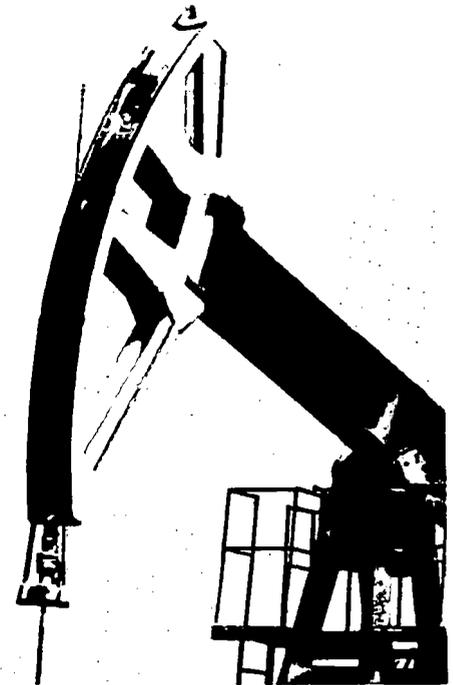


COG Operating LLC

MALCO 23 FEDERAL COM 13H
Hearing
Red Lake Area - Eddy County, New Mexico



BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING AUGUST 3, 2017

CASE NOS. 15764



CONCHO

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

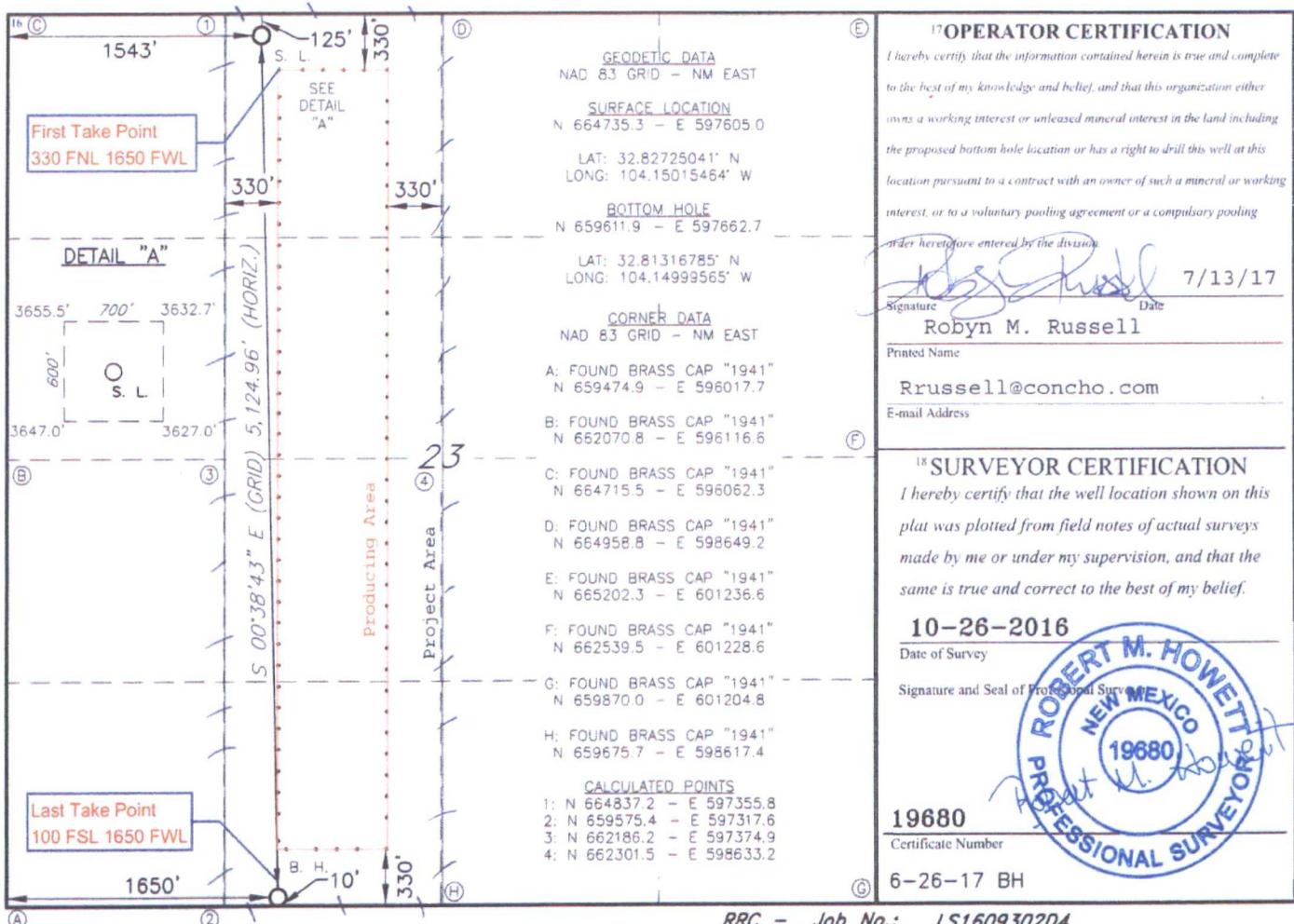
Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | | | | | |
|--|-------------------------------|--|-------------------------|---|---------------------------------|---------------------------|-----------------------|------------------------|----------------|
| ¹ API Number 30-015-44297 | | ² Pool Code 96210 | | ³ Pool Name Empire; Glorieta-Yeso | | | | | |
| ⁴ Property Code 318325 | | ⁵ Property Name MALCO 23 FEDERAL COM | | | ⁶ Well Number 13H | | | | |
| ⁷ OGRID NO. 229137 | | ⁸ Operator Name COG OPERATING, LLC | | | ⁹ Elevation 3637' | | | | |
| ¹⁰ Surface Location | | | | | | | | | |
| UL or lot no. C | Section 23 | Township 17S | Range 28E | Lot Idn | Feet from the 125 | North/South line NORTH | Feet from the 1543 | East/West line WEST | County EDDY |
| ¹¹ Bottom Hole Location If Different From Surface | | | | | | | | | |
| UL or lot no. N | Section 23 | Township 17S | Range 28E | Lot Idn | Feet from the 10 | North/South line SOUTH | Feet from the 1650 | East/West line WEST | County EDDY |
| ¹² Dedicated Acres 160 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. | | | | | | |

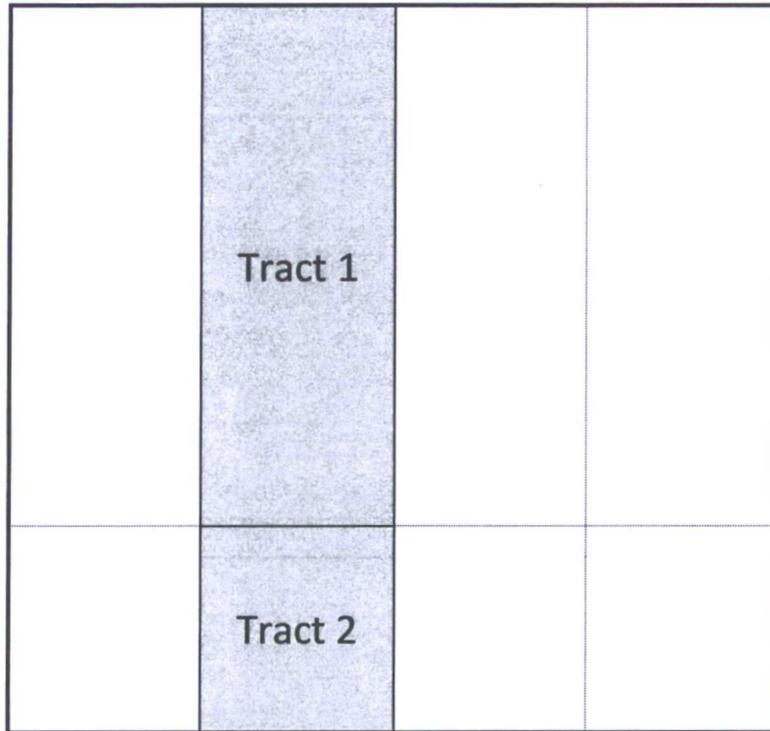
No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.



RRC - Job No.: LS1609302D4

BEFORE THE OIL CONSERVATION
DIVISION
Santa Fe, New Mexico
Exhibit No. 1
Submitted by: COG OPERATING LLC

EXHIBIT 2
Malco 23 Fed Com #13H
E ½ of the W ½ of Section 23, T17S-R28E
Eddy County, New Mexico
WORKING INTERESTS



Tract 1

22.26% COG Operating LLC
50.00% Fasken Acquisitions 02, Ltd.
25.00% ZPZ Delaware I, LLC
1.10% Cardinal River Energy I LP
0.37% Paul Stafford
0.37% Greg Wilson
0.37% Callan Oil and Gas Inc.
0.33% Black Oak Energy, LLC
0.18% Fenergy LLC
0.18% Environmental Risk reduction, Inc.
0.18% William C. Dean
0.12% Hall Energy Company, LLC

Tract 2

75.00% COG Operating LLC
25.00% Silvertown Petroleum, Inc.

Interests in Proposed Spacing Unit:

35.44% COG Operating LLC
37.50% Fasken Acquisitions 02, Ltd.
18.75% ZPZ Delaware I, LLC
6.25% Silvertown Petroleum, Inc.
0.48% Cardinal River Energy I LP
0.27% Paul Stafford
0.27% Greg Wilson
0.27% Callan Oil and Gas Inc.
0.25% Black Oak Energy, LLC
0.14% Fenergy LLC
0.14% Environmental Risk reduction, Inc.
0.14% William C. Dean
0.09% Hall Energy Company, LLC

***Uncommitted Owner in Proposed Spacing Unit**

****Signed AFE**



Sent via Certified Mail
Return Receipt # 91-7149-9901-7036-0788-1507

May 4, 2017

Fasken Acquisitions 02, Ltd.
6101 Holiday Hill Road
Midland, TX 79707

Re: **Well Proposal – Malco 23 Fed Com #13H**
Sec 23: E/2 W/2, T17S-R28E
SHL: 125' FNL and 1443' FWL, or a legal location in Unit C of Section 23
BHL: 330' FSL and 1650' FWL, or a legal location in Unit N of Section 23
Eddy County, New Mexico

Dear Sir/Madam:

COG Operating LLC (COG), as Operator, hereby proposes to drill the Malco 23 Fed Com #13H well as a horizontal well at the above-captioned location, or at a legal location as approved by the governing regulatory agency, to a TVD of approximately 3,856' and a MD of 8,550' to test the Yeso Formation ("Operation"). The total cost of the Operation is estimated to be \$4,141,500.00 and a detailed description of the cost is set out in the enclosed Authority for Expenditure ("AFE").

COG is proposing to drill this well under the terms of the modified 1989 AAPL form of Operating Agreement which is enclosed for your review and approval. The Operating Agreement covers the E/2W/2 of Section 23, T17S-R28E, Eddy County, NM and has the following general provisions:

- Depth Limitation from 3,499' to the Base of the Abo Formation
- 100/300 Non-Consenting Penalty
- \$6,000/\$600 Drilling and Producing Rate
- COG Operating LLC named as Operator

Please indicate your participation election in the space provided below, sign and return this letter, the OA, along with a signed copy of the enclosed AFE and a copy of your geologic well requirements if you would like to participate. A self-addressed, postage paid envelope is enclosed for your convenience.

If you do not wish to participate in the Operation, COG would like to term assign your working interest under the following basic provisions:

- \$250/net mineral acre bonus
- 3 Year Primary Term
- Overriding Royalty Interest equal to the positive difference, if any, between 20% and the current burdens of record.

Please indicate your intent to Term Assign your Working Interest to COG by contacting me at the phone number or email below. If you have any questions, please do not hesitate to contact the undersigned at 432-685-2515.

Respectfully,

Adam Reker, RPL
Landman
areker@concho.com

BEFORE THE OIL CONSERVATION
DIVISION
Santa Fe, New Mexico
Exhibit No. 3
Submitted by: COG OPERATING, LLC
Hearing Date: August 3, 2017



**MALCO 23 FEDERAL COM #13H
WELL PROPOSAL**

_____ I/We hereby elect to participate in the Malco 23 Fed Com #13H.

_____ I/We hereby elect not to participate in the Malco 23 Fed Com #13H.

**Company or
Individual Name:** _____

By: _____

Name: _____

Title: _____

Date: _____

WELL NAME: MALCO 23 FEDERAL COM #13H
 SHL: 125 FNL & 1443 FNL (UL-C)
 FORMATION: YESO
 LEGAL: E/W2 OF SECTION 23, T17S-R28E
 PROJECT NAME: NM SH#1 3800' TVD
 STATE & COUNTY: New Mexico, Eddy
 OBJECTIVE: Drill & Complete
 DEPTH: 8,550
 TVD: 3,858
 DRILLING
 AUTHORITY FOR EXPENDITURE
 COG OPERATING LLC

PROSPECT NAME: NM SH#1 3800' TVD
 1500 lb-ft
 TOTAL
 11,000
 4,000
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 9,000
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| INTANGIBLE COSTS | DATA - RISK | COMPLETION(C) | CONSTRUCTION(B) | PERMITS | TOTAL |
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| 204 | 7,000 | | | | 7,000 |
| 205 | 65,000 | | | | 65,000 |
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| 211 | 20,000 | | | | 20,000 |
| 212 | 30,000 | | | | 30,000 |
| 213 | 39,000 | | | | 39,000 |
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| 218 | 53,000 | | | | 53,000 |
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**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

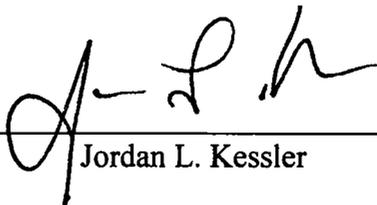
**APPLICATION OF COG OPERATING LLC
FOR A NON-STANDARD SPACING AND
PRORATION UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 15764

AFFIDAVIT

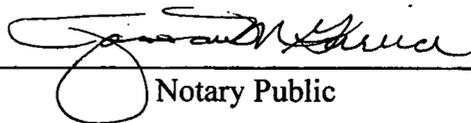
STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

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 has been provided under the notice letters and proof of receipts attached hereto.

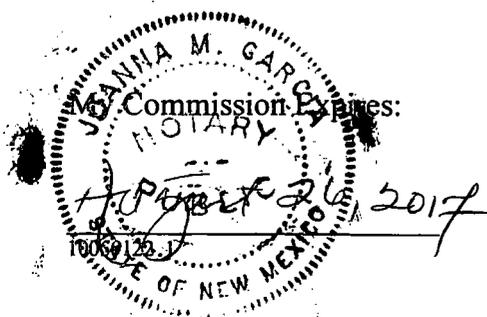


Jordan L. Kessler

SUBSCRIBED AND SWORN to before me this 2nd day of August, 2017 by Jordan L. Kessler.



Notary Public



HOLLAND & HART



Jordan L. Kessler

Associate

Phone (505) 988-4421

Fax (505) 983-6043

JLKessler@hollandhart.com

July 14, 2017

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

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, Eddy County, New Mexico.
Malco 23 Federal Com No. 13H 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 August 3, 2017. 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 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 Adam Reker, at (432) 685-2515 or AReker@concho.com.

Sincerely,

Jordan L. Kessler

ATTORNEY FOR COG OPERATING LLC

Holland & Hart LLP

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. ☉

HOLLAND & HART ^{LLP}



Jordan L. Kessler

Associate

Phone (505) 988-4421

Fax (505) 983-6043

JLKessler@hollandhart.com

July 14, 2017

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, Eddy County, New Mexico.
Malco 23 Federal Com No. 13H Well**

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 August 3, 2017. 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 Adam Reker, at (432) 685-2515 or AReker@concho.com.

Sincerely,

Jordan L. Kessler

ATTORNEY FOR COG OPERATING LLC

9945978_1

Holland & Hart ^{LLP}

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. ☏

**COG/Malco 23 Fed Com #13
Pooled Parties – Case No. 15764**

Fasken Acquisitions 02, Ltd.
303 W. Wall Street, Suite 1800
Midland, TX 79701

ZPZ Delaware I, LLC
Attn: Land Department
303 Veterans Airpark Lane, Suite 1000
Midland, TX 79705

Paul Stafford
210 Park Ave, #3000
Oklahoma City, OK 73102

Greg Wilson
210 Park Ave, #3000
Oklahoma City, OK 73102

Callan Oil and Gas, Inc.
210 Park Ave, #3000
Oklahoma City, OK 73102

William C. Dean
210 Park Ave, #3000
Oklahoma City, OK 73102

Fenergy LLC
2301 Brookside Ave.
Edmond, OK 73034

Silverton Petroleum, Inc.
PO Box 26
Graham, TX 76450

Environmental Risk Reduction, Inc.
210 Park Ave, #3000
Oklahoma City, OK 73102

7017 1450 0000 8463 1777

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
 Domestic Mail Only **COG/JLK/Malco 23 Fed**
 For delivery information, visit **com #13/Sorted Parties -**

OFFICE Case **NRM 87501**

Certified Mail Fee \$ _____

Extra Services & Fees (check box, add fee as appropriate)

Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

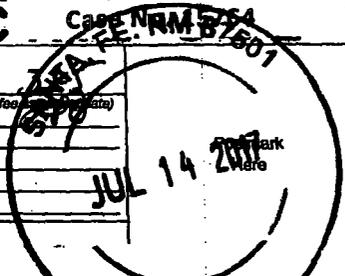
Postage \$ _____

Total Fee \$ _____

Sent To **Fasken Acquisitions 02, Ltd**
303 W. Wall Street, Suite 1800
Midland, TX 79701

City, State _____

PS Form 3800, April 2015 PSN 7530-01-000-9000 See Reverse for Instructions



7017 1450 0000 8463 1760

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
 Domestic Mail Only **COG/JLK/Malco 23 Fed**
 For delivery information, visit **com #13/Sorted Parties -**

OFFICE Case **NRM 87501**

Certified Mail Fee \$ _____

Extra Services & Fees (check box, add fee as appropriate)

Return Receipt (hardcopy) \$ **3.45**

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

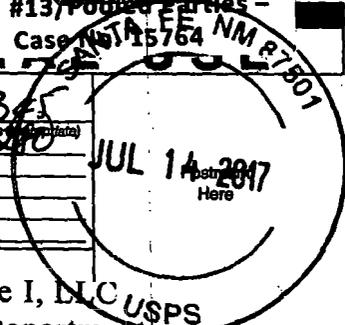
Postage \$ _____

Total Fee \$ _____

Sent To **ZPZ Delaware I, LLC**
Attn: Land Department
303 Veterans Airpark Lane,
Suite 1000
Midland, TX 79705

City, State _____

PS Form 3800, April 2015 PSN 7530-01-000-9000 See Reverse for Instructions



7017 1450 0000 8463 1746

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
 Domestic Mail Only **COG/JLK/Marco 23 Fed**
 For delivery information, visit **com #13/8**

OFFIC Case No. 15764

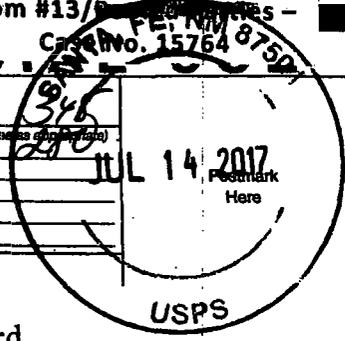
Certified Mail Fee \$ 3.45

Extra Services & Fees (check box, add fees and postage)
 Return Receipt (hardcopy) \$ 2.10
 Return Receipt (electronic) \$ _____
 Certified Mail Restricted Delivery \$ _____
 Adult Signature Required \$ _____
 Adult Signature Restricted Delivery \$ _____

Postage \$ _____
 Total Postage \$ _____

Sent To **Paul Stafford**
 210 Park Ave, #3000
 Oklahoma City, OK 73102

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions



RETURNED

7017 1450 0000 8463 1746

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
 Domestic Mail Only **COG/JLK/Marco 23 Fed**
 For delivery information, visit **com #13/8**

OFFIC Case No. 15764

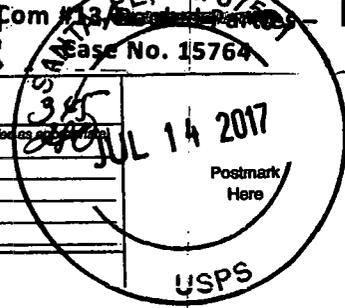
Certified Mail Fee \$ 3.45

Extra Services & Fees (check box, add fees and postage)
 Return Receipt (hardcopy) \$ 2.10
 Return Receipt (electronic) \$ _____
 Certified Mail Restricted Delivery \$ _____
 Adult Signature Required \$ _____
 Adult Signature Restricted Delivery \$ _____

Postage \$ _____
 Total Postage \$ _____

Sent To **Greg Wilson**
 210 Park Ave, #3000
 Oklahoma City, OK 73102

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions



RETURNED

7017 1450 0000 8463 1715

U.S. Postal Service[™]
CERTIFIED MAIL[®] RECEIPT
 Domestic Mail Only **COG/JLK/Malco 23 Fed**
 For delivery information, visit **Com #13/Pool of Posties -**
OFFICIAL Case No. 15764M 82501

Certified Mail Fee \$

Extra Services & Fees (check box, add fee as appropriate)

Return Receipt (hardcopy) \$ **5.00**

Return Receipt (electronic) \$

Certified Mail Restricted Delivery \$

Adult Signature Required \$

Adult Signature Restricted Delivery \$

Postage \$

Total Postage \$

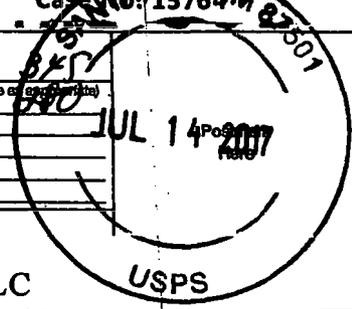
Sent To **Fenergy LLC**

2301 Brookside Ave.

Edmond, OK 73034

City, State

PS Form 3800, April 2015 PSN 7530-02-000-9001 See Reverse for Instructions



RETURNED

7017 1450 0000 8463 1708

U.S. Postal Service[™]
CERTIFIED MAIL[®] RECEIPT
 Domestic Mail Only **COG/JLK/Malco 23 Fed**
 For delivery information, visit **Com #13/Pool of Posties -**
OFFICIAL Case No. 15764M 82501

Certified Mail Fee \$

Extra Services & Fees (check box, add fee as appropriate)

Return Receipt (hardcopy) \$ **5.00**

Return Receipt (electronic) \$

Certified Mail Restricted Delivery \$

Adult Signature Required \$

Adult Signature Restricted Delivery \$

Postage \$

Total Postage \$

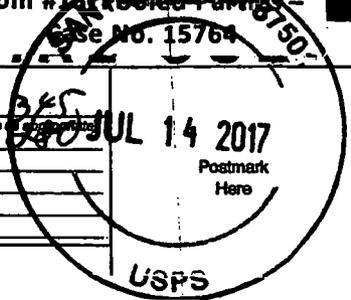
Sent To **Silverton Petroleum, Inc.**

PO Box 26

Graham, TX 76450

City, State

PS Form 3800, April 2015 PSN 7530-02-000-9001 See Reverse for Instructions



269T 8948 0000 0545 1450 7017

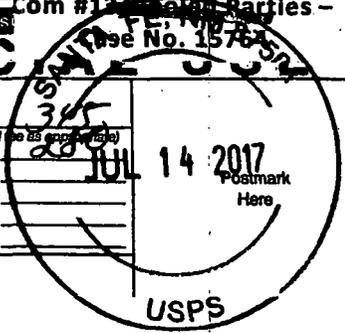
U.S. Postal Service
CERTIFIED MAIL® RECEIPT
 Domestic Mail Only
 For delivery information, visit [usps.com](#)
OFFICE **COG/JLK/Malco 23 Fed**
Case No. 1578-374
Com #1244444 Bartles -

Certified Mail Fee \$
 Extra Services & Fees (check box, add to total)
 Return Receipt (hardcopy) \$
 Return Receipt (electronic) \$
 Certified Mail Restricted Delivery \$
 Adult Signature Required \$
 Adult Signature Restricted Delivery \$

Postage \$
 Total \$

Environmental Risk Reduction, Inc.
 210 Park Ave, #3000
 Oklahoma City, OK 73102

U.S. Postal Service Application for Certified Mail Restricted Delivery. See usps.com for instructions.



RETURNED

**COG/Malco 23 Fed Com #13
Offset Parties – Case No. 15764**

ZPZ Delaware I, LLC
303 Veterans Airpark Lane, Suite 1000
Midland, TX 79705

Khody Land & Minerals Co.
One Williams Center
Tulsa, OK 74172

Mack Energy Corporation
PO Box 960
Artesia, NM 88211

S.P. Yates
105 S. Fourth Street
Artesia, NM 88210

7017 1450 0000 8463 1784

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
 Domestic Mail Only

For delivery information, visit **COG/JLK/Malco 23 Fed Com #13/Offset Parties - Case No. 15764**

OFFICE

Certified Mail Fee \$
 Extra Services & Fees (check box, add fee as appropriate)
 Return Receipt (hardcopy) \$
 Return Receipt (electronic) \$
 Certified Mail Restricted Delivery \$
 Adult Signature Required \$
 Adult Signature Restricted Delivery \$

Postage \$
 Total \$

Sent To: **ZPZ Delaware I, LLC USPS**
 303 Veterans Airpark Lane,
 Suite 1000
 Midland, TX 79705

PS Form 3800, April 2015 PSN 7530-02-000-900- See Reverse for Instructions



SENDER: COMPLETE THIS SECTION

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 mailpiece, or on the front if space permits.

1. Article Addressed to:
ZPZ Delaware I, LLC
 303 Veterans Airpark Lane,
 Suite 1000
 Midland, TX 79705

9590 9402 2942 7094 6375 17

2. Article Number (Transfer from service label)
7017 1450 0000 8463 1784

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 Agent
 Addressee
X Robert Ford

B. Received by (Printed Name)
R. Ford

C. Date of Delivery
7-18-17

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Adult Signature
 Adult Signature Restricted Delivery
 Certified Mail®
 Certified Mail Restricted Delivery
 Collect on Delivery
 Collect on Delivery Restricted Delivery
 Priority Mail Express®
 Registered Mail™
 Registered Mail Restricted Delivery
 Return Receipt for Merchandise
 Signature Confirmation™
 Signature Confirmation Restricted Delivery

Domestic Return Receipt

7017 1450 0000 8462 8807

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
 Domestic Mail Only

For delivery information, visit **COG/JLK/Malco 23 Fed Com #13/Offset Parties - Case No. 15764**

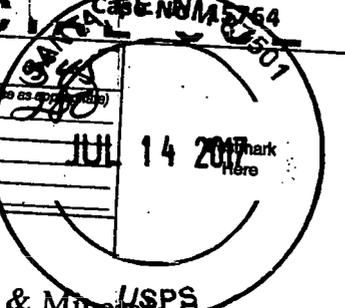
OFFICE

Certified Mail Fee \$
 Extra Services & Fees (check box, add fee as appropriate)
 Return Receipt (hardcopy) \$
 Return Receipt (electronic) \$
 Certified Mail Restricted Delivery \$
 Adult Signature Required \$
 Adult Signature Restricted Delivery \$

Postage \$
 Total \$

Sent To: **Khody Land & Minerals Co. USPS**
 One Williams Center
 Tulsa, OK 74172

PS Form 3800, April 2015 PSN 7530-02-000-900- See Reverse for Instructions



SENDER: COMPLETE THIS SECTION

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 mailpiece, or on the front if space permits.

1. Article Addressed to:
Khody Land & Minerals Co.
 One Williams Center
 Tulsa, OK 74172

9590 9402 2942 7094 6396 65

2. Article Number (Transfer from service label)
7017 1450 0000 8462 8807

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 Agent
 Addressee
X Khody Land

B. Received by (Printed Name)
Khody Land

C. Date of Delivery
JUL 14 2017

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Adult Signature
 Adult Signature Restricted Delivery
 Certified Mail®
 Certified Mail Restricted Delivery
 Collect on Delivery
 Collect on Delivery Restricted Delivery
 Priority Mail Express®
 Registered Mail™
 Registered Mail Restricted Delivery
 Return Receipt for Merchandise
 Signature Confirmation™
 Signature Confirmation Restricted Delivery

Domestic Return Receipt

7017 1450 0000 8462 8821

U.S. Postal Service[®]
CERTIFIED MAIL[®] RECEIPT
 Domestic Mail Only

For delivery information, visit usps.com #13/Offset Part 11

OFFIC Case No. 15764

COG/JLK/Malcom Fed

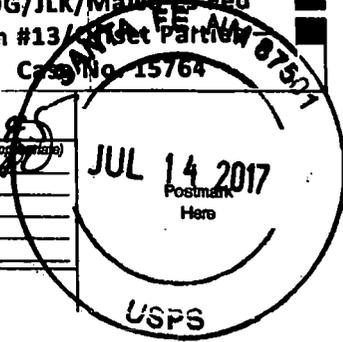
Certified Mail Fee \$
 Extra Services & Fees (check box, add fee as appropriate)
 Return Receipt (hardcopy) \$ 3.00
 Return Receipt (electronic) \$
 Certified Mail Restricted Delivery \$
 Adult Signature Required \$
 Adult Signature Restricted Delivery \$

Postage \$
 Total Post \$

Sent To
 Mack Energy Corporation
 PO Box 960
 Artesia, NM 88211

City, State

PS Form 3800, April 2015 PSN 7530-02-000-9053



CERTIFIED MAIL

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 mailpiece, or on the front if space permits.

A. Signature
 Kathy Beauregard Agent Addressee

B. Received by (Printed Name)
 KATHY BEAUREGARD

C. Date of Delivery

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

1. Article Addressed to:
 Mack Energy Corporation
 PO Box 960
 Artesia, NM 88211

9590 9402 2942 7094 6396 58

2. Article Number (Marked on back of mailpiece)
 7017 1450 0000 8462 8821

3. Service Type
 Adult Signature
 Adult Signature Restricted Delivery
 Certified Mail[®]
 Certified Mail Restricted Delivery
 Collect on Delivery
 Collect on Delivery Restricted Delivery

Priority Mail Express[®]
 Registered Mail[™]
 Registered Mail Restricted Delivery
 Return Receipt for Merchandise
 Signature Confirmation[™]
 Signature Confirmation Restricted Delivery

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

7017 1450 0000 8462 8814

U.S. Postal Service[®]
CERTIFIED MAIL[®] RECEIPT
 Domestic Mail Only

For delivery information, visit usps.com #13/Offset Part 11

OFFIC Case No. 15764

COG/JLK/Malcom Fed

Certified Mail Fee \$
 Extra Services & Fees (check box, add fee as appropriate)
 Return Receipt (hardcopy) \$ 3.00
 Return Receipt (electronic) \$
 Certified Mail Restricted Delivery \$
 Adult Signature Required \$
 Adult Signature Restricted Delivery \$

Postage \$
 Total Po \$

Sent To
 S.P. Yates
 105 S. Fourth Street
 Artesia, NM 88210

City, State

PS Form 3800, April 2015 PSN 7530-02-000-9053



CERTIFIED MAIL

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 mailpiece, or on the front if space permits.

A. Signature
 X Agent Addressee

B. Received by (Printed Name)
 S.P. Yates

C. Date of Delivery
 7/17

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

1. Article Addressed to:
 S.P. Yates
 105 S. Fourth Street
 Artesia, NM 88210

9590 9402 2942 7094 6350 49

2. Article Number (Marked on back of mailpiece)
 7017 1450 0000 8462 8814

3. Service Type
 Adult Signature
 Adult Signature Restricted Delivery
 Certified Mail[®]
 Certified Mail Restricted Delivery
 Collect on Delivery
 Collect on Delivery Restricted Delivery

Priority Mail Express[®]
 Registered Mail[™]
 Registered Mail Restricted Delivery
 Return Receipt for Merchandise
 Signature Confirmation[™]
 Signature Confirmation Restricted Delivery

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

Legal Notices 152

scriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: Fasken Acquisition O2 Ltd., and its successors, heirs and/or devisees; ZPZ Delaware I, LLC, and its successors, heirs and/or devisees; Paul Stafford, and his successors, heirs and/or devisees; Greg Wilson, and his successors, heirs and/or devisees; Callan Oil & Gas, Inc., and its successors, heirs and/or devisees; Fenery LLC, and its successors, heirs and/or devisees; William C. Dean, and his successors, heirs and/or devisees; and Silverton Petroleum, Inc., and its successors, heirs and/or devisees.

CASE 15764: Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard 160-acre, more or less, spacing and proration unit comprised of the E/2 W/2 of Section 23, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Empire Glorieta-Yeso Pool (96210) underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed Malco 23 Federal Com No. 13H Well, which will be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) to a standard bottomhole location in the SE/4 SW/4 (Unit N) of Section 23. The completed interval for this well will remain not within the 330-foot offset as required by the Statewide rules for oil wells, and will therefore be unorthodox. COG will apply administratively for approval of an unorthodox location. Also to be considered will be the cost of 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 22 miles west of Maljamar, New Mexico.

July 19, 2017

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 July 20, 2017, 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 to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by July 11, 2017. Public 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 is 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 de-

Affidavit of Publication

State of New Mexico,
County of Eddy, ss.

Danny Fletcher, being first duly sworn, on oath says:

That he is the Publisher of the Carlsbad Current-Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

July 19 2017

That the cost of publication is \$174.85 and that payment thereof has been made and will be assessed as court costs

Subscribed and sworn to before me this 27 day of July, 2017

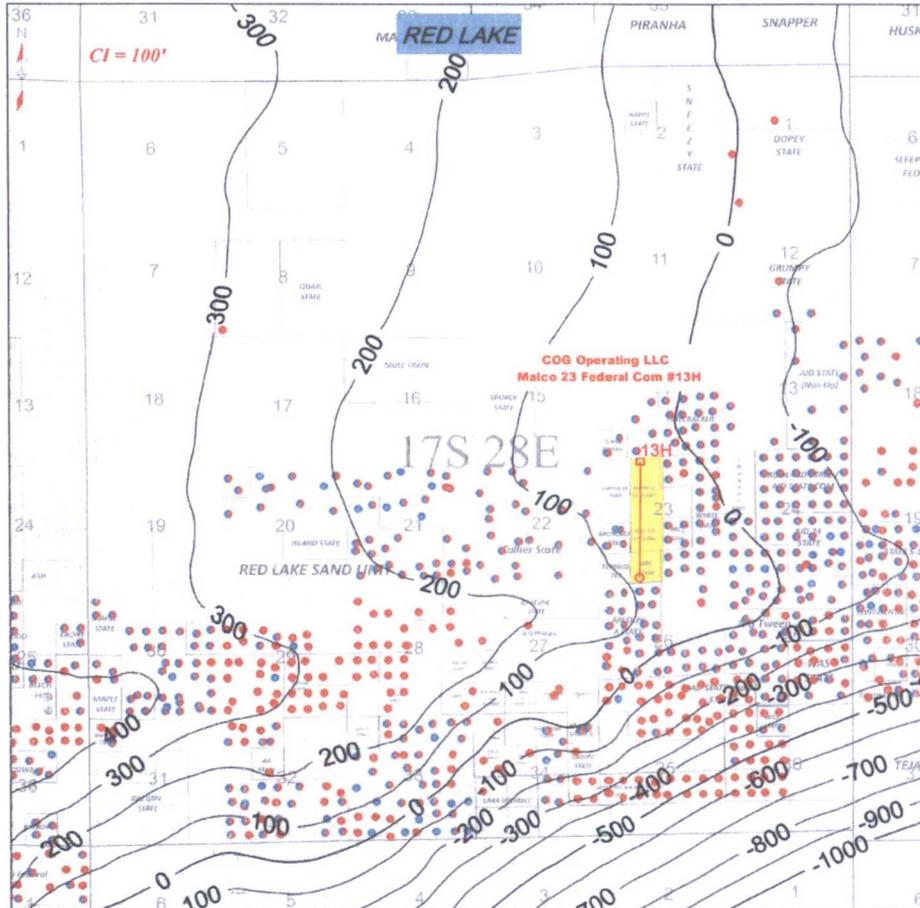
My commission Expires 2/13/21

Notary Public



BEFORE THE OIL CONSERVATION
DIVISION
Santa Fe, New Mexico
Exhibit No. 5
Submitted by: COG OPERATING, LLC
Hearing Date: August 3, 2017

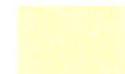
Red Lake Area – Structure Map T/PDCK



Map Legend

-  Blinebry Producer
-  Paddock Producer

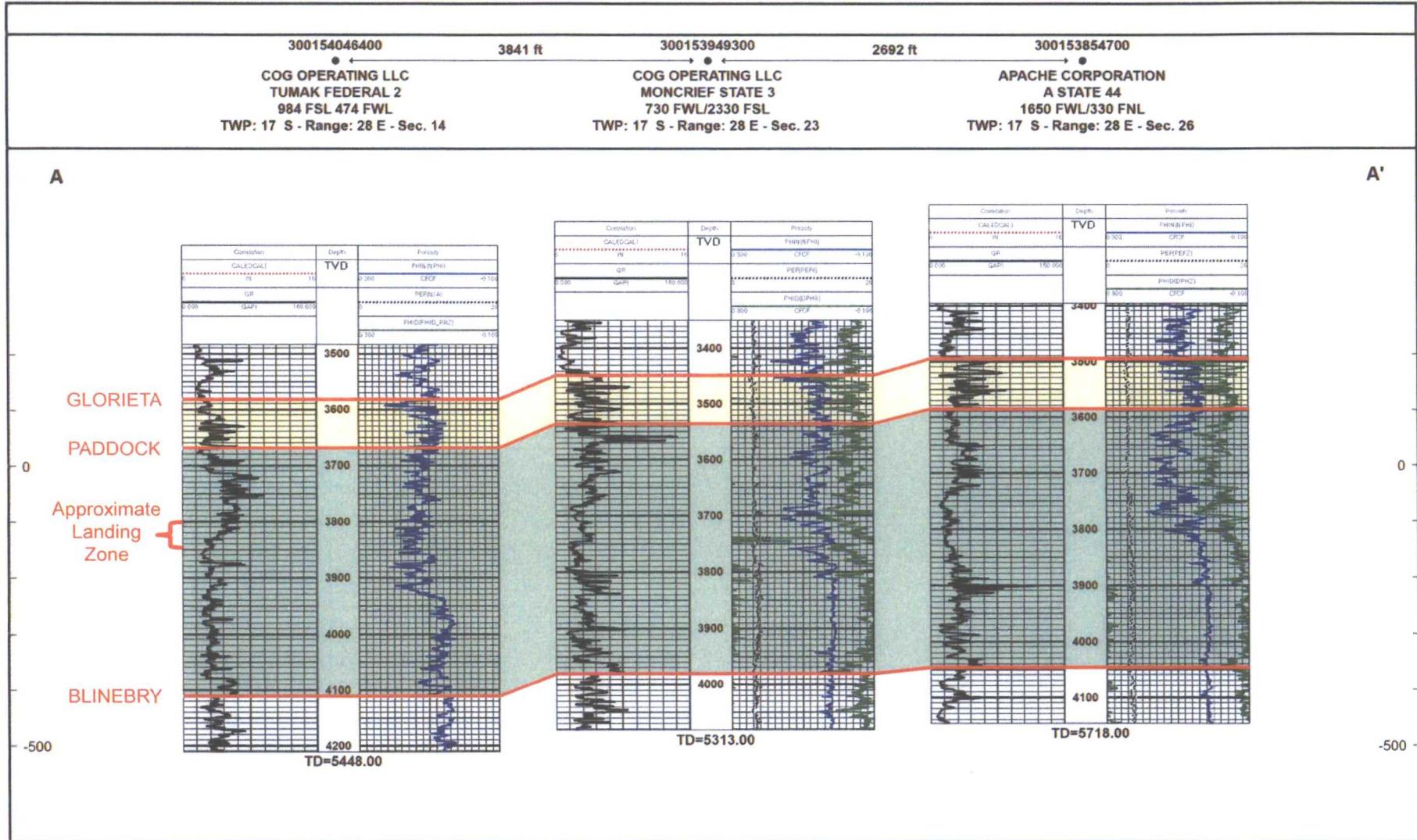
- SHL  COG - Horizontal Location (Malco 23 Fed Com #13H)
- BHL 

-  Proposed Spacing Unit



BEFORE THE OIL CONSERVATION
DIVISION
Santa Fe, New Mexico
Exhibit No. 6
Submitted by: COG OPERATING, LLC
Hearing Date: August 3, 2017

Red Lake Area - Cross Section A – A'



BEFORE THE OIL CONSERVATION
 DIVISION
 Santa Fe, New Mexico
 Exhibit No. 8
 Submitted by: COG OPERATING, LLC
 Hearing Date: August 3, 2017

