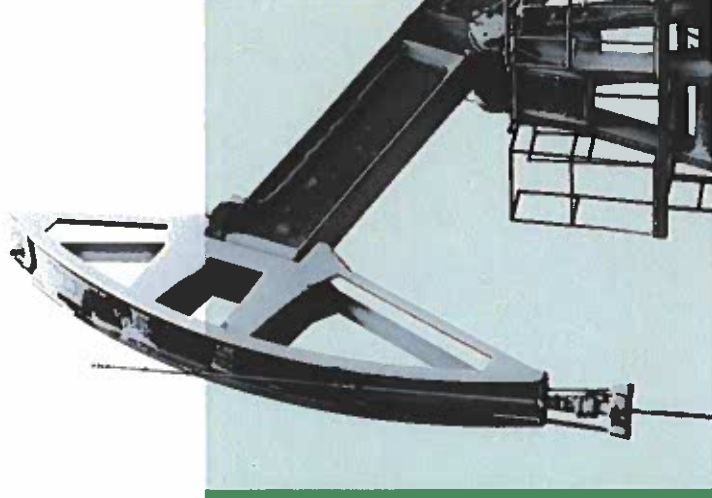


COG OPERATING LLC

Honey Graham State Com 702H and 703H

Section 20, 29 & 32-T26S-28E

Eddy County, New Mexico



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

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

CASE NO. 20903

AFFIDAVIT OF TRAVIS MACHA

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


1. My name is Travis Macha. I am employed by 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 application filed by COG in this matter and I am familiar with the status of the lands in the subject area.
4. No party proposed to be pooled in this case has expressed opposition to this proceeding, therefore I do not expect any opposition at hearing.
5. COG seeks an order pooling all uncommitted interests in the Wolfcamp formation (Purple Sage-Wolfcamp Gas Pool) underlying the standard 767.51-acre, more or less, horizontal well spacing unit comprised of the W/2 of Sections 20 and 29 and the N/2NW/4 and Lots 1 and 2 of irregular Section 32, Township 26 South, Range 28 East, NMPM, Eddy County, New Mexico. This standard horizontal well spacing unit will be dedicated to the following two initial wells:

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 20903 Exhibit No. A
Submitted by:
COG OPERATING LLC
Hearing Date: November 14, 2019

- A. The proposed **Honey Graham State Com 702H Well** which will be horizontally drilled to a depth sufficient to test the Wolfcamp formation with the first take point for this well in Unit C (NE/4NW/4) of Section 20 and the last take point in Lot 2 of Section 32; and
 - B. The proposed **Honey Graham State Com 703H Well** which will be horizontally drilled to a depth sufficient to test the Wolfcamp formation with the first take point for this well in Unit D (NW/4NW/4) of Section 20 and the last take point in Lot 1 of Section 32.
- 6. The completed intervals for these wells will comply with the setback requirements imposed by the Special Rules for the Purple Sage-Wolfcamp Gas Pool.
 - 7. **COG Exhibit No. 1** contains draft Forms C-102 for each of these proposed Honey Graham wells.
 - 8. **COG Exhibit No. 2** identifies the tracts of land comprising the proposed spacing and proration unit in this case. This exhibit also identifies the interest ownership by tract and in the total unit. COG is seeking to pool only the highlighted working interest owners identified in this exhibit.
 - 9. COG has conducted a diligent search of all public records in Eddy County, including phone directories and computer data bases. All interest owners that COG seeks to pool are locatable.
 - 10. **COG Exhibit No. 3** contains a sample of the well proposal letter which was timely provided to the owners of the interests COG is seeking to pool. An AFE for each of the subject wells was also provided to these owners. Copies of these AFE's are attached to COG's proposal letters.

11. The costs reflected in AFE are consistent with what COG and other operators have incurred for drilling and completing similar horizontal wells in this formation.
12. COG has estimated the overhead and administrative costs for drilling and producing the proposed wells 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.
13. In my opinion, COG has made good faith efforts to reach agreement with the parties it is seeking to pool. If COG reaches an agreement with any of these parties before the Division enters an order in this case, I will advise the Division that COG no longer seeks to pool those parties.
14. No ownership depth severances exist in the proposed spacing unit and there are no unleased minerals in the subject acreage.
15. I provided our legal counsel a list of names and addresses for the owners that COG seeks to pool and instructed that they be notified of this hearing.
16. COG Exhibits 1-A through 1-C were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT



Travis Macha

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

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name		
4 Property Code		5 Property Name HONEY GRAHAM STATE COM				6 Well Number 702H
7 GRID NO.		8 Operator Name COG OPERATING, LLC				9 Elevation 3083'

10 Surface Location

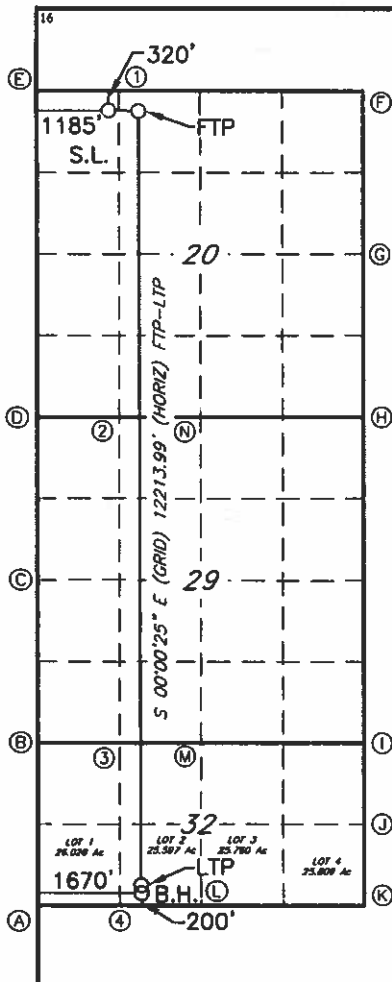
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
D	20	26S	28E		320	NORTH	1185	WEST	EDDY

11 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
2	32	26S	28E		200	SOUTH	1670	WEST	EDDY

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 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.



GEODETIC DATA
NAD 27 GRID - NM EAST

SURFACE LOCATION (SL)
N: 376292.9 - E: 568037.6
LAT: 32.0343538° N
LONG: 104.1137717° W

LAST TAKE POINT (LTP)
330' FSL & 1670' FWL (Sec.32)
N: 364068.5 - E: 568523.7
LAT: 32.0007452° N
LONG: 104.1122839° W

FIRST TAKE POINT (FTP)
330' FSL & 1670' FWL (Sec.20)
N: 376279.5 - E: 568522.4
LAT: 32.0343142° N
LONG: 104.1122072° W

BOTTOM HOLE (BH)
N: 363938.5 - E: 568523.9
LAT: 32.0003879° N
LONG: 104.1122840° W

CORNER DATA
NAD 27 GRID - NM EAST

A: FOUND BRASS CAP "1995"
N: 363736.6 - E: 566854.7

B: FOUND BRASS CAP "1995"
N: 366064.5 - E: 566850.2

C: FOUND BRASS CAP "1995"
N: 368704.0 - E: 566857.1

D: FOUND BRASS CAP "1995"
N: 371342.9 - E: 566864.2

E: CALCULATED CORNER
N: 376621.4 - E: 566852.1

F: FOUND BRASS CAP "1995"
N: 376583.7 - E: 572143.2

G: FOUND BRASS CAP "1995"
N: 373937.3 - E: 572144.4

H: FOUND BRASS CAP "1995"
N: 371284.7 - E: 572150.0

I: FOUND BRASS CAP "1995"
N: 365999.4 - E: 572158.6

J: FOUND BRASS CAP "1995"
N: 364584.9 - E: 572161.6

K: FOUND BRASS CAP "1995"
N: 363743.2 - E: 572163.4

L: FOUND BRASS CAP "1995"
N: 363739.7 - E: 569491.1

M: FOUND BRASS CAP "1995"
N: 365988.2 - E: 569486.3

N: FOUND BRASS CAP "1995"
N: 371313.8 - E: 569507.1

CALCULATED POINTS

1: N: 376611.8 - E: 568174.9
2: N: 371328.3 - E: 568185.7
3: N: 366026.3 - E: 568168.3
4: N: 363738.2 - E: 568172.9

17 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 _____ Date _____
Printed Name _____
E-mail Address _____

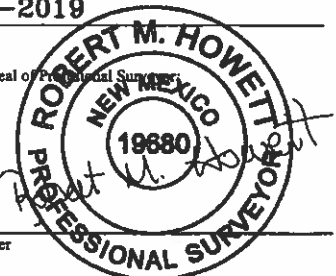
18 SURVEYOR CERTIFICATION

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.

