

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING AUGUST 8, 2018**

CASE NOS. 15023

ARABIAN 6 FEE 6H WELL

EDDY COUNTY, NEW MEXICO



COG OPERATING LLC

Arabian 6 Fee 6H &
Arabian 6 Fee 10H
Eddy County, New Mexico



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

**APPLICATION OF COG OPERATING LLC
TO RE-OPEN CASE NO. 15023 TO POOL
THE INTERESTS OF ADDITIONAL MINERAL
OWNERS UNDER THE TERMS OF
COMPULSORY POOLING ORDER R-13757,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 15023 (re-opened)

AFFIDAVIT OF STUART DIRKS

STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

Stuart Dirks, being first duly sworn on oath, states as follows:

1. My name is Stuart Dirks. I reside in Midland County, Texas. I am a Landman employed by COG Operating LLC ("COG"). I am familiar with the status of the lands in E/2 W/2 of Section 6, Township 19 South, Range 26 East, NMPM in Eddy County, New Mexico. I have previously been qualified as an expert witness in petroleum land matters in front of the Oil Conservation Division.
2. Division Order R-13757, entered on October 4, 2013, created a 159.67-acre, more or less, non-standard spacing and proration unit comprised of the E/2 W/2 of Section 6, Township 19 South, Range 26 East, NMPM, Eddy County, New Mexico. This order further pooled the uncommitted interests in the Atoka; Glorieta-Yeso (Pool Code 3250) underlying said acreage (the "Unit") and dedicated the Unit to the **Arabian 6 Fee No. 6H Well** (API No. 30-015-39625), which was drilled from surface location 183 feet from the south line and 2,267 feet from the west line (Unit N) of Section 6, to standard bottom hole location 352 feet from the north line and 2,184 feet from the west line (Lot 3) of Section 6. **Attachment A** to this affidavit is a copy of Order R-13757. **Attachment B** to this affidavit is a C-102 for the well.
3. On October 5, 2016, Case No. 15023 was re-opened to pool the interest of mineral interest owners due to the expiration of a lease and the termination of a Joint Operating Agreement. Division Order R-13757-A pooled the interest of said mineral interest owners. **Attachment C** to this affidavit is a copy of Order R-13757-A.

4. The **Arabian 6 Fee No. 6H Well** temporarily ceased producing on December 1, 2016. Because of the lapse in production, multiple leases expired and a joint operating agreement terminated. Accordingly, since the entry of Order R-13757-A, multiple additional interest owners are no longer committed to the **Arabian 6 Fee No. 6H Well** due to a lease expiration issue and termination of a Joint Operating Agreement that occurred after the entry of Order R-13757-A.

5. **Attachment D** lists the nature and percentage of the interest owners to be pooled. In addition, Attachment D shows the interest pooled pursuant to the prior orders.

6. COG has undertaken good faith efforts to locate and gain voluntary participation for the development of the Unit from the interest owners that it seeks to pool. As reflected on Attachment D, COG has reached a verbal agreement with all but one interest owner.

A. Lease offers and well proposals were sent to the unleased mineral interest owners that COG seeks to pool on May 24, 2018. A copy of this letter is included as **Attachment E**.

B. A request to Term Assign was sent to the working interest owner which was accepted via email dated July 20, 2018. A copy of this email is included as **Attachment F**.

C. COG has conducted a diligent search of the county records of Eddy County, as well as conducting searches and computer searches of phone directories. All parties that COG seeks to pool are locatable.

D. COG seeks to pool the interests of one estate. For this estate, COG has identified and is attempting to lease the known heir. The heir has also been provided notice of this hearing.

E. Notice of this application and hearing has been provided to the additional interest owners subject to pooling in compliance with Division rules.

7. **Attachment G** is an affidavit and letter from my attorney at Holland & Hart providing notice of this hearing to the parties that COG seeks to pool.

8. For these reasons, COG respectfully requests that the additional uncommitted interest owners be pooled pursuant to the terms of Order R-13757.

FURTHER AFFIANT SAYETH NOT.


Stuart Dirks

SUBSCRIBED AND SWORN before me on this 8TH day of August, 2018.

Brittney Smith
Notary Public

My Commission Expires:

8-10-2021



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

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:**

**CASE NO. 15023
ORDER NO. R-13757**

**APPLICATION OF COG OPERATING, LLC FOR DESIGNATION OF A NON-
STANDARD SPACING AND PRORATION UNIT AND FOR COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on July 11, 2013, at Santa Fe, New Mexico, before Examiner Phillip R. Goetze.

NOW, on this 4th day of October, 2013, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given, and the Division has jurisdiction of this case and of the subject matter.

(2) COG Operating, LLC ("Applicant") seeks approval of a non-standard 159.67-acre oil spacing and proration unit and project area ("the Unit") in the Yeso formation consisting of the E/2 of the W/2 of Section 6, Township 19 South, Range 26 East, NMPM, in Eddy County, New Mexico. Applicant further seeks an order pooling all uncommitted mineral interests in the Unit for the Yeso formation.

(3) The Unit will be dedicated to Applicant's Arabian 6 Fee Well No. 6H ("the proposed well"; API No. 30-015-39625), a horizontal well to be drilled from a surface location 183 feet from the South line and 2267 feet from the West line (Unit letter N) of Section 6 to a standard terminus 330 feet from the North line and 2177 feet from the West line (Lot 3) of Section 6. The completed interval of the proposed well in the Yeso formation will be orthodox.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A
Submitted by: **CONCHO COG OPER.**
Hearing Date: August 8, 2018
Case Nos. 15023

(4) The proposed well is within the Penasco Draw-San Andres-Yeso (Associated) Pool (pool code 50270). Spacing in this pool is governed by Division Order No. R-5353 which provides for standard 40-acre units with oil wells located no closer than 330 feet to the outer boundary of the quarter-quarter section. The proposed Unit and project area consists of four adjacent quarter-quarter sections.

(5) Applicant appeared at the hearing through counsel and presented land and geologic evidence to the effect that:

- (a) The Yeso formation in this area is suitable for development by horizontal drilling;
- (b) the proposed orientation of the horizontal well South to North or North to South is appropriate for the proposed Unit; and
- (c) all quarter sections to be included in the Unit are expected to be productive in the Yeso formation, so that formation of the Unit as requested will not impair correlative rights.

(6) No other party appeared at the hearing, or otherwise opposed the granting of this application.

The Division concludes that:

(7) Approval of the proposed non-standard unit will enable Applicant to drill a horizontal well that will efficiently produce the reserves underlying the Unit, thereby preventing waste, and will not impair correlative rights.

(8) Two or more separately owned tracts are embraced within the Unit, and/or there are royalty interests and/or undivided interests in oil and gas minerals in one or more tracts included in the Unit that are separately owned.

