

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

June 20, 2024

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

Re: Application for Administrative Approval of Surface Commingle

Dear Mr. McClure,

COG Operating LLC respectfully requests approval for surface commingling for the following wells:

Rock Jelly Federal Com 701H API# 30-015-47583 Corral Canyon; Bone Spring Ut. A, Sec. 3-T26S-R29E Eddy County, NM

Rock Jelly Federal Com 703H API# 30-015-47581 Corral Canyon; Bone Spring Ut. C, Sec. 3-T26S-R29E Eddy County, NM Rock Jelly Federal Com 702H API# 30-015-47582 Corral Canyon; Bone Spring Ut. A, Sec. 3-T26S-R29E Eddy County, NM

Rock Jelly Federal Com 704H API# 30-015-47580 Corral Canyon; Bone Spring Ut. C, Sec. 3-T26S-R29E Eddy County, NM

#### Oil Production:

The oil production from all wells will be measured separately by allocation meter prior to being commingled at the Central Tank Battery located in Ut. B, Sec. 3-T26S-R29E. 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:**

The gas production from all wells will be measured by allocation meters prior to being commingled and entering a gas flow line to the gas custody transfer meter at the Central Tank Battery located in Ut. B, Sec. 3-T26S-R29E.

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

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

Thank you for your attention to this matter.

Sincerely,

Jeanette Barron

Jeanette Barron Regulatory Coordinator

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RECEIVED:	REVIEWER:	TYPE:	APP NO:	
	- Geologi	CO OIL CONSERV ical & Engineerin rancis Drive, Sant	<b>ATION DIVISION</b> g Bureau –	
	ADMINIST	RATIVE APPLICAT	ION CHECKLIST	
THIS	CHECKLIST IS MANDATORY FOR A REGULATIONS WHICH R	ALL ADMINISTRATIVE APPLIC REQUIRE PROCESSING AT TH		
			OGI	RID Number:
ell Name:			API:	I Codo:
ool:			P00	l Code:
SUBMIT ACCUR	ATE AND COMPLETE IN	IFORMATION REQU INDICATED BELO		S THE TYPE OF APPLICATION
A. Location	ICATION: Check those n – Spacing Unit – Simu NSL NSP <sub>(F</sub>	Itaneous Dedicatio	on _	]sD
[1] Con [	one only for [1] or [11] nmingling - Storage - N DHC	PLC ∐PC ∐( ure Increase – Enh	<del></del>	/ery
A. Offse B. Roya C. Appl D. Notifi E. Notifi F. Surfa G. For a	N REQUIRED TO: Check toperators or lease ho lty, overriding royalty of cation requires publish cation and/or concurrocation and/or concurroce owner ll of the above, proof cotice required	olders owners, revenue ov ned notice rent approval by SI rent approval by B	wners LO LM	Notice Complete Application Content Complete
administrative understand the	N: I hereby certify that a approval is accurate hat no action will be ta are submitted to the Di	and <b>complete</b> to aken on this applic	the best of my kr	
N	lote: Statement must be compl	eted by an individual wit	h managerial and/or so	upervisory capacity.
			<b>06.21.24</b> Date	
irint or Ture - News			Date	
rint or Type Name				
			Phone Number	er
<u>leanette Barr</u>	on			
ignature	<del>⊼₹</del>		e-mail Addres	<u> </u>

<u>District I</u> 1625 N. French Drive, Hobbs, NM 88240 <u>District II</u> 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.

APPLICA	ATION I	FOR SURFACE (	COMMINGLING	(DIVERSE	OWNERSHIP)	
OPERATOR NAME:	COG Ope	erating LLC				
OPERATOR ADDRESS:	2208 W N	Main Street, Artesia, N	ew Mexico 88210			
APPLICATION TYPE:						
☐ Pool Commingling ☐ Lease	Comminglin	g Pool and Lease Cor	mmingling Off-Lease	Storage and Measur	rement (Only if not Surface	e Commingled)
LEASE TYPE:		State				
Is this an Amendment to exist Have the Bureau of Land Ma						ingling
105 110			L COMMINGLING s with the following in			
			1	1	G 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	
(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 a (3) Has all interest owners bee (4) Measurement type: \[ \sum_N \] (5) Will commingling decreas	n notified by	y certified mail of the pro  Other (Specify)		Yes No.	ing should be approved	
		Please attach sheet	SE COMMINGLIN s with the following in			
<ul> <li>(1) Pool Name and Code. Cor</li> <li>(2) Is all production from sam</li> <li>(3) Has all interest owners beer</li> <li>(4) Measurement type: ⊠M</li> </ul>	e source of s notified by	upply? \( \Bigve{Y}\) Yes \( \Bigve{N}\)		⊠Yes □N	ío	
		(C) POOL and	LEASE COMMIN	GLING		
		Please attach sheet	s with the following in	ıformation		
(1) Complete Sections A and	Е.					
	<b>(</b> E		ORAGE and MEA			
(1) Is all production from sam (2) Include proof of notice to			0			
	(E) AI		RMATION (for all swith the following in		ypes)	
(1) A schematic diagram of fa	cility, includ		<del> </del>			
<ul><li>(2) A plat with lease boundari</li><li>(3) Lease Names, Lease and V</li></ul>	_		ons. Include lease numbe	ers if Federal or Sta	ate lands are involved.	
I hereby certify that the informat	ion above is	true and complete to the	best of my knowledge an	d belief.		
SIGNATURE: Jeanette		_	TLE: Regulatory Coordin		DATE: <b>06.21.2</b>	4
TYPE OR PRINT NAME Jeane	tte Barron	TELEPHONE NO.:	575.748.6974			

E-MAIL ADDRESS: \_jeanette.barron@conocophillips.com

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

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

Phone: (305) 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

■ AMENDED REPORT

WELL	LOCATION	AND	ACREAGE	DEDICATION	PLAT

API Number	Pool Code	Pool Name				
30-015-47583	13354	Corral Canyon; Bone Spring				
Property Code	Prop	Well Number				
329756	ROCK JELLY	FEDERAL COM	701H			
OGRID No.	Opera	ator Name	Elevation			
229137	COG OPE	RATING LLC	2978.0'			

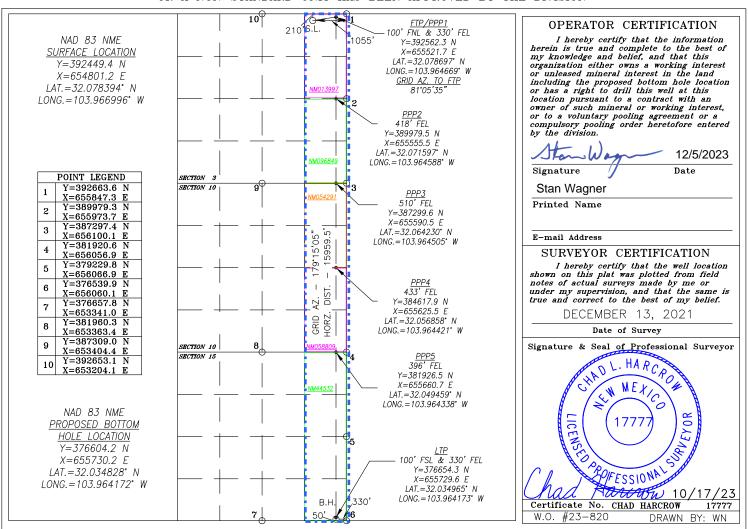
#### Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	3	26-S	29-E		210	NORTH	1055	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
P	15	26-S	29-E		50	SOUTH	330	EAST	EDDY
Dedicated Acres	Joint o	r Infill	Consolidation (	Code Or	der No.		•		
480	480		Com						

