



ConocoPhillips
2208 West Main Street
Artesia, New Mexico 88210
www.conocophillips.com

January 12, 2023

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

Re: Application for Administrative Approval
Off-lease Measurement

Dear Mr. McClure,

COG Operating LLC respectfully requests approval for off-lease measurement for the following wells:

Gin and Tectonic Fed Com 501H
API# 30-025-48428
Mesa Verde; Bone Spring
Ut. P, Sec.5-T24S-R32E
Lea County, NM

Gin and Tectonic Fed Com 502H
API# 30-025-48429
Mesa Verde; Bone Spring
Ut. P, Sec.5-T24S-R32E
Lea County, NM

Gin and Tectonic Fed Com 503H
API# 30-025-48430
Mesa Verde; Bone Spring
Ut. O, Sec.5-T24S-R32E
Lea County, NM

Oil Production:

The oil production from these wells may be transported by truck to either the Red Hills Offload Station, located in Unit O, Section 4-T26S-R32E, or the Jal Offload Station, located in Unit D, Section 4-T26S-R37E, Lea County in the event the CTB on lease is over capacity or in the case of battery or pipeline repairs. Oil will remain segregated and will be measured by lact meter when offloading at the Offload Stations.

Notifications have been sent to all working interest owners

Please see the enclosed Administrative Application Checklist, C-107-B Application for Off Lease Measurement, plats for referenced wells, site facility diagram, maps with lease boundaries showing wells and facility locations and communization agreement application.

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

Sincerely,
Jeanette Barron

Jeanette Barron
Regulatory Coordinator

Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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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: _____ OGRID Number: _____
 Well Name: _____ API: _____
 Pool: _____ Pool Code: _____

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.

01.12.23

Date

Print or Type Name

Phone Number

Jeanette Barron

Signature

e-mail Address

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
OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Form C-107-B
Revised August 1, 2011

Submit the original
application to the Santa Fe
office with one copy to the
appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: COG Operating LLC
OPERATOR ADDRESS: 2208 W Main Street, Artesia, New Mexico 88210
APPLICATION TYPE:

☐ Pool Commingling ☐ Lease Commingling ☐ Pool and Lease Commingling ☒ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☐ State ☒ Federal

Is this an Amendment to existing Order? ☐ Yes ☐ No If "Yes", please include the appropriate Order No. _____
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
☐ Yes ☐ No

(A) POOL COMMINGLING

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

- (2) Are any wells producing at top allowables? ☐ Yes ☐ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No.
(4) Measurement type: ☐ Metering ☐ Other (Specify)
(5) Will commingling decrease the value of production? ☐ Yes ☐ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING

Please attach sheets with the following information

- (1) Pool Name and Code.
(2) Is all production from same source of supply? ☐ Yes ☐ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No
(4) Measurement type: ☐ Metering ☐ Other (Specify)

(C) POOL and LEASE COMMINGLING

Please attach sheets with the following information

- (1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT

Please 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 Coordinator DATE: 01.12.23

TYPE OR PRINT NAME Jeanette Barron TELEPHONE NO.: 575.748.6974

E-MAIL ADDRESS: jeanette.barron@conocophillips.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) 746-1283 Fax: (575) 746-9720

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-48428	Pool Code 96229	Pool Name Mesa Verde: Bone Spring
Property Code 329961	Property Name GIN AND TECTONIC FEDERAL COM	Well Number 501H
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3642.9'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	5	24-S	32-E		220	SOUTH	1265	EAST	LEA

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
I	32	23-S	32-E		2590	SOUTH	330	EAST	LEA
Dedicated Acres 639.13	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>NAD 83 NME <u>PROPOSED BOTTOM HOLE LOCATION</u> Y=459254.4 N X=740443.2 E LAT.=32.260923° N LONG.=103.689207° W</p>	<p style="text-align: center;">LTP 2540' FSL & 330' FEL Y=459204.4 N X=740443.3 E LAT.=32.260786° N LONG.=103.689208° W</p> <p style="text-align: center;">B.H.</p> <p style="text-align: center;">LEASE X-ING LAT.= 32.253803° N LONG.= 103.689228° W</p> <p style="text-align: center;">LEASE X-ING LAT.= 32.246551° N LONG.= 103.689249° W</p> <p style="text-align: center;">FTP 100' FSL & 330' FEL Y=451484.9 N X=740470.9 E LAT.=32.239566° N LONG.=103.689269° W GRID AZ. TO FTP 96°40'11"</p> <p style="text-align: center;">S.L. 1265' 220'</p>	<p>OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p><u>Jeanette Barron</u> 01.12.23 Signature Date</p> <p><u>Jeanette Barron</u> Printed Name</p> <p>jeanette.barron@conocophillips.com E-mail Address</p> <p>SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>MAY 8, 2020 Date of Survey</p> <p>Signature & Seal of Professional Surveyor</p> <div style="text-align: center;"> </div> <p><u>Chad Harcrow</u> 5/5/22 Certificate No. CHAD HARCROW 17777 W.O. # 22-247 DRAWN BY: WN</p>
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WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-48429	Pool Code 96229	Pool Name Mesa Verde; Bone Spring
Property Code 329961	Property Name GIN AND TECTONIC FEDERAL COM	Well Number 502H
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3640.8'

Surface Location

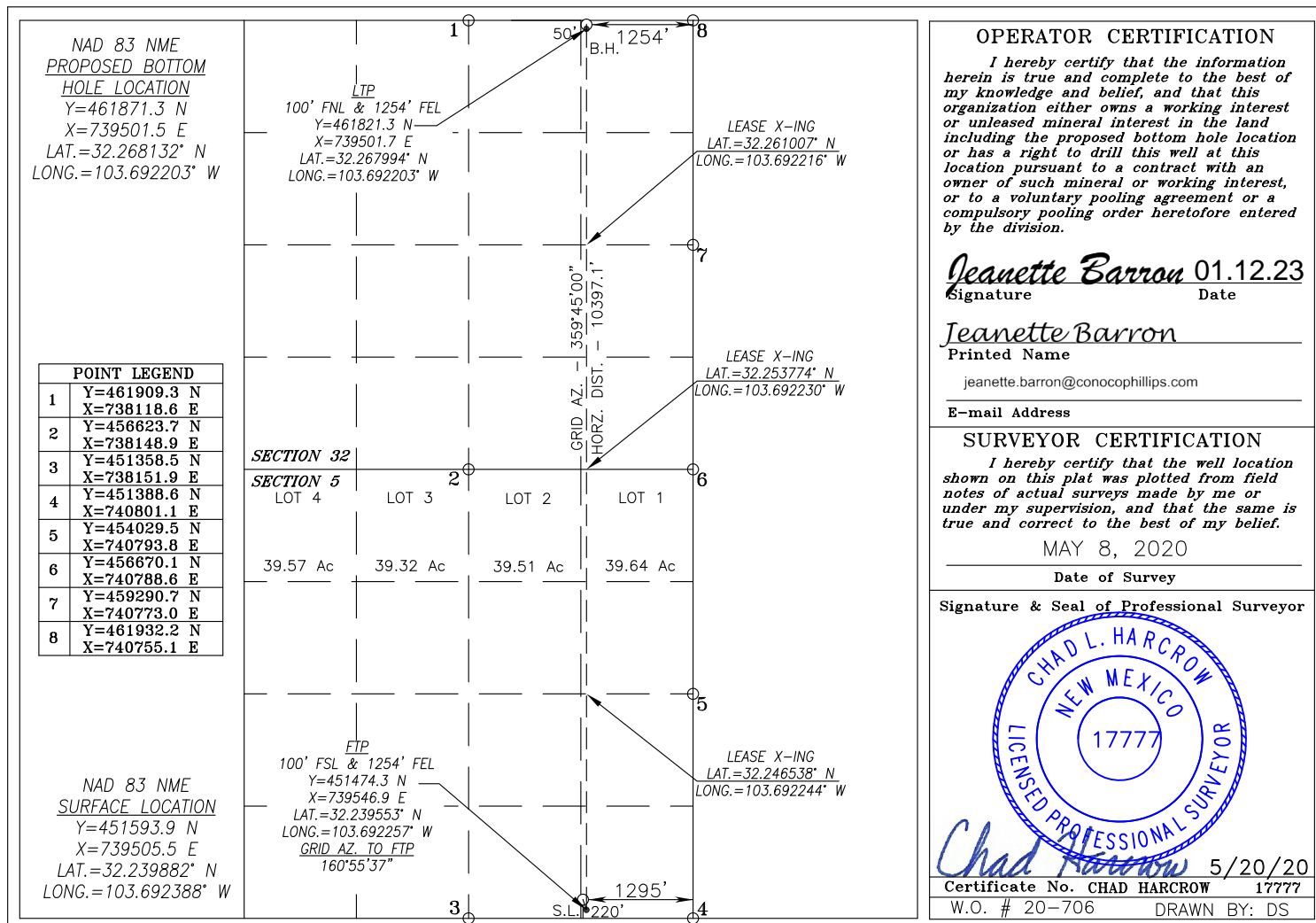
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	5	24-S	32-E		220	SOUTH	1295	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	32	23-S	32-E		50	NORTH	1254	EAST	LEA

