

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

November 8, 2022

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

Re: Application for Administrative Approval

Off-lease Measurement - Oil Only

Dear Mr. McClure,

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

Double ABJ 16 Fed Com 501H API# 30-025-47162 Mesa Verde; Bone Spring Ut. P, Sec.16-T24S-R32E Lea County, NM Double ABJ 16 Fed Com 502H API# 30-025-47286 Mesa Verde; Bone Spring Ut. P, Sec.16-T24S-R32E Lea County, NM

Oil Production:

The oil production from these wells may be transported by truck to either the Red Hills Offload Station, located in Unit O, Section 4-T26S-R32E, or the Jal Offload Station, located in Unit D, Section 4-T26S-R37E, Lea County in the event the CTB on lease is over capacity or in the case of battery or pipeline repairs. Oil will remain segregated and will be measured by lact meter when offloading at the Offload Stations.

Notifications have been sent to all working interest owners

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

Thank you for your attention to this matter. If you have questions or need further information, please email me at jeanette.barron@conocophillips.com or call 575.748.6974.

Sincerely,

Jeanette Barron

Jeanette Barron Regulatory Coordinator

RECEIVED:	REVIEWER:	TYPE:	APP NO:	
	- Geolog	ABOVE THIS TABLE FOR OCD CO OIL CONSERV ical & Engineerin Trancis Drive, San	/ATION DIVISIC g Bureau -	
		RATIVE APPLICAT		
THIS	CHECKLIST IS MANDATORY FOR A REGULATIONS WHICH F	ALL ADMINISTRATIVE APPLIC REQUIRE PROCESSING AT TH		
			00	GRID Number:
ell Name: ool:			AP	l: ol Code:
	ATE AND COMPLETE IN	IFORMATION REQU	IRED TO PROCE	SS THE TYPE OF APPLICATION
A. Location	ICATION: Check thosen - Spacing Unit - Simu NSL NSP	Iltaneous Dedicatio	on	□sD
[1] Con [one only for [1] or [11] nmingling – Storage – N DHC DCTB UI ction – Disposal – Press WFX PMX US	PLC ∐PC ∐(sure Increase – Enh	OLS OLM anced Oil Reco	overy FOR OCD ONLY
A. Offse B. Roya C. Appl D. Notifi E. Notifi F. Surfa G. For a	N REQUIRED TO: Check t operators or lease ho lty, overriding royalty of cation requires publish cation and/or concur cation and/or concur ce owner Il of the above, proof of otice required	olders owners, revenue ov ned notice rent approval by S rent approval by B	wners LO LM	Notice Complete Application Content Complete
administrative understand the	N: I hereby certify that eapproval is accurate hat no action will be taking submitted to the D	and complete to aken on this applic	the best of my	• •
N	lote: Statement must be comp	leted by an individual wit	h managerial and/or	supervisory capacity.
			11.08.22 Date	
Print or Type Name				
			Phone Numl	oer
Jeanette Barr	on			
ignature			e-mail Addre	<u> </u>

<u>District I</u> 1625 N. French Drive, Hobbs, NM 88240 <u>District II</u> 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.

APPLICA	ATION FO	R SURFACE C	COMMINGLING	(DIVERSE	OWNERSHIP)	
OPERATOR NAME:	COG Operati	ng LLC				
OPERATOR ADDRESS:	2208 W Main	Street, Artesia, Ne	ew Mexico 88210			
APPLICATION TYPE:						
☐ Pool Commingling ☐ Lease	Commingling	Pool and Lease Com	nmingling	Storage and Measur	rement (Only if not Surface	e Commingled)
LEASE TYPE:	e 🗌 Sta	ate 🛛 Feder	al			
Is this an Amendment to exist						
Have the Bureau of Land Ma ☐Yes ☐No	anagement (BL)	M) and State Land	office (SLO) been not	ified in writing o	of the proposed commi	ingling
	Pl		L COMMINGLING s with the following in			
(1) Pool Names and Codes	No	ravities / BTU of on-Commingled oduction	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
						_
(2) Are any wells producing a		Yes No				
(3) Has all interest owners bec (4) Measurement type: (5) Will commingling decreas	Metering O	ther (Specify)		☐Yes ☐No.	ng should be approved	
			SE COMMINGLIN			
	<u>P</u> 1	lease attach sheets	s with the following in	nformation		
(1) Pool Name and Code.(2) Is all production from sam	a cource of suppl	ly? DVac DNc				
(3) Has all interest owners beer (4) Measurement type: \Box	notified by certi	ified mail of the propo		□Yes □N	o	
		(C) DOOL and	LEASE COMMIN	CLINC		
			LEASE COMMIN with the following in			
(1) Complete Sections A and	Е.					
	, ,		ORAGE and MEA			
(1) 7 11 1 1 6			ts with the following	information		
(1) Is all production from sam(2) Include proof of notice to	**	• — —)			
			RMATION (for all swith the following in		vpes)	
 (1) A schematic diagram of fa (2) A plat with lease boundari (3) Lease Names, Lease and V 	es showing all w	legal location. ell and facility locatio			ate lands are involved.	
I hereby certify that the informat	tion above is true					
SIGNATURE:		TIT	TLE: Regulatory Coordin	nator DATE: 11	.08.22	
TYPE OR PRINT NAME Jeane	tte Barron TEI	LEPHONE NO.:	575.748.6974			

 $E-\underline{MAIL\ ADDRESS:_jean ette.barron@conocophillips.com}$

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

State of New Mexico Energy, Minerals & Natural Resources Department CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.

