

**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. 22371

EXHIBIT INDEX

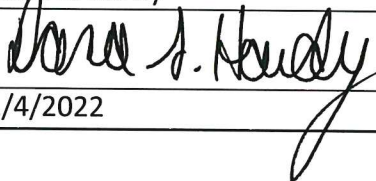
Compulsory Pooling Checklist

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

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case No.:	22371
Hearing Date:	1/6/2022
Applicant	COG Operating LLC
Designated Operator & OGRID	OGRID # 229137
Applicant's Counsel	Hinkle Shanor LLP
Case Title	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	280-acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	280-acres
Building Blocks	quarter-quarter
Orientation	Standup
Description: TRS/County	E/2W/2 of Section 5, the E/2NW/4 and NE/4SW/4 of Section 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	-
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Hambone #505H (API # pending) SHL – S8-T26S-R29E, 1553 FSL, 1725 FWL OR UNIT K BHL – S5-T26S-R29E, 50 FNL, 2310 FWL OR UNIT C Completion Target: Bone Spring formation TVD: Approx. 8400'
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-4
APE Capex and Operating Costs	
Drilling Supervision/Month \$	8000
Production Supervision/Month \$	800
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit A-6
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit A-7

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	Exhibit A-5
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	
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	
C-102	Exhibit A-2
Tracts	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	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Dana S. Hardy
Signed Name (Attorney or Party Representative):	
Date:	1/4/2022

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. 22371

SELF-AFFIRMED STATEMENT
OF ASHLEY ROUSH

1. 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 280-acre, more or less, standard horizontal spacing unit comprised of the E/2W/2 of Section 5, the E/2NW/4 and NE/4SW/4 of Section 8, Township 26 South, Range 29 East, Eddy County, New Mexico ("Unit").

5. The Unit will be dedicated to the **Hambone Federal Com #505H** well ("Well") to be horizontally drilled from a surface hole location in the NE/4SW/4 (Unit K) of Section 8 to a bottom hole location in the NE/4NW/4 (Unit C) of Section 5.

6. The completed interval of the Well will be orthodox.

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 a sample well proposal letter and AFEs sent to working interest owners for 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**.

16. The exhibits attached hereto were either prepared by me or under my supervision or were compiled from company business records.

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

18. I understand this Self-Affirmed Statement will be used as written testimony in this 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
Ashley Roush

1/4/2022
Date

**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. 22371

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 280-acre, more or less, standard horizontal spacing unit comprised of the E/2W/2 of Section 5, the E/2NW/4 and NE/4SW/4 of 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 #505H** well to be horizontally drilled from a surface hole location in the NE/4SW/4 (Unit K) of Section 8 to a bottom hole location in the NE/4NW/4 (Unit C) 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. 22371

Exhibit A-1

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

/s/ Dana S. Hardy

Dana S. Hardy

Michael Rodriguez

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

dhardy@hinklelawfirm.com

mrodriguez@hinklelawfirm.com

Counsel for COG Operating LLC

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 280-acre, more or less, standard horizontal spacing unit comprised of the E/2W/2 of Section 5, the E/2NW/4 and NE/4SW/4 of 8, Township 26 South, Range 29 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the Hambone #505H well to be horizontally drilled from a surface hole location in the NE/4SW/4 (Unit K) of Section 8 to a bottom hole location in the NE/4NW/4 (Unit C) 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.

COG OPERATING LLC

Case No. 22371

Exhibit A-2

Form C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

☐ AMENDED REPORT

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 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) 476-3480 Fax: (505) 476-3482

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name HAMBONE FEDERAL COM	Well Number 505H
OGRID No.	Operator Name COG OPERATING, LLC	Elevation 2894.7'

