



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 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

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 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

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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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 Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-41423		² Pool Code 97056		³ Pool Name Hackberry; Bone Spring, North	
⁴ Property Code 39930		⁵ Property Name Firefox 4 Federal Com			⁶ Well Number 5H
⁷ OGRID No. 229137		⁸ Operator Name COG Operating LLC			⁹ Elevation 3555' GR

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	4	19S	31E		670	South	250	West	Eddy

¹¹ 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
P	4	19S	31E		416	South	338	East	Eddy

¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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.

16	Lot 4	Lot 3	Lot 2	Lot 1	<p>¹⁷ OPERATOR CERTIFICATION</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>¹⁸ SURVEYOR CERTIFICATION</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>
<p>Producing Area 8972-13329'</p>					

FIREFOX 4 FEDERAL COM 5H BATTERY
 SESE SECTION 04, T19S, R31E, UNIT M
 COORDS: 32.68372, -103.882306
 EDDY COUNTY, NM

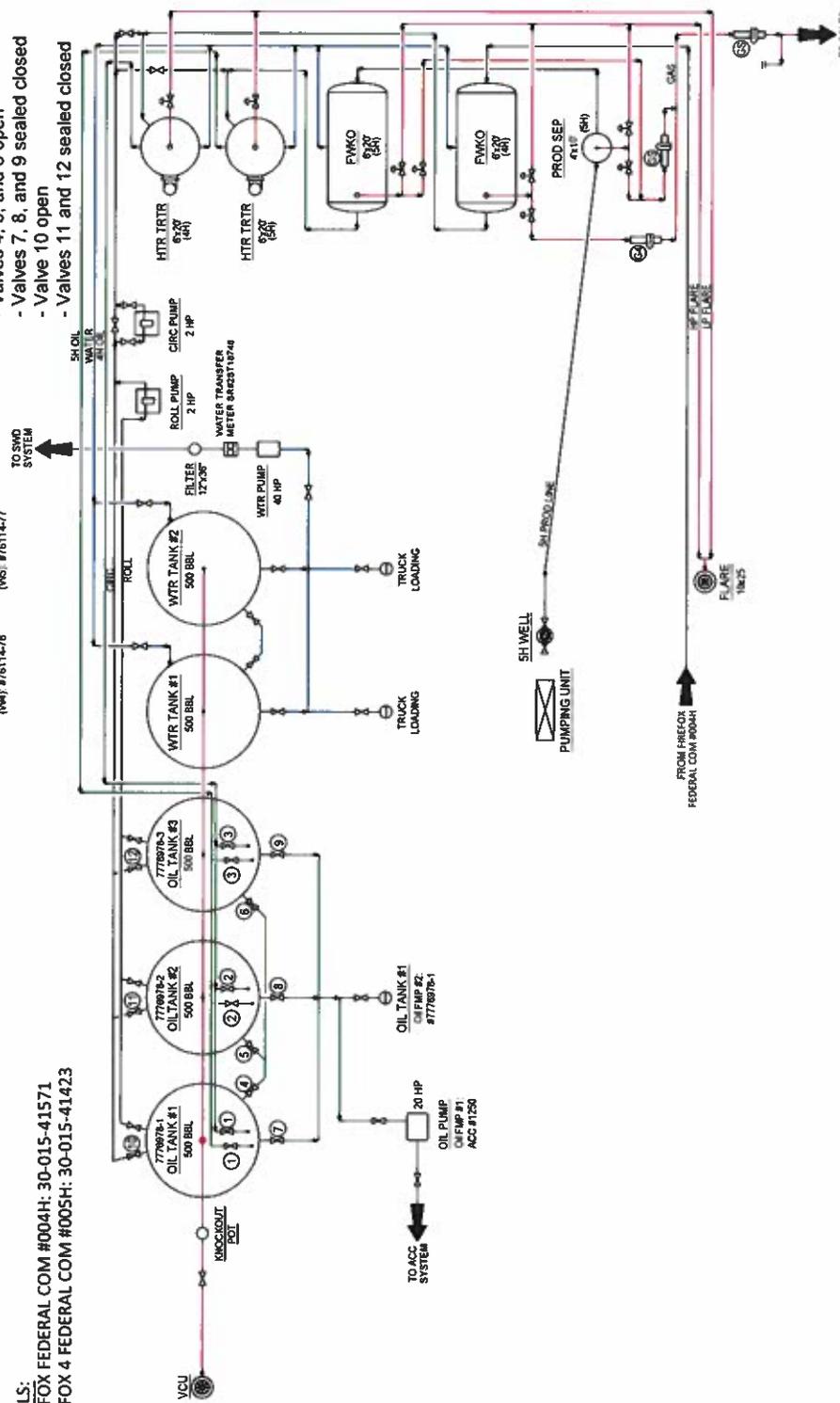
WELLS:
 FIREFOX FEDERAL COM #004H: 30-015-41571
 FIREFOX FEDERAL COM #005H: 30-015-41423

