



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

September 7, 2023

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

Re: Application for Administrative Approval of Surface Lease Pool Commingle and Off Lease Measurement

Dear Mr. McClure,

COG Operating LLC respectfully requests approval for surface lease pool commingling and Off Lease Measurement for the following wells:

Bandana Fed Com 601H
API# 30-025-49794
Fairview Mills; Bone Springs
Ut. G, Sec. 12-T25S-R34E
Lea County, NM

Bandana Fed Com 602H
API# 30-025-49795
Fairview Mills; Bone Springs
Ut. G, Sec. 12-T25S-R34E
Lea County, NM

Bandana Fed Com 603H
API# 30-025-49796
Fairview Mills; Bone Springs
Ut. F, Sec. 12-T25S-R34E
Lea County, NM

Bandana Fed Com 604H
API# 30-025-49797
Fairview Mills; Bone Springs
Ut. F, Sec. 12-T25S-R34E
Lea County, NM

Bandana Fed Com 702H
API# 30-025-49798
Dogie Draw; Wolfcamp
Ut. G, Sec. 12-T25S-R34E
Lea County, NM

Bandana Fed Com 703H
API# 30-025-49799
Dogie Draw; Wolfcamp
Ut. F, Sec. 12-T25S-R34E
Lea County, NM

Bandana Fed Com 704H
API# 30-025-49800
Dogie Draw; Wolfcamp
Ut. F, Sec. 12-T25S-R34E
Lea County, NM

Oil Production:

Oil production from all wells will have continuous measurement prior to being commingled at the Central Tank Battery located in Ut. G, Sec. 12-T25S-R34E. In the event the CTB is over capacity or in the case of battery or pipeline repairs 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 this case, the oil will remain segregated and will be measured by lact meter when offloading at said stations.

Gas Production:

Gas production from all wells will have continuous measurement prior to being commingled where it will then enter a gas flow line to the gas custody transfer meter at the Central Tank Battery located in Ut. G, Sec. 12-T25S-R34E.

Multiphase production from each well flows into the facility through a dedicated individual separator. The corresponding wells and separator assignments are shown on the SFD. From each separator the phases of flow are split, then metered for allocation and sent to the next part of the process.

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

Please see the enclosed Administrative Application Checklist, C-107B Application for Pool Commingling, 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.

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.

09.07.23

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

Form C-107-B
Revised August 1, 2011

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

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

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

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

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

LEASE TYPE: ☐ Fee ☐ State ☒ Federal

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

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

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
96340 Fairview Mills; Bone Spring	44/1334	42.95			
17980 Dogie Draw; Wolfcamp	42/1372	1353			

- (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: 09.07.23

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) 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 30-025-49794	Pool Code 96340	Pool Name Fairview Mills; Bone Spring
Property Code 332421	Property Name BANDANA FEDERAL COM	Well Number 601H
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3380.7'

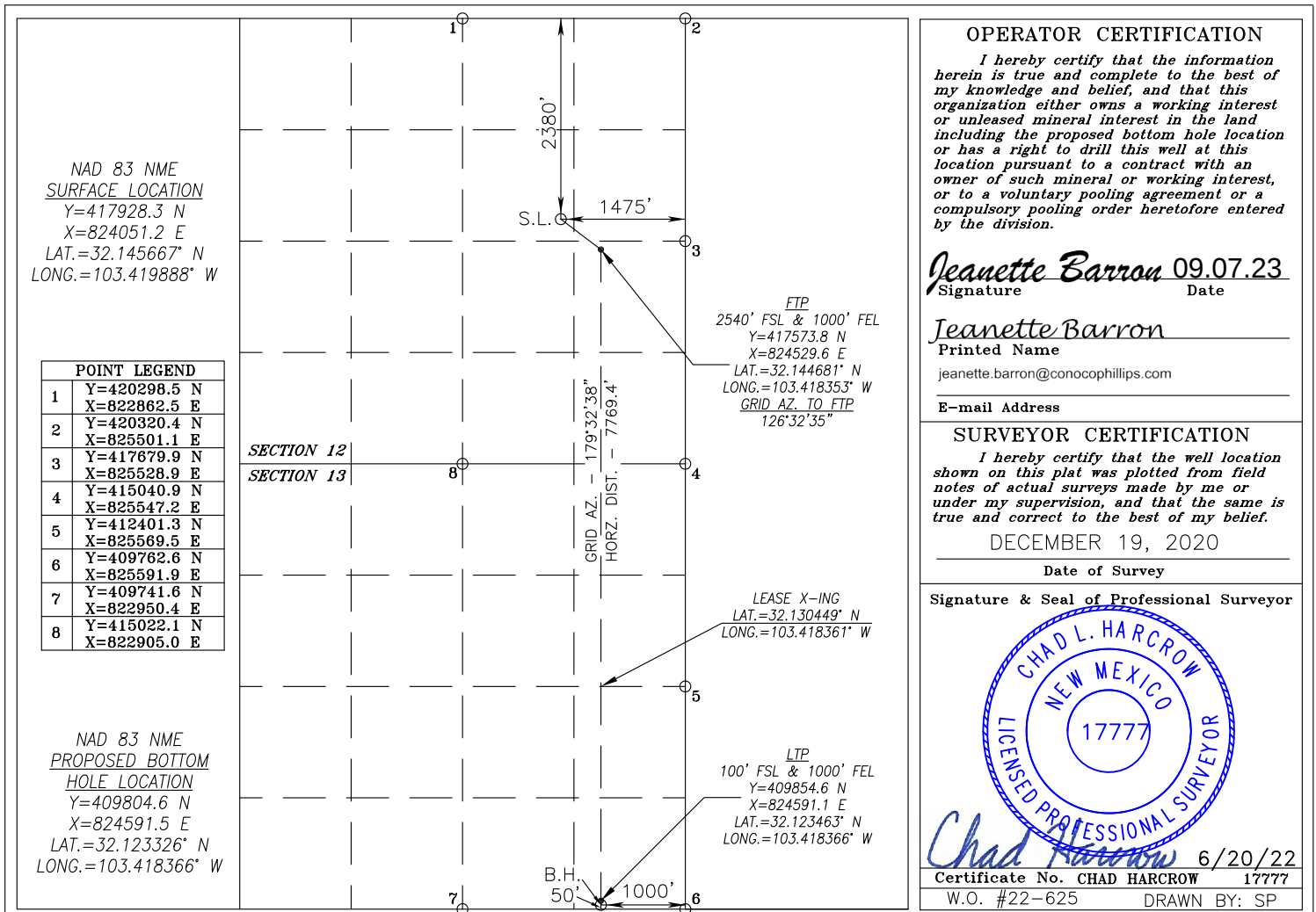
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	12	25-S	34-E		2380	NORTH	1475	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
P	13	25-S	34-E		50	SOUTH	1000	EAST	LEA
Dedicated Acres 960	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



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WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-49795	Pool Code 96340	Pool Name Fairview Mills; Bone Spring
Property Code 332421	Property Name BANDANA FEDERAL COM	Well Number 602H
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3380.1'

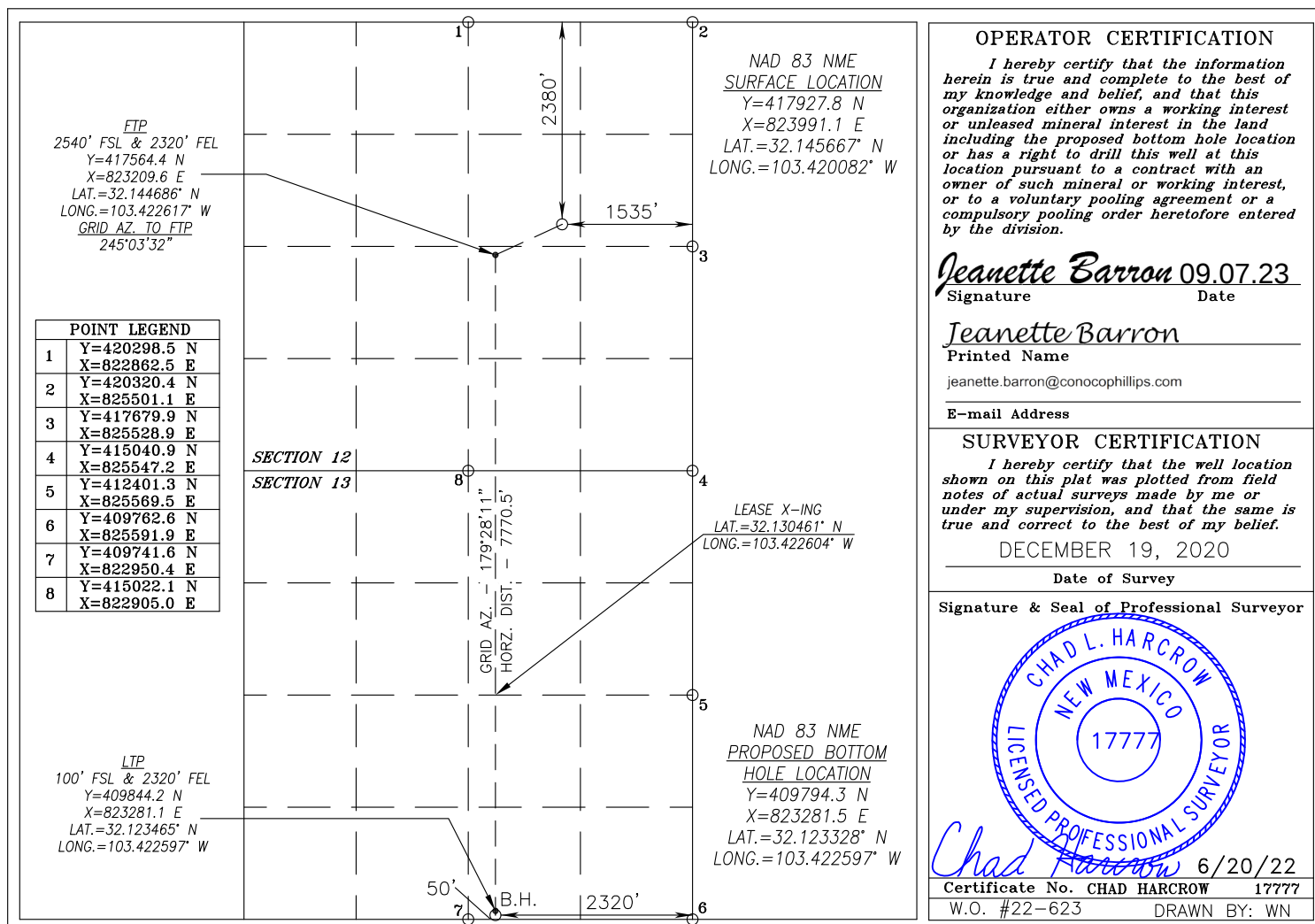
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	12	25-S	34-E		2380	NORTH	1535	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
O	13	25-S	34-E		50	SOUTH	2320	EAST	LEA
Dedicated Acres 960	Joint or Infill	Consolidation Code	Order No.						

