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. 22369

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EXHIBIT INDEX

Compulsory Pooling Checklist

Exhibit A	Self-Affirmed Statement of Ashley Roush
A-1	Application & Proposed Notice of Hearing
A-2	C-102(s)
A-3	Plat of Tracts, Ownership Interests, Pooled Parties, Unit Recapitulation
A-4	Sample Well Proposal Letter & AFE(s)
A-5	Summary of Communications
A-6	Hearing Notice Letter and Return Receipts
A-7	Affidavit of Publication
Exhibit B	Self-Affirmed Statement of Jason Hanzel
B-1	Location Map
B-2	Structure Map
B-3	Cross Section Map
B-4	Cross Section

COMPULSORY POOLING APPLICATION CHECKLIST

Case No.:	22369
Hearing Date:	1/6/2022
Applicant	COG Operating LLC
Designated Operator & OGRID	OGRID # 229137
Applicant's Counsel	Hinkle Shanor LLP
Case Title	The state of the s
	Application of COG Operating, LLC for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors	
Well Family	Hambone
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	Corral Canyon; Bone Spring, South Pool (13354)
Well Location Setback Rules	Statewide
Spacing Unit Size	320-acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320-acres
Building Blocks	quarter-quarter
Orientation	Standup
Description: TRS/County	
	E/2E/2 of Sections 5 and 8, Township 26 South, Range 29 East, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	N
Proximity Tracts: If yes, description	-
Proximity Defining Well: if yes, description	-
Vell(s)	
Name & API (if assigned), surface and bottom hole ocation, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Vell #1	Hambone #501H (API # pending)
	SHL – S8-T26S-R29E, 222 FSL, 908 FEL OR UNIT P
	BHL – S5-T26S-R29E, 50 FNL, 330 FEL OR UNIT A
	Completion Target: Bone Spring formation
	TVD: Approx. 8500'
orizontal Well First and Last Take Points	Exhibit A-2
ompletion Target (Formation, TVD and MD)	Exhibit A-4
FE Capex and Operating Costs	
rilling Supervision/Month \$	8000
roduction Supervision/Month \$	800
ustification for Supervision Costs	Exhibit A
equested Risk Charge	200%
otice of Hearing	
roposed Notice of Hearing	Exhibit A-1
roof of Mailed Notice of Hearing (20 days before hearing)	Exhibit A-6
roof of Published Notice of Hearing (10 days before earing)	Exhibit A-7

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Ownership Determination	
Land Ownership Schematic of Spacing Unit	Exhibit A-3
Tract List (including lease numbers & owners)	Exhibit A-3
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	Exhibit A-3
Ownership Depth Severance	Exhibit A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	
Overhead Rates In Proposal Letter	N/A
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
Geology	EXHIBITATE TO THE PROPERTY OF
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-4
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	N/A
C-102	Exhibit A-2
Fracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit B-1
Structure Contour Map - Subsea Depth	Exhibit B-2
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibit B-3
Additional Information	EXIIIDIL B-3
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate. Printed Name (Attorney or Party Representative):	Dana S. Hardy
	Lana J. Howly
Signed Name (Attorney or Party Representative):	
	1/4/2022
	1/4/2022
	1/4/2022
	1/4/2022
	1/4/2022
	1/4/2022
	1/4/2022
	1/4/2022
Signed Name (Attorney or Party Representative): Date:	1/4/2022
	1/4/2022
	1/4/2022
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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. 22369

