

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

**APPLICATION OF COG OPERATING LLC
TO EXTEND TIME TO COMMENCE
DRILLING OPERATIONS,
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 24371
ORDER NO. R-22672**

EXHIBIT INDEX

Exhibit A	Self-Affirmed Statement of Shelley C. Klingler
A-1	Application & Proposed Notice of Hearing
A-2	Order No. R-22672
Exhibit B	Self-Affirmed Statement of Dana S. Hardy
B-1	Notice Letters to All Interested Parties
B-2	Chart of Notice to All Interested Parties
B-3	Copies of Certified Mail Receipts and Returns
B-4	Affidavit of Publication for April 10, 2024

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

**APPLICATION OF COG OPERATING LLC
TO EXTEND TIME TO COMMENCE
DRILLING OPERATIONS,
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 24371
ORDER NO. R-22672**

**SELF-AFFIRMED STATEMENT
OF SHELLEY C. KLINGLER**

1. I am a Staff Land Negotiator with COG Operating LLC (“COG”). I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement. I have previously testified before the Oil Conservation Division (“Division”), and my qualifications as an expert in petroleum land matters were accepted as a matter of record. I am familiar with the above-referenced application and the matters involved.

2. Copies of COG’s Application and Proposed Hearing Notice are attached as **Exhibit A-1**.

3. The Division entered Order No. R-22672 (“Order”) in Case No. 23303 on May 7, 2023, approving a 1,920-acre, more or less, standard horizontal spacing unit comprised of Sections 28 and 33, Township 25 South, Range 27 East, Eddy County, New Mexico (“Unit”), and designating COG as operator of the Unit.

4. The Order further pooled all uncommitted interests within the Wolfcamp formation in the Purple Sage, Wolfcamp pool (Code 98220) underlying the Unit and dedicated the Unit to the Flaming Snail Fed Com 701H, 702H, 703H, 704H, 705H, 706H, 707H, 708H, 709H, 710H, 801H, 802H, 803H, 804H, 805H, and 806H wells (“Wells”). A copy of the Order is attached as **Exhibit A-2**.

**COG Operating LLC
Case No. 24371
Exhibit A**

5. The Order requires COG to commence drilling the Wells within one (1) year of the date of the Order unless an extension is obtained from the Division Director for good cause shown.

6. COG's ability to commence drilling the Wells has been impacted by delays in an upgrade to the power grid in the area, which is necessary to drill, complete, and produce the wells. Therefore, good cause exists for the requested extension.

7. Accordingly, COG requests that the Division extend the deadline to commence drilling the Wells to May 7, 2025.


8. COG further requests the other provisions of the Order remain in force and effect.

9. COG is in good standing under the statewide rules and regulations.

10. In my opinion, the granting of COG's application would best serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

11. The attached exhibits were compiled from company business records.

12. I understand this Self-Affirmed Statement will be used as written testimony in the subject cases. I affirm that my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.


Shelley C. Klingler

4/8/2024
Date

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

**APPLICATION OF COG OPERATING LLC
TO EXTEND TIME TO COMMENCE
DRILLING OPERATIONS,
EDDY COUNTY, NEW MEXICO.**

**Case No. 24371
Order No. R-22672**

APPLICATION

COG Operating LLC (“COG” or “Applicant”) (OGRID No. 229137) files this application with the Oil Conservation Division (“Division”) requesting a one-year extension of time to commence drilling the wells authorized by Order No. R-22672. In support of its application, COG states the following.

1. The Division issued Order No. R-22672 in Case No. 23303 on May 7, 2023, approving a 1,920-acre, more or less, standard horizontal spacing unit comprised of Sections 28 and 33, Township 25 South, Range 27 East, and Section 4, Township 26 South, Range 27 East, Eddy County, New Mexico (“Unit”), and designating COG as operator of the Unit.

2. The Order further pooled all uncommitted interests within the Wolfcamp formation in the Purple Sage; Wolfcamp pool (Code 98220) underlying the Unit and dedicated the Unit to the Flaming Snail Fed Com 701H, 702H, 703H, 704H, 705H, 706H, 707H, 708H, 709H, 710H, 801H, 802H, 803H, 804H, 805H, and 806H wells (collectively “Wells”).

3. The Order requires COG to commence drilling the Wells within one (1) year of the date of the Order unless COG obtains a time extension from the Division Director for good cause shown.

