



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

March 6, 2025

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

Re: Application for Administrative Approval of Pool Surface Commingle (CTB)

Dear Mr. McClure,

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

Macho Nacho St Com 601H  
API# 30-025-52426  
Triplex X; Bone Spring, West  
Ut. O, Sec. 7-T24S-R33E  
Lea County, NM

Macho Nacho St Com 602H  
API# 30-025-52430  
WC-025G-09S243310P; Upper Wolfcamp  
Ut. O, Sec. 7-T24S-R33E  
Lea County, NM

Macho Nacho St Com 603H  
API# 30-025-52427  
Triplex X; Bone Spring, West  
Ut. O, Sec. 7-T24S-R33E  
Lea County, NM

Macho Nacho St Com 604H  
API# 30-025-52431  
WC-025G-09S243310P; Upper Wolfcamp  
Ut. O, Sec. 7-T24S-R33E  
Lea County, NM

Macho Nacho St Com 605H  
API# 30-025-52428  
Triplex X; Bone Spring, West  
Ut. N, Sec. 7-T24S-R33E  
Lea County, NM

Macho Nacho St Com 606H  
API# 30-025-52432  
WC-025G-09S243310P; Upper Wolfcamp  
Ut. N, Sec. 7-T24S-R33E  
Lea County, NM

Macho Nacho St Com 607H  
API# 30-025-52429  
Triplex X; Bone Spring, West  
Ut. N, Sec. 7-T24S-R33E  
Lea County, NM

Macho Nacho St Com 608H  
API# 30-025-52433  
WC-025G-09S243310P; Upper Wolfcamp  
Ut. M, Sec. 7-T24S-R33E  
Lea County, NM

**Oil Production:**

The oil production from all wells will be measured separately prior to commingling at the Central Tank Battery located in Ut. M, Sec. 7-T24S-R33E. 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 separately prior to commingling and entering a gas flow line to the gas custody transfer meter at the Central Tank Battery.

"The revenue owners are identical. As defined in NMAC 19.15.12.7.B, identical ownership means leases or pools have the same working, royalty and overriding royalty owners in exactly the same percentages." Please find the attached landman letter indicating this. No notifications required.

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.

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.**

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

Jeanette Barron

Signature

\_\_\_\_\_  
 Date

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

\_\_\_\_\_  
 e-mail Address

District I  
1625 N. French Drive, Hobbs, NM 88240  
District II  
811 S. First St., Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St Francis Dr, Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107-B  
Revised August 1, 2011

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

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

**APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**

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

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

LEASE TYPE: ☐ Fee ☒ State ☐ Federal

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

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

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
98135 WC-025 G-09 S243310P; Up Wolfcamp	45.5 / 1296 BTU	44.95/1275			
96674 Triple X; Bone Spring, West	44.4/ 1255				

- (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: 03.06.25

TYPE OR PRINT NAME Jeanette Barron TELEPHONE NO.: 575.748.6974  
E-MAIL ADDRESS: jeanette.barron@conocophillips.com

Submit a Copy To Appropriate District

## Office

District I – (575) 393-6161  
 1625 N. French Dr., Hobbs, NM 88240  
 District II – (575) 748-1283  
 811 S. First St., Artesia, NM 88210  
 District III – (505) 334-6178  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV – (505) 476-3460  
 1220 S. St. Francis Dr., Santa Fe, NM  
 87505

State of New Mexico  
 Energy, Minerals and Natural Resources

Form C-103  
 Revised July 18, 2013

OIL CONSERVATION DIVISION  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

WELL API NO. 30-025-52426
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Macho Nacho St Com
8. Well Number 601h
9. OGRID Number 229137
10. Pool name or Triple X; Bone Spring. West

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other SWD <input type="checkbox"/>	
2. Name of Operator COG OPERATING LLC	
3. Address of Operator 2208 W Main St. Artesia, NM 88210	
4. Well Location Unit Letter <u>O</u> : <u>635</u> feet from the <u>SOUTH</u> line and <u>2050</u> feet from the EAST line Section <u>7</u> Township <u>24S</u> Range <u>33E</u> NMPM County LEA, NM	
11. Elevation (Show whether DR, RKB, RT, GR, etc.)	

## 12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
DOWNHOLE COMMINGLE <input type="checkbox"/>	P AND A <input type="checkbox"/>
CLOSED-LOOP SYSTEM <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>
OTHER: <input type="checkbox"/>	OTHER: <input type="checkbox"/>
Surface Commingle <input checked="" type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

COG Operating, LLC would like to request approval to Surface Commingle production on shared well pad.

Macho Nacho St Com 601H 30-025-52426  
 Macho Nacho St Com 602H 30-025-52430  
 Macho Nacho St Com 603H 30-025-52427  
 Macho Nacho St Com 604H 30-025-52431  
 Macho Nacho St Com 605H 30-025-52428  
 Macho Nacho St Com 606H 30-025-52432  
 Macho Nacho St Com 607H 30-025-52429  
 Macho Nacho St Com 608H 30-025-52433

Please see attached detailed commingling information, diagram and maps.

SIGNATURE Jeanette Barron TITLE Regulatory Coordinator DATE 03.06.25  
 Type or print name

Jeanette Barron E-mail address: jeanette.barron@conocophillips.com PHONE: 575-748-6974

**For State Use Only**

APPROVED BY: \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

Conditions of Approval (if any):

DISTRICT I  
1625 N. FRENCH DR., HOBBS, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720

DISTRICT II  
811 S. FIRST ST., ARTESIA, NM 88210  
Phone: (575) 746-1283 Fax: (575) 746-9720

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

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

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

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

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number 30-025-52426	Pool Code 96674	Pool Name Triple X; Bone Spring, West
Property Code 335192	Property Name MACHO NACHO STATE COM	Well Number 601H
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3574.3'

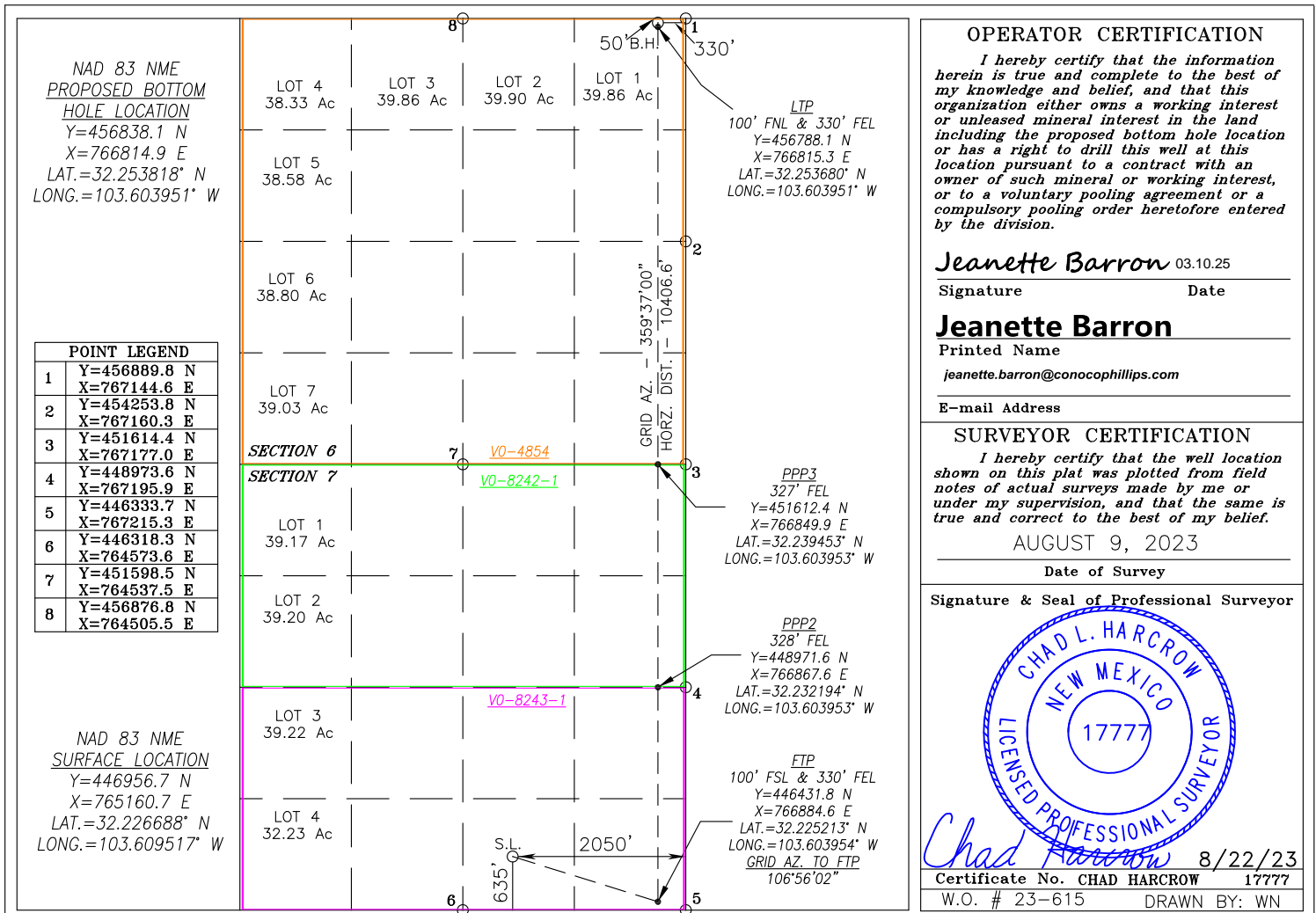
**Surface Location**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	7	24-S	33-E		635	SOUTH	2050	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
1	6	24-S	33-E		50	NORTH	330	EAST	LEA
Dedicated Acres 1268.12	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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Santa Fe, New Mexico 87505

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Revised August 1, 2011  
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☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number 30-025-52430	Pool Code 98135	Pool Name WC-025 G-09 S243310P; Upper Wolfcamp
Property Code 335192	Property Name MACHO NACHO STATE COM	Well Number 602H
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3574.3'

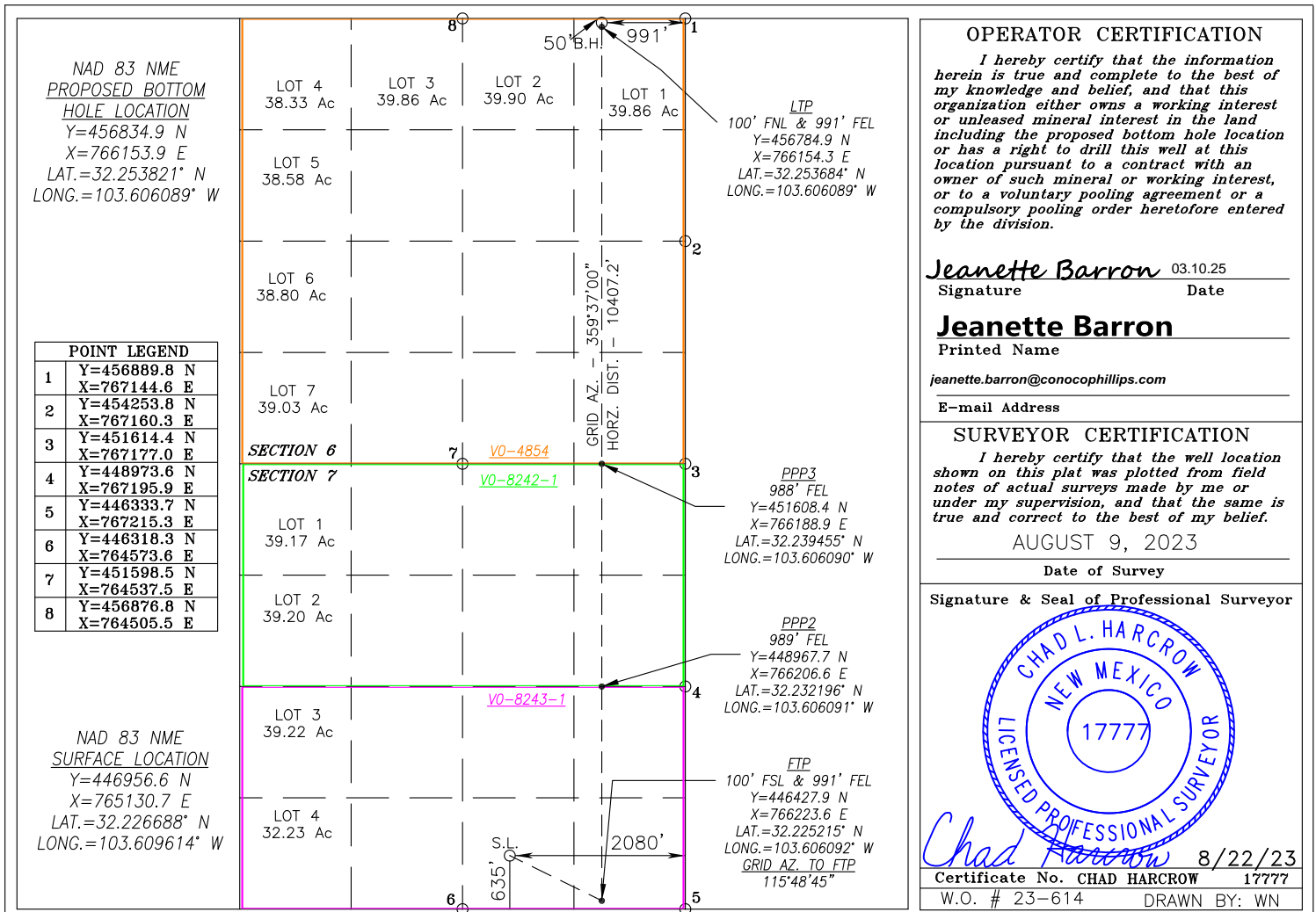
**Surface Location**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	7	24-S	33-E		635	SOUTH	2080	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
1	6	24-S	33-E		50	NORTH	991	EAST	LEA
Dedicated Acres 1268.12	Joint or Infill	Consolidation Code	Order No.						

