

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING OCTOBER 22, 2020**

**APPLICATION OF WPX ENERGY PERMIAN, LLC
FOR A HORIZONTAL SPACING UNIT AND
COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO**

Case No. 21371

French 22-15 Fed Com 411H Well
French 22-15 Fed Com 421H Well
French 22-15 Fed Com 412H Well
French 22-15 Fed Com 422H Well
French 22-15 Fed Com 413H Well

WPX Energy Permian, LLC/WPX Energy

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

**APPLICATION OF WPX ENERGY PERMIAN, LLC
FOR A HORIZONTAL SPACING UNIT AND COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO**

Case No. 21371

APPLICATION

WPX Energy Permian, LLC, (“WPX”), OGRID No. 246289, through its undersigned attorneys, hereby files this Application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, Section 70-2-17, for an order (1) establishing, to the extent necessary, a 640-acre, more or less, standard horizontal spacing and proration unit comprised of the W/2 of Sections 15 and 22, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico, and (2) pooling all uncommitted mineral interests in the Wolfcamp formation (PURPLE SAGE; WOLFCAMP [Pool Code 98220]), designated by the Division as a gas field, underlying said unit.

In support of its Application, WPX states the following:

1. WPX is a working interest owner in the proposed horizontal spacing and proration unit (“HSU”) and has a right to drill a well thereon.
2. WPX seeks to dedicate to the HSU five proposed wells as identified and described herein to a depth to test the Wolfcamp formation.
3. WPX proposes the **French 22-15 Fed Com 411H Well**, to be horizontally drilled from a surface location in SE/4 SW/4 (Unit N) of Section 22 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 15.

4. WPX proposes the **French 22-15 Fed Com 421H Well**, to be horizontally drilled from a surface location in SE/4 SW/4 (Unit N) of Section 22 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 15.

5. WPX proposes the **French 22-15 Fed Com 412H Well**, to be horizontally drilled from a surface location in SE/4 SW/4 (Unit N) of Section 22 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 15.

6. WPX proposes the **French 22-15 Fed Com 422H Well**, to be horizontally drilled from a surface location in SE/4 SW/4 (Unit N) of Section 22 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 15.

7. WPX proposes the **French 22-15 Fed Com 413H Well**, to be horizontally drilled from a surface location in SE/4 SW/4 (Unit N) of Section 22 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 15.

8. The completed intervals for the proposed Wells will comply with the setback requirements imposed by the Special Rules for the Purple Sage Gas Pool, as provided in Order No. R-14262.

9. WPX has sought in good faith, but has been unable to obtain, voluntary agreement from all interest owners to participate in the drilling of the wells or in the commitment of their interests to the wells for their development within the proposed HSU.

10. The pooling of all interests in the Wolfcamp formation within the proposed HSU, and creation of the spacing unit, will avoid the drilling of unnecessary wells, prevent waste and protect correlative rights.

11. In order to provide for its just and fair share of the oil and gas underlying the subject lands, WPX requests that all uncommitted interests in this HSU be pooled and that WPX be designated the operator of the proposed horizontal wells and HSU.

12. WPX reserves the right to add additional wells to the HSU when and if deemed necessary by WPX for the proper development of the HSU and its resources.

13. Because the proposed wells will be simultaneously drilled, back to back, and completed with other wells in the area, as part of a simultaneous drilling and completion project, WPX requests an extension of the time period to drill and complete at least one well from 120 days to 365 days, such that the initial well will satisfy the term criteria of the Division Order and allow for the prompt completion of the subsequent wells.

WHEREFORE, WPX requests that this Application be set for hearing before an Examiner of the Oil Conservation Division on August 6, 2020, and after notice and hearing as required by law, the Division enter an order:

A. Approving the creation of a 640-acre, more or less, spacing and proration unit comprising the W/2 of Sections 15 and 22, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico;

B. Pooling all uncommitted mineral interests in the Wolfcamp formation (PURPLE SAGE; WOLFCAMP [Pool Code 98220]) underlying the proposed HSU;

C. Approving the five proposed wells in the HSU;

D. Designating WPX as operator of this HSU and the horizontal wells to be drilled thereon;

E. Authorizing WPX to recover its costs of drilling, equipping and completing these wells;

F. Approving actual operating charges and costs of supervision, to the maximum extent allowable, while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures;

G. Setting a 200% charge for the risk assumed by WPX in drilling and completing the wells in the event a working interest owner elects not to participate in the wells; and

H. Authorizing an extension of the normal 120-day period to drill and complete the initial well with the provision that one well be drilled and completed by the end of the term of the order and the subsequent wells to follow promptly.

Respectfully submitted,

ABADIE & SCHILL, PC

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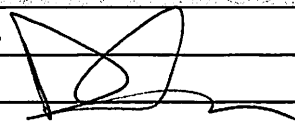
Application of WPX Energy Permian, LLC, (“WPX”) for a Horizontal Spacing and Proration Unit and Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) establishing, to the extent necessary, a 640 acre, more or less, standard horizontal spacing and proration unit comprised of the W/2 of Sections 15 and 22, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico, and (2) pooling all mineral interests in the Wolfcamp formation (PURPLE SAGE; WOLFCAMP [Pool Code 98220]), a gas field, underlying the unit. Said horizontal spacing unit is to be dedicated to five (5) proposed wells, the **French 22-15 Fed Com 411H Well**, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 22 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 15; the **French 22-15 Fed Com 421H Well**, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 22 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 15; the **French 22-15 Fed Com 412H Well**, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 22 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 15; the **French 22-15 Fed Com 422H Well**, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 22 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 15; the **French 22-15 Fed Com 413H Well**, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 22 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 15. The completed intervals for the proposed Wells will comply with the setback requirements imposed by the Special Rules for the Purple Sage Gas Pool. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; a time extension for drilling; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 2.5 miles south of Artesia, New Mexico.

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 21371	APPLICANT'S RESPONSE
Date	October 15, 2020
Applicant	WPX Energy Permian, LLC/WPX Energy
Designated Operator & OGRID (affiliation if applicable)	246289
Applicant's Counsel:	Darin C. Savage - Abadie & Schill, PC
Case Title:	Application of WPX Energy Permian, LLC, for a Horizontal Spacing Unit and Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	COG Operating LLC (Opposing Party)
Well Family	French Wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp (Purple Sage)
Primary Product (Oil or Gas):	Pool designated as a gas pool
Pooling this vertical extent:	Exhibit B-4a, B-4b, B-6a
Pool Name and Pool Code:	Purple Sage; Wolfcamp, Code 98220
Well Location Setback Rules:	Special field rules; R-14262
Spacing Unit Size:	320 acres, within 640 ac unit
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	640 acres
Building Blocks:	320-ac spacing size, 40-ac horizontal tracts
Orientation:	South - North
Description: TRS/County	W/2 of Sections 15 and 22, T26S-R29E, NMPM, Eddy 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	No
Proximity Defining Well: if yes, description	No
Applicant's Ownership in Each Tract	Exhibit A-2
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	French 22-15 Fed Com 411H Well (API-pending), SHL: Unit N, 280' FSL, 1,355' FWL, Section 22, T26S-R29E, NMPM; BHL: Unit D, 200' FNL, 840' FWL, Section 15, T26S-R29E, NMPM, standup, standard

Well #2	French 22-15 Fed Com 421H Well (API-pending), SHL: Unit N, 310' FSL, 1,355' FWL, Section 22, T26S-R29E, NMPM; BHL: Unit D, 200' FNL, 330' FWL, Section 15, T26S-R29E, NMPM, standup, standard
Well #3	French 22-15 Fed Com 412H Well (API-pending), SHL: Unit N, 340' FSL, 1,355' FWL, Section 22, T26S-R29E, NMPM; BHL: Unit C, 200' FNL, 1,860' FWL, Section 15, T26S-R29E, NMPM, standup, standard
Well #4	French 22-15 Fed Com 422H Well (API-pending), SHL: Unit N, 370' FSL, 1,355' FWL, Section 22, T26S-R29E, NMPM; BHL: Unit C, 200' FNL, 1,350' FWL, Section 15, T26S-R29E, NMPM, standup, standard
Well #5	French 22-15 Fed Com 413H Well (API-pending), SHL: Unit N, 400' FSL, 1,355' FWL, Section 22, T26S-R29E, NMPM; BHL: Unit C, 200' FNL, 2,370' FWL, Section 15, T26S-R29E, NMPM, standup, standard
Horizontal Well First and Last Take Points	French 22-15 Fed Com 411H Well: FTP 330' FNL, 840' FWL, LTP 330' FSL, 840' FWL; 'French 22-15 Fed Com 421H Well: FTP 330' FNL, 330' FWL, LTP 330' FSL, 330' FWL; 'French 22-15 Fed Com 412H Well: FTP 330' FNL, 1,860' FWL, LTP 330' FSL, 1,860' FWL 'French 22-15 Fed Com 422H Well:FTP 330' FNL, 1,350' FWL, LTP 330' FSL, 1,350' FWL 'French 22-15 Fed Com 413H Well: FTP 330' FNL, 2,370' FWL, LTP 330' FSL, 2,370' FWL
Completion Target (Formation, TVD and MD)	French 22-15 Fed Com 411H Well I: TVD approx 9,981', TMD approx 19,881'; 'French 22-15 Fed Com 421H Well: TVD approx 10,176', TMD approx 20,076' 'French 22-15 Fed Com 412H Well:TVD approx 9,981', TMD approx 19,981' French 22-15 Fed Com 422H Well:TVD approx 10,176', TMD approx 20,076' 'French 22-15 Fed Com 413H Well: TVD approx 10,176', TMD approx 20,076'
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000, Exhibit A
Production Supervision/Month \$	\$800, Exhibit A
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%, Exhibit A
Notice of Hearing	
Proposed Notice of Hearing	Exhibit C-1

Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-2
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-3
Ownership Determination	
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Tract List (including lease numbers and owners)	Exhibit A-2
Pooled Parties (including ownership type)	Exhibit A-2
Unlocatable Parties to be Pooled	Exhibit A, N/A
Ownership Depth Severance (including percentage above & below)	Exhibit A-2, N/A
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Sample Copy of Proposal Letter	Exhibit A-3
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-2
Chronology of Contact with Non-Joined Working Interests	Exhibit A-4
Overhead Rates In Proposal Letter	Exhibit A-3
Cost Estimate to Drill and Complete	Exhibit A-3
Cost Estimate to Equip Well	Exhibit A-3
Cost Estimate for Production Facilities	Exhibit A-3
Geology	
Summary (including special considerations)	Exhibit B - Geologist's Affidavit
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-2, B-3b
Well Orientation (with rationale)	Exhibit B - Geologist's Affidavit
Target Formation	Exhibit B - Geologist's Affidavit
HSU Cross Section	Exhibit B-4a, B-4b
Depth Severance Discussion	Exhibit B - Geologist's Affidavit
Forms, Figures and Tables	
C-102	Exhibit A-1
Tracts	Exhibit A-1, A-2, B-1
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-2
General Location Map (including basin)	Exhibit A-2, B-1
Well Bore Location Map	Exhibit B-1, A-1
Structure Contour Map - Subsea Depth	Exhibit B-2, B-5
Cross Section Location Map (including wells)	Exhibit B-4a, B-4b
Cross Section (including Landing Zone)	Exhibit B-4a, B-4b, B-6a
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Darin C. Savage
Signed Name (Attorney or Party Representative):	
Date:	15-Oct-20

**STATE OF NEW MEXICO
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**APPLICATION OF WPX ENERGY PERMIAN, LLC
FOR A HORIZONTAL SPACING UNIT AND COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO**

Case No. 21371

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

Case No. 21344

DISPUTED FACTS AND ISSUES

1. Whether the application of COG Operating LLC (“COG”) for 3-mile laterals in its Case No. 21344 optimizes development when compared to the application of WPX Energy Permian, LLC (“WPX”) in Case No. 21371. WPX’s position is that it does not.
2. Whether COG’s application for 3-mile laterals its Case No. 21344 promotes conservation and prevents waste. WPX’s presents evidence and testimony that it does not.
3. Whether COG’s application for 3-mile laterals in Case No. 21344 sufficiently protects correlative rights. WPX presents evidence and testimony that it does not, and furthermore, WPX shows that COG’s development plan will result in undeveloped and stranded acreage to the detriment of the interest owners in Section 22-T26S-R29E, NMPM, Eddy County, New Mexico.
4. Whether COG’s drilling and operation of its 3-mile laterals create unnecessary risks and waste in the subject lands, both operationally and for the development of hydrocarbons. WPX shows that the drilling and operational risks are real and that under COG’s plan, development would be undermined.
5. Whether COG’s drilling of 3-mile laterals is necessary when WPX has presented other options for the optimal development of the subject lands, which avoid harm to correlative rights and allow for optimal development and operations by both COG and WPX.
6. Whether the circumstances and facts surrounding the subject lands in these cases warrant the risk of unknown consequences involved with the drilling of 3-mile laterals, when COG and WPX can optimally develop the lands through the tried and true utilization of 2-mile laterals, as COG presented in its original well proposal.

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**APPLICATION OF WPX ENERGY PERMIAN, LLC
FOR A HORIZONTAL SPACING UNIT AND COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO**

Case No. 21371

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

Case No. 21344

TESTIMONY OF AARON YOUNG IN QUESTION AND ANSWER FORM

Aaron Young, of lawful age and being under oath by affidavit answers the following questions:

Q. Mr. Young, for the record, please state your name and qualifications, and identify by whom you're employed and in what capacity.

A (Aaron Young). My name is Aaron Young, and I am a Petroleum Landman, having received my degree in energy management in 2011 from the University of Oklahoma. I have worked for WPX Energy for over three years, and manage land matters pertaining to the Permian Basin, which includes Eddy County, New Mexico.

Q. Have you previously testified before the Division.

A. Yes, I have, and my credentials have been accepted as a matter of record.

Q. And are you familiar with the nature and status of the lands which are subject of these cases?

A. Yes, I am.

Mr. Savage: I tender the witness as an expert in petroleum land matters.

Q. Mr. Young, would you briefly state what WPX seeks in Case No. 21371?

A. WPX seeks the pooling of uncommitted mineral interests in a spacing and proration unit for the development of the Wolfcamp formation. The application proposes a 640-acre, more or less, spacing and proration unit for the drilling of five Wolfcamp wells, in the Wolfcamp Purple Sage formation, Pool Code 98220, designated as a gas field, and will encompass the west half of Sections 15 and 22, Township 26 South, Range 29 East, Eddy County, New Mexico. WPX has proposed five wells located as follows:

- French 22-15 Fed Com 421H: SHL at 1,355' FWL and 310' FSL of Section 22, or at a legal location in Unit N, and a BHL at 330' FWL and 200' FNL of Section 15, or at a legal location in Unit D
- French 22-15 Fed Com 411H: SHL at 1,355' FWL and 280' FSL of Section 22, or at a legal location in Unit N, and a BHL at 840' FWL and 200' FNL of Section 15, or at a legal location in Unit D
- French 22-15 Fed Com 422H: SHL at 1,355' FWL and 370' FSL of Section 22, or at a legal location in Unit N, and a BHL at 1,350' FWL and 200' FNL of Section 15, or at a legal location in Unit C
- French 22-15 Fed Com 412H: SHL at 1,355' FWL and 340' FSL of Section 22, or at a legal location in Unit N, and a BHL at 1,860' FWL and 200' FNL of Section 15, or at a legal location in Unit C

- French 22-15 Fed Com 413H: SHL at 1,355' FWL and 400' FSL of Section 22, or at a legal location in Unit N, and a BHL at 2,370' FWL and 200' FNL of Section 15, or at a legal location in Unit C.

WPX also seeks approval of overhead and administrative costs at \$8000/month while drilling and \$800/month while producing. These costs are consistent with, reasonable and comparable to, what WPX and other operators are charging in this area for such wells. WPX requests costs to the maximum extent allowable, plus a 200% risk charge be assessed against non-consenting working interest owners. And WPX requests that periodic adjustments be allowed as provided by the COPAS Accounting Procedure.

WPX also requests that it be designated as the operator of the wells and unit.

Q. Can you tell me about Exhibit A-1? What does it reflect?

A. These are the C-102s for the French wells, targeting the Purple Sage Wolfcamp formation. The applications have not been approved yet but are in the process. The special rules of the Purple Sage Wolfcamp apply to this formation, and the setback requirements of 330 feet are met. WPX seeks standard first and last take points, being 330' from north and south spacing unit boundary lines. The spacing unit encompassing the W/2 of Sections 15 and 22 are considered a standard horizontal spacing under the rules. The mineral ownership involves federal leases.

Q. Can you tell me about Exhibit A-2? What does it reflect?

A. It shows the parties that we are seeking to pool with their interests listed. EOG Resources had been listed but they completed an assignment of their interests to COG Operating LLC in Section 15, so they have been removed.

Q. Were there any interest owners you were not able to locate?

A. No.

Q. Is the mineral ownership severed by depth?

A. It is not.

Q. What is the graph in Exhibit A-2?

A. It is simply a lease tract map that shows the coverage of the leases in the Sections to help illustrate the ownership and percentage breakdown.

Q. In addition to the working interest owners you've identified as parties to be pooled, is WPX pooling any other interest owners?

A. The overriding royalty interest owners, which are also listed in Exhibit A-2.

Q. What is Exhibit A-3?

A. That Exhibit is a copy of my well-proposal letter to all the parties and is dated May 12, 2020. It has the AFE as an attachment that was sent to all the parties along with the letter. Estimated costs are at \$7,318,621 and are in line with the cost of other horizontal wells in this area drilled to this length and depth. We did provide an update to this letter, dated October 7, 2020, as shown in the Exhibit, in order to adjust the TVD and TMD. This change was necessary to ensure proper spacing with WPX's adjacent Horn unit in the E/2 of Sections 22, 27 and 34. This did not affect the AFE and costs remained the same.

Q. And did you have to do any other recent change?

A. Yes, there is one other recent change we had to adjust the bottom hole locations of some of the wells. We had the French 22-15 Fed Com 411H Well with a BHL at 330' FWL of Section 15 and the French 22-15 Fed Com 421H Well with a BHL at 840' FWL of Section 15. We had to switch those two locations, so the 411H Well is at 840' FWL and the 421H Well is at 330' FWL. Also, we had to switch bottom hole locations of the French 22-15 Fed Com 412H

Well and 422H Well, so that the 422H Well is at 1350' FWL of Section 15 and the 412H Well is at 1860' FWL of Section 15. One of the substantial differences between WPX's development plan and COG's development plan is that WPX is working to place two laterals at two different depths to develop both the Upper Wolfcamp A and the Lower Wolfcamp A. This will have a major impact on optimizing production and preventing waste. COG only has a lateral at one depth to cover the Upper and Lower Wolfcamp A, and WPX believes COG's approach is insufficient to extract the hydrocarbons from these two horizons. The bottom hole change was needed to refine the position of our wine rack drilling configuration in order to optimize development.

This is a change that has no adverse effect on the owners, but only enhances the value of their interests. In this way, we do not see it as a material change that would undermine an owner's election, as it does not adversely affect the interests. Our well proposal provides and accounts for making such refinements in location in order to better address, and improve, production and the prevention of waste. As you will note, the well proposal informs the owner that the bottom hole location is at a footage displacement, or, and I emphasize, a legal location in respective Units. The bottom hole locations remain in Unit previously identified. Therefore, WPX has satisfied the criteria of informing the owner that the provisions for a proper location. We also noted explicitly in our well proposal that the proposed locations and target depths are subject to change depending on any surface or subsurface concerns encountered. The effort to optimize development, promote conservation, prevent waste, and protect correlative rights are substantive concerns, and WPX has made every effort to refine its development plan to address these concerns and achieve the best outcomes. WPX has accomplished this at no additional cost to the owners, as the AFE and costs remain unchanged.

Q. What is Exhibit A-4?

A. That is documentation of our communication and negotiation efforts to work out an agreement with COG in order to avoid this dispute over the proposed 3-mile lateral wells.

Q. Does this show why WPX filed its competing application in Case No. 21371?

A. Yes. COG originally proposed the Rock Jelly wells as 2-mile laterals covering Sections 3 and 10, which would allow for WPX to develop its 2-mile laterals in Sections 15 and 22. We've included, as Exhibit A-7, COG's well proposal listing Sections 3 and 10 as a two mile unit. This scenario would have allowed both COG and WPX to optimize everyone's production and protect everyone's correlative rights. However, COG later re-proposed the wells as 3-mile wells, which potentially could increase its development, but at the expense of WPX and the owners in its unit. This new proposal by COG leaves only one section for development, thereby trapping and limiting WPX, and other interest owners, into one section, Section 22. This undermines our development, production, and correlative right, and the correlative rights of other interest owners. In the E/2 of Sections 3, 10 and 15, COG is also planning to drill 3-mile laterals, but COG's development plans in the E/2 do not harm or damage our correlative rights, because there is open land to the south, and WPX is able to extend a 2-mile lateral into the adjacent section south of Section 22.

Q. Does the development plan in COG's competing application undermine conservation and the protection of correlative rights?

A. Yes. WPX believes that in circumstances where a party is unnecessarily trapped and limited to a 1-mile lateral, when a 2-mile would provide superior development and production, the Division should look closely at the correlative rights of the trapped party and the issues of conservation and waste involved. We believe COG's 3-mile lateral may be appropriate

under different circumstances, where the acreage allows for such extension without undermining the correlative rights of adjacent owners, but in the present situation, COG will be harming the correlative rights of our development and will be introducing unnecessary risk to operations with a potential for causing waste. Two-mile laterals for both WPX and COG provide a much better plan in this situation. WPX's reservoir engineer can better speak to the detrimental outcome of allowing COG to drill 3-mile wells in the W/2 of Sections 15 and 22.

Q. Are there owners located just in Section 22, who would not receive the benefit of COG's three-mile lateral, but who would benefit from allowing WPX to drill a two-mile lateral, along with a two-mile lateral drilled by COG?

A. Yes. W.B. Strange, as Successor Trustee of the Charles E. Strange 1976 Trust No. 1, George Globe, as Trustee of the George Globe Trust No. 1, Teckla Oil Co., LLC, and Mobil Producing Texas & New Mexico Inc. are overriding royalty interest owners in the W/2 of Section 22. Excluding Section 22 will result in these interest owners receiving no benefit as to their interest in Section 22.

In fact, attached to my Testimony, as Exhibit A-6, are Letters of Support from Teckla Oil Co., LLC, and Charles E. Strange 1976 Trust No. 1, interest owners in the W/2 of Section 22, supporting the application of WPX on the grounds that, in comparison to COG's application, WPX's application prevents waste and protects their correlative rights.

Q. Have you evaluated the overall effect on production, the protection of correlative rights, and prevention of waste, involved with the drilling a 2-mile lateral by COG and a 2-mile lateral by WPX, compared to a 3-mile lateral by COG and a 1-mile lateral by WPX?

A. Yes. Our Reservoir Engineer can better testify to this and provide proper exhibits.

Q. Again, looking at Exhibit A-4, can you describe your efforts to communicate and negotiate with COG about the issues in these competing applications?

A. Yes. As you can see, on March 11, 2020, WPX raised its initial objection to COG's proposal of its 3-mile laterals, pointing out the unproven nature of the wells for the Permian Basin. In response, COG raised the possibility of a trade. On March 18, 2020, after considering this possibility, WPX proposed trading Section 3 to allow COG to operate a 3-mile unit on a half-section basis, the E/2 of Sections 3, 10 and 15, in exchange for acreage from COG in the W/2 of Section 15, allowing WPX to operate the W/2 of Section 15 and 22. However, after a teleconference on this proposal, an agreement was not reached.

Then, on July 22, COG proposed a new acreage trade which would've resulted in Sections 15 and 22 being developed by COG on a two-mile basis with WPX acquiring a one and one-third mile unit, conditioned on management approval. Questions as to viable surface access in proposed units WPX was to acquire halted the acreage trade internally at WPX, but WPX, as a last effort to brainstorm an agreement, said it was willing to sign as a non-operator for a unit covering the W/2 of Sections 15 and 22 with COG as the operator, since correlative rights and prevention of waste are the main issues of these competing applications. Under this proposal by WPX, COG could have drilled its 3-mile wells in the E/2 of Sections 3, 10, and 15, and COG would still have had the opportunity to drill and operate 2-mile wells for the W/2 of Sections 3 and 10 and for the W/2 of Sections 15 and 22. We thought our proposal was a win-win compromise for everyone. It would have allowed COG to drill 3-mile wells in the E/2, would have protected correlative rights in the W/2, would have allowed COG to be the operator in all cases, and no acreage would have been stranded or under-developed as an undesirable 1-mile unit.

We thought that since COG's team of land professionals and geologists originally considered the 2-mile laterals appropriate for their development, at least, appropriate enough to propose them as 2-mile laterals in the initial well proposals COG sent to the working interest owners, and would still allow COG to develop some of its acreage on a 3-mile basis in the E/2 of Sections 3, 10, and 15, that COG would like our proposal. But, COG still would not agree to this.

Q. What is your working interest position in your proposed unit?

A. WPX owns 100% of Section 22, so we currently own 50% working interest in the proposed unit covering Section 15. COG owns the other 50%.

Q. And does the geology of the proposed unit favor or necessitate 2-mile laterals in order to optimize development?

A. Two-mile wells are the current tried and true method for optimizing development while minimizing waste and risk, but I will let our geologist address that question.

Q. You said that COG proposed their Rock Jelly well before WPX, although they initially proposed it as a 2-mile well, and COG was first to file their pooling application. Were your plans for development of Sections 15 and 22 at the forefront of WPX planning when you received COG's well proposals and pooling applications? Can you give the Division a little history about how you approached the development of this proposed unit?

A. Yes. WPX is the operating rights holder of 100% interest in all of Section 22. WPX had been in initial discussions with EOG Resources, Inc. ("EOG"), the previous operating rights owner of Section 15, about a possible acreage trade in which WPX would have acquired Section 15 creating a potential two-mile unit. Further preparation for development was on hold

pending discussions with EOG. Eventually, Section 15 was removed from the trade conversation, and as we know, was acquired by COG.

Q. Does WPX have a good history and track record for drilling, operating and producing wells in the Permian Basin? Can you provide a brief overview of WPX's history of operatorship?

A. Yes. Referencing Exhibit A-5, WPX is one of the most active operators in the surrounding area, with 170 Wolfcamp horizontal wells, 42 of which are 2-mile horizontal wells, and continues to have active rigs in the area, demonstrating WPX's expertise in the area, specifically as to extended lateral Wolfcamp wells. This compared to 28 horizontal Wolfcamp wells for COG, 2 of which are 2-mile horizontal Wolfcamp wells, in the same surrounding area. WPX recognizes that COG has experience as an operator in the Permian Basin, but as far as these competing applications are concerned, WPX brings considerable detail and expertise to the table based on both its past and ongoing experience in this specific area.

Q. Are the wells proposed for the W/2 scheduled to be drilled in the near future?

A. We would have them on the drilling schedule for this year or 2021, timing ultimately dependent upon necessary approval for Division orders, APDs and other measures necessary to drill and complete wells, but because we cannot be assured of a 2-mile lateral to protect correlative rights and prevent waste, these circumstances have blocked our efforts for their development. We will not put a well on the schedule unless we can be relatively assured that it will be a 2-mile well. Ideally, WPX plans to time up and coordinate the development of our Horn unit in the E/2 of Section 22 with the French unit to optimize development. The Horn unit is scheduled for third quarter 2021 development.

Q. Does this Exhibit A-4 show anything else of importance to this case?

A. I would just like to point out that attached to Exhibit A-4 are copies of the email correspondence that WPX engaged in with COG that show the extent of WPX efforts to reach a resolution and compromise for the optimal development of the Subject Lands. WPX engaged in good faith prior negotiations before the date of this hearing.

Q. In addition to the working interest owners to be pooled, is WPX pooling any other interest owners?

A. Yes, the overriding royalty interest owners, which are also listed in Exhibit A-2.

Q. Let's look at Exhibit C-1, what does it show?

A. It is the attorney's Affidavit of Notice. Included in Exhibit C, as C-2, is a copy of the notice letters, we sent to all the interest owners, a mailing list of the owners that received direct notice, and copies of the green cards returned. The list accurately reflects all the owners who should receive notice. In compiling the addresses, I conducted a diligent search of the public records in Eddy County, New Mexico, where the wells are located, and of phone directories and did computer searches to locate contact information of the parties.