09-06-2019

Date of Survey

Signature and Seal of Professional Surveyor



19680

Certificate Number

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 20903 Exhibit No. A-1
Submitted by:
COG OPERATING LLC
Hearing Date: November 14, 2019

Job No.: LS19090862

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
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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

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name		
4 Property Code		5 Property Name HONEY GRAHAM STATE COM				6 Well Number 703H
7 OGRID NO.		8 Operator Name COG OPERATING, LLC				9 Elevation 3084'

10 Surface Location

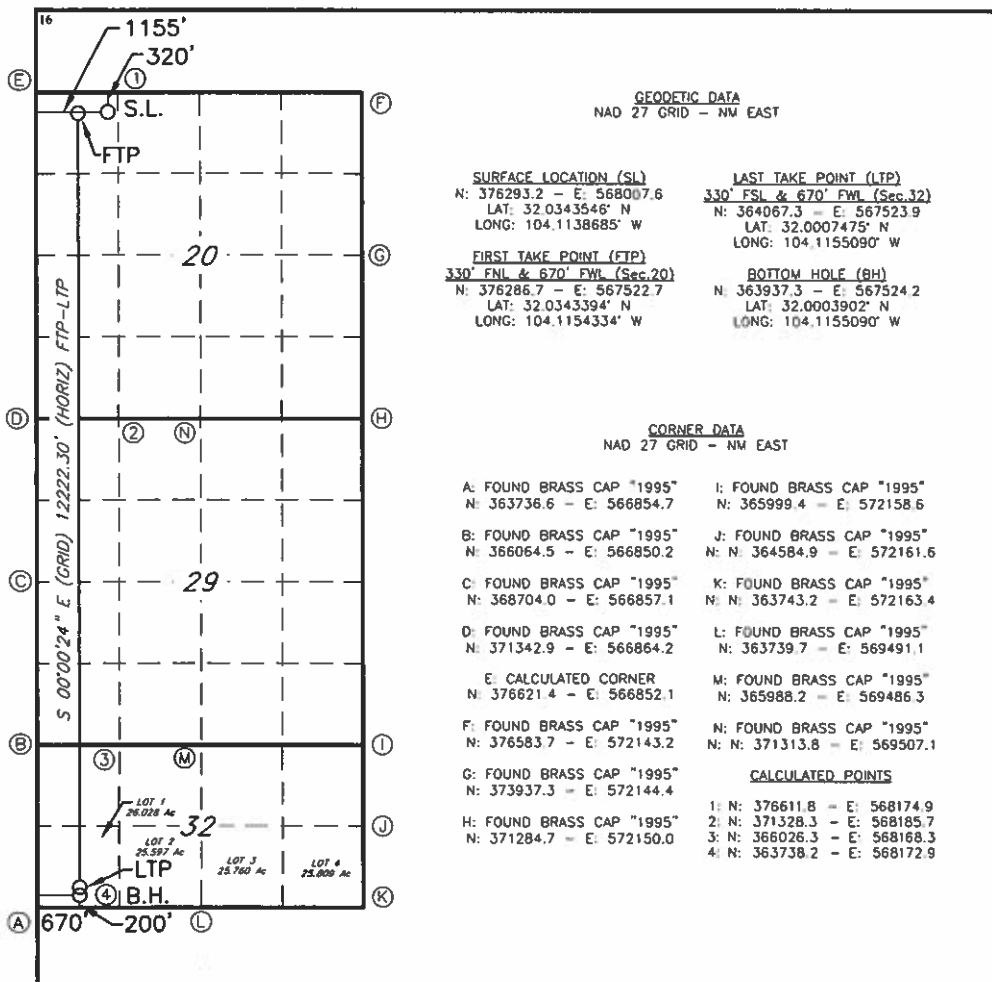
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
D	20	26S	28E		320	NORTH	1155	WEST	EDDY

11 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	32	26S	28E		200	SOUTH	670	WEST	EDDY

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 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.



17 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 _____ Date _____
Printed Name _____
E-mail Address _____

18 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.

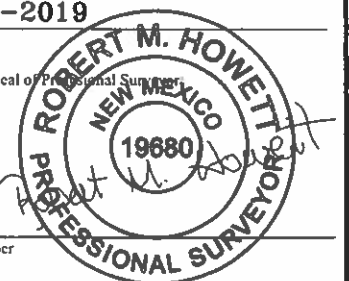
09-06-2019

Date of Survey

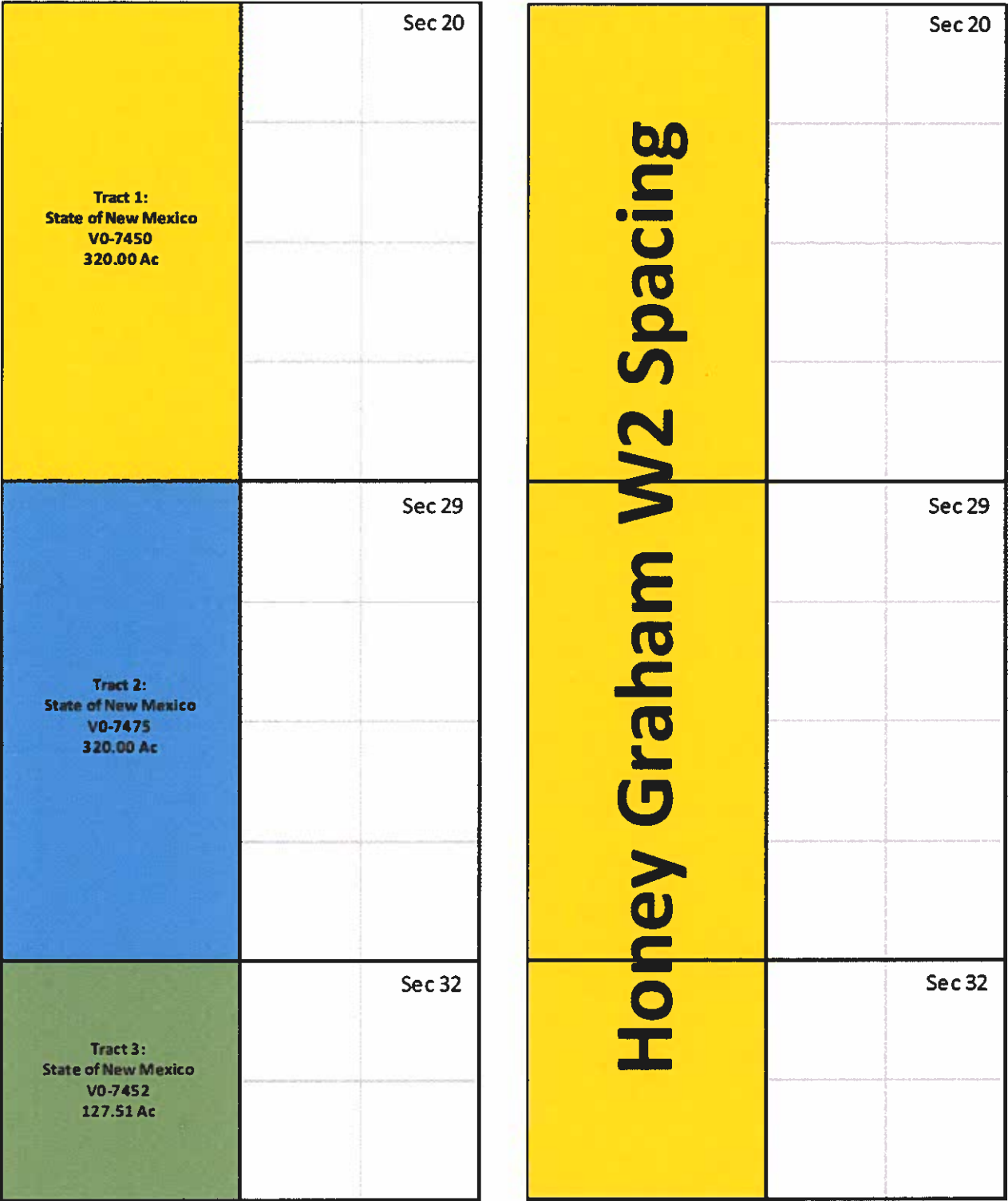
Signature and Seal of Professional Surveyor

19680

Certificate Number



Job No.: L519090861



Honey Graham State Com 704H, 705H, 706H - Compulsory Pooling Info
Section 20: W2, Section 29: W2, Section 32: N2NW, Lots 1, 2, T26S-R28E - Wolfcamp

Proposal Sent	YES
COM Sent	YES
DPU Sent	YES
JOA Sent	YES

ORRI Parties to Pool:
None

NPRI Parties to Pool:
None

Working Interest Parties:

COG Operating LLC
Concho Oil & Gas LLC
SRO 3
LLC

The Allar Company
EOG Resources,
Inc.
Oxy Y-1 Company
EOG Resources,
Inc.

