

RECEIVED: 6/25/20	REVIEWER: DM	TYPE: OLM	APP NO: pDM2017836879
-------------------	--------------	-----------	-----------------------

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: COG Operating, LLC **OGRID Number:** 229137
Well Name: Admiral Federal Com 501H and four other wells **API:** 30-015-46783
Pool: Willow Lake; Bone Springs, Southeast **Pool Code:** 96217

**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

FOR OCD ONLY

- ☐ Notice Complete
☐ 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.

Jeanette Barron

Print or Type Name

Jeanette Barron
 Signature

Date

6/25/20

575-746-6974

Phone Number

jbarron@concho.com

e-mail Address



June 25, 2020

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:

Admiral Federal Com 501H
 API# 30-015-46783
 Willow Lake; Bone Spring, SE
 Ut. M, Sec. 28-T25S-R29E
 Eddy County, NM

Admiral Federal Com 502H
 API# 30-015-46784
 Willow Lake; Bone Spring, SE
 Ut. M, Sec. 28-T25S-R29E
 Lea County, NM

Admiral Federal Com 503H
 API# 30-015-46786
 Willow Lake; Bone Spring, SE
 Ut. N, Sec. 28-T25S-R29E
 Eddy County, NM

Admiral Federal Com 504H
 API# 30-015-46788
 Willow Lake; Bone Spring, SE
 Ut. P, Sec. 28-T25S-R29E
 Lea County, NM

Admiral Federal Com 505H
 API# 30-015-46789
 Willow Lake; Bone Spring, SE
 Ut. P, Sec. 28-T25S-R29E
 Eddy 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.

The Admiral wells have identical ownership in identical percentages, therefore, no owner notification is required. A letter from the responsible COG landman stating this fact is enclosed with this application.

CORPORATE ADDRESS

One Concho Center | 600 West Illinois Avenue | Midland, Texas 79701
 P 432.683.7443 | F 432.683.7441

ARTESIA WEST OFFICE

2208 Main Street | Artesia, New Mexico 88210
 P 575.748.6940 | F 575.746.2096



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.

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

Sincerely,

A handwritten signature in black ink that reads "Jeanette Barron".

Jeanette Barron

Regulatory Technician II

CORPORATE ADDRESS

One Concho Center | 600 West Illinois Avenue | Midland, Texas 79701
P 432.683.7443 | **F** 432.683.7441

ARTESIA WEST OFFICE

2208 Main Street | Artesia, New Mexico 88210
P 575.748.6940 | **F** 575.746.2096

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 attach 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 Technician II

DATE: 6/25/20

TYPE OR PRINT NAME Jeanette Barron TELEPHONE NO.: 575.748.6974

E-MAIL ADDRESS: jbarron@concho.com

DISTRICT I

1625 N. FRENCH DR., HOBBS, NM 88240
Phone: (505) 393-6161 Fax: (505) 393-6720

DISTRICT II

811 S. FIRST ST., ARTESIA, NM 88210
Phone: (505) 748-1283 Fax: (505) 748-9720

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

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

District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-46783	Pool Code 96217	Pool Name WILLOW LAKE; BONE SPRING, SOUTHEAST
Property Code 313927	Property Name ADMIRAL FEDERAL COM	Well Number 501H
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 2983.3'

Surface Location

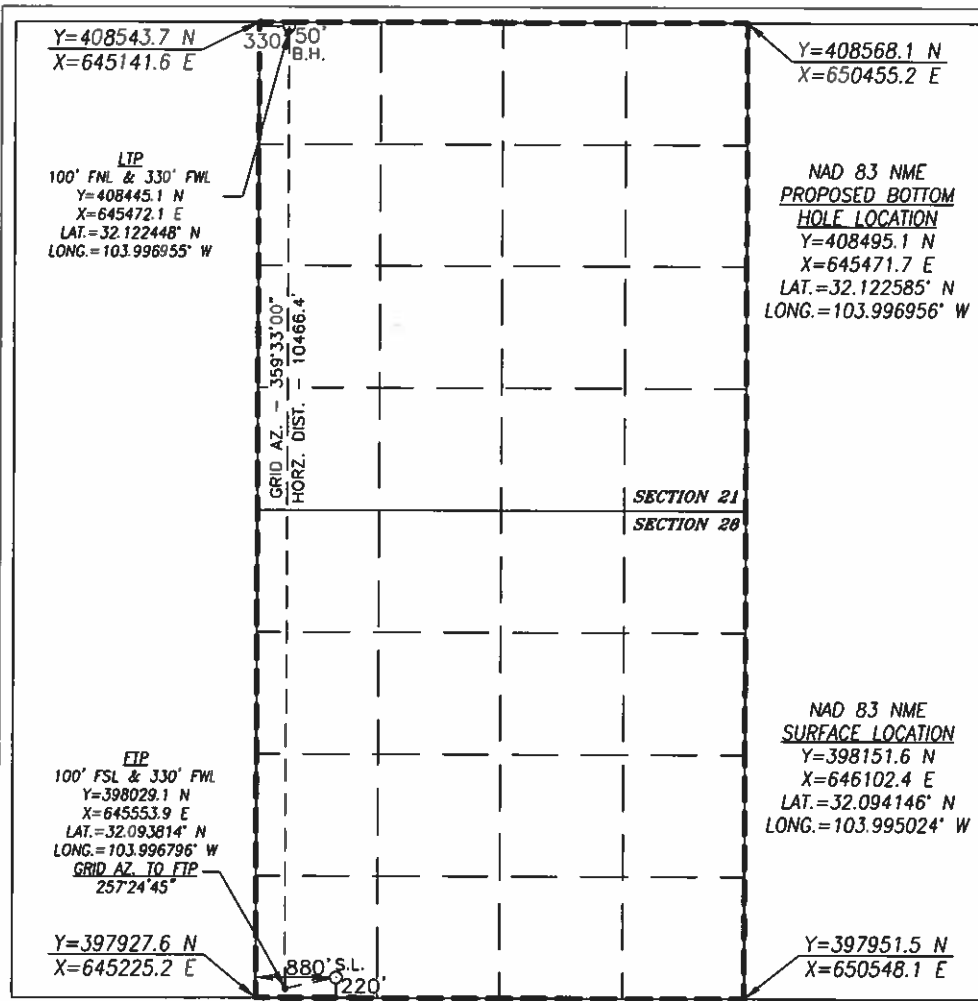
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	28	25-S	29-E		220	SOUTH	880	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	21	25-S	29-E		50	NORTH	330	WEST	EDDY

Dedicated Acres 1280	Joint or Infill	Consolidation Code	Order No.
--------------------------------	-----------------	--------------------	-----------

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



OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and 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 such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Jeanette Barron 6/25/20
Signature Date

Jeanette Barron

Printed Name

jbarron@concho.com

E-mail Address

SURVEYOR CERTIFICATION

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.

