



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

February 6, 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 and Storage

Dear Mr. McClure,

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

Hambone Federal Com 502H  
API# 30-015-48973  
Corral Canyon; Bone Spring, South  
Ut. P, Sec.8-T26S-R29E  
Eddy County, NM

**Oil Production:**

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

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](mailto:jeanette.barron@conocophillips.com) or call 575.748.6974.

Sincerely,

*Jeanette Barron*

Jeanette Barron  
Regulatory Coordinator

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

<u>FOR OCD ONLY</u>	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	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.**

\_\_\_\_\_  
 Print or Type Name

02.06.23  
 Date

Jeanette Barron  
 Signature

\_\_\_\_\_  
 Phone Number

\_\_\_\_\_  
 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

Form C-107-B
Revised August 1, 2011

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

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

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

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

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

LEASE TYPE: Fee State Federal

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

(A) POOL COMMINGLING
Please attach sheets with the following information

Table with 6 columns: (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: 02.06.23

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: (675) 393-0101 Fax: (576) 393-0720

DISTRICT II  
411 S. FIRST ST., ARTESIA, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720

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

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

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-48973	Pool Code 13354	Pool Name Corral Canyon; Bone Spring, South
Property Code 323072	Property Name HAMBONE FEDERAL COM	
OGRID No. 229137	Operator Name COG OPERATING, LLC	Well Number 502H
		Elevation 2916.8'

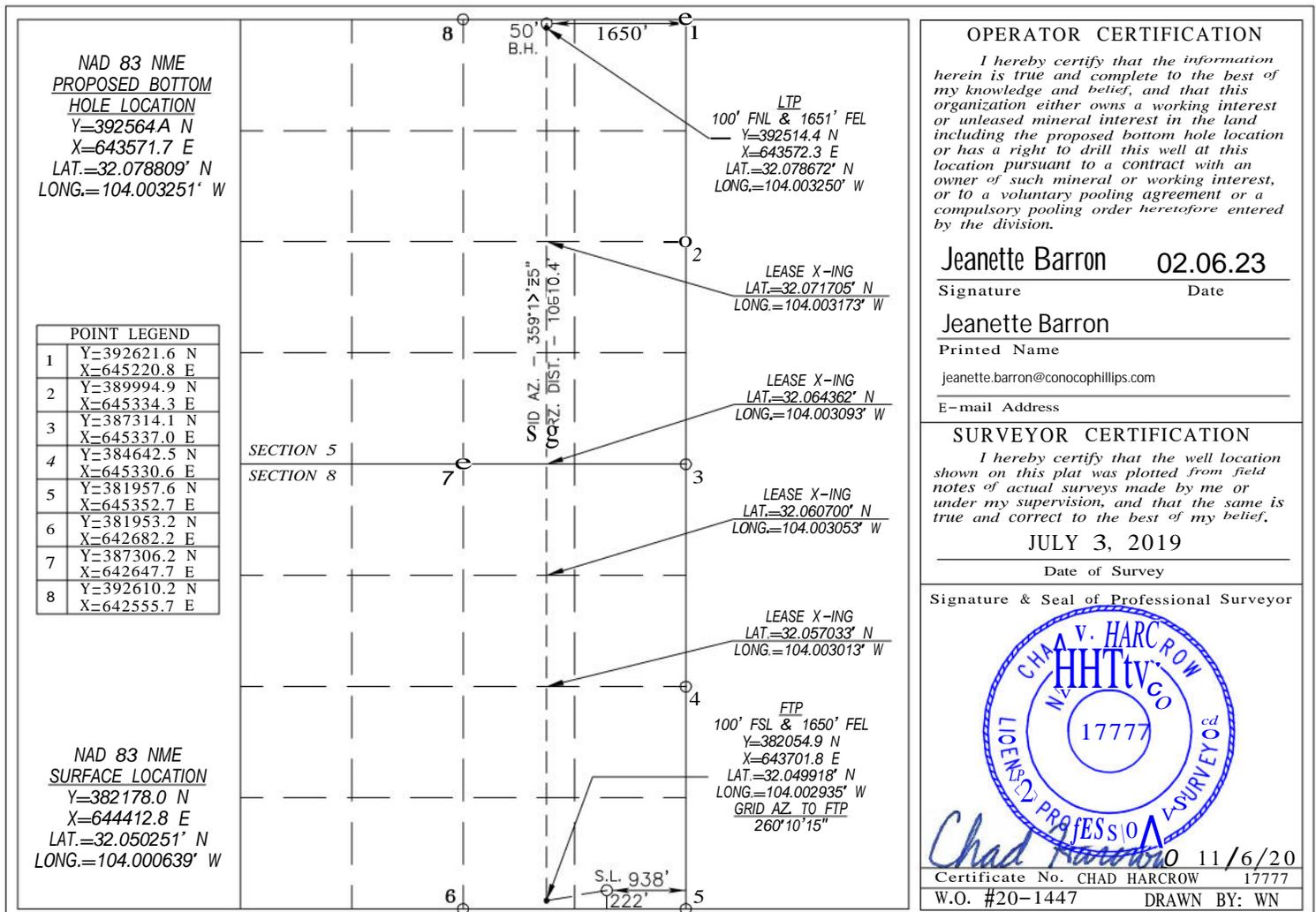
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	8	26-S	29-E		222	SOUTH	938	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	5	26-S	29-E		50	NORTH	1650	EAST	EDDY
Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.						

