



CASE NO:
14706-14718
EXHIBIT 3

May 25, 2011

U.S. Certified Mail
Return Receipt Requested

Burnett Oil Company
Burnett Plaza, Unit 9
801 Cherry Street, Suite 1500
Fort Worth, Texas 76102

RE: **New Well Proposal**
Puckett "13" Federal #1H
SHL: 330' FSL & 330' FWL (Unit M) of Section 13, T17S, R31E
BHL: 330' FNL & 330' FWL, (Unit A) of Section 13, T17S, R31E
Eddy County, New Mexico

Dear Sirs:

COG Operating, LLC ("COG") proposes to drill the Puckett "13" Federal #1H as a triple lateral well at the captioned location, or a legal location within Location Unit M, to depths of approximately 5,500' TVD (Paddock lateral), 6,100' TVD (Upper Blinebry lateral), and 6,600' TVD (Lower Blinebry lateral) TVD, each to approximately 11,021' MD, to test the Yeso Formation ("Operation"). The total cost of the Operation is estimated to be \$11,340,000.00 and a detailed description of such cost is set out in the enclosed Authority for Expenditure ("AFE").

Also enclosed is COG's proposed form of Operating Agreement ("OA"). A completed version of the Exhibit "A" to be incorporated into the OA will follow under separate cover, accompanied by a fully executed set of signature pages.

If you elect to participate in the subject well, please sign and return a copy of the AFE to the below letterhead address.

If you desire to receive well information regarding the subject operations please return a Well Information Requirements list to COG. Technical questions should be directed to Carl Bird at 432-686-3057 and land questions to the undersigned at 432-818-2298.

Yours truly,

COG Operating, LLC

David R. Evans
New Mexico Shelf, Land Lead

Enclosure (s)
DRE/rc

Corporate Address: Fasken Center, Tower II 550 West Texas Avenue, Suite 100 Midland, Texas 79701 PHONE 432.683.7443 FAX 432.683.7441

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
(Consolidated) Case No.'s 14706-14718
Exhibit No. 3

Submitted by:
COG OPERATING, LLC

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: **Puckett "13" Federal #1H** PROSPECT NAME: Tamano (Mack) 720017
 SHL: 330' FSL & 330' FWL, Sec. 13-17S-31E COUNTY & STATE: Eddy Co, NM
 BHL: 330' FNL & 330' FWL, Sec. 13-17S-31E OBJECTIVE: YESO (11, 021' MD) (6100' TVD) Upper Blinebry
 WO/Pilot, 160 Acre

INTANGIBLE COSTS		BCP	ACP	TOTAL
Title/Curative/Permit	201	10,000		10,000
Insurance	202	22,000	302	22,000
Damages/Right of Way	203	15,000	303	15,000
Survey/Stake Location	204	3,000	304	3,000
Location/Pits/Road Expense	205	40,000	305	65,000
Drilling / Completion Overhead	206	5,000	306	1,000
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract 20:2 @ \$13000/day	209	260,000	309	26,000
Directional Drilling Services, With RS	210	400,000	310	400,000
Fuel & Power	211	112,500	311	11,250
Water	212	30,000	312	75,000
Bits	213	45,000	313	1,000
Mud & Chemicals	214	25,000	314	25,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217	16,000		16,000
Cement Intermediate	218	16,000		16,000
Cement Production 7"x5.5"	218		319	70,000
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
Float Equipment & Centralizers	221	3,500	321	15,000
Casing Crews & Equipment	222	7,000	322	13,000
Fishing Tools & Service	223		323	0
Geologic/Engineering	224	10,000	324	1,000
Contract Labor	225	10,000	325	30,000
Company Supervision	226	2,000	326	2,000
Contract Supervision	227	28,000	327	4,000
Testing Casing/Tubing	228	4,000	328	1,500
Mud Logging Unit	229	16,000	329	
Logging	230	0	330	5,000
Perforating/Wireline Services	231	3,500	331	125,000
Stimulation/Treating			332	760,000
Completion Unit			333	40,000
Swabbing Unit			334	0
Rentals-Surface	235	20,000	335	100,000
Rentals-Subsurface	236	30,000	336	10,000
Trucking/Forklift/Rig Mobilization	237	40,000	337	100,000
Welding Services	238	3,000	338	1,500
Water Disposal	239		339	25,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	120,000	344	
Miscellaneous	242	5,000	342	1,000
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TOTAL INTANGIBLES		1,433,000	1,633,000	3,066,000
TANGIBLE COSTS				
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Wellhead Equipment	405	30,000	505	18,000
Pumping Unit			506	97,000
Prime Mover			507	0
Rods			508	39,000
Pumps			509	4,500
Tanks			510	20,000
Flowlines			511	15,000
Heater Treater/Separator			512	25,000
Electrical System			513	0
Packers/Anchors/Hangers	414		514	0
Couplings/Fittings/Valves	415	2,000	515	25,000
Gas Compressors/Meters			516	4,000
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	1,000	519	1,000
Contingency	420	11,000	520	55,500
TOTAL TANGIBLES		112,000	602,000	714,000
TOTAL WELL COSTS		1,545,000	2,235,000	3,780,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve: _____
 _____ % Working Interest

Company: _____

By: _____

Printed Name: _____

Title: _____

Date: _____

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

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

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Injection Plant/CO2 Equipment			518	0
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COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve:
_____% Working Interest

Company:

By:

Printed Name:

Title:

Date:

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COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve:
_____% Working Interest

Company: _____

By: _____

Printed Name: _____

Title: _____

Date: _____

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Confirmation Services

Package #
Destination ZIP Code: 76102
Customer Reference:
Recipient:
Address:

PBP Account #: 41592200
Serial #: 1364097
MAY 25 2011 4:35pm

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Burnett Oil Company
Burnett Plaza, Unit 9
801 Cherry Street, Suite 1500
Fort worth, Texas 76102
Puckett 13 Federal #1H

COMPLETE THIS SECTION ON DELIVERY

- A. Signature Agent
- Addressee

B. Received by (Printed Name) _____ C. Date of Delivery _____

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

3. Service Type

- Certified Mail Express Mail
- Registered Return Receipt for Merchandise
- Insured Mail C.O.D.
- 4. Restricted Delivery? (Extra Fee) Yes

2. Article Number **91 7199 9991 7030 0514 5621**
(Transfer from service label)

PS Form 3811, February 2004 Domestic Return Receipt

102595-02-M-1540

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
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- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Burnett Oil Company
Burnett Plaza, Unit 9
801 Cherry Street, Suite 1500
Fort worth, Texas 76102
Puckett 13 Federal #1H

COMPLETE THIS SECTION ON DELIVERY

A. Signature *nm Burger* Agent Addressee

B. Received by (Printed Name) *W. Berger* C. Date of Delivery *6/27/11*

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

3. Service Type

- Certified Mail Express Mail
- Registered Return Receipt for Merchandise
- Insured Mail C.O.D.
- 4. Restricted Delivery? (Extra Fee) Yes

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(Transfer from service label)

PS Form 3811, February 2004 Domestic Return Receipt

102595-02-M-1540

Transmission Report

Date/Time: 05-25-2011 03:41:19 p.m. Transmit Header Text
 Local ID 1: 4326863000 Local Name 1: Land

This document : Failed
 (reduced sample and details below)
 Document size : 8.5"x14"



FAX COVER SHEET

PAGE 1 OF 5 PAGES

DATE: May 25, 2011
 TO: Burnett Oil Company-Attn: Land Manager
 FAX: (817) 332-7832

NOTICE: This facsimile message contains PRIVILEGED and CONFIDENTIAL information and is intended solely for the use of the specific individual or individuals to which it is addressed. If you are not an intended recipient of this facsimile, you are hereby notified that any unauthorized use, dissemination or copying of this facsimile or the information contained herein or attached hereto is strictly prohibited. If you receive this facsimile in error, please notify the sender immediately by telephone and/or reply facsimile and destroy the facsimile received in error. Thank you.

FROM: Robyn Cummins
 Concho Resources Inc. COG Oil & Gas LP / COG Operating LLC
 550 West Texas Avenue, Suite 100, Midland, Texas 79701-4210
 PHONE: (432) 818-2324 FAX: (432) 686 3000

Re: New Well Proposal Packett "J3" Federal 1-H

Total Pages Scanned : 5

Total Pages Confirmed : 0

No.	Job	Remote Station	Start Time	Duration	Pages	Line	Mode	Job Type	Results
001	180	818173327832	02:59:06 p.m. 05-25-2011	00:00:00	0/5	1	--	HS	FA

Abbreviations:

HS: Host send	PL: Polled local	MP: Mailbox print	CP: Completed	TS: Terminated by system
HR: Host receive	PR: Polled remote	RP: Report	FA: Fail	G3: Group 3
MS: Waiting send	MS: Mailbox save	FF: Fax Forward	TU: Terminated by user	EC: Error Correct



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PAGE 1 **OF** 5 **PAGES**

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550 West Texas Avenue, Suite 100, Midland, Texas 79701-4210

PHONE: **(432) 818-2324**

FAX: **(432) 686 3000**

Re: **New Well Proposal Puckett "13" Federal 1-H**

Lisa Wilson

From: Lisa Wilson
Sent: Wednesday, May 25, 2011 4:26 PM
To: 'dsrhodes@burnettoil.com'
Cc: David Evans
Subject: Puckett Well Proposals
Attachments: Burnett_Puckett 24 Fed 2H.pdf; Burnett_Puckett 24 Fed 6H.pdf; Burnett_Puckett 12 Fed 7H.pdf; Burnett_Puckett 12 Fed 9H.pdf; Burnett_Puckett 13 Fed 1H.pdf; Burnett_Puckett 13 Fed 7H.pdf

Tracking:	Recipient	Delivery	Read
	'dsrhodes@burnettoil.com'		
	David Evans	Delivered: 5/25/2011 4:26 PM	Read: 5/25/2011 4:27 PM

Mr. Rhodes,

Attached are scanned copies of 6 Puckett Well Proposals. The originals are being sent today via U.S. Certified Mail.

Thank you,

Lisa Wilson (Oetting)
Land Assistant
COG OPERATING LLC
550 W. Texas Avenue, Suite 100
Midland, Texas 79701
p.432.685.4366
f.432.686.3000



Lisa Wilson

From: David Rhodes [dsrhodes@burnettoil.com]
To: Lisa Wilson
Sent: Wednesday, May 25, 2011 4:29 PM
Subject: Read: Puckett Well Proposals

Your message was read on Wednesday, May 25, 2011 4:28:31 PM (GMT-06:00) Central Time (US & Canada).

Lisa Wilson

From: Lisa Wilson
Sent: Wednesday, May 25, 2011 4:26 PM
To: 'dsrhodes@burnettoil.com'
Cc: David Evans
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Attachments: Burnett_Puckett 24 Fed 2H.pdf; Burnett_Puckett 24 Fed 6H.pdf; Burnett_Puckett 12 Fed 7H.pdf; Burnett_Puckett 12 Fed 9H.pdf; Burnett_Puckett 13 Fed 1H.pdf; Burnett_Puckett 13 Fed 7H.pdf

Tracking:	Recipient	Delivery	Read
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Thank you,

Lisa Wilson (Oetting)
Land Assistant
COG OPERATING LLC
550 W. Texas Avenue, Suite 100
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p.432.685.4366
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To: Lisa Wilson
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May 25, 2011

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Javalina Partners
616 Texas Street
Fort Worth, TX 76102

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COG Operating, LLC

David R. Evans

David R. Evans
New Mexico Shelf, Land Lead

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DRE/rc

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Geologic/Engineering	224	10,000	324	11,000
Contract Labor	225	10,000	325	40,000
Company Supervision	226	2,000	326	4,000
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Testing Casing/Tubing	228	4,000	328	5,500
Mud Logging Unit	229	16,000	329	16,000
Logging	230	0	330	5,000
Perforating/Wireline Services	231	3,500	331	125,000
Stimulation/Treating			332	760,000
Completion Unit			333	40,000
Swabbing Unit			334	0
Rentals-Surface	235	20,000	335	100,000
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Trucking/Forklift/Rig Mobilization	237	40,000	337	100,000
Welding Services	238	3,000	338	1,500
Water Disposal	239		339	25,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	120,000	344	120,000
Miscellaneous	242	5,000	342	1,000
Contingency	243	131,500	343	149,750
TOTAL INTANGIBLES		1,433,000	1,633,000	3,066,000
TANGIBLE COSTS				
Surface Casing 550' 13 3/8"	401	20,000		1,200
Intermediate Casing 1850' 9 5/8"	402	48,000	503	48,000
Production Casing/Liner 6900' - 7", 4200' - 5.5"			503	260,000
Tubing 6200' 2 7/8"			504	38,000
Wellhead Equipment	405	30,000	505	48,000
Pumping Unit			506	97,000
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Electrical System			513	0
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Couplings/Fittings/Valves	415	2,000	515	27,000
Gas Compressors/Meters			516	4,000
Dehydrator			517	0
Injection Plan/CO2 Equipment			518	0
Miscellaneous	419	1,000	519	2,000
Contingency	420	11,000	520	66,500
TOTAL TANGIBLES		112,000	602,000	714,000
TOTAL WELL COSTS		1,545,000	2,235,000	3,780,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve:
_____% Working Interest

Company:

By:

Printed Name:

Title:

Date:

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**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: **Puckett "13" Federal #1H** PROSPECT NAME: **Tamano (Mack) 720017**
 SHL: 330' FSL & 330' FWL, Sec. 13-17S-31E COUNTY & STATE: **Eddy Co, NM**
 BHL: 330' FNL & 330' FWL, Sec. 13-17S-31E OBJECTIVE: **YESO (11, 021' MD) (6600' TVD) Lower Blinebry**
 WO/Pilot, 160 Acre

INTANGIBLE COSTS		BCP	ACP	TOTAL
Title/Curative/Permit	201	10,000		10,000
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Mud & Chemicals	214	25,000	314	25,000
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Coring & Analysis	216			0
Cement Surface	217	16,000		16,000
Cement Intermediate	218	16,000		16,000
Cement Production 7"x5.5"	218		319	70,000
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Welding Services	238	3,000	338	4,500
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COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve:
_____ % Working Interest

Company: _____
By: _____

Printed Name: _____
Title: _____
Date: _____

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**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

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COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve:
_____% Working Interest

Company:

By:

Printed Name:

Title:

Date:

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Confirmation Services
 Package ID: 9171999991703005145768
 Destination ZIP Code: 76102
 Customer Reference:
 Recipient Address:
 PBP Account #: 41592288
 Serial #: 1364097
 MAY 25 2011 4:43pm
 Electronic Certified
 Priority Envelope or package GBP

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Javalina Partners
 616 Texas Street
 Fort Worth, TX 76102
 Puckett 13 Federal #1H

COMPLETE THIS SECTION ON DELIVERY

- A. Signature Agent Addressee
X
 B. Received by (Printed Name) C. Date of Delivery
 D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

3. Service Type:

- Certified Mail Express Mail
- Registered Return Receipt for Merchandise
- Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number: **91 7199 9991 7030 0514 5768**
 (Transfer from service label)
 PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

SENDER: COMPLETE THIS SECTION

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 Fort Worth, TX 76102
 Puckett 13 Federal #1H

COMPLETE THIS SECTION ON DELIVERY

- A. Signature Agent Addressee
X
 B. Received by (Printed Name) C. Date of Delivery
OLIVERA **10/22/04**
 D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

3. Service Type:

- Certified Mail Express Mail
- Registered Return Receipt for Merchandise
- Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number: **91 7199 9991 7030 0514 5768**
 (Transfer from service label)

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

Transmission Report

Date/Time
Local ID 1

05-25-2011
4326863000

03:27:24 p.m.

Transmit Header Text
Local Name 1

Land

This document : Confirmed
(reduced sample and details below)
Document size : 8.5"x14"



FAX COVER SHEET

PAGE 1 OF 5 PAGES

DATE: May 25, 2011

TO: Javelina Partners-Mr. E. Randall Hudson III

FAX: (817) 334-0442

NOTICE: This facsimile message contains PRIVILEGED and CONFIDENTIAL information and is intended only for the use of the specific individual or individuals to which it is addressed. If you are not an intended recipient of this facsimile, you are hereby notified that any unauthorized use, dissemination or copying of this facsimile or the information contained herein or attached hereto is strictly prohibited. If you receive this facsimile in error, please notify the sender advised below by telephone and/or reply facsimile and destroy the facsimile received in error. Thank you.

FROM: Robyn Cummins
Concho Resources Inc. - COG Oil & Gas LP / COG Operating LLC
550 West Texas Avenue, Suite 100, Midland, Texas 79701-4210

PHONE: (432) 818-2324 FAX: (432) 686 3000

Re: New Well Proposal Puckett "13" Federal 1-B

Total Pages Scanned : 5

Total Pages Confirmed : 5

No.	Job	Remote Station	Start Time	Duration	Pages	Line	Mode	Job Type	Results
001	169	8173340442	02:34:17 p.m.05-25-2011	00:05:51	5/5	1	EC	HS	CP4800

Abbreviations:

HS: Host send
HR: Host receive
WS: Waiting send

PL: Polled local
PR: Polled remote
MS: Mailbox save

MP: Mailbox print
RP: Report
FF: Fax Forward

CP: Completed
FA: Fall
TU: Terminated by user

TS: Terminated by system
G3: Group 3
EC: Error Correct



FAX COVER SHEET

PAGE 1 OF 5 PAGES

DATE: May 25, 2011

TO: Javelina Partners-Mr. E. Randall Hudson III

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550 West Texas Avenue, Suite 100, Midland, Texas 79701-4210

PHONE: (432) 818-2324

FAX: (432) 686 3000

Re: New Well Proposal Puckett "13" Federal 1-H



May 25, 2011

**U.S. Certified Mail
Return Receipt Requested**

Zorro Partners
616 Texas Street
Fort Worth, TX 76102

RE: **New Well Proposal**
Puckett "13" Federal #1H
SHL: 330' FSL & 330' FWL (Unit M) of Section 13, T17S, R31E
BHL: 330' FNL & 330' FWL, (Unit A) of Section 13, T17S, R31E
Eddy County, New Mexico

Dear Sirs:

COG Operating, LLC ("COG") proposes to drill the Puckett "13" Federal #1H as a triple lateral well at the captioned location, or a legal location within Location Unit M, to depth's of approximately 5,500' TVD (Paddock lateral), 6,100' TVD (Upper Blinebry lateral), and 6,600' TVD (Lower Blinebry lateral) TVD, each to approximately 11,021' MD, to test the Yeso Formation ("Operation"). The total cost of the Operation is estimated to be \$11,340,000.00 and a detailed description of such cost is set out in the enclosed Authority for Expenditure ("AFE").

Also enclosed is COG's proposed form of Operating Agreement ("OA"). A completed version of the Exhibit "A" to be incorporated into the OA will follow under separate cover, accompanied by a fully executed set of signature pages.

If you elect to participate in the subject well, please sign and return a copy of the AFE to the below letterhead address.

If you desire to receive well information regarding the subject operations please return a Well Information Requirements list to COG. Technical questions should be directed to Carl Bird at 432-686-3057 and land questions to the undersigned at 432-818-2298.

Yours truly,

COG Operating, LLC

David R. Evans

David R. Evans
New Mexico Shelf, Land Lead

Enclosure (s)
DRE/rc

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "13" Federal #1H	PROSPECT NAME: Tamano (Mack) 720017
SHL: 330' FSL & 330' FWL, Sec. 13-17S-31E	COUNTY & STATE: Eddy Co, NM
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WO/Pilot, 160 Acre	

		<u>BCP</u>	<u>ACP</u>	<u>TOTAL</u>
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Date Prepared: 5/16/11

We approve:
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Miscellaneous	242	5,000	342	1,000		6,000
Contingency	243	131,500	343	149,750		281,250
TOTAL INTANGIBLES		1,433,000		1,633,000		3,066,000
TANGIBLE COSTS						
Surface Casing 550' 13 3/8"	401	20,000				1,200
Intermediate Casing 1850' 9 5/8"	402	48,000	503			48,000
Production Casing/Liner 6900' - 7", 4200' - 5.5"			503	260,000		260,000
Tubing 6200' 2 7/8"			504	38,000		38,000
Wellhead Equipment	405	30,000	505	18,000		48,000
Pumping Unit			506	97,000		97,000
Prime Mover			507			0
Rods			508	39,000		39,000
Pumps			509	4,500		4,500
Tanks			510	20,000		20,000
Flowlines			511	15,000		15,000
Heater Treater/Separator			512	25,000		25,000
Electrical System			513			0
Packers/Anchors/Hangers	414		514			0
Couplings/Fittings/Valves	415	2,000	515	25,000		27,000
Gas Compressors/Meters			516	4,000		4,000
Dehydrator			517			0
Injection Plant/CO2 Equipment			518			0
Miscellaneous	419	1,000	519	1,000		2,000
Contingency	420	11,000	520	55,500		66,500
TOTAL TANGIBLES		112,000		602,000		714,000
TOTAL WELL COSTS		1,545,000		2,235,000		3,780,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve:
 _____ % Working Interest

Company: _____

By: _____

Printed Name: _____

Title: _____

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

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "13" Federal #1H	PROSPECT NAME: Tamano (Mack) 720017
SHL: 330' FSL & 330' FWL, Sec. 13-17S-31E	COUNTY & STATE: Eddy Co, NM
BHL: 330' FNL & 330' FWL, Sec. 13-17S-31E	OBJECTIVE: YESO (11, 021' MD) (5500' TVD) Paddock
WO/Pilot, 160 Acre	

INTANGIBLE COSTS		BCP	ACP	TOTAL
Title/Curative/Permit	201	10,000		10,000
Insurance	202	22,000	302	22,000
Damages/Right of Way	203	15,000	303	15,000
Survey/Stake Location	204	3,000	304	3,000
Location/Pits/Road Expense	205	40,000	305	105,000
Drilling / Completion Overhead	206	5,000	306	6,000
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract 20:2 @ \$13000/day	209	260,000	309	286,000
Directional Drilling Services, With RS	210	400,000	310	400,000
Fuel & Power	211	112,500	311	123,750
Water	212	30,000	312	105,000
Bits	213	45,000	313	46,000
Mud & Chemicals	214	25,000	314	25,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217	16,000		16,000
Cement Intermediate	218	16,000		16,000
Cement Production 7"x5.5"	218		319	70,000
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
Float Equipment & Centralizers	221	3,500	321	18,500
Casing Crews & Equipment	222	7,000	322	20,000
Fishing Tools & Service	223		323	0
Geologic/Engineering	224	10,000	324	11,000
Contract Labor	225	10,000	325	40,000
Company Supervision	226	2,000	326	4,000
Contract Supervision	227	28,000	327	32,000
Testing Casing/Tubing	228	4,000	328	5,500
Mud Logging Unit	229	16,000	329	16,000
Logging	230	0	330	5,000
Perforating/Wireline Services	231	3,500	331	128,500
Stimulation/Treating			332	760,000
Completion Unit			333	40,000
Swabbing Unit			334	0
Rentals-Surface	235	20,000	335	120,000
Rentals-Subsurface	236	30,000	336	40,000
Trucking/Forklift/Rig Mobilization	237	40,000	337	140,000
Welding Services	238	3,000	338	4,500
Water Disposal	239		339	25,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	120,000	344	120,000
Miscellaneous	242	5,000	342	6,000
Contingency	243	131,500	343	281,250
TOTAL INTANGIBLES		1,433,000	1,633,000	3,066,000
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Surface Casing 550' 13 3/8"	401	20,000		1,200
Intermediate Casing 1850' 9 5/8"	402	48,000	503	48,000
Production Casing/Liner 6900' - 7", 4200' - 5.5"			503	260,000
Tubing 6200' 2 7/8"			504	38,000
Wellhead Equipment	405	30,000	505	48,000
Pumping Unit			506	97,000
Prime Mover			507	0
Rods			508	39,000
Pumps			509	4,500
Tanks			510	20,000
Flowlines			511	15,000
Heater Treater/Separator			512	25,000
Electrical System			513	0
Packers/Anchors/Hangers	414		514	0
Couplings/Fittings/Valves	415	2,000	515	27,000
Gas Compressors/Meters			516	4,000
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	1,000	519	2,000
Contingency	420	11,000	520	66,500
TOTAL TANGIBLES		112,000	602,000	714,000
TOTAL WELL COSTS		1,545,000	2,235,000	3,780,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve:
_____ % Working Interest

Company:
By: _____

Printed Name:
Title: _____

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

Zorro Partners
 616 Texas Street
 Fort Worth, TX 76102

1001
 Midland, Texas 79701
 1001
 West Texas Avenue, Suite

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Zorro Partners
 616 Texas Street
 Fort Worth, TX 76102
 Puckett 13 Federal #1H

2. Article Number
 (Transfer from service label)

91 7199 9991 7030 0514 5584

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

- A. Signature *[Signature]* Agent Addressee
- X Received by (Printed Name) *PAVIA 2010*
- D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

3. Service Type

- Certified Mail Express Mail
- Registered Return Receipt for Merchandise
- Insured Mail C.O.D.
4. Restricted Delivery? (Extra Fee) Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to:

Zorro Partners
 616 Texas Street
 Fort Worth, TX 76102
 Puckett 13 Federal #1H

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

2. Article Number

(Transfer from service label)

91 7199 9991 7030 0514 5584

A. Signature Agent Addressee

X Received by (Printed Name)

C. Date of Delivery

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

3. Service Type

Certified Mail Express Mail

Registered Return Receipt for Merchandise

Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

POSTNET

4855 4T50 0E02 1666 6PT2 TB

Transmission Report

Date/Time 05-25-2011 02:30:41 p.m. Transmt Header Text
Local ID 1 4326863000 Local Name 1 Land

This document : Confirmed
(reduced sample and details below)
Document size : 8.5"x14"



PAGE 1 OF 5 PAGES

DATE: May 25, 2011

TO: Zorro Partners-Mr. William A. Hudson II

FAX: (817) 334-0442

NOTICE: This facsimile message contains PRIVILEGED and CONFIDENTIAL information and is intended only for the use of the specific individual or individuals to which it is addressed. If you are not an intended recipient of this facsimile, you are hereby notified that any unauthorized use, dissemination or copying of this facsimile or the information contained herein or attached hereto is strictly prohibited. If you receive this facsimile in error, please notify the sender named below by telephone and/or reply facsimile and destroy the facsimile received in error. Thank you.

FROM: Robyn Cummins
Concho Resources Inc. - COG Oil & Gas LP / COG Operating LLC
530 West Texas Avenue, Suite 100, Midland, Texas 79701-4210

PHONE: (432) 818-2324 FAX: (432) 686 3000

Re: New Well Proposal Puckett "13" Federal 1-F

Total Pages Scanned : 5 Total Pages Confirmed : 5

No.	Job	Remote Station	Start Time	Duration	Pages	Line	Mode	Job Type	Results
001	158	8173340442	02:19:22 p.m. 05-25-2011	00:04:10	5/5	1	EC	HS	CP9600

Abbreviations:

HS: Host send PL: Polled local MP: Mailbox print CP: Completed TS: Terminated by system
HR: Host receive PR: Polled remote RP: Report FA: Fail G3: Group 3
WS: Waiting send MS: Mailbox save FF: Fax Forward TU: Terminated by user EC: Error Correct



FAX COVER SHEET

PAGE 1 OF 5 PAGES

DATE: May 25, 2011

TO: Zorro Partners-Mr. William A. Hudson II

FAX: (817) 334-0442

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FROM: Robyn Cummins
Concho Resources Inc. - COG Oil & Gas LP / COG Operating LLC
550 West Texas Avenue, Suite 100, Midland, Texas 79701-4210

PHONE: (432) 818-2324

FAX: (432) 686 3000

Re: New Well Proposal Puckett "13" Federal 1-H

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Zorro Partners
 616 Texas Street
 Fort Worth, TX 76102
 Puckett 13 Federal #1H

2. Article Number

(Transfer from service label)

91 7199 9991 7030 0514 5584

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

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

3. Service Type

Certified Mail

Express Mail

Registered

Return Receipt for Merchandise

Insured Mail

C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540


 550 West Texas Avenue, Suite 100
 Midland, Texas 79701

Zorro Partners
 616 Texas Street
 Fort Worth, TX 76102

91 7199 9991 7030 0514 5584

CERTIFIED MAIL



August 3, 2011

U.S. Certified Mail
Return Receipt Requested

Burnett Oil Company
Burnett Plaza, Unit 9
801 Cherry Street, Suite 1500
Fort Worth, Texas 76102

RE: **New Well Proposal**
Puckett "13" Federal #2H
SL: 105' FSL & 957' FWL (Unit M) of Section 13, T17S, R31E
BHL: 330' FNL & 990' FWL, (Unit D) of Section 13, T17S, R31E
Eddy County, New Mexico

Dear Sirs:

COG Operating LLC ("COG") proposes to drill the Puckett "13" Federal #2H, as a triple lateral well at the captioned location, or at an approved surface location within said Unit M, to depths of approximately 5,500' TVD, 9,900' MD for a Paddock lateral; 6,100' TVD, 10,500' MD for an Upper Blinebry lateral; and 6,600' TVD, 11,021' MD for a Lower Blinebry lateral ("Operation"). The total cost of the Operation is estimated to be \$9,648,000.00 and a detailed description of such cost is set out in the enclosed Authority for Expenditure ("AFE").

