



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



TAKE PRIDE
IN AMERICA

2017 MAR 31 10 40

IN REPLY REFER TO
NM136878
3105 2 (P0220)

Reference

Communitization Agreement

03/24/2017

Copperhead 31 Fed Com 3H

T 26 S , R 29 E ,

Section 30 E2E2

Section 31 NENE, Lot 7

Eddy County, NM

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

Gentlemen

Enclosed is an approved copy of Communitization Agreement NM136878 involving 200 acres of Fee land and 25 60 acres of Federal land in lease NMNM121474, Eddy County, New Mexico, which comprises a 225 60 acre well spacing unit

The agreement communitizes all rights to all producible hydrocarbons from the Wolfcamp formation beneath Sec 30, E2E2, Sec 31, NENE and Lot 7 T 26 S , R 29 E , NMPM, and is effective 09/01/2016 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

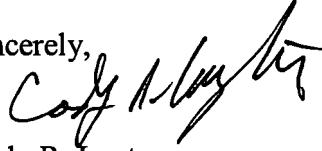
Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is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

If you have any questions regarding this approval, please contact Chris Walls, Petroleum Engineer at (575) 234-2234 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)
NMOCD¹
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 30 E2E2 and Sec 31 NENE and Lot 7, T 26 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

Approval also requires operator to submit copies of sundries or any other documentation regarding activity with this well to the Bureau of Land Management (BLM), Carlsbad Field Office pursuant to Item 9 of the approved Communitization Agreement

- 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 03/24/2017



Cody R. Layton
Assistant Field Manager
Authorized Officer

Effective 09/01/2016

Contract No Com Agr NM136878

United States Department of the Interior



BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 E. Greene
Carlsbad New Mexico 88220 6292
www.blm.gov



In Reply Refer to
NM136878
3107 (P0220)

Memorandum

To State Director (9210)

From Land Law Examiner (P0220)

Subject First Production, Communitization Agreement NM136878

Date of Completion	02/17/2017
Date of First Production	02/17/2017
Field	WC-015 G 04 S262931H
Operator, Well Name & No, API Number	COG Production, Copperhead 31 Fed Com 3H, 30-015-43924
Surface Location	NENE, Sec 30, T 26 S , R 29 E
Bottom Location	Lot 7 Sec 31, T 26 S , R 29 E
Total Depth	17,495 MD, 10,736' TVD
Surface Elevation	2,942' GL
Producing Formation	Wolfcamp (10,916' – 17,324)
Well Capable of Production in Paying Quantities	Yes
Initial Daily Production	Oil 81 BBL, Gas 1641 MCF, Water 2990 BBL
Current Status	Producing Oil Well

Remarks CA NM136878, effective 09/01/2016 communitizes production of all gas and fluid hydrocarbons in the Wolfcamp formation beneath Sec 30 E2E2, T 26 S , R 29 E and Sec 31 NENE and Lot 7, T 26 S , R 29 E , NMPM, and is comprised of 200 acres of Fee Land and 25 60 acres of Federal land in lease NMNM121474 for a 225 60 acre spacing unit whose leases are held by actual production

If you have any questions regarding this memorandum, please email Deborah Ham at dham@blm.gov

/S/ Deborah Ham
03/24/2017

cc
ONRR S 63230B
First Production File
LLNM (P0220, File Room)