



COG OPERATING LLC

Tenderloin Federal Com 501H, 502H, 503H Section 13-1-T22S-33E Lea County, New Mexico Case Nos. 21337-21338
BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING July 09, 2020



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

APPLICATIONS OF COG OPERATING LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NOS. 21337-21338

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- o COG Exhibit A-3: Spacing Unit Plat/Ownership Breakdown, ORRI List
- o COG Exhibit A-4: Sample Well Proposal Letter /AFEs
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COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 21337	APPLICANT'S RESPONSE					
Date: July 7, 2020						
Applicant	COG Operating LLC					
Designated Operator & OGRID (affiliation if applicable)	229137					
Applicant's Counsel:	Holland & Hart					
Case Title:	APPLICATION OF COG OPERATING LLC FOR COMPULSOR POOLING, LEA COUNTY, NEW MEXICO.					
Entries of Appearance/Intervenors:						
Well Family	Tenderloin wells					
Formation/Pool						
Formation Name(s) or Vertical Extent:	Bone Spring					
Primary Product (Oil or Gas):	Oil					
Pooling this vertical extent:	N/A					
Pool Name and Pool Code:	Grama Ridge; Bone Spring West Pool (Pool Code 28432)					
Well Location Setback Rules:	Standard					
Spacing Unit Size:	640-acres, more or less					
Spacing Unit						
Type (Horizontal/Vertical)	Horizontal					
Size (Acres)	640-acres, more or less					
Building Blocks:	quarter-quarter sections					
Orientation:	South-North					
Description: TRS/County	E/2 of Sections 1 and 12, T22S, R33E, Lea County					
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes					
Other Situations						
Depth Severance: Y/N. If yes, description	No					
Proximity Tracts: If yes, description	Yes, E/2 E/2 of Sections 1 and 12					
Proximity Defining Well: if yes, description	Tenderloin Federal Com 502H					
Applicant's Ownership in Each Tract	Exhibit A-3					
Well(s)						
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)						

NA 11 114	
Well #1	Tenderloin Federal Com 501H (API pending)
	SHL: 230 FNL and 975 FEL (Unit A) of Section 13 BHL: 50 FNL and 330 FEL (Lot 1) of Section 1
	Township 22 South, Range 33 East
	Completion Target: Bone Spring formation
	Well Orientation: South to North
	Completion Location expected to be: Standard
Well #2	Tenderloin Federal Com 502H (API pending)
	SHL: 230 FNL and 1005 FEL (Unit A) of Section 13
	BHL: 50 FNL and 1645 FEL (Lot 2) of Section 1
	Township 22 South, Range 33 East
	Completion Target: Bone Spring formation
	Well Orientation: South to North
Horizontal Well First and Last Take Points	Completion Location expected to be: Standard
Horizontal Well First and Last Take Points	Exhibit A-1
Completion Target (Formation, TVD and MD)	Exhibit A-4
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$7,000
Production Supervision/Month \$	\$700
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit C
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-3
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	Exhibit D
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4

Cost Estimate for Production Facilities	Exhibit A-4
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit A-2 and B-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit A-2 and B-1
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-1
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit A-2
Well Bore Location Map	Exhibit A-2 and B-1
Structure Contour Map - Subsea Depth	Exhibit B-1
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibit B-3
Additional Information	
Special Provisions/Stipulations	None
CERTIFICATION: I hereby certify that the information pr	rovided in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Michael H. Feldewert
Signed Name (Attorney or Party Representative):	150 0 -10
Date:	Just & Felliss 7-Jul-20

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 21338	APPLICANT'S RESPONSE				
Date: July 7, 2020					
Applicant	COG Operating LLC				
Designated Operator & OGRID (affiliation if applicable)	229137				
Applicant's Counsel:	Holland & Hart				
Case Title:	APPLICATION OF COG OPERATING LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.				
Entries of Appearance/Intervenors:					
Well Family	Tenderloin wells				
Formation/Pool					
Formation Name(s) or Vertical Extent:	Bone Spring				
Primary Product (Oil or Gas):	Oil				
Pooling this vertical extent:	N/A				
Pool Name and Pool Code:	Grama Ridge; Bone Spring West Pool (Pool Code 28432)				
Well Location Setback Rules:	Standard				
Spacing Unit Size:	320-acres, more or less				
Spacing Unit					
Type (Horizontal/Vertical)	Horizontal				
Size (Acres)	320-acres, more or less				
Building Blocks:	quarter-quarter sections				
Orientation:	South-North				
Description: TRS/County	E/2 W/2 of Sections 1 and 12, T22S, R33E, Lea County				
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes				
Other Situations					
Depth Severance: Y/N. If yes, description	No				
Proximity Tracts: If yes, description	No				
Proximity Defining Well: if yes, description	N/A				
Applicant's Ownership in Each Tract	Exhibit A-3				
Well(s)					
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)					

Well #1	Tenderloin Federal Com 503H (API pending)
AACH 4.1	SHL: 410 FNL and 2310 FEL (Unit C) of Section 13
	BHL: 50 FNL and 2310 FEL (Lot 3) of Section 1
	Township 22 South, Range 33 East
	Completion Target: Bone Spring formation
	Well Orientation: South to North
	Completion Location expected to be: Standard
Horizontal Well First and Last Take Points	Exhibit A-1
Completion Target (Formation, TVD and MD)	Exhibit A-4
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$7,000
Production Supervision/Month \$	\$7,000
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	20070
Proposed Notice of Hearing	Exhibit C
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-3
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	Exhibit D
Ownership Depth Severance (including percentage above &	
below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
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Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit A-2 and B-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit A-2 and B-1

Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-1
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit A-2
Well Bore Location Map	Exhibit A-2 and B-1
Structure Contour Map - Subsea Depth	Exhibit B-1
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibit B-3
Additional Information	
Special Provisions/Stipulations	None
CERTIFICATION: I hereby certify that the information pro	ovided in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Michael H. Feldewert
Signed Name (Attorney or Party Representative):	5000
Date:	Just yo releases 7-Jul-20

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

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

CASE NO. ___21337

APPLICATION

COG Operating LLC ("COG"), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of N.M. Stat. Ann. § 70-2-17, for an order pooling all uncommitted interests in the Bone Spring formation [Grama Ridge; Bone Spring West Pool (Pool Code 28432)] underlying a 640-acre, more or less, standard horizontal spacing unit comprised of the E/2 of Sections 1 and 12, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico. In support of its application, COG states:

- 1. COG Operating LLC (OGRID No. 229137) is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
- 2. COG seeks to dedicate the above-referenced horizontal spacing unit to the following proposed initial wells:
 - Tenderloin Federal Com 501H to be drilled from a surface hole location in NE/4 NE/4 (Unit A) of Section 13 to a bottom hole location in the NE/4 NE/4 (Lot 1) of Section 1; and
 - Tenderloin Federal Com 502H to be drilled from a surface hole location in NE/4 NE/4 (Unit A) of Section 13 to a bottom hole location in the NW/4 NE/4 (Lot 2) of Section 1.

The completed interval of the Tenderloin Federal Com 502H well will be within 330 feet of the E/2 E/2 of Sections 1 and 12 to allow inclusion of this offsetting acreage in a standard horizonal well spacing unit.

- 3. COG has sought and been unable to obtain voluntary agreement for the development of these lands from all the interest owners in the subject spacing unit.
- 4. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.
- 5. In order to permit COG to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled and COG Operating LLC should be designated the operator of this proposed horizontal wells and spacing unit.

WHEREFORE, COG requests that this application be set for hearing before an Examiner of the Oil Conservation Division on July 9, 2020, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit and approving the initial wells;
- B. Designating COG Operating LLC operator of this spacing unit and the horizontal wells to be drilled thereon;
- Authorizing COG to recover its costs of drilling, equipping and completing the wells;
- D. Approving the actual operating charges and costs of supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

E. Imposing a 200% charge for the risk assumed by COG in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

HOLLAND & HART LLP

By:____

Michael H. Feldewert Adam G. Rankin Post Office Box 2208

Santa Fe, New Mexico 87504-2208

(505) 988-4421

(505) 983-6043 Facsimile mfeldewert@hollandhart.com agrankin@hollandhart.com

ATTORNEYS FOR COG OPERATING LLC

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

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

CASE NO. 21338

APPLICATION

COG Operating LLC ("COG"), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of N.M. Stat. Ann. § 70-2-17, for an order pooling all uncommitted interests in the Bone Spring formation [Grama Ridge; Bone Spring West Pool (Pool Code 28432)] underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the E/2 W/2 of Sections 1 and 12, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico. In support of its application, COG states:

- 1. COG Operating LLC (OGRID No. 229137) is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
- 2. COG seeks to dedicate the above-referenced horizontal spacing unit to the Tenderloin Federal Com 503H well to be drilled from a surface hole location in NE/4 NW/4 (Unit C) of Section 13 to a bottom hole location in the NE/4 NW/4 (Lot 3) of Section 1.
- 3. COG has sought and been unable to obtain voluntary agreement for the development of these lands from all the interest owners in the subject spacing unit.
- 4. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.
- 5. In order to permit COG to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled and

COG Operating LLC should be designated the operator of this proposed horizontal wells and spacing unit.

WHEREFORE, COG requests that this application be set for hearing before an Examiner of the Oil Conservation Division on July 9, 2020, and, after notice and hearing as required by law, the Division enter an order:

A. Pooling all uncommitted interests in the horizontal spacing unit and approving the initial well;

B. Designating COG Operating LLC operator of this spacing unit and the horizontal wells to be drilled thereon;

C. Authorizing COG to recover its costs of drilling, equipping and completing the well;

D. Approving the actual operating charges and costs of supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

E. Imposing a 200% charge for the risk assumed by COG in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

By: Miller Fellers

Michael H. Feldewert

Adam G. Rankin

Post Office Box 2208

Santa Fe, New Mexico 87504-2208

(505) 988-4421

(505) 983-6043 Facsimile

mfeldewert@hollandhart.com

agrankin@hollandhart.com

ATTORNEYS FOR COG OPERATING LLC

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

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

CASE NOS. 21337 & 21338

AFFIDAVIT OF ADAM REKER, LANDMAN

Adam Reker, being of lawful age and duly sworn, states the following:

1. My name is Adam Reker and I am employed by COG Operating LLC ("COG") as

a Landman. I have previously testified before the New Mexico Oil Conservation Division as an

expert witness in petroleum land matters and my credentials have been accepted by the Division

and made a matter of record.

I am familiar with the applications filed by COG these consolidated matters and the

status of the lands in the subject area.

3. None of the mineral owners to be pooled have expressed opposition to these

proceedings, so I do not expect any opposition at the hearing.

4. COG seeks orders pooling all uncommitted interests in the Bone Spring formation

[Grama Ridge; Bone Spring West Pool (Pool Code 28432)] underlying two standard horizontal

spacing units comprised of the E/2 and the E/2 W/2 of Sections 1 and 12, Township 22 South,

1

Range 33 East, NMPM, Lea County, New Mexico.

5. Under Case 21337, COG seeks to form and initially dedicate the E/2 of Sections 1

and 12 to the following proposed wells:

Tenderloin Federal Com 501H to be drilled from a surface hole location in NE/4

NE/4 (Unit A) of Section 13 to a bottom hole location in the NE/4 NE/4 (Lot 1) of

Section 1; and

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. A

Submitted by: COG OPERATING, LLC

Hearing Date: July 09, 2020

Tenderloin Federal Com 502H to be drilled from a surface hole location in NE/4
 NE/4 (Unit A) of Section 13 to a bottom hole location in the NW/4 NE/4 (Lot 2) of Section 1.

The completed interval of the Tenderloin Federal Com 502H well will be within 330 feet of the E/2 E/2 of Sections 1 and 12 to allow inclusion of this offsetting acreage in a standard horizonal well spacing unit.

- 6. Under Case 21338, COG seeks to form and initially dedicate the E/2 W/2 of Sections 1 and 12 to the **Tenderloin Federal Com 503H** well. This well will be drilled from a surface hole location in NE/4 NW/4 (Unit C) of Section 13 to a bottom hole location in the NE/4 NW/4 (Lot 3) of Section 1.
- 7. Exhibit A-1 contains Form C-102s for the proposed initial wells for each spacing unit in numerical order.
- 8. Exhibit A-2 is a general location map outlining the acreage being pooled and the lateral trajectory of the proposed wells. The acreage is comprised of federal lands.
- 9. Exhibit A-3 identifies the tracts of land comprising the proposed spacing units, the working interest ownership in each tract and their respective interest in the horizontal spacing units. COG has highlighted on Exhibit A-3 the mineral owners that remain to be pooled for each proposed spacing unit.
- 10. No ownership depth severances exist within in the Bone Spring formation underlying the subject acreage.
- 11. COG has conducted a diligent search of company records, county records, telephone directors and conducted computer searches to locate contact information for each of the mineral owners that it seeks to pool.

12. Exhibit A-4 contains a sample of the letters and AFE's for the proposed wells sent to the working interest owners that COG has been able to locate. The costs reflected on these AFE's are consistent with what COG and other operators have incurred for drilling similar horizontal wells in the area in these formations.

13. Exhibit A-5 contains a chronology of the contacts with the uncommitted mineral owners COG was able to locate. COG has made a good faith effort to obtain voluntary joinder of these owners in the proposed wells.

14. COG requests overhead and administrative rates of \$7,000 per month for drilling and \$700 per month for a producing well. These rates are consistent with the rates charged by COG and other operators for similar wells in this area.

15. I have provided the law firm of Holland and Hart, LLP, with the names and addresses (where available) of the mineral owners that COG seeks to pool and instructed that they be notified of this hearing.

