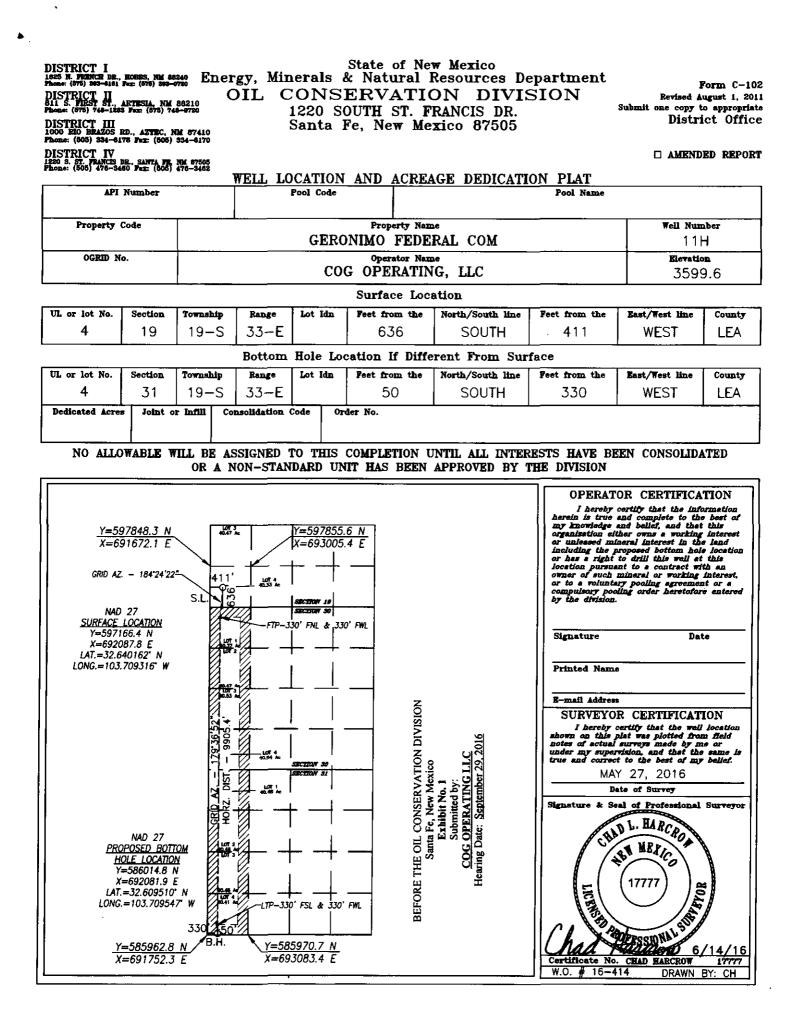


CASE NO. 15554





COG - Geronimo Federal Com #11H

W%W% Section 30, Township 19 South, Range 33 East W%W% Section 31, Township 19 South, Range 33 East Limited in depth to the Bone Spirng Formation

Tract 1	Section 30
	1.1.1.1.2
-	Section 31
Tract 2	

Tract 1: Section 30: W%W% (163.0 acres)

Kaiser-Francis Oil Company		50.000000%
Sharon Ross Jackson and Noe	Ross	
Jackson, Successor Trustee of	the	25 00000000
William G. Ross and Vee K. Ro	ss Living	25.000000%
Trust dated 3.9.1990		The second second
MRC Delaware Resources, LLC		22.000000%
MRC Spiral Resources, LLC		1.000000%
MRC Explorers Resources, LLC		1.000000%
Nadel & Gussman Capitan, LLC	С	1.000000%
	Total	100.000000%

Tract 2: Section 31: W%W% (161.72 acres)

	Total	100.000000%
Campeche Petro, L.P.		20.000000%
COG Operating LLC		80.000000%

Unit Working Interest

COG Operating LLC	_	39.9205857%
Campeche Petro, L.P.		9.9801464%
Kaiser-Francis Oil Company		25.0496339%
Sharon Ross Jackson and Ne Jackson, Successor Trustee William G. Ross and Vee K. Trust dated 3.9.1990	of the	12.524817%
MRC Delaware Resources, L	LC	11.0218389%
MRC Spiral Resources, LLC		0.5009927%
MRC Explorers Resources, LI	LC	0.5009927%
Nadel & Gussman Capitan, L	LC	0.5009927%
	Total	100.000000%

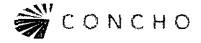
Record Title Owner Tract 1

	Total	100.000000%
William G. Ross		25.000000%
Mobil Prod TX & NM		25.000000%
ConocoPhillips Co		50.000000%

Record Title Owner Tract 2

Bryan C. Wagner		80.000000%
Campeche Petro, L.P.		20.000000%
	Total	100.000000%

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. 2 Submitted by: <u>COG OPERATING LLC</u> Hearing Date: <u>September 29, 2016</u>



Jon-Aaron House Senior Landman

July 6, 2016

Working Interest Owners - Attached Listing

Re: <u>Well Proposal – Geronimo Federal Com #11H</u> Section 30: W½W½ Section 31: W½W½ Township 19 South, Range 33 East, N.M.P.M. SHL: 636' FSL & 411' FWL, or a legal location in Lot 4 (Sec. 19) BHL: 50' FSL & 330' FWL, or a legal location in Lot 4 (Sec. 31) Lea County, New Mexico

Gentlemen:

COG Operating LLC (COG), as Operator, hereby proposes the drilling of the abovereferenced horizontal well to be drilled to a depth sufficient to adequately test the 2^{nd} Bone Spring formation at a total measured depth of approximately 20,800°. The surface location for this well is proposed at an off-lease legal location in Lot 4 of Sec. 19 with a bottom hole location at a legal location in Lot 4 of Sec. 31, Township 19 South, Range 33 East, Lea County, New Mexico.

The total cost of the Operation is estimated to be \$12,995,780 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 31, 2016.

COG is proposing to drill this well under the terms of the modified 1989 AAPL form of Operating Agreement. The Operating Agreement will cover the $W^{1/2}$ of Section 30 and the $W^{1/2}$ of Section 31, Township 19S, Range 33E, Lea County, New Mexico ("Contract Area") which is enclosed for your review and approval. It contains the following general provisions:

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

Please indicate your participation election in the space provided on page 2, sign and return this letter, along with a signed copy of the enclosed AFE and a copy of your geologic well requirements, to my attention at the letterhead address. You may also fax your response to (432) 221-0856 or by email to <u>lreyna@concho.com</u>. Should you have any questions, please do not hesitate to contact me at 432.221.0349 or by email at <u>jhouse@concho.com</u>. Geronimo Federal Com #11H - Well Proposal July 6, 2016 Page 2

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.

Sincerely, COG Operating LLC

Kn Aaron House Senior Landman

JAH:lr Encl.

.

_____I/we hereby elect to participate in the Geronimo Federal Com #11H.

_____ I/we hereby elect **not to** participate in the Geronimo Federal Com #11H.

Company Name:

Title:

By:

Date:

Geronimo Federal Com #11H - Well Proposal July 6, 2016 Page 3

Working Interest Owners

Federal Express

Campeche Petro, L.P. 500 Commerce Street, Suite 600 Fort Worth, Texas 76102

Certified Mail 91 7199 9991 7036 0802 8109 <u>Return Receipt Requested</u> Kaiser-Francis Oil Company P. O. Box 21468 Tulsa, Oklahoma 74121

Certified Mail 91 7199 9991 7036 0802 8093 <u>Return Receipt Requested</u> Sharon Ross Jackson and Noell Ross Jackson, Successor Trustee of the William G. Ross and Vee K. Ross Living Trust dated 3.9.1990 P. O. Box 86 Midland, Texas 79702

Federal Express

MRC Delaware Resources, LLC 5400 Lyndon B. Johnson Fwy, Suite 1500 Dallas, Texas 75240

Federal Express

MRC Spiral Resources, LLC 5400 Lyndon B. Johnson Fwy, Suite 1500 Dallas, Texas 75240

Federal Express

MRC Explorers Resources, LLC 5400 Lyndon B. Johnson Fwy, Suite 1500 Dallas, Texas 75240

Federal Express

Nadel & Gussman Capitan, LLC 15 East 5th Street, Suite 3200 Tulsa, Oklahoma 74103

COG OPERATING LLC AUTHORITY FOR EXPENDITURE DRELLING

WELL NAME:	Geronimo Federal Com 11H		ZEUS 1933 (717094)	
SHL	SEC 19: 636 FSL & 411 FWL	STATE & COUNTY:	New Maxico, Les	
SHL: BHL:	SEC 31: 50 FSL & 330 FWL	OBJECTIVE:	Drill & Complete	
FORMATION:	DBSS/2ND BSS	DEPTH		
LEGAL	SECTIONS 19 & 31, T19S-R33E	TVD:	9,890	
FORMATION:		DEPTH: TVD:	20,800 9,890	