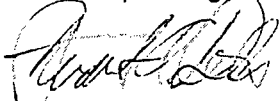
Also enclosed is COG's proposed form of Operating Agreement ("OA"). A completed version of the Exhibit "A" to be incorporated into the OA will follow under separate cover, accompanied by a fully executed set of signature pages.

If you elect to participate in the subject well, please sign and return a copy of the AFE to the below letterhead address.

If you desire to receive well information regarding the subject operations please return a Well Information Requirements list to COG. Technical questions should be directed to Carl Bird at 432-686-3057 and land questions to the undersigned at 432-685-4354.

Yours truly,

COG Operating LLC



Stuart A. Dirks, CPL
Senior Landman

Enclosure (s)

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "13" Federal #2H PROSPECT NAME: Puckett
 Surf. Loc: 105' FSL, 957' FWL, Sec 13, 17S-31E COUNTY & STATE: Eddy Co, NM
 BHL: 330' FNL, 990' FWL, Sec 13, 17S-31E OBJECTIVE: 9900' MD (5500' TVD) Paddock
 WO/Pilot, 160 Acre

INTANGIBLE COSTS		BCP	ACP	TOTAL
Title/Curative/Permit	201	10,000		10,000
Insurance	202	22,000	302	22,000
Damages/Right of Way	203		303	0
Survey/Stake Location	204		304	0
Location/Pits/Road Expense	205	10,000	305	10,000
Drilling / Completion Overhead	206	5,000	306	1,000
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract 12:3 @ \$13000/day	209	156,000	309	39,000
Directional Drilling Services, With RS	210	350,000	310	
Fuel & Power	211	68,000	311	17,000
Water	212	25,000	312	75,000
Bits	213	30,000	313	1,000
Mud & Chemicals	214	15,000	314	
Drill Stem Test	215		315	
Coring & Analysis	216			
Cement Surface	217			
Cement Intermediate	218			
Cement 2nd Intermediate 7"	218		319	
Cement Squeeze & Other (NO Kickoff Plug)	220		320	
Float Equipment & Centralizers	221		321	
Casing Crews & Equipment	222		322	13,000
Fishing Tools & Service	223	100,000	323	
Geologic/Engineering	224	10,000	324	1,000
Contract Labor	225	10,000	325	30,000
Company Supervision	226	2,000	326	2,000
Contract Supervision	227	17,000	327	4,200
Testing Casing/Tubing	228	4,000	328	1,500
Mud Logging Unit	229	12,000	329	
Logging	230		330	
Perforating/Wireline Services	231	15,000	331	12,500
Stimulation/Treating			332	950,000
Completion Unit		12,000	333	45,000
Swabbing Unit			334	
Rentals-Surface	235	15,000	335	45,000
Rentals-Subsurface	236	60,000	336	10,000
Trucking/Forklift/Rig Mobilization	237	40,000	337	20,000
Welding Services	238	3,000	338	1,500
Water Disposal	239		339	25,000
Plug to Abandon	240		340	
Seismic Analysis	241		341	
Closed Loop & Environmental	244	50,000	344	
Miscellaneous	242	5,000	342	1,000
Contingency	243	105,000	343	131,300
TOTAL INTANGIBLES		1,151,000	1,436,000	2,587,000
TANGIBLE COSTS				
Surface Casing	401			1,200
Intermediate Casing	402		503	
Production Casing/Liner 4200' - 4.5"			503	51,000
Tubing			504	
Wellhead Equipment	405		505	
Pumping Unit			506	
Prime Mover			507	
Rods			508	
Pumps			509	
Tanks			510	
Flowlines			511	
Heater Treater/Separator			512	
Electrical System			513	
Packers/Anchors/Hangers	414		514	230,000
Couplings/Fittings/Valves	415	2,000	515	25,000
Gas Compressors/Meters			516	4,000
Dehydrator			517	
Injection Plant/CO2 Equipment			518	
Miscellaneous	419	1,000	519	1,000
Contingency	420	1,000	520	32,000
TOTAL TANGIBLES		4,000	343,000	347,000
TOTAL WELL COSTS		1,155,000	1,779,000	2,934,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:
 _____ % Working Interest

Company:

By:

Printed Name:

Title:

Date:

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**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "13" Federal #2H	PROSPECT NAME: Puckett
Surf. Loc: 105' FSL, 957' FWL, Sec 13, 17S-31E	COUNTY & STATE: Eddy Co, NM
BHL: 330' FNL, 990' FWL, Sec 13, 17S-31E	OBJECTIVE: 10500' MD (6100' TVD) Upper Blinbry
WO/Pilot, 160 Acre	

<u>INTANGIBLE COSTS</u>	<u>BCP</u>	<u>ACP</u>	<u>TOTAL</u>
Title/Curative/Permit	201	10,000	10,000
Insurance	202	22,000	22,000
Damages/Right of Way	203		0
Survey/Stake Location	204		0
Location/Pits/Road Expense	205	10,000	20,000
Drilling / Completion Overhead	206	5,000	6,000
Turnkey Contract	207		0
Footage Contract	208		0
Daywork Contract 12:3 @ \$13000/day	209	156,000	195,000
Directional Drilling Services, With RS	210	350,000	350,000
Fuel & Power	211	68,000	85,000
Water	212	25,000	100,000
Bits	213	30,000	31,000
Mud & Chemicals	214	15,000	15,000
Drill Stem Test	215		0
Coring & Analysis	216		0
Cement Surface	217		0
Cement Intermediate	218		0
Cement 2nd Intermediate 7"	218	319	0
Cement Squeeze & Other (NO Kickoff Plug)	220	320	0
Float Equipment & Centralizers	221		0
Casing Crews & Equipment	222		13,000
Fishing Tools & Service	223	100,000	100,000
Geologic/Engineering	224	10,000	11,000
Contract Labor	225	10,000	40,000
Company Supervision	226	2,000	4,000
Contract Supervision	227	17,000	21,200
Testing Casing/Tubing	228	4,000	5,500
Mud Logging Unit	229	12,000	12,000
Logging	230		0
Perforating/Wireline Services	231	15,000	27,500
Stimulation/Treating			950,000
Completion Unit		12,000	57,000
Swabbing Unit			0
Rentals-Surface	235	15,000	60,000
Rentals-Subsurface	236	60,000	70,000
Trucking/Forklift/Rig Mobilization	237	40,000	60,000
Welding Services	238	3,000	4,500
Water Disposal	239		25,000
Plug to Abandon	240		0
Seismic Analysis	241		0
Closed Loop & Environmental	244	50,000	50,000
Miscellaneous	242	5,000	6,000
Contingency	243	105,000	236,300
TOTAL INTANGIBLES		1,151,000	2,587,000
<u>TANGIBLE COSTS</u>			
Surface Casing	401		1,200
Intermediate Casing	402	503	0
Production Casing/Liner 4200' - 4.5"		503	51,000
Tubing		504	0
Wellhead Equipment	405	505	0
Pumping Unit		506	0
Prime Mover		507	0
Rods		508	0
Pumps		509	0
Tanks		510	0
Flowlines		511	0
Heater Treater/Separator		512	0
Electrical System		513	0
Packers/Anchors/Hangers	414	514	230,000
Couplings/Fittings/Valves	415	2,000	27,000
Gas Compressors/Meters		516	4,000
Dehydrator		517	0
Injection Plant/CO2 Equipment		518	0
Miscellaneous	419	1,000	2,000
Contingency	420	1,000	32,000
TOTAL TANGIBLES		4,000	343,000
TOTAL WELL COSTS		1,155,000	2,934,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:
_____% Working Interest

Company: _____
By: _____

Printed Name: _____
Title: _____
Date: _____

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**COG OPERATING LLC
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DRILLING**

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 WO/Pilot, 160 Acre

INTANGIBLE COSTS		BCP	ACP	TOTAL
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Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217	16,000		16,000
Cement Intermediate	218	16,000		16,000
Cement Production 7"x5.5"	218		319	70,000
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
Float Equipment & Centralizers	221	3,500	321	18,500
Casing Crews & Equipment	222	7,000	322	20,000
Fishing Tools & Service	223		323	0
Geologic/Engineering	224	10,000	324	11,000
Contract Labor	225	10,000	325	40,000
Company Supervision	226	2,000	326	4,000
Contract Supervision	227	28,000	327	32,000
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Logging	230	0	330	5,000
Perforating/Wireline Services	231	3,500	331	128,500
Stimulation/Treating			332	760,000
Completion Unit			333	40,000
Swabbing Unit			334	0
Rentals-Surface	235	20,000	335	120,000
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Welding Services	238	3,000	338	4,500
Water Disposal	239		339	25,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	120,000	344	120,000
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Pumping Unit			506	97,000
Prime Mover			507	0
Rods			508	39,000
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Flowlines			511	15,000
Heater Treater/Separator			512	25,000
Electrical System			513	0
Packers/Anchors/Hangers	414		514	0
Couplings/Fittings/Valves	415	2,000	515	27,000
Gas Compressors/Meters			516	4,000
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	1,000	519	2,000
Contingency	420	11,000	520	66,500
TOTAL TANGIBLES		112,000	602,000	714,000
TOTAL WELL COSTS		1,545,000	2,235,000	3,780,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve:
_____% Working Interest

Company:
By: _____

Printed Name:
Title:
Date: _____

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

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to:

Burnett Oil Company
Burnett Plaza, Unit 9
801 Cherry Street, Suite 1500
Fort Worth, Texas 73102
Puckett 13 Federal #2H

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
X 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

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number
(Transfer from sender's label)

91 7199 9991 7030 4045 3668

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540



550 West Texas Avenue, Suite 100
Midland, Texas 79701

Burnett Oil Company
Burnett Plaza, Unit 9
801 Cherry Street, Suite 1500
Fort Worth, Texas 73102
Puckett 13 Federal #2H

91 7199 9991 7030 4045 3668



August 3, 2011

**U.S. Certified Mail
Return Receipt Requested**

Javalina Partners
616 Texas Street
Fort Worth, TX 76102

RE: **New Well Proposal**
Puckett "13" Federal #2H
SL: 105' FSL & 957' FWL (Unit M) of Section 13, T17S, R31E
BHL: 330' FNL & 990' FWL, (Unit D) of Section 13, T17S, R31E
Eddy County, New Mexico

Dear Sirs:

COG Operating LLC ("COG") proposes to drill the Puckett "13" Federal #2H, as a triple lateral well at the captioned location, or at an approved surface location within said Unit M, to depths of approximately 5,500' TVD, 9,900' MD for a Paddock lateral; 6,100' TVD, 10,500' MD for an Upper Blinebry lateral; and 6,600' TVD, 11,021' MD for a Lower Blinebry lateral ("Operation"). The total cost of the Operation is estimated to be \$9,648,000.00 and a detailed description of such cost is set out in the enclosed Authority for Expenditure ("AFE").

Also enclosed is COG's proposed form of Operating Agreement ("OA"). A completed version of the Exhibit "A" to be incorporated into the OA will follow under separate cover, accompanied by a fully executed set of signature pages.

If you elect to participate in the subject well, please sign and return a copy of the AFE to the below letterhead address.

If you desire to receive well information regarding the subject operations please return a Well Information Requirements list to COG. Technical questions should be directed to Carl Bird at 432-686-3057 and land questions to the undersigned at 432-685-4354.

Yours truly,

COG Operating LLC



Stuart A. Dirks, CPL
Senior Landman

Enclosure (s)

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "13" Federal #2H	PROSPECT NAME: Puckett
Surf. Loc: 105' FSL, 957' FWL, Sec 13, 17S-31E	COUNTY & STATE: Eddy Co, NM
BHL: 330' FNL, 990' FWL, Sec 13, 17S-31E	OBJECTIVE: 9900' MD (5500' TVD) Paddock
WO/Pilot, 160 Acre	

<u>INTANGIBLE COSTS</u>	<u>BCP</u>	<u>ACP</u>	<u>TOTAL</u>
Title/Curative/Permit	201	10,000	10,000
Insurance	202	22,000	22,000
Damages/Right of Way	203		0
Survey/Stake Location	204		0
Location/Pits/Road Expense	205	10,000	10,000
Drilling / Completion Overhead	206	5,000	5,000
Turnkey Contract	207		0
Footage Contract	208		0
Daywork Contract 12:3 @ \$13000/day	209	156,000	156,000
Directional Drilling Services, With RS	210	350,000	350,000
Fuel & Power	211	68,000	68,000
Water	212	25,000	25,000
Bits	213	30,000	30,000
Mud & Chemicals	214	15,000	15,000
Drill Stem Test	215		0
Coring & Analysis	216		0
Cement Surface	217		0
Cement Intermediate	218		0
Cement 2nd Intermediate 7"	218	319	319
Cement Squeeze & Other (NO Kickoff Plug)	220	320	320
Float Equipment & Centralizers	221	321	321
Casing Crews & Equipment	222	322	13,000
Fishing Tools & Service	223	100,000	100,000
Geologic/Engineering	224	10,000	10,000
Contract Labor	225	10,000	30,000
Company Supervision	226	2,000	2,000
Contract Supervision	227	17,000	4,200
Testing Casing/Tubing	228	4,000	1,500
Mud Logging Unit	229	12,000	12,000
Logging	230		0
Perforating/Wireline Services	231	15,000	12,500
Stimulation/Treating			950,000
Completion Unit		12,000	45,000
Swabbing Unit			0
Rentals-Surface	235	15,000	45,000
Rentals-Subsurface	236	60,000	10,000
Trucking/Forklift/Rig Mobilization	237	40,000	20,000
Welding Services	238	3,000	1,500
Water Disposal	239		25,000
Plug to Abandon	240		0
Seismic Analysis	241		0
Closed Loop & Environmental	244	50,000	50,000
Miscellaneous	242	5,000	1,000
Contingency	243	105,000	131,300
TOTAL INTANGIBLES		1,151,000	1,436,000
 TANGIBLE COSTS			
Surface Casing	401		1,200
Intermediate Casing	402	503	0
Production Casing/Liner 4200' - 4.5"		503	51,000
Tubing		504	0
Wellhead Equipment	405	505	0
Pumping Unit		506	0
Prime Mover		507	0
Rods		508	0
Pumps		509	0
Tanks		510	0
Flowlines		511	0
Heater Treater/Separator		512	0
Electrical System		513	0
Packers/Anchors/Hangers	414	514	230,000
Couplings/Fittings/Valves	415	2,000	25,000
Gas Compressors/Meters		516	4,000
Dehydrator		517	0
Injection Plant/CO2 Equipment		518	0
Miscellaneous	419	1,000	1,000
Contingency	420	1,000	32,000
TOTAL TANGIBLES		4,000	343,000
TOTAL WELL COSTS		1,155,000	1,779,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:
_____ % Working Interest

Company:

By:

Printed Name:

Title:

Date:

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

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "13" Federal #2H	PROSPECT NAME: Puckett
Surf. Loc: 105' FSL, 957' FWL, Sec 13, 17S-31E	COUNTY & STATE: Eddy Co, NM
BHL: 330' FNL, 990' FWL, Sec 13, 17S-31E	OBJECTIVE: 10500' MD (6100' TVD) Upper Blinbery
WO/Pilot, 160 Acre	

		<u>BCP</u>		<u>ACP</u>		<u>TOTAL</u>
INTANGIBLE COSTS						
Title/Curative/Permit	201	10,000				10,000
Insurance	202	22,000	302			22,000
Damages/Right of Way	203		303			0
Survey/Stake Location	204		304			0
Location/Pits/Road Expense	205	10,000	305	10,000		20,000
Drilling / Completion Overhead	206	5,000	306	1,000		6,000
Turnkey Contract	207		307			0
Footage Contract	208		308			0
Daywork Contract 12:3 @ \$13000/day	209	156,000	309	39,000		195,000
Directional Drilling Services, With RS	210	350,000	310			350,000
Fuel & Power	211	68,000	311	17,000		85,000
Water	212	25,000	312	75,000		100,000
Bits	213	30,000	313	1,000		31,000
Mud & Chemicals	214	15,000	314			15,000
Drill Stem Test	215		315			0
Coring & Analysis	216					0
Cement Surface	217					0
Cement Intermediate	218					0
Cement 2nd Intermediate 7"	218		319			0
Cement Squeeze & Other (NO Kickoff Plug)	220		320			0
Float Equipment & Centralizers	221		321			0
Casing Crews & Equipment	222		322	13,000		13,000
Fishing Tools & Service	223	100,000	323			100,000
Geologic/Engineering	224	10,000	324	1,000		11,000
Contract Labor	225	10,000	325	30,000		40,000
Company Supervision	226	2,000	326	2,000		4,000
Contract Supervision	227	17,000	327	4,200		21,200
Testing Casing/Tubing	228	4,000	328	1,500		5,500
Mud Logging Unit	229	12,000	329			12,000
Logging	230		330			0
Perforating/Wireline Services	231	15,000	331	12,500		27,500
Stimulation/Treating			332	950,000		950,000
Completion Unit		12,000	333	45,000		57,000
Swabbing Unit			334			0
Rentals-Surface	235	15,000	335	45,000		60,000
Rentals-Subsurface	236	60,000	336	10,000		70,000
Trucking/Forklift/Rig Mobilization	237	40,000	337	20,000		60,000
Welding Services	238	3,000	338	1,500		4,500
Water Disposal	239		339	25,000		25,000
Plug to Abandon	240		340			0
Seismic Analysis	241		341			0
Closed Loop & Environmental	244	50,000	344			50,000
Miscellaneous	242	5,000	342	1,000		6,000
Contingency	243	105,000	343	131,300		236,300
TOTAL INTANGIBLES		1,151,000		1,436,000		2,587,000
TANGIBLE COSTS						
Surface Casing	401					1,200
Intermediate Casing	402		503			0
Production Casing/Liner 4200' - 4.5"			503	51,000		51,000
Tubing			504			0
Wellhead Equipment	405		505			0
Pumping Unit			506			0
Prime Mover			507			0
Rods			508			0
Pumps			509			0
Tanks			510			0
Flowlines			511			0
Heater Treater/Separator			512			0
Electrical System			513			0
Packers/Anchors/Hangers	414		514	230,000		230,000
Couplings/Fittings/Valves	415	2,000	515	25,000		27,000
Gas Compressors/Meters			516	4,000		4,000
Dehydrator			517			0
Injection Plant/CO2 Equipment			518			0
Miscellaneous	419	1,000	519	1,000		2,000
Contingency	420	1,000	520	32,000		33,000
TOTAL TANGIBLES		4,000		343,000		347,000
TOTAL WELL COSTS		1,155,000		1,779,000		2,934,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:
_____ % Working Interest

Company: _____

By: _____

Printed Name: _____

Title: _____

Date: _____

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

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "13" Federal #2H PROSPECT NAME: Puckett
 Surf. Loc: 105' FSL, 957' FWL, Sec 13, 17S-31E COUNTY & STATE: Eddy Co, NM
 BHL: 330' FNL, 990' FWL, Sec 13, 17S-31E OBJECTIVE: 11021' MD (6600' TVD) Lower Blinebry
 WO/Pilot, 160 Acre

		BCP	ACP	TOTAL
INTANGIBLE COSTS				
Title/Curative/Permit	201	10,000		10,000
Insurance	202	22,000	302	22,000
Damages/Right of Way	203	15,000	303	15,000
Survey/Stake Location	204	3,000	304	3,000
Location/Pits/Road Expense	205	40,000	305	105,000
Drilling / Completion Overhead	206	5,000	306	6,000
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract 20:2 @ \$13000/day	209	260,000	309	286,000
Directional Drilling Services, With RS	210	400,000	310	400,000
Fuel & Power	211	112,500	311	123,750
Water	212	30,000	312	105,000
Bits	213	45,000	313	46,000
Mud & Chemicals	214	25,000	314	25,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217	16,000		16,000
Cement Intermediate	218	16,000		16,000
Cement Production 7"x5.5"	218		319	70,000
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
Float Equipment & Centralizers	221	3,500	321	18,500
Casing Crews & Equipment	222	7,000	322	20,000
Fishing Tools & Service	223		323	0
Geologic/Engineering	224	10,000	324	11,000
Contract Labor	225	10,000	325	40,000
Company Supervision	226	2,000	326	4,000
Contract Supervision	227	28,000	327	32,000
Testing Casing/Tubing	228	4,000	328	5,500
Mud Logging Unit	229	16,000	329	16,000
Logging	230	0	330	5,000
Perforating/Wireline Services	231	3,500	331	128,500
Stimulation/Treating			332	760,000
Completion Unit			333	40,000
Swabbing Unit			334	0
Rentals-Surface	235	20,000	335	120,000
Rentals-Subsurface	236	30,000	336	40,000
Trucking/Forklift/Rig Mobilization	237	40,000	337	140,000
Welding Services	238	3,000	338	4,500
Water Disposal	239		339	25,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	120,000	344	120,000
Miscellaneous	242	5,000	342	6,000
Contingency	243	131,500	343	281,250
TOTAL INTANGIBLES		1,433,000		3,066,000
TANGIBLE COSTS				
Surface Casing 550' 13 3/8"	401	20,000		1,200
Intermediate Casing 1850' 9 5/8"	402	48,000	503	48,000
Production Casing/Liner 6900' - 7", 4200' - 5.5"			503	260,000
Tubing 6200' 2 7/8"			504	38,000
Wellhead Equipment	405	30,000	505	48,000
Pumping Unit			506	97,000
Prime Mover			507	0
Rods			508	39,000
Pumps			509	4,500
Tanks			510	20,000
Flowlines			511	15,000
Heater Treater/Separator			512	25,000
Electrical System			513	0
Packers/Anchors/Hangers	414		514	0
Couplings/Fittings/Valves	415	2,000	515	27,000
Gas Compressors/Meters			516	4,000
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	1,000	519	2,000
Contingency	420	11,000	520	66,500
TOTAL TANGIBLES		112,000		714,000
TOTAL WELL COSTS		1,545,000		2,235,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve:
_____% Working Interest

Company:

By:

Printed Name:

Title:

Date:

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

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Javalina Partners
 616 Texas Street
 Fort Worth, TX 73102
 Puckett 13 Fed #2H

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee
 X

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

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

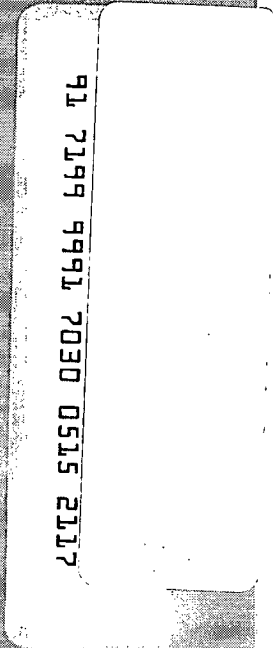
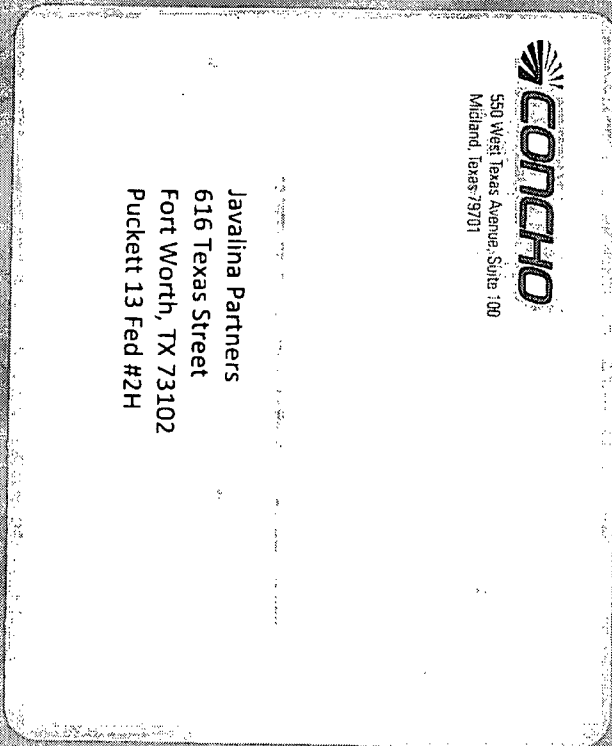
4. Restricted Delivery? (Extra Fee) Yes

2 91 7199 9991 7030 0515 2117

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540





August 3, 2011

**U.S. Certified Mail
Return Receipt Requested**

Zorro Partners, Ltd.
616 Texas Street
Fort Worth, TX 76102

RE: **New Well Proposal**
Puckett "13" Federal #2H
SL: 105' FSL & 957' FWL (Unit M) of Section 13, T17S, R31E
BHL: 330' FNL & 990' FWL, (Unit D) of Section 13, T17S, R31E
Eddy County, New Mexico

Dear Sirs:

COG Operating LLC ("COG") proposes to drill the Puckett "13" Federal #2H, as a triple lateral well at the captioned location, or at an approved surface location within said Unit M, to depths of approximately 5,500' TVD, 9,900' MD for a Paddock lateral; 6,100' TVD, 10,500' MD for an Upper Blinebry lateral; and 6,600' TVD, 11,021' MD for a Lower Blinebry lateral ("Operation"). The total cost of the Operation is estimated to be \$9,648,000.00 and a detailed description of such cost is set out in the enclosed Authority for Expenditure ("AFE").

Also enclosed is COG's proposed form of Operating Agreement ("OA"). A completed version of the Exhibit "A" to be incorporated into the OA will follow under separate cover, accompanied by a fully executed set of signature pages.

If you elect to participate in the subject well, please sign and return a copy of the AFE to the below letterhead address.

If you desire to receive well information regarding the subject operations please return a Well Information Requirements list to COG. Technical questions should be directed to Carl Bird at 432-686-3057 and land questions to the undersigned at 432-685-4354.

