



# 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



IN REPLY REFER TO:  
NMNM138693  
3105.2 (P0220)

08/15/2018

Reference:

Communitization Agreement  
Stove Pipe Fed Com #1H 30-025-43038 (sb)  
Section 6: Lot 1, SENE, E2SE  
Section 7: E2E2  
T. 25 S., R. 35 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 NMNM138693 involving 80.35 acres of Federal land in lease NMNM114997, 40 acres of Fee land, 40 acres of Federal land in lease NMNM120913 and 160 acres of Federal land in lease NMNM119760, Eddy County, New Mexico, which comprise a 320.35 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Wolfbone formation beneath Lot 1, SENE, E2SE of Sec. 6 and E2E2 of Sec. 7, T. 25 S., R. 35 E., NMPM, Eddy County, NM, and is effective March 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, Deborah Ham at (575) 234-5965 or Margie Dupre at (505) 954-2142.

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.

Determination - Approval - Certification

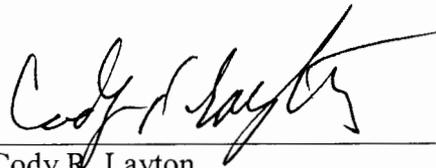
Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- 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 Lot 1, SENE, E2SE of sec. 6 and the E2E2 of sec. 7, T. 25 S., R. 35 E., NMPM, as to all producible hydrocarbons from the Wolfbone 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: 08/15/2018



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Cody R. Layton  
Assistant Field Manager  
Lands and Minerals

Effective: March 01, 2017

Contract No.: Com. Agr. NMNM138693



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## BUREAU OF LAND MANAGEMENT

Carlsbad Field Office  
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Carlsbad, New Mexico 88220-6292  
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In Reply Refer to  
NM138693  
3107 (P0220)

### Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NM138693

Date of Completion: 01/27/2018  
Date of First Production: 01/28/2018  
Field: WC-025 G-09 S243532M  
Operator, Well Name & No, API Number: COG Operating; Stove Pipe Fed Com 1H; 30-015-  
443838 43838 SD  
Surface Location: Sec. 6, Lot 1, T. 25 S., R. 35 E.  
Bottom Location: Sec. 7, SESE, T. 25 S., R. 35 E.  
Total Depth: 22,017 MD; 12,415 TVD  
Surface Elevation: 3,295 GL  
Producing Formation: Wolfbone (12,645 – 21,915)  
Well Capable of Production in Paying Quantities: Yes  
Initial Daily Production: Oil 1413 BBL; Gas 1844 MCF; Water 2043 BBL  
Current Status: Producing Oil Well  
Remarks: CA NM138693, effective 03/01/2017, communitizes production of all gas and fluid hydrocarbons in the Wolfbone formation beneath Sec. 6, Lot 1, SENE, E2SE and Sec. 7, E2E2, T. 25 S., R. 35 E., NMPM, and comprises 80.35 acres of Federal land in lease NMNM114997, 40 acres of Federal land in lease NMNM120913, 160 acres of Federal land in lease NMNM119760 and 40 acres of Fee land for a 320.35 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**  
08/15/2018

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