



February 4, 2021

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

Re: Application for Administrative Approval of Lease Commingle (CTB)

Dear Mr. McClure,

COG Operating LLC respectfully requests approval for lease commingling for the following wells:

Becknell State Com 3H
API# 30-025-41299
Wildcat G-08 S213304D; Bone Spring
Ut. K, Sec. 5-T21S-R33E
Lea County, NM

Becknell State Com 4H
API# 30-025-43856
Wildcat G-08 S213304D; Bone Spring
Ut. L, Sec. 5-T21S-R33E
Lea County, NM

Oil Production:

The oil production from all wells will be measured separately by allocation meter prior to being commingled at the Central Tank Battery located in Ut. C, Sec. 5-T21S-R33E. In the event the CTB is over capacity or in the case of battery or pipeline repairs 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 this case, the oil will remain segregated and will be measured by lact meter when offloading at said stations.

Gas Production:

The gas production from all wells will be measured separately by allocation meter prior to being commingled and entering a gas flow line to the gas custody transfer meter at the Central Tank Battery located in Ut. C, Sec. 5-T21S-R33E. The DCP gas sales meter # 15791-00.

All owners of interest have been notified by certified mail that should they have an objection to this surface commingling, they must file a formal protest with the NMOCD within 20 days of the date of this application. Proof of owner notification.

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



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

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink that reads "Jeanette Barron".

Jeanette Barron
Regulatory Technician II

Enclosures
xc: Artesia OCD

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

Revised March 23, 2017

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: BECKNELL STATE COM 3H & 4H	API: 30-025-41299 / 30-025-4856
Pool: WC-025 G-08 S213304D; BONE SPRING	Pool Code: 97895

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

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
 A. Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD

B. Check one only for [I] or [II]

[I] Commingling - Storage - Measurement

☐ DHC ☒ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.

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

FOR OCD ONLY

- ☐ Notice Complete
☐ Application
 Content
 Complete

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

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

Jeanette Barron

Print or Type Name

Jeanette Barron
 Signature

Date

2/4/21

575-748-6974

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. _____

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: 2/4/21

TYPE OR PRINT NAME Jeanette Barron TELEPHONE NO.: 575.748.6974

E-MAIL ADDRESS: jbarron@concho.com

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

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

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

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

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

Form C-102

Revised August 1, 2011

**Submit one copy to appropriate
District Office**

☐ AMENDED REPORT
(As Drilled)

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-41299	² Pool Code 97895	³ Pool Name Wildcat G-08 S213304D; Bone Spring
⁴ Property Code 40030	⁵ Property Name Becknell State Com	⁶ Well Number 3H
⁷ OGRID No. 229137	⁸ Operator Name COG Operating LLC	⁹ Elevation 3801'

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
K	5	21S	33E		2350	South	1980	West	Lea

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
F	17	21S	33E		1458	North	2059	West	Lea

¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No. NSL-7076
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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				
		SHL		
Producing Area 11685-16135'				SEC 5-T21S-R33E
				SEC 8-T21S-R33E
Bottom Perf 16135' @ 2466' FNL & 1949' FWL				
				SEC 8-T21S-R33E
				SEC 17-T21S-R33E
		BHL		

17 OPERATOR CERTIFICATION

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.

Jeanette Barron 2/4/21
 Signature Date

Jeanette Barron
 Printed Name

jbarron@concho.com
 E-mail Address

18 SURVEYOR CERTIFICATION

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

Date of Survey

Signature and Seal of Professional Surveyor:

REFER TO ORIGINAL PLAT

Certificate Number

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
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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

¹ API Number 30-025-43856	² Pool Code 97895	³ Pool Name WC-025 G-08 S213304D; Bone Spring
⁴ Property Code 40030	⁵ Property Name Becknell State Com	
⁷ OGRID No. 229137	⁸ Operator Name COG Operating LLC	
		⁶ Well Number 4H
		⁹ Elevation 3791'

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
L	5	21S	33E		2440	South	330	West	Lea

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
E	17	21S	33E		2425	North	326	West	Lea

¹² Dedicated Acres 320	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 SHL 330' 2440' 			
			SEC 5-T21S-R33E
			SEC 8-T21S-R33E
			SEC 8-T21S-R33E
			SEC 17-T21S-R33E
2425' 326' BHL			

¹⁷ OPERATOR CERTIFICATION

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.

Signature: Jeanette Barron Date: 2/4/21

Printed Name: Jeanette Barron

E-mail Address: jbarron@concho.com

¹⁸ SURVEYOR CERTIFICATION

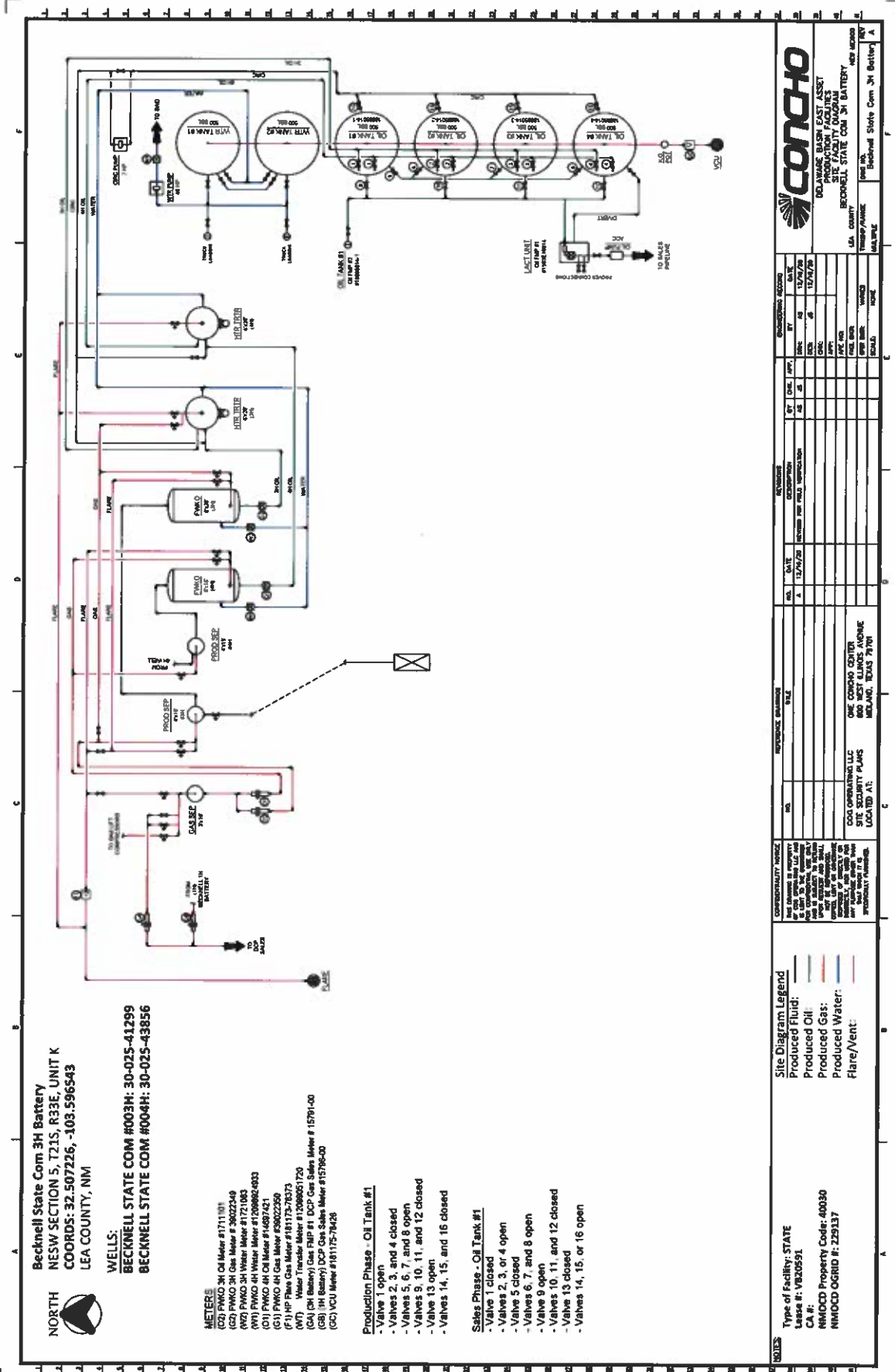
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey: _____

