

3/21/2014 DATE IN	SUSPENSE	MAM ENGINEER	3/24/2014 LOGGED IN	CTB TYPE	DMAM1408342870 APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- 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

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
☐ DHC ☒ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

- [D] Other: Specify _____

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

- [A] ☒ Working, Royalty or Overriding Royalty Interest Owners
[B] ☐ Offset Operators, Leaseholders or Surface Owner
[C] ☐ Application is One Which Requires Published Legal Notice
[D] ☒ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
[F] ☐ Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **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.

Brian Maiorino
Print or Type Name

B. Maiorino
Signature

Regulatory Analyst
Title

2/12/14
Date

bmaiorino@concho.com
e-mail Address

- CTB
- COG OPERATING, LLC
229137
Wells
- Boone 16 State
3H
30-025-41432
- Boone 16 State
4H
30-025-41022
Pool
WC-025 G-08
S2133040, Bone
Spring



March 19, 2014

New Mexico Oil Conservation Division
Richard Ezeanyim
1220 S St. Francis Drive
Santa Fe, New Mexico 87505

RECEIVED OGD

2014 MAR 21 A 2:11

Re: Boone 16 State Surface Commingle and off Lease Measurement

Mr. Ezeanyim,

COG Production LLC respectfully requests approval for surface commingle of production for the Boone 16 State 3H and Boone 16 State 4H and off lease oil and gas measurement for the Boone 16 State 3H.

Production to the Boone 16 State 4H CTB, Sec. 22-T26S-R28E- UL D, will consist of the following wells:

Boone 16 State 3H
Lea County, NM
API # 30-025-41432
Surface: 190 FSL & 2310 FWL, Sec 16,
T21S, R33E, UL N

Boone 16 State 4H
Lea County, NM
API # 30-025-41022
Surface: 190 FSL & 440 FWL, Sec 16
T21S, R33E, UL M

Production from the Boone 16 State 3H and Boone 16 State 4H will be measured and stored at the Boone 16 State 4H CTB located in Section 16-T21S,R33E-UL M. Each well will be metered separately with their own dedicated meters for allocating oil, gas, and water production.

Both wells will be producing from the WC-025 G-08 S213304D; Bone Spring (97895). Attached is a diagram of the battery facilities, C-102s for each well, a map showing all well locations and Com agreement areas, admin checklist, C-107B, and notice to all interest owners.

Please contact me at 432-221-0467 should you have any questions.

Sincerely,

Brian Maiorino
Regulatory Analyst
COG Operating, LLC

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: One Concho Center, 600 W. Illinois Ave, Midland, TX 79701

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

(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. WC-025 G-08 S213304D; Bone Spring

(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: Brian Maiorio

TITLE: Regulatory Analyst

DATE: 2/12/14

TYPE OR PRINT NAME Brian Maiorio

TELEPHONE NO.: 432-221-0467

E-MAIL ADDRESS: bmaiorio@concho.com

DISTRICT I
1025 N. FRANKLIN DR., SUITE 100, ALBUQUERQUE, NM 87102
Phone: (505) 263-6161 Fax: (505) 263-6780

DISTRICT II
1001 W. GRAND AVENUE, ALBUQUERQUE, NM 87102
Phone: (505) 746-1200 Fax: (505) 746-0780

DISTRICT III
1000 E. HARRIS RD., ALBUQUERQUE, NM 87102
Phone: (505) 264-8170 Fax: (505) 264-8170

DISTRICT IV
11885 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 470-3480 Fax: (505) 470-3482

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
11885 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised August 1, 2013
Submit one copy to appropriate

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-41432	Pool Code 97895	Pool Name WC-025 G-08 S213304D;Bone Spring
Property Code 39914	Property Name BOONE 16 STATE	Well Number 3H
OGED No. 229137	Operator Name COG OPERATING, LLC	Elevation 3759.7

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	16	21-S	33-E		190	SOUTH	2310	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
C	9	21-S	33-E		330	NORTH	1980	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320.0			

