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

APPLICATION OF COG OPERATING LLC FOR COMPULSORY POOLING AND APPROVAL OF NON-STANDARD SPACING UNIT, LEA COUNTY, NEW MEXICO

**CASE NO. 23334** 

#### **EXHIBIT INDEX**

## Compulsory Pooling Checklist

| Exhibit A | Self-Affirmed Statement of Sean P. Miller                                   |
|-----------|---|
| A-1       | Resume of Sean P. Miller  |
| A-2       | Application & Proposed Notice of Hearing                                    |
| A-3       | C-102s  |
| A-4       | Plat of Tracts, Tract Ownership, Pooled Parties, Unit Recapitulation        |
| A-5       | Sample Well Proposal Letter & AFEs  |
| A-6       | Map of Non-Standard Spacing Unit and Tract Ownership                        |
| A-7       | Chronology of Contact   |
| A-8       | Copies of Signed Waivers of Notice and Protest of Non-Standard Spacing Unit |
| Exhibit B | Self-Affirmed Statement of Deserae Jennings                                 |
| B-1       | Location Map of the Bandana Federal Com 702H, 703H, and 704H wells          |
| B-2       | Wolfcamp Subsea Structure Map   |
| B-3       | Cross-Section Map   |
| B-4       | Stratigraphic Cross-Section   |
| Exhibit C | Self-Affirmed Statement of Dana S. Hardy                                    |
| C-1       | Sample Notice Letter to All Interested Parties                              |

| C-2 | Chart of Notice to All Interested Parties            |
|-----|--|
| C-3 | Copies of Certified Mail Green Cards and White Slips |
| C-4 | Affidavit of Publication for February 7, 2023        |

# COMPULSORY POCEING APPLICATION CHECKLIST

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| ALL INCODMATION IN THE  | APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS  | <b>C</b> |
|-------------------------|---|----------|
| IALL INFORMATION IN THE | APPLICATION MIDSI DE SUPPORTED DE SIGNED APPLDAVITA | 3        |

| Case: 23334  | APPLICANT'S RESPONSE   |
|--|--|
| Date   | March 2, 2023  |
| Applicant  | COG Operating LLC  |
| Designated Operator & OGRID (affiliation if applicable)  | OGRID No. 229137   |
| Applicant's Counsel:   | Hinkle Shanor LLP  |
| Case Title:  | Application of COG Operating LLC for Compulsory Pooling and Approval of Non-Standard Spacing Unit, Lea County, New Mexico  |
| Entries of Appearance/Intervenors:   | None   |
| Well Family  | Bandana  |
| Formation/Pool   |  |
| Formation Name(s) or Vertical Extent:  | Wolfcamp Formation   |
| Primary Product (Oil or Gas):  | Oil  |
| Pooling this vertical extent:  | Wolfcamp Formation   |
| Pool Name and Pool Code:   | Wolfbone Pool (Code WC-023 G-09 S243532M)  |
| Well Location Setback Rules:   | Statewide  |
| Spacing Unit   |  |
| Type (Horizontal/Vertical)   | Horizontal   |
| Size (Acres)   | 960 acres  |
| Building Blocks:   | quarter-quarter  |
| Orientation:   | North/South  |
| Description: TRS/County  | S/2 of Section 12 and all of Section 13, Township 25 South, Range 34 East, Lea County  |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?                   | No. Approval of Non-Standard Spacing Unit requested in this application.   |
| 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  | Exhibit A-4  |
| Well(s)  |  |
| Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard) | Add wells as needed  |
| Well #1  | Bandana Fed Com 702H (API #) SHL: 2380' FNL & 1505' FEL (Unit G), Section 12, T25S, R34E BHL: 50' FSL & 1640' FEL (Unit O), Section 13, T25S, R34E Completion Target: Wolfcamp (Approx. 12,938' TVD) |
| Well #2  | Bandana Fed Com 703H (API #) SHL: 1913' FNL & 1518' FWL (Unit F), Section 12, T25S, R34E BHL: 50' FSL & 2320' FWL (Unit N), Section 13, T25S, R34E Completion Target: Wolfcamp (Approx. 12,918' TVD) |

| WRIE # 200 No. 10 No. 1 | Bandana Fed Com 704H (API #)  SHL: 1878' FNL & 1469' FWL (Unit F), Section 12, T25S, R34E  |
|--|--|
|  | BHL: 50' FSL & 1000' FWL (Unit M), Section 13, T25S, R34E  |
|  | Completion Target: Wolfcamp (Approx. 12,871' TVD)  |
| Horizontal Well First and Last Take Points   | Exhibit A-3  |
| Completion Target (Formation, TVD and MD)  | Exhibit A-5  |
| completion ranges (Commander, 175 and 115)   | Extract 1 5  |
| AFE Capex and Operating Costs  |  |
| Drilling Supervision/Month \$  | \$8,000.00   |
| Production Supervision/Month \$  | \$800.00   |
| Justification for Supervision Costs  | Exhibit A  |
| Requested Risk Charge  | 200%   |
| Notice of Hearing  |  |
| Proposed Notice of Hearing   | Exhibit A-2  |
| Proof of Mailed Notice of Hearing (20 days before hearing)   | Exhibit C-1, Exhibit C-2, Exhibit C-3  |
| Proof of Published Notice of Hearing (10 days before hearing)  | Exhibit C-4  |
| Ownership Determination  |  |
| Land Ownership Schematic of the Spacing Unit   | Exhibit A-4  |
| Tract List (including lease numbers and owners)  | Exhibit A-4  |
| f approval of Non-Standard Spacing Unit is requested, Tract List   |  |
| (including lease numbers and owners) of Tracts subject to notice requirements.   | Fubibit A.C.   |
| ·  | Exhibit A-6 Exhibit A-4  |
| Pooled Parties (including ownership type) Unlocatable Parties to be Pooled   | N/A  |
| Ownership Depth Severance (including percentage above & below)   | N/A<br>N/A   |
|  | , and the second |
| loinder  |  |
| Sample Copy of Proposal Letter   | Exhibit A-5  |
| List of Interest Owners (ie Exhibit A of JOA)  | Exhibit A-4  |
| Chronology of Contact with Non-Joined Working Interests  | Exhibit A-7  |
| Overhead Rates In Proposal Letter  | Exhibit A-5  |
| Cost Estimate to Drill and Complete  | Exhibit A-5  |
| Cost Estimate to Equip Well  | Exhibit A-5  |
| Cost Estimate for Production Facilities  | Exhibit A-5  |
| Geology  |  |
| Summary (including special considerations)   | Exhibit B  |
| Spacing Unit Schematic   | Exhibit B-1  |
| Gunbarrel/Lateral Trajectory Schematic   | N/A  |
| Well Orientation (with rationale)  | Exhibit B  |
| ,  |  |
| Target Formation   | Exhibit B  |
| HSU Cross Section  | Exhibit B-3  |
| Depth Severance Discussion   | N/A  |
| Forms, Figures and Tables  |  |
| C-102  | Exhibit A-3  |
| Tracts   | Exhibit A-4  |
| Summary of Interests, Unit Recapitulation (Tracts)   | Exhibit A-4  |
|  |  |

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| General nest bui A GAB ip 2/128/128/138 & Sashi 92 AM        | Exhibit B-1                                     | Page 5 of |
|--|---|-----------|
| 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                                     |           |
| Additional Information                                       |   |           |
| Special Provisions/Stipulations                              | N/A   |           |
| CERTIFICATION: I hereby certify that the information provide | ded in this checklist is complete and accurate. |           |
| Printed Name (Attorney or Party Representative):             | Dana S. Hardy                                   |           |
| Signed Name (Attorney or Party Representative):              | /s/ Dana S. Hardy                               |           |
| Date:  |   | 2/28/2023 |

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

APPLICATION OF COG OPERATING LLC FOR COMPULSORY POOLING AND APPROVAL OF NON-STANDARD SPACING UNIT, LEA COUNTY, NEW MEXICO.

**CASE NO. 23334** 

#### SELF-AFFIRMED STATEMENT OF SEAN P. MILLER

- 1. I am a Senior Land Negotiator for COG Operating LLC ("COG"). 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 not previously testified before the New Mexico Oil Conservation Division ("Division"). A copy of my resume is attached as **Exhibit A-1**.
- 2. I am familiar with the land matters involved in the above-referenced case. Copies of COG's application and proposed hearing notice are attached as **Exhibit A-2**.
- 3. None of the parties proposed to be pooled in this case indicated opposition to this matter proceeding by affidavit, therefore I do not expect any opposition at hearing.
- 4. COG seeks an order: (1) establishing a 960-acre, more or less, non-standard horizontal spacing unit comprised of the S/2 of Section 12 and all of Section 13, Township 25 South, Range 34 East, Lea County, New Mexico ("Unit"); and (2) pooling all uncommitted interests in the Wolfcamp formation underlying the Unit.
- 5. The Unit will be dedicated to the following proposed wells ("Wells"), which will be completed in the Wolfbone Pool (Code WC-023 G-09 S243532M):
  - Bandana Fed Com 702H well, to be horizontally drilled from a surface hole location in the SW/4 NE/4 (Unit G) of Section 12 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 13;

COG Operating LLC Case No. 23334 Exhibit A

- Bandana Fed Com 703H well, to be horizontally drilled from a surface hole location in the SE/4 NW/4 (Unit F) of Section 12 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 13;
- Bandana Fed Com 704H well, to be horizontally drilled from a surface hole location in the SE/4 NW/4 (Unit F) of Section 12 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 13.
- 6. The completed interval of the Well will be orthodox.
- 7. **Exhibit A-3** contains the C-102s for the Wells.
- 8. **Exhibit A-4** contains a plat identifying ownership by tract in the Unit. This exhibit also includes any applicable lease numbers, a unit recapitulation, and the interests COG seeks to pool highlighted in yellow. All of the parties are locatable.
- 9. COG has conducted a diligent search of all county public records including phone directories and computer databases, as well as internet searches, to locate the interest owners it seeks to pool.
- 10. **Exhibit A-5** contains a sample well proposal letter and AFEs sent to the working interest owners for the Wells. The estimated costs reflected on the AFEs are fair and reasonable and comparable to the cost of other wells of similar depth and length drilled in the subject formation in the area.
- 11. **Exhibit A-6** is a map that depicts the non-standard spacing unit in relation to the outline of a standard spacing unit. The map also identifies the interest owners in the tracts surrounding the proposed Unit, who were provided notice of COG's application.
- 12. COG's request for approval of a non-standard spacing unit will allow it to consolidate surface facilities and will consequently prevent surface, environmental, and economic

waste. As a result, approval of a non-standard spacing unit is necessary to prevent waste and protect correlative rights.