SELF-AFFIRMED STATEMENT OF ASHLEY ROUSH

- I am a land supervisor at COG Operating LLC ("COG") and am over 18 years of age. I have personal knowledge of the matters addressed herein and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division ("Division") and my qualifications as an expert in petroleum land matters were accepted and made a matter of record.
- 2. I am familiar with the land matters involved in the above-referenced case. Copies of COG's application and proposed hearing notice are attached as Exhibit A-1.
- 3. None of the parties proposed to be pooled in this case indicated opposition to this matter proceeding by affidavit, therefore I do not expect any opposition at hearing.
- 4. COG seeks an order pooling all uncommitted interests in the Corral Canyon; Bone Spring, South Pool (13354) within the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the E/2E/2 of Sections 5 and 8, Township 26 South, Range 29 East, Eddy County, New Mexico ("Unit").
- 5. The Unit will be dedicated to the **Hambone Federal Com #501H** well ("Well") to be horizontally drilled from a surface hole location in the SE/4SE/4 (Unit P) of Section 8 to a bottom hole location in the NE/4NE/4 (Unit A) of Section 5.
 - 6. The completed interval of the Well will be orthodox.

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- 7. Exhibit A-2 contains the C-102 for the Well.
- 8. Exhibit A-3 contains a plat identifying ownership by tract in the Unit. This exhibit also includes any applicable lease numbers, a unit recapitulation, and the interests COG seeks to pool highlighted in yellow.
- 9. Exhibit A-4 contains the AFE for the Well. COG owns 100% of the working interest in the Well. The estimated costs reflected on the AFE are fair and reasonable and comparable to the cost of other wells of similar depth and length drilled in the subject formation in the area.
- 10. COG has conducted a diligent search of all county public records including phone directories and computer databases.
 - 11. All interest owners COG seeks to pool are locatable.
- 12. In my opinion, COG made a good-faith effort to reach voluntary joinder of uncommitted interests in the Well as indicated by the chronology of contact described in **Exhibit** A-5.
- 13. COG requests overhead and administrative rates of \$8,000 per month while the Well is being drilled and \$800 per month while the Well is producing. These rates are fair and are comparable to the rates charged by COG and other operators in the vicinity.
- 14. Notice of this application and the Division hearing was timely provided to the uncommitted interests by certified mail more than 20 days prior to the hearing date. A sample of the notice letters and associated green cards are attached as Exhibit A-6.
- 15. 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-7**.

In my opinion, the granting of COG's application would serve the interests of 17. conservation, the protection of correlative rights, and the prevention of waste.

The exhibits attached hereto were either prepared by me or under my supervision

I understand this Self-Affirmed Statement will be used as written testimony in this 18. case. I affirm that my testimony in paragraphs 1 through 17 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 handwritten next to my signature below.

Ashley Roush

16.

or were compiled from company business records.

74/2022 Data

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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.	22369
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APPLICATION

Pursuant to NMSA § 70-2-17, COG Operating LLC ("Applicant") (OGRID No. 229137) applies for an order pooling all uncommitted interests within the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the E/2E/2 of Sections 5 and 8, Township 26 South, Range 29 East, Eddy County, New Mexico ("Unit"). In support of its application, Applicant states:

- 1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.
- 2. The Unit will be dedicated to the **Hambone** #501H well to be horizontally drilled from a surface hole location in the SE/4SE/4 (Unit P) of Section 8 to a bottom hole location in the NE/4NE/4 (Unit A) of Section 5.
 - 3. The completed interval of the Well will be orthodox.
- 4. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Well but has been unable to obtain voluntary agreements from all of the interest owners.
- 5. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

COG OPERATING LLC

Case No. 22369

Exhibit A-1

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6. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted mineral interests in the Unit should be pooled and Applicant should be designated the operator of the Well and Unit.

WHEREFORE, Applicant requests this application be set for hearing on January 6, 2022, and that after notice and hearing, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Well in the Unit;
- C. Designating Applicant as operator of the Unit and the Well to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping and completing the Well;
- E. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% penalty for the risk assumed by Applicant in drilling and completing the Well against any working interest owner who does not voluntarily participate in the drilling of the Well.

