



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

June 9, 2025

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

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

Dear Mr. McClure,
COG Operating LLC respectfully requests approval for surface commingling for the following wells:

Sebastian Fed Com 703H
API# 30-025-46985
WC-025G-09S243310P; UPR Wolfcamp
Ut. B, Sec. 18-T24S-R34E
Lea County, NM

Sebastian Fed Com 704H
API# 30-025-46988
WC-025G-09S243310P; UPR Wolfcamp
Ut. B, Sec. 18-T24S-R34E
Lea County, NM

Oil Production:

Oil production from all wells will be measured separately by check meters prior to commingling at the Central Tank Battery located in Ut. B, Sec. 18-T24S-R34E. 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.

Gas Production:

Gas production from all wells will be measured separately by check meters prior to commingling and entering a gas flow line to the gas custody transfer meter at the Central Tank Battery.

Process to Add Infill Wells to Surface Commingling Orders:

COG respectfully requests authority to add additional wells contained within the spacing units identified and approved in the application by filing a Subsequent Report Sundry to the BLM for Federal filing a C-103Z and C-102 with NMOCD. Notice to owners shall not be required when amending the application to add wells contained within spacing units previously approved for commingling authority.

In accordance with 19.15.12.10.C(4)(g), from all future additions of pools, leases or leases and pools connected to this Tank Battery.

Please see the land negotiators letter regarding ownership, attached with the application.

The application includes various supporting documents such as the Administrative Application Checklist, C-107B Application and communization agreement application.

Sincerely,

Jeanette Barron
Jeanette Barron
Regulatory Coordinator

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

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

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

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

Print or Type Name

Jeanette Barron

Signature

06/09/25

Date

Phone Number

e-mail Address

District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised August 1, 2011

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: COG Operating LLC
OPERATOR ADDRESS: 2208 W Main Street, Artesia, New Mexico 88210
APPLICATION TYPE:

Pool Commingling Lease Commingling Pool and Lease Commingling Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: Fee State Federal

Is this an Amendment to existing Order? Yes No If "Yes", please include the appropriate Order No. _____
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
 Yes No

(A) POOL COMMINGLING
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

(2) Are any wells producing at top allowables? Yes No
(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No.
(4) Measurement type: Metering Other (Specify)
(5) Will commingling decrease the value of production? Yes No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING
Please attach sheets with the following information

(1) Pool Name and Code.
(2) Is all production from same source of supply? Yes No
(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No
(4) Measurement type: Metering Other (Specify)

(C) POOL and LEASE COMMINGLING
Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT
Please attached sheets with the following information

(1) Is all production from same source of supply? Yes No
(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)
Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Jeanette Barron TITLE: Regulatory Coordinator DATE: 06/09/25

TYPE OR PRINT NAME Jeanette Barron TELEPHONE NO.: 575.748.6974

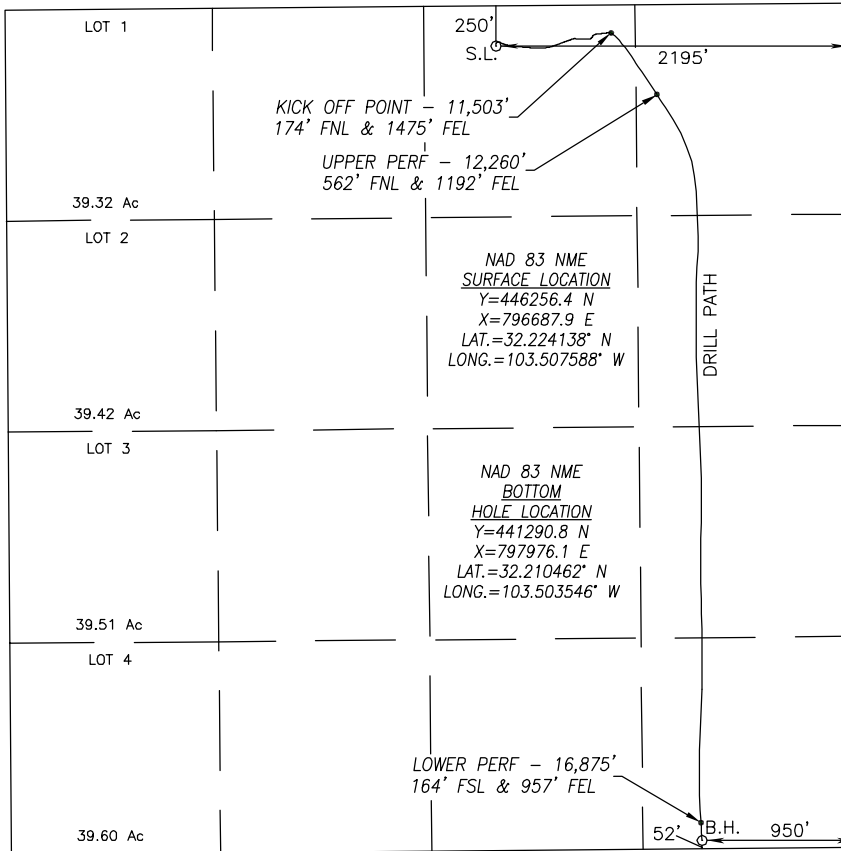
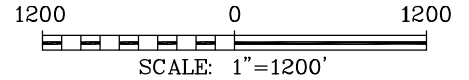
E-MAIL ADDRESS: jeanette.barron@conocophillips.com

