

DATE IN 8/11/2015	SUSPENSE	ENGINEER MAM	LOGGED IN 8/11/2015	TYPE CTB	APP NO. PMA1522358872
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ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
- 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

**Application Acronyms:**

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]  
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication  
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement  
☐ DHC ☒ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify \_\_\_\_\_

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

[A] ☒ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☒ Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or

[F] ☐ Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **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.

Mayte Reyes  
Print or Type Name

Signature

Regulatory Analyst  
Title

8/11/15  
Date

Bobwhite 12 State Com #3H and #4H

mreyes1@concho.com  
e-mail Address

-CTB761  
-LOG OPERATING, LLC  
22437

RECEIVED OGD  
2015 AUG 11 P 3:47

WCH  
-Bobwhite 12 State  
Com #3H  
30-025-4107  
-Bobwhite 12 State  
44  
30-025-41092  
POW  
-Bernys Binespang  
North  
5535



August 11, 2015

New Mexico Oil Conservation Division  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

Attention: Mr. Michael McMillan

COG Operating LLC respectfully requests administrative approval to surface lease commingle oil and gas production and off lease sales of gas for the following wells:

Bobwhite 12 State Com #3H  
Berry; Bone Spring, North  
Section 12. T21S. R33E  
API# 30-015-41137  
Lease# VB-1392-0004 & VB-1928-0000  
Lea County, NM

Bobwhite 12 State Com #4H  
Berry; Bone Spring, North  
Section 12. T21S. R33E  
API# 30-015-41092  
Lease# VB-1392-0004 & VO-8252-0004  
Lea County, NM

The battery is located at the Bobwhite 12 State Com #3H. Please see attached production facility diagram.

The ownership is diversified. All owners have been notified. Copies of certified owner letters are attached.

Oil measurement:

Both wells are equipped with continuously metering separators for oil production prior to oil being commingled for sale at the Bobwhite 12 State Com #3H. Total sales/production will be allocated back to each individual well using metered well tests volumes. Metered volumes will be compared to the total battery volumes. Any vapor recovery gas shall be included in this application.

Estimated daily production for the Bobwhite 12 State Com #3H 200bbls oil, 375mcf and 260bbls of water Estimated daily production for the Bobwhite 12 State Com #4H is 600bbls oil, 1000mcf and 1300bbls of water.

CORPORATE ADDRESS

One Concho Center | 600 West Illinois Avenue | Midland, Texas 79701  
PHONE 432.683.7443 | FAX 432.683.7441

LOCAL ADDRESS

Concho West | 2208 West Main Street | Artesia, New Mexico 88210  
PHONE 575.748.6940 | FAX 575.748.6968



**Gas measurement:**

Each well will have its own meter. Total gas production and sales will be based on the measurement at the DCP sales meter CDP#15797 located in Section 1. T21S. R33E. Unit letter I.

The purpose of this Surface Lease Commingle is in the interest of conservation, the reduction of environmental impact area, and overall emissions. It will not result in reduced royalty or improper measurement of production. Without approval for utilizing the same battery, it will become necessary to build separate facilities for each well.

If you have any questions regarding this application, please contact me at 575-748-6945 or by email at [mreyes@concho.com](mailto:mreyes@concho.com) or Melanie J Wilson at 575-748-6952 email [mwilson@concho.com](mailto:mwilson@concho.com).

Sincerely,

A handwritten signature in cursive script that reads "Mayte Reyes".

Mayte Reyes  
Regulatory Analyst

Enclosure

**CORPORATE ADDRESS**

One Concho Center | 600 West Illinois Avenue | Midland, Texas 79701  
PHONE 432.683.7443 | FAX 432.683.7441

**LOCAL ADDRESS**

Concho West | 2208 West Main Street | Artesia, New Mexico 88210  
PHONE 575.748.6940 | FAX 575.748.6968

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, NM 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 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: Marie Reyes

TITLE: Regulatory Analyst

DATE: 8/11/15

TYPE OR PRINT NAME Marie Reyes

TELEPHONE NO.: 575-748-6945

E-MAIL ADDRESS mreyes1@concho.com



1625 N. French Dr., Hobbs, NM 88240  
Phone: (505) 399-6161 Fax: (505) 399-6720  
County: **Chisago**  
811 S. First St., Artesia, NM 88210  
(505) 748-4283 Fax: (505) 748-9720  
Rio Bravo Blvd., Artesia, NM 88210  
Phone: (505) 334-6173 Fax: (505) 334-6170  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

OFFICE OF NEW MEXICO

Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Revised August 1, 2011  
Submit one copy to appropriate  
District Office

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

30-025- <sup>1</sup> APN Number <b>47737</b>	<sup>2</sup> 5535	BERRY, BONE SPRING, NORTH
<sup>3</sup> Property Code <b>39843</b>	<sup>4</sup> Property Name <b>BOBWHITE 12 STATE COM</b>	<sup>5</sup> Well Number <b>3H</b>
<sup>6</sup> OGRID No. <b>286989</b>	<sup>7</sup> Operator Name <b>BLUESTEM ENERGY HOLDINGS, LLC</b>	<sup>8</sup> Elevation <b>3777.0</b>

**Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
<b>A</b>	<b>12</b>	<b>21S</b>	<b>33E</b>		<b>160</b>	<b>NORTH</b>	<b>496</b>	<b>EAST</b>	<b>LEA</b>

**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>P</b>	<b>12</b>	<b>21S</b>	<b>33E</b>		<b>330</b>	<b>SOUTH</b>	<b>496</b>	<b>EAST</b>	<b>LEA</b>

<sup>9</sup> Dedicated Acres	<sup>10</sup> Job or Infill	<sup>11</sup> Consolidation Code	<sup>12</sup> Order No.
<b>160</b>	<b>C</b>		

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.