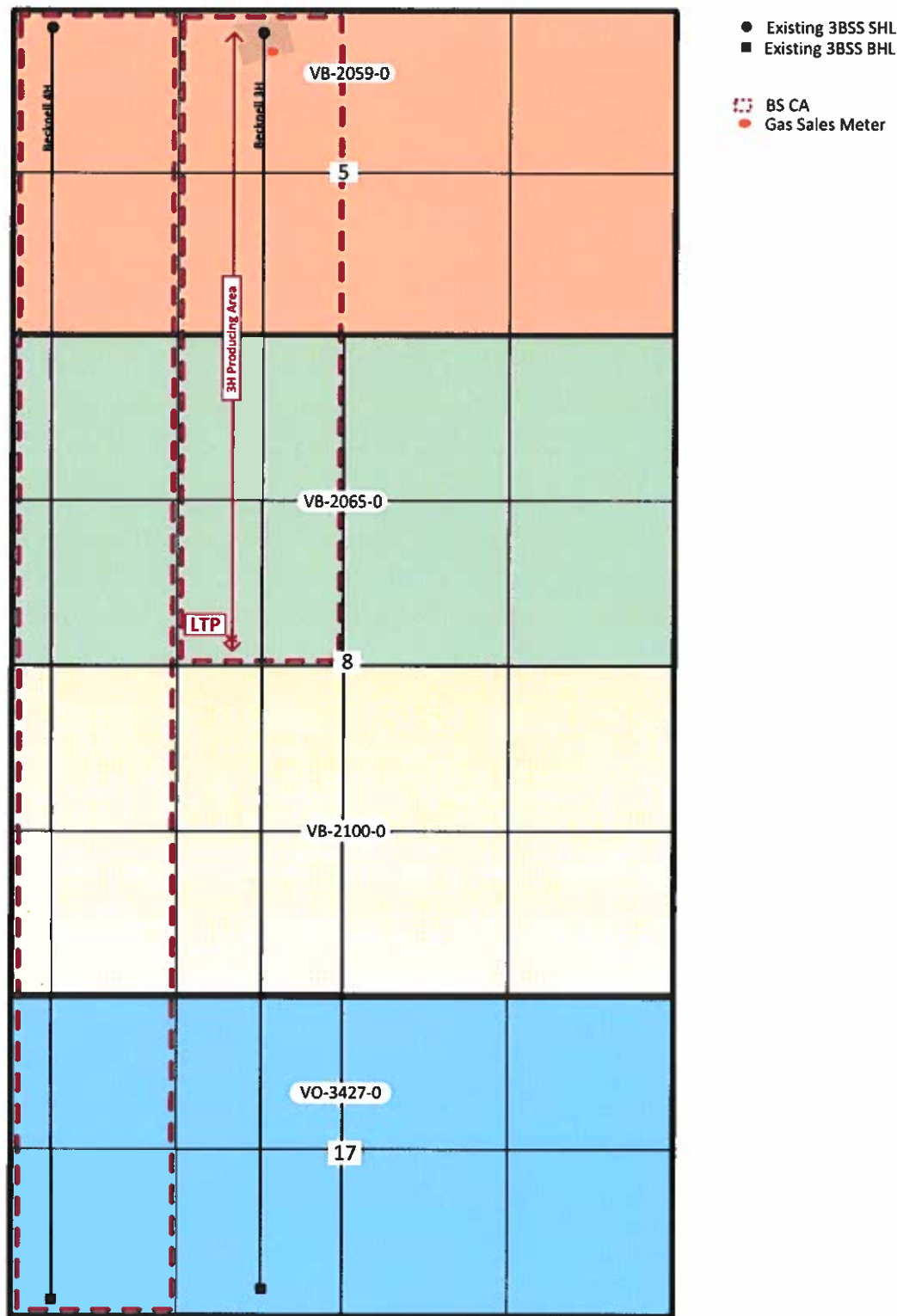
Signature and Seal of Professional Surveyor: _____

