



February 19, 2014

Via Certified Mail, Return Receipt Requested

WORKING INTEREST OWNERS LISTED ON ATTACHED EXHIBIT "A"

Re: *Well Proposal and AFE*
Tomcat Fee Com #1H ("Well")
Section 8, T19S-R35E
Lea County, New Mexico

Gentlemen:

COG Operating LLC ("COG") proposes the drilling of the horizontal Well to a depth sufficient to adequately test the 3rd Bone Spring formation at a total measured depth being approximately 15,220'. The surface location for the referenced horizontal Well is proposed at a legal location in Unit D and a bottom hole location at a legal location in Unit M, with the dedicated project area being the W/2 W/2 of Section 8, Township 19 South, Range 35 East, Lea County, New Mexico. Included herewith is our Authority for Expenditure ("AFE") in the gross amount of \$7,063,000.00, being the total estimated cost to drill and complete said Well.

COG is proposing to drill the Well under the terms of a modified 1989 A.A.P.L. Form 610 Model Form Operating Agreement. The Operating Agreement, which will be sent under separate cover, will have a Contract Area governing the W/2 W/2 of Section 8-T19S-R35E, Lea County, New Mexico, and the following general terms:

- 100% / 300% / 300% Non-consenting penalty
- \$7,000 / \$700 Drilling and Producing rate
- COG named as Operator.

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

- One (1) year primary term
- Delivering a 77% NRI, proportionately reduced
- \$1,500.00/net mineral acre bonus consideration.

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

Please indicate your participation election in the space provided below, sign and return this letter, along with a signed copy of the enclosed AFE and a copy of your geologic requirements, to my attention at the letterhead address. You may also fax your response to 432.221.0856 or by email to chopson@concho.com.


BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. 4

Submitted by: COG OPERATING LLC

Hearing Date: June 26, 2014

Well Proposal – Tomcat Fee  #1H
February 19, 2014

Should you have any questions, please do not hesitate to contact me direct at 432.686.3049.

Sincerely,

COG Operating LLC



Caleb Hopson, RPL
Landman

CH/bh
Enc

_____ I/We hereby elect to participate in the Tomcat Fee Com #1H.

_____ I/We hereby elect not to participate in the Tomcat Fee Com #1H.

Company: _____
By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT "A"
WORKING INTEREST OWNERS

COG Operating LLC
600 W. Illinois Avenue
Midland, Texas 79701
Attention: Caleb Hopson

Via Certified Mail, Return Receipt Requested No. 91 7199 9991 7033 2409 2088

Ross Duncan Properties, LLC
P.O. Box 647
Artesia, New Mexico 88211-0647

Via Certified Mail, Return Receipt Requested No. 91 7199 9991 7033 2409 2071

Davis Partners, Ltd.
P.O. Box 271
Midland, Texas 79702

participating that was Paul Davis - was participating

Via Certified Mail, Return Receipt Requested No. 91 7199 9991 7033 2409 2064

F. Ferrell Davis
P.O. Box 3061
Midland, Texas 79702

Featherstone → participating
Prospector → participating
Big Three → participating

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: TOMCAT FEE #1H	PROSPECT NAME: ZEUS 1835 (717154)
SHL: 190 FNL & 760 FWL	STATE & COUNTY: New Mexico, Lea
BHL: 330 FSL & 660 FWL	OBJECTIVE: DRILL & COMPLETE
FORMATION: 3RD BSS	DEPTH: 15,220
LEGAL: 8-19S-35E	TVD: 10,675