4. COG’s ability to drill the Wells has been impacted by delays in an upgrade to the power grid in the area, which is necessary to drill, complete, and produce the wells.

5. Good cause exists for the requested extension.

**COG Operating LLC
Case No. 24371
Exhibit A-1**

6. Accordingly, Applicant requests that the Division extend the deadline to commence drilling the Wells to May 7, 2025.

WHEREFORE, COG requests that this application be set for hearing on May 2, 2024, and after notice and hearing, the Division extend the deadline for COG to commence drilling the Wells until May 7, 2025.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy

Jaclyn M. McLean

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

Facsimile: (505) 982-8623

dhardy@hinklelawfirm.com

jmclean@hinklelawfirm.com

Counsel for COG Operating, LLC

Application of COG Operating LLC to Extend Time to Commence Drilling Operations, Eddy County, New Mexico. COG Operating LLC (“COG” or “Applicant”) requests a one-year extension of time to commence drilling the wells authorized by Order No. R-22672 (“Order”). The Order which was issued on May 7, 2023: pooled uncommitted interests in the Wolfcamp Formation underlying a 1,920-acre, more or less, standard horizontal spacing unit comprised of Sections 28 and 33, Township 25 South, Range 27 East, and Section 4, Township 26 South, Range 27 East, Eddy County, New Mexico (“Unit”); designated COG as operator of the Unit; and dedicated the Unit to the **Flaming Snail Fed Com 701H, 702H, 703H, 704H, 705H, 706H, 707H, 708H, 709H, 710H, 801H, 802H, 803H, 804H, 805H, and 806H** wells (collectively “Wells”). The Order requires COG to commence drilling the Wells within one (1) year of the date of the Order unless COG obtains a time extension from the Division Director for good cause shown. COG requests that the Division extend the deadline to commence drilling the Wells to May 7, 2025. The Wells are located approximately 22 miles south of Carlsbad, New Mexico.

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
COG OPERATING, LLC**

**CASE NO. 23303
ORDER NO. R-22672**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on April 06, 2023, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. COG Operating, LLC (“Operator”) submitted an application (“Application”) to compulsory pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.

**COG Operating LLC
Case No. 24371
Exhibit A-2**

11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. If the Unit is a non-standard horizontal spacing unit which has not been approved under this Order, Operator shall obtain the OCD's approval for a non-standard horizontal spacing unit in accordance with 19.15.16.15(B)(5) NMAC.
20. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
21. This Order shall terminate automatically if Operator fails to comply with Paragraph 20 unless Operator obtains an extension by amending this Order for good cause shown.
22. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
23. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
24. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled

CASE NO. 23303
ORDER NO. R-22672


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Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

25. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
26. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
27. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
28. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
29. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.

30. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
31. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
32. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
33. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
34. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
35. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
36. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



DYLAN M. FUGE
DIRECTOR (ACTING)
DMF/hat

Date: 5/07/2023

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Exhibit A

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COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
23303	APPLICANT'S RESPONSE
Date	April 6, 2023
Applicant	COG Operating LLC
Designated Operator & OGRID (affiliation if applicable)	OGRID No. 229137
Applicant's Counsel:	Hinkle Shanor LLP
Case Title:	Application of COG Operating LLC for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	Chevron U.S.A. Inc.
Well Family	Flaming Snail
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Wolfcamp
Pool Name and Pool Code:	Purple Sage; Wolfcamp Pool (Code 98220)
Well Location Setback Rules:	Statewide
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	1,920
Building Blocks:	320-acre
Orientation:	North/South
Description: TRS/County	Sections 28 and 33 of Township 25 South, Range 27 East, and Section 4 of Township 26 South, Range 27 East, Eddy County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and is approval of non-standard unit requested in this application?</u>	Yes.
Other Situations	
Depth Severance: Y/N. If yes, description	No.
Proximity Tracts: If yes, description	No.
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit A-3
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Flaming Snail Fed Com 701H (API # ---) SHL: 655' FNL & 915' FEL (Unit A), Section 28, T25S, R27E BHL: 200' FSL & 330' FEL (Unit P), Section 4, T26S, R27E Completion Target: Wolfcamp Formation (Approx. 8,925' TVD)
	Flaming Snail Fed Com 702H (API # --) SHL: 655' FNL & 945' FEL (Unit A), Section 28, T25S, R27E BHL: 200' FSL & 815' FEL (Unit P), Section 4, T26S, R27E Completion Target: Wolfcamp Formation (Approx. 8,925' TVD)
	Flaming Snail Fed Com 703H (API # --) SHL: 655' FNL & 975' FEL (Unit A), Section 28, T25S, R27E BHL: 200' FSL & 1300' FEL (Unit P), Section 4, T26S, R27E Completion Target: Wolfcamp Formation (Approx. 8,925' TVD)
	Flaming Snail Fed Com 704H (API # --) SHL: 655' FNL & 1005' FEL (Unit A), Section 28, T25S, R27E BHL: 200' FSL & 1785' FEL (Unit O), Section 4, T26S, R27E Completion Target: Wolfcamp Formation (Approx. 8,925' TVD)