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



OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Jeanette Barron 02.06.23  
Signature Date

Jeanette Barron  
Printed Name

jeanette.barron@conocophillips.com  
E-mail Address

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

JULY 3, 2019  
Date of Survey

Signature & Seal of Professional Surveyor



Chad Harcrow 011/6/20  
Certificate No. CHAD HARCROW 17777  
W.O. #20-1447 DRAWN BY: WN

**HAMBONE FEDERAL 8P BSS CTB**  
 SECTION 8, T26S, R29E, UNIT P  
 COORDS: 32.0502, -103.9992  
 EDDY COUNTY, NM

WELLS:	API#
HAMBONE 501H	30-015-49113
HAMBONE 502H	30-015-48973

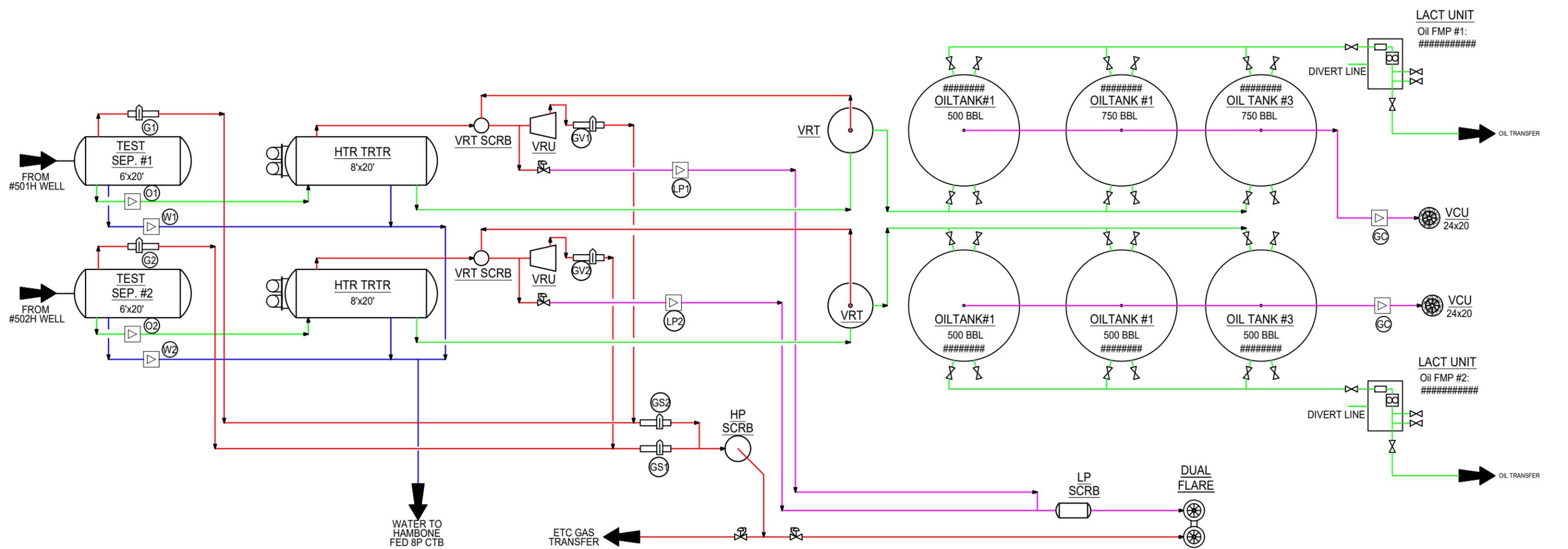
**METERS**  
 (O1) TESTER#1 OIL METER# \_\_\_\_\_  
 (G1) TESTER#1 GAS METER \_\_\_\_\_  
 (W1) TESTER#1 WATER METER \_\_\_\_\_  
 (O2) TESTER#2 OIL METER# \_\_\_\_\_  
 (G2) TESTER#2 GAS METER \_\_\_\_\_  
 (W2) TESTER#2 WATER METER \_\_\_\_\_