**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**

<p>NAD 27 <u>PROPOSED BOTTOM HOLE LOCATION</u> Y=546292.9 N X=732508.0 E LAT.=32.499610° N LONG.=103.579186° W</p>	<p>1980'</p> <p>Y=546618.9 N X=731842.9 E</p> <p>Y=546626.9 N X=733160.4 E</p> <p>330'</p> <p>B.H.</p> <p>357'38"35"</p> <p>GRID AZ. - HORIZ. DIST. - 100'44.8'</p> <p>SECTION 9</p> <p>SECTION 16</p> <p>2310</p> <p>190'</p> <p>S.I.</p> <p>Y=536060.9 N X=731929.1 E</p> <p>Y=536068.4 N X=733245.1 E</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>B. Maiorino</i> 2/12/14 Signature Date</p> <p>Brian Maiorino Printed Name</p> <p>bmaiorino@concho.com E-mail Address</p> <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>MARCH 7, 2013 Date of Survey</p> <p>Signature & Seal of Professional Surveyor</p> <p> Chad Hargrow 6/4/13 Certificate No. CHAD HARGROW 17777 W.O. # 13-346 DRAWN BY: VD</p>
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DISTRICT I
1625 W. JENNIE DR., SUITE 104, ALBUQUERQUE, NM 87102
Phone: (505) 262-2141 Fax: (505) 262-0720

DISTRICT II
1201 W. GRAND AVENUE, ALBUQUERQUE, NM 87102
Phone: (505) 748-1222 Fax: (505) 748-0720

DISTRICT III
1000 3RD STREET SW., ALBUQUERQUE, NM 87102
Phone: (505) 334-6170 Fax: (505) 334-6170

DISTRICT IV
11885 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 476-5450 Fax: (505) 476-3452

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
11885 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-41022	Pool Code 97895	Pool Name WC-025 G-08 S213304D; Bone Spring
Property Code 39741	Property Name BOONE 16 STATE	Well Number 4H
OGED No. 229137	Operator Name COG OPERATING, LLC	Elevation 3754.8

Surface Location


UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	16	21-S	33-E		190	SOUTH	440	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
D	9	21-S	33-E		330	NORTH	660	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320.0			

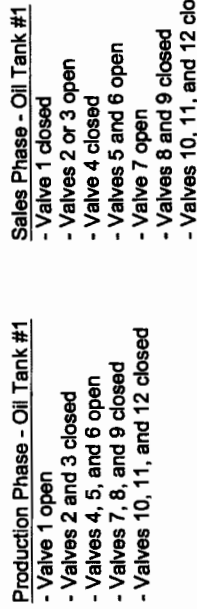
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