- 13. In my opinion, COG made a good-faith effort to reach voluntary joinder of uncommitted interests in the Well as indicated by the chronology of contact described in **Exhibit A-7**.
- 14. COG also received one (1) signed Waivers of Notice and Protest for the Bandana Fed Com non-standard horizontal spacing units, which were sent to all offset owners in November 2022. **Exhibit A-8** includes copies of the signed waivers.
- 15. COG requests overhead and administrative rates of \$8,000 per month while the Well is being drilled and \$800 per month while the Wells are producing. These rates are fair and are comparable to the rates charged by COG and other operators in the vicinity.
- 16. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.
- 17. In my opinion, the granting of COG's application for compulsory pooling and approval of a non-standard spacing unit would serve the interests of conservation, the protection of correlative rights, and the prevention of waste.
- 18. I understand this Self-Affirmed Statement will be used as written testimony in the subject cases. I affirm that my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Sean P. Miller

|2/27/2023 Date

# Sean Patrick Miller, CPL

3412 Meadowridge Ln, Midland, TX 79707

seanpmiller7@gmail.com

713.907.7583

www.linkedin.com/in/seanmiller90

# Petroleum Landman Degrees in both business management & petroleum land management

Degrees in both business management and land & resource management with over 9 years experience working as a professional as both an In-House and field Landman. Active AAPL member since 2013.

Work experience includes 4 years operational and non-op land in the Permian Basin in both New Mexico and Texas assets. Over 5 years experience in Rockies and Appalachia assets both in house and field. Specific roles include:

- Drilling unit creation and asset management
- Contract drafting & negotiating
- Managing brokers for title/leasing/curative
- New Mexico & Texas drilling program
- Extensive industry software familiarity
- Acquisition/Divestitures & Trades

#### **Professional Experience**

#### Concho Resources/ConocoPhillips, Midland, Texas

10/2018 - Present

#### Sr. Land Negotiator, Texas & New Mexico Asset - Permian Basin

- Responsible for extensive urban leasing program and unit creation running brokers and coordinating with title attorneys for multi-well projects on drill schedule.
- New Mexico OCD compulsory pooling applications and hearings.
- Negotiated contracts including Joint Operating Agreements, Leases, Purchase and Sale Agreements and other negotiable instruments with working interest partners and mineral owners.
- Drilling unit creation through JOA's, Pooling Agreements, Production Sharing Agreements, SUA's etc for contract rights and payment structures to both non-operators and royalty owners.
- Handled curative matters in conjunction with title attorney and brokers in the field.
- Responsible for company operated assets located in Midland, & Martin County, Texas as well as Lea County, NM

#### Landman II, Joint Interest Ventures Non-Op Team – Permian Basin

- Reviewed well proposals from outside operators primarily in New Mexico as wells as Texas, coordinating with reservoir engineering and geology to determine economics.
- Negotiated contracts including Joint Operating Agreements, Facility Sharing Agreements, Exchange Agreements, Leases, ect.
- Handled trades in both Eddy and Lea counties for acreage positions.

**EOG Resources:** Denver, CO

1/2018 - 8/2018

#### Contract Landman. North Dakota Asset

Ran title for prospective drilling operations in Bakken target area.

COG Operating LLC Case No. 23334 Exhibit A-1

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#### **Page Two**

## Lone Tree Energy, Littleton, Colorado

2014 - 2018

Contract Landman, Wyoming & West Virginia (Wetzel, Tyler & Marshall counties)

Analyzed records in major drilling asset areas to prepare reports showing ownership of oil and gas rights by abstracts, lease checks and full draft title.

- Completed over 100 lease check title reports to determine mineral owners for leasing purposes in the listed counties in West Virginia
- In a 6-month time period completed 15 full draft title reports to determine full ownership and verify lease bonus payments.
- As a part of a two-man team, analyzed and corrected ownership reports to ensure clarity and accuracy for client.
- Collaborated in developing company sharepoint database, which allowed field and office personnel to assess competitor activity in asset area.
- Compiled over 50 mineral title abstracts covering BLM and private lands furnished to client.

#### SM Energy, Billings, Montana

2014

**Landman Internship,** Northern (North Dakota) and Southern (Wyoming) Asset Group An intern who performed as an in-house landman reviewing legal contracts and title opinions, managing industry mapping software, negotiating leases and addressing land owner relations.

- Reviewed leases to determine possible lease forfeiture to the company due to poorly constructed clauses.
- Prepared working interest and net revenue percentages on over 50 SM operated/non-operated drilling proposals for review by senior landman.
- Coordinated and distributed new well proposals to working interest partners by drafting election letters.
- Conducted searches through online sites, company databases, and phone calls to find unlocatable mineral owners and contacted them directly to negotiate lease terms and bonus offers.
- Partnered with Sr. Landman based in Williston, ND in negotiating surface use agreements, right-of-ways and pipeline easements with land owners in the North Dakota asset.
- Entered lease data into industry mapping software to visualize companies' lease position versus competitor lease positions.

## Noble Energy, Denver, Colorado

2012 - 2013

## Land Analyst, DJ Basin Group

Facilitated the state regulatory compliance process as well as contract analysis. Member of Arc GIS program review team to determine company lease expiration schedule.

#### **Education**

#### Bachelor of Petroleum Land and Resource Management GPR: 3.82

2014

• Western State Colorado University, Gunnison, Colorado

#### **Bachelor of Business Administration in Management** GPR: 3.19

2012

• Texas A&M University, College Station, Texas

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

APPLICATION OF COG OPERATING LLC FOR COMPULSORY POOLING AND APPROVAL OF NON-STANDARD SPACING UNIT, LEA COUNTY, NEW MEXICO

**CASE NO. 23334** 

#### **APPLICATION**

In accordance with NMSA 1978, § 70-2-17 and NMAC 19.15.16.15(B)(5), COG Operating LLC ("COG" or "Applicant"), through its undersigned attorneys, files this application with the Oil Conservation Division ("Division") seeking an order: (1) establishing a 960-acre, more or less, non-standard horizontal spacing unit comprised of the S/2 of Section 12 and all of Section 13, Township 25 South, Range 34 East, Lea County, New Mexico ("Unit"); and (2) pooling all uncommitted interests in the Wolfcamp formation underlying the Unit. In support of this application, COG states the following.

- 1. Applicant (OGRID No. 229137) is a working interest owner in the Unit and has the right to drill thereon.
  - 2. Applicant seeks to dedicate the Unit to the following proposed wells ("Wells"):
    - a. **Bandana Fed Com 702H**, to be drilled from a surface hole location in the SW/4 NE/4 (Unit G) of Section 12 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 13;
    - b. **Bandana Fed Com 703H**, to be drilled from a surface hole location in the SE/4 NW/4 (Unit F) of Section 12 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 13; and

COG Operating LLC Case No. 23334 Exhibit A-2

- c. **Bandana Fed Com 704H**, to be drilled from a surface hole location in the SE/4 NW/4 (Unit F) of Section 12 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 13.
- 3. The completed intervals of the Wells will be orthodox.
- 4. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Wells but has been unable to obtain voluntary agreements from all interest owners.
- 5. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.
- 6. Approval of a non-standard horizontal spacing unit is necessary to prevent waste and protect correlative rights.
- 7. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and Applicant should be designated as the operator of the Wells and Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 2, 2023, and, after notice and hearing as required by law, the Division enter an order:

- A. Approving a non-standard horizontal spacing unit pursuant to 19.15.16.15(B)(5) NMAC;
- B. Pooling all uncommitted interests in the Unit;
- C. Approving the initial wells in the Unit;
- D. Designating Applicant as the operator of the Unit and the Wells;

- E. Authorizing Applicant to recover its costs of drilling, equipping, and completing the Wells;
- F. Approving the actual operating charges and costs of supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- G. 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,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy Jaclyn M. McLean Yarithza Peña P.O. Box 2068 Santa Fe, NM 87504-2068

Phone: (505) 982-4554 Facsimile: (505) 98208623 dhardy@hinklelawfirm.com jmclean@hinklelawfirm.com Counsel for COG Operating LLC Application of COG Operating LLC for Compulsory Pooling and Approval of Non-Standard Spacing Unit, Lea County, New Mexico. Applicant applies for an order: (1) establishing a 960-acre, more or less, non-standard horizontal spacing unit comprised of S/2 of Section 12 and all of Section 13, Township 25 South, Range 34 East, Lea County, New Mexico ("Unit"); and (2) pooling all uncommitted interests in the Wolfcamp formation underlying the Unit. The Unit will be dedicated to the following wells: Bandana Fed Com 702H, to be drilled from a surface hole location in the SW/4 NE/4 (Unit G) of Section 12 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 13; Bandana Fed Com 703H, to be drilled from a surface hole location in the SE/4 NW/4 (Unit F) of Section 12 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 13; and Bandana Fed Com 704H, to be drilled from a surface hole location in the SE/4 NW/4 (Unit F) of Section 12 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 13. The completed intervals of the wells will be orthodox. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs, the designation of Applicant as the operator of the well, and a 200% charge for the risk involved in drilling and completing the wells. The wells are located approximately 13 miles west of Jal, New Mexico.

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Case No. 23334

Exhibit A-3

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

State of New Mexico Energy, Minerals & Natural Resources Department

> CONSERVATION DIVISION 1220 SOUTH ST. FRANCIS DR. Santa Fe, New Mexico 87505

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

DISTRICT III 1000 RIO BRAZOS RD., 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

□ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| API Number    | Pool Code            | Pool Name           |           |  |  |  |
|---------------|----------------------|---------------------|-----------|--|--|--|
|               | WC-023 G-09 S243532M | Wolfbone Pool       |           |  |  |  |
| Property Code | Pro                  | Well Number         |           |  |  |  |
|               | BANDANA              | BANDANA FEDERAL COM |           |  |  |  |
| OGRID No.     | Ope                  | rator Name          | Elevation |  |  |  |
| 229137        | COG OPF              | ERATING, LLC        | 3379.0'   |  |  |  |

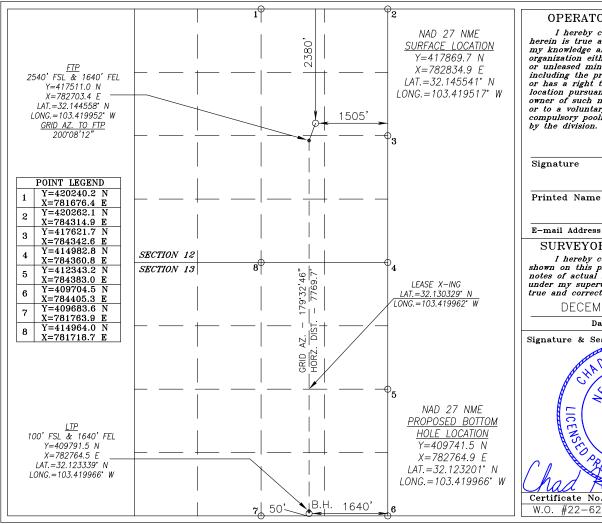
#### Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| G             | 12      | 25-S     | 34-E  |         | 2380          | NORTH            | 1505          | EAST           | LEA    |

#### Bottom Hole Location If Different From Surface

| UL or lot No.  | Section | Townshi | ip | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|--|---------|---------|----|-------|---------|---------------|------------------|---------------|----------------|--------|
| 0  | 13      | 25-     | S  | 34-E  |         | 50            | SOUTH            | 1640          | EAST           | LEA    |
| Dedicated Acres   Joint or Infill   Consolidation Code |         |         |    |       | Code Or | der No.       |                  |               |                |        |
| 960  |         |         |    |       |         |               |                  |               |                |        |

#### 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



#### OPERATOR CERTIFICATION

I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. I hereby certify that the information

Signature Date

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.