INTANGIBLE COSTS		BCP	ACP	TOTAL
Title/Curative/Permit	201	11,000		11,000
Insurance	202	5,000	302	5,000
Damages/Right of Way	203	15,000	303	15,000
Survey/Stake Location	204	7,000	304	7,000
Location/Pits/Road Expense	205	100,000	25,000	125,000
Drilling / Completion Overhead	206	6,000	306	6,000
Turnkey Contract	207	0	307	0
Footage Contract	208	0	308	0
Daywork Contract	209	525,000	309	525,000
Directional Drilling Services	210	188,000	310	188,000
Fuel & Power	211	149,000	10,000	159,000
Water	212	100,000	210,000	310,000
Bits	213	69,000	4,500	73,500
Mud & Chemicals	214	80,000	314	80,000
Drill Stem Test	215	0	315	0
Coring & Analysis	216	0		0
Cement Surface	217	40,000		40,000
Cement Intermediate	218	100,000		100,000
Cement 2nd Intermediate/Production	218	0	319	110,000
Cement Squeeze & Other (Kickoff Plug)	220	0	320	0
Float Equipment & Centralizers	221	35,000	20,000	55,000
Casing Crews & Equipment	222	20,000	20,000	40,000
Fishing Tools & Service	223	0	323	0
Geologic/Engineering	224	0	324	0
Contract Labor	225	10,000	125,000	135,000
Company Supervision	226	0	326	0
Contract Supervision	227	35,000	50,000	85,000
Testing Casing/Tubing	228	7,000	328	7,000
Mud Logging Unit	229	30,000	329	30,000
Logging	230	50,000	10,000	60,000
Perforating/Wireline Services	231	15,000	150,000	165,000
Stimulation/Treating		0	2,100,000	2,100,000
Completion Unit		0	125,000	125,000
Swabbing Unit		0	334	0
Rentals-Surface	235	125,000	250,000	375,000
Rentals-Subsurface	236	120,000	65,000	185,000
Trucking/Forklift/Rig Mobilization	237	200,000	25,000	225,000
Welding Services	238	5,000	7,500	12,500
Water Disposal	239	0	150,000	150,000
Plug to Abandon	240	0	340	0
Seismic Analysis	241	0	341	0
Closed Loop & Environmental	244	160,000	10,000	170,000
Miscellaneous	242	0	342	0
Contingency	243	111,000	50,000	161,000
TOTAL INTANGIBLES		2,316,000	3,517,000	5,833,000
TANGIBLE COSTS				
Surface Casing	401	58,000		58,000
Intermediate Casing	402	144,000	503	144,000
Production Casing		0	503	244,000
Tubing		0	504	65,000
Wellhead Equipment	405	20,000	505	55,000
Pumping Unit		0	506	115,000
Prime Mover		0	507	20,000
Rods		0	508	55,000
Pumps		0	509	75,000
Tanks		0	510	75,000
Flowlines		0	511	30,000
Heater Treater/Separator		0	512	80,000
Electrical System		0	513	0
Packers/Anchors/Hangers	414	0	514	10,000
Couplings/Fittings/Valves	415	0	515	135,000
Gas Compressors/Meters		0	516	8,100
Dehydrator		0	517	0
Injection Plant/CO2 Equipment		0	518	0
Miscellaneous	419	0	519	0
Contingency	420	12,000	48,900	60,900
TOTAL TANGIBLES		234,000	998,000	1,230,000
TOTAL WELL COSTS		2,550,000	4,513,000	7,063,000

COG Operating LLC

Date Prepared: 2/13/2014

We approve:
_____% Working Interest

COG Operating LLC

By: SETH WILD _____ AW

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.



February 19, 2014

Via Certified Mail, Return Receipt Requested

MINERAL INTEREST OWNERS LISTED ON ATTACHED EXHIBIT "A"

Re: *Well Proposal and AFE*
Tomcat Fee Com #1H ("Well")
Section 8, T19S-R35E
Lea County, New Mexico

Gentlemen,

COG Operating LLC ("COG") proposes the drilling of a horizontal Well to a depth sufficient to adequately test the 3rd Bone Spring formation at a total measured depth being approximately 15,220'. The surface location for the referenced horizontal Well is proposed at a legal location in Unit D and a bottom hole location is proposed at a legal location in Unit M, with the dedicated project area being the W/2 W/2 of Section 8, Township 19 South, Range 35 East, Lea County, New Mexico. Included herewith is our Authority for Expenditure ("AFE") in the gross amount of \$7,063,000.00, being the total estimated cost to drill and complete said Well.

COG is proposing to drill the Well under the terms of a modified 1989 A.A.P.L. Form 610 Model Form Operating Agreement. The Operating Agreement, which will be sent under separate cover, will have a Contract Area governing the W/2 W/2 of Section 8, T19S-R35E, Lea County, New Mexico, and the following general terms:

- 100% / 300% / 300% Non-consenting penalty
- \$7,000 / \$700 Drilling and Producing rate
- COG named as Operator.

Should you choose to participate in the proposed Well, please indicate your participation election in the space provided below, sign and return this letter, along with a signed copy of the enclosed AFE and a copy of your geologic requirements, to my attention at the letterhead address. You may also fax your response to 432.221.0856 or by email to chopson@concho.com.