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Santa Fe, New Mexico 87505

Form C-102  
Revised August 1, 2011  
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☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number <b>30-025-52427</b>	Pool Code <b>96674</b>	Pool Name <b>Triple X; Bone Spring, West</b>
Property Code <b>335192</b>	Property Name <b>MACHO NACHO STATE COM</b>	Well Number <b>603H</b>
OGRID No. <b>229137</b>	Operator Name <b>COG OPERATING, LLC</b>	Elevation <b>3574.3'</b>

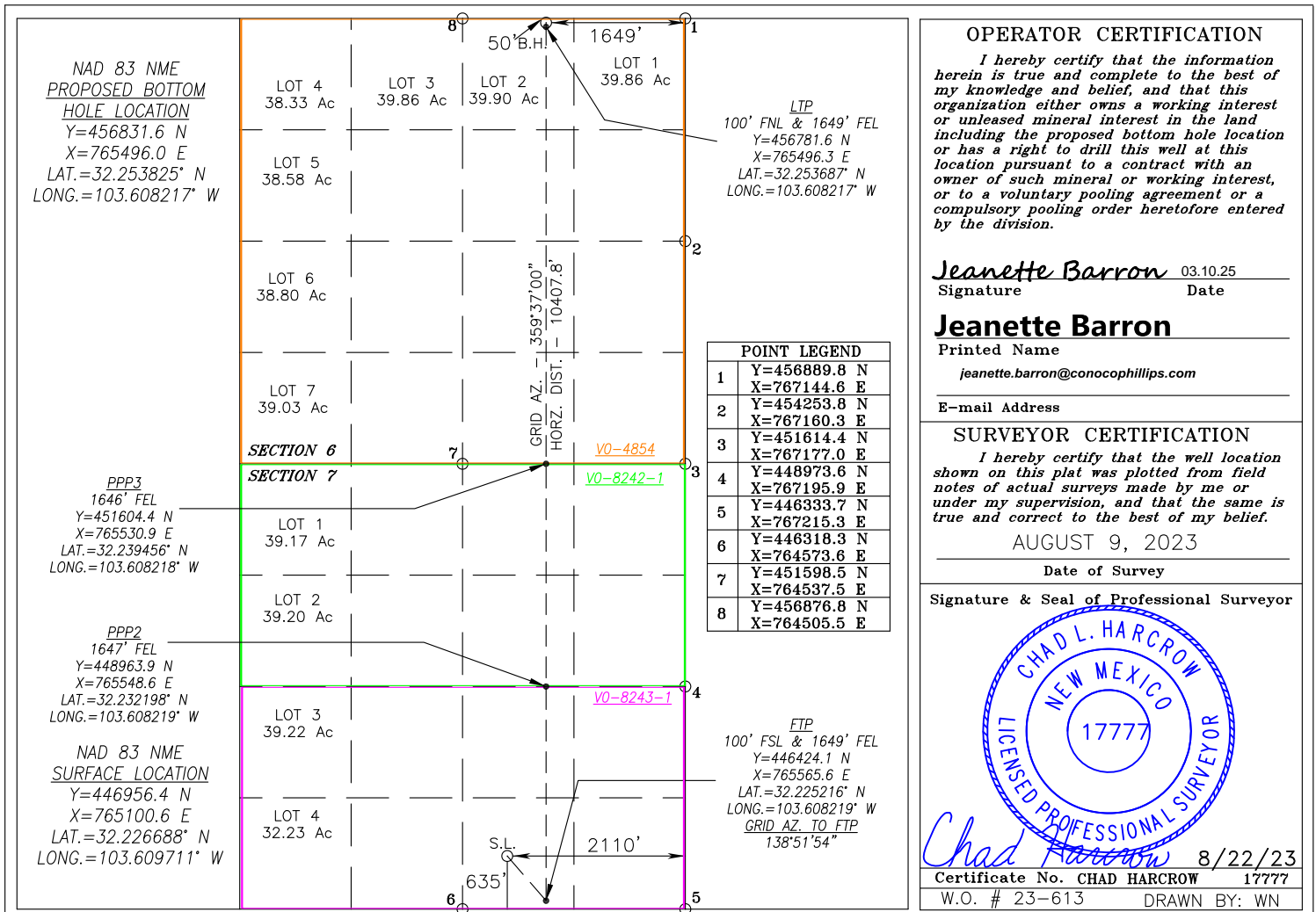
**Surface Location**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	7	24-S	33-E		635	SOUTH	2110	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
2	6	24-S	33-E		50	NORTH	1649	EAST	LEA
Dedicated Acres <b>1268.12</b>	Joint or Infill	Consolidation Code	Order No.						

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☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number 30-025-52431	Pool Code 98135	Pool Name WC-025 G-09 S243310P; Upper Wolfcamp
Property Code 335192	Property Name MACHO NACHO STATE COM	Well Number 604H
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3574.1'

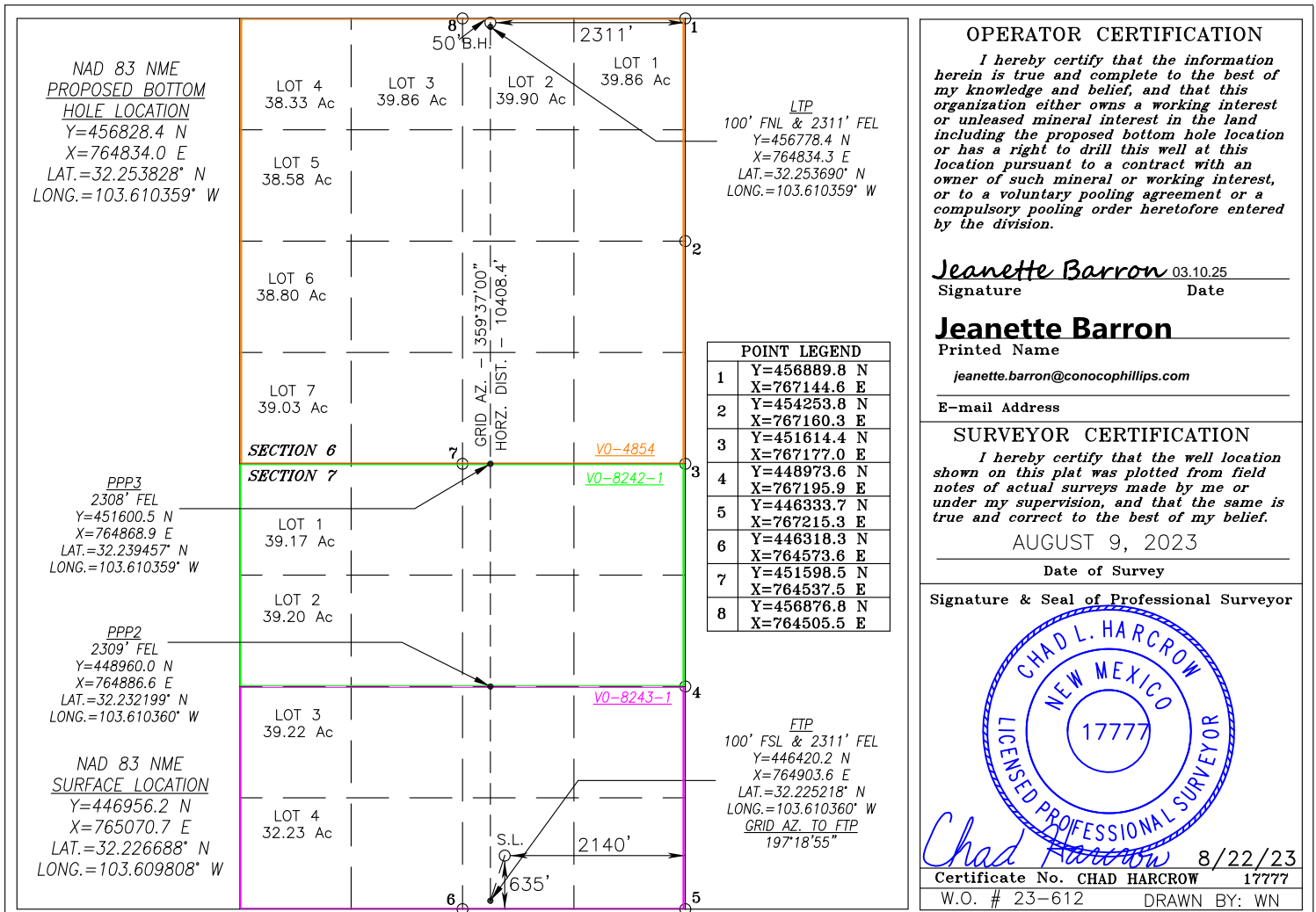
**Surface Location**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	7	24-S	33-E		635	SOUTH	2140	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
2	6	24-S	33-E		50	NORTH	2311	EAST	LEA
Dedicated Acres 1268.12	Joint or Infill	Consolidation Code	Order No.						

