

COG OPERATING LLC Sebastian Federal Com #704H Well Lea County, New Mexico

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

APPLICATION OF COG OPERATING LLC TO POOL ADDITIONAL INTEREST OWNERS UNDER ORDER NO. R-21072-A, LEA COUNTY, NEW MEXICO.

CASE NO. 21456 ORDER NO. R-21072-A

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

APPLICATION OF COG OPERATING LLC TO POOL ADDITIONAL INTEREST OWNERS UNDER ORDER NO. R-21072-A LEA COUNTY, NEW MEXICO

CASE NO. 21456 ORDER NO. R-21072-A (Re-Open)

APPLICATION

COG Operating LLC ("COG") (OGRID No. 229137), through its undersigned attorneys, hereby files this application with the Oil Conservation Division ("Division") for the limited purpose of pooling an additional interest owner under the terms of Division Order No. R-21072-A. In support of its application, COG states:

- 1. The Division entered Order No. R-21072-A in Case No. 21310 on July 29, 2020, which conformed Order No. R-21072 to the amended order template described in the Letter of the Division Director dated April 9, 2020 (RE: Amendments to Compulsory Pooling Order Template).
- 2. The Division entered Order No. R-21072 in Case No. 20931 on December 12, 2019, which created a 160-acre, more or less, standard horizontal spacing unit comprised of the W/2E/2 of Section 18, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico ("Unit") and designated COG as the operator of the Unit.
- 3. Order No. R-21072 further pooled all uncommitted interests within the Upper Wolfcamp Pool (Pool Code: 98135) underlying the Unit and dedicated the Unit to the Sebastian Federal Com #704H well, which is horizontally drilled from a surface hole location in the NW4/NE4

(Unit B) of Section 18 to a bottom hole location in the SW4/SE4 (Unit O) of Section 18, Township 24 South, Range 34 East.

- 4. Since the entry of Order No. R-21072-A, COG has identified an additional mineral interest owner in the Unit that has not been pooled pursuant to the terms of Order No. R-21072.
- 5. In order to permit COG to obtain its just and fair share of the oil and gas underlying the subject lands, COG requests that Order No. R-21072-A be opened for the limited purpose of pooling the additional mineral interest owner in the Unit pursuant to the terms of Order No. R-21072-A.

WHEREFORE, COG requests that this application be set for hearing before an Examiner of the Oil Conservation Division on October 8, 2020, and, after notice and hearing as required by law, the Division pool the additional interest owner pursuant to the terms of Order No. R-21072-A.

Respectfully submitted,

COG OPERATING LLC

/s/ Michael Rodriguez

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

ATTORNEYS FOR COG OPERATING LLC

CASE ____:

Application of COG Operating LLC to pool additional interest owners under Order No. R-21072-A, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division for the limited purpose of pooling an additional interest owner under the terms of Division Order No. R-21072-A. The Division entered Order No. R-21072-A in Case No. 21310 on July 29, 2020, which conformed Order No. R-21072 to the amended order template described in the Letter of the Division Director dated April 9, 2020 (RE: Amendments to Compulsory Pooling Order Template). The Division entered Order No. R-21072 in Case No. 20931 on December 12, 2019, which created a 160-acre, more or less, standard horizontal spacing unit comprised of the W/2E/2 of Section 18, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico ("Unit") and designated COG as the operator of the Unit. Order No. R-21072 further pooled all uncommitted interests within the Upper Wolfcamp Pool (Pool Code: 98135) underlying the Unit and dedicated the Unit to the Sebastian Federal Com #704H well, which is horizontally drilled from a surface hole location in the NW4/NE4 (Unit B) of Section 18 to a bottom hole location in the SW4/SE4 (Unit O) of Section 18, Township 24 South, Range 34 East.

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

APPLICATION OF COG OPERATING LLC TO POOL ADDITIONAL INTEREST OWNERS UNDER ORDER NO. R-21072-A LEA COUNTY, NEW MEXICO

> CASE NO. 21456 ORDER NO. R-21072-A

LANDMAN AFFIDAVIT

Matthew Solomon, of lawful age and being first duly sworn, declares as follows:

1. My name is Matthew Solomon, and I am a Landman with COG Operating LLC

("COG").

1. I have previously testified before the New Mexico Oil Conservation Division

("Division") as an expert witness in petroleum land matters. My credentials as a petroleum

landman have been accepted by the Division and made a matter of record.

2. I am familiar with the application filed by COG in this case and familiar with the

status of the lands in the subject area.

3. I do not anticipate any opposition to these consolidated cases or the presentation of

these cases by affidavit.

4. The Division entered Order No. R-21072-A in Case No. 21310 on July 29, 2020,

which conformed Order No. R-21072 to the amended order template described in the Letter of the

Division Director dated April 9, 2020 (RE: Amendments to Compulsory Pooling Order Template).

- 5. The Division entered Order No. R-21072 in Case No. 20931 on December 12, 2019, which created a 160-acre, more or less, standard horizontal spacing unit comprised of the W/2E/2 of Section 18, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico ("Unit") and designated COG as the operator of the Unit.
- 6. Order No. R-21072 further pooled all uncommitted interests within the Upper Wolfcamp Pool (Pool Code: 98135) underlying the Unit and dedicated the Unit to the Sebastian Federal Com #704H well, which is horizontally drilled from a surface hole location in the NW4/NE4 (Unit B) of Section 18 to a bottom hole location in the SW4/SE4 (Unit O) of Section 18, Township 24 South, Range 34 East.
 - 7. Exhibit 2 contains Division Order No. R-21072.
 - 8. Exhibit 3 contains Division Order No. R-21072-A.
- 9. Since the entry of Order No. R-21072-A, COG has identified an additional unleased mineral interest owner in the Unit that has not been pooled pursuant to the terms of Order No. R-21072.
- 10. **Exhibit 4** identifies the unleased mineral interest owner to be pooled under the terms of Order No. 21072 and the location of its interests COG seeks to pool within the subject tracts.
- 11. Exhibit 5 contains a lease offer and letter to the unleased mineral interest owner advising it of COG's intent to include its' interests under the terms of Division Order No. R-21072.
- 12. I have provided COG's legal counsel the name and address of the unleased mineral interest owner COG seeks to pool and instructed that they be notified of this hearing. Additionally, notice of this hearing was timely published in a newspaper of general circulation in Lea County, New Mexico.