Sharbro Energy LLC

 Pooling

Leasehold Ownership					
	COG, Concho, & SRO 3 WI	EOG WI	Oxy Y-1 WI	Allar WI	Sharbro WI
Tract 1	100.0000000%	0.0000000%	0.0000000%	0.0000000%	0.0000000%
Tract 2	56.3877460%	15.3968940%	5.4024190%	22.0025780%	0.8103630%
Tract 3	56.3877460%	15.3968940%	5.4024190%	22.0025780%	0.8103630%

Unit Recapitulation	
Owner	Working Interest
COG Operating LLC	31.234500%
Concho Oil & Gas LLC	1.643921%
SRO 3 LLC	41.693268%
EOG Resources, Inc.	8.977225%
Sharbro Energy, LLC	0.472486%
Oxy Y-1 Company	3.149904%
The Allar Company	12.828698%
Total	100.000000%

Parties to Pool Addresses:

Oxy USA, Inc.	WI	5 Greenway Plaza, Suite 110	Houston, TX 77046
Oxy Y-1 Company	WI	5 Greenway Plaza, Suite 110	Houston, TX 77046
The Allar Company	WI	P.O. Box 1567	Graham, TX 76450
Sharbro Energy LLC	WI	P.O. Box 840	Artesia, NM 88211
EOG Resources, Inc.	WI	5509 Champions Drive	Midland, TX 79706



September 11, 2019

Via Certified Mail, Return Receipt Requested

WORKING INTEREST OWNERS ON ATTACHED EXHIBIT "A"

Re: **Honey Graham St Com 702H & 703H**
W/2 of Sections 20, 29, 32, T26S-R28E
Eddy County, New Mexico

Dear Sir or Madam:

COG Operating, LLC ("COG") has previously proposed multiple wells in this area. Please disregard any and all Honey Graham St Com wells proposals located in the W/2 spacing unit (W/2 of Sections 20 & 29, and Lots 1, 2, N/2 NW/4 of Section 32, T26S-R28E), and consider them rescinded. At this time, COG is proposing the following Honey Graham State wells to be located in the W/2 spacing unit:

- **Honey Graham State Com 702H**
Wolfcamp A Shale; TVD: 9,220'
SHL: 220' FNL, 1185' FWL (or Unit D), 20-26S-28E
BHL: 200' FSL, 1670' FWL (or Lot 2), 32-26S-28E
FTP: 330' FNL, 1670' FWL (or Unit C), 20-26S-28E
LTP: 330' FSL, 1670' FWL (or Lot 2), 32-26S-28E
Total Estimated AFE cost: \$13,517,330.30
- **Honey Graham State Com 703H**
Wolfcamp A Shale; TVD: 9,200'
SHL: 200' FNL, 1155' FWL (or Unit D), 20-26S-28E
BHL: 200' FSL, 670' FWL (or Lot 1), 32-26S-28E
FTP: 330' FNL, 670' FWL (or Unit D), 20-26S-28E
LTP: 330' FSL, 670' FWL (or Lot 1), 32-26S-28E
Total Estimated AFE cost: \$13,517,330.30

The previously mailed Operating Agreement, Designation of Pooled Unit, and Communitization Agreement should still apply to these new proposals, so please continue to review them for approval and signature.

As I mentioned in my previous correspondence, I apologize for all of the rescissions and revisions involved with these wells, and hope this letter serves to clarify the intent of COG in this matter. I've also attached preliminary SUD maps for your review.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 20903 Exhibit No. A-3
Submitted by:
COG OPERATING LLC
Hearing Date: November 14, 2019

September 11, 2019 – Page 3
Honey Graham St Com 702H, 703H
Revised Well Proposals W/2 SPACING UNIT

EXHIBIT "A"
WORKING INTEREST OWNERS

Via Electronic Mail, Return Receipt Requested

No. 91 7199 9991 7039 7053 7933

OXY Y-1 Company

5 Greenway Plaza, Suite 110

Houston, TX 77046

Attn: Courtney Carr

Via Electronic Mail, Return Receipt Requested

No. 91 7199 9991 7039 7053 7926

The Allar Company

P.O. Box 1567

Graham, TX 76450

Attn: Jack Graham

Via Electronic Mail, Return Receipt Requested

No. 91 7199 9991 7039 7053 7919

Sharbro Energy LLC

P.O. Box 840

Artesia, NM 88211

Attn: Land Manager

Via Electronic Mail, Return Receipt Requested

No. 91 7199 9991 7039 7053 7902

EOG Resources, Inc.

5509 Champions Drive

Midland, TX 79706

Attn: Land Manager

COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
Drill & Complete

Well Name Honey Graham State Corn 702H	Prospect #717052 ATLAS 2628
SHL SEC 20: UNIT D	State & County NEW MEXICO, EDDY
BHL SEC 32: LOT 2	Objective Drill & Complete
Formation WOLFCAMP	Depth 21,720
Legal 32-26S-28E	TVD 9,220
AFE Numbers	

Cost Description	Code	Cost	Revision	Total
Tangible Costs				
D-Surface Casing	401	\$23,943	\$0.00	\$23,943
D-Intermed Csg	402	\$64,989	\$0.00	\$64,989
D-Production Casing/Liner	403	\$279,338	\$0.00	\$279,338
D-Wellhead Equip	405	\$28,504	\$0.00	\$28,504
C-Tubing	504	\$43,896	\$0.00	\$43,896
C-Wellhead Equip	505	\$15,050	\$0.00	\$15,050
PEQ-Pumping Unit	506	\$109,341	\$0.00	\$109,341
PEQ-Rods	508	\$43,896	\$0.00	\$43,896
TB-Tanks	510	\$85,512	\$0.00	\$85,512
TB-Flowlines/Pipelines	511	\$11,402	\$0.00	\$11,402
TB-Htr Trlr/Seprtr	512	\$119,716	\$0.00	\$119,716
TB-Electrical System/Equipment	513	\$85,512	\$0.00	\$85,512
C-Pckrs/Anchors/Hgrs	514	\$5,701	\$0.00	\$5,701
TB-Couplings/Fittings/Valves	515	\$262,236	\$0.00	\$262,236
TB-Gas Lift/Compression	516	\$28,504	\$0.00	\$28,504
TB-Pumps-Surface	521	\$28,504	\$0.00	\$28,504
TB-Meters/Lacts	525	\$34,205	\$0.00	\$34,205
TB-Flares/Combusters/Emission	526	\$51,307	\$0.00	\$51,307
C-Gas Lift/Compression	527	\$11,402	\$0.00	\$11,402
PEQ-Instrumentation/SCADA/POC	529	\$5,017	\$0.00	\$5,017
PEQ-Wellhead Equipment	531	\$3,763	\$0.00	\$3,763
PEQ-Pumps	532	\$10,033	\$0.00	\$10,033
Total Tangible Costs		\$1,351,768	\$0.00	\$1,351,768

