

COG OPERATING LLC Sebastian Federal Com #703H 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-21073-A, LEA COUNTY, NEW MEXICO.

> CASE NO. 21457 ORDER NO. R-21073-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-21073-A LEA COUNTY, NEW MEXICO

> CASE NO. 21457 ORDER NO. R-21073-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-21073-A. In support of its application, COG states:

- 1. The Division entered Order No. R-21073-A in Case No. 21310 on July 29, 2020, which conformed Order No. R-21073 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-21073 in Case No. 20932 on December 12, 2019, which created a 160-acre, more or less, standard horizontal spacing unit comprised of the E/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-21073 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 #703H 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 SE4/SE4 (Unit P) of Section 18, Township 24 South, Range 34 East.

- 4. Since the entry of Order No. R-21073-A, COG has identified an additional mineral interest owner in the Unit that has not been pooled under the terms of Order No. R-21073.
- 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-21073-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-21073-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-21073-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
oceanmundsdry@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-21073-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-21073-A. The Division entered Order No. R-21073-A in Case No. 21310 on July 29, 2020, which conformed Order No. R-21073 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-21073 in Case No. 20932 on December 12, 2019, which created a 160-acre, more or less, standard horizontal spacing unit comprised of the E/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-21073 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 #703H 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 SE4/SE4 (Unit P) 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-21073-A LEA COUNTY, NEW MEXICO

> CASE NO. 21457 ORDER NO. R-21073-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-21073-A in Case No. 21310 on July 29, 2020,

which conformed Order No. R-21073 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-21073 in Case No. 20932 on December 12, 2019,

which created a 160-acre, more or less, standard horizontal spacing unit comprised of the E/2E/2

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico
Case No. 21457 Exhibit No. 1

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-21073 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 #703H 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 SE4/SE4 (Unit P) of Section 18, Township 24 South, Range 34 East.
 - 7. Exhibit 2 contains Division Order No. R-21073.
 - 8. Exhibit 3 contains Division Order No. R-21073-A.
- 9. Since the entry of Order No. R-21073-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-21073.
- 10. Exhibit 4 identifies the unleased mineral interest owner to be pooled under the terms of Order No. 21073 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-21073.
- 12. I 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-21073.

Exhibits 1 through 5 were either prepared by me or compiled under my direction 1. and supervision.

THIS CONCLUDES AFFIANT'S STATEMENT.

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Affiant /	·····		····

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COUNTY OF MIDLAND

SUBSCRIBED and SWORN to before me this 30th day of September 2020, by

Waldasolomon.

My Commission Expires:

2-14-2023



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. 20932 ORDER NO. R-21073

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

- 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.
- 3. 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.

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>20932</u> ORDER NO. <u>R-21073</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.
- 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.
- 30. 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: Spacing Unit Size: quarter-quarter sections 160 acres, more or less

Orientation of Unit:

North to South

Spacing Unit Description: E/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

Pool Rules:

Latest Horizontal Rules apply.

Proximity Tracts:

None Included

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 703H

SHL: 250 feet from the North line and 2195 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 990 feet from the East line,

(Unit P) 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.

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. 21310 ORDER NO. R-21073-A

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on July 24, 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-21073 ("Exising Order") issued in Case No. 20932 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.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 21457 Exhibit No. 3
Submitted by:
COG OPERATING LLC
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 the schedule. If an owner of a Pooled Working Interest files a timely written

CASE NO. 21310 ORDER NO. R-21073-A

- 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.

