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## **Exhibit 12**

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**“Rana Salada”  
Field Development Plan**

# Exhibit: 12

## Surface & Archeological Constraints



Aerial View of "Rana Salada"

- Surface locations are extremely scarce in this area due to:
  - Topography (e.g. the salt lake, drainage areas, bluffs)
  - Archeology
  - Potash Limitations

Amount of well pads sharply drops off



**Legend**

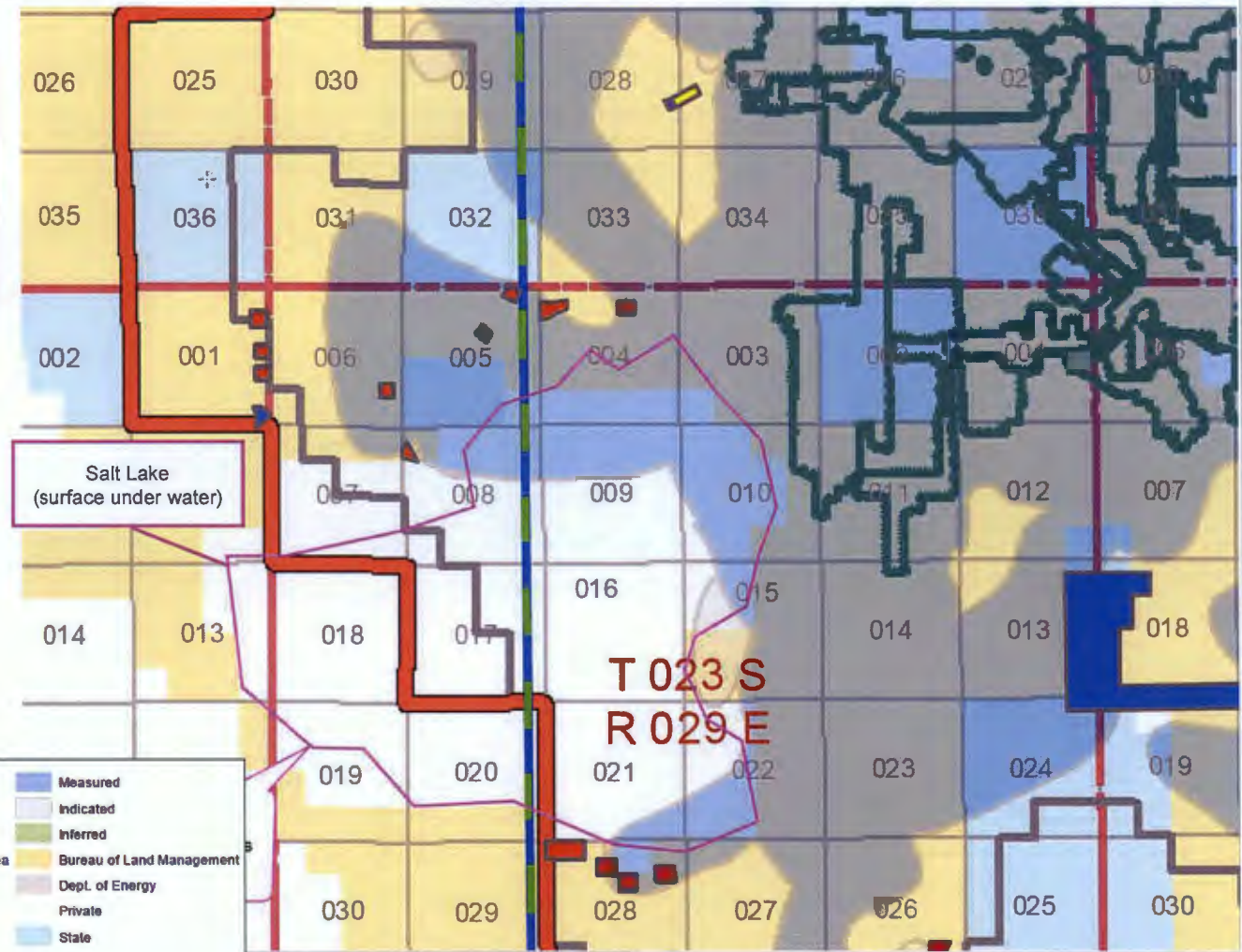
- Approved Drill Islands
- Section Lines

# Exhibit: 12 Potash Constraints



BLM-Issued Potash Map (4/6/2018 Version)

Obtaining drill islands is extremely difficult because there is a very small number of locations that are both not encroaching on potash and not limited by a surface constraint

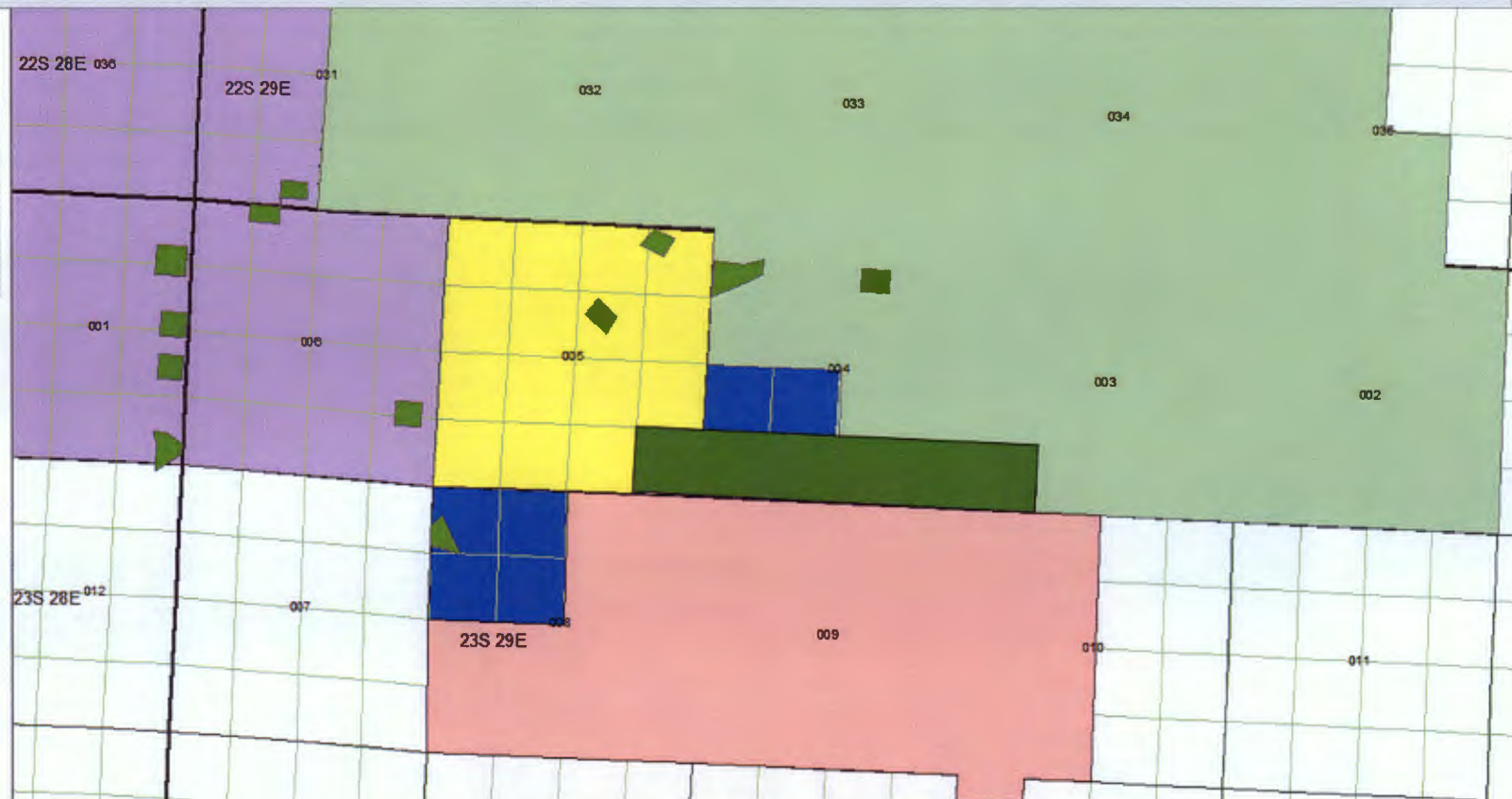


- |                                     |                            |                           |
|-------------------------------------|----------------------------|---------------------------|
| Approved, All Depths, NEPA Approved | PA Boundary                | Measured                  |
| Approved, All Depths, Need NEPA     | NM Townships               | Indicated                 |
| Approved, Shallow, NEPA Approved    | NM Sections                | Inferred                  |
| Approved, Shallow, Need NEPA        | 2012 Secretary Potash Area | Bureau of Land Management |
| Nominated, All Depths               | KPLA                       | Dept. of Energy           |
| Nominated, Shallow                  | WIPP                       | Private                   |
| NM Cities & Towns                   | Capitan Aquifer            | State                     |
| Mine Workings 2012                  |                            |                           |

# Surface Locations

## Approved Drill Islands

- Legend**
- Novo
  - XTO (Big Eddy Unit)
  - WPX
  - BTA / TDY
  - Marathon
  - EOG & OXY
  - Approved Drill Islands

