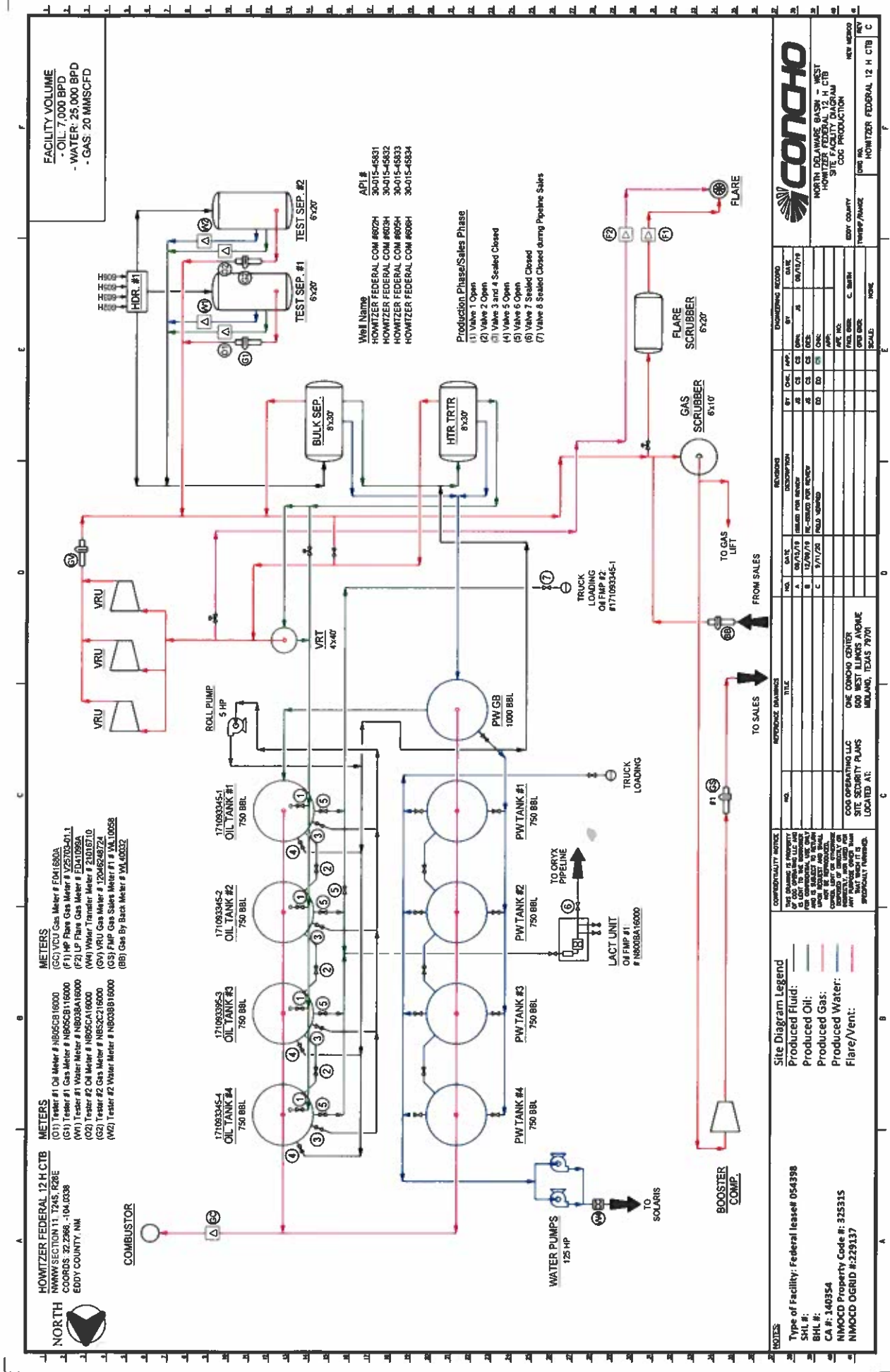
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

AUG. 30, 2018/AUG. 21, 2019
Date of Survey/Date of Geographic Survey

Signature & Seal of Professional Surveyor

Chad L. Harcrow 1/21/20
Certificate No. CHAD HARCROW 17777

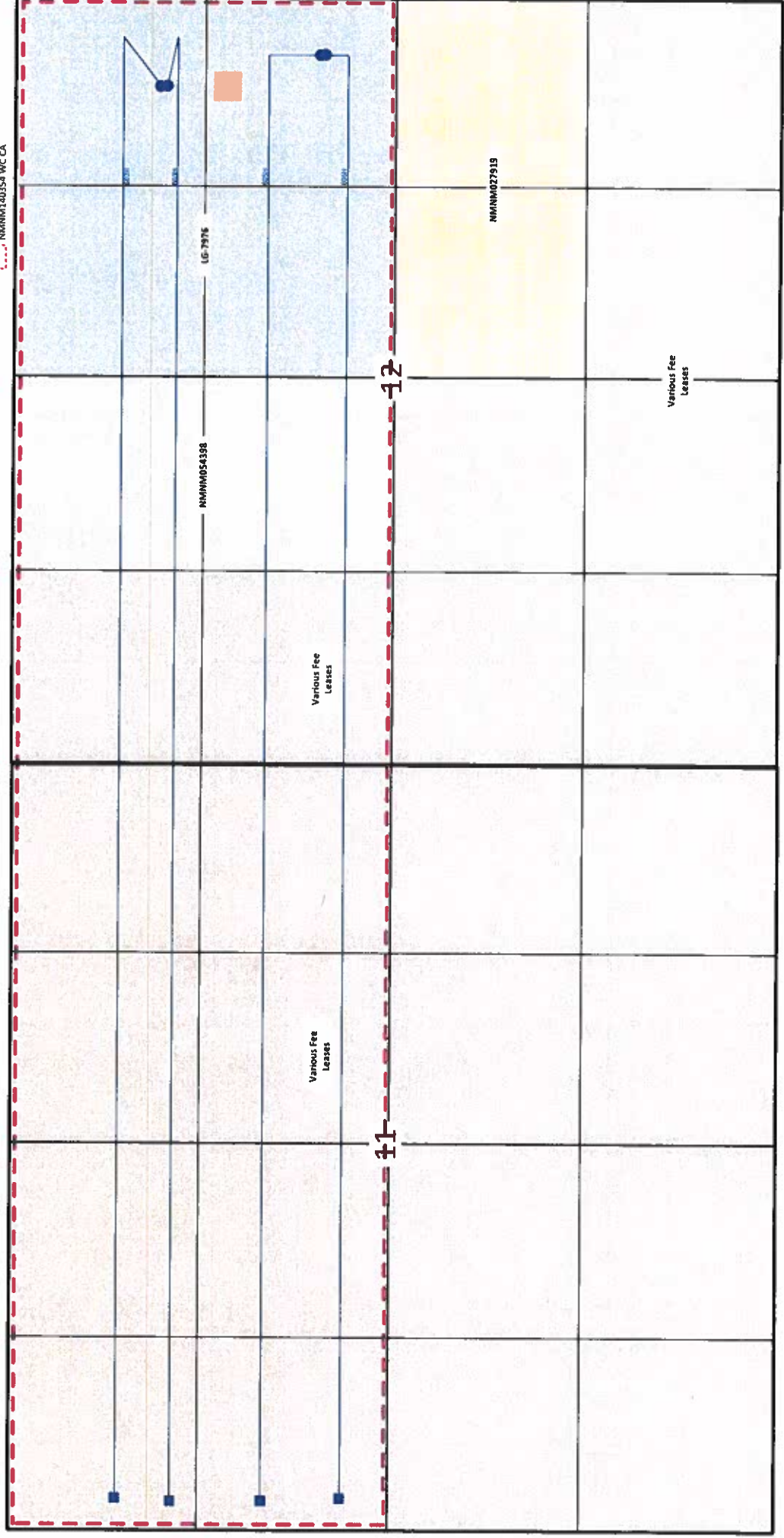
W.O. #20-93 DRAWN BY: WN



DW - 04/09/19

Howitzer Federal Com Wells

- Proposed WCA Sd SHL
- Proposed WCA Sd BHL
- CT0
- NMNM140354 WCA

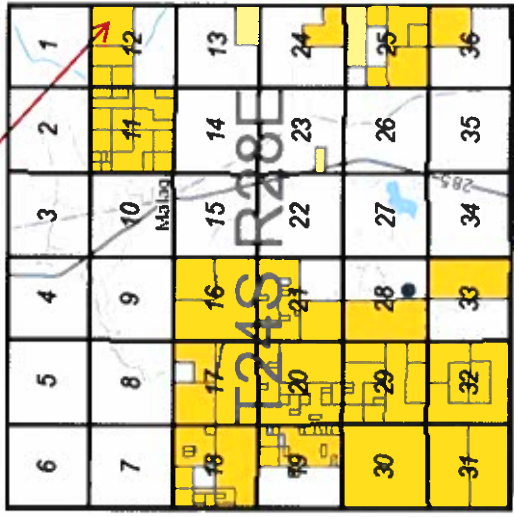


Sec. 11, 12-T24S-R28E
Eddy County, NM

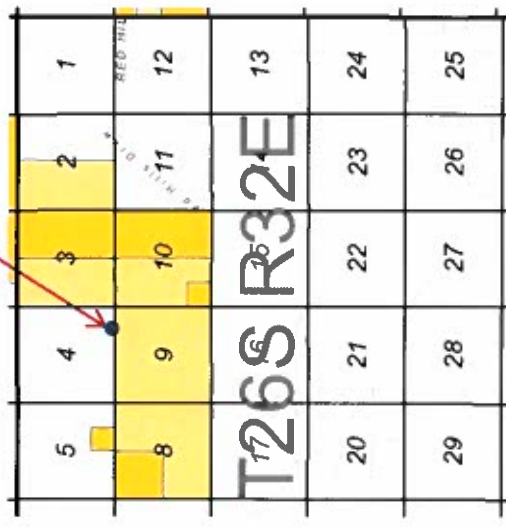


Howitzer Federal Com 602H, 603H, 605H, 606H & Red Hills and Jal Offload Station Map

