



ConocoPhillips  
2208 West Main Street  
Artesia, New Mexico 88210  
www.conocophillips.com

October 20, 2022

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

Re: Application for Administrative Approval of Pool Lease Commingle

Dear Mr. McClure,

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

Atticus St Com 701H  
API# 30-015-49628  
Purple Sage; Wolfcamp  
Ut. M, Sec. 36-T25S-R27E  
Eddy County, NM

Atticus St Com 702H  
API# 30-015-49629  
Purple Sage; Wolfcamp  
Ut. P, Sec. 36-T25S-R27E  
Eddy County, NM

Atticus St Com 703H  
API# 30-015-49630  
Purple Sage; Wolfcamp  
Ut. M, Sec. 36-T25S-R27E  
Eddy County, NM

Atticus St Com 704H  
API# 30-015-49631  
Purple Sage; Wolfcamp  
Ut. P, Sec. 36-T25S-R27E  
Eddy County, NM

Atticus St Com 705H  
API# 30-015-49632  
Purple Sage; Wolfcamp  
Ut. M, Sec. 36-T25S-R27E  
Eddy County, NM

Atticus St Com 706H  
API# 30-015-49633  
Purple Sage; Wolfcamp  
Ut. P, Sec. 36-T25S-R27E  
Eddy County, NM

Atticus St Com 521H  
API# 30-015-49982  
Delaware River; Bone Spring  
Ut. M, Sec. 36-T25S-R27E  
Eddy County, NM

Atticus St Com 522H  
API# 30-015-49983  
Delaware River; Bone Spring  
Ut. P, Sec. 36-T25S-R27E  
Eddy 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. N, Sec. 36-T25S-R27E. 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 prior to being commingled and entering a gas flow line to the gas custody transfer meter at the Central Tank Battery located in Ut. O, Sec. 8-T24S-R33E.

Well testing will be by separating and measuring the oil and gas production from the well for a minimum of twenty-four consecutive hours.

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 and copy of Public Notice is enclosed.

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

Thank you for your attention to this matter.

Sincerely,

*Jeanette Barron*

Jeanette Barron  
Regulatory Coordinator



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: \_\_\_\_\_ OGRID Number: \_\_\_\_\_  
 Well Name: \_\_\_\_\_ API: \_\_\_\_\_  
 Pool: \_\_\_\_\_ Pool Code: \_\_\_\_\_

### 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.**

\_\_\_\_\_  
 Print or Type Name

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Phone Number

Jeanette Barron  
 Signature

\_\_\_\_\_  
 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 IV1220 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   ☐ FederalIs 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
98220 Purple Sage; Wolfcamp	49.50/1218	49.00/50.06			
16800 Delaware; Bone Spring	47.50/1197				

(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 Coordinator   DATE: \_\_\_\_\_TYPE OR PRINT NAME Jeanette Barron   TELEPHONE NO.: 575.748.6974E-MAIL ADDRESS: jeanette.barron@conocophillips.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

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Phone: (505) 334-6178 Fax: (505) 334-6170

District IV

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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 <b>30-015-49628</b>	2 Pool Code <b>98220</b>	3 Pool Name <b>Purple Sage; Wolfcamp (Gas)</b>
4 Property Code <b>327322</b>	5 Property Name <b>ATTICUS STATE COM</b>	6 Well Number <b>701H</b>
7 OGRID No. <b>229137</b>	8 Operator Name <b>COG OPERATING LLC</b>	9 Elevation <b>3095'</b>

<sup>10</sup> Surface Location

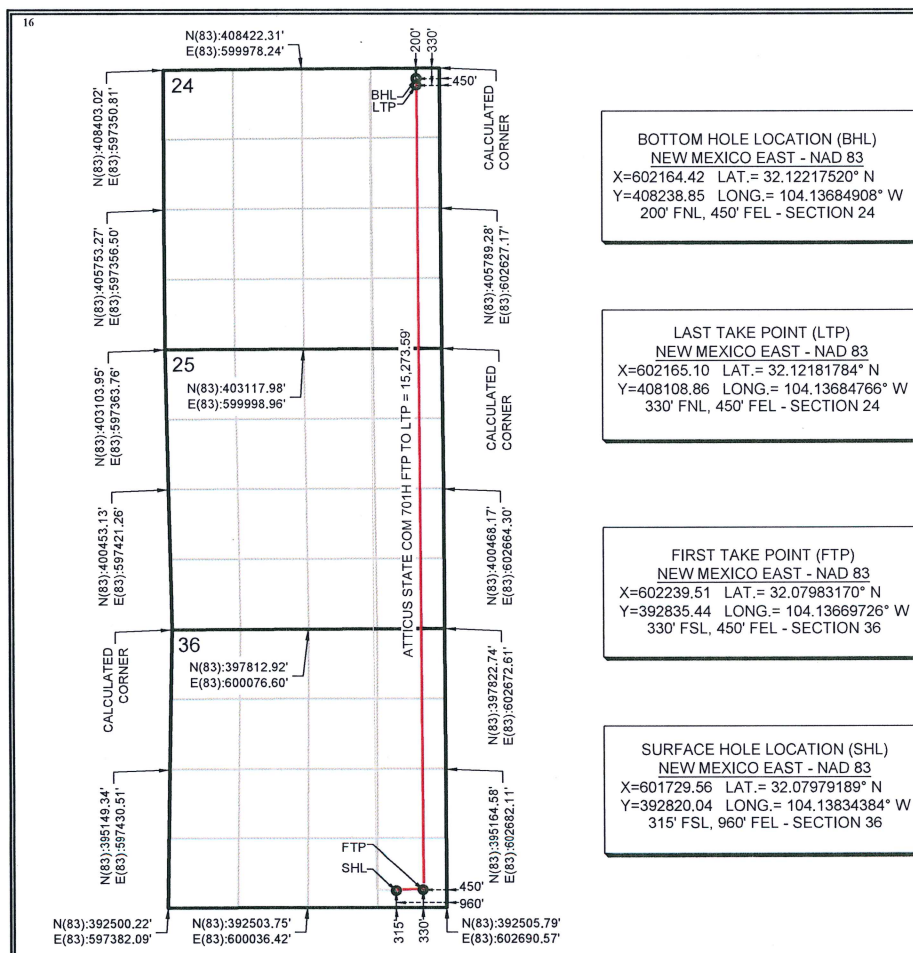
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	36	25-S	27-E		315'	SOUTH	960'	EAST	EDDY

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	24	25-S	27-E		200'	NORTH	450'	EAST	EDDY

12 Dedicated Acres <b>960</b>	13 Joint or Infill	14 Consolidation Code	15 Order No.
----------------------------------	--------------------	-----------------------	--------------

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.

<sup>17</sup> 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* 10.20.22

Signature

Date

Jeanette Barron

Printed Name

jeanette.barron@conocophillips.com

E-mail Address

<sup>18</sup> 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:

Certificate Number





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## State of New Mexico

## Energy, Minerals &amp; 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 <b>30-015-49629</b>	2 Pool Code <b>98220</b>	3 Pool Name <b>Purple Sage; Wolfcamp (Gas)</b>
4 Property Code <b>327322</b>	5 Property Name <b>ATTICUS STATE COM</b>	6 Well Number <b>702H</b>
7 OGRID No. <b>229137</b>	8 Operator Name <b>COG OPERATING LLC</b>	9 Elevation <b>3096'</b>

## 10 Surface Location

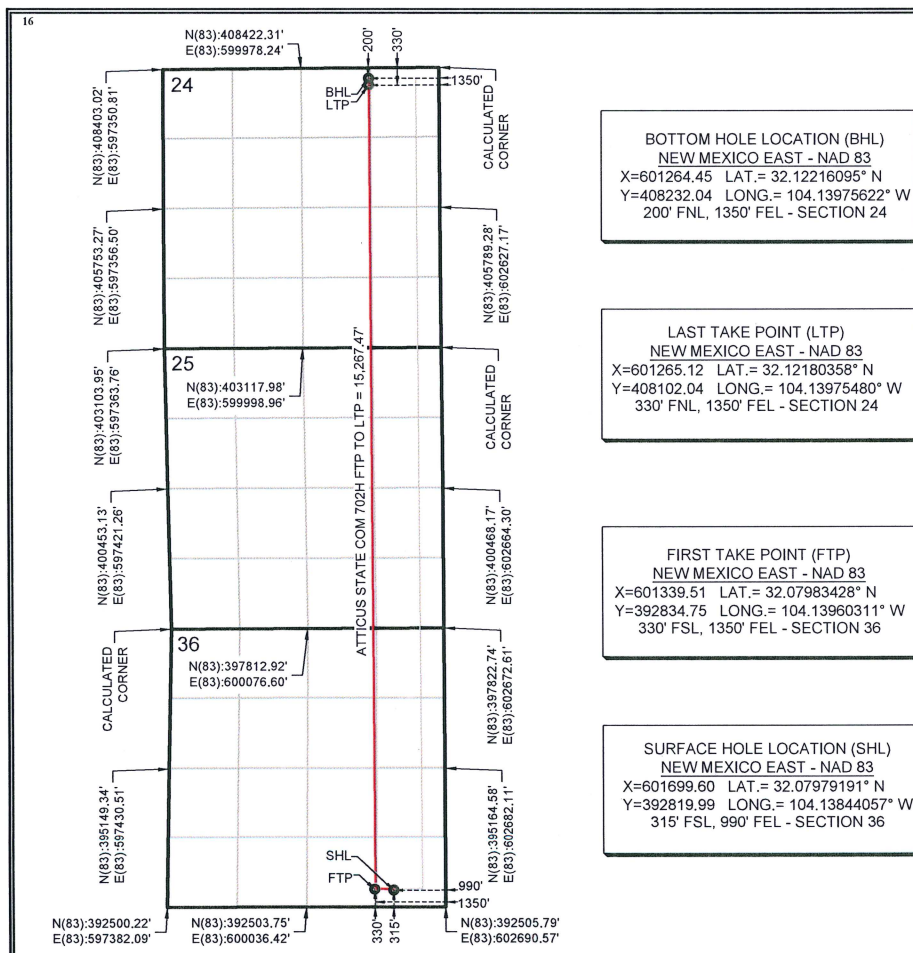
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	36	25-S	27-E		315'	SOUTH	990'	EAST	EDDY

## 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
B	24	25-S	27-E		200'	NORTH	1350'	EAST	EDDY

12 Dedicated Acres <b>960</b>	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.



## 17 OPERATOR CERTIFICATION

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Jeanette Barron 10.20.22  
Signature Date

Printed Name

jeanette.barron@conocophillips.com  
E-mail Address

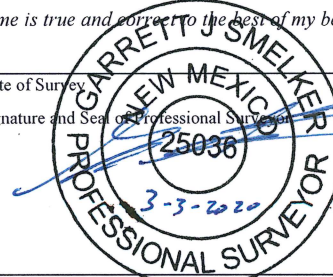
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Date of Survey

Signature and Seal of Professional Surveyor

Certificate Number



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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 <b>30-015-49630</b>	2 Pool Code <b>98220</b>	3 Pool Name <b>Purple Sage; Wolfcamp (Gas)</b>
4 Property Code <b>327322</b>	5 Property Name <b>ATTICUS STATE COM</b>	6 Well Number <b>703H</b>
7 OGRID No. <b>229137</b>	8 Operator Name <b>COG OPERATING LLC</b>	9 Elevation <b>3120.72'</b>

## 10 Surface Location

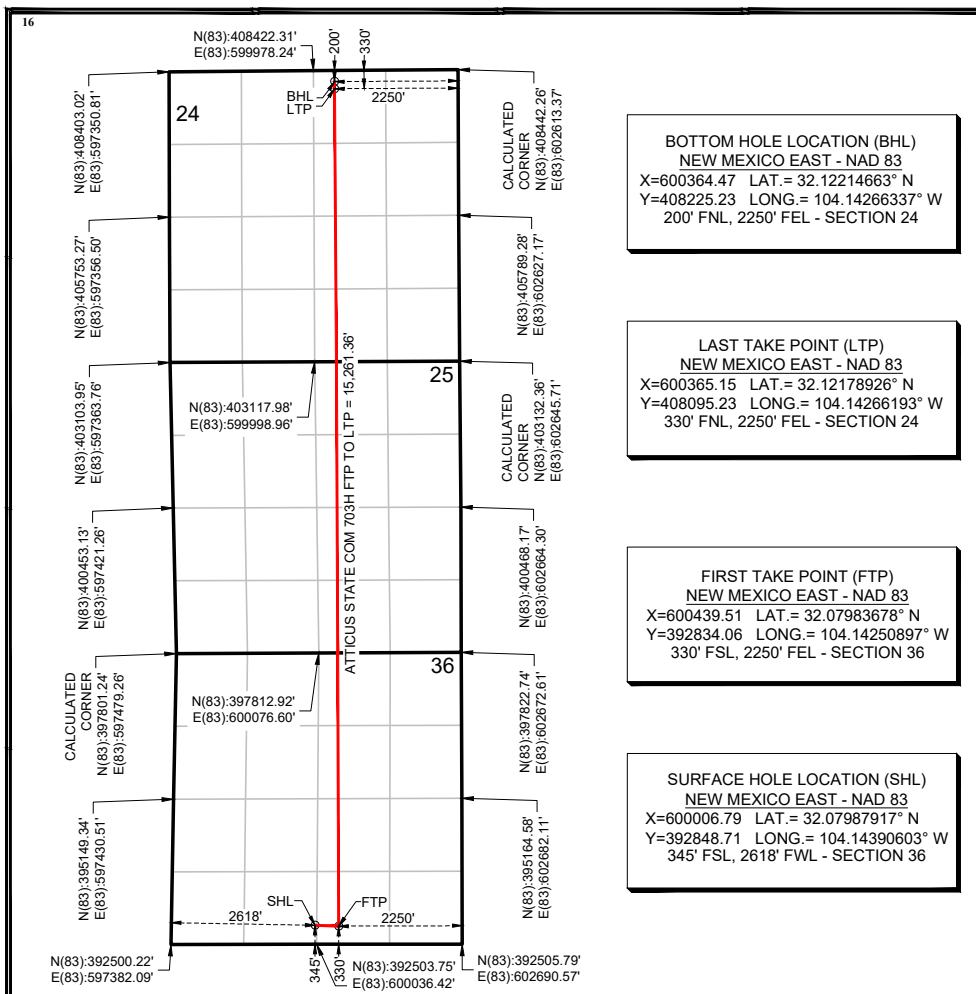
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	36	25-S	27-E		345'	SOUTH	2618'	WEST	EDDY

## 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
B	24	25-S	27-E		200'	NORTH	2250'	EAST	EDDY

12 Dedicated Acres <b>960</b>	13 Joint or Infill	14 Consolidation Code	15 Order No.
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## 17 OPERATOR CERTIFICATION

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Jeanette Barron 10.20.22  
Signature Date

Jeanette Barron  
Printed Name

jeanette.barron@conocophillips.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.

CHARLES L. JURICA 08/19/2022  
Date of Survey

Signature and Seal of Professional Surveyor

25490  
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  
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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 30-015-49631	2 Pool Code 98220	3 Pool Name PURPLE SAGE; WOLFCAMP
4 Property Code 327322	5 Property Name ATTICUS STATE COM	6 Well Number 704H
7 OGRID No. 229137	8 Operator Name COG OPERATING LLC	9 Elevation 3121'

<sup>10</sup> Surface Location

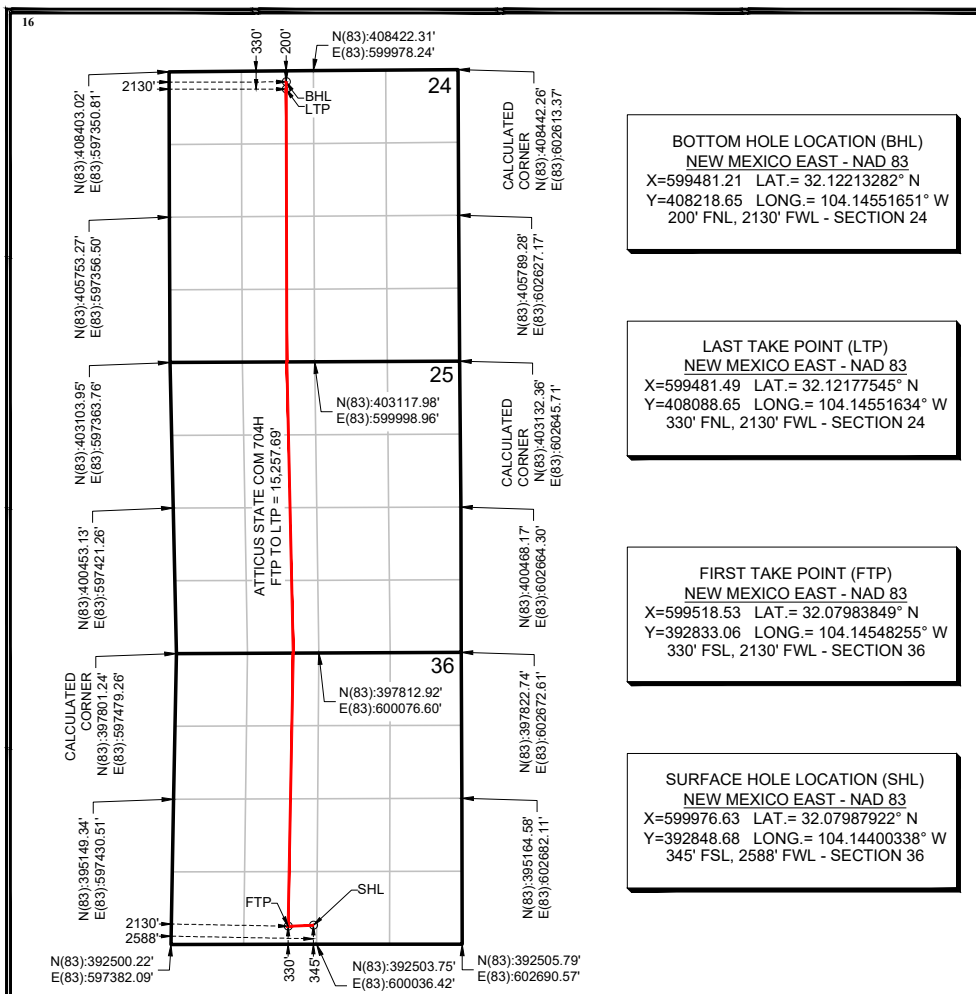
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	36	25-S	27-E		345'	SOUTH	2588'	WEST	EDDY

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	24	25-S	27-E		200'	NORTH	2130'	WEST	EDDY

12 Dedicated Acres 960	13 Joint or Infill	14 Consolidation Code	15 Order No.
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*Jeanette Barron* 10.20.22  
Signature Date

Jeanette Barron  
Printed Name

jeanette.barron@conocophillips.com  
E-mail Address

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08/19/2022  
Date of Survey

Signature and Seal of Professional Surveyor:

*Charles L. Jurica*  
25490  
PROFESSIONAL SURVEYOR  
Certificate Number



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## WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-015-49632	2 Pool Code 98220	3 Pool Name PURPLE SAGE; WOLFCAMP
4 Property Code 327322	5 Property Name ATTICUS STATE COM	6 Well Number 705H
7 OGRID No. 229137	8 Operator Name COG OPERATING LLC	9 Elevation 3143'

## 10 Surface Location

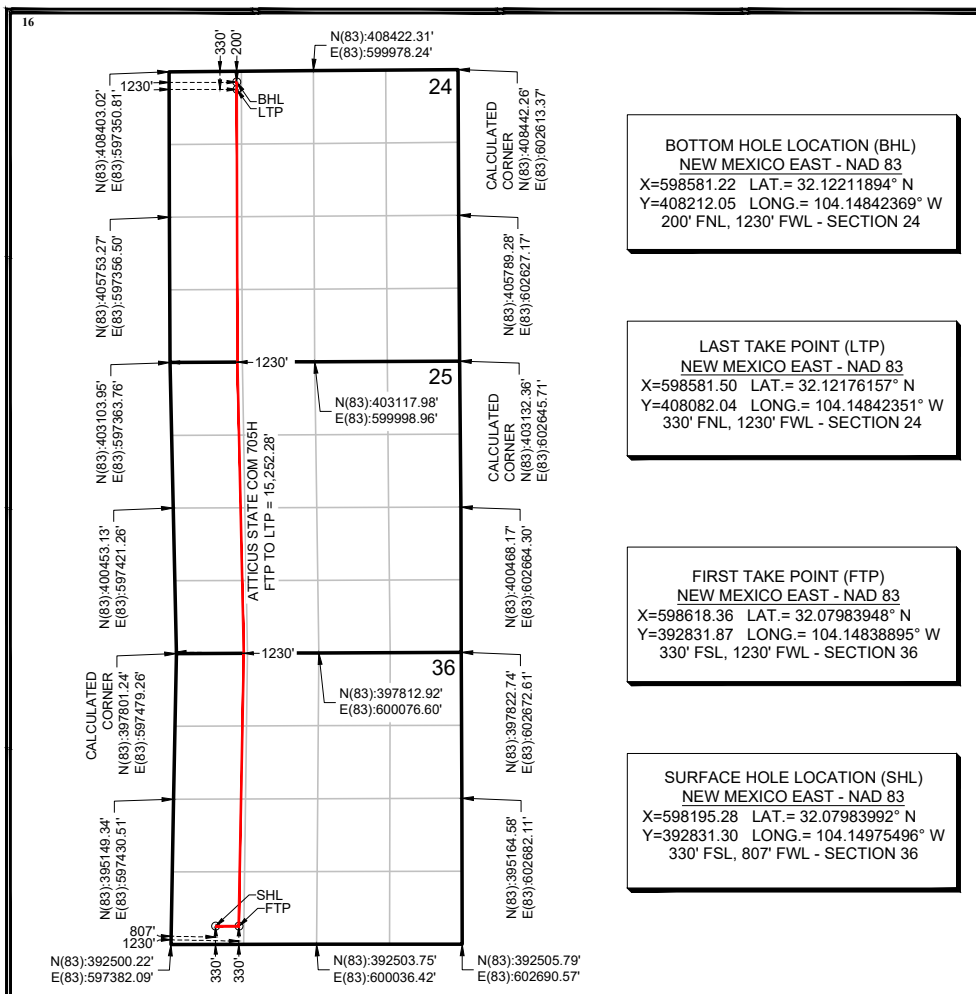
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	36	25-S	27-E		330'	SOUTH	807'	WEST	EDDY

## 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
D	24	25-S	27-E		200'	NORTH	1230'	WEST	EDDY

12 Dedicated Acres 960	13 Joint or Infill	14 Consolidation Code	15 Order No.
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*Jeanette Barron* 10.20.22  
Signature Date

Jeanette Barron  
Printed Name

jeanette.barron@conocophillips.com  
E-mail Address

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CHARLES L. JURICA 08/19/2022  
Date of Survey

Signature and Seal of Professional Surveyor:

25490  
PROFESSIONAL SURVEYOR  
Certificate Number

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## WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-015-49633	2 Pool Code 98220	3 Pool Name PURPLE SAGE; WOLFCAMP
4 Property Code 327322	5 Property Name ATTICUS STATE COM	6 Well Number 706H
7 OGRID No. 229137	8 Operator Name COG OPERATING LLC	9 Elevation 3143'

<sup>10</sup> Surface Location

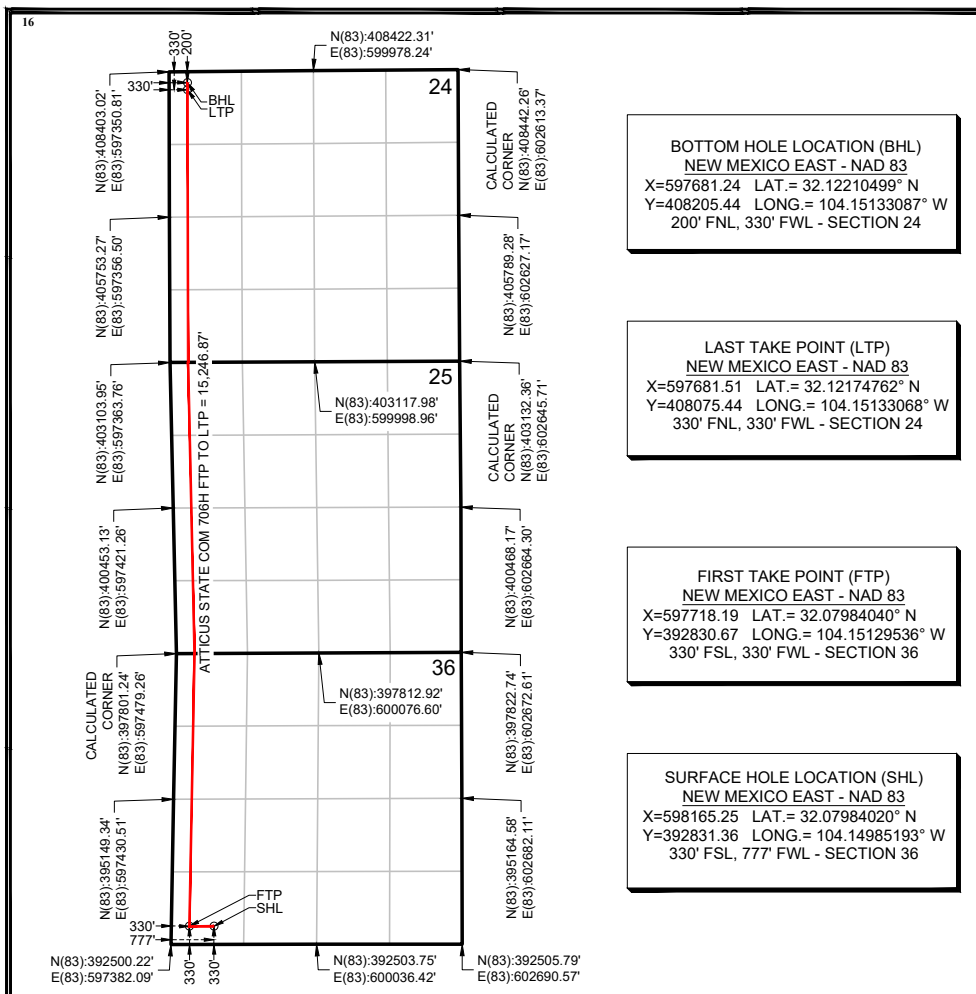
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	36	25-S	27-E		330'	SOUTH	777'	WEST	EDDY

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	24	25-S	27-E		200'	NORTH	330'	WEST	EDDY

12 Dedicated Acres 960	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.

**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* 10.20.22  
Signature Date

Jeanette Barron  
Printed Name

jeanette.barron@conocophillips.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.

CHARLES L. JURICA 08/19/2022  
Date of Survey

Signature and Seal of Professional Surveyor:  
25490

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

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 <b>30-015-49982</b>	2 Pool Code <b>16800</b>	3 Pool Name <b>Delaware River; Bone Spring</b>
4 Property Code <b>327322</b>	5 Property Name <b>ATTICUS STATE COM</b>	6 Well Number <b>521H</b>
7 OGRID No. <b>229137</b>	8 Operator Name <b>COG OPERATING LLC</b>	9 Elevation <b>3120.07'</b>

<sup>10</sup> Surface Location

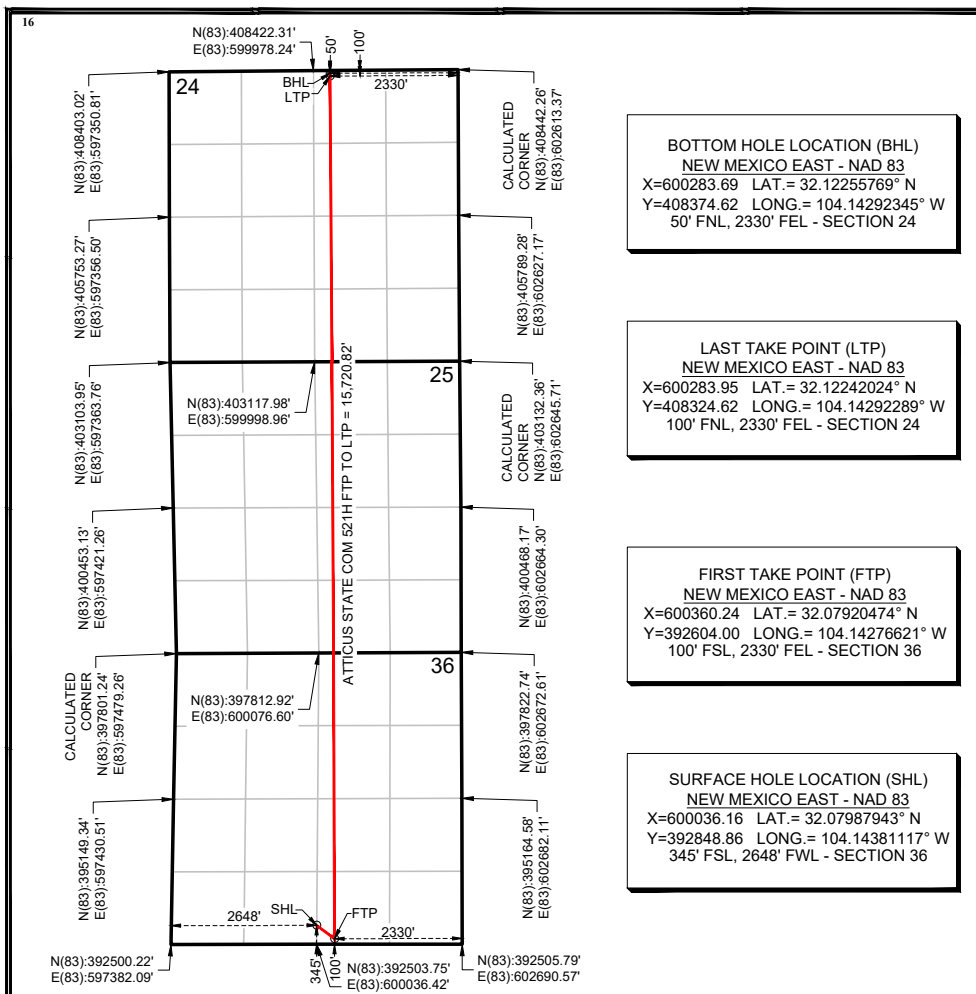
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	36	25-S	27-E		345'	SOUTH	2648'	WEST	EDDY

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	24	25-S	27-E		50'	NORTH	2330'	EAST	EDDY

12 Dedicated Acres <b>320</b>	13 Joint or Infill	14 Consolidation Code	15 Order No.
----------------------------------	--------------------	-----------------------	--------------

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.

**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 10.20.22  
Signature Date

Jeanette Barron  
Printed Name

jeanette.barron@conocophillips.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.

Charles L. Wierica 08/19/2022  
Date of Survey

Signature and Seal of Professional Surveyor:

Charles L. Wierica  
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

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 <b>30-015-49983</b>	2 Pool Code <b>16800</b>	3 Pool Name <b>Delaware River; Bone Spring</b>
4 Property Code <b>327322</b>	5 Property Name <b>ATTICUS STATE COM</b>	6 Well Number <b>522H</b>
7 OGRID No. <b>229137</b>	8 Operator Name <b>COG OPERATING LLC</b>	9 Elevation <b>3143.36'</b>

<sup>10</sup> Surface Location

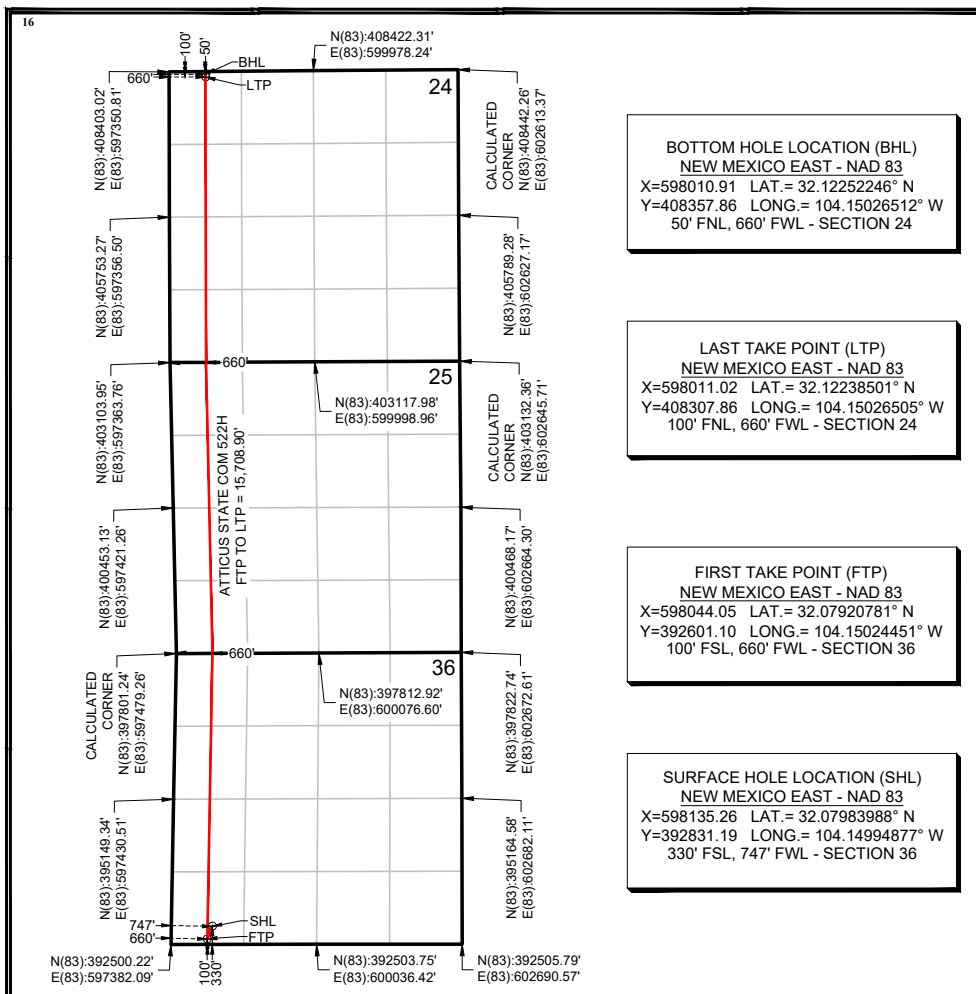
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	36	25-S	27-E		330'	SOUTH	747'	WEST	EDDY

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	24	25-S	27-E		50'	NORTH	660'	WEST	EDDY

12 Dedicated Acres <b>160</b>	13 Joint or Infill	14 Consolidation Code	15 Order No.
----------------------------------	--------------------	-----------------------	--------------

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.



## 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 10.20.22  
Signature Date

Jeanette Barron  
Printed Name

jeanette.barron@conocophillips.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.

