

RECEIVED: 8/27/20	REVIEWER: DM	TYPE: CTB	APP NO: pDM2024156887
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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: COG PRODUCTION LLC **OGRID Number:** 217955
Well Name: CABO WABO 25 FEDERAL 1H and two other wells (see attached) **API:** 30-015-40440
Pool: WILLOW LAKE; BONE SPRING, SE **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

8/27/20
 Date

575-748-6974

Phone Number

jbarron@concho.com

e-mail Address



August 27, 2020

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

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

Dear Mr. McClure,

COG Production LLC respectfully requests approval for lease commingling for the following wells:

Cabo Wabo 25 Federal 1H
API #30-015-40440
Willow Lake; Bone Spring, SE
UT D, Sec. 25-T25S-R29E
Eddy County, New Mexico

Cabo Wabo 25 Federal Com 3H
API #30-015-42507
Willow Lake; Bone Spring, SE
UT O, Sec. 25-T25S-R29E
Eddy County, New Mexico

Cabo Wabo 24 Federal 5H
API #30-015-42482
Willow Lake; Bone Spring, SE
UT M, Sec. 24-T26S-R29E
Eddy County, New Mexico

Gas Production:

The gas production from all wells will be measured separately at each CTB by allocation meter prior to being commingled and entering a gas flow line to the gas custody transfer meter at the Central Tank Battery located in Ut. D, Sec. 25-T25S-R29E. The ETC gas sales meter # 57381.

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.

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



All owners of interest have been notified by certified mail that should they have an objection to this surface commingling, they must file a formal protest with the NMOCD within 20 days of the date of this application. Proof of owner notification and copy of Public Notice is enclosed.

Please see the enclosed Administrative Application Checklist, C-107B Application for surface commingling, plats for referenced wells, site facility diagram, maps with lease boundaries showing wells and facility locations, communization agreement application and prior six month's production.

Thank you for your attention to this matter.

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 PRODUCTION 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. Willow Lake; Bone Spring, Southeast 96217

(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 Technician II

DATE: 8/27/20

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: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, 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, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-40440	² Pool Code 96217	³ Pool Name WILLOW LAKE; BONE SPRING, SE
⁴ Property Code 39313	⁵ Property Name CABO WABO 25 FEDERAL	⁶ Well Number 1H
⁷ OGRID No. 217955	⁸ Operator Name COG PRODUCTION, LLC	⁹ Elevation 3080' GR

¹⁰ Surface Location


UL or lot no. D	Section 25	Township 25S	Range 29E	Lot Idn	Feet from the 330	North/South line FNL	Feet from the 600	East/West line FWL	County EDDY
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. M	Section 25	Township 25S	Range 29E	Lot Idn	Feet from the 381	North/South line FSL	Feet from the 656	East/West line FWL	County EDDY
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¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.

¹⁶ 600' SHL				¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.  Signature 8/27/20 Date Jeanette Barron Printed Name jbarron@zoncho.com E-mail Address
				¹⁸ 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. REFER TO ORIGINAL PLAT Date of Survey Signature and Seal of Professional Surveyor: Certificate Number
656' BHL 381'				

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
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811 S. First St., Artesia, NM 88210
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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-42482		² Pool Code 96217	³ Pool Name Willow Lake; Bone Spring, Southeast
⁴ Property Code 313450	⁵ Property Name CABO WABO 24 FEDERAL		⁶ Well Number 5H
⁷ OGRID No. 217955	⁸ Operator Name COG PRODUCTION LLC		⁹ Elevation 3083' GR

¹⁰ Surface Location


UL or lot no. M	Section 24	Township 25S	Range 29E	Lot 1 dn	Feet from the 190	North/South line SOUTH	Feet from the 660	East/West line WEST	County EDDY
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. D	Section 24	Township 25S	Range 29E	Lot 1 dn	Feet from the 365	North/South line NORTH	Feet from the 652	East/West line WEST	County EDDY
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¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.