- 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

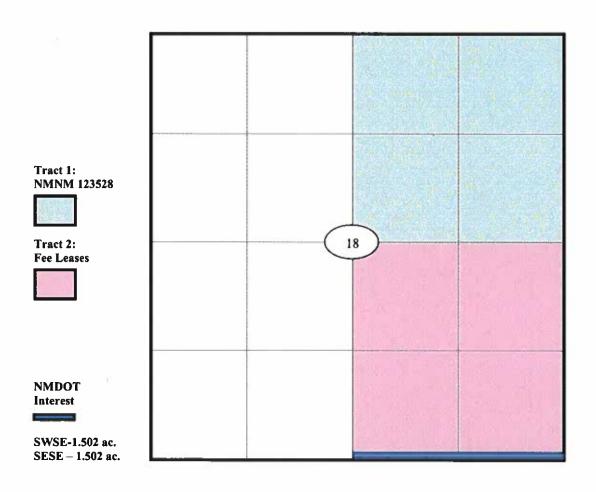
AES/jag

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

<u>Via Certified Mail – Return Receipt Requested</u>

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:

THE SHIP TO HELD VIRENCE WAS DECIDED FOR THE LOW WITH PERSONS HER EXTREME

- 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. 21457 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:	Buildog 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

		Drig - Rig				Tank Btty		Pmpg	
INTANGIBLE COSTS		Release(D)		Completion(C)		Constrctn(TB)		Equipment(PEQ)	TOTAL
Title/Curative/Permit	201	20,000		CONTRACTOR STATES		CHESTERNAL		The Particular State of the Pa	20,000
Insurance Clubs of Miles	202	2,500	302			SATURAL SANCTOR		MARKSTART STREET	2,500
Damages/Right of Way Survey/Stake Location	203 204	7,000	303	57,000	351 352				20,000 64,000
Location/Pits/Road Expense	205	180,000	305	10,000	353	54,000	366		244,000
Drilling / Completion Overhead	206	15,000	306	15,000		1 17 July 2010 20 20 Links		VIST WINDS MANAGEMENT OF THE STATE	30,000
Turnkey Contract Footage Contract	207 208	0	307 308	1,168,000		475,000,000,000,000		ENGINEERING CONTROL	1,168,000 422,000
Daywork Contract	209	1,277,000	309	719,000		A158921028505 252 153		CVMSERSIM OND.	1,996,000
Directional Drilling Services	210	538,000	310	336,000		Constant of the Printers		WATERWAY TO SEE SHADE	874,000
Fuel & Power	211	228,000	311	68,000	354		367		296,000
Water Bits	212 213	100,000	312 313	868,000		A DOSCHEROU TRANSPORT IN	368 369		968,000 180,000
Mud & Chemicals	214	420,000	314			HOSE NACESTRA	370		420,000
Dnill Stem Test	215	0	315	550,000		PROPERTY OF THE PARTY OF THE PA			550,000
Conng & Analysis Cement Surface	216 217	27,900		THE RESERVE AND ADDRESS OF THE PARTY OF THE		CONTROL OF SERVICE AND SERVICE			27,900
Cement Intermediate	218	83,700				The second			83,700
Cement 2nd Intermediate/Production	219	116,300		CONTRACTOR STATEMENT		SALANDA SAMPLE SALA			116,300
Cement Squeeze & Other (Kickoff Plug)	220	0		中国大阪市内省市新疆市 省		CONTRACTOR OF THE	371		0
Float Equipment & Centralizers	221	70,000 80,000		CONTROL SECTION AND ADDRESS.				1 M 1 M 10 M 10 M 10 M 10 M 10 M 10 M 1	70,000 80,000
Casing Crews & Equipment Fishing Tools & Service	223	80,000	323	Secol Management and		PARTY AND	372	AT ALL PARTY AND ADDRESS AND A PARTY AND	0,000
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 Contract Supervision	226 227	90,000	326 327	15,000 295,000	357 358		375 376	5,000	105,000 512,000
Testing Casing/Tubing	228	40,000	328	5,000		and the section of the section of	377	5,500	45,000
Mud Logging Unit	229	71,000	329	68,000		ARTOGEOGRAPHICAL		NET AND DESIGNATION	139,000
Logging	230	10,000	204	***************************************		THE RESERVE OF THE RE	378		414 000
Perforating/Wireline Services Stimulation/Treating	231	10,000	331 332	404,000		CAPORTONIO STORES DE	379 380		414,000
Completion Unit		- CALIFORNIA (05) (4594)	333	140,000		CONTRACMON	381	10,000	150,000
Swabbing Unit		Arteronikalististen.	334			horeopycolad editous CCF	382	0	0