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WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-49796	Pool Code 96340	Pool Name Fairview Mills: Bone Spring
Property Code 332421	Property Name BANDANA FEDERAL COM	Well Number 603H
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3395.6'

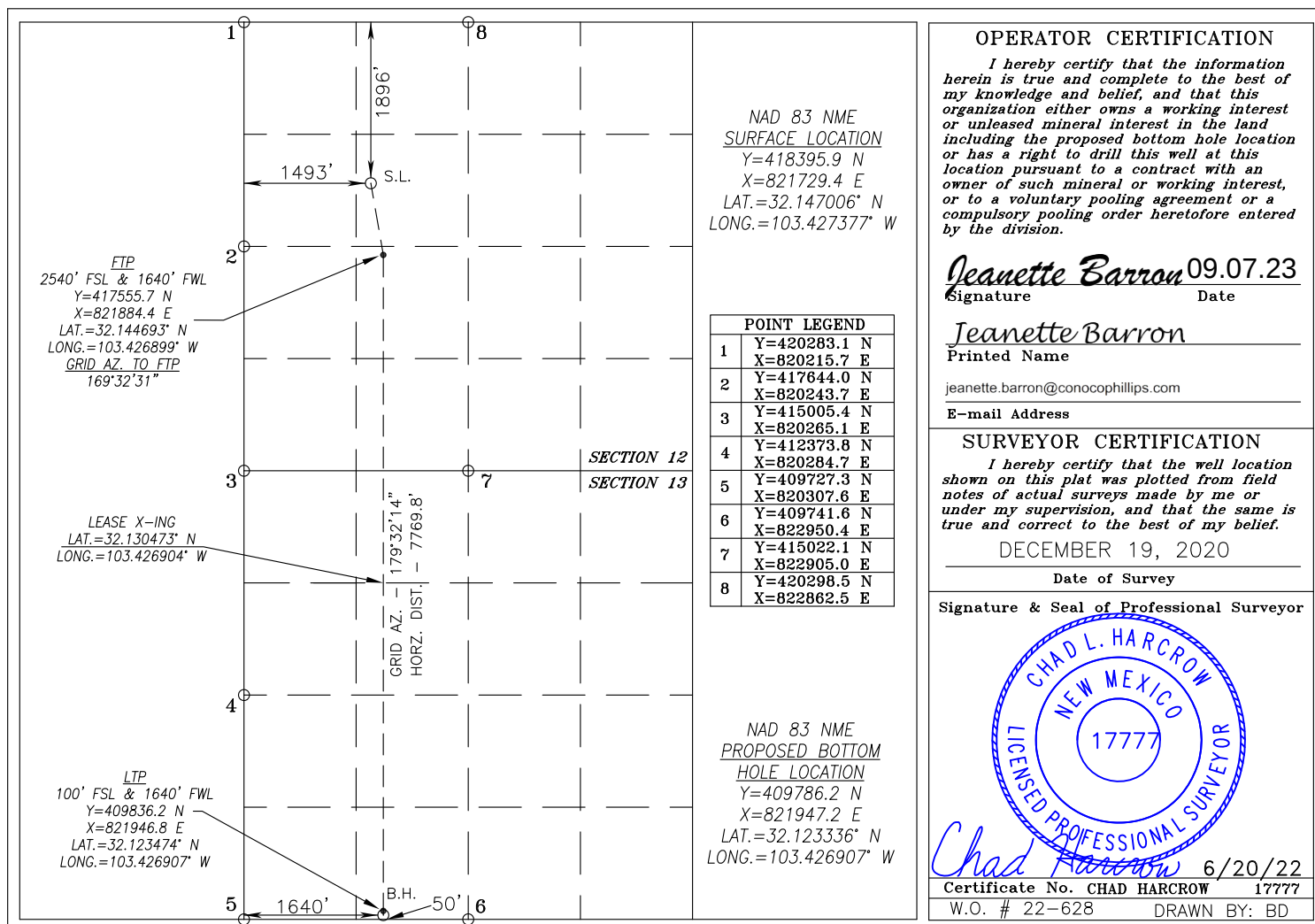
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	12	25-S	34-E		1896	NORTH	1493	WEST	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
N	13	25-S	34-E		50	SOUTH	1640	WEST	LEA
Dedicated Acres 960	Joint or Infill	Consolidation Code	Order No.						

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WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-49797	Pool Code 96340	Pool Name Fairview Mills; Bone Spring
Property Code 332421	Property Name BANDANA FEDERAL COM	Well Number 604H
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3394.6'

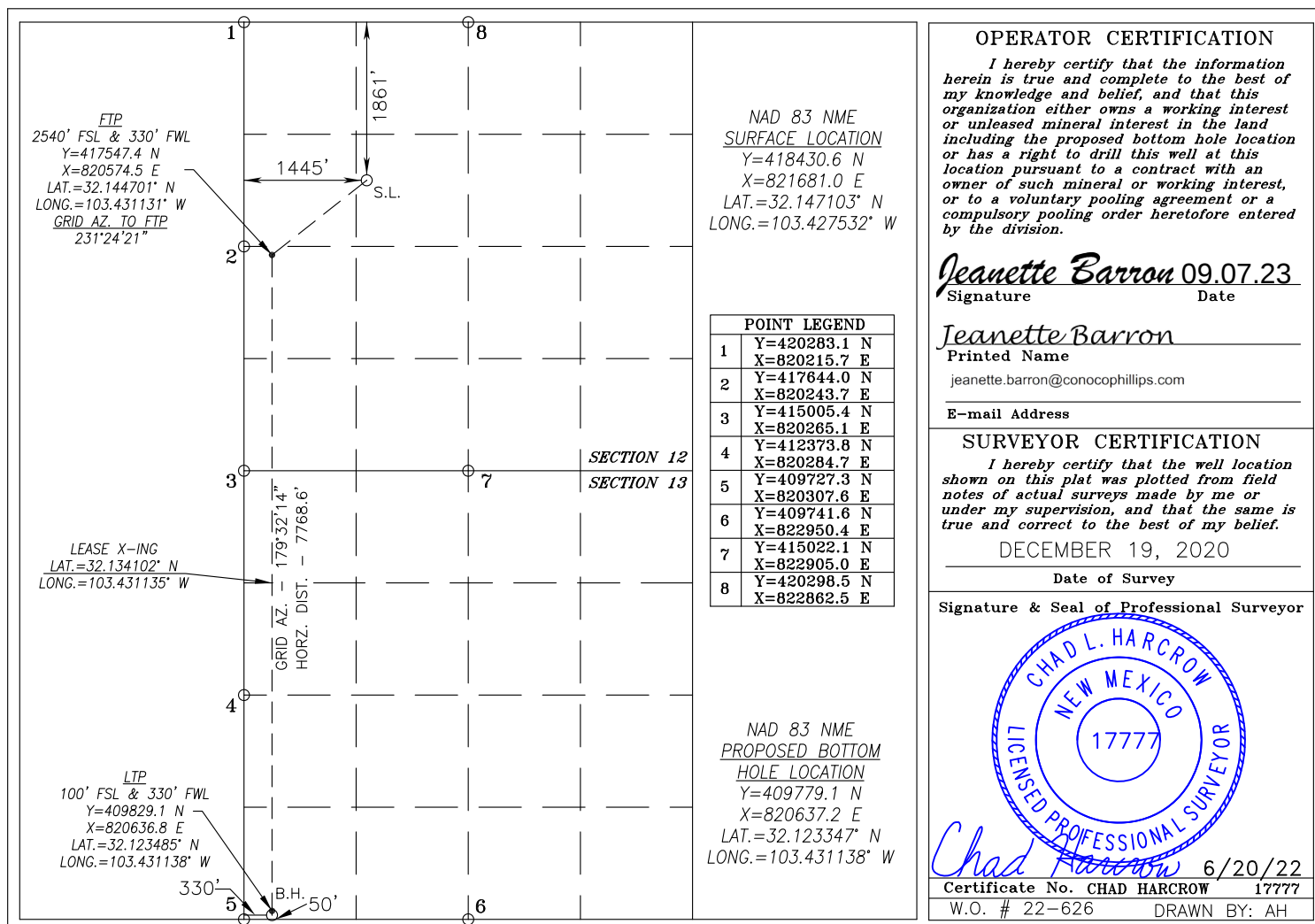
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	12	25-S	34-E		1861	NORTH	1445	WEST	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
M	13	25-S	34-E		50	SOUTH	330	WEST	LEA
Dedicated Acres 960	Joint or Infill	Consolidation Code	Order No.						

