



# United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Pecos District

Carlsbad Field Office

620 E. Greene

Carlsbad, New Mexico 88220-6292

[www.blm.gov/nm](http://www.blm.gov/nm)



MAY 23 2018 AM 08:41

IN REPLY REFER TO:  
NMNM137958  
3105.2 (P0220)

05/14/2018

Reference:  
Communitization Agreement  
Road Runner Fed Com #12H  
Section 24: W2E2  
Section 25: W2E2  
T. 25 S., R. 26 E., N.M.P.M.  
Eddy County, NM

COG Operating LLC  
Attn: Katie McMinn  
600 W Illinois Avenue  
Midland, TX 79701-4882

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NMNM137958 involving 80 acres of Federal land in lease NM109748, 80 acres in lease NM96835, 120 acres in lease NMNM112907 and 40 acres of Fee land, Eddy County, New Mexico, which comprise a 320 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath the W2E2, Sec. 24, and the W2E2 of Sec. 25, T. 25 S., R. 26 E., NMPM, Eddy County, NM, and is effective April 1, 2017. 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 Chris Walls, Petroleum Engineer at (575) 234-2234 or Deborah Ham at (575) 234-5965.

Please furnish all interested principals with appropriate evidence of this approval.

Sincerely,



Cody R. Layton  
Assistant Field Manager,  
Lands and Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver

NM Taxation & Revenue Dept. (Revenue Processing Div.)

NMOCD

NM (9200)

NM (P0220-CFO, File Room)

NM State Land Comm. (Only CA with "State" or "Fee" acreage)

Determination - Approval - Certification

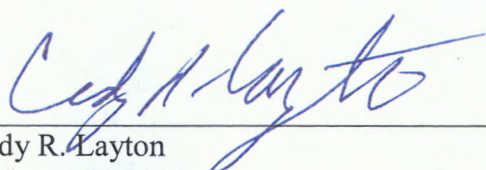
Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.
- B. Approve the attached Communitization Agreement covering the W2E2 of sec.24 and the W2E2 of Sec. 25, T. 25 S., R. 26 E., NMPM, as to all producible hydrocarbons from the Bone Spring formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (c) are not met.

Approval also requires operator to submit copies of sundries or any other documentation regarding activity with this well to the Bureau of Land Management (BLM), Carlsbad Field Office pursuant to Item 9 of the approved Communitization Agreement.

- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved: 05/14/2018



Cody R. Layton  
Assistant Field Manager  
Lands and Minerals

Effective: April 1, 2017

Contract No.: Com. Agr. NMNM137958



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## BUREAU OF LAND MANAGEMENT

Carlsbad Field Office  
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Carlsbad, New Mexico 88220-6292  
www.nm.blm.gov



In Reply Refer to  
NM137958  
3107 (P0220)

### Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NM137958

Date of Completion:	12/19/2017
Date of First Production:	12/19/2017
Field:	Cottonwood Draw
Operator, Well Name & No, API Number:	COG Operating; Road Runner Fed Com 2H; 30-015-44147
Surface Location:	Sec. 25, SWSE, T. 25 S., R. 26 E.
Bottom Location:	Sec. 24, NWNE, T. 25 S., R. 26 E.
Total Depth:	17,320 MD; 7,253 TVD
Surface Elevation:	3,248 GL
Producing Formation:	Bone Spring (7,508 – 17,185)
Well Capable of Production in Paying Quantities:	Yes
Initial Daily Production:	Oil 160 BBL; Gas 270 MCF; Water 2636 BBL
Current Status:	Producing Oil Well

Remarks: CA NM137958, effective 04/01/2017, communitizes production of all gas and fluid hydrocarbons in the Bone Spring formation beneath Sec. 24, W2E2 and Sec. 25, W2E2, T. 25 S., R. 26 E., NMPM, and comprises 80 acres of Federal land in lease NMNM109748, 80 acres of Federal land in lease NMNM96835, 120 acres of Federal land in lease NMNM112907 and 40 acres of Fee land for a 320 acre well spacing unit whose leases are held by actual production.

If you have any questions regarding this memorandum, please call Deborah Ham at (575) 234-5965.

/S/ **Deborah Ham**  
05/12/2018

cc:  
ONRR-MS 63230B  
First Production File  
LLNM (P0220, File Room)