GAS FMP METER
 Gas Sales Line
 Meter (GS): #14105

ALLOCATION METERS
 #4H Alloc. Gas Meter (GA) #6772036 (GS) #6772047
 #5H Alloc. Gas Meter (GS) #6772047
 #4H Alloc. Oil Meter (OA) #1208462002 (OS) #1206526002
 #5H Alloc. Oil Meter (OS) #1206526002
 #4H Alloc. Water Meter (WM) #7811476 (WS) #7811477

Production Phase - Oil Tank #1
 - Valve 1 open
 - Valves 2 and 3 sealed closed
 - Valves 4, 5, and 6 open
 - Valves 7, 8, and 9 sealed closed
 - Valve 10 open
 - Valves 11 and 12 sealed closed

Sales Phase - Oil Tank #1
 - Valve 1 sealed closed
 - Valves 2 or 3 open
 - Valve 4 sealed closed
 - Valves 5 and 6 open
 - Valve 7 open
 - Valves 8 and 9 sealed closed
 - Valve 10 sealed closed
 - Valves 11 or 12 open



CONCHO
 NORTHERN DELAWARE BASIN ASSET
 PRODUCTION FACILITIES
 SITE FACILITY DIAGRAM
 FIREFOX 4 FEDERAL COM 5H BATTERY
 EDDY COUNTY, NEW MEXICO
 DRAWING NO. D-1700-81-085

NO.	DATE	REVISIONS	BY	CHK APP	DATE
A	11/06/18	DESIGN FOR CONSTRUCTION	MS	MS	11/06/18
B	12/07/20	REVISED FOR FIELD VERIFICATION	MS	MS	

NO.	DATE	REVISIONS	BY	CHK APP	DATE
A	11/06/18	DESIGN FOR CONSTRUCTION	MS	MS	11/06/18
B	12/07/20	REVISED FOR FIELD VERIFICATION	MS	MS	