# 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



State of New Mexico Energy, Minerals & Natural Resources Department 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

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

	WELL LOCATION AND .	ACREAGE DEDICATION PLAT				
API Number	Pool Code	Pool Name				
30-015-47582	13354	Corral Canyon; Bone Spring				
Property Code	Prop	erty Name	Well Number			
329756	ROCK JELLY	FEDERAL COM	702H			
OGRID No.	Oper	ator Name	Elevation			
229137	COG OPE	RATING LLC	2977.8'			

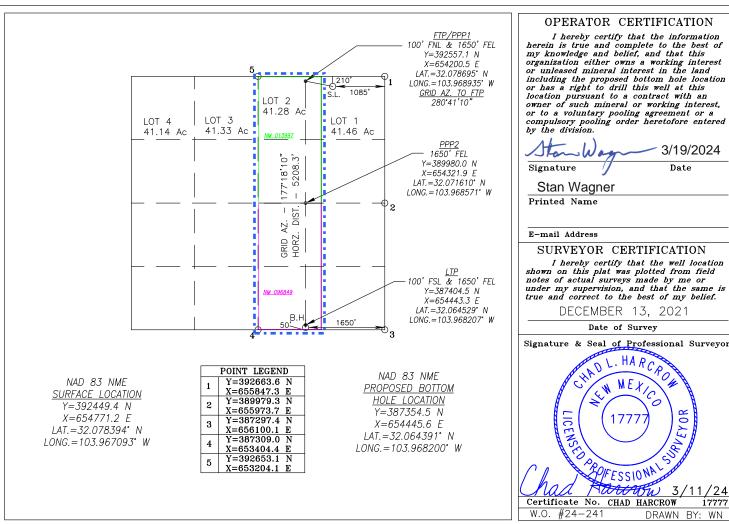
#### Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	3	26-S	29-E		210	NORTH	1085	EAST	EDDY

#### Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	p Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	3	26-5	S 29-E		50	SOUTH	1650	EAST	EDDY
Dedicated Acres	Joint o	r Infill	Consolidation	Code Or	der No.				
160									

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



# 3/19/2024

Signature & Seal of Professional Surveyor

17777

DRAWN BY: WN

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION

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■ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name			
30-015-47581	13354				
Property Code	Prop	erty Name	Well Number		
329756	ROCK JELLY	FEDERAL COM	703H		
OGRID No.	0per	ator Name	Elevation		
229137	COG OPE	RATING LLC	2978.6'		

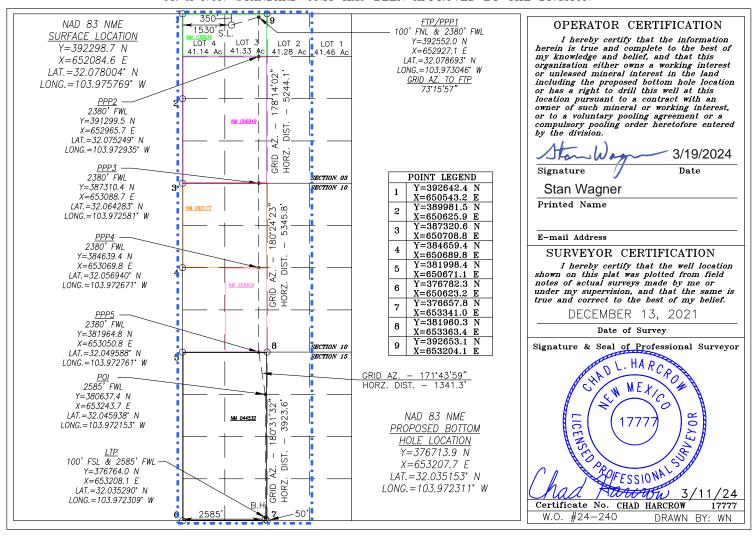
#### Surface Location

UL or	lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	3	3	26-S	29-E		350	NORTH	1530	WEST	EDDY

#### Bottom Hole Location If Different From Surface

UL or lot No.	Section	Townsh	ip	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Ν	15	26-	·S	29-E		50	SOUTH	2585	WEST	EDDY
Dedicated Acres	Joint o	r Infill	Cor	nsolidation (	Code Or	der No.				
1440										

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State of New Mexico Energy, Minerals & Natural Resources Department CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.

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

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

Santa Fe, New Mexico 87505

M AMENDED REPORT

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

	WELL LOCATION AND	ACREAGE DEDICATION PLAT			
API Number	Pool Code	Pool Name			
30-015-47580	13354	Corral Canyon; Bone Spring			
Property Code	Prop	erty Name	Well Number		
329756	ROCK JELLY	FEDERAL COM	704H		
OGRID No.	Oper	ator Name	Elevation		
229137	COG OPE	RATING, LLC	2978.4'		

