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

APPLICATION OF COG OPERATING LLC TO AMEND ORDER NO. R-21473-A TO EXTEND TIME TO COMMENCE DRILLING OPERATIONS, LEA COUNTY, NEW MEXICO

CASE NO. 22353

HEARING EXHIBITS

Exhibit A	Self-Affirmed Statement of Adam Reker
A-1	Applications & Proposed Notice of Hearing
A-2	Division Order No. R-21473-A
A-3	Hearing Notice Letter and Return Receipts
A-4	Affidavit of Publication

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

APPLICATION OF COG OPERATING LLC TO AMEND ORDER NO. R-21473-A TO EXTEND TIME TO COMMENCE DRILLING OPERATIONS, LEA COUNTY, NEW MEXICO

CASE NO. 22353

SELF-AFFIRMED STATEMENT OF ADAM REKER

- I am a landman for COG Operating LLC ("COG"). I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement. I have previously testified before the Division, and my qualifications as an expert in petroleum land matters were accepted. I am familiar with the above-referenced application and the land matters involved. Copies of this application and proposed hearing notice are attached as Exhibit A-1.
- 2. The Division issued Order No. R-21473-A ("Order") in Case No. 21622 on January 19, 2021, which approved a 640-acre, more or less, standard horizontal spacing unit ("Unit") comprised of the W/2 of Sections 26 and 35, Township 23 South, Range 32 East, Lea County, New Mexico, and designated COG as the operator of the Unit. The Order further pooled all uncommitted interests within the Triste Draw, Bone Spring Pool (96603) underlying the Unit and dedicated the Unit to the Bedlington Federal Com #201H, 202H, 301H, 302H, 303H, 501H, 502H, and 503H wells ("Wells"). A copy of the Order is attached as Exhibit A-2.
- 3. Paragraph 20 of the Order requires COG to commence drilling the Wells within one (1) year of the date of the Order unless COG obtains a time extension from the Division Director for good cause shown.



4. Good cause exists to extend the time for COG to commence drilling the Wells authorized in the Order since it was necessary for COG to revise its drilling schedule due to delays associated with Covid-19. COG now plans to commence drilling the Wells in the first half of 2022.

5. In order to provide operational flexibility, COG requests the Division amend the Order to extend the deadline for COG to commence drilling the Wells to a year from when an amended order is issued.

6. COG further requests the other provisions of the Order remain in force and effect.

7. COG is in good standing under the statewide rules and regulations.

8. In my opinion, the granting of COG's application would best serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

9. Notice of this application and the Division hearing was provided to all interested parties entitled to notice at least 20 days prior to the hearing date. A sample notice letter and associated receipts are attached as Exhibit A-3.

10. Notice of this application and the Division hearing was published more than ten business days prior to the hearing date. The affidavit of publication is attached as **Exhibit A-4**.

11. The exhibits to my Self-Affirmed Statement were either prepared by me or under my supervision or were compiled from company business records.

12. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 11 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date identified next to my signature below.

Adam Reker

11/9/2021 Date

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

APPLICATION OF COG OPERATING LLC TO AMEND ORDER NO. R-21473-A TO EXTEND TIME TO COMMENCE DRILLING OPERATIONS, LEA COUNTY, NEW MEXICO

CASE NO. 22353

<u>APPLICATION</u>

COG Operating LLC ("COG") (OGRID No. 229137), through its undersigned attorneys, files this application with the Oil Conservation Division ("Division") requesting the Division amend Order No. R-21473-A to extend the deadline to commence drilling operations to one year from the date an amended order is issued. In support of its application, COG states the following:

- 1. The Division issued Order No. R-21473-A ("Order") in Case No. 21622 on January 19, 2021, which approved a 640-acre, more or less, standard horizontal spacing unit ("Unit") comprised of the W/2 of Sections 26 and 35, Township 23 South, Range 32 East, Lea County, New Mexico, and designated COG as the operator of the Unit.
- 2. The Order further pooled all uncommitted interests within the Triste Draw, Bone Spring Pool (96603) underlying the Unit and dedicated the Unit to the Bedlington Federal Com #201H, 202H, 301H, 302H, 303H, 501H, 502H, and 503H wells ("Wells").
- 3. Paragraph 20 of the Order requires COG to commence drilling the Wells within one (1) year of the date of the Order unless COG obtains a time extension from the Division Director for good cause shown.
- 4. As a result of delays associated with Covid-19, it was necessary for COG to revise its drilling schedule. COG now plans to commence drilling the Wells in the first half of 2022.