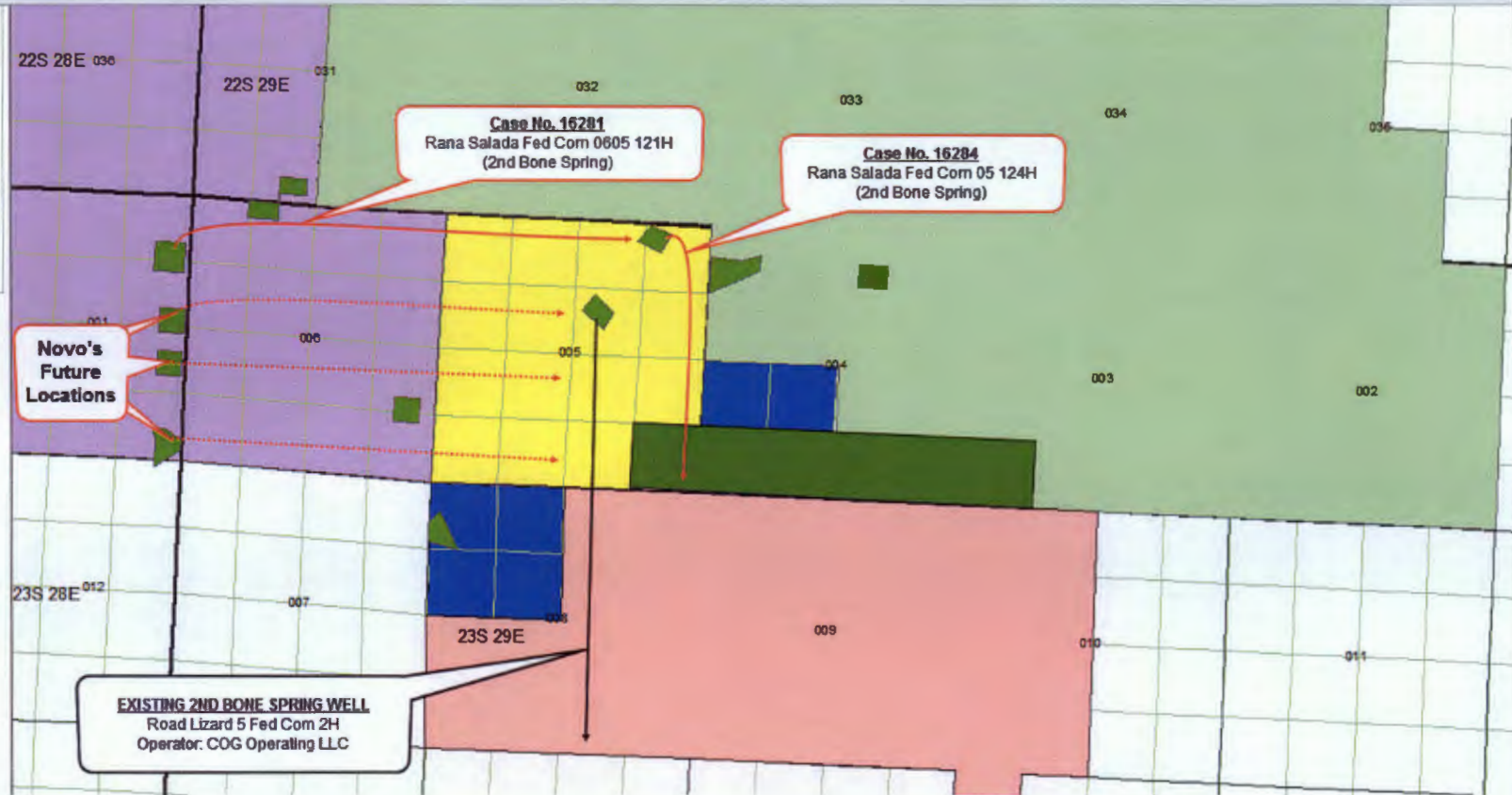


Novo worked with the BLM and offset operators to identify drill island locations to facilitate full development of this prospect.

# “Salt Lake” Potential Development

## 2<sup>nd</sup> Bone Spring Only

- Legend**
- Novo
  - XTO (Big Eddy Unit)
  - WPX
  - BTA / TDY
  - Marathon
  - EOG & OXY
  - Approved Drill Islands

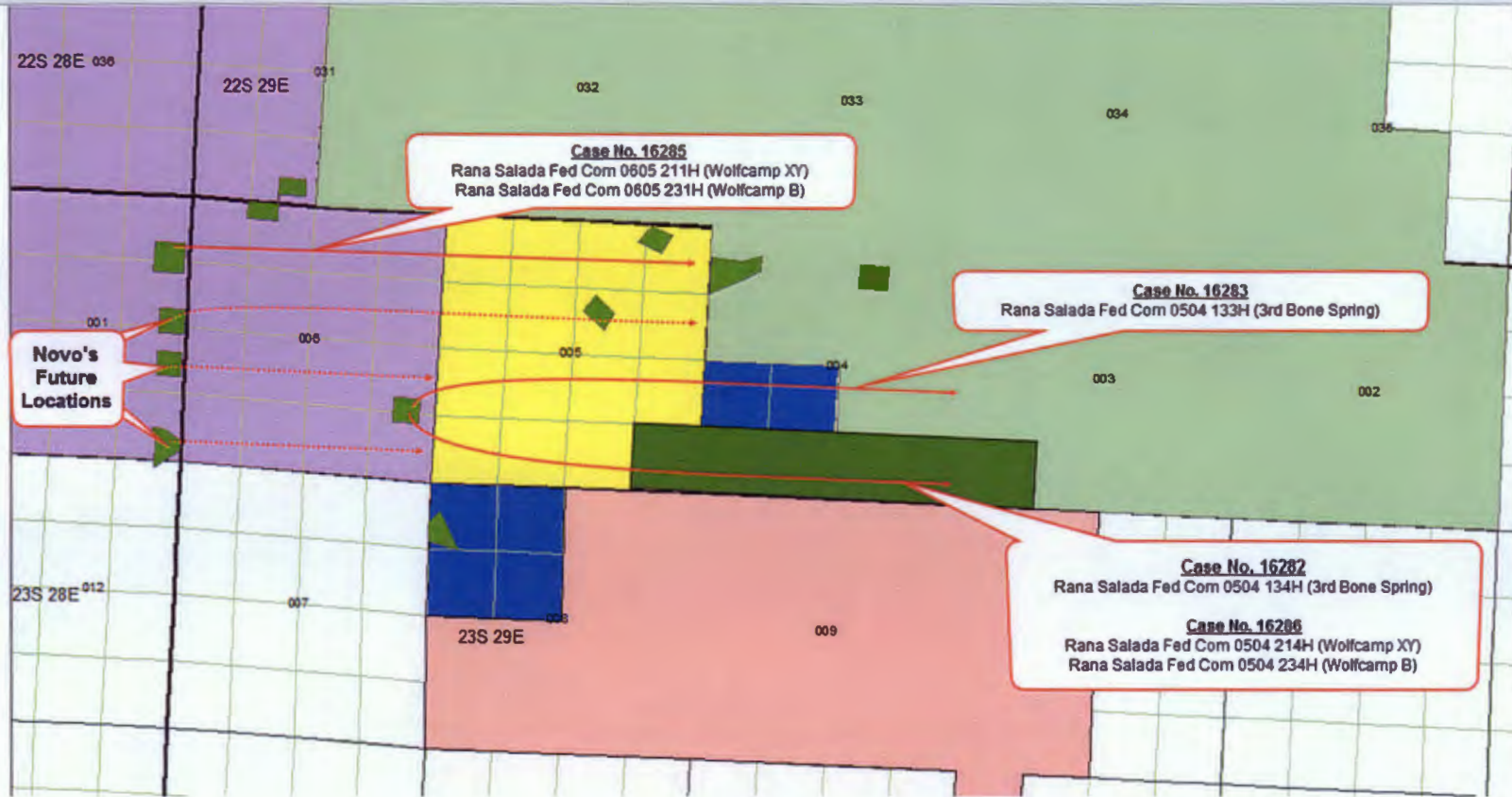


This development plan prevents acreage from being stranded despite the extreme surface and potash constraints. It also avoids conflict with Concho's existing "Road Lizard" well.

# “Salt Lake” Potential Development

## All Formations (Except 2<sup>nd</sup> Bone Spring)

- Legend**
- Novo
  - XTO (Big Eddy Unit)
  - WPX
  - BTA / TDY
  - Marathon
  - EOG & OXY
  - Approved Drill Islands



This development plan prevents acreage from being stranded despite the extreme surface and potash constraints.



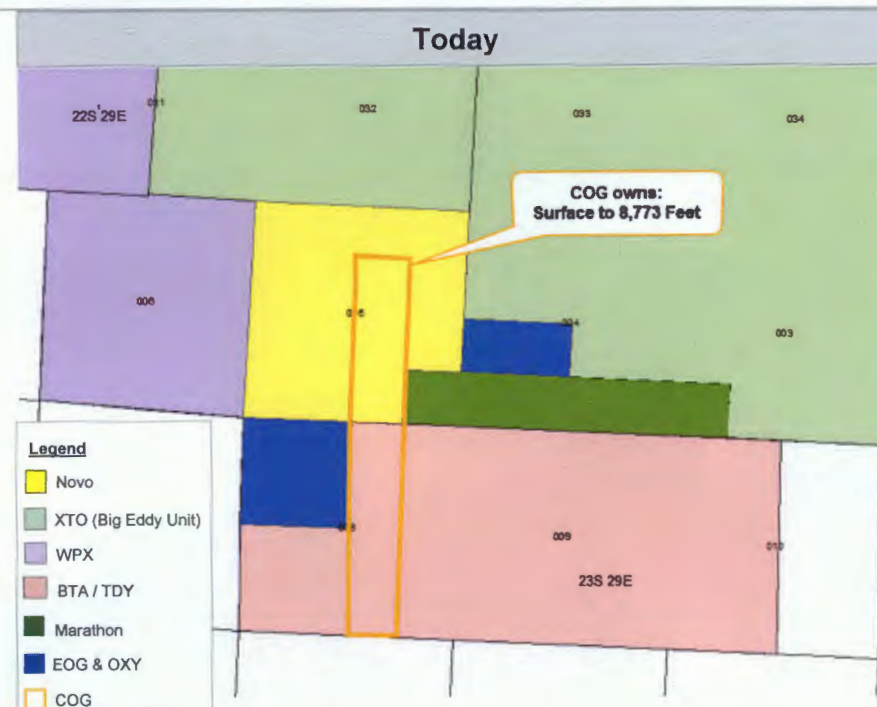
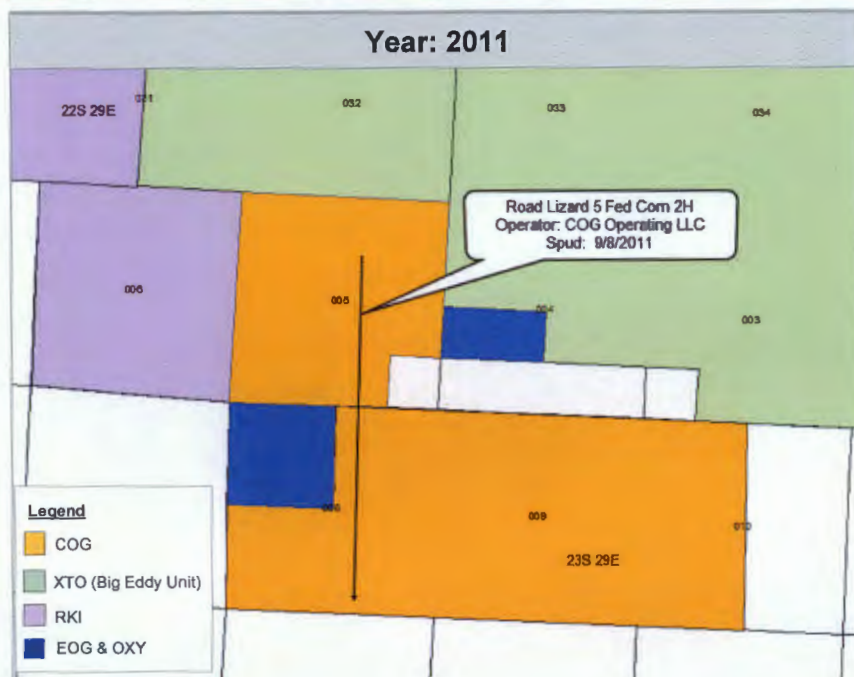
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## **Exhibit 13**