Yours truly,

COG Operating LLC

Stuart A. Dirks, CPL
Senior Landman

Enclosure (s)

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "13" Federal #2H	PROSPECT NAME: Puckett
Surf. Loc: 105' FSL, 957' FWL, Sec 13, 17S-31E	COUNTY & STATE: Eddy Co, NM
BHL: 330' FNL, 990' FWL, Sec 13, 17S-31E	OBJECTIVE: 9900' MD (5500' TVD) Paddock
WO/Pilot, 160 Acre	

INTANGIBLE COSTS	BCP	ACP	TOTAL
Title/Curative/Permit	201 10,000		10,000
Insurance	202 22,000	302	22,000
Damages/Right of Way	203	303	0
Survey/Stake Location	204	304	0
Location/Pits/Road Expense	205 10,000	305 10,000	20,000
Drilling / Completion Overhead	206 5,000	306 1,000	6,000
Turnkey Contract	207	307	0
Footage Contract	208	308	0
Daywork Contract 12:3 @ \$13000/day	209 156,000	309 39,000	195,000
Directional Drilling Services, With RS	210 350,000	310	350,000
Fuel & Power	211 68,000	311 17,000	85,000
Water	212 25,000	312 75,000	100,000
Bits	213 30,000	313 1,000	31,000
Mud & Chemicals	214 15,000	314	15,000
Drill Stem Test	215	315	0
Coring & Analysis	216		0
Cement Surface	217		0
Cement Intermediate	218		0
Cement 2nd Intermediate 7"	218	319	0
Cement Squeeze & Other (NO Kickoff Plug)	220	320	0
Float Equipment & Centralizers	221	321	0
Casing Crews & Equipment	222	322 13,000	13,000
Fishing Tools & Service	223 100,000	323	100,000
Geologic/Engineering	224 10,000	324 1,000	11,000
Contract Labor	225 10,000	325 30,000	40,000
Company Supervision	226 2,000	326 2,000	4,000
Contract Supervision	227 17,000	327 4,200	21,200
Testing Casing/Tubing	228 4,000	328 1,500	5,500
Mud Logging Unit	229 12,000	329	12,000
Logging	230	330	0
Perforating/Wireline Services	231 15,000	331 12,500	27,500
Stimulation/Treating		332 950,000	950,000
Completion Unit	12,000	333 45,000	57,000
Swabbing Unit		334	0
Rentals-Surface	235 15,000	335 45,000	60,000
Rentals-Subsurface	236 60,000	336 10,000	70,000
Trucking/Forklift/Rig Mobilization	237 40,000	337 20,000	60,000
Welding Services	238 3,000	338 1,500	4,500
Water Disposal	239	339 25,000	25,000
Plug to Abandon	240	340	0
Seismic Analysis	241	341	0
Closed Loop & Environmental	244 50,000	344	50,000
Miscellaneous	242 5,000	342 1,000	6,000
Contingency	243 105,000	343 131,300	236,300
TOTAL INTANGIBLES	1,151,000	1,436,000	2,587,000
TANGIBLE COSTS			
Surface Casing	401		1,200
Intermediate Casing	402	503	0
Production Casing/Liner 4200' - 4.5"		503 51,000	51,000
Tubing		504	0
Wellhead Equipment	405	505	0
Pumping Unit		506	0
Prime Mover		507	0
Rods		508	0
Pumps		509	0
Tanks		510	0
Flowlines		511	0
Heater Treater/Separator		512	0
Electrical System		513	0
Packers/Anchors/Hangers	414	514 230,000	230,000
Couplings/Fittings/Valves	415 2,000	515 25,000	27,000
Gas Compressors/Meters		516 4,000	4,000
Dehydrator		517	0
Injection Plant/CO2 Equipment		518	0
Miscellaneous	419 1,000	519 1,000	2,000
Contingency	420 1,000	520 32,000	33,000
TOTAL TANGIBLES		343,000	347,000
TOTAL WELL COSTS		1,779,000	2,934,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:
_____% Working Interest

Company:
By: _____

Printed Name:
Title: _____
Date: _____

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

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "13" Federal #2H	PROSPECT NAME: Puckett
Surf. Loc: 105' FSL, 957' FWL, Sec 13, 17S-31E	COUNTY & STATE: Eddy Co, NM
BHL: 330' FNL, 990' FWL, Sec 13, 17S-31E	OBJECTIVE: 10500' MD (6100' TVD) Upper Blinetry
WO/Pilot, 160 Acre	

INTANGIBLE COSTS	BCP	ACP	TOTAL
Title/Curative/Permit	201 10,000		10,000
Insurance	202 22,000	302	22,000
Damages/Right of Way	203	303	0
Survey/Stake Location	204	304	0
Location/Pits/Road Expense	205 10,000	305 10,000	20,000
Drilling / Completion Overhead	206 5,000	306 1,000	6,000
Turnkey Contract	207	307	0
Footage Contract	208	308	0
Daywork Contract 12:3 @ \$13000/day	209 156,000	309 39,000	195,000
Directional Drilling Services, With RS	210 350,000	310	350,000
Fuel & Power	211 68,000	311 17,000	85,000
Water	212 25,000	312 75,000	100,000
Bits	213 30,000	313 1,000	31,000
Mud & Chemicals	214 15,000	314	15,000
Drill Stem Test	215	315	0
Coring & Analysis	216		0
Cement Surface	217		0
Cement Intermediate	218		0
Cement 2nd Intermediate 7"	218	319	0
Cement Squeeze & Other (NO Kickoff Plug)	220	320	0
Float Equipment & Centralizers	221	321	0
Casing Crews & Equipment	222	322 13,000	13,000
Fishing Tools & Service	223 100,000	323	100,000
Geologic/Engineering	224 10,000	324 1,000	11,000
Contract Labor	225 10,000	325 30,000	40,000
Company Supervision	226 2,000	326 2,000	4,000
Contract Supervision	227 17,000	327 4,200	21,200
Testing Casing/Tubing	228 4,000	328 1,500	5,500
Mud Logging Unit	229 12,000	329	12,000
Logging	230	330	0
Perforating/Wireline Services	231 15,000	331 12,500	27,500
Stimulation/Treating		332 950,000	950,000
Completion Unit	12,000	333 45,000	57,000
Swabbing Unit		334	0
Rentals-Surface	235 15,000	335 45,000	60,000
Rentals-Subsurface	236 60,000	336 10,000	70,000
Trucking/Forklift/Rig Mobilization	237 40,000	337 20,000	60,000
Welding Services	238 3,000	338 1,500	4,500
Water Disposal	239	339 25,000	25,000
Plug to Abandon	240	340	0
Seismic Analysis	241	341	0
Closed Loop & Environmental	244 50,000	344	50,000
Miscellaneous	242 5,000	342 1,000	6,000
Contingency	243 105,000	343 131,300	236,300
TOTAL INTANGIBLES	1,151,000	1,436,000	2,587,000
TANGIBLE COSTS			
Surface Casing	401		1,200
Intermediate Casing	402	503	0
Production Casing/Liner 4200' - 4.5"		503 51,000	51,000
Tubing		504	0
Wellhead Equipment	405	505	0
Pumping Unit		506	0
Prime Mover		507	0
Rods		508	0
Pumps		509	0
Tanks		510	0
Flowlines		511	0
Heater Treater/Separator		512	0
Electrical System		513	0
Packers/Anchors/Hangers	414	514 230,000	230,000
Couplings/Fittings/Valves	415 2,000	515 25,000	27,000
Gas Compressors/Meters		516 4,000	4,000
Dehydrator		517	0
Injection Plan/CO2 Equipment		518	0
Miscellaneous	419 1,000	519 1,000	2,000
Contingency	420 1,000	520 32,000	33,000
TOTAL TANGIBLES	4,000	343,000	347,000
TOTAL WELL COSTS	1,155,000	1,779,000	2,934,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:
_____ % Working Interest

Company:
By: _____

Printed Name:
Title:
Date: _____

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

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "13" Federal #2H PROSPECT NAME: Puckett
 Surf. Loc: 105' FSL, 957' FWL, Sec 13, 17S-31E COUNTY & STATE: Eddy Co, NM
 BHL: 330' FNL, 990' FWL, Sec 13, 17S-31E OBJECTIVE: 11021' MD (6600' TVD) Lower Blinetry
 WO/Pilot, 160 Acre

INTANGIBLE COSTS	BCP	ACP	TOTAL
Title/Curative/Permit	201 10,000		10,000
Insurance	202 22,000	302	22,000
Damages/Right of Way	203 15,000	303	15,000
Survey/Stake Location	204 3,000	304	3,000
Location/Pits/Road Expense	205 40,000	305 65,000	105,000
Drilling / Completion Overhead	206 5,000	306 1,000	6,000
Turnkey Contract	207	307	0
Footage Contract	208	308	0
Daywork Contract 20:2 @ \$13000/day	209 260,000	309 26,000	286,000
Directional Drilling Services, With RS	210 400,000	310	400,000
Fuel & Power	211 112,500	311 11,250	123,750
Water	212 30,000	312 75,000	105,000
Bits	213 45,000	313 1,000	46,000
Mud & Chemicals	214 25,000	314	25,000
Drill Stem Test	215	315	0
Coring & Analysis	216		0
Cement Surface	217 16,000		16,000
Cement Intermediate	218 16,000		16,000
Cement Production 7"x5.5"	218	319 70,000	70,000
Cement Squeeze & Other (NO Kickoff Plug)	220	320	0
Float Equipment & Centralizers	221 3,500	321 15,000	18,500
Casing Crews & Equipment	222 7,000	322 13,000	20,000
Fishing Tools & Service	223	323	0
Geologic/Engineering	224 10,000	324 1,000	11,000
Contract Labor	225 10,000	325 30,000	40,000
Company Supervision	226 2,000	326 2,000	4,000
Contract Supervision	227 28,000	327 4,000	32,000
Testing Casing/Tubing	228 4,000	328 1,500	5,500
Mud Logging Unit	229 16,000	329	16,000
Logging	230 0	330 5,000	5,000
Perforating/Wireline Services	231 3,500	331 125,000	128,500
Stimulation/Treating		332 760,000	760,000
Completion Unit		333 40,000	40,000
Swabbing Unit		334	0
Rentals-Surface	235 20,000	335 100,000	120,000
Rentals-Subsurface	236 30,000	336 10,000	40,000
Trucking/Forklift/Rig Mobilization	237 40,000	337 100,000	140,000
Welding Services	238 3,000	338 1,500	4,500
Water Disposal	239	339 25,000	25,000
Plug to Abandon	240	340	0
Seismic Analysis	241	341	0
Closed Loop & Environmental	244 120,000	344	120,000
Miscellaneous	242 5,000	342 1,000	6,000
Contingency	243 131,500	343 149,750	281,250
TOTAL INTANGIBLES	1,433,000	1,633,000	3,066,000

TANGIBLE COSTS	BCP	ACP	TOTAL
Surface Casing 550' 13 3/8"	401 20,000		1,200
Intermediate Casing 1850' 9 5/8"	402 48,000	503	48,000
Production Casing/Liner 6900' - 7", 4200' - 5.5"		503 260,000	260,000
Tubing 6200' 2 7/8"		504 38,000	38,000
Wellhead Equipment	405 30,000	505 18,000	48,000
Pumping Unit		506 97,000	97,000
Prime Mover		507	0
Rods		508 39,000	39,000
Pumps		509 4,500	4,500
Tanks		510 20,000	20,000
Flowlines		511 15,000	15,000
Heater Treater/Separator		512 25,000	25,000
Electrical System		513	0
Packers/Anchors/Hangers	414	514	0
Couplings/Fittings/Valves	415 2,000	515 25,000	27,000
Gas Compressors/Meters		516 4,000	4,000
Dehydrator		517	0
Injection Plant/CO2 Equipment		518	0
Miscellaneous	419 1,000	519 1,000	2,000
Contingency	420 112,000	520 55,500	66,500
TOTAL TANGIBLES	112,000	602,000	714,000
TOTAL WELL COSTS	1,545,000	2,235,000	3,780,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve:
_____% Working Interest

Company:

By:

Printed Name:

Title:

Date:

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

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Zorro Partners
616 Texas Street
Fort Worth, TX 76102
Puckett 24 Federal #7H

2. Article Number: **91 7199 9991 7030 4045 3514**
(Transfer from)

COMPLETE THIS SECTION ON DELIVERY


A. Signature
X 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

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes


550 West Texas Avenue, Suite 100
Midland, Texas 79701

Zorro Partners
616 Texas Street
Fort Worth, TX 76102
Puckett 24 Federal #7H

91 7199 9991 7030 4045 3514

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> ■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input checked="" type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <input checked="" type="checkbox"/> Date of Delivery</p> <p>C. <i>M. Berger</i> <i>8/10/11</i></p>
<p>1. Article Addressed to:</p> <p>Burnett Oil Company Burnett Plaza, Unit 9 801 Cherry Street, Suite 1500 Fort Worth, Texas 73102 Puckett 13 Federal #2H</p>	<p>D. Is delivery address different from item 1? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below:</p> <p>3. Service Type <input type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>
<p>2. Article Number (Transfer from s) 91 7199 9991 7030 4045 3668</p>	<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Burnett Oil Company
Burnett Plaza, Unit 9
801 Cherry Plaza, Unit 9
Fort Worth, Texas 76102
Puckett 13 Fed #2H

COMPLETE THIS SECTION ON DELIVERY

A. Signature
x *W. Berger* Agent
 Addressee

B. Received by (Printed Name) *W. Berger* C. Date of Delivery *1/18/11*

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

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number
(Trans) 91 7199 9991 7030 0515 2094

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Javalina Partners
616 Texas Street
Fort Worth, TX 73102
Puckett 13 Fed #2H

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee

[Handwritten Signature]

B. Received by (Printed Name) C. Date of Delivery

[Handwritten Name] *[Handwritten Date]*

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

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2 95 7199 9991 7030 0515 2117

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Zorro Partners
616 Texas Street
Fort Worth, TX 73102
Puckett 13 Fed #2H

COMPLETE THIS SECTION ON DELIVERY

- A. Signature Agent Addressee
[Handwritten Signature]
- B. Filled by (Printed Name) *[Handwritten Name]* C. Date of Delivery *[Handwritten Date]*
- D. Is delivery address different from item 1? Yes No
If YES, enter delivery address below:

3. Service Type
- | | |
|--|--|
| <input checked="" type="checkbox"/> Certified Mail | <input type="checkbox"/> Express Mail |
| <input type="checkbox"/> Registered | <input checked="" type="checkbox"/> Return Receipt for Merchandise |
| <input type="checkbox"/> Insured Mail | <input type="checkbox"/> C.O.D. |

4. Restricted Delivery? (Extra Fee) Yes

2. Article No. (Transfer) *91 7199 9991 7030 0515 2100*

June 20, 2011

U.S. Certified Mail
Return Receipt Requested

Burnett Oil Company
Burnett Plaza, Unit 9
801 Cherry Street, Suite 1500
Fort Worth, Texas 76102

COPY

RE: New Well Proposal
Puckett "13" Federal #3H
SHL: 75' FSL & 1480' FWL (Unit N) of Section 13, T17S, R31E
BHL: 330' FNL & 1650' FWL, (Unit C) of Section 13, T17S, R31E
Eddy County, New Mexico

Dear Sirs:

COG Operating LLC ("COG") proposes to drill the Puckett "13" Federal #3H, as a triple lateral well at the captioned location, or a legal location within said Unit N, to depths of approximately 5,500' TVD, 9,900' MD for a Paddock lateral; 6,100' TVD, 10,500' MD for an Upper Blinebry lateral; and 6,600' TVD, 11,021' MD for a Lower Blinebry lateral ("Operation"). The total cost of the Operation is estimated to be \$9,648,000.00 and a detailed description of such cost is set out in the enclosed Authority for Expenditure ("AFE").

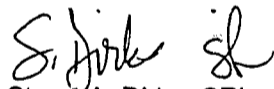
Also enclosed is COG's proposed form of Operating Agreement ("OA"). A completed version of the Exhibit "A" to be incorporated into the OA will follow under separate cover, accompanied by a fully executed set of signature pages.

If you elect to participate in the subject well, please sign and return a copy of the AFE to the below letterhead address.

If you desire to receive well information regarding the subject operations please return a Well Information Requirements list to COG. Technical questions should be directed to Carl Bird at 432-686-3057 and land questions to the undersigned at 432-685-4354.

Yours truly,

COG Operating LLC


Stuart A. Dirks, CPL
Senior Landman

Enclosure (s)
DRE/rc

Confirmation Services	Package ID: 9171999991703040428475	Electronic Certified
	Destination ZIP Code: 76102	First Class Large Envelope
	Customer Reference:	PBP Account #: 41592288
	Recipient: <u>Burnett</u>	Serial #: 1364097
	Address: <u>13 #3H</u>	JUN 20 2011 4:00 PM

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, on the front if space permits.

Title Addressed to:

Furnett Oil Company
Furnett Plaza, Unit 9
101 Cherry Street, Suite 1500
Fort Worth, Texas 76102
Puckett 13 Federal #3H

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
M. Berger Addressee
B. Received by (Print Name) C. Date of Delivery
M. Berger *10/22/11*
D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

Title Number (transfer from service label) 91 7199 9991 7030 4042 8475

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "13" Federal #3H PROSPECT NAME: Puckett
 Surf. Loc: 75' FSL, 1480' FWL, Sec 13, 17S-31E COUNTY & STATE: Eddy Co, NM
 BHL: 330' FNL, 1650' FWL, Sec 13, 17S-31E OBJECTIVE: 10500' MD (6100' TVD) Upper Blinebry
 WO/Pilot, 160 Acre

		<u>BCP</u>	<u>ACP</u>	<u>TOTAL</u>
INTANGIBLE COSTS				
Title/Curative/Permit	201	10,000		10,000
Insurance	202	22,000	302	22,000
Damages/Right of Way	203		303	0
Survey/Stake Location	204		304	0
Location/Pits/Road Expense	205	10,000	305	10,000
Drilling / Completion Overhead	206	5,000	306	1,000
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract 12:3 @ \$13000/day	209	156,000	309	39,000
Directional Drilling Services, With RS	210	350,000	310	350,000
Fuel & Power	211	68,000	311	17,000
Water	212	25,000	312	75,000
Bits	213	30,000	313	1,000
Mud & Chemicals	214	15,000	314	15,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217			0
Cement Intermediate	218			0
Cement 2nd Intermediate 7"	218		319	0
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
Float Equipment & Centralizers	221		321	0
Casing Crews & Equipment	222		322	13,000
Fishing Tools & Service	223	100,000	323	100,000
Geologic/Engineering	224	10,000	324	1,000
Contract Labor	225	10,000	325	30,000
Company Supervision	226	2,000	326	2,000
Contract Supervision	227	17,000	327	4,200
Testing Casing/Tubing	228	4,000	328	1,500
Mud Logging Unit	229	12,000	329	12,000
Logging	230		330	0
Perforating/Wireline Services	231	15,000	331	12,500
Stimulation/Treating			332	950,000
Completion Unit		12,000	333	45,000
Swabbing Unit			334	0
Rentals-Surface	235	15,000	335	45,000
Rentals-Subsurface	236	60,000	336	10,000
Trucking/Forklift/Rig Mobilization	237	40,000	337	20,000
Welding Services	238	3,000	338	1,500
Water Disposal	239		339	25,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	50,000	344	50,000
Miscellaneous	242	5,000	342	1,000
Contingency	243	105,000	343	131,300
TOTAL INTANGIBLES		1,151,000		1,436,000
TANGIBLE COSTS				
Surface Casing	401			1,200
Intermediate Casing	402		503	0
Production Casing/Liner 4200' - 4.5"			503	51,000
Tubing			504	0
Wellhead Equipment	405		505	0
Pumping Unit			506	0
Prime Mover			507	0
Rods			508	0
Pumps			509	0
Tanks			510	0
Flowlines			511	0
Heater Treater/Separator			512	0
Electrical System			513	0
Packers/Anchors/Hangers	414		514	230,000
Couplings/Fittings/Valves	415	2,000	515	25,000
Gas Compressors/Meters			516	4,000
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	1,000	519	1,000
Contingency	420	1,000	520	32,000
TOTAL TANGIBLES		4,000		343,000
TOTAL WELL COSTS		1,155,000		1,779,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:
 _____ % Working Interest

Company:

By:

Printed Name:

Title:

Date:

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**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "13" Federal #3H	PROSPECT NAME: Puckett
Surf. Loc: 75' FSL, 1480' FWL, Sec 13, 17S-31E	COUNTY & STATE: Eddy Co, NM
BHL: 330' FNL, 1650' FWL, Sec 13, 17S-31E	OBJECTIVE: 9900' MD (5500' TVD) Paddock
WO/Pilot, 160 Acre	

<u>INTANGIBLE COSTS</u>		<u>BCP</u>	<u>ACP</u>	<u>TOTAL</u>
Title/Curative/Permit	201	10,000		10,000
Insurance	202	22,000	302	22,000
Damages/Right of Way	203		303	0
Survey/Stake Location	204		304	0
Location/Pits/Road Expense	205	10,000	305	10,000
Drilling / Completion Overhead	206	5,000	306	1,000
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Footage Contract	208		308	0
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Water	212	25,000	312	75,000
Bits	213	30,000	313	1,000
Mud & Chemicals	214	15,000	314	15,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217			0
Cement Intermediate	218			0
Cement 2nd Intermediate 7"	218		319	0
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
Float Equipment & Centralizers	221		321	0
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Fishing Tools & Service	223	100,000	323	100,000
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TOTAL WELL COSTS		1,155,000	1,779,000	2,934,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:
_____% Working Interest

Company:

By:

Printed Name:

Title:

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**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

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 WO/Pilot, 160 Acre

<u>INTANGIBLE COSTS</u>		<u>BCP</u>	<u>ACP</u>	<u>TOTAL</u>
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Turnkey Contract	207		307	0
Footage Contract	208		308	0
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Water	212	30,000	312	105,000
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Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217	16,000		16,000
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Mud Logging Unit	229	16,000	329	16,000
Logging	230	0	330	5,000
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Completion Unit			333	40,000
Swabbing Unit			334	0
Rentals-Surface	235	20,000	335	120,000
Rentals-Subsurface	236	30,000	336	40,000
Trucking/Forklift/Rig Mobilization	237	40,000	337	140,000
Welding Services	238	3,000	338	4,500
Water Disposal	239		339	25,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	120,000	344	120,000
Miscellaneous	242	5,000	342	6,000
Contingency	243	131,500	343	281,250
TOTAL INTANGIBLES		1,433,000	1,633,000	3,066,000
TANGIBLE COSTS				
Surface Casing 550' 13 3/8"	401	20,000		1,200
Intermediate Casing 1850' 9 5/8"	402	48,000	503	48,000
Production Casing/Liner 6900' - 7", 4200' - 5.5"			503	260,000
Tubing 6200' 2 7/8"			504	38,000
Wellhead Equipment	405	30,000	505	48,000
Pumping Unit			506	97,000
Prime Mover			507	0
Rods			508	39,000
Pumps			509	4,500
Tanks			510	20,000
Flowlines			511	15,000
Heater Treater/Separator			512	25,000
Electrical System			513	0
Packers/Anchors/Hangers	414		514	0
Couplings/Fittings/Valves	415	2,000	515	27,000
Gas Compressors/Meters			516	4,000
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	1,000	519	2,000
Contingency	420	11,000	520	66,500
TOTAL TANGIBLES		112,000	602,000	714,000
TOTAL WELL COSTS		1,545,000	2,235,000	3,780,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve:
 _____ % Working Interest

Company: _____

By: _____

Printed Name: _____

Title: _____

This AFE is only an estimate. By signing you agree to pay your share

June 20, 2011

U.S. Certified Mail
Return Receipt Requested

Javalina Partners
616 Texas Street
Fort Worth, TX 76102

RE: **New Well Proposal**
Puckett "13" Federal #3H
SHL: 75' FSL & 1480' FWL (Unit N) of Section 13, T17S, R31E
BHL: 330' FNL & 1650' FWL, (Unit C) of Section 13, T17S, R31E
Eddy County, New Mexico

Dear Sirs:

COG Operating LLC ("COG") proposes to drill the Puckett "13" Federal #3H, as a triple lateral well at the captioned location, or a legal location within said Unit N, to depths of approximately 5,500' TVD, 9,900' MD for a Paddock lateral; 6,100' TVD, 10,500' MD for an Upper Blinebry lateral; and 6,600' TVD, 11,021' MD for a Lower Blinebry lateral ("Operation"). The total cost of the Operation is estimated to be \$9,648,000.00 and a detailed description of such cost is set out in the enclosed Authority for Expenditure ("AFE").

Also enclosed is COG's proposed form of Operating Agreement ("OA"). A completed version of the Exhibit "A" to be incorporated into the OA will follow under separate cover, accompanied by a fully executed set of signature pages.

If you elect to participate in the subject well, please sign and return a copy of the AFE to the below letterhead address.

If you desire to receive well information regarding the subject operations please return a Well Information Requirements list to COG. Technical questions should be directed to Carl Bird at 432-686-3057 and land questions to the undersigned at 432-685-4354.

Yours truly,

COG Operating LLC



Stuart A. Dirks, CPL
Senior Landman

Enclosure (s)
DRE/rc

Confirmation Services	Package ID: 9171999991703040428451	Electronic Certified
	Destination ZIP Code: 76102	First Class Large Envelope
	Customer Reference:	PBP Account #: 41592288
	Recipient: <i>Javalina</i>	Serial #: 1364097
	Address: <i>13 # 3 H</i>	JUN 20 2011 4:03 PM

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, front on the front if space permits.

Article Addressed to:

Galina Partners
115 Texas Street
Worth, TX 76102
Box 13 Federal #3H

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
[Handwritten Signature]

B. Received by (Printed Name) *Olivia* C. Date of Delivery *12-22*

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

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

Article Number
(Transfer from service label) 91 7199 9991 7030 4042 8451

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "13" Federal #3H	PROSPECT NAME: Puckett
Surf. Loc: 75' FSL, 1480' FWL, Sec 13, 17S-31E	COUNTY & STATE: Eddy Co, NM
BHL: 330' FNL, 1650' FWL, Sec 13, 17S-31E	OBJECTIVE: 10500' MD (6100' TVD) Upper Blinebry
WO/Pilot, 160 Acre	

INTANGIBLE COSTS	BCP	ACP	TOTAL
Title/Curative/Permit	201 10,000		10,000
Insurance	202 22,000	302	22,000
Damages/Right of Way	203	303	0
Survey/Stake Location	204	304	0
Location/Pits/Road Expense	205 10,000	305 10,000	20,000
Drilling / Completion Overhead	206 5,000	306 1,000	6,000
Turnkey Contract	207	307	0
Footage Contract	208	308	0
Daywork Contract 12:3 @ \$13000/day	209 156,000	309 39,000	195,000
Directional Drilling Services, With RS	210 350,000	310	350,000
Fuel & Power	211 68,000	311 17,000	85,000
Water	212 25,000	312 75,000	100,000
Bits	213 30,000	313 1,000	31,000
Mud & Chemicals	214 15,000	314	15,000
Drill Stem Test	215	315	0
Coring & Analysis	216		0
Cement Surface	217		0
Cement Intermediate	218		0
Cement 2nd Intermediate 7"	218	319	0
Cement Squeeze & Other (NO Kickoff Plug)	220	320	0
Float Equipment & Centralizers	221	321	0
Casing Crews & Equipment	222	322 13,000	13,000
Fishing Tools & Service	223 100,000	323	100,000
Geologic/Engineering	224 10,000	324 1,000	11,000
Contract Labor	225 10,000	325 30,000	40,000
Company Supervision	226 2,000	326 2,000	4,000
Contract Supervision	227 17,000	327 4,200	21,200
Testing Casing/Tubing	228 4,000	328 1,500	5,500
Mud Logging Unit	229 12,000	329	12,000
Logging	230	330	0
Perforating/Wireline Services	231 15,000	331 12,500	27,500
Stimulation/Treating	332	950,000	950,000
Completion Unit	333 12,000	45,000	57,000
Swabbing Unit	334		0
Rentals-Surface	235 15,000	335 45,000	60,000
Rentals-Subsurface	236 60,000	336 10,000	70,000
Trucking/Forklift/Rig Mobilization	237 40,000	337 20,000	60,000
Welding Services	238 3,000	338 1,500	4,500
Water Disposal	239	339 25,000	25,000
Plug to Abandon	240	340	0
Seismic Analysis	241	341	0
Closed Loop & Environmental	244 50,000	344	50,000
Miscellaneous	242 5,000	342 1,000	6,000
Contingency	243 105,000	343 131,300	236,300
TOTAL INTANGIBLES	1,151,000	1,436,000	2,587,000
TANGIBLE COSTS			
Surface Casing	401		1,200
Intermediate Casing	402	503	0
Production Casing/Liner 4200' - 4.5"	503	51,000	51,000
Tubing	504		0
Wellhead Equipment	405	505	0
Pumping Unit	506		0
Prime Mover	507		0
Rods	508		0
Pumps	509		0
Tanks	510		0
Flowlines	511		0
Heater Treater/Separator	512		0
Electrical System	513		0
Packers/Anchors/Hangers	414	514 230,000	230,000
Couplings/Fittings/Valves	415 2,000	515 25,000	27,000
Gas Compressors/Meters	516	4,000	4,000
Dehydrator	517		0
Injection Plant/CO2 Equipment	518		0
Miscellaneous	419 1,000	519 1,000	2,000
Contingency	420 1,000	520 32,000	33,000
TOTAL TANGIBLES	4,000	343,000	347,000
TOTAL WELL COSTS	1,155,000	1,779,000	2,934,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:
_____% Working Interest

Company:

By:

Printed Name:

Title:

Date:

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

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "13" Federal #3H PROSPECT NAME: Puckett
 Surf. Loc: 75' FSL, 1480' FWL, Sec 13, 17S-31E COUNTY & STATE: Eddy Co, NM
 BHL: 330' FNL, 1650' FWL, Sec 13, 17S-31E OBJECTIVE: 9900' MD (5500' TVD) Paddock
 WO/Pilot, 160 Acre

		<u>BCP</u>	<u>ACP</u>	<u>TOTAL</u>
INTANGIBLE COSTS				
Title/Curative/Permit	201	10,000		10,000
Insurance	202	22,000	302	22,000
Damages/Right of Way	203		303	0
Survey/Stake Location	204		304	0
Location/Pits/Road Expense	205	10,000	305 10,000	20,000
Drilling / Completion Overhead	206	5,000	306 1,000	6,000
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract 12:3 @ \$13000/day	209	156,000	309 39,000	195,000
Directional Drilling Services, With RS	210	350,000	310	350,000
Fuel & Power	211	68,000	311 17,000	85,000
Water	212	25,000	312 75,000	100,000
Bits	213	30,000	313 1,000	31,000
Mud & Chemicals	214	15,000	314	15,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217			0
Cement Intermediate	218			0
Cement 2nd Intermediate 7"	218		319	0
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
Float Equipment & Centralizers	221		321	0
Casing Crews & Equipment	222		322 13,000	13,000
Fishing Tools & Service	223	100,000	323	100,000
Geologic/Engineering	224	10,000	324 1,000	11,000
Contract Labor	225	10,000	325 30,000	40,000
Company Supervision	226	2,000	326 2,000	4,000
Contract Supervision	227	17,000	327 4,200	21,200
Testing Casing/Tubing	228	4,000	328 1,500	5,500
Mud Logging Unit	229	12,000	329	12,000
Logging	230		330	0
Perforating/Wireline Services	231	15,000	331 12,500	27,500
Stimulation/Treating			332 950,000	950,000
Completion Unit		12,000	333 45,000	57,000
Swabbing Unit			334	0
Rentals-Surface	235	15,000	335 45,000	60,000
Rentals-Subsurface	236	60,000	336 10,000	70,000
Trucking/Forklift/Rig Mobilization	237	40,000	337 20,000	60,000
Welding Services	238	3,000	338 1,500	4,500
Water Disposal	239		339 25,000	25,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	50,000	344	50,000
Miscellaneous	242	5,000	342 1,000	6,000
Contingency	243	105,000	343 131,300	236,300
TOTAL INTANGIBLES		1,151,000	1,436,000	2,587,000
TANGIBLE COSTS				
Surface Casing	401			1,200
Intermediate Casing	402		503	0
Production Casing/Liner 4200' - 4.5"			503 51,000	51,000
Tubing			504	0
Wellhead Equipment	405		505	0
Pumping Unit			506	0
Prime Mover			507	0
Rods			508	0
Pumps			509	0
Tanks			510	0
Flowlines			511	0
Heater Treater/Separator			512	0
Electrical System			513	0
Packers/Anchors/Hangers	414		514 230,000	230,000
Couplings/Fittings/Valves	415	2,000	515 25,000	27,000
Gas Compressors/Meters			516 4,000	4,000
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	1,000	519 1,000	2,000
Contingency	420	1,000	520 32,000	33,000
TOTAL TANGIBLES		4,000	343,000	347,000
TOTAL WELL COSTS		1,155,000	1,779,000	2,934,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:
 _____ % Working Interest

