



Via Certified Mail

May 6, 2014

Working Interest Owners - Listed on Exhibit "A"

RE: Well Proposal – SRO State Com #43H

Township 26 South, Range 28 East, N.M.P.M.

Section 17: W/2 W/2 SHL: 190' FNL & 990' FWL (Or at a legal location in Unit D)

Section 20: W/2 W/2 BHL: 330' FSL & 990' FWL (Or at a legal location in Unit M)

Eddy County, New Mexico

Dear Working Interest Owners:

COG Operating LLC ("COG"), as Operator, proposes to drill the SRO State Com #43H well as a horizontal well at the above-captioned location to a TVD of approximately 8,000' and a MD of 17,800' to test the 2nd Bone Spring Sand Formation ("Operation"). The total cost of the Operation is estimated to be \$10,451,500, and a detailed description of the cost is set out in the enclosed Authority for Expenditure ("AFE"). COG anticipates that it will spud the well on or before July 22, 2014.

COG is proposing to drill this well under the existing SRO State Exploratory Unit Operating Agreement dated May 8, 2009.

If you wish to participate for your working interest in this proposal, please indicate by signing and returning one copy of the enclosed AFE and a copy of this letter in the space provided below. If you have any questions, please do not hesitate to contact Aaron Myers at 432-688-6674.

Very truly yours,
COG Operating LLC

Savannah Haller
Land Technician – Delaware Basin

I/We hereby elect to participate in the SRO State Com #43H, with working interest as set out in Exhibit "A" under the existing Operating Agreement dated May 8, 2009.

I/We hereby elect not to participate in the SRO State Com #43H.

Company: _____

By: _____

Name: _____

Title: _____

Date: _____

**NMOCC CASE Nos. 15441, 15481, 15482
NEX, SRO2 LLC AND SRO3 LLC
Exhibit No. 43
February 28, 2017**

CORPORATE ADDRESS
One Concho Center | 600 West Illinois Avenue | Midland, Texas 79701
PHONE 432.683.7443 | FAX 432.683.7441

LOCAL ADDRESS
Concho West | 2208 Main Street | Artesia, New Mexico 88210
PHONE 575.748.6940 | FAX 575.746.2096

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EXHIBIT "A"
Working Interest Owners

COG Operating LLC
Concho Oil & Gas LLC
One Concho Center
600 W. Illinois Ave.
Midland, TX 79701
Attention: Aaron Myers

Yates Petroleum Corporation
105 S. Fourth St.
Artesia, NM 88210
Attention: Janet Richardson

ABO Petroleum Corporation
105 S. Fourth St.
Artesia, NM 88210
Attention: Janet Richardson

Myco Industries, Inc.
P.O. Box 840
Artesia, NM 88211
Attention: Hannah Palomin

OXY Y-1 Company
P.O. Box 4294
Houston, TX 77210-4294
Attention: Wesley Robertson

The Allar Company
P.O. Box 1567
Graham TX, 76450
Attention: Jack Graham

Chevron U.S.A. Inc.
P.O. Box 2100
Houston, TX 77252
Attention: NOJV Group