Dedicated Acres 639.13	Joint or Infill	Consolidation Code	Order No.
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WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-48430	Pool Code 96229	Pool Name Mesa Verde; Bone Spring
Property Code 329961	Property Name GIN AND TECTONIC FEDERAL COM	Well Number 503H
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3639.8'

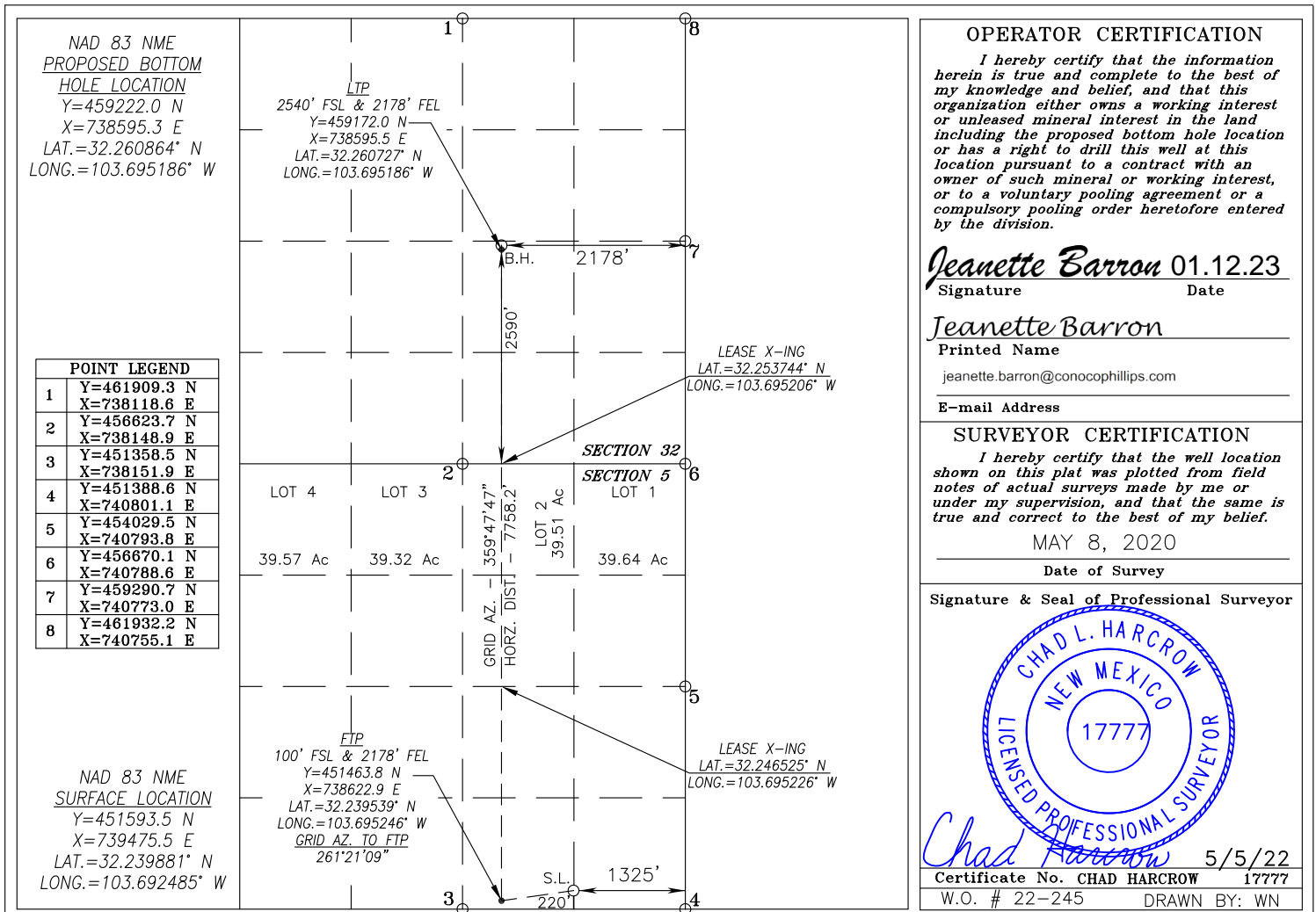
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	5	24-S	32-E		220	SOUTH	1325	EAST	LEA

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
J	32	23-S	32-E		2590	SOUTH	2178	EAST	LEA
Dedicated Acres 639.13	Joint or Infill	Consolidation Code	Order No.						

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GIN AND TECTONIC FEDERAL 5 N CTB
SECTION 5, T24S, R32E, UNIT N
COORDS: 32.242271, -103.698080
LEA COUNTY, NM

WELLS:

GIN AND TECTONIC FEDERAL COM #501H: 30-025-48428
GIN AND TECTONIC FEDERAL COM #502H: 30-025-48429
GIN AND TECTONIC FEDERAL COM #503H: 30-025-48430
GIN AND TECTONIC FEDERAL COM #504H: 30-025-48431
GIN AND TECTONIC FEDERAL COM #505H: 30-025-48432
GIN AND TECTONIC FEDERAL COM #506H: 30-025-48433

TEST METERS (NORTH)

(O1) Tester #1A Oil Meter # 15021036
(G1) Tester #1A Gas Meter # 15002413
(W1) Tester #1A Water Meter # 15051020
(O2) Tester #2A Oil Meter # 15021037
(G2) Tester #2A Gas Meter # 15002414
(W2) Tester #2A Water Meter # 15051021
(O3) Tester #3A Oil Meter # 15021038
(G3) Tester #3A Gas Meter # 15002415
(W3) Tester #3A Water Meter # 15051022

TEST METERS (SOUTH)

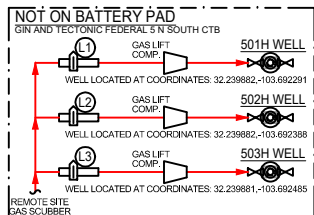
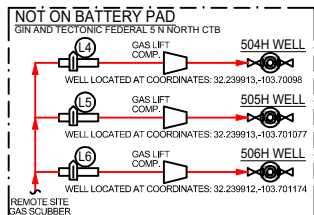
(O4) Tester #1B Oil Meter # 15021033
(G4) Tester #1B Gas Meter # 15002410
(W4) Tester #1B Water Meter # 15051017
(O5) Tester #2B Oil Meter # 15021034
(G5) Tester #2B Gas Meter # 15002411
(W5) Tester #2B Water Meter # 15051018
(O6) Tester #3B Oil Meter # 15021035
(G6) Tester #3B Gas Meter # 15002412
(W6) Tester #3B Water Meter # 15051019