Also, to ensure the accomplishment of notice, we published a notification in the Carlsbad Current-Argus, a newspaper of general circulation and legal record for Eddy County, a copy of which is included in Exhibit C-3.

Q. Is the granting of this Application in the best interests of conservation, the prevention of waste, and the protection of correlative rights?

A. Yes, it is.

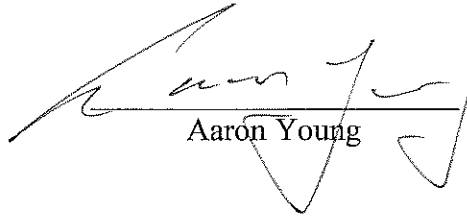
Q. Were the Exhibits prepared under your direct supervision or compiled by you under direct management and authority?

A. Yes.

Q. Are the foregoing answers to these questions correct and complete to the best of your knowledge and belief?

A. Yes.

[signature page follows]

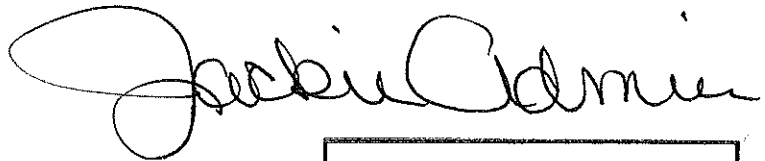

Aaron Young

STATE OF OKLAHOMA)
)
COUNTY OF TULSA)

SUBSCRIBED and SWORN to before me this 15 day of October by Aaron Young.

My Commission Expires:

8/22/22



Jackie Admire NOTARY PUBLIC - STATE OF OKLAHOMA MY COMMISSION EXPIRES 8/22/2022 COMMISSION #18008423

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

**APPLICATION OF WPX ENERGY PERMIAN, LLC
FOR A HORIZONTAL SPACING UNIT AND COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO**

Case No. 21371

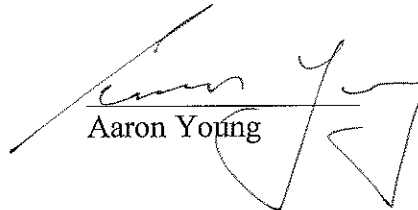
**APPLICATION OF COG OPERATING LLC
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

Case No. 21344

AFFIDAVIT REGARDING TESTIMONY OF AARON YOUNG, LANDMAN

STATE OF OKLAHOMA)
) ss.
COUNTY OF TULSA)

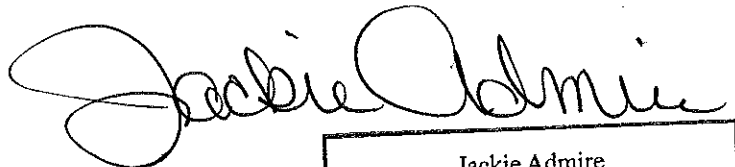
Aaron Young, landman and authorized representative of WPX Energy/WPX Energy Permian, LLC, the Applicant herein, being duly sworn, upon oath, states that his testimony provided herein (Testimony of Aaron Young in Question and Answer Form) is accurate and complete to the best of his knowledge.


Aaron Young

SUBSCRIBED and SWORN to before me this 15 day of October by Aaron Young.

My Commission Expires:

8/22/22



Jackie Admire
NOTARY PUBLIC - STATE OF OKLAHOMA
MY COMMISSION EXPIRES 8/22/2022
COMMISSION #18008423

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DISTRICT III
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DISTRICT IV
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Phone: (505) 476-3460 Fax: (505) 476-3462

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

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 98220	Pool Name PURPLE SAGE - WOLFCAMP
Property Code	Property Name FRENCH 22-15 FED COM	Well Number 421H
OGRID No.	Operator Name WPX ENERGY PERMIAN, LLC	Elevation -

Surface Location

UL or lot no. N	Section 22	Township 26-S	Range 29-E	Lot Idn	Feet from the 310	North/South line SOUTH	Feet from the 1355	East/West line WEST	County EDDY
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Bottom Hole Location If Different From Surface

UL or lot no. D	Section 15	Township 26-S	Range 29-E	Lot Idn	Feet from the 200	North/South line NORTH	Feet from the 330	East/West line WEST	County EDDY
Dedicated Acres	Joint or Infill	Consolidated Code	Order No.						

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

BHL: 200' FNL, 330' FWL

BHL: 200' FNL, 330' FWL, SECTION 15
NAD 83, NMSP-E, N.(Y): = 381797.4', E.(X): = 650998.0'
LAT.: = N32.0491447° N, LON.: = W103.9793924° W
NAD 27, NMSP-E, N.(Y): = 381739.7', E.(X): = 609812.5'
LAT.: = 32.0490219° N, LON.: = 103.9789056° W

TP 1: 0' FSL, 897' FWL

SHL: 310' FSL, 1355' FWL, SECTION 22
NAD 83, NMSP-E, N.(Y): = 371742.0', E.(X): = 652033.5'
LAT.: = N32.0214939° N, LON.: = W103.9761577° W
NAD 27, NMSP-E, N.(Y): = 371684.6', E.(X): = 610847.7'
LAT.: = 32.0213708° N, LON.: = 103.9756720° W

SHL: 310' FSL, 1355' FWL

OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Print Name _____

E-mail Address _____

SURVEYORS CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

OCTOBER 13, 2020
Date of Survey _____

Signature and Seal of Professional Surveyor: _____

PRELIMINARY

Job No.: WTC54349
JAMES E. TOMPKINS 14729
Certificate Number _____

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WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 98220	Pool Name PURPLE SAGE - WOLFCAMP
Property Code	Property Name FRENCH 22-15 FED COM	Well Number 411H
OGRID No.	Operator Name WPX ENERGY PERMIAN, LLC	Elevation -

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	22	26-S	29-E		280	SOUTH	1355	WEST	EDDY

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
D	22	26-S	29-E		200	NORTH	840	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidated Code	Order No.

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

BHL: 200' FNL, 840' FWL

BHL: 200' FNL, 840' FWL, SECTION 15
NAD 83, NMSP-E, N.(Y): = 381789.6', E.(X): = 651508.0'
LAT.: = N32.0491187° N, LON.: = W103.9777465° W
NAD 27, NMSP-E, N.(Y): = 381731.9', E.(X): = 610322.5'
LAT.: = 32.0489960° N, LON.: = 103.9772599° W

TP 1: 0' FSL, 1152' FWL

SHL: 280' FSL, 1355' FWL, SECTION 22
NAD 83, NMSP-E, N.(Y): = 371772.1', E.(X): = 652033.2'
LAT.: = N32.0215767° N, LON.: = W103.9761584° W
NAD 27, NMSP-E, N.(Y): = 371714.7', E.(X): = 610847.4'
LAT.: = 32.0214536° N, LON.: = 103.9756727° W

SHL: 280' FSL, 1355' FWL

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Print Name _____

E-mail Address _____

SURVEYORS CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

OCTOBER 13, 2020

Date of Survey _____

Signature and Seal of Professional Surveyor: _____

PRELIMINARY

Job No.: WTC54349 Draft: M.Y.

JAMES E. TOMPKINS 14729

Certificate Number _____

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API Number	Pool Code 98220	Pool Name PURPLE SAGE - WOLFCAMP
Property Code	Property Name FRENCH 22-15 FED COM	Well Number 422H
OGRID No.	Operator Name WPX ENERGY PERMIAN, LLC	Elevation 1

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	22	26-S	29-E		370	SOUTH	1355	WEST	EDDY

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
C	15	26-S	29-E		200	NORTH	1350	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidated Code	Order No.

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

<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>BHL: 200' FNL, 1350' FWL</p> <p>BHL: 200' FNL, 1350' FWL, SECTION 15 NAD 83, NMSP-E, N.(Y): = 381781.8', E.(X): = 652017.9' LAT.: = N32.0490928° N, LON.: = W103.9761007° W NAD 27, NMSP-E, N.(Y): = 381724.2', E.(X): = 610832.4' LAT.: = 32.0489700° N, LON.: = 103.9756141° W</p> </div> <div style="width: 50%;"> </div> </div> <div style="width: 45%;"> <p>TP 1: 0' FSL, 1404' FWL</p> <p>SHL: 370' FSL, 1355' FWL, SECTION 22 NAD 83, NMSP-E, N.(Y): = 371802.3', E.(X): = 652032.8' LAT.: = N32.0216594° N, LON.: = W103.9761591° W NAD 27, NMSP-E, N.(Y): = 371744.8', E.(X): = 610847.1' LAT.: = 32.0215363° N, LON.: = 103.9756734° W</p> </div>

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WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 98220	Pool Name PURPLE SAGE - WOLFCAMP
Property Code	Property Name FRENCH 22-15 FED COM	Well Number 412H
OGRID No.	Operator Name WPX ENERGY PERMIAN, LLC	Elevation -

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	22	26-S	29-E		340	SOUTH	1355	WEST	EDDY

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
C	15	26-S	29-E		200	NORTH	1860	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidated Code	Order No.

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

BHL: 200' FNL, 1860' FWL

BHL: 200' FNL, 1860' FWL, SECTION 15
 NAD 83, NMSP-E, N.(Y): = 381774.1', E.(X): = 652527.9'
 LAT.: = N32.0490668° N, LON.: = W103.9744549° W
 NAD 27, NMSP-E, N.(Y): = 381716.4', E.(X): = 611342.3'
 LAT.: = 32.0489440° N, LON.: = 103.9739683° W

TP 1: 0' FSL, 1654' FWL

SHL: 340' FSL, 1355' FWL, SECTION 22
 NAD 83, NMSP-E, N.(Y): = 371832.4', E.(X): = 652032.5'
 LAT.: = N32.0217422° N, LON.: = W103.9761598° W
 NAD 27, NMSP-E, N.(Y): = 371774.9', E.(X): = 610846.7'
 LAT.: = 32.0216191° N, LON.: = 103.9756741° W

SHL: 340' FNL, 1355' FWL

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Print Name _____

E-mail Address _____

SURVEYORS CERTIFICATION

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OCTOBER 13, 2020

Date of Survey _____

Signature and Seal of Professional Surveyor: _____

PRELIMINARY

Job No.: WTC54349 Draft: M.Y.

JAMES E. TOMPKINS 14729

Certificate Number _____

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Property Code	Property Name FRENCH 22-15 FED COM	Well Number 413H
OGRID No.	Operator Name WPX ENERGY PERMIAN, LLC	Elevation -

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	22	26-S	29-E		400	SOUTH	1355	WEST	EDDY

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
C	15	26-S	29-E		200	NORTH	2370	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidated Code	Order No.

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

<p>BHL: 200' FSL, 2370' FWL</p> <p>BHL: 200' FNL, 2370' FWL, SECTION 15 NAD 83, NMSP-E, N.(Y): = 381766.3', E.(X): = 653037.8' LAT.: = N32.0490408° N, LON.: = W103.9728091° W NAD 27, NMSP-E, N.(Y): = 381708.7', E.(X): = 611852.3' LAT.: = 32.0489180° N, LON.: = 103.9723226° W</p> <p>TP 1: 0' FSL, 1902' FWL</p> <p>SHL: 400' FSL, 1355' FWL, SECTION 22 NAD 83, NMSP-E, N.(Y): = 371862.5', E.(X): = 652032.2' LAT.: = N32.0218249° N, LON.: = W103.9761605° W NAD 27, NMSP-E, N.(Y): = 371805.0', E.(X): = 610846.4' LAT.: = 32.0217018° N, LON.: = 103.9756748° W</p> <p>SHL: 400' FSL, 1355' FWL</p>	<p>OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p>Signature _____ Date _____</p> <p>Print Name _____</p> <p>E-mail Address _____</p> <p>SURVEYORS CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>OCTOBER 13, 2020 Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor: _____</p> <p>PRELIMINARY</p> <p>Job No.: WTC54349 Draft: M.Y. JAMES E. TOMPKINS 14729 Certificate Number _____</p>
--	---

Exhibit A-2
Case No. 21371: French 15-22 Fed Com
West Half (W/2) Sections 15 & 22, T26S-R29E, NMPM,
Eddy Co., New Mexico
Delaware Basin

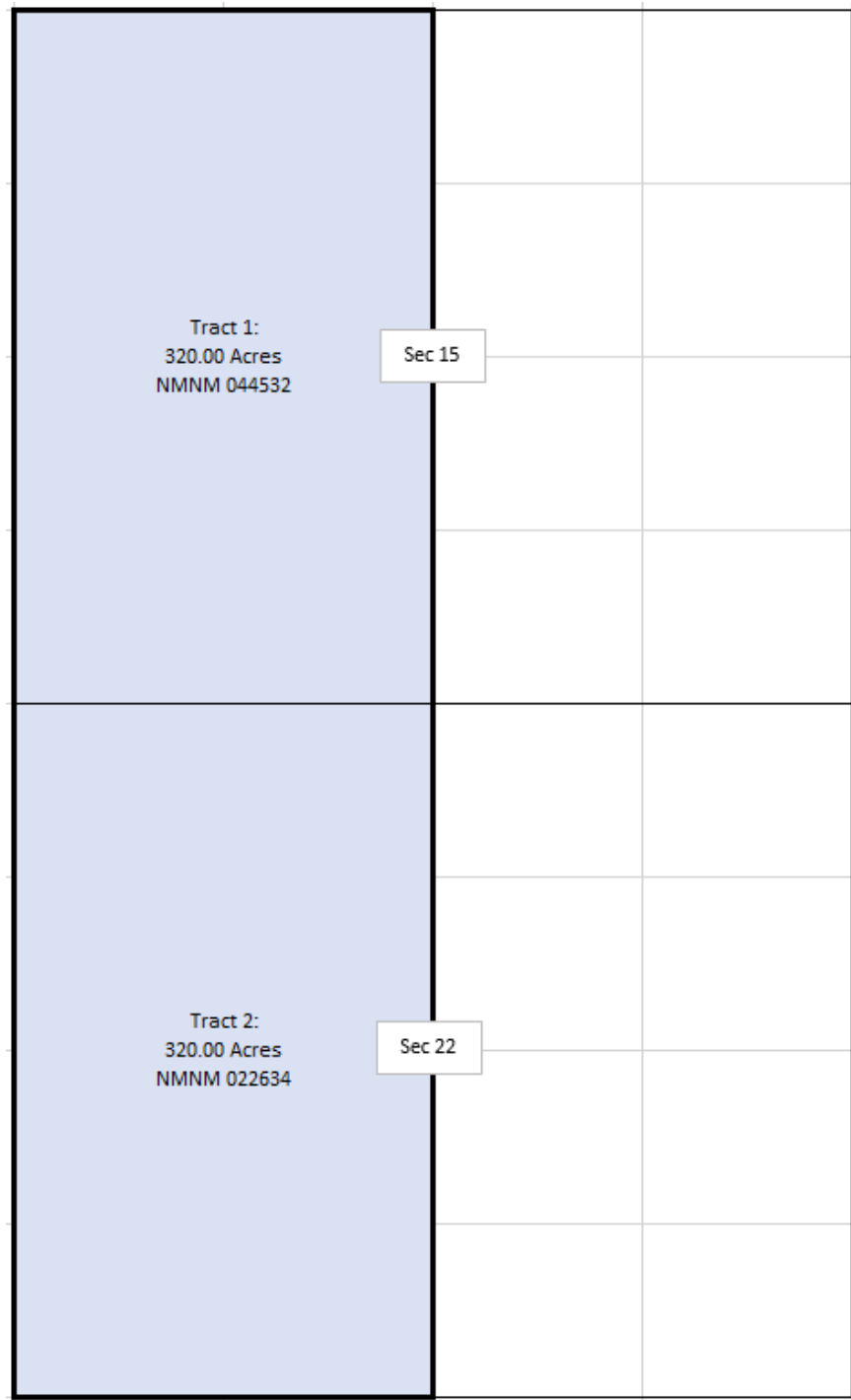


Exhibit A-2
Case No. 21371: French 15-22 Fed Com
West Half (W/2) Sections 15 & 22, T26S-R29E, NMPM,
Eddy Co., New Mexico

Tract 1- (320.00 acres)

COG Operating LLC- 100.00% WI

One Concho Center
600 West Illinois Avenue
Midland, Texas 79701-4882

Tract 2- (320.00 acres)

WPX Energy Permian, LLC- 100.00% WI

W.B. Strange, as Successor Trustee of the Charles E. Strange 1976 Trust No. 1 (ORRI only)

P.O Box 3066
Ocala, Florida 34478-3066

George Globe, as Trustee of the George Globe Trust No. 1 (ORRI only)

P.O Box 11171
Bakersfield, California 93389-1171

Teckla Oil Co., LLC (ORRI only)

P.O Box 3066
Ocala, Florida, 34478-3066

Mobil Producing Texas & New Mexico Inc. (ORRI only)

5959 LAS COLINAS BLVD
IRVING, TX 75039

UNIT RECAPITULATION W2 Sections 15 & 22

WPX Energy Permian, LLC- 50.00% WI

COG Operating LLC- 50.00% WI

W.B. Strange, as Successor Trustee of the Charles E. Strange 1976 Trust No. 1 (ORRI only)

George Globe, as Trustee of the George Globe Trust No. 1 (ORRI only)

Teckla Oil Co., LLC (ORRI only)

Mobil Producing Texas & New Mexico Inc. (ORRI only)

Uncommitted owners in proposed non-standard spacing unit.



May 12, 2020

Via Certified Mail, Return Receipt Requested 9314 7699 0430 0071 2676 37

COG Operating, LLC
Attn: Hunter Hall
One Concho Center
600 West Illinois Avenue
Midland, Texas 79701-4882

Re: French 22-15 Fed Com 411H, 421H, 412H, 422H, 413H
Sections 15 and 22,
Township 26 South, Range 29 East
Eddy County, New Mexico

Dear Sir,

WPX Energy Permian, LLC ("WPX") hereby proposes the drilling of the following horizontal wells in the Purple Sage; Wolfcamp field with a horizontal spacing unit consisting of the W/2 of Sections 15 and 22, Township 26 South, Range 29 East being 640 acres, more or less.

- French 22-15 Fed Com 411H, to be drilled to a depth to test the Wolfcamp formation, at a total vertical depth of 9,981', and total measured depth of 19,881', with a SHL at 1,355' FWL and 280' FSL of Section 22, or at a legal location in Unit N, and a BHL at 330' FWL and 200' FNL of Section 15, or at a legal location in Unit D. Included herewith is our Authority for Expenditure ("AFE") in the gross amount of \$7,318,621 being the total estimated cost to drill and complete said well.
- French 22-15 Fed Com 421H, to be drilled to a depth to test the Wolfcamp formation, at a total vertical depth of 10,176' and total measured depth of 20,076', with a SHL at 1,355' FWL and 310' FSL of Section 22, or at a legal location in Unit N, and a BHL at 840' FWL and 200' FNL of Section 15, or at a legal location in Unit D. Included herewith is our Authority for Expenditure ("AFE") in the gross amount of \$7,318,621 being the total estimated cost to drill and complete said well.
- French 22-15 Fed Com 412H, to be drilled to a depth to test the Wolfcamp formation, at a total vertical depth of 9,981', and total measured depth of 19,881', with a SHL at 1,355' FWL and 340' FSL of Section 22, or at a legal location in Unit N, and a BHL at 1,350' FWL and 200' FNL of Section 15, or at a legal location in Unit C. Included herewith is our Authority for Expenditure ("AFE") in the gross amount of \$7,318,621 being the total estimated cost to drill and complete said well.
- French 22-15 Fed Com 422H, to be drilled to a depth to test the Wolfcamp formation, at a total vertical depth of 10,176', and total measured depth of 20,076', with a SHL at 1,355' FWL and 370' FSL of Section 22, or at a legal location in Unit N, and a BHL at 1,860' FWL and 200' FNL of Section 15, or at a legal location in Unit C. Included herewith is our Authority for Expenditure ("AFE") in the gross amount of \$7,318,621 being the total estimated cost to drill and complete said well.

- French 22-15 Fed Com 413H, to be drilled to a depth to test the Wolfcamp formation, at a total vertical depth of 9,981', and total measured depth of 19,881', with a SHL at 1,355' FWL and 400' FSL of Section 22, or at a legal location in Unit N, and a BHL at 2,370' FWL and 200' FNL of Section 15, or at a legal location in Unit C. Included herewith is our Authority for Expenditure ("AFE") in the gross amount of \$7,318,621 being the total estimated cost to drill and complete said well.

These proposed locations and target depths are subject to change depending on any surface or subsurface concerns encountered.

WPX is proposing to drill this well under the terms of a modified 1989 A.A.P.L Form 610 Model Form Operating Agreement, covering the W/2 of Sections 15 and 22, Township 26 South, Range 29 East, Eddy County, New Mexico (the "JOA"). It has the following general terms:

- 100%/300% Non-consenting penalty
- \$8,000/\$800 Drilling and Producing Rate
- WPX named as Operator

If you wish to participate in the operation, please indicate in the space provided below, along with a signed AFE, and deliver to my attention at the letterhead address or by email at aaron.young@wpxenergy.com, and WPX will provide the completed JOA for your review.

If you do not wish to participate in the proposed operation, WPX would like to negotiate a voluntary agreement that includes your interest.

If an agreement is not reached within 30 days of the date of this letter, WPX will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a spacing unit for the proposed wells.

Should you have any questions, please do not hesitate to contact me at 539.573.3531.

Sincerely,

WPX Energy Permian, LLC



Aaron L. Young
Staff Landman

Encl.:

French 22-15 Fed Com 411H

_____ I/We hereby elect to participate in the French 22-15 Fed Com 411H

_____ I/We hereby elect **not** to participate in the French 22-15 Fed Com 411H

French 22-15 Fed Com 421H

_____ I/We hereby elect to participate in the French 22-15 Fed Com 421H

_____ I/We hereby elect **not** to participate in the French 22-15 Fed Com 421H

French 22-15 Fed Com 412H

_____ I/We hereby elect to participate in the French 22-15 Fed Com 412H

_____ I/We hereby elect **not** to participate in the French 22-15 Fed Com 412H

French 22-15 Fed Com 422H

_____ I/We hereby elect to participate in the French 22-15 Fed Com 422H

_____ I/We hereby elect **not** to participate in the French 22-15 Fed Com 422H

French 22-15 Fed Com 413H

_____ I/We hereby elect to participate in the French 22-15 Fed Com 413H

_____ I/We hereby elect **not** to participate in the French 22-15 Fed Com 413H

COG Operating, LLC

By: _____

Name: _____

Title: _____

Date: _____

AFE Number:

AFE Name:

API Number:

French 22-15 Fed Com #411H



Authorization for Expenditure

AFE Type:

NEW DRILL OP - CAP

Project Manager:

M Hinson

Cost Center Number:

Supplement Number:

AFE Description:

Costs to drill, complete, and equip a two mile lateral well targeting the Wolfcamp formation.

Approved By:

Cost Center Name:

Supplement Desc.:

Field:

Area:

Permian

State:

NM

County:

EDDY

Legal:

SHL 1355' FWL & 280' FSL of Sec 22 BHL 330' FWL & 200' FNL of Sec 15

TVD: 9,981'

TMD: 19,881'

Account Number	Account Description	Gross AFE	Gross Supplement	Gross AFE Total
0650.8166	Idc Gross.Dyed Diesel	82,288	0	82,288
0650.8167	Idc Gross.Dyed Diesel Mud Tanks	46,917	0	46,917
0650.8212	Idc Gross.Fuel Expenses	14,144	0	14,144
0650.8219	Idc Gross.Safety Materials	113	0	113
0650.8270	Idc Gross.Permits, Fees & Licenses	2,200	0	2,200
0650.8295	Idc Gross.Rig Moving Rate	17,976	0	17,976
0650.8298	Idc Gross.Miscellaneous Materials	8,928	0	8,928
0650.8400	Idc Gross.Cement (Surf) Materials	12,143	0	12,143
0650.8401	Idc Gross.Cement (Prod) Materials	30,362	0	30,362
0650.8718	Idc Gross.Tubular Inspection	23,908	0	23,908
0650.8730	Idc Gross.Access & Location Services	30,000	0	30,000
0650.8732	Idc Gross.Bits	55,100	0	55,100
0650.8734	Idc Gross.Casing Crews & Tools	84,295	0	84,295
0650.8740	Idc Gross.Rig Mobilization/Demobilization	40,000	0	40,000
0650.8742	Idc Gross.Trucking	25,120	0	25,120
0650.8743	Idc Gross.Wellhead Services	33,194	0	33,194
0650.8757	Idc Gross.Directiona Equipment Services	186,585	0	186,585
0650.8758	Idc Gross.Drill Fluids & Chemicals Materials	99,717	0	99,717
0650.8760	Idc Gross.Rig Daywork	551,273	0	551,273
0650.8774	Idc Gross.General Labor	65,157	0	65,157
0650.8781	Idc Gross.Centralizers & Float Equip (Surf) (Int1) (Int2) (Prod)	11,491	0	11,491
0650.8783	Idc Gross.Fluid & Cuttings Disposal	88,481	0	88,481
0650.8791	Idc Gross.Survey & Mapping Services	6,000	0	6,000
0650.8803	Idc Gross.Man Camp	978	0	978
0650.8811	Idc Gross.Cement (Int1) Materials	14,339	0	14,339
0650.8821	Idc Gross.Cement (Int2) Materials	19,125	0	19,125
0650.8823	Idc Gross.Living Facilities & Sanitation	36,615	0	36,615
0650.8837	Idc Gross.Mud Logging	25,063	0	25,063
0650.8857	Idc Gross.Cement (Prod) Services	28,191	0	28,191
0650.8862	Idc Gross.Conductor/Rat Hole Services	20,245	0	20,245
0650.8868	Idc Gross.Rental Equipment (Downhole)	51,126	0	51,126
0650.8869	Idc Gross.Rental Equipment (Surface)	166,341	0	166,341
0650.8875	Idc Gross.Access & Location Materials	6,000	0	6,000
0650.8880	Idc Gross.Safety Services	5,769	0	5,769

AFE Number:
AFE Name:
API Number:

200727
French 22-15 Fed Com #411H



Authorization for Expenditure

Account Number	Account Description	Gross AFE	Gross Supplement	Gross AFE Total
0650.8885	Idc Gross.Solids Control Materials	11,796	0	11,796
0650.8891	Idc Gross.Cement (Surf) Services	10,690	0	10,690
0650.8899	Idc Gross.Title Opinion Abstract	7,500	0	7,500
0650.8910	Idc Gross.Water Materials	5,727	0	5,727
0650.8911	Idc Gross.Fluid Hauling	91,567	0	91,567
0650.8917	Idc Gross.Wellsite Supervision	106,411	0	106,411
0650.8938	Idc Gross.Cement (Int2) Services	21,959	0	21,959
0650.8949	Idc Gross.Cement (Int1) Services	12,329	0	12,329
0650.8989	Idc Gross.Drill Fluids & Chemicals Services	46,303	0	46,303
0650.8994	Idc Gross.Solids Control Services	70,011	0	70,011
	0650 Total	2,273,477	0	2,273,477
0652.8739	Tdc Gross.Casing/Liner (Prod)	125,959	0	125,959
0652.8810	Tdc Gross.Casing (Int1)	69,173	0	69,173
0652.8820	Tdc Gross.Casing (Int2)	214,596	0	214,596
0652.8855	Tdc Gross.Liner Hanger & Toe Sleeve	57,000	0	57,000
0652.8889	Tdc Gross.Casing (Surf)	25,502	0	25,502
0652.8918	Tdc Gross.Wellhead Materials	26,353	0	26,353
	0652 Total	518,583	0	518,583
0656.8166	Icc Gross.Dyed Diesel	129,187	0	129,187
0656.8212	Icc Gross.Fuel Expenses	10,193	0	10,193
0656.8402	Icc Gross.Stimulation Materials	443,996	0	443,996
0656.8708	Icc Gross.Stimulation Services	1,129,578	0	1,129,578
0656.8728	Icc Gross.Coil Tubing Services	152,607	0	152,607
0656.8730	Icc Gross.Access & Location Services	15,000	0	15,000
0656.8733	Icc Gross.Logging (Cased Hole)	32,760	0	32,760
0656.8738	Icc Gross.Perforating & Wireline Services	224,239	0	224,239
0656.8742	Icc Gross.Trucking	98,760	0	98,760
0656.8743	Icc Gross.Wellhead Services	78,131	0	78,131
0656.8772	Icc Gross.Environmental Mitigation	10,000	0	10,000
0656.8774	Icc Gross.General Labor	15,000	0	15,000
0656.8787	Icc Gross.Frac Water Services	41,083	0	41,083
0656.8843	Icc Gross.Flowback Services	171,540	0	171,540
0656.8846	Icc Gross.Packers & Plugs	41,931	0	41,931
0656.8868	Icc Gross.Rental Equipment (Downhole)	45,782	0	45,782
0656.8869	Icc Gross.Rental Equipment (Surface)	50,393	0	50,393
0656.8870	Icc Gross.Rental Equipment (Tanks)	10,000	0	10,000
0656.8875	Icc Gross.Access & Location Materials	10,000	0	10,000
0656.8879	Icc Gross.Rubber Goods	15,000	0	15,000
0656.8884	Icc Gross.Site Security	1,286	0	1,286
0656.8910	Icc Gross.Water Materials	564,990	0	564,990
0656.8911	Icc Gross.Fluid Hauling	51,218	0	51,218

AFE Number:
 AFE Name:
 API Number:

[200727](#)
 French 22-15 Fed Com #411H



Authorization for Expenditure

Account Number	Account Description		Gross AFE	Gross Supplement	Gross AFE Total
0656.8917	Icc Gross.Wellsite Supervision		47,398	0	47,398
		0656 Total	3,390,071	0	3,390,071
0658.8716	Tcc Gross.Artificial Lift Materials		150,000	0	150,000
0658.8902	Tcc Gross.Tubing & Accessories		55,000	0	55,000
0658.8918	Tcc Gross.Wellhead Materials		35,000	0	35,000
		0658 Total	240,000	0	240,000
0663.8211	Post Wh Gross.Fittings/Pipes/Etc Non Process Related		120,000	0	120,000
0663.8279	Post Wh Gross.Telemetry Radio/Fiber Materials		2,400	0	2,400
0663.8312	Post Wh Gross.Tank Battery Install And Construction		105,000	0	105,000
0663.8352	Post Wh Gross.Automation Labor		3,840	0	3,840
0663.8396	Post Wh Gross.Telemetry Radio/Fiber Labor		1,350	0	1,350
0663.8397	Post Wh Gross.Containment And Liners		30,000	0	30,000
0663.8473	Post Wh Gross.Engineering Services		60,000	0	60,000
0663.8525	Post Wh Gross.Automation Materials		27,600	0	27,600
0663.8730	Post Wh Gross.Access & Location Services		27,000	0	27,000
0663.8742	Post Wh Gross.Trucking		9,600	0	9,600
0663.8791	Post Wh Gross.Survey & Mapping Services		3,600	0	3,600
0663.8828	Post Wh Gross.Measurement Equipment		58,500	0	58,500
0663.8856	Post Wh Gross.Production Equipment		263,700	0	263,700
0663.8877	Post Wh Gross.Row & Surface Use Payments		3,600	0	3,600
0663.8893	Post Wh Gross.Production Storage Tanks		70,500	0	70,500
0663.8960	Post Wh Gross.Electrification Labor		53,400	0	53,400
0663.8961	Post Wh Gross.Electrification Materials		49,500	0	49,500
0663.8967	Post Wh Gross.Production Equipment Noncontrollable		6,900	0	6,900
		0663 Total	896,490	0	896,490
AFE Totals			7,318,621	0	7,318,621

Partner Approval: _____ Date: _____

AFE Number:

AFE Name:

API Number:

French 22-15 Fed Com #421H



Authorization for Expenditure

AFE Type:

NEW DRILL OP - CAP

Project Manager:

M Hinson

Cost Center Number:

Supplement Number:

AFE Description:

Costs to drill, complete, and equip a two mile lateral well targeting the Wolfcamp formation.

