

RECEIVED: 11/10/20	REVIEWER: DM	TYPE: CTB	APP NO: pMAM1728351279
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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:** Firefox Federal Com 4H & Firefox 4 federal Com 5H **API:** 30-015-41571/ 30-015-41423  
**Pool:** Hackberry, Bone Spring, North **Pool Code:** 97056

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

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

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

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

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

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

Jeanette Barron

Print or Type Name

Jeanette Barron  
 Signature

11/10/20  
 Date

575-746-6974  
 Phone Number

jbarron@concho.com  
 e-mail Address

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. CTB836  
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: 11/10/20  
TYPE OR PRINT NAME Jeanette Barron TELEPHONE NO.: 575.748.6974  
E-MAIL ADDRESS: jbarron@concho.com



November 10, 2020

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

Re: Application for Administrative Approval  
Amend CTB 836 to add Off-lease Measurement – Oil Only

Dear Mr. McClure,

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

Firefox Federal Com 4H  
API# 30-015-41571  
Hackberry; Bone Spring, North  
Ut. L, Sec. 4-T19S-R31E  
Eddy County, NM

Firefox 4 Federal Com 5H  
API# 30-015-41423  
Hackberry; Bone Spring, North  
Ut. M, Sec. 4-T19S-R31E  
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, communization agreement application.

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

Sincerely,

*Jeanette Barron*  
Jeanette Barron  
Regulatory Technician II

**CORPORATE ADDRESS**

One Concho Center | 600 West Illinois Avenue | Midland, Texas 79701  
P 432.683 7443 | F 432.683 7441

**ARTESIA WEST OFFICE**

2208 Main Street | Artesia, New Mexico 88210  
P 575 748 6940 | F 575.746.2096

State of New Mexico  
Energy, Minerals and Natural Resources Department

Susana Martinez  
Governor

Ken McQueen  
Cabinet Secretary

Matthias Sayer  
Deputy Cabinet Secretary

David R. Catanach, Division Director  
Oil Conservation Division



ADMINISTRATIVE CENTRAL TANK BATTERY ORDER

Administrative Order CTB-836  
Administrative Application Reference No. pMAM17283651279

October 31, 2017

COG Operating LLC  
Attention: Ms. Amanda Avery

COG Operating LLC (OGRID 229137) is hereby authorized to surface commingle oil and gas production from the Hackberry; Bone Spring, North Pool (Pool code: 97056) from the following diversely owned federal leases in the form of federal communitization agreements located in Section 4, Township 19 South, Range 31 East, Eddy County, New Mexico:

Lease: Federal Communitization Agreement NMNM 135752  
Description: N/2 S/2 of Section 4  
Well: Firefox Federal Com Well No. 4H API 30-015-41571

Lease: Federal Communitization Agreement NMNM 131512  
Description: S/2 S/2 of Section 4  
Well: Firefox 4 Federal Com Well No. 5H API 30-015-41423

The combined project area for these wells includes the S/2 of Section 4, Township 19 South, Range 31 East, NMPM, Eddy County, New Mexico.

The commingled oil and gas production from the wells detailed above shall be measured and sold at the Firefox 4 Federal Com Well No. 5H Central Tank Battery (CTB), located in Unit M of Section 4, Township 19 South, Range 31 East, NMPM, Eddy County, New Mexico.

Production from the subject wells shall be determined as follows:

The oil and gas production from each of the diversely-owned leases shall be measured with allocation meters. The oil and gas production from each well will flow into a dedicated 3-phase separator. The production stream will be separated into 3 independent streams by the separator and each stream will be measured individually after it exits the separator, before commingling.

The allocation meters shall be calibrated quarterly in accordance with Rule 19.15.12.10.C (2) NMAC.

Administrative Order CTB-836  
COG Operating LLC  
October 31, 2017

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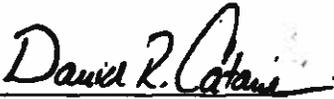
Subsequently drilled wells that produce from the subject pool within the project areas approved by this order may be added to this commingling authority by submittal of a Sundry Notice to the Engineering Bureau in Santa Fe.

This installation shall be installed and operated in accordance with the applicable Division Rules. It is the responsibility of the producer to notify the transporter of this commingling authority.

This administrative order is subject to like approval from the Bureau of Land Management.

The operator shall notify the Artesia District office of the Division prior to implementation of the commingling operations.

Done at Santa Fe, New Mexico, on October 31, 2017.



**DAVID R. CATANACH**  
Director

DRC/mam

cc: Oil Conservation Division – Artesia  
Bureau of Land Management - Carlsbad



**District I**  
 1625 N. French Dr., Hobbs, NM 88240  
 Phone: (575) 393-6161 Fax: (575) 393-0720

**District II**  
 811 S. First St., Artesia, NM 88210  
 Phone: (575) 748-1283 Fax: (575) 748-9720

**District III**  
 1000 Rio Brazos Road, Aztec, NM 87410  
 Phone: (505) 334-6178 Fax: (505) 334-6170

**District IV**  
 1220 S. St. Francis Dr., Santa Fe, NM 87505  
 Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

AMENDED REPORT  
 (As Drilled)

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number <b>30-015-41571</b>		<sup>2</sup> Pool Code <b>97056</b>		<sup>3</sup> Pool Name <b>Hackberry; Bone Spring, North</b>	
<sup>4</sup> Property Code <b>40045</b>		<sup>5</sup> Property Name <b>Firefox Federal Com</b>			<sup>6</sup> Well Number <b>4H</b>
<sup>7</sup> OGRID No. <b>229137</b>		<sup>8</sup> Operator Name <b>COG Operating LLC</b>			<sup>9</sup> Elevation <b>3568' GR</b>