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	Flaming Snail Fed Com 705H (API # --) SHL: 655' FNL & 1035' FEL (Unit A), Section 28, T25S, R27E BHL: 200' FSL & 2270' FEL (Unit O), Section 4, T26S, R27E Completion Target: Wolfcamp Formation (Approx. 8,925' TVD)
	Flaming Snail Fed Com 706H (API # --) SHL: 705' FNL & 1775' FWL (Unit C), Section 28, T25S, R27E BHL: 200' FSL & 2490' FWL (Unit N), Section 4, T26S, R27E Completion Target: Wolfcamp Formation (Approx. 8,925' TVD)
	Flaming Snail Fed Com 707H (API # --) SHL: 705' FNL & 1745' FWL (Unit C), Section 28, T25S, R27E BHL: 200' FSL & 2005' FWL (Unit M), Section 4, T26S, R27E Completion Target: Wolfcamp Formation (Approx. 8,925' TVD)
	Flaming Snail Fed Com 708H (API # --) SHL: 705' FNL & 1715' FWL (Unit C), Section 28, T25S, R27E BHL: 200' FSL & 1520' FWL (Unit N), Section 4, T26S, R27E Completion Target: Wolfcamp Formation (Approx. 8,925' TVD)
	Flaming Snail Fed Com 709H (API # --) SHL: 705' FNL & 1685' FWL (Unit C), Section 28, T25S, R27E BHL: 200' FSL & 1035' FWL (Unit M), Section 4, T26S, R27E Completion Target: Wolfcamp Formation (Approx. 8,925' TVD)
	Flaming Snail Fed Com 710H (API # --) SHL: 705' FNL & 1655' FWL (Unit C), Section 28, T25S, R27E BHL: 200' FSL & 550' FWL (Unit M), Section 4, T26S, R27E Completion Target: Bone Spring Formation (Approx. 8,925' TVD)
	Flaming Snail Fed Com 801H (API # --) SHL: 505' FNL & 975' FEL (Unit A), Section 28, T25S, R27E BHL: 200' FSL & 330' FEL (Unit P), Section 4, T26S, R27E Completion Target: Wolfcamp Formation (Approx. 9,775' TVD)
	Flaming Snail Fed Com 802H (API # --) SHL: 505' FNL & 1005' FEL (Unit A), Section 28, T25S, R27E BHL: 200' FSL & 1210' FEL (Unit P), Section 4, T26S, R27E Completion Target: Wolfcamp Formation (Approx. 9,775' TVD)
	Flaming Snail Fed Com 803H (API # --) SHL: 505' FNL & 1035' FEL (Unit A), Section 28, T25S, R27E BHL: 200' FSL & 2090' FEL (Unit O), Section 4, T26S, R27E Completion Target: Wolfcamp Formation (Approx. 9,775' TVD)
	Flaming Snail Fed Com 804H (API # --) SHL: 555' FNL & 1685' FWL (Unit C), Section 28, T25S, R27E BHL: 200' FSL & 1430' FWL (Unit N), Section 4, T26S, R27E Completion Target: Wolfcamp Formation (Approx. 9,775' TVD)
	Flaming Snail Fed Com 805H (API # --) SHL: 555' FNL & 1685' FWL (Unit C), Section 28, T25S, R27E BHL: 200' FSL & 1430' FWL (Unit N), Section 4, T26S, R27E Completion Target: Wolfcamp Formation (Approx. 9,775' TVD)
	Flaming Snail Fed Com 806H (API # --) SHL: 555' FNL & 1655' FWL (Unit C), Section 28, T25S, R27E BHL: 200' FSL & 550' FWL (Unit M), Section 4, T26S, R27E Completion Target: Wolfcamp Formation (Approx. 9,775' TVD)
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-5
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JAFE Capex and Operating Costs	

