

# COG Operating LLC Bedlington Force Pooling Lea County, New Mexico



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

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

**CASE NO. 21421** 

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### COMPULSORY POOLING APPLICATION CHECKLIST

#### ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 21421	APPLICANT'S RESPONSE			
Date	September 10, 2020			
Applicant	COG Operating LLC			
Designated Operator & OGRID (affiliation if applicable)	OGRID # 229137			
Applicant's Counsel:	Ocean Munds-Dry, Michael Rodriguez			
Case Title:	Application of COG Operating LLC for Compulsory Pooling, Lea County, New Mexico			
Entries of Appearance/Intervenors:				
Well Family	Bedlington			
Formation/Pool				
Formation Name(s) or Vertical Extent:	Wolfcamp			
Primary Product (Oil or Gas):	Oil			
Pooling this vertical extent:	Wolfcamp			
Pool Name and Pool Code:	WC-025 G-09 S253236A; Upper Wolfcamp (98158)			
Well Location Setback Rules:	Statewide			
Spacing Unit Size:	~ 640 acres			
Spacing Unit				
Type (Horizontal/Vertical)	Horizontal			
Size (Acres)	~ 640 acres			
Building Blocks:	Quarter-quarter			
Orientation:	Standup			
Description: TRS/County	W/2 of Sections 26 and 35, Township 23 South, Range 32 East, Lea County, New Mexico.			
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	The completed interval for the proposed Bedlington Federal Com #702H well will be within 330' of the quarter-quarter line separating the W/2W/2 and the E/2W/2 of Sections 26 and 35 to allow inclusion of this acreage into a standard 640-acre horizontal well spacing unit.			
Proximity Defining Well: if yes, description	Bedlington Federal Com #702H (API # Pending)			
Applicant's Ownership in Each Tract	Attachment B			
Well(s)				
Name (API [if assigned]); Surface hole location; Bottom hole location; Completion target (TVD); Orientation, Completion status (standard or non-standard).	Attachment A			
Well #1	Bedlington Federal Com #701H (API # Pending) SHL: 225 FSL, 1715 FWL, Unit N, 35-23S-32E			

BHL: 50 FNL, 330 FWL, Unit D, 26-23S-32E
Completion Target: Wolfcamp formation (Approx. 12410 feet TVD)
Completion status: Standard
Bedlington Federal Com #702H (API # Pending)
SHL: 225 FSL, 1745 FWL, Unit N, 35-23S-32E
BHL: 50 FNL, 995 FWL, Unit D, 26-23S-32E
Completion Target: Wolfcamp formation (Approx. 12410 feet TVD) Completion status: Standard
Bedlington Federal Com #703H (API # Pending) SHL: 225 FSL, 1775 FWL, Unit N, 35-23S-32E
BHL: 50 FNL, 1650 FWL, Unit C, 26-23S-32E
Completion Target: Wolfcamp formation (Approx. 12410 feet TVD)
Completion status: Standard
Bedlington Federal Com #704H (API # Pending)
SHL: 225 FSL, 1805 FWL, Unit N, 35-23S-32E
BHL: 50 FNL, 2310 FWL, Unit C, 26-23S-32E
Completion Target: Wolfcamp formation (Approx. 12410 feet TVD)
Completion status: Standard
Exhibit 1, Attachment A
·
Exhibit 2, Attachment G
\$8,000
\$800
Exhibit 1, Attachment C
200%
Exhibit 3
Exhibit 3
Exhibit 3
Attachment B
Attachment B
Attachment B
N/A
N/A
Attachment C
Attachment B
Exhibit 1
N/A
IN/A
Attachment C

Facilities Geology	Attachment C
0 ( 1 1 1 1 1 1	
Summary (including special	
considerations)	Exhibit 2
Spacing Unit Schematic	Attachment D
Gunbarrel/Lateral Trajectory	
Schematic	N/A
Well Orientation (with rationale)	Exhibit 2
Target Formation	Wolfcamp
HSU Cross Section	Attachments F and G
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Attachment A
Tracts	Attachment B
Summary of Interests, Unit	
Recapitulation (Tracts)	Attachment B
General Location Map (including	
basin)	Attachment B
Well Bore Location Map	Attachment D
Structure Contour Map - Subsea	
Depth	Attachment E
Cross Section Location Map	
(including wells)	Attachment F
Cross Section (including Landing	
Zone)	Attachment G
Additional Information	
CERTIFICATION: I hereby	
certify that the information	
provided in this checklist is	
complete and accurate.	
Printed Name (Attorney or Party	
Representative):	Michael Rodriguez
Signed Name (Attorney or Party	1111
Representative):	1 1 han
Date:	09/08/2020

#### 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. 21421

#### **APPLICATION**

COG Operating LLC ("Applicant") (OGRID No. 229137), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Wolfcamp formation [WC-025 G-09 S253236A; Upper Wolfcamp (98158)] underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the W/2 of Sections 26 and 35, Township 23 South, Range 32 East, Lea County, New Mexico. In support of its application, COG states:

- 1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
- 2. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following proposed wells:
  - Bedlington Federal Com #701H to be drilled from a surface hole location in SE/4SW/4 (Unit N) of Section 35 to a bottom hole location in the NW/4NW/4 (Unit D) of Section 26;
  - Bedlington Federal Com #702H to be drilled from a surface hole location in SE/4SW/4 (Unit N) of Section 35 to a bottom hole location in the NW/4NW/4 (Unit D) of Section 26;

- Bedlington Federal Com #703H to be drilled from a surface hole location in SE/4SW/4 (Unit N) of Section 35 to a bottom hole location in the NE/4NW/4 (Unit C) of Section 26;
- Bedlington Federal Com #704H to be drilled from a surface hole location in SE/4SW/4 (Unit N) of Section 35 to a bottom hole location in the NE/4NW/4 (Unit C) of Section 26.

The completed interval for the proposed **Bedlington Federal Com #702H** well will be within 330' of the quarter-quarter line separating the W/2W/2 and the E/2W/2 of Sections 26 and 35 to allow inclusion of this acreage into a standard 640-acre horizontal well spacing unit.

- 3. Applicant 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 Applicant to obtain it's 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 Applicant should be designated the operator of the proposed horizontal well spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on September 10, 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;
- B. Approving the initial wells in the horizontal spacing unit;

- C. Designating Applicant as the operator of this spacing unit and the horizontal wells
  to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping, and completing the wells;
- E. Approving the actual operating charges and costs of supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

COG OPERATING LLC

/s/ Michael Rodriguez

Ocean Munds-Dry
Michael Rodriguez
1048 Paseo de Peralta
Santa Fe, New Mexico 87501
(505) 780-8000
omundsdry@concho.com
mrodriguez@concho.com

ATTORNEYS FOR COG OPERATING LLC

Case No.

Application of COG Operating LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Wolfcamp formation [WC-025 G-09 S253236A; Upper Wolfcamp (98158)] underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the W/2 of Sections 26 and 35, Township 23 South, Range 32 East, Lea County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the to the following proposed wells: Bedlington Federal Com #701H to be drilled from a surface hole location in SE/4SW/4 (Unit N) of Section 35 to a bottom hole location in the NW/4NW/4 (Unit D) of Section 26; Bedlington Federal Com #702H to be drilled from a surface hole location in SE/4SW/4 (Unit N) of Section 35 to a bottom hole location in the NW/4NW/4 (Unit D) of Section 26; Bedlington Federal Com #703H to be drilled from a surface hole location in SE/4SW/4 (Unit N) of Section 35 to a bottom hole location in the NE/4NW/4 (Unit C) of Section 26; Bedlington Federal Com #704H to be drilled from a surface hole location in SE/4SW/4 (Unit N) of Section 35 to a bottom hole location in the NE/4NW/4 (Unit C) of Section 26. The completed interval for the proposed Bedlington Federal Com #702H well will be within 330' of the quarter-quarter line separating the W/2W/2 and the E/2W/2 of Sections 26 and 35 to allow inclusion of this acreage into a standard 640-acre horizontal well spacing unit. 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 applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing each well. Said area is located approximately 25 miles east of Malaga, New Mexico.

#### 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. 21421** 

#### **LANDMAN AFFIDAVIT**

I, Adam Reker, of lawful age and being first duly sworn, declare as follows:

- 1. My name is Adam Reker, and I am a Landman with COG Operating LLC ("COG").
- 1. I have testified before the New Mexico Oil Conservation Division ("Division") and my credentials as an expert witness in petroleum land matters and my credentials have been accepted and made a matter of public record.
- 2. I am familiar with the application filed by COG in this case and familiar with the status of the lands in the subject area.
- 3. None of the parties proposed to be pooled in this case have indicated opposition to this proceeding, therefore I do not expect any opposition at hearing.
- 4. COG seeks an order pooling all uncommitted interests in the Wolfcamp formation [WC-025 G-09 S253236A; Upper Wolfcamp (98158)] underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the W/2 of Sections 26 and 35, Township 23 South, Range 32 East, Lea County, New Mexico.
- 5. COG proposes to dedicate the above-referenced horizontal spacing unit to the following proposed initial wells, which it proposes to drill simultaneously:

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 21421 Exhibit No. 1
Submitted by:
COG OPERATING LLC

COG OPERATING LLC
Hearing Date: September 10, 2020

- Bedlington Federal Com #701H to be drilled from a surface hole location in SE/4SW/4
   (Unit N) of Section 35 to a bottom hole location in the NW/4NW/4 (Unit D) of Section 26;
- Bedlington Federal Com #702H to be drilled from a surface hole location in SE/4SW/4
   (Unit N) of Section 35 to a bottom hole location in the NW/4NW/4 (Unit D) of Section 26;
- Bedlington Federal Com #703H to be drilled from a surface hole location in SE/4SW/4
   (Unit N) of Section 35 to a bottom hole location in the NE/4NW/4 (Unit C) of Section 26;
- Bedlington Federal Com #704H to be drilled from a surface hole location in SE/4SW/4
   (Unit N) of Section 35 to a bottom hole location in the NE/4NW/4 (Unit C) of Section 26.
- 6. The completed interval for the proposed Bedlington Federal Com #702H well will be within 330' of the quarter-quarter line separating the W/2W/2 and the E/2W/2 of Sections 26 and 35 to allow inclusion of this acreage into a standard 640-acre horizontal well spacing unit.
  - 7. Attachment A contains draft Form C-102s for the proposed wells.
- 8. No ownership depth severances exist within this proposed spacing unit, and there are no unleased mineral interests in the subject acreage.
- 9. Attachment B depicts the tracts of land comprising the proposed spacing unit in this case. The proposed spacing unit includes federal lands. It also identifies the interest ownership and interest type by tract. COG seeks to pool all uncommitted interests identified in this attachment.