**<sup>10</sup> Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	4	19S	31E		1800	South	275	West	Eddy

**<sup>11</sup> 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
I	4	19S	31E		1984	South	341	East	Eddy

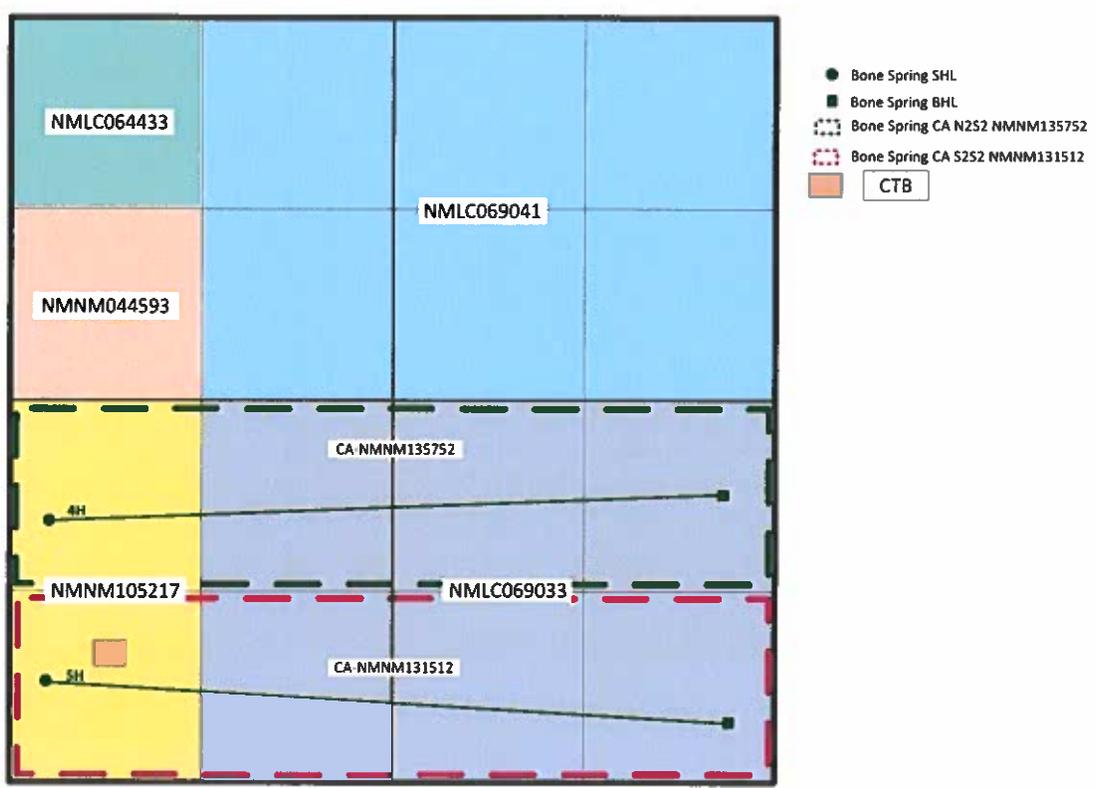
<sup>12</sup> Dedicated Acres <b>160</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p>16</p> <p>Lot 4      Lot 3      Lot 2      Lot 1</p> <p>Producing Area 8987-13310'</p>	<p><b><sup>17</sup> OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p><i>Jeanette Barron</i>      11/10/20        Signature      Date</p> <p>Jeanette Barron        Printed Name</p> <p>jbarron@concho.com        E-mail Address</p>
	<p><b><sup>18</sup> SURVEYOR CERTIFICATION</b></p> <p><i>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.</i></p> <p>Date of Survey        Signature and Seal of Professional Surveyor:</p> <p>REFER TO ORIGINAL PLAT</p> <p>Certificate Number</p>