ACREAGE DEDICATION PLATS

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.

SURFACE INFO AND BOREPATH SHOWN HEREON IS BASED ON DIRECTIONAL SURVEY REPORT PROVIDED BY COG OPERATING, LLC FOR THE SEBASTIAN FEDERAL COM 703H SUPPLIED TO HARCROW SURVEYING, LLC ON AUGUST 19, 2020



C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	Revised July 9, 2024	
		Submittal Type:	<input type="checkbox"/> Initial Submittal
		<input type="checkbox"/> Amended Report	<input checked="" type="checkbox"/> As Drilled

WELL LOCATION INFORMATION

API Number 30-025-46988	Pool Code 98135	Pool Name WC-025 G-09 S243310P; Upper Wolfcamp
Property Code 40400	Property Name SEBASTIAN FEDERAL COM	
OGRID No. 229137	Operator Name COG OPERATING LLC	Well Number 704H
Surface Owner: <input type="checkbox"/> State <input checked="" type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Ground Level Elevation 3585.8'
Mineral Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input checked="" type="checkbox"/> Federal		

Surface Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
B	18	24-S	34-E		250 FNL	2225 FEL	32.224138°N	103.507685°W	LEA

Bottom Hole Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
0	18	24-S	34-E		49 FSL	2264 FEL	32.210452°N	103.507797°W	LEA

Dedicated Acres 160	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidation Code
Order Numbers.			Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input type="checkbox"/> No	

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
B	18	24-S	34-E		89 FNL	2321 FEL	32.224581°N	103.507996°W	LEA


First Take Point (FTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
B	18	24-S	34-E		388 FNL	2185 FEL	32.223759°N	103.507557°W	LEA

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
0	18	24-S	34-E		219 FSL	2263 FEL	32.210920°N	103.507794°W	LEA

Unitized Area or Area of Uniform Interest	Spacing Unit Type <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation:
-------------------------------------------	----------------------------------------------------------------------------------------------------	-------------------------

<p>OPERATOR CERTIFICATIONS</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, 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 a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p><i>If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i></p> <p>Jeanette Barron 06/09/25</p> <p>Signature Date</p> <p>Jeanette Barron</p> <p>Printed Name</p> <p>jeanette.barron@conocophillips.com</p> <p>Email Address</p>	<p>SURVEYOR CERTIFICATIONS</p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <div style="text-align: right;">  </div> <p>Chad Hargrow 5/27/25</p> <p>Signature and Seal of Professional Surveyor</p>									
	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:33%;">Certificate Number 17777</td> <td style="width:33%;">Date of Survey SEPTEMBER 23, 2019</td> <td style="width:34%;"></td> </tr> <tr> <td colspan="2">W.O.#25-554</td> <td>DRAWN BY: WN</td> </tr> <tr> <td colspan="3" style="text-align: right;">PAGE 1 OF 2</td> </tr> </table>	Certificate Number 17777	Date of Survey SEPTEMBER 23, 2019		W.O.#25-554		DRAWN BY: WN	PAGE 1 OF 2		
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W.O.#25-554		DRAWN BY: WN								
PAGE 1 OF 2										