- 10. All interest owners that COG seeks to pool are locatable. COG has conducted a diligent search of all public records in Lea County, including phone directories and computer databases.
- 11. Attachment C contains well proposal letters and AFEs for each well provided to the working interest owners COG is seeking to pool. The costs reflected on each AFE are consistent with what other operators have incurred for drilling similar horizontal wells in the area.
- 12. In my opinion, COG has made a diligent effort to reach agreement with the nonjoined parties as indicated by the following <u>Chronology of Contact</u>:
  - 1/23/2020 Well proposals, AFEs, and COG's proposed form of JOA were sent to all uncommitted working interest owners except Conoco Phillips Company (Title Attorney erroneously left them off of our ownership report)
  - 3/2/2020 Well proposals, AFEs, and COG's proposed form of JOA was sent to Conoco Phillips Company once COG found out that they owned an interest.
  - February 2020 to August 24, 2020 Negotiations of the Joint Operating Agreement with Magnum Hunter Production Company. They signed our JOA in August 2020.
  - 7/7/2020 COG's AFE costs came down significantly since wells were first
    proposed in January and March respectively. COG rescinded old Bedlington
    proposals and re-proposed at lower costs. COG felt this was necessary because
    wells had become significantly cheaper than we had previously proposed and
    we wanted non-operators to have most up to date costs.
  - 8/6/2020 through Present Emailed Chevron USA Inc to see if they needed any
    more information to make an election on Bedlington wells. We have several

- emails back and forth. They indicated that they may want to participate but they have not signed a JOA yet.
- 8/6/2020 Sent EOG Resources Inc. an email to see if they needed anything else from me in evaluating the project. No reply.
- 8/10/2020 Conoco Phillips Company indicated that they want to participate
  in Bedlington and work toward a JOA. I sent them the Operating Agreement
  that we had negotiated with Magnum Hunter and they have not gotten back to
  me on whether they want to sign it.
- 8/31/2020 COG and Chevron had a call with landmen, geologists, and reservoir engineers to discuss spacing, well timing, etc. Chevron still evaluating.
- 9/3/2020 followed up my 8/6 email to EOG Resources Inc. with anther email.
   Emails and call with EOG landman occurred throughout the day on 9/3/2020.
   EOG proposed us a trade on 9/3/20 and that trade was rejected by COG on the afternoon of 9/3/2020.
- 13. In my opinion, COG has made a good faith effort to obtain voluntary joinder of the parties it is seeking to pool. If COG reaches an agreement with any of the parties it is seeking to pool before the Division enters an order, I will inform the Division that COG is no longer seeking to pool those parties.
- 14. COG has estimated the overhead and administrative costs for drilling and producing the proposed wells at \$8,000 per month while drilling and \$800 per month while producing. These costs are consistent with what other operators are charging in this area for similar wells.

- 15. I have provided COG's legal counsel a list of names and addresses of the owners COG seeks to pool and instructed that they be notified of this hearing. Additionally, notice of this hearing was timely published in a newspaper of general circulation in Lea County, New Mexico.
- 16. Exhibit 1 and Attachments A through C were either prepared by me or compiled under my direction and supervision.

THIS CONCLUDES AFFIANT'S STATEMENT.

	Affiant Affiant
STATE OF TEXAS	)
COUNTY OF MIDLAND	)
SUBSCRIBED and SWORN	N to before me this 4th day of September 102 by
Dom Reker	MOTARY PUBLIC
My Commission Expires: 2-14-2023	Laura R Reyna Notary Public, State of Texas Notary ID 199845-1 My Commission Em. 02-14-2023

District I
1625 N. French Dr., Hobbs, NM 88240
Phone (575) 393-6161 Fax (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone (575) 748-1283 Fax (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone (505) 334-6178 Fax (505) 334-6170
District IIV
2205 S. Francis Dr., Santa Fe, NM 87505

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

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

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

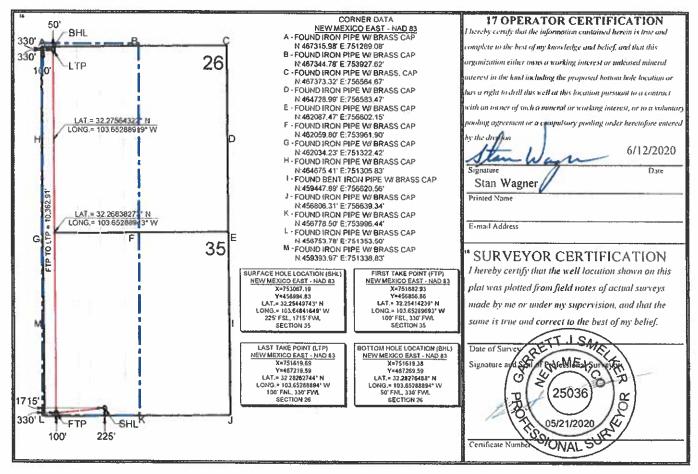
☐ AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Numbe	2 Pool Code	3 Pool Name		
30-025-	98158	WC-025 G-09 S253236A; U		
4 Property Code		5 Property Name TON FEDERAL COM	6 Well Number 70 i H	
7 OGRID No.		8 Operator Name	9 Elevation	
229 137		OPERATING LLC	3623'	

Surface Location UL or lot no. Section Township Range Lot Idn North/South line Fret from the East/West line County Ν 35 23-S 225 SOUTH 1715' WEST LEA 32-E "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 26 23-S 32-E 50' NORTH 330 WEST LEA 12 Dedicated Acres 13 Joint or Infill 14 Consolidation Code 15 Order No. 640

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.



BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico
Case No. 21421 Attachment A
Submitted by:

COG OPERATING LLC
Hearing Date: September 10, 2020

District I 1625 N. French Dr., Hobbs. NN 88240 Phone. (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Artesia, NM 88210 Phone (575) 748-1283 Fax (575) 748-9720 District III 1600 Rio Brazos Road, Aztec, NM 87410 Phone (505) 334-6178 Fax: (505) 334-6170 District IIX 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

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

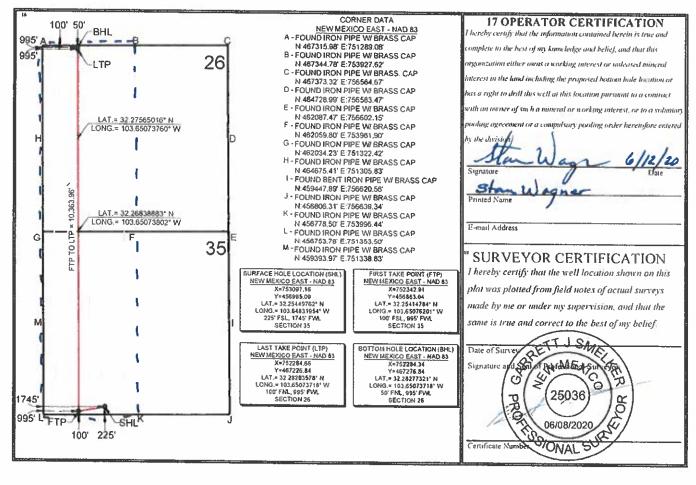
☐ AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

I API Number	2 Pool Code		3 Pool Nam	**
30-025-	98158	WC-025	6-09 525	53236A : Upper Wolfen
4 Property Code	5 Property Name BEDLINGTON FEDERAL COM			
7 OGRID No. 229 137	cog o	9 Elevation 3623'		
III. or lot no.   Section   Township		rface Location		

N	35	23-S	32-E	Corre	225'	SOUTH	1745'	WEST	LEA
			" Bo	ttom Ho	le Location I	f Different Fro	m Surface		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	26	23-S	32-E		50'	NORTH	995'	WEST	LEA
12 Dedicated Ac	res 33 Joint e	or Infill 14	Consolidation	Code 15 O	rder No.			<u></u>	
640									

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.



District 1
1625 N. French Dr., Hobbs, NM 88240
Plune (575) 393-6161 Fax (575) 393-0720
District II
811 S. Frist St., Artesia, NM 88210
Phone (575) 748-1283 Fax (575) 748-9720
District III
1000 Rio Brazos Road, Aziec, NM 87410
Phone (505) 334-6178 Fax (505) 334-6170
District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone (505) 476-3460 Fax: (505) 476-3462

26

13 Joint or Infill

12 Dedicated Acres

640

23-S

32-E

14 Consolidation Code

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

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

AMENDED REPORT

LEA

WELL LOCATION AND ACREAGE DEDICATION PLAT

						TOD DEDI	OMMONTE	77 1	
30-02	API Numbe	2 Pool Code 3 Pool Name 98158 WC-025 G-09 S253236A; Upper Wolfcamp							
				70130		W C-023	0-09 5233236	A, Opper woir	camp
4 Property	Code	5 Property Name BEDLINGTON FEDERAL COM						6 Well Number 703 H	
7 OGRID 22913			8 Operator Name COG OPERATING LLC					9 Elevation 3623'	
					• Surface	Location		<u>-</u>	
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	35	23-S	32-E		225'	SOUTH	1775'	WEST	LEA
			" Bo	ttom Ho	le Location	f Different Fro	m Surface		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
atom.	1						4		

NORTH

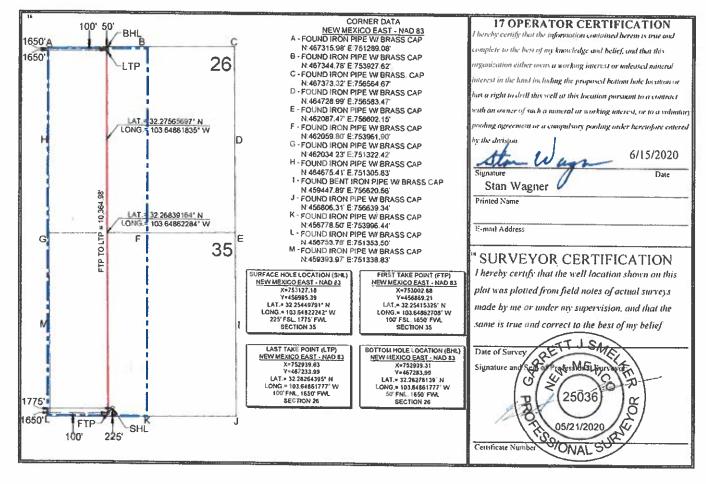
1650

WEST

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.