Santa Fe, New Mexico 87505

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

□ AMENDED REPORT

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

DISTRICT IV 1220 S. ST. FRANCIS DR., SANTA FE, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

	WELL LOCATION AND	ACREAGE DEDICATION PLAT	
API Number	Pool Code	Pool Name	
30-025-47162	96229	Mesa Verde; Bone Spring	
Property Code	Prop	erty Name	Well Number
330170	DOUBLE ABJ	16 FEDERAL COM	501H
OGRID No.	0per	ator Name	Elevation
229137	COG OPE	RATING, LLC	3585.8'

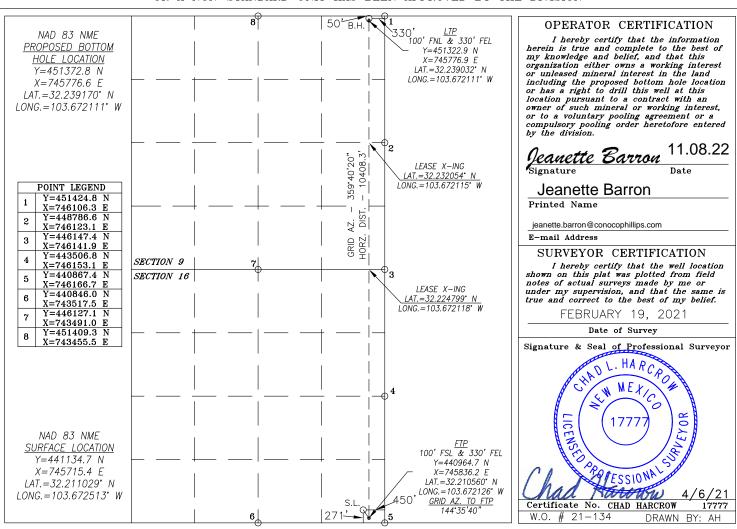
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	16	24-S	32-E		271	SOUTH	450	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	p Ran	ge Lo	Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	9	24-9	S 32	-E		50	NORTH	330	EAST	LEA
Dedicated Acre	s Joint o	r Infill	Consolida	tion Code	0r	der No.			•	
640										

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



DISTRICT I
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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, New Mexico 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
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DISTRICT III 1000 RIO BRAZOS RD., AZTEC, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV 1220 S. ST. FRANCIS DR., SANTA FE, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

□ AMENDED REPORT

WELL	LOCATION	AND	ACREAGE	DEDICATION	PLAT
------	----------	-----	---------	------------	------

API Number	Pool Code		
30-025-47286	96229	Mesa Verde; Bone Spring	
Property Code	Prop	erty Name	Well Number
330170	DOUBLE ABJ	16 FEDERAL COM	502H
OGRID No.	Oper	ator Name	Elevation
229137	COG OPE	RATING, LLC	3584.5'

