

RECEIVED: 7/21/2020	REVIEWER: DM	TYPE: OLM	APP NO: pDM2020943775
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
- Geological & 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

<b>Applicant:</b> COG Operating, LLC	<b>OGRID Number:</b> 229137
<b>Well Name:</b> Quien Sabe Federal Com 602H, 603H & 801H	<b>API:</b> 30-015-46128/30-015-46127/30-015-46125
<b>Pool:</b> Purple Sage; Wolfcamp	<b>Pool Code:</b> 98220

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW**

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
- A. Location – Spacing Unit – Simultaneous Dedication  
☐ NSL      ☐ NSP<sub>(PROJECT AREA)</sub>      ☐ NSP<sub>(PRORATION UNIT)</sub>      ☐ SD
- B. Check one only for [I] or [II]
- [I] Commingling – Storage – Measurement  
☐ DHC    ☐ CTB    ☐ PLC    ☐ PC    ☐ OLS    ☒ OLM
- [II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery  
☐ WFX    ☐ PMX    ☐ SWD    ☐ IPI    ☐ EOR    ☐ PPR

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
- A. ☐ Offset operators or lease holders  
B. ☒ Royalty, overriding royalty owners, revenue owners  
C. ☐ Application requires published notice  
D. ☐ Notification and/or concurrent approval by SLO  
E. ☒ Notification and/or concurrent approval by BLM  
F. ☐ Surface owner  
G. ☐ For all of the above, proof of notification or publication is attached, and/or,  
H. ☐ No notice required

FOR OCD ONLY	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	Application Content Complete

3) **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.

Jeanette Barron  
\_\_\_\_\_  
Print or Type Name  
  
  
\_\_\_\_\_  
Signature

7/21/20  
\_\_\_\_\_  
Date  
  
575-746-6974  
\_\_\_\_\_  
Phone Number  
  
jbarron@concho.com  
\_\_\_\_\_  
e-mail Address



July 21, 2020

Attn: Dean McClure  
NM Oil Conservation Division  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

Re: Application for Administrative Approval  
Off-lease Measurement – Oil Only

Dear Mr. McClure,

COG Operating LLC respectfully requests approval for off-lease measurement – Oil only for the following wells:

Quien Sabe Federal Com 602H  
API# 30-015-46128  
Purple Sage; Wolfcamp  
Ut. B, Sec. 24-T24S-R27E  
Eddy County, NM

Quien Sabe Federal Com 602H  
API# 30-015-46127  
Purple Sage; Wolfcamp  
Ut. B, Sec. 24-T24S-R27E  
Eddy County, NM

Quien Sabe Federal Com 801H  
API# 30-015-46125  
Purple Sage; Wolfcamp  
Ut. B, Sec. 24-T24S-R27E  
Eddy County, NM

**Oil Production:**

The oil production from these wells may be transported by truck to either the Red Hills Offload Station, located in Unit O, Section 4-T26S-R32E, or the Jal Offload Station, located in Unit D, Section 4-T26S-R37E, Lea County in the event the CTB on lease is over capacity or in the case of battery or pipeline repairs. Oil will remain segregated and will be measured by lact meter when offloading at the Offload Stations.

Notifications have been sent to all working interest owners

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**CORPORATE ADDRESS**

One Concho Center | 600 West Illinois Avenue | Midland, Texas 79701  
P 432 683.7443 | F 432 683 7441

**ARTESIA WEST OFFICE**

2208 Main Street | Artesia, New Mexico 88210  
P 575 748 6940 | F 575 746.2096



Please see the enclosed Administrative Application Checklist, C-107-B Application for Off Lease Measurement, plats for referenced wells, site facility diagram, maps with lease boundaries showing wells and facility locations.

Thank you for your attention to this matter. If you have questions or need further information, please email me at [jbarron@concho.com](mailto:jbarron@concho.com) or call 575.748.6974.

Sincerely,

A handwritten signature in black ink that reads "Jeanette Barron".

Jeanette Barron

Regulatory Technician II

---

**CORPORATE ADDRESS**

One Concho Center | 600 West Illinois Avenue | Midland, Texas 79701  
P 432.683.7443 | F 432.683.7441

**ARTESIA WEST OFFICE**

2208 Main Street | Artesia, New Mexico 88210  
P 575.748.6940 | F 575.746.2096

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: 2208 W Main Street, Artesia, New Mexico 88210

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.

(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: Jeanette Barron

TITLE: Regulatory Technician II

DATE: 7/21/20

TYPE OR PRINT NAME Jeanette Barron TELEPHONE NO.: 575.748.6974

E-MAIL ADDRESS: jbarron@concho.com

DISTRICT I  
1625 N. FRENCH DR., HOBBS, NM 88240  
Phone: (575) 393-6181 Fax: (575) 393-0720

DISTRICT II  
811 S. FIRST ST., ARTESIA, NM 88210  
Phone: (575) 746-1283 Fax: (575) 746-9720

DISTRICT III  
1000 RIO BRAZOS RD., AZTEC, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV  
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505  
Phone: (505) 476-3480 Fax: (505) 476-3482

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

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

☒ AMENDED REPORT  
As Drilled

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number 30-015-46128	Pool Code 98220	Pool Name Purple Sage; Wolfcamp
Property Code 325762	Property Name QUIEN SABE FEDERAL COM	Well Number 602H
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3123.5'

**Surface Location**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	24	24-S	27-E		695	NORTH	2250	EAST	EDDY

**Bottom Hole Location If Different From Surface**

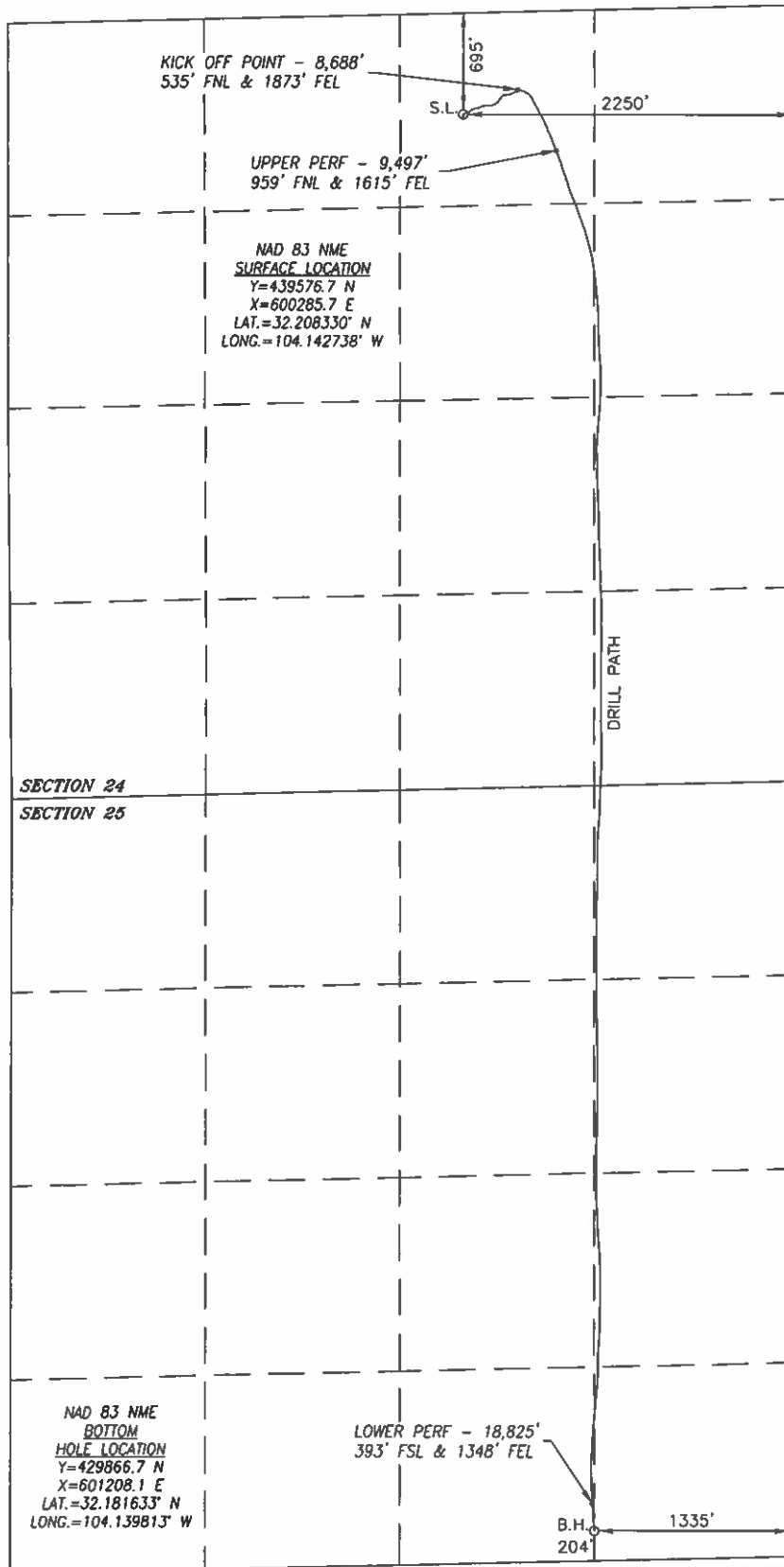
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	25	24-S	27-E		204	SOUTH	1335	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
640			