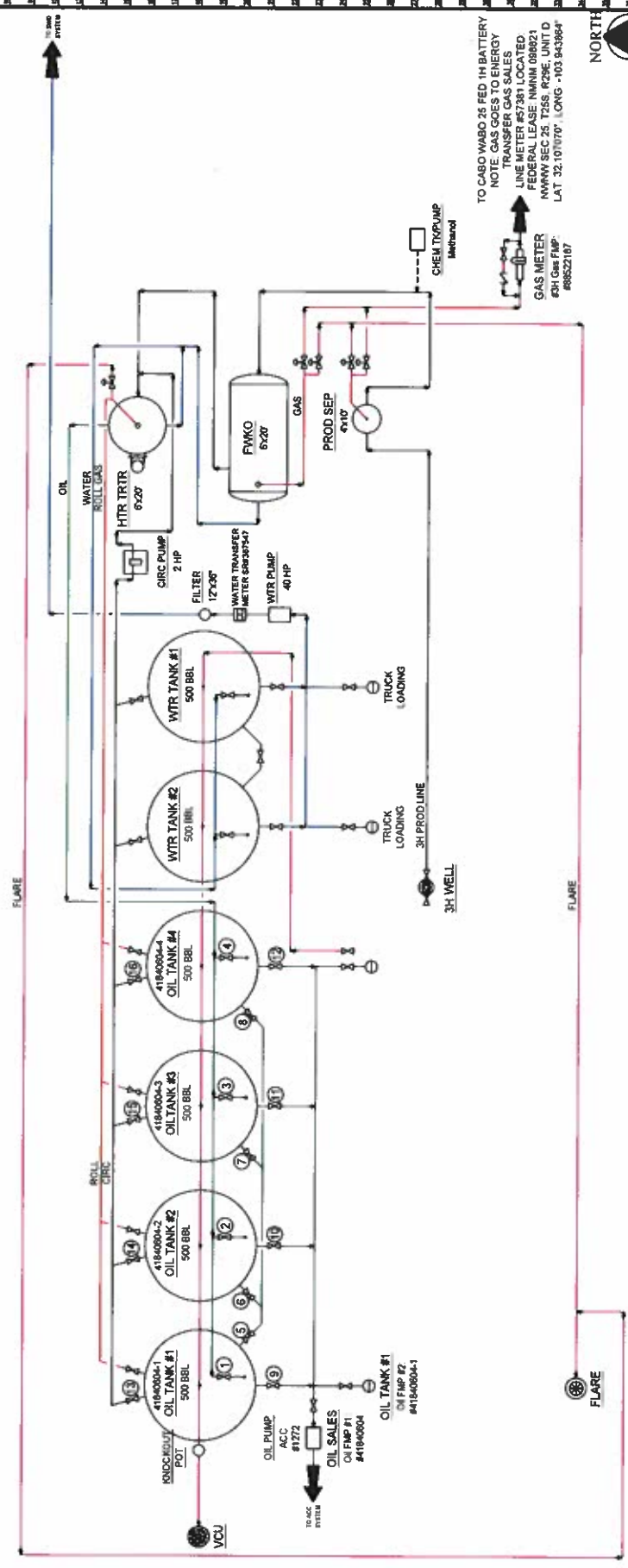
				¹⁶ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. <i>Jeanette Barron</i> 8/27/20 Signature Date Jeanette Barron Printed Name barron@concho.com E-mail Address
				¹⁷ 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. REFER TO ORIGINAL PLAT Date of Survey Signature and Seal of Professional Surveyor:
				Certificate Number

CABO WABO 25 FEDERAL COM 3H BATTERY
SWSE SECTION 25, T25S, R29E, UNIT O
COORDS: 32.095317, -103.934537
EDDY COUNTY, NM

WELLS:
CABO WABO 25 FEDERAL COM #003H: 30-015-42507

Production Phase - Oil Tank #1
- Valve 1 open
- Valves 2, 3, and 4 closed
- Valves 5, 6, 7, and 8 open
- Valves 9, 10, 11, and 12 closed
- Valve 13 open
- Valves 14, 15, and 16 closed

Sales Phase - Oil Tank #1
- Valve 1 closed
- Valves 2, 3, or 4 open
- Valve 5 closed
- Valves 6, 7, and 8 open
- Valve 9 open
- Valves 10, 11, and 12 closed
- Valve 13 closed
- Valves 14, 15, or 16 open



CONCHO
NORTHERN OIL & GAS ASSET
EDDY COUNTY, TEXAS
CABO WABO 25 FEDERAL COM 3H BATTERY
GEO. COUNTY: EDDY
TRAP/LEASE: 30-015-42507
WELL NO.: 30-015-42507