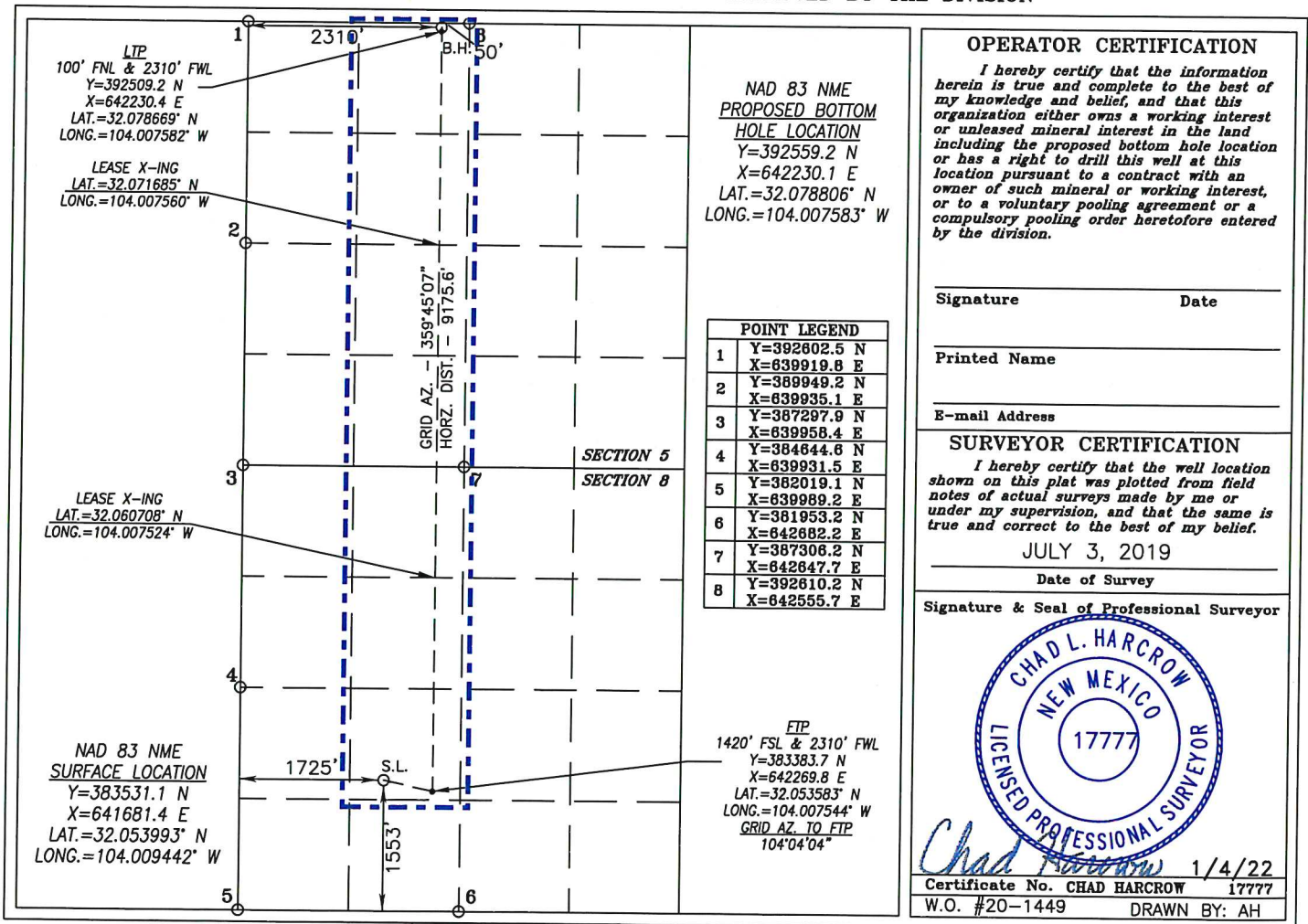
Surface Location

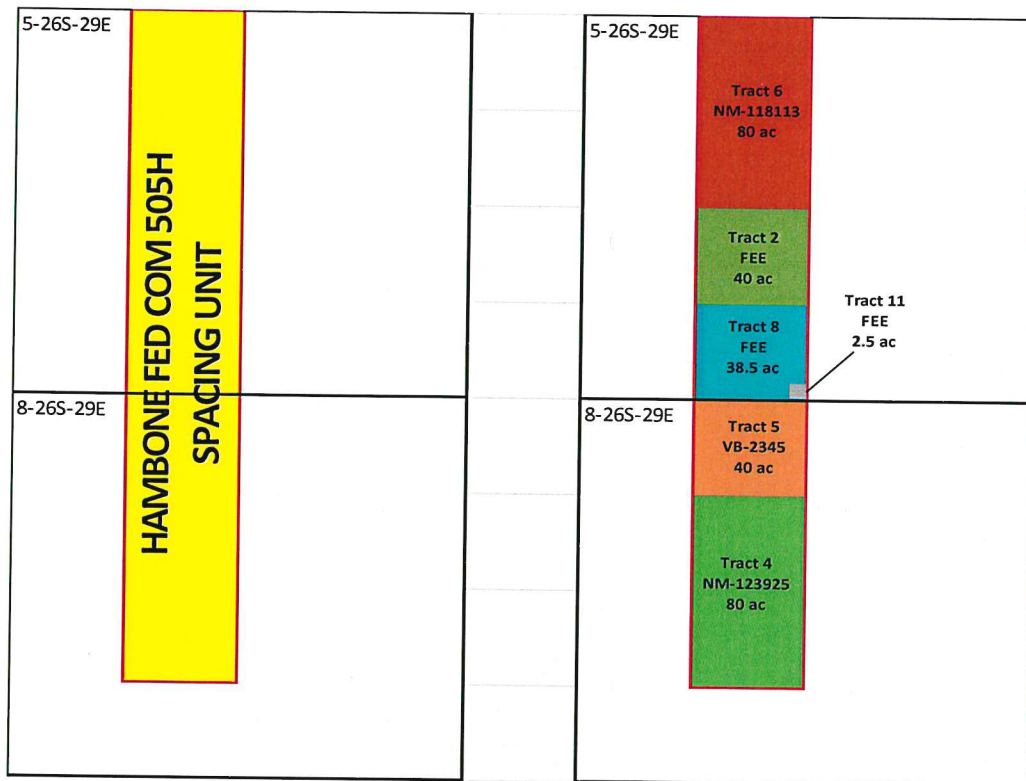
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	8	26-S	29-E		1553	SOUTH	1725	WEST	EDDY

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
C	5	26-S	29-E		50	NORTH	2310	WEST	EDDY
Dedicated Acres 280	Joint or Infill	Consolidation Code	Order No.						

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





WORKING INTEREST OWNER	TRACT 2	TRACT 4	TRACT 5	TRACT 6	TRACT 8	TRACT 11	UNIT RECAP
COG Operating LLC	0.14285714	0.27142857	0.00000000	0.13571429	0.13392857	0.00892857	0.69285715
Concho Oil & Gas LLC	0.00000000	0.01428571	0.00000000	0.00714286	0.00000000	0.00000000	0.02142857
MRC Permian Company	0.00000000	0.00000000	0.14285714	0.00000000	0.00000000	0.00000000	0.14285714
Devon Energy Production Co.	0.00000000	0.00000000	0.00000000	0.14285714	0.00000000	0.00000000	0.14285714
						TOTAL	1.00000000

Well Proposal Sent	Yes
Communitization Agmts Sent	Yes
Joint Operating Agmt Sent	Yes

PARTIES TO POOL	INTEREST TYPE
MRC Permian Company	
5400 LBJ Freeway Suite 1500, Dallas, TX 75240	WI & RT (State)
Devon Energy Production Company, LP	
333 W. Sheridan Avenue, OKC, OK 73102	WI
M. Brad Bennett, L.P.	
Attn: Beau Bennett, PO Box 50820, Midland, TX 79710	RI
Debra Kunkel	
PO Box 28504, Austin TX 78755	RI
Grizzly Operating, LLC	
5847 San Felipe, Ste 3000, Houston, TX 77057	RT (Fed) & ORRI
Contango Resources Inc.	
PO Box 735060, Dallas, TX 75373	RT(Fed) & ORRI

COG OPERATING LLC

Case No. 22371

Exhibit A-3



September 20, 2021

Via Certified Mail 9489 0090 0027 6357 7569 00 and
Electronic Mail to Andrew.Wenzel@devon.com
Devon Energy Production Company, LP
333 W. Sheridan Avenue
Oklahoma City, OK 73102
Attn: Land Department