<p>Wind, BLM cap (typ) NW CORNER SEC 12 N=545592.25 (NAD 27) E=748271.22</p> <p>NEC SECT 12 N=548742.18 (NAD 27) E=751682.04</p> <p>Wind, BLM cap (typ) SW CORNER SEC 12 N=541481.24 (NAD 27) E=751702.50</p>	<p>S89°27'34"W 5.291'</p> <p><b>SURFACE LOCATION</b> BOBWHITE 12 ELEV = 3777.0 LAT. 32.5000° N (NAD 27) LONG. -103.5186° W N=548577.50 (NAD 27) E=751167.25</p> <p><b>BOTTOM HOLE</b> LAT: 32.48884° (NAD 27) LONG. -103.51886° W N=541783.74 (NAD 27) E=751204.0</p>	<p><b>OPERATOR CERTIFICATION</b> I hereby certify that the information submitted herein is true and accurate to the best of my knowledge and belief, and that the operator is either owner or working interest or mineral interest owner in the land including the proposed bottom hole location or has a right to drill this well on the 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.</p> <p>Signature: <i>Brian Wood</i> Date: <b>4-22-13</b></p> <p>Printed Name: <b>Brian Wood</b></p> <p>Email Address: <b>brian@permitswest.com</b></p>
<p>SECTION 12</p>		<p><b>SURVEYOR CERTIFICATION</b> 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.</p> <p>Date of Survey: <b>1/31/2013</b></p> <p>Signature and Seal: <i>Charles P. Rutherford</i></p> <p>Certificate Number: <b>18332</b></p>



1025 N. 1st St., Hobbs, NM 88240  
Phone: (575) 395-4141 Fax: (575) 395-0720  
111 S. First St., Artesia, NM 88210  
Phone: (575) 345-1200 Fax: (575) 749-9720  
1600 N. 1st Street, Alamogordo, NM 88310  
Phone: (505) 334-4170 Fax: (505) 334-4170  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 474-3400 Fax: (505) 474-3442

STATE OF NEW MEXICO  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr. Santa Fe, NM 87505

Revised August 1, 2011  
Submit one copy to appropriate District Office

FEB 27 2013

☐ AMENDED REPORT

RECEIVED

WELL LOCATION AND ACREAGE DEDICATION PLAT

30-025-APN 47092	5535	BERRY, BONE SPRING; NORTH
Property Code 39369	Property Name BOBWHITE 12 STATE COM	Well Number 4H
GRID No. 286989	Operator Name BLUESTEM ENERGY HOLDINGS, LLC	Elevation 3783.0

Surface Location									
UI or lot no. D	Section 12	Township 21S	Range 33E	Lot No. 160	Feet from the 160	North/South line NORTH	Feet from the 496	East/West line WEST	County LEA

Bottom Hole Location If Different From Surface									
UI or lot no. M	Section 12	Township 21S	Range 33E	Lot No. 330	Feet from the 330	North/South line SOUTH	Feet from the 496	East/West line WEST	County LEA

Dedicated Acres 160	State or local C	Consolidation Code	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.

NW CORNER SEC 12 1st. BLM map 0798

<p><b>SURFACE LOCATION</b> BOBWHITE 12 J ELEV = 3783.0 LAT: 32.5000° N (NAD 27) LONG: -103.53260° W N=548530.94 (NAD 27) E=748805.18</p> <p><b>SECTION 12</b></p> <p><b>BOTTOM HOLE</b> LAT: 32.48882° (NAD 27) LONG: -103.53260° W N=541746.20 (NAD 27) E=748805.18</p> <p><b>NW CORNER SEC 12</b> 1st. BLM map 0798</p>	<p><b>NEC. SEC. 12</b> 1st. BLM map 0798</p> <p><b>SEC. SEC. 12</b> 1st. BLM map 0798</p>	<p><b>OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and accurate to the best of my knowledge and belief, and that this information was obtained from reliable sources or from a right to drill this well at this location. Signature: <i>Brian Wood</i> Date: 2-27-13 Printed Name: Brian Wood E-mail Address: brian@permitswest.com</p> <p><b>SURVEYOR CERTIFICATION</b> 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. Date of Survey: 2/27/2013 Signature: <i>Charles P. Rutherford</i> Printed Name: Charles P. Rutherford E-mail Address: <i>crutherford@permitswest.com</i> Professional Seal: </p>
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COG Operating LLC.  
2208 W Main St.  
Artesia, NM 88210

