

Eddy County, School District 16, PUN Suffix 1530

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|---------------------------------------|----------|
| Oil and Gas Severance | 0.037500 |
| Oil and Gas Conservation Tax | 0.002400 |
| Oil and Gas Emergency School Tax | 0.031500 |
| Oil and Gas Ad Valorem Production Tax | 0.010679 |
| <hr/> | |
| Total Tax to NM = | 0.082079 |

$18,700,000 \text{ bo} \times \$99.50/\text{bo} \times 87.5\% \times 8.2079\% = \$133,630,254.93$

\$134,000,000 additional revenue to the State of New Mexico

Does not include gas/liquids

\$99.50/bo NYMEX crude futures 5/24/11

Based on minimum Federal SSR

Transportation costs not deducted

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Consolidated Case No 's 14649 & 14650 Exhibit No 4
Submitted by
COG OPERATING, LLC
Hearing Date May 26, 2011