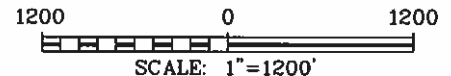
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

SEE PAGE 2

Property Code 325762	Property Name QUIEN SABE FEDERAL COM	Well Number 602H
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3123.5'



SURFACE INFO AND BOREPATH SHOWN HEREON IS BASED ON DIRECTIONAL SURVEY REPORT PROVIDED BY COG OPERATING, LLC FOR THE QUIEN SABE FEDERAL COM #602H SUPPLIED TO HARCROW SURVEYING, LLC ON FEBRUARY 4, 2020



#### OPERATOR CERTIFICATION

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.

*Jeanette Barron* 7/21/20  
Signature Date

Jeanette Barron  
Printed Name

jbarron@concho.com  
E-mail Address

#### SURVEYOR CERTIFICATION

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.

DEC. 3, 2018/NOV. 14, 2019

Date of Survey/Date of Geographic Survey

Signature & Seal of Professional Surveyor



2/7/20  
Certificate No. CHAD HARCROW 17777

DISTRICT I  
1625 N. FRENCH DR., HOBBS, NM 88240  
Phone: (575) 393-6181 Fax: (575) 393-0720

DISTRICT II  
811 S. FIRST ST., ARTESIA, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720

DISTRICT III  
1000 RIO BRAZOS RD., AZTEC, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV  
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

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

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number 30-015-46127		Pool Code 98220	Pool Name Purple Sage; Wolfcamp
Property Code 325762	Property Name QUIEN SABE FEDERAL COM		Well Number 603H
OGRID No. 229137	Operator Name COG OPERATING, LLC		Elevation 3123.9'

**Surface Location**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	24	24-S	27-E		695	NORTH	2310	EAST	EDDY

**Bottom Hole Location If Different From Surface**

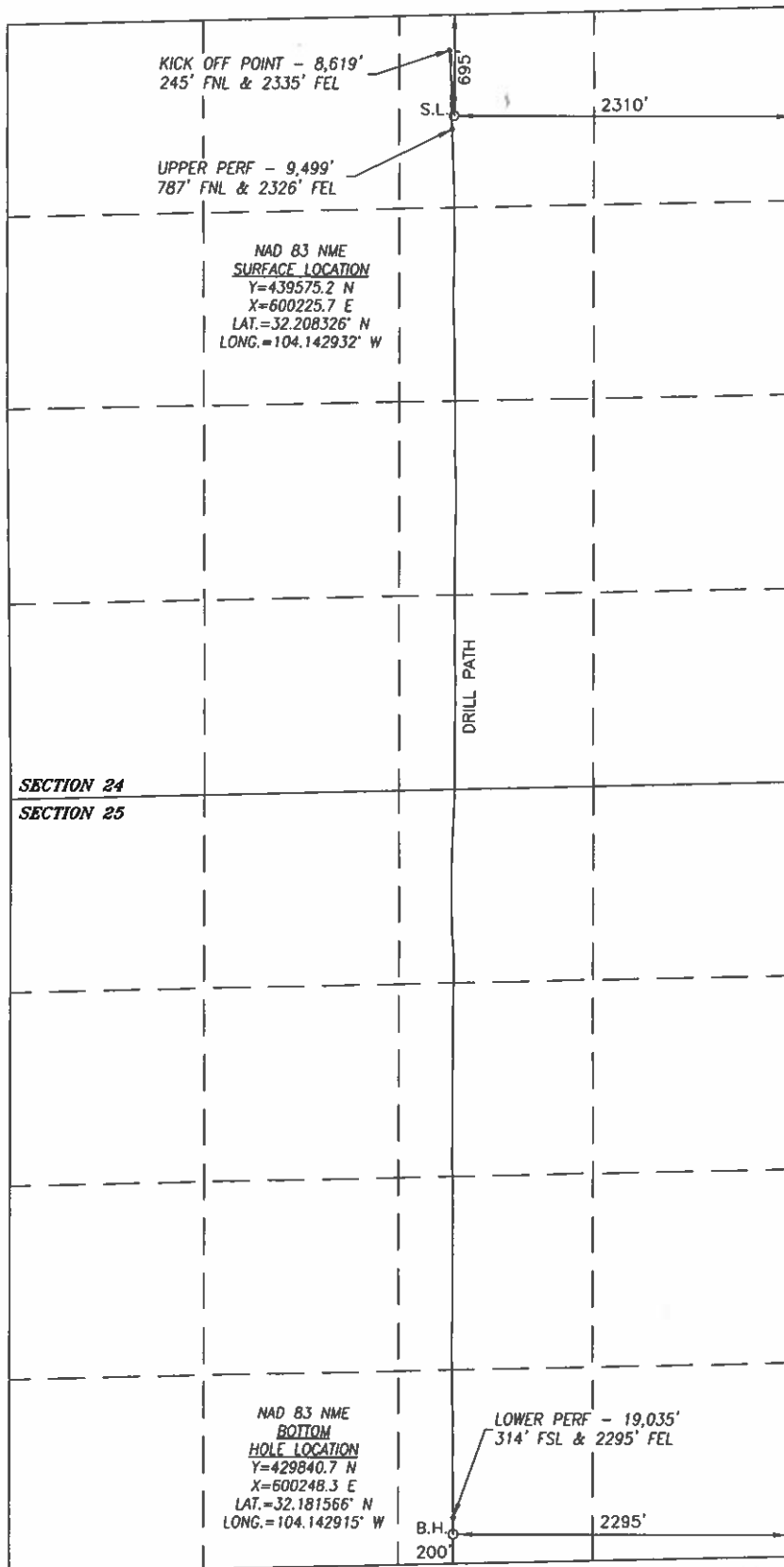
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	25	24-S	27-E		200	SOUTH	2295	EAST	EDDY

Dedicated Acres 640	Joint or Infill	Consolidation Code	Order No.
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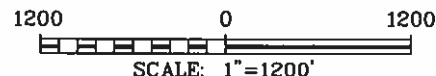
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

SEE PAGE 2

Property Code 325762	Property Name QUIEN SABE FEDERAL COM	Well Number 603H
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3123.9'



SURFACE INFO AND BOREPATH SHOWN HEREON IS BASED ON DIRECTIONAL SURVEY REPORT PROVIDED BY COG OPERATING, LLC FOR THE QUIEN SABE FEDERAL COM #603H SUPPLIED TO HARCROW SURVEYING, LLC ON FEBRUARY 4, 2020



#### OPERATOR CERTIFICATION

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.

*Jeanette Barron* 7/21/20  
Signature Date

Jeanette Barron  
Printed Name

jbarron@concho.com  
E-mail Address

#### SURVEYOR CERTIFICATION

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.