REFER TO ORIGINAL PLAT

Certificate Number: _____



Becknell & Delicious Lime State Com Wells



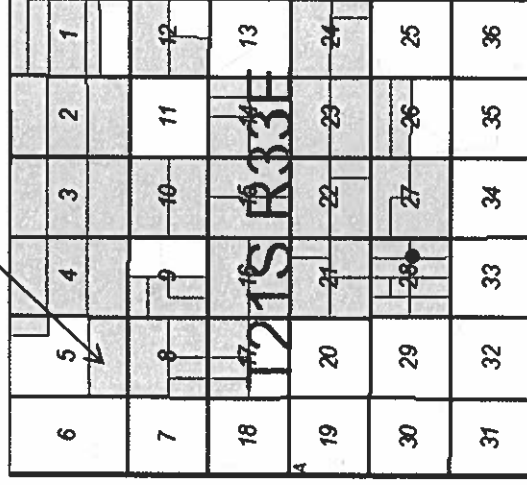
Secs. 5, 8, 17-T21S-R33E
Lea County, NM

Becknell St Com 3H, 4H

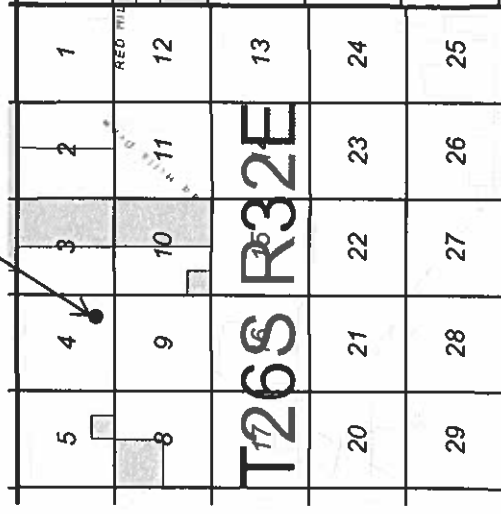


Becknell St Com 3H & 4H & Red Hills and Jal Offload Station Map

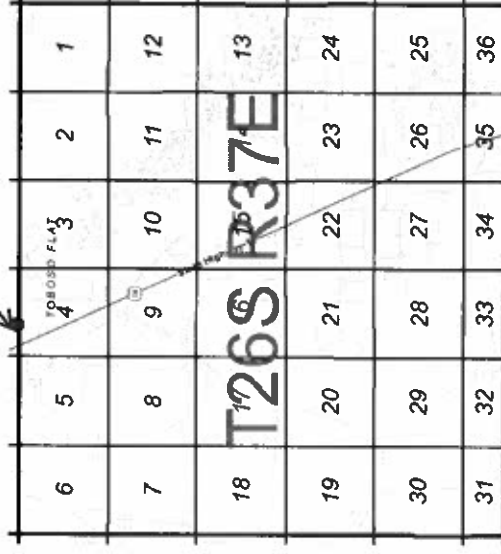
Becknell St Com 3H & 4H
Lea County, NM



Red Hills Offload Station
Lea County, NM



Jal Offload Station
Lea County, NM



Production Summary Report						
API: 30-025-41299						
BECKNELL STATE COM #003H						
Printed On: Thursday, February 04 2021						
		Production				
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBL)	Days P/I
2020	[97895] WC-025 G-08 S213304D;BONE SPRING	Jun	1368	2957	6663	30
2020	[97895] WC-025 G-08 S213304D;BONE SPRING	Jul	1369	2996	6268	31
2020	[97895] WC-025 G-08 S213304D;BONE SPRING	Aug	1344	2763	6369	31
2020	[97895] WC-025 G-08 S213304D;BONE SPRING	Sep	1233	2996	5819	30
2020	[97895] WC-025 G-08 S213304D;BONE SPRING	Oct	1088	2895	2315	31
2020	[97895] WC-025 G-08 S213304D;BONE SPRING	Nov	1634	2456	24285	30

Production Summary Report						
API: 30-025-43856						
BECKNELL STATE COM #004H						
Printed On: Thursday, February 04 2021						
		Production				
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBL)	Days P/I
2020	[97895] WC-025 G-08 S213304D;BONE SPRING	Jun	6841	10449	33111	30
2020	[97895] WC-025 G-08 S213304D;BONE SPRING	Jul	6803	11097	36120	31
2020	[97895] WC-025 G-08 S213304D;BONE SPRING	Aug	7075	11820	33879	31
2020	[97895] WC-025 G-08 S213304D;BONE SPRING	Sep	6494	10035	32847	30
2020	[97895] WC-025 G-08 S213304D;BONE SPRING	Oct	4720	6813	23716	21
2020	[97895] WC-025 G-08 S213304D;BONE SPRING	Nov	2231	3106	3694	8

Becknell St Com 3H, 4H CTB

Date Sent	Initials	Name	Address	City	State	ZipCode	Certified Return Receipt No.	Delivered
02.04.21	JB	COMMISSIONER OF PUBLIC LANDS	PO BOX 1148	SANTA FE	NM	87504	7017 3040 0000 1206 4753	
02.04.21	JB	ADVANCE ENERGY PRN HAT MESA LLC	11490 Westheimer Road, Suite 950	Houston	TX	77077	7017 3040 0000 1206 4760	
02.04.21	JB	BULLHEAD ENERGY, LLC	PO Box 470158	FT Worth	TX	76147	7017 3040 0000 1206 4777	
02.04.21	JB	CHEVRON USA INC	6301 Deauville Blvd	Midland	TX	79706	7017 3040 0000 1206 4784	
02.04.21	JB	EGL RESOURCES INC	3001 S Hardin Blvd. St. 110 507	McKinney	TX	75070	7017 3040 0000 1206 4791	
02.04.21	JB	HAYES REVOCABLE TRUST	3608 Meadowridge Lane	Midland	TX	79707	7017 3040 0000 1206 4807	
02.04.21	JB	JIM BRANNIGAN	PO BOX 51067	Midland	TX	79710	7017 3040 0000 1206 4814	
02.04.21	JB	OLIVE PETROLEUM	315 Carol Lane	Midland	TX	79705	7017 3040 0000 1206 4821	
02.04.21	JB	PBEX LLC	223 W Wall Street, Ste 900	Midland	TX	79701	7017 3040 0000 1206 4838	
02.04.21	JB	QUIENTESA ROYALTY LP	508 W Wall ST, STE 1220	Midland	TX	79701	7017 3040 0000 1206 4845	
02.04.21	JB	SCHLAGAL BROTHERS	4304 Coyote Trail	Midland	TX	79705	7017 3040 0000 1206 4852	

25622

25622

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

COG Operating LLC
 Becknell State Com Well No. 3H
 Vertical Extent: Bone Spring
Township 21 South, Range 33 East, NMPM
 Section 5 : E2SW4
 Section 8 : E2NW4
 Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated March 1, 2014, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

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

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

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 5th day of September, 2014.



Roy Powell, Jr.
 COMMISSIONER OF PUBLIC LANDS
 of the State of New Mexico

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**NM STATE LAND OFFICE
OIL, GAS, AND MINERALS DIVISION**

**STATE/STATE OR
STATE/FEE**
Revised March 2007

COMMUNITIZATION AGREEMENT
ONLINE Version

STATE OF NEW MEXICO

§

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF LEA

§

THAT THIS AGREEMENT (which is NOT to be used for carbon dioxide or helium) is entered into as of ^{March} May 1, 2014, by and between the parties subscribing, ratifying, or consenting hereto, such parties hereinafter being referred to as "Parties hereto;"

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

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

WHEREAS, said leases, insofar as they cover the Bone Spring formation (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

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

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

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

Township 21 South, Range 33 East, NMPM
Section 5: E½SW¼ and Section 8: E½NW¼
Lea County, New Mexico,

24 8 08 18 100 6102

ONLINE version
December 2007

State/State
State/Fee

1

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Containing 160.00 acres, more or less. It is the judgment of the parties hereto that the communitization, pooling, and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

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

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

2. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit A hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.

3. Subject to Paragraph 4, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit A hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this Agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this Agreement shall remain in full force and effect as originally issued and amended.

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

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

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

7. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This Agreement shall be subject to all applicable Federal and State laws, executive orders, rules, and regulations affecting the performance of the provisions hereof, and no party

ONLINE version
December 2007

State/State
State/Fee

2

BOOK 1917 PAGE 426

2019 JUL 18 AM 8 42

hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this Agreement if compliance is prevented by or if such failure results from compliance with any such laws, orders, rules, and regulations.

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

9. This Agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities; provided, that this Agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the operator to obtain a pipeline connection or to market the gas therefrom, and if either: (a) a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this Agreement in order to prevent the expiration of such lease; or (b) each of the State of New Mexico oil and gas leases covering lands subject to this Agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this Agreement may be terminated at any time by mutual agreement of the parties hereto. This Agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such production, a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this Agreement.