INTANGIBLE COSTS		<u>Dria - Ria</u> <u>Referen(D)</u>		Completion(C)		Tenk Bity Constrate(TB)		<u>Pmpa</u> Equipment(PEQ)	IOTAL
TieCustvePernt	201	11,000		<u></u>				18 1 T.	11,000
Ingurance	202	4,000	302						4,000
Demograv/Right of Way	203	5,000	303		361				5,000
Survey/State Location	204	6,000			352				8,000
Location/Plankaed Expense	205	120,000	305	31,780	353	80,009	306		231,780
Drilling / Completion Overhead	206 207	11,100	306 307			·			
Turnikay Contract Footage Contract	208	<u>v</u>	306						0
Daywork Contract	209	626,000	309						628,000
Directional Ox8ing Services	210	173,000	310						173,000
Fuel & Power	211	66,000	311	2,000	354		367		88,000
Water	212	76,000	312	1,750,000			366		1,825,000
<u>385</u>	213	81,000	313				309		<u>\$5,500</u> 138,000
Mud & Chemicale	214	90,000	314	45,000			370		0
Dell Stem Test	215 218	<u>0</u>	315						
Coring & Anatysis	217	26,500							28,500
Cement Intermediate	218	25,000		1					25,000
Cernent 2nd Intermediate/Production	219	168,750		· · ·					188,750
Cement Squeeze & Other (Kickoff Plug)	220	0					371		0
Floet Equipment & Centralizers	221	55,000							55,000
Casing Crowe & Equipment	222	52,000							52,000
Fishing Tools & Service	223		123		355	<u> </u>	372 373		<u>0</u>
Geologic/Engineering	224 225	0	324 325	45,000	355	82,000	374		133,100
Constract Labor Company Supervision	226		325	30,000	357		375		96,600
Contract Supervision	227	105,000	\$27	100,000	358		376	5,000	213,000
Testing Casing/Tubing	228	25,000	328	10,000			377		35,000
Mud Logging Unit	229	32,000	\$29						32,000
Logging	230	٥					376		0
Perforating/Wreline Services	231	4,000	331	370,000			378		374,000
Stimulation/Treating			332	3,800,000			380	7,000	57,000
Completion Unit		·	333 334				382	1,000	0
Seabbing Unit	235	130,000	335	259,000	359		383	8,000	395,000
Rentals-Subsurface	236	130,000	336	80,000			384		210,000
Trucking/ForkillyRig Mobilization	237	120,000	357	40,000	360		385	5,000	165,000
Welding Services	238	4,000	338	5,000	361		385		8,000
Water Disposal	239	0	339	150,000	382	1,820,000	387		1,970,000
Plug to Abandon	240	0	340						
Seismic Analysis	241	Q	341 342				380	<u> </u>	
Macetaneous	242 243		343	125,000	363		390		170,000
Contingency Classed Loop & Environmental	244		344	5,000	364		365		245,000
Colf Tabling			346	252,000					252,000
Flowback Crews & Equip			347	\$2,000					62,000
Offset Directional/Frac	248	0	348						0
TOTAL INTANGIBLES		2,527,450		7,037,860		1,982,000		23,000	11,570,310
TANGIBLE COSTS									
Surface Ceeing	401	92,000						· · · · · ·	\$2,000
Intermediate Casing	402	184,000							184,000
Production Casing/Liner	403	280,000							280,000
Tubling			604	35,000			530		35,000
Wellhood Equipment	405	40,000	50 5	9,000			531 506	3,000	<u>52,000</u> 100,470
Pusping Unit		<u> </u>		;			505	100,470	<u>100,470</u> G
Prine Mover							504	40,000	40,000
Pumpe-Sub Surface (BH)			509	50,000			532	8,000	58,000
Tanks					510	75,000			75,000
Flowines					511	50,000			60,000
Hester Treater/Separator					512	90,000	633	· · · · ·	<u> </u>
Electrical System					513	00,000	534		0
Packers/Anchors/Hangers Couplings/Fittings/Valves	414 415	<u> </u>	514		515	210,000			210,000
Dehydration		<u>.</u> ×			517				0
injection Plant/CO2 Equipment					518				0
Pumps-Surface					521	25,000			25,000
Instrumentation/SCADA/POC			_		522		529	4,000	4,000
htposteneous	419		\$19		523	45,000	535		45,000
Caritigency	420	<u> </u>	520		524 525		536		0
Material AGT				·····	526				0
Flares/Combusters/Entasion Gas-Lit/Compression			527		516	25,000	526		25,000
TOTAL TANGELES		596,000		94,000		560,000		155,470	1,425,470
TOTAL WELL COSTS		3,123,460		7,131,800		2,582,000		178,470	12,995,780
				نحتفق		20%		1%	
% of Total Well Cost COG Operating LLC		34%		53%		- Th		176	
C. C. Sharatali 1991									
		Date Prepared:							

COG Operating LLC

By:

We approve: ____% Working interest

d Name:

This Date

٠

v

Company: Campache Petro, L.P.

This AFE is only an estimate of the actual costs incurred

This AFE is only an estimate. By signing you agree to pay your share of the actual costs incurred.



August 8, 2016

Interest Owners - Attached Listing

RE: <u>Communitization Agreement</u> Geronimo Federal Com #11H Section 30: Lots 1-4 (W½W½) Sectoin 31: Lots 1-4 (W½W½) Township 19 South, Range 33 East Lea County, New Mexico

Gentlemen:

In regard to the captioned well, COG Operating LLC desires to communitize BLM Lease NMNM 0 073240 and NMNM 067111, insofar as they cover the above described acreage, as to the Bone Spring formation. Enclosed herewith is a copy of the Communitization Agreement, along with 2 (two) sets of signature pages prepared for execution on behalf of the Lessee of Record Title Owner and/or Operating Rights.

COPY

Please secure execution of all the enclosed and return all fully executed pages in the enclosed postage paid envelope for further handling. An approved and recorded copy of this agreement will be forwarded to you when available.

Should you have any questions regarding this matter, please do not hesitate to contact our office.

Very truly yours, COG OPERATING LLC

hauro Ruma

Laura Reyna Senior Land Tech – NM Basin, North

 \mathbf{lr}

Encl.

One Concho Center | 600 West Illinois Avenue | Midland, Texas 79701 | P 432.683.7443 | F 432.683.7441

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. 4 Submitted by: <u>COG OPERATING LLC</u> Hearing Date: <u>September 29, 2016</u> Geronimo Federal Com #11H August 8, 2016 Pg. 2

Interest Owners

Cartified Mail 91 7199 9991 7036 0802 8161

Return Receipt Requested Campeche Petro, L.P. 500 Commerce Street #600 Ft. Worth, Texas 76102

Certified Mail 91 7199 9991 7036 0802 8161

Return Receipt Requested Bryan C. Wagner 500 Commerce Street #600 Ft. Worth, Texas 76102

Certified Mail 91 7199 9991 7036 0802 8178

Return Receipt Requested ConocoPhillips Co. Attn: Land Dept. P. O. Box 2197 Houston, Texas 77252-2197

Certified Mail 91 7199 9991 7036 0802 8185

<u>Return Receipt Requested</u> Mobil Prod TX & NM Attn: Land Dept. P. O. Box 4358 Houston, Texas 77210

Certified Mail 91 7199 9991 7036 0802 8192

<u>Return Receipt Requested</u> William G. Ross P. O. Box 867 Midland, Texas 79702

Certified Mail 91 7199 9991 7036 0802 8208

<u>Return Receipt Requested</u> Kaiser-Francis Oil Company P. O. Box 21468 Tulsa, Oklahoma 74121 Geronimo Federal Com #11H August 8, 2016 Pg. 3

Certified Mail 91 7199 9991 7036 0802 8215 Return Receipt Requested

Sharon Ross Jackson and Noell Ross Jackson, Successor Trustee of the William G. Ross and Vee K. Ross Living Trust dated 3.9.1990 P. O. Box 86 Midland, Texas 79702

Certified Mail 91 7199 9991 7036 0802 8222

Return Receipt Requested MRC Delaware Resources, LLC MRC Spiral Resources, LLC MRC Explorers Resources, LLC 5400 Lyndon B. Johnson Fwy, Suite 1500 Dallas, Texas 75240

Certified Mail 91 7199 9991 7036 0802 8239

Return Receipt Requested Nadel & Gussman Capitan, LLC 15 East 5th Street, Suite 3200 Tulsa, Oklahoma 74103

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

APPLICATION OF COG OPERATING LLC FOR A NON-STANDARD SPACING AND PRORATION UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 15554

AFFIDAVIT

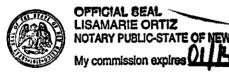
STATE OF NEW MEXICO)) ss. COUNTY OF SANTA FE)

Jordan L. Kessler, attorney in fact and authorized representative of COG Operating LLC, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Application was provided under the notice letter attached hereto.

Jordan L.

SUBSCRIBED AND SWORN to before this 28th day of September 2016 by Jordan L.

Kessler.



BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. 5 Submitted by: <u>COG OPERATING LLC</u> Ilcaring Date: September 29, 2016

COG OPERATING LLC GERONIMO FEDERAL COM NO. 11H WELL

POOLED PARTY:

Sharon Ross Jackson and Noell Ross Jackson, Successor Trustee of the William G. Ross and Vee K. Ross Living Trust dated 3.9.1990 P. 0. Box 86 Midland, Texas 79702

MRC Explorers Resources, LLC 5400 Lyndon B. Johnson Fwy, Suite 1500 Dallas, Texas 75240

Mobil Prod TX & NM P. O. Box 4358 Houston, Texas 77210

Campeche Petro, L.P. 500 Commerce Street #600 Ft. Worth, Texas 76102

ABO Petroleum Corporation 105 S. 4th Street Artesia, NM 88210

Barbara Jean Perkins 8820 Southwest 124th Street Miami, FL 33156

Chase Oil Corporation P. O. Box 1767 Artesia, NM 88211

Devon Energy Production Company, L.P. 333 West Sheridan Ave. Oklahoma City, OK 73102 Campeche Petro, L.P. 500 Commerce St., Suite 600 Fort Worth, Texas 76102

MRC Delaware Resources, LLC 5400 Lyndon B. Johnson Fwy, Suite 1500 Dallas, Texas 75240

Nadel & Gussman Capitan, LLC 15 East 5th Street, Suite 3200 Tulsa, Oklahoma 74103

William G. Ross P. O. Box 867 Midland, Texas 79702

OFFSETS:

Ard Oil, Ltd. 222 W. 4th Street PH #5 Ft. Worth, TX 76102

Bryan Wagner 500 Commerce Street #600 Ft. Worth, TX 76102

ConocoPhillips Co. P. O. Box 2197 Houston, TX 77210

Duane A. Davis P. O. Box 823085 Dallas, TX 75283 Kaiser-Francis Oil Company P. 0. Box 21468 Tulsa, Oklahoma 74121

MRC Spiral Resources, LLC 5400 Lyndon B. Johnson Fwy, Suite 1500 Dallas, Texas 75240

ConocoPhillips Co. P. O. Box 2197 Houston, Texas 77252-2197

Bryan C. Wagner 500 Commerce Street #600 Ft. Worth, Texas 76102

AAR Limited Partnership 1320 West Fourth Street Roswell, NM 88201

Bank of America, N.A., Trustee of the Delmar Hudson Lewis Living Trust P. O. Box 2546 ---Ft. Worth, TX 76113

Campeche Petro, LP 500 Commerce Street, Suite 600 Ft. Worth, TX 76102

Dean A. Horning 3300 North "A" Street, Suite 120 Midland, TX 79705

Endurance Properties 15455 Dallas Pkwy. Addison, TX 75001

COG OPERATING LLC GERONIMO FEDERAL COM NO. 11H WELL

Endurance Properties, Inc. 15455 Dallas Parkway, Suite 1050 Addison, TX 75001

Francis H. Hudson, Trustee of Lindy's Living Trust 4200 S. Hulen, Suite 302 Ft. Worth, TX 76109

Holsum, Inc. P. O. Box 2527 Roswell, NM 88201

Kaiser-Francis Oil Company P. O. Box 21468 Tulsa, OK 74121

Madison Capital Partners II 3300 North "A" Street, Suite 120 Midland, TX 79705

Menpart AssociatesLarry M. Elkin, President of Palisades Hudson Financial Group, LLC, as Agent for WGM Resource Holdings, LLC, Managing Partner of Menpart Associates 2 Overhill Road, Suite 100 Scarsdale, NY 10583

MRC Delaware Resources, LLC 5400 Lyndon B. Johnson Fwy, Suite 1500 Dallas, TX 75240

Myco Industries, Inc. 105 S. 4th Street Artesia, NM 88210

Oxy Y-1 Company P. O. Box 27570 Houston, TX 77227 Enduro Operating, LLC 777 Main Street, Suite 800 Ft. Worth, TX 76107

