

**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. 23351**

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Compulsory Pooling Checklist

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A-5	Sample Well Proposal Letter & AFE
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**COMPULSORY POOLING APPLICATION CHECKLIST****ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

<b>Case: 23351</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date</b>	<b>March 2, 2023</b>
Applicant	<b>COG Operating LLC</b>
Designated Operator & OGRID (affiliation if applicable)	<b>OGRID No. 229137</b>
Applicant's Counsel:	Hinkle Shanor LLP
Case Title:	Application of COG Operating LLC for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	None
Well Family	Hambone
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring
Pool Name and Pool Code:	Corral Canyon; Bone Spring, South Pool (Code 13354)
Well Location Setback Rules:	Statewide
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	280 acres
Building Blocks:	quarter-quarter
Orientation:	South/North
Description: TRS/County	E/2 W/2 of Section 5 and the E/2 NW/4 and NE/4 SW/4 of Section 8, Township 26 South, Range 29 East, Eddy County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and is approval of non-standard unit requested in this application?</u>	Yes.
<b>Other Situations</b>	
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
<b>Well(s)</b>	
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	Hambone Federal Com #505H (API # ---) SHL: 1153' FSL & 1725' FWL (Unit K), Section 8, T26S, R29E BHL: 50' FNL & 2310' FWL (Unit C), Section 5, T26S, R29E Completion Target: Bone Spring (Approx. 8,400' TVD)
Horizontal Well First and Last Take Points	Exhibit A-3
Completion Target (Formation, TVD and MD)	Exhibit A-5
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,000.00
Production Supervision/Month \$	\$800.00
Justification for Supervision Costs	Exhibit A

Requested Risk Charge	200%
<b>Notice of Hearing</b>	
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
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit A-4
Tract List (including lease numbers and owners)	Exhibit A-4
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit A-4
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit A-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
<b>Geology</b>	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-2
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-4
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit A-3
Tracts	Exhibit A-4
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-4
General Location Map (including basin)	Exhibit B-2
Well Bore Location Map	Exhibit B-2
Structure Contour Map - Subsea Depth	Exhibit B-3
Cross Section Location Map (including wells)	Exhibit B-4
Cross Section (including Landing Zone)	Exhibit B-5
<b>Additional Information</b>	
Special Provisions/Stipulations	N/A
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Dana S. Hardy

Received (Attorney or Party Representative):	/s/ Dana S. Hardy	Page 4 of 41
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,  
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 23351**

**SELF-AFFIRMED STATEMENT  
OF GIANNA ROMERO**

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 a Bachelor of Business Administration degree from the University of Oklahoma and have worked in the petroleum industry for approximately 10 years. 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 pooling all uncommitted interests in the Bone Spring formation underlying a 280-acre, more or less, standard horizontal spacing unit comprised of the E/2 W/2 of Sections 5 and the E/2 NW/4 and NE/4 SW/4 of Section 8, Township 26 South, Range 29 East, Eddy County, New Mexico (“Unit”).

5. The Unit will be dedicated to the **Hambone Federal Com #505H** well (“Well”), which will be completed in the Corral Canyon; Bone Spring, South Pool (Code 13354). The Well was horizontally drilled from a surface hole location in the NE/4 SW/4 (Unit K) of Section 8 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 5.

6. The completed interval of the Well will be orthodox.

**COG Operating LLC  
Case No. 23351  
Exhibit A**

7. **Exhibit A-3** contains the C-102 for the Well.

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 in that COG believes it located valid addresses for them.

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 AFE sent to the working interest owners for the Well. The estimated costs reflected on the AFE 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** contains a sample Ratification of Communitization Agreement sent to the overriding royalty interest owners for the Well.

12. 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**.

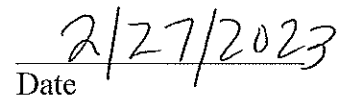
13. COG requests overhead and administrative rates of \$8,000 per month while the Well is being drilled and \$800 per month while the Well is producing. These rates are fair and are comparable to the rates charged by COG and other operators in the vicinity.

14. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.

15. In my opinion, the granting of COG's application for compulsory pooling would serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

16. 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.

  
Gianna Romero

  
Date

## Gianna Romero, CPL

5605 Rio Grande Ave • Midland, TX 79707 • (720) 480-1471 • gianna.n.reese@gmail.com

### INDUSTRY EXPERIENCE

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#### **ConocoPhillips, Midland, TX**

##### Senior Land Negotiator (January 2023 – Current)

- Managed leasehold position covering 28 townships in Eddy & Lea Counties
- Negotiated exchange agreements, leases, and JOAs with landowners and partners
- Calculated and tracked down well critical dates on a daily basis
- Prepared and submitted yearly Plan of Development to BLM for Lusk Deep Unit in Eddy County

#### **ConocoPhillips, Midland, TX**

##### Permian Supervisor – Land Reporting, Systems, & Processes (March 2021 – December 2022)

- Led team of four Land Analysts and four GIS Analysts that support all Permian Land Teams
- Implemented geospatial tools to enhance Land Team capabilities such as the interactive Webmap and tracking of SWD payments on company owned surface
- Assisted in the integration of Land systems for Concho and Shell acquisitions
- Spearheaded process improvement efforts and collaborated with various teams on changes
- Facilitated project between Accounting, Finance, Reserves, and Land to allocate \$6.5B in unproved leasehold value within QLS
- Adept in various programs including Quorum, Business Objects, SAP, Spotfire, and Avocet

#### **Concho Resources, Midland, TX**

##### Landman II (March 2019 – February 2021)

- Managed RSP acquisition leasehold in Loving and Winkler Counties (Delaware Basin)
- Monitored continuous development obligations over 80+ leases to determine drilling critical dates
- Negotiated leases, amendments, letter agreements, and JOAs with landowners and partners
- Consulted with Legal Team on drafting of agreements and lease obligation analysis
- Evaluated complex mineral ownership and cleared title prior to drilling
- Reconciled internal Lease and Division Order records against title opinions to improve system accuracy
- Communicated with Operations Team on down well critical dates for cessation of production

#### **SM Energy Company, Denver, CO**

##### Landman II (August 2017 – February 2019)

- Handled Rock Oil acquisition assets in Howard County, TX (Midland Basin)
- Prepared complex drilling units that included multiple subdivisions (300+ tracts)
- Ordered plats from surveyors and ensured accuracy against the source deeds
- Collaborated with Regulatory Team on exception waivers, notice of unleased owners, permit filings
- Oversaw brokers and title attorneys over multiple projects

##### Senior Land Technician III (February 2017 – August 2017)

- Researched, prepared, and recorded unit designations
- Drafted, mailed, and tracked JOAs and AFE packages sent to partners
- Executed extension payments after reviewing the title and lease area priority
- Organized and paid invoices timely for brokers, surveyors, attorneys, and other various vendors



Division Order Analyst II (May 2013 – February 2017)

- Maintained North Dakota (Bakken), Wyoming (Powder River), and Texas (Eagleford) assets
- Responsible for updating revenue decks and JIB decks for owner maintenance
- Reviewed title opinions, chained ownership, and cured outstanding requirements
- Analyzed agreements (JOA's, farmouts) and partner elections for various payout scenarios
- Communicated regularly with accounting, marketing, and regional office to ensure correct payments

**EDUCATION**

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**University of Oklahoma, Norman, OK**

Bachelor of Business Administration

Graduated: May 2013

Major(s): Energy Management and Finance; 3.79 GPA – Academic distinction

**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. 23351**

**APPLICATION**

Pursuant to NMSA 1978, § 70-2-17, COG Operating LLC (OGRID No. 229137) (“COG” or “Applicant”) applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 280-acre, more or less, standard horizontal spacing unit comprised of the E/2 W/2 of Section 5 and the E/2 NW/4 and NE/4 SW/4 of Section 8, Township 26 South, Range 29 East, Eddy County, New Mexico (“Unit”). In support of this application, COG states the following.

1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.
2. The Unit will be dedicated to the **Hambone Federal Com #505H** well (“Well”), to be drilled from a surface hole location in the NE/4 SW/4 (Unit K) of Section 8 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 5.
3. The completed interval of the Well 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 Well 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.