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WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-49798	Pool Code 17980	Pool Name Dogie Draw; Wolfcamp
Property Code 332421	Property Name BANDANA FEDERAL COM	Well Number 702H
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3379.0'

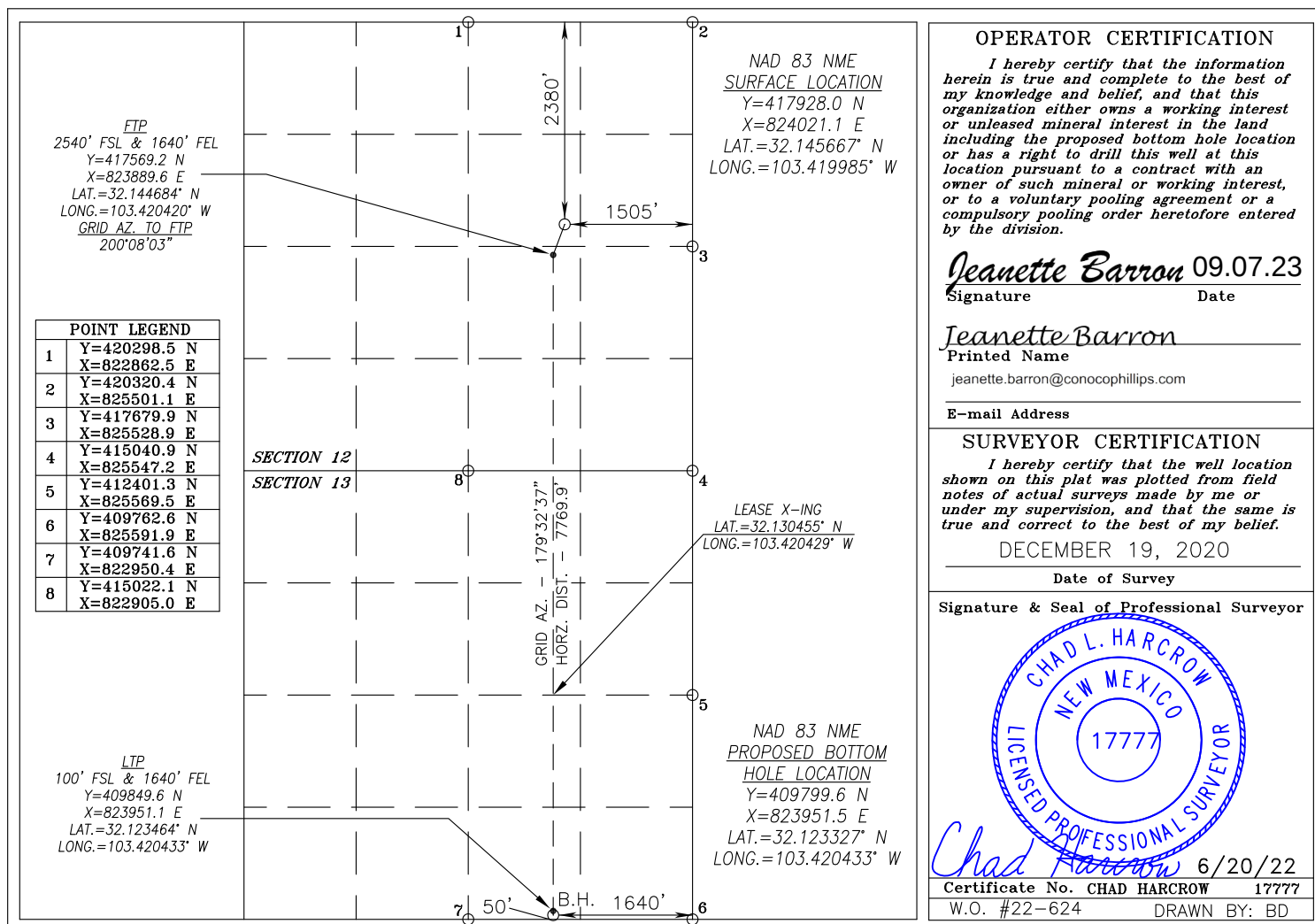
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	12	25-S	34-E		2380	NORTH	1505	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
O	13	25-S	34-E		50	SOUTH	1640	EAST	LEA
Dedicated Acres 960	Joint or Infill	Consolidation Code	Order No.						

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WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-49799	Pool Code 17980	Pool Name Dogie Draw; Wolfcamp
Property Code 332421	Property Name BANDANA FEDERAL COM	Well Number 703H
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3395.4'

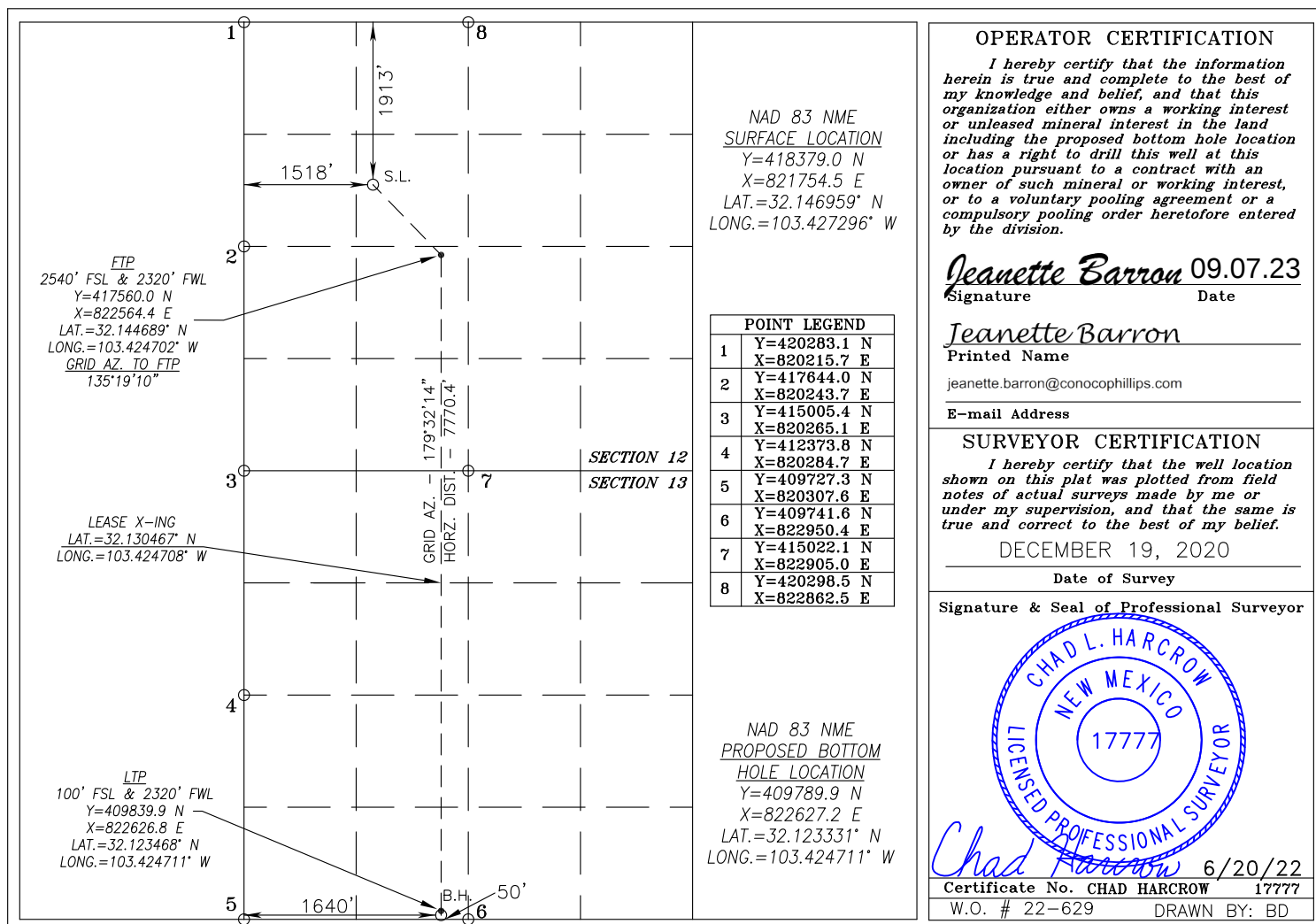
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	12	25-S	34-E		1913	NORTH	1518	WEST	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
N	13	25-S	34-E		50	SOUTH	2320	WEST	LEA
Dedicated Acres 960	Joint or Infill	Consolidation Code	Order No.						