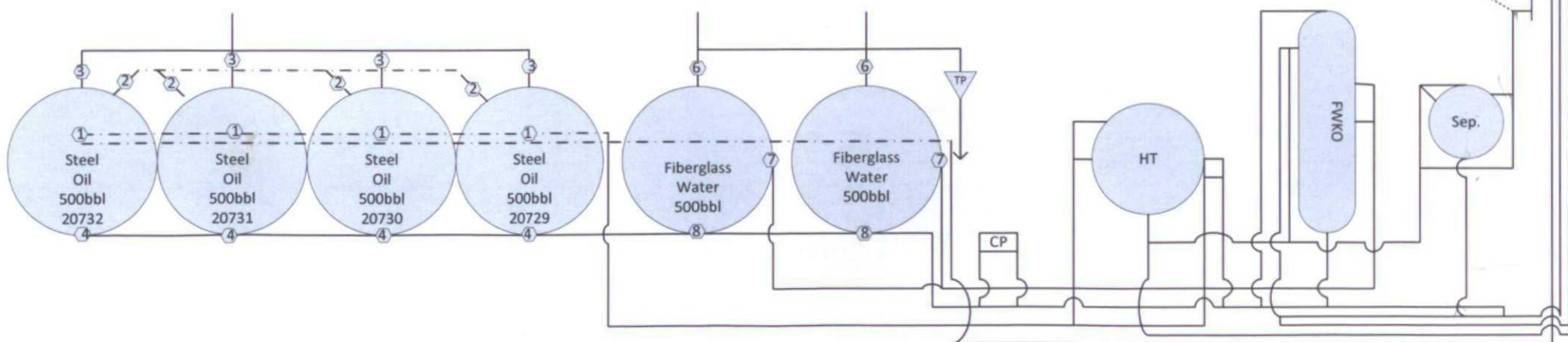
Bobwhite 12 St Com 3H  
30-25-41137  
12/21S/33E  
Lea County



Road

Flowline from 4H - not installed

Poly Meter run to Lighting P-38 St. 3H-DCP Meter #15797 1/21S/33E UL I





Bobwhite 12 St Com 3H  
30-25-41137  
12/21S/33E  
Lea County

**Production Phase (OT#1)**

- A. Valves #1,#2,#4,#7, and #8 Open
- B. Valve #3 Closed and Sealed
- C. Valve #6 Closed
- D. Valves on OT #2, and #3 Positioned:
  - 1. Valves #1, #3, & #4 Closed and sealed

**II. Sales Phase (OT#1)**

- A. Valves #1, #2 and #4 Closed and Sealed
- B. Valve #3 on OT #1 Open
- C. Valves on OT #2, and #3 Positioned:
  - 1. Valve #1, and #2, Open
  - 2. Valve #3 Closed and Sealed

**Sales Phase (OT#2)**

- A. Valves #1, #2 and #4 Closed and Sealed
- B. Valve #3 on OT #2 Open
- C. Valves on OT #1, and #3 Positioned:
  - 1. Valve #1, and #2 Open
  - 2. Valve #3 Closed and Sealed

**Production Phase (OT #2)**

- A. Valves #1, #2, #4, #7, and #8 Open
- B. Valve #3 Closed and Sealed
- C. Valve #6 Closed
- D. Valves on OT #1, and #3 Positioned:
  - 1. Valves #1, #3 & #4 Closed and Sealed

**Sales Phase (OT#3)**

- A. Valves #1, #2 and #4 Closed and Sealed
- B. Valve #3 on OT #3 Open
- C. Valves on OT #1, and #2 Positioned:
  - 1 Valve #1, and #2 Open
  - 2. Valve #3 Closed and Sealed

**Production Phase (OT #3)**

- A. Valves #1,#2,#4,#7, & #8 Open
- B. Valve #3 Closed and Sealed
- C. Valve #6 Closed
- D. Valves on OT #1, and #2, Positioned:
  - 1. Valves #1, #3 & #4 Closed and Sealed

**Sales Phase (OT#4)**

- A. Valves #1, #2 and #4 Closed and Sealed
- B. Valve #3 on OT #4 Open
- C. Valves on OT #1, #2, and #3 Positioned:
  - 1 Valve #1, and #2 Open
  - 2. Valve #3 Closed and Sealed

**Production Phase (OT #4)**

- A. Valves #1,#2,#4,#7, & #8 Open
- B. Valve #3 Closed and Sealed
- C. Valve #6 Closed
- D. Valves on OT #1, #2, and #3 Positioned:
  - 1. Valves #1, #3 & #4 Closed and Sealed



**BOBWHITE 12 STATE COM #3H**

THE ALLAR COMPANY	W1	0.03358019	0.02585674	P.O. Box 1567 Graham, Texas 76450-1567
MYCO INDUSTRIES INC	Non-Consent			105 S. Fourth Street Artesia, New Mexico 88210
PETRO-QUEST OIL & GAS LP	W1	0.01041673	0.00802087	P.O. Box 294151 Kerrville, Texas 78029
WHITING OIL & GAS CORP.	ORR1	0	0.0529167	400 W Illinois Ave # 1300 Midland, Texas 79701
YATES PETROLEUM CORP	W1	0.08289329	0.06382783	105 S. Fourth Street Artesia, New Mexico 88210
COMMISSIONER OF PUBLIC LANDS	STATE	0	0.1770833	
COG OPERATING LLC	W1	0.50531894	0.38909558	
ABO PETROLEUM CORPORATION	W1	0.01184190	0.00911826	105 S. Fourth Street Artesia, New Mexico 88210
OXY Y-1 COMPANY	Non-Consent			P.O. Box 27570 Houston, Texas 77227-7570
GAMBLE PRODUCTION PARTNERS LLC	W1	0.25	0.1925	500 W. Texas Ave., Suite 1000 Midland, Texas 79701
GMT EXPLORATION COMPANY LLC	W1	0.10074055	0.0775702	1560 Broadway, Suite 2000 Denver, Colorado 80202
HOFFMANN PARTNERSHIP, LTD	W1	0.0052084	0.00401047	265 Saint Mark Path Kerrville, Texas 78028