**COG Operating LLC  
Case No. 23351  
Exhibit A-2**

6. 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 Well 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. Pooling all uncommitted interests in the Unit;
- B. Approving the Well in the Unit;
- C. Designating Applicant as operator of the Unit and the Well to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping and completing the Well;
- E. Approving the actual operating charged and costs of supervision while drilling and after completion, together with a provision adjusting the rated pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% penalty for the risk assumed by Applicant in drilling and completing the Well against any working interest owner who does not voluntarily participate in the drilling of the Well.

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

dhardy@hinklelawfirm.com  
jmclean@hinklelawfirm.com  
ypena@hinklelawfirm.com  
*Counsel for COG Operating LLC*

**Application of COG Operating LLC for Compulsory Pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a 280-acre, more or less, standard horizontal spacing unit comprised of the E/2 W/2 of Section 5 and the E/2 NW/4 and NE/4 SW/4 of Section 8, Township 26 South, Range 29 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the **Hambone Federal Com #505H** well ("Well"), to be drilled from a surface hole location in the NE/4 SW/4 (Unit K) of Section 8 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 5. The completed interval of the Well will be orthodox. Also to be considered will be the cost of drilling and completing the Well and the allocation of the cost, the designation of Applicant as operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 10.4 miles south of Malaga, 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 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) 476-3482

State of New Mexico  
 Energy, Minerals & Natural Resources Department  
**OIL 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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <b>30-015-48976</b>	Pool Code <b>13354</b>	Pool Name <b>Corral Canyon; Bone Spring, South</b>
Property Code	Property Name <b>HAMBONE FEDERAL COM</b>	Well Number <b>505H</b>
OGRID No. <b>229137</b>	Operator Name <b>COG OPERATING, LLC</b>	Elevation <b>2894.7'</b>

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	8	26-S	29-E		1553	SOUTH	1725	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
C	5	26-S	29-E		50	NORTH	2310	WEST	EDDY

Dedicated Acres <b>280</b>	Joint or Infill	Consolidation Code	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

**LTP**  
 100' FNL & 2310' FWL  
 Y=392509.2 N  
 X=642230.4 E  
 LAT.=32.078669° N  
 LONG.=104.007582° W

**LEASE X-ING**  
 LAT.=32.071685° N  
 LONG.=104.007560° W

**LEASE X-ING**  
 LAT.=32.060708° N  
 LONG.=104.007524° W

**NAD 83 NME SURFACE LOCATION**  
 Y=383531.1 N  
 X=641681.4 E  
 LAT.=32.053993° N  
 LONG.=104.009442° W

**GRID AZ. - 359°45'07"**  
**HORZ. DIST. - 9175.6'**

**SECTION 5**  
**SECTION 8**

**S.L.**  
 1725'  
 1553'

**B.H.**  
 2310'  
 60'

**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.

*Mayte Reyes* 1/6/2022  
 Signature Date

**Mayte Reyes**  
 Printed Name

mayte.x.reyes@conocophillips.com  
 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.

JULY 3, 2019  
 Date of Survey

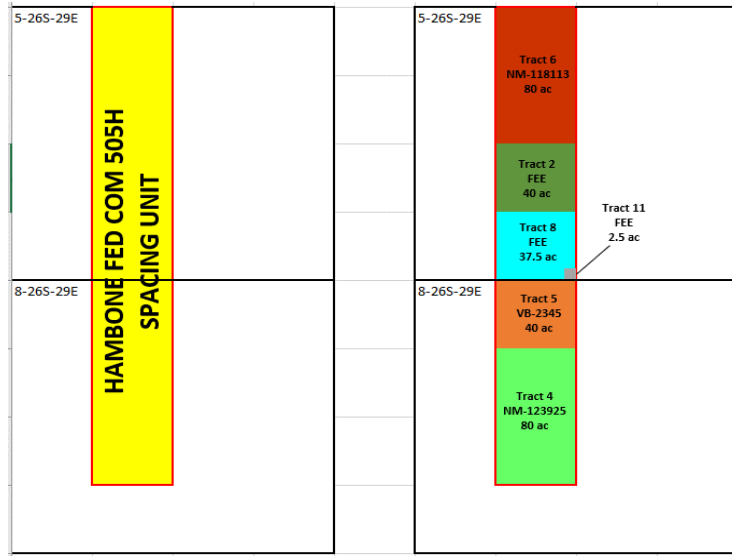
Signature & Seal of Professional Surveyor

*Chad Harcrow* 1/4/22  
 Certificate No. CHAD HARCROW 17777  
 W.O. #20-1449 DRAWN BY: AH

**POINT LEGEND**

1	Y=392602.5 N X=639919.8 E
2	Y=389949.2 N X=639935.1 E
3	Y=387297.9 N X=639958.4 E
4	Y=384644.6 N X=639931.5 E
5	Y=382019.1 N X=639989.2 E
6	Y=381953.2 N X=642682.2 E
7	Y=387306.2 N X=642647.7 E
8	Y=392610.2 N X=642555.7 E

**FIP**  
 1420' FSL & 2310' FWL  
 Y=383383.7 N  
 X=642269.8 E  
 LAT.=32.053583° N  
 LONG.=104.007544° W  
 GRID AZ. TO FIP  
 104°04'04"



WORKING INTEREST OWNER	TRACT 2	TRACT 4	TRACT 5	TRACT 6	TRACT 8	TRACT 11	UNIT RECAP
COG Operating LLC	0.14285714	0.27142857	0.00000000	0.13571429	0.13392857	0.00892857	0.69285715
Concho Oil & Gas LLC	0.00000000	0.01428571	0.00000000	0.00714286	0.00000000	0.00000000	0.02142857
MRC Permian Company	0.00000000	0.00000000	0.14285714	0.00000000	0.00000000	0.00000000	0.14285714
Devon Energy Production Company, LP	0.00000000	0.00000000	0.00000000	0.14285714	0.00000000	0.00000000	0.14285714
	TOTAL						1.00000000

Well Proposal Sent	Yes
Communitization Agmts Sent	Yes
Joint Operating Agmt Sent	Yes

PARTIES TO POOL	INTEREST TYPE
Devon Energy Production Company, LP 333 W. Sheridan Avenue, OKC, OK 73102	WI
Contango Resources Inc. 111 E 5th Street, Suite 300, Fort Worth, TX 76102	RT (Fed) & ORRI
Contango AgentCo Onshore, Inc. 111 E 5th Street, Suite 300, Fort Worth, TX 76102	RT(Fed) & ORRI

**COG Operating LLC**  
**Case No. 23351**  
**Exhibit A-4**



September 20, 2021

*Via Certified Mail 9489 0090 0027 6357 7569 00 and  
Electronic Mail to Andrew.Wenzel@dvn.com*

Devon Energy Production Company, LP  
333 W. Sheridan Avenue  
Oklahoma City, OK 73102  
Attn: Land Department

Re: HAMBONE FED COM 505H  
E2W2 of Sec. 5 and E2NW & NESW of Sec. 8, T26S-R29E  
HAMBONE FED COM 506H  
W2W2 of Sec. 5 and W2NW & NWSW of Sec. 8, T26S-R29E  
Eddy County, New Mexico

Dear Sir or Madam:

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

- **Hambone Fed Com 505H**, to be drilled to a depth sufficient to test the Second Bone Spring formation at an approximate total vertical depth of 8,400'. The surface location for this well is proposed at a legal location in Unit K of Section 8, T26S-R29E, and a bottom hole location at a legal location in Unit C of Section 5, T26S-R29E. The dedicated horizontal spacing unit will be the E2W2 of Section 5 and E2NW4 & NE4SW4 of Section 8, T26S-R29E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$6,126,190.00, as shown on the attached AFE.
- **Hambone Fed Com 506H**, to be drilled to a depth sufficient to test the Second Bone Spring formation at an approximate total vertical depth of 8,400'. The surface location for this well is proposed at a legal location in Unit L of Section 8, T26S-R29E, and a bottom hole location at a legal location in Unit D of Section 5, T26S-R29E. The dedicated horizontal spacing unit will be the W2W2 of Section 5 and W2NW4 & NW4SW4 of Section 8, T26S-R29E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$6,126,190.00, 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 [Austin.Kuenstler@conocophillips.com](mailto:Austin.Kuenstler@conocophillips.com). Should you have any questions, please do not hesitate to contact me at 432.688.6648.