DEC. 9, 2018/OCT. 2, 2019

Date of Survey/Date of Geographic Survey

Signature & Seal of Professional Surveyor



*Chad Harcrow* 2/7/20  
Certificate No. CHAD HARCROW 17777

DISTRICT I  
1825 N. FRENCH DR., HOBBS, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720

DISTRICT II  
811 S. FIRST ST., ARTESIA, NM 88210  
Phone: (575) 748-1883 Fax: (575) 748-0720

DISTRICT III  
1000 RIO BRAZOS RD., AZTEC, NM 87410  
Phone: (505) 334-6176 Fax: (505) 334-6170

DISTRICT IV  
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505  
Phone: (505) 476-3480 Fax: (505) 476-3482

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

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

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number 30-015-46125		Pool Code 98220	Pool Name Purple Sage; Wolfcamp
Property Code 325762	Property Name QUIEN SABE FEDERAL COM		Well Number 801H
OGRID No. 229137	Operator Name COG OPERATING, LLC		Elevation 3123.3'

**Surface Location**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	24	24-S	27-E		695	NORTH	2280	EAST	EDDY

**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
P	25	24-S	27-E		201	SOUTH	307	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
640			

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

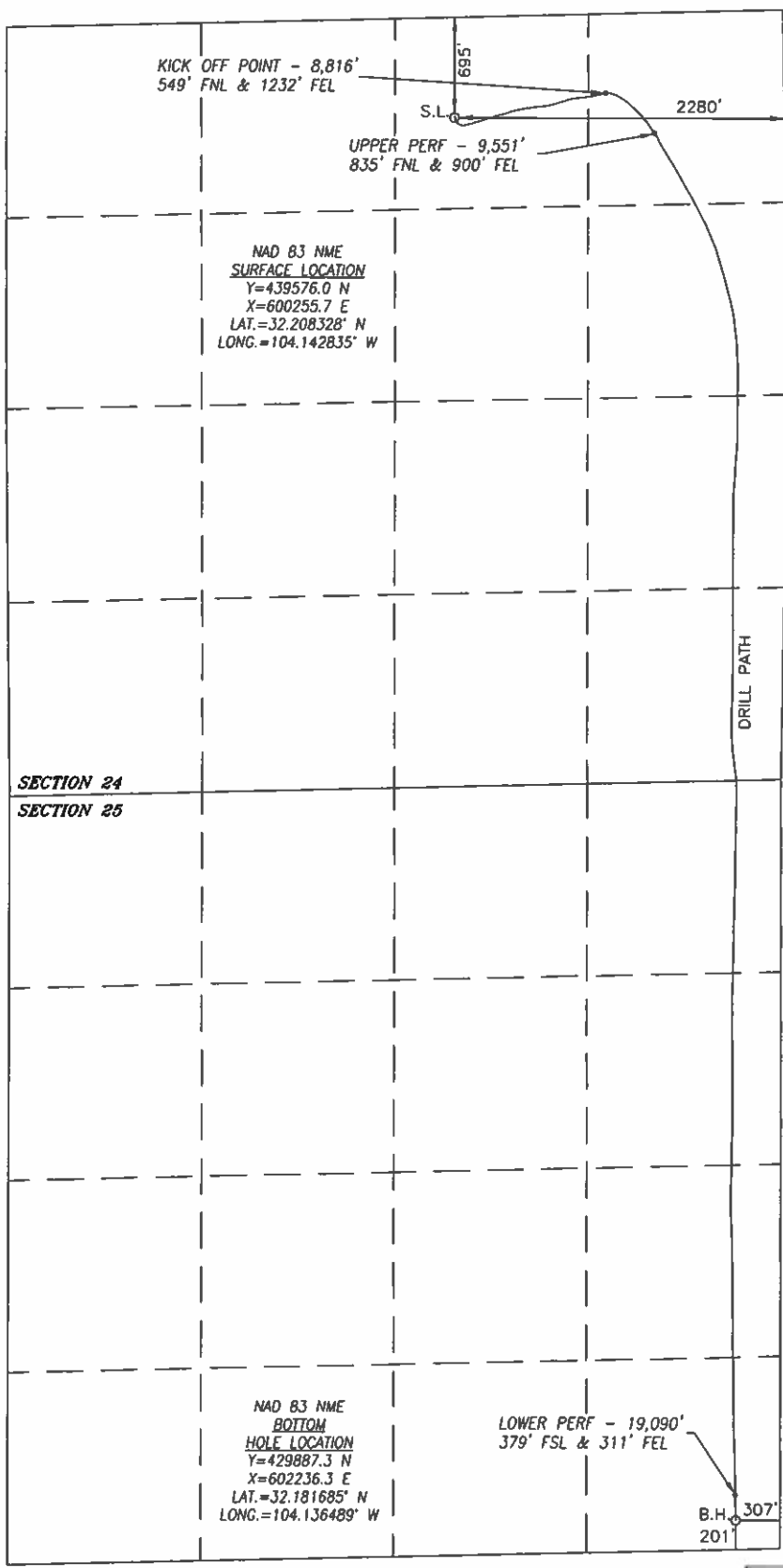
SEE PAGE 2

PAGE 1 OF 2

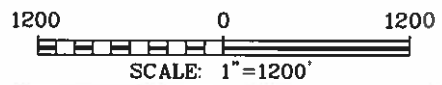
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Property Code 325762	Property Name QUIEN SABE FEDERAL COM	Well Number 801H
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3123.3'



SURFACE INFO AND BOREPATH SHOWN HEREON IS BASED ON DIRECTIONAL SURVEY REPORT PROVIDED BY COG OPERATING, LLC FOR THE QUIEN SABE FEDERAL COM #801H SUPPLIED TO HARCROW SURVEYING, LLC ON FEBRUARY 4, 2020



**OPERATOR CERTIFICATION**

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.

*Jeanette Barron* 7/21/20  
Signature Date

Jeanette Barron  
Printed Name

jharron@concho.com  
E-mail Address

**SURVEYOR CERTIFICATION**

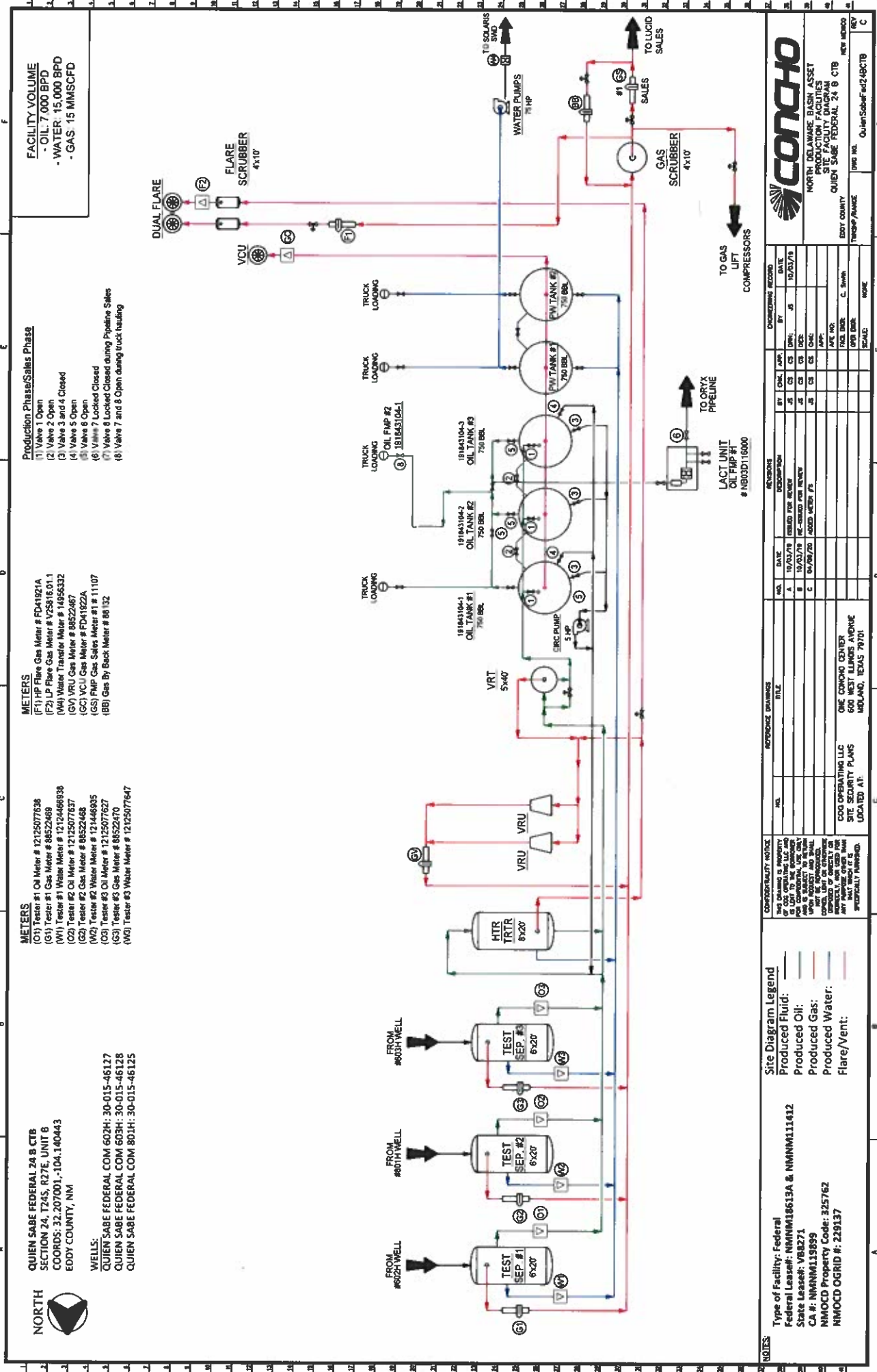
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

