



Via Certified Mail - Return Receipt Requested

December 13 2016

Working Interest Owners
Listed on Attached Exhibit "A"

RE Well Proposal - Populus Fed 4H
W/2 W/2 of Sec. 29 T25S R27E
SHL 210 FNL & 990 FWL Section 29 (or at a legal location in Unit D)
BHL 50 FSL & 660 FWL Section 29 (or at a legal location in Unit M)
Eddy County New Mexico

Dear Sir or Madam,

COG Operating LLC ("COG") as Operator hereby proposes the drilling of the above-referenced horizontal well. The Populus Fed #4H will be drilled to a depth to test the 2nd Bone Spring Sand formation at total measured depth of approximately 11 800'. The surface location is proposed at a legal location in Unit D of Section 29 with a bottom hole location at a legal location in Unit M of Section 29 and the dedicated project area being the W/2 W/2 of Sec. 29 T25S R27E Eddy County New Mexico.

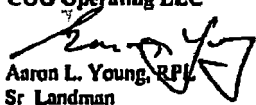
Included herewith is an Authority for Expenditure ("AFE") in the gross amount of \$4 928 696 being the total estimated cost to drill and complete this well. COG anticipates to spud the captioned well around March 2017.

COG is proposing to drill this well under the terms of that modified 1989 A A P L Form 610 Model Form Operating Agreement dated May 28th 2015 by and between COG Operating LLC as Operator and Myco Industries Inc et al as Non-Operators and to revise the Contract Area to include all of Section 29 depth limited. Please find enclosed a revised Exhibit "A" dated December 12 2016 to replace and supersede the original Exhibit "A" an updated page 1 and a new Memorandum of Operating Agreement and Financing Statement to reflect the expanded Contract Area. The Operating Agreement has the following general terms:

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

Please indicate your participation election and your agreement to expand the Contract Area of the JOA, reflected on the revised Exhibit "A" in the spaces provided below and return this letter along with an executed AFE and a copy of your geological well requirements to the corporate address attention Aaron Young. Should you have any questions, please do not hesitate to contact me at 432 221-0343 or by email at ayoung@concho.com.

Sincerely
COG Operating LLC


Aaron L. Young, RPL
Sr. Landman

Enclosures

Corporate Address One Concho Center 600 West Illinois Avenue Midland Texas 79701 phone 432 683 7443 fax 432 683 7441

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe New Mexico
Exhibit No. 5
Submitted by
COG OPERATING LLC
Hearing Date April 13, 2017

December 13 2016
Populus Fed #4H
Page No 2

_____ I/We hereby elect to participate in the drilling of the Populus Fed #4H

_____ I/We hereby elect not to participate in the drilling and completion of the Populus Fed #4H

Company _____

By _____

Name _____

Title _____

Date _____

I hereby acknowledge receipt and approval of the revised Exhibit A dated December 12 2016 expanding the Contract Area of the Operating Agreement dated May 28th 2015 by and between COG Operating LLC as Operator and Myco Industries Inc. et al as Non-Operators, and associated page changes.

Company _____

By _____

Name _____

Title _____

Date _____

December 13, 2016
Populus Fed #4H
Page No. 3

EXHIBIT "A"
Working Interest Owners

COG Operating LLC
Concho Oil & Gas LLC
One Concho Center
600 W Illinois Ave
Midland, TX 79701
Attention: Aaron Young

OXY Y-1 Company
P O Box 4294
Houston TX 77210-4294
Attention: Permian Land Manager NM

EOG A Resources, Inc.
105 South 4th Street
Artesia NM 88211 0840
Attn: Janet Richardson

EOG M Resources, Inc.
PO Box 840
Artesia, NM 88210-2118
Attn: Hannah Palomin

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: POPULUS FEDERAL 04H
BHL: 210' FNL & 980' FWL
BHL: 60' FSL & 660' FWL
FORMATION: D8SS/2ND BSS
LEGAL: 20-253-27E

