### CASE NOS. 21219 and 21220

## APPLICATIONS OF COG OPERATING LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

### MEWBOURNE OIL COMPANY'S EXHIBIT LIST

- 1. Landman's Affidavit
- 2. Geologist's Affidavit
- 3. Engineer's Affidavit

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

APPLICATION OF COG OPERATING LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

Case No. 21219

APPLICATION OF COG OPERATING LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

Case No. 21220

#### **VERIFIED STATEMENT OF MITCH ROBB**

Mitch Robb, being duly sworn upon his oath, deposes and states:

- 1. I am a landman for Mewbourne Oil Company ("Mewbourne"), and have personal knowledge of the matters stated herein. I have been qualified by the Division as an expert petroleum landman.
  - 2. The land information involved in these cases is set forth below:
  - (a) Mewbourne has permitted wells in the Wolfcamp formation in the S/2 of Section 6, Township 25 South, Range 28 East, N.M.P.M. Mewbourne owns 100% of the working interest in the S/2 of Section 6. **Exhibit 1-A**.Mewbourne's approved APDs are marked as **Exhibit 1-B**.
  - (b) The N/2 of Section 6 is subject to a Joint Operating Agreement ("JOA"). **Exhibit 1-C**. Under that JOA Mewbourne has proposed four Wolfcamp wells. The AFEs for the wells are marked as **Exhibit 1-D**.
  - (c) A plat showing land ownership on Section 6 is marked as **Exhibit 1-E**. As a result of the foregoing, all of Section 6 is subject to voluntary development agreements and can be independently developed.
  - 3. The chronology of contacts between the parties is as follows
  - (a) Between July 1 and July 17, 2019, Mewbourne and Devon Energy Production Company, L.P. ("Devon") completed a trade whereby Mewbourne acquired Devon's interest in all of Section 6, Township 25 South, Range 28 East, N.M.P.M., effective June 1, 2019 as to the S/2 of Section 6 and July 1, 2019 as to the N/2 of Section 6.
  - (b) Between August 1 and August 5, 2019, COG and Mewbourne completed a trade whereby COG acquired all of Mewbourne's interest in the N/2 of Section6 and the W/2

**EXHIBIT** 

- of Section7, Township 25 South, Range 28 East, N.M.P.M. The effective date of the agreement was June 1, 2019
- (c) Multiple trade offers were proposed by the Parties, initiated by Mewbourne, between August 2019 and June 2020, all of which included Mewbourne's interest in Section 6. Two of the trade proposals received preliminary approval between both parties but were later declined due to COG's internal policies.
- (d) On January 23, 2020, COG sent well proposals and AFEs to working interest owners, including Mewbourne, for its Scout State wells in Sections 6, 7, and 18. COG then filed compulsory pooling applications for the subject wells on March 3, 2020.
- (e) On January 28, 2020, Mewbourne filed permits for its Pothole wells in the Wolfcamp formation in the S/2 of Section 6, Township 25 South, Range 28 East, N.M.P.M.
- (f) On March 2, 2020, COG sent an email outlining potential terms to be included in a letter agreement. Mewbourne replied to the email on March 3, 2020, agreeing to some of the terms and adding in comments/suggested revisions on others. Mewbourne never received a reply.
- (g) On June 17, 2020, Mewbourne sent well proposals and AFEs to working interest owners, including COG, for its Devon Fee wells in the N/2 of Section 6 under the existing JOA.
- 4. Mewbourne has been working with COG since August 2019 to resolve their differences in this area. Despite ongoing discussions, COG proposed its wells in late January 2020.On March 3, 2020, in an effort to show good faith, Mewbourne informed COG by e-mail that it would not commence operations earlier than May 1, 2020 so long as the parties were working toward a resolution of their differences. See e-mail from Corey Mitchell of Mewbourne to Sean Johnson of COG, marked as Exhibit 1-F. As of this date Mewbourne has not commenced operations on its wells.
- 5. There will be <u>no</u> stranded acreage in Sections 6, 7, and 18. As shown on **Exhibits 1-B and 1-D**, Mewbourne has proposed one mile Wolfcamp wells in Section 6, resulting in two mile units for COG wells comprised of Sections 7 and 18. These are all standard units in the Purple Sage-Wolfcamp Gas Pool, which will protect the correlative rights of all interest owners. There are no surface use restrictions which would prevent COG from locating its two mile wells on the north edge of Section 7, and drilling through Section 18.
- 6. In short, Mewbourne simply desires its acreage to be developed independently of COG's acreage to the south of Section 6.
- 7. The attachments to this affidavit were prepared by me, or compiled from Company business records.

8. Denying COG's applications is in the interests of conservation and the prevention of waste.

#### **VERIFICATION**

STATE OF TEXAS	)
	) ss.
COUNTY OF MIDLAND	)

Mitch Robb, being duly sworn upon his oath, deposes and states that: He is a landman for Mewbourne Oil Company; he is authorized to make this verification on its behalf; he has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of his knowledge, information, and belief.

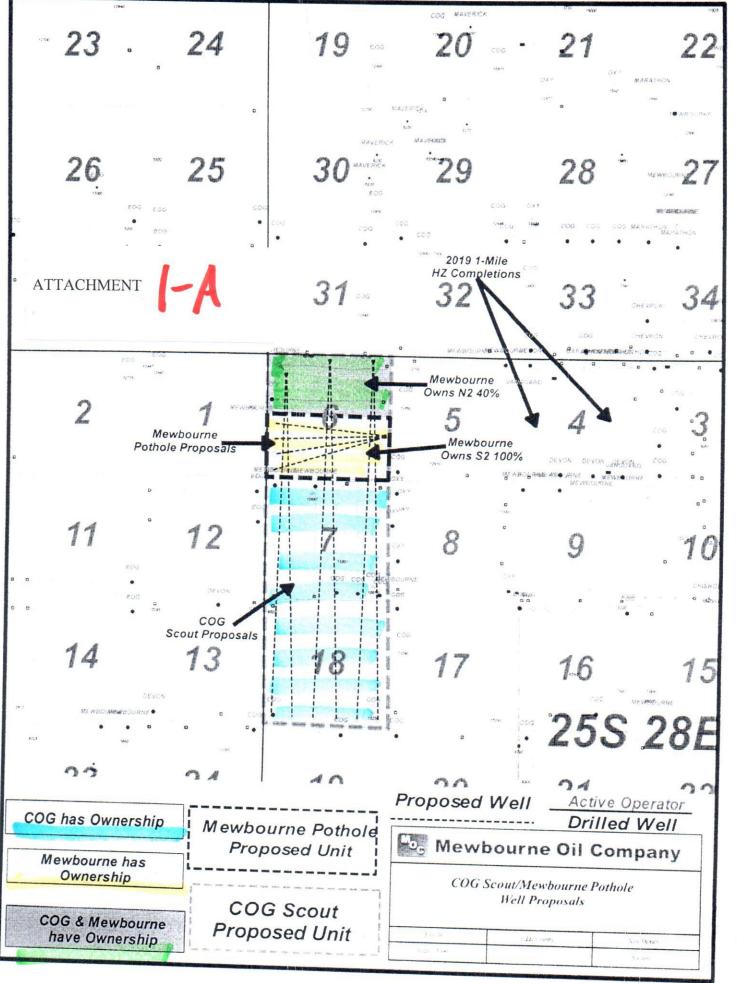
Mitch Robb

SUBSCRIBED AND SWORN TO before me this 18th day of June, 2020 by Mitch Robb.

My Commission Expires: Jan, 11 2022

Notary Public Kyksey

ALEJANDRA KIRKSEY Notary i0 #131406744 My Commission Expires January 11, 2022



District I

1625 N. French Dr., Hobbs, NM 88240 Phone.(575) 393-6161 Fax.(575) 393-0720

District II

B11 S. First St., Artesia, NM 88210. Phone (575) 748-1283 Fax: (575) 748-9720

District III 1000 Rio Brazos Rd., Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone (505) 476-3470 Fax (505) 476-3462

1. Operator Name and Address

State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

Form C-101 August 1, 2011

Permit 277645

APPLICATION FOR PERMIT TO DRIL	L, RE-ENTER, DEEP	EN, PLUGBACK, O	OR ADD A ZONE

P.O.	VBOURNE OIL O Box 5270	00					1	2 OGRID Number 14744	
Hobi	os, NM 88241							3. API Number 30-015-467	***
Property Code			5. Property Name					6. Well No.	43
327	162		POTHOLE 6	W1MP FEE				002H	
L-Lot	Continu	7-		7. 8	Surface Location				
1	Section 6	Township 25S	Range 28E	Lot Idn	Feet From 1820	N/S Line S	Feet From 20	E/W Line	County
	-			8. Propose	d Bottom Hole Local	ion			
- Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From		

98220

11. Work Type	12. Well Type	Additional Well In	formation	
New Well	GAS	13. Cable/Rotary	14. Lease Type Private	15. Ground Level Elevation
16 Multiple	17. Proposed Depth	18. Formation		3027
N	14245	Wolfcamp	19 Contractor	15 Ground Level Elevation 3027 20. Spud Date 2/27/2020 Distance to nearest surface water
Depth to Ground water				
		Distance from nearest fresh water	i lew i	Distance to nearest surface water
We will be using a closed	-loop system in lieu of lined pits			

Type			21. Proposed Casing a	and Cement Program		
0 1	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	
Sun	17.5	13.375	48	500	AUF.	Estimated TOC
Int1	12.25	9.625	36	2400	***************************************	0
Prod	8.75	7	26	9675	540	0
Liner1	6 125	4.5	12.5	9675	845	2200
			13.3	14245	215	0.034

Casing/Cement Program: Additional Comments

MOC proposed to drill & test the Wolfcamp formation. H2S rule 118 does not apply because MOC has researched the area & no high concentrations were found. Will have on location & working all H2S safety equiptment before Yates formation for safety & insurance purposes. Will stimulate as needed for production

Туре	22. Proposed Blowout Prev Working Pressure		MACO CONTRACTOR OF THE PARTY OF
Annular		Test Pressure	Manufacturer
Double Ram	5000	2500	Schaffer
Annular	5000	5000	Schaffer
	5000	2500	Schaffer

Kriowieuge and	have complied with 19.		d complete to the best of my K and/or 19.15.14.9 (B) NMAC		OIL CONSE	RVATION DIVISION
Printed Name	Electronically filed by	Monty Whetstone				
Title.	Vice President Opera		4 AM 1 44 14 14 14 14 14 14 14 14 14 14 14 1	Approved By:	Raymond Podany	the state of the s
Email Address:	prodmgr@mewbourr			Title:	Geologist	
Date	1/28/2020			Approved Date	2/13/2020	Expiration Date 2/13/2022
		I Phone 9	903-561-290G	Conditions of Ap	proval Attached	C-98 attori Date 2/13/2022



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 Rto Brazos 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

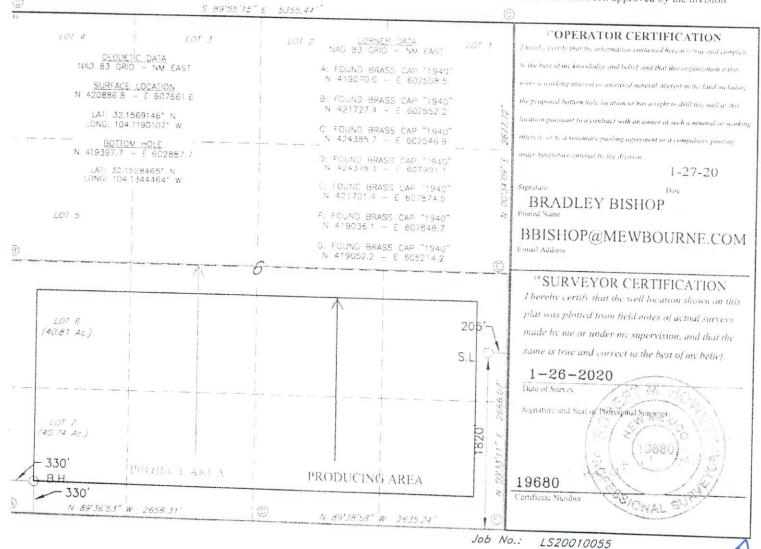
# State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

