## 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. 23344

# HEARING EXHIBITS

Compulsory Pooling Checklist

Exhibit A	Self-Affirmed Statement of Shelley Klinger
A-1	Application & Proposed Notice of Hearing
A-2	C-102s
A-3	Plat of Tracts, Tract Ownership, Unit Recapitulation, Pooled Parties
A-4	Sample Well Proposal Letter & AFEs
A-5	Chronology of Contact
Exhibit B	Self-Affirmed Statement of Jessica Pontiff
B-1	Location Map of the Keg Shell Fed Com 701H, 702H, 703H, 704H, 705H, 706H, 901H, 902H, 903H, 904H, 906H, 907H, 908H, and 909H 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 and Certified Mail Receipts
C-3	Copies of Certified Mail Receipts and Returns
C-4	Affidavit of Publication for February 7, 2023

# COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Page 2 of 89

Case: 23344	APPLICANT'S RESPONSE
Date	March 16, 2023
Applicant	COG Operating LLC
Designated Operator & OGRID (affiliation if applicable)	OGRID No. 229137
Applicant's Counsel: Case Title:	Hinkle Shanor LLP Application of COG Operating LLC for Compulsory Pooling, Eddy
	County, New Mexico.
Entries of Appearance/Intervenors:	None
Well Family	Keg Shell
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Wolfcamp
Pool Name and Pool Code:	Purple Sage; Wolfcamp (Code 98220)
Well Location Setback Rules:	Statewide
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	1,535.8-acres
Building Blocks:	Half Sections
Orientation:	North/South
Description: TRS/County	Sections 23 and 26, and the N/2 N/2 and Lots 1, 2, 3, and 4 ("all") of irregular Section 35, Township 26 South, Range 28 East, Eddy County.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and is</u> approval of non-standard unit requested in this application?	Yes.
Other Situations	
Depth Severance: Y/N. If yes, description	No.
Proximity Tracts: If yes, description	Yes. The completed interval of the Keg Shell Fed Com 906H well will be located within 330' of the line separating the E/2 and W/2 of Sections 23, 26, and 35 to allow for the creation of a 1,535.8-acre standard horizontal spacing unit.
Proximity Defining Well: if yes, description	Keg Shell Fed Com 906H
Applicant's Ownership in Each Tract	Exhibit A-3
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	Keg Shell Fed Com 701H (API #) SHL: 360' FSL & 1314' FEL (Lot 4), Section 35, T26S, R28E BHL: 200' FNL & 550' FEL (Unit A), Section 23, T26S, R28E Completion Target: Wolfcamp A Shale (Approx. 9,640' TVD)
Well #2	Keg Shell Fed Com 702H (API #) SHL: 360' FSL & 1344' FEL (Lot 3), Section 35, T26S, R28E BHL: 200' FNL & 1430' FEL (Unit B), Section 23, T26S, R28E Completion Target: Wolfcamp A Shale (Approx. 9,620' TVD)

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	SHL: 360' FSL & 1374' FEL (Lot 3), Section 35, T26S, R28E	
	BHL: 200' FNL & 2310' FEL (Unit B), Section 23, T26S, R28E Completion Target: Wolfcamp A Shale (Approx. 9,600' TVD)	
Well #4	Keg Shell Fed Com 704H (API #)	
	SHL: 460' FSL & 1400' FWL (Lot 2), Section 35, T26S, R28E	
	BHL: 200' FNL & 2204' FWL (Unit C), Section 23, T26S, R28E	
	Completion Target: Wolfcamp A Shale (Approx. 9,560' TVD)	
Well #5	Keg Shell Fed Com 705H (API #)	
	SHL: 460' FSL & 1370' FWL (Lot 2), Section 35, T26S, R28E BHL: 200' FNL & 1324' FWL (Unit D), Section 23, T26S, R28E	
	Completion Target: Wolfcamp A Shale (Approx. 9,540' TVD)	
Nell #6	Keg Shell Fed Com 706H (API #)	
	SHL: 460' FSL & 1340' FWL (Lot 1), Section 35, T26S, R28E	
	BHL: 200' FNL & 444' FWL (Unit D), Section 23, T26S, R28E	
	Completion Target: Wolfcamp A Shale (Approx. 9,585' TVD)	
Nell #7	Keg Shell Fed Com 901H (API #)	
	SHL: 360' FSL & 825' FEL (Lot 4), Section 35, T26S, R28E	
	BHL: 200' FNL & 330' FEL (Unit A), Section 23, T26S, R28E	
	Completion Target: Wolfcamp C (Approx. 10,385' TVD)	
Nell #8	Keg Shell Fed Com 902H (API #)	
	SHL: 360' FSL & 855' FEL (Lot 4), Section 35, T26S, R28E BHL: 200' FNL & 990' FEL (Unit A), Section 23, T26S, R28E	
	Completion Target: Wolfcamp C (Approx. 10,575' TVD)	
Vell #9	Keg Shell Fed Com 903H (API #)	
	SHL: 360' FSL & 885' FEL (Lot 4), Section 35, T26S, R28E	
	BHL: 200' FNL & 1675' FEL (Unit B), Section 23, T26S, R28E	
	Completion Target: Wolfcamp C (Approx. 10,365' TVD)	
Nell #10	Keg Shell Fed Com 904H (API #)	
	SHL: 360' FSL & 915' FEL (Lot 4), Section 35, T26S, R28E	
	BHL: 200' FNL & 2345' FEL (Unit B), Section 23, T26S, R28E	
	Completion Target: Wolfcamp C (Approx. 10,555' TVD)	
Vell #11	Keg Shell Fed Com 906H (API #)	
	SHL: 460' FSL & 970' FWL (Lot 1), Section 35, T26S, R28E BHL: 200' FNL & 2400' FWL (Unit C), Section 23, T26S, R28E	
	Completion Target: Wolfcamp C (Approx. 10,390' TVD)	
Vell 12	Keg Shell Fed Com 907H (API #)	
	SHL: 460' FSL & 940' FWL (Lot 1), Section 35, T26S, R28E	
	BHL: 200' FNL & 1710' FWL (Unit C), Section 23, T26S, R28E	
	Completion Target: Wolfcamp C (Approx. 10,580' TVD)	
Nell #13	Keg Shell Fed Com 908H (API #)	
	SHL: 460' FSL & 910' FWL (Lot 1), Section 35, T26S, R28E	
	BHL: 200' FNL & 1020' FWL (Unit D), Section 23, T26S, R28E	
	Completion Target: Wolfcamp C (Approx. 10,375' TVD)	
Nell #14	Keg Shell Fed Com 909H (API #)	
	SHL: 460' FSL & 880' FWL (Lot 1), Section 35, T26S, R28E BHL: 200' FNL & 330' FWL (Unit D), Section 23, T26S, R28E	
	Completion Target: Wolfcamp C (Approx. 10,565' TVD)	
Horizontal Well First and Last Take Points	Exhibit A-2	
Completion Target (Formation, TVD and MD)	Exhibit A-4	
VFE Capex and Operating Costs		
Drilling Supervision/Month \$	\$8,000.00	
Production Supervision/Month \$	\$800.00	
ustification for Supervision Costs	Exhibit A	
Requested Risk Charge	200%	
Notice of Hearing		

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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-3	
Tract List (including lease numbers and owners)	Exhibit A-3	
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-3	
Unlocatable Parties to be Pooled	N/A	
Ownership Depth Severance (including percentage above & below)	Exhibit A-3	
Joinder		
Sample Copy of Proposal Letter	Exhibit A-4	
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3	
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5	
Overhead Rates In Proposal Letter	Exhibit A-4	
Cost Estimate to Drill and Complete	Exhibit A-4	
Cost Estimate to Equip Well	Exhibit A-4	
Cost Estimate for Production Facilities	Exhibit A-4	
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-2	
Tracts	Exhibit A-3	
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3	
General Location Map (including basin)	Exhibit B-1	
Well Bore Location Map	Exhibit B-1	
Structure Contour Map - Subsea Depth	Exhibit B-2	
Cross Section Location Map (including wells)	Exhibit B-3	
Cross Section (including Landing Zone)	Exhibit B-4	
Additional Information		
Special Provisions/Stipulations	N/A	
CERTIFICATION: I hereby certify that the information provided 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:	3/14/2023	

# 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. 23344

# SELF-AFFIRMED STATEMENT OF SHELLEY C. KLINGLER

1. I am a Staff 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 previously testified before the New Mexico Oil Conservation Division ("Division") and my credentials as an expert in petroleum land matters were accepted and made a matter of record.

2. I am familiar with the land matters involved in the above-referenced case. Copies of COG's application and proposed notice are attached at **Exhibit A-1**.

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 Wolfcamp formation underlying a 1,535.8-acre, more or less, standard horizontal spacing unit comprised of Sections 23 and 26, and the N/2 N/2 and Lots 1, 2, 3, and 4 ("all") of irregular Section 35, Township 26 South, Range 28 East, Eddy County, New Mexico ("Unit").

5. The Unit will be dedicated to the following wells ("Wells") which will be completed in the Purple Sage; Wolfcamp Pool (Code 98220):

Keg Shell Fed Com 701H, Keg Shell Fed Com 702H, Keg Shell Fed Com 901H, and Keg Shell Fed Com 902H, to be drilled from a surface hole location in Lot 4 of Section 35, Township 26 South, Range 28 East, to a bottom hole

COG Operating LLC Case No. 23344 Exhibit A location in the NE/4 NE/4 (Unit A) of Section 23, Township 26 South, Range 28 East;

- **Keg Shell Fed Com 703H**, to be drilled from a surface hole location in Lot 3 of Section 35, Township 26 South, Range 28 East, to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 23, Township 26 South, Range 28 East;
- Keg Shell Fed Com 704H and Keg Shell Fed Com 705H, to be drilled from a surface hole location in Lot 2 of Section 35, Township 26 South, Range 28 East, to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 23, Township 26 South, Range 28 East;
- Keg Shell Fed Com 706H, Keg Shell Fed Com 908H, and Keg Shell Fed Com 909H, to be drilled from a surface hole location in Lot 1 of Section 35, Township 26 South, Range 28 East, to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 23, Township 26 South, Range 28 East;
- Keg Shell Fed Com 903H and Keg Shell Fed Com 904H, to be drilled from a surface hole location in Lot 4 of Section 35, Township 26 South, Range 28 East, to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 35, Township 26 South, Range 28 East; and
- Keg Shell Fed Com 906H and Keg Shell Fed Com 907H, to be drilled from a surface hole location in Lot 1 of Section 35, Township 26 South, Range 28 East, to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 23, Township 26 South, Range 28 East.
- 6. The completed intervals of the Wells will be orthodox.

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7. The completed interval of the Keg Shell Fed Com 906H well will be located within 330' of the line separating the E/2 and W/2 of Sections 23, 26, and 35 to allow for the creation of a 1,535.8-acre standard horizontal spacing unit.

8. **Exhibit A-2** contains the C-102s for the Wells.

9. **Exhibit A-3** 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.

10. All of the parties COG seeks to pool are locatable in that COG believes it located valid addresses. To locate the interest owners, I performed internet searches on multiple databases, including Lexis-Nexis Accurint, which is a paid subscription service. COG has conducted a diligent search of all county public records including phone directories and computer databases.

11. **Exhibit A-4** contains a sample well proposal letter and AFEs sent to 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.

12. In my opinion, COG made a good-faith effort to reach voluntary joinder of uncommitted interests in the Wells as indicated by the chronology of contact described in **Exhibit A-5**.

13. COG requests overhead and administrative rates of \$8,000.00 per month while the Wells are being drilled and \$800.00 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.

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

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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.

Shelley C. Klingler

<u>3/14/2023</u> Date

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

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

CASE NO. 23344

## **APPLICATION**

In accordance with NMSA 1978, § 70-2-17, COG Operating LLC ("COG" or "Applicant"), through its undersigned attorneys, files this application with the Oil Conservation Division ("Division") seeking an order pooling all uncommitted interests in the Wolfcamp formation underlying a 1,535.8-acre, more or less, standard horizontal spacing unit comprised of Sections 23 and 26, and the N/2 N/2 and Lots 1, 2, 3, and 4 ("all") of irregular Section 35, Township 26 South, Range 28 East, Eddy County, New Mexico ("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. Keg Shell Fed Com 701H, Keg Shell Fed Com 702H, Keg Shell Fed Com 901H, and Keg Shell Fed Com 902H, to be drilled from a surface hole location in Lot 4 of Section 35, Township 26 South, Range 28 East, to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 23, Township 26 South, Range 28 East;
  - b. Keg Shell Fed Com 703H, to be drilled from a surface hole location in Lot
    3 of Section 35, Township 26 South, Range 28 East, to a bottom hole

COG Operating LLC Case No. 23344 Exhibit A-1 location in the NW/4 NE/4 (Unit B) of Section 23, Township 26 South, Range 28 East;

- c. Keg Shell Fed Com 704H and Keg Shell Fed Com 705H, to be drilled from a surface hole location in Lot 2 of Section 35, Township 26 South, Range 28 East, to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 23, Township 26 South, Range 28 East;
- d. Keg Shell Fed Com 706H, Keg Shell Fed Com 908H, and Keg Shell Fed Com 909H, to be drilled from a surface hole location in Lot 1 of Section 35, Township 26 South, Range 28 East, to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 23, Township 26 South, Range 28 East;
- Keg Shell Fed Com 903H and Keg Shell Fed Com 904H, to be drilled from a surface hole location in Lot 4 of Section 35, Township 26 South, Range 28 East, to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 35, Township 26 South, Range 28 East; and
- f. Keg Shell Fed Com 906H and Keg Shell Fed Com 907H, to be drilled from a surface hole location in Lot 1 of Section 35, Township 26 South, Range 28 East, to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 23, Township 26 South, Range 28 East.
- 3. The completed intervals of the Wells will be orthodox.

4. The completed interval of the Keg Shell Fed Com 906H well will be located within 330' of the line separating the E/2 and W/2 of Sections 23, 26, and 35 to allow for the creation of a 1,535.8-acre standard horizontal spacing unit.

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

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

7. In order to permit 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 the operator of the proposed horizontal wells and the 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 initial wells in the Unit;
- C. Designating Applicant as the operator of the Unit and the horizontal wells to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping, and completing the wells;
- E. Approving the actual operating charges and costs of supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

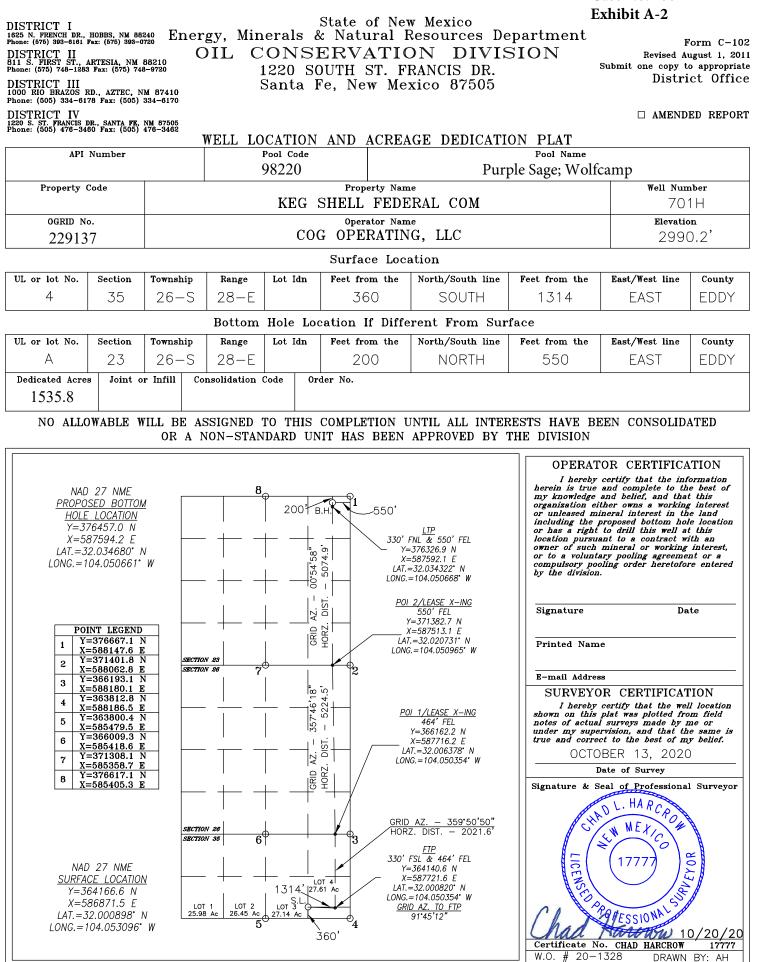
# HINKLE SHANOR LLP

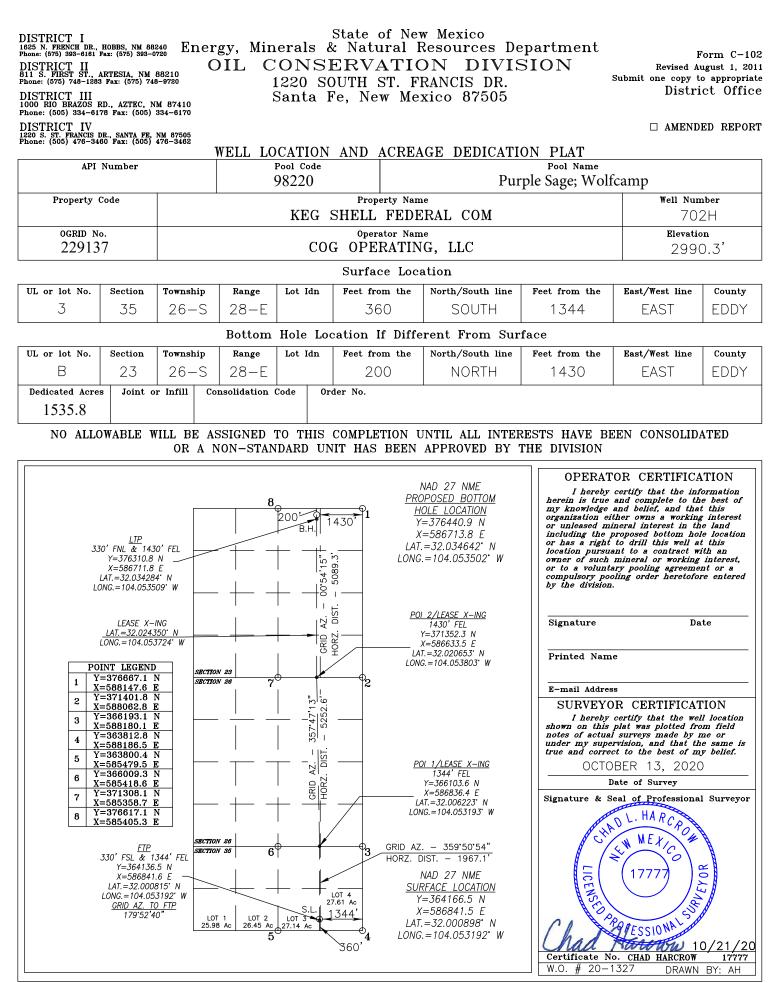
<u>/s/ Dana S. Hardy</u> Dana S. Hardy Jaclyn M. McLean Yarithiza Peña P.O. Box 2068 Santa Fe, NM 87504-2068 Phone: (505) 982-4554 Facsimile: (505) 98208623 dhardy@hinklelawfirm.com jmclean@hinklelawfirm.com ypena@hinklelawfirm.com

Application of COG Operating LLC for Compulsory Pooling, Eddy County, New Mexico. COG Operating LLC ("Applicant") seeks an order pooling all uncommitted interests in the Wolfcamp formation underlying a 1,535.8-acre, more or less, standard horizontal spacing unit comprised of Sections 23 and 26, and the N/2 N/2 and Lots 1, 2, 3, and 4 ("all") of irregular Section 35, Township 26 South, Range 28 East, Eddy County, New Mexico ("Unit"). Applicant seeks to dedicate the Unit to the following proposed wells ("Wells"): Keg Shell Fed Com 701H, Keg Shell Fed Com 702H, Keg Shell Fed Com 901H, and Keg Shell Fed Com 902H, to be drilled from a surface hole location in Lot 4 of Section 35, Township 26 South, Range 28 East, to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 23, Township 26 South, Range 28 East; Keg Shell Fed Com 703H, to be drilled from a surface hole location in Lot 3 of Section 35, Township 26 South, Range 28 East, to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 23, Township 26 South, Range 28 East; Keg Shell Fed Com 704H and Keg Shell Fed Com 705H, to be drilled from a surface hole location in Lot 2 of Section 35, Township 26 South, Range 28 East, to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 23, Township 26 South, Range 28 East; Keg Shell Fed Com 706H, Keg Shell Fed Com 908H, and Keg Shell Fed Com 909H, to be drilled from a surface hole location in Lot 1 of Section 35, Township 26 South, Range 28 East, to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 23, Township 26 South, Range 28 East; Keg Shell Fed Com 903H and Keg Shell Fed Com 904H, to be drilled from a surface hole location in Lot 4 of Section 35, Township 26 South, Range 28 East, to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 35, Township 26 South, Range 28 East; and Keg Shell Fed Com 906H and Keg Shell Fed Com 907H, to be drilled from a surface hole location in Lot 1 of Section 35, Township 26 South, Range 28 East, to a bottom hole location in NE/4 NW/4 (Unit C) of Section 23, Township 26 South, Range 28 East. The completed intervals of the Wells will be orthodox. The completed interval of the Keg Shell Fed Com 906H well will be located within 330' of the line separating the E/2 and W/2 of Sections 23, 26, and 35 to allow for the creation of a 1,535.8-acre standard horizontal spacing unit. 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 Wells, and a 200% charge for the risk involved in drilling and completing the Wells. The Wells are located approximately 13.6 miles south of Malaga, New Mexico.