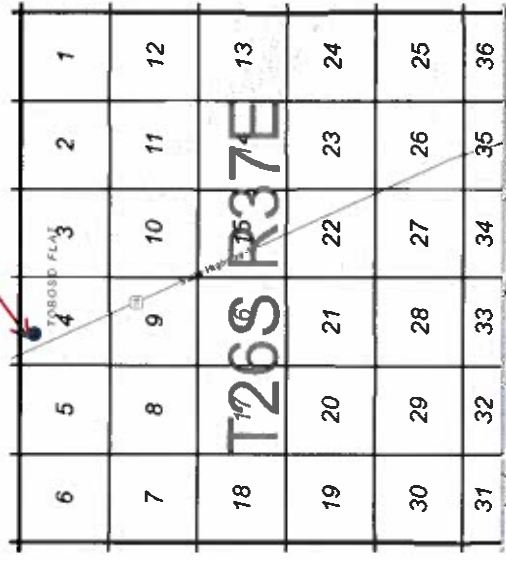
Howitzer Federal Com 602H, 603H,
605H, 606H
Eddy County, NM



Red Hills Offload Station
Lea County, NM



Jal Offload Station
Lea County, NM



Howitzer Fed Com 602H, 603H, 605H, 606H								
Date Sent	Initials	Name	Address	City	State	ZipCode	Certified Return Receipt No.	Delivered
10.01.20	JB	MRC Permian Company	5400 LBJ Freeway, One Lincoln Centre, Suite 1500	Dallas	TX	75240-1017	7017 3040 0000 1206 4098	
10.01.20	JB	CP Energy Investments LP	90 S. 7th Street, Suite 4600	Minneapolis	MIN	55402	7017 3040 0000 1206 4104	
10.01.20	JB	Commissioner of Public Lands	P O Box 1148	Santa Fe	NM	87504	7017 3040 0000 1206 4081	
10.01.20	JB	BLM	620 E Green Street	Carlsbad	NM	88220	7017 3040 0000 1206 4111	

**Artesia Daily Press****LEGAL NOTICES**

COG Operating LLC (COG), 2208 West Main Street, Artesia, New Mexico, 88210, is seeking administrative approval from the New Mexico Oil Conservation Division for off-lease measurement of oil production from the Howitzer Fed Com 602H, 603H, 605H & 606H wells. Said wells are located in Section 12, Township 24 South, Range 28 East, Eddy County, New Mexico. The Central Tank Battery (CTB) where production will be commingled is located in Ut H, Section 12-T24S-R28E, Eddy County, New Mexico. In the event oil production at the CTB is over capacity or in the case of battery or pipeline repairs, COG is also seeking administrative approval for off-lease measurement at either the Red Hills Off-load Station in Unit O, Section 4-T26S-R32E or the Jal Off-load Station in Unit D, Section 4-T26S-R37E, Lea County, NM. Any interested party who has an objection to this must give notice in writing to the Oil Conservation Division, 1220 South Saint Francis Street, Santa Fe, New Mexico, 87505, within ten (10) days of this notice. Any interested party with questions or comments may contact Jeff Stout (432) 818-1372 jstout@concho.com at COG Operating LLC, 600 West Illinois, Midland, Texas 79701.

Published in the Artesia Daily Press, Artesia, NM on October 8, 2020

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

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

COG Operating LLC
 Howitzer Federal Com #602H
 Vertical Extent: Wolfcamp
Township: 24 South, Range: 28 East, NMPM
 Section 11 : N2
 Section 12: N2
 Eddy County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated October 15, 2018, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 27th day of September, 2019.

Stephanie Garcia Richard /JZ

COMMISSIONER OF PUBLIC LANDS

of the State of New Mexico



Reception: 1915143 Book: 1130 Page: 0173 Pages: 32

Recorded: 11/12/2019 05:09 PM Fee: \$25.00

Eddy County, New Mexico ~ Robin Van Natta, County Clerk



TW

COG OPERATING LLC
 M ALLEN
 600 WILLINOIS AVE
 MIDLAND, TX 79701-9808

ONLINE Version
COMMUNITIZATION AGREEMENT

Contract No. _____

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto,"

WITNESSETH:

WHEREAS, the Act of February 25, 1920, 41 Stat. 437, as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a federal oil and gas lease, ~~or~~ any portions thereof, with other lands, whether or not owned by the United States, when separate tracts under such federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area, and such communitization or pooling is determined to be in the public interest; and,

WHEREAS, the Commissioner of Public Lands of the State of New Mexico, herein called "the Commissioner", is authorized to consent to and approve agreements pooling state oil and gas leases or any portion thereof, when separate tracts under such state leases cannot be independently developed and operated economically in conformity with well-spacing and gas proration rules and regulations established for the field or area and such pooling is determined to be in the public interest; and,

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement which 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,

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of the agreement;

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 parties hereto as follows:

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

Subdivisions N/2
Sect 11 & 12, T 24S, R 28E, NMPM Eddy County NM
containing 640.00 acres, more or less, and this agreement shall include only the
Wolfcamp Formation
underlying said lands and the hydrocarbons within and that may be pooled and (hereinafter referred to as "communitized substances") producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit "B" designating the operator of the communitized area and showing the acreage, percentage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States and the State of New Mexico, as specified in the applicable oil and gas operating regulations.
5. 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 leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.
6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any federal lease bearing a sliding-or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, 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 such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is October 15 2013,
Month Day, Year,
 and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his duly authorized representative, and by the Commissioner or his duly authorized representative, and shall remain in force and effect for a period of two (2) years and so long thereafter as communitized substances are produced or can be produced from the communitized area in paying quantities; provided, that the two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of the capability of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of 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.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
14. 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 instrument, 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.
15. Nondiscrimination: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.

2018 JUL 12 AM 9:07

OPERATOR /
LESSEE OF RECORD (Tracts 1-13, 15-16)

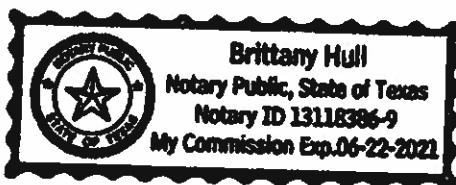
COG OPERATING LLC

By:


Sean Johnson
Attorney-in-Fact

STATE OF TEXAS)
)
COUNTY OF MIDLAND)

This instrument was acknowledged before me on June 10, 2019, by Sean Johnson, Attorney-in-Fact of COG Operating LLC, a Delaware limited liability company, on behalf of same.




Notary Public in and for the State of Texas

2019 JUL 12 AM 9:07

The following parties are subject to Compulsory Pooling Order No. R-20577, effective May 29, 2019:

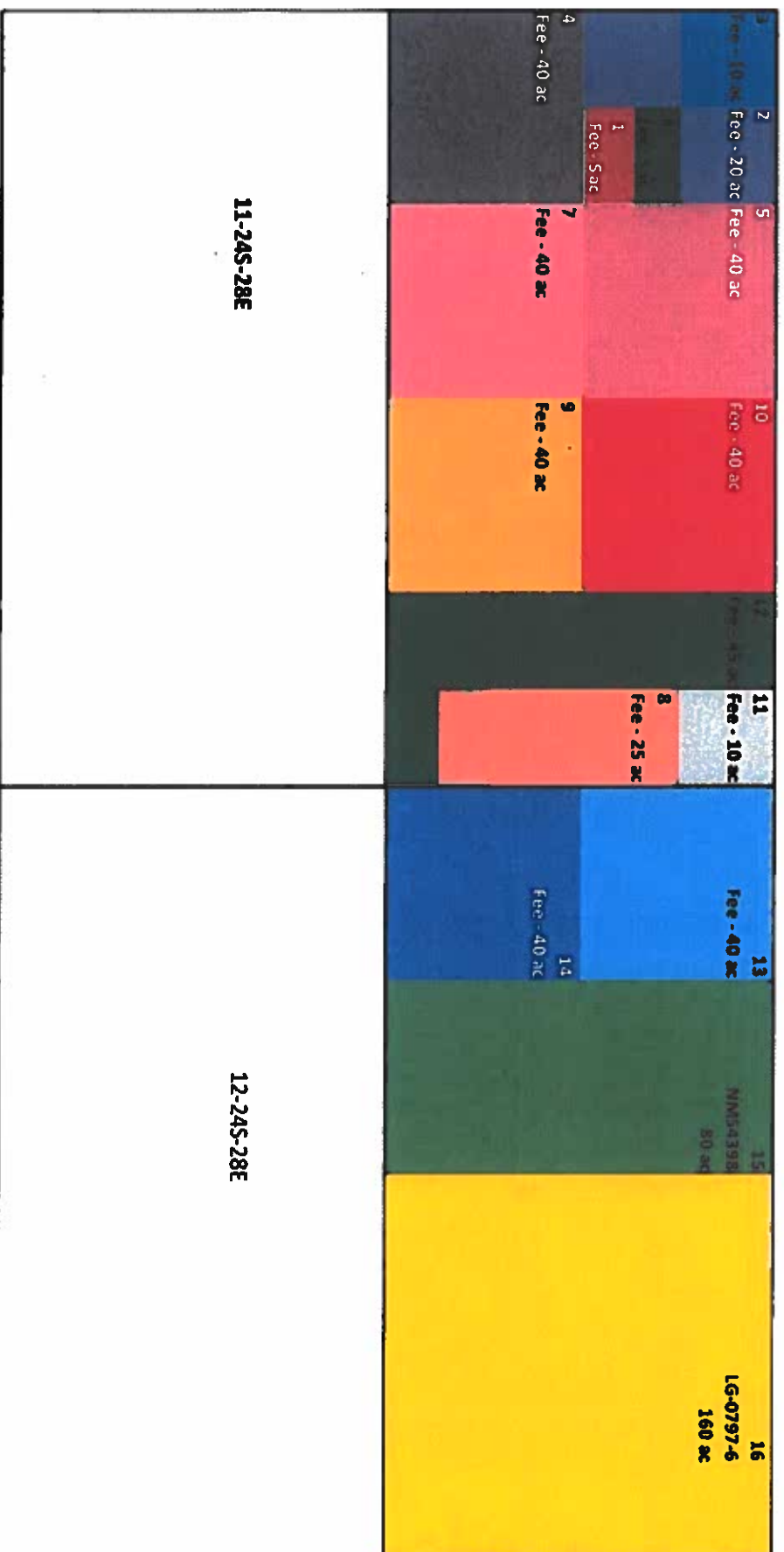
1. **Devon Energy Production Company, LP**
(Lessee of Record – Tracts 14, 15)
2. **OXY USA Inc.**
(Lessee of Record – Tracts 4, 8-12, 14)
3. **MRC Permian Company**
(Unleased Mineral Owner – Tract 2)
4. **Estate of Joe H. Beeman**
(Unleased Mineral Owner – Tract 2)
5. **Estate of Mary Jo Beeman Dickerson**
(Unleased Mineral Owner – Tract 2)
6. **Estate of William C. Cruce**
(Unleased Mineral Owner – Tract 4)