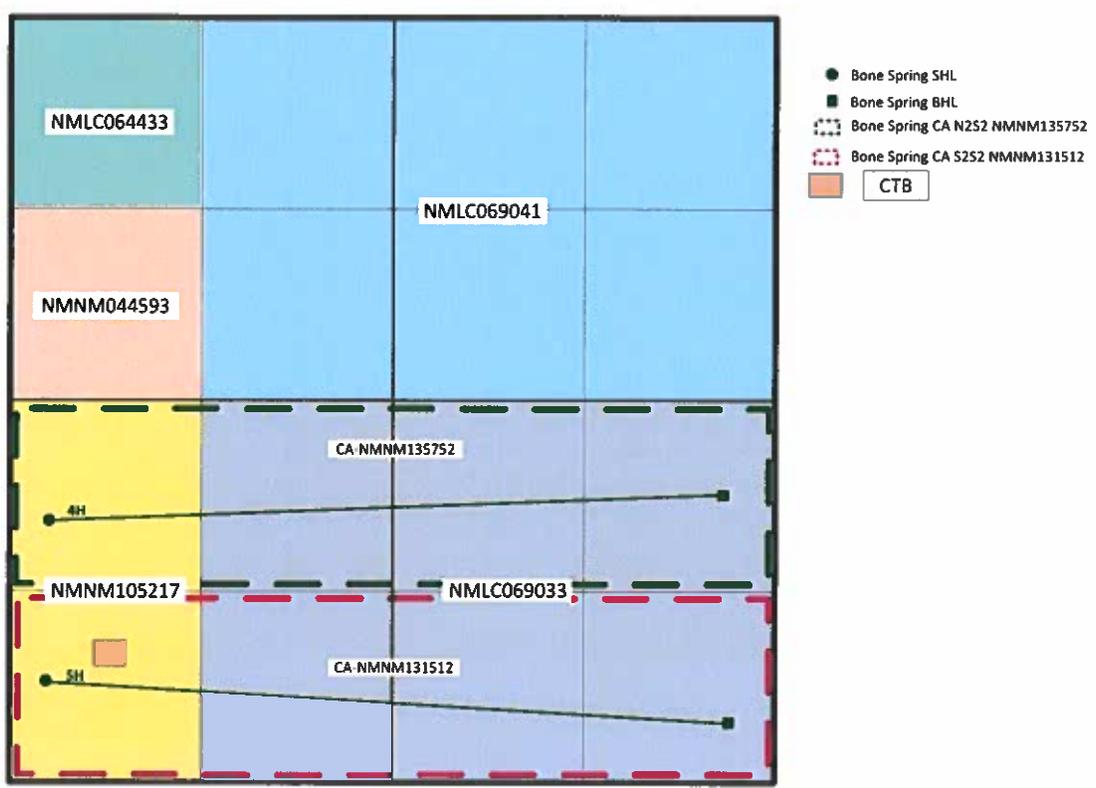
COMMUNITY NOTICE
 THE DRAWING IS THE PROPERTY OF CONCHO ENERGY SERVICES, L.P. AND IS TO BE USED ONLY FOR THE PROJECT AND AREA IDENTIFIED HEREIN. ANY REPRODUCTION OR USE OF THIS DRAWING FOR ANY OTHER PROJECT OR AREA WITHOUT THE WRITTEN PERMISSION OF CONCHO ENERGY SERVICES, L.P. IS STRICTLY PROHIBITED.

Ledger for Site Diagram
 Produced Fluid: _____
 Produced Oil: _____
 Produced Gas: _____
 Flare/Vent: _____

Type of Lease: Federal
 Federal Lease #: NMINM105217
 CA #: NMINM114179 & NMINM135752
 Property Code 4H-40045, 5H-39930
 OGRID #: 229137