If you do not wish to participate in the proposed Well, COG exhibits great interest in leasing your minerals for the purpose of investigating, exploring, prospecting, drilling, operating, producing and marketing oil, gas, and such other minerals and substances as may be produced incident to the production of oil and/or gas.

Through leasing, there is a great opportunity to utilize the minerals you own for additional income with absolutely no commitment to time, effort, or risk on your part. As payment for this privilege, COG is willing to engage in an oil and gas lease for the following general terms:

- 3 Year Primary Term
- \$1,500.00/net mineral acre bonus consideration
- 3/16th Royalty Interest.

Should the general lease terms above entertain your interest, please contact me direct at (432) 686-3049 to discuss in further detail.

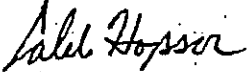
Well Proposal – Tomcat Fee Com #1H

February 19, 2014

The lease offer above is subject to COG's final management approval and the verification of title.

Sincerely,

COG Operating LLC



Caleb Hopson, RPL
Landman

CH/bh

Enc

_____ I/We hereby elect to participate in the Tomcat Fee Com #1H.

_____ I/We hereby elect not to participate in the Tomcat Fee Com #1H.

Company: _____

By: _____

Name: _____

Title: _____

Date: _____

Well Proposal - Tomcat Fee Com #1H
February 19, 2014

EXHIBIT "A"
WORKING INTEREST OWNERS

Via Certified Mail, Return Receipt Requested No. 91 7199 9991 7033 2409 2354
Bank of America, N.A., Trustee of the
Robert O. Erwin and Virginia McKnight
Erwin Trust a/k/a the Erwin Marital Trust
P.O. Box 830308
Dallas, Texas 75283-0308

turned X
Via Certified Mail, Return Receipt Requested No. 91 7199 9991 7033 2409 2057
Katherine Hartig Elmore, Derill G. Elmore, Jr., and Frank H. Elmore, III, Trustees under the Will of
Derrill G. Elmore, Deceased
c/o Derrill G. Elmore, Jr.
3414 Ridgecrest Drive
Flower Mound, TX 75022

Returned
Via Certified Mail, Return Receipt Requested No. 91 7199 9991 7033 2409 2040
Katherine Hartig Elmore, Derill G. Elmore, Jr., and Frank H. Elmore, III, Trustees under the Will of
Derrill G. Elmore, Deceased
c/o Derrill G. Elmore, Jr.
616 Cotton Exchange Blvd
Dallas, TX 75201

not correct per PLC
Via Certified Mail, Return Receipt Requested No. 91 7199 9991 7033 2409 2033
Katherine Hartig Elmore, Derill G. Elmore, Jr., and Frank H. Elmore, III, Trustees under the Will of
Derrill G. Elmore, Deceased
c/o Derrill G. Elmore, Jr.
400 Elenburg Rd.
Perrin, TX 76486

60
Via Certified Mail, Return Receipt Requested No. 91 7199 9991 7033 2409 2347
Elizabeth Raymond a/k/a Betsy Raymond
13357 Forest River Drive SE
Lowell, MI 49331

Via Certified Mail, Return Receipt Requested No. 91 7199 9991 7033 2409 2330
Frederic D. Brownell
11703 Neering Drive
Dallas, TX 75218

66
Via Certified Mail, Return Receipt Requested No. 91 7199 9991 7033 2409 2323
William S. Deniger, Jr.
4061 Mawr Drive
Dallas, TX 75225

Well Proposal - Tomcat Fee Com #1H
February 19, 2014

Via Certified Mail, Return Receipt Requested No. 91 7199 9991 7033 2409 2316
William S. Deniger, Jr.
6432 Walnut Hill Lane
Dallas, TX 75230

Via Certified Mail, Return Receipt Requested No. 91 7199 9991 7033 2409 2309
David B. Deniger
3730 Armstrong Avenue
Dallas, TX 75205

Via Certified Mail, Return Receipt Requested No. 91 7199 9991 7033 2409 2293
David B. Deniger
3704 Cragmont Ave
Dallas, TX 75205

Via Certified Mail, Return Receipt Requested No. 91 7199 9991 7033 2409 2286
David B. Deniger
16479 Dallas Parkway, Suite 400
Addison, TX 75001

