

Morris E. Schertz

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January 5, 2012

COG Operating, LLC
Attn: Mr. Stuart A. Dirks
550 West Texas, Suite 100
Midland, TX 79701

Re: Mineral Participation – Clydesdale 1 4H
Township 19 South, Range 25 East, NMPM
Section 01: SE1/4NE1/4, E1/2SE1/4
Eddy County, New Mexico
Containing 120.00 acres more or less

cont 2/2

Dear Mr. Dirks:

I have recently become aware of Oil Conversation Division compulsory pooling Case 14793 to be heard on January 19, 2012. This case is pooling the E1/2E1/2 of Section 1, Township 19 South, Range 25 East, NMPM..

Morris E. Schertz is the owner of a 18/640ths (3.375 net acres) mineral interest in and under the above described lands and would like to receive a proposal from COG for the drilling of the Clydesdale "1" Fee Well No. 4H referenced in the Case 14793.

Please furnish a participation letter, copy of the JOA, a copy of the AFE and any other materials be reviewed for the above referenced well to the above address. We will review and respond in a timely manner.

Thank you and should you have any question, please feel free to contact me at the phone above or e-mail tinman51@rocketmail.com

Sincerely,


Morris E. Schertz

cc: NMOCD