AUGUST 23, 2019

Date of Survey

Signature & Seal of Professional Surveyor



Chad Harcrow 9/13/19
Certificate No. CHAD HARCROW 17777

W.O. #19-1519 DRAWN BY: AM

DISTRICT I

1625 N. FRENCH DR., HOBBS, NM 88240
Phone: (575) 395-6181 Fax: (575) 395-9720

DISTRICT II

811 S. FIRST ST., ARTESIA, NM 88210
Phone: (575) 748-1263 Fax: (575) 748-8720

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

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

District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-46784	Pool Code 96217	Pool Name WILLOW LAKE; BONE SPRING, SOUTHEAST
Property Code 313927	Property Name ADMIRAL FEDERAL COM	Well Number 502H
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 2982.9'

Surface Location

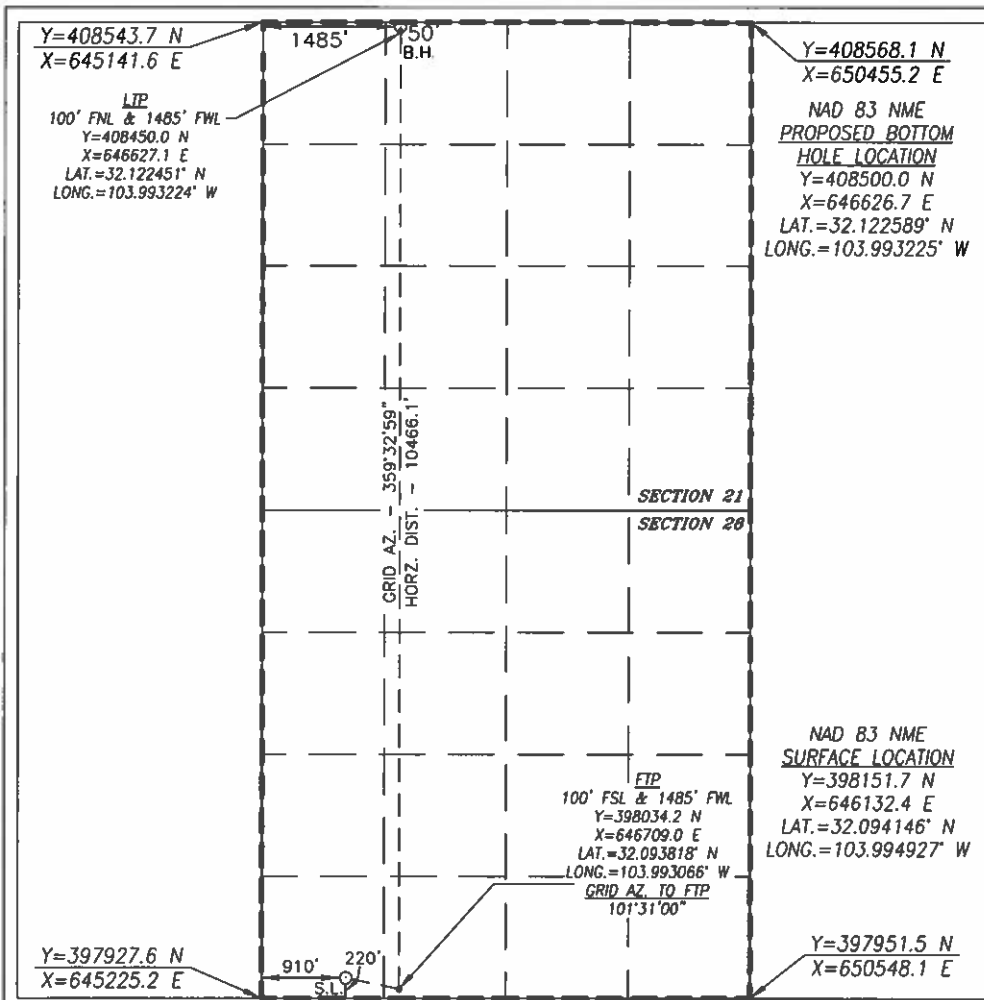
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	28	25-S	29-E		220	SOUTH	910	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	21	25-S	29-E		50	NORTH	1485	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
1280			

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



OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and 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 such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Jeannette Barron 6/25/20
Signature Date

Jeannette Barron

Printed Name

jbarron@concho.com

E-mail Address

SURVEYOR CERTIFICATION

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.

AUGUST 30, 2019

Date of Survey

Signature & Seal of Professional Surveyor



Chad Harcrow 9/13/19
Certificate No. CHAD HARCROW 17777

W.O. #19-1520 DRAWN BY: DS

DISTRICT I

1825 N. FRENCH DR., HOBBS, NM 88240
Phone: (505) 393-8181 Fax: (505) 393-0720

DISTRICT II

811 S. FIRST ST., ARTESIA, NM 88210
Phone: (505) 748-1283 Fax: (505) 748-0720

DISTRICT III

1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 334-8178 Fax: (505) 334-8170

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 476-3480 Fax: (505) 476-3482

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

District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-46786	Pool Code 96217	Pool Name WILLOW LAKE; BONE SPRING, SOUTHEAST
Property Code 313927	Property Name ADMIRAL FEDERAL COM	Well Number 503H
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 2986.2'