2019 JUL 12 AM 9:07

EXHIBIT "A"

Description of leases committed to communitized area covering the
N/2 of Section 11 and N/2 of Section 12, T24S-R28E,
Eddy County, New Mexico

Howitzer Fed Com 602H, 603H, 605H, 606H



State/Fed or State/Fed/Fee
Howitzer Fed Com 602H, 603H, 605H, 606H

EXHIBIT "B"

Description of leases committed to communitized area covering the
N/2 of Section 11 and N/2 of Section 12, T24S-R28E,
Eddy County, New Mexico

Operator of Communitized Area: COG Operating LLC

TRACT 1 (SEC. 11: S2SENWNW):

Date: February 20, 2007
Lessor: Kelly D. Evensen
Original Lessee: James H. Isbell
Current Lessee: COG Operating LLC
Recorded: Vol 683, Page 603
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
Section 11: S2SENWNW
Eddy County, New Mexico
Royalty: 18.75%
No. of acres: 5 acres

Date: December 21, 2005
Lessor: Lindley Ernestine M Trustee
Original Lessee: James H. Isbell
Current Lessee: COG Operating LLC
Recorded: Vol 625, Page 848
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
Section 11: S2SENWNW
Eddy County, New Mexico
Royalty: 18.75%
No. of acres: 5 acres

2019 JUL 12 AM 9:07

TRACT 2 (SEC. 11: NENWNW & SWNWNW):

Date: June 29, 2006
Lessor: Bertha Lorene Osborn
Original Lessee: OGX Resources LLC
Current Lessee: COG Operating LLC
Recorded: Vol 655, Page 734
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
Section 11: NENWNW, SWNWNW
Eddy County, New Mexico
Royalty: 25%
No. of acres: 20 acres

Date: June 16, 2006
 Lessor: Marilyn Bitsis
 Original Lessee: OGX Resources LLC
 Current Lessee: COG Operating LLC
 Recorded: Vol 652, Page 1119
 Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 11: NENWNW, SWNWNW
 Eddy County, New Mexico
 Royalty: 25%
 No. of acres: 20 acres

Date: June 16, 2006
 Lessor: JoAnn McNeill
 Original Lessee: OGX Resources LLC
 Current Lessee: COG Operating LLC
 Recorded: Vol 652, Page 1121
 Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 11: NENWNW, SWNWNW
 Eddy County, New Mexico
 Royalty: 25%
 No. of acres: 20 acres

Date: June 16, 2006
 Lessor: Patricia Long
 Original Lessee: OGX Resources LLC
 Current Lessee: COG Operating LLC
 Recorded: Vol 652, Page 1123
 Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 11: NENWNW, SWNWNW
 Eddy County, New Mexico
 Royalty: 25%
 No. of acres: 20 acres

Date: June 28, 2006
 Lessor: T.L. Rees
 Original Lessee: OGX Resources LLC
 Current Lessee: COG Operating LLC
 Recorded: Vol 652, Page 216
 Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 11: NENWNW, SWNWNW
 Eddy County, New Mexico
 No. of acres: 20 acres

Date: June 16, 2006
 Lessor: Louis M. Ratliff
 Original Lessee: OGX Resources LLC
 Current Lessee: COG Operating LLC

2019 JUL 12 AM 9:07

Recorded: Vol 651, Page 544
 Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 11: NENWNW, SWNWNW
 Eddy County, New Mexico
 Royalty: 25%
 No. of acres: 20 acres

Date: June 16, 2006
 Lessor: Clarence Erwin and Mary Erwin, husband and wife
 Original Lessee: OGX Resources LLC
 Current Lessee: COG Operating LLC
 Recorded: Vol 651, Page 428
 Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 11: NENWNW, SWNWNW
 Eddy County, New Mexico
 Royalty: 25%
 No. of acres: 20 acres

Date: June 12, 2006
 Lessor: Kevin J. Hanratty
 Original Lessee: OGX Resources LLC
 Current Lessee: COG Operating LLC
 Recorded: Vol 650, Page 373
 Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 11: NENWNW, SWNWNW
 Eddy County, New Mexico
 Royalty: 20%
 No. of acres: 20 acres

Date: February 17, 2006
 Lessor: Francis F. Beeman
 Original Lessee: James H. Isbell
 Current Lessee: COG Operating LLC
 Recorded: Vol 632, Page 186
 Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 11: NENWNW, SWNWNW
 Eddy County, New Mexico
 Royalty: 20%
 No. of acres: 20 acres

Date: February 17, 2006
 Lessor: Patricia Ann Beeman Allen
 Original Lessee: James H. Isbell
 Current Lessee: COG Operating LLC
 Recorded: Vol 632, Page 183
 Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.

2019 JUL 12 AM 9:07

Section 11: NENWNW, SWNWNW
Eddy County, New Mexico
Royalty: 20%
No. of acres: 20 acres

Date: February 17, 2006
Lessor: William B. Beeman
Original Lessee: James H. Isbell
Current Lessee: COG Operating LLC
Recorded: Vol 632, Page 189
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
Section 11: NENWNW, SWNWNW
Eddy County, New Mexico
Royalty: 20%
No. of acres: 20 acres

2019 JUL 12 AM 9:07

*Unleased Mineral Owner: Estate of Joe H. Beeman
Description: Insofar and only insofar as said mineral interest covers:
Township 24 South, Range 28 East, N.M.P.M.
Section 11: SWNWNW & NENWNW
Eddy County, New Mexico
No. of acres: 20 acres

**Subject to Compulsory Pooling Order No. R-20577, effective May 29, 2019.*

*Unleased Mineral Owner: Estate of Mary Jo Beeman Dickerson
Description: Insofar and only insofar as said mineral interest covers:
Township 24 South, Range 28 East, N.M.P.M.
Section 11: SWNWNW & NENWNW
Eddy County, New Mexico
No. of acres: 20 acres

**Subject to Compulsory Pooling Order No. R-20577, effective May 29, 2019.*

*Unleased Mineral Owner: MRC Permian Company
Description: Insofar and only insofar as said mineral interest covers:
Township 24 South, Range 28 East, N.M.P.M.
Section 11: SWNWNW & NENWNW
Eddy County, New Mexico
No. of acres: 20 acres

**Subject to Compulsory Pooling Order No. R-20577, effective May 29, 2019.*

TRACT 3 (SEC. 11: NWNWNW):

Date: April 26, 2006
Lessor: Hayes Land LP
Original Lessee: Kaiser Francis Oil Company
Current Lessee: COG Operating LLC
Recorded: Vol 643, Page 295

Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 11: NWNWNW
 Eddy County, New Mexico
 Royalty: 25%
 No. of acres: 10 acres

Date: March 1, 2019
 Lessor: Hayes Land & Production, LP
 Original Lessee: COG Operating LLC
 Current Lessee: COG Operating LLC
 Recorded: Vol ___, Page ___
 Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 11: NWNWNW
 Eddy County, New Mexico
 Royalty: 25%
 No. of acres: 10 acres

2019 JUL 12 AM 9:08

TRACT 4 (SEC. 11: SWNW):

Date: March 15, 2006
 Lessor: Cruce Catherine
 Original Lessee: Nadel and Gussman Permian LLC
 Current Lessee: COG Operating LLC
 Recorded: Vol 638, Page 1107
 Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 11: SWNW
 Eddy County, New Mexico
 Royalty: 18.75%
 No. of acres: 40 acres

Date: January 31, 2006
 Lessor: Donald B. Cruce
 Original Lessee: Nadel and Gussman Permian LLC
 Current Lessee: COG Operating LLC
 Recorded: Vol 630, Page 818
 Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 11: SWNW
 Eddy County, New Mexico
 Royalty: 18.75%
 No. of acres: 40 acres

Date: December 5, 2005
 Lessor: The Carlsbad National Bank
 Current Lessee: COG Operating LLC
 Original Lessee: James H. Isbell
 Recorded: Vol 622, Page 628

Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 11: SWNW
 Eddy County, New Mexico
Royalty: 18.75%
No. of acres: 40 acres

Date: July 9, 1971
Lessor: Beulah E. Grear, formerly Beulah E. Fry, and Earl S. Grear, her husband;
 and A.R. Treat and Sally K. Treat, his wife
Original Lessee: L. D. Williams, Glen B. Williams, and James W. Williams
Current Lessee: COG Operating LLC
 OXY USA WTP, LP
Recorded: Vol 86, Page 667
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 11: NWNE
 Eddy County, New Mexico
Royalty: 12.5%
No. of acres: 40 acres

***Unleased Mineral Owner:** Estate of William C. Cruce
Description: Insofar and only insofar as said mineral interest covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 11: SWNW
 Eddy County, New Mexico
No. of acres: 40 acres

**Subject to Compulsory Pooling Order No. R-20577, effective May 29, 2019.*

TRACT 5 (SEC. 11: NENW):

Date: March 10, 2006
Lessor: Carmex Inc.
Original Lessee: James H. Isbell
Current Lessee: COG Operating LLC
Recorded: Vol 636, Page 829
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 11: NENW
 Eddy County, New Mexico
Royalty: 22%
No. of acres: 40 acres

Date: March 27, 2006
Lessor: Leslie M. Heinsch, Co-Executrix of The Estate of Jane R. Heinsch
Original Lessee: James H. Isbell
Current Lessee: COG Operating LLC
Recorded: Vol 651, Page 544
Description: Insofar and only insofar as said lease covers:

Township 24 South, Range 28 East, N.M.P.M.
Section 11: NENW
Eddy County, New Mexico
 Royalty: 20%
 No. of acres: 40 acres

Date: February 27, 2006
 Lessor: Robert Stephen Heinsch, Co-Executor of The Estate of Jane R. Heinsch
 Original Lessee: James H. Isbell
 Current Lessee: COG Operating LLC
 Recorded: Vol 636, Page 820
 Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
Section 11: NENW
Eddy County, New Mexico
 Royalty: 20%
 No. of acres: 40 acres