COG OPERATING LLC

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Exhibit A-1

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5. Accordingly, COG requests the Division amend the Order to extend the deadline for COG to commence drilling the Wells to one year from the date an amended order is issued.

WHEREFORE, COG requests that this application be set for hearing on December 2, 2021, and after notice and hearing as required by law, the Division amend Order No. R-21473-A to extend the deadline for COG to commence drilling the wells to one year from the date an amended order is issued.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy Michael Rodriguez P.O. Box 2068 Santa Fe, NM 87504-2068

Phone: (505) 982-4554 Facsimile: (505) 982-8623 dhardy@hinklelawfirm.com mrodriguez@hinklelawfirm.com

ATTORNEYS FOR COG OPERATING LLC

Application of COG Operating, LLC to Amend Order No. R-21474 to Extend Time to Commence Drilling Operations, Lea County, New Mexico. COG Operating, LLC ("COG") seeks an order amending Order No. R-21474 to extend the deadline to commence drilling operations to one year from the date an amended order is issued. The Division issued Order No. R-21474 ("Order") in Case No. 21421 on September 21, 2020, which created a 640-acre, more or less, standard horizontal spacing unit ("Unit") comprised of the W/2 of Sections 26 and 35, Township 23 South, Range 32 East, Lea County, New Mexico, and designated COG as the operator of the Unit. The Order further pooled all uncommitted interests within the WC-025 G-09 S253236A; Upper Wolfcamp pool (98158) underlying the Unit and dedicated the Unit to the Bedlington Federal Com #701H, 702H, 703H, and 704H wells ("Wells"). Paragraph 20 of the Order requires COG to commence drilling the Wells within one (1) year of the date of the Order unless COG obtains a time extension from the Division Director for good cause shown. COG requests the Division amend the Order to extend the deadline for COG to commence drilling the Wells to one year from the date an amended order is issued. The Wells are located approximately 25 miles east of Malaga, New Mexico.

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. 21622 ORDER NO. R-21473-A

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on January 7, 2021, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

- 1. COG Operating, LLC ("Operator"), submitted an application ("Application") to compulsorily 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.

COG OPERATING LLC

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Exhibit A-2

- 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 depth(s) and location(s) in the Unit described in Exhibit A.
- 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 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.
- 19. 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.
- 20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
- 21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 22. Operator shall submit 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").

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CASE NO. 21622

- 23. 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."
- 24. 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 objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 25. 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.
- 26. 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."
- 27. 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.

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- 28. 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.
- 29. 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.
- 30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 31. 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.
- 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 AES/kms Date: ____1/19/2021

CASE NO. 21622 ORDER NO. R-21473-A

Exhibit "A"

CHECKLIST	POOLING APPLICATION			
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS				
Case: 21622	APPLICANT'S RESPONSE			
Date	January 7, 2021			
Applicant	COG Operating LLC			
Designated Operator & OGRID (affiliation if applicable)	OGRID # 229137			
Applicant's Counsel:	Ocean Munds-Dry, Michael Rodriguez			
Case Title:	Application of COG Operating LLC for Compulsory Pooling, Lea County, New Mexico			
Entries of Appearance/Intervenors:				
Well Family	Bedlington			
Formation/Pool				
Formation Name(s) or Vertical Extent:	Bone Spring			
Primary Product (Oil or Gas):	Oil			
Pooling this vertical extent:	Bone Spring			
Pool Name and Pool Code:	Triste Draw;Bone Spring (96603)			
Well Location Setback Rules:	Statewide			
Spacing Unit Size:	~ 640 acres			
Spacing Unit				
Type (Horizontal/Vertical)	Horizontal			
Size (Acres)	~ 640 acres			
Building Blocks:	Quarter-quarter			
Orientation:	Standup			
Description: TRS/County	W/2 of Sections 26 and 35, Township 23 South, Range 32 East, Lea County, New Mexico.			
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes			
Other Situations				
Depth Severance: Y/N. If yes, description	No			
Proximity Tracts: If yes, description	The completed interval for the proposed Bedlington Federal Com #502H well will be within 330' of the quarter-quarter line separating the W/2W/2 and the E/2W/2 of Sections 26 and 35 to allow inclusion of this acreage into a standard 640-acre horizontal well spacing unit.			
Proximity Defining Well: if yes, lescription	Bedlington Federal Com #502H			
Applicant's Ownership in Each Tract Well(s)	Attachment B			
Name (API [if assigned]); Surface hole location; Bottom hole ocation; Completion target (TVD); Orientation, Completion status standard or non-standard).	Attachment A			
Well #1	Bedlington Federal Com #201H (API # Pending) ase No. 21622 - Page 2 SHL: 425 FSL, 1795 FWL, Unit N, 35-23S-32E			