Surface Location

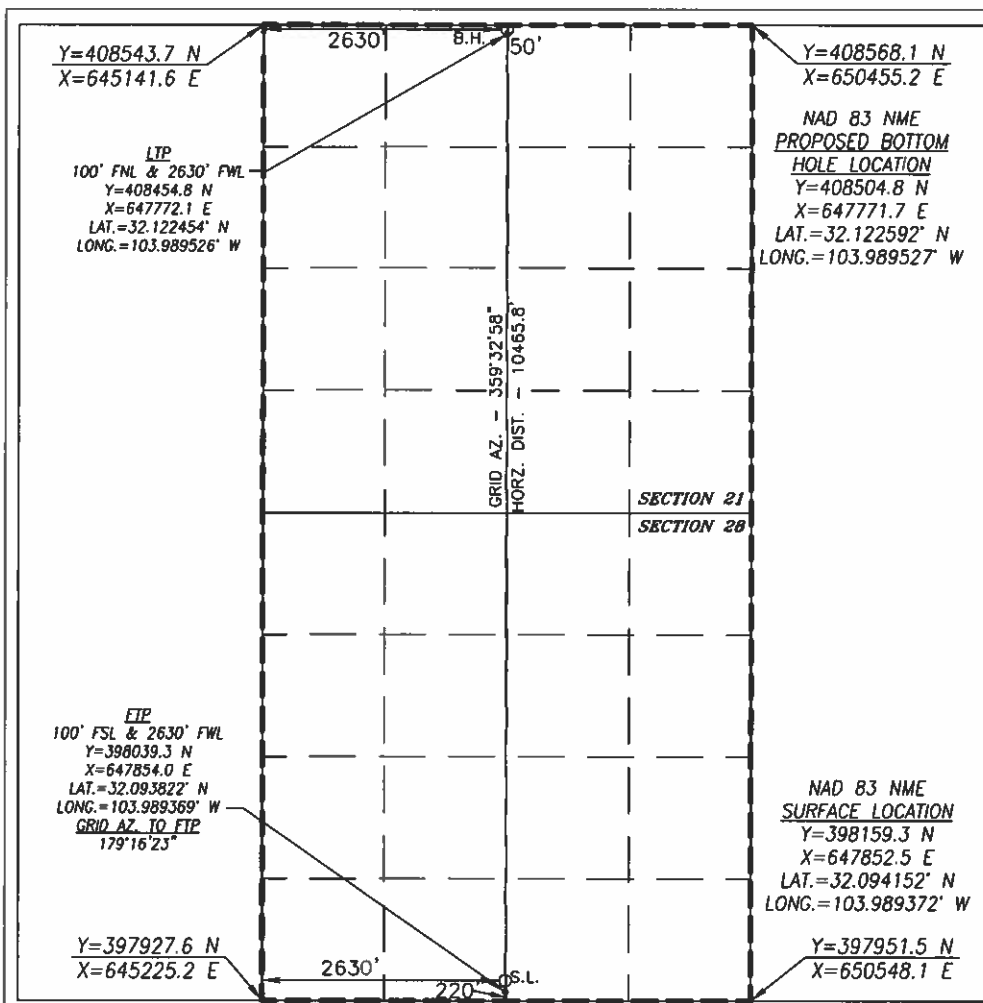
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	28	25-S	29-E		220	SOUTH	2630	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	21	25-S	29-E		50	NORTH	2630	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
1280			

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



OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and 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 such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Jeanette Barron 4/25/20
Signature Date

Jeanette Barron

Printed Name

jbarron@concho.com

E-mail Address

SURVEYOR CERTIFICATION

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.

AUGUST 23, 2019

Date of Survey

Signature & Seal of Professional Surveyor



Chad Harcrow 9/14/19
Certificate No. CHAD HARCROW 17777
W.O. #19-1521 DRAWN BY: AM

DISTRICT I

1625 N. FRENCH DR., HOBBS, NM 88240
Phone: (505) 393-6161 Fax: (505) 393-9720

DISTRICT II

811 S. FIRST ST., ARTESIA, NM 88210
Phone: (505) 748-1283 Fax: (505) 748-9720

DISTRICT III

1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 334-6176 Fax: (505) 334-6170

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 476-3480 Fax: (505) 476-3482

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

District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-46788	Pool Code 96217	Pool Name WILLOW LAKE; BONE SPRING, SOUTHEAST
Property Code 313927	Property Name ADMIRAL FEDERAL COM	Well Number 504H
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 2980.8'

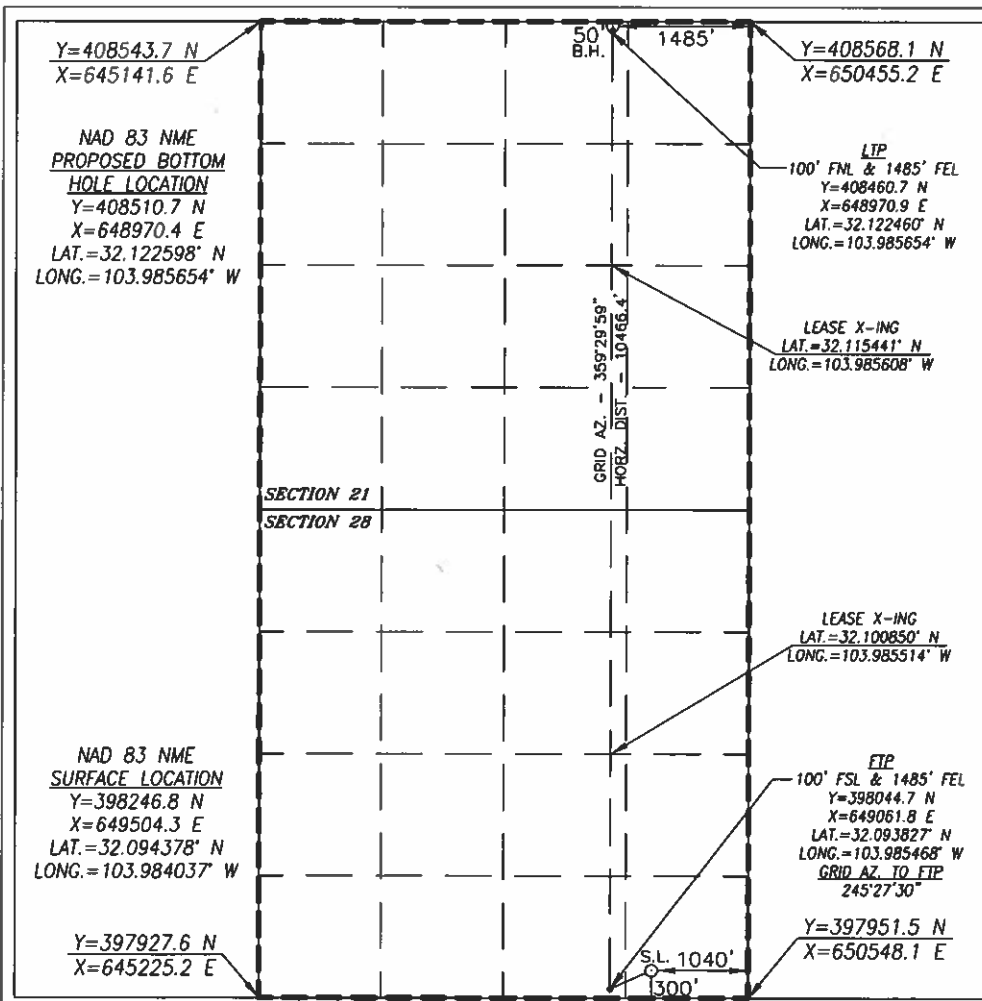
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	28	25-S	29-E		300	SOUTH	1040	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	21	25-S	29-E		50	NORTH	1485	EAST	EDDY
Dedicated Acres 1280	Joint or Infill	Consolidation Code	Order No.						