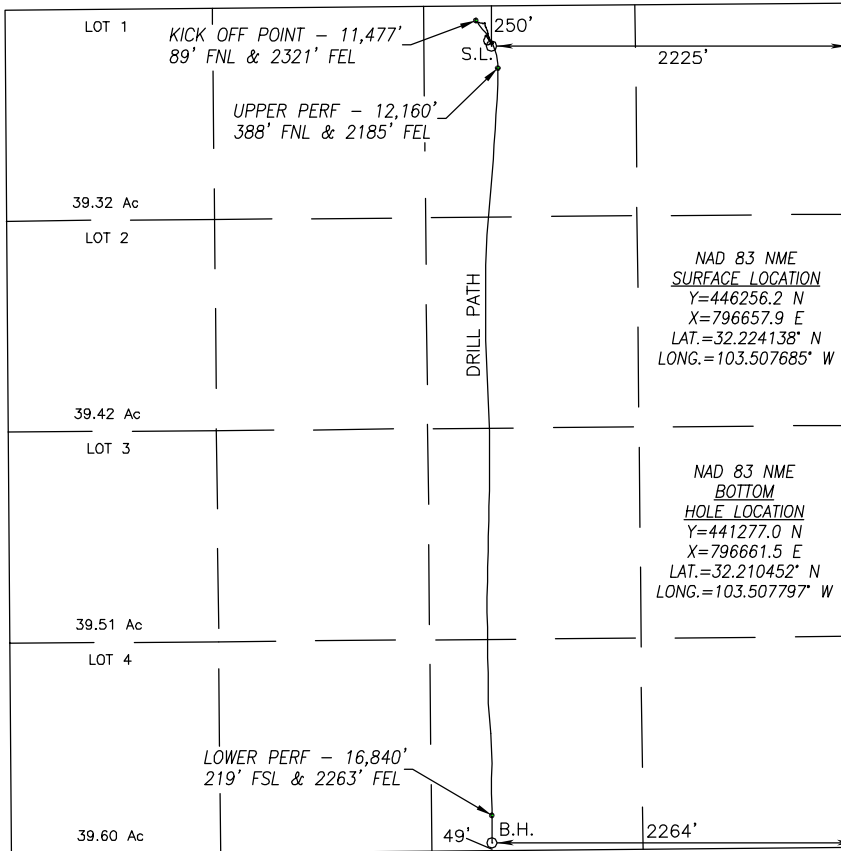
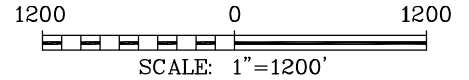
Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

ACREAGE DEDICATION PLATS

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SURFACE INFO AND BOREPATH SHOWN HEREON IS BASED ON DIRECTIONAL SURVEY REPORT PROVIDED BY COG OPERATING, LLC FOR THE SEBASTIAN FEDERAL COM 704H SUPPLIED TO HARCROW SURVEYING, LLC ON AUGUST 19, 2020