- 13. COG requests this additional unleased mineral interest owner be pooled pursuant to the terms of Order No. R-21072.
- 14. Exhibits 1 through 5 were either prepared by me or compiled under my direction and supervision.

THIS CONCLUDES AFFIANT'S STATEMENT.

| THIS CONCLUDES AFFI | ANI SSIATEMENI. |
|------------------------|-----------------------------------------------------------------------------------------------|
| | Affiant |
| STATE OF TEXAS |) |
| COUNTY OF MIDLAND | } |
| SUBSCRIBED and SWOR | N to before me this 30th day of September 2010 by |
| melhasolomou | Laura R Payma NOTARY PUBLIC |
| My Commission Expires: | |
| 2-14-2023 | Laura R Reyria Notary Public, State of Texas Notary ID 199645-1 My Commission Exp. 02-14-2023 |

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

IN THE MATTER OF APPLICATION FOR COMPULSORY POOLING SUBMITTED BY COG OPERATING LLC

CASE NO. 20931 ORDER NO. R-21072

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on December 12, 2019, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

- 1. COG Operating, LLC ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
- 2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit
- Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
- 4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
- 5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

Hearing Date: October 6, 2020

CONCLUSIONS OF LAW

- 6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 7. Operator is the owner of an oil and gas working interest within the Unit.
- 8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
- 10. Operator has the right to drill the Well(s) to a common source of supply at the described depth(s) and location(s) in the Unit.
- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the Surface Location or Bottom Hole Location of a well is changed from the location described in Exhibit A, Operator shall submit an amended Exhibit A, which the Division shall append to this Order.
- 19. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location before commencing production of the well.
- 20. The Operator shall commence drilling the initial well within one (1) year after the date of this Order; and (b) for an infill well, no later than thirty (30) days after completion of the well.

CASE NO. <u>20931</u> ORDER NO. <u>R-21072</u>

- 21. Operator shall comply with the infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC.
- 22. This Order shall terminate automatically if Operator fails to comply with Paragraphs 20 or 21.
- 23. Operator shall submit to OCD and each owner of a working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs") no later than: (a) for an initial well, no later than thirty (30) days after the date of this Order; (b) for an infill well proposed by Operator, no later than (30) days after the later of the initial notice period pursuant to 19.15.13.10(B) NMAC or the extension granted by the OCD Director pursuant 19.15.13.10(D) NMAC; or (c) for an infill well proposed by an owner of a Pooled Working Interest, no later than thirty (30) days after expiration of the last action required by 19.15.13.11 NMAC.
- 24. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
- 25. No later than within one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 26. No later than sixty (60) days after the later of the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.

- 27. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
- 28. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
- 29. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
- Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
- 31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to OCD and each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 et seq., and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 et seq.

- 34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

ADRIENNE SANDOVAL

DIRECTOR

AS/jag

Date: February 7, 2020_

Exhibit A

Applicant: COG Operating LLC

Operator: COG Operating LLC (OGRID 229137)

Spacing Unit: Horizontal Oil

Building Blocks: quarter-quarter sections
Spacing Unit Size: 160 acres, more or less

Orientation of Unit: North to South

Spacing Unit Description: W/2 E/2 of Section 18, Township 24 South, Range 34 East in

Lea County.

Pooling this Vertical Extent: Wolfcamp Formation

Depth Severance? (Yes/No): No

Pool: Upper Wolfcamp (98135)
Pool Spacing Unit Size: quarter-quarter sections
Governing Well Setbacks: Horizontal Oil Well Rules

Governing Well Setbacks: Ho
Pool Rules: Lat

Latest Horizontal Rules apply.

Proximity Tracts: <u>None Included</u>

Monthly charge for supervision: While drilling: \$7000 While producing: \$700 As the charge for risk, 200 percent of reasonable well costs.

Proposed Well:

Sebastian Federal Com 704H

SHL: 250 feet from the North line and 2225 feet from the East line,

(Unit B) of Section 18, Township 24 South, Range 34 East, NMPM, Lea County.

BHL: 50 feet from the South line and 2310 feet from the East line,

(Unit O) of Section 18, Township 24 South, Range 34 East, NMPM, Lea County.

Completion Target: Wolfcamp at approximately 12,025 feet TVD.

Well Orientation: North to South.

Completion Location expected to be: standard.

CASE NO. <u>20931</u> ORDER NO. <u>R-21072</u>

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

IN THE MATTER OF APPLICATION FOR COMPULSORY POOLING SUBMITTED BY COG OPERATING, LLC

CASE NO. 21309 ORDER NO. R-21072-A

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on July 21, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order:

FINDINGS OF FACT

- 1. COG Operating, LLC ("Operator"), applied to conform Order R-21072 ("Exising Order") issued in Case No. 20931 with the Division's recently amended order template ("Amended Template").
- 2. Operator is in good standing under state-wide rules and regulations with respect to the Existing Order.
- 3. Operator has reviewed and agrees to the terms and conditions in the ordering paragraphs of the Amended Template.
- 4. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

- 5. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 6. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
- 7. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
- 8. This Order affirms the Findings of Fact and Conclusions of Law in the Existing Order and replaces the ordering paragraphs 15-35 in the Existing Order as stated below.