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



OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and 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 such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Jeanette Barron 4/25/20
 Signature Date

Jeanette Barron

Printed Name

jbarron@concho.com

E-mail Address

SURVEYOR CERTIFICATION

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.

AUGUST 23, 2019

Date of Survey

Signature & Seal of Professional Surveyor



Chad Harcrow 9/14/19
 Certificate No. CHAD HARCROW 17777

W.O. #19-1522 DRAWN BY: AM

DISTRICT I

1825 N. FRENCH DR., HOBBS, NM 88240
Phone: (575) 393-8101 Fax: (575) 393-0720

DISTRICT II

811 S. FIRST ST., ARTESIA, NM 88210
Phone: (575) 746-1263 Fax: (575) 746-0720

DISTRICT III

1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 334-8178 Fax: (505) 334-8170

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 478-3460 Fax: (505) 478-3462

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

District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-46789	Pool Code 96217	Pool Name WILLOW LAKE; BONE SPRING, SOUTHEAST
Property Code 313927	Property Name ADMIRAL FEDERAL COM	Well Number 505H
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 2980.5'

Surface Location

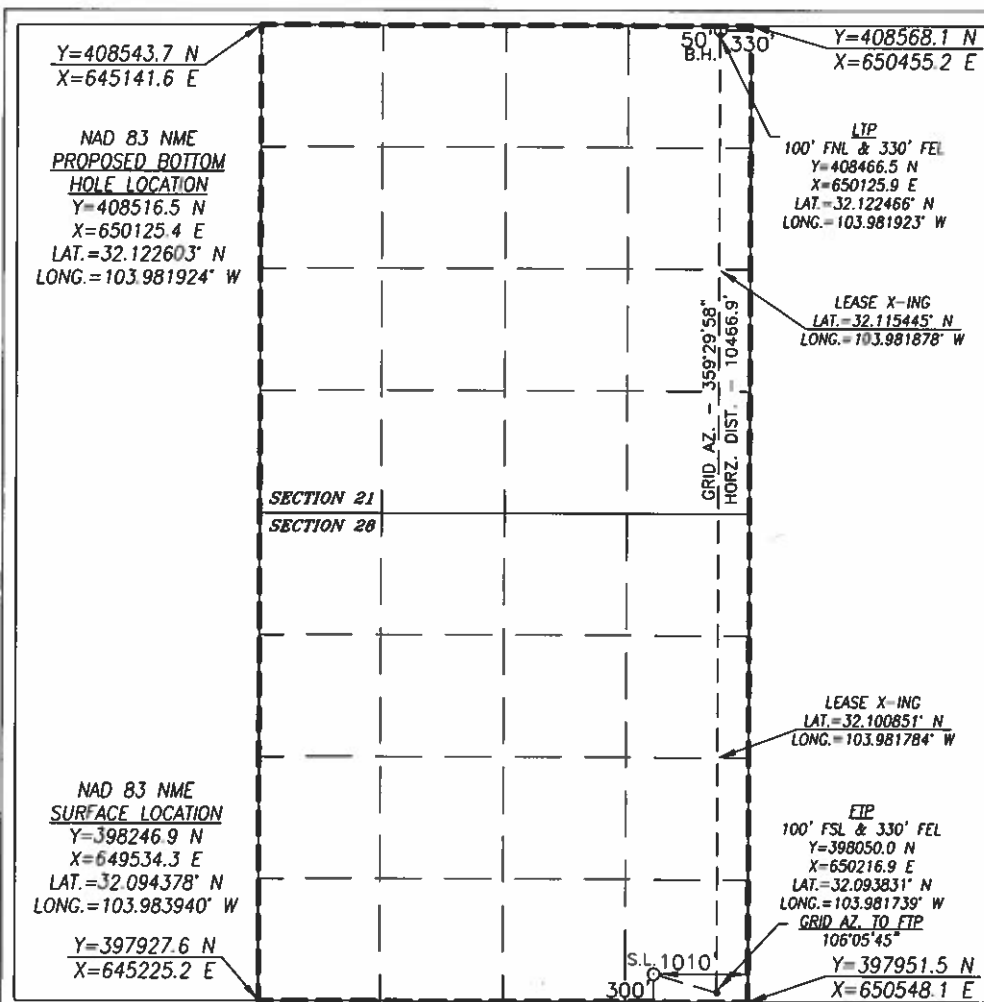
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	28	25-S	29-E		300	SOUTH	1010	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	21	25-S	29-E		50	NORTH	330	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
1280			

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



OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and 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 such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Jeanette Barron 6/25/2019
Signature Date

Jeanette Barron

Printed Name

jbarron@concho.com

E-mail Address

SURVEYOR CERTIFICATION

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.