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

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

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

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

ONLINE version
December 2007

State/State
State/Fee

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BOOK 1917 PAGE 427

2019 JUL 18 PM 8 42

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

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

OPERATOR:

COG OPERATING LLC

By: Mona D. Ables
Mona D. Ables
Vice President of Land

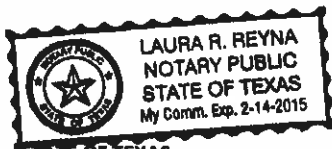
LESSEE OF RECORD:

RUBICON OIL AND GAS II, LP

By: [Signature]

STATE OF TEXAS §
§
COUNTY OF MIDLAND §

This instrument was acknowledged before me on June 19, 2014,
by Mona D. Ables, Vice President of Land of COG Operating LLC, a Delaware limited liability company, on
behalf of same.



[Signature]
Notary Public in and for the State of Texas

STATE OF TEXAS §
§
COUNTY OF MIDLAND §

This instrument was acknowledged before me on June 24, 2014,
by [Signature] of Rubicon Oil and Gas II, LP, a Texas
limited liability company on behalf of same.



[Signature]
Notary Public in and for the State of Texas

ONLINE version
December 2007

State/State
State/Fee

4

BOOK 1917 PAGE 428

2014 JUL 18 AM 8 42

STATE/STATE OR
STATE/FEE

EXHIBIT "A"

Attached to and made a part of that Communitization Agreement
dated ~~May~~ ^{March} 1, 2014, covering Township 21 South, Range 33 East, NMPM,
Section 5: E $\frac{1}{2}$ SW $\frac{1}{4}$ and Section 8: E $\frac{1}{2}$ NW $\frac{1}{4}$
Lea County NM, containing 160.00 acres, more or less.

OPERATOR of Communitized Area: COG Operating LLC

DESCRIPTION OF LEASES COMMITTED:

TRACT No 1

Serial No of Lease: VB-2059
Date of Lease: July 1, 2011
Lessor: State of New Mexico
Lessee of Record: Rubicon Oil and Gas II, LP
Description of Lands Committed: Insofar and only insofar as lease covers
Township 21 South, Range 33 East, NMPM
Section 5: E $\frac{1}{2}$ SW $\frac{1}{4}$
Lea County, New Mexico
No. of Acres: 80.00, more or less
Royalty Rate: Three-Sixteenth (3/16th)
Name and Percent of ORRI Owners: As of Record

TRACT No 2

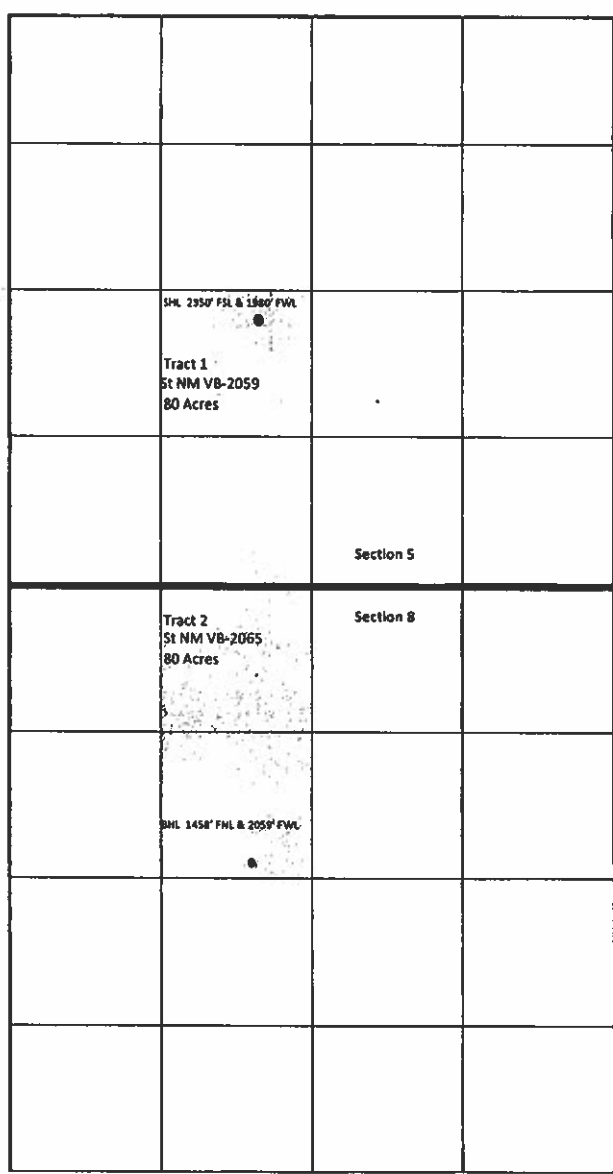
Serial No of Lease: VB-2065
Date of Lease: July 1, 2011
Lessor: State of New Mexico
Lessee of Record: Rubicon Oil and Gas II, LP
Description of Lands Committed: Insofar and only insofar as lease covers
Township 21 South, Range 33 East, NMPM
Section 8: E $\frac{1}{2}$ NW $\frac{1}{4}$
Lea County, New Mexico
No. of Acres: 80.00, more or less
Royalty Rate: Three-Sixteenth (3/16th)
Name and Percent of ORRI Owners: As of Record

2019 JUL 18 PM 8 42

ONLINE version
December 2007State/State
State/Fee

BOOK 1917 PAGE 429

Plat of communitized area covering Township 21 South, Range 33 East, NMPM,
Section 5: E½SW¼ and Section 8: E½NW¼,
Lea County NM, containing 160.00 acres, more or less.



ONLINE version
December 2007

State/State
State/Fee

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BOOK 1917 PAGE 430

RECAPITULATION

Tract Number	Number of Acres Committed	Percentage of Interest in Communitized Area
No 1	80.00	50.00000%
No 2	80.00	50.00000%
Total	160.00	100.00000%

25622

STATE OF NEW MEXICO
COUNTY OF LEA
FILED

SEP 30 2014

At 12:25 o'clock P M
and recorded in Book _____
Page _____
Pat Chappelle, Lea County Clerk
By C. Long Deputy



ONLINE version
December 2007

State/State
State/Fee

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BOOK 1917 PAGE 431

25-a

LEA COUNTY, NM
KEITH HANES, COUNTY CLERK
888819821
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02/07/2018 02:11 PM
BY HAYNE COLE

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

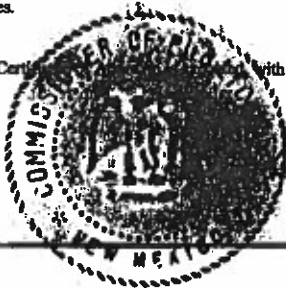
COG Operating LLC
Becknell State Com Well #4H
Vertical Extent: Bone Spring
Township: 21 South, Range: 33 East, NMPM
Section 5: W2SW4
Section 8: W2W2
Section 17: W2NW4
Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated June 15, 2017, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

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

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

IN WITNESS WHEREOF, this Certificate is signed and with seal affixed, this 18th Day of January, 2018.