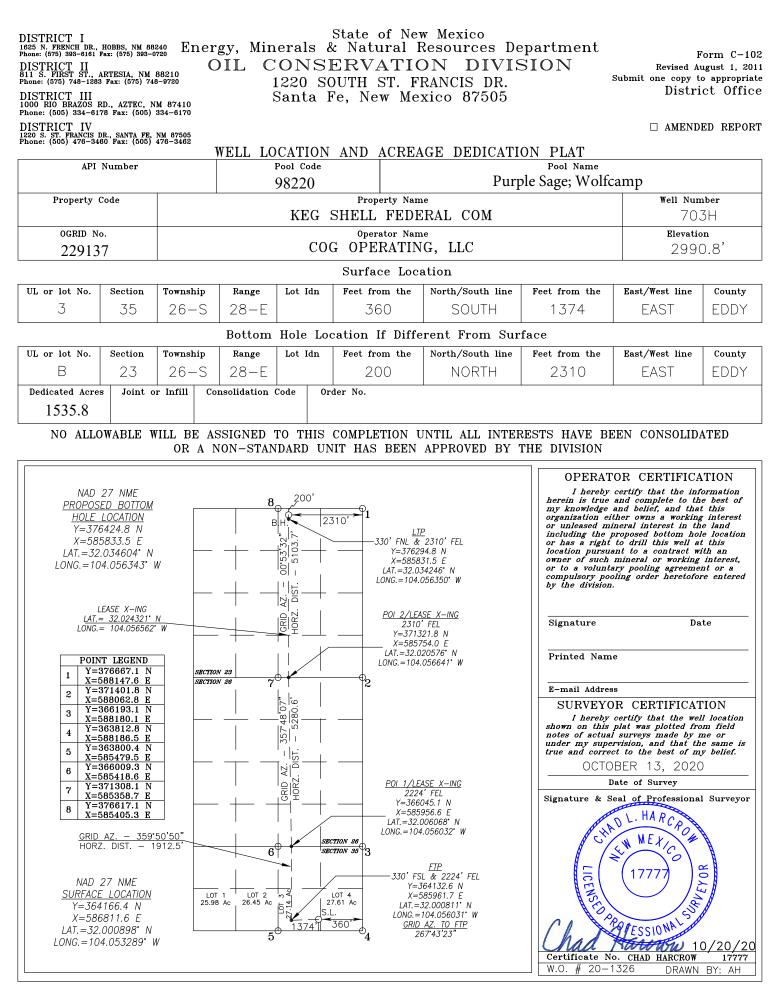
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## COG Operating La G4 of 89 Case No. 23344 Exhibit A-2

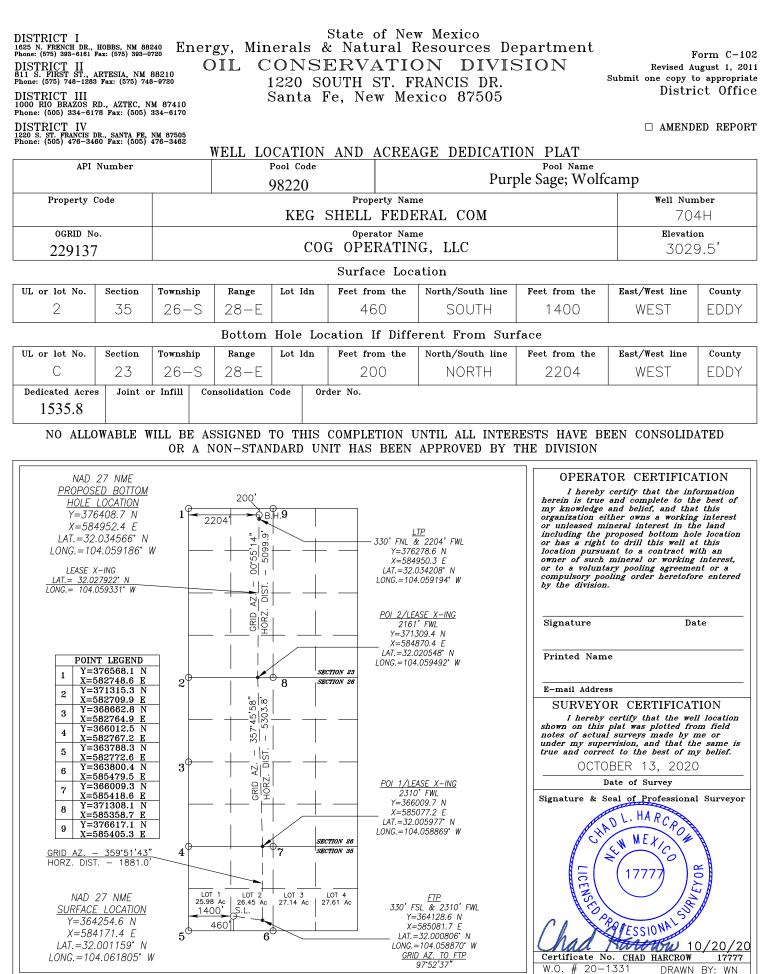




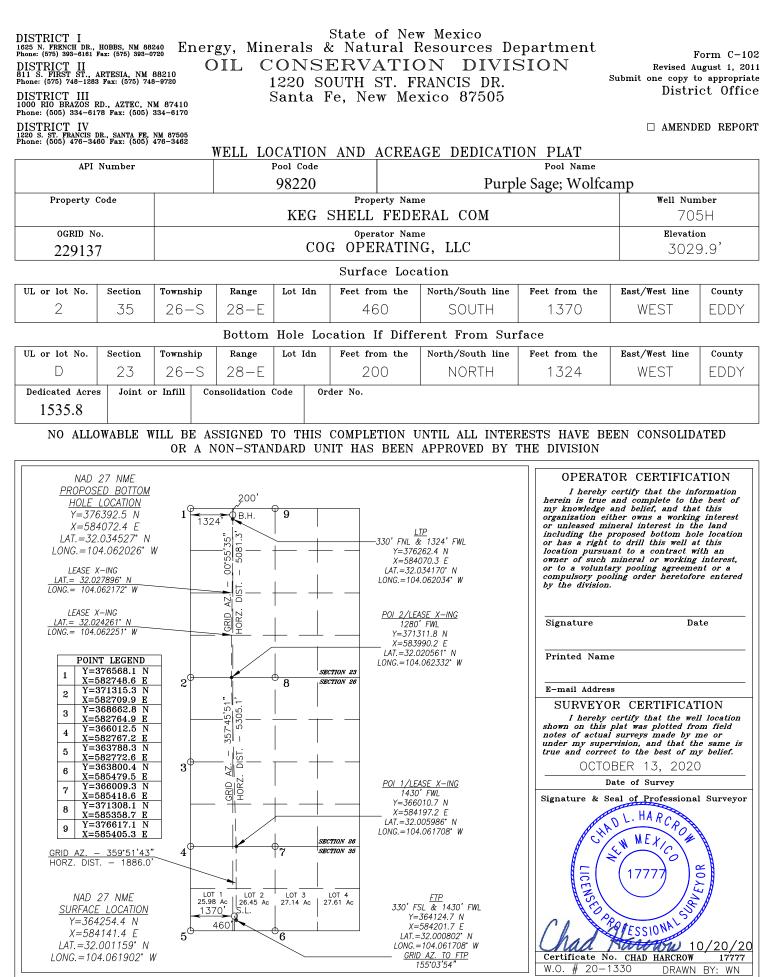
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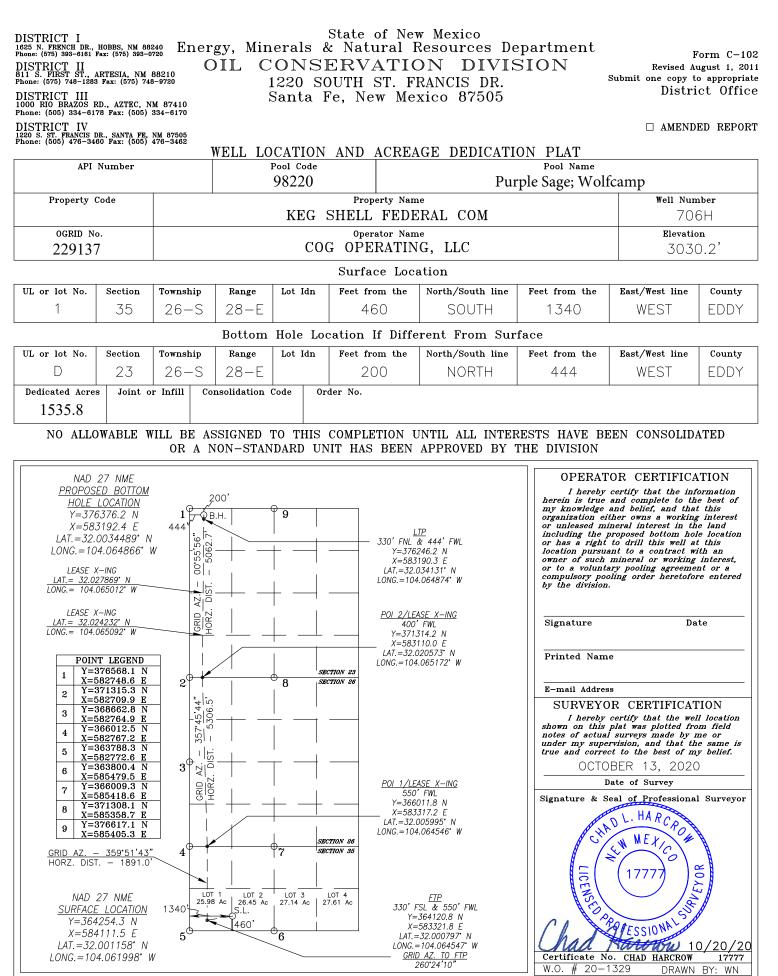
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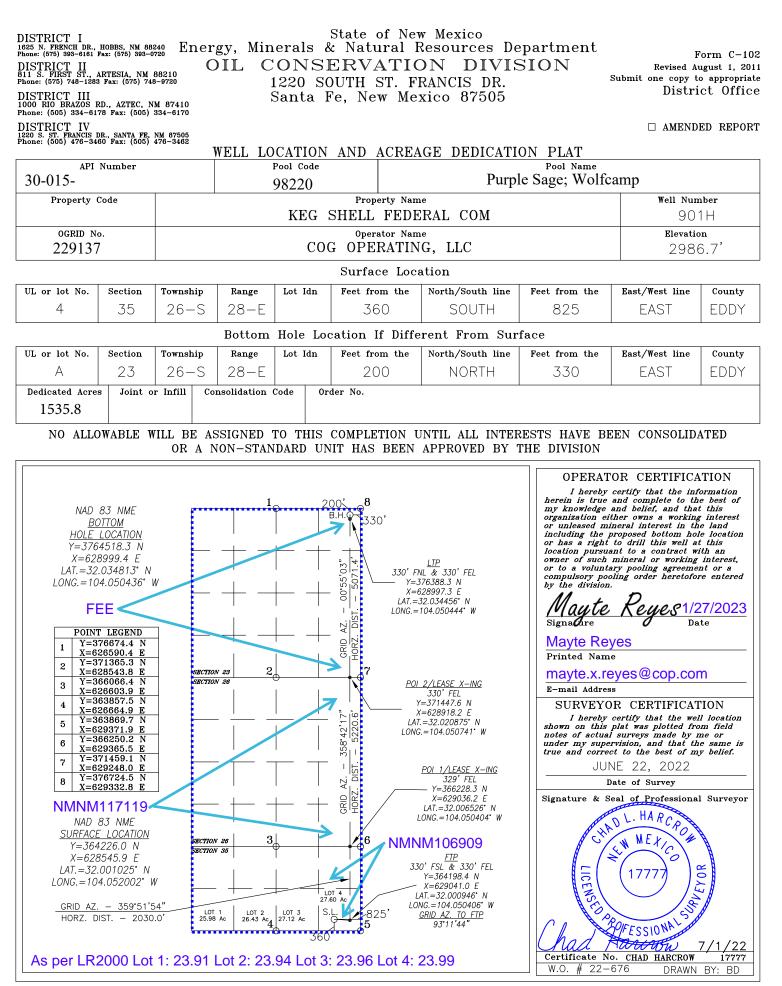
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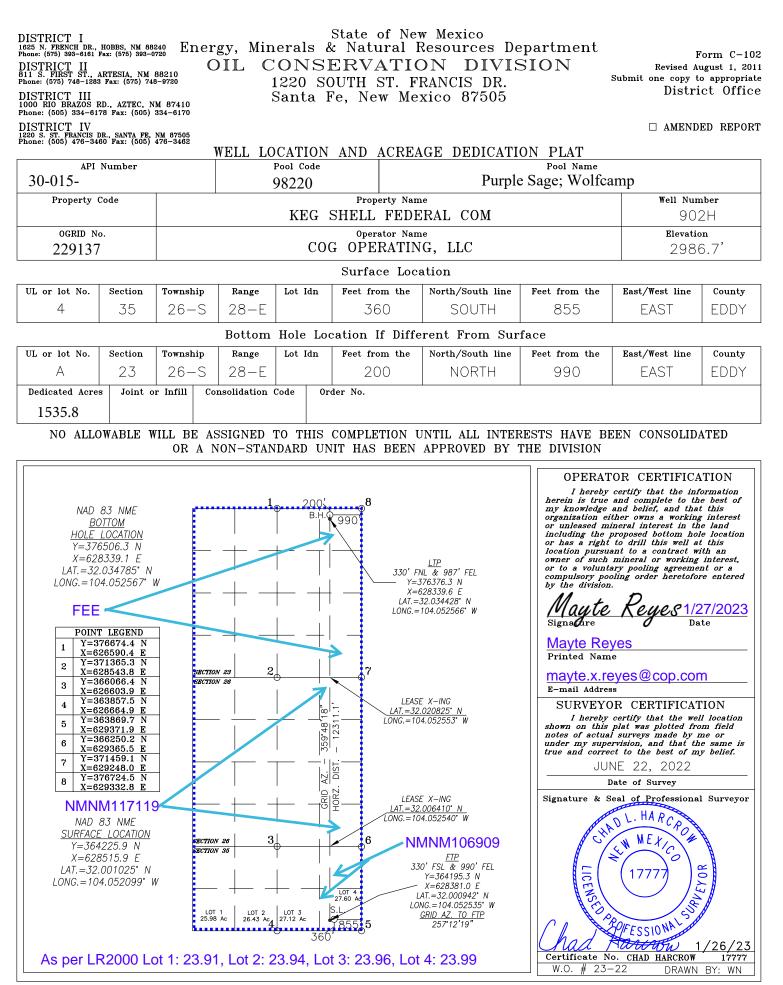


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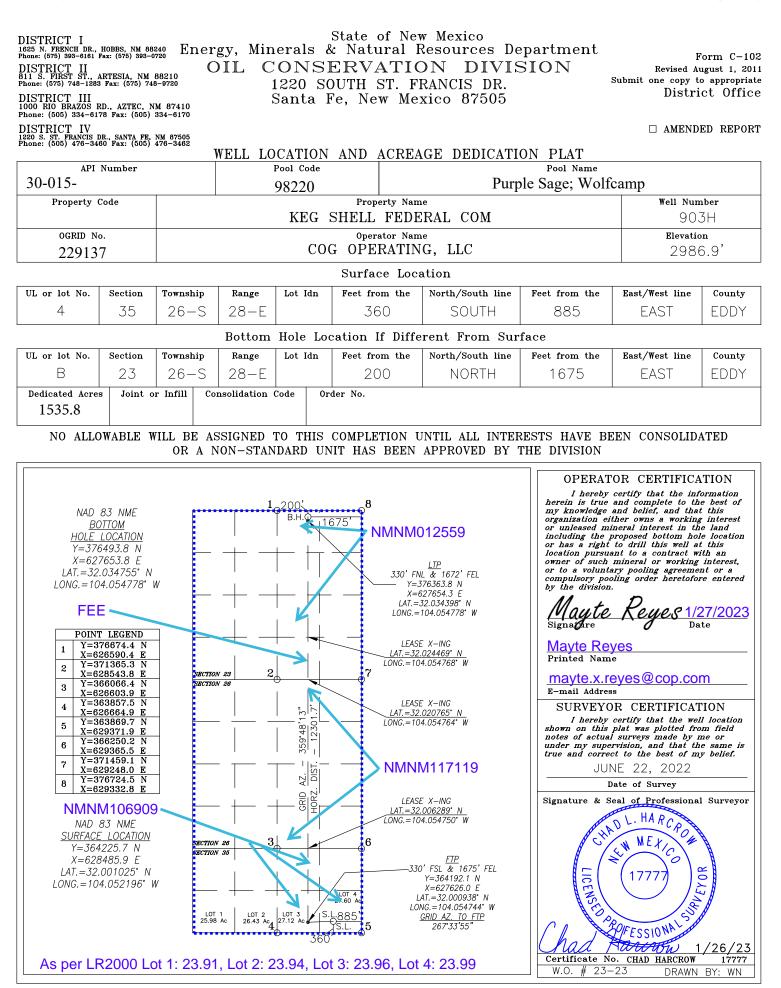


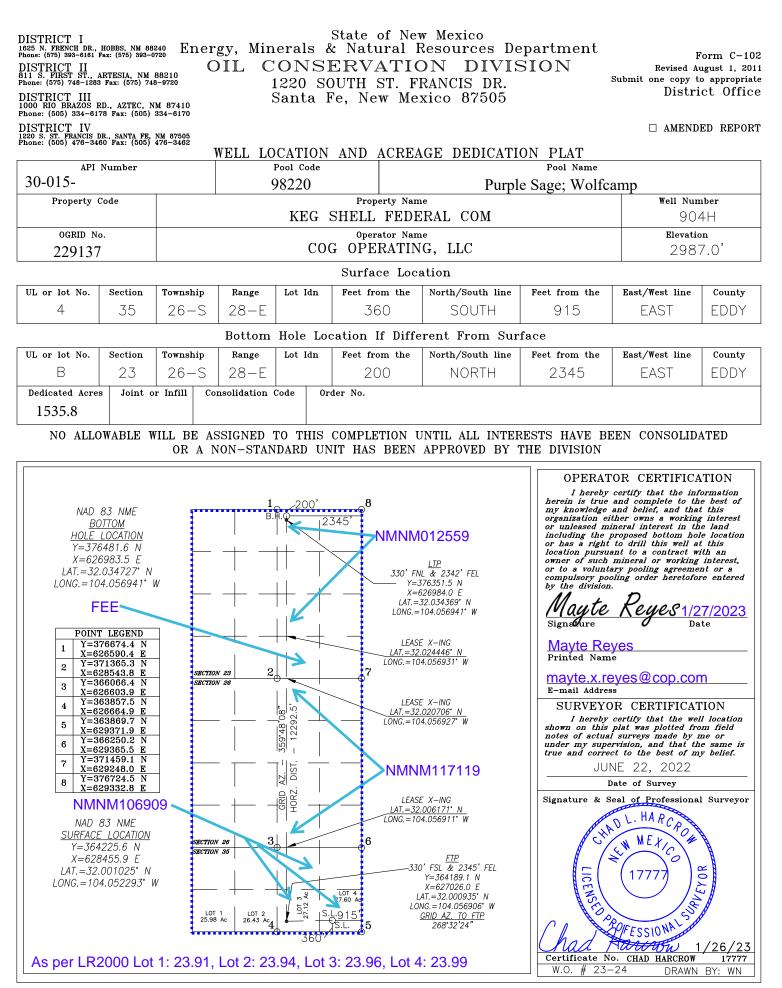
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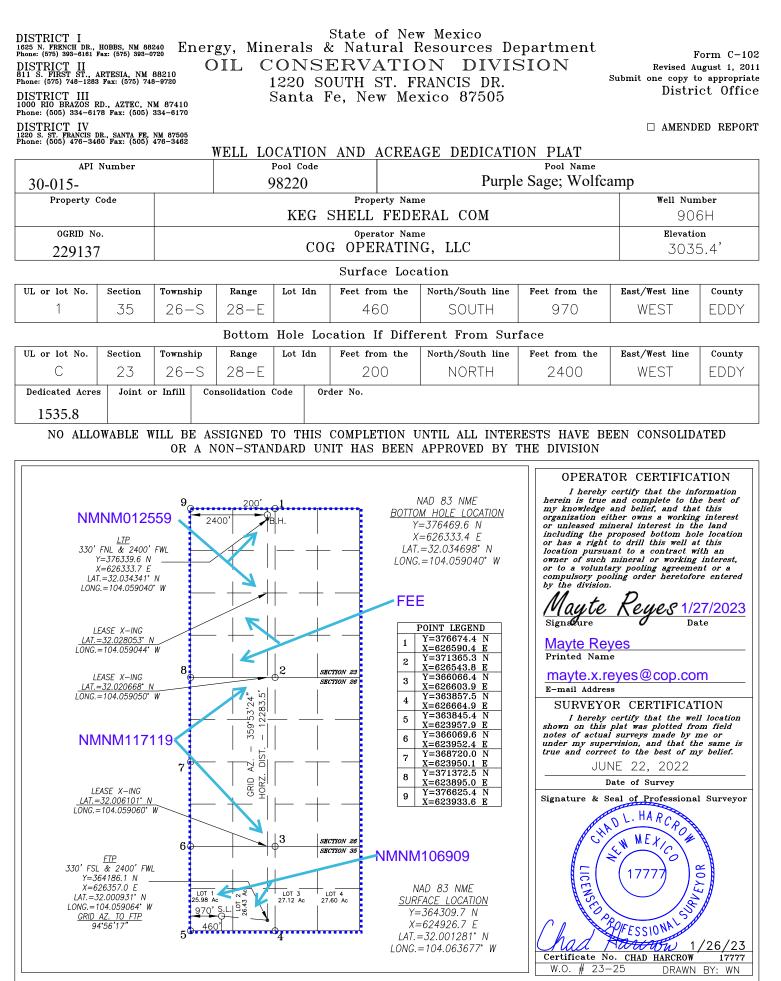




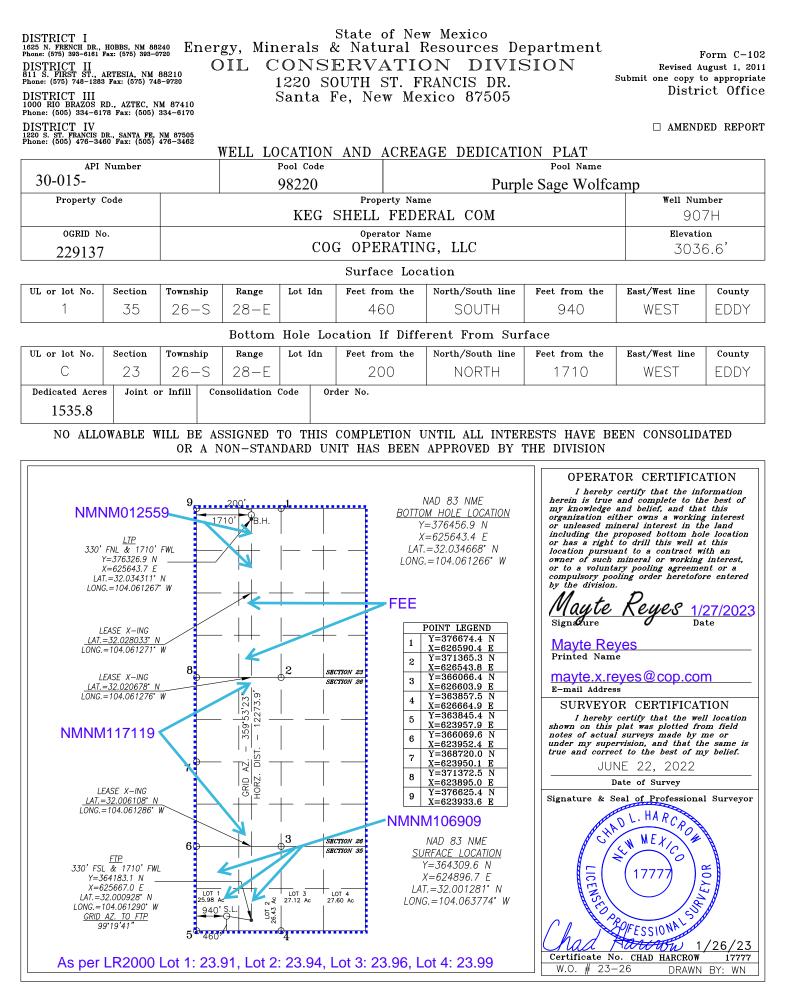
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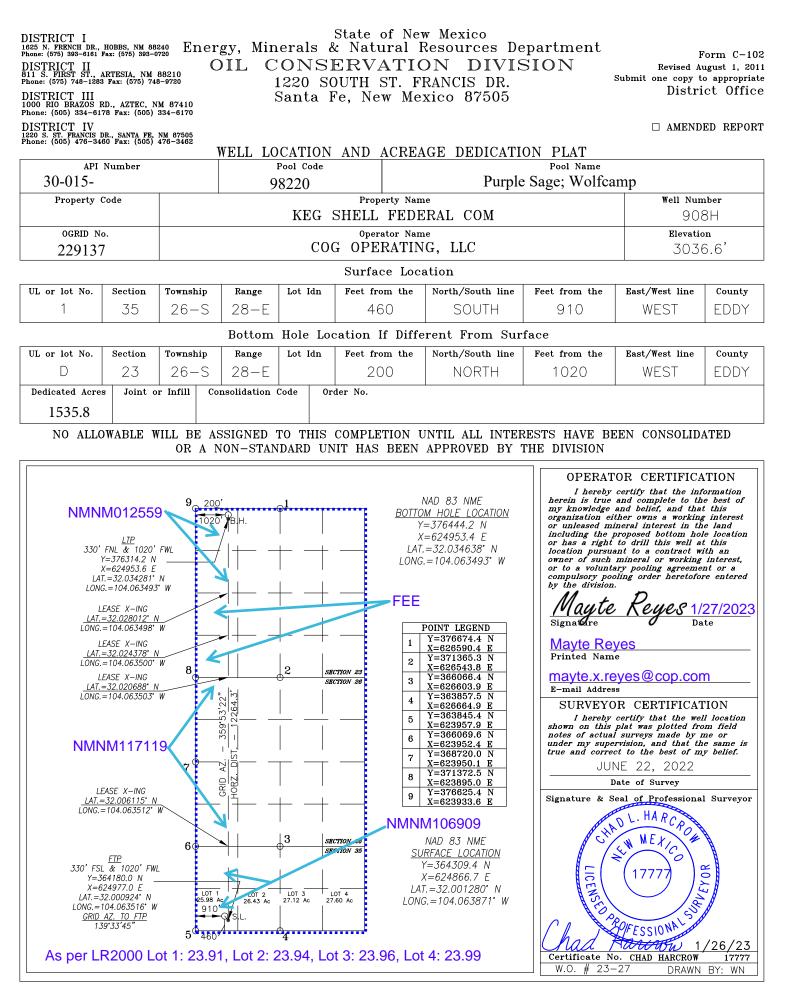




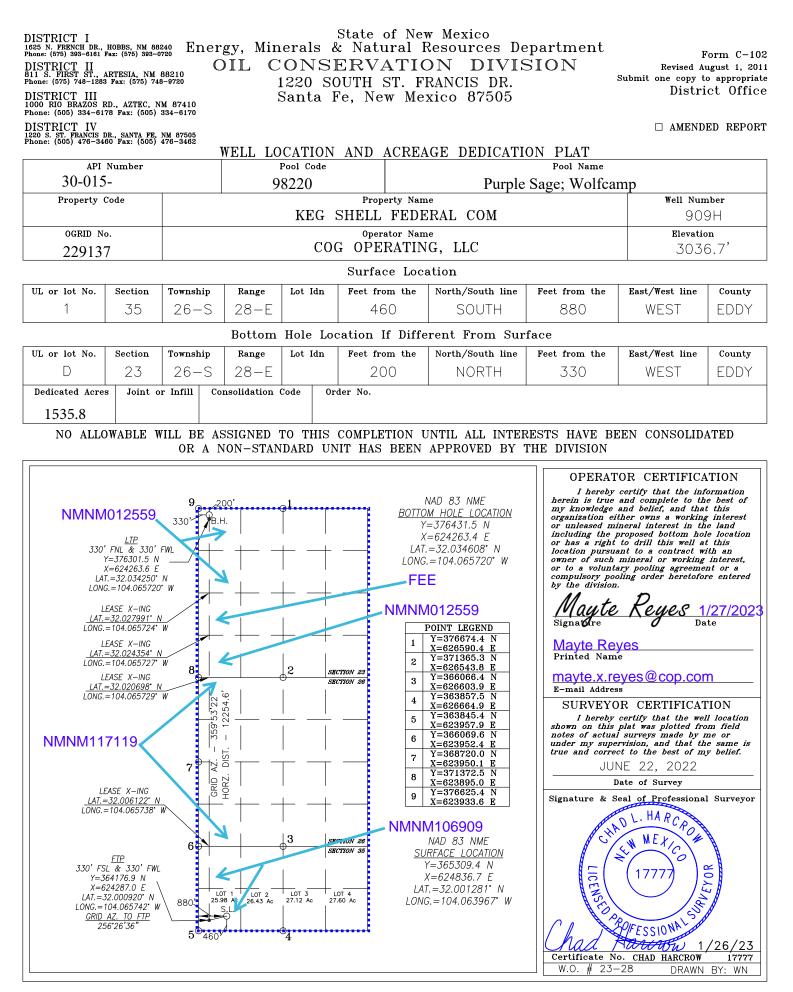


As per LR2000 Lot 1: 23.91, Lot 2: 23.94, Lot 3: 23.96, Lot 4: 23.99 *Released to Imaging: 3/14/2023 3:59:05 PM* 