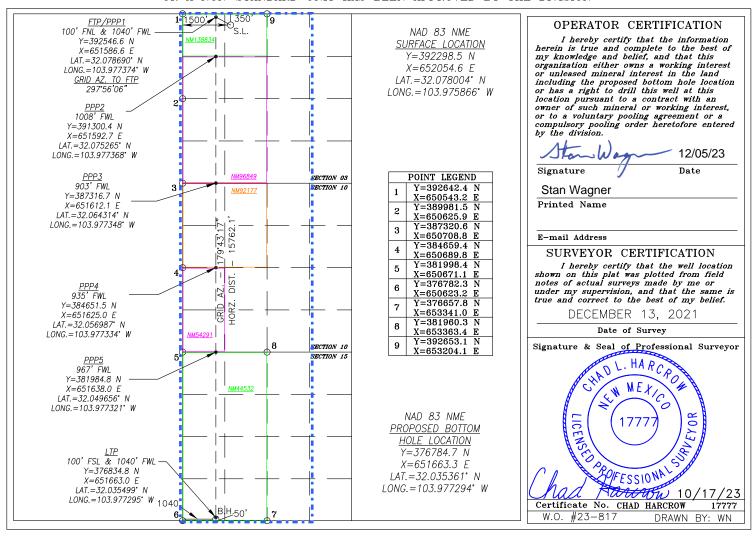
#### Surface Location

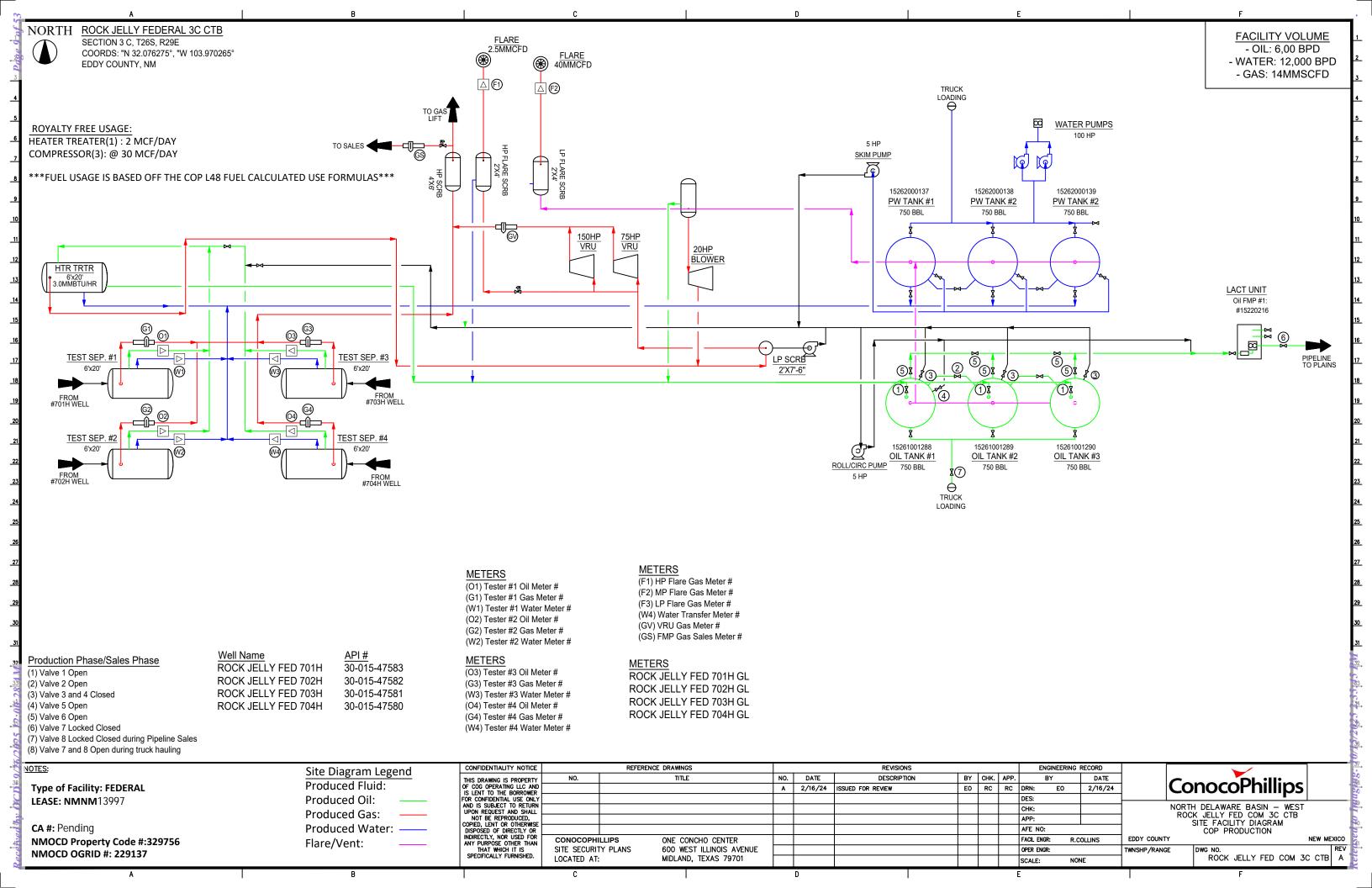
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
3	3	26-S	29-E		350	NORTH	1500	WEST	EDDY

#### Bottom Hole Location If Different From Surface

UL o	or lot No.	Section	Townsh	ip	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	М	15	26-	-S	29-E		50	SOUTH	1040	WEST	EDDY
Dedi	icated Acres	Joint of	r Infill	Cor	nsolidation (	Code Or	der No.				•
	1440 Com										

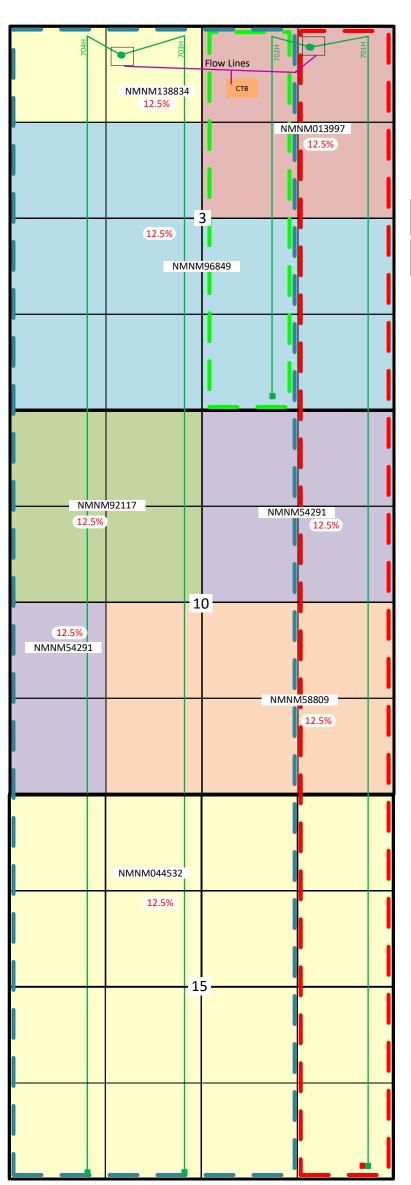
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DW - 01/16/20 DW - 05/04/20 JB - 08.30.23 JB 10.09.23

# **Rock Jelly Federal Wells**



Sec. 3, 10, 15-T26S-R29E Eddy County, NM

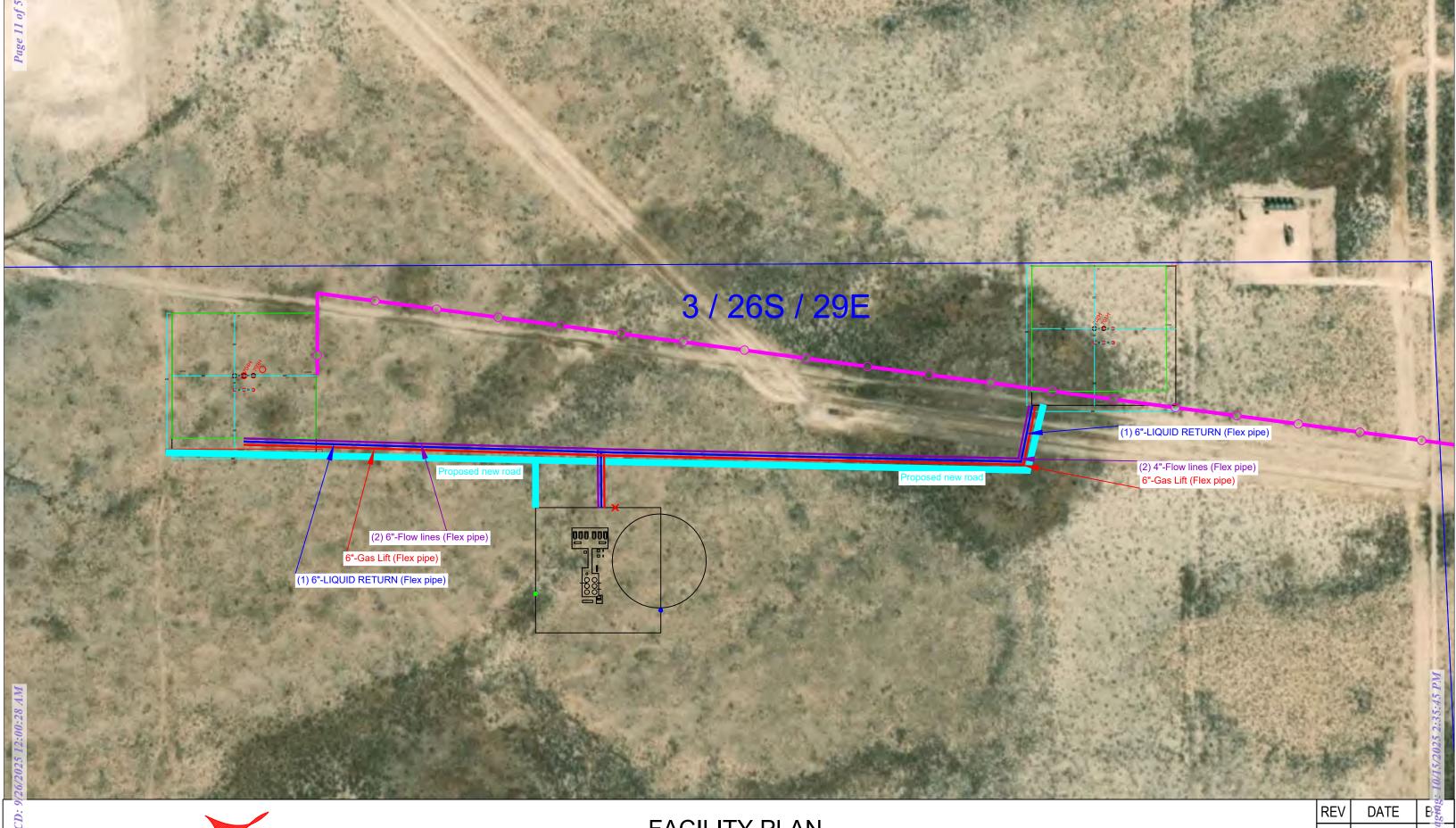
- Bone Spring SHL
  Bone Spring BHL
  Bone Spring CA
  Bone Spring CA
- Bone Spring CA