16. Exhibits A-1 through A-5 were prepared by me or compiled under my direction from company business records.

FURTHER AFFIANT SAYETH NAUGHT

ADAM REKER

Jessica Froman Notary Public, State of Texas Notary ID 12949422-4 My Commission Exp. 07-18-2021	Kesiakraman
SUBSCRIBED and SWO	RN to before me this day of 100 by
COUNTY OF MIDLAND)
STATE OF TEXAS)

My Commission Expires:

14916349_v1

DISTRICT I

State of New Mexico 1825 N. FRENCH DR., HOBBS, NM 88240 Energy, Minerals & Natural Resources Department

DISTRICT II 811 S. FIRST ST., ARTESIA, NM 88210 Phone: (576) 748-1289 Fax: (575) 748-9720

OIL CONSERVATION DIVISION

DISTRICT III 1000 RIO BRAZOS RD., AZTEC, NM 87410 Phone: (506) 334-8178 Fax: (506) 334-8170

1220 SOUTH ST. FRANCIS DR. Santa Fe, New Mexico 87505

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

□ AMENDED REPORT

DISTRICT IV 1220 S. ST. FRANCIS DR., SANTA FE, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

	WELL LOCATION AND A	CREAGE DEDICATION PLAT				
API Number	Pool Code 28432					
Property Code	Prope	rty Name	Well Number			
	TENDERLOIN	FEDERAL COM	501H			
OGRID No.		tor Name	Elevation			
1)	COG OPER	CATING, LLC	3514.6			

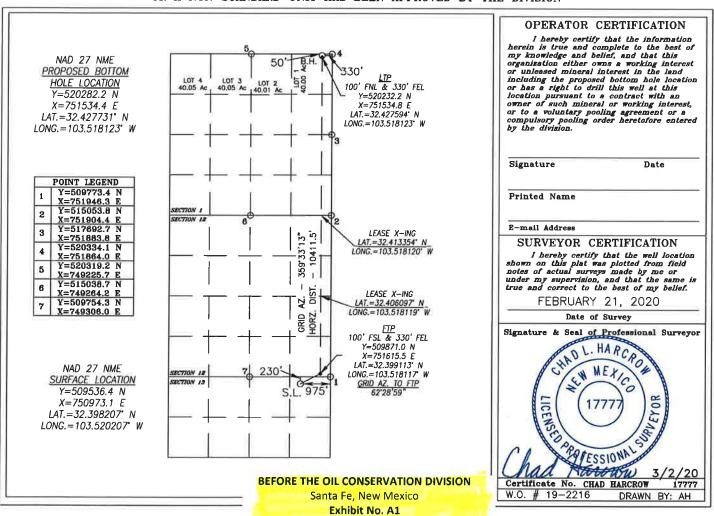
Surface Location

UL or lot N	. Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Α	13	22-S	33-E		230	NORTH	975	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	1	22-S	33-E		50	NORTH	330	EAST	LEA
Dedicated Acres 640.01	Joint o	r Infill Co	nsolidation (Code Ord	der 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



Submitted by: COG OPERATING, LLC Hearing Date: July 09, 2020 Case Nos. 21337-21338

DISTRICT I DISTRICT II 811 S. FIRST ST., ARTESIA, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

State of New Mexico 1825 N. FRENCH DR., HOBBS, NN 88240 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION 1220 SOUTH ST. FRANCIS DR. Santa Fe, New Mexico 87505

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

DISTRICT III 1000 RIO BRAZOS RD., AZTEC, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 DISTRICT IV 1220 S. ST. FRANCIS DR., SANTA FE, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3482

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 28432 Grama	Pool Name a Ridge; Bone Spring West Pool
Property Code	Property Name TENDERLOIN FEDERAL COM	Well Number 502H
OGRID No.	Operator Name COG OPERATING, LLC	Elevation 3515.4'

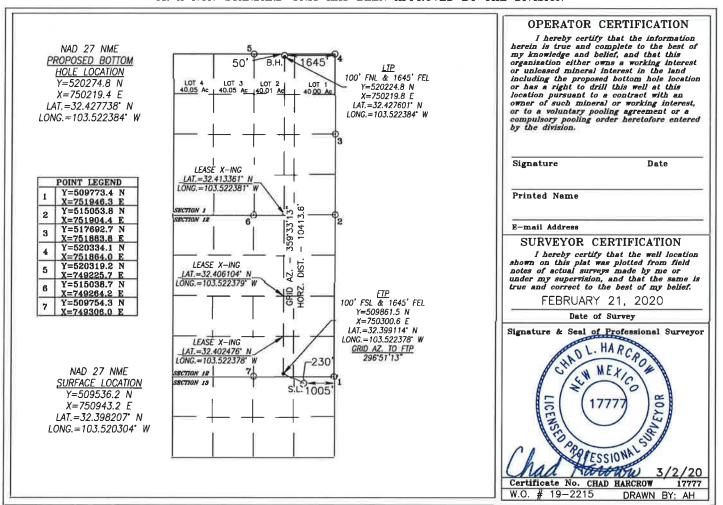
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Α	13	22-S	33-E		230	NORTH	1005	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
2	1	22-S	33-E		50	NORTH	1645	EAST	LEA
Dedicated Acres 640.01	Joint of	r Infill	Consolidation (Code Ore	der No.		··	*	

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DISTRICT I 1625 N. FRENCH DR., HOBBS, NM 88240 Phone: (675) 393-6161 Fax: (675) 393-0720

State of New Mexico Energy, Minerals & Natural Resources Department

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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 67605 Phone: (505) 476-3460 Fax: (505) 476-3462

OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR. Santa Fe, New Mexico 87505

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

□ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 28432	Pool Name Grama Ridge; Bone Spring West Pool		
Property Code	Prop TENDERLOIN	Well Number 503H		
OGRID No.	Oper COG OPE	Elevation 3517.8'		

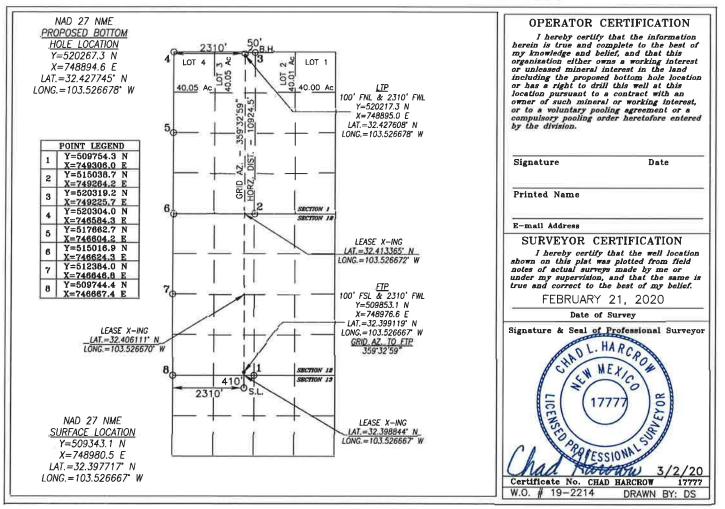
Surface Location

ĺ	UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	С	13	22-S	33-E		410	NORTH	2310	WEST	LEA

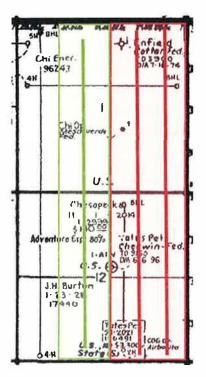
Bottom Hole Location If Different From Surface

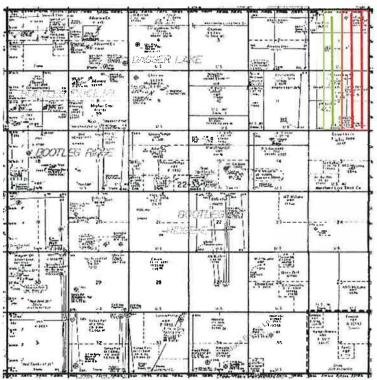
Ì	UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	3	1	22-5	S 33-E		50	NORTH	2310	WEST	LEA
	Dedicated Acres 320.01	Joint o	r Infill	Consolidation	Code Or	der No.	*		(/	

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



Tenderloin Fed Com #501H, #502H, and #503H will be utilizing "stand up" laterals located in Sections 1 and 12, T22S-R33E, Lea County, NM.





BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico Exhibit No. A2

Submitted by: **COG OPERATING, LLC**Hearing Date: July 09, 2020

Case Nos. 21337-21338

COG Operating, LLC—Tenderloin Federal Com Wells

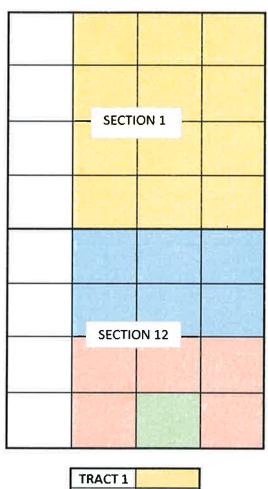
Township 22 South-Range 33 East, N.M.P.M.

Section 1: Lots 1, 2, 3, SE/4NW/4, S/2NE/4, E/2SW/4, and SE/4

Township 22 South- Range 33 East, N.M.P.M.

Section 12: E/2W/2, E/2 Lea County, New Mexico

Limited in Depth to the Bone Spring Formation



TRACT 1	
TRACT 2	
TRACT 3	
TRACT 4	Average and

Tract 1 (Lease #1): Section 1: Lots 1, 2, 3, SE/4NW/4, S/2NE/4, E/2SW/4, and SE/4 (640.03 acres, more or less)

Record Title:

(WI) COG Operating LLC

100.000000%

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Exhibit No. A3Submitted by: **COG OPERATING, LLC**

Hearing Date: July 09, 2020 Case Nos. 21337-21338

Operating Rights:	E4 E000001
(WI) COG Operating LLC	51.500000%
(WI) CM Resources LLC	20.000000%
(WI) Advance Energy Partners LLC	15.200000%
(WI) Marshall & Winston Inc.	12.500000%
(WI) Bullhead Energy LLC	0.800000%
Total:	100.000000%
Participating Parties Parties We Seek to Pool	
Faities we seek to Fooi	
Non-Cost-Bearing Interests We Seek to Pool in Tract 1:	
(ORRI) William R. Bergman	1.202500%
(ORRI) Richard Kevin Barr Family Trust, Beverly Jean Renfro Barr as Trustee	1.000000%
(ORRI) Bypass Trust, Cynthia Mae Wilson as Trustee	1.000000%
(ORRI) Todd M. Wilson	1.000000%
(ORRI) Chi Energy Inc.	0.397500%
Parties We Seek to Pool	0.53730076
Tract 2 (Lease #2): Section 12: N/2 (320.00 acres, more or less)	
Record Title:	
(WI) COG Operating LLC	100.000000%
(m) do o operating and	100.0000070
Operating Rights:	
(WI) COG Operating LLC	51.500000%
(WI) CM Resources LLC	20.000000%
(WI) Advance Energy Partners LLC	15.200000%
(WI) Marshall & Winston Inc.	12.500000%
(WI) Bullhead Energy LLC	0.800000%
Total:	100.000000%
Participating Parties	
Parties We Seek to Pool	
Non-Cost-Bearing Interests We Seek to Pool in Tract 2:	
(ORRI) Chi Energy Inc.	3.900000%
(ORRI) Richard Kevin Barr Family Trust, Beverly Jean Renfro Barr as Trustee	2.500000%
(ORRI) Bypass Trust, Cynthia Mae Wilson as Trustee	2.500000%
(ORRI) Todd M. Wilson and Carol I. Wilson	2.500000%
(ORRI) Pocahontas Oil Co. Inc.	0.012500%
(ORRI) Daniel Energy Inc.	0.012500%

Tract 3 (Lease #3): Section 12: SW/4, N/2SE/4, Se/4SE/4 (280.00 acres, more or less)

Record Title:

(WI) John H. Burton and Mary C. Burton Trust dtd. July 30, 1980, Wells Fargo Bank N.A. as Trustee

100.000000%

Operating Rights:

(WI) EOG Resources Inc. (WI) Oxy Y1 Company

90.000000% 10.000000%

Total:

100.000000%

Participating Parties

Parties We Seek to Pool

Non-Cost-Bearing Interests We Seek to Pool in Tract 3:

(ORRI) Patterson UTI Energy Inc. 1.000000% (ORRI) Richard Kevin Barr Family Trust, Beverly Jean Renfro Barr as Trustee 0.500000% (ORRI) Bypass Trust, Cynthia Mae Wilson as Trustee 0.500000% (ORRI) Wolfcamp Title LLC 2.0833333%

Parties We Seek to Pool

Tract 4 (Lease #4): Section 12: SW/4SE/4 (40.00 acres, more or less)

Record Title:

(WI) EOG Resources Inc.

100.000000%

Operating Rights:

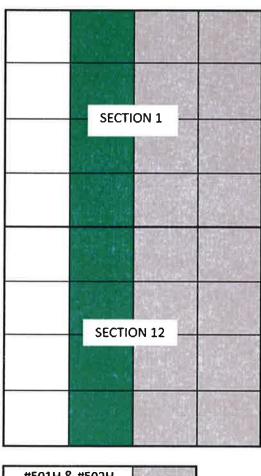
(WI) EOG Resources Inc.

100.000000%

Total:

100.000000%

Participating Parties



#501H & #502H	
#503H	16 -11 11 1

Tenderloin Fed Com #501H and #502H Spacing Unit Summary (640.02 Acres more or less), Lots 1 and 2, S/2NE/4, SE/4 of Section 1 and the E/2 of Section 12, T22S-R33E.

Total:	100.000000%
(WI) Bullhead Energy LLC	0.600003%
(WI) Oxy Y1 Company	1.874971%
(WI) Marshall & Winston Inc.	9.375049%
(WI) Advance Energy Partners LLC	11.400059%
(WI) CM Resources, LLC	15.000078%
(WI) EOG Resources Inc.	24.124639%
(WI) COG Operating LLC	38.625201%

Participating Parties

Non-Cost-Bearing Interests We Seek to Pool in the Tenderloin Fed Com #501H and #502H: (ORRI) Richard Kevin Barr Family Trust, Beverly Jean Renfro Barr as Trustee 1.218747% (ORRI) Bypass Trust, Cynthia Mae Wilson as Trustee 1.218747% (ORRI) Chi Energy Inc. 0.876867% (ORRI) Todd M. Wilson and Carol I. Wilson 0.624990% (ORRI) William R. Bergman 0.601259% (ORRI) Todd M. Wilson 0.500008% (ORRI) Wolfcamp Title LLC 0.390619% (ORRI) Patterson UTI Energy Inc. 0.187497% (ORRI) Pocahontas Oil Co. Inc. 0.003125% (ORRI) Daniel Energy Inc. 0.003125%

Parties We Seek to Pool

Tenderloin Fed Com #503H Spacing Unit Summary (320.01 Acres more or less), Lot 3, SE/4NW/4, E/2SW/4 of Section 1 and the E/2W/2 of Section 12, T22S-R33E.