Returned
Via Certified Mail, Return Receipt Requested No. 91 7199 9991 7033 2409 2279
John T. McCall, Jr.
6641 Wakefield Drive, Apt. 513
Alexandria, Virginia 22307

Returned
Via Certified Mail, Return Receipt Requested No. 91 7199 9991 7033 2409 2262
Thomas Screven McCall, SSP
4913 Pine Knoll Drive
Tyler, Texas 75703

Via Certified Mail, Return Receipt Requested No. 91 7199 9991 7033 2409 2255
SDH 2009 Investments, L.P.
2906 University Blvd.
Dallas, Texas 75205

Via Certified Mail, Return Receipt Requested No. 91 7199 9991 7033 2409 2248
The Allar Company
P.O. Box 1567
Graham, Texas 76450

Via Certified Mail, Return Receipt Requested No. 91 7199 9991 7033 2409 2231
Bertha C. McCall and Belmont Trust
Company, Co-Trustees of the Hobby H.
McCall Living Trust
25 St. Laurent Place
Dallas, Texas 75225

Returned - JTF

Well Proposal - Tomcat Fee Com #1H
February 19, 2014

Returned
Via Certified Mail, Return Receipt Requested No. 91 7199 9991 7033 2409 2224
Randolph D. McCall
3204 Drexel
Dallas, Texas 75205

Returned
Via Certified Mail, Return Receipt Requested No. 91 7199 9991 7033 2409 2217
Rebecca McCall Landis Baird, SSP
332 East Terra Alta
San Antonio, Texas 78209

Via Certified Mail, Return Receipt Requested No. 91 7199 9991 7033 2409 2354
Nuevo Seis Limited Partnership
P.O. Box 2588
Roswell, New Mexico

Via Certified Mail, Return Receipt Requested No. 91 7199 9991 7033 2409 2200
Barbara E. Hannifan, SSP
P.O. Box 182
Roswell, New Mexico 88202

Returned
Via Certified Mail, Return Receipt Requested No. 91 7199 9991 7033 2409 2194
Texas Vanguard Oil Company
P.O. Box 50820
Midland, Texas 79710

Returned - see env.

Returned
Via Certified Mail, Return Receipt Requested No. 91 7199 9991 7033 2409 2026
Mrs. Mary Hampton Elliot
c/o Logan Knapp
2755 Shadowdale Drive
Houston, TX 77043

Returned
Via Certified Mail, Return Receipt Requested No. 91 7199 9991 7033 2409 2187
Joe J. Wallace and wife, Patricia Wallace
Patricia Wallace
111 Ellis St, 5th Floor
San Francisco, CA 94102

Returned - see env.

Via Certified Mail, Return Receipt Requested No. 91 7199 9991 7033 2409 2170
Mary Iva Campbell Trust,
Carol Anne Crook Kryder, Trustee
5927 Hillcrest Avenue
Dallas, Texas 75205

Via Certified Mail, Return Receipt Requested No. 91 7199 9991 7033 2409 2163
Baloney Feathers, Ltd.
P.O. Box 1586
Lubbock, Texas 79403

Well Proposal - Tomcat Fee Com #1H
February 19, 2014

Via Certified Mail, Return Receipt Requested No. 91 7199 9991 7033 2409 2156
Richard D. Jones, Jr.
200 North Gaines Road
Cedar Creek, Texas 78612

Via Certified Mail, Return Receipt Requested No. 91 7199 9991 7033 2409 2149
Southard Properties, Ltd., whose Sole
General Partner is Southard Management Co.
1101 Scott Street, Suite 17
Wichita Falls, Texas 76301

Via Certified Mail, Return Receipt Requested No. 91 7199 9991 7033 2409 2132
ChivoOil, LLC
P.O. Box 3061
Midland, Texas 79702

Via Certified Mail, Return Receipt Requested No. 91 7199 9991 7033 2409 2125
Paul Davis, Ltd.
P.O. Box 8715
Midland, Texas 79702

participating

Via Certified Mail, Return Receipt Requested No. 91 7199 9991 7033 2409 2118
Gene L. Dalmont, SSP
1498 Scipio Lane
McAlester, OK 74501

Via Certified Mail, Return Receipt Requested No. 91 7199 9991 7033 2409 2101
Gene L. Dalmont, SSP
Route 1 Box 193
McAlester, OK 74501