**COG Operating LLC**  
**Case No. 23351**  
**Exhibit A-5**

One Concho Center | 600 West Illinois Avenue | Midland, Texas 79701 | P 432.683.7443 | F 432.683.7441



Sincerely,

COG Operating LLC



Austin Kuenstler  
Senior Land Negotiator

AK:bh  
Enc

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 <b>NOT</b> to participate in drilling & completion of well
Hambone Fed Com 505H		
Hambone Fed Com 506H		

DEVON ENERGY PRODUCTION COMPANY, LP

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

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

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

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

**COG OPERATING LLC  
AUTHORITY FOR EXPENDITURE  
DRILLING**

WELL NAME: <b>HAMBONE FED COM 505H</b>	PROSPECT NAME: <b>Atlas 2629</b>
SHL: <b>8-26S-29E, 1553 FSL, 1725 FWL OR UNIT N</b>	STATE & COUNTY: <b>New Mexico, Eddy</b>
BHL: <b>5-26S-29E, 50 FNL, 2310 FWL OR UNIT C</b>	OBJECTIVE: <b>D&amp;C</b>
FORMATION: <b>2BSS</b>	DEPTH: <b>18,200</b>
LEGAL: <b>E2W2 of Sec. 5, E2NW &amp; NESW of Sec. 8, T26S-R29E</b>	TVD: <b>8,400</b>

		<u>Drig - Rig</u>		<u>Tank Btty</u>	<u>Pmpg.</u>	
		<u>Release(D)</u>	<u>Completion(C)</u>	<u>Constrctn(TB)</u>	<u>Equipment(PEQ)</u>	<u>TOTAL</u>
<b>INTANGIBLE COSTS</b>						
Title/Curative/Permit	201	20,000				20,000
Insurance	202	2,500	302			2,500
Damages/Right of Way	203	20,000	303			20,000
Survey/Stake Location	204	7,000	304	80,000		87,000
Location/Pits/Road Expense	205	185,000	305	5,000		170,000
Drilling / Completion Overhead	206	4,800	306	12,500		17,300
Turnkey Contract	207	0	307	705,000		705,000
Footage Contract	208	0	308	271,000		271,000
Daywork Contract	209	363,000	309	260,000		623,000
Directional Drilling Services	210	206,000	310	378,000		584,000
Fuel & Power	211	101,000	311	31,000		132,000
Water	212	63,000	312	392,000		455,000
Bits	213	59,000	313	0		59,000
Mud & Chemicals	214	80,000	314	0		80,000
Drill Stem Test	215	0	315	270,000		270,000
Coring & Analysis	216	0				0
Cement Surface	217	16,500				16,500
Cement Intermediate	218	28,600				28,600
Cement 2nd Intermediate/Production	219	132,990				132,990
Cement Squeeze & Other (Kickoff Plug)	220	0				0
Float Equipment & Centralizers	221	50,000				50,000
Casing Crews & Equipment	222	55,000				55,000
Fishing Tools & Service	223	0	323	0		0
Geologic/Engineering	224	0	324	0		0
Contract Labor	225	6,500	325	2,000		8,500
Company Supervision	226	28,800	326	15,000		43,800
Contract Supervision	227	66,000	327	110,000		176,000
Testing Casing/Tubing	228	40,000	328	0		40,000
Mud Logging Unit	229	18,000	329	40,000		58,000
Logging	230	0		0		0
Perforating/Wireline Services	231	0	331	199,000		199,000
Stimulation/Treating			332	0		0
Completion Unit			333	0		0
Swabbing Unit			334	0		0
Rentals-Surface	235	100,000	335	0		100,000
Rentals-Subsurface	236	120,000	336	0		120,000
Trucking/Forklift/Rig Mobilization	237	200,000	337	10,000		210,000
Welding Services	238	3,000	338	0		3,000
Water Disposal	239	0	339	20,000		20,000
Plug to Abandon	240	0	340	0		0
Seismic Analysis	241	0	341	0		0
Miscellaneous	242		342	3,000		3,000
Contingency	243	62,000	343	76,000		138,000
Closed Loop & Environmental	244	164,000	344	0		164,000
Fuel - Diesel	245	0	345	278,000		278,000
Coil Tubing			346	241,000		241,000
Flowback Crews & Equip			347	10,000		10,000
Offset Directional/Frac	248	0	348	0		0
<b>TOTAL INTANGIBLES</b>		<b>2,182,690</b>		<b>3,408,500</b>	<b>0</b>	<b>5,591,190</b>
<b>TANGIBLE COSTS</b>						
Surface Casing	401	15,000				15,000
Intermediate Casing	402	73,000				73,000
Production Casing/Liner	403	230,000				230,000
Tubing			504	52,000		52,000
Wellhead Equipment	405	65,000	505	20,000		85,000
Pumping Unit						0
Prime Mover						0
Rods						0
Pumps-Sub Surface (BH)			509	0		0
Tanks						0
Flowlines						0
Heater Treater/Separator						0
Electrical System						0
Packers/Anchors/Hangers	414	0	514	60,000		60,000
Couplings/Fittings/Valves	415	0				0
Gas Lift/Compression						0
Dehydration						0
Injection Plant/CO2 Equipment						0
Pumps-Surface						0
Instrumentation/SCADA/POC						0
Miscellaneous	419	0	519	0		0
Contingency	420	0	520	0		0
Meters/LACT						0
Flares/Combusters/Emission						0
Gas Lift/Compression			527	20,000		20,000
<b>TOTAL TANGIBLES</b>		<b>383,000</b>		<b>152,000</b>	<b>0</b>	<b>535,000</b>
<b>TOTAL WELL COSTS</b>		<b>2,565,690</b>		<b>3,560,500</b>	<b>0</b>	<b>6,126,190</b>
<b>% of Total Well Cost</b>		<b>42%</b>		<b>58%</b>	<b>0%</b>	<b>0%</b>

COG Operating LLC

Date Prepared: 9/13/21

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

COG Operating LLC

RSL

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.



Tessa Elder  
Senior Land Tech  
600 W. Illinois Ave  
Midland, TX 79701  
O: 432-818-2289  
F: 432-221-0470  
Tessa.Elder@conocophillips.com

February 6, 2023

Via CMRRR No. 9489 0090 0027 6460 5164 46

Contango Resources Inc.  
111 E. 5<sup>th</sup> Street, Suite 300  
Fort Worth, TX 76102

Contango AgentCo Onshore, Inc.  
111 E. 5<sup>th</sup> Street, Suite 300  
Fort Worth, TX 76102

Re: **Hambone Federal Com 505H & 506H**  
W2 of Sections 5, NW4 & N2SW4 of Section 8  
T26S-R29E, Eddy County, New Mexico ("Subject Lands")

Dear Sir or Madam:

COG Operating LLC ("COG") previously pooled your interest in the Subject Lands under the following compulsory pooling orders (the "Orders"):

- Case No. 22371, Order No. R-22017; Hambone Fed Com 505H (E2W2 Sec 5, E2NW4 & NE4SW4 Sec 8, T26S-R29E)
- Case No. 22595, Order No. R-22094; Hambone Fed Com 506H (W2W2 Sec 5, W2NW4 & NW4SW4 Sec 8, T26S-R29E)

The Orders have expired, therefore COG has submitted new compulsory pooling applications with the NMOCD. As an interest owner in the Subject Lands, COG respectfully requests your signature on the following documents:

- Ratification of Communitization Agreement – Hambone Fed Com 505H Federal CA
- Ratification of Communitization Agreement – Hambone Fed Com 506H Federal CA

Please return the designated signature pages to my attention at the letterhead address. Should you have any questions, please do not hesitate to contact me.

Sincerely,

**COG Operating LLC**

Tessa Elder  
Senior Land Tech

Enc

**COG Operating LLC**  
**Case No. 23351**  
**Exhibit A-6**

**RATIFICATION OF COMMUNITIZATION AGREEMENT**  
**HAMBONE FED COM 505H UNIT, HAMBONE FED COM 506H UNIT**

STATE OF NEW MEXICO        )  
  )  
COUNTY OF EDDY            )

**COG OPERATING LLC**, as Operator, executed Federal Communitization Agreements (“Federal CAs”), each effective November 1, 2021, designating the following units, and pooling and combining the oil and gas leases set forth therein, insofar as they cover the respective communitized area described below.