Total:	100.000000%
(WI) Bullhead Energy LLC	0.600006%
(WI) Oxy Y1 Company	2.499922%
(WI) Marshall & Winston Inc.	9.375098%
(WI) Advance Energy Partners LLC	11.400119%
(WI) CM Resources, LLC	15.000156%
(WI) EOG Resources Inc.	22.499297%
(WI) COG Operating LLC	38.625402%

Participating Parties

Parties We Seek to Pool

Non-Cost-Bearing Interests We Seek to Pool in the Tenderloin Fed Com #503H:

(ORRI) Richard Kevin Barr Family Trust, Beverly Jean Renfro Barr as Trustee	1.249992%
(ORRI) Bypass Trust, Cynthia Mae Wilson as Trustee	1.249992%
(ORRI) Chi Energy Inc.	0.876860%
(ORRI) Todd M. Wilson and Carol I. Wilson	0.624981%
(ORRI) William R. Bergman	0.601269%
(ORRI) Wolfcamp Title LLC	0.520817%
(ORRI) Todd M. Wilson	0.500016%
(ORRI) Patterson UTI Energy Inc.	0.249992%
(ORRI) Pocahontas Oil Co. Inc.	0.003125%
(ORRI) Daniel Energy Inc.	0.003125%



February 20, 2020

Via Certified Mail, Return Receipt Requested Working Interest Owners – Attached Listing

Re:

Tenderloin Federal Com 501H Tenderloin Federal Com 502H

Township 22 South - Range 33 East, N.M.P.M.

Sections 1 & 12

640.01 acres - Bone Spring Formation

Lea County, New Mexico

Dear Sir or Madam:

Luke Bedrick, CPL Senior Landman COG Operating LLC One Concho Center 600 West Illinois Avenue Midland, Texas 79701

Main: 432-683-7443 Direct: 432-686-3000 LBedrick@concho.com

COG Operating LLC ("COG"), as Operator, respectfully rescinds its well proposal for the captioned wells dated November 18, 2019 and hereby re-proposes the drilling and completion of the horizontal wells with productive laterals located on E½ of Sections 1 and 12, T22S-R33E, Lea County, New Mexico (collectively, the "Operation"). The surface pad is planned as an off-lease location in Unit A, of Section 13, T22S-R33E (or another legal location chosen by Operator).

Tenderloin Federal Com 501H to be drilled to a depth sufficient to test the Bone Spring formation at an approximate total vertical depth of 10,890 feet. The surface location for this well is proposed at approximately 220 FNL, 975 FEL, or an approved location within Unit A of Section 13, and a bottom hole location at approximately 50 FNL, 330 FEL, or an approved location within Unit A of Section 1. The dedicated horizontal spacing unit will be E½ of Sections 1 and 12, T22S-R33E, Lea County, New Mexico. The total estimated cost to drill and complete said well is \$10,491,500.00, as shown on the attached Authority for Expenditure ("AFE").

Tenderloin Federal Com 502H to be drilled to a depth sufficient to test the Bone Spring formation at an approximate total vertical depth of 10,590 feet. The surface location for this well is proposed at approximately 220 FNL, 1005 FEL, or an approved location within Unit A of Section 13, and a bottom hole location at approximately 50 FNL, 1645 FEL, or an approved location within Unit B of Section 1. The dedicated horizontal spacing unit will be E½ of Sections 1 and 12, T22S-R33E, Lea County, New Mexico. The total estimated cost to drill and complete said well is \$10,491,500.00, as shown on the attached Authority for Expenditure ("AFE").

COG is proposing these wells under the terms of a new Operating Agreement which is included for your review and approval. It has the following general provisions:

- 100/300 Non-Consenting Penalty;
- \$7,000/\$700 Drilling and Producing Rate; and
- COG Operating LLC named as Operator.

If you do not wish to participate in the Operation, COG would like to discuss the term assignment of your interest to COG under the following indicative terms:

- \$750 / acre bonus;
- 3 year Primary Term; and
- Overriding Royalty Interest reserved unto assignor of the positive difference (if any) between existing burdens of record and 25%.

Tenderloin Federal Com 501H Tenderloin Federal Com 502H February 20, 2020 Page 2

Please indicate your desire to term assign your Working Interest to COG by contacting me at the email or telephone number below. This invitation to discuss a term assignment remains open until thirty (30) days after your receipt of any pooling order obtained from the NMOCD.

In the interest of time, 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 a horizontal spacing unit for the proposed wells.

Please indicate your participation elections in the spaces provided below, sign, and return this letter, along with a signed copy of the enclosed AFEs and a copy of your geologic requirements, to my attention at the letterhead address or by email to <u>LBedrick@concho.com</u>.

If you have any questions, please do not hesitate to contact me at 432-686-3000.

Sincerely, COG OPERA Luke Bedrick, Senior Landm	Bedrich
LB:lr	
Enc	
	I/We hereby elect to participate in the drilling and completion of the Tenderloin Federal Com 501H I/We hereby elect not to participate in the drilling and completion of the Tenderloin Federal Com 501H ***********************************
-	I/We hereby elect to participate in the drilling and completion of the Tenderloin Federal Com 502H
-	I/We hereby elect not to participate in the drilling and completion of the Tenderloin Federal Com 502H
Name:	



February 20, 2020

Via Certified Mail, Return Receipt Requested
Working Interest Owners – Attached Listing

Luke Bedrick, CPL Senior Landman COG Operating LLC One Concho Center 600 West Illinois Avenue Midland, Texas 79701

Main: 432-683-7443 Direct: 432-686-3000 LBedrick@concho.com

Re: Tenderloin Federal Com 503H

Township 22 South - Range 33 East, N.M.P.M.

Sections 1 & 12

320.01 acres - Bone Spring Formation

Lea County, New Mexico

Dear Sir or Madam:

COG Operating LLC ("COG"), as Operator, respectfully rescinds its well proposal for the captioned well dated November 18, 2019 and hereby re-proposes the drilling and completion of the horizontal well with a productive lateral located on E½W½ of Sections 1 and 12, T22S-R33E, Lea County, New Mexico (collectively, the "Operation"). The surface pad is planned as an off-lease location in Unit C, of Section 13, T22S-R33E (or another legal location chosen by Operator).

Tenderloin Federal Com 503H to be drilled to a depth sufficient to test the Bone Spring formation at an approximate total vertical depth of 10,890 feet. The surface location for this well is proposed at approximately 410 FNL, 2310 FWL, or an approved location within Unit C of Section 13, and a bottom hole location at approximately 50 FNL, 2310 FWL, or an approved location within Unit C of Section 1. The dedicated horizontal spacing unit will be E½W½ of Sections 1 and 12, T22S-R33E, Lea County, New Mexico. The total estimated cost to drill and complete said well is \$10,491,500.00, as shown on the attached Authority for Expenditure ("AFE").

COG is proposing this well under the terms of a new Operating Agreement which is included for your review and approval. It has the following general provisions:

- 100/300 Non-Consenting Penalty;
- \$7,000/\$700 Drilling and Producing Rate; and
- COG Operating LLC named as Operator.

If you do not wish to participate in the Operation, COG would like to discuss the term assignment of your interest to COG under the following indicative terms:

- \$750 / acre bonus;
- 3 year Primary Term; and
- Overriding Royalty Interest reserved unto assignor of the positive difference (if any) between existing burdens of record and 25%.

Please indicate your desire to term assign your Working Interest to COG by contacting me at the email or telephone number below. This invitation to discuss a term assignment remains open until thirty (30) days after your receipt of any pooling order obtained from the NMOCD.

Tenderloin Federal Com 503H February 20, 2020 Page 2

In the interest of time, 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 a horizontal spacing unit for the proposed well.

Please indicate your participation election in the space provided below, sign, and return this letter, along with a signed copy of the enclosed AFE and a copy of your geologic requirements, to my attention at the letterhead address or by email to LBedrick@concho.com.

If you have any questions, please do not hesitate to contact me at 432-686-3000.

Luke B	Perating LLC Ledrick, CPL Landman
LB:lr	
Enc	
	I/We hereby elect to participate in the drilling and completion of the Tenderloin Federal Com 503H I/We hereby elect not to participate in the drilling and completion of the Tenderloin Federal Com 503H
By: Name: Title: Date:	

COG OPERATING LLC AUTHORITY FOR EXPENDITURE Drill & Complete

Well Name TENDERLOIN FEDERAL COM 501H
SHL Sec 13: 220 FNL & 975 FEL or an approved location within Unit A
BHL Sec 1: 50 FNL & 330 FEL or an approved location within Unit A
Formation BONE SPRING
Legal Sections 1 & 12, T22S-R33E

Prospect Les 2233 (717150)
State & County Les County, NM
Objective Drill and Complete
Depth 21,450
TVD 10,890