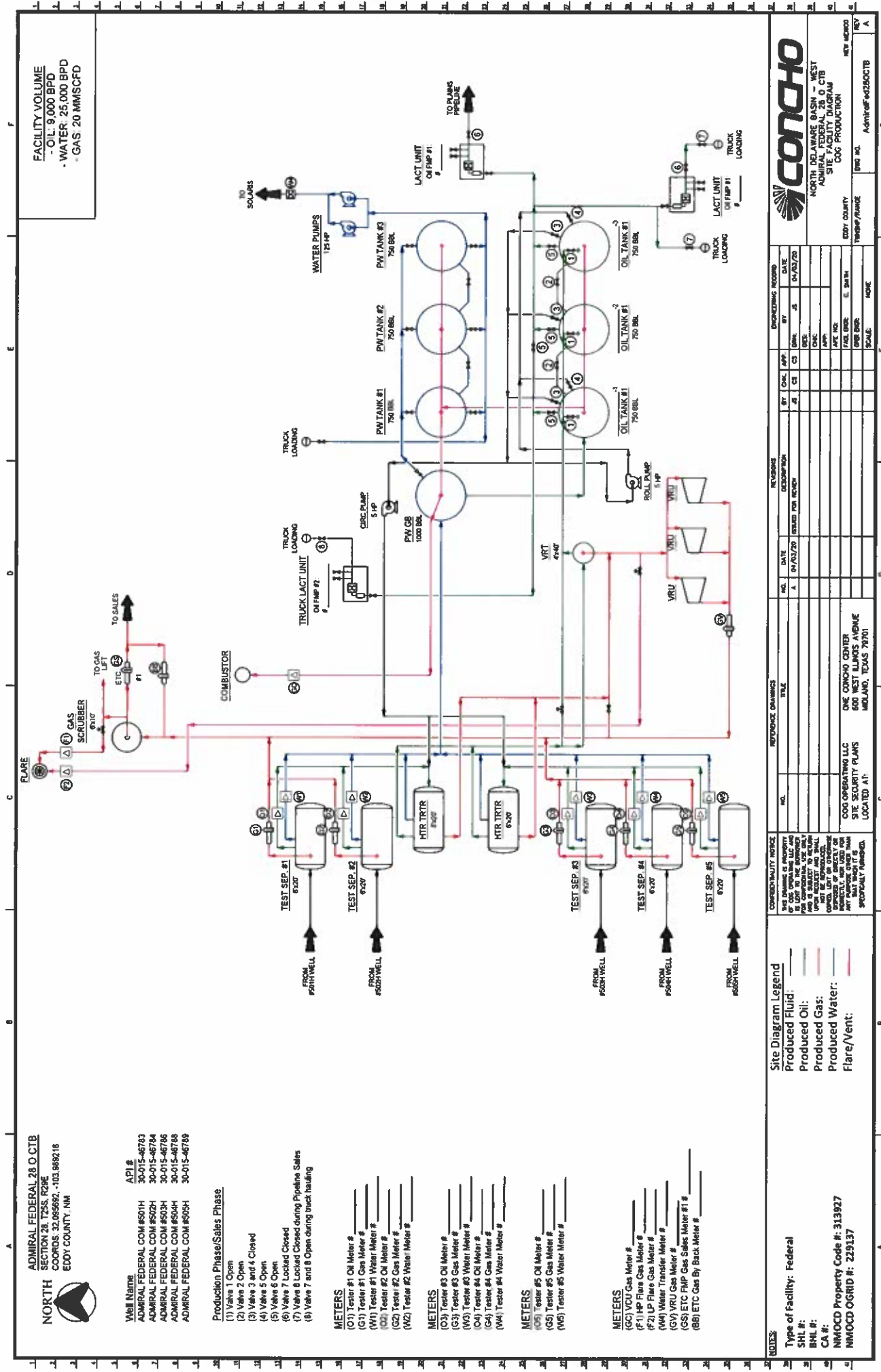
AUGUST 23, 2019

Date of Survey

Signature & Seal of Professional Surveyor

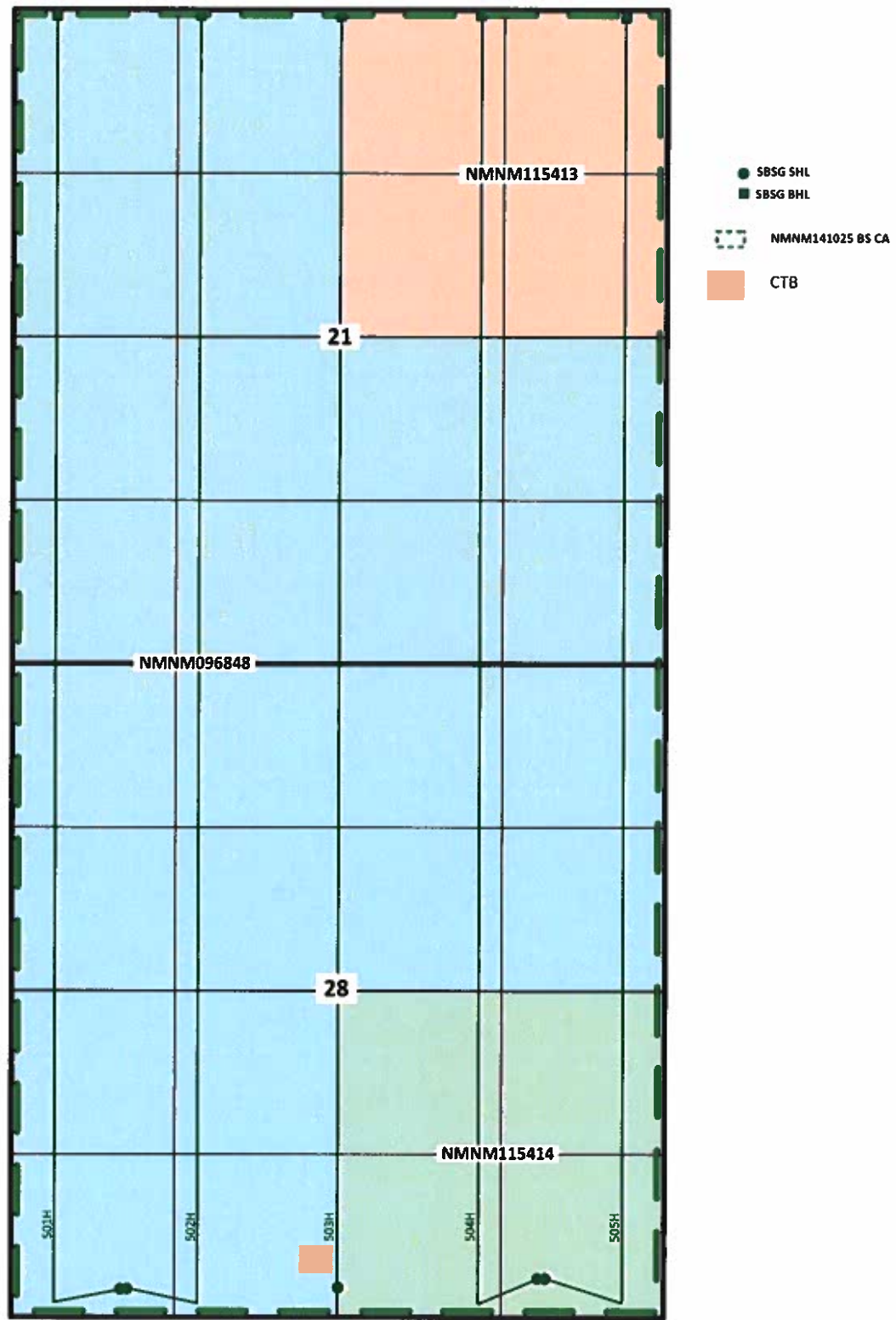


Chad Harcrow 9/14/19
Certificate No. CHAD HARCROW 17777
W.O. # 19-1523 DRAWN BY: AM