DEC. 3, 2018/OCT. 31, 2019  
Date of Survey/Date of Geographic Survey

Signature & Seal of Professional Surveyor

**CHAD L. HARCROW**  
NEW MEXICO  
17777  
LICENSED PROFESSIONAL SURVEYOR

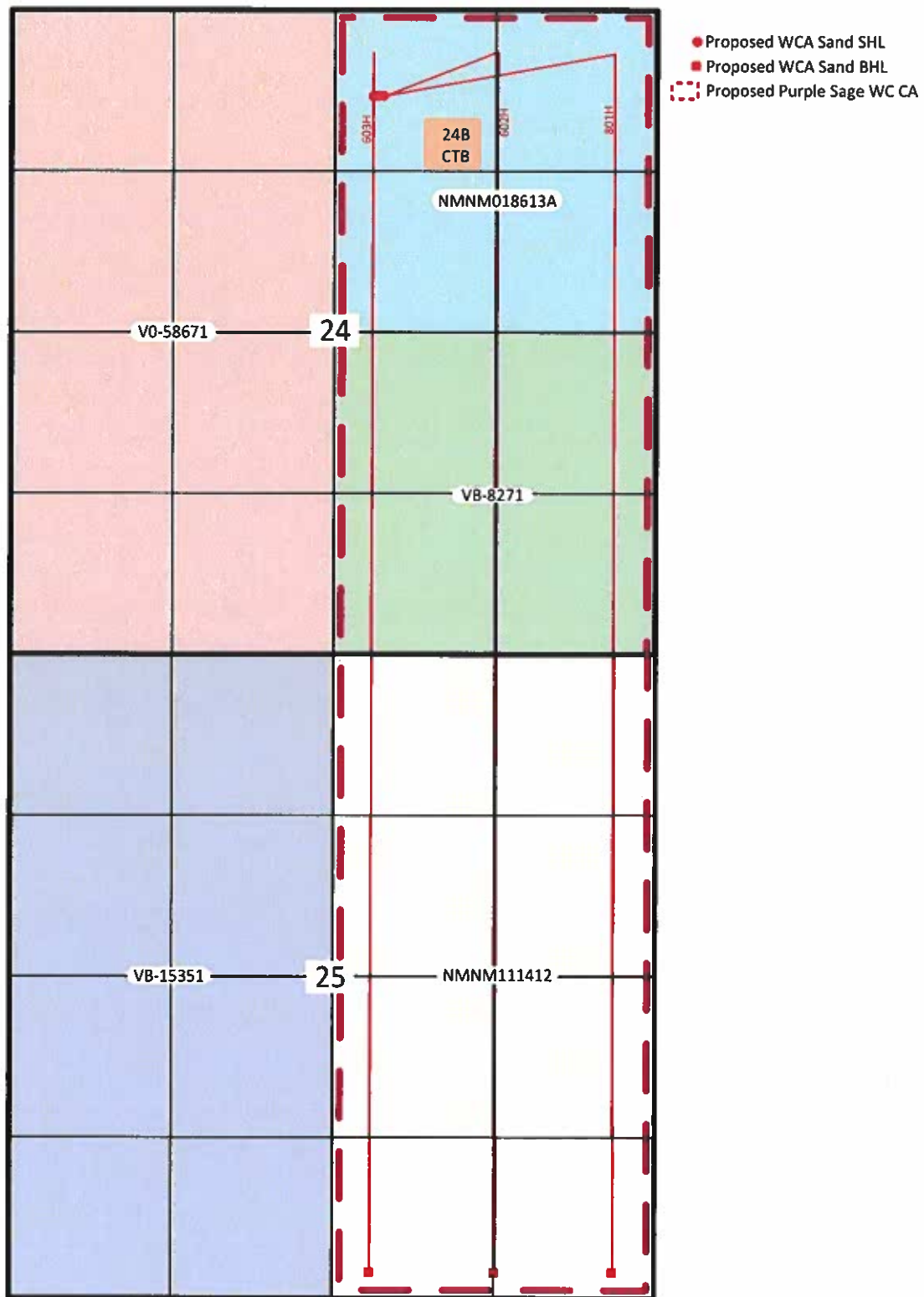
*Chad Harcrow* 2/7/20  
Certificate No. CHAD HARCROW 17777  
W.O. #20-206  
DRAWN BY: WN



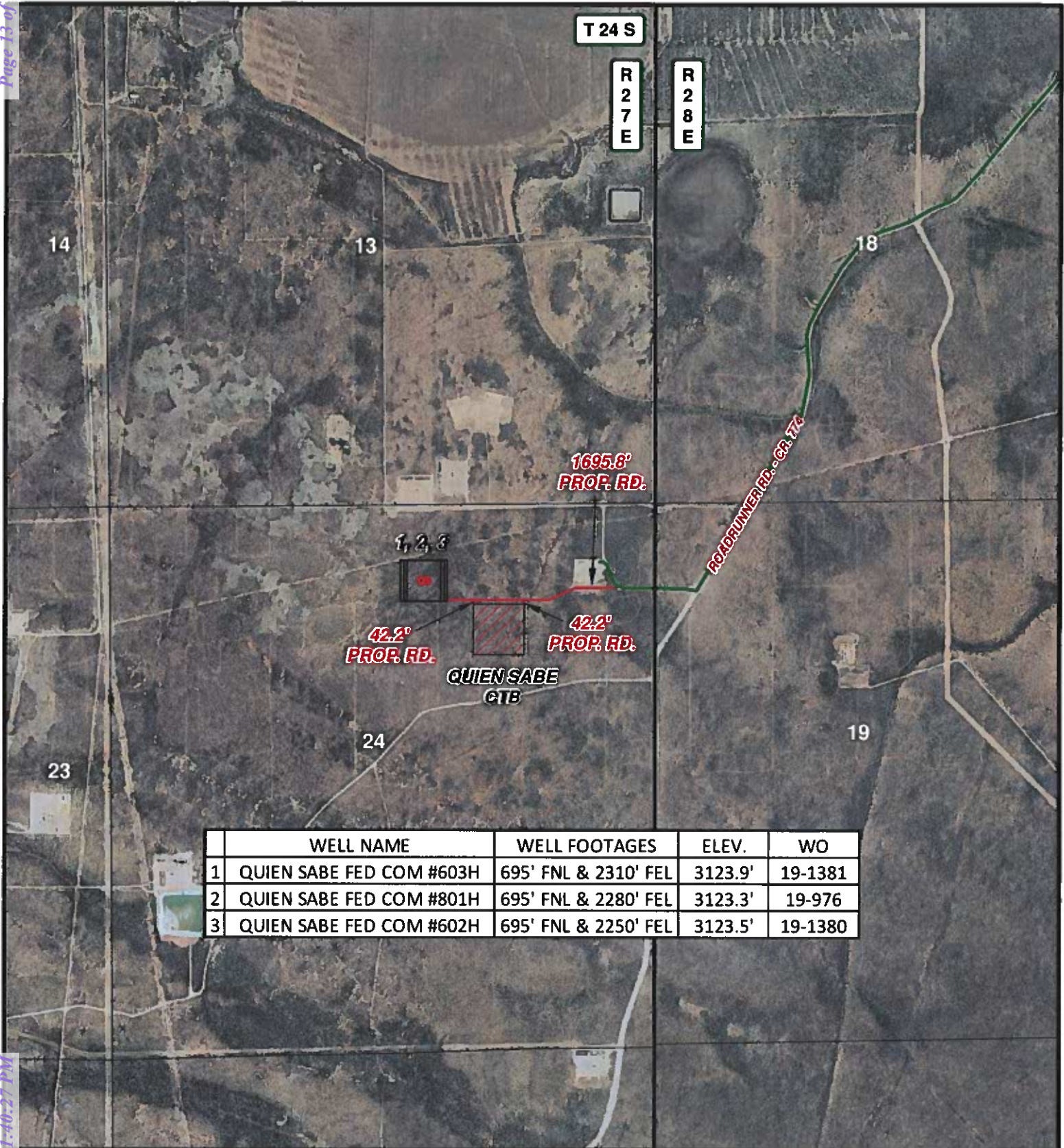
NOTES:		Type of Facility: Federal		Site Diagram Legend		CONFIDENTIALITY NOTICE		REFERENCE DRAWINGS		REVISIONS		RECORDING RECORD	
Federal Lease: NNNMM18613A & NNNMM111412		State Lease: V88271		Produced Oil:		This document is property of CONCHO and is loaned to the recipient for use only in connection with the project described herein. It is not to be distributed, copied, or used for any other purpose without the written consent of CONCHO. All rights are reserved.		TITLE		NO. DATE BY		NO. DATE BY	
CA #: NNNMM115899		NMOCD Property Code: 325762		Produced Gas:		CONCHO OPERATING, LLC		10/03/18		A 10/03/18		10/03/18	
NMOCD OGRID #: 229137		Flare/Vent:				CONCHO OPERATING, LLC		10/03/18		B 10/03/18		10/03/18	
						SITE SECURITY PLANS		04/08/20		C 04/08/20		04/08/20	
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DW 11/27/18  
JB 08.15.19  
DW 09/05/19  
DW 12/19/19

