



Sent Certified Mail
Receipt No. 91-7199-9991-7030-0512-3162

September 17, 2013

Sara C. Garretson
7121 Oakbrook Dr
Plano, TX 75025-3215

RE: Well Proposal – Stonewall 9 Fee #3H
SHL: 150' FSL & 2310' FEL (Unit O)
BHL: 330' FNL & 2298' FEL (Unit B)
Section 9, T19S, R26E, Eddy County, New Mexico

Dear Ms. Garretson:

COG Operating LLC ("COG"), as Operator, proposes to drill the Stonewall 9 Fee #3H at the above-captioned location or at an approved surface location within location unit letter O, to a depth of approximately 3000' TVD, 7897' MD to test the Yezo Formation ("Operation"). The total cost of the Operation is estimated to be \$3,789,000 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, 2013.

COG is proposing to drill this well under the terms of the enclosed modified 1989 AAPL Model Form Operating Agreement ("OA") covering the W ½ of the E ½ of Section 9, T-19-S, R-26-E, with the following general provisions:

- 200/500 Non-consenting penalty
- Drilling and Producing rate:
\$4500/\$450 for vertical wells from surface to 8000'
\$5450/\$545 for vertical wells below 8000' and horizontal wells all depths
- COG named as Operator

As an heir of Loneta S. Curtis, you may have a claim to an interest within our proposed spacing unit. Although Loneta S. Curtis is the record title owner, it can be inferred from other documents in the record that she may have intended to convey her interest to Tex Zia Properties. If this was the intent and you do not claim an interest, please disregard this letter; we will notify Tex Zia as to the requirements to clear their title.

If you do claim an interest as the heir of Loneta S. Curtis, and

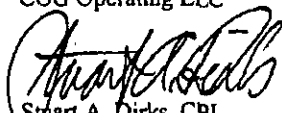
- you wish to participate in the Operation, please sign and return the AFE and the additional set of signature pages to the OA; or
- you do not wish to participate in the Operation, COG would like to acquire a Lease of your interest for the following general terms:
 - Delivering a 77.5% NRI, proportionately reduced
 - Three year primary term
 - \$500 per net acre bonus consideration

This offer to acquire your interest is subject to the approval of COG's management and verification of title.

If we do not reach an agreement within 30 days of the date of this letter COG will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a spacing unit for the proposed well.

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

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 4

Submitted by: COG OPERATING LLC
Hearing Date: November 14, 2013

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME:	STONEWALL 9 FEE #3H	PROSPECT NAME:	ZEUS 1926
SHL:	150' FSL & 2310' FEL, UL-O	STATE & COUNTY:	New Mexico, Eddy
BHL:	330' FNL & 2298' FEL, UL-B	OBJECTIVE:	SH12 Yeso Horizontal (w/ PH)
FORMATION:	Glorieta Yeso	DEPTH:	7,897
LEGAL:	Sec 9-19S-26E, API# 30-015-41555	TVD:	3,000

INTANGIBLE COSTS		BCP	ACP	TOTAL
Title/Curative/Permit	201	10,000		10,000
Insurance	202	22,000	0	22,000
Damages/Right of Way	203	50,000	0	50,000
Survey/Stake Location	204	3,000	0	3,000
Location/Pits/Road Expense	205	55,000	25,000	80,000
Drilling / Completion Overhead	206	2,500	2,000	4,500
Turnkey Contract	207			0
Footage Contract	208			0
Daywork Contract (0 days f/spud-rfs @ \$0)	209	218,000	29,000	247,000
Directional Drilling Services (0 dir days @ \$0)	210	135,000		135,000
Fuel & Power	211	45,000	6,000	51,000
Water	212	36,000	130,000	166,000
Bits	213	33,000	5,000	38,000
Mud & Chemicals	214	29,000	0	29,000
Drill Stem Test	215		0	0
Coring & Analysis	216			0
Cement Surface	217	42,000		42,000
Cement Intermediate	218	0		0
Cement 2nd Intermediate/Production	218	0	61,000	61,000
Cement Squeeze & Other (Kickoff Plug)	220	40,000	0	40,000
Float Equipment & Centralizers	221	2,000	20,000	22,000
Casing Crews & Equipment	222	5,000	12,000	17,000
Fishing Tools & Service	223			0
Geologic/Engineering	224	8,000		8,000
Contract Labor	225	16,000	21,000	37,000
Company Supervision	226	2,000	2,000	4,000
Contract Supervision	227	26,000	20,000	46,000
Testing Casing/Tubing	228	3,000	5,000	8,000
Mud Logging Unit (logging f/24 days)	229	14,000		14,000
Logging	230	25,000		25,000
Perforating/Wireline Services	231	1,500	95,000	96,500
Stimulation/Treating			1,100,000	1,100,000
Completion Unit			30,000	30,000
Swabbing Unit				0
Rentals-Surface	235	21,000	200,000	221,000
Rentals-Subsurface	236	35,000	60,000	95,000
Trucking/Forklift/Rig Mobilization	237	47,000	20,000	67,000
Welding Services	238	5,000	2,500	7,500
Water Disposal	239	0	130,000	130,000
Plug to Abandon	240	0	0	0
Seismic Analysis	241	0	0	0
Closed Loop & Environmental	244	75,000	0	75,000
Miscellaneous	242	0	0	0
Contingency 10%	243	101,000	198,500	299,500
TOTAL INTANGIBLES		1,107,000	2,174,000	3,281,000

TANGIBLE COSTS				
Surface Casing (8 5/8" 32# J55 LTC)	401	25,000		25,000
Intermediate Casing (2150" 8 5/8" 32# J55 LTC)	402	0	0	0
Production Casing (5 1/2" 17# L80)			107,000	107,000
Tubing			15,000	15,000
Wellhead Equipment	405	6,000	20,000	26,000
Pumping Unit			60,000	60,000
Prime Mover			20,000	20,000
Rods			12,000	12,000
Pumps			70,000	70,000
Tanks			21,000	21,000
Flowlines			8,000	8,000
Heater Treater/Separator			30,000	30,000
Electrical System			20,000	20,000
Packers/Anchors/Hangers	414	0	2,500	2,500
Couplings/Fittings/Valves	415	500	60,000	60,500
Gas Compressors/Meters			5,000	5,000
Dehydrator				0
Injection Plant/CO2 Equipment				0
Miscellaneous	419	500	500	1,000
Contingency	420	2,000	23,000	25,000
TOTAL TANGIBLES		34,000	474,000	508,000
TOTAL WELL COSTS		1,141,000	2,648,000	3,789,000

COG Operating LLC

By: Carl Bird

Date Prepared: 9/17/2013

cp

COG Operating LLC

We approve:
% Working Interest

By:

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.