



Sent Certified Mail Receipt #: 91-7199-9991-7030-0514-6161

June 7, 2013

Ralph M. Randel., Trust Under Trust Agreement Dated March 10, 1995 P.O. Box 821011 North Richland Hills, Texas 76182-1011

Attn: Clifford Randel

## RE: Well Proposal – Dogfish Head State #4H T17S, R30E, Section 2: S/2 NE/4 & SE/4 NW/4 SHL: 2310' FNL & 1140' FWL, Unit E BHL: 2310' FNL & 330' FEL, Unit H Eddy County, New Mexico

Dear Mr. Randel,

COG Operating LLC ("COG"), as Operator, proposes to drill the Dogfish Head State #4H well as a horizontal well at the above-captioned location to a TVD of approximately 5800' and a MD of 9400' to test the Yeso Formation ("Operation"). The total cost of the Operation is estimated to be \$4,206,000 and a detailed description of the cost is set out in the enclosed Authority for Expenditure ("AFE"). COG anticipates that it will spud the well on or before December 1<sup>st</sup>, 2013.

COG is proposing to drill this well under the terms of the modified 1982 AAPL form of Operating Agreement which is enclosed for your review and approval. The Operating Agreement covers the S/2 NE/4 and SE/4 NW/4 of Sec. 2, Township 17 South and Range 30 East. It has the following general provisions:

- 100/300 Non-consenting penalty
- \$6,000/\$600 Drilling and Producing rate
- COG named as Operator

If you do not wish to participate in the Operation, COG would like to acquire a Term Assignment of your leasehold for the following general terms:

- 3 year primary term
- 180 Continuous Development
- Difference between Existing Burdens and 21%
- \$800 per net acre bonus consideration

Corporate Address: One Concho Center 600 West Illinois Avenue Midland, Texas 79701 MINNE 432.683.7443 FAX 432.683.7441

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. 4 Submitted by: COG OPERATING LLC Hearing Date: August 22, 2013



This Term Assignment offer is subject to the approval of COG's management and verification of title.

If we do not reach an agreement COG will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a spacing unit for the proposed well.

If you have any questions, please do not hesitate to contact the undersigned at 432-818-2230.

Respectfully,

COG Operating LLC

Sean Johnson Senior Landman

Enclosure(s)

June 7, 2013

Well Proposal – Dogfish Head State #4H

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\_\_\_\_\_ Hereby ELECTS TO PARTICIPATE in the cost of the proposed Operation.

Hereby ELECTS NOT TO PARTICIPATE in the proposed Operation

Approved By:

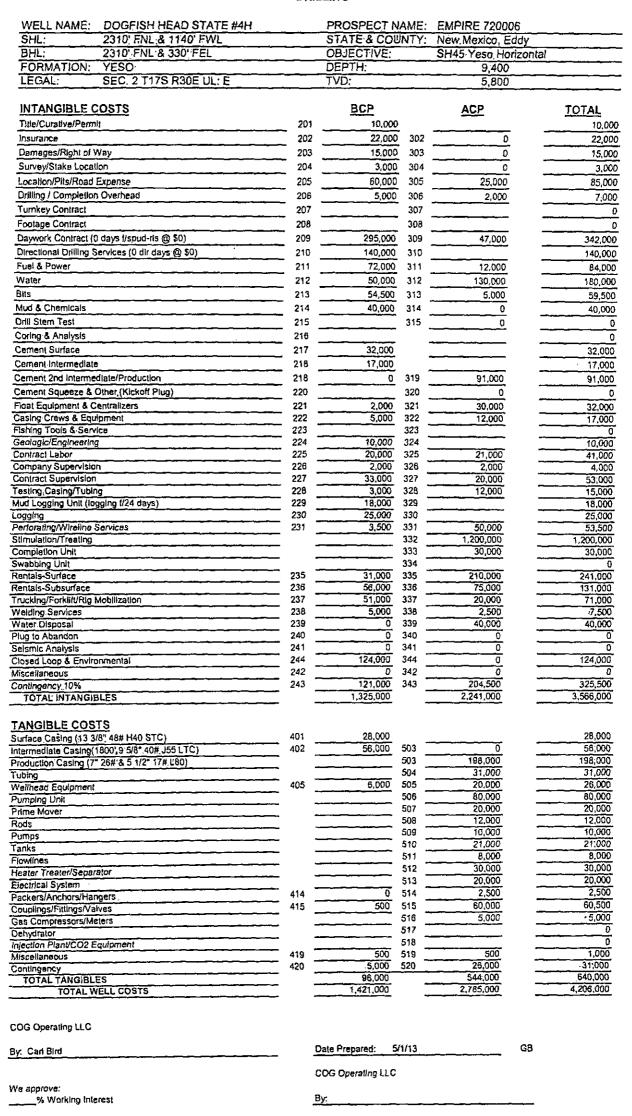
Signature

Date

Title

Corporate Address: One Concho Center 600 West Illinois Avenue Midland, Texas 79701 PHONE 432.683.7443 FAX 432.683.7441

## COG.OPERATING LLC AUTHORITY FOR EXPENDITURE DRILLING



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.