(9) Applicant is owner of an oil and gas working interest within the Unit. Applicant has the right to drill and proposes to drill the proposed well to a common source of supply within the Unit at the proposed location.

(10) There are interest owners in the Unit that have not agreed to pool their interests.

(11) To avoid the drilling of unnecessary wells, protect correlative rights, prevent waste and afford to the owner of each interest in the Unit the opportunity to recover or receive without unnecessary expense its just and fair share of hydrocarbons, this application should be approved by pooling all uncommitted interests, whatever they may be, in the oil and gas within the Unit.

(12) COG Operating, LLC should be designated the operator of the proposed

well and of the Unit.

(13) Any pooled working interest owner who does not pay its share of estimated well costs should have withheld from production its share of reasonable well costs plus an additional 200% thereof as a reasonable charge for the risk involved in drilling the proposed well.

(14) Reasonable charges for supervision (combined fixed rates) should be fixed at \$5,450 per month while drilling and \$545 per month while producing, provided that these rates should be adjusted annually pursuant to Section III.1.A.3. of the COPAS form titled "Accounting Procedure-Joint Operations."

IT IS THEREFORE ORDERED THAT:

(1) A non-standard 159.67-acre oil spacing and proration unit (the "Unit") is hereby established for the Yeso formation consisting of the E/2 of the W/2 of Section 6, Township 19 South, Range 26 East, NMPM, in Eddy County, New Mexico.

(2) Pursuant to the application of COG Operating, LLC, all uncommitted interests, whatever they may be, in the oil and gas located in the Yeso formation underlying the Unit, are hereby pooled.

(3) The Unit shall be dedicated to the Applicant's Arabian 6 Fee Well No. 6H ("the proposed well"; API No. 30-015-39625), a horizontal well to be drilled from a surface location 183 feet from the South line and 2267 feet from the West line (Unit letter N) of Section 6 to a standard terminus 330 feet from the North line and 2177 feet from the West line (Lot 3) of Section 6. The completed interval of the proposed well in the Yeso formation will be orthodox.

(4) The operator of the Unit shall commence drilling the proposed well on or before October 30, 2014, and shall thereafter continue drilling the proposed well with due diligence to test the Yeso formation.

(5) In the event the operator does not commence drilling the proposed well on or before October 30, 2014, Ordering Paragraphs (1) and (2) shall be of no effect, unless the operator obtains a time extension from the Division Director for good cause demonstrated by satisfactory evidence.

(6) Should the proposed well not be drilled and completed within 120 days after commencement thereof, then Ordering Paragraphs (1) and (2) shall be of no further effect, and the unit and project area created by this order shall terminate, unless operator appears before the Division Director and obtains an extension of the time for completion of the proposed well for good cause shown by satisfactory evidence. If the proposed well is not completed in all of the quarter-quarter sections included in the proposed Unit within 120 days after commencement of drilling, then the operator shall apply to the

Division for an amendment to this Order to contract the Unit so that it includes only those quarter-quarter sections in which the individual well is completed.

(7) Upon final plugging and abandonment of the proposed well and any other well drilled on that Unit pursuant to Division Rule 19.15.13.9 NMAC, the pooled unit created by this Order shall terminate, unless this Order has been amended to authorize further operations.

(8) COG Operating, LLC (OGRID 229137) is hereby designated the operator of the well and the Unit.

(9) After pooling, uncommitted working interest owners are referred to as pooled working interest owners. ("Pooled working interest owners" are owners of working interests in the Unit, including unleased mineral interests, who are not parties to an operating agreement governing the Unit.) After the effective date of this order, the operator shall furnish the Division and each known pooled working interest owner in the Unit an itemized schedule of estimated costs of drilling, completing and equipping the proposed well ("well costs").

(10) Within 30 days from the date the schedule of estimated well costs is furnished, any pooled working interest owner shall have the right to pay its share of estimated well costs to the operator in lieu of paying its share of reasonable well costs out of production as hereinafter provided, and any such owner who pays its share of estimated well costs as provided above shall remain liable for operating costs but shall not be liable for risk charges. Pooled working interest owners who elect not to pay their share of estimated well costs as provided in this paragraph shall thereafter be referred to as "non-consenting working interest owners."

(11) The operator shall furnish the Division and each known pooled working interest owner (including non-consenting working interest owners) an itemized schedule of actual well costs within 90 days following completion of the proposed well. If no objection to the actual well costs is received by the Division, and the Division has not objected, within 45 days following receipt of the schedule, the actual well costs shall be deemed to be the reasonable well costs. If there is an objection to actual well costs within the 45-day period, the Division will determine reasonable well costs after public notice and hearing.

(12) Within 60 days following determination of reasonable well costs, any pooled working interest owner who has paid its share of estimated costs in advance as provided above shall pay to the operator its share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator the amount, if any, that the estimated well costs it has paid exceed its share of reasonable well costs.

(13) The operator is hereby authorized to withhold the following costs and charges from production from each well:

- (a) the proportionate share of reasonable well costs attributable to each non-consenting working interest owner; and
- (b) as a charge for the risk involved in drilling the well, 200% of the above costs.

(14) The operator shall distribute the costs and charges withheld from production, proportionately, to the parties who advanced the well costs.

(15) Reasonable charges for supervision (combined fixed rates) for the well are hereby fixed at \$5,450 per month while drilling and \$545 per month while producing, provided that these rates shall be adjusted annually pursuant to Section III.1.A.3. of the COPAS form titled "Accounting Procedure-Joint Operations." The operator is authorized to withhold from production the proportionate share of both the supervision charges and the actual expenditures required for operating the well, not in excess of what are reasonable, attributable to pooled working interest owners.

(16) Except as provided in Paragraphs (13) and (15) above, all proceeds from production from the proposed well that are not disbursed for any reason shall be held for the account of the person or persons entitled thereto pursuant to the Oil and Gas Proceeds Payment Act (NMSA 1978 Sections 70-10-1 through 70-10-6, as amended). If not disbursed, such proceeds shall be turned over to the appropriate authority as and when required by the Uniform Unclaimed Property Act (NMSA 1978 Sections 7-8A-1 through 7-8A-7-8A-28, as amended).

(17) Any unleased mineral interests shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for the purpose of allocating costs and charges under this order. Any well costs or charges that are to be paid out of production shall be withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(18) Should all the parties to this compulsory pooling order reach voluntary agreement subsequent to entry of this Order, this order shall thereafter be of no further effect.

(19) The operator of the well and Unit shall notify the Division in writing of the subsequent voluntary agreement of all parties subject to the compulsory pooling provisions of this Order.