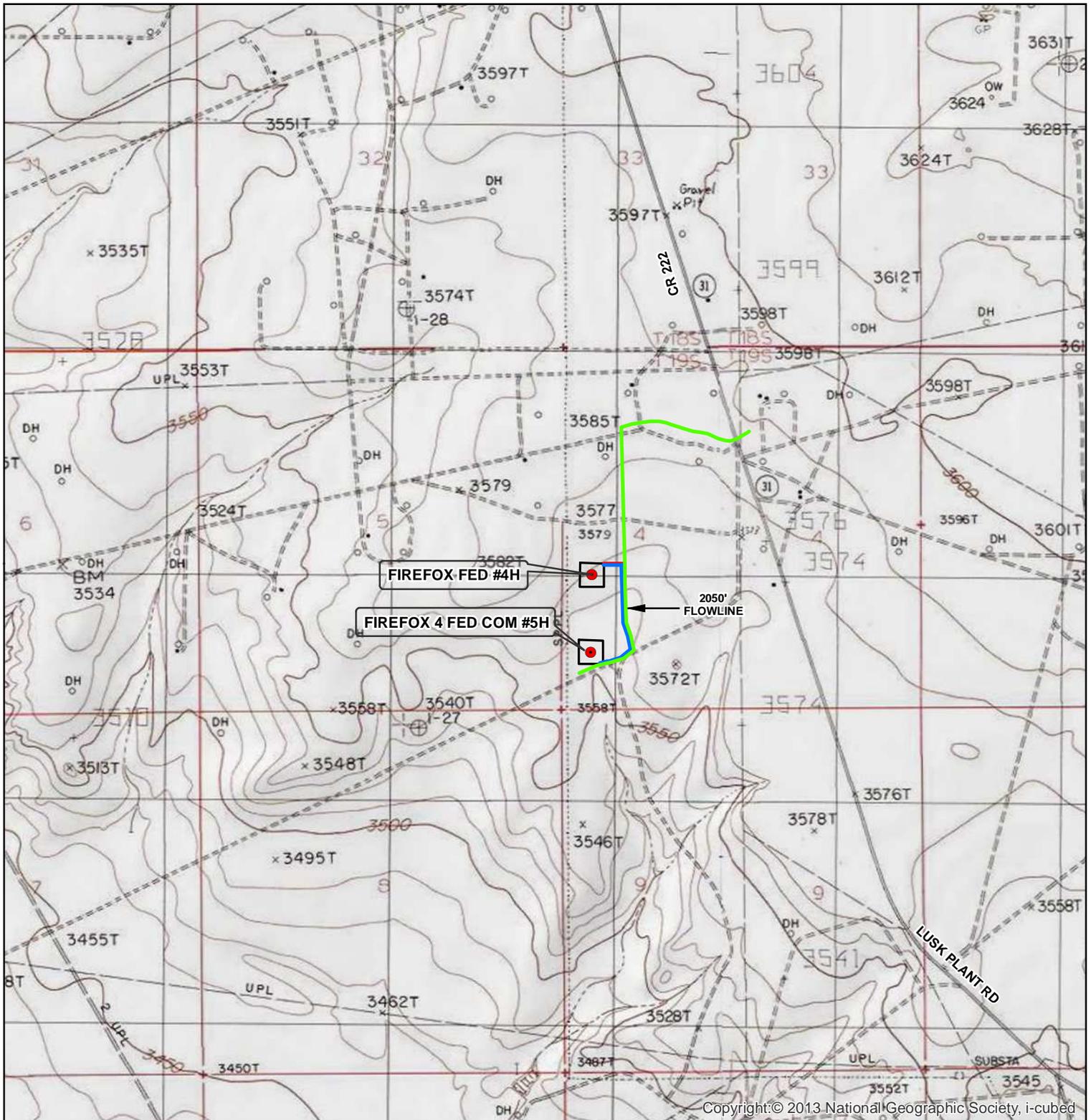


### Firefox Federal Com Wells



Sec. 4-T19S-R31E  
Eddy County, NM

# LOCATION VERIFICATION MAP Exhibit 4



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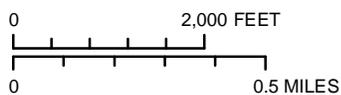
SEC. 4, TWP. 19S, RGE. 31E  
 SURVEY: N.M.P.M.  
 COUNTY: EDDY STATE: NEW MEXICO  
 DESCRIPTION: FIREFOX FED #4H & 5H  
 FLOWLINE: 2050'

OPERATOR: COG OPERATING  
 LEASE: FIREFOX FED COM

W.O. # 13-345



1 IN = 2,000 FT



- WELL
- WELL PAD
- EXISTING ROAD
- FLOWLINE
- PROPOSED ROAD

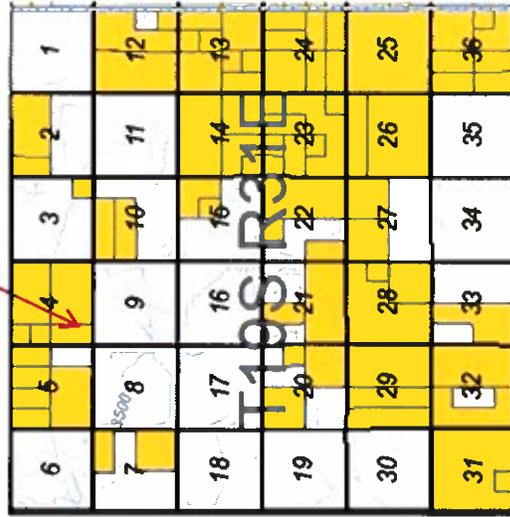
HARCROW SURVEYING, LLC  
 1107 WATSON, ARTESIA N.M. 88210  
 PH: (575) 513-2570 FAX: (575) 746-2158  
 chad\_harcrow77@yahoo.com



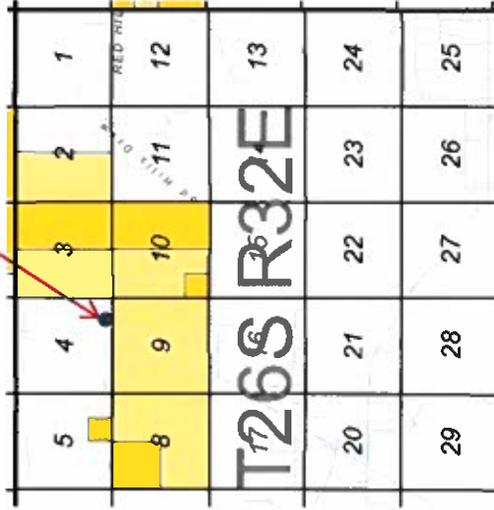
MAP DATE: 5/31/2013

# Firefox Fed 4H & Firefox 4 Fed Com 5H & Red Hills and Jal Offload Station Map

Firefox Fed 4H & Firefox 4 Fed Com 5H  
Eddy County, NM



Red Hills Offload Station  
Lea County, NM



Jal Offload Station  
Lea County, NM



FIREFOX FED COM 4H & FIREFOX 4 FED COM 5H OLM									
Date Sent	Initials	Name	Address	City	State	ZipCode	Certified Return Receipt No.	Delivered	
11.09.20	JB	Devon Energy Production	333 W. Sheridan Ave	Oklahoma City	OK	73102-5010	7017 3040 0000 1206 4272		
11.09.20	JB	EOG Resources Inc	6509 Champions Dr	Midland	TX	79706	7017 3040 0000 1206 4289		
11.09.20	JB	McCombs Energy LLC	755 E. Mulberry Avenue	San Antonio	TX	78212	7017 3040 0000 1206 4302		
11.09.20	JB	Paul Slayton and Patricia	PO Box 2035	Roswell	NM	88202	7017 3040 0000 1206 4326		
11.09.20	JB	OXY Y-1 Company	5 Greenway Plaza, Suite 110	Houston	TX	77046	7017 3040 0000 1206 4296		
11.09.20	JB	Fawn Alcorn Pierce	502 Carter Drive	Roswell	NM	88203	7017 3040 0000 1206 4319		
11.09.20	JB	BLM	620 E. Green Street	Carlsbad	NM	88220	7017 3040 0000 1206 4265		



AGREEMENT SUMMARY FOR APPROVAL / EXECUTION / SET UP

FROM: Brittany Hull  
DATE: 7.12.13

PLEASE APPROVE AND ROUTE:

LANDMAN: Caleb Hopson  
LAND LEAD: Jan Spradlin  
ASSET MANAGER: NA  
VICE-PRESIDENT: Mona D. Ables

Caleb Hopson  
Jan Spradlin  
Mona D. Ables

DATE: 7/12/13  
DATE: 7/12/2013  
DATE: 7-12-13

COG WI: 48.40625000%  
COG NRI: 34.60468750%

*ok per MA  
Com Agt says  
61.875% WI*

ASSET TEAM: New Mexico Basin

PROSPECT NAME / NUMBER: Zeus 1931 (717092)

COUNTY/STATE: Eddy / New Mexico

CONTRACT NAME: Communitization Agreement (Fed/Fed Form) FIREFOX 4 FED COM #5H

TYPE: NA

REFERENCE:

DATE: 6.1.13 FIRST PARTY: COG Operating LLC

EFFECTIVE: 6.1.13 or from onset of production of communitized substances, whichever earlier SECOND PARTY: Devon Energy Production Co, LP, et al

EXPIRATION: remains in effect for 2 yr or so long thereafter as communitized substances are produced or can be produced from communitized area in paying quantities - see para. 10.