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TRACT 1 USA NM-12559 320 ACRES		
FEE L	ICT 2 EASES ACRES	
USA NN	CT 3 I-117119 Acres	
USA NN	ICT 4 I-106909 Acres	

Recapitulation				
Tract Number Number of Acres Committed Percent of Interest in Communitized Area				
1	320	0.208360464		
2	320	0.208360464		
3	640	0.416720927		
4	255.8	0.166558146		
TOTAL	1535.8	100.0000000%		

COG Operating LLC Case No. 23344 Exhibit A-3

UNIT TOTALS	TO BE POOLED	WI	NRI	ORRI	RI
COG OPERATING LLC	NO	0.65260731	0.55861034		
CONCHO OIL & GAS LLC	NO	0.00520901	0.00398489		
COG PRODUCTION LLC	NO	0.15097056	0.11322792		
COG ACREAGE LP	NO	0.00529979	0.00397484		
OXY USA INC	YES	0.14568954	0.12001074		
OXY Y-1 COMPANY	YES	0.03497721	0.03060506		
SHARBRO ENERGY LLC	NO	0.00524658	0.00459076		
MADISON M. HINKLE	YES			0.00026045	
ROLLA R. HINKLE III	YES			0.00221383	
DEBRA KAY PRIMERA	YES			0.00008683	
ROBERT MITCHELL RAINDL	YES			0.00015192	
RICKY DON RAINDL	YES			0.00008681	
MARGI FORT BRUNS, AKA, MARGUERITE FORT BRUNS	YES			0.00006511	
RFORT MINERAL PROPERTIES LLC	YES			0.00006511	
TOMMY L. FORT	YES			0.00006511	
MITCHEL E. CHENEY AND ELIZABETH L. CHENEY	YES			0.00140806	
LYNN C. CHARUK AND GRACE CHARUK	YES			0.00140806	
CHISOS MINERALS, LLC	YES			0.01041802	
OXY USA INC	YES			0.00293007	
TOTALS:		1.0000000	0.83500456	0.01915939	0.14583605
TOTALS OF NRI + ORRI + RI					1.00000000

TRACT 1 - USA NM-012559 - 320 ACRES	WI	ORRI
COG PRODUCTION LLC	0.01950143	
COG ACREAGE LP	0.00166017	
OXY USA INC	0.05046230	
OXY USA INC		0.00109878
CHISOS MINERALS, LLC		0.00358120
ROLLA R. HINKLE III		0.00048834

TRACT 2 - FEE LEASES - 320 ACRES	WI	ORRI
COG OPERATING LLC	0.52578125	
CONCHO OIL & GAS LLC	0.025	
COG PRODUCTION	0.436580639	
COG ACREAGE LP	0.000919361	
OXY USA INC	0.01171875	
MADISON M. HINKLE		0.00125000
ROLLA R. HINKLE III		0.00125000
DEBRA KAY PRIMERA		0.00041675
ROBERT MITCHELL RAINDL		0.00072912
RICKY DON RAINDL		0.00041663
MARGI FORT BRUNS, AKA, MARGUERITE FORT BRUNS		0.00031250
RFORT MINERAL PROPERTIES LLC		0.00031250
TOMMY L. FORT		0.00031250
MITCHEL E. CHENEY AND ELIZABETH L. CHENEY		0.00675781
LYNN C. CHARUK AND GRACE CHARUK		0.00675781

TRACT 3 - USA NM-117119 - 640 ACRES	WI	ORRI
COG OPERATING LLC	1.00000000	

TRACT 4 - USA NM-106909 - 255.8 ACRES	WI	ORRI
COG OPERATING LLC	0.75850000	
OXY Y-1 COMPANY	0.21000000	
SHARBRO ENERGY LLC	0.03150000	

Record Title Holder	Lease Number(s)	Need to Pool?
C <mark>hevron USA Inc</mark>	USA NMNM-117119	Yes
EOG Resources Inc	USA NMNM-106909	Yes
Oxy Y-1 Co	USA NMNM-012559, USA NMNM-106909	Yes



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

December 8, 2022

Via Certified Mail, Return Receipt Requested No. 9489 0090 0027 6458 7081 43 OXY USA Inc. OXY Y-1 Company 5 Greenway Plaza, Suite 110 Houston, TX 77046 Attn: Land Department / Hannah Eastwood

Re: Keg Shell Fed Com 701H – 706H Keg Shell Fed Com 901H-904H, 906H-909H All of Sections 23 & 26, and N2N2 and Lots 1-4 ("All") of Section 35, T26S-R28E Eddy County, New Mexico

Dear Sir or Madam:

Enclosed is a revised Exhibit A correcting the Working Interest ownership. Should you have any questions, please do not hesitate to contact me at shelley.c.klingler@conocophillips.com.

Sincerely,

COG Operating LLC

Shelley C. Klingler Staff Land Negotiator

COG Operating LLC Case No. 23344 Exhibit A-4



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

December 8, 2022

Via Certified Mail, Return Receipt Requested No. 91 7199 9991 7038 7628 6744 OXY USA Inc. OXY Y-1 Company 5 Greenway Plaza, Suite 110 Houston, TX 77046 Attn: Land Department / Hannah Eastwood

## Re: Keg Shell Fed Com 701H – 706H Keg Shell Fed Com 901H-904H, 906H-909H All of Sections 23 & 26, and N2N2 and Lots 1-4 ("All") of Section 35, T26S-R28E Eddy County, New Mexico

Dear Sir or Madam:

COG Operating LLC ("COG"), as Operator, hereby proposes the drilling of the following horizontal wells with productive laterals located in All of Sections 23 and 26, and N2N2 and Lots 1-4 ("All") of Section 35, T26S-R28E, Eddy County, New Mexico (collectively, the "Operation"). The surface pad locations will be located in Lots 1, 2, 3, and 4 of Section 35, T26S-R28E (subject to change).

#### WOLFCAMP A SHALE

- Keg Shell Fed Com 701H, to be drilled to a depth sufficient to test the Wolfcamp A Shale formation at an approximate total vertical depth of 9,640'. The surface location for this well is proposed at a legal location in Lot 4 of Section 35, T26S-R28E, and a bottom hole location at a legal location in Unit A of Section 23, T26S-R28E. The dedicated horizontal spacing unit will be All of Sections 23 and 26, and N2N2 and Lots 1-4 ("All") of Section 35, T26S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$12,268,000.00, as shown on the attached Authority for Expenditure ("AFE").
- Keg Shell Fed Com 702H, to be drilled to a depth sufficient to test the Wolfcamp A Shale formation at an approximate total vertical depth of 9,620'. The surface location for this well is proposed at a legal location in Lot 4 of Section 35, T26S-R28E, and a bottom hole location at a legal location in Unit A of Section 23, T26S-R28E. The dedicated horizontal spacing unit will be All of Sections 23 and 26, and N2N2 and Lots 1-4 ("All") of Section 35, T26S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$12,268,000.00, as shown on the attached AFE.

December 8, 2022 – Page 2 Keg Shell Fed Com 701H-706H, 901H-904H, 906H-909H

- Keg Shell Fed Com 703H, to be drilled to a depth sufficient to test the Wolfcamp A Shale formation at an approximate total vertical depth of 9,600'. The surface location for this well is proposed at a legal location in Lot 3 of Section 35, T26S-R28E, and a bottom hole location at a legal location in Unit B of Section 23, T26S-R28E. The dedicated horizontal spacing unit will be All of Sections 23 and 26, and N2N2 and Lots 1-4 ("All") of Section 35, T26S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$12,268,000.00, as shown on the attached AFE.
- Keg Shell Fed Com 704H, to be drilled to a depth sufficient to test the Wolfcamp A Shale formation at an approximate total vertical depth of 9,560'. The surface location for this well is proposed at a legal location in Lot 2 of Section 35, T26S-R28E, and a bottom hole location at a legal location in Unit C of Section 23, T26S-R28E. The dedicated horizontal spacing unit will be All of Sections 23 and 26, and N2N2 and Lots 1-4 ("All") of Section 35, T26S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$12,268,000.00, as shown on the attached AFE.
- Keg Shell Fed Com 705H, to be drilled to a depth sufficient to test the Wolfcamp A Shale formation at an approximate total vertical depth of 9,540'. The surface location for this well is proposed at a legal location in Lot 2 of Section 35, T26S-R28E, and a bottom hole location at a legal location in Unit C of Section 23, T26S-R28E. The dedicated horizontal spacing unit will be All of Sections 23 and 26, and N2N2 and Lots 1-4 ("All") of Section 35, T26S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$12,268,000.00, as shown on the attached AFE.
- Keg Shell Fed Com 706H, to be drilled to a depth sufficient to test the Wolfcamp A Shale formation at an approximate total vertical depth of 9,585'. The surface location for this well is proposed at a legal location in Lot 1 of Section 35, T26S-R28E, and a bottom hole location at a legal location in Unit D of Section 23, T26S-R28E. The dedicated horizontal spacing unit will be All of Sections 23 and 26, and N2N2 and Lots 1-4 ("All") of Section 35, T26S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$12,268,000.00, as shown on the attached AFE.

#### WOLFCAMP C

- Keg Shell Fed Com 901H, to be drilled to a depth sufficient to test the Wolfcamp C formation at an approximate total vertical depth of 10,385'. The surface location for this well is proposed at a legal location in Lot 4 of Section 35, T26S-R28E, and a bottom hole location at a legal location in Unit A of Section 23, T26S-R28E. The dedicated horizontal spacing unit will be All of Sections 23 and 26, and N2N2 and Lots 1-4 ("All") of Section 35, T26S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$13,183,000.00, as shown on the attached AFE.
- Keg Shell Fed Com 902H, to be drilled to a depth sufficient to test the Wolfcamp C formation at an approximate total vertical depth of 10,575'. The surface location for this well is proposed at a legal location in Lot 4 of Section 35, T26S-R28E, and a bottom hole location at a legal location in Unit A of Section 23, T26S-R28E. The dedicated horizontal spacing unit will be All of Sections 23 and 26, and N2N2 and Lots 1-4 ("All") of Section 35, T26S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$13,183,000.00, as shown on the attached AFE.

December 8, 2022 – Page 3 Keg Shell Fed Com 701H-706H, 901H-904H, 906H-909H

- Keg Shell Fed Com 903H, to be drilled to a depth sufficient to test the Wolfcamp C formation at an approximate total vertical depth of 10,365'. The surface location for this well is proposed at a legal location in Lot 4 of Section 35, T26S-R28E, and a bottom hole location at a legal location in Unit B of Section 23, T26S-R28E. The dedicated horizontal spacing unit will be All of Sections 23 and 26, and N2N2 and Lots 1-4 ("All") of Section 35, T26S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$13,183,000.00, as shown on the attached AFE.
- Keg Shell Fed Com 904H, to be drilled to a depth sufficient to test the Wolfcamp C formation at an approximate total vertical depth of 10,555'. The surface location for this well is proposed at a legal location in Lot 4 of Section 35, T26S-R28E, and a bottom hole location at a legal location in Unit B of Section 23, T26S-R28E. The dedicated horizontal spacing unit will be All of Sections 23 and 26, and N2N2 and Lots 1-4 ("All") of Section 35, T26S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$13,183,000.00, as shown on the attached AFE.
- Keg Shell Fed Com 906H, to be drilled to a depth sufficient to test the Wolfcamp C formation at an approximate total vertical depth of 10,390'. The surface location for this well is proposed at a legal location in Lot 1 of Section 35, T26S-R28E, and a bottom hole location at a legal location in Unit C of Section 23, T26S-R28E. The dedicated horizontal spacing unit will be All of Sections 23 and 26, and N2N2 and Lots 1-4 ("All") of Section 35, T26S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$13,183,000.00, as shown on the attached AFE.
- Keg Shell Fed Com 907H, to be drilled to a depth sufficient to test the Wolfcamp C formation at an approximate total vertical depth of 10,580'. The surface location for this well is proposed at a legal location in Lot 1 of Section 35, T26S-R28E, and a bottom hole location at a legal location in Unit C of Section 23, T26S-R28E. The dedicated horizontal spacing unit will be All of Sections 23 and 26, and N2N2 and Lots 1-4 ("All") of Section 35, T26S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$13,183,000.00, as shown on the attached AFE.
- Keg Shell Fed Com 908H, to be drilled to a depth sufficient to test the Wolfcamp C formation at an approximate total vertical depth of 10,375'. The surface location for this well is proposed at a legal location in Lot 1 of Section 35, T26S-R28E, and a bottom hole location at a legal location in Unit D of Section 23, T26S-R28E. The dedicated horizontal spacing unit will be All of Sections 23 and 26, and N2N2 and Lots 1-4 ("All") of Section 35, T26S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$13,183,000.00, as shown on the attached AFE.
- Keg Shell Fed Com 909H, to be drilled to a depth sufficient to test the Wolfcamp C formation at an approximate total vertical depth of 10,565'. The surface location for this well is proposed at a legal location in Lot 1 of Section 35, T26S-R28E, and a bottom hole location at a legal location in Unit D of Section 23, T26S-R28E. The dedicated horizontal spacing unit will be All of Sections 23 and 26, and N2N2 and Lots 1-4 ("All") of Section 35, T26S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$13,183,000.00, as shown on the attached AFE.

December 8, 2022 – Page 4 Keg Shell Fed Com 701H-706H, 901H-904H, 906H-909H

COG is proposing to drill these wells under the terms of a new Operating Agreement which is included herewith. The basic terms of this agreement are:

- 1989 Model Form Operating Agreement with Horizontal Modifications
- Effective Date: 1/1/23
- Initial Well Date: 10/1/23
- Contract Area: All of Sections 23 and 26, and N2N2 and Lots 1-4 ("All") of Section 35, T26S-R28E, Eddy County, New Mexico, limited to the Wolfcamp formation
- Overhead Rates: \$8000 Drilling / \$800 Production
- Penalties: 100% / 300% / 300%
- \$100,000 Expenditure Limit

In the interest of time, if we are unable to reach an agreement on these wells within 30 days of the date of this letter, COG will apply to the NMOCD 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 shelley.c.klingler@conocophillips.com. Should you have any questions, please do not hesitate to contact me.

Sincerely,

**COG Operating LLC** 

Shelley C. Klingler Staff Land Negotiator

December 8, 2022 – Page 5 Keg Shell Fed Com 701H-706H, 901H-904H, 906H-909H

Please Indicate your election below:

PARTICIPATE Elect to participate in drilling & completion of well	DO NOT PARTICIPATE Elect NOT to participate in drilling & completion of well	WELL NAME
		Keg Shell Fed Com 701H
		Keg Shell Fed Com 702H
		Keg Shell Fed Com 703H
		Keg Shell Fed Com 704H
		Keg Shell Fed Com 705H
		Keg Shell Fed Com 706H
		Keg Shell Fed Com 901H
		Keg Shell Fed Com 902H
		Keg Shell Fed Com 903H
		Keg Shell Fed Com 904H
		Keg Shell Fed Com 906H
		Keg Shell Fed Com 907H
		Keg Shell Fed Com 908H
		Keg Shell Fed Com 909H

## OXY USA Inc.

Ву:		
Name:	 	 
Title:	 	 

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

## **OXY Y-1 Company**

- Ву:\_\_\_\_\_
- Name: \_\_\_\_\_\_
- Title: \_\_\_\_\_
- Date: \_\_\_\_\_

SHL BHL Formation	35: 36 23: 20 Wolfca All of \$	0 FNL, 330 F amp A	n 701H FEL OR Lot 4 EL OR Unit A 35, 26S-28E					Prospect State & County Objective Depth TVD		
Cost Description	Code	PreSpud (PS)	Pre-Set Casing(PC)	Drilling (DR)	Completions (C)	Tank B Constrctr		Pmpq Equip (PEQ)	Revision	Total
Intangible Costs	205					001104104	.(			\$ 124,000.00
D-Lctn/Pits/Roads D-Drilling Overhead	205 206			\$ 124,000.00 \$ 10,000.00					\$ - \$ -	\$ 124,000.00 \$ 10,000.00
D-Daywork Contract	209			\$ 675,000.00					\$ -	\$ 675,000.00
D-Directional Drlg Services	210			\$ 359,000.00					ş -	\$ 359,000.00
D-Fuel & Power D-Water	211 212			\$ 116,000.00 \$ 98.000.00					\$ - \$ -	\$ 116,000.00 \$ 98,000.00
D-Bits	212			\$ 124,000.00					\$ -	\$ 124,000.00
D-Mud & Chemicals	214			\$ 254,000.00					\$ -	\$ 254,000.00
D-Cement Surface	217			\$ 25,000.00					\$ -	\$ 25,000.00
D-Cement Intermed D-Prod-2nd Int Cmt	218 219			\$ 97,000.00 \$ 143,000.00					\$ - \$ -	\$ 97,000.00 \$ 143,000.00
D-Float Equipment & Centralizers	213			\$ 143,000.00 \$ 78.000.00					ş - \$ -	\$ 78,000.00
D-Csg Crews & Equip	222			\$ 84,000.00					\$ -	\$ 84,000.00
D-Contract Labor	225			\$ 9,000.00					\$ -	\$ 9,000.00
D-Company Sprvsn D-Contract Sprvsn	226 227			\$ 56,000.00 \$ 141.000.00					\$- \$-	\$ 56,000.00 \$ 141,000.00
D-Tstg Csg/Tbg	228			\$ 141,000.00 \$ 52,000.00					\$ -	\$ 52,000.00
D-Mud Logging Unit	229			\$ 52,000.00					\$ -	\$ 52,000.00
D-Rentals-Surface	235			\$ 218,000.00					\$ -	\$ 218,000.00
D-Rentals-Subsrfc D-Trucking/Forklift/Rig Mob	236 237			\$ 101,000.00 \$ 208,000.00					\$ - \$ -	\$ 101,000.00 \$ 208,000.00
D-Welding Services	238			\$ 3,000.00					\$ -	\$ 3,000.00
D-Contingency	243			\$ 78,000.00					\$ -	\$ 78,000.00
D-Envrnmtl/Clsd Loop	244			\$ 344,000.00					ş -	\$ 344,000.00
C-Wellbore Frac Prep C-Lctn/Pits/Roads	304 305				\$ 174,000.00 \$ 19.000.00				\$- \$-	\$ 174,000.00 \$ 19,000.00
C-Completion OH	305				\$ 19,000.00 \$ 28,000.00				ş - \$ -	\$ 28,000.00
C-Frac Equipment	307				\$ 1,190,000.00				\$ -	\$ 1,190,000.00
C-Frac Chemicals	308				\$ 754,000.00				\$ -	\$ 754,000.00
C-Frac Proppant C-Frac Proppant Transportation	309 310				\$ 342,000.00 \$ 532.000.00				\$ - \$ -	\$ 342,000.00 \$ 532,000.00
C-Fuel Delivery & Services	311				\$ 77,000.00				\$ -	\$ 77,000.00
C-Water	312				\$ 503,000.00				ş -	\$ 503,000.00
C-Frac Surface Rentals	315				\$ 474,000.00				\$ - \$ -	\$ 474,000.00 \$ 19,000.00
C-Contract Labor C-Company Sprvsn	325 326				\$ 19,000.00 \$ 19,000.00				ş - \$ -	\$ 19,000.00 \$ 19,000.00
C-Contract Sprvsn	327				\$ 254,000.00				\$ -	\$ 254,000.00
C-Artificial Lift Install	329				\$ 82,000.00				\$ -	\$ 82,000.00
C-Perf/Wireline Svc C-Trucking/Forklift/Rig Mob	331 337				\$ 584,000.00 \$ 19,000.00				\$ - \$ -	\$ 584,000.00 \$ 19,000.00
C-Water Disposal	339				\$ 73,000.00				\$ -	\$ 73,000.00
C-Contingency	343				\$ 136,000.00				\$-	\$ 136,000.00
C-Dyed Diesel	345				\$ 285,000.00				\$ - \$ -	\$ 285,000.00 \$ 543.000.00
C-Drillout TB-Damages/Right of Way	346 351				\$ 543,000.00	s	1.000.00		\$ -	\$ 543,000.00 \$ 1,000.00
TB-Location/Pits/Roads	353						33,000.00		\$ -	\$ 33,000.00
TB-Contract Labor	356					\$ 18	82,000.00		\$-	\$ 182,000.00
PEQ-Contract Labor	374 387							\$ 61,000.00 \$ 282,000.00	\$ - \$ -	\$ 61,000.00 \$ 282,000.00
PEQ-Water Disposal PEQ-HRZ Well Offset Frac	391							\$ 282,000.00 \$ 29,000.00	ş - \$ -	\$ 29,000.00
Total Intangible Costs		\$ -	\$ -	\$ 3,449,000.00	\$ 6,107,000.00	\$ 216,	,000.00	\$ 372,000.00	\$ -	\$ 10,144,000.00
Tangible Costs										
PEQ-Flowback Crews & Equip	392	1					_	\$ 169,000.00	s -	\$ 169,000.00
D-Surface Casing	401			\$ 27,000.00				¢ 100,000.00	\$ -	\$ 27,000.00
D-Intermed Csg	402			\$ 216,000.00					\$-	\$ 216,000.00
D-Production Casing/Liner	403		-	\$ 537,000.00					\$ -	\$ 537,000.00
D-Wellhead Equip C-Tubing	405 504		1	\$ 98,000.00	\$ 95,000.00				\$- \$-	\$ 98,000.00 \$ 95,000.00
C-Wellhead Equip	505				\$ 50,000.00				ş -	\$ 50,000.00
TB-Tanks	510						,000.00		\$-	\$ 59,000.00
TB-Flowlines/Pipelines TB-Htr Trtr/Seprtr	511 512		-				000.00		\$- \$-	\$ 26,000.00 \$ 187,000.00
TB-Electrical System/Equipment	512						,000.00		\$ - \$ -	\$ 115,000.00
C-Pckrs/Anchors/Hgrs	514				\$ 118,000.00				\$-	\$ 118,000.00
TB-Couplings/Fittings/Valves	515		L				00.000		\$-	\$ 196,000.00
TB-Pumps-Surface TB-Instrumentation/SCADA/POC	521 522						000.00		\$ - \$ -	\$ 26,000.00 \$ 20,000.00
TB-Instrumentation/SCADA/POC TB-Miscellaneous	522						000.00		s - s -	\$ 20,000.00
TB-Meters/Lacts	525					\$ 26,	,000.00		\$ -	\$ 26,000.00
TB-Flares/Combusters/Emission	526		L				,000.00		\$-	\$ 32,000.00
C-Gas Lift/Compression PEQ-Wellhead Equipment	527 531				\$ 46,000.00			\$ 61,000.00	\$- \$-	\$ 46,000.00 \$ 61,000.00
Total Tangible Costs	551	\$ -	\$-	\$ 878,000.00	\$ 309,000.00	\$ 707.	,000.00	\$ 230,000.00	ş -	\$ 2,124,000.00
Total Gross Cost		\$ -	\$ -	\$ 4,327,000.00	\$ 6,416,000.00	\$ 923,	,000.00	\$ 602,000.00	\$-	\$ 12,268,000.00
Note: The above costs are estimate COG Operating LLC	es oniy.	Actual cost	s will be billed a	s incurrea.						
						Data Data	ad:			
By:			-			Date Prepare	ed:			-
We approve:						COG Operat	ing LLC			
Working Interest						By:				-
Company:			_							
By:			-							

Printed Name: Title: Date:

SHL BHL Formation	35: 36 23: 20 Wolfca All of \$	0 FNL, 1210 amp A Secs 23, 26,	FEL OR Lot 4 FEL OR Unit A 35, 26S-28E				Prospect State & County Objective Depth TVD		
Cost Description	Code	PreSpud (PS)	Pre-Set Casing(PC)	Drilling (DR)	Completions (C)	Tank Btty Constrctn(TB)	Pmpq Equip (PEQ)	Revision	Total
Intangible Costs D-Lctn/Pits/Roads	205			\$ 124,000.00				s -	\$ 124,000.00
D-Drilling Overhead	206			\$ 10,000.00				\$-	\$ 10,000.00
D-Daywork Contract	209			\$ 675,000.00				\$ -	\$ 675,000.00
D-Directional Drlg Services D-Fuel & Power	210 211			\$ 359,000.00 \$ 116,000.00				\$ - \$ -	\$ 359,000.00 \$ 116,000.00
D-Water	212			\$ 98,000.00				\$-	\$ 98,000.00
D-Bits D-Mud & Chemicals	213 214			\$ 124,000.00 \$ 254,000.00				\$- \$-	\$ 124,000.00 \$ 254,000.00
D-Cement Surface	217			\$ 25,000.00				\$ -	\$ 25,000.00
D-Cement Intermed	218			\$ 97,000.00				\$ -	\$ 97,000.00
D-Prod-2nd Int Cmt D-Float Equipment & Centralizers	219 221			\$ 143,000.00 \$ 78,000.00				\$ - \$ -	\$ 143,000.00 \$ 78,000.00
D-Csg Crews & Equip	222			\$ 84,000.00				\$ -	\$ 84,000.00
D-Contract Labor	225			\$ 9,000.00				\$ -	\$ 9,000.00
D-Company Sprvsn D-Contract Sprvsn	226 227			\$ 56,000.00 \$ 141,000.00				\$ - \$ -	\$ 56,000.00 \$ 141,000.00
D-Tstg Csg/Tbg	228			\$ 141,000.00 \$ 52,000.00				s -	\$ 52,000.00
D-Mud Logging Unit	229			\$ 52,000.00				ş -	\$ 52,000.00
D-Rentals-Surface D-Rentals-Subsrfc	235 236			\$ 218,000.00 \$ 101.000.00				\$ - \$ -	\$ 218,000.00 \$ 101,000.00
D-Trucking/Forklift/Rig Mob	230			\$ 208,000.00				s -	\$ 208,000.00
D-Welding Services	238			\$ 3,000.00				\$-	\$ 3,000.00
D-Contingency D-Envrnmtl/Clsd Loop	243 244			\$ 78,000.00 \$ 344,000.00				\$ - \$ -	\$ 78,000.00 \$ 344,000.00
C-Wellbore Frac Prep	304			a 344,000.00	\$ 174,000.00			s - \$ -	\$ <u>344,000.00</u> \$ 174,000.00
C-Lctn/Pits/Roads	305				\$ 19,000.00			\$-	\$ 19,000.00
C-Completion OH	306 307				\$ 28,000.00			\$ -	\$ 28,000.00 \$ 1,190,000.00
C-Frac Equipment C-Frac Chemicals	307				\$ 1,190,000.00 \$ 754,000.00			\$ - \$ -	\$ 1,190,000.00 \$ 754,000.00
C-Frac Proppant	309				\$ 342,000.00			\$-	\$ 342,000.00
C-Frac Proppant Transportation	310				\$ 532,000.00			\$ - \$ -	\$ 532,000.00 \$ 77,000.00
C-Fuel Delivery & Services C-Water	311 312				\$ 77,000.00 \$ 503,000.00			\$ - \$ -	\$ 77,000.00 \$ 503,000.00
C-Frac Surface Rentals	315				\$ 474,000.00			\$ -	\$ 474,000.00
C-Contract Labor	325				\$ 19,000.00			\$ -	\$ 19,000.00
C-Company Sprvsn C-Contract Sprvsn	326 327				\$ 19,000.00 \$ 254,000.00			\$ - \$ -	\$ 19,000.00 \$ 254,000.00
C-Artificial Lift Install	329				\$ 82,000.00			\$ -	\$ 82,000.00
C-Perf/Wireline Svc	331				\$ 584,000.00			\$ -	\$ 584,000.00
C-Trucking/Forklift/Rig Mob C-Water Disposal	337 339				\$ 19,000.00 \$ 73,000.00			\$ - \$ -	\$ 19,000.00 \$ 73,000.00
C-Contingency	343				\$ 136,000.00			\$ -	\$ 136,000.00
C-Dyed Diesel	345				\$ 285,000.00			\$ -	\$ 285,000.00
C-Drillout TB-Damages/Right of Way	346 351				\$ 543,000.00	\$ 1,000.00		\$ - \$ -	\$ 543,000.00 \$ 1,000.00
TB-Location/Pits/Roads	353					\$ 33,000.00			\$ 33,000.00
TB-Contract Labor	356					\$ 182,000.00		\$ -	\$ 182,000.00
PEQ-Contract Labor PEQ-Water Disposal	374 387						\$ 61,000.00 \$ 282,000.00	\$- \$-	\$ 61,000.00 \$ 282,000.00
PEQ-HRZ Well Offset Frac	391						\$ 29,000.00	\$ -	\$ 29,000.00
Total Intangible Costs		\$ -	\$-	\$ 3,449,000.00	\$ 6,107,000.00	\$ 216,000.00	\$ 372,000.00	\$-	\$ 10,144,000.00
Tangible Costs									
PEQ-Flowback Crews & Equip	392						\$ 169,000.00	\$ -	\$ 169,000.00
D-Surface Casing	401			\$ 27,000.00	+			\$ - ¢	\$ 27,000.00 \$ 216,000.00
D-Intermed Csg D-Production Casing/Liner	402 403			\$ 216,000.00 \$ 537,000.00				\$ - \$ -	\$ 216,000.00 \$ 537,000.00
D-Wellhead Equip	405			\$ 98,000.00				\$-	\$ 98,000.00
C-Tubing	504				\$ 95,000.00			\$ - ¢	\$ 95,000.00
C-Wellhead Equip TB-Tanks	505 510				\$ 50,000.00	\$ 59,000.00		\$ - \$ -	\$ 50,000.00 \$ 59,000.00
TB-Flowlines/Pipelines	511					\$ 26,000.00		\$-	\$ 26,000.00
TB-Htr Trtr/Seprtr	512					\$ 187,000.00		\$ -	\$ 187,000.00
TB-Electrical System/Equipment C-Pckrs/Anchors/Hgrs	513 514				\$ 118,000.00	\$ 115,000.00		\$ - \$ -	\$ 115,000.00 \$ 118,000.00
TB-Couplings/Fittings/Valves	515					\$ 196,000.00		\$-	\$ 196,000.00
TB-Pumps-Surface	521					\$ 26,000.00		\$-	\$ 26,000.00
TB-Instrumentation/SCADA/POC TB-Miscellaneous	522 523					\$ 20,000.00 \$ 20,000.00		\$ - \$ -	\$ 20,000.00 \$ 20,000.00
TB-Meters/Lacts	525					\$ 26,000.00		\$-	\$ 26,000.00
TB-Flares/Combusters/Emission	526					\$ 32,000.00		\$ -	\$ 32,000.00
C-Gas Lift/Compression PEQ-Wellhead Equipment	527 531				\$ 46,000.00		\$ 61,000.00	\$ - \$ -	\$ 46,000.00 \$ 61,000.00
Total Tangible Costs	331	\$ -	\$ -	\$ 878,000.00	\$ 309,000.00	\$ 707,000.00		\$ -	\$ 2,124,000.00
Total Cross Cost		•				*		•	<b>*</b> 40,000,000,00
Total Gross Cost Note: The above costs are estimate	es onlv	\$ - Actual costs	s will be billed as	\$ 4,327,000.00 s incurred.	\$ 6,416,000.00	\$ 923,000.00	\$ 602,000.00	\$-	\$ 12,268,000.00
COG Operating LLC	<u>-</u>								
By:			_			Date Prepared:			_
					-	COC Operation 11 (	<u> </u>		
We approve: <u>% Working Interest</u>						COG Operating LLC By:			
Company:			_						
By:			-						

Printed Name: Title: Date:

SHL BHL Formation	35: 36 23: 20 Wolfca All of \$	0 FNL, 2090	FEL OR Lot 3 FEL OR Unit B				Prospect State & County Objective Depth TVD		
Cost Description	Code	PreSpud (PS)	Pre-Set Casing(PC)	Drilling (DR)	Completions (C)	Tank Btty Constrctn(TB)	Pmpq Equip (PEQ)	Revision	Total
Intangible Costs D-Lctn/Pits/Roads	205	1		\$ 124,000.00				\$ -	\$ 124,000.00
D-Drilling Overhead	206			\$ 10,000.00				\$-	\$ 10,000.00
D-Daywork Contract	209			\$ 675,000.00				\$-	\$ 675,000.00
D-Directional Drlg Services D-Fuel & Power	210 211			\$ 359,000.00 \$ 116,000.00				\$ - \$ -	\$ 359,000.00 \$ 116,000.00
D-Water	212			\$ 98,000.00				\$ -	\$ 98,000.00
D-Bits	213			\$ 124,000.00				\$-	\$ 124,000.00
D-Mud & Chemicals	214			\$ 254,000.00				\$ -	\$ 254,000.00
D-Cement Surface D-Cement Intermed	217 218			\$ 25,000.00 \$ 97,000.00				s - s -	\$ 25,000.00 \$ 97,000.00
D-Prod-2nd Int Cmt	219			\$ 143,000.00				\$ -	\$ 143,000.00
D-Float Equipment & Centralizers	221			\$ 78,000.00				\$-	\$ 78,000.00
D-Csg Crews & Equip	222			\$ 84,000.00				\$ -	\$ 84,000.00
D-Contract Labor D-Company Sprvsn	225 226			\$ 9,000.00 \$ 56.000.00				\$ - \$ -	\$ 9,000.00 \$ 56,000.00
D-Contract Sprvsn	227			\$ 141,000.00				\$ -	\$ 141,000.00
D-Tstg Csg/Tbg	228			\$ 52,000.00				\$ -	\$ 52,000.00
D-Mud Logging Unit	229			\$ 52,000.00				\$ -	\$ 52,000.00
D-Rentals-Surface D-Rentals-Subsrfc	235 236			\$ 218,000.00 \$ 101,000.00				\$- \$-	\$ 218,000.00 \$ 101,000.00
D-Trucking/Forklift/Rig Mob	237			\$ 208,000.00				\$ -	\$ 208,000.00
D-Welding Services	238			\$ 3,000.00				\$-	\$ 3,000.00
D-Contingency	243			\$ 78,000.00				\$ - ¢	\$ 78,000.00
D-Envrnmtl/Clsd Loop C-Wellbore Frac Prep	244 304			\$ 344,000.00	\$ 174,000.00			\$ - \$ -	\$ 344,000.00 \$ 174,000.00
C-Lctn/Pits/Roads	305				\$ 19,000.00				\$ 19,000.00
C-Completion OH	306				\$ 28,000.00			\$-	\$ 28,000.00
C-Frac Equipment	307				\$ 1,190,000.00			\$ -	\$ 1,190,000.00
C-Frac Chemicals C-Frac Proppant	308 309				\$ 754,000.00 \$ 342,000.00			\$ - \$ -	\$ 754,000.00 \$ 342,000.00
C-Frac Proppant Transportation	310				\$ 532,000.00			\$ -	\$ 532,000.00
C-Fuel Delivery & Services	311				\$ 77,000.00			\$-	\$ 77,000.00
C-Water	312				\$ 503,000.00			\$-	\$ 503,000.00
C-Frac Surface Rentals C-Contract Labor	315 325				\$ 474,000.00			s - s -	\$ 474,000.00 \$ 19,000.00
C-Company Sprvsn	325				\$ 19,000.00 \$ 19,000.00			s -	\$ 19,000.00
C-Contract Sprvsn	327				\$ 254,000.00			\$ -	\$ 254,000.00
C-Artificial Lift Install	329				\$ 82,000.00			ş -	\$ 82,000.00
C-Perf/Wireline Svc	331				\$ 584,000.00			\$ -	\$ 584,000.00
C-Trucking/Forklift/Rig Mob C-Water Disposal	337 339				\$ 19,000.00 \$ 73,000.00			\$ - \$ -	\$ 19,000.00 \$ 73,000.00
C-Contingency	343				\$ 136,000.00			\$ -	\$ 136,000.00
C-Dyed Diesel	345				\$ 285,000.00			ş -	\$ 285,000.00
C-Drillout TB-Damages/Right of Way	346 351				\$ 543,000.00	\$ 1,000.0	20	\$- \$-	\$ 543,000.00 \$ 1,000.00
TB-Location/Pits/Roads	353					\$ 33,000.0		ş - S -	\$ 33,000.00
TB-Contract Labor	356					\$ 182,000.0		\$ -	\$ 182,000.00
PEQ-Contract Labor	374						\$ 61,000.00	\$ -	\$ 61,000.00
PEQ-Water Disposal PEQ-HRZ Well Offset Frac	387 391						\$ 282,000.00 \$ 29,000.00	\$ - \$ -	\$ 282,000.00 \$ 29,000.00
Total Intangible Costs	001	<b>\$</b> -	\$-	\$ 3,449,000.00	\$ 6,107,000.00	\$ 216,000.0		\$ -	\$ 10,144,000.00
Tangible Costs							••••••		
PEQ-Flowback Crews & Equip	392				1 1		\$ 169,000.00	s -	\$ 169,000.00
D-Surface Casing	401			\$ 27,000.00				\$ -	\$ 27,000.00
D-Intermed Csg	402			\$ 216,000.00			-	ş -	\$ 216,000.00
D-Production Casing/Liner D-Wellhead Equip	403 405			\$ 537,000.00 \$ 98,000.00	<u>⊦</u>		+	\$ - \$ -	\$ 537,000.00 \$ 98,000.00
C-Tubing	504			\$ 00,000.00	\$ 95,000.00			\$-	\$ 95,000.00
C-Wellhead Equip	505				\$ 50,000.00		-	\$-	\$ 50,000.00
TB-Tanks	510					\$ 59,000.0		\$ - ¢	\$ 59,000.00
TB-Flowlines/Pipelines TB-Htr Trtr/Seprtr	511 512					\$ 26,000.0 \$ 187,000.0		\$- \$-	\$ 26,000.00 \$ 187,000.00
TB-Electrical System/Equipment	513					\$ 115,000.0		\$ -	\$ 115,000.00
C-Pckrs/Anchors/Hgrs	514				\$ 118,000.00			\$-	\$ 118,000.00
TB-Couplings/Fittings/Valves	515					\$ 196,000.0		\$ -	\$ 196,000.00
TB-Pumps-Surface TB-Instrumentation/SCADA/POC	521 522					\$ 26,000.0 \$ 20,000.0		\$ - \$ -	\$ 26,000.00 \$ 20,000.00
TB-Miscellaneous	523				† †	\$ 20,000.0			\$ 20,000.00
TB-Meters/Lacts	525					\$ 26,000.0		\$-	\$ 26,000.00
TB-Flares/Combusters/Emission	526					\$ 32,000.0	0	\$ -	\$ 32,000.00
C-Gas Lift/Compression PEQ-Wellhead Equipment	527 531				\$ 46,000.00		\$ 61,000.00	\$ - \$ -	\$ 46,000.00 \$ 61,000.00
Total Tangible Costs	001	\$ -	\$-	\$ 878,000.00	\$ 309,000.00	\$ 707,000.0		\$-	\$ 2,124,000.00
Total Gross Cost		<b>\$</b> -	\$ -	\$ 4,327,000.00	\$ 6,416,000.00	\$ 923,000.0	0 \$ 602,000.00	\$-	\$ 12,268,000.00
Note: The above costs are estimate	es only.		will be billed as		• 0,110,000.00	• • • • • • • • • • • • • • • • • • • •	• • •••=,••••••	Ŧ	+ 12,200,000100
COG Operating LLC									
By:			-		-	Date Prepared:			-
						COG Operating LL	.C		
We approve: % Working Interest						By:			
Company:					-	-,.			
By:			-						

Printed Name: Title: Date:

				Drill & Com	plete					
SHL BHL	35: 46 23: 20	0 FNL, 2310	704H FEL OR Lot 2 FEL OR Unit C					State & County Objective	D&C	
Formation		amp A Secs 23, 26, 3	35 26S-28E					Depth TVD		
AFE Numbers		5000 20, 20, 1	00, 200 202					140	5,555	
Cost Description	Code	PreSpud (PS)	Pre-Set Casing(PC)	Drilling (DR)	Completions (C)		Fank Btty nstrctn(TB)	Pmpq Equip (PEQ)	Revision	Total
tangible Costs	205			e 404.000.00					¢	\$ 124.000
-Lctn/Pits/Roads -Drilling Overhead	205 206			\$ 124,000.00 \$ 10,000.00					\$- \$-	\$ 124,000 \$ 10,000
-Daywork Contract	209			\$ 675,000.00					\$-	\$ 675,000
-Directional Drlg Services	210			\$ 359,000.00					\$-	\$ 359,000
-Fuel & Power	211			\$ 116,000.00					\$-	\$ 116,000
-Water	212			\$ 98,000.00					\$ -	\$ 98,000
-Bits	213			\$ 124,000.00					\$ -	\$ 124,000
-Mud & Chemicals -Cement Surface	214 217			\$ 254,000.00 \$ 25,000.00					\$ - \$ -	\$ 254,000 \$ 25,000
Cement Intermed	218			\$ 97,000.00					\$ -	\$ 97,000
Prod-2nd Int Cmt	219			\$ 143,000.00					\$ -	\$ 143,000
Float Equipment & Centralizers	221			\$ 78,000.00					\$-	\$ 78,000
Csg Crews & Equip	222			\$ 84,000.00					\$ -	\$ 84,000
Contract Labor	225			\$ 9,000.00					\$ -	\$ 9,000
Company Sprvsn	226			\$ 56,000.00					\$ -	\$ 56,000
Contract Sprvsn Tstg Csg/Tbg	227 228			\$ 141,000.00 \$ 52,000.00					\$ - \$ -	\$ 141,000 \$ 52,000
Mud Logging Unit	228			\$ 52,000.00 \$ 52,000.00					\$ -	\$ 52,000
Rentals-Surface	235			\$ 218,000.00					\$ -	\$ 218,000
Rentals-Subsrfc	236			\$ 101,000.00					\$-	\$ 101,000
Trucking/Forklift/Rig Mob	237			\$ 208,000.00					\$-	\$ 208,000
Welding Services	238			\$ 3,000.00					\$ -	\$ 3,000
Contingency	243			\$ 78,000.00					\$ -	\$ 78,000
Envrnmtl/Clsd Loop	244			\$ 344,000.00	6 474 000 00				\$ -	\$ 344,000
Vellbore Frac Prep Lctn/Pits/Roads	304 305				\$ 174,000.00 \$ 19,000.00				\$ - \$ -	\$ 174,000 \$ 19,000
Completion OH	306				\$ 28,000.00				\$ -	\$ 28,000
Frac Equipment	307				\$ 1,190,000.00				\$-	\$ 1,190,000
Frac Chemicals	308				\$ 754,000.00				\$ -	\$ 754,000
Frac Proppant	309				\$ 342,000.00				\$-	\$ 342,000
Frac Proppant Transportation	310				\$ 532,000.00				\$-	\$ 532,000
Fuel Delivery & Services	311				\$ 77,000.00				\$ -	\$ 77,000
Water Free Surfees Bentels	312				\$ 503,000.00				\$ -	\$ 503,000
Frac Surface Rentals Contract Labor	315 325				\$ 474,000.00 \$ 19,000.00				\$ - \$ -	\$ 474,000 \$ 19,000
Company Sprvsn	326				\$ 19,000.00				\$ -	\$ 19,000
Contract Sprvsn	327				\$ 254,000.00				\$ -	\$ 254,000
Artificial Lift Install	329				\$ 82,000.00				\$-	\$ 82,000
Perf/Wireline Svc	331				\$ 584,000.00				\$ -	\$ 584,000
Trucking/Forklift/Rig Mob	337				\$ 19,000.00				\$ -	\$ 19,000
Water Disposal Contingency	339 343				\$ 73,000.00 \$ 136,000.00				\$ - \$ -	\$ 73,000 \$ 136,000
Dyed Diesel	345				\$ 285,000.00				\$ -	\$ 285,000
Drillout	346				\$ 543,000.00				\$-	\$ 543,000
-Damages/Right of Way	351					\$	1,000.00		\$ -	\$ 1,000
-Location/Pits/Roads	353					\$	33,000.00		\$-	\$ 33,000
-Contract Labor	356					\$	182,000.00		\$ -	\$ 182,000
Q-Contract Labor	374							\$ 61,000.00	\$ -	\$ 61,000
Q-Water Disposal	387							\$ 282,000.00	\$ -	\$ 282,000
Q-HRZ Well Offset Frac tal Intangible Costs	391	\$ -	\$-	\$ 3,449,000.00	\$ 6,107,000.00	\$	216,000.00	\$ 29,000.00 \$ 372,000.00	\$ - \$ -	\$ 29,000 \$ 10,144,000
-		ə -	ə -	\$ 3,449,000.00	\$ 6,107,000.00	\$	216,000.00	\$ 372,000.00	ə -	\$ 10,144,000
ngible Costs Q-Flowback Crews & Equip	392							\$ 169,000.00	\$ -	\$ 169,000
Surface Casing	401			\$ 27,000.00					\$-	\$ 27,000
ntermed Csg Production Casing/Liner	402			\$ 216,000.00					\$ - ¢	\$ 216,000 \$ 537,000
Production Casing/Liner Wellhead Equip	403			\$ 537,000.00 \$ 98,000.00					\$- \$-	\$ 537,000 \$ 98,000
Fubing	504			- 00,000.00	\$ 95,000.00				\$- \$-	\$ 95,000
Wellhead Equip	505		1		\$ 50,000.00				\$-	\$ 50,000
-Tanks	510					\$	59,000.00		\$ -	\$ 59,000
-Flowlines/Pipelines	511					\$	26,000.00		\$ -	\$ 26,000
Htr Trtr/Seprtr	512					\$	187,000.00		\$-	\$ 187,000
-Electrical System/Equipment	513				¢ 110.000.00	\$	115,000.00		\$-	\$ 115,000 \$ 118,000
Ckrs/Anchors/Hgrs Couplings/Fittings/Valves	514 515				\$ 118,000.00	\$	196,000.00		\$- \$-	\$ 118,000 \$ 196,000
-Couplings/Fittings/valves -Pumps-Surface	515					э \$	26,000.00		\$ - \$ -	\$ 196,000
Instrumentation/SCADA/POC	522		1		1	\$	20,000.00	1	\$ -	\$ 20,000
-Miscellaneous	523		1		1	\$	20,000.00		\$-	\$ 20,000
-Meters/Lacts	525					\$	26,000.00		\$ -	\$ 26,000
-Flares/Combusters/Emission	526					\$	32,000.00		\$ -	\$ 32,000
Gas Lift/Compression	527				\$ 46,000.00				\$-	\$ 46,000
Q-Wellhead Equipment tal Tangible Costs	531	\$ -	\$-	\$ 878,000.00	\$ 309,000.00	\$	707,000.00	\$ 61,000.00 \$ 230,000.00	\$ - \$ -	\$ 61,000 \$ 2,124,000
tal Gross Cost							923,000.00			
ote: The above costs are estimate	es only	\$ -	\$ -		\$ 6,416,000.00	\$	323,000.00	\$ 602,000.00	\$-	\$ 12,268,000
te. The above costs are estimate	es only.	ACLUAL COSTS	will be billed as	s incurred.						
G Operating LLC										
C Operating LLO										
			-			Date	Prepared:			-

We approve: % Working Interest

Company: By:

Printed Name: Title: Date:

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

COG Operating LLC

By:

-

## COG OPERATING LLC AUTHORITY FOR EXPENDITURE Drill & Complete

				Drill & Com	nple	ete								
SHL	35: 46		FEL OR Lot 2 FEL OR Unit C						:	Prospect State & County Objective	Eddy			
Formation Legal		amp A Secs 23, 26, 3	35, 26S-28E							Depth TVD		22,740 9,540		
AFE Numbers														
Cost Description	Code	PreSpud (PS)	Pre-Set Casing(PC)	Drilling (DR)	Co	mpletions (C)	с	Tank Btty onstrctn(TB)	Pmp	q Equip (PEQ)	Re	evision		Total
Intangible Costs D-Lctn/Pits/Roads	205			\$ 124,000.00							\$		ŝ	124,000.00
D-Drilling Overhead	205			\$ 124,000.00 \$ 10,000.00							э \$		ş S	10,000.00
D-Daywork Contract	209			\$ 675,000.00							\$	-	\$	675,000.00
D-Directional Drlg Services	210			\$ 359,000.00							\$		\$	359,000.00
D-Fuel & Power	211			\$ 116,000.00							\$	-	\$	116,000.00
D-Water	212			\$ 98,000.00							\$	-	\$	98,000.00
D-Bits	213			\$ 124,000.00							\$	-	\$	124,000.00
D-Mud & Chemicals D-Cement Surface	214			\$ 254,000.00 \$ 25,000.00							\$ \$		\$ \$	254,000.00 25,000.00
D-Cement Intermed	218			\$ 97,000.00							\$		ŝ	97,000.00
D-Prod-2nd Int Cmt	219			\$ 143,000.00							\$	-	\$	143,000.00
D-Float Equipment & Centralizers	221			\$ 78,000.00							\$		\$	78,000.00
D-Csg Crews & Equip	222			\$ 84,000.00							\$	-	\$	84,000.00
D-Contract Labor	225			\$ 9,000.00							\$	-	\$	9,000.00
D-Company Sprvsn D-Contract Sprvsn	226			\$ 56,000.00 \$ 141,000.00							\$ \$	-	\$ \$	56,000.00 141,000.00
D-Tstg Csg/Tbg	227			\$ 141,000.00							э \$	-	ş S	52,000.00
D-Mud Logging Unit	229			\$ 52,000.00							\$	-	\$	52,000.00
D-Rentals-Surface	235			\$ 218,000.00							\$	-	\$	218,000.00
D-Rentals-Subsrfc	236			\$ 101,000.00							\$	-	\$	101,000.00
D-Trucking/Forklift/Rig Mob	237			\$ 208,000.00							\$	-	\$	208,000.00
D-Welding Services	238 243			\$ 3,000.00 \$ 78.000.00							\$ \$	-	\$ \$	3,000.00 78,000.00
D-Contingency D-Envrnmtl/Clsd Loop	243			\$ 78,000.00 \$ 344,000.00							э \$	<u> </u>	ې \$	344,000.00
C-Wellbore Frac Prep	304			5 544,000.00	s	174.000.00					\$		ŝ	174,000.00
C-Lctn/Pits/Roads	305				\$	19,000.00					\$	-	\$	19,000.00
C-Completion OH	306				\$	28,000.00					\$		\$	28,000.00
C-Frac Equipment	307				\$	1,190,000.00					\$	-		1,190,000.00
C-Frac Chemicals	308 309				\$	754,000.00					\$	-	\$ \$	754,000.00 342,000.00
C-Frac Proppant C-Frac Proppant Transportation	310				\$ S	342,000.00 532,000.00					\$ \$	-	э S	532,000.00
C-Fuel Delivery & Services	311				ŝ	77,000.00					\$		ŝ	77.000.00
C-Water	312				ŝ	503,000.00					\$	-	\$	503,000.00
C-Frac Surface Rentals	315				\$	474,000.00					\$	-	\$	474,000.00
C-Contract Labor	325				\$	19,000.00					\$	-	\$	19,000.00
C-Company Sprvsn	326				\$	19,000.00					\$	-	\$ \$	19,000.00
C-Contract Sprvsn C-Artificial Lift Install	327 329				s s	254,000.00 82,000.00					\$ \$	-	s S	254,000.00 82,000.00
C-Perf/Wireline Svc	331				ŝ	584,000.00					\$		ş S	584,000.00
C-Trucking/Forklift/Rig Mob	337				ŝ	19,000.00					\$	-	\$	19,000.00
C-Water Disposal	339				\$	73,000.00					\$		\$	73,000.00
C-Contingency	343				\$	136,000.00					\$	-	\$	136,000.00
C-Dyed Diesel	345				\$	285,000.00					\$		\$	285,000.00
C-Drillout TB-Damages/Right of Way	346 351				\$	543,000.00	s	1,000.00			\$ \$	-	\$ \$	543,000.00 1,000.00
TB-Location/Pits/Roads	353						s s	33,000.00			\$	<u> </u>	\$	33,000.00
TB-Contract Labor	356						ŝ	182,000.00			\$	-	\$	182,000.00
PEQ-Contract Labor	374								\$	61,000.00	\$	-	\$	61,000.00
PEQ-Water Disposal	387								\$	282,000.00	\$	-	\$	282,000.00
PEQ-HRZ Well Offset Frac	391								\$	29,000.00	\$		\$	29,000.00
Total Intangible Costs		\$ -	\$-	\$ 3,449,000.00	\$	6,107,000.00	\$	216,000.00	\$	372,000.00	\$	-	\$1	0,144,000.00
Tangible Costs	_	_							_		_			
PEQ-Flowback Crews & Equip	392		<u> </u>		1	1			\$	169,000.00	\$	-	\$	169,000.00
D-Surface Casing	401			\$ 27,000.00	L				Ľ		\$	-	\$	27,000.00
D-Intermed Csg	402			\$ 216,000.00							\$	-	\$	216,000.00
D-Production Casing/Liner	403			\$ 537,000.00							\$	-	\$	537,000.00
D-Wellhead Equip	405			\$ 98,000.00	~	05 000 00			I		\$	-	\$	98,000.00
C-Tubing	504	ļ			\$	95,000.00 50,000.00					\$ ¢	-	\$ ¢	95,000.00
C-Wellhead Equip TB-Tanks	505 510		├		\$	50,000.00	\$	59,000.00			\$ \$	-	\$ \$	50,000.00 59,000.00
TB-Flowlines/Pipelines	510				1		э \$	26,000.00			\$	-	ې \$	26,000.00
TB-Htr Trtr/Seprtr	512				1		\$	187,000.00	1		\$	-	\$	187,000.00
TB-Electrical System/Equipment	513				L		\$	115,000.00	L		\$	-	\$	115,000.00
C-Pckrs/Anchors/Hgrs	514				\$	118,000.00					\$	-	\$	118,000.00
TB-Couplings/Fittings/Valves	515						\$	196,000.00			\$	-	\$	196,000.00
TB-Pumps-Surface	521				4		\$	26,000.00	I		\$	-	\$	26,000.00
TB-Instrumentation/SCADA/POC TB-Miscellaneous	522 523				1		\$ \$	20,000.00 20,000.00	<u> </u>		\$ \$		\$ \$	20,000.00 20,000.00
TB-Meters/Lacts	525				1		э \$	26,000.00			φ \$	-	ې \$	26,000.00
TB-Flares/Combusters/Emission	526				1		\$	32,000.00	1		\$	-	\$	32,000.00
C-Gas Lift/Compression	527				\$	46,000.00					\$	-	\$	46,000.00
PEQ-Wellhead Equipment	531								\$	61,000.00	\$	-	\$	61,000.00
Total Tangible Costs		\$ -	\$-	\$ 878,000.00	\$	309,000.00	\$	707,000.00	\$	230,000.00	\$	-	\$	2,124,000.00
Total Gross Cost Note: The above costs are estimate	es only	\$ -	<b>\$</b> -	\$ 4,327,000.00	\$	6,416,000.00	\$	923,000.00	\$	602,000.00	\$	•	\$1	2,268,000.00

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

COG Operating LLC

By:

We approve: % Working Interest

Company: By:

Printed Name: Title: Date:

By:

Date Prepared: COG Operating LLC

## COG OPERATING LLC AUTHORITY FOR EXPENDITURE

Well Nom	Ken Sk	nell Fed Com	706H						Dresse		tlas 2628	
			FEL OR Lot 1						Prospe State & Cour			
BHI	23: 200	0 FNL, 550 F	EL OR Unit D						Object	ve D	&C	
Formation									Der		22,785	
Lega AFE Numbers		Secs 23, 26, 3	35, 26S-28E						T	VD	9,585	
AFE NUMBER	•											
Cost Description	Code	PreSpud (PS)	Pre-Set Casing(PC)	Drilling (DR)	Complet	ions (C)		ank Btty strctn(TB)	Pmpq Equip (PE	Q)	Revision	Total
Intangible Costs										- 1-		
D-Lctn/Pits/Roads	205			\$ 124,000.00						-		\$ 124,000.00
D-Drilling Overhead D-Daywork Contract	206 209			\$ 10,000.00 \$ 675,000.00								\$ 10,000.00 \$ 675,000.00
D-Daywork Contract D-Directional Drlg Services	209			\$ 675,000.00 \$ 359,000.00								\$ 359,000.00
D-Fuel & Power	210			\$ 116.000.00								\$ 116,000.00
D-Water	212			\$ 98,000.00								\$ 98,000.00
D-Bits	213			\$ 124,000.00						3	- 6	\$ 124,000.00
D-Mud & Chemicals	214			\$ 254,000.00						5		\$ 254,000.00
D-Cement Surface	217			\$ 25,000.00						3		\$ 25,000.00
D-Cement Intermed	218			\$ 97,000.00						5		\$ 97,000.00
D-Prod-2nd Int Cmt D-Float Equipment & Centralizers	219 221			\$ 143,000.00 \$ 78.000.00						00		\$ 143,000.00 \$ 78,000.00
D-Float Equipment & Centralizers D-Csg Crews & Equip	221			\$ 78,000.00 \$ 84.000.00								\$ 78,000.00
D-Contract Labor	225			\$ 9,000.00						-		\$ 9,000.00
D-Company Sprvsn	226			\$ 56,000.00						5	6 -	\$ 56,000.00
D-Contract Sprvsn	227			\$ 141,000.00						3	s -	\$ 141,000.00
D-Tstg Csg/Tbg	228			\$ 52,000.00						5		\$ 52,000.00
D-Mud Logging Unit	229			\$ 52,000.00						5		\$ 52,000.00
D-Rentals-Surface	235			\$ 218,000.00						-		\$ 218,000.00
D-Rentals-Subsrfc	236			\$ 101,000.00						3		\$ 101,000.00
D-Trucking/Forklift/Rig Mob D-Welding Services	237 238			\$ 208,000.00 \$ 3.000.00						0		\$ 208,000.00 \$ 3,000.00
D-Contingency	243			\$ 78,000.00								\$ 78,000.00
D-Envrnmtl/Clsd Loop	244			\$ 344,000.00								\$ 344,000.00
C-Wellbore Frac Prep	304				\$ 1	74,000.00				3	- 6	\$ 174,000.00
C-Lctn/Pits/Roads	305					19,000.00				5		\$ 19,000.00
C-Completion OH	306					28,000.00				5		\$ 28,000.00
C-Frac Equipment	307				• .,.	90,000.00				5		\$ 1,190,000.00
C-Frac Chemicals C-Frac Proppant	308 309					54,000.00 42.000.00				0,00		\$ 754,000.00 \$ 342,000.00
C-Frac Proppant Transportation	310					32,000.00				-		\$ 532,000.00
C-Fuel Delivery & Services	311					77,000.00						\$ 77,000.00
C-Water	312				\$ 5	03,000.00				5	6 -	\$ 503,000.00
C-Frac Surface Rentals	315					74,000.00				5		\$ 474,000.00
C-Contract Labor	325					19,000.00				5		\$ 19,000.00
C-Company Sprvsn	326					19,000.00				-		\$ 19,000.00
C-Contract Sprvsn	327					54,000.00				3		\$ 254,000.00
C-Artificial Lift Install C-Perf/Wireline Svc	329 331					82,000.00 84.000.00						\$ 82,000.00 \$ 584,000.00
C-Trucking/Forklift/Rig Mob	337					19,000.00						\$ 19,000.00
C-Water Disposal	339					73,000.00				-		\$ 73,000.00
C-Contingency	343					36,000.00				3		\$ 136,000.00
C-Dyed Diesel	345				\$ 2	85,000.00				3		\$ 285,000.00
C-Drillout	346				\$ 5	43,000.00				-		\$ 543,000.00
TB-Damages/Right of Way	351						\$	1,000.00		5		\$ 1,000.00
TB-Location/Pits/Roads TB-Contract Labor	353 356						\$ \$	33,000.00				\$ 33,000.00 \$ 182,000.00
PEQ-Contract Labor	374						\$	182,000.00	\$ 61.000			\$ 61,000.00
PEQ-Water Disposal	387								\$ 282,000			\$ 282,000.00
PEQ-HRZ Well Offset Frac	391								\$ 29,000			\$ 29,000.00
Total Intangible Costs		\$ -	\$-	\$ 3,449,000.00	\$ 6,107	,000.00	\$	216,000.00	\$ 372,000.0		<b>-</b>	\$ 10,144,000.00
Tangible Costs												
PEQ-Flowback Crews & Equip	392					1			\$ 169,000.0	00 5	6 -	\$ 169,000.00
D-Surface Casing	401			\$ 27,000.00								\$ 27,000.00
D-Intermed Csg	402			\$ 216,000.00						3		\$ 216,000.00
D-Production Casing/Liner	403			\$ 537,000.00						5		\$ 537,000.00
D-Wellhead Equip	405			\$ 98,000.00	e 05	000.00				5		\$ 98,000.00
C-Tubing	504					5,000.00 0,000.00				5		\$ 95,000.00 \$ 50.000.00
C-Wellhead Equip TB-Tanks	505 510				ې 50 ک	,000.00	\$	59.000.00		3		\$ 50,000.00 \$ 59,000.00
TB-Flowlines/Pipelines	510						э \$	26,000.00				\$ 26,000.00
TB-Htr Trtr/Seprtr	512				1		\$	187,000.00				\$ 187,000.00
TB-Electrical System/Equipment	513		1		1		\$	115,000.00				\$ 115,000.00
C-Pckrs/Anchors/Hgrs	514				\$ 118	8,000.00					6 -	\$ 118,000.00
TB-Couplings/Fittings/Valves	515						\$	196,000.00		5	h -	\$ 196,000.00
TB-Pumps-Surface TB-Instrumentation/SCADA/POC	521 522						\$ \$	26,000.00			6 -	\$ 26,000.00 \$ 20,000.00

Company: By:

Printed Name: Title: Date:

We approve: % Working Interest

TB-Instrumentation/SCADA/POC TB-Miscellaneous

TB-Flares/Combusters/Emission C-Gas Lift/Compression PEQ-Wellhead Equipment

quipme

TB-Meters/Lacts

Total Tangible Costs

Total Gross Cost

COG Operating LLC

By:

522 523

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

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

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26,000.00

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923,000.00 \$

Date Prepared: COG Operating LLC

By:

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46,000,00

\$ 878,000.00 \$ 309,000.00 \$

- \$4,327,000.00 \$ 6,416,000.00 \$

SHL BHL Formation	35: 360 FS 23: 200 Ff Wolfcamp	Fed Com 90 SL, 825 FEL ( NL, 330 FEL O C s 23, 26, 35, 2	OR Lot 4 OR Unit A					Prospec State & County Objective Deptt TVD	v, Eddyl e D&C h	
Cost Description	Code	PreSpud (PS)	Pre-Set Casing(PC)	Drilling (DR)	Completions (C)	Tank Btty Constrctn(TB)	Pmpq Equip (PEQ)	Revision		Total
Intangible Costs		(1.0)	ousnig(ro)			Jonareu (13)				
D-Lctn/Pits/Roads	205			\$ 149,000.00				\$ -	\$	149,000.00
D-Drilling Overhead D-Daywork Contract	206 209			\$ 12,000.00 \$ 816,000.00				\$- \$-	\$	12,000.00 816,000.00
D-Directional Drlg Services	200			\$ 435,000.00				\$ -	\$	435,000.00
D-Fuel & Power	211			\$ 141,000.00				\$ -	\$	141,000.00
D-Water	212			\$ 118,000.00				\$ -	\$	118,000.00
D-Bits D-Mud & Chemicals	213 214			\$ 149,000.00 \$ 305,000.00				\$- \$-	\$	149,000.00 305,000.00
D-Cement Surface	214			\$ 305,000.00				\$ -	\$	30,000.00
D-Cement Intermed	218			\$ 117,000.00				\$ -	\$	117,000.00
D-Prod-2nd Int Cmt	219			\$ 173,000.00				\$ -	\$	173,000.00
D-Float Equipment & Centralizers	221 222			\$ 94,000.00				\$- \$-	\$	94,000.00
D-Csg Crews & Equip D-Contract Labor	222			\$ 103,000.00 \$ 10,000.00				\$ -	\$	103,000.00 10,000.00
D-Company Sprvsn	226			\$ 68,000.00				\$ -	ŝ	68,000.00
D-Contract Sprvsn	227			\$ 170,000.00				\$ -	\$	170,000.00
D-Tstg Csg/Tbg	228			\$ 62,000.00				\$ -	\$	62,000.00
D-Mud Logging Unit D-Rentals-Surface	229 235			\$ 62,000.00 \$ 265,000.00				\$- \$-	\$	62,000.00
D-Rentals-Subsrfc	235			\$ 265,000.00 \$ 122,000.00				\$ -	\$	265,000.00 122,000.00
D-Trucking/Forklift/Rig Mob	237			\$ 252,000.00				\$ -	\$	252,000.00
D-Welding Services	238			\$ 5,000.00				\$ -	\$	5,000.00
D-Contingency	243			\$ 94,000.00				\$ -	\$	94,000.00
D-Envrnmtl/Clsd Loop C-Wellbore Frac Prep	244 304			\$ 416,000.00	\$ 174,000.00			\$- \$-	\$	416,000.00 174,000.00
C-Lctn/Pits/Roads	305				\$ 19,000.00			\$-	\$	19,000.00
C-Completion OH C-Frac Equipment	306				\$ 28,000.00			\$ -	\$	28,000.00
C-Frac Equipment	307				\$ 1,190,000.00			\$ -	\$	1,190,000.00
C-Frac Chemicals C-Frac Proppant	308 309				\$ 754,000.00			\$- \$-	\$	754,000.00 342,000.00
C-Frac Proppant Transportation	309				\$ 342,000.00 \$ 532,000.00			\$ -	\$	532,000.00
C-Fuel Delivery & Services	311				\$ 77,000.00			\$-	\$	77,000.00
C-Water	312				\$ 503,000.00			\$ -	\$	503,000.00
C-Frac Surface Rentals	315				\$ 474,000.00			\$ -	\$	474,000.00
C-Contract Labor	325 326				\$ 19,000.00			\$- \$-	\$	19,000.00 19,000.00
C-Company Sprvsn C-Contract Sprvsn	320				\$ 19,000.00 \$ 254,000.00			\$ -	\$	254,000.00
C-Artificial Lift Install	329				\$ 82,000.00			\$-	\$	82,000.00
C-Perf/Wireline Svc	331				\$ 584,000.00			\$ -	\$	584,000.00
C-Trucking/Forklift/Rig Mob	337				\$ 19,000.00			\$ -	\$	19,000.00
C-Water Disposal	339 343				\$ 73,000.00 \$ 136,000.00			\$- \$-	\$	73,000.00 136,000.00
C-Contingency C-Dyed Diesel	345				\$ 285,000.00			\$ -	\$	285,000.00
C-Drillout	346				\$ 543,000.00			\$ -	\$	543,000.00
TB-Damages/Right of Way	351					\$ 1,000.00		\$ -	\$	1,000.00
TB-Location/Pits/Roads TB-Contract Labor	353					\$ 33,000.00		\$ -	\$	33,000.00
PEQ-Contract Labor	356 374					\$ 182,000.00	\$ 61,000.00	\$ -	\$	182,000.00 61,000.00
PEQ-Water Disposal	387						\$ 290,000.00		\$	290,000.00
PEQ-HRZ Well Offset Frac	391						\$ 29,000.00	\$-	\$	29,000.00
Total Intangible Costs		\$ -	\$-	\$ 4,168,000.00	\$ 6,107,000.00	\$ 216,000.00	\$ 380,000.00	\$-	\$	10,871,000.00
Tangible Costs										
PEQ-Flowback Crews & Equip	392						\$ 174,000.00	\$ -	\$	174,000.00
D-Surface Casing D-Intermed Csg	401 402		1	\$ 34,000.00 \$ 261,000.00	<u> </u>	1		\$- \$-	\$	34,000.00 261,000.00
D-Production Casing/Liner	402		1	\$ 648,000.00				\$ -	\$	648,000.00
D-Wellhead Equip	405			\$ 118,000.00				\$-	\$	118,000.00
C-Tubing	504			<u> </u>	\$ 95,000.00			\$ -	\$	95,000.00
C-Wellhead Equip TB-Tanks	505 510				\$ 50,000.00	\$ 59,000.00		\$- \$-	\$	50,000.00 59,000.00
FB-Flowlines/Pipelines	510		1	1		\$ 26,000.00		\$ -	\$	26,000.00
TB-Htr Trtr/Seprtr	512					\$ 187,000.00		\$ -	\$	187,000.00
TB-Electrical System/Equipment	513					\$ 115,000.00		\$-	\$	115,000.00
C-Pckrs/Anchors/Hgrs	514				\$ 118,000.00	¢ 106.000.00		\$ -	\$	118,000.00
TB-Couplings/Fittings/Valves TB-Pumps-Surface	515 521		ł	ł	ł – – – – – – – – – – – – – – – – – – –	\$ 196,000.00 \$ 26,000.00	-	\$- \$-	\$	196,000.00 26,000.00
TB-Instrumentation/SCADA/POC	522					\$ 20,000.00		\$ -	ŝ	20,000.00
FB-Miscellaneous	523					\$ 20,000.00		\$-	\$	20,000.00
TB-Meters/Lacts	525					\$ 26,000.00		\$-	\$	26,000.00
TB-Flares/Combusters/Emission	526 527	L		+	\$ 46,000.00	\$ 32,000.00		\$ -	\$	32,000.00
C-Gas Lift/Compression PEQ-Wellhead Equipment	531				\$ 46,000.00		\$ 61,000.00	\$- \$-	\$	46,000.00 61,000.00
Total Tangible Costs		\$-	\$-	\$ 1,061,000.00	\$ 309,000.00	\$ 707,000.00		\$ -	\$	2,312,000.00
Total Gross Cost		\$-	\$-		\$ 6,416,000.00	\$ 923,000.00	\$ 615,000.00	\$-	\$	13,183,000.00
Note: The above costs are estimated and a set in the se	ates only.	Actual costs i	will be billed as in	curred.						
COG Operating LLC By:			_			Date Prepared:				
We approve: % Working Interest						COG Operating LL By:			_	
ompany										
Company: By:			-							

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

Printed Name: Title: Date:

Well Name Keg Shell Fed Com 902 Prospect Atlas 262 SHL 35: 360 FSL, 855 FEL OR Lot 4 State & County Eddy NM BHL 23: 200 FNL, 990 FEL OR Unit A Objective D&C Formation Wolfcamp C 23,775 Depth Legal All of Secs 23, 26, 35, 26S-28E TVD 10.575 AFE Numbers PreSpud Pre-Set Tank Btty **Cost Description** Code Drilling (DR) Completions (C) Pmpq Equip (PEQ) Revision Total Casing(PC) Constrctn(TB) (PS) Intangible Costs D-Lctn/Pits/Roads 149,000.00 205 149,000.00 -Drilling Overhead 206 12,000.00 12,000.00 816,000.00 435,000.00 D-Daywork Contra 209 816,000.00 D-Directional Drlg Service 210 211 435,000.00 D-Fuel & Power 141 000 00 141.000.00 D-Water 118,000.00 118,000.00 ¢ D-Bits 213 149,000.00 149,000.00 3 D-Mud & Chemicals 214 305 000 00 305,000.00 \$ 217 30,000.00 30,000.00 D-Cement Surface D-Cement Intermed 21 117,000.00 117,000.00 D-Prod-2nd Int Cmt 173,000.00 94,000.00 \$ 173.000.00 219 221 222 225 226 227 D-Float Equipment & Centralize 94,000.00 D-Csg Crews & Equip 103.000.00 103.000.00 D-Contract Labo 10.000.00 10,000.00 68,000.00 68,000.00 D-Company Sprvsn D-Contract Sprvsn 170.000.00 170,000.00 62,000.00 62,000.00 -Tstg Csg/Tbg 228 229 235 236 237 238 62,000.00 265,000.00 122,000.00 252,000.00 Mud Logging Unit 62,000.00 D-Rentals-Surface D-Rentals-Subsrfe 265,000,00 122,000.00 D-Trucking/Forklift/Rig Mob 252,000.00 5,000.00 94,000.00 D-Welding Services 5,000,00 94,000.00 243 D-Contingency 244 304 305 306 D-Envrnmtl/Clsd Loop C-Wellbore Frac Prep 416,000.00 174,000.00 s 416,000.00 174,000.00 4 19,000.00 19,000.00 -Lctn/Pits/Roads Completion OH 28 000 00 -Frac Equipmen 1,190,000.00 ¢ 1,190,000.00 Frac Chemicals 308 754,000.00 754,000.00 C-Frac Proppant C-Frac Proppant Transportation 309 310 342 000 00 342,000.00 532,000.00 532,000.00 C-Fuel Delivery & Services 31 77,000.00 77,000.00 C-Wate 312 315 503,000.00 474,000.00 \$ 503,000,00 -Frac Surface Rentals 474,000.00 325 326 327 -Contract Labor 19.000.00 19.000.00 C-Company Sprvsn C-Contract Sprvsn 19,000.00 19,000.00 254,000.00 254,000.00 \$ C-Artificial Lift Install 329 82.000.00 \$ 82.000.00 -Perf/Wireline Svc -Trucking/Forklift/Rig Mob 331 584,000.00 584,000.00 337 339 19,000.00 19,000.00 -Water Disposal 73 000 00 343 345 346 136,000.00 136,000.00 -Dyed Diesel -Drillout 285,000.00 \$ 543.000.00 543,000,00 351 353 356 1,000.00 33,000.00 182,000.00 B-Damages/Right of Way 1,000.00 TB-Location/Pits/Roads TB-Contract Labor 33,000.00 182,000.00 EQ-Contract Labor 61.000.00 PEQ-Water Disposal PEQ-HRZ Well Offset Frace 387 391 290 000 00 290,000.00 \$ 4,168,000.00 \$ 6,107,000.00 \$ 216,000.00 \$ Total Intangible Costs \$ 380.000.00 \$ \$ 10,871,000.00 \$ Tangible Costs PEQ-Flowback Crews & Equip D-Surface Casing 174,000.00 34,000.00 261,000.00 392 401 174,000.00 \$ \$ 34,000.00 D-Intermed Csg 40 648,000.00 648,000.00 403 Production Casing/Line D-Wellhead Equip 40 118,000.00 118,000.00 - \$ 95,000.00 50,000.00 -Tubing -Wellhead Equip 95,000.00 50,000.00 TB-Tanks 59,000.00 59.000.00 \$ TB-Flowlines/Pipelines TB-Htr Trtr/Seprtr 26,000.00 187,000.00 51 51 26,000.00 187,000.00 TB-Electrical System/Equipment 513 115.000.00 115.000.00 \$ C-Pckrs/Anchors/Hgrs TB-Couplings/Fittings/Valves 514 51 118,000.00 \$ 196,000.00 196,000.00 TB-Pumps-Surface TB-Instrumentation/SCADA/POC TB-Miscellaneous 52 26,000.00 \$ 26.000.00 20,000.00 20,000.00 522 523 20,000.00 \$ 20,000.00 26,000.00 26,000.00 32,000.00 46,000.00 TB-Meters/Lacts 525 526 527 26,000.00 32,000.00 \$ TB-F ares/Combusters/Emission C-Gas Lift/Compression PEQ-Wellhead Equipme 46,000.00 Total Tangible Costs \$ 1,061,000.00 \$

