

RECEIVED: 9/10/20	REVIEWER: DM	TYPE: OLM	APP NO: pDM2026227780
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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

Applicant: COG Operating, LLC **OGRID Number:** 229137
Well Name: Sebastian Federal Com 703H & 704H **API:** 30-025-46985 / 30-025-46988
Pool: WC-025 G-09 S243310P; Upper Wolfcamp **Pool Code:** 98135

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 (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ 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

- ☐ Notice Complete
☐ 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

Jeanette Barron
 Signature

Date

9/10/20

575-746-6974

Phone Number

jbarron@concho.com

e-mail Address



September 10, 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:

Sebastian Federal Com 703H
API# 30-025-46985
WC 025 G-09 S243310P; Upper Wolfcamp
Ut. B, Sec. 18-T24S-R34E
Lea County, NM

Sebastian Federal Com 704H
API# 30-025-46988
WC 025 G-09 S243310P; Upper Wolfcamp
Ut. B, Sec. 18-T24S-R34E
Lea 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

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 and communization agreement application.

Thank you for your attention to this matter. If you have questions or need further information, please email me at 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: 9/10/20

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: (505) 393-6161 Fax: (505) 393-0720

DISTRICT II

811 S. FIRST ST., ARTESIA, NM 88210
Phone: (505) 748-1283 Fax: (505) 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 30-025-46985	Pool Code 98135	Pool Name WC-025 G-09 S243310P; UPPER WOLFCAMP
Property Code 404000	Property Name SEBASTIAN FEDERAL COM	Well Number 703H
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3585.1'

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	18	24-S	34-E		250	NORTH	2195	EAST	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
O	19	24-S	34-E		50	SOUTH	1650	EAST	LEA

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

<p>NAD 83 NME <u>SURFACE LOCATION</u> Y=446256.4 N X=796687.9 E LAT.=32.224138° N LONG.=103.507588° W</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>Leannette Barron</i> 9/10/20 Signature Date</p> <p>Leannette Barron Printed Name</p> <p>lbarron@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>APRIL 26, 2019 Date of Survey</p> <p>Signature & Seal of Professional Surveyor</p> <div style="text-align: center;"> </div> <p><i>Chad Harcrow</i> 5/15/19 Certificate No. CHAD HARCROW 17777 W.O. #19-752 DRAWN BY: CD</p>
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DISTRICT I

1825 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) 748-9780

DISTRICT III

1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 334-8178 Fax: (505) 334-8170

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 478-3460 Fax: (505) 478-3462

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 30-025-46988	Pool Code 98135	Pool Name WC-025 G-09 S243310P; UPPER WOLFCAMP
Property Code 40400	Property Name SEBASTIAN FEDERAL COM	Well Number 704H
GRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3585.8'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	18	24-S	34-E		250	NORTH	2225	EAST	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
O	19	24-S	34-E		50	SOUTH	2310	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
640			