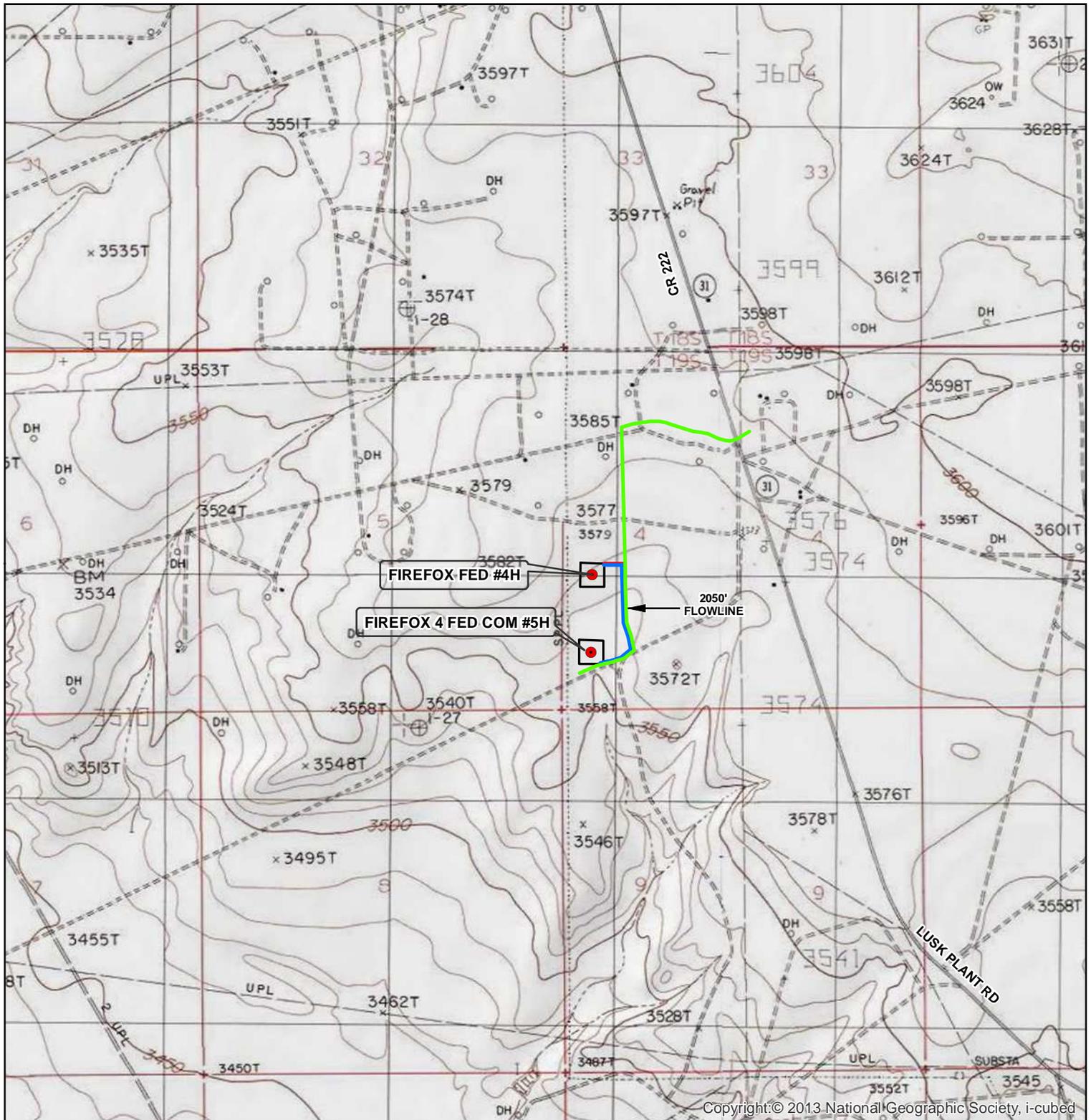


Firefox Federal Com Wells



Sec. 4-T19S-R31E
Eddy County, NM

LOCATION VERIFICATION MAP Exhibit 4



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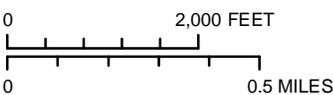
SEC. 4, TWP. 19S, RGE. 31E
 SURVEY: N.M.P.M.
 COUNTY: EDDY STATE: NEW MEXICO
 DESCRIPTION: FIREFOX FED #4H & 5H
 FLOWLINE: 2050'

OPERATOR: COG OPERATING
 LEASE: FIREFOX FED COM

W.O. # 13-345



1 IN = 2,000 FT



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

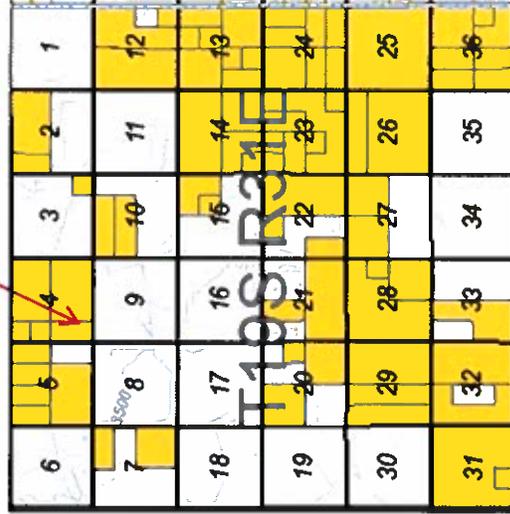
HARCROW SURVEYING, LLC
 1107 WATSON, ARTESIA N.M. 88210
 PH: (575) 513-2570 FAX: (575) 746-2158
 chad_harcrow77@yahoo.com