# Quien Sabe Federal Wells



Sec. 24, 25-T24S-R27E  
Eddy County, NM



	WELL NAME	WELL FOOTAGES	ELEV.	WO
1	QUIEN SABE FED COM #603H	695' FNL & 2310' FEL	3123.9'	19-1381
2	QUIEN SABE FED COM #801H	695' FNL & 2280' FEL	3123.3'	19-976
3	QUIEN SABE FED COM #602H	695' FNL & 2250' FEL	3123.5'	19-1380

### LEGEND

- WELL
- TANK BATTERY
- WELL PAD
- EXISTING ROAD
- PROPOSED ROAD

### QUIEN SABE FEDERAL COM WELLS

SECTION: 24      TOWNSHIP: 24 S.      RANGE: 27 E.  
STATE: NEW MEXICO      COUNTY: EDDY      SURVEY: N.M.P.M  
W.O. # 19-1380      LEASE: QUIEN SABE FED COM

0 750 1,500 2,250 3,000 FEET

0 0.075 0.15 0.3 Miles

1 IN = 1,250 FT

LOCATION MAP

IMAGERY

7/24/2019

W.N



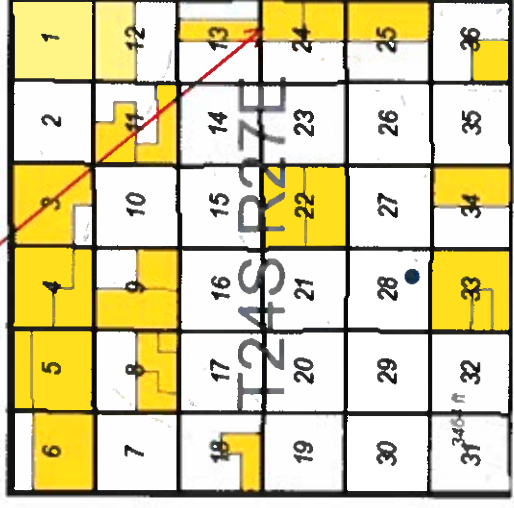
COG OPERATING, LLC



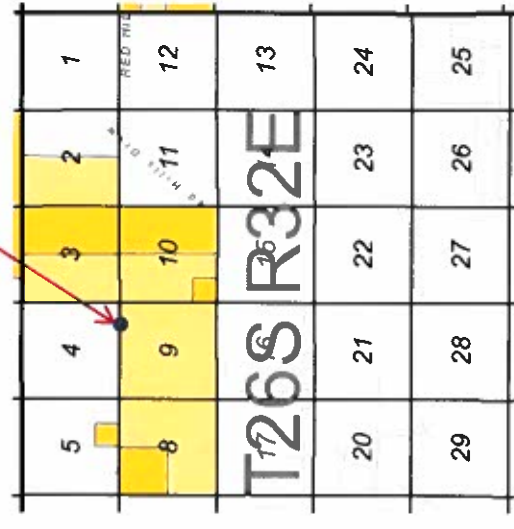
**HARCROW SURVEYING, LLC.**  
2316 W. MAIN ST, ARTESIA, NM 88210  
PH: (575) 746-2158  
c.harcrow@harcrowsurveying.com

# Quien Sabe Fed Com 602H, 603H, 801H & Red Hills and Jal Offload Station Map

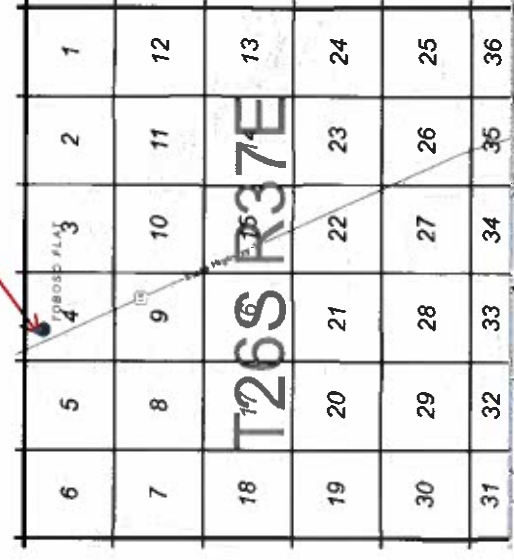
Quien Sabe Fed Com 602H, 603H,  
801H  
Eddy County, NM



Red Hills Offload Station  
Lea County, NM



Jal Offload Station  
Lea County, NM



## Quien Sabe Fed Com 602H, 603H &amp; 801H OLM

Date Sent	Initials	Name	Address	City	State	ZipCode	Certified Return Receipt No.	Delivered
07.21.20	JB	TRIPLE L MONKEY, LLC	4425 98TH ST	Lubbock	TX	79424	7019 2280 0001 1027 2156	
07.21.20	JB	BEXP LLP	5914 W COURTYARD DR STE 340	Austin	TX	78730	7019 2280 0001 1027 2149	
07.21.20	JB	BLM	620 E. Green Street	Carlsbad	NM	88220	7019 2280 0001 1027 2132	

## FEDERAL FORM COMMUNITIZATION AGREEMENT

Contract No. \_\_\_\_\_

THIS AGREEMENT entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

### WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

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 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

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this Agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this Agreement:

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 parties hereto as follows:

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

**Township 24 South, Range 27 East, N.M.P.M.**  
**E/2 of Section 24 & E/2 of Section 25**  
**Eddy County, New Mexico**

containing 640.00 acres, and this agreement shall include only the **Wolfcamp Formation** underlying said lands and the natural gas and associated liquid hydrocarbons, hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this Agreement for all purposes is Exhibit A, a plat designating the communitized area and, Exhibit B, designating the operator of the communitized area and showing the acreage, percentage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be **COG Operating LLC**, as Operator, 600 W. Illinois Avenue, Midland, Texas 79701. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this Agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.

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4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. 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 there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal, State, or fee land included within the CA area are to be placed in an interest earning escrow or trust account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this Agreement shall not be affected by this Agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this Agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any non-communitized lease production, provided, however, in regard to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any non-communitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this Agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this Agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This Agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, 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 such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules, or regulations.
10. The date of this agreement is January 1, 2019, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of two (2) years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities

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from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this Agreement may be terminated at any time by mutual agreement of the parties hereto. This Agreement shall not terminate upon cessation of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of non-production. The two (2) year term of this Agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.

11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this Agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occurs in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. 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.
14. 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 instrument, 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.
15. Non-Discrimination: In connection with the performance of work under this Agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written and have set opposite their respective names the date of execution.

OPERATOR, RECORD TITLE OWNER & OPERATING RIGHTS OWNER

**Statement of Written Consent by All Named Owners:**

*I, the undersigned, hereby certify, on behalf of COG Operating LLC, the Operator of the proposed Communitization Agreement, that all working interest owners (i.e., the lessees of record and operating rights owners) shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the working interest owners of the Federal or Indian leases subject to the Communitization Agreement, and that the written consents of all the named owners have been obtained and will be made available to the BLM immediately upon request.*

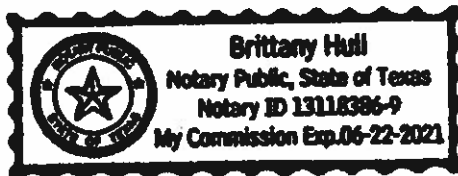
**COG OPERATING LLC**

By: \_\_\_\_\_

Sean Johnson  
Attorney-in-Fact

STATE OF TEXAS       )  
                                  )  
COUNTY OF MIDLAND   )

This instrument was acknowledged before me on May 16, 2019, by Sean Johnson, Attorney-in-Fact of COG Operating LLC, a Delaware limited liability company, on behalf of same.