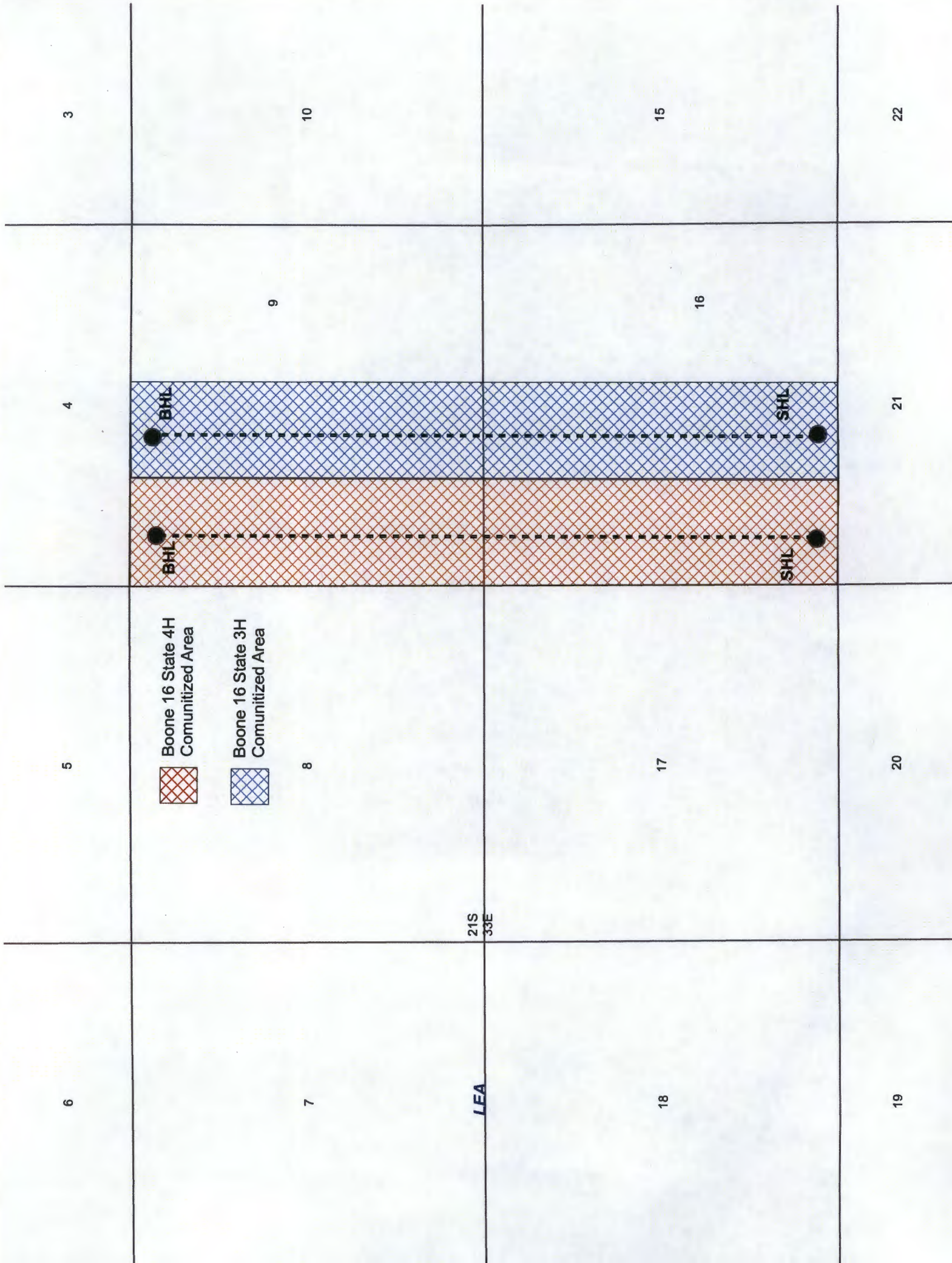
<p>Y=546610.9 N X=730525.3 E</p> <p>NAD 27 PROPOSED BOTTOM HOLE LOCATION Y=546284.9 N X=731188.1 E LAT.=32.499613° N LONG.=103.583467° W</p> <p>NAD 27 SURFACE LOCATION Y=536245.8 N X=731051.7 E LAT.=32.472022° N LONG.=103.584138° W</p> <p>Y=536053.3 N X=730613.2 E</p>	<p>330' B.H.</p> <p>660'</p> <p>GRID AZ. - 00°45'42" - 10040.0'</p> <p>HORZ. DIST.</p> <p>440' S.L.</p> <p>190'</p>	<p>Y=546618.9 N X=731842.9 E</p> <p>SECTION 9</p> <p>SECTION 16</p> <p>Y=536060.9 N X=731929.1 E</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><u>Brian Maiorino</u> 2/12/14 Signature Date</p> <p>Brian Maiorino Printed Name bmaiorino@concho.com E-mail Address</p> <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>MAY 28, 2013 Date of Survey</p> <p>Signature & Seal of Professional Surveyor</p> <p> Certificate No. CHAD HARCROW 17777 W.O. # 13-332 DRAWN BY: VD</p>
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COG Operating LLC
Site Security Plans Located At:
One Concho Center
600 W. Illinois Ave.
Midland, TX 79707

Lea County, New Mexico

Boone 16 State 3H API# 30-025-41432

[illegible]





March 19, 2014

Rubicon Oil and Gas LP
Attn: Gary Green
508 W. Wall Ave. Ste 500
Midland, TX 79701

Certified Mail Article Number: 91 7199 9991 7030 0486 1744

Re: Boone 16 State Surface Commingle and Off Lease Measurement

Mr. Green:

This letter will serve as notice under Rule 104.F (3) that COG Production LLC has requested administrative approval from the Oil Conservation Division in Santa Fe, NM for Surface Commingling and off lease measurement of oil production for the following wells:

Boone 16 State 3H
Lea County, NM
API # 30-025-41432
Surface: 190 FSL & 2310 FWL, Sec 16,
T21S, R33E, UL N

Boone 16 State 4H
Lea County, NM
API # 30-025-41432
Surface: 190 FSL & 2310 FWL, Sec 16,
T21S, R33E, UL N

Production from the Boone 16 State 3H and Boone 16 State 4H will be allocated to the Boone 16 State 3H and Boone 16 State 4H CTB located in Section 16-T21S,R33E-UL M. Each well will be metered for allocating oil, gas, and water production.

Should your company have any objection, it must be filed in writing with notice. The Division Director may approve the Surface Commingle and Off Lease Measurement if a written objection has not been made within the 20 days after the application has been received.