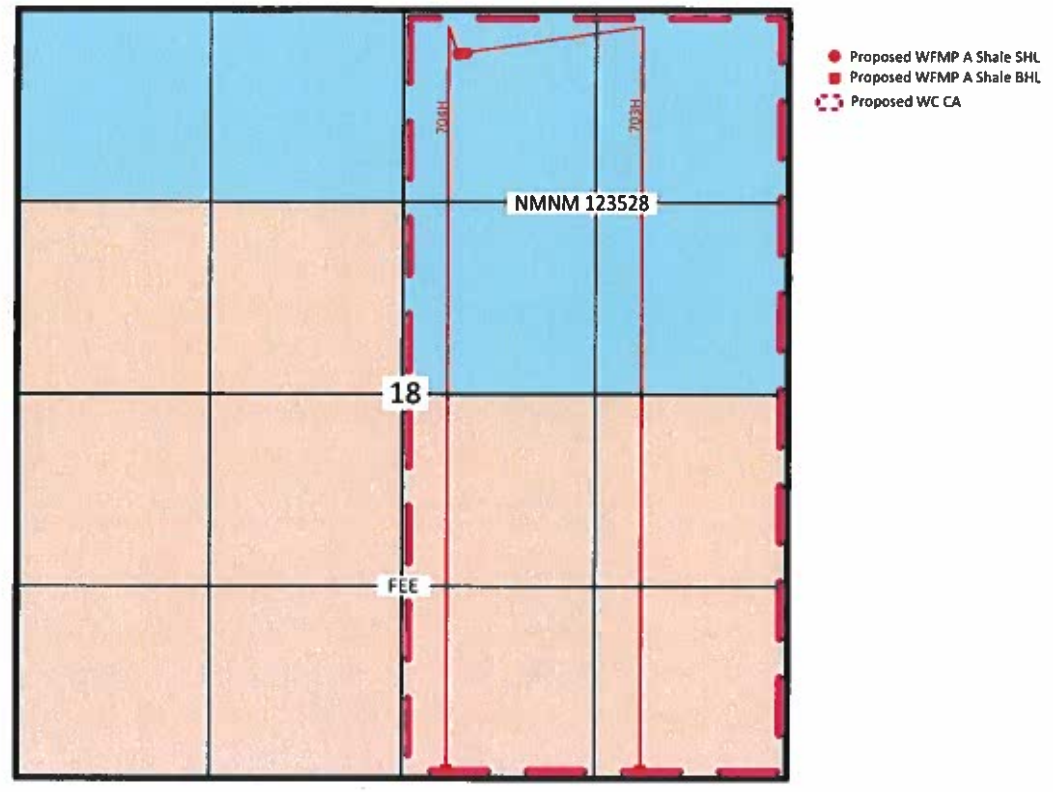
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>NAD 83 NME <u>SURFACE LOCATION</u> Y=446256.2 N X=796657.9 E LAT.=32.224138° N LONG.=103.507685° W</p>		<p>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 unless 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>Jeanette Barron</i> 9/10/20 Signature Date Jeanette Barron Printed Name jbarron@concho.com E-mail Address</p>
<p>NAD 83 NME <u>PROPOSED BOTTOM HOLE LOCATION</u> Y=436000.2 N X=796660.2 E LAT.=32.195948° N LONG.=103.507932° W</p>	<p>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.</p> <p>APRIL 26, 2019 Date of Survey</p> <p>Signature & Seal of Professional Surveyor</p>	<p>CHAD L. HARCROW NEW MEXICO LICENSED PROFESSIONAL SURVEYOR 17777</p> <p><i>Chad Harcrow</i> 5/15/19 Certificate No. CHAD HARCROW 17777 W.O. #19-753 DRAWN BY: CD</p>