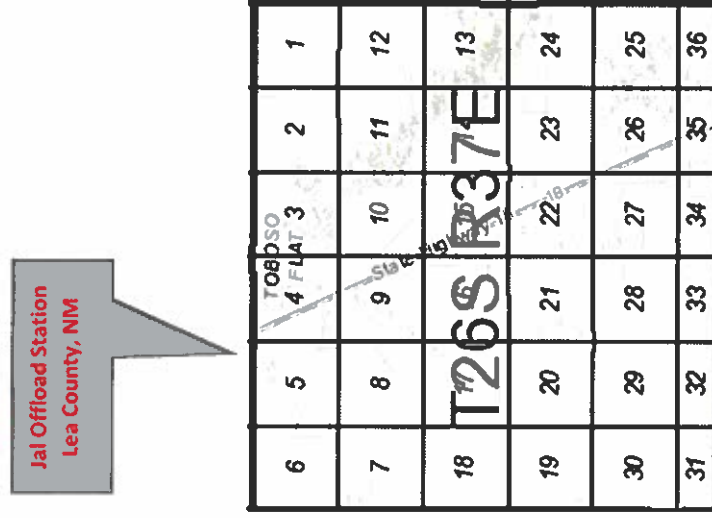
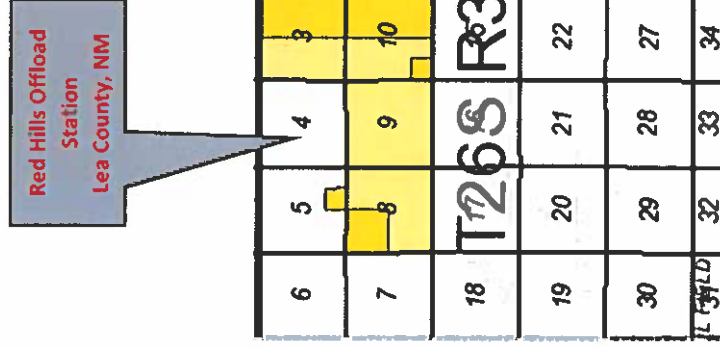
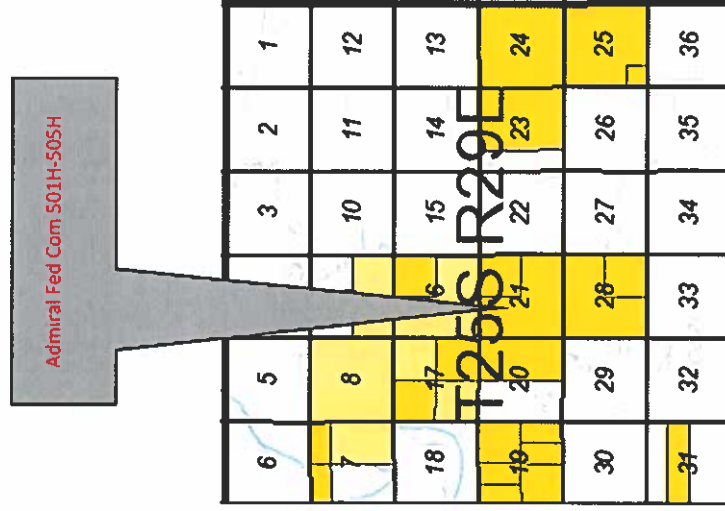
JB 06 12 19
DW 08/12/19
JB 09.20.19