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WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-49800	Pool Code 17980	Pool Name Dogie Draw; Wolfcamp
Property Code 332421	Property Name BANDANA FEDERAL COM	
OGRID No.	Operator Name COG OPERATING, LLC	Well Number 704H
		Elevation 3395.5'

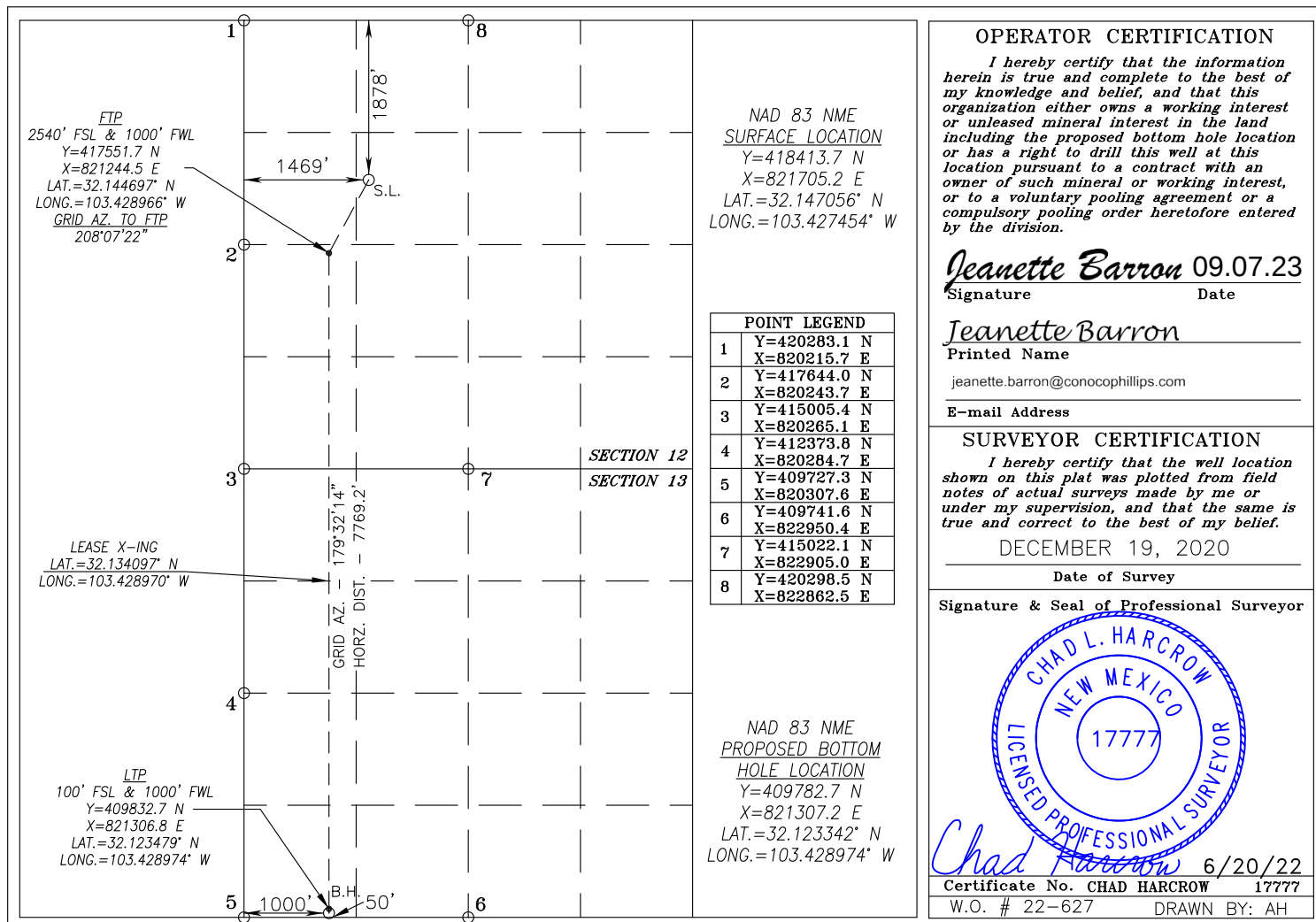
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	12	25-S	34-E		1878	NORTH	1469	WEST	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
M	13	25-S	34-E		50	SOUTH	1000	WEST	LEA
Dedicated Acres 960	Joint or Infill	Consolidation Code	Order No.						

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BANDANA FEDERAL 12 G CTB
SECTION 12, T25S, R34E, UNIT G
COORDS: 32.145612, -103.422553
LEA COUNTY, NM

WELLS:
BANDANA FEDERAL COM #601H: 30-025-49794
BANDANA FEDERAL COM #602H: 30-025-49795
BANDANA FEDERAL COM #603H: 30-025-49796
BANDANA FEDERAL COM #604H: 30-025-49797
BANDANA FEDERAL COM #702H: 30-025-49798
BANDANA FEDERAL COM #703H: 30-025-49799
BANDANA FEDERAL COM #704H: 30-025-49800

Royalty Free Fuel Usage:
() Compressors
(2) Heater Treater

Estimated Total Usage: ____ mcf/day

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

Production Phase/Sales Phase
Oil Tanks
Valve 1,5,8,13,10,15 open
Valve 2,3,4,6,7,9,10,11,12,14,16,17,19,20 Closed
Water Tanks
Valve 26,27,28,30,31,32,34,35,36,38,39 Open
Valve 25,29,33,37 closed

FACILITY VOLUME
- OIL: 16,000 BPD
- WATER: 30,000 BPD
- GAS: 40 MMSCFD

METERS

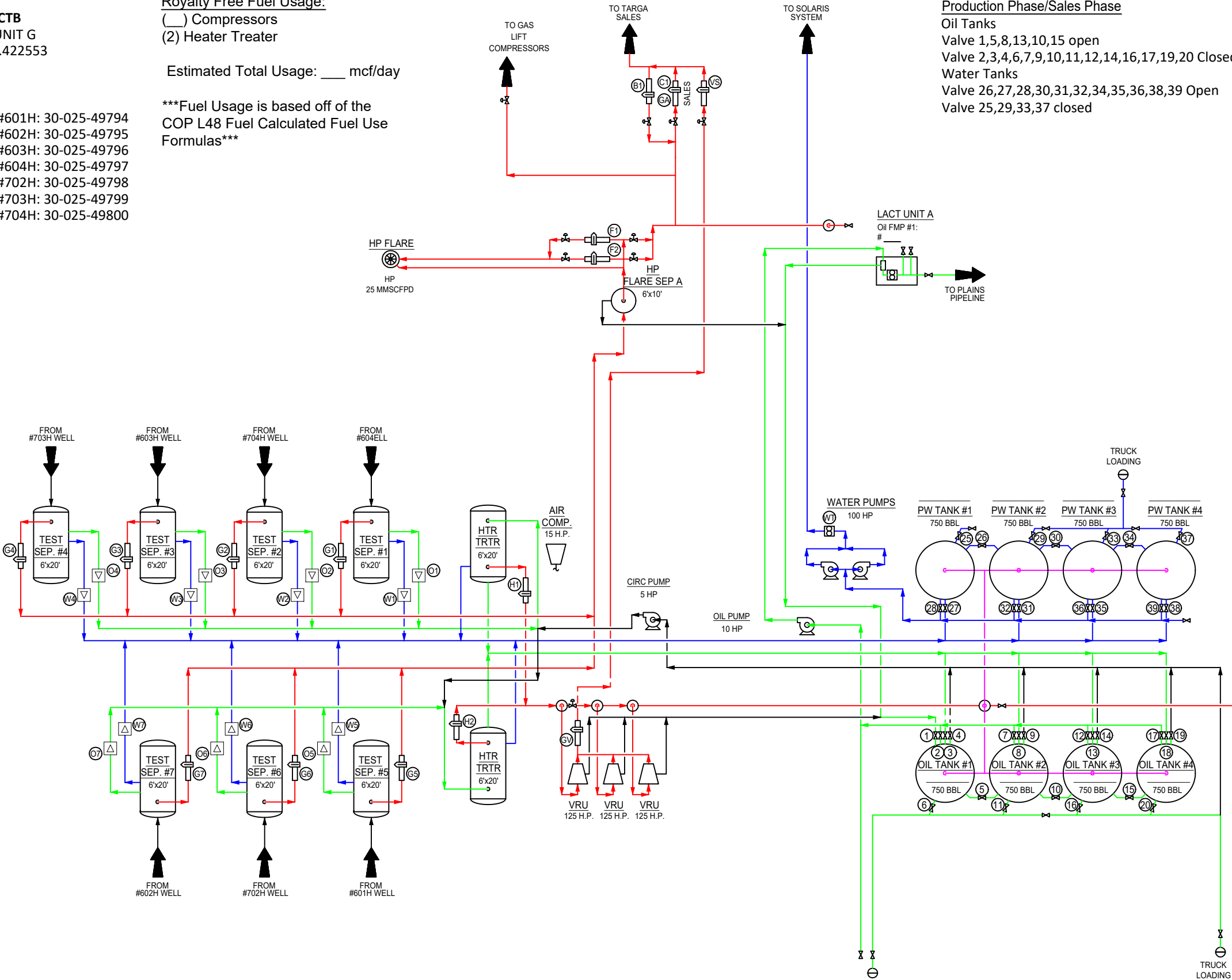
- (O1) Tester #1 Oil Meter # _____
- (G1) Tester #1 Gas Meter # _____
- (W1) Tester #1 Water Meter # _____
- (O2) Tester #2 Oil Meter # _____
- (G2) Tester #2 Gas Meter # _____
- (W2) Tester #2 Water Meter # _____
- (O3) Tester #3 Oil Meter # _____
- (G3) Tester #3 Gas Meter # _____
- (W3) Tester #3 Water Meter # _____
- (O4) Tester #4 Oil Meter # _____
- (G4) Tester #4 Gas Meter # _____
- (W4) Tester #4 Water Meter # _____