**HAMBONE FED COM 505H UNIT FEDERAL CA**  
Township 26 South, Range 29 East, N.M.P.M.  
Section 5: E2W2 and Section 8: E2NW, NESW  
Eddy County, New Mexico  
*As to the Bone Spring formation only*  
Comprised of 280.00 acres, more or less

**HAMBONE FED COM 506H UNIT FEDERAL CA**  
Township 26 South, Range 29 East, N.M.P.M.  
Section 5: W2W2 and Section 8: W2NW, NWSW  
Eddy County, New Mexico  
*As to the Bone Spring formation only*  
Comprised of 280.00 acres, more or less

**CONTANGO RESOURCES INC.**, whose address is 111 E. 5<sup>th</sup> Street, Suite 300, Fort Worth, TX 76102, is/are an owner of an interest located in the unit referenced above.

**CONTANGO RESOURCES INC.** desire(s) to adopt, ratify and confirm the above-described Federal CAs insofar as each Federal CA covers the right, title, and interest in and to the oil and gas leases and the lands included in the described units.

In consideration of the premises, **CONTANGO RESOURCES INC.**, do(es) hereby adopt, ratify, and confirm the above-described Federal CAs insofar as each Federal CA covers his/her/its right, title and interest in the oil and gas leases and the lands included in the units, and agrees that his/her/its interest is subject to all of the terms and provisions therein.

This Ratification is effective as of the effective date of the above-referenced Federal CAs.

**CONTANGO RESOURCES INC.**

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

STATE OF \_\_\_\_\_ )  
  )  
COUNTY OF \_\_\_\_\_ )

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2023,  
by \_\_\_\_\_ (name) as \_\_\_\_\_ (title)  
of **CONTANGO RESOURCES INC.**, on behalf of same.

\_\_\_\_\_  
Notary Public – State of \_\_\_\_\_

**RATIFICATION OF COMMUNITIZATION AGREEMENT**  
**HAMBONE FED COM 505H UNIT, HAMBONE FED COM 506H UNIT**

STATE OF NEW MEXICO             )  
  )  
COUNTY OF EDDY                     )

**COG OPERATING LLC**, as Operator, executed Federal Communitization Agreements (“Federal CAs”), each effective November 1, 2021, designating the following units, and pooling and combining the oil and gas leases set forth therein, insofar as they cover the respective communitized area described below.

**HAMBONE FED COM 505H UNIT FEDERAL CA**  
Township 26 South, Range 29 East, N.M.P.M.  
Section 5: E2W2 and Section 8: E2NW, NESW  
Eddy County, New Mexico  
*As to the Bone Spring formation only*  
Comprised of 280.00 acres, more or less

**HAMBONE FED COM 506H UNIT FEDERAL CA**  
Township 26 South, Range 29 East, N.M.P.M.  
Section 5: W2W2 and Section 8: W2NW, NWSW  
Eddy County, New Mexico  
*As to the Bone Spring formation only*  
Comprised of 280.00 acres, more or less

**CONTANGO AGENTCO ONSHORE, INC.**, whose address is 111 E. 5<sup>th</sup> Street, Suite 300, Fort Worth, TX 76102, is/are an owner of an interest located in the unit referenced above.

**CONTANGO AGENTCO ONSHORE, INC.** desire(s) to adopt, ratify and confirm the above-described Federal CAs insofar as each Federal CA covers the right, title, and interest in and to the oil and gas leases and the lands included in the described units.

In consideration of the premises, **CONTANGO AGENTCO ONSHORE, INC.**, do(es) hereby adopt, ratify, and confirm the above-described Federal CAs insofar as each Federal CA covers his/her/its right, title and interest in the oil and gas leases and the lands included in the units, and agrees that his/her/its interest is subject to all of the terms and provisions therein.

This Ratification is effective as of the effective date of the above-referenced Federal CAs.

**CONTANGO AGENTCO ONSHORE, INC.**

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

STATE OF \_\_\_\_\_ )  
  )  
COUNTY OF \_\_\_\_\_ )

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2023, by \_\_\_\_\_ (name) as \_\_\_\_\_ (title) of **CONTANGO AGENTCO ONSHORE, INC.**, on behalf of same.

\_\_\_\_\_  
Notary Public – State of \_\_\_\_\_

**Hambone Fed Com 505H - Chronology Efforts**

- 09.20.2021** Well proposals to MRC Permian (502H, 505H, 506H)  
Well proposals to Devon (505H)
- 10.12.2021** Sent Federal Communitization Agreements (501H, 502H, 505H, 506H) to applicable parties
- Sent State Communitization Agreements (502H, 505H, 506H) to applicable parties  
Ratifications of Federal Communitization Agreements (501H, 502H, 505H, 506H) to applicable parties
- Designation of Pooled Unit (505H, 506H) sent to applicable parties
- 10.18.2021** Operating Agreement Mailed to potential WIOs
- Additional Pooling Agreements (Pooling Agmt, CA, Ratification of DPU) sent to applicable parties
- 10.26.2021** Revised Ex A (correcting "C" and "D" interest) sent to parties
- 02.25.2022** MRC Permian Company executed Operating Agreement
- 02.06.2023** Sent Ratifications of Federal Communitization Agreements to applicable parties

**COG Operating LLC  
Case No. 23351  
Exhibit A-7**

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. 23351

SELF-AFFIRMED STATEMENT  
OF CHRISTOPHER WRAY

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 not previously testified before the New Mexico Oil Conservation Division (“Division”). I have a Master’s degree from Louisiana State University and have worked in the petroleum industry for approximately 4 years. A copy of my resume is attached as **Exhibit B-1**.

2. I am familiar with the geological matters that pertain to the above-referenced case.

3. **Exhibit B-2** is a location map of the proposed horizontal spacing unit (“Unit”). The approximate wellbore paths for the **Hambone Federal Com #505H** well is represented by a dashed line. Existing producing wells in the targeted interval are represented by solid lines.

4. **Exhibit B-3** is a subsea structure map for the Bone Spring formation that is representative of the targeted interval. The data points are indicated by crosses. The approximate wellbore paths of the well is depicted by a dashed line. The map demonstrates the formation is dipping to the east in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells.

5. **Exhibit B-4** 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

COG Operating LLC  
Case No. 23351  
Exhibit B

because they penetrate the targeted intervals, are of good quality, and are representative of the geology in the area.

6. **Exhibit B-5** is a stratigraphic cross-section using the representative wells identified on Exhibit B-4. It contains gamma ray, resistivity and porosity logs. The landing zone for the well is labeled on the exhibit. This cross-section demonstrates the target intervals are continuous across the Unit.

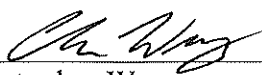
7. In my opinion, a standup orientation for the well is appropriate to properly develop the subject acreage because of consistent rock properties throughout the Unit and the lack of preferred fracture orientation in this portion of the trend.

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 well.

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.