COG Operating LLC

Total Gross Cost

By:

We approve: % Working Interest

Company:

By

Printed Name: Title: Date

Date Prepared:

707,000.00 \$

923.000.00 \$

309,000.00 \$

- \$ 5,229,000.00 \$ 6,416,000.00 \$

COG Operating LLC

By:

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

235,000.00 \$

615,000.00 \$

S

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2,312,000.00 13,183,000.00

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

SHL BHL Formation	35: 360 F 23: 200 F Wolfcamp	Fed Com 903 SL, 885 FEL ( NL, 1675 FEL o C s 23, 26, 35, 2	OR Lot 4 . OR Unit B								Prospect State & County Objective Depth TVD	Eddy	
Cost Description	Code	PreSpud (PS)	Pre-Set Casing(PC)	D	rilling (DR)	Completi	ons (C)		Tank Btty onstrctn(TB)	Pmpq Equip (PEQ)	Revision		Total
Intangible Costs	005	(1.0)	j ouonig(i o)						notrotal(12)				1 40 000 00
D-Lctn/Pits/Roads D-Drilling Overhead	205 206			\$ \$	149,000.00 12,000.00						<del>\$</del> -	\$ \$	149,000.00 12,000.00
D-Daywork Contract	209			ŝ	816,000.00						\$ -	\$	816,000.00
D-Directional Drlg Services	210			\$	435,000.00						\$ -	\$	435,000.00
D-Fuel & Power	211 212			\$	141,000.00						<u>\$</u> - \$-	\$	141,000.00
D-Water D-Bits	212			\$ \$	118,000.00 149,000.00						<del>\$</del> - \$-	\$ \$	118,000.00 149,000.00
D-Mud & Chemicals	214			\$	305,000.00						\$ -	\$	305,000.00
D-Cement Surface	217			\$	30,000.00						\$ -	\$	30,000.00
D-Cement Intermed D-Prod-2nd Int Cmt	218 219			\$ \$	117,000.00						<u>\$</u> - \$-	\$ \$	117,000.00 173,000.00
D-Float Equipment & Centralizers	219			s S	173,000.00 94,000.00						<del>\$</del> -	э \$	94,000.00
D-Csg Crews & Equip	222			\$	103,000.00						\$ -	\$	103,000.00
D-Contract Labor	225			\$	10,000.00						\$ -	\$	10,000.00
D-Company Sprvsn D-Contract Sprvsn	226 227			\$ \$	68,000.00 170,000.00						\$ - \$ -	\$ \$	68,000.00 170,000.00
D-Tstg Csg/Tbg	228			ŝ	62,000.00						\$ -	\$	62,000.00
D-Mud Logging Unit	229			\$	62,000.00						\$ -	\$	62,000.00
D-Rentals-Surface D-Rentals-Subsrfc	235 236			\$ \$	265,000.00						\$ - \$ -	\$ \$	265,000.00 122,000.00
D-Rentals-Subsric D-Trucking/Forklift/Rig Mob	236			\$ \$	122,000.00 252,000.00						<del>\$</del> -	\$ \$	252,000.00
D-Welding Services	238			\$	5,000.00						\$-	\$	5,000.00
D-Contingency	243			\$	94,000.00						\$ -	\$	94,000.00
D-Envrnmtl/Clsd Loop C-Wellbore Frac Prep	244 304			\$	416,000.00	\$ 17	4,000.00				<del>\$</del> - \$-	\$ \$	416,000.00 174,000.00
C-Lctn/Pits/Roads	305						19,000.00				\$ -	\$	19,000.00
C-Completion OH	306						28,000.00				\$ -	\$	28,000.00
C-Frac Equipment C-Frac Chemicals	307 308						90,000.00 54,000.00				<del>\$</del> - \$-	\$ \$	1,190,000.00 754,000.00
C-Frac Proppant	309						12,000.00				\$ -	\$	342,000.00
C-Frac Proppant Transportation	310					\$ 53	32,000.00				\$-	\$	532,000.00
C-Fuel Delivery & Services C-Water	311						7,000.00				\$ -	\$	77,000.00
C-Water C-Frac Surface Rentals	312 315						03,000.00 74,000.00				\$ - \$ -	\$ \$	503,000.00 474,000.00
C-Contract Labor	325						9,000.00				\$-	\$	19,000.00
C-Company Sprvsn	326						9,000.00				\$ -	\$	19,000.00
C-Contract Sprvsn C-Artificial Lift Install	327 329						54,000.00 32,000.00				\$ - \$ -	\$ \$	254,000.00 82,000.00
C-Perf/Wireline Svc	331						34,000.00				\$ -	\$	584,000.00
C-Trucking/Forklift/Rig Mob	337						9,000.00				\$ -	\$	19,000.00
C-Water Disposal	339 343						3,000.00				\$ - \$ -	\$ ¢	73,000.00 136,000.00
C-Contingency C-Dyed Diesel	345						36,000.00 35,000.00				<del>\$</del> -	\$ \$	285,000.00
C-Drillout	346						3,000.00				\$ -	\$	543,000.00
TB-Damages/Right of Way	351							s	1,000.00		\$ -	\$	1,000.00
TB-Location/Pits/Roads TB-Contract Labor	353 356							\$ \$	33,000.00 182,000.00		<del>\$</del> - \$-	\$ \$	33,000.00 182,000.00
PEQ-Contract Labor	374									\$ 61,000.00	\$ -	\$	61,000.00
PEQ-Water Disposal	387 391									\$ 290,000.00	<u>\$</u> - \$-	\$ \$	290,000.00
PEQ-HRZ Well Offset Frac Total Intangible Costs	391	<b>\$</b> -	s -	ŝ	4,168,000.00	\$ 6,107,	000.00	\$	216,000.00	\$ 29,000.00 \$ 380,000.00	s -	ې \$	29,000.00 10,871,000.00
_					,,	, . ,			.,	,,			.,. ,
Tangible Costs PEQ-Flowback Crews & Equip	392	· · · · ·	r	1		r		<u> </u>		\$ 174,000.00	\$-	\$	174,000.00
D-Surface Casing	401			\$	34,000.00					.,	\$-	\$	34,000.00
D-Intermed Csg	402		l	9 69	261,000.00			<u> </u>			\$- \$-	\$ 6	261,000.00
D-Production Casing/Liner D-Wellhead Equip	403 405		<del> </del>	\$ \$	648,000.00 118,000.00						\$- \$-	\$ \$	648,000.00 118,000.00
C-Tubing	504			Ĺ	.,		000.00				\$-	\$	95,000.00
C-Wellhead Equip	505		l	<u> </u>		\$ 50,	00.000	¢	50 000 00		\$- \$-	ŝ	50,000.00 59,000.00
TB-Tanks TB-Flowlines/Pipelines	510 511		<del> </del>	-				\$ \$	59,000.00 26,000.00		\$- \$-	\$ \$	26,000.00
TB-Htr Trtr/Seprtr	512							\$	187,000.00		\$ -	\$	187,000.00
TB-Electrical System/Equipment	513					¢ 440	000.00	\$	115,000.00		\$ -	\$	115,000.00 118,000.00
C-Pckrs/Anchors/Hgrs TB-Couplings/Fittings/Valves	514 515					\$ 118,	00.000	\$	196,000.00		\$ - \$ -	\$ \$	196,000.00
TB-Pumps-Surface	521							\$	26,000.00		\$-	\$	26,000.00
TB-Instrumentation/SCADA/POC	522							\$	20,000.00		\$ -	\$	20,000.00
TB-Miscellaneous TB-Meters/Lacts	523 525							\$	20,000.00 26,000.00		\$- \$-	\$ \$	20,000.00 26,000.00
TB-Flares/Combusters/Emission	526							\$	32,000.00		\$-	\$	32,000.00
C-Gas Lift/Compression	527					\$ 46,	000.000				\$-	\$	46,000.00
PEQ-Wellhead Equipment Total Tangible Costs	531	¢	¢	\$	1,061,000.00	\$ 309,	00.00	\$	707,000.00	\$ 61,000.00 \$ 235,000.00		\$	61,000.00 2,312,000.00
Total Tangible Costs		\$ -	\$-	\$	1,061,000.00	\$ 309,	000.00	Þ	707,000.00	\$ 235,000.00	\$-	\$	2,312,000.00
Total Gross Cost		\$ -	\$-		5,229,000.00	\$ 6,416,	000.00	\$	923,000.00	\$ 615,000.00	\$-	\$	13,183,000.00
Note: The above costs are estimated	ates only.	Actual costs v	vill be billed as inc	currec	d.								
COG Operating LLC													
By:			-					Date	Prepared:			-	
								coo	G Operating LL	С			
We approve: % Working Interest								By:				-	
Company: By:			_										
			-										

Printed Name: Title: Date:

Well Name Keg Shell Fed Com 904 Prospect Atlas 262 SHL 35: 360 FSL, 915 FEL OR Lot 4 BHL 23: 200 FNL, 2345 FEL OR Unit B State & County Eddy NM Objective D&C Formation Wolfcamp C 23,755 Depth Legal All of Secs 23, 26, 35, 26S-28E TVD 10.555 AFE Numbers PreSpud Pre-Set Tank Btty **Cost Description** Code Drilling (DR) Completions (C) Pmpq Equip (PEQ) Revision Total Casing(PC) Constrctn(TB) (PS) Intangible Costs D-Lctn/Pits/Roads 149,000.00 205 149,000.00 -Drilling Overhead 206 12,000.00 12,000.00 D-Daywork Contra 209 816,000.00 816,000.00 435,000.00 D-Directional Drlg Service 210 211 435,000.00 D-Fuel & Power 141 000 00 141.000.00 D-Water 118,000.00 118,000.00 ¢ D-Bits 213 149,000.00 149,000.00 3 D-Mud & Chemicals 214 305 000 00 305,000.00 \$ 217 30,000.00 30,000.00 D-Cement Surface D-Cement Intermed 21 117,000.00 117,000.00 D-Prod-2nd Int Cmt 173,000.00 94,000.00 \$ 173.000.00 219 221 222 225 226 227 D-Float Equipment & Centralize 94,000.00 D-Csg Crews & Equip 103.000.00 103.000.00 D-Contract Labo 10.000.00 10,000.00 68,000.00 68,000.00 D-Company Sprvsn D-Contract Sprvsn 170.000.00 170,000.00 62,000.00 62,000.00 -Tstg Csg/Tbg 228 229 235 236 237 238 62,000.00 265,000.00 122,000.00 252,000.00 Mud Logging Unit 62,000.00 D-Rentals-Surface D-Rentals-Subsrfe 265,000,00 122,000.00 D-Trucking/Forklift/Rig Mob 252,000.00 5,000.00 94,000.00 D-Welding Services 5,000,00 94,000.00 243 D-Contingency 244 304 305 306 D-Envrnmtl/Clsd Loop C-Wellbore Frac Prep 416,000.00 174,000.00 s 416,000.00 174,000.00 4 19,000.00 19,000.00 -Lctn/Pits/Roads Completion OH 28 000 00 -Frac Equipmen 1,190,000.00 ¢ 1,190,000.00 Frac Chemicals 308 754,000.00 754,000.00 C-Frac Proppant C-Frac Proppant Transportation 309 310 342 000 00 342,000.00 532,000.00 532,000.00 C-Fuel Delivery & Services 31 77,000.00 77,000.00 C-Wate 312 315 503,000.00 474,000.00 \$ 503,000,00 -Frac Surface Rentals 474,000.00 325 326 327 -Contract Labor 19.000.00 19.000.00 C-Company Sprvsn C-Contract Sprvsn 19,000.00 19,000.00 254,000.00 254,000.00 \$ C-Artificial Lift Install 329 82.000.00 \$ 82.000.00 -Perf/Wireline Svc -Trucking/Forklift/Rig Mob 331 584,000.00 584,000.00 337 339 19,000.00 19,000.00 -Water Disposal 73 000 00 343 345 346 136,000.00 136,000.00 -Dyed Diesel -Drillout 285,000.00 \$ 543.000.00 543,000,00 351 353 356 1,000.00 33,000.00 182,000.00 B-Damages/Right of Way 1,000.00 TB-Location/Pits/Roads TB-Contract Labor 33,000.00 182,000.00 EQ-Contract Labor 61.000.00 PEQ-Water Disposal PEQ-HRZ Well Offset Frace 387 391 290 000 00 290,000.00 \$ 4,168,000.00 \$ 6,107,000.00 \$ 216,000.00 \$ Total Intangible Costs \$ 380.000.00 \$ \$ 10,871,000.00 \$ Tangible Costs PEQ-Flowback Crews & Equip D-Surface Casing 174,000.00 34,000.00 261,000.00 392 401 174,000.00 \$ \$ 34,000.00 D-Intermed Csg 40 648,000.00 648,000.00 403 Production Casing/Line D-Wellhead Equip 40 118,000.00 118,000.00 - \$ 95,000.00 50,000.00 -Tubing -Wellhead Equip 95,000.00 50,000.00 TB-Tanks 59,000.00 59.000.00 \$ TB-Flowlines/Pipelines TB-Htr Trtr/Seprtr 26,000.00 187,000.00 51 51 26,000.00 187,000.00 TB-Electrical System/Equipment 513 115.000.00 115.000.00 \$ C-Pckrs/Anchors/Hgrs TB-Couplings/Fittings/Valves 514 51 118,000.00 \$ 196,000.00 196,000.00 TB-Pumps-Surface TB-Instrumentation/SCADA/POC TB-Miscellaneous 52 26,000.00 \$ 26.000.00 20,000.00 20,000.00 522 523 20,000.00 \$ 20,000.00 26,000.00 26,000.00 32,000.00 46,000.00 TB-Meters/Lacts 525 526 527 26,000.00 32,000.00 \$ TB-F ares/Combusters/Emission C-Gas Lift/Compression PEQ-Wellhead Equipme 46,000.00 Total Tangible Costs \$ \$ 1,061,000.00 \$ 309,000.00 \$ 707,000.00 \$ 235,000.00 \$ S 2,312,000.00

- \$ 5,229,000.00 \$ 6,416,000.00 \$

COG Operating LLC

Total Gross Cost

By:

We approve: % Working Interest

Company:

By:

Printed Name: Title: Date: Date Prepared:

923.000.00 \$

COG Operating LLC

By:

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

615,000.00 \$

13,183,000.00

- \$

\$

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

- \$

SHL BHL Formation	35: 460 F 23: 200 F Wolfcamp	Fed Com 906 SL, 970 FWL NL, 2400 FWL O C s 23, 26, 35, 2	OR Lot 1 . OR Unit C					Prospect State & County Objective Depth TVD	eD&C h 23,590
Cost Description	Code	PreSpud (PS)	Pre-Set Casing(PC)	Drilling (DR)	Completions (C)	Tank Btty Constrctn(TB)	Pmpq Equip (PEQ)	Revision	Total
Intangible Costs D-Lctn/Pits/Roads	205			\$ 149,000.00				\$ -	\$ 149,000.00
D-Drilling Overhead D-Daywork Contract	206 209			\$ 12,000.00 \$ 816,000.00				\$ - \$ -	\$ 12,000.00 \$ 816,000.00
D-Directional Drlg Services	210			\$ 435,000.00				\$ - \$ -	\$ 435,000.00
D-Fuel & Power D-Water	211 212			\$ 141,000.00 \$ 118,000.00				\$ - \$ -	\$ 141,000.00 \$ 118,000.00
D-Bits D-Mud & Chemicals	213 214			\$ 149,000.00 \$ 305,000.00				\$ - \$ -	\$ 149,000.00 \$ 305,000.00
D-Cement Surface	217			\$ 30,000.00				\$ -	\$ 30,000.00
D-Cement Intermed D-Prod-2nd Int Cmt	218 219			\$ 117,000.00 \$ 173,000.00				\$ - \$ -	\$ 117,000.00 \$ 173,000.00
D-Float Equipment & Centralizers	221			\$ 94,000.00				\$ -	\$ 94,000.00
D-Csg Crews & Equip D-Contract Labor	222 225			\$ 103,000.00 \$ 10,000.00				<del>\$-</del> \$-	\$ 103,000.00 \$ 10,000.00
D-Company Sprvsn	226			\$ 68,000.00				\$ -	\$ 68,000.00
D-Contract Sprvsn D-Tstg Csg/Tbg	227 228			\$ 170,000.00 \$ 62,000.00				\$ - \$ -	\$ 170,000.00 \$ 62,000.00
D-Mud Logging Unit	229 235			\$ 62,000.00 \$ 265.000.00				\$ - \$ -	\$ 62,000.00
D-Rentals-Surface D-Rentals-Subsrfc	235			\$ 265,000.00 \$ 122,000.00				\$ - \$ -	\$ 265,000.00 \$ 122,000.00
D-Trucking/Forklift/Rig Mob D-Welding Services	237 238			\$ 252,000.00 \$ 5,000.00				\$ - \$ -	\$ 252,000.00 \$ 5,000.00
D-Contingency	243			\$ 94,000.00				\$ -	\$ 94,000.00
D-Envrnmtl/Clsd Loop C-Wellbore Frac Prep	244 304			\$ 416,000.00	\$ 174,000.00			\$ - \$ -	\$ 416,000.00 \$ 174,000.00
C-Lctn/Pits/Roads	305				\$ 19,000.00			\$ -	\$ 19,000.00
C-Completion OH C-Frac Equipment	306 307				\$ 28,000.00 \$ 1,190,000.00			\$ - \$ -	\$ 28,000.00 \$ 1,190,000.00
C-Frac Chemicals	308 309				\$ 754,000.00			\$ -	\$ 754,000.00
C-Frac Proppant C-Frac Proppant Transportation	309				\$ 342,000.00 \$ 532,000.00			\$- \$-	\$ 342,000.00 \$ 532,000.00
C-Fuel Delivery & Services C-Water	311 312				\$ 77,000.00			\$ - \$ -	\$ 77,000.00
C-Frac Surface Rentals	315				\$ 503,000.00 \$ 474,000.00			\$ - \$ -	\$ 503,000.00 \$ 474,000.00
C-Contract Labor	325 326				\$ 19,000.00 \$ 19,000.00			\$ - \$ -	\$ 19,000.00 \$ 19,000.00
C-Company Sprvsn C-Contract Sprvsn	327				\$ 254,000.00			\$-	\$ 254,000.00
C-Artificial Lift Install C-Perf/Wireline Svc	329 331				\$ 82,000.00 \$ 584,000.00			\$ - \$ -	\$ 82,000.00 \$ 584,000.00
C-Trucking/Forklift/Rig Mob	337				\$ 19,000.00			\$ -	\$ 19,000.00
C-Water Disposal C-Contingency	339 343				\$ 73,000.00 \$ 136,000.00			\$ - \$ -	\$ 73,000.00 \$ 136,000.00
C-Dyed Diesel	345				\$ 285,000.00			\$ -	\$ 285,000.00
C-Drillout TB-Damages/Right of Way	346 351				\$ 543,000.00	\$ 1,000.00		\$ - \$ -	\$ 543,000.00 \$ 1,000.00
TB-Location/Pits/Roads	353					\$ 33,000.00		\$ -	\$ 33,000.00
TB-Contract Labor PEQ-Contract Labor	356 374					\$ 182,000.00	\$ 61,000.00	<del>\$-</del> \$-	\$ 182,000.00 \$ 61,000.00
PEQ-Water Disposal	387						\$ 290,000.00	\$ -	\$ 290,000.00
PEQ-HRZ Well Offset Frac Total Intangible Costs	391	s -	s -	\$ 4,168,000.00	\$ 6,107,000.00	\$ 216,000.00	\$ 29,000.00 \$ 380,000.00	\$- \$-	\$ 29,000.00 \$ 10,871,000.00
-				, , ,	, . ,	, .,			
Tangible Costs PEQ-Flowback Crews & Equip	392						\$ 174,000.00	\$-	\$ 174,000.00
D-Surface Casing	401			\$ 34,000.00				\$ - \$ -	\$ 34,000.00
D-Intermed Csg D-Production Casing/Liner	402 403			\$ 261,000.00 \$ 648,000.00				\$ - \$ -	\$ 261,000.00 \$ 648,000.00
D-Wellhead Equip	405 504			\$ 118,000.00	\$ 95,000.00			\$ - \$ -	\$ 118,000.00 \$ 95,000.00
C-Tubing C-Wellhead Equip	505				\$ 50,000.00			⇒ - \$ -	\$ 95,000.00 \$ 50,000.00
TB-Tanks TB-Flowlines/Pipelines	510 511				+	\$ 59,000.00 \$ 26,000.00		\$- \$-	\$ 59,000.00 \$ 26,000.00
TB-Htr Trtr/Seprtr	512					\$ 187,000.00		ş -	\$ 187,000.00
TB-Electrical System/Equipment C-Pckrs/Anchors/Hgrs	513 514				\$ 118,000.00	\$ 115,000.00	<u> </u>	\$- \$-	\$ 115,000.00 \$ 118,000.00
TB-Couplings/Fittings/Valves	515				,,	\$ 196,000.00		\$-	\$ 196,000.00
TB-Pumps-Surface TB-Instrumentation/SCADA/POC	521 522					\$ 26,000.00 \$ 20,000.00		\$ - \$ -	\$ 26,000.00 \$ 20,000.00
TB-Miscellaneous	523					\$ 20,000.00		\$-	\$ 20,000.00
TB-Meters/Lacts TB-Flares/Combusters/Emission	525 526	-			<u> </u>	\$ 26,000.00 \$ 32,000.00	+	\$ - \$ -	\$ 26,000.00 \$ 32,000.00
C-Gas Lift/Compression	527				\$ 46,000.00	,	¢ 04.000.00	\$ -	\$ 46,000.00
PEQ-Wellhead Equipment Total Tangible Costs	531	\$ -	\$-	\$ 1,061,000.00	\$ 309,000.00	\$ 707,000.00	\$ 61,000.00 \$ 235,000.00	\$ - \$ -	\$ 61,000.00 \$ 2,312,000.00
					-				
Total Gross Cost Note: The above costs are estimated	ates only	\$ - Actual costs v	\$ -	\$ 5,229,000.00	\$ 6,416,000.00	\$ 923,000.00	\$ 615,000.00	\$-	\$ 13,183,000.00
note. The above costs are estimate	nes only.	กอเมลา 60515 พ	nn oe omeu as Ind						
COG Operating LLC									
By:		<u> </u>				Date Prepared:			_
						COG Operating LL			
We approve:						COG Operating LL			
% Working Interest						By:			-
Company:		<u> </u>							
By:									
Printed Name:									
Title: Date:							n estimate. By signing y ictual costs incurred.	ou agree to pay	