GAS & MISC. METERS

(F1) HP Flare Gas Meter # 15011423
(F2) HP Flare Gas Meter # 15011424
(F3) HP Flare Gas Meter # 15011421
(F4) HP Flare Gas Meter # 15011422
(F5) LP Flare Thermal Meter # 15011425
(F6) HP Flare Thermal Meter # 21284291
(GV) VRU Sales Gas Meter # 56099167
(V1) VRU Gas Meter # 15016027
(WT) Water Transfer Meter # 15050041
(C1) Check Gas Meter # 15012018
(GA) FMP Gas Sales Meter #1 # 56014857
(B1) Gas By Back Meter # 56088226
(C2) Check Gas Meter # 15012017
(GB) FMP Gas Sales Meter #2 # 56014856
(B2) Gas By Back Meter # 56088225
(H1) Heater Flash Gas Meter # 15002418
(H2) Heater Flash Gas Meter # 15002419

GAS LIFT METERS

(L1) 501H Gas Lift Meter # 15009438
(L2) 502H Gas Lift Meter # 15009439
(L3) 503H Gas Lift Meter # 15009440
(L4) 504H Gas Lift Meter # 15009441
(L5) 505H Gas Lift Meter # 15009442
(L6) 506H Gas Lift Meter # 15009443



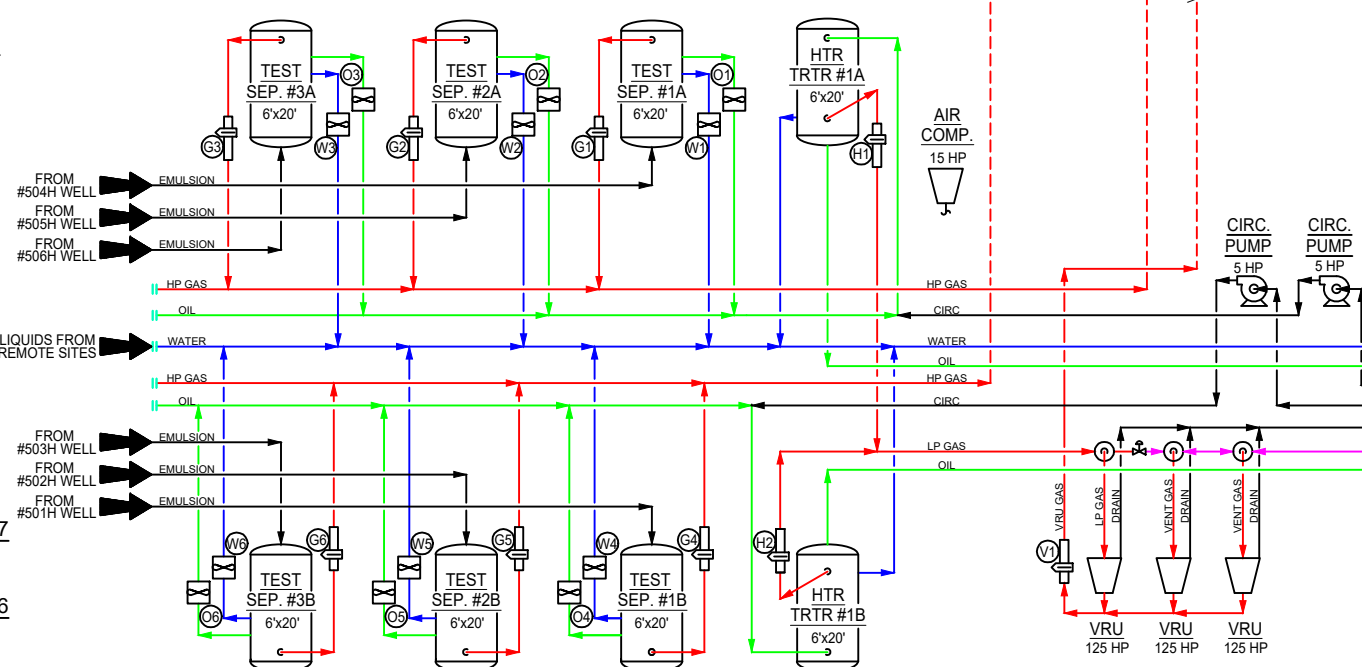
Royalty Free Fuel Usage:

- Compressors = (3) @ 30 mcf/day
- Heater Treater = (2) @ 2 mcf/day
- Combustor = (0) @ 2 mcf/day
- G.L. Compressors = (6) @ 30 mcf/day

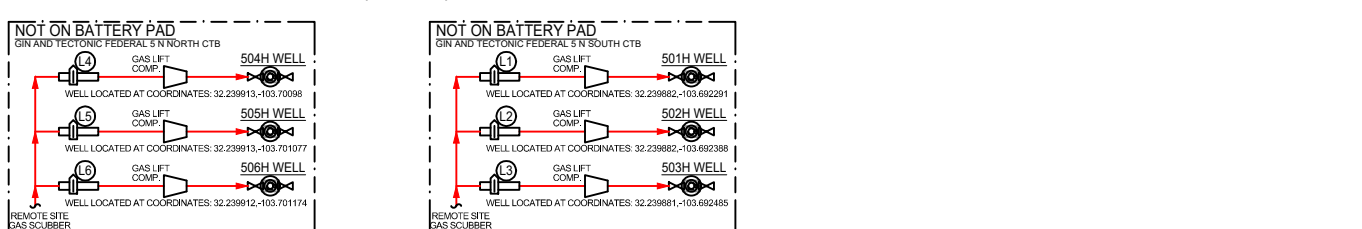
Estimated Total Usage: 274 mcf/day

***Fuel Usage is based off of the
COP L48 Fuel Calculated Fuel Use
Formulas***

GIN AND TECTONIC FEDERAL 5 N NORTH CTB
Well: 504H, 505H, & 506H



GIN AND TECTONIC FEDERAL 5 N SOUTH CTB
Well: 501H, 502H, & 503H



Production Phase/Sales Phase
Oil Tanks
Valve 1,5,8,13,10 open
Valve 2,3,4,6,7,9,10,11,12,14,16 Closed
Water Tanks
Valve 26,27,28,31,32 Open
Valve 25,29 closed

FACILITY VOLUME

- OIL: 12,000 BPD
- WATER: 25,000 BPD
- GAS: 40 MMSCFD

NOTES:

Type of Facility: Federal
Lease Unit #: NMNM120906
CA #:
NMOCD Property Code: 329961
NMOCD OGRID #: 229137

Site Diagram Legend

Produced Fluid: —
Produced Oil: —
Produced Gas: —
Produced Water: —
Flare/Vent: —

CONFIDENTIALITY NOTICE

THIS DRAWING IS PROPERTY OF COG OPERATING LLC AND IS LENT TO THE BORROWER FOR CONFIDENTIAL USE ONLY AND IS SUBJECT TO RETURN UPON REQUEST AND SHALL NOT BE REPRODUCED, COPIED, LENT OR OTHERWISE DISPOSED OF DIRECTLY OR INDIRECTLY, NOR USED FOR ANY PURPOSE OTHER THAN THAT WHICH IT IS SPECIFICALLY FURNISHED.