Company:

By:

Printed Name:

Title:

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

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "13" Federal #3H PROSPECT NAME: Puckett
 Surf. Loc: 75' FSL, 1480' FWL, Sec 13, 17S-31E COUNTY & STATE: Eddy Co, NM
 BHL: 330' FNL, 1650' FWL, Sec 13, 17S-31E OBJECTIVE: 11021' MD (6600' TVD) Lower Blinetry
 WO/Pilot, 160 Acre

INTANGIBLE COSTS		BCP	ACP	TOTAL
Title/Curalive/Permit	201	10,000		10,000
Insurance	202	22,000	302	22,000
Damages/Right of Way	203	15,000	303	15,000
Survey/Stake Location	204	3,000	304	3,000
Location/Pits/Road Expense	205	40,000	305	65,000
Drilling / Completion Overhead	206	5,000	306	1,000
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract 20:2 @ \$13000/day	209	260,000	309	26,000
Directional Drilling Services, With RS	210	400,000	310	400,000
Fuel & Power	211	112,500	311	11,250
Water	212	30,000	312	75,000
Bits	213	45,000	313	1,000
Mud & Chemicals	214	25,000	314	25,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217	16,000		16,000
Cement Intermediate	218	16,000		16,000
Cement Production 7"x5.5"	218		319	70,000
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
Float Equipment & Centralizers	221	3,500	321	15,000
Casing Crews & Equipment	222	7,000	322	13,000
Fishing Tools & Service	223		323	0
Geologic/Engineering	224	10,000	324	1,000
Contract Labor	225	10,000	325	30,000
Company Supervision	226	2,000	326	2,000
Contract Supervision	227	28,000	327	4,000
Testing Casing/Tubing	228	4,000	328	1,500
Mud Logging Unit	229	16,000	329	16,000
Logging	230	0	330	5,000
Perforating/Wireline Services	231	3,500	331	125,000
Stimulation/Treating			332	760,000
Completion Unit			333	40,000
Swabbing Unit			334	0
Rentals-Surface	235	20,000	335	100,000
Rentals-Subsurface	236	30,000	336	10,000
Trucking/Forklift/Rig Mobilization	237	40,000	337	100,000
Welding Services	238	3,000	338	1,500
Water Disposal	239		339	25,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	120,000	344	120,000
Miscellaneous	242	5,000	342	1,000
Contingency	243	131,500	343	149,750
TOTAL INTANGIBLES		1,433,000	1,633,000	3,066,000
TANGIBLE COSTS				
Surface Casing 550' 13 3/8"	401	20,000		1,200
Intermediate Casing 1850' 9 5/8"	402	48,000	503	48,000
Production Casing/Liner 6900' - 7", 4200' - 5.5"			503	260,000
Tubing 6200' 2 7/8"			504	38,000
Wellhead Equipment	405	30,000	505	18,000
Pumping Unit			506	97,000
Prime Mover			507	0
Rods			508	39,000
Pumps			509	4,500
Tanks			510	20,000
Flowlines			511	15,000
Heater Treater/Separator			512	25,000
Electrical System			513	0
Packers/Anchors/Hangers	414		514	0
Couplings/Fittings/Valves	415	2,000	515	25,000
Gas Compressors/Meters			516	4,000
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	1,000	519	1,000
Contingency	420	11,000	520	55,500
TOTAL TANGIBLES		112,000	602,000	714,000
TOTAL WELL COSTS		1,545,000	2,235,000	3,780,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve:
 _____ % Working Interest

Company:

By:

Printed Name:

Title:

This AFE is only an estimate. By signing you agree to pay your share

June 20, 2011

U.S. Certified Mail
Return Receipt Requested

Zorro Partners
616 Texas Street
Fort Worth, TX 76102

RE: **New Well Proposal**
Puckett "13" Federal #3H
SHL: 75' FSL & 1480' FWL (Unit N) of Section 13, T17S, R31E
BHL: 330' FNL & 1650' FWL, (Unit C) of Section 13, T17S, R31E
Eddy County, New Mexico

Dear Sirs:

COG Operating LLC ("COG") proposes to drill the Puckett "13" Federal #3H, as a triple lateral well at the captioned location, or a legal location within said Unit N, to depths of approximately 5,500' TVD, 9,900' MD for a Paddock lateral; 6,100' TVD, 10,500' MD for an Upper Blinebry lateral; and 6,600' TVD, 11,021' MD for a Lower Blinebry lateral ("Operation"). The total cost of the Operation is estimated to be \$9,648,000.00 and a detailed description of such cost is set out in the enclosed Authority for Expenditure ("AFE").

Also enclosed is COG's proposed form of Operating Agreement ("OA"). A completed version of the Exhibit "A" to be incorporated into the OA will follow under separate cover, accompanied by a fully executed set of signature pages.

If you elect to participate in the subject well, please sign and return a copy of the AFE to the below letterhead address.

If you desire to receive well information regarding the subject operations please return a Well Information Requirements list to COG. Technical questions should be directed to Carl Bird at 432-686-3057 and land questions to the undersigned at 432-685-4354.

Yours truly,

COG Operating LLC



Stuart A. Dirks, CPL
Senior Landman

Enclosure (s)
DRE/rc

Confirmation Services	Package ID: 9171999991703040428468	Electronic Certified
	Destination ZIP Code: 76102	First Class Large Envelope
	Customer Reference:	PBP Account #: 41592288
	Recipient: <u>Zorro</u>	Serial #: 1364097
	Address: <u>13 # 3H</u>	JUN 20 2011 4:02 PM

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to:

Corro Partners
516 Texas Street
Fort Worth, TX 76102
Post Office Box 13 Federal #3H

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
[Handwritten Signature]

B. Received by (Printed Name) *Olivia* C. Date of Delivery *10-22*

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

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

Article Number (Transfer from service label) **91 7199 9991 7030 4042 8468**

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "13" Federal #3H	PROSPECT NAME: Puckett
Surf. Loc: 75' FSL, 1480' FWL, Sec 13, 17S-31E	COUNTY & STATE: Eddy Co, NM
BHL: 330' FNL, 1650' FWL, Sec 13, 17S-31E	OBJECTIVE: 10500' MD (6100' TVD) Upper Blinebry
WO/Pilot, 160 Acre	

		<u>BCP</u>		<u>ACP</u>		<u>TOTAL</u>
INTANGIBLE COSTS						
Title/Curalive/Permit	201	10,000				10,000
Insurance	202	22,000	302			22,000
Damages/Right of Way	203		303			0
Survey/Stake Location	204		304			0
Location/Pits/Road Expense	205	10,000	305	10,000		20,000
Drilling / Completion Overhead	206	5,000	306	1,000		6,000
Turnkey Contract	207		307			0
Footage Contract	208		308			0
Daywork Contract 12:3 @ \$13000/day	209	156,000	309	39,000		195,000
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Water	212	25,000	312	75,000		100,000
Bits	213	30,000	313	1,000		31,000
Mud & Chemicals	214	15,000	314			15,000
Drill Stem Test	215		315			0
Coring & Analysis	216					0
Cement Surface	217					0
Cement Intermediate	218					0
Cement 2nd Intermediate 7"	218		319			0
Cement Squeeze & Other (NO Kickoff Plug)	220		320			0
Float Equipment & Centralizers	221		321			0
Casing Crews & Equipment	222		322	13,000		13,000
Fishing Tools & Service	223	100,000	323			100,000
Geologic/Engineering	224	10,000	324	1,000		11,000
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Testing Casing/Tubing	228	4,000	328	1,500		5,500
Mud Logging Unit	229	12,000	329			12,000
Logging	230		330			0
Perforating/Wireline Services	231	15,000	331	12,500		27,500
Stimulation/Treating			332	950,000		950,000
Completion Unit		12,000	333	45,000		57,000
Swabbing Unit			334			0
Rentals-Surface	235	15,000	335	45,000		60,000
Rentals-Subsurface	236	60,000	336	10,000		70,000
Trucking/Forklift/Rig Mobilization	237	40,000	337	20,000		60,000
Welding Services	238	3,000	338	1,500		4,500
Water Disposal	239		339	25,000		25,000
Plug to Abandon	240		340			0
Seismic Analysis	241		341			0
Closed Loop & Environmental	244	50,000	344			50,000
Miscellaneous	242	5,000	342	1,000		6,000
Contingency	243	105,000	343	131,300		236,300
TOTAL INTANGIBLES		1,151,000		1,436,000		2,587,000
TANGIBLE COSTS						
Surface Casing	401					1,200
Intermediate Casing	402		503			0
Production Casing/Liner 4200' - 4.5"			503	51,000		51,000
Tubing			504			0
Wellhead Equipment	405		505			0
Pumping Unit			506			0
Prime Mover			507			0
Rods			508			0
Pumps			509			0
Tanks			510			0
Flowlines			511			0
Heater Treater/Separator			512			0
Electrical System			513			0
Packers/Anchors/Hangers	414		514	230,000		230,000
Couplings/Fittings/Valves	415	2,000	515	25,000		27,000
Gas Compressors/Meters			516	4,000		4,000
Dehydrator			517			0
Injection Plant/CO2 Equipment			518			0
Miscellaneous	419	1,000	519	1,000		2,000
Contingency	420	1,000	520	32,000		33,000
TOTAL TANGIBLES		4,000		343,000		347,000
TOTAL WELL COSTS		1,155,000		1,779,000		2,934,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:
_____% Working Interest

Company:

By:

Printed Name:

Title:

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

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "13" Federal #3H	PROSPECT NAME: Puckett
Surf. Loc: 75' FSL, 1480' FWL, Sec 13, 17S-31E	COUNTY & STATE: Eddy Co, NM
BHL: 330' FNL, 1650' FWL, Sec 13, 17S-31E	OBJECTIVE: 9900' MD (5500' TVD) Paddock
WO/Pilot, 160 Acre	

<u>INTANGIBLE COSTS</u>		<u>BCP</u>		<u>ACP</u>		<u>TOTAL</u>
Title/Curative/Permit	201	10,000				10,000
Insurance	202	22,000	302			22,000
Damages/Right of Way	203		303			0
Survey/Stake Location	204		304			0
Location/Pits/Road Expense	205	10,000	305	10,000		20,000
Drilling / Completion Overhead	206	5,000	306	1,000		6,000
Turnkey Contract	207		307			0
Footage Contract	208		308			0
Daywork Contract 12:3 @ \$13000/day	209	156,000	309	39,000		195,000
Directional Drilling Services, With RS	210	350,000	310			350,000
Fuel & Power	211	68,000	311	17,000		85,000
Water	212	25,000	312	75,000		100,000
Bits	213	30,000	313	1,000		31,000
Mud & Chemicals	214	15,000	314			15,000
Drill Stem Test	215		315			0
Coring & Analysis	216					0
Cement Surface	217					0
Cement Intermediate	218					0
Cement 2nd Intermediate 7"	218		319			0
Cement Squeeze & Other (NO Kickoff Plug)	220		320			0
Float Equipment & Centralizers	221		321			0
Casing Crews & Equipment	222		322	13,000		13,000
Fishing Tools & Service	223	100,000	323			100,000
Geologic/Engineering	224	10,000	324	1,000		11,000
Contract Labor	225	10,000	325	30,000		40,000
Company Supervision	226	2,000	326	2,000		4,000
Contract Supervision	227	17,000	327	4,200		21,200
Testing Casing/Tubing	228	4,000	328	1,500		5,500
Mud Logging Unit	229	12,000	329			12,000
Logging	230		330			0
Perforating/Wireline Services	231	15,000	331	12,500		27,500
Stimulation/Treating			332	950,000		950,000
Completion Unit		12,000	333	45,000		57,000
Swabbing Unit			334			0
Rentals-Surface	235	15,000	335	45,000		60,000
Rentals-Subsurface	236	60,000	336	10,000		70,000
Trucking/Forklift/Rig Mobilization	237	40,000	337	20,000		60,000
Welding Services	238	3,000	338	1,500		4,500
Water Disposal	239		339	25,000		25,000
Plug to Abandon	240		340			0
Seismic Analysis	241		341			0
Closed Loop & Environmental	244	50,000	344			50,000
Miscellaneous	242	5,000	342	1,000		6,000
Contingency	243	105,000	343	131,300		236,300
TOTAL INTANGIBLES		1,151,000		1,436,000		2,587,000
TANGIBLE COSTS						
Surface Casing	401					1,200
Intermediate Casing	402		503			0
Production Casing/Liner 4200' - 4.5"			503	51,000		51,000
Tubing			504			0
Wellhead Equipment	405		505			0
Pumping Unit			506			0
Prime Mover			507			0
Rods			508			0
Pumps			509			0
Tanks			510			0
Flowlines			511			0
Heater Treater/Separator			512			0
Electrical System			513			0
Packers/Anchors/Hangers	414		514	230,000		230,000
Couplings/Fittings/Valves	415	2,000	515	25,000		27,000
Gas Compressors/Meters			516	4,000		4,000
Dehydrator			517			0
Injection Plant/CO2 Equipment			518			0
Miscellaneous	419	1,000	519	1,000		2,000
Contingency	420	1,000	520	32,000		33,000
TOTAL TANGIBLES		4,000		343,000		347,000
TOTAL WELL COSTS		1,155,000		1,779,000		2,934,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:
_____% Working Interest

Company:

By:

Printed Name:

Title:

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

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett #13 Federal #3H PROSPECT NAME: Puckett
 Surf. Loc: 75' FSL, 1480' FWL, Sec 13, 17S-31E COUNTY & STATE: Eddy Co, NM
 BHL: 330' FNL, 1650' FWL, Sec 13, 17S-31E OBJECTIVE: 11021' MD (6600' TVD) Lower Blinbery
 WO/Pilot, 160 Acre

INTANGIBLE COSTS		BCP	ACP	TOTAL
Title/Curative/Permit	201	10,000		10,000
Insurance	202	22,000	302	22,000
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Turnkey Contract	207		307	0
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Water	212	30,000	312	75,000
Bits	213	45,000	313	1,000
Mud & Chemicals	214	25,000	314	25,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217	16,000		16,000
Cement Intermediate	218	16,000		16,000
Cement Production 7"x5.5"	218		319	70,000
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
Float Equipment & Centralizers	221	3,500	321	15,000
Casing Crews & Equipment	222	7,000	322	13,000
Fishing Tools & Service	223		323	0
Geologic/Engineering	224	10,000	324	1,000
Contract Labor	225	10,000	325	30,000
Company Supervision	226	2,000	326	2,000
Contract Supervision	227	28,000	327	4,000
Testing Casing/Tubing	228	4,000	328	1,500
Mud Logging Unit	229	16,000	329	16,000
Logging	230	0	330	5,000
Perforating/Wireline Services	231	3,500	331	125,000
Stimulation/Treating			332	760,000
Completion Unit			333	40,000
Swabbing Unit			334	0
Rentals-Surface	235	20,000	335	100,000
Rentals-Subsurface	236	30,000	336	10,000
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Welding Services	238	3,000	338	1,500
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Seismic Analysis	241		341	0
Closed Loop & Environmental	244	120,000	344	120,000
Miscellaneous	242	5,000	342	1,000
Contingency	243	131,500	343	149,750
TOTAL INTANGIBLES		1,433,000	1,633,000	3,066,000

TANGIBLE COSTS				
Surface Casing 550' 13 3/8"	401	20,000		1,200
Intermediate Casing 1850' 9 5/8"	402	48,000	503	48,000
Production Casing/Liner 6900' - 7", 4200' - 5.5"			503	260,000
Tubing 6200' 2 7/8"			504	38,000
Wellhead Equipment	405	30,000	505	18,000
Pumping Unit			506	97,000
Prime Mover			507	0
Rods			508	39,000
Pumps			509	4,500
Tanks			510	20,000
Flowlines			511	15,000
Heater Treater/Separator			512	25,000
Electrical System			513	0
Packers/Anchors/Hangers	414		514	0
Couplings/Fittings/Valves	415	2,000	515	25,000
Gas Compressors/Meters			516	4,000
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	1,000	519	1,000
Contingency	420	11,000	520	55,500
TOTAL TANGIBLES		112,000	602,000	714,000
TOTAL WELL COSTS		1,545,000	2,235,000	3,780,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve:
_____% Working Interest

Company:

By:

Printed Name:

Title:

This AFE is only an estimate. By signing you agree to pay your share



August 11, 2011

*U.S. Certified Mail
Return Receipt Requested*

Burnett Oil Company
Burnett Plaza, Unit 9
801 Cherry Street, Suite 1500
Fort Worth, Texas 76102

RE: Amendment to New Well Proposal
Puckett "13" Federal #3H
SL: 143' FSL & 1464' FWL (Unit N) of Section 13, T17S, R31E
BHL: 330' FNL & 1650 FWL, (Unit C) of Section 13, T17S, R31E
Eddy County, New Mexico

Dear Sirs:

Reference is made to our letter to you dated June 20, 2011 proposing the subject well. Please note the following correction:

- The well will be drilled at an approved surface location within location unit letter N in Section 13.

If you have any questions, please do not hesitate to contact the undersigned at 432-685-4354.

Yours truly,

COG Operating LLC

A handwritten signature in black ink, appearing to read "Stuart A. Dirks".

Stuart A. Dirks, CPL
Senior Landman

PLACE STICKER TO THE FRONT OF THE MAILPIECE TO THE RIGHT OF THE RETURN ADDRESS. DO NOT WRITE IN THIS SPACE.

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Burnett Oil Company
Burnett Plaza, Unit 9
801 Cherry Street, Suite 1500
Fort Worth, Texas 73102
Puckett 13 Federal #3H

2. Article Number
(Transfer from serv)

91 7199 9991 7030 4047 8302

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

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

3. Service Type

Certified Mail

Express Mail

Registered

Return Receipt for Merchandise

Insured Mail

C.O.D.

4. Restricted Delivery? (*Extra Fee*)

Yes



August 11, 2011

*U.S. Certified Mail
Return Receipt Requested*

Javelina Partners
616 Texas Street
Fort Worth, TX 76102

RE: **Amendment to New Well Proposal**
Puckett "13" Federal #3H
SL: 143' FSL & 1464' FWL (Unit N) of Section 13, T17S, R31E
BHL: 330' FNL & 1650 FWL, (Unit C) of Section 13, T17S, R31E
Eddy County, New Mexico

Dear Sirs:

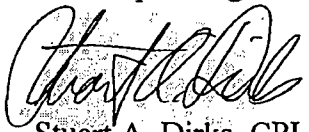
Reference is made to our letter to you dated June 20, 2011 proposing the subject well. Please note the following correction:

- The well will be drilled at an approved surface location within location unit letter N in Section 13.

If you have any questions, please do not hesitate to contact the undersigned at 432-685-4354.

Yours truly,

COG Operating LLC



Stuart A. Dirks, CPL
Senior Landman

PLACE STICKER AT TOP OF ENVELOPE TO PREVENT
OPENING THROUGH ADDRESS WINDOW

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Javalina Partners
616 Texas Street
Fort Worth, TX 76102
Puckett 13 Federal #3H

2. Article Number
(Transfer from service label)

91 7199 9991 7030 4047 8296

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
X 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

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes



August 11, 2011

*U.S. Certified Mail
Return Receipt Requested*

Zorro Partners, Ltd.
616 Texas Street
Fort Worth, TX 76102

RE: **Amendment to New Well Proposal**
Puckett "13" Federal #3H
SL: 143' FSL & 1464' FWL (Unit N) of Section 13, T17S, R31E
BHL: 330' FNL & 1650 FWL, (Unit C) of Section 13, T17S, R31E
Eddy County, New Mexico

Dear Sirs:

Reference is made to our letter to you dated June 20, 2011 proposing the subject well. Please note the following correction:

- The well will be drilled at an approved surface location within location unit letter N in Section 13.

If you have any questions, please do not hesitate to contact the undersigned at 432-685-4354.

Yours truly,

COG Operating LLC

A handwritten signature in black ink, appearing to read "Stuart A. Dirks".

Stuart A. Dirks, CPL
Senior Landman

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS. DO NOT DOT THE LINE.

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Zorro Partners
616 Texas Street
Fort Worth, TX 76102
Puckett 13 Federal #3H

2. Article Number

(Transfer from service)

91 7199 9991 7030 4047 8289

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

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

3. Service Type

Certified Mail

Express Mail

Registered

Return Receipt for Merchandise

Insured Mail

C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Burnett Oil Company
Burnett Plaza, Unit 9
801 Cherry Street, Suite 1500
Fort Worth, Texas 73102
Puckett 13 Federal #3H

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
[Handwritten Signature] Addressee

B. Received by (Printed Name) Date of Delivery
[Handwritten Name] *[Handwritten Date]*

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

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number
(Transfer from serv) **91 7199 9991 7030 4047 8302**

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Javalina Partners
616 Texas Street
Fort Worth, TX 76102
Puckett 13 Federal #3H

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *Quedell* Agent Addressee

B. Received by (Printed Name) *Quedell* Date of Delivery *AUG 15 2011*

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

3. Service Type

- Certified Mail Express Mail
- Registered Return Receipt for Merchandise
- Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number
(Transfer from service label)

91 7199 9991 7030 4047 8296

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> ■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery</p> <p><i>Olivia</i> AUG 15 2011</p>
<p>1. Article Addressed to:</p> <p>Zorro Partners 616 Texas Street Fort Worth, TX 76102 Puckett 13 Federal #3H</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service)</p>	<p>91 7199 9991 7030 4047 8289</p>
<p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540</p>	

June 20, 2011

U.S. Certified Mail
Return Receipt Requested

Burnett Oil Company
Burnett Plaza, Unit 9
801 Cherry Street, Suite 1500
Fort Worth, Texas 76102

COPY

RE: **New Well Proposal**
Puckett "13" Federal #5H
SHL: 75' FNL & 1940' FEL (Unit B) of Section 13, T17S, R31E
BHL: 330' FSL & 1980' FEL, (Unit O) of Section 13, T17S, R31E
Eddy County, New Mexico

Dear Sirs:

COG Operating LLC ("COG") proposes to drill the Puckett "13" Federal #5H, as a triple lateral well at the captioned location, or a legal location within said Unit B, to depths of approximately 5,500' TVD, 9,900' MD for a Paddock lateral; 6,100' TVD, 10,500' MD for an Upper Blinebry lateral; and 6,600' TVD, 11,021' MD for a Lower Blinebry lateral ("Operation"). The total cost of the Operation is estimated to be \$9,648,000.00 and a detailed description of such cost is set out in the enclosed Authority for Expenditure ("AFE").

Also enclosed is COG's proposed form of Operating Agreement ("OA"). A completed version of the Exhibit "A" to be incorporated into the OA will follow under separate cover, accompanied by a fully executed set of signature pages.

If you elect to participate in the subject well, please sign and return a copy of the AFE to the below letterhead address.

If you desire to receive well information regarding the subject operations, please return a Well Information Requirements list to COG. Technical questions should be directed to Carl Bird at 432-686-3057 and land questions to the undersigned at 432-685-4354.

Yours truly,

COG Operating LLC


Stuart A. Dirks, CPL
Senior Landman

Enclosure(s)
DRE/rc

Confirmation Services	Package ID: 9171999991703040428444	Electronic Certified
	Destination ZIP Code: 76102	First Class Large Envelope
	Customer Reference:	PBP Account #: 41592288
	Recipient: <i>Burnett</i>	Serial #: 1364097
	Address: <i>13 #5 H</i>	JUN 20 2011 4:06 PM

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to:

Burnett Oil Company
Burnett Plaza, Unit 9
801 Cherry Street, Suite 1500
Fort worth, Texas 76102
Puckett 13 Federal #5H

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
M. Berger

B. Received by (Printed Name) *M. Berger* C. Date of Delivery *6/22/11*

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

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

Article Number: **91 7199 9991 7030 4042 8444**
(Transfer from service label)

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "13" Federal #5H PROSPECT NAME: Puckett
 Surf. Loc: 75' FNL, 1940' FEL, Sec 13, 17S-31E COUNTY & STATE: Eddy Co, NM
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 WO/Pilot, 160 Acre

<u>INTANGIBLE COSTS</u>		<u>BCP</u>	<u>ACP</u>	<u>TOTAL</u>
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Coring & Analysis	216			0
Cement Surface	217	16,000		16,000
Cement Intermediate	218	16,000		16,000
Cement Production 7"x5.5"	218		319 70,000	70,000
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Fishing Tools & Service	223		323	0
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Contract Labor	225	10,000	325 30,000	40,000
Company Supervision	226	2,000	326 2,000	4,000
Contract Supervision	227	28,000	327 4,000	32,000
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Rods			508 39,000	39,000
Pumps			509 4,500	4,500
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COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve:
 _____ % Working Interest

Company: _____

By: _____

Printed Name: _____

Title: _____

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

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "13" Federal #5H	PROSPECT NAME: Puckett
Surf. Loc: 75' FNL, 1940' FEL, Sec 13, 17S-31E	COUNTY & STATE: Eddy Co, NM
BHL: 330' FSL, 1980' FEL, Sec 13, 17S-31E	OBJECTIVE: 10500' MD (6100' TVD) Upper Blinetry
WO/Pilot, 160 Acre	

INTANGIBLE COSTS	BCP	ACP	TOTAL
Title/Curative/Permit	201 10,000		10,000
Insurance	202 22,000	302	22,000
Damages/Right of Way	203	303	0
Survey/Stake Location	204	304	0
Location/Pits/Road Expense	205 10,000	305 10,000	20,000
Drilling / Completion Overhead	206 5,000	306 1,000	6,000
Turnkey Contract	207	307	0
Foolage Contract	208	308	0
Daywork Contract 12:3 @ \$13000/day	209 156,000	309 39,000	195,000
Directional Drilling Services, With RS	210 350,000	310	350,000
Fuel & Power	211 68,000	311 17,000	85,000
Water	212 25,000	312 75,000	100,000
Bits	213 30,000	313 1,000	31,000
Mud & Chemicals	214 15,000	314	15,000
Drill Stem Test	215	315	0
Coring & Analysis	216		0
Cement Surface	217		0
Cement Intermediate	218		0
Cement 2nd Intermediate 7"	218	319	0
Cement Squeeze & Other (NO Kickoff Plug)	220	320	0
Float Equipment & Centralizers	221	321	0
Casing Crews & Equipment	222	322 13,000	13,000
Fishing Tools & Service	223 100,000	323	100,000
Geologic/Engineering	224 10,000	324 1,000	11,000
Contract Labor	225 10,000	325 30,000	40,000
Company Supervision	226 2,000	326 2,000	4,000
Contract Supervision	227 17,000	327 4,200	21,200
Testing Casing/Tubing	228 4,000	328 1,500	5,500
Mud Logging Unit	229 12,000	329	12,000
Logging	230	330	0
Perforating/Wireline Services	231 15,000	331 12,500	27,500
Stimulation/Treating		332 950,000	950,000
Completion Unit	12,000	333 45,000	57,000
Swabbing Unit		334	0
Rentals-Surface	235 15,000	335 45,000	60,000
Rentals-Subsurface	236 60,000	336 10,000	70,000
Trucking/Forklift/Rig Mobilization	237 40,000	337 20,000	60,000
Welding Services	238 3,000	338 1,500	4,500
Water Disposal	239	339 25,000	25,000
Plug to Abandon	240	340	0
Seismic Analysis	241	341	0
Closed Loop & Environmental	244 50,000	344	50,000
Miscellaneous	242 5,000	342 1,000	6,000
Contingency	243 105,000	343 131,300	236,300
TOTAL INTANGIBLES	1,151,000	1,436,000	2,587,000
TANGIBLE COSTS			
Surface Casing	401		1,200
Intermediate Casing	402	503	0
Production Casing/Liner 4200' - 4.5"		503 51,000	51,000
Tubing		504	0
Wellhead Equipment	405	505	0
Pumping Unit		506	0
Prime Mover		507	0
Rods		508	0
Pumps		509	0
Tanks		510	0
Flowlines		511	0
Heater Treater/Separator		512	0
Electrical System		513	0
Packers/Anchors/Hangers	414	514 230,000	230,000
Couplings/Fittings/Valves	415 2,000	515 25,000	27,000
Gas Compressors/Meters		516 4,000	4,000
Dehydrator		517	0
Injection Plan/CO2 Equipment		518	0
Miscellaneous	419 1,000	519 1,000	2,000
Contingency	420 1,000	520 32,000	33,000
TOTAL TANGIBLES	4,000	343,000	347,000
TOTAL WELL COSTS	1,155,000	1,779,000	2,934,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:
_____% Working Interest