Rentats-Surface Rentats-Subsurface	235 236	300,000 175,000	335 336	30,000	359	version et al construction de la	383 384	7,000	307,000 205,000
Trucking/Forklift/Rig Mobilization	237	265,000	337	20,000	360	STATISTICS OF CONTRACTOR OF THE	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	AND DESIGNATION ASSESSMENT OF	260,000
Plug to Abandon	240 241		340 341			NO. Poly discussion of the Con-			0
Seismic Analysis Miscellaneous	242		342			- the author travel can.	389		0
Contingency	243	103,000	343	200,000	363		390		303,000
Closed Loop & Environmental	244	550,000	344 346	466,000	364	LEW TO A COMPANY OF THE PARTY NO.	388	and an address of the second second	550,000 466,000
Coll Tubing Flowback Crews & Equip		· restable configuration	347	750,000		STATE STATE OF STREET		SERVICE MANAGEMENT AND	750,000
Offset Directional/Frac	248		348			West and a second		TOTAL SERVICE STREET	0
TOTAL INTANGIBLES		5,210,700		6,691,000		570,585		31,500	12,503,785
TANGIBLE COSTS									
Surface Casing	401	47,000		WORK PERMITTED		PRODUCTION OF		THE PROPERTY	47,000
Intermediate Casing	402	459,000		1/21/2016年以后的基本规划		CHERTON SECTIONS		D'ALTERNACIONE (CARLO)	459,000
Production Casing/Liner	403	471,000	504	52,000		2 NATION PRODUCTION STORY	530	10,000	471,000 62,000
Tubing Welthead Equipment	405	75,000	505	22,000		Michelle Services	531	3,000	100,000
Pumping Unit		03/21/06/specific 60/3		uced-en-cottomics.		ALCOHOLOGY AND A COLUMN TO SERVICE AND A COLUMN TO SER	506	98,000	98,000
Prime Mover		CONTRACTOR OF STREET		AND PRODUCTION STREET,		Actions and the	507	0	0
Rods		THE STATE OF	509			Laboration Control of the Control of	508 532	65,000 5,500	65,000 5,500
Pumps-Sub Surface (BH) Tanks		As traded and the same	309	TK.C/Status (Salarata)	510	63,583	J-02	A CONTROL OF THE PARTY OF THE P	63,583
Flowines		and the property of the second		- IN COME NO STREET, SAME	511	33,333		Company Spany No.	33,333
Heater Treater/Separator		120 CD 120 CP 2465		-CA-GET-CHETHERICAL	512		200	2414104444444	99,618
Packers/Anchors/Hangers	414	A CONTRACTOR AND A STATE OF THE	514	66,000	513	20,833	533 534		40,833 68,000
Couplings/Fittings/Valves	415			00,000	515	175,731		SA CONTRACTOR CONTRACTOR	175,731
Dehydration		Checkflor's testine		r. Davide, Has Globald Co.	517			24/20/24/2/ENGELSEAD VIN	0
Injection Plant/CO2 Equipment		to the Name of State of			518	10,000		KONTROLLER STORE THE STORE	10,000
Pumps-Surface Instrumentation/SCADA/POC		THE STREET STREET STREET		PETER CONTRACTOR	521 522		529	7,000	26,167
Miscellaneous	419		519		523		535		77,939
Contingency	420		520		524		536		0
Meters/LACT		PACA MENANTERS		- NOT TO ARREST	525 526			A DOMESTICAL PROPERTY OF THE	35,500 13,333
Flares/Combusters/Emission Gas Lift/Compression		TATION AND LINE TO AND	527	50,000			528	A PARTY OF THE PAR	116,667
TOTAL TANGIBLES		1,052,000		190,000		612,704		213,500	2,068,204
TOTAL WELL COSTS		6,262,700		6,881,000		1,183,289		245,000	14,571,989
% of Total Well Cost		43%		47%		8%		2%	
COG Operating LLC		40.0							
		Date Present		7/15/19					
		Date Prepared.			•				
		COG Operating LLC							
We approve:% Working Interest				ВМ				_	
								_	
Company:									
Ву:									
Printed Name:									