CONFIDENTIALITY NOTICE
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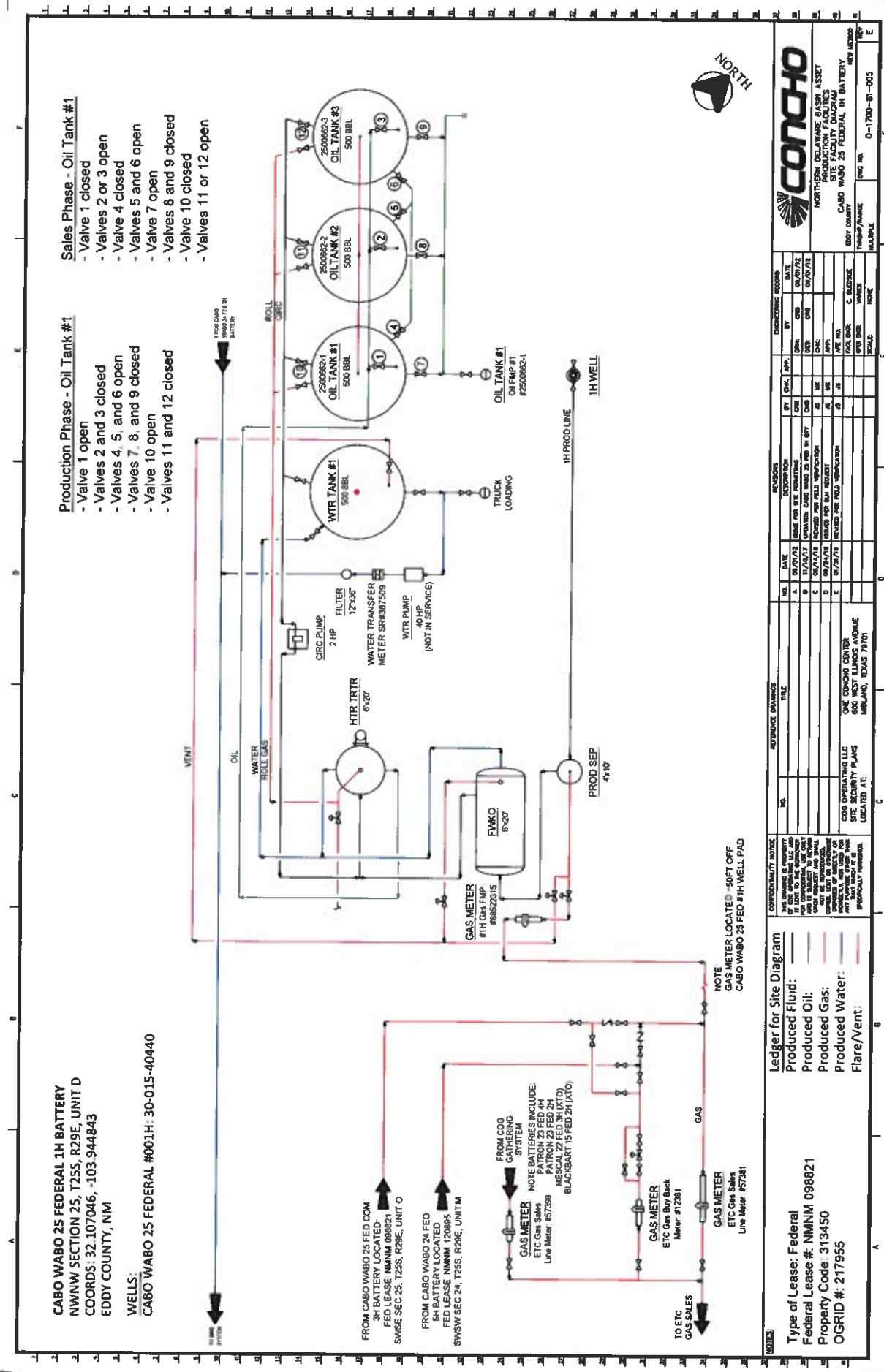
Ledger for Site Diagram
Produced Fluid: _____
Produced Oil: _____
Produced Gas: _____
Produced Water: _____
Flare/Vent: _____