Re: HAMBONE FED COM 505H
E2W2 of Sec. 5 and E2NW & NESW of Sec. 8, T26S-R29E
HAMBONE FED COM 506H
W2W2 of Sec. 5 and W2NW & NWSW of Sec. 8, T26S-R29E
Eddy County, New Mexico

Dear Sir or Madam:

COG Operating, LLC ("COG"), as Operator, hereby proposes the drilling of the following horizontal wells:

- **Hambone Fed Com 505H**, to be drilled to a depth sufficient to test the Second Bone Spring formation at an approximate total vertical depth of 8,400'. The surface location for this well is proposed at a legal location in Unit K of Section 8, T26S-R29E, and a bottom hole location at a legal location in Unit C of Section 5, T26S-R29E. The dedicated horizontal spacing unit will be the E2W2 of Section 5 and E2NW4 & NE4SW4 of Section 8, T26S-R29E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$6,126,190.00, as shown on the attached AFE.
- **Hambone Fed Com 506H**, to be drilled to a depth sufficient to test the Second Bone Spring formation at an approximate total vertical depth of 8,400'. The surface location for this well is proposed at a legal location in Unit L of Section 8, T26S-R29E, and a bottom hole location at a legal location in Unit D of Section 5, T26S-R29E. The dedicated horizontal spacing unit will be the W2W2 of Section 5 and W2NW4 & NW4SW4 of Section 8, T26S-R29E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$6,126,190.00, as shown on the attached AFE.

COG is proposing to drill these wells under the terms of two new Operating Agreements which will follow under separate cover.

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

Please indicate your participation elections in the space provided below, sign and return this letter, along with a signed copy of the enclosed AFEs and a copy of your geologic requirements, to my attention at the letterhead address or by email to Austin.Kuenstler@conocophillips.com. Should you have any questions, please do not hesitate to contact me at 432.688.6648.

One Concho Center | 600 West Illinois Avenue | Midland, Texas 79701 | P 432.683.7443 | F 432.683.7441

COG OPERATING LLC

Case No. 22371

Exhibit A-4

Page 2 - September 20, 2021
Hambone Fed Com 505H, 506H

Sincerely,

COG Operating LLC



Austin Kuenstler
Senior Land Negotiator

AK:bh
Enc

Please indicate your election below:

<u>WELL NAME</u>	<u>PARTICIPATE</u> Elect to participate in drilling & completion of well	<u>DO NOT PARTICIPATE</u> Elect NOT to participate in drilling & completion of well
Hambone Fed Com 505H		
Hambone Fed Com 506H		

DEVON ENERGY PRODUCTION COMPANY, LP

By: _____

Name: _____

Title: _____

Date: _____

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: **HAMBONE FED COM 505H**PROSPECT NAME: **Atlas 2629**SHL: **8-26S-29E, 1553 FSL, 1725 FWL OR UNIT N**STATE & COUNTY: **New Mexico, Eddy**BHL: **5-26S-29E, 50 FNL, 2310 FWL OR UNIT C**OBJECTIVE: **D&C**FORMATION: **2BSS**DEPTH: **18,200**LEGAL: **E2W2 of Sec. 5, E2NW & NESW of Sec. 8, T26S-R29E**TVD: **8,400**

		Drig - Rig Release(D)	Completion(C)	Tank Btty Constructn(TB)	Pmpg Equipment(PEQ)	TOTAL
INTANGIBLE COSTS						
Title/Curative/Permit	201	20,000				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	304	80,000		87,000
Location/Pits/Road Expense	205	185,000	305	5,000		170,000
Drilling / Completion Overhead	206	4,800	306	12,500		17,300
Turnkey Contract	207	0	307	705,000		705,000
Footage Contract	208	0	308	271,000		271,000
Daywork Contract	209	353,000	309	260,000		623,000
Directional Drilling Services	210	206,000	310	378,000		584,000
Fuel & Power	211	101,000	311	31,000		132,000
Water	212	63,000	312	392,000		455,000
Bits	213	59,000	313	0		59,000
Mud & Chemicals	214	80,000	314	0		80,000
Drill Stem Test	215	0	315	270,000		270,000
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	223	0	323	0		0
Geologic/Engineering	224	0	324	0		0
Contract Labor	225	6,500	325	2,000		8,500
Company Supervision	226	28,800	326	15,000		43,800
Contract Supervision	227	66,000	327	110,000		176,000
Testing Casing/Tubing	228	40,000	328	0		40,000
Mud Logging Unit	229	18,000	329	40,000		58,000
Logging	230	0		0		0
Perforating/Wireline Services	231	0	331	199,000		199,000
Stimulation/Treating			332	0		0
Completion Unit			333	0		0
Swabbing Unit			334	0		0
Rentals-Surface	235	100,000	335	0		100,000
Rentals-Subsurface	236	120,000	336	0		120,000
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	240	0	340	0		0
Seismic Analysis	241	0	341	0		0
Miscellaneous	242		342	3,000		3,000
Contingency	243	62,000	343	76,000		138,000
Closed Loop & Environmental	244	164,000	344	0		164,000
Fuel - Diesel	245	0	345	278,000		278,000
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		2,182,690	3,408,500	0	0	5,591,190
TANGIBLE COSTS						
Surface Casing	401	15,000				15,000
Intermediate Casing	402	73,000				73,000
Production Casing/Liner	403	230,000				230,000
Tubing			504	52,000		52,000
Wellhead Equipment	405	65,000	505	20,000		85,000
Pumping Unit						0
Prime Mover						0
Rods						0
Pumps-Sub Surface (BH)			509	0		0
Tanks						0
Flowlines						0
Heater Treater/Separator						0
Electrical System						0
Packers/Anchors/Hangers						0
Couplings/Fittings/Valves	414	0	514	60,000		60,000
Gas Lift/Compression	415	0				0
Dehydration						0
Injection Plant/CO2 Equipment						0
Pumps-Surface						0
Instrumentation/SCADA/POG						0
Miscellaneous	419	0	519	0		0
Contingency	420	0	520	0		0
Meters/LACT						0
Flares/Combustors/Emission						0
Gas Lift/Compression			527	20,000		20,000
TOTAL TANGIBLES		383,000	152,000	0	0	535,000
TOTAL WELL COSTS		2,565,690	3,560,500	0	0	6,126,190