**BOBWHITE 12 STATE COM #4H**

THE ALLAR COMPANY	W1	0.03358019		P.O. Box 1567 Graham, Texas 76450-1567
MYCO INDUSTRIES INC	W1	0.01156792		105 S. Fourth Street Artesia, New Mexico 88210
PETRO-QUEST OIL & GAS LP	W1	0.01041673		P.O. Box 294151 Kerrville, Texas 78029
WHITING OIL & GAS CORP.	ORR1	0		400 W Illinois Ave # 1300 Midland, Texas 79701
YATES PETROLEUM CORP	W1	0.08097548		105 S. Fourth Street Artesia, New Mexico 88210
COMMISSIONER OF PUBLIC LANDS	STATE	0	0.17708334	
COG OPERATING LLC	W1	0.49594279		
ABO PETROLEUM CORPORATION	W1	0.01156793		105 S. Fourth Street Artesia, New Mexico 88210
OXY Y-1 COMPANY	Non-Consent	0		P.O. Box 27570 Houston, Texas 77227-7570
GAMBLE PRODUCTION PARTNERS LLC	W1	0.25000000		500 W. Texas Ave., Suite 1000 Midland, Texas 79701
GMT EXPLORATION COMPANY LLC	W1	0.10074056		1560 Broadway, Suite 2000 Denver, Colorado 80202
HOFFMANN PARTNERSHIP, LTD	W1	0.00520840		265 Saint Mark Path Kerrville, Texas 78028



August 11, 2015

The Allar Company  
P.O. Box 1567  
Graham, Texas 76450-1567

Re: Surface Lease Commingle and Off Lease Sales

Bobwhite 12 State Com #3H  
Berry; Bone Spring, North  
Section 12. T21S. R33E  
API# 30-015-41137  
Lease# VB-1392-0004 & VB-1928-0000  
Lea County, NM

Bobwhite 12 State Com #4H  
Berry; Bone Spring, North  
Section 12. T21S. R33E  
API# 30-015-41092  
Lease# VB-1392-0004 & VO-8252-0004  
Lea County, NM

Gentlemen:

Attached is a copy of COG's application to surface lease commingle oil and gas production and off lease sales of gas for the Bobwhite 12 State Com #3H and the Bobwhite 12 State Com #4H located in Section 12, T21S, R33E, Lea County, New Mexico. You are being sent a copy of this Application per OCD's requirement to notify all interested parties. If you have any objection to this Application, notification should be given to OCD within 20 days of receipt of this letter.

If you have any questions regarding this application, please contact me at 575-748-6945 or by email at [mreyes@concho.com](mailto:mreyes@concho.com) or Melanie J Wilson at 575-748-6952 or by email at [mwilson@concho.com](mailto:mwilson@concho.com).

Sincerely,

A handwritten signature in cursive script that reads "Mayte Reyes".

Mayte Reyes  
Regulatory Analyst

Enclosure



August 11, 2015

MYCO Industries Inc.  
105 S. Fourth Street  
Artesia, New Mexico 88210

Re: Surface Lease Commingle and Off Lease Sales

Bobwhite 12 State Com #3H

Berry; Bone Spring, North

Section 12. T21S. R33E

API# 30-015-41137

Lease# VB-1392-0004 & VB-1928-0000

Lea County, NM

Bobwhite 12 State Com #4H

Berry; Bone Spring, North

Section 12. T21S. R33E

API# 30-015-41092

Lease# VB-1392-0004 & VO-8252-0004

Lea County, NM

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Sincerely,

A handwritten signature in cursive script that reads "Mayte Reyes".

Mayte Reyes  
Regulatory Analyst

Enclosure

CORPORATE ADDRESS

One Concho Center | 600 West Illinois Avenue | Midland, Texas 79701  
PHONE 432.683.7443 | FAX 432.683.7441

LOCAL ADDRESS

Concho West | 2208 West Main Street | Artesia, New Mexico 88210  
PHONE 575.748.6940 | FAX 575.748.6968





August 11, 2015

PETRO-QUEST OIL & GAS LP  
P.O. Box 294151  
Kerrville, Texas 78029

Re: Surface Lease Commingle and Off Lease Sales

Bobwhite 12 State Com #3H  
Berry; Bone Spring, North  
Section 12. T21S. R33E  
API# 30-015-41137  
Lease# VB-1392-0004 & VB-1928-0000  
Lea County, NM

Bobwhite 12 State Com #4H  
Berry; Bone Spring, North  
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Sincerely,

A handwritten signature in cursive script that reads "Mayte Reyes".