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Concho's Ownership

# COG Operating LLC's Ownership



- COG Operating LLC owned leases covering most of Sections 5, 8, and 9
- COG drilled only one well in Section 5
  - Road Lizard 5 Fed Com 2H (2<sup>nd</sup> Bone Spring)
- COG's interests in Section 5 terminated as to all lands outside the spacing unit of the Road Lizard 5 Fed Com 2H, and as to all depths 100' below the deepest perforation

- In Section 5, now COG owns 120 net acres *from surface to 8,773 feet*
- Novo owns below 8,773 feet in that tract
- To make this clear, COG executed reassignment in January 2018 conveying depths below 8,773' to Novo's predecessor



BLM-NMNSA  
SAN ANTONIO  
(800) 459-3833  
RECEIVED

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0034  
Expires: July 31, 2018  
Lease Serial No.

DEC 14 2017

TRANSFER OF OPERATING RIGHTS (SUBLEASE) IN A  
LEASE FOR OIL AND GAS OR GEOTHERMAL RESOURCES

NMNM-459383

RECEIPT # PAID 4042478

Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.)  
Act for Acquired Lands of 1947 (30 U.S.C. 351-359)  
Geothermal Steam Act of 1970 (30 U.S.C. 1001-1025)

Department of the Interior Appropriations Act, Fiscal Year 1981 (42 U.S.C. 6508)

NM059383

Type or print plainly in ink and sign in ink.

PART A: TRANSFER

1. Transferee (Sublessee)\* C. Wendel Schoenberger, L.P.  
Street P.O. Box 2604  
City, State, Zip Code Midland, Texas 79702

1a. Transferor COG Operating LLC

\*If more than one transferee, check here  and list the name(s) and address(es) of all additional transferees on page 2 of this form or on a separate attached sheet of paper.

This transfer is for: (Check one)  Oil and Gas Lease, or  Geothermal Lease

Interest conveyed: (Check one or both, as appropriate)  Operating Rights (sublease)  Overriding Royalty, payment out of production or other similar interests or payments

2. This transfer (sublease) conveys the following interest:

Land Description <small>Additional space on page 2, if needed. Do not submit documents or agreements other than this form, such documents or agreements shall only be referenced herein.</small>	Percent of Interest			Percent of Overriding Royalty Similar Interests	
	Owned	Conveyed	Retained	Reserved	Previously reserved or conveyed
	b	c	d	e	f
Township 23 South, Range 29 East, NMPM Eddy County, New Mexico  Section 5: SW/4, SW/4 SE/4, NE/4 SE/4, LESS AND EXCEPT SW/4 SE/4 from surface to 8,773 feet  This Assignment is subject to the Terms and Conditions of that certain Term Assignment dated April 15, 2010 between C. Wendel Schoenberger, L.P. and Mesquite SWD, Inc. (Assignors) and COG Operating LLC (Assignee) insofar and only insofar as said Term Assignment covers the SW/4 SE/4 of Section 5, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico, from surface to 8,773 feet.	100%	100%	None	0% of 8/8	12.5% of 8/8

BLM RECOGNIZES ONLY THE ASSIGNMENT OF INTEREST, NOT THE CONDITIONS OF THE AGREEMENT

FOR BLM USE ONLY - DO NOT WRITE BELOW THIS LINE  
UNITED STATES OF AMERICA

This transfer is approved solely for administrative purposes. Approval does not warrant that either party to this transfer holds legal or equitable title to this lease.

Transfer approved effective JAN 01 2018

By [Signature]  
Bureau of Land Management (BLM)

LAND LAW EXAMINER  
BRANCH OF ADJUDICATION  
(Title) FEB 15 2018  
(Date)

(Continued on page 2)

**PART B – CERTIFICATION AND REQUEST FOR APPROVAL**

1. The transferor certifies as owner of an interest in the above designated lease that he/she hereby transfers to the above transferee(s) the rights specified above.
2. Transferee certifies as follows: (a) Transferee is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or territory thereof. For the transfer of NPR-A leases, transferee is a citizen, national, or resident alien of the United States or associations of such citizens, nationals, resident aliens or private, public or municipal corporations; (b) Transferee is not considered a minor under the laws of the State in which the lands covered by this transfer are located; (c) Transferee's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the same State, do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options, if this is an oil and gas lease issued in accordance with the Minerals Leasing Act of 1920, or 51,200 acres in any one State if this is a geothermal lease; (d) All parties holding an interest in the transfer are otherwise in compliance with the regulations (43 CFR Group 3100 or 3200) and the authorizing Acts; (e) Transferee is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (f) Transferee is not in violation of sec. 41 of the Mineral Leasing Act.
3. Transferee's signature to this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein. Applicable terms and conditions include, but are not limited to, an obligation to conduct all operations on the leasehold in accordance with the terms and conditions of the lease, to condition all wells for proper abandonment, to restore the leased lands upon completion of any operations as described in the lease, and to furnish and maintain such bond as may be required by the lessor pursuant to regulations 43 CFR 3104, 3134, or 3206.

For geothermal transfers, an overriding royalty may not be less than one-fourth (1/4) of one percent of the value of output, nor greater than 50 percent of the rate of royalty due to the United States when this assignment is added to all previously created overriding royalties (43 CFR 3241).

I certify that the statements made herein by me are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this 27th day of December 2017

Executed this 14th day of November 2017

Name of Transferor as shown on current lease COG Operating LLC

Transferor \_\_\_\_\_  
(Signature)

(Please type or print)  
Transferee C. Wendel Schoenberger  
(Signature)

or \_\_\_\_\_  
(Title)

or C. Wendel Schoenberger, General Partner  
(Title)

Attorney-in-fact Marta Carter  
(Signature)

Attorney-in-fact \_\_\_\_\_  
(Signature)

550 West Texas Avenue  
(Transferor's Address)

Midland Texas 79701  
(City) (State) (Zip Code)

Title U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

SAN FÉ RECEIVED

DEC 14 2017

RECEIPT # PAID 4042474

DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

TRANSFER OF OPERATING RIGHTS (SUBLEASE) IN A  
LEASE FOR OIL AND GAS OR GEOTHERMAL RESOURCES

Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.)  
Act for Acquired Lands of 1947 (30 U.S.C. 351-359)  
Geothermal Steam Act of 1970 (30 U.S.C. 1001-1025)  
Department of the Interior Appropriations Act, Fiscal Year 1981 (42 U.S.C. 6508)

OMB NO. 1004-0034  
Expires: July 31, 2018  
Lease Serial No.

NMNM-159383

NM059383

Type or print plainly in ink and sign in ink.

PART A: TRANSFER

1. Transferee (Sublessee)\* Mesquite SWD, Inc.

Street P.O. Box 1479

City, State, Zip Code Carlsbad, New Mexico 88220

1a. Transferor COG Operating LLC

\*If more than one transferee, check here  and list the name(s) and address(es) of all additional transferees on page 2 of this form or on a separate attached sheet of paper.

This transfer is for: (Check one)  Oil and Gas Lease, or  Geothermal Lease

Interest conveyed: (Check one or both, as appropriate)  Operating Rights (sublease)  Overriding Royalty, payment out of production or other similar interests or payments

2. This transfer (sublease) conveys the following interest:

Land Description <small>Additional space on page 2, if needed. Do not submit documents or agreements other than this form, such documents or agreements shall only be referenced herein.</small>	Percent of Interest			Percent of Overriding Royalty Similar Interests	
	Owned	Conveyed	Retained	Reserved	Previously reserved or conveyed
	b	c	d	e	f
Township 23 South, Range 29 East, NMPM Eddy County, New Mexico  Section 5: Lots 1, 2, 3, 4, S/2 N/2, NW/4 SE/4, LESS AND EXCEPT SW/4 NE/4 and NW/4 SE/4 from surface to 8,773 feet  This Assignment is subject to the Terms and Conditions of that certain Term Assignment dated April 15, 2010 between C. Wendel Schoenberger, L.P. and Mesquite SWD, Inc. (Assignors) and COG Operating LLC (Assignee) insofar and only insofar as said Term Assignment covers the SW/4 NE/4 and NW/4 SE/4 of Section 5, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico, from surface to 8,773 feet.	100%	100%	None	0% of 8/8	12.5% of 8/8
<b>BLM RECOGNIZES ONLY THE ASSIGNMENT OF INTEREST, NOT THE CONDITIONS OF THE AGREEMENT</b>					

FOR BLM USE ONLY - DO NOT WRITE BELOW THIS LINE  
UNITED STATES OF AMERICA

This transfer is approved solely for administrative purposes. Approval does not warrant that either party to this transfer holds legal or equitable title to this lease.