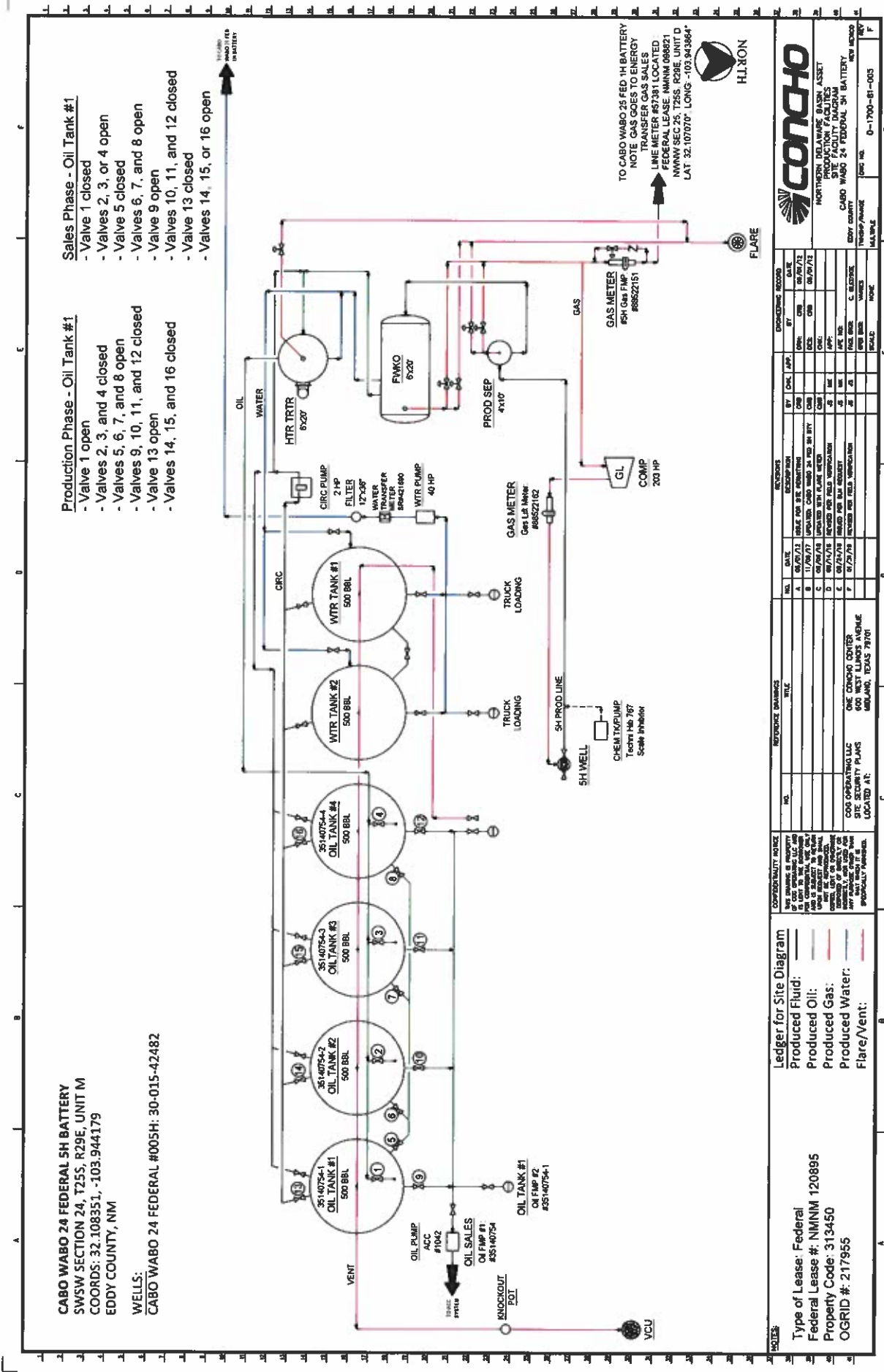
NO.	DATE	DESCRIPTION	BY	CHK.	APP.	REVISION
1	08/07/17	UPDATE FOR SITE INFORMATION	CHS	CHS	CHS	08/07/17
2	08/07/17	UPDATE FOR CABO WABO 25 3H BATTERY	CHS	CHS	CHS	08/07/17
3	08/07/17	UPDATE DRAWING WITH NOTES	CHS	CHS	CHS	08/07/17
4	08/07/17	REMOVED FOR FIELD INFORMATION	CHS	CHS	CHS	08/07/17
5	08/07/17	REMOVED FOR FIELD INFORMATION	CHS	CHS	CHS	08/07/17
6	08/07/17	REMOVED FOR FIELD INFORMATION	CHS	CHS	CHS	08/07/17

CONCHO OPERATING, LLC
SITING SECURITY PLANS
LOCATED AT: MIDLAND, TEXAS 79701

Notes:
Type of Lease: Federal
Federal Lease SHL #: NNMN 098821
CA/Agreement #: NNMN 135081
Property Code: 313490
OGRID #: 217955

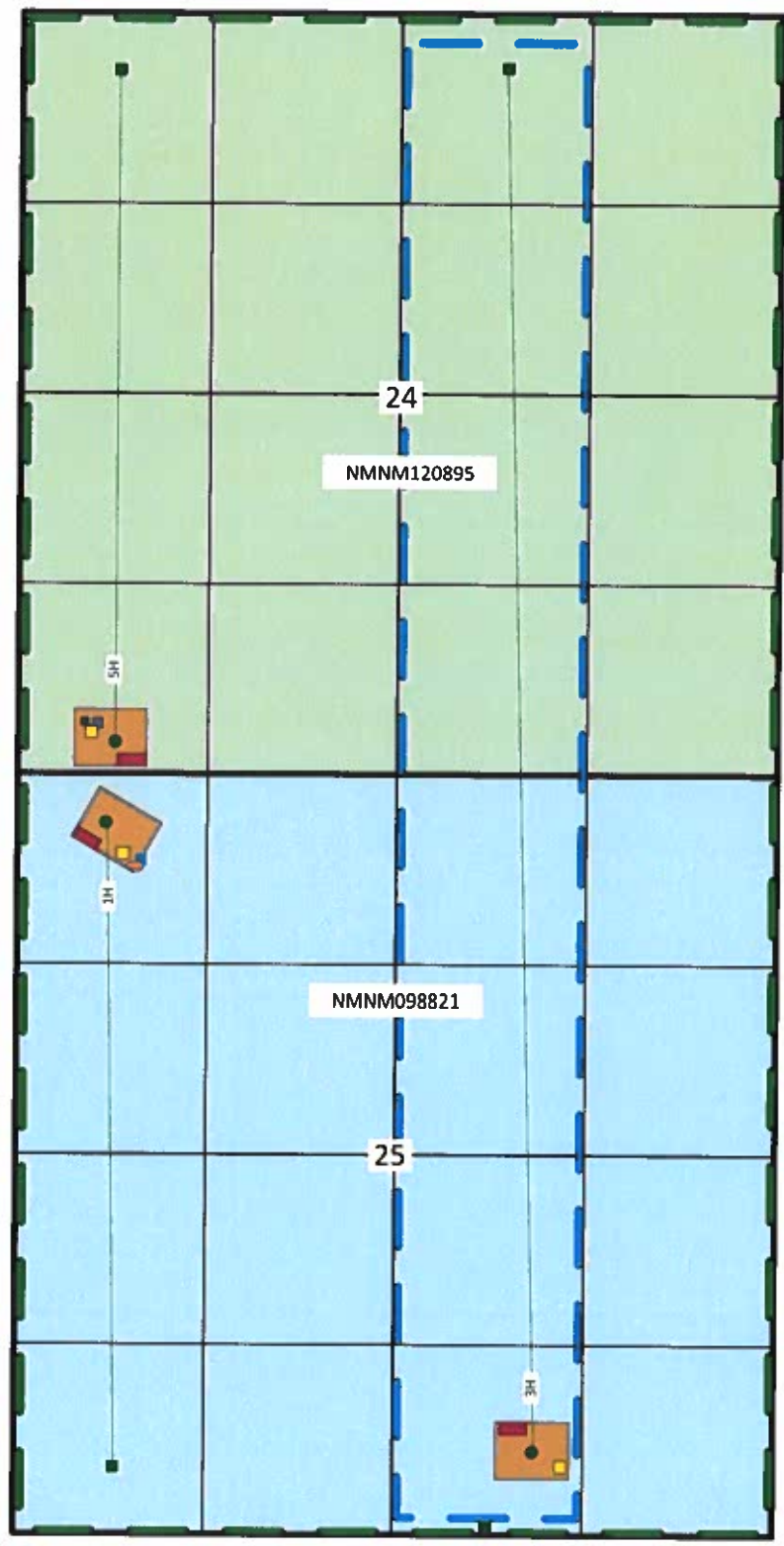
TO CABO WABO 25 FED 1H BATTERY
NOTE: GAS GOES TO ENERGY
TRANSFER GAS SALES
LINE METER #67387 LOCATED
FEDERAL LEASE NNMN 098821
NORTH SEC 25, T25S, R29E, UNIT O
EDDY COUNTY, TEXAS
LAT 32.101070, LONG -103.943864
GAS METER
#67387
#68522187