50°

15 Order No.



Distinct 1 to 25 N Trench Dr., Hobbs, NM 88240 thone (575) 393-6161 Fax (575) 393-0720 Distinct II 811 S. First St., Artesia. NM 88210 Phone (575) 748-1283 Fax (575) 748-9720 Distinct III 1000 Rto Brazos Road, Aziec, NM 87410 thone (505) 334-6178 Fax (505) 334-6170 Distinct IV. 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone (505) 476-3460 Fax (505) 476-3460

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

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

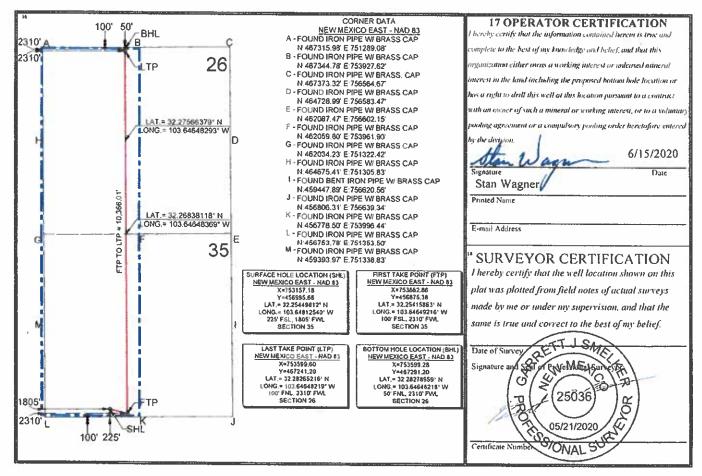
AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code	3 Pool Na	••••
30-025-	98158	Upper Wolfcamp	
4 Property Code	5 Property Name BEDLINGTON FEDERAL COM		6 Well Number 704H
7 OGRID No. 229137	8 Oper COG OPEI	9 Elevation 3623'	
	" Surfa	ce Location	-

UL or lot no. Township Range Lot Idn Feet from the Sorth/South line Feet from the East/West line County Ν 35 23-S 32-E 225' SOUTH 1805 WEST LEA " Bottom Hole Location If Different From Surface UL or lat no. Section Township Range Lot Idn Feet from the North/South line Feet from the East/West line County 26 23-S 32-E NORTH 501 2310 WEST LEA 12 Dedicated Acres 13 Joint or Infill 14 Consolidation Code 15 Order No. 640

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.



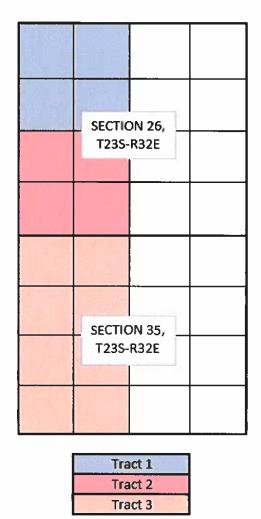
#### **COG Operating, LLC—Bedlington Federal Com Wells**

Township 23 South-Range 32 East, N.M.P.M.

Section 26: W/2 Section 35: W/2

Lea County, New Mexico

Depths Limited to the Bone Spring and Wolfcamp Formations



#### Tract 1 (Federal Lease USA NMNM-088164): Section 26: NW/4 (160.00 Acres more or less), T23S-R32E

(WI) EOG Resources Inc. 90.000000%

(WI) Chevron USA Inc. 10.000000%

**Participating Parties** 

Total:

Parties We Seek to Pool

BEFORE THE OIL CONSERVATION DIVISION

100.000000%

Santa Fe, New Mexico
Case No. 21421 Attachment B

Submitted by:
COG OPERATING LLC
Hearing Date: September 10, 2020

#### Tract 2 (USA LC-063228): Section 26: SW/4 (160.00 Acres more or less), T23S-R32E

(WI) Conoco Phillips Company

50.000000%

(WI) Magnum Hunter Production Inc.

50.000000%

Total:

100.000000%

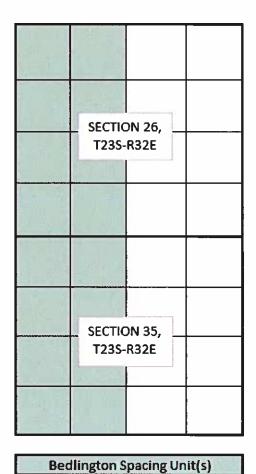
#### **Participating Parties**

Parties We Seek to Pool

#### Tract 3 (USA NMNM-136217): Section 35: W/2 (320.00 Acres more or less), T23S-R32E

(WI) COG Operati	ng LLC	100.000000%
Total		100.000000%

**Participating Parties** 



W/2 Spacing Unit Summary (640.00 Acres more or less), Sections 26 and 35, T23S-R32E

(WI) COG Operating LLC	50.000000%
(WI) EOG Resources Inc.	22.500000%
(WI) Conoco Phillips Company	12.500000%
(WI) Magnum Hunter Production Inc.	12.500000%
(WI) Chevron USA Inc.	2.500000%
Total:	100.000000%

#### **Participating Parties**

Parties We Seek to Pool



BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico
Case No. 21421 Attachment C
Submitted by:

COG OPERATING LLC
Hearing Date: September 10, 2020

July 7, 2020

Via FedEx Overnight

ConocoPhillips Company 925 N. Eldridge Pkwy Houston, TX 77079

Re: Well Proposal- BEDLINGTON WELLS

W/2 of Sections 26 & 35, T23S R32E 640 Ac – Wolfcamp Formation Lea County, New Mexico

Dear Sir or Madam:

COG Operating LLC ("COG"), as Operator, hereby proposes the drilling of the following horizontal wells with productive laterals located in the W2 of Sections 26 and 35, T23S-R32E, Lea County, New Mexico (collectively, the "Operation"). The surface pad locations will be located in Unit Letter N of Section 35, T23S-R32E (or another legal location chosen by Operator).

- BEDLINGTON FEDERAL COM #701H, to be drilled to a depth sufficient to test the Wolfcamp formation at an approximate total vertical depth of 12,410 feet. The estimated surface hole location for this well is proposed at approximately 225' FSL, 1715' FWL of Section 35 or a legal location in Unit N of Section 35. The first take point for this well is estimated at approximately 100' FSL, 330' FWL of Section 35, and the last take point is estimated at approximately 100' FNL, 330' FWL of Section 26. The estimated bottom hole location for this well is proposed at approximately 50' FNL, 330' FWL of Section 26 or a legal location in Unit D of Section 26. The dedicated horizontal spacing unit will be W2 of Sections 35 and 26, T23S-R32E, Lea County, New Mexico. The total estimated cost to drill and complete said well is \$10,102,394, as shown on the attached Authority for Expenditure ("AFE").
- **BEDLINGTON FEDERAL COM #702H**, to be drilled to a depth sufficient to test the Wolfcamp formation at an approximate total vertical depth of 12,410 feet. The estimated surface hole location for this well is proposed at approximately 225' FSL, 1745' FWL of Section 35 or a legal location in Unit N of Section 35. The first take point for this well is estimated at approximately 100' FSL, 990' FWL of Section 35, and the last take point is estimated at approximately 100' FNL, 990' FWL of Section 26. The estimated bottom hole location for this well is proposed at approximately 50' FNL, 995' FWL of Section 26 or a legal location in Unit D of Section 26. The dedicated horizontal spacing unit will be W2 of Sections 35 and 26, T23S-R32E, Lea County, New Mexico. The total estimated cost to drill and complete said well is \$10,102,394, as shown on the attached Authority for Expenditure ("AFE").
- BEDLINGTON FEDERAL COM #703H, to be drilled to a depth sufficient to test the Wolfcamp formation at an approximate total vertical depth of 12,410 feet. The estimated surface hole location for this well is proposed at approximately 225' FSL, 1775' FWL of Section 35 or a legal location in Unit N of Section 35. The first take point for this well is estimated at approximately 100' FSL, 1650' FWL of Section 35, and the last take point is estimated at approximately 100' FNL, 1650' FWL of Section 26. The estimated bottom hole location for this well is proposed at approximately 50' FNL, 1650' FWL of Section 26 or a legal location in Unit C of Section 26. The dedicated horizontal spacing unit will be W2 of Sections 35 and 26, T23S-R32E, Lea County, New Mexico. The total estimated cost to drill and complete said well is \$10,102,394, as shown on the attached Authority for Expenditure ("AFE").