  
\_\_\_\_\_  
Christopher Wray

2-23-2023  
Date



## **Christopher M. Wray**

5204 Lavaca Avenue, Midland, TX 79705  
(281) 387-8083, [chmwray@gmail.com](mailto:chmwray@gmail.com)

### **Petroleum Experience**

- ConocoPhillips**, Midland, TX 12/2022 – Present  
Asset Geologist – Delaware Basin West
- Asset geologist and project manager for Delaware Basin West positions located in Eddy County and Reeves County.
  - Provided operational support for 1 rig continuously resulting in drilling 16 wells in 2022 across 5 different projects/positions.
  - Provided geological support for acreage trades resulting in blocking core acreage and extending operated lateral positions with COP positions.
- ConocoPhillips**, Midland, TX 1/2021 – 12/2021  
Geoscience Analyst – Senior Geological Analyst – Midland Basin Team
- Technical support for Midland Basin Business Unit during data migration into ConocoPhillips environment during company transition.
  - Lead technical support for integration of heritage Concho workflows into ArcGIS.
- Concho Resources**, Midland, TX 2/2019 – 1/2021  
Geoscience Tech 2 – Midland Basin Team
- Provided support to business users with data, application support and data loading/gathering.
    - Includes well headers, directional surveys, logs, culture layers, and zone data.
  - Managed and maintained landing zone workflow for Midland Basin Business group.
  - Worked with asset team to maintain activity maps including landing zone, IP wells, permits, and projects.
- QEP Resources**, Denver, Colorado 5/2015 – 8/2015  
Geology Intern – Exploration Team
- Conducted a recompletion project on Travis Peak Formation and Rodessa Formation in North Louisiana to extend life of field and avoid P&A.
  - Worked alongside RE intern to develop Travis Peak and Rodessa well decline curves, volumetric estimates, and recoverable volumes.
  - Dataset consisted of over 500 well logs, 105 petrophysical logs, 200 mudlogs, 6 cores, 10 production logs, and 200 wellbore diagrams.
- Concho Resources**, Midland, Texas 5/2015 – 8/2015  
Geology Intern – Exploration Team
- Developed an unconventional shale play in unexplored section in western Midland Basin utilizing well logs, mudlogs, XRD, and SRA data.
  - Data set consisted of over 1,500 well logs for structure and thickness layers, 150 mudlogs for gas shows, oil cut, fluorescence, and 5 wells with core data encompassing an area approximately 2,100 square miles.
- IBA Spring 2015**: Competition Team, Cooper Basin, Australia
- Dataset included 3D seismic cube and 11 well logs.
  - Conducted petrophysical analysis in order to calculate net pay, net sand, reservoir quality
  - Created structure and isochore maps for net reservoir and source based on well log analysis
  - Assisted in 3D seismic interpretation and source modeling in PetroMod.

**COG Operating LLC**  
**Case No. 23351**  
**Exhibit B-1**

**IBA Spring 2014:** Practice Team, Taranaki Basin, New Zealand

- Dataset included 200 2D seismic lines and 9 well logs.
- Developed CRS maps based from paleogeographic maps, well logs and seismic interpretation.
- Worked on petrophysical well logs and assisted in seismic interpretation.

**Petroleum Short Courses:**

- Predictive Sequence Stratigraphy – Vitor Abreu, Geologica, October 17-21, 2022
- Induced Seismicity Workshop – WTGS, April 4, 2022
- ConocoPhillips GGRE School, March 29 – April 1, 2022
- 3D Seismic Interpretation – Dr. Erik Scott, LSU, December 16-18, 2015
- Geosteering Short course - BHL Geosteering, LSU, November 21, 2015
- Volumetrics and Risk – Dr. Erik Scott, LSU, February 20, 2015
- Seismic Interpretation – Dr. Brian Lock, ULL, January 8-9, 2015
- Petrel Intro and Geology – Schlumberger, Houston, January 5-7, 2015
- Unconventional Resources – Dr. Alan Brown, Schlumberger, LSU, October 11, 2014
- Fracture Modeling – Dr. Alan Brown, Schlumberger, LSU, October 8, 2014

**Educational Background****Louisiana State University**, Baton Rouge, Louisiana*MS Geology*

Advisor: Dr. Achim Herrmann

Thesis Title: Investigating Uranium incorporation in modern carbonates by sequential extraction: Applied to the Permian-Triassic boundary in Lung Cam Vietnam.

- Applied Depositional Geosystems Certificate (ADG)
- Adam Sturlese Memorial Geology Scholarship (Fall 2014-Spring 2016)

**GPR 3.8**

1/2014 – 8/2018

**Texas A&M University**, College Station, Texas*College of Geosciences, BS in Geology – Engineering Option*

- Distinguished Student (Spring, 2010, Summer 2010, Fall 2010)

**GPR 3.12**

1/2008 - 5/2011

**Work Experience****Louisiana State University**, Baton Rouge, Louisiana*Graduate Assistant – CxC Science Studio*

8/2014 – Present

- Developed and implemented a science writing workshop for undergraduate students.
- Present lectures on proper scientific writing techniques.
- Mentor undergraduates on communication-based projects and overall communication skills.
- Wrote a grant proposal and budget to the Board of Regents for higher learning technology and visual communication tools totaling over \$100K.

*Teaching Assistant – Department of Geology and Geophysics*

1/2014 – 5/2014

- Prepared and presented weekly lectures for two Physical Geology labs.
- Held weekly office hours for individual student consultations.
- Graded and evaluated student performance for 60 students.

**Red River Authority of Texas**, Wichita Falls, TX 3/2013 – 12/2013  
*Environmental Lab Technician*

- Performed routine and non-standardized tests of aqueous samples for clients.
- Prepared various technical reports for clients, records, and quality control charts for audits.
- Worked closely with Clean Rivers Project – documentation and analysis of samples for the northern 43 counties of Texas.

**Radarview LLC.**, Humble, TX 1/2013 – 3/2013  
*Staff Geologist*

- Fieldwork for detailed mapping using GPS grids utilizing GPR equipment at chemical plants.
- Used AutoCAD to construct accurate maps and formal reports of problematic void zones during construction phases to avoid future environmental problems.

**Texas A&M University**, College Station, Texas 9/2010 – 5/2011  
*Student Worker – Geology and Geophysics Department*

- Dismantled, reduced, and reorganized the Department of Geology and Geophysics research core sample supply.
- Coordinated and shipped four major shipments of core (6000 total) to leading core depositories.

### Affiliations

**Member of West Texas Geological Society** 1/2014 – Present  
**Member of Association of Petroleum Geologists** 1/2014 – 1/2019  
**Member of LSU AAPG Student Chapter** 1/2014 – 8/2018

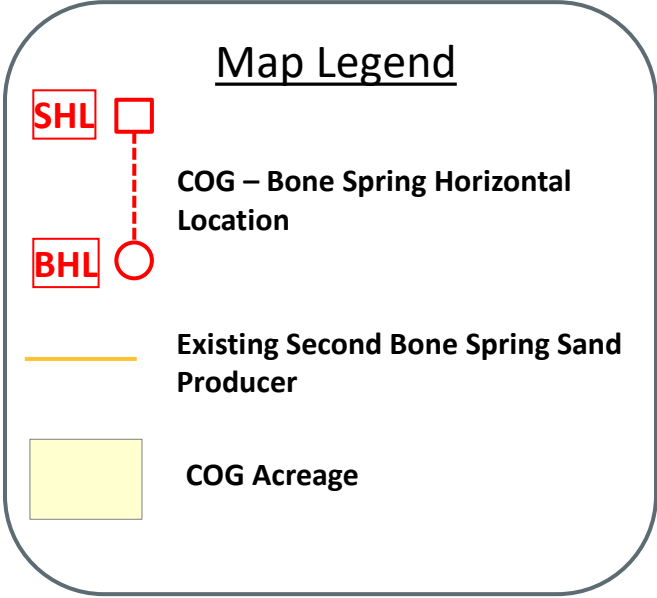
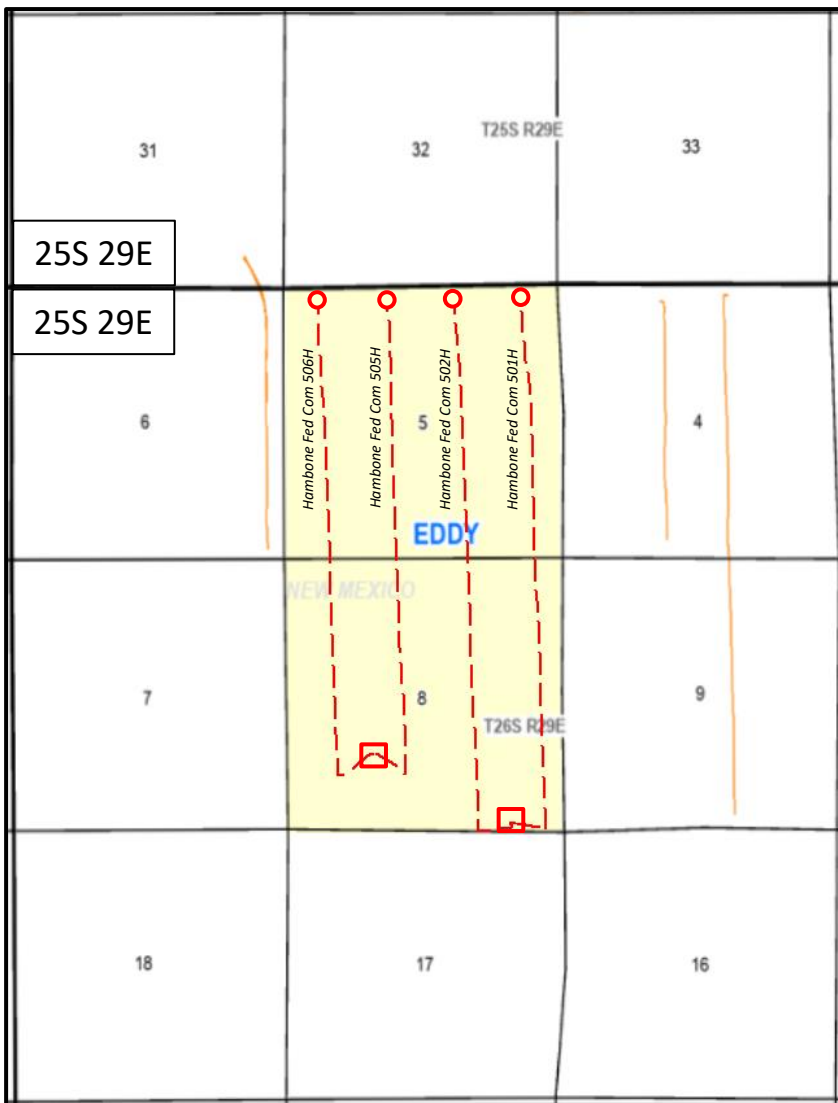
- Secretary Chair for academic year 2015-2016