Mayte Reyes  
Regulatory Analyst

Enclosure



August 11, 2015

Whiting Oil & Gas Corporation  
105 S. Fourth Street  
Artesia, New Mexico 88210

Re: Surface Lease Commingle and Off Lease Sales

Bobwhite 12 State Com #3H  
Berry; Bone Spring, North  
Section 12. T21S. R33E  
API# 30-015-41137  
Lease# VB-1392-0004 & VB-1928-0000  
Lea County, NM

Bobwhite 12 State Com #4H  
Berry; Bone Spring, North  
Section 12. T21S. R33E  
API# 30-015-41092  
Lease# VB-1392-0004 & VO-8252-0004  
Lea County, NM

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Regulatory Analyst

Enclosure



August 11, 2015

Yates Petroleum Corporation  
105 S. Fourth Street  
Artesia, New Mexico 88210

Re: Surface Lease Commingle and Off Lease Sales

Bobwhite 12 State Com #3H  
Berry; Bone Spring, North  
Section 12. T21S. R33E  
API# 30-015-41137  
Lease# VB-1392-0004 & VB-1928-0000  
Lea County, NM

Bobwhite 12 State Com #4H  
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Lea County, NM

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Regulatory Analyst

Enclosure





August 11, 2015

ABO Petroleum Corporation  
105 S. Fourth Street  
Artesia, New Mexico 88210

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Berry; Bone Spring, North  
Section 12. T21S. R33E  
API# 30-015-41137  
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Lea County, NM


Bobwhite 12 State Com #4H  
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Lea County, NM

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Sincerely,

  
Mayte Reyes  
Regulatory Analyst

Enclosure



August 11, 2015

OXY Y-1 Company  
P.O. Box 27570  
Houston, Texas 77227-7570

Re: Surface Lease Commingle and Off Lease Sales

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Berry; Bone Spring, North  
Section 12. T21S. R33E  
API# 30-015-41137  
Lease# VB-1392-0004 & VB-1928-0000  
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Regulatory Analyst

Enclosure



August 11, 2015

Gamble Production Partners LLC  
500 W. Texas Ave., Suite 1000  
Midland, Texas 79701

Re: Surface Lease Commingle and Off Lease Sales

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Berry; Bone Spring, North  
Section 12. T21S. R33E  
API# 30-015-41137  
Lease# VB-1392-0004 & VB-1928-0000  
Lea County, NM

Bobwhite 12 State Com #4H  
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Regulatory Analyst

Enclosure





August 11, 2015

GMT Exploration Company LLC  
1560 Broadway, Suite 2000  
Denver, Colorado 80202

Re: Surface Lease Commingle and Off Lease Sales

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Berry; Bone Spring, North  
Section 12, T21S, R33E  
API# 30-015-41137  
Lease# VB-1392-0004 & VB-1928-0000  
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Enclosure



August 11, 2015

Hoffmann Partnership, LTD  
265 Saint Mark Path  
Kerrville, Texas 78028

Re: Surface Lease Commingle and Off Lease Sales

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Berry; Bone Spring, North  
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Regulatory Analyst

Enclosure



August 11, 2015

Commissioner of Public Lands  
PO Box 1148  
Santa Fe, NM 87504

Re: Surface Lease Commingle and Off Lease Sales

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Berry; Bone Spring, North  
Section 12. T21S. R33E  
API# 30-015-41137  
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Enclosure

CORPORATE ADDRESS

One Concho Center | 600 West Illinois Avenue | Midland, Texas 79701  
PHONE 432.683.7443 | FAX 432.683.7441

LOCAL ADDRESS

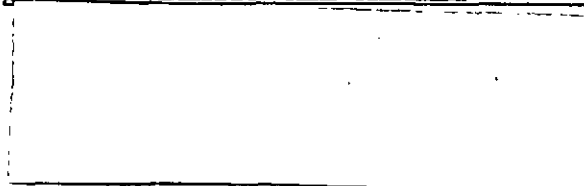
Concho West | 2208 West Main Street | Artesia, New Mexico 88210  
PHONE 575.748.6940 | FAX 575.748.6968



ONCHO

Main Street Artesia, New Mexico 88210

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Santa Fe, NM 87504-1148

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THE ALLAR COMPANY  
P.O. Box 1567  
Graham, Texas 76450-1567

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Commissioner of Public Lands  
P.O. Box 1148  
Santa Fe, NM 87504-1148

2. Article Number

(Transfer from service label)

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THE ALLAR COMPANY  
P.O. Box 1567  
Graham, Texas 76450-1567

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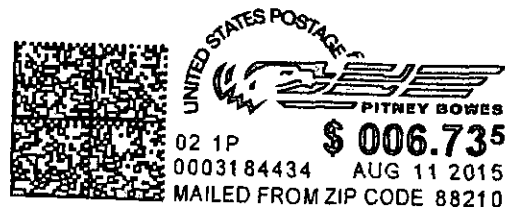
☐ Yes

**ONCHO**

Main Street Artesia, New Mexico 88210

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7011 1570 0000 7781 4506



MYCO INDUSTRIES INC  
105 S. Fourth Street  
Artesia, New Mexico 88210

**ONCHO**

Main Street Artesia, New Mexico 88210

**CERTIFIED MAIL**

7011 1570 0000 7781 4490



PETRO-QUEST OIL & GAS LP  
P.O. Box 294151  
Kerrville, Texas 78029

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<input type="checkbox"/> Complete Items 1, 2, and 3. Also complete Item 4 if Restricted Delivery is desired. <input type="checkbox"/> Print your name and address on the reverse so that we can return the card to you. <input type="checkbox"/> Attach this card to the back of the mailpiece, or on the front if space permits.		A. Signature <input type="checkbox"/> Agent <b>X</b> <input type="checkbox"/> Addressee	
1. Article Addressed to:  <b>MYCO INDUSTRIES INC</b> <b>105 S. Fourth Street</b> <b>Artesia, New Mexico 88210</b>		B. Received by (Printed Name)	C. Date of Delivery
		D. Is delivery address different from Item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
		3. Service Type <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Priority Mail Express™ <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> Collect on Delivery	
		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
2. Article Number (Transfer from service label)		<b>7011 1570 0000 7781 4506</b>	
PS Form 3811, July 2013		Domestic Return Receipt	