Intangible Costs				
PS-Title/Permits	201	\$15,854	\$0.00	\$15,854
D-Insurance	202	\$5,765	\$0.00	\$5,765
PS-Damages/ROW	203	\$7,206	\$0.00	\$7,206
PS-Survey/Stake Lctn	204	\$8,647	\$0.00	\$8,647
D-Lctr/Pits/Roads	205	\$172,950	\$0.00	\$172,950
D-Drilling Overhead	206	\$8,647	\$0.00	\$8,647
D-Daywork Contract	209	\$588,029	\$0.00	\$588,029
D-Directional Drlg Services	210	\$236,364	\$0.00	\$236,364
D-Fuel & Power	211	\$103,770	\$0.00	\$103,770
D-Water	212	\$76,386	\$0.00	\$76,386
D-Bits	213	\$93,681	\$0.00	\$93,681
D-Mud & Chemicals	214	\$129,712	\$0.00	\$129,712
D-Cement Surface	217	\$23,060	\$0.00	\$23,060
D-Cement Intermed	218	\$37,472	\$0.00	\$37,472
D-Prod-2nd Int Cmt	219	\$191,686	\$0.00	\$191,686
D-Float Equipment & Centralizers	221	\$57,650	\$0.00	\$57,650
D-Csg Crews & Equip	222	\$46,120	\$0.00	\$46,120
D-Contract Labor	225	\$10,089	\$0.00	\$10,089
D-Company Sprvsn	226	\$51,885	\$0.00	\$51,885
D-Contract Sprvsn	227	\$92,240	\$0.00	\$92,240
D-Tstg Csg/Tbg	228	\$28,825	\$0.00	\$28,825
D-Mud Logging Unit	229	\$30,266	\$0.00	\$30,266
D-Perf/Wireline Svc	231	\$5,765	\$0.00	\$5,765
D-Rentals-Surface	235	\$165,743	\$0.00	\$165,743
D-Rentals-Subsrtc	236	\$129,712	\$0.00	\$129,712
D-Trucking/Forklift/Rig Mob	237	\$187,362	\$0.00	\$187,362
D-Welding Services	238	\$4,324	\$0.00	\$4,324
D-Contingency	243	\$50,444	\$0.00	\$50,444
D-Envrnmnt/Clsd Loop	244	\$259,424	\$0.00	\$259,424
C-Lctr/Pits/Roads	305	\$17,583	\$0.00	\$17,583
C-Fuel Delivery & Services	311	\$7,206	\$0.00	\$7,206
C-Water	312	\$1,458,542	\$0.00	\$1,458,542
C-Bits	313	\$6,486	\$0.00	\$6,486
C-Mud & Chemicals	314	\$36,031	\$0.00	\$36,031
C-Contract Labor	325	\$57,650	\$0.00	\$57,650
C-Company Sprvsn	326	\$43,237	\$0.00	\$43,237
C-Contract Sprvsn	327	\$136,918	\$0.00	\$136,918
C-Tstg Csg/Tbg	328	\$14,412	\$0.00	\$14,412
C-Perf/Wireline Svc	331	\$626,942	\$0.00	\$626,942
C-Stimulation/Treating	332	\$5,432,058	\$0.00	\$5,432,058
C-Completion Unit	333	\$61,974	\$0.00	\$61,974
C-Rentals-Surface	335	\$341,575	\$0.00	\$341,575
C-Trucking/Forklift/Rig Mob	337	\$57,650	\$0.00	\$57,650
C-Welding Services	338	\$7,206	\$0.00	\$7,206
C-Water Disposal	339	\$86,475	\$0.00	\$86,475
C-Contingency	343	\$360,312	\$0.00	\$360,312
C-Envrnmnt/Clsd Loop	344	\$7,206	\$0.00	\$7,206
C-Flowback Crews & Equip	347	\$183,038	\$0.00	\$183,038
TB-Location/Pits/Roads	353	\$122,506	\$0.00	\$122,506
TB-Contract Labor	356	\$115,300	\$0.00	\$115,300
TB-Water Disposal	362	\$129,712	\$0.00	\$129,712
PEQ-Contract Supervision	376	\$7,927	\$0.00	\$7,927
PEQ-Completion Unit	381	\$11,098	\$0.00	\$11,098
PEQ-Rentals-Surface	383	\$9,512	\$0.00	\$9,512
PEQ-Trkg/Forklift/Rig Mobilization	385	\$7,927	\$0.00	\$7,927
Total Intangible Costs		\$12,165,563	\$0.00	\$12,165,563

Total Gross Cost	\$13,517,330.30	\$0.00	\$13,517,330.30
------------------	-----------------	--------	-----------------

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

COG Operating LLC

By: _____

Date Prepared: _____

COG Operating LLC

We approve:
% Working Interest

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.

COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
Drill & Complete

Well Name Honey Graham State Com 703H	Prospect #717052 ATLAS 2628
SHL SEC 20: UNIT D	State & County NEW MEXICO, EDDY
BHL SEC 32: LOT 1	Objective Drill & Complete
Formation WOLFCAMP	Depth 21,700
Legal 32-26S-28E	TVD 9,200
AFE Numbers	

Cost Description	Code	Cost	Revision	Total
Tangible Costs				
D-Surface Casing	401	\$23,943	\$0.00	\$23,943
D-Intermed Csg	402	\$64,989	\$0.00	\$64,989
D-Production Casing/Liner	403	\$279,338	\$0.00	\$279,338
D-Wellhead Equip	405	\$28,504	\$0.00	\$28,504
C-Tubing	504	\$43,896	\$0.00	\$43,896
C-Wellhead Equip	505	\$15,050	\$0.00	\$15,050
PEQ-Pumping Unit	506	\$109,341	\$0.00	\$109,341
PEQ-Rods	508	\$43,896	\$0.00	\$43,896
TB-Tanks	510	\$85,512	\$0.00	\$85,512
TB-Flowlines/Pipelines	511	\$11,402	\$0.00	\$11,402
TB-Htr Trtr/Seprtr	512	\$119,716	\$0.00	\$119,716
TB-Electrical System/Equipment	513	\$85,512	\$0.00	\$85,512
C-Pckrs/Anchors/Hgrs	514	\$5,701	\$0.00	\$5,701
TB-Couplings/Fittings/Valves	515	\$262,236	\$0.00	\$262,236
TB-Gas Lift/Compression	516	\$28,504	\$0.00	\$28,504
TB-Pumps-Surface	521	\$28,504	\$0.00	\$28,504
TB-Meters/Lacts	525	\$34,205	\$0.00	\$34,205
TB-Flares/Combusters/Emission	526	\$51,307	\$0.00	\$51,307
C-Gas Lift/Compression	527	\$11,402	\$0.00	\$11,402
PEQ-Instrumentation/SCADA/POC	529	\$5,017	\$0.00	\$5,017
PEQ-Wellhead Equipment	531	\$3,763	\$0.00	\$3,763
PEQ-Pumps	532	\$10,033	\$0.00	\$10,033
Total Tangible Costs		\$1,351,768	\$0.00	\$1,351,768