PROSPECT NAME: ATLAS 2527 (717054)
STATE & COUNTY: New Mexico, Eddy
OBJECTIVE: DRILL & COMPLETE
DEPTH: 11,800
TVD: 7,400

INTANGIBLE COSTS	Drils Rigs Release(D)	Completion(C)	Tank Btry Complete(TB)	Proton Equipment(PEQ)	TOTAL
Time/Capture/Permit	201 11,000				11,000
Insurance	202 4,000	302			4,000
Compass/Right of Way	203 5,000	303	351		5,000
Survey/Block Location	204 8,000		303		8,000
Location/Permit/Expense	205 80,000	305 12,300	353 25,000	305	117,300
Drilling / Completion Overhead	206 4,800	306			4,800
Turnkey Contract	207 0	307			0
Footage Contract	208 0	308			0
Daywork Contract	209 248,000	309			248,000
Optional Drilling Services	210 120,000	310			120,000
Fluid & Power	211 37,000	311 8,000	354	307	45,000
Water	212 33,000	312 311,000		304	344,000
Site	213 43,000	313 2,000		309	45,000
Mud & Chemicals	214 75,000	314 12,750		370	87,750
EOI Stem Test	215 0	315			0
Coring & Analysis	216 0				0
Current Surface	217 14,250				14,250
Current Intermediate	218 23,750				23,750
Current 2nd Intermediate/Production	219 7,250				7,250
Current Squeezes & Other (Wellbore Plug)	220 0			371	0
Plant Equipment & Contractors	221 0,700				0,700
Casing Crews & Equipment	222 23,620				23,620
Fishing Tools & Service	223 0	303		372	0
Geophysical/Logging	224 0	304	355	373	0
Current Lateral	225 8,500	305 40,000	356 65,000	374	111,500
Company Supervision	226 20,000	306 30,000	357	375	50,000
Contract Supervision	227 40,000	307 83,000	358	376 8,000	118,000
Testing Casing/Tubing	228 20,000	308 10,000		377	30,000
Mud Logging Unit	229 0,000	309			0,000
Logging	230 0			378	0
Perforating/Wireline Services	231 0,000	310 15,000		379	15,000
Stimulation/Tracing	232 219,000			380	219,000
Completion Unit	233 34,500			381 7,000	41,500
Sealing Unit	234			382	0
Reform-Surface	235 70,000	311 167,000	379	383 6,000	243,000
Reform-Surface	236 70,000	312		384	70,000
Trucking/Forklift/Medication	237 70,000	313 40,000	380	385 5,000	115,000
Wellbore Services	238 1,000	314 9,000	381	386	10,000
Water Disposal	239 0	315 34,000	382	387 70,000	104,000
Plug to Abandon	240 0	316			0
Seismic Analysis	241 0	317			0
Microseismic	242 0	318			0
Company	243 25,000	319 163,031	383	389	188,031
Class Log & Environmental	244 63,000	320 5,000	384	390	68,000
Cut Tubing	245	321		391	0
Flowback Crews & Equip	246	322 127,000			127,000
Drill Direction/Inc	247 100,000	323			100,000
TOTAL INTANGIBLES	1,343,830	2,984,001	160,000	21,000	3,008,831

TANGIBLE COSTS	Drils Rigs Release(D)	Completion(C)	Tank Btry Complete(TB)	Proton Equipment(PEQ)	TOTAL
Surface Casing	401 8,000				8,000
Intermediate Casing	402 44,000				44,000
Production Casing/Unit	403 132,000				132,000
Tubing	404 34,000			630	34,000
Wellhead Equipment	405 25,000	505 12,000		631 3,000	40,000
Pumping Unit				632 87,173	87,173
Flow Meter				633	0
Rigs				634 34,000	34,000
Quartz Sub Surface (Btu)	609			635 8,000	8,000
Tools		510			0
Flowlines		511 65,000			65,000
Master Treater/Separator		512 90,000			90,000
Electrical System		513 60,000		636	60,000
Production/Anchors/Managers	14 0	514 5,000		637 5,000	10,000
Coupling/Fittings/Valves	415 0	515 140,000		638	140,000
Daystation		516			0
Injection Plant/CO2 Equipment		517			0
Pumpout Surface		518			0
Instrumentation/SCADA/POC		519 23,000		639	23,000
Microseismic	419 0	520 31,992		640 4,000	35,992
Company	420 0	521		641	0
Motors/VACT		522 30,000			30,000
Flare/Combustion/Emission		523 30,000			30,000
Gas LHV/Compression		524 73,000		642	73,000
TOTAL TANGIBLES	310,000	67,000	604,592	127,173	907,765
TOTAL WELL COSTS	1,653,830	3,051,001	764,592	188,173	4,828,526

COG Operating LLC % of Total Well Cost

Date Prepared: 10/3/16

COG Operating LLC

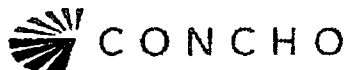
We approve: % Working Interest

By: TRAVIS NEWMANNEN LAFORTUNE NO

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.



Via Certified Mail – Return Receipt Requested

December 13 2016

OXY Y-1 Company
P O Box 4294
Houston, TX 77210-4294
Attention Permian Land Manager – NM

RE Well Proposal & Proposed Joint Operating Agreement – Populus Fed 4H
W/2 W/2 of Sec 29, T25S–R27E
SHL 210 FNL & 990' FWL Section 29 (or at a legal location in Unit D)
BHL 50 FSL & 660' FWL Section 29 (or at a legal location in Unit M)
Eddy County New Mexico

Dear Sir or Madam

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Included herewith is an Authority for Expenditure ("AFE") in the gross amount of \$4,928,696 being the total estimated cost to drill and complete this well. COG anticipates to spud the captioned well around March of 2017.