Transfer approved effective JAN 01 2018

By [Signature]  
Bureau of Land Management (BLM)

LAND LAW EXAMINER  
BRANCH OF ADJUDICATION FEB 15 2018  
(Title) (Date)

(Continued on page 2)

**PART B – CERTIFICATION AND REQUEST FOR APPROVAL**

1. The transferor certifies as owner of an interest in the above designated lease that he/she hereby transfers to the above transferee(s) the rights specified above.
2. Transferee certifies as follows: (a) Transferee is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or territory thereof. For the transfer of NPR-A leases, transferee is a citizen, national, or resident alien of the United States or associations of such citizens, nationals, resident aliens or private, public or municipal corporations; (b) Transferee is not considered a minor under the laws of the State in which the lands covered by this transfer are located; (c) Transferee's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the same State, do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options, if this is an oil and gas lease issued in accordance with the Minerals Leasing Act of 1920, or 51,200 acres in any one State if this is a geothermal lease; (d) All parties holding an interest in the transfer are otherwise in compliance with the regulations (43 CFR Group 3100 or 3200) and the authorizing Acts; (e) Transferee is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (f) Transferee is not in violation of sec. 41 of the Mineral Leasing Act.
3. Transferee's signature to this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein. Applicable terms and conditions include, but are not limited to, an obligation to conduct all operations on the leasehold in accordance with the terms and conditions of the lease, to condition all wells for proper abandonment, to restore the leased lands upon completion of any operations as described in the lease, and to furnish and maintain such bond as may be required by the lessor pursuant to regulations 43 CFR 3104, 3134, or 3206.

For geothermal transfers, an overriding royalty may not be less than one-fourth (1/4) of one percent of the value of output, nor greater than 50 percent of the rate of royalty due to the United States when this assignment is added to all previously created overriding royalties (43 CFR 3241).

I certify that the statements made herein by me are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this 27th day of November 20, 17

Executed this 14th day of November 20, 17

Name of Transferor as shown on current lease COG Operating LLC

Transferor \_\_\_\_\_  
(Signature)

(Please type or print)  
Transferee Clay L. Wilson  
(Signature)

or \_\_\_\_\_  
(Title)  
Attorney-in-fact Mona L. Cantu  
(Signature)

or Clay L. Wilson, President  
(Title)  
Attorney-in-fact \_\_\_\_\_  
(Signature)

550 West Texas Avenue  
(Transferor's Address)

Midland Texas 79701  
(City) (State) (Zip Code)

Title U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 3)

(Form 3000-3a, page 2)

## Brandon Patrick

---

**Subject:** RE: Federal Transfers of Operating Rights - Sec. 5-23S-29E

-----Original Message-----

From: Buck Underwood <BUnderwood@concho.com>  
Sent: Monday, January 29, 2018 4:22 PM  
To: Brandon Patrick <bpatrick@novoog.com>  
Subject: RE: [External] RE: Federal Transfers of Operating Rights - Sec. 5-23S-29E

Brandon,

Thank you for reaching out, at this point in time we are not looking to sell our interest in that well. We are open to look at any potential trades for acreage that makes sense to COG. Should anything change I will let you know.

Thanks,

Buck Underwood | Senior Landman - Northern Delaware Basin | COG Operating LLC  
600 W. Illinois Avenue | Midland, TX 79701 | (d) 432.688.6644 | (m) 432.638.2926

-----Original Message-----

From: Brandon Patrick [mailto:bpatrick@novoog.com]  
Sent: Monday, January 29, 2018 4:05 PM  
To: Buck Underwood  
Subject: RE: [External] RE: Federal Transfers of Operating Rights - Sec. 5-23S-29E

Hey Buck,

Hope you've been well. Novo is in the process of preparing its wells to be drilled in Sec. 5-23S-29E. We are still interested in acquiring COG's "Road Lizard" well. Do you think COG would be willing to sell the Road Lizard wellbore to Novo? If so, we can prepare an offer.

Thanks,

Brandon Patrick  
Land Manager  
Novo Oil & Gas, LLC  
105 N. Hudson Avenue, Suite 500, Oklahoma City, OK  
Office: 405-609-1740 Cell: 405-650-9081

-----Original Message-----

From: Buck Underwood [mailto:BUnderwood@concho.com]  
Sent: Monday, November 27, 2017 9:33 AM  
To: Johnathan McCright - Vendor <jcmccright@sbcglobal.net>; Brandon Patrick <bpatrick@novoog.com>  
Subject: RE: [External] RE: Federal Transfers of Operating Rights - Sec. 5-23S-29E

That would be great!

Thank you,

Buck Underwood | Senior Landman - Northern Delaware Basin | COG Operating LLC  
600 W. Illinois Avenue | Midland, TX 79701 | (d) 432.688.6644 | (m) 432.638.2926

-----Original Message-----

From: John McCright [mailto:jcmccright@sbcglobal.net]  
Sent: Monday, November 27, 2017 9:32 AM  
To: Buck Underwood; 'Brandon Patrick'  
Subject: [External] RE: Federal Transfers of Operating Rights - Sec. 5-23S-29E

Buck,

I have these executed TOR's here at my office. I actually have a couple of brokers working over there @ your office - I'll get one of them to bring them over to you tomorrow.

Thanks,

John G. McCright  
McCright & Associates, LLC  
306 W. Wall St., Suite 1000  
Midland, TX 79701  
Office: (432) 203-7366  
Fax: (866) 452-9920  
Cell: (432) 230-5226

-----Original Message-----

From: Buck Underwood [mailto:BUnderwood@concho.com]  
Sent: Monday, November 27, 2017 9:29 AM  
To: Brandon Patrick <bpatrick@novoog.com>  
Cc: Johnathan McCright - Vendor <jcmccright@sbcglobal.net>  
Subject: RE: Federal Transfers of Operating Rights - Sec. 5-23S-29E

Brandon,

I have looked these over and they look good to me, if the executed TOR's could be sent my way I can work on getting them executed.

Thanks,

Buck Underwood | Senior Landman - Northern Delaware Basin | COG Operating LLC

600 W. Illinois Avenue | Midland, TX 79701 | (d) 432.688.6644 | (m) 432.638.2926

From: Brandon Patrick [mailto:bpatrick@novoog.com]  
Sent: Wednesday, November 15, 2017 11:18 AM  
To: Ashley Roush; Buck Underwood  
Cc: Johnathan McCright - Vendor  
Subject: [External] Federal Transfers of Operating Rights - Sec. 5-23S-29E

\*\*\*\* External email. Use caution. \*\*\*\*

Ashley and Buck,

We closed yesterday on a Term Assignment with Mesquite SWD and C. Wendel Schoenberger for their interests in Sec. 5-23S-29E. When reviewing the title, we saw that COG executed two (2) Transfers of Operating Rights with Mesquite and Schoenberger (see attached). To finish the reassignments back to Mesquite and Schoenberger, COG will need to execute Transfers of Operating Rights (TORs). We went ahead and drafted the TORs and had Mesquite and Schoenberger execute them. John McCright (from McCright & Associates) has the executed TORs, we just need COG to execute them.

Please review the attached TOR forms. If they look good to you guys, John (or one of his guys) will deliver them to COG's office for execution.

Thanks for your help on all of this. I'm planning on coming to Midland in Mid-December. Will either of you be around? I'd like to take you to lunch or dinner.

Sincerely,

Brandon Patrick  
Land Manager  
Novo Oil & Gas, LLC  
105 N. Hudson Avenue, Suite 500, Oklahoma City, OK  
Office: 405-609-1740 Cell: 405-650-9081 [Novo Logo]

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## Brandon Patrick

---

**From:** James Martin <JMartin1@concho.com>  
**Sent:** Wednesday, July 25, 2018 9:28 AM  
**To:** Brandon Patrick  
**Subject:** [EXTERNAL] Rana Salada Development

THIS EMAIL IS FROM AN EXTERNAL SENDER. USE CAUTION WITH LINKS AND ATTACHMENTS!

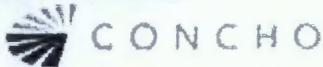
Brandon,

Can you forward this along to the examiner or do you want me to?

In follow up to our conversation, Concho has received adequate notice of Novo's proposed development plans within the Rana Salada unit. Due to our lack of interest in such, Concho has no objection to said development.

Regards,

James D. Martin  
Landman - Northern Delaware Basin  
600 W Illinois Avenue, Midland TX, 79701  
432.685.2590 (work)  
832.279.3172 (mobile)  
[jmartin1@concho.com](mailto:jmartin1@concho.com)



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NOTICE: The information in this email may be confidential and/or privileged. If you are not the intended recipient or an authorized representative of the intended recipient, you are hereby notified that any review, dissemination or copying of this email and its attachments, if any, or the information contained herein, is prohibited. If you have received this email in error, please immediately notify the sender by return email and delete this email from your system. Further, any contract terms proposed or purportedly accepted in this email are not binding and are subject to management's final approval as memorialized in a separate written instrument, excluding electronic correspondence, executed by an authorized representative of COG Operating LLC or its affiliates.



## Brandon Patrick

---

**Subject:** FW: [EXTERNAL] Re: Rana Salada  
**Attachments:** image001.png

**From:** James Rutley <jrutley@blm.gov>  
**Sent:** Wednesday, August 08, 2018 7:17 AM  
**To:** Brandon Patrick <bpatrick@novooog.com>  
**Cc:** Brian Wood <brian@permitswest.com>  
**Subject:** Re: [EXTERNAL] Re: Rana Salada

Good Morning Brandon,

The Rana Salada 3 Development Area was approved on July 26, 2018 when BTA rescinded their protest. The DA was assigned DA-2018-020. The Rana Salada DA is still on the clock expiring on the 25th of August.