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

☐ AMENDED REPORT

	API Number		VELL LO	<sup>2</sup> Pool Code 98220	PURPLE SAGE; WOLFCAMP GAS POOI					
4Property Co				PO	5 Property Na OTHOLE 6 V	me			6 Well Number	
OGRID NO. 14744 MEWBOURNE OIL COMPANY									9 Elevation 3027'	
	10.				<sup>10</sup> Surface I	ocation				
UL or lot no.	Section 6	Township 25S	Range 28E	Lot Idn	Feet from the 1820	North/South line SOUTH	Feet From the	East/West line	County	
			11 E	Bottom H	ole Location	If Different Fro	om Surface		LIDD1	
UL or lot no.	Section 6	Township 25S	Range 28E	Lot Idn	Feet from the	North/South line SOUTH	Feet from the	East/West line	County	
7 2 Dedicated Acres 321.55			28E Consolidation (	Code 15 (	330 Order No.	SOUTH	330	WEST		

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division



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## State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

Form C-101 August 1, 2011

Permit 277647

1 Consider No.	me and Address	APPLICA"	TION FOR PE	RMIT	TO DRILL, R	E-ENTER, DE	EPE	N, PLUGBAC	K, OR AD	DAZC	DNE		
ME	WBOURNE OIL C Box 5270	0									GRID Number 14744		
	bs. NM 88241									3. AP	1 Number		
4. Property Coc	ie	16	. Property Name				******				30-015-467	42	
327	161			LE 6 W	W1LI FEE					6. We	6. Well No. 002H		
					7. St	urface Location	1						
JL - LOI	Section 6	Township 25S	Range 28	BE	Lot Idn	Feet From 188	)	N/S Line S	Feet From	205	E/W Line	County	
					8 Proposed	Bottom Hole L	o o n ti o						
JL - Lot	Section	Township	Range	-	Lot Idn	Feet From	ocatio	N/S Line	Feet From		E/W Line	County	
Ĺ	6	25\$	S 28E 6 1650 S 3							330	W	Edd	
					9. Pe	ool Information							
98220						98220	-						
					Addition	nal Well Informa	tion						
1. Work Type		12. Well Type		13.	Cable/Rotary	iai vven milorina	-	ease Type	116	C	Level Elevation		
	Weil	GA					1.7. 44	Private	10.		BO27		
6. Multiple N		17. Proposed	Depth 170	18.	18. Formation			ontractor	20	Spud Da			
Depth to Groun	d water	119	170	Diet	Wolfcamp  Distance from nearest fresh water well			2/27/2020					
				Dist	Distance from rearest fresh water well				tarice to	nearest surface water	or		
We will be u	ising a closed-lo	op system in lieu	of lined pits										
				2	1. Proposed Ca	asing and Com-							
Туре	Hote Size	Casir	ng Size	C	asing Weight/ft		etting [						
Surf	17.5	13.	375		48		500	THE RESERVE AND ADDRESS OF THE PARTY OF THE		of Cemen	1	Estimated TOC	
Int1	12.25	9.1	625		36		240	*****	***************************************	05		0	
Prod	8.75		7		26		960	-		40		0	
Liner1	6.125	4	.5		13.5		1417	the same and the s		35 15		2200	
				-						13		8900	
AOC propose	d to drill & test th	e Walframa form	ntion U20 - I-	Cas	ing/Cement Pro	ogram: Addition	nal Cor	mments					
working all I	H2S safety equip	e Wolfcamp form tment before Yate	es formation for	safety &	s not apply bed Linsurance pur	cause MOC has poses. Will stim	resear	rched the area is needed for p	& no high cor	centrat	tions were found.	Will have on lor	
					2. Proposed Blo								
	Туре			Works	ng Pressure	on out rieventi	on Pro	gram Test Press	-				
-	Annular				5000				ure			nufacturer	
	Double Ram				5000			2500			Sc	chaffer	
	Annular			-	5000			5000				chaffer	
								2500			Sc	chaffer	

KIIDWIEUGE allQ	I have complied with 19.		nd complete to the best of my  X and/or 19.15.14.9 (B) NMAC		OIL COM	NSERVATION DIVISION		
Printed Name:	Electronically filed by	Monty Whetstone		Approved By:	D			
Title:	Vice President Opera			-	Raymond Podany			
Email Address	prodmgr@mewbourn	ne com		Title.	Geologist			
Date	1/28/2020			Approved Date	2/13/2020	Expiration Date 2/13/2022		
ate 1/2	172072020	Phone	903-561-2900	Conditions of Ap				

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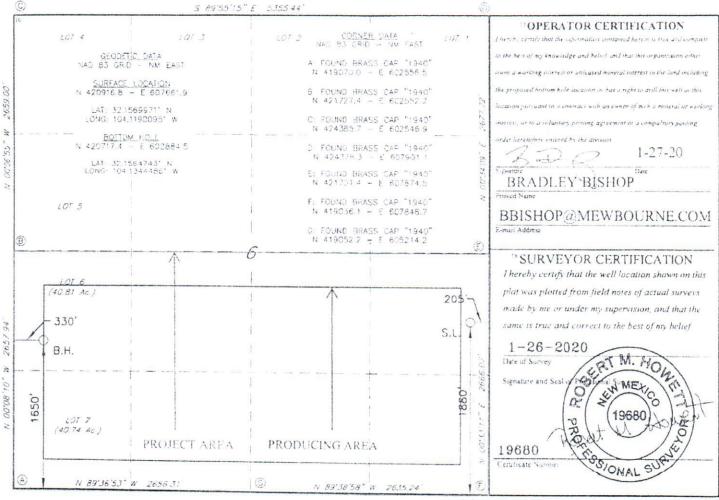
# State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT Pool Code API Number PURPLE SAGE; WOLFCAMP GAS POOL 98220 Well Number <sup>4</sup> Property Code 5 Property Name POTHOLE 6 WILI FEE 2H 7 OGRID NO 8 Operator Name Elevation 3027 MEWBOURNE OIL COMPANY 14744 "Surface Location East West line UL or lot no Section Township Range Lot Idn Feet from the North South line Feet From the County 25S EDDY I 6 28E 1880 SOUTH 205 EAST Bottom Hole Location If Different From Surface UL or lot no Lot Idn Feet from the Feet from the East/West line County Section Township Range North/South line 6 6 25S 28E 1650 SOUTH 330 WEST EDDY 12 Dedicated Acres 13 Joint or Infill 4 Consolidation Code 15 Order No 321.55

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.



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State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

Form C-101 August 1, 2011

Permit 277646

		APPLICATION	ON FOR PE	RMITT	O DRILL RE	ENTER DE	FPF	N, PLUGBAC	KORA	DD A	ZONE	
	NE and Address VBOURNE OIL CO Box 5270							.,, 2000/10		2	OGRID Number 14744	
	bs, NM 88241									3	. API Number 30-015-46	672
4. Property Code		5. F	roperty Name							6	Well No.	0/3
3270	090		РОТНО	LE 6 WO	MP FEE	-		-			001H	
	·				7. Su	rface Location						
UL - Lot	Section	Township	Range		Lot Idn	Feet From		N/S Line	Feet Fro	m	E/W Line	County
	6	258	28	SE	1	1850	)	S		205	E	Eday
					8. Proposed	Bottom Hole L	ocatio	on.				
UL - Lot	Section	Township	Range	-	Lot lan	Feet From	Ocarre	N/S Line	Feet From	m	E/W Line	County
M	6	25S	2	8E	7	99	0	S	1.00(110)	330	W	Eday
					9. Po	ol Information						
PURPLE SAG	E WOLFCAMP (G	AS)				of intomiation					98220	1
											130220	,
11. Work Type		12. Well Type		142.0	Addition: able/Rotary	al Well Informa						
	Well	GAS					14. L	ease Type Private		15. Gro	und Level Elevation 3027	
N		17. Proposed De 1410		18. F	ormation		19.0	Contractor		20. Spu		
Depth to Ground	d water	1710		Dista	Wolfcamp						2/27/2020	
				Dista	the from nearest i	resh water wed				Distance	to nearest surface w	ater
Type		p system in lieu o		21	Proposed Ca	sing and Ceme	ent Pr	ogram				
Surf	Hole Size	Casing 13.3		Ca	sing Weight/ft		etting	Depth	Sack	ks of Ce	ment	Estimated TOC
Int1	12.25	9.62			48		50			405		0
Prod	8.75	7	3		36 26		240			540		0
Liner1	6.125	4.5			13.5		962			840		2200
							141			215		8875
MOC propose	d to doll 8 tast to	Matter	Line .	Casi	ng/Cement Pro	gram: Addition	nal Co	mments				
& working all t	H2S safety equipt	ment before Yates	formation for	118 does safety &	not apply bed insurance purp	ause MOC has ooses, Will stim	resea ulate	arched the area as needed for p	& no high or roduction.	concer	trations were foun	d. Will have on location
						wout Preventi				-		
	Туре			Working	) Pressure	T		Test Press	sure		1	anufacturer
	Annular			5	000		-	2500		-		Schaffer
	Double Ram			5	000			5000	***************************************			Schaffer
	Annular			5	000			2500		-		Schaffer
23 I hereby co	rtify that the infer	natas au L									1	Conditor
mowieage and	u beller. y I have complied	mation given above I with 19.15.14.9 (A						(	OIL CONSE	RVAT	ON DIVISION	
Signature:												
Innted Name:	Electronical	y filed by Monty W	natetona									
itle:		ent Operations	incratorie			Approved E	By:	Raymond P	odany			
mail Address:	The state of the s	newbourne.com				Title		Geologist				
Date:	1/28/2020	newbourne.com	100 000			Approved [	ate	2/13/2020			Expiration Date: 2	13/2022
			Phone: 903	-561-29	00	Condition	s of A	pproval Attached	1	-		



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## State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

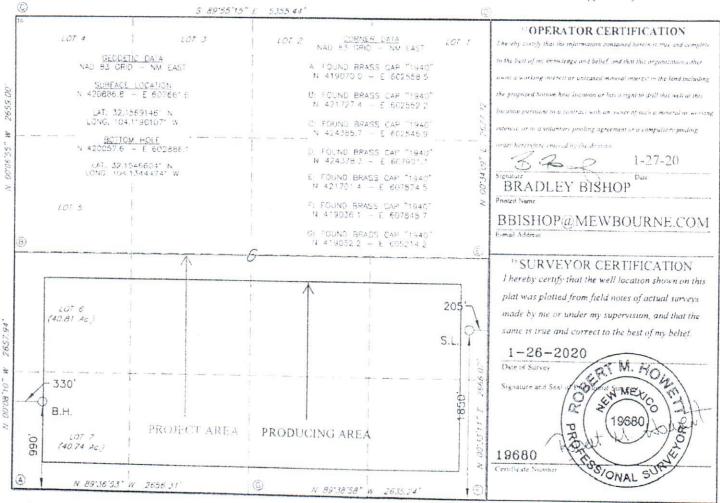
Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

	API Number			2 Pool Code			2 Pool Nan	ne			
				98220	)	PURPLE SAGE; WOLFCAMP GAS POOL					
<sup>4</sup> Property Co	ode			РО	Froperty Na THOLE 6		6 Well Number 1 H				
10GRID 147	69620			COMPANY	OMPANY 3027'						
					10 Surface I	Location					
UL or lot no I	Section 6	Township 25S	Range 28E	Lot Idn	Feet from the 1850	North/South line SOUTH	Feet From the 205	East/West line EAST	County EDDY		
			11 E	Bottom H	ole Location	If Different Fro	om Surface				
UL or lot no	Section 6	Township 25S	Range 28E	Lot idn	Feet from the	North/South line SOUTH	Feet from the	East/West line WEST	County EDDY		
2 Dedicated Acre 321.55			Consolidation	Code 15 C	990 Order No.	SOUTH	330	WEST	EDD		