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Form C-102  
Revised August 1, 2011  
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☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number 30-025-52428	Pool Code 96674	Pool Name Triple X; Bone Spring, West
Property Code 335192	Property Name MACHO NACHO STATE COM	Well Number 605H
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3570.5'

**Surface Location**

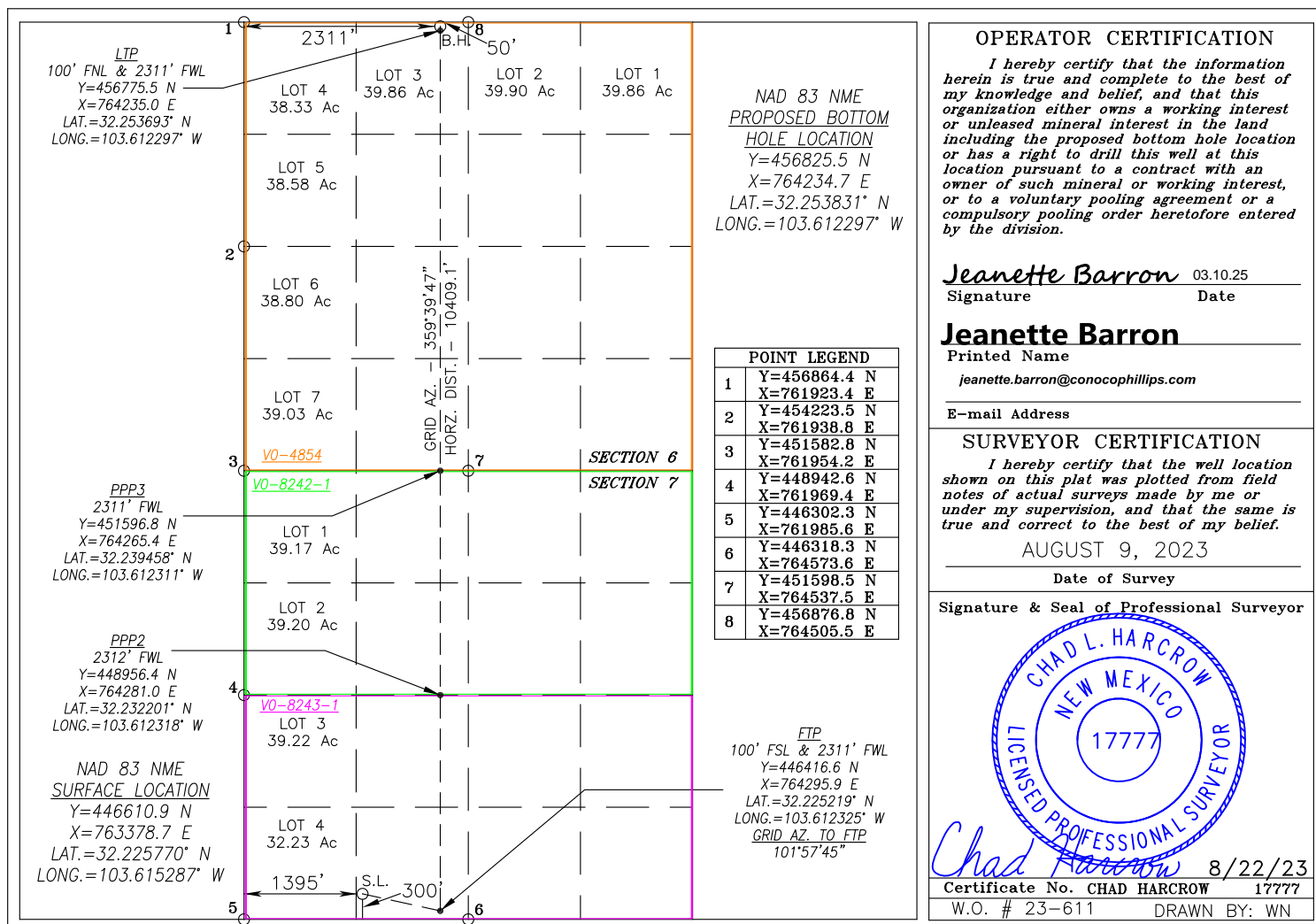
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	7	24-S	33-E		300	SOUTH	1395	WEST	LEA

**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
3	6	24-S	33-E		50	NORTH	2311	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
1268.12			

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**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number 30-025-52432	Pool Code 98135	Pool Name WC-025 G-09 S243310P; Upper Wolfcamp
Property Code 335192	Property Name MACHO NACHO STATE COM	Well Number 606H
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3571.3'

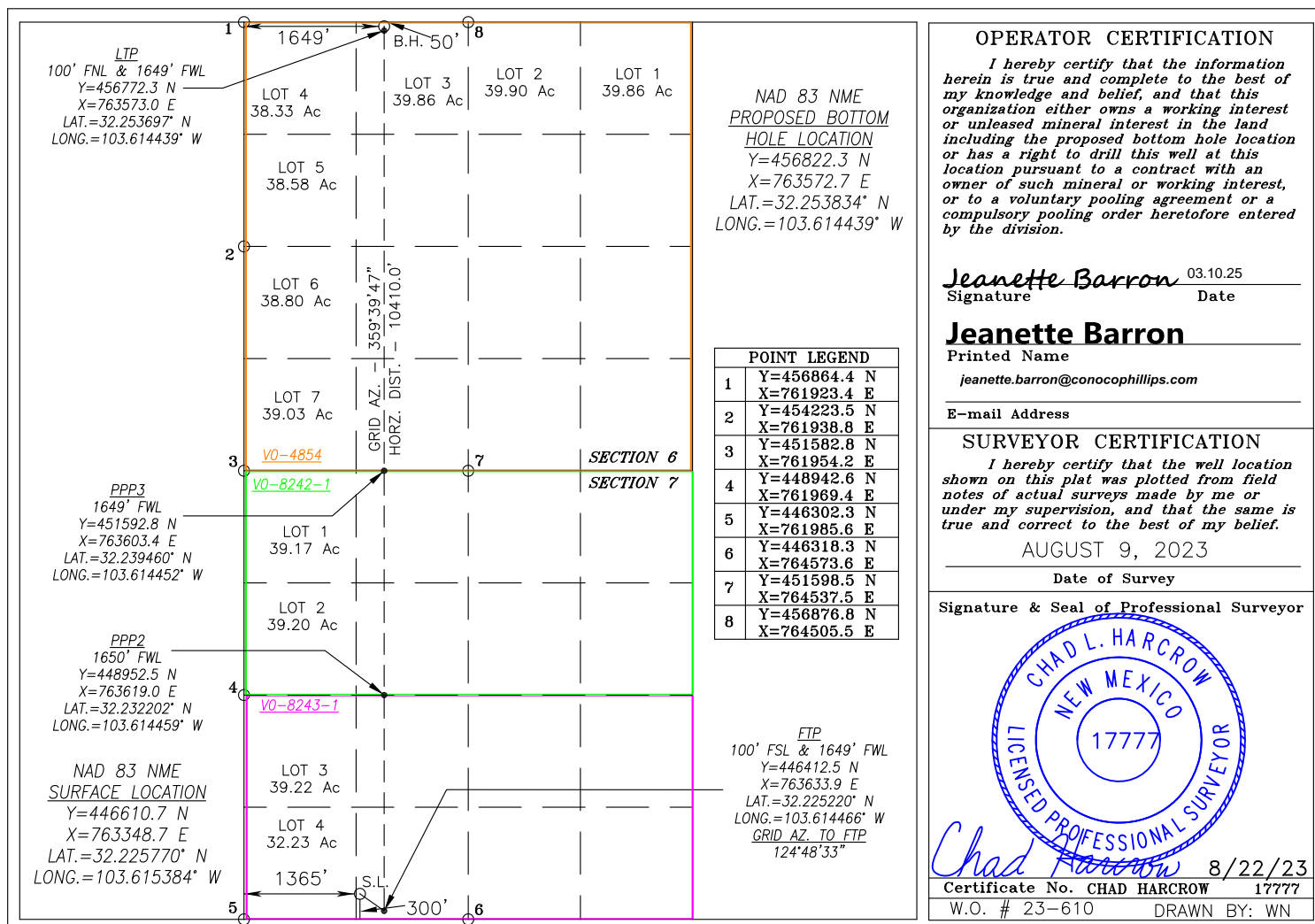
**Surface Location**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	7	24-S	33-E		300	SOUTH	1365	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
3	6	24-S	33-E		50	NORTH	1649	WEST	LEA
Dedicated Acres 1268.12	Joint or Infill	Consolidation Code	Order No.						

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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 30-025-52429	Pool Code 96674	Pool Name Triple X; Bone Spring, West
Property Code 335192	Property Name MACHO NACHO STATE COM	Well Number 607H
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3571.5'

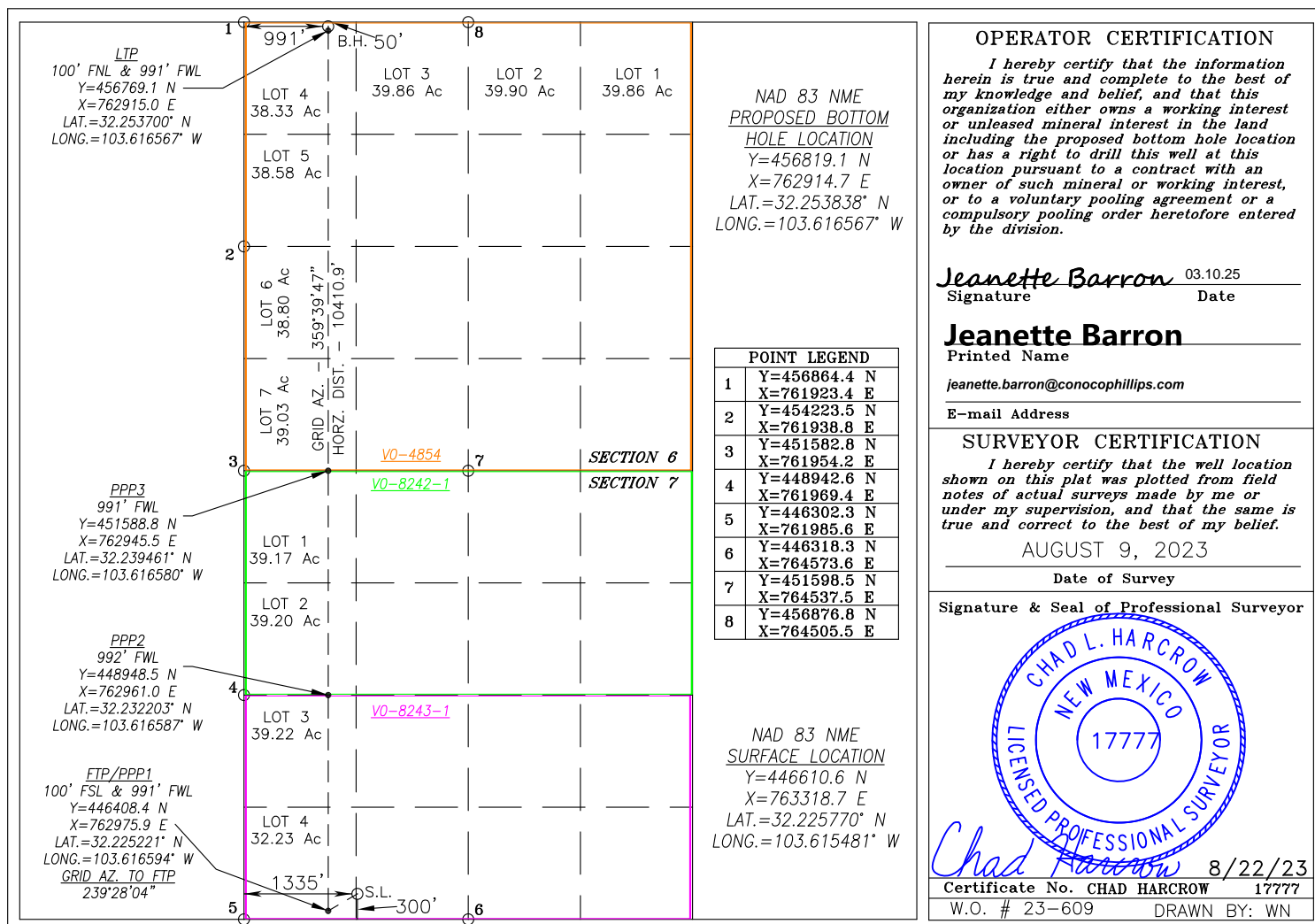
**Surface Location**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	7	24-S	33-E		300	SOUTH	1335	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
4	6	24-S	33-E		50	NORTH	991	WEST	LEA
Dedicated Acres 1268.12	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



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 30-025-52433	Pool Code 98135	Pool Name WC-025 G-09 S243310P; Upper Wolfcamp
Property Code 335192	Property Name MACHO NACHO STATE COM	Well Number 608H
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3571.6'