DECEMBER 19, 2020

Date of Survey

Signature & Seal of Professional Surveyor

CHAD L. HARCRO MEX/C N. N. 9 R 29/FESSIONA 6/20/22

17777 Certificate No. CHAD HARCROW W.O. #22-624 DRAWN BY: BD

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

State of New Mexico Energy, Minerals & Natural Resources Department CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR. Santa Fe, New Mexico 87505

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

DISTRICT III 1000 RIO BRAZOS RD., 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

□ AMENDED REPORT

| WELL | LOCATION | AND | ACREAGE | DEDICATION | PLAT |
|------|----------|-----|---------|------------|------|
|------|----------|-----|---------|------------|------|

| API Number          | Pool Code<br>WC-023 G-09 S243532M | Pool Name<br>Wolfbone Pool |                      |
|---------------------|-----------------------------------|----------------------------|----------------------|
| Property Code       | -                                 | erty Name<br>FEDERAL COM   | Well Number<br>703H  |
| OGRID No.<br>229137 | •                                 | ator Name<br>RATING, LLC   | Elevation<br>3395.4' |

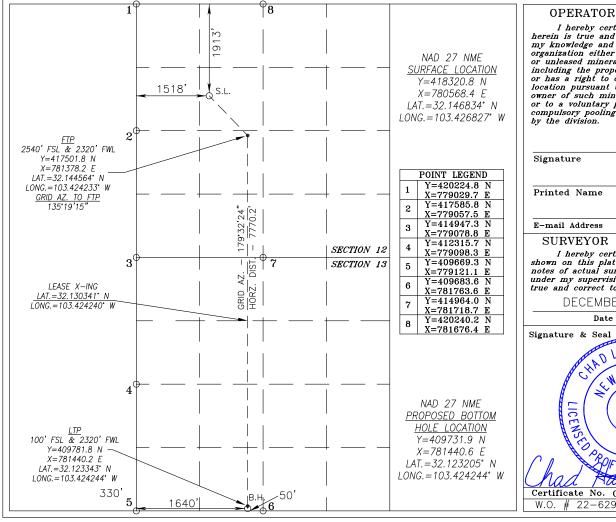
#### Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| F             | 12      | 25-S     | 34-E  |         | 1913          | NORTH            | 1518          | WEST           | LEA    |

#### Bottom Hole Location If Different From Surface

| UL or lot No.  | Section   | Townshi  | ip  | Range        | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|----------------|-----------|----------|-----|--------------|---------|---------------|------------------|---------------|----------------|--------|
| N              | 13        | 25-      | S   | 34-E         |         | 50            | SOUTH            | 2320          | WEST           | LEA    |
| Dedicated Acre | s Joint o | r Infill | Con | solidation ( | Code Or | der No.       |                  |               |                |        |
| 960            |           |          |     |              |         |               |                  |               |                |        |

#### 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



#### OPERATOR CERTIFICATION

I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. I hereby certify that the information

Date

#### 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.

**DECEMBER 19, 2020** 

Date of Survey

Signature & Seal of Professional Surveyor

CHAD L. HARCRO MEX/C ZEW 9 R 39/FESSIONA

Certificate No. CHAD HARCROW 17777 22-629 DRAWN BY: BD

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

State of New Mexico Energy, Minerals & Natural Resources Department CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR. Santa Fe, New Mexico 87505

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

DISTRICT III 1000 RIO BRAZOS RD., 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

□ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| API Number    | Pool Code            | Pool Name     |             |
|---------------|----------------------|---------------|-------------|
|               | WC-023 G-09 S243532M | Wolfbone Pool |             |
| Property Code | Prope                | erty Name     | Well Number |
|               | BANDANA I            | 704H          |             |
| OGRID No.     | Opera                | ator Name     | Elevation   |
| 229137        | COG OPE              | RATING, LLC   | 3395.5'     |

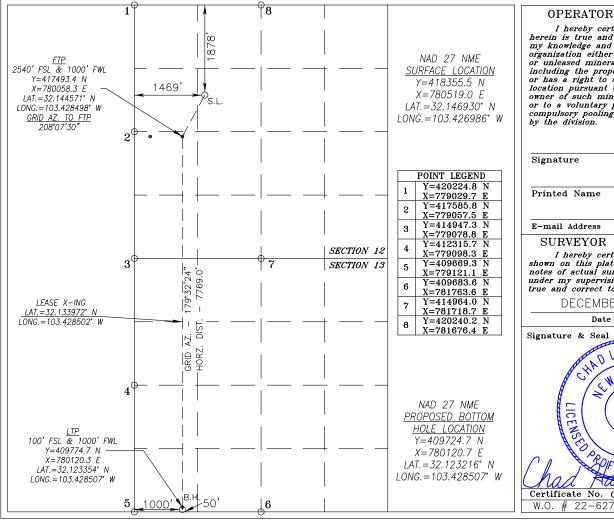
#### Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| F             | 12      | 25-S     | 34-E  |         | 1878          | NORTH            | 1469          | WEST           | LEA    |

#### Bottom Hole Location If Different From Surface

| τ | L or lot No.    | Section | Townsh   | ip  | Range         | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---|-----------------|---------|----------|-----|---------------|---------|---------------|------------------|---------------|----------------|--------|
|   | М               | 13      | 25-      | -S  | 34-E          |         | 50            | SOUTH            | 1000          | WEST           | LEA    |
| ] | Dedicated Acres | Joint o | r Infill | Cor | nsolidation ( | Code Or | der No.       |                  |               |                |        |
|   | 960             |         |          |     |               |         |               |                  |               |                |        |

#### 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



#### OPERATOR CERTIFICATION

I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. I hereby certify that the information

| Signatui | re   | Date |
|----------|------|------|
| Printed  | Name |      |

#### 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.

**DECEMBER 19, 2020** Date of Survey

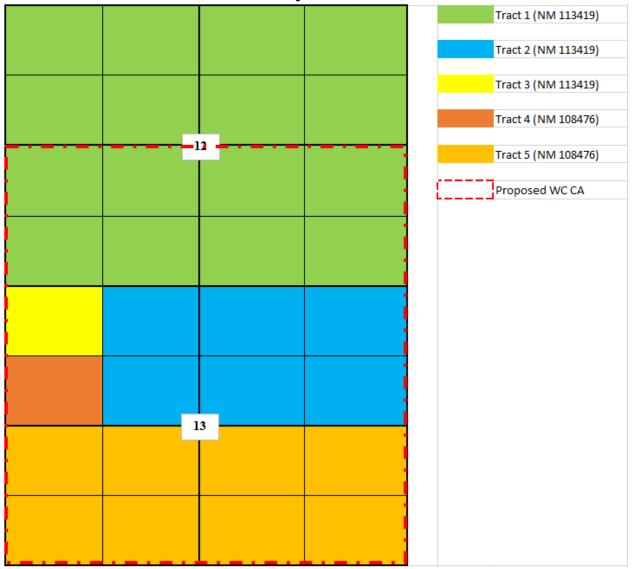
|           |        | •               |          |
|-----------|--------|-----------------|----------|
| Signature | & Seal | of Professional | Surveyor |
|           |        | . HARC          |          |

PO MEXIC 39/FESSIONA Certificate No. CHAD HARCROW 17777

DRAWN BY: AH

# Bandana Fed Com Wolfcamp Unit Sections 13 & S2 of Section 12 T25S R34E

Lea County, New Mexico



# Bandana Fed Com Wolfcamp Unit Sections 13 & S2 of Section 12 T25S R34E Lea County, New Mexico

1.0000000

#### **Unit Working Interest**

| Total WI            | 100.0000000% |
|---------------------|--------------|
| Oxy Y-1 Company     | 1.02341000%  |
| Chevron U.S.A. Inc. | 6.25000000%  |
| COG Operating LLC   | 92.72659000% |

| <b>Tract 1 – S2 Section 12 – T25S-R3</b> | R34E | T25S-1 | 12 – | Section | -S2 | Tract 1 |
|--|------|--------|------|---------|-----|---------|
|--|------|--------|------|---------|-----|---------|

| <u>1ract 1 – S2 Section 12 – 1258-R34E</u> |           |
|--|-----------|
| COG Operating LLC                          | 1.0000000 |
| Total                                      | 1.0000000 |
| Tract 2- NE4, E2NW Section 13 – T25S-R34E  |           |
| COG Operating LLC                          | .75000000 |
| Chevron U.S.A. Inc.                        | .25000000 |
| Total                                      | 1.0000000 |
| Tract 3 - NWNW Section 13 - T25S-R34E      |           |
| COG Operating LLC                          | 1.0000000 |
| Total                                      | 1.0000000 |
| Tract 4 – SWNW Section 13 – T25S-R34E      |           |
| COG Operating LLC                          | .75438163 |
| Oxy Y-1 Company                            | .24561837 |
| Total                                      | 1.0000000 |
| Tract 5 - S2 Section 13 – T25S-R34E        |           |
| COG Operating LLC                          | 1.0000000 |

Total

#### **Pooling Notification List**

#### Working Interest Owners

Chevron U.S.A. Inc 1400 Smith Street Houston, TX 77002

Oxy Y-1 Company 5 Greenway Plaza, Suite 110 Houston, TX 77056

#### Overriding Royalty Interest Owners

Allar Development LLC P.O. Box 1567 Graham, TX 76450

Crownrock Minerals, L.P. P.O. Box 51933 Midland, TX 79710

EOG Resources, Inc.