Approved By:

Cost Center Name:

Supplement Desc.:

Field:

Area:

Permian

State:

NM

County:

EDDY

Legal:

TVD: 10,176'

TMD: 20,076'

SHL 1355' FWL & 310' FSL of Sec 22 BH: 840' FWL & 200' FNL of Sec 15

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0650.8212	Idc Gross.Fuel Expenses	14,144	0	14,144
0650.8219	Idc Gross.Safety Materials	113	0	113
0650.8270	Idc Gross.Permits, Fees & Licenses	2,200	0	2,200
0650.8295	Idc Gross.Rig Moving Rate	17,976	0	17,976
0650.8298	Idc Gross.Miscellaneous Materials	8,928	0	8,928
0650.8400	Idc Gross.Cement (Surf) Materials	12,143	0	12,143
0650.8401	Idc Gross.Cement (Prod) Materials	30,362	0	30,362
0650.8718	Idc Gross.Tubular Inspection	23,908	0	23,908
0650.8730	Idc Gross.Access & Location Services	30,000	0	30,000
0650.8732	Idc Gross.Bits	55,100	0	55,100
0650.8734	Idc Gross.Casing Crews & Tools	84,295	0	84,295
0650.8740	Idc Gross.Rig Mobilization/Demobilization	40,000	0	40,000
0650.8742	Idc Gross.Trucking	25,120	0	25,120
0650.8743	Idc Gross.Wellhead Services	33,194	0	33,194
0650.8757	Idc Gross.Directiona Equipment Services	186,585	0	186,585
0650.8758	Idc Gross.Drill Fluids & Chemicals Materials	99,717	0	99,717
0650.8760	Idc Gross.Rig Daywork	551,273	0	551,273
0650.8774	Idc Gross.General Labor	65,157	0	65,157
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0650.8821	Idc Gross.Cement (Int2) Materials	19,125	0	19,125
0650.8823	Idc Gross.Living Facilities & Sanitation	36,615	0	36,615
0650.8837	Idc Gross.Mud Logging	25,063	0	25,063
0650.8857	Idc Gross.Cement (Prod) Services	28,191	0	28,191
0650.8862	Idc Gross.Conductor/Rat Hole Services	20,245	0	20,245
0650.8868	Idc Gross.Rental Equipment (Downhole)	51,126	0	51,126
0650.8869	Idc Gross.Rental Equipment (Surface)	166,341	0	166,341
0650.8875	Idc Gross.Access & Location Materials	6,000	0	6,000
0650.8880	Idc Gross.Safety Services	5,769	0	5,769

AFE Number:
AFE Name:
API Number:

200727
French 22-15 Fed Com #421H



Authorization for Expenditure

Account Number	Account Description	Gross AFE	Gross Supplement	Gross AFE Total
0650.8885	Idc Gross.Solids Control Materials	11,796	0	11,796
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0650.8911	Idc Gross.Fluid Hauling	91,567	0	91,567
0650.8917	Idc Gross.Wellsite Supervision	106,411	0	106,411
0650.8938	Idc Gross.Cement (Int2) Services	21,959	0	21,959
0650.8949	Idc Gross.Cement (Int1) Services	12,329	0	12,329
0650.8989	Idc Gross.Drill Fluids & Chemicals Services	46,303	0	46,303
0650.8994	Idc Gross.Solids Control Services	70,011	0	70,011
	0650 Total	2,273,477	0	2,273,477
0652.8739	Tdc Gross.Casing/Liner (Prod)	125,959	0	125,959
0652.8810	Tdc Gross.Casing (Int1)	69,173	0	69,173
0652.8820	Tdc Gross.Casing (Int2)	214,596	0	214,596
0652.8855	Tdc Gross.Liner Hanger & Toe Sleeve	57,000	0	57,000
0652.8889	Tdc Gross.Casing (Surf)	25,502	0	25,502
0652.8918	Tdc Gross.Wellhead Materials	26,353	0	26,353
	0652 Total	518,583	0	518,583
0656.8166	Icc Gross.Dyed Diesel	129,187	0	129,187
0656.8212	Icc Gross.Fuel Expenses	10,193	0	10,193
0656.8402	Icc Gross.Stimulation Materials	443,996	0	443,996
0656.8708	Icc Gross.Stimulation Services	1,129,578	0	1,129,578
0656.8728	Icc Gross.Coil Tubing Services	152,607	0	152,607
0656.8730	Icc Gross.Access & Location Services	15,000	0	15,000
0656.8733	Icc Gross.Logging (Cased Hole)	32,760	0	32,760
0656.8738	Icc Gross.Perforating & Wireline Services	224,239	0	224,239
0656.8742	Icc Gross.Trucking	98,760	0	98,760
0656.8743	Icc Gross.Wellhead Services	78,131	0	78,131
0656.8772	Icc Gross.Environmental Mitigation	10,000	0	10,000
0656.8774	Icc Gross.General Labor	15,000	0	15,000
0656.8787	Icc Gross.Frac Water Services	41,083	0	41,083
0656.8843	Icc Gross.Flowback Services	171,540	0	171,540
0656.8846	Icc Gross.Packers & Plugs	41,931	0	41,931
0656.8868	Icc Gross.Rental Equipment (Downhole)	45,782	0	45,782
0656.8869	Icc Gross.Rental Equipment (Surface)	50,393	0	50,393
0656.8870	Icc Gross.Rental Equipment (Tanks)	10,000	0	10,000
0656.8875	Icc Gross.Access & Location Materials	10,000	0	10,000
0656.8879	Icc Gross.Rubber Goods	15,000	0	15,000
0656.8884	Icc Gross.Site Security	1,286	0	1,286
0656.8910	Icc Gross.Water Materials	564,990	0	564,990
0656.8911	Icc Gross.Fluid Hauling	51,218	0	51,218

AFE Number:
AFE Name:
API Number:

[200727](#)
French 22-15 Fed Com #421H



Authorization for Expenditure

Account Number	Account Description		Gross AFE	Gross Supplement	Gross AFE Total
0656.8917	Icc Gross.Wellsite Supervision		47,398	0	47,398
		0656 Total	3,390,071	0	3,390,071
0658.8716	Tcc Gross.Artificial Lift Materials		150,000	0	150,000
0658.8902	Tcc Gross.Tubing & Accessories		55,000	0	55,000
0658.8918	Tcc Gross.Wellhead Materials		35,000	0	35,000
		0658 Total	240,000	0	240,000
0663.8211	Post Wh Gross.Fittings/Pipes/Etc Non Process Related		120,000	0	120,000
0663.8279	Post Wh Gross.Telemetry Radio/Fiber Materials		2,400	0	2,400
0663.8312	Post Wh Gross.Tank Battery Install And Construction		105,000	0	105,000
0663.8352	Post Wh Gross.Automation Labor		3,840	0	3,840
0663.8396	Post Wh Gross.Telemetry Radio/Fiber Labor		1,350	0	1,350
0663.8397	Post Wh Gross.Containment And Liners		30,000	0	30,000
0663.8473	Post Wh Gross.Engineering Services		60,000	0	60,000
0663.8525	Post Wh Gross.Automation Materials		27,600	0	27,600
0663.8730	Post Wh Gross.Access & Location Services		27,000	0	27,000
0663.8742	Post Wh Gross.Trucking		9,600	0	9,600
0663.8791	Post Wh Gross.Survey & Mapping Services		3,600	0	3,600
0663.8828	Post Wh Gross.Measurement Equipment		58,500	0	58,500
0663.8856	Post Wh Gross.Production Equipment		263,700	0	263,700
0663.8877	Post Wh Gross.Row & Surface Use Payments		3,600	0	3,600
0663.8893	Post Wh Gross.Production Storage Tanks		70,500	0	70,500
0663.8960	Post Wh Gross.Electrification Labor		53,400	0	53,400
0663.8961	Post Wh Gross.Electrification Materials		49,500	0	49,500
0663.8967	Post Wh Gross.Production Equipment Noncontrollable		6,900	0	6,900
		0663 Total	896,490	0	896,490
AFE Totals			7,318,621	0	7,318,621

Partner Approval: _____ Date: _____

AFE Number:

AFE Name:

API Number:

French 22-15 Fed Com #412H



Authorization for Expenditure

AFE Type:

NEW DRILL OP - CAP

Project Manager:

M Hinson

Cost Center Number:

Supplement Number:

AFE Description:

Costs to drill, complete, and equip a two mile lateral well targeting the Wolfcamp formation.

Approved By:

Cost Center Name:

Supplement Desc.:

Field:

Area:

Permian

State:

NM

County:

EDDY

Legal:

SHL 1355' FWL & 340' FSL of Sec 22 BHL 1350' FWL & 200' FNL of Sec 15

TVD: 9,981'

TMD: 19,881'

Account Number	Account Description	Gross AFE	Gross Supplement	Gross AFE Total
0650.8166	Idc Gross.Dyed Diesel	82,288	0	82,288
0650.8167	Idc Gross.Dyed Diesel Mud Tanks	46,917	0	46,917
0650.8212	Idc Gross.Fuel Expenses	14,144	0	14,144
0650.8219	Idc Gross.Safety Materials	113	0	113
0650.8270	Idc Gross.Permits, Fees & Licenses	2,200	0	2,200
0650.8295	Idc Gross.Rig Moving Rate	17,976	0	17,976
0650.8298	Idc Gross.Miscellaneous Materials	8,928	0	8,928
0650.8400	Idc Gross.Cement (Surf) Materials	12,143	0	12,143
0650.8401	Idc Gross.Cement (Prod) Materials	30,362	0	30,362
0650.8718	Idc Gross.Tubular Inspection	23,908	0	23,908
0650.8730	Idc Gross.Access & Location Services	30,000	0	30,000
0650.8732	Idc Gross.Bits	55,100	0	55,100
0650.8734	Idc Gross.Casing Crews & Tools	84,295	0	84,295
0650.8740	Idc Gross.Rig Mobilization/Demobilization	40,000	0	40,000
0650.8742	Idc Gross.Trucking	25,120	0	25,120
0650.8743	Idc Gross.Wellhead Services	33,194	0	33,194
0650.8757	Idc Gross.Directiona Equipment Services	186,585	0	186,585
0650.8758	Idc Gross.Drill Fluids & Chemicals Materials	99,717	0	99,717
0650.8760	Idc Gross.Rig Daywork	551,273	0	551,273
0650.8774	Idc Gross.General Labor	65,157	0	65,157
0650.8781	Idc Gross.Centralizers & Float Equip (Surf) (Int1) (Int2) (Prod)	11,491	0	11,491
0650.8783	Idc Gross.Fluid & Cuttings Disposal	88,481	0	88,481
0650.8791	Idc Gross.Survey & Mapping Services	6,000	0	6,000
0650.8803	Idc Gross.Man Camp	978	0	978
0650.8811	Idc Gross.Cement (Int1) Materials	14,339	0	14,339
0650.8821	Idc Gross.Cement (Int2) Materials	19,125	0	19,125
0650.8823	Idc Gross.Living Facilities & Sanitation	36,615	0	36,615
0650.8837	Idc Gross.Mud Logging	25,063	0	25,063
0650.8857	Idc Gross.Cement (Prod) Services	28,191	0	28,191
0650.8862	Idc Gross.Conductor/Rat Hole Services	20,245	0	20,245
0650.8868	Idc Gross.Rental Equipment (Downhole)	51,126	0	51,126
0650.8869	Idc Gross.Rental Equipment (Surface)	166,341	0	166,341
0650.8875	Idc Gross.Access & Location Materials	6,000	0	6,000
0650.8880	Idc Gross.Safety Services	5,769	0	5,769

AFE Number:
AFE Name:
API Number:

200727
French 22-15 Fed Com #412H



Authorization for Expenditure

Account Number	Account Description	Gross AFE	Gross Supplement	Gross AFE Total
0650.8885	Idc Gross.Solids Control Materials	11,796	0	11,796
0650.8891	Idc Gross.Cement (Surf) Services	10,690	0	10,690
0650.8899	Idc Gross.Title Opinion Abstract	7,500	0	7,500
0650.8910	Idc Gross.Water Materials	5,727	0	5,727
0650.8911	Idc Gross.Fluid Hauling	91,567	0	91,567
0650.8917	Idc Gross.Wellsite Supervision	106,411	0	106,411
0650.8938	Idc Gross.Cement (Int2) Services	21,959	0	21,959
0650.8949	Idc Gross.Cement (Int1) Services	12,329	0	12,329
0650.8989	Idc Gross.Drill Fluids & Chemicals Services	46,303	0	46,303
0650.8994	Idc Gross.Solids Control Services	70,011	0	70,011
	0650 Total	2,273,477	0	2,273,477
0652.8739	Tdc Gross.Casing/Liner (Prod)	125,959	0	125,959
0652.8810	Tdc Gross.Casing (Int1)	69,173	0	69,173
0652.8820	Tdc Gross.Casing (Int2)	214,596	0	214,596
0652.8855	Tdc Gross.Liner Hanger & Toe Sleeve	57,000	0	57,000
0652.8889	Tdc Gross.Casing (Surf)	25,502	0	25,502
0652.8918	Tdc Gross.Wellhead Materials	26,353	0	26,353
	0652 Total	518,583	0	518,583
0656.8166	Icc Gross.Dyed Diesel	129,187	0	129,187
0656.8212	Icc Gross.Fuel Expenses	10,193	0	10,193
0656.8402	Icc Gross.Stimulation Materials	443,996	0	443,996
0656.8708	Icc Gross.Stimulation Services	1,129,578	0	1,129,578
0656.8728	Icc Gross.Coil Tubing Services	152,607	0	152,607
0656.8730	Icc Gross.Access & Location Services	15,000	0	15,000
0656.8733	Icc Gross.Logging (Cased Hole)	32,760	0	32,760
0656.8738	Icc Gross.Perforating & Wireline Services	224,239	0	224,239
0656.8742	Icc Gross.Trucking	98,760	0	98,760
0656.8743	Icc Gross.Wellhead Services	78,131	0	78,131
0656.8772	Icc Gross.Environmental Mitigation	10,000	0	10,000
0656.8774	Icc Gross.General Labor	15,000	0	15,000
0656.8787	Icc Gross.Frac Water Services	41,083	0	41,083
0656.8843	Icc Gross.Flowback Services	171,540	0	171,540
0656.8846	Icc Gross.Packers & Plugs	41,931	0	41,931
0656.8868	Icc Gross.Rental Equipment (Downhole)	45,782	0	45,782
0656.8869	Icc Gross.Rental Equipment (Surface)	50,393	0	50,393
0656.8870	Icc Gross.Rental Equipment (Tanks)	10,000	0	10,000
0656.8875	Icc Gross.Access & Location Materials	10,000	0	10,000
0656.8879	Icc Gross.Rubber Goods	15,000	0	15,000
0656.8884	Icc Gross.Site Security	1,286	0	1,286
0656.8910	Icc Gross.Water Materials	564,990	0	564,990
0656.8911	Icc Gross.Fluid Hauling	51,218	0	51,218

AFE Number:
AFE Name:
API Number:

[200727](#)
French 22-15 Fed Com #412H



Authorization for Expenditure

Account Number	Account Description		Gross AFE	Gross Supplement	Gross AFE Total
0656.8917	Icc Gross.Wellsite Supervision		47,398	0	47,398
		0656 Total	3,390,071	0	3,390,071
0658.8716	Tcc Gross.Artificial Lift Materials		150,000	0	150,000
0658.8902	Tcc Gross.Tubing & Accessories		55,000	0	55,000
0658.8918	Tcc Gross.Wellhead Materials		35,000	0	35,000
		0658 Total	240,000	0	240,000
0663.8211	Post Wh Gross.Fittings/Pipes/Etc Non Process Related		120,000	0	120,000
0663.8279	Post Wh Gross.Telemetry Radio/Fiber Materials		2,400	0	2,400
0663.8312	Post Wh Gross.Tank Battery Install And Construction		105,000	0	105,000
0663.8352	Post Wh Gross.Automation Labor		3,840	0	3,840
0663.8396	Post Wh Gross.Telemetry Radio/Fiber Labor		1,350	0	1,350
0663.8397	Post Wh Gross.Containment And Liners		30,000	0	30,000
0663.8473	Post Wh Gross.Engineering Services		60,000	0	60,000
0663.8525	Post Wh Gross.Automation Materials		27,600	0	27,600
0663.8730	Post Wh Gross.Access & Location Services		27,000	0	27,000
0663.8742	Post Wh Gross.Trucking		9,600	0	9,600
0663.8791	Post Wh Gross.Survey & Mapping Services		3,600	0	3,600
0663.8828	Post Wh Gross.Measurement Equipment		58,500	0	58,500
0663.8856	Post Wh Gross.Production Equipment		263,700	0	263,700
0663.8877	Post Wh Gross.Row & Surface Use Payments		3,600	0	3,600
0663.8893	Post Wh Gross.Production Storage Tanks		70,500	0	70,500
0663.8960	Post Wh Gross.Electrification Labor		53,400	0	53,400
0663.8961	Post Wh Gross.Electrification Materials		49,500	0	49,500
0663.8967	Post Wh Gross.Production Equipment Noncontrollable		6,900	0	6,900
		0663 Total	896,490	0	896,490
AFE Totals			7,318,621	0	7,318,621

Partner Approval: _____ Date: _____

AFE Number:

AFE Name:

API Number:

French 22-15 Fed Com #422H



Authorization for Expenditure

AFE Type:

NEW DRILL OP - CAP

Project Manager:

M Hinson

Cost Center Number:

Supplement Number:

AFE Description:

Costs to drill, complete, and equip a two mile lateral well targeting the Wolfcamp formation.

Approved By:

Supplement Desc.:

Field:

Area:

Permian

State:

NM

County:

EDDY

Legal:

TVD: 10,176'

TMD: 20,076'

SHL 1355' FWL & 370' FSL of Sec 22 BHL 1860' FWL & 200' FNL of Sec 15

Account Number	Account Description	Gross AFE	Gross Supplement	Gross AFE Total
0650.8166	Idc Gross.Dyed Diesel	82,288	0	82,288
0650.8167	Idc Gross.Dyed Diesel Mud Tanks	46,917	0	46,917
0650.8212	Idc Gross.Fuel Expenses	14,144	0	14,144
0650.8219	Idc Gross.Safety Materials	113	0	113
0650.8270	Idc Gross.Permits, Fees & Licenses	2,200	0	2,200
0650.8295	Idc Gross.Rig Moving Rate	17,976	0	17,976
0650.8298	Idc Gross.Miscellaneous Materials	8,928	0	8,928
0650.8400	Idc Gross.Cement (Surf) Materials	12,143	0	12,143
0650.8401	Idc Gross.Cement (Prod) Materials	30,362	0	30,362
0650.8718	Idc Gross.Tubular Inspection	23,908	0	23,908
0650.8730	Idc Gross.Access & Location Services	30,000	0	30,000
0650.8732	Idc Gross.Bits	55,100	0	55,100
0650.8734	Idc Gross.Casing Crews & Tools	84,295	0	84,295
0650.8740	Idc Gross.Rig Mobilization/Demobilization	40,000	0	40,000
0650.8742	Idc Gross.Trucking	25,120	0	25,120
0650.8743	Idc Gross.Wellhead Services	33,194	0	33,194
0650.8757	Idc Gross.Directiona Equipment Services	186,585	0	186,585
0650.8758	Idc Gross.Drill Fluids & Chemicals Materials	99,717	0	99,717
0650.8760	Idc Gross.Rig Daywork	551,273	0	551,273
0650.8774	Idc Gross.General Labor	65,157	0	65,157
0650.8781	Idc Gross.Centralizers & Float Equip (Surf) (Int1) (Int2) (Prod)	11,491	0	11,491
0650.8783	Idc Gross.Fluid & Cuttings Disposal	88,481	0	88,481
0650.8791	Idc Gross.Survey & Mapping Services	6,000	0	6,000
0650.8803	Idc Gross.Man Camp	978	0	978
0650.8811	Idc Gross.Cement (Int1) Materials	14,339	0	14,339
0650.8821	Idc Gross.Cement (Int2) Materials	19,125	0	19,125
0650.8823	Idc Gross.Living Facilities & Sanitation	36,615	0	36,615
0650.8837	Idc Gross.Mud Logging	25,063	0	25,063
0650.8857	Idc Gross.Cement (Prod) Services	28,191	0	28,191
0650.8862	Idc Gross.Conductor/Rat Hole Services	20,245	0	20,245
0650.8868	Idc Gross.Rental Equipment (Downhole)	51,126	0	51,126
0650.8869	Idc Gross.Rental Equipment (Surface)	166,341	0	166,341
0650.8875	Idc Gross.Access & Location Materials	6,000	0	6,000
0650.8880	Idc Gross.Safety Services	5,769	0	5,769

AFE Number:
AFE Name:
API Number:

200727
French 22-15 Fed Com #422H



Authorization for Expenditure

Account Number	Account Description	Gross AFE	Gross Supplement	Gross AFE Total
0650.8885	Idc Gross.Solids Control Materials	11,796	0	11,796
0650.8891	Idc Gross.Cement (Surf) Services	10,690	0	10,690
0650.8899	Idc Gross.Title Opinion Abstract	7,500	0	7,500
0650.8910	Idc Gross.Water Materials	5,727	0	5,727
0650.8911	Idc Gross.Fluid Hauling	91,567	0	91,567
0650.8917	Idc Gross.Wellsite Supervision	106,411	0	106,411
0650.8938	Idc Gross.Cement (Int2) Services	21,959	0	21,959
0650.8949	Idc Gross.Cement (Int1) Services	12,329	0	12,329
0650.8989	Idc Gross.Drill Fluids & Chemicals Services	46,303	0	46,303
0650.8994	Idc Gross.Solids Control Services	70,011	0	70,011
	0650 Total	2,273,477	0	2,273,477
0652.8739	Tdc Gross.Casing/Liner (Prod)	125,959	0	125,959
0652.8810	Tdc Gross.Casing (Int1)	69,173	0	69,173
0652.8820	Tdc Gross.Casing (Int2)	214,596	0	214,596
0652.8855	Tdc Gross.Liner Hanger & Toe Sleeve	57,000	0	57,000
0652.8889	Tdc Gross.Casing (Surf)	25,502	0	25,502
0652.8918	Tdc Gross.Wellhead Materials	26,353	0	26,353
	0652 Total	518,583	0	518,583
0656.8166	Icc Gross.Dyed Diesel	129,187	0	129,187
0656.8212	Icc Gross.Fuel Expenses	10,193	0	10,193
0656.8402	Icc Gross.Stimulation Materials	443,996	0	443,996
0656.8708	Icc Gross.Stimulation Services	1,129,578	0	1,129,578
0656.8728	Icc Gross.Coil Tubing Services	152,607	0	152,607
0656.8730	Icc Gross.Access & Location Services	15,000	0	15,000
0656.8733	Icc Gross.Logging (Cased Hole)	32,760	0	32,760
0656.8738	Icc Gross.Perforating & Wireline Services	224,239	0	224,239
0656.8742	Icc Gross.Trucking	98,760	0	98,760
0656.8743	Icc Gross.Wellhead Services	78,131	0	78,131
0656.8772	Icc Gross.Environmental Mitigation	10,000	0	10,000
0656.8774	Icc Gross.General Labor	15,000	0	15,000
0656.8787	Icc Gross.Frac Water Services	41,083	0	41,083
0656.8843	Icc Gross.Flowback Services	171,540	0	171,540
0656.8846	Icc Gross.Packers & Plugs	41,931	0	41,931
0656.8868	Icc Gross.Rental Equipment (Downhole)	45,782	0	45,782
0656.8869	Icc Gross.Rental Equipment (Surface)	50,393	0	50,393
0656.8870	Icc Gross.Rental Equipment (Tanks)	10,000	0	10,000
0656.8875	Icc Gross.Access & Location Materials	10,000	0	10,000
0656.8879	Icc Gross.Rubber Goods	15,000	0	15,000
0656.8884	Icc Gross.Site Security	1,286	0	1,286
0656.8910	Icc Gross.Water Materials	564,990	0	564,990
0656.8911	Icc Gross.Fluid Hauling	51,218	0	51,218

AFE Number:
AFE Name:
API Number:

[200727](#)
French 22-15 Fed Com #422H



Authorization for Expenditure

Account Number	Account Description	Gross AFE	Gross Supplement	Gross AFE Total
0656.8917	Icc Gross.Wellsite Supervision	47,398	0	47,398
	0656 Total	3,390,071	0	3,390,071
0658.8716	Tcc Gross.Artificial Lift Materials	150,000	0	150,000
0658.8902	Tcc Gross.Tubing & Accessories	55,000	0	55,000
0658.8918	Tcc Gross.Wellhead Materials	35,000	0	35,000
	0658 Total	240,000	0	240,000
0663.8211	Post Wh Gross.Fittings/Pipes/Etc Non Process Related	120,000	0	120,000
0663.8279	Post Wh Gross.Telemetry Radio/Fiber Materials	2,400	0	2,400
0663.8312	Post Wh Gross.Tank Battery Install And Construction	105,000	0	105,000
0663.8352	Post Wh Gross.Automation Labor	3,840	0	3,840
0663.8396	Post Wh Gross.Telemetry Radio/Fiber Labor	1,350	0	1,350
0663.8397	Post Wh Gross.Containment And Liners	30,000	0	30,000
0663.8473	Post Wh Gross.Engineering Services	60,000	0	60,000
0663.8525	Post Wh Gross.Automation Materials	27,600	0	27,600
0663.8730	Post Wh Gross.Access & Location Services	27,000	0	27,000
0663.8742	Post Wh Gross.Trucking	9,600	0	9,600
0663.8791	Post Wh Gross.Survey & Mapping Services	3,600	0	3,600
0663.8828	Post Wh Gross.Measurement Equipment	58,500	0	58,500
0663.8856	Post Wh Gross.Production Equipment	263,700	0	263,700
0663.8877	Post Wh Gross.Row & Surface Use Payments	3,600	0	3,600
0663.8893	Post Wh Gross.Production Storage Tanks	70,500	0	70,500
0663.8960	Post Wh Gross.Electrification Labor	53,400	0	53,400
0663.8961	Post Wh Gross.Electrification Materials	49,500	0	49,500
0663.8967	Post Wh Gross.Production Equipment Noncontrollable	6,900	0	6,900
	0663 Total	896,490	0	896,490
AFE Totals		7,318,621	0	7,318,621

Partner Approval: _____ Date: _____

AFE Number:

AFE Name:

API Number:

French 22-15 Fed Com #413H



Authorization for Expenditure

AFE Type:

NEW DRILL OP - CAP

Project Manager:

M Hinson

Cost Center Number:

Supplement Number:

AFE Description:

Costs to drill, complete, and equip a two mile lateral well targeting the Wolfcamp formation.