• BEDLINGTON FEDERAL COM #704H, to be drilled to a depth sufficient to test the Wolfcamp formation at an approximate total vertical depth of 12,410 feet. The estimated surface hole location for this well is proposed at approximately 225' FSL, 1805' FWL of Section 35 or a legal location in Unit N of Section 35. The first take point for this well is estimated at approximately 100' FSL, 2310' FWL of Section 35, and the last take point is estimated at approximately 100' FNL, 2310' FWL of Section 26. The estimated bottom hole location for this well is proposed at approximately 50' FNL, 2310' FWL of Section 26 or a legal location in Unit C of Section 26. The dedicated horizontal spacing unit will be W2 of Sections 35 and 26, T23S-R32E, Lea County, New Mexico. The total estimated cost to drill and complete said well is \$10,102,394, 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;
- \$8,000 Drilling and \$800 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:

- \$3,000/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 20%.

Please indicate your desire to term assign your Working Interest to COG by contacting me at the email or telephone number below. The offer for term assignment will expire on August 7, 2020 unless extended by COG prior to that date.

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 <a href="mailto:areker@concho.com">areker@concho.com</a>.

If you have any questions, please do not hesitate to contact me at 432-685-2515.

Sincerely,

**COG Operating LLC** 

Adam Reker, MBA, RPL

Landman

areker@concho.com

-	I/We hereby elect to participate in the drilling and completion of the BEDLINGTON FEDERAL COM #701H
	I/We hereby elect <u>not</u> to participate in the drilling and completion of the <b>BEDLINGTON FEDERAL COM #701H</b>
	I/We hereby elect to participate in the drilling and completion of the BEDLINGTON FEDERAL COM #702H
	I/We hereby elect <u>not</u> to participate in the drilling and completion of the <b>BEDLINGTON FEDERAL COM #702H</b>
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	I/We hereby elect <u>not</u> to participate in the drilling and completion of the <b>BEDLINGTON FEDERAL COM #704H</b>
Ву:	
Title:	
Date:	

WELL NAME:	BEDLINGTON FED COM 701H	PROSPECT NAME:	Bulldog 2332 (717112)
FTP:	Sec 35: 225 FSL & 1715 FWL	STATE & COUNTY:	New Mexico, Lea
LTP:	Sec 26: 50 FNL & 330 FWL	OBJECTIVE:	Drill and Complete
FORMATION:	Wolfcamp	DEPTH:	22,970
LEGAL:	Sec 35: 23S 32E	TVD:	12,410

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lud & Chemicals	214	185,000	314	20.000		Addition Annual Market	370		205.
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ompany Supervision	226	75.370	326	15.000	357		375		90.
ontract Supervision	227	144,387	327	94,481	358		376		238.
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lud Logging Unit	229	53.423	329			SECURE AND PROPERTY.			53.
ogging	230			PARTY AND REAL PROPERTY.		KANADARDA PUROF	378		
erforating/Wireline Services	231	4.000	331	263,717		Property and the Avenue and the	379		267,
timulation/Treating	20.	SCHOOL SECTION	332	6.230		CONTRACTOR OF THE	380		6.
Completion Unit		PERSONAL COMMISSIONS	333	46,722		CREATIVE PRODUCT BATTLE AND	381		46,
Swabbing Unit		ACCRECATE OF THE CONTRACTOR	334	40,122			382		40,
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tentals-Surface	235	202.141	335	225.821	359		383		427.
tentals-Subsurface	236	194.922	336	35,401		SEN STREET, SECTION STREET, SERVICE	384		230,
rucking/Forklift/Rig Mobilization	237	125.329	337	20.765	360		385		146.
/elding Services	238	4.000	338	5,000	361		386		9.
feter Disposal	239		339	60,000	362	90,597	387	200.000	350,
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tods		-NEWSCHOOL STREET		BEST SKALLOWSKIE BY SK		PERSONAL PROPERTY.	508		
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This AFE is only an estimate. By signing you agree to pay your share of the actual costs incurred.

WELL NAME:	BEDLINGTON FEDERAL COM 702H	PROSPECT NAME:	Bulldog 2332 (717112)
SHL:	Sec 35: 225 FSL & 1745 FWL	STATE & COUNTY:	Lea County, NM
BHL:	Sec 26: 50 FNL & 995 FWL	OBJECTIVE:	Drill and Complete
FORMATION:	Wolfcamp	DEPTH:	22,970
LEGAL:	Sec 35: T23S-R32E	TVD:	12,410

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ontract Labor	225	6,500	325	20,000	356	120,796	374	42.500	181
ompany Supervision	226	75,370	326	15.000	357	164.790	375	72.500	90
ontract Supervision	227	144.387	327	94.481	358		376		
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ucking/Forklift/Rig Mobilization	237	125,329	337	20.765	360		385		146
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osed Loop & Environmental	244	389,844	344	5.000	364		388		39
yed Diesel		A LEASE PLOTE NEW	345	182,733		N.C. SANDERSON		Amy Alle Security 2.3	183
oil Tubing		CALIMIC SERVICES	346			N. CONS. PRINCIPLEON			
owbeck Crews & Equip		CUE SAME GAUTTERSTAN	347	24.918		COMMENCED TO TO A			24
RZ Well Offset Frac		TREPOSITIVA PARTICIPATO		SETTINGENT A PORTY.		17.75-29/1925/03/05/04/	391	20.000	
lowback Crews & Equip		THE REPORT OF THE PARTY OF THE		RESERVED AND STREET		White Transmission and	392	120,000	
ffset Directional/Frec	248		348			L'interdi nert Burccott's Mode		BUTTO HOUSE PLYMANDERS	
TOTAL INTANGIBLES		4,102,745		3,734,476		263.738		382.500	8.48
ANGIBLE COSTS									
urface Casing	401	26,000							2
Itermediate Casing	402	251.233		Vehicus descriptions		Charles Carbonia		AND THE REPORT OF THE	25
reduction Casing/Liner	403	547,225		or selected in the selection of the		of Control to Lot the Co.		MARCHA TOT STRANGE OF	
	~40	391,223	504	24 555		Yamini a Capacita at the same	525	And the same of th	547
ubing	400			24,555			530		2
fellheed Equipment	405	32.000	505	9.708		- 120.0	531	42,500	B4
umping Unit		THE REPORT AND PARTY AND P		a ce caso e, cy ob-		Note The Beam SCHOOL	506		
rime Mover		WELLS NOT THE WAY STORY		CO-SEPTEM AND SERVICE		ANY STATE OF STATE OF	507		
ods		CHARLES BEREING		UNITED BY STANSON OF THE		1973/00/2009/00/2009	508		
umps-Sub Surface (BH)		NA COMMITTERS OF THE PARTY OF T	509			MACKED OF BUILD	532		
nks		3-TA-100/RSA-1903/36/3		EPSONICH PRODUCTS	510	62.412		SOROS, PROCESSANIA, A	6;
owlines		Market Strategisters		EMPORTURE AND LINE	511	57,043		SEPTEMBER SEPTEM	5
sater Treater/Separator		CHARLESCOVERING.		or to company report by the company of the	512	155.022		METAL SOCIAL PROPERTY.	151
actrical System		CHEWARD SERVICES		CASHO Sevent per	513		533		100
ickers/Anchors/Hangers	414		514	33.743	-10	TOP-004	534		3
puplings/Fittings/Valves	415		214	33.743	646	127.507		BILLIO PARADONA SA DINA PER	
	410	WINDSHIELD CORPORATION		ANNERS NAMED AND ADDRESS OF	515	127.507		SERVINGER IN MOTOR CO.	12
shydration		The second secon		CONTRACTOR OF THE PERSON NAMED IN	517			AND DESCRIPTION OF THE PARTY OF	
jection Plant/CO2 Equipment		Name and Address of the Party o		E CHARLEST AND THE	518			Charles And Address Co.	
		THE AND PERSONS IN THE PERSONS IN TH			521	10.737		Contract of the Party of the	11
		THE OWNER OF THE PARTY OF	_	NAME AND POST OF THE PARTY OF	522		529		
strumentation/SCADA/POC			519		523		535		
strumentation/SCADA/POC acellaneous	419		520		524		536		
strumentation/SCADA/POC acellaneous	419 420			OPTO THE WEAKEN	525	21,475		PROGRAMMAN PRINTERS	2
strumentation/SCADA/POC scellaneous intingency		CULTURE FOR FAIR OR :		and the second second second second	526	20,604		STATE OF FEMALES	2
strumentation/SCADA/POC sc#langous valingency sters/LACT		evuelii sasaina e Es metawantiewa							9
strumentation/SCADA/POC scellanaous unitingency sters/LACT sres/Combusters/Emission		CULTURE FOR STORE DE EASTERNAME OF STATE OF STAT	527	5 710	5.1R		52P		
strumentation/SCADA/POC scellaneous mitingency sters/LACT ares/Combusters/Emission ss Lift/Compression		DIG ACO	527	5,710	516		528	49 600	
strumentation/SCADA/POC scriffeneous mitingency sters/LACT sres/Combusters/Emission st Lift/Compression TOTAL TANOIBLES		856.458 4 969.202	527	73.716	516	646.261	528	42,500	
trumentation/SCADA/POC scrifteneous minigency sters/LACT ster/Combusters/Emission ss LEVCompression		856.458 4,959.203	527		516		528	42,500 425.000	
strumentation/SCADA/POC sceffaneous suffingency sters/LACT sres/Combusters/Emission as Lit/Compression TOTAL TANDIBLES TOTAL WELL COSTS % of Total Well Cost			527	73.716	516	646.261	528		
TOTAL WELL COSTS		4,959,203	527	73.716 3,808,192	516	646.261 909,999	528	425.000	
strumentation/SCADA/POC isceffanaous ontingency eters/LACT area/Combusters/Emission as LEVComporassion TOTAL TANGIBLES TOTAL WELL COSTS  W of Total Well Cost //s approve:		4,959,203 49% Date Prepared: COG Operating LLC	527	73.716 3.808,192 38% 7/9/20	516	646.261 909,999	528	425.000	
strumentation/SCADA/POC scriftaneous nutringency sters/LACT area/Compression TOTAL TANOIBLES TOTAL WELL COSTS  % of Total Well Cost OG Operating LLC		4,959,203 49% Date Prepared:	527	73.716 3.808,192 3.8%	518	646.261 909,999	528	425.000	1,610
strumentation/SCADA/POC isceffanaous ontingency eters/LACT area/Combusters/Emission as LEVComporassion TOTAL TANGIBLES TOTAL WELL COSTS  W of Total Well Cost //s approve:		4,959,203 49% Date Prepared: COG Operating LLC	527	73.716 3.808,192 38% 7/9/20	518	646.261 909,999	528	425.000	