SEBASTIAN FEDERAL 18 B CTB
SECTION 18, T24S, R34E, UNIT B
COORDS: 32.222874, -103.507700
LEA COUNTY, NM

WELLS:
SEBASTIAN FEDERAL COM #703H: 30-025-46985
SEBASTIAN FEDERAL COM #704H: 30-025-46988

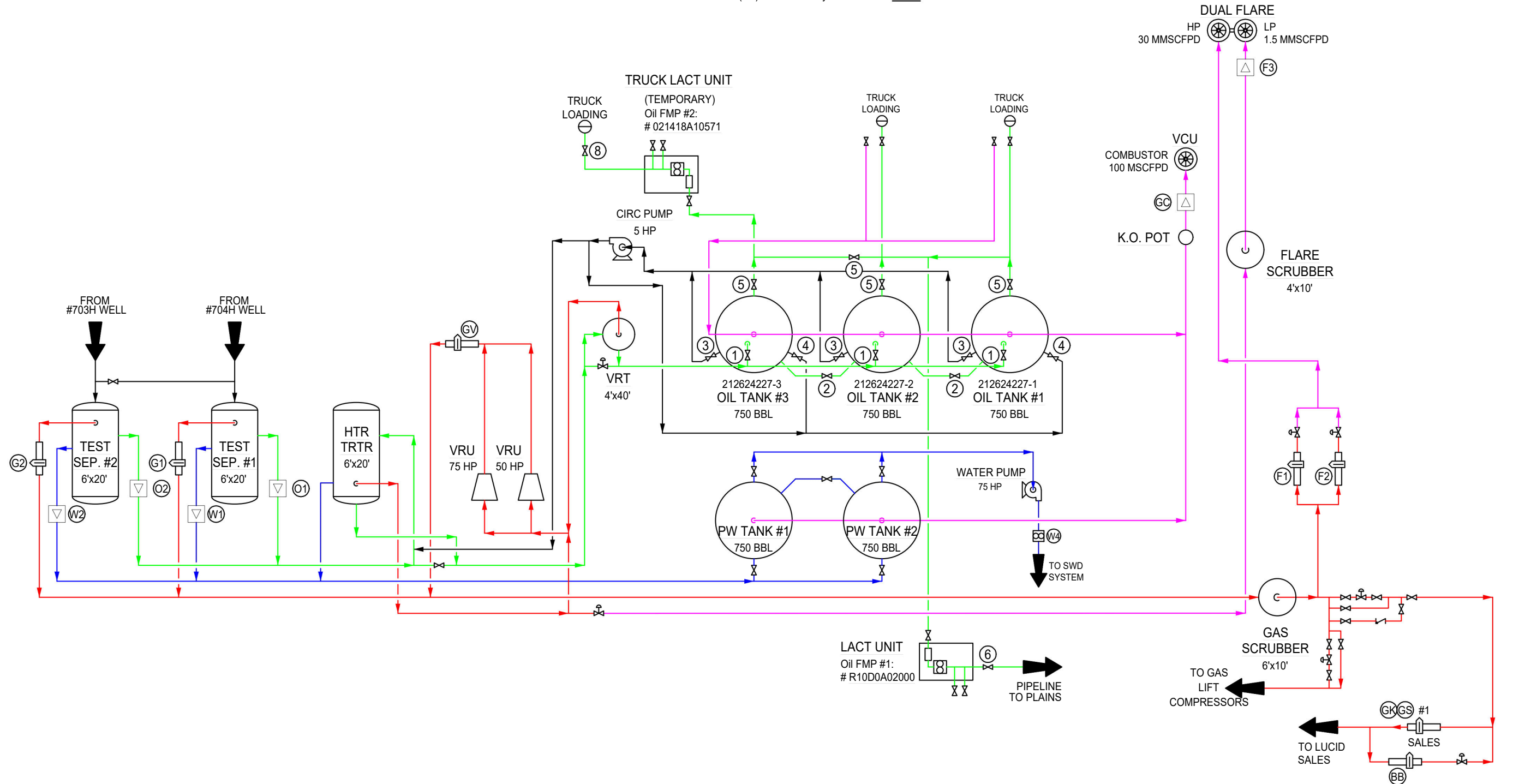
METERS
(O1) #1 Oil Meter # 12124466922
(G1) #1 Gas Meter # 39022754
(W1) #1 Water Meter # 12124958846
(O2) #2 Oil Meter # 12124958835
(G2) #2 Gas Meter # 39022753
(W2) #2 Water Meter # 12124958847

METERS
(F1) HP Flare Gas Meter # 39022757
(F2) HP Flare Gas Meter # 39022758
(F3) LP Flare Gas Meter # 231290
(WT) Water Transfer Meter # 14876290
(GV) VRU Gas Meter # 39022752
(GC) VCU Gas Meter # 231253
(GK) COG Check Gas Meter # 39023002 CM
(GS) LUCID FMP Gas Sales Meter #1 # 14737
(BB) LUCID Gas By Back Meter # 88151

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

FACILITY VOLUME
- OIL: 4,000 BPD
- WATER: 6,000 BPD
- GAS: 8 MMSCFD



NOTES:

Type of Facility: Federal
Lease #: NMNM123528/FEE
CA #: IN PROGRESS
NMOCD Property Code: 40400
NMOCD OGRID #: 229137

Site Diagram Legend

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

CONFIDENTIALITY NOTICE

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.