Intangible Costs				
PS-Title/Permits	201	\$15,854	\$0.00	\$15,854
D-Insurance	202	\$5,765	\$0.00	\$5,765
PS-Damages/ROW	203	\$7,206	\$0.00	\$7,206
PS-Survey/Stake Lctn	204	\$8,647	\$0.00	\$8,647
D-Lctrn/Pits/Roads	205	\$172,950	\$0.00	\$172,950
D-Drilling Overhead	206	\$8,647	\$0.00	\$8,647
D-Daywork Contract	209	\$588,029	\$0.00	\$588,029
D-Directional Drlg Services	210	\$236,364	\$0.00	\$236,364
D-Fuel & Power	211	\$103,770	\$0.00	\$103,770
D-Water	212	\$78,388	\$0.00	\$78,388
D-Bits	213	\$93,681	\$0.00	\$93,681
D-Mud & Chemicals	214	\$129,712	\$0.00	\$129,712
D-Cement Surface	217	\$23,060	\$0.00	\$23,060
D-Cement Intermed	218	\$37,472	\$0.00	\$37,472
D-Prod-2nd Int Cmt	219	\$191,686	\$0.00	\$191,686
D-Float Equipment & Centralizers	221	\$57,650	\$0.00	\$57,650
D-Csg Crews & Equip	222	\$46,120	\$0.00	\$46,120
D-Contract Labor	225	\$10,089	\$0.00	\$10,089
D-Company Sprvsn	226	\$51,885	\$0.00	\$51,885
D-Contract Sprvsn	227	\$92,240	\$0.00	\$92,240
D-Tstg Csg/Tbg	228	\$28,825	\$0.00	\$28,825
D-Mud Logging Unit	229	\$30,266	\$0.00	\$30,266
D-Perf/Wireline Svc	231	\$5,765	\$0.00	\$5,765
D-Rentals-Surface	235	\$165,743	\$0.00	\$165,743
D-Rentals-Subsrfc	236	\$129,712	\$0.00	\$129,712
D-Trucking/Forklift/Rig Mob	237	\$187,362	\$0.00	\$187,362
D-Welding Services	238	\$4,324	\$0.00	\$4,324
D-Contingency	243	\$50,444	\$0.00	\$50,444
D-Envrnmnt/Clsd Loop	244	\$259,424	\$0.00	\$259,424
C-Lctrn/Pits/Roads	305	\$17,583	\$0.00	\$17,583
C-Fuel Delivery & Services	311	\$7,206	\$0.00	\$7,206
C-Water	312	\$1,458,542	\$0.00	\$1,458,542
C-Bits	313	\$6,486	\$0.00	\$6,486
C-Mud & Chemicals	314	\$36,031	\$0.00	\$36,031
C-Contract Labor	325	\$57,650	\$0.00	\$57,650
C-Company Sprvsn	326	\$43,237	\$0.00	\$43,237
C-Contract Sprvsn	327	\$136,918	\$0.00	\$136,918
C-Tstg Csg/Tbg	328	\$14,412	\$0.00	\$14,412
C-Perf/Wireline Svc	331	\$626,942	\$0.00	\$626,942
C-Stimulation/Treating	332	\$5,432,058	\$0.00	\$5,432,058
C-Completion Unit	333	\$61,974	\$0.00	\$61,974
C-Rentals-Surface	335	\$341,575	\$0.00	\$341,575
C-Trucking/Forklift/Rig Mob	337	\$57,650	\$0.00	\$57,650
C-Welding Services	338	\$7,206	\$0.00	\$7,206
C-Water Disposal	339	\$86,475	\$0.00	\$86,475
C-Contingency	343	\$360,312	\$0.00	\$360,312
C-Envrnmnt/Clsd Loop	344	\$7,206	\$0.00	\$7,206
C-Flowback Crews & Equip	347	\$183,038	\$0.00	\$183,038
TB-Location/Pits/Roads	353	\$122,506	\$0.00	\$122,506
TB-Contract Labor	356	\$115,300	\$0.00	\$115,300
TB-Water Disposal	362	\$129,712	\$0.00	\$129,712
PEQ-Contract Supervision	376	\$7,927	\$0.00	\$7,927
PEQ-Completion Unit	381	\$11,098	\$0.00	\$11,098
PEQ-Rentals-Surface	383	\$9,512	\$0.00	\$9,512
PEQ-Trkg/Forklift/Rig Mobilization	385	\$7,927	\$0.00	\$7,927
Total Intangible Costs		\$12,165,563	\$0.00	\$12,165,563

Total Gross Cost	\$13,517,330.30	\$0.00	\$13,517,330.30
------------------	-----------------	--------	-----------------

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.



William F. Carr
Attorney

October 25, 2019

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

**Re: Case No. 20903: Application of COG Operating, LLC for compulsory pooling,
Eddy 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. A hearing has been requested before a Division Examiner on **November 14, 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 1200 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.

Pursuant to Division Rule 19.135.4.13.B, parties appearing in a case are required to file a Pre-hearing 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 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) 221-0452 or TMacha@concho.com.

Sincerely,

William F. Carr
Attorney for COG Operating LLC

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 20903 Exhibit No. A-4
Submitted by:
COG OPERATING LLC
Hearing Date: **November 14, 2019**

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

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

CASE NO. 20903

AFFIDAVIT OF BENJAMIN DAVIS

Benjamin Davis, of lawful age and being first duly sworn, declares as follows:

1. My name is Benjamin Davis. I am employed by COG Operating LLC ("COG") as a Geologist.
2. I have previously testified before the New Mexico Oil Conservation Division and 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 case and have conducted a geologic study of the lands in the subject area.
4. In this case, COG is targeting the Wolfcamp formation.
5. **COG Exhibit B-1** is a locator map. It shows COG's acreage in yellow, the subject spacing unit is outlined in black. The surface hole and bottom hole locations for the proposed Honey Graham State Com Wells 702H and 703H are indicated. The path of the proposed wellbores for these wells, which target the Wolfcamp formation, are marked by dashed pink lines. Nearby wells producing from the Wolfcamp formation are denoted by purple circles.
6. **COG Exhibit B-2** is a subsea structure map that I prepared off the top of the Wolfcamp. As with the locator map, the wellbore path of the proposed Honey Graham State Com Wells 702H and 703H are depicted by dashed pink lines. The contour interval is 50 feet. The substructure map shows that the area is gently sloping to the east. The structure appears consistent in this section.
7. **COG Exhibit B-3** shows three wells I used to construct a cross-section of the subject lands. I consider these wells to be representative of the geology of the area.
8. **COG Exhibit B-4** is cross section A-A' which I prepared from the three representative wells identified in Exhibit B-3. The exhibit shows logs for gamma ray for all three wells, and logs

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 20903 Exhibit No. B
Submitted by:
COG OPERATING LLC
Hearing Date: November 14, 2019**

for resistivity and porosity for two of the three wells. The proposed target interval for the Wolfcamp wells is marked and labeled in green. The logs in the cross-section demonstrate that the target interval within the Wolfcamp is consistent in thickness, across the entire spacing unit. The proposed target interval for the Wolfcamp Wells is marked and labeled in green. The logs in the cross-section demonstrate that the target interval within the Wolfcamp is consistent in thickness across the entire spacing unit.

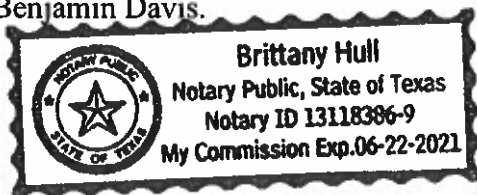
9. Based on my geologic study of the area, I have not identified any geologic impediments to drilling horizontal wells in this area.
10. In my opinion, each tract comprising the proposed spacing unit will be productive and contribute more-or-less equally to production from the wellbore.
11. In my opinion, the granting of COG's application in this case is in the best interest of conservation, the prevention of waste and the protection of correlative rights.
12. COG Exhibits B-1 through B-4 were either prepared by me or compiled under my direction and supervision.

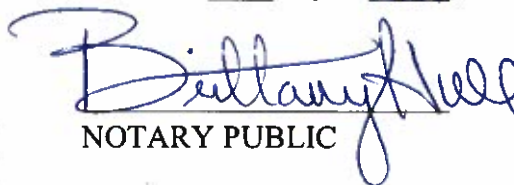

BENJAMIN DAVIS

STATE OF TEXAS)

COUNTY OF Midland)