COG Operating LLC

% of Total Well Cost

42%

58%

0%

0%

Date Prepared: 9/13/21

COG Operating LLC

We approve:

% Working Interest

RSL

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
DRILLING

WELL NAME:	HAMBONE FED COM 506H	PROSPECT NAME:	Atlas 2629
SHL:	8-26S-29E, 1553 FSL, 1695 FWL OR UNIT M	STATE & COUNTY:	New Mexico, Eddy
BHL:	5-26S-29E, 50 FNL, 990 FWL OR UNIT D	OBJECTIVE:	D&C
FORMATION:	2BSS	DEPTH:	18,200
LEGAL:	W2W2 of Sec. 5, W2NW4 & NWSW of Sec. 8, T26S-R29E	TVD:	8,400

		Drig - Rig Release(D)	Completion(C)	Tank Btty Constrctn(TB)	Pmpg Equipment(PEQ)	TOTAL
INTANGIBLE COSTS						
Title/Curative/Permit	201	20,000				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	304	80,000		87,000
Location/Pits/Road Expense	205	165,000	305	5,000		170,000
Drilling / Completion Overhead	206	4,800	306	12,500		17,300
Turkey Contract	207	0	307	705,000		705,000
Footage Contract	208	0	308	271,000		271,000
Daywork Contract	209	363,000	309	260,000		623,000
Directional Drilling Services	210	206,000	310	378,000		584,000
Fuel & Power	211	101,000	311	31,000		132,000
Water	212	83,000	312	392,000		455,000
Bits	213	59,000	313	0		59,000
Mud & Chemicals	214	80,000	314	0		80,000
Drill Stem Test	215	0	315	270,000		270,000
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	223	0	323	0		0
Geologic/Engineering	224	0	324	0		0
Contract Labor	225	5,500	325	2,000		8,500
Company Supervision	226	28,800	326	15,000		43,800
Contract Supervision	227	66,000	327	110,000		176,000
Testing Casing/Tubing	228	40,000	328	0		40,000
Mud Logging Unit	229	18,000	329	40,000		58,000
Logging	230	0				0
Perforating/Wireline Services	231	0	331	199,000		199,000
Stimulation/Treating			332	0		0
Completion Unit			333	0		0
Swabbing Unit			334	0		0
Rentals-Surface	235	100,000	335	0		100,000
Rentals-Subsurface	236	120,000	336	0		120,000
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	240	0	340	0		0
Sismic Analysis	241	0	341	0		0
Miscellaneous	242		342	3,000		3,000
Contingency	243	62,000	343	75,000		138,000
Closed Loop & Environmental	244	164,000	344	0		164,000
Fuel - Diesel	245	0	345	278,000		278,000
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		2,182,690	3,408,500	0	0	5,591,190
TANGIBLE COSTS						
Surface Casing	401	15,000				15,000
Intermediate Casing	402	73,000				73,000
Production Casing/Liner	403	230,000				230,000
Tubing			504	52,000		52,000
Wellhead Equipment	405	65,000	505	20,000		85,000
Pumping Unit						0
Prime Mover						0
Reds						0
Pumps-Sub Surface (BH)			509	0		0
Tanks						0
Flowlines						0
Heater Treater/Separator						0
Electrical System						0
Packers/Anchors/Hangers	414	0	514	60,000		60,000
Couplings/Fittings/Valves	415	0				0
Gas Lift/Compression						0
Dehydration						0
Injection Plant/CO2 Equipment						0
Pumps-Surface						0
Instrumentation/SCADA/POC						0
Miscellaneous	419	0	519	0		0
Contingency	420	0	520	0		0
Meters/LACT						0
Flares/Combustors/Emission						0
Gas Lift/Compression			527	20,000		20,000
TOTAL TANGIBLES		383,000	152,000	0	0	535,000
TOTAL WELL COSTS		2,565,690	3,560,500	0	0	6,126,190

COG Operating LLC	% of Total Well Cost	42%	58%	0%	0%
-------------------	----------------------	-----	-----	----	----

Date Prepared: 9/13/21

COG Operating LLC

RSL

We approve:
% Working Interest

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
DRILLING**

WELL NAME: **HAMBONE FED COM 505H**PROSPECT NAME: **Atlas 2629**SHL: **8-26S-29E, 1553 FSL, 1725 FWL OR UNIT N**STATE & COUNTY: **New Mexico, Eddy**BHL: **5-26S-29E, 50 FNL, 2310 FWL OR UNIT C**OBJECTIVE: **D&C**FORMATION: **2BSS**DEPTH: **18,200**LEGAL: **E2W2 of Sec. 5, E2NW & NESW of Sec. 8, T26S-R29E**TVD: **8,400**

INTANGIBLE COSTS		Drig - Rig Release(D)		Completion(C)		Tank Btty Constrctn(TB)		Pmpg Equipment(PEQ)		TOTAL
Title/Curative/Permit	201	20,000								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	304	80,000						87,000
Location/Pits/Road Expense	205	165,000	305	5,000						170,000
Drilling / Completion Overhead	206	4,800	306	12,500						17,300
Turnkey Contract	207	0	307	705,000						705,000
Footage Contract	208	0	308	271,000						271,000
Daywork Contract	209	363,000	309	260,000						623,000
Directional Drilling Services	210	206,000	310	378,000						584,000
Fuel & Power	211	101,000	311	31,000						132,000
Water	212	63,000	312	392,000						455,000
Bits	213	59,000	313	0						59,000
Mud & Chemicals	214	80,000	314	0						80,000
Drill Stem Test	215	0	315	270,000						270,000
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	223	0	323	0						0
Geologic/Engineering	224	0	324	0						0
Contract Labor	225	6,500	325	2,000						8,500
Company Supervision	226	28,800	326	15,000						43,800
Contract Supervision	227	66,000	327	110,000						176,000
Testing Casing/Tubing	228	40,000	328	0						40,000
Mud Logging Unit	229	18,000	329	40,000						58,000
Logging	230	0		0						0
Perforating/Wireline Services	231	0	331	199,000						199,000
Stimulation/Treating			332	0						0
Completion Unit			333	0						0
Swabbing Unit			334	0						0
Rentals-Surface	235	100,000	335	0						100,000
Rentals-Subsurface	236	120,000	336	0						120,000
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	240	0	340	0						0
Seismic Analysis	241	0	341	0						0
Miscellaneous	242		342	3,000						3,000
Contingency	243	62,000	343	76,000						138,000
Closed Loop & Environmental	244	164,000	344	0						164,000
Fuel - Diesel	245	0	345	278,000						278,000
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		2,182,690		3,408,500		0		0		5,591,190