DW - 04/06/19
DW - 01/07/20
DW - 03/09/20

Cabo Wabo Federal Wells





- Fed Lease NMNM-098821
- Fed Lease NMNM-120895
- CA NMNM-135081 (BS-revised 8/2019)
- Proposed BS CA
- Bone Spring SHL
- Bone Spring BHL

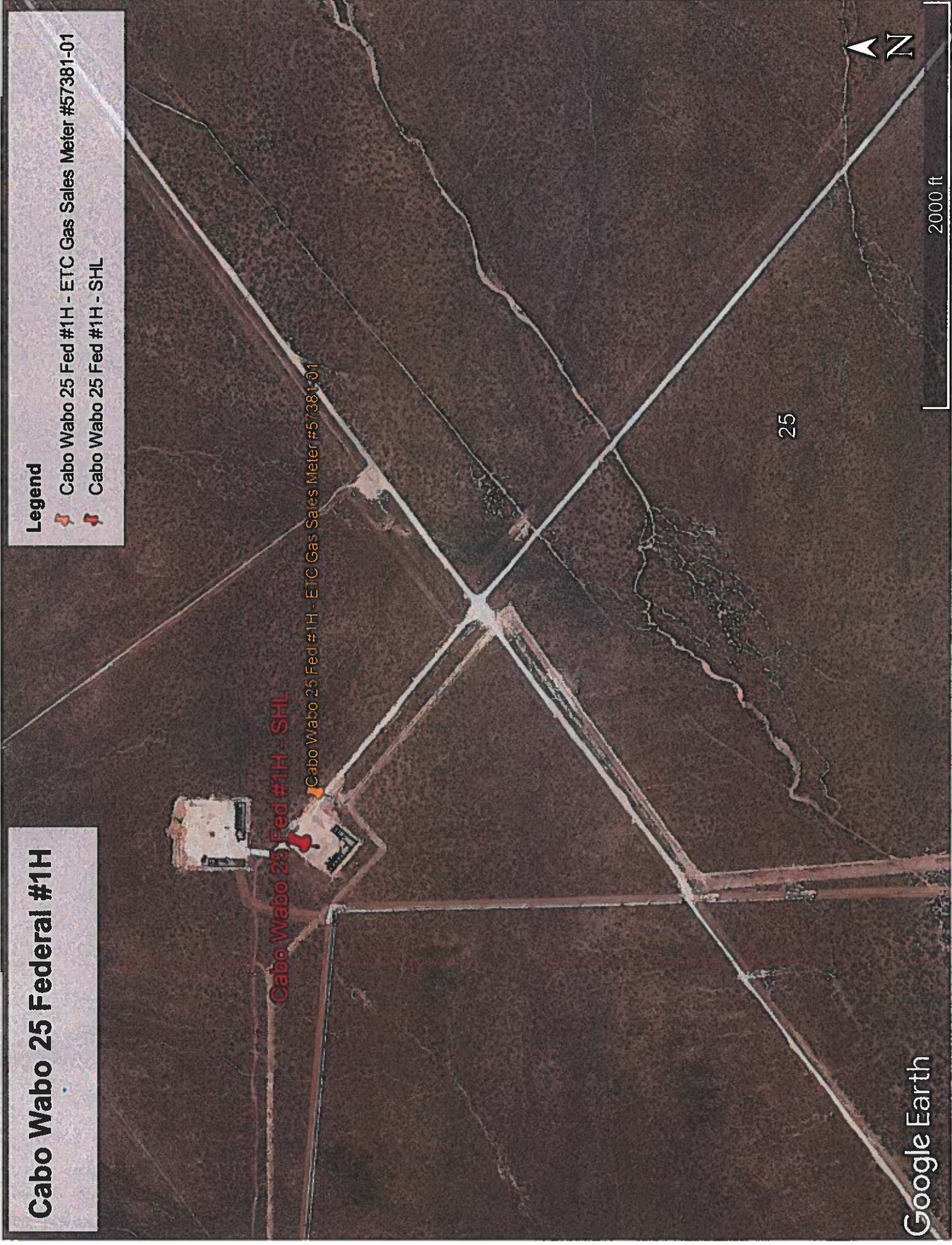
- ETC Gas Sales Meter #57381
- ETC Gas Supply Meter #12381
- COG Gas Allocation Meters
 - 1H - 88522315 (FMP)
 - 3H - 88522187 (FMP)
 - 5H - 88522151 (FMP)
- Gas Lift Meter #88522162
- Gas Lift Compressor
- Oil Storage Tanks