**Surface Location**

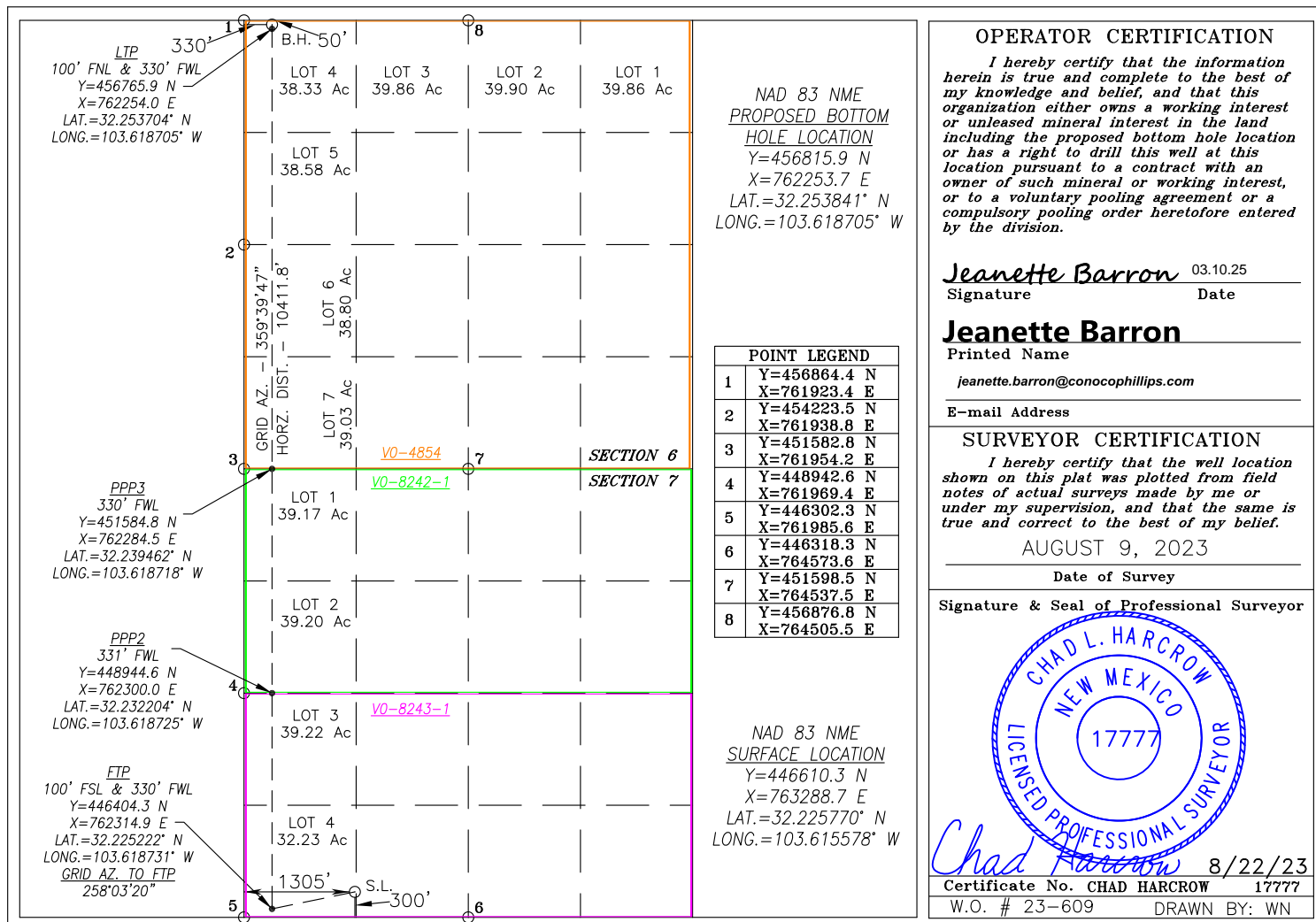
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	7	24-S	33-E		300	SOUTH	1305	WEST	LEA

**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
4	6	24-S	33-E		50	NORTH	330	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
1268.12			

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







**MACHO NACHO STATE 7 M CTB**  
SECTION 7, T24S, R33E, UNIT M  
COORDS: 32.227035, -103.617210  
LEA COUNTY, NM

**WELLS:**  
MACHO NACHO STATE COM #601H: 30-025-52426  
MACHO NACHO STATE COM #602H: 30-025-52430  
MACHO NACHO STATE COM #603H: 30-025-52427  
MACHO NACHO STATE COM #604H: 30-025-52431  
MACHO NACHO STATE COM #605H: 30-025-52428  
MACHO NACHO STATE COM #606H: 30-025-52432  
MACHO NACHO STATE COM #607H: 30-025-52429  
MACHO NACHO STATE COM #608H: 30-025-52433

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\*\*\*

METERS

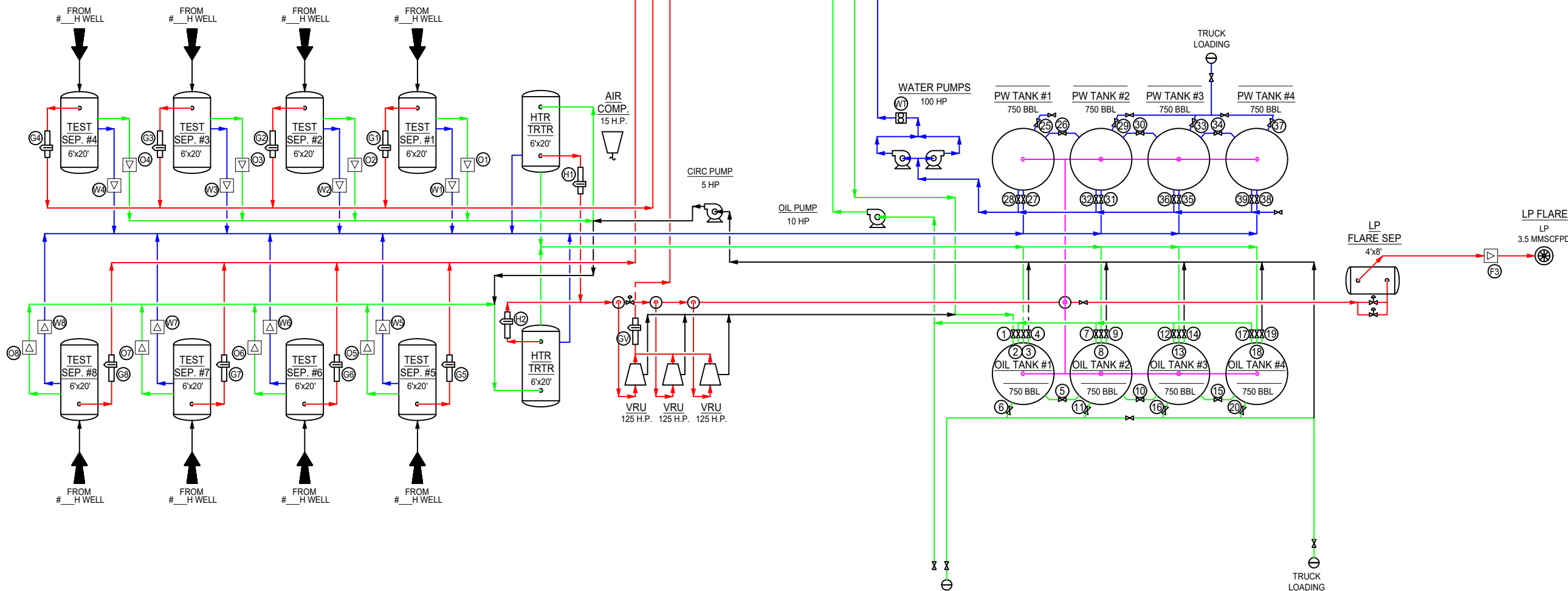
(O1) Tester #1 Oil Meter # \_\_\_\_\_  
 (G1) Tester #1 Gas Meter # \_\_\_\_\_  
 (W1) Tester #1 Water Meter # \_\_\_\_\_  
 (O2) Tester #2 Oil Meter # \_\_\_\_\_  
 (G2) Tester #2 Gas Meter # \_\_\_\_\_  
 (W2) Tester #2 Water Meter # \_\_\_\_\_  
 (O3) Tester #3 Oil Meter # \_\_\_\_\_  
 (G3) Tester #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 # \_\_\_\_\_  
(O8) Tester #8 Oil Meter # \_\_\_\_\_  
(G8) Tester #8 Gas Meter # \_\_\_\_\_  
(W8) Tester #8 Water Meter # \_\_\_\_\_

METERS

(F1) HP Flare Gas Meter # \_\_\_\_\_  
(F2) HP Flare Gas Meter # \_\_\_\_\_  
(F3) HP Flare Gas Meter # \_\_\_\_\_  
(F4) HP Flare Gas Meter # \_\_\_\_\_  
(F5) LP Flare Gas Meter # \_\_\_\_\_  
(GV) VRU Gas Meter # \_\_\_\_\_  
(GS) VRU Sales Gas Meter # \_\_\_\_\_  
(WT) Water Transfer Meter # \_\_\_\_\_  
(C1) Check Gas Meter # \_\_\_\_\_  
(GA) FMP Gas Sales Meter #1 # \_\_\_\_\_  
(B1) Gas By Back Meter # \_\_\_\_\_  
(C2) Check Gas Meter # \_\_\_\_\_  
(GB) FMP Gas Sales Meter #2 # \_\_\_\_\_  
(B2) 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: 335192**  
**NMOCD OGRID #: 229137**

### Site Diagram Legend

Produced Fluid: \_\_\_\_\_  
 Produced Oil: \_\_\_\_\_  
 Produced Gas: \_\_\_\_\_  
 Produced Water: \_\_\_\_\_  
 Flare/Vent: \_\_\_\_\_

**CONFIDENTIALITY NOTICE**

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

## REFERENCE DRAWINGS

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

## REVISIONS

[illegible]