Cheers,

Jim

*James S. Rutley*

*Geologist (Potash Specialist)*

*Carlsbad Field Office*

*Bureau of Land Management*

*(575) 234-5904*

*Warning: This message is intended only for use of the individual or entity to which it is addressed, and may contain information that is privileged or confidential, and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please notify the sender immediately by return letter/fax/email.*

## Brandon Patrick

---

**Subject:** FW: [EXTERNAL] Re: Do We Need On-Site? SHLs in 1-23S-29E

**From:** Rutley, James <jrutley@blm.gov>  
**Sent:** Tuesday, January 23, 2018 8:29 AM  
**To:** Brandon Patrick <bpatrick@novooog.com>  
**Subject:** Re: [EXTERNAL] Re: Do We Need On-Site? SHLs in 1-23S-29E

Good Morning Brandon,

Looks good! Glad to hear that you are working well with WPX and XTO!

Thanks

Jim

*James S. Rutley*

*Geologist (Potash Specialist)  
Carlsbad Field Office  
Bureau of Land Management  
(575) 234-5904*

On Mon, Jan 22, 2018 at 3:08 PM, Brandon Patrick <[bpatrick@novooog.com](mailto:bpatrick@novooog.com)> wrote:

Jim,

Attached is Novo's proposal for the "Rana Salada #3 Development Area". Please give it a look and let me know if you have any suggestions or questions. We worked closely with XTO and WPX to come up with this plan, so we hope the process will go smoothly.

Thanks for your help,

**Brandon Patrick**  
*Land Manager*  
Novo Oil & Gas, LLC  
105 N. Hudson Avenue, Suite 500, Oklahoma City, OK  
Office: 405-609-1740 Cell: 405-650-9081



**From:** Rutley, James [mailto:[jrutley@blm.gov](mailto:jrutley@blm.gov)]  
**Sent:** Tuesday, January 09, 2018 7:17 AM



Brandon Patrick  
Land Manager  
Novo Oil & Gas Northern Delaware, LLC  
105 N. Hudson Avenue, Suite 500  
Oklahoma City, Oklahoma 73102  
Office: 405-609-1740  
bpatrick@novooil.com

January 22, 2018

**SENT VIA E-MAIL**

TO: Affected Parties of the Rana Salada #3 Development Area

Re: Rana Salada #3 Development Area  
Sections 4, 5, and 6, Township 23 South, Range 29 East  
Eddy County, New Mexico

To Whom It May Concern:

Novo Oil & Gas Northern Delaware, LLC ("Novo") has proposed a Development Area that falls within the Secretary's Potash Area in the captioned lands that may affect your leasehold and/or surface estate/permit. Please see the enclosed plat for the location of the BLM approved Rana Salada #3 Drill Island and Novo's proposed Rana Salada #3 Development Area, and Novo's initial development wells. Enclosed with this letter are Novo's State of New Mexico Form C-102s, Well Location and Acreage Dedication Plats for each of Novo's initial development wells, and a survey of the approved Rana Salada #3 Drill Island.

This letter serves as notice of the proposed action. You have thirty (30) calendar days from receipt of this letter to contact the BLM if you would like to express interest in collaborating with the proposal or protesting the proposal. If you would like to collaborate with or protest the establishment of the Rana Salada #3 Development Area, please respond to James Rutley ([jrutley@blm.gov](mailto:jrutley@blm.gov)) at the BLM, Carlsbad Field Office, 620 E. Greene Street, Carlsbad, NM 88220.

Please be aware that once a Development Area has been established it could affect your operating rights. Your timely participation in this process is required. If you have any questions or concerns, please do not hesitate to contact me via the contact information provided above.

Best,

Novo Oil & Gas Northern Delaware, LLC

Brandon Patrick  
Land Manager

## Rana Salada #3 Development Area

### **Novo's Development Plan:**

Novo believes the lands located within the Rana Salada #3 Development Area have significant development potential in multiple geologic formations, including benches in the Bone Spring, and Wolfcamp. Within the Rana Salada #3 Development Area, the following wells can be drilled:

- i. 1<sup>st</sup> Bone Spring horizontal wells and 3<sup>rd</sup> Bone Spring horizontal wells to develop the N/2 S/2 of Section 5, Township 23 South, Range 29 East, and N/2 S/2 of Section 4, Township 23 South, Range 29 East;
- ii. 1<sup>st</sup> Bone Spring horizontal wells and 3<sup>rd</sup> Bone Spring horizontal wells to develop the S/2 S/2 of Section 5, Township 23 South, Range 29 East, and S/2 S/2 of Section 4, Township 23 South, Range 29 East; and
- iii. Wolfcamp horizontal wells to develop the S/2 of Section 5, Township 23 South, Range 29 East, S/2 of Section 4, Township 23 South, Range 29 East.

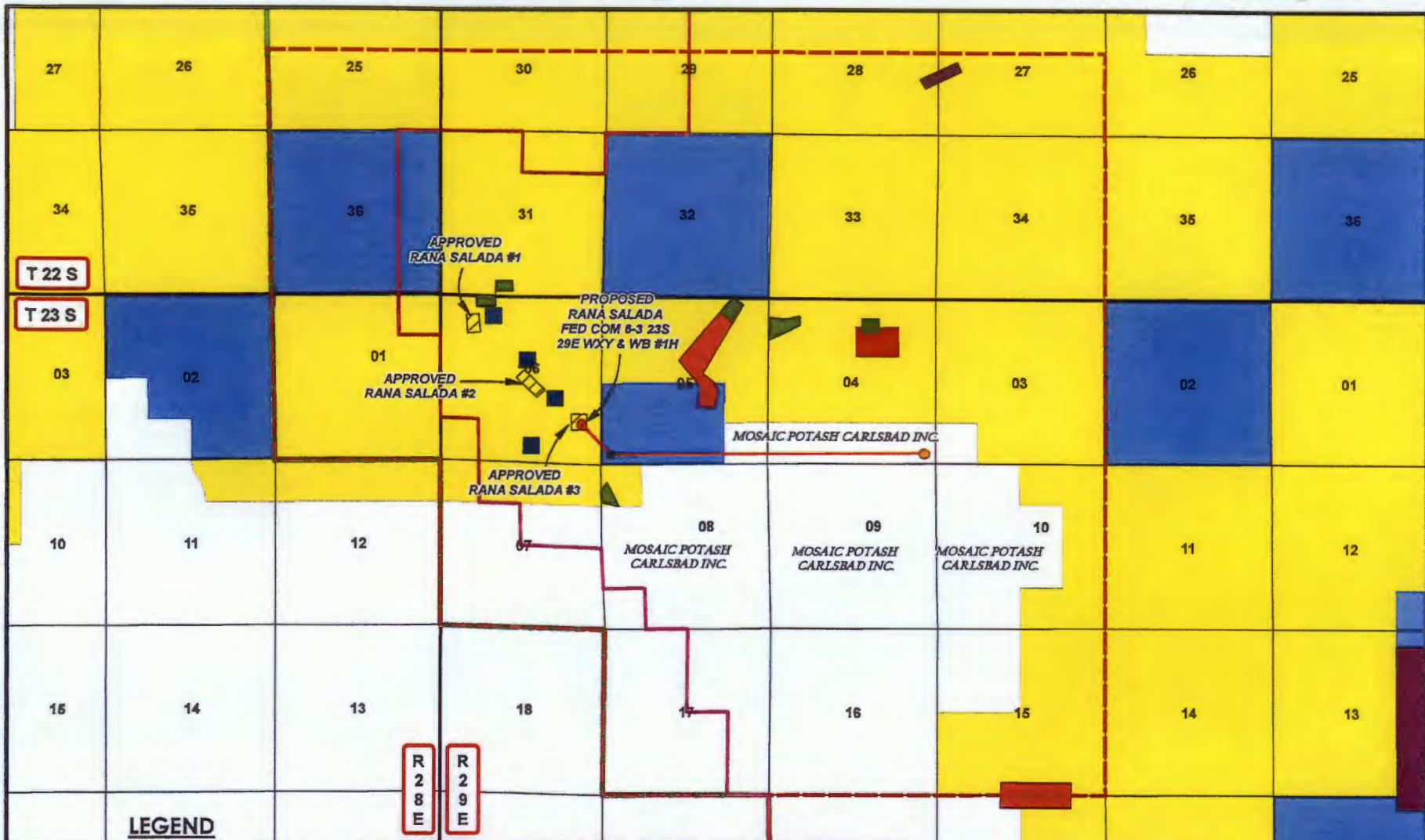
Novo is in the process of preparing APDs for following two (2) initial wells:

- (1) Rana Salada Fed Com 6-3 23S 29E WB #1H, targeting the Wolfcamp B, to be drilled with a surface hole location in Section 6, 1,279' FSL – 589' FEL, and a bottom hole location in Section 4, 330' FSL – 330' FEL. The first take point of the well will be in Section 5, 330' FSL – 330' FWL.
- (2) Rana Salada Fed Com 6-3 23S 29E WXY #1H, targeting the Wolfcamp XY, to be drilled with a surface hole location in Section 6, 1,249' FSL – 589' FEL, and a bottom hole location in Section 4, 330' FSL – 330' FEL. The first take point of the well will be in Section 5, 330' FSL – 330' FWL.

Due to surface restrictions, all wells within the Rana Salada #3 Development Area must be drilled from the approved Rana Salada #3 Drill Island located in the SE/4 of Section 6, Township 23 South, Range 29 East. If Novo successfully obtains all of the necessary permits and rights-of-way, the first of the initial wells is scheduled to be spud on or before May 1, 2018. Novo will continue to monitor development activity in this area. Novo anticipates that there may be additional horizons and/or potential for increased well density.