**METERS**  
 (F1) HP FLARE GAS METER# \_\_\_\_\_  
 (F2A) LP FLARE GAS METER# \_\_\_\_\_  
 (F2B) LP FLARE GAS METER# \_\_\_\_\_  
 (W4) WATER TRANSFER METER# \_\_\_\_\_  
 (GV1) VRU GAS METER# \_\_\_\_\_  
 (GV2) VRU GAS METER# \_\_\_\_\_  
 (GC1) VCU GAS METER# \_\_\_\_\_  
 (GC2) VCU GAS METER# \_\_\_\_\_  
 (GS) FMP GAS SALES METER#501 \_\_\_\_\_  
 (GS) FMP GAS SALES METER#502 \_\_\_\_\_  
 (BB) GAS BUY BACK METER# \_\_\_\_\_

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

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

**FACILITY DESIGN CAPACITIES**  
 - OIL: 4000 BPD  
 - WATER: 10,000 BPD  
 - GAS: 10 MMSCFD



**NOTES:**  
 Type of Lease: Federal  
 Federal Lease #: NMNM57261  
 Property Code:  
 OGRID #: 229137

**Ledger for Site Diagram**  
 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		REVISIONS			ENGINEERING RECORD			
NO.	TITLE	NO.	DATE	DESCRIPTION	BY	CHK.	APP.	DATE
		A	5/19/22	ISSUED FOR REVIEW	EO			5/19/22
COG OPERATING LLC SITE SECURITY PLANS LOCATED AT:		ONE CONCHO CENTER 600 WEST ILLINOIS AVENUE MIDLAND, TEXAS 79701			DRN: EO		DES: _____	
		FACIL ENGR: RC		CHK: _____		APP: _____		
		OPER ENGR: VARIES		AFE NO: _____		SCALE: NONE		
		TWNHP/RANGE: MULTIPLE		LEA COUNTY		NEW MEXICO		