Respectfully submitted,

HINKLE SHANOR LLP

<u>/s/ Dana S. Hardy</u>

Dana S. Hardy Michael Rodriguez P.O. Box 2068

.O. DOX 2008

Santa Fe, NM 87504-2068

Phone: (505) 982-4554 dhardy@hinklelawfirm.com mrodriguez@hinklelawfirm.com Counsel for COG Operating LLC

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Application of COG Operating LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant applies for an order pooling all uncommitted interests within the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the E/2E/2 of Sections 5 and 8, Township 26 South, Range 29 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the Hambone #501H well to be horizontally drilled from a surface hole location in the SE/4SE/4 (Unit P) of Section 8 to a bottom hole location in the NE/4NE/4 (Unit A) of Section 5. Also, to be considered will be the cost of drilling and completing the Well and the allocation of the costs, the designation of Applicant as the operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 10.4 miles south of Malaga, New Mexico.

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

State of New Mexico Energy, Minerals & Natural Resources Department OILCONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR. Santa Fe, New Mexico 87505

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

DISTRICT III 1000 RIO BRAZOS RD., 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

☐ AMENDED REPORT

	WELL LOCATION AND ACREAGE DEDICATION PLAT	
API Number	Pool Code Pool Name	·
Property Code	Property Name	Well Number
	HAMBONE FEDERAL COM	501H
OGRID No.	Operator Name COG OPERATING, LLC	Elevation 2917.2'

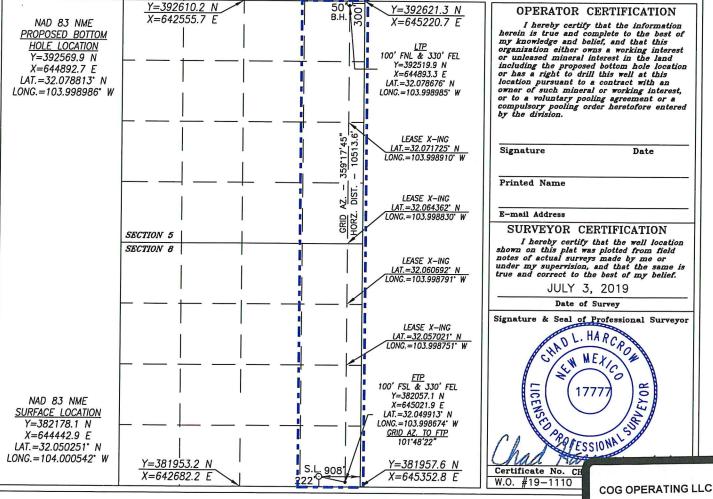
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Р	8	26-S	29-E		222	SOUTH	908	EAST	EDDY

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
Α	5	26-S	29-E		50	NORTH	330	EAST	EDDY
Dedicated Acre	s Joint o	r Infill C	onsolidation	Code Or	der No.				
320									

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



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5-26S-29E	_	5-26S-29E	Tract 1 NM-115417 80 ac
	ED COM 501H G UNIT		Tract 2 NM-124655 80 ac
8-26S-29E	HAMBONE FED COM 501H SPACING UNIT	8-26S-29E	Tract 4 NM-123925 80 ac
			Tract 3 NM-57261 80 ac

WORKING INTEREST OWNER	TRACT 1	TRACT 2	TRACT3	TRACT 4	UNIT RECAP
COG Operating LLC	0.23928571	0.24062500	0.25000000	0.23750000	0.9674107:
Concho Oil & Gas LLC	0.01071429	0.00937500	0.00000000	0.01250000	0.03258929
				TOTAL	1.00000000
Well Proposal Sent	Yes				
Communitization Agmts Sent	Yes				
Joint Operating Agmt Sent	Yes				
PARTIES TO POOL	INTEREST TYPE				
Lynn S. & Grace Charuk OR Brigham Minerals LLC 3921 Tanforan Ave, Midland, TX 79707	ORRI				
Mitchel E. & Elizabeth L. Cheney 236 Merrie Way Lane, Houston, TX 77024	ORRI				
Fortis Minerals II, LLC PO Box 470788, Ft Worth, TX 76147	ORRI				
Pegasus Resources LLC PO Box 733980, Dallas, TX 76373	ORRI				
TD Minerals LLC 8111 Westchester Dr, Dallas, TX 75225	ORRI				
Pony Oil Operating LLC 3100 Monticello Ave, Dallas, TX 75205	ORRI				
James Guy PO Box 193, Hennessey, OK 73741 PO Box 100, Artesia, NM 88211	ORRI				