**Rana Salada #3 Development Area  
Affected Parties**

Name	Type	Street	City	State	Postal Code	Cerified Mail No.
DK Farms	Affected Surface / Grazing Lessee	2727 Raquet Club Drive	Midland	Texas	79705	
Mosaic Potash Carlsbad Inc.	Affected Potash Lessee	P.O. Box 71	Carlsbad	New Mexico	88220	
XTO Energy Inc.	Affected Operator / Lessee	810 Houston Street	Fort Worth	Texas	76102	
WPX Energy, Inc.	Affected Operator / Lessee	3500 One Williams Center, Suite 2600	Tulsa	Oklahoma	74172	
Chevron USA Inc.	Affected Operator / Lessee	1400 Smith Street	Houston	Texas	77002	
Marathon Oil Corporation	Affected Operator / Lessee	5555 San Felipe Street	Houston	Texas	77056	
EOG Resources, Inc.	Affected Operator / Lessee	P.O. Box 2267	Midland	Texas	79702	
Tap Rock Operating, LLC	Affected Operator / Lessee	602 Park Point Drive, Suite 200	Golden	Colorado	80401	
Titus Oil & Gas, LLC	Affected Operator / Lessee	100 Throckmorton Street, Suite 1630	Fort Worth	Texas	76102	
Devon Energy Production Company, LP	Affected Operator / Lessee	333 W. Sheridan Avenue	Oklahoma City	Oklahoma	73102	
BTA Oil Producers, LLC	Affected Operator / Lessee	104 S. Pecos	Midland	Texas	79701	
OXY USA Inc.	Affected Operator / Lessee	5 Greenway Plaza, Suite 110	Houston	Texas	77046	
COG Operating LLC	Affected Operator / Lessee	600 W. Illinois Avenue	Midland	Texas	79701	
Mesquite SWD, Inc.	Affected Operator / Lessee	P.O. Box 1479	Carlsbad	New Mexico	88221	



T 22 S  
T 23 S

R 28 E  
R 29 E

**LEGEND**

- WELL
- BOTTOMHOLE
- FTP
- DRILL PATH
- PRIVATE
- STATE OF NM
- US BLM
- ▨ SUBJECT DRILL ISLAND
- APPROVED DRILL ISLAND
- DENIED DRILL ISLAND
- NOMINATED DRILL ISLAND
- WITHDRAWN DRILL ISLAND
- KPLA BOUNDARY LINE
- RANA SALADA #3 DEV. AREA NOTIFICATION AREA
- SECRETARY POTASH AREA BOUNDARY

**RANA SALADA #1, #2, #3 DRILL ISLAND SURFACE TYPE**

SECTIONS: 3, 4, 5, 6      TOWNSHIP: 23 S.      RANGE: 29 E.

STATE: NEW MEXICO      COUNTY: EDDY      SURVEY: N.M.P.M

W.O. # 18-4, 18-5      LEASE: RANA SALADA

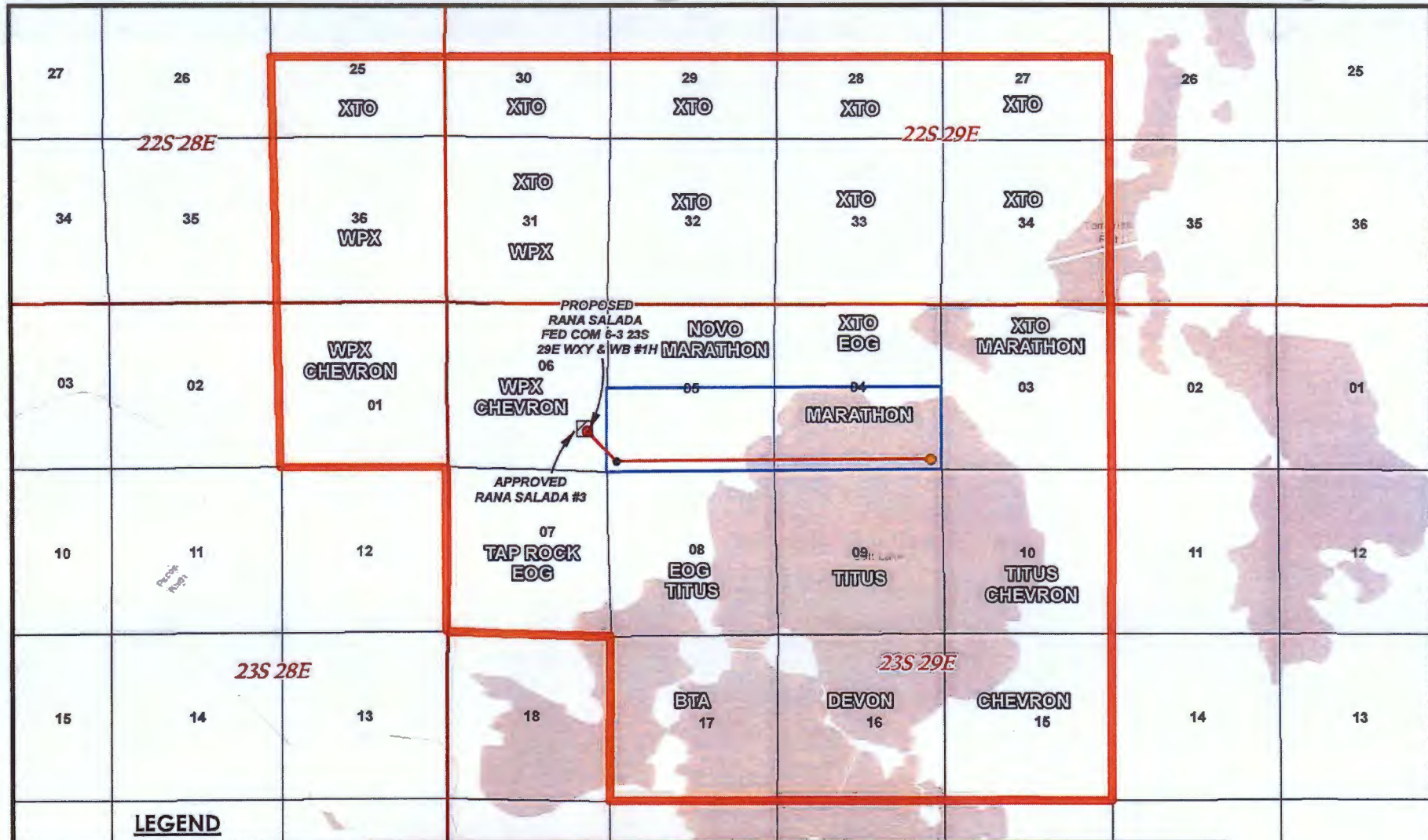
0 2,500 5,000 7,500 10,000 FEET

0 0.3 0.6 1.2 Miles      1 IN = 4,250 FT

**SURFACE TYPE MAP**      1/19/2018      S.P.

**NOVO**  
OIL & GAS NORTHERN DELAWARE, LLC

**HARCROW SURVEYING, LLC.**  
2314 W. MAIN ST, ARTESIA, NM 88210  
PH: (575) 746-2158 FAX: (575) 746-2158  
TEXAS FIRM NO. 10194089  
c.harcrow@harcrowsurveying.com



**LEGEND**

- WELL
- BOTTOMHOLE
- FTP
- DRILL PATH
- ▨ DRILL ISLAND
- RANA SALADA #3 DEV. AREA NOTIFICATION AREA

**RANA SALADA #3 DEVELOPMENT AREA LESSEE MAP**

SECTIONS: 3, 4, 5, 6      TOWNSHIP: 23 S.      RANGE: 29 E.  
 STATE: NEW MEXICO      COUNTY: EDDY      SURVEY: N.M.P.M  
 W.O. # 18-4, 18-5      LEASE: RANA SALADA

0    2,500    5,000    7,500    10,000 FEET

0    0.3    0.6    1.2 Miles      1 IN = 4,250 FT

**NOVO**  
 OIL & GAS NORTHERN DELAWARE, LLC

**H** HARCROW SURVEYING, LLC.  
 2314 W. MAIN ST, ARTESIA, NM 88210  
 PH: (575) 746-2158 FAX: (575) 746-2158  
 TEXAS FIRM NO. 10194009  
 c.harcrow@harcrowsurveying.com

DISTRICT I  
1685 N. FRENCH DR., HORNS, NM 88240  
Phone: (575) 392-8161 Fax: (575) 392-0720

DISTRICT II  
511 E. FIRST ST., ARTESIA, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9780

DISTRICT III  
1000 RIO BRAZOS RD., AZTEC, NM 87410  
Phone: (505) 884-8178 Fax: (505) 834-6170

DISTRICT IV  
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505  
Phone: (505) 478-3480 Fax: (505) 478-3482

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION 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

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number	Pool Code	Pool Name
Property Code	Property Name	Well Number
	RANA SALADA FED COM 6-3 23S 29E WB	1H
OGRID No.	Operator Name	Elevation
	NOVO OIL & GAS NORTHERN DELAWARE, LLC	3039.8'