Company:

By:

Printed Name:

Title:

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

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "13" Federal #5H	PROSPECT NAME: Puckett
Surf. Loc: 75' FNL, 1940' FEL, Sec 13, 17S-31E	COUNTY & STATE: Eddy Co, NM
BHL: 330' FSL, 1980' FEL, Sec 13, 17S-31E	OBJECTIVE: 9900' MD (5500' TVD) Paddock
WO/Pilot, 160 Acre	

INTANGIBLE COSTS	BCP	ACP	TOTAL
Title/Curative/Permit	201	10,000	10,000
Insurance	202	22,000	22,000
Damages/Right of Way	203	303	0
Survey/Stake Location	204	304	0
Location/Pits/Road Expense	205	10,000	10,000
Drilling / Completion Overhead	206	5,000	6,000
Turnkey Contract	207	307	0
Footage Contract	208	308	0
Daywork Contract 12:3 @ \$13000/day	209	156,000	39,000
Directional Drilling Services, With RS	210	350,000	350,000
Fuel & Power	211	68,000	17,000
Water	212	25,000	75,000
Bits	213	30,000	1,000
Mud & Chemicals	214	15,000	15,000
Drill Stem Test	215	315	0
Coring & Analysis	216		0
Cement-Surface	217		0
Cement Intermediate	218		0
Cement 2nd Intermediate 7"	218	319	0
Cement Squeeze & Other (NO Kickoff Plug)	220	320	0
Float Equipment & Centralizers	221	321	0
Casing Crews & Equipment	222	322	13,000
Fishing Tools & Service	223	100,000	323
Geologic/Engineering	224	10,000	1,000
Contract Labor	225	10,000	30,000
Company Supervision	226	2,000	2,000
Contract Supervision	227	17,000	4,200
Testing Casing/Tubing	228	4,000	1,500
Mud Logging Unit	229	12,000	329
Logging	230	330	0
Perforating/Wireline Services	231	15,000	331
Stimulation/Treating		332	950,000
Completion Unit		333	45,000
Swabbing Unit		334	0
Rentals-Surface	235	15,000	335
Rentals-Subsurface	236	60,000	336
Trucking/Forklift/Rig Mobilization	237	40,000	337
Welding Services	238	3,000	338
Water Disposal	239	339	25,000
Plug to Abandon	240	340	0
Seismic Analysis	241	341	0
Closed Loop & Environmental	244	50,000	344
Miscellaneous	242	5,000	342
Contingency	243	105,000	343
TOTAL INTANGIBLES		1,151,000	1,436,000
TANGIBLE COSTS			
Surface Casing	401		1,200
Intermediate Casing	402	503	0
Production Casing/Liner 4200' - 4.5"		503	51,000
Tubing		504	0
Wellhead Equipment	405	505	0
Pumping Unit		506	0
Prime Mover		507	0
Rods		508	0
Pumps		509	0
Tanks		510	0
Flowlines		511	0
Heater Treater/Separator		512	0
Electrical System		513	0
Packers/Anchors/Hangers	414	514	230,000
Couplings/Fittings/Valves	415	2,000	515
Gas Compressors/Meters		516	4,000
Dehydrator		517	0
Injection Plant/CO2 Equipment		518	0
Miscellaneous	419	1,000	519
Contingency	420	1,000	520
TOTAL TANGIBLES		4,000	343,000
TOTAL WELL COSTS		1,155,000	1,779,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:
_____% Working Interest

Company:

By:

Printed Name:

Title:

Date:

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

June 20, 2011

U.S. Certified Mail
Return Receipt Requested

Javalina Partners
616 Texas Street
Fort Worth, TX 76102

RE: **New Well Proposal**
Puckett "13" Federal #5H
SHL: 75' FNL & 1940' FEL (Unit B) of Section 13, T17S, R31E
BHL: 330' FSL & 1980' FEL, (Unit O) of Section 13, T17S, R31E
Eddy County, New Mexico

Dear Sirs:

COG Operating LLC ("COG") proposes to drill the Puckett "13" Federal #5H, as a triple lateral well at the captioned location, or a legal location within said Unit B, to depths of approximately 5,500' TVD, 9,900' MD for a Paddock lateral; 6,100' TVD, 10,500' MD for an Upper Blinebry lateral; and 6,600' TVD, 11,021' MD for a Lower Blinebry lateral ("Operation"). The total cost of the Operation is estimated to be \$9,648,000.00 and a detailed description of such cost is set out in the enclosed Authority for Expenditure ("AFE").

Also enclosed is COG's proposed form of Operating Agreement ("OA"). A completed version of the Exhibit "A" to be incorporated into the OA will follow under separate cover, accompanied by a fully executed set of signature pages.

If you elect to participate in the subject well, please sign and return a copy of the AFE to the below letterhead address.

If you desire to receive well information regarding the subject operations please return a Well Information Requirements list to COG. Technical questions should be directed to Carl Bird at 432-686-3057 and land questions to the undersigned at 432-685-4354.

Yours truly,

COG Operating LLC



Stuart A. Dirks, CPL
Senior Landman

Enclosure (e)
DRE/rc

Confirmation Services	Package ID: 9171999991703040428420	Electronic Certified
	Destination ZIP Code: 76102	First Class Large Envelope
	Customer Reference:	PBP Account #: 41592288
	Recipient: <i>Javalina</i>	Serial #: 1364097
	Address: <i>Puckett 13 5H</i>	JUN 20 2011 4:07 PM

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to:

Javalina Partners
16 Texas Street
Fort Worth, TX 76102
Bucket 13 Federal #5H

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
X [Signature] Addressee

B. Received by (Printed Name) C. Date of Delivery
OLIVIA *6-22-11*

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

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

Article Number *91 7199 9991 7030 4042 8420*
(Transfer from service label)

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "13" Federal #5H PROSPECT NAME: Puckett
 Surf. Loc: 75' FNL, 1940' FEL, Sec 13, 17S-31E COUNTY & STATE: Eddy Co, NM
 BHL: 330' FSL, 1980' FEL, Sec 13, 17S-31E OBJECTIVE: 11021' MD (6600' TVD) Lower Blinetry
 WO/Pilot, 160 Acre

	BCP	ACP	TOTAL
INTANGIBLE COSTS			
Title/Curalive/Permit	201 10,000		10,000
Insurance	202 22,000	302	22,000
Damages/Right of Way	203 15,000	303	15,000
Survey/Stake Location	204 3,000	304	3,000
Location/Pits/Road Expense	205 40,000	305 65,000	105,000
Drilling / Completion Overhead	206 5,000	306 1,000	6,000
Turnkey Contract	207	307	0
Footage Contract	208	308	0
Daywork Contract 20:2 @ \$13000/day	209 260,000	309 26,000	286,000
Directional Drilling Services, With RS	210 400,000	310	400,000
Fuel & Power	211 112,500	311 11,250	123,750
Water	212 30,000	312 75,000	105,000
Bits	213 45,000	313 1,000	46,000
Mud & Chemicals	214 25,000	314	25,000
Drill Stem Test	215	315	0
Coring & Analysis	216		0
Cement Surface	217 16,000		16,000
Cement Intermediate	218 16,000		16,000
Cement Production 7"x5.5"	218	319 70,000	70,000
Cement Squeeze & Other (NO Kickoff Plug)	220	320	0
Float Equipment & Centralizers	221 3,500	321 15,000	18,500
Casing Crews & Equipment	222 7,000	322 13,000	20,000
Fishing Tools & Service	223	323	0
Geologic/Engineering	224 10,000	324 1,000	11,000
Contract Labor	225 10,000	325 30,000	40,000
Company Supervision	226 2,000	326 2,000	4,000
Contract Supervision	227 28,000	327 4,000	32,000
Testing Casing/Tubing	228 4,000	328 1,500	5,500
Mud Logging Unit	229 16,000	329	16,000
Logging	230 0	330 5,000	5,000
Perforating/Wireline Services	231 3,500	331 125,000	128,500
Stimulation/Treating		332 760,000	760,000
Completion Unit		333 40,000	40,000
Swabbing Unit		334	0
Rentals-Surface	235 20,000	335 100,000	120,000
Rentals-Subsurface	236 30,000	336 10,000	40,000
Trucking/Forklift/Rig Mobilization	237 40,000	337 100,000	140,000
Welding Services	238 3,000	338 1,500	4,500
Water Disposal	239	339 25,000	25,000
Plug to Abandon	240	340	0
Seismic Analysis	241	341	0
Closed Loop & Environmental	244 120,000	344	120,000
Miscellaneous	242 5,000	342 1,000	6,000
Contingency	243 131,500	343 149,750	281,250
TOTAL INTANGIBLES	1,433,000	1,633,000	3,066,000
TANGIBLE COSTS			
Surface Casing 550' 13 3/8"	401 20,000		1,200
Intermediate Casing 1850' 9 5/8"	402 48,000	503	48,000
Production Casing/Liner 6900' - 7", 4200' - 5.5"		503 260,000	260,000
Tubing 6200' 2 7/8"		504 38,000	38,000
Wellhead Equipment	405 30,000	505 18,000	48,000
Pumping Unit		506 97,000	97,000
Prime Mover		507	0
Rods		508 39,000	39,000
Pumps		509 4,500	4,500
Tanks		510 20,000	20,000
Flowlines		511 15,000	15,000
Heater Treater/Separator		512 25,000	25,000
Electrical System		513	0
Packers/Anchors/Hangers	414	514	0
Couplings/Fittings/Valves	415 2,000	515 25,000	27,000
Gas Compressors/Malers		516 4,000	4,000
Dehydrator		517	0
Injection Plant/CO2 Equipment		518	0
Miscellaneous	419 1,000	519 1,000	2,000
Contingency	420 11,000	520 55,500	66,500
TOTAL TANGIBLES	112,000	602,000	714,000
TOTAL WELL COSTS	1,545,000	2,235,000	3,780,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve:
_____% Working Interest

Company:

By:

Printed Name:

Title:

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

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "13" Federal #5H	PROSPECT NAME: Puckett
Surf. Loc: 75' FNL, 1940' FEL, Sec 13, 17S-31E	COUNTY & STATE: Eddy Co., NM
BHL: 330' FSL, 1980' FEL, Sec 13, 17S-31E	OBJECTIVE: 10500' MD (6100' TVD) Upper Blinebry
WO/Pilot, 160 Acre	

INTANGIBLE COSTS		BCP	ACP	TOTAL
Title/Curative/Permit	201	10,000		10,000
Insurance	202	22,000	302	22,000
Damages/Right of Way	203		303	0
Survey/Stake Location	204		304	0
Location/Pits/Road Expense	205	10,000	305	20,000
Drilling / Completion Overhead	206	5,000	306	6,000
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract 12:3 @ \$13000/day	209	156,000	309	195,000
Directional Drilling Services, With RS	210	350,000	310	350,000
Fuel & Power	211	68,000	311	85,000
Water	212	25,000	312	100,000
Bits	213	30,000	313	31,000
Mud & Chemicals	214	15,000	314	15,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217			0
Cement Intermediate	218			0
Cement 2nd Intermediate 7"	218		319	0
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
Float Equipment & Centralizers	221		321	0
Casing Crews & Equipment	222		322	13,000
Fishing Tools & Service	223	100,000	323	100,000
Geologic/Engineering	224	10,000	324	11,000
Contract Labor	225	10,000	325	40,000
Company Supervision	226	2,000	326	4,000
Contract Supervision	227	17,000	327	21,200
Testing Casing/Tubing	228	4,000	328	5,500
Mud Logging Unit	229	12,000	329	12,000
Logging	230		330	0
Perforating/Wireline Services	231	15,000	331	27,500
Stimulation/Treating			332	950,000
Completion Unit		12,000	333	57,000
Swabbing Unit			334	0
Rentals-Surface	235	15,000	335	60,000
Rentals-Subsurface	236	60,000	336	70,000
Trucking/Forklift/Rig Mobilization	237	40,000	337	60,000
Welding Services	238	3,000	338	4,500
Water Disposal	239		339	25,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	50,000	344	50,000
Miscellaneous	242	5,000	342	6,000
Contingency	243	105,000	343	236,300
TOTAL INTANGIBLES		1,151,000	1,436,000	2,587,000
TANGIBLE COSTS				
Surface Casing	401			1,200
Intermediate Casing	402		503	0
Production Casing/Liner 4200' - 4.5"			503	51,000
Tubing			504	0
Wellhead Equipment	405		505	0
Pumping Unit			506	0
Prime Mover			507	0
Rods			508	0
Pumps			509	0
Tanks			510	0
Flowlines			511	0
Heater Treater/Separator			512	0
Electrical System			513	0
Packers/Anchors/Hangers	414		514	230,000
Couplings/Fittings/Valves	415	2,000	515	27,000
Gas Compressors/Meters			516	4,000
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	1,000	519	2,000
Contingency	420	1,000	520	33,000
TOTAL TANGIBLES		4,000	343,000	347,000
TOTAL WELL COSTS		1,155,000	1,779,000	2,934,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:
_____% Working Interest

Company:

By:

Printed Name:

Title:

Date:

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**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "13" Federal #5H	PROSPECT NAME: Puckett
Surf. Loc: 75' FNL, 1940' FEL, Sec 13, 17S-31E	COUNTY & STATE: Eddy Co, NM
BHL: 330' FSL, 1980' FEL, Sec 13, 17S-31E	OBJECTIVE: 9900' MD (5500' TVD) Paddock
WO/Pilot, 160 Acre	

INTANGIBLE COSTS	BCP	ACP	TOTAL
Title/Curative/Permit	201 10,000		10,000
Insurance	202 22,000	302	22,000
Damages/Right of Way	203	303	0
Survey/Stake Location	204	304	0
Location/Pits/Road Expense	205 10,000	305 10,000	20,000
Drilling / Completion Overhead	206 5,000	306 1,000	6,000
Turnkey Contract	207	307	0
Footage Contract	208	308	0
Daywork Contract 12:3 @ \$13000/day	209 156,000	309 39,000	195,000
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Water	212 25,000	312 75,000	100,000
Bits	213 30,000	313 1,000	31,000
Mud & Chemicals	214 15,000	314	15,000
Drill Stem Test	215	315	0
Coring & Analysis	216		0
Cement-Surface	217		0
Cement Intermediate	218		0
Cement 2nd Intermediate 7"	218	319	0
Cement Squeeze & Other (NO Kickoff Plug)	220	320	0
Float Equipment & Centralizers	221	321	0
Casing Crews & Equipment	222	322 13,000	13,000
Fishing Tools & Service	223 100,000	323	100,000
Geologic/Engineering	224 10,000	324 1,000	11,000
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Testing Casing/Tubing	228 4,000	328 1,500	5,500
Mud Logging Unit	229 12,000	329	12,000
Logging	230	330	0
Perforating/Wireline Services	231 15,000	331 12,500	27,500
Stimulation/Treating		332 950,000	950,000
Completion Unit	12,000	333 45,000	57,000
Swabbing Unit		334	0
Rentals-Surface	235 15,000	335 45,000	60,000
Rentals-Subsurface	236 60,000	336 10,000	70,000
Trucking/Forklift/Rig Mobilization	237 40,000	337 20,000	60,000
Welding Services	238 3,000	338 1,500	4,500
Water Disposal	239	339 25,000	25,000
Plug to Abandon	240	340	0
Seismic Analysis	241	341	0
Closed Loop & Environmental	244 50,000	344	50,000
Miscellaneous	242 5,000	342 1,000	6,000
Contingency	243 105,000	343 131,300	236,300
TOTAL INTANGIBLES	1,151,000	1,436,000	2,587,000
TANGIBLE COSTS			
Surface Casing	401		1,200
Intermediate Casing	402	503	0
Production Casing/Liner 4200' - 4.5"		503 51,000	51,000
Tubing		504	0
Wellhead Equipment	405	505	0
Pumping Unit		506	0
Prime Mover		507	0
Rods		508	0
Pumps		509	0
Tanks		510	0
Flowlines		511	0
Heater Treater/Separator		512	0
Electrical System		513	0
Packers/Anchors/Hangers	414	514 230,000	230,000
Couplings/Fittings/Valves	415 2,000	515 25,000	27,000
Gas Compressors/Meters		516 4,000	4,000
Dehydrator		517	0
Injection Plant/CO2 Equipment		518	0
Miscellaneous	419 1,000	519 1,000	2,000
Contingency	420 1,000	520 32,000	33,000
TOTAL TANGIBLES	4,000	343,000	347,000
TOTAL WELL COSTS	1,155,000	1,779,000	2,934,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:
_____% Working Interest

Company:
By: _____

Printed Name:
Title:
Date: _____

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

June 20, 2011

**U.S. Certified Mail
Return Receipt Requested**

Zorro Partners
616 Texas Street
Fort Worth, TX 76102

RE: New Well Proposal
Puckett "13" Federal #5H
SHL: 75' FNL & 1940' FEL (Unit B) of Section 13, T17S, R31E
BHL: 330' FSL & 1980' FEL, (Unit O) of Section 13, T17S, R31E
Eddy County, New Mexico

Dear Sirs:

COG Operating LLC ("COG") proposes to drill the Puckett "13" Federal #5H, as a triple lateral well at the captioned location, or a legal location within said Unit B, to depths of approximately 5,500' TVD, 9,900' MD for a Paddock lateral; 6,100' TVD, 10,500' MD for an Upper Blinebry lateral; and 6,600' TVD, 11,021' MD for a Lower Blinebry lateral ("Operation"). The total cost of the Operation is estimated to be \$9,648,000.00 and a detailed description of such cost is set out in the enclosed Authority for Expenditure ("AFE").

Also enclosed is COG's proposed form of Operating Agreement ("OA"). A completed version of the Exhibit "A" to be incorporated into the OA will follow under separate cover, accompanied by a fully executed set of signature pages.

If you elect to participate in the subject well, please sign and return a copy of the AFE to the below letterhead address.

If you desire to receive well information regarding the subject operations please return a Well Information Requirements list to COG. Technical questions should be directed to Carl Bird at 432-686-3057 and land questions to the undersigned at 432-685-4354.

Yours truly,

COG Operating LLC

S. Dirks - gl
Stuart A. Dirks, CPL
Senior Landman

Enclosure (e)
DRE/rc

Confirmation Services	Package ID: 9171999991703040428437	Electronic Certified
	Destination ZIP Code: 76102	First Class Large Envelope
	Customer Reference:	PBP Account #: 41592288
	Recipient: <i>ZORRO</i>	Serial #: 1364097
	Address: <i>13#5#</i>	JUN 20 2011 4:05 PM

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to:

Erro Partners
16 Texas Street
Fort Worth, TX 76102
Buckett 13 Federal #5H

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
[Handwritten Signature]

B. Received by (Printed Name) *OLIVIA* C. Date of Delivery *6-22*

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

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

Article Number *91 7199 9991 7030 4042 8437*
(Transfer from service label)

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "13" Federal #5H PROSPECT NAME: Puckett
 Surf. Loc: 75' FNL, 1940' FEL, Sec 13, 17S-31E COUNTY & STATE: Eddy Co, NM
 BHL: 330' FSL, 1980' FEL, Sec 13, 17S-31E OBJECTIVE: 11021' MD (6600' TVD) Lower Blinetry
 WO/Pilot, 160 Acre

INTANGIBLE COSTS	BCP	ACP	TOTAL
Title/Curative/Permit	201	10,000	10,000
Insurance	202	22,000	22,000
Damages/Right of Way	203	15,000	15,000
Survey/Stake Location	204	3,000	3,000
Location/Pits/Road Expense	205	40,000	105,000
Drilling / Completion Overhead	206	5,000	6,000
Turnkey Contract	207		0
Footage Contract	208		0
Daywork Contract 20:2 @ \$13000/day	209	260,000	286,000
Directional Drilling Services, With RS	210	400,000	400,000
Fuel & Power	211	112,500	123,750
Water	212	30,000	105,000
Bits	213	45,000	46,000
Mud & Chemicals	214	25,000	25,000
Drill Stem Test	215		0
Coring & Analysis	216		0
Cement Surface	217	16,000	16,000
Cement Intermediate	218	16,000	16,000
Cement Production 7"x5.5"	218		70,000
Cement Squeeze & Other (NO Kickoff Plug)	220		0
Float Equipment & Centralizers	221	3,500	18,500
Casing Crews & Equipment	222	7,000	20,000
Fishing Tools & Service	223		0
Geologic/Engineering	224	10,000	11,000
Contract Labor	225	10,000	40,000
Company Supervision	226	2,000	4,000
Contract Supervision	227	28,000	32,000
Testing Casing/Tubing	228	4,000	5,500
Mud Logging Unit	229	16,000	16,000
Logging	230	0	5,000
Perforating/Wireline Services	231	3,500	128,500
Stimulation/Treating			760,000
Completion Unit			40,000
Swabbing Unit			0
Rentals-Surface	235	20,000	120,000
Rentals-Subsurface	236	30,000	40,000
Trucking/Forklift/Rig Mobilization	237	40,000	140,000
Welding Services	238	3,000	4,500
Water Disposal	239		25,000
Plug to Abandon	240		0
Seismic Analysis	241		0
Closed Loop & Environmental	244	120,000	120,000
Miscellaneous	242	5,000	6,000
Contingency	243	131,500	281,250
TOTAL INTANGIBLES		1,433,000	3,066,000
TANGIBLE COSTS			
Surface Casing 550' 13 3/8"	401	20,000	1,200
Intermediate Casing 1850' 9 5/8"	402	48,000	48,000
Production Casing/Liner 6900' - 7", 4200' - 5.5"			260,000
Tubing 6200' 2 7/8"			38,000
Wellhead Equipment	405	30,000	48,000
Pumping Unit			97,000
Prime Mover			0
Rods			39,000
Pumps			4,500
Tanks			20,000
Flowlines			15,000
Heater Treater/Separator			25,000
Electrical System			0
Packers/Anchors/Hangers	414		0
Couplings/Fittings/Valves	415	2,000	27,000
Gas Compressors/Meters			4,000
Dehydrator			0
Injection Plan/CO2 Equipment			0
Miscellaneous	419	1,000	2,000
Contingency	420	11,000	66,500
TOTAL TANGIBLES		112,000	714,000
TOTAL WELL COSTS		1,545,000	3,780,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve:
 _____ % Working Interest

Company:

By:

Printed Name:

Title:

This AFE is only an estimate. By signing you agree to pay your share

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "13" Federal #5H	PROSPECT NAME: Puckett
Surf. Loc: 75' FNL, 1940' FEL, Sec 13, 17S-31E	COUNTY & STATE: Eddy Co, NM
BHL: 330' FSL, 1980' FEL, Sec 13, 17S-31E	OBJECTIVE: 10500' MD (6100' TVD) Upper Blinebry
WO/Pilot, 160 Acre	

INTANGIBLE COSTS	BCP	ACP	TOTAL
Title/Curative/Permit	201 10,000		10,000
Insurance	202 22,000	302	22,000
Damages/Right of Way	203	303	0
Survey/Stake Location	204	304	0
Location/Pits/Road Expense	205 10,000	305 10,000	20,000
Drilling / Completion Overhead	206 5,000	306 1,000	6,000
Turnkey Contract	207	307	0
Footage Contract	208	308	0
Daywork Contract 12:3 @ \$13000/day	209 156,000	309 39,000	195,000
Directional Drilling Services, With RS	210 350,000	310	350,000
Fuel & Power	211 68,000	311 17,000	85,000
Water	212 25,000	312 75,000	100,000
Bits	213 30,000	313 1,000	31,000
Mud & Chemicals	214 15,000	314	15,000
Drill Stem Test	215	315	0
Coring & Analysis	216		0
Cement Surface	217		0
Cement Intermediate	218		0
Cement 2nd Intermediate 7"	218	319	0
Cement Squeeze & Other (NO Kickoff Plug)	220	320	0
Float Equipment & Centralizers	221	321	0
Casing Crews & Equipment	222	322 13,000	13,000
Fishing Tools & Service	223 100,000	323	100,000
Geologic/Engineering	224 10,000	324 1,000	11,000
Contract Labor	225 10,000	325 30,000	40,000
Company Supervision	226 2,000	326 2,000	4,000
Contract Supervision	227 17,000	327 4,200	21,200
Testing Casing/Tubing	228 4,000	328 1,500	5,500
Mud Logging Unit	229 12,000	329	12,000
Logging	230	330	0
Perforating/Wireline Services	231 15,000	331 12,500	27,500
Stimulation/Treating		332 950,000	950,000
Completion Unit	12,000	333 45,000	57,000
Swabbing Unit		334	0
Rentals-Surface	235 15,000	335 45,000	60,000
Rentals-Subsurface	236 60,000	336 10,000	70,000
Trucking/Forklift/Rig Mobilization	237 40,000	337 20,000	60,000
Welding Services	238 3,000	338 1,500	4,500
Water Disposal	239	339 25,000	25,000
Plug to Abandon	240	340	0
Seismic Analysis	241	341	0
Closed Loop & Environmental	244 50,000	344	50,000
Miscellaneous	242 5,000	342 1,000	6,000
Contingency	243 105,000	343 131,300	236,300
TOTAL INTANGIBLES	1,151,000	1,436,000	2,587,000
TANGIBLE COSTS			
Surface Casing	401		1,200
Intermediate Casing	402	503	0
Production Casing/Liner 4200' - 4.5"		503 51,000	51,000
Tubing		504	0
Wellhead Equipment	405	505	0
Pumping Unit		506	0
Prime Mover		507	0
Rods		508	0
Pumps		509	0
Tanks		510	0
Flowlines		511	0
Heater Treater/Separator		512	0
Electrical System		513	0
Packers/Anchors/Hangers	414	514 230,000	230,000
Couplings/Fittings/Valves	415 2,000	515 25,000	27,000
Gas Compressors/Meters		516 4,000	4,000
Dehydrator		517	0
Injection Plan/CO2 Equipment		518	0
Miscellaneous	419 1,000	519 1,000	2,000
Contingency	420 1,000	520 32,000	33,000
TOTAL TANGIBLES	4,000	343,000	347,000
TOTAL WELL COSTS	1,155,000	1,779,000	2,934,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:
_____% Working Interest

Company:

By:

Printed Name:

Title:

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

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "13" Federal #5H	PROSPECT NAME: Puckett
Surf. Loc: 75°FNL, 1940' FEL, Sec 13, 17S-31E	COUNTY & STATE: Eddy Co, NM
BHL: 330'FSL, 1980' FEL, Sec 13, 17S-31E	OBJECTIVE: 9900'MD (5500' TVD) Paddock
WO/Pilot, 160 Acre	

<u>INTANGIBLE COSTS</u>	<u>BCP</u>	<u>ACP</u>	<u>TOTAL</u>
Title/Curative/Permit	201	10,000	10,000
Insurance	202	22,000	22,000
Damages/Right of Way	203	303	0
Survey/Stake Location	204	304	0
Location/Pits/Road Expense	205	10,000	10,000
Drilling / Completion Overhead	206	5,000	5,000
Turnkey Contract	207	307	0
Footage Contract	208	308	0
Daywork Contract 12:3 @ \$13000/day	209	156,000	156,000
Directional Drilling Services, With RS	210	350,000	350,000
Fuel & Power	211	68,000	68,000
Water	212	25,000	25,000
Bits	213	30,000	30,000
Mud & Chemicals	214	15,000	15,000
Drill Stem Test	215	315	0
Coring & Analysis	216		0
Cement Surface	217		0
Cement Intermediate	218		0
Cement 2nd Intermediate 7"	218	319	0
Cement Squeeze & Other (NO Kickoff Plug)	220	320	0
Float Equipment & Centralizers	221	321	0
Casing Crews & Equipment	222	322	13,000
Fishing Tools & Service	223	100,000	100,000
Geologic/Engineering	224	10,000	10,000
Contract Labor	225	10,000	30,000
Company Supervision	226	2,000	2,000
Contract Supervision	227	17,000	4,200
Testing Casing/Tubing	228	4,000	1,500
Mud Logging Unit	229	12,000	12,000
Logging	230	330	0
Perforating/Wireline Services	231	15,000	12,500
Stimulation/Treating		332	950,000
Completion Unit		333	45,000
Swabbing Unit		334	0
Rentals-Surface	235	15,000	45,000
Rentals-Subsurface	236	60,000	10,000
Trucking/Forklift/Rig Mobilization	237	40,000	20,000
Welding Services	238	3,000	1,500
Water Disposal	239	339	25,000
Plug to Abandon	240	340	0
Seismic Analysis	241	341	0
Closed Loop & Environmental	244	50,000	50,000
Miscellaneous	242	5,000	1,000
Contingency	243	105,000	131,300
TOTAL INTANGIBLES		1,151,000	1,436,000
<u>TANGIBLE COSTS</u>			
Surface Casing	401		1,200
Intermediate Casing	402	503	0
Production Casing/Liner 4200' - 4.5"		503	51,000
Tubing		504	0
Wellhead Equipment	405	505	0
Pumping Unit		506	0
Prime Mover		507	0
Rods		508	0
Pumps		509	0
Tanks		510	0
Flowlines		511	0
Heater Treater/Separator		512	0
Electrical System		513	0
Packers/Anchors/Hangers	414	514	230,000
Couplings/Fittings/Valves	415	2,000	25,000
Gas Compressors/Meters		516	4,000
Dehydrator		517	0
Injection Plant/CO2 Equipment		518	0
Miscellaneous	419	1,000	1,000
Contingency	420	1,000	32,000
TOTAL TANGIBLES		4,000	343,000
TOTAL WELL COSTS		1,155,000	1,779,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:
_____% Working Interest

Company:

By:

Printed Name:

Title:

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



August 11, 2011

*U.S. Certified Mail
Return Receipt Requested*

Burnett Oil Company
Burnett Plaza, Unit 9
801 Cherry Street, Suite 1500
Fort Worth, Texas 76102

RE: **Amendment to New Well Proposal**

Puckett "13" Federal #5H

SL: 140' FNL & 1907' FEL (Unit B) of Section 13, T17S, R31E

BHL: 330' FSL & 2310 FEL, (Unit O) of Section 13, T17S, R31E
Eddy County, New Mexico

Dear Sirs:

Reference is made to our letter to you dated June 20, 2011 proposing the subject well. Please note the following correction:

- The well will be drilled at an approved surface location within location unit letter B in Section 13.