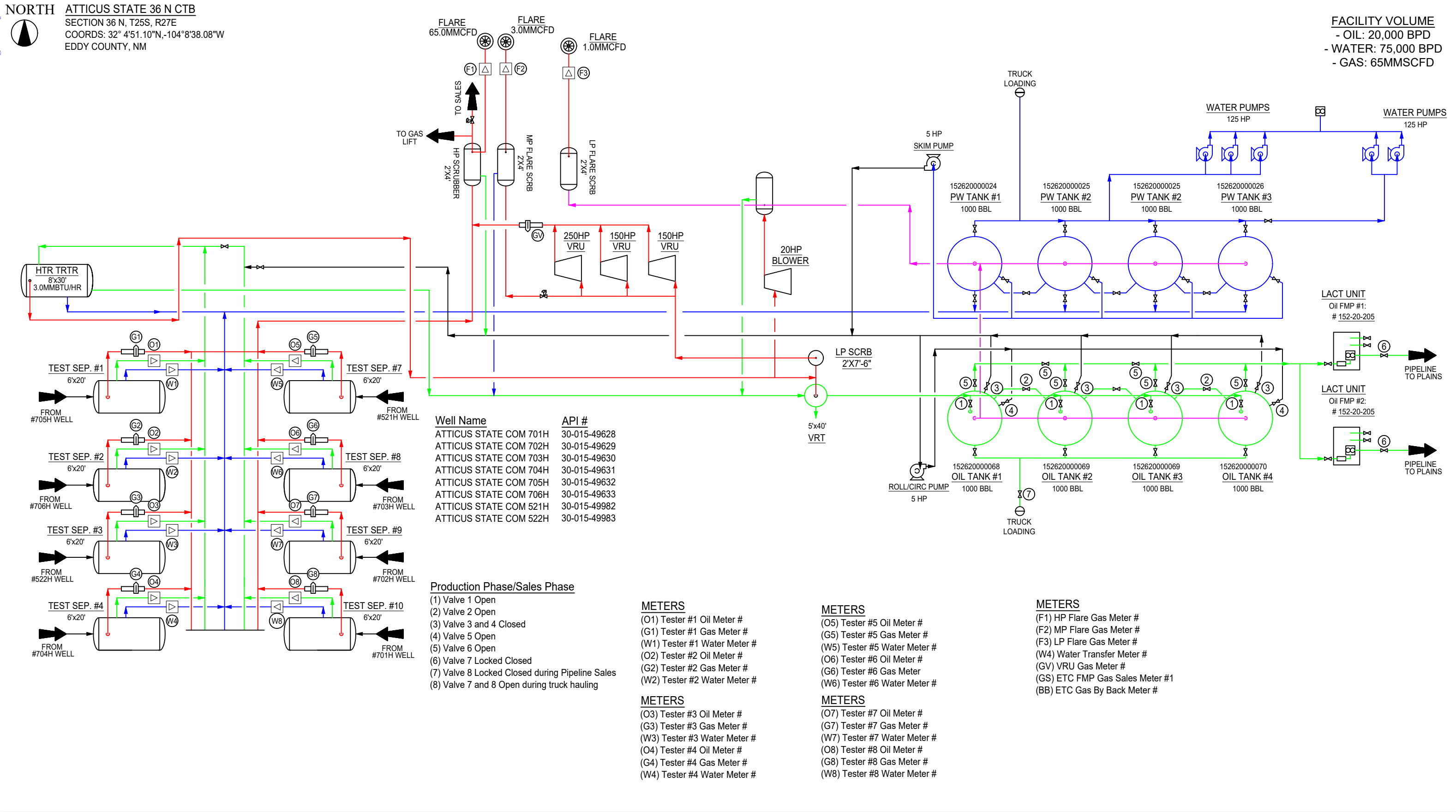
CHARLES L. DURICA 08/19/2022  
Date of Survey

Signature and Seal of Professional Surveyor:  
25490

Certificate Number

NORTH ATTICUS STATE 36 N CTB  
SECTION 36 N, T25S, R27E  
COORDS: 32° 4'51.10"N,-104°8'38.08"W  
EDDY COUNTY, NM

FACILITY VOLUME  
- OIL: 20,000 BPD  
- WATER: 75,000 BPD  
- GAS: 65MMSCFD




NOTES:

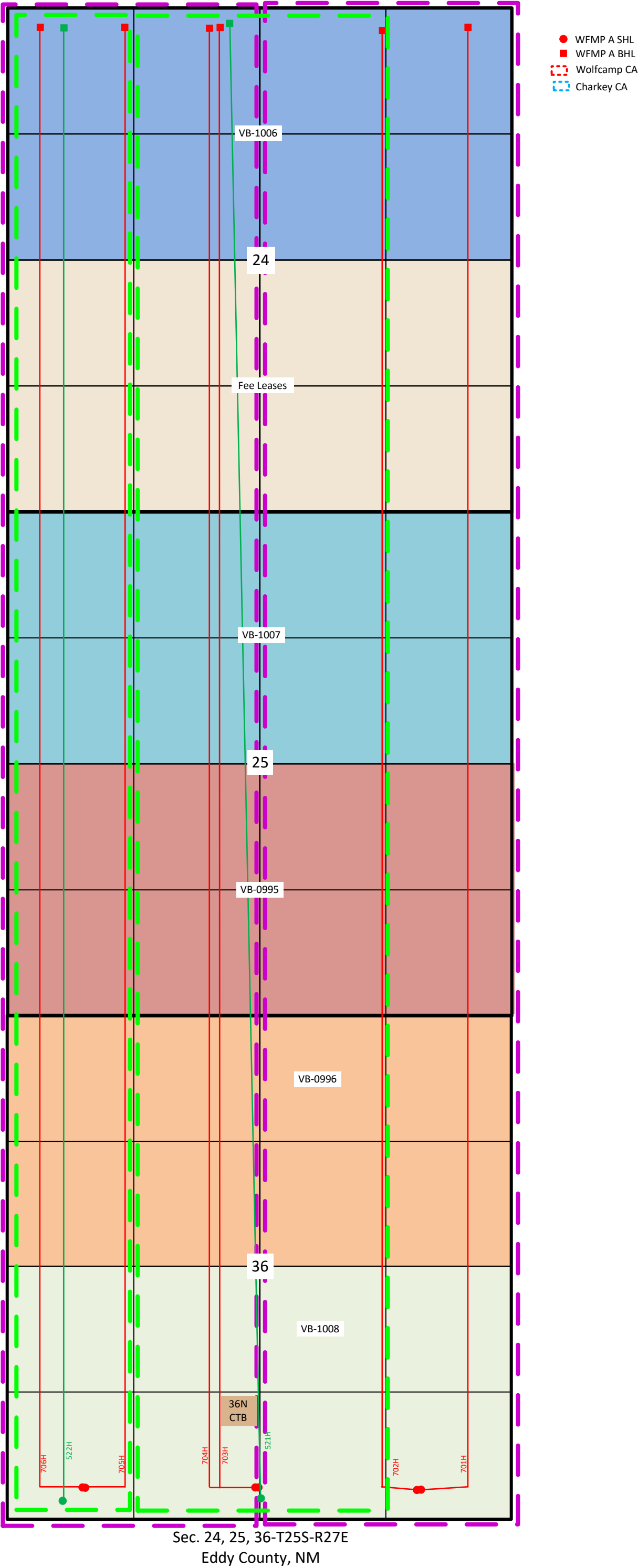
Type of Facility: State  
LEASE:  
BHL #:  
CA #: N/A  
NMOCD Property Code #: 327322  
NMOCD OGRID #: 229137

Site Diagram Legend

Produced Fluid:  
Produced Oil: —  
Produced Gas: —  
Produced Water: —  
Flare/Vent: —

CONFIDENTIALITY NOTICE	REFERENCE DRAWINGS		REVISIONS						ENGINEERING RECORD		<div> NORTH DELAWARE BASIN – WEST ATTICUS STATE 36 N SITE FACILITY DIAGRAM COG PRODUCTION</div> <div>EDDY COUNTY<span style="float:right">NEW MEXICO</span></div> <div>TWNSHP/RANGE<div>DWG NO.ATTICUSSTATE36NCTB</div>REV A</div>		
THIS DRAWING IS PROPERTY OF COG OPERATING LLC AND IS LENT TO THE BORROWER FOR CONFIDENTIAL USE ONLY AND IS SUBJECT TO RETURN UPON REQUEST AND SHALL NOT BE REPRODUCED, COPIED, LENT OR OTHERWISE DISPOSED OF DIRECTLY OR INDIRECTLY, NOR USED FOR ANY PURPOSE OTHER THAN THAT WHICH IT IS SPECIFICALLY FURNISHED.	NO.	TITLE	NO.	DATE	DESCRIPTION	BY	CHK.	APP.	BY	DATE			
			A	8/19/22	ISSUED FOR REVIEW	EO	RC	RC	DRN: EO	8/19/22			
									DES:				
									CHK:				
									APP:				
									AFE NO:				
									FACIL ENGR: R.COLLINS				
									OPER ENGR:				
CONOCOPHILLIPS SITE SECURITY PLANS LOCATED AT:		ONE CONCHO CENTER 600 WEST ILLINOIS AVENUE MIDLAND, TEXAS 79701							SCALE: NONE				

Atticus State Com Wells





# AERIAL MAP

Atticus State Com

Section 26, Township 25 South, Range 27 East, Eddy County, New Mexico



## ATTICUS STATE COM #522H

SHL Location & Penetration Point:  
330' FSL & 747' FWL  
Section 36, Township 25 South,  
Range 27 East of P.M.  
Eddy County, New Mexico

OPERATOR:  
CONOCOPhillips



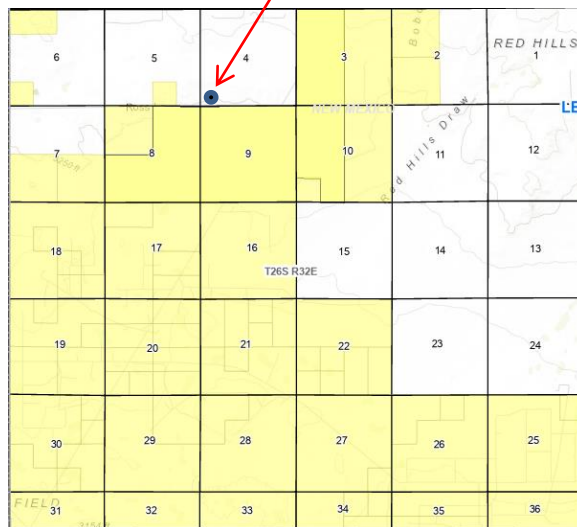


# Atticus State Com 701H-706H & 521H & 522H & Red Hills and Jal Offload Station Map

**Atticus St Com 701H-706H, 521H &  
522H  
Eddy County, NM**



**Red Hills Offload Station  
Lea County, NM**



**Jal Offload Station  
Lea County, NM**



Atticus St Com 701H-706H, 521H & 522H							
Date Sent	Initials	Name	Address	City	State	ZipCode	Certified Return Receipt No.
10.20.22	JB	Devon Energy Production Company, LP	333 W. Sheridan Ave.	Oklahoma City	OK	73102	7020 1810 0000 1413 2413
10.20.22	JB	Chevron U.S.A Inc.	6301 Deauville	Midland	TX	79706	7020 1810 0000 1413 2406
10.20.22	JB	Read & Stevens, Inc.	PO Box 1518	Roswell	NM	88202	7013 3020 0000 8749 4721
10.20.22	JB	Nestegg Energy Corporation	2308 Sierra Vista Road	Artesia	NM	88210	7020 1810 0000 1413 2420
10.20.22	JB	Commissioner of Puplic lands	PO BOX 1148	Santa Fe	NM	87504-1148	7020 1810 0000 1413 2390

**ARTESIA DAILY PRESS**

**LEGAL NOTICES**

**Please run for one day only.**

COG Operating LLC (COG), 2208 West Main, Artesia, New Mexico, 88210, is seeking administrative approval from the New Mexico Oil Conservation Division to pool lease commingle the oil and gas production from the Atticus State Com 701H, 702H, 703H, 704H, 705H, 706H & 521H, 522H wells. Said wells are located in Section 24, 25, 36, Township 25 South, Range 27 East, Eddy County, New Mexico. The Central Tank Battery (CTB) where production will be commingled is located in Ut N, Section 36-T25S-R27E, Eddy County, New Mexico. In the event oil production at the CTB is over capacity or in the case of battery or pipeline repairs, COG is also seeking administrative approval for off-lease measurement at either the Red Hills Off-load Station in Unit O, Section 4-T26S-R32E or the Jal Off-load Station in Unit D, Section 4-T26S-R37E, Lea County, NM. Any interested party who has an objection to this must give notice in writing to the Oil Conservation Division, 1220 South Saint Francis Street, Santa Fe, New Mexico, 87505, within ten (10) days of this notice. Any interested party with questions or comments may contact Shelly Klinger (432) 688-9027 [shelley.c.klinger@concho.com](mailto:shelley.c.klinger@concho.com) at ConocoPhillips, 600 West Illinois, Midland, Texas 79701.

Published in the Artesia Daily Press, Artesia, NM October 27, 2022.



## Legal Notice

COG Operating LLC (COG), 2208 West Main, Artesia, New Mexico, 88210, is seeking administrative approval from the New Mexico Oil Conservation Division to pool lease commingle the oil and gas production from the Atticus State Com 701H, 702H, 703H, 704H, 705H, 706H & 521H, 522H wells. Said wells are located in Section 24, 25, 36, Township 25 South, Range 27 East, Eddy County, New Mexico. The Central Tank Battery (CTB) where production will be commingled is located in Ut N, Section 36-T25S-R27E, Eddy County, New Mexico. In the event oil production at the CTB is over capacity or in the case of battery or pipeline repairs, COG is also seeking administrative approval for off-lease measurement at either the Red Hills Off-load Station in Unit O, Section 4-T26S-R32E or the Jal Off-load Station in Unit D, Section 4-T26S-R37E, Lea County, NM. Any interested party who has an objection to this must give notice in writing to the Oil Conservation Division, 1220 South Saint Francis Street, Santa Fe, New Mexico, 87505, within ten (10) days of this notice. Any interested party with questions or comments may contact Shelly Klinger (432) 688-9027 [shelley.c.klinger@concho.com](mailto:shelley.c.klinger@concho.com) at ConocoPhillips, 600 West Illinois, Midland, Texas 79701.

Published in the Artesia Daily Press, Artesia, N.M., Oct. 27, 2022 Legal No. 26323.

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

**STATE/STATE OR  
STATE/FEE**

Revised December 2021

**COMMUNITIZATION AGREEMENT**

ONLINE Version

KNOW ALL PERSONS BY THESE PRESENTS:

API #: 30-0 \_\_\_\_ - \_\_\_\_

STATE OF NEW MEXICO ) Well Name: \_\_\_\_\_  
SS)

COUNTY OF )

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of (date before 1<sup>st</sup> production) \_\_\_\_\_, 20\_\_, by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

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

WHEREAS, the parties hereto, own working, royalty, or other leasehold interests or operating rights under the oil and gas leases and lands subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, 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 \_\_\_\_\_ formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

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

ONLINE  
version  
December 9, 2021

State/State

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:

Subdivisions: \_\_\_\_\_

Of Sect(s): \_\_\_\_\_ Twp: 25E Rng: 27E NMPM \_\_\_\_\_ County, NM

Containing 1,440.00 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 and depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

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

2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.
3. Subject to Paragraph 5, 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. \_\_\_\_\_ shall be the Operator of the said communitized area and all matters of operation shall be determined and performed by \_\_\_\_\_.

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

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

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

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

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

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

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

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

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

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

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

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

OPERATOR:\_\_\_\_\_

**OPERATOR & LESSEE OF RECORD (Tracts 1, 2, 3)**

COG OPERATING LLC

By: \_\_\_\_\_  
Print: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF TEXAS            )  
  )  
COUNTY OF MIDLAND    )

This instrument was acknowledged before me on \_\_\_\_\_, 2022, by \_\_\_\_\_, as \_\_\_\_\_ of COG Operating LLC, a Delaware limited liability company, on behalf of same.

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

**LESSEE OF RECORD (Tracts 1, 2 & 3)**

CONCHO OIL & GAS LLC

By: \_\_\_\_\_  
Print: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF TEXAS            )  
  )  
COUNTY OF MIDLAND    )

This instrument was acknowledged before me on \_\_\_\_\_, 2022, by \_\_\_\_\_, as \_\_\_\_\_ of Concho Oil & Gas LLC, a Texas limited liability company, on behalf of same.

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

**LESSEE OF RECORD (Tracts 4, 5, & 6)**

CHEVRON U.S.A. INC.

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

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

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

STATE OF \_\_\_\_\_ )

)

COUNTY OF \_\_\_\_\_ )

This instrument was acknowledged before me on \_\_\_\_\_, 2022, by  
\_\_\_\_\_, as \_\_\_\_\_ of  
**Chevron U.S.A. Inc.**, a \_\_\_\_\_, on behalf of same.

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



**EXHIBIT A**

Attached to and made a part of that Communitization Agreement dated August 31, 2022, by and between COG Operating LLC, as Operator, and Conhco Oil & Gas, LLC, et al (Record Title Holders/Lessees of Record)

**COVERING:** W2 and W2E2 of Sections 24, 25, and 36, T25S-R27E, Eddy County, New Mexico  
**Limited to the Bone Spring formation**  
**OPERATOR:** COG Operating LLC

**DESCRIPTION OF LEASES COMMITTED:****TRACT 1: NW4 & W2NE4 of Section 24, T25S-R27E, Eddy Co., NM (240 acres)**

Date: September 1, 2006  
Lease Number: VB-1006-01  
Lessor: State of New Mexico  
Current Lessee: COG Operating LLC / Concho Oil & Gas LLC  
Description: Insofar and only insofar as to:  
Township 25 South, Range 27 East, N.M.P.M.  
Section 24: NW4 & W2NE4  
Eddy County, New Mexico  
Royalty: 3/16<sup>th</sup>

**TRACT 2: SW4 & W2SE4 of Section 24, T25S-R27E, Eddy Co., NM (240 acres)**

Date: September 1, 2006  
Lessor: Devon Energy Production Company LP  
Current Lessee: COG Operating LLC / Concho Oil & Gas LLC  
Description: Insofar and only insofar as to:  
Township 25 South, Range 27 East, N.M.P.M.  
Section 24: SW/4 & W2SE4  
Eddy County, New Mexico  
Royalty: 3/16<sup>th</sup>

*Lease referenced herein from Devon Energy Production Company LP to Marbob Energy Corporation, et al, is subject to the Exhibit B for lease found on JOA dated September 1, 2006, covering Section 24: All, Section 25: N/2, T25S-R27E. This form lease is also found on Exhibit B attached herein.*

**TRACT 3: NW4 & W2NE4 of Section 25, T25S-R27E, Eddy Co., NM (240 acres)**

Date: September 1, 2006  
Lease Number: VB-1007-01  
Lessor: State of New Mexico  
Current Lessee: COG Operating LLC / Concho Oil & Gas LLC  
Description: Insofar and only insofar as to:



Township 25 South, Range 27 East, N.M.P.M.  
Section 25: NW4 & W2NE4  
Eddy County, New Mexico  
Royalty: 3/16<sup>th</sup>

**TRACT 4: SW4 & W2SE4 of Section 25, T25S-R27E, Eddy Co., NM (240 acres)**

Date: September 1, 2006  
Lease Number: VB-0995-02  
Lessor: State of New Mexico  
Current Lessee: Chevron U.S.A. Inc.  
Description: Insofar and only insofar as to:  
Township 25 South, Range 27 East, N.M.P.M.  
Section 25: SW4 & W2SE4  
Eddy County, New Mexico  
Royalty: 3/16<sup>th</sup>

**TRACT 5: NW4 & W2NE4 of Section 36, T25S-R27E, Eddy Co., NM (240 acres)**

Date: September 1, 2006  
Lease Number: VB-0996-02  
Lessor: State of New Mexico  
Current Lessee: Chevron U.S.A. Inc.  
Description: Insofar and only insofar as to:  
Township 25 South, Range 27 East, N.M.P.M.  
Section 36: NW4 & W2NE4  
Eddy County, New Mexico  
Royalty: 3/16<sup>th</sup>

**TRACT 6: SW4 & W2SE4 of Section 36, T25S-R27E, Eddy Co., NM (240 acres)**

Date: September 1, 2006  
Lease Number: VB-1008-02  
Lessor: State of New Mexico  
Current Lessee: Chevron U.S.A. Inc.  
Description: Insofar and only insofar as to:  
Township 25 South, Range 27 East, N.M.P.M.  
Section 36: SW4 & W2SE4  
Eddy County, New Mexico  
Royalty: 3/16<sup>th</sup>

	CHARKEY	
24-T25S-R27E	Tract 1 VB-1006-01 240 ac	
	Tract 2 FEE 240 ac	
25-T25S-R27E	Tract 3 VB-1007-01 240 ac	
	Tract 4 VB-0995-02 240 ac	
36-T25S-R27E	Tract 5 VB-0996-02 240 ac	
	Tract 6 VB-1008-02 240 ac	

**RECAPITULATION**

TRACT	NUMBER OF ACRES COMMITTED	PERCENTAGE OF INTEREST IN COMMUNITIZED AREA
1	240.00	16.6667%
2	240.00	16.6667%
3	240.00	16.6667%
4	240.00	16.6667%
5	240.00	16.6666%
6	240.00	16.6666%
<b>TOTAL</b>	<b>1,440.00</b>	<b>100.0000%</b>

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

**STATE/STATE OR  
STATE/FEE**

Revised December 2021

**COMMUNITIZATION AGREEMENT**

ONLINE Version

KNOW ALL PERSONS BY THESE PRESENTS:

API #: 30-0 \_\_\_\_ - \_\_\_\_

STATE OF NEW MEXICO ) Well Name: \_\_\_\_\_  
SS)

COUNTY OF )

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of (date before 1<sup>st</sup> production) \_\_\_\_\_, 20\_\_, by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

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

WHEREAS, the parties hereto, own working, royalty, or other leasehold interests or operating rights under the oil and gas leases and lands subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, 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 \_\_\_\_\_ formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

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

ONLINE  
version  
December 9, 2021

State/State

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:

Subdivisions: \_\_\_\_\_

Of Sect(s): \_\_\_\_\_ Twp: 25E Rng: 27E NMPM \_\_\_\_\_ County, NM

Containing 1,920.00 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 and depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

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

2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.
3. Subject to Paragraph 5, 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. \_\_\_\_\_ shall be the Operator of the said communitized area and all matters of operation shall be determined and performed by \_\_\_\_\_.

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

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

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

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

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

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

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

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

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

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

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

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

OPERATOR:\_\_\_\_\_

**From:** [McClure, Dean, EMNRD](#) on behalf of [Engineer, OCD, EMNRD](#)  
**To:** [Barron, Jeanette](#)  
**Cc:** [McClure, Dean, EMNRD](#); [Clelland, Sarah, EMNRD](#); [Rikala, Ward, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); [Lamkin, Baylen L.](#)  
**Subject:** Approved Administrative Order PLC-952  
**Date:** Wednesday, March 12, 2025 11:31:22 AM  
**Attachments:** [PLC952 Order.pdf](#)

NMOCD has issued Administrative Order PLC-952 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
30-015-49628	Atticus State Com #701H	E/2	24-25S-27E	98220
		E/2	25-25S-27E	
		E/2	36-25S-27E	
30-015-49629	Atticus State Com #702H	E/2	24-25S-27E	98220
		E/2	25-25S-27E	
		E/2	36-25S-27E	
30-015-49630	Atticus State Com #703H	E/2	24-25S-27E	98220
		E/2	25-25S-27E	
		E/2	36-25S-27E	
30-015-49631	Atticus State Com #704H	W/2	24-25S-27E	98220
		W/2	25-25S-27E	
		W/2	36-25S-27E	
30-015-49632	Atticus State Com #705H	W/2	24-25S-27E	98220
		W/2	25-25S-27E	
		W/2	36-25S-27E	
30-015-49633	Atticus State Com #706H	W/2	24-25S-27E	98220
		W/2	25-25S-27E	
		W/2	36-25S-27E	
30-015-49982	Atticus State Com #521H	B C F G J K N O	24-25S-27E	30216
		B C F G J K N O	25-25S-27E	
		B C F G J K N O	36-25S-27E	
30-015-49983	Atticus State Com #522H	W/2 W/2	24-25S-27E	30216
		W/2 W/2	25-25S-27E	
		W/2 W/2	36-25S-27E	

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



ConocoPhillips  
2208 West Main Street  
Artesia, New Mexico 88210  
www.conocophillips.com

October 20, 2022

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

Re: Application for Administrative Approval of Pool Lease Commingle

Dear Mr. McClure,

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

Atticus St Com 701H  
API# 30-015-49628  
Purple Sage; Wolfcamp  
Ut. M, Sec. 36-T25S-R27E  
Eddy County, NM

Atticus St Com 702H  
API# 30-015-49629  
Purple Sage; Wolfcamp  
Ut. P, Sec. 36-T25S-R27E  
Eddy County, NM

Atticus St Com 703H  
API# 30-015-49630  
Purple Sage; Wolfcamp  
Ut. M, Sec. 36-T25S-R27E  
Eddy County, NM

Atticus St Com 704H  
API# 30-015-49631  
Purple Sage; Wolfcamp  
Ut. P, Sec. 36-T25S-R27E  
Eddy County, NM

Atticus St Com 705H  
API# 30-015-49632  
Purple Sage; Wolfcamp  
Ut. M, Sec. 36-T25S-R27E  
Eddy County, NM

Atticus St Com 706H  
API# 30-015-49633  
Purple Sage; Wolfcamp  
Ut. P, Sec. 36-T25S-R27E  
Eddy County, NM

Atticus St Com 521H  
API# 30-015-49982  
Delaware River; Bone Spring  
Ut. M, Sec. 36-T25S-R27E  
Eddy County, NM

Atticus St Com 522H  
API# 30-015-49983  
Delaware River; Bone Spring  
Ut. P, Sec. 36-T25S-R27E  
Eddy County, NM

**Oil Production:**

The oil production from all wells will be measured separately prior to being commingled at the Central Tank Battery located in Ut. N, Sec. 36-T25S-R27E. 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 prior to being commingled and entering a gas flow line to the gas custody transfer meter at the Central Tank Battery located in Ut. N, Sec. 36-T25S-R27E.

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 and copy of Public Notice is enclosed.

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

Thank you for your attention to this matter.

Sincerely,

*Jeanette Barron*

Jeanette Barron  
Regulatory Coordinator

Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:
-----------	-----------	-------	---------

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: \_\_\_\_\_ OGRID Number: \_\_\_\_\_  
 Well Name: \_\_\_\_\_ API: \_\_\_\_\_  
 Pool: \_\_\_\_\_ Pool Code: \_\_\_\_\_

**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.**

\_\_\_\_\_  
 Print or Type Name

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Phone Number

Jeanette Barron  
 Signature

\_\_\_\_\_  
 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
98220 Purple Sage; Wolfcamp	49.50/1218	47.20/1235			
16800 Delaware; Bone Spring	47.50/1197				
30216 Hay Hollow; Bone Spring, North	44.6/1292				

- (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 Coordinator DATE: \_\_\_\_\_

TYPE OR PRINT NAME Jeanette Barron TELEPHONE NO.: 575.748.6974  
E-MAIL ADDRESS: jeanette.barron@conocophillips.com

District I

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

District II

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

District III

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

District IV

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

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

Form C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number <b>30-015-49628</b>	2 Pool Code <b>98220</b>	3 Pool Name <b>Purple Sage; Wolfcamp (Gas)</b>
4 Property Code <b>327322</b>	5 Property Name <b>ATTICUS STATE COM</b>	6 Well Number <b>701H</b>
7 OGRID No. <b>229137</b>	8 Operator Name <b>COG OPERATING LLC</b>	9 Elevation <b>3095'</b>

<sup>10</sup> Surface Location

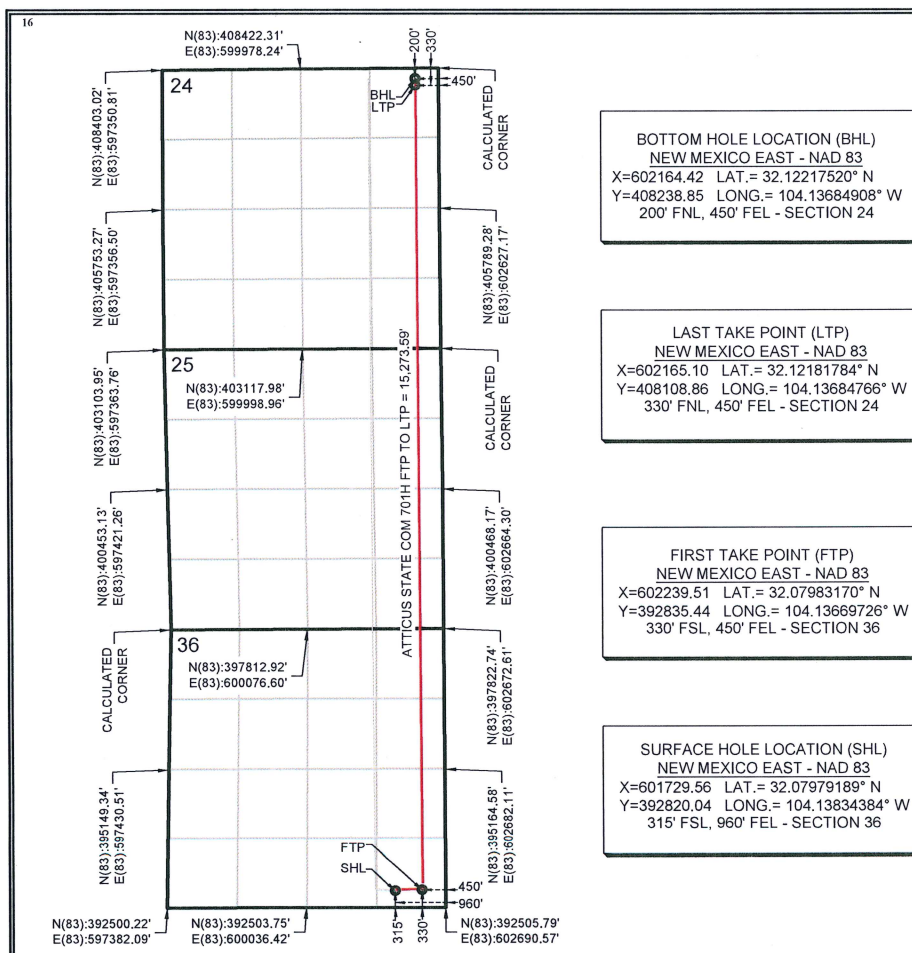
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	36	25-S	27-E		315'	SOUTH	960'	EAST	EDDY

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	24	25-S	27-E		200'	NORTH	450'	EAST	EDDY

12 Dedicated Acres <b>960</b>	13 Joint or Infill	14 Consolidation Code	15 Order No.
----------------------------------	--------------------	-----------------------	--------------

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.

<sup>17</sup> 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* 10.20.22

Signature

Date

**Jeanette Barron**

Printed Name

jeanette.barron@conocophillips.com

E-mail Address

<sup>18</sup> 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:

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

## 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 &amp; 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 <b>30-015-49629</b>	2 Pool Code <b>98220</b>	3 Pool Name <b>Purple Sage; Wolfcamp (Gas)</b>
4 Property Code <b>327322</b>	5 Property Name <b>ATTICUS STATE COM</b>	6 Well Number <b>702H</b>
7 OGRID No. <b>229137</b>	8 Operator Name <b>COG OPERATING LLC</b>	9 Elevation <b>3096'</b>

## 10 Surface Location

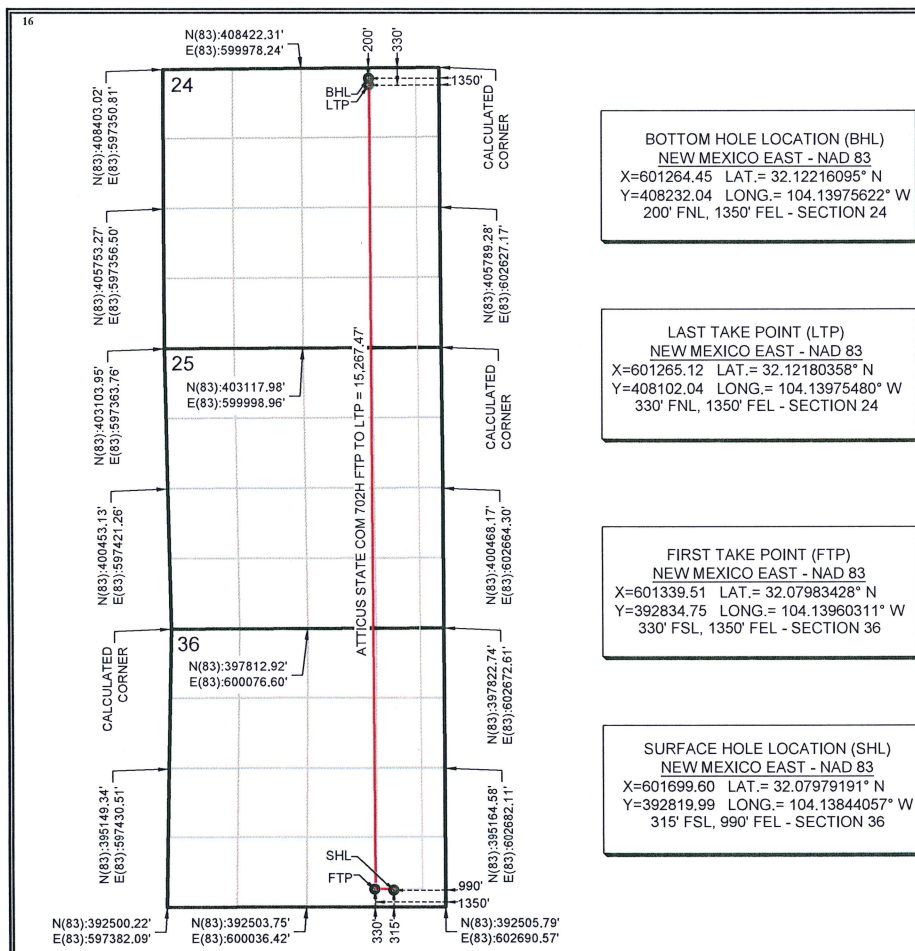
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	36	25-S	27-E		315'	SOUTH	990'	EAST	EDDY

## 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
B	24	25-S	27-E		200'	NORTH	1350'	EAST	EDDY

12 Dedicated Acres <b>960</b>	13 Joint or Infill	14 Consolidation Code	15 Order No.
----------------------------------	--------------------	-----------------------	--------------

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.



## 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 10.20.22  
Signature Date

Printed Name

jeanette.barron@conocophillips.com  
E-mail Address

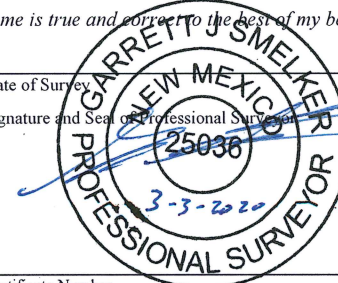
## 18 SURVEYOR CERTIFICATION

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

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

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 <b>30-015-49630</b>	2 Pool Code <b>98220</b>	3 Pool Name <b>Purple Sage; Wolfcamp (Gas)</b>
4 Property Code <b>327322</b>	5 Property Name <b>ATTICUS STATE COM</b>	6 Well Number <b>703H</b>
7 OGRID No. <b>229137</b>	8 Operator Name <b>COG OPERATING LLC</b>	9 Elevation <b>3120.72'</b>

## 10 Surface Location

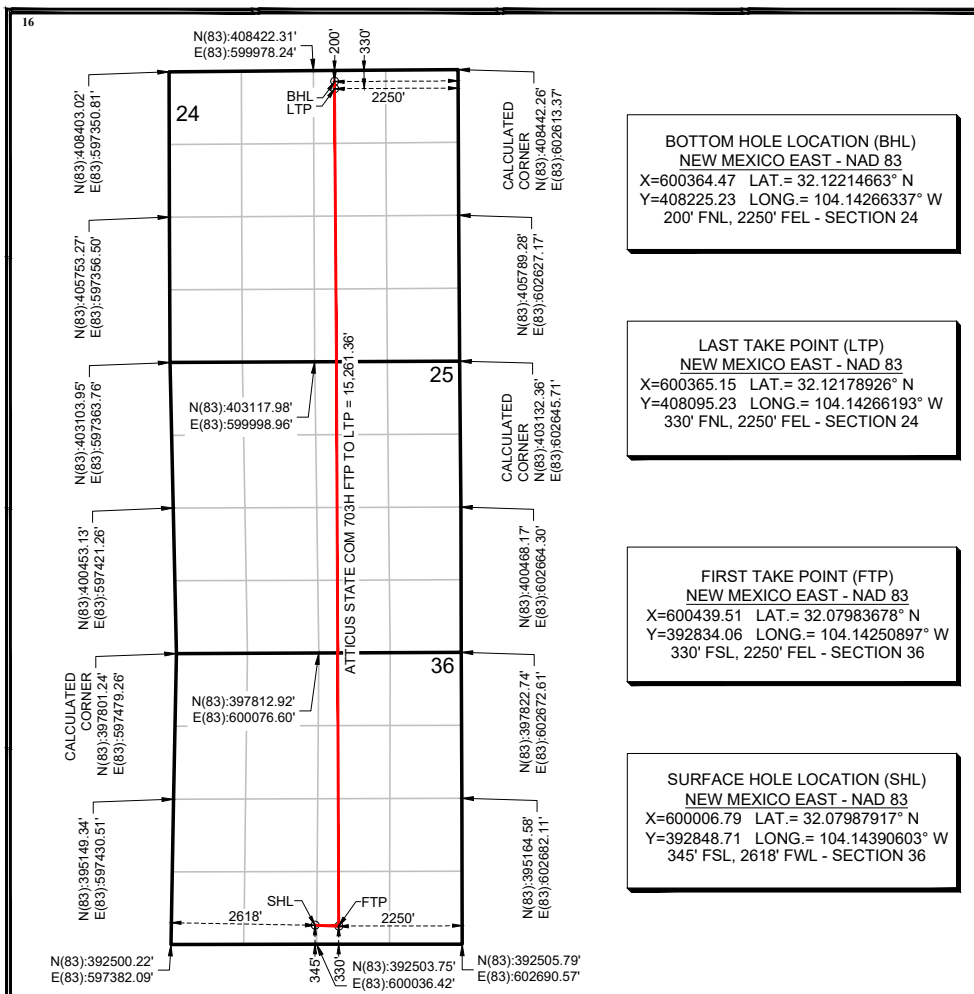
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	36	25-S	27-E		345'	SOUTH	2618'	WEST	EDDY

## 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
B	24	25-S	27-E		200'	NORTH	2250'	EAST	EDDY

12 Dedicated Acres <b>960</b>	13 Joint or Infill	14 Consolidation Code	15 Order No.
----------------------------------	--------------------	-----------------------	--------------

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.