\_\_\_\_\_  
Notary Public in and for the State of Texas

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RECORD TITLE OWNER & OPERATING RIGHTS OWNER

CONCHO OIL & GAS LLC

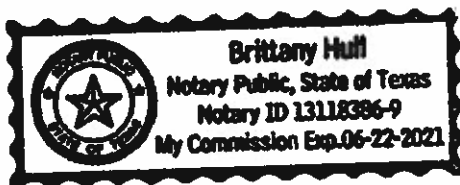
By:

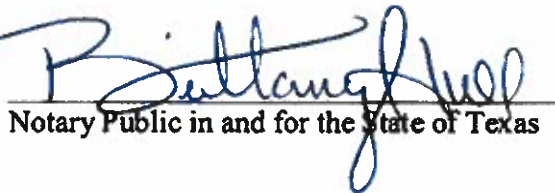
  
Sean Johnson  
Attorney-in-Fact

STATE OF TEXAS )

COUNTY OF MIDLAND )

This instrument was acknowledged before me on May 6, 2019, by Sean Johnson, Attorney-in-Fact of Concho Oil & Gas LLC, a Texas limited liability company, on behalf of same.



  
Notary Public in and for the State of Texas

RECORD TITLE OWNER

ConocoPhillips Company

By: [Signature]  
Name: Lindsay B. Weddle  
Title: Assistant Vice President

STATE OF TEXAS       )  
                                      )  
COUNTY OF Harris    )

This instrument was acknowledged before me on January 30, 2019, by Lindsay B. Weddle, Attorney-in-fact of ConocoPhillips Company, a Delaware Corporation on behalf of same.



[Signature]  
Notary Public in and for the State of Texas

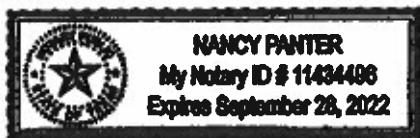
OPERATING RIGHTS OWNER

BEXP I, LP

By: [Signature]  
Name: Keith P. Lillie  
Title: President & CEO

STATE OF TEXAS            )  
                                  )  
COUNTY OF TRAVIS    )

This instrument was acknowledged before me on 7/31/2019,  
by Keith P. Lillie, President & CEO of BEXP I, LP,  
a Delaware limited partnership on behalf of same.



[Signature]  
Notary Public in and for the State of Texas

OPERATING RIGHTS OWNER

**BIG THREE ENERGY GROUP, LLC**

By: \_\_\_\_\_  
Name: Glen Featherstone III  
Title: Manager

New Mexico  
STATE OF ~~TEXAS~~  
Chaves )  
COUNTY OF ~~MIDLAND~~ )

This instrument was acknowledged before me on December 21, 2018,  
by Glen Featherstone III, Manager of **BIG THREE**  
**ENERGY GROUP, LLC**, a New Mexico Limited Liability Corporation on behalf of same.



Janine K. Turnbull  
Notary Public in and for the State of ~~Texas~~  
New Mexico

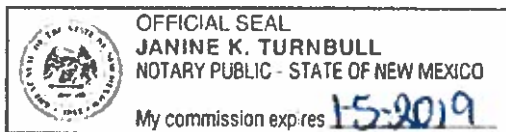
OPERATING RIGHTS OWNER

FEATHERSTONE DEVELOPMENT CORP.

By: \_\_\_\_\_  
Name: Olen Featherstone III  
Title: President

STATE OF ~~TEXAS~~ New Mexico  
COUNTY OF ~~MIDLAND~~ Chaves

This instrument was acknowledged before me on December 21, 2018,  
by Olen Featherstone III, President  
of **FEATHERSTONE DEVELOPMENT CORP.**, a Colorado Corporation on  
behalf of same.



Janine K Turnbull  
Notary Public in and for the State of ~~Texas~~  
New Mexico

OPERATING RIGHTS OWNER

PARROT HEAD PROPERTIES, LLC

By: Sh Noto  
Name: Shawn Naranjo  
Title: Manager

New Mexico  
STATE OF ~~TEXAS~~ )  
Chaves )  
COUNTY OF ~~MIDLAND~~ )

This instrument was acknowledged before me on December 27, 2018, by Shawn Naranjo, Manager of **PARROT HEAD PROPERTIES, LLC**, a New Mexico limited liability corporation on behalf of same.



Janine K Turnbull  
Notary Public in and for the State of ~~Texas~~  
New Mexico

OPERATING RIGHTS OWNER

PROSPECTOR, LLC

By: \_\_\_\_\_  
Name: Olen Featherstone III  
Title: 12/21/18

New Mexico  
STATE OF ~~TEXAS~~ )  
 )  
COUNTY OF ~~MIDLAND~~ )  
Chaves

This instrument was acknowledged before me on December 21, 2018,  
by Olen Featherstone III, Manager of  
PROSPECTOR, LLC, a New Mexico Limited Liability Corporation on behalf of same.



Janine K. Turnbull  
Notary Public in and for the State of ~~Texas~~  
New Mexico

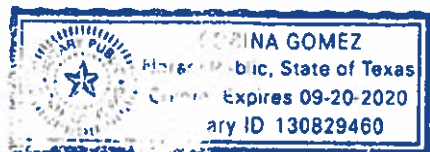
OPERATING RIGHTS OWNER

TRIPLE L MONKEY, LLC

By: [Signature]  
Name: Jason P. White  
Title: Managing Member

STATE OF TEXAS            )  
                                  Lubbock    )  
COUNTY OF ~~MIDLAND~~    )

This instrument was acknowledged before me on December 28, 2018, by Jason P. White, of TRIPLE L MONKEY, LLC, a managing member on behalf of same.



[Signature]  
Notary Public in and for the State of Texas

**EXHIBIT "A"**

Plat of communitized area covering the E/2 of Sections 24 & 25, T24S-R27E,  
Eddy County, New Mexico

**Quien Sabe Fed Com 602H, 701H, 601H  
Quien Sabe Fed Com 703H, 603H, 702H**

24-24S-27E		Tract 1: NM-018613A 160.00 ac
		Tract 2: Other Interests (State) 160.00 ac
25-24S-27E		Tract 3: NM-111412 320.00 ac

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## EXHIBIT "B"

Description of leases committed to communitized area covering the E/2 of Sections 24 & 25,  
T24S-R27E, Eddy County, New Mexico

**Operator of Communitized Area: COG Operating LLC**

### **TRACT 1**

**Date:** July 1, 1973  
**Lessor:** United States of America  
**Current Lessee:** ConocoPhillips Company  
**Lease Number:** NM-018613-A  
**Recorded:** Unrecorded  
**Description:** Insofar and only insofar as said lease covers:  
Township 24 South, Range 27 East, N.M.P.M.  
 Section 24: NE/4  
 Eddy County, New Mexico  
**Royalty:** 12.5%  
**Number of Acres:** 160.00  
**Working Interest Owners:**

COG Operating LLC	84.312500%
Prospector, LLC	7.000000%
Concho Oil & Gas LLC	4.437500%
Featherstone Development Corp.	1.750000%
Big Three Energy Group LLC	1.000000%
Parrot Head Properties, LLC	1.000000%
Triple L Monkey LLC	.500000%

**ORRI:** Of Record.

### **TRACT 2 (STATE LEASE)**

2. **Date:** January 1, 2006  
**Lessor:** State of New Mexico  
**Current Lessee:** COG Operating LLC / Concho Oil & Gas LLC  
**Lease Number:** VB-0827-1  
**Recorded:** Unrecorded  
**Description:** Insofar and only insofar as said lease covers:  
Township 24 South, Range 27 East, N.M.P.M.  
 Section 24: SE/4

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Eddy County, New Mexico  
 Royalty: 18.75%  
 Number of Acres: 160.00

**TRACT 3**

Date: January 1, 2004  
 Lessor: United State of America  
 Current Lessee: COG Operating LLC / Concho Oil & Gas LLC  
 Lease Number: NM-111412  
 Recorded: Unrecorded  
 Description: Township 24 South, Range 27 East, N.M.P.M.  
 Section 25: E/2  
 Eddy County, New Mexico

Royalty: 12.5%  
 Number of Acres: 320.00

Working Interest Owners:

COG Operating LLC	84.312500%
Prospector, LLC	7.000000%
Concho Oil & Gas LLC	4.437500%
Featherstone Development Corp.	1.750000%
Big Three Energy Group LLC	1.000000%
Parrot Head Properties, LLC	1.000000%
Triple L Monkey LLC	.500000%

ORRI: Of Record.