Harvey E. Yates Co. P. O. Box 1933 Roswell, NM 88202

Javelina Partners 616 Texas St. Ft. Worth, TX 76102

LDH Holdings, LLC P. O. Box 183 - County Drive New Vernon, NJ 07976

Magnum Hunter Production, Inc. 600 E. Colinas Blvd., Suite 1100 Irving, TX 75039

Mobil Prod. TX & NM P. O. Box 4358 Houston, TX 77210

MRC Explorers Resources, LLC 5400 Lyndon B. Johnson Fwy, Suite 1500 Dallas, TX 75240

Nadel & Gussman Capitan, LLC 15 East 5th Street, Suite 3300 Tulsa, OK 74103

R-N Limited Partnership 3755 E. Grand Plains Road Roswell, NM 88201 Estate of Josephine T. Hudson 616 Texas St. Ft. Worth, TX 76102

HEYCO Employees Ltd. P. O. Box 1933 Roswell, NM 88202

Joe R. Wright, Trustee of the Wright Family Living Trust u/a/d 5.21.1998 393 Calle Colina Santa Fe, NM 87501

LJS Resources, LLC 33 Eagle Nest Road Morristown, NJ 07960

Margaret M. Gill 5904 Chamisa Ct. Albuquerque, NM 87210

Moore and Shelton Company, Ltd. P. O. Box 3079 Galveston, TX 77552

MRC Spiral Resources, LLC 5400 Lyndon B. Johnson Fwy, Suite 1500 Dallas, TX 75240

Nearburg Exploration Company P. O. Box 823085 Dallas, TX 75382

Roy G. Niederhoffer 1700 Broadway, 39th Floor New York, NY 10019

COG OPERATING LLC GERONIMO FEDERAL COM NO. 11H WELL

Sharbro Energy LLC 105 S. 4th Street Artesia, NM 88210

Tomothy R. MacDonald P. O. Box 823085 Dallas, TX 75283

Yates Industries, LLC 105 S. 4th Street Artesia, NM 88210 Sharon Ross Jackson and Noell Ross Jackson, Successor Trustee of the William G. Ross and Vee K. Ross Living Trust dated 3.9.1990 P. O. Box 86 Midland, TX 79702

William C. Scalia 3300 North "A" Street, Suite 120 Midland, TX 79705

Yates Petroleum Corporation 105 S. 4th Street Artesia, NM 88210 Tandem Energy Corporation 2700 Post Oak Blvd., Suite 1000 Houston, TX 77056

William G. Ross P. O. Box 867 Midland, TX 79702

Zorro Partner, Ltd 616 Texas St. Ft. Worth, TX 76102



Jordan L. Kessler Associate Phone (505) 988-4421 Fax (505) 983-6043 JLKessler@hollandhart.com

September 9, 2016

<u>VIA CERTIFIED MAIL</u> <u>CERTIFIED RECEIPT REQUESTED</u>

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Geronimo Federal Com No. 11H Well

Ladies & Gentlemen:

This letter is to advise you that COG Operating LLC has filed the enclosed application with the New Mexico Oil Conservation Division. This application will be set for hearing before a Division Examiner at 8:15 a.m. on September 29, 2016. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices, located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Prehearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter please contact Jon-Aaron House, at (432) 221-0349 or JHouse@concho.com.

Sincerely,

d~ l.h

Jordan L. Kessler ATTORNEY FOR COG OPERATING LLC

Holland & Hart LLP

Phone [505] 988-4421 Fax [505] 983-6043 www.holiandhart.com

110 North Guadalupe Suite 1 Santa Fe, New Mexico 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Boulder Carson City Colorado Springs Denver Denver Tech Center Billings Boise Cheyenne Jackson Hole Las Vegas Reno Salt Lake City Santa Fe Washington, D.C. O



Jordan L. Kessler Associate Phone (505) 988-4421 Fax (505) 983-6043 JLKessler@hollandhart.com

September 9, 2016

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: OFFSETTING LESSEES AND OPERATORS

Re: Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. <u>Geronimo Federal Com No. 11H Well</u>

This letter is to advise you that COG Operating LLC has filed the enclosed application with the New Mexico Oil Conservation Division. Your interests are not being pooled under this application, but as a lessee or operator in an offsetting tract, you are entitled to notice of this application.

This application has been set for hearing before a Division Examiner at 8:15 AM on September 29, 2016. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-Hearing Statement with the Oil Conservation Division's Santa Fe office, four business days in advance of a scheduled hearing, but at least on the Thursday preceding the hearing. This statement must include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter please contact Jon-Aaron House, at (432) 221-0349 or JHouse@concho.com.

Sincerely,

1. M

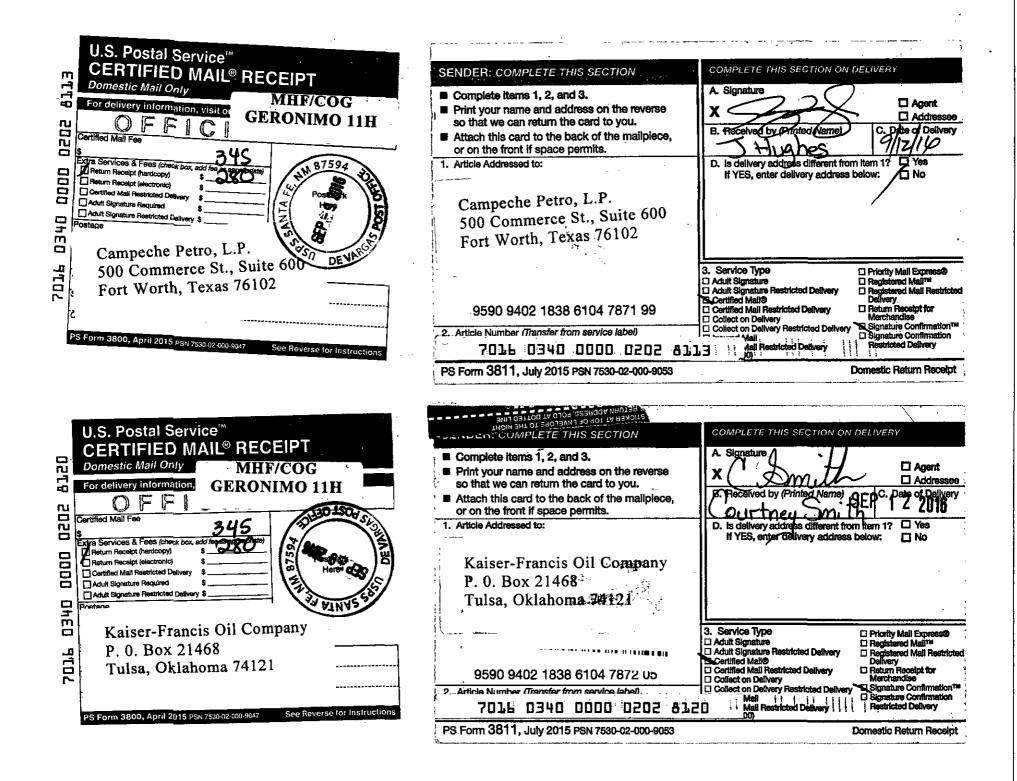
Jordan L. Kessler ATTORNEY FOR COG OPERATING LLC

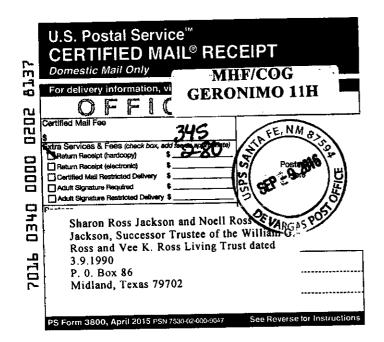
Holland & Hart up

Phone [505] 988-4421 Fax (505) 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, New Mexico 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Boulder Carson City Colorado Springs Denver Denver Tech Center Billings Boise Cheyenne Jackson Hole Las Vegas Reno Salt Lake City Santa Fe Washington, D.C. O

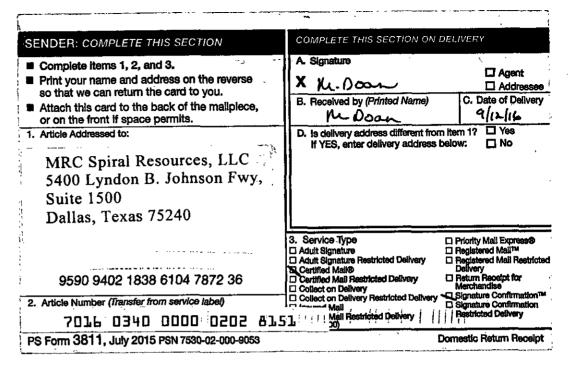






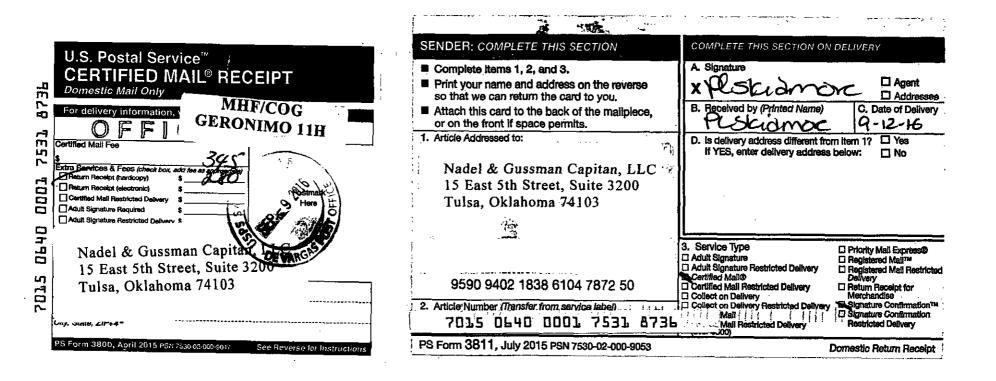
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON E	DELIVERY
Complete items 1, 2, and 3.	A. Signature	
Print your name and address on the reverse so that we can return the card to you.	× M. Doam	Agent
Attach this card to the back of the mallplece,	B. Received by (Printed Name)	C. Date of Delivery
or on the front if space permits.	Mr. Doon	9/14/16
1. Article Addressed to:	D. Is delivery address different from If YES, enter delivery address b	item 1? 🗆 Yes
MRC Delaware Resources, LLC		
5400 Lyndon B. Johnson Fwy,		
Suite 1500		
	14	
Dallas, Texas 75240		
		Priority Mail Express@
	Adult Signature	□ Registered Mag™
Dallas, Texas 75240	Aduit Signature Aduit Signature Restricted Delivery Gertified Maik®	☐ Registered Mai™ ☐ Registered Mail Restricts Delivery
	Adult Signature Adult Signature Restricted Delivery Certified Mail Restricted Delivery	Registered Mai TM Registered Mail Restricts Delivery Return Receipt for
Dallas, Texas 75240 9590 9402 1838 6104 7872 29 2. Article Number (Transfer from service Inter)	Adult Signature Adult Signature Restricted Delivery Certified Mail® Certified Mail Restricted Delivery Collect on Delivery >n Delivery Restricted Delivery	Registered Matin Registered Matin Registered Mati Restricts Delivery Return Receipt for Marchandise Signature Confirmation ^m
Dallas, Texas 75240 9590 9402 1838 6104 7872 29 2. Article Number (Transfer from service Inter)	Adult Signature Adult Signature Restricted Delivery Certified Mail® Certified Mail Restricted Delivery Collect on Delivery >n Delivery Restricted Delivery	Registered Maim Registered Mail Restricts Delivery Return Receipt for Merchandise Signature Confirmation*
Dallas, Texas 75240 9590 9402 1838 6104 7872 29	Adult Signature Adult Signature Restricted Delivery Certified Mail® Certified Mail Restricted Delivery Collect on Delivery >n Delivery Restricted Delivery	Registered Matin Registered Matin Registered Mati Restricts Delivery Return Receipt for Merchandise Signature Confirmation***