(20) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

JAMI BAILEY
Director

RECEIVED

FEB 06 2014

Form C-102

Revised August 1, 2011

Submit one copy to appropriate District Office

DISTRICT I
1625 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) 748-1283 Fax: (575) 748-9720

DISTRICT III
1000 Rio Bravo Road, 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

CONCHO ARTESIA

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

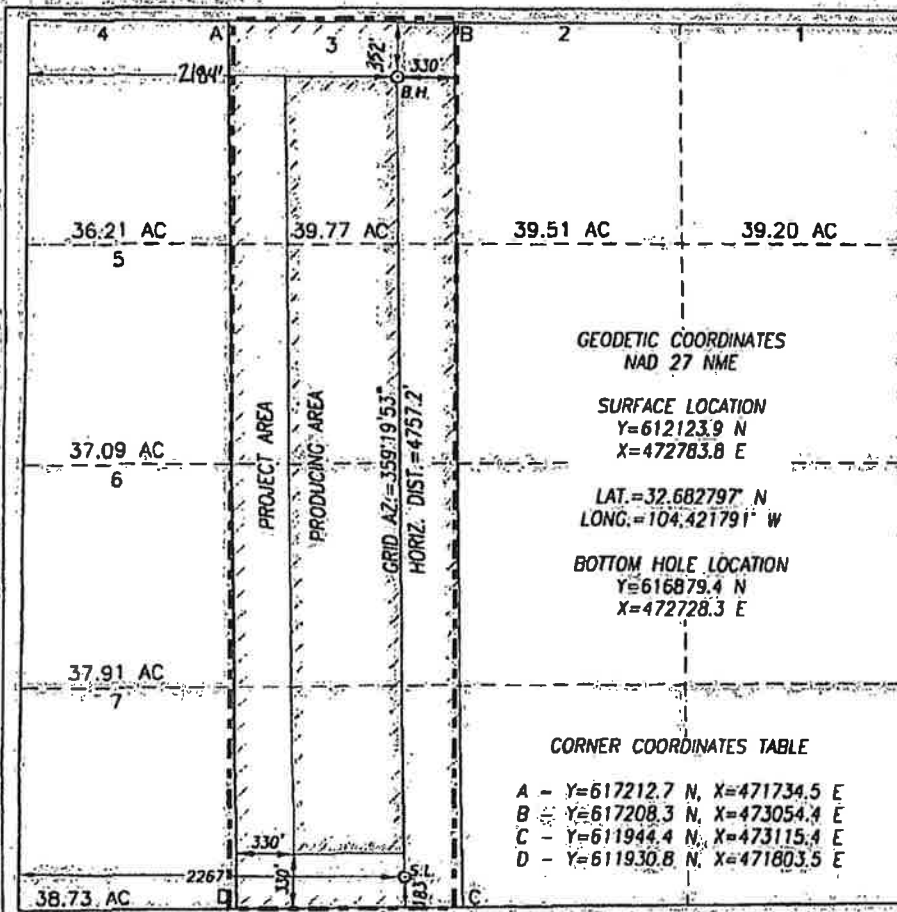
As Drilled

API Number 30-015-39625	Pool Code 50270	Pool Name Penasco Draw; SA-Yeso (Assoc)
Property Code 38804	Property Name ARABIAN 6 FEE	Well Number 6H
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3372

Surface Location									
UL or lot No. N	Section 6	Township 19-S	Range 26-E	Lot Idn	Feet from the 183	North/South line SOUTH	Feet from the 2267	East/West line WEST	County EDDY

Bottom Hole Location If Different From Surface									
UL or lot No. 3	Section 6	Township 19-S	Range 26-E	Lot Idn	Feet from the 352	North/South line NORTH	Feet from the 2184	East/West line WEST	County EDDY
Dedicated Acres 159.67	Joint or Infill	Consolidation Code	Order No.						

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



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 undivided 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 each mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Chasity Jackson 1/31/14
Signature Date

Chasity Jackson
Printed Name

cjackson@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.

AUGUST 16, 2013

Date of Survey

Signature & Seal of Professional Surveyor

Ronald J. Eidson
RONALD J. EIDSON
NEW MEXICO
3339
08/27/2013

Certificate Number 12641
Ronald J. Eidson 3239

ACK REC'D W.O. 12/11/2013 SWSC.W.O. 12/11/2013

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B
Submitted by: CONCHO COG OPER.
Hearing Date: August 8, 2018
Case Nos. 15023

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

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:**

**(Re-opened)
CASE NO. 15023
ORDER NO. R-13757-A**

**AMENDED APPLICATION OF COG OPERATING LLC TO RE-OPEN CASE NO.
15023 TO POOL THE INTERESTS OF ADDITIONAL MINERAL OWNERS
UNDER THE TERMS OF COMPULSORY POOLING ORDER NO. R-13757,
EDDY COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on August 4, 2016, before Examiner William V. Jones.

NOW, on this 5th day of October, 2016, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given, and the Division has jurisdiction of this case and the subject matter.

(2) COG Operating LLC (the "Applicant") seeks to amend Order No. R-13757, issued in Case No. 15023 on October 4, 2013, to include in a compulsory pooled unit ("the Unit") the interests of unleased mineral owners who succeeded to ownership of their interests by reversion upon expiration of leases that were in force and effect, and committed to the Unit, when the prior compulsory pooling order was issued.

(3) By Order No. R-13757 ("the previous order"), the Division created the Unit as a non-standard oil spacing and proration unit in the Yezo formation comprising the E/2 W/2 of Section 6, Township 19 South, Range 26 East, NMPM, in Eddy County, New Mexico, and compulsory pooled all then uncommitted interests in the Unit for the drilling of Applicant's then proposed Arabian 6 Fee Well No. 6H (API No. 30-015-39625 - "the subject well").

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C
Submitted by: CONCHO COG OPER.
Hearing Date: August 8, 2018
Case Nos. 15023**

(4) The testimony in the hearing held in original Case No. 15023 on July 11, 2013, which resulted in issuance of the previous order, was to the effect that all then leased interests were voluntarily committed to the subject well, and only certain unleased mineral interests should be compulsory pooled.

(5) The original order recites in Finding Paragraph (4) that the subject well will be located in the Penasco Draw; San Andres-Yeso (Associated) Pool (pool code 50270), but the provisions of that order establishing, and pooling, the Unit describe it as comprising only the Yeso formation.

(6) Applicant appeared through counsel and presented the following evidence:

- (a) The subject well has been drilled and completed.
- (b) Subsequent to completion, the subject well was shut in for a period of time causing some leases that were committed thereto pursuant to a joint operating agreement, and the joint operating agreement, to expire.
- (c) Applicant has obtained new leases from some, but not all, of the owners ("Unleased Owners") who became owners of unleased mineral interests by reversion upon expiration of the earlier leases.
- (d) There is a need to amend Order No. R-13757: (i) to confirm that all uncommitted interests of the Unleased Owners are subject to the compulsory provisions of the previous order, and (ii) to define their rights thereunder.
- (e) All of the Unleased Owners whose interests remain uncommitted were notified of the present Application and of the hearing.
- (f) Ownership of the area within the horizontal boundaries of the Unit is identical in the Yeso and San Andres formations; so that the Unit can be expanded to include the San Andres formation without any re-allocation of interests.