Hearing Date: October 6, 2020

ORDER

- 9. The uncommitted interests in the Unit are pooled as set forth in Exhibit A as appended to the original order and incorporated by reference herein.
- 10. The Unit shall be dedicated to the Well(s) set forth in aforesaid Exhibit A.
- 11. Operator is designated as operator of the Unit and the Well(s).
- 12. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 13. The Operator shall commence drilling the Well(s) within one year after the date of this Order and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 14. This Order shall terminate automatically if Operator fails to comply with Paragraph 13 unless Operator obtains an extension by an amendment of this Order for good cause shown.
- 15. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 16. Operator shall submit to each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
- 17. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
- 18. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of

CASE NO. 21309 ORDER NO. R-21072-A

- the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 19. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
- 20. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
- 21. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
- 22. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
- 23. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
- 24. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 23 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 25. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled

- Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 26. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 27. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 et seq., and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 et seq.
- 28. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 29. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

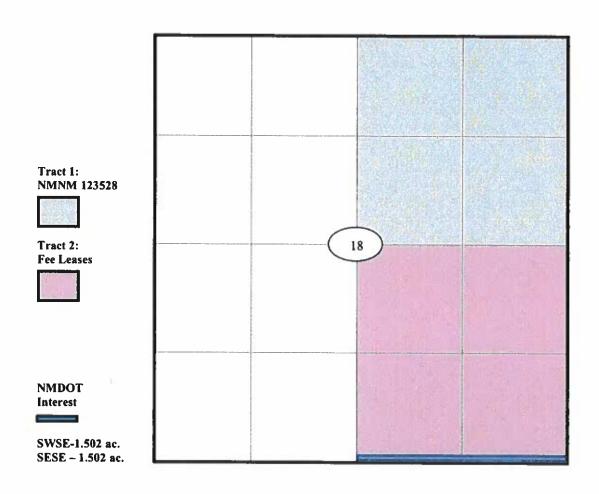
STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

ADRIENNE SANDOVAL DIRECTOR AES/kms Date: 7/29/2020

EXHIBIT 4

Plat of area covering 320 acres in E/2 of Section 18, Township 24 South, Range 34 East, N.M.P.M., Lea County, New Mexico

E/2 Sebastian Fed Com





May 22, 2020

Via Certified Mail - Return Receipt Requested

State of New Mexico Dept of Transportation

Attn: John Lopez P. O. Box 1149 Santa Fe, NM 87504

Re: Well Proposal - Sebastian Federal Com #703H & #704H

Sec 18: E/2 - T24S-R34E Sec 19: E/2 - T24S-R34E

SHL: 250' FNL/ 2195' FEL, or a legal location in Sec 18 (Unit B) BHL: 50' FSL/ 1650' FEL, or a legal location in Sec 24 (Unit O)

Lea County, New Mexico

Dear Sir/Madam:

COG is proposing to drill the captioned well. The details are as follows:

The Sebastian Federal Com 703H well has a surface hole location of 260' FNL and 2225' FEL of Section 18 and a bottom hole location of 50' FSL and 990' FEL of Section 19, 24S-34E, or at a legal location as approved by the governing regulatory agency, to a TVD of approximately 12,365' and a MD of approximately 22,500' to test the Wolfcamp Formation ("Operation"). The total cost of the Operation is estimated to be \$14,571,989.00, and a detailed description of the cost is set out in the enclosed Authority for Expenditure ("AFE").

The Sebastian Federal Com 704H well has a surface hole location of 260' FNL and 2225' FEL of Section 18 and a bottom hole location of 50' FSL and 2310' FEL of Section 19, 24S-34E, or at a legal location as approved by the governing regulatory agency, to a TVD of approximately 12,365' and a MD of approximately 22,500' to test the Wolfcamp Formation ("Operation"). The total cost of the Operation is estimated to be \$14,571,989.00, and a detailed description of the cost is set out in the enclosed Authority for Expenditure ("AFE").

COG is proposing to drill this well under the terms of the modified 1989 AAPL form of Operating Agreement. The Operating Agreement covers Sec 18: E/2 - T24S-R34E and Sec 19: E/2 - T24S-R34E. It has the following general provisions:

- 100/300 Non-Consenting Penalty
- \$7,000/\$700 Drilling and Producing Rate
- COG Operating LLC named as Operator

Please indicate your participation election in the space provided below, sign and return this letter, along with a signed copy of the enclosed AFE and a copy of your geologic well requirements. A self-addressed, postage paid envelope is enclosed for your convenience. If you do not wish to participate, COG would like to lease your minerals under the following general terms:

- Bonus of \$5,000 /Net Mineral Acre
- 4 Year Primary Term
- 20% Royalty Interest

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico
Case No. 21456 Exhibit No. 5
Submitted by:
COG OPERATING LLC

Hearing Date: October 6, 2020

The Lease offer is subject to the approval of COG's management and verification of title.

If an agreement cannot be reached within 30 days of the date of this letter, COG will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a spacing unit for the proposed well if uncommitted at such time.

If you have any questions, please contact the undersigned at (432) 685-4352, or Msolomon@concho.com.

Respectfully,

Matt Solomon Senior Landman

| | I/We hereby elect to participate in the Sebastian Federal Com 703H |
|------------|--------------------------------------------------------------------|
| ····· | I/We hereby elect to lease under the terms provided |
| | |
| ···. | I/We hereby elect to participate in the Sebastian Federal Com 704H |
| | I/We hereby elect to lease under the terms provided |
| Company: _ | New Mexico Dept of Transportation |
| Ву: _ | |
| Name: _ | |
| Title: _ | |
| Date: | |

COG OPERATING LLC AUTHORITY FOR EXPENDITURE DRILLING

| WELL NAME: | SEBASTIAN FED COM #703H | PROSPECT NAME: | Bulldog 2434 (717040) |
|------------|-----------------------------|-----------------|-----------------------|
| SHL: | Sec 18: 260 FNL & 2225 FEL | STATE & COUNTY: | New Mexico, Lea |
| BHL: | Sec 19: 50 FSL & 990 FEL | OBJECTIVE: | Drill and Complete |
| FORMATION: | Wolfcamp | DEPTH: | 22,500 |
| LEGAL: | Sections 18 & 19, T24S-R34E | TVD: | 12.369 |