COG is proposing to drill this well under the terms of that modified 1989 A A P L Form 610 Model Form Operating Agreement dated May 28th, 2015 by and between COG Operating LLC, as Operator and Myco Industries, Inc., et al, as Non Operators (the "JOA") enclosed for your review along with a revised Exhibit A dated December 12, 2016 expanding the Contract Area. OXY Y-1 Company has yet to execute the JOA, therefore a Ratification and Joinder of Joint Operating Agreement will be sent under separate letterhead. The JOA has the following general terms:

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

Please indicate your participation election in the space provided below and return this letter, along with an executed AFE and a copy of your geological well requirements to the corporate address, attention Aaron Young. Should you have any questions, please do not hesitate to contact me at 432-221-0343 or by email at ayoung@concho.com.

Sincerely
COG Operating LLC


Aaron L. Young, RPL
Sr. Landman

Enclosures

CORPORATE ADDRESS
One Concho Center | 600 West Illinois Avenue | Midland, Texas 79701
PHONE 432-683-7443 | FAX 432-683-7441

LOCAL ADDRESS
Concho West | 2208 Main Street | Artesia, New Mexico 88210
PHONE 575-748-6940 | FAX 575-746-2096



CONCHO

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Populus Fed #4H
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_____ I/We hereby elect to participate in the drilling of the Populus Fed #4H

_____ I/We hereby elect not to participate in the drilling and completion of the Populus Fed #4H

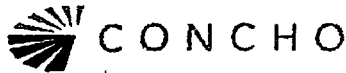
Company _____

By _____

Name _____

Title _____

Date _____



December 13 2016
Populus Fed #4H
Page No 3

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Working Interest Owners

COG Operating LLC
Concho Oil & Gas LLC
One Concho Center
600 W Illinois Ave
Midland, TX 79701
Attention Aaron Young

OXY Y-1 Company
P O Box 4294
Houston, TX 77210-4294
Attention Permian Land Manager - NM

EOG A Resources, Inc
105 South 4th Street
Artesia, NM 88211-0840
Attn Janet Richardson

EOG M Resources, Inc.
PO Box 840
Artesia, NM 88210-2118
Attn Hannah Palomin

CORPORATE ADDRESS

One Concho Center | 600 West Illinois Avenue | Midland, Texas 79701
PHONE 432.683 7443 | FAX 432.683 7441

LOCAL ADDRESS

Concho West | 2208 Main Street | Artesia New Mexico 88210
PHONE 575-748.6940 | FAX 575-746 2096

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME:	POPULUS FEDERAL 04H	PROSPECT NAME:	ATLAS 2527 (717054)
SFL:	210 FSL & 080 FWL	STATE & COUNTY:	New Mexico, Eddy
SFL:	80 FSL & 080 FWL	OBJECTIVE:	DRILL & COMPLETE
FORMATION:	OBSS/2ND BSS	DEPTH:	11,800
LEGAL:	29-25S-27E	TVD:	7,400

		Drill - Rig Release(D)	Completion(C)	Tank Btty Construct(TB)	Pump Equipment(PE)	TOTAL
INTANGIBLE COSTS						
Title/Casualty/Permit	301	11,000				11,000
Insurance	302	4,000				4,000
Demolition/Right of Way	303	8,000				8,000
Survey/State Location	304	8,000				8,000
Location/Plat/Record Expense	305	80,000	12,200			92,200
Drilling / Completion Overhead	306	4,200	230			4,430
Turnkey Contract	307	0	207			207
Footway Contract	308	0	208			208
Daywork Contract	309	248,000	308			248,308
Directional Drilling Services	310	120,000	310			120,310
Fuel & Power	311	37,000	311			37,311
Water	312	33,000	312			33,312
Gas	313	43,000	313			43,313
Mud & Chemicals	314	78,000	314			78,314
D/O Stem Test	315	0	315			315
Coring & Analysis	316	0				0
Corrosion Inhibitors	317	14,250				14,250
Corrosion Inhibitors/Production	318	23,750				23,750
Corrosion Inhibitors/Production	319	71,250				71,250
Corrosion Inhibitors/Production	320	0				0
Fluid Equipment & Other (Packer Plug)	321	0,700				0,700
Fluid Equipment & Other (Packer Plug)	322	21,800				21,800
Coring Crews & Equipment	323	0	323			323
Fishing Tools & Services	324	0	324			324
Geological/Engineering	325	0,500	325			0,500
Geological/Engineering	326	78,000	326			78,326
Geological/Engineering	327	40,000	327			40,327
Geological/Engineering	328	20,000	328			20,328
Mud Logging Unit	329	0,000	329			0,000
Logging	330	4,000	330			4,000
Performance/Wellbore Services	331	0,000	331			0,000
Performance/Wellbore Services	332	0,000	332			0,000
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Performance/Wellbore Services	489	0,000	489			0,000
Performance/Wellbore Services	490	0,000	490			0,000
Performance/Wellbore Services	491	0,000	491			0,000
Performance/Wellbore Services	492	0,000	492			0,000
Performance/Wellbore Services	493	0,000	493			0,000
Performance/Wellbore Services	494	0,000	494			0,000
Performance/Wellbore Services	495	0,000	495			0,000</