(7) No other party entered an appearance or otherwise opposed this application.

The Division concludes as follows:

(8) In order to afford all owners of each interest in the Unit, including both the previously pooled parties and the Unleased Owners, the opportunity to recover or receive without unnecessary expense their just and fair share of hydrocarbons, this application should be approved by pooling all uncommitted interests of the Unleased Owners, whatever they may be, in the Unit, pursuant to the provisions of Order No. R-13757, as modified by this order.

(9) The compulsory pooling provisions of this order should be effective from the date of first production from the subject well except as herein otherwise provided.

(10) In order to place the Unleased Owners in the equivalent position to that of an absolute owner of the mineral estate to whom that estate reverted after a well was drilled thereon, it should be provided that no Unleased Owner is entitled by reason of this order to receive proceeds of production, or is responsible for any well costs, operating expenses or administrative overhead charges incurred, prior to the expiration of the lease that formerly applied to such owner's interest. Since there is no evidence in the record regarding the dates when the leases expired, the Unleased Owners should be responsible for operating costs and administrative overhead charges from the first day of the month following the issuance of this Order.

(11) Since the Unleased Owners had no opportunity to elect to participate prior to the drilling of the Well on the Unit, no risk charge should apply to their interests.

(12) Reasonable charges for supervision (combined fixed rates) applicable to the interests of the Unleased Owners should be fixed at \$5,450 per month while drilling and \$545 per month while producing, provided that these rates should be adjusted annually, from date of issuance of Order No. R-13757, pursuant to Section III.1.A.3. of the COPAS form titled "Accounting Procedure-Joint Operations."

(13) Applicant also requested that the prior order be amended to pool the San Andres formation as well as the Yeso formation.

(14) Although Applicant requested expansion of the Unit to include the San Andres formation in its application, there is no reference to the proposed expansion in the Advertisement of the hearing in this re-opened case. Hence, the requested amendment to include the San Andres formation in the Unit should be denied, without prejudice.

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the application of COG Operating LLC, Order No. R-13757, issued in this case on October 4, 2013, is hereby amended to compulsory pool all interests, whatever they may be, of the owners of unleased minerals in the Unit, and their heirs, devisees, personal representatives, successors and assigns ("Unleased Owners"), who succeeded to such ownership by reason of the expiration after October 4, 2013 of oil and gas leases that covered such interests on that date.

(2) The Unit shall remain dedicated to the Arabian 6 Fee Well No. 6H (API No. 30-015-39625 - "the subject well").

(3) The interests of the Unleased Owners, and only those interests, shall be subject to the following provisions in lieu of any conflicting provisions of Order No. R-13757.

(4) Ordering Paragraphs (10) through (13) of Order No. R-13757 shall not apply to the interests of the Unleased Owners pooled by this order, as to the subject well. If, however, any infill well is subsequently proposed in this Unit under Rule 19.15.13.10 NMAC, this Ordering Paragraph (4) shall not apply, and the provisions of Ordering Paragraphs (10) through (13) of Order No. R-13757 shall apply to any infill well so proposed.

(5) Ordering Paragraph (15) of Order No. R-13757 is hereby amended, as applied to the interests of the Unleased Owners pooled by this order only, to read as follows:

Reasonable charges for supervision (combined fixed rates) for the subject well are hereby fixed at \$5,450 per month while drilling and \$545 per month while producing, provided that these rates shall be adjusted annually from date of issuance of Order No. R-13757, pursuant to Section III.1.A.3. of the COPAS form titled "*Accounting Procedure-Joint Operations*." The operator is authorized to withhold from production the proportionate share of both the supervision charges and the actual expenditures required for operating the well attributable to the interests of Unleased Owners pooled by this order. The expenses so withheld shall be limited to such as are reasonable and accrued subsequent to the first day of the month following the issuance of this order.

(6) This order does not entitle any Unleased Owner to any interest in production from the Unit that occurred prior to the expiration of the lease that formerly covered such Unleased Owner's interest, nor authorize the operator to withhold from proceeds of production thereafter occurring any costs of operation or administrative overhead incurred prior to the date of this order. This provision should not, however, be construed to prejudice or affect the right of any Unleased Owner to recover any proceeds of production to which it is otherwise entitled as royalty from the lessee of any prior lease or from any other person who may be responsible therefor.

(7) Except as herein otherwise provided, Order No. R-13757 shall continue in full force and effect, and the interests of the Unleased Owners pooled hereby shall be subject thereto.

(8) Because the request to expand the Unit formed by Order No. R-13757 vertically to include the San Andres formation was not included in the advertisement of this case, that request is hereby denied.