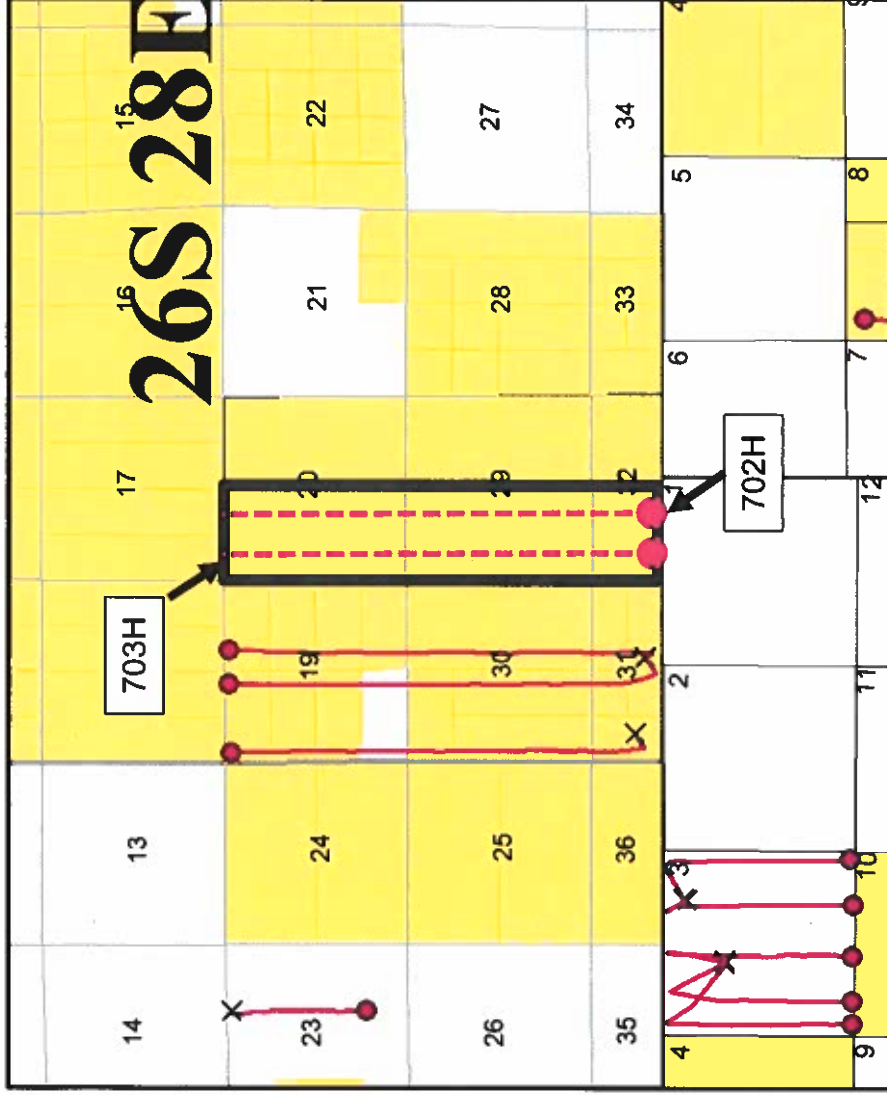
SUBSCRIBED and SWORN to before me this 12th day of Nov, 2019 by
Benjamin Davis.




