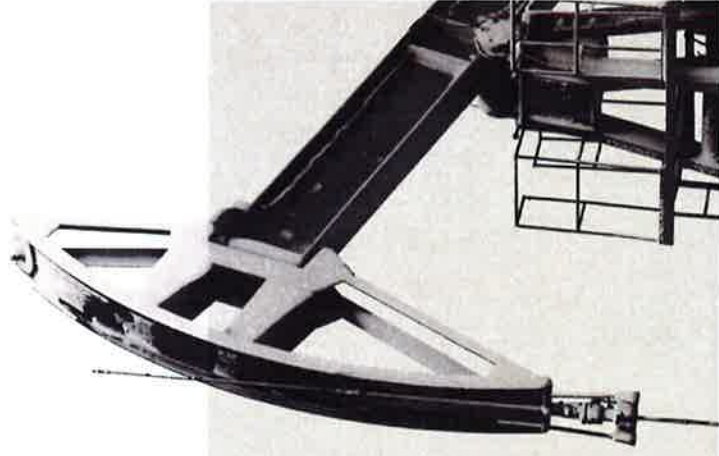




COG OPERATING LLC

*Myox 6 State Com 510H*

Case No. 20785  
BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING OCTOBER 03, 2019



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

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

**CASE NO. 20785**

**AFFIDAVIT OF TRAVIS MACHA**

Travis Macha, of lawful age and being first duly sworn, declares as follows:

1. My name is Travis Macha. I work for COG Operating LLC ("COG") as a Landman.
2. I have previously testified before the New Mexico Oil Conservation 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.
3. I am familiar with the applications filed by COG in this case, and I am familiar with the status of the lands in the subject area.
4. None of the parties proposed to be pooled in this case has indicated opposition, therefore I do not expect any opposition at the hearing.
5. COG seeks an order: (1) pooling all uncommitted interests in the Bone Spring formation (Hay Hollow; Bone Spring Pool (30215)) underlying a standard 322.08-acre, more or less, horizontal spacing unit comprised of the W/2 W/2 of irregular Sections 30 and 31, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico, and (2) dedicating this horizontal spacing unit to the **Myox 6 State Com #510H well** which has been drilled from a surface hole location in NW/4 NW/4 (Lot 1) of irregular Section 6,

Township 26 South, Range 28 East, to a bottom hole location in the NW/4 NW/4 (Lot 1) of Section 30.

6. The completed interval for this well will remain within the standard setback as required by the Statewide rules for oil wells.

7. **COG Exhibit No. A-1** contains filed Form C-102 for the **Myox 6 State Com #510H well**.

8. **COG Exhibit No. A-2** identifies the tracts of land comprising the proposed spacing unit in this case. This exhibit also identifies the interest ownership by tract and ultimately by spacing unit. COG is seeking to pool only the highlighted working interests owners identified on the exhibit.

9. All interest owners that COG seeks to pool are locatable. COG has conducted a diligent search of all public records in Eddy County, including phone directories and computer databases to locate each the parties owning an interest in the proposed spacing unit.

10. **COG Exhibit No. A-3** contains a sample well proposal letter along with an AFE provided to the working interest owners COG is seeking to pool. The costs reflected in the AFE are consistent with what other operators have incurred for drilling similar horizontal wells in the area in each of these formations.

11. In my opinion, COG has made good faith efforts, in addition to the well proposal letter, to reach agreement with the parties it is seeking to pool. If COG reaches an agreement with any of the proposed pool parties before the Division enters an order, I will let the Division know that COG is no longer seeking to pool those parties.

12. No ownership depth severances exist within this proposed spacing unit, and there are no unleased mineral interests in the subject acreage.

13. COG has estimated the overhead and administrative costs for drilling and producing the proposed well at \$7,000 per month while drilling and \$700 per month while producing. These costs are consistent with what other operators are charging in this area for similar wells. COG requests these administrative and overhead costs be incorporated into any order entered by the Division in this case.

14. I provided the law firm of Holland & Hart LLP a list of names and addresses for the owners that COG seeks to pool and instructed that they be notified of this hearing.

15. **COG Exhibit Nos. A-1 through A-3** were either prepared by me or compiled under my direction and supervision.

**FURTHER AFFIANT SAYETH NOT.**

[Signature]  
TRAVIS MACHA

STATE OF TEXAS )

COUNTY OF Midland )

SUBSCRIBED and SWORN to before me this 2nd day of October ~~September~~ 2019 by  
Travis Macha.



[Signature]  
NOTARY PUBLIC

My Commission Expires:  
6-22-21

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

RECEIVED

AUG 16 2019

Form C-102

Revised August 1, 2011

Submit one copy to appropriate  
District Office

DISTRICT II-ARTESIA O.C.D.

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-015-45967		<sup>2</sup> Pool Code 30215		<sup>3</sup> Pool Name Hay Hollow; Bone Spring, North	
<sup>4</sup> Property Code 308074		<sup>5</sup> Property Name MYOX 6 STATE COM			<sup>6</sup> Well Number 510H
<sup>7</sup> GRID NO. 229137		<sup>8</sup> Operator Name COG OPERATING, LLC			<sup>9</sup> Elevation 3080'

<sup>10</sup> Surface Location

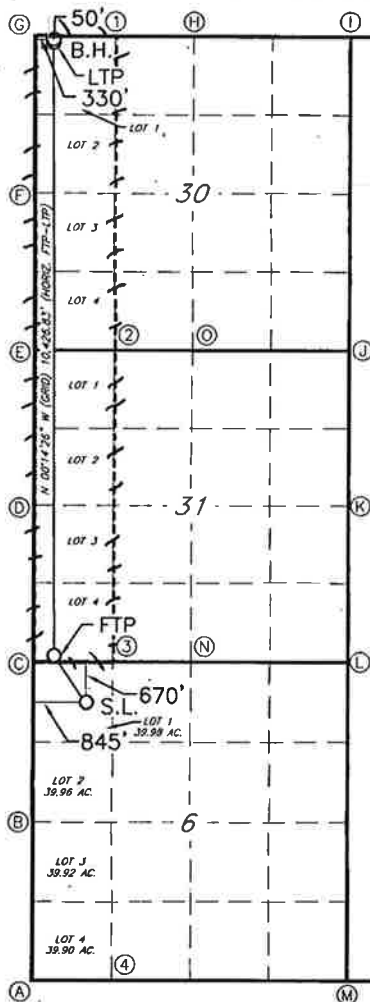
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
1	6	26S	28E		670	NORTH	845	WEST	EDDY

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
1	30	25S	28E		50	NORTH	330	WEST	EDDY

<sup>12</sup> Dedicated Acres 322.08	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
---	-------------------------------	----------------------------------	-------------------------

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.