## 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* 10.20.22  
Signature Date

Jeanette Barron

Printed Name

jeanette.barron@conocophillips.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.

*Charles L. Jurica* 08/19/2022  
Date of Survey

Signature and Seal of Professional Surveyor

25490  
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  
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Phone: (505) 334-6178 Fax: (505) 334-6170

District IV

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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 30-015-49631	2 Pool Code 98220	3 Pool Name PURPLE SAGE; WOLFCAMP
4 Property Code 327322	5 Property Name ATTICUS STATE COM	6 Well Number 704H
7 OGRID No. 229137	8 Operator Name COG OPERATING LLC	9 Elevation 3121'

<sup>10</sup> Surface Location

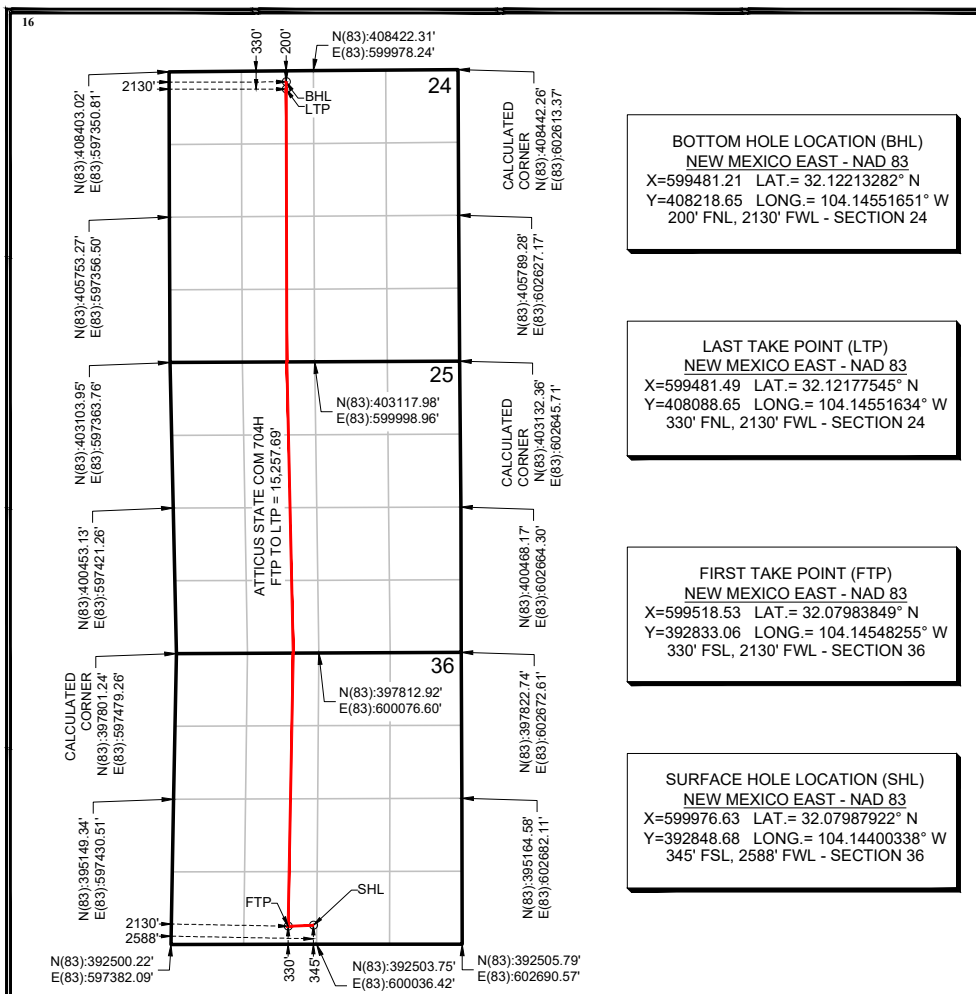
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	36	25-S	27-E		345'	SOUTH	2588'	WEST	EDDY

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	24	25-S	27-E		200'	NORTH	2130'	WEST	EDDY

12 Dedicated Acres 960	13 Joint or Infill	14 Consolidation Code	15 Order No.
---------------------------	--------------------	-----------------------	--------------

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## 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* 10.20.22  
Signature Date

Jeanette Barron  
Printed Name

jeanette.barron@conocophillips.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.

08/19/2022  
Date of Survey

Signature and Seal of Professional Surveyor:

*Charles L. Jurica*  
25490  
PROFESSIONAL SURVEYOR  
Certificate Number



District I

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

District II

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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 30-015-49632	2 Pool Code 98220	3 Pool Name PURPLE SAGE; WOLFCAMP
4 Property Code 327322	5 Property Name ATTICUS STATE COM	6 Well Number 705H
7 OGRID No. 229137	8 Operator Name COG OPERATING LLC	9 Elevation 3143'

<sup>10</sup> Surface Location

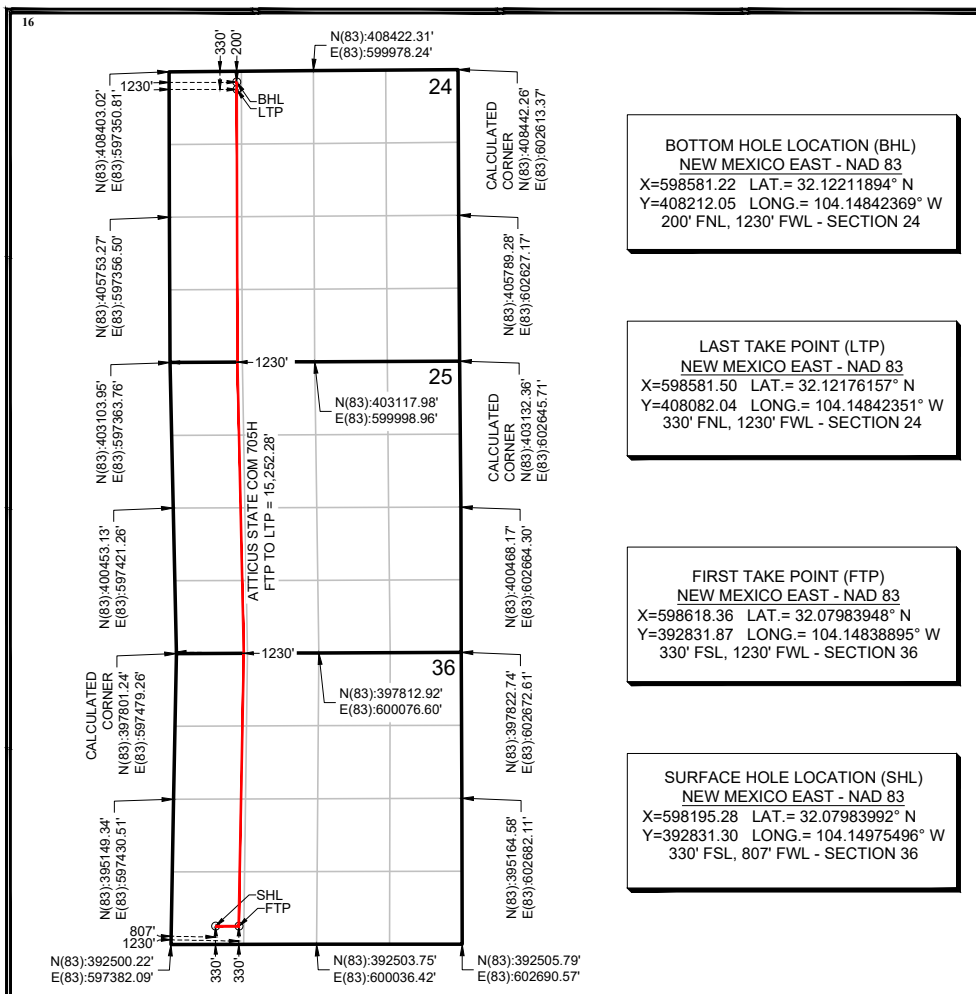
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	36	25-S	27-E		330'	SOUTH	807'	WEST	EDDY

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	24	25-S	27-E		200'	NORTH	1230'	WEST	EDDY

12 Dedicated Acres 960	13 Joint or Infill	14 Consolidation Code	15 Order No.
---------------------------	--------------------	-----------------------	--------------

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## 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* 10.20.22  
Signature Date

Jeanette Barron  
Printed Name

jeanette.barron@conocophillips.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.

CHARLES L. JURICA 08/19/2022  
Date of Survey

Signature and Seal of Professional Surveyor:

25490

PROFESSIONAL SURVEYOR

Certificate Number



District I

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

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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

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District Office

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-015-49633	2 Pool Code 98220	3 Pool Name PURPLE SAGE; WOLFCAMP
4 Property Code 327322	5 Property Name ATTICUS STATE COM	6 Well Number 706H
7 OGRID No. 229137	8 Operator Name COG OPERATING LLC	9 Elevation 3143'

<sup>10</sup> Surface Location

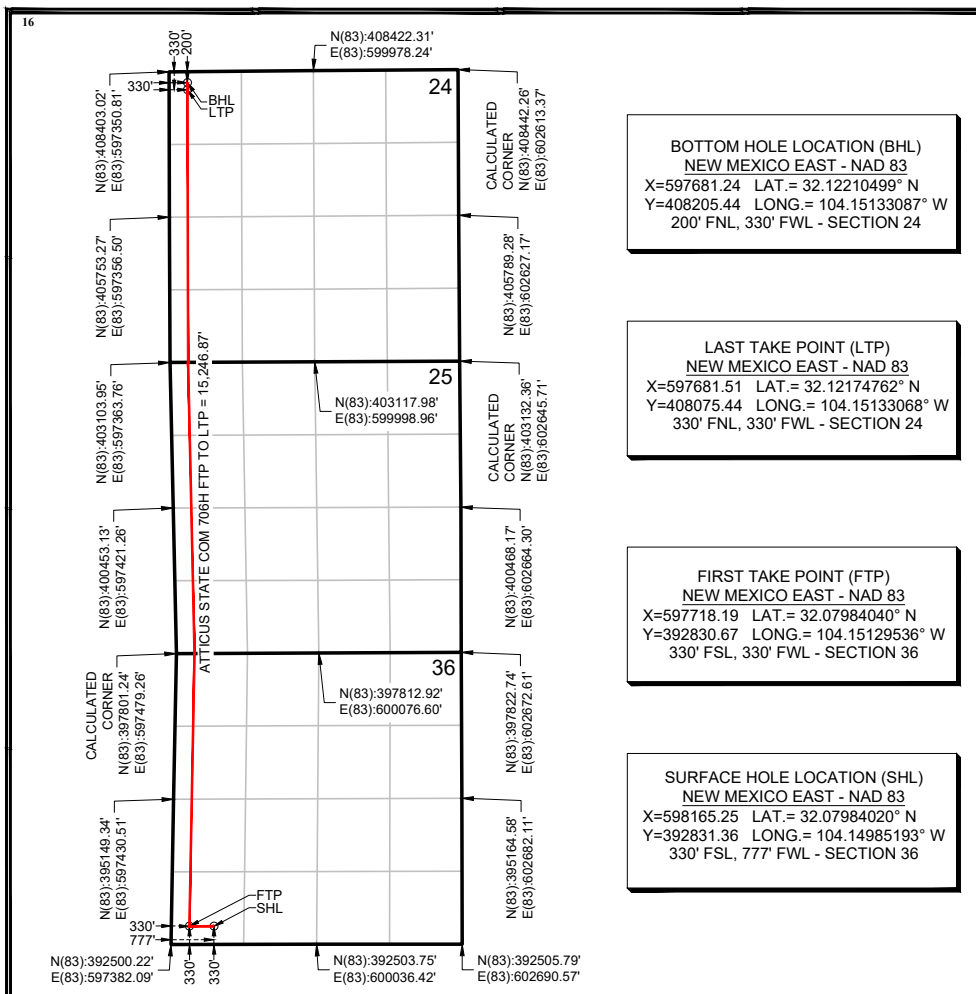
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	36	25-S	27-E		330'	SOUTH	777'	WEST	EDDY

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	24	25-S	27-E		200'	NORTH	330'	WEST	EDDY

12 Dedicated Acres 960	13 Joint or Infill	14 Consolidation Code	15 Order No.
---------------------------	--------------------	-----------------------	--------------

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## 17 OPERATOR CERTIFICATION

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*Jeanette Barron* 10.20.22  
Signature Date

Jeanette Barron  
Printed Name

jeanette.barron@conocophillips.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.

CHARLES L. JURICA 08/19/2022  
Date of Survey

Signature and Seal of Professional Surveyor:  
25490

*Charles L. Jurica*  
Certificate Number

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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 <b>30-015-49982</b>	2 Pool Code <b>16800</b>	3 Pool Name <b>Delaware River; Bone Spring</b>
4 Property Code <b>327322</b>	5 Property Name <b>ATTICUS STATE COM</b>	6 Well Number <b>521H</b>
7 OGRID No. <b>229137</b>	8 Operator Name <b>COG OPERATING LLC</b>	9 Elevation <b>3120.07'</b>

<sup>10</sup> Surface Location

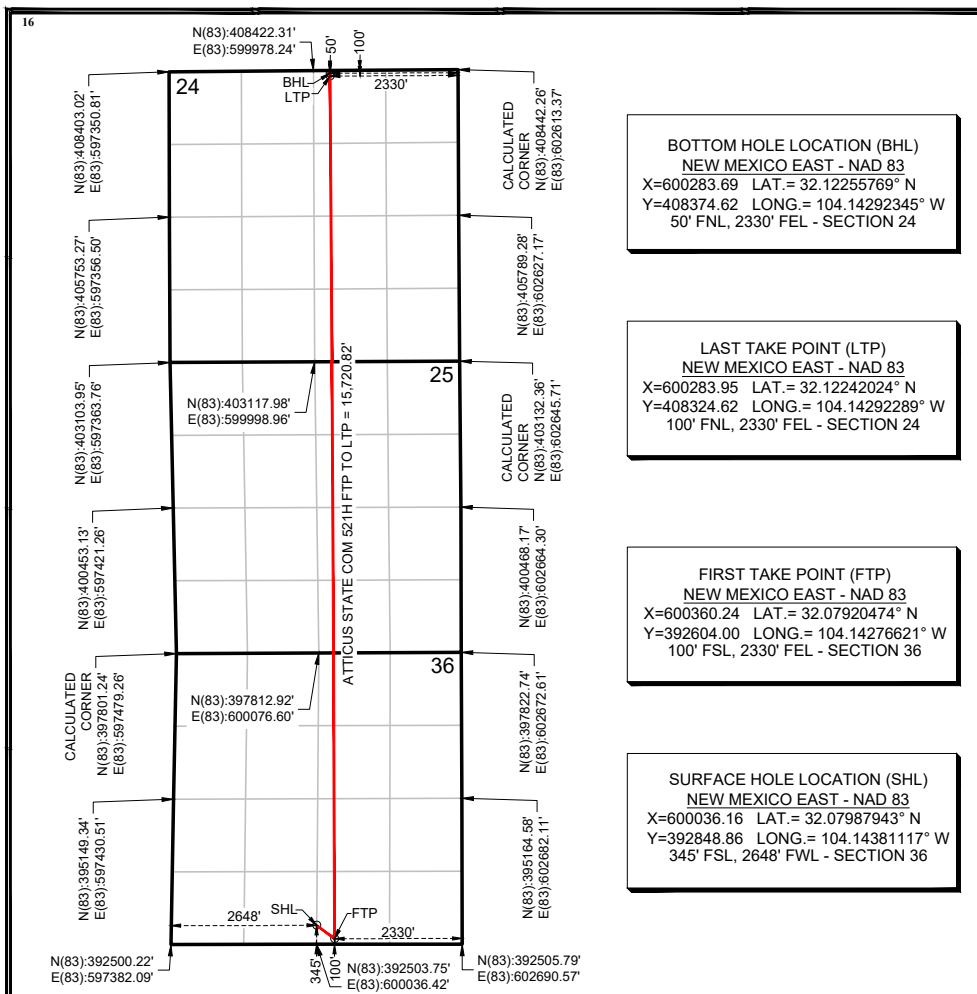
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	36	25-S	27-E		345'	SOUTH	2648'	WEST	EDDY

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	24	25-S	27-E		50'	NORTH	2330'	EAST	EDDY

12 Dedicated Acres <b>320</b>	13 Joint or Infill	14 Consolidation Code	15 Order No.
----------------------------------	--------------------	-----------------------	--------------

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.



## 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* 10.20.22  
Signature Date

Jeanette Barron  
Printed Name

jeanette.barron@conocophillips.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.

08/19/2022  
Date of Survey

Signature and Seal of Professional Surveyor:

25490

Certificate Number

District I

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Phone: (575) 393-6161 Fax: (575) 393-0720

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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 <b>30-015-49983</b>	2 Pool Code <b>16800</b>	3 Pool Name <b>Delaware River; Bone Spring</b>
4 Property Code <b>327322</b>	5 Property Name <b>ATTICUS STATE COM</b>	6 Well Number <b>522H</b>
7 OGRID No. <b>229137</b>	8 Operator Name <b>COG OPERATING LLC</b>	9 Elevation <b>3143.36'</b>

<sup>10</sup> Surface Location

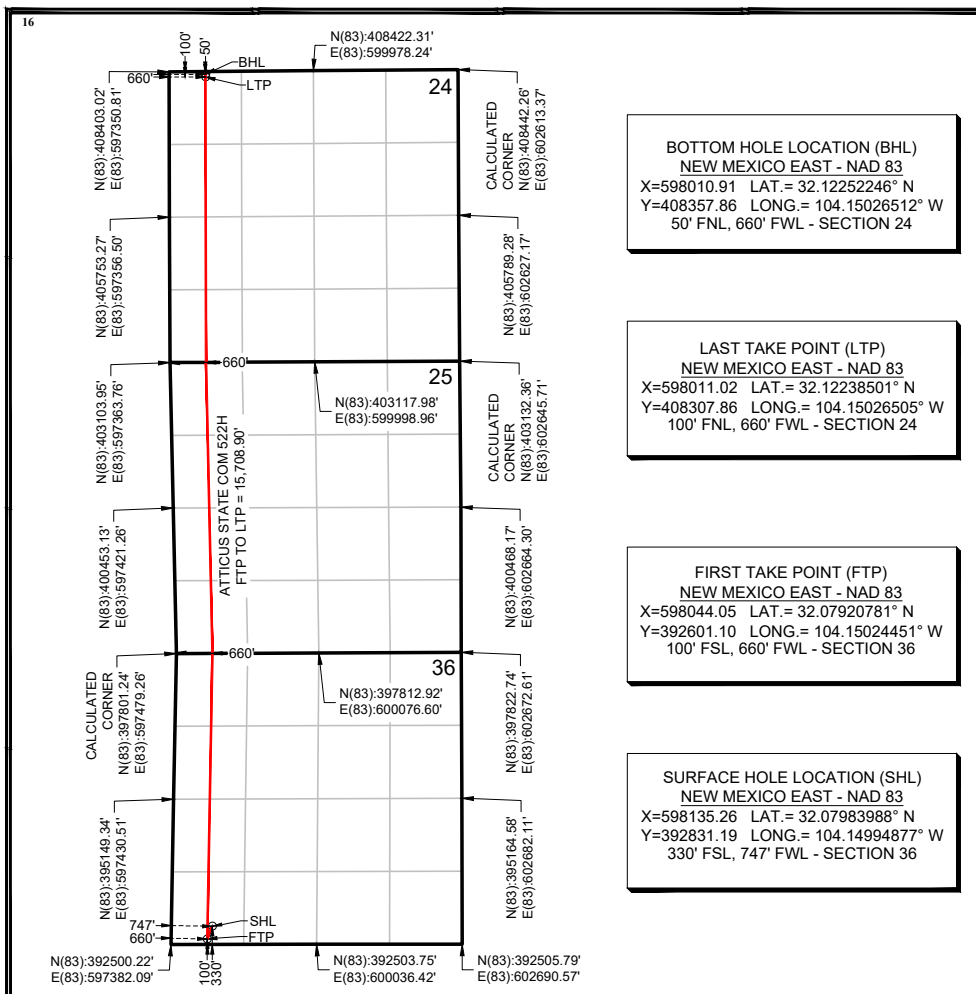
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	36	25-S	27-E		330'	SOUTH	747'	WEST	EDDY

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	24	25-S	27-E		50'	NORTH	660'	WEST	EDDY

12 Dedicated Acres <b>160</b>	13 Joint or Infill	14 Consolidation Code	15 Order No.
----------------------------------	--------------------	-----------------------	--------------

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.



## 17 OPERATOR CERTIFICATION

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Jeanette Barron 10.20.22  
Signature Date

Jeanette Barron  
Printed Name

jeanette.barron@conocophillips.com  
E-mail Address

## 18 SURVEYOR CERTIFICATION

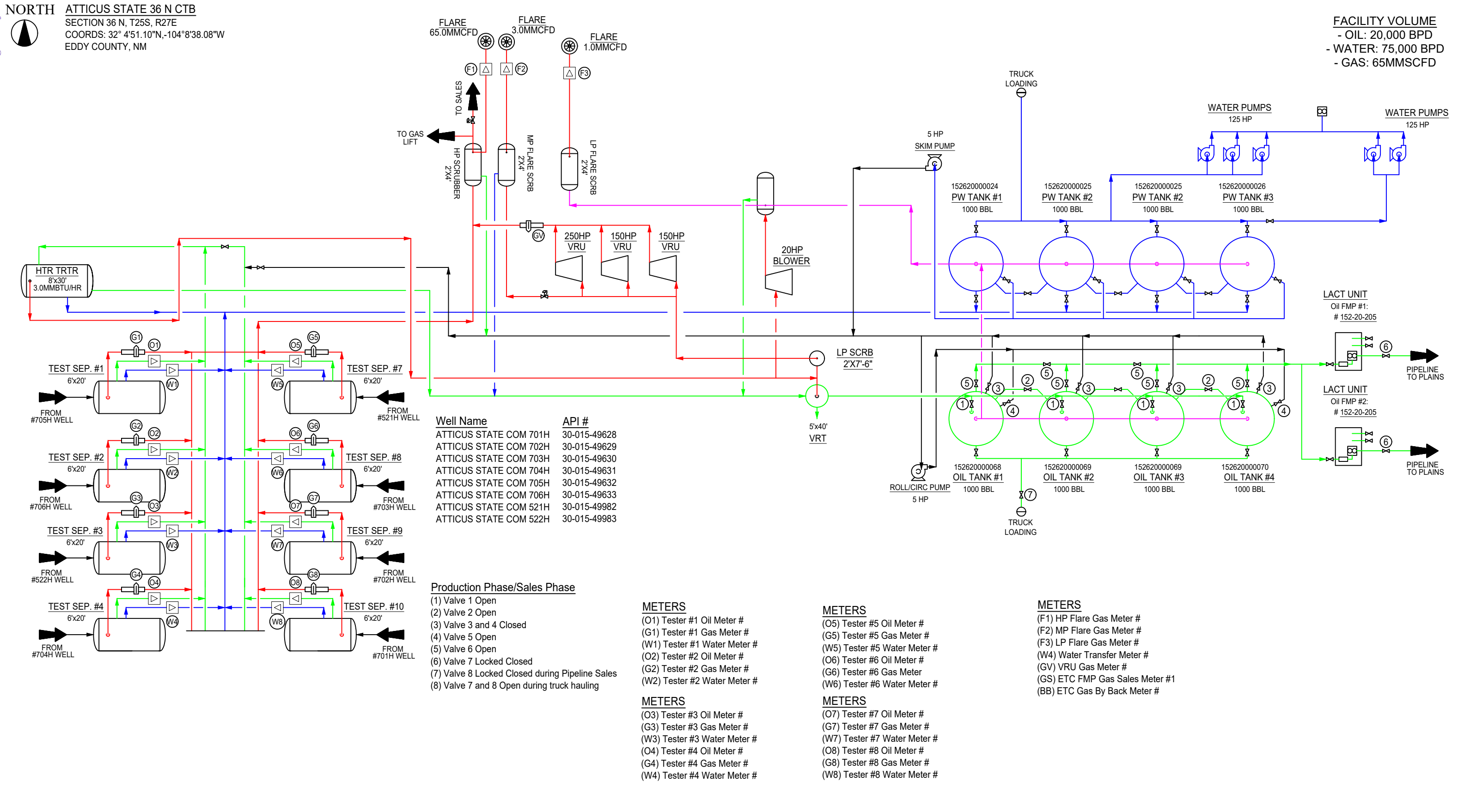
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

CHARLES L. DURICA 08/19/2022  
Date of Survey

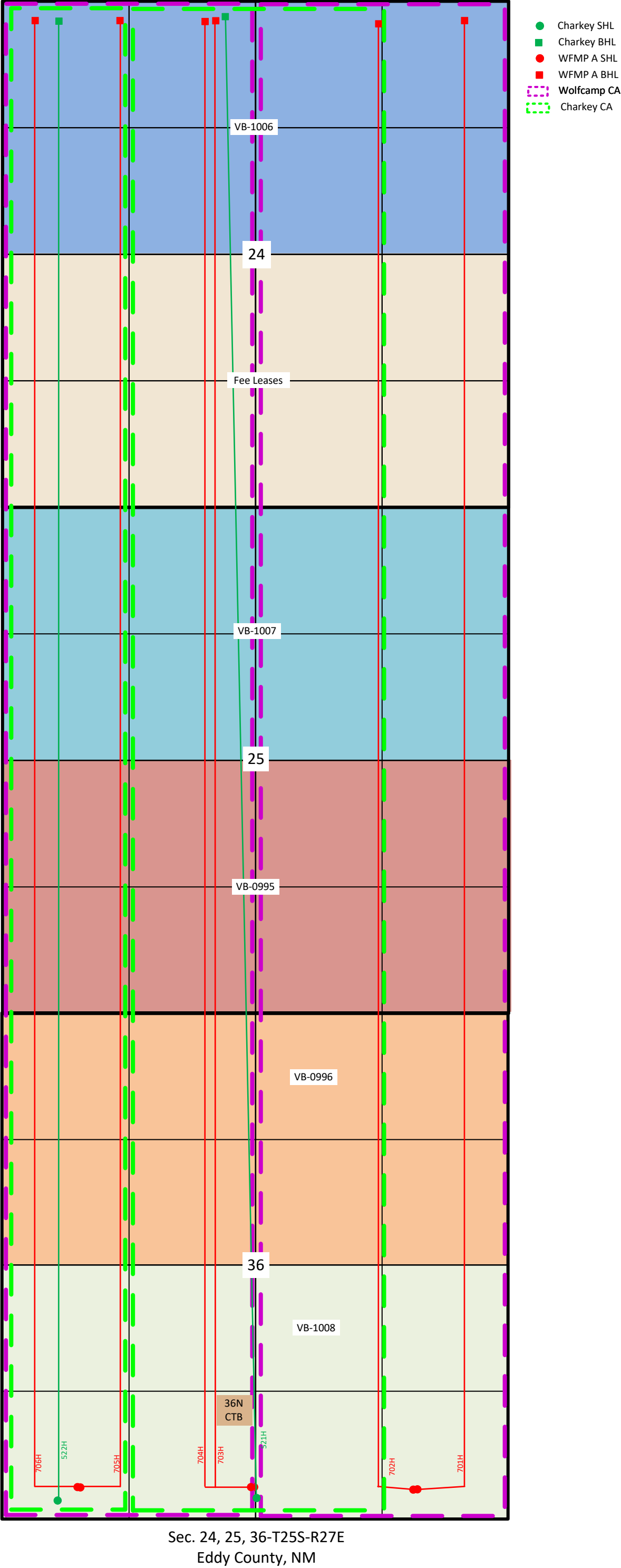
Signature and Seal of Professional Surveyor:

Charles L. Durica  
Professional Surveyor  
25490

Certificate Number



Atticus State Com Wells





# AERIAL MAP

Atticus State Com

Section 26, Township 25 South, Range 27 East, Eddy County, New Mexico



0.20.100.20.4Miles

1,00050001,0002,000Feet

Map Tech: VKV1" = 1,750'

Date: 8/22/20221:21,000

TRANSGLOBAL SERVICES LLC

1100 Macon Street  
Fort Worth, Texas 76102

Coordinate System:  
NAD 1983 StatePlane New Mexico East FIPS 3001 Feet  
Projection: Transverse Mercator  
Datum: North American 1983  
False Easting: 541,337.5000  
False Northing: 0.0000  
Central Meridian: -104.3333  
Scale Factor: 0.9999  
Latitude Of Origin: 31.0000  
Units: Foot US

N  
WSE  
S

ATTICUS STATE COM #522H

SHL Location & Penetration Point:  
330' FSL & 747' FWL  
Section 36, Township 25 South,  
Range 27 East of P.M.  
Eddy County, New Mexico

OPERATOR:  
CONOCOPhillips

ConocoPhillips

Released to Imaging: 3/12/2025 11:51:01 AM

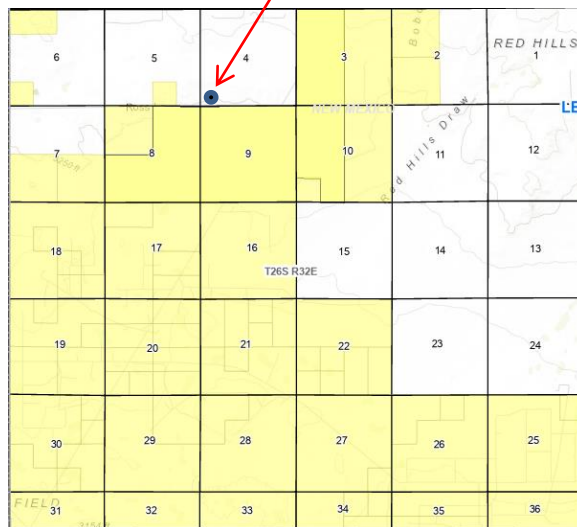


# Atticus State Com 701H-706H & 521H & 522H & Red Hills and Jal Offload Station Map

**Atticus St Com 701H-706H, 521H &  
522H  
Eddy County, NM**



**Red Hills Offload Station  
Lea County, NM**



**Jal Offload Station  
Lea County, NM**



Atticus St Com 701H-706H, 521H & 522H							
Date Sent	Initials	Name	Address	City	State	ZipCode	Certified Return Receipt No.
10.20.22	JB	Devon Energy Production Company, LP	333 W. Sheridan Ave.	Oklahoma City	OK	73102	7020 1810 0000 1413 2413
10.20.22	JB	Chevron U.S.A Inc.	6301 Deauville	Midland	TX	79706	7020 1810 0000 1413 2406
10.20.22	JB	Read & Stevens, Inc.	PO Box 1518	Roswell	NM	88202	7013 3020 0000 8749 4721
10.20.22	JB	Nestegg Energy Corporation	2308 Sierra Vista Road	Artesia	NM	88210	7020 1810 0000 1413 2420
10.20.22	JB	Commissioner of Puplic lands	PO BOX 1148	Santa Fe	NM	87504-1148	7020 1810 0000 1413 2390



**ARTESIA DAILY PRESS**

**LEGAL NOTICES**

**Please run for one day only.**

COG Operating LLC (COG), 2208 West Main, Artesia, New Mexico, 88210, is seeking administrative approval from the New Mexico Oil Conservation Division to pool lease commingle the oil and gas production from the Atticus State Com 701H, 702H, 703H, 704H, 705H, 706H & 521H, 522H wells. Said wells are located in Section 24, 25, 36, Township 25 South, Range 27 East, Eddy County, New Mexico. The Central Tank Battery (CTB) where production will be commingled is located in Ut N, Section 36-T25S-R27E, Eddy County, New Mexico. In the event oil production at the CTB is over capacity or in the case of battery or pipeline repairs, COG is also seeking administrative approval for off-lease measurement at either the Red Hills Off-load Station in Unit O, Section 4-T26S-R32E or the Jal Off-load Station in Unit D, Section 4-T26S-R37E, Lea County, NM. Any interested party who has an objection to this must give notice in writing to the Oil Conservation Division, 1220 South Saint Francis Street, Santa Fe, New Mexico, 87505, within ten (10) days of this notice. Any interested party with questions or comments may contact Shelly Klinger (432) 688-9027 [shelley.c.klinger@concho.com](mailto:shelley.c.klinger@concho.com) at ConocoPhillips, 600 West Illinois, Midland, Texas 79701.

Published in the Artesia Daily Press, Artesia, NM October 27, 2022.

## **Legal Notice**

COG Operating LLC (COG), 2208 West Main, Artesia, New Mexico, 88210, is seeking administrative approval from the New Mexico Oil Conservation Division to pool lease commingle the oil and gas production from the Atticus State Com 701H, 702H, 703H, 704H, 705H, 706H & 521H, 522H wells. Said wells are located in Section 24, 25, 36, Township 25 South, Range 27 East, Eddy County, New Mexico. The Central Tank Battery (CTB) where production will be commingled is located in Ut N, Section 36-T25S-R27E, Eddy County, New Mexico. In the event oil production at the CTB is over capacity or in the case of battery or pipeline repairs, COG is also seeking administrative approval for off-lease measurement at either the Red Hills Off-load Station in Unit O, Section 4-T26S-R32E or the Jal Off-load Station in Unit D, Section 4-T26S-R37E, Lea County, NM. Any interested party who has an objection to this must give notice in writing to the Oil Conservation Division, 1220 South Saint Francis Street, Santa Fe, New Mexico, 87505, within ten (10) days of this notice. Any interested party with questions or comments may contact Shelly Klinger (432) 688-9027 [shelley.c.klinger@concho.com](mailto:shelley.c.klinger@concho.com) at ConocoPhillips, 600 West Illinois, Midland, Texas 79701.

Published in the Artesia Daily Press, Artesia, N.M., Oct. 27, 2022 Legal No. 26323.

**NEW MEXICO STATE LAND OFFICE****CERTIFICATE OF APPROVAL****COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

**COG Operating LLC**  
**Atticus State Com #521H**  
**Bone Spring**  
**Township: 25 South, Range: 27 East, NMPM**  
**Section 24: W2W2**  
**Section 25: W2W2**  
**Section 36: W2W2**

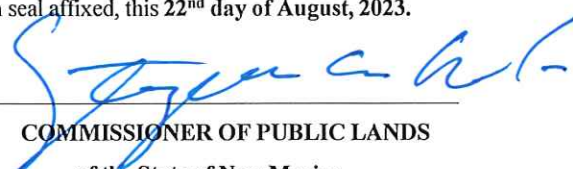
**Eddy County, New Mexico**

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **February 01, 2023**, 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 22<sup>nd</sup> day of August, 2023.