ENGINEERING RECORD

BY	DATE
DRN: JS	07/08/24
DES:	
CHK:	
APP:	
AFE NO:	
FACIL ENGR:	A. Prather
OPER ENGR:	
SCALE:	NONE

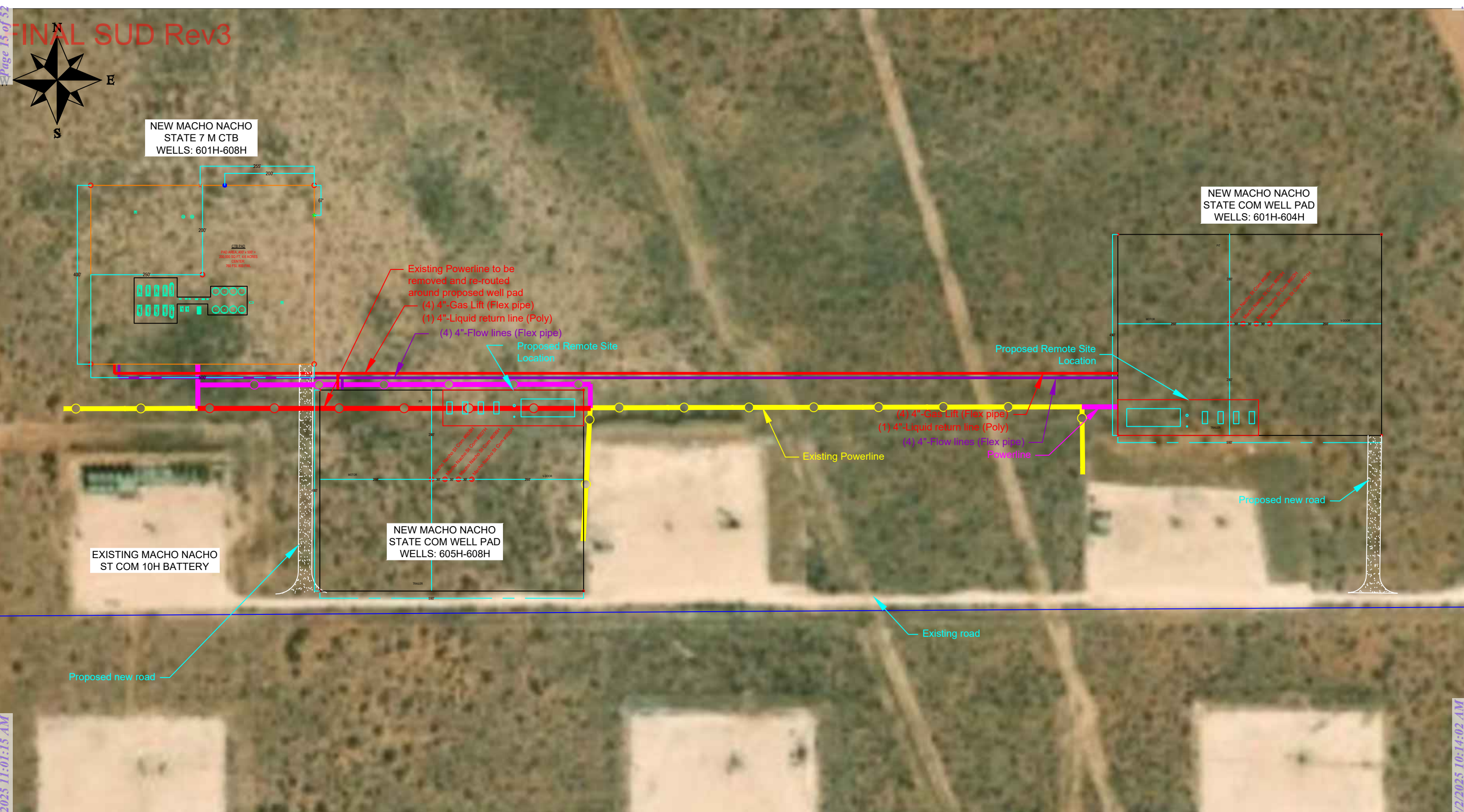


DELAWARE BASIN EAST ASSET  
PRODUCTION FACILITIES  
SITE FACILITY DIAGRAM  
MACHO NACHO STATE 7 M CTE

LEA COUNTY		NEW MEXICO
TWNSHP/RANGE	DWG NO. MachoNachoSt7MCTB	REV A



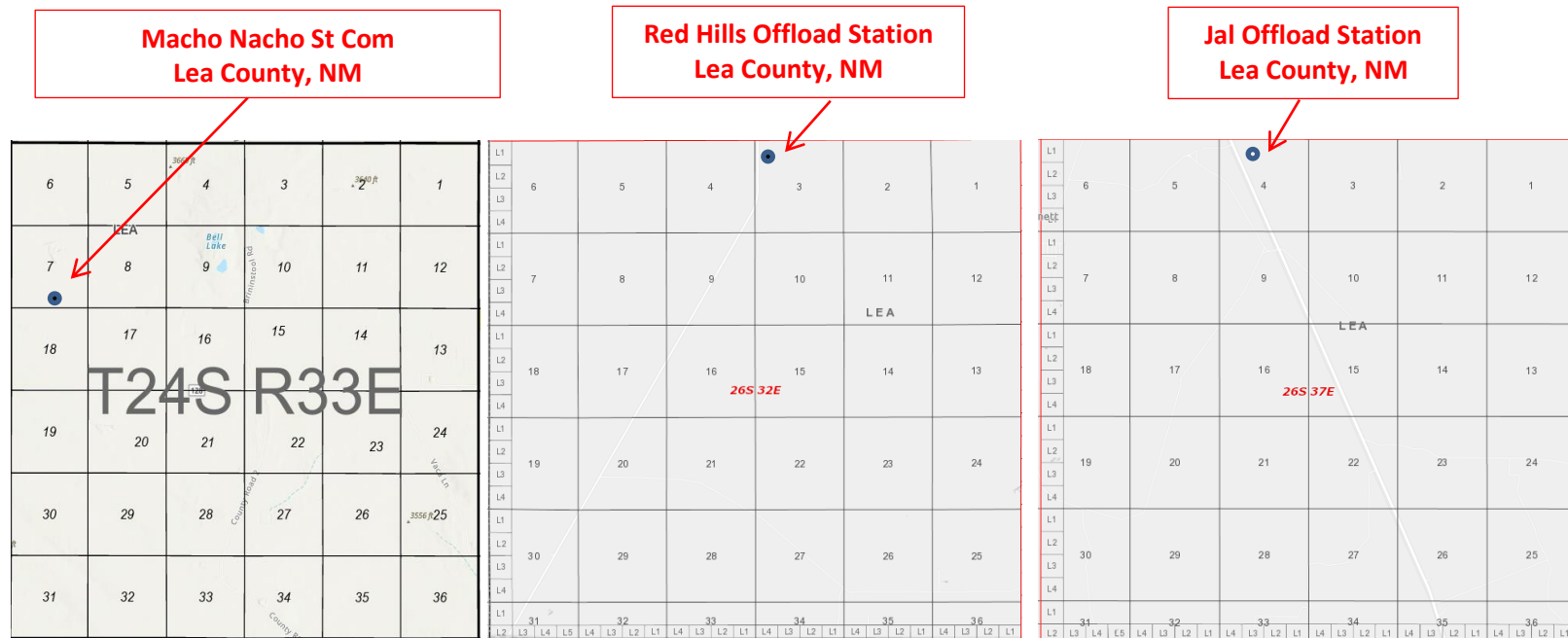
Page 15 of 52  
Received by OCD: 3/11/2025 11:01:15 AM  
Released by Imaging: 12/2/2025 10:14:02 AM



Facility Plan  
Macho Nacho State Project  
Sec 7, T24S, R33E

REV	DATE	BY
A	07/13/22	SS
B	07/25/23	SS
C	07/31/23	SS

# Macho Nacho St Com 601H-608H & Red Hills and Jal Offload Station Map





ConocoPhillips  
600 W. Illinois Ave.  
Midland, TX 79701  
[www.conocophillips.com](http://www.conocophillips.com)

March 6, 2025

Oil Conservation Division  
Attention: Michael McMillan  
1220 South Saint Francis Drive  
Santa Fe, NM 87505

**Re: Off-Lease Measurement and Commingling Applications for:**

MACHO NACHO STATE COM 601H	30-025-52426
MACHO NACHO STATE COM 602H	30-025-52430
MACHO NACHO STATE COM 603H	30-025-52427
MACHO NACHO STATE COM 604H	30-025-52431
MACHO NACHO STATE COM 605H	30-025-52428
MACHO NACHO STATE COM 606H	30-025-52432
MACHO NACHO STATE COM 607H	30-025-52429
MACHO NACHO STATE COM 608H	30-025-52433

Mr. McMillan:

I am the Land Negotiator at COG Operating LLC whose area of responsibility includes T24S-33E, Lea County, New Mexico.

In the captioned wells, the revenue owners are identical. As defined in NMAC 19.15.12.7B, identical ownership means leases or pools have the same working, royalty, and overriding royalty owns in exactly the same percentages.

If you have any questions or need additional information, please contact the undersigned.

Sincerely,

**COG Operating LLC**

A handwritten signature in blue ink, appearing to read 'Michael R. Potts'.

Michael R. Potts, CPL  
Staff Land Negotiator  
Delaware Basin NM East  
[michael.potts@conocophillips.com](mailto:michael.potts@conocophillips.com)



LEA COUNTY, NM  
KEITH MANES, COUNTY CLERK  
58804  
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12/04/2024 03:39 PM  
BY ELYSSA O'BRAIN

## NEW MEXICO STATE LAND OFFICE

### CERTIFICATE OF APPROVAL

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

**COG Operating LLC.**  
**Macho Nacho State Com #605H**  
**Bonespring**  
**Township: 24 South, Range: 33 East, NMPM**  
**Section 6: All**  
**Section 7: All**

**Lea County, New Mexico**


There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **September 1, 2022**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

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

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

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **4<sup>th</sup>** day of November, 2024.



  
COMMISSIONER OF PUBLIC LANDS  
of the State of New Mexico

LEA COUNTY, NM  
KEITH MANES, COUNTY CLERK  
58804  
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BY ELYSSA O'BRAIN

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

**STATE/STATE OR  
STATE/FEE**  
Revised August, 2024

**COMMUNITIZATION AGREEMENT**  
ONLINE Version

**API# 30-025-52428**

THIS COMMUNITIZATION AGREEMENT ("Agreement") [which is NOT to be used for carbon dioxide or helium] is entered into and made effective this **September 1, 2024**, by and between the parties signing below ("Parties"):

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

WHEREAS, the Parties own working, royalty, or other leasehold or other interests or operating rights under the oil and gas leases and lands subject to this Agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules and regulations, which leases, along with the well(s) on each lease to be encompassed by this Agreement, are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the **Bone Spring** formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well-spacing program established for such formation in and under said lands; and

WHEREAS, the Parties hereto desire to communitize and pool their respective interests in said leases subject to this Agreement for the purpose of developing, operating and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

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KEITH MANES, COUNTY CLERK  
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BY ELYSSA O'BRAIN

NOW THEREFORE, in consideration of the premises and the mutual advantages to the Parties, it is mutually covenanted and agreed by and between the undersigned as follows:

1. The lands described in Exhibit A (or B) covered by this Agreement (hereinafter referred to as the "communitized area") are described as follows:

**Township 24 South, Range 33 East, N.M.P.M.**

**Section 6: ALL**

**Section 7: ALL**

**Lea County, New Mexico**

Containing **1268.12** acres, more or less. It is the judgment of the Parties that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the OCD, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

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

Attached hereto and made a part of this Agreement for all purposes, is Exhibit A showing the acreage, depths communitized, and ownership (lessees of record) of all leases within the communitized area.

2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the Parties that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.
3. Subject to Paragraph 5, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals or performance of other lease obligations under the terms of said leases shall not be affected by this Agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this Agreement shall remain in full force and effect as originally issued and amended.



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BY ELYSSA O'BRAIN

4. **COG Operating LLC** shall be the operator of the said communitized area ("Operator") and all matters of operation shall be determined and performed by Operator. If more than one Operator operates wells subject to this Agreement, the Commissioner reserves the right to require one or more or all operators who added infill wells to this Agreement to obtain a new agreement.
5. The Commissioner hereafter is entitled to the right to take in kind the Commissioner's share for the communitized substances allocated to such tract, and the Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.
6. There shall be no obligation upon the Parties to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the Parties shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.
7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.
8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws.
9. This Agreement shall be effective as of the date hereinabove written upon execution by the Parties, notwithstanding the date of execution, and upon approval by the Commissioner, shall remain in full force and effect for a period of one year from the date hereof and along thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all applicable State laws, rules, and regulations; provided, that this Agreement shall not expire if there is a well producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: (a) a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this Agreement so as to prevent the expiration of such lease; or (b) each of the State of New Mexico oil and gas leases covering lands subject to this Agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well located within the physical boundaries of that specific lease assignment. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner with respect to any dry hole or abandoned well drilled upon the communitized area, this Agreement may be terminated at any time by mutual agreement of the Parties.

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BY ELYSSA O'BRAIN

10. Notwithstanding any other provision herein, if there is a cessation of production of communitized substances for more than sixty (60) days beginning one year after the date of execution, this Agreement shall automatically terminate, along with the ability to produce communitized substances, unless notice of reworking or drilling operations on the communitized area is made within 60 days of cessation of production of communitized substances and are thereafter conducted with reasonable diligence or the Commissioner of Public Lands otherwise grants an exception to continued drilling operations, including for the compliance of other state rules, laws, or policies. All such notices provided pursuant to this Paragraph shall be in writing and must be approved by the Commissioner. As to State Trust Lands, written notice of intention to commence any operations hereunder shall be filed with the Commissioner within thirty(30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this Agreement. All requests to the Commissioner to grant an exception or exceptions for the compliance of other state rules, laws, or policies must be made in writing within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to this Agreement or any lease from the State of New Mexico included in this Agreement.
11. Operator shall furnish the Commissioner and the OCD, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.
12. It is agreed between the Parties that the Commissioner, or the Commissioner's duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State Land Office and the OCD.
13. If any order of the OCD upon which this Agreement is predicated or based is in anyway changed or modified, then in such event said Agreement is likewise modified to conform thereto.
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 instruments, in writing, specifically referring hereto, and shall be binding upon all Parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. 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.

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16. In the event that Operator is aggrieved by a decision of the Commissioner with respect to any action by the Commissioner arising under this Agreement, Operator may within thirty (30) days after the date of such action file an administrative contest pursuant to 19-7-64 NMSA (1978) and 19.2.15 NMAC. Operator shall initiate no court action against the Commissioner or New Mexico State Land Office regarding this Agreement except to appeal a final decision of the Commissioner rendered pursuant to such a contest proceeding, and as provided by 19-7-64 NMSA (1978). **The Parties agree that any venue for any appeal or other action shall be in Santa Fe, New Mexico.**
17. Operator shall notify the Commissioner in writing within ten (10) days of (i) Operator's receipt of any compliance order, enforcement order, notice of violation, warning letter, or other written notice of final or contemplated enforcement action taken by any federal, state, or local governmental entity arising out of or concerning any of Operator's operations on New Mexico state trust land; (ii) Operator's receipt of any order, judgment, or decree (on consent or otherwise) entered by any federal or state court against Operator arising out of or concerning any of Operator's operations on New Mexico state trust land; or (iii) Operator's receipt of any written notice of claim, written pre-suit notice, or lawsuit arising out of or concerning any of Operator's operations on New Mexico state trust land. Upon the Commissioner's request, Operator shall promptly provide the Commissioner with a copy of any such order, judgment, decree, notice, letter, or lawsuit.