NOTARY PUBLIC

My Commission Expires: 6.22.21

Wolfcamp Pool Honey Graham State Com Locations



Map Legend

BHL

COG – Proposed Way South
Horizontal Location

SHL

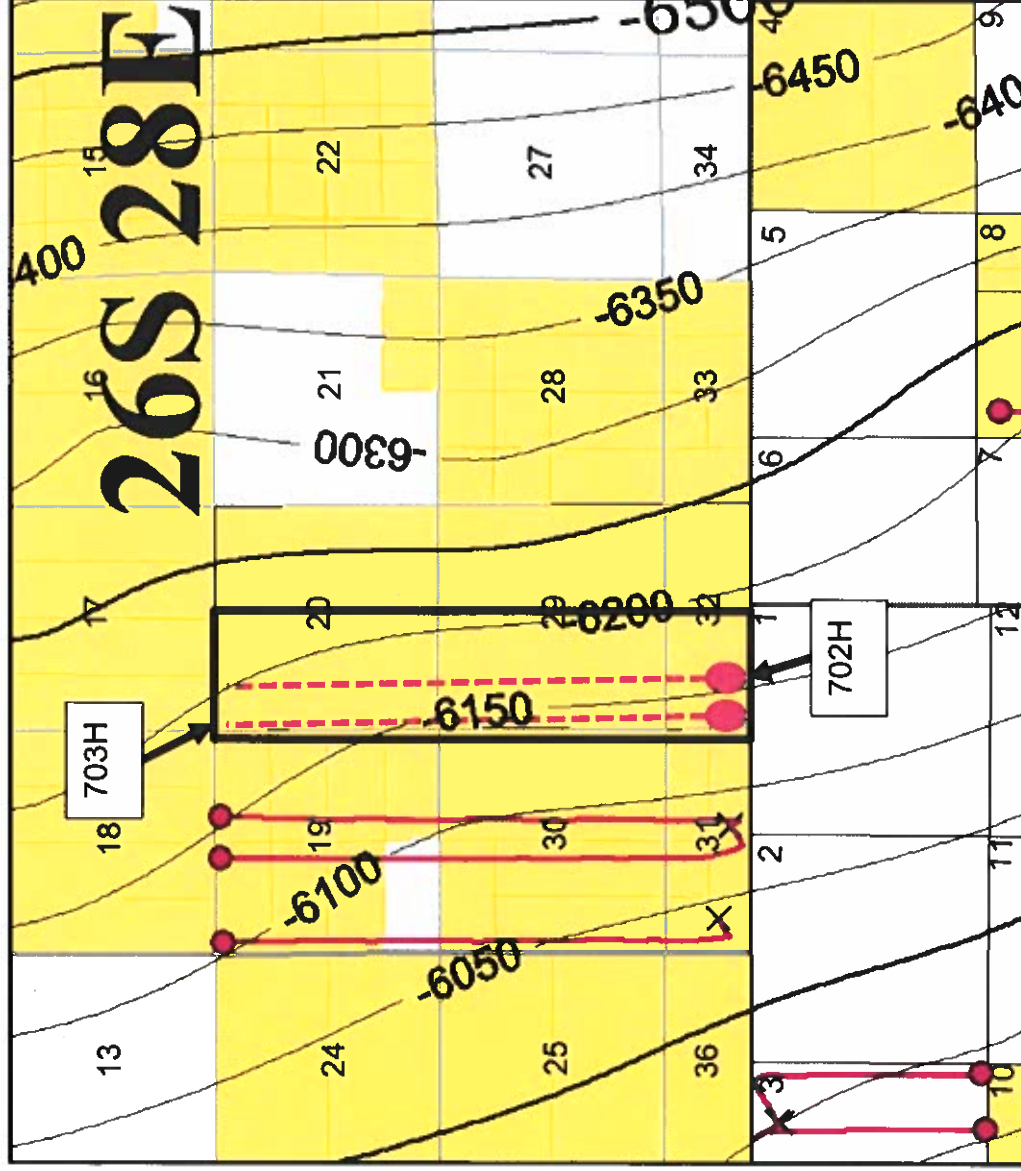
**Producing Wolfcamp A
Horizontals**

COG Acreage



Wolfcamp Pool

Wolfcamp Subsea Structure Map



Map Legend

BHL

COG - Horizontal Location

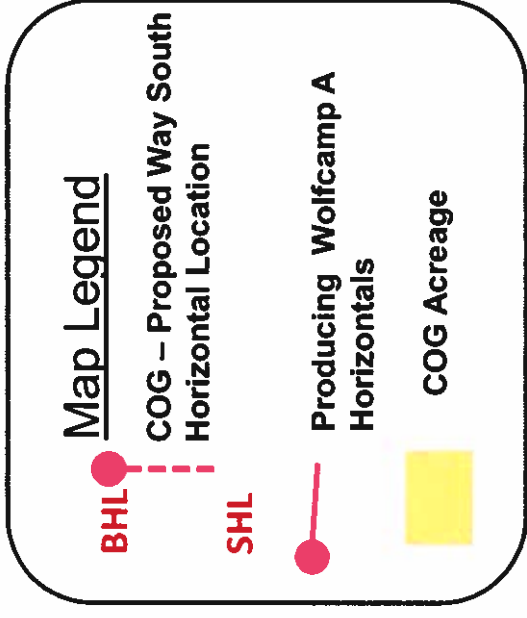
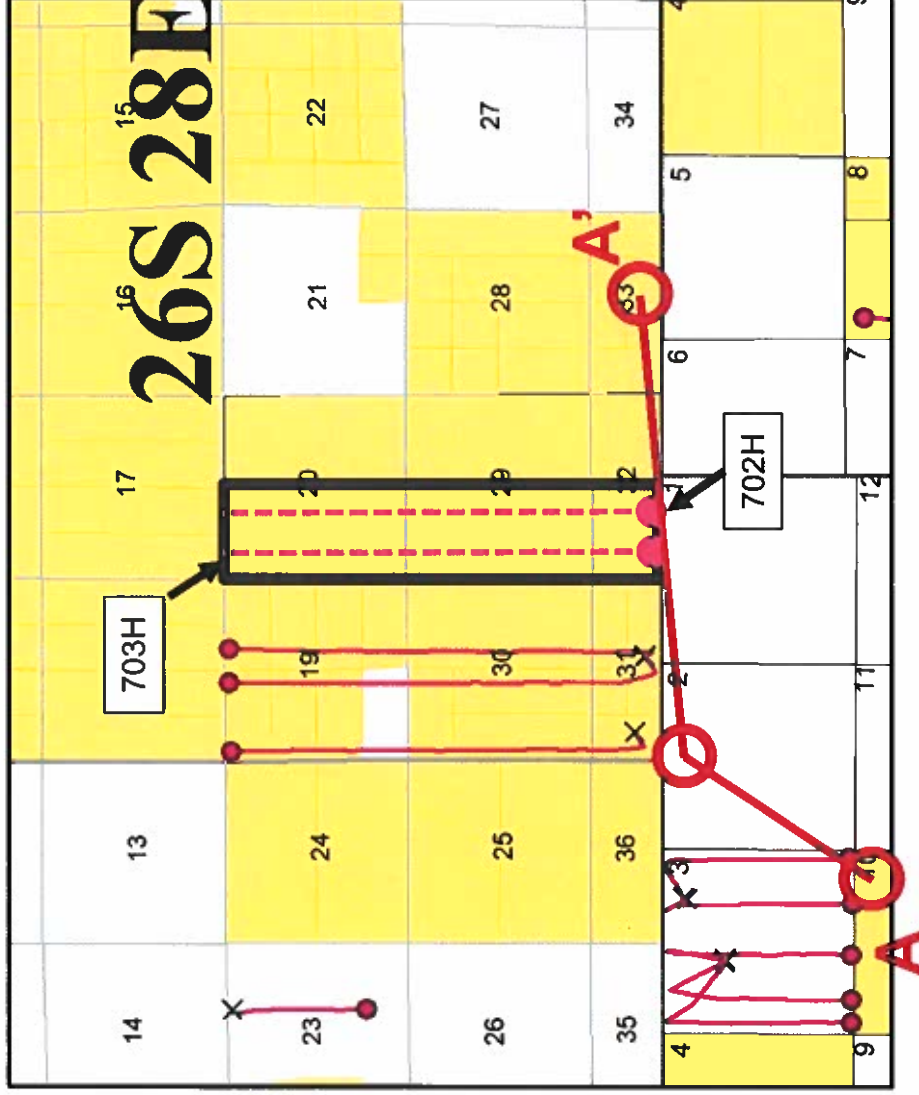
SHL

Wolfcamp Subsea
Structural Contours
Cl: 50'

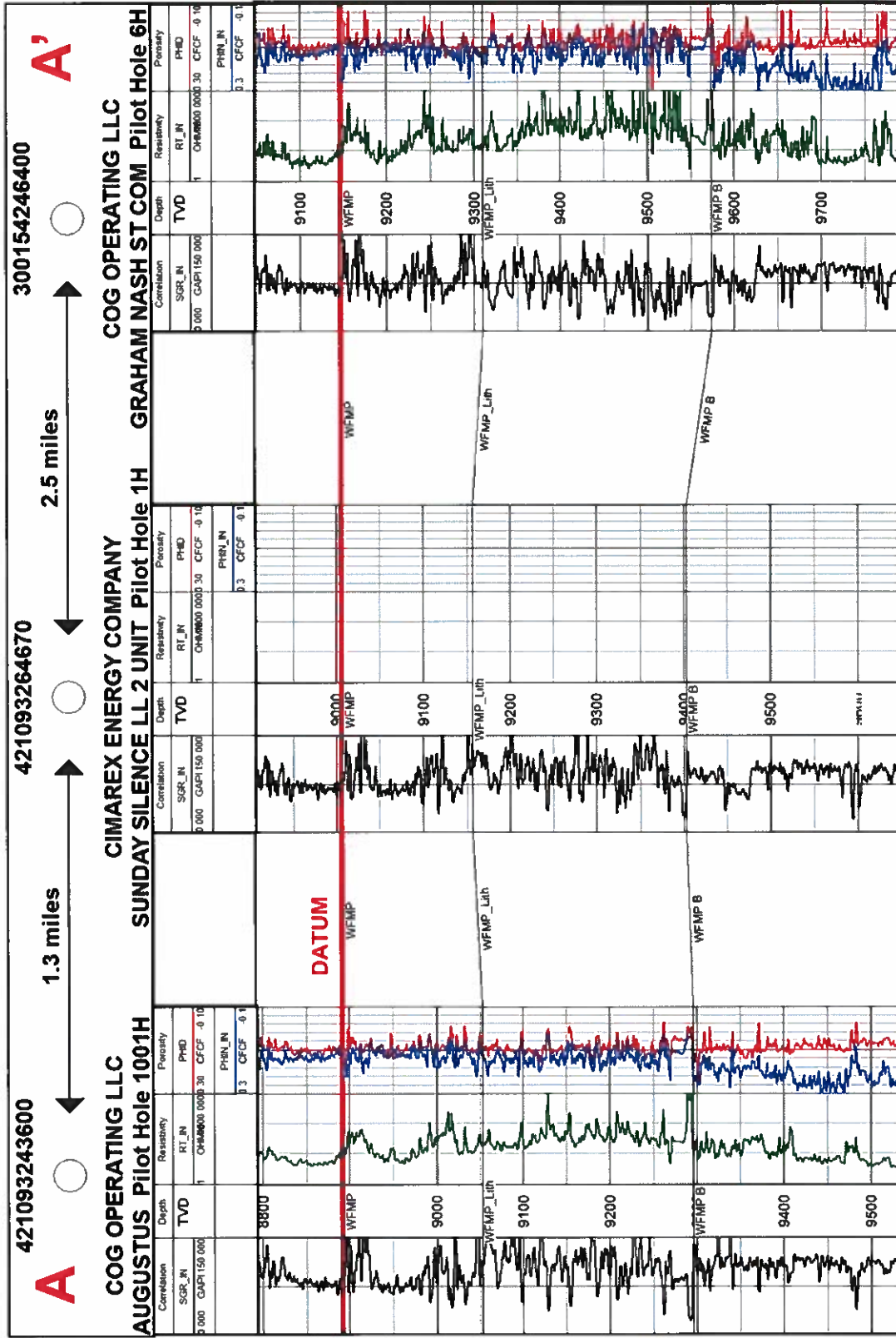
COG Acreage



Wolfcamp Pool Cross Section Location Map



Stratigraphic Cross Section A – A'



Top of Wolfcamp

Lateral Interval
701H, 702H and
703H



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

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

CASE NO. 20903

AFFIDAVIT

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

William F. Carr, attorney and authorized representative of COG Operating LLC, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Application was provided under the notice letter and proof of receipt attached hereto.




William F. Carr

SUBSCRIBED AND SWORN to before me this 13th day of November 2019 by William F. Carr.



**OFFICIAL SEAL
LISAMARIE ORTIZ
NOTARY PUBLIC-STATE OF NEW MEXICO**
My commission expires 01/14/2023



Notary Public

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 20903 Exhibit No. C
Submitted by:
COG OPERATING LLC
Hearing Date: November 14, 2019**



William F. Carr
Attorney

October 25, 2019

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

**Re: Case No. 20903: Application of COG Operating, LLC for compulsory pooling,
Eddy County, New Mexico.**

To whom it may concern:

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If you have any questions about this matter, please contact Travis Macha at (432) 221-0452 or TMacha@concho.com.

Sincerely,

A handwritten signature in black ink, appearing to read "William F. Carr".