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State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

Form C-101 August 1, 2011

Permit 277650

1 Constant No.	me and Address	APPLICA	TION FOR PE	RMIT	O DRILL, RE-E	NTER, DE	EPE	N, PLUGBAC	K. OR A	ADD A	ZONE		
MEV	me and Address WBOURNE OIL C . Box 5270										OGRID Number 14744		
	bs, NM 88241									3.	API Number		
4. Property Cod	ie		5. Property Name								30-015-467	41	
327	160			LE 6 WO	LIFEE					6	Well No.		
							-				001H		
UL - Lot	Section	Township	Range			ce Location							
1	6	25S	28	BE	Lot Idn Fe	et From 1910		N/S Line S	Feet Fr		E/W Line	County	
								1	1	205	E	Eddy	
UL - Lot	Section	Township	Range		8. Proposed Bo	ttom Hole L	ocatio						
LL	6	258	C C C C C C C C C C C C C C C C C C C	BE	6	231	0	N/S Line S	Feet Fr		E/W Line	County	
				-				3		330	W	Eddy	
PURPLE SAG	E.WOLFCAMP (C	AS)			9. Pool I	nformation							
											98220		
11. Work Type		12. Well Type			Additional V	Vell Informat	ion						
New	Well	G#	S	13. C	able/Rotary		14. Le	ase Type		15 Grou	Ground Level Elevation		
16. Multiple		17. Proposed	Depth	18. F	ormation		10.0	Private entractor			3027		
N Depth to Ground		14	070		Wolfcamp		19.00	ontractor		20. Spud			
Deptir to Ground	water			Distar	ice from nearest fresh	water well				Distance	2/27/2020 to nearest surface water		
X We will be u	sing a closed-loc	p system in lieu	of lined nite					TWO TO THE TOTAL PROPERTY OF THE TOTAL PROPE		0.0.0.00	to ribarest surface wall	er.	
		p system in net	of fined pits							Territoria de la constitución de		***************************************	
Туре	Hole Size	0		21.	Proposed Casing	and Ceme	nt Pro	gram					
Surf	17.5		g Size	Cas	sing Weight/ft					s of Can	Cement Estimated TOC		
Int1	12.25	THE RESERVE AND ADDRESS OF THE PARTY OF THE	625		48		500			405		0	
Prod	8.75	The second secon	7		36		2400	0		540		0	
Liner1	6.125		.5		13.5		9595	-		835		2200	
						1	1407			215		8845	
MOC proposed	d to drill & test the	Wolfcamp form	otion 1/20	Casir	g/Cement Progra	m: Addition	al Con	nments					
& working all F	12S safety equipt	ment before Yat	ation, F125 rule 1 as formation for s	18 does	not apply because insurance purpose	e MOC has i	resear	ched the area &	no high o	concent	rations were found	Will have on location	
						The second lead of the second le		10.00	duction.			The off tocallors	
	Type			22.	Proposed Blowou	ut Preventio	n Prog	gram			The second secon		
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				50	00			2500				haffer	
23. I hereby cer	tify that the inform	nation given abo	ve is true and cor	malatata	the book of						50	marier	
cnowledge and	f belief.		to trac and con	ripiete to	the best of my			OI	CONSE	RVATIO	N DIVISION		
K, if applicable	I have complied	with 19.15.14.9	(A) NMAC X an	d/or 19.1	15.14.9 (B) NMAC								
Signature:													
rinted Name	Electron's - II	fi di di											
itle	Vice Denn't	filed by Monty	Vhetstone			Approved By	-	Raymond Por	dany				
mail Address.		nt Operations ewbourne.com				Title.		Geologist	исту				
Date	1/28/2020	ewbourne.com				Approved Da	te	2/13/2020			Expiration Data 2/42		
and the same of th	The WELL		1000				1011				hamiration Data 3/43	(2)222	

Conditions of Approval Attached

Phone: 903-561-2900

Expiration Date 2/13/2022

District I
1025 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 Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 314-6170
District IV.
1220 S St. Francis Dr., Santa Fe, NM 87305
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, NM 87505

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

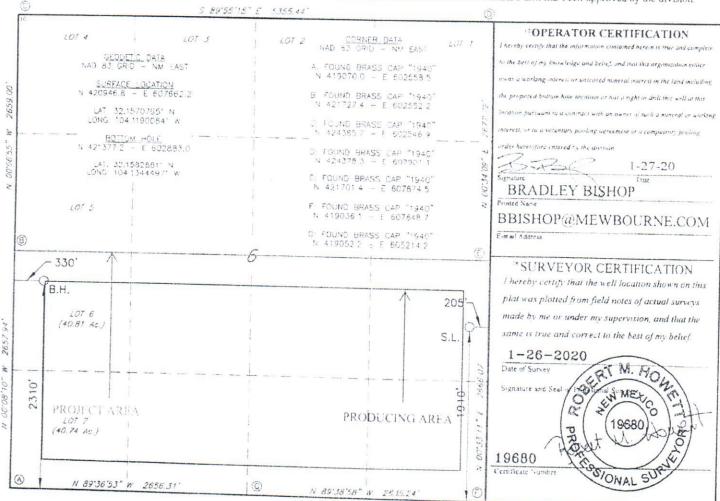
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	<sup>2</sup> Pool Code 98220	PURPLE SAGE; WOLFCAMP GAS POOI		
4 Property Code		6 WOLI FEE	6 Well Number	
70GRID NO 14744		oil company	<sup>9</sup> Elevation 3027'	

UL or lot no	Section 6	Township 25S	Range 28E	Lot Idn	Feet from the 1910	North/South line SOUTH	Feet From the 205	East/West line EAST	County EDDY
			11 F	Bottom H	ole Location	If Different Fro	om Surface		
UL or lot no	Section 6	Township 25S	Range 28E	Lot Idn	Feet from the 2310	North/South line SOUTH	Feet from the	East/West line WEST	County
Dedicated Acres	13 Joint	or Infill :4 (	Consolidation	Code 15 C	drder No		1		CODI

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.



#### A.A.P.L. FORM 610-1982

## MODEL FORM OPERATING AGREEMENT

#### OPERATING AGREEMENT

DATED

February 15 , 2005 ,

OPERATOR Occidental Perm	ian Ltd.		
CONTRACT AREA See Exhibi	t "A"		Ø.
			•
COUNTY OR PARISH OF	Eddy	STATE OF	New Mexico

COPYRIGHT 1982 – ALL RIGHTS RESERVED AMERICAN ASSOCIATION OF PETROLEUM LANDMEN, 4100 FOSSIL CREEK BLVD., FORT WORTH, TEXAS, 76137-2791, APPROVED FORM. A.A.P.L. NO. 610 – 1982 REVISED

ATTACHMENT /- C



	OPERATING AGREEMENT
	THIS AGREEMENT, cotered into by and between Occidental Permian Ltd.
	harden for dealers and a second secon
	s referred to as "Operator", and the signatory party or parties other than Operator, sometimes hereinafter referred to individually herein
	s as "Non-Operator", and collectively as "Non-Operators".
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1:	and agreement to explore and develop these leases and/or ou and gas interests for the
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17	THE TOTAL PROPERTY OF THE PROP
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21	and an other Education of Sas, control said an other Education bydrocarbons
22	B. The terms "oil and gas lease", "lease" and "leasehold" shall mean the oil and gas leases covering tracts of land
23	lying within the Contract Area which are owned by the parties to this agreement.
24	C. The term "oil and gas interests" shall mean unleased fee and mineral interests in tracts of land lying within the Contract Area which are owned by parties to this agreement.
26	D. The term "Contract Area" shall mean all of the lands, oil and gas leasthold interests and oil and was interests interests interests interests.
27	developed and operated for oil and gas purposes under this agreement. Such lands, oil and gas leasehold interests and oil and gas interests
28	are described in Exhibit "A".
30	E. The term "drilling unit" shall mean the area fixed for the drilling of one well by order or rule of any state or federal body having authority. If a drilling unit is not fixed by any such rule or order, a drilling unit shall be the drilling unit as establish-
31	ed by the pattern of drilling in the Contract Area or as fixed by express agreement of the Drilling Parties.
32	F. The term "drillsite" shall mean the oil and gas lease or interest on which a proposed well is to be located.
33	G. The terms "Drilling Party" and "Consenting Party" shall mean a party who agrees to join in and pay its share of the cost of any operation conducted under the provisions of this agreement.
35	H. The terms "Non-Drilling Party" and "Non-Consenting Party" shall mean a party who elects not to participate
	in a proposed operation.
37	Halare the context athenules about 1-41-
	Unless the context otherwise clearly indicates, words used in the singular include the plural, the plural includes the singular, and the neuter geoder includes the masculine and the feminine.
40	
41	ARTICLE II.
43	EXHIBITS
44	The following exhibits, as indicated below and attached hereto, are incorporated in and made a part hereof:
	A. Exhibit "A", shall include the following information:
46	<ol> <li>Identification of lands subject to this agreement,</li> <li>Restrictions, if any, as to depths, formations, or substances,</li> </ol>
48	(3) Percentages or fractional interests of parties to this agreement,
49	(4) Oil and gas leases and/or oil and gas interests subject to this agreement,
50	(5) Addresses of parties for notice purposes.  Zi B. Exhibit "B", Form of Lease.
52	The state of the s
53	D. Exhibit "D", Insurance.
55	
56	The begregated a country.
57	If any provision of any exhibit, except Exhibits "E" and "G", is inconsistent with any provision contained in the body
58	of this agreement, the provisions in the body of this agreement shall prevail.
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#### 000484

#### A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1982

1	ARTICLE XVI.	
2	MISCELLANEOUS	
3	This agreement shall be binding upon and shall inure to the benefit of the parties hereto and to their respective heirs, devisees,	
5		
6		
7	This instrument may be executed in any number of counterparts, each of which shall be considered an original for all purposes,	
8		
9		
11		
12	who has prepared and circulated this form for execution, represents and warrants that the form was printed from and I than the changes clearly indicated in the test. APL Form 610-1982 Model Form Operating Agreement, as	
13		
14	have been mode to the form.	
15		
16	OPERATOR	
18	community of the street	
19	2 Conidate Paris Maria 16 Court P.	#
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- 15 -

#### EXHIBIT "A" REVISED June 13, 2005

Attached to that certain Operating Agreement dated February 15, 2005, by and between Occidental Permian Ltd., as Operator, and Devon Energy Production Company, L.P., as Non-Operator.

#### IDENTIFICATION OF LANDS SUBJECT TO THIS AGREEMENT:

All of Sections 1, 12 and 13-T25S-R27E All of Sections 5, 6, 7, 8, 17 and 18-T25S-R28E Eddy County, New Mexico

RESTRICTIONS, IF ANY, AS TO DEPTHS, FORMATIONS, OR SUBSTANCES:

PERCENTAGES OR FRACTIONAL INTERESTS AND ADDRESSES OF PARTIES 3. TO THIS AGREEMENT:

Devon Energy Production Company, L.P. 20 North Broadway Oklahoma City, OK 73102

40.00%

60.00%

Occidental Permian Ltd.

P. O. Box 4294 Houston, TX 77210-4284

100.00%

#### OIL AND GAS LEASES AND OIL AND GAS INTERESTS SUBJECT TO THIS AGREEMENT:

Lease committed by Occidental Permian Ltd.

Lessor:

Devon Energy Production Company, L.P.