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

**OPERATOR:**  
**COG OPERATING LLC**

Date: 10-4-24

By: 

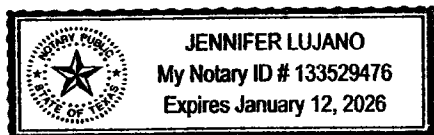
Ryan D. Owen  
Attorney-in-fact

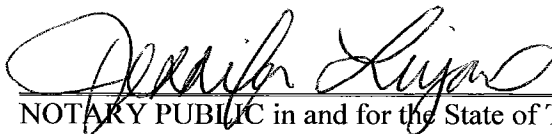
MRP sm

### ACKNOWLEDGEMENT

STATE OF TEXAS §  
§  
COUNTY OF MIDLAND §

The instrument was acknowledged before me on October 4, 2024, by Ryan D. Owen, as attorney-in-fact of **COG OPERATING LLC**, a Delaware limited liability company, on behalf of said limited liability company.

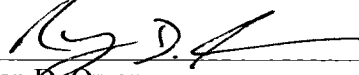


  
NOTARY PUBLIC in and for the State of Texas

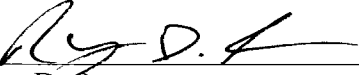
2024 OCT 15 AM 10:06

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BY ELYSSA O'BRAIN

**WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD****COG OPERATING LLC**

Date: 10-4-24 By:   
Ryan D. Owen  
Attorney-in-fact *MRP sm*

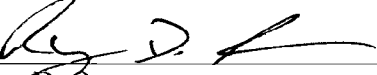
**COG PRODUCTION LLC**

Date: 10-4-24 By:   
Ryan D. Owen  
Attorney-in-fact *MRP sm*


**CONCHO OIL & GAS LLC**

Date: 10-4-24 By:   
Ryan D. Owen  
Attorney-in-fact *MRP sm*

**CONOCOPHILLIPS COMPANY**

Date: 10-4-24 By:   
Ryan D. Owen  
Attorney-in-fact *MRP sm*

**CIMAREX ENERGY CO**

Date: 9-26-2024 By:  *cc/ JR*  
Name: BRADLEY CANTRELL  
Title: ATTORNEY-IN-FACT

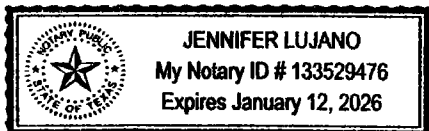
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LEA COUNTY, NM  
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BY ELYSSA O'BRAIN

## ACKNOWLEDGEMENT

STATE OF TEXAS §  
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COUNTY OF MIDLAND §

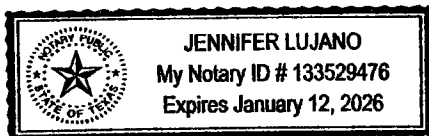
The instrument was acknowledged before me on October 4, 2024, by Ryan D. Owen, as attorney-in-fact of **COG OPERATING LLC**, a Delaware limited liability company, on behalf of said limited liability company.



*Jennifer Lujano*  
NOTARY PUBLIC in and for the State of Texas

STATE OF TEXAS §  
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COUNTY OF MIDLAND §

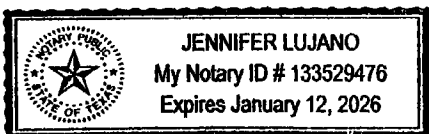
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*Jennifer Lujano*  
NOTARY PUBLIC in and for the State of Texas

STATE OF TEXAS §  
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COUNTY OF MIDLAND §

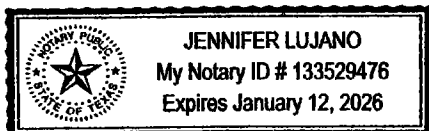
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*Jennifer Lujano*  
NOTARY PUBLIC in and for the State of Texas

STATE OF TEXAS §  
§  
COUNTY OF MIDLAND §

The instrument was acknowledged before me on October 4, 2024, by Ryan D. Owen, as attorney-in-fact of **CONOCOPHILLIPS COMPANY**, a Delaware corporation, on behalf of said corporation.



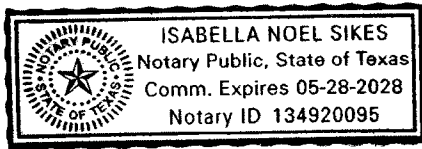
*Jennifer Lujano*  
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KEITH MANES, COUNTY CLERK  
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Book 2233 Page 218  
9 of 12  
12/04/2024 03:39 PM  
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**ACKNOWLEDGEMENT Cont.**

STATE OF Texas §  
§  
COUNTY OF Midland §

The instrument was acknowledged before me on September 26, 2024, by  
Bradley Cantrell, as Attorney-in-fact, of CIMAEX ENERGY CO,  
a Delaware corporation on behalf of same.



Isabella Noel Sikes  
Notary Public - State of Texas

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**EXHIBIT "A"**

Attached to and made a part of the Communitization Agreement dated September 1, 2024,  
 Covering all of Section 6 and all of Section 7, Township 24 South, Range 33 East, N.M.P.M.,  
 Lea County, New Mexico.

Communitized depths are limited to the **Bone Spring** formation.

**Tract 1:**  
**Sec 6: ALL**  
**V0-4854**



38.21	39.94	39.90	39.86
39.25	40.00	40.00	40.00
38.27	40.00	40.00	40.00
39.29	40.00	40.00	40.00
			<b>Sec. 6</b>
38.31	40.00	40.00	40.00
38.34	40.00	40.00	40.00
38.36	40.00	40.00	40.00
38.39	40.00	40.00	40.00
			<b>Sec. 7</b>

**Tract 2:**  
**Sec 7: N2**  
**V0-8242**



**Tract 3:**  
**Sec 7: S2**  
**V0-8243**



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 BY ELYSSA O'BRAIN

**EXHIBIT "B"**

Attached to and made a part of the Communitization Agreement dated September 1, 2024,  
 Covering all of Section 6 and all of Section 7, Township 24 South, Range 33 East, N.M.P.M.,  
 Lea County, New Mexico.

**Operator of Communitized Area: COG Operating LLC****TRACT 1:**

Lease Serial No.: **V0-4854**  
 Lease Date: May 1, 1996  
 Lease Term: Five (5) Years  
 Recordation: Unrecorded  
 Lessor: State of New Mexico  
 Original Lessee: Parker & Parsley Dev LP  
 Current Lessee: Cimarex Energy Co.  
 Description: Insofar and only insofar as said lease covers:  
Township 24 South, Range 33 East  
 Section 6: Lot 1 (39.86), Lot 2 (39.90), Lot 3 (39.94), Lot 4 (38.21), Lot 5 (39.25), Lot 6 (38.27), Lot 7 (39.29), S/2NE, SENW, E/2SW, and SE (ALL)  
 Lea County, New Mexico  
 Number of Acres: 634.72  
 Royalty Rate: 16.67%  
 WI Owners Names & Interests: COG Production LLC 50.00%  
 COG Operating LLC 46.50%  
 ConocoPhillips Company 3.50%  
 ORRI Owners: Of Record.

**TRACT 2:**

Lease Serial No.: **V0-8242**  
 Lease Date: April 1, 2008  
 Lease Term: Five (5) Years  
 Recordation: Unrecorded  
 Lessor: State of New Mexico  
 Original Lessee: Marbob Energy Corp  
 Current Lessee: COG Operating LLC/Concho Oil & Gas LLC  
 Description: Insofar and only insofar as said lease covers:  
Township 24 South, Range 33 East  
 Section 7: Lot 1 (38.31), Lot 2 (38.34), NE, E2NW  
 Lea County, New Mexico  
 Number of Acres: 316.65  
 Royalty Rate: 16.67%  
 WI Owners Names & Interests: COG Operating LLC 95.00%  
 Concho Oil & Gas LLC 5.00%  
 ORRI Owners: Of Record.

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**TRACT 3:**

Lease Serial No.: **V0-8243**  
Lease Date: April 1, 2008  
Lease Term: Five (5) Years  
Recordation: Unrecorded  
Lessor: State of New Mexico  
Original Lessee: Ronald Miles  
Current Lessee: COG Production LLC  
Description: Insofar and only insofar as said lease covers:  
Township 24 South, Range 33 East  
Section 7: Lot 3 (38.36), Lot 4 (38.39), E/2SW,  
SE  
Lea County, New Mexico  
  
Number of Acres: 316.75  
Royalty Rate: 16.67%  
WI Owners Names & Interests: COG Production LLC 100.00%  
ORRI Owners: Of Record.

**RECAPITULATION**

TRACT NUMBER	NUMBER OF ACRES COMMITTED	PERCENTAGE OF INTEREST IN COMMUNITIZED AREA
1	634.72	50.05%
2	316.65	24.97%
3	316.75	24.98%
<b>TOTAL</b>	<b>1268.12</b>	<b>100.00%</b>

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## NEW MEXICO STATE LAND OFFICE

### CERTIFICATE OF APPROVAL

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

**COG Operating LLC.**  
**Macho Nacho State Com #604H**  
**Wolfcamp**  
**Township: 24 South, Range: 33 East, NMPM**  
**Section 6: All**  
**Section 7: All**

**Lea County, New Mexico**

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **September 1, 2024**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

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

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

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **4<sup>th</sup>** day of **November, 2024**.



**COMMISSIONER OF PUBLIC LANDS**

**of the State of New Mexico**



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BY ELYSSA O'BRAIN

NM State Land Office  
Oil, Gas, & Minerals Division

STATE/STATE OR  
STATE/FEE  
Revised August, 2024

**COMMUNITIZATION AGREEMENT**  
ONLINE Version

**API# 30-025-52428**

THIS COMMUNITIZATION AGREEMENT ("Agreement") [which is NOT to be used for carbon dioxide or helium] is entered into and made effective this **September 1, 2024**, by and between the parties signing below ("Parties"):

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

WHEREAS, the Parties own working, royalty, or other leasehold or other interests or operating rights under the oil and gas leases and lands subject to this Agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules and regulations, which leases, along with the well(s) on each lease to be encompassed by this Agreement, are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the **Wolfcamp** formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well-spacing program established for such formation in and under said lands; and

WHEREAS, the Parties hereto desire to communitize and pool their respective interests in said leases subject to this Agreement for the purpose of developing, operating and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

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NOW THEREFORE, in consideration of the premises and the mutual advantages to the Parties, it is mutually covenanted and agreed by and between the undersigned as follows:

1. The lands described in Exhibit A (or B) covered by this Agreement (hereinafter referred to as the "communitized area") are described as follows:

**Township 24 South, Range 33 East, N.M.P.M.**

**Section 6: ALL**

**Section 7: ALL**

**Lea County, New Mexico**

Containing **1268.12** acres, more or less. It is the judgment of the Parties that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the OCD, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

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

Attached hereto and made a part of this Agreement for all purposes, is Exhibit A showing the acreage, depths communitized, and ownership (lessees of record) of all leases within the communitized area.

2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the Parties that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.
3. Subject to Paragraph 5, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals or performance of other lease obligations under the terms of said leases shall not be affected by this Agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this Agreement shall remain in full force and effect as originally issued and amended.