Rock Jelly Fed Com 701H 30-015-47583

Rock Jelly Fed Com 702H 30-015-47582

Rock Jelly Fed Com 703H 30-015-47581

Rock Jelly Fed Com 704H 30-015-47580

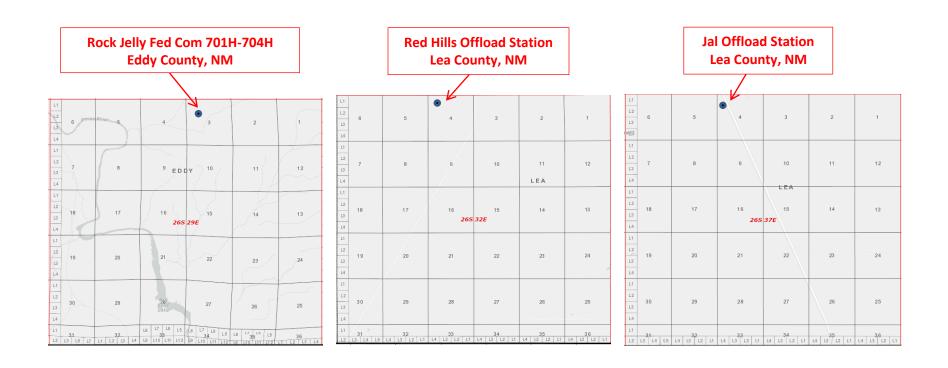




FACILITY PLAN ROCK JELLY FEDERAL 3 C CTB SEC 3,T26S,R29E

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REV	DATE	Spis B
Α	11/8/21	E
В	11/18/21	E
С	10/5/23	E
		R

# Rock Jelly Fed Com 701H-704H & Red Hills and Jal Offload Station Map



	Rock Jelly Federal Com 701H-704H CTB						
Date Sent	Initials	Name	Address	City	State	Zip Code	Certified return Receipt No.
06.21.24	JB	BURLINGTON RESOURCES O&G LP	600 W. Illinois Avenue	Midland	TX	79701	7020 1810 0000 1415 3548
06.21.24	JB	XTO HOLDINGS, LLC	22777 Springwoods Village Pkwy	Spring	TX	77389	7020 1810 0000 1415 3555
06.21.24	JB	NESTEGG ENERGY CORPORATION	2308 Sierra Vista Rd	Artesia	NM	88210	7020 1810 0000 1415 3562
06.21.24	JB	WPX ENERGY PERMIAN, LLC	333 W. Sheridan Avenue	Oklahoma City	ОК	73102	7020 1810 0000 1415 3579
06.21.24	JB	OXY USA INC	5 Greenway Plaza, Suite 110	Houston	TX	77046	7020 1810 0000 1415 3586
06.21.24	JB	PEGASUS RESOURCES II, LLC	PO BOX 470698	Fort Worth	TX	76147	7020 1810 0000 1415 3593
06.21.24	JB	MERPEL, LLC	PO Box 100367	Fort Worth	TX	76185	7020 1810 0000 1415 3609
06.21.24	JB	TD MINERALS LLC	8111 Westchester Drive, Suite 900	Dallas	TX	75225	7020 1810 0000 1415 3616
06.21.24	JB	EILEEN M. GROOMS, TRUSTEE OF THE EMG REVOCABLE TRUST U/A/D 11/1/2014	1000 W Fourth Street	Roswell	NM	88201	7020 1810 0000 1415 3623
06.21.24	JB	SMP PATRIOT MINERAL HOLDINGS, LLC	4143 MAPLE AVE, STE 500	DALLAS	TX	75219	7020 1810 0000 1415 3630
06.21.24	JB	LJA CHARITABLE INVESTMENTS, LLC, BY LAURA AND JOHN ARNOLD FOUNDATION	1717 WEST LOOP SOUTH, STE 1800	Houston	TX	77027	7020 1810 0000 1415 3647
06.21.24	JB	PENASCO PETROLEUM LLC	PO BOX 4168	Roswell	NM	88202	7020 1810 0000 1415 3654
06.21.24	JB	ROLLA R. HINKLE III	PO BOX 2292	Roswell	NM	88202	7020 1810 0000 1415 3661
06.21.24	JB	AFC PARTNERSHIP	2747 Sandalwood Ave	Henderson	NV	89074	7017 3040 0000 1205 9179
06.21.24	JB	EOG RESOURCES INC.	5509 Champions Drive	Midland	TX	79706	7017 3040 0000 1205 9186
06.21.24	JB	RESOURCE SERVICE COMPANY, INC.	PO Box 157	North Lake	WI	53064	7017 3040 0000 1205 9193
06.21.24	JB	SITIO PERMIAN, LP	1401 LAWRENCE ST., SUITE 1750	DENVER	СО	80202	7020 1810 0000 1415 3340
06.21.24	JB	POST OAK CROWN MINERALS, LLC	34 S. Wynden Dr., Suite 210	Houston	TX	77056	7020 1810 0000 1415 4118
06.21.24	JB	SORTIDA RESOURCES LLC	P.O. Box 50820	Midland	TX	79710	7020 1810 0000 1415 4125
06.21.24	JB	OAK VALLEY MINERAL AND LAND, LP	P.O. Box 50820	Midland	TX	79710	7020 1810 0000 1415 4132
06.21.24	JB	PEGASUS RESOURCES, LLC	PO BOX 470698	Fort Worth	TX	76147	7020 1810 0000 1415 4149
06.21.24	JB	SMP SIDECAR TITAN MINERAL HOLDINGS, LP	4143 MAPLE AVE, STE 500	DALLAS	TX	75219	7020 1810 0000 1415 4156
06.21.24	JB	SMP TITAN MINERAL HOLDINGS, LP	4143 MAPLE AVE, STE 500	DALLAS	TX	75219	7020 1810 0000 1415 4163
06.21.24	JB	MSH FAMILY REAL ESTATE PARTNERSHIP II, LLC	4143 MAPLE AVE, STE 500	DALLAS	TX	75219	7020 1810 0000 1415 4170
06.21.24	JB	SMP TITAN FLEX, LP	4143 MAPLE AVE, STE 500	DALLAS	TX	75219	7020 1810 0000 1415 4187
06.21.24	JB	BARBE DEVELOPMENT, LLC	PO Box 2107	Roswell	NM	88202	7020 1810 0000 1415 4194
06.21.24	JB	CHAD BARBE AND MARCI BARBE, HUSBAND AND WIFE	PO Box 2107	Roswell	NM	88202	7020 1810 0000 1415 4200
06.21.24	JB	BLM	414 West Taylor	Hobbs	NM	88240-1157	7020 1810 0000 1415 4217