| | | Orlg - Rig | | | | Tank Bitty | | Pmna | |
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| INTANGIBLE COSTS Title/Curative/Permit | 201 | Release(D) 20,000 | | Completion(C) | | Constrctn(TB) | | Pmpg Equipment(PEQ) | TOTAL |
| Insurance | 202 | 2,500 | 302 | - Page 1900 Page 1900 Page 1900 | | | | Charles of the Control of the Contro | 20,000 |
| Damages/Right of Way | 203 | 20,000 | 303 | | 351 | | | Company of the Compan | 20,000 |
| Survey/Stake Location | 204 | 7,000 | | 57,000 | 352 | | | | 64,000 |
| Location/Pits/Road Expense | 205 | 180,000 | 305 | 10,000 | 353 | 54,000 | 366 | | 244,000 |
| Dritting / Completion Overhead | 206 | 15,000 | 306 | 15,000 | | | | NA THE PROPERTY OF | 30,000 |
| Turnkey Contract | 207 | 0 | 307 | 1,168,000 | | | | 1970 - Jan 1970 | 1,168,000 |
| Footage Contract | 208 | 0 | 308 | 422,000 | | ACCORDANGE AND A | | | 422,000 |
| Daywork Contract | 209 | 1,277,000 | 309 | 719,000 | | Name of the last | | Call Service in Alexander | 1,996,000 |
| Directional Drilling Services | 210 | 538,000 | 310 | 336,000 | | MINERAL PROPERTY. | | Section (SSS) Area (SSS) | 874,000 |
| Fuel & Power | 211 | 228,000 | 311 | | 354 | | 367 | | 296,000 |
| Water | 212 | 100,000 | 312 | 868,000 | | AND THE PROPERTY OF THE PARTY. | 368 | | 968,000 |
| Bits | 213 | 180,000 | 313 | | | CONTRACTOR AND A | 369 | | 180,000 |
| Mud & Chemicals | 214 | 420,000 | 314 | | | Burn market votet and or | 370 | | 420,000 |
| Drill Stem Test | 215 | 0 | 315 | 550,000 | | A CONTRACTOR OF THE PARTY OF TH | | | 550,000 |
| Coring & Analysis | 216 | 0 | | AND March 128 AND FACE | | ALC: LEWIS CONSTRUCTION | | | 0 |
| Cement Surface | 217 | 27,900 | | State | | | | | 27,900 |
| Cement Intermediate | 218 | 83,700 | | | | CONTRACTOR OF THE PERSON OF TH | | | 83,700 |
| Cement 2nd Intermediate/Production | 219 | 116,300 | | APPRING BARRIED LIBERT | | | | | 116,300 |
| Cement Squeeze & Other (Kickoff Plug) | 220 | 0 | | CO. C. | | Contract Contract Contract | 371 | | 0 |
| Float Equipment & Centralizers | 221 | 70,000 | | transfer de la company | | | | COMPANY OF THE PARTY OF THE PAR | 70,000 |
| Casing Craws & Equipment | 222 | 80,000 | | | | ASSESSED FROM | | Mark Rose Contractor | 80,000 |
| Fishing Tools & Service | 223 | 0 | 323 | | | | 372 | | 00,000 |
| Geologic/Engineering | 224 | 16,800 | 324 | | 355 | | 373 | | 16,800 |
| Contract Labor | 225 | 6,500 | 325 | 20,000 | 356 | 316,585 | 374 | 6,500 | 349,585 |
| Company Supervision | 226 | 90,000 | 326 | 15,000 | 357 | | 375 | 0.555 | 105,000 |
| Contract Supervision | 227 | 212,000 | 327 | 295,000 | 358 | | 376 | 5,000 | 512,000 |
| Testing Casing/Tubing | 228 | 40,000 | 328 | 5,000 | 0 | and the second second second | 377 | 3,000 | 45,000 |
| Mud Logging Unit | 229 | 71,000 | 329 | 68,000 | | AND TOWNS OF THE PARTY OF | 917 | No the Control of the | |
| Logging Crist | 230 | 71,000 | 747 | 00,000 | | No. of Lot, House, and House, the | 378 | | 139,000 |
| Perforsting/Wireline Services | 230 | 10,000 | 331 | 404,000 | | | 378 | | - 0 |
| Stimulation/Treating | 231 | 10,000 | | | | | | | 414,000 |
| Completion Unit | | NAME AND ADDRESS | 332 333 | 140,000 | | | 380 381 | 10,000 | 150,000 |
| | | | 334 | 140,000 | | | | | 150,000 |
| Swabbing Unit | 235 | 200 000 | | | 250 | And the second s | 382 | 0 | 0 |
| Rentals-Surface | | 300,000 | 335 | | 359 | ALTERNATION OF THE PARTY OF THE | 383 | 7,000 | 307,000 |
| Rentals-Subsurface | 236 | 175,000 | 336 | 30,000 | | | 384 | 0 | 205,000 |
| Trucking/Forkift/Rig Mobilization | 237 | 265,000 | 337 | 20,000 | 360 | | 385 | 3,000 | 288,000 |
| Welding Services | 238 | 6,000 | 338 | 5,000 | 361 | | 386 | | 11,000 |
| Water Disposal_ | 239 | | 339 | 60,000 | 362 | 200,000 | 387 | | 260,000 |
| Plug to Abandon | 240 | | 340 | | | DESIGNATION OF THE PERSON | | A DESCRIPTION OF THE PARTY | 0 |
| Seismic Analysis | 241 | | 341 | | | Contain the Beauty | | are the second | 0 |
| Miscellaneous | 242 | | 342 | | | | 389 | | 0 |
| Contingency | 243 | 103,000 | 343 | 200,000 | 363 | | 390 | | 303,000 |
| Closed Loop & Environmental | 244 | 550,000 | 344 | 0 | 364 | | 388 | | 550,000 |
| Coll Tubing | | A TATAL BEAUTIFUL BARRETON | 346 | 466,000 | | | | Section of the second section of the second | 466,000 |
| Flowback Crews & Equip | | STATE OF THE PARTY OF THE PARTY. | 347 | 750,000 | | | | Charles of the same of | 750,000 |
| Offset Directional/Frac | 248 | | 348 | | | | | | 0 |
| TOTAL INTANGIBLES | | 5,210,700 | | 6,691,000 | | 570,585 | | 31,500 | 12,503,785 |
| TANOIS E 000TO | | | | | | | | | |
| TANGIBLE COSTS | | | | Name and Address of the Park | | went to the same to the same of | | CHARLES CONTRACTOR OF THE | |
| Surface Casing | 401 | 47,000 | | PARTICIPATION OF STREET | | ATTICLE MEDICAL PROPERTY. | | TO A DECEMBER PRODUCES | 47,000 |
| Intermediate Casing | 402 | 459,000 | | ACCOUNT NEWSFILM | | | | | 459,000 |
| Production Casing/Liner | 403 | 471,000 | | THE PROPERTY OF THE PROPERTY O | | Marks-Walles | | THE RESIDENCE OF THE PARTY OF T | 471,000 |
| Tubing | | 2005,1919年2月1日日日 | 504 | 52,000 | | THE PART HER PARTY IN | 530 | 10,000 | 62,000 |
| Weltheed Equipment | 405 | 75,000 | 505 | 22,000 | | | 531 | 3,000 | 100,000 |
| Pumping Unit | | | | | | Market Branch | 506 | 98,000 | 98,000 |