SHL BHL Formation	35: 460 F 23: 200 F Wolfcamp All of Sec	Fed Com 90 SL, 940 FWL NL, 1710 FW o C s 23, 26, 35, 2	OR Lot 1 L OR Unit C								Prospect State & County Objective Depth TVD	Edd D&C	y NM
Cost Description	Code	PreSpud (PS)	Pre-Set Casing(PC)		Drilling (DR)	Co	mpletions (C)		Tank Btty onstrctn(TB)	Pmpq Equip (PEQ)	Revision		Total
Intangible Costs		(F3)	Casing(PC)					00	Jisticui(TD)				
D-Lctn/Pits/Roads	205			\$	149,000.00						\$ -	\$	149,000.00
D-Drilling Overhead	206			\$	12,000.00						\$ -	\$	12,000.00
D-Daywork Contract D-Directional Drlg Services	209 210			\$ \$	816,000.00 435,000.00						\$ - \$ -	\$ \$	816,000.00 435,000.00
D-Fuel & Power	211			ŝ	141,000.00						\$ -	\$	141,000.00
D-Water	212			ŝ	118,000.00						\$ -	\$	118,000.00
D-Bits	213			\$	149,000.00						\$ -	\$	149,000.00
D-Mud & Chemicals	214			\$	305,000.00						\$ -	\$	305,000.00
D-Cement Surface D-Cement Intermed	217 218			\$ \$	30,000.00						\$ - \$ -	\$ \$	30,000.00 117,000.00
D-Prod-2nd Int Cmt	210			s	117,000.00 173.000.00						φ - \$ -	\$	173,000.00
D-Float Equipment & Centralizers	221			ŝ	94,000.00						\$ -	\$	94,000.00
D-Csg Crews & Equip	222			\$	103,000.00						\$-	\$	103,000.00
D-Contract Labor	225			\$	10,000.00						\$ -	\$	10,000.00
D-Company Sprvsn D-Contract Sprvsn	226 227			s	68,000.00						\$ - \$ -	\$	68,000.00 170,000.00
D-Tstg Csg/Tbg	228			s s	170,000.00 62,000.00						\$ -	\$	62,000.00
D-Mud Logging Unit	229			ŝ	62,000.00						\$ -	\$	62,000.00
D-Rentals-Surface	235			\$	265,000.00						\$ -	\$	265,000.00
D-Rentals-Subsrfc	236			\$	122,000.00						\$ -	\$	122,000.00
D-Trucking/Forklift/Rig Mob D-Welding Services	237 238			s	252,000.00						\$ - \$ -	\$ \$	252,000.00 5,000.00
D-Contingency	243			\$ \$	5,000.00 94,000.00						φ - \$ -	\$	94,000.00
D-Envrnmtl/Clsd Loop	244			ŝ	416,000.00						\$ -	\$	416,000.00
C-Wellbore Frac Prep	304					\$	174,000.00				\$ -	\$	174,000.00
C-Lctn/Pits/Roads	305					\$	19,000.00				\$ -	\$	19,000.00
C-Completion OH C-Frac Equipment	306 307					s s	28,000.00 1,190,000.00				\$ - \$ -	\$ \$	28,000.00
C-Frac Chemicals	308					ŝ	754,000.00				φ - \$ -	\$	754,000.00
C-Frac Proppant	309					s	342,000.00				\$ -	\$	342,000.00
C-Frac Proppant Transportation	310					\$	532,000.00				\$ -	\$	532,000.00
C-Fuel Delivery & Services	311					\$	77,000.00				\$ -	\$	77,000.00
C-Water C-Frac Surface Rentals	312 315					ş	503,000.00				\$ - \$ -	\$ \$	503,000.00 474,000.00
C-Contract Labor	325					s	474,000.00 19,000.00					\$ \$	19,000.00
C-Company Sprvsn	326					ŝ	19,000.00				\$ -	\$	19,000.00
C-Contract Sprvsn	327					\$	254,000.00				\$-	\$	254,000.00
C-Artificial Lift Install	329					\$	82,000.00				\$ -	\$	82,000.00
C-Perf/Wireline Svc C-Trucking/Forklift/Rig Mob	331 337					ş	584,000.00 19,000.00				\$ - \$ -	\$ \$	584,000.00 19,000.00
C-Water Disposal	339					s	73,000.00				\$ -	\$	73,000.00
C-Contingency	343					ŝ	136,000.00				\$ -	\$	136,000.00
C-Dyed Diesel	345					\$	285,000.00				\$-	\$	285,000.00
C-Drillout	346					\$	543,000.00				\$ -	\$	543,000.00
TB-Damages/Right of Way TB-Location/Pits/Roads	351 353							\$ \$	1,000.00 33,000.00		\$ - \$ -	\$ \$	1,000.00 33,000.00
TB-Contract Labor	356							s	182,000.00		\$ -	\$	182,000.00
PEQ-Contract Labor	374									\$ 61,000.00	\$ -	\$	61,000.00
PEQ-Water Disposal	387									\$ 290,000.00	\$ -	\$	290,000.00
PEQ-HRZ Well Offset Frac	391							•		\$ 29,000.00	\$ -	\$	29,000.00
Total Intangible Costs		\$ -	\$-	\$	4,168,000.00	>	6,107,000.00	\$	216,000.00	\$ 380,000.00	\$-	\$	10,871,000.00
Tangible Costs													
PEQ-Flowback Crews & Equip	392									\$ 174,000.00	\$-	\$	174,000.00
D-Surface Casing	401			\$	34,000.00						\$ -	\$	34,000.00
D-Intermed Csg	402 403		<del> </del>	\$ \$	261,000.00 648,000.00	+					\$ - \$ -	\$ \$	261,000.00 648,000.00
D-Production Casing/Liner D-Wellhead Equip	403		1	\$	118,000.00	+					\$ - \$ -	\$	118,000.00
C-Tubing	504		<u> </u>	Ĺ		\$	95,000.00				\$-	\$	95,000.00
C-Wellhead Equip	505		1			\$	50,000.00				\$ -	\$	50,000.00
TB-Tanks	510		L			$\perp$		\$	59,000.00		\$ -	\$	59,000.00
TB-Flowlines/Pipelines TB-Htr Trtr/Seprtr	511 512		<u> </u>	-		+		\$	26,000.00		\$ - \$ -	\$ \$	26,000.00
TB-Electrical System/Equipment	513	-		1		+		ء \$	115,000.00		s -	ې \$	115,000.00
C-Pckrs/Anchors/Hgrs	514					\$	118,000.00	Ŧ	,		\$-	\$	118,000.00
TB-Couplings/Fittings/Valves	515							\$	196,000.00		\$-	\$	196,000.00
TB-Pumps-Surface	521			_		_		\$	26,000.00		\$ -	\$	26,000.00
TB-Instrumentation/SCADA/POC TB-Miscellaneous	522 523		<u> </u>	$\vdash$		+		\$	20,000.00 20,000.00	[	\$ - \$ -	\$ \$	20,000.00 20,000.00
TB-Meters/Lacts	525		t	+		+		ъ \$	26,000.00		» - \$ -	э \$	26,000.00
TB-Flares/Combusters/Emission	526					L		\$	32,000.00		\$ -	\$	32,000.00
C-Gas Lift/Compression	527					\$	46,000.00				\$ -	\$	46,000.00
PEQ-Wellhead Equipment	531	•		•	4 004 000 00	•		•	707 000 00	\$ 61,000.00	\$ -	\$	61,000.00
Total Tangible Costs		\$ -	\$-	\$	1,061,000.00	\$	309,000.00	\$	707,000.00	\$ 235,000.00	\$-	\$	2,312,000.00
Total Gross Cost Note: The above costs are estimated	ates only	<ul> <li>4 -</li> </ul>	\$-	\$	5,229,000.00	\$	6,416,000.00	\$	923,000.00	\$ 615,000.00	\$-	\$	13,183,000.00
COG Operating LLC	2.00 Only.			- 4/10									
By:			_					Date	e Prepared:			_	
We approve:								cod	G Operating LL	с			
We approve: % Working Interest								By:				_	

Company: By:

Printed Name: Title: Date:

Well Name Keg Shell Fed Com 908 Prospect Atlas 262 SHL 35: 460 FSL, 910 FWL OR Lot 1 BHL 23: 200 FNL, 1020 FWL OR Unit D State & County Eddy NM Objective D&C Formation Wolfcamp C 23,575 Depth Legal All of Secs 23, 26, 35, 26S-28E TVD 10.375 AFE Numbers PreSpud Pre-Set Tank Btty **Cost Description** Code Drilling (DR) Completions (C) Pmpq Equip (PEQ) Revision Total Casing(PC) Constrctn(TB) (PS) Intangible Costs D-Lctn/Pits/Roads 149,000.00 205 149,000.00 -Drilling Overhead 206 12,000.00 12,000.00 816,000.00 435,000.00 D-Daywork Contra 209 816,000.00 D-Directional Drlg Service 210 211 435,000.00 D-Fuel & Power 141 000 00 141.000.00 D-Water 118,000.00 118,000.00 ¢ D-Bits 213 149,000.00 149,000.00 3 D-Mud & Chemicals 214 305 000 00 305,000.00 \$ 217 30,000.00 30,000.00 D-Cement Surface D-Cement Intermed 21 117,000.00 117,000.00 D-Prod-2nd Int Cmt 173,000.00 94,000.00 \$ 173.000.00 219 221 222 225 226 227 D-Float Equipment & Centralize 94,000.00 D-Csg Crews & Equip 103.000.00 103.000.00 D-Contract Labo 10.000.00 10,000.00 68,000.00 68,000.00 D-Company Sprvsn D-Contract Sprvsn 170.000.00 170,000.00 62,000.00 62,000.00 -Tstg Csg/Tbg 228 229 235 236 237 238 62,000.00 265,000.00 122,000.00 252,000.00 Mud Logging Unit 62,000.00 D-Rentals-Surface D-Rentals-Subsrfe 265,000,00 122,000.00 D-Trucking/Forklift/Rig Mot 252,000.00 5,000.00 94,000.00 D-Welding Services 5,000,00 94,000.00 243 D-Contingency 244 304 305 306 D-Envrnmtl/Clsd Loop C-Wellbore Frac Prep 416,000.00 174,000.00 s 416,000.00 174,000.00 4 19,000.00 19,000.00 -Lctn/Pits/Roads Completion OH 28 000 00 -Frac Equipmen 1,190,000.00 ¢ 1,190,000.00 Frac Chemicals 308 754,000.00 754,000.00 C-Frac Proppant C-Frac Proppant Transportation 309 310 342 000 00 342,000.00 532,000.00 532,000.00 C-Fuel Delivery & Services 31 77,000.00 77,000.00 C-Wate 312 315 503,000.00 474,000.00 \$ 503,000,00 -Frac Surface Rentals 474,000.00 325 326 327 -Contract Labor 19.000.00 19.000.00 C-Company Sprvsn C-Contract Sprvsn 19,000.00 19,000.00 254,000.00 254,000.00 \$ C-Artificial Lift Install 329 82.000.00 \$ 82.000.00 -Perf/Wireline Svc -Trucking/Forklift/Rig Mob 331 584,000.00 584,000.00 337 339 19,000.00 19,000.00 -Water Disposal 73 000 00 343 345 346 136,000.00 136,000.00 -Dyed Diesel -Drillout 285,000.00 \$ 543.000.00 543,000,00 351 353 356 1,000.00 33,000.00 182,000.00 B-Damages/Right of Way 1,000.00 TB-Location/Pits/Roads TB-Contract Labor 33,000.00 182,000.00 EQ-Contract Labor 61.000.00 PEQ-Water Disposal PEQ-HRZ Well Offset Frace 387 391 290 000 00 290,000.00 \$ 4,168,000.00 \$ 6,107,000.00 \$ 216,000.00 \$ Total Intangible Costs \$ 380.000.00 \$ \$ 10,871,000.00 \$ Tangible Costs PEQ-Flowback Crews & Equip D-Surface Casing 174,000.00 34,000.00 261,000.00 392 401 174,000.00 \$ \$ 34,000.00 D-Intermed Csg 40 648,000.00 648,000.00 403 Production Casing/Line D-Wellhead Equip 40 118,000.00 118,000.00 - \$ 95,000.00 50,000.00 -Tubing -Wellhead Equip 95,000.00 50,000.00 TB-Tanks 59,000.00 59.000.00 \$ TB-Flowlines/Pipelines TB-Htr Trtr/Seprtr 26,000.00 187,000.00 51 51 26,000.00 187,000.00 TB-Electrical System/Equipment 513 115.000.00 115.000.00 \$ C-Pckrs/Anchors/Hgrs TB-Couplings/Fittings/Valves 514 51 118,000.00 \$ 196,000.00 196,000.00 TB-Pumps-Surface TB-Instrumentation/SCADA/POC TB-Miscellaneous 52 26,000.00 \$ 26.000.00 20,000.00 20,000.00 522 523 20,000.00 \$ 20,000.00 26,000.00 26,000.00 32,000.00 46,000.00 TB-Meters/Lacts 525 526 527 26,000.00 32,000.00 \$ TB-F ares/Combusters/Emission C-Gas Lift/Compression PEQ-Wellhead Equipme 46,000.00

COG Operating LLC

Total Tangible Costs

Total Gross Cost

By:

We approve: % Working Interest

Company:

By:

Printed Name: Title: Date: Date Prepared:

707,000.00 \$

923.000.00 \$

309,000.00 \$

COG Operating LLC

By:

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

235,000.00 \$

615,000.00 \$

S

- \$

2,312,000.00 13,183,000.00

\$

- \$

\$

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

\$ 1,061,000.00 \$

- \$ 5,229,000.00 \$ 6,416,000.00 \$

				Drill	& Comp	lete	e							
SHL	35: 460 F 23: 200 F	Fed Com 909 SL, 880 FWL NL, 330 FWL o C	OR Lot 1								:	Prospect State & County Objective Depth	Eddy	NM
	All of Sec	s 23, 26, 35, 2	26S-28E									TVD		10,56
AFE Numbers											_			
Cost Description	Code	PreSpud (PS)	Pre-Set Casing(PC)	Dri	lling (DR)	Co	mpletions (C)		Tank Btty onstrctn(TB)	Pmpq Equip (PEQ)		Revision		Total
ntangible Costs D-Lctn/Pits/Roads	205			\$	149,000.00						\$		\$	149,000.00
D-Drilling Overhead	206			s	12,000.00						\$	-	\$	12,000.00
D-Daywork Contract	209			s	816,000.00						\$	-	\$	816,000.00
D-Directional Drlg Services D-Fuel & Power	210 211	•		s s	435,000.00 141.000.00						\$ \$	-	\$ \$	435,000.00
D-Water	212			\$	118,000.00						\$	-	\$	118,000.00
D-Bits D-Mud & Chemicals	213 214			s	149,000.00 305,000.00						\$ \$	-	\$ \$	149,000.00
D-Cement Surface	217			\$ \$	30,000.00						\$	-	\$	30,000.00
D-Cement Intermed	218			\$	117,000.00						\$	-	\$	117,000.0
D-Prod-2nd Int Cmt D-Float Equipment & Centralizers	219 221			s s	173,000.00 94,000.00						\$ \$	-	\$	173,000.0
D-Csg Crews & Equip	222			s	103,000.00						\$	-	\$	103,000.0
D-Contract Labor	225			\$	10,000.00						\$	-	\$	10,000.0
D-Company Sprvsn D-Contract Sprvsn	226 227	-		s s	68,000.00 170,000.00						\$ \$	-	\$ \$	68,000.0
D-Tstg Csg/Tbg	228			s	62,000.00						\$	-	\$	62,000.00
D-Mud Logging Unit D-Rentals-Surface	229 235			s s	62,000.00						\$ \$	-	\$ \$	62,000.00 265,000.00
D-Rentals-Subsrfc	236			s s	265,000.00 122,000.00						۶ \$	-	э \$	122,000.0
D-Trucking/Forklift/Rig Mob	237			\$	252,000.00						\$	-	\$	252,000.0
D-Welding Services D-Contingency	238 243	-		\$ \$	5,000.00 94,000.00						\$ \$		\$ \$	5,000.0
D-Envrnmtl/Clsd Loop	240			s	416,000.00						\$	-	\$	416,000.00
C-Wellbore Frac Prep	304	-				\$	174,000.00				\$	-	\$	174,000.00
C-Lctn/Pits/Roads C-Completion OH	305 306	-				\$ \$	19,000.00 28,000.00				\$ \$	-	\$ \$	19,000.00
C-Frac Equipment	307					s	1,190,000.00				\$	-	\$	1,190,000.00
C-Frac Chemicals	308	-				\$	754,000.00				\$	-	\$	754,000.00
C-Frac Proppant C-Frac Proppant Transportation	309 310	-				s s	342,000.00 532,000.00				\$ \$	-	\$	342,000.00
C-Fuel Delivery & Services	311					\$	77,000.00				\$	-	\$	77,000.00
C-Water C-Frac Surface Rentals	312 315					s	503,000.00 474,000.00				\$ \$		\$ \$	503,000.00
C-Contract Labor	325	-				\$	19,000.00				\$	-	\$	19,000.00
C-Company Sprvsn	326					\$	19,000.00				\$	-	\$	19,000.00
C-Contract Sprvsn C-Artificial Lift Install	327 329					\$ S	254,000.00 82,000.00				\$ \$	-	\$ \$	254,000.00
C-Perf/Wireline Svc	331					ŝ	584,000.00				\$	-	\$	584,000.00
C-Trucking/Forklift/Rig Mob	337 339					\$	19,000.00				\$ \$	-	\$	19,000.00
C-Water Disposal C-Contingency	343	•				\$ \$	73,000.00 136,000.00				\$	-	э \$	73,000.00
C-Dyed Diesel	345					\$	285,000.00				\$	-	\$	285,000.00
C-Drillout TB-Damages/Right of Way	346 351					\$	543,000.00	s	1.000.00		\$ \$	-	\$ \$	543,000.00
TB-Location/Pits/Roads	353	-						\$	33,000.00		\$		\$	33,000.00
TB-Contract Labor	356							\$	182,000.00		\$	-	\$	182,000.00
PEQ-Contract Labor PEQ-Water Disposal	374 387	-								\$ 61,000.00 \$ 290,000.00		-	\$ \$	61,000.00
PEQ-HRZ Well Offset Frac	391									\$ 29,000.00		-	\$	29,000.00
Total Intangible Costs		\$-	\$-	\$ 4	,168,000.00	\$	6,107,000.00	\$	216,000.00	\$ 380,000.00	\$	-	\$	10,871,000.00
Fangible Costs				-						-				
PEQ-Flowback Crews & Equip	392 401			¢	24 000 00					\$ 174,000.00		-	\$	174,000.00
D-Surface Casing D-Intermed Csg	401			\$	34,000.00 261,000.00	L					\$ \$		\$ \$	261,000.00
D-Production Casing/Liner	403			\$	648,000.00						\$	-	\$	648,000.00
D-Wellhead Equip C-Tubing	405 504			\$	118,000.00	¢	95,000.00				\$ \$		\$ \$	118,000.00 95,000.00
C-Wellhead Equip	505					э \$	50,000.00				э \$		\$	50,000.00
FB-Tanks	510							\$	59,000.00		\$	-	\$	59,000.00
FB-Flowlines/Pipelines	511 512					-		\$ \$	26,000.00 187,000.00		\$ \$	-	\$	26,000.00
B-Electrical System/Equipment	513							\$	115,000.00		\$	-	\$	115,000.00
C-Pckrs/Anchors/Hgrs FB-Couplings/Fittings/Valves	514 515					\$	118,000.00	\$	196,000.00		\$	-	\$	118,000.00
FB-Pumps-Surface	515					L		\$ \$	26,000.00		э \$	-	ֆ \$	26,000.00
B-Instrumentation/SCADA/POC	522							\$	20,000.00		\$	-	\$	20,000.00
FB-Miscellaneous	523 525					-		\$ \$	20,000.00 26,000.00		\$ \$	-	\$	20,000.00
B-Flares/Combusters/Emission	526							\$	32,000.00		\$	-	\$	32,000.00
C-Gas Lift/Compression	527					\$	46,000.00			¢ 61.000.00	\$	-	\$	46,000.00
PEQ-Wellhead Equipment Fotal Tangible Costs	531	\$ -	\$-	\$ 1	,061,000.00	\$	309,000.00	\$	707,000.00	\$ 61,000.00 \$ 235,000.00	\$ \$	-	\$ \$	61,000.00 2,312,000.00
					, ,		· · ·		÷					
Fotal Gross Cost Note: The above costs are estimation	ates only	\$ -	s - vill be billed as inc		,229,000.00	\$	6,416,000.00	\$	923,000.00	\$ 615,000.00	\$	-	\$	13,183,000.00
	uito UIIIY.	กอเมลา 60818 พ	in be billed as INC	uneu.										
COG Operating LLC														
By:			_					Date	e Prepared:					
			-							-				
Ve approve:								COC	G Operating LL	C				

We approve: % Working Interest

Company: By:

Printed Name: Title: Date:

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

By:

Name of Contact from COPC	WI Party	WI Party Contact	Date	<b>Contact Method</b>	Formation/Wells	Notes
						Received email from Oxy regarding Keg
					Wolfcamp, 701H-706H,	Shell proposals and technical questions
Shelley Klingler	Oxy USA & Oxy Y-1	Hannah Eastwood	12/14/2022	Email	901H-904H, 906H-909H	from her team.
						Discussion about Oxy's WI/NRI/ORRI, sent
						answers to several questions, had several
					Wolfcamp, 701H-706H,	email discussions about WI and tracts to
Shelley Klingler	Oxy USA & Oxy Y-1	Hannah Eastwood	12/15/2022	Email	901H-904H, 906H-909H	ensure we were on same page.
						Received email from Sharbro that they
					Wolfcamp, 701H-706H,	received the proposals and needed to
Shelley Klingler	Sharbro Energy	Norma Daniels	12/15/2022	Email	901H-904H, 906H-909H	confirm their WI/NRI
						Responded to Sharbro with WI/NRI info
						from most recent DDOTO. Emailed several
					Wolfcamp, 701H-706H,	times during 12/15/2022 discussing WI and
Shelley Klingler	Sharbro Energy	Norma Daniels	12/15/2022	Email	901H-904H, 906H-909H	tract information, spacing and OA.
					Wolfcamp, 701H-706H,	Received executed elections from Sharbro
Shelley Klingler	Sharbro Energy	Norma Daniels	1/9/2023	Email	901H-904H, 906H-909H	for all wells.
					Wolfcamp, 701H-706H,	Emailed asking if Oxy would like to
Shelley Klingler	Oxy USA & Oxy Y-1	Hannah Eastwood	1/18/2023	Email	901H-904H, 906H-909H	participate and execute the OA.
					Wolfcamp, 701H-706H,	Sharbro resent the executed election
Shelley Klingler	Sharbro Energy	Norma Daniels	1/26/2023	Email	901H-904H, 906H-909H	letters and agreed to sign the OA.
					Wolfcamp, 701H-706H,	Oxy requested that we continue with
Shelley Klingler	Oxy USA & Oxy Y-1	Hannah Eastwood	1/26/2023	Email	901H-904H, 906H-909H	pooling their interest in this project.

COG Operating LLC Case No. 23344 Exhibit A-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. 23344** 

# SELF-AFFIRMED STATEMENT OF JESSICA PONTIFF

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

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

3. Exhibit B-1 is a general location map of the proposed horizontal spacing units in yellow ("Unit") in relation to a nearby landmark, the town of Carlsbad, New Mexico, state and county lines. On the expanded map the approximate wellbore paths for the proposed Keg Shell Fed Com 701H, 702H, 703H, 704H, 705H and 706H targeting the Wolfcamp A plus the Keg Shell Fed Com 901H, 902H, 903H, 904H, 906H, 907H, 908H, and 909H targeting the Wolfcamp C are represented by red and blue dashed lines respectively. Existing producing wells in the targeted intervals are represented by pink solid lines (Wolfcamp A) and light blue solid lines (Wolfcamp C).

4. **Exhibit B-2** is a subsea structure map for the top of the Wolfcamp formation that is representative of the targeted intervals. The data points are indicated by red crosses. The approximate wellbore paths of the proposed wells are depicted by red and blue dashed lines.

COG Operating LLC Case No. 23344 Exhibit B Existing producing wells in the targeted intervals are represented by pink solid lines (Wolfcamp A) and light blue solid lines (Wolfcamp C). The map demonstrates the formation is gently dipping to the east and east northeast. I do not observe any geologic impediments to developing the targeted intervals with horizontal wells.

5. **Exhibit B-3** is a cross section map that identifies three wells penetrating the targeted intervals used to construct a stratigraphic 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. Proposed landing intervals for the proposed wells are 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 wells is appropriate to properly develop the subject acreage because of consistent rock properties throughout the Unit and equivalent orientation with surrounding offset Wolfcamp producers.

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, approval of these applications will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

10. The attached exhibits B1 through B4 were either prepared by me or compiled under my direction and supervision or were assembled from company business records.

2

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

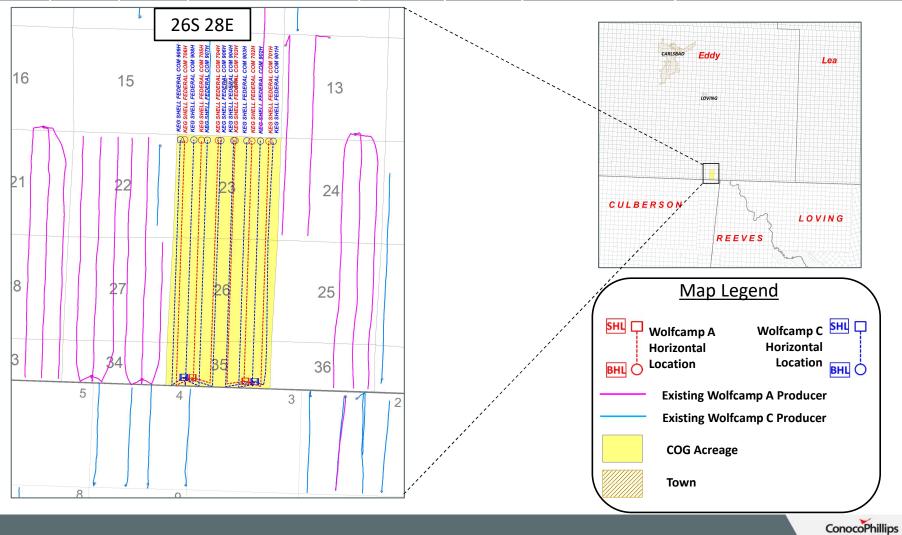
signature below.

