



September 11, 2017

RECEIVED OGD

COPY

Via Certified Mail, Return Receipt Requested 2017 SEP 14 P 1:44  
Uncommitted Working Interest Owners on Attached Exhibit "A"

Re: Well Proposal to Uncommitted Working Interest Owner  
Under Compulsory Pooling Order No. R-14429  
Tankless Federal Com #2H  
E/2 E/2 Section 35, T22S-R31E  
E/2 SE/4 Section 26, T22S-R31E  
Eddy County, New Mexico

Case 1574

Dear Gentlemen:

COG Operating, LLC ("COG") hereby proposes the drilling of the above-referenced horizontal well. The Tankless Federal Com #2H well will be drilled to a depth sufficient to adequately test the 2<sup>nd</sup> Bone Spring formation at a total measured depth of approximately 17,300'. The surface location for this well is proposed at a legal location in Unit P, Section 35-T22S-R31E with a bottom hole location at a legal location in Unit I, Section 26, T22S-R31E, with the dedicated project area being the E/2 E/2 of Section 35 and the E/2 SE/4 of Section 26, Township 22 South, Range 31 East, Eddy County, New Mexico. The total cost of the Operation is estimated to be \$8,553,900, and a detailed description of the cost is set out in the enclosed Authority for Expenditure.

COG is proposing to drill this well under the attached Order granted by the NMOCD (R-14429). Please make your election by signing the attached AFE and prepaying your share of the cost within 30 days of receipt of the AFE herein. Failure to prepay or lack of response will be deemed a non-consent election pursuant to the enclosed order, and your working interest will be subject to said order.

Should you have any questions, please do not hesitate to contact me at 432.818.2358.

Sincerely,

COG Operating LLC

Ashley Roush

Ashley Roush, RPL  
Landman

AR:bh  
Enc

✓ cc: Via Certified Mail, Return Receipt Requested  
No. 91 7199 9991 7036 0804 7261  
David R. Catanach  
New Mexico Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

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\_\_\_\_\_ I/We hereby elect to participate in the Tankless Federal Com #2H.

\_\_\_\_\_ I/We hereby elect ***not*** to participate in the Tankless Federal Com #2H.

By: \_\_\_\_\_

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

Title: \_\_\_\_\_

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

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**EXHIBIT "A"**  
**UNCOMMITTED WORKING INTEREST OWNERS**

*Via Certified Mail, Return Receipt Requested*

*No. 91 7199 9991 7036 0804 7278*

OXY USA, Inc.

Attn: Courtney Carr

5 Greenway Plaza, Suite 110

Houston, TX 77046

*Via Certified Mail, Return Receipt Requested*

*No. 91 7199 9991 7036 0804 7285*

Oil & Gas Equity Holding LLC

777 N. Eldridge Parkway, Suite 270

Houston, TX 77079