105 South Fourth Street

Artesia, NM 88210-2123

John Lawrence Thoma, Trustee Cornerstone Family Trust P.O. Box 17656 Golden, CO 80402

Marathon Oil Permian LLC 5555 San Felipe Street Houston, TX 77056

Regen Royalty Corp. P.O. Box 210 Artesia, NM 88211-0210



Sean P. Miller, CPL Sr. Land Negotiator

600 W. Illinois Ave Midland, TX 79701 Sean.Miller@conocophillips.com

December 1, 2022

Via Federal Express

Chevron U.S.A. Inc. Attn: NOJV Group 6301 Deauville, Blvd Midland, TX 79706

Re: Bandana Federal Com 702H - 704H

Township 25 South – Range 34 East, N.M.P.M.

Section 12: S2
Section 13: All
Lea County, New Mexico
Containing 960.0 ac – Wolfcamp formation

Chevron U.S.A. Inc.:

COG Operating LLC ("COG"), as Operator, hereby proposes to drill the following wells located in the S2 of Section 12, and All of Section 13, 25S-34E, Lea County, New Mexico:

- BANDANA FED COM 702H, to be drilled to a depth sufficient to test the Wolfcamp formation at an approximate total vertical depth of 12,938 feet. The estimated surface hole location for this well is proposed at approximately 2380' FNL, 1505' FEL of Section 12 or a location in unit letter G of Section 12. The first take point for this well is estimated at approximately 2540' FSL, 1650' FEL of Section 12, and the last take point is estimated at approximately 100 FSL, 1650 FEL of Section 13. The estimated bottom hole location for this well is proposed at approximately 50 FSL, 1650' FEL of Section 13 or a legal location in Unit B of Section 13. The total estimated cost to drill and complete said well is \$9,648,009.00 as shown on the attached Authority for Expenditure ("AFE").
- BANDANA FED COM 703H, to be drilled to a depth sufficient to test the Wolfcamp formation at an approximate total vertical depth of 12,918 feet. The estimated surface hole location for this well is proposed at approximately 1913' FNL, 1518' FWL of Section 12 or a location in unit letter F of Section 12. The first take point for this well is estimated at approximately 2540' FSL, 2310' FWL of Section 12, and the last take point is estimated at approximately 100 FSL, 2310 FWL of Section 13. The estimated bottom hole location for this well is proposed at approximately 50 FSL, 2310' FWL of Section 13 or a legal location in Unit F of Section 13. The total estimated cost to drill and complete said well is \$9,648,009.00 as shown on the attached Authority for Expenditure ("AFE").
- BANDANA FED COM 704H, to be drilled to a depth sufficient to test the Wolfcamp formation at an approximate total vertical depth of 12,871 feet. The estimated surface hole location for this well is proposed at approximately 1878' FNL, 1469' FWL of Section 12 or a location in unit letter F of Section 12. The first take point for this well is estimated at approximately 2540' FSL, 990' FWL of Section 12, and the last take point is estimated at approximately 100 FSL, 990' FWL of Section 13. The estimated bottom hole location for this well is proposed at approximately 50 FSL, 990' FWL of Section 13 or a legal location in Unit E of Section 13. The total estimated cost to drill and complete said well is \$9,648,009.00 as shown on the attached Authority for Expenditure ("AFE").

COG Operating LLC Case No. 23334 Exhibit A-5 COG is proposing to drill these wells under the terms of the modified 1989 AAPL form of Operating Agreement which is enclosed for your review and approval. The Operating Agreement covers S2 of Section 12 and all of Section 13, Township 25 South – Range 34 East, N.M.P.M.. If has the following general provisions:

- 100/300 Non-Consenting Penalty
- \$8,000/\$800 Drilling and Producing Rate
- COG Operating LLC named as Operator

If you do not wish to participate, COG proposes to acquire your interest via term assignment. It has the following general provisions:

- 3 year primary term
- Delivering a 75% NRI, proportionately reduced
- \$2,000 per net acre bonus consideration

The Term Assignment offer terminates December 31, 2022 and is subject to the approval of COG's management and verification of title. If an agreement cannot be reached 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 spacing unit for the proposed well if uncommitted at such time.

Please indicate your participation elections in the spaces provided below, sign, and return this letter, along with a signed copy of the enclosed AFEs and fully executed signature pages to the JOA, in the enclosed postage paid envelope.

If you have any questions, please do not hesitate to contact me at 432-818-2371.

Respectfully,

Sean Miller, CPL Sr. Land Negotiator

Bandana Federal Com 601H – 604H Page 3

|          | Bandana Fed Com 702H   |
|----------|--|
|          | I/We hereby elect to participate in the Bandana Fed Com 702H.            |
|          | I/We hereby elect <u>not</u> to participate in the Bandana Fed Com 702H. |
|          | Bandana Fed Com 703H   |
|          | I/We hereby elect to participate in the Bandana Fed Com 703H.            |
|          | I/We hereby elect <u>not</u> to participate in the Bandana Fed Com 703H. |
|          | Pandana Fad Com 704H   |
|          | Bandana Fed Com 704H   |
|          | I/We hereby elect to participate in the Bandana Fed Com 704H.            |
|          | I/We hereby elect <u>not</u> to participate in the Bandana Fed Com 704H. |
|          |  |
|          |  |
|          |  |
| Company: |  |
| Ву:      |  |
| Name:    |  |
| Title:   |  |
| Data     |  |

# **Project Cost Summary**



Received by OCD: 2/28/2023 8:59:02 AM

This document contains proposed and estimated project cost information which is proprietary and confidential to ConocoPhillips.

| Well Name | BANDANA FED COM 702H |
|-----------|----------------------|
| Job Type  | Drill and Complete   |

| State         | New Mexico - 30 |
|---------------|-----------------|
| County/Parish | Lea - 025       |

|   | Grand Total    |                |                   |                |
|---|----------------|----------------|-------------------|----------------|
| Cost Feature Group                                | Drilling       | Completions    | Pumping Equipment | Facilities     |
| A000: CASING & TUBING                             | \$1,027,000.00 |                | \$60,000.00       |                |
| B000: WELLHEAD, XMAS TREE, AND ASST EQUIPT        | \$70,000.00    | \$10,000.00    | \$44,000.00       |                |
| C000: COMPLETION EQUIPMENT & OTHER                |                |                | \$117,500.00      | \$1,841,564.00 |
| D000: LOCATION (WELLSITE RELATED)                 | \$188,500.00   | \$5,000.00     | \$4,000.00        | \$100,440.00   |
| E000: RIGS & RIG RELATED                          | \$771,000.00   |                | \$18,600.00       |                |
| F000: DRILLING & COMPLETION UTILITIES (ALL)       | \$146,000.00   | \$655,000.00   |                   |                |
| G000: FLUID AND CHEMICALS SERVICES                | \$193,725.00   | \$25,000.00    |                   |                |
| H000: DIRECTIONAL DRILLING / MWD / LWD            | \$262,900.00   |                |                   |                |
| J000: CEMENTING MATERIALS, SERVICES, AND CSG ACCS | \$235,760.00   |                |                   |                |
| K000: FORMATION EVALUATION                        | \$42,000.00    |                |                   |                |
| M000: COMPLETION & TESTING                        |                | \$10,000.00    |                   |                |
| N000: FORMATION STIMULATION & TREATING            |                | \$1,196,000.00 |                   |                |
| 0000: CERTIFICATION, INSPECT, CONTROL & TEST      |                |                |                   |                |
| P000: TRANSPORTATION SUPPLY & DISPOSAL            |                | \$406,500.00   | \$19,500.00       |                |
| Q000: DRLG TOOLS & EQPT RNTAL W/WO OPR            | \$252,450.00   | \$303,000.00   | \$11,550.00       |                |
| R000: BITS & MILLS                                | \$85,000.00    |                |                   |                |
| S000: SPECIAL SERVICES                            | \$102,500.00   | \$201,000.00   | \$6,100.00        |                |
| T000: MISCELLANEOUS                               | \$302,400.00   | \$113,200.00   | \$36,000.00       | \$267,195.00   |
| U000: PERFORATING & SLICKLINE SERVICES            |                | \$257,000.00   | \$8,500.00        |                |
| V000: ENG & CONSTRUCTION(E&C), CONSLT, R&D        |                |                | \$15,000.00       |                |
| W000: GENERAL FEES                                | \$42,500.00    |                | \$8,000.00        |                |
| X000: CONOCOPHILLIPS LABOR & OVERHEAD             | \$5,400.00     | \$27,500.00    |                   | \$11,725.00    |
| Y000: TOTALS, CONTINGENCY & MISCELLANEOUS         | \$77,000.00    | \$65,000.00    | TTTALE            |                |
| Grand Total                                       | \$3,804,135.00 | \$3,274,200.00 | \$348,750.00      | \$2,220,924.00 |

|              | Grand Total (\$) | 9,648,009.00 |  |
|--------------|------------------|--------------|--|
| Approved By: | Da               | te           |  |

Last Edited By Last Edited Date

| Luis Ortega  |  |
|--------------|--|
| Jun 06, 2022 |  |

| Approved By   | Luis Ortega  |
|---------------|--------------|
| Approved Date | Jun 06, 2022 |

# Received by OCD: 2/28/2023 8:59:02 AM

## **Project Cost Summary**



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| Well Name | BANDANA FED COM 703H |
|-----------|----------------------|
| Job Type  | Drill and Complete   |

State

New Mexico - 30

Lea - 025 County/Parish

|   | Grand Total    |                |                   |                |
|---|----------------|----------------|-------------------|----------------|
| Cost Feature Group                                | Drilling       | Completions    | Pumping Equipment | Facilities     |
| A000: CASING & TUBING                             | \$1,027,000.00 |                | \$60,000.00       |                |
| B000: WELLHEAD, XMAS TREE, AND ASST EQUIPT        | \$70,000.00    | \$10,000.00    | \$44,000.00       |                |
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| Y000: TOTALS, CONTINGENCY & MISCELLANEOUS         | \$77,000.00    | \$65,000.00    |                   |                |
| Grand Total                                       | \$3,804,135.00 | \$3,274,200.00 | \$348,750.00      | \$2,220,924.00 |

|              | Grand Total (\$) | 9,648,009.00 |
|--------------|------------------|--------------|
| Approved By: |                  | Date         |
|              |                  |              |
|              |                  |              |

