



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



IN REPLY REFER TO:
NM134285
3105.2 (P0220)

Reference:
Communitization Agreement
Cottonmouth 24 Federal Com 1H
T. 26 S., R. 28 E.,
Section 24; W2W2
Eddy County, NM

March 30, 2015

RECEIVED OGD
2015 APR 17 P 3:15

COG Operating, LLC
One Concho Center
600 West Illinois Avenue
Mid Land, TX 79701

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM134285 involving 40 acres of Fee land and 120 acres of Federal land in lease NMNM012559, Eddy County, New Mexico, which comprises a 160 acre well spacing unit.

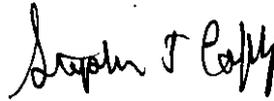
The agreement communitizes all rights to all producible hydrocarbons from the Delaware formation beneath the W2W2 of sec. 24, T. 26 S., R. 28 E., NMPM, and is effective June 5, 2013. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold 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,

A handwritten signature in black ink, appearing to read "Steve J Caffey". The signature is written in a cursive, somewhat stylized font.

Steve Caffey
Assistant Field Manager,
Lands and Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver

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

NMOCD

NM (9200)

NM (P0220-CFO, File Room)

Determination - Approval - Certification

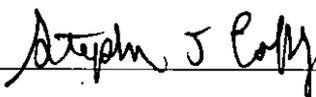
Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- 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 W2W2 of sec. 24, T. 26 S., R. 28 E., NMPM, as to all producible hydrocarbons from the Delaware formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (e) 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

Effective: 06/05/2013

Contract No.: Com. Agr. NM134285

United States Department of the Interior



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Carlsbad, New Mexico 88220-6292
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In Reply Refer to
NM134285
3107 (P0220)

Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NM134285

Date of Completion: February 11, 2014
Date of First Production: February 28, 2014
Field: Tecolote Peak
Operator, Well Name & No, API Number: COG Production; Cottonmouth 24 Federal Com 1H;
30-015-38507
Surface Location: SWSW Sec. 24, T. 26 S., R. 28 E.
Total Depth: 11,029' MD; 6257' TVD
Surface Elevation: 2,961' GL
Producing Formation: Delaware (6,534' – 10,964')
Well Capable of Production in Paying Quantities: Yes
Initial Daily Production: Oil 372 BBL; Gas 500 MCF; Water 1,736 BBL
Current Status: Producing Oil Well
Remarks: CA NM134285, effective 6/5/13, communitizes production of all gas and fluid hydrocarbons in the Delaware formation beneath the W2W2 of Sec. 24, T. 26 S., R. 28 E., NMPM, and is comprized of 40 acres of Fee land , and 120 acres of Federal land in lease NMNM012559 for a 160.00 acre spacing unit.

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

/S/ Deborah Ham
03/30/2015

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