| Prime Mover | | | | ALPEN PROPERTY. | | TOTAL DESCRIPTION OF | 507 | 0 | 0 |
| Rods | | Half Sulphysbull 1998 | | CAR CHO CONTRACTOR | | MAYOR DESCRIPTION REALS | 508 | 65,000 | 65,000 |
| Pumps-Sub Surface (BH) | | ALCOHOL: TORWING | 509 | | | AND DESCRIPTION OF THE PARTY OF | 532 | 5,500 | 5,500 |
| Tanks | | | | 3615000000000000000000000000000000000000 | 510 | 63,583 | | With Street Services | 63,583 |
| Flowlines | | | | Contract the second | 511 | 33,333 | | CONTRACTOR SOURCE | 33,333 |
| Heater Treater/Separator | | character of the Alberta | | CHARLES SEE | 512 | 99,618 | | ALIAN CONTROL SUPPLIES | 99,618 |
| Electrical System | | AND DESCRIPTIONS | | Transmission of | 513 | 20,833 | 533 | 20,000 | 40,833 |
| Packers/Anchors/Hangers | 414 | | 514 | 66,000 | | XBUILDAD XXXX ILIUW | 534 | 2,000 | 68,000 |
| Couplings/Fittings/Valves | 415 | | | NAME OF THE OWNER. | 515 | 175,731 | | (10) 101 10 10 10 10 10 10 10 10 10 10 10 10 | 175,731 |
| Dehydration | _ | TO THE LOCATION OF THE PARTY OF | | CONTROL OF STREET | 517 | | | KU SEWSWESSES | 0 |
| | | THE RESERVE AND VEHICLE | | (resemble second to a | 518 | | | | |
| | | | | Colored and Relia | 521 | 10,000 | | the second control | 10,000 |
| Injection Plant/CO2 Equipment | | MUDIC SCRIPTION OF SCHOOL | | | 522 | 19,167 | #20 | 7,000 | 26,167 |
| Injection Plant/CO2 Equipment Pumps-Surface | | on the section of the section of | | | | | | 1,000 | |
| Injection Plant/CO2 Equipment Pumps-Surface Instrumentation/SCADA/POC | #10 | me regionale victoria Schoolee (Miller e - 75) | 510 | | | | 529 535 | 3 000 | 77 070 |
| Injection Plant/CO2 Equipment Pumps-Surface Instrumentation/SCADA/POC Miscellaneous | 419 420 | | 519 520 | | 523 | 74,939 | 535 | 3,000 | 77,939 |
| Injection Plant/CO2 Equipment Pumps-Surface Instrumentation/SCADA/POC Miscellaneous Contingency | 419 420 | | 519 520 | | 523 524 | 74,939 | | 3,000 | 0 |
| Injection Plant/CO2 Equipment Pumps-Surface Instrumentation/SCADA/POC Miscellaneous Contingency Meters/LACT | | | | | 523 524 525 | 74,939 | 535 | 3,000 | 0 35,500 |
| Injection Plant/CO2 Equipment Pumps-Surface Instrumentation/SCADA/POC Miscellaneous Contingency Meters/LACT Flares/Combusters/Emission | | | 520 | 50,000 | 523 524 525 526 | 74,939 35,500 13,333 | 535 536 | 3,000 | 35,500 13,333 |
| Injection Plant/CO2 Equipment Pumps-Surface Instrumentation/SCADA/POC Miscellaneous Contingency Meters/LACT Flares/Combusters/Emission Ges Lift/Compression | | 1 023 000 | | | 523 524 525 | 74,939 35,500 13,333 66,667 | 535 | | 0 35,500 13,333 116,667 |
| Injection Plant/CO2 Equipment Pumps-Surface Instrumentation/SCADA/POC Miscellaneous Contingency Meters/LACT Flares/Combusters/Emission Ges Lift/Compression TOTAL TANGIBLES | | 1,052,000 6,262,700 | 520 | 190,000 | 523 524 525 526 | 74,939 35,500 13,333 66,667 612,704 | 535 536 | 213,500 | 0 35,500 13,333 116,667 2,068,204 |
| Injection Plant/CO2 Equipment Pumps-Surface Instrumentation/SCADA/POC Miscellaneous Contingency Meterx/LACT Flares/Combusters/Emission Ges Lift/Compression TOTAL TANGIBLES TOTAL WELL COSTS % of Total Well Cost | | 1,052,000 6,262,700 43% | 520 | | 523 524 525 526 | 74,939 35,500 13,333 66,667 | 535 536 | | 35,500 13,333 116,667 |
| Injection Plant/CO2 Equipment Pumps-Surface Instrumentation/SCADA/POC Miscellaneous Contingency Meterx/LACT Flares/Combusters/Emission Ges Lift/Compression TOTAL TANGIBLES TOTAL WELL COSTS % of Total Well Cost | | 6,262,700 43% | 520 | 190,000 6,881,000 | 523 524 525 526 | 74,939 35,500 13,333 66,667 612,704 1,183,289 | 535 536 | 213,500 245,000 | 0 35,500 13,333 116,667 2,068,204 |
| Injection Plant/CO2 Equipment Pumps-Surface Instrumentation/SCADA/POC Miscellaneous Contingency Meters/LACT Flares/Combusters/Emission Ges Lift/Compression TOTAL TANGIBLES TOTAL WELL COSTS % of Total Well Cost COG Operating LLC | | 6,262,700 | 520 | 190,000 6,881,000 47% | 523 524 525 526 | 74,939 35,500 13,333 66,667 612,704 1,183,289 | 535 536 | 213,500 245,000 | 0 35,500 13,333 116,667 2,068,204 |
| Injection Plant/CO2 Equipment Pumps-Surface Instrumentation/SCADA/POC Miscellaneous Contingency Meterz/LACT Flares/Combusters/Emission Ges Lift/Compression TOTAL TANGIBLES TOTAL WELL COSTS | | 6,262,700 43% Date Prepared: | 520 | 190,000 6,881,000 47% | 523 524 525 526 | 74,939 35,500 13,333 66,667 612,704 1,183,289 | 535 536 | 213,500 245,000 | 0 35,500 13,333 116,667 2,068,204 |
| Injection Plant/CO2 Equipment Pumps-Surface Instrumentation/SCADA/POC Miscellaneous Contingency Meters/LACT Flares/Combusters/Emission Ges Lift/Compression TOTAL TANGIBLES TOTAL WELL COSTS % of Total Well Cost COG Operating LLC We approve:% Working Interest | | 6,262,700 43% Date Prepared: | 520 | 190,000 6,881,000 47% 7/15/19 | 523 524 525 526 | 74,939 35,500 13,333 66,667 612,704 1,183,289 | 535 536 | 213,500 245,000 | 0 35,500 13,333 116,667 2,068,204 |
| Injection Plant/CO2 Equipment Pumps-Surface Instrumentation/SCADA/POC Miscellaneous Contingency Meters/LACT Flares/Combusters/Emission Ges Lift/Compression TOTAL TANGIBLES TOTAL WELL COSTS % of Total Wall Cost COG Operating LLC We approve: | | 6,262,700 43% Date Prepared: | 520 | 190,000 6,881,000 47% 7/15/19 | 523 524 525 526 | 74,939 35,500 13,333 66,667 612,704 1,183,289 | 535 536 | 213,500 245,000 | 0 35,500 13,333 116,667 2,068,204 |