DESCRIPTION:

Communitization Agreement for the FIREFOX 4 FED COM #5H well.  
Lands Pooled: S/2 S/2 of Section 4, T19S, R31E, NMPM, Eddy Co., NM containing 160 acres.  
Leases: NMNM 105217, LC 069033

*Bone Spring Sm*

GENERAL OBLIGATIONS:

LANDMAN: Use this form to brief agreement prior to approval and execution. Only 1st page needs to be completed prior to transmitting the form and agreement to management for approval and execution. Once executed, complete requisite portions of 2nd page and deliver both pages, plus original document to Lease Analyst for further analysis, data entry, imaging and filing in records center.

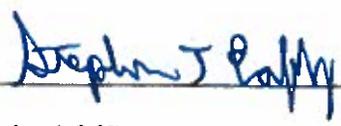
LEASE ANALYST: \_\_\_\_\_  
SET UP DATE: \_\_\_\_\_  
IMAGE DATE: \_\_\_\_\_  
TO RC DATE: \_\_\_\_\_

Determination - Approval - Certification

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

- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.
  
- B. Approve the attached Communitization Agreement covering the S2S2 of sec. 4, T. 19 S., R. 31 E., NMPM, as to all producible hydrocarbons from the Bone Spring formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (e) are not met.
  
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved:

  
\_\_\_\_\_

Authorized Officer

Effective: June 1, 2013

Contract No.: Com. Agr. NM131512

CONCHO  
ONE CONCHO CENTER  
600 WEST ILLINOIS AVE  
MIDLAND TX 79701

Federal/Federal

Contract No. 131512

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 19 South, Range 31 East, N.M.P.M.**  
**Section 4: S/2S/2**  
**Eddy County, New Mexico**

containing 160.00 acres, and this agreement shall include only the Bone Spring 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.

Federal/Federal

- 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 there from 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.

Federal/Federal

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 June 1, 2013, 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.

Federal/Federal

- 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:

COG OPERATING LLC,

Date: July 12, 2013

By: Mona D. Ables  
Mona D. Ables CH  
no  
Vice President of Land

ACKNOWLEDGEMENT

STATE OF TEXAS §  
COUNTY OF MIDLAND §

This instrument was acknowledged before me on July 12, 2013, by Mona D. Ables, Vice President of Land of COG Operating LLC, a Delaware limited liability company, on behalf of same.



Brittany Hull  
Notary Public in and for the State of Texas

Federal/Federal

WORKING INTEREST OWNER AND/OR LESSEE OF RECORD:

DEVON ENERGY PRODUCTION COMPANY, LP

By: Bill A. Penhall

Name: Bill A. Penhall *UAMM*

Title: Vice President *CR*

YATES PETROLEUM CORPORATION

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

OXY Y-1 COMPANY

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

MYCO INDUSTRIES, INC.

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

ABO PETROLEUM CORPORATION

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

MCCOMBS ENERGY, LLC

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

TRINITY RESOURCES LLC

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

J&L EXPLORATION LLC

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
Paul Slayton

\_\_\_\_\_  
Patricia Slayton

Federal/Federal

ACKNOWLEDGEMENTS

STATE OF \_\_\_\_\_ §  
COUNTY OF \_\_\_\_\_ §

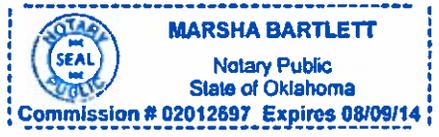
This instrument was personally acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_, 2013, by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_

STATE OF OKLAHOMA §  
COUNTY OF OKLAHOMA §

This instrument was acknowledged before me on July 2, 2013, by Bill A. Penhall, as Vice President of Devon Energy Production Company, L.P., an Oklahoma limited partnership, on behalf of said limited partnership.

Marsha Bartlett  
Notary Public in and for the State of Oklahoma



Federal/Federal

WORKING INTEREST OWNER AND/OR LESSEE OF RECORD:

DEVON ENERGY PRODUCTION COMPANY, LP

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

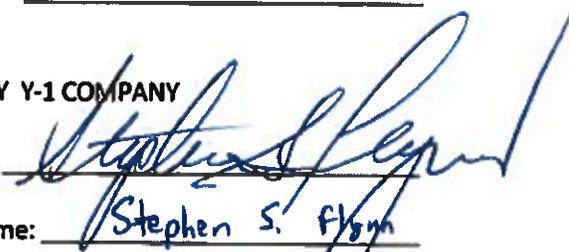
YATES PETROLEUM CORPORATION

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

OXY Y-1 COMPANY

By: 

Name: Stephen S. Flynn

Title: Attorney - In - Fact

MYCO INDUSTRIES, INC.

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

ABO PETROLEUM CORPORATION

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

MCCOMBS ENERGY, LLC

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

TRINITY RESOURCES LLC

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

J&L EXPLORATION LLC

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
Paul Slayton

\_\_\_\_\_  
Patricia Slayton

Federal/Federal

ACKNOWLEDGEMENTS

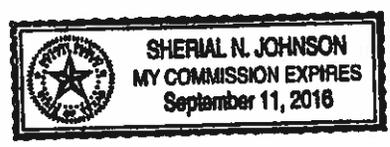
STATE OF \_\_\_\_\_ §  
COUNTY OF \_\_\_\_\_ §

This instrument was personally acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_, 2013, by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_

STATE OF TEXAS §  
COUNTY OF HARRIS §

This instrument was acknowledged before me on June 20, 2013, by Stephen S. FLYNN, ATTORNEY-IN-FACT of Oxy Y-1 Company, a New Mexico CORPORATION, on behalf of said company.