**GEODETTIC DATA**  
NAD 83 GRID - NM EAST

**SURFACE LOCATION (SL)**  
N: 391839.3 - E: 603537.4  
LAT: 32.0770867° N  
LONG: 104.1325127° W

**LAST TAKE POINT (LTP)**  
100' FSL & 330' FWL (Sec. 30)  
N: 403031.5 - E: 602976.3  
LAT: 32.1078564° N  
LONG: 104.1342576° W

**FIRST TAKE POINT (FTP)**  
100' FSL & 330' FWL (Sec. 31)  
N: 392807.1 - E: 603020.1  
LAT: 32.0792000° N  
LONG: 104.1341784° W

**BOTTOM HOLE (BH)**  
N: 403081.5 - E: 602976.0  
LAT: 32.1079938° N  
LONG: 104.1342584° W

**GEODETTIC DATA**  
NAD 83 GRID - NM EAST

A: FOUND 2 3/4" IRON PIPE  
N 387187.1 - E: 602707.2

B: FOUND BRASS CAP "1940"  
N 389846.0 - E: 602699.0

C: FOUND BRASS CAP "1940"  
N 392505.8 - E: 602690.5

D: FOUND BRASS CAP "1940"  
N 395164.6 - E: 602682.1

E: FOUND BRASS CAP "1940"  
N 397822.7 - E: 602672.6

F: FOUND BRASS CAP "1940"  
N 400468.2 - E: 602664.3

G: CALCULATED CORNER  
N 403132.3 - E: 602645.7

H: FOUND BRASS CAP "1940"  
N 403125.4 - E: 605277.9

I: FOUND BRASS CAP "1940"  
N 403046.2 - E: 608036.0

J: FOUND BRASS CAP "1940"  
N 397715.1 - E: 608074.9

K: FOUND BRASS CAP "1940"  
N 395116.5 - E: 608050.9

L: FOUND BRASS CAP "1940"  
N 392514.2 - E: 608024.8

M: CALCULATED CORNER  
N 387235.7 - E: 608011.7

N: FOUND BRASS CAP "1940"  
N 392516.4 - E: 605361.5

O: FOUND BRASS CAP "1940"  
N 397768.3 - E: 605379.3

**CALCULATED POINTS**

1: N 403128.9 - E: 603968.4  
2: N 397795.4 - E: 604031.2  
3: N 392511.1 - E: 604028.3  
4: N 387199.5 - E: 604052.8

**<sup>17</sup> OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *Robyn M. Russell* Date: 8/14/19

Printed Name: Robyn M. Russell

E-mail Address: Russell@concho.com

**<sup>18</sup> SURVEYOR CERTIFICATION**

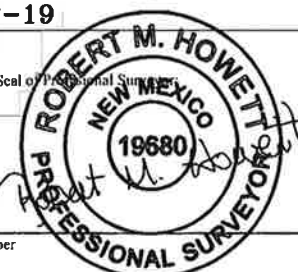
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

03-12-19

Date of Survey

Signature and Seal of Professional Surveyor

19680  
Certificate Number



BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. A1

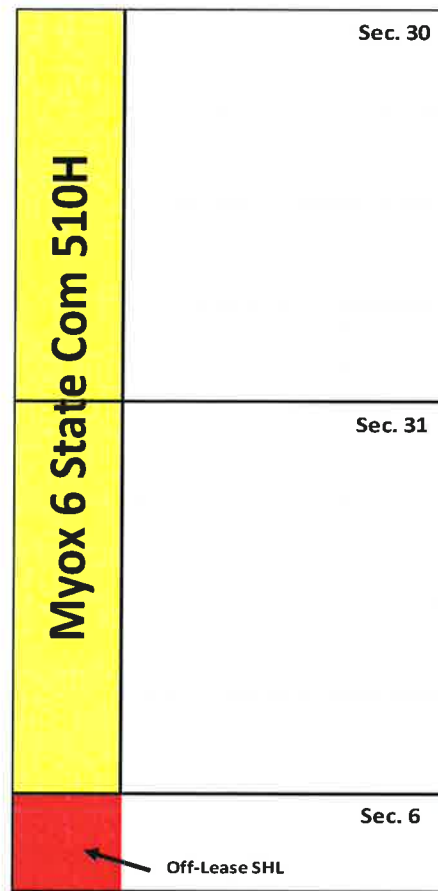
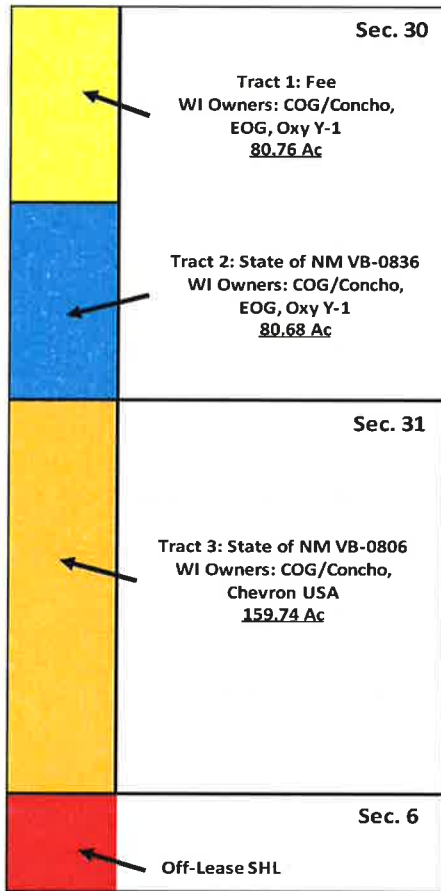
Submitted by: COG OPERATING, LLC

Hearing Date: October 3, 2019

Case No. 20785

Job No.: LS190

RWP 8-28-19



#### Myox 6 State Com 510H Pooling Information

Section 30: Lots 1, 2, 3, 4 (W2W2), Section 31: Lots 1, 2, 3, 4 (W2W2)

Proposal	Completed	WI Parties:	
JOA	Completed	COG Operating LLC	X
COM	Completed	Concho Oil & Gas LLC	X
DPU	Completed	EOG Resources, Inc.	No info received
		Oxy Y-1 Company	No info received
ORRIs to Pool:	None	Chevron U.S.A., Inc.	No info received

Pooling

Leasehold Ownership					
	COG WI	Concho WI	Oxy WI	Chevron WI	EOG WI
Tract 1	95.000%	5.000%	0.000%	0.000%	0.000%
Tract 2	65.460%	3.445%	3.109%	0.000%	27.985%
Tract 3	0.000%	0.000%	0.000%	100.000%	0.000%

**Notes** - COG has Off-Leased the Surface Hole on this well for optimum development, all administrative work on that is complete.