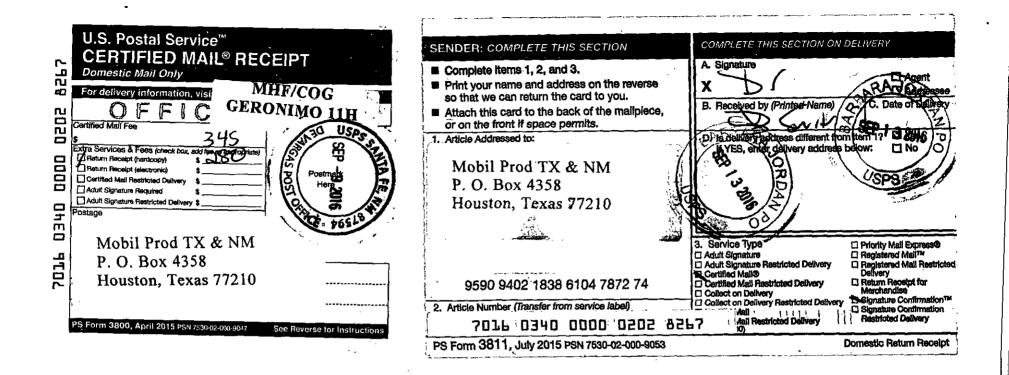


Complete items 1, 2, and 3.	A. Signature	
 Part your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mallpiece, or on the front if space permits. Article Addressed to: MRC Explorers Resources, LLC 5400 Lyndon B. Johnson Fwy, Suite 1500 Dallas, Texas 75240 	X Ki-Doaws B. Received by (Printed Name) M. Doam D. is delivery address different from If YES, enter delivery address be	
] Priority Mali Express®] Registered Mali™



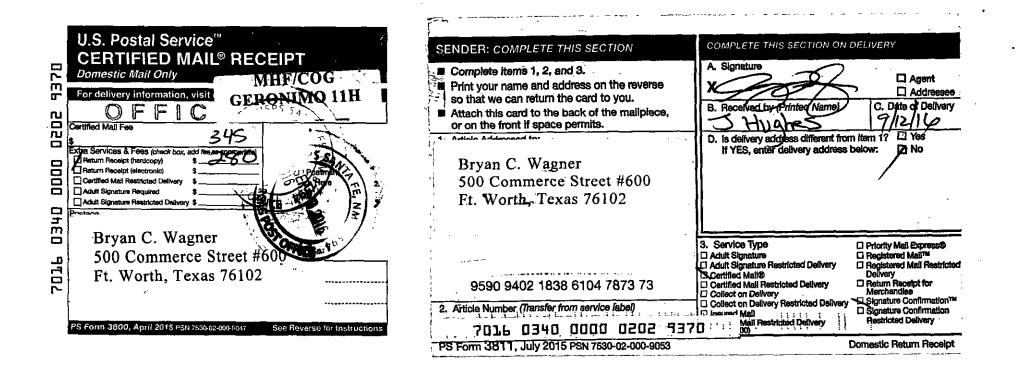


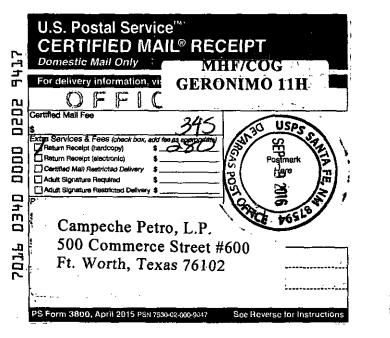
нов ток ок ейиегоне то тик исм. Вил ор ток ок сло казина и и и и и и и и и и и и и и и и и и	HI 40 S 300 H
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
 Complete items 1,2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailplece, or on the front if space permits. Article Addressed to: ConocoPhillips Co. P: OBBIN 2197 Houston's Texas 77252-2497 	A. Signature X.T.///// C. Date of Delbery T. Fay, c. U.S. Study (Printed Name) T. Fay, c. U.S. Study (D. Date of Delbery) T. Fay, c. U.S. Study (D. Dat
9590 9402 1838 6104 7872 67 2. Article Number (Transfer from service label) 7015 0640 0001 7531 674	3. Service Type □ Priority Mail Express® □ Adult Signature □ Registered Mail™ □ Adult Signature Restricted Delivery □ Registered Mail™ □ Adult Signature Restricted Delivery □ Registered Mail Restricted Delivery □ Collect on Delivery Restricted Delivery □ Receipt for Merchandise □ Collect on Delivery Restricted Delivery □ Signature Confirmation™ □ Integrad Meil 1 1 □ Integrad Meil Restricted Delivery □ Signature Confirmation™ □ Integrad Meil 1 □ Signature Confirmation ™ □ Signature Confirmation ™ □ Signature Confirmation ™ □ Integrad Meil 1 □ Signature Confirmation ™ □ Signature Confirmation ™ □ Signature Confirmation ™ □ Signature Confirmation ™ □ Signature Confirmation ™ □ Signature Confirmation ™ □ Signature Confirmation ™ □ Divery □ Signature Confirmation ™ □ Signature Confirmation ™ □ Signature Confirmation ™ □ Signature Confirmation ™ □ Signature Confirmation ™ □ Signature Confirma
PS Form 3811, July 2015 PSN 7530-02-000-9053	Domestic Return Receipt