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Drilling Supervision/Month \$	\$8,000.00
Production Supervision/Month \$	\$800.00
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-1, Exhibit C-2, Exhibit C-3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-4
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-3
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-6
Overhead Rates In Proposal Letter	Exhibit A-5, \$8000/\$800
Cost Estimate to Drill and Complete	Exhibit A-5
Cost Estimate to Equip Well	Exhibit A-5
Cost Estimate for Production Facilities	Exhibit A-5
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-2
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-4
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-2
Well Bore Location Map	Exhibit B-2
Structure Contour Map - Subsea Depth	Exhibits B-3
Cross Section Location Map (including wells)	Exhibit B-4
Cross Section (including Landing Zone)	Exhibits B-5
Gross Isopach Map	N/A
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Dana S. Hardy
Signed Name (Attorney or Party Representative):	/s/ Dana S. Hardy
Date:	3/30/2023

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**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

**APPLICATION OF COG OPERATING LLC
TO EXTEND TIME TO COMMENCE
DRILLING OPERATIONS,
EDDY COUNTY, NEW MEXICO.**

**Case No. 24371
Order No. R-22672**

**SELF-AFFIRMED STATEMENT
OF DANA S. HARDY**

1. I am attorney in fact and authorized representative of COG Operating LLC, the Applicant herein.
2. I am familiar with the Notice Letter attached as **Exhibit B-1** and caused the Notice Letter, along with the Application in this case, to be sent to the parties set out in the chart attached as **Exhibit B-2**.
3. Exhibit B-2 also provides the date each Notice Letter was sent and the date each return was received.
4. Copies of the certified mail green cards and white slips are attached as **Exhibit B-3** as supporting documentation for proof of mailing and the information provided on Exhibit B-2.
5. On April 10, 2024, I caused a notice to be published to all interested parties in the Carlsbad Current Argus. An Affidavit of Publication from the Legal Clerk of the Carlsbad Current Argus, along with a copy of the notice publication, is attached as **Exhibit B-4**.
6. I understand this Self-Affirmed Statement will be used as written testimony in the subject cases. I affirm that my testimony above is true and correct and it made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

/s/ Dana S. Hardy
Dana S. Hardy

April 29, 2024
Date

**COG Operating LLC
Case No. 24371
Exhibit B**



hinklelawfirm.com

HINKLE SHANOR LLP

ATTORNEYS AT LAW

P.O. BOX 2068

SANTA FE, NEW MEXICO 87504

505-982-4554 (FAX) 505-982-8623

WRITER:
Dana S. Hardy, Partner
dhardy@hinklelawfirm.com

April 8, 2024

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case No. 24371 – Application of COG Operating LLC to Extend Time to Commence Drilling Operations Under Order No. R-22672, Eddy County, New Mexico.

To whom it may concern:

This letter is to advise you that the enclosed application was filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **May 2, 2024**, beginning at 8:15 a.m.

The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate virtually, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/oed/hearing-info/>. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. Mountain Time, on the Thursday preceding the scheduled hearing date. The statement must be submitted through the OCD E-Permitting system (<https://wwwapps.emnrd.nm.gov/oed/oedpermitting/>) or via e-mail to oed.hearings@emnrd.nm.gov and should include: the names of the parties and their attorneys, a concise statement of the case, the names of all witnesses the party will call to testify at the hearing, the approximate time the party will need to present its case, and identification of any procedural matters that are to be resolved prior to the hearing.

Please contact Shelley Klingler, CPL, Staff Land Negotiator for COG Operating LLC, by phone at (432) 688-9027 if you have any questions regarding this matter.

Sincerely,
/s/ Dana S. Hardy
Dana S. Hardy

COG Operating LLC
Case No. 24371
Exhibit B-1

Enclosure

PO BOX 10
ROSWELL, NEW MEXICO 88202
(575) 622-6510
FAX (575) 623-9332

7601 JEFFERSON ST NE - SUITE 180
ALBUQUERQUE, NEW MEXICO 87109
505-858-8320
(FAX) 505-858-8321

PO BOX 2068
SANTA FE, NEW MEXICO 87504
(505) 982-4554
FAX (505) 982-8623

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

**APPLICATION OF COG OPERATING LLC
TO EXTEND TIME TO COMMENCE
DRILLING OPERATIONS,
EDDY COUNTY, NEW MEXICO.**

**Case No. 24371
Order No. R-22672**

NOTICE LETTER CHART

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
Buffalo River Minerals, LLC. 8 The Green, Suite 8479 Dover, Delaware 19901	04/08/24	Per USPS Tracking (Last Checked 04/29/24): 04/19/24 – Item in transit to next facility.
Chevron U.S.A. Inc. 1400 Smith St., Suite 3600 Houston, TX 77002	04/08/24	04/22/24
Nestegg Energy Corporation 2308 Sierra Vista Rd Artesia, NM 88210	04/08/24	04/18/24