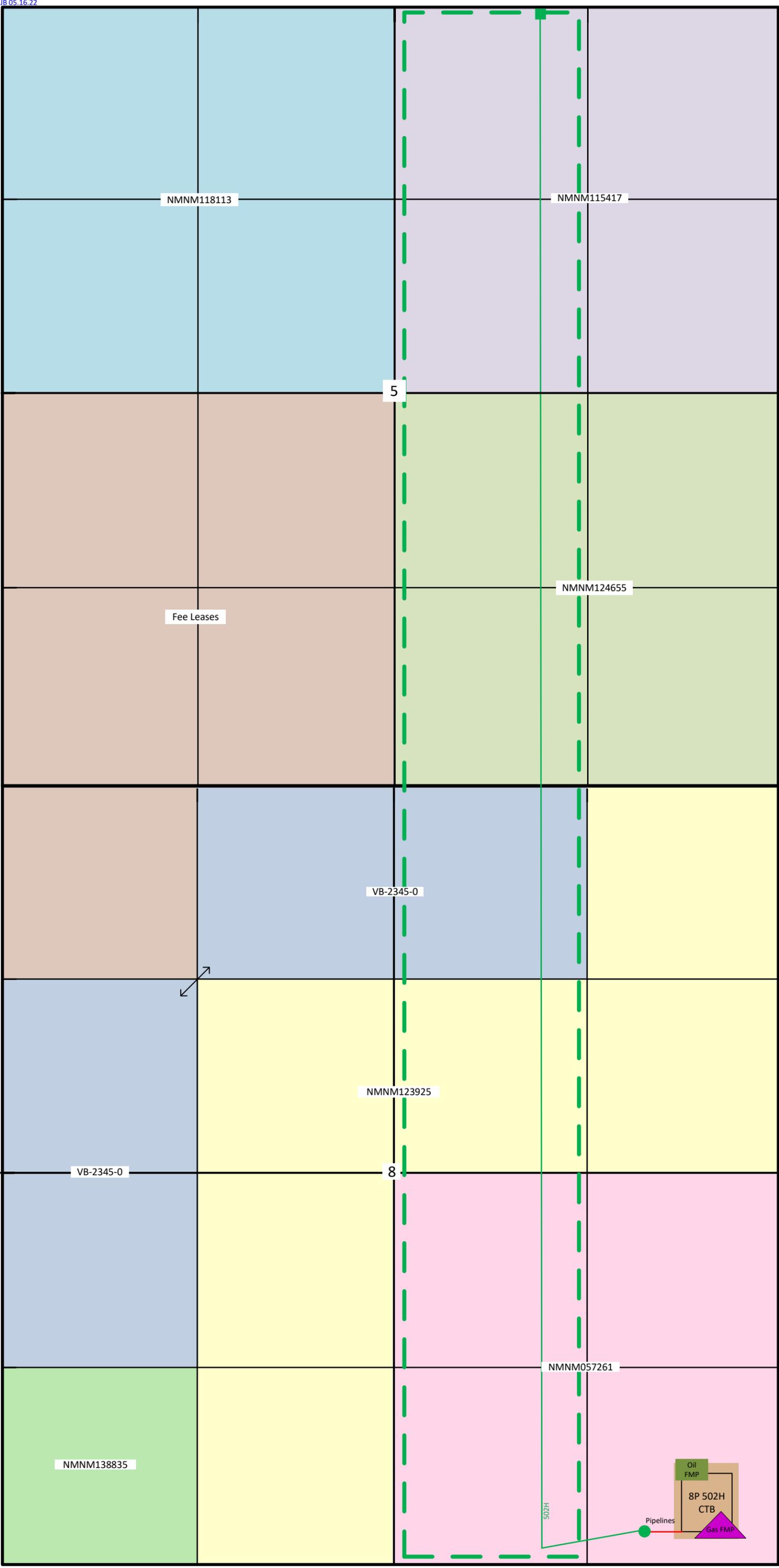
**CONCHO**  
 NORTHERN DELAWARE BASIN ASSET  
 PRODUCTION FACILITIES  
 SITE FACILITY DIAGRAM  
 HAMBONE FEDERAL 8P BSS CTB  
 LEA COUNTY NEW MEXICO  
 DWG NO. HAMBONEFEDERAL8PBSSCTB  
 REV A

### Hambone Federal Wells Sec. 5, 8-T26S-R29E Eddy County, NM

- 2<sup>nd</sup> Bone Spring Sand SHL
- 2<sup>nd</sup> Bone Spring Sand BHL
- ⋯ W2E2 & E2E2 Bone Spring CAs

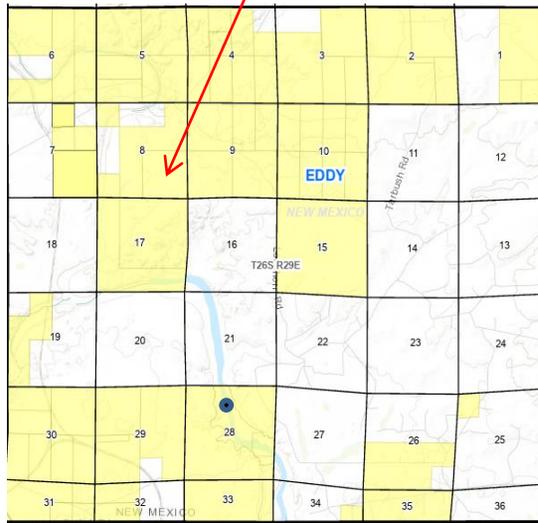
Hambone Fed Com 502H  
API # 30-015-48973