REFERENCE DRAWINGS

NO.	TITLE
NO.	DATE
A	02/21/20
B	04/06/20
C	06/01/20
D	09/09/20

COG OPERATING LLC
SITE SECURITY PLANS
LOCATED AT:

ONE CONCHO CENTER
600 WEST ILLINOIS AVENUE
MIDLAND, TEXAS 79701

REVISIONS

NO.	DATE	DESCRIPTION	BY	CHK.	APP.
A	02/21/20	ISSUED FOR REVIEW	JS	CB	CB
B	04/06/20	RE-ISSUED FOR REVIEW	JS	CB	CB
C	06/01/20	RE-ISSUED FOR REVIEW	JS	CB	CB
D	09/09/20	UPDATED PER AS-BUILT	JS	JS	

ENGINEERING RECORD

BY	DATE
JS	02/21/20

AFE NO:
FACIL ENGR: C. Blair
OPER ENGR:
SCALE: NONE

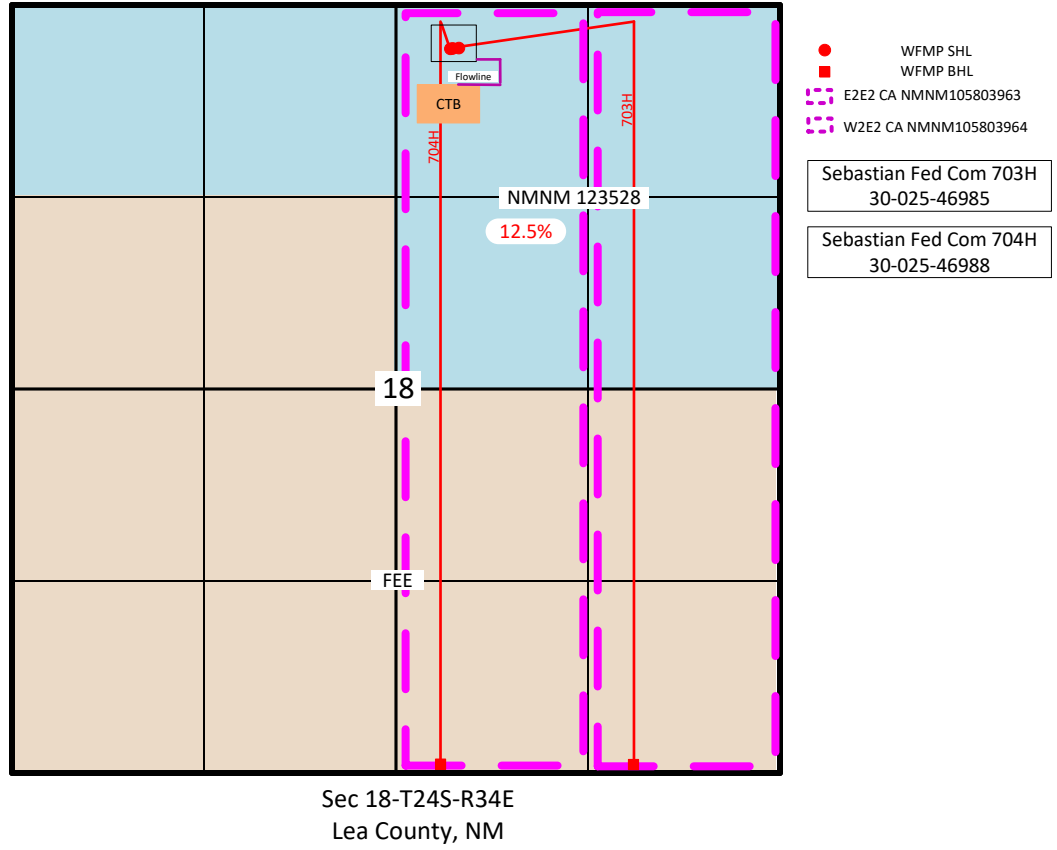


NORTH DELAWARE BASIN ASSET
PRODUCTION FACILITIES
SITE FACILITY DIAGRAM
SEBASTIAN FEDERAL 18 B CTB

LEA COUNTY NEW MEXICO
TWNHP/RANGE DWG NO. SebastianFederal18BCTB REV D

04.16.19 JB
DW-09/10/19
DW-10/22/19

Sebastian Fed Com Wells



T 24 S

R
3
4
E

07

08

12

EXISTING
SEBASTIAN
FED COM
#3H

EXISTING
SEBASTIAN
FED COM
#4H

SEBASTIAN
FED COM
#704H, #703H



415.7'

SEBASTIAN
FED CTB

13

DELAWARE BASIN RD.