Date: March 2, 2006
 Lessor: H&S Oil LLC
 Original Lessee: James H. Isbell
 Current Lessee: COG Operating LLC
 Recorded: Vol 636, Page 826
 Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
Section 11: NENW
Eddy County, New Mexico
 Royalty: 20%
 No. of acres: 40 acres

Date: March 23, 2006
 Lessor: Andrew Don Fry
 Original Lessee: James H. Isbell
 Current Lessee: COG Operating LLC
 Recorded: Vol 636, Page 1212
 Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
Section 11: NENW
Eddy County, New Mexico
 Royalty: 20%
 No. of acres: 40 acres

Date: February 23, 2006
 Lessor: Lucille Paine
 Original Lessee: James H. Isbell
 Current Lessee: COG Operating LLC
 Recorded: Vol 636, Page 841
 Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
Section 11: NENW
Eddy County, New Mexico

2019 JUL 12 AM 9:08

Royalty: 20%
No. of acres: 40 acres

Date: March 13, 2006
Lessor: Damon and Marie Bond Family LLC
Original Lessee: James H. Isbell
Current Lessee: COG Operating LLC
Recorded: Vol 636, Page 817
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
Section 11: NENW
Eddy County, New Mexico
Royalty: 22%
No. of acres: 40 acres

TRACT 6 (SEC. 11: N2SENWNW):

Date: December 5, 2005
Lessor: Stephen Knowles Quinn
Original Lessee: James H. Isbell
Current Lessee: COG Operating LLC
Recorded: Vol 622, Page 631
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
Section 11: N2SENWNW
Eddy County, New Mexico
Royalty: 18.75%
No. of acres: 5 acres

2019 JUL 12 AM 9:08

TRACT 7 (SEC. 11: SENW):

Date: November 21, 2005
Lessor: Jim Lopez, Jr. and Margarita A. Lopez, his wife
Original Lessee: James H. Isbell
Current Lessee: COG Operating LLC
Recorded: Vol 621, Page 967
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
Section 11: SENW
Eddy County, New Mexico
Royalty: 22%
No. of acres: 40 acres

TRACT 8 (SEC. 11: NESENE, N2SESENE, SENENE):

Date: June 2, 1981
Lessor: Francis F. Beeman and wife, Bettye J. Beeman
Original Lessee: Coquina Oil Corporation
Current Lessee: COG Operating LLC
Recorded: Vol 194, Page 365

Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
Section 11: NESENE, N2SESENE, SENENE
Eddy County, New Mexico

Royalty: 25%

No. of acres: 25 acres

Date: June 4, 1971

Lessor: Joe H. Beeman and Betty L. Beeman, his wife; Patricia Ann Beeman Allen and Warren N. Allen, her husband; William B. Beeman and Anita Beeman, his wife; Francis F. Beeman and Bettye J. Beeman, his wife; and Michael Beeman and Norman Beeman, his wife

Original Lessee: L. D. Williams, Glen B. Williams, and James W. Williams

Current Lessee: COG Operating LLC
OXY USA INC.

Recorded: Vol 82, Page 107

Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
Section 11: SENENE
Eddy County, New Mexico

Royalty: 12.5%

No. of acres: 25 acres

2019 JUL 12 AM 9:08

TRACT 9 (SEC. 11: SWNE):

Date: April 26, 1979

Lessor: Damon Bond and wife, Marie Bond

Original Lessee: M. Brad Bennett

Current Lessee: COG Operating LLC
OXY USA INC.

Recorded: Vol 171, Page 1049

Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
Section 11: SWNE
Eddy County, New Mexico

Royalty: 20%

No. of acres: 40 acres

TRACT 10 (SEC. 11: NWNE):

Date: April 24, 1973

Lessor: Damon U. Bond and Marie E. Bond, his wife

Original Lessee: Earl S. Grear

Current Lessee: COG Operating LLC
OXY USA INC.

Recorded: Vol 104, Page 152

Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
Section 11: NWNE
Eddy County, New Mexico

Royalty: 12.5%

No. of acres: 40 acres

Date: July 26, 1971
 Lessor: George L. Reese, Jr. and Lila Reese, his wife
 Original Lessee: L.D. Williams, Glen B. Williams, and James W. Williams
 Current Lessee: COG Operating LLC
 OXY USA INC.

Recorded: Vol 86, Page 669
 Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 11: NWNE
 Eddy County, New Mexico

Royalty: 12.5%
 No. of acres: 40 acres

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TRACT 11 (SEC. 11: NENENE):

Date: June 4, 1971
 Lessor: Joe H. Beeman and Betty L. Beeman, his wife; Patricia Ann Beeman Allen and Warren N. Allen, her husband; William B. Beeman and Anita Beeman, his wife; Francis F. Beeman and Bettye J. Beeman, his wife; and Michael Beeman and Norman Beeman, his wife

Original Lessee: L. D. Williams, Glen B. Williams, and James W. Williams
 Current Lessee: COG Operating LLC
 OXY USA INC.

Recorded: Vol 82, Page 107
 Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 11: NENENE
 Eddy County, New Mexico

Royalty: 12.5%
 No. of acres: 10 acres

TRACT 12 (SEC. 11: S2SESENE, W2SENE, W2NENE):

Date: May 27, 1971
 Lessor: William Mary James Bryant, a widow; Robert Lafayette James and Lillian James, his wife; and McKie James Mulcahy, a widow

Original Lessee: L. D. Williams, Glen B. Williams, and James W. Williams
 Current Lessee: COG Operating LLC
 OXY USA INC.

Recorded: Vol 82, Page 61
 Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 11: S2SESENE, W2SENE, W2NENE
 Eddy County, New Mexico

Royalty: 12.5%
 No. of acres: 45 acres

TRACT 13 (SEC. 12: NWNW):

Date: August 20, 1982
Lessor: Jack Woods
Original Lessee: J.R. Rowan
Current Lessee: COG Operating LLC
Recorded: Vol 216, Page 988
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
Section 12: NWNW
Eddy County, New Mexico
Royalty: 25%
No. of acres: 40 acres

Date: August 17, 1982
Lessor: Pardue Farms, a New Mexico Limited Partnership
Original Lessee: J.R. Rowan
Current Lessee: COG Operating LLC
Recorded: Vol 216, Page 986
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
Section 12: NWNW
Eddy County, New Mexico
Royalty: 25%
No. of acres: 40 acres

Date: August 20, 1982
Lessor: Dennis Woods
Original Lessee: J.R. Rowan
Current Lessee: COG Operating LLC
Recorded: Vol 216, Page 990
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
Section 12: NWNW
Eddy County, New Mexico
Royalty: 25%
No. of acres: 40 acres

Date: August 20, 1982
Lessor: Mary Guitar Polk
Original Lessee: J.R. Rowan
Current Lessee: COG Operating LLC
Recorded: Vol 216, Page 992
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
Section 12: NWNW
Eddy County, New Mexico
Royalty: 25%
No. of acres: 40 acres

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Date: August 20, 1982
Lessor: Pressley H. Guitar
Original Lessee: J.R. Rowan
Current Lessee: COG Operating LLC
Recorded: Vol 216, Page 1024
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
Section 12: NWNW
Eddy County, New Mexico
Royalty: 25%
No. of acres: 40 acres

Date: August 20, 1982
Lessor: Ruth Guitar Alexander
Original Lessee: J.R. Rowan
Current Lessee: COG Operating LLC
Recorded: Vol 216, Page 1022
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
Section 12: NWNW
Eddy County, New Mexico
Royalty: 25%
No. of acres: 40 acres

Date: August 20, 1982
Lessor: John Guitar III, Executor of the Estate of John Guitar Jr., Deceased
Original Lessee: J.R. Rowan
Current Lessee: COG Operating LLC
Recorded: Vol 216, Page 1020
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
Section 12: NWNW
Eddy County, New Mexico
Royalty: 25%
No. of acres: 40 acres

Date: August 20, 1982
Lessor: John Guitar Witherspoon, Trustee of the John Guitar Witherspoon, Jr.,
Whitten Guitar Witherspoon, Bret Guitar Witherspoon, and Wende
Guitar Witherspoon Trusts
Original Lessee: J.R. Rowan
Current Lessee: COG Operating LLC
Recorded: Vol 216, Page 1018
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
Section 12: NWNW
Eddy County, New Mexico
Royalty: 25%
No. of acres: 40 acres

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Date: August 20, 1982
 Lessor: Earl B. Guitar
 Original Lessee: J.R. Rowan
 Current Lessee: COG Operating LLC
 Recorded: Vol 216, Page 1016
 Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 12: NWNW
 Eddy County, New Mexico
 Royalty: 25%
 No. of acres: 40 acres

Date: August 20, 1982
 Lessor: Laura Woods Gall
 Original Lessee: J.R. Rowan
 Current Lessee: COG Operating LLC
 Recorded: Vol 216, Page 1014
 Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 12: NWNW
 Eddy County, New Mexico
 Royalty: 25%
 No. of acres: 40 acres

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Date: August 20, 1982
 Lessor: Leslie David Guitar
 Original Lessee: J.R. Rowan
 Current Lessee: COG Operating LLC
 Recorded: Vol 216, Page 1012
 Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 12: NWNW
 Eddy County, New Mexico
 Royalty: 25%
 No. of acres: 40 acres

Date: August 20, 1982
 Lessor: Betty Witherspoon Nevill, Trustee of the Gayle Nevill and the Virginia Nevill Trusts
 Original Lessee: J.R. Rowan
 Current Lessee: COG Operating LLC
 Recorded: Vol 216, Page 1008
 Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 12: NWNW
 Eddy County, New Mexico
 Royalty: 25%
 No. of acres: 40 acres

Date: August 20, 1982
 Lessor: Repps B. Guitar, Jr.