The Myox 6 510H has already been drilled and is awaiting completion.

Sections 30 and 31 are currently under a Large OA spreading Contractual interest throughout. Leasehold ownership does NOT correlate exactly with contractual ownership in the spacing unit. COG does have a contractual interest in every tract

#### Unit Recapitulation

Owner	Working Interest
COG Operating LLC	36.692161%
Concho Oil & Gas LLC	0.747310%
Oxy Y-1 Company	2.128715%
Chevron U.S.A., Inc.	47.013145%
EOG Resources, Inc.	13.418669%
<b>Total</b>	<b>100.000000%</b>

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. A2

Submitted by: COG OPERATING, LLC

Hearing Date: October 3, 2019

Case No. 20785

April 25, 2019

Via E-Certified Mail

**WORKING INTEREST OWNERS ON ATTACHED EXHIBIT "A"**

Re: **Myox 6 State Com 510H**  
Lots 1-4 (W2W2) of Sections 30 & 31, T25S-R28E  
Eddy County, New Mexico

- well prop  
- OA  
- DPU

Dear Sir or Madam:

COG Operating LLC hereby proposes the drilling of the Myox 6 State Com 510H well, to be drilled to a depth sufficient to test the Charkey formation, also known as depths lying in between the top of the Second Bone Spring formation and the top of the third Bone Spring formation, at a total measured depth of 18,500'. The surface location is proposed at a legal location in Lot 1 of Section 6, T26S-R28E, and the bottom hole location at a legal location in Lot 1 of Section 30, T25S-R28E. The dedicated project area will be the W2W2 of Sections 30 and 31, T26S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$10,049,000, as shown on the attached Authority for Expenditure ("AFE").

COG is proposing this under the terms of a wellbore-only Operating Agreement ("OA"), which is enclosed for your review and execution. A Designation of Pooled Unit ("DPU") is enclosed for your review and signature, as well.

If we do not reach an agreement within 30 days of the date of this letter, COG will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a spacing unit for the proposed well.

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 requirements, to my attention at the letterhead address or by email to bhull@concho.com. If the OA and DPU are acceptable, please execute where indicated, as well. Should you have any questions, please do not hesitate to contact Ashley Roush at 432.818.2358 or aroush@concho.com.

Sincerely,

COG Operating LLC

  
Brittany Hull  
Land Coordinator

Enc

\_\_\_\_\_ I/We hereby elect to participate in the drilling and completion of the  
**Myox 6 State Com 510H.**

\_\_\_\_\_ I/We hereby elect not to participate in the drilling and completion of the  
**Myox 6 State Com 510H.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

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

**BEFORE THE OIL CONSERVATION DIVISION**

Santa Fe, New Mexico

**Exhibit No. A3**

Submitted by: **COG OPERATING, LLC**

Hearing Date: October 3, 2019

Case No. 20785



April 25, 2019

Page 2

**EXHIBIT "A"**  
**WORKING INTEREST OWNERS**

*Via E-CM No. 9414 8149 0246 9822 0038 13*

**EOG Resources Inc.**

5509 Champions Drive

Midland, TX 79706

Attn: Land Manager

*Via E-CM No. 9414 8149 0246 9822 0038 20*

**OXY Y-1 Company**

5 Greenway Plaza, Suite 110

Houston, TX 77046

Attn: Courtney Carr

*Via E-CM No. 9414 8149 0246 9822 0038 37*

**Chevron U.S.A. Inc.**

6301 Deauville Blvd

Midland, TX 79706

Attn: Kristen Hunter

**COG OPERATING LLC  
AUTHORITY FOR EXPENDITURE  
Drill & Complete**

Well Name MYOX 06 STATE COM 510H	Prospect ATLAS 2628 (717052)
SHL SEC 6: 670 FNL 875 FWL, OR Lot 1	State & County NEW MEXICO, EDDY
BHL SEC 30: 50 FNL 330 FWL, OR Lot 1	Objective Drill & Complete
Formation CHARKEY	Depth 18,500
Legal 26S-28E-6	TVD 8270
AFE Numbers	