**COG Operating LLC
Case No. 24371
Exhibit B-2**

9589 0710 5270 0752 4611 70

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee
 \$

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$

☐ Return Receipt (electronic) \$

☐ Certified Mail Restricted Delivery \$

☐ Adult Signature Required \$

☐ Adult Signature Restricted Delivery \$

Postage
 \$

Total Postage and Fees
 \$

Sent To
 Street Chevron U.S.A. Inc.
 1400 Smith St., Suite 3600
 Houston, TX 77002
 City, State, ZIP+4® 24371 – Flaming Snail WC Ext.

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

Postmark Here
 APR 08 2024
 SANTA FE NM 87501
 MAIN POST OFFICE

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Chevron U.S.A. Inc.
 1400 Smith St., Suite 3600
 Houston, TX 77002
 24371 – Flaming Snail WC Ext.

9590 9402 8561 3186 6097 77

2. Article Number (Transfer from service label)
 9589 0710 5270 0752 4611 70

PS Form 3811, July 2020 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X *[Signature]* ☐ Agent ☐ Addressee

B. Received by (Printed Name)
 Amy Allen

C. Date of Delivery
 4-15-24

D. Is delivery address different from item 1? ☐ Yes
 If YES, enter delivery address below: ☐ No

RECEIVED
 APR 22 2024

3. Service Type
☐ Adult Signature
☐ Adult Signature Restricted Delivery
☐ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Insured Mail
☐ Insured Mail Restricted Delivery (over \$500)

Hinkle Shanor LLP
 Santa Fe NM 87501

☐ Priority Mail Express®
☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☐ Signature Confirmation™
☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

COG Operating LLC
 Case No. 24371
 Exhibit B-3

9589 0710 5270 0725 3409 21

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
 Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee \$

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$

☐ Return Receipt (electronic) \$

☐ Certified Mail Restricted Delivery \$

☐ Adult Signature Required \$

☐ Adult Signature Restricted Delivery \$

Postage \$

Total Postage and Fees \$

Sent To

Street Nestegg Energy Corporation

2308 Sierra Vista Rd

City Artesia, NM 88210

24371 - Flaming Snail WC Ext.

Postmark Here

APR 08 2024

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Nestegg Energy Corporation
 2308 Sierra Vista Rd
 Artesia, NM 88210

24371 - Flaming Snail WC Ext.

5990 9402 8561 3186 6078 34

2. Article Number (Transfer from service label)
 9589 0710 5270 0725 3409 21

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X *Raye Miller* ☐ Agent ☒ Addressee

B. Received by (Printed Name)
Raye Miller

C. Date of Delivery
 4-12-24

D. Is delivery address different from item 1? ☐ Yes
 If YES, enter delivery address below: ☐ No

RECEIVED
 APR 18 2024

3. Service Type

☐ Adult Signature *Hinkle Shanor LLC* ☐ Priority Mail Express®

☐ Adult Signature Restricted Delivery ☐ Registered Mail™

☐ Certified Mail® *Santa Fe NM 87504* ☐ Registered Mail Restricted Delivery

☐ Certified Mail Restricted Delivery ☐ Signature Confirmation™

☐ Collect on Delivery ☐ Signature Confirmation Restricted Delivery

☐ Collect on Delivery Restricted Delivery

☐ Insured Mail

☐ Insured Mail Restricted Delivery (over \$500)

PS Form 3811, July 2020 PSN 7530-02-000-9053 Domestic Return Receipt

9589 0710 5270 0752 4611 87

U.S. Postal ServiceTM
CERTIFIED MAIL[®] RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com.