**Surface Location**

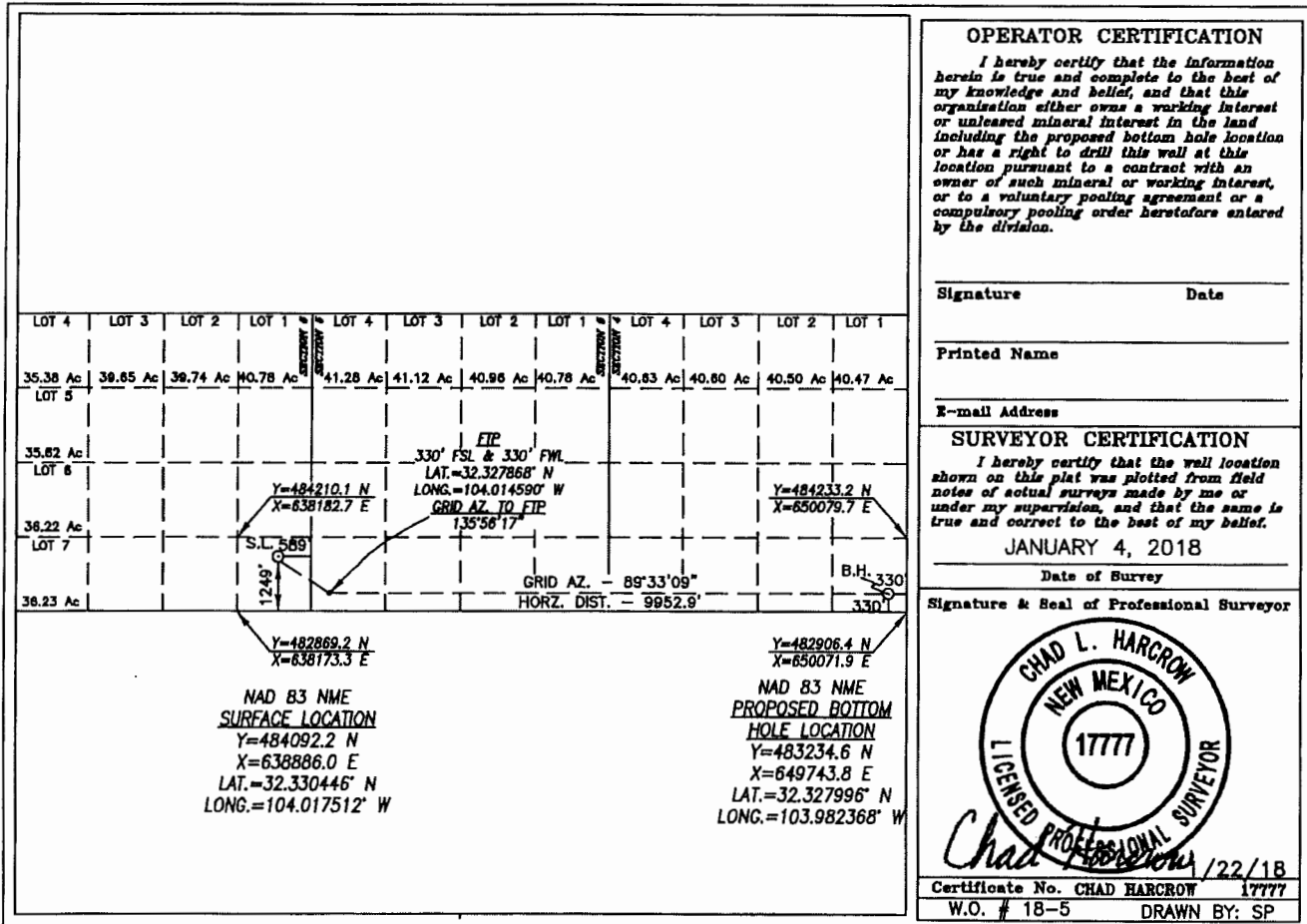
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	6	23-S	29-E		1249	SOUTH	589	EAST	EDDY

**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
P	4	23-S	29-E		330	SOUTH	330	EAST	EDDY

Dedicated Acres	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



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

Signature \_\_\_\_\_ Date \_\_\_\_\_

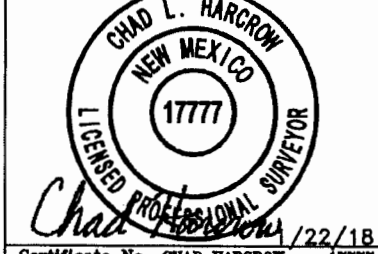
Printed Name \_\_\_\_\_

E-mail Address \_\_\_\_\_

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

JANUARY 4, 2018  
Date of Survey

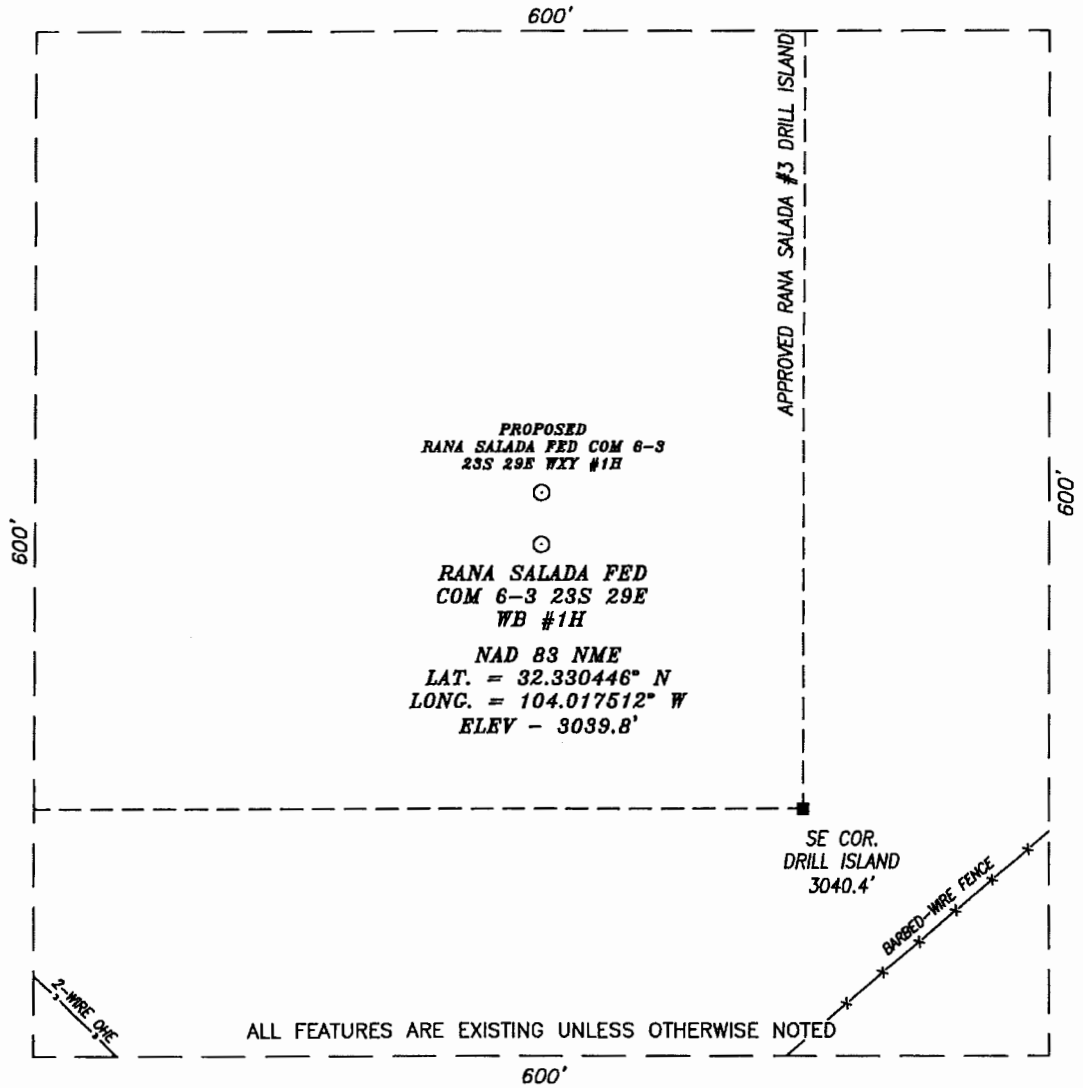
Signature & Seal of Professional Surveyor



Certificate No. CHAD HARCROW 17777  
W.O. # 18-5 DRAWN BY: SP

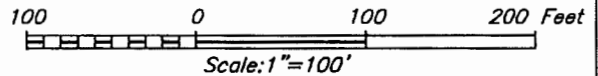


SECTION 6, TOWNSHIP 23 SOUTH, RANGE 29 EAST, N.M.P.M.,  
 EDDY COUNTY NEW MEXICO



DIRECTIONS TO LOCATION:

FROM THE INTERSECTION OF ST. HWY. 31 - POTASH MINES RD. & U.S. REFINERY RD. - CR. 605; GO NORTHEASTERLY ON ST. HWY. 31 FOR APPROX. 1.3 MI.; THE PROPOSED WELL LIES APPROX. 620 FEET TO THE LEFT (WEST).



**HARCROW SURVEYING, LLC**  
 2314 W. MAIN ST, ARTESIA, N.M. 88210  
 PH: (575) 746-2158 FAX: (575) 746-2158  
 Texas Firm No. 10194089  
 c.harcrow@harcrowsurveying.com



NOVO OIL & GAS NORTHERN DELAWARE, LLC	
RANA SALADA FED COM 6-3 23S 29E WB #1H LOCATED 1249 FEET FROM THE SOUTH LINE AND 589 FEET FROM THE EAST LINE OF SECTION 6, TOWNSHIP 23 SOUTH, RANGE 29 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO	
SURVEY DATE: JANUARY 4, 2018	800S
DRAFTING DATE: JANUARY 12, 2018	PAGE: 1 OF 1
APPROVED BY: CH	DRAWN BY: SP FILE: 18-5

DISTRICT I  
1885 N. FRENCH DR., HOBBES, NM 88240  
Phone: (575) 292-6161 Fax: (575) 292-0720

DISTRICT II  
811 S. FIRST ST., ARTESIA, NM 88210  
Phone: (575) 748-1253 Fax: (575) 748-2720

DISTRICT III  
1000 RIO BRAZOS RD., AZTEC, NM 87410  
Phone: (505) 384-8178 Fax: (505) 334-8170

DISTRICT IV  
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State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION 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

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number	Pool Code	Pool Name
Property Code	Property Name	Well Number
OGRID No.	Operator Name	Elevation
	RANA SALADA FED COM 6-3 23S 29E WXY	1H
	NOVO OIL & GAS NORTHERN DELAWARE, LLC	3040.1'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	6	23-S	29-E		1279	SOUTH	589	EAST	EDDY