METERS

- (O5) Tester #5 Oil Meter # _____
- (G5) Tester #5 Gas Meter # _____
- (W5) Tester #5 Water Meter # _____
- (O6) Tester #6 Oil Meter # _____
- (G6) Tester #6 Gas Meter # _____
- (W6) Tester #6 Water Meter # _____
- (O7) Tester #7 Oil Meter # _____
- (G7) Tester #7 Gas Meter # _____
- (W7) Tester #7 Water Meter # _____

METERS

- (F1) HP Flare Gas Meter # _____
- (F2) HP Flare Gas Meter # _____
- (F3) LP Flare Gas Meter # _____
- (GV) VRU Gas Meter # _____
- (VS) VRU Sales Gas Meter # _____
- (WT) Water Transfer Meter # _____
- (C1) Check Gas Meter # _____
- (GA) FMP Gas Sales Meter #1 # _____
- (B1) Gas By Back Meter # _____
- (H1) Heater Flash Gas Meter # _____
- (H2) Heater Flash Gas Meter # _____



NOTES:

**Type of Facility: Federal
Lease #:**
CA #: In Progress
NMOCD Property Code: 332421
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
A	05/30/23
B	06/20/23
C	06/22/23
COG OPERATING LLC SITE SECURITY PLANS LOCATED AT:	
ONE CONCHO CENTER 600 WEST ILLINOIS AVENUE MIDLAND, TEXAS 79701	

REVISIONS

NO.	DATE	DESCRIPTION	BY	CHK.	APP.
A	05/30/23	ISSUED FOR PRELIM	JS	CB	CB
B	06/20/23	REVISED PER FACILITY VOLUMES	JS	CB	CB
C	06/22/23	ADDED WELL NUMBERS	JS	CB	CB

ENGINEERING RECORD

BY	DATE
JS	05/30/23
DES:	
CHK:	
APP:	
AFE NO:	
FACIL ENGR:	C. Blair
OPER ENGR:	
SCALE:	NONE

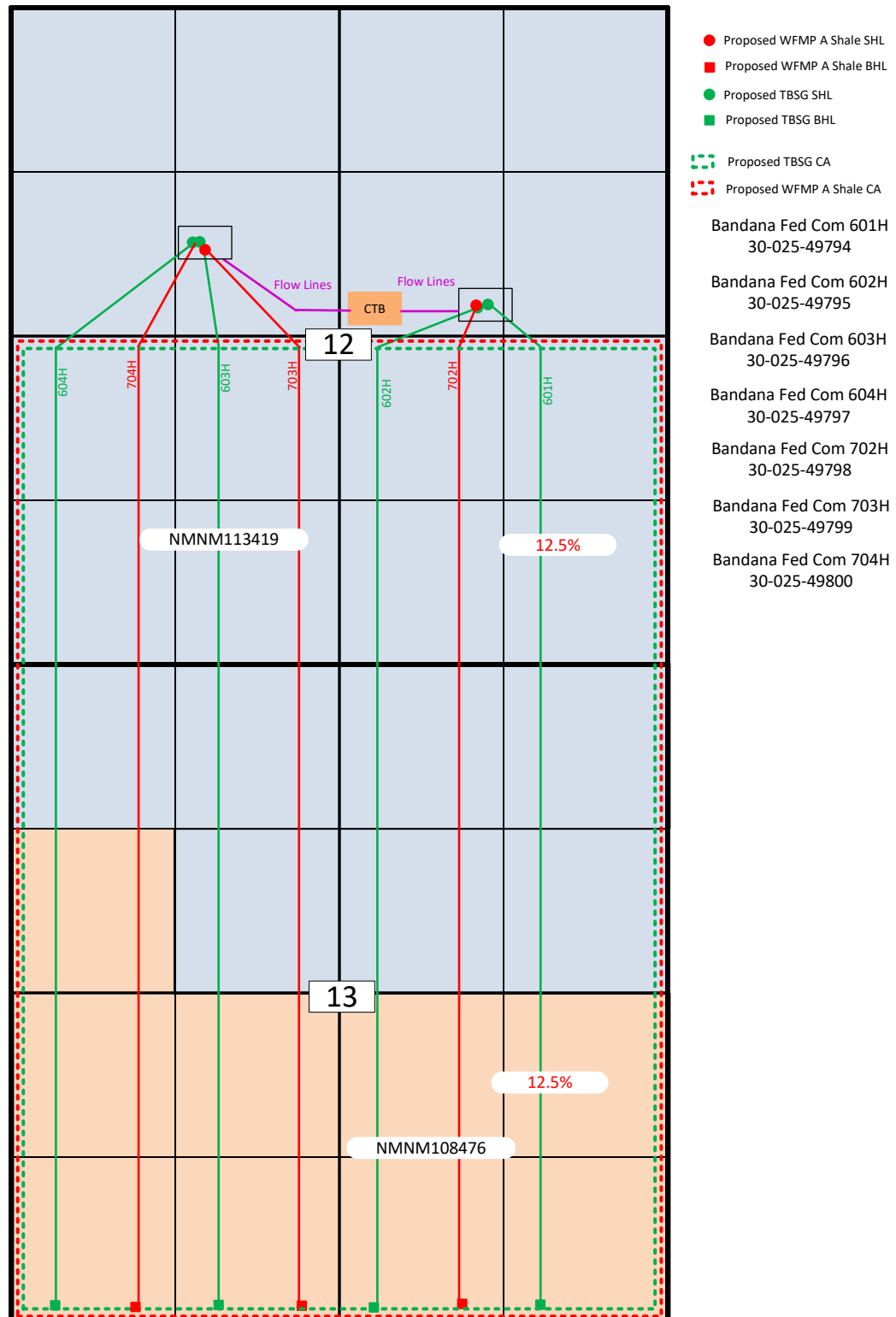


DELAWARE BASIN EAST ASSET
PRODUCTION FACILITIES
SITE FACILITY DIAGRAM
BANDANA FEDERAL 12 G CTB

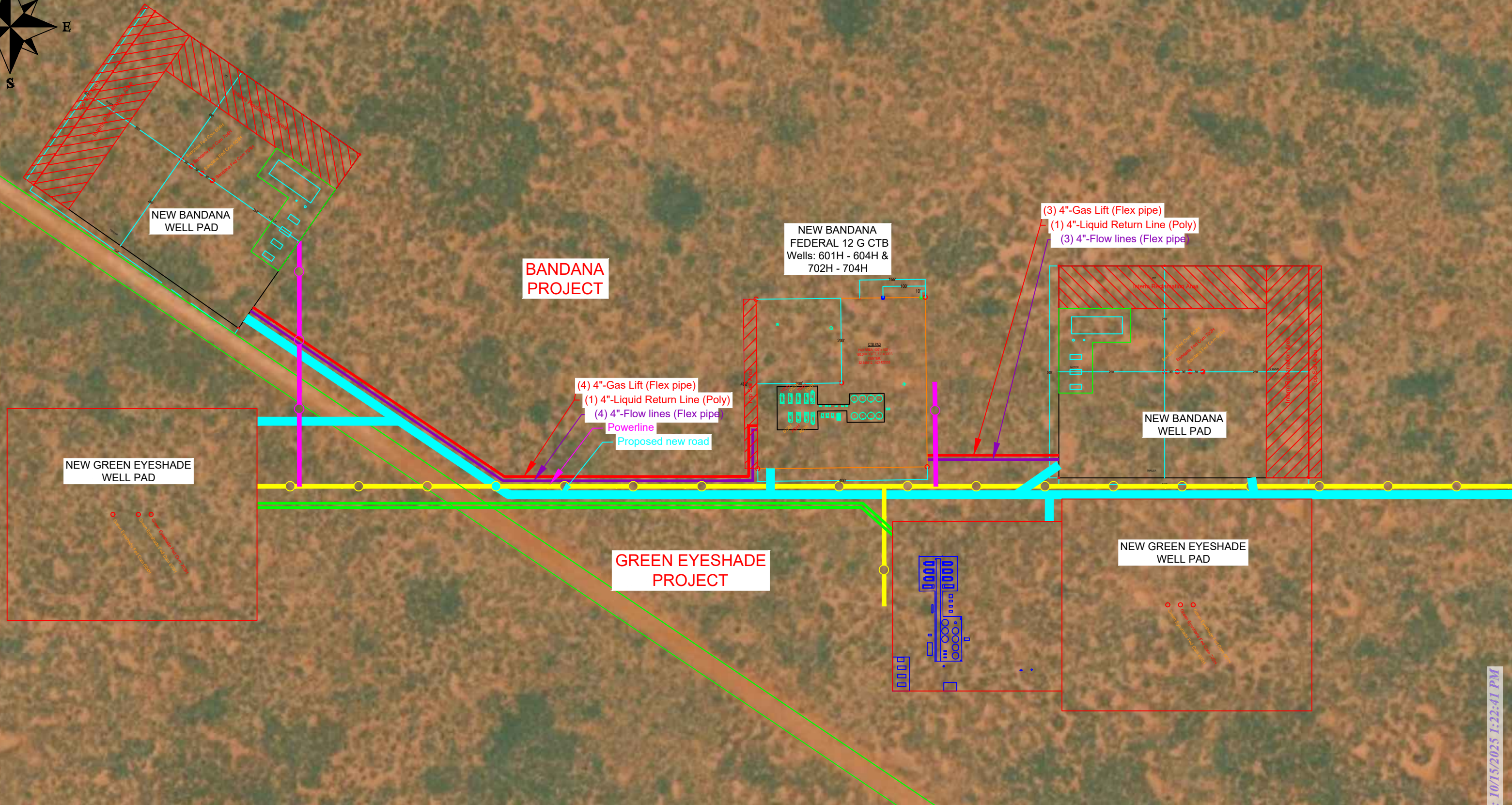
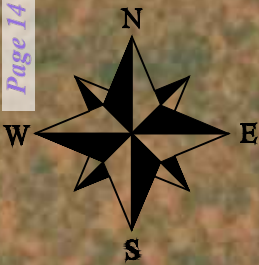
LEA COUNTY	DWG NO.	NEW MEXICO
TWNSHP/RANGE	BandanaFederal12GCTB	REV C