## **Federal Communitization Agreement**

Contract No.	

THIS AGREEMENT entered into as of the 1<sup>st</sup> of October, 2023, 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 3: E2E2 Section 10: E2E2 Section 15: E2E2

**Eddy County, New Mexico** 

Containing **480.00** 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.

Federal CA – Rock Jelly E2E2 Unit (Bone Spring) E2E2 of Sec. 3, 10, & 15, T26S-R29E, Eddy County, NM

- 4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
- 5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.
  - All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.
- 6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding-or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
- 7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
- 8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
- 9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
- 10. The date of this agreement is **October 1, 2023**, 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

Federal CA – Rock Jelly E2E2 Unit (Bone Spring) E2E2 of Sec. 3, 10, & 15, T26S-R29E, Eddy County, NM

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. <u>Nondiscrimination.</u> 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.

$\alpha$	OPER	A 7	TIME		ГТ	
1.111	UPRK	A	III	( T	/ I /	Λ.

By:	
Ryan D. Owen Attorney-in-fact	_
STATE OF TEXAS ) COUNTY OF MIDLAND )	
This instrument was acknowledged be Attorney-in-fact of <b>COG OPERATING LL</b>	efore me on, 2023, by Ryan D. Ower C, a Delaware limited liability company, on behalf of same.
	Notary Public in and for the State of Texas
OPERATOR: COG OPERATING LLC	
By:	
Ryan D. Owen Attorney-in-fact	
STATE OF TEXAS ) COUNTY OF MIDLAND )	
This instrument was acknowledged be Attorney-in-fact of COG OPERATING LL	efore me on, 2023, by Ryan D. Ower C, a Delaware limited liability company, on behalf of same.
	Notary Public in and for the State of Texas

Federal CA – Rock Jelly E2E2 Unit (Bone Spring) E2E2 of Sec. 3, 10, & 15, T26S-R29E, Eddy County, NM

# WORKING INTEREST OWNER, LESSEE OF RECORD (NMNM 096849, NMNM 054291): CONCHO OIL & GAS LLC

By:		
Ryan D. Owen		
Attorney-in-fact		
STATE OF TEXAS	)	
COUNTY OF MIDLAND	)	
	•	, 2023, by Ryan D. Owe
Attorney-in-fact of <b>CONCHO</b>	OIL AND GAS LLC, a Tex	xas limited liability company, on behalf of sam
	$\frac{-}{N}$	Notary Public in and for the State of Texas

# SUCCESSOR-IN-INTEREST TO EL PASO NATURAL GAS COMPANY LESSEE OF RECORD (NMNM 013997):

BURLINGTON RESOURCES OIL & GAS COMPANY LP By: BROG GP LLC, its sole general partner

By:		
Ryan D. Owen Attorney-in-fact		
STATE OF TEXAS	)	
COUNTY OF MIDLAND	)	
Attorney-in-fact of BROG G	P LLC, a Delaware limited liabil	, 2024, by Ryan D. Owen, ity company, as sole general partner of Delaware limited partnership, on behalf of
	Notary	Public in and for the State of Texas

# LESSEE OF RECORD (NMNM 013997): EL PASO NATURAL GAS COMPANY

# FORCE POOLED UNDER ORDER NO. R-23030

By:	
Name:	
Title:	
STATE OF)	
COUNTY OF)	
This instrument was acknowledged before me	on, 2023, by
, as	(title), on behal
of <b>EL PASO NATURAL GAS COMPANY</b> , a	
behalf of same.	
	Notary Public in and for the State of

LESSEE OF RECORD (NMNM 058809): OXY USA INC.	
Ву:	
Name:	
Title:	
STATE OF)	
COUNTY OF)	
This instrument was acknowledged before me of	on, 2023, by
, as	(title), on behal
of OXY USA INC., a	, on behalf of same.
	Notary Public in and for the State of Texas

EOG RESOURCES INC.

LESSEE OF RECORD (NMNM 044532):

, 2023, by
(title), on behal
, on behalf of same.

Notary Public in and for the State of Texas

# WORKING INTEREST OWNER, LESSEE OF RECORD (NMNM 013997): WPX ENERGY PERMIAN, LLC

## FORCE POOLED UNDER ORDER NO. R-23030

By:	
Name:	
Title:	
STATE OF)	
COUNTY OF)	
This instrument was acknowledged before me	on, 2023, by
, as	(title), on behalf
of WPX ENERGY PERMIAN, LLC, a	
behalf of same.	
	Notary Public in and for the State of

## **EXHIBIT "A"**

Plat of communitized area covering the E2E2 of Sections 3, 10, & 15, T26S-R29E, Eddy County, New Mexico

# **ROCK JELLY E2E2 UNIT (BONE SPRING)**

Township 26 South, Range 29 East, N.M.P.M.

Section 3: E2E2 Section 10: E2E2 Section 15: E2E2 Eddy County, New Mexico

Sec. 3		
Sec. 10		
Sec. 15		

TRACT	LEASE	ACRES
TRACT 1	NMNM 013997	80.00
TRACT 2	NMNM 096849	80.00
TRACT 3	NMNM 054291	80.00
TRACT 4	NMNM 058809	80.00
TRACT 5	NMNM 044532	160.00
		480.00

#### **EXHIBIT "B"**

Leases covering communitized area covering the of E2E2 Sections 3, 10 & 15, T26S-R29E, Eddy County, New Mexico

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

Working Interest Owners: COG Operating LLC, Concho Oil & Gas LLC, WPX Energy

Permian, LLC

## TRACT 1 - 80 ACRES - E2NE4 OF SECTION 3, T26S-R29E

Date: July 1, 1971

Lessor: USA NMNM 013997

Current Lessee: El Paso Natural Gas Co. / WPX Energy Permian LLC

Recording: N/A

Description: Insofar and only insofar as the lease covers:

Township 26 South, Range 29 East, N.M.P.M.