(9) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

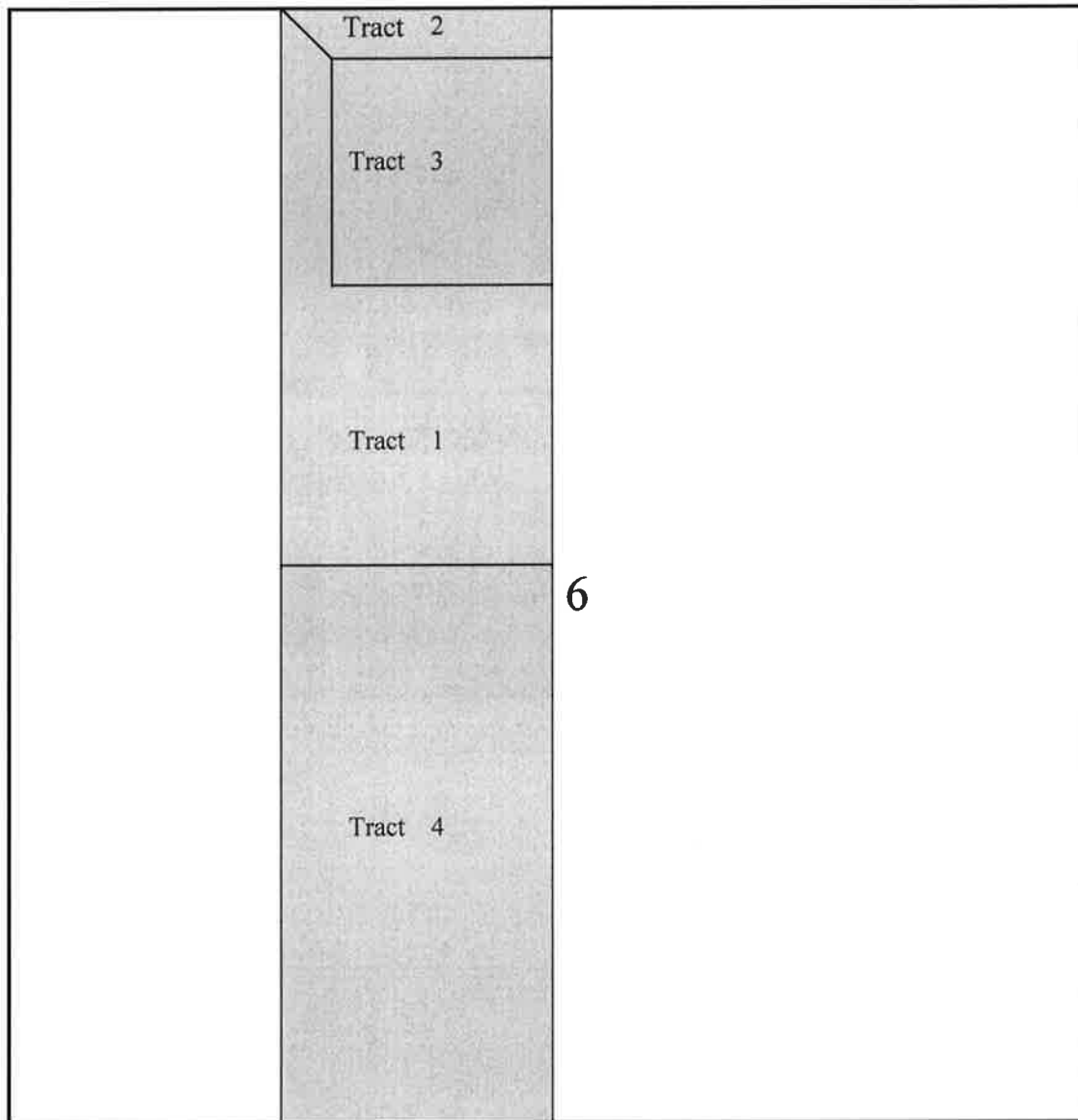


STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

David R. Catanach

DAVID R. CATANACH
Director

Attachment "D"
Arabian "6" Fee #6H
Lot 3, SENW, E2SW (E2W2), Section 6, T19S, R26E, Eddy County



Order No. R-13757Order No. R-13757-AOrder No. R-13757-B

Tract 1

40.00% COG Operating LLC	55.00% COG Operating LLC	55.00% Concho Resources
10.00% Yates Petroleum Corp	20.00% Yates Petroleum Corp	20.00% EOG Y Resources, Inc.
25.00% <i>Heirs of Jonell R. Gilmore</i>	6.25% Yates Industries, LLC	18.75% Sharbro Energy, LLC*
Estate of Stanley L. Jones	18.75% Sharbro Energy, LLC	6.25% Yates Industries LLC*
18.75% Sharbro Energy, LLC		
6.25% Legacy Royalty LLC		

Tract 2

100.00% <i>Heirs of H.A. Turnbull</i>	53.34% COG Operating LLC	40.00% Concho Resources
Wilke LTD. Co.	13.33% Yates Petroleum Corp	26.67% EOG Y Resources, Inc.
B&G Royalties	33.33% <i>B&G Royalties</i>	33.33% B&G Royalties
Ross Duncan Properties, LLC		

Tract 3

5.00% COG Operating LLC	14.76% COG Operating LLC	24.11% Concho Resources
3.33% Yates Petroleum Corp	63.43% Yates Petroleum Corp.	13.85% EOG Y Resources, Inc.
16.67% <i>Heirs of Otha Watkins</i>	3.36% Abo Petroleum Corp.	3.45% EOG M Resources, Inc.
Max R. Watkins	3.36% Myco Industries Inc.	3.45% EOG A Resources, Inc.
Oscar L. Watkins	3.36% OXY Y-1 Co.	3.46% OXY Y-1 Company
Stephen W. Watkins	5.56% <i>Steve F. Thompson</i>	50.00% Yates Brothers*
Lori Garcia	5.56% <i>Glen E. Thompson Heirs</i>	0.14% Katharine Thompson
Glenda F. Holdridge	<i>Glen E. Thompson Jr.</i>	0.21% Dalaney Thompson
Shanna Baysigner	<i>Crystal America Thompson</i>	0.21% Derrick Thompson
Patricia Easley	<i>Wesley LaFayette Thompson</i>	0.56% Steve F. Thompson
8.33% <i>Heirs of Era Glover</i>	<i>Brittany Morgan Thompson</i>	0.56% Glen E. Thompson, Jr.
Dixie M. Perkins	0.19% <i>Katharine Thompson,</i>	
Gwenette Short	0.21% <i>Dalaney Thompson,</i>	
8.33% <i>Heirs of B.J. Watkins</i>	0.21% <i>Derrick Thompson, successor</i>	
Bobby Jerald Watkins		
Beverly Mae Watkins		
8.34% <i>Heirs of Jewell Thompson</i>		
<i>Jerry D. Thompson</i>		
<i>Dorothy R. Thompson</i>		
<i>Cecil L. Thompson, Jr.</i>		
<i>Deborah C. Brown</i>		
<i>Linda McQuillan</i>		
Vicki Burch		
Vernon Lawrence		
Dusty Jo Murdok		
Alvin Elice Gay		
Steve F. Thompson		
Glen E. Thompson		
Pamela A. Kottler		
Katherine S. Hatch		
Michelle Juarez		
Angela Hatch		
Wanda Jewel Lawrence		
Loretta Joan Reaves		
David Zane Lawrence		
Rebecca Darlene Gross		
50.00% <i>Heirs of Jeanelle Zeleny</i>		
Yates Brothers		

Tract 4

60.00% COG Operating LLC	73.34% COG Operating LLC	66.67% Estate of Mary Ellen Taylor*
40.00% Yates Petroleum Corp	26.66% Yates Petroleum Corp	20.00% Concho Resources
		13.33% EOG Y Resources, Inc.

Interest in Spacing Unit

(Lot 3, SENW, E2SW of Section 6, T19S, R26E)

43.13% COG Operating LLC	59.05% COG Operating LLC	32.66% Concho Resources
23.57% Yates Petroleum Corp	28.36% Yates Petroleum Corp	33.40% Estate of Mary Ellen Taylor*
7.78% <i>Estate of Jonell R. Gilmore</i>	5.83% Sharbro Energy, LLC	16.31% EOG Y Resources, Inc.*
1.94% Legacy Royalty LLC	1.94% Yates Industries, LLC	5.83% Sharbro Energy, LLC*
5.83% Sharbro Energy, LLC	0.42% MYCO Industries Corp	0.43% Abo
6.26% <i>Heirs of H.A. Turnbull</i>	0.42% Abo Petroleum Corp	0.43% MYCO
2.09% <i>Heirs of Otha Watkins</i>	0.02% <i>Katharine Thompson</i>	1.94% Yates Industries LLC*
1.04% <i>Heirs of Era Glover</i>	0.03% <i>Dalaney Thompson</i>	0.43% OXY Y-1 Company
1.04% <i>Heirs of B.J. Watkins</i>	0.03% <i>Derrick Thompson</i>	0.07% <i>Steve Thompson</i>
1.04% <i>Heirs of Jewell Thompson</i>	0.42% OXY Y-1 Company	0.07% <i>Glen Thompson</i>
6.26% <i>Heirs of Jeanelle Zeleny</i>	2.09% B&G Royalties	0.02% <i>Katharine Thompson</i>
	0.70% <i>Steve F. Thompson</i>	0.03% <i>Dalaney Thompson</i>
	0.70% <i>Glen E. Thompson Heirs</i>	0.03% <i>Derrick Thompson</i>
		6.26% Yates Brothers*
		2.09% B&G Royalties