COG OPERATING LLC

Case No. 22369

COG OPERATING LLC AUTHORITY FOR EXPENDITURE DRILLING

COG OPERATING LLC

Case No. 22369

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WELL NAME:	HAMBONE FED COM 501H	PROSPECT NAME:	Atlas 2629
	8-26S-29E, 222 FSL, 938 FEL OR UNIT P	STATE & COUNTY:	New Mexico, Eddy
	5-26S-29E, 50 FNL, 330 FEL OR UNIT A	OBJECTIVE:	D&C
FORMATION:	2BSS	DEPTH:	18,700
LEGAL:	E2E2 of Secs 5 & 8, 26S-29E	TVD:	8,500

INTANGIBLE COSTS		<u>Drlg - Rig</u> <u>Release(D)</u>		Completion(C)	Tank Btty Constrctn(TB)	Pmpg Equipment(PEQ)	TOTAL
Title/Curative/Permit	201	20,000)			<u>=qaipinciiqi =qj</u>	20,000
Insurance	202	2,500	302	0			2,500
Damages/Right of Way	203	20,000	303	0			20,000
Survey/Stake Location	204	7,000	_	80,000			87,000
Location/Pits/Road Expense	205	165,000	_	5,000			170,000
Drilling / Completion Overhead	206	5,400	_	12,500			17,900
Turnkey Contract Footage Contract	207		-	762,000			762,000
Daywork Contract	208	0	_	291,000			291,000
Directional Drilling Services	— ²⁰⁹ 210	402,000	-	281,000			683,000
Fuel & Power	210	224,000		408,000			632,000
Water	212	63,000	-	421,000			150,000
Bits	213	59,000	_	- 421,000			484,000 59,000
Mud & Chemicals	214	90,000	-	0			90,000
Drill Stem Test	215	0	315	315,000			315,000
Coring & Analysis	216	0					0
Cement Surface	217	16,500					16,500
Cement Intermediate	218	28,600					28,600
Cement 2nd Intermediate/Production	219	132,990	-				132,990
Cement Squeeze & Other (Kickoff Plug)	220	0	-				0
Float Equipment & Centralizers	221	50,000	-				50,000
Casing Crews & Equipment	_ 222	55,000					55,000
Fishing Tools & Service Geologic/Engineering	_ 223	0	-	0			0
Contract Labor	224	0	•	0			0
Company Supervision	225 226	6,500 32,400	•	2,000			8,500
Contract Supervision	— 220 227	73,000		15,000			47,400
Testing Casing/Tubing	228	40,000	•	128,000			201,000
Mud Logging Unit		20,000	•	40,000		A CONTRACTOR OF THE PARTY OF TH	40,000
Logging	230	0	•	40,000			60,000
Perforating/Wireline Services	231	0	•	218,000			218,000
Stimulation/Treating	_		332	0			0
Completion Unit	_		333	0			
Swabbing Unit	_		334	0			
Rentals-Surface	235	112,500	335	0			112,500
Rentals-Subsurface	236	135,000	336	0			135,000
Trucking/Forklift/Rig Mobilization	237	200,000	337	10,000			210,000
Welding Services	238	3,000	338	0			3,000
Water Disposal	239	0	339	20,000			20,000
Plug to Abandon Seismic Analysis	²⁴⁰ 241	0	340	0			0
Miscellaneous	— 241 242	0	341	0		原居民 人名法拉拉 经	0
Contingency	— 242 243	66,000	342	3,000 76,000			3,000
Closed Loop & Environmental	244	184,500	344	0			142,000
Fuel - Diesel	245	0	345	300,000			<u>184,500</u> 300,000
Coil Tubing	_		346	241,000			241,000
Flowback Crews & Equip	_		347	10,000			10,000
Offset Directional/Frac	248	0	348	0			0
TOTAL INTANGIBLES	_ :	2,327,890		3,674,500	0	0	6,002,390
TANGIBLE COSTS							
Surface Casing	401	15,000					15,000
Intermediate Casing	402	73,000					73,000
Production Casing/Liner	_ 403	244,000					244,000
Tubing	!		504	52,000			52,000
Wellhead Equipment	_ 405 -	65,000	505	20,000			85,000
Pumping Unit Prime Mover			1				0
Rods							0
Pumps-Sub Surface (BH)			509	0			0
Fanks	- :		509	U		AND SHARON STREET, STREET, STREET, ST.	0
Flowlines	- 1		-				0
Heater Treater/Separator	- 1		- 1				0
Electrical System			ì			AND AND SERVICE OF THE PARTY OF	0
Packers/Anchors/Hangers	414	0	514	60,000	PUT A TOTAL PROPERTY		60,000
Couplings/Fittings/Valves	415	0	1		The state of the s		0,000
Gas Lift/Compression		<u></u>	1				
Dehydration	_ 1		- 1				
njection Plant/CO2 Equipment	- 9			是是在100000000000000000000000000000000000			
Pumps-Surface							