Cost Description Intengible Costs	Code	PreSpud (PS)	Drilling (DR)	Completions (C	Tank Bity Constrctn(TB)	Pmpq Equip (PEQ)	Total
PS-Title/Permits	201	\$20,000.00		10 -10 -1-		r	\$20,000.00
D-Insurance	202	\$2,500.00					\$2,500.00
PS-Damages/ROW	203	\$20,000.00					\$20,000.00
PS-Survey/Stake Lctn D-Lctr/Pits/Roads	204 205	\$7,000.00	\$180,000.00	2			\$7,000.00
D-Drilling Overhead	206		\$9,600.00		1		\$9,600.00
D-Daywork Contract	209		\$807,000.00				\$807,000.00
D-Directional Drig Services D-Fuel & Power	210		\$335,000.00 \$162,000.00				\$335,000.00
D-Water	212		\$120,000.00		1		\$162,000.00 \$120,000.00
D-Bits	213		\$92,000.00				\$92,000.00
D-Mud & Chemicals	214		\$160,000.00				\$160,000.00
D-Cement Surface D-Cement Intermed	217		\$37,200.00 \$55,800.00				\$37,200.00
D-Prod-2nd Int Cmt	219		\$120,900.00				\$55,800.00 \$120,900.00
D-Float Equipment & Centralizers	221		\$65,000.00				\$65,000.00
D-Csg Crews & Equip	222 225		\$70,000.00				\$70,000.00
D-Contract Labor D-Company Sprvsn	226		\$6,500.00 \$57,600.00				\$6,500.00 \$57,600.00
D-Contract Sprvsn	227		\$144,000.00				\$144,000.00
D-Tstg Csg/Tbg	228		\$40,000.00				\$40,000.00
D-Mud Logging Unit D-Rentals-Surface	229 235		\$46,000.00 \$192,000.00				\$46,000.00
D-Rentals-Subsric	235		\$112,000.00	-			\$192,000.00 \$112,000.00
D-Trucking/Forklift/Rig Mob	237		\$265,000.00				\$285,000.00
D-Welding Services	238		\$3,000.00				\$3,000.00
D-Contingency D-Envrnmtt/Cisd Loop	243		\$70,000.00				\$70,000.00
C-Wellbore Frac Prep	304		\$352,000.00	\$67,000.00		~	\$352,000.00 \$67,000.00
C-Lctr/Pits/Roads	305			\$12,200.00			\$12,200.00
C-Completion OH	306			\$15,000.00			\$15,000.00
C-Frac Equipment C-Frac Chemicals	307			\$1,070,000.00			\$1,070,000.00 \$446,000.00
C-Frac Proppant	308			\$210,000.00			\$210,000.00
C-Frac Proppant Transportation	310		<u> </u>	\$347,000.00			\$347,000.00
C-Fuel Delivery & Services	311			\$68,000.00			\$68,000.00
C-Water C-Frac Surface Rentals	312			\$576,000.00 \$393,000.00			\$576,000.00 \$393,000.00
C-Contract Labor	325			\$40,000.00			\$40,000.00
C-Company Sprvsn	326			\$15,000.00			\$15,000.00
C-Contract Sprvsn	327			\$169,000.00			\$169,000.00
C-Tstg Csg/Tbg C-Artificial Lift Install	328 329			\$5,000.00 \$48,000.00			\$5,000.00 \$48,000.00
C-Perf/Wireline Svc	331			\$404,000.00		-	\$404,000.00
C-Trucking/Forklift/Rig Mob	337			\$40,000.00			\$40,000.00
C-Welding Services	338			\$5,000.00			\$5,000.00
C-Water Disposal C-Miscellaneous	339 342			\$60,000.00			\$60,000.00
C-Contingency	343		1	\$192,000.00			\$192,000.00
C-Envrnmtl/Clsd Loop	344		2	\$5,000.00			\$5,000.00
C-Dyed Diesel C-Drillout	345 346			\$353,000.00			\$353,000.00
TB-Damages/Right of Way	351			\$309,000.00	\$2,000.00		\$309,000.00
TB-Location/Pits/Roads	353				\$38,000.00		\$38,000.00
TB-Contract Labor	356				\$200,000.00		\$200,000.00
TB-Company Supervision TB-Water Disposal	357 362				\$5,000.00 \$200,000.00		\$5,000.00 \$200,000.00
PEQ-HRZ Well Offset Frac	391				3200,000.00	\$20,000.00	\$20,000.00
Total Intangible Costs	600 - 00	\$49,500.00	\$3,502,500.00	\$4,849,200.00	\$445,000.00	\$20,000.00	\$8,866,300.00
Z							
Tangible Costs PEQ-Flowback Crews & Equip	392	1		11-76		\$120,000.00	\$120,000.00
D-Surface Casing	401		\$47,000.00			3720,000.00	\$47,000.00
D-Intermed Csg	402		\$128,000.00				\$128,000.00
D-Production Casing/Liner	403		\$278,000.00				\$278,000.00
D-Welthead Equip D-Contingency	405 420		\$65,000.00				\$65,000.00 \$1,400.00
C-Tubing	504		31,400.00	\$52,600.00			\$52,600.00
C-Wellhead Equip	505			\$13,200,00			\$13,200.00
TB-Tanks	510				680,000,00		\$80,000.00
TB-Flowlines/Pipelines TB-Htr Trtr/Seprtr					\$80,000.00		
	511 512				\$30,000.00		\$30,000.00
	512 513				\$30,000.00 \$30,000.00 \$185,000.00 \$135,000.00		\$30,000.00 \$185,000.00 \$135,000.00
C-Pckrs/Anchors/Hgrs	512 513 514			\$65,000.00	\$30,000.00 \$185,000.00 \$135,000.00		\$30,000.00 \$185,000.00 \$135,000.00 \$65,000.00
C-Pckrs/Anchors/Hgrs TB-Couplings/Fittings/Valves	512 513 514 515			\$65,000.00	\$30,000.00 \$185,000.00 \$135,000.00 \$220,000.00		\$30,000.00 \$185,000.00 \$135,000.00 \$65,000.00 \$220,000.00
C-Pckrs/Anchors/Hgrs TB-Couplings/Fittings/Valves TB-Gas Lift/Compression	512 513 514 515 516			\$65,000.00	\$30,000.00 \$185,000.00 \$135,000.00 \$220,000.00 \$35,000.00		\$30,000.00 \$185,000.00 \$135,000.00 \$65,000.00 \$220,000.00 \$35,000.00
C-Pckrs/Anchors/Hgrs T8-Couplings/Fittings/Valves T8-Gas Lift/Compression T8-Pumps-Surface T8-Instrumentation/SCADA/POC	512 513 514 515			\$65,000.00	\$30,000.00 \$185,000.00 \$135,000.00 \$220,000.00		\$30,000.00 \$185,000.00 \$135,000.00 \$65,000.00 \$220,000.00 \$35,000.00 \$25,000.00
C-Pckrs/Anchors/Hgrs TB-Couplings/Fittings/Valves TB-Gas Lift/Compression TB-Pumps-Surface TB-Instrumentation/SCADA/POC TB-Miscellaneous	512 513 514 515 516 521 522 523			\$65,000.00	\$30,000.00 \$185,000.00 \$135,000.00 \$220,000.00 \$35,000.00 \$25,000.00 \$20,000.00		\$30,000.00 \$185,000.00 \$135,000.00 \$65,000.00 \$220,000.00 \$35,000.00 \$25,000.00 \$20,000.00
C-Pckrs/Anchors/Hgrs TB-Couplings/Fittings/Valves TB-Gas Lift/Compression TB-Pumps-Surface TB-Instrumentation/SCADA/POC TB-Miscellaneous TB-Meters/Lacts	512 513 514 515 516 521 522 523 523			\$65,000.00	\$30,000.00 \$185,000.00 \$135,000.00 \$220,000.00 \$35,000.00 \$22,000.00 \$20,000.00 \$20,000.00 \$20,000.00		\$30,000.00 \$185,000.00 \$135,000.00 \$65,000.00 \$220,000.00 \$25,000.00 \$20,000.00 \$20,000.00 \$20,000.00
C-Pekrs/Anchors/Higrs TB-Couplings/Fittings/Valves TB-Gas Lit/Compression TB-Pumps-Surface TB-Instrumentation/SCADA/POC TB-Missellianeous TB-Meters/Lact TB-Flares/Combusters/Emission	512 513 514 515 516 521 522 523 525 526				\$30,000.00 \$185,000.00 \$135,000.00 \$220,000.00 \$35,000.00 \$25,000.00 \$20,000.00		\$30,000.00 \$185,000.00 \$135,000.00 \$65,000.00 \$220,000.00 \$25,000.00 \$20,000.00 \$20,000.00 \$25,000.00 \$25,000.00 \$25,000.00
C-Pekra/Anchors/Higrs TB-Couplings/Fittings/Valves TB-Gas Lift/Compression TB-Pumps-Surface TB-Instrumentation/SCADA/POC TB-Miscellaneous TB-Metors/Lacts TB-Metors/Lacts TB-Flares/Combusters/Emission C-Gas Lift/Compression	512 513 514 515 516 521 522 523 523	\$0.00	(\$519,400.00	\$65,000.00 \$50,000.00 \$186,000.00	\$30,000.00 \$185,000.00 \$135,000.00 \$220,000.00 \$35,000.00 \$22,000.00 \$20,000.00 \$20,000.00 \$20,000.00	\$120,000.00	\$30,000.00 \$185,000.00 \$135,000.00 \$65,000.00 \$220,000.00 \$25,000.00 \$20,000.00 \$20,000.00 \$20,000.00
C-Peixr4Anchors/Higrs TB-Couplings/Fittings/Valves TB-Gas Lift/Compression TB-Pumps-Surface TB-Postumeration/SCADA/POC TB-Miscellaneous TB-Metera/Lacts TB-Metera/Lacts TB-Flares/Compression C-Gas Lift/Compression Total Tangible Costs	512 513 514 515 516 521 522 523 525 526			\$50,000.00	\$30,000.00 \$185,000.00 \$135,000.00 \$220,000.00 \$25,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00		\$30,000,00 \$185,000,00 \$135,000,00 \$65,000,00 \$220,000,00 \$22,000,00 \$22,000,00 \$20,000,00 \$20,000,00 \$20,000,00 \$30,000,00 \$30,000,00 \$40,000,
C-Peixr4Anchors/Higrs TB-Couplings/Fittings/Valves TB-Gas Lift/Compression TB-Pumps-Surface TB-Instrumentation/SCADA/POC TB-Miscellaneous TB-Metors/Lacts TB-Hares/Combusters/Emission C-Gas Lift/Compression Total Tangible Coats Total Gross Coat	512 513 514 515 516 521 522 523 525 526 527	\$49,500.00	\$4,022,000.00	\$50,000.00	\$30,000.00 \$185,000.00 \$135,000.00 \$220,000.00 \$35,000.00 \$22,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00	\$120,000.00	\$30,000,00 \$185,000,00 \$135,000,00 \$45,000,00 \$220,000,00 \$25,000,00 \$25,000,00 \$25,000,00 \$25,000,00 \$25,000,00 \$25,000,00 \$25,000,00 \$25,000,00
C-Peixr4Anchors/Higrs TB-Couplings/Fittings/Valves TB-Gas Lift/Compression TB-Pumps-Surface TB-Instrumentation/SCADA/POC TB-Miscellaneous TB-Metors/Lacts TB-Hares/Combusters/Emission C-Gas Lift/Compression Total Tangible Coats Total Gross Coat	512 513 514 515 516 521 522 523 525 526 527	\$49,500.00	\$4,022,000.00	\$50,000.00	\$30,000.00 \$185,000.00 \$135,000.00 \$220,000.00 \$25,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00		\$30,000,00 \$185,000,00 \$135,000,00 \$65,000,00 \$220,000,00 \$22,000,00 \$22,000,00 \$20,000,00 \$20,000,00 \$20,000,00 \$30,000,00 \$30,000,00 \$40,000,
C-Peirr/Anchors/Higrs TB-Couplings/Fittings/Valves TB-Gas Lift/Compression TB-Pumps-Surface TB-Pamps-Surface TB-Instrumentation/SCADA/POC TB-Miscellaneous TB-Motors/Lacts TB-Hars/Compression C-Gas Lift/Compression Total Tangible Costs Total Gross Cost Note: The above costs are estima	512 513 514 515 516 521 522 523 525 526 527	\$49,500.00	\$4,022,000.00	\$50,000.00	\$30,000.00 \$185,000.00 \$135,000.00 \$220,000.00 \$25,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00		\$30,000,00 \$185,000,00 \$135,000,00 \$65,000,00 \$220,000,00 \$22,000,00 \$22,000,00 \$20,000,00 \$20,000,00 \$20,000,00 \$30,000,00 \$30,000,00 \$40,000,
C-Pekra/Anchors/Higrs TB-Couplings/Fittings/Valves TB-Gas Lift/Compression TB-Pumps-Surface TB-Instrumentation/SCADA/POC TB-Miscellaneous TB-Meters/Lacts TB-Flares/Combusters/Emission C-Gas Lift/Compression Total Tangible Costs Total Gross Cost Note: The above costs are estima COG Operating LLC	512 513 514 515 516 521 522 523 525 526 527	\$49,500.00	\$4,022,000.00	\$50,000.00	\$30,000.00 \$185,000.00 \$185,000.00 \$220,000.00 \$35,000.00 \$220,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00	\$140,000.00	\$30,000,00 \$185,000,00 \$135,000,00 \$65,000,00 \$220,000,00 \$22,000,00 \$22,000,00 \$20,000,00 \$20,000,00 \$20,000,00 \$30,000,00 \$30,000,00 \$40,000,
C-Pekra/Anchors/Higrs TB-Couplings/Fittings/Valves TB-Gas Lift/Compression TB-Pumps-Surface TB-Instrumentation/SCADA/POC TB-Miscellaneous TB-Meters/Lacts TB-Flares/Combusters/Emission C-Gas Lift/Compression Total Tangible Costs Total Gross Cost Note: The above costs are estima COG Operating LLC	512 513 514 515 516 521 522 523 525 526 527	\$49,500.00	\$4,022,000.00	\$50,000.00	\$30,000.00 \$185,000.00 \$185,000.00 \$220,000.00 \$35,000.00 \$220,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00		\$30,000,00 \$185,000,00 \$135,000,00 \$65,000,00 \$220,000,00 \$22,000,00 \$22,000,00 \$20,000,00 \$20,000,00 \$20,000,00 \$30,000,00 \$30,000,00 \$40,000,
TB-Electrical System/Equipment C-Petra/Anchora/Higrs TB-Couplings/Fittings/Valves TB-Gas Lift/Compression TB-Instrumentation/SCADA/POC TB-Instrumentation/SCADA/POC TB-Historillancous TB-Miscellinacous TB-Miscellinacous TB-Miscellinacous TB-Historillancous	512 513 514 515 516 521 522 523 525 526 527	\$49,500.00	\$4,022,000.00	\$50,000.00	\$30,000.00 \$185,000.00 \$185,000.00 \$220,000.00 \$35,000.00 \$220,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00	\$140,000.00	\$30,000,00 \$185,000,00 \$135,000,00 \$65,000,00 \$220,000,00 \$22,000,00 \$22,000,00 \$20,000,00 \$20,000,00 \$20,000,00 \$30,000,00 \$30,000,00 \$40,000,
C-Pekra/Anchors/Higrs T5-Couplings/Fittings/Valves T8-Gas Lift/Compression T8-Pumps-Surface T8-Pumps-Surface T8-Pist-Instrumentation/SCADA/POC T8-Miscellaneous T8-Miscellaneous T8-Miscellaneous T8-Miscellaneous T8-Flares/Combusters/Emission C-Gas Lift/Compression Total Trangible Costs Total Trangible Costs Total Tangible Costs COG Operating LLC By: We approve:	512 513 514 515 516 521 522 523 525 526 527	\$49,500.00	\$4,022,000.00	\$50,000.00	\$30,000.00 \$185,000.00 \$135,000.00 \$220,000.00 \$35,000.00 \$25,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00	\$140,000.00	\$30,000,00 \$185,000,00 \$135,000,00 \$65,000,00 \$220,000,00 \$22,000,00 \$22,000,00 \$20,000,00 \$20,000,00 \$20,000,00 \$30,000,00 \$30,000,00 \$40,000,
C-Peixr4Anchors/Hgrs TB-Couplings/Fittings/Valves TB-Ges Lift/Compression TB-Pumps-Surface TB-Pumps-Surface TB-Instrumentation/SCADA/POC TB-Miscellaneous TB-Moteral_Audis TB-Flares/Combusters/Emission C-Gas Lift/Compression Total Trangible Costs Total Gross Cost Note: The above costs are estima COG Operating LLC By:	512 513 514 515 516 521 522 523 525 526 527	\$49,500.00	\$4,022,000.00	\$50,000.00	\$30,000.00 \$185,000.00 \$135,000.00 \$220,000.00 \$35,000.00 \$25,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00	\$140,000.00	\$30,000,00 \$185,000,00 \$135,000,00 \$65,000,00 \$220,000,00 \$22,000,00 \$22,000,00 \$20,000,00 \$20,000,00 \$20,000,00 \$30,000,00 \$30,000,00 \$40,000,
C-Peirra/Anchors/Higrs TB-Couplings/Fittings/Valves TB-Gas Lift/Compression TB-Pumps-Surface TB-Pumps-Surface TB-Pumps-Surface TB-Histrumeration/SCADA/POC TB-Miscellaneous TB-Histra-TB-Materia/Lacts TB-Flares/Combusters/Emission C-Gas Lift/Compression Total Trangible Costs Total Trangible Costs Total Tangible Costs Total Tangible Costs SCOG Operating LLC By: We approve:	512 513 514 515 516 521 522 523 525 526 527	\$49,500,00 ctual costs will be	\$4,022,000.00	\$50,000.00	\$30,000.00 \$185,000.00 \$135,000.00 \$220,000.00 \$35,000.00 \$25,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00	\$140,000.00	\$30,000,00 \$185,000,00 \$135,000,00 \$65,000,00 \$220,000,00 \$22,000,00 \$22,000,00 \$20,000,00 \$20,000,00 \$20,000,00 \$30,000,00 \$30,000,00 \$40,000,
C-Peirr/Anchors/Higrs TB-Couplings/Titings/Valves TB-Gas Lift/Compression TB-Pumps-Surface TB-Pumps-Surface TB-Horstrumentation/SCADA/POC TB-Miscellaneous TB-Hoterat/Lacts TB-Flares/Combusters/Emission C-Gas Lift/Compression Total Tangible Coexs Total Gross Coet Note: The above costs are estima COG Operating LLC By: We approve: % Working Interest	512 513 514 515 516 521 522 523 525 526 527	\$49,500,00 ctual costs will be	\$4,022,000.00	\$50,000.00	\$30,000.00 \$185,000.00 \$135,000.00 \$220,000.00 \$35,000.00 \$25,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00	\$140,000.00	\$30,000,00 \$185,000,00 \$135,000,00 \$65,000,00 \$220,000,00 \$22,000,00 \$22,000,00 \$20,000,00 \$20,000,00 \$20,000,00 \$30,000,00 \$30,000,00 \$40,000,
C-Peirs/Anchors/Higrs FB-Couplings/Fitings/Valves TB-Gas Lift/Compression TB-Pumps-Surface TB-Pumps-Surface TB-Pumps-Surface TB-Meters/Lacts TB-Flares/Combusters/Emission CGas Lift/Compression Total Tangible Coexs Total Gross Coet Vote: The above costs are estima COG Operating LLC 3y: We approve: % Working Interest Company: Advance Energy Parts Sy:	512 513 514 515 516 521 522 523 525 526 527	\$49,500,00 ctual costs will be	\$4,022,000.00	\$50,000.00	\$30,000.00 \$185,000.00 \$135,000.00 \$220,000.00 \$35,000.00 \$25,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00	\$140,000.00	\$30,000,00 \$185,000,00 \$135,000,00 \$65,000,00 \$220,000,00 \$22,000,00 \$22,000,00 \$20,000,00 \$20,000,00 \$20,000,00 \$30,000,00 \$30,000,00 \$40,000,
C-Peirra/Anchors/Higrs TB-Couplings/Fittings/Valves TB-Ges Lift/Compression TB-Pumps-Surface TB-Pumps-Surface TB-Pimps-Surface TB-Motoral_Ands TB-Pimps-Surface TB-Motoral_Ands TB-Flaras/Combusters/Emission C-Gas Lift/Compression Total Trangible Costs Total Gross Cost Note: The above costs are estima COG Operating LLC By: We approve: % Working Interest Company. Advance Energy Part By: Printed Name:	512 513 514 515 516 521 522 523 525 526 527	\$49,500,00 ctual costs will be	\$4,022,000.00	\$50,000.00	\$30,000.00 \$185,000.00 \$185,000.00 \$220,000.00 \$35,000.00 \$220,000.00 \$22,000.00 \$22,000.00 \$22,000.00 \$22,000.00 \$22,000.00 \$22,000.00 \$22,000.00 \$22,000.00 \$22,000.00 \$22,000.00 \$22,000.00 \$22,000.00 \$22,000.00 \$22,000.00	\$140,000.00 2-17-2020	\$30,000.00 \$185,000.00 \$135,000.00 \$25,000.00 \$35,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00
C-Pekra/Anchors/Higrs R-Couplings/Fitings/Valves R-Gas Lift/Compression R-Pumps-Surface R-Pumps-Surface R-Missellaneous R-Missellaneous	512 513 514 515 516 521 522 523 525 526 527	\$49,500,00 ctual costs will be	\$4,022,000.00	\$50,000.00	\$30,000.00 \$185,000.00 \$135,000.00 \$220,000.00 \$35,000.00 \$25,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00	\$140,000.00 2-17-2020 2-18	\$30,000.00 \$185,000.00 \$135,000.00 \$25,000.00 \$35,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00