**Member of Texas A&M Geology and Geophysics Society** 1/2008 – 5/2011  
**Member of Texas A&M Judo Team** 1/2008 – 5/2011

### Software Experience and Skills

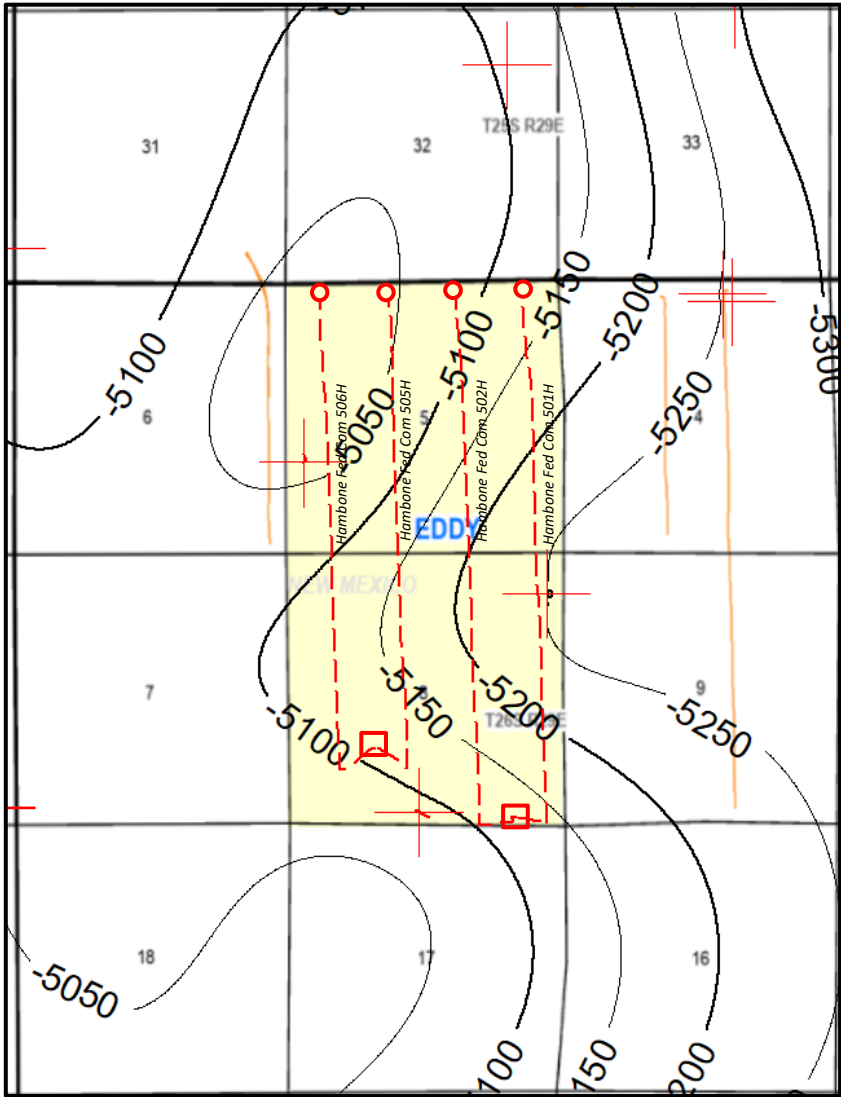
**Petrel, PetroMod, Geographix, Trinity, ArcGIS, Spotfire, Landmark, Matlab, AutoCAD, Bilingual - Spanish**

# (Exhibit B-2) Hambone Fed Com 501H, 502H, 505H, 506H








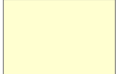
COG Operating LLC  
Case No. 23351  
Exhibit B-2

# Map



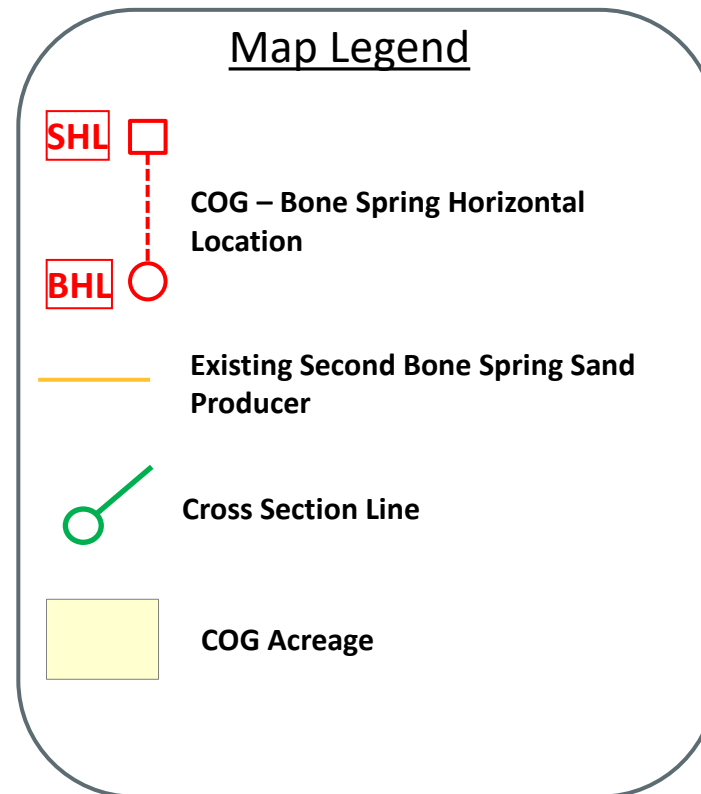
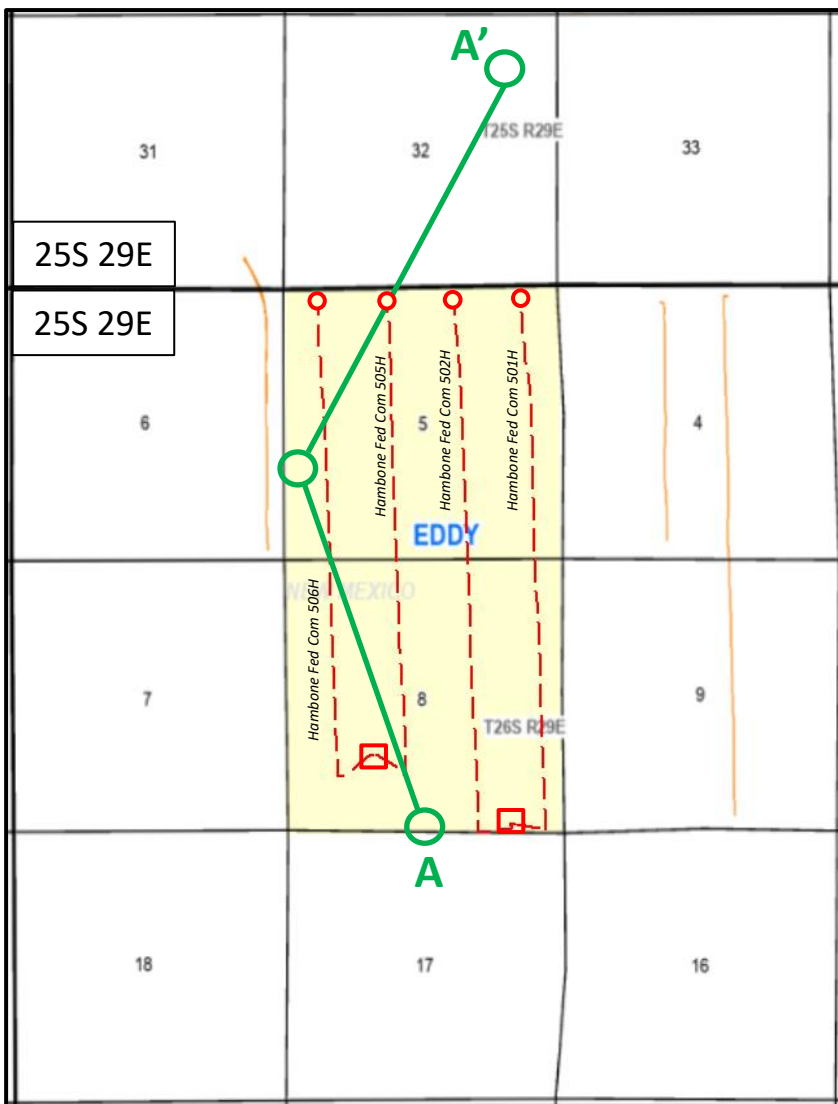
25S 29E