COG OPERATING LLC AUTHORITY FOR EXPENDITURE DRILLING

| WELL NAME: | SEBASTIAN FED COM #704H | PROSPECT NAME: | Buildog 2434 (717040) |
|--------------|-----------------------------|-----------------|-----------------------|
| SHL: BHL: | Sec 18: 260 FNL & 2255 FEL | STATE & COUNTY: | New Mexico, Lea |
| | Sec 19: 50 FSL & 2310 FEL | OBJECTIVE: | Drill and Complete |
| FORMATION: | Wolfcamp | DEPTH: | 22,600 |
| LEGAL: | Sections 18 & 19, T24S-R34E | TVD: | 12.365 |

| | | | | | | | _ | | |
|--------------------------------------------|------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------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| | | <u>Drig - Rig</u> | | | | Tank Btty | | Pmpq | |
| INTANGIBLE COSTS | | Release(D) | | Completion(C) | | Constrctn(TB) | | Equipment(PEQ) | TOTAL |
| Title/Curative/Permit | 201 | 20,000 | | Participation of the second | | | | | 20,000 |
| Insurance | 202 | 2,500 | 302 | | | SAME OF THE PARTY | | | 2,500 |
| Damages/Right of Way | 203 | 20,000 | 303 | | 351 | | | Attition line and the same of | 20,000 |
| Survey/Stake Location | 204 | 7,000 | | 57,000 | 352 | | | REPRESENTATIONS | 64,000 |
| Location/Pits/Road Expense | 205 | 160,000 | 305 | | 353 | 54,000 | 366 | - 77 | 244,000 |
| Drilling / Completion Overhead | 206 | 15,000 | 306 | | | CONTRACTOR OF STREET | | Property and the second | 30,000 |
| Turnkey Contract | 207 | 0 | | | | Control (all lines of the letter) | | | 1,168,000 |
| Footage Contract | 208 | 0 | | | | AN ED HOUSE LIVES | | Show that the same of | 422,000 |
| Daywork Contract | 209 | 1,277,000 | 309 | | | | | | 1,996,000 |
| Directional Drilling Services Fuel & Power | 210 | 538,000 | 310 | | | Red Carlo Contract | | AND PERSONAL PROPERTY. | 874,000 |
| | 211 | 228,000 | 311 | 68,000 | 354 | | 367 | | 296,000 |
| Water Bits | 212 | 100,000 | 312 | 868,000 | | gertfortuner-spectrums | 368 | | 968,000 |
| Mud & Chemicals | 213 | 180,000 | 313 | | | NO SECULIAR DE LA CALIFICIA | 369 | | 180,000 |
| Drill Stem Test | 214 215 | 420,000 | 314 | | | DECEMBER 1 | 370 | | 420,000 |
| Coring & Analysis | 216 | 0 | 313 | 550,000 | | | | | 550,000 |
| Cement Surface | 217 | 27,900 | | And a commission of the commission of | | CONTRACTOR STATES | | | 0 |
| Cement Intermediate | 218 | 83,700 | | | | | | | 27,900 |
| Coment 2nd Intermediate/Production | 219 | 116,300 | | | | | | | 83,700 |
| Cement Squeeze & Other (Kickoff Plug) | 220 | 110,300 | | | | With the second second | 274 | | 116,300 |
| Float Equipment & Centralizers | 221 | 70,000 | | a Supratropage of the second | | | 371 | of the National States of the Control of the Contro | 0 |
| Casing Craws & Equipment | 222 | 80,000 | | er and the control of the control of | | The State of the Control of the Cont | | | 70,000 |
| Fishing Tools & Service | 223 | 0 | 323 | - | | | 372 | | 80,000 |
| Geologic/Engineering | 224 | 18,800 | 324 | | 355 | | 373 | - | 16,800 |
| Contract Labor | 225 | 6,500 | 325 | 20,000 | 356 | 316,585 | 374 | 6,500 | 349,585 |
| Company Supervision | 226 | 90,000 | 326 | 15,000 | 357 | 010,000 | 375 | 0,300 | 105,000 |
| Contract Supervision | 227 | 212,000 | 327 | 295,000 | 358 | | 376 | 5,000 | 512,000 |
| Testing Casing/Tubing | 228 | 40,000 | 328 | 5,000 | | LA COMPANY DE SAN | 377 | 2,000 | 45,000 |
| Mud Logging Unit | 229 | 71,000 | 329 | 68,000 | | TO US TO SERVICE STATE OF THE PARTY OF THE P | | DELETATIVE SERVICE | 139,000 |
| Logging | 230 | 0 | | -ul-thick partitions are us | | ED BEGGE WELL | 378 | | 135,000 |
| Perforating/Wireline Services | 231 | 10,000 | 331 | 404,000 | | CONTRACTOR CONTRACTOR | 379 | | 414,000 |
| Stimulation/Treating | | ETIMENES GRADISTISSEL | 332 | 0 | | constraint environ | 380 | | 0 |
| Completion Unit | | EP CHARGOS OFF | 333 | 140,000 | | A CONTRACTOR OF THE | 361 | 10,000 | 150,000 |
| Swabbing Unit | | STATE OF THE STATE OF | 334 | | | CAMPA SAMPANES OF | 382 | 0 | 0 |
| Rentats-Surface | 235 | 300,000 | 335 | | 359 | | 383 | 7,000 | 307,000 |
| Rentals-Subsurface | 236 | 175,000 | 336 | 30,000 | | ACTOR OF STREET | 384 | 0 | 205,000 |
| Trucking/Forkift/Rig Mobilization | 237 | 265,000 | 337 | 20,000 | 360 | | 385 | 3,000 | 288,000 |