**RECAPULATION**

Tract No.	No. of Acres Committed	Percentage of Interest In Communitized Area
1	160.00	25.00%
2	160.00	25.00%
3	320.00	50.00%
<b>TOTAL</b>	<b>640.00</b>	<b>100.00%</b>

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 Quien Sabe Fed Com 703H, 603H, 702H

# NEW MEXICO STATE LAND OFFICE

## CERTIFICATE OF APPROVAL

### COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

COG Operating LLC  
 Quien Sabe Fed Com #601-603H, 701-703H  
 Vertical Extent: Wolfcamp  
Township: 24 South, Range: 27 East, NMPM  
 Section 24 : E2  
 Section 25: E2  
 Eddy County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communization Agreement for the development and operation of acreage which is described within the referenced Agreement dated January 1, 2019, 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 9<sup>th</sup> day of September, 2019.

*Stephanie Garcia Richard*

COMMISSIONER OF PUBLIC LANDS  
 of the State of New Mexico

Reception: 1915145 Book: 1130 Page: 0175 Pages: 11

Recorded: 11/12/2019 05:09 PM Fee: \$25.00

Eddy County, New Mexico - Robin Van Natta, County Clerk



COG OPERATING LLC  
 M ALLEN  
 600 WILLINOIS AVE  
 MIDLAND, TX 79701-8808

ONLINE Version  
COMMUNITIZATION AGREEMENT

Contract No. \_\_\_\_\_

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto,"

WITNESSETH:

WHEREAS, the Act of February 25, 1920, 41 Stat. 437, as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a federal oil and gas lease, or any portions thereof, with other lands, whether or not owned by the United States, when separate tracts under such federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area, and such communitization or pooling is determined to be in the public interest; and,

WHEREAS, the Commissioner of Public Lands of the State of New Mexico, herein called "the Commissioner", is authorized to consent to and approve agreements pooling state oil and gas leases or any portion thereof, when separate tracts under such state leases cannot be independently developed and operated economically in conformity with well-spacing and gas proration rules and regulations established for the field or area and such pooling is determined to be in the public interest; and,

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement which 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,

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of the agreement;

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 parties hereto as follows:

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

Subdivisions E/2,  
Sect 24 & 25, T 24S, R 27E, NMPM Eddy County NM  
containing 640.00 acres, more or less, and this agreement shall include only the  
Wolfcamp Formation Formation  
underlying said lands and the hydrocarbons within and that may be (hereinafter  
referred to as "communitized substances") producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit "B" designating the operator of the communitized area and showing the acreage, percentage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States and the State of New Mexico, as specified in the applicable oil and gas operating regulations.
5. 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 leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.
6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, 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 such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is January 1 2019 Month Day, Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his duly authorized representative, and by the Commissioner or his duly authorized representative, and shall remain in force and effect for a period of two (2) years and so long thereafter as communitized substances are produced or can be produced from the communitized area in paying quantities; provided, that the two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of the capability of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted 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 capability of production, and 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.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.


12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
14. 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 instrument, 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.
15. Nondiscrimination: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.

**IN WITNESS WHEREOF**, the parties hereto have executed this agreement as of the day and year first written and have set opposite their respective names the date of execution.

2019 JUL 15 AM 9:02

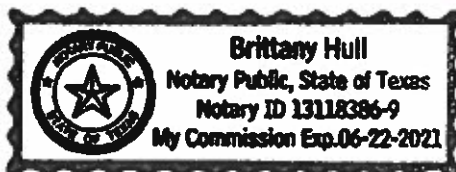
OPERATOR / LESSEE OF RECORD (NM-111412, VB-0827-1):

**COG Operating LLC**

By:   
Sean Johnson  
Attorney-in-Fact *JNC*

STATE OF TEXAS       )  
                                  )  
COUNTY OF MIDLAND   )

This instrument was acknowledged before me on May 16, 2019, by Sean Johnson, Attorney-in-Fact of **COG Operating LLC**, a Delaware limited liability company, on behalf of same.



  
Notary Public in and for the State of Texas

2019 JUL 15 AM 9:02

State/Fed or State/Fed/Fee  
Quien Sabe Fed Com 602H, 701H, 601H  
Quien Sabe Fed Com 703H, 603H, 702H

LESSEE OF RECORD (NM-018613-A):

ConocoPhillips Company

By: [Signature]  
Name: Lindsay B Weddle  
Title: Attorney-in-fact

STATE OF TEXAS )  
COUNTY OF Harris )

This instrument was acknowledged before me on January 30, 2019, by Lindsay B Weddle, Attorney-in-fact of ConocoPhillips Company, a Delaware Corporation on behalf of same.

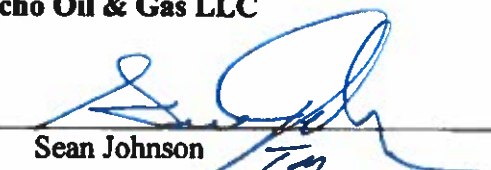


[Signature]  
Notary Public in and for the State of Texas

2019 JUL 15 AM 9:02

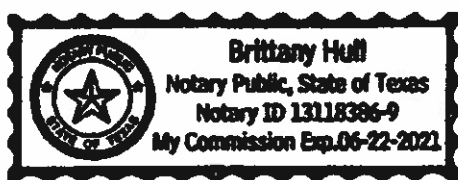
LESSEE OF RECORD (NM-111412, VB-0827-1):

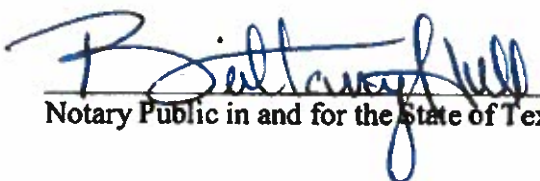
Concho Oil & Gas LLC

By:   
Sean Johnson  
Attorney-in-Fact  
UNC

STATE OF TEXAS       )  
                                  )  
COUNTY OF MIDLAND   )

This instrument was acknowledged before me on May 6, 2019, by Sean Johnson, Attorney-in-Fact of Concho Oil & Gas LLC, Texas limited liability company on behalf of same.



  
Notary Public in and for the State of Texas

2019 JUL 15 AM 9:02

**EXHIBIT "B"**

Description of leases committed to communitized area  
covering the E/2 of Sections 24 & 25, T24S-R27E,  
Eddy County, New Mexico

**Operator of Communitized Area: COG Operating LLC**

**TRACT 1**

1.     Date:                     July 1, 1973  
       Lessor:                 United States of America  
       Current Lessee:         ConocoPhillips Company  
       Lease Number:          NM-018613-A  
       Recorded:               Unrecorded  
       Description:            Insofar and only insofar as said lease covers:  
                                  Township 24 South, Range 27 East, N.M.P.M.  
                                  Section 24: NE/4  
                                  Eddy County, New Mexico  
  
       Royalty:                 12.5%  
       Number of Acres:        160.00

**TRACT 2**

2.     Date:                     January 1, 2006  
       Lessor:                 State of New Mexico  
       Current Lessee:         COG Operating LLC / Concho Oil & Gas LLC  
       Lease Number:          VB-0827-1  
       Recorded:               Unrecorded  
       Description:            Insofar and only insofar as said lease covers:  
                                  Township 24 South, Range 27 East, N.M.P.M.  
                                  Section 24: SE/4  
                                  Eddy County, New Mexico  
  
       Royalty:                 18.75%  
       Number of Acres:        160.00

2019 JUL 15 AM 9:02

State/Fed or State/Fed/Fee  
Quien Sabe Fed Com 602H, 701H, 601H  
Quien Sabe Fed Com 703H, 603H, 702H

**TRACT 3**

3.     **Date:**                     January 1, 2004  
        **Lessor:**                United State of America  
        **Current Lessee:**       COG Operating LLC / Concho Oil & Gas LLC  
        **Lease Number:**        NM-111412  
        **Recorded:**            Unrecorded  
        **Description:**         Township 24 South, Range 27 East, N.M.P.M.  
                                       Section 25: E/2  
                                       Eddy County, New Mexico  
  
        **Royalty:**               12.5%  
        **Number of Acres:**     320.00

**RECAPULATION**

Tract No.	No. of Acres Committed	Percentage of Interest In Communitized Area
1	160.00	25.00%
2	160.00	25.00%
3	320.00	50.00%
<b>TOTAL</b>	<b>640.00</b>	<b>100.00%</b>

2019 JUL 15 AM 9:02

State/Fed or State/Fed/Fee  
 Quien Sabe Fed Com 602H, 701H, 601H  
 Quien Sabe Fed Com 703H, 603H, 702H

# **EXHIBIT "A"**

**Plat of area and leases committed to communitized area  
covering the E/2 of Sections 24 & 25, T24S-R27E,  
Eddy County, New Mexico**