7	
7 TO C 2500 L	BHL: 50 FNL, 726 FWL, Unit D, 26-23S-32E
	Completion Target: Bone Spring formation (Approx. 9500 feet TVD)
	Completion status: Standard
Well #2	Bedlington Federal Com #202H (API # Pending)
	SHL: 425 FSL, 1825 FWL, Unit N, 35-23S-32E
	BHL: 50 FNL, 1518 FWL, Unit C, 26-23S-32E
	Completion Target: Bone Spring formation (Approx. 9500 feet TVD)
	Completion status: Standard
Well #3	Bedlington Federal Com #301H (API # Pending)
	SHL: 425 FSL, 1535 FWL, Unit N, 35-23S-32E
	BHL: 50 FNL, 330 FWL, Unit D, 26-23S-32E
	Completion Target: Bone Spring formation (Approx. 9650 feet TVD)
	Completion status: Standard
Well #4	Bedlington Federal Com #302H (API # Pending)
	SHL: 425 FSL, 1565 FWL, Unit N, 35-23S-32E
	BHL: 50 FNL, 1122 FWL, Unit D, 26-23S-32E
	Completion Target: Bone Spring formation (Approx. 9650 feet TVD)
	Completion status: Standard
Well #5	Bedlington Federal Com #303H (API # Pending)
	SHL: 425 FSL, 1595 FWL, Unit N, 35-23S-32E
	BHL: 50 FNL, 1914 FWL, Unit C, 26-23S-32E
	Completion Target: Bone Spring formation (Approx. 9650 feet TVD)
	Completion status: Standard
Well #6	Bedlington Federal Com #501H (API # Pending)
	SHL: 225 FSL, 1455 FWL, Unit N, 35-23S-32E
	BHL: 50 FNL, 330 FWL, Unit D, 26-23S-32E
	Completion Target: Bone Spring formation (Approx. 10725 feet TVD)
	Completion status: Standard
Well #7	Bedlington Federal Com #502H (API # Pending)
	SHL: 225 FSL, 1485 FWL, Unit N, 35-23S-32E
	BHL: 50 FNL, 1130 FWL, Unit D, 26-23S-32E
	Completion Target: Bone Spring formation (Approx. 10975 feet TVD)
	Completion status: Standard
Well #8	Bedlington Federal Com #503H (API # Pending)
	SHL: 225 FSL, 1515 FWL, Unit N, 35-23S-32E
	BHL: 50 FNL, 1930 FWL, Unit C, 26-23S-32E
	Completion Target: Bone Spring formation (Approx. 10725 feet TVD)
	Completion status: Standard
Horizontal Well First and Last Take Points	Exhibit 1, Attachment A
Completion Target (Formation,	Exhibit 2, Attachment G
TVD and MD)	
AFE Capex and Operating Costs	
Orilling Supervision/Month \$	\$8,000
'roduction Supervision/Month \$	\$800
ustification for Supervision Costs	Exhibit 1, Attachment C
Requested Risk Charge	200%
Votice of Hearing	
'roposed Notice of Hearing	Exhibit 3
'roof of Mailed Notice of Hearing	
20 days before hearing)	Exhibit 3
roof of Published Notice of	MARIOL J
Hearing (10 days before hearing)	Exhibit 3 Case No. 21622 - Page 3
	Lase NO. 21022 • Page 3

CASE NO. 21622 ORDER NO. R-21473-A

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Land Ownership Schematic of the	
Spacing Unit	Attachment B
Tract List (including lease numbers	
and owners)	Attachment B
Pooled Parties (including ownership	
type)	Attachment B
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance	
(including percentage above &	
below)	N/A
Joinder	
Sample Copy of Proposal Letter	Attachment C
List of Interest Owners (ie Exhibit A	
of JOA)	Attachment B
Chronology of Contact with Non-	
Joined Working Interests	Exhibit 1
Overhead Rates In Proposal Letter	N/A
Cost Estimate to Drill and Complete	Attachment C
Cost Estimate to Equip Well	Attachment C
Cost Estimate for Production	
Facilities	Attachment C
Geology	
Summary (including special	
considerations)	Exhibit 2
Spacing Unit Schematic	Attachment D
Gunbarrel/Lateral Trajectory	2 Production D
Schematic	N/A
Well Orientation (with rationale)	Exhibit 2
Target Formation	Bone Spring
HSU Cross Section	Attachments F and G
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Attachment A
Tracts	Attachment B
Summary of Interests, Unit	7.ttdctintcht D
Recapitulation (Tracts)	Attachment B
General Location Map (including	Attachment D
basin)	Attachment B
Well Bore Location Map	Attachment D
Structure Contour Map - Subsea	Attachment
Depth	Attachment E
Cross Section Location Map	A MOVIMIEN L
(including wells)	Attachment F
Cross Section (including Landing	1 AMOVIDIDATE I
Zone)	Attachment G
Additional Information	Case No. 21420 is the prior iteration of the subject case and contains the
	documents and exhibits referenced herein.
CERTIFICATION: I hereby	accuments and cambins referenced herein.
certify that the information	
provided in this checklist is	
complete and accurate.	
Printed Name (Attorney or Party	
	Michael Rodriguez Case No. 21622 - Page 4