REFERENCE DRAWINGS

NO.	TITLE
COG OPERATING LLC	ONE CONCHO CENTER
SITE SECURITY PLANS	600 WEST ILLINOIS AVENUE
LOCATED AT:	MIDLAND, TEXAS 79701

REVISIONS

NO.	DATE	DESCRIPTION	BY	CHK.	APP.
J	08/23/24	REVISED PER FIELD VERIFICATION	GG	RC	JB
B	02/14/22	ISSUED FOR REVIEW	JS	CB	CB
C	02/15/22	REVISED PER TANK COUNT	JS	CB	CB
D	03/29/22	REVISED PER WELL COUNT	JS	ES	ES
E	10/18/22	REVISED PER TITLE BLOCK SITE NAME	JS	ES	ES
F	12/01/22	REVISED PER WELL NUMBERS	JS	JS	JS
G	04/04/23	REVISED PER CTB NAMES	JS	CB	CB
H	08/24/23	REVISED PER AS-BUILT	JS	ES	ES

ENGINEERING RECORD

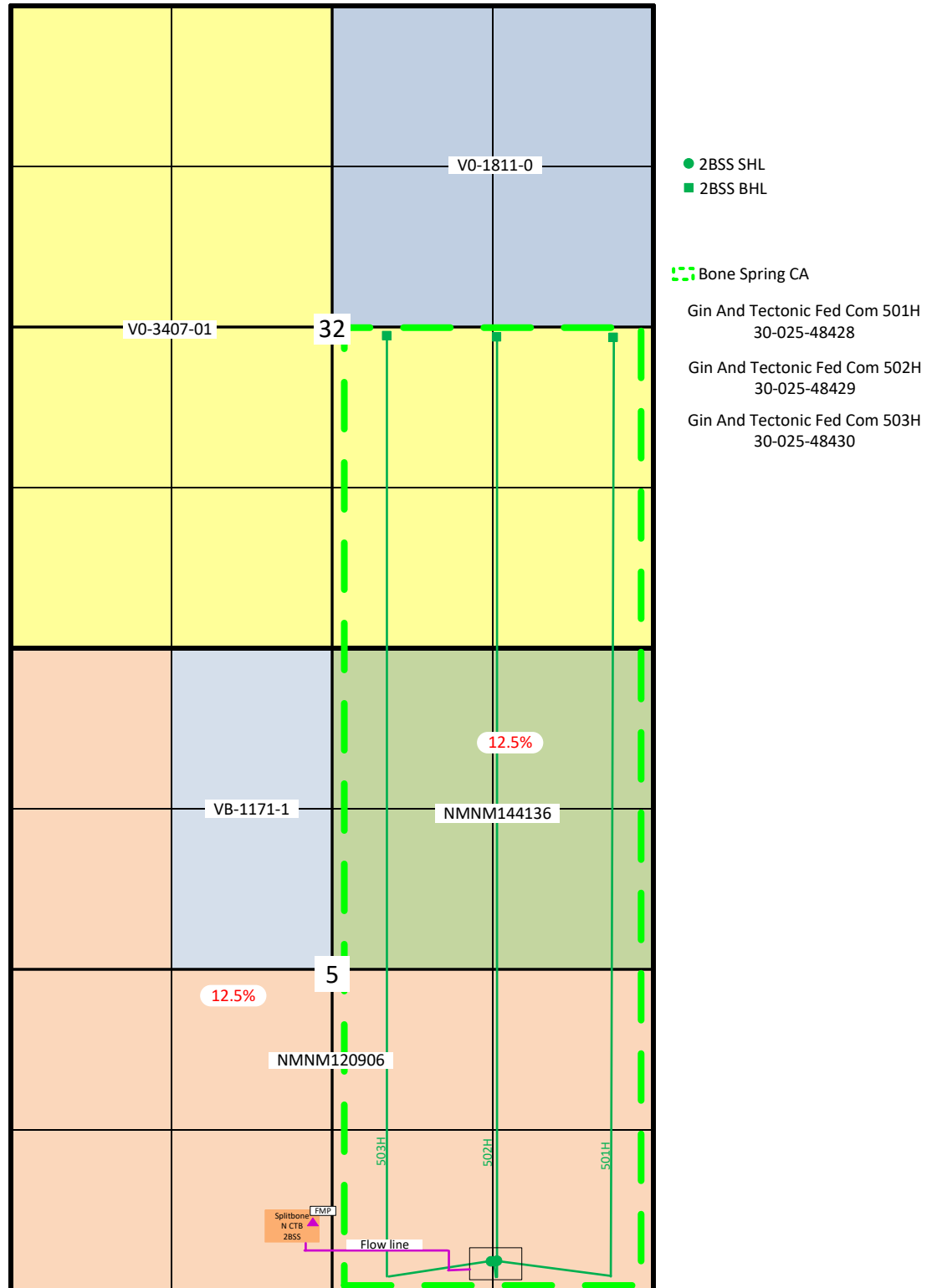
BY	DATE
DRN: JS	10/05/21
DES:	
CHK:	
APP:	
FAE NO:	
FAEL ENGR:	C. Blair
OPER ENGR:	
SCALE:	NONE



DELAWARE BASIN EAST ASSET
PRODUCTION FACILITIES
SITE FACILITY DIAGRAM
GIN AND TECTONIC FEDERAL 5N CTB

LEA COUNTY
TWNHP/RANGE
DWG NO.
PRM-85188-00-060-0001
REV J

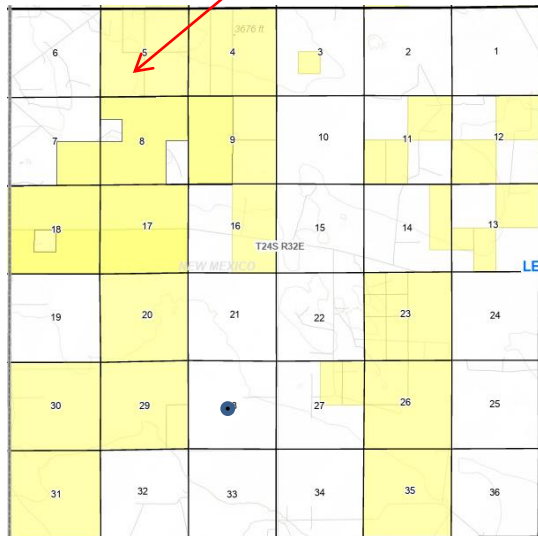
Gin & Tectonic Federal Wells



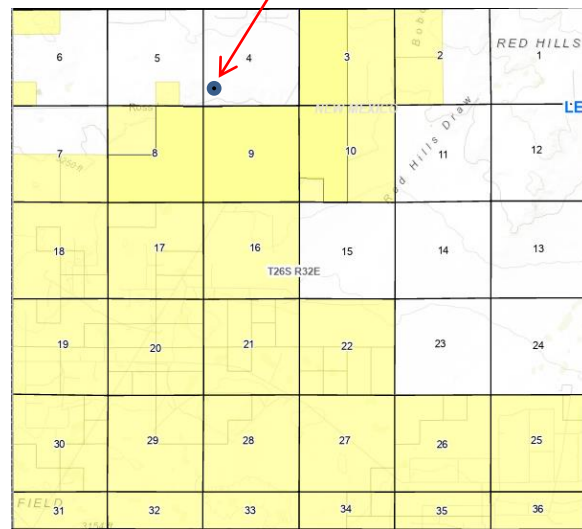
Sec. 5-T23S R32E
Sec 32-T24S-R32E
Lea County, NM