COG OPERATING LLC AUTHORITY FOR EXPENDITURE Drill & Complete

Well Name TENDERLOIN FEDERAL COM 502H
SHL Sec 13: 220 FNL & 1005 FEL or an approved location within Unit A
BHL Sec 1: 30 FNL & 1045 FEL or an approved location within Unit B
Formation BONE SPRING
Legal Sections 1 & 12, T22S-R33E

Prospect Lea 2233 (717160)
State & County Lea County, NM
Objective Drill and Complete
Depth 21,150
TVD 10,590

Cost Description Intangible Costs	Code	PreSpud (PS)	Drilling (DR)	Completions (C)	Tank Bity Constrctn(TB)	Pmpq Equip (PEQ)	1
PS-Title/Permits	201	\$20,000.00					\$20,000
D-Insurance	202	\$2,500.00					\$2,500
PS-Damages/ROW	203	\$20,000.00					\$20,000
PS-Survey/Stake Lctn D-Lctn/Pits/Roads	204	\$7,000.00	£100 000 00				\$7,000
O-Drilling Overhead	205		\$180,000.00 \$9,600.00				\$180,000 \$9,600
D-Daywork Contract	209		\$807,000.00				\$807,000
0-Directional Drig Services	210		\$335,000.00				\$335,000
2-Fuel & Power	211		\$162,000.00				\$162,000
D-Water	212		\$120,000.00				\$120,000
)-Bits	213		\$92,000.00				\$92,000
D-Mud & Chemicals	214		\$160,000.00				\$160,000
Cement Surface	217		\$37,200.00				\$37,200
D-Cement Intermed D-Prod-2nd Int Cmt	218		\$55,800.00				\$55,800
>-Prod-2nd Int Cmt >-Float Equipment & Centralizers	221		\$120,900.00 \$65,000.00				\$120,900
Csg Crews & Equip	222		\$70,000.00				\$65,000 \$70,000
Contract Labor	225		\$6,500.00				\$6,500
-Company Sprvsn	228		\$57,600.00				\$57,600
-Contract Sprvsn	227		\$144,000.00				\$144,000
)-Tstg Csg/fbg	228		\$40,000.00				\$40,000
-Mud Logging Unit	229		\$46,000.00				\$46,000
-Rentals-Surface	235		\$192,000.00				\$192,000
-Rentals-Subsrfc	236		\$112,000.00				\$112,000
-Trucking/Forklift/Rig Mob	237		\$265,000.00				\$265,000
-Welding Services	238		\$3,000.00				\$3,000
-Contingency -Envrnmtl/Clsd Loop	243		\$70,000.00 \$352,000.00				\$70,000 \$352,000
-Wellbore Frac Prep	304		\$302,000.00	\$67,000.00			\$67,000
-Lctn/Pits/Roads	305			\$12,200.00			\$12,200
-Completion OH	306			\$15,000.00			\$15,000
-Frac Equipment	307			\$1,070,000.00			\$1,070,000
-Frec Chemicals	308			\$446,000.00			\$446,000
-Frac Proppant	309			\$210,000.00			\$210,000
-Frac Proppart Transportation	310			\$347,000.00			\$347,000
-Fuel Delivery & Services	311			\$68,000.00			\$68,000
-Water	312			\$576,000.00			\$576,000
-Frac Surface Rentals	315			\$393,000.00			\$393,000
-Contract Labor	325 326			\$40,000.00 \$15,000.00			\$40,000
-Company Sprvsn -Contract Sprvsn	327			\$169,000.00			\$15,000 \$169,000
-Tstg Csg/Tbg	328			\$5,000.00			\$5,000
-Artificial Lift Install	329			\$48,000.00			\$48,000
-Perf/Wireline Svc	331			\$404,000.00			\$404,000
-Trucking/Forklift/Rig Mob	337			\$40,000.00			\$40,000
-Welding Services -Water Disposal	338			\$5,000.00			\$5,000
-Water Disposal	339			\$60,000.00			\$60,000
Miscellaneous	342			\$0.00		- 2	\$0
-Contingency	343			\$192,000.00			\$192,000
-Envrnmtt/Cisd Loop -Dyed Diesel	344			\$5,000.00			\$5,000
-Drillout	346			\$353,000.00 \$309,000.00			\$353,000
B-Damages/Right of Way	351			4505,000.00	\$2,000.00		\$309,000 \$2,000
B-Location/Pits/Roads	353				\$38,000.00		\$38,000
B-Contract Labor	356				\$200,000.00		\$200,000
B-Company Supervision	357				\$5,000.00		\$5,000
B-Water Disposal	362				\$200,000.00		\$200,000
EQ-HRZ Well Offset Frac	391					\$20,000.00	\$20,000
otal Intangible Costs		\$49,500.00	\$3,502,600.00	\$4,849,200.00	\$445,000.00	\$20,000.00	\$8,866,300
angible Costs			WIND BY				
EQ-Flowback Crews & Equip	392					\$120,000.00	\$120,000
Surface Casing	401		\$47,000.00 \$128,000.00				\$47,000
Intermed Csg Production Casing/Liner	402		\$278,000.00				\$128,000
Wellhead Equip	403		\$65,000.00				\$278,000
Contingency	420		\$1,400.00				\$65,000 \$1,400
Tubing	504		E7,400.00	\$52,600.00			\$52,600
Welhead Equip	505			\$13,200.00			\$13,200
3-Tanks	510				\$80,000.00		\$80,000
3-Flowlines/Pipelines	511				\$30,000.00		\$30,000
3-Htr Trtr/Seprtr	512				\$185,000.00		\$185,000
3-Electrical System/Equipment	513			405 333 3	\$135,000.00		\$135,000
Pckrs/Anchors/Hgrs	514			\$65,000.00	2000 200 1		\$65,000
3-Couplings/Fittings/Valves	515				\$220,000.00		\$220,000
3-Gas Lift/Compression 3-Pumps-Surface	516 521				\$35,000.00 \$25,000.00		\$35,000
3-Instrumentation/SCADA/POC	522				\$25,000.00		\$25,000 \$20,000
3-Miscellaneous	523			-	\$20,000.00		\$20,000
3-Meters/Lacts	525				\$25,000.00		\$25,000
3-Flares/Combusters/Emission	526				\$30,000.00		\$30,000
Gas Lift/Compression	527			\$50,000.00	430,033,00		\$50,000
otal Yangible Costs		\$0.00	\$519,400.00	\$180,800.00	\$805,000.00	\$120,000.00	\$1,625,200
otal Gross Cost	1000	\$49,500.00	\$4,022,000.00	\$5,030,000.00	\$1,250,000.00	\$140,000.00	\$10,491,500.
ote: The above costs are estimate	es only. Ac				\$7,600,000.00 J	\$1.70,500.00 j	VIII, 10 11, 100
BLITT - COLOR - EL							
OG Operating LLC							

COG Operating LLC

By:

COG Operating LLC

We approve:

We approve:

We working Inferest

Company: Advance Energy Partners Hat Mess, LLC

By:

Printed Name:

Titio:

This AFE is only an estimate. By signing you agree to pay your share of the actual costs incurred.

COG OPERATING LLC AUTHORITY FOR EXPENDITURE Drill & Complete

Well Name TENDERLOIN FEDERAL COM 503H
SHL Sec 13: 410 FNL & 2310 FWL or an approved location within Unit C
BHL Sec 1: 50 FNL & 2310 FWL or an approved location within Unit C
Formation BONE SPRING
Legal Sections 1 & 12, T22S-R33E

Prospect Lea 2233 (717160)
State & County Lea County, NM
Objective Drill and Complete
Depth 21,450
TVD 10,890