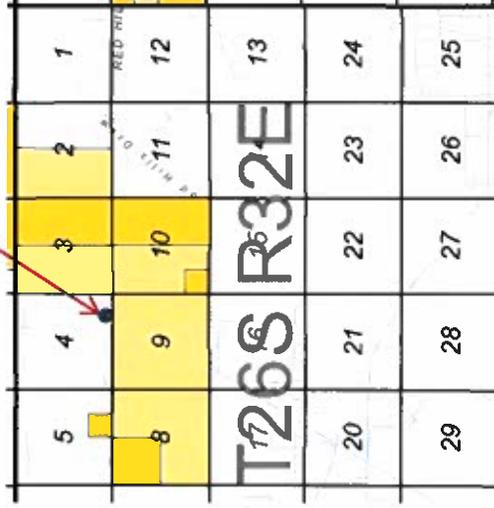
MAP DATE: 5/31/2013

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

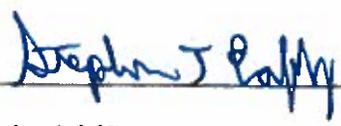
Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- 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}
Vice President of Land _{no}

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*
SS *CA*

Title: Vice President

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: _____

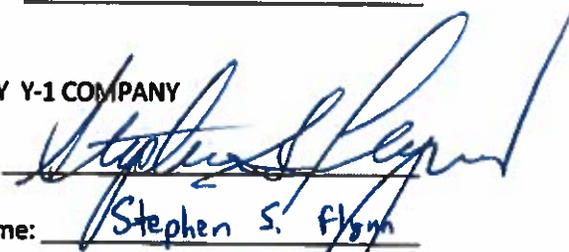
YATES PETROLEUM CORPORATION

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

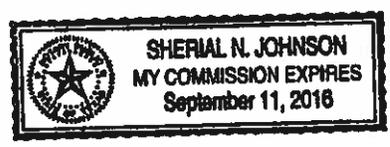
STATE OF _____ §
COUNTY OF _____ §

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: _____

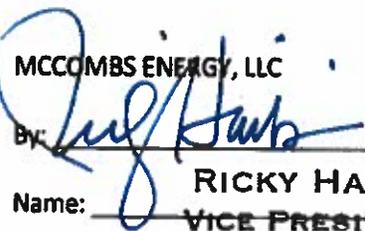
Title: _____

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 17th 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 17th, 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: _____

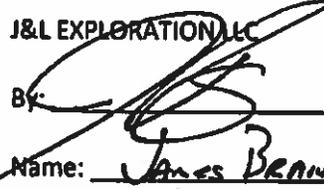
TRINITY RESOURCES LLC

By: _____

Name: _____

Title: _____

J&L EXPLORATION, LLC

By:  _____

Name: James Brannan

Title: Owner

Paul Slayton

Patricia Slayton

Federal/Federal

ACKNOWLEDGEMENTS

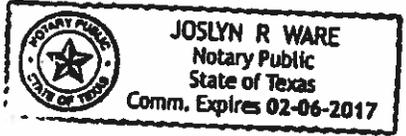
STATE OF _____ §
COUNTY OF _____ §

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 17th, 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

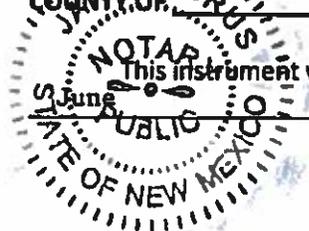


Patricia Slayton

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

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

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%

ORRI Owners: Of Records 100.000000%

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 Com #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.

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.

Federal/Federal

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:

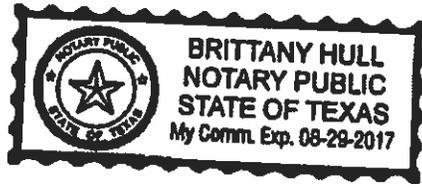
I, the undersigned, hereby certify, on behalf of COG Operating LLC, the Operator of the proposed Communitization Agreement, that all working interest owners (i.e., the lessees of record and operating rights owners) shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my 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.