TANGIBLE COSTS										
Surface Casing	401	15,000								15,000
Intermediate Casing	402	73,000								73,000
Production Casing/Liner	403	230,000								230,000
Tubing			504	52,000						52,000
Wellhead Equipment	405	65,000	505	20,000						85,000
Pumping Unit										0
Prime Mover										0
Rods										0
Pumps-Sub Surface (BH)			509	0						0
Tanks										0
Flowlines										0
Heater Treater/Separator										0
Electrical System										0
Packers/Anchors/Hangers	414	0	514	60,000						60,000
Couplings/Fittings/Valves	415	0								0
Gas Lift/Compression										0
Dehydration										0
Injection Plant/CO2 Equipment										0
Pumps-Surface										0

Instrumentation/SCADA/POC									0
Miscellaneous	419	0	519	0					0
Contingency	420	0	520	0					0
Meters/LACT									0
Flares/Combusters/Emission									0
Gas Lift/Compression			527	20,000					20,000
TOTAL TANGIBLES		383,000		152,000		0		0	535,000
TOTAL WELL COSTS		2,565,690		3,560,500		0		0	6,126,190

	% of Total Well Cost	42%	58%	0%	0%
COG Operating LLC					

Date Prepared: 9/13/21

We approve:
_____% Working Interest

COG Operating LLC

RSL

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.

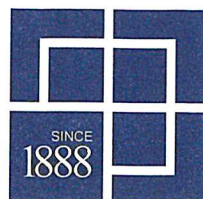
Hambone Fed Com 505H-Chronology Efforts

- 9.20.21 Well proposals to MRC Permian (502H, 505H, 506H)
Well proposals to Devon (505H)
- 10.12.21 Federal Communitization Agreements (501H, 502H, 505H, 506H) to applicable parties
State Communitization Agreements (502H, 505H, 506H) to applicable parties
Ratifications of Federal Communitization Agreements (501H, 502H, 505H, 506H) sent to applicable parties
Designation of Pooled Unit (505H, 506H) sent to applicable parties
- 10.18.21 OA Mailed to potential WIOs
- Additional Pooling Agreements (Pooling Agmt, CA, Ratification of DPU) sent to applicable parties - *see separate tab for tracking*
- 10.26.21 Revised Ex A (correcting "C" and "D" interest) sent to parties
- 10.26.21-present Ongoing OA negotiations

COG OPERATING LLC

Case No. 22371

Exhibit A-5



hinklelawfirm.com

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

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED**TO ALL INTERESTED PARTIES SUBJECT TO NOTICE****Re: Case No. 22371 - 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/oed/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://wwwapps.emnrd.state.nm.us/oed/oedpermitting/>) 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

COG OPERATING LLC**Case No. 22371****Exhibit A-6**PO BOX 10
ROSWELL, NEW MEXICO 88202
575-622-6510
(FAX) 575-623-9332PO BOX 2068
SANTA FE, NEW MEXICO 87504
505-982-4554
(FAX) 505-982-86237601 JEFFERSON ST NE • SUITE 180
ALBUQUERQUE, NEW MEXICO 87109
505-858-8320
(FAX) 505-858-8321

7020 2450 0002 1364 8936

CERTIFIED MAIL® RECEIPT

Domestic Mail Only

For delivery information, visit our website at www.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

\$

Total Postage and Fees

\$

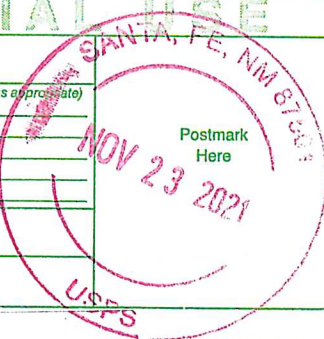
Sent To

M. Brad Bennett, L.P.
 Attn: Beau Bennett
 P.O. Box 50820
 Midland, TX 79710

City, State, Z

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.

1. Article Addressed to:

M. Brad Bennett, L.P.
 Attn: Beau Bennett
 P.O. Box 50820
 Midland, TX 79710



9590 9402 6746 1074 2194 78

2. Article Number (Transfer from service label)

7020 2450 0002 1364 8936

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *Michelle Carmona*☐ Agent☐ Addressee

B. Received by (Printed Name)

Michelle Carmona

C. Date of Delivery

11/29/21

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

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☒ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- ☐ Insured Mail
- ☐ 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

7020 2450 0002 1364 8974

CERTIFIED MAIL® RECEIPT	
Domestic Mail Only	
For delivery information, visit our website at www.usps.com ®.	
OFFICIAL MAIL	
Certified Mail Fee	\$
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$
Postage	\$
Total Postage and Fees	\$
Sent To	
Street and	Marathon Oil Permian LLC 5555 San Felipe St. Houston, TX 77056
City, State,	
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions	



SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p>■ Complete items 1, 2, and 3.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p> <p>1. Article Addressed to:</p> <p>Marathon Oil Permian LLC 5555 San Felipe St. Houston, TX 77056</p> <p>2. Article Number (Transfer from service label) 7020 2450 0002 1364 8974</p>	<p>A. Signature x [Signature]</p> <p><input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) [Signature]</p> <p>C. Date of Delivery 12/6/2021</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p> <p><input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery</p>

PS Form 3811, July 2020 PSN 7530-02-000-9053

Domestic Return Receipt

7020 2450 0002 1364 8950

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

For delivery information, visit our website at www.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 \$
 Total Postage and Fees \$
 Sent To L.E. & Nicolette A. Opperman
 Street and 500 W. Texas Ave., Ste. 830
 City, State Midland, TX 79701