Cost Description	1 0000	PreSpud (PS)	Orilling (DR)	Completions (C) Tank Bity Constrctn(TE	Propa Equip (PEQ)	Tota
Intangible Costs PS-Title/Permits	201	\$20.000.00				//	
D-Insurance	202	\$2,500.00					\$20,000.00 \$2,500.00
PS-Damages/ROW PS-Survey/Stake Lctn	203	\$20,000.00					\$20,000.00
D-Lctn/Pits/Roads	204	\$7,000,00	\$180,000,00				\$7,000.00 \$180,000.00
D-Drilling Overhead	206		\$9,600,00				\$9,600.00
D-Daywork Contract D-Directional Drig Services	209 210		\$607,000.00				\$807,000.00
D-Fuel & Power	211		\$335,000.00 \$162,000.00				\$335,000.00 \$162,000.00
D-Water	212		\$120,000.00				\$120,000.00
D-Bits D-Mud & Chemicals	213		\$92,000.00				\$92,000.00
D-Cement Surface	217		\$160,000.00 \$37,200.00				\$160,000.00
D-Cement Intermed	218		\$55,800.00				\$37,200.00 \$55,800.00
D-Prod-2nd Int Cmt D-Float Equipment & Centralizers	219		\$120,900.00				\$120,900.00
D-Csg Crews & Equip	222		\$65,000.00 \$70,000.00				\$65,000.00
D-Contract Labor	225		\$6,500.00				\$70,000.00 \$6,500.00
D-Company Sprvsn	226		\$57,600.00				\$57,600.00
D-Contract Sprvsn D-Tstg Csg/Tbg	227		\$144,000,00 \$40,000.00				\$144,000.00
D-Mud Logging Unit	229		\$46,000.00				\$40,000.00 \$46,000.00
D-Rentals-Surface	235		\$192,000.00				\$192,000.00
D-Rentals-Subsrfc D-Trucking/Forklift/Rig Mob	236		\$112,000.00 \$265,000.00				\$112,000.00
D-Welding Services	238		\$3,000.00				\$265,000.00 \$3,000.00
D-Contingency	243		\$70,000.00				\$70,000.00
D-Envmmtl/Cisd Loop C-Wellbore Frac Prep	304		\$352,000.00	****			\$352,000.00
C-Lctn/Pits/Roads	304			\$67,000.00 \$12,200.00			\$67,000.00 \$12,200.00
C-Completion OH	306			\$15,000.00	0		\$15,000.00
C-Frac Equipment C-Frac Chemicals	307			\$1,070,000.00	0		\$1,070,000.00
C-Frac Proppant	308			\$446,000.00 \$210,000.00			\$446,000.00
C-Frac Proppant Transportation	310			\$347,000.00			\$210,000.00 \$347,000.00
C-Fuel Delivery & Services C-Water	311			\$68,000.00			\$68,000.00
C-Frac Surface Rentals	312 315			\$576,000,00 \$393,000.00			\$576,000.00
C-Contract Labor	325			\$40,000.00		7.50	\$393,000.00 \$40,000.00
C-Company Sprvsn	326			\$15,000.00			\$15,000.00
C-Contract Sprvsn C-Tstg Csg/Tbg	327 328			\$169,000.00 \$5,000.00)		\$169,000.00
C-Artificial Lift Install	329		-	\$48,000.00			\$5,000.00 \$48,000.00
C-Perf/Wireline Svc	331			\$404,000.00			\$404,000.00
C-Trucking/Forklift/Rig Mob C-Welding Services	337			\$40,000.00			\$40,000.00
C-Water Disposal	339			\$5,000.00 \$60,000.00		-	\$5,000.00 \$60,000.00
C-Miscellaneous	342			\$0.00			\$0.00
C-Contingency C-Envmmtl/Clsd Loop	343 344			\$192,000.00			\$192,000.00
C-Dyed Diesel	345			\$5,000.00 \$353,000.00			\$5,000.00 \$353,000.00
C-Drillout	346			\$309,000.00			\$309,000.00
TB-Damages/Right of Way TB-Location/Pits/Roads	351				\$2,000.00		\$2,000.00
TB-Contract Labor	353 356			_	\$38,000.00 \$200,000.00		\$38,000.00
TB-Company Supervision	357				\$5,000.00		\$200,000.00 \$5,000.00
TB-Water Disposal PEQ-HRZ Well Offset Frac	362				\$200,000.00		\$200,000.00
COPPING WITH ORSELFIEC		The second second second				\$20,000.00	\$20,000.00
Total Intangible Costs	391	\$49,500.00	\$3,502,600,00	\$4 849 200 00	2445 000 00	600 000 00	
	391	\$49,500.00	\$3,502,600.00	\$4,849,200.00	\$445,000.00	\$20,000.00	\$8,566,300,00
Tangible Costs		\$49,500.00	\$3,502,600.00	\$4,849,200.00	\$445,000.00		\$8,566,300,00
Tangible Costs PEQ-Flowback Crews & Equip	392	\$49,500.00		\$4,849,200.00	\$445,000.00	\$120,000.00	\$8,866,300,60
rangible Costs PEQ-Flowback Crews & Equip D-Surface Casing -Intermed Csg	392 401 402	\$49,500.00	\$47,000.00 \$128,000.00	\$4,849,200.00	\$445,000.00		\$8,866,300,00 \$120,000.00 \$47,000.00
PEQ-Flowback Crews & Equip D-Surface Casing D-Intermed Csg D-Production Casing/Liner	392 401 402 403	\$49,500.00	\$47,000.00 \$128,000.00 \$278,000.00	\$4,849,200.00	\$445,000.00		\$120,000.00 \$47,000.00 \$128,000.00 \$278,000.00
Fangible Coats PEQ-Flowback Crews & Equip D-Surface Casing Intermed Csg D-Production Casing/Liner Wellhead Equip	392 401 402 403 405	\$49,500.00	\$47,000.00 \$128,000.00 \$278,000.00 \$65,000.00	\$4,849,200.00	\$445,000.00		\$120,000.00 \$47,000.00 \$128,000.00 \$278,000.00 \$65,000.00
fangible Coats PEC-Flowback Crews & Equip D-Surface Casing I-Intermed Cas P-Production Casing/Liner D-Wellhead Equip D-Wellhead Equip D-Tubing	392 401 402 403 405 420 504	\$49,500.00	\$47,000.00 \$128,000.00 \$278,000.00	\$4,849,200,00 \$52,600,00	The state of the s		\$120,000.00 \$120,000.00 \$47,000.00 \$128,000.00 \$276,000.00 \$65,000.00 \$1,400.00
angible Costs EQ-Flowback Crews & Equip -Surface Casing -Intermed Casg -Production Casing/Liner -Wellhead Equip -Cortingency -Tubing -Wellhead Equip	392 401 402 403 405 420 504 505	\$49,500.00	\$47,000.00 \$128,000.00 \$278,000.00 \$65,000.00	440			\$120,000.00 \$47,000.00 \$128,000.00 \$278,000.00 \$65,000.00
angible Coats EQ-Flowback Crews & Equip -Surface Casing -Unfermed Casg -Production Casing/Liner -Wellhead Equip -Contingency -Tubing -Wellhead Equip B-Tanks	392 401 402 403 405 420 504 505 510	\$49,500.00	\$47,000.00 \$128,000.00 \$278,000.00 \$65,000.00	\$52,600.00	\$80,000.00		\$120,000.00 \$47,000.00 \$47,000.00 \$276,000.00 \$65,000.00 \$1,400.00 \$52,600.00 \$13,200.00 \$80,000.00
Fangible Coats Fig. Flowback Crews & Equip Surface Casing Surface Casing Findered Casg Production Casing/Liner Wellhead Equip Foorningency Tubing Wellhead Equip B-Tanks B-Flowkines/Pipelines B-Hir Trit/Seprtr	392 401 402 403 405 420 504 505	\$49,500.00	\$47,000.00 \$128,000.00 \$278,000.00 \$65,000.00	\$52,600.00	\$80,000.00 \$30,000.00		\$120,000.00 \$47,000.00 \$47,000.00 \$28,000.00 \$65,000.00 \$1,400.00 \$1,400.00 \$52,600.00 \$13,200.00 \$30,000.00
Fangible Coats FEQ-Flowback Crews & Equip Surface Casing Surface Casing Freduction Casing/Liner Weilhead Equip Cornlingency Tubing Weilhead Equip B-Tanks B-Flowlines/Pipelines B-Hiovlines/Pipelines B-Electrical System/Equipment	392 401 402 403 405 420 504 505 510 511 512 513	\$49,500.00	\$47,000.00 \$128,000.00 \$278,000.00 \$65,000.00	\$52,600.00 \$13,200.00	\$80,000.00 \$30,000.00 \$185,000.00 \$135,000.00		\$120,000.00 \$47,000.00 \$47,000.00 \$276,000.00 \$52,600.00 \$1,400.00 \$52,600.00 \$53,200.00 \$50,000.00 \$50,000.00
langible Costs ZG-Flowback Crews & Equip Surface Casing Surface Casing Surface Casing Flowback Crews & Equip Production Casing/Liner Wellhead Equip B-Tanks B-Flowlines/Pipelines B-Hir Tint/Septr B-Electrical System/Equipment Peksr/Anchors/Hgrs	392 401 402 403 405 420 504 505 510 511 512 513 513	\$49,500.00	\$47,000.00 \$128,000.00 \$278,000.00 \$65,000.00	\$52,600.00	\$80,000.00 \$30,000.00 \$185,000.00 \$135,000.00		\$120,000.00 \$47,000.00 \$128,000.00 \$278,000.00 \$1,400.00 \$52,600.00 \$52,600.00 \$13,200.00 \$30,000.00 \$135,000.00 \$135,000.00
Fangible Coats Fangible Coats Fig. Flowback Crews & Equip Surface Casing Differmed Casing Production Casing/Liner Wellhead Equip Cortingnery Tubing Wellhead Equip B-Tanks B-Flowlines/Pipelines B-Hir Trtt/Seprtr B-Electrical System/Equipment Pekurs/Anchors/Hgrs B-Couplings/Filtings/Valves	392 401 402 403 405 420 504 505 510 511 512 513	\$49,500.00	\$47,000.00 \$128,000.00 \$278,000.00 \$65,000.00	\$52,600.00 \$13,200.00	\$80,000.00 \$30,000.00 \$185,000.00 \$135,000.00		\$120,000.00 \$47,000.00 \$47,000.00 \$276,000.00 \$52,600.00 \$52,600.00 \$52,600.00 \$33,000.00 \$30,000.00 \$135,000.00 \$135,000.00 \$3135,000.00 \$220,000.00
Fangible Coats Fig. Flowback Crews & Equip Surface Casing Surface Casing Formation Casing/Liner F	392 401 402 403 405 420 504 505 510 511 512 513 514 515 516 521	\$49,500.00	\$47,000.00 \$128,000.00 \$278,000.00 \$65,000.00	\$52,600.00 \$13,200.00	\$80,000.00 \$30,000.00 \$185,000.00 \$135,000.00		\$120,000.00 \$47,000.00 \$128,000.00 \$276,000.00 \$1,400.00 \$55,000.00 \$52,600.00 \$53,000.00 \$30,000.00 \$135,000.00 \$135,000.00 \$35,000.00 \$35,000.00 \$35,000.00
Fangible Costs Fig. Flowback Crews & Equip Surface Casing Ornounce Casing Production Casing/Liner Weilhead Equip Ocortingency Tubing Weilhead Equip B-Tanks B-Flowlines/Pipelines B-Hir Trt/Seprtr B-Electrical System/Equipment Pckrs/Anchors/Hgrs B-Couplings/Filtings/Valves B-Gas Lift/Compression B-Hurst-Mertalion/SCADA/POC	392 401 402 403 405 420 504 505 510 511 512 513 614 515 516 52 516	\$49,500.00	\$47,000.00 \$128,000.00 \$278,000.00 \$65,000.00	\$52,600.00 \$13,200.00	\$80,000.00 \$30,000.00 \$165,000.00 \$135,000.00 \$220,000.00 \$25,000.00 \$20,000.00		\$120,000,00 \$120,000,00 \$120,000,00 \$128,000,00 \$128,000,00 \$1400,00 \$1,400,00 \$13,200,00 \$13,200,00 \$135,000,00 \$30,000,00 \$35,000,00 \$355,000,00 \$250,000,00 \$250,000,00 \$250,000,00 \$250,000,00
angible Costs EQ-Flowback Crews & Equip - Surface Casing - Surface Casing - Intermed Casy - Production Casing/Liner - Wellhead Equip - Cortingency - Tubing - Wellhead Equip B-Tanks B-Flowlines/Pipelines B-Hir Trtr/Seprt B-Electrical System/Equipment - Pekrs/Anchors/Hgrs B-Couplings/Filtings/Valves B-Gas Lift/Compression B-Pumps-Surface B-Instrumentation/SCADA/POC B-Miscellaneous	392 401 402 403 405 420 504 505 510 511 512 513 514 515 516 521 521 522	\$49,500.00	\$47,000.00 \$128,000.00 \$278,000.00 \$65,000.00	\$52,600.00 \$13,200.00	\$80,000.00 \$30,000.00 \$185,000.00 \$135,000.00 \$22,000.00 \$25,000.00 \$20,000.00		\$120,000.00 \$47,000.00 \$128,000.00 \$276,000.00 \$1,400.00 \$1,400.00 \$13,200.00 \$13,200.00 \$13,200.00 \$185,000.00 \$185,000.00 \$185,000.00 \$185,000.00 \$220,000.00 \$220,000.00 \$220,000.00
rangible Costs PEQ-Flowback Crews & Equip Surface Casing Surface Casing Surface Casing Flowback Crews & Equip Surface Casing Flowback Crews & Equip Flowback Casing Flowback C	392 401 402 403 403 405 510 510 511 512 513 514 515 516 522 523 525 526	\$49,500.00	\$47,000.00 \$128,000.00 \$278,000.00 \$65,000.00	\$52,600.00 \$13,200.00	\$80,000.00 \$30,000.00 \$185,000.00 \$135,000.00 \$220,000.00 \$22,000.00 \$20,000.00 \$20,000.00 \$20,000.00		\$120,000.00 \$120,000.00 \$17,000.00 \$128,000.00 \$128,000.00 \$1,400.00 \$1,400.00 \$13,200.00 \$13,200.00 \$13,200.00 \$135,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00
angible Coats EQ-Flowback Crews & Equip Surface Casing Surface Casing Intermed Casg Production Casing/Liner Velihead Equip Corringency Tubing Wellhead Equip B-Tanks B-Flowlines/Pipelines B-Hir Trit/Seprt B-Electrical System/Equipment Pekrs/Anchors/Hyrs B-Couplings/Fittings/Valves B-Gas Lifl/Compression B-Instrumentation/SCADA/POC B-Miscollaneous	392 401 402 403 405 504 505 510 511 512 513 514 515 516 521 522 523 525		\$47,000,00 \$128,000,00 \$278,000,00 \$65,000,00 \$1,400,00	\$52,600.00 \$13,200.00 \$65,000.00	\$80,000.00 \$30,000.00 \$185,000.00 \$135,000.00 \$35,000.00 \$22,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$30,000.00	\$120,000.00	\$120,000.00 \$120,000.00 \$128,000.00 \$128,000.00 \$128,000.00 \$14,000.00 \$1,400.00 \$13,200.00 \$13,200.00 \$13,200.00 \$13,200.00 \$13,200.00 \$20,000.00 \$135,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00
angible Coats EQ-Flowback Crews & Equip Surface Casing Surface Casing Intermed Casg Production Casing/Liner Velihead Equip Corringency Tubing Wellhead Equip B-Tanks B-Flowlines/Pipelines B-Hir Trit/Seprt B-Electrical System/Equipment Pekrs/Anchors/Hyrs B-Couplings/Fittings/Valves B-Gas Lifl/Compression B-Instrumentation/SCADA/POC B-Miscollaneous	392 401 402 403 403 405 510 510 511 512 513 514 515 516 522 523 525 526	\$49,500.00	\$47,000.00 \$128,000.00 \$278,000.00 \$65,000.00	\$52,600.00 \$13,200.00 \$65,000.00	\$80,000.00 \$30,000.00 \$185,000.00 \$135,000.00 \$35,000.00 \$22,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$30,000.00		\$120,000.00 \$47,000.00 \$128,000.00 \$278,000.00 \$1,400.00 \$1,400.00 \$13,200.00 \$13,200.00 \$10,000.00 \$10,000.00 \$10,000.00 \$10,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00
angible Costs EQ-Flowback Crews & Equip Surface Casing Juntermed Cas Jernoduction Casing/Liner Wellhead Equip Contingency Tubing Wellhead Equip B-Tanks B-Flowlines/Pipelines B-Hir Trtt/Seprtr B-Electrical System/Equipment Pektrs/Anchors/Hgrs B-Couplings/Filtings/Valves B-Gas Lift/Compression B-Miscellaneous B-Miscellaneous B-Miscellaneous B-Hares/Compression Cas Lift/Compression	392 401 402 403 403 405 510 510 511 512 513 514 515 516 522 523 525 526	\$0.00	\$47,000.00 \$128,000.00 \$278,000.00 \$65,000.00 \$1,400.00 \$5,400.00	\$52,600.00 \$13,200.00 \$65,000.00 \$59,000.00 \$180,800.00	\$80,000.00 \$30,000.00 \$165,000.00 \$133,000.00 \$22,000.00 \$22,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$30,000.00	\$120,000.00	\$120,000.00 \$47,000.00 \$128,000.00 \$276,000.00 \$1,400.00 \$1,400.00 \$52,000.00 \$133,000.00 \$185,000.00 \$185,000.00 \$220,000.00 \$25,000.00 \$25,000.00 \$25,000.00 \$25,000.00 \$25,000.00 \$25,000.00 \$30,000.00 \$25,000.00 \$30,000.00 \$30,000.00
Pangible Costs EQ-Flowback Crews & Equip Surface Casing Surface Casing Surface Casing Informed Csg Production Casing/Liner Wellhead Equip Corrlingency Tubing Wellhead Equip B-Tanks B-Flowlines/Pipelines B-Hitr Titt/Seprtr B-Electrical System/Equipment Pekrs/Anchors/Hyrs B-Couplings/Fittings/Valves B-Gas Lift/Compression B-Imps-Surface B-Instrumentation/SCADA/POC B-Miscellinaneous B-Miscellinaneous B-Miscellinaneous B-Meters/Lacts B-Miscellinaneous B-Meters/Lacts B-Meters/Lacts B-Miscellinaneous B-Meters/Lacts B-Miscellinaneous B-Meters/Lacts B-Miscellinaneous B-Meters/Lacts B-Miscellinaneous B-Misce	392 401 402 403 405 420 504 505 510 511 512 513 514 515 515 516 521 522 523 525 526 527	\$0.00	\$47,000.00 \$128,000.00 \$278,000.00 \$65,000.00 \$1,400.00 \$51,400.00	\$52,600.00 \$13,200.00 \$65,000.00	\$80,000.00 \$30,000.00 \$185,000.00 \$135,000.00 \$35,000.00 \$22,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$30,000.00	\$120,000.00	\$120,000.00 \$120,000.00 \$128,000.00 \$128,000.00 \$128,000.00 \$14,000.00 \$1,400.00 \$13,200.00 \$13,200.00 \$13,200.00 \$13,200.00 \$13,200.00 \$20,000.00 \$135,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00
Tangible Costs FEQ-Flowback Crews & Equip Surface Casing Surface Casing Intermed Casg Production Casing/Liner Wellhead Equip Conflingency Tubing Wellhead Equip B-Tanks B-Flowlines/Pipelines B-Hir Trtr/Seprtr B-Electrical System/Equipment Pecks/Anchors/Hyrs B-Couplings/Filtings/Valves B-Gas Liff/Compression B-Miscellineous B-Miscellineous B-Miscellineous B-Hares/Combusters/Emission -Gas Liff/Compression cas Liff/Com	392 401 402 403 405 420 504 505 510 511 512 513 514 515 515 516 521 522 523 525 526 527	\$0.00	\$47,000.00 \$128,000.00 \$278,000.00 \$65,000.00 \$1,400.00 \$51,400.00	\$52,600.00 \$13,200.00 \$65,000.00 \$59,000.00 \$180,800.00	\$80,000.00 \$30,000.00 \$165,000.00 \$133,000.00 \$22,000.00 \$22,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$30,000.00	\$120,000.00	\$120,000.00 \$47,000.00 \$128,000.00 \$276,000.00 \$1,400.00 \$1,400.00 \$52,000.00 \$133,000.00 \$185,000.00 \$185,000.00 \$220,000.00 \$25,000.00 \$25,000.00 \$25,000.00 \$25,000.00 \$25,000.00 \$25,000.00 \$30,000.00 \$25,000.00 \$30,000.00 \$30,000.00
Tangible Costs PEQ-Flowback Crews & Equip D-Surface Casing D-Surface Casing D-Intermed Csg D-Production Casing/Liner D-Wellhead Equip D-Contingency Tubing Wellhead Equip B-Tanks B-Flowlines/Pipelines B-Htr Trtr/Seprtr B-Electrical System/Equipment Pekrs/Anchors/Hgrs B-Couplings/Filtings/Valves B-Gas Liff/Compression B-Pumps-Surface B-Instrumentation/SCADA/POC B-Miscellinacous B-Miscellinacous B-Miscellinacous B-Flares/Combusters/Emission CGas Liff/Compression CGas Liff/Compressio	392 401 402 403 405 420 504 505 510 511 512 513 514 515 515 516 521 522 523 525 526 527	\$0.00	\$47,000.00 \$128,000.00 \$278,000.00 \$65,000.00 \$1,400.00 \$51,400.00	\$52,600.00 \$13,200.00 \$65,000.00 \$59,000.00 \$180,800.00	\$80,000.00 \$30,000.00 \$165,000.00 \$133,000.00 \$22,000.00 \$22,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$30,000.00	\$120,000.00	\$120,000.00 \$47,000.00 \$128,000.00 \$276,000.00 \$1,400.00 \$1,400.00 \$52,000.00 \$133,000.00 \$185,000.00 \$185,000.00 \$220,000.00 \$25,000.00 \$25,000.00 \$25,000.00 \$25,000.00 \$25,000.00 \$25,000.00 \$30,000.00 \$25,000.00 \$30,000.00 \$30,000.00
rangible Costs PEQ-Flowback Crews & Equip Surface Casing Surface Casing Surface Casing PEQ-Flowback Crews & Equip Surface Casing Production Casing/Liner Wellhead Equip D-Cortlingency Tubing Wellhead Equip B-Tanks B-Flowlines/Pipelines B-Flowlines/Pipelines B-Her Tttr/Septr B-Electrical System/Equipment P-Ckrs/Anchors/Hgrs B-Couplings/Fittings/Valves B-Gas Liff/Compression B-Pumps-Surface B-Instrumentation/SCADA/POC B-Miscellaneous B-Meters/Lacts B-Hares/Combusters/Emission -Gas Liff/Compression otal Tangible Costs otal Gross Cost Otal G	392 401 402 403 405 420 504 505 510 511 512 513 514 515 515 516 521 522 523 525 526 527	\$0.00	\$47,000.00 \$128,000.00 \$278,000.00 \$65,000.00 \$1,400.00 \$51,400.00	\$52,600.00 \$13,200.00 \$65,000.00 \$59,000.00 \$180,800.00	\$80,000.00 \$30,000.00 \$165,000.00 \$133,000.00 \$22,000.00 \$22,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$30,000.00 \$30,000.00	\$120,000.00	\$120,000.00 \$47,000.00 \$128,000.00 \$276,000.00 \$1,400.00 \$1,400.00 \$52,000.00 \$133,000.00 \$185,000.00 \$185,000.00 \$220,000.00 \$25,000.00 \$25,000.00 \$25,000.00 \$25,000.00 \$25,000.00 \$25,000.00 \$30,000.00 \$25,000.00 \$30,000.00 \$30,000.00
Pangible Costs PEQ-Flowback Crews & Equip D-Surface Casing D-Infermed Csg P-Production Casing/Liner D-Wellhead Equip D-Cortlingency -Tubing Wellhead Equip B-Tanks B-Flowlines/Pipelines B-Hit Trtr/Septr B-Electrical System/Equipment P-Exrs/Anchors/Hgrs B-Couplings/Filtings/Valves B-Gas Lift/Compression B-Pumps-Surface B-Instrumentation/SCADA/POC B-Miscellaneous B-Meters/Lacts B-Flares/Combusters/Emission CGas Lift/Compression otal Tangible Costs otal Gross Cost lote: The above costs are estimate	392 401 402 403 405 420 504 505 510 511 512 513 514 515 515 516 521 522 523 525 526 527	\$0.00	\$47,000.00 \$128,000.00 \$278,000.00 \$65,000.00 \$1,400.00 \$51,400.00	\$52,600.00 \$13,200.00 \$65,000.00 \$59,000.00 \$180,800.00	\$80,000.00 \$30,000.00 \$185,000.00 \$133,000.00 \$23,500.00 \$22,000.00 \$20,000.00 \$20,000.00 \$30,000.00 \$30,000.00 \$30,000.00	\$120,000.00	\$120,000.00 \$47,000.00 \$128,000.00 \$276,000.00 \$1,400.00 \$1,400.00 \$52,000.00 \$133,000.00 \$185,000.00 \$185,000.00 \$220,000.00 \$25,000.00 \$25,000.00 \$25,000.00 \$25,000.00 \$25,000.00 \$25,000.00 \$30,000.00 \$25,000.00 \$30,000.00 \$30,000.00
Tangible Coets PEQ-Flowback Crews & Equip D-Surface Casing D-Surface Casing D-Intermed Csg D-Production Casing/Liner D-Wellhead Equip D-Cortingency D-Tubing Wellhead Equip B-Tanks B-Hitr Titt/Septr B-Hitr Titt/Septr B-Electrical System/Equipment Pekrs/Anchors/Hyrs B-Coetings/Flittings/Valves B-Coetings/Flittings/Valves B-Gas Lift/Compression B-Pumps-Surface B-Instrumentation/SCADA/POC B-Miscellaneous B-Meters/Lacts B-Hisres/Combusters/Emission C-Gas Lift/Compression C-Gas Lift/	392 401 402 403 405 420 504 505 510 511 512 513 514 515 515 516 521 522 523 525 526 527	\$0.00	\$47,000.00 \$128,000.00 \$278,000.00 \$65,000.00 \$1,400.00 \$51,400.00	\$52,600.00 \$13,200.00 \$65,000.00 \$59,000.00 \$180,800.00	\$80,000.00 \$30,000.00 \$165,000.00 \$133,000.00 \$22,000.00 \$22,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$30,000.00 \$30,000.00	\$120,000.00	\$120,000.00 \$47,000.00 \$128,000.00 \$276,000.00 \$1,400.00 \$1,400.00 \$52,000.00 \$133,000.00 \$185,000.00 \$185,000.00 \$220,000.00 \$25,000.00 \$25,000.00 \$25,000.00 \$25,000.00 \$25,000.00 \$25,000.00 \$30,000.00 \$25,000.00 \$30,000.00 \$30,000.00
Fangible Costs PEQ-Flowback Crews & Equip D-Surface Casing D-Surface Casing D-Intermed Csg D-Production Casing/Liner D-Wellhead Equip D-Contingency -Tubing Wellhead Equip B-Tanks B-Flowlines/Pipelines B-Hur Trit/Septr B-Electrical System/Equipment P-Pekrs/Anchors/Hyrs B-Gosplings/Filtings/Valves B-Gas Lif/Compression B-Pumps-Surface B-Instrumentation/SCADA/POC B-Miscellianeous B-Miscellianeous B-Miscellianeous B-Miscellianeous B-Miscellianeous B-Miscellianeous B-Miscellianeous B-Miscellianeous B-Miscellianeous C-Gas Lif/Compression cost Tangible Costs ontal Gross Cost lotte: The above costs are estimate OG Operating LLC	392 401 402 403 405 420 504 505 510 511 512 513 514 515 515 516 521 522 523 525 526 527	\$0.00	\$47,000.00 \$128,000.00 \$278,000.00 \$65,000.00 \$1,400.00 \$51,400.00	\$52,600.00 \$13,200.00 \$65,000.00 \$59,000.00 \$180,800.00	\$80,000.00 \$130,000.00 \$135,000.00 \$135,000.00 \$220,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$30,000.00 \$12,000.00 \$12,000.00 \$12,000.00	\$120,000.00	\$120,000.00 \$47,000.00 \$128,000.00 \$276,000.00 \$1,400.00 \$55,000.00 \$53,000.00 \$30,000.00 \$185,000.00 \$220,000.00 \$25,000.00 \$25,000.00 \$25,000.00 \$25,000.00 \$25,000.00 \$25,000.00 \$30,000.00 \$25,000.00 \$25,000.00 \$30,000.00 \$30,000.00
Fangible Costs PEQ-Flowback Crews & Equip D-Surface Casing D-Surface Casing D-Surface Casing D-Intermed Csg D-Production Casing/Liner D-Weilhead Equip D-Cortingency D-Tubing D-Weilhead Equip B-Tanks B-Flowlines/Pipelines B-Flowlines/Pipelines B-Flowlines/Pipelines B-Hit Trit/Septr B-Electrical System/Equipment D-Pckrs/Anchors/Hgrs B-Couplings/Fittings/Valves B-Gas Lift/Compression B-Hisros/Compusters/Emission D-B-Hisros/Combusters/Emission Cas Lift/Compression Cas Lift/Compression Cotal Tangible Costs Otal Gross Cost Lots: The above costs are estimate CGG Operating LLC Yes approve: Yes approve: Yes Morking Interest	392 401 402 403 405 420 504 505 510 511 512 513 514 515 516 521 522 523 523 525 526 527	\$6,00 \$49,500.00 ual costs will be bit	\$47,000.00 \$128,000.00 \$278,000.00 \$65,000.00 \$1,400.00 \$51,400.00	\$52,600.00 \$13,200.00 \$65,000.00 \$59,000.00 \$180,800.00	\$80,000.00 \$130,000.00 \$135,000.00 \$135,000.00 \$220,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$30,000.00 \$30,000.00	\$120,000.00 \$120,000.00 \$140,000.00	\$120,000.00 \$47,000.00 \$128,000.00 \$276,000.00 \$1,400.00 \$55,000.00 \$53,000.00 \$30,000.00 \$185,000.00 \$220,000.00 \$25,000.00 \$25,000.00 \$25,000.00 \$25,000.00 \$25,000.00 \$25,000.00 \$30,000.00 \$25,000.00 \$25,000.00 \$30,000.00 \$30,000.00
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TB-Htr Trtt/Septr TB-Electrical System/Equipment D-Pckrs/Anchors/Hgrs B-Couplings/Filtings/Valves B-Gouplings/Filtings/Valves B-Gas Lift/Compression B-Pumps-Surface B-Historial Hardison/SCADA/POC B-Miscollaneous B-Flares/Combusters/Emission D-Gas Lift/Compression Total Trangible Costs Total Trangible Costs Total Trangible Costs Cost Operating LLC by: Ve approve:	392 401 402 403 405 420 504 505 510 511 512 513 514 515 516 521 522 523 523 525 526 527	\$6,00 \$49,500.00 ual costs will be bit	\$47,000.00 \$128,000.00 \$278,000.00 \$65,000.00 \$1,400.00 \$51,400.00	\$52,600.00 \$13,200.00 \$65,000.00 \$59,000.00 \$180,800.00	\$80,000.00 \$130,000.00 \$135,000.00 \$135,000.00 \$220,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$30,000.00 \$30,000.00	\$120,000.00 \$120,000.00 \$140,000.00 DR	\$120,000.00 \$47,000.00 \$126,000.00 \$126,000.00 \$126,000.00 \$1,400.00 \$13,200.00 \$13,200.00 \$30,000.00 \$30,000.00 \$25,000.00 \$25,000.00 \$20,000.00