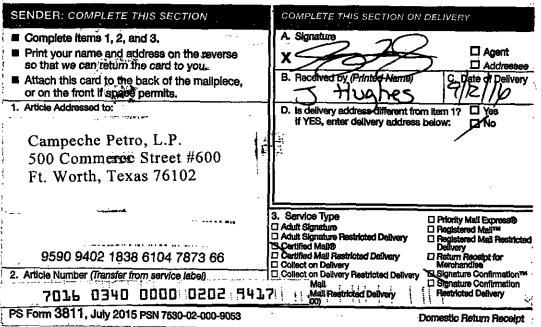


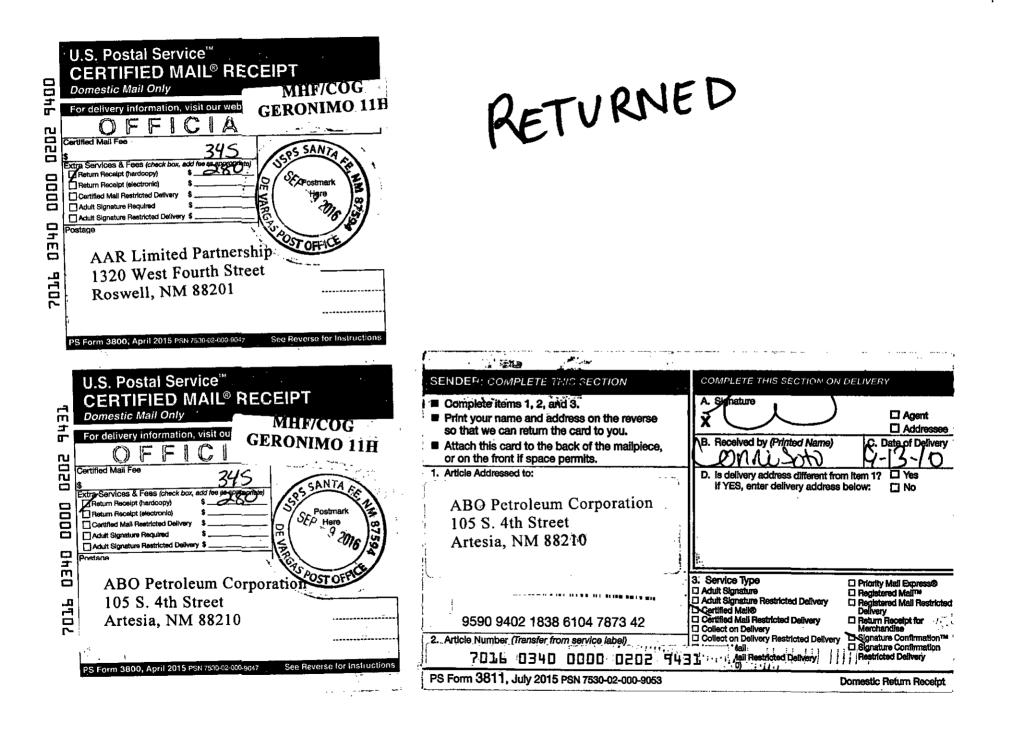


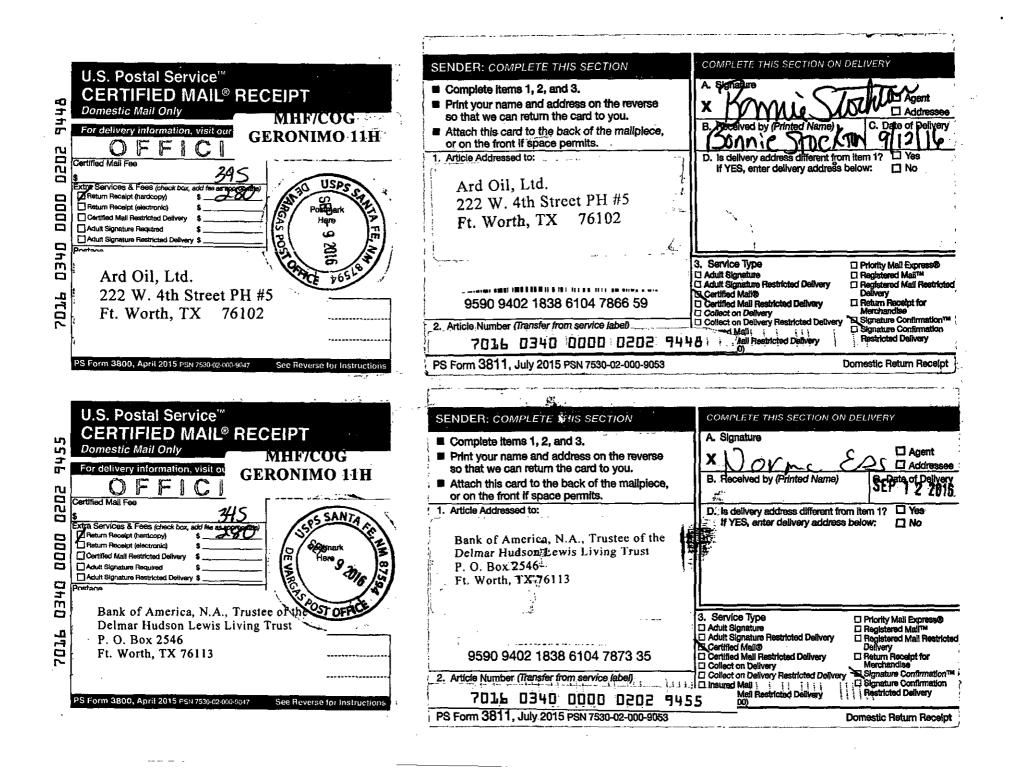
RETURNED

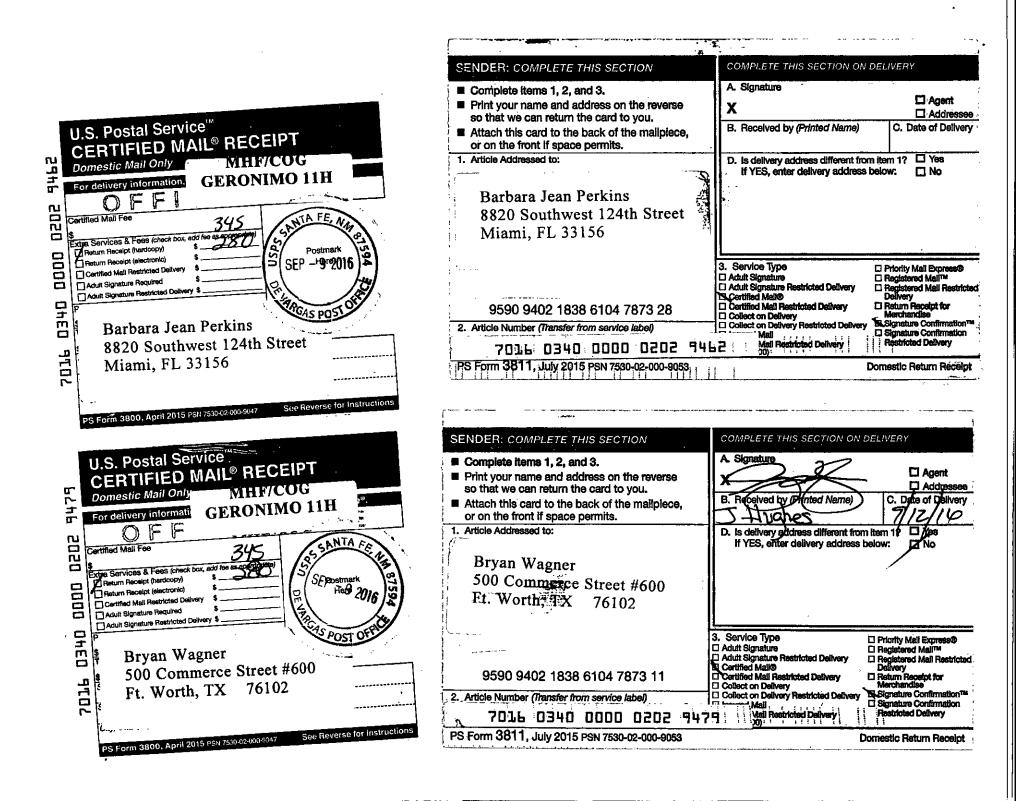


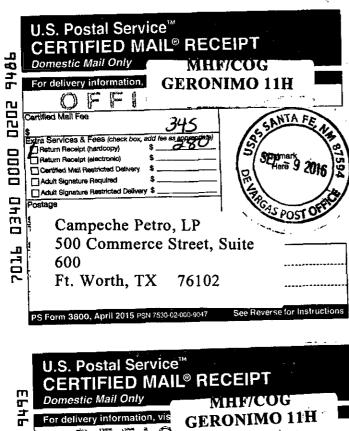




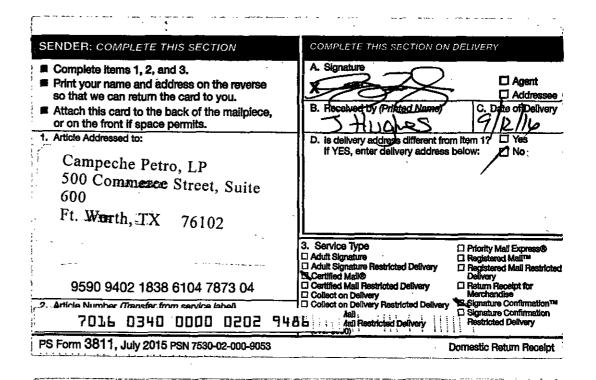


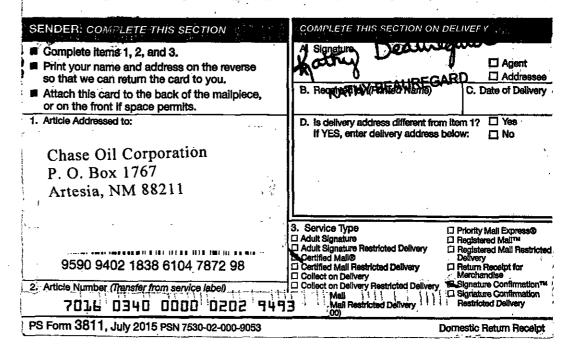






See Reverse for Instructions





GERG Certified Mail Fee Stra Services & Fees (check box, add fee as agord on the services of the services of the service of