- Pipeline
- CTB 8 P CTB
- ▲ Gas FMP Proposed Gas FMP
- Oil FMP Proposed Oil FMP

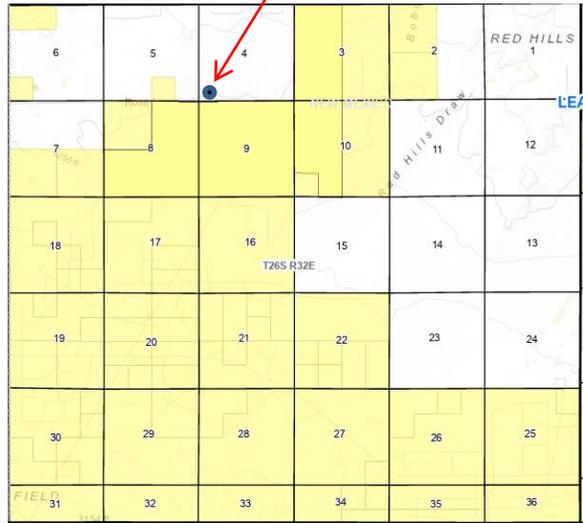


# Hambone Fed Com 502H & Red Hills and Jal Offload Station Map

**Hambone Fed Com 502H  
Eddy County, NM**



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



**Jal Offload Station  
Lea County, NM**



Hambone Fed Com 502H							
Date Sent	Initials	Name	Address	City	State	Zip Code	Certified return Receipt No.
02.06.23	JB	MRC Permian Company	One Lincoln Center, Suite 1500 5400 LBJ Freeway	Dallas	TX	75240	7020 1810 0000 1415 2541
02.06.23	JB	BLM	620 E. Green Street	Carlsbad	NM	88220	7020 1810 0000 1415 2558

**Federal Communitization Agreement**

Contract No. \_\_\_\_\_

THIS AGREEMENT entered into as of the 1<sup>st</sup> of November, 2021, 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 26 South, Range 29 East, N.M.P.M.**  
**Section 5: W2E2**  
**Section 8: W2E2**  
**Eddy County, New Mexico**

Containing 320.00 acres, and this agreement shall include only the Bone Spring Formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation(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 **November 1, 2021**, 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.

**Statement of Written Consent by All Named Owners:**

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

**COG OPERATING LLC**

By: \_\_\_\_\_  
Justin K. Williams  
Attorney-in-fact

STATE OF TEXAS                    )  
COUNTY OF MIDLAND            )

This instrument was acknowledged before me on \_\_\_\_\_, 2021, by Justin K. Williams, Attorney-in-fact of **COG OPERATING LLC**, a Delaware limited liability company, on behalf of same.

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

**CONCHO OIL & GAS LLC**

By: \_\_\_\_\_  
Justin K. Williams  
Attorney-in-fact

STATE OF TEXAS                    )  
COUNTY OF MIDLAND            )

This instrument was acknowledged before me on \_\_\_\_\_, 2021, by Justin K. Williams, Attorney-in-fact of **CONCHO OIL & GAS LLC**, a Texas limited liability company, on behalf of same.

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

**THE ALLAR COMPANY**

\_\_\_\_\_  
By: \_\_\_\_\_  
As: \_\_\_\_\_

STATE OF TEXAS                    )  
COUNTY OF \_\_\_\_\_         )

This instrument was acknowledged before me on \_\_\_\_\_, 2021, by \_\_\_\_\_, as \_\_\_\_\_ of **THE ALLAR COMPANY**, on behalf of same.

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

**REGENERATION ENERGY CORPORATION**

\_\_\_\_\_  
By: \_\_\_\_\_  
As: \_\_\_\_\_

STATE OF TEXAS                    )  
COUNTY OF \_\_\_\_\_         )

This instrument was acknowledged before me on \_\_\_\_\_, 2021, by \_\_\_\_\_, as \_\_\_\_\_ of **REGENERATION ENERGY CORPORATION**, on behalf of same.