Parties Pooled under Prior Orders

Parties to be Pooled Under New Order

* Verbal Agreement

Sent Certified Mail
Receipt No.: 91-7199-9991-7038-7627-2105

May 24, 2018

Yates Brothers
PO Box 1394
Artesia, NM 88211-1394

Attn: Mr. Jim Ball

RE: **Well Proposal – Arabian 6 Fee #6H**
SHL: 183' FSL & 2267' FWL (Unit N)
BHL: 352' FNL & 2184' FWL (Lot 3)
Section 6, T19S, R26E, Eddy County, New Mexico

Dear Jim:

COG Operating LLC ("COG"), as Operator, has drilled the Arabian 6 Fee #6H as a horizontal well at the above-captioned location, to a measured depth of approximately 7400', and a true vertical depth of approximately 2867' to test the Yeso Formation. The well has ceased production and COG attempted a workover ("Operation") which was successful. The total cost of the Operation was \$429,278.57 and a detailed description of the cost is enclosed.

Your interest was subject to the lease from Yates Brothers, A Partnership, as Lessor, to Yates Petroleum Corporation, as Lessee, dated effective June 2, 2013 (Book 1064, Page 977). However, it appears that the lease expired before COG commenced the Operation.

If you do not renew your lease to Yates Petroleum Corporation, COG would like to acquire a lease of your interest for the following general terms:

- One year primary term
- ¼ Royalty Interest
- \$150 per net acre bonus consideration

If you do not choose to lease your interest, you may elect to participate in the Operation by signing below and returning a copy to the undersigned. A copy of the Operating Agreement covering the well will be sent to you for your signature. According to our records, the interest of Yates Brothers is 6.262917%; Yates Brothers share of the cost would be approximately \$26,885.36.

If we do not reach an agreement within 30 days of the date of this letter COG will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into the spacing unit for the proposed well.

If you have any questions, please do not hesitate to contact the undersigned at 432-685-4354.

Yours Truly,

COG Operating LLC


Stuart A. Dirks, CPL
Senior Staff Landman

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. E
Submitted by: CONCHO COG OPER.
Hearing Date: August 8, 2018
Case Nos. 15023

May 24, 2018
Page Two

Yates Brothers, a Partnership, elects to participate in the rework of the Arabian 6 Fee #6H.

By: _____

Name: _____

Title: _____

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.

The Estate of Mary Ellen Taylor
13947 Valley Vista Blvd
Sherman Oaks, CA 91423
RE: Arabian 6 Fee #6H



9590 9402 3579 7305 0955 75

2 Article Number (Transfer from service label)

91 7199 9991 7038 7627 2112

icted Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

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

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☐ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery

- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☒ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery



CONCHO

ONE CONCHO CENTER
600 W. ILLINOIS AVENUE
MIDLAND, TX 79701

Domestic Return Receipt

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.

The Estate of Mary Ellen Taylor
13947 Valley Vista Blvd
Sherman Oaks, CA 91423
RE: Arabian 6 Fee #6H



9590 9402 3579 7305 0955 75

2 Article Number (Transfer from service label)

91 7199 9991 7038 7627 2112

icted Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

B. Received by (Printed Name)

☐ Agent☐ Addressee

C. Date of Delivery

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

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☐ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery

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

JUN 19 2018

91 7199 9991 7038 7627 2112



Domestic Return Receipt

The Estate of Mary Ellen Taylor
13947 Valley Vista Blvd
Sherman Oaks, CA 91423

Sent Certified Mail
Receipt No.: 91-7199-9991-7038-7627-2112

May 24, 2018

The Estate of Mary Ellen Taylor
13947 Valley Vista Blvd
Sherman Oaks, CA 91423

Attn: Mr. Eric Moore

RE: **Well Proposal – Arabian 6 Fee #6H**
SHL: 183' FSL & 2267' FWL (Unit N)
BHL: 352' FNL & 2184' FWL (Lot 3)
Section 6, T19S, R26E, Eddy County, New Mexico

Dear Mr. Moore:

COG Operating LLC ("COG"), as Operator, has drilled the Arabian 6 Fee #6H as a horizontal well at the above-captioned location, to a measured depth of approximately 7400', and a true vertical depth of approximately 2867' to test the Yeso Formation. The well has ceased production and COG attempted a workover ("Operation") which was successful. The total cost of the Operation was \$429,278.57 and a detailed description of the cost is enclosed.

The interest of Mary Ellen Taylor was subject to the lease from Mary Ellen Taylor, as Lessor, to DMD LLC, as Lessee, dated October 5, 2010 (Book 830, Page 604). However, it appears that the lease expired before COG commenced the Operation.

COG would like to acquire a lease of this interest for the following general terms:

- One year primary term
- ¼ Royalty Interest
- \$150 per net acre bonus consideration

If you do not choose to lease your interest, you may elect to participate in the Operation by signing below and returning a copy to the undersigned. A copy of the Operating Agreement covering the well will be sent to you for your signature. According to our records, the interest of the Estate of Mary Ellen Taylor is 33.402225%; the cost to participate would be approximately \$143,388.59.

If we do not reach an agreement within 30 days of the date of this letter COG will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into the spacing unit for the proposed well.

If you have any questions, please do not hesitate to contact the undersigned at 432-685-4354.

Yours Truly,

COG Operating LLC



Stuart A. Dirks, CPL
Senior Staff Landman

May 24, 2018
Page Two

The Estate of Mary Ellen Taylor

I elect to participate in the rework of the Arabian 6 Fee #6H.