[Signature]
COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

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

**STATE/STATE OR
STATE/FEE**
Revised Feb. 2013

COMMUNITIZATION AGREEMENT
ONLINE Version

STATE OF NEW MEXICO §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF Lea §

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of June 15, 2017, by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

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

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

WHEREAS, said leases, insofar as they cover the Bone Spring formation (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

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

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

ONLINE version
February 2013

State/State
State/Fee

LEA COUNTY, NM
KEITH HANES, COUNTY CLERK
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BY WAYNE COLE

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

Township 21 South, Range 33 East, N.M.P.M.

Section 5: W $\frac{1}{2}$ SW $\frac{1}{4}$

Section 8: W $\frac{1}{2}$ W $\frac{1}{2}$

Section 17: W $\frac{1}{2}$ NW $\frac{1}{4}$

Lea County, New Mexico

containing 320.00 acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

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

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

2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.

3. Subject to Paragraph 4, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.

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February 2013

State/State
State/Fee

LEA COUNTY, NM
KEITH HANES, COUNTY CLERK
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BY WAYNE COLE

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

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

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

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

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

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

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February 2013

State/State
State/Fee

LEA COUNTY, NM
KEITH HANCO, COUNTY CLERK
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BY WAYNE COLE

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within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

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

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

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

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

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

ONLINE version
February 2013

State/State
State/Fee

LEA COUNTY, NM
KEITH HANES, COUNTY CLERK
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BY WAYNE COLE

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

OPERATOR AND LESSEE OF RECORD (VO-3427-0003)
COG OPERATING LLC

BY: Mark A. Carter
Mark A. Carter
Attorney-in-Fact

LESSEE OF RECORD (VB-2059-0000, VB-2065-0000, VB-2100-0000)
RUBICON OIL AND GAS II, LP

BY: W. Berth Smith
Print: W. Berth Smith
Title: President

STATE OF TEXAS §
COUNTY OF MIDLAND §

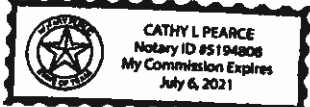
This instrument was acknowledged before me on November 17 2017, by Mark A. Carter, Attorney-in-Fact, of COG Operating LLC, a Delaware limited liability company, on behalf of same.



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

STATE OF Texas §
COUNTY OF Midland §

This instrument was acknowledged before me on July 17, 2017, by W. Berth Smith, President of Rubicon Oil & Gas II, LP, a Texas limited liability company, on behalf of same.



Cathy L. Pearce
Notary Public in and for the State of Texas

ONLINE version
February 2013

State/State
State/Fee

LEA COUNTY, NM
KEITH HANES, COUNTY CLERK
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BY WAYNE COLE

EXHIBIT "A"

Attached to and made a part of that Communitization Agreement dated June 15, 2017,
covering the W $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 5, W $\frac{1}{2}$ W $\frac{1}{2}$ of Section 8 and the W $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 17,
Township 21 South, Range 33 East, N.M.P.M., Lea County, New Mexico

OPERATOR of Communitized Area: COG Operating LLC

DESCRIPTION OF LEASES COMMITTED:**TRACT NO. 1**

Serial No. of Lease: VB-2059-0000
Date of Lease: July 1, 2011
Lessor: State of New Mexico
Lessee of Record: Rubicon Oil and Gas II, LP
Description of Lands Committed: Insofar and only insofar as lease covers
Township 21 South, Range 33 East, N.M.P.M.
Section 5: W $\frac{1}{2}$ SW $\frac{1}{4}$
Lea County, New Mexico
No. of Acres: 80.00, more or less
Royalty Rate: Three-Sixteenth (3/16th)
Name and Percent of ORRI Owners: As of Record

TRACT NO. 2

Serial No. of Lease: VB-2065-0000
Date of Lease: July 1, 2011
Lessor: State of New Mexico
Lessee of Record: Rubicon Oil and Gas II, LP
Description of Lands Committed: Insofar and only insofar as lease covers
Township 21 South, Range 33 East, N.M.P.M.
Section 8: W $\frac{1}{2}$ NW $\frac{1}{4}$
Lea County, New Mexico
No. of Acres: 80.00, more or less
Royalty Rate: Three-Sixteenth (3/16th)
Name and Percent of ORRI Owners: As of Record

TRACT NO. 3

Serial No. of Lease: VB-2100-0000
Date of Lease: October 1, 2011
Lessor: State of New Mexico
Lessee of Record: Rubicon Oil and Gas II, LP
Description of Lands Committed: Insofar and only insofar as lease covers
Township 21 South, Range 33 East, NMPM
Section 8: W $\frac{1}{2}$ SW $\frac{1}{4}$
Lea County, New Mexico
No. of Acres: 80.00, more or less
Royalty Rate: Three-Sixteenth (3/16th)
Name and Percent of ORRI Owners: As of Record

ONLINE version
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State/State
State/Fee

LEA COUNTY, NM
KEITH HANES, COUNTY CLERK
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BY WAYNE COLE

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TRACT NO. 4

Serial No. of Lease:
Date of Lease:
Lessor:
Lessee of Record:
Description of Lands Committed:

V0-3427-0003
September 1, 1990
State of New Mexico
COG Operating LLC
Insofar and only insofar as lease covers
Township 21 South, Range 33 East, NMPM
Section 17: W $\frac{1}{2}$ NW $\frac{1}{4}$
Lea County, New Mexico
80.00, more or less
One-sixth (1/6th)
As of Record

No. of Acres:
Royalty Rate:
Name and Percent of ORRI Owners:

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ONLINE version
February 2013

State/State
State/Fee

LEA COUNTY, NM
KEITH HANES, COUNTY CLERK
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BY WAYNE COLE

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Plat of communized area covering
W½SW¼ of Section 5, W½W¼ of Section 8 and the W½NW¼ of Section 17,
Township 21 South, Range 33 East, Lea County, New Mexico

RECORDER'S MEMORANDUM
At the time of recording, this instrument
was found to be partially illegible.
All blackouts, creases, streaks and white-
outs were present at recording.

30.1 30.0' FUL & 30.0' FUL Tract 1 St NM V8-2058-0000 80.0 ac.		SECTION 5	
Tract 2 St NM V8-2065-0000 80.0 ac.			
		SECTION 8	
Tract 3 St NM V8-2100-0000 80.0 ac.			
		SECTION 17	
Tract 4 St NM V8-2427-0000 80.0 ac. 30.1 30.0' FUL & 30.0' FUL			

RECAPITULATION

Tract Number	Number of Acres Committed	Percentage of Interest in Communized Area
No. 1	80.00	25.00%
No. 2	80.00	25.00%
No. 3	80.00	25.00%
No. 4	80.00	25.00%
Total	320.00	100.00%

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State/State
State/Fee

LEA COUNTY, NM
KEITH HANE8, COUNTY CLERK
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BY HAYNE COLE

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February 4, 2021

Commissioner of Public Lands
NM State Land Office
P. O. Box 1148
Santa Fe, NM 87504-1148

RE: Application for CTB and Lease Commingle

Becknell State Com 3H
API# 30-025-41299
Wildcat G-08 S213304D; Bone Spring
Ut. K, Sec. 5-T21S-R33E
Lea County, NM

Becknell State Com 4H
API# 30-025-43856
Wildcat G-08 S213304D; Bone Spring
Ut. L, Sec. 5-T21S-R33E
Lea County, NM

To Whom it May Concern:

Please find enclosed check in the amount of \$150.00, which constitutes payment of the required fee for the referenced Lease Commingling application.