18




17

24

19

20

LEGEND

-  WELL
-  WELLPAD
-  PIPELINE

SEBASTIAN FED COM GAS LINE

SECTION: 18 TOWNSHIP: 24 S. RANGE: 34 E.
 STATE: NEW MEXICO COUNTY: LEA SURVEY: N.M.P.M
 W.O. # 19-842 REVISED LEASE: SEBASTIAN FED COM

0 1,000 2,000 FEET

0 0.05 0.1 0.2 Miles

1 IN = 1,000 FT

PIPELINE OVERVIEW

IMAGERY

10/4/2019

V.D.


CONCHO
 COG OPERATING, LLC

 **HARCROW SURVEYING, LLC.**
 2316 W. MAIN ST, ARTESIA, NM 88210
 PH: (575) 746-2158
 c.harcrow@harcrowsurveying.com



ConocoPhillips
600 W Illinois Ave
Midland, TX 79701
www.conocophillips.com

April 24, 2025

Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, NM 87505
Attn: Michael McMillan

Re: Off-Lease Measurement and Commingling Applications for:
SEBASTIAN FEDERAL COM #703H (30-025-46985)
SEBASTIAN FEDERAL COM #704H (30-025-46988)

Dear Mr. McMillan,

This is Caroline Frederick, the Land Negotiator at COG Operating LLC whose area of responsibility includes T24S-R34E, Lea County, New Mexico.

In the wells stated above, revenue ownership is identical. As defined in NMAC 19.15.12.7B, identical ownership means the leases or pools have the same working, royalty, and overriding royalty ownership in exactly the same percentages.

If you have any questions or need additional information, please contact the undersigned.

Sincerely,

COG Operating LLC

Caroline Frederick

Caroline Frederick
Associate Land Negotiator
Delaware Basin New Mexico East
caroline.frederick@conocophillips.com



Serial Register Page

Apr 02, 2025

01121983 096STAT2447 30USC188; FED O&G R

Case Type: O&g lse comp pd -1987

Serial Number: NMNM 123528

Commodity: Oil & gas

Acres: 239.570

Disposition: Authorized

Lessee

Owner Name	Street	City	State	Zip	Net Acres	%Int
COG OPERATING LLC	600 W ILLINOIS AVE	MIDLAND	TX	79701	239.570	100.00

Meridian:	New Mex	State:	NM	County:	Lea
Township:	24 S	Range:	34 E	Admin Agency	
Section:	18		NE,NENW		BUREAU OF LAND MGMT
Section:	18	1			BUREAU OF LAND MGMT

Code	Action	Date	Remarks
387	Case established	6/5/2009	200907032;
143	Bonus bid payment recd	7/22/2009	\$480.00;
191	Sale held	7/22/2009	
267	Bid received	7/22/2009	\$108000.00;
143	Bonus bid payment recd	7/27/2009	\$107520.00;
237	Lease issued	8/25/2009	
974	Automated record verif	8/25/2009	BTM
496	Fund code	9/1/2009	05;145003
530	Rlty rate - 12 1/2%	9/1/2009	
868	Effective date	9/1/2009	
42	Case sent to	9/2/2009	RROMERO;
140	Asgn filed	11/20/2009	MILES ETA/COG OPERA;1
139	Asgn approved	3/9/2010	EFF 12/01/09;
974	Automated record verif	3/9/2010	RAYO/RAYO
246	Lease committed to ca	10/1/2014	NMNM137690;
650	Held by prod - actual	10/16/2014	/1/
658	Memo of 1st prod-actual	10/16/2014	/1/#3H; SEBASTIAN
658	Memo of 1st prod-actual	10/16/2014	/4/NMNM137690;#3H
246	Lease committed to ca	6/1/2015	NMNM137688;
246	Lease committed to ca	6/1/2015	NMNM137689;

<u>Code</u>	<u>Action</u>	<u>Date</u>	<u>Remarks</u>
658	Memo of 1st prod-actual	6/4/2015	/2/NMNM137688;#1H
658	Memo of 1st prod-actual	6/6/2015	/3/NMNM137689;#2H
643	Production determination	5/9/2016	/1/
643	Production determination	2/26/2018	/2/
643	Production determination	2/26/2018	/3/
643	Production determination	2/26/2018	/4/
658	Memo of 1st prod-actual	8/24/2020	Production Determinat
246	Lease committed to ca	4/23/2024	Agreement Serial Numb
658	Memo of 1st prod-actual	6/6/2024	Production Determinat

Remarks

-

STIPULATIONS ATTACHED TO LEASE:

NM-11-LN SPECIAL CULTURAL RESOURCE

SENM-S-22 PRAIRIE CHICKENS

03/09/2010 - RENT PD THRU 9/01/2010 - PER MMS



United States Department of the Interior



BUREAU OF LAND MANAGEMENT
New Mexico State Office
301 Dinosaur Trail
Santa Fe, New Mexico 87508
<https://www.blm.gov/new-mexico>

In Reply Refer To:
NMNM105803963
3105.2 (NM920)

Reference:
Communitization Agreement
Sebastian Fed Com
Section 18: E2E2
T.24 S., R.34 E., N.M.P.M.
Lea County, NM

COG Operating LLC
600 W. Illinois Ave.
Midland TX 79701

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NMNM105803963 involving 80.00 acres of Federal land in lease NMNM123528 and 80.00 acres of fee land, Lea County, New Mexico, which comprise a 160.00 acre well spacing unit.

The agreement communitizes all rights to crude oil and associated natural gas from the Wolfcamp formation beneath the E2E2 of Sec. 18 T. 24 S., R. 34 E., NMPM, Lea County, NM, and is effective October 1, 2020. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is accurate.

Copies of this approval letter are being distributed to the appropriate Federal agencies. You are requested to furnish all interested parties with the appropriate evidence of this approval. Any production royalties that are due must be reported and paid according to regulations set up by the Office of Natural Resources Revenue at 1-800-525-9167 or 303-231-3504.

If you have any questions regarding this approval, please contact Jordan Yawn by email at [jyawn@blm.gov](mailto: jyawn@blm.gov) or by phone (505) 954-2138. Please furnish all interested principals with appropriate evidence of this approval.

INTERIOR REGION 5 · MISSOURI BASIN
Kansas, Most of Montana, North Dakota,
Nebraska, South Dakota

INTERIOR REGION 6 · ARKANSAS-
RIO GRANDE-TEXAS GULF
Oklahoma, Texas

INTERIOR REGION 7 · UPPER
COLORADO BASIN
Colorado, New Mexico, Utah, Wyoming

Sincerely,

KYLE
PARADIS

Digitally signed by KYLE
PARADIS
Date: 2024.04.23 13:34:21
-06'00'

Kyle Paradis
Branch Chief of Reservoir Management
Division of Minerals

1 Enclosure:
1 - Communitization Agreement

cc:
ONRR, Denver
NM Taxation & Revenue Dept. (Revenue Processing Div.)
NMOCD
NM (P0220-CFO, File Room)
NMSO (NM925, File)



United States Department of the Interior



BUREAU OF LAND MANAGEMENT
New Mexico State Office
301 Dinosaur Trail
Santa Fe, New Mexico 87508
<https://www.blm.gov/new-mexico>

In Reply Refer To:
NMNM105803964
3105.2 (NM920)

Reference:
Communitization Agreement
Sebastian Fed Com
Section 18: W2E2
T.24 S., R.34 E., N.M.P.M.
Lea County, NM

COG Operating LLC
600 W. Illinois Ave.
Midland TX 79701

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NMNM105803964 involving 80.00 acres of Federal land in lease NMNM123528 and 80.00 acres of fee land, Lea County, New Mexico, which comprise a 160.00 acre well spacing unit.

The agreement communitizes all rights to crude oil and associated natural gas from the Wolfcamp formation beneath the W2E2 of Sec. 18 T. 24 S., R. 34 E., NMPM, Lea County, NM, and is effective October 1, 2020. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is accurate.

Copies of this approval letter are being distributed to the appropriate Federal agencies. You are requested to furnish all interested parties with the appropriate evidence of this approval. Any production royalties that are due must be reported and paid according to regulations set up by the Office of Natural Resources Revenue at 1-800-525-9167 or 303-231-3504.

If you have any questions regarding this approval, please contact Jordan Yawn by email at [jyawn@blm.gov](mailto: jyawn@blm.gov) or by phone (505) 954-2138. Please furnish all interested principals with appropriate evidence of this approval.