Original Lessee: J.R. Rowan
 Current Lessee: COG Operating LLC
 Recorded: Vol 216, Page 994
 Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 12: NWNW
 Eddy County, New Mexico
 Royalty: 25%
 No. of acres: 40 acres

Date: August 20, 1982
 Lessor: Mary Beth Guitar
 Original Lessee: J.R. Rowan
 Current Lessee: COG Operating LLC
 Recorded: Vol 216, Page 996
 Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 12: NWNW
 Eddy County, New Mexico
 Royalty: 25%
 No. of acres: 40 acres

Date: August 20, 1982
 Lessor: Ruth Guitar Murchison
 Original Lessee: J.R. Rowan
 Current Lessee: COG Operating LLC
 Recorded: Vol 216, Page 998
 Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 12: NWNW
 Eddy County, New Mexico
 Royalty: 25%
 No. of acres: 40 acres

Date: August 20, 1982
 Lessor: Marilyn Guitar Galusha
 Original Lessee: J.R. Rowan
 Current Lessee: COG Operating LLC
 Recorded: Vol 216, Page 1000
 Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 12: NWNW
 Eddy County, New Mexico
 Royalty: 25%
 No. of acres: 40 acres

Date: August 20, 1982
 Lessor: Barbara Lee Backman
 Original Lessee: J.R. Rowan
 Current Lessee: COG Operating LLC
 Recorded: Vol 216, Page 1002

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Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
Section 12: NWNW
Eddy County, New Mexico
Royalty: 25%
No. of acres: 40 acres

Date: August 20, 1982
Lessor: Laura Jean Hofer
Original Lessee: J.R. Rowan
Current Lessee: COG Operating LLC
Recorded: Vol 216, Page 1004
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
Section 12: NWNW
Eddy County, New Mexico
Royalty: 25%
No. of acres: 40 acres

Date: August 20, 1982
Lessor: Guy P. Witherspoon, Jr., Trustee of the Jan Witherspoon and Guy Pittman Witherspoon III Trusts
Original Lessee: J.R. Rowan
Current Lessee: COG Operating LLC
Recorded: Vol 216, Page 1006
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
Section 12: NWNW
Eddy County, New Mexico
Royalty: 25%
No. of acres: 40 acres

TRACT 14 (SEC. 12: SWNW):

Date: July 1, 1976
Lessor: Amy Shelton McNutt
Original Lessee: Burmah Oil and Gas Company
Current Lessee: Devon Energy Production Co.
OXY USA Inc.
Recorded: Vol 134, Page 972
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
Section 12: SWNW
Eddy County, New Mexico
Royalty: 18.75%
No. of acres: 40 acres

TRACT 15 (SEC. 12: E2NW):

Date: November 1, 1982

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Lessor: United States of America NMNM-054398
 Original Lessee: J.R. Rowan
 Current Lessee: COG Operating LLC
 Devon Energy Production Co LP
 OXY USA Inc.
 Recorded: Vol 217, Page 33
 Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 12: E2NW
 Eddy County, New Mexico
 Royalty: 12.5%-25% Sliding Scale
 No. of acres: 80 acres

TRACT 16 (SEC. 12: NE4):

Date: November 1, 1972
 Lessor: State of New Mexico LG-0797-6
 Original Lessee: The Eastland Oil Company
 Current Lessee: COG Operating LLC
 Recorded: Unrecorded
 Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 12: NE
 Eddy County, New Mexico
 Royalty: 12.5%
 No. of acres: 160 acres

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RECAPULATION

Tract No.	No. of Acres Committed	Percentage of Interest In Communitized Area
1	5	.78%
2	20	3.13%
3	10	1.56%
4	40	6.25%
5	40	6.25%
6	5	.78%
7	40	6.25%
8	25	3.91%
9	40	6.25%
10	40	6.25%
11	10	1.56%
12	45	7.03%
13	40	6.25%
14	40	6.25%
15	80	12.50%
16	160	25.00%
TOTAL	640	100.00%

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING CALLED BY
THE OIL CONSERVATION DIVISION TO
CONSIDER:**

**CASE NO. 20183
ORDER NO. R-20577**

**APPLICATION OF COG OPERATING LLC FOR COMPULSORY POOLING, EDDY
COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on February 21, 2019, at Santa Fe, New Mexico, before Examiner Michael A. McMillan.

NOW, on this 29th day of May 2019, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT

- (1) Due public notice has been given and the Division has jurisdiction of this case and the subject matter.
- (2) Applicant seeks to compulsory pool all uncommitted oil and gas interests within a spacing unit, as further described in the attached Exhibit "A".
- (3) Applicant seeks to dedicate the Proposed Well(s) to the Unit.
- (4) MRC Permian Company entered an appearance but did not oppose. No other party entered an appearance in this case or otherwise opposed this application.
- (5) Applicant appeared at the hearing through counsel and presented evidence to the effect that:
 - (a) Notice by certified mail was provided to all uncommitted interest owners in the proposed Unit whose interests were evidenced by a conveyance instrument, either of record or known to Applicant when the Application was filed, and to heirs known to Applicant of deceased persons who appear as owners in such instruments.

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- (b) Notice was also published in a Newspaper in Eddy County to provide notice to those parties who could not be located or to those parties who could not be served with notice by certified mail.

The Division finds and concludes that

- (6) If the location of any of the Well(s) is unorthodox when the well is completed under the spacing rules then in effect and applicable to the well, the operator must obtain a non-standard location approval prior to producing the well.
- (7) Two or more separately owned tracts are embraced within the Unit, and/or there are royalty interests and/or undivided interests in oil and gas minerals in one or more tracts included in the Unit that are separately owned.
- (8) Applicant is owner of an oil and gas working interest within the Unit. Applicant has the right to drill and proposes to drill the Well(s) to a common source of supply within the Unit at the described depths and location(s). Applicant should be allowed a one year period to complete at least one of the Well(s) after commencing drilling of the Well(s).
- (9) There are interest owners in the Unit that have not agreed to pool their interests.
- (10) To avoid the drilling of unnecessary wells, protect correlative rights, prevent waste and afford to the owner of each interest in the Unit the opportunity to recover or receive without unnecessary expense a just and fair share of hydrocarbons, this application should be approved by pooling all uncommitted interests, whatever they may be, in the oil and gas in the pooling depths or formation(s) within the Unit.
- (11) To ensure protection of correlative rights, any pooled working interest owner whose address is known, and who has elected to participate under the terms of this order should be notified before the Division grants any extension of the time provided herein for commencing drilling. Any such owner may file an application, with notice to the operator, requesting that the extension be denied.
- (12) Infill wells within the Unit should be subject to Division Rules 19.15.13.9 NMAC through 19.15.13.10 NMAC, and to the terms and conditions of this order.
- (13) Any pooled working interest owner who does not pay its share of estimated well costs of any well should have withheld from production from such well its share of reasonable well costs plus an additional 200% thereof as a reasonable charge for the risk involved in drilling the Well(s).
- (14) Exhibit "A" and its details should be accepted and made a part of this order.

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IT IS THEREFORE ORDERED THAT

- (1) All uncommitted interests, whatever they may be, in the oil and gas within the spacing unit (or the portion thereof within the pooled vertical extent) described in Exhibit "A" are hereby pooled. Exhibit "A" is incorporated herein by this reference and made a part of this order for all purposes.
- (2) The Unit shall be dedicated to the proposed "Well(s)".
- (3) If any of the Well(s) is completed at an unorthodox location under applicable Rules in effect at the time such well is completed, the operator shall provide notice and apply administratively for a location exception prior to producing the well.
- (4) The operator of the Unit shall commence drilling the Well(s) on or before the end of the month in the year following the date of this order and shall thereafter continue drilling the Well(s) with due diligence to test the pooled formation or pooled vertical depths. The Well(s) shall be drilled approximately to the proposed true vertical and measured depths.
- (5) In the event the operator does not commence drilling the Well(s) on or before the date provided in the foregoing paragraph, the compulsory pooling provision of this order shall be of no effect, unless the operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.
- (6) In the event the operator does not commence completion operations within one year after commencement of drilling operations pursuant to this order, then the compulsory pooling provisions of this order shall be of no effect unless operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.
- (7) The operator shall provide a copy of any request for extension of time to drill or complete any well filed with the Director pursuant to this order to each pooled working interest owner who has elected to participate in the drilling of any well that is the subject of the request. Such copy shall be sent at the same time the request is sent to the Director.
- (8) Upon final plugging and abandonment of the Well(s) and any other well drilled on the Unit pursuant to Division Rule 19.15.13.9 NMAC, the pooled unit created by this order shall terminate unless this order has been amended to authorize further operations.
- (9) Infill wells within the Unit shall be subject to Division Rule 19.15.13.9 NMAC and to the terms and conditions of this order.
- (10) After pooling, uncommitted working interest owners are referred to as pooled working interest owners. ("Pooled working interest owners" are owners of working interests in the Unit, including unleased mineral interests, who are not parties to an operating agreement governing

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the Unit.) After the effective date of this order, the operator shall furnish the Division and each known pooled working interest owner in the Unit separate itemized schedules of estimated costs of drilling, completing and equipping each of the Well(s) ("well costs").

(11) Within 30 days from the date the schedule of estimated well costs for any well is furnished, any pooled working interest owner shall have the right to elect to pay its share of estimated well costs to the operator in lieu of paying its share of reasonable well costs ~~but~~ of production as hereinafter provided. Payment shall be rendered within 90 days after expiration of the 30-day election period and any such owner who pays its share of estimated well costs as provided above for any well shall remain liable for operating costs but shall not be liable for risk charges to the extent computed based on costs of such well. Pooled working interest owners who do not elect to pay their share of estimated well costs, or who do not render timely payment to the operator, as provided in this paragraph shall thereafter be referred to as "non-consenting working interest owners."

(12) The operator shall furnish the Division and each known pooled working interest owner (including non-consenting working interest owners) an itemized schedule of actual well costs of each well within 180 days following completion of the proposed well. If no objection to the actual well costs for any well is received by the Division, and the Division has not objected, within 45 days following receipt of the schedule for such well, the actual well costs shall be deemed to be the reasonable well costs. If there is an objection to actual well costs within the 45-day period, the Division will determine reasonable well costs for such well after public notice and hearing.

(13) Within 60 days following determination of reasonable well costs for any well, any pooled working interest owner who has paid its share of estimated costs of such well in advance as provided above shall pay to the operator its share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator the amount, if any, that the estimated well costs it has paid for such well exceed its share of reasonable well costs.

(14) The operator is hereby authorized to withhold the following costs and charges from each non-consenting working interest owner's share of production from each well:

(a) the proportionate share of reasonable well costs attributable to the non-consenting working interest owner; and

(b) as a charge for the risk involved in drilling the well, the percent (shown in Exhibit A) of the above costs.