PS Form 3800, April 2015 PSN 7530-62-000-9047

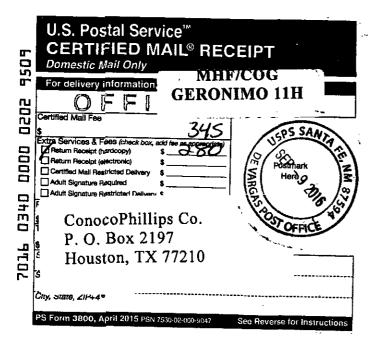
N

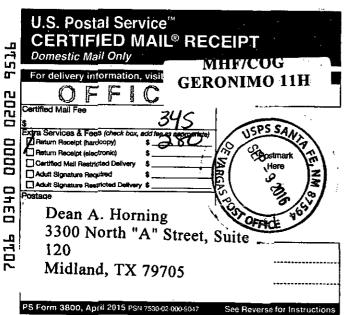
N

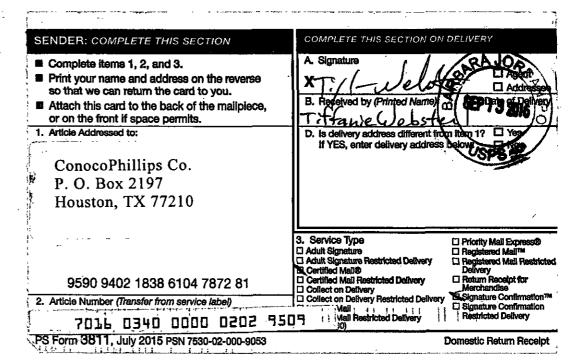
8

BHD

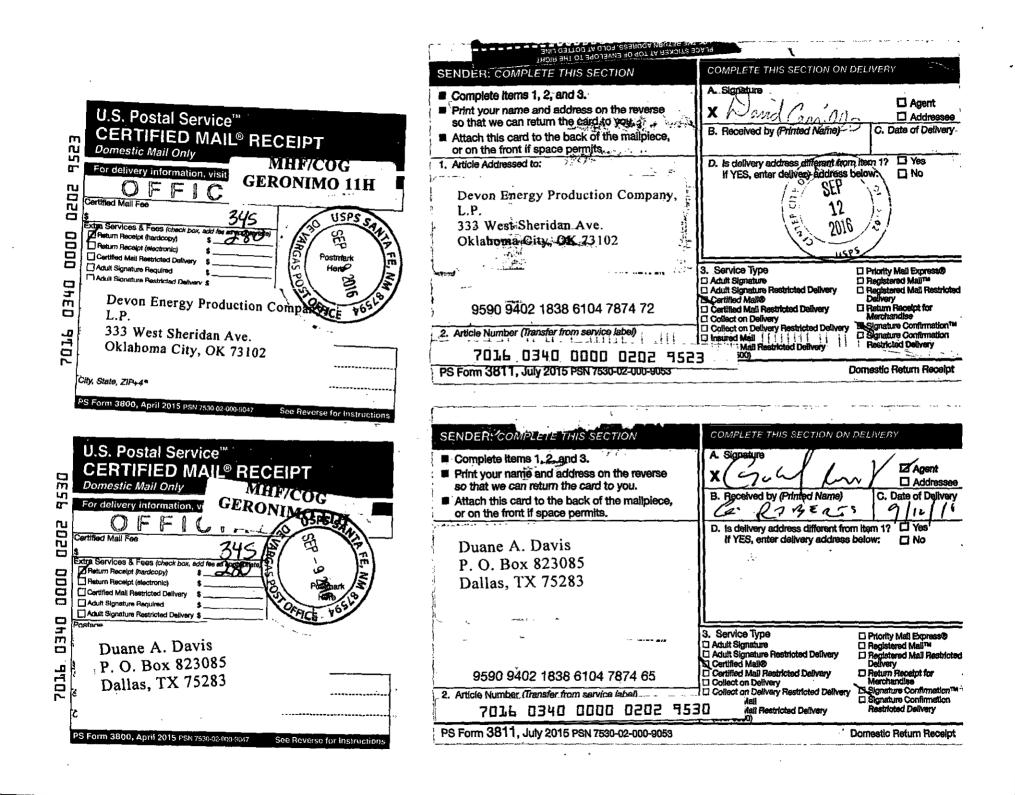
7016

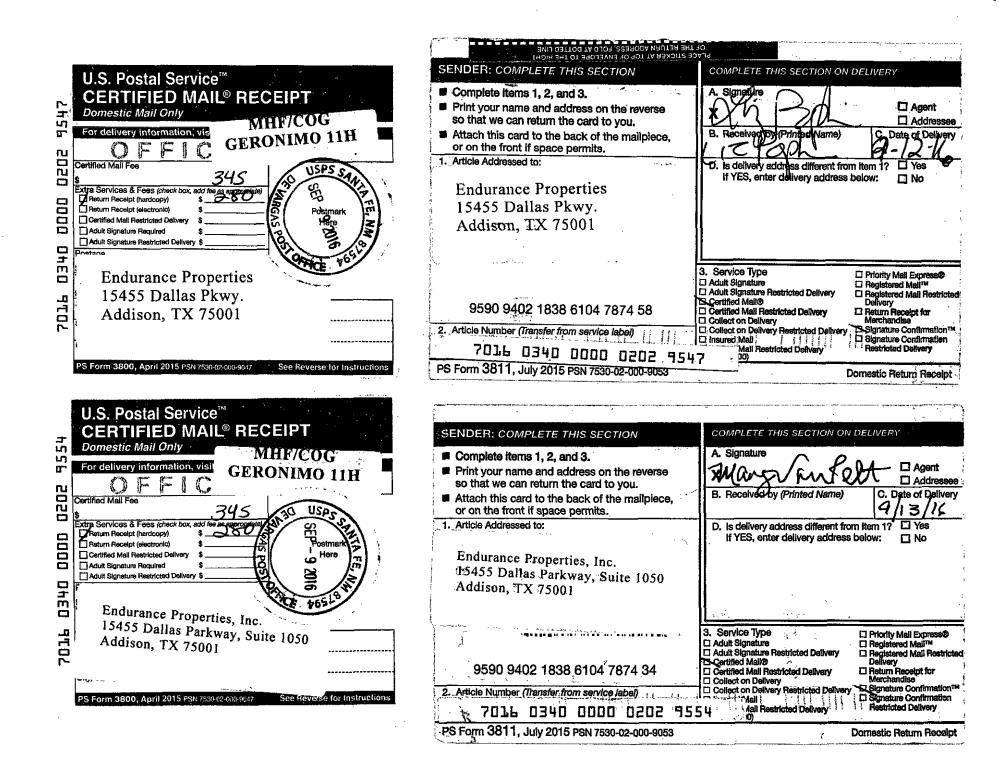


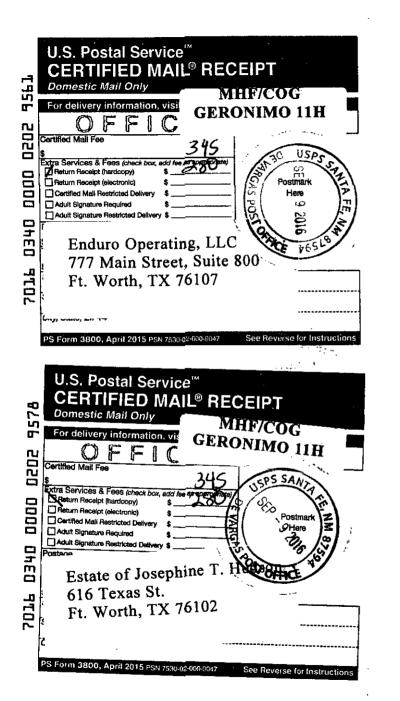




Returned







E STICKEN AT TOP OF ENVELOPE TO THE RIGHT	
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
 Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailplece, or on the front space permits. Article Addressed to: Enduro Operating, LLC For the structure of the structu	A. Signature
9590 9402 1838 6104 7874 41 2. Article Number (Transfer from service Jabel)	3. Service Type Priority Mail Express® Adult Signature Registered Mail™ Adult Signature Restricted Delivery Registered Mail™ Certified Mail Restricted Delivery Restricted Delivery Collect on Delivery Signature Confirmation Collect on Delivery Signature Confirmation H Restricted Delivery Restricted Delivery Collect on Delivery Signature Confirmation H Restricted Delivery Restricted Delivery
PS Form 3811, July 2015 PSN 7530-02-000-9053	Domestic Return Receipt
Print gell og tv groups av Ann gell og tv groups av SENDER: COMPLETE THIS SECTION Complete itenis 1, 2, and 3. Print your name and etciress on the reverse so that we can lettin the card to you. Attach this card to the back of the mallplece, or on the front if space permits. Article Addressed to: Estatc of Josephine T. Hudson 616 Texas St. Ft Worth, TX 76102	COMPLETE THIS SECTION ON DELIVERY A. Signature Image: Colspan="2">Addressee X Image: Colspan="2">Image: Colspan="2">Addressee B. Received by (Printed Name) C. Date of Delivery March Colspan="2">SEP 1 2 2018 D. Is delivery address different from Item 1? Image: Yes If YES, enter delivery address below: Image: No
:	3. Service Type
9590 9402 1838 6104 7874 27 7016 0340 0000 0202 95 PS Form 3811, July 2015 PSN 7530-02-000-9053	Adult Signature Adult Signature Restricted Delivery Certified Mail Restricted Delivery Certified Mail Restricted Delivery Collect on Delivery Collect on Delivery