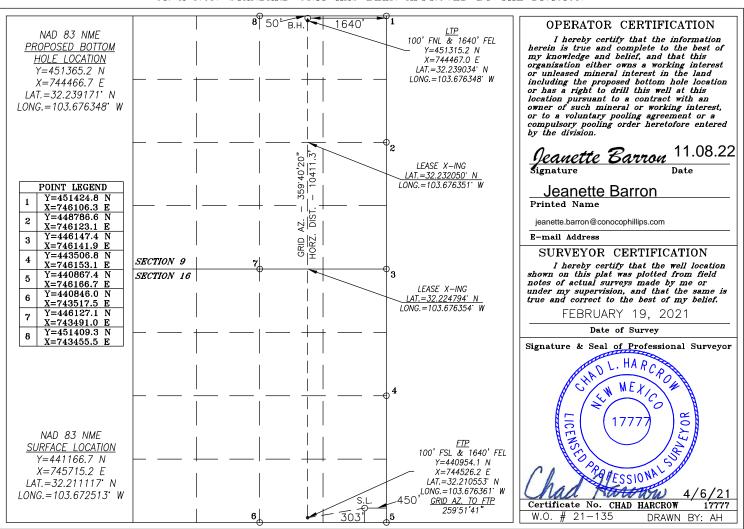
Surface Location

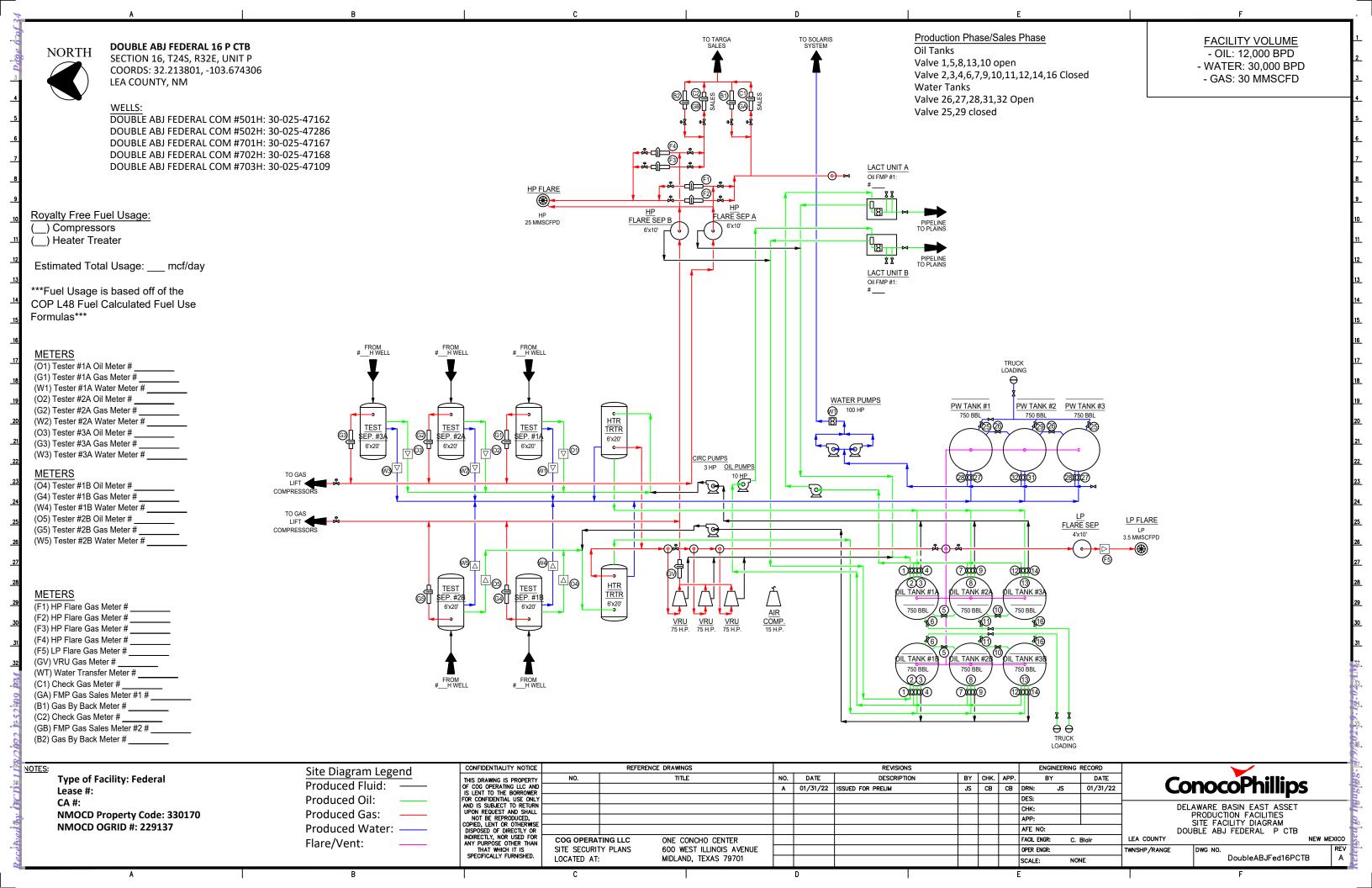
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	16	24-S	32-E		303	SOUTH	450	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Townshi	p Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
В	9	24-9	S 32-E		50	NORTH	1640	EAST	LEA
Dedicated Acres	Joint o	r Infill	Consolidation	Code Or	der No.				
640									

