



COG OPERATING LLC  
TLC 701H – 703H & 801H – 804H  
Eddy County, New Mexico

Case No. 23650  
BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING AUGUST 3, 2023



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

**APPLICATION OF MEWBOURNE OIL COMPANY FOR  
COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.**

**CASE NO. 23173**

**APPLICATION OF COG OPERATING LLC FOR COMPULSORY  
POOLING AND APPROVAL OF AN OVERLAPPING SPACING  
UNIT, EDDY COUNTY, NEW MEXICO.**

**CASE NO. 23650**


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**COMPULSORY POOLING APPLICATION CHECKLIST****ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

<b>Case: 23650</b>	<b>APPLICANT'S RESPONSE</b>
<b>Hearing Date</b>	<b>August 3, 2023</b>
Applicant	COG Operating LLC
Designated Operator & OGRID (affiliation if applicable)	COG Operating LLC (OGRID 229137)
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF COG OPERATING LLC FOR COMPULSORY POOLING AND APPROVAL OF AN OVERLAPPING SPACING UNIT, EDDY COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	Mewbourne Oil Company
Well Family	TLC 30 Fed Com wells
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Wolfcamp formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	Purple Sage Wolfcamp (Gas) (98220)
Well Location Setback Rules:	330 feet under Order R-14262 (Special Rules)
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	947 acres, more or less
Building Blocks:	Quarter sections
Orientation:	South-North
Description: TRS/County	S2 equivalent of irregular Section 30 and all of irregular Section 31, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	SE4 of Section 30 and E2 of Section 31
Proximity Defining Well: if yes, description	TLC 30 Fed Com 702H
Applicant's Ownership in Each Tract	Exhibit A-2
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	
Well #1	TLC 30 Fed Com 701H (API Pending) SHL: 260' FSL, 1140' FEL (Unit P), Sec. 31, 23S, 27E BHL: 2360' FSL, 1105' FEL (Unit I) Sec. 30, 23S, 27E Wolfcamp formation South-North Completions are expected to be standard

Well #2	<b>TLC 30 Fed Com 801H (API Pending)</b> <b>SHL: 260' FSL, 1110' FEL (Unit P), Sec. 31, 23S, 27E</b> <b>BHL: 2360' FSL, 330' FEL (Unit I) Sec. 30, 23S, 27E</b> <b>Wolfcamp formation</b> <b>South-North</b> <b>Completions are expected to be standard</b>
Well #3	<b>TLC 30 Fed Com 802H (API Pending)</b> <b>SHL: 260' FSL, 1170' FEL (Unit P), Sec. 31, 23S, 27E</b> <b>BHL: 2360' FSL, 1880' FEL (Unit J) Sec. 30, 23S, 27E</b> <b>Wolfcamp formation</b> <b>South-North</b> <b>Completions are expected to be standard</b>
Well #4	<b>TLC 30 Fed Com 702H (API Pending)</b> <b>SHL: 240' FSL, 1535' FWL (Unit N), Sec. 31, 23S, 27E</b> <b>BHL: 2360' FSL, 2660' FWL (Unit K), Sec. 30, 23S, 27E</b> <b>Wolfcamp formation</b> <b>South-North</b> <b>Completions are expected to be standard</b>
Well #5	<b>TLC 30 Fed Com 803H (API Pending)</b> <b>SHL: 240' FSL, 1505' FWL (Unit N), Sec. 31, 23S, 27E</b> <b>BHL: 2360' FSL, 1880' FWL (Unit K), Sec. 30, 23S, 27E</b> <b>Wolfcamp formation</b> <b>South-North</b> <b>Completions are expected to be standard</b>
Well #6	<b>TLC 30 Fed Com 703H (API Pending)</b> <b>SHL: 240' FSL, 1475' FWL (Unit N), Sec. 31, 23S, 27E</b> <b>BHL: 2360' FSL, 1105' FWL (Lot 3), Sec. 30, 23S, 27E</b> <b>Wolfcamp formation</b> <b>South-North</b> <b>Completions are expected to be standard</b>
Well #7	<b>TLC 30 Fed Com 804H (API Pending)</b> <b>SHL: 240' FSL, 1445' FWL (Unit N), Sec. 31, 23S, 27E</b> <b>BHL: 2360' FSL, 330' FWL (Lot 3), Sec. 30, 23S, 27E</b> <b>Wolfcamp formation</b> <b>South-North</b> <b>Completions are expected to be standard</b>
Horizontal Well First and Last Take Points	<b>Exhibit A-1</b>
Completion Target (Formation, TVD and MD)	<b>Exhibit A-3</b>
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	<b>\$8,000</b>
Production Supervision/Month \$	<b>\$800</b>
Justification for Supervision Costs	<b>Exhibit A</b>
Requested Risk Charge	<b>200%</b>
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	<b>See filed Application</b>
Proof of Mailed Notice of Hearing (20 days before hearing)	<b>Exhibit C</b>
Proof of Published Notice of Hearing (10 days before hearing)	<b>N/A</b>
<b>Ownership Determination</b>	
Released to Imaging: 7/27/2023 4:52:27 PM Land Ownership Schematic of the Spacing Unit	<b>Exhibit A-2</b>

Tract List (including lease numbers and owners)	Exhibit A-2
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit A-2
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit A-3
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-2
Chronology of Contact with Non-Joined Working Interests	Exhibit A-4
Overhead Rates In Proposal Letter	Exhibit A-3
Cost Estimate to Drill and Complete	Exhibit A-3
Cost Estimate to Equip Well	Exhibit A-3
Cost Estimate for Production Facilities	Exhibit A-3
<b>Geology</b>	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-1
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B-4
HSU Cross Section	Exhibit B-4
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit A-1
Tracts	Exhibit A-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-2
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit B-1
Structure Contour Map - Subsea Depth	Exhibit B-2
Cross Section Location Map (including wells)	Exhibit B-3
Cross Section (including Landing Zone)	Exhibit B-4
<b>Additional Information</b>	
Special Provisions/Stipulations	N/A
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Michael H. Feldewet
<b>Signed Name</b> (Attorney or Party Representative):	
<b>Date:</b>	27-Jul-23

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

**APPLICATION OF COG OPERATING LLC  
FOR COMPULSORY POOLING AND  
APPROVAL OF AN OVERLAPPING SPACING  
UNIT, EDDY COUNTY, NEW MEXICO.**

**CASE NO. 23650**

**APPLICATION**

COG Operating LLC (“COG” or “Applicant”) (OGRID No. 229137), through its undersigned attorneys, files this application with the Oil Conservation Division for an order (a) pooling all uncommitted interests in the Wolfcamp formation underlying a standard 947-acre, more or less, horizontal well spacing unit comprised of the S/2 equivalent of irregular Section 30 and all of irregular Section 31, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico; and (b) approving, as needed, this overlapping spacing unit. In support of its application, COG states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following proposed wells:
  - **TLC 30 Fed Com #701H and #801H** wells, both to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 31 to bottom hole locations in the NE/4 SE/4 (Unit I) of Section 30;
  - **TLC 30 Fed Com #702H and #803H** wells, both to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 31 to bottom hole locations in the NE/4 SW/4 (Unit K) of Section 30;

- **TLC 30 Fed Com #802H** well, to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 31 to bottom hole locations in the NW/4 SE/4 (Unit J) of Section 30; and
- **TLC 30 Fed Com #703H and #804H** wells, both to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 31 to bottom hole locations in the NW/4 SW/4 (Lot 3) of Section 30.

3. The completed interval of the **TLC 30 Fed Com 702H** well is expected to remain within 330 feet of the offsetting quarter-quarter sections or equivalent tracts to include them in a standard horizontal well spacing unit.

4. This proposed horizontal well spacing unit will overlap an existing 310.4-acre spacing unit comprised of the W/2 equivalent of Section 31 dedicated to the TLC State Com 1 (API No. 30-015-33560), a vertical well in Lot 2 (SW/4 NW/4 equivalent) of Section 31 that is currently producing from the Wolfcamp formation.

5. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject spacing unit.

6. The pooling of interests and approval of this overlapping spacing unit will allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands, avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

7. This application replaces COG's applications in Case Nos. 23256 and 23257 and competes with the *Application of Mewbourne Oil Company for Compulsory Pooling, Eddy County, New Mexico* filed in Case No. 23173. Applicant therefore requests that this matter replace the applications in Case Nos. 23256 and 23257, that it be set for hearing on August 3, 2023, and

thereafter consolidated with Case No. 23173 for a contested hearing under the Amended Prehearing Order issued in these competing cases.


WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on August 3, 2023, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in and approving this overlapping horizontal well spacing unit;
- B. Approving the initial wells in the horizontal spacing unit;
- C. Designating Applicant as the operator of this spacing unit and the horizontal wells to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping, and completing the wells;
- E. Approving the actual operating charges and costs of supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the wells.



Respectfully submitted,

HOLLAND & HART LLP

By:   
\_\_\_\_\_  
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**ATTORNEYS FOR COG OPERATING LLC**

CASE \_\_\_\_\_: **Application of COG Operating LLC for Compulsory Pooling and Approval of an Overlapping Spacing Unit, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order (a) pooling all uncommitted interests in the Wolfcamp formation underlying a standard 947-acre, more or less, horizontal well spacing unit comprised of the S/2 equivalent of irregular Section 30 and all of irregular Section 31, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico; and (b) approving as needed this overlapping spacing unit. Said unit will be initially dedicated to the following proposed wells:

- **TLC 30 Fed Com #701H and #801H** wells, both to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 31 to bottom hole locations in the NE/4 SE/4 (Unit I) of Section 30;
- **TLC 30 Fed Com #702H and #803H** wells, both to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 31 to bottom hole locations in the NE/4 SW/4 (Unit K) of Section 30;
- **TLC 30 Fed Com #802H** well, to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 31 to bottom hole locations in the NW/4 SE/4 (Unit J) of Section 30; and
- **TLC 30 Fed Com #703H and #804H** wells, both to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 31 to bottom hole locations in the NW/4 SW/4 (Lot 3) of Section 30.

The completed interval of the **TLC 30 Fed Com 702H** well is expected to remain within 330 feet of the offsetting quarter-quarter sections or equivalent tracts to include them in a standard horizontal well spacing unit. This proposed horizontal well spacing unit will overlap an existing 310.4-acre spacing unit comprised of the W/2 equivalent of Section 31 dedicated to the TLC State Com 1 (API No. 30-015-33560), a vertical well in Lot 2 (SW/4 NW/4 equivalent) of Section 31 that is currently producing from the Wolfcamp formation. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing each well. Said area is located approximately 7 miles west of Loving, New Mexico.

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

**APPLICATION OF MEWBOURNE OIL COMPANY FOR  
COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.**

**Case No. 23173**

**APPLICATION OF COG OPERATING LLC FOR COMPULSORY  
POOLING AND APPROVAL OF AN OVERLAPPING SPACING  
UNIT, EDDY COUNTY, NEW MEXICO.**

**Case No. 23650**

**SELF-AFFIRMED STATEMENT OF SHELLEY KLINGLER**

1. My name is Shelley Klingler, and I am a Landman with COG Operating LLC (“COG”), now a wholly owned subsidiary of ConocoPhillips Company. My responsibilities include the Permian Basin of New Mexico.

2. I am familiar with the applications filed by COG and Mewbourne Oil Company in these competing pooling cases and the status of the lands in the subject area. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters.

3. In **Case No. 23650**, COG seeks an order (a) pooling all uncommitted interests in the Wolfcamp formation underlying a standard 947-acre, more or less, horizontal well spacing unit comprised of the S2 equivalent of irregular Section 30 and all of irregular Section 31, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico. COG intends to initially dedicate this standard spacing unit the following proposed wells:

- **TLC 30 Fed Com 701H and 801H** wells, both to be horizontally drilled from a surface location in the SE4SE4 (Unit P) of Section 31 to bottom hole locations in the NE4SE4 (Unit I) of Section 30;

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. A  
Submitted by: COG Operating LLC  
Hearing Date: August 3, 2023  
Case No. 23650**

- **TLC 30 Fed Com 802H** well, to be horizontally drilled from a surface location in the SE4SE4 (Unit P) of Section 31 to bottom hole location in the NW4SE4 (Unit J) of Section 30;
- **TLC 30 Fed Com 702H and 803H** wells, both to be horizontally drilled from a surface location in the SE4SW4 (Unit N) of Section 31 to bottom hole locations in the NE4SW4 (Unit K) of Section 30; and
- **TLC 30 Fed Com 703H and 804H** wells, both to be horizontally drilled from a surface location in the SE4SW4 (Unit N) of Section 31 to bottom hole locations in the NW4SW4 equivalent (Lot 3) of Section 30.

The completed interval of the TLC 30 Fed Com 702H well is expected to remain within 330 feet of the offsetting quarter sections or equivalent tracts to include them in a standard horizontal well spacing unit for the Purple Sage Wolfcamp (Gas) Pool.

4. **COG Exhibit A-1** contains Form C-102s for each of the initial wells for COG's proposed standard spacing unit. They reflect that this acreage is in the Purple Sage; Wolfcamp (Gas) Pool.

5. No ownership depth severance exists in the Wolfcamp formation underlying the subject acreage.

6. **COG Exhibit A-2** identifies the interest owners in each tract, and their percentage of interest held by tract and in the proposed spacing unit. COG is seeking to pool Devon Energy Production Company LP and Mewbourne Oil Company.

7. **COG Exhibit A-3** contains a sample of the well proposal letters and AFEs for each well that were sent to the working interest owners COG seeks to pool. The costs reflected in these

AFEs are consistent with what other operators have incurred for drilling similar horizontal wells in the area in this formation.

8. COG requests that the overhead and administrative costs for drilling and producing the proposed wells be set at \$8,000 per month while drilling and \$800 per month while producing. These costs are consistent with what other operators are charging in this area for similar wells.

9. **COG Exhibit A-4** contains a chronology of contacts with the uncommitted interest owners COG seeks to pool. All these interest owners have been located and COG has made good faith efforts to reach a voluntary agreement with each of these uncommitted owners.

10. Mewbourne has filed a competing application under **Case No. 23173** that seeks to combine COG's acreage in the S2 of irregular Section 31 with the S2 of adjacent Section 36, Township 23 South, Range 26 East for Mewbourne's proposed 2-mile "Charlie" wells.

11. As reflected on Exhibit A-2, COG owns 100% of the S2 equivalent of irregular Section 31 where the competing horizontal well spacing units overlap.

12. Division records reflect that Mewbourne has commenced development of the Wolfcamp formation under its acreage in adjacent Section 36 with its "Ghostrider" standup wells extending from drill cites located in the N2N2 of Section 25 south into Section 36, Township 23 South, Range 26 East. *See* **COG Exhibit B-1** (depicting the Ghostrider 25/36 WODM Federal Com 2H (30-015-44302), Ghostrider 25/36 WOAP Federal Com 1H (30-015-44481), Ghostrider 25/36 WOAP Federal Com 2H (30-015-44461) wells).

13. According to the draft Form C-102's filed by Mewbourne in Case 23173, Mewbourne apparently contemplates the development of new drilling sites in the W2SW4 of

Section 32, with the perforations for the proposed wellbores commencing in COG's acreage in the S2 of Section 31 and extending into Mewbourne's acreage in the S2 of adjacent Section 36.

14. Mewbourne has not provided COG with a reason to suddenly change the development pattern for Mewbourne's acreage in Section 36 with laydown wells extending from COG's acreage in the E2SE4 of Section 31 west into adjacent Section 36.

15. Mewbourne's effort to prevent COG from developing COG's acreage with standup wells is not justified. Mewbourne can continue to develop the Wolfcamp formation underlying its acreage in Section 36 with two-mile standup horizontal wells, or with one-mile laydown wells in Section 36 if that is now Mewbourne's preference.

16. COG provided the law firm of Holland & Hart LLP with the names and addresses of the parties that COG seeks to pool and instructed that they be notified of this hearing.

17. **COG Exhibits A-1 through A-4** were either prepared by me or compiled under my direction and supervision.

18. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.

  
SHELLEY KLINGLER

7/25/2023  
Date

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

<sup>1</sup> API Number 30-015-	<sup>2</sup> Pool Code 98220	<sup>3</sup> Pool Name Purple Sage; Wolfcamp
<sup>4</sup> Property Code	<sup>5</sup> Property Name TLC 30 Federal Com	<sup>6</sup> Well Number 701H
<sup>7</sup> OGRID No. 229137	<sup>8</sup> Operator Name COG Operating LLC	<sup>9</sup> Elevation 3245'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	31	23S	27E		260	South	1140	East	Eddy

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	30	23S	27E		2360	South	1105	East	Eddy

<sup>12</sup> Dedicated Acres 947	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<sup>16</sup> 	<sup>17</sup> OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i>	
	Signature	Date
	Printed Name	
	E-mail Address	
<sup>18</sup> SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i>	<sup>18</sup> SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i>	
	Date of Survey	
	Signature and Seal of Professional Surveyor:	
	Certificate Number	

BEFORE THE OIL CONSERVATION  
DIVISION Santa Fe, New Mexico  
Exhibit No. A-1  
Submitted by: COG Operating LLC  
Hearing Date: August 3, 2023  
Case No. 23650

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

<sup>1</sup> API Number 30-015-	<sup>2</sup> Pool Code 98220	<sup>3</sup> Pool Name Purple Sage; Wolfcamp
<sup>4</sup> Property Code	<sup>5</sup> Property Name TLC 30 Federal Com	<sup>6</sup> Well Number 702H
<sup>7</sup> OGRID No. 229137	<sup>8</sup> Operator Name COG Operating LLC	<sup>9</sup> Elevation 3245'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	31	23S	27E		240	South	1535	West	Eddy

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	30	23S	27E		2360	South	2660	West	Eddy

<sup>12</sup> Dedicated Acres 947	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
--------------------------------------	-------------------------------	----------------------------------	-------------------------

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

<sup>16</sup> 	<sup>17</sup> <b>OPERATOR CERTIFICATION</b> <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i>
	Signature _____ Date _____
	Printed Name _____
	E-mail Address _____
<sup>18</sup> <b>SURVEYOR CERTIFICATION</b> <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i>	<sup>17</sup> <b>OPERATOR CERTIFICATION</b> <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i>
	Signature _____ Date _____
	Printed Name _____
	E-mail Address _____



District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720

District II  
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Phone: (575) 748-1283 Fax: (575) 748-9720

District III  
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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

<sup>1</sup> API Number 30-015-	<sup>2</sup> Pool Code 98220	<sup>3</sup> Pool Name Purple Sage; Wolfcamp
<sup>4</sup> Property Code	<sup>5</sup> Property Name TLC 30 Federal Com	<sup>6</sup> Well Number 703H
<sup>7</sup> OGRID No. 229137	<sup>8</sup> Operator Name COG Operating LLC	<sup>9</sup> Elevation 3245'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	31	23S	27E		240	South	1475	West	Eddy

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
3	30	23S	27E		2360	South	1105	West	Eddy

<sup>12</sup> Dedicated Acres 947	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
--------------------------------------	-------------------------------	----------------------------------	-------------------------

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

<sup>16</sup> 	<sup>17</sup> <b>OPERATOR CERTIFICATION</b> <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i>
	Signature _____ Date _____
	Printed Name _____
	E-mail Address _____
	<sup>18</sup> <b>SURVEYOR CERTIFICATION</b> <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i>
	Date of Survey _____ Signature and Seal of Professional Surveyor: _____
Certificate Number _____	

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<sup>4</sup> Property Code	<sup>5</sup> Property Name TLC 30 Federal Com	<sup>6</sup> Well Number 801H
<sup>7</sup> OGRID No. 229137	<sup>8</sup> Operator Name COG Operating LLC	<sup>9</sup> Elevation 3245'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	31	23S	27E		260	South	1110	East	Eddy

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	30	23S	27E		2360	South	330	East	Eddy

<sup>12</sup> Dedicated Acres 947	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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<sup>4</sup> Property Code	<sup>5</sup> Property Name TLC 30 Federal Com	<sup>6</sup> Well Number 802H
<sup>7</sup> OGRID No. 229137	<sup>8</sup> Operator Name COG Operating LLC	<sup>9</sup> Elevation 3245'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	31	23S	27E		260	South	1170	East	Eddy

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	30	23S	27E		2360	South	1880	East	Eddy

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<sup>7</sup> OGRID No. 229137	<sup>8</sup> Operator Name COG Operating LLC	<sup>9</sup> Elevation 3245'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	31	23S	27E		240	South	1505	West	Eddy

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	30	23S	27E		2360	South	1880	West	Eddy

<sup>12</sup> Dedicated Acres 947	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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		Signature	Date
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## WELL LOCATION AND ACREAGE DEDICATION PLAT

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<sup>7</sup> OGRID No. 229137	<sup>8</sup> Operator Name COG Operating LLC			<sup>9</sup> Elevation 3245'

---

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	31	23S	27E		240	South	1445	West	Eddy

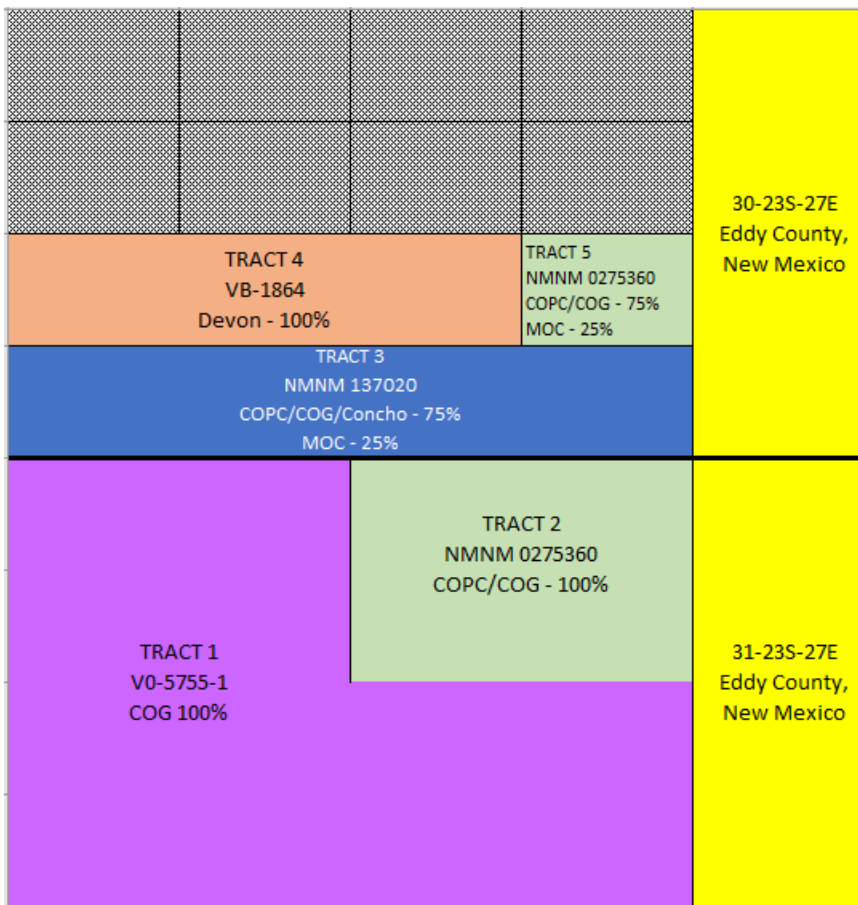
## 11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
3	30	23S	27E		2360	South	330	West	Eddy

<sup>12</sup> Dedicated Acres 947	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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<div><div>16</div><div>2360'</div><div>330'</div><div>Last Take Point: 2310' FSL 330' FWL</div><div>30</div><div>31</div><div>1445'</div><div>240'</div><div>First Take Point: 330' FSL 330' FWL</div></div>	<div><div>17</div><div>OPERATOR CERTIFICATION</div><div>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</div><div>Signature</div><div>Date</div><div>Printed Name</div><div>E-mail Address</div></div>
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	<div>Certificate Number</div>



Tract	Lease No.	Legal Description	Acres	% of Spacing Unit	Ownership
1	V0-5755-1	Lots 1-4, E2NW, E2SW, SE 31-23S-27E	470.4	0.496726505	COG/Concho - 100%
2	NMNM 0275360	NE 31-23S-27E	160	0.168954593	COPC/COG/Concho - 100%
3	NMNM 137020	Lot 4, SESW, S2SE 30-23S-27E	158.25	0.167106653	COPC/COG/Concho - 75%; MOC - 25%
4	VB-1864-0	Lot 3, NESW, NWSE 30-23S-27E	118.35	0.124973601	DVN - 100%
5	NMNM 0275360	NESE 30-23S-27E	40	0.042238648	COPC/COG/Concho - 75%; MOC - 25%
<b>TOTAL</b>			<b>947</b>	<b>1</b>	

	Interest in TLC Project Area
COPC/COG/Concho	0.822690074
MOC	0.052336325
DVN	0.124973601
<b>TOTAL</b>	<b>1</b>



Shelley C. Klingler  
Staff Land Negotiator  
600 W. Illinois Ave  
Midland, TX 79701  
O: 432-688-9027  
F: 432-221-0470  
Shelley.c.klingler@conocophillips.com

May 15, 2023

*Via Certified Mail, Return Receipt Requested*

No. 91 7199 9991 7038 7628 2036

**Mewbourne Oil Company**

500 W. Texas Avenue

Midland, TX 79701

Re: **TLC 30 Fed Com 701H-703H**  
**TLC 30 Fed Com 801H-804H**  
S2 of Section 30, T23S-R27E and  
All of Section 31, T23S-R27E  
Eddy County, New Mexico

Dear Sir or Madam:

COG Operating LLC ("COG"), as Operator, previously proposed the drilling of TLC 30 Fed Com 701H-704H and TLC 30 Fed Com 801H-804H wells in November and December of 2022. Please allow this correspondence to rescind any and all previous well proposals and AFEs and act as a new notice as to the proposed drilling of the following horizontal wells with productive laterals located in the S2 of Section 30 and All of Section 31, T23S-R27E, Eddy County, New Mexico (collectively, the "Operation"). The surface pad located will be located in Unit N and P of Section 31, T23S-R27E (subject to change).

- **TLC 30 Fed Com 701H**, to be drilled to a depth sufficient to test the Wolfcamp A formation at an approximate total vertical depth of 8,940'. The surface location for this well is proposed at a legal location in Unit P of Section 31, T23S-R27E, and a bottom hole location at a legal location in Unit I of Section 30, T23S-R27E. The dedicated horizontal spacing unit will the S2 of Section 30 and All of Section 31, T23S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$9,124,000.00, as shown on the attached Authority for Expenditure ("AFE").
- **TLC 30 Fed Com 702H**, to be drilled to a depth sufficient to test the Wolfcamp A formation at an approximate total vertical depth of 8,940'. The surface location for this well is proposed at a legal location in Unit N of Section 31, T23S-R27E, and a bottom hole location at a legal location in Unit K of Section 30, T23S-R27E. The dedicated horizontal spacing unit will the S2 of Section 30 and All of Section 31, T23S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$9,124,000.00, as shown on the attached AFE.
- **TLC 30 Fed Com 703H**, to be drilled to a depth sufficient to test the Wolfcamp A formation at an approximate total vertical depth of 8,940'. The surface location for this well is proposed at a legal location in Unit N of Section 31, T23S-R27E, and a bottom hole location at a legal location in Lot 3 of Section 30, T23S-R27E. The dedicated horizontal spacing unit will the S2 of Section 30 and All of Section 31, T23S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$9,124,000.00, as shown on the attached AFE.

May 15, 2023 –Page 2

TLC 30 Fed Com 701H-703H, 801H-804H well proposals

- **TLC 30 Fed Com 801H**, to be drilled to a depth sufficient to test the Wolfcamp C formation at an approximate total vertical depth of 9,480'. The surface location for this well is proposed at a legal location in Unit P of Section 31, T23S-R27E, and a bottom hole location at a legal location in Unit I of Section 30, T23S-R27E. The dedicated horizontal spacing unit will be the S2 of Section 30 and All of Section 31, T23S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$9,688,000.00, as shown on the attached AFE.
- **TLC 30 Fed Com 802H**, to be drilled to a depth sufficient to test the Wolfcamp C formation at an approximate total vertical depth of 9,480'. The surface location for this well is proposed at a legal location in Unit P of Section 31, T23S-R27E, and a bottom hole location at a legal location in Unit J of Section 30, T23S-R27E. The dedicated horizontal spacing unit will be the S2 of Section 30 and All of Section 31, T23S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$9,688,000.00, as shown on the attached AFE.
- **TLC 30 Fed Com 803H**, to be drilled to a depth sufficient to test the Wolfcamp C formation at an approximate total vertical depth of 9,480'. The surface location for this well is proposed at a legal location in Unit N of Section 31, T23S-R27E, and a bottom hole location at a legal location in Unit K of Section 30, T23S-R27E. The dedicated horizontal spacing unit will be the S2 of Section 30 and All of Section 31, T23S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$9,688,000.00, as shown on the attached AFE.
- **TLC 30 Fed Com 804H**, to be drilled to a depth sufficient to test the Wolfcamp C formation at an approximate total vertical depth of 9,480'. The surface location for this well is proposed at a legal location in Unit N of Section 31, T23S-R27E, and a bottom hole location at a legal location in Lot 3 of Section 30, T23S-R27E. The dedicated horizontal spacing unit will be the S2 of Section 30 and All of Section 31, T23S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$9,688,000.00, as shown on the attached AFE.

COG is proposing to drill these wells under the terms of a new Operating Agreement which will be sent under separate cover. The basic terms of this agreement will be:

- 1989 Model Form Operating Agreement with Horizontal Modifications
- Effective Date: 5/1/23
- Initial Well Date: 5/1/24
- Contract Area: S2 of Section 30 and All of Section 31, T23S-R27E, as to the Wolfcamp formation
- Overhead Rates: \$8000 Drilling / \$800 Production
- Penalties: 100% / 300% / 300%
- \$100,000 Expenditure Limit

In the interest of time, if we are unable to reach an agreement on these wells within 30 days of the date of this letter, COG will apply to the NMOCDC for compulsory pooling of your interest into a horizontal spacing unit for the proposed wells.

Please indicate your participation elections in the space provided below, sign and return this letter, along with a signed copy of the enclosed AFEs and a copy of your geologic requirements, to my attention at the letterhead address or by email to shelly.c.klingler@conocophillips.com. Should you have any questions, please do not hesitate to contact me.

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. A-3  
Submitted by: COG Operating LLC  
Hearing Date: August 3, 2023  
Case No. 23650



May 15, 2023 –Page 3  
TLC 30 Fed Com 701H-703H, 801H-804H well proposals

Sincerely,

**COG Operating LLC**

Shelley C. Klingler  
Staff Land Negotiator

Please Indicate your election below:

<b>PARTICIPATE</b> Elect to participate in drilling & completion of well	<b>DO NOT PARTICIPATE</b> Elect <b>NOT</b> to participate in drilling & completion of well	<b>WELL NAME</b>
		<b>TLC 30 FED COM 701H</b>
		<b>TLC 30 FED COM 702H</b>
		<b>TLC 30 FED COM 703H</b>
		<b>TLC 30 FED COM 801H</b>
		<b>TLC 30 FED COM 802H</b>
		<b>TLC 30 FED COM 803H</b>
		<b>TLC 30 FED COM 804H</b>

**MEWBOURNE OIL COMPANY**

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

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

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

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

COG OPERATING LLC  
AUTHORITY FOR EXPENDITURE  
Drill & Complete

<b>Well Name</b> TLC 30 FED COM 701H <b>SHL</b> P-31-23S-27E <b>BHL</b> I-30-23S-27E <b>Formation</b> WOLFCAMP A <b>Legal</b> S2 SEC 30 & ALL SEC 31, 23-27 <b>AFE Numbers</b>						<b>Prospect</b> TOMAHAWK 2327 <b>State &amp; County</b> NEW MEXICO, EDDY <b>Objective</b> DRILL & COMPLETE <b>Depth</b> 16,200 <b>TVD</b> 8,940			
Cost Description	Code	PreSpud (PS)	Pre-Set Casing(PC)	Drilling (DR)	Completions (C)	Tank Btty Constrctn(TB)	Pmpq Equip (PEQ)	Revision	Total
<b>Intangible Costs</b>									
D-Lctn/Pits/Roads	205			\$ 101,000.00				\$ -	\$ 101,000.00
D-Drilling Overhead	206			\$ 7,000.00				\$ -	\$ 7,000.00
D-Daywork Contract	209			\$ 551,000.00				\$ -	\$ 551,000.00
D-Directional Drlg Services	210			\$ 293,000.00				\$ -	\$ 293,000.00
D-Fuel & Power	211			\$ 95,000.00				\$ -	\$ 95,000.00
D-Water	212			\$ 79,000.00				\$ -	\$ 79,000.00
D-Bits	213			\$ 101,000.00				\$ -	\$ 101,000.00
D-Mud & Chemicals	214			\$ 206,000.00				\$ -	\$ 206,000.00
D-Cement Surface	217			\$ 20,000.00				\$ -	\$ 20,000.00
D-Cement Intermed	218			\$ 80,000.00				\$ -	\$ 80,000.00
D-Prod-2nd Int Cmt	219			\$ 117,000.00				\$ -	\$ 117,000.00
D-Float Equipment & Centralizers	221			\$ 63,000.00				\$ -	\$ 63,000.00
D-Csg Crews & Equip	222			\$ 69,000.00				\$ -	\$ 69,000.00
D-Contract Labor	225			\$ 7,000.00				\$ -	\$ 7,000.00
D-Company Sprvsn	226			\$ 45,000.00				\$ -	\$ 45,000.00
D-Contract Sprvsn	227			\$ 114,000.00				\$ -	\$ 114,000.00
D-Tstg Csg/Tbg	228			\$ 43,000.00				\$ -	\$ 43,000.00
D-Mud Logging Unit	229			\$ 43,000.00				\$ -	\$ 43,000.00
D-Rentals-Surface	235			\$ 178,000.00				\$ -	\$ 178,000.00
D-Rentals-Subsrfc	236			\$ 82,000.00				\$ -	\$ 82,000.00
D-Trucking/Forklift/Rig Mob	237			\$ 169,000.00				\$ -	\$ 169,000.00
D-Welding Services	238			\$ 3,000.00				\$ -	\$ 3,000.00
D-Contingency	243			\$ 63,000.00				\$ -	\$ 63,000.00
D-Envrnmtl/Clsd Loop	244			\$ 281,000.00				\$ -	\$ 281,000.00
C-Wellbore Frac Prep	304				\$ 113,000.00			\$ -	\$ 113,000.00
C-Lctn/Pits/Roads	305				\$ 11,000.00			\$ -	\$ 11,000.00
C-Completion OH	306				\$ 18,000.00			\$ -	\$ 18,000.00
C-Frac Equipment	307				\$ 780,000.00			\$ -	\$ 780,000.00
C-Frac Chemicals	308				\$ 494,000.00			\$ -	\$ 494,000.00
C-Frac Proppant	309				\$ 225,000.00			\$ -	\$ 225,000.00
C-Frac Proppant Transportation	310				\$ 348,000.00			\$ -	\$ 348,000.00
C-Fuel Delivery & Services	311				\$ 49,000.00			\$ -	\$ 49,000.00
C-Water	312				\$ 329,000.00			\$ -	\$ 329,000.00
C-Frac Surface Rentals	315				\$ 311,000.00			\$ -	\$ 311,000.00
C-Contract Labor	325				\$ 11,000.00			\$ -	\$ 11,000.00
C-Company Sprvsn	326				\$ 11,000.00			\$ -	\$ 11,000.00
C-Contract Sprvsn	327				\$ 167,000.00			\$ -	\$ 167,000.00
C-Artificial Lift Install	329				\$ 54,000.00			\$ -	\$ 54,000.00
C-Perf/Wireline Svc	331				\$ 383,000.00			\$ -	\$ 383,000.00
C-Trucking/Forklift/Rig Mob	337				\$ 11,000.00			\$ -	\$ 11,000.00
C-Water Disposal	339				\$ 47,000.00			\$ -	\$ 47,000.00
C-Contingency	343				\$ 89,000.00			\$ -	\$ 89,000.00
C-Dyed Diesel	345				\$ 187,000.00			\$ -	\$ 187,000.00
C-Drillout	346				\$ 356,000.00			\$ -	\$ 356,000.00
TB-Damages/Right of Way	351					\$ 2,000.00		\$ -	\$ 2,000.00
TB-Location/Pits/Roads	353					\$ 45,000.00		\$ -	\$ 45,000.00
TB-Contract Labor	356					\$ 243,000.00		\$ -	\$ 243,000.00
PEQ-Contract Labor	374						\$ 18,000.00	\$ -	\$ 18,000.00
PEQ-Water Disposal	387						\$ 79,000.00	\$ -	\$ 79,000.00
PEQ-HRZ Well Offset Frac	391						\$ 8,000.00	\$ -	\$ 8,000.00
<b>Total Intangible Costs</b>		\$ -	\$ -	\$2,810,000.00	\$ 3,994,000.00	\$ 290,000.00	\$ 105,000.00	\$ -	\$7,199,000.00
<b>Tangible Costs</b>									
PEQ-Flowback Crews & Equip	392						\$ 47,000.00	\$ -	\$ 47,000.00
D-Surface Casing	401			\$ 22,000.00				\$ -	\$ 22,000.00
D-Intermed Csg	402			\$ 177,000.00				\$ -	\$ 177,000.00
D-Production Casing/Liner	403			\$ 437,000.00				\$ -	\$ 437,000.00
D-Wellhead Equip	405			\$ 79,000.00				\$ -	\$ 79,000.00
C-Tubing	504				\$ 61,000.00			\$ -	\$ 61,000.00
C-Wellhead Equip	505				\$ 34,000.00			\$ -	\$ 34,000.00
TB-Tanks	510					\$ 78,000.00		\$ -	\$ 78,000.00
TB-Flowlines/Pipelines	511					\$ 35,000.00		\$ -	\$ 35,000.00
TB-Htr Trtr/Seprtr	512					\$ 251,000.00		\$ -	\$ 251,000.00
TB-Electrical System/Equipment	513					\$ 153,000.00		\$ -	\$ 153,000.00
C-Pckrs/Anchors/Hgrs	514				\$ 78,000.00			\$ -	\$ 78,000.00
TB-Couplings/Fittings/Valves	515					\$ 261,000.00		\$ -	\$ 261,000.00
TB-Pumps-Surface	521					\$ 35,000.00		\$ -	\$ 35,000.00
TB-Instrumentation/SCADA/POC	522					\$ 26,000.00		\$ -	\$ 26,000.00
TB-Miscellaneous	523					\$ 26,000.00		\$ -	\$ 26,000.00
TB-Meters/Lacts	525					\$ 35,000.00		\$ -	\$ 35,000.00
TB-Flares/Combusters/Emission	526					\$ 42,000.00		\$ -	\$ 42,000.00
C-Gas Lift/Compression	527				\$ 30,000.00			\$ -	\$ 30,000.00
PEQ-Wellhead Equipment	531						\$ 18,000.00	\$ -	\$ 18,000.00
<b>Total Tangible Costs</b>		\$ -	\$ -	\$ 715,000.00	\$ 203,000.00	\$ 942,000.00	\$ 65,000.00	\$ -	\$1,925,000.00
<b>Total Gross Cost</b>		\$ -	\$ -	\$3,525,000.00	\$ 4,197,000.00	\$ 1,232,000.00	\$ 170,000.00	\$ -	\$9,124,000.00
<b>Note:</b> The above costs are estimates only. Actual costs will be billed as incurred.									

COG Operating LLC

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

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

We approve:  
\_\_\_\_\_  
% Working Interest

COG Operating LLC

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

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  
Drill & Complete

<b>Well Name</b> TLC 30 FED COM 702H <b>SHL</b> N-31-23S-27E <b>BHL</b> K-30-23S-27E <b>Formation</b> WOLFCAMP A <b>Legal</b> S2 SEC 30 & ALL SEC 31, 23-27 <b>AFE Numbers</b>						<b>Prospect</b> TOMAHAWK 2327 <b>State &amp; County</b> NEW MEXICO, EDDY <b>Objective</b> DRILL & COMPLETE <b>Depth</b> 16,200 <b>TVD</b> 8,940			
Cost Description	Code	PreSpud (PS)	Pre-Set Casing(PC)	Drilling (DR)	Completions (C)	Tank Btty Constrctn(TB)	Pmpq Equip (PEQ)	Revision	Total
<b>Intangible Costs</b>									
D-Lctn/Pits/Roads	205			\$ 101,000.00				\$ -	\$ 101,000.00
D-Drilling Overhead	206			\$ 7,000.00				\$ -	\$ 7,000.00
D-Daywork Contract	209			\$ 551,000.00				\$ -	\$ 551,000.00
D-Directional Drlg Services	210			\$ 293,000.00				\$ -	\$ 293,000.00
D-Fuel & Power	211			\$ 95,000.00				\$ -	\$ 95,000.00
D-Water	212			\$ 79,000.00				\$ -	\$ 79,000.00
D-Bits	213			\$ 101,000.00				\$ -	\$ 101,000.00
D-Mud & Chemicals	214			\$ 206,000.00				\$ -	\$ 206,000.00
D-Cement Surface	217			\$ 20,000.00				\$ -	\$ 20,000.00
D-Cement Intermed	218			\$ 80,000.00				\$ -	\$ 80,000.00
D-Prod-2nd Int Cmt	219			\$ 117,000.00				\$ -	\$ 117,000.00
D-Float Equipment & Centralizers	221			\$ 63,000.00				\$ -	\$ 63,000.00
D-Csg Crews & Equip	222			\$ 69,000.00				\$ -	\$ 69,000.00
D-Contract Labor	225			\$ 7,000.00				\$ -	\$ 7,000.00
D-Company Sprvsn	226			\$ 45,000.00				\$ -	\$ 45,000.00
D-Contract Sprvsn	227			\$ 114,000.00				\$ -	\$ 114,000.00
D-Tstg Csg/Tbg	228			\$ 43,000.00				\$ -	\$ 43,000.00
D-Mud Logging Unit	229			\$ 43,000.00				\$ -	\$ 43,000.00
D-Rentals-Surface	235			\$ 178,000.00				\$ -	\$ 178,000.00
D-Rentals-Subsrfc	236			\$ 82,000.00				\$ -	\$ 82,000.00
D-Trucking/Forklift/Rig Mob	237			\$ 169,000.00				\$ -	\$ 169,000.00
D-Welding Services	238			\$ 3,000.00				\$ -	\$ 3,000.00
D-Contingency	243			\$ 63,000.00				\$ -	\$ 63,000.00
D-Envrnmtl/Clsd Loop	244			\$ 281,000.00				\$ -	\$ 281,000.00
C-Wellbore Frac Prep	304				\$ 113,000.00			\$ -	\$ 113,000.00
C-Lctn/Pits/Roads	305				\$ 11,000.00			\$ -	\$ 11,000.00
C-Completion OH	306				\$ 18,000.00			\$ -	\$ 18,000.00
C-Frac Equipment	307				\$ 780,000.00			\$ -	\$ 780,000.00
C-Frac Chemicals	308				\$ 494,000.00			\$ -	\$ 494,000.00
C-Frac Proppant	309				\$ 225,000.00			\$ -	\$ 225,000.00
C-Frac Proppant Transportation	310				\$ 348,000.00			\$ -	\$ 348,000.00
C-Fuel Delivery & Services	311				\$ 49,000.00			\$ -	\$ 49,000.00
C-Water	312				\$ 329,000.00			\$ -	\$ 329,000.00
C-Frac Surface Rentals	315				\$ 311,000.00			\$ -	\$ 311,000.00
C-Contract Labor	325				\$ 11,000.00			\$ -	\$ 11,000.00
C-Company Sprvsn	326				\$ 11,000.00			\$ -	\$ 11,000.00
C-Contract Sprvsn	327				\$ 167,000.00			\$ -	\$ 167,000.00
C-Artificial Lift Install	329				\$ 54,000.00			\$ -	\$ 54,000.00
C-Perf/Wireline Svc	331				\$ 383,000.00			\$ -	\$ 383,000.00
C-Trucking/Forklift/Rig Mob	337				\$ 11,000.00			\$ -	\$ 11,000.00
C-Water Disposal	339				\$ 47,000.00			\$ -	\$ 47,000.00
C-Contingency	343				\$ 89,000.00			\$ -	\$ 89,000.00
C-Dyed Diesel	345				\$ 187,000.00			\$ -	\$ 187,000.00
C-Drillout	346				\$ 356,000.00			\$ -	\$ 356,000.00
TB-Damages/Right of Way	351					\$ 2,000.00		\$ -	\$ 2,000.00
TB-Location/Pits/Roads	353					\$ 45,000.00		\$ -	\$ 45,000.00
TB-Contract Labor	356					\$ 243,000.00		\$ -	\$ 243,000.00
PEQ-Contract Labor	374						\$ 18,000.00	\$ -	\$ 18,000.00
PEQ-Water Disposal	387						\$ 79,000.00	\$ -	\$ 79,000.00
PEQ-HRZ Well Offset Frac	391						\$ 8,000.00	\$ -	\$ 8,000.00
<b>Total Intangible Costs</b>		\$ -	\$ -	\$2,810,000.00	\$ 3,994,000.00	\$ 290,000.00	\$ 105,000.00	\$ -	\$7,199,000.00
<b>Tangible Costs</b>									
PEQ-Flowback Crews & Equip	392						\$ 47,000.00	\$ -	\$ 47,000.00
D-Surface Casing	401			\$ 22,000.00				\$ -	\$ 22,000.00
D-Intermed Csg	402			\$ 177,000.00				\$ -	\$ 177,000.00
D-Production Casing/Liner	403			\$ 437,000.00				\$ -	\$ 437,000.00
D-Wellhead Equip	405			\$ 79,000.00				\$ -	\$ 79,000.00
C-Tubing	504				\$ 61,000.00			\$ -	\$ 61,000.00
C-Wellhead Equip	505				\$ 34,000.00			\$ -	\$ 34,000.00
TB-Tanks	510					\$ 78,000.00		\$ -	\$ 78,000.00
TB-Flowlines/Pipelines	511					\$ 35,000.00		\$ -	\$ 35,000.00
TB-Htr Trtr/Seprtr	512					\$ 251,000.00		\$ -	\$ 251,000.00
TB-Electrical System/Equipment	513					\$ 153,000.00		\$ -	\$ 153,000.00
C-Pckrs/Anchors/Hgrs	514				\$ 78,000.00			\$ -	\$ 78,000.00
TB-Couplings/Fittings/Valves	515					\$ 261,000.00		\$ -	\$ 261,000.00
TB-Pumps-Surface	521					\$ 35,000.00		\$ -	\$ 35,000.00
TB-Instrumentation/SCADA/POC	522					\$ 26,000.00		\$ -	\$ 26,000.00
TB-Miscellaneous	523					\$ 26,000.00		\$ -	\$ 26,000.00
TB-Meters/Lacts	525					\$ 35,000.00		\$ -	\$ 35,000.00
TB-Flares/Combusters/Emission	526					\$ 42,000.00		\$ -	\$ 42,000.00
C-Gas Lift/Compression	527				\$ 30,000.00			\$ -	\$ 30,000.00
PEQ-Wellhead Equipment	531						\$ 18,000.00	\$ -	\$ 18,000.00
<b>Total Tangible Costs</b>		\$ -	\$ -	\$ 715,000.00	\$ 203,000.00	\$ 942,000.00	\$ 65,000.00	\$ -	\$1,925,000.00
<b>Total Gross Cost</b>		\$ -	\$ -	\$3,525,000.00	\$ 4,197,000.00	\$ 1,232,000.00	\$ 170,000.00	\$ -	\$9,124,000.00
<b>Note:</b> The above costs are estimates only. Actual costs will be billed as incurred.									

COG Operating LLC

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

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

We approve:  
\_\_\_\_\_  
% Working Interest

COG Operating LLC

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

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

Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

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COG OPERATING LLC  
AUTHORITY FOR EXPENDITURE  
Drill & Complete

<b>Well Name</b> TLC 30 FED COM 703H <b>SHL</b> N-31-23S-27E <b>BHL</b> 3-30-23S-27E <b>Formation</b> WOLFCAMP A <b>Legal</b> S2 SEC 30 & ALL SEC 31, 23-27 <b>AFE Numbers</b>						<b>Prospect</b> TOMAHAWK 2327 <b>State &amp; County</b> NEW MEXICO, EDDY <b>Objective</b> DRILL & COMPLETE <b>Depth</b> 16,200 <b>TVD</b> 8,940			
Cost Description	Code	PreSpud (PS)	Pre-Set Casing(PC)	Drilling (DR)	Completions (C)	Tank Btty Constrctn(TB)	Pmpq Equip (PEQ)	Revision	Total
<b>Intangible Costs</b>									
D-Lctn/Pits/Roads	205			\$ 101,000.00				\$ -	\$ 101,000.00
D-Drilling Overhead	206			\$ 7,000.00				\$ -	\$ 7,000.00
D-Daywork Contract	209			\$ 551,000.00				\$ -	\$ 551,000.00
D-Directional Drlg Services	210			\$ 293,000.00				\$ -	\$ 293,000.00
D-Fuel & Power	211			\$ 95,000.00				\$ -	\$ 95,000.00
D-Water	212			\$ 79,000.00				\$ -	\$ 79,000.00
D-Bits	213			\$ 101,000.00				\$ -	\$ 101,000.00
D-Mud & Chemicals	214			\$ 206,000.00				\$ -	\$ 206,000.00
D-Cement Surface	217			\$ 20,000.00				\$ -	\$ 20,000.00
D-Cement Intermed	218			\$ 80,000.00				\$ -	\$ 80,000.00
D-Prod-2nd Int Cmt	219			\$ 117,000.00				\$ -	\$ 117,000.00
D-Float Equipment & Centralizers	221			\$ 63,000.00				\$ -	\$ 63,000.00
D-Csg Crews & Equip	222			\$ 69,000.00				\$ -	\$ 69,000.00
D-Contract Labor	225			\$ 7,000.00				\$ -	\$ 7,000.00
D-Company Sprvsn	226			\$ 45,000.00				\$ -	\$ 45,000.00
D-Contract Sprvsn	227			\$ 114,000.00				\$ -	\$ 114,000.00
D-Tstg Csg/Tbg	228			\$ 43,000.00				\$ -	\$ 43,000.00
D-Mud Logging Unit	229			\$ 43,000.00				\$ -	\$ 43,000.00
D-Rentals-Surface	235			\$ 178,000.00				\$ -	\$ 178,000.00
D-Rentals-Subsrfc	236			\$ 82,000.00				\$ -	\$ 82,000.00
D-Trucking/Forklift/Rig Mob	237			\$ 169,000.00				\$ -	\$ 169,000.00
D-Welding Services	238			\$ 3,000.00				\$ -	\$ 3,000.00
D-Contingency	243			\$ 63,000.00				\$ -	\$ 63,000.00
D-Envrnmtl/Clsd Loop	244			\$ 281,000.00				\$ -	\$ 281,000.00
C-Wellbore Frac Prep	304				\$ 113,000.00			\$ -	\$ 113,000.00
C-Lctn/Pits/Roads	305				\$ 11,000.00			\$ -	\$ 11,000.00
C-Completion OH	306				\$ 18,000.00			\$ -	\$ 18,000.00
C-Frac Equipment	307				\$ 780,000.00			\$ -	\$ 780,000.00
C-Frac Chemicals	308				\$ 494,000.00			\$ -	\$ 494,000.00
C-Frac Proppant	309				\$ 225,000.00			\$ -	\$ 225,000.00
C-Frac Proppant Transportation	310				\$ 348,000.00			\$ -	\$ 348,000.00
C-Fuel Delivery & Services	311				\$ 49,000.00			\$ -	\$ 49,000.00
C-Water	312				\$ 329,000.00			\$ -	\$ 329,000.00
C-Frac Surface Rentals	315				\$ 311,000.00			\$ -	\$ 311,000.00
C-Contract Labor	325				\$ 11,000.00			\$ -	\$ 11,000.00
C-Company Sprvsn	326				\$ 11,000.00			\$ -	\$ 11,000.00
C-Contract Sprvsn	327				\$ 167,000.00			\$ -	\$ 167,000.00
C-Artificial Lift Install	329				\$ 54,000.00			\$ -	\$ 54,000.00
C-Perf/Wireline Svc	331				\$ 383,000.00			\$ -	\$ 383,000.00
C-Trucking/Forklift/Rig Mob	337				\$ 11,000.00			\$ -	\$ 11,000.00
C-Water Disposal	339				\$ 47,000.00			\$ -	\$ 47,000.00
C-Contingency	343				\$ 89,000.00			\$ -	\$ 89,000.00
C-Dyed Diesel	345				\$ 187,000.00			\$ -	\$ 187,000.00
C-Drillout	346				\$ 356,000.00			\$ -	\$ 356,000.00
TB-Damages/Right of Way	351					\$ 2,000.00		\$ -	\$ 2,000.00
TB-Location/Pits/Roads	353					\$ 45,000.00		\$ -	\$ 45,000.00
TB-Contract Labor	356					\$ 243,000.00		\$ -	\$ 243,000.00
PEQ-Contract Labor	374						\$ 18,000.00	\$ -	\$ 18,000.00
PEQ-Water Disposal	387						\$ 79,000.00	\$ -	\$ 79,000.00
PEQ-HRZ Well Offset Frac	391						\$ 8,000.00	\$ -	\$ 8,000.00
<b>Total Intangible Costs</b>		\$ -	\$ -	\$2,810,000.00	\$ 3,994,000.00	\$ 290,000.00	\$ 105,000.00	\$ -	\$7,199,000.00
<b>Tangible Costs</b>									
PEQ-Flowback Crews & Equip	392						\$ 47,000.00	\$ -	\$ 47,000.00
D-Surface Casing	401			\$ 22,000.00				\$ -	\$ 22,000.00
D-Intermed Csg	402			\$ 177,000.00				\$ -	\$ 177,000.00
D-Production Casing/Liner	403			\$ 437,000.00				\$ -	\$ 437,000.00
D-Wellhead Equip	405			\$ 79,000.00				\$ -	\$ 79,000.00
C-Tubing	504				\$ 61,000.00			\$ -	\$ 61,000.00
C-Wellhead Equip	505				\$ 34,000.00			\$ -	\$ 34,000.00
TB-Tanks	510					\$ 78,000.00		\$ -	\$ 78,000.00
TB-Flowlines/Pipelines	511					\$ 35,000.00		\$ -	\$ 35,000.00
TB-Htr Trtr/Seprtr	512					\$ 251,000.00		\$ -	\$ 251,000.00
TB-Electrical System/Equipment	513					\$ 153,000.00		\$ -	\$ 153,000.00
C-Pckrs/Anchors/Hgrs	514				\$ 78,000.00			\$ -	\$ 78,000.00
TB-Couplings/Fittings/Valves	515					\$ 261,000.00		\$ -	\$ 261,000.00
TB-Pumps-Surface	521					\$ 35,000.00		\$ -	\$ 35,000.00
TB-Instrumentation/SCADA/POC	522					\$ 26,000.00		\$ -	\$ 26,000.00
TB-Miscellaneous	523					\$ 26,000.00		\$ -	\$ 26,000.00
TB-Meters/Lacts	525					\$ 35,000.00		\$ -	\$ 35,000.00
TB-Flares/Combusters/Emission	526					\$ 42,000.00		\$ -	\$ 42,000.00
C-Gas Lift/Compression	527				\$ 30,000.00			\$ -	\$ 30,000.00
PEQ-Wellhead Equipment	531						\$ 18,000.00	\$ -	\$ 18,000.00
<b>Total Tangible Costs</b>		\$ -	\$ -	\$ 715,000.00	\$ 203,000.00	\$ 942,000.00	\$ 65,000.00	\$ -	\$1,925,000.00
<b>Total Gross Cost</b>		\$ -	\$ -	\$3,525,000.00	\$ 4,197,000.00	\$ 1,232,000.00	\$ 170,000.00	\$ -	\$9,124,000.00
<b>Note:</b> The above costs are estimates only. Actual costs will be billed as incurred.									

COG Operating LLC

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

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

We approve:  
\_\_\_\_\_  
% Working Interest

COG Operating LLC

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

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  
Drill & Complete

Well Name	TLC 30 FED COM 801H	Prospect	TOMAHAWK 2327
SHL	P-31-23S-27E	State & County	NEW MEXICO, EDDY
BHL	I-30-23S-27E	Objective	DRILL & COMPLETE
Formation	WOLFCAMP C	Depth	15,420
Legal	S2 SEC 30 & ALL SEC 31, 23-27	TVD	9,480
AFE Numbers			

Cost Description	Code	Spud (PS)	asing(PC)	Drilling (DR)	Completions (C)	Tank Btty Constrctn(TB)	Pmpq Equip (PEQ)	Revision	Total
Intangible Costs									
D-Lctn/Pits/Roads	205			\$ 122,000.00			\$ -	\$	122,000.00
D-Drilling Overhead	206			\$ 9,000.00			\$ -	\$	9,000.00
D-Daywork Contract	209			\$ 663,000.00			\$ -	\$	663,000.00
D-Directional Drlg Services	210			\$ 353,000.00			\$ -	\$	353,000.00
D-Fuel & Power	211			\$ 113,000.00			\$ -	\$	113,000.00
D-Water	212			\$ 95,000.00			\$ -	\$	95,000.00
D-Bits	213			\$ 122,000.00			\$ -	\$	122,000.00
D-Mud & Chemicals	214			\$ 248,000.00			\$ -	\$	248,000.00
D-Cement Surface	217			\$ 25,000.00			\$ -	\$	25,000.00
D-Cement Intermed	218			\$ 96,000.00			\$ -	\$	96,000.00
D-Prod-2nd Int Cmt	219			\$ 141,000.00			\$ -	\$	141,000.00
D-Float Equipment & Centralizers	221			\$ 77,000.00			\$ -	\$	77,000.00
D-Csg Crews & Equip	222			\$ 83,000.00			\$ -	\$	83,000.00
D-Contract Labor	225			\$ 8,000.00			\$ -	\$	8,000.00
D-Company Sprvsn	226			\$ 55,000.00			\$ -	\$	55,000.00
D-Contract Sprvsn	227			\$ 139,000.00			\$ -	\$	139,000.00
D-Tstg Csg/Tbg	228			\$ 51,000.00			\$ -	\$	51,000.00
D-Mud Logging Unit	229			\$ 51,000.00			\$ -	\$	51,000.00
D-Rentals-Surface	235			\$ 214,000.00			\$ -	\$	214,000.00
D-Rentals-Subsrfc	236			\$ 99,000.00			\$ -	\$	99,000.00
D-Trucking/Forklift/Rig Mob	237			\$ 205,000.00			\$ -	\$	205,000.00
D-Welding Services	238			\$ 3,000.00			\$ -	\$	3,000.00
D-Contingency	243			\$ 77,000.00			\$ -	\$	77,000.00
D-Envrnmntl/Clsd Loop	244			\$ 337,000.00			\$ -	\$	337,000.00
C-Wellbore Frac Prep	304				\$ 109,000.00		\$ -	\$	109,000.00
C-Lctn/Pits/Roads	305				\$ 11,000.00		\$ -	\$	11,000.00
C-Completion OH	306				\$ 18,000.00		\$ -	\$	18,000.00
C-Frac Equipment	307				\$ 751,000.00		\$ -	\$	751,000.00
C-Frac Chemicals	308				\$ 476,000.00		\$ -	\$	476,000.00
C-Frac Proppant	309				\$ 215,000.00		\$ -	\$	215,000.00
C-Frac Proppant Transportation	310				\$ 336,000.00		\$ -	\$	336,000.00
C-Fuel Delivery & Services	311				\$ 48,000.00		\$ -	\$	48,000.00
C-Water	312				\$ 318,000.00		\$ -	\$	318,000.00
C-Frac Surface Rentals	315				\$ 298,000.00		\$ -	\$	298,000.00
C-Contract Labor	325				\$ 11,000.00		\$ -	\$	11,000.00
C-Company Sprvsn	326				\$ 11,000.00		\$ -	\$	11,000.00
C-Contract Sprvsn	327				\$ 160,000.00		\$ -	\$	160,000.00
C-Artificial Lift Install	329				\$ 51,000.00		\$ -	\$	51,000.00
C-Perf/Wireline Svc	331				\$ 368,000.00		\$ -	\$	368,000.00
C-Trucking/Forklift/Rig Mob	337				\$ 11,000.00		\$ -	\$	11,000.00
C-Water Disposal	339				\$ 46,000.00		\$ -	\$	46,000.00
C-Contingency	343				\$ 85,000.00		\$ -	\$	85,000.00
C-Dyed Diesel	345				\$ 180,000.00		\$ -	\$	180,000.00
C-Drillout	346				\$ 342,000.00		\$ -	\$	342,000.00
TB-Damages/Right of Way	351					\$ 2,000.00	\$ -	\$	2,000.00
TB-Location/Pits/Roads	353					\$ 45,000.00	\$ -	\$	45,000.00
TB-Contract Labor	356					\$ 243,000.00	\$ -	\$	243,000.00
PEQ-Contract Labor	374						\$ 18,000.00	\$ -	\$ 18,000.00
PEQ-Water Disposal	387						\$ 79,000.00	\$ -	\$ 79,000.00
PEQ-HRZ Well Offset Frac	391						\$ 8,000.00	\$ -	\$ 8,000.00
Total Intangible Costs		\$ -	\$ -	\$ 3,386,000.00	\$ 3,845,000.00	\$ 290,000.00	\$ 105,000.00	\$ -	\$ 7,626,000.00

Tangible Costs									
PEQ-Flowback Crews & Equip	392						\$ 47,000.00	\$ -	\$ 47,000.00
D-Surface Casing	401			\$ 27,000.00				\$ -	\$ 27,000.00
D-Intermed Csg	402			\$ 212,000.00				\$ -	\$ 212,000.00
D-Production Casing/Liner	403			\$ 526,000.00				\$ -	\$ 526,000.00
D-Wellhead Equip	405			\$ 95,000.00				\$ -	\$ 95,000.00
C-Tubing	504				\$ 60,000.00			\$ -	\$ 60,000.00
C-Wellhead Equip	505				\$ 32,000.00			\$ -	\$ 32,000.00
TB-Tanks	510					\$ 78,000.00		\$ -	\$ 78,000.00
TB-Flowlines/Pipelines	511					\$ 35,000.00		\$ -	\$ 35,000.00
TB-Htr Trtr/Seprtr	512					\$ 251,000.00		\$ -	\$ 251,000.00
TB-Electrical System/Equipment	513					\$ 153,000.00		\$ -	\$ 153,000.00
C-Pckrs/Anchors/Hgrs	514				\$ 75,000.00			\$ -	\$ 75,000.00
TB-Couplings/Fittings/Valves	515					\$ 261,000.00		\$ -	\$ 261,000.00
TB-Pumps-Surface	521					\$ 35,000.00		\$ -	\$ 35,000.00
TB-Instrumentation/SCADA/POC	522					\$ 26,000.00		\$ -	\$ 26,000.00
TB-Miscellaneous	523					\$ 26,000.00		\$ -	\$ 26,000.00
TB-Meters/Lacts	525					\$ 35,000.00		\$ -	\$ 35,000.00
TB-Flares/Combusters/Emission	526					\$ 42,000.00		\$ -	\$ 42,000.00
C-Gas Lift/Compression	527				\$ 28,000.00			\$ -	\$ 28,000.00
PEQ-Wellhead Equipment	531						\$ 18,000.00	\$ -	\$ 18,000.00
Total Tangible Costs		\$ -	\$ -	\$ 860,000.00	\$ 195,000.00	\$ 942,000.00	\$ 65,000.00	\$ -	\$ 2,062,000.00

Total Gross Cost	\$ -	\$ -	\$ 4,246,000.00	\$ 4,040,000.00	\$ 1,232,000.00	\$ 170,000.00	\$ -	\$ 9,688,000.00
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Note: The above costs are estimates only. Actual costs will be billed as incurred.

COG Operating LLC

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

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

COG Operating LLC

We approve:

\_\_\_\_\_  
% Working Interest

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

Company:

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

Printed Name:

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

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

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COG OPERATING LLC  
AUTHORITY FOR EXPENDITURE  
Drill & Complete

Well Name	TLC 30 FED COM 802H	Prospect	TOMAHAWK 2327
SHL	P-31-23S-27E	State & County	NEW MEXICO, EDDY
BHL	J-30-23S-27E	Objective	DRILL & COMPLETE
Formation	WOLFCAMP C	Depth	15,420
Legal	S2 SEC 30 & ALL SEC 31, 23-27	TVD	9,480
AFE Numbers			

Cost Description	Code	Spud (PS)	asing(PC)	Drilling (DR)	Completions (C)	Tank Btty Constrctn(TB)	Pmpq Equip (PEQ)	Revision	Total
Intangible Costs									
D-Lctn/Pits/Roads	205			\$ 122,000.00			\$ -	\$	122,000.00
D-Drilling Overhead	206			\$ 9,000.00			\$ -	\$	9,000.00
D-Daywork Contract	209			\$ 663,000.00			\$ -	\$	663,000.00
D-Directional Drlg Services	210			\$ 353,000.00			\$ -	\$	353,000.00
D-Fuel & Power	211			\$ 113,000.00			\$ -	\$	113,000.00
D-Water	212			\$ 95,000.00			\$ -	\$	95,000.00
D-Bits	213			\$ 122,000.00			\$ -	\$	122,000.00
D-Mud & Chemicals	214			\$ 248,000.00			\$ -	\$	248,000.00
D-Cement Surface	217			\$ 25,000.00			\$ -	\$	25,000.00
D-Cement Intermed	218			\$ 96,000.00			\$ -	\$	96,000.00
D-Prod-2nd Int Cmt	219			\$ 141,000.00			\$ -	\$	141,000.00
D-Float Equipment & Centralizers	221			\$ 77,000.00			\$ -	\$	77,000.00
D-Csg Crews & Equip	222			\$ 83,000.00			\$ -	\$	83,000.00
D-Contract Labor	225			\$ 8,000.00			\$ -	\$	8,000.00
D-Company Sprvsn	226			\$ 55,000.00			\$ -	\$	55,000.00
D-Contract Sprvsn	227			\$ 139,000.00			\$ -	\$	139,000.00
D-Tstg Csg/Tbg	228			\$ 51,000.00			\$ -	\$	51,000.00
D-Mud Logging Unit	229			\$ 51,000.00			\$ -	\$	51,000.00
D-Rentals-Surface	235			\$ 214,000.00			\$ -	\$	214,000.00
D-Rentals-Subsrfc	236			\$ 99,000.00			\$ -	\$	99,000.00
D-Trucking/Forklift/Rig Mob	237			\$ 205,000.00			\$ -	\$	205,000.00
D-Welding Services	238			\$ 3,000.00			\$ -	\$	3,000.00
D-Contingency	243			\$ 77,000.00			\$ -	\$	77,000.00
D-Envrnmntl/Clsd Loop	244			\$ 337,000.00			\$ -	\$	337,000.00
C-Wellbore Frac Prep	304				\$ 109,000.00		\$ -	\$	109,000.00
C-Lctn/Pits/Roads	305				\$ 11,000.00		\$ -	\$	11,000.00
C-Completion OH	306				\$ 18,000.00		\$ -	\$	18,000.00
C-Frac Equipment	307				\$ 751,000.00		\$ -	\$	751,000.00
C-Frac Chemicals	308				\$ 476,000.00		\$ -	\$	476,000.00
C-Frac Proppant	309				\$ 215,000.00		\$ -	\$	215,000.00
C-Frac Proppant Transportation	310				\$ 336,000.00		\$ -	\$	336,000.00
C-Fuel Delivery & Services	311				\$ 48,000.00		\$ -	\$	48,000.00
C-Water	312				\$ 318,000.00		\$ -	\$	318,000.00
C-Frac Surface Rentals	315				\$ 298,000.00		\$ -	\$	298,000.00
C-Contract Labor	325				\$ 11,000.00		\$ -	\$	11,000.00
C-Company Sprvsn	326				\$ 11,000.00		\$ -	\$	11,000.00
C-Contract Sprvsn	327				\$ 160,000.00		\$ -	\$	160,000.00
C-Artificial Lift Install	329				\$ 51,000.00		\$ -	\$	51,000.00
C-Perf/Wireline Svc	331				\$ 368,000.00		\$ -	\$	368,000.00
C-Trucking/Forklift/Rig Mob	337				\$ 11,000.00		\$ -	\$	11,000.00
C-Water Disposal	339				\$ 46,000.00		\$ -	\$	46,000.00
C-Contingency	343				\$ 85,000.00		\$ -	\$	85,000.00
C-Dyed Diesel	345				\$ 180,000.00		\$ -	\$	180,000.00
C-Drillout	346				\$ 342,000.00		\$ -	\$	342,000.00
TB-Damages/Right of Way	351					\$ 2,000.00	\$ -	\$	2,000.00
TB-Location/Pits/Roads	353					\$ 45,000.00	\$ -	\$	45,000.00
TB-Contract Labor	356					\$ 243,000.00	\$ -	\$	243,000.00
PEQ-Contract Labor	374						\$ 18,000.00	\$ -	\$ 18,000.00
PEQ-Water Disposal	387						\$ 79,000.00	\$ -	\$ 79,000.00
PEQ-HRZ Well Offset Frac	391						\$ 8,000.00	\$ -	\$ 8,000.00
Total Intangible Costs		\$ -	\$ -	\$ 3,386,000.00	\$ 3,845,000.00	\$ 290,000.00	\$ 105,000.00	\$ -	\$ 7,626,000.00

Tangible Costs									
PEQ-Flowback Crews & Equip	392						\$ 47,000.00	\$ -	\$ 47,000.00
D-Surface Casing	401			\$ 27,000.00				\$ -	\$ 27,000.00
D-Intermed Csg	402			\$ 212,000.00				\$ -	\$ 212,000.00
D-Production Casing/Liner	403			\$ 526,000.00				\$ -	\$ 526,000.00
D-Wellhead Equip	405			\$ 95,000.00				\$ -	\$ 95,000.00
C-Tubing	504				\$ 60,000.00			\$ -	\$ 60,000.00
C-Wellhead Equip	505				\$ 32,000.00			\$ -	\$ 32,000.00
TB-Tanks	510					\$ 78,000.00		\$ -	\$ 78,000.00
TB-Flowlines/Pipelines	511					\$ 35,000.00		\$ -	\$ 35,000.00
TB-Htr Trtr/Seprtr	512					\$ 251,000.00		\$ -	\$ 251,000.00
TB-Electrical System/Equipment	513					\$ 153,000.00		\$ -	\$ 153,000.00
C-Pckrs/Anchors/Hgrs	514				\$ 75,000.00			\$ -	\$ 75,000.00
TB-Couplings/Fittings/Valves	515					\$ 261,000.00		\$ -	\$ 261,000.00
TB-Pumps-Surface	521					\$ 35,000.00		\$ -	\$ 35,000.00
TB-Instrumentation/SCADA/POC	522					\$ 26,000.00		\$ -	\$ 26,000.00
TB-Miscellaneous	523					\$ 26,000.00		\$ -	\$ 26,000.00
TB-Meters/Lacts	525					\$ 35,000.00		\$ -	\$ 35,000.00
TB-Flares/Combusters/Emission	526					\$ 42,000.00		\$ -	\$ 42,000.00
C-Gas Lift/Compression	527				\$ 28,000.00			\$ -	\$ 28,000.00
PEQ-Wellhead Equipment	531						\$ 18,000.00	\$ -	\$ 18,000.00
Total Tangible Costs		\$ -	\$ -	\$ 860,000.00	\$ 195,000.00	\$ 942,000.00	\$ 65,000.00	\$ -	\$ 2,062,000.00

Total Gross Cost	\$ -	\$ -	\$ 4,246,000.00	\$ 4,040,000.00	\$ 1,232,000.00	\$ 170,000.00	\$ -	\$ 9,688,000.00
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Note: The above costs are estimates only. Actual costs will be billed as incurred.

COG Operating LLC

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

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

COG Operating LLC

We approve:

\_\_\_\_\_  
% Working Interest

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

Company:

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

Printed Name:

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

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

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COG OPERATING LLC  
AUTHORITY FOR EXPENDITURE  
Drill & Complete

Well Name	TLC 30 FED COM 803H	Prospect	TOMAHAWK 2327
SHL	N-31-23S-27E	State & County	NEW MEXICO, EDDY
BHL	K-30-23S-27E	Objective	DRILL & COMPLETE
Formation	WOLFCAMP C	Depth	15,420
Legal	S2 SEC 30 & ALL SEC 31, 23-27	TVD	9,480
AFE Numbers			

Cost Description	Code	Spud (PS)	asing(PC)	Drilling (DR)	Completions (C)	Tank Btty Constrctn(TB)	Pmpq Equip (PEQ)	Revision	Total
Intangible Costs									
D-Lctn/Pits/Roads	205			\$ 122,000.00			\$ -	\$	122,000.00
D-Drilling Overhead	206			\$ 9,000.00			\$ -	\$	9,000.00
D-Daywork Contract	209			\$ 663,000.00			\$ -	\$	663,000.00
D-Directional Drlg Services	210			\$ 353,000.00			\$ -	\$	353,000.00
D-Fuel & Power	211			\$ 113,000.00			\$ -	\$	113,000.00
D-Water	212			\$ 95,000.00			\$ -	\$	95,000.00
D-Bits	213			\$ 122,000.00			\$ -	\$	122,000.00
D-Mud & Chemicals	214			\$ 248,000.00			\$ -	\$	248,000.00
D-Cement Surface	217			\$ 25,000.00			\$ -	\$	25,000.00
D-Cement Intermed	218			\$ 96,000.00			\$ -	\$	96,000.00
D-Prod-2nd Int Cmt	219			\$ 141,000.00			\$ -	\$	141,000.00
D-Float Equipment & Centralizers	221			\$ 77,000.00			\$ -	\$	77,000.00
D-Csg Crews & Equip	222			\$ 83,000.00			\$ -	\$	83,000.00
D-Contract Labor	225			\$ 8,000.00			\$ -	\$	8,000.00
D-Company Sprvsn	226			\$ 55,000.00			\$ -	\$	55,000.00
D-Contract Sprvsn	227			\$ 139,000.00			\$ -	\$	139,000.00
D-Tstg Csg/Tbg	228			\$ 51,000.00			\$ -	\$	51,000.00
D-Mud Logging Unit	229			\$ 51,000.00			\$ -	\$	51,000.00
D-Rentals-Surface	235			\$ 214,000.00			\$ -	\$	214,000.00
D-Rentals-Subsrfc	236			\$ 99,000.00			\$ -	\$	99,000.00
D-Trucking/Forklift/Rig Mob	237			\$ 205,000.00			\$ -	\$	205,000.00
D-Welding Services	238			\$ 3,000.00			\$ -	\$	3,000.00
D-Contingency	243			\$ 77,000.00			\$ -	\$	77,000.00
D-Envrnmntl/Clsd Loop	244			\$ 337,000.00			\$ -	\$	337,000.00
C-Wellbore Frac Prep	304				\$ 109,000.00		\$ -	\$	109,000.00
C-Lctn/Pits/Roads	305				\$ 11,000.00		\$ -	\$	11,000.00
C-Completion OH	306				\$ 18,000.00		\$ -	\$	18,000.00
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C-Frac Proppant Transportation	310				\$ 336,000.00		\$ -	\$	336,000.00
C-Fuel Delivery & Services	311				\$ 48,000.00		\$ -	\$	48,000.00
C-Water	312				\$ 318,000.00		\$ -	\$	318,000.00
C-Frac Surface Rentals	315				\$ 298,000.00		\$ -	\$	298,000.00
C-Contract Labor	325				\$ 11,000.00		\$ -	\$	11,000.00
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C-Artificial Lift Install	329				\$ 51,000.00		\$ -	\$	51,000.00
C-Perf/Wireline Svc	331				\$ 368,000.00		\$ -	\$	368,000.00
C-Trucking/Forklift/Rig Mob	337				\$ 11,000.00		\$ -	\$	11,000.00
C-Water Disposal	339				\$ 46,000.00		\$ -	\$	46,000.00
C-Contingency	343				\$ 85,000.00		\$ -	\$	85,000.00
C-Dyed Diesel	345				\$ 180,000.00		\$ -	\$	180,000.00
C-Drillout	346				\$ 342,000.00		\$ -	\$	342,000.00
TB-Damages/Right of Way	351					\$ 2,000.00	\$ -	\$	2,000.00
TB-Location/Pits/Roads	353					\$ 45,000.00	\$ -	\$	45,000.00
TB-Contract Labor	356					\$ 243,000.00	\$ -	\$	243,000.00
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PEQ-Water Disposal	387						\$ 79,000.00	\$ -	\$ 79,000.00
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Total Intangible Costs		\$ -	\$ -	\$ 3,386,000.00	\$ 3,845,000.00	\$ 290,000.00	\$ 105,000.00	\$ -	\$ 7,626,000.00

Tangible Costs									
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D-Surface Casing	401			\$ 27,000.00				\$ -	\$ 27,000.00
D-Intermed Csg	402			\$ 212,000.00				\$ -	\$ 212,000.00
D-Production Casing/Liner	403			\$ 526,000.00				\$ -	\$ 526,000.00
D-Wellhead Equip	405			\$ 95,000.00				\$ -	\$ 95,000.00
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C-Wellhead Equip	505				\$ 32,000.00			\$ -	\$ 32,000.00
TB-Tanks	510					\$ 78,000.00		\$ -	\$ 78,000.00
TB-Flowlines/Pipelines	511					\$ 35,000.00		\$ -	\$ 35,000.00
TB-Htr Trtr/Seprtr	512					\$ 251,000.00		\$ -	\$ 251,000.00
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TB-Couplings/Fittings/Valves	515					\$ 261,000.00		\$ -	\$ 261,000.00
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TB-Miscellaneous	523					\$ 26,000.00		\$ -	\$ 26,000.00
TB-Meters/Lacts	525					\$ 35,000.00		\$ -	\$ 35,000.00
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Total Gross Cost	\$ -	\$ -	\$ 4,246,000.00	\$ 4,040,000.00	\$ 1,232,000.00	\$ 170,000.00	\$ -	\$ 9,688,000.00
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COG Operating LLC

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

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

COG Operating LLC

We approve:  
\_\_\_\_\_  
% Working Interest

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

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  
Drill & Complete

Well Name	TLC 30 FED COM 804H	Prospect	TOMAHAWK 2327
SHL	N-31-23S-27E	State & County	NEW MEXICO, EDDY
BHL	3-30-23S-27E	Objective	DRILL & COMPLETE
Formation	WOLFCAMP C	Depth	15,420
Legal	S2 SEC 30 & ALL SEC 31, 23-27	TVD	9,480
AFE Numbers			

Cost Description	Code	Spud (PS)	asing(PC)	Drilling (DR)	Completions (C)	Tank Btty Constrctn(TB)	Pmpq Equip (PEQ)	Revision	Total
Intangible Costs									
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D-Drilling Overhead	206			\$ 9,000.00			\$ -	\$	9,000.00
D-Daywork Contract	209			\$ 663,000.00			\$ -	\$	663,000.00
D-Directional Drlg Services	210			\$ 353,000.00			\$ -	\$	353,000.00
D-Fuel & Power	211			\$ 113,000.00			\$ -	\$	113,000.00
D-Water	212			\$ 95,000.00			\$ -	\$	95,000.00
D-Bits	213			\$ 122,000.00			\$ -	\$	122,000.00
D-Mud & Chemicals	214			\$ 248,000.00			\$ -	\$	248,000.00
D-Cement Surface	217			\$ 25,000.00			\$ -	\$	25,000.00
D-Cement Intermed	218			\$ 96,000.00			\$ -	\$	96,000.00
D-Prod-2nd Int Cmt	219			\$ 141,000.00			\$ -	\$	141,000.00
D-Float Equipment & Centralizers	221			\$ 77,000.00			\$ -	\$	77,000.00
D-Csg Crews & Equip	222			\$ 83,000.00			\$ -	\$	83,000.00
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D-Tstg Csg/Tbg	228			\$ 51,000.00			\$ -	\$	51,000.00
D-Mud Logging Unit	229			\$ 51,000.00			\$ -	\$	51,000.00
D-Rentals-Surface	235			\$ 214,000.00			\$ -	\$	214,000.00
D-Rentals-Subsrfc	236			\$ 99,000.00			\$ -	\$	99,000.00
D-Trucking/Forklift/Rig Mob	237			\$ 205,000.00			\$ -	\$	205,000.00
D-Welding Services	238			\$ 3,000.00			\$ -	\$	3,000.00
D-Contingency	243			\$ 77,000.00			\$ -	\$	77,000.00
D-Envrnmntl/Clsd Loop	244			\$ 337,000.00			\$ -	\$	337,000.00
C-Wellbore Frac Prep	304				\$ 109,000.00		\$ -	\$	109,000.00
C-Lctn/Pits/Roads	305				\$ 11,000.00		\$ -	\$	11,000.00
C-Completion OH	306				\$ 18,000.00		\$ -	\$	18,000.00
C-Frac Equipment	307				\$ 751,000.00		\$ -	\$	751,000.00
C-Frac Chemicals	308				\$ 476,000.00		\$ -	\$	476,000.00
C-Frac Proppant	309				\$ 215,000.00		\$ -	\$	215,000.00
C-Frac Proppant Transportation	310				\$ 336,000.00		\$ -	\$	336,000.00
C-Fuel Delivery & Services	311				\$ 48,000.00		\$ -	\$	48,000.00
C-Water	312				\$ 318,000.00		\$ -	\$	318,000.00
C-Frac Surface Rentals	315				\$ 298,000.00		\$ -	\$	298,000.00
C-Contract Labor	325				\$ 11,000.00		\$ -	\$	11,000.00
C-Company Sprvsn	326				\$ 11,000.00		\$ -	\$	11,000.00
C-Contract Sprvsn	327				\$ 160,000.00		\$ -	\$	160,000.00
C-Artificial Lift Install	329				\$ 51,000.00		\$ -	\$	51,000.00
C-Perf/Wireline Svc	331				\$ 368,000.00		\$ -	\$	368,000.00
C-Trucking/Forklift/Rig Mob	337				\$ 11,000.00		\$ -	\$	11,000.00
C-Water Disposal	339				\$ 46,000.00		\$ -	\$	46,000.00
C-Contingency	343				\$ 85,000.00		\$ -	\$	85,000.00
C-Dyed Diesel	345				\$ 180,000.00		\$ -	\$	180,000.00
C-Drillout	346				\$ 342,000.00		\$ -	\$	342,000.00
TB-Damages/Right of Way	351					\$ 2,000.00	\$ -	\$	2,000.00
TB-Location/Pits/Roads	353					\$ 45,000.00	\$ -	\$	45,000.00
TB-Contract Labor	356					\$ 243,000.00	\$ -	\$	243,000.00
PEQ-Contract Labor	374						\$ 18,000.00	\$ -	\$ 18,000.00
PEQ-Water Disposal	387						\$ 79,000.00	\$ -	\$ 79,000.00
PEQ-HRZ Well Offset Frac	391						\$ 8,000.00	\$ -	\$ 8,000.00
Total Intangible Costs		\$ -	\$ -	\$ 3,386,000.00	\$ 3,845,000.00	\$ 290,000.00	\$ 105,000.00	\$ -	\$ 7,626,000.00

Tangible Costs									
PEQ-Flowback Crews & Equip	392						\$ 47,000.00	\$ -	\$ 47,000.00
D-Surface Casing	401			\$ 27,000.00				\$ -	\$ 27,000.00
D-Intermed Csg	402			\$ 212,000.00				\$ -	\$ 212,000.00
D-Production Casing/Liner	403			\$ 526,000.00				\$ -	\$ 526,000.00
D-Wellhead Equip	405			\$ 95,000.00				\$ -	\$ 95,000.00
C-Tubing	504				\$ 60,000.00			\$ -	\$ 60,000.00
C-Wellhead Equip	505				\$ 32,000.00			\$ -	\$ 32,000.00
TB-Tanks	510					\$ 78,000.00		\$ -	\$ 78,000.00
TB-Flowlines/Pipelines	511					\$ 35,000.00		\$ -	\$ 35,000.00
TB-Htr Trtr/Seprtr	512					\$ 251,000.00		\$ -	\$ 251,000.00
TB-Electrical System/Equipment	513					\$ 153,000.00		\$ -	\$ 153,000.00
C-Pckrs/Anchors/Hgrs	514				\$ 75,000.00			\$ -	\$ 75,000.00
TB-Couplings/Fittings/Valves	515					\$ 261,000.00		\$ -	\$ 261,000.00
TB-Pumps-Surface	521					\$ 35,000.00		\$ -	\$ 35,000.00
TB-Instrumentation/SCADA/POC	522					\$ 26,000.00		\$ -	\$ 26,000.00
TB-Miscellaneous	523					\$ 26,000.00		\$ -	\$ 26,000.00
TB-Meters/Lacts	525					\$ 35,000.00		\$ -	\$ 35,000.00
TB-Flares/Combusters/Emission	526					\$ 42,000.00		\$ -	\$ 42,000.00
C-Gas Lift/Compression	527				\$ 28,000.00			\$ -	\$ 28,000.00
PEQ-Wellhead Equipment	531						\$ 18,000.00	\$ -	\$ 18,000.00
Total Tangible Costs		\$ -	\$ -	\$ 860,000.00	\$ 195,000.00	\$ 942,000.00	\$ 65,000.00	\$ -	\$ 2,062,000.00

Total Gross Cost	\$ -	\$ -	\$ 4,246,000.00	\$ 4,040,000.00	\$ 1,232,000.00	\$ 170,000.00	\$ -	\$ 9,688,000.00
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Note: The above costs are estimates only. Actual costs will be billed as incurred.

COG Operating LLC

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

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

COG Operating LLC

We approve:

\_\_\_\_\_  
% Working Interest

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

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.



Company Name	Date	Type of Communication	Representative	Notes
Devon	11/2/2022	Mail	Land Department	Proposed wells and OA details for TLC project
Devon	11/29/2022	Mail	Land Department	Sent updated well proposals and new OA details after OCD encouraged COPC Legal to include N2SW, NWSE of 30-23S-27E in our TLC project area.
Devon	12/2/2022	Email	Stuart Edwards	Discussed Devon's interest in the proposed TLC 30 Fed Com project
Devon	12/2/2022	Email	Stuart Edwards	Responded to my email and passed me along to the new landman over the AOR, Jake Nourse.
Devon	12/5/2022	Email	Jake Nourse	Sent information about spacing unit
Devon	12/6/2022	Email	Jake Nourse	Discussed hearing
Devon	12/6/2022	Email	Jake Nourse	Responded to my email to schedule a call to discuss
Devon	12/12/2022	Phone	Jake Nourse	Discussed Devon's interest in the proposed TLC 30 Fed Com project
Devon	12/21/2022	Email	Jake Nourse	Discussed spacing unit, interest, project area.
Devon	3/7/2022	Email	Jake Nourse	Discussed updated hearing schedule
Devon	5/15/2023	Mail	Land Department	Updated well proposals based on new spacing after careful analysis of offset depletion
Mewbourne	11/2/2022	Mail	Land Department	Proposed wells and OA details for TLC project
Mewbourne	11/29/2022	Mail	Land Department	Sent updated well proposals and new OA details after OCD encouraged COPC Legal to include N2SW, NWSE of 30-23S-27E in our TLC project area.
Mewbourne	12/2/2022	Email	Adriana Salgado	Emailed updated well proposal
Mewbourne	12/2/2022	Email	Adriana Salgado	MOC sent me an email confirming receipt of updated well proposals and that we did not need to send hard copies
Mewbourne	12/7/2022	Email	Adriana Salgado	Trade ideas and negotiations
Mewbourne	12/19/2022	Email	Adriana Salgado	Trade ideas and negotiations
Mewbourne	12/20/2022	Email	Adriana Salgado	Trade ideas and negotiations
Mewbourne	1/3/2023	Email	Adriana Salgado	Trade ideas and negotiations
Mewbourne	1/9/2023	Email	Adriana Salgado	Trade ideas and negotiations
Mewbourne	1/13/2023	Email	Adriana Salgado	Trade ideas and negotiations
Mewbourne	1/18/2023	Email	Adriana Salgado	Trade ideas and negotiations
Mewbourne	1/30/2023	Email	Adriana Salgado	Trade ideas and negotiations
Mewbourne	2/6/2023	Email	Adriana Salgado	Trade ideas and negotiations

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. A-4

Submitted by: COG Operating LLC

Hearing Date: August 3, 2023

Case No. 23650

Mewbourne	2/15/2023	Email	Adriana Salgado	Trade ideas and negotiations
Mewbourne	2/23/2023	Email	Adriana Salgado	Trade ideas and negotiations
Mewbourne	3/7/2023	Email	Adriana Salgado	Trade ideas and negotiations
Mewbourne	3/29/2023	Email	Adriana Salgado	Trade ideas and negotiations
Mewbourne	4/11/2023	Email	Adriana Salgado	Trade ideas and negotiations
Mewbourne	5/2/2023	Email	Adriana Salgado	Trade ideas and negotiations
Mewbourne	5/15/2023	Mail	Land Department	Updated well proposals based on new spacing after careful analysis of offset depletion

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

**APPLICATION OF MEWBOURNE OIL COMPANY FOR  
COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.**

**Case No. 23173**

**APPLICATION OF COG OPERATING LLC FOR COMPULSORY  
POOLING AND APPROVAL OF AN OVERLAPPING SPACING  
UNIT, EDDY COUNTY, NEW MEXICO.**

**Case No. 23650**

**SELF-AFFIRMED STATEMENT OF JESSICA PONTIFF, GEOLOGIST**

1. My name is Jessica Pontiff, and I am employed as a geologist by COG Operating LLC ("COG"), now a wholly owned subsidiary of ConocoPhillips Company. My responsibilities include the Permian Basin of New Mexico. I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division ("Division") and my qualifications as an expert in geology were accepted as a matter of record.

2. I am familiar with the applications filed in these consolidated cases and I have conducted a geologic study of the lands in the subject area.

3. **COG Exhibit B-1** is an area map showing the location of COG's proposed spacing unit outlined in red in relation to a nearby landmark, the town of Carlsbad, New Mexico, state and county boundaries. The expanded map shows the approximate wellbore paths of COG's initial wells targeting the Wolfcamp A (shown as red dashed lines) and the Wolfcamp C (shown as blue dashed lines) intervals of the Wolfcamp formation. This map also shows the existing producing wells in the surrounding sections that are completed in the Wolfcamp formation identifying wells targeting the upper Wolfcamp A (solid light purple lines) and the Wolfcamp C (solid blue lines).

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. B  
Submitted by: COG Operating LLC  
Hearing Date: August 3, 2023  
Case no. 23650**

4. Due to existing development in the N2 of Section 30, COG intends to drill 1.5-mile standup laterals in the target zones. This development plan is also consistent with the existing offset stand up wells located both east and west of COG's acreage.

5. **COG Exhibit B-2** contains two subsea structure maps that I prepared, one for the top of the Wolfcamp formation and the second for the top of the Wolfcamp C interval, with contour intervals of 50 feet. COG's proposed spacing unit is outlined in red on each map. The data points used to construct the map are indicated as red crosses. The approximate wellbore paths of the proposed wells and the existing producing wells are similarly depicted as in Exhibit B-1. Exhibit B-2 demonstrates that the structure is reasonably consistent between the upper and lower intervals of the Wolfcamp formation and both maps exhibit dips gently to the East. The structure of the Wolfcamp formation appears consistent across the proposed spacing unit, and I do not observe any geologic impediments to developing this formation with horizontal wells.

6. **COG Exhibit B-3** depicts a line of cross section through COG's proposed horizontal spacing unit from A to A'. This identifies the three wells used to create the cross section. I chose these wells to create the cross section because they penetrate the targeted interval, the logs are of good quality and are representative of the geology across the spacing unit.

7. **COG Exhibit B-4** is a stratigraphic cross section that I prepared using the logs from the representative wells shown on Exhibit B-3. Each well on the cross-section contains gamma ray, resistivity, and porosity logs. The target intervals for the initially proposed wells are labeled on the exhibit. The cross-section demonstrates that the targeted intervals are continuous and relatively uniform across the proposed spacing unit.

8. My geologic study indicates the Wolfcamp formation underlying the subject area is suitable for development by horizontal wells and the acreage comprising the proposed horizontal spacing unit will be productive and contribute proportionately to the production from the wells.

9. As reflected in Exhibit B-2, the structure is similar in the upper and lower Wolfcamp intervals. Based on published stress data in this area, the anticipated stress orientation across the target intervals in the Unit is approximately northeast to southwest. In my opinion, the standup orientation of COG's proposed wells is appropriate for this stress orientation and equivalent to the standup orientation chosen by other operators for development of the Wolfcamp formation in offsetting sections.

10. As noted on COG Exhibit B-1, Mewbourne has commenced development of its acreage in adjacent Section 36 with standup horizontal wells drilled from the N2N2 of Section 25 south into Section 36. I see no geologic reason for Mewbourne to change this development plan, or to now propose laydown wells in the Wolfcamp formation that infringe upon COG's acreage and development plans for Section 31.

11. In my opinion, approval of COG's application and denial of Mewbourne's application is in the best interest of conservation, the prevention of waste, and protection of correlative rights.

12. **COG Exhibits B-1 through B-4** were either prepared by me or compiled under my direction and supervision.

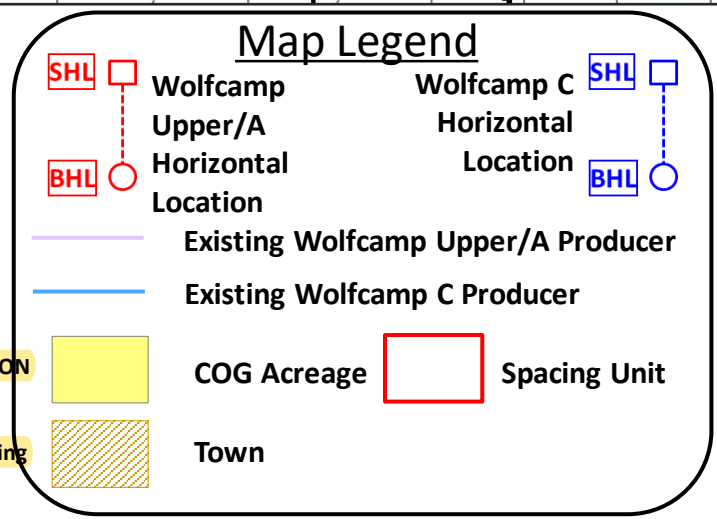
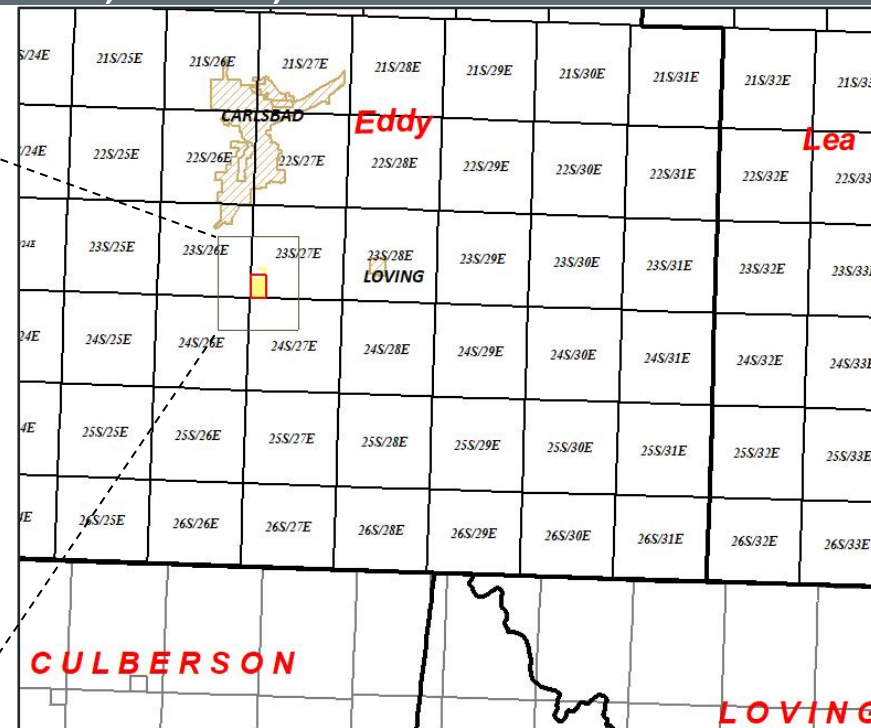
13. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.

  
Jessica Pontiff

7. 27. 2023  
Date



# WFMP A/Upper 701H, 702H, 703H, and WFMP C 801H, 802H, 803H, 804H



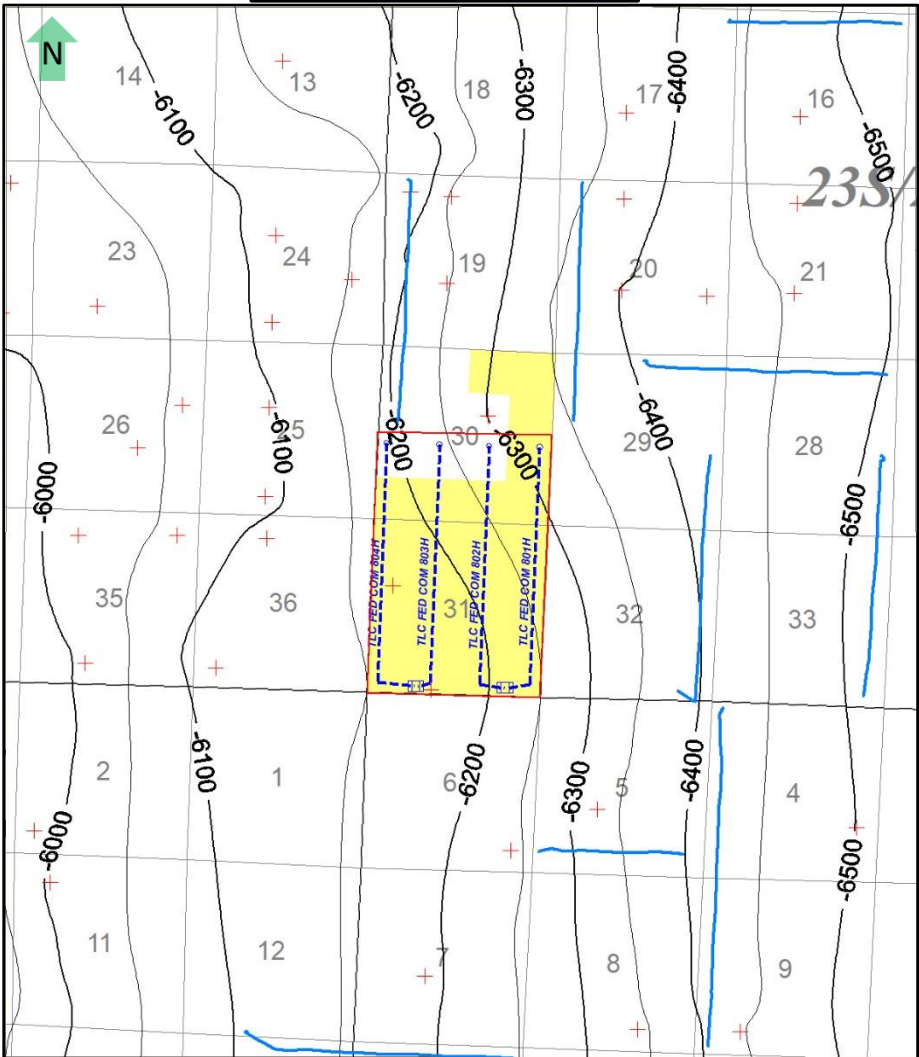
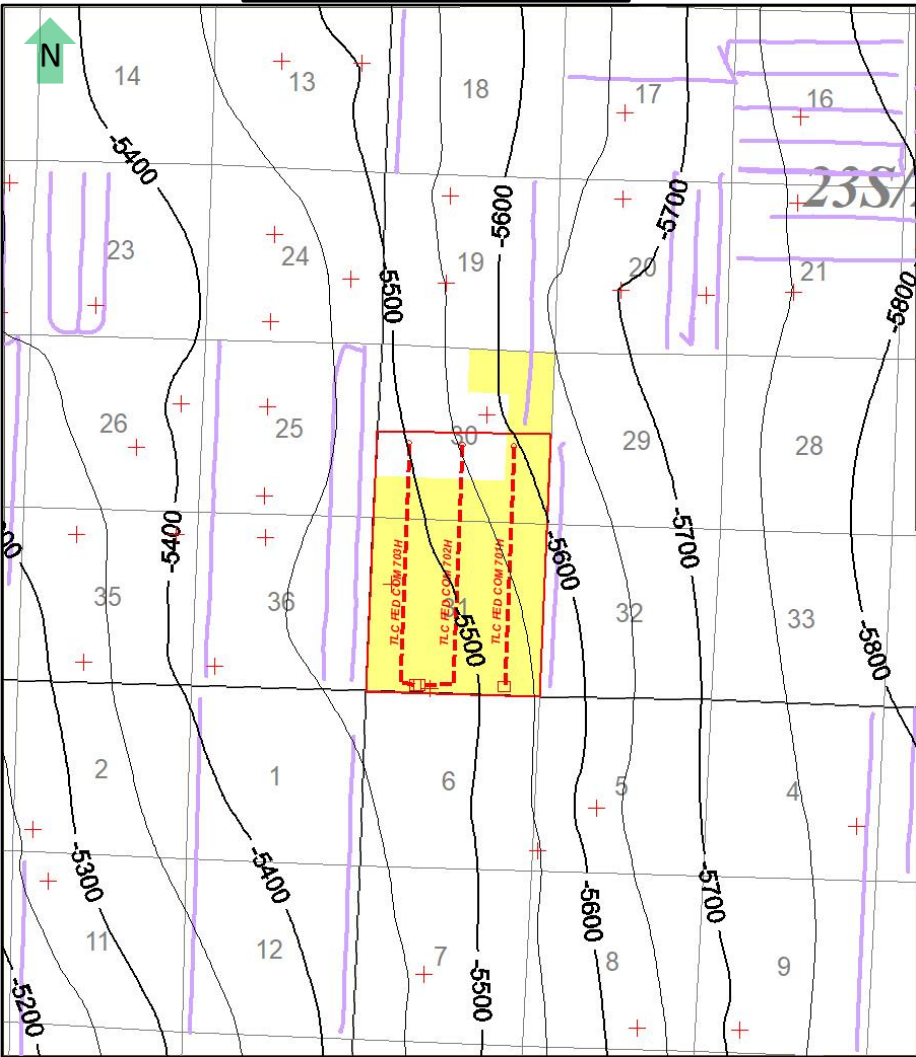
BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Exhibit No. B-1  
 Submitted by: COG Operating LLC Hearing  
 Date: August 3, 2023  
 Case No. 23650

# TLC Federal Court – Wolfcamp (WFMP) Structure Maps: WFMP A/Upper 701H, 702H, 703H, and WFMP C 801H, 802H, 803H, 804H









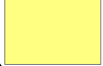

SubSea Structure: Top  
WFMP Formation

SubSea Structure: Top  
WFMP C

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. B-2  
Submitted by: COG Operating LLC  
Hearing Date: August 3, 2023  
Case No. 23650

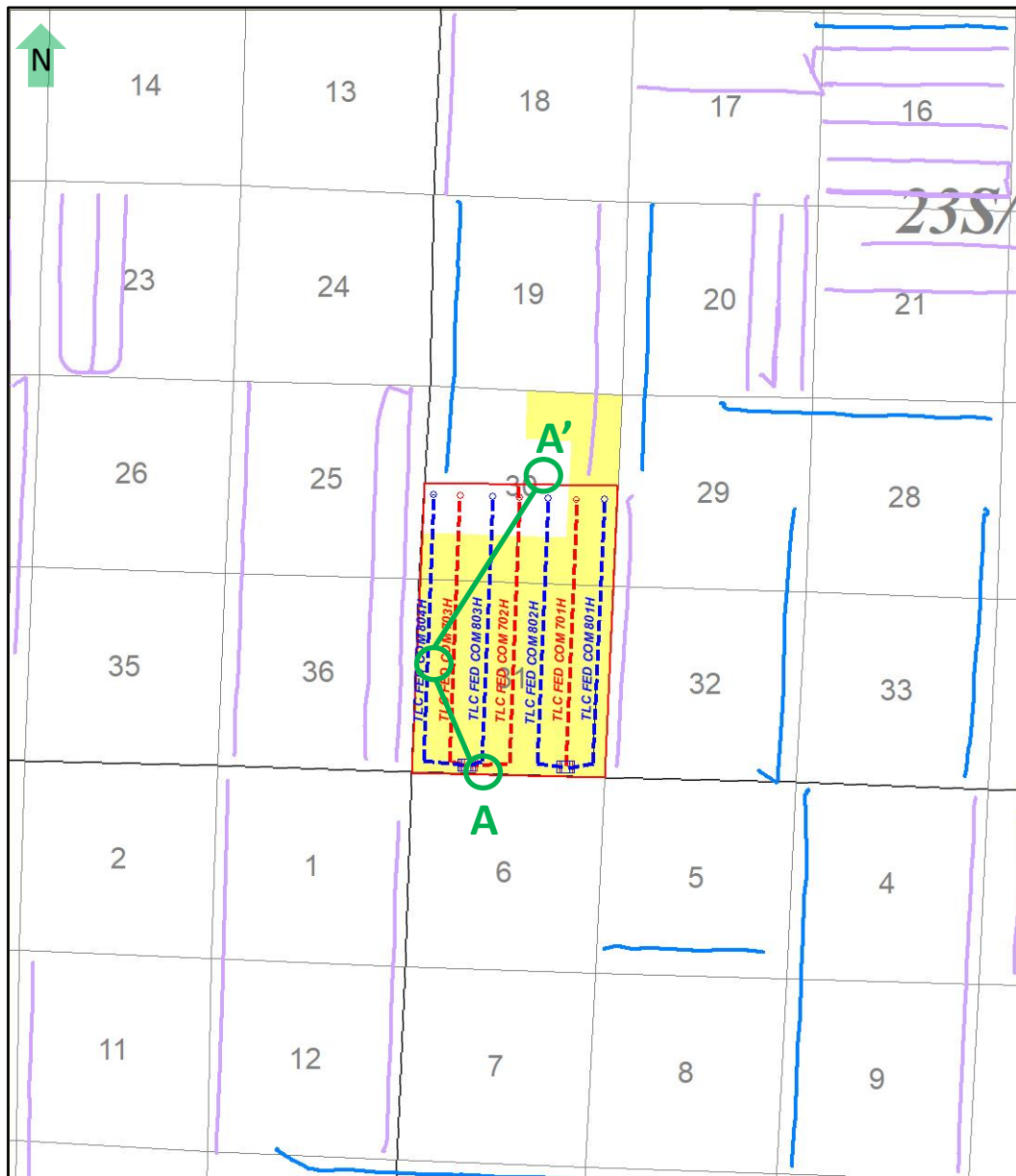


**Map Legend**

 SHL	Wolfcamp Upper/A Horizontal Location	 SHL	Wolfcamp C Horizontal Location
 BHL	Horizontal Location	 BHL	Horizontal Location
	Existing Wolfcamp Upper/A Producer		Existing Wolfcamp C Producer
	Wolfcamp Subsea Structure CI: 50'		
	Structural Data Point		
	COG Acreage		Spacing Unit



# WFMP A/Upper 701H, 702H, 703H, and WFMP C 801H, 802H, 803H, 804H



BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. B-3

Submitted by: COG Operating LLC

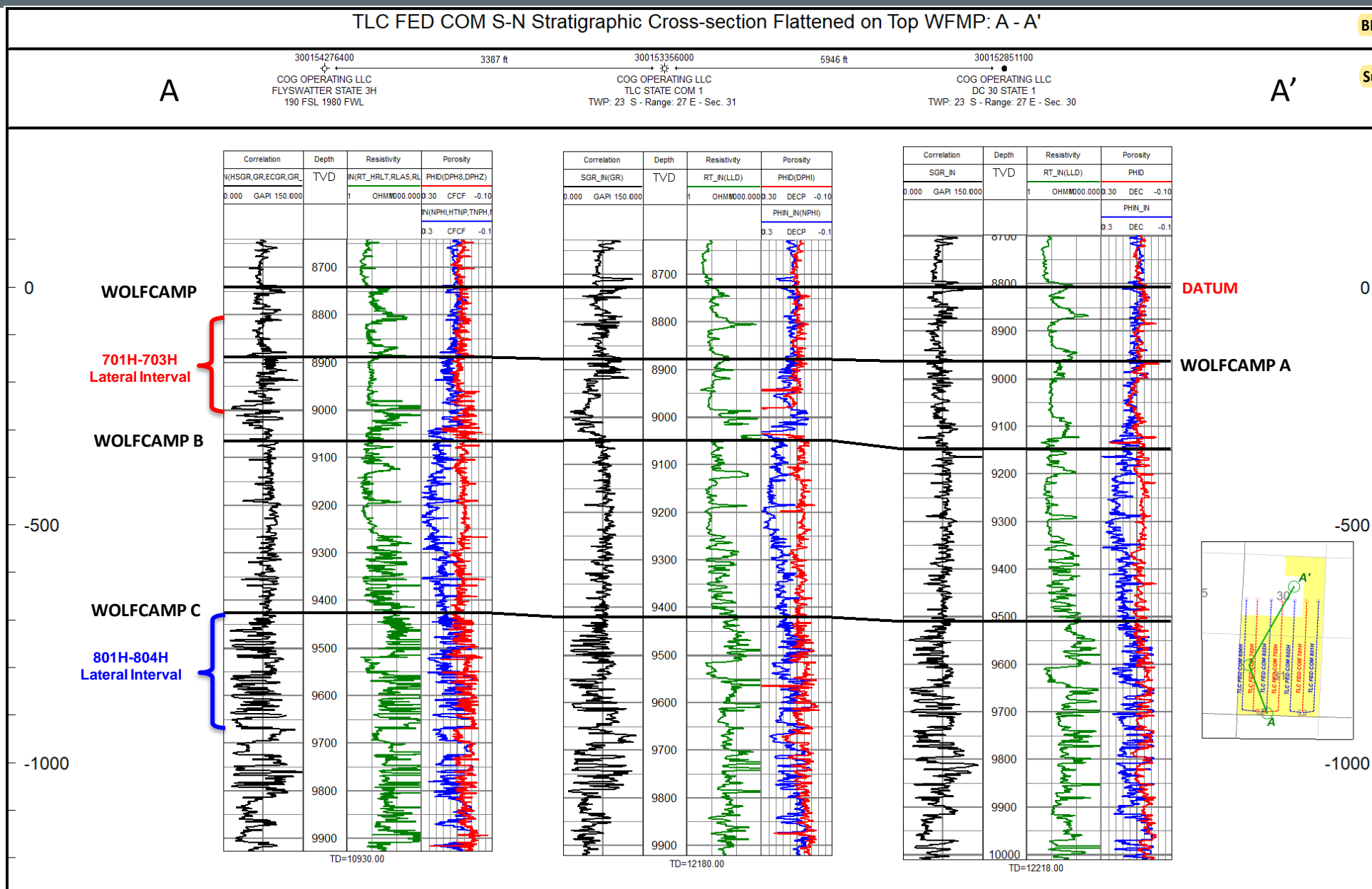
Hearing Date: August 3, 2023

Case No. 23650

## Map Legend

- SHL** Wolfcamp Upper/A Horizontal Location
- BHL** Wolfcamp C Horizontal Location
- Existing Wolfcamp Upper/A Producer
- Existing Wolfcamp C Producer
- Cross Section Line
- COG Acreage
- Spacing Unit

## TLC Federal Com - Wolfcamp (WFMP) Stratigraphic Cross Section A – A'



BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. B-4

Submitted by: COG Operating LLC Hearing

Date: August 3, 2023

Case No. 23650

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

**APPLICATION OF COG OPERATING LLC FOR COMPULSORY  
POOLING AND APPROVAL OF AN OVERLAPPING SPACING  
UNIT, EDDY COUNTY, NEW MEXICO.**

**CASE NO. 23650**

**AFFIDAVIT**

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

Michael H. Feldewert, attorney in fact and authorized representative of the Applicant herein, being first duly sworn, upon oath, states

1. The above-referenced application and notice of the hearing on this application was sent by certified mail to the affected parties on the date set forth in the letter attached hereto.
2. The spreadsheet attached hereto contains the names of the parties to whom notice was provided.
3. The spreadsheet attached hereto contains the information provided by the United States Postal Service on the status of the delivery of this notice as of July 27, 2023.



Michael H. Feldewert

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

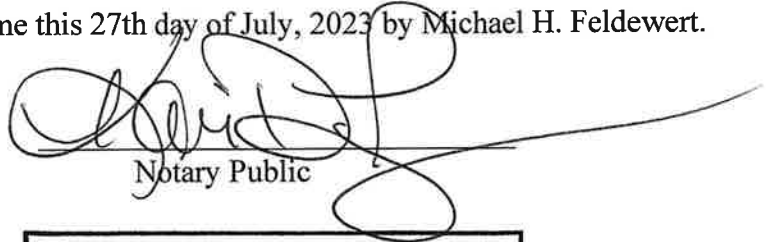
Exhibit No. C

Submitted by: COG Operating LLC

Hearing Date: August 3, 2023

Case No. 23650

SUBSCRIBED AND SWORN to before me this 27th day of July, 2023 by Michael H. Feldewert.



Notary Public

My Commission Expires:

6/28/26





**Adam G. Rankin**  
**Partner**  
**Phone** (505) 988-4421  
**Email** agrankin@hollandhart.com

July 20, 2023

**VIA CERTIFIED MAIL**  
**CERTIFIED RECEIPT REQUESTED**

**TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS**

**Re: Application of COG Operating LLC for Compulsory Pooling and Approval of  
an Overlapping Spacing Unit, Eddy County, New Mexico:**  
*TLC 30 Fed Com #701H-#703H and #801-#804Hwells*

Ladies & Gentlemen:

This letter is to advise you that COG Operating LLC has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on August 3, 2023, and the status of the hearing can be monitored through the Division's website at <https://www.emnrd.nm.gov/ocd/>.

**Due to the remodeling of the state building where the New Mexico Oil Conservation is located, hearings will be conducted remotely beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>.**

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 to file a Pre-hearing Statement four business days in advance of a scheduled hearing that complies with the provisions of NMAC 19.15.4.13.B.

If you have any questions about this matter, please contact Shelley Klingler, at (432) 688-9027 or [Shelley.C.Klingler@conocophillips.com](mailto:Shelley.C.Klingler@conocophillips.com).

Sincerely,

A handwritten signature in blue ink, appearing to read "A.G. Rankin", with a long horizontal flourish extending to the right.

Adam G. Rankin  
**ATTORNEY FOR COG OPERATING LLC**

T 505.988.4421 F 505.983.6043  
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849  
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208  
[www.hollandhart.com](http://www.hollandhart.com)

Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming

COG Operating LLC - TLC 701H-703H 801H-803H Case no. 23650  
Postal Delivery Report

Tracking Number	Recipient	Status
921489019403832332485	Devon Energy Production Co L P Attn: Jake Nourse 333 W Sheridan Avenue Oklahoma City OK 73102	In-Transit
921489019403832332486	Mewbourne Oil Company Attn: Land Dept 500 W Texas Avenue Midland TX 79701	In-Transit