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

MRC PERMIAN COMPANY

By: \_\_\_\_\_  
As: \_\_\_\_\_

STATE OF TEXAS                    )  
COUNTY OF \_\_\_\_\_        )

This instrument was acknowledged before me on \_\_\_\_\_, 2021,  
by \_\_\_\_\_, as \_\_\_\_\_  
of MRC PERMIAN COMPANY, on behalf of same.

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

**LIST OF PARTIES TO FEDERAL COMMUNITIZATION AGREEMENT:**

**Working Interest Owners:**

COG Operating LLC	Signature attached
Concho Oil & Gas LLC	Signature attached
MRC Permian Company	

**TRACT 1 – NMNM 115417**

Lessee of Record per SRP:	COG Operating LLC	Signature attached
	Concho Oil & Gas LLC	Signature attached

ORRI Owner: Nestegg Energy Corporation, Lynn S. Charuk, Mitchel E. Cheney

**TRACT 2 – NMNM 124655**

Lessees of Record: The Allar Company

ORRI: The Allar Company, EG3, Inc., Wing Resources IV, LLC

**TRACT 3 – NMNM 123925**

Lessees of Record:	COG Operating LLC	Signature attached
	Concho Oil & Gas LLC	Signature attached

ORRI Owners: Nestegg Energy Corporation

**TRACT 4 – NM 057261**

Lessees of Record: Regeneration Energy Corporation

ORRI Owners: Rebecca Ann Picou and Mary Lee Picou, Co- Trustees of the Mary Lee Harang Picou Revocable Living Trust dated April 14, 2000, Fortis Minerals II, LLC, Wing Resources IV, LLC, Pegasus Resources, LLC, TD Minerals LLC, Pony Oil Operating, LLC, McMullen Minerals, LLC, James E. Guy

**TRACT 5 – State Lease VB-2345**

Lessees of Record: MRC Permian Company

ORRI Owners: N/A

**EXHIBIT "A"**

Plat of communitized area covering the W2E2 of Section 5, and the W2E2 of Section 8,  
T26S, R29E, Eddy County, New Mexico

**Hambone Fed Com 502H unit**

5-26S-29E		Tract 1 NM 115417 80 ac	
8-26S-29E		Tract 2 NM 124655 80 ac	
		Tract 5 VB-2345 40 ac	
		Tract 3 NM 123925 40 ac	
		Tract 4 NM 057261 80 ac	

**EXHIBIT "B"**

Leases covering communitized area covering the W2E2 of Section 5, and the W2E2 of Section 8,  
T26S, R29E, Eddy County, New Mexico

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

**TRACT 1 (Sec. 5: W2NE)****FEDERAL LEASE****80.00 acres**

Date: March 1, 2006  
 Lessor: USA NMNM 115417  
 Current Lessee: COG Operating LLC  
 Concho Oil & Gas LLC  
 Recorded: N/A  
 Description: Insofar and only insofar as to  
Township 26 South, Range 29 East, N.M.P.M.  
 Section 5: W2NE  
 Eddy County, New Mexico  
 Royalty: 1/8<sup>th</sup>

**TRACT 2 (Sec. 5: W2SE)****FEDERAL LEASE****80.00 acres**

Date: June 1, 2010  
 Lessor: USA NMNM 124655  
 Current Lessee: The Allar Company  
 Recorded: N/A  
 Description: Township 26 South, Range 29 East, N.M.P.M.  
 Section 5: W2SE  
 Eddy County, New Mexico  
 Royalty: 1/8<sup>th</sup>

**TRACT 3 (Sec. 8: SWNE)****FEDERAL LEASE****40.00 acres**

Date: December 1, 2009  
 Lessor: USA NMNM 123925  
 Current Lessee: COG Operating LLC  
 Concho Oil & Gas LLC  
 Recorded: N/A  
 Description: Insofar and only insofar as to  
Township 26 South, Range 29 East, N.M.P.M.  
 Section 8: SWNE  
 Eddy County, New Mexico  
 Royalty: 1/8<sup>th</sup>

Federal CA – Hambone Fed Com #502H Com unit  
 Sec. 5: W2E2 & Sec. 8: W2E2, T26S-R29E, Bone Spring