Sherial N. Johnson  
Notary Public in and for the State of \_\_\_\_\_

Federal/Federal

**WORKING INTEREST OWNER AND/OR LESSEE OF RECORD:**

**DEVON ENERGY PRODUCTION COMPANY, LP**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**YATES PETROLEUM CORPORATION**

By: John A. Yates *JA*

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**OXY Y-1 COMPANY**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**MYCO INDUSTRIES, INC.**

By: Scott Yates *SY*

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ABO PETROLEUM CORPORATION**

By: John A. Yates *JA*

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**MCCOMBS ENERGY, LLC**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**TRINITY RESOURCES LLC**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**J&L EXPLORATION LLC**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
Paul Slayton

\_\_\_\_\_  
Patricia Slayton

Federal/Federal

ACKNOWLEDGEMENTS

STATE OF NEW MEXICO §  
COUNTY OF EDDY §

This instrument was personally acknowledged before me on this 27th day of June, 2013, by Scott Yates, President of Myco Industries, Inc., A New Mexico corporation, on behalf of corporation.



OFFICIAL SEAL  
Paula J. Baker  
NOTARY PUBLIC-STATE OF NEW MEXICO  
My commission expires 8-22-19

Paula J. Baker  
Notary Public in and for the State of New Mexico

STATE OF NEX MEXICO §  
COUNTY OF EDDY §

This instrument was acknowledged before me on June 27, 2013, by John A. Yates, Jr., Attorney-in-Fact of Yates Petroleum Corporation and of Abo Petroleum Corporation, New Mexico corporation, on behalf of said corporations.



OFFICIAL SEAL  
Paula J. Baker  
NOTARY PUBLIC-STATE OF NEW MEXICO  
My commission expires 8-22-19

Paula J. Baker  
Notary Public in and for the State of New Mexico

Federal/Federal

**WORKING INTEREST OWNER AND/OR LESSEE OF RECORD:**

**DEVON ENERGY PRODUCTION COMPANY, LP**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**YATES PETROLEUM CORPORATION**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**OXY Y-1 COMPANY**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**MYCO INDUSTRIES, INC.**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

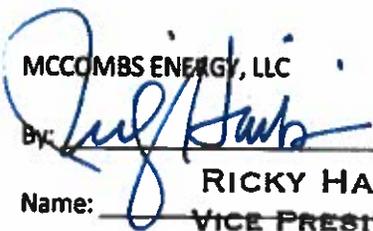
**ABO PETROLEUM CORPORATION**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**MCCOMBS ENERGY, LLC**

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

Name: **RICKY HAIN**  
**VICE PRESIDENT**

Title: \_\_\_\_\_

**TRINITY RESOURCES LLC**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**J&L EXPLORATION LLC**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
Paul Slayton

\_\_\_\_\_  
Patricia Slayton

Federal/Federal

ACKNOWLEDGEMENTS

STATE OF \_\_\_\_\_ §  
COUNTY OF \_\_\_\_\_ §

This instrument was personally acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_, 2013, by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_

STATE OF Texas §  
COUNTY OF Tarrant §

This instrument was acknowledged before me on June 13, 2013, 2013,  
by Decker Harker vice president  
of McCombs Energy LLC, a limited liability  
company, on behalf of said company.

Sharon M. McDonald  
Notary Public in and for the State of \_\_\_\_\_



Federal/Federal

**WORKING INTEREST OWNER AND/OR LESSEE OF RECORD:**

**DEVON ENERGY PRODUCTION COMPANY, LP**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**YATES PETROLEUM CORPORATION**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**OXY Y-1 COMPANY**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**MYCO INDUSTRIES, INC.**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ABO PETROLEUM CORPORATION**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**MCCOMBS ENERGY, LLC**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**TRINITY RESOURCES LLC**

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

Name: Phil Brewer

Title: Acting Manager

**J&L EXPLORATION LLC**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
Paul Slayton

\_\_\_\_\_  
Patricia Slayton

Federal/Federal

ACKNOWLEDGEMENTS

STATE OF New Mexico §  
COUNTY OF Chaves §

This instrument was personally acknowledged before me on this 17<sup>th</sup> day of June, 2013, by Phil Brewer.



April M. Dubiel  
Notary Public in and for the State of N.M.

STATE OF New Mexico §  
COUNTY OF Chaves §

This instrument was acknowledged before me on June 17<sup>th</sup>, 2013, by Phil Brewer, of Trinity Resources, a Acting Manager, on behalf of said company.



April M. Dubiel  
Notary Public in and for the State of N.M.

Federal/Federal

**WORKING INTEREST OWNER AND/OR LESSEE OF RECORD:**

**DEVON ENERGY PRODUCTION COMPANY, LP**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**YATES PETROLEUM CORPORATION**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**OXY Y-1 COMPANY**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**MYCO INDUSTRIES, INC.**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ABO PETROLEUM CORPORATION**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**MCCOMBS ENERGY, LLC**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**TRINITY RESOURCES LLC**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**J&L EXPLORATION, LLC**

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

Name: James Brannigan

Title: Owner

\_\_\_\_\_  
Paul Slayton

\_\_\_\_\_  
Patricia Slayton

Federal/Federal

ACKNOWLEDGEMENTS

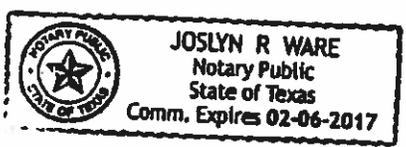
STATE OF \_\_\_\_\_ §  
COUNTY OF \_\_\_\_\_ §

This instrument was personally acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_, 2013, by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_

STATE OF Texas §  
COUNTY OF Midland §

This instrument was acknowledged before me on June 17<sup>th</sup>, 2013,  
by James Brannigan, Owner  
of J&L Exploration, a Limited Liability  
Corporation on behalf of said company.