By: _____

Name: _____

Title: _____

Actuals Breakdown By Cost Code - Arabian 6 Fee #6H

Afe Name	Arabian 6 Fee #6H	
GROSS/NET	Gross	
Billing Category	All	
Report Date	Thursday, May 24, 2018	
Code	Description	Actuals
833	R-COMPLETION UNIT	\$108,207.25
836	R-RENTALS-SUBSRFC	\$65,473.77
842	R-MISCELLANEOUS	<u>\$41,056.25</u>
835	R-RENTALS-SURFACE	<u>\$36,595.51</u>
820	R-CEMENT SQUEEZE	<u>\$35,634.12</u>
812	R-WATER	\$26,891.22
830	R-LOGGING	<u>\$24,668.98</u>
825	R-CONTRACT LABOR	<u>\$21,355.14</u>
837	R-TRUCKING/FORKLIFT/RIG MOBIL	<u>\$19,826.97</u>
832	R-STIMULATION/TREATING	<u>\$13,467.49</u>
504	C-TUBING	<u>\$9,767.23</u>
839	R-WATER DISPOSAL	\$6,400.08
533	PEQ-ELECTRICAL SYSTEM	<u>\$5,843.05</u>
508	PEQ-RODS	<u>\$3,647.81</u>
827	R-CONTRACT SPRVSN	<u>\$2,989.00</u>
844	R-ENVMNTL/CLSD LOOP	<u>\$2,949.23</u>
828	R-TSTG CSG/TBG/RODS	\$2,778.26
814	R-MUD & CHEMICALS	\$880.21
813	R-BITS	\$847.00
328	C-TSTG CSG/TBG/RODS	\$0.00
520	C-CONTINGENCY	\$0.00
514	C-PCKRS/ANCHORS/HGRS	\$0.00
509	C-PUMPS-SUB SURFACE (BH)	\$0.00
505	C-WELLHEAD EQUIP	\$0.00
319	C-CEMENT PRODUCTN	\$0.00
322	C-CSG CREWS & EQUIP	\$0.00
321	C-FLOAT EQUIP/CENTLZRS	\$0.00
213	D-BITS	\$0.00
217	D-CEMENT SURFACE	\$0.00
226	D-COMPANY SPRVSN	\$0.00
225	D-CONTRACT LABOR	\$0.00
227	D-CONTRACT SPRVSN	\$0.00
222	D-CSG CREWS & EQUIP	\$0.00
209	D-DAYWORK CONTRACT	\$0.00
210	D-DIRECTIONAL DRLG SERVICES	\$0.00
206	D-DRILLING OVERHEAD	\$0.00
244	D-ENVMNTL/CLSD LOOP	\$0.00
221	D-FLOAT EQUIP/CENTLZR	\$0.00
211	D-FUEL & POWER	\$0.00
224	D-GEOLOGIC/ENGNRG	\$0.00
205	D-LCTN/PITS/ROADS	\$0.00
230	D-LOGGING	\$0.00
214	D-MUD & CHEMICALS	\$0.00
229	D-MUD LOGGING UNIT	\$0.00
236	D-RENTALS-SUBSRFC	\$0.00
235	D-RENTALS-SURFACE	\$0.00
237	D-TRUCKING/FORKLIFT/RIG MOBIL	\$0.00
228	D-TSTG CSG/TBG	\$0.00
212	D-WATER	\$0.00
238	D-WELDING SERVICES	\$0.00
202	PS-INSURANCE	\$0.00
503	C-PRODCTN CSG/LINER	\$0.00

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>■ Complete items 1, 2, and 3.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>		<p>A. Signature X</p> <p><input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>	
<p>1.</p> <p>Legacy Royalty LLC PO Box 1091 Artesia, NM 88211-1091 RE: Arabian 6 Fee #6H</p>		<p>B. Received by (Printed Name)</p>	<p>C. Date of Delivery</p>
<p>2. Article Number (Transfer from cardstock label) 91 7199 9991 7038 7627 2099</p>		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>	
<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery</p>		<p><input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery</p>	
<p>PS Form 3811, July 2015 PSN 7530-02-000-9053</p>		<p>Domestic Return Receipt</p>	



CONCHO

ONE CONCHO CENTER
 600 W. ILLINOIS AVENUE
 MIDLAND, TX 79701

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>■ Complete items 1, 2, and 3.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>		<p>A. Signature <i>Frances Moreau</i></p> <p><input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>	
<p>1.</p> <p>Legacy Royalty LLC PO Box 1091 Artesia, NM 88211-1091 RE: Arabian 6 Fee #6H</p>		<p>B. Received by (Printed Name) FRANCES MOREAU</p>	<p>C. Date of Delivery 6-1-18</p>
<p>2. Article Number (Transfer from cardstock label) 91 7199 9991 7038 7627 2099</p>		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>	
<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery</p>		<p><input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery</p>	
<p>PS Form 3811, July 2015 PSN 7530-02-000-9053</p>		<p>Domestic Return Receipt</p>	

91 7199 9991 7038 7627 2099



Legacy Royalty LLC
 P.O. Box 1091
 Artesia, NM 88211-1091

Sent Certified Mail
Receipt No.: 91-7199-9991-7038-7627-2099

May 24, 2018

Legacy Royalty LLC
PO Box 1091
Artesia, NM 88211-1091

Attn: Ms. Shari Dayhoff

RE: **Well Proposal – Arabian 6 Fee #6H**
SHL: 183' FSL & 2267' FWL (Unit N)
BHL: 352' FNL & 2184' FWL (Lot 3)
Section 6, T19S, R26E, Eddy County, New Mexico

Dear Shari:

COG Operating LLC ("COG"), as Operator, has drilled the Arabian 6 Fee #6H as a horizontal well at the above-captioned location, to a measured depth of approximately 7400', and a true vertical depth of approximately 2867' to test the Yeso Formation. The well has ceased production and COG attempted a workover ("Operation") which was successful. The total cost of the Operation was \$429,278.57 and a detailed description of the cost is enclosed.

Your interest was subject to the lease from Legacy Royalty LLC, as Lessor, to Yates Industries LLC, as Lessee, dated August 6, 2015 (Book 1057, Page 348). However, it appears that the lease expired before COG commenced the Operation.

If you do not renew your lease to Yates Industries, COG would like to acquire a lease of your interest for the following general terms:

- One year primary term
- ¼ Royalty Interest
- \$150 per net acre bonus consideration

If you do not choose to lease your interest, you may elect to participate in the Operation by signing below and returning a copy to the undersigned. A copy of the Operating Agreement covering the well will be sent to you for your signature. According to our records, the interest of Legacy Royalty LLC is 1.944244%; your cost to participate would be approximately \$8346.22.

If we do not reach an agreement within 30 days of the date of this letter COG will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into the spacing unit for the proposed well.

If you have any questions, please do not hesitate to contact the undersigned at 432-685-4354.

Yours Truly,

COG Operating LLC



Stuart A. Dirks, CPL
Senior Staff Landman

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. F
Submitted by: CONCHO COG OPER.
Hearing Date: August 8, 2018
Case Nos. 15023

May 24, 2018
Page Two

Legacy Royalty LLC elects to participate in the rework of the Arabian 6 Fee #6H.

By: _____

Name: _____

Title: _____

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.