JB 05.24.22

Bandana Fed Com Wells



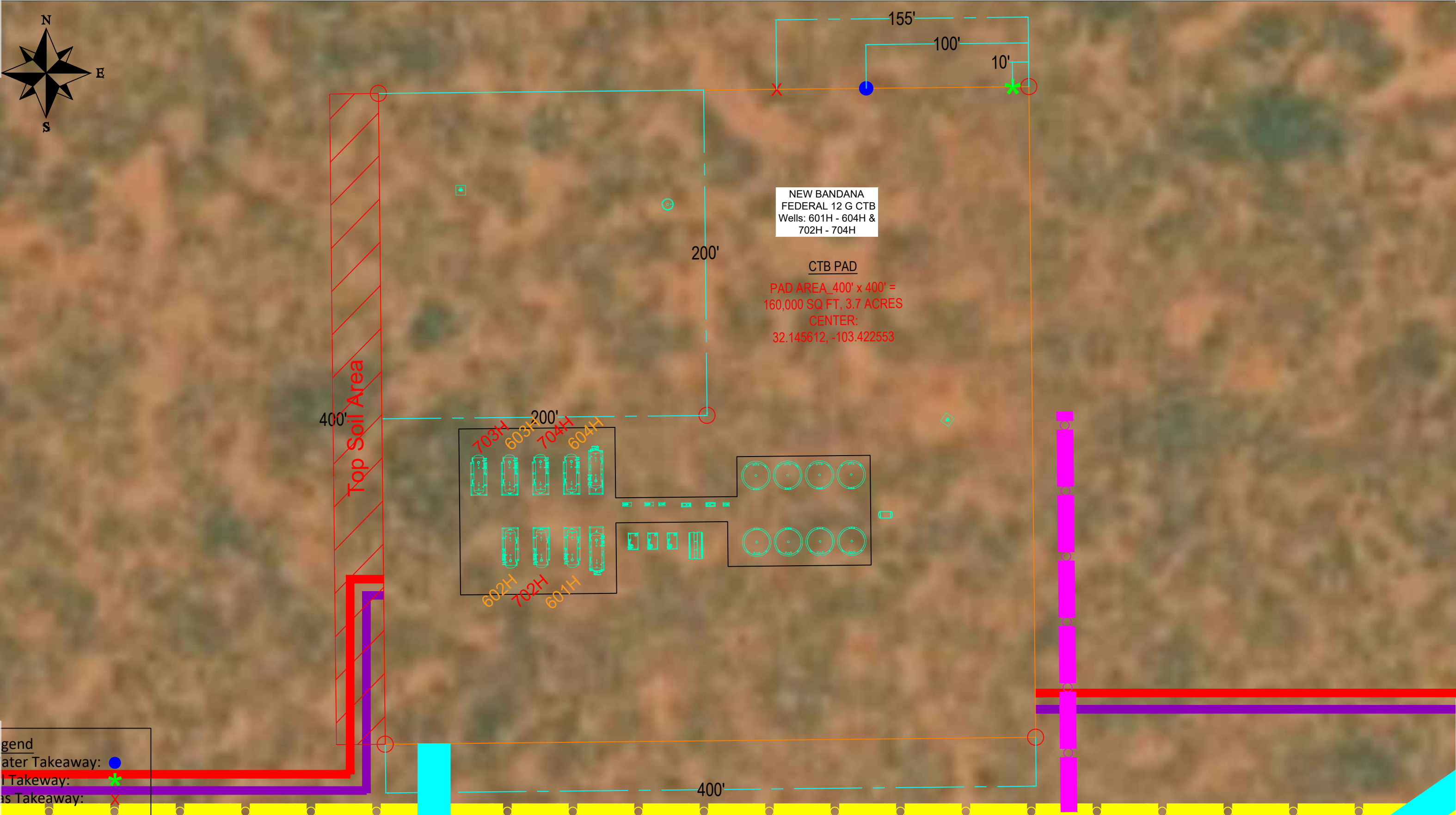
Sec 12, 13 T25S R34E
Lea County NM



Facility Plan
Bandana Federal Project
Sec 12, T25S, R34E

REV	DATE	BY
A	12/04/20	U
B	06/02/22	U
C	06/22/22	U

Page 15 of 40
Received by OCD: 10/8/2025 6:22:41 PM
Released by Imaging: 10/15/2025 1:22:41 PM

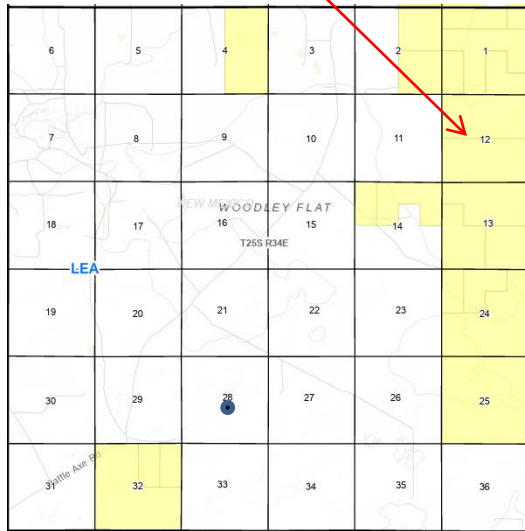


Facility Plan
Bandana Federal Project
Sec 12, T25S, R34E

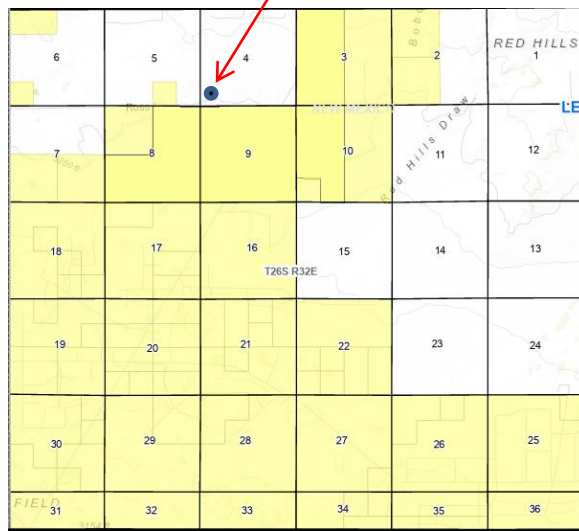
REV	DATE	BY
A	12/04/20	CS
B	06/02/22	CS
C	06/22/22	CS

Bandana Fed Com 601H-604H & 702H-704H & Red Hills and Jal Offload Station Map

**Bandana Fed Com 61H-604H, 702H-704H
Lea County, NM**



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



**Jal Offload Station
Lea County, NM**



Bandana Fed Com 601H-604H & 702H-704H Pool Lease Commingle							
Date Sent	Initials	Name	Address	City	State	Zip Code	Certified return Receipt No.
09.07.23	JB	NOJV Group	6301 Deauville, Blvd	Midland	TX	79706	7020 1810 0000 1415 3050
09.07.23	JB	OXY Y-1	5 Greenway Plaza, Suite 110	Houston	TX	77046	7020 1810 0000 1415 3029
09.07.23	JB	Crownrock Mineral, LP	PO Box 51933	Midland	TX	79710	7020 1810 0000 1415 3074
09.07.23	JB	John Lawrence Thoma, Trustee Cornerstone Family Truts	PO Box 17656	Golden	CO	80402	7020 1810 0000 1415 3067
09.07.23	JB	John Kyle Thoma, Trustee Cornerstone Family Trust	PO Box 558	Peyton	CO	80831	7020 1810 0000 1415 3036
09.07.23	JB	Allar Development LLC	PO Box 1567	Graham	TX	76450	7020 1810 0000 1415 3081
09.07.23	JB	Regen Royalty Corp	PO Box 210	Artesia	NM	88210	7020 1810 0000 1415 3043
09.07.23	JB	EOG Resources, Inc	5509 Champions Dr	Midland	TX	79706	7020 1810 0000 1415 3012
09.07.23	JB	BLM	414 West Taylor	Hobbs	NM	88240	7020 1810 0000 1415 3005

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the **1st** day of **December, 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 25 South, Range 34 East, N.M.P.M.