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME	Populus Pad 64H	PROSPECT NAME	#717054	SL WC no PH 1M
SHL	SEC 29- 210 FNL & 990 FWL	STATE & COUNTY	New Mexico Eddy	
BHL	SEC 29: 60 FSL & 660 FWL	OBJECTIVE	Drill & Complete	
FORMATION	28S	DEPTH	11,600	
LEGAL	29-25S-27E	TVD	7,364	

		Drill Rig (Release)(D)	Completion(C)	Tank Bivy Construct(TB)	Prodn Equipment(PEQ)	TOTAL
INTANGIBLE COSTS						
Title/Cursive/Permit	201	1 000				11 000
Insurance	202	000	302			000
Damages/Right of Way	203	0 000	303	351		0 000
Survey/State Location	204	0 000		352		0 000
Location/Plat/Read Expense	205	20 000	305	12 200	353	274 500
Drilling Completion Overhead	206	0 000	306			0 000
Turnkey Contract	207	0 000	307			0
Footage Contract	208	0 000	308			0
Daywork Contract	209	375 000	309			375 000
Directional Drilling Service	210	183 000	310			53 000
Fuel & Power	211	54 000	311	0 000	354	50 000
Water	212	35 000	312	204 000	355	320 000
Slits	213	57 000	313	2 000	356	50 000
Mud & Chemicals	214	60 000	314	17 750	370	62 750
Drill Stem Test	215	0 000	315			0
Core & Analysis	216	0 000				0
Cement Surface	217	1 250				1 250
Cement Intermediate	218	23 750				23 750
Cement 2nd Intermediate/Production	219	75 000				75 000
Cement Squeeze & Other (Kickoff Plug)	220	0 000			371	0
Float Equipment & Components	221	7 700				7 700
Casing Crows & Equipment	222	25 000				25 000
Fishing Tools & Service	223	0 000	323		372	0
Geologic/Engineering	224	0 000	324	355	373	0
Contract Labor	225	0 500	325	40 000	356	22 300
Company Supervision	226	4 400	326	15 000	357	50 400
Contract Supervision	227	72 000	327	80 000	358	62 000
Testing Casing/Tubing	228	30 000	328	0 000	377	40 000
Mud Logging Unit	229	27 000	329			27 000
Logging	230	0 000			378	0
Performing/Wireline Services	231	4 000	331	60 000	379	64 000
Simulation/Testing	232	0 000	332	1 257 300	380	1 257 300
Completion Unit	233	0 000	333	60 000	381	60 000
Swabbing Unit	234	0 000	334		382	0
Rentals-Surface	235	120 000	335	187 000	359	307 000
Rentals-Subsurface	236	83 000	336		383	83 000
Trucking/Forklift/Log Mobilization	237	20 000	337	40 000	360	60 000
Welding Services	238	3 500	338	0 000	361	3 500
Water Disposal	239	0 000	339	60 000	362	150 000
Plug to Abandon	240	0 000	340		363	0
Seismic Analysis	241	0 000	341		364	0
Miscellaneous	242	0 000	342		365	0
Contingency	243	000	343	63 000	366	202 000
Closed Loop & Environmental	244	50 000	344	0 000	367	50 000
Coil string	245	0 000	345		368	0
Flowback Crows & Equip	246	0 000	346	27 000		27 000
Offset Directional/Frac	247	0 000	347			0
TOTAL INTANGIBLES		1 620 000	7 75 00	370 157	0	75 033
TANGIBLE COSTS						
Surface Casing	401	10 000				10 000
Intermediate Casing	402	43 000				43 000
Production Casing/Liner	403	160 000				160 000
Tubing	404	0 000	504	35 000	630	35 000
Wellhead Equipment	405	20 000	505	12 000	631	32 000
Pumping Unit	406	0 000			632	0
Pre-mixer	407	0 000			633	0
Red	408	0 000			634	0
Pumps-Sub Surface (BHM)	409	0 000	509		635	0
Tanks	410	0 000		37 500	636	37 500
Flowlines	411	0 000		40 000	637	40 000
Heater Treater/Separator	412	0 000		47 500	638	47 500
Electrical System	413	0 000		32 500	639	32 500
Partners/Anchors/Hangers	414	72 000	514	0 000	640	72 000
Couplings/Fittings/Valves	415	0 000		10 000	641	10 000
Dehydration	416	0 000			642	0
Injection Plant/CO2 Equipment	417	0 000			643	0
Pumps-Surface	418	0 000		12 500	644	12 500
Instrumentation/SCADA/POC	419	0 000			645	0
Miscellaneous	420	0 000			646	0
Contingency	421	0 000			647	0
Material AGT	422	0 000		30 000	648	30 000
Flare/Combustion/Emission	423	0 000		42 500	649	42 500
Gas Lift/Compression	424	0 000		25 000	650	25 000
TOTAL TANGIBLES		302 000	62 000	377 500	0	74 500
TOTAL WELL COSTS		1 922 000	7 75 00	747 657	0	5 215 533