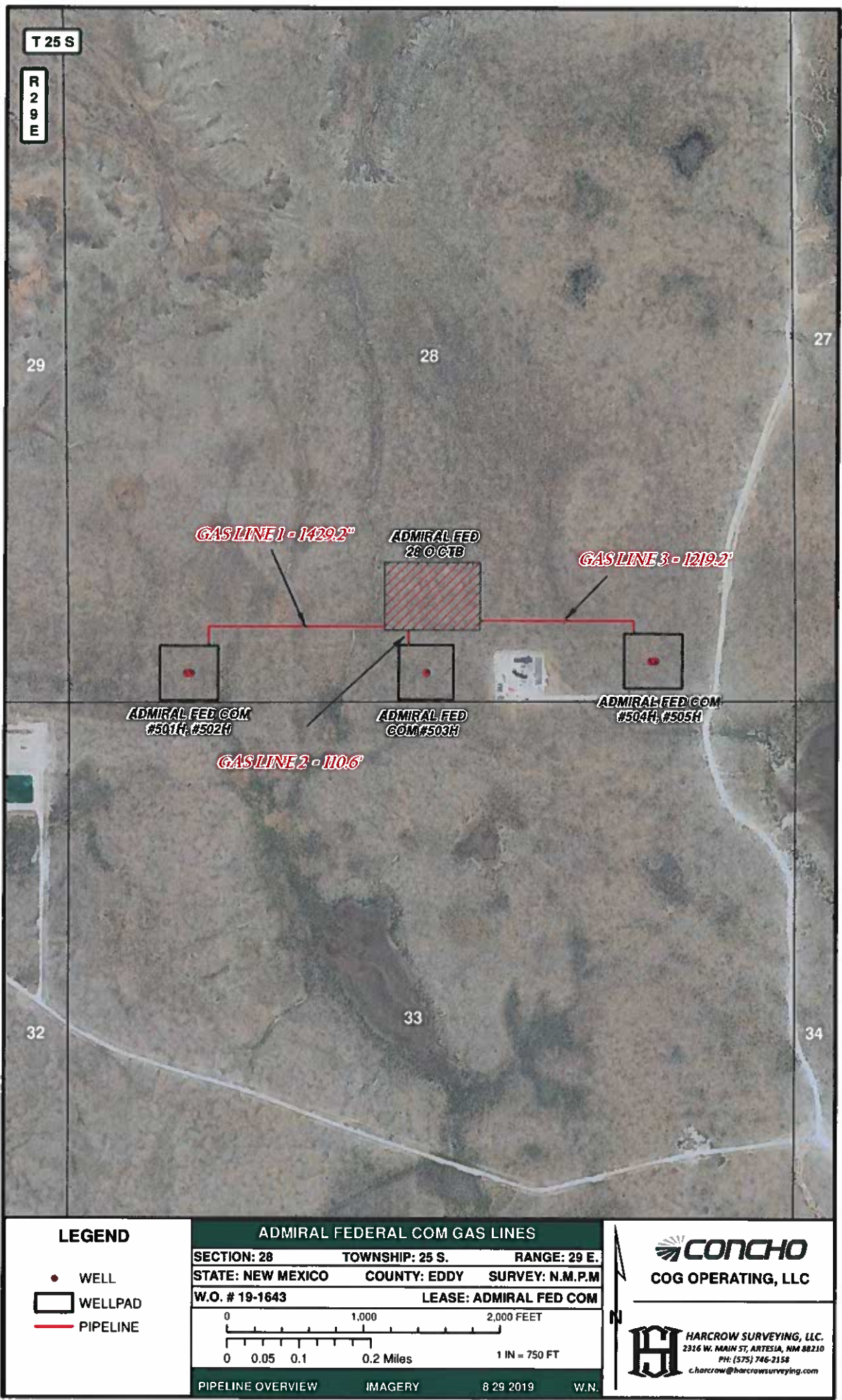
Admiral Federal Com Wells



Sec 28-T25S-R29E
Eddy County, NM

Admiral Fed Com 501H-505H Red Hills and Jal Offload Station Map







Hunter Hall
Landman

March 23, 2020

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

RE: Admiral Fed Com 501H-505H Off-Lease Measurement

Mr. McClure:

My name is Hunter Hall and I am the landman at COG operating LLC ("Concho") whose area of responsibility includes T25S-R29E, Eddy County, New Mexico.

I have reviewed the Drilling and Division Order Title Opinion dated June 4, 2019 that covers the entirety of Section 21 and 28 within T25S-R29E. I have determined that the revenue owners are identical. As defined by NMAC 19.15.12.7.B, identical ownership means leases or pools have the same working, royalty and overriding royalty owners in exactly the same percentages.

Sincerely,

DocuSigned by:

Hunter Hall

0538AFE7B7249A...

Hunter Hall | Landman

E: hhall@concho.com

P: 432-253-4525 M: 806-782-2341

COG Operating LLC

600 W Illinois Avenue

Midland, TX 79701

Contract No. _____

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 portion 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 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 "communitized area") are described as follows:

Township 25 South, Range 29 East, N.M.P.M.

Section 21: All

Section 28: All

Eddy County, New Mexico

containing 1280.00 acres, and this agreement shall include only the **Bone Spring Formation** underlying said lands and the oil and gas, hereafter referred to as "communitized substances," producible from such formation.

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, and the authorization, if any, for communitizing or pooling any patented or fee lands within 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

Federal Communitization Agreement – Revised 4.16.20

Admiral Fed Com 501H-505H

All of Secs. 21 & 28, 25S-29E, Bone Spring

designated by the owners of the working interest in the communitized area and four (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.

All proceeds, 8/8ths, attributed to unleased Federal, State, or fee land included within the CA area are to be placed in an interest earning escrow or trust account by the designated operator until the land is leased or ownership is established.

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 non-communitized lease production, provided, however, in regard 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 non-communitized 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, 2020, 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 two (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 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 with reasonable diligence during the period of non-production. The two (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 occurs 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. Non-Discrimination: 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 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 above written and have set opposite their respective names the date of execution.

Statement of Written Consent by All Named Owners:

I, the undersigned, hereby certify, on behalf of COG Operating LLC, the Operator of the proposed Communitization Agreement, that all working interest owners (i.e., the lessees of record and operating rights owners) shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the working interest owners of the Federal or Indian leases subject to the Communitization Agreement, and that the written consents of all the named owners have been obtained and will be made available to the BLM immediately upon request.

OPERATOR
LESSEE OF RECORD (TRACTS 2 & 3)
WORKING INTEREST OWNER

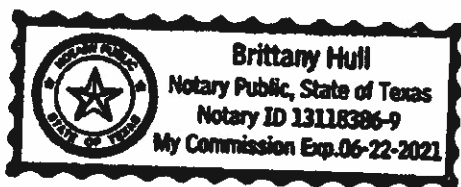
COG OPERATING LLC

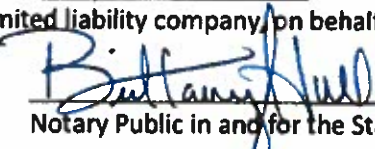
By: 
Sean Johnson
Attorney-in-Fact

AR
MB

STATE OF TEXAS)
)
COUNTY OF MIDLAND)

This instrument was acknowledged before me on October 29, 2019, by Sean Johnson, Attorney-in-Fact of COG Operating LLC, a Delaware limited liability company, on behalf of same.





Notary Public in and for the State of Texas

Federal Communitization Agreement
Admiral Fed Com 501H-505H
All of Secs. 21 & 28, 25S-29E, Bone Spring

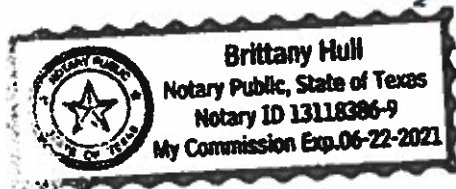
LESSEE OF RECORD (TRACTS 2 & 3)
WORKING INTEREST OWNER

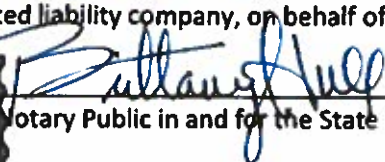
Concho Oil and Gas LLC

By: 
Sean Johnson
Attorney-in-Fact AR
MB

STATE OF TEXAS)
)
COUNTY OF MIDLAND)

This instrument was acknowledged before me on October 29, 2019, by Sean Johnson, Attorney-in-Fact of Concho Oil and Gas LLC, a Texas limited liability company, on behalf of same.




Notary Public in and for the State of Texas

Federal Communitization Agreement
Admiral Fed Com 501H-505H
All of Secs. 21 & 28, 25S-29E, Bone Spring

LESSEE OF RECORD (TRACT 1)
WORKING INTEREST OWNER

DEVON ENERGY PRODUCTION COMPANY, LP

By: Catherine Lebsack
Name: Catherine Lebsack
Title: Vice President

STATE OF OKLAHOMA)
)
COUNTY OF OKLAHOMA)

This instrument was acknowledged before me on October 21, 2019 2019, by
Catherine Lebsack Vice President of **DEVON ENERGY**
PRODUCTION COMPANY, LP, an Oklahoma limited partnership on behalf of same.