Cost Description	Code	Cost	Revision	Total
<b>Tangible Costs</b>				
D-Surface Casing	401	\$21,921.45	\$0.00	\$21,921.45
D-Intermed Csg	402	\$59,501.07	\$0.00	\$59,501.07
D-Production Casing/Liner	403	\$255,750.21	\$0.00	\$255,750.21
D-Wellhead Equip	405	\$26,096.96	\$0.00	\$26,096.96
C-Tubing	504	\$40,189.32	\$0.00	\$40,189.32
C-Wellhead Equip	505	\$13,779.20	\$0.00	\$13,779.20
PEQ-Pumping Unit	506	\$100,107.94	\$0.00	\$100,107.94
PEQ-Rods	508	\$40,189.32	\$0.00	\$40,189.32
TB-Tanks	510	\$78,290.88	\$0.00	\$78,290.88
TB-Flowlines/Pipelines	511	\$10,438.78	\$0.00	\$10,438.78
TB-Htr Trr/Septr	512	\$109,607.23	\$0.00	\$109,607.23
TB-Electrical System/Equipment	513	\$78,290.88	\$0.00	\$78,290.88
C-Pckrs/Anchors/Mgns	514	\$5,219.39	\$0.00	\$5,219.39
TB-Couplings/Fittings/Valves	515	\$240,092.04	\$0.00	\$240,092.04
TB-Gas Lift/Compression	516	\$26,096.96	\$0.00	\$26,096.96
TB-Pumps-Surface	521	\$26,096.96	\$0.00	\$26,096.96
TB-Meters/Lacts	525	\$31,316.35	\$0.00	\$31,316.35
TB-Flares/Combusters/Emission	526	\$46,974.53	\$0.00	\$46,974.53
C-Gas Lift/Compression	527	\$10,438.78	\$0.00	\$10,438.78
PEQ-Instrumentation/SCADA/POC	529	\$4,593.07	\$0.00	\$4,593.07
PEQ-Wellhead Equipment	531	\$3,444.60	\$0.00	\$3,444.60
PEQ-Pumps	532	\$9,186.13	\$0.00	\$9,186.13
<b>Total Tangible Costs</b>		<b>\$1,237,622.26</b>	<b>\$0.00</b>	<b>\$1,237,622.26</b>
<b>Intangible Costs</b>				
PS-Title/Permits	201	\$11,482.66	\$0.00	\$11,482.66
D-Insurance	202	\$4,175.51	\$0.00	\$4,175.51
PS-Damages/ROW	203	\$5,219.39	\$0.00	\$5,219.39
PS-Survey/Stake Lctn	204	\$6,263.27	\$0.00	\$6,263.27
D-Lctrn/Pits/Roads	205	\$125,265.41	\$0.00	\$125,265.41
D-Drilling Overhead	206	\$6,263.27	\$0.00	\$6,263.27
D-Daywork Contract	209	\$425,902.40	\$0.00	\$425,902.40
D-Directional Drig Services	210	\$171,196.06	\$0.00	\$171,196.06
D-Fuel & Power	211	\$75,159.25	\$0.00	\$75,159.25
D-Water	212	\$55,325.56	\$0.00	\$55,325.56
D-Bits	213	\$67,852.10	\$0.00	\$67,852.10
D-Mud & Chemicals	214	\$93,949.06	\$0.00	\$93,949.06
D-Cement Surface	217	\$16,702.05	\$0.00	\$16,702.05
D-Cement Intermed	218	\$27,140.84	\$0.00	\$27,140.84
D-Prod-2nd Int Cmt	219	\$138,835.83	\$0.00	\$138,835.83
D-Float Equipment & Centralizers	221	\$41,755.14	\$0.00	\$41,755.14
D-Csg Crews & Equip	222	\$33,404.11	\$0.00	\$33,404.11
D-Contract Labor	225	\$7,307.15	\$0.00	\$7,307.15
D-Company Sprvsn	226	\$37,579.62	\$0.00	\$37,579.62
D-Contract Sprvsn	227	\$66,808.22	\$0.00	\$66,808.22
D-Tstg Csg/Tbg	228	\$20,877.57	\$0.00	\$20,877.57
D-Mud Logging Unit	229	\$21,921.45	\$0.00	\$21,921.45
D-Perf/Wireline Svc	231	\$4,175.51	\$0.00	\$4,175.51
D-Rentals-Surface	235	\$120,046.02	\$0.00	\$120,046.02
D-Rentals-Subsrfc	236	\$93,949.06	\$0.00	\$93,949.06
D-Trucking/Forklift/Rig Mob	237	\$135,704.19	\$0.00	\$135,704.19
D-Welding Services	238	\$3,131.64	\$0.00	\$3,131.64
D-Contingency	243	\$36,535.74	\$0.00	\$36,535.74
D-Envmntl/Cld Loop	244	\$187,898.12	\$0.00	\$187,898.12
C-Lctrn/Pits/Roads	305	\$12,735.32	\$0.00	\$12,735.32
C-Fuel Delivery & Services	311	\$5,219.39	\$0.00	\$5,219.39
C-Water	312	\$1,056,404.96	\$0.00	\$1,056,404.96
C-Bits	313	\$4,697.45	\$0.00	\$4,697.45
C-Mud & Chemicals	314	\$26,096.96	\$0.00	\$26,096.96
C-Contract Labor	325	\$41,755.14	\$0.00	\$41,755.14
C-Company Sprvsn	326	\$31,316.35	\$0.00	\$31,316.35
C-Contract Sprvsn	327	\$99,168.45	\$0.00	\$99,168.45
C-Tstg Csg/Tbg	328	\$10,438.78	\$0.00	\$10,438.78
C-Perf/Wireline Svc	331	\$454,087.11	\$0.00	\$454,087.11
C-Simulation/Treating	332	\$3,934,377.77	\$0.00	\$3,934,377.77
C-Completion Unit	333	\$44,886.77	\$0.00	\$44,886.77
C-Rentals-Surface	335	\$247,399.19	\$0.00	\$247,399.19
C-Trucking/Forklift/Rig Mob	337	\$41,755.14	\$0.00	\$41,755.14
C-Welding Services	338	\$5,219.39	\$0.00	\$5,219.39
C-Water Disposal	339	\$62,632.71	\$0.00	\$62,632.71
C-Contingency	343	\$260,969.61	\$0.00	\$260,969.61
C-Envmntl/Cld Loop	344	\$5,219.39	\$0.00	\$5,219.39
C-Flowback Crews & Equip	347	\$132,572.56	\$0.00	\$132,572.56
TB-Location/Pits/Roads	353	\$88,729.67	\$0.00	\$88,729.67
TB-Contract Labor	356	\$83,510.27	\$0.00	\$83,510.27
TB-Water Disposal	362	\$93,949.06	\$0.00	\$93,949.06
PEQ-Contract Supervision	376	\$5,741.33	\$0.00	\$5,741.33
PEQ-Completion Unit	381	\$8,037.86	\$0.00	\$8,037.86
PEQ-Rentals-Surface	383	\$6,889.60	\$0.00	\$6,889.60
PEQ-Trkg/Forklift/Rig Mobilization	385	\$5,741.33	\$0.00	\$5,741.33
<b>Total Intangible Costs</b>		<b>\$8,811,377.74</b>	<b>\$0.00</b>	<b>\$8,811,377.74</b>
<b>Total Gross Cost</b>		<b>\$10,049,000.00</b>	<b>\$0.00</b>	<b>\$10,049,000.00</b>

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

COG Operating LLC

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

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

We approve:  
% Working Interest

COG Operating LLC

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

Company: \_\_\_\_\_

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

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

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

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

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

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

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

**CASE NO. 20785**

**AFFIDAVIT OF MATT FISHER**

Matt Fisher, of lawful age and being first duly sworn, declares as follows:

1. My name is Matt Fisher. I work for COG Operating LLC ("COG") as a geologist.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record.
3. I am familiar with the application filed by COG in this cases and I have conducted a geologic study of the targeted Charkey Sand within the Bone Spring formation underlying the subject acreage.
4. COG is targeting the Charkey Sand of within the Bone Spring Formation with its proposed **Myox 6 State Com #510H well**. The Charkey is a sand package that exists in between the Second Bone Spring Sandstone and the Third Bone Spring.
5. **COG Exhibit No. B-1** is a project locator map showing the location of the proposed spacing unit in this case and the path of the proposed wellbore for the **Myox 6 State Com #510H well** is depicted by a blue line.
6. **COG Exhibit No. B-2** is a subsea structure map that I prepared for the Charkey that is representative of the targeted interval within the Bone Spring formation. The proposed well is depicted by a blue line. Data points with subsea values are depicted with the red crosses. The structure map shows that the Charkey is gently dipping to the east in this area. I do not observe

any faulting, pinchouts, or other geologic impediments to developing the targeted interval with a horizontal well in this area.

