

Sent Certified Mail  
Receipt No. 91-7199-9991-7036-0796-9930

May 25, 2016

Ameristate Partners, LLC  
710 Dragon  
Lakeway, TX 78734  
Attn: Mark Nearburg

RE: Ratification and Amendment of Operating Agreement & Workover Proposal  
T18S-R2E, Sec. 31: E2E2  
Eddy County, New Mexico

Dear Mr. Nearburg,

The above mentioned Operating Agreement, between COG Operating LLC, as Operator, and Yates Petroleum Corporation, et al, as Non-operator, was made effective with the drilling of the Falabella 31 Fee #8H in 2014. The Operating Agreement has terminated under its own provisions due to mechanical issues that have caused a cessation of production.

COG Operating LLC ("COG") desires to ratify and revive the Operating Agreement and to amend the provisions of Article XIII. COG respectfully requests that you review and fully execute the above mentioned document at your earliest convenience in order to return the well to production.

COG's proposed operation to bring the well back to production is detailed in the enclosed Authority for Expenditure ("AFE"). If you wish to participate in the operation, please execute the AFE and return to the undersigned.

COG will apply to the New Mexico Oil Conservation Division for compulsory pooling to pool all uncommitted owners. We plan to appear at the July 7<sup>th</sup>, 2016 hearing, your attention to this matter is appreciated.

Please direct all land questions to Joseph Scott at (432) 688-6601 or [jscott@concho.com](mailto:jscott@concho.com) and technical questions to Jay Herrera at (432) 685-4381 or [jherrera@concho.com](mailto:jherrera@concho.com).

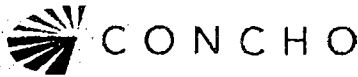
Sincerely,

COG Operating LLC

Jessica K. Froman  
Land Tech, NM Shelf

Enclosure(s)

BEFORE THE OIL CONSERVATION  
DIVISION  
Santa Fe, New Mexico  
Exhibit No. 4  
Submitted by: COG OPERATING LLC  
Hearing Date: August 4, 2016



Sent Certified Mail  
Receipt No. 91-7199-9991-7036-0795-9534

June 6, 2016

Judith McLoughlin  
8120 Highway 66, Spot 15  
Kingman, AZ 86401

RE: **Well Proposal - Falabella 31 Fee #8H**  
Township 18 South, Range 26 East  
Section 31: E2E2  
SHL: 150' FSL & 380' FEL (Unit P)  
BHL: 352' FNL & 351' FEL (Unit A)  
Eddy County, New Mexico

Dear Judith McLoughlin,

COG Operating LLC ("COG"), as Operator, has drilled the Falabella 31 Fee #8H well as a horizontal well at the above-captioned location to a TVD of approximately 2707' and an MD of approximately 7479' to test the Yeso Formation ("Operation"). The total cost of the Operation to date is \$4,006,583.65.

The lease between Judith McLoughlin, as lessor and COG Operating LLC, as lessee dated September 23, 2011 has expired under its own terms. COG would like to acquire a new lease pursuant to the offer letter dated June 6, 2016. If you choose to participate in operations, COG will provide an AAPL 610-1989 Model Form JOA with horizontal modifications for your review.

If you wish to participate in the Operation, you will need to sign the enclosed AFE and the second page to this letter within 30 days of receipt. Our records credit you with a 0.069444% unleased mineral interest in this well and your cost to participate is approximately \$2,782.33. Should you decide to participate, we will provide you with a breakdown of the associated costs per your request.

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/project area for the well.

Should you have any questions please contact Joseph Scott at (432) 688-6601, or via email at [jscott@concho.com](mailto:jscott@concho.com).

Sincerely,

**COG Operating LLC**

**Jessica K. Froman**  
Land Tech, NM Shelf

**Judith McLoughlin**

June 6, 2016

I elect to participate in the above Operation. \_\_\_\_\_

I do not elect to participate in the above Operation. \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_