  
**COMMISSIONER OF PUBLIC LANDS**  
of the State of New Mexico



## Revised December 2021

### ONLINE Version

Atticus St Com 521H  
30-015-49982

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:

Subdivisions: W2W2

Of Sect(s): 24, 25 & 36 Twp: 25E Rng: 27E NMPM Eddy County, NM

Containing 480.00 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 and depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

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

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

3. Subject to Paragraph 5, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.



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

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

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

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

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

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

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

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

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

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

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

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

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

OPERATOR: COG Operating LLC



**OPERATOR & LESSEE OF RECORD (Tracts 1, 2, 3)**

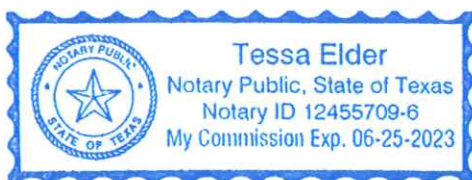
COG OPERATING LLC

By: *Ry D. A*Print: RYAN D. OWEN *ACR*Title: ATTORNEY - IN - FACT

STATE OF TEXAS )

COUNTY OF MIDLAND )

This instrument was acknowledged before me on March 15, 2023, by Ryan D. Owen, as Attorney-in-fact of COG Operating LLC, a Delaware limited liability company, on behalf of same.



*Tessa Elder*  
Notary Public in and for the State of Texas

**LESSEE OF RECORD (Tracts 1, 2 & 3)**

CONCHO OIL &amp; GAS LLC

By: *Ry D. A*Print: RYAN D. OWEN *ACR*Title: ATTORNEY - IN - FACT

STATE OF TEXAS )

COUNTY OF MIDLAND )

This instrument was acknowledged before me on March 15, 2023, by Ryan D. Owen, as Attorney-in-fact of Concho Oil & Gas LLC, a Texas limited liability company, on behalf of same.



*Tessa Elder*  
Notary Public in and for the State of Texas

LESSEE OF RECORD (Tracts 4, 5, & 6)

CHEVRON U.S.A. INC.

By: [Signature]  
Print: BEN J. WILSON  
Title: ATTORNEY-IN-FACT

STATE OF TEXAS       )  
                                  )  
COUNTY OF MIDLAND   )

This instrument was acknowledged before me on May 4, 2023, by  
Ben J. Wilson as Attorney-in-Fact  
of Chevron U.S.A. Inc., a Pennsylvania Corporation, on behalf of same.

Brittany Wesley  
Notary Public in and for the State of Texas



2023 JUN 15 AM 8:04

State/Fee Communitization Agreement  
W2W2 of Secs 24, 25, 36, T25S-R27E, Eddy Co., NM  
Atticus St Com 521H -- Bone Spring

**LESSEE OF RECORD (Tracts 4, 5, & 6)**

CHEVRON U.S.A. INC.

Subject to Compulsory Pooling Order R-22484



**EXHIBIT A**

Attached to and made a part of that Communitization Agreement dated February 1, 2023, by and between COG Operating LLC, as Operator, and Concho Oil & Gas, LLC, et al (Record Title Holders/Lessees of Record)

**COVERING:** W2W2 of Sections 24, 25, and 36, T25S-R27E, Eddy County, New Mexico  
Limited to the Bone Spring formation  
**OPERATOR:** COG Operating LLC

**DESCRIPTION OF LEASES COMMITTED:****TRACT 1: W2NW4 of Section 24, T25S-R27E, Eddy Co., NM (80 acres)**

Date: September 1, 2006  
Lease Number: VB-1006-01  
Lessor: State of New Mexico  
Current Lessee: COG Operating LLC / Concho Oil & Gas LLC  
Description: Insofar and only insofar as to:  
Township 25 South, Range 27 East, N.M.P.M.  
Section 24: W2NW4  
Eddy County, New Mexico  
Royalty: 3/16<sup>th</sup>

**TRACT 2: W2SW4 of Section 24, T25S-R27E, Eddy Co., NM (80 acres)**

Date: September 1, 2006  
Lessor: Devon Energy Production Company LP  
Current Lessee: COG Operating LLC / Concho Oil & Gas LLC  
Description: Insofar and only insofar as to:  
Township 25 South, Range 27 East, N.M.P.M.  
Section 24: W2SW4  
Eddy County, New Mexico  
Royalty: 3/16<sup>th</sup>

*Lease referenced herein from Devon Energy Production Company LP to Marbob Energy Corporation, et al, is subject to the Exhibit B for lease found on JOA dated September 1, 2006, covering Section 24: All, Section 25: N/2, T25S-R27E. This form lease is also found on Exhibit B attached herein.*

**TRACT 3: W2NW4 of Section 25, T25S-R27E, Eddy Co., NM (80 acres)**

Date: September 1, 2006  
Lease Number: VB-1007-01  
Lessor: State of New Mexico  
Current Lessee: COG Operating LLC / Concho Oil & Gas LLC  
Description: Insofar and only insofar as to:

Township 25 South, Range 27 East, N.M.P.M.  
Section 25: W2NW4  
Eddy County, New Mexico  
Royalty: 3/16<sup>th</sup>

**TRACT 4: W2SW4 of Section 25, T25S-R27E, Eddy Co., NM (80 acres)**

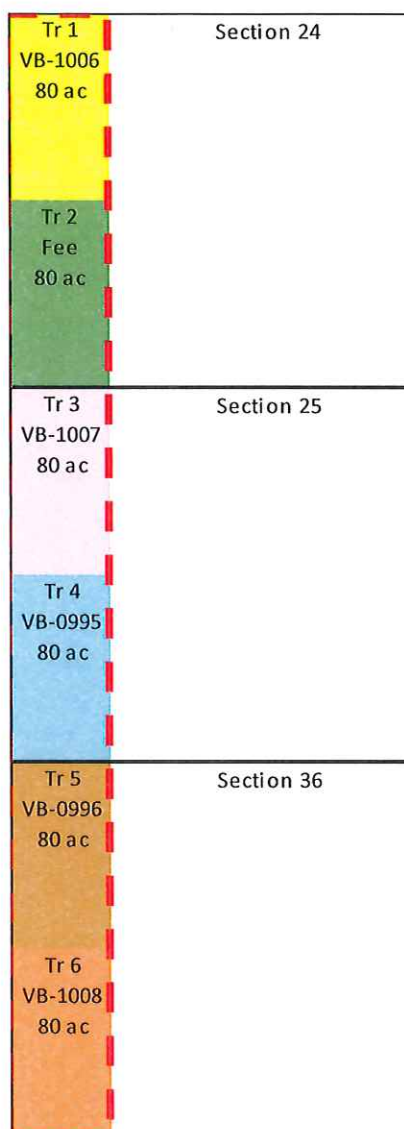
Date: September 1, 2006  
Lease Number: VB-0995-02  
Lessor: State of New Mexico  
Current Lessee: Chevron U.S.A. Inc.  
Description: Insofar and only insofar as to:  
Township 25 South, Range 27 East, N.M.P.M.  
Section 25: W2SW4  
Eddy County, New Mexico  
Royalty: 3/16<sup>th</sup>

**TRACT 5: W2NW4 of Section 36, T25S-R27E, Eddy Co., NM (80 acres)**

Date: September 1, 2006  
Lease Number: VB-0996-02  
Lessor: State of New Mexico  
Current Lessee: Chevron U.S.A. Inc.  
Description: Insofar and only insofar as to:  
Township 25 South, Range 27 East, N.M.P.M.  
Section 36: W2NW4  
Eddy County, New Mexico  
Royalty: 3/16<sup>th</sup>

**TRACT 6: W2SW4 of Section 36, T25S-R27E, Eddy Co., NM (80 acres)**

Date: September 1, 2006  
Lease Number: VB-1008-02  
Lessor: State of New Mexico  
Current Lessee: Chevron U.S.A. Inc.  
Description: Insofar and only insofar as to:  
Township 25 South, Range 27 East, N.M.P.M.  
Section 36: W2SW4  
Eddy County, New Mexico  
Royalty: 3/16<sup>th</sup>



### RECAPITULATION

TRACT	NUMBER OF ACRES COMMITTED	PERCENTAGE OF INTEREST IN COMMUNITIZED AREA
1	80.00	16.67
2	80.00	16.67
3	80.00	16.67
4	80.00	16.67
5	80.00	16.66
6	80.00	16.66
<b>TOTAL</b>	<b>480.00</b>	<b>100.00%</b>

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

**IN THE MATTER OF APPLICATION FOR  
COMPULSORY POOLING SUBMITTED BY  
COG OPERATING LLC**

**CASE NO. 23050  
ORDER NO. R-22484**

**ORDER**

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on October 20, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

**FINDINGS OF FACT**

1. COG Operating LLC ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

**CONCLUSIONS OF LAW**

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the



depth(s) and location(s) in the Unit described in Exhibit A.

11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

### ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the

CASE NO. 23050  
ORDER NO. R-22484

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well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share



of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.

30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**



**DYLAN M. FUGE  
DIRECTOR (ACTING)**

DMF/jag

**Date:** 1/12/23

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ORDER NO. R-22484

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## Exhibit A

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**COMPULSORY POOLING APPLICATION CHECKLIST****ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

<b>Case: 23050</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date</b>	October 20, 2022
<b>Applicant</b>	COG Operating LLC
<b>Designated Operator &amp; OGRID (affiliation if applicable)</b>	229137
<b>Applicant's Counsel:</b>	Holland & Hart LLP
<b>Case Title:</b>	APPLICATION OF COG OPERATING LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.
<b>Entries of Appearance/Intervenors:</b>	N/A
<b>Well Family</b>	Atticus wells
<b>Formation/Pool</b>	
<b>Formation Name(s) or Vertical Extent:</b>	Bone Spring
<b>Primary Product (Oil or Gas):</b>	Oil
<b>Pooling this vertical extent:</b>	N/A
<b>Pool Name and Pool Code:</b>	Delaware River; Bone Spring (16800) & Hay Hollow; Bone Spring, North (30216)
<b>Well Location Setback Rules:</b>	Statewide oil rules
<b>Spacing Unit Size:</b>	960-acres
<b>Spacing Unit</b>	
<b>Type (Horizontal/Vertical)</b>	Horizontal
<b>Size (Acres)</b>	960-acres
<b>Building Blocks:</b>	40-acres
<b>Orientation:</b>	South-North
<b>Description: TRS/County</b>	E/2 W/2, W/2 E/2 of Sections 24, 25 and 36, Township 25 South, Range 27 East, NMPM, in Eddy County
<b>Standard Horizontal Well Spacing Unit (Y/N), If No, describe</b>	Yes
<b>Other Situations</b>	
<b>Depth Severance: Y/N. If yes, description</b>	No
<b>Proximity Tracts: If yes, description</b>	Yes
<b>Proximity Defining Well: If yes, description</b>	The completed interval of the Atticus State Com 521H well is expected to remain with 330 feet of the offsetting quarter-quarter sections or equivalent tracts to include them in a standard horizontal well spacing unit.
<b>Applicant's Ownership in Each Tract</b>	See Exhibit A-3
<b>Well(s)</b>	
<b>Name &amp; API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)</b>	
<b>Well #1</b>	<u>Atticus State Com 521H (30-015-49982)</u> SHL: 345' FSL & 2648' FWL (Unit N) of Section 36 BHL: 50' FNL & 2330' FEL (Unit B) of Section 24 Completion Target: Bone Spring formation Well Orientation: South to North Completion Location expected to be: Standard
<b>Horizontal Well First and Last Take Points</b>	Exhibit A-1
<b>Released to Imaging: 10/18/2022 2:35:23 PM</b>	Exhibit A-4

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<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	See Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	N/A
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-3
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
<b>Geology</b>	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B; B-4
HSU Cross Section	Exhibit B-4
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
A-102	Exhibit A-1
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit B-1
Structure Contour Map - Subsea Depth	Exhibit B-2
Cross Section Location Map (including wells)	Exhibit B-3

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Cross Section (including Landing Zone)	Exhibit B-4
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Paula M. Vance
Signed Name (Attorney or Party Representative):	
Date:	18-Oct-22

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**NEW MEXICO STATE LAND OFFICE****CERTIFICATE OF APPROVAL****COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

**COG Operating LLC**  
**Atticus State Com #522H**  
**Bone Spring**  
**Township: 25 South, Range: 27 East, NMPM**  
**Section 24: W2E2, E2W2**  
**Section 25: W2E2, E2W2**  
**Section 36: W2E2, E2W2**

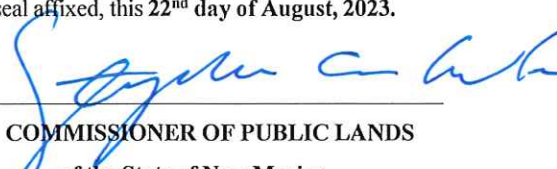
**Eddy County, New Mexico**

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **February 01, 2023**, 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 **22<sup>nd</sup>** day of August, 2023.

  
**COMMISSIONER OF PUBLIC LANDS**  
of the State of New Mexico



**STATE/STATE OR  
STATE/FEE**  
Revised December 2021

### ONLINE Version

Atticus St Com 522H  
30-015-49983

COUNTY OF Eddy )

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

WHEREAS, the parties hereto, own working, royalty, or other leasehold interests or operating rights under the oil and gas leases and lands subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, 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 or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

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



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

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

Subdivisions: W2E2 & E2W2

Of Sect(s): 24, 25 & 36 Twp: 25E Rng: 27E NMPM Eddy County, NM

Containing 960.00 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 and depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

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

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

3. Subject to Paragraph 5, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.

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

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

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

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

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

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



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

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

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

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

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

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

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

OPERATOR: COG Operating LLC

**OPERATOR & LESSEE OF RECORD (Tracts 1, 2, 3)**

COG OPERATING LLC

By: *Ry D. Owen* ACR  
 Print: RYAN D. OWEN  
 Title: ATTORNEY-IN-FACT

STATE OF TEXAS            )  
   )  
 COUNTY OF MIDLAND    )

This instrument was acknowledged before me on March 15, 2023, by Ryan D. Owen, as Attorney-in-fact of COG Operating LLC, a Delaware limited liability company, on behalf of same.



*Tessa Elder*  
 Notary Public in and for the State of Texas

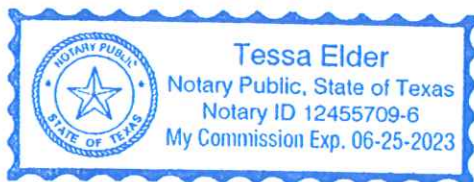
**LESSEE OF RECORD (Tracts 1, 2 & 3)**

CONCHO OIL &amp; GAS LLC

By: *Ry D. Owen* ACR  
 Print: RYAN D. OWEN  
 Title: ATTORNEY-IN-FACT

STATE OF TEXAS            )  
   )  
 COUNTY OF MIDLAND    )

This instrument was acknowledged before me on March 15, 2023, by Ryan D. Owen, as Attorney-in-fact of Concho Oil & Gas LLC, a Texas limited liability company, on behalf of same.



*Tessa Elder*  
 Notary Public in and for the State of Texas



LESSEE OF RECORD (Tracts 4, 5, & 6)

CHEVRON U.S.A. INC.

By: [Signature]  
Print: BEN J. WILSON  
Title: ATTORNEY-IN-FACT

STATE OF TEXAS       )  
                                  )  
COUNTY OF MIDLAND )

This instrument was acknowledged before me on May 4, 2023, by  
Ben J. Wilson as Attorney-in-Fact  
of Chevron U.S.A. Inc., a Pennsylvania Corporation, on behalf of same.

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



2023 JUN 15 AM 8:04

State/Fee Communitization Agreement  
E2W2 & W2E2 of Secs 24, 25, 36, T25S-R27E, Eddy Co., NM  
Atticus St Com 522H – Bone Spring

**LESSEE OF RECORD (Tracts 4, 5, & 6)**

CHEVRON U.S.A. INC.

Subject to Compulsory Pooling Order R-22485

**EXHIBIT A**

Attached to and made a part of that Communitization Agreement dated February 1, 2023, by and between COG Operating LLC, as Operator, and Concho Oil & Gas, LLC, et al (Record Title Holders/Lessees of Record)

**COVERING:** E2W2 & W2E2 of Sections 24, 25, and 36, T25S-R27E, Eddy County, New Mexico

Limited to the Bone Spring formation

**OPERATOR:** COG Operating LLC

**DESCRIPTION OF LEASES COMMITTED:****TRACT 1: E2NW4 & W2NE4 of Section 24, T25S-R27E, Eddy Co., NM (160 acres)**

Date: September 1, 2006  
 Lease Number: VB-1006-01  
 Lessor: State of New Mexico  
 Current Lessee: COG Operating LLC / Concho Oil & Gas LLC  
 Description: Insofar and only insofar as to:  
Township 25 South, Range 27 East, N.M.P.M.  
 Section 24: E2NW4 & W2NE4  
 Eddy County, New Mexico  
 Royalty: 3/16<sup>th</sup>

**TRACT 2: E2SW4 & W2SE4 of Section 24, T25S-R27E, Eddy Co., NM (160 acres)**

Date: September 1, 2006  
 Lessor: Devon Energy Production Company LP  
 Current Lessee: COG Operating LLC / Concho Oil & Gas LLC  
 Description: Insofar and only insofar as to:  
Township 25 South, Range 27 East, N.M.P.M.  
 Section 24: E2SW4 & W2SE4  
 Eddy County, New Mexico  
 Royalty: 3/16<sup>th</sup>

*Lease referenced herein from Devon Energy Production Company LP to Marbob Energy Corporation, et al, is subject to the Exhibit B for lease found on JOA dated September 1, 2006, covering Section 24: All, Section 25: N/2, T25S-R27E. This form lease is also found on Exhibit B attached herein.*

**TRACT 3: E2NW4 & W2NE4 of Section 25, T25S-R27E, Eddy Co., NM (160 acres)**

Date: September 1, 2006  
 Lease Number: VB-1007-01  
 Lessor: State of New Mexico  
 Current Lessee: COG Operating LLC / Concho Oil & Gas LLC  
 Description: Insofar and only insofar as to:

Royalty: Township 25 South, Range 27 East, N.M.P.M.  
Section 25: E2NW4 & W2NE4  
Eddy County, New Mexico  
3/16<sup>th</sup>

**TRACT 4: E2SW4 & W2SE4 of Section 25, T25S-R27E, Eddy Co., NM (160 acres)**

Date: September 1, 2006  
Lease Number: VB-0995-02  
Lessor: State of New Mexico  
Current Lessee: Chevron U.S.A. Inc.  
Description: Insofar and only insofar as to:  
Township 25 South, Range 27 East, N.M.P.M.  
Section 25: E2SW4 & W2SE4  
Eddy County, New Mexico  
Royalty: 3/16<sup>th</sup>

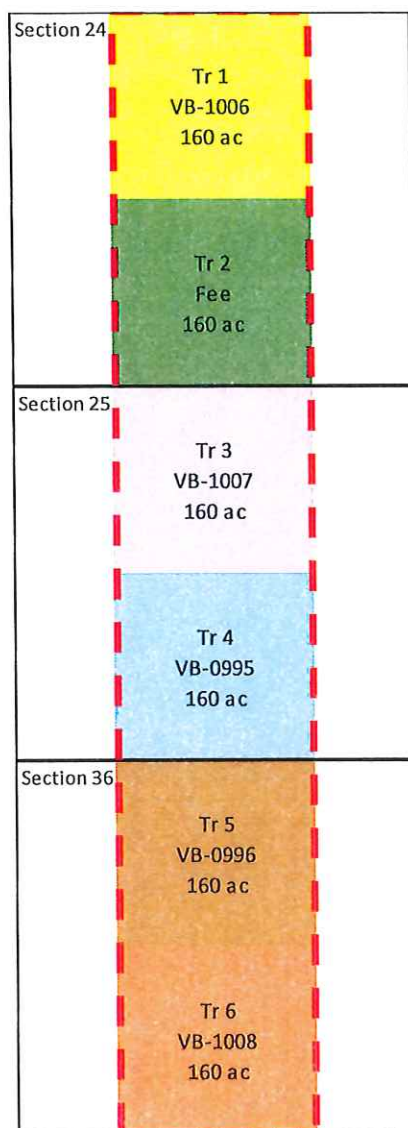
**TRACT 5: E2NW4 & W2NE4 of Section 36, T25S-R27E, Eddy Co., NM (160 acres)**

Date: September 1, 2006  
Lease Number: VB-0996-02  
Lessor: State of New Mexico  
Current Lessee: Chevron U.S.A. Inc.  
Description: Insofar and only insofar as to:  
Township 25 South, Range 27 East, N.M.P.M.  
Section 36: E2NW4 & W2NE4  
Eddy County, New Mexico  
Royalty: 3/16<sup>th</sup>

**TRACT 6: E2SW4 & W2SE4 of Section 36, T25S-R27E, Eddy Co., NM (160 acres)**

Date: September 1, 2006  
Lease Number: VB-1008-02  
Lessor: State of New Mexico  
Current Lessee: Chevron U.S.A. Inc.  
Description: Insofar and only insofar as to:  
Township 25 South, Range 27 East, N.M.P.M.  
Section 36: E2SW4 & W2SE4  
Eddy County, New Mexico  
Royalty: 3/16<sup>th</sup>





### RECAPITULATION

TRACT	NUMBER OF ACRES COMMITTED	PERCENTAGE OF INTEREST IN COMMUNITIZED AREA
1	160.00	16.67
2	160.00	16.67
3	160.00	16.67
4	160.00	16.67
5	160.00	16.66
6	160.00	16.66
<b>TOTAL</b>	<b>960.00</b>	<b>100.00%</b>

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

**IN THE MATTER OF APPLICATION FOR  
COMPULSORY POOLING SUBMITTED BY  
COG OPERATING LLC**

**CASE NO. 23051  
ORDER NO. R-22485**

**ORDER**

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on October 20, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

**FINDINGS OF FACT**

1. COG Operating LLC ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

**CONCLUSIONS OF LAW**

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the

depth(s) and location(s) in the Unit described in Exhibit A.

11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

### **ORDER**

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the



well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share



of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.

30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**

  
\_\_\_\_\_  
**DYLAN M FUGE**  
**DIRECTOR (ACTING)**  
DMF/jag

**Date:** 1/12/23

CASE NO. 23051  
ORDER NO. R-22485

Page 4 of 7

## Exhibit A

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**COMPULSORY POOLING APPLICATION CHECKLIST****ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

<b>Case: 23051</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date</b>	<b>October 20, 2022</b>
<b>Applicant</b>	COG Operating LLC
<b>Designated Operator &amp; OGRID (affiliation if applicable)</b>	229137
<b>Applicant's Counsel:</b>	Holland & Hart LLP
<b>Case Title:</b>	APPLICATION OF COG OPERATING LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.
<b>Entries of Appearance/Intervenors:</b>	N/A
<b>Well Family</b>	Atticus wells
<b>Formation/Pool</b>	
<b>Formation Name(s) or Vertical Extent:</b>	Bone Spring
<b>Primary Product (Oil or Gas):</b>	Oil
<b>Pooling this vertical extent:</b>	N/A
<b>Pool Name and Pool Code:</b>	Delaware River; Bone Spring (16800) & Hay Hollow; Bone Spring North (30216)
<b>Well Location Setback Rules:</b>	Statewide oil rules
<b>Spacing Unit Size:</b>	480-acres
<b>Spacing Unit</b>	
<b>Type (Horizontal/Vertical)</b>	Horizontal
<b>Size (Acres)</b>	480-acres
<b>Building Blocks:</b>	40-acres
<b>Orientation:</b>	South-North
<b>Description: TRS/County</b>	W/2 W/2 of Sections 24, 25 and 36, Township 25 South, Range 27 East, NMPM, in Eddy County
<b>Standard Horizontal Well Spacing Unit (Y/N), If No, describe</b>	Yes
<b>Other Situations</b>	
<b>Depth Severance: Y/N. If yes, description</b>	No
<b>Proximity Tracts: If yes, description</b>	No
<b>Proximity Defining Well: If yes, description</b>	N/A
<b>Applicant's Ownership In Each Tract</b>	See Exhibit A-3
<b>Well(s)</b>	
<b>Name &amp; API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)</b>	
<b>Well #1</b>	<u>Atticus State Com 522H (30-015-44983)</u> SHL: 330' FSL & 747' FWL (Unit M) of Section 36 BHL: 50' FNL & 660' FWL (Unit D) of Section 24 Completion Target: Bone Spring formation Well Orientation: South to North Completion Location expected to be: Standard
<b>Horizontal Well First and Last Take Points</b>	Exhibit A-1
<b>Completion Target (Formation, TVD and MD)</b>	Exhibit A-4
<b>AFE Capex and Operating Costs</b>	

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CASE NO. 23051  
ORDER NO. R-22485

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Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	See Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	N/A
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (Including lease numbers and owners)	Exhibit A-3
Pooled Parties (Including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
<b>Geology</b>	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B; B-4
HSU Cross Section	Exhibit B-4
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
A-102	Exhibit A-1
Tracts	Exhibit A-3
Summary of Interests; Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (Including basin)	Exhibit B-1
Well Bore Location Map	Exhibit B-1
Structure Contour Map - Subsea Depth	Exhibit B-2
Cross Section Location Map (Including wells)	Exhibit B-3
Cross Section (Including Landing Zone)	Exhibit B-4
<b>Additional Information</b>	

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Special Provisions/Stipulations	N/A
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
Printed Name (Attorney or Party Representative):	Paula M. Vance
Signed Name (Attorney or Party Representative):	
Date:	18-Oct-22

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CASE NO. 23051  
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**NEW MEXICO STATE LAND OFFICE****CERTIFICATE OF APPROVAL****COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

**COG Operating LLC**  
**Atticus State Com #701H**  
**Wolfcamp**  
**Township: 25 South, Range: 27 East, NMPM**  
**Section 24: E2**  
**Section 25: E2**  
**Section 36: E2**

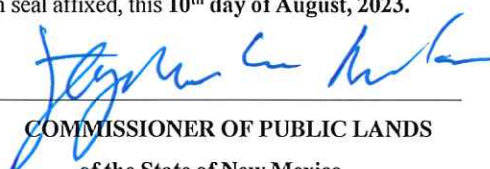
**Eddy County, New Mexico**

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **February 01, 2023**, 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 10<sup>th</sup> day of August, 2023.

  
**COMMISSIONER OF PUBLIC LANDS**  
**of the State of New Mexico**

Revised December 2021

ONLINE Version

Atticus St Com 701H  
30-015-49628  
Atticus St Com 702H  
30-015-49629  
Atticus St Com 703H  
30-015-49630

Atticus St Com 701H  
30-015-49628  
Atticus St Com 702H  
30-015-49629  
Atticus St Com 703H  
30-015-49630



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:

Subdivisions: E2

Of Sect(s): 24, 25 & 36 Twp: 25E Rng: 27E NMPM Eddy County, NM

Containing 960 acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

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

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

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

3. Subject to Paragraph 5, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.

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

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

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

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

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

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



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

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

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

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

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

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

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

OPERATOR: COG Operating LLC

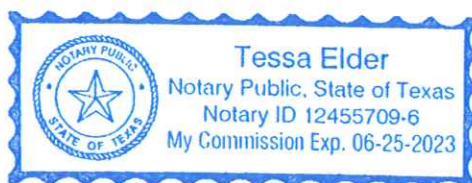
**OPERATOR & LESSEE OF RECORD (Tracts 1, 2, 3)**

COG OPERATING LLC

By: *Ry D. Owen* ACR  
 Print: RYAN D. OWEN  
 Title: ATTORNEY-IN-FACT

STATE OF TEXAS            )  
   )  
 COUNTY OF MIDLAND    )

This instrument was acknowledged before me on MARCH 15, 2023, by Ryan D. Owen, as Attorney-in-fact of COG Operating LLC, a Delaware limited liability company, on behalf of same.



*Tessa Elder*  
 Notary Public in and for the State of Texas

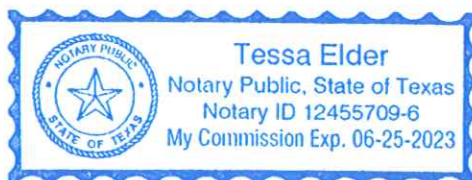
**LESSEE OF RECORD (Tracts 1, 2 & 3)**

CONCHO OIL &amp; GAS LLC

By: *Ry D. Owen* ACR  
 Print: RYAN D. OWEN  
 Title: ATTORNEY-IN-FACT

STATE OF TEXAS            )  
   )  
 COUNTY OF MIDLAND    )

This instrument was acknowledged before me on MARCH 15, 2023, by Ryan D. Owen, as Attorney-in-fact of Concho Oil & Gas LLC, a Texas limited liability company, on behalf of same.



*Tessa Elder*  
 Notary Public in and for the State of Texas

LESSEE OF RECORD (Tracts 4, 5, & 6)

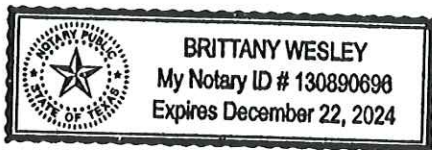
CHEVRON U.S.A. INC.

By: [Signature]  
Print: BEN WILSON  
Title: ATTORNEY-IN-FACT

STATE OF TEXAS       )  
                                  )  
COUNTY OF MIDLAND )

This instrument was acknowledged before me on May 4, 2023, by  
Ben Wilson as Attorney-in-Fact  
of Chevron U.S.A. Inc., a Pennsylvania Corporation, on behalf of same.

Brittany Wesley  
Notary Public in and for the State of Texas



State/Fee Communitization Agreement  
E2 of Secs 24, 25, 36, T25S-R27E, Eddy Co., NM  
Atticus St Com 701H-703H - Wolfcamp



**LESSEE OF RECORD (Tracts 4, 5, & 6)**

CHEVRON U.S.A. INC.

Subject to Compulsory Pooling Order R-22453

**EXHIBIT A**

Attached to and made a part of that Communitization Agreement dated February 1, 2023, by and between COG Operating LLC, as Operator, and Concho Oil & Gas, LLC, et al (Record Title Holders/Lessees of Record)

**COVERING:** E2 of Sections 24, 25, and 36, T25S-R27E, Eddy County, New Mexico  
Limited to the Bone Spring formation

**OPERATOR:** COG Operating LLC

**DESCRIPTION OF LEASES COMMITTED:****TRACT 1: NE4 of Section 24, T25S-R27E, Eddy Co., NM (160 acres)**

Date: September 1, 2006  
Lease Number: VB-1006-01  
Lessor: State of New Mexico  
Current Lessee: COG Operating LLC / Concho Oil & Gas LLC  
Description: Insofar and only insofar as to:  
Township 25 South, Range 27 East, N.M.P.M.  
Section 24: NE4  
Eddy County, New Mexico  
Royalty: 3/16<sup>th</sup>

**TRACT 2: SE4 of Section 24, T25S-R27E, Eddy Co., NM (160 acres)**

Date: September 1, 2006  
Lessor: Devon Energy Production Company LP  
Current Lessee: COG Operating LLC / Concho Oil & Gas LLC  
Description: Insofar and only insofar as to:  
Township 25 South, Range 27 East, N.M.P.M.  
Section 24: SE4  
Eddy County, New Mexico  
Royalty: 3/16<sup>th</sup>

*Lease referenced herein from Devon Energy Production Company LP to Marbob Energy Corporation, et al, is subject to the Exhibit B for lease found on JOA dated September 1, 2006, covering Section 24: All, Section 25: N/2, T25S-R27E. This form lease is also found on Exhibit B attached herein.*

**TRACT 3: NE4 of Section 25, T25S-R27E, Eddy Co., NM (160 acres)**

Date: September 1, 2006  
Lease Number: VB-1007-01  
Lessor: State of New Mexico  
Current Lessee: COG Operating LLC / Concho Oil & Gas LLC  
Description: Insofar and only insofar as to:  
Township 25 South, Range 27 East, N.M.P.M.

Royalty: Section 25: NE4  
Eddy County, New Mexico  
3/16<sup>th</sup>

**TRACT 4: SE4 of Section 25, T25S-R27E, Eddy Co., NM (160 acres)**

Date: September 1, 2006  
Lease Number: VB-0995-02  
Lessor: State of New Mexico  
Current Lessee: Chevron U.S.A. Inc.  
Description: Insofar and only insofar as to:  
Township 25 South, Range 27 East, N.M.P.M.  
Section 25: SE4  
Eddy County, New Mexico  
Royalty: 3/16<sup>th</sup>

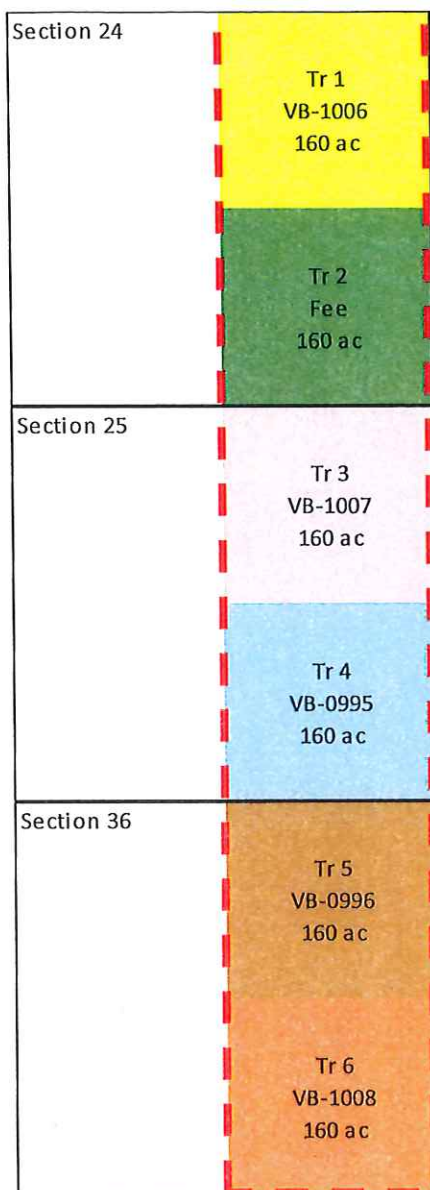
**TRACT 5: NE4 of Section 36, T25S-R27E, Eddy Co., NM (160 acres)**

Date: September 1, 2006  
Lease Number: VB-0996-02  
Lessor: State of New Mexico  
Current Lessee: Chevron U.S.A. Inc.  
Description: Insofar and only insofar as to:  
Township 25 South, Range 27 East, N.M.P.M.  
Section 36: NE4  
Eddy County, New Mexico  
Royalty: 3/16<sup>th</sup>

**TRACT 6: SE4 of Section 36, T25S-R27E, Eddy Co., NM (160 acres)**

Date: September 1, 2006  
Lease Number: VB-1008-02  
Lessor: State of New Mexico  
Current Lessee: Chevron U.S.A. Inc.  
Description: Insofar and only insofar as to:  
Township 25 South, Range 27 East, N.M.P.M.  
Section 36: SE4  
Eddy County, New Mexico  
Royalty: 3/16<sup>th</sup>



**RECAPITULATION**

TRACT	NUMBER OF ACRES COMMITTED	PERCENTAGE OF INTEREST IN COMMUNITIZED AREA
1	160.00	16.67
2	160.00	16.67
3	160.00	16.67
4	160.00	16.67
5	160.00	16.66
6	160.00	16.66
<b>TOTAL</b>	<b>960.00</b>	<b>100.00%</b>

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

**IN THE MATTER OF APPLICATION FOR  
COMPULSORY POOLING SUBMITTED BY  
COG OPERATING LLC**

**CASE NO. 23052  
ORDER NO. R-22453**

**ORDER**

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on October 6, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

**FINDINGS OF FACT**

1. COG Operating, LLC ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

**CONCLUSIONS OF LAW**

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the

depth(s) and location(s) in the Unit described in Exhibit A.

11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

### **ORDER**

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the



well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share

of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.