Section 12: S2

Section 13: All

Lea County, New Mexico

Containing **960.00** acres, and this agreement shall include only the Bone Spring formation *excluding* the Avalon interval 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 Ave., 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 pool 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 **December 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.

Statement of Written Consent by All Named Owners:

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

OPERATOR:

COG OPERATING LLC

Date: _____

By: _____

Ryan D. Owen
Attorney-in-fact

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

This instrument was acknowledged before me on the _____ day of _____, 20____, by Ryan D. Owen, 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

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

COG OPERATING LLC

Date: _____

By: _____

Ryan D. Owen
Attorney-in-fact

OXY Y-1 Company

Date: _____

By: _____

Name: _____

Title: _____

Chevron U.S.A.Inc.

Date: _____

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENTS

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

This instrument was acknowledged before me on f _____, 20__, by Ryan D. Owen,
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

STATE OF _____ §
 §
COUNTY OF _____ §

The instrument was acknowledged before me on _____, 20__, by
_____, as _____, of _____
_____, a _____, on
behalf of same.

Notary Public - State of _____

STATE OF _____ §
 §
COUNTY OF _____ §

The instrument was acknowledged before me on _____, 20__, by
_____, as _____, of _____
_____, a _____, on
behalf of same.

Notary Public - State of _____

EXHIBIT "A"

Plat of communitized area covering the S2 of Section 12 and All of Section 13,
Township 25 South-Range 34 East, N.M.P.M., Lea County, New Mexico,

Limited in depths as to the Bone Spring formation excluding the Avalon interval

Tract 1:
NMNM-113419



Tract 2:
NMNM 108476

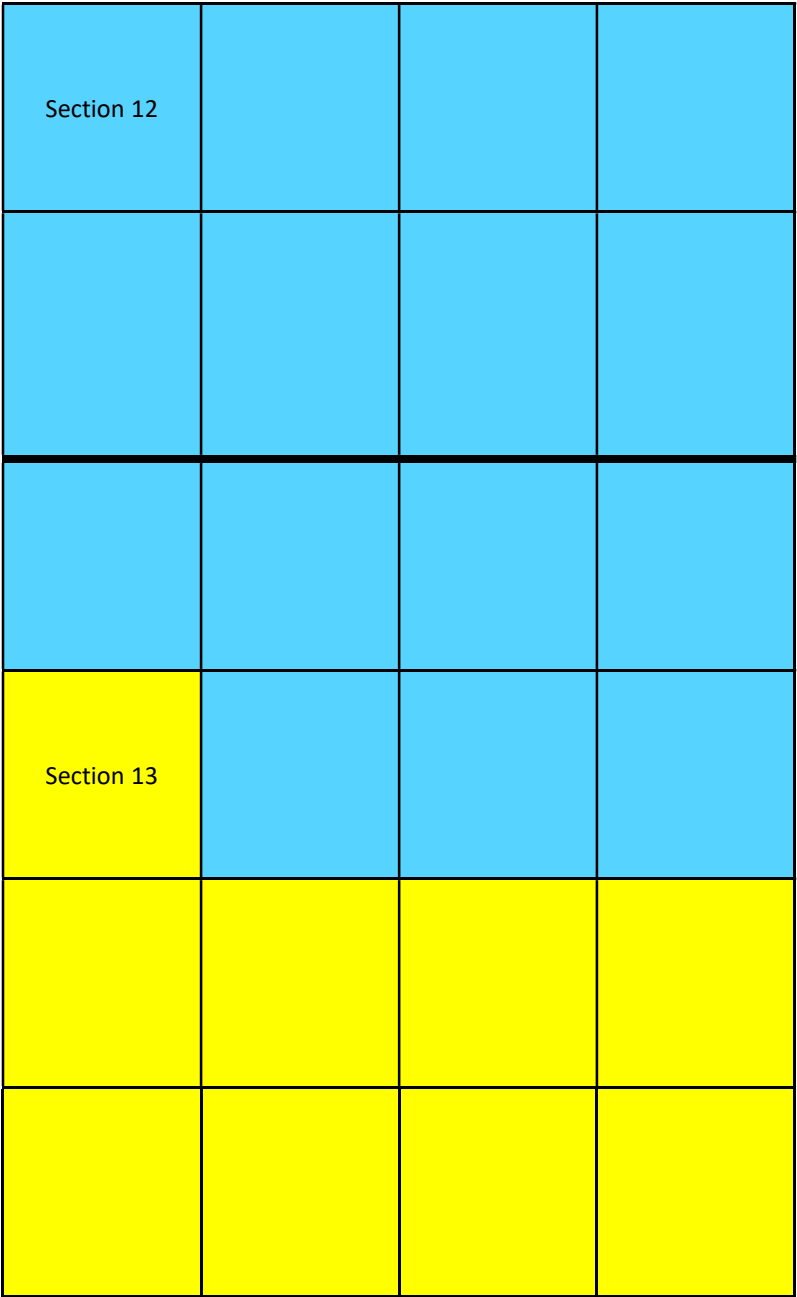


EXHIBIT "B"

To Communitization Agreement dated December 1, 2022, area covering the S2 of Section 12 and All of Section 13, Township 25 South-Range 34 East, N.M.P.M., Lea County, New Mexico,

Operator of Communitized Area: COG Operating LLC

**TRACT #1
FEDERAL LEASE
600.00 acres**

Lessor:	United States of America NMNM-113419
Original Lessee:	The Allar Company
Current Lessee:	COG Operating LLC Chevron U.S.A. Inc.
Lease Date:	March 1, 2005
Recordation:	Not Recorded
Royalty:	12.5%
Lands:	Insofar and only insofar as said lease covers: <u>Township 25 South, Range 34 East</u> Section 12: S2 Section 13: NE4, N2NW, SE4NW4 Lea County, New Mexico
Working Interest Owner:	COG Operating LLC Chevron U.S.A. Inc.
ORRI:	Crownrock Minerals, L.P. John Lawrence Thomas, Trustee of the Cornerstone Family Trust Allar Development LLC Regen Royalty Corp.

**TRACT #2
FEDERAL LEASE
360.00 acres**

Lessor:	United States of America NMNM-10847
Original Lessee:	Yates Drilling Company Abo Petroleum Corporation Myco Industries, Inc.
Current Lessee:	COG Operating LLC OXY Y-1 Company
Lease Date:	June 1, 2002
Recordation:	Not Recorded
Royalty:	12.5%
Lands:	Insofar and only insofar as said lease covers: <u>Township 25 South, Range 34 East</u> Section 13: SW4NW4, S2 Lea County, New Mexico
Working Interest Owner:	COG Operating LLC OXY Y-1 Company
ORRI:	EOG Resources, Inc.

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest In Communitized Area
1	600.00	62.50%
2	360.00	37.50%
Total	960.00	100.00%

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the **1st** day of **December, 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 25 South, Range 34 East, N.M.P.M.

Section 12: S2

Section 13: All

Lea County, New Mexico

Containing **960.00** acres, and this agreement shall include only the Wolfcamp 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 Ave., 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 pool 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 **December 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.

Statement of Written Consent by All Named Owners:

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

OPERATOR:

COG OPERATING LLC

Date: _____

By: _____

Ryan D. Owen
Attorney-in-fact

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

This instrument was acknowledged before me on the _____ day of _____, 20____, by Ryan D. Owen, 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

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

COG OPERATING LLC

Date: _____

By: _____

Ryan D. Owen
Attorney-in-fact

OXY Y-1 Company

Date: _____

By: _____

Name: _____

Title: _____

Chevron U.S.A.Inc.

Date: _____

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENTS

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

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Notary Public in and for the State of Texas

STATE OF _____ §
 §
COUNTY OF _____ §

The instrument was acknowledged before me on _____, 20__, by
_____, as _____, of _____
_____, a _____, on
behalf of same.

Notary Public - State of _____

STATE OF _____ §
 §
COUNTY OF _____ §

The instrument was acknowledged before me on _____, 20__, by
_____, as _____, of _____
_____, a _____, on
behalf of same.

