



Way South State Com 701H, 702H, 703H, 704H, 705H, & 706H

Section 19, 30 & 31-T26S-28E

Eddy County, New Mexico

BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING JANUARY 10, 2019

CASE NO. 20078

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

APPLICATION OF COP OPERATING LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 20078

AFFIDAVIT OF ASHLEY ROUSH IN SUPPORT OF CASE NO. 20078

Ashley Roush, of lawful age and being first duly sworn, declares as follows:

- 1. My name is Ashley Roush. I work for COG Operating LLC ("COG") as a Landman.
- 2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials as a petroleum landman have been accepted by the Division and made a matter of record.
- 3. I am familiar with the amended application filed by COG in this case, and I am familiar with the status of the lands in the subject area.
- 4. None of the proposed pool parties has indicated opposition, and therefore I do not expect any opposition at the hearing.
- 5. COG is seeking an Order (a) pooling all uncommitted interests in the Wolfcamp formation in the 767.59-acre horizontal spacing unit comprised of the E/2 of Section 19, the E/2 of Section 30, and the E/2 equivalent (N/2 NE/4, Lot 4, Lot 5) of Section 31, Township 26 South, Range 28 East, NMPM, Eddy County, New Mexico; and (b) dedicating the horizontal spacing unit for the proposed Way South State Com No. 701H Well, Way South State Com No. 702H Well, Way South State Com No. 704H Well, Way South State Com No. 705H Well, and Way South State Com No. 706H Well.

1

- 6. COG has prepared draft Form C-102s to file with the Division for each of the six proposed wells. The draft C-102s are attached as COG Exhibit A-1, COG Exhibit A-2, COG Exhibit A-3, COG Exhibit A-4, COG Exhibit A-5, and COG Exhibit A-6. This is the Purple Sage Pool Code 98220
- The completed interval for the proposed wells will comply with the Division's setback requirements.
 - 8. There are no depth severances in the Wolfcamp formation.
- 9. COG Exhibit A-7 is an exhibit prepared by me that identifies the tracts of land comprising the spacing unit. This spacing unit includes state land only. This exhibit shows the interest owners and the percentage of their interest by tract. A unit recapitulation, showing the percentage of ownership interests in the proposed spacing unit, is also included on the exhibit. COG is only seeking to pool the working interest owners highlighted in yellow. There are no unleased mineral interest owners.
- 10. COG is not seeking to pool any overriding royalty interest owners as they all have sufficient pooling language or have signed ratifications.
- 11. COG sent a well proposal letter to the working interest owners for the proposed Way South State Com 701H, 702H, and 703H wells. AFEs for each well were included with the well proposal letter. The costs reflected in the AFEs are consistent with what other operators have incurred for drilling similar horizontal wells in the area. A copy of the well proposal letter, along with the accompanying AFEs, is attached as COG Exhibit A-8.
- 12. COG sent a well proposal letter to the working interest owners for the proposed Way South State Com 704H and 705H wells. AFEs for each well were included with the well proposal letter. The costs reflected in the AFEs are consistent with what other operators have

incurred for drilling similar horizontal wells in the area. A copy of the well proposal letter, along with the accompanying AFEs, is attached as **COG** Exhibit A-9.

- 13. COG sent a well proposal letter to the working interest owners for the proposed Way South State Com 706H well. An AFE for this well was included with the well proposal letter. The costs reflected in the AFEs are consistent with what other operators have incurred for drilling similar horizontal wells in the area. A copy of the well proposal letter, along with the accompanying AFE, is attached as COG Exhibit A-10.
- 14. In the well proposal letter attached as Exhibit A-10, COG proposed two additional wells, Way South State Com 707H Well and Way South State Com 708H Well. By letter dated November 19, 2018, COG notified the working interest owners that it was rescinding those proposed wells. A copy of the rescission letter is attached as **COG Exhibit A-11**.
- 15. For all of these proposed wells, COG has made an estimate of overhead and administrative costs for drilling and producing. It is \$7,000/month while drilling, and \$700/month while producing. These costs are consistent with what other operators are charging in this area for these types of wells. COG respectfully requests that these administrative and overhead costs be incorporated into any order entered by the Division in this case.
- 16. COG plans to simultaneously drill and complete all six proposed wells, and therefore requests an extension of time, up to 365 days, to drill and complete the initial well.
- 17. In my opinion, COG has made good faith efforts to reach an agreement with the parties it is seeking to pool. I have had multiple conversations and email exchanges with contacts at the working interest owners that COG is seeking to pool. If COG reaches an agreement with any of the proposed pool parties before the Division enters an order, I will let the Division know that COG is no longer seeking to pool those parties.

- 18. I provided the law firm of Holland & Hart LLP a list of names and addresses for the proposed pool parties. The names and last known addresses are included in Exhibit C. In compiling these notice lists, COG conducted a diligent search of all public records in the county where the proposed wells are located and of phone directories, including computer searches. All parties were locatable.
- 19. COG Exhibits A-1 through A-11 were either prepared by me or compiled under my direction and supervision.