Communication Log - Tenderloin Fed Com #501H, #502H, #503H

- 2/20/2020 Proposed the 3 Tenderloin Wells. Sent out the Comm Agreement as well as
 Ratifications of the Comm Agreement to Record Title Owners and Overriding Royalty Interest
 Owners respectively.
 - All documents were received by all owners over the 2 weeks following the February 20th proposals.
- 3/1/20 6/1/20 Negotiated JOA and got signatures with multiple parties in the spacing units including Advance and Marshall & Winston
- 3/1/20 6/1/20 Obtained Ratifications of the Comm Agreement from 7 Overriding Royalty Interest owners at various times until we filed our pooling application.
- Currently negotiating a trade with EOG Resources Inc. to obtain their record title and operating rights in these 2 Sections. Trade has been agreed upon by both parties and is set to close soon.
- 6/23/20 to 6/30/20 Discussed their override with Chi Energy. They think that it is calculated incorrectly so we are working with Chi and the title attorney to make sure it is correct now.

Case Nos. 21337-21338

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

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

CASE NOS. 21337 & 21338

AFFIDAVIT OF CANDICE PETTIJOHN, GEOLOGIST

Candice Pettijohn, of lawful age and being first duly sworn, declares as follows:

1. My name is Candice Pettijohn and I am employed by COG Operating LLC

("COG") as a geologist.

2. I have previously testified before the New Mexico Oil Conservation Division as an

expert witness in petroleum geology. I am familiar with the applications filed by COG in these

consolidated cases and have conducted a geologic study of the lands in the subject area.

3. The target interval for the proposed wells is the Second Sands in the Bone Spring

formation.

4. COG Exhibit B-1 is a subsea structure map that I prepared for the Second Sands

of the Bone Spring formation. The proposed initial wells in the E/2 and the E/2 W/2 of Sections 1

and 12 are depicted with dashed lines. The contour intervals are 20 feet and show the Bone Spring

formation gently dipping to the south. The structure appears consistent across the proposed spacing

unit and I do not observe any faulting, pinch outs, or other geologic impediments to drilling

horizontal wells.

5. COG Exhibit B-2 contains a line of cross sections from A to A' using two wells.

I chose these wells to create the cross section because they are the nearest full set of logs in the

proposed project area. In my opinion, these well logs are representative of the geology in the subject area.

6. **COG Exhibit B-3** is a stratigraphic cross-section that I prepared for the Second Sands of the Bone Spring formation using the logs from the representative wells shown on Exhibit B-2. Each well on the cross-section contains gamma ray, resistivity, and porosity logs. The target interval for the proposed wells are bracketed on the cross section. The cross-section demonstrates that the targeted intervals are continuous across the proposed spacing unit.

7. Based on my geologic study, the Bone Spring formation underlying the subject area is suitable for development by horizontal wells and the acreage comprising the proposed horizontal spacing units will be productive and contribute proportionately to the production from the wells.

8. **COG Exhibit B-4** shows the orientation of the wells drilled in the Second Sands of the Bone Spring formation in the surrounding area. The standup orientation of the proposed wells matches that of existing production in this area and their recent production suggests that this is the preferred orientation.

9. In my opinion, the approval of COG's applications in these consolidated cases is in the best interest of conservation, the prevention of waste, and protection of correlative rights.

10. COG Exhibits B-1 and B-4 were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT

CANDICE PETTIJOHN

STATE OF TEXAS)
)
COUNTY OF MIDLAND)

SUBSCRIBED and SWORN to before me this 6th day of July, 2020, by Candice

Pettijohn.