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

WELL NAME:	BEDLINGTON FEDERAL COM 703H	PROSPECT NAME:	Bulldog 2332 (717112)
SHL:	Sec 35: 225 FSL & 1775 FWL	STATE & COUNTY:	Lea County, NM
BHL:	Sec 26: 50 FNL & 1650 FWL	OBJECTIVE:	Drill and Complete
FORMATION:	Wolfcamp	DEPTH:	22,970
LEGAL:	Sec 35: T23S-R32E	TVD:	12,410

INTANGIBLE COSTS		Orig - Rig Release(D)		Completion(C)		Tank Bttv Constrctn(TB)		Pmpg Equipment(PEQ)	TOTAL
Title/Curative/Permit	201	20.000		The PROFESSION CO.		Party and with grade		EXCELLENGE FOR	20.00
Insurance	202	2,500	302			REAGNING WASHING		SHEWSPACKASHOW	2,50
Damages/Right of Way Survey/Stake Location	203 204	7,000	303	PHARMONE A STANCE OF	351 352	San Control of Control		STATE OF STATE OF STATE OF	20.00
Wellbore Frec Prep	204	7,000	304		332			Description of the Control of the Co	7.00
Location/Pits/Road Expense	205	155,000	305	10.000	353	52,345	366	THE RESERVE OF THE PARTY OF THE	217.34
Dritting / Completion Overhead	206	8,700	306			THE CHARLES AND THE		SHOUSE WINDS NO.	8.70
Furnitary Contract	207		307	802.000		NO STREET, STATE		GF865 PWg-Philadellich	802,00
ootage Contract	208		308	418,417				TOTAL PROPERTY AND ADDRESS.	418.41
Jaywork Contract	209	1.000,000	309	608,861		PARTIES A STATE OF		White State of the	1,608,86
Directional Drilling Services	210	425,000	310	76.831		PLPS thurthing		3. P. Anthiniper S. Okcide, Pro-	501,83
uel & Power	211	245.000	311	3,500	354		367		248.50
Yater	212	175,000	312	667,079		BETTE WEAVENERS THE	368		842.0
its	213	133,000	313	12.000		GUARGON REVENDAN	369		145.0
lud & Chemicals	214	185,000	314	20,000		IN ALCOHOLOGICA	370		205.0
rill Stem Test	215		315			Day Mark Call Note:			
Coring & Analysis Coment Surface	216	F0.400		SECTION DESCRIPTION		Horizostránia Automán			
Coment Intermediate	217	53.423 86,632						<del></del>	53.4
ament 2nd Intermediate/Production	219	187,702		CA COLUMN DE COMPANS					187,7
ement Squeeze & Other (Kickoff Plug)	220	107.702		AND AND ADDRESS OF THE PARTY OF			371		187.7
Post Equipment & Centralizers	221	72,183				ANNUAL INSPECTATION	3/1	savete economico color	72,1
asing Crews & Equipment	222	67.862		if-les causeaux es-		CONTRACTOR OF STREET		WOVEDHAM SHOW FITS	67.8
ishing Tools & Service	223	07.302	323			NORTH PLANS CONTRACTOR	372		97.0
sologic/Engineering	224		324		355		373		
ontract Labor	225	6.500	325	20,000	356	120,796	374	42,500	189.7
ompany Supervision	226	75,370	326	15,000	357		375		90.3
ontract Supervision	227	144,387	327	94,481	358		376		238,8
esting Casing/Tubing	228	38,817	328	10.000		DENTROPOS DE POSTO POR	377		48.8
Aud Logging Unit	229	53,423	329			AUTHORNION MANAGE			53.4
ogging	230		- 1	Programme and a company		19 79 00 - 47502 52504 544	376		
erforating/Wireline Services	231	4,000	331	263.717		HILDERSON PROPERTY	379		267.7
Rimulation/Treating		MALE SAMPLE MANAGEMENT	332	6.230		STRUCTURE CHARGE	380		6,2
completion Unit			333	48.722		STORY TO VILLED AND	381		46,7
Swabbing Unit		THE PERSON NAMED IN COLUMN	334			10.51.5.4.4	382		
tentals-Surface	235	202,141	335	225,821	359		383		427,9
lantala-Subsurface	236	194,922	338	35.401	200	HEND BLOCK HOLDER	384		230.3
nucking/Forklift/Rig Mobilization  Yelding Services	237 238	125.329	337	20,765 5,000	360 361		385		146.0
Vater Disposal	239	4,000	339	60,000	362	90,597	386 387	200,000	9,0 350,5
fug to Abandon	240		340	60.000	302	90,397	301	200,900	350.5
eismic Analysis	241		341			CALCUSCO A PARTY			
liacellaneous	242		342			AMORE-RESOURCE	389		
Contingency	243	20,000	343	100,000	363		390		120.0
Josed Loop & Environmental	244	389,844	344	5,000	364		388		394,8
yed Diesel			345	182.733		to the second of the		Completed Africa and the	182.7
Coil Tubing		5. (272) National PLASS (CO) 1	346			AND CONTRACTOR OF THE STATE			
Towback Crews & Equip		CATALONNE DIA MIN	347	24,918		5/95/2019/95/2012/6/99/3			24.9
IRZ Well Offset Frac		Contractor of grant a	1 3	CHARLES SHOWING		OF THE PARTY OF	391	20,000	
Towback Crews & Equip		ENGO-REPRESENTATIVE		A BERNEY AND SHEET		PARTY AND THE PROPERTY.	392	120,000	
Miset Directional/Frac	248		348			ANTIQUE CONTRACTOR		A DESCRIPTION OF TAXABLE IN	
TOTALINTANGIBLES		4.102.745	_	3,734,476		263,738		382,500	8,483,4
ANGIBLE COSTS						L. David Williams			
iurface Casing	401	26,000		SHOWN WASHING		Designation and Table		A STATE OF THE STATE OF	26.0
ntermediate Casing	402	251,233		Selection distribution		[2][247] 阿尔德里特特别		Opposition of the same of the	251,2
roduction Casing/Liner	403	547,225		1277 AUST AUST 2012 1990.		ACCORDANGED CHANG		MESSELECT VALUE IN	547.2
ubing		A CONTRACT SOME ACTIVATION	504						
/ellheed Equipment				24.555		a minimum program.	530		
	405	32,000	505	24.555 9,708		a niversity by onch.	531	42.500	
	405	32,000				ET THE REPLY OF BUILDINGS	531 506	42.500	
rime Mover	405	32,000					531 506 507	42.500	
rime Mover	405	32,000	505				531 506 507 508	42.500	
rime Mover lods umps-Sub Surface (BH)	405	32,000			610	62.412	531 506 507	42,500	84,2
rime Mover ods umps-Sub Surface (BH) anks	405	32,000	505		510 511	62.412 57.043	531 506 507 508	42.500	62.4
rime Mover  ods  umps-Sub Surface (BH)  anks  lowlines	405	32,000	505		511	57.043	531 506 507 508	42.500	62.4 57.6
trime Mover lods  umpe-Sub Surface (BH) anks  lowlines leater Treater/Separator	405	32,000	505			57.043 155,022	531 506 507 508	42,500	62.4 57.0 155.0
rime Mover  ods  umps-Sub Surface (BH)  anks  lowlines  electrical System	414	32,000	505		511 512	57.043	531 506 507 508 532	42.500	62.4 57.0 155.0
rime Mover  ods  ods  umps-Sub-Surface (BH)  anks  lowlines  eeter Treeter/Separator  lectrical System  eckers/Anchors/Hangers		32,000	505	9,708	511 512	57.043 155,022	531 506 507 508 532 533	42.500	62.4 57.0 155.0 100.6
trime Mover loads	414	32,000	505	9,708	511 512 513	57.043 155,022 100,684	531 506 507 508 532 533	42.500	62.4 57.0 155.0 100.6
trime Mover  ods  umps-Sub-Surface (BH)  anks  lowlines  leating  leating  leating  selter Treater/Separator  lectrical System  ackers/Anchors/Nangers  couplings/Tittings/Valves  shydration	414	32,000	505	9,708	511 512 513 515	57,043 155,022 100,664 127,507	531 506 507 508 532 533	42.500	62.4 57.6 155.0 100.6 33.7
rime Mover odd g g g g g g g g g g g g g g g g g g	414	32,000	505	9,708	511 512 513 515 517 518 521	57.043 155,022 100,684	531 506 507 508 532 533	42.500	62.4 57.0 155.0 100.6 33.7
rime Mover  ods  umps-Sub Surface (BH)  anks  lowlines  sejet Treater/Separator  lactrical System  ackers/Anchors/Hangers  ouplings/Fittings/Valves  lehydration  yection Plant/CO2 Equipment  umps-Surface  sistrumertation/SCADA/POC	414 415	32,000	505 509 514	9,708	511 512 513 515 517 518 521 522	57,043 155,022 100,664 127,507	531 506 507 508 532 533 534	42.500	62.4 57.0 155.0 100.6 33.7
trime Mover  do d	414 415	32,000	505 509 514	9,708	511 512 513 515 517 518 521 522 523	57,043 155,022 100,664 127,507	531 506 507 508 532 533 534	42.500	62.4 57.0 155.0 100.6 33.7
time Mover lods umpe-Sub Surface (BH) anks lowlines elete Treater/Separator lectrical System ackers/Anchors/Hangers outpings/Eitings/Valves ehydration vection Plant/CO2 Equipment umps-Surface sistrumentation/SCADA/POC liscellaneous antingency	414 415	32,000	505 509 514	9,708	511 512 513 515 517 518 521 522 523 524	57,043 155,022 190,684 127,507	531 506 507 508 532 533 534	42.500	62.4 57.0 155.0 100.6 33.7 127.5
rime Mover  ods  umpes-Sub Surfece (BH)  anks  lowlines  sejet Treater/Separator  lactrical System  ackers/Anchors/Hangers  outprings/Fittings/Valves  tehydration  yection Plant/CO2 Equipment  umpes-Surface  sisrumentalion/SCADA/POC  iscellaneous  onters/ACT	414 415	32,000	505 509 514	9,708	511 512 513 515 517 518 521 522 523 524 525	57043 155,022 100,664 127,507 10,737	531 506 507 508 532 533 534	42.500	84,2 62,4 57,0 155,0 100,6 33,7 127,5
trime Mover  obs  description  anks  lowkines  sester Treater/Separator  lectrical System  secker s/Anchorar/Hangers  outplings/Fittings/Vatives  shydration  systemcations/Separator  loweitings/Fittings/Vatives  shydration  sester s/Anchorar/Hangers  outplings/Fittings/Vatives  shydration  sester s/Anchorar/Hangers  outplings/Fittings/Vatives  shydration  systemcations/SCADA/POC  iscellaneous  ontingency  leters/LACT  larser/Combusters/Emission	414 415	32,000	505 509 514 519 520	9,768 33,743 33,743	511 512 513 515 517 518 521 522 523 524 525 526	57,043 155,022 100,664 127,507 10,737 21,475 20,864	531 506 507 508 532 533 534 529 535 536	42.500	64.2 62.4 57.0 155.0 100.0 33.7 127.5 10.7
trime Mover lods umper-Sub Surface (BH) arks lowlines low	414 415	A CONTROL OF THE PROPERTY OF T	505 509 514	9,708 33,743 33,743 5,710	511 512 513 515 517 518 521 522 523 524 525	57.043 155,022 100.664 127,507 10,737 21,475 20,804 90,597	531 506 507 508 532 533 534		64.2 62.4 57.0 155.0 100.0 33.7 127.9 10.7
rime Mover  ods  umps-Sub Surface (BH)  anks  lowlines  seler Treater/Separator  lactrical System  ackers/Anchors/Hangers  outprings/Fittings/Valves  tehydration  yection Plant/CO2 Equipment  umps-Surface  issrumentation/SCADA/POC  iscellaneous  ontingency  teters/ACT  lares/Combusters/Emission  ass Lift/Compression  TOTAL TANORBLES	414 415	856,458	505 509 514 519 520	9,708 33,743 33,743 55,743 55,743 55,743 57,743 57,743 57,743	511 512 513 515 517 518 521 522 523 524 525 526	57043 155,022 100,664 127,507 10,737 21,475 20,804 90,597 646,261	531 506 507 508 532 533 534 529 535 536	42.500	64.2 62.4 57.0 155.0 100.0 33.7 127.5 10.7 21.4 20.8 96.3 1,1818,6
trime Mover  ods  umps-Sub-Surface (BH)  anks  lowlines  leater/Feetar/Separator  lectrical System  ackers/Anchors/Hangers  outpings/Fittings/Valves  lehydration  rection Plant/CO2 Equipment  umps-Surface  astrumentation/SCADA/POC  liscellareous  ontingency  leters/LACT  lares/Combusters/Emission  ast_liftCompression  TOTAL TANGIBLES  TOTAL WELL COSTS	414 415	856,458 4,959,203	505 509 514 519 520	9,708 33,743 33,743 5,740 73,716 3,808,192	511 512 513 515 517 518 521 522 523 524 525 526	57.043 155,022 100,664 127,507 10,737 21,475 20,804 90,597 646,261	531 506 507 508 532 533 534 529 535 536	42 500 425 000	64.2 62.4 57.0 155.0 100.0 33.7 127.5 10.7 21.4 20.8 96.3 1,1818,6
trime Mover loods umper-Sub Surface (BH) anks lester Treater/Separator lectrical System lectrical Indiana System lectrical Indiana lec	414 415	856,458	505 509 514 519 520	9,708 33,743 33,743 55,743 55,743 55,743 57,743 57,743 57,743	511 512 513 515 517 518 521 522 523 524 525 526	57043 155,022 100,664 127,507 10,737 21,475 20,804 90,597 646,261	531 506 507 508 532 533 534 529 535 536	42.500	64,2 62,4 57,7 150,0 33,7 127,5 10,7 21,4 20,9 96,3
TOTAL WELL COSTS	414 415	856,458 4,959,203	505 509 514 519 520	9,708 33,743 33,743 5,740 73,716 3,808,192	511 512 513 515 517 518 521 522 523 524 525 526	57.043 155,022 100,664 127,507 10,737 21,475 20,804 90,597 646,261	531 506 507 508 532 533 534 529 535 536	42 500 425 000	64,2 62,4 57,7 150,0 33,7 127,5 10,7 21,4 20,9 96,3
Prime Mover Tools Tumps-Sub Surface (BH) Tanks Teaks Teaker/Separator Teaker/Separator Teaker/Separator Teaker/Anchora/Hangers Teaker/Anchora/Hangers Teaker/Anchora/Hangers Teaker/Anchora/Hangers Teaker/Anchora/Hangers Teaker/Anchora/Hangers Teaker/Anchora/Hangers Teaker/Anchora/Hangers Teaker/Teaker Teaker/Teaker/Teaker Teaker/Teaker Teaker/Teaker Teaker/Teaker Teaker/Teaker/Teaker Teaker/Teaker Teaker/T	414 415	858,458 4,959,203 49%	505 509 514 519 520	9,708 33,743 33,743 5,710 73,716 3,808,192 38%	511 512 513 515 517 518 521 522 523 524 525 526	57.043 155,022 100,664 127,507 10,737 21,475 20,804 90,597 646,261	531 506 507 508 532 533 534 529 535 536	42 500 425 000	64.2 62.4 57.0 155.0 100.0 33.7 127.5 10.7 21.4 20.8 96.3 1,1818,6
trime Mover loods  umps-Sub Surface (BH) anks leater Treater/Separator lectrical System lectrical Hangers lectrica	414 415	858,458 4,969,203 49% Date Prepared: COG Operating LLC	505 509 514 519 520	9,708 33,743 33,743 5,710 73,716 3,808,192 39% 7/9/20	511 512 513 515 517 518 521 522 523 524 525 526	57.043 155,022 100,664 127,507 10,737 21,475 20,804 90,597 646,261	531 506 507 508 532 533 534 529 535 536	42 500 425 000	64,2 62,4 57,7 150,0 33,7 127,5 10,7 21,4 20,9 96,3
trime Mover  by  by  by  control  contr	414 415	858,458 4,959,203 49% Date Prepared:	505 509 514 519 520	9,708 33,743 33,743 5,710 73,716 3,808,192 38%	511 512 513 515 517 518 521 522 523 524 525 526	57.043 155,022 100,664 127,507 10,737 21,475 20,804 90,597 646,261	531 506 507 508 532 533 534 529 535 536	42 500 425 000	64.2 62.4 57.0 155.0 100.0 33.7 127.5 10.7 21.4 20.8 96.3 1,1818,6
trime Mover odds umpes-Sub Surface (BH) anks lowlines electe Treater/Separator lectrical System ackers/Anchors/Hangers acuptings/Etitings/Valves electrical System section Plant/CO2 Equipment umps-Surface strumentation/SCADA/POC liscellaneous antingency leters/ACT leters/Combusters/Emission as Lift/Compression TOTAL TANGIBLES TOTAL WELL COSTS  's of Total Well Cost ompany:  'a approve:  % Working Interest ompany:	414 415	858,458 4,969,203 49% Date Prepared: COG Operating LLC	505 509 514 519 520	9,708 33,743 33,743 5,710 73,716 3,808,192 39% 7/9/20	511 512 513 515 517 518 521 522 523 524 525 526	57.043 155,022 100,664 127,507 10,737 21,475 20,804 90,597 646,261	531 506 507 508 532 533 534 529 535 536	42 500 425 000	64.2 62.4 57.0 155.0 100.0 33.7 127.5 10.7 21.4 20.8 96.3 1,1818,6
trime Mover  do d	414 415	858,458 4,969,203 49% Date Prepared: COG Operating LLC	505 509 514 519 520	9,708 33,743 33,743 5,710 73,716 3,808,192 39% 7/9/20	511 512 513 515 517 518 521 522 523 524 525 526	57.043 155,022 100,664 127,507 10,737 21,475 20,804 90,597 646,261	531 506 507 508 532 533 534 529 535 536	42 500 425 000	24.5 64.2 62.4 57.0 105.0 100.6 33.7 127.5 10.7 21.4 20.8 96.3 1,610.9 19.102.3