04.16.19 JB
DW-09/10/19
DW-10/22/19

Sebastian Fed Com Wells

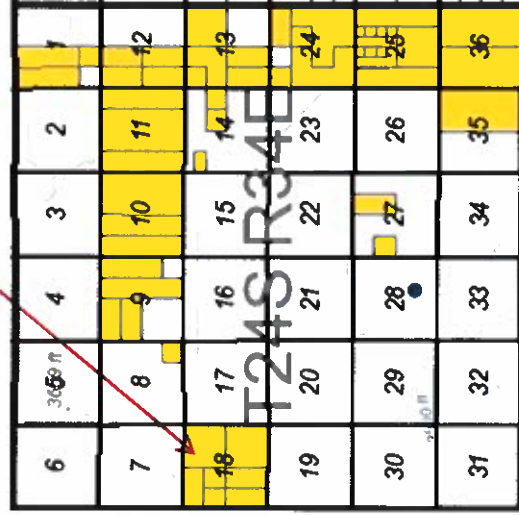


Sec 18-T24S-R34E
Lea County, NM

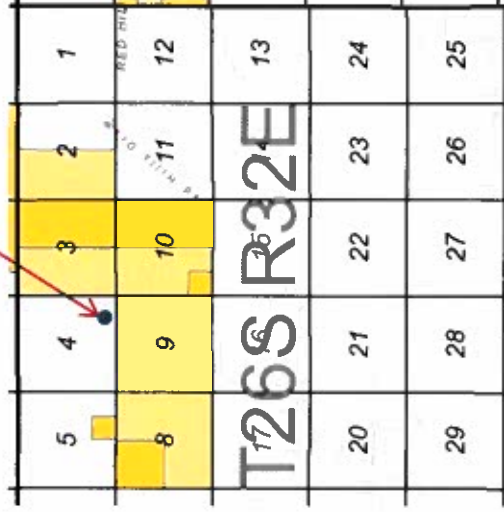


Sabastian Fed Com 703H & 704H & Red Hills and Jal Offload Station Map

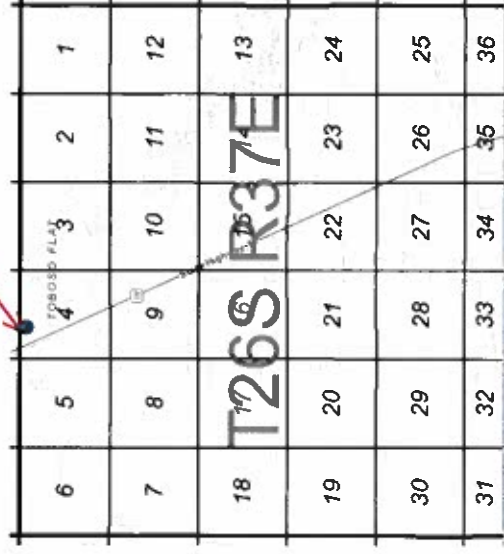
Sabastian Fed Com 703H & 704H
Lea County, NM



Red Hills Offload Station
Lea County, NM



Jal Offload Station
Lea County, NM



Sebastian Fed Com 703H & 704H OLM

Date Sent	Initials	Name	Address	City	State	ZipCode	Certified Return Receipt No.	Delivered
09.10.20	JB	Joel Talley/C.O. Tacor Resources Inc.	600 Marienfeld St, Suite 807	Midland	TX	77901	7017 3040 0000 1205 3290	
09.10.20	JB	NMDOT	P.O. Box 1149	Santa Fe	NM	87504	7017 3040 0000 1205 3283	
09.10.20	JB	BLM	414 W. Taylor	Hobbs	NM	88240	7017 3040 0000 1205 3276	

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

COG Operating LLC
Myox 21 State Com Well #58H
Vertical Extent: Wolfcamp
Township: 25 South, Range: 28 East, NMPM
Section 16 : E2
Section 21 : 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 Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated July 13, 2018, 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 25th Day of January, 2019.



Stephanie Gaurer Videmus
COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

COG OPERATING LLC
ATTN TESSA ELDER 1CC-8
600 WILLINOIS AVE
MIDLAND, TX 79701

Reception: 1903222 Book: 1120 Page: 0946 Pages: 9
Recorded: 03/18/2019 09:37 AM Fee: \$25.00
Eddy County, New Mexico - Robin Van Natta, County Clerk



AS

NM State Land Office
Oil, Gas, & Minerals Division

~~STATE/FED OR~~
STATE/FEE
Revised March 2017

ONLINE Version
COMMUNITIZATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

STATE OF NEW MEXICO)
COUNTY OF EDDY)

2 M11:00

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of July 13, 2018 by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter 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 Se. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & gas and the prevention of waste to consent to and approve the development or operation of State Trust Lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State Trust Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purposes of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any other order, rule or regulation of the New Mexico 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 and gas from such pools or communitized areas on an acreage or other basis found by the Commissioner of Public Lands 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 Wolfcamp formation or pool as defined by the NMOCD, as further described on Exhibit "A" (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 mineral 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 "communitized area") are described as follows:

E/2 of Sections 16 and 21, T25S-R28E, Eddy County, New Mexico, containing 640.00 acres, more or less.

~~Signed~~ or State/Fed/Fee
Myox 21 St Com 58H

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 and/or depths 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, depths communitized 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. COG OPERATING LLC shall be the Operator of the said communitization area and all matters of operation shall be determined and performed by COG OPERATING LLC.

5. 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.

6. 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.

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

8. 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.

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 so as 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 State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands within thirty (30) days after the cessation of such 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.

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.