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1. Article Addressed to:  <b>PETRO-QUEST OIL &amp; GAS LP</b> <b>P.O. Box 294151</b> <b>Kernville, Texas 78029</b>		B. Received by (Printed Name)	C. Date of Delivery
		D. Is delivery address different from Item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
		3. Service Type <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Priority Mail Express™ <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> Collect on Delivery	
		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
2. Article Number (Transfer from service label)		<b>7011 1570 0000 7781 4490</b>	
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MAILED FROM ZIP CODE 88210

WHITING OIL & GAS CORP.  
400 W Illinois Ave # 1300  
Midland, Texas 79701

CERTIFIED MAIL<sup>®</sup>

ENCHO

Main Street Artesia, New Mexico 88210

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UNITED STATES POSTAGE<sup>®</sup>  
PITNEY BOWES  
02 1P \$ 006.735  
0003184434 AUG 11 2015  
MAILED FROM ZIP CODE 88210

YATES PETROLEUM CORP  
105 S. Fourth Street  
Artesia, New Mexico 88210



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OF THE RETURN ADDRESS, FOLD AT DOTTED LINE

**SENDER: COMPLETE THIS SECTION**

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1. Article Addressed to:

**WHITING OIL & GAS CORP**  
400 W Illinois Ave # 1300  
Midland, Texas 79701

2. Article Number  
(Transfer from service label)

7011 1570 0000 7781 4759

PS Form 3811, July 2013

Domestic Return Receipt

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A. Signature

**X**

- ☐ Agent
- ☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

3. Service Type

- ☒ Certified Mail®
- ☐ Registered
- ☐ Insured Mail
- ☐ Priority Mail Express™
- ☐ Return Receipt for Merchandise
- ☐ Collect on Delivery

4. Restricted Delivery? (Extra Fee)

☐ Yes

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**YATES PETROLEUM CORP**  
105 S. Fourth Street  
Artesia, New Mexico 88210

2. Article Number  
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7011 1570 0000 7781 4742

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**INCHO**

Main Street Artesia, New Mexico 88210

**CERTIFIED MAIL**

7011 1570 0000 7781 4735



UNITED STATES POSTAGE  
**PITNEY BOWES**  
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0003184434 AUG 11 2015  
MAILED FROM ZIP CODE 88210

ABO PETROLEUM CORPORATION  
105 S. Fourth Street  
Artesia, New Mexico 88210

**INCHO**

Main Street Artesia, New Mexico 88210

**CERTIFIED MAIL**

7011 1570 0000 7781 4711



UNITED STATES POSTAGE  
**PITNEY BOWES**  
02 1P \$ 006.735  
0003184434 AUG 11 2015  
MAILED FROM ZIP CODE 88210

OXY Y-1 COMPANY  
P.O. Box 27570  
Houston, Texas 77227-7570

**INCHO**

Main Street Artesia, New Mexico 88210

**CERTIFIED MAIL**

7011 1570 0000 7781 4704



02 1P \$ 006.73<sup>5</sup>  
0003184434 AUG 11 2015  
MAILED FROM ZIP CODE 88210

GAMBLE PRODUCTION PARTNERS LLC  
500 W. Texas Ave., Suite 1000  
Midland, Texas 79701

**INCHO**

Main Street Artesia, New Mexico 88210

**CERTIFIED MAIL**

7011 1570 0000 7781 4681



02 1P \$ 006.73<sup>5</sup>  
0003184434 AUG 11 2015  
MAILED FROM ZIP CODE 88210

GMT EXPLORATION COMPANY LLC  
1560 Broadway, Suite 2000  
Denver, Colorado 80202

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT  
OF THE RETURN ADDRESS, FOLD AND TAP HERE  
TO OPEN

**SENDER: COMPLETE THIS SECTION**

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GAMBLE PRODUCTION PARTNERS LLC  
500 W. Texas Ave., Suite 1000  
Midland, Texas 79701

2. Article Number

(Transfer from service label)

7011 1570 0000 7781 4704

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☐ Insured Mail

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**INCHO**

Main Street Artesia, New Mexico 88210

**CERTIFIED MAIL**

7011 1570 0000 7781 4698



UNITED STATES POSTAGE  
**PITNEY BOWES**  
02 1P **\$ 006.735**  
0003184434 AUG 11 2015  
MAILED FROM ZIP CODE 88210

HOFFMANN PARTNERSHIP, LTD  
265 Saint Mark Path  
Kerrville, Texas 78028

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HOFFMANN PARTNERSHIP, LTD  
265 Saint Mark Path  
Kerrville, Texas 78028

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X

☐ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail®

☐ Priority Mail Express™

☐ Registered

☐ Return Receipt for Merchandise

☐ Insured Mail

☐ Collect on Delivery

4. Restricted Delivery? (Extra Fee)

☐ Yes

2. Article Number

(Transfer from service label)

7011 1570 0000 7781 4698

PS Form 3811, July 2013

Domestic Return Receipt



# NEW MEXICO STATE LAND OFFICE

## CERTIFICATE OF APPROVAL

### COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

COG Operating LLC  
Bobwhite 12 State Com Well No. 003H  
Vertical Extent: Bone Spring  
Township: 21 South, Range: 33 East, NMPM  
Section 12 : E2E2  
Lea County, New Mexico

---

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Consolidation Agreement for the development and operation of acreage which is described within the referenced Agreement dated March 10, 2015, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 18<sup>th</sup> day of June, 2015.