(15) During the cost recovery period, the operator shall furnish to the Division and to each known non-consenting pooled working interest owner, annually, and within 90 days after payout occurs, a schedule of all revenues attributable to each proposed well, and all charges for supervision and operating costs charged against such revenues. Operating costs shall include all reasonable costs incurred for the maintenance and operation of the well, except for "well costs" reported pursuant to prior ordering paragraphs, that are properly chargeable to the joint account

pursuant to COPAS procedures. If no objection to the operating costs is received by the Division, and the Division has not objected, within 45 days following receipt of any schedule, the costs shall be deemed to be the reasonable operating costs. If there is an objection to the accuracy or reasonableness of operating costs reported within the 45-day period, the Division will determine reasonable operating costs after public notice and hearing.

(16) The operator shall distribute the costs and charges withheld from production, proportionately, to the parties who advanced the well costs for such well.

(17) Reasonable charges for supervision (combined fixed rates) are hereby fixed at the rates shown in Exhibit "A" per month, per well, while drilling and while producing, provided that these rates shall be adjusted annually pursuant to the COPAS form titled "Accounting Procedure for Joint Operations." The operator is authorized to withhold from production from each well the proportionate share of both the supervision charges and the actual expenditures required for operating of such well, not more than what are reasonable, attributable to pooled working interest owners.

(18) Except as provided in the foregoing paragraphs, all proceeds from production from the Well(s) that are not disbursed for any reason shall be held for the account of the person or persons entitled thereto pursuant to the Oil and Gas Proceeds Payment Act (NMSA 1978 Sections 70-10-1 through 70-10-6, as amended). If not sooner disbursed, such proceeds shall be turned over to the appropriate authority as and when required by the Uniform Unclaimed Property Act (NMSA 1978 Sections 7-8A-1 through 70-8A-31, as amended).

(19) Any unleased mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for allocating costs and charges under this order. Any costs that are to be paid out of production shall be withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(20) Should all the parties to this compulsory pooling order reach voluntary agreement after entry of this order, this order shall thereafter be of no further effect.

(21) The operator of the wells and Unit shall notify the Division in writing of the subsequent voluntary agreement of any party subject to the compulsory pooling provisions of this order.

(22) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

ADRIENNE SANDOVAL
Director

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Exhibit A

Applicant: COG Operating LLC
Operator: COG Operating LLC (OGRID 229137)

Cases Consolidated for Hearing: N/A

Spacing Unit: Horizontal Gas
Building Blocks: 320 acre Half Sections
Size (more or less): 640 acres
Orientation: East/West
Description (NMPM): N/2 of Sections 11 and 12, T24S, R28E
County: Eddy

Pooling this Vertical Extent: Wolfcamp formation
Description of Specific Pooling Depths: N/A.

Depth Severance? (Yes/No): N/A.
Description of Depth Severance: N/A.

Pool: Purple Sage; Wolfcamp (Gas) (Pool code 98220)
Pool Spacing Unit Size: 320-acres
Well Setbacks Governing: Special Rules promulgated in Order No. R-14262 issued in Case No. 15535 which allow 330-foot setbacks within a standard 320-acre, deep gas spacing unit.

Proximity Tracts; N/A.

Monthly charge for supervision: While drilling: \$8000 While producing: \$800

As charge for Risk - Percent of reasonable well costs: 200

Proposed Well(s):

Howitzer Federal Com Well No. 602H, API No. 30-015-45831

SHL: 1014 feet from the North line and 620 feet from the East line,
(Unit A) of Section 12, Township 24 South, Range 28 East, NMPM.
BHL: 660 feet from the North line and 200 feet from the West line,
(Unit D) of Section 11, Township 24 South, Range 28 East, NMPM.
Well Orientation: East to West
Completion Location: Standard (or expected to be Standard)
Completion Target: Wolfcamp formation at approximately 9850 feet TVD

Howitzer Federal Com Well No. 603H, API No. 30-015-45832

SHL: 1044 feet from the North line and 620 feet from the East line,

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(Unit A) of Section 12, Township 24 South, Range 28 East, NMPM.
BHL: 1210 feet from the North line and 200 feet from the West line,
(Unit D) of Section 11, Township 24 South, Range 28 East, NMPM.
Well Orientation: East to West
Completion Location: Standard (or expected to be Standard)
Completion Target: Wolfcamp formation at approximately 9750 feet TVD

Howitzer Federal Com Well No. 605H, API No. 30-015-45833

SHL: 2125 feet from the North line and 300 feet from the East line,
(Unit H) of Section 12, Township 24 South, Range 28 East, NMPM.
BHL: 1760 feet from the North line and 200 feet from the West line,
(Unit E) of Section 11, Township 24 South, Range 28 East, NMPM.
Well Orientation: East to West
Completion Location: Standard (or expected to be Standard)
Completion Target: Wolfcamp formation at approximately 9850 feet TVD

Howitzer Federal Com Well No. 606H, API No. 30-015-45834

SHL: 2155 feet from the North line and 300 feet from the East line,
(Unit H) of Section 12, Township 24 South, Range 28 East, NMPM.
BHL: 2310 feet from the North line and 200 feet from the West line,
(Unit E) of Section 11, Township 24 South, Range 28 East, NMPM.
Well Orientation: East to West
Completion Location: Standard (or expected to be Standard)
Completion Target: Wolfcamp formation at approximately 9750 feet TVD

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Contract No. _____

THIS AGREEMENT entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

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 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

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this Agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this Agreement:

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 parties hereto as follows:

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

Township 24 South, Range 28 East, N.M.P.M.

Section 11: N/2

Section 12: N/2

Eddy County, New Mexico

containing 640.00 acres, and this agreement shall include only the **Wolfcamp Formation** underlying said lands and the natural gas and associated liquid hydrocarbons, hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this Agreement for all purposes is Exhibit A, a plat designating the communitized area and, Exhibit B, designating the operator of the communitized area and showing the acreage, percentage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be **COG Operating LLC**, as Operator, 600 W. Illinois Avenue, Midland, Texas 79701. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this Agreement. A successor operator may

be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.

4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. 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 leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal, State, or fee land included within the CA area are to be placed in an interest earning escrow or trust account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this Agreement shall not be affected by this Agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this Agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any non-communitized lease production, provided, however, in regard to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any non-communitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this Agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this Agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This Agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, 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 such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules, or regulations.

10. The date of this agreement is October 15, 2018, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of two (2) years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this Agreement may be terminated at any time by mutual agreement of the parties hereto. This Agreement shall not terminate upon cessation of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of non-production. The two (2) year term of this Agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this Agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occurs in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. 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.
14. 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 instrument, 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.
15. **Non-Discrimination:** In connection with the performance of work under this Agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written and have set opposite their respective names the date of execution.

OPERATOR /
LESSEE OF RECORD (TRACT 1) /
WORKING INTEREST OWNER

COG OPERATING LLC

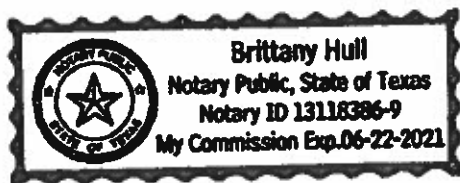
By:


Sean Johnson
Attorney-in-Fact

STATE OF TEXAS)

COUNTY OF MIDLAND)

This instrument was acknowledged before me on June 10, 2019, by Sean Johnson, Attorney-in-Fact of COG Operating LLC, a Delaware limited liability company, on behalf of same.




Notary Public in and for the State of Texas

The following parties are subject to Compulsory Pooling Order No. R-20577, effective May 29, 2019:

1. Devon Energy Production Company, LP
(Lessee of Record – Tract 1 / Working Interest Owner)
2. OXY USA Inc.
(Working Interest Owner)
3. MRC Permian Company
(Unleased Mineral Owner / Working Interest Owner)
4. Estate of Joe H. Beeman
(Unleased Mineral Owner)
5. Estate of Mary Jo Beeman Dickerson
(Unleased Mineral Owner)
6. Estate of William C. Cruce
(Unleased Mineral Owner)

EXHIBIT "A"

Plat of communitized area covering the N/2 of Section 11 and N/2 of Section 12,
T24S-R28E, Eddy County, New Mexico

Howitzer Fed Com 602H, 603H, 605H, 606H

<p>Tract 2 Non-Federal Leases 560.00 ac</p>		<p>Tract 1 NM-54398 80.00 ac</p>	
<p>11-24S-28E</p>		<p>12-24S-28E</p>	

EXHIBIT "B"

Leases covering communitized area covering the N/2 of Section 11 and N/2 of Section 12,
T24S-R28E, Eddy County, New Mexico

Operator of Communitized Area: COG Operating LLC

FEDERAL LEASE / TRACT 1:

Date: November 1, 1982
Serial Lease No.: NMNM – 54398
Lessee of Record: COG Operating LLC / Devon Energy Production Company, LP
Description of Lands: Insofar and only insofar as said lease covers:
 Township 24 South, Range 28 East, N.M.P.M.
 Section 12: E2NW
 Eddy County, New Mexico
No. of Acres: 80.00
Working Interest Owners:

COG Operating LLC	82.300354%
*OXY USA Inc.	12.934021%
*Devon Energy Production Co, LP	3.125000%
*MRC Permian Company	.625000%
*Unleased Mineral Owners	1.015625%

**Subject to Compulsory Pooling Order No. R-20577 effective May 29, 2019.*

NON-FEDERAL LEASES / TRACT 2:

Date: February 20, 2007
Lessor: Kelly D. Evensen
Original Lessee: James H. Isbell
Current Lessee: COG Operating LLC
Recorded: Vol 683, Page 603
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 11: S2SENWNW
 Eddy County, New Mexico
Royalty: 18.75%
No. of acres: 5 acres

Date: December 21, 2005
Lessor: Lindley Ernestine M Trustee
Original Lessee: James H. Isbell
Current Lessee: COG Operating LLC
Recorded: Vol 625, Page 848
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 11: S2SENWNW
 Eddy County, New Mexico

Federal Communitization Agreement
 Howitzer Fed Com 602H, 603H, 605H, 606H

Royalty: 18.75%
No. of acres: 5 acres

Date: June 29, 2006
Lessor: Bertha Lorene Osborn
Original Lessee: OGX Resources LLC
Current Lessee: COG Operating LLC
Recorded: Vol 655, Page 734
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
Section 11: NENWNW, SWNWNW
Eddy County, New Mexico

Royalty: 25%
No. of acres: 20 acres

Date: June 16, 2006
Lessor: Marilyn Bitsis
Original Lessee: OGX Resources LLC
Current Lessee: COG Operating LLC
Recorded: Vol 652, Page 1119
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
Section 11: NENWNW, SWNWNW
Eddy County, New Mexico