Sec. 24, 25-T25S-R29E
Eddy County

Cabo Wabo 25 Federal #1H

Legend

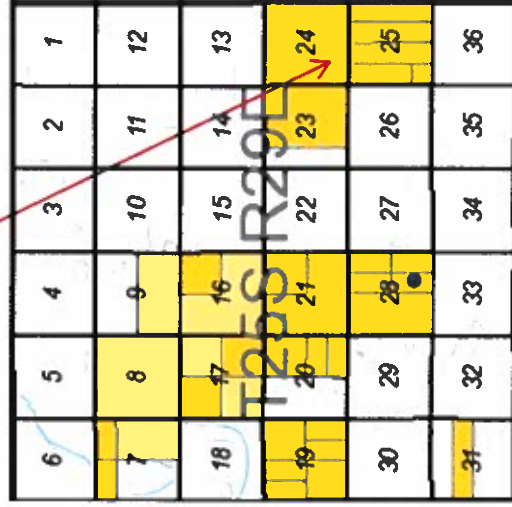
-  Cabo Wabo 25 Fed #1H - ETC Gas Sales Meter #57381-01
-  Cabo Wabo 25 Fed #1H - SHL



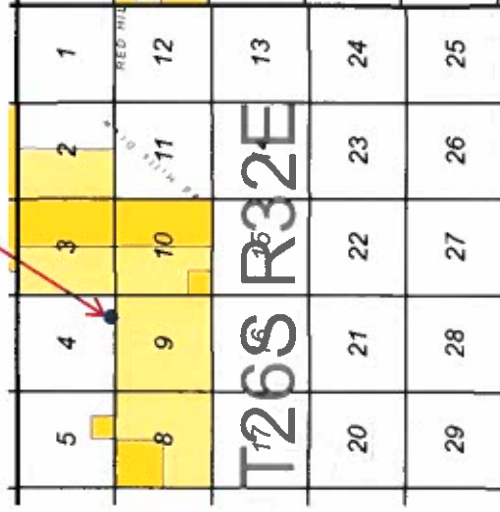
Cabo Wabo 25 Fed 1H, Cabo Wabo Fed Com 3H & Cabo Wabo 24 Fed 5H

Red Hills and Jal Offload Station Map

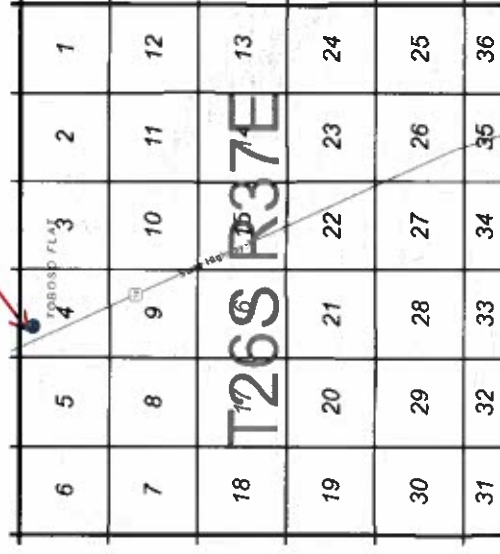
Cabo Wabo 25 Fed 1H, Cabo Wabo Fed Com 3H & Cabo Wabo 24 Fed 5H
Eddy County, NM