CASE NO. 21622 ORDER NO. R-21473-A



HINKLE SHANOR LLP

ATTORNEYS AT LAW

PO BOX 2068 SANTA FE, NEW MEXICO 87504 505-982-4554 (FAX) 505-982-8623

WRITER:

Dana S. Hardy, Partner dhardy@hinklelawfirm.com

November 3, 2021

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO ALL INTERESTED PARTIES SUBJECT TO NOTICE

Re: Case No. 22353 - Application of COG Operating LLC to Amend Order No. R-21473-A to Extend Time to Commence Drilling Operations, Lea County, New

Mexico.

To whom it may concern:

This letter is to advise you that the enclosed application was filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **December 2, 2021** beginning at 8:15 a.m.

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: https://www.emnrd.nm.gov/ocd/hearing-info/. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date. The statement must be filed at the Division's Santa Fe office or submitted through the OCD E-Permitting system (https://www.apps.emnrd.state.nm.us/ocd/ocdpermitting/) and should include: the names of the parties and their attorneys, a concise statement of the case, the names of all witnesses the party will call to testify at the hearing, the approximate time the party will need to present its case, and identification of any procedural matters that are to be resolved prior to the hearing.

Please do not hesitate to contact me if you have any questions about this matter.

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

Enclosure

PO BOX 10 ROSWELL, NEW MEXICO 88202 575-622-6510 (FAX) 575-623-9332

PO BOX 2068 SANTA FE, NEW MEXICO 87504 505-982-4554 (FAX) 505-982-8623 COG OPERATING LLC

Case No. 22353

Exhibit A-3

7601 JEFFERSON ST NE • SUITE 180 ALBUQUERQUE, NEW MEXICO 87109 505-858-8320 (FAX) 505-858-8321



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 November 12, 2021 and ending with the issue dated November 12, 2021.

Publisher

Sworn and subscribed to before me this 12th day of November 2021.

Business Manager

My commission expires anuary 29, 2023

Seal)

Ny Gorant

OFFICIAL SEAL
OUSSIE BLACK
Notary Public
State of New Mexico

This newspaper is duly qualified to publish gal notices or advertisements within the neaning of Section 3, Chapter 167, Laws of 937 and payment of fees for said

LEGAL NOTICE November 12, 2021

This is to notify all interested parties, including Chevron USA Inc.; and its successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by COG Operating LLC (Case No. 22353). During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on December 2, 2021 beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for that date: https://www.emnrd.nm.gov/ocd/hearing-info/. Applicant seeks an order amending Order No. R-21473-A to extend the deadline to commence drilling operations to one year from the date an amended order is issued. The Division issued Order No. R-21473-A ("Order") in Case No. 21622 on January 19, 2021, which approved a 640-acre, more or less, standard horizontal spacing unit ("Unit") comprised of the W/2 of Sections 26 and 35, Township 23 South, Range 32 East, Lea County, New Mexico, and designated COG as the operator of the Unit. The Order further pooled all uncommitted interests within the Triste Draw, Bone Spring Pool (96603) underlying the Unit and dedicated the Unit to the Bedlington Federal Com #201H, 202H, 301H, 302H, 303H, 501H, 502H, and 503H wells ("Wells"). Paragraph 20 of the Order requires COG to commence drilling the Wells within one (1) year of the date of the Order unless COG obtains a time extension from the Division Director for good cause shown. COG requests the Division amend the Order to extend the deadline for COG to commence drilling the Wells to one year from the date an amended order is issued. The Wells are located approximately 25 miles east of Malaga, New Mexico. #37022

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GILBERT HINKLE, SHANOR LLP PO BOX 2068 SANTA FE, NM 87504

COG OPERATING LLC

Case No. 22353

Exhibit A-4