Approved By:

Supplement Desc.:

Field:

Area:

Permian

State:

NM

County:

EDDY

Legal:

SHL 1355' FWL & 410' FSL of Sec 22 BHL 2370' FWL & 200' FNL of Sec 15

TVD: 9,981'

TMD: 19,881'

Account Number	Account Description	Gross AFE	Gross Supplement	Gross AFE Total
0650.8166	Idc Gross.Dyed Diesel	82,288	0	82,288
0650.8167	Idc Gross.Dyed Diesel Mud Tanks	46,917	0	46,917
0650.8212	Idc Gross.Fuel Expenses	14,144	0	14,144
0650.8219	Idc Gross.Safety Materials	113	0	113
0650.8270	Idc Gross.Permits, Fees & Licenses	2,200	0	2,200
0650.8295	Idc Gross.Rig Moving Rate	17,976	0	17,976
0650.8298	Idc Gross.Miscellaneous Materials	8,928	0	8,928
0650.8400	Idc Gross.Cement (Surf) Materials	12,143	0	12,143
0650.8401	Idc Gross.Cement (Prod) Materials	30,362	0	30,362
0650.8718	Idc Gross.Tubular Inspection	23,908	0	23,908
0650.8730	Idc Gross.Access & Location Services	30,000	0	30,000
0650.8732	Idc Gross.Bits	55,100	0	55,100
0650.8734	Idc Gross.Casing Crews & Tools	84,295	0	84,295
0650.8740	Idc Gross.Rig Mobilization/Demobilization	40,000	0	40,000
0650.8742	Idc Gross.Trucking	25,120	0	25,120
0650.8743	Idc Gross.Wellhead Services	33,194	0	33,194
0650.8757	Idc Gross.Directiona Equipment Services	186,585	0	186,585
0650.8758	Idc Gross.Drill Fluids & Chemicals Materials	99,717	0	99,717
0650.8760	Idc Gross.Rig Daywork	551,273	0	551,273
0650.8774	Idc Gross.General Labor	65,157	0	65,157
0650.8781	Idc Gross.Centralizers & Float Equip (Surf) (Int1) (Int2) (Prod)	11,491	0	11,491
0650.8783	Idc Gross.Fluid & Cuttings Disposal	88,481	0	88,481
0650.8791	Idc Gross.Survey & Mapping Services	6,000	0	6,000
0650.8803	Idc Gross.Man Camp	978	0	978
0650.8811	Idc Gross.Cement (Int1) Materials	14,339	0	14,339
0650.8821	Idc Gross.Cement (Int2) Materials	19,125	0	19,125
0650.8823	Idc Gross.Living Facilities & Sanitation	36,615	0	36,615
0650.8837	Idc Gross.Mud Logging	25,063	0	25,063
0650.8857	Idc Gross.Cement (Prod) Services	28,191	0	28,191
0650.8862	Idc Gross.Conductor/Rat Hole Services	20,245	0	20,245
0650.8868	Idc Gross.Rental Equipment (Downhole)	51,126	0	51,126
0650.8869	Idc Gross.Rental Equipment (Surface)	166,341	0	166,341
0650.8875	Idc Gross.Access & Location Materials	6,000	0	6,000
0650.8880	Idc Gross.Safety Services	5,769	0	5,769

AFE Number:
AFE Name:
API Number:

200727
French 22-15 Fed Com #413H



Authorization for Expenditure

Account Number	Account Description	Gross AFE	Gross Supplement	Gross AFE Total
0650.8885	Idc Gross.Solids Control Materials	11,796	0	11,796
0650.8891	Idc Gross.Cement (Surf) Services	10,690	0	10,690
0650.8899	Idc Gross.Title Opinion Abstract	7,500	0	7,500
0650.8910	Idc Gross.Water Materials	5,727	0	5,727
0650.8911	Idc Gross.Fluid Hauling	91,567	0	91,567
0650.8917	Idc Gross.Wellsite Supervision	106,411	0	106,411
0650.8938	Idc Gross.Cement (Int2) Services	21,959	0	21,959
0650.8949	Idc Gross.Cement (Int1) Services	12,329	0	12,329
0650.8989	Idc Gross.Drill Fluids & Chemicals Services	46,303	0	46,303
0650.8994	Idc Gross.Solids Control Services	70,011	0	70,011
	0650 Total	2,273,477	0	2,273,477
0652.8739	Tdc Gross.Casing/Liner (Prod)	125,959	0	125,959
0652.8810	Tdc Gross.Casing (Int1)	69,173	0	69,173
0652.8820	Tdc Gross.Casing (Int2)	214,596	0	214,596
0652.8855	Tdc Gross.Liner Hanger & Toe Sleeve	57,000	0	57,000
0652.8889	Tdc Gross.Casing (Surf)	25,502	0	25,502
0652.8918	Tdc Gross.Wellhead Materials	26,353	0	26,353
	0652 Total	518,583	0	518,583
0656.8166	Icc Gross.Dyed Diesel	129,187	0	129,187
0656.8212	Icc Gross.Fuel Expenses	10,193	0	10,193
0656.8402	Icc Gross.Stimulation Materials	443,996	0	443,996
0656.8708	Icc Gross.Stimulation Services	1,129,578	0	1,129,578
0656.8728	Icc Gross.Coil Tubing Services	152,607	0	152,607
0656.8730	Icc Gross.Access & Location Services	15,000	0	15,000
0656.8733	Icc Gross.Logging (Cased Hole)	32,760	0	32,760
0656.8738	Icc Gross.Perforating & Wireline Services	224,239	0	224,239
0656.8742	Icc Gross.Trucking	98,760	0	98,760
0656.8743	Icc Gross.Wellhead Services	78,131	0	78,131
0656.8772	Icc Gross.Environmental Mitigation	10,000	0	10,000
0656.8774	Icc Gross.General Labor	15,000	0	15,000
0656.8787	Icc Gross.Frac Water Services	41,083	0	41,083
0656.8843	Icc Gross.Flowback Services	171,540	0	171,540
0656.8846	Icc Gross.Packers & Plugs	41,931	0	41,931
0656.8868	Icc Gross.Rental Equipment (Downhole)	45,782	0	45,782
0656.8869	Icc Gross.Rental Equipment (Surface)	50,393	0	50,393
0656.8870	Icc Gross.Rental Equipment (Tanks)	10,000	0	10,000
0656.8875	Icc Gross.Access & Location Materials	10,000	0	10,000
0656.8879	Icc Gross.Rubber Goods	15,000	0	15,000
0656.8884	Icc Gross.Site Security	1,286	0	1,286
0656.8910	Icc Gross.Water Materials	564,990	0	564,990
0656.8911	Icc Gross.Fluid Hauling	51,218	0	51,218

AFE Number:
AFE Name:
API Number:

[200727](#)
French 22-15 Fed Com #413H



Authorization for Expenditure

Account Number	Account Description	Gross AFE	Gross Supplement	Gross AFE Total
0656.8917	Icc Gross.Wellsite Supervision	47,398	0	47,398
	0656 Total	3,390,071	0	3,390,071
0658.8716	Tcc Gross.Artificial Lift Materials	150,000	0	150,000
0658.8902	Tcc Gross.Tubing & Accessories	55,000	0	55,000
0658.8918	Tcc Gross.Wellhead Materials	35,000	0	35,000
	0658 Total	240,000	0	240,000
0663.8211	Post Wh Gross.Fittings/Pipes/Etc Non Process Related	120,000	0	120,000
0663.8279	Post Wh Gross.Telemetry Radio/Fiber Materials	2,400	0	2,400
0663.8312	Post Wh Gross.Tank Battery Install And Construction	105,000	0	105,000
0663.8352	Post Wh Gross.Automation Labor	3,840	0	3,840
0663.8396	Post Wh Gross.Telemetry Radio/Fiber Labor	1,350	0	1,350
0663.8397	Post Wh Gross.Containment And Liners	30,000	0	30,000
0663.8473	Post Wh Gross.Engineering Services	60,000	0	60,000
0663.8525	Post Wh Gross.Automation Materials	27,600	0	27,600
0663.8730	Post Wh Gross.Access & Location Services	27,000	0	27,000
0663.8742	Post Wh Gross.Trucking	9,600	0	9,600
0663.8791	Post Wh Gross.Survey & Mapping Services	3,600	0	3,600
0663.8828	Post Wh Gross.Measurement Equipment	58,500	0	58,500
0663.8856	Post Wh Gross.Production Equipment	263,700	0	263,700
0663.8877	Post Wh Gross.Row & Surface Use Payments	3,600	0	3,600
0663.8893	Post Wh Gross.Production Storage Tanks	70,500	0	70,500
0663.8960	Post Wh Gross.Electrification Labor	53,400	0	53,400
0663.8961	Post Wh Gross.Electrification Materials	49,500	0	49,500
0663.8967	Post Wh Gross.Production Equipment Noncontrollable	6,900	0	6,900
	0663 Total	896,490	0	896,490
AFE Totals		7,318,621	0	7,318,621

Partner Approval: _____ Date: _____



October 7, 2020

Via Certified Mail, Return Receipt Requested 9314 7699 0430 0075 7388 05

COG Operating, LLC
Attn: Hunter Hall
One Concho Center
600 West Illinois Avenue
Midland, Texas 79701-4882

Re: Updated TVD and TMD: French 22-15 Fed Com 411H, 421H, 412H, 422H, 423H
Sections 15 and 22,
Township 26 South, Range 29 East
Eddy County, New Mexico

Dear Sir,

Please see below for updated TVDs related to the captioned proposed wells. These changes were made to optimize the development in the proposed horizontal spacing unit and the prevention of waste. The estimated SHL, BHL, Authority for Expenditure, and all other specifications remain unchanged.

- French 22-15 Fed Com 421H, to be drilled to a depth to test the Wolfcamp formation, at a total vertical depth of 10,176', and total measured depth of 20,076'.
- French 22-15 Fed Com 411H, to be drilled to a depth to test the Wolfcamp formation, at a total vertical depth of 9,981' and total measured depth of 19,881'.
- French 22-15 Fed Com 422H, to be drilled to a depth to test the Wolfcamp formation, at a total vertical depth of 10,176', and total measured depth of 20,076'.
- French 22-15 Fed Com 412H, to be drilled to a depth to test the Wolfcamp formation, at a total vertical depth of 9,981', and total measured depth of 19,881'.
- French 22-15 Fed Com 413H, to be drilled to a depth to test the Wolfcamp formation, at a total vertical depth of 10,176', and total measured depth of 20,076'.

Should you have any questions, please do not hesitate to contact me at 539.573.3531.

Sincerely,

WPX Energy Permian, LLC


Aaron L. Young
Staff Landman

Exhibit A-4
Case No. 21371: French 15-22 Fed Com
Communication & Negotiation Efforts

Timeline & Supporting Documents for Communication Efforts with COG Operating LLC:

- September 19, 2019 & October 24, 2019: COG proposes Rock Jelly 701H-705H as two-mile wells with horizontal spacing unit covering Sections 3 & 10.
- March 2, 2020: WPX receives COG's proposal to change the Rock Jelly 701H-705 to three-mile wells with horizontal spacing units covering Section 3, 10 & 15.
- March 11, 2020: WPX raises initial objection to COG's three-mile proposal, pointing out unproven nature of 3-mile wells. (See Exhibit A-4a.)
- March 17, 2020: COG raises option of acreage trade to trade WPX out of Section 3 identifying potential acreage. Resolution of Section 22 not discussed (see Exhibit A-4b).
- March 18, 2020: WPX proposes trading out of Section 3, allowing COG to operate 3-mile unit on half section basis in the E/2 of Sections 3, 10 & 15 for COG's acreage in W/2 of Section 15 with WPX operating the W/2 Sections 22 & 15 (see Exhibit A-4c).
- July 21, 2020: teleconference between WPX and COG landmen discussing possible resolution, trade discussed again.
- July 22, 2020: COG proposes new acreage trade opportunity, conditioned on management approval, with COG acquiring Section 22 and operating Section 22 and 15 on a two-mile basis, and WPX acquiring 1.3-mile units (see Exhibit A-4d).
- August 26, 2020: WPX proposes that as opposed to an acreage trade, WPX would be willing to sign as non-operator in the W/2 of Section 15 and 22 allowing COG to act as operator and to develop E/2 Sections 3, 10 and 15 on three-mile. This would also allow the W/2 Sections 3 and 10 to be developed on two-mile basis, leaving no acreage left to one-mile development (see Exhibit A-4e).
 - Based off recent conversations COG does not appear willing to accept this offer.
- August 26, 2020-October 7, 2020: WPX requests for consent to WPX's Horn 22-27-34 pad in the SE/4 of Section 15 on COG leasehold. COG raised concerns over collision issues, which WPX was prepared to accommodate COG as necessary. COG offered to grant the surface consent in exchange for dropping the French application Case 21371. WPX declined on basis on unequitable exchange, and informed COG of its interest to continue with the French hearing (see Exhibit A-4f).

Communication with EOG Resources, Inc., former Operating Rights owner Section 15:

- Throughout early 2020, multiple discussions between WPX and EOG about possible trade with Section 15 included. Eventually EOG informed WPX it was proceeding with different route.

Exhibit A-4a

From: Travis Macha
Sent: Wednesday, March 11, 2020 1:54 PM
To: Young, Aaron <Aaron.Young@wpxenergy.com>
Cc: Tepe, Tanner <Tanner.Tepe@wpxenergy.com>; Ashley Roush <ARoush@concho.com>
Subject: RE: COG's Rock Jelly Fed Com 701H, 702H, 703H & 705H: WPX Opposition

Hey Aaron, thanks for the heads up.

We definitely can sympathize with WPX's position on the Section 22 acreage however, as it stands we are set to move forward on the EOG trade we have going to acquire Section 15 to drill 3-mile. COG already has proven results in Texas on 3-miles and XTO has drilled quite a few in New Mexico as well so we're confident in development plans.

I think regardless though, its in the best interest of both COG and WPX to remain transparent and resolve any issue outside of a contested hearing. I think COG would be happy to entertain trade proposals splitting 15/22 COG/WPX or proposals whereas COG would trade WPX out of Section 22 completely (As to unproductive formations). We do recognize we would need to give yall a brand new DSU (or multiple) in exchange.

If yall have any ideas feel free to reach out. We're open to getting creative as well in search for a solution.

Thanks,

Travis Macha | Landman | COG Operating LLC
One Concho Center, 8th Floor | 432.683.7443 (main) | 432.221.0452 (direct)
Mailing Address: One Concho Center | 600 W. Illinois Ave. | Midland, TX 79701



From: Young, Aaron <Aaron.Young@wpxenergy.com>
Sent: Wednesday, March 11, 2020 10:57 AM
To: Travis Macha <TMacha@concho.com>
Cc: Tepe, Tanner <Tanner.Tepe@wpxenergy.com>; Ashley Roush <ARoush@concho.com>
Subject: [External] COG's Rock Jelly Fed Com 701H, 702H, 703H & 705H: WPX Opposition

**** External email. Use caution. ****

Travis,

WPX is in receipt of Concho's proposal for the three-mile Rock Jelly Wolfcamp A wells covering horizontal spacing unit consisting of Sections 3, 10, and 15, T26S-R29E, Eddy Co., New Mexico.

WPX is not in support of the proposed development plan, one as a non-op party having to participate in the unproven concept of three mile development, putting in jeopardy our interest and the interest of the other parties in the proposed unit, and second as operator of the Wolfcamp in Section 22, which based off existing development in the area would be left stranded to develop Section 22 on the less economic basis of one-mile development.

I'm happy to discuss options moving forward, but as it stands WPX will oppose these proposals. In the meantime, please let me know if you have any questions.

Thanks,

Aaron L. Young
Staff Landman
WPX Energy Permian, LLC

Exhibit A-4b

CAUTION: This email was sent from an EXTERNAL source. Use caution when clicking links or opening attachments.

Aaron,

Hope you all are doing well. I wanted to follow up on Travis's email and see if WPX is open to trading out of your interest in the Rock Jelly's (75.09 net) in favor of acreage we own in 26-30. I know your main objection to the 3 mile proposals is how it will strand Section 22 but I figured it would be worth exploring any potential trades given the EOG situation. Here are some of the areas we may be open to trading out of:

- **Section 27:**
 - NE/4 - 13.333 net acres 3600' to the top of the Bonespring
 - NE/4 - 97.259 net acres below the top of the Bonespring
 - SE/4 - 98.876 net acres from the top of the Bonespring to 12,400 (this depth severance may make this unattractive but figured I would include it)
- **Section 26:**
 - SE/4 - 45.453 net acres as to all depths.
- **Section 23:**
 - NW/4 - 36.479 net acres as to all depths.
 - SE/4 - 27.323 net acres as to all depths.

In addition, although COG's interest in your Collie wells is small, we would be open to potentially including that within this trade.

Regards,

Hunter Hall | Landman

E: hhall@concho.com

P: 432-253-4525 M: 806-782-2341

COG Operating LLC

600 W Illinois Avenue

Midland, TX 79701



From: Travis Macha <TMacha@concho.com>

Sent: Wednesday, March 11, 2020 1:55 PM

To: Young, Aaron <Aaron.Young@wpxenergy.com>; Hunter Hall <hhall@concho.com>

Cc: Tepe, Tanner <Tanner.Tepe@wpxenergy.com>; Ashley Roush <ARoush@concho.com>

Subject: RE: COG's Rock Jelly Fed Com 701H, 702H, 703H & 705H: WPX Opposition

Adding Hunter Hall to this email chain, he is taking Monica's area.

Thanks,

Travis Macha | Landman | COG Operating LLC

One Concho Center, 8th Floor | 432.683.7443 (main) | 432.221.0452 (direct)

Mailing Address: One Concho Center | 600 W. Illinois Ave. | Midland, TX 79701



Exhibit A-4c

Young, Aaron

From: Young, Aaron
Sent: Monday, September 21, 2020 2:13 PM
To: Young, Aaron
Subject: FW: [EXTERNAL] RE: COG's Rock Jelly Fed Com 701H, 702H, 703H & 705H: WPX Opposition

From: Young, Aaron
Sent: Wednesday, March 18, 2020 2:25 PM
To: 'Hunter Hall' <hhall@concho.com>; Travis Macha <TMacha@concho.com>
Cc: Tepe, Tanner <tanner.tepe@wpxenergy.com>; Ashley Roush <ARoush@concho.com>
Subject: RE: [EXTERNAL] RE: COG's Rock Jelly Fed Com 701H, 702H, 703H & 705H: WPX Opposition

Hunter,

Thanks for reaching out. Hope everyone's safe and healthy in Midland.

As for the acreage you mention below, we've looked at COG's position in T26S-R30E previously and based off title we have COG's GNRI is roughly 60% APO, and I believe payout occurs at 100%. Let me know if you show something different, but with that being the case I don't see that acreage being of much interest unfortunately.

However, I think WPX would be open to trading out of the Rock Jolly 3 mi unit in exchange for 75.09 net acres COG will own in the W2 of Section 15 and WPX operating. This will allow COG to proceed with its 3 mi proposal in the E2 unopposed, and both parties guaranteeing themselves at least some operated long lateral units - COG fully guaranteed as it will still operate a 2 mi unit in W2 of Section 3 & 10.

If this is of interest, or if there is hesitation based on COG retaining an interest in the W2 of Section 15, we could discuss other WPX acreage that may be of interest to COG.

Let me know if you have any questions and look forward to hearing from you.

Thanks,

Aaron L. Young
Staff Landman
WPX Energy Permian, LLC
3500 One Williams Center, MD 35
Tulsa, OK 74172
(539) 573-3531

From: Hunter Hall <hhall@concho.com>
Sent: Tuesday, March 17, 2020 5:14 PM
To: Young, Aaron <Aaron.Young@wpxenergy.com>; Travis Macha <TMacha@concho.com>
Cc: Tepe, Tanner <Tanner.Tepe@wpxenergy.com>; Ashley Roush <ARoush@concho.com>
Subject: [EXTERNAL] RE: COG's Rock Jelly Fed Com 701H, 702H, 703H & 705H: WPX Opposition

Exhibit A-4d

Young, Aaron

From: Hunter Hall <hhall@concho.com>
Sent: Wednesday, July 22, 2020 9:09 AM
To: Young, Aaron
Cc: Ashley Roush; Connor Mitchell
Subject: RE: [EXTERNAL] Rock Jelly/French Trade Possibilities
Attachments: COG WPX Rock Jelly Trade Idea 7.22.20.xlsx

Aaron,

Included in the attached is a starting point on our conversation yesterday with the littlefield and sidewinder. Similar to you, I have to discuss this with our technical team and look at value a bit deeper. Just being transparent in that there would still need to be lots of approvals on my end to make something like this happen.

With how I have it in the attached, we would functionally be giving WPX the ability to develop both units (Littlefield/Sidewinder) with 1.3 mile laterals and WPX giving Concho all interest owned in Section 22/NE4 Section 3 (thus giving Concho an additional 2 mile unit being Section 15 and 22).

One thing I would like to note is that if we ultimately both decide to pursue this further, I will have to get some more detailed survey's on the ROW acres that are in the E/2 of Section 28. The Red Bluff ROW cuts straight through the middle of the E/2 and so I just estimated on the gross numbers with a measuring tool to get this over to you so you could look at it. The title opinion we have on Section 28/33 covers both sections in full with one tract out of 3 being just the ROW acres and the interests within that ROW.

Regards,
Hunter Hall | Landman



From: Hunter Hall
Sent: Tuesday, July 21, 2020 11:15 AM
To: Young, Aaron <Aaron.Young@wpxenergy.com>
Subject: RE: [EXTERNAL] Rock Jelly/French Trade Possibilities

Aaron,

Following up on our call. I will work on getting you nets and what not on those two pieces for you to look at. We are going to get with the OCD and let them know that the Rock Jelly and French are in direct contest. We can then get these aligned on the September docket. Just wanted to make sure you are good with this. Let me know.

Regards,
Hunter Hall | Landman



From: Young, Aaron <Aaron.Young@wpxenergy.com>
Sent: Tuesday, July 21, 2020 10:10 AM
To: Hunter Hall <hhall@concho.com>
Subject: RE: [EXTERNAL] Rock Jelly/French Trade Possibilities

Exhibit A-4e

From: Young, Aaron
Sent: Wednesday, August 26, 2020 3:51 PM
To: Hunter Hall <hhall@concho.com>
Cc: Ashley Roush <ARoush@concho.com>
Subject: COG Rock Jelly v. WPX French: Possible Resolution- WPX Non-Op W2 Sec 15 & 22

2

Hunter,

Thank you for the email providing an update on the potential trade opportunities we've been discussing. WPX's team is also still reviewing, but one major development is we'll have to take out the E2 of Section 22. We've made new plans that include that half section and the only piece WPX would want included from Section 22 is the W2.

However, another option I wanted to propose that has WPX's technical support is WPX taking a non-op position for a unit covering the W2 Section 15 & 22 and COG operate. WPX's French proposals are not meant as an operator-grab, but to protect the W2 of Section 22 from being stranded to one mile development. As you know, the difference in development timing for two mile inventory versus one mile inventory is drastic; where two mile Wolfcamp A wells are at the top of companies' portfolios for 2020/2021 development, one mile wells fall years back.

This proposal would allow COG to keep a test 3 mile Rock Jelly project in the E2 of Sections 3, 10 & 15 and have two 2 mile projects in the W2 of Sections 3 & 10 and W2 of Section 15 & 22. This ensures that all involved tracts are developed by more economic and efficient extended lateral development.

If there are any concerns over permitting or further surface work, WPX is willing to work with COG as much as it can to help facilitate development through NSL's or whatever else may be needed.

One caveat to this proposal for WPX to take a non-op position is we'd like to work together to sync up completions to our offsetting 2021 unit in the E2 of Section 22 / 27 & 34. If both parties can work together on this piece it would further ensure better ultimate recovery of the area. We'd also like to have discussions on the well spacing. WPX feels based off experience in the area that 5 wells in the Wolfcamp A is too light. If we want to pursue these conversations further I am happy to set up a conversation between technical groups to discuss further.

Please let me know if you have any questions or concerns, and look forward to hearing back from you. This would be WPX's preference over a trade, but we are willing to still discuss trade options as well.

Thanks,

Aaron L. Young
Staff Landman
WPX Energy Permian, LLC
3500 One Williams Center, MD 35
Tulsa, OK 74172
(539) 573-3531

Exhibit A-4e (cont'd.)

Young, Aaron

From: Young, Aaron
Sent: Friday, September 04, 2020 10:00 AM
To: Hunter Hall; Ashley Roush
Subject: RE: [EXTERNAL] RE: COG Rock Jelly v. WPX French: Possible Resolution- WPX Non-Op W2 Sec 15 & 22

Hunter,

Appreciate the update. Certainly understand the timing associated with a technical group going through budget planning.

Our preference would be keeping a non-op position in the W/2 of Section 22 & 15 and working together on development timing over a trade. I don't think a trade is off the table, just if we were comparing the two non-op position would be higher priority.

Let me know if you have any questions, and look forward to hearing your team's thoughts. And have a good holiday weekend!

Thanks,

Aaron

From: Hunter Hall <hhall@concho.com>
Sent: Thursday, September 03, 2020 2:14 PM
To: Ashley Roush <ARoush@concho.com>; Young, Aaron <Aaron.Young@wpxenergy.com>
Subject: [EXTERNAL] RE: COG Rock Jelly v. WPX French: Possible Resolution- WPX Non-Op W2 Sec 15 & 22

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Aaron,

Appreciate the thoughtful response on this situation and I certainly understand where WPX is coming from on this. We are having the technical team evaluate the below proposal to see how we feel about operating the W2 15/22 unit (In addition to what would be two different sized Rock Jelly Units). Right now, they are pushing through budget planning for 2021 so I am hoping we hear back from them after the holiday weekend.

One question I do have is if WPX is still open to a trade with only the W2 of 22 being on the table in addition to your interest in the NE of section 3? Mainly, was there any interest in the Sidewinder acreage in the W2 of 29/32 or would WPX prefer to maintain a non-op position in COG's projects over trading into something like Sidewinder? I know (other than those two DSU's I sent over in the prior proposal) it has been tough to identify acreage WPX might want in this area that COG has in our portfolio.

Look forward to hearing from you.