Joslyn R. Ware  
Notary Public in and for the State of TX

Federal/Federal

**WORKING INTEREST OWNER AND/OR LESSEE OF RECORD:**

**DEVON ENERGY PRODUCTION COMPANY, LP**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**YATES PETROLEUM CORPORATION**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**OXY Y-1 COMPANY**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**MYCO INDUSTRIES, INC.**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ABO PETROLEUM CORPORATION**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**MCCOMBS ENERGY, LLC**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**TRINITY RESOURCES LLC**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**J&L EXPLORATION LLC**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

  
\_\_\_\_\_  
Paul Slayton

  
\_\_\_\_\_  
Patricia Slayton

Federal/Federal

ACKNOWLEDGEMENTS

STATE OF New Mexico §  
COUNTY OF Albuquerque §



This instrument was personally acknowledged before me on this 20th day of June, 2013, by Paul and Patricia Slayton.

My Commission Expires 4-14-17

Jane Andrew  
Notary Public in and for the State of New Mexico

STATE OF \_\_\_\_\_ §  
COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on \_\_\_\_\_, 2013,  
by \_\_\_\_\_,  
of \_\_\_\_\_, a \_\_\_\_\_,  
on behalf of said company.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_

Federal/Federal

**EXHIBIT A**

**Plat of communitized area covering S/2S/2 of Section 4, T19S, R31E,  
N.M.P.M., Eddy County, New Mexico**

**Firefox 4 Federal Com #5H**

<b>SL: 670' FSL; 250' FWL</b>  <b>Tract 1 USA NMNM 105217</b> <b>40 acs</b>	<b>Tract 2 USA LC 069033</b> <b>40 acs</b>	<b>Tract 2 USA LC 069033</b> <b>40 acs</b>	<b>BH: 380' FSL &amp; 330' FEL</b>  <b>Tract 2 USA LC 069033</b> <b>40 acs</b>

Federal/Federal

EXHIBIT "B"

Attached to and made a part of that Communitization Agreement dated June 1, 2013 covering S/2S/2 of Section 4, T-19S, R-31E, N.M.P.M., Eddy County, New Mexico.

Operator of Communitized Area: COG Operating LLC

DESCRIPTION OF LEASES COMMITTED:

Tract No. 1

Lease Serial Number: USA NMNM 105217  
 Lease Date: September 1, 2000  
 Lease Term: Ten (10) Years and so long thereafter as oil or gas is produced in paying quantities  
 Recordation: Unknown  
 Lessor: United States of America  
 Original Lessee: Yates Petroleum Corporation  
 Current Lessee: Devon Energy Production Co., LP, et al  
 Description of Land Committed: Insofar only as said lease covers:  
Township 19 South, Range 31 East  
 Section 4: SW/4 of SW/4  
 Eddy County, New Mexico

Number of Acres: 40.00  
 Royalty Rate: 12.5%

WI Owner Names and Interests:	Devon Energy Production Co., LP ✓	46.511600%
	Abo Petroleum Corporation	5.348840%
	Myco Industries, Inc. ✓	5.348840%
	Oxy Y-1 Company ✓	5.348840%
	Yates Petroleum Corporation ✓	<u>37.441880%</u>
		100.000000%

ORRI Owners: Of Record

Tract No. 2

Lease Serial Number: USA LC 069033  
 Lease Date: December 1, 1951  
 Lease Term: Five (5) Years (extended for an additional 5 year term by Bureau of Land Management Decision dated April 19, 1957)  
 Recordation: Unknown  
 Lessor: United States of America  
 Original Lessee: Willie G. Hodges  
 Current Lessee: Paul Slayton ✓  
 Description of Land Committed: Insofar only as said lease covers:  
Township 19 South, Range 31 East  
 Section 4: SE/4 of SW/4 and S/2 of SE/4  
 Eddy County, New Mexico

Number of Acres: 120.00  
 Royalty Rate: 12.5%

Federal/Federal

WI Owner Names and Interests:

COG Operating LLC	61.875000%
Paul Slayton and Patricia Slayton	12.500000%
McCombs Energy, LLC	20.625000%
Trinity Resources, LLC	2.500000%
J&L Exploration, L.L.C.	2.500000%
	<u>100.000000%</u>

ORRI Owners: Of Records

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	40.00	25.00%
2	120.00	75.00%
Total	160.00	100.00%

RECEPTION NO: 1403412 STATE OF  
 NEW MEXICO, COUNTY OF EDDY  
 RECORDED 04/02/2014 11:16 AM  
 BOOK 0973 PAGE 0554  
 DARLENE ROSPRIM, COUNTY CLERK





AGREEMENT SUMMARY FOR APPROVAL / EXECUTION / SET UP

FROM: Brittany Hull  
DATE: 10.28.15

PLEASE APPROVE AND ROUTE:

LANDMAN: Aaron L. Young DATE: 10/28/15 COG WI: 49 218750%  
LAND LEAD: Greg Galst DATE: 10/29/15 COG NR: 34 804688%  
ASSET MANAGER: N/A DATE: \_\_\_\_\_  
VICE-PRESIDENT: Mona D. Ables DATE: 11-3-15

ASSET TEAM: NM Basin - North PROSPECT NAME / NUMBER: Zeus 1931 (717092)  
COUNTY/STATE: Eddy County / New Mexico  
CONTRACT NAME: Communitization Agreement TYPE: CA

REFERENCE:

DATE: 5.23.15 FIRST PARTY: COG Operating LLC  
EFFECTIVE: 5.23.15 or from onset of production of SECOND PARTY: Devon Energy Production Company, LP, et al  
communized substances, whichever earlier  
EXPIRATION: remains in effect for 2 yrs or so long thereafter as communized  
substances are produced or can be produced from  
communized area in paying quantities - see para. 10

DESCRIPTION:

Communitization Agreement for the Firefox 4 Fed Corn #4H  
Lands Pooled: N/2 S/2 of Section 4, T19S, R31E, NMPM, Eddy Co., NM containing 160 acres, as to the Bone Springs Formation  
Leases: NM-105217, insolar and only insolar as it covers the NW/4SW/4; LC-069033, insolar and only insolar as it covers the NE/4 SW/4, N/2SE/4

*Signature pages in ~~the~~ original packet  
in file room.*

GENERAL OBLIGATIONS:

LANDMAN: Use this form to brief agreement prior to approval and execution. Only 1st page needs to be completed prior to transmitting the form and agreement to management for approval and execution. Once executed, complete requisite portions of 2nd page and deliver both pages, plus original document to Lease Analyst for further analysis, data entry, imaging and filing in records center.