OFFICIAL USE

Certified Mail Fee

\$

Extra Services & Fees (check box, add fee as appropriate)

- | | |
|--|----|
| <input type="checkbox"/> Return Receipt (hardcopy) | \$ |
| <input type="checkbox"/> Return Receipt (electronic) | \$ |
| <input type="checkbox"/> Certified Mail Restricted Delivery | \$ |
| <input type="checkbox"/> Adult Signature Required | \$ |
| <input type="checkbox"/> Adult Signature Restricted Delivery | \$ |

Postage

\$

Total Postage and Fees

\$

Sent To

Street

City

Buffalo River Minerals, LLC.
8 The Green, Suite 8479
Dover, Delaware 19901

24371 - Flaming Snail WC Ext.

Postmark
Here

APR 08 2024

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

USPS Tracking®

FAQs >

Tracking Number:

Remove X

9589071052700752461187

Copy Add to Informed Delivery (<https://informedelivery.usps.com/>)

Latest Update

Your package is moving within the USPS network and is on track to be delivered to its final destination. It is currently in transit to the next facility.

Get More Out of USPS Tracking:

USPS Tracking Plus®

- Delivered
- Out for Delivery
- Preparing for Delivery

Moving Through Network

In Transit to Next Facility

April 19, 2024

Departed USPS Regional Facility

WILMINGTON DE DISTRIBUTION CENTER
April 15, 2024, 11:20 am

Arrived at USPS Regional Facility

WILMINGTON DE DISTRIBUTION CENTER
April 13, 2024, 1:21 pm

Departed USPS Facility

ALBUQUERQUE, NM 87101
April 8, 2024, 9:36 pm

Feedback

Arrived at USPS Facility
ALBUQUERQUE, NM 87101
April 8, 2024, 9:13 pm

Hide Tracking History

What Do USPS Tracking Statuses Mean? (<https://faq.usps.com/s/article/Where-is-my-package>)

Text & Email Updates

USPS Tracking Plus®

Product Information

See Less

Track Another Package

Enter tracking or barcode numbers

Need More Help?

Contact USPS Tracking support for further assistance.

FAQs



Texas/New Mexico

GANNETT

PO Box 631667 Cincinnati, OH 45263-1667

AFFIDAVIT OF PUBLICATION

Everett Holmes
Hinkle Shanor, LLP
Pobox 2068
Santa Fe NM 87504

STATE OF WISCONSIN, COUNTY OF BROWN

The Carlsbad Current Argus, a newspaper published in the city of Carlsbad, Eddy County, State of New Mexico, and personal knowledge of the facts herein state and that the notice hereto annexed was Published in said newspapers in the issue:

04/10/2024

and that the fees charged are legal.

Sworn to and subscribed before on 04/10/2024

Legal Clerk

Notary, State of WI, County of Brown

My commission expires

Publication Cost: \$110.90

Order No: 10048396

of Copies:

Customer No: 1366506

1

PO #: COG Case 24371

THIS IS NOT AN INVOICE!*Please do not use this form for payment remittance.*

KATHLEEN ALLEN
Notary Public
State of Wisconsin

This is to notify all interested parties, including Buffalo River Minerals, LLC; Chevron U.S.A. Inc.; Nestegg Energy Corporation; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by COG Operating LLC (Case No. 24371). The hearing will be conducted on May 2, 2024 in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate virtually, see the instructions posted on the OCD Hearings website: <https://www.enmrd.nm.gov/ocd/hearing-info/>. COG Operating LLC ("COG" or "Applicant") requests a one-year extension of time to commence drilling the wells authorized by Order No. R-22672 ("Order"). The Order which was issued on May 7, 2023: pooled uncommitted interests in the Wolfcamp Formation underlying a 1,920-acre, more or less, standard horizontal spacing unit comprised of Sections 28 and 33, Township 25 South, Range 27 East, and Section 4, Township 26 South, Range 27 East, Eddy County, New Mexico ("Unit"); designated COG as operator of the Unit; and dedicated the Unit to the Flaming Snail Fed Com 701H, 702H, 703H, 704H, 705H, 706H, 707H, 708H, 709H, 710H, 801H, 802H, 803H, 804H, 805H, and 806H wells (collectively "Wells"). The Order requires COG to commence drilling the Wells within one (1) year of the date of the Order unless COG obtains a time extension from the Division Director for good cause shown. COG requests that the Division extend the deadline to commence drilling the Wells to May 7, 2025. The Wells are located approximately 22 miles south of Carlsbad, New Mexico. April 10, 2024 10048396

COG Operating LLC
Case No. 24371
Exhibit B-4

Page 1 of 1