Lessee:

Occidental Permian Ltd. January 13, 2005

Date: Expiration:

January 13, 2008

Description:

Township 25 South, Range 27 East Section 1: E/2 SE/4

Section 13: NE/4; SE/4 NW/4

Township 25 South, Range 28 East

Section 5: SW/4

Section 6: N/2

Section 8: All

Section 17: SW/4; S/2 NW/4; SW/4 NE/4

Section 18: NW/4; SE/4

All in Eddy County, New Mexico

Lessor Royalty:

20% None

Other Burdens:

Oil and Gas Interest Committed by Devon Energy Production Company, L.P.

40% Unleased, undivided mineral interest covering the following:

Township 25 South, Range 27 East Section 1: E/2 SE/4 Section 13: NE/4; SE/4 NW/4

Township 25 South, Range 28 East Section 5: SW/4 Section 6: N/2 Section 8: All Section 17: SW/4; S/2 NW/4; SW/4 NE/4 Section 18: NW/4; SE/4

All in Eddy County, New Mexico

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20 North Broadway Oklahoma City, OK 73102

Occidental Permian Ltd.

60.00%

40.00%

P. O. Box 4294 Houston, TX 77210-4284

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Township 25 South, Range 27 East

Section 1: E/2 SE/4

Section 13: NE/4; SW/4 NW/4

Township 25 South, Range 28 East

Section 5: SW/4

Section 6: N/2 Section 8: All

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Township 25 South, Range 28 East Section 5: SW/4 Section 6: N/2 Section 8: All Section 17: SW/4; S/2 NW/4; SW/4 NE/4 Section 18: NW/4; SE/4

All in Eddy County, New Mexico

AUTHORIZATION FOR EXPENDITURE

ocation: SL: 700 FNL & 185 FEL; BHL: 1650 FNL & 330 FWL	ounty:	Eddy	a della dell	ST: N
Sec. 6 Blk: Survey: TWP: 25S	<b>国际报告》第5</b>	28E Prop. T	VD: 9245	TMD: 1388
INTANGIBLE COSTS 0180	1	The Active State of the State o		- Carrier - Carr
egulatory Permits & Surveys	0180-01		CODE 00 0180-0200	CC
ocation / Road / Site / Preparation	0180-01		00 0180-0200	
ocation / Restoration	0180-01		00 0180-0206	
aywork / Turnkey / Footage Drilling 16 days drlg / 3 days comp @ \$19500/d	0180-01			
uel 1700 gal/day @ \$1.10/gal	0180-01			
lud, Chemical & Additives	0180-01			
orizontal Drillout Services		4,00,00	0180-0222	
ementing	0180-01	25 \$90,00		
ogging & Wireline Services	0180-01			
asing / Tubing / Snubbing Service	0180-01			
lud Logging	0180-01			400
timulation 38 Stg 11.4 MM gal / 11.4 MM lb			0180-0241	\$1,109
timulation Rentals & Other			0180-0242	
/ater & Other	0180-01	45 \$40,00		\$203
its	0180-01			
spection & Repair Services	0180-01			
isc. Air & Pumping Services	0180-01		0180-0254	
esting & Flowback Services	0180-01		_	
ompletion / Workover Rig			0180-0260	
g Mobilization	0180-01	64 \$150,00		W10
ansportation	0180-01		0 0180-0265	\$35
elding Services	0180-01			
ntract Services & Supervision	0180-01	1.0.1.0.0		
rectional Services Includes Vertical Control	0180-01			422
uipment Rental	0180-01		0 0180-0280	\$7
ell / Lease Legal	0180-01		0 0180-0284	
eli / Lease Insurance	0180-01			
angible Supplies	0180-01			\$10
amages	0180-01	The second secon	0 0180-0290	\$20
W & Easements	0180-01		0180-0290	
peline Interconnect	0100 01	02	0180-0292	54
mpany Supervision	0180-01	95 \$91,20		670
erhead Fixed Rate	0180-019			\$72
ell Abandonment	0180-01		0180-0298	\$20
ntingencies 2% (TCP) 2% (CC)	0180-019			***
	0100-013			\$50
TANCIPLE COSTO		\$1,795,40	4	\$2,562
TANGIBLE COSTS 0181				
Ising (19.1" - 30") Ising (10.1" - 19.0") 450' - 13.3/8" 54.5# 1.55.578.C @ \$22.46#	0181-079	93		
	0181-079	\$15,50	0	
	0181-079	\$62,80	0	
	0181-079	\$220,190	0	
10.561-110 00-14 (0.311.75/11			0181-0797	\$66
bing 8840' - 2 7/8" 6.5# L-80 Tbg @ \$4.54/ft			0181-0798	\$42
bing Head & Upper Section	0181-086	\$40,000		
rizontal Completion Tools Completion Liner Hanger			0181-0870	\$30
cker Rods			0181-0871	\$47
surface Equipment Packer			0181-0875	
F : 11:00 :			0181-0880	\$10
ncial Lift Systems Gas Lift Valves			0181-0884	\$15
f D 0 D: 11			0181-0885	Ţ.0
in Oil			0181-0886	\$32
174 - 6 - 750 01			0181-0890	\$40.
174-0-130 441			0181-0891	\$32
T			0181-0895	\$100,
ering Equipment			0181-0897	\$26,
Pipe & Valves - Gathering			0181-0898	\$15
			0181-0900	\$15,
ngs / Valves & Accessories		-	0181-0906	\$90.
mc. datomation			0181-0908	\$58,
trical Installation			0181-0909	\$38,
ipment Installation		1	0181-0910	\$50,
line Construction			0181-0920	\$25,
TOTAL		(****		Ψ23,
TOTAL		\$338,490		\$732,
SUBTOTAL		\$2,133,894		\$3,294,
TOTAL WELL COST				+0,234,
I elect to be covered by Operator's Extra Expense Insurance and pay my proportion Operator has secured Extra Expense Insurance covering costs of well control, clean up a I elect to purchase my own well control insurance policy.	ind redrillin	() 表现于大型。	28,534 ine Item 0180	-0185.
er pox is checked above, non-operating working interest owner closes to be a second	urance.			
morest owner elects to be covered by Operator's well control ins		***		
her box is checked above, non-operating working interest owner elects to be covered by Operator's well control ins  Prepared by:  T. Cude		กวก		
Prepared by: T. Cude Date:	6/15/2	020		
Prepared by:				
Prepared by: T. Cude Date:	6/15/20			





Davierd. 01/21/2010

Ocation: SI : 670 ENI 9 495 ET		DEVON FEE 6		
	County:	Eddy		ST: N
Sec. 6 Blk: Survey: TWP: 25S	RNG	: 28E Prop. 1	VD: 9370	TMD: 1397
INTANGIBLE COSTS 0180	COD	E TOD	0005	A STATE OF THE PARTY OF THE PAR
Regulatory Permits & Surveys	0180-0		CODE 00 0180-0200	CC
ocation / Road / Site / Preparation	0180-0		00 0180-0200	\$20
ocation / Restoration	0180-0	7-0-1-		\$38
Daywork / Turnkey / Footage Drilling 16 days drig / 3 days comp @ \$19500/d	0180-0			\$62
ruel 1700 gal/day @ \$1.10/gal /lud, Chemical & Additives	0180-0			\$98
orizontal Drillout Services	0180-0	120 \$150,0		
ementing			0180-0222	\$120
ogging & Wireline Services	0180-0			\$20
asing / Tubing / Snubbing Service	0180-0			\$296
ud Logging	0180-0			\$80
imulation 38 Stg 11.4 MM gal / 11.4 MM lb	0100-0	\$30,0	0180-0241	£1.100
timulation Rentals & Other			0180-0241	\$1,109 \$200
ater & Other	0180-0	45 \$40,0		\$200
spection & Repair Services	0180-01	48 \$83,30	00 0180-0248	\$4
isc. Air & Pumping Services	0180-01	50 \$40,00	00 0180-0250	\$5
sting & Flowback Services	0180-01	54	0180-0254	\$10
ompletion / Workover Rig	0180-01	58 \$15,00	00 0180-0258	\$30
g Mobilization			0180-0260	\$10
ansportation	0180-01			
elding Services	0180-01	400101		\$35
ntract Services & Supervision	0180-01			\$15
rectional Services Includes Vertical Control	0180-01		00 0180-0270	\$22
uipment Rental	0180-01		00 0180-0280	
ell / Lease Legal	0180-01		00 0180-0284	\$7
ell / Lease Insurance	0180-01	40,00	00 0180-0284	
angible Supplies	0180-01			\$10
mages W & Easements	0180-01			\$20
peline Interconnect	0180-01		0180-0292	\$4
mpany Supervision			0180-0293	
erhead Fixed Rate	0180-01		00 0180-0295	\$72
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TANCIPLE COOTS AND		\$1,795,40	14	\$2,562
TANGIBLE COSTS 0181				
1 110 111	0181-07			
Ising (10.1" - 19.0") 450' - 13 3/8" 54.5# J-55 ST&C @ \$32.16/ft Ising (8.1" - 10.0") 2400' - 9 5/8" 40# N-80 LT&C @ \$24.48/ft	0181-07			
Sing (6.1" - 8.0") 9740' - 7" 29# HCP-110 LT&C @ \$21.5/#	0181-079		_	
5300' - 4 1/2" 13.5# P-110 BPN @ \$11 75/ft	0181-079	\$223,60		
8990' - 2 7/8" 6.5# L-80 Tbg @ \$4 54/ft			0181-0797	\$66
iling Head	0181-086	\$40,00		\$43
bing Head & Upper Section		Ψ40,00	0181-0870	\$30
rizontal Completion Tools Completion Liner Hanger			0181-0871	\$47
services Facility			0181-0875	947
ficial Life Control			0181-0880	\$10.
nping Unit Gas Lift Valves			0181-0884	\$15.
face Pumps & Prime Movers pumps/VRU			0181-0885	4.0
ks - Oil 1/4 - 8 - 750 OT			0181-0886	\$32,
ks - Water 1/4 - 6 - 750 WT			0181-0890	\$40,
aration / Treating Equipment 1/4-1000GB/3-36"v15-1000#/3-20-40-4000#/3			0181-0891	\$32,
ter Treaters, Line Heaters 8x20x75 HT			0181-0895	\$100,
			0181-0897	\$26,
ering Equipment	No.		0181-0898	\$15,
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ering Equipment Pipe & Valves - Gathering ngs / Valves & Accessories			0181-0908	\$58.
ering Equipment Pipe & Valves - Gathering ngs / Valves & Accessories nodic Protection inc. automation		1	0181-0909	\$38,
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ering Equipment Pipe & Valves - Gathering ngs / Valves & Accessories nodic Protection inc. automation trical Installation			0181-0909	\$50
ering Equipment Pipe & Valves - Gathering ngs / Valves & Accessories nodic Protection inc. automation trical Installation			+	
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ering Equipment Pipe & Valves - Gathering ngs / Valves & Accessories nodic Protection inc. automation trical Installation pment Installation line Construction  TOTAL		\$341,900	0181-0910 0181-0920	\$25,0 \$733,
ering Equipment Pipe & Valves - Gathering pgs / Valves & Accessories rodic Protection inc. automation erical Installation pment Installation line Construction  TOTAL SUBTOTAL		\$341,900 \$2,137,304	0181-0910 0181-0920	\$25,0 \$733,
Pring Equipment Pripe & Valves - Gathering Pripe & Valves - Accessories Odic Protection inc. automation Prical Installation Prical Installation Ine Construction  TOTAL  SUBTOTAL  Expense Insurance  I elect to be covered by Operator's Extra Expense Insurance and pay my proportion Operator has secured Extra Expense Insurance covering costs of well control, clean up a	ate share	\$2,137,304 \$5,4	0181-0920	\$25,( \$733, \$3,295,
ering Equipment Pipe & Valves - Gathering ngs / Valves & Accessories nodic Protection inc. automation trical Installation pment Installation line Construction  TOTAL  SUBTOTAL  TOTAL WELL COST  Expense Insurance  I elect to be covered by Operator's Extra Expense Insurance and pay my proportion Operator has secured Extra Expense Insurance covering costs of well control, clean up a I elect to purchase my own well control insurance policy.  Prepared by:  T. Cutto	nd redrillin	\$2,137,304 \$5,4 of the premium. g as estimated in L	0181-0920	\$25,( \$733, \$3,295,
ering Equipment Pipe & Valves - Gathering ngs / Valves & Accessories nodic Protection inc. automation trical Installation pment Installation line Construction  TOTAL  SUBTOTAL  TOTAL WELL COST  Expense Insurance  I elect to be covered by Operator's Extra Expense Insurance and pay my proportion Operator has secured Extra Expense Insurance covering costs of well control, clean up a I elect to purchase my own well control insurance policy.  Prepared by:  T. Cude  Date:	nd redrillin	\$2,137,304 \$5,4 of the premium. g as estimated in L	0181-0920	\$25,( \$733, \$3,295,
Expense Insurance  Lelect to be covered by Operator's Extra Expense Insurance and pay my proportion Operator has secured Extra Expense Insurance policy.	nd redrillin	\$2,137,304 \$5,4 of the premium. g as estimated in L	0181-0920	\$25, \$733, \$3,295,