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

COG OPERATING LLC AUTHORITY FOR EXPENDITURE DRILLING

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

Table Tabl	INTANGIBLE COSTS Title/Curative/Permit	201	<u>Drig - Rig</u> Release(D)		Completion(C)		Tank Btty Constrctn(TB)		Pmpa Equipment(PEQ)	TOTAL
Description Longer Longe			20,000	•	100000000000000000000000000000000000000				ACTIVATION CONTRACTOR	20,000
Barry State 1000						351				
Stage Company Channess Stage S		204	7,000		57,000	352			STREET, COMPANY, STATE	
Timetry Control Contro	Location/Pits/Road Expense	205	180,000	305	10,000	353	54,000	366		244,000
Compage Comman Compage Com			15,000				HOSPITALIZATION		AND RESIDENCE AND A SECOND	30,000
Depart Control Diffice Services 300 11,000 10 10,000 10 10,000 10 1				F			NEW TO STATE OF THE		ESTRUMBATION D	1,168,000
Processor 10	***						SEALTH THE PROPERTY OF THE ME		ADDRESS OF THE PROPERTY.	422,000
First French 11 12 12 12 12 12 12 1				•			RACES STREET,		以 用数据不完整的特点的研究	
March 10							THE PERSON NAMED IN		YEAR THE TENTED IN	
Mail				•		354	NOTE OF BRIDGE STREET			
Mail Commencion							THE ACTION AND ACTION ASSESSED.			
Del Silver Test 215 0 319 Compared Andreys 116 2 0 Compared Andreys 117 2 2 0 Compared Andreys 117 2 2 0 Compared Andreys 118 2 2 0 Compared Andreys 119 2 0 Co							General State of Contract of C			
Comparison				,	550,000		Sept W. Nadagartin Scholer, Co.	3/0		
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Content Del Possesse April 1998 18,300 18,	Cement Intermediate	218	83,700		- DOUBLING HER SPEET		Production (Distriction)			
Prince Engagement & Committees	Cement 2nd Intermediate/Production	219	116,300		- 44/045-32200529007		tronomical valuation			
Catego Chee & Economist 202 20,000 20,000 20	Cement Squeeze & Other (Kickoff Plug)	220	0		COLUMN TO THE PROPERTY OF		Wetsine phase of the	371		0
Printing Took & Servesco Control Libror 22	Float Equipment & Centralizers	221	70,000		2位で学校の英語場合を持		STREET, STREET, STREET,		CHSS Bith Laberton	70,000
Concept Control Labor Co			80,000		14/14/976680009/00/		Who have the state of the state		STATE PROPERTY STATES	80,000
Control Labor 222 5.00 305 316,365 314 5.00 394 5.00 395	Fishing Tools & Service						NAMES OF TAXABLE PARTY.			
Companies Supervision 226 90,000 206 15,000 207 375 0 10,000 207 375 0 10,000 207 375 0 10,000 207 375 0 10,000 207 375 0 10,000 207 375 0 10,000 207 375 0 10,000 207 375 0 10,000 207 375 0 10,000 207 375 0 10,000 207 375 0 10,000 207 375 0 10,000 207 375 0 10,000 207 375 0 10,000 207 375 375 0 10,000 207 375				•						
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Logged 20							THE REAL PROPERTY OF THE PROPERTY OF THE PARTY OF T	3//	West of Table schools to	
Performany Wyselend Sunces 231 10,000 313 400,000 379 379 374,000 379 379 374,000 379 379 374,000 379 379 370,000 379 370,000 379 370,000 370,				328	08,000		e tori a magain abanna yan	370	THE PARTY OF THE P	
Semilatori Training				331	404 000		Control course, Color Car Security			<u>`</u>
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Semblerg List	Completion Unit		- And Constitution State				A STATE OF STREET AND ADDRESS OF THE		10,000	
Resides Substantines	Swabbing Unit		-complete side and side at the				Combine or a decretoric			0
Trucksorp Charloth Mode Mode Services 237 25,000 307 30,000 385 3,000 28,000 386 1,1000 386	Rentals-Surface	235	300,000	335		359		383	7,000	307,000
Medang Sarvess	Rentals-Subsurface	236	175,000	336	30,000		CPROMERNATION.	384	0	205,000
Mailer Disposal 239 339 61,000 362 200,000 387 200,000 387 200,000 387 200,000 387 200,000 387 200,000 387 200,000 388 200,000 383 389 200,000 383 3	Trucking/Forkirft/Rig Mobilization	237	265,000	337	20,000	360		385	3,000	288,000