Hunter Hall | Landman

Exhibit A-4f

From: Young, Aaron
Sent: Wednesday, August 26, 2020 4:20 PM
To: Hunter Hall <hhall@concho.com>
Cc: Ashley Roush <ARoush@concho.com>
Subject: RE: COG Rock Jelly v. WPX French: Possible Resolution- WPX Non-Op W2 Sec 15 & 22

On a somewhat related noted, WPX would like to use surface in Section 15 for development of E2 22, 27, & 34. The shapefile for the proposed pad is attached, and we're working on PDF site location map for your review as well.

EOG had a staked Sosa 15 Fed Com #704H well on the E2. Our pad falls close to this EOG staking. Since COG's SHL's for the Rock Jelly are in Section 3 WPX was hoping it could use this location. I'll have more details as we go along but wanted to give you a heads up for discussion and initial feedback.

Thanks,

Aaron

From: Young, Aaron <Aaron.Young@wpxenergy.com>
Sent: Thursday, August 27, 2020 12:54 PM
To: Hunter Hall <hhall@concho.com>
Cc: Ashley Roush <ARoush@concho.com>
Subject: [External] RE: COG Rock Jelly v. WPX French: Possible Resolution- WPX Non-Op W2 Sec 15 & 22

**** External email. Use caution. ****

Hunter / Ashley,

Here is a plat of the our proposed pad we'd like to put in Section 15.

Thanks,

Aaron

From: Ashley Roush
Sent: Thursday, August 27, 2020 1:46 PM
To: Young, Aaron <Aaron.Young@wpxenergy.com>; Hunter Hall <hhall@concho.com>
Subject: RE: COG Rock Jelly v. WPX French: Possible Resolution- WPX Non-Op W2 Sec 15 & 22

Thanks for sending. We will pass along and see if we can make this work!

Ashley Roush, RPL
NDB West Land Supervisor
432-818-2358

Exhibit A-4f (cont'd.)

From: Hunter Hall <hhall@concho.com>
Sent: Thursday, September 03, 2020 2:14 PM
To: Ashley Roush <ARoush@concho.com>; Young, Aaron <Aaron.Young@wpxenergy.com>
Subject: [EXTERNAL] RE: COG Rock Jelly v. WPX French: Possible Resolution- WPX Non-Op W2 Sec 15 & 22

CAUTION: This email was sent from an EXTERNAL source. Use caution when clicking links or opening attachments.

Aaron,

Appreciate the thoughtful response on this situation and I certainly understand where WPX is coming from on this. We are having the technical team evaluate the below proposal to see how we feel about operating the W2 15/22 unit (in addition to what would be two different sized Rock Jelly Units). Right now, they are pushing through budget planning for 2021 so I am hoping we hear back from them after the holiday weekend.

One question I do have is if WPX is still open to a trade with only the W2 of 22 being on the table in addition to your interest in the NE of section 3? Mainly, was there any interest in the Sidewinder acreage in the W2 of 29/32 or would WPX prefer to maintain a non-op position in COG's projects over trading into something like Sidewinder? I know (other than those two DSU's I sent over in the prior proposal) it has been tough to identify acreage WPX might want in this area that COG has in our portfolio.

Look forward to hearing from you.

Hunter Hall | Landman



From: Young, Aaron
Sent: Friday, September 04, 2020 10:00 AM
To: Hunter Hall <hhall@concho.com>; Ashley Roush <ARoush@concho.com>
Subject: RE: [EXTERNAL] RE: COG Rock Jelly v. WPX French: Possible Resolution- WPX Non-Op W2 Sec 15 & 22

Hunter,

Appreciate the update. Certainly understand the timing associated with a technical group going through budget planning.

Our preference would be keeping a non-op position in the W/2 of Section 22 & 15 and working together on development timing over a trade. I don't think a trade is off the table, just if we were comparing the two non-op position would be higher priority.

Let me know if you have any questions, and look forward to hearing your team's thoughts. And have a good holiday weekend!

Thanks,

Aaron

Exhibit A-4f (cont'd.)

From: Hunter Hall <hhall@concho.com>
Sent: Tuesday, September 15, 2020 11:21 AM
To: Young, Aaron <Aaron.Young@wpenergy.com>; Ashley Roush <ARoush@concho.com>
Subject: RE: [EXTERNAL] RE: COG Rock Jelly v. WPX French: Possible Resolution- WPX Non-Op W2 Sec 15 & 22

Aaron,

Discussed with our surface team a little more and I think the ask here on the SHL's in 15 would be if WPX can move the SHL's further south (currently ~825' FSL). I know you are trying to utilize that existing Sosa pad but my surface guys are telling me they would want to move it as far south as possible to avoid collision risk. If there are well plans you have on this stuff, that might help us. I could communicate those to the team and see their thoughts.

All the best,
Hunter Hall | Landman



From: Young, Aaron <Aaron.Young@wpenergy.com>
Sent: Tuesday, September 15, 2020 2:13 PM
To: Hunter Hall <hhall@concho.com>; Ashley Roush <ARoush@concho.com>
Subject: RE: [EXTERNAL] RE: COG Rock Jelly v. WPX French: Possible Resolution- WPX Non-Op W2 Sec 15 & 22

Hunter,

Let me speak with our surface guys. I know they had to put the pad there for some reason, but do not remember the specifics. I'll circle up with them, and then it might be good to have our two surface groups discuss. I'll get back with you.

Thanks,

Aaron

From: Young, Aaron
Sent: Wednesday, September 16, 2020 9:52 AM
To: Hunter Hall <hhall@concho.com>; Ashley Roush <ARoush@concho.com>
Subject: RE: [EXTERNAL] RE: COG Rock Jelly v. WPX French: Possible Resolution- WPX Non-Op W2 Sec 15 & 22

Hunter,

Please see attached for rough aerial of WPX's proposed Horn pad in Section 15. As you can see, with the existing Sosa #1 & #2 wells and the electric line (shown in green on attached), the pad is as far south as current infrastructure will allow. If collision concerns exist around the proposed Horn location I'm sure WPX can accommodate accordingly on drilling plans.

Please let me know if you or your surface guys need more details, and hopefully we can find something that works for both parties.

Thanks,

Aaron

Exhibit A-4f (cont'd.)

From: Hunter Hall <hhall@concho.com>
Sent: Tuesday, September 22, 2020 1:34 PM
To: Young, Aaron <Aaron.Young@wpxenergy.com>; Ashley Roush <ARoush@concho.com>
Subject: RE: [EXTERNAL] RE: COG Rock Jelly v. WPX French: Possible Resolution- WPX Non-Op W2 Sec 15 & 22

Aaron,

Apologies this took longer than I expected. With the infrastructure here preventing moving this pad further south, our team has collision risk concerns with where the existing pad is located. However, we would be willing to take on further collision in exchange for the dismissal of the French proposals.

Let me know your thoughts.

All the best,
Hunter Hall | Landman



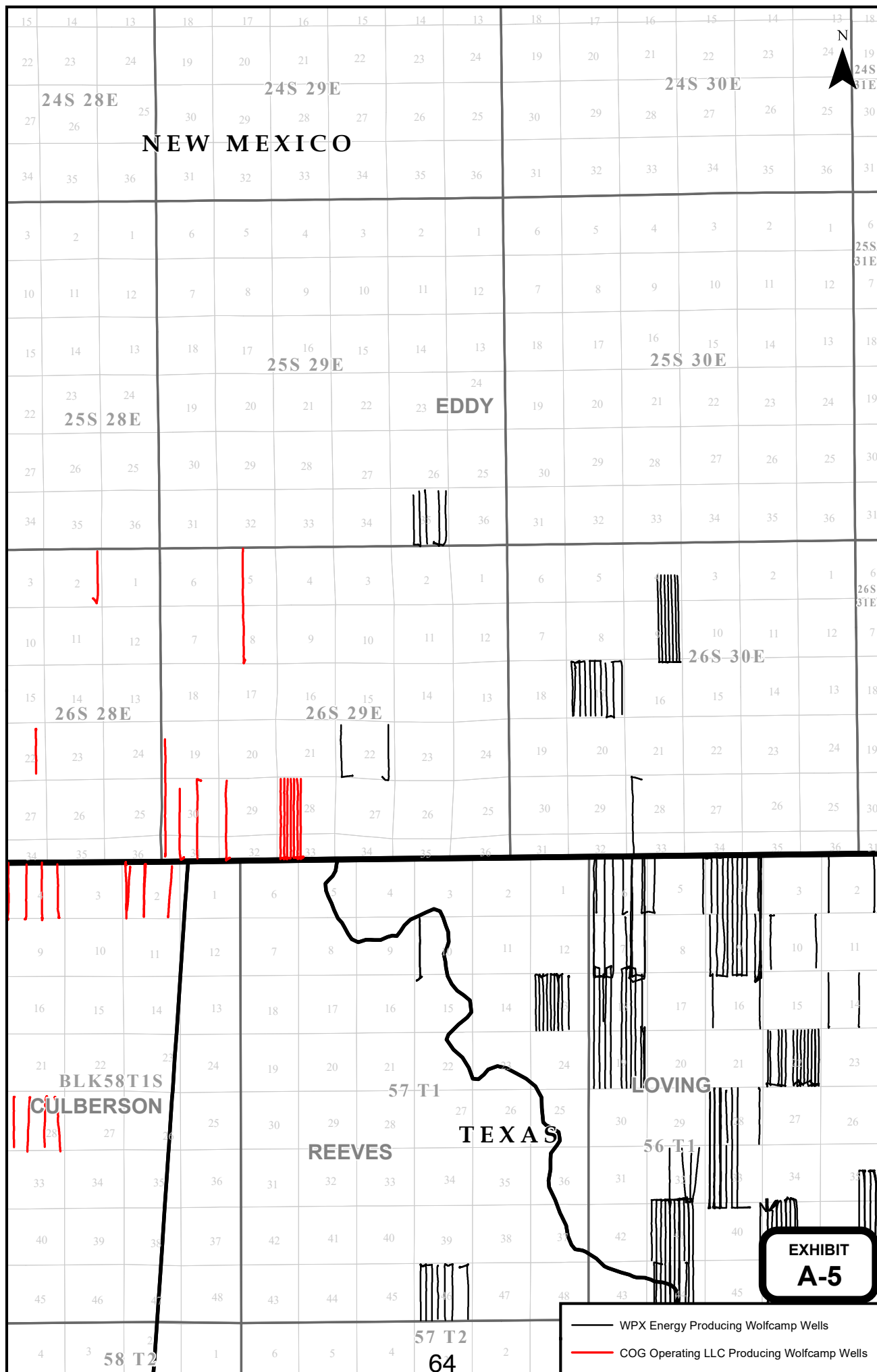
From: Young, Aaron
Sent: Wednesday, October 07, 2020 10:00 AM
To: Hunter Hall; Ashley Roush
Subject: RE: [EXTERNAL] RE: COG Rock Jelly v. WPX French: Possible Resolution- WPX Non-Op W2 Sec 15 & 22

Hunter,

WPX does not believe this is an equitable exchange, forfeiting the French development in exchange for surface access. As such, we plan on moving forward with the French hearing. We are still open to conversations around WPX taking a non-op position in the W2 of Section 15 & 22, working together on a development plan, and allowing COG to develop the E2 of Sections 3, 10 & 15 as a three mile project if this is of interest.

Thanks,

Aaron



October 6, 2020

WPX Energy Permian, LLC
3500 One Williams Center, Suite 3400
Tulsa, Oklahoma, 74135

Via Electronic Mail to aaron.young@wpxenergy.com

Re: Letter of Support: Application of WPX Energy Permian LLC For
Compulsory Pooling, Case No. 21371
W/2 Sections 15 & 22
Township 22 South, Range 27 East
Eddy County, New Mexico

To whom it may concern:

Teckla Oil Co., LLC ("Teckla") is an interest owner in Section 22, Township 26 South, Range 29 East, said acreage being included in the proposed spacing units under the following applications:

- Application of WPX Energy Permian LLC For Compulsory Pooling, Case No. 21371

This proposal is competing against COG Operating LLC's application For Compulsory Pooling, Case No. 21344.

Teckla supports the application of WPX Energy Permian, LLC, Case No. 21371, as it believes the application to be in the best interest of conservation, the prevention of waste, and the protection of correlative rights, limiting the amount of potentially stranded acreage and being the most efficient and effective development program.

Sincerely,

Teckla Oil Co., LLC

Name: Monica Haufler
Title: Managing Member

October 6, 2020

WPX Energy Permian, LLC
3500 One Williams Center, Suite 3400
Tulsa, Oklahoma, 74135

Via Electronic Mail to aaron.young@wpxenergy.com

Re: Letter of Support: Application of WPX Energy Permian LLC For
Compulsory Pooling, Case No. 21371
W/2 Sections 15 & 22
Township 22 South, Range 27 East
Eddy County, New Mexico

To whom it may concern:

W.B. Strange, as Successor Trustee of the Charles E. Strange 1976 Trust No. 1 ("Charles E. Strange Trust"), is an interest owner in Section 22, Township 26 South, Range 29 East, said acreage being included in the proposed spacing units under the following applications:

- Application of WPX Energy Permian LLC For Compulsory Pooling, Case No. 21371

This proposal is competing against COG Operating LLC's application For Compulsory Pooling, Case No. 21344.

Charles E. Strange Trust supports the application of WPX Energy Permian, LLC, Case No. 21371, as it believes the application to be in the best interest of conservation, the prevention of waste, and the protection of correlative rights, limiting the amount of potentially stranded acreage and being the most efficient and effective development program.

Sincerely,

Charles E. Strange 1976 Trust No. 1

Name: Monica Hanft
Title: Trustee



September 19, 2019

Via Certified Mail, Return Receipt Requested

WORKING INTEREST OWNERS ON ATTACHED EXHIBIT "A"

Re: **Rock Jelly Fed Com 701H-705H**
Sections 3 and 10, T26S-R29E
Eddy County, New Mexico

Dear Sir or Madam:

COG Operating, LLC ("COG") hereby proposes the drilling of the following horizontal wells:

- **Rock Jelly Fed Com 701H**, to be drilled to a depth sufficient to test the Wolfcamp A formation at a total vertical depth of 10,200'. The surface hole location for this well is proposed at a legal location in Unit A of Section 3 and the bottomhole location in a legal location in Unit P of Section 10. The dedicated project area will be All of Sections 3 and 10, T26S-R29E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$11,014,614.73, as shown on the attached Authority for Expenditure ("AFE").
- **Rock Jelly Fed Com 702H**, to be drilled to a depth sufficient to test the Wolfcamp A formation at a total vertical depth of 10,200'. The surface hole location for this well is proposed at a legal location in Unit A of Section 3 and the bottomhole location in a legal location in Unit O of Section 10. The dedicated project area will be All of Sections 3 and 10, T26S-R29E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$11,014,614.73, as shown on the attached AFE.
- **Rock Jelly Fed Com 703H**, to be drilled to a depth sufficient to test the Wolfcamp A formation at a total vertical depth of 10,200'. The surface hole location for this well is proposed at a legal location in Unit C of Section 3 and the bottomhole location in a legal location in Unit N of Section 10. The dedicated project area will be All of Sections 3 and 10, T26S-R29E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$11,014,614.73, as shown on the attached AFE.
- **Rock Jelly Fed Com 704H**, to be drilled to a depth sufficient to test the Wolfcamp A formation at a total vertical depth of 10,200'. The surface hole location for this well is proposed at a legal location in Unit C of Section 3 and the bottomhole location in a legal location in Unit N of Section 10. The dedicated project area will be All of Sections 3 and 10, T26S-R29E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$11,014,614.73, as shown on the attached AFE.
- **Rock Jelly Fed Com 705H**, to be drilled to a depth sufficient to test the Wolfcamp A formation at a total vertical depth of 10,200'. The surface hole location for this well is proposed at a legal location in Unit C of Section 3 and the bottomhole location in a legal location in Unit M of Section 10. The dedicated project area will be All of Sections 3 and 10, T26S-R29E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$11,014,614.73, as shown on the attached AFE.

One Concho Center | 600 West Illinois Avenue | Midland, Texas 79701 | P 432.683.7443 | F 432.683.7441

COG is proposing these wells under the terms of a new Operating Agreement which is included for your review.

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 spacing unit for the proposed well.

Please indicate your participation elections in the space 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 mbeal@concho.com. Should you have any questions, please do not hesitate to contact me at 432.818.2310.

Sincerely,

COG Operating LLC



Monica Beal
Landman

MB:bh
Enc

WELL NAME	Elect to PARTICIPATE in drilling and completion	Elect NOT TO PARTICIPATE in drilling and completion
Rock Jelly Fed Com 701H		
Rock Jelly Fed Com 702H		
Rock Jelly Fed Com 703H		
Rock Jelly Fed Com 704H		
Rock Jelly Fed Com 705H		

By: _____

Name: _____

Title: _____

Date: _____

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

**APPLICATION OF WPX ENERGY PERMIAN, LLC
FOR A HORIZONTAL SPACING UNIT AND COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO**

Case No. 21371

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

Case No. 21344

TESTIMONY OF KEEGAN DePRIEST IN QUESTION AND ANSWER FORM

Keegan DePriest, of lawful age and being duly sworn answers the following questions:

Q (Darin Savage). Mr. DePriest, for the record, please state your name and qualifications, and identify by whom you're employed and in what capacity.

A (Keegan DePriest). My name is Keegan DePriest, and I am a Geoscientist for WPX Energy, having received my masters degree in geology in 2019 from Southern Illinois University. I have worked for WPX Energy for one year, and work extensively in the Permian Basin, which includes Eddy County, New Mexico.

Q. Have you previously testified before the Division.

A. No, but have submitted exhibits for WPX on previous occasions, and I have attached my resume for the Division's review.

Q. Are you familiar with the geology of the lands which are subject of these cases?

A. Yes.

Mr. Savage: I tender the witness as an expert in petroleum geology.

Q. Are the geology exhibits you are presenting today contained within Exhibit B?

A. Yes, they include Exhibit B-1, Exhibit B-2, Exhibit B-3, Exhibit B-4, Exhibit B-5, and Exhibit B-6.

Q. What does Exhibit B-1 reflect?

A. It is a Locator Map of the lands and drilling units proposed. It shows the location of WPX's proposed French unit with the planned upper and lower Wolfcamp A wells.

Q. What does Exhibit B-2 reflect?

A. It is the Subsea Structure Map showing the top of the Wolfcamp Formation.

Q. What does Exhibit B-3a and B-3b reflect?

A. These exhibits represent the two scenarios in this case. Exhibit B-3a shows the Concho proposed scenario, in which WPX would be confined to a 1-mile drilling unit in the west half section of 22, which undermines optimal development of the sections involved. Exhibit B-3a shows the WPX proposed scenario, which allows for full and optimal development of sections 15 and 22, in addition to Concho's sections 3 and 10. The WPX scenario allows for more efficient development of the resources in the area as well as protecting the correlative rights in section 22.

Q. What does Exhibit B-4a and B-4b reflect?

A. Exhibit B-4a shows a stratigraphic cross section from N-S. Exhibit B-4b shows a stratigraphic cross section from E-W. In Case No. 21371, WPX is targeting the upper and lower Wolfcamp A formation. Both exhibits show consistent formation thicknesses, no pinch outs, and no major faults for the Wolfcamp A Formation.

Q. What does Exhibit B-5 show?

A. This is the Isopach map, that shows the thickness of the Wolfcamp A, which is defined as the top of the Wolfcamp A to the top of the Wolfcamp B. Similar to Exhibits B-4a and B-4b, the Isopach map shows consistent thickness in the drilling unit.

Q. What does Exhibit B-6a and B-6b show?

A. These are the gun barrels for WPX's French wells, and Concho's Rock Jelly wells. The important items to acknowledge in these are the number of wells, spacing, and design. WPX proposes five Wolfcamp A wells, setup in a wine rack order of 2 uppers and 3 lowers spaced 510' apart for the west half section of 22 and 15. Concho proposes five, Wolfcamp A wells, spaced roughly 1,100' apart across the full section.

Q. Q. And looking overall at the geology data, does the geology of the proposed unit and lands favor or necessitate 2-mile laterals in order to optimize development?

A. Yes, 2-mile laterals minimize risk and optimize resource development. One-mile wells are undesirable due to economics at this commodity price and increase surface disturbance for the amount of resource developed. Two-mile wells are preferred both for economic reasons and we believe fully develop the resource with reasonable amount of risk.

Q. And what can you generally conclude from your exhibits?

A. From my review, if WPX is allowed to drill 2-mile wells, I conclude that (1) the horizontal spacing and proration units are justified from a geologic standpoint; (2) there are no structural impediments or faulting that will interfere with horizontal development; and (3) each tract comprising the proposed horizontal spacing units will be optimally productive and contribute more or less equally to production from the wellbore.

However, if WPX's unit is limited to a 1-mile unit, I would have to conclude that WPX will push the drilling of the one mile wells out to an indeterminable time when commodity prices rise and result in the standing of acreage. At present, WPX has proposed a reasonable two-mile development plan to allow the wells to be drilled next year.

Q. Is the granting of this Application, as a two-mile drilling unit, in the best interests of conservation, the prevention of waste, and the protection of correlative rights, and would avoid the drilling of unnecessary wells?

A. Yes.

Q. Were the Exhibits prepared under your direct supervision or compiled by you under direct management and authority?

A. Yes.

Q. Are the foregoing answers to these questions correct and complete to the best of your knowledge and belief?

A. Yes.

[signature page follows]

Keegan DePriest
Keegan DePriest

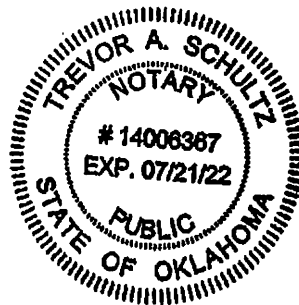
STATE OF OKLAHOMA)
)
COUNTY OF TULSA)

SUBSCRIBED and SWORN to before me this 15th day of October by Keegan
DePriest.

My Commission Expires:

7/21/22

Trevor A. Schultz



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

APPLICATION OF WPX ENERGY PERMIAN, LLC
FOR A HORIZONTAL SPACING UNIT AND COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO

Case No. 21371

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

Case No. 21344

AFFIDAVIT REGARDING TESTIMONY OF KEEGAN DePRIEST, GEOLOGIST

STATE OF OKLAHOMA)
) ss.
COUNTY OF TULSA)

Keegan DePriest, geologist and authorized representative of WPX Energy/WPX Energy Permian, LLC, the Applicant herein, being duly sworn, upon oath, states that his testimony provided herein (Testimony of Keegan DePriest in Question and Answer Form) is accurate and complete to the best of his knowledge.



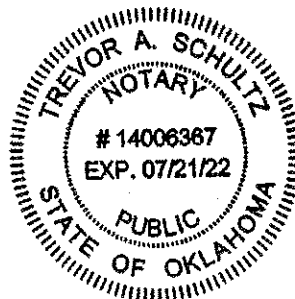
Keegan DePriest

SUBSCRIBED and SWORN to before me this 15th day of October by Keegan DePriest.

My Commission Expires:

7/21/22





KEEGAN DEPRIEST

Phone: (303) 815-2475
keegandepriest@gmail.com

7813 S Union Ave APT 419
Tulsa, OK 74132

My current goal is to become a petrophysicist in the oil and gas industry and maintain a reputation for integrity, loyalty, and honesty while doing so. I am excited to learn and motivated to work!

EDUCATION

- MS** Southern Illinois University, Geology Aug 2017 – May 2019
Thesis: “Petrophysical Analysis of Wells in the Arikaree Creek Field, Colorado to Develop a Predictive Model for High Production”
GPA: 3.88
AAPG Student Chapter President, SPWLA Member
- BS** Colorado Mesa University, Geology Aug 2011 – May 2016
GPA: 3.47

EXPERIENCE

WPX Energy – Geoscientist I Oct 2019 – Present
Responsible for operation in New Mexico. Primary Non Op geologist for the area. Mapping intervals of Bone Spring and Wolfcamp Formations. Responsible for mapping salinity to integrate into petrophysical model. Fracture analysis on multiple cores.

WPX Energy - Geology / Petrophysics Intern May 2019 – Aug 2019
Re-evaluate R_w (water resistivity) used in petrophysical analysis from produced water samples in the Delaware Basin. Map, evaluate, and interpret R_w values across the basin and incorporate into petrophysical model using Interactive Petrophysics (IP)

FourPoint Energy - Geology Intern May 2018 – Aug 2018
Generate overpressure maps, using raster mudlogs in the Western Anadarko basin. Create cross sections, structure contour maps, and crossplots of overpressure cells in Petra

Field Geo Services - Lead Wellsite Geologist July 2016 – July 2017
Responsible for 2-4 man teams for on-site geosteering, mudlogging, and gas monitoring. Geosteer multiple wells in the Permian Basin: Bone Spring, Wolfcamp A, and D for client to maximize production

TECHNICAL SKILLS AND ABILITIES

- Kingdom/Petra – Generate maps, cross sections, stratigraphic picks, and digitizing
- Interactive Petrophysics – Create petrophysical analysis, Denver and Permian basins
- Spotfire – Create R_w analytic to compare lateral variability in Permian basin
- Starsteer – Geosteer multiple wells in the Wolfcamp A, B, D and Bone Springs Fms.

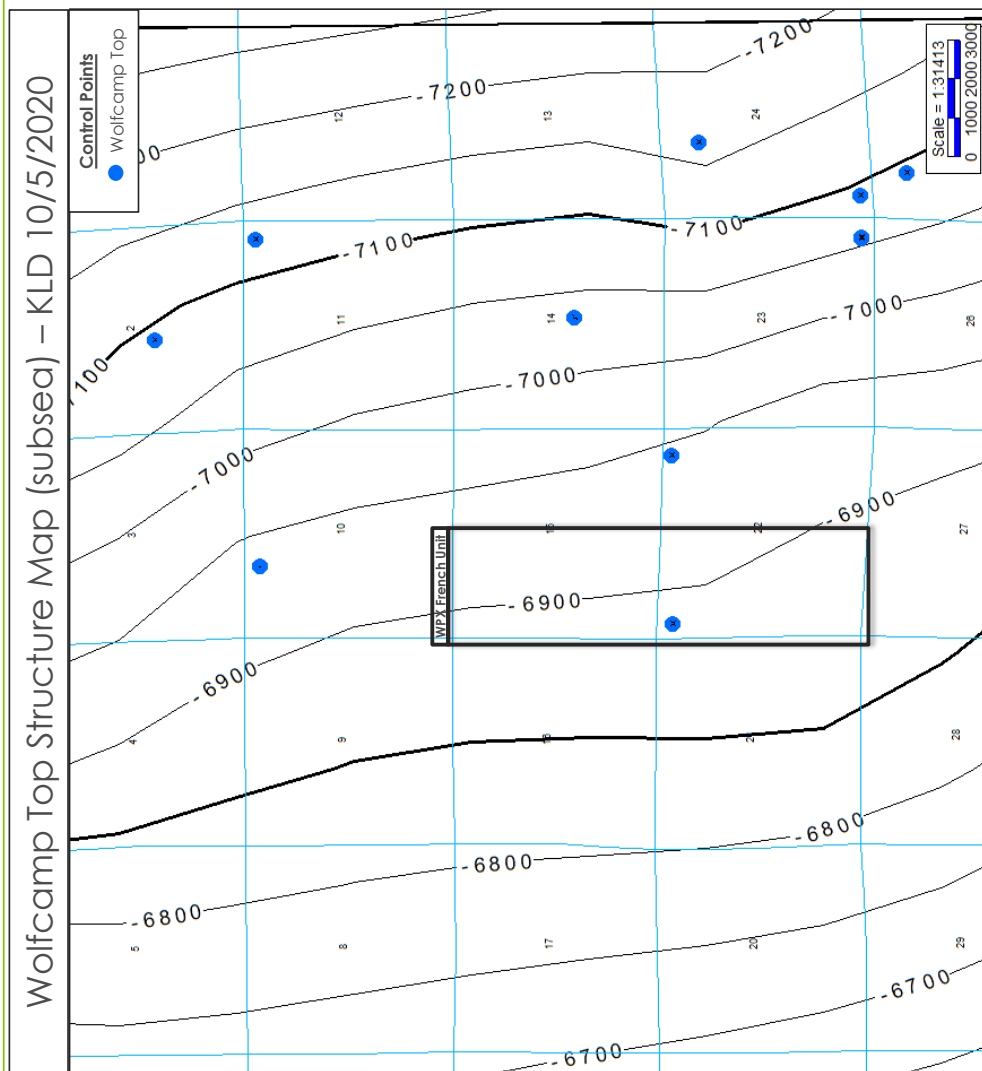
REFERENCES

Tim Phillips–Sr. Geologist WPX Energy 918-706-3529 timothy.phillips@wpxenergy.com
Brendan Curran – Vice President Geology 303-241-3613 BCurran@fourpointenergy.com
Scott Field – CEO Field Geo Services 970-270-4940 scott.field@fieldgeoservices.com

Exhibit B-1, Locator Map



Exhibit B-2, Subsea Structure Map



RGY.