| Walding Services | 238 | 6,000 | 338 | 5,000 | 361 | | 386 | | 11,000 |
| Water Disposal | 239 | | 339 | 60,000 | 362 | 200,000 | 387 | | 260,000 |
| Plug to Abandon | 240 | | 340 | | | 25-10-11-11-11-11-11-11-11-11-11-11-11-11- | | CHARLES MANUAL PROPERTY. | |
| Seismic Analysis | 241 | | 341 | | | and the Administration of Appropriate | | | 0 |
| Miscellaneous | 242 | | 342 | | | ALTERNATURE DESCRIPTION OF THE PERSON OF THE | 389 | A | 0 |
| Contingency | 243 | 103,000 | 343 | 200,000 | 363 | | 390 | | 303,000 |
| Closed Loop & Environmental | 244 | 550,000 | 344 | 0 | 364 | | 388 | | 550,000 |
| Coll Tubing | | | 346 | 466,000 | | TAPPENDATE BETTE | | William property of the Parish | 466,000 |
| Flowback Crews & Equip | | | 347 | 750,000 | | | | | 750,000 |
| Offset Directional/Frac | 248 | | 348 | | | RESIDENCE STATE | | DESCRIPTION FORM | 0 |
| TOTAL INTANGIBLES | | 5,210,700 | | 6,691,000 | | 570,585 | | 31,500 | 12,503,785 |
| TANGIBLE COSTS | | | | | | | | | |
| | 404 | 47.000 | | Activistic District Street Constitution | | - CONTRACTOR PORTER DATE | | mestrananistranani-re- | |
| Surface Casing Intermediate Casing | 401 402 | 47,000 459,000 | | The Control of the Part of the Control of the Contr | | A CONTRACT DESCRIPTION OF THE | | | 47,000 |
| Production Casing/Liner | 403 | 471,000 | | | | A STATE OF THE STA | | Particular Control of the Control of | 459,000 |
| Tubing | 403 | 471,000 | 504 | 52,000 | | | 530 | 10,000 | 471,000 |
| Welhead Equipment | 405 | 75,000 | 505 | 22,000 | | | 531 | 3,000 | 100,000 |
| Pumping Unit | 700 | 13,000 | 505 | 22,000 | | Character to recover to | 506 | | |
| Prime Mover | | plant for from constitute. | | and the second | | April 1985 April 1985 | 507 | 98,000 | 98,000 |
| Rods | | ATTREMESED AND ADDRESS OF THE PARTY OF THE P | | CESACIONAL PROPERTY OF THE PARTY OF THE PART | | ISTO Metadeses | 508 | 65,000 | 65,000 |
| Pumps-Sub Surface (BH) | | SSTYDN SCHOOL | 509 | | | Schargeraling | 532 | 5,500 | 5,500 |
| Tanks | | | | Section and sections and sections and sections are sections and sections are sections and sections are sections are sections and sections are sectio | 510 | 63,583 | ~~* | 5,300 | 63,583 |
| Flowlines | | | | TAXABLE DESCRIPTION | 511 | 33,333 | | | 33,333 |
| Heater Treater/Separator | | 15-015-27-01-14-04-14-07 | | Name of the Party | 512 | 99,618 | | Supplied Stores Hills | 99,618 |
| Electrical System | | | | criteria di Anni apparenta | 513 | 20,833 | 533 | 20,000 | 40,833 |
| Packers/Anchors/Hangers | 414 | | 514 | 66,000 | - | SECTION STREET | 534 | 2,000 | 68,000 |
| Couplings/Fittings/Valves | 415 | | | | 515 | 175,731 | | Charles West 2000 | 175,731 |
| Dehydration | | | | | 517 | | | STATE OF THE PARTY | 0 |
| Injection Plant/CO2 Equipment | | PERSONAL PROPERTY. | | | 518 | | | ELMSWED ENVEY | 0 |
| Pumps-Surface | | STORE | | | 521 | 10,000 | | 241 - 30197 | 10,000 |
| Instrumentation/SCADA/POC | | 5.但将电影4数位于陈藏公 | | 1995-1995-1999-1999 | 522 | 19,167 | 529 | 7,000 | 26,167 |
| Miscellaneous | 419 | | 519 | | 523 | 74,939 | 535 | 3,000 | 77,939 |
| Contingency | 420 | | 520 | | 524 | | 536 | | 0 |
| Meters/LACT | | | | and the second | 525 | 35,500 | | CONTRACTOR CANADAS NO | 35,500 |
| Flares/Combusters/Emission | | | | Masking Charles Assessed | 526 | 13,333 | | PRINTED REQUIREMENT | 13,333 |
| Gas Lift/Compression | | Ample 1887 BEST | 527 | | 516 | 66,667 | 528 | | 116,687 |
| TOTAL TANGIBLES | | 1,052,000 | | 190,000 | | 612,704 | | 213,500 | 2,068,204 |
| TOTAL WELL COSTS | | 6,262,700 | | 6,881,000 | | 1,183,269 | | 245,000 | 14,571,989 |
| % of Total Well Cost | | 43% | | 47% | | 8% | | 944 | |
| COG Operating LLC | | 45% | | 47% | | 8% | | 2% | |
| | | | | | | | | | |
| | | Date Prepared: | | 7/15/19 | | | | | |
| (E) | | | | | | | | | |
| | | | | | | | | | |
| | | COG Operating LLC | | | | | | | |
| We approve: | | COG Operating LLC | | Do 4 | | | | | |
| We approve:% Working Interest | | COG Operating LLC | | ВМ | _ | | | | |
| | | COG Operating LLC | | ВМ | | | | | |
| % Working Interest | | COG Operating LLC | | BM | | | | | |
| % Working Interest Company: | | COG Operating LLC | | ВМ | _ | | | | |