**TRACT 4 (Sec. 8: W2SE)  
 FEDERAL LEASE  
 80.00 acres**

Date: April 1, 1984  
 Lessor: USA NM 057261  
 Current Lessee: COG Operating LLC  
 Recorded: N/A  
 Description: Insofar and only insofar as to  
Township 26 South, Range 29 East, N.M.P.M.  
 Section 8: W2SE  
 Eddy County, New Mexico  
 Royalty: 1/8<sup>th</sup>

**TRACT 5 (Sec. 8: NWNE)  
 STATE LEASE VB-2345  
 Authority to pool granted via State Communitization Agreement and/or Pooling Order  
 40.00 acres**

**RECAPULATION**

TRACT NO.	NO. OF ACRES COMMITTED	PERCENT OF INTEREST IN COMMUNITIZED AREA
1	80.00	25.00%
2	80.00	25.00%
3	40.00	12.50%
4	80.00	25.00%
5	40.00	12.50%
<b>TOTAL</b>	<b>320.00</b>	<b>100.00%</b>

CONCHO OIL & GAS LLC

By: \_\_\_\_\_  
Justin K. Williams  
Attorney-in-fact

STATE OF TEXAS )  
COUNTY OF MIDLAND )

This instrument was acknowledged before me on \_\_\_\_\_, 2021, by Justin K. Williams, Attorney-in-fact of CONCHO OIL & GAS LLC, a Texas limited liability company, on behalf of same.

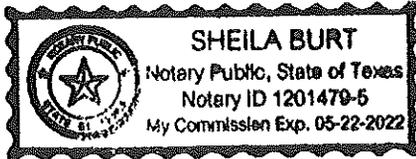
\_\_\_\_\_  
Notary Public in and for the State of Texas

THE ALLAR COMPANY

*[Signature]*  
By: John Chiles Graham  
As: President

STATE OF TEXAS )  
COUNTY OF Young )

This instrument was acknowledged before me on October 21, 2021, by John Chiles Graham, as President of THE ALLAR COMPANY, on behalf of same.



*Sheila Burt*  
\_\_\_\_\_  
Notary Public in and for the State of Texas

REGENERATION ENERGY CORPORATION

By: \_\_\_\_\_  
As: \_\_\_\_\_

STATE OF TEXAS )  
COUNTY OF \_\_\_\_\_ )

This instrument was acknowledged before me on \_\_\_\_\_, 2021, by \_\_\_\_\_, as \_\_\_\_\_ of REGENERATION ENERGY CORPORATION, on behalf of same.

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

CONCHO OIL & GAS LLC

By: \_\_\_\_\_  
Justin K. Williams  
Attorney-in-fact

STATE OF TEXAS )  
COUNTY OF MIDLAND )

This instrument was acknowledged before me on \_\_\_\_\_, 2021, by Justin K. Williams, Attorney-in-fact of CONCHO OIL & GAS LLC, a Texas limited liability company, on behalf of same.

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

THE ALLAR COMPANY

By: \_\_\_\_\_  
As: \_\_\_\_\_

STATE OF TEXAS )  
COUNTY OF \_\_\_\_\_ )

This instrument was acknowledged before me on \_\_\_\_\_, 2021, by \_\_\_\_\_, as \_\_\_\_\_ of THE ALLAR COMPANY, on behalf of same.

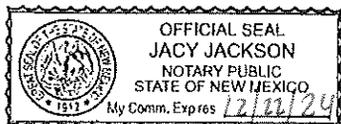
\_\_\_\_\_  
Notary Public in and for the State of Texas

REGENERATION ENERGY CORPORATION <sup>RM</sup>

Raye Miller  
By: \_\_\_\_\_  
As: \_\_\_\_\_

<sup>New Mexico</sup>  
STATE OF TEXAS )  
COUNTY OF Eddy )

This instrument was acknowledged before me on December 21, 2021, by Raye Miller, as President of REGENERATION ENERGY CORPORATION, on behalf of same.