Bottom Hole Location If Different From Surface

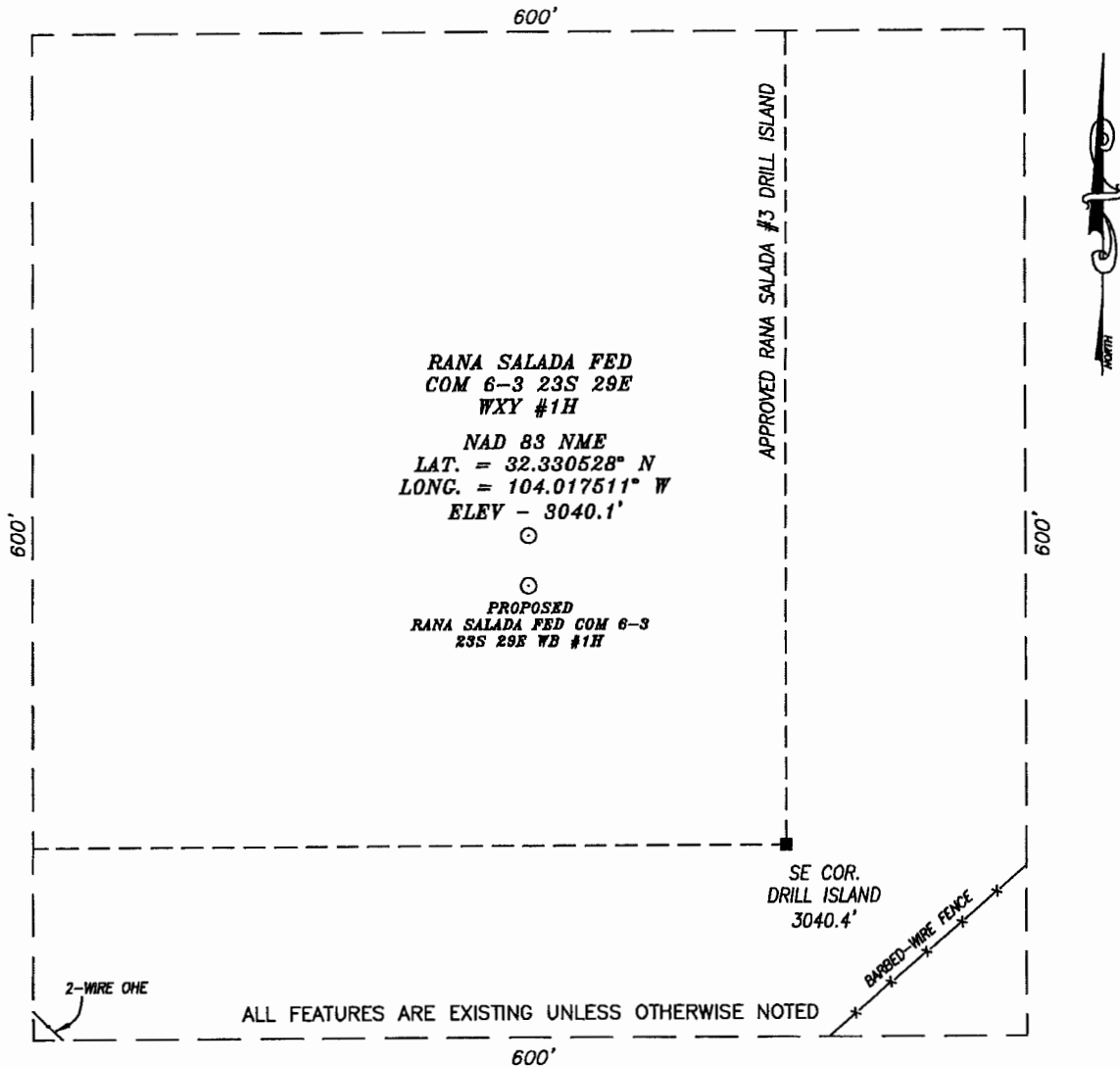
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	4	23-S	29-E		330	SOUTH	330	EAST	EDDY

Dedicated Acres	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

												<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unless mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>	
<p>NAD 83 NME SURFACE LOCATION Y=484122.2 N X=638886.0 E LAT.=32.330528° N LONG.=104.017511° W</p> <p>NAD 83 NME PROPOSED BOTTOM HOLE LOCATION Y=483234.6 N X=649743.8 E LAT.=32.327996° N LONG.=103.982368° W</p>												<p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>JANUARY 4, 2018 Date of Survey</p> <p>Signature &amp; Seal of Professional Surveyor</p> <p>Chad L. Hargrow /22/18</p> <p>Certificate No. CHAD HARGROW 17777 W.O. # 18-4 DRAWN BY: SP</p>	

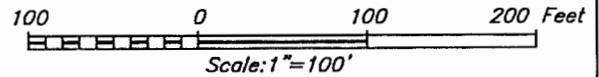
SECTION 6, TOWNSHIP 23 SOUTH, RANGE 29 EAST, N.M.P.M.,  
 EDDY COUNTY NEW MEXICO



ALL FEATURES ARE EXISTING UNLESS OTHERWISE NOTED

**DIRECTIONS TO LOCATION:**

FROM THE INTERSECTION OF ST. HWY. 31 - POTASH MINES RD. & U.S. REFINERY RD. - CR. 605; GO NORTHEASTERLY ON ST. HWY. 31 FOR APPROX. 1.3 MI.; THE PROPOSED WELL LIES APPROX. 700 FEET TO THE LEFT (WEST).



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NOVO OIL & GAS NORTHERN DELAWARE, LLC	
RANA SALADA FED COM 6-3 23S 29E WXY #1H LOCATED 1279 FEET FROM THE SOUTH LINE AND 589 FEET FROM THE EAST LINE OF SECTION 6, TOWNSHIP 23 SOUTH, RANGE 29 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO	
SURVEY DATE: JANUARY 4, 2018	600S
DRAFTING DATE: JANUARY 12, 2018	PAGE: 1 OF 1
APPROVED BY: CH	DRAWN BY: SP
	FILE: 18-4

**To:** Brandon Patrick <[bpatrick@novoog.com](mailto:bpatrick@novoog.com)>  
**Subject:** Re: [EXTERNAL] Re: Do We Need On-Site? SHLs in 1-23S-29E

Brandon,

Of course, I usually have been vetting DA notification letter prior to sending out.

*James S. Rutley*

*Geologist (Potash Specialist)  
Carlsbad Field Office  
Bureau of Land Management  
(575) 234-5904*

On Mon, Jan 8, 2018 at 4:40 PM, Brandon Patrick <[bpatrick@novoog.com](mailto:bpatrick@novoog.com)> wrote:

Jim,

Thank you for your help. I will update the maps and affected parties list accordingly. We will have this Development Area proposal finished pretty soon (aiming for this week). When it's ready, can I send it to you for your review before we circulate it to the Affected Parties? I just want to make sure it's up to snuff.

Thanks again,

**Brandon Patrick**  
*Land Manager*  
Novo Oil & Gas, LLC  
105 N. Hudson Avenue, Suite 500, Oklahoma City, OK  
Office: 405-609-1740 Cell: 405-650-9081



**From:** Rutley, James [mailto:[jrutley@blm.gov](mailto:jrutley@blm.gov)]  
**Sent:** Monday, January 08, 2018 9:36 AM

**To:** Brandon Patrick <[bpatrick@novoog.com](mailto:bpatrick@novoog.com)>  
**Subject:** Re: [EXTERNAL] Re: Do We Need On-Site? SHLs in 1-23S-29E

Good Morning Brandon,

Actually, you don't have to notify those outside of the Secretary's Potash Area in Section 12, 13 in 23S 28E and Section 18 in 23S 29E. You want to notify those who operate, and have working right interest. I think it helps to notify significant owners but not all the lessees within the area.

Mosaic would be the potash lessee.

The grazing allottee is DK Farms, 2727 Raquet Club Drive, Midland, TX 79705

Regards,

Jim

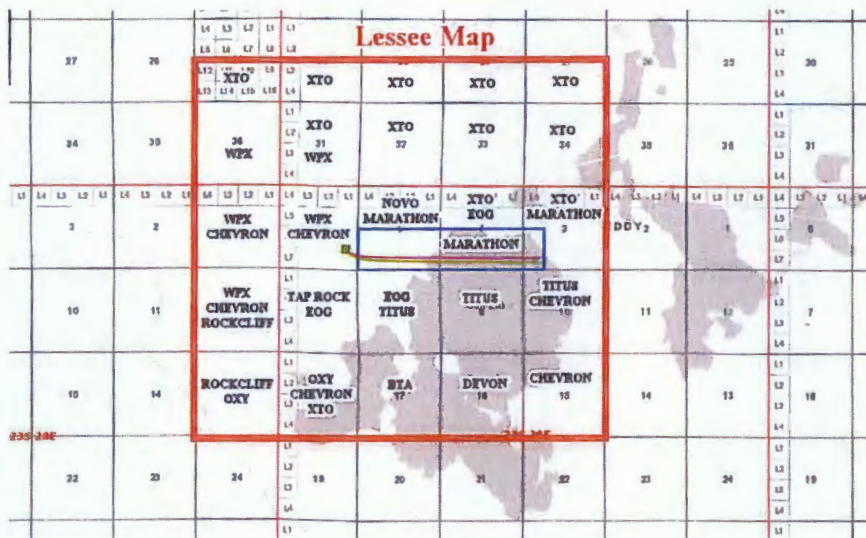
*James S. Rutley*  
Geologist (Potash Specialist)  
Carlsbad Field Office  
Bureau of Land Management  
(575) 234-5904

On Fri, Jan 5, 2018 at 9:32 AM, Brandon Patrick <[bpatrick@novooil.com](mailto:bpatrick@novooil.com)> wrote:

Good morning Jim,

I hope you're having a good new year so far. I'm preparing a list of Affected Parties for the "Rana Salada #3 Development Area Proposal". I want to make sure I don't leave anyone out.

1. Does the image below show the correct Affected Parties Boundary?
2. To make the affected "Lessee/Operator" list, I included (a) all companies who operate wells in the section, and (b) companies who I knew owned significant leasehold rights in the section. Is that the correct method?
3. Can you help me identify the affected potash lessees and affected surface/grazing lease owners?



Thank you for your help!

Best,

**Brandon Patrick**  
Land Manager  
Novo Oil & Gas, LLC  
105 N. Hudson Avenue, Suite 500, Oklahoma City, OK  
Office: 405-609-1740 Cell: 405-650-9081