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

Postmark Here
NOV 23 2021

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p>■ Complete items 1, 2, and 3.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p> <p>1. Article Addressed to:</p> <p>L.E. & Nicolette A. Opperman 500 W. Texas Ave., Ste. 830 Midland, TX 79701</p> <p>2. Article Number (Transfer from service label) 9590 9402 6746 1074 2194 54 7020 2450 0002 1364 8950</p>	<p>A. Signature X <i>[Signature]</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>[Signature]</i> C. Date of Delivery <i>11/26/21</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>3. Service Type <input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p> <p><input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery</p>

PS Form 3811, July 2020 PSN 7530-02-000-9053 Domestic Return Receipt

7020 2450 0002 1364 8967

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only	
For delivery information, visit our website at www.usps.com ®.	
OFFICIAL USE	
Certified Mail Fee	\$
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$
Postage	\$
Total Postage and Fees	\$
Sent To	
Street and Apt.	Grizzly Operating, LLC 5847 San Felipe, Ste. 3000 Houston, TX 77057
City, State, ZIP	
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions	

7020 2450 0002 1364 8943

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only	
For delivery information, visit our website at www.usps.com ®.	
OFFICIAL USE	
Certified Mail Fee	\$
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$
Postage	\$
Total Postage and Fees	\$
Sent To	
Street and Apt.	Debra Kunkel P.O. Box 28504 Austin, TX 78755
City, State, ZIP	
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions	

7020 2450 0002 1364 8981

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only	
For delivery information, visit our website at www.usps.com ®.	
OFFICIAL USE	
Certified Mail Fee	\$
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$
Postage	\$
Total Postage and Fees	\$
Sent To	
Street and Apt.	MRC Permian Company 5400 LBJ Freeway, Ste. 1500 Dallas, TX 75240
City, State, ZIP	
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions	

Affidavit of Publication

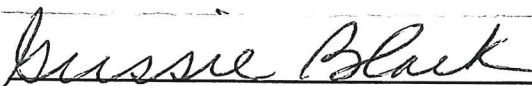
STATE OF NEW MEXICO
COUNTY OF LEA

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).

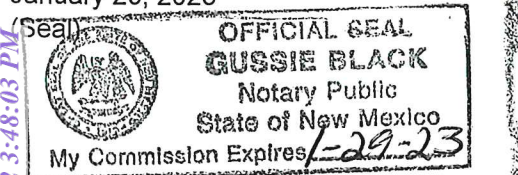
Beginning with the issue dated
December 07, 2021
and ending with the issue dated
December 07, 2021.


Publisher

Sworn and subscribed to before me this
7th day of December 2021.


Business Manager

My commission expires
January 29, 2023



his newspaper is duly qualified to publish
legal notices or advertisements within the
meaning of Section 3, Chapter 167, Laws of
1937 and payment of fees for said

LEGAL

LEGAL

LEGAL NOTICE December 7, 2021

This is to notify all interested parties, including M. Brad Bennett, LP; Debra Kunkel; L.E. Opperman; Nicolette A. Opperman; Grizzly Operating, LLC; Marathon Oil Permian LLC; MRC Permian Company; 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. 22371). 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: <https://www.emnrd.nm.gov/ocd/hearing-info/>. Applicant applies for an order pooling all uncommitted interests within the Bone Spring formation underlying a 280-acre, more or less, standard horizontal spacing unit comprised of the E/2W/2 of Section 5, the E/2NW/4 and NE/4SW/4 of 8, Township 26 South, Range 29 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the Hambone #505H well to be horizontally drilled from a surface hole location in the NE/4SW/4 (Unit K) of Section 8 to a bottom hole location in the NE/4NW/4 (Unit C) 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.
#37101

02107475

00261460

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

COG OPERATING LLC

Case No. 22371

Exhibit A-7

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. 22371

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 #505H** well ("Well") is represented by an 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.

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.

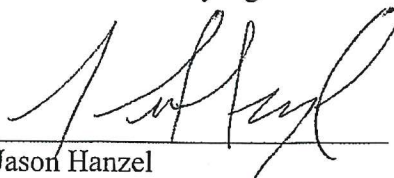
7. In my opinion, a standup orientation for the Well is appropriate to properly develop the subject acreage because of consistent rock properties throughout the Unit and the lack of preferred fracture orientation in this portion of the trend.

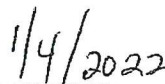
8. Based on my geologic study of the area, the targeted interval underlying the Unit is suitable for development by horizontal wells and the tracts comprising the Unit will contribute more or less equally to the production of the Well.

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.