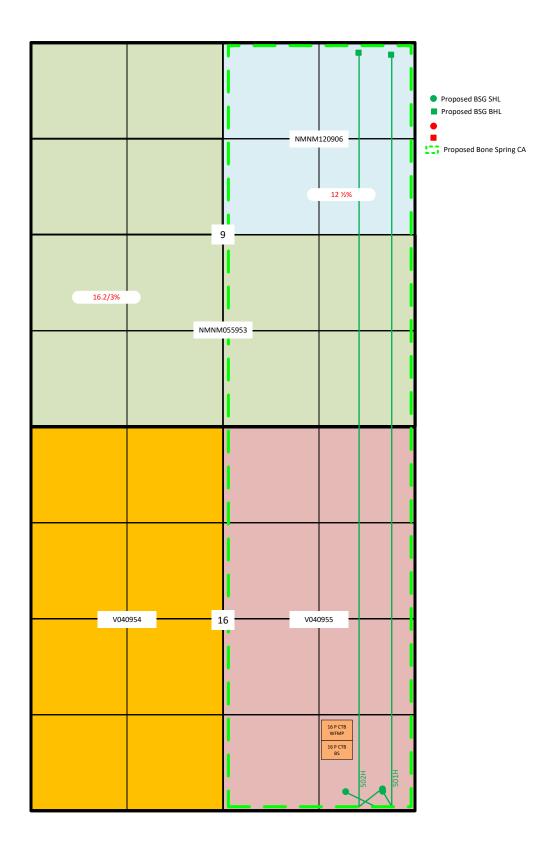
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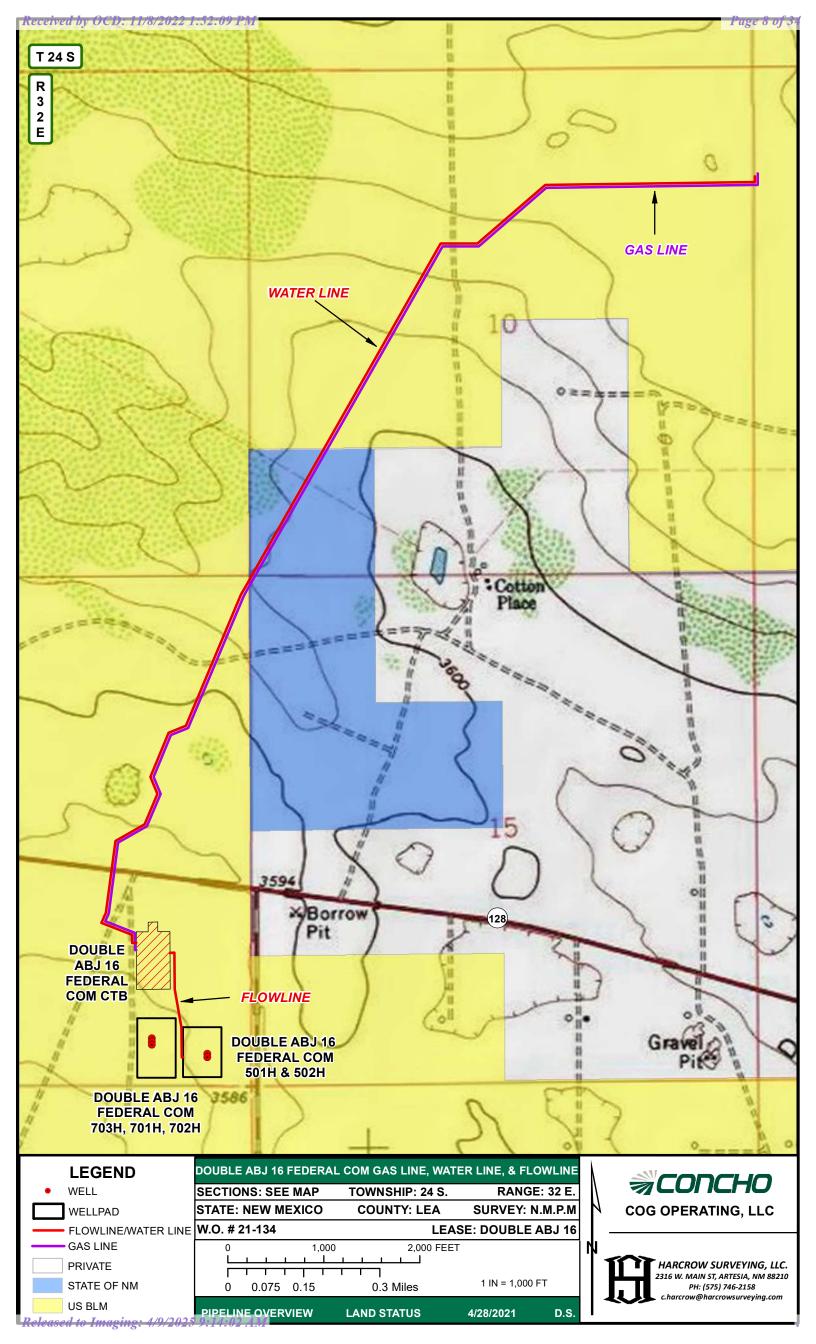




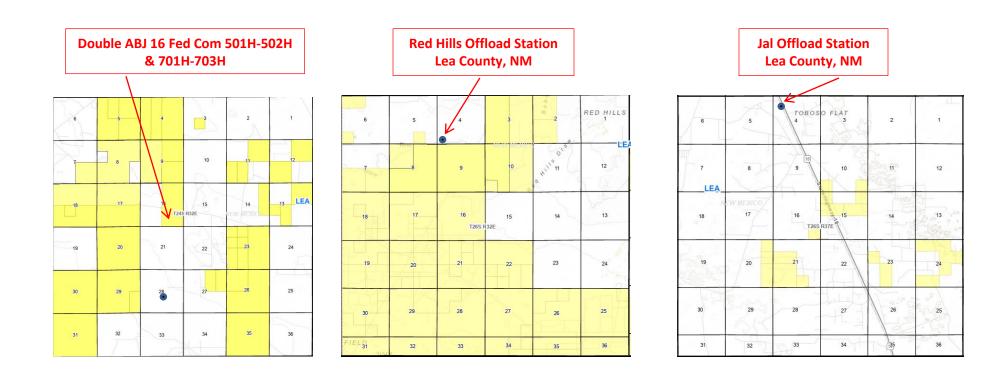
02/04/21 RR 02.25.22 JB

Double ABJ 16 Federal Com Wells Sec 16, T24S, R32E





Double ABJ 16 Fed Com 501H-502H & 701H-703H & Red Hills and Jal Offload Station Map