Ponto sica Jessica Pontiff

3-10-2023

Date

Keg Shell Federal Com 701H, 702H, 703H, 704H, 705H, 706H and 901H, 902H, 903H, 904H, 906H, 907H, 908H, 909H Wolfcamp Wells (WFMP): Location Map



COG Operating LLC Case No. 23344 Exhibit B-1

Exhibit B1

## Page 57 of 89

# Keg Shell Federal Com 701H, 702H, 703H, 704H, 705H, 706H and 901H, 902H, 903H, 904H, 906H, 907H, 908H, 909H Wolfcamp (WFMP): Top WFMP – Structure Map

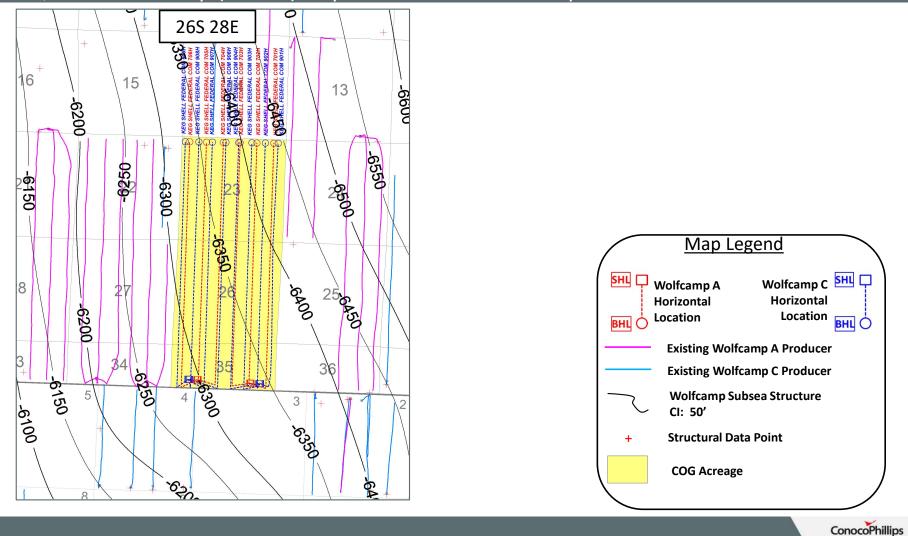
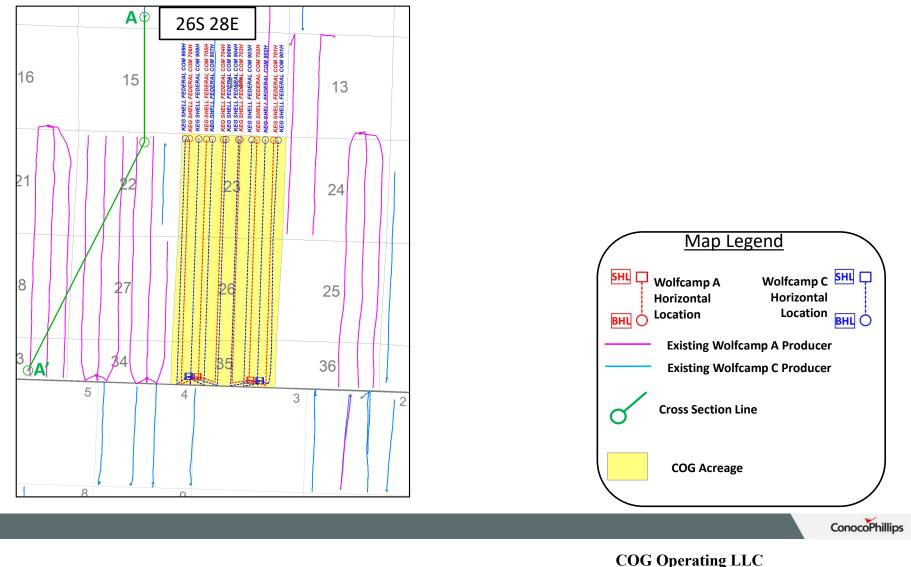


Exhibit B2

COG Operating LLC Case No. 23344 Exhibit B-2 Keg Shell Federal Com 701H, 702H, 703H, 704H, 705H, 706H and 901H, 902H, 903H, 904H, 906H, 907H, 908H, 909H Wolfcamp (WFMP): Cross Section Map

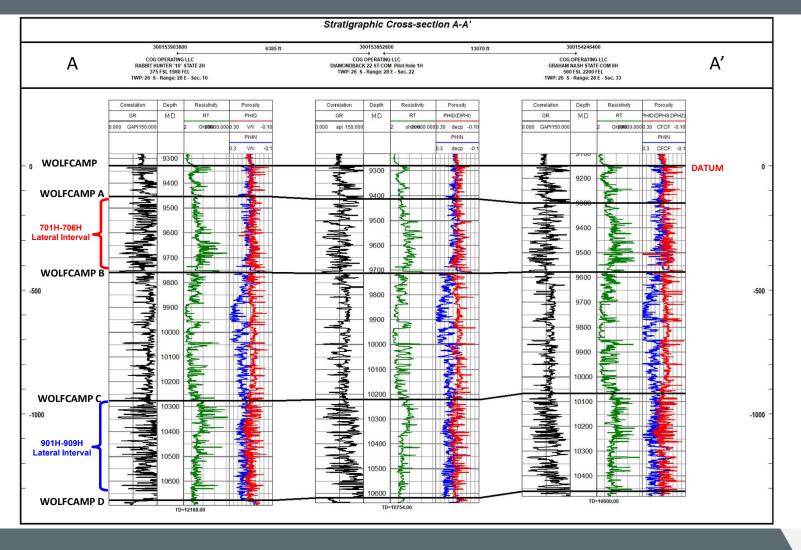


Coc Operating L Case No. 23344 Exhibit B-3

Exhibit B3

# Page 59 of 89

# Keg Shell Federal Com: Wolfcamp – Stratigraphic Cross Section A – A'



ConocoPhillips

COG Operating LLC Case No. 23344 Exhibit B-4

# Exhibit B4

# 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. 23344

# 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 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.

<u>/s/ Dana S. Hardy</u> Dana S. Hardy <u>March 13, 2022</u> Date

> COG Operating LLC Case No. 23344 Exhibit C



# HINKLE SHANOR LLP

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

February 1, 2023

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

# VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

# TO ALL PARTIES ENTITLED TO NOTICE

# Re: Case No. 23344 – Applications 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 8:15a.m.

Hearings are currently conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <u>https://www.emnrd.nm.gov/ocd/hearing-info/</u>. 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 The statement must be submitted through the OCD E-Permitting system date. (https://wwwapps.emnrd.nm.gov/ocd/ocdpermitting/ via e-mail to ) or 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 Shelley C. Klingler, Senior Land Negotiator for COG Operating LLC, by phone at 432-688-9027 if you have any questions regarding this matter.

Sincerely,

<u>/s/ Dana S. Hardy</u> Dana S. Hardy

COG Operating LLC Case No. 23344 Exhibit C-1

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



# 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 13, 2023

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

# TO ALL PARTIES ENTITLED TO NOTICE

# Re: Case No. 23344 – Applications of COG Operating LLC for Compulsory Pooling, Eddy County, New Mexico.

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Sincerely,

<u>/s/ Dana S. Hardy</u> 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, EDDY COUNTY, NEW MEXICO

CASE NO. 23344

# NOTICE LETTER CHART

PARTY	NOTICE LETTER SENT	<b>RETURN RECEIVED</b>
Margi Fort Bruns,	02/01/23	Latest USPS Update
AKA, Marguerite Fort Bruns		(Last Checked 03/10/23):
12711 Colorado Blvd E 505		
Thornton, CO 80241		02/10/23 – Delivered to
		agent for final delivery.
Lynn C. Charuk and Grace Charuk	02/01/23	Latest USPS Update
3921 Tanforan Ave		(Last Checked 03/10/23):
Midland, TX 79707		
		02/09/23 – Item in transit
		to next facility.
Mitchel E. and Elizabeth L. Cheney	02/01/23	02/13/23
PO Box 570083		
Houston, TX 77257		
Chevron U.S.A. Inc.	02/13/23	03/03/23
1400 Smith St., Suite 3600		
Houston, TX 77002		
Chisos Minerals, LLC	02/01/23	02/17/23
1111 Bagby St., Suite 1250		
Houston, TX 77002		Return to sender.
Chisos Minerals, LLC	02/01/23	02/13/23
PO Box 470788		
Fort Worth, TX 76147		
EOG Resources Inc.	02/13/23	Latest USPS Update
5509 Champions Blvd.		(Last Checked 03/10/23):
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		02/20/23 – Item in transit
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Tommy L. Fort	02/01/23	02/13/23
PO Box 5356		
Midland, TX 79704		
Madison M. Hinkle	02/01/23	02/08/23
PO Box 2292		
Roswell, NM 88202		
Rolla R. Hinkle III	02/01/23	02/08/23
PO Box 2292		
Roswell, NM 88202		
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COG Operating LLC Case No. 23344 Exhibit C-2

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

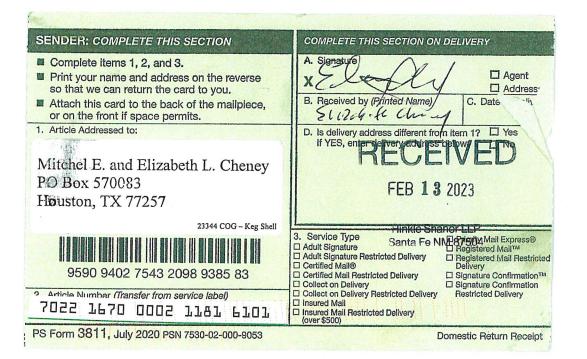
# APPLICATION OF COG OPERATING LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

CASE NO. 23344

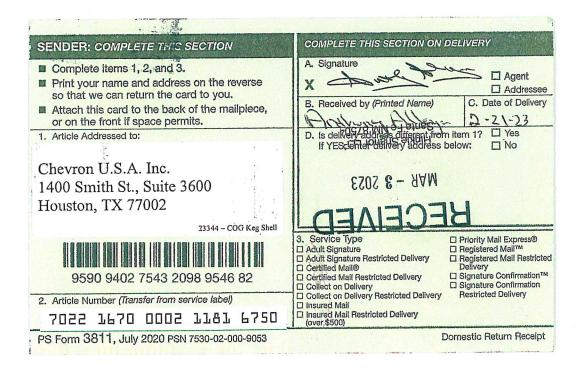
# NOTICE LETTER CHART

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Houston, TX 77046		
OXY Y-1 Company	02/01/23	02/13/23
5 Greenway Plaza, Suite 110		
Houston, TX 77046		
Debra Kay Primera	02/01/23	02/10/23
PO Box 28504		
Austin, TX 78755		
Ricky Don Raindl	02/01/23	02/16/23
PO Box 142454		
Irving, TX 75014		
Robert Mitchell Raindl	02/01/23	02/08/23
PO Box 853		
Tahoka, TX 79373		
Rfort Mineral Properties, LLC	02/01/23	02/06/23
9716 Admiral Emerson Ave NE		
Albuquerque, NM 87111		

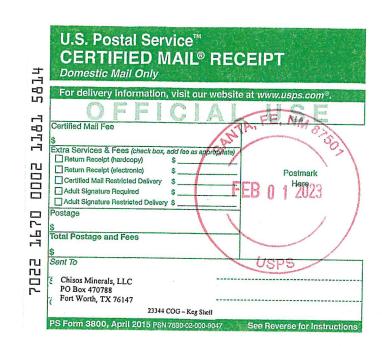
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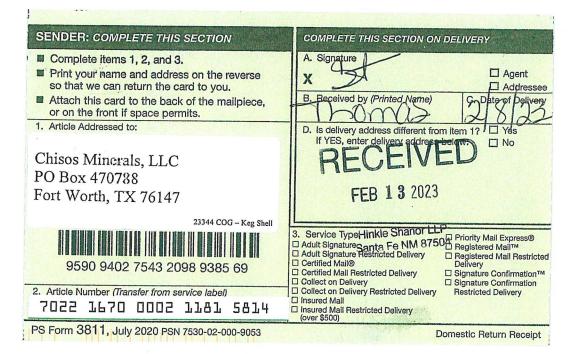






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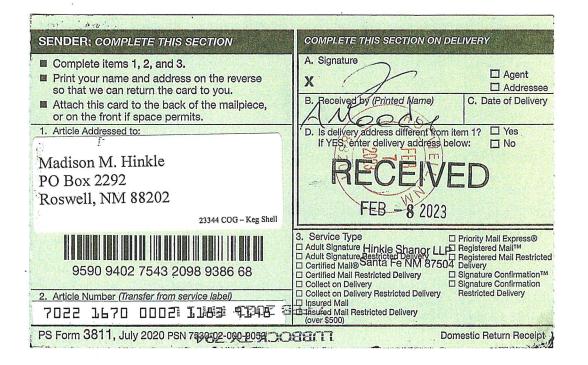




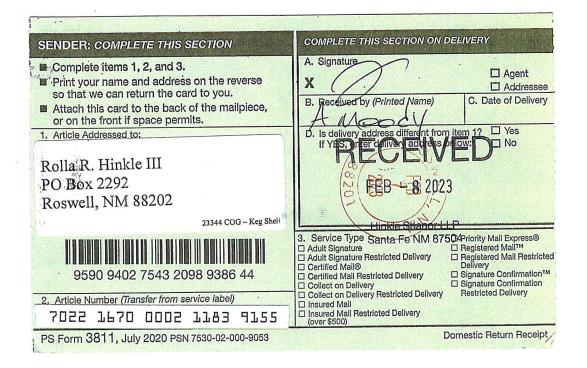




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	PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions



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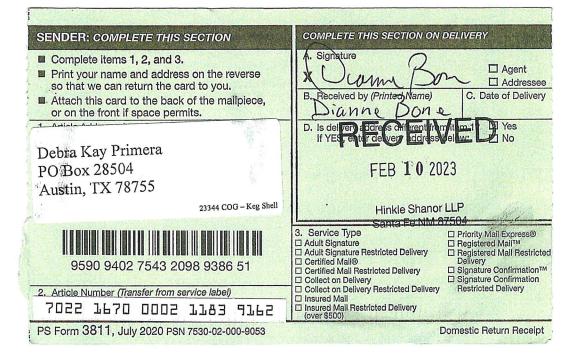






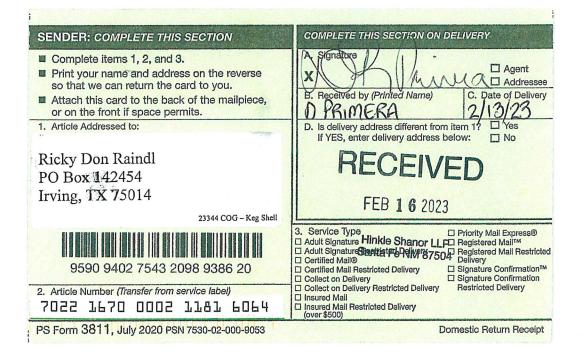


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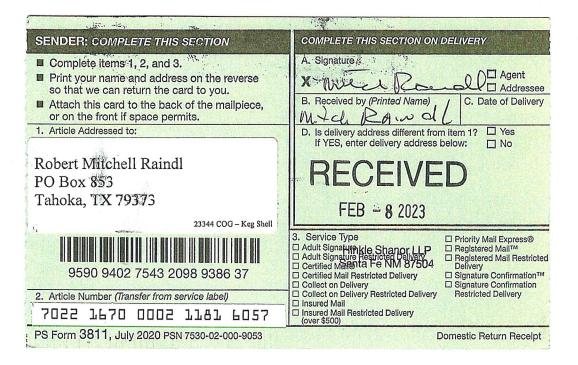


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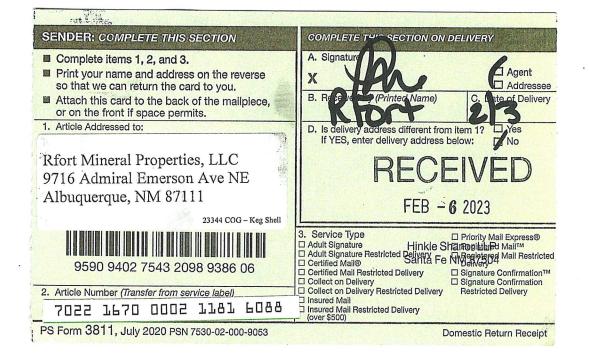




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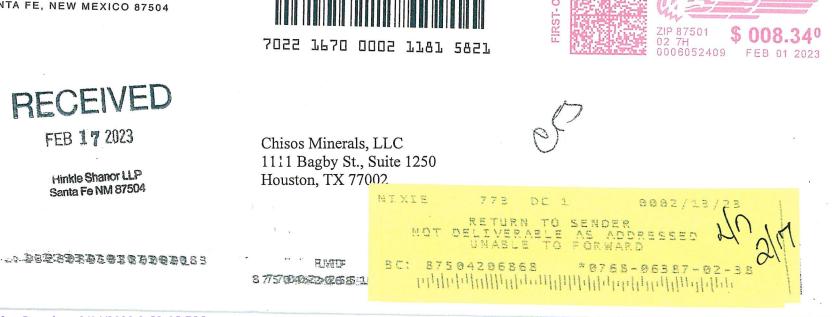
Page 76 of 89

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HINKLE SHANOR LLP ATTORNEYS AT LAW POST OFFICE BOX 2068 SANTA FE, NEW MEXICO 87504



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Page 78 of 89	77	U.S. Postal Service <sup>™</sup> CERTIFIED MAIL <sup>®</sup> RECEIPT Domestic Mail Only
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		PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

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FAQs >

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DENVER CO DISTRIBUTION CENTER February 10, 2023, 8:54 am

#### Arrived at USPS Regional Facility

DENVER CO DISTRIBUTION CENTER February 9, 2023, 12:43 pm

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COLORADO SPRINGS CO DISTRIBUTION CENTER February 8, 2023, 8:26 pm

#### Forwarded

THORNTON, CO February 4, 2023, 3:38 pm

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

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DENVER CO DISTRIBUTION CENTER February 4, 2023, 3:18 am

Arrived at USPS Regional Facility DENVER CO DISTRIBUTION CENTER February 3, 2023, 12:01 pm

#### Departed USPS Facility ALBUQUERQUE, NM 87101

February 2, 2023, 9:30 pm

#### Arrived at USPS Facility

ALBUQUERQUE, NM 87101 February 2, 2023, 7:54 pm

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FAQs >

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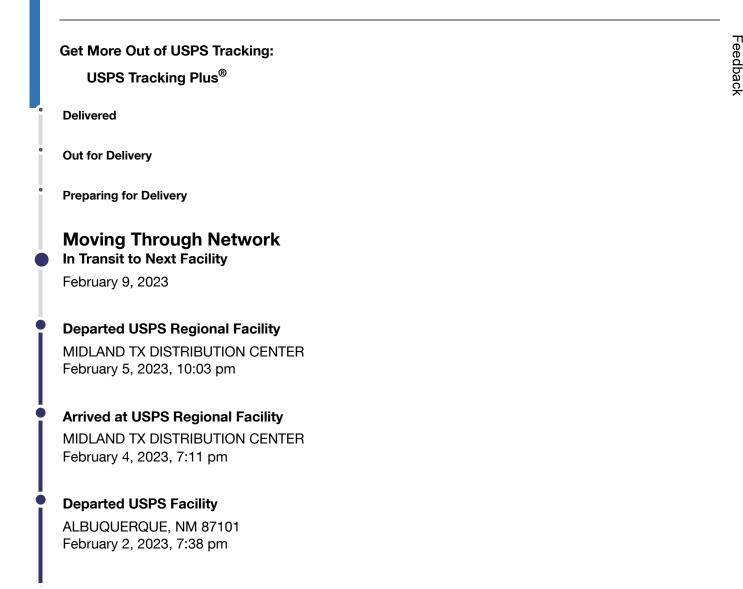
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• Arrived at USPS Facility ALBUQUERQUE, NM 87101 February 2, 2023, 6:23 pm		
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FAQs >

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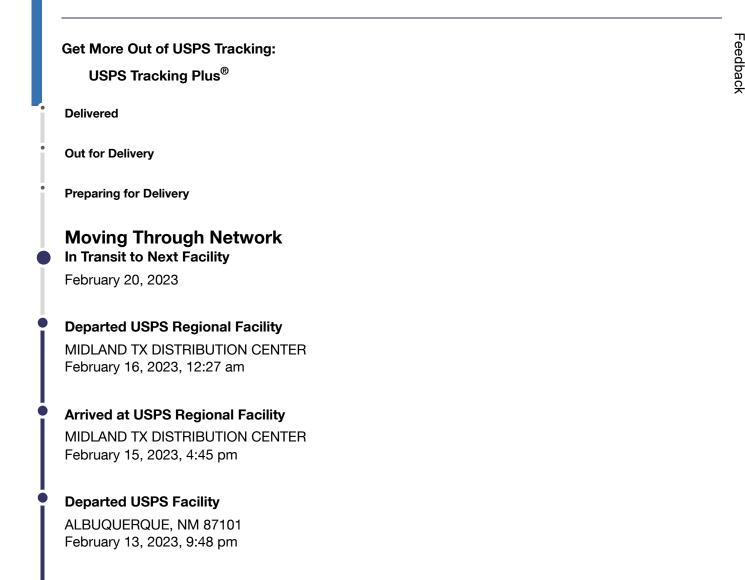
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atysed by OGD: 3/14/2023 3:57:36 PM	USPS.com® - USPS Tracking® Results	Page 86 0
• Arrived at USPS Facility ALBUQUERQUE, NM 87101 February 13, 2023, 9:24 pm		
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### **Carlsbad Current Argus.**

Affidavit of Publication Ad # 0005582412 This is not an invoice

HINKLE SHANOR LLP 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:

02/07/2023

Legal Clerk

Subscribed and sworn before me this February 7,

2023: alce.

State of WI, County of Brown NOTARY PUBLIC

7-9

KATHLEEN ALLEN Notary Public State of Wisconsin

My commission expires

Ad # 0005582412 PO #: 0005582412 # of Affidavits: 1

This is not an invoice

COG Operating LLC Case No. 23344 Exhibit C-4

This is to notify all interest-ed parties, including Margi Fort Bruns, AKA, Marguerite Fort Bruns, AKA, Marguerite Fort Bruns, Lynn C. Charuk and Grace Charuk, Mitchel E. Cheney and Elizabeth L. Cheney, Chisos Minerals, LLC, Tommy L. Fort, Madison M. Hinkle, Rolla R. Hinkle III, OXY USA Inc., OXY Y-1 Company, Debra Kay Primera, Ricky Don Raindl, Robert Mitchell Raindl, and RFort Mineral Properties, LLC, and their successors and assigns, that the New Mexico Oil Conservation Di-vision will conduct a hearing Mexico Oil Conservation Di-vision will conduct a hearing on an application submitted by COG Operating LLC (Case No. 23344). 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 the instructions posted on the OCD Hearings website for that date: <u>https://www.e</u> <u>mnrd.nm.gov/ocd/hearing-</u> <u>info/</u>, Applicant applies for an order pooling all\_uncom-mitted interests in the Wolframp formation underan order pooling an anomalian of the wolfcamp formation under-lying a 1,535.8-acre, more or less, standard horizontal spacing unit comprised of Sections 23 and 26, and the N/2 N/2 and Lots 1, 2, 3, and 4 ("all") of irregular Section 35, Township 26 South, Range 28 East, Eddy County, New Mexico ("Unit"). Appli-cant seeks to dedicate the Unit to the following pro-posed wells ("Wells"): Keg Shell Fed Com 701H, Keg Shell Fed Com 701H, and Keg Shell Fed Com 901H, and Keg Shell Fed Com 902H, to be drilled from a surface be drilled from a surface hole location in Lot 4 of Sec-tion 35, Township 26 South, Range 28 East, to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 23, Township 26 South, Range 28 East; Keg Shell Fed Com 703H, to be drilled from a surface hole location in Lot 3 of Section 35, Township 26 South, Range 28 East, to a bottom hole location in the NW/4 NE/4 (Unit B) of Sec-tion 23, Township 26 South, Range 28 East; Keg Shell Fed Com 704H and Keg Shell Fed Com 705H, to be drilled from a surface hole location in Lot 2 of Section 35, Township 26 South, Range 28 East, to a bottom hole lo-cation in the NE/4 NW/4 (Unit C) of Section 23, Township 26 South, Range 28 East; Keg Shell Fed Com 706H, Keg Shell Fed Com 706H, and Keg Shell Fed Com 908H, and Keg Shell Fed Com 908H, and Keg Shell Fed Com 50 South, Range 28 East; to a bottom hole lo-cation in the NW/4 NW/4 (Unit D) of Section 35, Township 26 South, Range 28 East, to a bottom hole lo-cation in the NW/4 NW/4 (Unit D) of Section 35, Township 26 South, Range 28 East; Keg Shell Fed Com 903H and Keg Shell Fed Com be drilled from a surface hole location in Lot 4 of Secfrom a surface hole location in Lot 4 of Section 35, Township 26 South, Range 28 East, to a bottom hole lo-cation in the NW/4 NE/4 (Unit B) of Section 35, Township 26 South, Range

20 East, and key shen reu Com 906H and Keg Shell Fed Com 907H, to be drilled from a surface hole location in Lot 1 of Section 35, Township 26 South, Range 28 East, to a bottom hole location in NE/4 NW/4 (Unit C) of Section 23, Township 26 South, Range 28 East. The completed intervals of the Wells will be orthodox. The completed interval of the Keg Shell Fed Com 906H well will be located within 330' of the line separating the E/2 and W/2 of Sections 23, 26, and 35 to allow for the creation of a 1,535.8acre standard horizontal spacing unit. 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 Wells, and a 200% charge for the risk involved in drilling and completing the Wells. The Wells are located approximately 13.6miles-south of Malaga; New-Mexico. #5582412, Current Argus, February 7, 2023

1.20