If you have any questions, please do not hesitate to contact me at jbarron@concho.com or 575-748-6974.

Sincerely,

A handwritten signature in black ink that reads "Jeanette Barron".

Jeanette Barron
Regulatory Technician II

CORPORATE ADDRESS

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

ARTESIA WEST OFFICE

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

**NEW MEXICO
STATE
LAND OFFICE**

**APPLICATION FOR
COMMINGLING AND OFF-LEASE STORAGE
ON STATE TRUST LANDS**



This application form is required for all commingling applications requiring approval by the Commissioner of Public Lands.

Applicant: COG OPERATING, LLC
Well Name: Becknell State Com 3H
Pool: WC-025 G-08 S213304D; Bone Spring

OGRID #: 229137
API #: 30-025-41299

OPERATOR NAME: COG OPERATING, LLC
OPERATOR ADDRESS: 2208 W. MAIN STREET, ARTESIA, NEW MEXICO

APPLICATION REQUIREMENTS – SUBMIT:

1. New Mexico Oil Conservation Division (NMOCD) application packet (or equivalent information if no application is required by NMOCD),
2. Commingling application fee of \$150.

CERTIFICATION: To the best of my knowledge,

- All business leases and rights-of-way necessary for conducting the proposed operation on State Trust lands have been applied for or obtained,
- The information submitted with this application is **accurate** and **complete**, and
- No loss will accrue to the state of New Mexico as a result of the proposed operation.

I also understand that **no action** will be taken on this application until the required information and fee are submitted to the State Land Office.

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

Jeanette Barron

Print or Type Name

Jeanette Barron
 Signature

Date

2/4/21

575.748.6974

Phone Number

jbarron@concho.com

e-mail Address

Submit application to:
 Commissioner of Public Lands
 Attn: Commingling Manager
 PO Box 1148
 Santa Fe, NM 87504-1148

Questions?
Contact the Commingling Manager:
 505.827.5791

Upon approval, the requesting organization will receive an acknowledgment letter from the Commissioner of Public Lands.

**NEW MEXICO
STATE
LAND OFFICE**

**APPLICATION FOR
COMMINGLING AND OFF-LEASE STORAGE
ON STATE TRUST LANDS**



This application form is required for all commingling applications requiring approval by the Commissioner of Public Lands.

Applicant: COG OPERATING, LLC

OGRID #: 229137

Well Name: Becknell State Com 4H

API #: 30-025-43856

Pool: WC-025 G-08 S213304D; Bone Spring

OPERATOR NAME: COG OPERATING, LLC

OPERATOR ADDRESS: 2208 W. MAIN STREET, ARTESIA, NEW MEXICO

APPLICATION REQUIREMENTS – SUBMIT:

1. New Mexico Oil Conservation Division (NMOCD) application packet (or equivalent information if no application is required by NMOCD),
2. Commingling application fee of \$150.

CERTIFICATION: To the best of my knowledge,

- All business leases and rights-of-way necessary for conducting the proposed operation on State Trust lands have been applied for or obtained,
- The information submitted with this application is **accurate** and **complete**, and
- No loss will accrue to the state of New Mexico as a result of the proposed operation.

I also understand that **no action** will be taken on this application until the required information and fee are submitted to the State Land Office.

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

Jeanette Barron

Print or Type Name

Jeanette Barron

Signature

Date

2/4/21

575.748.6974

Phone Number


jbarron@concho.com


e-mail Address

Submit application to:
Commissioner of Public Lands
Attn: Commingling Manager
PO Box 1148
Santa Fe, NM 87504-1148

Questions?
Contact the Commingling Manager:
505.827.5791

Upon approval, the requesting organization will receive an acknowledgment letter from the Commissioner of Public Lands.

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>■ Complete items 1, 2, and 3.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>		<p>A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Address</p> <p>B. Received by (Printed Name) C. Date of Delivery</p>	
<p>1.  9590 9402 3634 7305 8194 81</p>		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, delivery address below:</p>	
<p>CHEVRON U.S.A. INC. 6301 DEAUVILLE BLVD MIDLAND, TX 79706</p>		<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restrict Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation</p> <p><input type="checkbox"/> Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p>	
<p>2. Article Number (Transfer from service label)</p> <p>7017 3040 0000 1206 4784</p>		<p>PS Form 3811, July 2015 PSN 7530-02-000-9053</p>	

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>■ Complete items 1, 2, and 3.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>		<p>A. Signature <input type="checkbox"/> Agent <input type="checkbox"/> Address</p> <p>B. Received by (Printed Name) C. Date of Delivery</p>	
<p>1.  9590 9402 3634 7305 8195 04</p>		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, delivery address below:</p>	
<p>HAYES REVOCABLE TRUST 3608 MEADOWRIDGE LANE MIDLAND, TX 79707</p>		<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restrict Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation</p> <p><input type="checkbox"/> Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p>	
<p>2. Article Number (Transfer from service label)</p> <p>7017 3040 0000 1206 4807</p>		<p>PS Form 3811, July 2015 PSN 7530-02-000-9053</p>	

Becknell St Com 3H, 4H CTB								
Date Sent	Initials	Name	Address	City	State	ZipCode	Certified Return Receipt No.	Delivered
04.20.21	JB	EGL Resources Inc	PO Box 10886	Midland	TX	79702	7017 3040 0000 1205 1500	

From: [Landon Lanier](#)
To: [Barron, Jeanette](#)
Subject: RE: [EXTERNAL]RE: mailing address
Date: Monday, June 7, 2021 2:58:00 PM
Attachments: [image001.png](#)

Jeanette,

EGL does not have any objections.

Thanks!



Landon Lanier
C: (432) 889-0975
O: (432) 686-4347

CONFIDENTIALITY NOTICE: This email and any files transmitted herewith are confidential and are intended solely for the use of the individual or entity to which they are addressed. This communication may contain material protected by the attorney-client privilege. If you are not the intended recipient or the person responsible for delivering the email to the intended recipient, be advised that you have received this email in error and that any use, dissemination, forwarding, printing or copying of this email is strictly prohibited. If you have received this email in error, please immediately delete the transmission and notify the office of PBEX, LLC, at 432-686-4348

TREASURY CIRCULAR 230 DISCLOSURE: This written advice was not intended or written to be used, and it cannot be used by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer. (The foregoing legend has been affixed pursuant to U.S. Treasury Regulations governing tax practice.)