	Double ABJ 16 Fed Com 501H-502H & 701H-703H									
Date Sent	Initials	Name	Address	City	State	ZipCode	Certified Return Receipt No.	Delivered		
11.08.22	JB	FIRST ROSWELL COMPANY LTD	111 S. Kentucky Ave	Roswell	NM	88203	7013 3020 0000 8749 4738			
11.08.22	JB	THOMAS E JENNINGS	111 S. Kentucky Ave	Roswell	NM	88203	7013 3020 0000 8749 4172			
11.08.22	JB	BLM	414 W. Taylor	Hobbs	NM	88240	7013 3020 0000 8749 4745			

Federal Communitization Agreement

Contract N	0.	

THIS AGREEMENT entered into as of the 1st day of January, 2022, by and betweenthe parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

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

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

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

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

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

Township 24 South, Range 32 East, N.M.P.M.

Section 9: E/2 Section 16: E/2

Lea County, New Mexico

Containing 640.00 acres, and this agreement shall include only the Bone Spring formation underlying said lands and oil and gas hereafter referred to as "communitized substances," producible from such formation(s).

- 2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, andthe authorization, if any, for communitizing or pooling any patented or fee landswithin the communitized area.
- 3. The Operator of the communitized area shall be COG Operating LLC, As Operator, 600 W. Illinois Avenue, Midland, Texas 79701. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area andfour (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.

- 4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
- 5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/8th or 12 ½ percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining 7/8th should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the communitized area and the Communitization Agreement is terminated, whichever occurs first.

Any party acquiring a Federal lease of the unleased Federal lands included in the communitized area established hereunder, will be subject to this Agreement as of the effective date of the Federal leases to said party (ies). Upon issuance of the Federal lease and payment of its proportionate cost of the well, including drilling, completing and equipping the well, the acquiring party (ies) shall own the working interest described in the Tract, as described on Exhibit "B", and shall have the rights and obligations of said working interest as to the effective date of the Federal Lease.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of

royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

- 7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
- 8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
- 9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
- 10. The date of this agreement is January 1, 2022, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminatedat any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
- 11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
- 12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within

the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.

- 13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. <u>Nondiscrimination.</u> In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1)to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which arehereby incorporated by reference in this agreement.

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

OPERATOR
WORKING INTEREST OWNER
LESSEE OF RECORD:

COG OPERATING LLC

SEP 1 9 2022 Date:

By:

Ryan D. Owen

Attorney-In-Fact

ACKNOWLEDGEMENT

STATE OF TEXAS

3

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COUNTY OF MIDLAND

8

This instrument was acknowledged before me on the day of sometime, 2022 by Ryan D. Owen, as attorney-in-fact of **COG OPERATING LLC**, a Delaware limited liability company, on behalf of said limited liability company.

JENNIFER LUJANO My Notary ID # 133529476 Expires January 12, 2026

NOTARY PUBLIC in and for the State of Texas

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

Date: SER / 9 2022

COG PRODUCTION LLC

Ryan D. Owen

Attorney-In-Fact

MP AR

Date: 9 SEP 2022

FIRST ROSWELL COMPANY, LTD

By: JF Management Company

By: _ Name:

y: Thomas E. Jennings

Title: President

Date: ____9 SEP 2022

THOMAS E INNINGS

ACKNOWLEDGEMENT

STATE OF TEXAS

§ §

COUNTY OF MIDLAND

§

This instrument was acknowledged before me on the ______ day of ______ day of ______ 2022, by Ryan D. Owen, as attorney-in-fact of COG PRODUCTION LLC, a Delaware limited liability company, on behalf of said limited liability company.



JENNIFER LUJANO My Notary ID # 133529476 Expires January 12, 2026 NOTARY PUBLIC in and for the State of Texas

STATE OF NEW MEXICO)

} SS.

COUNTY OF CHAVES

The foregoing instrument was acknowledged before me this 9th of September 2022, by Thomas E. Jennings, President of JF Management Company, a New Mexico corporation, General Partner of **FIRST ROSWELL COMPANY**, **LTD.**, a New Mexico limited partnership, on behalf of said corporation and partnership.

STATE OF NEW MEXICO
NOTARY PUBLIC
KAY SRADER
Commission Number 1099018
My Commission Expires November 30, 2023

My commission expires: 30 November 2023

Kay Sradu Kay Srader

Notary Public - State of New Mexico

STATE OF NEW MEXICO)

SS.

COUNTY OF CHAVES

The foregoing instrument was acknowledged before me this9th day of September 2022 by **THOMAS E. JENNINGS**, a married man dealing in his sole and separate property.