Gin & Tectonic Fed Com 501H-503H & Red Hills and Jal Offload Station Map

**Gin & Tectonic Fed Com 501H-503H
Lea County, NM**

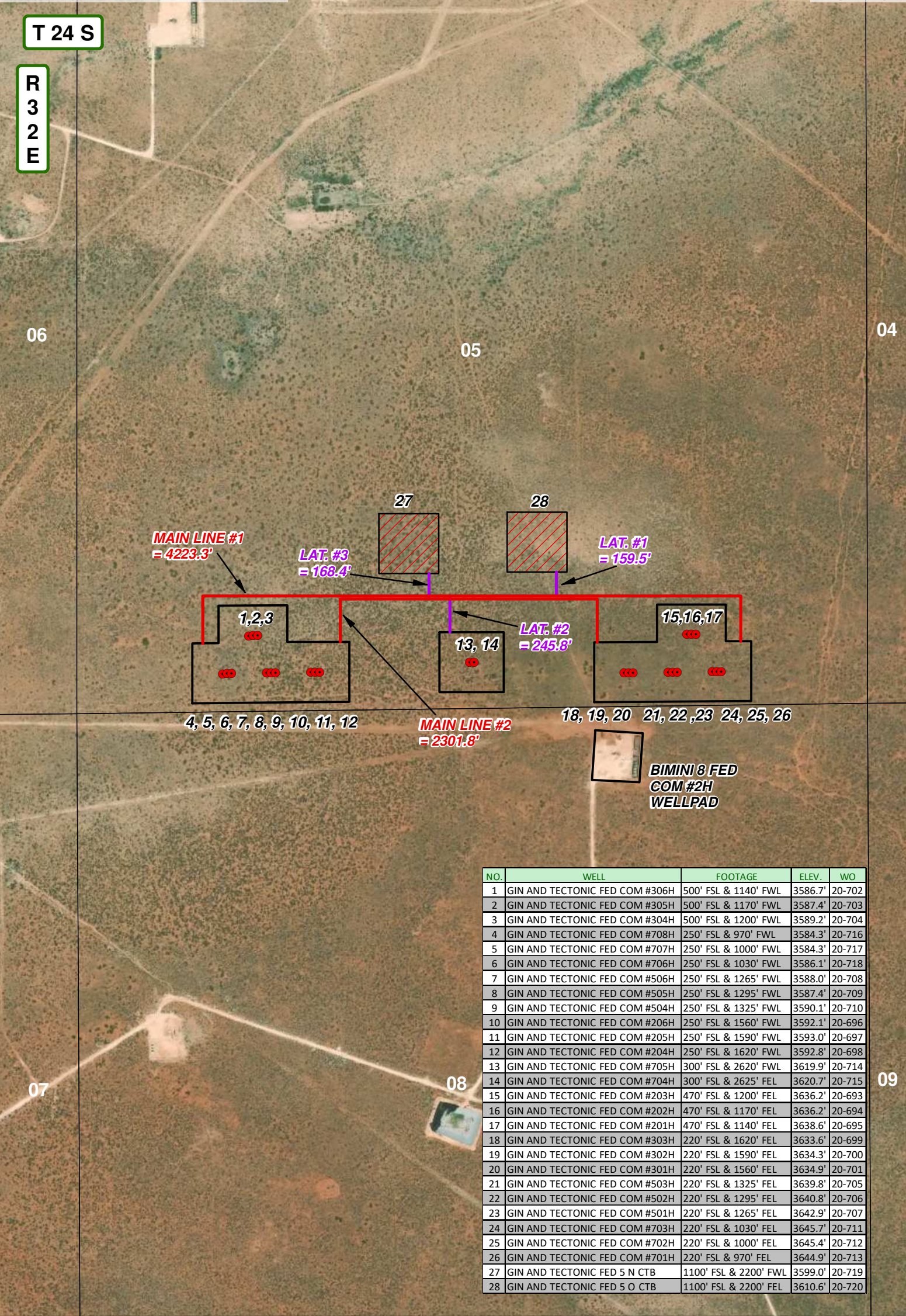


**Red Hills Offload Station
Lea County, NM**



**Jal Offload Station
Lea County, NM**





LEGEND

- WELL
- WELLPAD
- PIPELINE
- LAT. PIPELINE

GIN AND TECTONIC FEDERAL COM GAS LINES

SECTION: 5 TOWNSHIP: 24 S. RANGE: 32 E.

STATE: NEW MEXICO COUNTY: LEA SURVEY: N.M.P.M

W.O. # 20-725 LEASE: GIN AND TECTONIC FEDERAL

0 750 1,500 FEET

0 0.05 0.1 0.2 Miles

1 IN = 750 FT

PIPELINE OVERVIEW **IMAGERY** **5/18/2020** **D.S.**

CONCHO

COG OPERATING, LLC

HARCROW SURVEYING, LLC.

2316 W. MAIN ST, ARTESIA, NM 88210

PH: (575) 746-2158

c.harcrow@harcrowsurveying.com

Gin & Techtonic 501H-503H OLM							
Date Sent	Initials	Name	Address	City	State	Zip Code	Certified return Receipt No.
01.12.23	JB	WPX Energy Permian, LLC	333 West Sheridan Avenue	Oklahoma City	OK	73102	7020 3160 0001 0978 9436
01.12.23	JB	Cimarex Energy Co.	600 N. Marienfeld Street, Suite 600	Midland	TX	79701	7020 3160 0001 0978 9443
01.12.23	JB	BLM	414 W Taylor	Hobbs	NM	88240	7020 3160 0001 0978 9450

**NM State Land Office
Oil, Gas, & Minerals Division**

**STATE/FEDERAL OR
STATE/FEDERAL/FEE**
Revised August, 2021

ONLINE Version
COMMUNITIZATION AGREEMENT

API Initial Well: 30-025-48430

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 portions 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 Commissioner of Public Lands of the State of New Mexico, herein called "the Commissioner", is authorized to consent to and approve agreements pooling state oil and gas leases or any portion thereof, when separate tracts under such state leases cannot be independently developed and operated economically in conformity with well-spacing and gas proration rules and regulations established for the field or area and such 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 land subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, 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 the 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:

Sec. 32: SE, T 23 S, R 32 E and Lots 1 & 2, S2NE, SE (E2) of Section 5, T24S-R32E, NMPM Lea County, NM containing 479.13 acres, more or less, and this agreement shall include only the Bone Spring Formation underlying said lands and the oil and associated hydrocarbons (hereinafter referred to as "communitized substances") producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes, is 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. All matters of operation 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 three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, 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 and the State of New Mexico, 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 therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.
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 noncommunitized lease production, provided, however, as 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 noncommunitized 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 is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is **October 1, 2022**, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his duly authorized representative, and by the Commissioner or his duly authorized representative, and shall remain in force and effect for a period of two (2) years and so long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules & regulations; provided, that the two-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; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, 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 the capability of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted 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 capability of 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.
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 interest 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 lands shall be subject to approval by the

Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

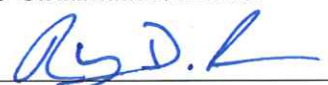
12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
13. The 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. Nondiscrimination: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. 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 written and have set opposite their respective names the date of execution.

OPERATOR

COG OPERATING LLC

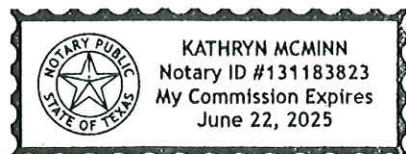
Date: 12-15-22

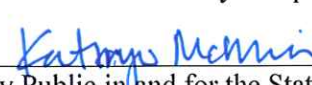
By: 
 Ryan D. Owen
 Attorney-in-fact *BWD AR*

ACKNOWLEDGEMENT

STATE OF TEXAS §
 §
 COUNTY OF MIDLAND §

This instrument was acknowledged before me on the 15th day of December, 2022, by Ryan D. Owen, Attorney-in-fact of **COG OPERATING LLC**, a Delaware limited liability company, on behalf of said limited liability company.




 Notary Public in and for the State of Texas
 My Commission
 Expires: 6/22/25

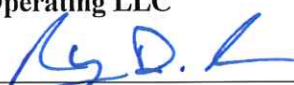
ONLINE
 version
 August 2021

State/Fed/Fee

LESSEES OF RECORD


Date: 12-15-22

COG Operating LLC

By: 
Ryan D. Owen
Attorney-in-fact BW AP

Date: 12-15-22

COG Production LLC

By: 
Ryan D. Owen
Attorney-in-fact BW AP

Date: _____

WPX Energy Permian, LLC

By: _____
Name: _____
Title: _____

Date: _____

Cimarex Energy Co.

By: _____
Name: _____
Title: _____

Date: _____

Devon Energy Production Co. LP

By: _____
Name: _____
Title: _____

LESSEES OF RECORD

COG Operating LLC

Date: _____

By: _____
Ryan D. Owen
Attorney-in-fact

COG Production LLC

Date: _____

By: _____
Ryan D. Owen
Attorney-in-fact

WPX Energy Permian, LLC

Date: _____

By: _____
Name: _____
Title: _____

Cimarex Energy Co.