William F. Carr
Attorney for COG Operating LLC

CORPORATE ADDRESS

ONE CONCHO CENTER | 600 WEST ILLINOIS AVENUE | MIDLAND TEXAS 79701
P 432 683.7443 | F 432 683.7441

SANTA FE OFFICE

1048 PASEO DE PERALTA | SANTA FE, NEW MEXICO 87501
P 505 780.8000 | F 505 428.0485

HONEY GRAHAM PARTIES TO NOTIFY:

WORKING INTEREST PARTIES:

EOG Resources, Inc.
5509 Champions Drive
Midland, Texas 79706

Sharbro Energy, LLC
P. O. Box 840
Artesia, New Mexico 88211

OXY Y-1 Company
5 Greenway Plaza
Suite110
Houston, Texas 77046

OXY USA, Inc
5 Greenway Plaza
Suite110
Houston, Texas 77046

The Allar Company
P. O. Box 1567
Graham, Texas 76450

ORRI PARTIES TO POOL:

None

NPRI PARTIES TO POOL:

None

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Extra Services & Fees (check box, and fee as appropriate)

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☐ Adult Signature Restricted Delivery \$

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 5509 Champions Drive
 Midland, Texas 79706

(for instructions)

7018 3090 0001 4742 3702

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☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$

Postmark
Here

Sharbro Energy, LLC
 P.O. Box 840
 Artesia, New Mexico 88211

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

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- **Print your name and address on the reverse** so that we can return the card to you.
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EOG Resources, Inc.
 5509 Champions Drive
 Midland, Texas 79706



7018 3090 0001 4742 3702

PS Form 3811, July 2015 PSN 7530-02-000-9053

SENDER: COMPLETE THIS SECTION

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- **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.

Sharbro Energy, LLC
 P.O. Box 840
 Artesia, New Mexico 88211



7018 3090 0001 4742 3696

PS Form 3811, July 2015 PSN 7530-02-000-9053

DELIVERY

A. Signature ☐ Agent

B. Received by (Printed Name) ☐ Addressee

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes ☐ No

3. Service Type

☐ Adult Signature ☐ Priority Mail Express[®]

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☐ Collect on Delivery ☐ Return Receipt for Merchandise

☐ Signature Confirmation[™] Restricted Delivery

A. Signature ☐ Agent

B. Received by (Printed Name) ☐ Addressee

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes ☐ No

3. Service Type

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☐ Adult Signature Restricted Delivery ☐ Registered Mail[™]

☐ Certified Mail[®] ☐ Registered Mail Restricted Delivery

☐ Collect on Delivery ☐ Return Receipt for Merchandise

☐ Signature Confirmation[™] Restricted Delivery

Domestic Return Receipt

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☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
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☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$

Postage \$

OXY Y-1 Company
 5 Greenway Plaza
 Suite 110
 Houston, Texas 77046

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

7018 3090 0001 4742 3672

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 Extra Services & Fees (check box, and fee as appropriate)
☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$

Postage \$

OXY USA, Inc.
 5 Greenway Plaza
 Suite 110
 Houston, Texas 77046

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

SENDER: COMPLETE THIS SECTION

■ Complete items 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.

OXY Y-1 Company
 5 Greenway Plaza
 Suite 110
 Houston, Texas 77046

9590 9402 4582 8278 5894 99

7018 3090 0001 4742 3689

PS Form 3811, July 2015 PSN 7530-02-000-9053

A. Signature ☒ Agent ☐ Addressee

B. Received by (Printed Name) **C. Date of Delivery**
 10/30/19

D. Is delivery address different from item 1? ☐ Yes ☒ No
 If YES, enter delivery address below:

3. Service Type
☐ Adult Signature ☐ Priority Mail Express®
☐ Adult Signature Restricted Delivery ☐ Registered Mail™
☐ Certified Mail® ☐ Registered Mail Restricted Delivery
☐ Certified Mail Restricted Delivery ☐ Return Receipt for Merchandise
☐ Collect on Delivery ☐ Signature Confirmation™
☐ Collect on Delivery Restricted Delivery ☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

■ Complete items 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.

OXY USA, Inc.
 5 Greenway Plaza
 Suite 110
 Houston, Texas 77046

9590 9402 4582 8278 5895 05

7018 3090 0001 4742 3672

PS Form 3811, July 2015 PSN 7530-02-000-9053

A. Signature ☒ Agent ☐ Addressee

B. Received by (Printed Name) **C. Date of Delivery**
 10/30/19

D. Is delivery address different from item 1? ☐ Yes ☒ No
 If YES, enter delivery address below:

3. Service Type
☐ Adult Signature ☐ Priority Mail Express®
☐ Adult Signature Restricted Delivery ☐ Registered Mail™
☐ Certified Mail® ☐ Registered Mail Restricted Delivery
☐ Certified Mail Restricted Delivery ☐ Return Receipt for Merchandise
☐ Collect on Delivery ☐ Signature Confirmation™
☐ Collect on Delivery Restricted Delivery ☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

7018 3090 0001 4742 3665

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit our website at usps.com

OFFICIAL USE

Certified Mail Fee \$
Extra Services & Fees (check box, add fee as appropriate)
☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$

Postage \$

The Allar Company
P.O. Box 1567
Graham Texas 76450

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

OCT 25 2019
Postmark Here
PORT OFFICE

CERTIFIED MAIL®

SENDER: C

PLACE STICKER TOP TO TOP OF THE RIGHT SIDE OF THE MAIL PIECE TO BE RETURNED TO THE SENDER. DO NOT WRITE ON THIS STICKER.

1. Complete items 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.

The Allar Company
P.O. Box 1567
Graham Texas 76450

9590 9402 4582 8278 5895 12

2 Article Number (Printed Name) 7018 3090 0001 4742 3665

PS Form 3811, July 2015 PSN 7530-02-000-9053

3. Service Type
☐ Adult Signature
☐ Adult Signature Restricted Delivery
☐ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Delivery Restricted Delivery
☐ Signature Confirmation™
☐ Signature Confirmation Restricted Delivery

4. Is delivery address different from item 1? If YES, enter delivery address below: ☐ Yes ☐ No

5. Agent
A. Signature ☒ M. Baur
B. Received by (Printed Name) ☐ Address
C. Date of Delivery
Melanie Baur

6. Domestic Return Receipt

Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

Affidavit of Publication

Ad # 0003869336

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1048 PASEO DE PERALTA

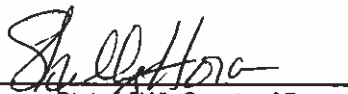
SANTA FE, NM 87501

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:

October 29, 2019


Legal Clerk

Subscribed and sworn before me this October 29, 2019:


State of WI, County of Brown
NOTARY PUBLIC

8-25-23

My commission expires

SHELLY HORA
Notary Public
State of Wisconsin

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 November 14, 2019, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appointed 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 November 5, 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 All named parties and persons Having any right, title, interest or claim in the following cases 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, Non-Participating Royalty Interest Owners, Pooled Parties, and Working Interest Owners; EOG Resources, Inc.; Sharbro Energy, LLC; OXY Y-1 Company; OXY USA, Inc.; The Allar Company.

Case No. 20903: Application of COG Operating LLC for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the division pooling all uncommitted interest owners in the Wolfcamp formation, Purple Sage-Wolfcamp Gas Pool (Pool Code 98220), underlying a 767.51-acre, more or less, horizontal spacing unit comprised of the W/2 of Sections 20 and 29 and the N/2NW/4 and Lots 1 and 2 of irregular Section 32, Township 26 South, Range 28 East, NMPM, Eddy County, New Mexico. COG Operating LLC seeks to dedicate the above-referenced horizontal spacing unit to the following proposed wells:

The Honey Graham State Com 702H well to be horizontally drilled to a depth sufficient to test the Wolfcamp formation with the first take point for this well in Unit C (NE/4NW/4) of Section 20 and the last take point in Lot 2 of Section 32.

The Honey Graham State Com 703H well to be horizontally drilled to a depth sufficient to test the Wolfcamp formation with the first take point for this well in Unit D (NW/4NW/4) of Section 20 and the last take point in Lot 1 of Section 32.

All take points in each of the two initial wells shall be at legal locations pursuant to the rules of the Purple Sage-Wolfcamp Gas Pool. Also to be considered will be approval of an extension of the time for drilling and completion of the initial wells on this horizontal spacing unit, the cost of drilling and completing each well and the allocation of the costs thereof, as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the wells and horizontal well unit, and a 200% charge for risk involved in drilling and completing the wells. Said area is located approximately 4 miles west-northwest of the intersection of U.S. Highway 285 with the New Mexico-Texas border.
#3869336 Current- Argus Oct. 29, 2019

Ad # 0003869336

PO #: Honey Gramhams

of Affidavits : 1