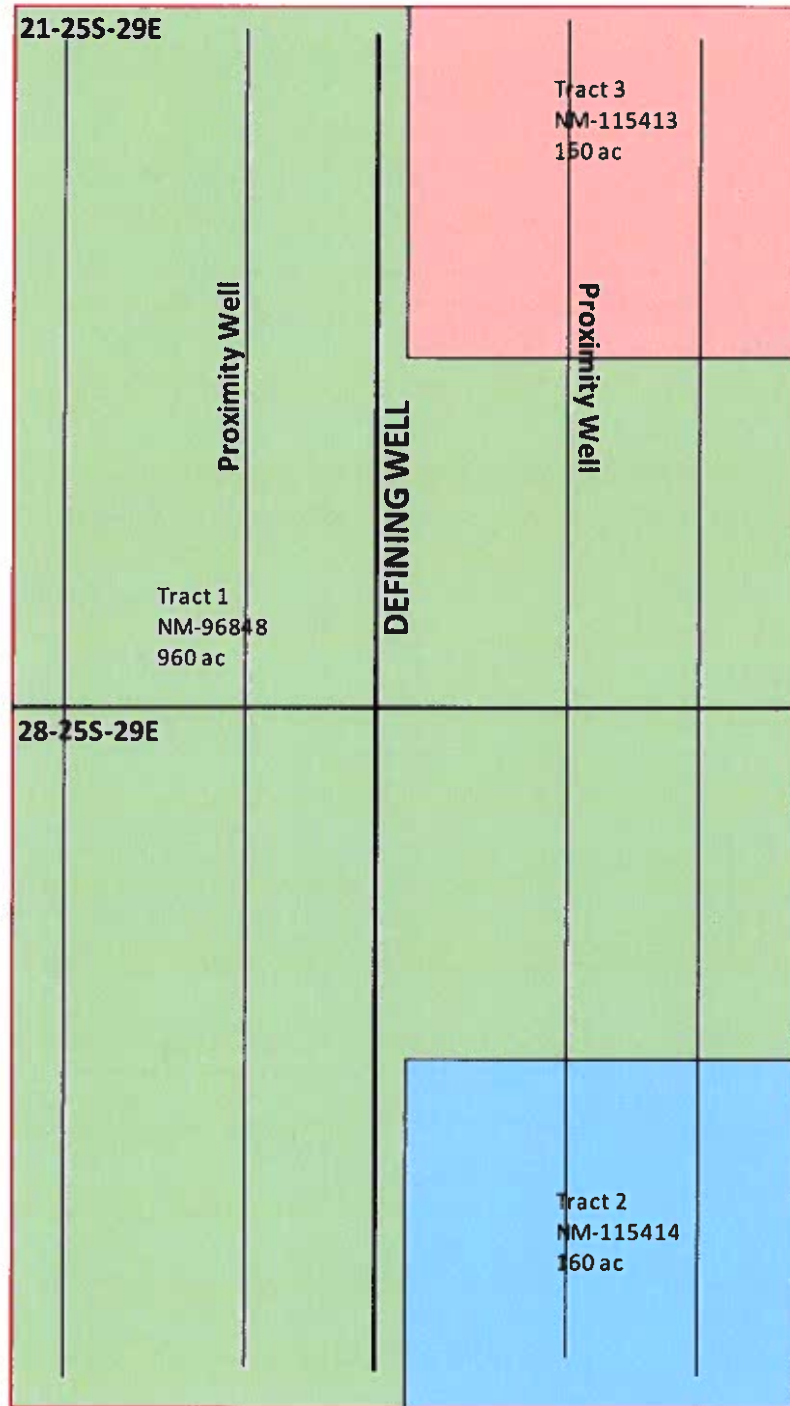
Brenda Plymale
Notary Public in and for the State of Oklahoma

Federal Communitization Agreement
Admiral Fed Com 501H-505H
All of Secs. 21 & 28, 25S-29E, Bone Spring

EXHIBIT "A"

Plat of communitized area covering All of Sections 21 & 28,
T25S-R29E, N.M.P.H Eddy County, New Mexico

Admiral Fed Com 501H, 502H, 503H, 504H, 505H



Federal Communization Agreement – Revised 4.16.20
Admiral Fed Com 501H-505H
All of Secs. 21 & 28, 25S-29E, Bone Spring

EXHIBIT "B"

Leases covering communitized area covering all of Section 21 and all of Section 28,
T25S-R29E, Eddy County, New Mexico

Operator of Communitized Area: COG Operating LLC

TRACT 1:

Date: June 1, 1996
 Serial Lease No.: NMNM – 96848
 Lessee of Record: Devon Energy Production Company, LP
 Description of Lands: Insofar and only insofar as said lease covers:
 Township 25 South, Range 29 East, N.M.P.M.
 Section 21: NW4, S2
 Section 28: NE4, W2
 Eddy County, New Mexico
 No. of Acres: 960.00
 Working Interest Owners: COG Operating LLC 74.925312%
 Concho Oil & Gas LLC 3.943438%
 Devon Energy Production Co., LP 21.131250%
 ORRI Owners: Paul R. Barwis & Wife, Dianne Barwis, Jareed Partners, Kingdom
 Investments, Nestegg Energy Company, Kimbell Royalty Holdings, John
 D. Bergman, Trustee of the Penwell Energy Royalty Pool, Devon Energy
 Production Company, John Kyle Thoma, Trustee of the Cornerstone
 Family Trust, CrownRock Minerals LP, Rave Energy d/b/a GEP III, Rusk
 Capital Management, Taurus Royalty, Rave Energy, George Vaught, Jr.

TRACT 2:

Date: March 1, 2006
 Serial Lease No.: NMNM – 115414
 Lessee of Record: COG Operating LLC / Concho Oil & Gas LLC
 Description of Lands: Township 25 South, Range 29 East, N.M.P.M.
 Section 28: SE
 Eddy County, New Mexico
 No. of Acres: 160.00
 Operating Rights Owners: COG Operating LLC 95%
 Concho Oil & Gas LLC 5%
 ORRI Owners: Nestegg Energy Company, Philip L. White, Santa Elena Minerals IV LP,
 Rachel E. White

TRACT 3:

Date: March 1, 2006
 Serial Lease No.: NMNM – 115413
 Lessee of Record: COG Operating LLC / Concho Oil & Gas LLC
 Description of Lands: Township 25 South, Range 29 East, N.M.P.M.
 Section 21: NE
 Eddy County, New Mexico
 No. of Acres: 160.00
 Operating Rights Owners: COG Operating LLC 95%
 Concho Oil & Gas LLC 5%
 ORRI Owners: Nestegg Energy Company, Salt Fork Limited, William R. Golden

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest In Communitized Area
1	960.00	75.00%
2	160.00	12.50%
3	160.00	12.50%
Total	1280.00	100.00%