30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
ADRIENNE SANDOVAL  
DIRECTOR  
AES/jag

Date: 12/23/2022

CASE NO. 23052  
ORDER NO. R-22453

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## Exhibit A

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**COMPULSORY POOLING APPLICATION CHECKLIST****ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

<b>Case: 23052</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date</b>	October 6, 2022
<b>Applicant</b>	COG Operating LLC
<b>Designated Operator &amp; OGRID (affiliation if applicable)</b>	229137
<b>Applicant's Counsel:</b>	Holland & Hart LLP
<b>Case Title:</b>	APPLICATION OF COG OPERATING LLC FOR COMPULSORY POOLING, Eddy County, NEW MEXICO.
<b>Entries of Appearance/Intervenors:</b>	N/A
<b>Well Family</b>	Atticus wells
<b>Formation/Pool</b>	
<b>Formation Name(s) or Vertical Extent:</b>	Wolfcamp
<b>Primary Product (Oil or Gas):</b>	Oil
<b>Pooling this vertical extent:</b>	N/A
<b>Pool Name and Pool Code:</b>	Purple Sage; Wolfcamp (Gas) (98220)
<b>Well Location Setback Rules:</b>	Special Rules enacted under Order R-14262
<b>Spacing Unit Size:</b>	960 acres
<b>Spacing Unit</b>	
<b>Type (Horizontal/Vertical)</b>	Horizontal
<b>Size (Acres)</b>	960-acres
<b>Building Blocks:</b>	320-acres or Quarter Sections
<b>Orientation:</b>	South-North
<b>Description: TRS/County</b>	E/2 of Sections 24, 25 and 36, Township 25 South, Range 27 Eas NMPM, in Eddy County
<b>Standard Horizontal Well Spacing Unit (Y/N), If No, describe</b>	Yes
<b>Other Situations</b>	
<b>Depth Severance: Y/N. If yes, description</b>	No
<b>Proximity Tracts: If yes, description</b>	No
<b>Proximity Defining Well: if yes, description</b>	N/A
<b>Applicant's Ownership in Each Tract</b>	See Exhibit A-3
<b>Well(s)</b>	
<b>Name &amp; API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)</b>	
<b>Well #1</b>	Atticus State Com 701H (30-015-49628) SHL: 315' FSL & 960' FEL (Unit P) of Section 36 BHL: 200' FNL & 450' FEL (Unit A) of Section 24 Completion Target: Wolfcamp formation Well Orientation: south to north Completion Location expected to be: Standard

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ORDER NO. R-22453

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Well #2	Atticus State Com 702H (30-015-49629) SHL: 315' FSL & 990' FEL (Unit P) of Section 36 BHL: 20' FNL & 1350' FEL (Unit B) of Section 24 Completion Target: Wolfcamp formation Well Orientation: south to north Completion Location expected to be: Standard
Well #3	Atticus State Com 703H (30-015-49630) SHL: 345' FSL & 2618' FWL (Unit N) of Section 36 BHL: 200' FNL & 2250' FEL (Unit B) of Section 24 Completion Target: Wolfcamp formation Well Orientation: south to north Completion Location expected to be: Standard
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-4
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	See Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	N/A
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-3
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
<b>Geology</b>	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-2

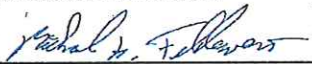
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CASE NO. 23052  
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Gunbarrel/Lateral Trajectory Schematic	Exhibit B-2
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-4
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
A-102	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit A-2, B-2
Structure Contour Map - Subsea Depth	Exhibit B-2
Cross Section Location Map (including wells)	Exhibit B-3
Cross Section (including Landing Zone)	Exhibit B-4
<b>Additional Information</b>	
Special Provisions/Stipulations	N/A
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
Printed Name (Attorney or Party Representative):	Michael H. Feldewert
Signed Name (Attorney or Party Representative):	
Date:	4-Oct

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**NEW MEXICO STATE LAND OFFICE**

## CERTIFICATE OF APPROVAL

## COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

COG Operating LLC  
Atticus State Com #704H  
Wolfcamp  
Township: 25 South, Range: 27 East, NMPM  
Section 24: W2  
Section 25: W2  
Section 36: W2

Eddy County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **February 01, 2023**, 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 10<sup>th</sup> day of August, 2023.

  
\_\_\_\_\_  
COMMISSIONER OF PUBLIC LANDS  
of the State of New Mexico



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

**STATE/STATE OR  
STATE/FEE**  
Revised December 2021

**COMMUNITIZATION AGREEMENT**

ONLINE Version

KNOW ALL PERSONS BY THESE PRESENTS:

STATE OF NEW MEXICO )  
SS)

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

COUNTY OF Eddy )

Atticus St Com 704H  
30-015-49631  
Atticus St Com 705H  
30-015-49632  
Atticus St Com 706H  
30-015-49633

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of (date before 1<sup>st</sup> production) February 1, 2023, by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

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

WHEREAS, the parties hereto, own working, royalty, or other leasehold interests or operating rights under the oil and gas leases and lands subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, 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 Wolfcamp formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

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

ONLINE  
version  
December 9, 2021

State/State

1

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:

Subdivisions: W2

Of Sect(s): 24, 25 & 36 Twp: 25E Rng: 27E NMPM Eddy County, NM

Containing 960 acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

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

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

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

3. Subject to Paragraph 5, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.



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

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

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

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

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

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



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

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

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

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

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

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

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

OPERATOR: COG Operating LLC

**OPERATOR & LESSEE OF RECORD (Tracts 1, 2, 3)**

COG OPERATING LLC

By: Ry D. Owen  
Print: RYAN D. OWEN  
Title: ATTORNEY-IN-FACT

STATE OF TEXAS       )  
                                  )  
COUNTY OF MIDLAND   )

This instrument was acknowledged before me on MARCH 15, 2023, by Ryan D. Owen, as Attorney-in-fact of COG Operating LLC, a Delaware limited liability company, on behalf of same.

Lessa Edder  
Notary Public in and for the State of Texas

**LESSEE OF RECORD (Tracts 1, 2 & 3)**

CONCHO OIL &amp; GAS LLC

By: Ry D. Owen  
Print: RYAN D. OWEN  
Title: ATTORNEY-IN-FACT

STATE OF TEXAS       )  
                                  )  
COUNTY OF MIDLAND   )

This instrument was acknowledged before me on MARCH 15, 2023, by Ryan D. Owen, as Attorney-in-fact of Concho Oil & Gas LLC, a Texas limited liability company, on behalf of same.

Lessa Edder  
Notary Public in and for the State of Texas

LESSEE OF RECORD (Tracts 4, 5, & 6)

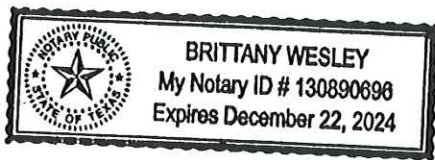
CHEVRON U.S.A. INC.

By: [Signature]  
Print: BEN J. WILSON  
Title: ATTORNEY-IN-FACT

STATE OF TEXAS       )  
                                      )  
COUNTY OF MIDLAND   )

This instrument was acknowledged before me on May 4, 2023, by  
Ben J. Wilson as Attorney-in-Fact  
of Chevron U.S.A. Inc., a Pennsylvania Corporation, on behalf of same.

Brittany Wesley  
Notary Public in and for the State of Texas



2023 JUN 15 AM 8:04

State/Fee Communitization Agreement  
W2 of Secs 24, 25, 36, T25S-R27E, Eddy Co., NM  
Atticus St Corn 704H-706H - Wolfcamp



**LESSEE OF RECORD (Tracts 4, 5, & 6)**

CHEVRON U.S.A. INC.

Subject to Compulsory Pooling Order R-22454

State/Fee Communitization Agreement  
W2 of Secs 24, 25, 36, T25S-R27E, Eddy Co., NM  
Atticus St Com 704H-706H - Wolfcamp

**EXHIBIT A**

Attached to and made a part of that Communitization Agreement dated February 1, 2023, by and between COG Operating LLC, as Operator, and Concho Oil & Gas, LLC, et al (Record Title Holders/Lessees of Record)

**COVERING:** W2 of Sections 24, 25, and 36, T25S-R27E, Eddy County, New Mexico  
**Limited to the Bone Spring formation**

**OPERATOR:** COG Operating LLC

**DESCRIPTION OF LEASES COMMITTED:****TRACT 1: NW4 of Section 24, T25S-R27E, Eddy Co., NM (160 acres)**

Date: September 1, 2006  
 Lease Number: VB-1006-01  
 Lessor: State of New Mexico  
 Current Lessee: COG Operating LLC / Concho Oil & Gas LLC  
 Description: Insofar and only insofar as to:  
Township 25 South, Range 27 East, N.M.P.M.  
 Section 24: NW4  
 Eddy County, New Mexico  
 Royalty: 3/16<sup>th</sup>

**TRACT 2: SW4 of Section 24, T25S-R27E, Eddy Co., NM (160 acres)**

Date: September 1, 2006  
 Lessor: Devon Energy Production Company LP  
 Current Lessee: COG Operating LLC / Concho Oil & Gas LLC  
 Description: Insofar and only insofar as to:  
Township 25 South, Range 27 East, N.M.P.M.  
 Section 24: SW4  
 Eddy County, New Mexico  
 Royalty: 3/16<sup>th</sup>

*Lease referenced herein from Devon Energy Production Company LP to Marbob Energy Corporation, et al, is subject to the Exhibit B for lease found on JOA dated September 1, 2006, covering Section 24: All, Section 25: N/2, T25S-R27E. This form lease is also found on Exhibit B attached herein.*

**TRACT 3: NW4 of Section 25, T25S-R27E, Eddy Co., NM (160 acres)**

Date: September 1, 2006  
 Lease Number: VB-1007-01  
 Lessor: State of New Mexico  
 Current Lessee: COG Operating LLC / Concho Oil & Gas LLC  
 Description: Insofar and only insofar as to:  
Township 25 South, Range 27 East, N.M.P.M.

Royalty: Section 25: NW4  
Eddy County, New Mexico  
3/16<sup>th</sup>

**TRACT 4: SW4 of Section 25, T25S-R27E, Eddy Co., NM (160 acres)**

Date: September 1, 2006  
Lease Number: VB-0995-02  
Lessor: State of New Mexico  
Current Lessee: Chevron U.S.A. Inc.  
Description: Insofar and only insofar as to:  
Township 25 South, Range 27 East, N.M.P.M.  
Section 25: SW4  
Eddy County, New Mexico  
Royalty: 3/16<sup>th</sup>

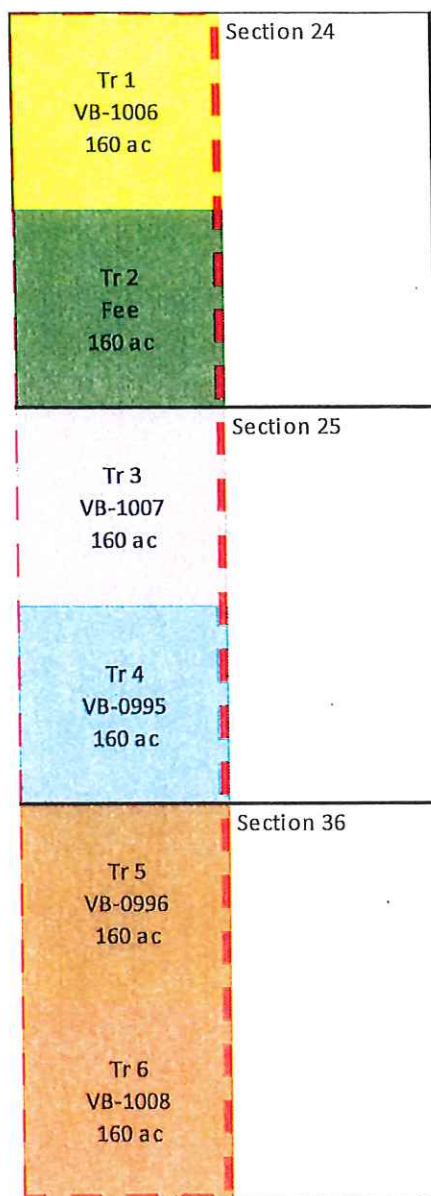
**TRACT 5: NW4 of Section 36, T25S-R27E, Eddy Co., NM (160 acres)**

Date: September 1, 2006  
Lease Number: VB-0996-02  
Lessor: State of New Mexico  
Current Lessee: Chevron U.S.A. Inc.  
Description: Insofar and only insofar as to:  
Township 25 South, Range 27 East, N.M.P.M.  
Section 36: NW4  
Eddy County, New Mexico  
Royalty: 3/16<sup>th</sup>

**TRACT 6: SW4 of Section 36, T25S-R27E, Eddy Co., NM (160 acres)**

Date: September 1, 2006  
Lease Number: VB-1008-02  
Lessor: State of New Mexico  
Current Lessee: Chevron U.S.A. Inc.  
Description: Insofar and only insofar as to:  
Township 25 South, Range 27 East, N.M.P.M.  
Section 36: SW4  
Eddy County, New Mexico  
Royalty: 3/16<sup>th</sup>





### RECAPITULATION

TRACT	NUMBER OF ACRES COMMITTED	PERCENTAGE OF INTEREST IN COMMUNITIZED AREA
1	160.00	16.67
2	160.00	16.67
3	160.00	16.67
4	160.00	16.67
5	160.00	16.66
6	160.00	16.66
<b>TOTAL</b>	<b>960.00</b>	<b>100.00%</b>

State/Fee Communitization Agreement  
W2 of Secs 24, 25, 36, T25S-R27E, Eddy Co., NM  
Atticus St Com 704H-706H - Wolfcamp

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

**IN THE MATTER OF APPLICATION FOR  
COMPULSORY POOLING SUBMITTED BY  
COG OPERATING LLC**

**CASE NO. 23053  
ORDER NO. R-22454**

**ORDER**

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on October 6, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

**FINDINGS OF FACT**

1. COG Operating, LLC ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

**CONCLUSIONS OF LAW**

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the

depth(s) and location(s) in the Unit described in Exhibit A.

11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

### ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the

CASE NO. 23053  
ORDER NO. R-22454

Page 2 of 7



well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share

of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.

30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



ADRIENNE SANDOVAL  
DIRECTOR

AES/jag

Date: 12/23/2022

CASE NO. 23053  
ORDER NO. R-22454

Page 4 of 7



## Exhibit A

Received by OCD: 10/4/2022 2:19:42 PM

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**COMPULSORY POOLING APPLICATION CHECKLIST****ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

<b>Case: 23053</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date</b>	October 6, 2022
<b>Applicant</b>	COG Operating LLC
<b>Designated Operator &amp; OGRID (affiliation if applicable)</b>	229137
<b>Applicant's Counsel:</b>	Holland & Hart LLP
<b>Case Title:</b>	APPLICATION OF COG OPERATING LLC FOR COMPULSORY POOLING, Eddy County, NEW MEXICO.
<b>Entries of Appearance/Intervenors:</b>	N/A
<b>Well Family</b>	Atticus wells
<b>Formation/Pool</b>	
<b>Formation Name(s) or Vertical Extent:</b>	Wolfcamp
<b>Primary Product (Oil or Gas):</b>	Oil
<b>Pooling this vertical extent:</b>	N/A
<b>Pool Name and Pool Code:</b>	Purple Sage; Wolfcamp (Gas) (98220)
<b>Well Location Setback Rules:</b>	Special Rules enacted under Order R-14262
<b>Spacing Unit Size:</b>	960 acres
<b>Spacing Unit</b>	
<b>Type (Horizontal/Vertical)</b>	Horizontal
<b>Size (Acres)</b>	960-acres
<b>Building Blocks:</b>	320-acres or Quarter Sections
<b>Orientation:</b>	South-North
<b>Description: TRS/County</b>	W/2 of Sections 24, 25 and 36, Township 25 South, Range 27 Ea NMPM, in Eddy County
<b>Standard Horizontal Well Spacing Unit (Y/N), If No, describe</b>	Yes
<b>Other Situations</b>	
<b>Depth Severance: Y/N. If yes, description</b>	No
<b>Proximity Tracts: If yes, description</b>	No
<b>Proximity Defining Well: if yes, description</b>	N/A
<b>Applicant's Ownership in Each Tract</b>	See Exhibit A-3
<b>Well(s)</b>	
<b>Name &amp; API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)</b>	
<b>Well #1</b>	Atticus State Com 704H (30-015-49631) SHL: 345' FSL & 2588' FWL (Unit N) of Section 36 BHL: 200' FNL & 2130' FWL (Unit C) of Section 24 Completion Target: Wolfcamp formation Well Orientation: south to north Completion Location expected to be: Standard

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CASE NO. 23053  
ORDER NO. R-22454

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Well #2	Atticus State Com 705H (30-015-49632) SHL: 330' FSL & 807' FWL (Unit M) of Section 36 BHL: 200' FNL & 1230' FWL (Unit D) of Section 24 Completion Target: Wolfcamp formation Well Orientation: south to north Completion Location expected to be: Standard
Well #3	Atticus State Com 706H (30-015-49633) SHL: 330' FSL & 777' FWL (Unit M) of Section 36 BHL: 200' FNL & 330' FWL (Unit D) of Section 24 Completion Target: Wolfcamp formation Well Orientation: south to north Completion Location expected to be: Standard
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-4
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	See Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	N/A
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-3
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
<b>Geology</b>	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-2

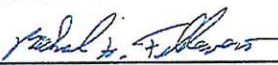
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CASE NO. 23053  
ORDER NO. R-22454

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Received by OCD: 10/4/2022 2:19:42 PM

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Gunbarrel/Lateral Trajectory Schematic	Exhibit B-2
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-4
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
A-102	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit A-2, B-2
Structure Contour Map - Subsea Depth	Exhibit B-2
Cross Section Location Map (including wells)	Exhibit B-3
Cross Section (including Landing Zone)	Exhibit B-4
<b>Additional Information</b>	
Special Provisions/Stipulations	N/A
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
Printed Name (Attorney or Party Representative):	Michael H. Feldewert
Signed Name (Attorney or Party Representative):	
Date:	4-Oct

Released to Imaging: 10/6/2022 11:05:36 AM

CASE NO. 23053  
ORDER NO. R-22454

Page 7 of 7

**Affidavit of Publication**No. 26323

State of New Mexico

County of Eddy:

**Danny Scott**being duly sworn, says that he is the **Publisher**

of the Artesia Daily Press, a daily newspaper of General

circulation, published in English at Artesia, said county

and state, and that the hereto attached

**Legal Ad**

was published in a regular and entire issue of the said

Artesia Daily Press, a daily newspaper duly qualified

for that purpose within the meaning of Chapter 167 of

the 1937 Session Laws of the state of New Mexico for

1 Consecutive weeks/day on the same

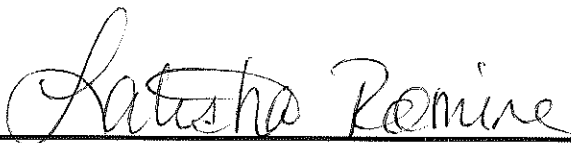
day as follows:

First Publication October 27, 2022Second Publication Third Publication Fourth Publication Fifth Publication Sixth Publication Seventh Publication Eighth Publication 

Subscribed and sworn before me this

7th day of August 2024

**LATISHA ROMINE**  
 Notary Public, State of New Mexico  
 Commission No. 1076338  
 My Commission Expires  
 05-12-2027



Latisha Romine

Notary Public, Eddy County, New Mexico

**Copy of Publication:****Legal Notice**

COG Operating LLC (COG), 2208 West Main, Artesia, New Mexico, 88210, is seeking administrative approval from the New Mexico Oil Conservation Division to pool lease commingle the oil and gas production from the Atticus State Com 701H, 702H, 703H, 704H, 705H, 706H & 521H, 522H wells. Said wells are located in Section 24, 25, 36, Township 25 South, Range 27 East, Eddy County, New Mexico. The Central Tank Battery (CTB) where production will be commingled is located in Unit N, Section 36-T25S-R27E, Eddy County, New Mexico. In the event oil production at the CTB is over capacity or in the case of battery or pipeline repairs, COG is also seeking administrative approval for off-lease measurement at either the Red Hills Off-load Station in Unit O, Section 4-T26S-R32E or the Jal Off-load Station in Unit D, Section 4-T26S-R37E, Lea County, NM. Any interested party who has an objection to this must give notice in writing to the Oil Conservation Division, 1220 South Saint Francis Street, Santa Fe, New Mexico, 87505, within ten (10) days of this notice. Any interested party with questions or comments may contact Shelly Klinger (432) 688-9027 shelly.c.klinger@concho.com at ConocoPhillips, 600 West Illinois, Midland, Texas 79701.

Published in the Artesia Daily Press, Artesia, N.M.,  
 Oct. 27, 2022 Legal No. 26323.





Stephanie Garcia Richard  
COMMISSIONER

*State of New Mexico*  
*Commissioner of Public Lands*

310 OLD SANTA FE TRAIL  
P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

February 1, 2023

COG Operating, LLC  
ATTN: Jeanette Barron  
2208 West Main St.  
Artesia, NM 88210

Re: Application for Surface Commingling and Off-Lease Storage  
Wells approved for Off-Lease Measurement and Lease Commingling  
Atticus State Com #521H and others (**ALL WELLS ARE ON ATTACHED LIST**)  
POOL(S): [98220] Purple Sage; Wolfcamp (Gas) [16800] Delaware River; Bone Spring  
Eddy County, New Mexico

Dear Ms. Barron;

We have received your \$150 application fee and request for surface commingling for the above-captioned wells.

Since it appears that all the rules and regulations for the New Mexico Oil Conservation Division and the State Land Office have been complied with and there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request is hereby approved.

Our approval

- is subject to approval from all relevant agencies,
- does not constitute the granting of any right-of-way or construction rights not granted by the lease instrument,

If you have any questions or if we may be if further assistance, please contact Baylen Lamkin at 505.827.6628 or blamkin@slo.state.nm.us.

Respectfully,

A handwritten signature in blue ink, appearing to read "S. Garcia Richard", is written over a horizontal line.

Stephanie Garcia Richard  
Commissioner of Public Lands

SGR/bl

cc: OCD – Mr. Leonard Lowe  
OGMD and Units Reader Files

API	Well Name	Well Number	Type	Mineral Owner	Surface Owner	Status	Unit Letter	Section	Township	Range	OCD Unit Letter	Last Production	Spud Date	Plugged On	Current Operator
30-015-49982	ATTICUS STATE COM	#521H	Oil	State	State	New	N	36	25S	27E	N	1/1800			[229137] COG OPERATING LLC
30-015-49983	ATTICUS STATE COM	#522H	Oil	State	State	New	M	36	25S	27E	M	1/1800			[229137] COG OPERATING LLC
30-015-49628	ATTICUS STATE COM	#701H	Gas	State	State	New	P	36	25S	27E	P	1/1800			[229137] COG OPERATING LLC
30-015-49629	ATTICUS STATE COM	#702H	Gas	State	State	New	P	36	25S	27E	P	1/1800			[229137] COG OPERATING LLC
30-015-49630	ATTICUS STATE COM	#703H	Gas	State	State	New	N	36	25S	27E	N	1/1800			[229137] COG OPERATING LLC
30-015-49631	ATTICUS STATE COM	#704H	Gas	State	State	New	N	36	25S	27E	N	1/1800			[229137] COG OPERATING LLC
30-015-49632	ATTICUS STATE COM	#705H	Gas	State	State	New	M	36	25S	27E	M	1/1800			[229137] COG OPERATING LLC
30-015-49633	ATTICUS STATE COM	#706H	Oil	State	State	New	M	36	25S	27E	M	1/1800			[229137] COG OPERATING LLC

[16800]

Delaware  
River: Bone  
Spring  
[98220]  
Purple Sage;  
Wolfcamp  
(Gas)



ConocoPhillips  
2208 West Main Street  
Artesia, New Mexico 88210  
www.conocophillips.com

October 20, 2022

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

Re: Application for Administrative Approval of Pool Lease Commingle

Dear Mr. McClure,

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

Atticus St Com 701H  
API# 30-015-49628  
Purple Sage; Wolfcamp  
Ut. M, Sec. 36-T25S-R27E  
Eddy County, NM

Atticus St Com 702H  
API# 30-015-49629  
Purple Sage; Wolfcamp  
Ut. P, Sec. 36-T25S-R27E  
Eddy County, NM

Atticus St Com 703H  
API# 30-015-49630  
Purple Sage; Wolfcamp  
Ut. M, Sec. 36-T25S-R27E  
Eddy County, NM

Atticus St Com 704H  
API# 30-015-49631  
Purple Sage; Wolfcamp  
Ut. P, Sec. 36-T25S-R27E  
Eddy County, NM

Atticus St Com 705H  
API# 30-015-49632  
Purple Sage; Wolfcamp  
Ut. M, Sec. 36-T25S-R27E  
Eddy County, NM

Atticus St Com 706H  
API# 30-015-49633  
Purple Sage; Wolfcamp  
Ut. P, Sec. 36-T25S-R27E  
Eddy County, NM

Atticus St Com 521H  
API# 30-015-49982  
Delaware River; Bone Spring  
Ut. M, Sec. 36-T25S-R27E  
Eddy County, NM

Atticus St Com 522H  
API# 30-015-49983  
Delaware River; Bone Spring  
Ut. P, Sec. 36-T25S-R27E  
Eddy County, NM

**Oil Production:**

The oil production from all wells will be measured separately prior to being commingled at the Central Tank Battery located in Ut. N, Sec. 36-T25S-R27E. 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 prior to being commingled and entering a gas flow line to the gas custody transfer meter at the Central Tank Battery located in Ut. N, Sec. 36-T25S-R27E.

Well testing will be by separating and measuring the oil and gas production from the well for a minimum of twenty-four consecutive hours.

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 and copy of Public Notice is enclosed.

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

Thank you for your attention to this matter.

Sincerely,

*Jeanette Barron*

Jeanette Barron  
Regulatory Coordinator

RECEIVED:	REVIEWER:	TYPE:	APP NO:
-----------	-----------	-------	---------

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: \_\_\_\_\_ OGRID Number: \_\_\_\_\_  
 Well Name: \_\_\_\_\_ API: \_\_\_\_\_  
 Pool: \_\_\_\_\_ Pool Code: \_\_\_\_\_

### 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.**

\_\_\_\_\_  
 Print or Type Name

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Phone Number

Jeanette Barron  
 Signature

\_\_\_\_\_  
 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 IV1220 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 LLCOPERATOR 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   ☐ FederalIs 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
98220 Purple Sage; Wolfcamp	49.50/1218	49.00/50.06			
16800 Delaware; Bone Spring	47.50/1197				

(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 Coordinator   DATE: \_\_\_\_\_TYPE OR PRINT NAME Jeanette Barron   TELEPHONE NO.: 575.748.6974E-MAIL ADDRESS: jeanette.barron@conocophillips.com



District I

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

District II

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

District III

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

District IV

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

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

Form C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number <b>30-015-49628</b>	2 Pool Code <b>98220</b>	3 Pool Name <b>Purple Sage; Wolfcamp (Gas)</b>
4 Property Code <b>327322</b>	5 Property Name <b>ATTICUS STATE COM</b>	6 Well Number <b>701H</b>
7 OGRID No. <b>229137</b>	8 Operator Name <b>COG OPERATING LLC</b>	9 Elevation <b>3095'</b>

<sup>10</sup> Surface Location

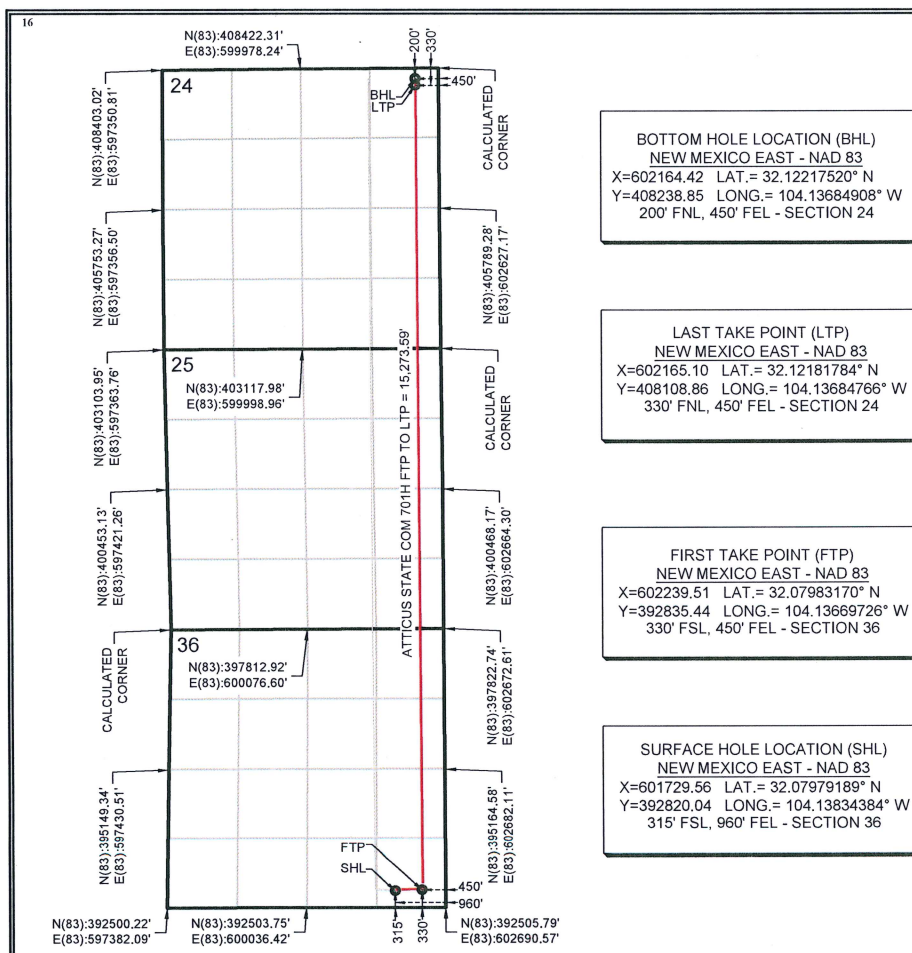
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	36	25-S	27-E		315'	SOUTH	960'	EAST	EDDY

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	24	25-S	27-E		200'	NORTH	450'	EAST	EDDY

12 Dedicated Acres <b>960</b>	13 Joint or Infill	14 Consolidation Code	15 Order No.
----------------------------------	--------------------	-----------------------	--------------

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.

<sup>17</sup> 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* 10.20.22

Signature

Date

Jeanette Barron

Printed Name

jeanette.barron@conocophillips.com

E-mail Address

<sup>18</sup> 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:

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

**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 30-015-49629		2 Pool Code 98220		3 Pool Name Purple Sage; Wolfcamp (Gas)	
4 Property Code 327322	5 Property Name ATTICUS STATE COM				6 Well Number 702H
7 OGRID No. 229137	8 Operator Name COG OPERATING LLC				9 Elevation 3096'

## <sup>10</sup> Surface Location

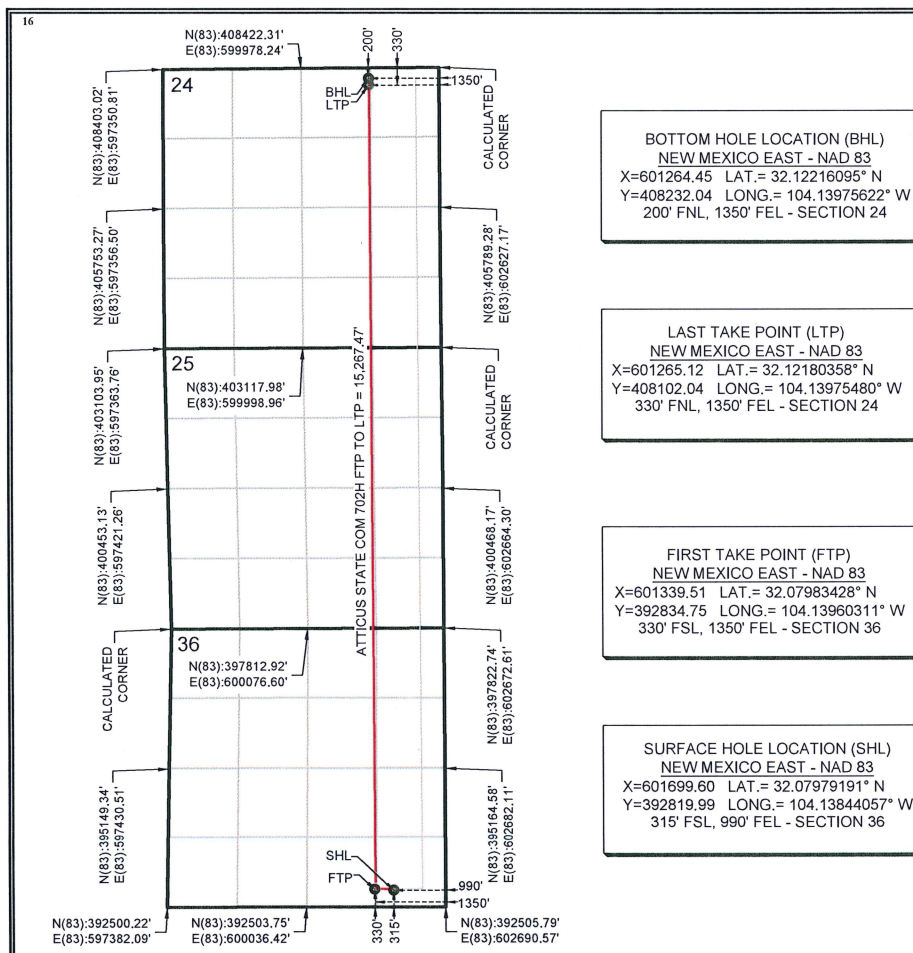
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	36	25-S	27-E		315'	SOUTH	990'	EAST	EDDY

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	24	25-S	27-E		200'	NORTH	1350'	EAST	EDDY

12 Dedicated Acres 960	13 Joint or Infill	14 Consolidation Code	15 Order No.
---------------------------	--------------------	-----------------------	--------------

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.



## 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 10.20.22  
Signature Date

Jeanette Barron

Printed Name \_\_\_\_\_

jeanette.barron@conocophillips.com  
E-mail Address

<sup>18</sup> 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 7/1/01

Signature and Seal of Professional Surveyor

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

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 <b>30-015-49630</b>	2 Pool Code <b>98220</b>	3 Pool Name <b>Purple Sage; Wolfcamp (Gas)</b>
4 Property Code <b>327322</b>	5 Property Name <b>ATTICUS STATE COM</b>	6 Well Number <b>703H</b>
7 OGRID No. <b>229137</b>	8 Operator Name <b>COG OPERATING LLC</b>	9 Elevation <b>3120.72'</b>

<sup>10</sup> Surface Location

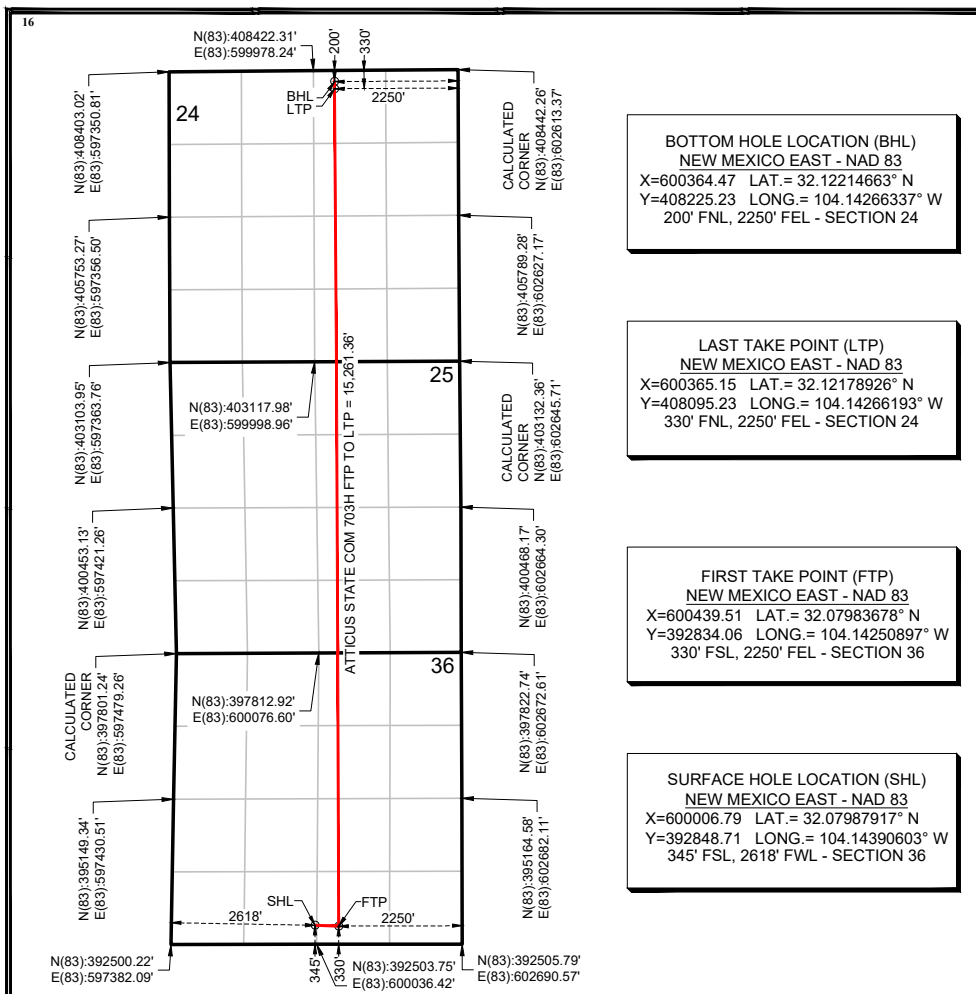
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	36	25-S	27-E		345'	SOUTH	2618'	WEST	EDDY

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	24	25-S	27-E		200'	NORTH	2250'	EAST	EDDY

12 Dedicated Acres <b>960</b>	13 Joint or Infill	14 Consolidation Code	15 Order No.
----------------------------------	--------------------	-----------------------	--------------

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.



