



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Pecos District
Carlsbad Field Office
620 E. Greene
Carlsbad, New Mexico 88220-6292
www.blm.gov/nm



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2015 JUN 29 P 3:21

IN REPLY REFER TO:
NM134687
3105.2 (P0220)

Reference:
Sneed 9 Fed Com 2H
N/2N/2 of sec. 9, T. 17 S., R. 32 E., NMPM,
Lea County, NM

JUN 22 2015

COG Operating, LLC
600 West Illinois Avenue
Midland, TX 79701

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM134687 involving 120 acres of Federal land in lease NM315712, and 40.00 acres of Fee land, Eddy County, New Mexico, which comprise a 160.00 acre well spacing unit.

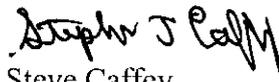
The agreement communitizes all rights to all producible hydrocarbons from the Yeso formation beneath the N/2N/2 of sec. 9, T. 17 S., R. 32 E., NMPM, and is effective 5/1/13. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

Copies of this approval letter are being distributed to the appropriate Federal agencies. You are requested to furnish all interested parties with the appropriate evidence of this approval. Any production royalties that are due must be reported and paid according to regulations set up by the Office of Natural Resources Revenue at 1-800-525-9167 or 303-231-3504.

If you have any questions regarding this approval, please contact Edward G. Fernandez,
Petroleum Engineer at (575) 234-2220.

Please furnish all interested principals with appropriate evidence of this approval.

Sincerely,



Steve Caffey
Assistant Field Manager,
Lands and Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver (357B-1, Antoinette Contreras, Stacey Kaiser)

NM Taxation & Revenue Dept. (Revenue Processing Div.)

NMOCD

NM (9200)

NM (P0220-CFO, File Room)

Determination - Approval - Certification

Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement 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 that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.

- B. Approve the attached Communitization Agreement covering the N/2N/2 of sec. 9, T. 17 S., R. 32 E., NMPM, as to all producible hydrocarbons from the Yeso formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (c) are not met.

- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved:



Authorized Officer
Steve Caffey
Asst. Field Mgr.

Effective: 5/1/13-

Contract No.: Com. Agr. NM134687



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In Reply Refer to
NM134687
3107 (P0220)

Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NM134687

Date of Completion: 7/29/14
Date of First Production: 8/4/14
Field: Maljamar
Operator, Well Name & No, API Number: COG Operating; Sneed 9 Fed Com 2H; 3002541409
Surface Location: Section 9, T. 17 S., R. 32 E.
Total Depth: 10,186 MD; 5,661 TVD
Surface Elevation: 4,082 GL
Producing Formation: Yeso-West (5,920 – 10,100)
Well Capable of Production in Paying Quantities: Yes
Initial Daily Production: Oil 337 BBL; Gas 240 MCF; Water 2,192 BBL
Current Status: Producing Oil Well
Remarks: CA NM134687, effective 5/1/13, communitizes production of all gas and fluid hydrocarbons in the Yeso formation beneath sec. 9: N2N2, T. 17 S., R. 32 E., NMPM, and comprises 120 acres of Federal land in lease NM315712, and 40 acres of Fee land for a 160 acre well spacing unit, whose leases are held by actual production.

If you have any questions regarding this memorandum, please email Arthur Morrison at ajmorrison@blm.gov.

/s/ Arthur Morrison
6/22/15

cc:
ONRR-MS 63230B
First Production File
LLNM (P0220, File Room)