Date: _____

By: _____
Name: Bradley Cantrell
Title: Attorney-in-fact

*JKC
DGP*

Devon Energy Production Co. LP

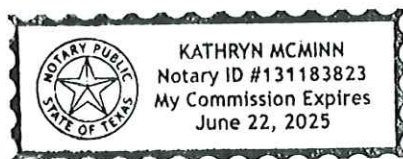
Date: _____

By: _____
Name: _____
Title: _____

ACKNOWLEDGEMENTS

STATE OF TEXAS §
 §
 COUNTY OF MIDLAND §

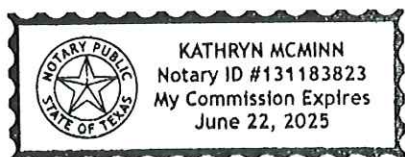
The foregoing instrument was acknowledged before me on the 15th day of December, 2022, by Ryan D. Owen, as Attorney-in-fact of **COG Operating LLC**, a Delaware Limited Liability Company, on behalf of said limited liability company.



Kathryn McMin
 NOTARY PUBLIC in and for the State of Texas

STATE OF TEXAS §
 §
 COUNTY OF MIDLAND §

The foregoing instrument was acknowledged before me on the 15th day of December, 2022, by Ryan D. Owen, as Attorney-in-fact of **COG Production LLC**, a Delaware Limited Liability Company, on behalf of said limited liability company.



Kathryn McMin
 NOTARY PUBLIC in and for the State of Texas

STATE OF TEXAS §
 §
 COUNTY OF MIDLAND §

This instrument was acknowledged before me on the _____ day of _____, 2022, by _____, as _____ of **Cimarex Energy Co.**, a Delaware corporation, on behalf of said corporation.

 NOTARY PUBLIC in and for the State of Texas

ACKNOWLEDGEMENTS

STATE OF TEXAS §
 §
 COUNTY OF MIDLAND §

The foregoing instrument was acknowledged before me on the _____ day of _____, 2022, by Ryan D. Owen, as Attorney-in-fact of **COG Operating LLC**, a Delaware Limited Liability Company, on behalf of said limited liability company.

 NOTARY PUBLIC in and for the State of Texas

STATE OF TEXAS §
 §
 COUNTY OF MIDLAND §

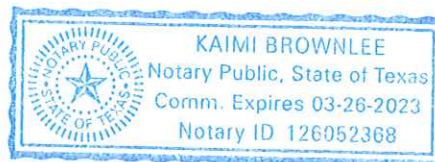
The foregoing instrument was acknowledged before me on the _____ day of _____, 2022, by Ryan D. Owen, as Attorney-in-fact of **COG Production LLC**, a Delaware Limited Liability Company, on behalf of said limited liability company.

 NOTARY PUBLIC in and for the State of Texas

STATE OF TEXAS §
 §
 COUNTY OF MIDLAND §

This instrument was acknowledged before me on the 7 day of November, 2022, by Bradley Cantrell, as Attorney-In-Fact of **Cimarex Energy Co.**, a Delaware corporation, on behalf of said corporation.

Kaimi Brownlee
 NOTARY PUBLIC in and for the State of Texas



STATE OF OKLAHOMA §
 §
COUNTY OF OKLAHOMA §

This instrument was acknowledged before me on the _____ day of _____, 2022, by _____, as _____ of **WPX Energy Permian, LLC**, a _____ limited liability corporation, on behalf of said limited liability corporation.

NOTARY PUBLIC in and for the State of Oklahoma

STATE OF OKLAHOMA §
 §
COUNTY OF OKLAHOMA §

This instrument was acknowledged before me on the _____ day of _____, 2022, by _____, as _____ of **Devon Energy Production Co. LP**, a _____ limited partnership, on behalf of said limited partnership.

NOTARY PUBLIC in and for the State of Oklahoma

EXHIBIT A

To Communitization Agreement dated October 1, 2022

Plat of communitized area covering the

SE of Section 32, T23S, R32E, and Lots 1 & 2, S2NE, and SE (E2) of Section 5, T24S, R32E,

NMPM, Lea County, NM.

Sec. 32			
Sec. 5			

	Tract 1 – State V-3407
	Tract 2 – Fed NMNM-144136
	Tract 4 – Fed NMNM-120906

EXHIBIT B

To Communitization Agreement dated October 1, 2022,

Embracing the SE of Section 32, T23S, R32E, and Lots 1 & 2, S2NE, and SE (E2) of Section 5, T24S, R32E,
NMPM, Lea County, NM.**Operator of Communitized Area: COG Operating LLC****DESCRIPTION OF LEASES COMMITTED****TRACT NO. 1**

Lease Serial No.: V-3407
 Lease Date: September 1, 1990
 Lease Term: 5 years
 Lessor: State of New Mexico
 Original Lessee: Santa Fe Energy Operating Partners, LP
 Present Lessee: Devon Energy Production Co. LP
 Description of Land Committed: Subdivisions SE,
 Sect(s) 32, Twp 23S, Rng 32E NMPM, Lea County, NM
 Number of Acres: 160.00
 Royalty Rate: 16.6667%
 Name and Percent ORRI Owners: Of Record
 Name and Percent WI Owners: COG Operating LLC – 25%, Cimarex Energy Co. – 60%, WPX Energy Permian, LLC -15%

TRACT NO. 2

Lease Serial No.: NMNM-144136
 Lease Date: September 1, 1988
 Lease Term: 10 years
 Lessor: United States of America
 Original Lessee: Exxon Corporation
 Present Lessee: COG Operating LLC
 Description of Land Committed: Subdivisions Lots 1 & 2, S2NE,
 Sect(s) 5, Twp 24S, Rng 32E, NMPM, Lea County, NM
 Number of Acres: 159.13
 Royalty Rate: 12.5%
 Name and Percent ORRI Owners: Of Record
 Name and Percent WI Owners: COG Operating LLC – 100%

TRACT NO. 3Lease Serial No.: NMNM-120906Lease Date: November 1, 2008Lease Term: 10 yearsLessor: United States of AmericaOriginal Lessee: OGX Resources LLCPresent Lessee: COG Production LLCDescription of Land Committed: Subdivisions SE,Sect(s) 5, Twp 24S, Rng 32E, NMMPM, Lea County, NMNumber of Acres: 160.00Royalty Rate: 12.5%Name and Percent ORRI Owners: Of RecordName and Percent WIOwners: COG Production, LLC – 100%

RECAPITULATION

Tract numbers	Number of Acres Committed	Percentage of Interest in Communitized Area
Tract No.1	<u>160.00</u>	<u>33.3939%</u>
Tract No.2	<u>159.13</u>	<u>33.2122%</u>
Tract No.3	<u>160.00</u>	<u>33.3939%</u>

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the **1st of October, 2022**, 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 23 South, Range 32 East, N.M.P.M.

Section 32: SE

Township 24 South, Range 32 East, N.M.P.M.

Section 5: Lots 1 & 2, S2NE, SE (E2)

Lea County, New Mexico

Containing **479.13** acres, and this agreement shall include only the **Bone Spring** Formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation(s).

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be **COG Operating LLC**, 600 W. Illinois Avenue, Midland, TX 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 or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian 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 noncommunitized lease production, provided, however, as 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 noncommunitized 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 **October 1, 2022**, 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 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 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 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 occur 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. Nondiscrimination. 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:

COG OPERATING LLC

Date:

12-15-22

By:

Ry D. Owen
Ryan D. Owen
Attorney-in-fact

BWO

AR

ACKNOWLEDGEMENT

STATE OF TEXAS)
COUNTY OF MIDLAND)

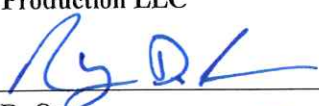
This instrument was acknowledged before me on December 15th, 2022, by Ryan D. Owen, Attorney-in-fact of **COG OPERATING LLC**, a Delaware limited liability company, on behalf of same.




Kathryn McMin
Notary Public in and for the State of Texas

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

COG Production LLC

Date: 12-15-22 By: 
Ryan D. Owen
Attorney-in-fact BD AR

COG Operating LLC

Date: 12-15-22 By: 
Ryan D. Owen
Attorney-in-fact BD AR

WPX Energy Permian, LLC

Date: _____ By: _____
Name: _____
Title: _____

Cimarex Energy Co.