**Quien Sabe Fed Com 602H, 701H, 601H  
Quien Sabe Fed Com 703H, 603H, 702H  
Quien Sabe Fed Com 801H**

24-24S-27E		Tract 1: NM-018613A 160.00 ac
		Tract 2: VB-0827-1 160.00 ac
25-24S-27E		Tract 3: NM-111412 320.00 ac

State/Fed or State/Fed/Fee  
 Quien Sabe Fed Com 602H, 701H, 601H  
 Quien Sabe Fed Com 703H, 603H, 702H

# FEDERAL FORM COMMUNITIZATION AGREEMENT

Contract No. \_\_\_\_\_

THIS AGREEMENT entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

## WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

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 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

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this Agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this Agreement:

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 parties hereto as follows:

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

**Township 24 South, Range 27 East, N.M.P.M.**  
**E/2 of Section 24 & E/2 of Section 25**  
**Eddy County, New Mexico**

containing 640.00 acres, and this agreement shall include only the **Wolfcamp Formation** underlying said lands and the natural gas and associated liquid hydrocarbons, hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this Agreement for all purposes is Exhibit A, a plat designating the communitized area and, Exhibit B, designating the operator of the communitized area and showing the acreage, percentage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be **COG Operating LLC**, as Operator, 600 W. Illinois Avenue, Midland, Texas 79701. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this Agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.

Federal Communitization Agreement  
Quien Sabe Fed Com 602H, 701H, 601H  
Quien Sabe Fed Com 703H, 603H, 702H

- Page 43 of 49
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
  5. 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 there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal, State, or fee land included within the CA area are to be placed in an interest earning escrow or trust account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this Agreement shall not be affected by this Agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this Agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any non-communitized lease production, provided, however, in regard to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any non-communitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this Agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this Agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This Agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, 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 such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules, or regulations.
10. The date of this agreement is January 1, 2019, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of two (2) years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities

Federal Communitization Agreement  
Quien Sabe Fed Com 602H, 701H, 601H  
Quien Sabe Fed Com 703H, 603H, 702H

from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this Agreement may be terminated at any time by mutual agreement of the parties hereto. This Agreement shall not terminate upon cessation of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of non-production. The two (2) year term of this Agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.

11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this Agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occurs in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. 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.
14. 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 instrument, 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.
15. **Non-Discrimination:** In connection with the performance of work under this Agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written and have set opposite their respective names the date of execution.

OPERATOR, RECORD TITLE OWNER & OPERATING RIGHTS OWNER

**Statement of Written Consent by All Named Owners:**

*I, the undersigned, hereby certify, on behalf of COG Operating LLC, the Operator of the proposed Communitization Agreement, that all working interest owners (i.e., the lessees of record and operating rights owners) shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the working interest owners of the Federal or Indian leases subject to the Communitization Agreement, and that the written consents of all the named owners have been obtained and will be made available to the BLM immediately upon request.*

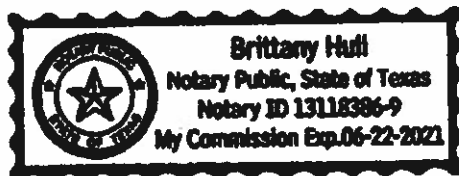
**COG OPERATING LLC**

By: \_\_\_\_\_

Sean Johnson  
Attorney-in-Fact

STATE OF TEXAS       )  
                                      )  
COUNTY OF MIDLAND   )

This instrument was acknowledged before me on May 16, 2019, by Sean Johnson, Attorney-in-Fact of COG Operating LLC, a Delaware limited liability company, on behalf of same.



\_\_\_\_\_  
Notary Public in and for the State of Texas

Federal Communitization Agreement  
Quien Sabe Fed Com 602H, 701H, 601H  
Quien Sabe Fed Com 703H, 603H, 702H

RECORD TITLE OWNER & OPERATING RIGHTS OWNER

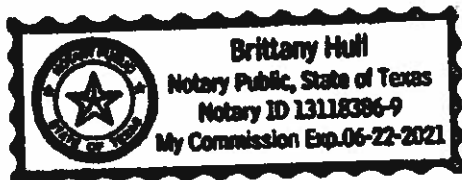
CONCHO OIL & GAS LLC

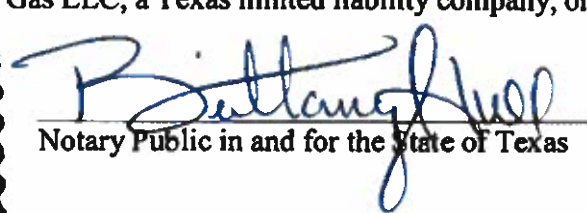
By:

  
Sean Johnson  
Attorney-in-Fact

STATE OF TEXAS     )  
                                  )  
COUNTY OF MIDLAND    )

This instrument was acknowledged before me on May 6, 2019, by Sean Johnson, Attorney-in-Fact of Concho Oil & Gas LLC, a Texas limited liability company, on behalf of same.



  
Notary Public in and for the State of Texas

**EXHIBIT "A"**

**Plat of communitized area covering the E/2 of Sections 24 & 25, T24S-R27E,  
Eddy County, New Mexico**

**Quien Sabe Fed Com 602H, 701H, 601H**

**Quien Sabe Fed Com 703H, 603H, 702H**

24-24S-27E		Tract 1: NM-018613A 160.00 ac
		Tract 2: Other Interests (State) 160.00 ac
25-24S-27E		Tract 3: NM-111412 320.00 ac

**Federal Communitization Agreement  
Quien Sabe Fed Com 602H, 701H, 601H  
Quien Sabe Fed Com 703H, 603H, 702H**

**EXHIBIT "B"**

Description of leases committed to communitized area covering the E/2 of Sections 24 & 25,  
T24S-R27E, Eddy County, New Mexico

**Operator of Communitized Area: COG Operating LLC**

**TRACT 1**

Date: July 1, 1973  
 Lessor: United States of America  
 Current Lessee: ConocoPhillips Company  
 Lease Number: NM-018613-A  
 Recorded: Unrecorded  
 Description: Insofar and only insofar as said lease covers:  
Township 24 South, Range 27 East, N.M.P.M.  
 Section 24: NE/4  
 Eddy County, New Mexico  
 Royalty: 12.5%  
 Number of Acres: 160.00  
 Working Interest Owners: COG Operating LLC 84.312500%  
 Prospector, LLC 7.000000%  
 Concho Oil & Gas LLC 4.437500%  
 Featherstone Development Corp. 1.750000%  
 Big Three Energy Group LLC 1.000000%  
 Parrot Head Properties, LLC 1.000000%  
 Triple L Monkey LLC .500000%  
 ORRI: Of Record.

**TRACT 2 (STATE LEASE)**

2. Date: January 1, 2006  
 Lessor: State of New Mexico  
 Current Lessee: COG Operating LLC / Concho Oil & Gas LLC  
 Lease Number: VB-0827-1  
 Recorded: Unrecorded  
 Description: Insofar and only insofar as said lease covers:  
Township 24 South, Range 27 East, N.M.P.M.  
 Section 24: SE/4

Federal Communitization Agreement  
 Quien Sabe Fed Com 602H, 701H, 601H  
 Quien Sabe Fed Com 703H, 603H, 702H

Eddy County, New Mexico  
 Royalty: 18.75%  
 Number of Acres: 160.00

**TRACT 3**

Date: January 1, 2004  
 Lessor: United State of America  
 Current Lessee: COG Operating LLC / Concho Oil & Gas LLC  
 Lease Number: NM-111412  
 Recorded: Unrecorded  
 Description: Township 24 South, Range 27 East, N.M.P.M.  
 Section 25: E/2  
 Eddy County, New Mexico

Royalty: 12.5%  
 Number of Acres: 320.00

Working Interest Owners:

COG Operating LLC	84.312500%
Prospector, LLC	7.000000%
Concho Oil & Gas LLC	4.437500%
Featherstone Development Corp.	1.750000%
Big Three Energy Group LLC	1.000000%
Parrot Head Properties, LLC	1.000000%
Triple L Monkey LLC	.500000%

ORRI: Of Record.

**RECAPULATION**

Tract No.	No. of Acres Committed	Percentage of Interest In Communitized Area
1	160.00	25.00%
2	160.00	25.00%
3	320.00	50.00%
<b>TOTAL</b>	<b>640.00</b>	<b>100.00%</b>

Federal Communitization Agreement  
 Quien Sabe Fed Com 602H, 701H, 601H  
 Quien Sabe Fed Com 703H, 603H, 702H