STATE OF NEW MEXICO

NOTARY PUBLIC

KAY SRADER

Commission Number 1099018

My Commission Expires November 30, 2023

My commission expires: 30 November 2023

Lay Trader

Notary Public - State of New Mexico

EXHIBIT "A"

Plat of communitized area covering 640.00 acres in the E/2 of Sections 9 and 16, Township 24 South - Range 32 East, N.M.P.M. Lea County, New Mexico

Double ABJ 16 Federal Com

		Tract 2 USA NM- 120906 160.0 acres	
a			
r		Tract 1 USA NM- 055953 160.0 acres	
Sec. 9 T24S-32E	V		
		Tract 3 St of NM VO-4095-6 320.0 acres	
×	×		V
×	×		

EXHIBIT "B"

Attached to and made a part of that Communitized Agreement dated January 1, 2022 covering the E/2 of Sections 9 and 16, Township 24 South - Range 32 East, N.M.P.M., Lea County, New Mexico

Operator of Communitized Area: COG OPERATING LLC

DESCRIPTION OF LEASES COMMITTED:

I. OIL AND GAS LEASES SUBJECT TO AGREEMENT:

TRACT 1:

Serial Number: USA NMNM 120906 Lease Date: November 1, 2008

Lease Term: 10 years Recordation: Unrecorded

Lessor: United States of America
Original Lessee: OGX Resources LLC
Current Lessee: COG Production LLC

Description of Land Committed: Insofar and only insofar as said lease covers:

<u>Township 24 South - Range 32 East, N.M.P.M</u> Insofar and only insofar as said lease covers:

Section 9: NE/4

Lea County, New Mexico

Number of Acres: 160.00 Royalty Rate: 121/2%

WI Owner Names and Interests: COG Operating LLC 100%

ORRI Owners: Of Record.

TRACT 2:

Serial Number: USA NMNM 055953

Lease Date: July 1, 1983 Lease Term: 10 years Recordation: Unrecorded

Lessor: United States of America

Original Lessee: G.W. Anderson
Current Lessee: EOG Resources, Inc.

Description of Land Committed: Insofar and only insofar as said lease covers:

Township 24 South - Range 32 East, N.M.P.M

Section 9: SE/4

Lea County, New Mexico 160.00 acres, more or less

Number of Acres: 160.00 acre
Royalty Rate: 121/2/8

WI Owner Names and Interests: COG Operating LLC 75.000000%

First Roswell Company, Ltd 20.833333%

Thomas E. Jennings 4.166667%

ORRI Owners: Of Record.

TRACT NO. 3

Serial Number:

VO-4095-6

Lease Date:

November 1, 2008

Lease Term:

5 years

Recordation:

Unrecorded

Lessor:

State of New Mexico

Original Lessee:

Yates Petroleum Corporation

Current Lessee:

COG Operating LLC

Description of Land Committed:

Insofar and only insofar as said lease covers: Township 24 South, Range 32 East, N.M.P.M

Section 16: E/2

Lea County, New Mexico

Number of Acres:

160.00 acres, more or less

Royalty Rate:

121/2%

WI Owner Names and Interests:

COG Operating LLC

100.00%

ORRI Owners:

Of Record.

RECAPULATION

TRACT NO.	NO. OF ACRES COMMITTED	PERCENT OF INTEREST IN COMMUNITIZED AREA
1	160.00	25.00%
2	160.00	25.00%
3	320.00	50.00%
TOTAL	640.00	100.00%

NM State Land Office
Oil, Gas, & Minerals Division

STATE/FEDERAL OR STATE/FEDERAL/FEE Revised August, 2021

ONLINE Version COMMUNITIZATION AGREEMENT

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

WITNESSETH:

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

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

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

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

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

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

Township 24 South, Range 32 East, N.M.P.M.

Section 9: E/2 Section 16: E/2

Lea County, New Mexico

containing 640.00 acres, more or less, and this agreement shall include only the Bone Spring Formation underlying said lands and the oil and gas hereinafter referred to as "communitized substances" producible from such formation.

ONLINE version June 2022 State/Fed/Fee

DOUBLE ABJ 16 FED COM E2-BS-CA

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

- 9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
- 10. The date of this agreement is January 1, 2022, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his/her duly authorized representative, and by the Commissioner or his/her duly authorized representative, and shall remain in force and effect for a period of one (1) year and so 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 & regulations; provided, that the one-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.
- 11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.
- 12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.

- 13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. Nondiscrimination: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.

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

OPERATOR
WORKING INTEREST OWNER
LESSEE OF RECORD:

COG OPERATING LLC

SEP 1 9 2022

Date: ____

By:

Ryan D. Owen Attorney-In-Fact

MP AR

ACKNOWLEDGEMENT

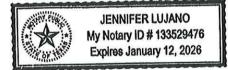
STATE OF TEXAS

§

§

COUNTY OF MIDLAND §

This instrument was acknowledged before me on the _____ day of _____ day of _____ , 2022, by Ryan D. Owen, attorney-in-fact of **COG Operating LLC**, a Delaware limited liability company, on behalf of said limited liability company.