Section 3: E2NE4

Royalty: 12.50%

WI Owner Name & Interests: COG Operating LLC 53.068750%

WPX Energy Permian, LLC 46.931250%

ORRI Owners: Of Record

### TRACT 2 - 80 ACRES - E2SE4 OF SECTION 3, T26S-R29E

Date: June 1, 1996

Lessor: USA NMNM 096849

Current Lessee: COG Operating LLC / Concho Oil & Gas LLC

Recording: N/A

Description: Insofar and only insofar as the lease covers:

Township 26 South, Range 29 East, N.M.P.M.

Section 3: E2SE4

Royalty: 12.50%

WI Owner Name & Interests: COG Operating LLC 95.000000%

Concho Oil & Gas LLC 5.000000%

ORRI Owners: Of Record

# TRACT 3 - 80 ACRES - E2NE4 OF SECTION 10, T26S-R29E

Date: January 1, 1983

Lessor: USA NMNM 054291

Current Lessee: COG Operating LLC / Concho Oil & Gas LLC

Recording: N/A

Description: Insofar and only insofar as the lease covers:

Township 26 South, Range 29 East, N.M.P.M.

Section 10: E2NE4

Royalty: 12.50%

WI Owner Name & Interests: COG Operating LLC 96.250000%

Concho Oil & Gas LLC 3.750000%

ORRI Owners: Of Record

# TRACT 4 - 80 ACRES - E2SE4 OF SECTION 10, T26S-R29E

Date: December 1, 1984

Lessor: USA NMNM 058809

Current Lessee: OXY USA Inc.

Recording: N/A

Description: Insofar and only insofar as the lease covers:

Township 26 South, Range 29 East, N.M.P.M.

Section 10: E2SE4

Royalty: 12.50%

WI Owner Name & Interests: COG Operating LLC 99.875000%

Concho Oil & Gas LLC 0.125000%

ORRI Owners: Of Record

## TRACT 5 - 160 ACRES - E2E2 OF SECTION 15, T26S-R29E

Date: December 1, 1981 Lessor: USA NMNM 044532

Current Lessee: EOG Resources Inc.

Recording: N/A

Description: Insofar and only insofar as the lease covers:

Township 26 South, Range 29 East, N.M.P.M.

Section 15: E2E2

Royalty: 12.50%

WI Owner Name & Interests: COG Operating LLC 100.0000%

ORRI Owners: Of Record

# **RECAPITULATION**

TRACT NUMBER	NUMBER OF ACRES COMMITTED	PERCENTAGE OF INTEREST IN COMMUNITIZED AREA
1	80.00	16.6667%
2	80.00	16.6667%
3	80.00	16.6667%
4	80.00	16.6667%
5	160.00	33.3333%
TOTAL	480.00	100.0000%



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

June 20, 2024

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

Re: Application for Administrative Approval of Surface Commingle

Dear Mr. McClure,

COG Operating LLC respectfully requests approval for surface commingling for the following wells:

Rock Jelly Federal Com 701H API# 30-015-47583 Corral Canyon; Bone Spring Ut. A, Sec. 3-T26S-R29E Eddy County, NM

Rock Jelly Federal Com 703H API# 30-015-47581 Corral Canyon; Bone Spring Ut. C, Sec. 3-T26S-R29E Eddy County, NM Rock Jelly Federal Com 702H API# 30-015-47582 Corral Canyon; Bone Spring Ut. A, Sec. 3-T26S-R29E Eddy County, NM

Rock Jelly Federal Com 704H API# 30-015-47580 Corral Canyon; Bone Spring Ut. C, Sec. 3-T26S-R29E Eddy County, NM

#### Oil Production:

The oil production from all wells will be measured separately by allocation meter prior to being commingled at the Central Tank Battery located in Ut. B, Sec. 3-T26S-R29E. 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:**

The gas production from all wells will be measured by test meters prior to being commingled and entering a gas flow line to the gas custody transfer meter at the Central Tank Battery located in Ut. B, Sec. 3-T26S-R29E.

Well testing will be by separating and measuring the oil and gas production from the well for a minimum of twenty-four consecutive hours.

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

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

# Federal Communitization Agreement

THIS AGREEMENT entered into as of the 15<sup>th</sup> day of October, 2023, 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 have drilled the following Bone Spring oil wells ("Subject Wells") in the W2 & W2E2 of Sections 3, 10, & 15, T26S-R29E, N.M.P.M., Eddy County, NM:

Rock Jelly Federal Com 703H; API # 30-015-47581 Rock Jelly Federal Com 704H; API # 30-015-47580

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 3: W2, W2E2
Section 10: W2, W2E2
Section 15: W2, W2E2
Eddy County, New Mexico

Containing **1,440.00** acres, and this agreement shall include only the **Bone Spring Formation** as defined by the NMOCD, underlying said lands and the crude oil and associated natural gas hereafter referred to as "communitized substances," producible from such formations and only through the well bore of the Subject Wells.

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

Federal CA – Rock Jelly W2 & W2E2 Unit - Bone Spring W2 & W2E2 of Sec. 3, 10, & 15, T26S-R29E, Eddy County, NM

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**, **Texas 79701**. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator maybe designated by the lessees of record and 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 insofar as the production from the Subject Wells are concerned, with the understanding and agreement between the parties hereto that all communitized substances produced from the Subject Wells 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.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/8th or 12 ½ percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining 7/8th should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the communitized area and the Communitization Agreement is terminated, whichever occurs first.

Any party acquiring a Federal lease of the unleased Federal lands included in the communitized area established hereunder, will be subject to this Agreement as of the effective date of the Federal leases to said party (ies). Upon issuance of the Federal lease and payment of its proportionate cost of the well, including drilling, completing and equipping the well, the acquiring party (ies) shall own the working interest described in the Tract, as described on Exhibit "B", and shall have the rights and obligations of said working interest as to the effective date of the Federal Lease.

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-

Federal CA – Rock Jelly W2 & W2E2 Unit - Bone Spring W2 & W2E2 of Sec. 3, 10, & 15, T26S-R29E, Eddy County, NM

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 the Subject Wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
- 9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
- 10. The date of this agreement is **October 15, 2023**, 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 from the Subject Wells: 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 Subject Wells 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

Federal CA – Rock Jelly W2 & W2E2 Unit - Bone Spring W2 & W2E2 of Sec. 3, 10, & 15, T26S-R29E, Eddy County, NM

- 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. <u>Nondiscrimination.</u> In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

OPERATOR: COG OPERATING I	LLC
Ву:	
Ryan D. Owen Attorney-in-fact	
STATE OF TEXAS COUNTY OF MIDLAN	· · · · · · · · · · · · · · · · · · ·
	was acknowledged before me on, 2023, by Ryan D of COG OPERATING LLC, a Delaware limited liability company, on behalf or
	Notary Public in and for the State of Texas

COC OPERATING LLC

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

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

COG OI ERATING LLC				
By:				
Ryan D. Owen Attorney-in-fact				
STATE OF TEXAS COUNTY OF MIDLAND	)			
This instrument was Owen, Attorney-in-fact of CO same.				
		Notary P	ublic in and for the S	State of Texas