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

CONCHO RESOURCES Laura Reyna 600 W Winols Ava Midland, TX 79701 **USPS CERTIFIED MAIL**



9414 8149 0246 9822 0855 81

STATE OF NEW MEXICO DEPT OF TRANSPORTATION JOHN LOPEZ PO BOX 1149 SANTA FE, NM 87504

delivered blokozo

Shipper Ref: Reference 1: SEBASTIAN FED COM 703H & 704H

eference 1: WELL PROPOSAL

USPS Tracking Number: <u>9414814902469822085581</u>

Automatically Open Carrier Tracking Page Link

| Date | Time | Description | Location | Signed |
|------------|-------|-----------------------------------|--------------------------------|--------|
| 06/08/2020 | 06:13 | Delivered, PO Box | SANTA FE, NM 87501 | |
| 06/06/2020 | 10:59 | Available for Pickup | SANTA FE, NM 87501 | |
| 06/06/2020 | 10:57 | Arrived at Unit | SANTA FE, NM 87501 | |
| 06/05/2020 | 19:00 | Departed USPS Facility | ALBUQUERQUE, NM 87101 | |
| 06/05/2020 | 13:16 | Arrived at USPS Facility | ALBUQUERQUE, NM 87101 | |
| 06/05/2020 | 00:28 | Departed USPS Regional Facility | MIDLAND TX DISTRIBUTION CENTER | |
| 06/04/2020 | 21:13 | Arrived at USPS Regional Facility | MIDLAND TX DISTRIBUTION CENTER | |

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

APPLICATION OF COG OPERATING LLC TO POOL ADDITIONAL INTEREST OWNERS UNDER ORDER NO. R-21072-A, LEA COUNTY, NEW MEXICO.

CASE NO. 21456

AFFIDAVIT

| STATE OF NEW MEXICO |) | |
|---------------------|----|----|
| |): | SS |
| COUNTY OF SANTA FE |) | |

Michael Rodriguez, attorney and authorized representative of COG Operating LLC, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Application were provided under the notice letter and proof of receipts attached hereto.

Michael Rodriguez

SUBSCRIBED AND SWORN to before me this 6th day of October 2020 by Michael Rodriguez.



Notary Public

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 21456 Exhibit No. 6
Submitted by:
COG OPERATING LLC
Hearing Date: October 6, 2020

Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA

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

> Beginning with the issue dated September 24, 2020 and ending with the issue dated September 24, 2020.

Publisher

Sworn and subscribed to before me this 24th day of September 2020.

Business Manager

My commission expires

January 29, 2023 (Seal)



OFFICIAL SEAL **GUSSIE BLACK Notary Public** State of New Mexico My Commission Expires

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

LEGAL NOTICE September 24, 2020

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

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on October 8, 2020. During the COVID-19 Pubic Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. To participate in the electronic hearings see the instructions posted on the OCD Hearings website: http://www.emrrd.state.nm.us/OCD/announcements.html. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by September 28, 2020. Public documents, including the agenda and minutes, can be provided in various accessible formats. Members of the public may obtain copies of the docket by contacting Ms. Davidson at the phone number indicated above. Also, the docket will be posted on the Oil Conservation Division website at www.emnrd.state.nm.us/OCD/. Please contact Ms. Davidson if a summary or other type of accessible form is needed.

STATE OF NEW MEXICO TO: All named parties and persons having any right, title, interest or claim in the following case and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Méridian whether or not so stated.)

To: All working interest owners, overriding royalty interest owners, unleased mineral interest owners, and pooled parties, including: New Mexico Department of Transportation.

CASE 21456: Application of COG Operating LLC to pool additional Interest owners under Order No. R-21072-A, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division for the limited purpose of pooling an additional interest owner under the terms of Division Order No. R-21072-A. The Division entered Order No. R-21072-A in Case No. 21310 on July 29, 2020, which conformed Order No. R-21072 to the amended order template described in the Latter of the Division Director deted April 9, 2020 (PE 29, 2020, which conformed Order No. R-21072 to the amended order template described in the Letter of the Division Director dated April 9, 2020-(RE-Amendments to Compulsory Pooling Order Template). The Division entered Order No. R-21072 in Case No. 20931 on December 12, 2019, which created a 160-acre, more or less, standard horizontal spacing unit comprised of the W/2E/2 of Section 18, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico ("Unit") and designated COG as the operator of the Unit. Order No. R-21072 further pooled all uncommitted interests within the Upper Wolfcamp Pool (Pool Code: 98135) underlying the Unit and dedicated the Unit to the Sebastian Federal Com #704H well, which is horizontally drilled from a surface hole location in the NW4/NE4 (Unit B) of Section 18 to a bottom hole location in the SW4/SE4 (Unit O) of Section 18, Township 24 South, Range 34 East. #35840

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COG Operating LLC - SANTA FE 1048 PASEO DE PERALTA **SANTA FE, NM 87501**



September 18, 2020

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Case No. 21456: Application of COG Operating LLC to pool additional interest owners under Order No. R-21072-A, Lea County, New Mexico.

To whom it may concern:

This letter is to advise you that COG Operating LLC has filed the enclosed application with the New Mexico Oil Conservation Division. The hearing will be conducted on **October 8, 2020** beginning at 8:15 a.m.

During the COVID-19 Pubic Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: http://www.emnrd.state.nm.us/OCD/announcements.html. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

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

If you have any questions about this matter, please contact Matt Solomon at (432) 685-4352 or msolomon@concho.com.

Sincerely,

Michael Rodriguez

Attorney for COG Operating LLC