If you have any questions, please do not hesitate to contact the undersigned at 432-685-4354.

Yours truly,

COG Operating LLC

A handwritten signature in black ink, appearing to read "Stuart A. Dirks".

Stuart A. Dirks, CPL
Senior Landman

INSTRUCTIONS FOR THE ADDRESSEE TO COMPLETE THIS CARD

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Burnett Oil Company
Burnett Plaza, Unit 9
801 Cherry Street, Suite 1500
Fort Worth, Texas 73102
Puckett 13 Federal #5H

2. Article Number
(Transfer from sender)

91 7199 9991 7030 4047 8272

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

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

3. Service Type

Certified Mail

Express Mail

Registered

Return Receipt for Merchandise

Insured Mail

C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes



August 11, 2011

*U.S. Certified Mail
Return Receipt Requested*

Javelina Partners
616 Texas Street
Fort Worth, TX 76102

RE: Amendment to New Well Proposal

Puckett "13" Federal #5H

SL: 140' FNL & 1907' FEL (Unit B) of Section 13, T17S, R31E

BHL: 330' FSL & 2310 FEL, (Unit O) of Section 13, T17S, R31E

Eddy County, New Mexico

Dear Sirs:

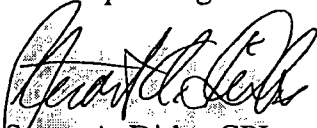
Reference is made to our letter to you dated June 20, 2011 proposing the subject well. Please note the following correction:

- The well will be drilled at an approved surface location within location unit letter B in Section 13.

If you have any questions, please do not hesitate to contact the undersigned at 432-685-4354.

Yours truly,

COG Operating LLC



Stuart A. Dirks, CPL
Senior Landman

PRINT ON THE REVERSE TO ASSIST WITH DELIVERY TO THE ADDRESSEE'S MAILBOX

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Javalina Partners
616 Texas Street
Fort Worth, TX 76102
Puckett 13 Federal #5H

2. Article Number

(Transfer from service)

91 7199 9991 7030 4047 8265

PS Form 3811, February 2004

Domestic Return Receipt

102695-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

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

3. Service Type

Certified Mail

Express Mail

Registered

Return Receipt for Merchandise

Insured Mail

C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes



August 11, 2011

*U.S. Certified Mail
Return Receipt Requested*

Zorro Partners, Ltd.
616 Texas Street
Fort Worth, TX 76102

RE: **Amendment to New Well Proposal**
Puckett "13" Federal #5H
SL: 140' FNL & 1907' FEL (Unit B) of Section 13, T17S, R31E
BHL: 330' FSL & 2310 FEL, (Unit O) of Section 13, T17S, R31E
Eddy County, New Mexico

Dear Sirs:

Reference is made to our letter to you dated June 20, 2011 proposing the subject well. Please note the following correction:

- The well will be drilled at an approved surface location within location unit letter B in Section 13.

If you have any questions, please do not hesitate to contact the undersigned at 432-685-4354.

Yours truly,

COG Operating LLC

A handwritten signature in black ink, appearing to read "Stuart A. Dirks".

Stuart A. Dirks, CPL
Senior Landman

PLACI STICK IN TOP OF ENVELOPE THROUGH
OF THE RETURN ADDRESS FOR POSTAGE

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Zorro Partners
616 Texas Street
Fort Worth, TX 76102
Puckett 13 Federal #5H

2. Article Number
(Transfer from service label)

91 7199 9991 7030 4047 8258

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

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

3. Service Type

Certified Mail

Express Mail

Registered

Return Receipt for Merchandise

Insured Mail

C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes

og_ita

14:56:20

Puckett 13 Fed #5H Amendment ltr 8.11 2011 mail receipts.pdf

SENDER: COMPLETE THIS SECTION

- Complete Items 1, 2, and 3. Also complete Item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Burnett Oil Company
Burnett Plaza, Unit 9
801 Cherry Street, Suite 1500
Fort Worth, Texas 73102
Puckett 13 Federal #5H

2. Article Number
(Transfer from sender)

91 7199 9991 7030 4047 8272

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *[Handwritten Signature]*

- Agent
- Addressee

B. Received by? (Printed Name)

[Handwritten Name]

C. Date of Delivery

[Handwritten Date]

D. Is delivery address different from Item 1? Yes

If YES, enter delivery address below: No

3. Service Type

- Certified Mail
- Registered
- Insured Mail
- Express Mail
- Return Receipt for Merchandise
- C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Javalina Partners
616 Texas Street
Fort Worth, TX 76102
Puckett 13 Federal #5H

2. Article Number
(Transfer from service)

91 7199 9991 7030 4047 8265

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X *Quella* Agent Addressee

B. Received by (Printed Name) *Olivia* AUG 15 2011 Date of Delivery

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

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Zorro Partners
616 Texas Street
Fort Worth, TX 76102
Puckett 13 Federal #5H

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
[Signature] Addressee

B. Received by (Printed Name) *Olivia* C. Date of Delivery *AUG 15 2011*

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

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number
(Transfer from service label)

91 7199 9991 7030 4047 8258

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

og_ita

14:56:35

Puckett 13 Fed #5H mail receipt.pdf

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 		A. Signature <input checked="" type="checkbox"/> <i>M. Berger</i> <input type="checkbox"/> Agent <input type="checkbox"/> Address	
1. Article Addressed to:		B. Received by (Printed Name) <i>M. Berger</i> C. Date of Delivery <i>10-22-11</i>	
Burnett Oil Company Burnett Plaza, Unit 9 801 Cherry Street, Suite 1500 Fort worth, Texas 76102 Puckett 13 Federal #5H		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
2. Article Number (Transfer from service label)		3. Service Type	
PS Form 3811, February 2004		<input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
Domestic Return Receipt		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
91 7199 9991 7030 4042 8444		102595-02-M-15	

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 		A. Signature <input checked="" type="checkbox"/> <i>Olivia</i> <input type="checkbox"/> Agent <input type="checkbox"/> Address	
1. Article Addressed to:		B. Received by (Printed Name) <i>Olivia</i> C. Date of Delivery <i>10-22-11</i>	
Javalina Partners 616 Texas Street Fort Worth, TX 76102 Puckett 13 Federal #5H		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
2. Article Number (Transfer from service label)		3. Service Type	
PS Form 3811, February 2004		<input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
Domestic Return Receipt		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
91 7199 9991 7030 4042 8420		102595-02-M-15	

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 		A. Signature <input checked="" type="checkbox"/> <i>Olivia</i> <input type="checkbox"/> Agent <input type="checkbox"/> Address	
1. Article Addressed to:		B. Received by (Printed Name) <i>Olivia</i> C. Date of Delivery <i>10-22</i>	
Zorro Partners 616 Texas Street Fort Worth, TX 76102 Puckett 13 Federal #5H		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
2. Article Number (Transfer from service label)		3. Service Type	
PS Form 3811, February 2004		<input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
Domestic Return Receipt		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
91 7199 9991 7030 4042 8437		102595-02-M-15	

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Burnett Oil Company
Burnett Plaza, Unit 9
801 Cherry Street, Suite 1500
Fort Worth, Texas 73102
Puckett 13 Federal #5H

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *M. Benson*

Agent

Addressee

B. Received by (Printed Name)

M. Benson

Or Date of Delivery

8/13/11

D. Is delivery address different from item 1? Yes

If YES, enter delivery address below: No

3. Service Type

Certified Mail

Express Mail

Registered

Return Receipt for Merchandise

Insured Mail

C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes

2. Article Number
(Transfer from sender)

91 7199 9991 7030 4047 8272

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> ■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input checked="" type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p>
<p>1. Article Addressed to:</p> <p style="text-align: center;">Javalina Partners 616 Texas Street Fort Worth, TX 76102 Puckett 13 Federal #5H</p>	<p>B. Received by (Printed Name) <i>Olivia</i> <input checked="" type="checkbox"/> Paid on Delivery AUG 15 2011</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>2. Article Number (Transfer from service)</p>	<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>
<p>91 7199 9991 7030 4047 8265</p>	<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Zorro Partners
616 Texas Street
Fort Worth, TX 76102
Puckett 13 Federal #5H

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
Olivia

B. Received by (Printed Name) *Olivia* C. Date of Delivery *AUG 15 2011*

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

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Transfer from service label) **91 7199 9991 7030 4047 8258**



May 25, 2011

U.S. Certified Mail
Return Receipt Requested

Burnett Oil Company
Burnett Plaza, Unit 9
801 Cherry Street, Suite 1500
Fort Worth, Texas 76102

RE: ***New Well Proposal***
Puckett "13" Federal #7H
SHL: 83' FNL & 970' FEL (Unit A) of Section 13, T17S, R31E
BHL: 330' FSL & 990' FEL, (Unit P) of Section 13, T17S, R31E
Eddy County, New Mexico

Dear Sirs:

COG Operating LLC ("COG") proposes to drill the Puckett "13" Federal #7H, with pilot hole to approximately 6,800' TD, as a triple lateral well at the captioned location, or a legal location within said Unit M, to depths of approximately 5,500' TVD (Paddock lateral), 6,100' TVD (Upper Blinebry lateral), and 6,600' TVD (Lower Blinebry lateral) TVD, each to approximately 11,021' MD, to test the Yeso Formation ("Operation"). The total cost of the Operation is estimated to be \$11,517,000.00 and a detailed description of such cost is set out in the enclosed Authority for Expenditure ("AFE").

Also enclosed is COG's proposed form of Operating Agreement ("OA"). A completed version of the Exhibit "A" to be incorporated into the OA will follow under separate cover, accompanied by a fully executed set of signature pages.

If you elect to participate in the subject well, please sign and return a copy of the AFE to the below letterhead address.

If you desire to receive well information regarding the subject operations please return a Well Information Requirements list to COG. Technical questions should be directed to Carl Bird at 432-686-3057 and land questions to the undersigned at 432-818-2298.

Yours truly,

COG Operating LLC

David R. Evans
New Mexico Shelf, Land Lead

Enclosure (s)
DRE/rc

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: **Puckett "13" Federal #7H**
 SHL: 83' FNL & 970' FEL, Sec. 13-17S-31E
 BHL: 330' FSL & 990' FEL, Sec. 13-17S-31E
 Pilot- 160 Acre

PROSPECT NAME: **Tamano (Mack) 720017**
 COUNTY & STATE: **Eddy Co, NM**
 OBJECTIVE: **YESO (11,021' MD) (5500' TVD) Paddock**

INTANGIBLE COSTS		BCP	ACP	TOTAL
Title/Curative/Permit	201	10,000		10,000
Insurance	202	22,000	302	22,000
Damages/Right of Way	203	15,000	303	15,000
Survey/Stake Location	204	3,000	304	3,000
Location/Pits/Road Expense	205	40,000	305	105,000
Drilling / Completion Overhead	206	5,000	306	6,000
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract 20:2 @ \$13000/day	209	260,000	309	286,000
Directional Drilling Services, With RS	210	400,000	310	400,000
Fuel & Power	211	112,500	311	123,750
Water	212	30,000	312	105,000
Bits	213	45,000	313	46,000
Mud & Chemicals	214	25,000	314	25,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217	16,000		16,000
Cement Intermediate	218	16,000		16,000
Cement Production 7"x5.5"	218		319	70,000
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
Float Equipment & Centralizers	221	3,500	321	18,500
Casing Crews & Equipment	222	7,000	322	20,000
Fishing Tools & Service	223		323	0
Geologic/Engineering	224	10,000	324	11,000
Contract Labor	225	10,000	325	40,000
Company Supervision	226	2,000	326	4,000
Contract Supervision	227	28,000	327	32,000
Testing Casing/Tubing	228	4,000	328	5,500
Mud Logging Unit	229	16,000	329	16,000
Logging	230	0	330	5,000
Perforating/Wireline Services	231	3,500	331	125,000
Stimulation/Treating			332	760,000
Completion Unit			333	40,000
Swabbing Unit			334	0
Rentals-Surface	235	20,000	335	100,000
Rentals-Subsurface	236	30,000	336	10,000
Trucking/Forklift/Rig Mobilization	237	40,000	337	100,000
Welding Services	238	3,000	338	1,500
Water Disposal	239		339	25,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	120,000	344	120,000
Miscellaneous	242	5,000	342	1,000
Contingency	243	131,500	343	149,750
TOTAL INTANGIBLES		1,433,000	1,633,000	3,066,000

TANGIBLE COSTS		BCP	ACP	TOTAL
Surface Casing 550' 13 3/8"	401	20,000		1,200
Intermediate Casing 1850' 9 5/8"	402	48,000	503	48,000
Production Casing/Liner 6900' -7", 4200' - 5.5"			503	260,000
Tubing 6200' 2 7/8"			504	38,000
Wellhead Equipment	405	30,000	505	18,000
Pumping Unit			506	97,000
Prime Mover			507	0
Rods			508	39,000
Pumps			509	4,500
Tanks			510	20,000
Flowlines			511	15,000
Heater/Treater/Separator			512	25,000
Electrical System			513	0
Packers/Anchors/Hangers	414		514	0
Couplings/Fittings/Valves	415	2,000	515	25,000
Gas Compressors/Meters			516	4,000
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	1,000	519	1,000
Contingency	420	11,000	520	55,500
TOTAL TANGIBLES		112,000	602,000	714,000
TOTAL WELL COSTS		1,545,000	2,235,000	3,780,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve:
 _____ % Working Interest

Company: _____

By: _____

Printed Name: _____

Title: _____

Date: _____

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

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "13" Federal #7H
SHL: 83° ENL & 970° FEL, Sec. 13-17S-31E
BHL: 330° FSL & 990° FEL, Sec. 13-17S-31E
 Pilot: 160 Acre

PROSPECT NAME: Tamano (Mack) 720017
COUNTY & STATE: Eddy Co, NM
OBJECTIVE: YESO (11, 021' MD) (5500' TVD) Paddock

		<u>BCP</u>	<u>ACP</u>	<u>TOTAL</u>
INTANGIBLE COSTS				
Title/Curative/Permit	201	10,000		10,000
Insurance	202	22,000	302	22,000
Damages/Right of Way	203	15,000	303	15,000
Survey/Stake Location	204	3,000	304	3,000
Location/Pits/Road Expense	205	40,000	305	105,000
Drilling / Completion Overhead	206	5,000	306	6,000
Turkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract 20:2 @ \$13000/day	209	260,000	309	286,000
Directional Drilling Services, With RS	210	400,000	310	400,000
Fuel & Power	211	112,500	311	123,750
Water	212	30,000	312	105,000
Bits	213	45,000	313	46,000
Mud & Chemicals	214	25,000	314	25,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217	16,000		16,000
Cement Intermediate	218	16,000		16,000
Cement Production 7"x5.5"	218		319	70,000
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
Float Equipment & Centralizers	221	3,500	321	18,500
Casing Crews & Equipment	222	7,000	322	20,000
Fishing Tools & Service	223		323	0
Geologic/Engineering	224	10,000	324	11,000
Contract Labor	225	10,000	325	40,000
Company Supervision	226	2,000	326	4,000
Contract Supervision	227	28,000	327	32,000
Testing Casing/Tubing	228	4,000	328	5,500
Mud Logging Unit	229	16,000	329	16,000
Logging	230	0	330	5,000
Perforating/Wireline Services	231	3,500	331	128,500
Stimulation/Treating			332	760,000
Completion Unit			333	40,000
Swabbing Unit			334	0
Rentals-Surface	235	20,000	335	120,000
Rentals-Subsurface	236	30,000	336	40,000
Trucking/Forklift/Rig Mobilization	237	40,000	337	140,000
Welding Services	238	3,000	338	4,500
Water Disposal	239		339	25,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	120,000	344	120,000
Miscellaneous	242	5,000	342	6,000
Contingency	243	131,500	343	281,250
TOTAL INTANGIBLES		1,433,000	1,633,000	3,066,000
TANGIBLE COSTS				
Surface Casing 550' 13 3/8"	401	20,000		1,200
Intermediate Casing 1850' 9 5/8"	402	48,000	503	48,000
Production Casing/Liner 6900' - 7", 4200' - 5.5"			503	260,000
Tubing 6200' 2 7/8"			504	38,000
Wellhead Equipment	405	30,000	505	48,000
Pumping Unit			506	97,000
Prime Mover			507	0
Rods			508	39,000
Pumps			509	4,500
Tanks			510	20,000
Flowlines			511	15,000
Heater Treater/Separator			512	25,000
Electrical System			513	0
Packers/Anchors/Hangers	414		514	0
Couplings/Fittings/Valves	415	2,000	515	27,000
Gas Compressors/Meters			516	4,000
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	1,000	519	2,000
Contingency	420	112,000	520	66,500
TOTAL TANGIBLES		112,000	602,000	714,000
TOTAL WELL COSTS		1,545,000	2,235,000	3,780,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve:
% Working Interest

Company:
By:

Printed Name:
Title:
Date:

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

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: **Puckett "13" Federal #7H**
 SHL: 83' FNL & 970' FEL, Sec. 13-17S-31E
 BHL: 330' FSL & 990' FEL, Sec. 13-17S-31E
 Pilot: 160 Acre

PROSPECT NAME: **Tamano (Mack) 720017**
 COUNTY & STATE: **Eddy Co, NM**
 OBJECTIVE: **YESO (11, 021' MD) (5500' TVD) Paddock**

INTANGIBLE COSTS		BCP	ACP	TOTAL
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Drilling / Completion Overhead	206	5,000	306	6,000
Turnkey Contract	207		307	0
Footage Contract	208		308	0
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Water	212	30,000	312	105,000
Bits	213	45,000	313	46,000
Mud & Chemicals	214	25,000	314	25,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217	16,000		16,000
Cement Intermediate	218	16,000		16,000
Cement Production 7"x5.5"	218		319	70,000
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
Float Equipment & Centralizers	221	3,500	321	18,500
Casing Crews & Equipment	222	7,000	322	20,000
Fishing Tools & Service	223		323	0
Geologic/Engineering	224	10,000	324	11,000
Contract Labor	225	10,000	325	40,000
Company Supervision	226	2,000	326	4,000
Contract Supervision	227	28,000	327	32,000
Testing Casing/Tubing	228	4,000	328	5,500
Mud Logging Unit	229	16,000	329	16,000
Logging	230	0	330	5,000
Perforating/Wireline Services	231	3,500	331	128,500
Stimulation/Treating			332	760,000
Completion Unit			333	40,000
Swabbing Unit			334	0
Rentals-Surface	235	20,000	335	120,000
Rentals-Subsurface	236	30,000	336	40,000
Trucking/Forklift/Rig Mobilization	237	40,000	337	140,000
Welding Services	238	3,000	338	4,500
Water Disposal	239		339	25,000
Plug to Abandon	240		340	0
Selsmic Analysis	241		341	0
Closed Loop & Environmental	244	120,000	344	120,000
Miscellaneous	242	5,000	342	6,000
Contingency	243	131,500	343	281,250
TOTAL INTANGIBLES		1,433,000	1,633,000	3,066,000
TANGIBLE COSTS				
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Production Casing/Liner 6900' -7" 4200' - 5.5"			503	260,000
Tubing 6200' 2 7/8"			504	38,000
Wellhead Equipment	405	30,000	505	48,000
Pumping Unit			506	97,000
Prime Mover			507	0
Rods			508	39,000
Pumps			509	4,500
Tanks			510	20,000
Flowlines			511	15,000
Heater/Treater/Separator			512	25,000
Electrical System			513	0
Packers/Anchors/Hangers	414		514	0
Couplings/Fittings/Valves	415	2,000	515	27,000
Gas Compressors/Meters			516	4,000
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	1,000	519	2,000
Contingency	420	112,000	520	66,500
TOTAL TANGIBLES		112,000	602,000	714,000
TOTAL WELL COSTS		1,545,000	2,235,000	3,780,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve:
 _____ % Working Interest

Company: _____
 By: _____

Printed Name: _____
 Title: _____
 Date: _____

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

Confirmation Services	Package ID: 9171999991703005152018	Electronic Certified
	Destination ZIP Code: 76102	Priority Envelope or package CBP
	Customer Reference	
	Recipient Address: _____	PBP Account #: 41592288 Serial #: 1364097 MAY 25 2011 4:33pm

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
 Print your name and address on the reverse so that we can return the card to you.
 Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Burnett Oil Company
 Burnett Plaza, Unit 9
 801 Cherry Street, Suite 1500
 Fort Worth, TX 76102
 Puckett "13" Federal #7H

COMPLETE THIS SECTION ON DELIVERY

A. Signature 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

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number 91 7199 9991 7030 0515 2018
 (Transfer from service label)

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
 Print your name and address on the reverse so that we can return the card to you.
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Burnett Oil Company
 Burnett Plaza, Unit 9
 801 Cherry Street, Suite 1500
 Fort Worth, TX 76102
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COMPLETE THIS SECTION ON DELIVERY

A. Signature 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

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number 91 7199 9991 7030 0515 2018
 (Transfer from service label)

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

Transmission Report

Date/Time: 05-25-2011 03:39:31 p.m. Transmit Header Text
 Local ID 1: 4326863000 Local Name 1: Land

This document : Failed
 (reduced sample and details below)
 Document size : 8.5"x14"



PAGE 1 OF 5 PAGES

DATE: May 25, 2011

TO: Burnett Oil Company-Attn: Land Manager

FAX: (817) 332-7832

NOTICE: This facsimile message contains PRIVILEGED and CONFIDENTIAL information and is intended only for the use of the specific individual or individuals to which it is addressed. If you are not an intended recipient of this facsimile, you are hereby notified that any unauthorized use, dissemination or copying of this facsimile or the information contained herein or attached hereto is strictly prohibited. If you receive this facsimile in error, please notify the sender named below by telephone and/or reply facsimile and destroy the facsimile received in error. Thank you.

FROM: Robyn Cummins
 Concho Resources Inc. - COG Oil & Gas LP / COG Operating LLC
 550 West Texas Avenue, Suite 100, Midland, Texas 79701-4210

PHONE: (432) 818-2324 FAX: (432) 686-3000

Re: New Well Proposal - Puckett #13 Federal 7-11

Total Pages Scanned : 5

Total Pages Confirmed : 0

No.	Job	Remote Station	Start Time	Duration	Pages	Line	Mode	Job Type	Results
101	178	818173327832	02:58:28 p.m. 05-25-2011	00:00:00	0/5	1	--	HS	FA

Abbreviations:

- HS: Host send PL: Polled local MP: Mailbox print CP: Completed TS: Terminated by system
- HR: Host receive PR: Polled remote RP: Report FA: Fail G3: Group 3
- WS: Waiting send MS: Mailbox save FF: Fax Forward TU: Terminated by user EC: Error Correct



FAX COVER SHEET

PAGE 1 OF 5 PAGES

DATE: May 25, 2011

TO: Burnett Oil Company-Attn: Land Manager

FAX: (817) 332-7832

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FROM: Robyn Cummins
Concho Resources Inc. - COG Oil & Gas LP / COG Operating LLC
550 West Texas Avenue, Suite 100, Midland, Texas 79701-4210

PHONE: (432) 818-2324

FAX: (432) 686 3000

Re: New Well Proposal Puckett "13" Federal 7-H

Lisa Wilson

From: Lisa Wilson
Sent: Wednesday, May 25, 2011 4:26 PM
To: 'dsrhodes@burnettoil.com'
Cc: David Evans
Subject: Puckett Well Proposals
Attachments: Burnett_Puckett 24 Fed 2H.pdf; Burnett_Puckett 24 Fed 6H.pdf; Burnett_Puckett 12 Fed 7H.pdf; Burnett_Puckett 12 Fed 9H.pdf; Burnett_Puckett 13 Fed 1H.pdf; Burnett_Puckett 13 Fed 7H.pdf

Tracking:	Recipient	Delivery	Read
	'dsrhodes@burnettoil.com'		
	David Evans	Delivered: 5/25/2011 4:26 PM	Read: 5/25/2011 4:27 PM

Mr. Rhodes,

Attached are scanned copies of 6 Puckett Well Proposals. The originals are being sent today via U.S. Certified Mail.

Thank you,

Lisa Wilson (Oetting)
Land Assistant
COG OPERATING LLC
550 W. Texas Avenue, Suite 100
Midland, Texas 79701
p.432.685.4366
f.432.686.3000



Lisa Wilson

From: David Rhodes [dsrhodes@burnettoil.com]
To: Lisa Wilson
Sent: Wednesday, May 25, 2011 4:29 PM
Subject: Read: Puckett Well Proposals

Your message was read on Wednesday, May 25, 2011 4:28:31 PM (GMT-06:00) Central Time (US & Canada).



May 25, 2011

U.S. Certified Mail
Return Receipt Requested

Javalina Partners
616 Texas Street
Fort Worth, TX 76102

RE: **New Well Proposal**
Puckett "13" Federal #7H
SHL: 83' FNL & 970' FEL (Unit A) of Section 13, T17S, R31E
BHL: 330' FSL & 990' FEL (Unit P) of Section 13, T17S, R31E
Eddy County, New Mexico

Dear Sirs:

COG Operating LLC ("COG") proposes to drill the Puckett "13" Federal #7H, with pilot hole to approximately 6,800' TD, as a triple lateral well at the captioned location, or a legal location within said Unit M, to depths of approximately 5,500' TVD (Paddock lateral), 6,100' TVD (Upper Blinebry lateral), and 6,600' TVD (Lower Blinebry lateral) TVD, each to approximately 11,021' MD, to test the Yeso Formation ("Operation"). The total cost of the Operation is estimated to be \$11,517,000.00 and a detailed description of such cost is set out in the enclosed Authority for Expenditure ("AFE").

Also enclosed is COG's proposed form of Operating Agreement ("OA"). A completed version of the Exhibit "A" to be incorporated into the OA will follow under separate cover, accompanied by a fully executed set of signature pages.

If you elect to participate in the subject well, please sign and return a copy of the AFE to the below letterhead address.

If you desire to receive well information regarding the subject operations please return a Well Information Requirements list to COG. Technical questions should be directed to Carl Bird at 432-686-3057 and land questions to the undersigned at 432-818-2298.