  
\_\_\_\_\_  
COMMISSIONER OF PUBLIC LANDS  
of the State of New Mexico



**NEW MEXICO STATE LAND OFFICE**

**CERTIFICATE OF APPROVAL**

**COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

**COG Operating LLC  
Bobwhite 12 State Com Well No. 003H  
Vertical Extent: Bone Spring  
Township: 21 South, Range: 33 East, NMPM  
Section 12 : E2E2  
Lea County, New Mexico**

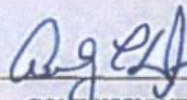
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IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 18<sup>th</sup> day of June, 2015.



**COMMISSIONER OF PUBLIC LANDS**  
of the State of New Mexico

# NEW MEXICO STATE LAND OFFICE

## CERTIFICATE OF APPROVAL

### COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

COG Operating LLC  
Bobwhite 12 State Com Well No. 003H  
Vertical Extent: Bone Spring  
Township: 21 South, Range: 33 East, NMPM  
Section 12 : E2E2  
Lea County, New Mexico

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- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
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IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 18<sup>th</sup> day of June, 2015.



COMMISSIONER OF PUBLIC LANDS  
of the State of New Mexico



area, if such a well is shut-in due to the inability of the operator to obtain a pipeline connection or to market the gas therefrom, and if either: (a) a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or (b) each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this Agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence.

As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.

12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.

13. 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 instruments, 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.

14. 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.

2015 JUN 16 PM 8 19

BOBWHITE 12 STATE COM #3H

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

OPERATOR & LESSEE OF RECORD: (VB-1392)

COG OPERATING LLC

BY: Mona D. Ables  
Mona D. Ables  
Vice President of Land

JAH  
/s/

LESSEE OF RECORD: (VB-1928)

YATES PETROLEUM CORPORATION

BY: \_\_\_\_\_

2015 JUN 16 PM 8 19



IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

OPERATOR & LESSEE OF RECORD: (VB-1392)

COG OPERATING LLC

BY: Mona D. Ables  
Mona D. Ables  
Vice President of Land

JAH

LESSEE OF RECORD: (VB-1928)

YATES PETROLEUM CORPORATION

BY: James S. Brown  
James S. Brown  
Chief Operating Officer

JB

2015 JUN 16 PM 8 19

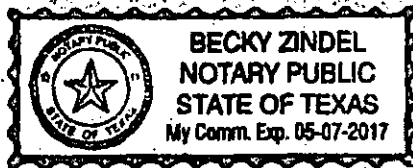
STATE OF TEXAS                   §  
  §  
COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on \_\_\_\_\_, 2015,  
by, \_\_\_\_\_, a Texas corporation, on behalf of same.

\_\_\_\_\_  
Notary Public in and for the State of Texas

STATE OF TEXAS                   §  
  §  
COUNTY OF MIDLAND           §

This instrument was acknowledged before me on April 28th, 2015, by  
Mona D. Ables, Vice President of Land of COG Operating LLC, a Delaware limited liability company, on  
behalf of same.



Becky Zindel  
Notary Public in and for the State of Texas

2015 JUN 16 PM 8 19

ACKNOWLEDGMENT

STATE OF TEXAS

§  
§  
§

COUNTY OF MIDLAND

This instrument was acknowledged before me on \_\_\_\_\_, 2015, by  
Mona D. Ablès, Vice President of Land of COG Operating LLC; a Delaware limited liability company, on  
behalf of same.

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

STATE OF NEW MEXICO

§

COUNTY OF EDDY

§  
§

The foregoing instrument was acknowledged before me this 01<sup>st</sup> day of MAY, 2015, by James  
S. Brown, Chief Operating Officer for Yates Petroleum Corporation, a New Mexico corporation on behalf  
of said corporation.

My commission expires: \_\_\_\_\_



SAMANTHA DAVIS  
NOTARY PUBLIC-STATE OF NEW MEXICO

My commission expires: 9/29/2018

S. Davis  
Notary Public

2015 JUN 16 PM 8 19

**EXHIBIT "A"**

Attached to and made a part of that Communitization Agreement dated March 10, 2015,  
covering Township 21 South, Range 33 East, NMPM, Section 12: E2E2  
Lea County, New Mexico, containing 160.00 acres, more or less.

**OPERATOR of Communitized Area:** COG Operating LLC

**DESCRIPTION OF LEASES COMMITTED:****TRACT NO. 1**

Serial No. of Lease:	VB-1392
Date of Lease:	March 31, 2008
Lessor:	State of New Mexico
Lessee of Record:	Clay Johnson
Description of Lands Committed:	Insofar and only insofar as lease covers <u>Township 21 South, Range 33 East, NMPM</u> Section 12: N2 Lea County, New Mexico
No. of Acres:	320.00, more or less
Royalty Rate:	3/16
Name and Percent of ORRI Owners:	As of Record
COG Operating LLC	100%



**TRACT NO. 2**

Serial No. of Lease:	VB-1928
Date of Lease:	September 30, 2010
Lessor:	State of New Mexico
Lessee of Record:	Yates Petroleum Corporation
Description of Lands Committed:	Insofar and only insofar as lease covers <u>Township 21 South, Range 33 East, NMPM</u> Section 12: SE4 Lea County, New Mexico
No. of Acres:	160.00, more or less
Royalty Rate:	3/16
Name and Percent of ORRI Owners:	As of Record
Yates Petroleum Corporation	100%

2015 JUN 16 PM 1:02

BOBWHITE 12 STATE COM #3H

Plat of communitized area covering Township 21 South, Range 33 East, NMPM, Section 12: E2E2  
Lea County, New Mexico, containing 160.00 acres, more or less.