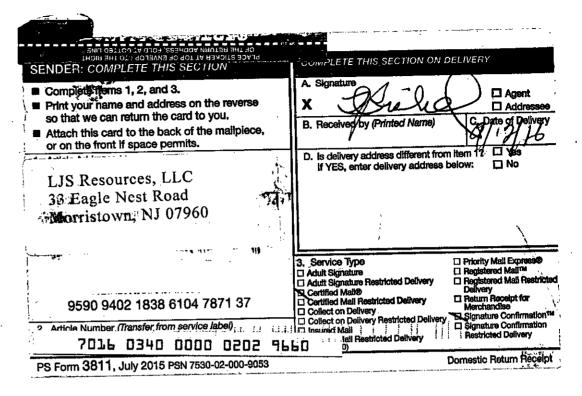






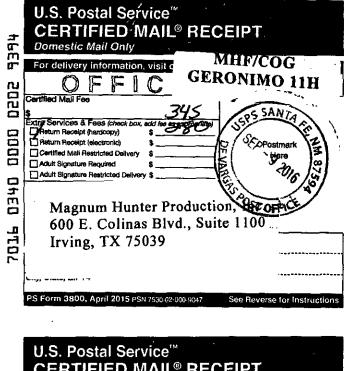


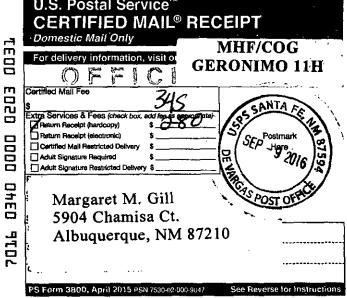






RETURNED

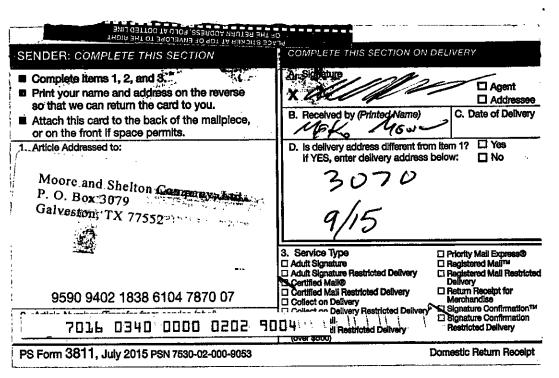




RETURNED

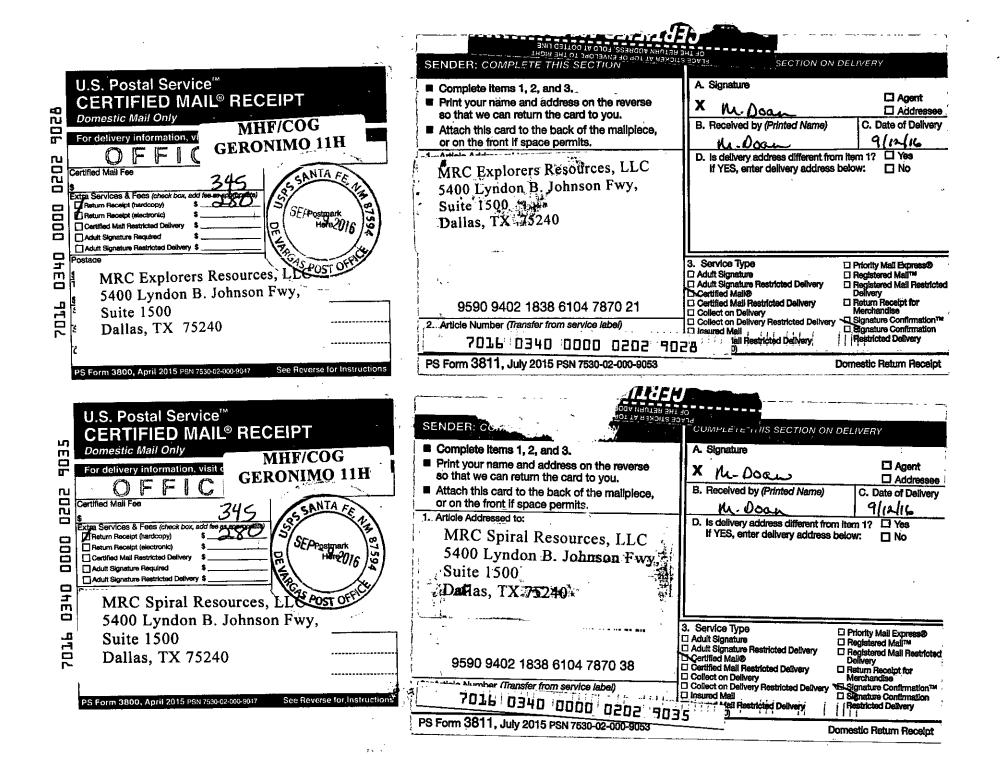


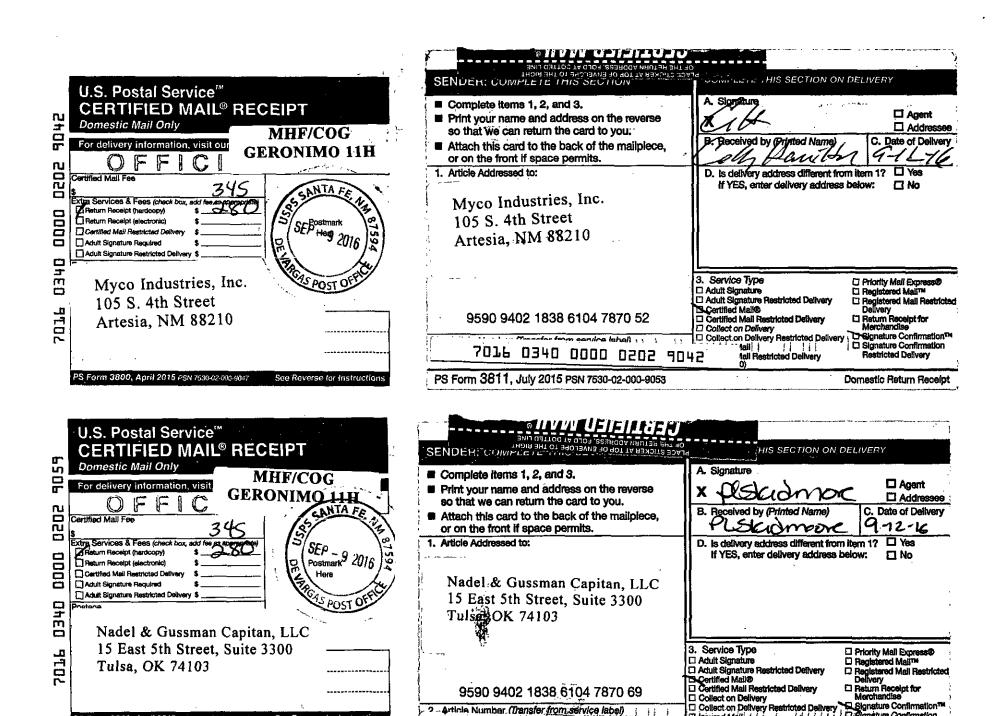






CE STICKEN AT TOP OF ENVELOPE TO THE RIGHT THE RETURN KODRESS, FOLD AT DOTTED LINE		
SENDER: COMPLETE THIS SECTION	COMPLETE ¹ HIS SECTION ON D	ELIVERY
 Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mallplece, or on the front if space permits. Article Addressed to: MRC Delaware Resources, LLC 5400 Lyndon B. Johnson Fwy, Suite 1500 Dallas, TX 75240 	A Signature X M. Doa B. Received by (Printed Name) M. Doa D. Is delivery address different from if YES, enter delivery address be	
9590 9402 1838 6104 7870 14 2. Article Number (Transfer from service label) 7016 0340 0000 0202 90	Adult Signature Adult Signature Restricted Delivery Adult Signature Restricted Delivery Certified Mail Restricted Delivery Collect on Delivery Collect on Delivery Collect on Delivery	Priority Mail Express® Registered Mail TM Registered Mail TM Registered Mail Restricted Delivery Return Receipt for Merchandise Signature Confirmation Restricted Delivery
PS Form 3811, July 2015 PSN 7530-02-000-9053 Domestic Return Receipt		





PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

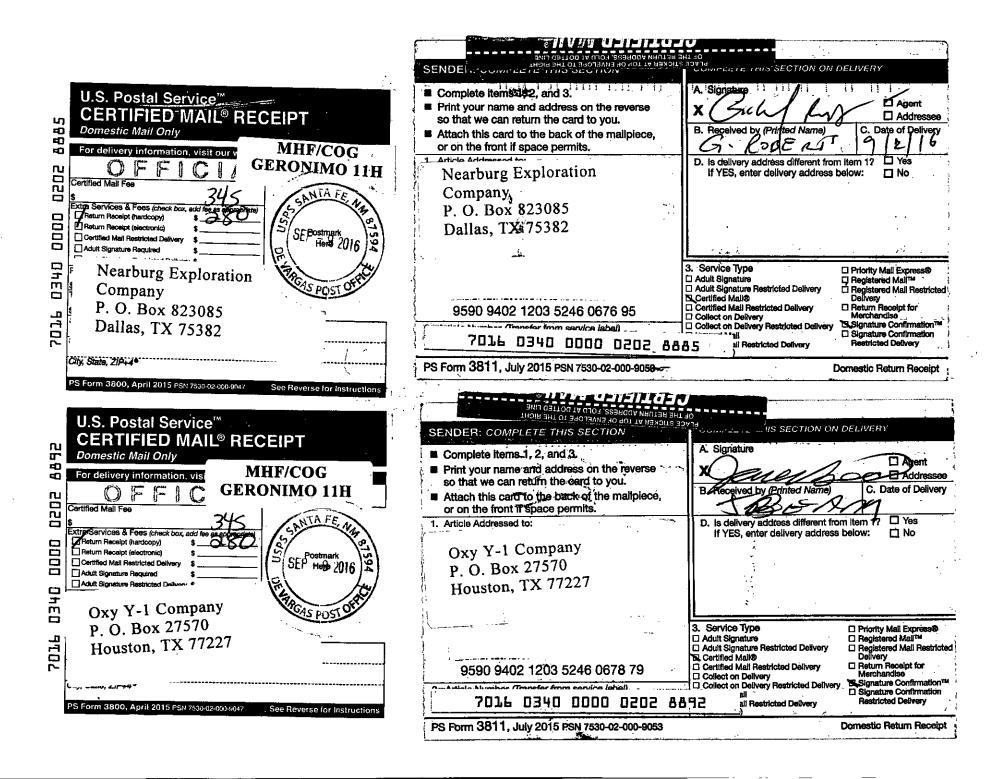
PS Form 3811, July 2015 PSN 7530-02-000-9053