Yours truly,

COG Operating LLC

David R. Evans

David R. Evans
New Mexico Shelf, Land Lead

Enclosure (s)
DRE/rc

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "13" Federal #7H **PROSPECT NAME:** Tamano (Mack) 720017
SHL: 83' FNL & 970' FEL, Sec. 13-17S-31E **COUNTY & STATE:** Eddy Co, NM
BHL: 330' FSL & 990' FEL, Sec. 13-17S-31E **OBJECTIVE:** YESO (41' 021' MD) (6100' TVD) Upper Blinabry
Pilot: 160 Acre

INTANGIBLE COSTS		BCP	ACP	TOTAL
Title/Curative/Permit	201	10,000		10,000
Insurance	202	22,000	302	22,000
Damages/Right of Way	203	15,000	303	15,000
Survey/Stake Location	204	3,000	304	3,000
Location/Pits/Road Expense	205	40,000	305	105,000
Drilling / Completion Overhead	206	5,000	306	6,000
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract 20:2 @ \$13000/day	209	260,000	309	286,000
Directional Drilling Services, With RS	210	400,000	310	400,000
Fuel & Power	211	112,500	311	123,750
Water	212	30,000	312	105,000
Bits	213	45,000	313	46,000
Mud & Chemicals	214	25,000	314	25,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217	16,000		16,000
Cement Intermediate	218	16,000		16,000
Cement Production 7"x5.5"	218		319	70,000
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
Float Equipment & Centralizers	221	3,500	321	18,500
Casing Crews & Equipment	222	7,000	322	20,000
Fishing Tools & Service	223		323	0
Geologic/Engineering	224	10,000	324	11,000
Contract Labor	225	10,000	325	40,000
Company Supervision	226	2,000	326	4,000
Contract Supervision	227	28,000	327	32,000
Testing Casing/Tubing	228	4,000	328	5,500
Mud Logging Unit	229	16,000	329	16,000
Logging	230	0	330	5,000
Perforating/Wireline Services	231	3,500	331	128,500
Stimulation/Treating			332	760,000
Completion Unit			333	40,000
Swabbing Unit			334	0
Rentals-Surface	235	20,000	335	120,000
Rentals-Subsurface	236	30,000	336	40,000
Trucking/Forklift/Rig Mobilization	237	40,000	337	140,000
Welding Services	238	3,000	338	4,500
Water Disposal	239		339	25,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	120,000	344	120,000
Miscellaneous	242	5,000	342	6,000
Contingency	243	131,500	343	281,250
TOTAL INTANGIBLES		1,433,000	1,633,000	3,066,000

TANGIBLE COSTS				
Surface Casing 550' 13 3/8"	401	20,000		1,200
Intermediate Casing 1850' 9 5/8"	402	48,000	503	48,000
Production Casing/Liner 6900' - 7", 4200' - 5.5"			503	260,000
Tubing - 6200' 2 7/8"			504	38,000
Wellhead Equipment	405	30,000	505	48,000
Pumping Unit			506	97,000
Prime Mover			507	0
Rods			508	39,000
Pumps			509	4,500
Tanks			510	20,000
Flowlines			511	15,000
Heater Treater/Separator			512	25,000
Electrical System			513	0
Packers/Anchors/Hangers	414		514	0
Couplings/Fittings/Valves	415	2,000	515	27,000
Gas Compressors/Meters			516	4,000
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	1,000	519	2,000
Contingency	420	11,000	520	66,500
TOTAL TANGIBLES		112,000	602,000	714,000
TOTAL WELL COSTS		1,545,000	2,235,000	3,780,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve: _____
 _____ % Working Interest

Company: _____

By: _____

Printed Name: _____

Title: _____

Date: _____

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**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "13" Federal #7H
 SHL: 83' FNL & 970' FEL, Sec. 13-17S-31E
 BHL: 330' FSL & 990' FEL, Sec. 13-17S-31E
 Pilot- 160 Acre

PROSPECT NAME: Tamano (Mack) 720017
 COUNTY & STATE: Eddy Co, NM
 OBJECTIVE: YESO (11, 021' MD) (6100' TVD) Upper Blinbery

INTANGIBLE COSTS	BCP	ACP	TOTAL
Title/Curative/Permit	201 10,000		10,000
Insurance	202 22,000	302	22,000
Damages/Right of Way	203 15,000	303	15,000
Survey/Stake Location	204 3,000	304	3,000
Location/Pits/Road Expense	205 40,000	305 65,000	105,000
Drilling / Completion Overhead	206 5,000	306 1,000	6,000
Turnkey Contract	207	307	0
Footage Contract	208	308	0
Daywork Contract 20:2 @ \$13000/day	209 260,000	309 26,000	286,000
Directional Drilling Services, With RS	210 400,000	310	400,000
Fuel & Power	211 112,500	311 11,250	123,750
Water	212 30,000	312 75,000	105,000
Bits	213 45,000	313 1,000	46,000
Mud & Chemicals	214 25,000	314	25,000
Drill Stem Test	215	315	0
Coring & Analysis	216		0
Cement Surface	217 16,000		16,000
Cement Intermediate	218 16,000		16,000
Cement Production 7"x5.5"	218	319 70,000	70,000
Cement Squeeze & Other (NO Kickoff Plug)	220	320	0
Float Equipment & Centralizers	221 3,500	321 15,000	18,500
Casing Crews & Equipment	222 7,000	322 13,000	20,000
Fishing Tools & Service	223	323	0
Geologic/Engineering	224 10,000	324 1,000	11,000
Contract Labor	225 10,000	325 30,000	40,000
Company Supervision	226 2,000	326 2,000	4,000
Contract Supervision	227 28,000	327 4,000	32,000
Testing Casing/Tubing	228 4,000	328 1,500	5,500
Mud Logging Unit	229 16,000	329	16,000
Logging	230 0	330 5,000	5,000
Perforating/Wireline Services	231 3,500	331 125,000	128,500
Stimulation/Treating		332 760,000	760,000
Completion Unit		333 40,000	40,000
Swabbing Unit		334	0
Rentals-Surface	235 20,000	335 100,000	120,000
Rentals-Subsurface	236 30,000	336 10,000	40,000
Trucking/Forklift/Rig Mobilization	237 40,000	337 100,000	140,000
Welding Services	238 3,000	338 1,500	4,500
Water Disposal	239	339 25,000	25,000
Plug to Abandon	240	340	0
Seismic Analysis	241	341	0
Closed Loop & Environmental	244 120,000	344	120,000
Miscellaneous	242 5,000	342 1,000	6,000
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Wellhead Equipment	405 30,000	505 18,000	48,000
Pumping Unit		506 97,000	97,000
Prime Mover		507	0
Rods		508 39,000	39,000
Pumps		509 4,500	4,500
Tanks		510 20,000	20,000
Flowlines		511 15,000	15,000
Heater Treater/Separator		512 25,000	25,000
Electrical System		513	0
Packers/Anchors/Hangers	414	514	0
Couplings/Fittings/Valves	415 2,000	515 25,000	27,000
Gas Compressors/Meters		516 4,000	4,000
Dehydrator		517	0
Injection Plant/CO2 Equipment		518	0
Miscellaneous	419 1,000	519 1,000	2,000
Contingency	420 11,000	520 55,500	66,500
TOTAL TANGIBLES	112,000	602,000	714,000
TOTAL WELL COSTS	1,545,000	2,235,000	3,780,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve:
 _____ % Working Interest

Company: _____

By: _____

Printed Name: _____

Title: _____

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**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "13" Federal #7H PROSPECT NAME: Tamano (Mack) 720017
 SHL: 83' FNL & 970' FEL, Sec. 13-17S-31E COUNTY & STATE: Eddy Co, NM
 BHL: 330' FSL & 990' FEL, Sec. 13-17S-31E OBJECTIVE: YESO (11, 021' MD) (6100' TVD) Upper Blinbery
 Pilot: 160 Acre

		BCP	ACP	TOTAL
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Drilling / Completion Overhead	206	5,000	1,000	6,000
Turnkey Contract	207			0
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Mud & Chemicals	214	25,000		25,000
Drill Stem Test	215			0
Coring & Analysis	216			0
Cement Surface	217	16,000		16,000
Cement Intermediate	218	16,000		16,000
Cement Production 7"x5.5"	218		70,000	70,000
Cement Squeeze & Other (NO Kickoff Plug)	220			0
Float Equipment & Centralizers	221	3,500	15,000	18,500
Casing Crews & Equipment	222	7,000	13,000	20,000
Fishing Tools & Service	223			0
Geologic/Engineering	224	10,000	1,000	11,000
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Company Supervision	226	2,000	2,000	4,000
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Testing Casing/Tubing	228	4,000	1,500	5,500
Mud Logging Unit	229	16,000		16,000
Logging	230	0	5,000	5,000
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Completion Unit			40,000	40,000
Swabbing Unit				0
Rentals-Surface	235	20,000	100,000	120,000
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Trucking/Forklift/Rig Mobilization	237	40,000	100,000	140,000
Welding Services	238	3,000	1,500	4,500
Water Disposal	239		25,000	25,000
Plug to Abandon	240			0
Seismic Analysis	241			0
Closed Loop & Environmental	244	120,000		120,000
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Production Casing/Liner 6900' - 7", 4200' - 5.5"			260,000	260,000
Tubing 6200' 2 7/8"			38,000	38,000
Wellhead Equipment	405	30,000	18,000	48,000
Pumping Unit			97,000	97,000
Prime Mover				0
Rods			39,000	39,000
Pumps			4,500	4,500
Tanks			20,000	20,000
Flowlines			15,000	15,000
Heater Treater/Separator			25,000	25,000
Electrical System				0
Packers/Anchors/Hangers	414			0
Couplings/Fittings/Valves	415	2,000	25,000	27,000
Gas Compressors/Meters			4,000	4,000
Dehydrator				0
Injection Plant/CO2 Equipment				0
Miscellaneous	419	1,000	1,000	2,000
Contingency	420	11,000	55,500	66,500
TOTAL TANGIBLES		112,000	602,000	714,000
TOTAL WELL COSTS		1,545,000	2,235,000	3,780,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve:

% Working Interest

Company: _____

By: _____

Printed Name: _____

Title: _____

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

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Javelina Partners
 616 Texas Street
 Fort Worth, TX 76102
 Puckett "13" Federal #7H

2. Article Number
 (Transfer from service label)

91 7199 9991 7030 0514 5515
 PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature 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

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes No

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

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 (Transfer from service label)

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 PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature 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

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes No

Confirmation Services
 Package ID: 9171999991703005145515
 Destination ZIP Code: 76102
 Customer Reference:
 Recipient Address:
 PBP Account #: 41592288
 Serial #: 1364097
 MAY 26 2011 4:43pm
 Electronic Certified
 Priority Envelope or package CBP

Transmission Report

Date/Time: 05-25-2011 03:11:19 p.m. Transmit Header Text
Local ID: 4326863000 Local Name 1 Land

This document: Confirmed
(reduced sample and details below)
Document size: 8.5"x14"



FAX COVER SHEET

PAGE 1 OF 5 PAGES

DATE: May 25, 2011

TO: Javelina Partners-Mr. E. Randall Hudson III

FAX: (817) 334-0442

NOTICE: This facsimile message contains PRIVILEGED and CONFIDENTIAL information and is intended only for the use of the specific individual or individuals to which it is addressed. If you are not an intended recipient of this facsimile, you are hereby notified that any unauthorized use, dissemination or copying of this facsimile or the information contained herein or attached hereto is strictly prohibited. If you receive this facsimile in error, please notify the sender named below by telephone and/or reply facsimile and destroy the facsimile received in error. Thank you.

FROM: Robyn Cummins
Concho Resources Inc. - COG Oil & Gas LP / COG Operating LLC
550 West Texas Avenue, Suite 100, Midland, Texas 79701-4210

PHONE: (432) 818-2324 FAX: (432) 686-3000

Re: New Well Proposal - Puckett #13" Federal 7-H

Total Pages Scanned: 5

Total Pages Confirmed: 5

No.	Job	Remote Station	Start Time	Duration	Pages	Line	Mode	Job Type	Results
001	166	8173340442	02:31:44 p.m. 05-25-2011	00:05:05	5/5	1	EC	HS	CP7200

Abbreviations:

IS: Host send

IR: Host receive

VS: Waiting send

PL: Polled local

PR: Polled remote

MS: Mailbox save

MP: Mailbox print

RP: Report

FF: Fax Forward

CP: Completed

FA: Fail

TU: Terminated by user

TS: Terminated by system

G3: Group 3

EC: Error Correct



FAX COVER SHEET

PAGE 1 OF 5 PAGES

DATE: May 25, 2011

TO: Javelina Partners-Mr. E. Randall Hudson III

FAX: (817) 334-0442

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FROM: Robyn Cummins
Concho Resources Inc. - COG Oil & Gas LP / COG Operating LLC
550 West Texas Avenue, Suite 100, Midland, Texas 79701-4210

PHONE: (432) 818-2324 FAX: (432) 686-3000

Re: New Well Proposal Puckett "13" Federal 7-H



May 25, 2011

**U.S. Certified Mail
Return Receipt Requested**

Zorro Partners
616 Texas Street
Fort Worth, TX 76102

RE: **New Well Proposal**
Puckett "13" Federal #7H
SHL: 83' FNL & 970' FEL (Unit A) of Section 13, T17S, R31E
BHL: 330' FSL & 990' FEL, (Unit P) of Section 13, T17S, R31E
Eddy County, New Mexico

Dear Sirs:

COG Operating LLC ("COG") proposes to drill the Puckett "13" Federal #7H, with pilot hole to approximately 6,800' TD, as a triple lateral well at the captioned location, or a legal location within said Unit M, to depths of approximately 5,500' TVD (Paddock lateral), 6,100' TVD (Upper Blinebry lateral), and 6,600' TVD (Lower Blinebry lateral) TVD, each to approximately 11,021' MD, to test the Yeso Formation ("Operation"). The total cost of the Operation is estimated to be \$11,517,000.00 and a detailed description of such cost is set out in the enclosed Authority for Expenditure ("AFE").

Also enclosed is COG's proposed form of Operating Agreement ("OA"). A completed version of the Exhibit "A" to be incorporated into the OA will follow under separate cover, accompanied by a fully executed set of signature pages.

If you elect to participate in the subject well, please sign and return a copy of the AFE to the below letterhead address.

If you desire to receive well information regarding the subject operations please return a Well Information Requirements list to COG. Technical questions should be directed to Carl Bird at 432-686-3057 and land questions to the undersigned at 432-818-2298.

Yours truly,

COG Operating LLC

David R. Evans
New Mexico Shelf, Land Lead

Enclosure (s)
DRE/rc

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: **Puckett "13" Federal #7H**
SHL: 83' FNL & 970' FEL, Sec. 13-17S-31E
BHL: 330' FSL & 990' FEL, Sec. 13-17S-31E
Pilot- 160 Acre

PROSPECT NAME: Tamano (Mack) 720017
COUNTY & STATE: Eddy Co, NM
OBJECTIVE: 11, 021' MD (6600' TVD) Lower Blinbry

		BCP	ACP	TOTAL
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Miscellaneous	242	5,000	342	6,000
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COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/24/11

We approve:
_____% Working Interest

Company:

By:

Printed Name:

Title:

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**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "13" Federal #7H
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 Pilot- 160 Acre

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 COUNTY & STATE: Eddy Co., NM
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Coring & Analysis	216			0
Cement Surface	217	16,000		16,000
Cement Intermediate	218	16,000		16,000
Cement Production 7"x5.5"	218		319	70,000
Cement Squeeze & Other (Kickoff Plug)	220	25,000	320	25,000
Float Equipment & Centralizers	221	3,500	321	18,500
Casing Crews & Equipment	222	7,000	322	20,000
Fishing Tools & Service	223		323	0
Geologic/Engineering	224	10,000	324	11,000
Contract Labor	225	10,000	325	40,000
Company Supervision	226	2,000	326	4,000
Contract Supervision	227	28,000	327	32,000
Testing Casing/Tubing	228	4,000	328	5,500
Mud Logging Unit	229	20,000	329	20,000
Logging	230	30,000	330	35,000
Perforating/Wireline Services	231	3,500	331	128,500
Stimulation/Treating			332	760,000
Completion Unit			333	40,000
Swabbing Unit			334	0
Rentals-Surface	235	24,000	335	124,000
Rentals-Subsurface	236	35,000	336	45,000
Trucking/Forklift/Rig Mobilization	237	40,000	337	140,000
Welding Services	238	3,000	338	4,500
Water Disposal	239		339	25,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	135,000	344	135,000
Miscellaneous	242	5,000	342	6,000
Contingency	243	147,000	343	296,750
TOTAL INTANGIBLES		1,610,000	1,633,000	3,243,000
TANGIBLE COSTS				
Surface Casing 550' 13 3/8"	401	20,000		1,200
Intermediate Casing 1850' 9 5/8"	402	48,000	503	48,000
Production Casing/Liner 6900' - 7"; 4200' - 5.5"			503	260,000
Tubing 6200' 2 7/8"			504	38,000
Wellhead Equipment	405	30,000	505	48,000
Pumping Unit			506	97,000
Prime Mover			507	0
Rods			508	39,000
Pumps			509	4,500
Tanks			510	20,000
Flowlines			511	15,000
Heater Treater/Separator			512	25,000
Electrical System			513	0
Packers/Anchors/Hangers	414		514	0
Couplings/Fittings/Valves	415	2,000	515	27,000
Gas Compressors/Meters			516	4,000
Dehydrator			517	0
Injection Plan/CO2 Equipment			518	0
Miscellaneous	419	1,000	519	2,000
Contingency	420	11,000	520	66,500
TOTAL TANGIBLES		112,000	602,000	714,000
TOTAL WELL COSTS		1,722,000	2,235,000	3,957,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/24/11

We approve:
 _____ % Working Interest

Company: _____

By: _____

Printed Name: _____

Title: _____

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

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: **Puckett "13" Federal #7H**
SHL: 83' FNL & 970' FEL, Sec. 13-17S-31E
BHL: 330' FSL & 990' FEL, Sec. 13-17S-31E
Pilot: 160 Acre

PROSPECT NAME: **Tamano (Mack) 720017**
COUNTY & STATE: **Eddy Co, NM**
OBJECTIVE: **11, 021' MD (6600' TVD) Lower Blinbry**

INTANGIBLE COSTS		BCP	ACP	TOTAL
Title/Curative/Permit	201	10,000		10,000
Insurance	202	22,000	302	22,000
Damages/Right of Way	203	15,000	303	15,000
Survey/Stake Location	204	3,000	304	3,000
Location/Pits/Road Expense	205	40,000	305	65,000
Drilling / Completion/Overhead	206	5,000	306	1,000
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract 24:2 @ \$13000/day	209	312,000	309	26,000
Directional Drilling Services, With RS	210	400,000	310	
Fuel & Power	211	135,000	311	11,250
Water	212	34,000	312	75,000
Bits	213	45,000	313	1,000
Mud & Chemicals	214	25,000	314	
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217	16,000		16,000
Cement Intermediate	218	16,000		16,000
Cement Production 7"x5.5"	218		319	70,000
Cement Squeeze & Other (Kickoff Plug)	220	25,000	320	25,000
Float Equipment & Centralizers	221	3,500	321	15,000
Casing Crews & Equipment	222	7,000	322	13,000
Fishing Tools & Service	223		323	0
Geologic/Engineering	224	10,000	324	1,000
Contract Labor	225	10,000	325	30,000
Company Supervision	226	2,000	326	2,000
Contract Supervision	227	28,000	327	4,000
Testing Casing/Tubing	228	4,000	328	1,500
Mud Logging Unit	229	20,000	329	20,000
Logging	230	30,000	330	5,000
Perforating/Wireline Services	231	3,500	331	125,000
Stimulation/Treating			332	760,000
Completion Unit			333	40,000
Swabbing Unit			334	0
Rentals-Surface	235	24,000	335	100,000
Rentals-Subsurface	236	35,000	336	10,000
Trucking/Forklift/Rig Mobilization	237	40,000	337	100,000
Welding Services	238	3,000	338	1,500
Water Disposal	239		339	25,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	135,000	344	
Miscellaneous	242	5,000	342	1,000
Contingency	243	147,000	343	149,750
TOTAL INTANGIBLES		1,610,000	1,633,000	3,243,000
TANGIBLE COSTS				
Surface Casing 550' 13 3/8"	401	20,000		1,200
Intermediate Casing 1850' 9 5/8"	402	48,000	503	48,000
Production Casing/Liner 6900' 7" 4200' 5.5"			503	260,000
Tubing 6200' 2 7/8"			504	38,000
Wellhead/Equipment	405	30,000	505	18,000
Pumping Unit			506	97,000
Prime Mover			507	0
Rods			508	39,000
Pumps			509	4,500
Tanks			510	20,000
Flowlines			511	15,000
Heater Treater/Separator			512	25,000
Electrical System			513	0
Packers/Anchors/Hangers	414		514	0
Couplings/Fittings/Valves	415	2,000	515	25,000
Gas Compressors/Meters			516	4,000
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	1,000	519	1,000
Contingency	420	11,000	520	55,500
TOTAL TANGIBLES		112,000	602,000	714,000
TOTAL WELL COSTS		1,722,000	2,235,000	3,957,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/24/11

We approve:
_____% Working Interest

Company: _____

By: _____

Printed Name: _____

Title: _____

Date: _____

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

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Zorro Partners
 616 Texas Street
 Fort Worth, TX 76102
 Puckett "13" Federal #7H

2. Article Number:
(Transfer from service)

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
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- Attach this card to the back of the mailpiece, or on the front if space permits.

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 616 Texas Street
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2. Article Number:
(Transfer from service)

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature 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

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.
 4. Restricted Delivery? (Extra Fee) Yes

91 7199 9991 7030 0514 5560

COMPLETE THIS SECTION ON DELIVERY

A. Signature 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

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.
 4. Restricted Delivery? (Extra Fee) Yes

91 7199 9991 7030 0514 5560

Electronic Certified
 Priority Envelope or package CBP
 PBP Account # 41592288
 Serial # 1364097
 MAY 25 2011 4:41pm

Confirmation Services
 Package ID: 9171999991703005145560
 Destination ZIP Code 76102
 Customer Reference
 Recipient Address

Transmission Report

Date/Time: 05-25-2011 02:47:39 p.m. Transmit Header Text
 Local ID 1: 4326863000 Local Name 1: Land

This document : Confirmed
 (reduced sample and details below)
 Document size : 8.5"x14"



FAX COVER SHEET

PAGE 1 OF 5 PAGES

DATE: May 25, 2011

TO: Zorro Partners-Mr. William A. Hudson II

FAX: (817) 334-0442

NOTICE: This facsimile message contains PRIVILEGED and CONFIDENTIAL information and is intended only for the use of the specific individual or individuals to whom it is addressed. If you are not an intended recipient of this facsimile, you are hereby notified that any unauthorized use, dissemination or copying of this facsimile or the information contained herein or attached hereto is strictly prohibited. If you receive this facsimile in error, please notify the sender named below by telephone and/or reply facsimile and destroy the facsimile received in error. Thank you.

FROM: Robyn Casimiro
 Concho Resources Inc. - COG Oil & Gas LP / COG Operating LLC
 550 West Texas Avenue, Suite 100, Midland, Texas 79701-4210

PHONE: (432) 818-2324 FAX: (432) 686 3000

Re: New Well Proposal - Puckett "13" Federal 7-H

Total Pages Scanned : 5

Total Pages Confirmed : 5

No.	Job	Remote Station	Start Time	Duration	Pages	Line	Mode	Job Type	Results
001	160	8173340442	02:21:10 p.m. 05-25-2011	00:04:25	5/5	1	EC	HS	CP9600

Abbreviations:

HS: Host send	PL: Polled local	MP: Mailbox print	CP: Completed	TS: Terminated by system
HR: Host receive	PR: Polled remote	RP: Report	FA: Fail	G3: Group 3
WS: Waiting send	MS: Mailbox save	FF: Fax Forward	TU: Terminated by user	EC: Error Correct



FAX COVER SHEET

PAGE 1 OF 5 PAGES

DATE: May 25, 2011

TO: Zorro Partners-Mr. William A. Hudson II

FAX: (817) 334-0442

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FROM: Robyn Cummins
Concho Resources Inc. - COG Oil & Gas LP / COG Operating LLC
550 West Texas Avenue, Suite 100, Midland, Texas 79701-4210

PHONE: (432) 818-2324

FAX: (432) 686 3000

Re: New Well Proposal Puckett "13" Federal 7-H

June 20, 2011

U.S. Certified Mail
Return Receipt Requested

Burnett Oil Company
Burnett Plaza, Unit 9
801 Cherry Street, Suite 1500
Fort Worth, Texas 76102

COPY

RE: New Well Proposal
Puckett "13" Federal #8H
SHL: 232' FSL & 459' FEL of Section 12, T17S, R31E
BHL: 330' FSL & 330' FEL, of Section 13, T17S, R31E
Eddy County, New Mexico

Dear Sirs:

COG Operating LLC ("COG") proposes to drill the Puckett "13" Federal #8H, as a triple lateral well to penetrate the Yeso Formation at a legal location within Unit Letter A of Section 13, to depths of approximately 5,500' TVD, 9,900' MD for a Paddock lateral; 6,100' TVD, 10,500' MD for an Upper Blinebry lateral; and 6,600' TVD, 11,021' MD for a Lower Blinebry lateral ("Operation"). The total cost of the Operation is estimated to be \$9,648,000.00 and a detailed description of such cost is set out in the enclosed Authority for Expenditure ("AFE").

Also enclosed is COG's proposed form of Operating Agreement ("OA"). A completed version of the Exhibit "A" to be incorporated into the OA will follow under separate cover, accompanied by a fully executed set of signature pages.

If you elect to participate in the subject well, please sign and return a copy of the AFE to the below letterhead address.

If you desire to receive well information regarding the subject operations please return a Well Information Requirements list to COG. Technical questions should be directed to Carl Bird at 432-686-3057 and land questions to the undersigned at 432-685-4354.

Yours truly,

COG Operating LLC

S. Dirks *gjh*
Stuart A. Dirks, CPL
Senior Landman

Enclosure (s)
DRE/rc

Confirmation Services	Package ID: 9171999991703040428239	Electronic Certified
	Destination ZIP Code: 76102	First Class Large Envelope
	Customer Reference:	PBP Account #: 41592288
	Recipient: <i>Burnett</i>	Serial #: 1364097
	Address: <i>24 # 8 H</i>	JUN 20 2011 4:11 PM

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse that we can return the card to you. Attach this card to the back of the mailpiece, on the front if space permits.