7. **COG Exhibit No. B-3** overlays a cross-section line in red consisting of four wells penetrating the Bone Spring formation that I used to construct a stratigraphic cross-section from A to A'. I consider these wells to be representative of the geology in the area.

8. **COG Exhibit No. B-4** is a cross section using the representative wells depicted on Exhibit B-3. Each well in the cross-section contains gamma ray, resistivity, and porosity logs. The proposed target interval in the Charkey Sand is labeled and depicted as the lateral interval on the exhibit. The cross-section demonstrates that the targeted interval extends across the proposed spacing unit.

9. In my opinion the stand-up orientation of the proposed well is the preferred orientation for horizontal well development in this area and is appropriate to efficiently and effectively develop the subject acreage.

10. Based on my geologic study, the Bone Spring formation underlying the subject area, including the targeted Charkey Sand is suitable for development by horizontal wells, and the acreage comprising the proposed spacing unit will contribute more-or-less equally to the production from the wellbore.

11. In my opinion, the granting of COG's application will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.

**FURTHER AFFIANT SAYETH NOT.**

*Matt Fisher*

MATT FISHER

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

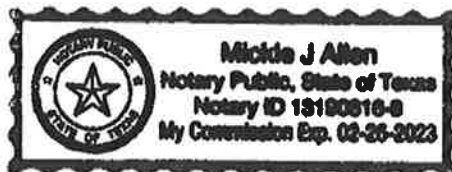
SUBSCRIBED and SWORN to before me this 2<sup>nd</sup> day of October 2019 by  
Matt Fisher.

*Mickie J. Allen*

NOTARY PUBLIC

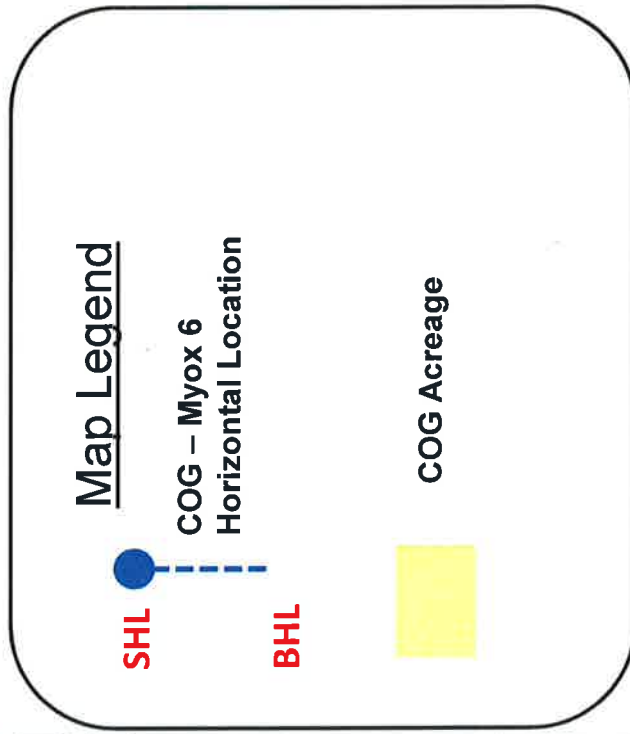
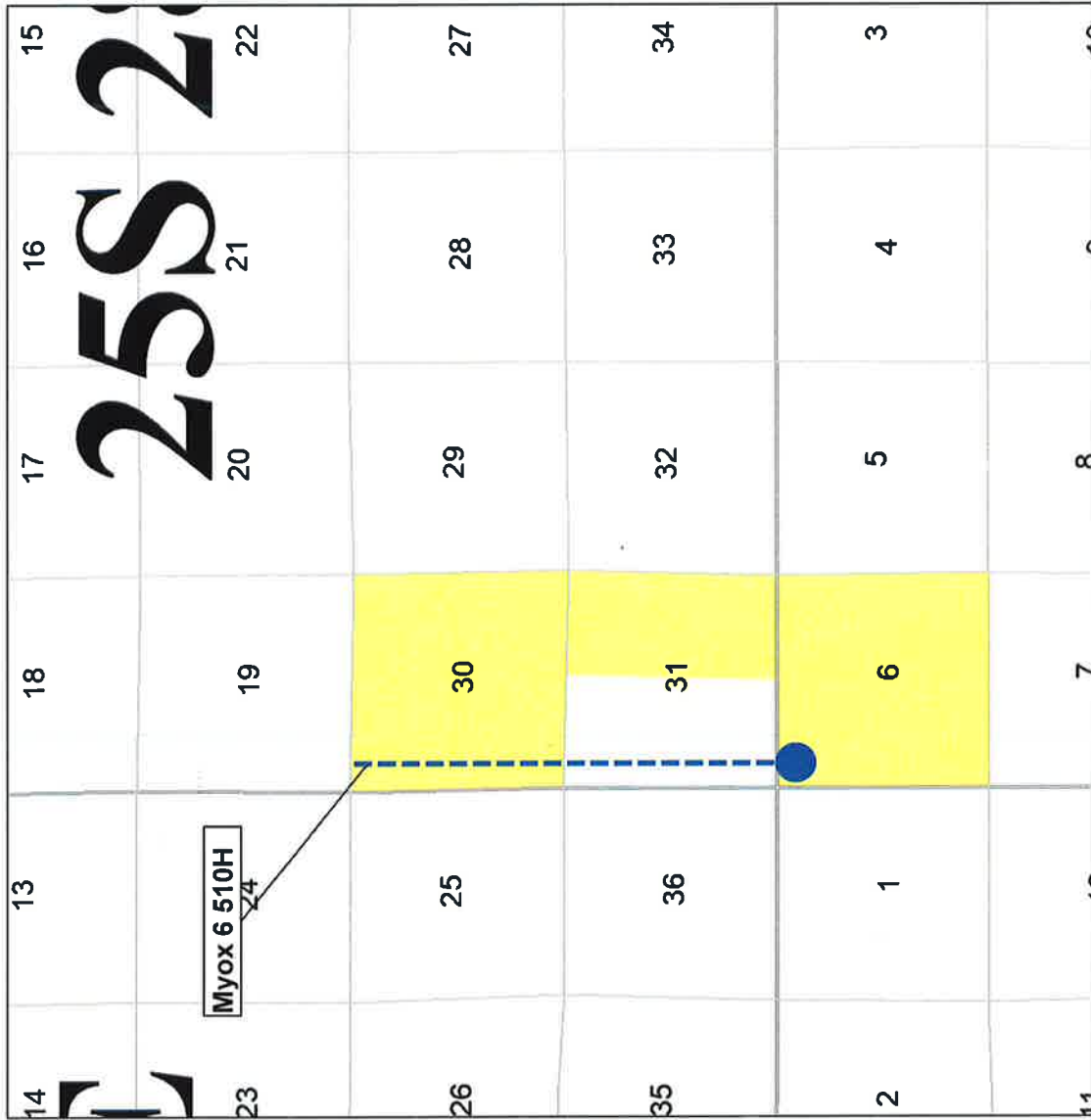
My Commission Expires:

2-26-2023



# Locator Map

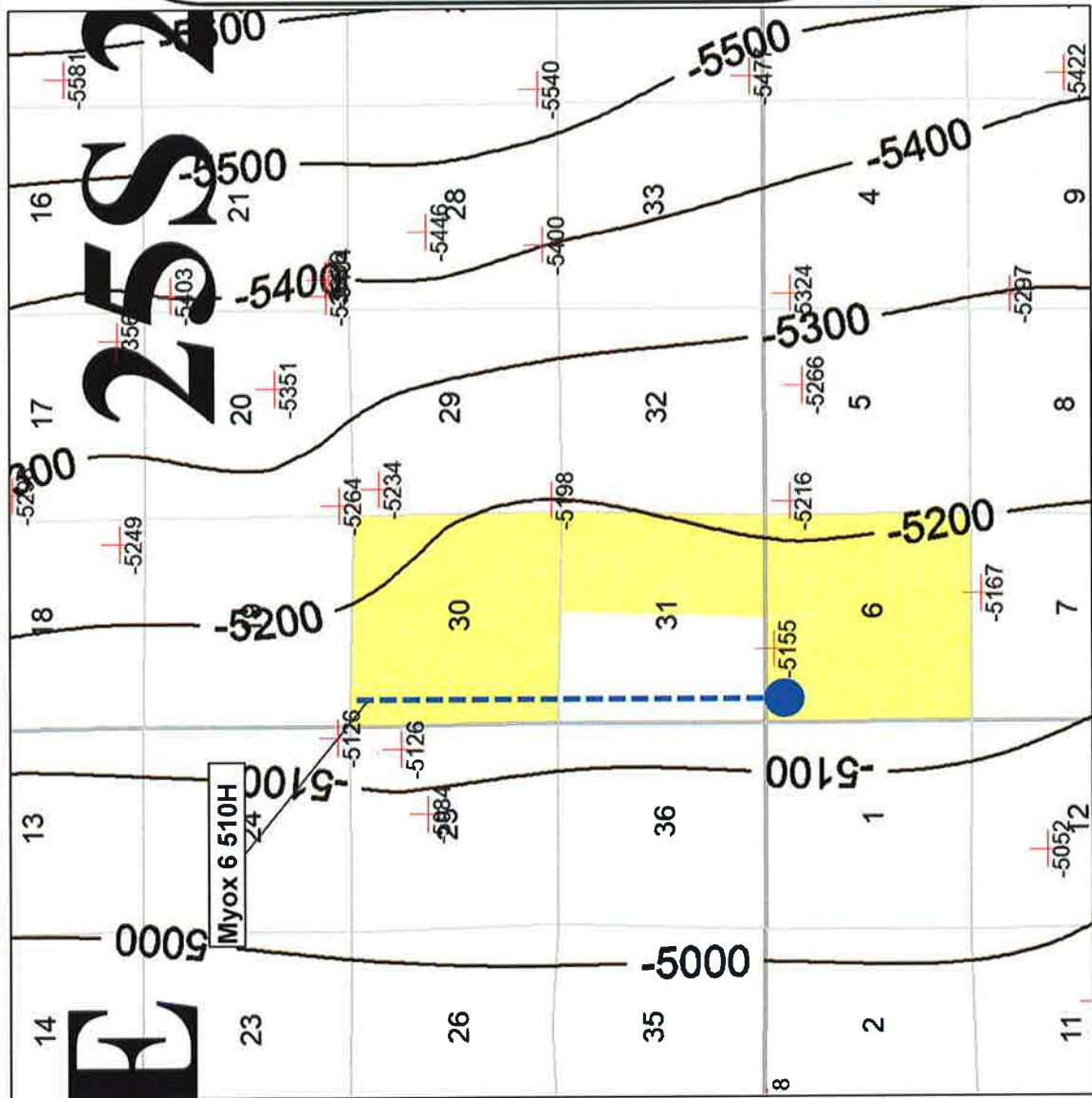
## Myox 6 State Com 510H



BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Exhibit No. B1  
 Submitted by: COG OPERATING, LLC  
 Hearing Date: October 3, 2019  
 Case No. 20785

# Charkey Subsea Structure Map Myox 6 State Com 510H

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. B2  
Submitted by: COG OPERATING, LLC  
Hearing Date: October 3, 2019  
Case No. 20785