Date: _____ By: _____
Name: _____
Title: _____

Devon Energy Production Co. LP

Date: _____ By: _____
Name: _____
Title: _____

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

COG Production LLC

Date: _____

By: _____

Ryan D. Owen
Attorney-in-fact

COG Operating LLC

Date: _____

By: _____

Ryan D. Owen
Attorney-in-fact

WPX Energy Permian, LLC

Date: _____

By: _____

Name: _____

Title: _____

Cimarex Energy Co.

Date: _____

By: _____


Bradley Cantrell

Name: _____

Title: **Attorney-in-Fact**

Devon Energy Production Co. LP

Date: _____

By: _____

Name: _____

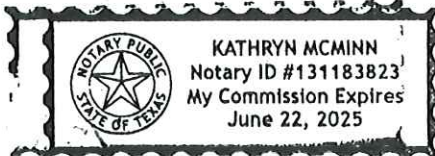
Title: _____

JKC
DP

ACKNOWLEDGEMENTS

STATE OF TEXAS §
 §
 COUNTY OF MIDLAND §

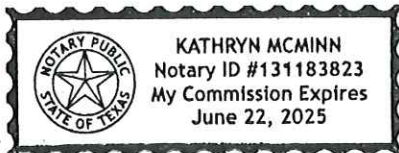
The foregoing instrument was acknowledged before me on the 15th day of December, 2022, by Ryan D. Owen, as Attorney-in-fact of **COG Operating LLC**, a Delaware Limited Liability Company, on behalf of said limited liability company.



Kathryn McMinn
 NOTARY PUBLIC in and for the State of Texas

STATE OF TEXAS §
 §
 COUNTY OF MIDLAND §

The foregoing instrument was acknowledged before me on the 15th day of December, 2022, by Ryan D. Owen, as Attorney-in-fact of **COG Production LLC**, a Delaware Limited Liability Company, on behalf of said limited liability company.



Kathryn McMinn
 NOTARY PUBLIC in and for the State of Texas

STATE OF TEXAS §
 §
 COUNTY OF MIDLAND §

This instrument was acknowledged before me on the _____ day of _____, 2022, by _____, as _____ of **Cimarex Energy Co.**, a Delaware corporation, on behalf of said corporation.

 NOTARY PUBLIC in and for the State of Texas

ACKNOWLEDGEMENTS

STATE OF TEXAS §
 §
 COUNTY OF MIDLAND §

The foregoing instrument was acknowledged before me on the _____ day of _____, 2022, by Ryan D. Owen, as Attorney-in-fact of **COG Operating LLC**, a Delaware Limited Liability Company, on behalf of said limited liability company.

 NOTARY PUBLIC in and for the State of Texas

STATE OF TEXAS §
 §
 COUNTY OF MIDLAND §

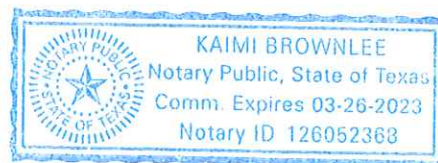
The foregoing instrument was acknowledged before me on the _____ day of _____, 2022, by Ryan D. Owen, as Attorney-in-fact of **COG Production LLC**, a Delaware Limited Liability Company, on behalf of said limited liability company.

 NOTARY PUBLIC in and for the State of Texas

STATE OF TEXAS §
 §
 COUNTY OF MIDLAND §

This instrument was acknowledged before me on the 7 day of November, 2022, by Bradley Cantrell, as Attorney-In-Fact of Cimarex Energy Co., a Delaware corporation, on behalf of said corporation.

Kaimi Brownlee
 NOTARY PUBLIC in and for the State of Texas



STATE OF OKLAHOMA §

COUNTY OF OKLAHOMA §

This instrument was acknowledged before me on the _____ day of _____, 2022, by _____, as _____ of WPX Energy Permian, LLC, a _____ limited liability corporation, on behalf of said limited liability corporation.

NOTARY PUBLIC in and for the State of Oklahoma

STATE OF OKLAHOMA §

COUNTY OF OKLAHOMA §

This instrument was acknowledged before me on the _____ day of _____, 2022, by _____, as _____ of Devon Energy Production Co. LP, a _____ limited partnership, on behalf of said limited partnership.

NOTARY PUBLIC in and for the State of Oklahoma

EXHIBIT "A"

Plat of communitized area covering the E2 of Section 32, T23S-R32E and Lots 1 & 2, S2NE, and
SE of Section 5, T24S-R32E, N.M.P.M., Lea County, New Mexico

E2 Gin & Tectonic Federal Com Unit

Sec. 32			
Sec. 5			

	Tract 1 – State V-3407
	Tract 2 – Fed NMNM-144136
	Tract 3 – Fed NMNM-120906

EXHIBIT "B"

Leases covering communitized area covering the SE of Section 32, T23S-R32E and Lots 1 & 2,
S2NE, and SE of Section 5, T24S-R32E, N.M.P.M., Lea County, New Mexico
Communitized depths are hereby limited to the Bone Spring formation

Operator of Communitized Area: COG Operating LLC

Tract No. 1

Lessor:	State of New Mexico, V-3407	
Original Lessee:	Santa Fe Energy Operating Partners, LP	
Current Lessee:	Devon Energy Production Co. LP	
Lease Date:	Effective September 1, 1900	
Recording:	Not Recorded	
Description:	Insofar and only insofar as said lease covers: SE of Section 32, T23S-R32E, Lea County, NM	
Number of Acres:	160.00	
Royalty Rate:	16.67%	
WI Owner Names and Interests:	COG Operating LLC	25.0000000%
	Cimarex Energy Co.	60.0000000%
	WPX Energy Permian, LLC	15.0000000%
		100.0000000%
ORRI Owners:	Curtis A. Anderson and Edna I. Anderson, Trustees of the Edna and Curtis Anderson Revocable Trust dated August 31, 2021 John Lawrence Thoma, Trustee of the Cornerstone Family Trust Crown Rock Minerals, LP Kimbell Art Foundation MAP00-NET The Roach Foundation Bill Burton Ben J. Fortson, III, Trustee of the Ben J. Fortson, III Children's Trust Ben J. Fortson, Jr., Trustee of the MWB 1998 Trust Ben J. Fortson, Jr., Trustee of the CCB 1998 Trust Ben J. Fortson, Jr., Trustee of the DCB 1998 Trust Robert C. Grable Sundance Minerals I	

Tract No. 2

Lessor:	United States of America, NMNM-144136	
Original Lessee:	Exxon Corporation	
Current Lessee:	COG Operating LLC	
Lease Date:	Effective November 1, 2012	
Recording:	Not Recorded	
Description:	Insofar and only insofar as said lease covers: Lots 1 & 2, S2NE of Section 5, T24S-R32E, Lea County, NM	
Number of Acres:	159.13	
Royalty Rate:	12.5%	
WI Owner Names and Interests:	COG Operating LLC	100.00%
ORRI Owners:	XTO Holdings, LLC	

Tract No. 3

Lessor:	United States of America, NMNM-120906
Original Lessee:	OGX Resources LLC

Current Lessee:	COG Operating LLC	
Lease Date:	Effective November 1, 2008	
Recording:	Not Recorded	
Description:	Insofar and only insofar as said lease covers:	
	SE of Section 5, T24S-R32E, Lea County, NM	
Number of Acres:	160.00	
Royalty Rate:	12.5%	
WI Owner Names and Interests:	COG Operating LLC	100.00%
ORRI Owners:	Malaga Royalty, LLC	
	Malaga EF7, LLC	

RECAPULATION

TRACT NO.	NO. OF ACRES COMMITTED	PERCENT OF INTEREST IN COMMUNITIZED AREA
1	160.00	33.3939%
2	159.13	33.2122%
3	160.00	33.3939%
TOTAL	639.13	100.00%

From: [Barron, Jeanette](#)
To: [Clelland, Sarah, EMNRD](#)
Subject: [EXTERNAL] Re: [EXTERNAL]Action ID 175461 - OLM-293
Date: Monday, April 7, 2025 4:22:00 PM
Attachments: [image.png](#)

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Please see SLO response

[EXTERNAL]RE: OLM for oil only Notice Gin and Tectonic Fed Com 501H-503H & 504-506 two different applications

Summary by Copilot

Lamkin, Baylen L. <blamkin@nmslo.gov>

To: Barron, Jeanette


Retention: Inbox-1 year (1 year) Expires: Tue 4/7/2026 4:20 PM

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Good afternoon Jeanette,

I have received the notices and the SLO has no objections.