Instrumentation/SCADA/POC	_						0
Miscellaneous	419	0	519	0			0
Contingency	420	0	520	0			0
Meters/LACT							0
Flares/Combusters/Emission					1763 W		0
Gas Lift/Compression	_		527	20,000			20,000
TOTAL TANGIBLES	-	397,000		152,000	0	0	549,000
TOTAL WELL COSTS	_	2,724,890		3,826,500	0	0	6,551,390
% of Total Well Cos	:	42%		58%	0%	0%	
	-	Date Prepared:		9/13/21			
Ne approve:		COG Operating LLC					
% Working Interest				RSL			
Company: By:	-						
Printed Name: Title:	-	This AFF is only an estin	mate	By signing you agree to pay your share	•		
Date:		of the actual costs incur		by signing you agree to pay your share	5		

Hambone Fed Com 501H-Chronology Efforts

10/12/21- Sent Federal Communitization Agreements to applicable parties

10/12/21- Sent Ratifications of Federal Communitization Agreements to applicable parties

COG OPERATING LLC

Case No. 22369



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 23, 2021

<u>VIA CERTIFIED MAIL</u> <u>RETURN RECEIPT REQUESTED</u>

TO ALL INTERESTED PARTIES SUBJECT TO NOTICE

Re: Case No. 22369 - Application of COG Operating LLC for Compulsory Pooling, Eddy 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 **January 6**, **2022** 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

Received by OCD: 1/4/2022 3:46:20 PM

COG OPERATING LLC

Case No. 22369

Exhibit A-6

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

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SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON	DELIVERY
 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. Article Addressed to: Lynn S. and Grace Charuk or Brigham Minerals 	A. Signature M. J. 4 J. C. V. B. Received by (Printed Name) D. Is delivery address different from If YES, enter delivery address	C. Date of Delivery
3921 Tanforan Ave. Midland, TX 79707		
9590 9402 6746 1074 2196 69 2. Article Number (Transfer from senice label) 7021 0350 0001 3336 1324	3. Service Type Adult Signature Adult Signature Restricted Delivery Certified Mail® Collect on Delivery Collect on Delivery Insured Mail Restricted Delivery Insured Mail Restricted Delivery (over \$500)	□ Priority Mail Express® □ Registered Mail™ □ Registered Mail Restricted Delivery □ Signature Confirmation™ □ Signature Confirmation Restricted Delivery
PS Form 3811, July 2020 PSN 7530-02-000-9053		Domestic Return Receipt