Last Edited By Last Edited Date Luis Ortega Jun 06, 2022

Approved By Luis Ortega Jun 06, 2022 Approved Date

# **Project Cost Summary**



Received by OCD: 2/28/2023 8:59:02 AM

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| Well Name | BANDANA FED COM 704H |
|-----------|----------------------|
| Job Type  | Drill and Complete   |

| State         | New Mexico - 30 |
|---------------|-----------------|
| County/Parish | Lea - 025       |

|   | Grand Total    |                |                   |                |
|---|----------------|----------------|-------------------|----------------|
| Cost Feature Group                                | Drilling       | Completions    | Pumping Equipment | Facilities     |
| A000: CASING & TUBING                             | \$1,027,000.00 |                | \$60,000.00       |                |
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| V000: ENG & CONSTRUCTION(E&C), CONSLT, R&D        |                |                | \$15,000.00       |                |
| W000: GENERAL FEES                                | \$42,500.00    |                | \$8,000.00        |                |
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| Y000: TOTALS, CONTINGENCY & MISCELLANEOUS         | \$77,000.00    | \$65,000.00    |                   |                |
| Grand Total                                       | \$3,804,135.00 | \$3,274,200.00 | \$348,750.00      | \$2,220,924.00 |

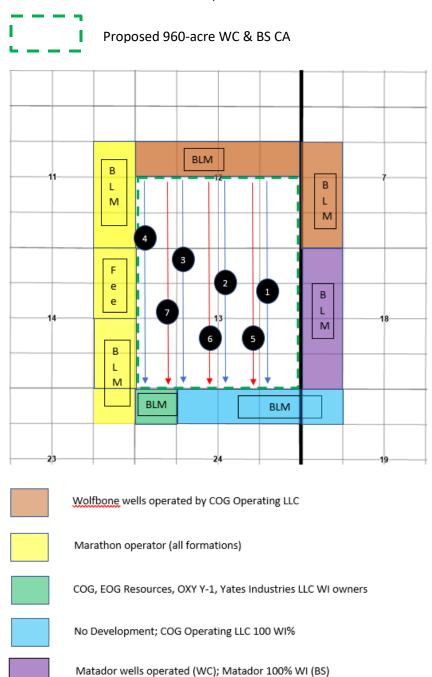
|              | Grand Total (\$) | 9,648,009.00 |  |
|--------------|------------------|--------------|--|
| Approved By: | Dat              | e            |  |

Last Edited By Last Edited Date

| Luis Ortega  |  |
|--------------|--|
| Jun 06, 2022 |  |

| Approved By   | Luis Ortega  |
|---------------|--------------|
| Approved Date | Jun 06, 2022 |

# TOWNSHIP 25 SOUTH – RANGE 34 EAST LEA COUNTY, NEW MEXICO



| No | Well                     | SHL                | BHL             |
|----|--------------------------|--------------------|-----------------|
| 1  | Bandana Federal Com 601H | 2380' FNL 1475 FEL | 50 FSL 1000 FEL |
| 2  | Bandana Federal Com 602H | 2380 FNL 1535 FEL  | 50 FSL 2320 FEL |
| 3  | Bandana Federal Com 603H | 1896 FNL 1493 FWL  | 50 FSL 1640 FWL |
| 4  | Bandana Federal Com 604H | 1861 FNL 1445 FWL  | 50 FSL 330 FWL  |
| 5  | Bandana Federal Com 702H | 2380 FNL 1505 FEL  | 50 FSL 1640 FEL |
| 6  | Bandana Federal Com 703H | 1913 FNL 1518 FWL  | 50 FSL 2320 FWL |
| 7  | Bandana Federal Com 704H | 1878 FNL 1469 FWL  | 50 FSL 1000 FWL |

COG Operating LLC Case No. 23334 Exhibit A-6

# TOWNSHIP 25 SOUTH – RANGE 34 EAST LEA COUNTY, NEW MEXICO

#### **OFFSET PARTIES**

#### **Working Interest Owners**

Marathon Oil Permian LLC 990 Town and Country Blvd Houston, TX 77024

OXY Y-1 5 Greenway Plaza, Suite 110 Houston, TX 77046

EOG Resources, Inc. 5509 Champions Dr Midland, TX 79706

Yates Industries LLC 403 W San Francisco St Santa Fe, NM 87501

Matador Resources Company One Lincoln Center 5400 LBJ Freeway Ste 1500 INA Dallas, TX 75240

| Name/Address  | Proposal Mailed | Delivered  | 30th day | Election                                      | Communication   |
|---|-----------------|------------|----------|---|---|
| Chevron U.S.A. Inc<br>1400 Smith Street<br>Houston, TX 77002        | 12/13/2022      | 12/24/2022 |          | Pool then<br>drop if<br>signed OA<br>received | Email correspondance with Candace<br>LaBron-Howard confirming WI/NRI,<br>operations timing and JOA. |
| Oxy Y-1 Company<br>5 Greenway Plaza, Suite 110<br>Houston, TX 77056 | 12/13/2022      | 12/14/2022 |          | Pool  | Sent well proposal and JOA. No communication from OXY regarding their election.                     |

COG Operating LLC Case No. 23334 Exhibit A-7

| Name/Address  | Ratification Mailed | Delivered  | 30th day | Signed (Y/N) |
|---|---------------------|--|----------|--------------|
| Allar Development LLC<br>P.O. Box 1567<br>Graham, TX 76450                            | Υ                   | 2/8/2023   |          | N            |
| Crownrock Minerals,<br>L.P.<br>P.O. Box 51933<br>Midland, TX 79710                    | Y                   | 2/7/2023   |          | N            |
| EOG Resources, Inc.<br>105 South Fourth Street<br>Artesia, NM 88210-2123              | Y                   | In transit<br>Email confirmation from Terra Peterson EOG Houston.<br>EOG Midland (Tracy Jordan) did receive, |          | N            |
| John Lawrence Thoma, Trustee Cornerstone Family Trust P.O. Box 17656 Golden, CO 80402 | Υ                   | 2/21/2023  |          | N            |
| Regen Royalty Corp.<br>P.O. Box 210<br>Artesia, NM 88211-0210                         | Υ                   | 2/6/2023   |          | Yes          |



RECEIVED

OCT 18 2022

EOG RESOURCES, INC MIDLAND DIVISION

October 17, 2022

EOG Resources, Inc. 5509 Champions Dr. Midland, TX 79706

Re: Waiver of Notice for Bandana Fed Com Unit Non-Standard Spacing Application

Formation: Bone Spring & Wolfcamp (2 separate unit applications)

Sec 12: S2- T25S-R34E Sec 13: All - T25S-R34E Lea County, New Mexico 960.00 acres

Land Department Representative:

COG Operating LLC ("COG"), as Operator, respectfully requests your waiver of notice and protest for our two Bandana Fed Com non-standard horizontal spacing units consisting of the above described formations ("Bandana Units").

The Bandana Units are located in Lea County, New Mexico as captioned above. COG is obtaining approval of the non-standard spacing units with the New Mexico Oil and Gas Division ("NMOCD"). The NMOCD advises that a non-standard unit designation is appropriate, rather than a standard designation, because COG will develop the spacing units utilizing three proximity wells.

The horizontal well rules require the last take point of a well to be set back from the north/south boundary of the spacing unit by at least 100' to protect correlative rights from draining offset acreage. Both of our Bandana Unit's last take points are within these parameters as you can see from the attached plats. EOG Resources' interest is located in the quarter/quarter section to the south of the last take point of the Bandana Fed Com 604H & 704H.

Given that our Bandana Units presents no drainage threat, we ask that you sign in the space indicated below and return this letter to the undersigned whether through the mail or electronic mail. The wells are scheduled to be spud next year and we intend to initiate compulsory pooling procedures with the NMOCD. With that in mind and in an effort to avoid further involvement of EOG Resources in those proceedings, we appreciate your quick response.

If you have any questions, please contact the undersigned at (432) 818-2371 or sean.miller@conocophillips.com. I look forward to hearing from you.

Respectfully,

Sean Miller Senior Land Negotiator

> COG Operating LLC Case No. 23334 Exhibit A-8

#### WAIVER OF PROTEST

The undersigned hereby waives its right to notice and protest under NMAC 19.15.15.11 B(3)-(4) in connection with COG Operating LLC's application to form the Bandana Fed Com non-standard spacing units.

#### AGREED AND ACCEPTED:

| Company: _ | EOG Resources, Inc     |          |
|------------|------------------------|----------|
| Dve        | 120'                   |          |
| By: _      | Keith Trasko           | Se.      |
| Name:      | lice President General | Maragan  |
|            | 10 12 1/20             | Mariager |
| Date: _    | 10/21/26               |          |

Please return to:

Sean Miller ConocoPhillips 600 W. Illinois Ave Midland, TX 79701

Or

Sean.Miller@conocophillips.com

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

APPLICATION OF COG OPERATING LLC FOR COMPULSORY POOLING AND APPROVAL OF NON-STANDARD SPACING UNIT, LEA COUNTY, NEW MEXICO.

**CASE NO. 23334** 

#### SELF-AFFIRMED STATEMENT OF DESERAE JENNINGS

- 1. I am a geologist for COG Operating LLC ("COG"). 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") by affidavit, and my credentials as an expert in geology were accepted and made a matter of record.
  - 2. I am familiar with the geological matters that pertain to the above-referenced case.
- 3. **Exhibit B-1** is a location map of the proposed horizontal spacing unit ("Unit"). The approximate wellbore paths for the proposed **Bandana Fed Com 702H**, **Bandana Fed Com 703H**, and **Bandana Fed Com 704H** wells are represented by pink dashed lines. Existing producing wells in the targeted interval are represented by pink solid lines. Wells producing from other formations are represented by solid black lines.
- 4. **Exhibit B-2** is a subsea structure map for the Wolfcamp formation that is representative of the targeted interval. The approximate wellbore paths of the wells are depicted by dashed pink lines. The map demonstrates the formation is gently dipping to the northeast in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells.

COG Operating LLC Case No. 23334 Exhibit B

- 5. **Exhibit B-3** is a cross section map that identifies three wells penetrating the targeted intervals used to construct a structural cross-section from A to A'. I used these well logs because they penetrate the targeted intervals, are of good quality, and are representative of the geology in the area.
- 6. **Exhibit B-4** is a stratigraphic cross-section using the representative wells identified on Exhibit B-3. It contains gamma ray, resistivity and porosity logs. The proposed landing zone for the wells are labeled on the exhibit. This cross-section demonstrates the target intervals are continuous across the area.
- 7. In my opinion, a standup orientation for the wells is appropriate to properly develop the subject acreage because of consistent rock properties throughout the Unit and the lack of preferred fracture orientation in this portion of the trend.
- 8. Based on my geologic study of the area, the targeted interval underlying the Unit is suitable for development by horizontal wells and the tracts comprising the Unit will contribute more or less equally to the production of the wells.
- 9. In my opinion, the granting of COG's application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.
- 10. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.

11. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date identified next to my signature below.

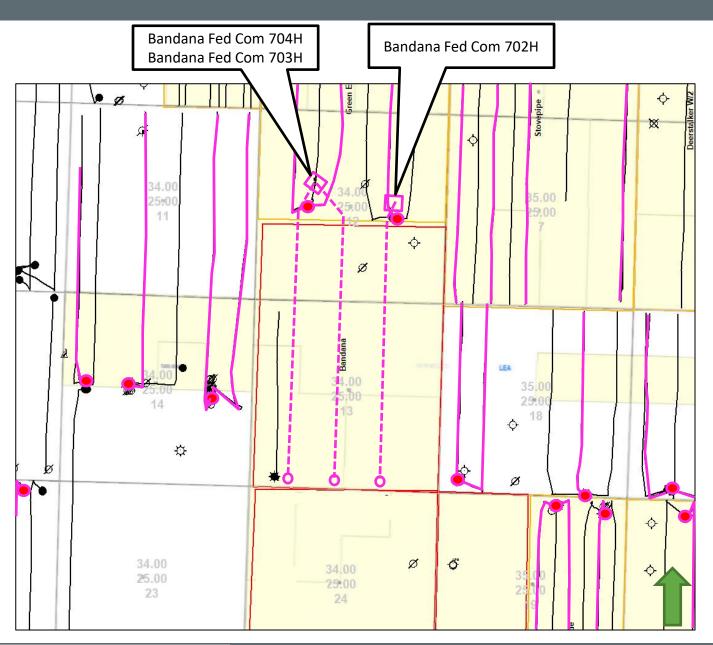
Deserae Jennings

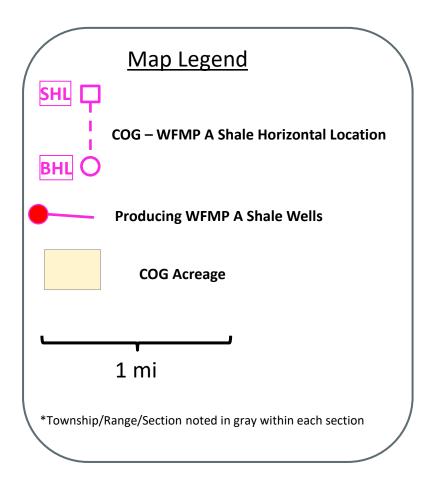
2-23-2023

2/23/33

Date

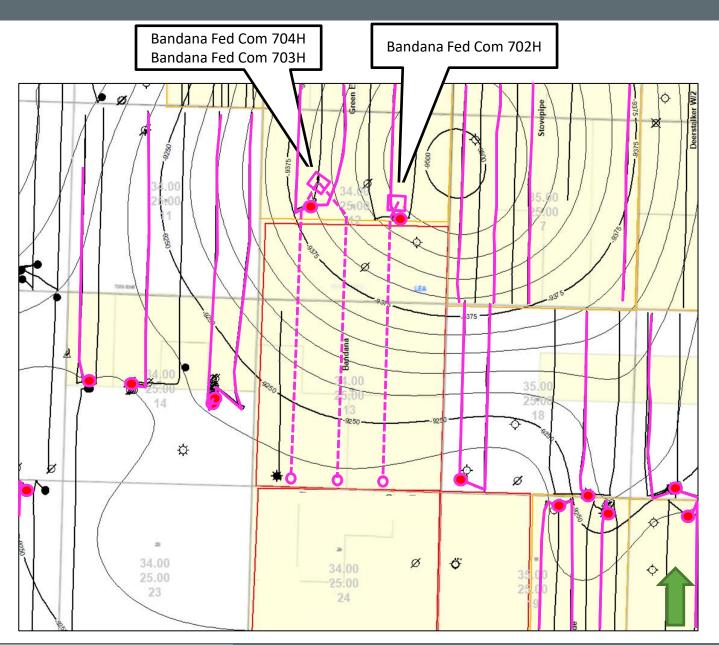
# Bandana Fed Com 702H-704H

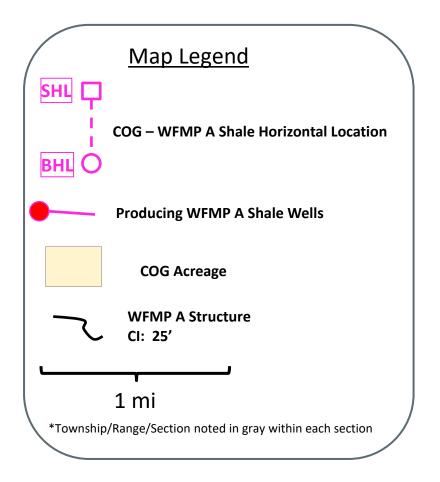




COG Operating LLC Case No. 23334 Exhibit B-1

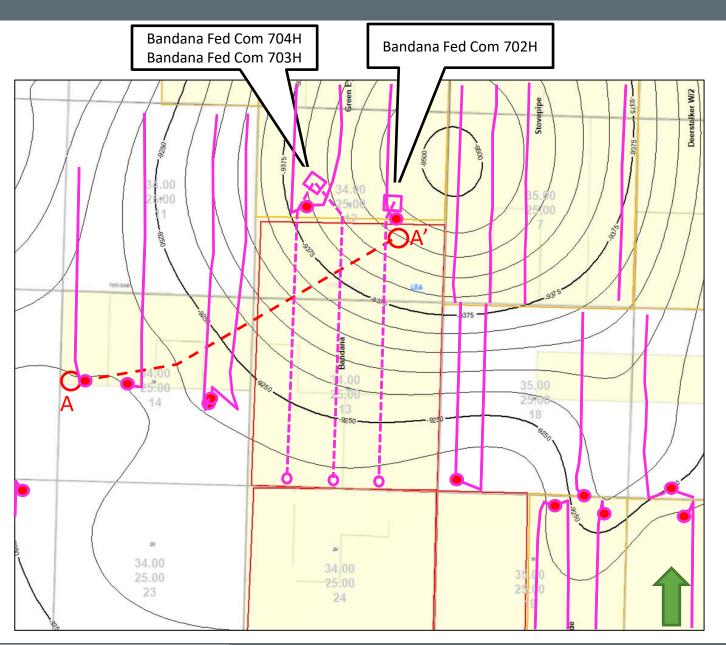
## Bandana Fed Com 702H-704H

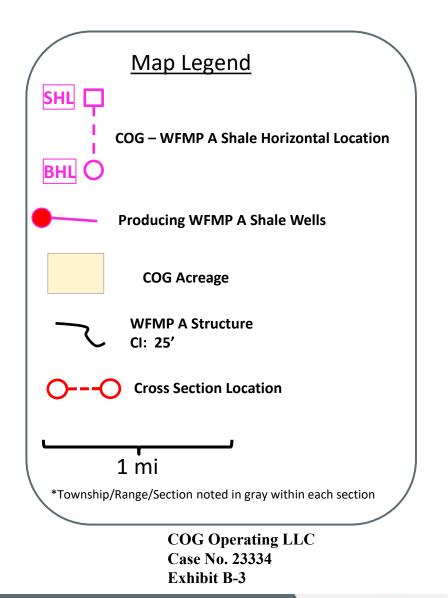




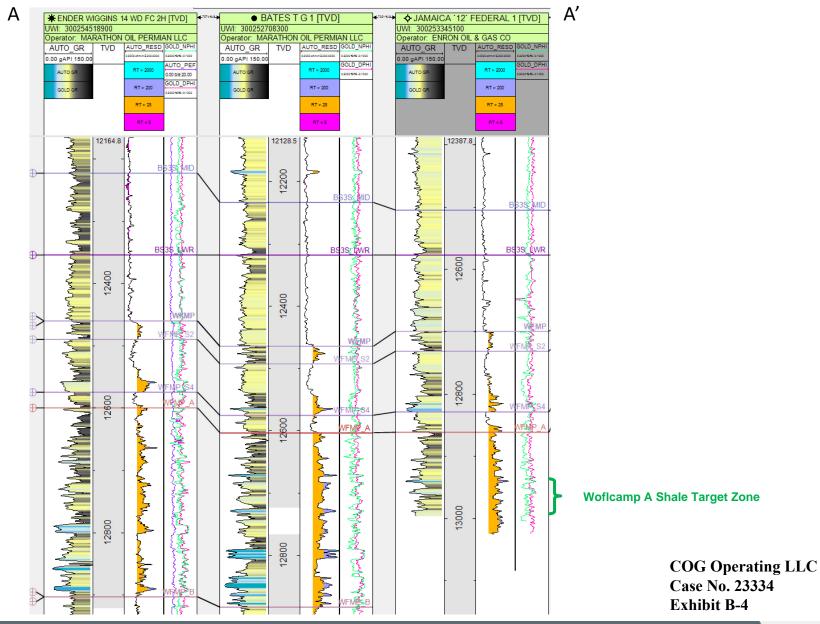
COG Operating LLC Case No. 23334 Exhibit B-2

## Bandana Fed Com 702H-704H





## Bandana Fed Com 702H-704H – Cross Section



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

APPLICATION OF COG OPERATING LLC FOR COMPULSORY POOLING AND APPROVAL OF NON-STANDARD SPACING UNIT, LEA COUNTY, NEW MEXICO.

**CASE NO. 23334** 

SELF-AFFIRMED STATEMENT OF DANA S. HARDY

1. I am attorney in fact and authorized representative of COG Operating LLC the

Applicant herein.

2. I am familiar with the Notice Letter attached as **Exhibit C-1** and caused the Notice

Letter, along with the Application in this case, to be sent to the parties set out in the chart attached

as Exhibit C-2.

3. Exhibit C-2 also provides the date each Notice Letter was sent and the date each

return was received.

4. Copies of the certified mail green cards and white slips are attached as **Exhibit C-**

3 as supporting documentation for proof of mailing and the information provided on Exhibit C-2.

5. On February 7, 2023, I caused a notice to be published to all interested parties in

the Hobbs News-Sun. An Affidavit of Publication from the Legal Clerk of the Hobbs News-Sun,

along with a copy of the notice publication, is attached as **Exhibit C-4**.

6. I understand this Self-Affirmed Statement will be used as written testimony in the

subject cases. I affirm that my testimony above is true and correct and it made under penalty of

perjury under the laws of the State of New Mexico. My testimony is made as of the date

handwritten next to my signature below.