Kind regards,



Baylen Lamkin, MBA

Petroleum Specialist Supervisor
Petroleum Engineer
Oil, Gas and Minerals Division
Office 505.827.6628
Cell 505.231.0420
New Mexico State Land Office
310 Old Santa Fe Trail
P.O. Box 1148

Have a good week!

Jeanette Barron | Regulatory Coordinator, Delaware Basin NM | **ConocoPhillips**
O: 575-748-6974 | C: 575-909-2803 | 2208 W. Main Street, Artesia, New Mexico

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From: Clelland, Sarah, EMNRD <Sarah.Clelland@emnrd.nm.gov>
Sent: Monday, April 7, 2025 1:15 PM
To: Barron, Jeanette <Jeanette.Barron@conocophillips.com>
Subject: [EXTERNAL]Action ID 175461 - OLM-293

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

(c/o Jeanette Barron for COG Operating), To whom it may concern

The Division is reviewing the following application:

Action ID	175461
Admin No.	OLM-293
Applicant	COG Operating, LLC
Title	Gin and Tectonic Federal 5 N CTB South
Sub. Date	01/12/2023

Please provide the following additional supplemental documents:

-

Please provide additional information regarding the following:

- Please provide proof that the SLO was notified of this Off Lease Measurement Application

Additional notes:

-

All additional supplemental documents and information may be provided via email and should be done by replying to this email. The produced email chain will be uploaded to the file for this application.

Please note that failure to take steps to address each of the requests made in this email within 10 business days of receipt of this email may result in the Division rejecting the application requiring the submittal of a new application by the applicant once it is prepared to address each of the topics raised.

COMMENT

Approval from Division is required prior to conducting work which modifies the well design.

Please contact the Environmental Bureau at OCD.Enviro@emnrd.nm.gov for instructions regarding the submittal process for applications of this type.

Thanks,

Sarah Clelland

Petroleum Specialist
State of New Mexico
Energy, Minerals, and Natural Resources Department
Oil Conservation Division
Cell: (505) 537-0627
Sarah.Clelland@emnrd.nm.gov

From: [Barron, Jeanette](#)
To: [Clelland, Sarah, EMNRD](#)
Subject: [EXTERNAL] Re: [EXTERNAL]Verification for OLM-293
Date: Thursday, March 27, 2025 9:37:09 AM
Attachments: [Gin and Tectonic 501H-503H OLM.pdf](#)

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Hello Sarah, it was nice to speak with you yesterday, hope you are having a good morning. On this OLM application it will be for oil only since the CTB is on-lease for the wells, I have corrected the lease map and an updated SFD...thank you!

Jeanette Barron | Regulatory Coordinator, Delaware Basin NM | **ConocoPhillips**
O: 575-748-6974 | C: 575-909-2803 | 2208 W. Main Street, Artesia, New Mexico

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From: Clelland, Sarah, EMNRD <Sarah.Clelland@emnrd.nm.gov>
Sent: Tuesday, March 25, 2025 1:04 PM
To: Barron, Jeanette <Jeanette.Barron@conocophillips.com>
Subject: [EXTERNAL]Verification for OLM-293

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

EMAIL

To whom it may concern (c/o Jeanette Barron for COG Operating, LLC),

The Division is reviewing the following application:

Action ID	175461
Admin No.	OLM-293
Applicant	COG Operating, LLC
Title	Gin and Tectonic Federal 5 N CTB South
Sub. Date	01/12/2023

Please provide the following additional supplemental documents:

-

Please provide additional information regarding the following:

- Please verify if this application is for Oil Only.

Additional notes:

-

All additional supplemental documents and information may be provided via email and should be done by replying to this email. The produced email chain will be uploaded to the file for this application.

Please note that failure to take steps to address each of the requests made in this email within 10 business days of receipt of this email may result in the Division rejecting the application requiring the submittal of a new application by the applicant once it is prepared to address each of the topics raised.

Thanks,

Sarah Clelland

Petroleum Specialist

State of New Mexico

Energy, Minerals, and Natural Resources Department

Oil Conservation Division

Cell: (505) 537-0627

Sarah.Clelland@emnrd.nm.gov

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION FOR OFF-LEASE MEASUREMENT
SUBMITTED BY COG OPERATING, LLC**

ORDER NO. OLM-293

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having considered the application and the recommendation of the Engineering Bureau, issues the following Order.

FINDINGS OF FACT

1. COG Operating, LLC ("Applicant") submitted a complete application to off-lease measure the oil production ("Application") from the wells, pool, and lease identified in Exhibit A.
2. Applicant provided notice of the Application to all persons owning a working interest in the oil production to be off-lease measured in accordance with 19.15.23.9(A)(5) NMAC, and those persons either submitted a written waiver or did not file an objection to the Application.
3. Applicant provided notice of the Application to the Bureau of Land Management or New Mexico State Land Office, as applicable.

CONCLUSIONS OF LAW

4. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, and 19.15.23 NMAC.
5. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9(A)(5) NMAC.
6. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

1. Applicant is authorized to store and measure oil production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery described in Exhibit A.
2. The oil production from the wells identified in Exhibit A shall be physically separated from the oil production from other wells and no commingling of production from different leases or pools shall occur in accordance with 19.15.23.9(A)(3) NMAC and 19.15.23.9(A)(4) NMAC, except as otherwise provided in order(s) issued by OCD.
3. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15 NMAC or 19.15.23.8 NMAC.

4. Applicant shall calibrate the meters used to measure or allocate oil production in accordance with 19.15.12.10(C)(2) NMAC.
5. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**GERASIMOS RAZATOS
DIRECTOR (ACTING)**

DATE: 4/9/2025

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **OLM-293**

Operator: **COG Operating, LLC (229137)**

Central Tank Battery: **GIN and Tectonic Federal 5 N Central Tank Battery South (Oil Only)**

Central Tank Battery Location: **UL N, Section 5, Township 24 South, Range 32 East**

Central Tank Battery: **Red Hills Offload Station**

Central Tank Battery Location: **UL O, Section 4, Township 26 South, Range 32 East**

Central Tank Battery: **Jal Offload Station**

Central Tank Battery Location: **UL D, Section 4, Township 26 South, Range 37 East**

Gas Title Transfer Meter Location:

Pools

Pool Name	Pool Code
MESA VERDE;BONE SPRING	96229

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
CA Bone Spring SLO 204848 PUN 1402957	SE/4	32-23S-32E
	E/2	5-24S-32E
CA Bone Spring NMNM 105823508	SE/4	32-23S-32E
	E/2	5-24S-32E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-48428	GIN AND TECTONIC FEDERAL	E/2	5-24S-32E	96229
	COM #501H	SE/4	32-23S-32E	
30-025-48429	GIN AND TECTONIC FEDERAL	E/2	5-24S-32E	96229
	COM #502H	SE/4	32-23S-32E	
30-025-48430	GIN AND TECTONIC FEDERAL	E/2	5-24S-32E	96229
	COM #503H	SE/4	32-23S-32E	

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/oed/contact-us>

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 175461

CONDITIONS

Operator: COG OPERATING LLC 600 W Illinois Ave Midland, TX 79701	OGRID: 229137
	Action Number: 175461
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By	Condition	Condition Date
sarah.clelland	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please email us at OCD.Engineer@emnrd.nm.gov .	4/9/2025