



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:

NM136117

3105.2 (P0220)

Reference:

Communitization Agreement

08/10/2016

Admiral Fed Com 2H

T. 25 S., R. 29 E.,

Sec. 21: W2E2

Sec. 28: W2E2

Eddy County, NM

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

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM136117 involving 80 acres of Federal land in lease NMNM115413, 160 acres of Federal land in lease NMNM96848 and 80 acres of Federal land in lease NMNM115414, Eddy County, New Mexico, which comprises a 320 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Wolfcamp formation beneath Sec.21, W2E2, Sec. 28, W2E2, T. 25 S., R. 29 E., NMPM, and is effective 11/01/2015. 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.

Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is accurate.

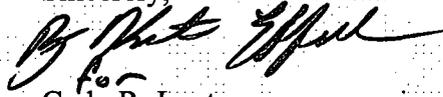
Copies of this approval letter are being distributed to the appropriate Federal agencies. You are requested to furnish all interested parties with the appropriate evidence of this approval. Any production royalties that are due must be reported and paid according to regulations set up by the Office of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

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RECEIVED OGD

If you have any questions regarding this approval, please contact Edward G Fernandez, Petroleum Engineer at (575) 234-2220 or Deborah Ham at (575) 234-5965.

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

Sincerely,



Cody R. Layton
Assistant Field Manager,
Lands and Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver

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

NMOCD

Commissioner of Public Lands

NM (9200)

NM (P0220-CFO, File Room)

Determination - Approval - Certification

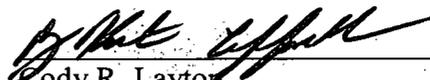
Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- 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 Sec. 21: W2E2, Sec. 28, W2E2, T. 25 S., R. 29 E., NMPM, as to all producible hydrocarbons from the Wolfcamp 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: 08/10/2016

For: 
Cody R. Layton
Assistant Field Manager
Authorized Officer

Effective: 11/01/2015

Contract No.: Com. Agr. NM136117



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Carlsbad, New Mexico 88220-6292
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In Reply Refer to
NM136117
3107 (P0220)

Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NM136117

Date of Completion: 05/19/2016
Date of First Production: 05/26/2016
Field: WC-015 G-07 S2529280
Operator, Well Name & No, API Number: COG Operating; Admiral Fed Com 2H; 30-015-42820
Surface Location: Sec. 28, SWSE, T. 25 S., R. 29 E.
Bottom Location: Sec. 21, NWNE, T. 25 S., R. 29 E.
Total Depth: 20,131 MD; 10,291 TVD
Surface Elevation: 2,988 GL
Producing Formation: Wolfcamp (10,454 – 19,985)
Well Capable of Production in Paying Quantities: Yes
Initial Daily Production: Oil 862 BBL; Gas 1767 MCF; Water 2690 BBL
Current Status: Producing Oil Well

Remarks: CA NM136117, effective 11/01/2015, communitizes production of all gas and fluid hydrocarbons in the Wolfcamp formation beneath Sec.21, W2E2 and beneath Sec.28, E2W2, T. 25 S., R. 29 E., NMPM, and comprises 80 acres of Federal land in lease NMNM115413, 160 acres of Federal land in lease NMNM96848 and 80 acres of Federal land in lease NMNM115414 for a 320 acre well spacing unit whose leases are held by actual production.

If you have any questions regarding this memorandum, please call Deborah Ham at (575) 234-5965.

/S/ Deborah Ham
08/10/2016

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