Via Certified Mail, Return Receipt Requested No. 91 7199 9991 7033 2409 2095
Estate of Catherine H. Ragsdale
c/o Douglass Nichols
4713 Chiappero Trail
Austin, TX 78731

Via Certified Mail, Return Receipt Requested No. 91 7199 9991 7033 2409 2019
Peter B. Tyson, SSP
c/o Tyson Properties, LLC
P.O. Box 3786
Midland, TX 79702

not participating

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME:	TOMCAT FEE #1H	PROSPECT NAME:	ZEUS 1835 (717154)
SHL:	190 FNL & 780 FWL	STATE & COUNTY:	New Mexico, Lea
BHL:	330 FSL & 680 FWL	OBJECTIVE:	DRILL & COMPLETE
FORMATION:	3RD BSS	DEPTH:	15,220
LEGAL:	8-19S-35E	TVD:	10,675

INTANGIBLE COSTS		BCP	ACP	TOTAL
Title/Curative/Permit	201	11,000		11,000
Insurance	202	5,000	302	5,000
Damages/Right of Way	203	15,000	303	15,000
Survey/Stake Location	204	7,000	304	7,000
Location/Pits/Road Expense	205	100,000	305	25,000
Drilling / Completion Overhead	206	6,000	306	6,000
Turnkey Contract	207	0	307	0
Footage Contract	208	0	308	0
Daywork Contract	209	525,000	309	525,000
Directional Drilling Services	210	186,000	310	186,000
Fuel & Power	211	149,000	311	10,000
Water	212	100,000	312	210,000
Bits	213	69,000	313	4,500
Mud & Chemicals	214	80,000	314	80,000
Drill Stem Test	215	0	315	0
Coring & Analysis	216	0		0
Cement Surface	217	40,000		40,000
Cement Intermediate	218	100,000		100,000
Cement 2nd Intermediate/Production	218	0	319	110,000
Cement Squeeze & Other (Kickoff Plug)	220	0	320	0
Float Equipment & Centralizers	221	35,000	321	20,000
Casing Crews & Equipment	222	20,000	322	20,000
Fishing Tools & Service	223	0	323	0
Geologic/Engineering	224	0	324	0
Contract Labor	225	10,000	325	125,000
Company Supervision	226	0	326	0
Contract Supervision	227	35,000	327	50,000
Testing Casing/Tubing	228	7,000	328	7,000
Mud Logging Unit	229	30,000	329	30,000
Logging	230	50,000	330	10,000
Perforating/Wireline Services	231	15,000	331	150,000
Stimulation/Treating		0	332	2,100,000
Completion Unit		0	333	125,000
Swabbing Unit		0	334	0
Rentals-Surface	235	125,000	335	250,000
Rentals-Subsurface	236	120,000	336	65,000
Trucking/Forklift/Rig Mobilization	237	200,000	337	25,000
Welding Services	238	5,000	338	7,500
Water Disposal	239	0	339	150,000
Plug to Abandon	240	0	340	0
Seismic Analysis	241	0	341	0
Closed Loop & Environmental	244	160,000	344	10,000
Miscellaneous	242	0	342	0
Contingency	243	111,000	343	50,000
TOTAL INTANGIBLES		2,316,000	3,517,000	5,833,000

TANGIBLE COSTS				
Surface Casing	401	58,000		58,000
Intermediate Casing	402	144,000	503	144,000
Production Casing		0	503	244,000
Tubing		0	504	65,000
Wellhead Equipment	405	20,000	505	35,000
Pumping Unit		0	506	115,000
Prime Mover		0	507	20,000
Rods		0	508	55,000
Pumps		0	509	75,000
Tanks		0	510	75,000
Flowlines		0	511	30,000
Heater Treater/Separator		0	512	80,000
Electrical System		0	513	0
Packers/Anchors/Hangers	414	0	514	10,000
Couplings/Fittings/Valves	415	0	515	135,000
Gas Compressors/Meters		0	516	8,100
Dehydrator		0	517	0
Injection Plant/CO2 Equipment		0	518	0
Miscellaneous	419	0	519	0
Contingency	420	12,000	520	48,900
TOTAL TANGIBLES		234,000	998,000	1,230,000
TOTAL WELL COSTS		2,550,000	4,513,000	7,063,000

COG Operating LLC

Date Prepared: 2/13/2014

We approve:
% Working Interest

COG Operating LLC

By: SETH WILD AW

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.