/s/ Dana S. Hardy

Date

February 24, 2022

Dana S. Hardy

COG Operating LLC Case No. 23334 Exhibit C



#### HINKLE SHANOR LLP

## ATTORNEYS AT LAW P.O. BOX 2068 SANTA FE, NEW MEXICO 87504

505-982-4554 (FAX) 505-982-8623

WRITER: Dana S. Hardy, Partner dhardy@hinklelawfirm.com

January 27, 2023

#### <u>VIA CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED

#### TO ALL PARTIES ENTITLED TO NOTICE

Re: Case Nos. 23333 & 23334 – Applications of COG Operating LLC, for Compulsory Pooling and Approval of Non-Standard Spacing Unit, Lea County, New Mexico.

To whom it may concern:

This letter is to advise you that the enclosed applications were filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **March 2**, **2023** beginning at 8:15 a.m.

Hearings are currently conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <a href="https://www.emnrd.nm.gov/ocd/hearing-info/">https://www.emnrd.nm.gov/ocd/hearing-info/</a>. 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 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, 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 submitted through the OCD E-Permitting system (<a href="https://www.apps.emnrd.nm.gov/OCD/OCDPermitting">https://www.apps.emnrd.nm.gov/OCD/OCDPermitting</a>) or via e-mail to ocd.hearings@emnrd.nm.gov 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.

Please contact Sean P. Miller, CPL, Senior Land Negotiator for COG Operating LLC, by phone at (432) 818-2371 if you have questions regarding this matter.

Sincerely

| Simeorory,        |                       |
|-------------------|-----------------------|
| /s/ Dana S. Hardy |                       |
| Dana S. Hardy     | COG Operating LLC     |
|                   | <b>Case No. 23334</b> |

PO BOX 10 ROSWELL, NEW MEXICO 88202 (575) 622-6510 FAX (575) 623-9332 7601 JEFFERSON ST NE · SUITE 180 ALBUQUERQUE, NEW MEXICO 87109 505-858-8320 (FAX) 505-858-8321 PO BOX 2068 SANTA FE, NEW MEXICO 87504 (505) 982-4554 FAX (505) 982-8623

Exhibit C-1

Enclosure



#### HINKLE SHANOR LLP

ATTORNEYS AT LAW
P.O. BOX 2068
SANTA FE, NEW MEXICO 87504
505-982-4554 (FAX) 505-982-8623

WRITER: Dana S. Hardy, Partner dhardy@hinklelawfirm.com

January 27, 2023

#### <u>VIA CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED

#### TO ALL OFFSET INTEREST OWNERS

Re: Case Nos. 23333 & 23334 – Applications of COG Operating LLC, for Compulsory Pooling and Approval of Non-Standard Spacing Unit, Lea County, New Mexico.

To whom it may concern:

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Please contact Sean P. Miller, CPL, Senior Land Negotiator for COG Operating LLC by phone at (432) 818-2371 if you have questions regarding this matter.

Sincerely,

/s/ Dana S. Hardy Dana S. Hardy

Enclosure



#### HINKLE SHANOR LLP

ATTORNEYS AT LAW
P.O. BOX 2068
SANTA FE, NEW MEXICO 87504
505-982-4554 (FAX) 505-982-8623

WRITER: Dana S. Hardy, Partner dhardy@hinklelawfirm.com

February 10, 2023

#### <u>VIA CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED

#### TO ALL PARTIES ENTITLED TO NOTICE

Re: Case Nos. 23333 & 23334 – Applications of COG Operating LLC, for Compulsory Pooling and Approval of Non-Standard Spacing Unit, Lea County, New Mexico.

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Sincerely,

/s/ Dana S. Hardy
Dana S. Hardy

Enclosure

PO BOX 10 ROSWELL, NEW MEXICO 88202 (575) 622-6510 FAX (575) 623-9332 7601 JEFFERSON ST NE · SUITE 180 ALBUQUERQUE, NEW MEXICO 87109 505-858-8320 (FAX) 505-858-8321 PO BOX 2068 SANTA FE, NEW MEXICO 87504 (505) 982-4554 FAX (505) 982-8623

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

APPLICATION OF COG OPERATING LLC FOR COMPULSORY POOLING AND APPROVAL OF NON-STANDARD SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE Nos. 23333 & 23334

#### WI AND ORRI NOTICE LETTER CHART

| PARTY                          | NOTICE LETTER SENT | RETURN RECEIVED            |
|--------------------------------|--------------------|----------------------------|
| Allar Development LLC          | 01/27/23           | 02/13/23                   |
| P.O. Box 1567                  |                    |                            |
| Graham, TX 76450               |                    |                            |
| Chevron Midcontinent, L.P.     | 01/27/23           | 02/08/23                   |
| 1400 Smith Street              |                    |                            |
| Houston, TX 77002              |                    |                            |
| Chevron U.S.A. Inc.            | 01/27/23           | 02/07/23                   |
| 1400 Smith Street              |                    |                            |
| Houston, TX 77002              |                    |                            |
| Crownrock Minerals, L.P.       | 01/27/23           | Latest USPS Update         |
| P.O. Box 51933                 |                    | (Last Checked 02/24/23)    |
| Midland, TX 79710              |                    |                            |
|                                |                    | 01/30/23 – Item delivered  |
|                                |                    | to front desk/reception    |
|                                |                    | area/mail room.            |
| EOG Resources, Inc.            | 01/27/23           | 02/01/23                   |
| 105 South Fourth Street        |                    |                            |
| Artesia, NM 88210-2123         |                    |                            |
| Marathon Oil Permian LLC       | 01/27/23           | 2/10/23                    |
| 5555 San Felipe Street         |                    | Return to sender.          |
| Houston, TX 77056              |                    | New letter sent to address |
|                                |                    | below.                     |
| Marathon Oil Permian, LLC      | 2/10/23            | 02/17/23                   |
| 990 Town and Country Boulevard |                    |                            |
| Houston, Texas 77024           |                    |                            |
| Oxy Y-1 Company                | 01/27/23           | 02/08/23                   |
| 5 Greenway Plaza, Suite 110    |                    |                            |
| Houston, TX 77046              |                    | No signature.              |
| Regen Royalty Corp.            | 01/27/23           | 02/01/23                   |
| P.O. Box 210                   |                    |                            |
| Artesia, NM 88211-0210         |                    |                            |
| John Lawrence Thoma, Trustee   | 01/27/23           | 02/23/23                   |
| Cornerstone Family Trust       |                    |                            |
| P.O. Box 17656                 |                    |                            |
| Golden, CO 80402               |                    |                            |

COG Operating LLC Case No. 23334 Exhibit C-2

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

APPLICATION OF COG OPERATING LLC FOR COMPULSORY POOLING AND APPROVAL OF NON-STANDARD SPACING UNIT, LEA COUNTY, NEW MEXICO

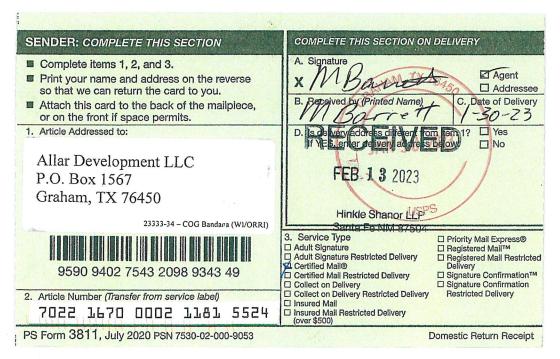
CASE Nos. 23333 & 23334

#### OFFSET NOTICE LETTER CHART

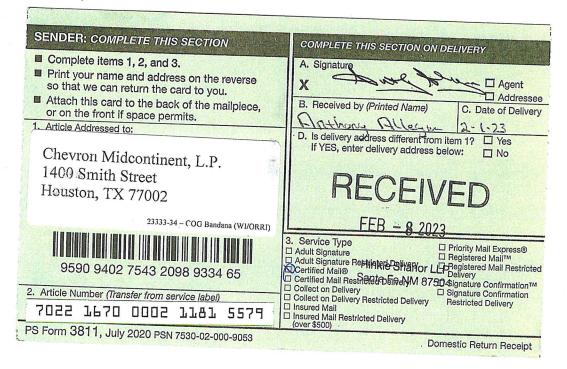
| PARTY                         | NOTICE LETTER SENT | RETURN RECEIVED |
|-------------------------------|--------------------|-----------------|
| Bureau of Land Management     | 01/27/23           | 02/03/23        |
| 301 Dinosaur Trail            |                    |                 |
| Santa Fe, NM 87508            |                    |                 |
| Bureau of Land Management     | 01/27/23           | 02/02/23        |
| 620 E. Greene St.             |                    |                 |
| Carlsbad, NM 88220            |                    |                 |
| EOG Resources, Inc.           | 01/27/23           | 02/06/23        |
| 5509 Champions Dr             |                    |                 |
| Midland, TX 79706             |                    |                 |
| Marathon Oil Permian LLC      | 01/27/23           | 02/13/23        |
| 990 Town and Country Blvd     |                    |                 |
| Houston, TX 77024             |                    |                 |
| Matador Resources Company     | 01/27/23           | 02/08/23        |
| One Lincoln Center            |                    |                 |
| 5400 LBJ Freeway Ste 1500 INA |                    |                 |
| Dallas, TX 75240              |                    |                 |
| OXY Y-1                       | 01/27/23           | 02/07/23        |
| 5 Greenway Plaza, Suite 110   |                    |                 |
| Houston, TX 77046             |                    |                 |
| Yates Industries LLC          | 01/27/23           | 02/02/23        |
| 403 W San Francisco St        |                    |                 |
| Santa Fe, NM 87501            |                    |                 |