Please call with any questions that you may have: 432-221-0467

Attachments: 1 copy of OCD application

Sincerely,

Brian Maiorino
Regulatory Analyst
COG Operating

COMPLETE THIS SECTION ON DELIVERY	
A. Signature X	<input type="checkbox"/> Agent <input type="checkbox"/> Addressee
B. Received by (Printed Name)	C. Date of Delivery
D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	

SENDER: COMPLETE THIS SECTION	
1. Article Addressed to: Rubicon Oil and Gas LP Attn: Gary Green 508 W. Wall Ave. Ste 500 Midland, TX 79701	

2. Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.	91 7199 9991 7030 0486 1744
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PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

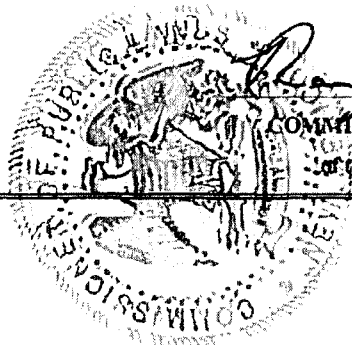
COG Operating LLC
Boone 16 State Com Well No. 4H
W2W2, Section 16, Township 21 South, Range 33 East, Lea County, New Mexico
Bone Spring

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 **February 25, 2013**, 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 **9th day of April, 2013**.

 *Powell* / *ARB*
COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

**NM STATE LAND OFFICE
OIL, GAS, AND MINERALS DIVISION**

**STATE/STATE OR
STATE/FEE**
Revised March 2007

COMMUNITIZATION AGREEMENT

ONLINE Version

STATE OF NEW MEXICO

§

§

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF LEA

§

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of February 25, 2013, by and between the parties subscribing, ratifying, or consenting hereto, such parties hereinafter being referred to as "Parties hereto;"

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil and gas and the prevention of waste to consent to and approve the development or operation of State lands under agreements made by lessees of oil and gas leases thereon, jointly or severally, with other oil and gas lessees of State 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 Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communitized area on an acreage or other basis found by the Commissioner to be fair and equitable.

WHEREAS, the parties hereto, own working, royalty, or other leasehold interests or operating rights under the oil and gas leases and lands subject to this Agreement, which leases 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 (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.

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

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

Township 21 South, Range 33 East, NMPM
Section 16: W½NW¼, W½SW¼; (W½W½)
Lea County, New Mexico,

containing 160.00 acres, more or less. It is the judgment of the parties hereto 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 Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, 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 hereto do hereby communitize for proration or spacing purposes only the leases 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 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 hereto 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 4, 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 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.

4. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.

5. There shall be no obligation upon the parties hereto 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 hereto 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.

6. The commencement, completion, and continued operation or production of a well or wells for 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.

7. 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. This Agreement shall be subject to all applicable Federal and State laws, executive orders, rules, and regulations affecting the performance of the provisions hereof, and no party

hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this Agreement if compliance is prevented by or if such failure results from compliance with any such laws, orders, rules, and regulations.

8. COG Operating LLC shall be the Operator of said communitized area and all matters of operation shall be determined and performed by COG Operating LLC.

9. This Agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities; provided, that this Agreement shall not expire if there is a well capable of 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 in order 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. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner of Public Lands 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 hereto. This Agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such production, 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.

10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department and the Commissioner of Public Lands of the State of New Mexico, 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.

11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his 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 of New Mexico.

12. If any order of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, 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.

13. 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.

14. 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.

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

OPERATOR:
COG OPERATING LLC

BY: Mona D. Ables
Mona D. Ables
Vice President of Land *JP*

LESSEE OF RECORD:
RUBICON OIL & GAS II, LP
BY RUBICON OIL & GAS, LLC, ITS GENERAL PARTNER

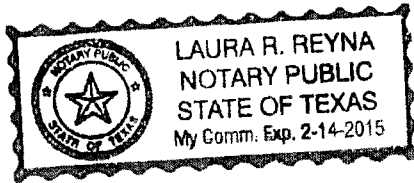
BY: *W. Brett Smith*
NAME: W. Brett Smith
TITLE: President

2015 OCT 6 PM 3:23

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

This instrument was acknowledged before me on February 28, 2013, by Mona D. Ables, Vice President of Land of COG Operating LLC, a Delaware limited liability company, on behalf of same.