348	CERTIFIED MAIL® RECEIPT Domestic Mail Only
1	For delivery information, visit our website at www.usps.com [®] .
335	Certified Mail Fee
רח	Extra Services & Fees (check box, add fee as appropriate) Return Receipt (hardcopy)
0007	□ Return Receipt (electronic) \$ □ Certified Mail Restricted Delivery \$ □ Adult Signature Required \$ □ Adult Signature Restricted Delivery \$
50	Postage \$
	Total Postage and Fees \$ USPS
7051	Sent To Michael E. & Elizabeth L. Cheney or Mitchel E. Street and Cheney Trust or Elizabeth L. Cheney Trust P.O. Box 570883 City State Houston, TX 77257
	PS.Form 3800, April 2015 PSN 7530-02-000-9047. See Reverse for Instructions

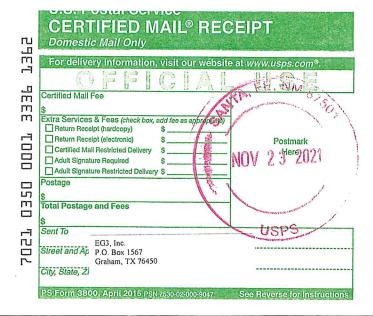
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON	DELIVERY
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ffidavit of Publication

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 December 05, 2021 and ending with the issue dated December 05, 2021.

Publisher

Sworn and subscribed to before me this 5th day of December 2021.

Business Manager

My commission expires

January 29, 2023

OFFICIAL SEAL Gussie Black Notary Public State of New Mexico My Commission Expires

his newspaper is duly qualified to publish legal notices or advertisements within the eaning of Section 3, Chapter 167, Laws of 🔯37 and payment of fees for said

LEGAL NOTICE December 5, 2021

This is to notify all interested parties, including Lynn S. Charuk; Grace Charuk; Brigham Minerals LLC; Mitchel E. Cheney; Elizabeth L. Cheney; Mitchel E. Cheney Trust; Elizabeth L. Cheney Trust; Ed3, Inc.; Wing Resources IV, LLC; Mary Lee Harang Picou Rev. Living Trust; Fortis Minerals II, LLC; Pegasus Resources LLC; TD Minerals LLC; Pony Oil Operation LLC; McMullen Minerals LLC; Regeneration Energy Corp.; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by COG Operating LLC (Case No. 22369). 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 January 6, 2022 beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for that date: instructions posted on the docket for that date: https://www.emnrd.nm.gov/ocd/hearing-info/.
Applicant applies for an order pooling all uncommitted interests within the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the standard horizontal spacing unit comprised of the E/2E/2 of Sections 5 and 8, Township 26 South, Range 29 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the Hambone #501H The Unit will be dedicated to the Hambone #501H well to be horizontally drilled from a surface hole location in the SE/4SE/4 (Unit P) of Section 8 to a bottom hole location in the NE/4NE/4 (Unit A) of Section 5. Also, to be considered will be the cost of drilling and completing the Well and the allocation of the costs, the designation of Applicant as the operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 10.4 miles south of Malaga, New Mexico New Mexico #37096

02107475

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

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COG OPERATING LLC

Case No. 22369

Exhibit A-7

3:46:20

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. 22369

SELF-AFFIRMED STATEMENT OF JASON HANZEL

- 1. I am a geologist at COG Operating LLC ("COG") and am over 18 years of age. I have personal knowledge of the matters addressed herein and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division ("Division"), and my credentials as an expert in petroleum geology matters were accepted and made a matter of record.
 - 2. I am familiar with the geological matters that pertain to the above-referenced case.
- 3. **Exhibit B-1** is a location map for the proposed horizontal spacing unit ("Unit") within the Bone Spring formation. The approximate wellbore paths for the proposed **Hambone** #501H well ("Well") is represented by a dashed line. Existing producing wells in the targeted interval are represented by solid lines.
- 4. **Exhibit B-2** is a subsea structure map for the top of the formation that is representative of the targeted interval within the formation. The data points are indicated by crosses. The approximate wellbore path for the Well is depicted by a dashed line. The map demonstrates the formation is gently dipping to the east in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells.