**Map Legend**

SHL

BHL

COG – Myox 6 510H  
Horizontal Location

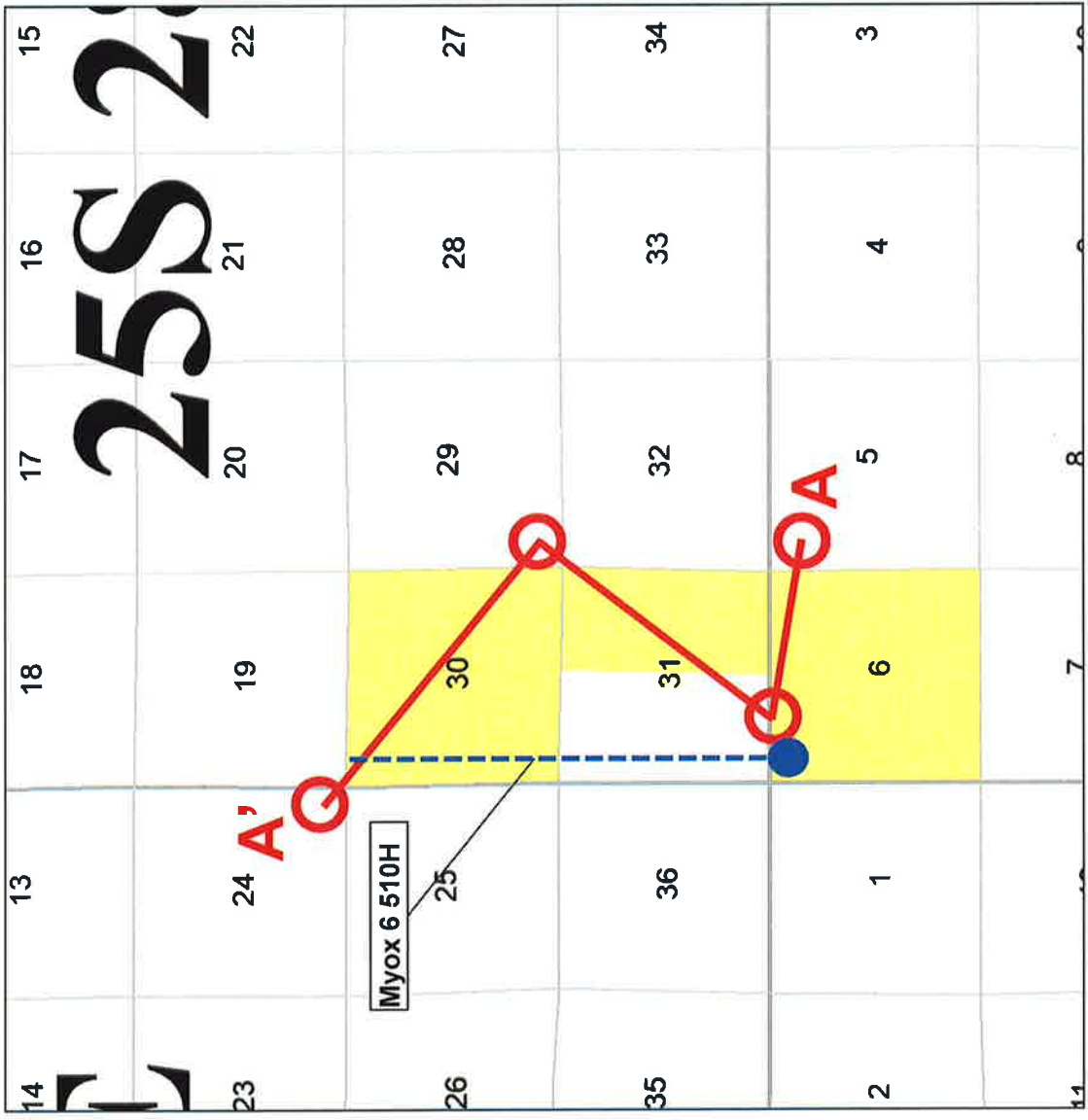
Charkey Subsea Structural  
Contours  
CI: 100'

COG Acreage

Data Point



Cross Section Locator Map  
Myox 6 State Com 510H



**Map Legend**

SHL

BHL

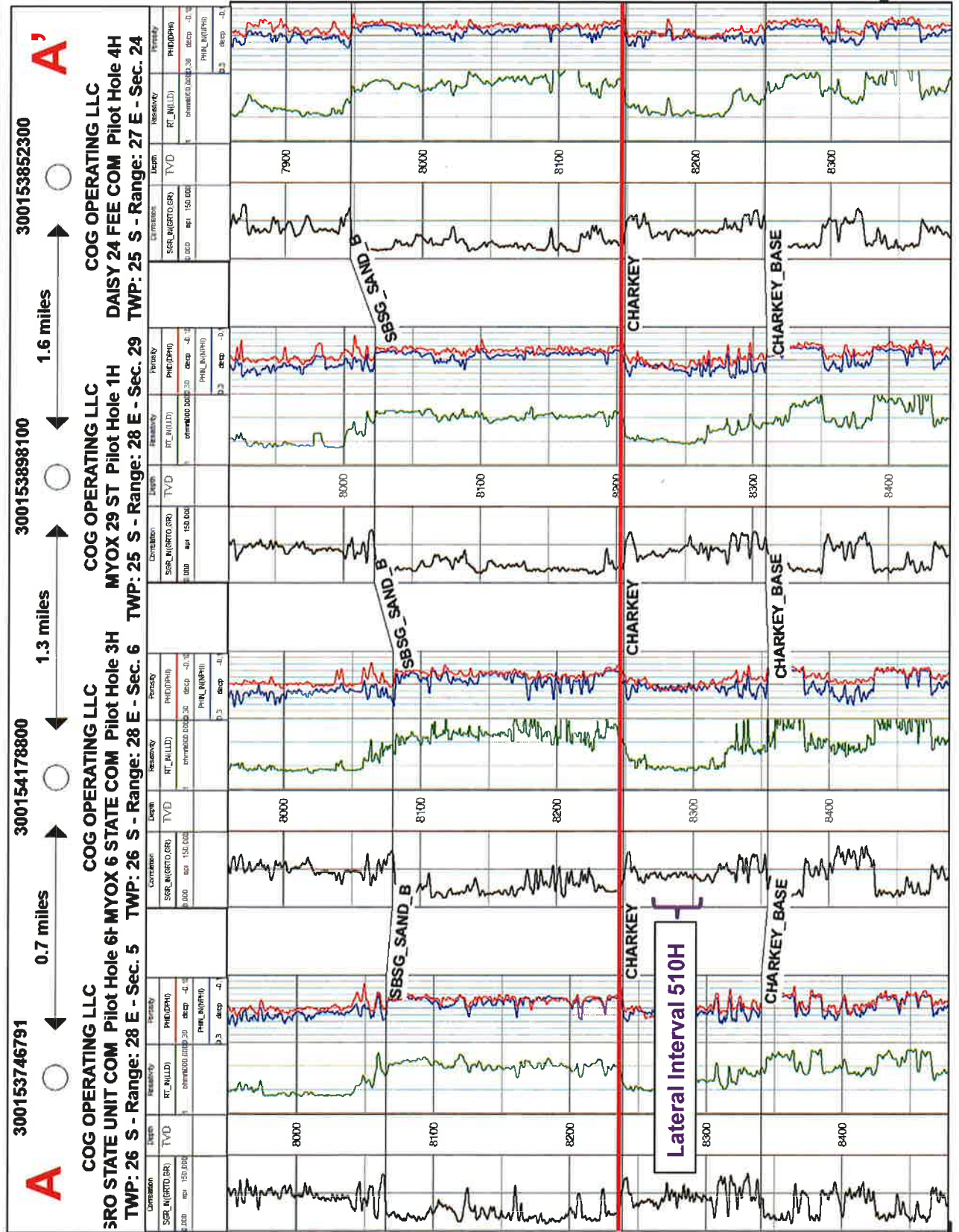
COG – Myox 6 510H Horizontal Location

Cross Section Line

COG Acreage



# Stratigraphic Cross Section A - A'



BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Exhibit No. B4  
 Submitted by: COG OPERATING, LLC  
 Hearing Date: October 3, 2019  
 Case No. 20785

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

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

**CASE NO. 20785**

**AFFIDAVIT**

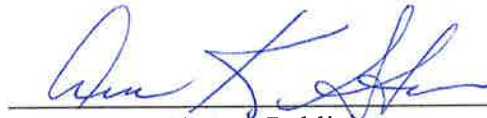
STATE OF NEW MEXICO    )  
  ) ss.  
COUNTY OF SANTA FE    )

Kaitlyn A. Luck, attorney in fact and authorized representative of COG Operating LLC,  
the Applicant herein, being first duly sworn, upon oath, states that the above-referenced  
Application has been provided under the notice letters and proof of receipts attached hereto.