Exhibit B-3a, Concho Scenario

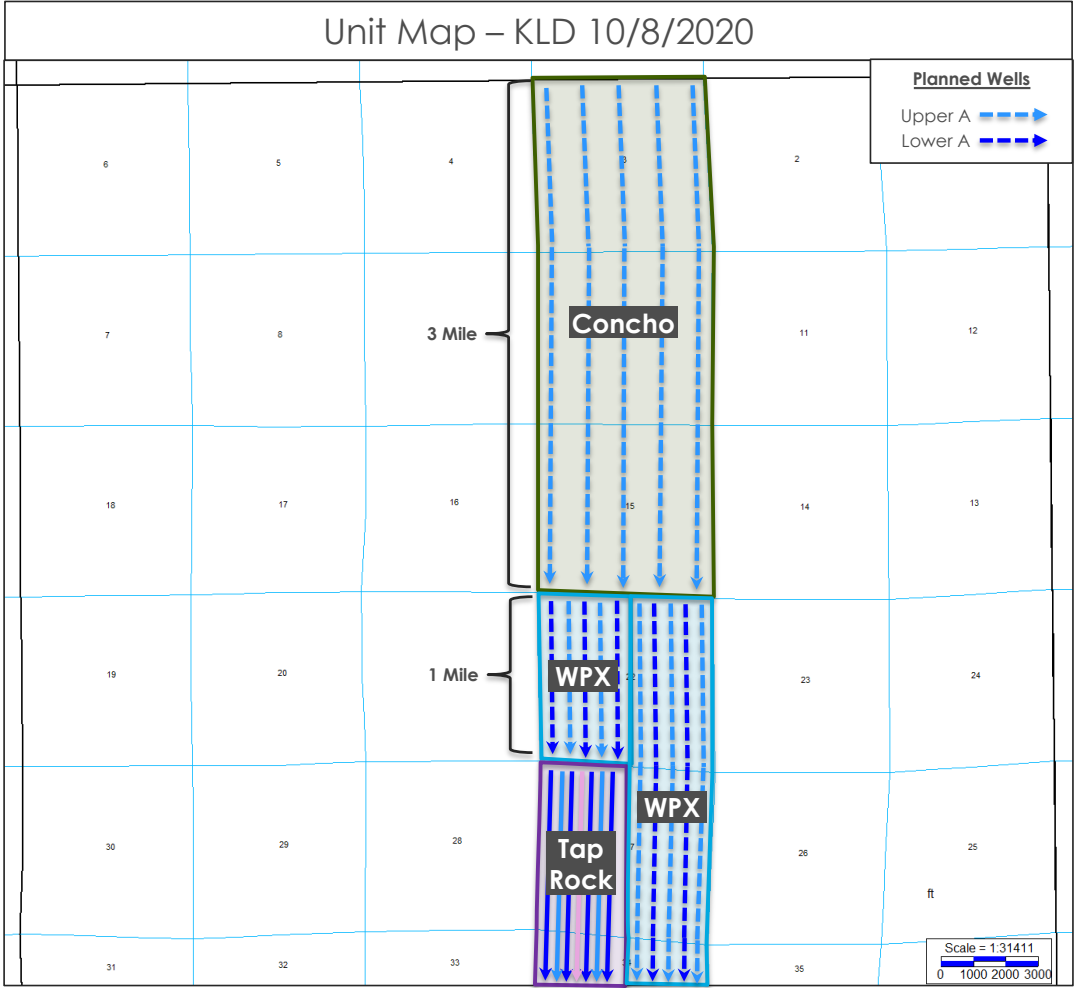


Exhibit B-3b, WPX Scenario

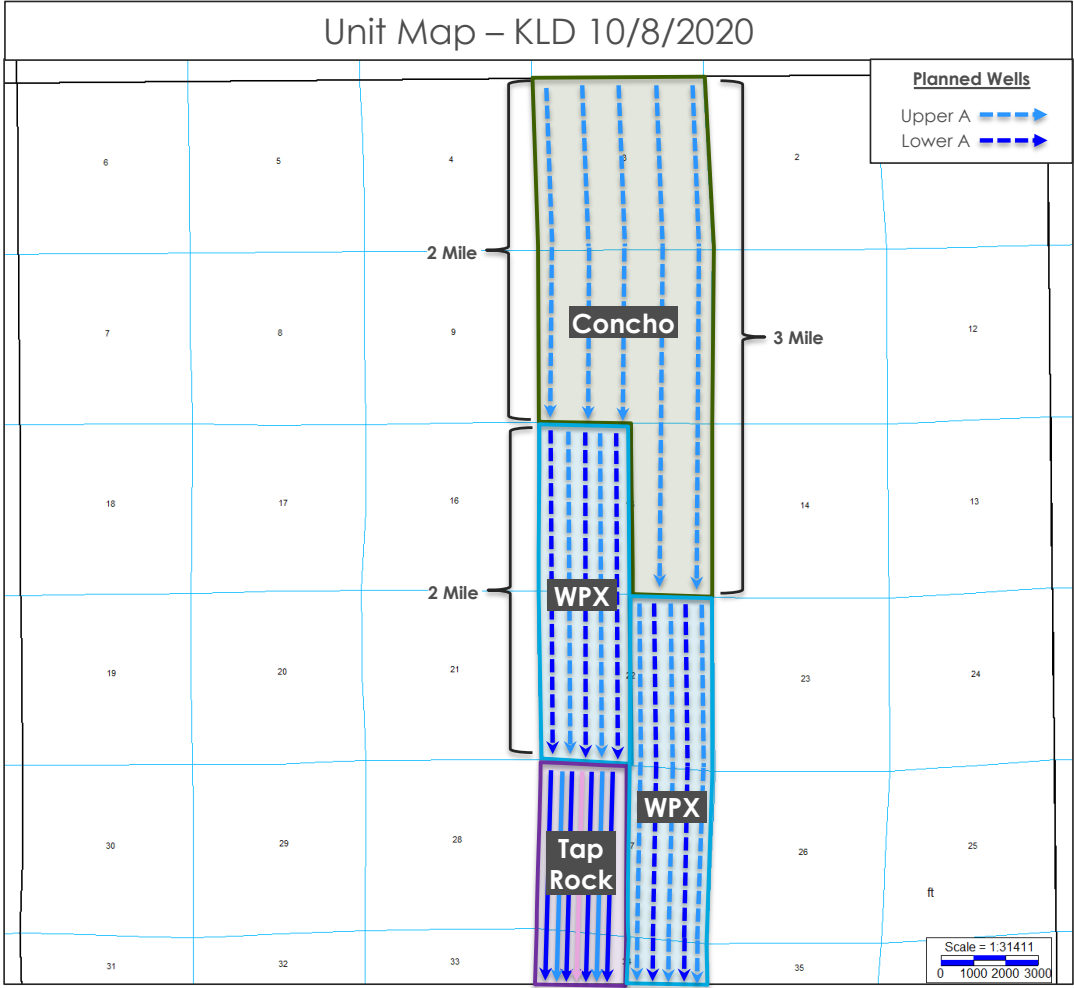


Exhibit B-4a, Stratigraphic Cross-Section N-S

**EXHIBIT
B-4a**

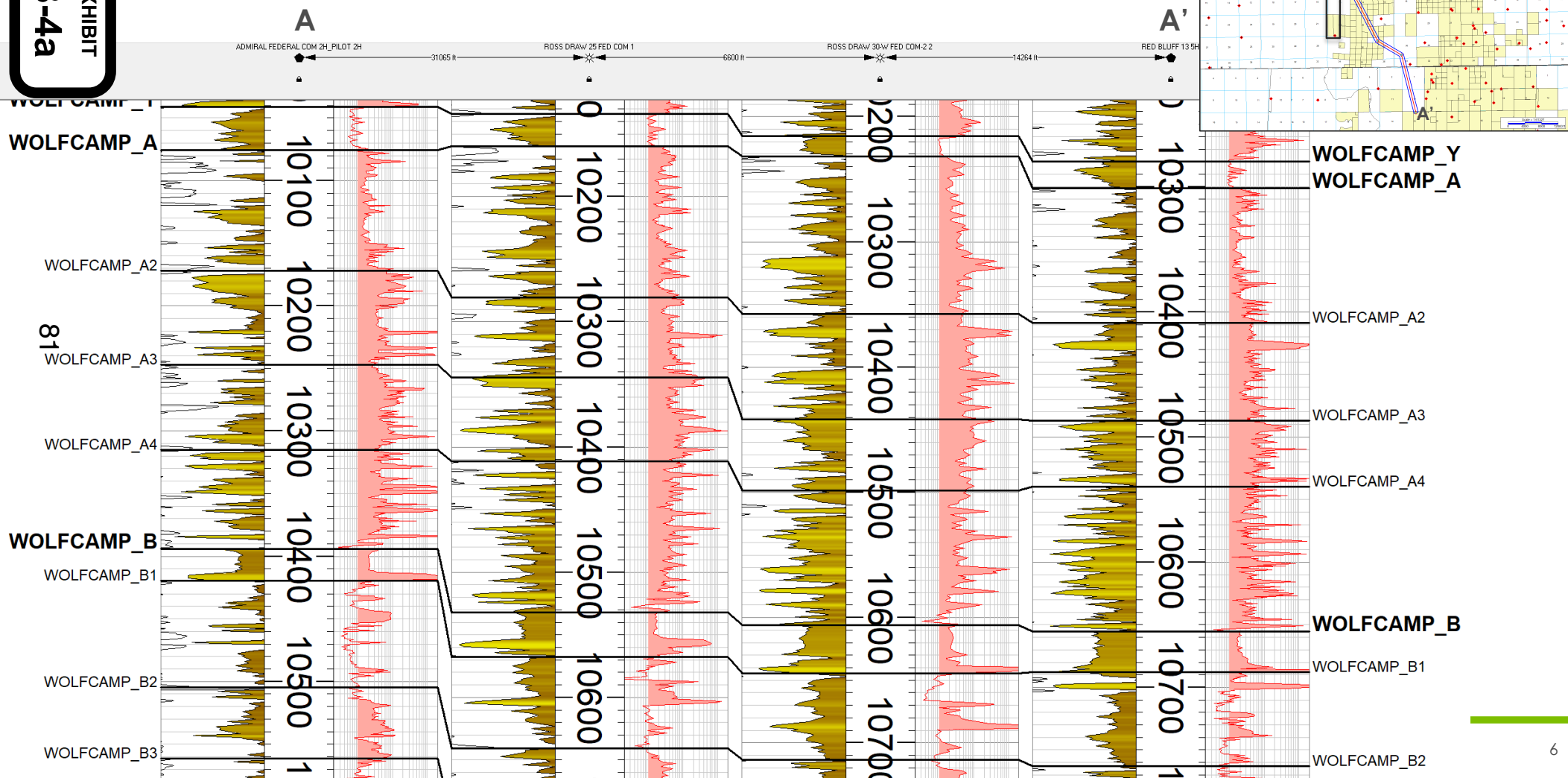


Exhibit B-4b, Stratigraphic Cross-Section E-W

EXHIBIT
B-4b

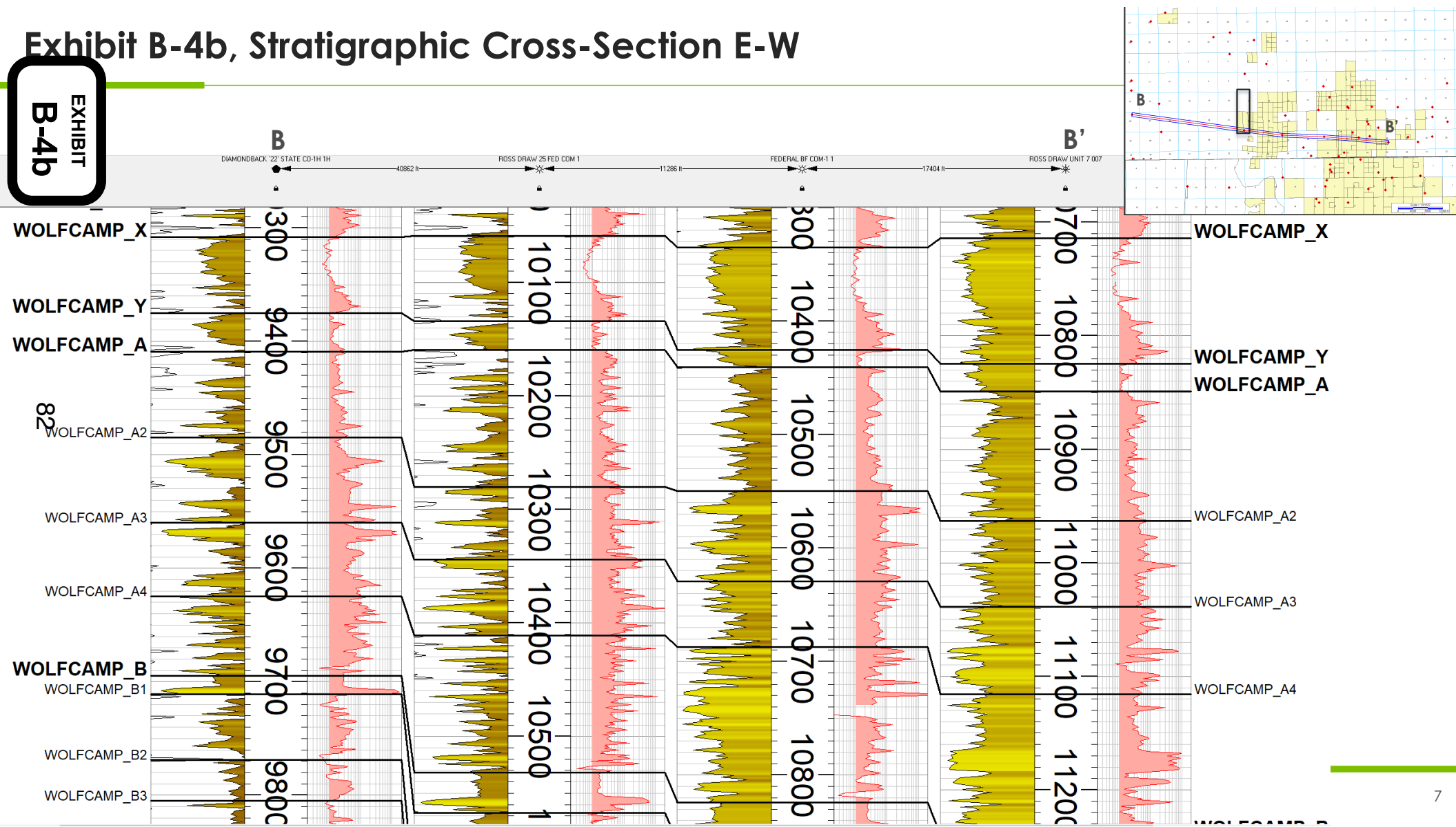
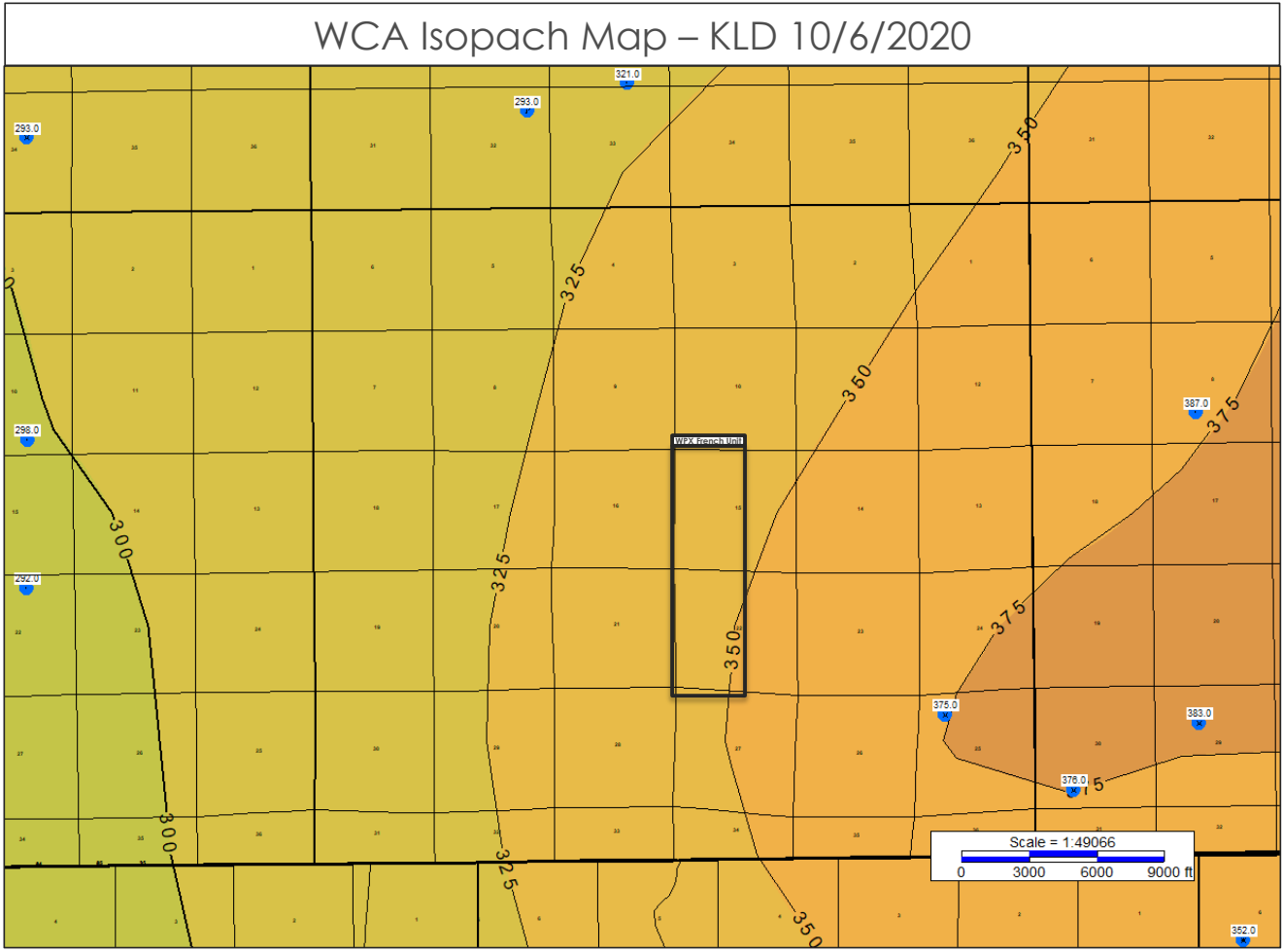


Exhibit B-5, Isopach Map WCA-WCB



83

EXHIBIT
B-5

RGY.

Exhibit B-6a French Gun Barrel – WPX Scenario

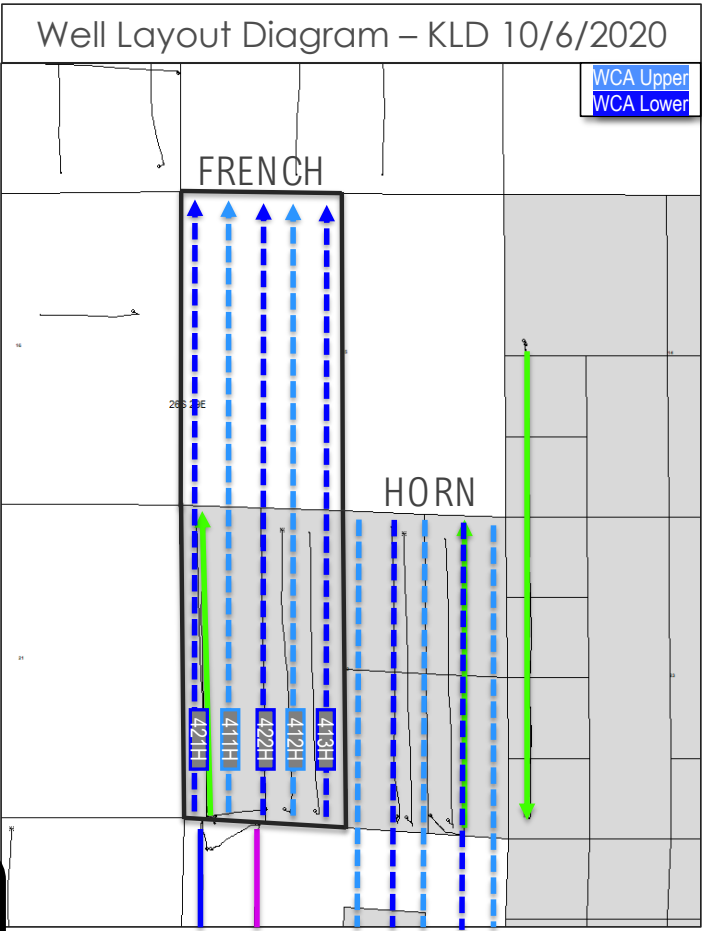
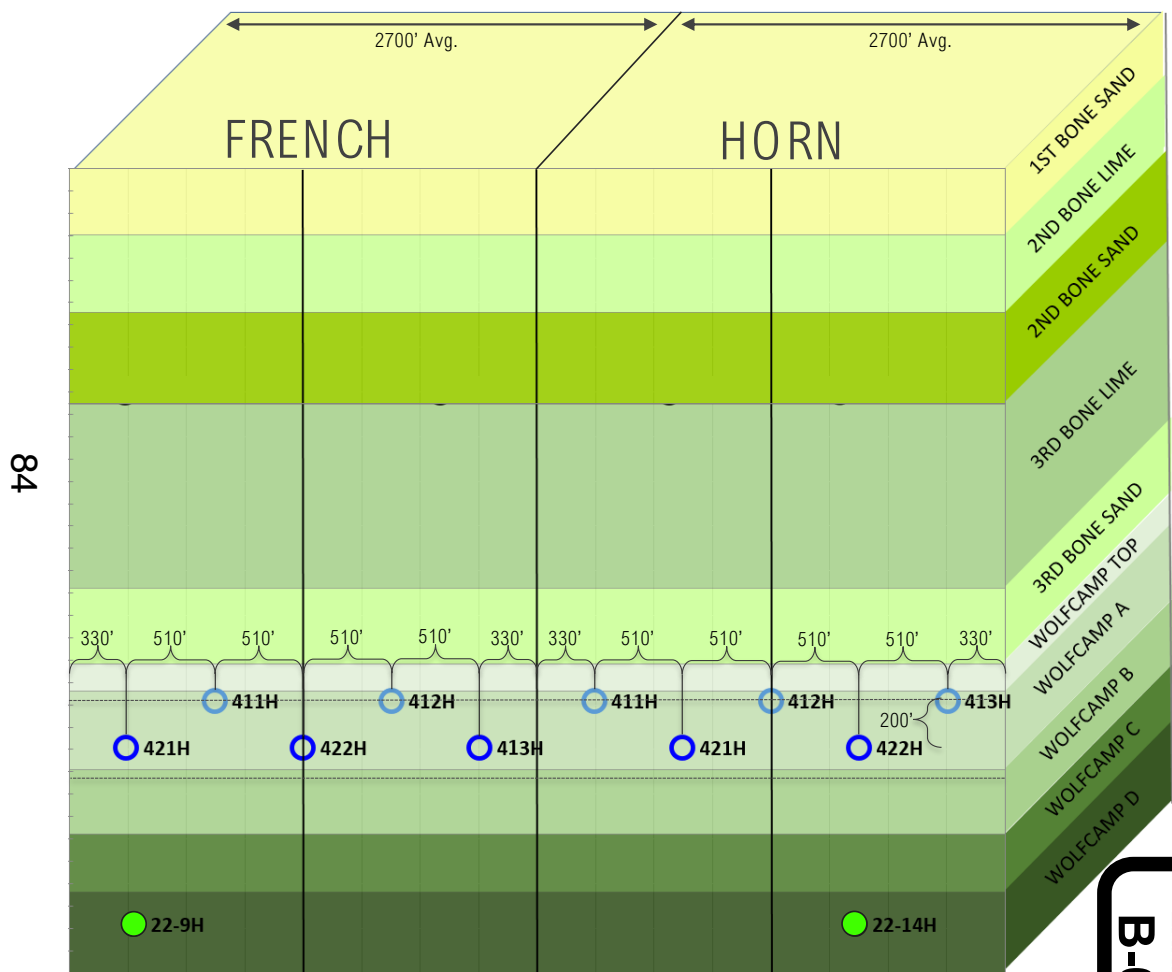


EXHIBIT
B-6a

Exhibit B-6b Rock Jelly Gun Barrel – Concho Scenario

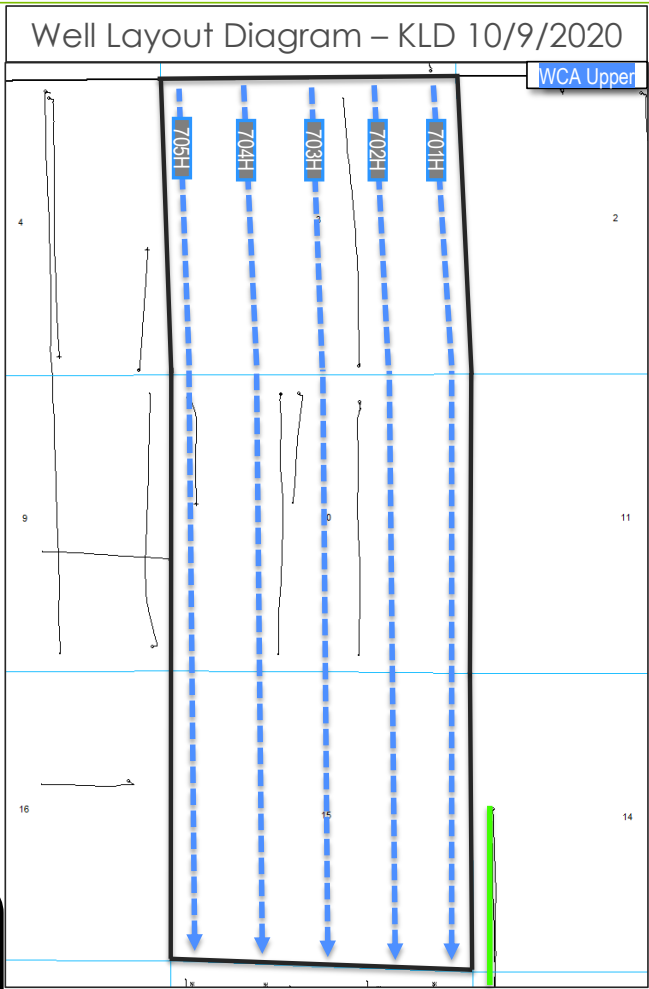
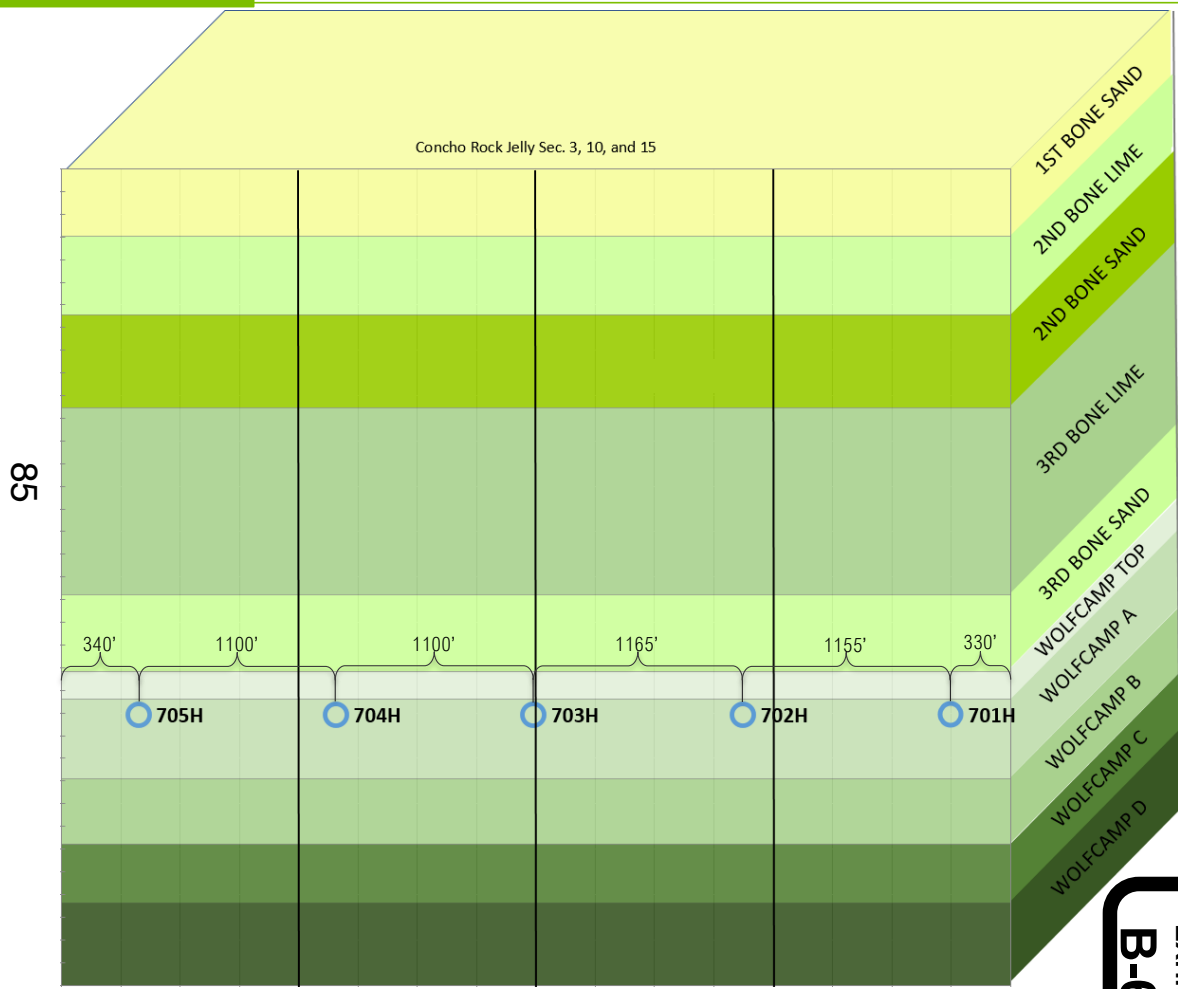


EXHIBIT
B-6b

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

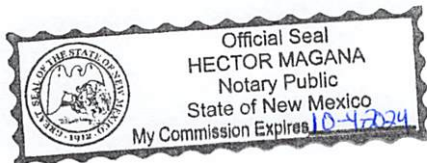
APPLICATION OF WPX ENERGY PERMIAN, LLC
FOR A HORIZONTAL SPACING UNIT AND COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO

Case No. 21371

AFFIDAVIT OF NOTICE

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

Darin C. Savage, attorney and authorized representative of WPX Energy/WPX Energy Permian, LLC, the Applicant herein, being first duly sworn, upon oath, states that the above referenced Application was under a notice letter and that proof of receipt is attached hereto.