			<b>Section 12</b>  SHL: 160' FNL & 496' FEL
			<b>Tract 1</b> St NM VB- 1392 80 acres
			<b>Tract 2</b> St NM VB- 1928 80 acres
			BHL: 330' FSL & 496' FWL 

2015 JUN 16 PM 8 19

RECAPITULATION

Tract Number	Number of Acres Committed	Percentage of Interest in Communitized Area
No. 1	80.00	50.00%
No. 2	80.00	50.00%
	160.00	100.00%

2015 JUN 16 PM 8 19

NM State Land Office  
Oil, Gas, & Minerals Division

STATE/STATE OR  
STATE/FEE  
Revised Feb. 2013

**COMMUNITIZATION AGREEMENT**  
ONLINE Version

STATE OF NEW MEXICO                   §  
  §     KNOW ALL MEN BY THESE PRESENTS:  
COUNTY OF     LEA                   §

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of May 4, 2015, by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & gas and the prevention of waste to consent to and approve the development or operation of State lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communitized area on an acreage or other basis found by the Commissioner to be fair and equitable.

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 leases are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the Bone Spring formation (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

WHEREAS, the parties hereto desire to communitize and pool their respective interests in said leases subject to this agreement for the purpose of developing, operating and producing



hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

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 undersigned as follows:

1. The lands covered by this agreement (hereinafter referred to as the "communitized area") are described as follows:

Township 21 South, Range 33 East, NMPM  
Section 12: W2W2  
Lea County, New Mexico

containing 160.00 acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "Communitized Substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this agreement for all purposes, is Exhibit A showing the acreage, and ownership (Lessees of Record) of all leases within the communitized area.

2. 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 therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.

3. Subject to Paragraph 4, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the

terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.

4. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.

5. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.

6. The commencement, completion, and continued operation or production of a well or wells for communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.

7. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, 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 compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.

8. COG Operating LLC shall be the Operator of said communitized area and all matters of operation shall be determined and performed by COG Operating LLC.

9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized

area, if such a well is shut-in due to the inability of the operator to obtain a pipeline connection or to market the gas therefrom, and if either: (a) a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or (b) each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this Agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.

12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.

13. 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 instruments, 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.

14. 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.

BOBWHITE 12 STATE COM #4H

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

OPERATOR & LESSEE OF RECORD: (VB-1392 & V0-8252)

COG OPERATING LLC

BY:

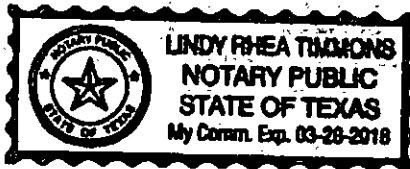
Mona D. Ables

Mona D. Ables  
Vice President of Land

JAH  
1/16

STATE OF TEXAS                   §  
  §  
COUNTY OF MIDLAND           §

This instrument was acknowledged before me on JULY 15TH, 2015, by  
Mona D. Ables, Vice President of Land of COG Operating LLC, a Delaware limited liability company, on  
behalf of same.



  
Notary Public in and for the State of Texas

**EXHIBIT "A"**

Attached to and made a part of that Communitization Agreement dated May 4, 2015,  
covering Township 21 South, Range 33 East, NMPM, Section 12: W2W2  
Lea County, New Mexico, containing 160.00 acres, more or less.

OPERATOR of Communitized Area: COG Operating LLC



**DESCRIPTION OF LEASES COMMITTED:****TRACT NO. 1**

Serial No. of Lease:	VB-1392
Date of Lease:	March 31, 2008
Lessor:	State of New Mexico
Lessee:	Clay Johnson
Description of Lands Committed:	Insofar and only insofar as lease covers <u>Township 21 South, Range 33 East, NMPM</u> Section 12: W2N2 Lea County, New Mexico
No. of Acres:	80.00, more or less
Royalty Rate:	3/16
Name and Percent of ORRI Owners:	As of Record
COG Operating LLC	100%

**TRACT NO. 2**

Serial No. of Lease:	VO-8252
Date of Lease:	March 31, 2008
Lessor:	State of New Mexico
Lessee of Record:	Clay Johnson
Description of Lands Committed:	Insofar and only insofar as lease covers <u>Township 21 South, Range 33 East, NMPM</u> Section 12: W2SW4 Lea County, New Mexico
No. of Acres:	80.00, more or less
Royalty Rate:	1/6
Name and Percent of ORRI Owners:	As of Record
COG Operating LLC	100%

Plat of communitized area covering Township 21 South, Range 33 East, NMPM, Section 12: W2W2  
Lea County, New Mexico, containing 160.00 acres, more or less.

 SHL: 160' FNL & 496' FWL			
Tract 1 St NM VB- 1392 80 acres	Section 12		
Tract 2 St NM V0- 8252 80 acres			
BHL: 330' FSL & 496' FWL 			



RECAPITULATION

Tract Number	Number of Acres Committed	Percentage of Interest in Communitized Area
No. 1	80.00	50.00%
No. 2	80.00	50.00%
	160.00	100.00%