AUTHORIZATION FOR EXPENDITURE

Location: SL: 640 FNL & 185 FEL; BHL: 330 FNL & 330 FWL	Pros	spect: DEV	ON FEE 6		
	C	ounty: Edd	/		ST: N
Sec. 6 Blk: Survey: TWP:	258	RNG: 2	BE Prop. T	/D: 9245	TMD: 1388
INTANGIBLE COSTS 0180		CODE	TCP	CODE	00
egulatory Permits & Surveys		0180-0100		0 0180-0200	CC
ocation / Road / Site / Preparation		0180-0105	\$50,00		\$2
ocation / Restoration		0180-0106		0 0180-0206	\$3
aywork / Turnkey / Footage Drilling 16 days drlg / 3 days comp @ \$19500/d		0180-0110		0 0180-0210	\$6:
uel 1700 gal/day @ \$1.10/gal		0180-0114		0 0180-0210	\$9
Aud, Chemical & Additives		0180-0120	\$150,00		\$9
orizontal Drillout Services			7.00,00	0180-0222	\$12
ementing		0180-0125	\$90.00	0 0180-0225	\$2
ogging & Wireline Services		0180-0130		0 0180-0230	\$29
asing / Tubing / Snubbing Service		0180-0134		0 0180-0234	\$80
lud Logging		0180-0137	\$30,00		401
timulation 38 Stg 11.4 MM gal / 11.4 MM lb				0180-0241	\$1,109
timulation Rentals & Other				0180-0242	\$200
later & Other		0180-0145	\$40,00		\$203
ts		0180-0148	\$83,30		\$4
spection & Repair Services		0180-0150	\$40,000		\$5
sc. Air & Pumping Services		0180-0154	4.0,00	0180-0254	\$10
sting & Flowback Services		0180-0158	\$15,000		\$30
ompletion / Workover Rig		0.000	Ψ10,000		
g Mobilization		0180-0164	\$150,000	0180-0260	\$10
ansportation		0180-0165		0 0180-0265	A.C.
elding Services		0180-0168			\$35
ntract Services & Supervision		0180-0168	\$5,000		\$15
rectional Services Includes Vertical Control			\$28,500		\$22
uipment Rental		0180-0175	\$175,000		
ell / Lease Legal		0180-0180		0180-0280	\$7
ell / Lease Insurance		0180-0184		0180-0284	
angible Supplies		0180-0185		0180-0285	
mages		0180-0188	\$8,000	0180-0288	\$10
W & Easements		0180-0190	\$30,000	0180-0290	\$20
eline Interconnect		0180-0192		0180-0292	\$4
mpany Supervision				0180-0293	
erhead Fixed Rate		0180-0195	\$91,200	0180-0295	\$72
ell Abandonment		0180-0196	\$10,000	0180-0296	\$20
		0180-0198		0180-0298	7
ntingencies 2% (TCP) 2% (CC)		0180-0199	\$35,204	0180-0299	\$50
T	OTAL		\$1,795,404		\$2,562
TANGIBLE COSTS 0181					
sing (19.1" - 30")		0181-0793		1	
sing (10.1" - 19.0") 450' - 13 3/8" 54.5# J-55 ST&C @ \$32.16/ft		0181-0794	\$15,500		
Ising (8.1" - 10.0") 2400' - 9 5/8" 40# N-80 LT&C @ \$24.48/ft		0181-0795	\$62,800		
sing (6.1" - 8.0") 9590' - 7" 29# HCP-110 LT&C @ \$21.5/ft		0181-0796	\$220,190		
sing (4.1" - 6.0") 5300' - 4 1/2" 13.5# P-110 BPN @ \$11.75/ft		0101-0750	\$220,190		
8840' - 2 7/8" 6.5# L-80 Tha @ \$4 54/ft				0181-0797	\$66
ling Head		0181-0860	\$40,000	0181-0798	\$42
ping Head & Upper Section		0101-0000	\$40,000		
izontal Completion Tools Completion Liner Hanger				0181-0870	\$30
ker Rods				0181-0871	\$47
surface Equipment Packer				0181-0875	
icial Lift Systems Gas Lift Valves				0181-0880	\$10
nping Unit				0181-0884	\$15
				0181-0885	
ace Pumps & Prime Movers				0181-0886	\$32,
to Oil				0404 0000	\$40.
ks - Oil 1/4 - 8 - 750 OT				0181-0890	Ψ+0,
(S - Oil 1/4 - 8 - 750 OT (S - Water 1/4 - 6 - 750 WT				0181-0890	
cs - Oil 1/4 - 8 - 750 OT cs - Water 1/4 - 6 - 750 WT aration / Treating Equipment 1/4-1000GB/3-36"x15x1000#/3-30x10x1000#/Flar	e/VRT				\$32,
xs - Oil 1/4 - 8 - 750 OT xs - Water 1/4 - 6 - 750 WT aration / Treating Equipment 1/4-1000GB/3-36"x15x1000#/3-30x10x1000#/Flar ter Treaters, Line Heaters 8x20x75 HT	e/VRT			0181-0891	\$32, \$100,
ks - Oil 1/4 - 8 - 750 OT ks - Water 1/4 - 6 - 750 WT aration / Treating Equipment 1/4-1000GB/3-36"x15x1000#/3-30x10x1000#/Flar ter Treaters, Line Heaters 8x20x75 HT ering Equipment	e/VRT			0181-0891 0181-0895	\$32, \$100, \$26,
xs - Oil 1/4 - 8 - 750 OT xs - Water 1/4 - 6 - 750 WT aration / Treating Equipment 1/4-1000GB/3-36"x15x1000#/3-30x10x1000#/Flar ter Treaters, Line Heaters 8x20x75 HT Pipe & Valves - Gathering	e/VRT			0181-0891 0181-0895 0181-0897	\$32, \$100, \$26, \$15,
14 - 8 - 750 OT     1/4 - 8 - 750 OT	e/VRT			0181-0891 0181-0895 0181-0897 0181-0898	\$32 \$100 \$26, \$15, \$15,
ks - Oil 1/4 - 8 - 750 OT ks - Water 1/4 - 6 - 750 WT aration / Treating Equipment 1/4-1000GB/3-36"x15x1000#/3-30x10x1000#/Flar ter Treaters, Line Heaters 8x20x75 HT ering Equipment Pipe & Valves - Gathering ngs / Valves & Accessories lodic Protection inc. automation	e/VRT			0181-0891 0181-0895 0181-0897 0181-0898 0181-0900 0181-0906	\$32, \$100, \$26, \$15, \$15,
ks - Oil 1/4 - 8 - 750 OT ks - Water 1/4 - 6 - 750 WT aration / Treating Equipment 1/4-1000GB/3-36"x15x1000#/3-30x10x1000#/Flar ter Treaters, Line Heaters 8x20x75 HT erring Equipment Pipe & Valves - Gathering ngs / Valves & Accessories lodic Protection inc. automation trical Installation	e/VRT			0181-0891 0181-0895 0181-0897 0181-0898 0181-0900 0181-0906 0181-0908	\$32, \$100, \$26, \$15, \$15, \$90, \$58,
ks - Oil 1/4 - 8 - 750 OT ks - Water 1/4 - 6 - 750 WT aration / Treating Equipment 1/4-1000GB/3-36"x15x1000#/3-30x10x1000#/Flar ter Treaters, Line Heaters 8x20x75 HT ering Equipment Pipe & Valves - Gathering ngs / Valves & Accessories nodic Protection inc. automation trical Installation	e/VRT			0181-0891 0181-0895 0181-0897 0181-0898 0181-0900 0181-0906 0181-0908 0181-0909	\$32, \$100, \$26, \$15, \$15, \$90, \$58,
ks - Oil 1/4 - 8 - 750 OT ks - Water 1/4 - 6 - 750 WT aration / Treating Equipment 1/4-1000GB/3-36"x15x1000#/3-30x10x1000#/Flar ter Treaters, Line Heaters 8x20x75 HT ering Equipment Pipe & Valves - Gathering ngs / Valves & Accessories nodic Protection inc. automation trical Installation	e/VRT			0181-0891 0181-0895 0181-0897 0181-0898 0181-0900 0181-0906 0181-0908 0181-0909 0181-0910	\$32, \$100, \$26, \$15, \$15, \$90, \$58, \$38,
xs - Oil 1/4 - 8 - 750 OT xs - Water 1/4 - 6 - 750 WT aration / Treating Equipment 1/4-1000GB/3-36"x15x1000#/3-30x10x1000#/Flar ter Treaters, Line Heaters 8x20x75 HT ering Equipment Pipe & Valves - Gathering engs / Valves & Accessories endic Protection inc. automation erical Installation pment Installation iline Construction				0181-0891 0181-0895 0181-0897 0181-0898 0181-0900 0181-0906 0181-0908 0181-0909	\$32, \$100, \$26, \$15, \$15, \$90, \$58,
ks - Oil 1/4 - 8 - 750 OT ks - Water 1/4 - 6 - 750 WT aration / Treating Equipment 1/4-1000GB/3-36"x15x1000#/3-30x10x1000#/Flar ter Treaters, Line Heaters 8x20x75 HT ering Equipment Pipe & Valves - Gathering ngs / Valves & Accessories lodic Protection inc. automation prical Installation pment Installation line Construction  TC	)TAL		\$338,490	0181-0891 0181-0895 0181-0897 0181-0898 0181-0900 0181-0906 0181-0908 0181-0909 0181-0910	\$32, \$100, \$26, \$15, \$15, \$90, \$58, \$38, \$50,
cs - Oil 1/4 - 8 - 750 OT cs - Water 1/4 - 6 - 750 WT dration / Treating Equipment 1/4-1000GB/3-36"x15x1000#/3-30x10x1000#/Flar ter Treaters, Line Heaters 8x20x75 HT ering Equipment Pipe & Valves - Gathering erings / Valves & Accessories odic Protection inc. automation erical Installation prenent Installation line Construction	)TAL		\$338,490 \$2,133,894	0181-0891 0181-0895 0181-0897 0181-0898 0181-0900 0181-0906 0181-0908 0181-0909 0181-0910	\$32, \$100, \$26, \$15, \$90, \$58, \$58, \$50, \$25,
nks - Oil 1/4 - 8 - 750 OT nks - Water 1/4 - 6 - 750 WT aration / Treating Equipment 1/4-1000GB/3-36"x15x1000#/3-30x10x1000#/Flar ater Treaters, Line Heaters 8x20x75 HT tering Equipment e Pipe & Valves - Gathering ings / Valves & Accessories hodic Protection inc. automation ctrical Installation eline Construction	)TAL			0181-0891 0181-0895 0181-0897 0181-0898 0181-0900 0181-0906 0181-0908 0181-0909 0181-0910	\$32 \$100 \$26 \$15 \$15 \$90 \$58, \$38, \$50, \$25,
ss - Oil 114 - 8 - 750 OT ss - Water 1/4 - 6 - 750 WT ration / Treating Equipment 1/4-1000GB/3-36"x15x1000#/3-30x10x1000#/Flar ter Treaters, Line Heaters 8x20x75 HT ring Equipment Pipe & Valves - Gathering rings / Valves & Accessories odic Protection inc. automation rical Installation pment Installation ine Construction  TOTAL WELL COS  Expense Insurance  I elect to be covered by Operator's Extra Expense Insurance	DTAL DTAL ST	ate share of the	\$2,133,894 \$5,42	0181-0891 0181-0895 0181-0897 0181-0898 0181-0900 0181-0906 0181-0908 0181-0909 0181-0910 0181-0920	\$32, \$100, \$26, \$15, \$15, \$90, \$58, \$38, \$50, \$25, \$732,
ks - Oil 1/4 - 8 - 750 OT ks - Water 1/4 - 6 - 750 WT aration / Treating Equipment 1/4-1000GB/3-36"x15x1000#/3-30x10x1000#/Flar ter Treaters, Line Heaters 8x20x75 HT ering Equipment Pipe & Valves - Gathering ngs / Valves & Accessories nodic Protection inc. automation trical Installation pipment Installation piline Construction  TO SUBTO  TOTAL WELL COS  Expense Insurance    Lelect to be covered by Operator's Extra Expense Insurance and pay my pro Operator has secured Extra Expense Insurance covering costs of well control, cle   Lelect to purchase my own well control insurance policy.  Prepared by:  T. Cudo	DTAL DTAL ST	nd redrilling as	\$2,133,894 \$5,42	0181-0891 0181-0895 0181-0897 0181-0898 0181-0900 0181-0906 0181-0908 0181-0909 0181-0910 0181-0920	\$32, \$100, \$26, \$15, \$15, \$90, \$58, \$38, \$50, \$25, \$732,
ks - Oil 1/4 - 8 - 750 OT ks - Water 1/4 - 6 - 750 WT aration / Treating Equipment 1/4-1000GB/3-36"x15x1000#/3-30x10x1000#/Flar ter Treaters, Line Heaters 8x20x75 HT ering Equipment Pipe & Valves - Gathering ngs / Valves & Accessories nodic Protection inc. automation trical Installation pment Installation line Construction  TO  SUBTO  TOTAL WELL COS  Expense Insurance I elect to be covered by Operator's Extra Expense Insurance and pay my pro Operator has secured Extra Expense Insurance covering costs of well control, cle I elect to purchase my own well control insurance policy. Prepared by: T. Cude	DTAL DTAL ST portion an up an	nd redrilling as	\$2,133,894 \$5,42	0181-0891 0181-0895 0181-0897 0181-0898 0181-0900 0181-0906 0181-0908 0181-0909 0181-0910 0181-0920	\$32, \$100, \$26, \$15, \$15, \$90, \$58, \$38, \$50, \$25, \$732,
S - Oil 1/4 - 8 - 750 OT   S - Water 1/4 - 6 - 750 WT   Iration / Treating Equipment 1/4-1000GB/3-36"x15x1000#/3-30x10x1000#/Flar ter Treaters, Line Heaters 8x20x75 HT   Pipe & Valves - Gathering   Ings / Valves & Accessories   Inc. automation   Irical Installation   Inc. automation   Inc. automaticn   Inc. automatic	DTAL DTAL DTAL DOTAL DOT	nd redrilling as	\$2,133,894 \$5,42	0181-0891 0181-0895 0181-0897 0181-0898 0181-0900 0181-0906 0181-0908 0181-0909 0181-0910 0181-0920	\$32, \$100, \$26, \$15, \$15, \$90, \$58, \$38, \$50, \$25, \$732,