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BY ELYSSA O'BRAIN

4. **COG Operating LLC** shall be the operator of the said communitized area ("Operator") and all matters of operation shall be determined and performed by Operator. If more than one Operator operates wells subject to this Agreement, the Commissioner reserves the right to require one or more or all operators who added infill wells to this Agreement to obtain a new agreement.
5. The Commissioner hereafter is entitled to the right to take in kind the Commissioner's share for the communitized substances allocated to such tract, and the Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.
6. There shall be no obligation upon the Parties to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the Parties shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.
7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.
8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws.
9. This Agreement shall be effective as of the date hereinabove written upon execution by the Parties, notwithstanding the date of execution, and upon approval by the Commissioner, shall remain in full force and effect for a period of one year from the date hereof and along thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all applicable State laws, rules, and regulations; provided, that this Agreement shall not expire if there is a well producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: **(a)** a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this Agreement so as to prevent the expiration of such lease; or **(b)** each of the State of New Mexico oil and gas leases covering lands subject to this Agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well located within the physical boundaries of that specific lease assignment. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner with respect to any dry hole or abandoned well drilled upon the communitized area, this Agreement may be terminated at any time by mutual agreement of the Parties.

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10. Notwithstanding any other provision herein, if there is a cessation of production of communitized substances for more than sixty (60) days beginning one year after the date of execution, this Agreement shall automatically terminate, along with the ability to produce communitized substances, unless notice of reworking or drilling operations on the communitized area is made within 60 days of cessation of production of communitized substances and are thereafter conducted with reasonable diligence or the Commissioner of Public Lands otherwise grants an exception to continued drilling operations, including for the compliance of other state rules, laws, or policies. All such notices provided pursuant to this Paragraph shall be in writing and must be approved by the Commissioner. As to State Trust Lands, written notice of intention to commence any operations hereunder shall be filed with the Commissioner within thirty(30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this Agreement. All requests to the Commissioner to grant an exception or exceptions for the compliance of other state rules, laws, or policies must be made in writing within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to this Agreement or any lease from the State of New Mexico included in this Agreement.
11. Operator shall furnish the Commissioner and the OCD, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.
12. It is agreed between the Parties that the Commissioner, or the Commissioner's duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State Land Office and the OCD.
13. If any order of the OCD upon which this Agreement is predicated or based is in anyway changed or modified, then in such event said Agreement is likewise modified to conform thereto.
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 instruments, in writing, specifically referring hereto, and shall be binding upon all Parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. 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.

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16. In the event that Operator is aggrieved by a decision of the Commissioner with respect to any action by the Commissioner arising under this Agreement, Operator may within thirty (30) days after the date of such action file an administrative contest pursuant to 19-7-64 NMSA (1978) and 19.2.15 NMAC. Operator shall initiate no court action against the Commissioner or New Mexico State Land Office regarding this Agreement except to appeal a final decision of the Commissioner rendered pursuant to such a contest proceeding, and as provided by 19-7-64 NMSA (1978). **The Parties agree that any venue for any appeal or other action shall be in Santa Fe, New Mexico.**
17. Operator shall notify the Commissioner in writing within ten (10) days of (i) Operator's receipt of any compliance order, enforcement order, notice of violation, warning letter, or other written notice of final or contemplated enforcement action taken by any federal, state, or local governmental entity arising out of or concerning any of Operator's operations on New Mexico state trust land; (ii) Operator's receipt of any order, judgment, or decree (on consent or otherwise) entered by any federal or state court against Operator arising out of or concerning any of Operator's operations on New Mexico state trust land; or (iii) Operator's receipt of any written notice of claim, written pre-suit notice, or lawsuit arising out of or concerning any of Operator's operations on New Mexico state trust land. Upon the Commissioner's request, Operator shall promptly provide the Commissioner with a copy of any such order, judgment, decree, notice, letter, or lawsuit.

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

**OPERATOR:**  
**COG OPERATING LLC**

Date: 10-4-24

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

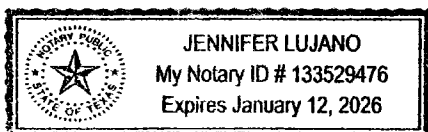
Ryan D. Owen  
Attorney-in-fact

MRP 5r

### ACKNOWLEDGEMENT

STATE OF TEXAS       §  
                                  §  
COUNTY OF MIDLAND   §

The instrument was acknowledged before me on October 4, 2024, by Ryan D. Owen, as attorney-in-fact of **COG OPERATING LLC**, a Delaware limited liability company, on behalf of said limited liability company.

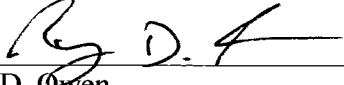


Jennifer Lujano  
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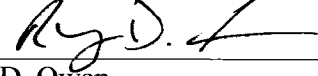
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BY ELYSSA O'BRAIN

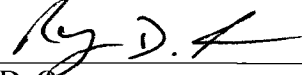
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Date: 10-4-24 By:   
Ryan D. Owen  
Attorney-in-fact *MRP sm*

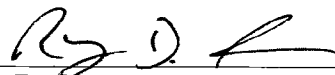
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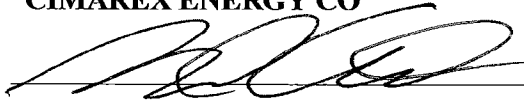
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Attorney-in-fact *MRP sm*

**CONOCOPHILLIPS COMPANY**

Date: 10-4-24 By:   
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Attorney-in-fact *MRP sm*

**CIMAREX ENERGY CO**

Date: 9-26-2024 By:  *cf*  
Name: BRADLEY CANTRELL *SR*  
Title: ATTORNEY-IN-FACT

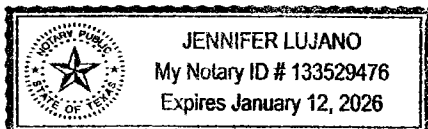
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## ACKNOWLEDGEMENT

STATE OF TEXAS §  
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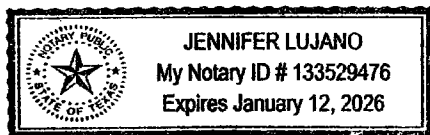
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Jennifer Lujano  
NOTARY PUBLIC in and for the State of Texas

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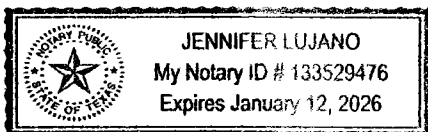
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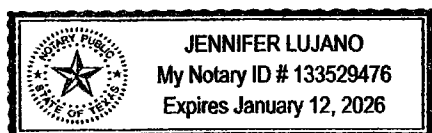
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STATE OF TEXAS §  
§  
COUNTY OF MIDLAND §

The instrument was acknowledged before me on October 4, 2024, by Ryan D. Owen, as attorney-in-fact of **CONOCOPHILLIPS COMPANY**, a Delaware corporation, on behalf of said corporation.



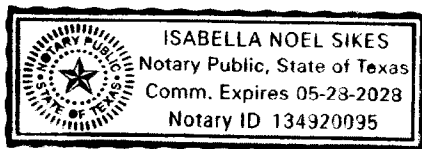
Jennifer Lujano  
NOTARY PUBLIC in and for the State of Texas

LEA COUNTY, NM  
KEITH MANES, COUNTY CLERK  
58805  
Book 2233 Page 219  
9 of 12  
12/04/2024 03:39 PM  
BY ELYSSA O'BRAIN

**ACKNOWLEDGEMENT Cont.**

STATE OF TEXAS §  
§  
COUNTY OF MIDLAND §

The instrument was acknowledged before me on September 26, 2024, by  
Bradley Contrell, as Attorney-in-Fact, of CIMAEX ENERGY CO,  
a Delaware corporation on behalf of same.



Isabella Noel Sikes  
Notary Public - State of TEXAS

2024 OCT 15 AM 10:14

LEA COUNTY, NM  
 KEITH MANES, COUNTY CLERK  
 58805  
 Book 2233 Page 219  
 10 of 12  
 12/04/2024 03:39 PM  
 BY ELYSSA O'BRAIN

**EXHIBIT "A"**

Attached to and made a part of the Communitization Agreement dated September 1, 2024,  
 Covering all of Section 6 and all of Section 7, Township 24 South, Range 33 East, N.M.P.M.,  
 Lea County, New Mexico.

Communitized depths are limited to the **Wolfcamp** formation.

**Tract 1:**  
 Sec 6: ALL  
 V0-4854



38.21	39.94	39.90	39.86
39.25	40.00	40.00	40.00
38.27	40.00	40.00	40.00
39.29	40.00	40.00	40.00
			<b>Sec. 6</b>
38.31	40.00	40.00	40.00
38.34	40.00	40.00	40.00
38.36	40.00	40.00	40.00
38.39	40.00	40.00	40.00
			<b>Sec. 7</b>

**Tract 2:**  
 Sec 7: N2  
 V0-8242



**Tract 3:**  
 Sec 7: S2  
 V0-8243





LEA COUNTY, NM  
 KEITH MANES, COUNTY CLERK  
 58805  
 Book 2233 Page 219  
 11 of 12  
 12/04/2024 03:39 PM  
 BY ELYSSA O'BRAIN

**EXHIBIT "B"**

Attached to and made a part of the Communitization Agreement dated September 1, 2024,  
 Covering all of Section 6 and all of Section 7, Township 24 South, Range 33 East, N.M.P.M.,  
 Lea County, New Mexico.

**Operator of Communitized Area: COG Operating LLC****TRACT 1:**

Lease Serial No.:	<b>V0-4854</b>	
Lease Date:	May 1, 1996	
Lease Term:	Five (5) Years	
Recordation:	Unrecorded	
Lessor:	State of New Mexico	
Original Lessee:	Parker & Parsley Dev LP	
Current Lessee:	Cimarex Energy Co.	
Description:	Insofar and only insofar as said lease covers: <u>Township 24 South, Range 33 East</u> Section 6: Lot 1 (39.86), Lot 2 (39.90), Lot 3 (39.94), Lot 4 (38.21), Lot 5 (39.25), Lot 6 (38.27), Lot 7 (39.29), S/2NE, SENW, E/2SW, and SE (ALL) Lea County, New Mexico	
Number of Acres:	634.72	
Royalty Rate:	16.67%	
WI Owners Names & Interests:	COG Production LLC	50.00%
	COG Operating LLC	46.50%
	ConocoPhillips Company	3.50%
ORRI Owners:	Of Record.	

**TRACT 2:**

Lease Serial No.:	<b>V0-8242</b>	
Lease Date:	April 1, 2008	
Lease Term:	Five (5) Years	
Recordation:	Unrecorded	
Lessor:	State of New Mexico	
Original Lessee:	Marbob Energy Corp	
Current Lessee:	COG Operating LLC/Concho Oil & Gas LLC	
Description:	Insofar and only insofar as said lease covers: <u>Township 24 South, Range 33 East</u> Section 7: Lot 1 (38.31), Lot 2 (38.34), NE, E2NW Lea County, New Mexico	
Number of Acres:	316.65	
Royalty Rate:	16.67%	
WI Owners Names & Interests:	COG Operating LLC	95.00%
	Concho Oil & Gas LLC	5.00%
ORRI Owners:	Of Record.	

LEA COUNTY, NM  
KEITH MANES, COUNTY CLERK  
58805  
Book 2233 Page 219  
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12/04/2024 03:39 PM  
BY ELYSSA O'BRAIN

**TRACT 3:**

Lease Serial No.: **V0-8243**  
Lease Date: April 1, 2008  
Lease Term: Five (5) Years  
Recordation: Unrecorded  
Lessor: State of New Mexico  
Original Lessee: Ronald Miles  
Current Lessee: COG Production LLC  
Description: Insofar and only insofar as said lease covers:  
Township 24 South, Range 33 East  
Section 7: Lot 3 (38.36), Lot 4 (38.39), E/2SW,  
SF  
Lea County, New Mexico  
  
Number of Acres: 316.75  
Royalty Rate: 16.67%  
WI Owners Names & Interests: COG Production LLC 100.00%  
ORRI Owners: Of Record.