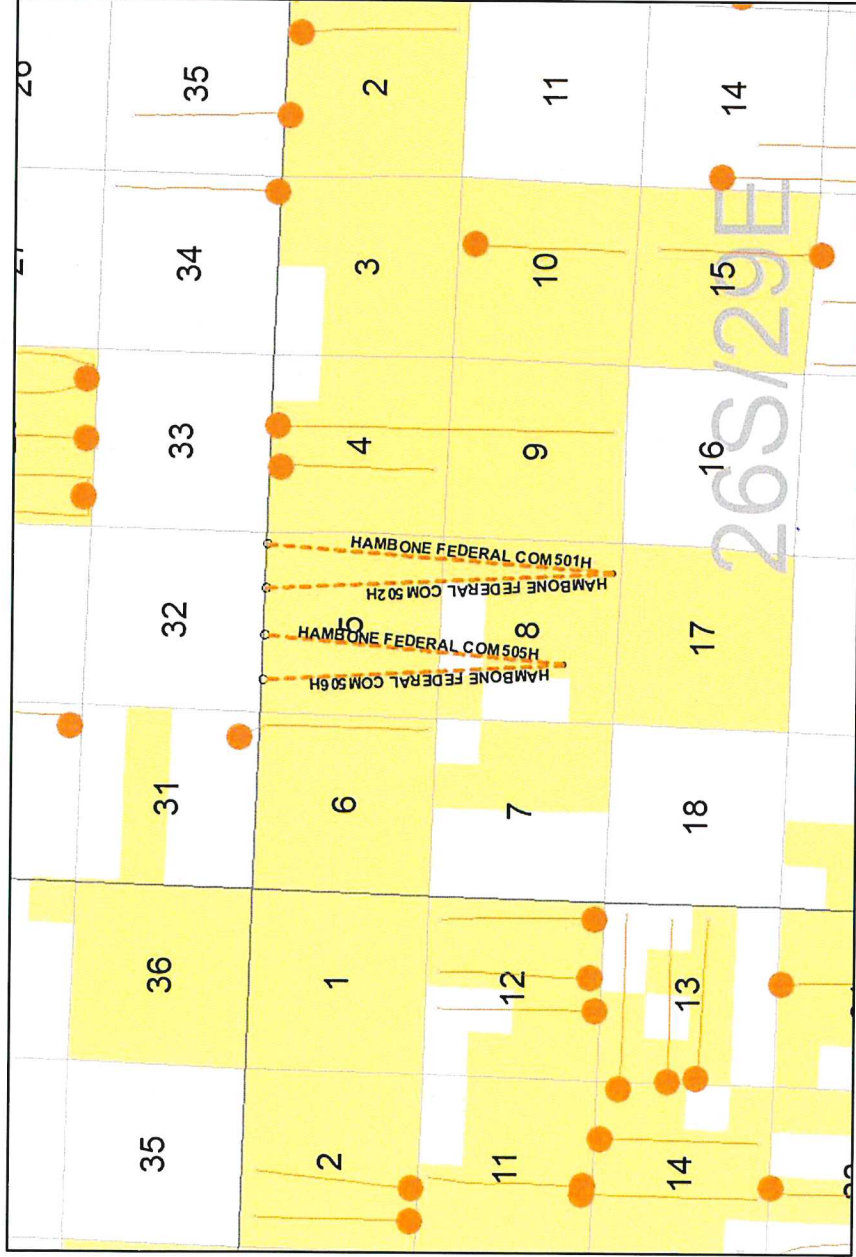
10. The exhibits attached hereto were either prepared by me or under my supervision or were compiled from company business records.

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 Hanzel


Date

Hambone Federal Com



Map Legend

BHL

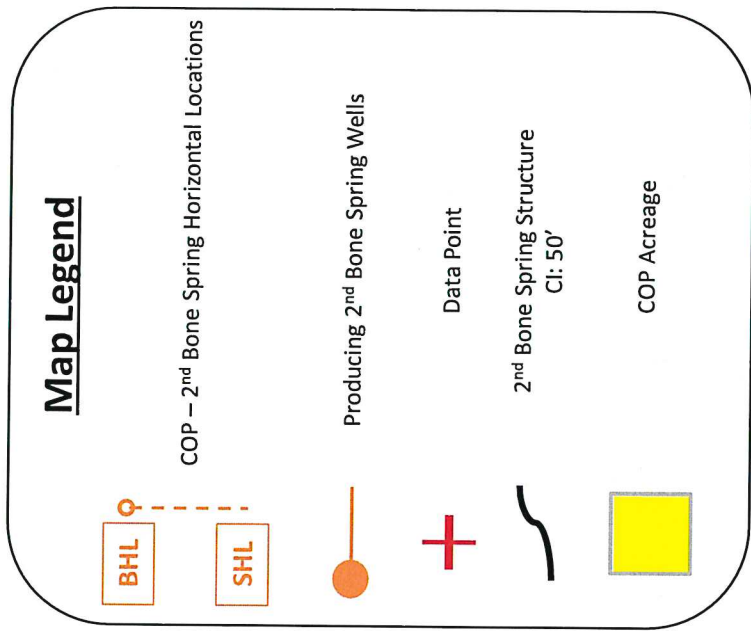
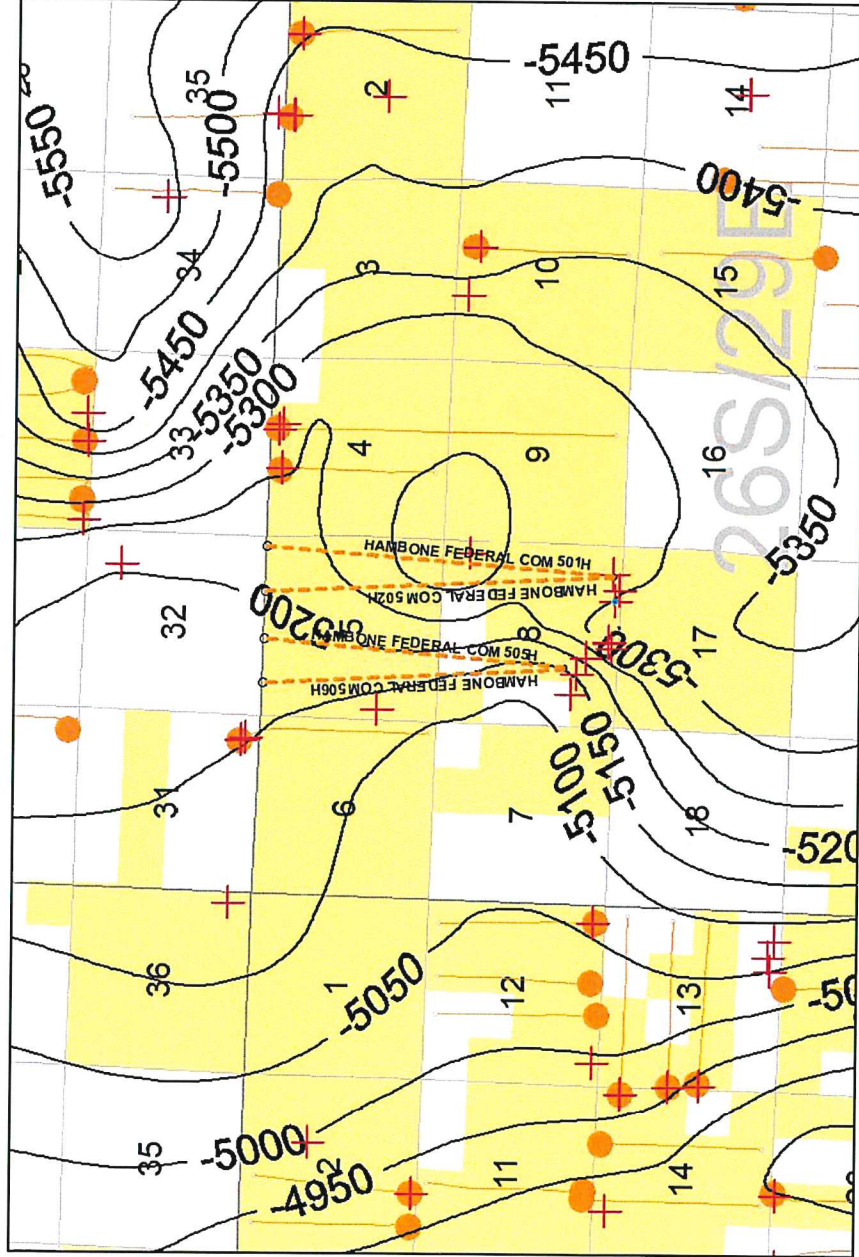
SHL