Darin C. Savage

SUBSCRIBED AND SWORN to before me this 13th day of October, 2020, by Darin C. Savage.

Notary Public

My Commission Expires:

10-4-2024



For the Pursuit of Energy

ABADIE | SCHILL PC

Colorado	New Mexico
Louisiana	Texas
Kansas	Utah
Nebraska	Wyoming
Montana	California
Oklahoma	North Dakota

July 14, 2020

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of WPX Energy Permian, LLC, for a horizontal spacing and compulsory pooling, Eddy County, New Mexico
French 22-15 Fed Com 411H Well
French 22-15 Fed Com 412H Well
French 22-15 Fed Com 413H Well
French 22-15 Fed Com 421H Well
French 22-15 Fed Com 422H Well

Case No. 21371

Dear Interest Owners:

This letter is to advise you that WPX Energy Permian, LLC, has filed the enclosed application, Case No. 21371, with the New Mexico Oil Conservation Division (NMOCD) for creating a 640-acre, more or less, horizontal spacing unit and the compulsory pooling of the Wolfcamp formation underlying the W/2 of Sections 15 and 22, in T26S, R29E, NMPM, Eddy County, New Mexico. The descriptions of the wells are included in the enclosed Application. The completed intervals for the proposed Wells will comply with the setback requirements imposed by the Special Rules for the Purple Sage Gas Pool. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; a time extension for drilling; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 2.5 miles south of Artesia, New Mexico.

A hearing has been requested before a Division Examiner on Thursday, August 6, 2020, and the status of the hearing can be monitored through the Division's website. Under the current conditions resulting from the COVID-19 precautions, the Division has moved its hearings to an

abadieschill.com

214 McKenzie Street, Santa Fe, New Mexico, 87501

O : 970.385.4401 • F : 970.385.4901

EXHIBIT

C-1

online platform using a link to their Webex Meeting application. Division hearings had previously been held in person at 8:15 a.m. in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. However, during the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely online.

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

Meeting number: 968 329 152

Password: YQe6KZBe3n6

<https://nmemnrd.webex.com/nmemnrd/j.php?MTID=mb3ddb90721ccc17207709b8c71dc2ac1>

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

Viewing information may be subject to change. You can obtain any updates at the NMOCD website: <http://www.emnrd.state.nm.us/ocd/> or by calling (505) 476-3441.

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. Parties appearing in cases are required by Division Rule 19.15.4.13.B NMAC to file a Pre-hearing Statement at least 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 Aaron Young at (539) 573-3531 or at aaron.young@wpxenergy.com.

Sincerely,



Darin C. Savage
Attorney for WPX Energy Permian, LLC



For the Pursuit of Energy

ABADIE | SCHILL PC

Colorado	New Mexico
Louisiana	Texas
Kansas	Utah
Nebraska	Wyoming
Montana	California
Oklahoma	North Dakota

July 14, 2020

VIA CERTIFIED MAIL
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Case No. 21371

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214 McKenzie Street, Santa Fe, New Mexico, 87501

O : 970.385.4401 • F : 970.385.4901

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Meeting number: 968 329 152

Password: YQe6KZBe3n6

<https://nmemnrd.webex.com/nmemnrd/j.php?MTID=mb3ddb90721ccc17207709b8c71dc2ac1>

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

Viewing information may be subject to change. You can obtain any updates at the NMOCD website: <http://www.emnrd.state.nm.us/ocd/> or by calling (505) 476-3441.

You are receiving this letter as an owner of an overriding royalty interest, which is not a participating interest. 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. Parties appearing in cases are required by Division Rule 19.15.4.13.B NMAC to file a Pre-hearing Statement at least 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 Aaron Young at (539) 573-3531 or at aaron.young@wpxenergy.com.

Sincerely,



Darin C. Savage
Attorney for WPX Energy Permian, LLC

Mailing Report

	Owner Name	Address	USPS Article Number	Date Created	Status	Service	Delivery Date
ORRI	MOBIL PRODUCING TEXAS AND NEW MEXICO INC	PO BOX 730586, DALLAS TX 75373-0586	70200090000034231131	7/14/20	Delivered	Certified Mail	7/17/20
ORRI	CHARLES E STRANGE 1976 TR 1	PO BOX 3066; OCALA, FL 34478-3066	70200090000034231124	7/14/20	Delivered	Certified Mail	N/A
ORRI	GEORGE GLOBE TRUST NO 1	PO BOX 11171; BAKERSFIELD CA 93389-1171	70200090000034231117	7/14/20	Delivered	Certified Mail	7/22/20
ORRI	TECKLA OIL CO LLC	PO BOX 3066; OCALA, FL 34478-3066	70200090000034231100	7/14/20	Delivered	Certified Mail	N/A
	WPX ENERGY PERMIAN LLC						
WI	EOG Resources Attn: Chloe Sawtelle	5509 Champions Dr. Midland Tx 79706	70200090000034231094	7/14/20	Delivered	Certified Mail	7/17/20
WI	COG Operating LLC Attn: Hunder Hall	One Concho Center 600 West Illinois Ave. Midland TX 79701-4882	70200090000034231087	7/14/20	Delivered	Certified Mail	7/20/20
WI	Bureau of Land Management	620 E. Greene St. Carlsbad, NM 88220-6292	70200090000034231148	7/15/20	Delivered	Certified Mail	7/20/20

SENDER: COMPLETE THIS SECTION

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Charles E. Strange 1976 Trust
PO Box 3066
Ocala FL 34478



9590 9402 4008 8079 4790 77

2. Article Number (Transfer from service label)

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A. Signature

☐ Agent☐ Addressee

B. Received by (Printed Name)

Monica Haufler

C. Date of Delivery

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- ☐ Collect on Delivery
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1 Mail

1 Mail Restricted Delivery

500)

- ☐ Priority Mail Express®
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- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
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PS Form 3811, July 2015 PSN 7530-02-000-9053

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1. Article Addressed to:

George Globe Trust
PO Box 11111
Bakersfield CA 93389



9590 9402 4008 8079 4793 43

2. Article Number (from label)

7020 0090 0000 3423 1117

COMPLETE THIS SECTION ON DELIVERY

A. Signature X <i>Andee K</i>		<input type="checkbox"/> Addressee
B. Received by (Printed Name) <i>Andee K</i>	C. Date of Delivery	
D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No		

3. Service Type	
<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®
<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™
<input type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery
<input type="checkbox"/> Certified Mail Restricted Delivery	<input type="checkbox"/> Return Receipt for Merchandise
<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation™
<input type="checkbox"/> Collect on Delivery Restricted Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery
<input type="checkbox"/> Insured Mail	
<input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	

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1. Article Addressed to:

BLM
620 E. Greene St.
Carlsbad NM 88220



9590 9402 4008 8079 4861 98

2. Article Number (Transfer from service label)

7020 0090 0000 3423 1148

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *Chrismae Gray*

☐ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

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

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- ☐ Adult Signature Restricted Delivery
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- ☐ Collect on Delivery Restricted Delivery
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- ☐ Priority Mail Express®
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1. Article Addressed to:

EO6 Resources
c/o Chloe Sawtelle
5509 Champions Dr.
Midland TX 79706




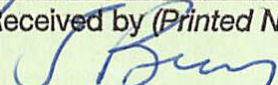
9590 9402 4008 8079 4793 74

2. Article Number (Transfer from service label)

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☐ Addressee

B. Received by (Printed Name)  C. Date of Delivery 8-17-20

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If YES, enter delivery address below: ☐ No

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|--|---|
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| <input type="checkbox"/> Adult Signature Restricted Delivery | <input type="checkbox"/> Registered Mail™ |
| <input checked="" type="checkbox"/> Certified Mail® | <input type="checkbox"/> Registered Mail Restricted Delivery |
| <input type="checkbox"/> Certified Mail Restricted Delivery | <input type="checkbox"/> Return Receipt for Merchandise |
| <input type="checkbox"/> Collect on Delivery | <input type="checkbox"/> Signature Confirmation™ |
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1. Article Addressed to:

Mobil Producing TX + NM Inc.
PO Box 730586
Dallas, TX 75373



9590 9402 4008 8079 4793 36

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

- ☐ Agent
- ☐ Addressee

B. Received by (Printed Name)
Gabriel Asamoah

C. Date of Delivery
JUL 17 2020

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

3. Service Type

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Return Receipt for Merchandise
Signature Confirmation™
Signature Confirmation Restricted Delivery

PS

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1. Article Addressed to:

Teckla Oil Co LLC
PO Box 3066
Ocala FL 34478



9590 9402 4008 8079 4793 67

2. Article Number (Transfer from mailpiece)

7020 0090 0000 3423 1100

COMPLETE THIS SECTION ON DELIVERY

A. Signature

M. Haufler

☐ Agent

☐ Addressee

B. Received by (Printed Name)

Monica Haufler

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

3. Service Type

☐ Adult Signature

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1. Article Addressed to:

CO6 Operating
c/o Hunder Hall
One Concho Center
600 W. Illinois Ave.
Midland, TX 79701



9590 9402 4008 8079 4793 50

2. Article Number (Transfer from service label)

7020 0090 0000 3423 1087

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X Janet Wattins

- ☐ Agent
- ☐ Addressee

B. Received by (Printed Name)

Janet Wattins

C. Date of Delivery

7-20-20

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

3. Service Type

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Affidavit of Publication

Ad # 0004283786

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ABADIE SCHILL P.C.
214 MCKENZIE ST


SANTA FE, NM 87501-1831

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

07/17/2020


Legal Clerk

Subscribed and sworn before me this August 3, 2020:


State of WI, County of Brown
NOTARY PUBLIC

8-25-23

My commission expires

SHELLY HORA
Notary Public
State of Wisconsin

CASE No. 21371: Notice to all affected parties and persons having any right, title interest or claim to this case, including overriding royalty interest owners, as well as the known and unknown heirs, devisees and successors of COG OPERATING LLC, CONCHO RESOURCES INC., EOG RESOURCES, INC., MOBIL PRODUCING TEXAS AND NEW MEXICO INC, CHARLES STRANGE 1976 TR 1, GEORGE GLOBE TRUST NO 1, and TECKLA OIL CO LLC, of WPX Energy Permian, LLC's application for approval of a spacing unit and compulsory pooling, Eddy County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division Examiner will conduct a public hearing at 8:15 a.m. on August 6, 2020, at 1220 S. St. Francis, Santa Fe, New Mexico, 87505. Under the COVID-19 Public Health Emergency, during which state buildings are closed, this hearing will be conducted remotely. For information about attending the remote hearing, contact the Division at (505) 476-3441, or visit their website at <http://www.emnrd.state.nm.us/OCD/hearings.html>. WPX Energy Permian, LLC, at 3500 One Williams Center, Tulsa, OK, 74172, seeks an order from the Division: (1) establishing a standard 640-acre, more or less, horizontal spacing and proration unit comprised of the W/2 of Sections 15 and 22, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico, and (2) pooling all mineral interests in the Wolfcamp formation (PURPLE SAGE; WOLF CAMP [98220]), designated by the Division as a gas field, underlying the unit. Said horizontal spacing unit is to be dedicated to the following 5 wells: the French 22-15 Fed Com 411H Well, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 22 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 15; the French 22-15 Fed Com 421H Well, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 22 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 15; the French 22-15 Fed Com 412H Well, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 22 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 15; the French 22-15 Fed Com 422H Well, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 22 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 15; the French 22-15 Fed Com 413H Well, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 22 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 15. The completed intervals for the proposed Wells will comply with the setback requirements imposed by the Special Rules for the Purple Sage Gas Pool. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; a time extension for drilling; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 2.5 miles south of Artesia, New Mexico.

July 17, 2020

Ad # 0004283786
PO #: 21371
of Affidavits: 1

This is not an invoice

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

**APPLICATION OF WPX ENERGY PERMIAN, LLC
FOR A HORIZONTAL SPACING UNIT AND COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO**

Case No. 21371

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

Case No. 21344

TESTIMONY OF JUSTIN STOLWORTHY IN QUESTION AND ANSWER FORM

Justine Stolworthy, of lawful age and under oath by affidavit answers the following questions:

Q (Darin Savage). Mr. Stolworthy, for the record, please state your name and qualifications, and identify by whom you're employed and in what capacity.

A (Justin Stolworthy). My name is Justin Stolworthy, and I am a Reservoir Engineer for WPX Energy, having worked for WPX for the past 11 years. I received my degree in mechanical engineering in 2005 from the New Mexico Tech. For WPX, I conduct engineering and reservoir analysis in the Permian Basin, which includes Eddy County, New Mexico, and have done so for 3 years.

Q. Have you previously testified before the Division.

A. No, I have not. I have included my resume for the Division's review.

Q. Are you familiar with the production characteristics and production potential of the Subject Lands which these cases concern?

A. Yes, I am.

Mr. Savage: I tender the witness as an expert in petroleum land matters.

Q. You have provided a number of exhibits and sub-exhibits contained in Exhibit D. Can you go through each of these starting with Exhibit D-1 and describe their significance?

A. Yes, Exhibit D-1 shows how WPX would be boxed in, stranding 2,500,000+ bbls of oil, if Concho is granted their Rock Jelly 3-mile DSU in Sections 3,10, & 15. Exhibit D-2 shows the differences between the WPX's 1-mile development plan verses a 2-mile development plan. 1-mile development does not meet WPX's internal threshold; therefore, effectively stranding 2,500,000+ bbls of oil for the foreseeable future. Exhibit D-3 shows direct offset operators' Wolfcamp A spacing and how Concho's proposed spacing differs from their peers. Concho's proposed horizontal spacing is nearly 2x the norm in the area. Concho has successfully drilled wells at a much tighter spacing with excellent results. WPX is consistent with our peers in the area. Our goal is to effectively drain the reservoir and prevent waste. Exhibit D-4 is a comparison between WPX and Concho in the area of interest (AOI). WPX has drilled 42 Wolfcamp A wells compared to Concho's 2. Neither company has drilled a 3-mile well in the AOI. Exhibit D-5 is a look at operators that have drilled wells greater than 12,500 feet horizontally. Also, it looks at well performance on a normalized cumulative oil basis. There are only two wolfcamp wells in New Mexico that are greater than 12,500 ft horizontally (James Ranch Unit DI2 #191H @ 12,735 feet & 192H @ 12,719 feet). Exhibit D-6 shows competing proposals between WPX and Concho. WPX proposes that both companies are granted 2-mile DSUs (W/2 of sections 3,10,15, & 22 of T26S-R29E). Concho proposes 3-mile wolfcamp

development in sections 3,10, & 15 of T26S-R29E, which will strand the W/2 of section 22 T26S-R29E from future development under the circumstances. Exhibit D-7 is a plot of cumulative oil over time for the competing proposals. WPX believes 2-mile development is a better plan to effectively drain the area in a timelier manner and prevent waste. Exhibit D-8 is our summary slide. Concho's 3-mile proposals will strand 2,500,000+ bbls of oil and 12,000,000,000 ft³ of natural gas in the W/2 of section 22 due to the uneconomic nature of 1-mile wells and uncertain price environment. Concho is proposing unnecessary risk when WPX's 2-mile development plan eliminates this risk.

Q. So, do these Exhibits show a major difference in production between 2-mile development and 1-mile development resulting from the intrusion of COG's 3-mile wells?

A. The efficiency and productivity of a 2-mile lateral are known quantities. Three-mile laterals are new to New Mexico. I believe, and COG can let us know if this is accurate, but I believe it is, that COG has only recently drilled its first 3-mile lateral in this state, and there is insufficient data on the efficiency and productivity of 3-mile wells in the Permian Basin, not to mention the increased risk of drilling an additional mile in order to extend the well. As an engineer, I question the benefit of any additional production, given the pros and cons under the circumstances in these cases, that could be received from the third mile of the lateral's extension. There are a variety of scenarios where a 3-mile lateral may be appropriate, but under different circumstances than the present cases, circumstances, for example, where the acreage would allow for such extension without undermining overall production potential and the correlative rights of adjacent owners; however, in the present situation, if its 3-mile wells are allowed, COG will be harming the correlative rights of our development and will be introducing unnecessary risk to operations with a potential for causing waste and overall underproduction.

Furthermore, if COG proceeds with the 3-mile wells, lands in these sections will be stranded to the extent that their potential value will be greatly undermined and there is substantial risk that they may never be developed.

Q. Would the overall production of the Sections and area be optimized with WPX's 2-mile development plan? If so, to what extent?

A. Yes, substantially. The 2-mile development plan will allow WPX to optimize spacing in the W/2 of sections 22 & 15 consistent with our peers. WPX believes there is a positive impact of 1,200,000 bbls of oil with our 2-mile development plan.

Q. Besides undermining production and creating waste, are there any operational risks, or drilling risks, associated with 3-mile wells that you could foresee under the circumstances of these cases?

A. Yes, it is common knowledge that operational risks increase as you push past known boundaries, ie longer lateral lengths. On the drilling side, rig capacities and mechanical limitations (circulation pressures, flowrate, buckling) increase operational risk exponentially. Not only do you have to drill 14000+ ft horizontally, you must get casing to bottom. If you cannot get casing to bottom, you have effectively lost that portion of the lateral. On the completion side, you must be able to achieve effective flowrates to stimulate the rock properly yet stay below maximum treating pressure to prevent damage. That is much harder to do given a 3-mile lateral. Then the questions become, how well did I stimulate the rock? Will production suffer as a result of the poor stimulation? Answers to these questions are a big unknown in the Delaware Basin, and given the other negative aspects of COG's development plan, the area involved does not provide a good test case.

Q. What general conclusions can you make based on the review of your Exhibits?

A. From review of the exhibits, I can conclude that (1) WPX has provided the best plan to effectively drain the area of interest (2) Concho's proposal presents two forms of waste. The first form of waste is lack of development. WPX is pushing off 1-mile development because it does not meet the necessary economic threshold. The second form of waste is Concho's current spacing design. Their intended well-spacing will result in stranded production within their proposed acreage.

Q. Is the granting of this Application in the best interests of conservation, the prevention of waste, and the protection of correlative rights?

A. Yes, it is.

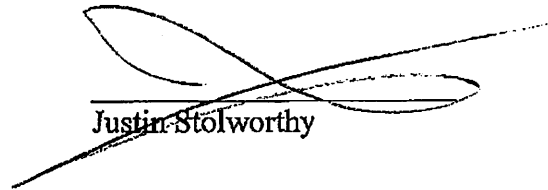
Q. Were the Exhibits prepared under your direct supervision or compiled by you under your direct management and authority?

A. Yes.

Q. Are the foregoing answers to these questions correct and complete to the best of your knowledge and belief?

A. Yes.

[signature page follows]


Justin Stolworthy

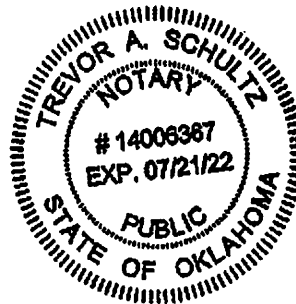
STATE OF OKLAHOMA)
)
COUNTY OF TULSA)

SUBSCRIBED and SWORN to before me this 15th day of October by Justin
Stolworthy.

My Commission Expires:

7/21/22





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

**APPLICATION OF WPX ENERGY PERMIAN, LLC
FOR A HORIZONTAL SPACING UNIT AND COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO**

Case No. 21371

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

Case No. 21344

AFFIDAVIT REGARDING TESTIMONY OF JUSTIN STOLWORTHY

STATE OF OKLAHOMA)
) ss.
COUNTY OF TULSA)

Justin Stolworthy, reservoir engineer and authorized representative of WPX Energy/WPX Energy Permian, LLC, the Applicant herein, being duly sworn, upon oath, states that his testimony provided herein (Testimony of Justin Stolworthy in Question and Answer Form) is accurate and complete to the best of his knowledge.

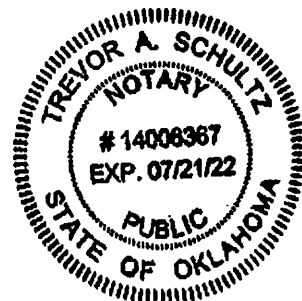

Justin Stolworthy

SUBSCRIBED and SWORN to before me this 15th day of October by Justin Stolworthy.

My Commission Expires:

7/21/22





SUMMARY

A veteran of the United States Navy with 15 years of experience in the oil & gas industry.

- Natural leader willing and able to adapt to situations and deliver results.
- Well-grounded with hands-on field experience.
- Self-motivated team player with excellent communication skills.

EDUCATION

New Mexico Institute of Mining and Technology

BSME

May 2005

EMPLOYMENT AND RELEVANT EXPERIENCE

WPX Energy Inc.

November 2018 – Present

Staff Reservoir Engineer – Delaware Basin

- Manage our Permian NOV/ OBO activity (\$MMs), evaluation/recommendation on well proposals, tracking cost and activities, quarterly presentations to XLT.
- Responsible for our operated NM acreage; monthly forecasting, sub-surface evaluations, tech review with asset team & well approval process with Asset VP.
- Work with Geology and Completions to evaluate well spacing and completion designs to maximize PV & ROR.
- Part of the first delivery team to manage and monitor early time production.
- Work closely with our land department to evaluate land trades.

May 2016 – November 2018

Production Engineering Manager – San Juan Basin (Divested Asset)

- Responsible for leading a group of 5 Production engineers, engineering tech, and support staff.
- Accountable for over 1000 producing wells, with the main emphasis on our horizontal oil play.
- My team sets the standard for lowest LOE (\$3.94/BOE) in the company while exceeding our production goals.
- Routine field visits to foster strong relationships between production engineers and field ops.
- Capitalize on employee's performance by creating a clear vision and providing opportunities for individual growth.

December 2014 – May 2016

Drilling Team Lead – San Juan Basin & Delaware Basin

- Successfully managed a 3-rig drilling program for San Juan Basin.
- Led a team that consisted of a drilling superintendent, drilling tech & 12 drilling consultants.
- Instrumental in setting the bar for WPX Gallup horizontal wells (Record SP-RR in 6.5 days).
- Monthly field visits to assist with our drilling programs and cost control.
- Responsible for the upgraded WPX's casing design in Delaware basin.

September 2011 – December 2014

Sr. Drilling Engineer – Williston Basin

- Successfully managed up to 5 drilling rigs in the Williston, while reducing expenditures and overall time by 31%.
- Set numerous WPX Bakken records for the drilling department.
- Innate ability to work with key stakeholders to develop drilling procedures to optimize overall performance and reduce costs.
- Traveled to field office monthly to assist field personnel with drilling programs and cost control.
- Provide technical support to Superintendents, rig consultants, and other operations personnel.
- Maintain post drilling matrix and create weekly drilling reports for management.

Nadel and Gussman

Nov. 2010 – September 2011

Regional Operations Engineer - Oklahoma

- Effectively communicated drilling, completion, and production progress to management.
- Researched, documented, & developed corrective actions to improve operations to ensure safety requirements and operational goals are exceeded by all personnel.
- Developed and reviewed cost estimates to determine the most favorable techniques to achieve desired operational obligations and budget goals, while minimizing associated risks.
- Collaboratively worked with the core management team to determine the correct approach to optimize drilling, completion and production programs.

Williams E&P (WPX Energy Inc.)

Nov. 2008 – Nov. 2010

Operations Engineer II – San Juan Basin Assets

- Coordinated effective collaboration for quarterly well reviews with key field personnel.
- Examined day-to-day field operations to ensure the assets were operating efficiently and effectively.
- Weekly meetings with the Drilling and Completions team, to insure a smooth ownership transition between groups.
- Effectively communicated current asset activities and issues concerning productivity in weekly meetings with the production team.
- Developed and maintained Capital and Expense projects concerning the San Juan Asset team to maximize production while minimizing overall costs.
- Developed production Engineering Development Matrix, which was used Companywide to train and mentor production engineers.

Energen Resources

Sept. 2006 – Nov. 2008

District Engineer – San Juan Basin Assets

- Monitored, analyzed, interpreted, and optimized the performance of individual wells to minimize downtime and maximize production.
- Researched, documented, & developed corrective actions to improve completion and production operations to ensure safety requirements and operational goals are exceeded by all personnel.
- Developed and reviewed cost estimates to determine the most favorable techniques to achieve desired operational obligations and budget goals, while minimizing associated risks.
- Provided operational and technical support to on-site supervisors, service companies, and vendors to ensure company standards and requirements are met.
- Employed field knowledge and experience to design, execute & optimize completion, re-completion and work-over procedures.
- Collaboratively worked with reservoir engineers, geologists, drilling engineers, production foreman, & other disciplines in a team environment to determine the correct approach to optimize completion and production programs.
- Evaluated and implemented artificial lift systems to maximize production on vertical and horizontal completions.

BJ Services, USA

July 2005 – Sept. 2006

District Engineer – San Juan Basin

- Successfully completed B.J. Services Associate Engineering Program.
- Advanced to the level of District Engineer after completing the A.E. Program.
- Effectively worked with Producers to design cement and stimulation procedures.
- Accountable for computer modeling, data interpretation, and down-hole knowledge.
- Applied theory to field applications as the Technical Field Advisor on location.
- Conducts on-location job quality and safety inspections.
- Safety training (H2S, Fire Fighting, Defensive Driving, and CPR).