Royalty: 25%
No. of acres: 20 acres

Date: June 16, 2006
Lessor: JoAnn McNeill
Original Lessee: OGX Resources LLC
Current Lessee: COG Operating LLC
Recorded: Vol 652, Page 1121
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
Section 11: NENWNW, SWNWNW
Eddy County, New Mexico

Royalty: 25%
No. of acres: 20 acres

Date: June 16, 2006
Lessor: Patricia Long
Original Lessee: OGX Resources LLC
Current Lessee: COG Operating LLC
Recorded: Vol 652, Page 1123
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
Section 11: NENWNW, SWNWNW
Eddy County, New Mexico

Royalty: 25%
No. of acres: 20 acres

Date: June 28, 2006
Lessor: T.L. Rees
Original Lessee: OGX Resources LLC
Current Lessee: COG Operating LLC
Recorded: Vol 652, Page 216
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 11: NENWNW, SWNWNW
 Eddy County, New Mexico
No. of acres: 20 acres

Date: June 16, 2006
Lessor: Louis M. Ratliff
Original Lessee: OGX Resources LLC
Current Lessee: COG Operating LLC
Recorded: Vol 651, Page 544
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 11: NENWNW, SWNWNW
 Eddy County, New Mexico
Royalty: 25%
No. of acres: 20 acres

Date: June 16, 2006
Lessor: Clarence Erwin and Mary Erwin, husband and wife
Original Lessee: OGX Resources LLC
Current Lessee: COG Operating LLC
Recorded: Vol 651, Page 428
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 11: NENWNW, SWNWNW
 Eddy County, New Mexico
Royalty: 25%
No. of acres: 20 acres

Date: June 12, 2006
Lessor: Kevin J. Hanratty
Original Lessee: OGX Resources LLC
Current Lessee: COG Operating LLC
Recorded: Vol 650, Page 373
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 11: NENWNW, SWNWNW
 Eddy County, New Mexico
Royalty: 20%
No. of acres: 20 acres

Date: February 17, 2006
Lessor: Francis F. Beeman
Original Lessee: James H. Isbell

Current Lessee: COG Operating LLC
 Recorded: Vol 632, Page 186
 Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 11: NENWNW, SWNWNW
 Eddy County, New Mexico

Royalty: 20%
 No. of acres: 20 acres

Date: February 17, 2006
 Lessor: Patricia Ann Beeman Allen
 Original Lessee: James H. Isbell
 Current Lessee: COG Operating LLC
 Recorded: Vol 632, Page 183
 Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 11: NENWNW, SWNWNW
 Eddy County, New Mexico

Royalty: 20%
 No. of acres: 20 acres

Date: February 17, 2006
 Lessor: William B. Beeman
 Original Lessee: James H. Isbell
 Current Lessee: COG Operating LLC
 Recorded: Vol 632, Page 189
 Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 11: NENWNW, SWNWNW
 Eddy County, New Mexico

Royalty: 20%
 No. of acres: 20 acres

*Unleased Mineral Owner: Estate of Joe H. Beeman
 Description: Insofar and only insofar as said mineral interest covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 11: SWNWNW & NENWNW
 Eddy County, New Mexico
 No. of acres: 20 acres

**Subject to Compulsory Pooling Order No. R-20577 effective May 29, 2019.*

*Unleased Mineral Owner: Estate of Mary Jo Beeman Dickerson
 Description: Insofar and only insofar as said mineral interest covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 11: SWNWNW & NENWNW
 Eddy County, New Mexico
 No. of acres: 20 acres

**Subject to Compulsory Pooling Order No. R-20577 effective May 29, 2019.*

***Unleased Mineral Owner:** MRC Permian Company
Description: Insofar and only insofar as said mineral interest covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 11: SWNWNW & NENWNW
 Eddy County, New Mexico
No. of acres: 20 acres

**Subject to Compulsory Pooling Order No. R-20577 effective May 29, 2019.*

Date: April 26, 2006
Lessor: Hayes Land LP
Original Lessee: Kaiser Francis Oil Company
Current Lessee: COG Operating LLC
Recorded: Vol 643, Page 295
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 11: NWNWNW
 Eddy County, New Mexico
Royalty: 25%
No. of acres: 10 acres

Date: March 1, 2019
Lessor: Hayes Land & Production, LP
Original Lessee: COG Operating LLC
Current Lessee: COG Operating LLC
Recorded: Vol ___, Page ___
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 11: NWNWNW
 Eddy County, New Mexico
Royalty: 25%
No. of acres: 10 acres

Date: March 15, 2006
Lessor: Cruce Catherine
Original Lessee: Nadel and Gussman Permian LLC
Current Lessee: COG Operating LLC
Recorded: Vol 638, Page 1107
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 11: SWNW
 Eddy County, New Mexico
Royalty: 18.75%
No. of acres: 40 acres

Date: January 31, 2006
Lessor: Donald B. Cruce
Original Lessee: Nadel and Gussman Permian LLC
Current Lessee: COG Operating LLC

Recorded: Vol 630, Page 818
 Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 11: SWNW
 Eddy County, New Mexico
 Royalty: 18.75%
 No. of acres: 40 acres

Date: December 5, 2005
 Lessor: The Carlsbad National Bank
 Current Lessee: COG Operating LLC
 Original Lessee: James H. Isbell
 Recorded: Vol 622, Page 628
 Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 11: SWNW
 Eddy County, New Mexico
 Royalty: 18.75%
 No. of acres: 40 acres

Date: July 9, 1971
 Lessor: Beulah E. Grear, formerly Beulah E. Fry, and Earl S. Grear, her husband;
 and A.R. Treat and Sally K. Treat, his wife
 Original Lessee: L. D. Williams, Glen B. Williams, and James W. Williams
 Current Lessee: COG Operating LLC
 OXY USA WTP, LP
 Recorded: Vol 86, Page 667
 Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 11: NWNE
 Eddy County, New Mexico
 Royalty: 12.5%
 No. of acres: 40 acres

*Unleased Mineral Owner: Estate of William C. Cruce
 Description: Insofar and only insofar as said mineral interest covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 11: SWNW
 Eddy County, New Mexico
 No. of acres: 40 acres

**Subject to Compulsory Pooling Order No. R-20577 effective May 29, 2019.*

Date: March 10, 2006
 Lessor: Carmex Inc.
 Original Lessee: James H. Isbell
 Current Lessee: COG Operating LLC
 Recorded: Vol 636, Page 829
 Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 11: NENW

	Eddy County, New Mexico
Royalty:	22%
No. of acres:	40 acres
Date:	March 27, 2006
Lessor:	Leslie M. Heinsch, Co-Executrix of The Estate of Jane R. Heinsch
Original Lessee:	James H. Isbell
Current Lessee:	COG Operating LLC
Recorded:	Vol 651, Page 544
Description:	Insofar and only insofar as said lease covers: <u>Township 24 South, Range 28 East, N.M.P.M.</u> Section 11: NENW Eddy County, New Mexico
Royalty:	20%
No. of acres:	40 acres
Date:	February 27, 2006
Lessor:	Robert Stephen Heinsch, Co-Executor of The Estate of Jane R. Heinsch
Original Lessee:	James H. Isbell
Current Lessee:	COG Operating LLC
Recorded:	Vol 636, Page 820
Description:	Insofar and only insofar as said lease covers: <u>Township 24 South, Range 28 East, N.M.P.M.</u> Section 11: NENW Eddy County, New Mexico
Royalty:	20%
No. of acres:	40 acres
Date:	March 2, 2006
Lessor:	H&S Oil LLC
Original Lessee:	James H. Isbell
Current Lessee:	COG Operating LLC
Recorded:	Vol 636, Page 826
Description:	Insofar and only insofar as said lease covers: <u>Township 24 South, Range 28 East, N.M.P.M.</u> Section 11: NENW Eddy County, New Mexico
Royalty:	20%
No. of acres:	40 acres
Date:	March 23, 2006
Lessor:	Andrew Don Fry
Original Lessee:	James H. Isbell
Current Lessee:	COG Operating LLC
Recorded:	Vol 636, Page 1212
Description:	Insofar and only insofar as said lease covers: <u>Township 24 South, Range 28 East, N.M.P.M.</u> Section 11: NENW Eddy County, New Mexico
Royalty:	20%
No. of acres:	40 acres

Date: February 23, 2006
Lessor: Lucille Paine
Original Lessee: James H. Isbell
Current Lessee: COG Operating LLC
Recorded: Vol 636, Page 841
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 11: NENW
 Eddy County, New Mexico
Royalty: 20%
No. of acres: 40 acres

Date: March 13, 2006
Lessor: Damon and Marie Bond Family LLC
Original Lessee: James H. Isbell
Current Lessee: COG Operating LLC
Recorded: Vol 636, Page 817
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 11: NENW
 Eddy County, New Mexico
Royalty: 22%
No. of acres: 40 acres

Date: December 5, 2005
Lessor: Stephen Knowles Quinn
Original Lessee: James H. Isbell
Current Lessee: COG Operating LLC
Recorded: Vol 622, Page 631
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 11: N2SENWNW
 Eddy County, New Mexico
Royalty: 18.75%
No. of acres: 5 acres

Date: November 21, 2005
Lessor: Jim Lopez, Jr. and Margarita A. Lopez, his wife
Original Lessee: James H. Isbell
Current Lessee: COG Operating LLC
Recorded: Vol 621, Page 967
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 11: SENW
 Eddy County, New Mexico
Royalty: 22%
No. of acres: 40 acres

Date: June 2, 1981

Lessor: Francis F. Beeman and wife, Bettye J. Beeman
Original Lessee: Coquina Oil Corporation
Current Lessee: COG Operating LLC
Recorded: Vol 194, Page 365
Description: Insofar and only insofar as said lease covers:

Township 24 South, Range 28 East, N.M.P.M.

Section 11: NESENE, N2SESENE, SENENE

Eddy County, New Mexico

Royalty: 25%

No. of acres: 25 acres

Date: June 4, 1971

Lessor: Joe H. Beeman and Betty L. Beeman, his wife; Patricia Ann Beeman
 Allen and Warren N. Allen, her husband; William B. Beeman and Anita
 Beeman, his wife; Francis F. Beeman and Bettye J. Beeman, his wife;
 and Michael Beeman and Norman Beeman, his wife

Original Lessee: L. D. Williams, Glen B. Williams, and James W. Williams

Current Lessee: COG Operating LLC

OXY USA INC.