# WORKING INTEREST OWNER, LESSEE OF RECORD (NMNM 096849, NMNM 054291): CONCHO OIL & GAS LLC

Ву:	
Ryan D. Owen Attorney-in-fact	
STATE OF TEXAS COUNTY OF MIDLAND	) )
This instrument was Owen, Attorney-in-fact of CO of same.	acknowledged before me on, 2023, by Ryan D NCHO OIL AND GAS LLC, a Texas limited liability company, on behalf
	Notary Public in and for the State of Texas
WORKING INTEREST OV CONOCOPHILLIPS COMPA	ANY
Ryan D. Owen Attorney-in-fact	
STATE OF TEXAS COUNTY OF MIDLAND	) )
This instrument was Owen, Attorney-in-fact of CO	acknowledged before me on
	Notary Public in and for the State of Texas

**WORKING INTEREST OWNER:** 

COG PRODUCTION LLC	
By:	
Ryan D. Owen Attorney-in-fact	
STATE OF TEXAS ) COUNTY OF MIDLAND )	
This instrument was acknowledged before m Owen, Attorney-in-fact of COG PRODUCTION LLC same.	ne on, 2023, by Ryan D. C, a Texas limited liability company, on behalf of
	Notary Public in and for the State of Texas
WORKING INTEREST OWNER: COG ACREAGE, LP	
By:	
Ryan D. Owen Attorney-in-fact	
STATE OF TEXAS ) COUNTY OF MIDLAND )	
This instrument was acknowledged before moven, Attorney-in-fact of COG ACREAGE, LP, a Te	
	Notary Public in and for the State of Texas

### SUCCESSOR-IN-INTEREST TO EL PASO NATURAL GAS COMPANY LESSEE OF RECORD (NMNM 013997):

BURLINGTON RESOURCES OIL & GAS COMPANY LP By: BROG GP LLC, its sole general partner

By:	
Ryan D. Owen Attorney-in-fact	
1200011109 111 1400	
STATE OF TEXAS	
COUNTY OF MIDLAND	
	knowledged before me on, 2023, by Ryan D.
•	G GP LLC, a Delaware limited liability company, as sole general partner S OIL & GAS COMPANY LP, a Delaware limited partnership, on behalf
of same.	
	Notary Public in and for the State of Texas

#### WORKING INTEREST OWNER, LESSEE OF RECORD (NMNM 138834):

XTO HOLDINGS, LLC, on behalf of Exxon Mobil Corporation

By:		
Name:		
Title:		
STATE OF)		
COUNTY OF)		
This instrument was acknowl	edged before me on	, 2023
by	, as	(title),
on behalf of XTO Holdings, LLC, o	n behalf of Exxon Mobil Corporation, a	a
, on behalf o	f same.	
	Notary Public in and	for the State of Texas

# WORKING INTEREST OWNER, LESSEE OF RECORD (NMNM 013997): WPX ENERGY PERMIAN, LLC

(Force pooled under Order No. R-23116)		
By:		
Name:		
Title:		
STATE OF)		
COUNTY OF)		
This instrument was acknowledged before me or	n	, 2023
by		
on behalf of WPX ENERGY PERMIAN, LLC, a		
, on behalf of same.		
	Notary Public in and for	the State of Oklahoma

#### LESSEE OF RECORD (NMNM 013997): EL PASO NATURAL GAS COMPANY

Notary Public in and for the State of Texas

<b>LESSEE OF RECORD (NMNM 092177, NMNN</b> OXY USA INC.	<b>1</b> 058809):	
By:		
Name:		
Title:		
STATE OF)		
COUNTY OF)		
This instrument was acknowledged before r	ne on	. 2023
by		
on behalf of <b>OXY USA INC.</b> , a		, on behalf of same.
	Notary Public	in and for the State of Texas

behalf of same.

EOG RESOURCES INC.

LESSEE OF RECORD (NMNM 044532):

By:		
Name:		
Title:		
STATE OF)		
COUNTY OF)		
This instrument was acknowledged before i	ne on	, 2023
by	, as	(title),
on behalf of <b>EOG RESOURCES INC.</b> , a		

Notary Public in and for the State of Texas

#### **EXHIBIT "A"**

Plat of communitized area covering the W2 & W2E2 of Sections 3, 10, & 15, T26S-R29E, Eddy County, New Mexico

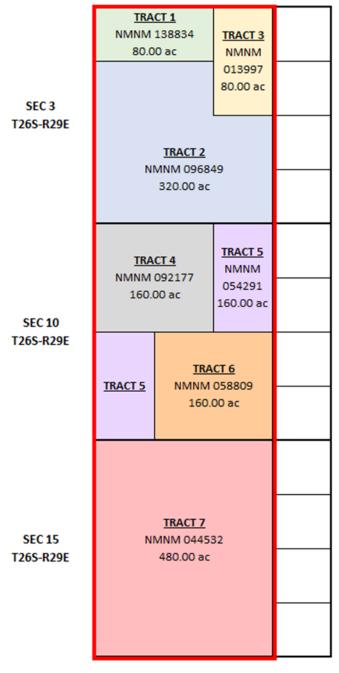
#### ROCK JELLY W2 & W2E2 UNIT (BONE SPRING) COMMUNITIZED AREA:

Township 26 South, Range 29 East, N.M.P.M.

Section 3: W2, W2E2 Section 10: W2, W2E2 Section 15: W2, W2E2 Eddy County, New Mexico

#### **COMMUNITIZED WELLS:**

Rock Jelly Federal Com 703H; API # 30-015-47581 Rock Jelly Federal Com 704H; API # 30-015-47580



Federal CA – Rock Jelly W2 & W2E2 Unit - Bone Spring W2 & W2E2 of Sec. 3, 10, & 15, T26S-R29E, Eddy County, NM

#### **EXHIBIT "B"**

Leases covering communitized area covering the W2 & W2E2 of Sections 3, 10, & 15, T26S-R29E, Eddy

County, New Mexico

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

Working Interest Owners: COG Operating LLC, Concho Oil & Gas LLC, ConocoPhillips

Company, COG Production LLC, COG Acreage, LP, XTO

Holdings, LLC, WPX Energy Permian, LLC

#### TRACT 1 - 80 ACRES - N2NW4 OF SECTION 3, T26S-R29E

Date: November 1, 2018
Lessor: USA NMNM 138834
Current Lessee: XTO Holdings LLC

Recording: N/A

Description: Insofar and only insofar as the lease covers:

Township 26 South, Range 29 East, N.M.P.M.

Section 3: N2NW4

Royalty: 12.50%

WI Owner Name & Interests: XTO Holdings LLC 93.430000%

COG Operating LLC 2.180517% ConocoPhillips Company 4.389483%

ORRI Owners: Of Record

#### TRACT 2 - 320 ACRES - S2NW4, SW4, & W2SE4 OF SECTION 3, T26S-R29E

Date: June 1, 1996

Lessor: USA NMNM 096849

Current Lessee: COG Operating LLC / Concho Oil & Gas LLC

Recording: N/A

Description: Insofar and only insofar as the lease covers:

Township 26 South, Range 29 East, N.M.P.M.

Section 3: S2NW4, SW4, W2SE4

Royalty: 12.50%

WI Owner Name & Interests: COG Operating LLC 95.000000%

Concho Oil & Gas LLC 5.000000%

ORRI Owners: Of Record

#### TRACT 3 - 80 ACRES - W2NE4 OF SECTION 3, T26S-R29E

Date: July 1, 1971

Lessor: USA NMNM 013997

Current Lessee: El Paso Natural Gas Co. / WPX Energy Permian LLC

Recording: N/A

Description: Insofar and only insofar as the lease covers:

Township 26 South, Range 29 East, N.M.P.M.