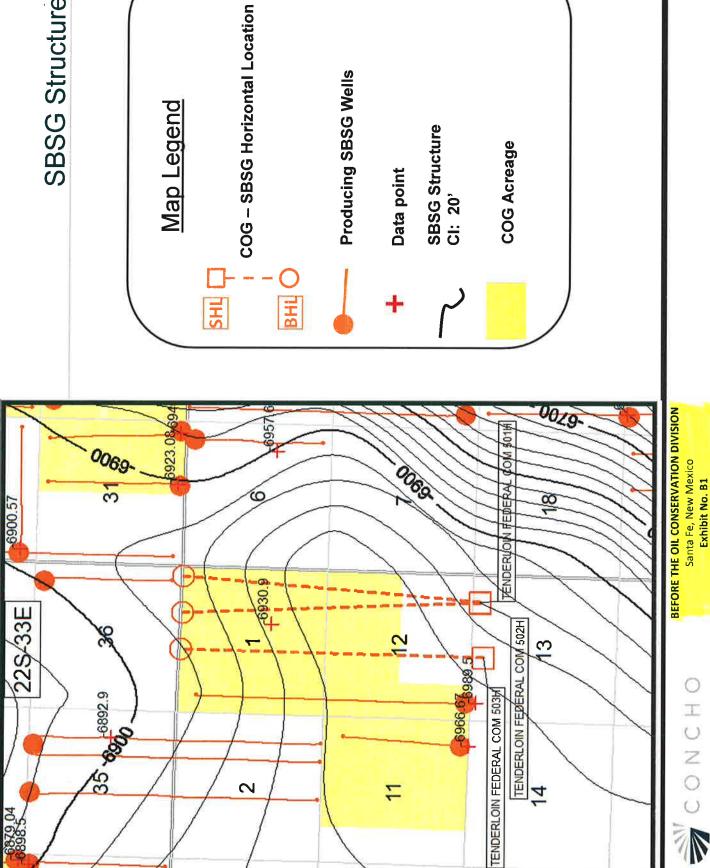


NOTARY PUBLIC

My Commission Expires:

07-18-2021

SBSG Structure Map







3

36

35

22S-33E

Case Nos. 21337-21338





BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico
Exhibit No. B3

Submitted by: COG OPERATING, LLC

Hearing Date: July 09, 2020 Case Nos. 21337-21338

Exhibit No. B4
Submitted by: COG OPERATING, LLC
Hearing Date: July 09, 2020
Case Nos. 21337-21338



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

APPLICATIONS OF COG OPERATING LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NOS. 21337-21338

AFFIDAVIT

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

Michael H. Feldewert, 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.

Michael H. Feldewert

SUBSCRIBED AND SWORN to before me this 7th day of July, 2020 by Michael H. Feldewert.

My Commission Expires:

Nov. 12, 2023

OFFICIAL SEAL
Carla Garcia
NOTARY PUBLIC - STATE OF NEW MEXICO
My Commission Expires: Nov. (2, 2023)

Notary Pub



Michael H. Feldewert

Phone: (505) 988-4421 **Fax:** (505) 983-6043

Email: mfeldewert@hollanhart.com

June 19, 2020

<u>VIA CERTIFIED MAIL</u> CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of COG Operating LLC for compulsory pooling, Lea County,

New Mexico - Tenderloin 501H and 502H Wells

Greetings:

This letter is to advise you that COG Operating Inc. has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on July 9, 2020, and the status of the hearing can be monitored through the Division's website at http://www.emnrd.state.nm.us/ocd/. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from subsequently challenging this matter.

During the COVID-19 Pubic Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. To participate in the electronic hearing, see the instructions posted on the Oil Conservation Division "OCD Hearings" website at http://www.emnrd.state.nm.us/OCD/announcements.html.

Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Adam Reker at (432) 685-2515 or at AReker@concho.com.

Sincerely,

Michael H. Feldewert

ATTORNEY FOR COG OPERATING LLC



Michael H. Feldewert

Phone: (505) 988-4421 **Fax:** (505) 983-6043

Email: mfeldewert@hollanhart.com

June 19, 2020

VIA CERTIFIED MAIL CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of COG Operating LLC for compulsory pooling, Lea County,

New Mexico - Tenderloin 503H Well

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Sincerely,

Michael H. Feldewert

ATTORNEY FOR COG OPERATING LLC

COG - Tenderloin 501H-503H Case No. 21337-21338 - Postal Delivery Report

TrackingNo	ToName	DeliveryAddress	City	State Zip	USPS_Status
9414810898765061582912	Richard Kevin Barr Family Trust Bevery Jean Rengro Barr, as Trustee Richard Kevin Barr Family Trust	8027 Chaik Knoll Dr	Austin	TX 78735-1706	Your item was delivered to an individual at the address at 1:14 pm on June 23, 2020 in AUSTIN, 06 TX 78735.
9414810898765061582936	Chi Energy, inc.	PO Box 1799	Midland	TX 79702-1799	Your item was delivered at 11:56 am on June 24, 99 2020 in MIDLAND, TX 79701.
9414810898765061582943	CM Resources LLC	303 W Wall St Ste 700	Midland	TX 79701-5114	Your item was delivered to an individual at the address at 1:15 pm on June 22, 2020 in MIDLAND, 14 TX 79701.
9414810898765061582950		306 W Wall St Ste 500	Midland	TX 79701-5173	Your item was delivered to the front desk, reception area, or mail room at 1:42 pm on June 73 22, 2020 in MIDLAND, TX 79701.
9414810898765061582967	Cynthia Mae Wilson, Trustee Bypass established in Will of Scott Evans Wilson Bypass Trust	4601 Mirador Dr	Austin	TX 78735-1554	Your item has been delivered to an agent for final delivery in AUSTIN, TX 78735 on June 22, 2020 at 54 1:19 pm.
9414810898765061582974	Daniel Energy, Inc.	521 Oliver Street	Midland	797 XT	Your package will arrive later than expected, but is still on its way. It is currently in transit to the 79701 next facility.
9414810898765061582981	Devon Energy Production Compnay, LP	333 W Sheridan Ave	Oklahoma City	OK 73102-50:	Your package will arrive later than expected, but is still on its way. It is currently in transit to the 73102-5010 next facility.
9414810898765061582998	EOG Resources Inc.	5509 Champions Dr	Midland	TX 79706-2843	
9414810898765061583001	Mustang Oil & gas, LLC	PO Box 412	Roswell	NM 88202-0412	Your item was delivered at 10:35 am on June 23, 12 2020 in ROSWELL, NM 88201.
9414810898765061583018 Oxy Y-1 Company	Oxy Y-1 Company	PO Box 27570	Houston	TX 77227-75	Your package will arrive later than expected, but is still on its way. It is currently in transit to the 77227-7570 next facility.
9414810898765061583025	Patterson-UTI Energy, Inc.	10713 W Sam Houston Pkwy N Ste 800	Houston	TX 77064-3583	Your item was delivered to an individual at the address at 1:33 pm on June 22, 2020 in HOUSTON, 33 TX 77064.
9414810898765061583032 Pocahontas Oil Co. Inc.	Pocahontas Oil Co. Inc.	PO Box 60476	Midland	TX 79711-047	Your package will arrive later than expected, but is still on its way. It is currently in transit to the 79711-0476 next facility.
9414810898765061583049 Todd M. Wilson	Todd M. Wilson	3608 S County Road 1184	Midland	TX 79706-6468	Your package will arrive later than expected, but is still on its way. It is currently in transit to the 88 next facility.
9414810898765061583056	9414810898765061583056 Todd M. Wilson & Carol I. Wilson	3608 S County Road 1184	Midland	TX 79706-6468	
9414810898765061583094 William R. Bergman	William R. Bergman	PO Box 1799	Midland	TX 79702-179	Your item was delivered at 11:56 am on June 24, 79702-1799 2020 in MIDLAND, TX 79701.

COG - Tenderloin 501H-503H Case No. 21337-21338 - Postal Delivery Report

9414810898765061583100 Wolfcamp Title, LLC

PO Box 2423

Roswell

Your item was delivered at 11:32 am on June 23, NM 88202-2423 2020 in ROSWELL, NM 88201.

Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

> Beginning with the issue dated June 25, 2020 and ending with the issue dated June 25, 2020.

Publisher

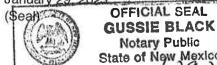
Sworn and subscribed to before me this 25th day of June 2020.

Black

Business Manager

My commission expires

January 29, 2023



Notary Public State of New Mexico My Commission Expires

THE THE WAS AND THE WORLD THE PARTY OF THE P This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL NOTICE June 25, 2020

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

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following case. During the COVID-19 Public Health Emergency, state buildings are closed to the public and Division hearings will be conducted remotely. The remote electronic public hearing will be conducted remotely on the following case. The hearing will be conducted on Thursday, July 9, 2020, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted below. The docket may be viewed at http://www.emnrd.state.nm.us/OCD/hearings.html or obtained from Marlene Salvidrez, at Marlene.Salvidrez@state.nm.us. Documents filed in the case may be viewed at http://ocdimage.emnrd.state.nm.us/imaging/CaseFileCriteria.aspx. If you are an http://ocdimage.emnrd.state.nm.us/imaging/CaseFileCriteria.aspx. If you are an C a s e m a y b e y i e w e d a t http://ocdimage.emnrd.state.nm.us/imaging/CaseFileCriteria.aspx. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Marlene Salvidrez at Marlene.Salvidrez@state.nm.us, or the New Mexico Relay Network at 1-800-659-1779, no later than Monday, June 29, 2020.

Persons may view and participate in the hearings through the following link and as indicated below:

Meeting number: 968 329 152
Password: YQe6KZBe3n6
https://nmemnrd.webex.com/nmemnrd/j.php?MTID=mb3ddb90721ccc1720770 9b8c71dc2ac1

Join by video system
Dial 968329152@nmemnrd.webex.com You can also dial 173.243.2.68 and enter your meeting number.

Join by phone +1-408-418-9388 United States Toll Access code: 968 329 152

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 overriding royalty interest owners and pooled parties, including: Bullhead Energy, LCL; CM Resources LLC; EOG Resources Inc.; Oxy Y-1 Company; Beverly Jean Rengro Barr, as Trustee, Richard Kevin Barr Family Trust; Chi Energy, Inc.; CM Royalties, LP; Cynthia Mae Wilson, Trustee, Bypass Trust established in Will of Scott Evans Wilson; Daniel Energy, Inc.; Devon Energy Production Company, LP; Mustang Oil & Gas, LLC; Pocahontas Oil Co. Inc.; Todd M. Wilson, his heirs and devisees; Todd M. Wilson & Carol I. Wilson, their heirs and devisees; Patterson-UTI Energy, Inc.; William R. Bergman, his heirs and devisees; and Wolfcamp Title, LLC.

Case No. 21337: Application of COG Operating LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation [Grama Ridge; Bone Spring West Pool (Pool Code 28432)] underlying a 640-acre, more or less, standard horizontal spacing unit comprised of the E/2 of Sections 1 and 12, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following proposed initial wells:

*Tenderloin Federal Com 501H to be drilled from a surface hole location in NE/4 NE/4 (Unit A) of Section 13 to a bottom hole location in the NE/4 NE/4 (Lot 1) of Section 1; and

*Tenderloin Federal Com 502H to be drilled from a surface hole location in NE/4 NE/4 (Unit A) of Section 13 to a bottom hole location in the NW/4 NE/4 (Lot 2) of Section 1.

Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for

allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of COG Operating LLC as operator, and the imposition of 200% charge for risk involved in drilling and completing each well. Said area is located approximately 21 miles west of Eunice, New Mexico.

67100754

00243822

HOLLAND & HART LLC PO BOX 2208 SANTA FE,, NM 87504-2208

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. D

Submitted by: COG OPERATING, LLC

Hearing Date: July 09, 2020 Case Nos. 21337-21338

Affidavit of Publication

STATE OF NEW MEXICO **COUNTY OF LEA**

1, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

> Beginning with the issue dated June 25, 2020 and ending with the issue dated June 25, 2020.

Publisher

Sworn and subscribed to before me this 25th day of June 2020.

Business Manager

My commission expires.

danuary 29, 2023

OFFICIAL SEAL **GUSSIE BLACK** Notary Public State of New Mexico. My Commission Expires 2-29 5

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL NOTICE June 25, 2020

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

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following case. During the COVID-19 Public Health Emergency, state buildings are closed to the public and Division hearings will be conducted remotely. The remote electronic public hearing will be conducted remotely on the following case. The hearing will be conducted on **Thursday, July 9, 2020, beginning at 8:15 a.m.** To participate in the electronic hearing, see the instructions posted below. The docket may be viewed at http://www.emnrd.state.nm.us/OCD/hearings.html or obtained from Marlene Salvidrez, at Marlene.Salvidrez@state.nm.us. Documents filed in the case of the property of the case Mariene Salvidrez, at Mariene.Salvidrez@state.nm.us. Documents filed in the c a s e m a y b e v i e w e d a t http://ocdimage.emnrd.state.nm.us/imaging/CaseFileCriteria.aspx. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Mariene Salvidrez at Mariene.Salvidrez@state.nm.us, or the New Mexico Relay Network at 1-800-659-1779, no later than Monday, June 29, 2020.

Persons may view and participate in the hearings through the following link and as indicated below:

Meeting number: 968 329 152
Password: YQe6KZBe3n6
https://nmemnrd.webex.com/nmemnrd/j.php?MTID=mb3ddb90721ccc1720770

Join by video system Dial 968329152@nmemnrd.webex.com You can also dial 173.243.2.68 and enter your meeting number.

Join by phone +1-408-418-9388 United States Toll Access code: 968 329 152

> 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 overriding royalty interest owners and pooled parties, including: Bullhead Energy, LCL; CM Resources LLC; EOG Resources Inc.; Oxy Y-1 Company; Beverly Jean Rengro Barr, as Trustee, Richard Kevin Barr Family Trust; Chi Energy, Inc.; CM Royalties, LP; Cynthia Mae Wilson, Trustee, Bypass Trust established in Will of Scott Evans Wilson; Danlel Energy, Inc.; Devon Energy Production Company, LP; Mustang Oil & Gas, LLC; Pocahontas Oil Co. Inc.; Todd M. Wilson, his heirs and devisees; Todd M. Wilson & Carol I. Wilson, their heirs and devisees; Patterson-UTI Energy, Inc.; William R. Bergman, his heirs and devisees; and Wolfcamp Title, LLC.

Case No. 21338: Application of COG Operating LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation [Grama Ridge; Bone Spring West Pool (Pool Code 28432)] underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the E/2 W/2 of Sections 1 and 12, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the Tenderloin Federal Com 503H well to be drilled from a surface hole location in NE/4 NW/4 (Unit C) of Section 13 to a bottom hole location in the NE/4 NW/4 (Lot 3) of Section 1. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of COG Operating LLC as operator, and the imposition of 200% charge for risk involved in drilling and completing each well. Said area is located approximately 21 miles west of Eunice, New Mexico. Eunice, New Mexico. #35606

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