INTERIOR REGION 5 · MISSOURI BASIN
Kansas, Most of Montana, North Dakota,
Nebraska, South Dakota

INTERIOR REGION 6 · ARKANSAS-
RIO GRANDE-TEXAS GULF
Oklahoma, Texas

INTERIOR REGION 7 · UPPER
COLORADO BASIN
Colorado, New Mexico, Utah, Wyoming

Sincerely,

**KYLE
PARADIS**

Digitally signed by KYLE
PARADIS
Date: 2024.04.23
13:37:54 -06'00'

Kyle Paradis
Branch Chief of Reservoir Management
Division of Minerals

1 Enclosure:
1 - Communitization Agreement

cc:
ONRR, Denver
NM Taxation & Revenue Dept. (Revenue Processing Div.)
NMOCD
NM (P0220-CFO, File Room)
NMSO (NM925, File)

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

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

ORDER NO. CTB-1218

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 and leases described in Exhibit A (“Application”).
2. Applicant included a complete list of the wells currently dedicated to each pool and lease.
3. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
4. Applicant in the notice for the Application stated that it sought authorization to prospectively include additional pools and leases in accordance with 19.15.12.10(C)(4)(g) NMAC.
5. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, oil and gas production from wells which have not yet been approved to be drilled, but will produce from a pool and lease as described in Exhibit A.
6. Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7(B) NMAC.
7. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.

CONCLUSIONS OF LAW

8. 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.
9. 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.
10. 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.

11. 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.
12. 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.
13. Applicant did not give adequate notice that it sought authorization to prospectively include additional pools, leases, or wells as required by 19.15.12.10(C)(4)(g) NMAC.
14. 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 and leases as described in Exhibit A.

Applicant is authorized to surface commingle oil and gas production from the wells included in Exhibit A provided that they produce from a pool and lease described in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease, as applicable, from the pools and leases as described in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

Applicant is authorized to surface commingle oil and gas production from wells not included in Exhibit A but that produce from a pool and lease as described in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease, as applicable, from wells not included in Exhibit A but that produce from a pool and lease as described in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

2. This Order supersedes Order OLM-211.
3. The allocation of oil and gas production to wells not included in Exhibit A but that produce from a pool and lease as described in Exhibit A shall be determined in the same manner as to wells identified in Exhibit A that produce from that pool and lease, provided that if more than one allocation method is being used or if there are no wells identified in Exhibit A that produce from the pool and lease, then allocation of oil and gas production to each well not included in Exhibit A shall be determined by OCD prior to commingling production from it with the production from another well.
4. 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.

5. If Applicant recovers oil or gas production from produced water prior to Applicant injecting it or transferring custody of it, then that production shall be allocated to each well in the proportion that it contributed to the total produced water.
6. If Applicant recovers gas production using a vapor recovery unit (VRU), then that gas production shall be allocated to each well in the proportion that it contributed to the total oil production.
7. 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.
8. 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.
9. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10(C)(2) NMAC.
10. Applicant shall install and utilize vessels that are appropriately designed to ensure sufficient separation of the fluids and to accurately measure oil and gas production.
11. 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.
12. Applicant's request for authorization to add pools, leases, and wells prospectively pursuant to 19.15.12.10(C)(4)(g) NMAC is denied.
13. If a well is not included in Exhibit A but produces from a pool and lease as described in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to off-lease measuring or commingling oil or gas production from it with the production from another well. The Form C-103 shall reference this Order and identify the well, proposed method to determine the allocation of oil and gas production to it, and the location(s) that commingling of its production will occur.
14. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.

15. 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).
16. 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**

Albert Chang

**ALBERT C. S. CHANG
DIRECTOR**

DATE: 4/24/26

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: CTB-1218
Operator: COG Operating, LLC (229137)
Central Tank Battery: Sebastian Federal 18 B Central Tank Battery
Central Tank Battery Location: UL B, Section 18, Township 24 South, Range 34 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 B, Section 18, Township 24 South, Range 34 East

Pools

Pool Name	Pool Code
WC-025 G-09 S243310P;UPPER WOLFCAMP	98135

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
CA Wolfcamp NMNM 105803963	E2E2	18-24S-34E
CA Wolfcamp NMNM 105803964	W2E2	18-24S-34E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-46985	SEBASTIAN FEDERAL COM #703H	E2E2	18-24S-34E	98135
30-025-46988	SEBASTIAN FEDERAL COM #704H	W2E2	18-24S-34E	98135

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 472040

CONDITIONS

Operator: COG OPERATING LLC 600 W Illinois Ave Midland, TX 79701	OGRID: 229137
	Action Number: 472040
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By	Condition	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 .	4/28/2026