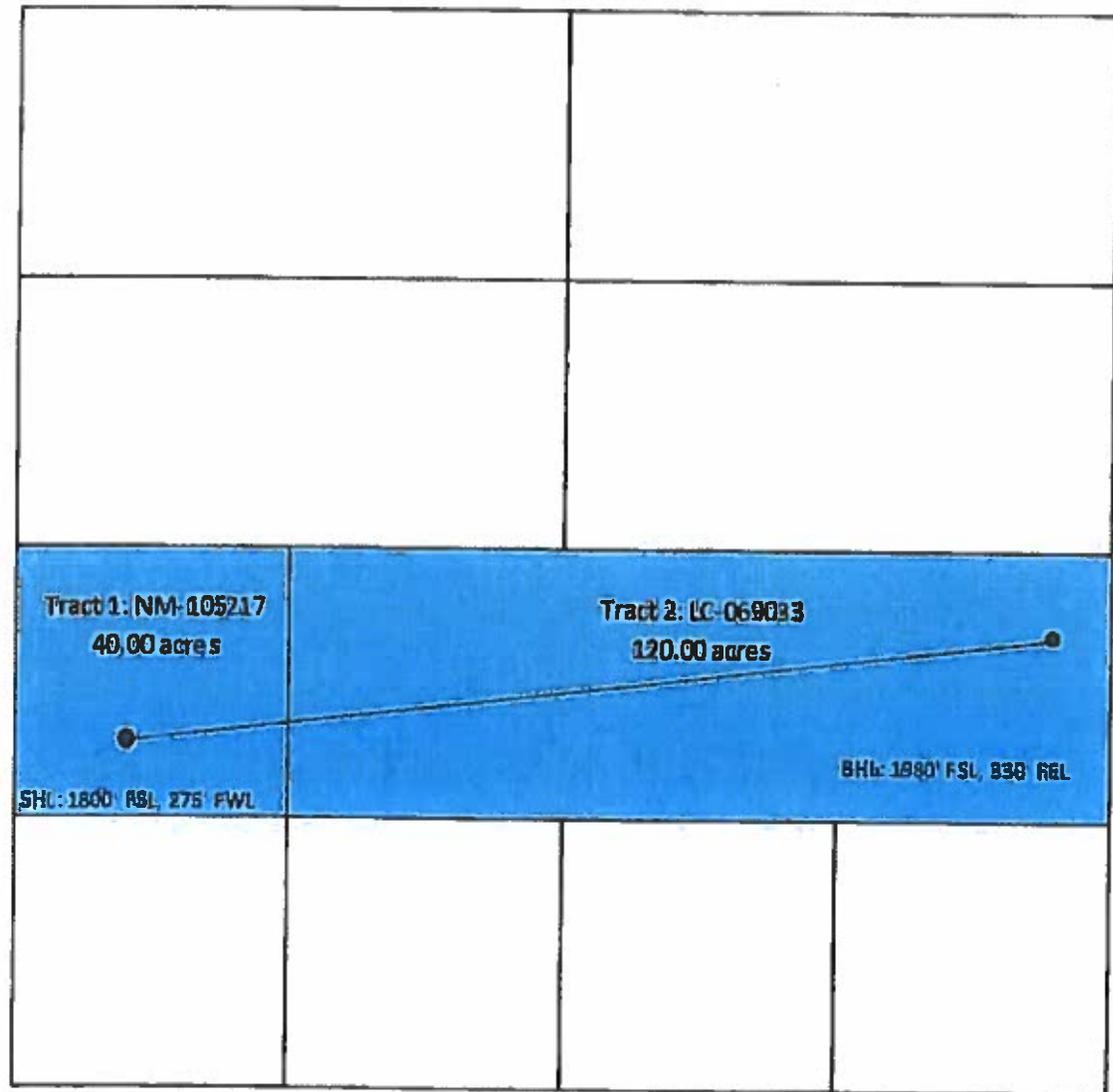


Brittany Hull
Notary Public in and for the State of Texas

Federal Federal

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



Federal/Federal

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.	

Federal/Federal

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.