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AUTHORIZATION FOR EXPENDITURE

Well Name: DEVON 6 W1HE FEE	Reg	THE REAL PROPERTY.	ON FEE 6		
Location: SL: 730 FNL & 185 FEL	; BHL: 2310 FNL & 330 FWL	County: Eddy		ALLEY WORKS TO THE	ST: NM
Sec. 6 Blk: Survey:	TWP: 25S	RNG: 28	E Prop. TV	D: 9370	TMD: 14000
INTA	NGIBLE COSTS 0180	CODE	TCP	CORE	00
Regulatory Permits & Surveys		0180-0100		O 0180-0200	CC
Location / Road / Site / Preparation		0180-0105		0180-0200	\$20,0
Location / Restoration		0180-0106		0 0180-0206	\$38,0
Daywork / Turnkey / Footage Drilling	16 days drlg / 3 days comp @ \$19500/d	0180-0110		0 0180-0210	\$62,5
Fuel Charles & Addition	1700 gal/day @ \$1.10/gal	0180-0114	\$32,000	_	\$98.0
Mud, Chemical & Additives Horizontal Drillout Services		0180-0120	\$150,000	0180-0220	
Cementing				0180-0222	\$120,0
Logging & Wireline Services		0180-0125	\$90,000		\$20,0
Casing / Tubing / Snubbing Service		0180-0130		0180-0230	\$296,0
Mud Logging		0180-0134	\$30,000	0180-0234	\$80,0
Stimulation	38 Stg 11.4 MM gal / 11.4 MM lb	0180-0137	\$30,000	0180-0241	\$1,109,0
Stimulation Rentals & Other				0180-0241	\$200,0
Water & Other		0180-0145	\$40,000		\$203,0
Bits		0180-0148		0180-0248	\$4.0
Inspection & Repair Services		0180-0150	\$40,000		\$5,0
Misc. Air & Pumping Services Testing & Flowback Services		0180-0154		0180-0254	\$10,0
Completion / Workover Rig		0180-0158	\$15,000	0180-0258	\$30,0
Rig Mobilization				0180-0260	\$10,5
Transportation		0180-0164	\$150,000		
Welding Services		0180-0165		0180-0265	\$35,0
Contract Services & Supervision		0180-0168		0180-0268	\$15,0
Directional Services	Includes Vertical Control	0180-0170		0180-0270	\$22,5
Equipment Rental	molddes Vertical Control	0180-0175	\$175,000		
Well / Lease Legal		0180-0180		0180-0280	\$7,5
Well / Lease Insurance		0180-0184		0180-0284	
Intangible Supplies		0180-0185		0180-0285	
Damages		0180-0188		0180-0288	\$10,0
ROW & Easements		0180-0190	\$30,000		\$20,0
Pipeline Interconnect		0100-0192		0180-0292	\$4,0
Company Supervision		0180-0195	\$91,200		\$72.0
Overhead Fixed Rate		0180-0196	\$10,000		\$72,00 \$20,00
Well Abandonment		0180-0198	410,000	0180-0298	\$20,00
Contingencies	2% (TCP) 2% (CC)	0180-0199	\$35,204		\$50,24
	TOTAL		\$1,795,404		\$2,562,24
TAN	GIBLE COSTS 0181		\$1,730,404		\$2,562,24
Casing (19.1" - 30")		0181 0702			
Casing (10.1" - 19.0")	450' - 13 3/8" 54.5# J-55 ST&C @ \$32.16/ft	0181-0793	645 500		-
Casing (8.1" - 10.0")	2400' - 9 5/8" 40# N-80 LT&C @ \$24.48/ft	0181-0794	\$15,500 \$62,800		
Casing (6.1" - 8.0")	9790' - 7" 29# HCP-110 LT&C @ \$21.5/ft	0181-0796	\$224,000		
Casing (4.1" - 6.0")	5400' - 4 1/2" 13.5# P-110 BPN @ \$11.75/ft	0101-0790	\$224,000	0181-0797	200 5
Tubing	9000' - 2 7/8" 6.5# L-80 Tbg @ \$4.54/ft			0181-0797	\$66,50 \$43,70
Drilling Head		0181-0860	\$40,000	0101-0730	\$43,70
Fubing Head & Upper Section  Horizontal Completion Tools				0181-0870	\$30,00
Sucker Rods	Completion Liner Hanger			0181-0871	\$47,00
Subsurface Equipment	D. J.			0181-0875	
Artificial Lift Systems	Packer			0181-0880	\$10,00
Pumping Unit	Gas Lift Valves			0181-0884	\$15,00
Surface Pumps & Prime Movers	Dime N/DII			0181-0885	
anks - Oil	pumps/VRU 1/4 - 8 - 750 OT			0181-0886	\$32,00
anks - Water	1/4 - 6 - 750 WT			0181-0890	\$40,00
eparation / Treating Equipment	1/4-1000GB/3-36"x15x1000#/3-30x10x1000#/Flare/VRT			0181-0891	\$32,00
leater Treaters, Line Heaters	8x20x75 HT			0181-0895	\$100,00
Metering Equipment				0181-0897	\$26,00
ine Pipe & Valves - Gathering				0181-0898	\$15,00
ittings / Valves & Accessories				0181-0900	\$15,00
athodic Protection	inc. automation			0181-0906	\$90,00
lectrical Installation				0181-0908	\$58,00
quipment Installation				0181-0909	\$38,00
				0181-0910	\$50,00
ipeline Construction				0181-0920	\$25,00
ipeline Construction	707				
ipeline Construction	TOTAL		\$342,300		\$733,20
ipeline Construction	TOTAL SUBTOTAL		\$342,300 \$2,137,704		
	SUBTOTAL TOTAL WELL COST		\$2,137,704	33 144	
xtra Expense Insurance  I elect to be covered by Or Operator has secured Extra  I elect to purchase my ow	TOTAL WELL COST  perator's Extra Expense Insurance and pay my proportio Expense Insurance covering costs of well control, clean up in well control insurance policy.	and redrilling as	\$2,137,704 \$5,43	33,144 ne Item 0180-	\$3,295,44
xtra Expense Insurance  I elect to be covered by Or Operator has secured Extra  I elect to purchase my ow	Perator's Extra Expense Insurance and pay my proportion (Expense Insurance covering costs of well control, clean up in well control insurance policy.  King interest owner elects to be covered by Operator's well control in	and redrilling as	\$2,137,704 \$5,43	भागा है। संदर्भ	\$3,295,44
I elect to be covered by Ol Operator has secured Extra I elect to purchase my own heither box is checked above, non-operating wor Prepared by:	Perator's Extra Expense Insurance and pay my proportion Expense Insurance covering costs of well control, clean upon well control insurance policy.  King interest owner elects to be covered by Operator's well control in  T. Cude  Date:	and redrilling as	\$2,137,704 \$5,43	भागा है। संदर्भ	\$3,295,44
I elect to be covered by Ol Operator has secured Extra I elect to purchase my own heither box is checked above, non-operating wor Prepared by:	Perator's Extra Expense Insurance and pay my proportion Expense Insurance covering costs of well control, clean upon well control insurance policy.  King interest owner elects to be covered by Operator's well control in  T. Cude  Date:	surance. 6/15/2020	\$2,137,704 \$5,43	भागा है। संदर्भ	\$3,295,44
I elect to be covered by Ol Operator has secured Extra I elect to purchase my own heither box is checked above, non-operating wor Prepared by:	Perator's Extra Expense Insurance and pay my proportion (Expense Insurance covering costs of well control, clean up in well control insurance policy.  King interest owner elects to be covered by Operator's well control in	and redrilling as	\$2,137,704 \$5,43	भागा है। संदर्भ	\$733,206 \$3,295,446

24

## Section 6, T25S, R28E **Eddy County, New Mexico**

## N/2**Wolfcamp Formation**

Mewbourne Oil Company 40.0000% COG Operating LLC 47.3425% Occidental Permian Limited Partnership 12.6575%

Subject to Joint Operating Agreement dated February 15, 2005, covering the N/2 of Section 6

## **S/2 Wolfcamp Formation**

Mewbourne Oil Company

100.0000%



Sent to Sean Johnson of COG by email dated 3-3-2020.