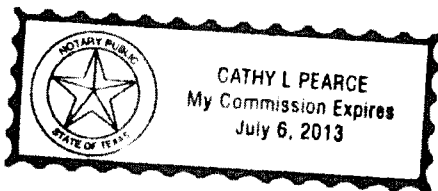
Laura R. Reyna
Notary Public in and for the State of Texas



STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

This instrument was acknowledged before me on March 18th, 2013, by W. Brett Smith, as President of Robinson Oil & Gas II, LP, a Texas limited partnership, on behalf of same.

Cathy L. Pearce
Notary Public in and for the State of Texas



2013 MAR 23

EXHIBIT A

Attached to and made a part of that Communitization Agreement dated February 25, 2013,
covering Township 21 South, Range 33 East, NMPM, Section 16: W $\frac{1}{2}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$;
Lea County NM, containing 160.00 acres, more or less.

OPERATOR of Communitized Area: COG Operating LLC

DESCRIPTION OF LEASES COMMITTED:



TRACT No 1

Serial No of Lease:	V0-8312	
Date of Lease:	July 1, 2008	
Lessor:	State of New Mexico	
Lessee of Record:	Rubicon Oil and Gas II, LP	
Description of Lands Committed:	Insofar and only insofar as lease covers	
	<u>Township 21 South, Range 33 East, NMPM</u>	
	Section 16: W $\frac{1}{2}$ NW $\frac{1}{4}$	
	Lea County, New Mexico	
No of Acres:	80.00, more or less	
Royalty Rate:	1/6	
Name and Percent of ORRI Owners:	As of Record	
Name and Percent of WI Owners:	COG Operating LLC	100.0%

TRACT No 2

Serial No of Lease:	V0-8302	
Date of Lease:	July 1, 2008	
Lessor:	State of New Mexico	
Lessee of Record:	Rubicon Oil and Gas II, LP	
Description of Lands Committed:	Insofar and only insofar as lease covers	
	<u>Township 21 South, Range 33 East, NMPM</u>	
	Section 16: W $\frac{1}{2}$ SW $\frac{1}{4}$	
	Lea County, New Mexico	
No of Acres:	80.00, more or less	
Royalty Rate:	1/6	
Name and Percent of ORRI Owners:	As of Record	
Name and Percent of WI Owners:	COG Operating LLC	100.0%

TOWNSHIP 21 SOUTH, RANGE 33 EAST, NMPPM, SECTION 16: W½NW¼, W½SW¼; (W½W½)
LEA COUNTY NM, CONTAINING 160.0 ACRES, MORE OR LESS

 BHL: 330' FNL & 380' FWL			
Tract 1 VB- 8312			
Tract 2 VB-8302			
SHL: 190' FSL & 330' FWL 			

RECAPITULATION

Tract Number	Number of Acres Committed	Percentage of Interest in Communitized Area
No. 1	80.00	50.00 %
No. 2	80.00	50.00 %
	160.00	100.0000%

05270

STATE OF NEW MEXICO
COUNTY OF LEA
FILED

MAY 13 2013

at 11:11 o'clock A M
and recorded in Book 1835
Page 876
Pat Chappelle, Lea County Clerk
By Bruce W. Joffe Deputy



McMillan, Michael, EMNRD

From: Brian Maiorino <BMaiorino@concho.com>
Sent: Monday, March 24, 2014 1:29 PM
To: McMillan, Michael, EMNRD
Subject: RE: Boone 16 wells Lea County N.M.

Hi Michael, Neither the 3H or the 4H have been drilled yet. The Boone 16 State 4H is scheduled to spud around 9/4/14, the Boone 16 State 3H is scheduled to spud around 4/19/15.

Let me know if any other info is needed for this.

Appreciate it!

Brian Maiorino
Regulatory Analyst
Operations & Engineering

COG Operations LLC
One Concho Center
600 W. Illinois Avenue
Midland, TX 79701
432-221-0467
bmaiorino@concho.com



From: McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]
Sent: Monday, March 24, 2014 2:20 PM
To: Brian Maiorino
Subject: Boone 16 wells Lea County N.M.

Brian:

Can you provide the last 6 months production, and cum production for the Boone 16 State 3H and Boone 16 State 4H wells. If the wells are less than 6 months old, please provide the production for the months that do have production. This will be used to determine the type of measuring the OCD will require for the wells.

Thank You

Michael A. McMillan

Engineering and Geological Services Bureau, Oil Conservation Division
1220 South St. Francis Dr., Santa Fe NM 87505
O: 505.476.3448 F. 505.476.3462

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