## Map Legend

- SHL**  COG – Bone Spring Horizontal Location
- BHL**  COG – Bone Spring Horizontal Location
-  Existing Second Bone Spring Sand Producer
-  Second Bone Spring Sand Subsea Structure  
CI: 50'
-  Structural Data Point
-  COG Acreage

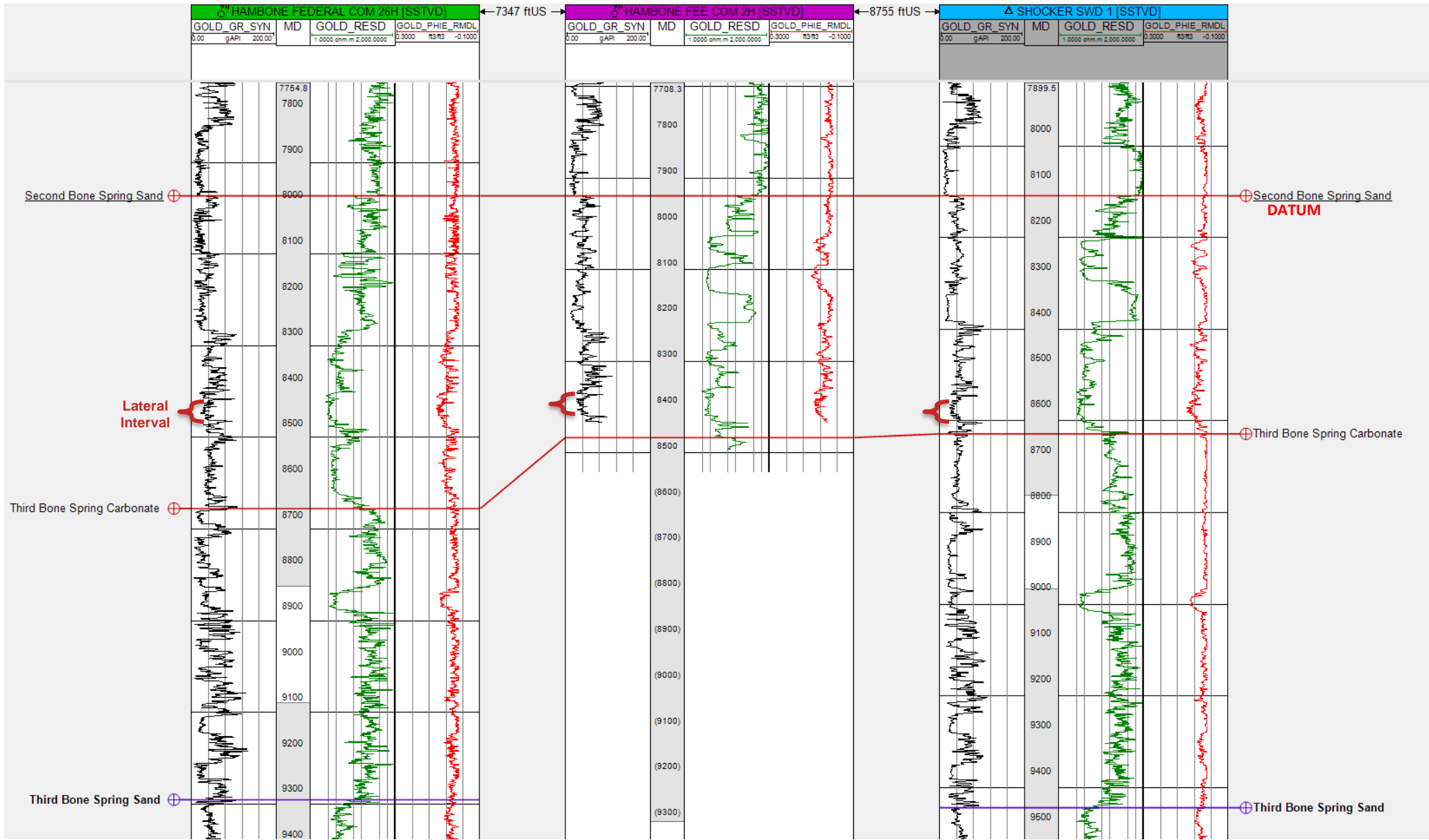
COG Operating LLC  
Case No. 23351  
Exhibit B-3

# (Exhibit B-4) Hambone Fed Com 501H, 502H, 505H, 506H Cross-section Map



**COG Operating LLC**  
**Case No. 23351**  
**Exhibit B-4**

# (Exhibit B-5) Second Bone Spring Sand – Stratigraphic Cross Section A – A'



COG Operating LLC  
Case No. 23351  
Exhibit B-5

**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. 23351**

**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 12, 2023, I caused a notice to be published to all interested parties in the Carlsbad Current Argus. An Affidavit of Publication from the Legal Clerk of the Carlsbad Current Argus, 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  
Dana S. Hardy

February 26, 2022  
Date

**COG Operating LLC  
Case No. 23351  
Exhibit C**





hinklelawfirm.com

# 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 7, 2023

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

## TO ALL PARTIES ENTITLED TO NOTICE

**Re: Case No. 23351 – Application of COG Operating LLC for Compulsory Pooling, Eddy County, New Mexico.**

To whom it may concern:

This letter is to advise you that the enclosed application was 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: <https://www.emnrd.nm.gov/ocd/hearing-info/>. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

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 (<https://wwwapps.emnrd.nm.gov/ocd/ocdpermitting/> ) or via e-mail to [ocd.hearings@emnrd.nm.gov](mailto: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 Gianna Romero, CPL, Senior Land Negotiator for COG Operating LLC, by phone at (432) 221-0421 if you have any questions regarding this matter.