WELL NAME:	BEDLINGTON FEDERAL COM 704H	PROSPECT NAME:	Bulldog 2332 (717112)
SHL:	Sec 35: 225 FSL & 1805 FWL	STATE & COUNTY:	Lea County, NM
BHL:	Sec 26: 50 FNL & 2310 FWL	OBJECTIVE:	Drill and Complete
FORMATION:	Wolfcamp	DEPTH:	22,970
LEGAL:	Sec 35: T23S-R32E	TVD:	12,410

NTANGIBLE COSTS itle/Curative/Permit	201	Drig - Rig Release(D) 20.000		Completion(C)		Tank Bttv Constrctn(TB)		Pmpg Equipment(PEQ)	<u>TOT/</u>
nsurance	202	2.500	302			CHS WWW. HISTORY		E CALIFORNIA CHINOLAI	
amages/Right of Way	203	20,000	303		351			AND DESCRIPTION OF THE PARTY OF	21
urvey/Stake Location	204	7.000	- 6	HORESTALISADO POL	352	0.0000000000000000000000000000000000000		Detter Address No. 100	
felibore Frac Prep			304					HIS PHONE THE WHITE OF STREET	
ocation/Pits/Road Expense	205	155,000	305	10.000	353	52,345	366		21
rilling / Completion Overhead	206	8.700	308			BALISTICKOTTH BUILDING		DWG PROGRAMME TO SERVE THE SERVE THE PROGRAMME TO SERVE THE SERVE TH	
urnkey Contract	207		307	802,000		RX SPRINGS SECURIORS		STATEMENT OF STREET	803
oolage Contract	208		308	418,417		DSC(DePut) (Saveson)		CARLES CONTROL DECISION.	411
	209	4 000 000				Committee of the Commit			
aywork Contract		1.000.000	309	608,861		1.17/05-AGA/05-9-4-10/9/		LATER STORES OF MANUAL	1,60
irectional Oriting Services	210	425,000	310	76.831		LANCE CONTRACTOR CONTRACTOR		PLANCE OF THE PARTY OF	50
uel 8. Power	211	245,000	311	3,500	354		367		241
'aler	212	175,000	312	667,079		A POWER WALL AND THE STATE	368	-	843
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This AFE is only an estimate. By signing you agree to pay your share of the actual costs incurred.