1

COG OPERATING LLC
Case No. 22369

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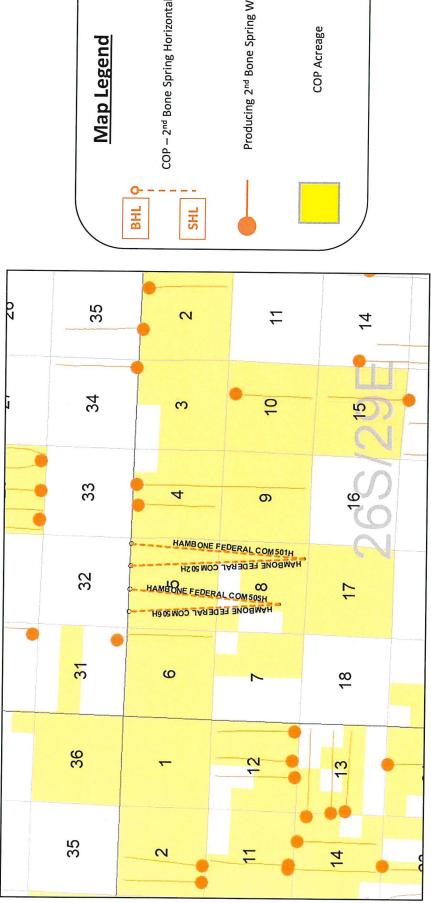
- 5. **Exhibit B-3** identifies three wells penetrating the targeted interval I used to construct a stratigraphic cross-section from A to A'. I used these well logs because they penetrate the targeted interval, are of good quality, and are representative of the geology in the area.
- 6. Exhibit B-4 is a stratigraphic cross-section using the representative wells identified on Exhibit B-3. It contains gamma ray, resistivity and porosity logs. The proposed landing zone for the Well is labeled on the exhibit. This cross-section demonstrates the target interval is continuous across the Unit.
- 7. In my opinion, a standup orientation for the Well is appropriate to properly develop the subject acreage because of consistent rock properties throughout the Unit and the lack of preferred fracture orientation in this portion of the trend.
- 8. Based on my geologic study of the area, the targeted interval underlying the Unit is suitable for development by horizontal wells and the tracts comprising the Unit will contribute more or less equally to the production of the Well.
- 9. In my opinion, the granting of COG's application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.
- 10. The exhibits attached hereto were either prepared by me or under my supervision or were compiled from company business records.
- 11. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm my testimony in paragraphs 1 through 10 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.

Jason Hanzell

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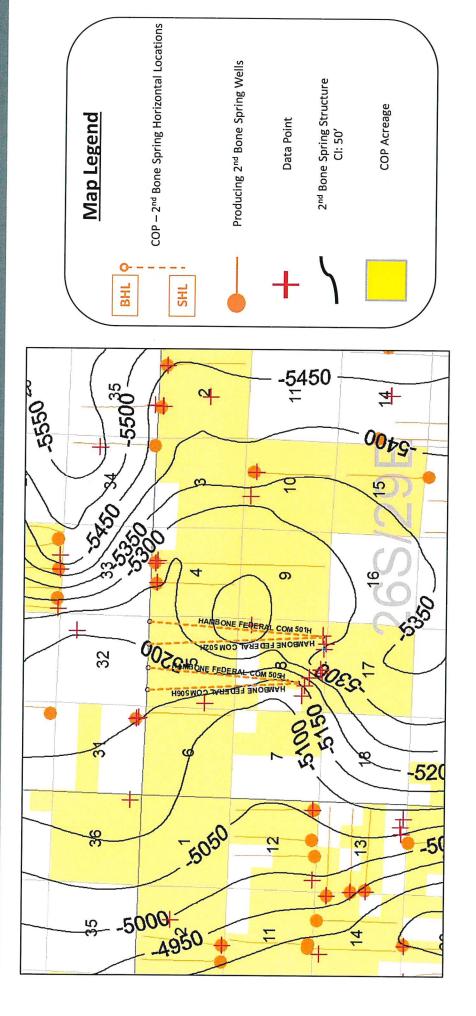