Notary Public - State of _____

EXHIBIT "A"

Plat of communitized area covering the S2 of Section 12 and All of Section 13,
Township 25 South-Range 34 East, N.M.P.M., Lea County, New Mexico,

Limited in depths as to the Wolfcamp formation

Tract 1:
NMNM-113419



Tract 2:
NMNM 108476

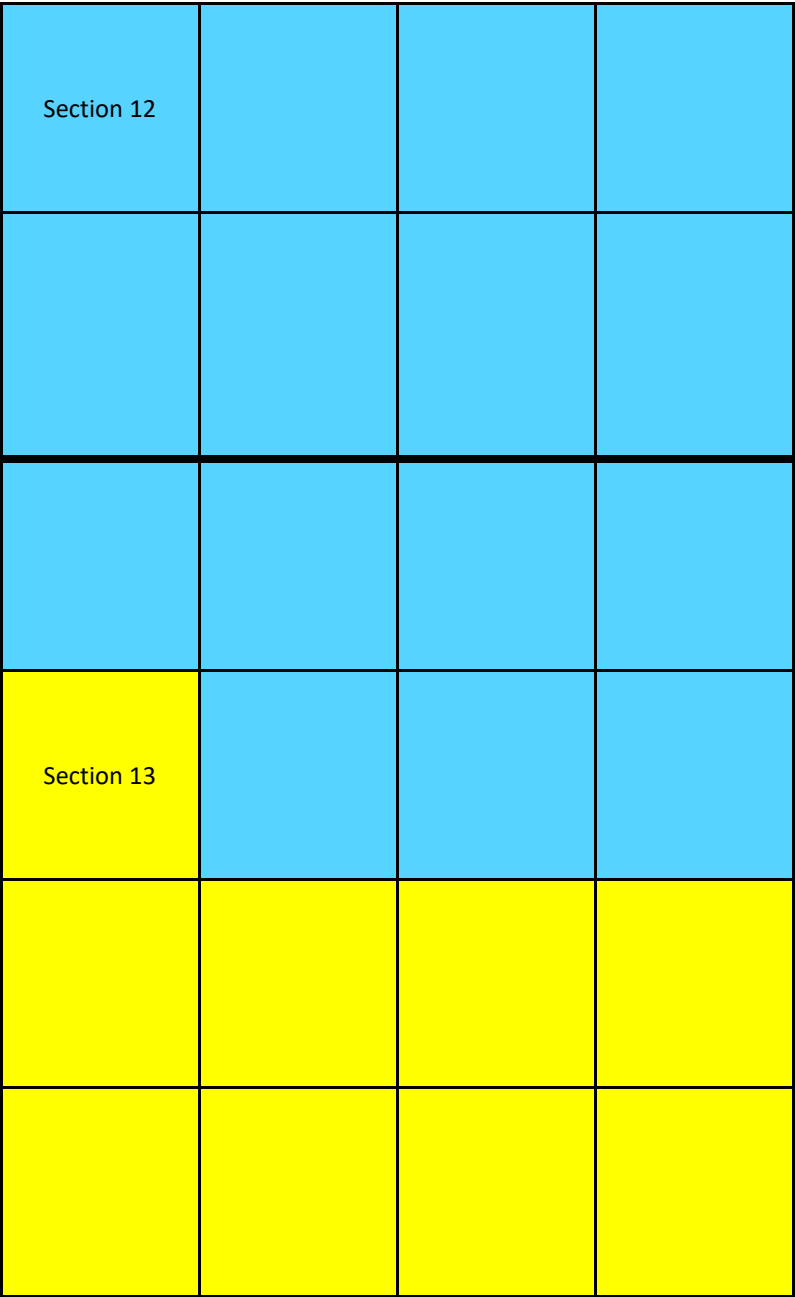


EXHIBIT "B"

To Communitization Agreement dated December 1, 2022, area covering the S2 of Section 12 and All of Section 13, Township 25 South-Range 34 East, N.M.P.M., Lea County, New Mexico,

Operator of Communitized Area: COG Operating LLC

**TRACT #1
FEDERAL LEASE
600.00 acres**

Lessor:	United States of America NMNM-113419
Original Lessee:	The Allar Company
Current Lessee:	COG Operating LLC Chevron U.S.A. Inc.
Lease Date:	March 1, 2005
Recordation:	Not Recorded
Royalty:	12.5%
Lands:	Insofar and only insofar as said lease covers: <u>Township 25 South, Range 34 East</u> Section 12: S2 Section 13: NE4, N2NW, SE4NW4 Lea County, New Mexico
Working Interest Owner:	COG Operating LLC Chevron U.S.A. Inc.
ORRI:	Crownrock Minerals, L.P. John Lawrence Thomas, Trustee of the Cornerstone Family Trust Allar Development LLC Regen Royalty Corp.

**TRACT #2
FEDERAL LEASE
360.00 acres**

Lessor:	United States of America NMNM-10847
Original Lessee:	Yates Drilling Company Abo Petroleum Corporation Myco Industries, Inc.
Current Lessee:	COG Operating LLC OXY Y-1 Company
Lease Date:	June 1, 2002
Recordation:	Not Recorded
Royalty:	12.5%
Lands:	Insofar and only insofar as said lease covers: <u>Township 25 South, Range 34 East</u> Section 13: SW4NW4, S2 Lea County, New Mexico
Working Interest Owner:	COG Operating LLC OXY Y-1 Company
ORRI:	EOG Resources, Inc.

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest In Communitized Area
1	600.00	62.50%
2	360.00	37.50%
Total	960.00	100.00%

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

**APPLICATION FOR SURFACE COMMINGLING
SUBMITTED BY COG OPERATING, LLC**

ORDER NO. PLC-962

ORDER

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

FINDINGS OF FACT

1. COG Operating, LLC (“Applicant”) submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells as described in Exhibit A (“Application”).
2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
3. Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
4. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
5. Applicant certified the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.
6. Applicant submitted or intends to submit one or more proposed communitization agreement(s) (“Proposed Agreement(s)”) to the BLM or NMSLO, as applicable, identifying the acreage of each lease to be consolidated into a single pooled area (“CA Pooled Area”), as described in Exhibit A.

CONCLUSIONS OF LAW

7. 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, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.
8. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10 A.(2) NMAC, 19.15.12.10 C.(4)(c) NMAC, and 19.15.12.10 C.(4)(e) NMAC, as applicable.

9. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9 A.(5) NMAC and 19.15.23.9 A.(6) NMAC, as applicable.
10. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10 B.(1) NMAC or 19.15.12.10 C.(1) NMAC, as applicable.
11. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10 B.(3) NMAC and 19.15.12.10 C.(4)(h) NMAC.
12. 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 surface commingle oil and gas production from the pools, leases, and wells as described in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells as described in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

2. For each CA Pooled Area described in Exhibit A, Applicant shall submit a Proposed Agreement to the BLM or NMSLO, as applicable, prior to commencing oil and gas production. If Applicant fails to submit the Proposed Agreement, this Order shall terminate on the following day.

No later than sixty (60) days after the BLM or NMSLO approves or denies a Proposed Agreement, Applicant shall submit a Form C-103 to OCD with a copy of the decision and a description of the approved lands, as applicable. If Applicant withdraws or the BLM or NMSLO denies a Proposed Agreement, this Order shall terminate on the date of such action, and Applicant shall cease commingling the production from the CA Pooled Area. If the BLM or NMSLO approves but modifies the Proposed Agreement(s), Applicant shall comply with the approved Agreement(s), and no later than sixty (60) days after such decision, Applicant shall submit a new surface commingling application to OCD to conform this Order with the approved Agreement(s) if the formation or dedicated lands are modified or if a modification is made that will affect this Order. If Applicant fails to submit the new surface commingling application or OCD denies the new surface commingling application, this Order shall terminate on the date of such action.

Applicant shall allocate the oil and gas production to each lease within a CA Pooled Area in proportion to the acreage that each lease bears to the entire acreage of the CA Pooled Area until the Proposed Agreement which includes the CA Pooled Area is approved. After the Proposed Agreement is approved, the oil and gas production from the CA Pooled Area shall be allocated as required by the BLM's or NMSLO's, as applicable, approval of the Agreement, including any production that had been allocated previously in accordance with this Order.

3. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling it with production from another well.
4. 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.
5. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8 B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8 E. NMAC.
6. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10 C.(2) NMAC.
7. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
8. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
9. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
10. 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**



**ALBERT C. S. CHANG
DIRECTOR**

DATE: 10/11/2025

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **PLC-962**

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

Central Tank Battery: **Bandana Federal 12 G Central Tank Battery**

Central Tank Battery Location: **UL G, Section 12, Township 25 South, Range 34 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: **UL G, Section 12, Township 25 South, Range 34 East**

Pools

Pool Name	Pool Code
DOGIE DRAW;WOLFCAMP	17980
FAIRVIEW MILLS;BONE SPRING	96340

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
CA Wolfcamp NMNM 106353883	S2	12-25S-34E
	All	13-25S-34E
PROPOSED CA Bone Spring NMNM 106353122	S2	12-25S-34E
	All	13-25S-34E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-49794	BANDANA FEDERAL COM #601H	S2	12-25S-34E	96340
		All	13-25S-34E	
30-025-49795	BANDANA FEDERAL COM #602H	S2	12-25S-34E	96340
		All	13-25S-34E	
30-025-49796	BANDANA FEDERAL COM #603H	S2	12-25S-34E	96340
		All	13-25S-34E	
30-025-49797	BANDANA FEDERAL COM #604H	S2	12-25S-34E	96340
		All	13-25S-34E	
30-025-49798	BANDANA FEDERAL COM #702H	S2	12-25S-34E	17980
		All	13-25S-34E	
30-025-49799	BANDANA FEDERAL COM #703H	S2	12-25S-34E	17980
		All	13-25S-34E	
30-025-49800	BANDANA FEDERAL COM #704H	S2	12-25S-34E	17980
		All	13-25S-34E	

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 513455

CONDITIONS

Operator: COG OPERATING LLC 600 W Illinois Ave Midland, TX 79701	OGRID: 229137
	Action Number: 513455
	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 .	10/15/2025