Title Addressed to:

Jrnett Oil Company
Jrnett Plaza, Unit 9
11 Cherry Street, Suite 1500
Fort Worth, Texas 76102
Jrnett 13 Federal #8H

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
M Berger Addressee
B. Received by (Printed Name) *M Berger* C. Date of Delivery *02/21/11*
D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

Article Number (Transfer from service label) 91 7199 9991 7030 4042 8383

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "13" Federal #8H PROSPECT NAME: Puckett
 Surf. Loc: 232' FSL, 459' FEL, Sec 12, 17S-31E COUNTY & STATE: Eddy Co, NM
 BHL: 330' FSL, 330' FEL, Sec 13, 17S-31E OBJECTIVE: 11021' MD (6600' TVD) Lower Blinebry
 WO/Pilot, 160 Acre

<u>INTANGIBLE COSTS</u>		<u>BCP</u>		<u>ACP</u>		<u>TOTAL</u>
Title/Curative/Permit	201	10,000				10,000
Insurance	202	22,000	302			22,000
Damages/Right of Way	203	15,000	303			15,000
Survey/Stake Location	204	3,000	304			3,000
Location/Pits/Road Expense	205	40,000	305	65,000		105,000
Drilling / Completion Overhead	206	5,000	306	1,000		6,000
Turnkey Contract	207		307			0
Footage Contract	208		308			0
Daywork Contract 20:2 @ \$13000/day	209	260,000	309	26,000		286,000
Directional Drilling Services, With RS	210	400,000	310			400,000
Fuel & Power	211	112,500	311	11,250		123,750
Water	212	30,000	312	75,000		105,000
Bits	213	45,000	313	1,000		46,000
Mud & Chemicals	214	25,000	314			25,000
Drill Stem Test	215		315			0
Coring & Analysis	216					0
Cement Surface	217	16,000				16,000
Cement Intermediate	218	16,000				16,000
Cement Production 7"x5.5"	218		319	70,000		70,000
Cement Squeeze & Other (NO Kickoff Plug)	220		320			0
Float Equipment & Centralizers	221	3,500	321	15,000		18,500
Casing Crews & Equipment	222	7,000	322	13,000		20,000
Fishing Tools & Service	223		323			0
Geologic/Engineering	224	10,000	324	1,000		11,000
Contract Labor	225	10,000	325	30,000		40,000
Company Supervision	226	2,000	326	2,000		4,000
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Testing Casing/Tubing	228	4,000	328	1,500		5,500
Mud Logging Unit	229	16,000	329			16,000
Logging	230	0	330	5,000		5,000
Perforating/Wireline Services	231	3,500	331	125,000		128,500
Stimulation/Treating			332	760,000		760,000
Completion Unit			333	40,000		40,000
Swabbing Unit			334			0
Rentals-Surface	235	20,000	335	100,000		120,000
Rentals-Subsurface	236	30,000	336	10,000		40,000
Trucking/Forklift/Rig Mobilization	237	40,000	337	100,000		140,000
Welding Services	238	3,000	338	1,500		4,500
Water Disposal	239		339	25,000		25,000
Plug to Abandon	240		340			0
Seismic Analysis	241		341			0
Closed Loop & Environmental	244	120,000	344			120,000
Miscellaneous	242	5,000	342	1,000		6,000
Contingency	243	131,500	343	149,750		281,250
TOTAL INTANGIBLES		1,433,000		1,633,000		3,066,000
TANGIBLE COSTS						
Surface Casing 550' 13 3/8"	401	20,000				1,200
Intermediate Casing 1850' 9 5/8"	402	48,000	503			48,000
Production Casing/Liner 6900' - 7", 4200' - 5.5"			503	260,000		260,000
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Wellhead Equipment	405	30,000	505	18,000		48,000
Pumping Unit			506	97,000		97,000
Prime Mover			507			0
Rods			508	39,000		39,000
Pumps			509	4,500		4,500
Tanks			510	20,000		20,000
Flowlines			511	15,000		15,000
Heater Treater/Separator			512	25,000		25,000
Electrical System			513			0
Packers/Anchors/Hangers	414		514			0
Couplings/Fittings/Valves	415	2,000	515	25,000		27,000
Gas Compressors/Meters			516	4,000		4,000
Dehydrator			517			0
Injection Plant/CO2 Equipment			518			0
Miscellaneous	419	1,000	519	1,000		2,000
Contingency	420	11,000	520	55,500		66,500
TOTAL TANGIBLES		112,000		602,000		714,000
TOTAL WELL COSTS		1,545,000		2,235,000		3,780,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve:
_____% Working Interest

Company: _____
By: _____

Printed Name: _____
Title: _____
Date: _____

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

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "13" Federal #8H	PROSPECT NAME: Puckett
Surf. Loc: 232' FSL, 459' FEL, Sec 12, 17S-31E	COUNTY & STATE: Eddy Co, NM
BHL: 330' FSL, 330' FEL, Sec 13, 17S-31E	OBJECTIVE: 10500' MD (6100' TVD) Upper Blinebry
WO/Pilot, 160 Acre	

<u>INTANGIBLE COSTS</u>		<u>BCP</u>		<u>ACP</u>		<u>TOTAL</u>
Title/Curative/Permit	201	10,000				10,000
Insurance	202	22,000	302			22,000
Damages/Right of Way	203		303			0
Survey/Stake Location	204		304			0
Location/Pits/Road Expense	205	10,000	305	10,000		20,000
Drilling / Completion Overhead	206	5,000	306	1,000		6,000
Turnkey Contract	207		307			0
Footage Contract	208		308			0
Daywork Contract 12:3 @ \$13000/day	209	156,000	309	39,000		195,000
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Bits	213	30,000	313	1,000		31,000
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Coring & Analysis	216					0
Cement Surface	217					0
Cement Intermediate	218					0
Cement 2nd Intermediate 7"	218		319			0
Cement Squeeze & Other (NO Kickoff Plug)	220		320			0
Float Equipment & Centralizers	221		321			0
Casing Crews & Equipment	222		322	13,000		13,000
Fishing Tools & Service	223	100,000	323			100,000
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Mud Logging Unit	229	12,000	329			12,000
Logging	230		330			0
Perforating/Wireline Services	231	15,000	331	12,500		27,500
Stimulation/Treating			332	950,000		950,000
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Water Disposal	239		339	25,000		25,000
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Seismic Analysis	241		341			0
Closed Loop & Environmental	244	50,000	344			50,000
Miscellaneous	242	5,000	342	1,000		6,000
Contingency	243	105,000	343	131,300		236,300
TOTAL INTANGIBLES		1,151,000		1,436,000		2,587,000
TANGIBLE COSTS						
Surface Casing	401					1,200
Intermediate Casing	402		503			0
Production Casing/Liner 4200' - 4.5"			503	51,000		51,000
Tubing			504			0
Wellhead Equipment	405		505			0
Pumping Unit			506			0
Prime Mover			507			0
Rods			508			0
Pumps			509			0
Tanks			510			0
Flowlines			511			0
Heater Treater/Separator			512			0
Electrical System			513			0
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Couplings/Fittings/Valves	415	2,000	515	25,000		27,000
Gas Compressors/Meters			516	4,000		4,000
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Injection Plant/CO2 Equipment			518			0
Miscellaneous	419	1,000	519	1,000		2,000
Contingency	420	1,000	520	32,000		33,000
TOTAL TANGIBLES		4,000		343,000		347,000
TOTAL WELL COSTS		1,155,000		1,779,000		2,934,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:
_____ % Working Interest

Company: _____

By: _____

Printed Name: _____

Title: _____

Date: _____

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**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "13" Federal #8H	PROSPECT NAME: Puckett
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WO/Pilot, 160 Acre	

INTANGIBLE COSTS	BCP	ACP	TOTAL
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Survey/Stake Location	204	304	0
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Drilling / Completion Overhead	206 5,000	306 1,000	6,000
Turnkey Contract	207	307	0
Footage Contract	208	308	0
Daywork Contract 12:3 @ \$13000/day	209 156,000	309 39,000	195,000
Directional Drilling Services, With RS	210 350,000	310	350,000
Fuel & Power	211 68,000	311 17,000	85,000
Water	212 25,000	312 75,000	100,000
Bits	213 30,000	313 1,000	31,000
Mud & Chemicals	214 15,000	314	15,000
Drill Stem Test	215	315	0
Coring & Analysis	216		0
Cement Surface	217		0
Cement Intermediate	218		0
Cement 2nd Intermediate 7"	218	319	0
Cement Squeeze & Other (NO Kickoff Plug)	220	320	0
Float Equipment & Centralizers	221	321	0
Casing Crews & Equipment	222	322 13,000	13,000
Fishing Tools & Service	223 100,000	323	100,000
Geologic/Engineering	224 10,000	324 1,000	11,000
Contract Labor	225 10,000	325 30,000	40,000
Company Supervision	226 2,000	326 2,000	4,000
Contract Supervision	227 17,000	327 4,200	21,200
Testing Casing/Tubing	228 4,000	328 1,500	5,500
Mud Logging Unit	229 12,000	329	12,000
Logging	230	330	0
Perforating/Wireline Services	231 15,000	331 12,500	27,500
Stimulation/Treating	232	332 950,000	950,000
Completion Unit	233 12,000	333 45,000	57,000
Swabbing Unit	234	334	0
Rentals-Surface	235 15,000	335 45,000	60,000
Rentals-Subsurface	236 60,000	336 10,000	70,000
Trucking/Forklift/Rig Mobilization	237 40,000	337 20,000	60,000
Welding Services	238 3,000	338 1,500	4,500
Water Disposal	239	339 25,000	25,000
Plug to Abandon	240	340	0
Seismic Analysis	241	341	0
Closed Loop & Environmental	244 50,000	344	50,000
Miscellaneous	242 5,000	342 1,000	6,000
Contingency	243 105,000	343 131,300	236,300
TOTAL INTANGIBLES	1,151,000	1,436,000	2,587,000
TANGIBLE COSTS			
Surface Casing	401		1,200
Intermediate Casing	402	503	0
Production Casing/Liner 4200' - 4.5"		503 51,000	51,000
Tubing		504	0
Wellhead Equipment	405	505	0
Pumping Unit		506	0
Prime Mover		507	0
Rods		508	0
Pumps		509	0
Tanks		510	0
Flowlines		511	0
Heater Treater/Separator		512	0
Electrical System		513	0
Packers/Anchors/Hangers	414	514 230,000	230,000
Couplings/Fittings/Valves	415 2,000	515 25,000	27,000
Gas Compressors/Meters		516 4,000	4,000
Dehydrator		517	0
Injection Plant/CO2 Equipment		518	0
Miscellaneous	419 1,000	519 1,000	2,000
Contingency	420 1,000	520 32,000	33,000
TOTAL TANGIBLES	4,000	343,000	347,000
TOTAL WELL COSTS	1,155,000	1,779,000	2,934,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:
_____ % Working Interest

Company:
By: _____

Printed Name: _____
Title: _____
Date: _____

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

June 20, 2011

U.S. Certified Mail
Return Receipt Requested

Javalina Partners
616 Texas Street
Fort Worth, TX 76102

RE: **New Well Proposal**
Puckett "13" Federal #8H
SHL: 232' FSL & 459' FEL of Section 12, T17S, R31E
BHL: 330' FSL & 330' FEL, of Section 13, T17S, R31E
Eddy County, New Mexico

Dear Sirs:

COG Operating LLC ("COG") proposes to drill the Puckett "13" Federal #8H, as a triple lateral well to penetrate the Yeso Formation at a legal location within Unit Letter A of Section 13, to depths of approximately 5,500' TVD, 9,900' MD for a Paddock lateral; 6,100' TVD, 10,500' MD for an Upper Blinebry lateral; and 6,600' TVD, 11,021' MD for a Lower Blinebry lateral ("Operation"). The total cost of the Operation is estimated to be \$9,648,000.00 and a detailed description of such cost is set out in the enclosed Authority for Expenditure ("AFE").

Also enclosed is COG's proposed form of Operating Agreement ("OA"). A completed version of the Exhibit "A" to be incorporated into the OA will follow under separate cover, accompanied by a fully executed set of signature pages.

If you elect to participate in the subject well, please sign and return a copy of the AFE to the below letterhead address.

If you desire to receive well information regarding the subject operations please return a Well Information Requirements list to COG. Technical questions should be directed to Carl Bird at 432-686-3057 and land questions to the undersigned at 432-685-4354.

Yours truly,

COG Operating LLC



Stuart A. Dirks, CPL
Senior Landman

Enclosure (s)
DRE/rc

Confirmation Services	Package ID: 9171999991703040428215	Electronic Certified
	Destination ZIP Code: 76102	First Class Large Envelope
	Customer Reference	PBP Account #: 41592288
	Recipient: <i>Javalina</i>	Serial #: 1364097
	Address: <i>Puckett 24 #8 H</i>	JUN 20 2011 4:12 PM

DER: COMPLETE THIS SECTION

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, front on the front if space permits.

Article Addressed to:

Javalina Partners
616 Texas Street
Fort Worth, TX 76102
Puckett 13 Federal #8H

COMPLETE THIS SECTION ON DELIVERY

A. Signature <i>[Signature]</i>		<input type="checkbox"/> Agent <input type="checkbox"/> Addressee
B. Received by (Printed Name) <i>Olivia</i>	C. Date of Delivery <i>6-22</i>	
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 checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.		
4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes		

Article Number
Transfer from service label) 91 7199 9991 7030 4042 8369

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "13" Federal #8H PROSPECT NAME: Puckett
 Surf. Loc: 232' FSL, 459' FEL, Sec 12, 17S-31E COUNTY & STATE: Eddy Co, NM
 BHL: 330' FSL, 330' FEL, Sec 13, 17S-31E OBJECTIVE: 11021' MD (6600' TVD) Lower Blinebry
 WO/Pilot, 160 Acre

		BCP	ACP	TOTAL
INTANGIBLE COSTS				
Title/Curative/Permit	201	10,000		10,000
Insurance	202	22,000	302	22,000
Damages/Right of Way	203	15,000	303	15,000
Survey/Stake Location	204	3,000	304	3,000
Location/Pits/Road Expense	205	40,000	305 65,000	105,000
Drilling / Completion Overhead	206	5,000	306 1,000	6,000
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract 20:2 @ \$13000/day	209	260,000	309 26,000	286,000
Directional Drilling Services, With RS	210	400,000	310	400,000
Fuel & Power	211	112,500	311 11,250	123,750
Water	212	30,000	312 75,000	105,000
Bits	213	45,000	313 1,000	46,000
Mud & Chemicals	214	25,000	314	25,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217	16,000		16,000
Cement Intermediate	218	16,000		16,000
Cement Production 7"x5.5"	218		319 70,000	70,000
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
Float Equipment & Centralizers	221	3,500	321 15,000	18,500
Casing Crews & Equipment	222	7,000	322 13,000	20,000
Fishing Tools & Service	223		323	0
Geologic/Engineering	224	10,000	324 1,000	11,000
Contract Labor	225	10,000	325 30,000	40,000
Company Supervision	226	2,000	326 2,000	4,000
Contract Supervision	227	28,000	327 4,000	32,000
Testing Casing/Tubing	228	4,000	328 1,500	5,500
Mud Logging Unit	229	16,000	329	16,000
Logging	230	0	330 5,000	5,000
Perforating/Wireline Services	231	3,500	331 125,000	128,500
Stimulation/Treating			332 760,000	760,000
Completion Unit			333 40,000	40,000
Swabbing Unit			334	0
Rentals-Surface	235	20,000	335 100,000	120,000
Rentals-Subsurface	236	30,000	336 10,000	40,000
Trucking/Forklift/Rig Mobilization	237	40,000	337 100,000	140,000
Welding Services	238	3,000	338 1,500	4,500
Water Disposal	239		339 25,000	25,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	120,000	344	120,000
Miscellaneous	242	5,000	342 1,000	6,000
Contingency	243	131,500	343 149,750	281,250
TOTAL INTANGIBLES		1,433,000	1,633,000	3,066,000
TANGIBLE COSTS				
Surface Casing 550' 13 3/8"	401	20,000		1,200
Intermediate Casing 1850' 9 5/8"	402	48,000	503	48,000
Production Casing/Liner 6900' - 7", 4200' - 5.5"			503 260,000	260,000
Tubing 6200' 2 7/8"			504 38,000	38,000
Wellhead Equipment	405	30,000	505 18,000	48,000
Pumping Unit			506 97,000	97,000
Prime Mover			507	0
Rods			508 39,000	39,000
Pumps			509 4,500	4,500
Tanks			510 20,000	20,000
Flowlines			511 15,000	15,000
Heater Treater/Separator			512 25,000	25,000
Electrical System			513	0
Packers/Anchors/Hangers	414		514	0
Couplings/Fittings/Valves	415	2,000	515 25,000	27,000
Gas Compressors/Meters			516 4,000	4,000
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	1,000	519 1,000	2,000
Contingency	420	11,000	520 55,500	66,500
TOTAL TANGIBLES		112,000	602,000	714,000
TOTAL WELL COSTS		1,545,000	2,235,000	3,780,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve:
_____% Working Interest

Company:

By:

Printed Name:

Title:

Date:

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

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "13" Federal #8H	PROSPECT NAME: Puckett
Surf. Loc: 232' FSL, 459' FEL, Sec 12, 17S-31E	COUNTY & STATE: Eddy Co, NM
BHL: 330' FSL, 330' FEL, Sec 13, 17S-31E	OBJECTIVE: 10500' MD (6100' TVD) Upper Blinebry
WO/Pilot, 160 Acre	

<u>INTANGIBLE COSTS</u>	<u>BCP</u>	<u>ACP</u>	<u>TOTAL</u>
Title/Curative/Permit	201 10,000		10,000
Insurance	202 22,000	302	22,000
Damages/Right of Way	203	303	0
Survey/Stake Location	204	304	0
Location/Pits/Road Expense	205 10,000	305 10,000	20,000
Drilling / Completion Overhead	206 5,000	306 1,000	6,000
Turnkey Contract	207	307	0
Footage Contract	208	308	0
Daywork Contract 12:3 @ \$13000/day	209 156,000	309 39,000	195,000
Directional Drilling Services, With RS	210 350,000	310	350,000
Fuel & Power	211 68,000	311 17,000	85,000
Water	212 25,000	312 75,000	100,000
Bits	213 30,000	313 1,000	31,000
Mud & Chemicals	214 15,000	314	15,000
Drill Stem Test	215	315	0
Coring & Analysis	216		0
Cement Surface	217		0
Cement Intermediate	218		0
Cement 2nd Intermediate 7"	218	319	0
Cement Squeeze & Other (NO Kickoff Plug)	220	320	0
Float Equipment & Centralizers	221	321	0
Casing Crews & Equipment	222	322 13,000	13,000
Fishing Tools & Service	223 100,000	323	100,000
Geologic/Engineering	224 10,000	324 1,000	11,000
Contract Labor	225 10,000	325 30,000	40,000
Company Supervision	226 2,000	326 2,000	4,000
Contract Supervision	227 17,000	327 4,200	21,200
Testing Casing/Tubing	228 4,000	328 1,500	5,500
Mud Logging Unit	229 12,000	329	12,000
Logging	230	330	0
Perforating/Wireline Services	231 15,000	331 12,500	27,500
Stimulation/Treating		332 950,000	950,000
Completion Unit	12,000	333 45,000	57,000
Swabbing Unit		334	0
Rentals-Surface	235 15,000	335 45,000	60,000
Rentals-Subsurface	236 60,000	336 10,000	70,000
Trucking/Forklift/Rig Mobilization	237 40,000	337 20,000	60,000
Welding Services	238 3,000	338 1,500	4,500
Water Disposal	239	339 25,000	25,000
Plug to Abandon	240	340	0
Seismic Analysis	241	341	0
Closed Loop & Environmental	244 50,000	344	50,000
Miscellaneous	242 5,000	342 1,000	6,000
Contingency	243 105,000	343 131,300	236,300
TOTAL INTANGIBLES	1,151,000	1,436,000	2,587,000
<u>TANGIBLE COSTS</u>			
Surface Casing	401		1,200
Intermediate Casing	402	503	0
Production Casing/Liner 4200' - 4.5"		503 51,000	51,000
Tubing		504	0
Wellhead Equipment	405	505	0
Pumping Unit		506	0
Prime Mover		507	0
Rods		508	0
Pumps		509	0
Tanks		510	0
Flowlines		511	0
Heater Treater/Separator		512	0
Electrical System		513	0
Packers/Anchors/Hangers	414	514 230,000	230,000
Couplings/Fittings/Valves	415 2,000	515 25,000	27,000
Gas Compressors/Meters		516 4,000	4,000
Dehydrator		517	0
Injection Plant/CO2 Equipment		518	0
Miscellaneous	419 1,000	519 1,000	2,000
Contingency	420 1,000	520 32,000	33,000
TOTAL TANGIBLES	4,000	343,000	347,000
TOTAL WELL COSTS	1,155,000	1,779,000	2,934,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:
_____ % Working Interest

Company: _____

By: _____

Printed Name: _____

Title: _____

Date: _____

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

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "13" Federal #8H	PROSPECT NAME: Puckett
Surf. Loc: 232' FSL, 459' FEL, Sec 12, 17S-31E	COUNTY & STATE: Eddy Co, NM
BHL: 330' FSL, 330' FEL, Sec 13, 17S-31E	OBJECTIVE: 9900' MD (5500' TVD) Paddock
WO/Pilot, 160 Acre	

INTANGIBLE COSTS	BCP	ACP	TOTAL
Title/Curative/Permit	201	10,000	10,000
Insurance	202	22,000	22,000
Damages/Right of Way	203	303	0
Survey/Stake Location	204	304	0
Location/Pits/Road Expense	205	10,000	10,000
Drilling / Completion Overhead	206	5,000	6,000
Turnkey Contract	207	307	0
Footage Contract	208	308	0
Daywork Contract 12:3 @ \$13000/day	209	156,000	39,000
Directional Drilling Services, With RS	210	350,000	350,000
Fuel & Power	211	68,000	17,000
Water	212	25,000	75,000
Bits	213	30,000	1,000
Mud & Chemicals	214	15,000	314
Drill Stem Test	215	315	0
Coring & Analysis	216		0
Cement Surface	217		0
Cement Intermediate	218		0
Cement 2nd Intermediate 7"	218	319	0
Cement Squeeze & Other (NO Kickoff Plug)	220	320	0
Float Equipment & Centralizers	221	321	0
Casing Crews & Equipment	222	322	13,000
Fishing Tools & Service	223	100,000	323
Geologic/Engineering	224	10,000	324
Contract Labor	225	10,000	325
Company Supervision	226	2,000	326
Contract Supervision	227	17,000	327
Testing Casing/Tubing	228	4,000	328
Mud Logging Unit	229	12,000	329
Logging	230	330	0
Perforating/Wireline Services	231	15,000	331
Stimulation/Treating			332
Completion Unit		12,000	333
Swabbing Unit			334
Rentals-Surface	235	15,000	335
Rentals-Subsurface	236	60,000	336
Trucking/Forklift/Rig Mobilization	237	40,000	337
Welding Services	238	3,000	338
Water Disposal	239		339
Plug to Abandon	240		340
Selsmic Analysis	241		341
Closed Loop & Environmental	244	50,000	344
Miscellaneous	242	5,000	342
Contingency	243	105,000	343
TOTAL INTANGIBLES		1,151,000	1,436,000
TANGIBLE COSTS			
Surface Casing	401		1,200
Intermediate Casing	402	503	0
Production Casing/Liner 4200' - 4.5"		503	51,000
Tubing		504	0
Wellhead Equipment	405	505	0
Pumping Unit		506	0
Prime Mover		507	0
Rods		508	0
Pumps		509	0
Tanks		510	0
Flowlines		511	0
Heater Treater/Separator		512	0
Electrical System		513	0
Packers/Anchors/Hangers	414	514	230,000
Couplings/Fittings/Valves	415	2,000	515
Gas Compressors/Meters		516	4,000
Dehydrator		517	0
Injection Plant/CO2 Equipment		518	0
Miscellaneous	419	1,000	519
Contingency	420	1,000	520
TOTAL TANGIBLES		4,000	343,000
TOTAL WELL COSTS		1,155,000	1,779,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:
_____ % Working Interest

Company: _____
By: _____

Printed Name: _____
Title: _____
Date: _____

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

June 20, 2011

U.S. Certified Mail
Return Receipt Requested

Zorro Partners
616 Texas Street
Fort Worth, TX 76102

RE: **New Well Proposal**
Puckett "13" Federal #8H
SHL: 232' FSL & 459' FEL of Section 12, T17S, R31E
BHL: 330' FSL & 330 FEL, of Section 13, T17S, R31E
Eddy County, New Mexico

Dear Sirs:

COG Operating LLC ("COG") proposes to drill the Puckett "13" Federal #8H, as a triple lateral well to penetrate the Yeso Formation at a legal location within Unit Letter A of Section 13, to depths of approximately 5,500' TVD, 9,900' MD for a Paddock lateral; 6,100' TVD, 10,500' MD for an Upper Blinebry lateral; and 6,600' TVD, 11,021' MD for a Lower Blinebry lateral ("Operation"). The total cost of the Operation is estimated to be \$9,648,000.00 and a detailed description of such cost is set out in the enclosed Authority for Expenditure ("AFE").

Also enclosed is COG's proposed form of Operating Agreement ("OA"). A completed version of the Exhibit "A" to be incorporated into the OA will follow under separate cover, accompanied by a fully executed set of signature pages.

If you elect to participate in the subject well, please sign and return a copy of the AFE to the below letterhead address.

If you desire to receive well information regarding the subject operations please return a Well Information Requirements list to COG. Technical questions should be directed to Carl Bird at 432-686-3057 and land questions to the undersigned at 432-685-4354.

Yours truly,

COG Operating LLC


Stuart A. Dirks, CPL
Senior Landman

Enclosure (s)
DRE/rc

Confirmation Services	Package ID: 9171999991703040428222	Electronic Certified
	Destination ZIP Code: 76102	First Class Large Envelope
	Customer Reference:	PBP Account #: 41592288
	Recipient: <u>ZORRO</u>	Serial #: 1364097
	Address: <u>24 #8H</u>	JUN 20 2011 4:11 PM

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, on the front if space permits.

Mailpiece Addressed to:

Pro Partners
6 Texas Street
Ft Worth, TX 76102
PO Box 13 Federal #8H

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
[Signature]

B. Received by (Printed Name) Date of Delivery
Olivia *JUN 22 2011*

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

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

Tracking Number (transfer from service label) 91 7199 9991 7030 4042 6376

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "13" Federal #8H PROSPECT NAME: Puckett
 Surf. Loc: 232' FSL, 459' FEL, Sec 12, 17S-31E COUNTY & STATE: Eddy Co, NM
 BHL: 330' FSL, 330' FEL, Sec 13, 17S-31E OBJECTIVE: 11021' MD (6600' TVD) Lower Blinebry
 WO/Pilot, 160 Acre

<u>INTANGIBLE COSTS</u>		<u>BCP</u>	<u>ACP</u>	<u>TOTAL</u>
Title/Curative/Permit	201	10,000		10,000
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Logging	230	0	330	5,000
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Stimulation/Treating			332	760,000
Completion Unit			333	40,000
Swabbing Unit			334	0
Rentals-Surface	235	20,000	335	120,000
Rentals-Subsurface	236	30,000	336	40,000
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Water Disposal	239		339	25,000
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<u>TANGIBLE COSTS</u>				
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Intermediate Casing 1850' 9 5/8"	402	48,000	503	48,000
Production Casing/Liner 6900' - 7", 4200' - 5.5"			503	260,000
Tubing 6200' 2 7/8"			504	38,000
Wellhead Equipment	405	30,000	505	48,000
Pumping Unit			506	97,000
Prime Mover			507	0
Rods			508	39,000
Pumps			509	4,500
Tanks			510	20,000
Flowlines			511	15,000
Heater Treater/Separator			512	25,000
Electrical System			513	0
Packers/Anchors/Hangers	414		514	0
Couplings/Fittings/Valves	415	2,000	515	27,000
Gas Compressors/Meters			516	4,000
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	1,000	519	2,000
Contingency	420	11,000	520	66,500
TOTAL TANGIBLES		112,000	602,000	714,000
TOTAL WELL COSTS		1,545,000	2,235,000	3,780,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve:
_____% Working Interest

Company: _____
By: _____

Printed Name: _____
Title: _____
Date: _____

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**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "13" Federal #8H	PROSPECT NAME: Puckett
Surf. Loc: 232' FSL, 459' FEL, Sec 12, 17S-31E	COUNTY & STATE: Eddy Co, NM
BHL: 330' FSL, 330' FEL, Sec 13, 17S-31E	OBJECTIVE: 10500' MD (6100' TVD) Upper Blinebry
WO/Pilot, 160 Acre	

<u>INTANGIBLE COSTS</u>		<u>BCP</u>	<u>ACP</u>	<u>TOTAL</u>
Title/Curative/Permit	201	10,000		10,000
Insurance	202	22,000	302	22,000
Damages/Right of Way	203		303	0
Survey/Stake Location	204		304	0
Location/Pits/Road Expense	205	10,000	305 10,000	20,000
Drilling / Completion Overhead	206	5,000	306 1,000	6,000
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract 12:3 @ \$13000/day	209	156,000	309 39,000	195,000
Directional Drilling Services, With RS	210	350,000	310	350,000
Fuel & Power	211	68,000	311 17,000	85,000
Water	212	25,000	312 75,000	100,000
Bits	213	30,000	313 1,000	31,000
Mud & Chemicals	214	15,000	314	15,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217			0
Cement Intermediate	218			0
Cement 2nd Intermediate 7"	218		319	0
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
Float Equipment & Centralizers	221		321	0
Casing Crews & Equipment	222		322 13,000	13,000
Fishing Tools & Service	223	100,000	323	100,000
Geologic/Engineering	224	10,000	324 1,000	11,000
Contract Labor	225	10,000	325 30,000	40,000
Company Supervision	226	2,000	326 2,000	4,000
Contract Supervision	227	17,000	327 4,200	21,200
Testing Casing/Tubing	228	4,000	328 1,500	5,500
Mud Logging Unit	229	12,000	329	12,000
Logging	230		330	0
Perforating/Wireline Services	231	15,000	331 12,500	27,500
Stimulation/Treating			332 950,000	950,000
Completion Unit		12,000	333 45,000	57,000
Swabbing Unit			334	0
Rentals-Surface	235	15,000	335 45,000	60,000
Rentals-Subsurface	236	60,000	336 10,000	70,000
Trucking/Forklift/Rig Mobilization	237	40,000	337 20,000	60,000
Welding Services	238	3,000	338 1,500	4,500
Water Disposal	239		339 25,000	25,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	50,000	344	50,000
Miscellaneous	242	5,000	342 1,000	6,000
Contingency	243	105,000	343 131,300	236,300
TOTAL INTANGIBLES		1,151,000	1,436,000	2,587,000
<u>TANGIBLE COSTS</u>				
Surface Casing	401			1,200
Intermediate Casing	402		503	0
Production Casing/Liner 4200' - 4.5"			503 51,000	51,000
Tubing			504	0
Wellhead Equipment	405		505	0
Pumping Unit			506	0
Prime Mover			507	0
Rods			508	0
Pumps			509	0
Tanks			510	0
Flowlines			511	0
Heater Treater/Separator			512	0
Electrical System			513	0
Packers/Anchors/Hangers	414		514 230,000	230,000
Couplings/Fittings/Valves	415	2,000	515 25,000	27,000
Gas Compressors/Meters			516 4,000	4,000
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	1,000	519 1,000	2,000
Contingency	420	1,000	520 32,000	33,000
TOTAL TANGIBLES		4,000	343,000	347,000
TOTAL WELL COSTS		1,155,000	1,779,000	2,934,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:
_____% Working Interest

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**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

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 BHL: 330' FSL, 330' FEL, Sec 13, 17S-31E OBJECTIVE: 9900' MD (5500' TVD) Paddock
 WO/Pilot, 160 Acre

INTANGIBLE COSTS		BCP	ACP	TOTAL
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Water	212	25,000	312	75,000
Bits	213	30,000	313	1,000
Mud & Chemicals	214	15,000	314	15,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217			0
Cement Intermediate	218			0
Cement 2nd Intermediate 7"	218		319	0
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
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Logging	230		330	0
Perforating/Wireline Services	231	15,000	331	12,500
Stimulation/Treating			332	950,000
Completion Unit		12,000	333	45,000
Swabbing Unit			334	0
Rentals-Surface	235	15,000	335	45,000
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Trucking/Forklift/Rig Mobilization	237	40,000	337	20,000
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Tubing			504	0
Wellhead Equipment	405		505	0
Pumping Unit			506	0
Prime Mover			507	0
Rods			508	0
Pumps			509	0
Tanks			510	0
Flowlines			511	0
Heater Treater/Separator			512	0
Electrical System			513	0
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Contingency	420	1,000	520	32,000
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COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

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