Section 3: W2NE4

Royalty: 12.50%

WI Owner Name & Interests: COG Operating LLC 53.068750%

WPX Energy Permian, LLC 46.931250%

ORRI Owners: Of Record

#### <u>TRACT 4 - 160 ACRES - NW4 OF SECTION 10, T26S-R29E</u>

Date: December 1, 1993

Lessor: USA NMNM 092177

Current Lessee: OXY USA Inc.

Recording: N/A

Description: Insofar and only insofar as the lease covers:

Township 26 South, Range 29 East, N.M.P.M.

Section 10: NW4

Royalty: 12.50%

WI Owner Name & Interests: COG Operating LLC 95.625000%

Concho Oil & Gas LLC 4.375000%

ORRI Owners: Of Record

#### TRACT 5 - 160 ACRES - W2NE4, W2SW4 OF SECTION 10, T26S-R29E

Date: January 1, 1983

Lessor: USA NMNM 054291

Current Lessee: COG Operating LLC / Concho Oil & Gas LLC

Recording: N/A

Description: Insofar and only insofar as the lease covers:

Township 26 South, Range 29 East, N.M.P.M.

Section 10: W2NE4, W2SW4

Royalty: 12.50%

WI Owner Name & Interests: COG Operating LLC 96.250000%

Concho Oil & Gas LLC 3.750000%

ORRI Owners: Of Record

#### TRACT 6 - 160 ACRES - E2SW4, W2SE4 OF SECTION 10, T26S-R29E

Date: December 1, 1984
Lessor: USA NMNM 058809

Current Lessee: OXY USA Inc.

Recording: N/A Royalty: 12.50%

Description: Insofar and only insofar as the lease covers:

Township 26 South, Range 29 East, N.M.P.M.

Section 10: E2SW4, W2SE4

Royalty: 12.50%

WI Owner Name & Interests: COG Operating LLC 55.875000%

Concho Oil & Gas LLC 0.125000% COG Production LLC 40.548103% COG Acreage, LP 3.451897%

ORRI Owners: Of Record

#### TRACT 7 - 480 ACRES - W2, W2E2 OF SECTION 15, T26S-R29E

Date: December 1, 1981
Lessor: USA NMNM 044532
Current Lessee: EOG Resources Inc.

Recording: N/A

Description: Insofar and only insofar as the lease covers:

Township 26 South, Range 29 East, N.M.P.M.

Section 15: W2, W2E2

Royalty: 12.50%

WI Owner Name & Interests: COG Operating LLC 100.000000%

ORRI Owners: Of Record

#### **RECAPITULATION**

TRACT NUMBER	NUMBER OF ACRES COMMITTED	PERCENTAGE OF INTEREST IN COMMUNITIZED AREA
1	80.00	5.5556%
2	320.00	22.2222%
3	80.00	5.5556%
4	160.00	11.1111%
5	160.00	11.1111%
6	160.00	11.1111%
7	480.00	33.3333%
TOTAL	1440.00	100.0000%

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

# APPLICATION FOR SURFACE COMMINGLING SUBMITTED BY COG OPERATING, LLC

**ORDER NO. CTB-1164** 

#### **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**

- 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 intends to segregate the oil and gas production from each lease and from each pool within that lease as identified in Exhibit D from the oil and gas production from all other pools and leases prior to measuring the production from each pool and lease with an allocation meter.
- 4. 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.
- 5. Applicant provided notice of the Application to the Bureau of Land Management ("BLM") or New Mexico State Land Office ("NMSLO"), as applicable.

#### **CONCLUSIONS OF LAW**

- 6. 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.
- 7. 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.
- 8. 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.

Order No. CTB-1164 Page 1 of 3

- 9. 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.
- 10. 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.
- 11. 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. The allocation of oil and gas production to each pool and lease identified in Exhibit D shall be determined by separating and metering the production from each pool and lease as described by Group ID in Exhibit D prior to commingling that production with production from any other pool and lease.
- 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.

Order No. CTB-1164 Page 2 of 3

- 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.

**DATE:** 10/11/2025

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

Albert Chang ALBERT C. S. CHANG

**DIRECTOR** 

Order No. CTB-1164 Page 3 of 3

#### State of New Mexico Energy, Minerals and Natural Resources Department

#### Exhibit A

Order: CTB-1164

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

Central Tank Battery: Rock Jelly Federal Com 3C Central Tank Battery
Central Tank Battery Location: UL B, Section 3, 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: UL B, Section 3, Township 26 South, Range 29 East

#### **Pools**

Pool Name Pool Code CORRAL CANYON;BONE SPRING, SOUTH 13354

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

Leases as defined in 19.13.12.7(C) Thirac			
Lease	UL or Q/Q	S-T-R	
CA Bone Spring NMNM 105398366 (126288)	W2E2	03-26S-29E	
	E2E2	03-26S-29E	
CA Bone Spring NMNM 106368119	<b>E2E2</b>	10-26S-29E	
•	<b>E2E2</b>	15-26S-29E	
	W2, W2E2	03-26S-29E	
CA Bone Spring NMNM 106369736	W2, W2E2	10-26S-29E	
	W2, W2E2	15-26S-29E	

#### Well API Well Name UL or Q/Q S-T-R Pool E2E2 03-26S-29E **ROCK JELLY FEDERAL COM #701H** 30-015-47583 E2E2 13354 10-26S-29E E2E2 15-26S-29E 30-015-47582 **ROCK JELLY FEDERAL COM #702H** W2E2 03-26S-29E 13354 W2, W2E2 03-26S-29E 30-015-47581 **ROCK JELLY FEDERAL COM #703H** W2, W2E2 13354 10-26S-29E W2, W2E2 15-26S-29E

W2, W2E2

W2, W2E2

**W2, W2E2** 

03-26S-29E

10-26S-29E

15-26S-29E

13354

Wells

30-015-47580 ROCK JELLY FEDERAL COM #704H

#### State of New Mexico Energy, Minerals and Natural Resources Department

#### **Exhibit D**

Order: CTB-1164

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

#### **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	
	W2, W2E2	03-26S-29E	
CA Bone Spring NMNM 106369736	W2, W2E2	10-26S-29E	
	W2, W2E2	15-26S-29E	

#### **Pools within each Lease**

Lease	<b>Pool Code</b>	Group ID	
CA Bone Spring NMNM 106369736	13354	AA	

#### Wells

	Wens			
Well API	Well Name	UL or Q/Q	S-T-R	Group ID
		W2, W2E2	03-26S-29E	
30-015-47581	ROCK JELLY FEDERAL COM #703H	<b>W2, W2E2</b>	10-26S-29E	AA
		<b>W2, W2E2</b>	15-26S-29E	
		W2, W2E2	03-26S-29E	
30-015-47580	ROCK JELLY FEDERAL COM #704H	W2, W2E2	10-26S-29E	AA
		W2, W2E2	15-26S-29E	

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

General Information Phone: (505) 629-6116

Online Phone Directory <a href="https://www.emnrd.nm.gov/ocd/contact-us">https://www.emnrd.nm.gov/ocd/contact-us</a>

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

CONDITIONS

Action 509473

#### **CONDITIONS**

Operator:	OGRID:
COG OPERATING LLC	229137
600 W Illinois Ave	Action Number:
Midland, TX 79701	509473
	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