## 17 OPERATOR CERTIFICATION

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*Jeanette Barron* 10.20.22  
Signature Date

Jeanette Barron  
Printed Name

jeanette.barron@conocophillips.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.

*CHARLES L. JURICA* 08/19/2022  
Date of Survey

Signature and Seal of Professional Surveyor

25490  
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

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

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## WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-015-49631	2 Pool Code 98220	3 Pool Name PURPLE SAGE; WOLFCAMP
4 Property Code 327322	5 Property Name ATTICUS STATE COM	6 Well Number 704H
7 OGRID No. 229137	8 Operator Name COG OPERATING LLC	9 Elevation 3121'

<sup>10</sup> Surface Location

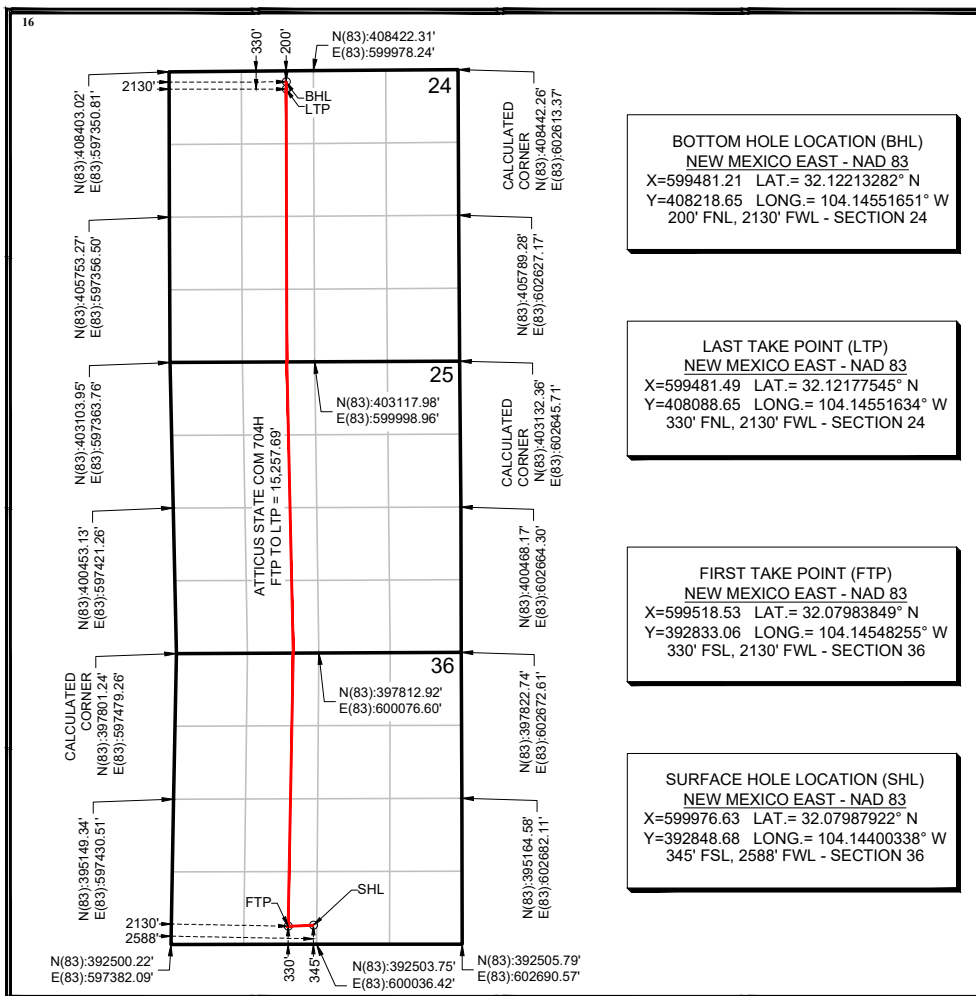
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	36	25-S	27-E		345'	SOUTH	2588'	WEST	EDDY

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	24	25-S	27-E		200'	NORTH	2130'	WEST	EDDY

12 Dedicated Acres 960	13 Joint or Infill	14 Consolidation Code	15 Order No.
---------------------------	--------------------	-----------------------	--------------

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## 17 OPERATOR CERTIFICATION

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*Jeanette Barron* 10.20.22  
Signature Date

Jeanette Barron  
Printed Name

jeanette.barron@conocophillips.com  
E-mail Address

## 18 SURVEYOR CERTIFICATION

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08/19/2022  
Date of Survey

Signature and Seal of Professional Surveyor:

*Charles L. Jurica*  
25490  
PROFESSIONAL SURVEYOR  
Certificate Number

District I

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

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811 S. First St., Artesia, NM 88210  
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State of New Mexico  
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1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102

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District Office

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## WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-015-49632	2 Pool Code 98220	3 Pool Name PURPLE SAGE; WOLFCAMP
4 Property Code 327322	5 Property Name ATTICUS STATE COM	6 Well Number 705H
7 OGRID No. 229137	8 Operator Name COG OPERATING LLC	9 Elevation 3143'

<sup>10</sup> Surface Location

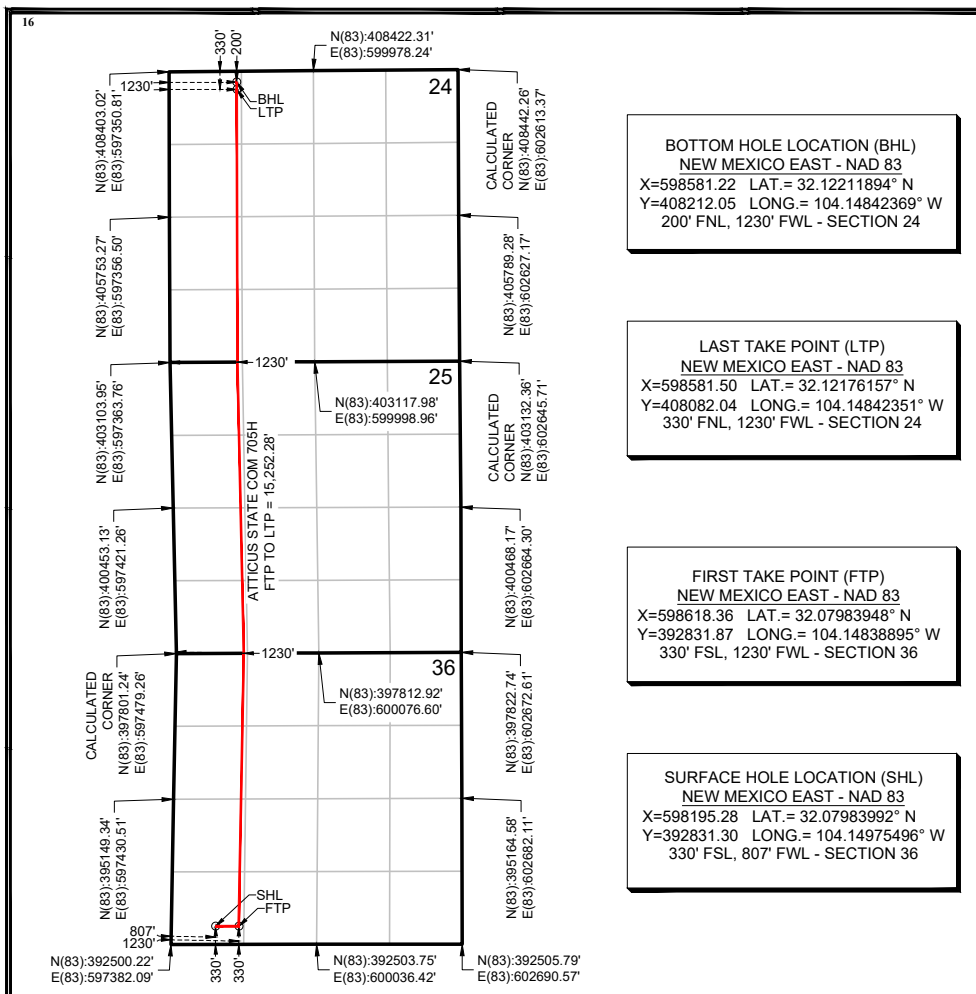
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	36	25-S	27-E		330'	SOUTH	807'	WEST	EDDY

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	24	25-S	27-E		200'	NORTH	1230'	WEST	EDDY

12 Dedicated Acres 960	13 Joint or Infill	14 Consolidation Code	15 Order No.
---------------------------	--------------------	-----------------------	--------------

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## 17 OPERATOR CERTIFICATION

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*Jeanette Barron* 10.20.22  
Signature Date

Jeanette Barron  
Printed Name

jeanette.barron@conocophillips.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.

CHARLES L. JURICA 08/19/2022  
Date of Survey

Signature and Seal of Professional Surveyor:

25490

PROFESSIONAL SURVEYOR

Certificate Number

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1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102

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District Office

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## WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-015-49633	2 Pool Code 98220	3 Pool Name PURPLE SAGE; WOLFCAMP
4 Property Code 327322	5 Property Name ATTICUS STATE COM	6 Well Number 706H
7 OGRID No. 229137	8 Operator Name COG OPERATING LLC	9 Elevation 3143'

<sup>10</sup> Surface Location

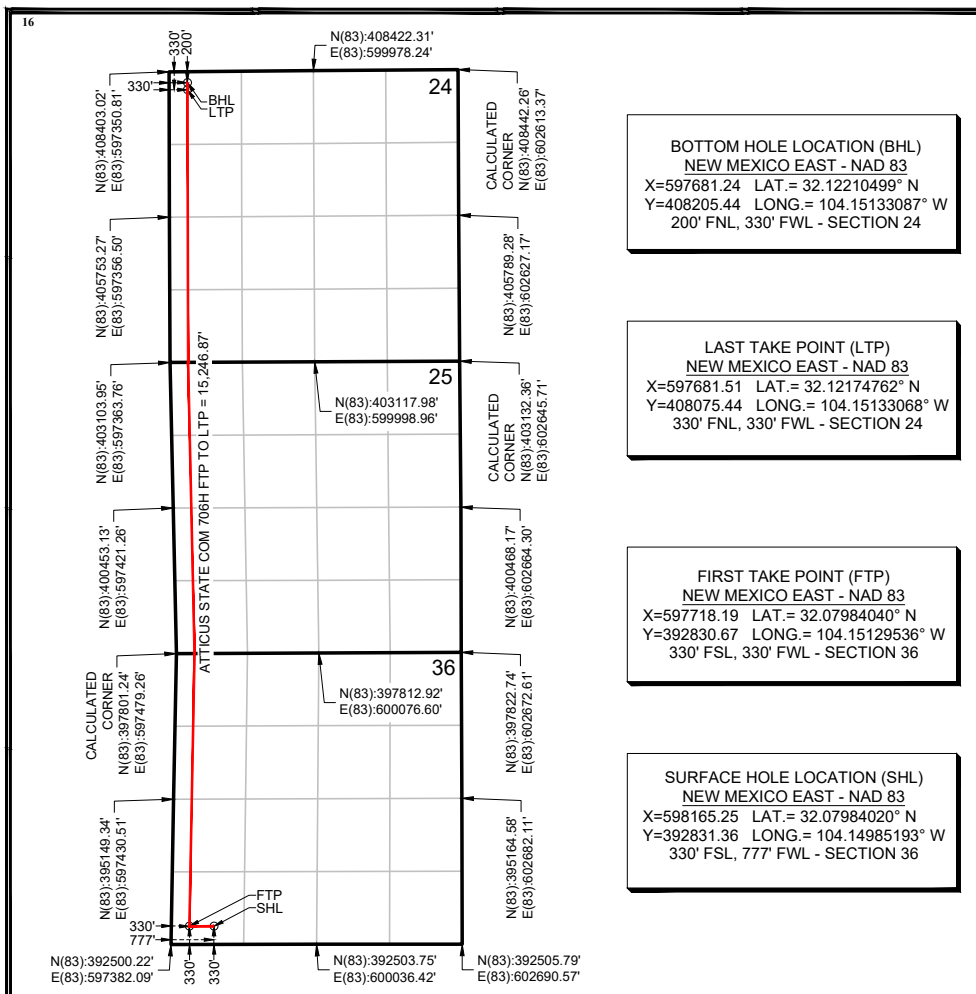
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	36	25-S	27-E		330'	SOUTH	777'	WEST	EDDY

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	24	25-S	27-E		200'	NORTH	330'	WEST	EDDY

12 Dedicated Acres 960	13 Joint or Infill	14 Consolidation Code	15 Order No.
---------------------------	--------------------	-----------------------	--------------

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*Jeanette Barron* 10.20.22  
Signature Date

Jeanette Barron  
Printed Name

jeanette.barron@conocophillips.com  
E-mail Address

**18 SURVEYOR CERTIFICATION**

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CHARLES L. JURICA 08/19/2022  
Date of Survey

Signature and Seal of Professional Surveyor:  
25490

Certificate Number



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OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102

Revised August 1, 2011

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District Office

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number <b>30-015-49982</b>	2 Pool Code <b>16800</b>	3 Pool Name <b>Delaware River; Bone Spring</b>
4 Property Code <b>327322</b>	5 Property Name <b>ATTICUS STATE COM</b>	6 Well Number <b>521H</b>
7 OGRID No. <b>229137</b>	8 Operator Name <b>COG OPERATING LLC</b>	9 Elevation <b>3120.07'</b>

## 10 Surface Location

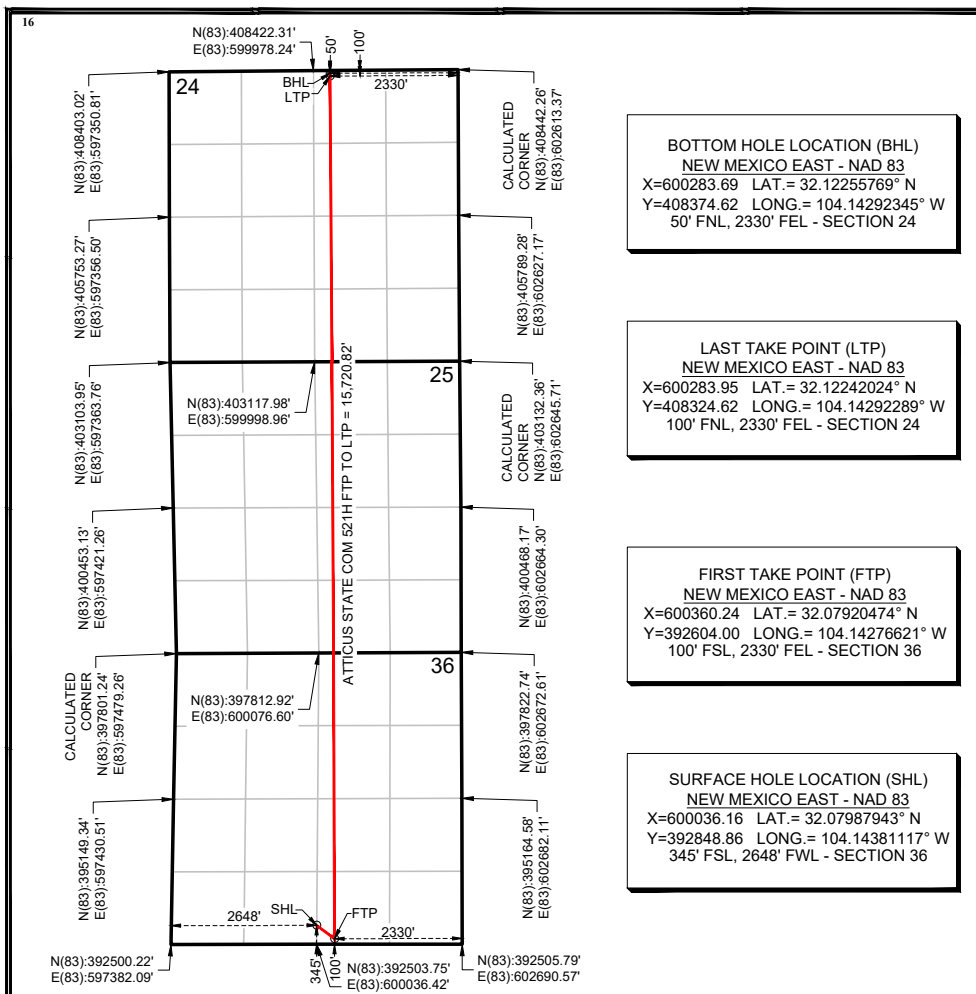
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	36	25-S	27-E		345'	SOUTH	2648'	WEST	EDDY

## 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
B	24	25-S	27-E		50'	NORTH	2330'	EAST	EDDY

12 Dedicated Acres <b>320</b>	13 Joint or Infill	14 Consolidation Code	15 Order No.
----------------------------------	--------------------	-----------------------	--------------

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Jeanette Barron 10.20.22  
Signature Date

Jeanette Barron  
Printed Name

jeanette.barron@conocophillips.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.

Charles L. Jurica 08/19/2022  
Date of Survey

Signature and Seal of Professional Surveyor:

Charles L. Jurica  
Certificate Number

District I

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Phone: (575) 393-6161 Fax: (575) 393-0720

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State of New Mexico  
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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 <b>30-015-49983</b>	2 Pool Code <b>16800</b>	3 Pool Name <b>Delaware River; Bone Spring</b>
4 Property Code <b>327322</b>	5 Property Name <b>ATTICUS STATE COM</b>	6 Well Number <b>522H</b>
7 OGRID No. <b>229137</b>	8 Operator Name <b>COG OPERATING LLC</b>	9 Elevation <b>3143.36'</b>

<sup>10</sup> Surface Location

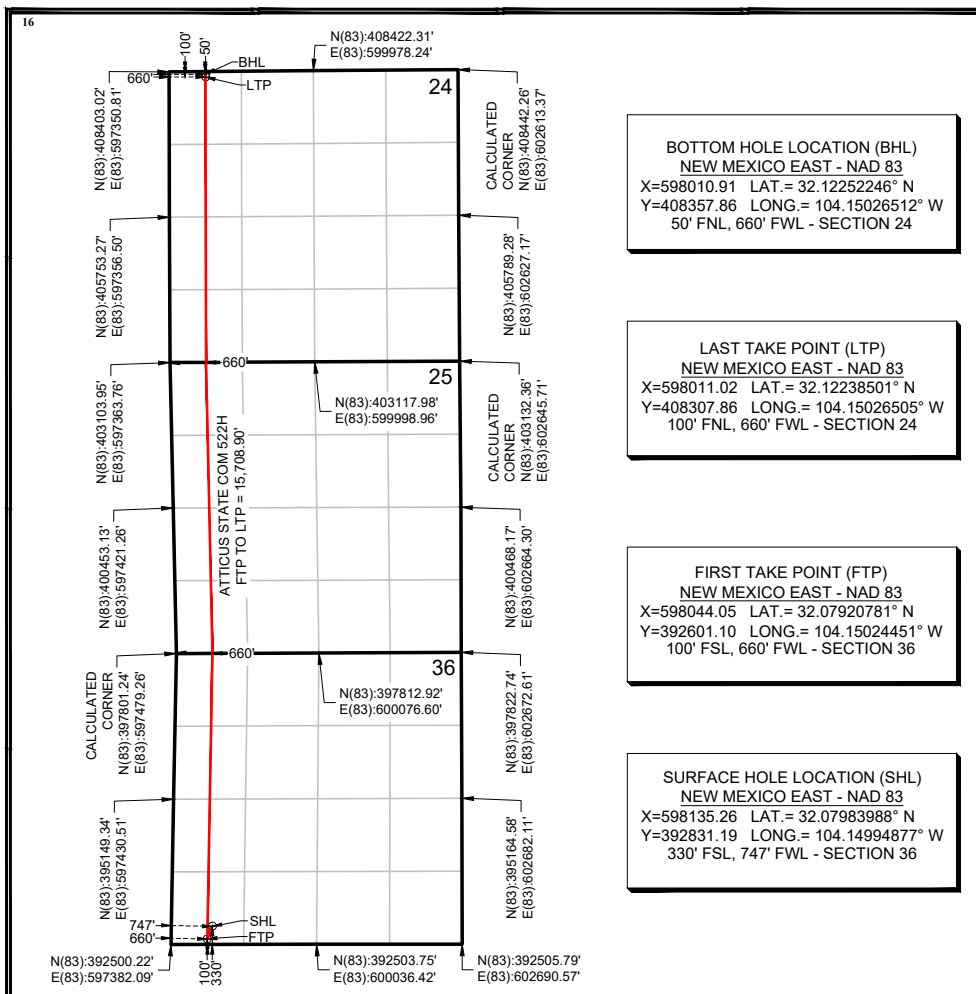
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	36	25-S	27-E		330'	SOUTH	747'	WEST	EDDY

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	24	25-S	27-E		50'	NORTH	660'	WEST	EDDY

12 Dedicated Acres <b>160</b>	13 Joint or Infill	14 Consolidation Code	15 Order No.
----------------------------------	--------------------	-----------------------	--------------

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## 17 OPERATOR CERTIFICATION

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Jeanette Barron 10.20.22  
Signature Date

Jeanette Barron  
Printed Name

jeanette.barron@conocophillips.com  
E-mail Address

## 18 SURVEYOR CERTIFICATION

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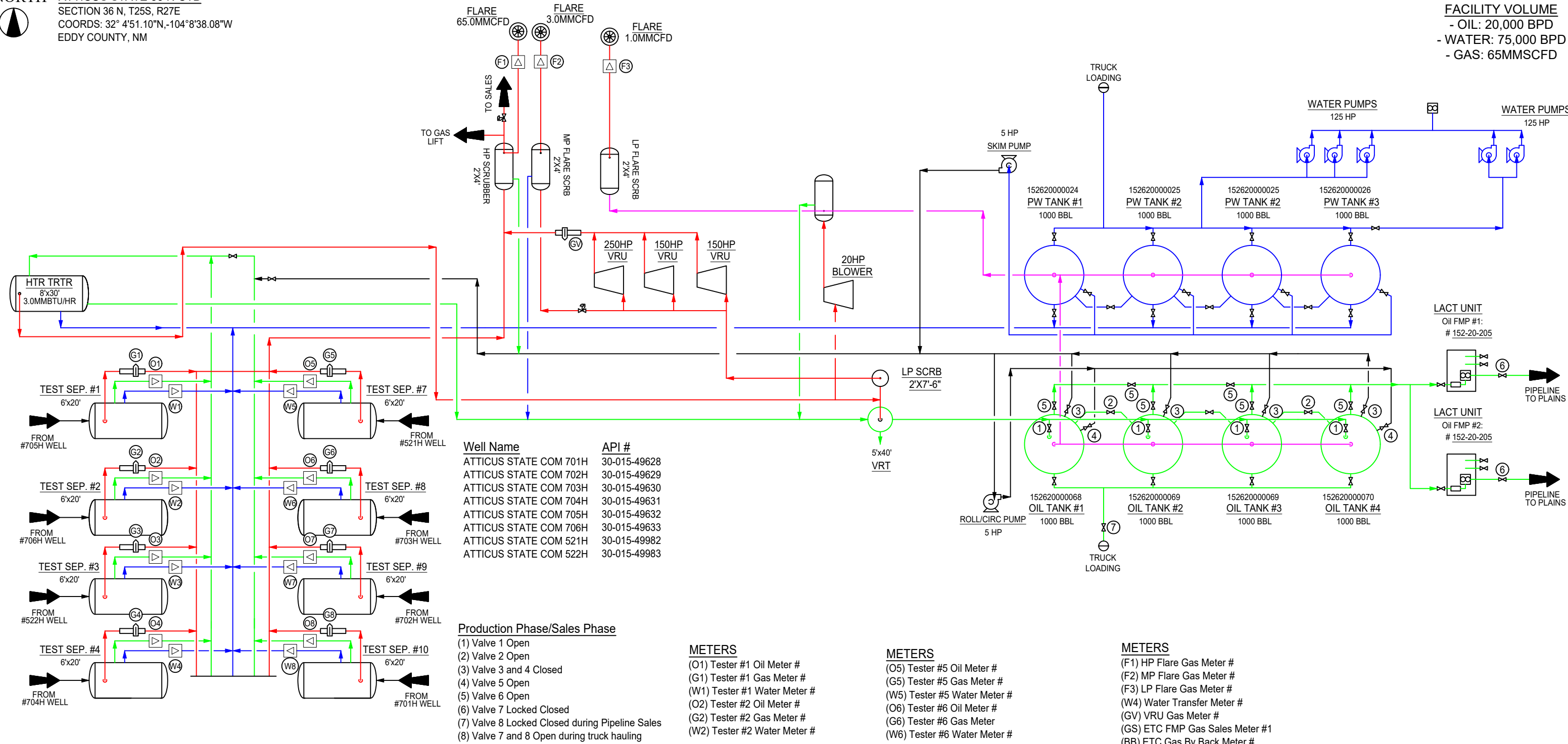
Charles L. Durica 08/19/2022  
Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number

NORTH ATTICUS STATE 36 N CTB  
SECTION 36 N, T25S, R27E  
COORDS: 32° 4'51.10"N,-104°8'38.08"W  
EDDY COUNTY, NM

FACILITY VOLUME  
- OIL: 20,000 BPD  
- WATER: 75,000 BPD  
- GAS: 65MMSCFD



Well Name	API #
ATTICUS STATE COM 701H	30-015-49628
ATTICUS STATE COM 702H	30-015-49629
ATTICUS STATE COM 703H	30-015-49630
ATTICUS STATE COM 704H	30-015-49631
ATTICUS STATE COM 705H	30-015-49632
ATTICUS STATE COM 706H	30-015-49633
ATTICUS STATE COM 521H	30-015-49982
ATTICUS STATE COM 522H	30-015-49983

- Production Phase/Sales Phase
- (1) Valve 1 Open
  - (2) Valve 2 Open
  - (3) Valve 3 and 4 Closed
  - (4) Valve 5 Open
  - (5) Valve 6 Open
  - (6) Valve 7 Locked Closed
  - (7) Valve 8 Locked Closed during Pipeline Sales
  - (8) Valve 7 and 8 Open during truck hauling

- METERS
- (O1) Tester #1 Oil Meter #
  - (G1) Tester #1 Gas Meter #
  - (W1) Tester #1 Water Meter #
  - (O2) Tester #2 Oil Meter #
  - (G2) Tester #2 Gas Meter #
  - (W2) Tester #2 Water Meter #

- METERS
- (O3) Tester #3 Oil Meter #
  - (G3) Tester #3 Gas Meter #
  - (W3) Tester #3 Water Meter #
  - (O4) Tester #4 Oil Meter #
  - (G4) Tester #4 Gas Meter #
  - (W4) Tester #4 Water Meter #

- METERS
- (O5) Tester #5 Oil Meter #
  - (G5) Tester #5 Gas Meter #
  - (W5) Tester #5 Water Meter #
  - (O6) Tester #6 Oil Meter #
  - (G6) Tester #6 Gas Meter #
  - (W6) Tester #6 Water Meter #

- METERS
- (O7) Tester #7 Oil Meter #
  - (G7) Tester #7 Gas Meter #
  - (W7) Tester #7 Water Meter #
  - (O8) Tester #8 Oil Meter #
  - (G8) Tester #8 Gas Meter #
  - (W8) Tester #8 Water Meter #

- METERS
- (F1) HP Flare Gas Meter #
  - (F2) MP Flare Gas Meter #
  - (F3) LP Flare Gas Meter #
  - (W4) Water Transfer Meter #
  - (GV) VRU Gas Meter #
  - (GS) ETC FMP Gas Sales Meter #1
  - (BB) ETC Gas By Back Meter #

NOTES:

Type of Facility: State  
LEASE:  
BHL #:  
CA #: N/A  
NMOCD Property Code #: 327322  
NMOCD OGRID #: 229137

Site Diagram Legend  
Produced Fluid:  
Produced Oil: —  
Produced Gas: —  
Produced Water: —  
Flare/Vent: —

CONFIDENTIALITY NOTICE		REFERENCE DRAWINGS		REVISIONS					ENGINEERING RECORD	
THIS DRAWING IS PROPERTY OF COG OPERATING LLC AND IS LENT TO THE BORROWER FOR CONFIDENTIAL USE ONLY AND IS SUBJECT TO RETURN UPON REQUEST AND SHALL NOT BE REPRODUCED, COPIED, LENT OR OTHERWISE DISPOSED OF DIRECTLY OR INDIRECTLY, NOR USED FOR ANY PURPOSE OTHER THAN THAT WHICH IT IS SPECIFICALLY FURNISHED.	NO.	TITLE	NO.	DATE	DESCRIPTION	BY	CHK.	APP.	BY	DATE
			A	8/19/22	ISSUED FOR REVIEW	EO	RC	RC	DRN: EO	8/19/22
									DES:	
									CHK:	
									APP:	
									AFE NO:	
	CONOCOPHILLIPS SITE SECURITY PLANS LOCATED AT:		ONE CONCHO CENTER 600 WEST ILLINOIS AVENUE MIDLAND, TEXAS 79701						FACIL ENGR:	R.COLLINS
									OPER ENGR:	
									SCALE:	NONE

NORTH DELAWARE BASIN – WEST  
ATTICUS STATE 36 N  
SITE FACILITY DIAGRAM  
COG PRODUCTION

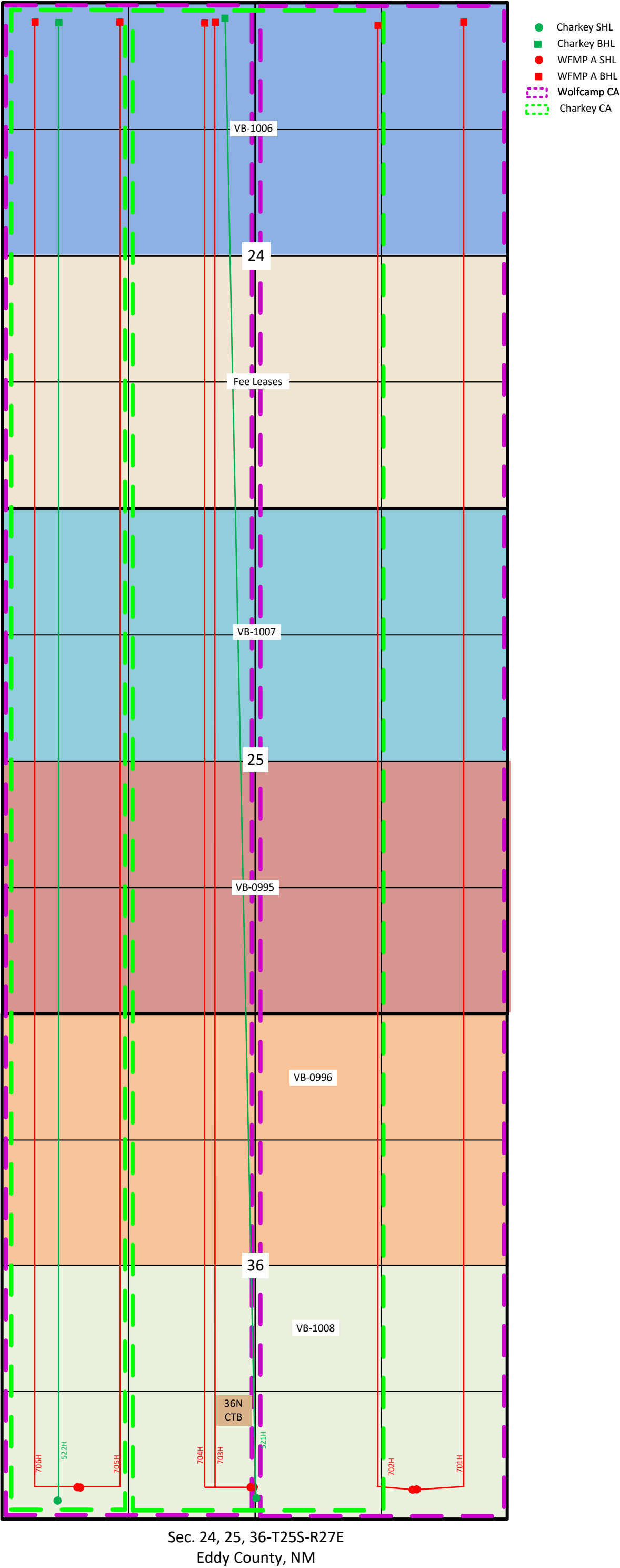
EDDY COUNTY  
TWN5HP/RANGE

DWG NO.  
ATTICUSSTATE36NCTB

NEW MEXICO  
REV  
A



Atticus State Com Wells





# AERIAL MAP

## Atticus State Com

Section 26, Township 25 South, Range 27 East, Eddy County, New Mexico



0.20.100.20.4

Miles

1,00050001,0002,000


Feet

Map Tech: VKV

1 " = 1,750 '


Date: 8/22/2022

1:21,000



1100 Macon Street  
Fort Worth, Texas 76102


Coordinate System:  
NAD 1983 StatePlane New Mexico East FIPS 3001 Feet  
Projection: Transverse Mercator  
Datum: North American 1983  
False Easting: 541,337.5000  
False Northing: 0.0000  
Central Meridian: -104.3333  
Scale Factor: 0.9999  
Latitude Of Origin: 31.0000  
Units: Foot US



ATTICUS STATE COM #522H

SHL Location & Penetration Point:  
330' FSL & 747' FWL  
Section 36, Township 25 South,  
Range 27 East of P.M.  
Eddy County, New Mexico

OPERATOR:  
CONOCOPhillips

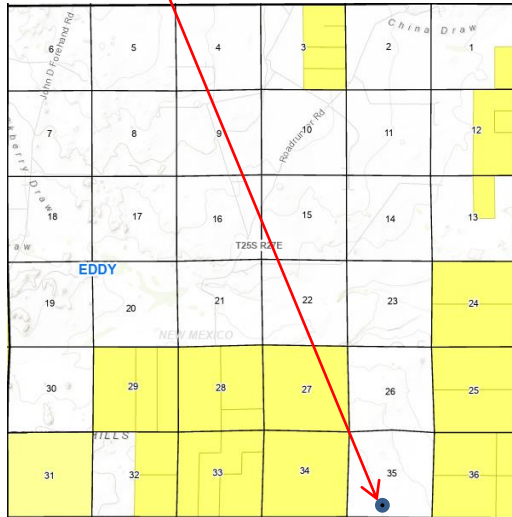


Released to Imaging: 3/12/2025 11:51:01 AM

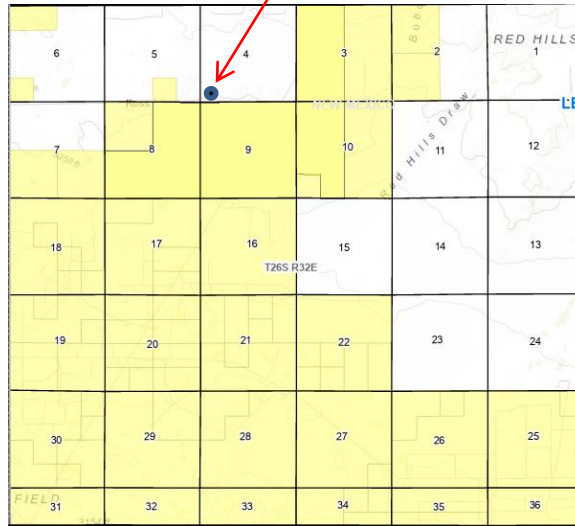


# Atticus State Com 701H-706H & 521H & 522H & Red Hills and Jal Offload Station Map

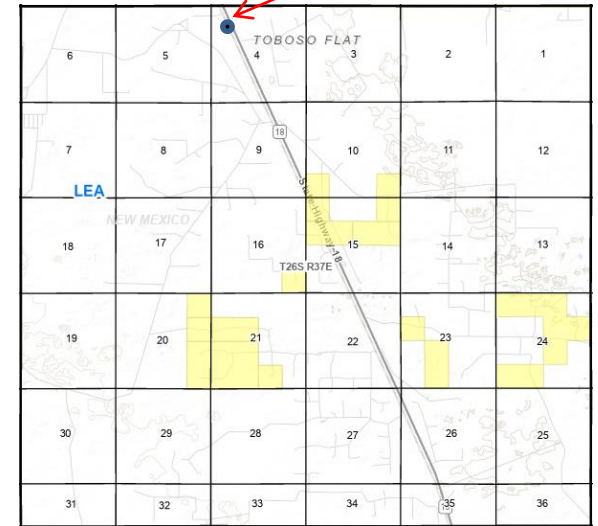
**Atticus St Com 701H-706H, 521H &  
522H  
Eddy County, NM**



**Red Hills Offload Station  
Lea County, NM**



**Jal Offload Station  
Lea County, NM**





Atticus St Com 701H-706H, 521H & 522H							
Date Sent	Initials	Name	Address	City	State	ZipCode	Certified Return Receipt No.
10.20.22	JB	Devon Energy Production Company, LP	333 W. Sheridan Ave.	Oklahoma City	OK	73102	7020 1810 0000 1413 2413
10.20.22	JB	Chevron U.S.A Inc.	6301 Deauville	Midland	TX	79706	7020 1810 0000 1413 2406
10.20.22	JB	Read & Stevens, Inc.	PO Box 1518	Roswell	NM	88202	7013 3020 0000 8749 4721
10.20.22	JB	Nestegg Energy Corporation	2308 Sierra Vista Road	Artesia	NM	88210	7020 1810 0000 1413 2420
10.20.22	JB	Commissioner of Puplic lands	PO BOX 1148	Santa Fe	NM	87504-1148	7020 1810 0000 1413 2390

**ARTESIA DAILY PRESS**

**LEGAL NOTICES**

**Please run for one day only.**

COG Operating LLC (COG), 2208 West Main, Artesia, New Mexico, 88210, is seeking administrative approval from the New Mexico Oil Conservation Division to pool lease commingle the oil and gas production from the Atticus State Com 701H, 702H, 703H, 704H, 705H, 706H & 521H, 522H wells. Said wells are located in Section 24, 25, 36, Township 25 South, Range 27 East, Eddy County, New Mexico. The Central Tank Battery (CTB) where production will be commingled is located in Ut N, Section 36-T25S-R27E, Eddy County, New Mexico. In the event oil production at the CTB is over capacity or in the case of battery or pipeline repairs, COG is also seeking administrative approval for off-lease measurement at either the Red Hills Off-load Station in Unit O, Section 4-T26S-R32E or the Jal Off-load Station in Unit D, Section 4-T26S-R37E, Lea County, NM. Any interested party who has an objection to this must give notice in writing to the Oil Conservation Division, 1220 South Saint Francis Street, Santa Fe, New Mexico, 87505, within ten (10) days of this notice. Any interested party with questions or comments may contact Shelly Klinger (432) 688-9027 [shelley.c.klinger@concho.com](mailto:shelley.c.klinger@concho.com) at ConocoPhillips, 600 West Illinois, Midland, Texas 79701.