LEASE ANALYST: \_\_\_\_\_  
SET UP DATE: \_\_\_\_\_  
IMAGE DATE: \_\_\_\_\_  
TO RC DATE: \_\_\_\_\_

**JOINT OPERATING AGREEMENT:**

MODEL FORM \_\_\_\_\_

N/C PENALTIES Surface: \_\_\_\_\_ Operations: \_\_\_\_\_ Drill: \_\_\_\_\_ Equip: \_\_\_\_\_ Expend Limit: \_\_\_\_\_

PREF PURC RT (Y/N) \_\_\_\_\_ MAIN UNIFORM OWN (Y/N) \_\_\_\_\_ GAS BAL (Y/N) \_\_\_\_\_ TITLE FAILURE (Joint/Individual) \_\_\_\_\_

OVERHEAD RATES (Copas): Drill: \_\_\_\_\_ Produce \_\_\_\_\_ Overhead Escalation (Y/N) \_\_\_\_\_

DIRECT CHARGES: "Standard" or "Labor Included" \_\_\_\_\_ Employee Benefits (Y/N) \_\_\_\_\_

ORDER OF PREFERENCE OF OPERATIONS (Y/N) \_\_\_\_\_

**MISC/ADDITIONAL PROVISIONS:**

**AREA OF MUTUAL INTEREST / FARMOUT:**

PREFERENTIAL PURCHASE RIGHT (PREF): \_\_\_\_\_ CONSENT TO ASSIGN (CTA) \_\_\_\_\_

CONTINUOUS OPERATIONS (CDEV): \_\_\_\_\_ REASSIGNMENT OBLIGATION (RAS) \_\_\_\_\_

ASSIGN OPERATIONS: \_\_\_\_\_ RETAINED ORRI \_\_\_\_\_

POOLING/OFFSET/UNITIZATION (POOL): \_\_\_\_\_

OTHER CRITICAL TERMS (GEN): \_\_\_\_\_

**COMMUNITIZATION AGREEMENT / POOLING ORDER / DESIGNATION OF POOLING**

POOLING ORDER / COMM AGMT #: \_\_\_\_\_

FORMATIONS: Bone Spring Formation

RECORDING INFORMATION \_\_\_\_\_

OTHER CRITICAL TERMS (GEN): \_\_\_\_\_

**PAYMENT OBLIGATIONS (If any):**

**ASSOCIATIONS:**

Firefox 4 Fed Com #5H  
S/2 S/2 of Section 4, T19S-R31E  
Eddy County, NM  
Leases: USA NMNM 105217, insofar and only insofar as it covers the SW/4SW/4; USA LC 069033, insofar and only insofar as it covers the SE/4SW/4 and S/2SE/4.

Determination - Approval - Certification

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

- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.
  
- B. Approve the attached Communitization Agreement covering Sec. 4: N2S2, T. 19 S., R. 32 E., NMPM, as to all producible hydrocarbons from the Bone Spring formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (c) are not met.
  
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved:

  
 \_\_\_\_\_  
 Stephen Caffey, Asst. Field Mgr.  
 Authorized Officer

Effective: 05/23/2015

Contract No.: Com. Agr. NM135752

Federal Federal

Contract No. ANN 135752

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 19 South, Range 31 East, N.M.P.M.  
 Section 4: N/2 S/2  
 Eddy County, New Mexico

containing 160.00 acres, and this agreement shall include only the Bone Spring 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.

Federal/Federal

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 there from 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.

Federal/Federal

- 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 May 23, 2015, 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.

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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.

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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 & OPERATING RIGHTS OWNER (NMLC 069033):

**Statement of Written Consent by All Named Owners:**

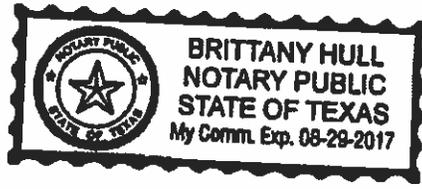
*I, the undersigned, hereby certify, on behalf of COG Operating LLC, the Operator of the proposed Communitization Agreement, that all working interest owners (i.e., the lessees of record and operating rights owners) shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the working interest owners of the Federal or Indian leases subject to the Communitization Agreement, and that the written consents of all the named owners have been obtained and will be made available to the BLM immediately upon request.*

COG OPERATING LLC

By: Mona D. Ables  
Mona D. Ables  
Vice President of Land A-1

STATE OF TEXAS       §  
                                  §  
COUNTY OF MIDLAND §

This instrument was acknowledged before me on November 3, 2015, by Mona D. Ables, Vice President of Land of COG Operating LLC, a Delaware limited liability company, on behalf of same.