Plug to Abandon	Welding Services		6,000		5,000	361		386		11,000
Seatmer Availables	Water Disposal				60,000	362	200,000	387		260,000
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Contingency 243							- YROMENIA - dbigharah		PRODUCTION OF THE	
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Cold Turbing Support										
Planhabit Chrows & Supp 347 759,000 75		244	330,000			304	Vacantilli Maria Control Control	300	CONTRACT WINGS AND ACCUSE OF	
Offset DirectorsulFirec			The state of the control of the cont				pi minektina pertuangan men		JACKS CARROLL SERVICE CONTROL OF THE PARTY O	
TOTAL INTANGIBLES		248	The second research		730,000		CONTRACTOR OF THE STATE OF		The Control of the Co	
A			5,210,700		6,691,000		570,585		31,500	
Surface Casang										
A	TANGIBLE COSTS									
Production Casing/Liner 403	Surface Casing		47,000		E DESCRIPTION OF THE PARTY OF T		Technique de la company de la			47,000
Tubery Solution	Intermediate Casing		459,000		一种"数"。在第二个		CONTRACTOR OF THE PARTY OF THE		Carried and the least the	459,000
Mathead Equipment		403	471,000		APPENDICTION OF THE PERSON AND THE		PROBLEM BENEFITSE		THE PERSONNENCENCE	471,000
Pumpagn Unit	Tubing		112 4 10 - 12 C 1 V 1 6 P.				SSS SEALC ADSENDED.		10,000	62,000
Prime Mover		405	75,000	505	22,000		U.S. STATE OF DELICATION			
Solid Surface (BH) Superior			n-seed a Topourous 200		Control and Spine Calledon		HERMAN CHARGO			
Pumps-Sub Surface (BH)			A TO SHOULD SELECT SELECTION				CONTRACTOR CONTRACTOR			
Fanks			THE THE RESERVE AND THE RESERVE AND THE PROPERTY OF THE PROPER	500	22 pt 62 1622 bill 1925 bill 1980 bill 1					
Siling S			TO SECURE A SECURE ASSESSMENT OF THE PARTY O	203	Land St. Thursday St. The	E40	00.000	532	5,500	
S12 99,618 99,6			A STATE OF THE PARTY OF THE PARTY OF						- Total temporal Service	
Sectorical System			SWAD SEE ASKNOW		CONTRACTOR CARLES				-/ Reschillent representative	
Packers/Anchors/Hangers	Electrical System		- Name of the second		Confedence of the Party Av			533	20,000	
Couplings/Fittings/Valves	Packers/Anchors/Hangers	414		514	66.000		Cassales On Sporentians			
Dehydration S17	Couplings/Fittings/Valves				SAN THE STEP COMMERCEN	515	175.731		ACORDINATION PURPOSANT PO	
S18	Dehydration		white spothers with		many elteres are loss				\$4000000000000000000000000000000000000	
Description Section	Injection Plant/CO2 Equipment		PRODUCTION OF THE PROPERTY.		s heart and administration				many special property.	
S22 19,167 529 7,000 26,167	Pumps-Surface		Participated the property of the participated by the participated		15-4025072000000000000000000000000000000000	521	10,000		SOSPECIENCES.	10,000
Security	Instrumentation/SCADA/POC		SWALL SERVED BY		10Km1-60E0227000年代日		19,167	529	7,000	
Adeters/LACT	Miscellaneous						74,939		3,000	77,939
13,333 1	Contingency	420	CHARLES I VALUE VALUE	520	And the same of the same of			536		
Sas Lift/Compression			TO PERSON WILLIAM		AND THE RESIDENCE TO SEE					
TOTAL TANGIBLES			HINDONE AULE OF THE	£4-						
## TOTAL WELL COSTS 8,262,700 6,881,000 1,183,289 245,000 14,571,989 ## Working Interest			1 052 000	527		216		528	045 500	
We approve:										
COG Operating LLC Date Prepared: 7/15/19 COG Operating LLC Ye approve: We working Interest Date Prepared: 7/15/19 BM Company:	I VIAL TELL VOSIS		0,202,700				1,183,289		245,000	14,5/1,989
COG Operating LLC Ye approve:	% of Total Well Cost		43%		47%		8%		2%	
Ve approve:			Date Prepared:		7/15/19					
			COG Operating LLC							
	We approve:% Working Interest				ВМ					
	Company: By:									