Published in the Artesia Daily Press, Artesia, NM October 27, 2022.

## **Legal Notice**

COG Operating LLC (COG), 2208 West Main, Artesia, New Mexico, 88210, is seeking administrative approval from the New Mexico Oil Conservation Division to pool lease commingle the oil and gas production from the Atticus State Com 701H, 702H, 703H, 704H, 705H, 706H & 521H, 522H wells. Said wells are located in Section 24, 25, 36, Township 25 South, Range 27 East, Eddy County, New Mexico. The Central Tank Battery (CTB) where production will be commingled is located in Ut N, Section 36-T25S-R27E, Eddy County, New Mexico. In the event oil production at the CTB is over capacity or in the case of battery or pipeline repairs, COG is also seeking administrative approval for off-lease measurement at either the Red Hills Off-load Station in Unit O, Section 4-T26S-R32E or the Jal Off-load Station in Unit D, Section 4-T26S-R37E, Lea County, NM. Any interested party who has an objection to this must give notice in writing to the Oil Conservation Division, 1220 South Saint Francis Street, Santa Fe, New Mexico, 87505, within ten (10) days of this notice. Any interested party with questions or comments may contact Shelly Klinger (432) 688-9027 [shelley.c.klinger@concho.com](mailto:shelley.c.klinger@concho.com) at ConocoPhillips, 600 West Illinois, Midland, Texas 79701.

Published in the Artesia Daily Press, Artesia, N.M., Oct. 27, 2022 Legal No. 26323.



**NEW MEXICO STATE LAND OFFICE****CERTIFICATE OF APPROVAL****COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

**COG Operating LLC**  
**Atticus State Com #521H**  
**Bone Spring**  
**Township: 25 South, Range: 27 East, NMPM**  
**Section 24: W2W2**  
**Section 25: W2W2**  
**Section 36: W2W2**

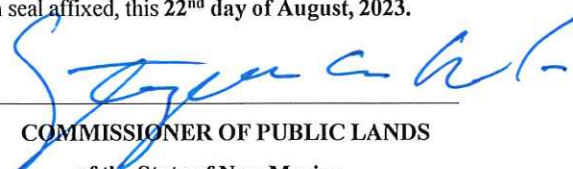
**Eddy County, New Mexico**

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **February 01, 2023**, 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 22<sup>nd</sup> day of August, 2023.

  
**COMMISSIONER OF PUBLIC LANDS**  
of the State of New Mexico

## Revised December 2021

### ONLINE Version

Atticus St Com 521H  
30-015-49982



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:

Subdivisions: W2W2

Of Sect(s): 24, 25 & 36 Twp: 25ERng: 27ENMPM Eddy County, NM

Containing 480.00 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 and depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

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

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

3. Subject to Paragraph 5, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.



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

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

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

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

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

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

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

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

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

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

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

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

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

OPERATOR: COG Operating LLC



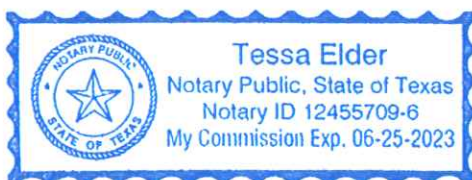
**OPERATOR & LESSEE OF RECORD (Tracts 1, 2, 3)**

COG OPERATING LLC

By: *Ry D. A*  
 Print: RYAN D. OWEN *ACR*  
 Title: ATTORNEY - IN - FACT

STATE OF TEXAS     )  
                                   )  
 COUNTY OF MIDLAND    )

This instrument was acknowledged before me on March 15, 2023, by Ryan D. Owen, as Attorney-in-fact of COG Operating LLC, a Delaware limited liability company, on behalf of same.



*Tessa Elder*  
 Notary Public in and for the State of Texas

**LESSEE OF RECORD (Tracts 1, 2 & 3)**

CONCHO OIL &amp; GAS LLC

By: *Ry D. A*  
 Print: RYAN D. OWEN *ACR*  
 Title: ATTORNEY - IN - FACT

STATE OF TEXAS     )  
                                   )  
 COUNTY OF MIDLAND    )

This instrument was acknowledged before me on March 15, 2023, by Ryan D. Owen, as Attorney-in-fact of Concho Oil & Gas LLC, a Texas limited liability company, on behalf of same.



*Tessa Elder*  
 Notary Public in and for the State of Texas



LESSEE OF RECORD (Tracts 4, 5, & 6)

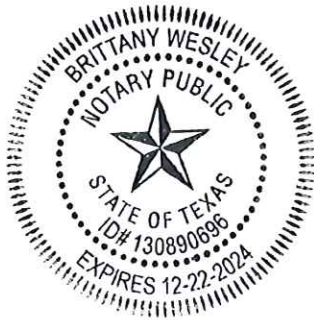
CHEVRON U.S.A. INC.

By: [Signature]  
Print: BEN J. WILSON  
Title: ATTORNEY-IN-FACT

STATE OF TEXAS       )  
                                  )  
COUNTY OF MIDLAND   )

This instrument was acknowledged before me on May 4, 2023, by  
Ben J. Wilson as Attorney-in-Fact  
of Chevron U.S.A. Inc., a Pennsylvania Corporation, on behalf of same.

Brittany Wesley  
Notary Public in and for the State of Texas



2023 JUN 15 AM 8:04

State/Fee Communitization Agreement  
W2W2 of Secs 24, 25, 36, T25S-R27E, Eddy Co., NM  
Atticus St Com 521H -- Bone Spring

**LESSEE OF RECORD (Tracts 4, 5, & 6)**

CHEVRON U.S.A. INC.

Subject to Compulsory Pooling Order R-22484

**EXHIBIT A**

Attached to and made a part of that Communitization Agreement dated February 1, 2023, by and between COG Operating LLC, as Operator, and Concho Oil & Gas, LLC, et al (Record Title Holders/Lessees of Record)

**COVERING:** W2W2 of Sections 24, 25, and 36, T25S-R27E, Eddy County, New Mexico  
Limited to the Bone Spring formation  
**OPERATOR:** COG Operating LLC

**DESCRIPTION OF LEASES COMMITTED:****TRACT 1: W2NW4 of Section 24, T25S-R27E, Eddy Co., NM (80 acres)**

Date: September 1, 2006  
Lease Number: VB-1006-01  
Lessor: State of New Mexico  
Current Lessee: COG Operating LLC / Concho Oil & Gas LLC  
Description: Insofar and only insofar as to:  
Township 25 South, Range 27 East, N.M.P.M.  
Section 24: W2NW4  
Eddy County, New Mexico  
Royalty: 3/16<sup>th</sup>

**TRACT 2: W2SW4 of Section 24, T25S-R27E, Eddy Co., NM (80 acres)**

Date: September 1, 2006  
Lessor: Devon Energy Production Company LP  
Current Lessee: COG Operating LLC / Concho Oil & Gas LLC  
Description: Insofar and only insofar as to:  
Township 25 South, Range 27 East, N.M.P.M.  
Section 24: W2SW4  
Eddy County, New Mexico  
Royalty: 3/16<sup>th</sup>

*Lease referenced herein from Devon Energy Production Company LP to Marbob Energy Corporation, et al, is subject to the Exhibit B for lease found on JOA dated September 1, 2006, covering Section 24: All, Section 25: N/2, T25S-R27E. This form lease is also found on Exhibit B attached herein.*

**TRACT 3: W2NW4 of Section 25, T25S-R27E, Eddy Co., NM (80 acres)**

Date: September 1, 2006  
Lease Number: VB-1007-01  
Lessor: State of New Mexico  
Current Lessee: COG Operating LLC / Concho Oil & Gas LLC  
Description: Insofar and only insofar as to:



Township 25 South, Range 27 East, N.M.P.M.  
Section 25: W2NW4  
Eddy County, New Mexico  
Royalty: 3/16<sup>th</sup>

**TRACT 4: W2SW4 of Section 25, T25S-R27E, Eddy Co., NM (80 acres)**

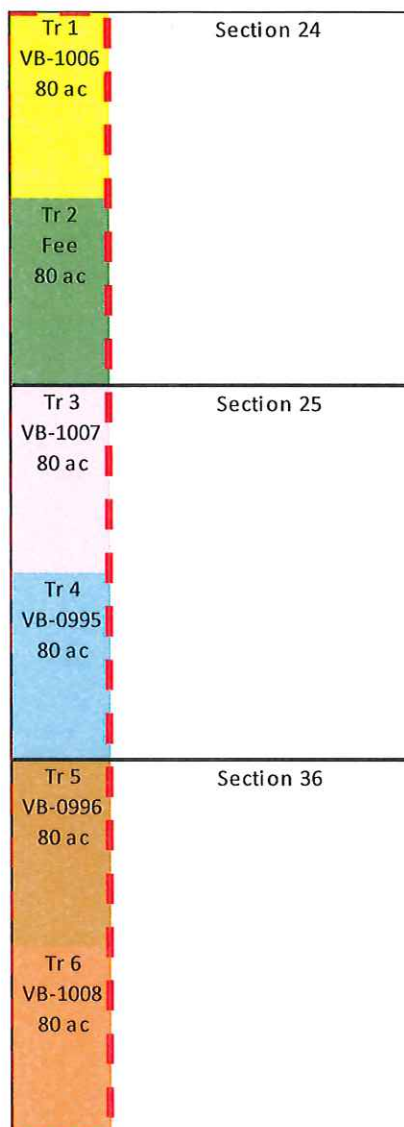
Date: September 1, 2006  
Lease Number: VB-0995-02  
Lessor: State of New Mexico  
Current Lessee: Chevron U.S.A. Inc.  
Description: Insofar and only insofar as to:  
Township 25 South, Range 27 East, N.M.P.M.  
Section 25: W2SW4  
Eddy County, New Mexico  
Royalty: 3/16<sup>th</sup>

**TRACT 5: W2NW4 of Section 36, T25S-R27E, Eddy Co., NM (80 acres)**

Date: September 1, 2006  
Lease Number: VB-0996-02  
Lessor: State of New Mexico  
Current Lessee: Chevron U.S.A. Inc.  
Description: Insofar and only insofar as to:  
Township 25 South, Range 27 East, N.M.P.M.  
Section 36: W2NW4  
Eddy County, New Mexico  
Royalty: 3/16<sup>th</sup>

**TRACT 6: W2SW4 of Section 36, T25S-R27E, Eddy Co., NM (80 acres)**

Date: September 1, 2006  
Lease Number: VB-1008-02  
Lessor: State of New Mexico  
Current Lessee: Chevron U.S.A. Inc.  
Description: Insofar and only insofar as to:  
Township 25 South, Range 27 East, N.M.P.M.  
Section 36: W2SW4  
Eddy County, New Mexico  
Royalty: 3/16<sup>th</sup>



### RECAPITULATION

TRACT	NUMBER OF ACRES COMMITTED	PERCENTAGE OF INTEREST IN COMMUNITIZED AREA
1	80.00	16.67
2	80.00	16.67
3	80.00	16.67
4	80.00	16.67
5	80.00	16.66
6	80.00	16.66
<b>TOTAL</b>	<b>480.00</b>	<b>100.00%</b>

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

**IN THE MATTER OF APPLICATION FOR  
COMPULSORY POOLING SUBMITTED BY  
COG OPERATING LLC**

**CASE NO. 23050  
ORDER NO. R-22484**

**ORDER**

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on October 20, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

**FINDINGS OF FACT**

1. COG Operating LLC ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

**CONCLUSIONS OF LAW**

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the



depth(s) and location(s) in the Unit described in Exhibit A.

11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

### **ORDER**

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the

CASE NO. 23050  
ORDER NO. R-22484

Page 2 of 7

well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share



of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.

30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**



**DYLAN M FUGE**  
**DIRECTOR (ACTING)**  
DMF/jag

**Date:** 1/12/23

CASE NO. 23050  
ORDER NO. R-22484

Page 4 of 7



## Exhibit A

Received by OCD: 10/18/2022 2:24:22 PM

Page 3 of 57

**COMPULSORY POOLING APPLICATION CHECKLIST****ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

<b>Case: 23050</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date</b>	October 20, 2022
<b>Applicant</b>	COG Operating LLC
<b>Designated Operator &amp; OGRID (affiliation if applicable)</b>	229137
<b>Applicant's Counsel:</b>	Holland & Hart LLP
<b>Case Title:</b>	APPLICATION OF COG OPERATING LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.
<b>Entries of Appearance/Intervenors:</b>	N/A
<b>Well Family</b>	Atticus wells
<b>Formation/Pool</b>	
<b>Formation Name(s) or Vertical Extent:</b>	Bone Spring
<b>Primary Product (Oil or Gas):</b>	Oil
<b>Pooling this vertical extent:</b>	N/A
<b>Pool Name and Pool Code:</b>	Delaware River; Bone Spring (16800) & Hay Hollow; Bone Spring, North (30216)
<b>Well Location Setback Rules:</b>	Statewide oil rules
<b>Spacing Unit Size:</b>	960-acres
<b>Spacing Unit</b>	
<b>Type (Horizontal/Vertical)</b>	Horizontal
<b>Size (Acres)</b>	960-acres
<b>Building Blocks:</b>	40-acres
<b>Orientation:</b>	South-North
<b>Description: TRS/County</b>	E/2 W/2, W/2 E/2 of Sections 24, 25 and 36, Township 25 South, Range 27 East, NMPM, in Eddy County
<b>Standard Horizontal Well Spacing Unit (Y/N), If No, describe</b>	Yes
<b>Other Situations</b>	
<b>Depth Severance: Y/N. If yes, description</b>	No
<b>Proximity Tracts: If yes, description</b>	Yes
<b>Proximity Defining Well: if yes, description</b>	The completed interval of the Atticus State Com 521H well is expected to remain with 330 feet of the offsetting quarter-quarter sections or equivalent tracts to include them in a standard horizontal well spacing unit.
<b>Applicant's Ownership in Each Tract</b>	See Exhibit A-3
<b>Well(s)</b>	
<b>Name &amp; API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)</b>	
<b>Well #1</b>	<u>Atticus State Com 521H (30-015-49982)</u> SHL: 345' FSL & 2648' FWL (Unit N) of Section 36 BHL: 50' FNL & 2330' FEL (Unit B) of Section 24 Completion Target: Bone Spring formation Well Orientation: South to North Completion Location expected to be: Standard
<b>Horizontal Well First and Last Take Points</b>	Exhibit A-1
<b>Released to Imaging: 10/18/2022 2:35:23 PM</b>	Exhibit A-4

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ORDER NO. R-22484

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<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	See Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	N/A
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-3
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
<b>Geology</b>	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B; B-4
HSU Cross Section	Exhibit B-4
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
A-102	Exhibit A-1
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit B-1
Structure Contour Map - Subsea Depth	Exhibit B-2
Cross Section Location Map (including wells)	Exhibit B-3

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Cross Section (including Landing Zone)	Exhibit B-4
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Paula M. Vance
Signed Name (Attorney or Party Representative):	
Date:	18-Oct-22

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**NEW MEXICO STATE LAND OFFICE****CERTIFICATE OF APPROVAL****COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

**COG Operating LLC**  
**Atticus State Com #522H**  
**Bone Spring**  
**Township: 25 South, Range: 27 East, NMPM**  
**Section 24: W2E2, E2W2**  
**Section 25: W2E2, E2W2**  
**Section 36: W2E2, E2W2**

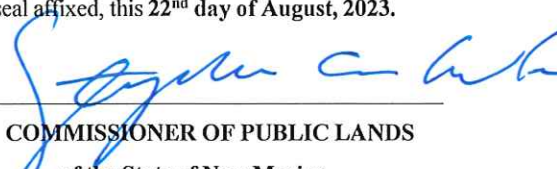
**Eddy County, New Mexico**

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **February 01, 2023**, 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 **22<sup>nd</sup>** day of August, 2023.

  
**COMMISSIONER OF PUBLIC LANDS**  
of the State of New Mexico

**STATE/STATE OR  
STATE/FEE**  
Revised December 2021

ONLINE Version

Atticus St Com 522H  
30-015-49983

Well Name:

COUNTY OF Eddy )

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

WHEREAS, the parties hereto, own working, royalty, or other leasehold interests or operating rights under the oil and gas leases and lands subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, 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 or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

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

1



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:

Subdivisions: W2E2 & E2W2

Of Sect(s): 24, 25 & 36 Twp: 25E Rng: 27E NMPM Eddy County, NM

Containing 960.00 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 and depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

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

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

3. Subject to Paragraph 5, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.



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

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

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

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

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

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

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

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

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

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

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

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

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

OPERATOR: COG Operating LLC



**OPERATOR & LESSEE OF RECORD (Tracts 1, 2, 3)**

COG OPERATING LLC

By: *Ry D. Owen*  
 Print: RYAN D. OWEN *ACR*  
 Title: ATTORNEY-IN-FACT

STATE OF TEXAS       )  
                                   )  
 COUNTY OF MIDLAND   )

This instrument was acknowledged before me on March 15, 2023, by Ryan D. Owen, as Attorney-in-fact of COG Operating LLC, a Delaware limited liability company, on behalf of same.



*Tessa Elder*  
 Notary Public in and for the State of Texas

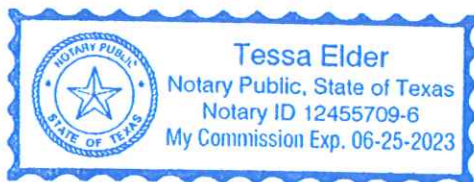
**LESSEE OF RECORD (Tracts 1, 2 & 3)**

CONCHO OIL &amp; GAS LLC

By: *Ry D. Owen*  
 Print: RYAN D. OWEN *ACR*  
 Title: ATTORNEY-IN-FACT

STATE OF TEXAS       )  
                                   )  
 COUNTY OF MIDLAND   )

This instrument was acknowledged before me on March 15, 2023, by Ryan D. Owen, as Attorney-in-fact of Concho Oil & Gas LLC, a Texas limited liability company, on behalf of same.



*Tessa Elder*  
 Notary Public in and for the State of Texas



LESSEE OF RECORD (Tracts 4, 5, & 6)

CHEVRON U.S.A. INC.

By: [Signature]  
Print: BEN J. WILSON  
Title: ATTORNEY-IN-FACT

STATE OF TEXAS       )  
                                  )  
COUNTY OF MIDLAND )

This instrument was acknowledged before me on May 4, 2023, by  
Ben J. Wilson as Attorney-in-Fact  
of Chevron U.S.A. Inc., a Pennsylvania Corporation, on behalf of same.

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



2023 JUN 15 AM 8:04

State/Fee Communitization Agreement  
E2W2 & W2E2 of Secs 24, 25, 36, T25S-R27E, Eddy Co., NM  
Atticus St Com 522H – Bone Spring

**LESSEE OF RECORD (Tracts 4, 5, & 6)**

CHEVRON U.S.A. INC.

Subject to Compulsory Pooling Order R-22485

**EXHIBIT A**

Attached to and made a part of that Communitization Agreement dated February 1, 2023, by and between COG Operating LLC, as Operator, and Concho Oil & Gas, LLC, et al (Record Title Holders/Lessees of Record)

**COVERING:** E2W2 & W2E2 of Sections 24, 25, and 36, T25S-R27E, Eddy County, New Mexico  
**Limited to the Bone Spring formation**  
**OPERATOR:** COG Operating LLC

**DESCRIPTION OF LEASES COMMITTED:****TRACT 1: E2NW4 & W2NE4 of Section 24, T25S-R27E, Eddy Co., NM (160 acres)**

Date: September 1, 2006  
 Lease Number: VB-1006-01  
 Lessor: State of New Mexico  
 Current Lessee: COG Operating LLC / Concho Oil & Gas LLC  
 Description: Insofar and only insofar as to:  
Township 25 South, Range 27 East, N.M.P.M.  
 Section 24: E2NW4 & W2NE4  
 Eddy County, New Mexico  
 Royalty: 3/16<sup>th</sup>

**TRACT 2: E2SW4 & W2SE4 of Section 24, T25S-R27E, Eddy Co., NM (160 acres)**

Date: September 1, 2006  
 Lessor: Devon Energy Production Company LP  
 Current Lessee: COG Operating LLC / Concho Oil & Gas LLC  
 Description: Insofar and only insofar as to:  
Township 25 South, Range 27 East, N.M.P.M.  
 Section 24: E2SW4 & W2SE4  
 Eddy County, New Mexico  
 Royalty: 3/16<sup>th</sup>

*Lease referenced herein from Devon Energy Production Company LP to Marbob Energy Corporation, et al, is subject to the Exhibit B for lease found on JOA dated September 1, 2006, covering Section 24: All, Section 25: N/2, T25S-R27E. This form lease is also found on Exhibit B attached herein.*

**TRACT 3: E2NW4 & W2NE4 of Section 25, T25S-R27E, Eddy Co., NM (160 acres)**

Date: September 1, 2006  
 Lease Number: VB-1007-01  
 Lessor: State of New Mexico  
 Current Lessee: COG Operating LLC / Concho Oil & Gas LLC  
 Description: Insofar and only insofar as to:



Royalty: Township 25 South, Range 27 East, N.M.P.M.  
Section 25: E2NW4 & W2NE4  
Eddy County, New Mexico  
3/16<sup>th</sup>

**TRACT 4: E2SW4 & W2SE4 of Section 25, T25S-R27E, Eddy Co., NM (160 acres)**

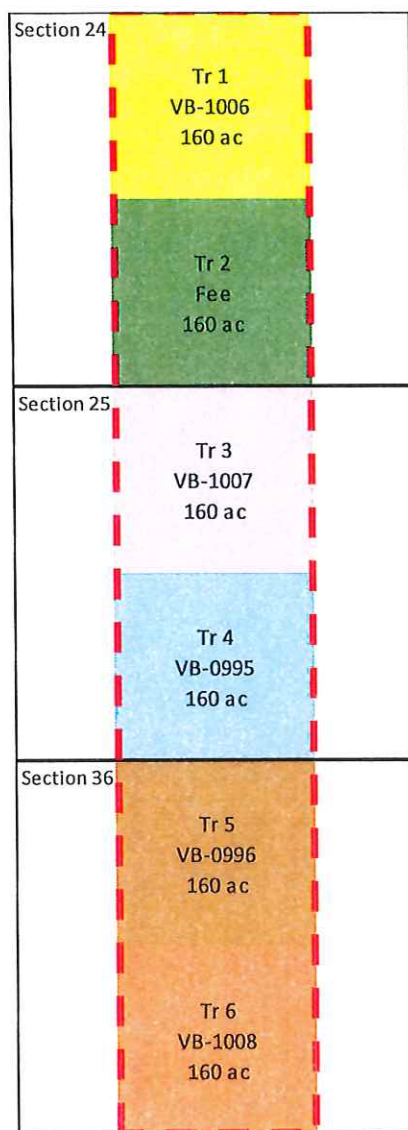
Date: September 1, 2006  
Lease Number: VB-0995-02  
Lessor: State of New Mexico  
Current Lessee: Chevron U.S.A. Inc.  
Description: Insofar and only insofar as to:  
Township 25 South, Range 27 East, N.M.P.M.  
Section 25: E2SW4 & W2SE4  
Eddy County, New Mexico  
Royalty: 3/16<sup>th</sup>

**TRACT 5: E2NW4 & W2NE4 of Section 36, T25S-R27E, Eddy Co., NM (160 acres)**

Date: September 1, 2006  
Lease Number: VB-0996-02  
Lessor: State of New Mexico  
Current Lessee: Chevron U.S.A. Inc.  
Description: Insofar and only insofar as to:  
Township 25 South, Range 27 East, N.M.P.M.  
Section 36: E2NW4 & W2NE4  
Eddy County, New Mexico  
Royalty: 3/16<sup>th</sup>

**TRACT 6: E2SW4 & W2SE4 of Section 36, T25S-R27E, Eddy Co., NM (160 acres)**

Date: September 1, 2006  
Lease Number: VB-1008-02  
Lessor: State of New Mexico  
Current Lessee: Chevron U.S.A. Inc.  
Description: Insofar and only insofar as to:  
Township 25 South, Range 27 East, N.M.P.M.  
Section 36: E2SW4 & W2SE4  
Eddy County, New Mexico  
Royalty: 3/16<sup>th</sup>



### RECAPITULATION

TRACT	NUMBER OF ACRES COMMITTED	PERCENTAGE OF INTEREST IN COMMUNITIZED AREA
1	160.00	16.67
2	160.00	16.67
3	160.00	16.67
4	160.00	16.67
5	160.00	16.66
6	160.00	16.66
<b>TOTAL</b>	<b>960.00</b>	<b>100.00%</b>

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

**IN THE MATTER OF APPLICATION FOR  
COMPULSORY POOLING SUBMITTED BY  
COG OPERATING LLC**

**CASE NO. 23051  
ORDER NO. R-22485**

**ORDER**

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on October 20, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

**FINDINGS OF FACT**

1. COG Operating LLC ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

**CONCLUSIONS OF LAW**

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the



depth(s) and location(s) in the Unit described in Exhibit A.

11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

### **ORDER**

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the

well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share



of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.

30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**

  
\_\_\_\_\_  
**DYLAN M FUGE**  
**DIRECTOR (ACTING)**  
DMF/jag

**Date:** 1/12/23

CASE NO. 23051  
ORDER NO. R-22485

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## Exhibit A

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**COMPULSORY POOLING APPLICATION CHECKLIST****ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

<b>Case: 23051</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date</b>	<b>October 20, 2022</b>
<b>Applicant</b>	COG Operating LLC
<b>Designated Operator &amp; OGRID (affiliation if applicable)</b>	229137
<b>Applicant's Counsel:</b>	Holland & Hart LLP
<b>Case Title:</b>	APPLICATION OF COG OPERATING LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.
<b>Entries of Appearance/Intervenors:</b>	N/A
<b>Well Family</b>	Atticus wells
<b>Formation/Pool</b>	
<b>Formation Name(s) or Vertical Extent:</b>	Bone Spring
<b>Primary Product (Oil or Gas):</b>	Oil
<b>Pooling this vertical extent:</b>	N/A
<b>Pool Name and Pool Code:</b>	Delaware River; Bone Spring (16800) & Hay Hollow; Bone Spring North (30216)
<b>Well Location Setback Rules:</b>	Statewide oil rules
<b>Spacing Unit Size:</b>	480-acres
<b>Spacing Unit</b>	
<b>Type (Horizontal/Vertical)</b>	Horizontal
<b>Size (Acres)</b>	480-acres
<b>Building Blocks:</b>	40-acres
<b>Orientation:</b>	South-North
<b>Description: TRS/County</b>	W/2 W/2 of Sections 24, 25 and 36, Township 25 South, Range 27 East, NMPM, in Eddy County
<b>Standard Horizontal Well Spacing Unit (Y/N), If No, describe</b>	Yes
<b>Other Situations</b>	
<b>Depth Severance: Y/N. If yes, description</b>	No
<b>Proximity Tracts: If yes, description</b>	No
<b>Proximity Defining Well: If yes, description</b>	N/A
<b>Applicant's Ownership In Each Tract</b>	See Exhibit A-3
<b>Well(s)</b>	
<b>Name &amp; API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)</b>	
<b>Well #1</b>	<u>Atticus State Com 522H (30-015-44983)</u> SHL: 330' FSL & 747' FWL (Unit M) of Section 36 BHL: 50' FNL & 660' FWL (Unit D) of Section 24 Completion Target: Bone Spring formation Well Orientation: South to North Completion Location expected to be: Standard
<b>Horizontal Well First and Last Take Points</b>	Exhibit A-1
<b>Completion Target (Formation, TVD and MD)</b>	Exhibit A-4
<b>AFE Capex and Operating Costs</b>	

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Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	See Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	N/A
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (Including lease numbers and owners)	Exhibit A-3
Pooled Parties (Including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
<b>Geology</b>	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B; B-4
HSU Cross Section	Exhibit B-4
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
A-102	Exhibit A-1
Tracts	Exhibit A-3
Summary of Interests; Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (Including basin)	Exhibit B-1
Well Bore Location Map	Exhibit B-1
Structure Contour Map - Subsea Depth	Exhibit B-2
Cross Section Location Map (Including wells)	Exhibit B-3
Cross Section (Including Landing Zone)	Exhibit B-4
<b>Additional Information</b>	


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Special Provisions/Stipulations	N/A
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
Printed Name (Attorney or Party Representative):	Paula M. Vance
Signed Name (Attorney or Party Representative):	
Date:	18-Oct-22

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**NEW MEXICO STATE LAND OFFICE****CERTIFICATE OF APPROVAL****COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

**COG Operating LLC  
Atticus State Com #701H  
Wolfcamp**

**Township: 25 South, Range: 27 East, NMPM**

**Section 24: E2**

**Section 25: E2**

**Section 36: E2**

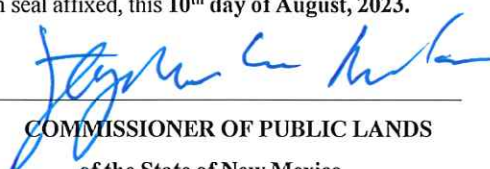
**Eddy County, New Mexico**

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **February 01, 2023**, 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 **10<sup>th</sup>** day of August, 2023.

  
**COMMISSIONER OF PUBLIC LANDS**  
of the State of New Mexico

## Revised December 2021

### ONLINE Version

Atticus St Com 701H  
30-015-49628  
Atticus St Com 702H  
30-015-49629  
Atticus St Com 703H  
30-015-49630

Atticus St Com 701H  
30-015-49628  
Atticus St Com 702H  
30-015-49629  
Atticus St Com 703H  
30-015-49630

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

WHEREAS, the parties hereto, own working, royalty, or other leasehold interests or operating rights under the oil and gas leases and lands subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, 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 Wolfcamp formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

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



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

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

Subdivisions: E2

Of Sect(s): 24, 25 & 36 Twp: 25E Rng: 27E NMPM Eddy County, NM

Containing 960 acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

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

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

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

3. Subject to Paragraph 5, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.



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

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

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

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

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

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

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

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

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

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

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

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

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

OPERATOR: COG Operating LLC



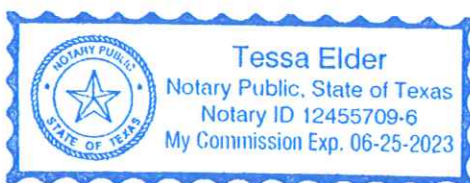
**OPERATOR & LESSEE OF RECORD (Tracts 1, 2, 3)**

COG OPERATING LLC

By: *Ry D. Owen* ACR  
 Print: RYAN D. OWEN  
 Title: ATTORNEY-IN-FACT

STATE OF TEXAS            )  
   )  
 COUNTY OF MIDLAND    )

This instrument was acknowledged before me on MARCH 15, 2023, by Ryan D. Owen, as Attorney-in-fact of COG Operating LLC, a Delaware limited liability company, on behalf of same.



*Tessa Elder*  
 Notary Public in and for the State of Texas

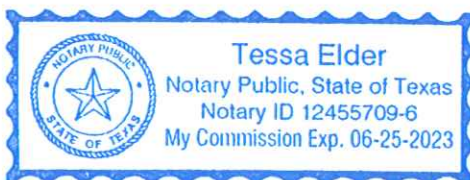
**LESSEE OF RECORD (Tracts 1, 2 & 3)**

CONCHO OIL &amp; GAS LLC

By: *Ry D. Owen* ACR  
 Print: RYAN D. OWEN  
 Title: ATTORNEY-IN-FACT

STATE OF TEXAS            )  
   )  
 COUNTY OF MIDLAND    )

This instrument was acknowledged before me on MARCH 15, 2023, by Ryan D. Owen, as Attorney-in-fact of Concho Oil & Gas LLC, a Texas limited liability company, on behalf of same.



*Tessa Elder*  
 Notary Public in and for the State of Texas



LESSEE OF RECORD (Tracts 4, 5, & 6)

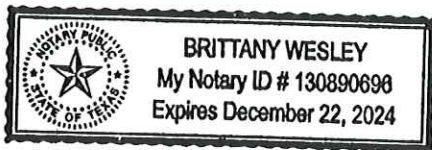
CHEVRON U.S.A. INC.

By: [Signature]  
Print: BEN WILSON  
Title: ATTORNEY-IN-FACT

STATE OF TEXAS       )  
                                  )  
COUNTY OF MIDLAND )

This instrument was acknowledged before me on May 4, 2023, by  
Ben Wilson as Attorney-in-Fact  
of Chevron U.S.A. Inc., a Pennsylvania Corporation, on behalf of same.

Brittany Wesley  
Notary Public in and for the State of Texas



State/Fee Communitization Agreement  
E2 of Secs 24, 25, 36, T25S-R27E, Eddy Co., NM  
Atticus St Com 701H-703H - Wolfcamp

**LESSEE OF RECORD (Tracts 4, 5, & 6)**

CHEVRON U.S.A. INC.