Jacy Jackson  
Notary Public in and for the State of Texas  
<sup>New Mexico</sup>

Federal CA -- Hambone Fed Com #502H Com unit  
Sec. 5: W2E2 & Sec. 8: W2E2, T26S-R29E, Bone Spring

From: Barron, Jeanette  
To: Clelland, Sarah, EMNRD  
Subject: [EXTERNAL] Re: [EXTERNAL]RE: Verification of Information OLM-283  
Date: Wednesday, March 26, 2025 3:33:47 PM  
Attachments: image.png

**CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.**  
Hello Sarah please see Baylen's response below

From: Lamkin, Baylen L.  
Sent: Wednesday, March 26, 2025 3:16 PM  
To: Barron, Jeanette  
Subject: [EXTERNAL]RE: OLM for oil only Notice Hambone Fed Com 505H & Hambone Fed Com 506H

**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,  
We have received the Hambone and Double ABJ OLM applications and have no objection.

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  
Santa Fe, NM 87504-1148  
blamkin@nmslo.gov (Please note my new email address)  
nmstatelands.org  
@NMLandOffice

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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@emnr.d.nm.gov>  
Sent: Wednesday, March 26, 2025 1:29 PM  
To: Barron, Jeanette <Jeanette.Barron@conocophillips.com>  
Subject: [EXTERNAL]RE: Verification of Information OLM-283

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**EMAIL**

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

The Division is reviewing the following application:

Action ID	183310
Admin No.	OLM-284
Applicant	COG Operating, LLC
Title	Hambone Federal 8P BSS CTB (Oil)
Sub. Date	02/06/2023

Please provide the following additional supplemental documents:

- 

Please provide additional information regarding the following:

- Please verify or provide documentation that SLO was notified of 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.

Thanks,  
*Sarah Clelland*  
Petroleum Specialist

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

**From:** [Barron, Jeanette](#)  
**To:** [Clelland, Sarah, EMNRD](#)  
**Subject:** [EXTERNAL] Re: [EXTERNAL]Verification OLM-284  
**Date:** Monday, March 24, 2025 1:41:33 PM

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

Sarah please proceed with the OLM for oil only on this application as NMOCD currently see measurement of this application on lease as the SHL and the first take point, even though it's not within the CA boundaries....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:** Thursday, March 20, 2025 12:58 PM  
**To:** Barron, Jeanette <Jeanette.Barron@conocophillips.com>  
**Subject:** [EXTERNAL]Verification OLM-284

**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.

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

The Division is reviewing the following application:

<b>Action ID</b>	183310
<b>Admin No.</b>	OLM-284
<b>Applicant</b>	COG Operating, LLC
<b>Title</b>	Hambone Federal 8P BSS CTB
<b>Sub. Date</b>	02/06/2023

Please provide the following additional supplemental documents:

- 

Please provide additional information regarding the following:

- Please verify whether this request is for Oil Only or for Oil and Gas.

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-284**

**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**



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**GERASIMOS RAZATOS  
DIRECTOR (ACTING)**

**DATE:** 4/16/2025

State of New Mexico  
Energy, Minerals and Natural Resources Department

**Exhibit A**

Order: OLM-284  
Operator: COG Operating, LLC (229137)  
Central Tank Battery: Hambone Federal 8P BSS Central Tank Battery (Oil)  
Central Tank Battery Location: UL P, Section 8, Township 26 South, Range 29 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
CORRAL CANYON;BONE SPRING, SOUTH	13354

**Leases as defined in 19.15.12.7(C) NMAC**

Lease	UL or Q/Q	S-T-R
CA Bone Spring NMNM 105768332	W/2 E/2	05-26S-29E
	W/2 E/2	08-26S-29E
CA Bone Spring SLO 204958 PUN 1399980	W/2 E/2	05-26S-29E
	W/2 E/2	08-26S-29E

**Wells**

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-48973	HAMBONE FEDERAL COM #502H	B, G, J, O	05-26S-29E	
		B, G, J, O	08-26S-29E	

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

General Information  
Phone: (505) 629-6116

Online Phone Directory  
<https://www.emnrd.nm.gov/ocd/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 183310

**CONDITIONS**

Operator: COG OPERATING LLC 600 W Illinois Ave Midland, TX 79701	OGRID: 229137
	Action Number: 183310
	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 <a href="mailto:OCD.Engineer@emnrd.nm.gov">OCD.Engineer@emnrd.nm.gov</a> .	4/17/2025