Recorded: Vol 82, Page 107

Description: Insofar and only insofar as said lease covers:

Township 24 South, Range 28 East, N.M.P.M.

Section 11: SENENE

Eddy County, New Mexico

Royalty: 12.5%

No. of acres: 25 acres

Date: April 26, 1979

Lessor: Damon Bond and wife, Marie Bond

Original Lessee: M. Brad Bennett

Current Lessee: COG Operating LLC

OXY USA INC.

Recorded: Vol 171, Page 1049

Description: Insofar and only insofar as said lease covers:

Township 24 South, Range 28 East, N.M.P.M.

Section 11: SWNE

Eddy County, New Mexico

Royalty: 20%

No. of acres: 40 acres

Date: April 24, 1973

Lessor: Damon U. Bond and Marie E. Bond, his wife

Original Lessee: Earl S. Grear

Current Lessee: COG Operating LLC

OXY USA INC.

Recorded: Vol 104, Page 152

Description: Insofar and only insofar as said lease covers:

Township 24 South, Range 28 East, N.M.P.M.

Section 11: NWNE

Eddy County, New Mexico

Royalty: 12.5%

No. of acres: 40 acres

Date: July 26, 1971
Lessor: George L. Reese, Jr. and Lila Reese, his wife
Original Lessee: L.D. Williams, Glen B. Williams, and James W. Williams
Current Lessee: COG Operating LLC
 OXY USA INC.

Recorded: Vol 86, Page 669
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 11: NWNE
 Eddy County, New Mexico

Royalty: 12.5%
No. of acres: 40 acres

Date: June 4, 1971
Lessor: Joe H. Beeman and Betty L. Beeman, his wife; Patricia Ann Beeman Allen and Warren N. Allen, her husband; William B. Beeman and Anita Beeman, his wife; Francis F. Beeman and Bettye J. Beeman, his wife; and Michael Beeman and Norman Beeman, his wife
Original Lessee: L. D. Williams, Glen B. Williams, and James W. Williams
Current Lessee: COG Operating LLC
 OXY USA INC.

Recorded: Vol 82, Page 107
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 11: NENENE
 Eddy County, New Mexico

Royalty: 12.5%
No. of acres: 10 acres

Date: May 27, 1971
Lessor: William Mary James Bryant, a widow; Robert Lafayette James and Lillian James, his wife; and McKie James Mulcahy, a widow
Original Lessee: L. D. Williams, Glen B. Williams, and James W. Williams
Current Lessee: COG Operating LLC
 OXY USA INC.

Recorded: Vol 82, Page 61
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 11: S2SESENE, W2SENE, W2NENE
 Eddy County, New Mexico

Royalty: 12.5%
No. of acres: 45 acres

Date: August 20, 1982
Lessor: Jack Woods
Original Lessee: J.R. Rowan
Current Lessee: COG Operating LLC
Recorded: Vol 216, Page 988
Description: Insofar and only insofar as said lease covers:

Township 24 South, Range 28 East, N.M.P.M.
Section 12: NWNW
Eddy County, New Mexico
 Royalty: 25%
 No. of acres: 40 acres

 Date: August 17, 1982
 Lessor: Pardue Farms, a New Mexico Limited Partnership
 Original Lessee: J.R. Rowan
 Current Lessee: COG Operating LLC
 Recorded: Vol 216, Page 986
 Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
Section 12: NWNW
Eddy County, New Mexico
 Royalty: 25%
 No. of acres: 40 acres

 Date: August 20, 1982
 Lessor: Dennis Woods
 Original Lessee: J.R. Rowan
 Current Lessee: COG Operating LLC
 Recorded: Vol 216, Page 990
 Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
Section 12: NWNW
Eddy County, New Mexico
 Royalty: 25%
 No. of acres: 40 acres

 Date: August 20, 1982
 Lessor: Mary Guitar Polk
 Original Lessee: J.R. Rowan
 Current Lessee: COG Operating LLC
 Recorded: Vol 216, Page 992
 Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
Section 12: NWNW
Eddy County, New Mexico
 Royalty: 25%
 No. of acres: 40 acres

 Date: August 20, 1982
 Lessor: Pressley H. Guitar
 Original Lessee: J.R. Rowan
 Current Lessee: COG Operating LLC
 Recorded: Vol 216, Page 1024
 Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
Section 12: NWNW
Eddy County, New Mexico

Royalty: 25%
No. of acres: 40 acres

Date: August 20, 1982
Lessor: Ruth Guitar Alexander
Original Lessee: J.R. Rowan
Current Lessee: COG Operating LLC
Recorded: Vol 216, Page 1022
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
Section 12: NWNW
Eddy County, New Mexico

Royalty: 25%
No. of acres: 40 acres

Date: August 20, 1982
Lessor: John Guitar III, Executor of the Estate of John Guitar Jr., Deceased
Original Lessee: J.R. Rowan
Current Lessee: COG Operating LLC
Recorded: Vol 216, Page 1020
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
Section 12: NWNW
Eddy County, New Mexico

Royalty: 25%
No. of acres: 40 acres

Date: August 20, 1982
Lessor: John Guitar Witherspoon, Trustee of the John Guitar Witherspoon, Jr.,
Whitten Guitar Witherspoon, Bret Guitar Witherspoon, and Wende
Guitar Witherspoon Trusts

Original Lessee: J.R. Rowan
Current Lessee: COG Operating LLC
Recorded: Vol 216, Page 1018
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
Section 12: NWNW
Eddy County, New Mexico

Royalty: 25%
No. of acres: 40 acres

Date: August 20, 1982
Lessor: Earl B. Guitar
Original Lessee: J.R. Rowan
Current Lessee: COG Operating LLC
Recorded: Vol 216, Page 1016
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
Section 12: NWNW
Eddy County, New Mexico

Royalty: 25%

No. of acres: 40 acres

Date: August 20, 1982
Lessor: Laura Woods Gall
Original Lessee: J.R. Rowan
Current Lessee: COG Operating LLC
Recorded: Vol 216, Page 1014
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 12: NWNW
 Eddy County, New Mexico

Royalty: 25%
No. of acres: 40 acres

Date: August 20, 1982
Lessor: Leslie David Guitar
Original Lessee: J.R. Rowan
Current Lessee: COG Operating LLC
Recorded: Vol 216, Page 1012
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 12: NWNW
 Eddy County, New Mexico

Royalty: 25%
No. of acres: 40 acres

Date: August 20, 1982
Lessor: Betty Witherspoon Nevill, Trustee of the Gayle Nevill and the Virginia Nevill Trusts
Original Lessee: J.R. Rowan
Current Lessee: COG Operating LLC
Recorded: Vol 216, Page 1008
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 12: NWNW
 Eddy County, New Mexico

Royalty: 25%
No. of acres: 40 acres

Date: August 20, 1982
Lessor: Repps B. Guitar, Jr.
Original Lessee: J.R. Rowan
Current Lessee: COG Operating LLC
Recorded: Vol 216, Page 994
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 12: NWNW
 Eddy County, New Mexico

Royalty: 25%
No. of acres: 40 acres

Date: August 20, 1982
Lessor: Mary Beth Guitar
Original Lessee: J.R. Rowan
Current Lessee: COG Operating LLC
Recorded: Vol 216, Page 996
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 12: NWNW
 Eddy County, New Mexico
Royalty: 25%
No. of acres: 40 acres

Date: August 20, 1982
Lessor: Ruth Guitar Murchison
Original Lessee: J.R. Rowan
Current Lessee: COG Operating LLC
Recorded: Vol 216, Page 998
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 12: NWNW
 Eddy County, New Mexico
Royalty: 25%
No. of acres: 40 acres

Date: August 20, 1982
Lessor: Marilyn Guitar Galusha
Original Lessee: J.R. Rowan
Current Lessee: COG Operating LLC
Recorded: Vol 216, Page 1000
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 12: NWNW
 Eddy County, New Mexico
Royalty: 25%
No. of acres: 40 acres

Date: August 20, 1982
Lessor: Barbara Lee Backman
Original Lessee: J.R. Rowan
Current Lessee: COG Operating LLC
Recorded: Vol 216, Page 1002
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 12: NWNW
 Eddy County, New Mexico
Royalty: 25%
No. of acres: 40 acres

Date: August 20, 1982
Lessor: Laura Jean Hofer
Original Lessee: J.R. Rowan

Current Lessee: COG Operating LLC
Recorded: Vol 216, Page 1004
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 12: NWNW
 Eddy County, New Mexico
Royalty: 25%
No. of acres: 40 acres

Date: August 20, 1982
Lessor: Guy P. Witherspoon, Jr., Trustee of the Jan Witherspoon and Guy Pittman Witherspoon III Trusts
Original Lessee: J.R. Rowan
Current Lessee: COG Operating LLC
Recorded: Vol 216, Page 1006
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 12: NWNW
 Eddy County, New Mexico
Royalty: 25%
No. of acres: 40 acres

Date: July 1, 1976
Lessor: Amy Shelton McNutt
Original Lessee: Burmah Oil and Gas Company
Current Lessee: Devon Energy Production Co.
 OXY USA Inc.
Recorded: Vol 134, Page 972
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 12: SWNW
 Eddy County, New Mexico
Royalty: 18.75%
No. of acres: 40 acres

Date: November 1, 1982
Lessor: United States of America NMNM-054398
Original Lessee: J.R. Rowan
Current Lessee: COG Operating LLC
 Devon Energy Production Co LP
 OXY USA Inc.
Recorded: Vol 217, Page 33
Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 12: E2NW
 Eddy County, New Mexico
Royalty: 12.5%-25% Sliding Scale
No. of acres: 80 acres

Date: November 1, 1972
Lessor: State of New Mexico LG-0797-6

Original Lessee: The Eastland Oil Company
 Current Lessee: COG Operating LLC
 Recorded: Unrecorded
 Description: Insofar and only insofar as said lease covers:
Township 24 South, Range 28 East, N.M.P.M.
 Section 12: NE
 Eddy County, New Mexico
 Royalty: 12.5%
 No. of acres: 160 acres

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest In Communitized Area
1	80.00	12.50%
2	560.00	87.50%
TOTAL	640.00	100.00%