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. 21421** 

**GEOLOGIST AFFIDAVIT** 

John Bertalott, of lawful age and being first duly sworn, declares as follows:

1. My name is John Bertalott, and I am a Geologist with COG Operating LLC

("COG").

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

("Division") as an expert witness in petroleum geology matters and my credentials have been

accepted and made a matter of public record.

3. I am familiar with the application filed by COG in this case and I have conducted

a geologic study of the lands in the subject area.

4. COG is targeting the Wolfcamp formation with its proposed Bedlington Federal

Com 701H, 702H, 703H, and 704H wells (collectively the "Wells").

5. Attachment D is a locator map displaying COG's acreage in yellow for the

Wolfcamp formation. Bedlington project area is highlighted with red box. Existing producing

wells in the Wolfcamp interval are represented by solid red lines.

6. Attachment E is a subsea structure map that I prepared for the top of the

Wolfcamp that is representative of the targeted interval within the Wolfcamp interval. The data

points are indicated by crosses. I used the Wolfcamp structure because it is a reliable regional

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

marker and the target intervals lie near this marker. Bedlington project area is highlighted with red box. The map shows that the formation is gently dipping to the southeast in this area. I do not observe any faulting, pinch-outs, or other geologic impediments to developing the targeted intervals with horizontal wells in this area.

- 7. Attachment F overlays a cross-section line consisting of three wells penetrating the Wolfcamp formation that I used to construct a stratigraphic cross-section from A to A'. I consider these well logs to be representative of the geology in the area.
- 8. Attachment G is a stratigraphic cross-section using the representative wells depicted on Attachment F. Each well in the cross-section contains gamma ray, resistivity, and porosity logs. The proposed target interval in the Wolfcamp formation is labeled on the exhibit. The cross-section demonstrates that the targeted intervals are continuous across the proposed spacing unit.
- 9. In my opinion, the stand-up orientation of the proposed wells is the preferred orientation for horizontal well development in this area and is appropriate to efficiently and effectively develop the subject acreage.
- 10. Based on my geologic study, the targeted interval underlying the subject area is suitable for development by horizontal wells, and the acreage comprising the proposed spacing unit will contribute, more-or-less, equally to the production from the wellbores.
- 11. In my opinion, the granting of COG's application will be in the best interest of conservation, the prevention of waste, and the protection of correlative rights.
- 12. Exhibit 2 and Attachments D through G were either prepared by me or compiled under my direction and supervision.

THIS CONCLUDES AFFIANT'S STATEMENT.

Affiant

STATE OF <u>Texas</u>

COUNTY OF <u>Midland</u>

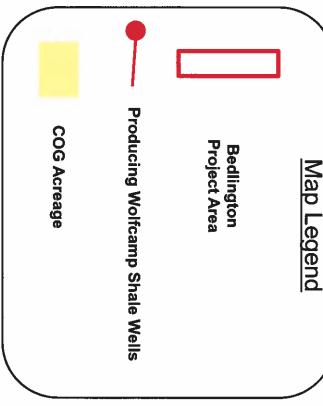
Melissa L Dimit
Notary Public, State of Texas
Notary ID 12542763-4
My Commission Exp. 09-09-2021

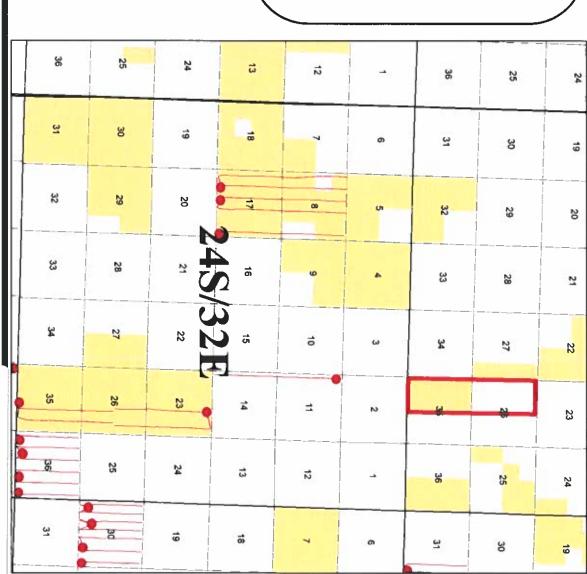
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My Commission Expires:

9/9/2021

## Location Map Wolfcamp Shale



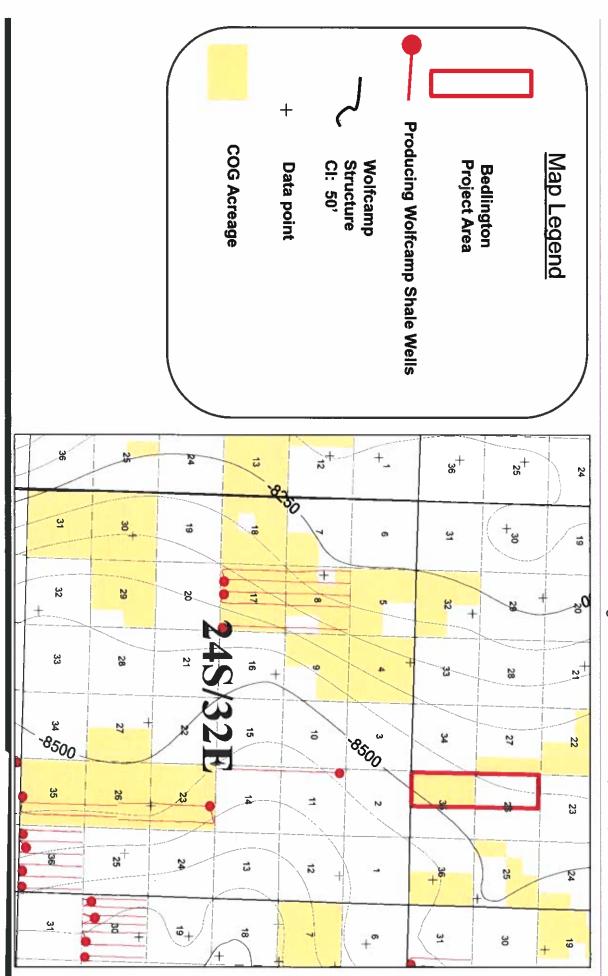




BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 21421 Attachment D
Submitted by:
COG OPERATING LLC
Hearing Date: September 10, 2020

## Wolfcamp Pool

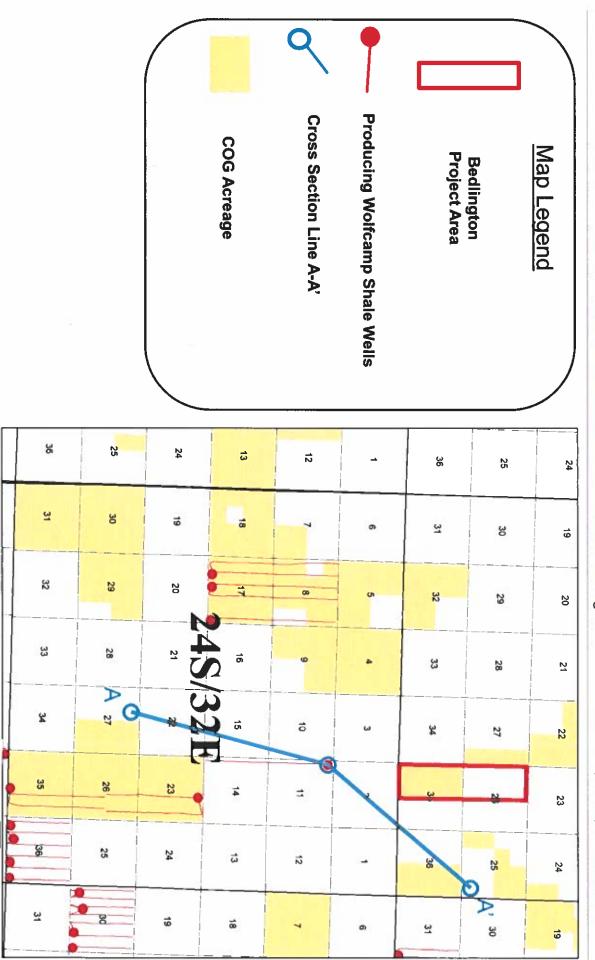
Bedlington Federal Com 701H, 702H, 703H & 704H