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

CONCHO RESOURCES Laura Reyna 600W Illinois Avo Midland, TX 79701 USPS CERTIFIED MAIL

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

Reference 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-21073-A, LEA COUNTY, NEW MEXICO.

CASE NO. 21457

AFFIDAVIT

STATE OF NEW MEXICO)	
)	SS
COUNTY OF SANTA FE)	

Michael Rödriguez, 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 Pablic



September 18, 2020

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Case No. 21457: Application of COG Operating LLC to pool additional interest owners under Order No. R-21073-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

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

My Commission.

This new spaper is delly 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 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: http://www.emnrd.state.nm.us/OCD/announcements.html. 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 June 2, 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 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. I Appropries

(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 21457: Application of COG Operating LLC to pool additional Interest owners under Order No. R-21073-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-21073-A. The Division entered Order No. R-21073-A in Case No. 21310 on July 29, 2020, which conformed Order No. R-21073 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-21073 in Case No. 20932 on December 12, 2019, which created a 160-acre, more or less, standard horizontal spacing unit comprised of the E/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-21073 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 #703H well, which is horizontally drilled from a surface hote location in the NW4/NE4 (Unit B) of Section 18 to a bottom hole location in the SE4/SE4 (Unit P) of Section 18, Township 24 South, Range 34 East.

67115004

00246603

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



OF THE RETURN ADDRESS, FOLD AT DOTTED LIVE CERTIFIED MAIL	COMPLETE THIS SECTION ON DELIVERY	iece, B. W. Frinted Name) C. Date of Delivery	D. 18 delivery address different from item 1? □ Yes If YES, enter delivery address below: □ No	3. Service Type Acut Signature Degistered Mail Express® Adult Signature Restricted Delivery Dejectered Mail Restricted Certified Mail@ Certified Mail@ Delivery Delivery Delivery Certified Mail@ Collect on Delivery Merchandise Collect on Delivery Merchandise Collect on Delivery Merchandise Collect on Delivery Certified Mail@ Collect on Delivery Certified Delivery Certified Mail@ Certified Mail@ Certified Mail@ Collect on Delivery Certified Mail@ Certified Mail@ Certified Mail@ Certified Mail@ Certified Mail@ Certified Mail@ Certified Mail@ Certified Mail@ Certified Mail@ Certifi	221
Le BICKT	SENDER: COMPLETE THIS SECTION	 Complete Hems 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	NM DOT Headquarters 1120 Cerrillos Road Santa Fe, NM 87504-1149	9590 9402 5941 0062 9997 87	7020 0640 0000 0143 0221. PS Form 3811, July 2015 PSN 7530-02-000-9053