Received by OCD: 2/28/2023 8:59:02 AM





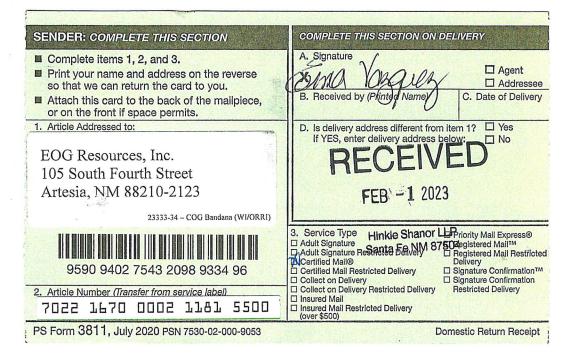




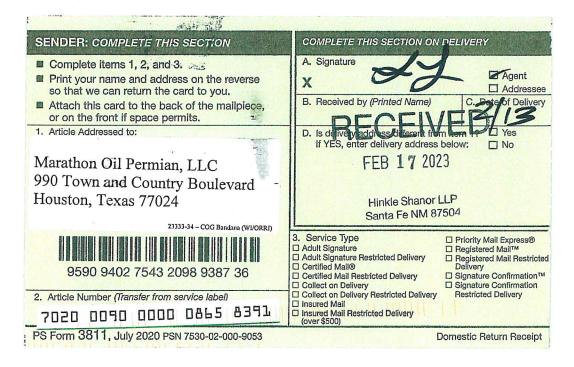








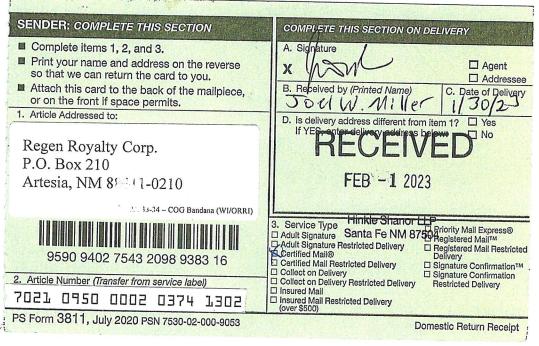








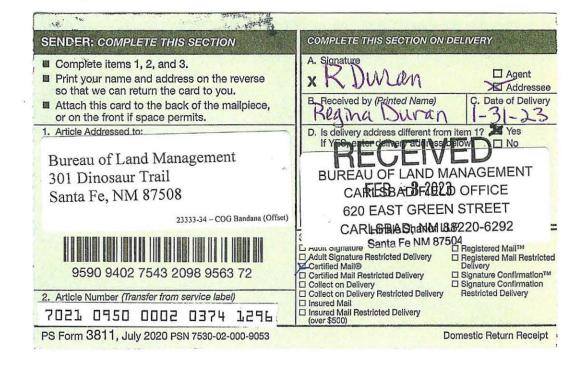




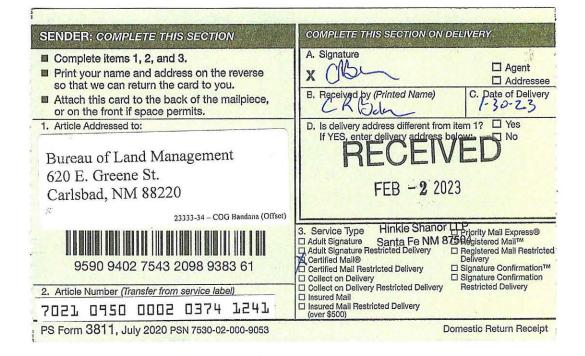
| 1.7  | U.S. Postal Service <sup>™</sup> CERTIFIED MAIL <sup>®</sup> RECEIPT  Domestic Mail Only   |  |  |  |  |
|------|--|--|--|--|--|
| 5    | For delivery information, visit our website at www.usps.com®.  |  |  |  |  |
|      | OFFICIALITY  |  |  |  |  |
| 1181 | \$ [Extra Services & Fees (check box, add fee as appropriate)  |  |  |  |  |
| 2000 | Return Receipt (hardcopy)   Return Receipt (electronic)   Postmark     Certified Mail Restricted Delivery   Postmark     Adult Signature Required   Adult Signature Restricted Delivery     Adult Signature Restricted Delivery   And     Control of the control of t |  |  |  |  |
| 1670 | Postage<br>\$  |  |  |  |  |
|      | Total Postage and Fees   |  |  |  |  |
| 7022 | Sent To  John Lawrence Thoma, Trustee Comerstone Family Trust  Street and Apt. A  P.O. Box 17656  Golden, CO 80402  City, State, ZIP+  23333-34 - COG Bandana (WI/ORRI)  |  |  |  |  |
|      | PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions   |  |  |  |  |



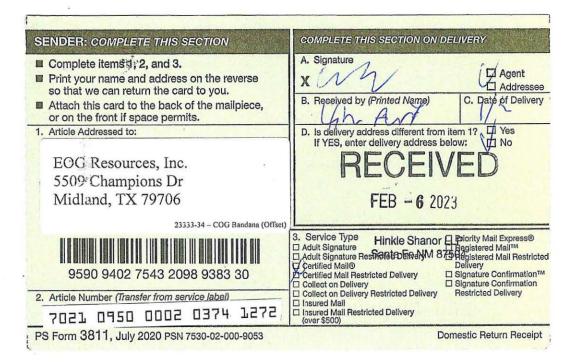




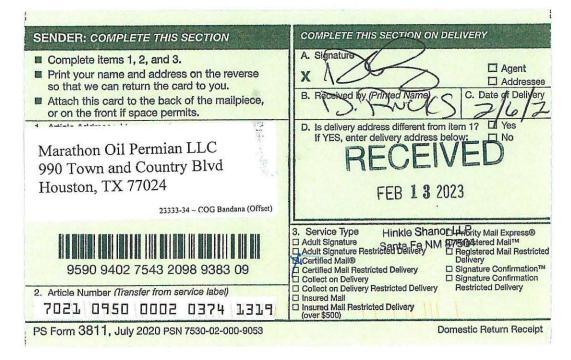


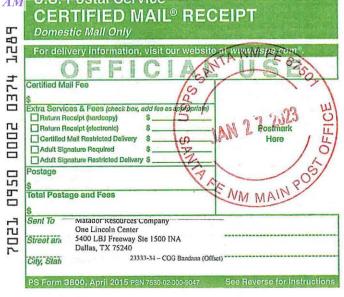






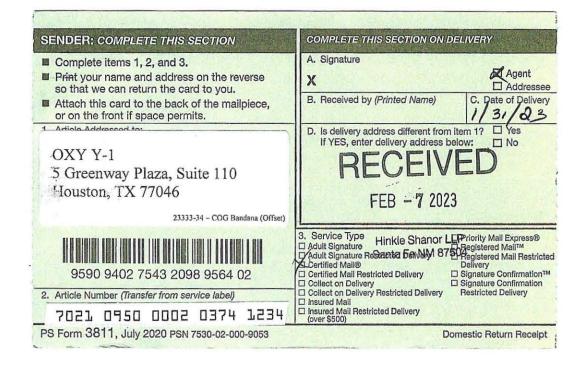


















### **USPS Tracking®**

FAQs >

Remove X

#### **Tracking Number:**

#### 70221670000211815586

Copy Add to Informed Delivery (https://informeddelivery.usps.com/)

#### **Latest Update**

Your item was delivered to the front desk, reception area, or mail room at 11:52 am on January 30, 2023 in MIDLAND, TX 79705.

#### **Get More Out of USPS Tracking:**

USPS Tracking Plus®

#### **Delivered**

Delivered, Front Desk/Reception/Mail Room

MIDLAND, TX 79705 January 30, 2023, 11:52 am

#### **Available for Pickup**

MIDLAND, TX 79705 January 30, 2023, 10:55 am

#### **Departed USPS Regional Facility**

MIDLAND TX DISTRIBUTION CENTER January 29, 2023, 8:45 pm

#### Arrived at USPS Regional Facility

MIDLAND TX DISTRIBUTION CENTER January 29, 2023, 5:04 pm

#### In Transit to Next Facility

January 28, 2023

#### **Departed USPS Facility**

ALBUQUERQUE, NM 87101 January 27, 2023, 9:52 pm

**Arrived at USPS Facility** 

ALBUQUERQUE, NM 87101 January 27, 2023, 9:08 pm

**Hide Tracking History** 

| Text & Email Updates              | ~ |
|-----------------------------------|---|
| USPS Tracking Plus®               | ~ |
| Product Information               | ~ |
| See Less ^                        |   |
| Track Another Package             |   |
| Enter tracking or barcode numbers |   |

### **Need More Help?**

Contact USPS Tracking support for further assistance.

**FAQs** 



#### HINKLE SHANOR LLP ATTORNEYS AT LAW

POST OFFICE BOX 2068 SANTA FE, NEW MEXICO 87504





## RECEIVED

FEB 1 0 2023

Hinkle Shanor LLP Santa Fe NM 87504

Marathon Oil Permian LLC 5555 San Felipe Street Houston, TX 77056

FORWARD TIME EXP RTN TO SEND

: MARATHON DIL EF II LLC
990 TOWN AND COUNTRY BLVD
HOUSTON TX 77024-2217

FWD 750 Americans

### Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

> Beginning with the issue dated February 07, 2023 and ending with the issue dated February 07, 2023.

Publisher

Sworn and subscribed to before me this 7th day of February 2023.

**Business Manager** 

My commission expires

January 29, 2027

STATE OF NEW MEXICO (Seal) NOTARY PUBLIC GUSSIE RUTH BLACK **COMMISSION # 1087526** COMMISSION EXPIRES 01/29/2027

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

#### LEGAL NOTICE February 7, 2023

This is to notify all interested parties, including Bureau of Land Management, EOG Resources, Inc., Marathon Oil Permian, LLC, Matador Resources Company, Oxy Y-1 Company, Yates Industries, LLC, Allar Development, LLC, Chevron Midcontinent, L.P., Chevron U.S.A., Inc., Crownrock Minerals, L.P., Regen Royalty Corp., John Lawrence Thoma, Trustee Cornerstone Family Trust, and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by COG Operating LLC (Case No. 23334). The hearing will be conducted remotely on March 2, 2023, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website for that date: https://www.emnrd.nm.gov/ocd/hearingthat date: https://www.emnrd.nm.gov/ocd/hearing-info/. Applicant applies for an order: (1) establishing a 960-acre, more or less, non-standard horizontal spacing unit comprised of S/2 of Section 12 and all of Section 13, Township 25 South, Range 34 East, Lea County, New Mexico ("Unit"); and (2) pooling all uncommitted interests in the Wolfcamp formation underlying the Unit. The Unit will be dedicated to the underlying the Unit. The Unit will be dedicated to the following wells: Bandana Fed Com 702H, to be following wells: Bandana Fed Com 702H, to be drilled from a surface hole location in the SW/4 NE/4 (Unit G) of Section 12 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 13; Bandana Fed Com 703H, to be drilled from a surface hole location in the SE/4 NW/4 (Unit F) of Section 12 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 13; and Bandana Fed Com 704H, to be drilled from a surface hole location in the SE/4 NW/4 (Unit F) of Section 12 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 13. The completed intervals of the wells will be orthodox. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs, the designation of Applicant as the operator of the well. designation of Applicant as the operator of the well, and a 200% charge for the risk involved in drilling and completing the wells. The wells are located approximately 13 miles west of Jal, New Mexico. #00275569

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**COG Operating LLC** Case No. 23334 Exhibit C-4