Federal Federal

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



From: [Engineer, OCD, EMNRD](#)
To: [Jeanette Barron](#)
Cc: [McClure, Dean, EMNRD](#); [Bratcher, Mike, EMNRD](#); lisa@rwbyram.com; [Glover, James](#); kparadis@blm.gov; [Walls, Christopher](#)
Subject: Approved Administrative Order CTB-836-A
Date: Friday, December 11, 2020 4:37:02 PM
Attachments: [CTB836A Order.pdf](#)

NMOCD has issued Administrative Order CTB-836-A which authorizes COG Operating, LLC (229137) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	Location (NMPM)	Pool Code
30-015-41571	Firefox Federal Com #4H	L-04-19S-31E	97056
30-015-41423	Firefox 4 Federal Com #5H	M-04-19S-31E	97056

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval.

Dean McClure
 Petroleum Engineer, Oil Conservation Division
 New Mexico Energy, Minerals and Natural Resources Department
 (505) 469-8211

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

**APPLICATION FOR SURFACE COMMINGLING
SUBMITTED BY COG OPERATING, LLC**

ORDER NO. CTB-836-A

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having considered the application and the recommendation of the Engineering Bureau, issues the following Order.

FINDINGS OF FACT

1. COG Operating, LLC (“Applicant”) submitted a complete application to surface commingle and off-lease measure the oil and gas production (“Application”) from the pools, leases, and wells identified in Exhibit A.
2. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7(B) NMAC.
3. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
4. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
5. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, and 19.15.12 NMAC.
7. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10(A)(2), (C)(4)(c), and (C)(4)(e) NMAC, as applicable.
8. Applicant’s proposed method of allocation, as modified herein, complies with 19.15.12.10(B)(1) or (C)(1) NMAC, as applicable.
9. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10(B)(3) and (C)(4)(h) NMAC.

- 10. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

- 1. Applicant is authorized to surface commingle and off-lease measure oil and gas production from the pools, leases, and wells identified in Exhibit A.
- 2. This Order supersedes Order CTB-836.
- 3. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling.
- 4. Applicant shall measure the commingled oil at a central tank battery described in Exhibit A in accordance with 19.15.18.15 NMAC or 19.15.23.8 NMAC.
- 5. Applicant shall measure the commingled gas at a central delivery point or central tank battery described in Exhibit A in accordance with 19.15.19.9 NMAC, provided however that if the gas is flared, and regardless whether OCD has granted an exception pursuant to 19.15.18.12(B) NMAC, Applicant shall report the gas in accordance with 19.15.18.12(F) NMAC.
- 6. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10(C)(2) NMAC.
- 7. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
- 8. OCD retains jurisdiction and reserves the right to modify or revoke this Order as it deems necessary to prevent waste or protect correlative rights, public health, or the environment.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



ADRIENNE SANDOVAL
DIRECTOR
AS/dm

DATE: 12/11/2020

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **CTB-836-A**

Operator: **COG Operating, LLC (229137)**

Central Tank Battery: **Firefox 4 Federal Com 5H Battery**

Central Tank Battery Location (NMPM): **Unit M, Section 4, Township 19 South, Range 31 East**

Central Tank Battery: **Red Hills Offload Station**

Central Tank Battery Location (NMPM): **Unit O, Section 4, Township 26 South, Range 32 East**

Central Tank Battery: **Jal Offload Station**

Central Tank Battery Location (NMPM): **Unit D, Section 4, Township 26 South, Range 37 East**

Gas Custody Transfer Meter Location (NMPM): **Unit M, Section 4, Township 19 South, Range 31 East**

Pools

Pool Name	Pool Code
HACKBERRY; BONE SPRING, NORTH	97056

Leases as defined in 19.15.12.7(C) NMAC

Lease	Location (NMPM)	
CA BS NMNM 135752	N/2 S/2	Sec 4-T19S-R31E
CA BS NMNM 131512	S/2 S/2	Sec 4-T19S-R31E

Wells

Well API	Well Name	Location (NMPM)	Pool Code	Train
30-015-41571	Firefox Federal Com #4H	L-04-19S-31E	97056	
30-015-41423	Firefox 4 Federal Com #5H	M-04-19S-31E	97056	

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 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) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 11140

CONDITIONS OF APPROVAL

Operator:	OGRID:	Action Number:	Action Type:
COG OPERATING LLC 600 W Illinois Ave Midland, TX79701	229137	11140	C-107B

OCD Reviewer	Condition
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval.