



**Before the Oil Conservation Division
Mercury State Com Wells 703H, 704H & 705H**

Case No. 21668

Hearing on March 4, 2021

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

**APPLICATION OF COG OPERATING LLC
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 21668

TABLE OF CONTENTS

- Application
- Compulsory Pooling Application Checklist
- COG Exhibit 1 – Self Affirmed Statement of Lizzy Laufer
 - Attachment A – C-102’s
 - Attachment B – Land Exhibit
 - Attachment C – Well Proposal Letter and AFE’s
- COG Exhibit 2 – Self Affirmed Statement of Travis Sparks
 - Attachment D – Location Map
 - Attachment E – Structure Map
 - Attachment F – Cross Section Location Map
 - Attachment G – Stratigraphic Cross Section Map
- COG Exhibit 3 – Notice of Affidavit and Notice of Publication

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 21668	APPLICANT'S RESPONSE
Date: March 4, 2021	
Applicant	COG Operating LLC
Designated Operator & OGRID (affiliation if applicable)	OGRID #229137
Applicant's Counsel:	Ocean Munds-Dry
Case Title:	Application of COG Operating LLC for Compulsory Pooling, Eddy County, New Mexico.
Entries of Appearance/Intervenors:	EOG Resources, Inc. (Lance D. Hough/Modrall)
Well Family	Mercury
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Wolfcamp A
Pool Name and Pool Code:	Purple Sage; Wolfcamp
Well Location Setback Rules:	Purple Sage;Wolfcamp
Spacing Unit Size:	Approx. 958.16 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal (3 mile)
Size (Acres)	Approx. 958.16 Acres
Building Blocks:	Quarter-quarter
Orientation:	South to North
Description: TRS/County	Lots 1, 2, 3, 4, E2W2 [W2] of Sections 6, 7 and 18, Township 26 South, Range 28 East, NMPM, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	See Exhibit 1, Attachment B

Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	See Exhibit 1, Attachment A
Well #1	Mercury State Com #704H (API 30-015-47523) SHL: 220 FSL & 1455 FWL, S18-T26S-Range28E BHL:50 FNL & 2090 FWL, S6-T26S-R28E Completion Target: Wolfcamp Formation (Approx TVD 9286) Completion Status: Non-Standard
Well #2	Mercury State Com #705H (API 30-015-447524) SHL: 220 FSL & 1425 FWL, S18-T26S-R28E BHL: 50 FNL & 1210 FWL, S6-T26S-R28E Completion Target: Wolfcamp Formation (Approx TVD 9153) Completion Status: Non-Standard
Well #3	Mercury State Com #706H (API 30-015-47525) SHL: 220 FSL & 1395 FWL, S18-T26S-R28E BHL: 50 FNL & 330 FWL, S6-T26S-R28E Completion Target: Wolfcamp Formation (Approx TVD 9257) Completion Status: Non-Standard
Horizontal Well First and Last Take Points	Exhibit 1, Attachment A
Completion Target (Formation, TVD and MD)	Exhibit 2, Attachment G
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit 1, Attachment C
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit 3
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit 3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit 3
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Attachment B

Tract List (including lease numbers and owners)	Attachment B
Pooled Parties (including ownership type)	Attachment B
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Attachment C
List of Interest Owners (ie Exhibit A of JOA)	Attachment B
Chronology of Contact with Non-Joined Working Interests	Exhibit 1
Overhead Rates In Proposal Letter	N/A
Cost Estimate to Drill and Complete	Attachment C
Cost Estimate to Equip Well	Attachment C
Cost Estimate for Production Facilities	Attachment C
Geology	
Summary (including special considerations)	Exhibit 2
Spacing Unit Schematic	Attachment D
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit 2
Target Formation	Wolfcamp
HSU Cross Section	Attachments F and G
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Attachment A
Tracts	Attachment B
Summary of Interests, Unit Recapitulation (Tracts)	Attachment B
General Location Map (including basin)	Attachment B
Well Bore Location Map	Attachment D
Structure Contour Map - Subsea Depth	Attachment E
Cross Section Location Map (including wells)	Attachment F
Cross Section (including Landing Zone)	Attachment G
Additional Information	
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Ocean Munds-Dry
Signed Name (Attorney or Party Representative):	<i>Ocean Munds-Dry</i>
Date:	3/2/2021

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

**APPLICATION OF COG OPERATING LLC
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 21668

APPLICATION

COG OPERATING LLC (“COG”), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of N.M. Stat. Ann. § 70-2-17, for an order pooling all uncommitted interests in the Wolfcamp formation, Purple Sage Wolfcamp Gas Pool (98220), underlying a standard 958.16-acre, more or less, horizontal spacing unit comprised of Lots 1, 2, 3, 4, and the E/2W/2 of Sections 6, 7, and 18, Township 26 South, Range 28 East, NMPM, Eddy County, New Mexico. In support of its application, COG states:

1. COG (OGRID Number 229137) is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.

2. COG proposes to dedicate the above-referenced horizontal spacing unit to the following proposed initial wells, which it proposes to drill simultaneously:

- The **Mercury State Com 704H** well to be horizontally drilled from a surface hole location in the SE/4SW/4 (Unit N) of Section 18 to a bottom hole location in the NE/4NW/4 (Unit C) of Section 6,
- The **Mercury State Com 705H** well to be horizontally drilled from a surface hole location in the SE/4SW/4 (Unit N) of Section 18 to a bottom hole location in the NW/4NW/4 (Lot 1) of Section 6, and

- The **Mercury State Com 706H** well to be horizontally drilled from a surface hole location in the SE/4SW/4 (Unit N) of Section 18 to a bottom hole location in the NW/4NW/4 (Lot 1) of Section 6.

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

4. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

5. In order to permit COG to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the subject spacing unit should be pooled and COG should be designated the operator of the proposed horizontal wells and spacing unit.

WHEREFORE, COG requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 4, 2021, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit;
- B. Approving the initial wells in the horizontal spacing unit;
- C. Designating COG as operator of this spacing unit and the wells to be drilled thereon;
- D. Authorizing COG to recover its costs of drilling, equipping and completing the wells;
- E. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

- F. Imposing a 200% penalty for the risk assumed by COG in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

COG OPERATING LLC

/s/ Michael Rodriguez

Ocean Munds-Dry
Michael Rodriguez
1048 Paseo de Peralta
Santa Fe, New Mexico 87501
(505) 780-8000
omundsdry@concho.com
mrodriguez@concho.com

ATTORNEYS FOR COG OPERATING LLC

CASE _____:

Application of COG Operating LLC for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled causes seeks an order pooling all uncommitted interests in the Wolfcamp formation, Purple Sage Wolfcamp Gas Pool (98220), underlying a standard 958.16-acre, more or less, horizontal spacing unit comprised of Lots 1, 2, 3, 4, and the E/2W/2 of Sections 6, 7, and 18, Township 26 South, Range 28 East, NMPM, Eddy County, New Mexico. COG Operating LLC seeks to dedicate the above-referenced horizontal spacing unit to the following proposed wells:

- The Mercury State Com 704H well to be horizontally drilled from a surface hole location in the SE/4SW/4 (Unit N) of Section 18 to a bottom hole location in the NE/4NW/4 (Unit C) of Section 6,
- The Mercury State Com 705H well to be horizontally drilled from a surface hole location in the SE/4SW/4 (Unit N) of Section 18 to a bottom hole location in the NW/4NW/4 (Lot 1) of Section 6, and
- The Mercury State Com 706H well to be horizontally drilled from a surface hole location in the SE/4SW/4 (Unit N) of Section 18 to a bottom hole location in the NW/4NW/4 (Lot 1) of Section 6.

Also, to be considered will be the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of COG Operating LLC as operator of the wells, and the imposition of 200% charge for risk involved in drilling and completing said wells. Said area is located approximately 10.6 miles south of Malaga, New Mexico.

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

**APPLICATIONS OF COG OPERATING LLC
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

CASE NOS. 21667 & 21668

LANDMAN AFFIDAVIT

Lizzy Laufer, of lawful age and being first duly sworn, declares as follows:

1. My name is Lizzy Laufer, and I am a Landman with COG Operating LLC ("COG"), now a wholly-owned subsidiary of ConocoPhillips.
2. I have testified before the New Mexico Oil Conservation Division ("Division") and my credentials as an expert witness in petroleum land matters and my credentials have been accepted and made a matter of public record.
3. I am familiar with the applications filed by COG in these cases and familiar with the status of the lands in the subject area.
4. None of the parties proposed to be pooled in these cases have indicated opposition to this proceeding, therefore I do not expect any opposition at hearing.
5. COG seeks an order pooling all uncommitted interests in the Wolfcamp formation [Purple Sage Wolfcamp Gas Pool (98220)]:
 - a. In Case No. 21667 underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the E/2 of Sections 7 and 18, Township 26 South, Range 28 East, Eddy County, New Mexico.
 - b. In Case No. 21668 underlying a standard 958.16-acre, more or less, horizontal spacing unit comprised of Lots 1, 2, 3, 4 and the E/2W/2 of Sections 6, 7 and 18, Township 26 South, Range 28 East, Eddy County, New Mexico.
6. In Case No. 21667, COG proposes to dedicate the above-referenced horizontal spacing unit to the following proposed initial wells, which it proposes to drill simultaneously:

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 21667 Exhibit No. 1
Submitted by:
COG OPERATING LLC
Hearing Date: March 4, 2021

- a. **Mercury State Com #701H** to be drilled from a surface hole location in SW/4SE/4 (Unit O) of Section 18 to a bottom hole location in the NE/4NE/4 (Unit A) of Section 7;
 - b. **Mercury State Com #702H** to be drilled from a surface hole location in SW/4SE/4 (Unit O) of Section 18 to a bottom hole location in the NW/4NE/4 (Unit B) of Section 7;
 - c. **Mercury State Com #703H** to be drilled from a surface hole location in SW/4SE/4 (Unit O) of Section 18 to a bottom hole location in the NW/4NE/4 (Unit B) of Section 7;
7. In Case No. 21668, COG proposes to dedicate the above-referenced horizontal spacing unit to the following proposed initial wells, which it proposes to drill simultaneously:
 - a. **Mercury State Com #704H** to be drilled from a surface hole location in SE/4SW/4 (Unit N) of Section 18 to a bottom hole location in the NE/4NW/4 (Unit C) of Section 6;
 - b. **Mercury State Com #705H** to be drilled from a surface hole location in SE/4SW/4 (Unit N) of Section 18 to a bottom hole location in Lot 1, Section 6;
 - c. **Mercury State Com #706H** to be drilled from a surface hole location in SE/4SW/4 (Unit N) of Section 18 to a bottom hole location in Lot 1 of Section 6;
8. **Attachment A** contains Form C-102s for the proposed wells.
9. No ownership depth severances exist within the proposed spacing units, and there are no unleased mineral interests in the subject acreage.
10. **Attachment B** depicts the tracts of land comprising the proposed spacing units in these cases. The proposed spacing units include state lands. It also identifies the interest ownership and interest type by tract. COG seeks to pool all uncommitted interests identified in this attachment.
11. All interest owners that COG seeks to pool are locatable. COG has conducted a diligent search of all public records in Eddy County, including phone directories and computer databases.
12. **Attachment C** contains well proposal letters and AFEs for each well provided to the working interest owners COG is seeking to pool. The costs reflected on each AFE are

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

13. In my opinion, COG has made a diligent effort to reach agreement with the non-joined parties as indicated by the following Chronology of Contact:

- 10/28/2020 – Well proposals and AFEs were sent to all uncommitted working interest owners
- 3Q2020 - Present – Ongoing phone and email communication with OXY Y-1 Company regarding the planned development, proposed JOA and their interest in the unit
- 11/9/20 – Email communication with EOG in regards to technical questions in Mercury projects
- 12/15/20 – COG’s proposed form of JOA and Communitization Agreements sent to all uncommitted working interest owners
- 1/28/2020 – Well Proposal Update sent to all uncommitted working interest owners which provided updated total vertical depth for the proposed wells
- 1/28/21 - Email correspondence with Chevron in regards to their working interest. Provided estimated spud dates and ask them to send any proposed JOA changes
- 2/3/2021 – Lunch with EOG. Discussed Mercury timing and development

14. In my opinion, COG has made a good faith effort to obtain voluntary joinder of the parties it is seeking to pool. If COG reaches an agreement with any of the parties it is seeking to pool before the Division enters an order, I will inform the Division that COG is no longer seeking to pool those parties.

15. COG has estimated the overhead and administrative costs for drilling and producing the proposed wells 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.

16. I have provided COG’s legal counsel a list of names and addresses of the owners COG seeks to pool and instructed that they be notified of this hearing. Additionally, notice of this hearing was timely published in a newspaper of general circulation in Eddy County, New Mexico.

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

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

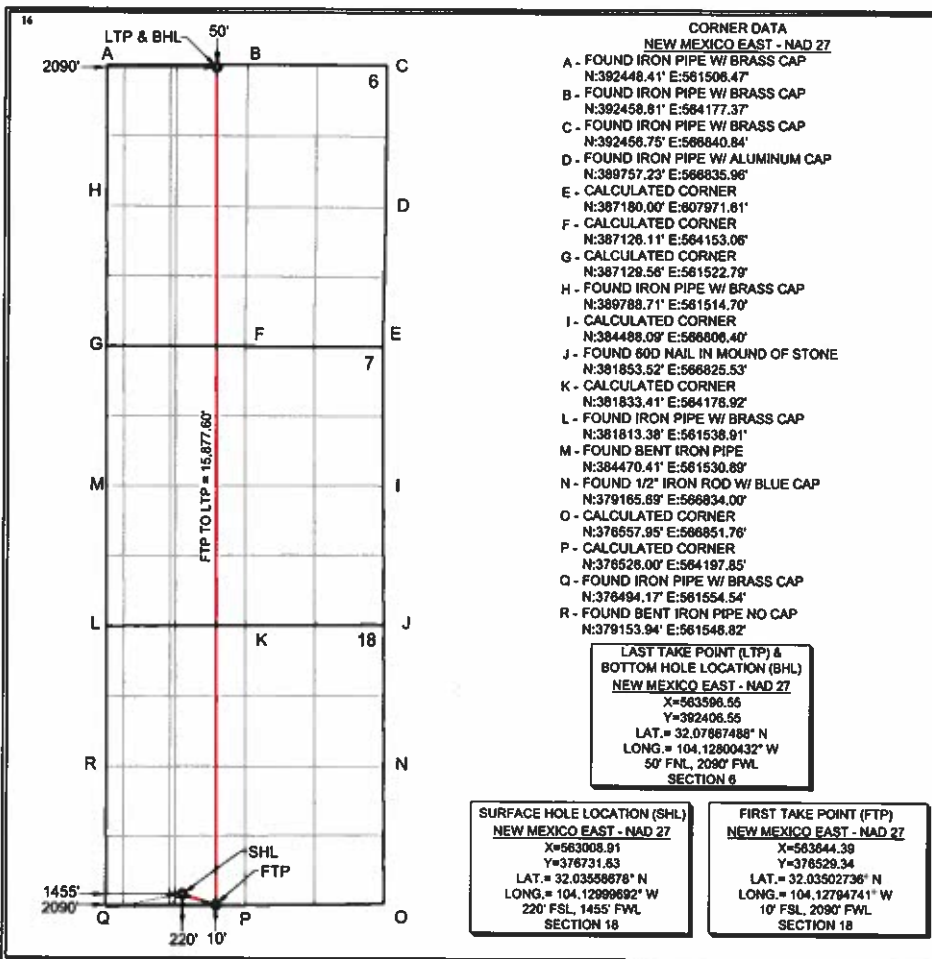
Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name					
4 Property Code		5 Property Name MERCURY STATE COM						6 Well Number 704H	
7 OGRID No.		8 Operator Name COG OPERATING LLC						9 Elevation 3051'	
10 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	18	26-S	28-E		220'	SOUTH	1455'	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
C	6	26-S	28-E		50'	NORTH	2090'	WEST	EDDY
12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code		15 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.



17 OPERATOR CERTIFICATION
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.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 21667 Attachment No. A
Submitted by:
COG OPERATING LLC
Hearing Date: March 4, 2021

18 SURVEYOR CERTIFICATION
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.

Date of Survey _____
Signature and Seal of Professional Surveyor _____
Certificate Number _____

GARRETT J. SMELKER
NEW MEXICO
25036
09/15/2020
PROFESSIONAL SURVEYOR

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

District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name	
4 Property Code		5 Property Name MERCURY STATE COM			6 Well Number 705H
7 OGRID No.		8 Operator Name COG OPERATING LLC			9 Elevation 3051'

" Surface Location

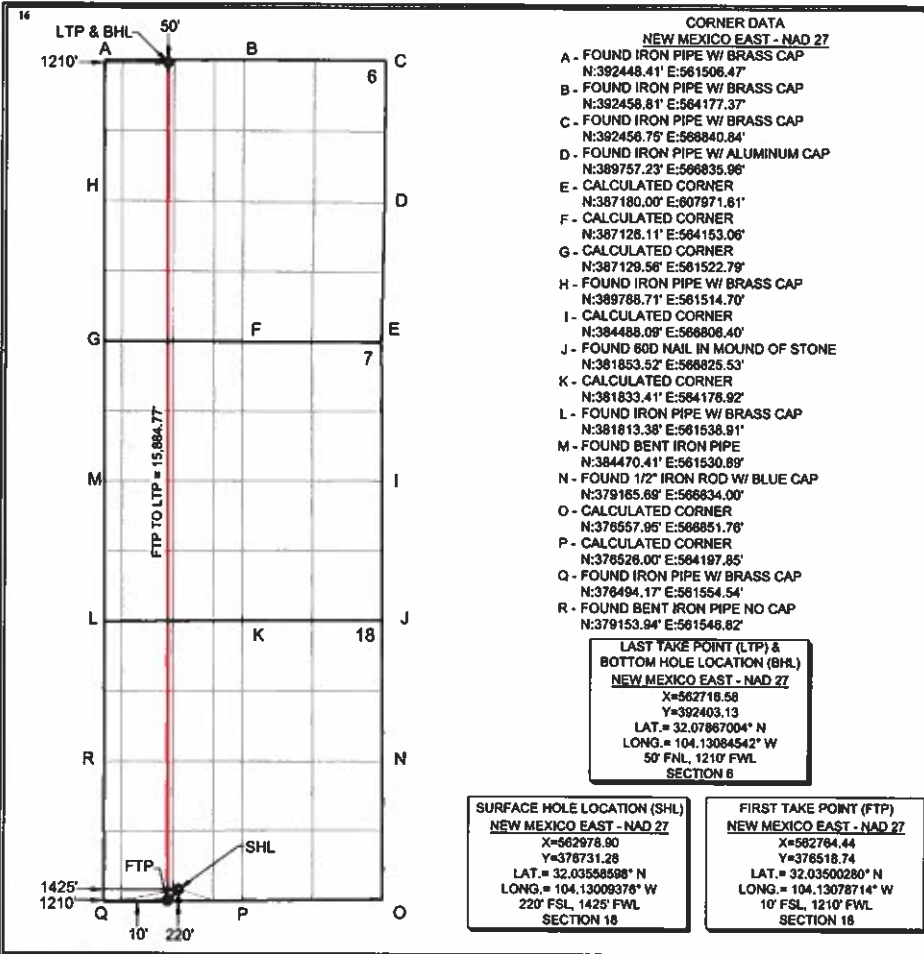
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	18	26-S	28-E		220'	SOUTH	1425'	WEST	EDDY

" 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
L1	6	26-S	28-E		50'	NORTH	1210'	WEST	EDDY

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 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.



17 OPERATOR CERTIFICATION
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.

Signature _____ Date _____

Printed Name _____

E-mail Address _____

" SURVEYOR CERTIFICATION
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.

Date of Survey _____
Signature and Seal of Professional Surveyor _____

GARRETT J. SMELKER
NEW MEXICO
25036
PROFESSIONAL SURVEYOR
09/15/2020

Certificate Number _____

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: (505) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

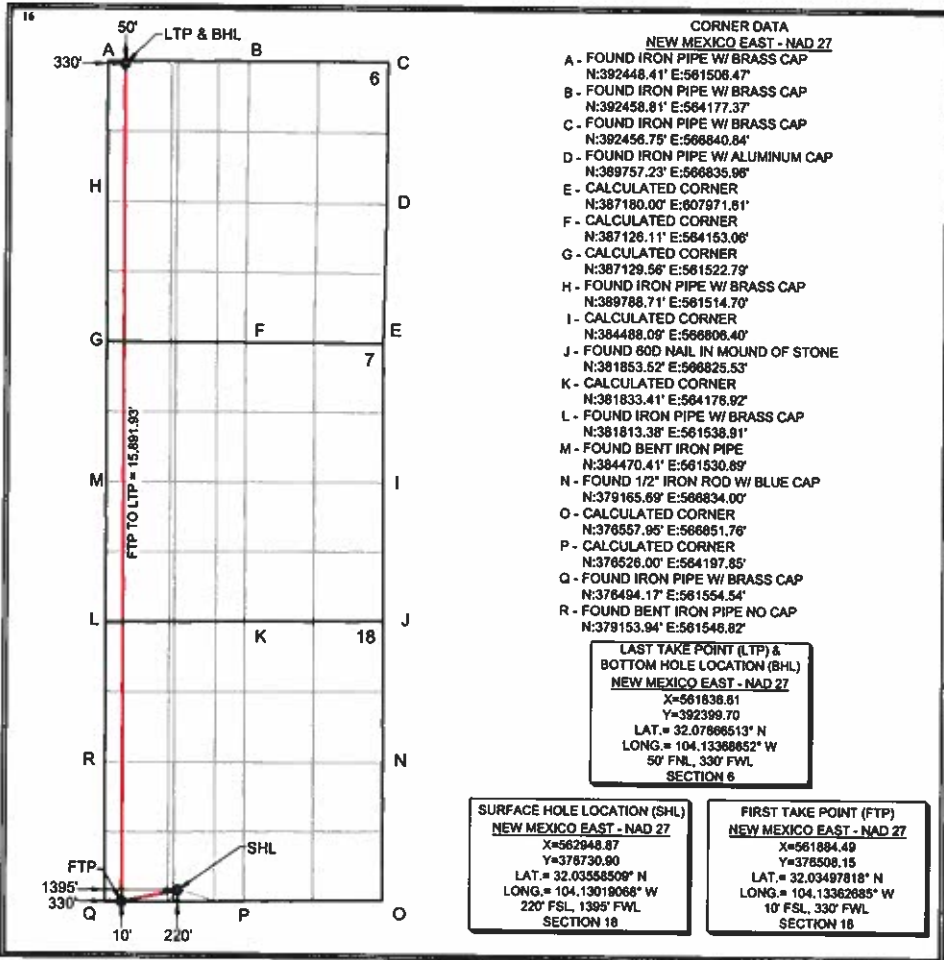
Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name					
4 Property Code		5 Property Name MERCURY STATE COM						6 Well Number 706H	
7 OGRID No.		8 Operator Name COG OPERATING LLC						9 Elevation 3050'	
" Surface Location									
UL or lot no. N	Section 18	Township 26-S	Range 28-E	Lot Idn	Feet from the 220'	North/South line SOUTH	Feet from the 1395'	East/West line WEST	County EDDY
" Bottom Hole Location If Different From Surface									
UL or lot no. L1	Section 6	Township 26-S	Range 28-E	Lot Idn	Feet from the 50'	North/South line NORTH	Feet from the 330'	East/West line WEST	County EDDY
12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code		15 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.



17 OPERATOR CERTIFICATION
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.

Signature _____ Date _____

Printed Name _____

E-mail Address _____

" SURVEYOR CERTIFICATION
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.

Date of Survey _____

Signature and Seal of Professional Surveyor _____

Certificate Number _____

P. GARRETT J. SMELKER
NEW MEXICO
25038
09/15/2020
PROFESSIONAL SURVEYOR

TRACT 1 STATE OF NM V0-7464-1 319.76 AC	TRACT 2 STATE OF NM V0-7442-2 319.12 AC	TRACT 3 STATE OF NM V0-7471-1 319.28 AC
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TRACT 1 STATE OF NM V0-7464-1 319.76 AC	TRACT 2 STATE OF NM V0-7442-2 319.12 AC	TRACT 3 STATE OF NM V0-7471-1 319.28 AC
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WORKING INTEREST OWNER	TRACT 1	TRACT 2	TRACT 3	UNIT RECAP
COG OPERATING LLC	0.22596148	0.225509217	0.158280454	0.609751151
CONCHO OIL & GAS LLC	0.003991113	0.003983125	0.00833055	0.016304788
EOG RESOURCES, INC.	0.089562358	0.089383099	0.149949504	0.328895361
OXY Y-1 COMPANY	0.014208018	0.014179581	0.0166611	0.045048700
	TOTAL			1.00000000

PARTIES TO POOL	
EOG RESOURCES, INC. 5509 Champions Blvd. Midland, TX 79706	WI/RT
OXY Y-1 COMPANY 5 Greenway Plaza, Suite 110 Houston, TX 77046	WI

Well proposal sent	YES
Communitization Agreement sent	YES
Joint Operating Agreement sent	YES

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Case No. 21667 Attachment No. B
 Submitted by:
COG OPERATING LLC
 Hearing Date: March 4, 2021



October 28, 2020

Via CMRRR No. 9489 0090 0027 6245 1430 65
and electronic mail to Courtney_carr@oxy.com

OXY Y-1 Company
5 Greenway Plaza, Suite 110
Houston, TX 77046
Attn: Courtney Carr

Re: **E/2 & W/2 Mercury State Com Units**
Mercury State Com 701H-703H
E/2 Sections 7 & 18, T26S-R28E
Mercury State Com 704H-706H
W/2 Sections 6, 7 & 18, T26S-R28E
Eddy County, New Mexico

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 21667 Attachment No. C
Submitted by:
COG OPERATING LLC
Hearing Date: March 4, 2021

Dear Courtney:

COG Operating, LLC ("COG"), as Operator, hereby proposes the drilling of the following horizontal wells:

E/2 MERCURY STATE COM UNIT

The following wells will have productive laterals located in the E/2 of Sections 7 and 18, Township 26 South, Range 28 East, Eddy County, New Mexico. The surface pad locations will be located in Unit O of Section 18, T26S-R28E (subject to change).

- **Mercury State Com 701H**, to be drilled to a depth sufficient to test the Wolfcamp A formation at an approximate total vertical depth of 9,190'. The surface location for this well is proposed at a legal location in Unit O of Section 18, and a bottom hole location at a legal location in Unit A of Section 7. The dedicated horizontal spacing unit will be the E/2 of Sections 7 & 18, T26S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$7,896,000.00, as shown on the attached Authority for Expenditure ("AFE").
- **Mercury State Com 702H**, to be drilled to a depth sufficient to test the Wolfcamp A formation at an approximate total vertical depth of 9,190'. The surface location for this well is proposed at a legal location in Unit O of Section 18, and a bottom hole location at a legal location in Unit B of Section 7. The dedicated horizontal spacing unit will be the E/2 of Sections 7 & 18, T26S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$7,896,000.00, as shown on the attached AFE.
- **Mercury State Com 703H**, to be drilled to a depth sufficient to test the Wolfcamp A formation at an approximate total vertical depth of 9,190'. The surface location for this well is proposed at a legal location in Unit O of Section 18, and a bottom hole location at a legal location in Unit B of Section 7. The dedicated horizontal spacing unit will be the E/2 of Sections 7 & 18, T26S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$7,896,000.00, as shown on the attached AFE.

October 28, 2020
E/2 & W/2 Mercury State Com Units

W/2 MERCURY STATE COM UNIT

The following wells will have productive laterals located in the W/2 of Sections 6, 7 and 18, Township 26 South, Range 28 East, Eddy County, New Mexico. The surface pad locations will be located in Unit N of Section 18, T26S-R28E (subject to change).

- **Mercury State Com 704H**, to be drilled to a depth sufficient to test the Wolfcamp A formation at an approximate total vertical depth of 9,190'. The surface location for this well is proposed at a legal location in Unit N of Section 18, and a bottom hole location at a legal location in Unit C of Section 6. The dedicated horizontal spacing unit will be the W/2 of Sections 6, 7 & 18, T26S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$10,622,000.00, as shown on the attached Authority for Expenditure ("AFE").
- **Mercury State Com 705H**, to be drilled to a depth sufficient to test the Wolfcamp A formation at an approximate total vertical depth of 9,190'. The surface location for this well is proposed at a legal location in Unit N of Section 18, and a bottom hole location at a legal location in Lot 1 of Section 6. The dedicated horizontal spacing unit will be the W/2 of Sections 6, 7 & 18, T26S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$10,622,000.00, as shown on the attached AFE.
- **Mercury State Com 706H**, to be drilled to a depth sufficient to test the Wolfcamp A formation at an approximate total vertical depth of 9,190'. The surface location for this well is proposed at a legal location in Unit N of Section 18, and a bottom hole location at a legal location in Lot 1 of Section 6. The dedicated horizontal spacing unit will be the W/2 of Sections 6, 7 & 18, T26S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$10,622,000.00, as shown on the attached AFE.

COG is proposing to drill these wells under the terms of two new Operating Agreements which will follow under separate cover.

In the interest of time, if we do not reach an agreement within 30 days of the date of this letter, COG will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a 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 elaufer@concho.com. Should you have any questions, please do not hesitate to contact me at 432.221.0470.

Sincerely,

COG Operating LLC

Lizzy Laufer
Landman II

LL:bh
Enc

October 28, 2020
E/2 & W/2 Mercury State Com Units

Please Indicate your election below:

<u>WELL NAME</u>	<u>PARTICIPATE</u> Elect to participate in drilling & completion of well	<u>DO NOT PARTICIPATE</u> Elect NOT to participate in drilling & completion of well
Mercury State Com 701H		
Mercury State Com 702H		
Mercury State Com 703H		
Mercury State Com 704H		
Mercury State Com 705H		
Mercury State Com 706H		

OXY Y-1 COMPANY

By: _____

Name: _____

Title: _____

Date: _____

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
Drill & Complete**

Well Name MERCURY STATE COM 701H
BHL SEC 18: 220 FSL, 1400 FEL, OR UNIT O
BHL SEC 7: 50 FNL, 550 FEL, OR UNIT A
Formation WOLFCAMP A
Legal 7 & 18, T26S-R28E
AFE Numbers

Prospect ATLAS 2628
State & County NEW MEXICO, EDDY
Objective DRILL & COMPLETE
Depth 19,000
TVD 9,190

Cost Description	Code	Pre-Bud (PB)	Pre-Set Casing (PC)	Drilling (DR)	Completions (C)	Tank Btry Constrcn (TB)	Pmpq Equip (PEQ)	Revision	Total
Intangible Costs									
D-Loins/Pits/Roads	205			\$ 89,000.00					\$ 89,000.00
D-Drilling Overhead	208			\$ 7,000.00					\$ 7,000.00
D-Daywork Contract	209			\$ 484,000.00					\$ 484,000.00
D-Directional Drig Services	210			\$ 256,000.00					\$ 256,000.00
D-Fuel & Power	211			\$ 84,000.00					\$ 84,000.00
D-Water	212			\$ 70,000.00					\$ 70,000.00
D-Bits	213			\$ 89,000.00					\$ 89,000.00
D-Mud & Chemicals	214			\$ 182,000.00					\$ 182,000.00
D-Cement Surface	217			\$ 18,000.00					\$ 18,000.00
D-Cement Intermed	218			\$ 70,000.00					\$ 70,000.00
D-Frac 2nd Int Cmt	219			\$ 103,000.00					\$ 103,000.00
D-Floot Equipment & Centralizers	221			\$ 56,000.00					\$ 56,000.00
D-Csg Crews & Equip	222			\$ 81,000.00					\$ 81,000.00
D-Contract Labor	225			\$ 7,000.00					\$ 7,000.00
D-Company Sprvsn	226			\$ 41,000.00					\$ 41,000.00
D-Contract Sprvsn	227			\$ 101,000.00					\$ 101,000.00
D-Tstg Csg/Tbg	228			\$ 38,000.00					\$ 38,000.00
D-Mud Logging Unit	229			\$ 38,000.00					\$ 38,000.00
D-Rentals-Surface	235			\$ 157,000.00					\$ 157,000.00
D-Rentals-Subsfc	236			\$ 73,000.00					\$ 73,000.00
D-Trucking/Forklift/Rig Mob	237			\$ 150,000.00					\$ 150,000.00
D-Welding Services	238			\$ 3,000.00					\$ 3,000.00
D-Contingency	243			\$ 56,000.00					\$ 56,000.00
D-Environ/Cldd Loop	244			\$ 247,000.00					\$ 247,000.00
C-Wellbore Frac Prep	304			\$ 95,000.00					\$ 95,000.00
C-Lcn/Pits/Roads	305			\$ 10,000.00					\$ 10,000.00
C-Completion OH	308			\$ 15,000.00					\$ 15,000.00
C-Frac Equipment	307			\$ 648,000.00					\$ 648,000.00
C-Frac Chemicals	308			\$ 410,000.00					\$ 410,000.00
C-Frac Proppant	309			\$ 186,000.00					\$ 186,000.00
C-Frac Proppant Transportation	310			\$ 289,000.00					\$ 289,000.00
C-Fuel Delivery & Services	311			\$ 42,000.00					\$ 42,000.00
C-Water	312			\$ 273,000.00					\$ 273,000.00
C-Frac Surface Rentals	315			\$ 258,000.00					\$ 258,000.00
C-Contract Labor	325			\$ 10,000.00					\$ 10,000.00
C-Company Sprvsn	326			\$ 10,000.00					\$ 10,000.00
C-Contract Sprvsn	327			\$ 138,000.00					\$ 138,000.00
C-Artificial Lift Install	329			\$ 45,000.00					\$ 45,000.00
C-Perf/Wireline Svc	331			\$ 317,000.00					\$ 317,000.00
C-Trucking/Forklift/Rig Mob	337			\$ 10,000.00					\$ 10,000.00
C-Water Disposal	339			\$ 40,000.00					\$ 40,000.00
C-Contingency	343			\$ 74,000.00					\$ 74,000.00
C-Dyed Diesel	345			\$ 155,000.00					\$ 155,000.00
C-Drillout	348			\$ 295,000.00					\$ 295,000.00
TB-Damages/Right of Way	351					\$ 2,000.00			\$ 2,000.00
TB-Location/Pits/Roads	353					\$ 34,000.00			\$ 34,000.00
TB-Contract Labor	356					\$ 180,000.00			\$ 180,000.00
PEQ-Contract Labor	374						\$ 39,000.00		\$ 39,000.00
PEQ-Water Disposal	387						\$ 179,000.00		\$ 179,000.00
PEQ-HRZ Well Offset Frac	391						\$ 18,000.00		\$ 18,000.00
Total Intangible Costs		\$ -	\$ -	\$ 2,482,000.00	\$ 3,318,000.00	\$ 216,000.00	\$ 236,000.00		\$ 6,262,000.00
Tangible Costs									
PEQ-Flowback Crews & Equip	392						\$ 108,000.00		\$ 108,000.00
D-Surface Casing	401			\$ 20,000.00					\$ 20,000.00
D-Intermed Csg	402			\$ 155,000.00					\$ 155,000.00
D-Production Casing/Liner	403			\$ 385,000.00					\$ 385,000.00
D-Wellhead Equip	405			\$ 70,000.00					\$ 70,000.00
C-Tubing	504			\$ 52,000.00					\$ 52,000.00
C-Wellhead Equip	505			\$ 28,000.00					\$ 28,000.00
TB-Tanks	510					\$ 58,000.00			\$ 58,000.00
TB-Flowlines/Pipelines	511					\$ 26,000.00			\$ 26,000.00
TB-Htr Trn/Seprtr	512					\$ 185,000.00			\$ 185,000.00
TB-Electrical System/Equipment	513					\$ 114,000.00			\$ 114,000.00
C-Pckrs/Anchors/Hgts	514			\$ 64,000.00					\$ 64,000.00
TB-Couplings/Fittings/Valves	515					\$ 192,000.00			\$ 192,000.00
TB-Pumps-Surface	521					\$ 26,000.00			\$ 26,000.00
TB-Instrumentation/SCADA/POC	522					\$ 20,000.00			\$ 20,000.00
TB-Miscellaneous	523					\$ 20,000.00			\$ 20,000.00
TB-Meters/Lects	525					\$ 28,000.00			\$ 28,000.00
TB-Flares/Combustors/Emission	528					\$ 31,000.00			\$ 31,000.00
C-Gas LR/Compression	527			\$ 25,000.00					\$ 25,000.00
PEQ-Wellhead Equipment	531						\$ 39,000.00		\$ 39,000.00
Total Tangible Costs		\$ -	\$ -	\$ 830,000.00	\$ 189,000.00	\$ 698,000.00	\$ 147,000.00		\$ 1,864,000.00
Total Gross Cost		\$ -	\$ -	\$ 3,312,000.00	\$ 3,487,000.00	\$ 914,000.00	\$ 383,000.00		\$ 7,896,000.00

Note: 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 MERCURY STATE COM 702H
SHL SEC 18: 220 FSL, 1430 FEL, OR UNIT O
BHL SEC 7: 50 FNL, 1430 FEL, OR UNIT B
Formation WOLFCAMP A
Legal 7 & 18, T26S-R28E

Prospect ATLAS 2626
State & County NEW MEXICO, EDDY
Objective DRILL & COMPLETE
Depth 19,000
TVD 9,190

AFE Numbers

Cost Description	Code	PreSpud (PS)	Pre-Set Casing(PC)	Drilling (DR)	Completions (C)	Tank Bty Constrcn(TB)	Pmpq Equip (PEQ)	Revision	Total
Intangible Costs									
D-Lcns/Pits/Roads	205			\$ 89,000.00			\$ -		\$ 89,000.00
D-Drilling Overhead	206			\$ 7,000.00			\$ -		\$ 7,000.00
D-Daywork Contract	209			\$ 484,000.00			\$ -		\$ 484,000.00
D-Directional Drig Services	210			\$ 258,000.00			\$ -		\$ 258,000.00
D-Fuel & Power	211			\$ 84,000.00			\$ -		\$ 84,000.00
D-Water	212			\$ 70,000.00			\$ -		\$ 70,000.00
D-Bits	213			\$ 89,000.00			\$ -		\$ 89,000.00
D-Mud & Chemicals	214			\$ 182,000.00			\$ -		\$ 182,000.00
D-Cement Surface	217			\$ 18,000.00			\$ -		\$ 18,000.00
D-Cement Intermed	218			\$ 70,000.00			\$ -		\$ 70,000.00
D-Prod-2nd Int Cmt	219			\$ 103,000.00			\$ -		\$ 103,000.00
D-Float Equipment & Centralizers	221			\$ 56,000.00			\$ -		\$ 56,000.00
D-Csg Crews & Equip	222			\$ 61,000.00			\$ -		\$ 61,000.00
D-Contract Labor	225			\$ 7,000.00			\$ -		\$ 7,000.00
D-Company Sprvsn	226			\$ 41,000.00			\$ -		\$ 41,000.00
D-Contract Sprvsn	227			\$ 101,000.00			\$ -		\$ 101,000.00
D-Tstg Csg/Tbg	228			\$ 38,000.00			\$ -		\$ 38,000.00
D-Mud Logging Unit	229			\$ 38,000.00			\$ -		\$ 38,000.00
D-Rentals-Surface	235			\$ 157,000.00			\$ -		\$ 157,000.00
D-Rentals-Subsrfc	236			\$ 73,000.00			\$ -		\$ 73,000.00
D-Trucking/Forklift/Rig Mob	237			\$ 150,000.00			\$ -		\$ 150,000.00
D-Welding Services	238			\$ 3,000.00			\$ -		\$ 3,000.00
D-Contingency	243			\$ 58,000.00			\$ -		\$ 58,000.00
D-Environmt/Clad Loop	244			\$ 247,600.00			\$ -		\$ 247,600.00
C-Wellbore Frac Prep	304				\$ 95,000.00		\$ -		\$ 95,000.00
C-Lcns/Pits/Roads	305			\$ 10,000.00			\$ -		\$ 10,000.00
C-Completion OH	306			\$ 15,000.00			\$ -		\$ 15,000.00
C-Frac Equipment	307			\$ 648,000.00			\$ -		\$ 648,000.00
C-Frac Chemicals	308			\$ 410,000.00			\$ -		\$ 410,000.00
C-Frac Proppant	309			\$ 188,000.00			\$ -		\$ 188,000.00
C-Frac Proppant Transportation	310			\$ 289,000.00			\$ -		\$ 289,000.00
C-Fuel Delivery & Services	311			\$ 42,000.00			\$ -		\$ 42,000.00
C-Water	312			\$ 273,000.00			\$ -		\$ 273,000.00
C-Frac Surface Rentals	316			\$ 258,000.00			\$ -		\$ 258,000.00
C-Contract Labor	325			\$ 10,000.00			\$ -		\$ 10,000.00
C-Company Sprvsn	326			\$ 10,000.00			\$ -		\$ 10,000.00
C-Contract Sprvsn	327			\$ 138,000.00			\$ -		\$ 138,000.00
C-Artificial Lift Install	329			\$ 45,000.00			\$ -		\$ 45,000.00
C-Perf/Wireline Svc	331			\$ 317,000.00			\$ -		\$ 317,000.00
C-Trucking/Forklift/Rig Mob	337			\$ 10,000.00			\$ -		\$ 10,000.00
C-Water Disposal	339			\$ 40,000.00			\$ -		\$ 40,000.00
C-Contingency	343			\$ 74,000.00			\$ -		\$ 74,000.00
C-Dyed Diesel	345			\$ 155,000.00			\$ -		\$ 155,000.00
C-Drillout	348			\$ 295,000.00			\$ -		\$ 295,000.00
TB-Damages/Right of Way	351					\$ 2,000.00	\$ -		\$ 2,000.00
TB-Location/Pits/Roads	353					\$ 34,000.00	\$ -		\$ 34,000.00
TB-Contract Labor	356					\$ 180,000.00	\$ -		\$ 180,000.00
PEQ-Contract Labor	374						\$ 39,000.00		\$ 39,000.00
PEQ-Water Disposal	387						\$ 179,000.00		\$ 179,000.00
PEQ-HRZ Well Offset Frac	391						\$ 18,000.00		\$ 18,000.00
Total Intangible Costs		\$ -	\$ -	\$ 2,442,000.00	\$ 3,318,000.00	\$ 216,000.00	\$ 238,000.00	\$ -	\$ 6,204,000.00
Tangible Costs									
PEQ-Flowback Crews & Equip	392						\$ 108,000.00	\$ -	\$ 108,000.00
D-Surface Casing	401			\$ 20,000.00			\$ -		\$ 20,000.00
D-Intermed Csg	402			\$ 155,000.00			\$ -		\$ 155,000.00
D-Production Casing/Liner	403			\$ 385,000.00			\$ -		\$ 385,000.00
D-Wellhead Equip	405			\$ 70,000.00			\$ -		\$ 70,000.00
C-Tubing	504			\$ 52,000.00			\$ -		\$ 52,000.00
C-Wellhead Equip	505			\$ 28,000.00			\$ -		\$ 28,000.00
TB-Tanks	510					\$ 58,000.00	\$ -		\$ 58,000.00
TB-Flowlines/Pipelines	511					\$ 26,000.00	\$ -		\$ 26,000.00
TB-Hr Trn/Seprtr	512					\$ 185,000.00	\$ -		\$ 185,000.00
TB-Electrical System/Equipment	513					\$ 114,000.00	\$ -		\$ 114,000.00
C-Picrs/Anchors/Hgrs	514			\$ 64,000.00			\$ -		\$ 64,000.00
TB-Couplings/Fittings/Valves	515					\$ 182,000.00	\$ -		\$ 182,000.00
TB-Pumps-Surface	521					\$ 26,000.00	\$ -		\$ 26,000.00
TB-Instrumentation/SCADA/POC	522					\$ 20,000.00	\$ -		\$ 20,000.00
TB-Miscellaneous	523					\$ 20,000.00	\$ -		\$ 20,000.00
TB-Meters/Lcts	525					\$ 20,000.00	\$ -		\$ 20,000.00
TB-Flares/Combustlers/Emission	528					\$ 26,000.00	\$ -		\$ 26,000.00
C-Gas Lift/Compression	527					\$ 31,000.00	\$ -		\$ 31,000.00
PEQ-Wellhead Equipment	531			\$ 25,000.00			\$ -		\$ 25,000.00
Total Tangible Costs		\$ -	\$ -	\$ 630,000.00	\$ 169,000.00	\$ 698,000.00	\$ 147,000.00	\$ -	\$ 1,644,000.00
Total Gross Cost		\$ -	\$ -	\$ 3,112,000.00	\$ 3,487,000.00	\$ 914,000.00	\$ 385,000.00	\$ -	\$ 7,999,000.00

Note: 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 MERCURY STATE COM 703H
SHL SEC 18: 220 FSL, 1460 FEL, OR UNIT O
BHL SEC 7: 50 FNL, 2310 FEL, OR UNIT B
Formation WOLFCAMP A
Legal 7 & 18, T26S-R28E
AFE Numbers

Prospect ATLAS 2628
State & County NEW MEXICO, EDDY
Objective DRILL & COMPLETE
Depth 19,000
TVD 9,190

Cost Description	Code	Pre-Bud (PB)	Pre-Set Casing (PC)	Drilling (DR)	Completions (C)	Tank Btry Constrctn (TB)	Pmpq Equip (PEQ)	Revision	Total
Intangible Costs									
D-Loth/Pits/Roads	205			\$ 89,000.00					\$ 89,000.00
D-Drilling Overhead	206			\$ 7,000.00					\$ 7,000.00
D-Daywork Contract	209			\$ 484,000.00					\$ 484,000.00
D-Directional Drig Services	210			\$ 256,000.00					\$ 256,000.00
D-Fuel & Power	211			\$ 84,000.00					\$ 84,000.00
D-Water	212			\$ 70,000.00					\$ 70,000.00
D-Bits	213			\$ 69,000.00					\$ 69,000.00
D-Mud & Chemicals	214			\$ 182,000.00					\$ 182,000.00
D-Cement Surface	217			\$ 18,000.00					\$ 18,000.00
D-Cement Intermed	218			\$ 70,000.00					\$ 70,000.00
D-Prod-2nd tier Cmt	219			\$ 103,000.00					\$ 103,000.00
D-Float Equipment & Centralizers	221			\$ 56,000.00					\$ 56,000.00
D-Cag Crews & Equip	222			\$ 61,000.00					\$ 61,000.00
D-Contract Labor	225			\$ 7,000.00					\$ 7,000.00
D-Company Sprvsn	226			\$ 41,000.00					\$ 41,000.00
D-Contract Sprvsn	227			\$ 101,000.00					\$ 101,000.00
D-Tslg Csg/Tbg	228			\$ 38,000.00					\$ 38,000.00
D-Mud Logging Unit	229			\$ 38,000.00					\$ 38,000.00
D-Rentals-Surface	235			\$ 157,000.00					\$ 157,000.00
D-Rentals-Subsrtc	236			\$ 73,000.00					\$ 73,000.00
D-Trucking/Forklift/Rtg Mob	237			\$ 150,000.00					\$ 150,000.00
D-Welding Services	238			\$ 3,000.00					\$ 3,000.00
D-Contingency	243			\$ 58,000.00					\$ 58,000.00
D-Envmntl/Cost Loop	244			\$ 247,000.00					\$ 247,000.00
C-Wellbore Frac Prep	304			\$ 95,000.00					\$ 95,000.00
C-Loth/Pits/Roads	305			\$ 10,000.00					\$ 10,000.00
C-Completion Crt	306			\$ 15,000.00					\$ 15,000.00
C-Frac Equipment	307			\$ 648,000.00					\$ 648,000.00
C-Frac Chemicals	308			\$ 410,000.00					\$ 410,000.00
C-Frac Proppant	309			\$ 186,000.00					\$ 186,000.00
C-Frac Proppant Transportation	310			\$ 289,000.00					\$ 289,000.00
C-Fuel Delivery & Services	311			\$ 42,000.00					\$ 42,000.00
C-Water	312			\$ 273,000.00					\$ 273,000.00
C-Frac Surface Rentals	315			\$ 258,000.00					\$ 258,000.00
C-Contract Labor	325			\$ 10,000.00					\$ 10,000.00
C-Company Sprvsn	326			\$ 10,000.00					\$ 10,000.00
C-Contract Sprvsn	327			\$ 138,000.00					\$ 138,000.00
C-Artificial Lift Install	329			\$ 45,000.00					\$ 45,000.00
C-Perf/Wireline Svc	331			\$ 317,000.00					\$ 317,000.00
C-Trucking/Forklift/Rtg Mob	337			\$ 10,000.00					\$ 10,000.00
C-Water Disposal	339			\$ 40,000.00					\$ 40,000.00
C-Contingency	343			\$ 74,000.00					\$ 74,000.00
C-Dyed Diesel	345			\$ 155,000.00					\$ 155,000.00
C-Drillout	346			\$ 295,000.00					\$ 295,000.00
TB-Damages/Right of Way	351					\$ 2,000.00			\$ 2,000.00
TB-Location/Pits/Roads	353					\$ 34,000.00			\$ 34,000.00
TB-Contract Labor	356					\$ 180,000.00			\$ 180,000.00
PEQ-Contract Labor	374						\$ 39,000.00		\$ 39,000.00
PEQ-Water Disposal	387						\$ 179,000.00		\$ 179,000.00
PEQ-HRZ Well Offset Frac	381						\$ 18,000.00		\$ 18,000.00
Total Intangible Costs		\$ -	\$ -	\$ 2,482,000.00	\$ 3,318,000.00	\$ 216,000.00	\$ 236,000.00		\$ 6,262,000.00
Tangible Costs									
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D-Intermed Cag	402			\$ 155,000.00					\$ 155,000.00
D-Production Casing/Liner	403			\$ 385,000.00					\$ 385,000.00
D-Wellhead Equip	405			\$ 70,000.00					\$ 70,000.00
C-Tubing	504			\$ 52,000.00					\$ 52,000.00
C-Wellhead Equip	505			\$ 28,000.00					\$ 28,000.00
TB-Tanks	510					\$ 58,000.00			\$ 58,000.00
TB-Flowlines/Pipelines	511					\$ 28,000.00			\$ 28,000.00
TB-Htr Ttr/Seprtr	512					\$ 185,000.00			\$ 185,000.00
TB-Electrical System/Equipment	513					\$ 114,000.00			\$ 114,000.00
C-Pckrs/Anchors/Htrs	514			\$ 64,000.00					\$ 64,000.00
TB-Couplings/Fittings/Valves	515					\$ 182,000.00			\$ 182,000.00
TB-Pumps-Surface	521					\$ 28,000.00			\$ 28,000.00
TB-Instrumentation/SCADA/POC	522					\$ 20,000.00			\$ 20,000.00
TB-Miscellaneous	523					\$ 20,000.00			\$ 20,000.00
TB-Meters/Lacts	525					\$ 28,000.00			\$ 28,000.00
TB-Flares/Combustors/Emission	526					\$ 31,000.00			\$ 31,000.00
C-Gas Lift/Compression	527			\$ 25,000.00					\$ 25,000.00
PEQ Wellhead Equipment	531						\$ 39,000.00		\$ 39,000.00
Total Tangible Costs		\$ -	\$ -	\$ 630,000.00	\$ 188,000.00	\$ 698,000.00	\$ 147,000.00		\$ 1,644,000.00
Total Gross Cost		\$ -	\$ -	\$ 3,112,000.00	\$ 3,487,000.00	\$ 914,000.00	\$ 383,000.00		\$ 7,896,000.00

Note: 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 MERCURY STATE COM 704H
 SHL 18: 220 FSL, 1455 FWL, OR UNIT N
 BHL 8: 50 FNL, 2090 FWL, OR UNIT C
 Formation WOLFCAMP A
 Legal 6, 7 & 18, T266-R28E
 AFE Numbers

Prospect ATLAS 2626
 State & County NEW MEXICO, EDDY
 Objective DRILL & COMPLETE
 Depth 24,000
 TVD 9,190

Cost Description	Code	PreSgud (PS)	Pre-Set Casing(PC)	Drilling (DR)	Completions (C)	Tank Btty Constrctn(TB)	Pmpq Equip (PEQ)	Revision	Total
Intangible Costs									
D-LoIn/Pits/Roads	205			\$ 121,000.00					\$ 121,000.00
D-Drilling Overhead	208			\$ 10,000.00					\$ 10,000.00
D-Daywork Contract	209			\$ 655,000.00					\$ 655,000.00
D-Directional Drig Services	210			\$ 349,000.00					\$ 349,000.00
D-Fuel & Power	211			\$ 113,000.00					\$ 113,000.00
D-Water	212			\$ 95,000.00					\$ 95,000.00
D-Bits	213			\$ 121,000.00					\$ 121,000.00
D-Mud & Chemicals	214			\$ 246,000.00					\$ 246,000.00
D-Cement Surface	217			\$ 25,000.00					\$ 25,000.00
D-Cement Intermed	218			\$ 95,000.00					\$ 95,000.00
D-Frac-2nd Int Cmt	219			\$ 149,000.00					\$ 149,000.00
D-Float Equipment & Centralizers	221			\$ 76,000.00					\$ 76,000.00
D-Csg Crews & Equip	222			\$ 83,000.00					\$ 83,000.00
D-Contract Labor	225			\$ 9,000.00					\$ 9,000.00
D-Company Sprvsn	226			\$ 55,000.00					\$ 55,000.00
D-Contract Sprvsn	227			\$ 137,000.00					\$ 137,000.00
D-Tslg Csg/Tbg	228			\$ 51,000.00					\$ 51,000.00
D-Mud Logging Unit	229			\$ 51,000.00					\$ 51,000.00
D-Rentals-Surface	235			\$ 213,000.00					\$ 213,000.00
D-Rentals-Subsrfc	236			\$ 99,000.00					\$ 99,000.00
D-Trucking/Forklift/Rig Mob	237			\$ 203,000.00					\$ 203,000.00
D-Welding Services	238			\$ 4,000.00					\$ 4,000.00
D-Contingency	243			\$ 76,000.00					\$ 76,000.00
D-Envrntml/Clsd Loop	244			\$ 334,000.00					\$ 334,000.00
C-Wellbore Frac Prep	304				\$ 138,000.00				\$ 138,000.00
C-LoIn/Pits/Roads	305				\$ 15,000.00				\$ 15,000.00
C-Completion OH	308				\$ 22,000.00				\$ 22,000.00
C-Frac Equipment	307				\$ 948,000.00				\$ 948,000.00
C-Frac Chemicals	308				\$ 601,000.00				\$ 601,000.00
C-Frac Proppant	309				\$ 273,000.00				\$ 273,000.00
C-Frac Proppant Transportation	310				\$ 424,000.00				\$ 424,000.00
C-Fuel Delivery & Services	311				\$ 61,000.00				\$ 61,000.00
C-Water	312				\$ 401,000.00				\$ 401,000.00
C-Frac Surface Rentals	315				\$ 378,000.00				\$ 378,000.00
C-Contract Labor	325				\$ 15,000.00				\$ 15,000.00
C-Company Sprvsn	326				\$ 15,000.00				\$ 15,000.00
C-Contract Sprvsn	327				\$ 202,000.00				\$ 202,000.00
C-Artificial Lift Install	329				\$ 65,000.00				\$ 65,000.00
C-Perf/Wireline Svc	331				\$ 466,000.00				\$ 466,000.00
C-Trucking/Forklift/Rig Mob	337				\$ 15,000.00				\$ 15,000.00
C-Water Disposal	339				\$ 58,000.00				\$ 58,000.00
C-Contingency	343				\$ 108,000.00				\$ 108,000.00
C-Dyed Diesel	345				\$ 227,000.00				\$ 227,000.00
C-Drillout	346				\$ 432,000.00				\$ 432,000.00
TB-Damages/Right of Way	351					\$ 2,000.00			\$ 2,000.00
TB-Location/Pits/Roads	353					\$ 34,000.00			\$ 34,000.00
TB-Contract Labor	356					\$ 180,000.00			\$ 180,000.00
PEQ-Contract Labor	374						\$ 39,000.00		\$ 39,000.00
PEQ-Water Disposal	387						\$ 179,000.00		\$ 179,000.00
PEQ-HRZ Well Offset Frac	391						\$ 18,000.00		\$ 18,000.00
Total Intangible Costs				\$ 3,361,000.00	\$ 4,845,000.00	\$ 216,000.00	\$ 236,000.00		\$ 8,678,000.00
Tangible Costs									
PEQ-Flowback Crews & Equip	392						\$ 108,000.00		\$ 108,000.00
D-Surface Casing	401			\$ 27,000.00					\$ 27,000.00
D-Intermed Csl	402			\$ 210,000.00					\$ 210,000.00
D-Production Casing/Liner	403			\$ 521,000.00					\$ 521,000.00
D-Wellhead Equip	405			\$ 95,000.00					\$ 95,000.00
C-Tubing	504				\$ 75,000.00				\$ 75,000.00
C-Wellhead Equip	505				\$ 41,000.00				\$ 41,000.00
TB-Tanks	510					\$ 58,000.00			\$ 58,000.00
TB-Flowlines/Pipelines	511					\$ 26,000.00			\$ 26,000.00
TB-Htr Trtr/Seprtr	512					\$ 185,000.00			\$ 185,000.00
TB-Electrical System/Equipment	513					\$ 114,000.00			\$ 114,000.00
C-Pckrs/Anchors/Hgrs	514				\$ 94,000.00				\$ 94,000.00
TB-Couplings/Fittings/Valves	515					\$ 182,000.00			\$ 182,000.00
TB-Pumps-Surface	521					\$ 26,000.00			\$ 26,000.00
TB-Instrumentation/SCADA/POC	522					\$ 20,000.00			\$ 20,000.00
TB-Miscellaneous	523					\$ 20,000.00			\$ 20,000.00
TB-Meters/Lects	525					\$ 20,000.00			\$ 20,000.00
TB-Flares/Combustors/Emission	528					\$ 28,000.00			\$ 28,000.00
C-Gas Lift/Compression	527				\$ 36,000.00				\$ 36,000.00
PEQ-Wellhead Equipment	531						\$ 39,000.00		\$ 39,000.00
Total Tangible Costs				\$ 853,000.00	\$ 246,000.00	\$ 688,000.00	\$ 147,000.00		\$ 1,844,000.00
Total Gross Cost				\$ 4,214,000.00	\$ 5,111,000.00	\$ 914,000.00	\$ 383,000.00		\$ 10,822,000.00

NOTE: 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

Company: _____

By: _____

Printed Name: _____

Title: _____

Date: _____

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**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
Drill & Complete**

Well Name MERCURY STATE COM 705H
SHL 18: 220 FSL, 1425 FWL, OR UNIT N
BHL 8: 50 FNL, 1210 FWL, OR LOT 1
Formation WOLFCAMP A
Legal 8, 7 & 18, T28S-R28E
AFE Numbers

Prospect ATLAS 2028
State & County NEW MEXICO, EDDY
Objective DRILL & COMPLETE
Depth 24,000
TVD 9,190

Cost Description	Code	PreSpud (PS)	Pre-Set Casing(PC)	Drilling (DR)	Completions (C)	Tank Bdy Constrctn(TB)	Pmpq Equip (PEQ)	Revision	Total
Intangible Costs									
D-Lctr/Pits/Roads	205			\$ 121,000.00					\$ 121,000.00
D-Drilling Overhead	206			\$ 10,000.00					\$ 10,000.00
D-Daywork Contract	209			\$ 655,000.00					\$ 655,000.00
D-Directional Drig Services	210			\$ 349,000.00					\$ 349,000.00
D-Fuel & Power	211			\$ 113,000.00					\$ 113,000.00
D-Water	212			\$ 95,000.00					\$ 95,000.00
D-Bits	213			\$ 121,000.00					\$ 121,000.00
D-Mud & Chemicals	214			\$ 246,000.00					\$ 246,000.00
D-Cement Surface	217			\$ 25,000.00					\$ 25,000.00
D-Cement Intermed	218			\$ 95,000.00					\$ 95,000.00
D-Frac-2nd Int Crnt	219			\$ 140,000.00					\$ 140,000.00
D-Float Equipment & Centralizers	221			\$ 76,000.00					\$ 76,000.00
D-Cag Crews & Equip	222			\$ 83,000.00					\$ 83,000.00
D-Contract Labor	225			\$ 9,000.00					\$ 9,000.00
D-Company Sprvsn	228			\$ 55,000.00					\$ 55,000.00
D-Contract Sprvsn	227			\$ 137,000.00					\$ 137,000.00
D-Trip Cag/Tbg	228			\$ 51,000.00					\$ 51,000.00
D-Mud Logging Unit	229			\$ 51,000.00					\$ 51,000.00
D-Rentals-Surface	235			\$ 213,000.00					\$ 213,000.00
D-Rentals-Subsrfc	236			\$ 99,000.00					\$ 99,000.00
D-Trucking/Forklfr/Rtg Mob	237			\$ 203,000.00					\$ 203,000.00
D-Welding Services	238			\$ 4,000.00					\$ 4,000.00
D-Contingency	243			\$ 76,000.00					\$ 76,000.00
D-Envrntl/Ctbd Loop	244			\$ 334,000.00					\$ 334,000.00
C-Wellbore Frac Prep	304				\$ 139,000.00				\$ 139,000.00
C-Lctr/Pits/Roads	305				\$ 15,000.00				\$ 15,000.00
C-Completion Ofl	306				\$ 22,000.00				\$ 22,000.00
C-Frac Equipment	307				\$ 948,000.00				\$ 948,000.00
C-Frac Chemicals	308				\$ 601,000.00				\$ 601,000.00
C-Frac Proppant	309				\$ 273,000.00				\$ 273,000.00
C-Frac Proppant Transportation	310				\$ 424,000.00				\$ 424,000.00
C-Fast Delivery & Services	311				\$ 81,000.00				\$ 81,000.00
C-Water	312				\$ 401,000.00				\$ 401,000.00
C-Frac Surface Rentals	315				\$ 378,000.00				\$ 378,000.00
C-Contract Labor	325				\$ 15,000.00				\$ 15,000.00
C-Company Sprvsn	326				\$ 15,000.00				\$ 15,000.00
C-Contract Sprvsn	327				\$ 202,000.00				\$ 202,000.00
C-Artificial Lift Install	329				\$ 65,000.00				\$ 65,000.00
C-Perf/Wireline Svc	331				\$ 488,000.00				\$ 488,000.00
C-Trucking/Forklfr/Rtg Mob	337				\$ 15,000.00				\$ 15,000.00
C-Water Disposal	339				\$ 58,000.00				\$ 58,000.00
C-Contingency	343				\$ 108,000.00				\$ 108,000.00
C-Dyed Diesel	345				\$ 227,000.00				\$ 227,000.00
C-Drillout	346				\$ 432,000.00				\$ 432,000.00
TB-Damages/Right of Way	351					\$ 2,000.00			\$ 2,000.00
TB-Location/Pits/Roads	353					\$ 34,000.00			\$ 34,000.00
TB-Contract Labor	356					\$ 180,000.00			\$ 180,000.00
PEQ-Contract Labor	374						\$ 39,000.00		\$ 39,000.00
PEQ-Water Disposal	387						\$ 179,000.00		\$ 179,000.00
PEQ-HRZ Well Offset Frac	391						\$ 18,000.00		\$ 18,000.00
Total Intangible Costs		\$ -	\$ -	\$ 3,961,000.00	\$ 4,845,000.00	\$ 216,000.00	\$ 238,000.00		\$ 8,878,000.00
Tangible Costs									
PEQ-Flowback Crews & Equip	392						\$ 108,000.00		\$ 108,000.00
D-Surface Casing	401			\$ 27,000.00					\$ 27,000.00
D-Intermed Csg	402			\$ 210,000.00					\$ 210,000.00
D-Production Casing/Liner	403			\$ 521,000.00					\$ 521,000.00
D-Wellhead Equip	405			\$ 95,000.00					\$ 95,000.00
C-Tubing	504				\$ 75,000.00				\$ 75,000.00
C-Wellhead Equip	505				\$ 41,000.00				\$ 41,000.00
TB-Tanks	510					\$ 58,000.00			\$ 58,000.00
TB-Flowlines/Pipelines	511					\$ 26,000.00			\$ 26,000.00
TB-Hvr Trtr/Seprlr	512					\$ 185,000.00			\$ 185,000.00
TB-Electrical System/Equipment	513					\$ 114,000.00			\$ 114,000.00
C-Pckrs/Anchors/Hgrs	514			\$ 94,000.00					\$ 94,000.00
TB-Couplings/Fittings/Valves	515				\$ 192,000.00				\$ 192,000.00
TB-Pumps-Surface	521				\$ 26,000.00				\$ 26,000.00
TB-Instrumentation/SCADA/POC	522				\$ 20,000.00				\$ 20,000.00
TB-Miscellaneous	523				\$ 20,000.00				\$ 20,000.00
TB-Meters/Lacts	525				\$ 26,000.00				\$ 26,000.00
TB-Flares/Combusters/Emission	526				\$ 31,000.00				\$ 31,000.00
C-Gas Lift/Compression	527			\$ 36,000.00					\$ 36,000.00
PEQ-Wellhead Equipment	531						\$ 39,000.00		\$ 39,000.00
Total Tangible Costs		\$ -	\$ -	\$ 853,000.00	\$ 246,000.00	\$ 698,000.00	\$ 147,000.00		\$ 1,944,000.00
Total Gross Cost		\$ -	\$ -	\$ 4,214,000.00	\$ 5,111,000.00	\$ 914,000.00	\$ 383,000.00		\$ 10,622,000.00

Note: 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**

Well Name MERCURY STATE COM 706H
SHL 18: 220 FSL, 1395 FWL, OR UNIT N
BHL 6: 50 FNL, 330 FWL, OR LOT 1
Formation WOLFCAMP A
Legal 6, 7 & 18, T26S-R28E
AFE Numbers

Prospect ATLAS 2628
State & County NEW MEXICO, EDDY
Objective DRILL & COMPLETE
Depth 24,000
TVD 9,190

Cost Description	Code	Prebud (PB)	Pre-Set Casing(PC)	Drilling (DR)	Completions (C)	Tank Bdy Constrcn(TB)	Pmpq Equip (PEG)	Revision	Total
Intangible Costs									
D-Loch/Pits/Roads	205			\$ 121,000.00					\$ 121,000.00
D-Drilling Overhead	206			\$ 10,000.00					\$ 10,000.00
D-Daywork Contract	206			\$ 655,000.00					\$ 655,000.00
D-Directional Dng Services	210			\$ 349,000.00					\$ 349,000.00
D-Fuel & Power	211			\$ 113,000.00					\$ 113,000.00
D-Water	212			\$ 95,000.00					\$ 95,000.00
D-Bits	213			\$ 121,000.00					\$ 121,000.00
D-Mud & Chemicals	214			\$ 246,000.00					\$ 246,000.00
D-Cement Surface	217			\$ 25,000.00					\$ 25,000.00
D-Cement Intermed	218			\$ 95,000.00					\$ 95,000.00
D-Prod-2nd Int Cmt	219			\$ 140,000.00					\$ 140,000.00
D-Floor Equipment & Centralizers	221			\$ 78,000.00					\$ 78,000.00
D-Csg Crews & Equip	222			\$ 83,000.00					\$ 83,000.00
D-Contract Labor	225			\$ 9,000.00					\$ 9,000.00
D-Company Sprvn	226			\$ 55,000.00					\$ 55,000.00
D-Contract Sprvn	227			\$ 137,000.00					\$ 137,000.00
D-Tsg Csg/Tbg	228			\$ 51,000.00					\$ 51,000.00
D-Mud Logging Unit	229			\$ 51,000.00					\$ 51,000.00
D-Rentals-Surface	235			\$ 213,000.00					\$ 213,000.00
D-Rentals-Subsrfc	236			\$ 99,000.00					\$ 99,000.00
D-Trucking/Forkl/Rig Mob	237			\$ 203,000.00					\$ 203,000.00
D-Welding Services	238			\$ 4,000.00					\$ 4,000.00
D-Contingency	243			\$ 78,000.00					\$ 78,000.00
D-Envmntl/Cldg Loop	244			\$ 334,000.00					\$ 334,000.00
C-Wellbore Frac Prep	304				\$ 139,000.00				\$ 139,000.00
C-Loch/Pits/Roads	305			\$ 15,000.00					\$ 15,000.00
C-Completion OH	306			\$ 22,000.00					\$ 22,000.00
C-Frac Equipment	307			\$ 948,000.00					\$ 948,000.00
C-Frac Chemicals	308			\$ 601,000.00					\$ 601,000.00
C-Frac Proppant	309			\$ 273,000.00					\$ 273,000.00
C-Frac Proppant Transportation	310			\$ 424,000.00					\$ 424,000.00
C-Fuel Delivery & Services	311			\$ 61,000.00					\$ 61,000.00
C-Water	312			\$ 401,000.00					\$ 401,000.00
C-Frac Surface Rentals	315			\$ 378,000.00					\$ 378,000.00
C-Contract Labor	325			\$ 15,000.00					\$ 15,000.00
C-Company Sprvn	326			\$ 15,000.00					\$ 15,000.00
C-Contract Sprvn	327			\$ 202,000.00					\$ 202,000.00
C-Artificial Lift Install	329			\$ 85,000.00					\$ 85,000.00
C-Part/Wireline Svc	331			\$ 486,000.00					\$ 486,000.00
C-Trucking/Forkl/Rig Mob	337			\$ 15,000.00					\$ 15,000.00
C-Water Disposal	339			\$ 58,000.00					\$ 58,000.00
C-Contingency	343			\$ 108,000.00					\$ 108,000.00
C-Dyed Diesel	345			\$ 227,000.00					\$ 227,000.00
C-Drillrod	348			\$ 432,000.00					\$ 432,000.00
TB-Damages/Right of Way	351					\$ 2,000.00			\$ 2,000.00
TB-Location/Pits/Roads	353					\$ 34,000.00			\$ 34,000.00
TB-Contract Labor	356					\$ 180,000.00			\$ 180,000.00
PEG-Contract Labor	374						\$ 39,000.00		\$ 39,000.00
PEG-Water Disposal	387						\$ 179,000.00		\$ 179,000.00
PEG-HRZ Well Offset Frac	391						\$ 18,000.00		\$ 18,000.00
Total Intangible Costs		\$ -	\$ -	\$ 3,361,000.00	\$ 4,866,000.00	\$ 216,000.00	\$ 238,000.00		\$ 8,678,000.00
Tangible Costs									
PEG-Flowback Crews & Equip	382						\$ 108,000.00		\$ 108,000.00
D-Surface Casing	401			\$ 27,000.00					\$ 27,000.00
D-Intermed Csg	402			\$ 210,000.00					\$ 210,000.00
D-Production Casing/Liner	403			\$ 521,000.00					\$ 521,000.00
D-Wellhead Equip	405			\$ 95,000.00					\$ 95,000.00
C-Tubing	504				\$ 75,000.00				\$ 75,000.00
C-Wellhead Equip	505				\$ 41,000.00				\$ 41,000.00
TB-Tanks	510					\$ 58,000.00			\$ 58,000.00
TB-Flowlines/Pipelines	511					\$ 26,000.00			\$ 26,000.00
TB-Hvy Trlr/Seatr	512					\$ 185,000.00			\$ 185,000.00
TB-Electrical System/Equipment	513					\$ 114,000.00			\$ 114,000.00
C-Pckrs/Anchors/Hgrs	514			\$ 94,000.00					\$ 94,000.00
TB-Couplings/Fittings/Valves	515					\$ 192,000.00			\$ 192,000.00
TB-Pumps-Surface	521					\$ 28,000.00			\$ 28,000.00
TB-Instrumentation/SCADA/POC	522					\$ 20,000.00			\$ 20,000.00
TB-Miscellaneous	523					\$ 20,000.00			\$ 20,000.00
TB-Meters/Lacts	525					\$ 28,000.00			\$ 28,000.00
TB-Filters/Combusters/Emission	526					\$ 31,000.00			\$ 31,000.00
C-Gas Lift/Compression	527			\$ 36,000.00					\$ 36,000.00
PEG-Wellhead Equipment	531						\$ 39,000.00		\$ 39,000.00
Total Tangible Costs		\$ -	\$ -	\$ 883,000.00	\$ 246,000.00	\$ 698,000.00	\$ 147,000.00		\$ 1,944,000.00
Total Gross Cost		\$ -	\$ -	\$ 4,244,000.00	\$ 5,112,000.00	\$ 914,000.00	\$ 385,000.00		\$ 10,622,000.00

Note: 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

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.



January 28, 2021

Via CMRRR No. 9489 0090 0027 6261 7582 43
And electronic mail to tracy_jordan@eogresources.com
EOG Resources Inc.
5509 Champions Blvd.
Midland, TX 79706
Attn: Tracy Jordan

Re: **E/2 & W/2 Mercury State Com Units**
Mercury State Com 701H-703H
E/2 Sections 7 & 18, T26S-R28E
Mercury State Com 704H-706H
W/2 Sections 6, 7 & 18, T26S-R28E
Eddy County, New Mexico

Dear Tracy:

Reference is herein made to well proposals previously mailed on October 28, 2020, covering the above-referenced E/2 and W/2 Mercury State Com Unit wells. The total vertical depths of the wells are being revised slightly as highlighted below. The AFEs have also been updated to show these revised TVDs. No other changes have been made at this time.

- **Mercury State Com 701H**, to be drilled to a depth sufficient to test the Wolfcamp A formation at an approximate **total vertical depth of 9,215'**. The surface location for this well is proposed at a legal location in Unit O of Section 18, and a bottom hole location at a legal location in Unit A of Section 7. The dedicated horizontal spacing unit will be the E/2 of Sections 7 & 18, T26S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$7,896,000.00, as shown on the attached Authority for Expenditure ("AFE").
- **Mercury State Com 702H**, to be drilled to a depth sufficient to test the Wolfcamp A formation at an approximate **total vertical depth of 9,325'**. The surface location for this well is proposed at a legal location in Unit O of Section 18, and a bottom hole location at a legal location in Unit B of Section 7. The dedicated horizontal spacing unit will be the E/2 of Sections 7 & 18, T26S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$7,896,000.00, as shown on the attached AFE.
- **Mercury State Com 703H**, to be drilled to a depth sufficient to test the Wolfcamp A formation at an approximate **total vertical depth of 9,200'**. The surface location for this well is proposed at a legal location in Unit O of Section 18, and a bottom hole location at a legal location in Unit B of Section 7. The dedicated horizontal spacing unit will be the E/2 of Sections 7 & 18, T26S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$7,896,000.00, as shown on the attached AFE.
- **Mercury State Com 704H**, to be drilled to a depth sufficient to test the Wolfcamp A formation at an approximate **total vertical depth of 9,286'**. The surface location for this well is proposed at a legal location in Unit N of Section 18, and a bottom hole location at a legal location in Unit C of Section 6. The dedicated horizontal spacing unit will be the W/2 of Sections 6, 7 & 18, T26S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$10,622,000.00, as shown on the attached Authority for Expenditure ("AFE").

January 28, 2021
Info Letter – Mercury State Com Units

- **Mercury State Com 705H**, to be drilled to a depth sufficient to test the Wolfcamp A formation at an approximate **total vertical depth of 9,153'**. The surface location for this well is proposed at a legal location in Unit N of Section 18, and a bottom hole location at a legal location in Lot 1 of Section 6. The dedicated horizontal spacing unit will be the W/2 of Sections 6, 7 & 18, T26S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$10,622,000.00, as shown on the attached AFE.
- **Mercury State Com 706H**, to be drilled to a depth sufficient to test the Wolfcamp A formation at an approximate **total vertical depth of 9,257'**. The surface location for this well is proposed at a legal location in Unit N of Section 18, and a bottom hole location at a legal location in Lot 1 of Section 6. The dedicated horizontal spacing unit will be the W/2 of Sections 6, 7 & 18, T26S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$10,622,000.00, as shown on the attached AFE.

Please allow this correspondence to serve as an informational letter regarding the wells outlined above. Should you have any questions, please do not hesitate to contact me at 432.221.0470.

Sincerely,

COG Operating LLC


Lizzy Laufer
Landman II

LL:bh
Enc

COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
Drill & Complete

Well Name MERCURY STATE COM 701H
BNL SEC 16: 220 PBL, 1400 PBL, OR UNIT O
BNL SEC 7: 50 PBL, 930 PBL, OR UNIT A
Formation WOLF/CAMP A
Legal 7 & 16, T26S-R26E
APB Numbers

Prospect ATLAS 2625
State & County NEW MEXICO, EDDY
Objective DRILL & COMPLETE
Depth 26,000
TVD 9,215

Table with columns: Description, Units, Estimated Cost, Estimated Cost/Unit, Price/Unit, Commodity, Estimated Cost, Price/Unit, Estimated Cost, Price/Unit, Estimated Cost, Price/Unit, Estimated Cost, Price/Unit. Rows include items like Drilling Fluid, Cement, Mud, and various equipment costs.

Total Intangible Costs \$ 2,402,000.00 \$ 3,314,000.00 \$ 214,000.00 \$ 238,000.00 \$ 6,268,000.00

Total Tangible Costs \$ 330,000.00 \$ 100,000.00 \$ 600,000.00 \$ 36,000.00 \$ 1,044,000.00

Total Gross Cost \$ 3,112,000.00 \$ 3,417,000.00 \$ 814,000.00 \$ 274,000.00 \$ 7,312,000.00

Note: The above costs are estimates only. Actual costs will be billed as incurred.

COG Operating LLC
By:
We approve:
% Working Interest
Company:
By:
Printed Name:
Title:
Date:

Date Prepared: Revised 1.28.21
COG Operating LLC
By:

This APB 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 MERCURY STATE COM 702H
BGL SEC 1A: 220 PBL, 1400 FEL, OR UNIT C
BGL SEC 7: 80 PBL, 1430 FEL, OR UNIT B
Formation WOLFCAMP A
Legal 7 & 18, T28S-R28E
AFE Numbers

Prospect ATLAS 2823
State & County NEW MEXICO, EDOY
Objective DRILL & COMPLETE
Depth 18,000
TVD 9,325

Table with columns: Description, Code, Estimated P/Well, P/Well Capital Cost, Drilling Unit, Completion (SHELLS) Cost, Completion (TUB) Cost, P/Well Total P/Well, Amount, Cost. Rows include items like Cement, Frac Fluid, Frac Sand, Frac Proppant, etc.

Note: The above costs are estimates only. Actual costs will be billed as incurred.

COG Operating LLC
By: _____
Date Prepared: Revised 1.28.21
COG Operating LLC
By: _____
We approve: _____
% Working Interest
Company: _____
By: _____
Printed Name: _____
Title: _____
Date: _____

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

COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
Drill & Complete

Well Name MERCURY STATE COM 703H
BNL SEC 1E: 230 PNL, 1400 FEL, OR UNIT D
BNL SEC 7: 90 PNL, 2310 FEL, OR UNIT B
Formation WOLF CAMP A
Legal 7 & 18, T26S-R20E
APE Numbers

Prospect ATLAS 2828
State & County NEW MEXICO, EDOY
Objective DRILL & COMPLETE
Depth 18,000
TVD 9,200

Table with columns: Code, Description, Unit, Estimated Cost, Comparison Cost, Risk, Contingency, Total, and Remarks. Rows include items like Drilling, Cement, Mud, and various services.

Table with columns: Code, Description, Unit, Estimated Cost, Comparison Cost, Risk, Contingency, Total, and Remarks. Rows include items like Crew & Equip, Cement, and various materials.

Note: The above costs are estimates only. Actual costs will be billed as incurred.

COG Operating LLC

By:
We approve:
% Working Interest
Concern:
Printed Name:
Title:
Date:

Date Prepared: Revised 1/28/21
COG Operating LLC
By:

This APE 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 MERCURY STATE COM 704H
BHL 1B, 220 PNL, 1488 PWL, OR UNIT N
BHL & 50 PNL, 2000 PWL, OR UNIT C
Formation WOLFCAMP A
Legal 6, 7 & 10, T288-R206
AFB Numbers

Prospect ATLAS 2820
State & County NEW MEXICO, EDDY
Objective DRILL & COMPLETE
Depth 24,000
TVD 0.206

Table with columns: Description, Code, Estimated Cost, Actual Cost, etc. Rows include items like Drilling Overhead, Cement, Mud & Chemicals, etc. Total Estimated Cost: 4,214,000.00; Total Actual Cost: 5,111,000.00.

Note: The above costs are estimates only. Actual costs will be billed as incurred.

COG Operating LLC

By: _____
We approve: _____
% Working Interest
Comments: _____
Printed Name: _____
Title: _____
Date: _____

Date Prepared: Revised 1.28.21
COG Operating LLC
By: _____

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



January 28, 2021

Via CMRRR No. 9489 0090 0027 6261 7582 36
and electronic mail to Courtney_carr@oxy.com
OXY Y-1 Company
5 Greenway Plaza, Suite 110
Houston, TX 77046
Attn: Courtney Carr

Re: E/2 & W/2 Mercury State Com Units
Mercury State Com 701H-703H
E/2 Sections 7 & 18, T26S-R28E
Mercury State Com 704H-706H
W/2 Sections 6, 7 & 18, T26S-R28E
Eddy County, New Mexico

Dear Courney:

Reference is herein made to well proposals previously mailed on October 28, 2020, covering the above-referenced E/2 and W/2 Mercury State Com Unit wells. The total vertical depths of the wells are being revised slightly as highlighted below. The AFEs have also been updated to show these revised TVDs. No other changes have been made at this time.

- Mercury State Com 701H, to be drilled to a depth sufficient to test the Wolfcamp A formation at an approximate total vertical depth of 9,215'. The surface location for this well is proposed at a legal location in Unit O of Section 18, and a bottom hole location at a legal location in Unit A of Section 7. The dedicated horizontal spacing unit will be the E/2 of Sections 7 & 18, T26S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$7,896,000.00, as shown on the attached Authority for Expenditure ("AFE").
- Mercury State Com 702H, to be drilled to a depth sufficient to test the Wolfcamp A formation at an approximate total vertical depth of 9,325'. The surface location for this well is proposed at a legal location in Unit O of Section 18, and a bottom hole location at a legal location in Unit B of Section 7. The dedicated horizontal spacing unit will be the E/2 of Sections 7 & 18, T26S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$7,896,000.00, as shown on the attached AFE.
- Mercury State Com 703H, to be drilled to a depth sufficient to test the Wolfcamp A formation at an approximate total vertical depth of 9,200'. The surface location for this well is proposed at a legal location in Unit O of Section 18, and a bottom hole location at a legal location in Unit B of Section 7. The dedicated horizontal spacing unit will be the E/2 of Sections 7 & 18, T26S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$7,896,000.00, as shown on the attached AFE.
- Mercury State Com 704H, to be drilled to a depth sufficient to test the Wolfcamp A formation at an approximate total vertical depth of 9,285'. The surface location for this well is proposed at a legal location in Unit N of Section 18, and a bottom hole location at a legal location in Unit C of Section 6. The dedicated horizontal spacing unit will be the W/2 of Sections 6, 7 & 18, T26S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$10,622,000.00, as shown on the attached Authority for Expenditure ("AFE").

January 28, 2021
Info Letter – Mercury State Com Units

- **Mercury State Com 705H**, to be drilled to a depth sufficient to test the Wolfcamp A formation at an approximate **total vertical depth of 9,153'**. The surface location for this well is proposed at a legal location in Unit N of Section 18, and a bottom hole location at a legal location in Lot 1 of Section 6. The dedicated horizontal spacing unit will be the W/2 of Sections 6, 7 & 18, T26S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$10,622,000.00, as shown on the attached AFE.
- **Mercury State Com 706H**, to be drilled to a depth sufficient to test the Wolfcamp A formation at an approximate **total vertical depth of 9,257'**. The surface location for this well is proposed at a legal location in Unit N of Section 18, and a bottom hole location at a legal location in Lot 1 of Section 6. The dedicated horizontal spacing unit will be the W/2 of Sections 6, 7 & 18, T26S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$10,622,000.00, as shown on the attached AFE.

Please allow this correspondence to serve as an informational letter regarding the wells outlined above. Should you have any questions, please do not hesitate to contact me at 432.221.0470.

Sincerely,

COG Operating LLC



Lizzy Laufer
Landman II

LL:bh

COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
Drill & Complete

Well Name MERCURY STATE COM 701N
SNL SEC 1R: 520 FSL, 1400 FBL, OR UNIT O
SNL SEC 7: 50 FNL, 530 FBL, OR UNIT A
Formation WOLF/CAMP A
Legal 7 & 1A, T209-R29E
AFE Numbers

Prospect ATLAS 2625
State & County NEW MEXICO, EDDY
Objective DRILL & COMPLETE
Depth 18,000
TVD 9,215

Table with columns for Item, Quantity, Unit, Price, Amount, and Total. Lists various equipment and materials like C-Drill Pipe, C-Drill Collar, C-Drill Bit, etc.

Table with columns for Item, Quantity, Unit, Price, Amount, and Total. Lists various services and materials like C-Wellhead Crown & Flange, C-Wellhead Control, etc.

Note: The above costs are estimates only. Actual costs will be billed as incurred.

COG Operating LLC
By:
We approve:
% Working Interest
Comments:
Printed Name:
Title:
Date:

Date Proposed: Revised 1.20.21
COG Operating LLC
By:

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: MERCURY STATE COM 704H
SHL 1#: 230 FSL, 1466 FWL, OR UNIT N
SHL 2#: 90 FNL, 2080 FWL, OR UNIT C
Formation: WOLFCAMP A
Legal 6, 7 & 18, T283-R28E
AFE Numbers

Prospect: ATLAS 2528
State & County: NEW MEXICO, BDDY
Objective: DRILL & COMPLETE
Depth: 24,000
TVD: 9,298

Table with columns: Description, Quantity, Unit, Price, Amount, and Total. Lists various costs including Drilling, Cement, Labor, and Materials.

Summary table with columns: Description, Quantity, Unit, Price, Amount, and Total. Totals include Total Intangible Costs and Total Gross Cost.

Note: The above costs are estimates only. Actual costs will be billed as incurred

COG Operating LLC
By: _____
We approve: _____
Company: _____
Printed Name: _____
Title: _____
Date: _____

Date Prepared: Revised 1.29.21
COG Operating LLC
By: _____

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

Page 44 of 53

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

**APPLICATIONS OF COG OPERATING LLC
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

CASE NOS. 21667 & 21668

GEOLOGIST AFFIDAVIT

Travis Sparks, of lawful age and being first duly sworn, declares as follows:

1. My name is Travis Sparks, and I am a Geologist with COG Operating LLC ("COG").
2. I have previously testified before the New Mexico Oil Conservation Division ("Division") as an expert witness in petroleum geology matters and my credentials have been accepted and made a matter of public record.
3. I am familiar with the applications filed by COG in these cases and I have conducted a geologic study of the lands in the subject area.
4. COG is targeting the Wolfcamp formation with its proposed Mercury State Com 701H, 702H, 703H, 704H, 705H and 706H wells (collectively the "Wells").
5. Attachment D is a locator map displaying COG's acreage in yellow for the Wolfcamp formation. Existing producing wells in the Wolfcamp interval are represented by solid lines. The approximate wellbore paths for the Wells are marked by dashed lines.
6. Attachment E is a subsea structure map that I prepared for the top of the Wolfcamp that is representative of the targeted interval within the Wolfcamp interval. The data points are indicated by crosses. I used the Wolfcamp structure because it is a reliable regional marker and the target intervals lie near this marker. The approximate wellbore paths for the proposed Wells are depicted by dashed lines. The map shows that the formation is gently dipping to the southwest in this area. I do not observe any faulting, pinch-outs, or other geologic impediments to developing the targeted intervals with horizontal wells in this area.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 21667 Exhibit No. 2
Submitted by:
COG OPERATING LLC
Hearing Date: March 4, 2021

7. Attachment F overlays a cross-section line consisting of three wells penetrating the Wolfcamp formation that I used to construct a stratigraphic cross-section from A to A'. I consider these well logs to be representative of the geology in the area.

8. Attachment G is a stratigraphic cross-section using the representative wells depicted on Attachment F. Each well in the cross-section contains gamma ray, resistivity, and porosity logs. The proposed target intervals in the Wolfcamp formation are labeled on the exhibit. The cross-section demonstrates that the targeted intervals are continuous across the proposed spacing units.

9. In my opinion, the stand-up orientation of the proposed wells is the preferred orientation for horizontal well development in this area and is appropriate to efficiently and effectively develop the subject acreage.

10. Based on my geologic study, the targeted interval underlying the subject area is suitable for development by horizontal wells, and the acreage comprising the proposed spacing units will contribute, more-or-less, equally to the production from the wellbores.

11. In my opinion, the granting of COG's applications will be in the best interest of conservation, the prevention of waste, and the protection of correlative rights.

12. Exhibit 2 and Attachments D through G were either prepared by me or compiled under my direction and supervision.

THIS CONCLUDES AFFIANT'S STATEMENT.

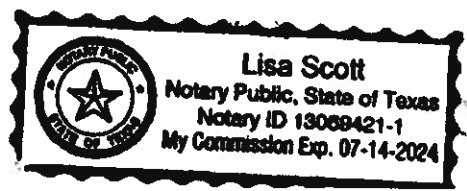
Affiant

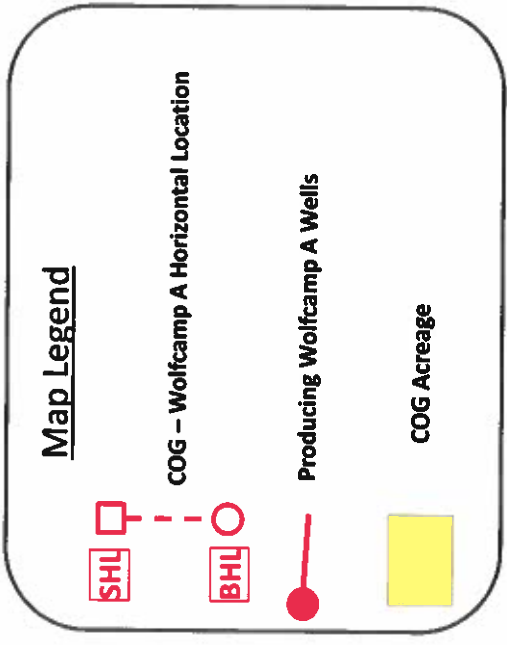
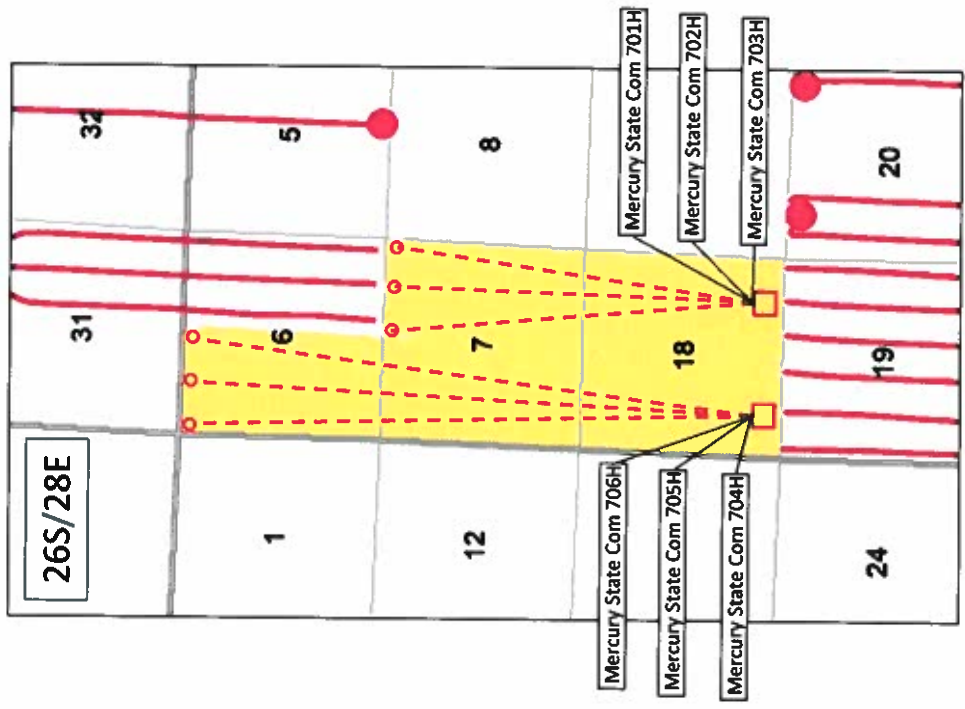
STATE OF) New Mexico)
COUNTY OF Eddy)

SUBSCRIBED and SWORN to before me this 3rd day of 2021,
by Lisa Scott

NOTARY PUBLIC

My Commission Expires:

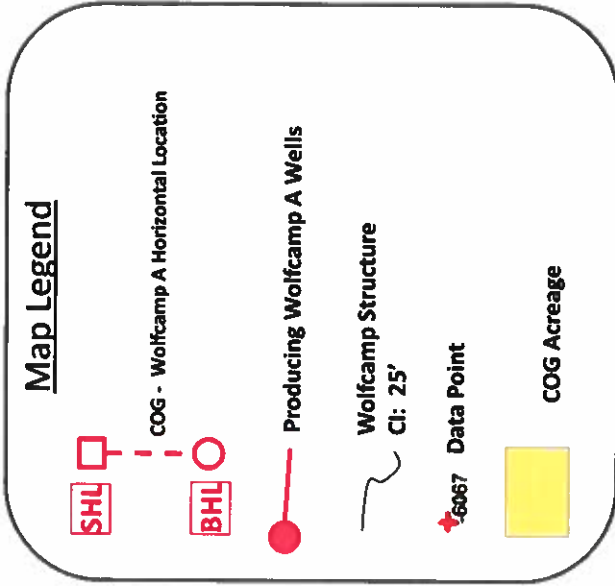
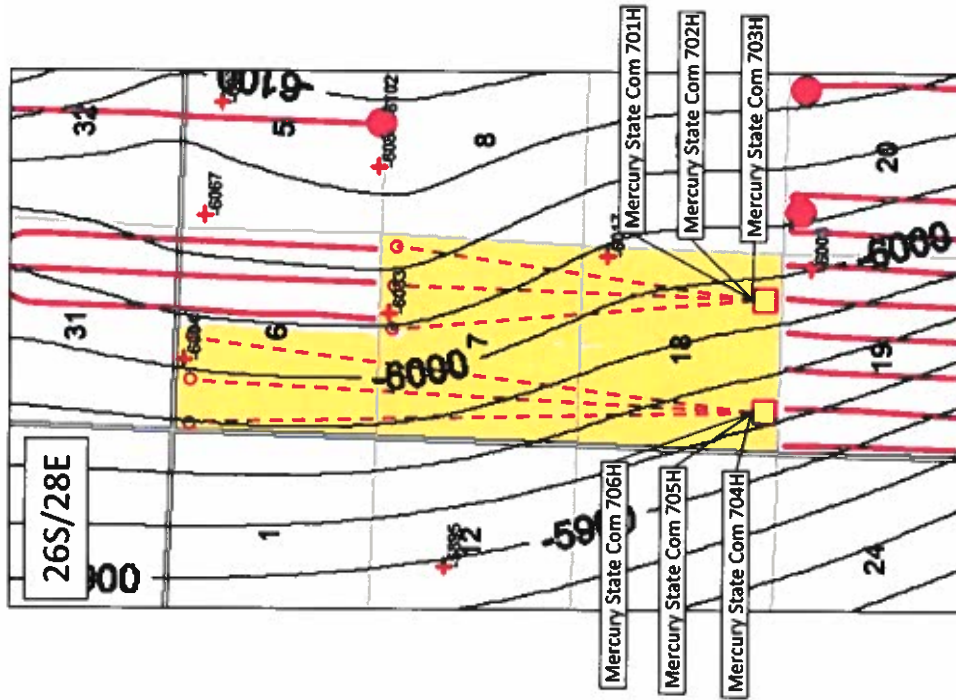




BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Case No. 21667 Attachment No. D
 Submitted by:
COG OPERATING LLC
 Hearing Date: March 4, 2021

3/2/2021

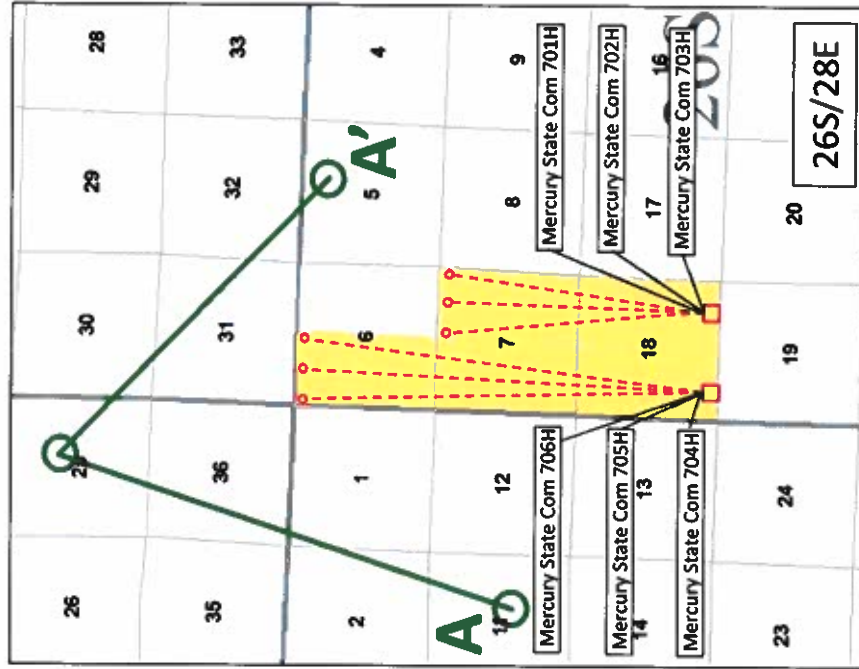
Wolfcamp Pool WFMP Structure Map



BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Case No. 21667 Attachment No. E
 Submitted by: **COG OPERATING LLC**
 Hearing Date: March 4, 2021

3/2/2021

Wolfcamp Pool Cross Section Map



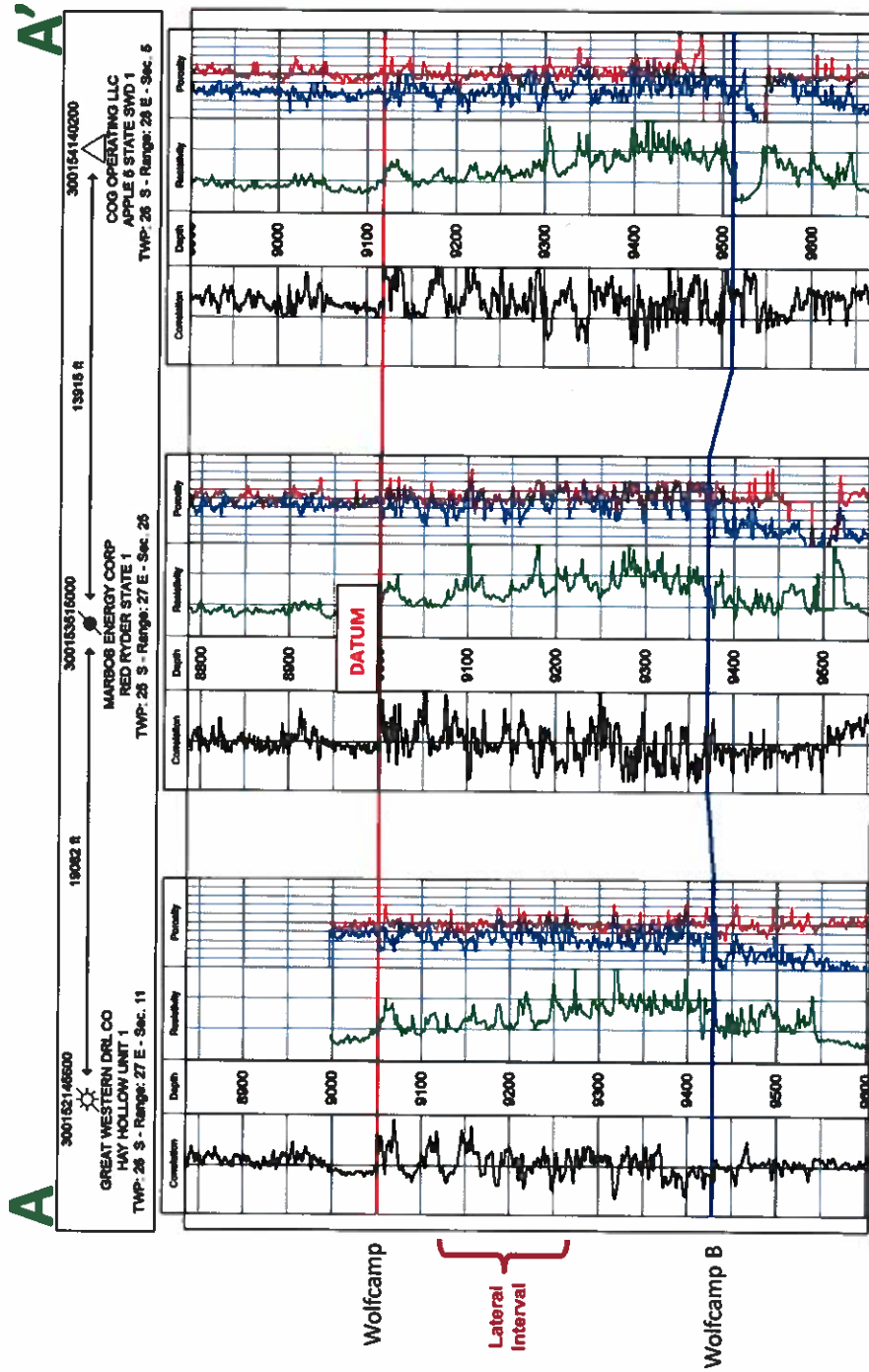
Map Legend

- SHL (red square with SHL text)
- BHL (red square with BHL text)
- COG - Wolfcamp A Horizontal Location (dashed red line with square and circle endpoints)
- Cross Section Line (green line with circle endpoints)
- COG Acreage (yellow square)

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Case No. 21667 Attachment No. F
 Submitted by:
COG OPERATING LLC
 Hearing Date: March 4, 2021

3/2/2021

Wolfcamp Pool Stratigraphic Cross Section A-A'



BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Case No. 21667 Attachment No. G

Submitted by:

COG OPERATING LLC

Hearing Date: March 4, 2021



Michael Rodriguez
Attorney

February 12, 2021

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Case No. 21668: Application of COG Operating, LLC for Compulsory Pooling, Eddy County, New Mexico.

To Whom It May Concern:

This letter is to advise you that COG Operating LLC has filed the enclosed application with the New Mexico Oil Conservation Division. The hearing will be conducted on **March 4, 2021** beginning at 8:15 a.m.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <http://www.emnrd.state.nm.us/OCD/announcements.html>. 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.

Pursuant to Division Rule 19.135.4.13.B, parties appearing in a case are required to file a pre-hearing Statement at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date. The statement must be filed at the Division's Santa Fe office or electronically submitted to ocd.hearings@state.nm.us and should include: the names of the parties and their attorneys, a concise statement of the case, the names of all witnesses the party will call to testify at the hearing, the approximate time the party will need to present its case, and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Lizzy Laufer at (432) 221-0470 or elaufer@concho.com.

Sincerely,

/s/ Michael Rodriguez

Michael Rodriguez
COG OPERATING LLC

CORPORATE ADDRESS

One Concho Center | 600 West Illinois Avenue | Midland Texas 79701
P 432.683.7443 | F 432.683 7441

SANTA FE OFFICE

1048 Paseo De Peralta | Santa Fe, New Mexico 87501
P 505 780.8000 | F 505.428 0485

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

For delivery information, visit our website at www.usps.com®.

OFFICIAL RECEIPT

Certified Mail Fee \$ 3.50

Extra Services & Fees (check box, add request opportunity)

Return Receipt (hardcopy) \$ 2.80

Return Receipt (electronic) \$ 0.00

Certified Mail Restricted Delivery \$ 0.00

Adult Signature Required \$ 0.00

Adult Signature Restricted Delivery \$ 0.00

Postage \$ 87.50

Chevron U.S.A. Inc.
 6301 Deauville
 Midland, TX 79706
 Attn: Kaitlyn Kaker Griffin

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

7019 2970 0000 7642 8419

U.S. Postal Service™
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 Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

OFFICIAL RECEIPT

Certified Mail Fee \$ 3.50

Extra Services & Fees (check box, add request opportunity)

Return Receipt (hardcopy) \$ 2.80

Return Receipt (electronic) \$ 0.00

Certified Mail Restricted Delivery \$ 0.00

Adult Signature Required \$ 0.00

Adult Signature Restricted Delivery \$ 0.00

Postage \$ 87.50

EOG Resources Inc.
 5509 Champions Blvd
 Midland, TX 79706
 Attn: Tracy Jordan

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

7019 2970 0000 7642 8419

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3.
 your name and address on the reverse so that we can return the card to you.
 Attach this card to the back of the mailpiece, or on the front if space permits.

Chevron U.S.A. Inc.
 6301 Deauville
 Midland, TX 79706
 Attn: Kaitlyn Kaker Griffin

9590 9402 5941 0062 9262 26

7019 2970 0000 7642 8419

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

COMPLETE THIS SECTION ON DELIVERY

PLACE STICKER IN ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS, FOLD TO THE DOTTED LINE

A. Signature Elst Med Agent Addressee

B. Received by (Printed Name) C. Meekins C. Date of Delivery 2/18/2021

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

3. Service Type

Adult Signature Restricted Delivery

Certified Mail®

Certified Mail Restricted Delivery

Collect on Delivery

Delivery Restricted Delivery

Delivery Restricted Delivery all Restricted Delivery (over \$500)

Priority Mail Express®

Registered Mail™

Registered Mail Restricted Delivery

Return Receipt for Merchandise

Signature Confirmation™

Signature Confirmation Restricted Delivery

Domestic Return Receipt

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

For delivery information, visit our website at www.usps.com®.

OFFICE OF THE POSTMASTER GENERAL

Postmark: **FEB 12 2021**

Postage: \$ 15.50

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

Return Receipt (hardcopy) \$ 2.80

Return Receipt (electronic) \$ 0.00

Certified Mail Restricted Delivery \$ 0.00

Adult Signature Required \$ 0.00

Adult Signature Restricted Delivery \$ 0.00

Postage: \$ 15.50

OXY Y-1 Company
 5 Greenway Plaza, Suite 110
 Houston, TX 77046
 Attn: Courtney Carr

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

SENDER: COMPLETE THIS SECTION

■ Complete items 1, 2, and 3.
 ■ Print your name and address on the reverse so that we can return the card to you.
 ■ Attach this card to the back of the mailpiece, or on the front if space permits.

OXY Y-1 Company
 5 Greenway Plaza, Suite 110
 Houston, TX 77046
 Attn: Courtney Carr

9590 9402 5941 0062 9262 40

Article Number (Transfer from services label)
 7020 0640 0000 1386 1563

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
 X [Signature] [Signature]
 B. Received by (Printed Name) [Signature] Date of Delivery 2/22/21

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

3. Service Type

Adult Signature Priority Mail Express®
 Adult Signature Restricted Delivery Registered Mail™
 Certified Mail® Registered Mail Restricted Delivery
 Certified Mail Restricted Delivery Return Receipt for Merchandise
 Collect on Delivery Return Receipt for Signature Confirmation™
 Collect on Delivery Restricted Delivery Signature Confirmation Restricted Delivery
 Collect on Delivery Restricted Delivery (over \$500) Signature Confirmation Restricted Delivery

Domestic Return Receipt

2021 0240 0000 1386 1563