From: Landon Lanier
Sent: Monday, June 7, 2021 12:25 PM
To: Barron, Jeanette <Jeanette.Barron@conocophillips.com>
Subject: RE: [EXTERNAL]RE: mailing address

Jeanette,

Received 6/7/2021. I will review the documents and advise following the review process.

Thanks!



Landon Lanier
C: (432) 889-0975

O: (432) 686-4347

CONFIDENTIALITY NOTICE: This email and any files transmitted herewith are confidential and are intended solely for the use of the individual or entity to which they are addressed. This communication may contain material protected by the attorney-client privilege. If you are not the intended recipient or the person responsible for delivering the email to the intended recipient, be advised that you have received this email in error and that any use, dissemination, forwarding, printing or copying of this email is strictly prohibited. If you have received this email in error, please immediately delete the transmission and notify the office of PBEX, LLC, at 432-686-4348

TREASURY CIRCULAR 230 DISCLOSURE: This written advice was not intended or written to be used, and it cannot be used by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer. (The foregoing legend has been affixed pursuant to U.S. Treasury Regulations governing tax practice.)

From: Barron, Jeanette <Jeanette.Barron@conocophillips.com>

Sent: Monday, June 7, 2021 12:19 PM

To: Landon Lanier <landon@pbex.com>

Subject: RE: [EXTERNAL]RE: mailing address

Hello Landon,

Thank you so much for calling and sending me your information. Please see attached paperwork, if you can please let me know you have received this and or if you have any objections...thanks a million!

Thank you,

Jeanette Barron | Regulatory Technician II, Delaware Basin NM Regulatory | **ConocoPhillips**

O: 575-748-6974 | **C:** 575-703-7411 | 2208 W. Main Street, Artesia, New Mexico

From: Landon Lanier <landon@pbex.com>

Sent: Monday, June 7, 2021 11:12 AM

To: Barron, Jeanette <Jeanette.Barron@conocophillips.com>

Subject: [EXTERNAL]RE: mailing address

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Jannette,

Please see the below mailing address:

P.O. Box 10886
Midland, TX 79702

Please feel free to send any documents over via email as discussed.

Thanks!



Landon Lanier
C: (432) 889-0975
O: (432) 686-4347

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TREASURY CIRCULAR 230 DISCLOSURE: This written advice was not intended or written to be used, and it cannot be used by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer. (The foregoing legend has been affixed pursuant to U.S. Treasury Regulations governing tax practice.)

From: Barron, Jeanette <Jeanette.Barron@conocophillips.com>
Sent: Monday, June 7, 2021 11:54 AM
To: ownerrelations@eglresources.com
Subject: mailing address
Importance: High

Hello,

Can someone please call me when you have a minute. I have attempted several times to send certified mail and have had them returned to me due to incorrect address. I need to get this information to the company and would like to get ahold of the correct person to make sure this information is received.

Please call or email at your earliest convenience.

Thank you,

Jeanette Barron | Regulatory Technician II, Delaware Basin NM Regulatory | **ConocoPhillips**
O: 575-748-6974 | C: 575-703-7411 | 2208 W. Main Street, Artesia, New Mexico

communitization agreement

[Download](#)
[Printer Friendly](#)
[Instructions](#)
[Post a comment!](#)

Communitization Name:

BECKNELL STATE COM WELL #3H (BS)

Current Operator:

Original Operator: COG OPERATING LLC [[Operator Details](#)]

PUN: 1339519

Communitization Status Code: Approved

Comm Beneficiary Institution: COMMON SCHOOLS

OCD Order Number 0

Approval Date: 09-05-2014

Effective Date: 03-01-2014

Termination Date: 12-31-9999

Termination Reason: AMENDMENT

Remarks: ALSO E2NW4 SEC 8

Location:

LEA County

Section Township Range STR Location

5 21S 33E E2SW4 [[Land Details](#)]

Acreage:

Fee: 0

Indian: 0

State: 160

Federal: 0

Total: 160

Leases in this agreement:

VB-2059-0001 [[Lease Information](#)]

VB-2065-0001 [[Lease Information](#)]

Wells in this agreement:

API Number	Well Number	Township	Range	Section	Unit	Lot	Pool Name	Property Name
3002541299	003H	21S	33E	17	F		WC-025 G-08 S213304D;BONE SPRING	BECKNELL STATE COM

communitization agreement

[Download](#)
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[Post a comment!](#)

Communitization Name:

BECKNELL STATE COM WELL #4H

Current Operator:

Original Operator: COG OPERATING LLC

[\[Operator Details \]](#)

PUN: 1366762

Communitization Status Code: Approved

Comm Beneficiary Institution:

OCD Order Number 0

Approval Date: 01-08-2018

Effective Date: 06-15-2017

Termination Date: 12-31-9999

Termination Reason: AMENDMENT

Remarks: ALSO IN W2W2 SECT 8, W2NW4 SECT 17; BONE SPRING FM.

Location:

County

Section Township Range STR Location

5 21S 33E W2SW4 [\[Land Details \]](#)

Acreage:

Fee: 0

Indian: 0

State: 320

Federal: 0

Total: 320

Leases in this agreement:

V0-3427-0003 [\[Lease Information \]](#)

VB-2059-0001 [\[Lease Information \]](#)

VB-2065-0001 [\[Lease Information \]](#)

VB-2100-0001 [\[Lease Information \]](#)

Wells in this agreement:

API Number	Well Number	Township	Range	Section	Unit	Lot	Pool Name	Property Name
3002543856	004H	21S	33E	17	E		WC-025 G-08 S213304D;BONE SPRING	BECKNELL STATE COM

From: [Engineer, OCD, EMNRD](#)
To: [Barron, Jeanette](#)
Cc: [McClure, Dean, EMNRD](#); [Simmons, Kurt, EMNRD](#); [Bratcher, Mike, EMNRD](#); [Kautz, Paul, EMNRD](#); [Hawkins, James, EMNRD](#); [Powell, Brandon, EMNRD](#); [lisa@rwbyram.com](#); [Holm, Anchor E.](#); [Dawson, Scott](#)
Subject: Approved Administrative Order CTB-982
Date: Friday, July 2, 2021 5:26:58 PM
Attachments: [CTB982 Order.pdf](#)

NMOCD has issued Administrative Order CTB-982 which authorizes COG Operating, LLC (229137) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool Code
30-025-41299	Becknell State Com #3H	E/2 SW/4	5-21S-33E	97895
		E/2 NW/4	8-21S-33E	
30-025-43856	Becknell State Com #4H	W/2 SW/4	5-21S-33E	97895
		W/2 W/2	8-21S-33E	
		W/2 NW/4	17-21S-33E	

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. If you have any questions regarding this matter, please contact me.

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

From: [Barron, Jeanette](#)
To: [McClure, Dean, EMNRD](#)
Subject: [EXT] RE: [EXTERNAL]surface commingling application CTB-982
Date: Tuesday, April 20, 2021 8:06:54 AM
Attachments: [Becknell St Com 3H & 4H Chevron&Hayes.pdf](#)

Good morning Dean,
 Please see attached for Chevron and Hayes. I will resend to EGL Resources as I have neither the return or green card.

Dean on another note can you please call me when you have a minute...thanks

Thank you,

Jeanette Barron | Regulatory Technician II, Delaware Basin NM Regulatory | **ConocoPhillips**

O: 575-748-6974 | **C:** 575-703-7411 | 2208 W. Main Street, Artesia, New Mexico

From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Sent: Monday, April 19, 2021 5:20 PM
To: Barron, Jeanette <Jeanette.Barron@conocophillips.com>
Subject: [EXTERNAL]surface commingling application CTB-982

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Ms. Barron,

I'm reviewing surface commingling application CTB-982 which involves the Becknell State Com 3H Battery operated by COG Operating, LLC (229137).

Please confirm that the following persons have received notice of this application:

2/11/2021	CHEVRON USA INC	7017 3040 0000 1206 4784	In-Transit
3/8/2021	EGL RESOURCES INC	7017 3040 0000 1206 4791	Returned
2/11/2021	HAYES REVOCABLE TRUST	7017 3040 0000 1206 4807	In-Transit

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

From: [Barron, Jeanette](#)
To: [McClure, Dean, EMNRD](#)
Subject: [EXT] RE: [EXTERNAL]surface commingling application CTB-982
Date: Monday, June 7, 2021 3:11:00 PM
Attachments: [RE EXTERNALRE mailing address.msg](#)

Hello Dean,
Please see attached email as proof of notice to EGL Resources.

Thank you,

Jeanette Barron | Regulatory Technician II, Delaware Basin NM Regulatory | ConocoPhillips
O: 575-748-6974 | **C:** 575-703-7411 | 2208 W. Main Street, Artesia, New Mexico

From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Sent: Thursday, May 27, 2021 1:45 PM
To: Barron, Jeanette <Jeanette.Barron@conocophillips.com>
Subject: RE: [EXTERNAL]surface commingling application CTB-982

Hello Jeanette,

It looks like the second attempt at notice has been returned as well. Do you have a status update on COG's intent to provide notice of this application to EGL Resources?

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

From: Barron, Jeanette <Jeanette.Barron@conocophillips.com>
Sent: Tuesday, April 20, 2021 8:37 AM
To: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Subject: [EXT] RE: [EXTERNAL]surface commingling application CTB-982

Hello Dean,
Attached is the certified mail information for EGL Resources.

Thank you,

Jeanette Barron | Regulatory Technician II, Delaware Basin NM Regulatory | ConocoPhillips
O: 575-748-6974 | **C:** 575-703-7411 | 2208 W. Main Street, Artesia, New Mexico

From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Sent: Monday, April 19, 2021 5:20 PM

To: Barron, Jeanette <Jeanette.Barron@conocophillips.com>

Subject: [EXTERNAL]surface commingling application CTB-982

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Ms. Barron,

I'm reviewing surface commingling application CTB-982 which involves the Becknell State Com 3H Battery operated by COG Operating, LLC (229137).

Please confirm that the following persons have received notice of this application:

2/11/2021	CHEVRON USA INC	7017 3040 0000 1206 4784	In-Transit
3/8/2021	EGL RESOURCES INC	7017 3040 0000 1206 4791	Returned
2/11/2021	HAYES REVOCABLE TRUST	7017 3040 0000 1206 4807	In-Transit

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

Notice

Order: **CTB-982**

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

Publication Date:

Date Sent: **2/4/2021**

Noticed Persons

Date	Person	Certified Tracking Number	Status
2/9/2021	COMMISSIONER OF PUBLIC LANDS	7017 3040 0000 1206 4753	Delivered
2/8/2021	ADVANCE ENERGY PRN HAT MESA LLC	7017 3040 0000 1206 4760	Delivered
2/11/2021	BULLHEAD ENERGY, LLC	7017 3040 0000 1206 4777	Delivered
2/8/2021	CHEVRON USA INC	7017 3040 0000 1206 4784	Delivered
3/8/2021	EGL RESOURCES INC	7017 3040 0000 1206 4791	Returned
2/8/2021	HAYES REVOCABLE TRUST	7017 3040 0000 1206 4807	Delivered
2/8/2021	JIM BRANNIGAN	7017 3040 0000 1206 4814	Delivered
2/8/2021	OLIVE PETROLEUM	7017 3040 0000 1206 4821	Delivered
2/8/2021	PBEX LLC	7017 3040 0000 1206 4838	Delivered
2/8/2021	QUIENTESA ROYALTY LP	7017 3040 0000 1206 4845	Delivered
2/8/2021	SCHLAGALBROTHERS	7017 3040 0000 1206 4852	Delivered
Notice sent on 4/20/21			
	EGL RESOURCES INC	7017 3040 0000 1205 1500	Returned
Response of No Protest			
6/7/2021	EGL RESOURCES INC	Email	Delivered

**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-982

ORDER

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

FINDINGS OF FACT

1. COG Operating, LLC (“Applicant”) submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells identified in Exhibit A (“Application”).
2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
3. 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.
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 of 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, 19.15.12 NMAC, and 19.15.23 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 satisfied the notice requirements for the Application in accordance with 19.15.23.9(A)(5) and (6) NMAC, as applicable.
9. Applicant’s proposed method of allocation, as modified herein, complies with 19.15.12.10(B)(1) or (C)(1) NMAC, as applicable.

10. 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.
11. 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 oil and gas production from the pools, leases, and wells identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery described in Exhibit A.

2. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling.
3. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15 NMAC or 19.15.23.8 NMAC.
4. Applicant shall measure and market the commingled gas at a central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9 NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8(B) NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8(E) NMAC.
5. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10(C)(2) NMAC.
6. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
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. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
9. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL
DIRECTOR**

DATE: 7/02/2021

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **CTB-982**

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

Central Tank Battery: **Becknell State Com 3H Battery**

Central Tank Battery Location: **Unit C, Section 5, Township 21 South, Range 33 East**

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

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

Central Tank Battery: **Jal Offload Station**

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

Gas Title Transfer Meter Location: **Unit C, Section 5, Township 21 South, Range 33 East**

Pools

Pool Name	Pool Code
WC-025 G-08 S213304D; BONE SPRING	97895

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
CA Bone Spring NMSLO 1339519	E/2 SW/4	5-21S-33E
	E/2 NW/4	8-21S-33E
CA Bone Spring NMSLO 1366762	W/2 SW/4	5-21S-33E
	W/2 W/2	8-21S-33E
	W/2 NW/4	17-21S-33E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool Code
30-025-41299	Becknell State Com #3H	E/2 SW/4	5-21S-33E	97895
		E/2 NW/4	8-21S-33E	
30-025-43856	Becknell State Com #4H	W/2 SW/4	5-21S-33E	97895
		W/2 W/2	8-21S-33E	
		W/2 NW/4	17-21S-33E	

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 17100

CONDITIONS

Operator: COG OPERATING LLC 600 W Illinois Ave Midland, TX 79701	OGRID: 229137
	Action Number: 17100
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	7/2/2021