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

Enclosure

**COG Operating LLC**  
**Case No. 23351**  
**Exhibit C-1**

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

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

**CASE NO. 23351**

**NOTICE LETTER CHART**

<b>PARTY</b>	<b>NOTICE LETTER SENT</b>	<b>RETURN RECEIVED</b>
Contango AgentCo Onshore, Inc. 111 E 5th St, SUITE 300 Fort Worth, TX 76102	02/07/23	02/21/23
Contango Resources INC 111 E 5TH St., Suite 300 Fort Worth, TX 76102	02/07/23	Latest USPS Update (Last Checked 02/24/23):  02/13/23 – Item delivered to front desk, reception, or mail room.
Devon Energy Production Company 333 West Sheridan Avenue Oklahoma City, OK 73102	02/07/23	02/21/23
MRC Permian Company 5400 LBJ Freeway, Suite 1500 Dallas, TX 75240	02/07/23	02/13/23

**COG Operating LLC  
Case No. 23351  
Exhibit C-2**

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Return Receipt (electronic) \$ \_\_\_\_\_

Certified Mail Restricted Delivery \$ \_\_\_\_\_

Adult Signature Required \$ \_\_\_\_\_

Adult Signature Restricted Delivery \$ \_\_\_\_\_

Postage \$ \_\_\_\_\_

Total Postage and Fees \$ \_\_\_\_\_

Sent To

Contango AgentCo Onshore, Inc.  
 111 E 5th St, SUITE 300  
 FORT WORTH, TX 76102  
 23351 - COG Hambone

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FEB 07 2023  
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 USPS

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<p>Contango AgentCo Onshore, Inc.          111 E 5th St, SUITE 300          FORT WORTH, TX 76102          23351 - COG Hambone</p> <p>9590 9402 7543 2098 9388 35</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
<p>2. Article Number (Transfer from service label)          7020 0090 0000 0866 9823</p>	
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt

**COG Operating LLC**  
**Case No. 23351**  
**Exhibit C-3**



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Sent To Street and Apt. N Devon Energy Production Company 333 West Sheridan Avenue Oklahoma City, OK 73102 City, State, ZIP+4 23351 - COG Hambone	

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

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY																
<ul style="list-style-type: none"> <li>■ Complete items 1, 2, and 3.</li> <li>■ Print your name and address on the reverse so that we can return the card to you.</li> <li>■ Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul> <p>1. Article Addressed to:</p> <p style="text-align: center;">Devon Energy Production Company                  333 West Sheridan Avenue                  Oklahoma City, OK 73102</p> <p style="text-align: center; font-size: 0.8em;">23351 - COG Hambone</p> <div style="text-align: center;">                   9590 9402 7543 2098 9388 28             </div> <p>2. Article Number (Transfer from service label)</p> <p style="text-align: center; font-size: 1.2em;">7020 0090 0000 0866 9816</p>	<p>A. Signature                  X <span style="float: right;"><input type="checkbox"/> Agent <input type="checkbox"/> Addressee</span></p> <p>B. Received by (Printed Name)                  C. Date of Delivery                  FEB 21 2023</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes                  If YES, enter delivery address below: <input type="checkbox"/> No</p> <p style="text-align: center; font-size: 2em; color: green;"><b>RECEIVED</b>                  FEB 21 2023</p> <p>3. Service Type</p> <table style="width: 100%; border: none;"> <tr> <td><input type="checkbox"/> Adult Signature</td> <td><input type="checkbox"/> Priority Mail Express®</td> </tr> <tr> <td><input type="checkbox"/> Adult Signature Restricted Delivery</td> <td><input type="checkbox"/> Registered Mail™</td> </tr> <tr> <td><input checked="" type="checkbox"/> Certified Mail®</td> <td><input type="checkbox"/> Registered Mail Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Certified Mail Restricted Delivery</td> <td><input type="checkbox"/> Signature Confirmation™</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery</td> <td><input type="checkbox"/> Signature Confirmation Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery Restricted Delivery</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Insured Mail</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</td> <td></td> </tr> </table>	<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®	<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™	<input checked="" type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery	<input type="checkbox"/> Certified Mail Restricted Delivery	<input type="checkbox"/> Signature Confirmation™	<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery	<input type="checkbox"/> Collect on Delivery Restricted Delivery		<input type="checkbox"/> Insured Mail		<input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	
<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®																
<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™																
<input checked="" type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery																
<input type="checkbox"/> Certified Mail Restricted Delivery	<input type="checkbox"/> Signature Confirmation™																
<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery																
<input type="checkbox"/> Collect on Delivery Restricted Delivery																	
<input type="checkbox"/> Insured Mail																	
<input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)																	

PS Form 3811, July 2020 PSN 7530-02-000-9053 Domestic Return Receipt

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Return Receipt (electronic) \$ \_\_\_\_\_

Certified Mail Restricted Delivery \$ \_\_\_\_\_

Adult Signature Required \$ \_\_\_\_\_

Adult Signature Restricted Delivery \$ \_\_\_\_\_

Postage \$ \_\_\_\_\_

**Total Postage and Fees** \$ \_\_\_\_\_

Sent To

Street and Apt. MRC Permian Company  
 5400 LBJ Freeway, Suite 1500

City, State, ZIP Dallas, TX 75240

23351 - COG Hambone

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

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<p>1. Article Addressed to:</p> <p>MRC Permian Company          5400 LBJ Freeway, Suite 1500          Dallas, TX 75240</p> <p>23351 - COG Hambone</p> <p>          9590 9402 7543 2098 9388 42</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
<p>2. Article Number (Transfer from service label)</p> <p>7020 0090 0000 0866 9830</p>	
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Certified Mail Fee \$ _____	
Extra Services & Fees <i>(check box, add fee as appropriate)</i>	
<input type="checkbox"/> Return Receipt (hardcopy) \$ _____	
<input type="checkbox"/> Return Receipt (electronic) \$ _____	
<input type="checkbox"/> Certified Mail Restricted Delivery \$ _____	
<input type="checkbox"/> Adult Signature Required \$ _____	
<input type="checkbox"/> Adult Signature Restricted Delivery \$ _____	
Postage \$ _____	
<b>Total Postage and Fees</b> \$ _____	
<b>Sent To</b>	
<i>Street and Apt.</i> Contango Resources INC 111 E 5TH St., Suite 300	
<i>City, State, ZIP+</i> Fort Worth, TX 76102 23351 - COG Hambone	
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions	



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FORT WORTH, TX 76102

February 13, 2023, 5:29 pm

#### In Transit to Next Facility

February 12, 2023

#### Departed USPS Regional Facility

FORT WORTH TX DISTRIBUTION CENTER

February 10, 2023, 9:30 pm

#### Arrived at USPS Regional Facility

FORT WORTH TX DISTRIBUTION CENTER

February 10, 2023, 11:17 am

#### Departed USPS Facility

ALBUQUERQUE, NM 87101

February 7, 2023, 9:19 pm

#### Arrived at USPS Facility

ALBUQUERQUE, NM 87101  
February 7, 2023, 8:40 pm

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## Affidavit of Publication

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POBOX 10

ROSWELL, NM 88202-0010

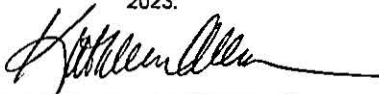
I, a legal clerk of the Carlsbad Current Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements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

02/12/2023

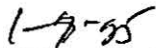


Legal Clerk

Subscribed and sworn before me this February 13, 2023:



State of WI, County of Brown  
NOTARY PUBLIC



My commission expires

This is to notify all interested parties, including Contango Resources Inc.; Contango Agentco Onshore, Inc.; Devon Energy Production Company; MRC Permian Company; 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. 23351). 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.emnr.d.nm.gov/ocd/hearing-info/>. Applicant applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 280-acre, more or less, standard horizontal spacing unit comprised of the E/2 W/2 of Section 5 and the E/2 NW/4 and NE/4 SW/4 of Section 8, Township 26 South, Range 29 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the Hambone Federal Com #505H well ("Well"), to be drilled from a surface hole location in the NE/4 SW/4 (Unit K) of Section 8 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 5. The completed interval of the Well will be orthodox. Also to be considered will be the cost of drilling and completing the Well and the allocation of the cost, the designation of Applicant as operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 10.4 miles south of Malaga, New Mexico. #5590120, Current Argus, February 12, 2023

**KATHLEEN ALLEN**  
Notary Public  
State of Wisconsin

Ad # 0005590120  
PO #: 0005590120  
# of Affidavits: 1

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**COG Operating LLC**  
Case No. 23351  
Exhibit C-4