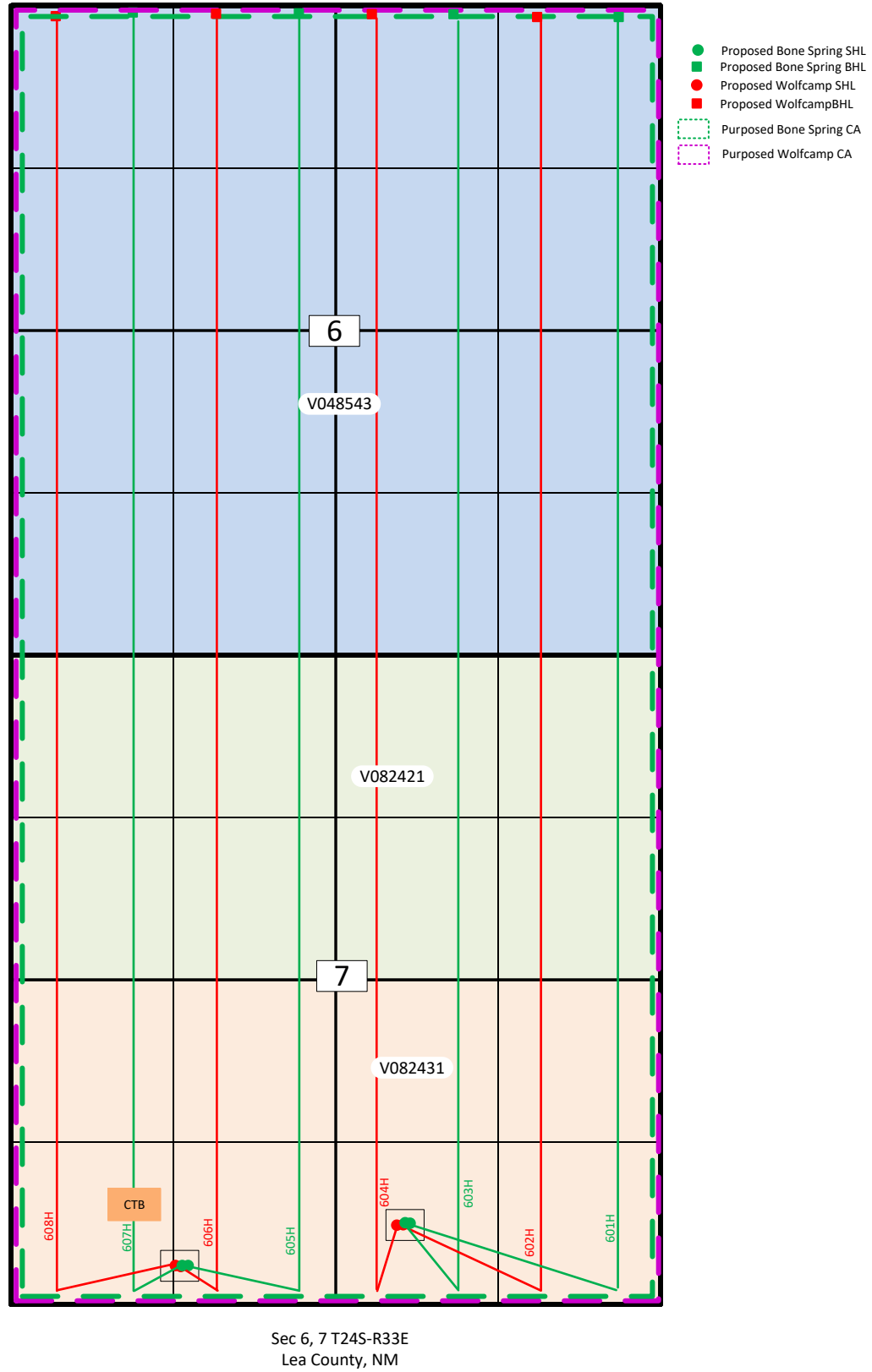
**RECAPITULATION**

TRACT NUMBER	NUMBER OF ACRES COMMITTED	PERCENTAGE OF INTEREST IN COMMUNITIZED AREA
1	634.72	50.05%
2	316.65	24.97%
3	316.75	24.98%
<b>TOTAL</b>	<b>1268.12</b>	<b>100.00%</b>

2024 OCT 15 AM 10:14

JB 06.18.22

Macho Nacho St Wells





Stephanie Garcia Richard  
COMMISSIONER

*State of New Mexico*  
*Commissioner of Public Lands*

310 OLD SANTA FE TRAIL  
P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760  
Fax (505) 827-5766  
www.nmstatelands.org

March 25, 2025

ConocoPhillips  
ATTN: Jeanette Barron  
2208 West Main St.  
Artesia, NM 88210

Re: Application for Pool Commingling Approval  
Wells approved for Pool Commingling  
Macho Nacho State Com #601H and Others (**All wells on attached sheet**)  
POOLS: [96674] Triple X; Bone Spring, West  
[98135] WC-025 G-09 S243310P; Upper Wolfcamp  
Lea County, New Mexico

Dear Ms. Barron,

We have received your \$150 application fee and request for surface commingling for the above-captioned wells.

Since it appears that all the rules and regulations for the New Mexico Oil Conservation Division and the State Land Office have been complied with and there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request is hereby approved.

Our approval

- is subject to approval from all relevant agencies,
- does not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

If you have any questions or if we may be if further assistance, please contact Baylen Lamkin at 505.827.6628 or blamkin@nmslo.gov

Respectfully,

A handwritten signature in blue ink, appearing to read "Gregory B. Bloom", is written over a blue circular stamp.

Gregory B. Bloom  
Assistant Commissioner – Oil, Gas, and Minerals

GB/bl

cc: OCD – Mr. Dean McClure  
OGMD and Units Reader Files

API	Well Name	Well Number	Type	Work Type	Mineral Owner	Surface Owner	Status	Unit Letter	Section	Township	Range	OCD Unit Letter	Last Production	Spud Date	Plugged On	Current Operator
30-025-52426	MACHO NACHO STATE COM	#601H	Oil	New	State	State	New	O	7	24S	33E	O	1/1800	12/25/2024		[229137] COG OPERATING LLC
30-025-52430	MACHO NACHO STATE COM	#602H	Oil	New	State	State	New	O	7	24S	33E	O	1/1800	12/24/2024		[229137] COG OPERATING LLC
30-025-52427	MACHO NACHO STATE COM	#603H	Oil	New	State	State	New	O	7	24S	33E	O	1/1800	12/22/2024		[229137] COG OPERATING LLC
30-025-52431	MACHO NACHO STATE COM	#604H	Oil	New	State	State	New	O	7	24S	33E	O	1/1800	12/21/2024		[229137] COG OPERATING LLC
30-025-52428	MACHO NACHO STATE COM	#605H	Oil	New	State	State	New	N	7	24S	33E	N	1/1800	12/19/2024		[229137] COG OPERATING LLC
30-025-52432	MACHO NACHO STATE COM	#606H	Oil	New	State	State	New	N	7	24S	33E	N	1/1800	12/17/2024		[229137] COG OPERATING LLC
30-025-52429	MACHO NACHO STATE COM	#607H	Oil	New	State	State	New	N	7	24S	33E	N	1/1800	12/15/2024		[229137] COG OPERATING LLC
30-025-52433	MACHO NACHO STATE COM	#608H	Oil	New	State	State	New		4	7	24S	33E	M	1/1800	12/13/2024	[229137] COG OPERATING LLC

## Pools

[98135] WC-025 G-09 S243310P; Upper Wolfcamp

[96674] Triple X; Bone Spring, West

**From:** [Russell, Robyn M](#)  
**To:** [Clelland, Sarah, EMNRD](#)  
**Subject:** [EXTERNAL] RE: [EXTERNAL]FW: Action ID 441189 PLC-1054  
**Date:** Monday, November 24, 2025 6:48:16 AM  
**Attachments:** [Macho Nacho St Lease Map.pdf](#)  
[Macho Nacho SLO Approval.pdf](#)

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

Hey Sarah,

Attached is the lease map and the SLO approval. Please let me know if you need anything else for the approval of this application.

Happy Thanksgiving!

Thank you,

**Robyn M Russell | Supv, Delaware Basin Regulatory | ConocoPhillips**

**O:** 432-685-4385 | **C:** 432-813-6577 | 600 W. Illinois Ave., Midland, TX 79701

---

**From:** Clelland, Sarah, EMNRD <Sarah.Clelland@emnrd.nm.gov>  
**Sent:** Thursday, November 13, 2025 3:58 PM  
**To:** Russell, Robyn M <Robyn.M.Russell@conocophillips.com>  
**Subject:** [EXTERNAL]FW: Action ID 441189 PLC-1054

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

Hi Robyn,

Can't get an email to send to Jeanette. Please see the below needed information.

Thanks,

*Sarah Clelland*

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

---

**From:** Clelland, Sarah, EMNRD



**Sent:** Thursday, November 13, 2025 2:18 PM  
**To:** Barron, Jeanette <[jeanette.barron@conocophillips.com](mailto:jeanette.barron@conocophillips.com)>  
**Subject:** Action ID 441189 PLC-1054

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

The Division is reviewing the following application:

<b>Action ID</b>	<b>441189</b>
<b>Admin No.</b>	PLC-1054
<b>Applicant</b>	COG Operating, LLC
<b>Title</b>	Macho Nacho State Com 7 M CTB
<b>Sub. Date</b>	03/11/2025

Please provide the following additional supplemental documents:

- Please provide lease map for this CTB.
- Please provide proof of SLO notification of NMOCD surface commingle application.

Please provide additional information regarding the following:

- 

Additional notes:

- 

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

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

### **COMMENT**

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

Please contact the Environmental Bureau at [OCD.Enviro@emnrd.nm.gov](mailto:OCD.Enviro@emnrd.nm.gov) for instructions regarding the submittal process for applications of this type.

Thanks,

*Sarah Clelland*

**Petroleum Specialist**  
State of New Mexico  
Energy, Minerals, and Natural Resources Department  
Oil Conservation Division  
Cell: (505) 537-0627

[Sarah.Clelland@emnrd.nm.gov](mailto:Sarah.Clelland@emnrd.nm.gov)

**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-1054**

**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 submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7 B. NMAC.
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.

**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.
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 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.
3. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
4. Applicant shall 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.
5. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10 C.(2) NMAC.
6. 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.
7. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
8. 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).

9. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**



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**ALBERT C. S. CHANG  
DIRECTOR**

**DATE:** 11/27/2025

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit A

Order: PLC-1054

Operator: COG Operating, LLC (229137)

Central Tank Battery: Macho Nacho State 7 M Ccentral Tank Battery

Central Tank Battery Location: UL M, Section 7, Township 24 South, Range 33 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 M, Section 7, Township 24 South, Range 33 East

### Pools

Pool Name	Pool Code
TRIPLE X;BONE SPRING, WEST	96674
WC-025 G-09 S243310P;UPPER WOLFCAMP	98135

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

Lease	UL or Q/Q	S-T-R
Bone Spring SLO 205100 PUN 1407282	ALL	06-24S-33E
	ALL	07-24S-33E
Wolf Camp SLO 205101 PUN 1407298	ALL	06-24S-33E
	ALL	07-24S-33E

### Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-52426	MACHO NACHO STATE COM #601H	ALL	06-24S-33E	96674
		ALL	07-24S-33E	
30-025-52427	MACHO NACHO STATE COM #603H	ALL	06-24S-33E	96674
		ALL	07-24S-33E	
30-025-52428	MACHO NACHO STATE COM #605H	ALL	06-24S-33E	96674
		ALL	07-24S-33E	
30-025-52429	MACHO NACHO STATE COM #607H	ALL	06-24S-33E	96674
		ALL	07-24S-33E	
30-025-52430	MACHO NACHO STATE COM #602H	ALL	06-24S-33E	98135
		ALL	07-24S-33E	
30-025-52431	MACHO NACHO STATE COM #604H	ALL	06-24S-33E	98135
		ALL	07-24S-33E	
30-025-52432	MACHO NACHO STATE COM #606H	ALL	06-24S-33E	98135
		ALL	07-24S-33E	
30-025-52433	MACHO NACHO STATE COM #608H	ALL	06-24S-33E	98135
		ALL	07-24S-33E	



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 441189

CONDITIONS

Operator: COG OPERATING LLC 600 W Illinois Ave Midland, TX 79701	OGRID: 229137
	Action Number: 441189
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By	Condition	Condition Date
sarah.clelland	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please email us at <a href="mailto:OCD.Engineer@emnrd.nm.gov">OCD.Engineer@emnrd.nm.gov</a> .	12/2/2025