Subject to Compulsory Pooling Order R-22453

**EXHIBIT A**

Attached to and made a part of that Communitization Agreement dated February 1, 2023, by and between COG Operating LLC, as Operator, and Concho Oil & Gas, LLC, et al (Record Title Holders/Lessees of Record)

**COVERING:** E2 of Sections 24, 25, and 36, T25S-R27E, Eddy County, New Mexico  
Limited to the Bone Spring formation

**OPERATOR:** COG Operating LLC

**DESCRIPTION OF LEASES COMMITTED:****TRACT 1: NE4 of Section 24, T25S-R27E, Eddy Co., NM (160 acres)**

Date: September 1, 2006  
Lease Number: VB-1006-01  
Lessor: State of New Mexico  
Current Lessee: COG Operating LLC / Concho Oil & Gas LLC  
Description: Insofar and only insofar as to:  
Township 25 South, Range 27 East, N.M.P.M.  
Section 24: NE4  
Eddy County, New Mexico  
Royalty: 3/16<sup>th</sup>

**TRACT 2: SE4 of Section 24, T25S-R27E, Eddy Co., NM (160 acres)**

Date: September 1, 2006  
Lessor: Devon Energy Production Company LP  
Current Lessee: COG Operating LLC / Concho Oil & Gas LLC  
Description: Insofar and only insofar as to:  
Township 25 South, Range 27 East, N.M.P.M.  
Section 24: SE4  
Eddy County, New Mexico  
Royalty: 3/16<sup>th</sup>

*Lease referenced herein from Devon Energy Production Company LP to Marbob Energy Corporation, et al, is subject to the Exhibit B for lease found on JOA dated September 1, 2006, covering Section 24: All, Section 25: N/2, T25S-R27E. This form lease is also found on Exhibit B attached herein.*

**TRACT 3: NE4 of Section 25, T25S-R27E, Eddy Co., NM (160 acres)**

Date: September 1, 2006  
Lease Number: VB-1007-01  
Lessor: State of New Mexico  
Current Lessee: COG Operating LLC / Concho Oil & Gas LLC  
Description: Insofar and only insofar as to:  
Township 25 South, Range 27 East, N.M.P.M.



Royalty: Section 25: NE4  
Eddy County, New Mexico  
3/16<sup>th</sup>

**TRACT 4: SE4 of Section 25, T25S-R27E, Eddy Co., NM (160 acres)**

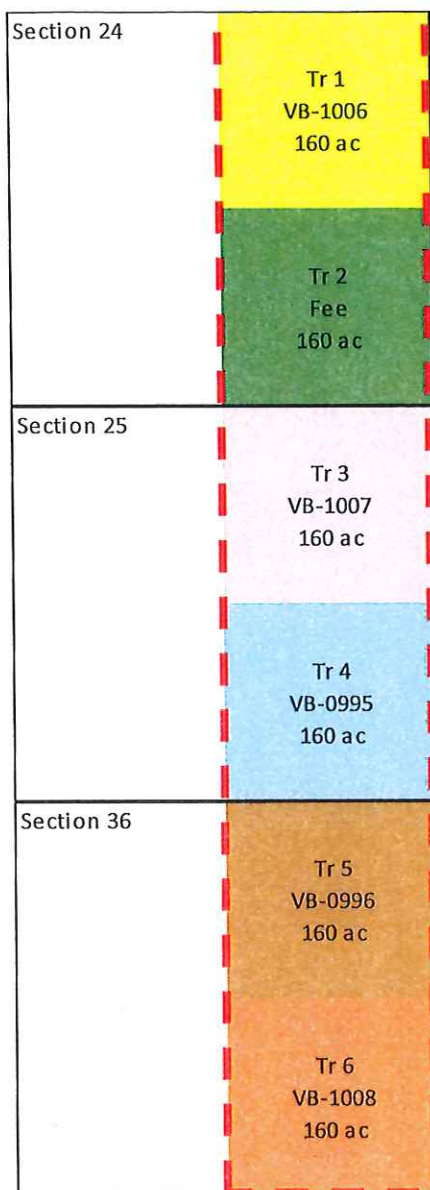
Date: September 1, 2006  
Lease Number: VB-0995-02  
Lessor: State of New Mexico  
Current Lessee: Chevron U.S.A. Inc.  
Description: Insofar and only insofar as to:  
Township 25 South, Range 27 East, N.M.P.M.  
Section 25: SE4  
Eddy County, New Mexico  
Royalty: 3/16<sup>th</sup>

**TRACT 5: NE4 of Section 36, T25S-R27E, Eddy Co., NM (160 acres)**

Date: September 1, 2006  
Lease Number: VB-0996-02  
Lessor: State of New Mexico  
Current Lessee: Chevron U.S.A. Inc.  
Description: Insofar and only insofar as to:  
Township 25 South, Range 27 East, N.M.P.M.  
Section 36: NE4  
Eddy County, New Mexico  
Royalty: 3/16<sup>th</sup>

**TRACT 6: SE4 of Section 36, T25S-R27E, Eddy Co., NM (160 acres)**

Date: September 1, 2006  
Lease Number: VB-1008-02  
Lessor: State of New Mexico  
Current Lessee: Chevron U.S.A. Inc.  
Description: Insofar and only insofar as to:  
Township 25 South, Range 27 East, N.M.P.M.  
Section 36: SE4  
Eddy County, New Mexico  
Royalty: 3/16<sup>th</sup>

**RECAPITULATION**

TRACT	NUMBER OF ACRES COMMITTED	PERCENTAGE OF INTEREST IN COMMUNITIZED AREA
1	160.00	16.67
2	160.00	16.67
3	160.00	16.67
4	160.00	16.67
5	160.00	16.66
6	160.00	16.66
<b>TOTAL</b>	<b>960.00</b>	<b>100.00%</b>

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

**IN THE MATTER OF APPLICATION FOR  
COMPULSORY POOLING SUBMITTED BY  
COG OPERATING LLC**

**CASE NO. 23052  
ORDER NO. R-22453**

**ORDER**

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on October 6, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

**FINDINGS OF FACT**

1. COG Operating, LLC ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

**CONCLUSIONS OF LAW**

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the



depth(s) and location(s) in the Unit described in Exhibit A.

11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

### **ORDER**

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the

well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share



of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.

30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
ADRIENNE SANDOVAL  
DIRECTOR  
AES/jag

Date: 12/23/2022

CASE NO. 23052  
ORDER NO. R-22453

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## Exhibit A

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**COMPULSORY POOLING APPLICATION CHECKLIST****ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

<b>Case: 23052</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date</b>	October 6, 2022
<b>Applicant</b>	COG Operating LLC
<b>Designated Operator &amp; OGRID (affiliation if applicable)</b>	229137
<b>Applicant's Counsel:</b>	Holland & Hart LLP
<b>Case Title:</b>	APPLICATION OF COG OPERATING LLC FOR COMPULSORY POOLING, Eddy County, NEW MEXICO.
<b>Entries of Appearance/Intervenors:</b>	N/A
<b>Well Family</b>	Atticus wells
<b>Formation/Pool</b>	
<b>Formation Name(s) or Vertical Extent:</b>	Wolfcamp
<b>Primary Product (Oil or Gas):</b>	Oil
<b>Pooling this vertical extent:</b>	N/A
<b>Pool Name and Pool Code:</b>	Purple Sage; Wolfcamp (Gas) (98220)
<b>Well Location Setback Rules:</b>	Special Rules enacted under Order R-14262
<b>Spacing Unit Size:</b>	960 acres
<b>Spacing Unit</b>	
<b>Type (Horizontal/Vertical)</b>	Horizontal
<b>Size (Acres)</b>	960-acres
<b>Building Blocks:</b>	320-acres or Quarter Sections
<b>Orientation:</b>	South-North
<b>Description: TRS/County</b>	E/2 of Sections 24, 25 and 36, Township 25 South, Range 27 Eas NMPM, in Eddy County
<b>Standard Horizontal Well Spacing Unit (Y/N), If No, describe</b>	Yes
<b>Other Situations</b>	
<b>Depth Severance: Y/N. If yes, description</b>	No
<b>Proximity Tracts: If yes, description</b>	No
<b>Proximity Defining Well: if yes, description</b>	N/A
<b>Applicant's Ownership in Each Tract</b>	See Exhibit A-3
<b>Well(s)</b>	
<b>Name &amp; API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)</b>	
<b>Well #1</b>	Atticus State Com 701H (30-015-49628) SHL: 315' FSL & 960' FEL (Unit P) of Section 36 BHL: 200' FNL & 450' FEL (Unit A) of Section 24 Completion Target: Wolfcamp formation Well Orientation: south to north Completion Location expected to be: Standard

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Well #2	Atticus State Com 702H (30-015-49629) SHL: 315' FSL & 990' FEL (Unit P) of Section 36 BHL: 20' FNL & 1350' FEL (Unit B) of Section 24 Completion Target: Wolfcamp formation Well Orientation: south to north Completion Location expected to be: Standard
Well #3	Atticus State Com 703H (30-015-49630) SHL: 345' FSL & 2618' FWL (Unit N) of Section 36 BHL: 200' FNL & 2250' FEL (Unit B) of Section 24 Completion Target: Wolfcamp formation Well Orientation: south to north Completion Location expected to be: Standard
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-4
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	See Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	N/A
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-3
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
<b>Geology</b>	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-2

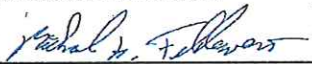
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Gunbarrel/Lateral Trajectory Schematic	Exhibit B-2
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-4
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
A-102	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit A-2, B-2
Structure Contour Map - Subsea Depth	Exhibit B-2
Cross Section Location Map (including wells)	Exhibit B-3
Cross Section (including Landing Zone)	Exhibit B-4
<b>Additional Information</b>	
Special Provisions/Stipulations	N/A
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
Printed Name (Attorney or Party Representative):	Michael H. Feldewert
Signed Name (Attorney or Party Representative):	
Date:	4-Oct

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**NEW MEXICO STATE LAND OFFICE**

## CERTIFICATE OF APPROVAL

## COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

COG Operating LLC  
Atticus State Com #704H  
Wolfcamp  
Township: 25 South, Range: 27 East, NMPM  
Section 24: W2  
Section 25: W2  
Section 36: W2

Eddy County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **February 01, 2023**, 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 10<sup>th</sup> day of August, 2023.

  
COMMISSIONER OF PUBLIC LANDS  
of the State of New Mexico

**STATE/STATE OR  
STATE/FEE**  
Revised December 2021

### ONLINE Version

Atticus St Com 704H  
30-015-49631  
Atticus St Com 705H  
30-015-49632  
Atticus St Com 706H  
30-015-49633

COUNTY OF Eddy )

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

WHEREAS, the parties hereto, own working, royalty, or other leasehold interests or operating rights under the oil and gas leases and lands subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, 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 Wolfcamp formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

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

1



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:

Subdivisions: W2

Of Sect(s): 24, 25 & 36 Twp: 25E Rng: 27E NMPM Eddy County, NM

Containing 960 acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

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

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

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

3. Subject to Paragraph 5, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.



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

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

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

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

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

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

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

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

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

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

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

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

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

OPERATOR: COG Operating LLC



**OPERATOR & LESSEE OF RECORD (Tracts 1, 2, 3)**

COG OPERATING LLC

By: Ry D. Owen  
Print: RYAN D. OWEN  
Title: ATTORNEY-IN-FACT

STATE OF TEXAS       )  
                                  )  
COUNTY OF MIDLAND   )

This instrument was acknowledged before me on MARCH 15, 2023, by Ryan D. Owen, as Attorney-in-fact of COG Operating LLC, a Delaware limited liability company, on behalf of same.

Lessa Eddow  
Notary Public in and for the State of Texas

**LESSEE OF RECORD (Tracts 1, 2 & 3)**

CONCHO OIL &amp; GAS LLC

By: Ry D. Owen  
Print: RYAN D. OWEN  
Title: ATTORNEY-IN-FACT

STATE OF TEXAS       )  
                                  )  
COUNTY OF MIDLAND   )

This instrument was acknowledged before me on MARCH 15, 2023, by Ryan D. Owen, as Attorney-in-fact of Concho Oil & Gas LLC, a Texas limited liability company, on behalf of same.

Lessa Eddow  
Notary Public in and for the State of Texas



LESSEE OF RECORD (Tracts 4, 5, & 6)

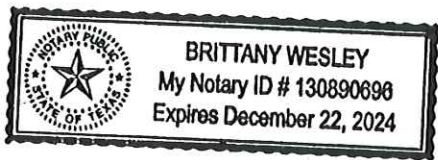
CHEVRON U.S.A. INC.

By: [Signature]  
Print: BEN J. WILSON  
Title: ATTORNEY-IN-FACT

STATE OF TEXAS       )  
                                  )  
COUNTY OF MIDLAND   )

This instrument was acknowledged before me on May 4, 2023, by  
Ben J. Wilson as Attorney-in-Fact  
of Chevron U.S.A. Inc., a Pennsylvania Corporation, on behalf of same.

Brittany Wesley  
Notary Public in and for the State of Texas



2023 JUN 15 AM 8:04

State/Fee Communitization Agreement  
W2 of Secs 24, 25, 36, T25S-R27E, Eddy Co., NM  
Atticus St Corn 704H-706H - Wolfcamp

**LESSEE OF RECORD (Tracts 4, 5, & 6)**

CHEVRON U.S.A. INC.

Subject to Compulsory Pooling Order R-22454

State/Fee Communitization Agreement  
W2 of Secs 24, 25, 36, T25S-R27E, Eddy Co., NM  
Atticus St Com 704H-706H - Wolfcamp

**EXHIBIT A**

Attached to and made a part of that Communitization Agreement dated February 1, 2023, by and between COG Operating LLC, as Operator, and Concho Oil & Gas, LLC, et al (Record Title Holders/Lessees of Record)

**COVERING:** W2 of Sections 24, 25, and 36, T25S-R27E, Eddy County, New Mexico  
Limited to the Bone Spring formation

**OPERATOR:** COG Operating LLC

**DESCRIPTION OF LEASES COMMITTED:****TRACT 1: NW4 of Section 24, T25S-R27E, Eddy Co., NM (160 acres)**

Date: September 1, 2006  
Lease Number: VB-1006-01  
Lessor: State of New Mexico  
Current Lessee: COG Operating LLC / Concho Oil & Gas LLC  
Description: Insofar and only insofar as to:  
Township 25 South, Range 27 East, N.M.P.M.  
Section 24: NW4  
Eddy County, New Mexico  
Royalty: 3/16<sup>th</sup>

**TRACT 2: SW4 of Section 24, T25S-R27E, Eddy Co., NM (160 acres)**

Date: September 1, 2006  
Lessor: Devon Energy Production Company LP  
Current Lessee: COG Operating LLC / Concho Oil & Gas LLC  
Description: Insofar and only insofar as to:  
Township 25 South, Range 27 East, N.M.P.M.  
Section 24: SW4  
Eddy County, New Mexico  
Royalty: 3/16<sup>th</sup>

*Lease referenced herein from Devon Energy Production Company LP to Marbob Energy Corporation, et al, is subject to the Exhibit B for lease found on JOA dated September 1, 2006, covering Section 24: All, Section 25: N/2, T25S-R27E. This form lease is also found on Exhibit B attached herein.*

**TRACT 3: NW4 of Section 25, T25S-R27E, Eddy Co., NM (160 acres)**

Date: September 1, 2006  
Lease Number: VB-1007-01  
Lessor: State of New Mexico  
Current Lessee: COG Operating LLC / Concho Oil & Gas LLC  
Description: Insofar and only insofar as to:  
Township 25 South, Range 27 East, N.M.P.M.



Royalty: Section 25: NW4  
Eddy County, New Mexico  
3/16<sup>th</sup>

**TRACT 4: SW4 of Section 25, T25S-R27E, Eddy Co., NM (160 acres)**

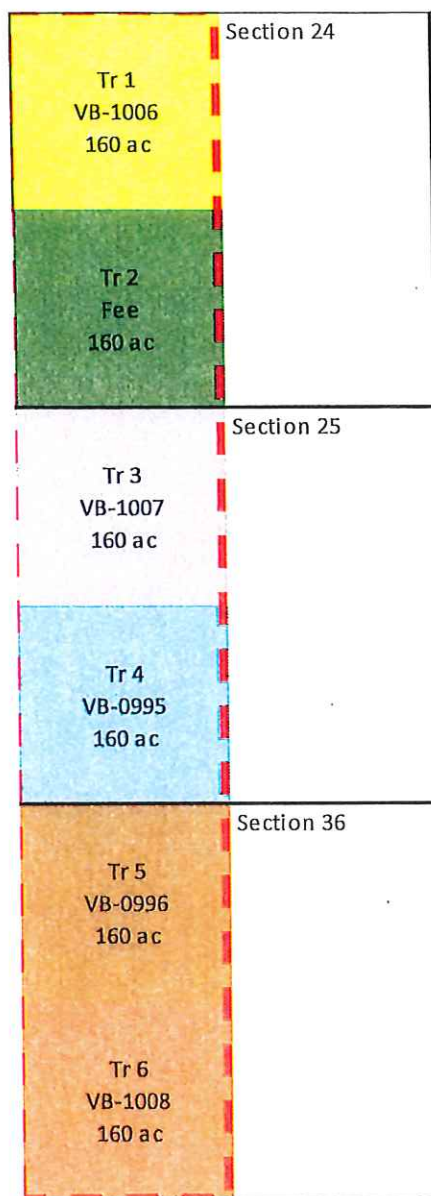
Date: September 1, 2006  
Lease Number: VB-0995-02  
Lessor: State of New Mexico  
Current Lessee: Chevron U.S.A. Inc.  
Description: Insofar and only insofar as to:  
Township 25 South, Range 27 East, N.M.P.M.  
Section 25: SW4  
Eddy County, New Mexico  
Royalty: 3/16<sup>th</sup>

**TRACT 5: NW4 of Section 36, T25S-R27E, Eddy Co., NM (160 acres)**

Date: September 1, 2006  
Lease Number: VB-0996-02  
Lessor: State of New Mexico  
Current Lessee: Chevron U.S.A. Inc.  
Description: Insofar and only insofar as to:  
Township 25 South, Range 27 East, N.M.P.M.  
Section 36: NW4  
Eddy County, New Mexico  
Royalty: 3/16<sup>th</sup>

**TRACT 6: SW4 of Section 36, T25S-R27E, Eddy Co., NM (160 acres)**

Date: September 1, 2006  
Lease Number: VB-1008-02  
Lessor: State of New Mexico  
Current Lessee: Chevron U.S.A. Inc.  
Description: Insofar and only insofar as to:  
Township 25 South, Range 27 East, N.M.P.M.  
Section 36: SW4  
Eddy County, New Mexico  
Royalty: 3/16<sup>th</sup>



### RECAPITULATION

TRACT	NUMBER OF ACRES COMMITTED	PERCENTAGE OF INTEREST IN COMMUNITIZED AREA
1	160.00	16.67
2	160.00	16.67
3	160.00	16.67
4	160.00	16.67
5	160.00	16.66
6	160.00	16.66
<b>TOTAL</b>	<b>960.00</b>	<b>100.00%</b>

State/Fee Communitization Agreement  
W2 of Secs 24, 25, 36, T25S-R27E, Eddy Co., NM  
Atticus St Com 704H-706H - Wolfcamp

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

**IN THE MATTER OF APPLICATION FOR  
COMPULSORY POOLING SUBMITTED BY  
COG OPERATING LLC**

**CASE NO. 23053  
ORDER NO. R-22454**

**ORDER**

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on October 6, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

**FINDINGS OF FACT**

1. COG Operating, LLC ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

**CONCLUSIONS OF LAW**

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the



depth(s) and location(s) in the Unit described in Exhibit A.

11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

### ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the

CASE NO. 23053  
ORDER NO. R-22454

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well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share



of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.

30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



ADRIENNE SANDOVAL  
DIRECTOR

AES/jag

Date: 12/23/2022

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ORDER NO. R-22454

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## Exhibit A

Received by OCD: 10/4/2022 2:19:42 PM

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**COMPULSORY POOLING APPLICATION CHECKLIST****ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

<b>Case: 23053</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date</b>	October 6, 2022
<b>Applicant</b>	COG Operating LLC
<b>Designated Operator &amp; OGRID (affiliation if applicable)</b>	229137
<b>Applicant's Counsel:</b>	Holland & Hart LLP
<b>Case Title:</b>	APPLICATION OF COG OPERATING LLC FOR COMPULSORY POOLING, Eddy County, NEW MEXICO.
<b>Entries of Appearance/Intervenors:</b>	N/A
<b>Well Family</b>	Atticus wells
<b>Formation/Pool</b>	
<b>Formation Name(s) or Vertical Extent:</b>	Wolfcamp
<b>Primary Product (Oil or Gas):</b>	Oil
<b>Pooling this vertical extent:</b>	N/A
<b>Pool Name and Pool Code:</b>	Purple Sage; Wolfcamp (Gas) (98220)
<b>Well Location Setback Rules:</b>	Special Rules enacted under Order R-14262
<b>Spacing Unit Size:</b>	960 acres
<b>Spacing Unit</b>	
<b>Type (Horizontal/Vertical)</b>	Horizontal
<b>Size (Acres)</b>	960-acres
<b>Building Blocks:</b>	320-acres or Quarter Sections
<b>Orientation:</b>	South-North
<b>Description: TRS/County</b>	W/2 of Sections 24, 25 and 36, Township 25 South, Range 27 Ea NMPM, in Eddy County
<b>Standard Horizontal Well Spacing Unit (Y/N), If No, describe</b>	Yes
<b>Other Situations</b>	
<b>Depth Severance: Y/N. If yes, description</b>	No
<b>Proximity Tracts: If yes, description</b>	No
<b>Proximity Defining Well: if yes, description</b>	N/A
<b>Applicant's Ownership in Each Tract</b>	See Exhibit A-3
<b>Well(s)</b>	
<b>Name &amp; API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)</b>	
<b>Well #1</b>	Atticus State Com 704H (30-015-49631) SHL: 345' FSL & 2588' FWL (Unit N) of Section 36 BHL: 200' FNL & 2130' FWL (Unit C) of Section 24 Completion Target: Wolfcamp formation Well Orientation: south to north Completion Location expected to be: Standard

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Well #2	Atticus State Com 705H (30-015-49632) SHL: 330' FSL & 807' FWL (Unit M) of Section 36 BHL: 200' FNL & 1230' FWL (Unit D) of Section 24 Completion Target: Wolfcamp formation Well Orientation: south to north Completion Location expected to be: Standard
Well #3	Atticus State Com 706H (30-015-49633) SHL: 330' FSL & 777' FWL (Unit M) of Section 36 BHL: 200' FNL & 330' FWL (Unit D) of Section 24 Completion Target: Wolfcamp formation Well Orientation: south to north Completion Location expected to be: Standard
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-4
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	See Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	N/A
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-3
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
<b>Geology</b>	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-2

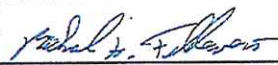
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Gunbarrel/Lateral Trajectory Schematic	Exhibit B-2
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-4
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
A-102	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit A-2, B-2
Structure Contour Map - Subsea Depth	Exhibit B-2
Cross Section Location Map (including wells)	Exhibit B-3
Cross Section (including Landing Zone)	Exhibit B-4
<b>Additional Information</b>	
Special Provisions/Stipulations	N/A
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
Printed Name (Attorney or Party Representative):	Michael H. Feldewert
Signed Name (Attorney or Party Representative):	
Date:	4-Oct

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ORDER NO. R-22454

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**From:** [Barron, Jeanette](#)  
**To:** [McClure, Dean, EMNRD](#)  
**Cc:** [Clelland, Sarah, EMNRD](#)  
**Subject:** Re: [EXTERNAL] Re: [EXTERNAL]Action ID: 152466; PLC-952  
**Date:** Tuesday, February 11, 2025 2:38:33 PM  
**Attachments:** [Atticus St Com - PLC Application..pdf](#)

Hello Dean, I think I got all the questions answered, sorry for the confusion. Please let me know if there is anything else needed....thanks!

The application indicates that there are only 2 CAs: one for the Wolfcamp that covers all of the sections, and one for the Bone Spring that covers the W/2 and W/2 E/2 of the sections. However, the SLO site indicates that this is not the case and that the CAs are approved as depicted below. Please confirm that this is the correct. **Yes, these are the correct legal descriptions to commingle.**

30-015-49982	Atticus State Com #521H	B C F G J K N O	24-25S-27E	
		B C F G J K N O	25-25S-27E	30216
		B C F G J K N O	36-25S-27E	16800
30-015-49983	Atticus State Com #522H	W/2 W/2	24-25S-27E	
		W/2 W/2	25-25S-27E	30216
		W/2 W/2	36-25S-27E	16800

There is still reference to well testing within the amended application. To confirm, is it correct that COG wishes to allocate via metering? **Application attached with the correct verbiage.**

Please note that the Bone Spring wells are completed into two different Bone Spring pools. Please provide the known or estimated values requested for pool 30216. **This is also changed on pg. 4**

Best Regards,

Jeanette

*Please note my new cell number.*

**Jeanette Barron | Regulatory Coordinator, Delaware Basin NM | ConocoPhillips**

**O:** 575-748-6974 | **C:** 575-909-2803 | 2208 W. Main Street, Artesia, New Mexico

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**From:** McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>  
**Sent:** Wednesday, February 5, 2025 1:47 PM  
**To:** Barron, Jeanette <Jeanette.Barron@conocophillips.com>  
**Cc:** Clelland, Sarah, EMNRD <Sarah.Clelland@emnrd.nm.gov>  
**Subject:** RE: [EXTERNAL] Re: [EXTERNAL]Action ID: 152466; PLC-952

Hello Jeanette,

There is still reference to well testing within the amended application. To confirm, is it correct that COG wishes to allocate via metering?

Please review the approved SLO CAs which I have depicted in my original email and confirm whether these are the CAs that COG would like to commingle in this commingling project.

Please note that the Bone Spring wells are completed into two different Bone Spring pools. Please provide the known or estimated values requested for pool 30216.

30-015-49982	Atticus State Com #521H	B C F G J K N O	24-25S-27E	
		B C F G J K N O	25-25S-27E	30216
		B C F G J K N O	36-25S-27E	16800
30-015-49983	Atticus State Com #522H	W/2 W/2	24-25S-27E	
		W/2 W/2	25-25S-27E	30216
		W/2 W/2	36-25S-27E	16800

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:** Wednesday, January 22, 2025 3:45 PM  
**To:** McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>  
**Cc:** Clelland, Sarah, EMNRD <Sarah.Clelland@emnrd.nm.gov>  
**Subject:** [EXTERNAL] Re: [EXTERNAL]Action ID: 152466; PLC-952

**CAUTION:** This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Hello Dean, please see the revised PLC application along with the affidavit and approved SLO application. I have added all the approved CA to the application for more clarity. should you have any further questions or need any more information please let me know....thanks a million!

- The application indicates that the gas sales meter is located in the SW/4 SE/4 of section 8 of Township 24 South, Range 33 East. Please confirm whether this is correct. If it is not, please provide the PLSS for the gas title transfer meter to the quarter-quarter. **Corrected summary on the application**
- The applications seems to indicate that COG is proposing to allocate via meter; however, there is a paragraph in the summary that references well testing. Please confirm that COG is requesting to allocate via metering. **Corrected summary on the application**
- Please provide known or estimated gravity for the oil from pool [30216] HAY HOLLOW; BONE SPRING, NORTH and known or estimated BTU for the gas from pool [30216] HAY HOLLOW; BONE SPRING, NORTH. **This should all be 16800 Delaware; Bone Spring**
- Please provide the affidavit of publication for the public notice. **Attached**
- The application indicates that there are only 2 CAs: one for the Wolfcamp that covers all of the sections, and one for the Bone Spring that covers the W/2 and W/2 E/2 of the sections. However, the SLO site indicates that this is not the case and that the CAs are approved as depicted below. Please confirm that this is the correct. **Submitted all Approved CAS**

Have a greet evening.

Best Regards,  
 Jeanette  
 Please note my new cell number.

**Jeanette Barron | Regulatory Coordinator, Delaware Basin NM | ConocoPhillips**  
**O: 575-748-6974 | C: 575-909-2803 | 2208 W. Main Street, Artesia, New Mexico**

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of, or reliance upon such information by or to anyone other than addressee is prohibited. If you are not the named addressee, please notify the sender immediately by reply e-mail and delete all copies of this e-mail message and any attachments.

**From:** McClure, Dean, EMNRD <[Dean.McClure@emnrd.nm.gov](mailto:Dean.McClure@emnrd.nm.gov)>

**Sent:** Tuesday, January 21, 2025 4:08 PM

**To:** Barron, Jeanette <[Jeanette.Barron@conocophillips.com](mailto:Jeanette.Barron@conocophillips.com)>

**Cc:** Clelland, Sarah, EMNRD <[Sarah.Clelland@emnrd.nm.gov](mailto:Sarah.Clelland@emnrd.nm.gov)>

**Subject:** [EXTERNAL]Action ID: 152466; PLC-952

**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.

To whom it may concern (c/o Jeanette Barron for COG Operating, LLC),

The Division is reviewing the following application:

<b>Action ID</b>	<b>152466</b>
<b>Admin No.</b>	PLC-952
<b>Applicant</b>	COG Operating, LLC (229137)
<b>Title</b>	Atticus State 36 N CTB
<b>Sub. Date</b>	10/20/2022

Please provide the following additional supplemental documents:

•

Please provide additional information regarding the following:

- The application indicates that the gas sales meter is located in the SW/4 SE/4 of section 8 of Township 24 South, Range 33 East. Please confirm whether this is correct. If it is not, please provide the PLSS for the gas title transfer meter to the quarter-quarter.
- The applications seems to indicate that COG is proposing to allocate via meter; however, there is a paragraph in the summary that references well testing. Please confirm that COG is requesting to allocate via metering.
- Please provide known or estimated gravity for the oil from pool [30216] HAY HOLLOW; BONE SPRING, NORTH and known or estimated BTU for the gas from pool [30216] HAY HOLLOW; BONE SPRING, NORTH.
- Please provide the affidavit of publication for the public notice.
- The application indicates that there are only 2 CAs: one for the Wolfcamp that covers all of the sections, and one for the Bone Spring that covers the W/2 and W/2 E/2 of the sections. However, the SLO site indicates that this is not the case and that the CAs are approved as depicted below. Please confirm that this is the correct.

<b>CA Wolfcamp SLO 204623 PUN 1399740</b>	<b>W/2</b>	<b>24-25S-27E</b>
	<b>W/2</b>	<b>25-25S-27E</b>
	<b>W/2</b>	<b>36-25S-27E</b>
<b>CA Wolfcamp SLO 204624 PUN 1399758</b>	<b>E/2</b>	<b>24-25S-27E</b>
	<b>E/2</b>	<b>25-25S-27E</b>
	<b>E/2</b>	<b>36-25S-27E</b>
<b>CA Bone Spring SLO 204845 PUN 1403511</b>	<b>W/2 W/2</b>	<b>24-25S-27E</b>
	<b>W/2 W/2</b>	<b>25-25S-27E</b>
<b>CA Bone Spring SLO 204658 PUN 1403505</b>	<b>W/2 W/2</b>	<b>36-25S-27E</b>
<b>CA Bone Spring SLO 204847 PUN 1403538</b>	<b>B C F G J K N O</b>	<b>24-25S-27E</b>
	<b>B C F G J K N O</b>	<b>25-25S-27E</b>
<b>CA Bone Spring SLO 204846 PUN 1403520</b>	<b>B C F G J K N O</b>	<b>36-25S-27E</b>

•

Additional notes:

•

All additional supplemental documents and information may be provided via email and should be done by replying to this email. The produced email chain will be uploaded to the file for this application.



Please note that failure to take steps to address each of the requests made in this email within 10 business days of receipt of this email may result in the Division rejecting the application requiring the submittal of a new application by the applicant once it is prepared to address each of the topics raised.

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. PLC-952**

**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 as described 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. 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.
4. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
5. Applicant certified the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.

**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) NMAC, 19.15.12.10 C.(4)(c) NMAC, and 19.15.12.10 C.(4)(e) NMAC, as applicable.
8. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9 A.(5) NMAC and 19.15.23.9 A.(6) NMAC, as applicable.
9. Applicant’s proposed method of allocation, as modified herein, complies with 19.15.12.10 B.(1) NMAC or 19.15.12.10 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) NMAC and 19.15.12.10 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 as described in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells as described in Exhibit A at a central tank battery or gas title transfer meter 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 it with production from another well.
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 well pad, 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**



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**GERASIMOS RAZATOS  
DIRECTOR (ACTING)**

**DATE:** 3/12/2025

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit A

Order: **PLC-952**

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

Central Tank Battery: **Atticus State 36 N Central Tank Battery**

Central Tank Battery Location: **UL N, Section 36, Township 25 South, Range 27 East**

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

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

Central Tank Battery: **Jal Offload Station**

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

Gas Title Transfer Meter Location: **UL N, Section 36, Township 25 South, Range 27 East**

### Pools

Pool Name	Pool Code
<b>DELAWARE RIVER; BONE SPRING</b>	<b>16800</b>
<b>HAY HOLLOW; BONE SPRING, NORTH</b>	<b>30216</b>
<b>PURPLE SAGE; WOLFCAMP (GAS)</b>	<b>98220</b>

### Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
<b>CA Wolfcamp SLO 204623 PUN 1399740</b>	<b>W/2</b>	<b>24-25S-27E</b>
	<b>W/2</b>	<b>25-25S-27E</b>
	<b>W/2</b>	<b>36-25S-27E</b>
<b>CA Wolfcamp SLO 204624 PUN 1399758</b>	<b>E/2</b>	<b>24-25S-27E</b>
	<b>E/2</b>	<b>25-25S-27E</b>
	<b>E/2</b>	<b>36-25S-27E</b>
<b>CA Bone Spring SLO 204845 PUN 1403511</b>	<b>W/2 W/2</b>	<b>24-25S-27E</b>
	<b>W/2 W/2</b>	<b>25-25S-27E</b>
<b>CA Bone Spring SLO 204658 PUN 1403505</b>	<b>W/2 W/2</b>	<b>36-25S-27E</b>
<b>CA Bone Spring SLO 204847 PUN 1403538</b>	<b>B C F G J K N O</b>	<b>24-25S-27E</b>
	<b>B C F G J K N O</b>	<b>25-25S-27E</b>
<b>CA Bone Spring SLO 204846 PUN 1403520</b>	<b>B C F G J K N O</b>	<b>36-25S-27E</b>

### Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
<b>30-015-49628</b>	<b>Atticus State Com #701H</b>	<b>E/2</b>	<b>24-25S-27E</b>	<b>98220</b>
		<b>E/2</b>	<b>25-25S-27E</b>	
		<b>E/2</b>	<b>36-25S-27E</b>	
<b>30-015-49629</b>	<b>Atticus State Com #702H</b>	<b>E/2</b>	<b>24-25S-27E</b>	<b>98220</b>
		<b>E/2</b>	<b>25-25S-27E</b>	
		<b>E/2</b>	<b>36-25S-27E</b>	
<b>30-015-49630</b>	<b>Atticus State Com #703H</b>	<b>E/2</b>	<b>24-25S-27E</b>	<b>98220</b>
		<b>E/2</b>	<b>25-25S-27E</b>	
		<b>E/2</b>	<b>36-25S-27E</b>	

30-015-49631	Atticus State Com #704H		W/2	24-25S-27E	98220
			W/2	25-25S-27E	
			W/2	36-25S-27E	
30-015-49632	Atticus State Com #705H		W/2	24-25S-27E	98220
			W/2	25-25S-27E	
			W/2	36-25S-27E	
30-015-49633	Atticus State Com #706H		W/2	24-25S-27E	98220
			W/2	25-25S-27E	
			W/2	36-25S-27E	
30-015-49982	Atticus State Com #521H	B C F G J K N O		24-25S-27E	30216
		B C F G J K N O		25-25S-27E	
		B C F G J K N O		36-25S-27E	
30-015-49983	Atticus State Com #522H		W/2 W/2	24-25S-27E	30216
			W/2 W/2	25-25S-27E	
			W/2 W/2	36-25S-27E	



Sante Fe Main Office  
Phone: (505) 476-3441

General Information  
Phone: (505) 629-6116

Online Phone Directory  
<https://www.emnrd.nm.gov/oed/contact-us>

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

CONDITIONS

Action 152466

CONDITIONS

Operator: COG OPERATING LLC 600 W Illinois Ave Midland, TX 79701	OGRID: 229137
	Action Number: 152466
	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 email us at <a href="mailto:OCD.Engineer@emnrd.nm.gov">OCD.Engineer@emnrd.nm.gov</a> .	3/12/2025