Red Hills Offload Station
Lea County, NM



Jal Offload Station
Lea County, NM



Production Summary Report						
API: 30-015-40440						
CABO WABO 25 FEDERAL #001H						
Printed On: Thursday, August 20 2020						
		Production				
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBL)	Days P/I
2020	[96217] WILLOW LAKE;BONE SPRING, SOUTHEAST	Jan	0	0	0	0
2020	[96217] WILLOW LAKE;BONE SPRING, SOUTHEAST	Feb	0	0	0	0
2020	[96217] WILLOW LAKE;BONE SPRING, SOUTHEAST	Mar	0	0	0	0
2020	[96217] WILLOW LAKE;BONE SPRING, SOUTHEAST	Apr	0	0	0	0
2020	[96217] WILLOW LAKE;BONE SPRING, SOUTHEAST	May	0	0	0	0
2020	[96217] WILLOW LAKE;BONE SPRING, SOUTHEAST	Jun	0	0	0	0

Production Summary Report						
API: 30-015-42507						
CABO WABO 25 FEDERAL COM #003H						
Printed On: Thursday, August 20 2020						
		Production				
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBL)	Days P/I
2020	[96217] WILLOW LAKE;BONE SPRING, SOUTHEAST	Jan	1170	46882	14614	31
2020	[96217] WILLOW LAKE;BONE SPRING, SOUTHEAST	Feb	901	43799	14673	29
2020	[96217] WILLOW LAKE;BONE SPRING, SOUTHEAST	Mar	1251	44004	14314	31
2020	[96217] WILLOW LAKE;BONE SPRING, SOUTHEAST	Apr	1265	45377	14075	30
2020	[96217] WILLOW LAKE;BONE SPRING, SOUTHEAST	May	1048	41249	12704	31
2020	[96217] WILLOW LAKE;BONE SPRING, SOUTHEAST	Jun	904	33966	11558	30

Production Summary Report						
API: 30-015-42482						
CABO WABO 24 FEDERAL #005H						
Printed On: Thursday, August 20 2020						
		Production				
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBL)	Days P/I
2020	[96217] WILLOW LAKE;BONE SPRING, SOUTHEAST	Jan	560	24202	5113	31
2020	[96217] WILLOW LAKE;BONE SPRING, SOUTHEAST	Feb	6	22080	4559	29
2020	[96217] WILLOW LAKE;BONE SPRING, SOUTHEAST	Mar	498	24088	5136	31
2020	[96217] WILLOW LAKE;BONE SPRING, SOUTHEAST	Apr	566	22545	4651	30
2020	[96217] WILLOW LAKE;BONE SPRING, SOUTHEAST	May	536	24545	4702	31
2020	[96217] WILLOW LAKE;BONE SPRING, SOUTHEAST	Jun	499	23495	4513	30

CABO WABO 25 FED 1H, CABO WABO 25 FED COM 3H & CABO WABO 24 FED 5H

Date Sent	Initials	Name	Address	City	State	ZipCode	Certified Return Receipt No.	Delivered
08.27.20	JB	BLM	620 E. GREEN ST	CARLSBAD	NM	88220	7017 3040 0000 1206 3886	
08.27.20	JB	MALAGA ROYALTY LLC	P O BOX 2064	MIDLAND	TX	79702	7017 3040 0000 1205 3382	
08.27.20	JB	MALAGA EF7 LLC	PO BOX 2064	MIDLAND	TX	79702	7017 3040 0000 1205 3486	
08.27.20	JB	DEVON ENERGY PRODUCTION CO LP	333 W. Sheridan Ave	Oklahoma City	OK	73102-5010	7017 3040 0000 1205 3467	
08.27.20	JB	James E. Geitgey	P.O. Box 51451	Midland	TX	79710-1451	7017 3040 0000 1205 3481	
08.27.20	JB	C MARK WHEELER	PO BOX 248	ROUND ROCK	TX	78680	7017 3040 0000 1205 3498	
08.27.20	JB	MITCHELLE CHENEY	7670 WOODWAY, SUITE 175	HOUSTON	TX	77063	7017 3040 0000 1205 3504	
08.27.20	JB	PAUL R BARWIS	PO BOX 230	MIDLAND	TX	79702	7017 3040 0000 1205 3429	
08.27.20	JB	RICHARD E MASTERSON	5712 HEARTLAND CT	MIDLAND	TX	79707	7017 3040 0000 1205 3412	
08.27.20	JB	CHISOS MINERALS LLC	1111 BAGBY ST STE 2150	HOUSTON	TX	77002	7017 3040 0000 1205 3450	
08.27.20	JB	FORTIS MINERALS II, LLC	1111 BAGBY STREET, SUITE 2150	HOUSTON	TX	77002	7017 3040 0000 1205 3405	
08.27.20	JB	CORNERSTONE FAMILY TRUST	PO BOX 558	PEYTON	CO	80831-0558	7017 3040 0000 1205 3399	



United States Department of the Interior

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



IN REPLY REFER TO:

NMNM135081
3105.2 (NM925)

JUN 14 2019

Reference:

Communitization Agreement
Cabo Wabo 25 Fed Com #3H
Section 24: W2E2,
Section 25: W2E2.
T. 25 S., R. 29 E., N.M.P.M.
Eddy County, NM