Yates Brothers
PO Box 1394
Artesia, NM 88211-1394
RE: Arabian 6 Fee #6H



9590 9402 3579 7305 0955 99

2. Article Number (Transfer from service label)

91 7199 9991 7038 7627 2105

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

- ☐ Agent
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

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

3. Service Type

- ☐ Adult Signature
☐ Adult Signature Restricted Delivery
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☐ Collect on Delivery Restricted Delivery
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☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☒ Return Receipt for Merchandise
☐ Signature Confirmation™
☐ Signature Confirmation Restricted Delivery

lected Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9053

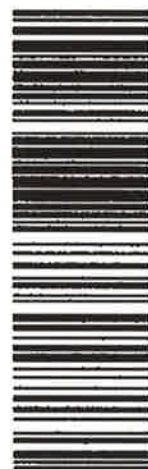
Domestic Return Receipt

ONE CONCHO CENTER
 600 W. ILLINOIS AVENUE
 MIDLAND, TX 79701



CONCHO

91 7199 9991 7038 7627 2105



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.

Yates Brothers
PO Box 1394
Artesia, NM 88211-1394
RE: Arabian 6 Fee #6H



9590 9402 3579 7305 0955 99

2. Article Number (Transfer from service label)

91 7199 9991 7038 7627 2105

COMPLETE THIS SECTION ON DELIVERY

A. Signature

* [Signature]

- ☐ Agent
☐ Addressee

B. Received by (Printed Name)

A. Greene, TX

C. Date of Delivery

5/31/18

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



JUN 04 2018

3. Service Type

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☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Priority Mail Express®
☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☒ Return Receipt for Merchandise
☐ Signature Confirmation™
☐ Signature Confirmation Restricted Delivery

lected Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt

Yates Brothers
P.O. Box 1394
Artesia, NM 88211-1394

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


**APPLICATION OF COG OPERATING LLC TO RE-OPEN
CASE NO. 15023 TO POOL THE INTERESTS OF ADDITIONAL
MINERALS OWNERS UNDER THE TERMS OF COMPULSORY
POOLING ORDER R-13757, EDDY COUNTY, NEW MEXICO.**

CASE NO. 15023

AFFIDAVIT


STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

Jordan L. Kessler, attorney in fact and authorized representative of COG Operating, LLC,
the Applicant herein, being first duly sworn, upon oath, states that the above-referenced
Applications have been provided under the notice letters and proof of receipts attached hereto.

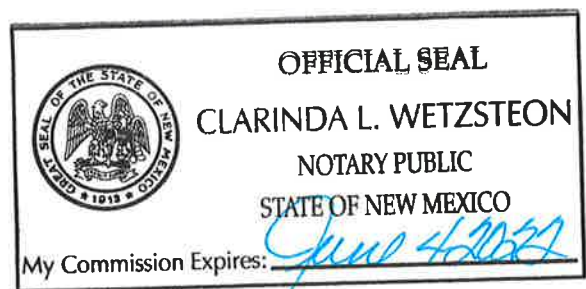


Jordan L. Kessler

SUBSCRIBED AND SWORN to before me this 8th day of August 2018 by Jordan L. Kessler.



Notary Public
My Commission Expires: June 4 2022



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. G
Submitted by: **CONCHO COG OPER.**
Hearing Date: August 8, 2018
Case Nos. 15023



Shipment Confirmation Acceptance Notice

A. Mailer Action

Note to Mailer: The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

COG Operating LLC - Arabian 6H Well
CM# 51500.0010 20180718
Pooles Parties List

Shipment Date: 07/16/2018

Shipped From:

Name: HOLLAND & HART LLP

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	5
Total	5

*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

B. USPS Action

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.
Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0009 3369 70



Firm Mailing Book For Accountable Mail

[illegible]



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Company:

Holland & Hart LLP

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[History](#) > [Mail Jobs](#) > [Mail Job Details](#)



My Tools

Mail Jobs
Mail Pieces
Manual Mailings
Reports
Setup
Account
Tools

Mail Pieces

Filter:

< No Filter >

Barcode	Recipient	Status	DL	Custom
9214 8901 9403 8307 8184 09	Yates Brothers a Partnership	Delivered	No	
	PO BOX 1394	Signature		
	Artesia NM 88211	Received		
9214 8901 9403 8307 8183 93	Successor Trustee of Hudson-Taylor Trust	Delivered	No	
	13947 Valley Vista Blvd	Signature		
	Sherman Oaks CA 91423	Received		
9214 8901 9403 8307 8183 86	Eric C. Moore Rep for Estate of Mary Ellen Hudson Taylor	Delivered	No	
	13947 Valley Vista Blvd	Signature		
	Sherman Oaks CA 91423	Received		
9214 8901 9403 8307 8183 79	Yates Industries LLC	Delivered	No	
	PO BOX 1091	Signature		
	Artesia NM 88211	Received		
9214 8901 9403 8307 8183 62	Sharbro Energy LLC	Delivered	No	
	PO BOX 840	Signature		
	Artesia NM 88211	Received		

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[WIN-9K2GP4JQF6N]

CARLSBAD
CURRENT-ARGUS

AFFIDAVIT OF PUBLICATION

**Ad No.
0001254765**

HOLLAND & HART
110 NORTH GUADALUPE, SUITE 1 PO BOX 2208
SANTA FE NM 87504

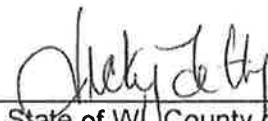
I, a legal clerk of the **Carlsbad Current-Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

07/17/18



Legal Clerk

Subscribed and sworn before me this
10th of August 2018.



State of WI, County of Brown
NOTARY PUBLIC

9-19-21

My Commission Expires

Ad#:0001254765
P O : 8/9
of Affidavits :0.00

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

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on August 9, 2018, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appointed for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by July 30, 2018. Public documents, including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.

**STATE OF NEW MEXICO
TO:
All named parties and
persons
having any right, title,
interest
or claim in the following
case
and notice to the public.**

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

**To: All offset owners and
pooled parties, including
Sharbro Energy LLC
Yates Industries LLC; Eric
C. Moore, Personal
Representative for the
Estate of Mary Ellen
Hudson Taylor; Unknown
Successor Trustee of the
Hudson-Taylor Trust
dated December 3, 1998;
Yates Brothers, A**



Partnership.

Case No. 15023
(reopened):Application
of COG Operating LLC to
re-open Case No. 15023
to pool the interests of
additional mineral
owners under the terms
of Compulsory Pooling
Order R-13757, Eddy
County, New Mexico.
Applicant in the above-
styled cause seeks to
amend Division Order R-
13757 to include the
pooling of additional
mineral interests in the
Penasco Draw-San
Andres-Yes (Associated)
(Pool Code 50270)
consisting of the E/2 W/2
of Section 6, Township 19
South, Range 26 East,
NMPM, Eddy County, New
Mexico. Said unit is
dedicated to the
applicant's **Arabian 6 Fee**
No. 6H Well and is
located approximately 11
miles south of Artesia,
New Mexico.

July 17, 2018