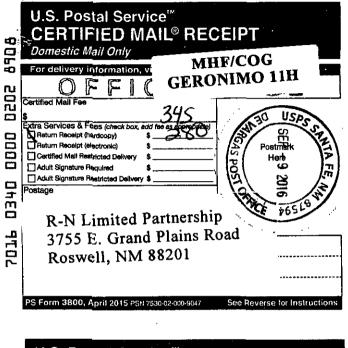
7016 0340 0000.0202 9059

Restricted Delivery Domestic Return Receipt

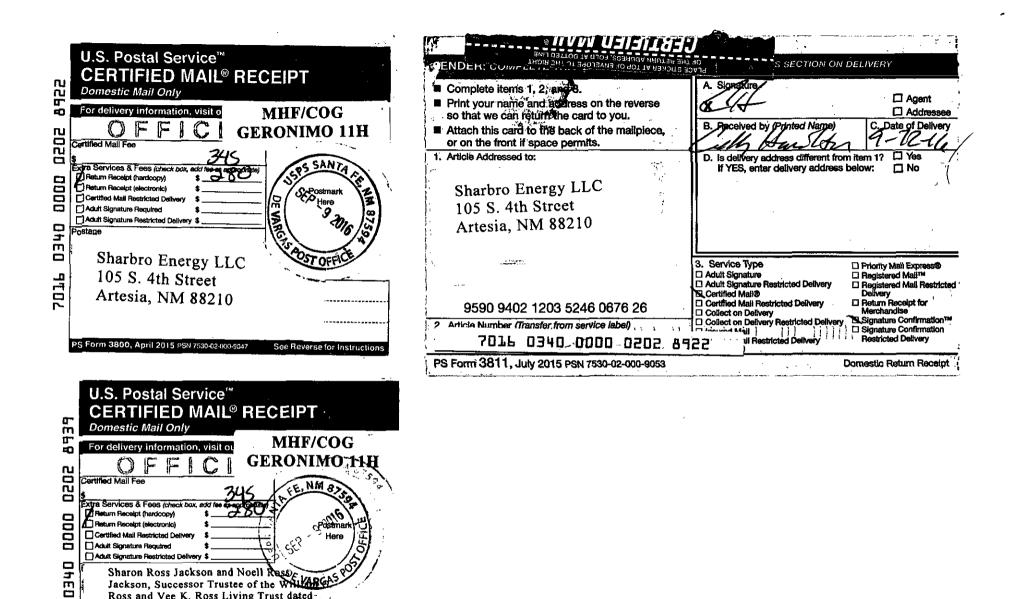
Signature Confirmation

All Restricted Delivery









Ross and Vee K. Ross Living Trust dated-

See Reverse for Instructions

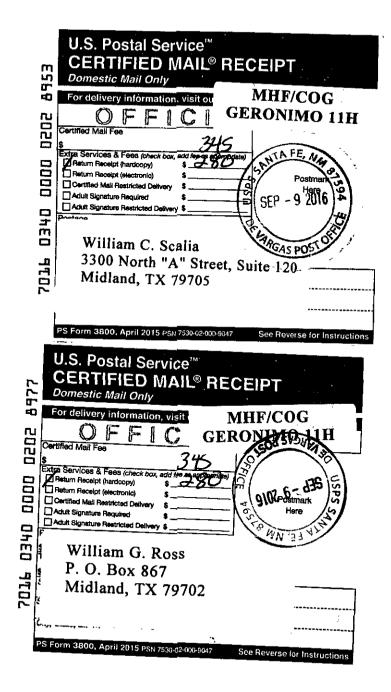
3.9.1990

P. O. Box 86 Midland, TX 79702

PS Form 3800, April 2015 PSN 7530-02-000-9047

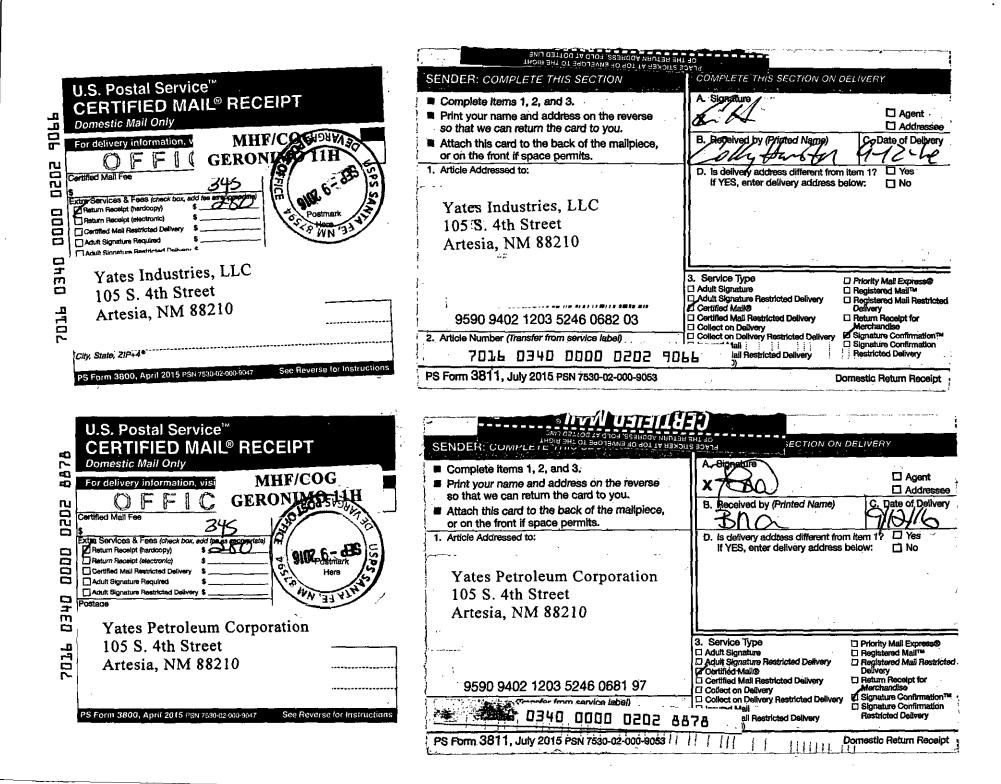
9102

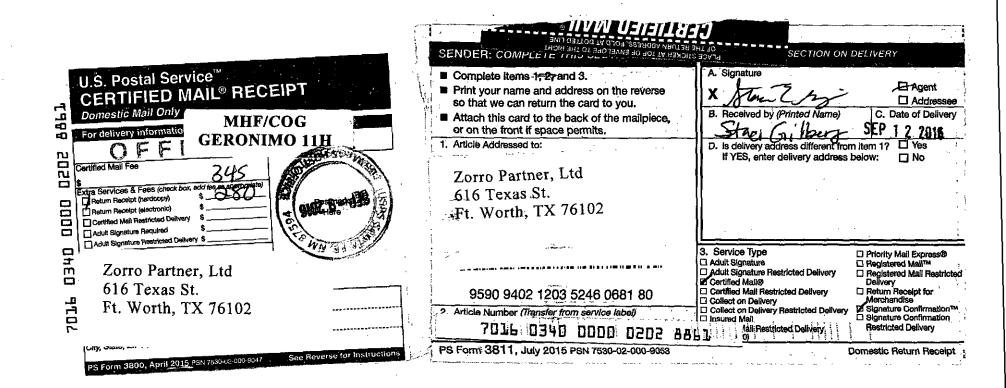




RETURNED

RETURNED





Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

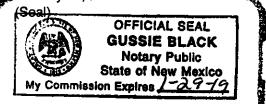
> Beginning with the issue dated September 14, 2016 and ending with the issue dated September 14, 2016.

Publisher

Sworn and subscribed to before me this 14th day of September 2016.

Business Manager

My commission expires

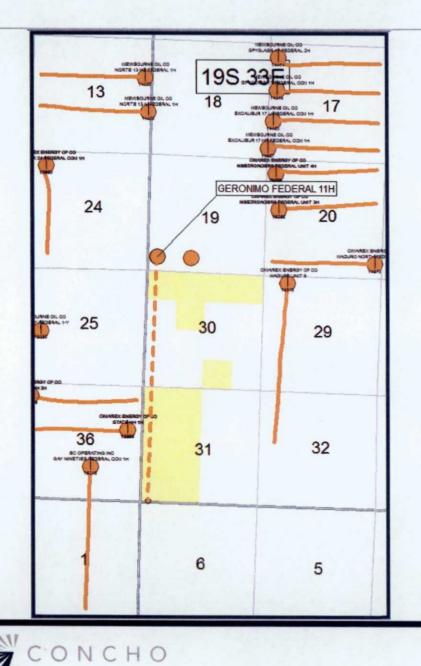


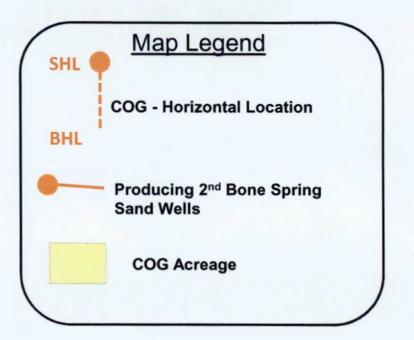
This newspaper is duly qualified to publich legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL NOTICE September 14, 2016 STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION SANTA FE, NEW MEXICO The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on September 29, 2016, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appoint for the hearing. If you are an individual with a disability who is in need of a reader amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service tr attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 o through the New Mexico Relay Network, 1-800-659-1779 by September 19, 2016. Public documents including the agenda and minutes, can be provided in various accessible documents including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form it needed. STATE OF NEW MEXICO TO: All named parties and persons having any right, title, interest or claim in the following cases and notice to the public. (NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether o not so stated.) To: Campeche Petro, L.P., Kaiser-Francis Oil Company, Sharon Ross Jackson and Noeli Ross Jackson, Successor Trustee of the William G. Ross and Vee K. Ross Living Trust dated 3.9.1990, her heirs and devisees, MRC Delaware Resources, LLC MRC Spiral Resources, LLC, MRC Explorers Reources, LLC, Nadel & Gusmar Capitan, LLC, ConocoPhillips Co., Mobil Producing TX & NM, William G. Ross, his heir sand devisees, Bryan C. Wagner, his heirs and devisees. Case No. 15554 Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard, 324.72-acre, more or less non-standard spacing and proration unit comprised of the W/2 W/2 (Lots 1-4) of Section 3(and the W/2 W/2 of Section 31 (Lots 1-4), Township 19 South, Range 33 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formatior underlying this acreage. Seld non-standard unit is to be dedicated to applicant's proposed (Geronimo Federal Com No. 11H Wetl, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Lot 4) of Section 31. The completed interval for this well will remain within the cost of standard offset required by the pulse. Also to be considered will be the cost of 330-foot standard offset required by the rules. Also to be considered will be the cost o drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 20 miles southeast of Loco Hills, New Mexico. #31223

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. 6 Submitted by: <u>COG OPERATING LLC</u> Hearing Date: <u>September 29, 2016</u>

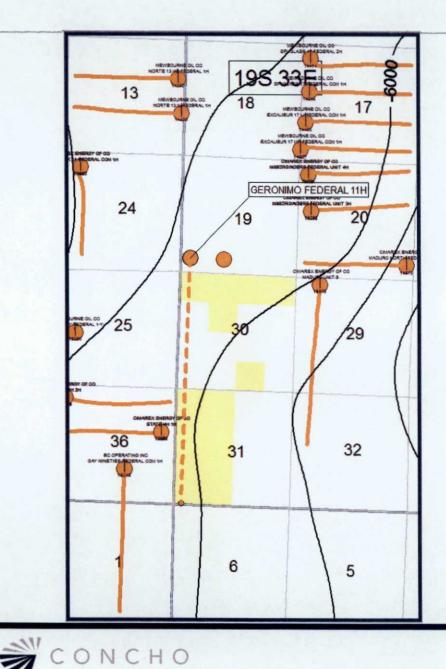
Bone Spring Pool Geronimo Federal 11 H Location

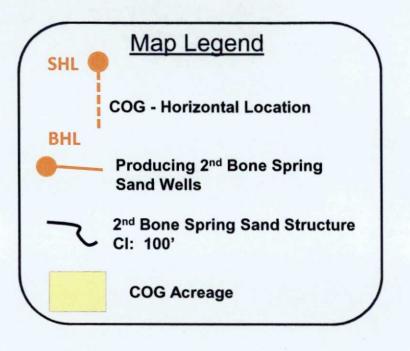




BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. 7 Submitted by: <u>COG OPERATING LLC</u> Hearing Date: September 29, 2016

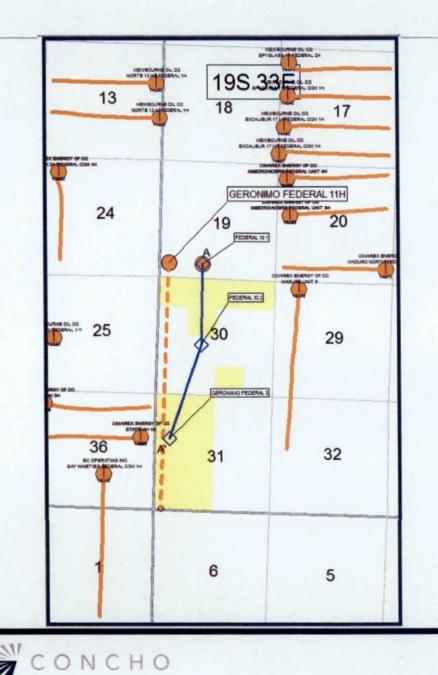
Bone Spring Pool 2nd Bone Spring Sand Structure Map

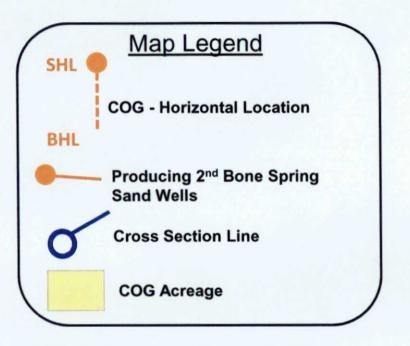




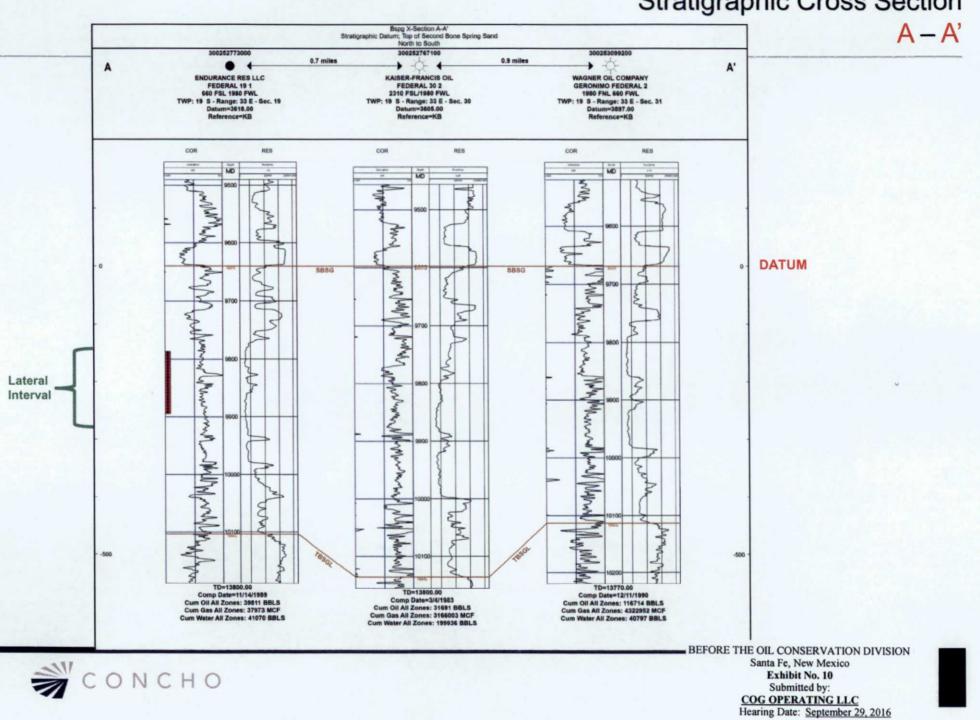
BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. 8 Submitted by: <u>COG OPERATING LLC</u> Hearing Date: <u>September 29, 2016</u>

Bone Spring Pool Cross Section Map





BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. 9 Submitted by: <u>COG OPERATING LLC</u> Hearing Date: September 29, 2016



Stratigraphic Cross Section