COG Production LLC
600 W. Illinois Ave.
Midland, TX 79701

To Whom it May Concern:

On September 15, 2015, Communitization Agreement NMNM 135081 was approved for the following area:

T. 25 S., R. 29 E., NMPM
Section 24: E2W2, E2,
Section 25: E2W2, E2
Eddy County, NM 960.00 acres

This Communitization Agreement has been changed to the following:

Enclosed is an approved copy of Communitization Agreement NMNM 135081 involving 160 acres of Federal land in lease NMNM 120895, and 160 acres of Federal land in lease NMNM 98821, 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 of Sec. 24, and W2E2 of Sec. 25, T. 25 S., R. 29 E., NMPM, Eddy County, NM, and is effective May 15, 2015. 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.

Reception: 1910978 Book: 1126 Page: 1074 Pages: 9

Recorded: 08/19/2019 02:28 PM Fee: \$25.00

Eddy County, New Mexico - Robin Van Natta, County Clerk



TW

COG OPERATING LLC
ATTN TESSA ELDER 1CC-8
800 W ILLINOIS AVE
MIDLAND, TX 79701

308472

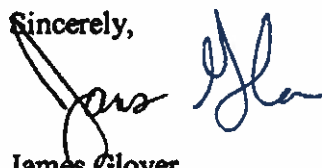
Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is 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 Margie Dupre at (505) 954-2142.

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

Sincerely,



James Glover
Supervisory Geologist
Branch of Reservoir Management
Division of Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver

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

NMOCD

NM (9200)

NM (P0220-CFO)

NMSO (NM925, File)


Determination – Approval – Certification

Pursuant to the authority nested 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 W2E2 of sec. 24 and W2E2 of sec. 25, T. 25 S., R. 32 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.
- 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:

JUN 14 2019



James Glover
Supervisory Geologist
Branch of Reservoir Management
Division of Minerals

Effective: May 15, 2015

Contract No: Com. Agr. NMNM135081

RECEIVED

MAY 10 2019

Contract No. NMMN135081BLM, NMSO
SANTA FE

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 24: W2E2
Section 25: W2E2
Eddy County, New Mexico

containing 320.00 acres, and this agreement shall include only the Bone Spring Formation underlying said lands and the natural gas and associated liquid hydrocarbons, 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 Production 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 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 May 15, 2015, 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.

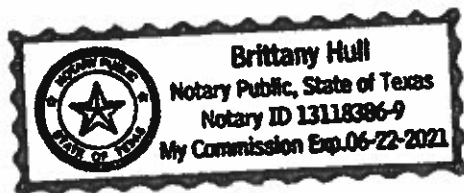
OPERATOR/RECORD TITLE OWNER/WORKING INTEREST OWNER

COG PRODUCTION LLC

By: 
Mark A. Carter
Attorney-in-Fact
4R
INC

STATE OF TEXAS)
)
COUNTY OF MIDLAND)

This instrument was acknowledged before me on April 17, 2019, by Mark A. Carter, Attorney-in-Fact of COG Production LLC, a Texas limited liability company, on behalf of same.



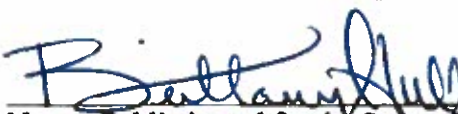

Notary Public in and for the State of Texas

EXHIBIT "A"

Plat of communitized area covering the W2E2 of Sections 24 & 25, T2S-R29E,
Eddy County, New Mexico

Cabo Wabo 25 Fed Com 3H

24-T25S-R29E			
		Tract 1 NMNM 120895 160 ac	
25-T25S-R29E			
		Tract 2 NMNM 098821 160 ac	

Federal Communitization Agreement – Fed/Fed
Cabo Wabo 25 Fed Com 3H

EXHIBIT "B"

Description of leases covering the W2E2 of Sections 24 & 25, T2S-R29E,
Eddy County, New Mexico

Operator of Communitized Area: COG Production LLC

TRACT 1

Date: October 31, 2008
 Lessor: United States of America
 Current Lessee: COG Production LLC
 Lease No.: NMNM - 120895
 Description: Insofar and only insofar as said lease covers:
Township 25 South, Range 29 East, N.M.P.M.
 Section 24: W2E2
 Eddy County, New Mexico
 No. of Acres: 160.00
 Working Interest Owners: COG Production LLC 100.00%
 ORRIs: Of Record.

TRACT 2

Date: June 1, 1997
 Lessor: United States of America
 Current Lessee: COG Production LLC
 Lease No.: NMNM - 098821
 Description: Insofar and only insofar as said lease covers:
Township 25 South, Range 29 East, N.M.P.M.
 Section 25: W2E2
 Eddy County, New Mexico
 No. of Acres: 160.00
 Working Interest Owners: COG Production LLC 100.00%
 ORRIs: Of Record.

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest In Communitized Area
1	160.00	50.00%
2	160.00	50.00%
TOTAL	320.00	100.00%