Jotary Public in and for the State of Texas

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

Date: SEP 1 9 2022 By:

COG OPERATING LLC

Ryan D. Owen Attorney-In-Fact

MP AR

FIRST ROSWELL COMPANY, LTD

Date:

9 SEP 2022

By: JF Management Company

General Partner

Name:

By:

Title: By: Thomas E. Jenn

President

Date:

9 SEP 2022

By:

THOMAS ETENNINGS

ACKNOWLEDGEMENT

STATE OF TEXAS

§

§

COUNTY OF MIDLAND

§

This instrument was acknowledged before me on the ______ day of _______, 2022, by Ryan D. Owen, as attorney-in-fact of COG PRODUCTION LLC, a Delaware limited liability company, on

behalf of said limited liability company.



JENNIFER LUJANO My Notary ID # 133529476 Expires January 12, 2026

STATE OF NEW MEXICO)

} SS.

COUNTY OF CHAVES

The foregoing instrument was acknowledged before me this 9th of September 2022, by Thomas E. Jennings, President of JF Management Company, a New Mexico corporation, General Partner of FIRST ROSWELL COMPANY, LTD., a New Mexico limited partnership, on behalf of said corporation and partnership.

STATE-OF NEW MEXICO

NOTARY PUBLIC

KAY SRADER

Commission Number 1099018
My Commission Expires November 30, 2023

My commission expires: 30 November 2023

Kay Snader

Notary Public - State of New Mexico

NOTARY PUBLIC in and for the State of Texas

STATE OF NEW MEXICO)

SS.

COUNTY OF CHAVES

The foregoing instrument was acknowledged before me this9th day of September 2022 by **THOMAS E. JENNINGS**, a married man dealing in his sole and separate property.

STATE OF NEW MEXICO NOTARY PUBLIC

KAY SRADER

Commission Number 1099018

My Commission Expires November 30, 2023

My commission expires: 30 November 2023

Lay Grader
Kay Srader

Notary Public - State of New Mexico

Ехнівіт "А"

Attached to and made a part of the Communitization Agreement dated January 1, 2022, Covering the E/2 of Sections 9 and 16, Township 24 South - Range 32 East, N.M.P.M.

Lea County, New Mexico

Communitized depths are limited to the Bone Spring formation

	Tract 2 USA NM- 120906 160.0 acres
	Tract 1 USA NM- 055953 160.0 acres
Sec. 9 T24S-32E	
	Tract 3 St of NM VO-4095-6 320.0 acres
Sec. 16 T24S-32E	

Ехнівіт "В"

Attached to and made a part of the Communitization Agreement dated January 1, 2022, Covering the E/2 of Sections 9 and 16, Township 24 South - Range 32 East, N.M.P.M. Lea County, New Mexico

Operator of Communitized Area: COG OPERATING LLC

DESCRIPTION OF LEASES COMMITTED:

TRACT 1:

Lease Serial No.:

USA NMNM 120906

Lease Date:

November 1, 2008

Lease Term:

10 years

Recordation:

Unrecorded

Lessor:

United States of America

Original Lessee:

OGX Resources LLC

Current Lessee:

COG Production LLC

Description:

Insofar and only insofar as said lease covers: Township 24 South - Range 32 East, N.M.P.M

Section 9: NE/4

Lea County, New Mexico

Number of Acres:

160.00 acres, more or less **COG Operating LLC**

100%

ORRI Owners:

WI Owners Names and Interests:

Of Record.

TRACT 2:

Lease Serial No.:

USA NMNM 055953

Lease Date:

July 1, 1983

Lease Term:

10 years Unrecorded

Recordation: Lessor:

United States of America

Original Lessee:

G.W. Anderson

Current Lessee:

EOG Resources, Inc.

Description:

Insofar and only insofar as said lease covers:

Township 24 South - Range 32 East, N.M.P.M

Section 9: SE/4

Lea County, New Mexico

Number of Acres:

160.00 acres, more or less

WI Owners Names and Interests:

COG Operating LLC

75.000000%

First Roswell Company, Ltd

20.833333%

Thomas E. Jennings

4.166667%

ORRI Owners:

Of Record.

ONLINE version June 2022

State/Fed/Fee

DOUBLE ABJ 16 FED COM E2-BS-CA

TRACT 3:

Lease Serial No.:

VO-4095-6

Lease Date:

November 1, 2008

Lease Term:

5 years

Recordation:

Unrecorded

Lessor:

State of New Mexico

Original Lessee:

Yates Petroleum Corporation

Current Lessee:

COG Operating LLC

Description:

Insofar and only insofar as said lease covers: Township 24 South, Range 32 East, N.M.P.M

Section 16: E/2

Lea County, New Mexico

Number of Acres:

160.00 acres, more or less

ires, more or less

WI Owners Names and Interests:

COG Operating LLC

100.00%

ORRI Owners:

Of Record.

RECAPULATION

Tract Number	Number of Acres Committed	Percentage of Interest in Communitized Area
1	160.00	25.0000%
2	160.00	25.0000%
3	320.00	50.0000%
	640.00	100.0000%

[EXTERNAL] Re: [EXTERNAL]Verification of Information OLM-281 Wednesday, March 26, 2025 3:25:31 PM

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Sarah this is Baylen's response for this application.