## Wolfcamp Pool

Bedlington Federal Com 701H, 702H, 703H & 704H

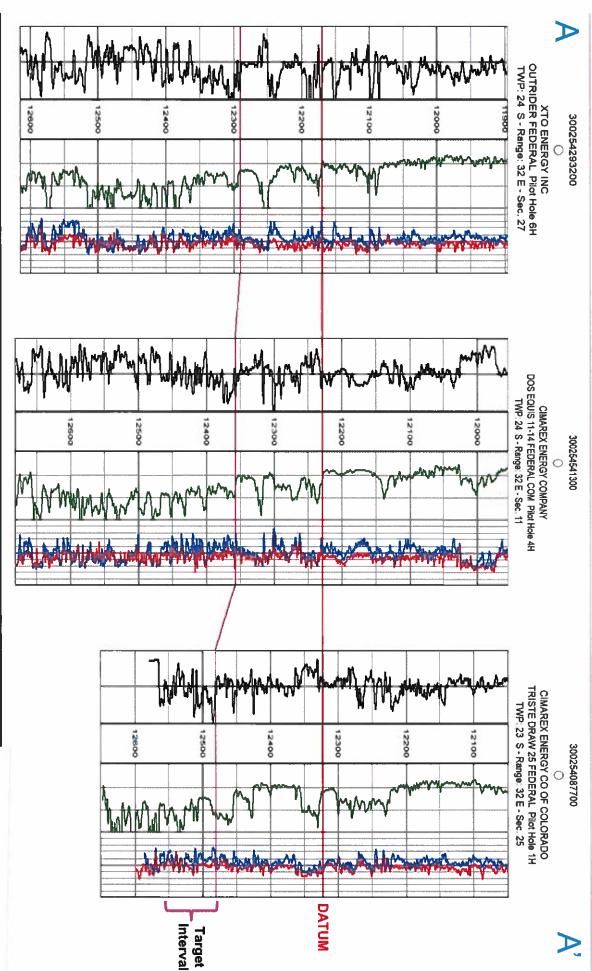




BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 21421 Attachment F
Submitted by:
COG OPERATING LLC
Hearing Date: September 10, 2020

## Wolfcamp Pool

Bedlington Federal Com 701H, 702H, 703H & 704H





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

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

**CASE NO. 21421** 

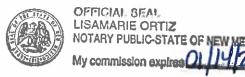
#### **AFFIDAVIT**

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

Michael Rodriguez, attorney and authorized representative of COG Operating LLC, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Application were provided under the notice letter and proof of receipts attached hereto.

Michael Rodriguez

SUBSCRIBED AND SWORN to before me this 8<sup>th</sup> day of September 2020 by Michael Rodriguez.



Notary Publ



August 20, 2020

#### VIA CERTIFIED MAIL CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Case No. 21421: Application of COG Operating, LLC for Compulsory Pooling,

Eddy County, New Mexico.

Bedlington Federal 701H, 702H, 703H, 704H Wells

#### Ladies & Gentlemen:

This letter is to advise you that COG Operating LLC has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on September 10, 2020, and the status of the hearing can be monitored through the Division's website at <a href="http://www.emnrd.state.nm.us/ocd/">http://www.emnrd.state.nm.us/ocd/</a>. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

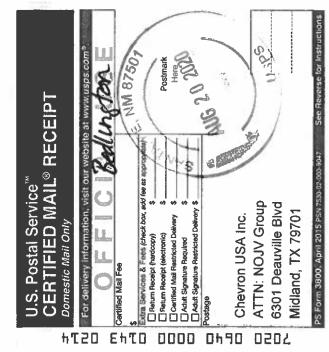
During the COVID-19 Pubic Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. To participate in the electronic hearing, please see the instructions posted on the OCD Hearings website: <a href="http://www.emnrd.state.nm.us/OCD/announcements.html">http://www.emnrd.state.nm.us/OCD/announcements.html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

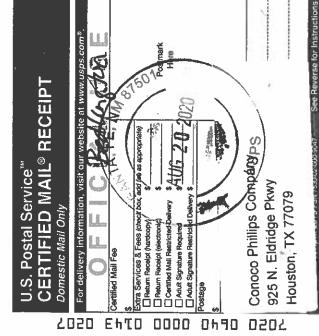
Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: the names of the parties and their 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.

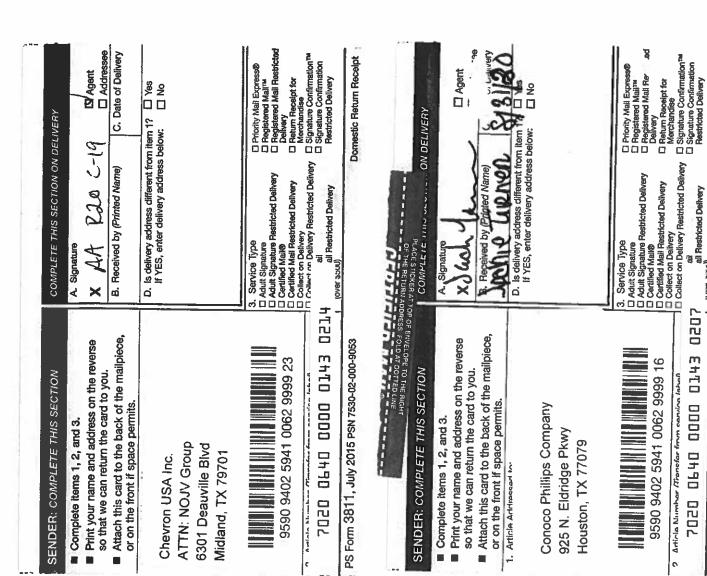
If you have any questions about this matter, please contact Lizzy Laufer, at (432) 221-0470 or elaufer@concho.com.

Michael Rodriguez

ATTORNEY FOR COG OPERATING LLC



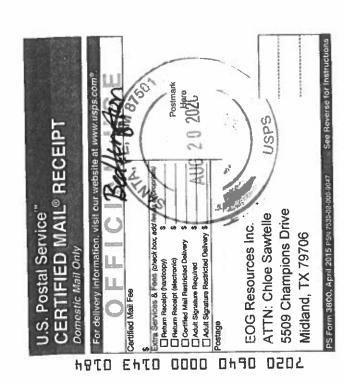


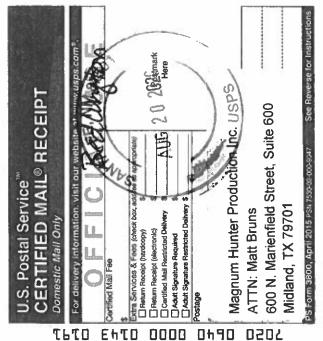


PS Form 3811, July 2015 PSN 7630-02-000-9053

Domestic Return Receipt

ail all Restricted Delivery





Domestic Return Receipt

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

NO NET THE RETURN ADDRESS, FOLD AT BOTTED LINE OF TO THE RIGHT	A Signature  A Signature  A Addressee  B Received by (Printed Name)  C Date of Delivery	D. is delivery address different from item 1?					Domestic Return Receipt	ABANTA  PLACE STICKER AT TOP OF ENG  PLACE ST	A. Sgnature  X A Addressee  B. Regeiyed by Printed Name)  C. Date of Delivery	ery address different from Item 1 , enter delivery address below:			11	Collect on Delivery Restricted Delivery
SENDER: COMPLETE THIS SECTION	<ul> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece,</li> </ul>	of Off the Holm is space permits.  1. Article Addressed for	EOG Resources Inc. ATTN: Chloe Sawtelle	5509 Champions Drive Midland, TX 79706	9590 9402 5941 0062 9999 09	7020 040 0000 0143 0184	, PS Form 3811, July 2015 PSN 7530-02-000-9053	SENDER: COMPLETE THIS SECTION	<ul> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	1 Artirla Antiraccant in	Magnum Hunter Production Inc. ATTN: Matt Bruns 600 N. Marienfield Street, Suite 600	Midland, TX 79701	9590 9402 5941 0062 9998 93	B. Article Nissekar Penergie from accidentated



#### Affidavit of Publication Ad # 0004341669 This is not an invoice

CONCHO 1048 PASEO DE PERALTA

**SANTA FE, NM 87501** 

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

08/26/2020

Legal Clerk

Subscribed and sworn before me this August 26,

2020:

State of WI, County of Brown MOTARY PUBLIC

5.5.33

My commission expires

Ad # 0004341669 PO #: 21421 # of Affidavits1

This is not an invoice

NANCY HEYRMAN Notary Public State of Wisconsin

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

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on September 10, 2020. 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 OCD Hearings website: http://www.emnrd.state.nm.us/OCD/announcements.html. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by September 1, 2020. Public documents, including the agenda and minutes, can be provided in various accessible formats. Members of the public may obtain copies of the docket by contacting Ms. Davidson at the phone number indicated above. Also, the docket will be posted on the Oil Conservation Division website at www.emnrd.state.nm.us/OCD/. please contact Ms. Davidson if a summary or other type of accessible form is needed.

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

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

To: All interested parties, including: Chevron U.S.A. Inc.; EOG Resources, Inc.; Conoco Phillips Company; Magnum Hunter Production Inc.

Case No. 21421: Application of COG Operating LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Wolfcamp formation [WC-025 G-09 S253236A; Upper Wolfcamp (98158)] underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the W/Z of Sections 26 and 35, Township 23 South, Range 32 East, Lea County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the to the following proposed wells:

- Bedlington Federal Com #701H to be drilled from a surface hole location in SE/4SW/4 (Unit N) of Section 35 to a bottom hole location in the NW/4NW/4 (Unit D) of Section 26.
- Bedlington Federal Com #702H to be drilled from a surface hole location in SE/4SW/4 (Unit N) of Section 35 to a bottom hole location in the NW/4NW/4 (Unit D) of Section 26;
- Bedlington Federal Com #703H to be drilled from a surface hole location in SE/4SW/4 (Unit N) of Section 35 to a bottom hole location in the NE/4NW/4 (Unit C) of Section 26;
- Bedlington Federal Com #704H to be drilled from a surface hole location in SE/4SW/4 (Unit N) of Section 35 to a bottom hole location in the NE/4NW/4 (Unit C) of Section 26.

The completed interval for the proposed Bedlington Federal Com #702H well will be within 330' of the quarter-quarter line separating the W/2W/2 and the E/2W/2 of Sections 26 and 35 to allow inclusion of this acreage into a standard 640-acre horizontal well spacing unit. 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 applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing each well. Said area is located approximately 25 miles east of Malaga, New Mexico. #4341669, Current Argus, August 26, 2020