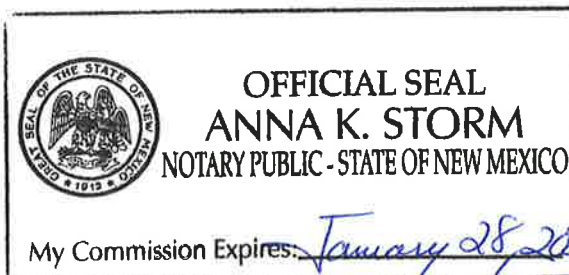
Kaitlyn A. Luck

SUBSCRIBED AND SWORN to before me this 2nd day of October, 2019 by Kaitlyn A.  
Luck.

  
Notary Public

My Commission Expires:





**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. C  
Submitted by: COG OPERATING, LLC  
Hearing Date: October 3, 2019  
Case No. 20785**

HOLLAND & HART<sup>LLP</sup>



**Michael H. Feldewert**  
Recognized Specialist in the  
Area of Natural Resources –  
Oil and Gas Law – New Mexico Board  
of Legal Specification  
[mfeldewert@hollandhart.com](mailto:mfeldewert@hollandhart.com)

September 11, 2019

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

**TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS**

**Re: Application of COG Operating, LLC for Compulsory Pooling, Eddy County,  
New Mexico.  
Myox 6 State Com #510H Well**

Ladies & Gentlemen:

This letter is to advise you that COG Operating LLC has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on October 3, 2019, and the status of the hearing can be monitored through the Division's website at <http://www.emnrd.state.nm.us/ocd/>. Division hearings will commence at 8:15 a.m. in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. 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.

Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address 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 Travis Macha at (432) 683-7443 or [TMacha@concho.com](mailto:TMacha@concho.com).

Sincerely,

Michael H. Feldewert

**ATTORNEY FOR COG OPERATING LLC**

Tracking Number	Recipient	Status
9214890194038389670407	EOG Resources Inc Attn: Land Manager 5509 Champions Drive Midland TX 79706	Delivered Signature Received
9214890194038389670414	OXY Y-1 Company Attn: Courney Carr 5 Greenway Plaza Suite 110 Houston TX 77046	Delivered Signature Received
9214890194038389670421	Chevron U S A Inc Attn: Kristen Hunter 6301 Deauville Blvd Midland TX 79706	In-Transit

$5.60 \times 3 = \$16.80$



## Shipment Confirmation Acceptance Notice

### A. Mailer Action

**Note to Mailer:** The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

COG- Myox 6 State Com 501H  
Case No. 20785  
CM# 51500.0010

Shipment Date: 09/11/2019

Shipped From:

Name: HOLLAND & HART LLP

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	3
Total	3

\*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

### B. USPS Action

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.  
Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0016 9553 00





## Firm Mailing Book For Accountable Mail

Name and Address of Sender		Check type of mail or service		Affix Stamp Here (if issued as an international certificate of mailing or for additional copies of this receipt). Postmark with Date of Receipt.													
USPS Tracking/Article Number		Addressee (Name, Street, City, State, & ZIP Code™)		Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee	
1.	9214 8901 9403 8389 6704 07	EOG Resources Inc Attn: Land Manager 5509 Champions Drive Midland TX 79706		0.50	3.50	Handling Charge - if Registered and over \$50,000 in value							1.60				
2.	9214 8901 9403 8389 6704 14	OXY Y-1 Company Attn: Courtney Carr 5 Greenway Plaza Suite 119 Houston TX 77046		0.50	3.50									1.60			
3.	9214 8901 9403 8389 6704 21	Chevron U.S.A. Inc. Attn: Kristian Hunter 6301 Daanville Blvd Midland TX 79706		0.50	3.50									1.60			
											Adult Signature Required	Adult Signature Restricted Delivery	Restricted Delivery	Return Receipt	Signature Confirmation	Signature Confirmation Restricted Delivery	Special Handling
Total Number of Pieces Listed by Sender 3		Total Number of Pieces Received at Post Office		Postmaster, Per (Name of receiving employee)													



CARLSBAD  
**CURRENT-ARGUS**

**AFFIDAVIT OF PUBLICATION**

Ad No.  
0001296616

HOLLAND & HART  
PO BOX 2208


SANTA FE NM 87504

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

09/17/19

  
Legal Clerk

Subscribed and sworn before me this  
17th of September 2019.

  
State of WI, County of Brown  
NOTARY PUBLIC

1-12-2021  
My Commission Expires

Ad#:0001296616  
P O : Myox  
# of Affidavits :0.00

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

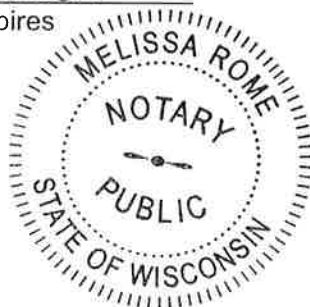
The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on **October 3, 2019**, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appoint for the hearing. 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 23, 2019**. Public documents, including the agenda and minutes, can be provided in various accessible forms. Please contact Florene 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 Meridian whether or not so stated.)

**To:All overriding royalty interest owners and pooled parties, including:EOGResources,OXY Y-1 Company, Chevron U.S.A. Inc.**

**CASE 20785:Application of COG Operating LLC for compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 322.08-acre, more or less, horizontal spacing unit comprised of the W/2 W/2 of irregular Sections 30 and 31, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the proposed **Myox 6 State Com #510H** well to be drilled from a surface hole location in NW/4 NW/4 (Lot 1) of irregular Section 6, Township 26 South, Range 28 East, to a bottom hole location in the NW/4 NW/4 (Lot 1) of Section 30. The completed intervals for this well will comply with statewide setbacks for horizontal oil wells. Also, to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk in-



volved in drilling and completing the well. Said area is located approximately 10.8 miles southwest of Malaga, New Mexico.  
September 17, 2019