COP - 2nd Bone Spring Horizontal Locations

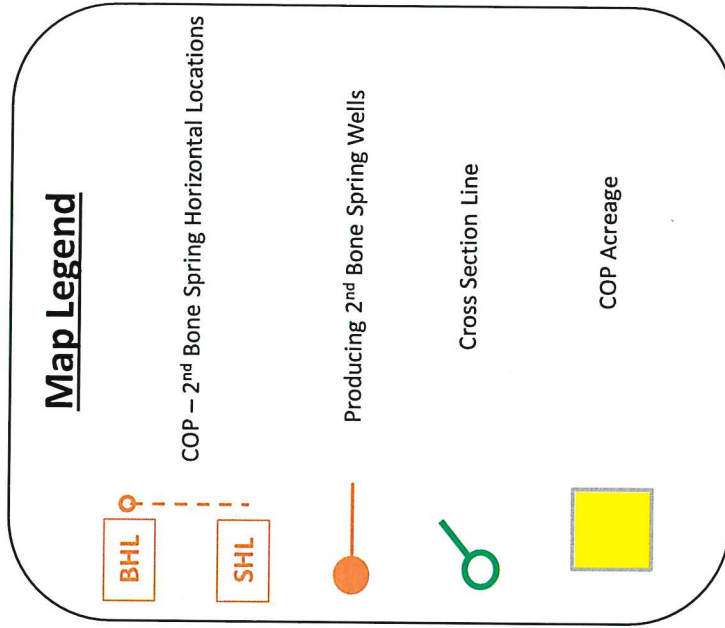
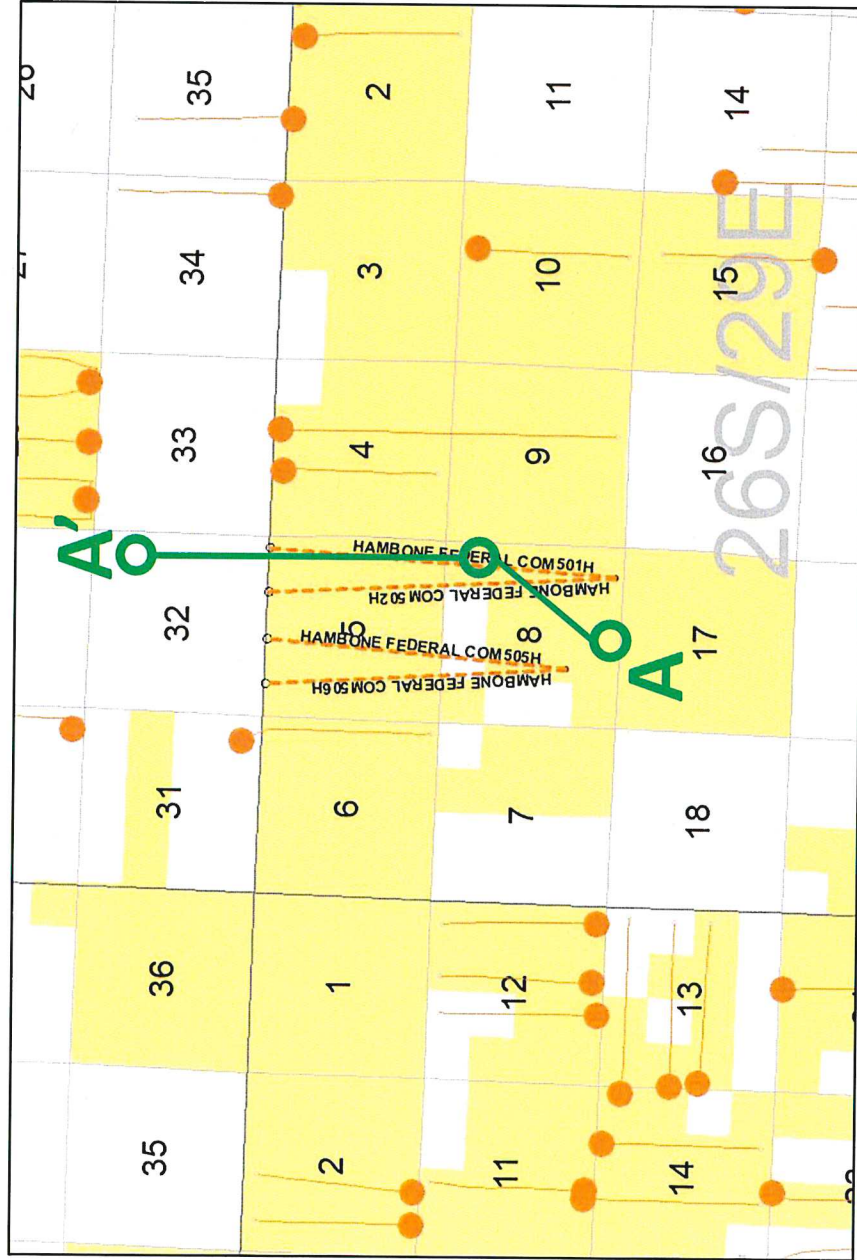
Producing 2nd Bone Spring Wells

COP Acreage

Top of BS2S Structure Map



Cross Section Map



Top of BS2S Structure Map