From: Lamkin, Baylen L. Sent: Wednesday, March 26, 2025 3:16 PM To: Barron, Jeanette

Subject: [EXTERNAL]RE: OLM for oil only Notice Hambone Fed Com 505H & Hambone Fed Com 506H

We have received the Hambone and Double ABJ OLM applications and have no objection



Office 505.827.6628 New Mexico State Land Office 310 Old Santa Fe Trail santa Fe, NM 87504-1148

blamkin@nmslo.gov

CONFIDENTIALITY NOTICE - This e-mail transmission, including all documents, files, or previous e-mail messages attached hereto, may contain confidential and/or legally privileged information. If you are not the intended recipient, or a person responsible for delivering it to the intended recipient, you are hereby notified that you must not read this transmission and that any disclosure, copying, printing, distribution, or use of any of the information contained in and/or attached to this transmission is STRICTLY PROHIBITED. If you have received this transmission in error, please immediately notify the sender and delete the original transmission and

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: Clelland, Sarah, EMNRD <Sarah, Clelland@emnrd.nm.gov>

Sent: Wednesday, March 26, 2025 12:49 PM

To: Barron, Jeanette < Jeanette.Barron@conocophillips.com> Subject: [EXTERNAL] Verification of Information OLM-281

To whom it may concern (c/o Jeanette Barron for COG Operating, LLC),

The Division is reviewing the following application:

the Bivision is reviewing the following application:		
Action ID	157158	
Admin No.	OLM-281	
Applicant	COG Operating, LLC	
Title	Double ABJ Federal 16 P CTB (Oil)	
Sub. Date	11/08/2022	

Please provide the following additional supplemental documents:

Please provide additional information regarding the following:
• Please verify or provide documentation that SLO was notified of Off Lease Measurement Application.

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

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.

Thanks,

Sarah Clelland

Petroleum Specialist State of New Mexico

Energy, Minerals, and Natural Resources Department Oil Conservation Division

Cell: (505) 537-0627 Sarah.Clelland@emnrd.nm.gov

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

APPLICATION FOR OFF-LEASE MEASUREMENT SUBMITTED BY COG OPERATING, LLC

ORDER NO. OLM-281

ORDER

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

FINDINGS OF FACT

- 1. COG Operating, LLC ("Applicant") submitted a complete application to off-lease measure the oil production ("Application") from the wells, pool, and lease identified in Exhibit A.
- 2. Applicant provided notice of the Application to all persons owning a working interest in the oil production to be off-lease measured in accordance with 19.15.23.9(A)(5) NMAC, and those persons either submitted a written waiver or did not file an objection to the Application.
- 3. Applicant provided notice of the Application to the Bureau of Land Management or New Mexico State Land Office, as applicable.

CONCLUSIONS OF LAW

- 4. 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, and 19.15.23 NMAC.
- 5. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9(A)(5) NMAC.
- 6. 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 store and measure oil production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery described in Exhibit A.
- 2. The oil production from the wells identified in Exhibit A shall be physically separated from the oil production from other wells and no commingling of production from different leases or pools shall occur in accordance with 19.15.23.9(A)(3) NMAC and 19.15.23.9(A)(4) NMAC, except as otherwise provided in order(s) issued by OCD.
- 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.

Order No. OLM-281 Page 1 of 2

- 4. Applicant shall calibrate the meters used to measure or allocate oil production in accordance with 19.15.12.10(C)(2) NMAC.
- 5. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

DATE: 4/9/2025

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

GERASIMOS RAZATOS

DIRECTOR (ACTING)

Order No. OLM-281 Page 2 of 2

State of New Mexico Energy, Minerals and Natural Resources Department

Exhibit A

Order: OLM-281

Operator: COG Operating, LLC (229137)

Central Tank Battery: Double ABJ Federal P Central Tank Battery (Oil) Central Tank Battery Location: UL P, Section 16, Township 24 South, Range 32 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:

Pools

Pool Name Pool Code MESA VERDE;BONE SPRING 96229

Leases as defined in 19.15.12.7(C) NMAC

	. (0) 1 (1/2120	
Lease	UL or Q/Q	S-T-R
CA D C NIMNIM 105702451	E/2	09-24S-32E
CA Bone Spring NMNM 105793451	E/2	16-24S-32E
CA Bone Spring SLO 204814 PUN 1399965	E/2	09-24S-32E
	E/2	16-24S-32E

Wells

, , , , , , , , , , , , , , , , , , , 					
	Well API	Well Name	UL or Q/Q	S-T-R	Pool
_	30-025-47162	DOUBLE ABJ 16 FEDERAL COM	E/2	09-24S-32E	96229
		#501H	E/2	16-24S-32E	90229
	30-025-47286	DOUBLE ABJ 16 FEDERAL COM	E/2	09-24S-32E	96229
		#502H	E/2	16-24S-32E	90449

Sante Fe Main Office Phone: (505) 476-3441

General Information Phone: (505) 629-6116

Online Phone Directory https://www.emnrd.nm.gov/ocd/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 157158

CONDITIONS

Operator:	OGRID:
COG OPERATING LLC	229137
600 W Illinois Ave	Action Number:
Midland, TX 79701	157158
	Action Type:
	[C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By		Condition Date
sarah.clelland	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 OCD.Engineer@emnrd.nm.gov.	4/9/2025