COP - 2nd Bone Spring Horizontal Locations Producing 2nd Bone Spring Wells

ConocoPhillips

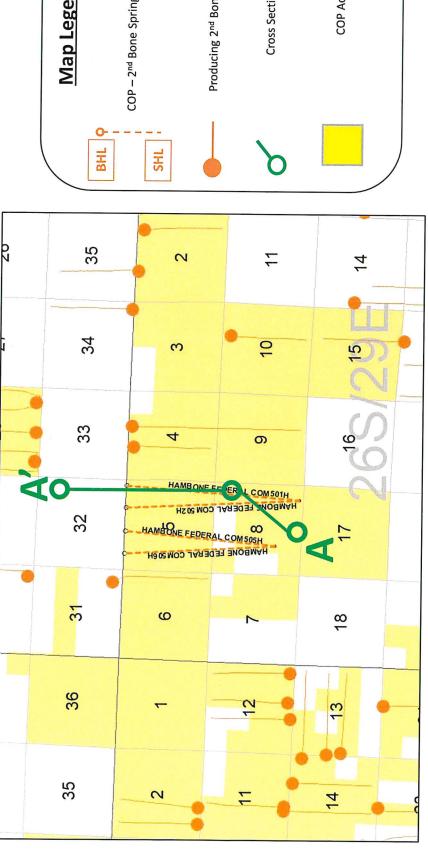
COG OPERATING LLC Case No. 22369 Exhibit B-1

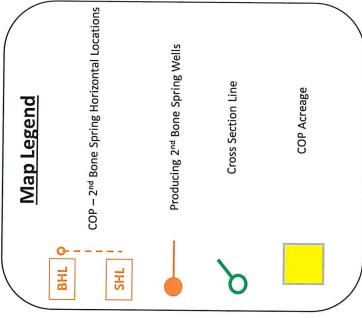
Top of BS2S Structure Map



ConocoPhillips COG OPERATING LLC Case No. 22369 Exhibit B-2

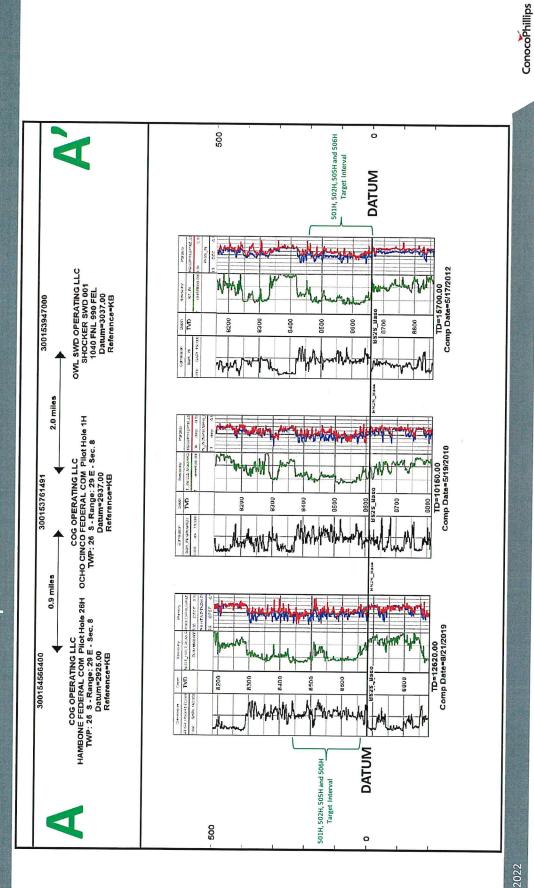
Cross Section Map





ConocoPhillips COG OPERATING LLC Case No. 22369 Exhibit B-3

Top of BS2S Structure Map



COG OPERATING LLC Case No. 22369

Exhibit B-4

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