COG Operating LLC

Date Prepared 12/1/7

W approve
% Working Interest

COG Operating LLC

By TRN IDRLD IV RL

Company
By

Printed Name
Title
Date

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

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME	Populus Fed #4H	PROSPECT NAME	#717054	SL WC no PH 1M
SHL	SEC 29 210 FNL & 990 FWL	STATE & COUNTY	New Mexico, Eddy	
BHL	SEC 29 50 FSL & 660 FWL	OBJECTIVE	Drill & Complete	
FORMATION	26S	DEPTH	11,800	
LEGAL	29-26S-27E	TVD	7,364	

INTANGIBLE COSTS	Drill Rig Release(D)	Completion(C)	Tank Bivy Construct(TB)	Perfor. Equipment(PEQ)	TOTAL
Title/Curative/Permit	201	0.00			1 000
Insurance	202	4 000			4 000
Damages/Rough 1W y	203	5 000			5 000
Survey/Stake Location	204	0 000			0 000
Location/Path/Road Expense	205	20 000	12 200		32 200
Drilling / Completion Overhead	206	0 000			0 000
Turnkey Contract	207	0 307			0 307
Footage Contract	208	300			300
Daywork Contract	209	375 000			375 000
Directional Drilling Service	210	53 000	3 0		56 000
Fuel & Power	211	54 000	31		54 031
Water	212	35 000	440 000		475 000
Slits	213	57 000	2 800		59 800
Mud & Chemicals	214	50 000	12 750		62 750
Drill Stem Test	215	0 315			0 315
Coring & Analysis	216	0			0
Cement Surface	217	4 250			4 250
Cement Intermediate	218	23 750			23 750
Cement 2nd Intermediate/Production	219	75 000			75 000
Cement Spacers & Other (Kickoff Plug)	220	0			0
Fixed Equipment & Centralizers	221	7 700			7 700
Casing Crows & Equipment	222	25 000			25 000
Fishing Tools & Service	223	0 323			0 323
Geologic/Engineering	224	0 324			0 324
Contract Labor	225	6 500	40 000		46 500
Company Supervision	226	400	15 000		15 400
Contract Supervision	227	72 000	90 000		162 000
Testing Casing/Tubing	228	30 000	10 000		40 000
Mud Logging Unit	229	27 000	328		27 328
Logging	230	0			0
Perforating/Wireline Services	231	4 000	180 000		184 000
Simulation/Testing		800 000			800 000
Completion Unit		60 000			60 000
Swabbing Unit		0 334			0 334
Rentals-Surface	235	20 000	7 000		27 000
Rentals-Subsurface	236	63 000	336		63 336
Trucking/Forklift/Rig Mobilization	237	20 000	40 000		60 000
Welding Services	238	3 500	5 000		8 500
Water Disposal	239	0 339	100 000		100 339
Plug Abandon	240	0 340			0 340
Seismic Analysis	241	0 341			0 341
Miscellaneous	242	0 342			0 342
Contingency	243	30 000	63 0		93 000
Closed Loop & Environmental	244	50 000	5 000		55 000
Flowback Crows & Equip		0 347	27 000		27 347
Office Directional/Free	245	0 348			0 348
TOTAL INTANGIBLES		629 000	2 080 58	370 52	5 050 733

TANGIBLE COSTS	Drill Rig Release(D)	Completion(C)	Tank Bivy Construct(TB)	Perfor. Equipment(PEQ)	TOTAL
Surface Casing	401	0.00			0.00
Intermediate Casing	402	40 000			40 000
Production Casing/Liner	403	160 30			160 300
Tubing	404	20 000	35 000		55 000
Wellhead Equipment	405	20 000	12 000		32 000
Pumping Unit		0 504			0 504
Prime Mover		0 505			0 505
Rod		0 506			0 506
Pumps-Sub Surface BH		0 507			0 507
Tanks		37 500			37 500
Fluiddens		40 000			40 000
Heater Treater/Separator		47 500			47 500
Electrical System		32 500			32 500
Packings/Anchors/Hangers	14	72 000	8 000		80 000
Couplings/Fittings/Valve	5	0 510	110 000		110 510
Dewatering		0 511			0 511
Injection Plant/CO2 Equipment		0 512			0 512
Pumps-Surface		12 500			12 500
Instrumentation/SCADA/POC		0 513			0 513
Miscellaneous	10	0 514			0 514
Contingency	420	0 515			0 515
Meters/LACT		30 000			30 000
Flares/Combustors/Emission		42 500			42 500
Gas Lift/Compression		10 000			10 000
TOTAL TANGIBLES		302 000	62 300	377 500	7 150 000
TOTAL WELL COSTS		1 031 000	3 220 58	747 52	5 050 733

COG Operating LLC	% of Total Well Cost	33%	64%	13%	0%
-------------------	----------------------	-----	-----	-----	----

Date Prepared: 7/23

COG Operating LLC

By: TRN (DRILL) IV AL

W approve _____

% Working Interest

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.

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME	Popula Fed 84H	PROSPECT NAME	#717054	SL WC no PH 1M
SHL	SEC 29 210 FNL & 990 FWL	STATE & COUNTY	New Mexico, Eddy	
BHL	SEC 29 50 FSL & 660 FWL	OBJECTIVE	Drill & Complete	
FORMATION	2BS	DEPTH	11,800	
LEGAL	29-255-27E	TYD	7,384	

		Drill Rtg Released (D)	Complet on(C)	Tank Rtg Control (RTB)	Propo Expend m(PAQ)	TOTAL
INTANGIBLE COSTS						
Time/Curbs/Permit	30	0.00				0.00
Insurance	302	0.00	302			0.00
Demogrant/Right of Way	303	0.00	303			0.00
Survey/Title Location	304	0.00		313		0.00
Location/Post Road Expense	305	170.00	305	313	32 312	234 532
Drilling Completion Overhead	306	8.00				8.00
Turnkey Contract	307	0	307			0
Fracture Contract	308	0	308			0
Drillwork Contract	309	375.00	309			375.00
Drillwork Drilling Services	2	53.00				53.00
and 5 gear	3	84.00	311	354	367	84.00
Water	2 2	25.00	3 2		368	25.00
Bits	3	57.00	3 3		369	57.00
Mud & Chemicals	2 4	60.00	3		370	60.00
Drill Stem Test	215		3 5			0
Corros & Analysis	2 0	0				0
Current Surface	2 7	250				250
Current Intermediate	218	23 750				23 750
Current 2nd Intermediate/Production	2 0	75.00				75.00
Current Equipment & Other (Rough) Part	220	0			7	0
Fluid Equipment Contractors	22	700				7.000
Casing Casing Equipment	222	25.00				25.000
Rigging Tools & Service	223	0	323		72	0
Geological Engineering	22		325		373	0
Contract Labor	225	8.500	326		77.000	21.000
Company Supervision	226	41.400	328	31	375	64.400
Contract Supervision	227	72.000	327	356	376	162.000
Tooling Casing/Tubing	228	30.000	328		377	40.000
Steel Logging Unit	229	27.000	329			27.000
Loggers	230	0			378	0
Drilling/Wireline Services	23	0.00	331		379	164.000
Drilling/Wireline		332	332		380	600.000
Completion Unit		333	333		381	60.000
Production Unit		334			382	
Marble-Surface	235	130.000	335	350	383	307.000
Marble-Subsurface	236	63.000	336		384	63.000
Trucking/Fuel/Water Mobilization	237	120.000	337	385	385	969.000
Welding Services	238	3.500	338	38	386	800
Water Disposal	239	0	339	382	38	30.000
Plug to Abandon	240	0	340			0
Seismic Analysis	24	0	341			0
Miscellaneous	242	0	342		383	
Contingency	243	39.000	343	383	380	392.00
Closed Loop & Environmental	244	60.000	344	384	385	63.000
Cell Jcting		345				0
Flareback Casing Equip		347				27.000
Other Drilling Costs	248	0	348			0
TOTAL INTANGIBLES		625.000	3.050.56	370.52		5.058.733

TANGIBLE COSTS						
Surface Casing	40	10.000				10.000
Intermediate Casing	402	40.000				40.000
Production Casing/Liner	403	160.000				600.000
Tubing		35.000	504		530	35.000
Wellhead Equipment	405	30.000	505		53	32.000
Pumpjack Unit		30.000			530	
Pump Motor		0			507	0
Rods		0			508	0
Pump-Jack Surface (SH)		506			532	0
Tank			5 0		87.500	37.500
Flareback					40.000	40.000
Master Water/Separator			5 2		500	7.500
Flareback			513		32.500	32.500
Backhaul/Backhaul/Managers	14	72.000	514		534	77.000
Couplings/Pumpjack/Hoses						0.000
Dehydration			5 7			0
Injection Plant/ECQ Equipment			5 8			0
Pumpjack Surface			52		2.500	12.500
Instrumentation/SCADA/POG			522		529	
Miscellaneous			523		529	
Contingency	420		52		529	0
seals/LAC			525		30.000	30.000
Flareback/Combustion/Emission			526		42.500	42.500
Gas Lift/Compression			5		25.000	35.000
TOTAL TANGIBLES		302.000	62.000	377.500		800
TOTAL WELL COSTS		927.000	3.112.56	7.452	0	5.867.233

% of Total Well Cost 34% 64% 15% 8%

COG Operating LLC

Date Prepared: 2/22/11

COG Operating LLC

We approve _____

_____% Working Interest

By _____ TRN (DRILL) IV AL

Company _____

By _____

Printed Name _____

TIN _____

Date _____

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

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME	Popolu Fod 64H	PROSPECT NAME	#717054	SL WC n PH 1M
SHL	SEC 29 21D FNL & 930 FWL	STATE & COUNTY	New Mexico, Eddy	
BHL	SEC 29 50 FSL & 660 FWL	OBJECTIVE	Drill & Complete	
FORMATION	28S	DEPTH	11,800	
LEGAL	29-25S-27E	TVD	7,384	

		Drig Rig Released (D)	Completion (C)	Tank Btry Construct (TB)	Prmsh Equipm n(PEQ)	TOTAL
INTANGIBLE COSTS						
Theoretical Permit	20	000				000
Insurance	202	000	302			000
Damages/Right of Way	203	000	303			000
Survey/State Location	204	000				000
Location/Plot/Road Expense	205	20 000	305	2 200	333	234 333
DrChg. Completion Overhead	206	0 000	306			0 000
Turnkey Contract -	207		307			
Fastage Contract	208	0	308			0
Daymen Contract	209	375 000	309			375 000
Overhead/Dring Services	210	53 000	310			53 000
Oil power	2	64 000	3 1	8 000	354	60 000
Water	2 2	35 000	312	445 000		48 000
Gas	2 3	67 000	313	8 000		60 000
Mud Chemicals	2	60 000		2 750	370	67 750
Dredging	2 5		3 5			0
Coring & Analysis	2 0					0
Cement Surface	217	750				750
Cement Intermediate	218	21 750				21 750
Cement 2nd Intermediate/Production	219	75 000				75 000
Cement Squeeze Other (Backoff Plug)	220				37	
First equipment Cementation	221	7 700				7 700
Casing Crows Equipment	222	25 000				25 000
Shing. cde Service	223	0	323		372	0
Geologic/Engineering	22		32	35	373	
Contract shg	226	8 500	326	40 000	354	22 300
Camping Supervision	226	400	326	5 000	357	60 400
Geologic Supervision	227	72 000	327	80 000	358	162 000
Technical Supervision	228	80 000	328	000	377	40 000
Mud Logging Unit	229	27 000	329			000
Logging	230				70	
Partnership/Retire Services	23	000	33	100 000	379	100 000
Simulation Modeling		000 000	332	000 000	380	000 000
Completion Unit		00 000	333	00 000	38	00 000
Logging Unit			334		382	0
Surface Surface	235	20 000	335	157 000	359	207 000
Reactive Subsurface	236	60 000	336		384	60 000
Logging/Unit g Modification	23	20 000	33	40 000	380	100 000
Wellbore Services	238	500	338	5 000	381	500
Water Disposal	239	0	339	60 000	382	50 000
Plug Abandon	240		340			
Seismic Analysis	2		34			
Microseismic	242		342		383	
Contingency	243	30 000	343	102 00	380	202 00
Closed Loop Environmental	244	60 000	344	000	388	60 000
Cap string			346			
Flowback Crew Equip			34	000		12 000
Offset Direction/Proc	245	0	345			
TOTAL INTANGIBLE		670 000	000 56	370 52		9 058 723

TANGIBLE COSTS						
Surface Casing	40	10 000				10 000
Intermediate Casing	402	40 000				40 000
Production Casing/Line	403	100 000				100 000
Shing			504	35 000	630	35 000
Wellhead Equipment	405	20 000	605	2 000	63	27 000
Pumping Unit					60	0
Power Motor					603	
Road					632	0
Pumps-Sub Surface (D)			600			
Sh				510	3 500	37 500
Flowers					40 000	40 000
Motor Tractor/Generator				5 2	67 500	47 500
Technical system					33 500	33 500
Packers/Annular/Mongers		72 000	5	8 000	634	77 000
Couplings, strings, shoes				1	000	000
Dehydration						
Injection Plant/CO2 Equipment				5		
Pumps-Surface				621	600	600
Instrumentation/SCADA/PLC				622	0	0
Microseismic				623	935	
Contingency	420		120	32	530	
Material/ACT				625	30 000	30 000
Power/Commuters/Emission				626	42 500	42 500
Gas Lift/Compressor			527	8 000	510	5 000
TD AL ANCH		300 000		63 000	77 500	500
TO AL WELL COSTS		61 000	27 58	852	0	80 233

% of Total Well Cost	33%	64%	1%	0%
----------------------	-----	-----	----	----

COG Operating LL

Date prepared 2/7/21

W approve

% Working Interest

By TRN (DR 0) PV KL

Company

By

Printed Name

Title

Date

This AFE only on estimates. By signing you agree to pay your share of the actual costs incurred.



Via Certified Mail -- Return Receipt Requested

March 8 2017

RE Amendment to Populus Operating Agreement
Dated May 28, 2015
Section 29
Township 25 South Range 27 East
Eddy County New Mexico

Dear Sir or Madam.

Reference is hereby made to Well Proposals dated December 13 2016 and December 20 2016 Under said letters, COG Operating LLC proposed to drill the Populus Fed 2H and 4H under Joint Operating Agreement dated May 28th 2015 (the "JOA"), by and between COG Operating LLC as Operator and Myco Industries Inc. et al, as Non-Operators and expand the JOA's Contract Area.

Enclosed please find a revised Exhibit "A" dated March 7 2017 that will expand the Contract Area to cover the W/2 and W/2 E/2 of Section 29 and replace and supersede the original Exhibit "A". Also enclosed are an updated page 1 and a new Memorandum of Operating Agreement and Financing Statement.