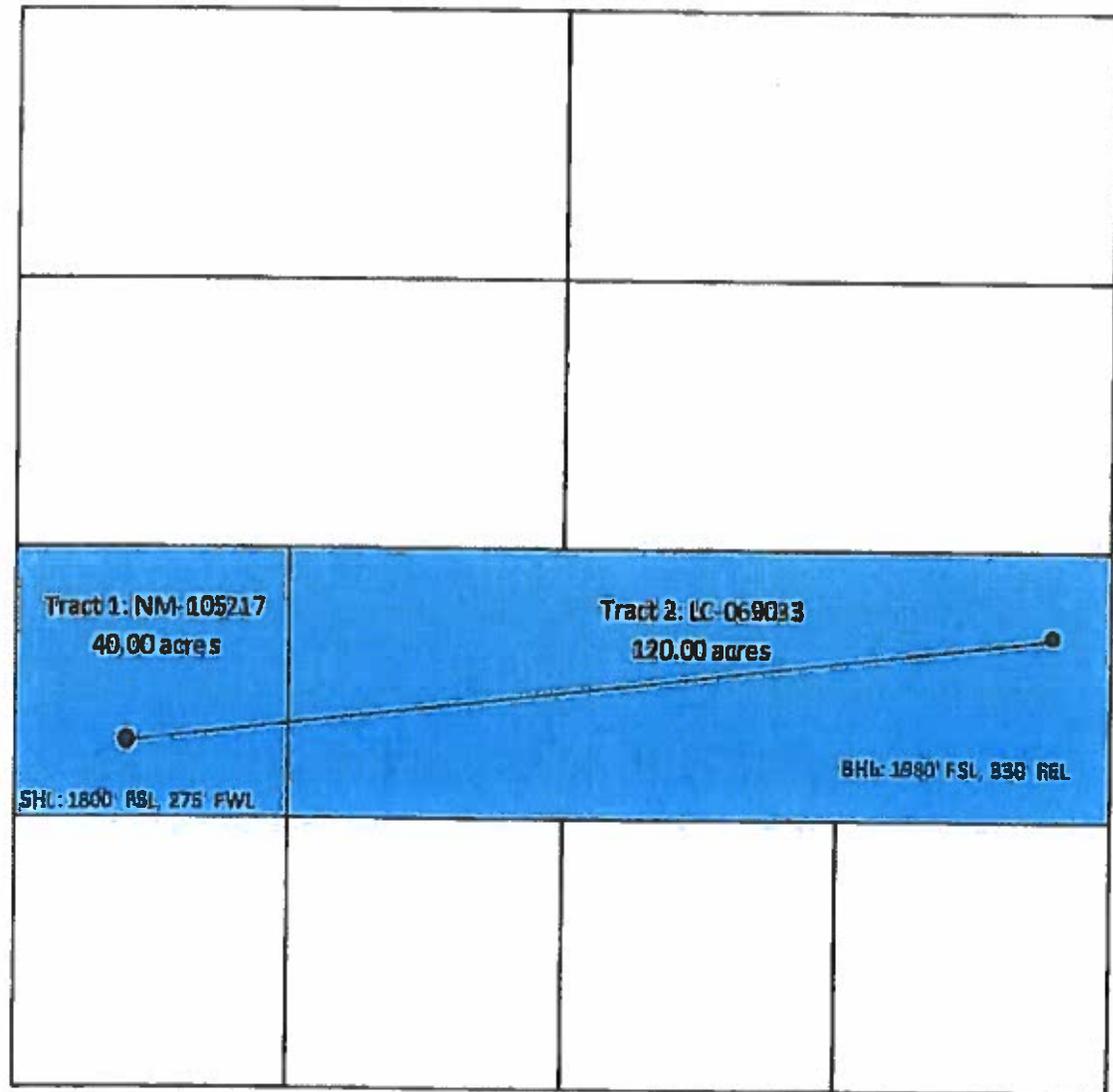


Brittany Hull  
Notary Public in and for the State of Texas

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EXHIBIT "A"  
Plat of communitized area covering N/2 S/2 of Section 4, T19S, R31E,  
N.M.P.M., Eddy County, New Mexico

Firefox 4 Fed Com #4H



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EXHIBIT "B"

Attached to and made a part of that Communitization Agreement dated May 23, 2015 covering N/2 S/2 of Section 4, T-19S, R-31E, N.M.P.M., Eddy County, New Mexico.

Operator of Communitized Area: COG Operating LLC

DESCRIPTION OF LEASES COMMITTED:

TRACT NO. 1

Serial No. of Lease:	NMNM 105217	
Date of Lease:	September 1, 2000	
Lessor:	United States of America	
Current Lessee:	Devon Energy Production Company, LP	
	Yates Petroleum Corp.	
	OXY Y-1 Company	
	Myco Industries, Inc.	
	ABO Petroleum Corp.	
Description of Lands Committed:	Insofar only as said lease covers	
	<u>Township 19 South, Range 31 East, NMPM</u>	
	Section 4: NW/4SW/4	
	Eddy County, New Mexico	
No. of Acres:	40.00, more or less	
WI Owners and Interests:	Devon Energy Production Co.	46.511600%
	Yates Petroleum Corp.	37.441880%
	OXY Y-1 Company	5.348840%
	Myco Industries, Inc.	5.348840%
	ABO Petroleum Corp.	5.348840%
ORRI Owners:	Of Record.	

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**TRACT NO. 2**

Serial No. of Lease: NMLC 069033  
 Date of Lease: December 1, 1951  
 Lessor: United States of America  
 Current Lessee: Paul Slayton  
 Description of Lands Committed: Insofar only as said lease covers

Township 19 South, Range 31 East, NMPM  
 Section 4: NE/4SW/4, N/2SE/4  
 Eddy County, New Mexico

No. of Acres: 120.00, more or less

**WI Owners and Interests:**

**Before Completion:**  
 COG Operating LLC 65.625000%  
 McCombs Energy, LLC 21.875000%  
 Paul Slayton, and wife Patricia Slayton 12.500000%  
 100.000000%

**After the Tanks & Before Payout:**  
 COG Operating LLC 61.875000%  
 McCombs Energy, LLC 20.625000%  
 Paul Slayton, and wife Patricia Slayton 12.500000%  
 Trinity Resources, LLC 2.500000%  
 J&L Exploration, L.L.C. 2.500000%  
 100.000000%

**After Payout:**  
 COG Operating LLC 52.500000%  
 Paul Slayton, and wife Patricia Slayton 25.000000%  
 McCombs Energy, LLC 17.500000%  
 Trinity Resources, LLC 2.500000%  
 J&L Exploration, L.L.C. 2.500000%  
 100.000000%

ORRI Owners: Of Record.

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RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest In Communitized Area
1	40.00	25.00%
2	120.00	75.00%
Total	160.00	100.00%

RECEPTION NO: 1604944 STATE OF  
 NEW MEXICO, COUNTY OF EDDY  
 RECORDED 05/13/2016 8:55 AM  
 BOOK 1068 PAGE 1103  
 ROBIN VANNATTA, COUNTY CLERK

