



# 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)



IN REPLY REFER TO:  
NM134556  
3105.2 (P0220)

Reference:  
Communitization Agreement  
Windmill 32 Fed Com 4H  
T. 18 S., R. 27 E.,  
Section 32, S2S2  
Eddy County, NM

May 20, 2015

RECEIVED OCD  
2015 MAY 21 P 3:20

COG Operating, LLC  
One Concho Center  
600 West Illinois Avenue  
Mid Land, TX 79701

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM134556 involving 40.03 acres of Fee land and 120 acres of Federal land in lease NMNM110346, Eddy County, New Mexico, which comprises a 160.03 acre well spacing unit.

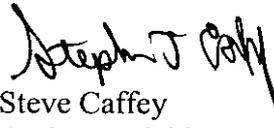
The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath the S2S2 of sec. 32, T. 18 S., R. 27 E., NMPM, and is effective 04/01/2013. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

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 Edward G Fernandez, Petroleum Engineer at (575) 234-2220.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Caffey". The signature is written in a cursive style with a prominent loop at the end.

Steve Caffey  
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)

Determination - Approval - Certification

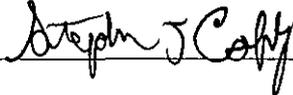
Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- 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 S2S2 of sec. 32, T. 18 S., R. 27 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 (e) 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:

  
\_\_\_\_\_  
Authorized Officer

Effective: 04/01/2013

Contract No.: Com. Agr. NM134556



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## BUREAU OF LAND MANAGEMENT

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



In Reply Refer to  
NM134556  
3107 (P0220)

### Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NM134556

Date of Completion: 8/1/13  
Date of First Production: 8/13/13  
Field: WC-015- G-02 S182732P  
Operator, Well Name & No, API Number: COG Operating; Windmill 32 Fed Com 4H ; 30-015-41286  
Surface Location: Section 32: SESE, T. 18 S., R. 27 E.  
Total Depth: 10,430 MD; 5,859 TVD  
Surface Elevation: 3,367' KB  
Producing Formation: Bone Spring (6,181 – 10,350)  
Well Capable of Production in Paying Quantities: Yes  
Initial Daily Production: Oil 45 BBL; Gas 333 MCF; Water 912 BBL  
Current Status: Producing Oil Well  
Remarks: CA NM134556, effective 04/01/13, communitizes production of all gas and fluid hydrocarbons in the Bone Spring formation beneath sec. 32: S2S2, T. 18 S., R. 27 E., NMPM, and comprises 40.03 acres of Fee land and 120 acres of Federal land in lease NMNM110346 for a 160.03 well spacing unit, whose leases are held by actual production.

If you have any questions regarding this memorandum, please email Arthur Morrison at [ajmorrison@blm.gov](mailto:ajmorrison@blm.gov).

**/S/ Deborah M Ham**  
05/20/2015

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