Please indicate your agreement to expand the Contract Area of the JOA, reflected on the revised Exhibit "A" in the spaces provided below and return this amendment, along with an executed Memorandum of Operating Agreement and Financing Statement, to the corporate address, attention Vincent Cuccerre. Should you have any questions, please do not hesitate to contact me at 432-685-2589 or by email at vcuccerre@concho.com.

Sincerely
COG Operating LLC

Vincent E. Cuccerre
Landman

I hereby acknowledge receipt and approval of the revised Exhibit "A" dated March 7 2017 expanding the Contract Area of the Operating Agreement dated May 28th 2015 by and between COG Operating LLC as Operator and EOG M Resources, Inc., as successor to Myco Industries Inc., et al, as Non-Operators and associated page changes

Company: _____

By: _____

Name: _____

Title: _____

Date: _____

CORPORATE ADDRESS
One Concho Center | 600 West Illinois Avenue | Midland, Texas 79701
PHONE 432.683.7443 | FAX 432.683.7441

LOCAL ADDRESS
Concho West | 2208 Main Street | Artesia, New Mexico 88210
PHONE 575.748.6940 | FAX 575.748.2096



Via Certified Mail - Return Receipt Requested

March 21 2017

RE Ratification of Operating Agreement, Revised Exhibit "A" to Operating Agreement
Section 29
Township 25 South, Range 27 East
Eddy County New Mexico

Dear Sir or Madam

Reference is hereby made to Well Proposals dated December 13, 2016 and December 20 2016 Under said letters, COG Operating LLC proposed to drill the Populus Fed 2H and 4H and expand the Contract Area of the Joint Operating Agreement dated May 28th 2015 (the "JOA") by and between COG Operating LLC as Operator and Myco Industries Inc., et al as Non-Operators

Enclosed please find a revised Exhibit "A" dated March 8 2017 that will expand the Contract Area to cover the W/2 and W/2 E/2 of Section 29 and replace and supersede the original Exhibit A Also enclosed are an updated page 1 and a new Memorandum of Operating Agreement and Financing Statement

Also please find enclosed an updated Ratification of Operating Agreement to reflect the revised Exhibit "A" Furthermore please execute in the space provided below to reflect your agreement to the Revised Exhibit "A" and return this amendment, along with an executed Ratification of Operating Agreement and the Memorandum of Operating Agreement and Financing Statement, to the corporate address, attention Vincent Cuccerre.

Should you have any questions, please do not hesitate to contact me at 432-685 2589 or by email at vcuccerre@concho.com.

Sincerely
COG Operating LLC

Vincent E Cuccerre
Landman

I hereby acknowledge receipt and approval of the revised Exhibit "A" dated March 8 2017 expanding the Contract Area of the Operating Agreement dated May 28th 2015 by and between COG Operating LLC as Operator and EOG M Resources Inc as successor to Myco Industries, Inc et al as Non Operators and associated page changes

Company: _____

By: _____

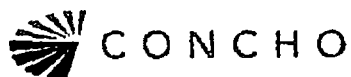
Name: _____

Title: _____

Date: _____

CORPORATE ADDRESS
One Concho Center | 600 West Illinois Avenue | Midland, Texas 79701
PHONE 432.683.7443 | FAX 432.683.7441

LOCAL ADDRESS
Concho West | 2208 Main Street | Artesia, New Mexico 88210
PHONE 575.748.6940 | FAX 575.746.2096



April 6, 2017

**WORKING INTEREST OWNERS
LISTED ON ATTACHED EXHIBIT "A"**

Re Operating Agreement
 Populus Fed Com 2H and 4H
 W/2 W/2 and W/2 E/2 Section 29
 T25S R27E
 Eddy County, New Mexico

Dear Sir or Madam

COG Operating LLC ("COG") sent out well proposals for the Populus Fed Com 2H and Populus Fed Com 4H wells on December 20, 2016 and has received EOG's elections to participate respectively in each. Enclosed for your review and execution is the modified A.A.P.L. Form 610 - 1989 Model Form Operating Agreement covering the below described contract area under which the respective wells will be drilled.

W/2 W/2 and W/2 E/2 Section 29 T25S-R27E, Eddy County New Mexico

It has the following general provisions

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

Please return the executed Operating Agreement along with an executed Memorandum of Operating Agreement and Financing Statement, to the corporate address, attention Vincent Cuccerre

Should you have any questions please do not hesitate to contact me at 432 685 2589 or at vcuccerre@concho.com

Sincerely

COG Operating LLC

A handwritten signature in cursive script, appearing to read "Vincent Cuccerre".

Vincent Cuccerre
Landman

April 6 2017
Page 2

EXHIBIT "A"
WORKING INTEREST OWNERS

COG Operating LLC
600 W Illinois Ave
Midland TX 79701
Attn Delaware Basin West Land Lead

OXY Y-1 Company
5 Greenway Plaza Suite 110
Houston, TX 77046
Attn Permian Land Manager

EOG A Resources, Inc
5509 Champions Dr
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