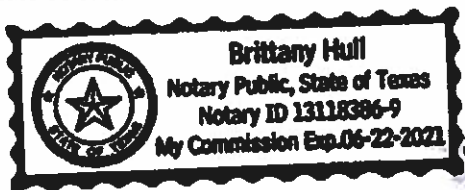
OPERATOR / LESSEE OF RECORD:

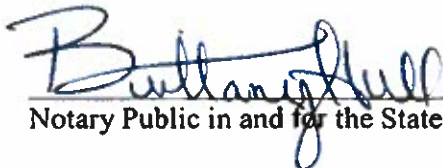
COG Operating LLC

By: 
Mark A. Carter
Attorney-in-Fact AR
JNL

STATE OF TEXAS)
)
COUNTY OF MIDLAND)

This instrument was acknowledged before me on December 13, 2018, by Mark A. Carter, 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 JAN - 2

LESSEE OF RECORD:

Concho Oil & Gas LLC

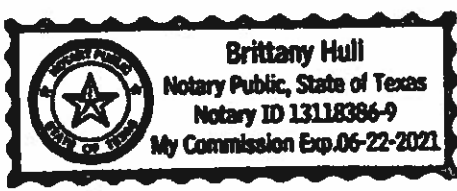


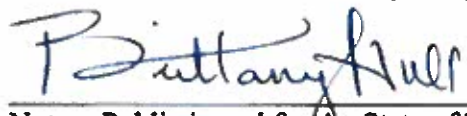
Mark A. Carter
Attorney-in-Fact

AR
JNL

STATE OF TEXAS)
)
COUNTY OF MIDLAND)

This instrument was acknowledged before me on December 13, 2018, by Mark A. Carter, 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 JAN -2 AM 11:11

EXHIBIT "A"

Description of leases committed to communitized area
covering the E/2 of Sections 16 and 21, T25S-R28E,
Eddy County, New Mexico

Operator of Communitized Area: COG Operating LLC

TRACT 1

1. Date: May 1, 2004
 Lessor: State of New Mexico
 Current Lessee: COG Operating LLC / Concho Oil & Gas LLC
 Lease Number: VA-3121-1
 Recorded: Unrecorded
 Description: Insofar and only insofar as said lease covers:
 Township 25 South, Range 28 East, N.M.P.M.
 Section 16: E2
 Eddy County, New Mexico

 Royalty: 1/8th
 Number of Acres: 320.00

TRACT 2

2. Date: May 1, 2004
 Lessor: State of New Mexico
 Current Lessee: COG Operating LLC / Concho Oil & Gas LLC
 Lease Number: VA-3105-1
 Recorded: Unrecorded
 Description: Insofar and only insofar as said lease covers:
 Township 25 South, Range 28 East, N.M.P.M.
 Section 21: N2NE
 Eddy County, New Mexico

 Royalty: 1/8th
 Number of Acres: 80.00

TRACT 3

3. Date: November 1, 2005
 Lessor: Devon Energy Production Company, LP
 Current Lessee: COG Operating LLC
 Lease Number: N/A
 Recorded: Book 1097, Page 0482, Eddy County Records
 Description: Insofar and only insofar as said lease covers:
 Township 25 South, Range 28 East, N.M.P.M.
 Section 21: S2NE4, SE4
 Eddy County, New Mexico

 Royalty: 15.65%
 Number of Acres: 240.00

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RECAPULATION

Tract No.	No. of Acres Committed	Percentage of Interest In Communitized Area
1	320.00	50.00%
2	80.00	12.50%
3	240.00	37.50%
TOTAL	640.00	100.00%

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EXHIBIT "B"

Plat of area and leases committed to communized area
covering the E/2 of Sections 16 and 21, T25S-R28E,
Eddy County, New Mexico

Myox 21 State Com 58H

16-25S-28E		BHL: 201' FNL & 329' FEL
		Tract 1: VA-3121-2 320.00 ac
21-25S-28E		Tract 2: VA-3105-2 80.00 ac
		Tract 3: Fee Lease 240.00 ac
		SL: 595' FSL & 840' FEL