TRAINING COURSES

Aries Economics Software Package

BJ Services A.E. Program

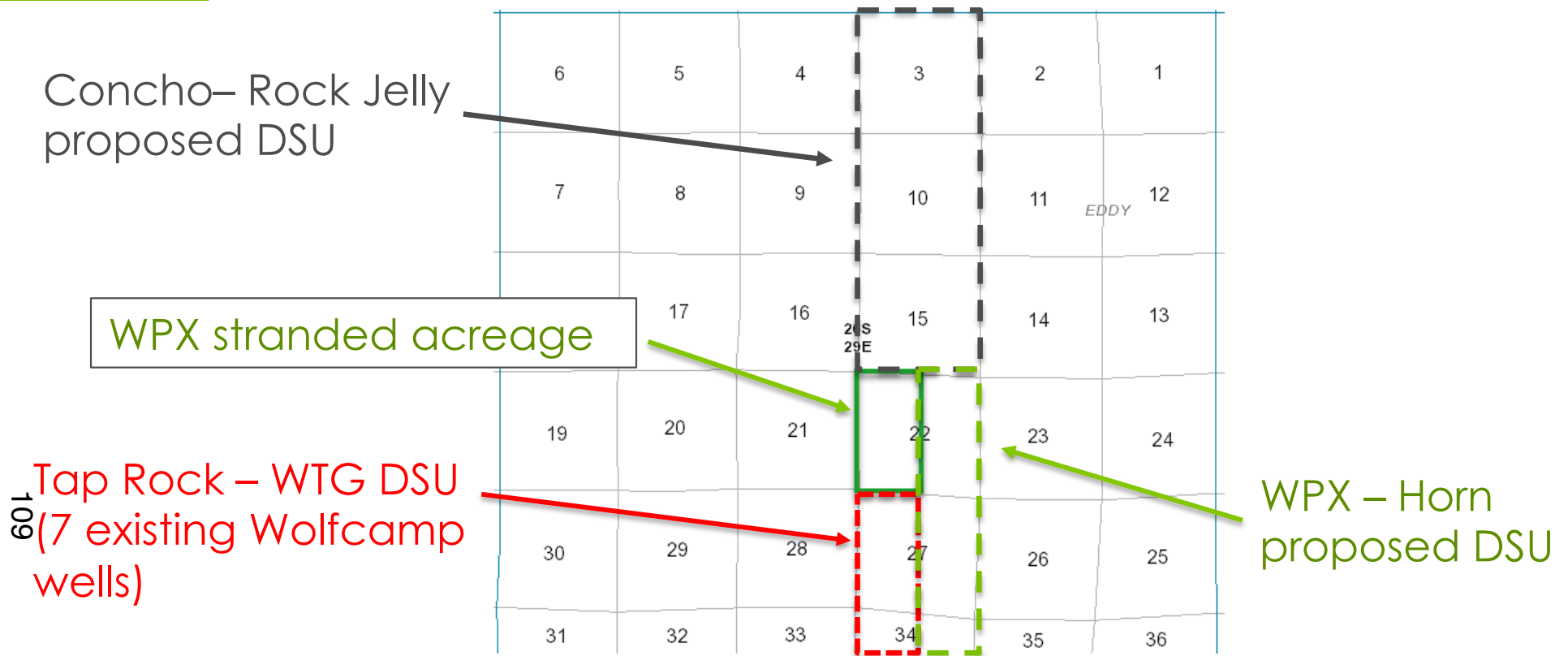
Murchison drilling school

K&M Horizontal E.R.D.

REFERENCES

Provided upon request

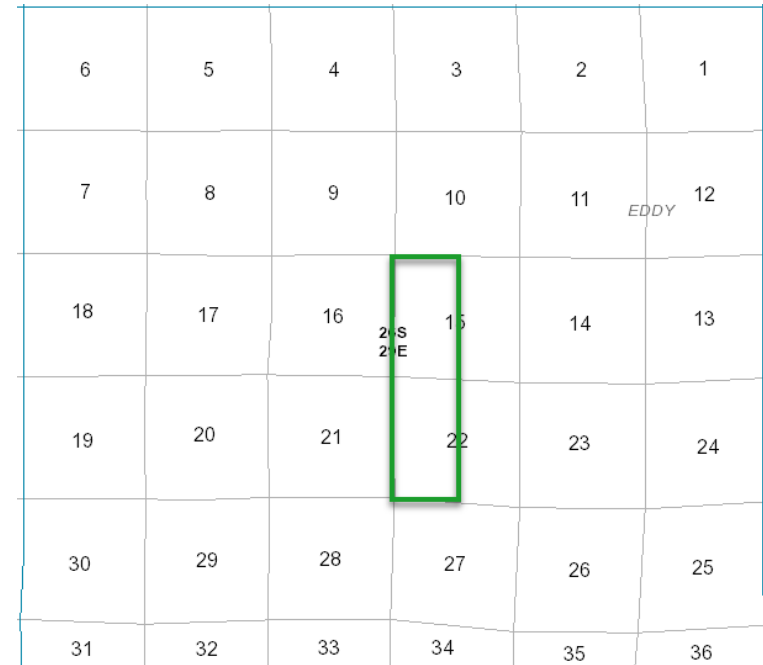
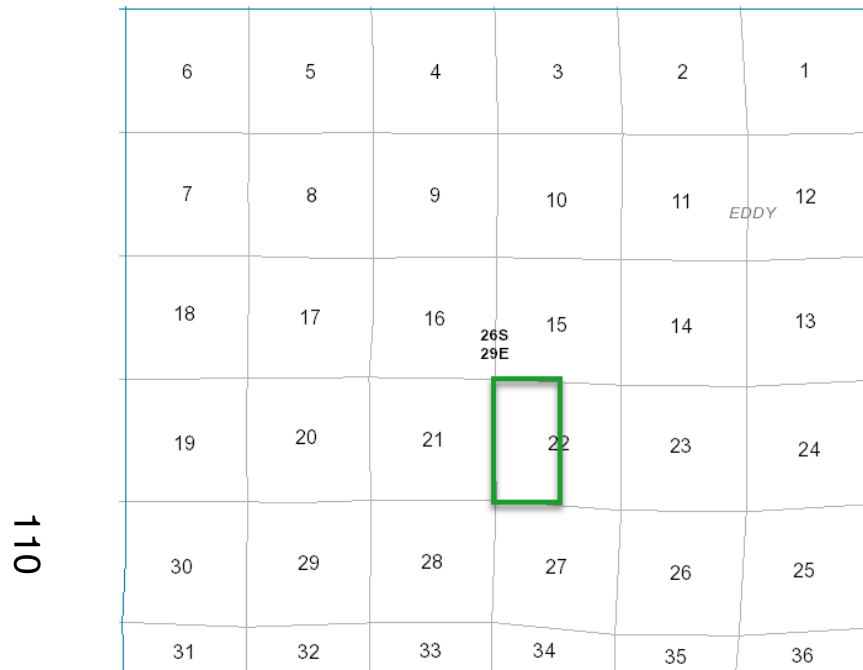
Exhibit D-1 Current situation: Stranded reserves in W/2 of Section 22 T26S-R29E



Takeaways:

- Stranded Wolfcamp reserves due to economics falling below threshold.
 - Wolfcamp A reserves
 - 2,500,000+ bbls of Oil
 - 12,000,000,000+ ft³ of natural gas

Exhibit D-2 WPX WCA development: 1-mile vs 2-mile



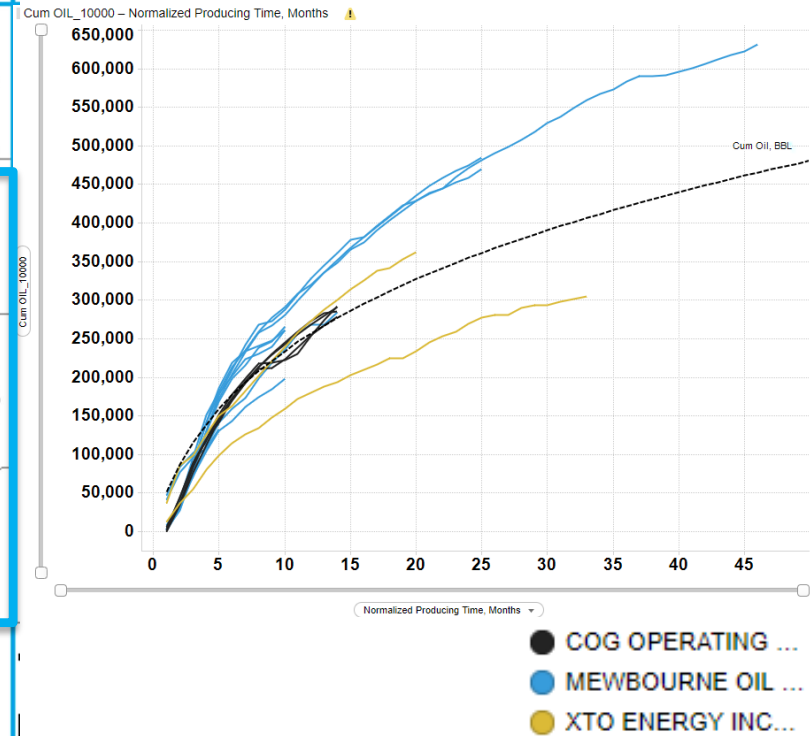
Development	Oil EUR	ROR	PV10%
1-mile	1.0x	1.0x	1.0x
2-mile	1.8x	2.2x	5.0x

- ▶ **1-mile development does not meet economic threshold; therefore, effectively stranding reserves for the foreseeable future.**

Note: Oil EUR multiplier is based WPX current spacing design.

EXHIBIT
D-2

Exhibit D-3 Offset operator spacing: WCA

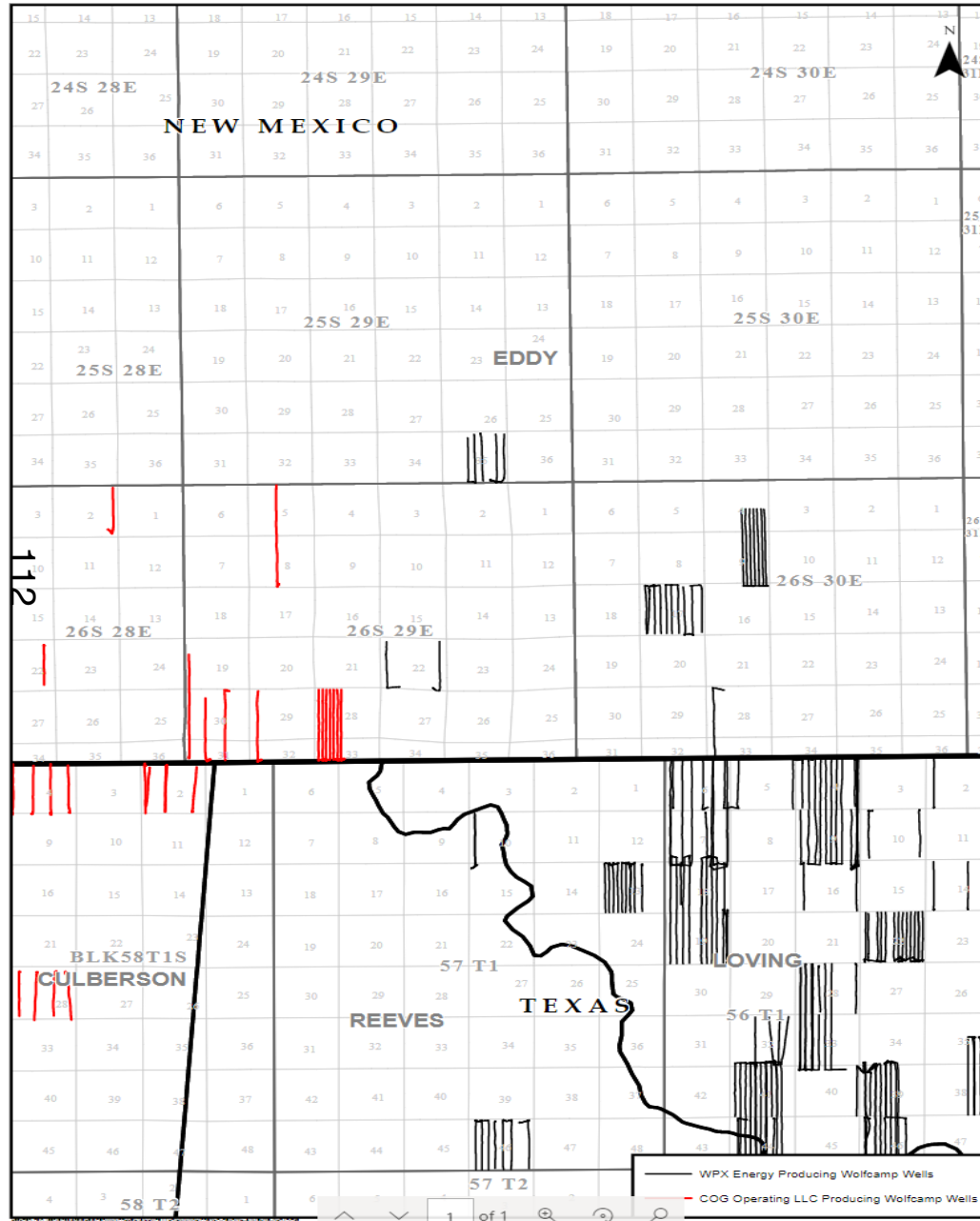


Operator	Unit	Horizontal in-Between Well Spacing	Vertical in-between Well Spacing
Tap Rock	WTG & Money Graham	300'	270'
Mewbourne	Fuller	690'	240'
XTO	Ross Draw	400'	210'
Concho	Littlefield	690'	0'
Concho	Rock Jelly	1165'	0'
WPX	French	510'	200'

- COG proposed horizontal spacing for Rock Jelly is nearly double operator norm in area and will leave reserves.
- WPX falls in line with established spacing pattern and will effectively drain the area and prevent waste.

EXHIBIT
D-3

Exhibit D-4 Operator footprint in the surrounding area



Surrounding area	2-mile WC wells	3-mile WC wells
Concho	2*	0
WPX	42	0

* Sourced from public data

** Believed COG has one 3-mile well in New Mexico. No public information or production to judge 3-mile performance

*** Map and table show Wolfcamp wells only

EXHIBIT
D-4

Exhibit D-5 Delaware basin: 3-mile development

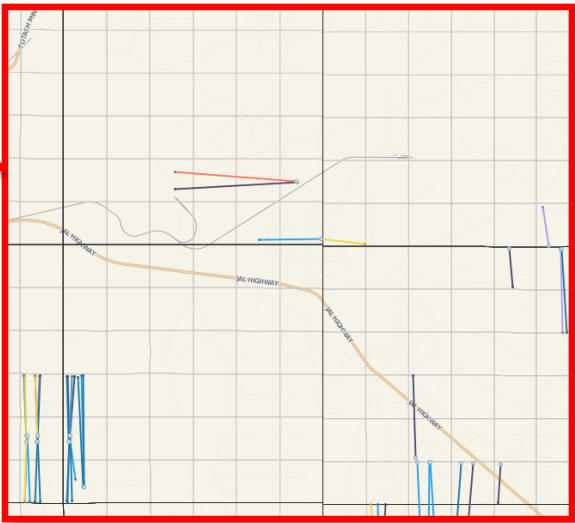
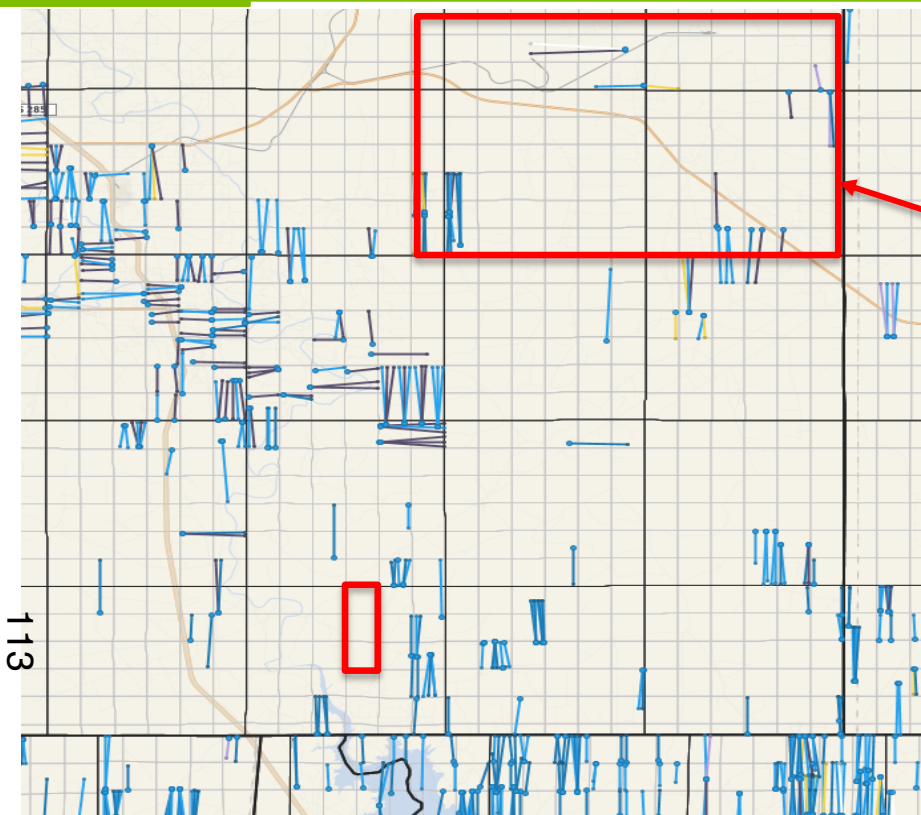


EXHIBIT
D-5

EUR	1-mile	2-mile	3-mile
Multiplier	1x	1.8x	???

WellName	Operator	Target Interval
ARK `36` STATE #002H	DEVON ENERGY PRODUCTION CO LP	Wolfcamp_X
CAL-MON `35` FEDERAL #171H	OXY USA INC	Wolfcamp_Y
JAMES RANCH UNIT DI2 #192H	XTO PERMIAN OPERATING LLC	Wolfcamp_Top
JAMES RANCH UNIT DI2 #191H	XTO PERMIAN OPERATING LLC	Wolfcamp_Y
REMUDA SOUTH 25 STATE #101H	XTO ENERGY INC	Wolfcamp_X_base
PLATINUM MDP1 `34-3` FEDERAL COM #171H	OXY USA INC	Wolfcamp_A3
IRIDIUM MDP1 `28-21` FEDERAL COM #171H	OXY USA INC	Wolfcamp_Y

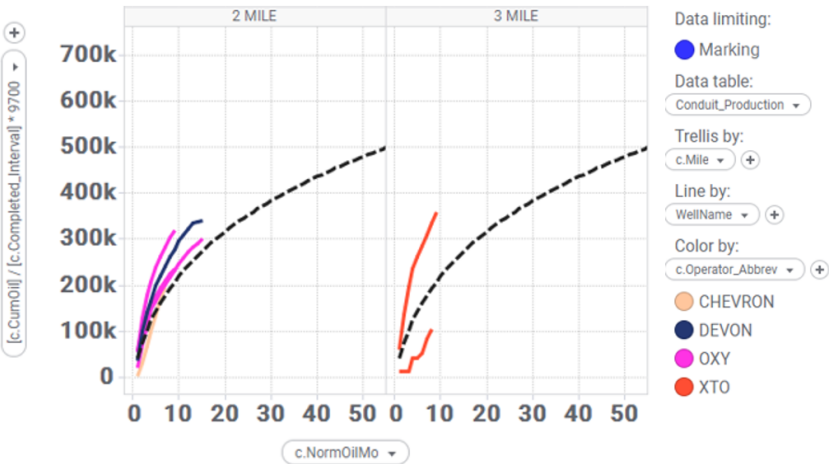
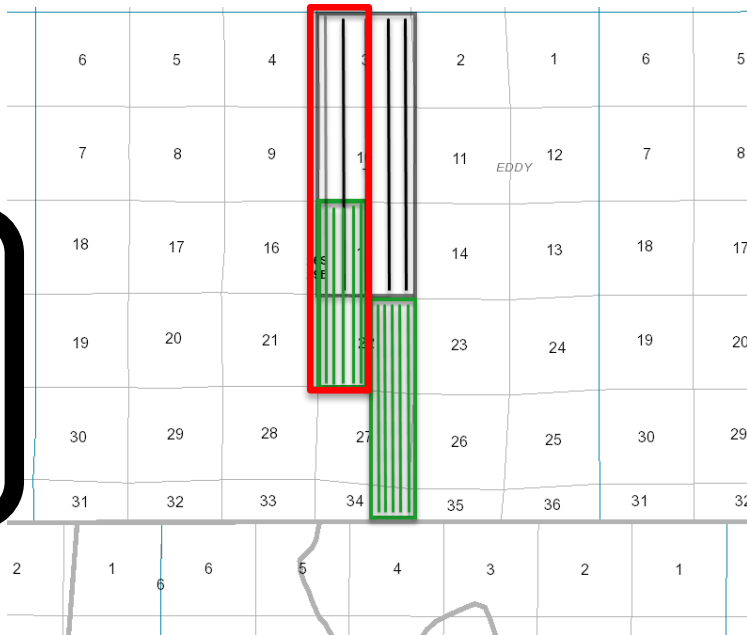
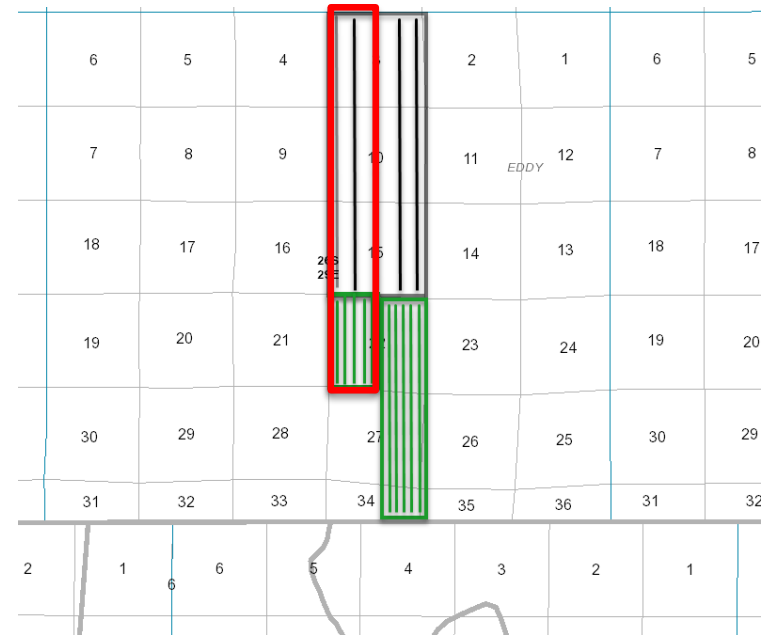


Exhibit D-6 W/2 Section 22 Scenario comparison: WPX & Concho

- ▶ **WPX – French Unit**
 - ▶ **W/2 of Sections 22 & 15 -T26S-R29E**
 - ▶ **Horizontal spacing @ 510'**
 - ▶ **Vertical spacing @ 210'**



- ▶ **Concho - Rock Jelly Unit:**
 - ▶ **Sections 3,10, & 15 -T26S-R29E**
 - ▶ **Horizontal spacing @ 1165'**
 - ▶ **Vertical spacing @ 0'**



WCA Development	Total wells	Well spacing	Total OIL EUR
3 mile + 1 mile	8 wells (3 3-mile & 5 1-mile wells)	1165'	1.0X
2 mile + 2 mile	8 wells (3 2-mile & 5 2-mile wells)	510'	1.2X

Note: table refers to W/2 development of sections 3, 10, 15, & 22 outlined in red.

Exhibit D-7 WCA Scenario comparison: WPX vs Concho

**EXHIBIT
D-7**

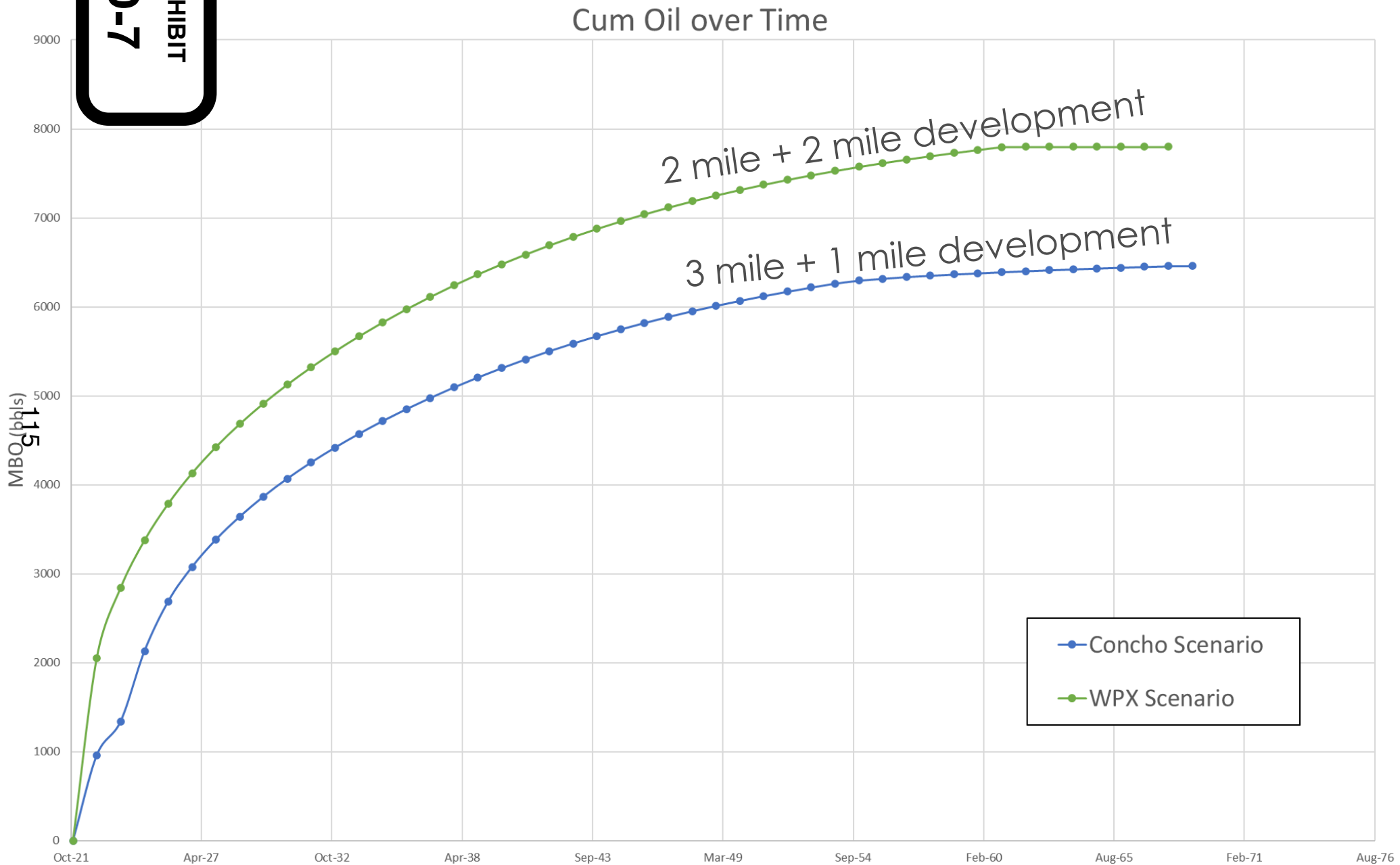


Exhibit D-8 Summary

- ▶ Concho proposals will effectively strand 2,500,000+ bbls of oil & 12,000,000,000 ft³ gas if W/2 Section 22 is left to 1-mile development due to uneconomic nature of 1-mile wells and uncertain price environment.
- ▶ There is unnecessary risk in 3-mile development when 2-mile development has been offered by WPX.
- ▶ Ultimately, compared to WPX's proposal, Concho's 3-mile development plan will strand an estimated 1,000,000 bbls of oil in W/2 of section 3, 10, & 15 due to in-between well spacing.
 - ▶ Assumes WPX can support 1-mile development in 2025

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EXHIBIT
D-8