Mewbourne guarantees no operations will be conducted in the S2 of Section 6, T25S-R28E prior
to an order being issued at the NMOCD as to COG's Scout cases as it relates to the Pothole
permits or any other permits that may be filed on or including said acreage in section 6. MOC
agrees not to have operations on the S2 of Section 6 before 5/1/2020. This gives us two months
to work something out. I can not guarantee no operations prior to an order being issued as this
removes all incentive for us to work together.

Corey Mitchell



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

APPLICATION OF COG OPERATING LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

Case No. 21219

APPLICATION OF COG OPERATING LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

Case No. 21220

#### VERIFIED STATEMENT OF NATHAN CLESS

COUNTY OF MIDLAND	)
	) ss
STATE OF TEXAS	)

Nathan Cless, being duly sworn upon his oath, deposes and states:

- 1. I am over the age of 18, and have personal knowledge of the matters stated herein.
- 2. I am a geologist for Mewbourne Oil Company ("Mewbourne"), and I am familiar with the geological matters involved in this case. I have been qualified by the Division at numerous hearings as an expert petroleum geologist.
  - 3. The following geological plats are attached hereto:
  - (a) Attachment A is a regional Wolfcamp horizontal activity map. It shows the proposed area of interest. It also shows the drilled Wolfcamp horizontal wells in the area, and a line of cross-section A-A'.
  - (b) Attachment B is a structure map on the top of the Wolfcamp formation. It shows that structure dips gently to the east. It also shows Upper Wolfcamp horizontal wells in the area, and it highlights where COG and Mewbourne operate Upper Wolfcamp horizontals. The line of cross-section is also shown.
  - (c) Attachment C is a cross section. The well logs on the cross-section give a representative sample of the Wolfcamp formation in this area. It also shows where COG and Mewbourne have landed their Upper Wolfcamp horizontals.
  - (d) Attachment D is a production data table detailing Upper Wolfcamp horizontal producers within a five-mile radius of section 7/25S/28E.

EXHIBIT 2

27

- 4. I conclude from the maps that:
- (a) The Wolfcamp formation in Sections 6, 7, and 18 is continuous and uniform in thickness. Each quarter section in each of the sections will contribute more or less equally to production from wells drilled thereon.
- (b) There is no faulting or other geologic impediment on the area which will affect the drilling of wells in these sections.
- 4
- 5. Attachment contains information from other Wolfcamp wells drilled in this area. There are both standup and laydown wells in this area. Mewbourne sees no significant difference in production quality whether the wells are standup or laydown.
- 6. Operators continue drilling economic one mile wells nearby. For example, (i) Matador Production Company recently drilled a one mile laterals in the W/2 of Section 19-24S-28E (spud 10/24/19) because that acreage was excluded from COG's Tomahawk Unit (the subject of Case No. 20659), (ii) Marathon has recently drilled and completed one mile laterals in Section 4-25S-28E, which is within 1.5 miles of Mewbourne's proposed wells, and (iii) Mewbourne has drilled numerous one mile laterals in the surrounding area and will continue to do so when it is in our best interest to protect our correlative rights.
- 7. From a geologic standpoint COG's correlative rights will not be adversely affected by drilling two mile laterals in Sections 7 and 18.

The attachments to this affidavit were prepared by me, or compiled from Company business records.

#### **VERIFICATION**

STATE OF TEXAS	)
	) ss
COUNTY OF MIDLAND	)

Nathan Cless, being duly sworn upon his oath, deposes and states that: He is a geologist for Mewbourne Oil Company; he is authorized to make this verification on its behalf; he has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of his knowledge, information, and belief.

Nathan Cless

18

SUBSCRIBED AND SWORN TO before me this

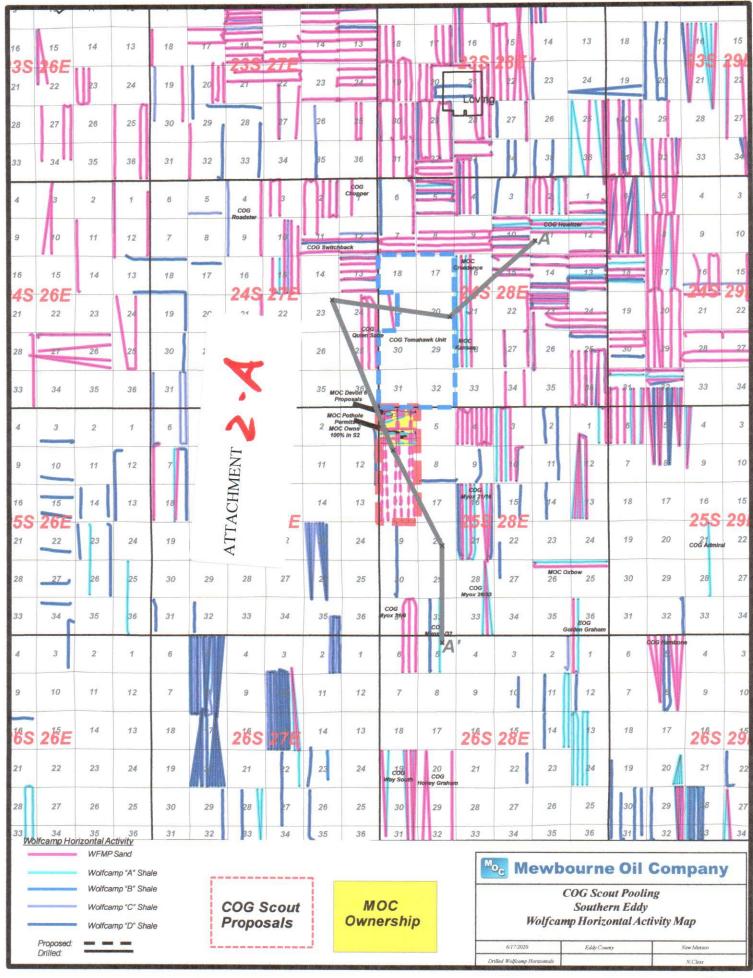
\_ day of June, 2020 by Nathan

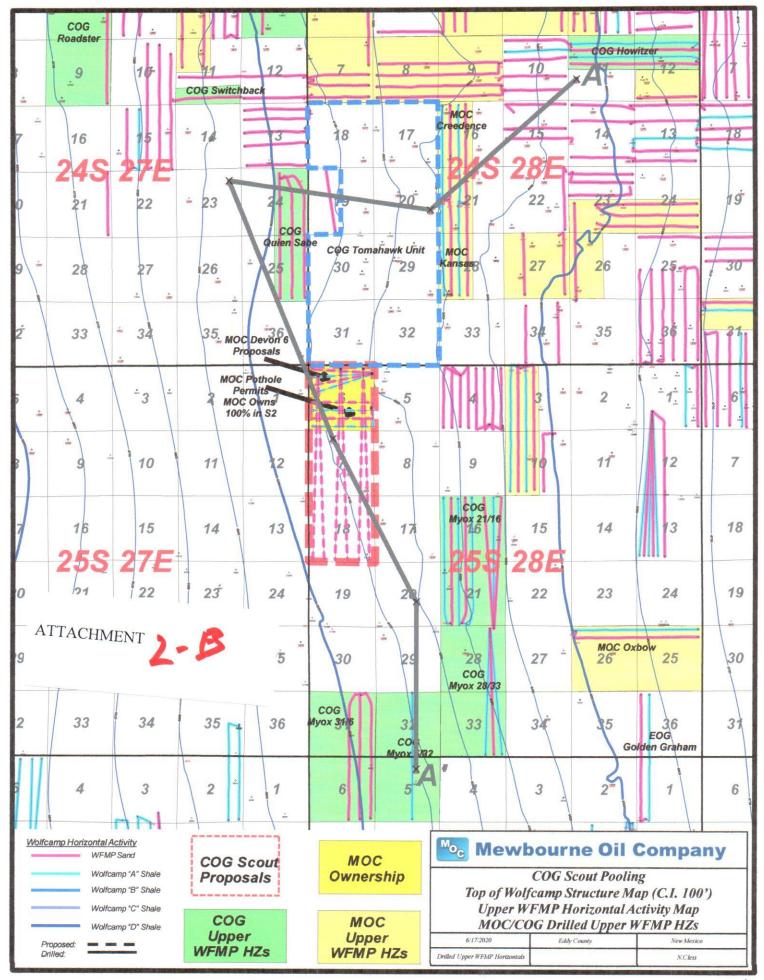
Cless.

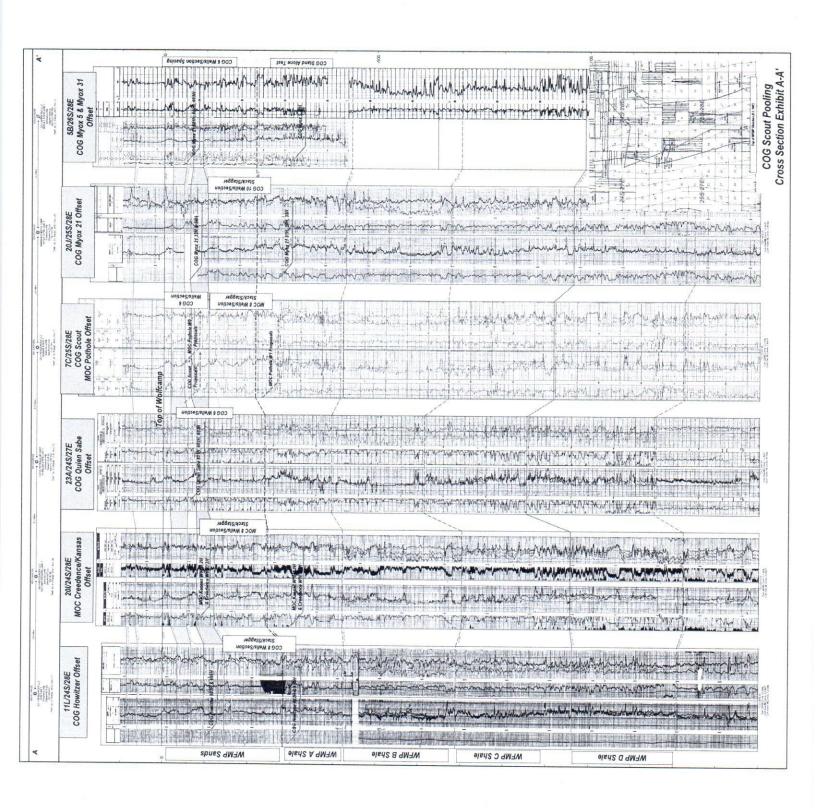
My Commission Expires:

12/09/2023

John Bradley Dunn My Commission Expires 12/09/2023 ID No. 130462676







## ATTACHMENT 2 - C

Well Name	Operator	API	Location	WFMP Comp Date	Cum Oil (mbo)	Cum Gas (bcf)	Cum Gas (bcf) Cum Water (mbw) NS/EW	NS/EW	HZ Target	Lat Length (miles)	Notes
Mad River 133H	Caza	3001543898	13PM/24S/27E	1/2/2017	269	0.5	985	EW	WFMP Sand	1.0	
Mad River 13 4H	Caza	3001544042	13IL/24S/27E	4/11/2017	266	0.7	932	EW	WFMP Sand	1.0	
Quien Sabe 801H	900	3001546125	24A-25P/24S/27E	2/1/2020	134	0.3	362	NS	WFMP Sand	2.0	
Quien Sabe 602H	900	3001546127	24A-25P/24S/27E	2/1/2020	118	0.3	362	NS	WFMP Sand	2.0	
Quien Sabe 603H	5000	3001546128	24B-250/24S/27E	2/1/2020	103	0.2	361	NS	WFMP Sand	2.0	
Creedence 21/16 W0ED 2H	Mewbourne	3001544871	21E-16D/24S/28E	11/15/2019	188	0.4	406	NS	WFMP Sand	1.5	
Creedence 21/16 W1ED 1H	Mewbourne	3001544887	21E-16D/24S/28E	11/15/2019	185	0.4	415	SN	WFMP A	5,1	
Kansas 21/28 W1LM 1H	Mewbourne	3001545763	21L-28M/24S/28E	11/15/2019	199	0.5	508	NS	WFMP A	5.1	
Kansas 21/28 W0LM 2H	Мемроите	3001546016	21L-28M/24S/28E	11/15/2019	198	0.4	909	NS	WFMP Sand	1.5	
Rustler Breaks 26/23 WOML 2H	Mewbourne	3001544660	26M-23L/24S/28E	8/8/2019	227	0.5	909	EW	WFMP Sand	1.5	
Rock Spur 27 W0CN 2H	Mewbourne	3001544064	27CN/24S/28E	6/28/2017	400	17	1240	NS	WFMP Sand	1.0	
Rock Spur 27 W0AP 2H	Mewbourne	3001544093	27AP/24S/28E	8/28/2019	263	2.0	864	SN	WFMP Sand	1.0	
Chicken Fry 1H	Marathon	3001542882	22AP/24S/28E	9/24/2017	179	0.5	743	NS	WFMP Sand	1.0	
Kyle 34 5H	Marathon	3001543295	34PA/24S/28E	11/26/2017	291	6.0	958	SN	WFMP Sand	1.0	
Кује 34 3Н	Marathon	3001543405	34NC/24S/28E	12/12/2017	254	2.0	1148	SN	WFMP Sand	1.0	
Salt Draw 10 WCA 3H	Chisholm	3001545775	10BO/25S/28E	7/9/2019	107	0.3	385	SN	WFMP Sand	1.0	
Rick Deckard WXY 18H	Marathon	3001545091	4PA/25S/28E	2/25/2019	112	0.4	A	SN	WFMP Sand	1.0	Missing 1st 2 Mos Prod
Rick Deckard WA 14H	Marathon	3001545092	4PA/25S/28E	2/25/2019	110	0.3	AN	NS	WFMP Sand	1.0	Missing 1st 2 Mos Prod
Rick Deckard WXY 12H	Marathon	3001545090	40B/25S/28E	2/25/2019	112	0.3	Ą	NS	WFMP Sand	1.0	Missing 1st 2 Mas Prod
Rick Deckard WA 15H	Marathon	3001545093	40B/25S/28E	2/25/2019	94	0.3	NA	SN	WFMP Sand	1.0	Missing 1st 2 Mos Prod
Rick Deckard WA 9H	Marathon	3001545345	4CN/25S/28E	7/13/2019	18	0.1	29	SN	WFMP Sand	1.0	Missing 1st 7 Mos Prod
Rick Deckard WXY 8H	Marathon	3001545348	4CN/25S/28E	7/13/2019	15	0.1	75.0	SN	WFMP Sand	1.0	Missing 1st 7 Mos Prod
Rick Deckard WA 2H	Marathon	3001545344	4DM/25S/28E	7/13/2019	15	0.1	55	NS	WFMP Sand	1.0	Missing 1st 7 Mos Prod
Rick Deckard WXY 6H	Marathon	3001545347	4DM/25S/28E	7/13/2019	23	0.1	86	SN	WFMP Sand	1.0	Missing 1st 7 Mos Prod
Myox 21 31H	900	3001544000	21M-16D/25S/28E	10/27/2019	137	0.4	654	NS	WFMP A	2.0	
Myox 21 32H	900	3001544002	21M-16D/25S/28E	10/27/2019	121	0.3	702	NS	WFMP Sand	2.0	
Myox 21 33H	900	3001544006	21M-16D/25S/28E	10/27/2019	150	0.4	752	SN	WFMP A	2.0	
Myox 21 34H	900	3001545376	21N-16C/25S/28E	10/27/2019	136	0.4	681	SN	WFMP Sand	2.0	
Myox 21 35H	900	3001545373	21N-16C/25S/28E	10/27/2019	138	0.4	758	NS	WFMP A	2.0	
Myox 31 601H	900	3001545948	31A-6P/26S/28E	12/28/2019	103	0.3	397	SN	WFMP Sand	2.0	
Myox 31 602H	900	3001545949	31A-6P/26S/28E	12/28/2019	117	0.4	381	NS	WFMP Sand	2.0	
Myox 31 603H	900	3001545950	31B-60/26S/28E	12/28/2019	123	0.4	400	NS	WFMP Sand	0.0	



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

APPLICATION OF COG OPERATING LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

Case No. 21219

APPLICATION OF COG OPERATING LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

Case No. 21220

## VERIFIED STATEMENT OF TRAVIS CUDE

COUNTY OF MIDLAND	)
	) ss
STATE OF TEXAS	)

Travis Cude, being duly sworn upon his oath, deposes and states:

- 1. I am over the age of 18, and have personal knowledge of the matters stated herein.
- 2. I am a petroleum engineer for Mewbourne Oil Company ("Mewbourne"), and I am familiar with the engineering matters involved in this case. I have been qualified by the Division at numerous hearings as an expert petroleum engineer.
  - 3. The following plats, prepared by me or under my direction, are attached hereto:
  - (a) Attachment A is a lateral orientation comparison of production from the upper Wolfcamp formation. There is negligible difference between North/South laterals and East/West laterals in the four township area surrounding these proposals, although COG testified in Case No. 20659 in August 2019 that East/West was the preferable orientation in lands directly offsetting Section 6 (in the Tomahawk Unit in Township 24 South, Range 28 East, N.M.P.M.
  - (b) Attachment B is a development spacing comparison, It shows that Mewbourne has the better development plan with 660' spacing targeting two landing points, as opposed to COG's development plan with 880' spacing targeting a single landing point.
  - (c) Attachment C is a development target comparison between the Wolfcamp Sand and Wolfcamp A Shale. COG's plan will potentially recover 25% less reserves from the upper Wolfcamp in Section 6 compared to Mewbourne's proposed development plan.

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34

- (d) Attachment D is a lateral length comparison by operator. Mewbourne is a proven, competent operator of 1 mile laterals. COG has not drilled and completed any 3 mile laterals in New Mexico. Additionally, less than 0.1% of horizontal wells completed in the Delaware Basin in New Mexico in the last 5 years have lateral lengths greater than 14,000 feet.
- 4. One mile laterals in the Wolfcamp in this area are economic, and continue to be drilled on an ongoing basis, as noted in Mr. Cless' testimony. Mewbourne is a low cost operator and has substantial experience in drilling economic wells in New Mexico.
- 5. Three mile laterals are rare, and are not a proven drilling method. The additional lateral length can lead to potential drilling and production problems, leading to unanticipated, increased drilling costs. Attachment E.
- 6. COG's correlative rights will not be adversely affected by drilling two mile laterals in Sections 7 and 18.

#### **VERIFICATION**

STATE OF TEXAS	)
	) ss.
COUNTY OF MIDLAND	)

Travis Cude, being duly sworn upon his oath, deposes and states that: He is a petroleum engineer for Mewbourne Oil Company; he is authorized to make this verification on its behalf; he has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of his knowledge, information, and belief.

Travis Cude

SUBSCRIBED AND SWORN TO before me this \_\Structure day of June, 2020 by Travis Cude.

My Commission Expires: January 1, 2002

Olejandia Kurtsey



200,000 Wells with at least 6 months' reported production, completed after 1/1/2017 180,000 Normalized to 4500' laterals TWN. 24S & 25S, RNG. 27E & 28E: Upper Wolfcamp Orientation Comparison 160,000 140,000 Cumulative Oil Equivalent (10:1) Production 120,000 100,000 80,000 ATTACHMENT 3-A 000'09 40,000 E-W Orientation N-S Orientation 35 Well Avg. 57 Well Avg. 20,000 \*Data from IHS Markit 10,000 1,000 Monthly Oil Equivalent (10:1) Production

31

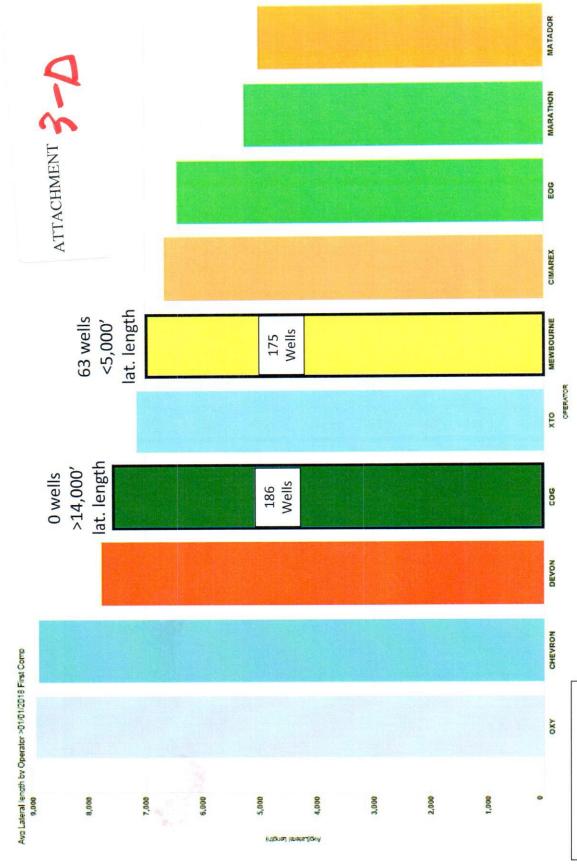
300,000 - MOC KANSAS/CREEDENCE 28/21/16-24S-28E 4 Well Avg ■ 575' SPACING - COG MYOX 21/16-255-28E 5 Well Avg ■ 660' SPACING ← MOC PROPOSED DEVELOPMENT ■880' SPACING ← COG PROPOSED DEVELOPIMENT EOG GOLDEN GRAHAM 1/36-26S-28E 2 Well Avg - COG QUIEN SABE 24/25-24S-27E 3 Well Avg Normalized to 4500' laterals - COG HOWITZER 12/11-24S-28E 4 Well Avg MOC OXBOW 26/25-255-28E 2 Well Avg --- UPPER WFMP TYPE CURVE (715 MBOE) COG MYOX 31/6-255-28E 3 Well Avg 250,000 TWN. 24S & 25S, RNG. 27E & 28E: Upper Wolfcamp Development Comparison 200,000 Cumulative Oil Equivalent (10:1) Production 660' SPACING 660' and 880' spacing have similar performance/well ATTACHMENT 575' SPACING 50,000 \*Data from NMOCD 100,000 10,000 1,000 Monthly Oil Equivalent (10:1) Production

20

715 MBOE EUR TYPE CURVE \*Assumes no risk in D&C additional 10K' of lateral 25% less reserves than MOC development plan\* Normalized to 4500' laterals **MOC:** 8 wells x 715 MBOE = 5720 MBOE Finding Cost: \$7.60/BOE COG: 6 wells x 715 MBOE = 4290 MBOE COG MYOX 21/16-25S-28E WFMP A Shale 3 Well Avg COG MYOX 21/16-25S-28E WFMP Y Sand 2 Well Avg 250,000 TWN. 24S & 25S, RNG. 27E & 28E: Upper Wolfcamp Development Comparison Finding Cost: \$6.31/ BOE 200,000 Cumulative Oil Equivalent (10:1) Production 150,000 WFMP A Shale and WFMP Y Sand have similar performance MOC -MOC KANSAS/CREEDENCE WFMP A Shale 2 Well Avg MOC KANSAS/CREEDENCE WFMP Y Sand 2 Well Avg ATTACHMENT S -100,000 900 50,000 \*Data from NMOCD 100,000 10,000 1,000 Monthly Oil Equivalent (10:1) Production

39

Top 10 NM Delaware Basin Operators by Avg. Lateral Length 99.9% of Completed Laterals Since 1/2015 <14,000' LL







Productivity-to-Lateral Length Comparison

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