Ashley Roush

STATE OF TEXAS

COUNTY OF Maland

SUBSCRIBED and SWORN to before me this _____ day of January 2019 by Ashley Roush.



TOTARY PUBLIC

My Commission Expires:

6 22-21

DISTRICT I 1625 N. FRENCH DR., HOBBS, NM 88240 Phone: (675) 393-6161 Fax: (575) 393-0720

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

DISTRICT II 811 S. FIRST ST., ARTESIA, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

1220 SOUTH ST. FRANCIS DR.

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

DISTRICT III 1000 RIO BRAZOS RD., AZTEC, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

Santa Fe, New Mexico 87505

☐ AMENDED REPORT

DISTRICT IV 1220 S. ST. FRANCIS DR., SANTA FE, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3482

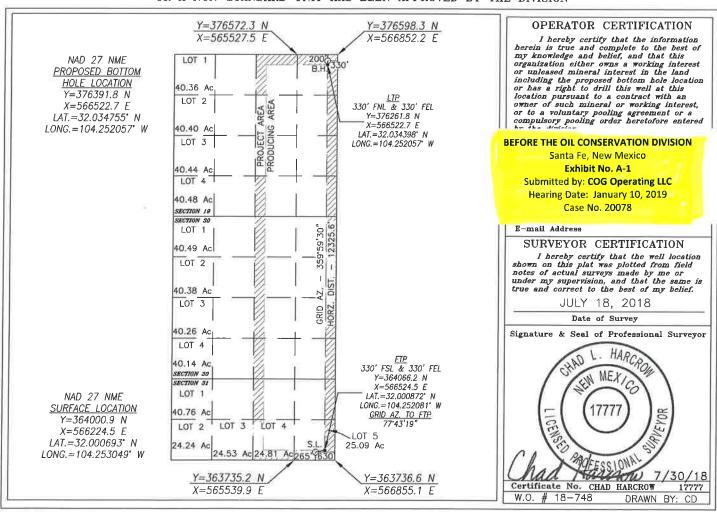
1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	WELL LOCATION AND ACREAGE DEDICATION P	PLAT
API Number	Pool Code Po	ool Name
Property Code	Property Name WAY SOUTH STATE COM	Well Number 701H
OGRID No.	Operator Name COG OPERATING, LLC	Elevation 3080.8'

Surface Location

r	UL or lot No	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	5	31	26-S	28-E		265	SOUTH	630	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Α	19	26-S	28-E		200	NORTH	330	EAST	EDDY
Dedicated Acre	s Joint o	r Infill Co	nsolidation	Code Or	ler No.	1			



DISTRICT I

DISTRICT II 611 S. FIRST ST., ARTESIA, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

State of New Mexico 1825 N. FRENCE DR., HOBBS, NM 88240 Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.

DISTRICT III 1000 RIO BRAZOS RD., AZTEC, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV 1220 S. ST. FRANCIS DR., SANTA FE, NM 87505 Phone: (505) 476-3460 Fax: (506) 476-3462

Santa Fe, New Mexico 87505

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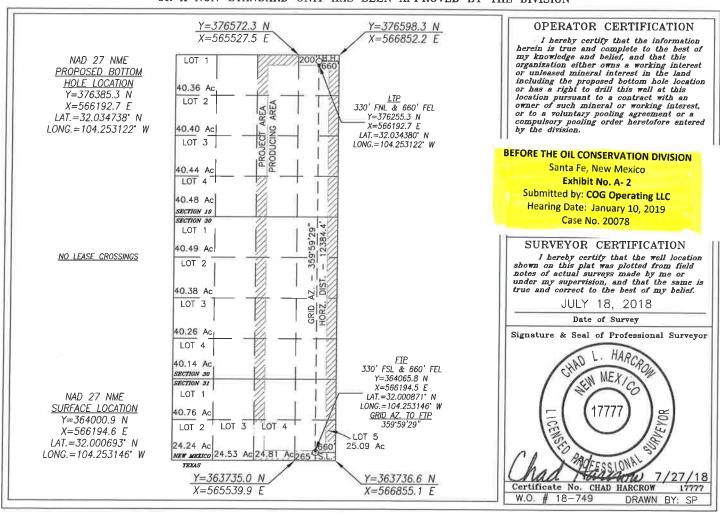
	WELL LOCATION AND	ACREAGE DEDICATION PLA	T
API Number	Pool Code	Pool	Name
Property Code	Pr	operty Name	Well Number
	WAY SOU	TH STATE COM	702H
OGRID No.	-	erator Name ERATING, LLC	Elevation 3081 4'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
5	31	26-S	28-E		265	SOUTH	660	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Α	19	26-S	28-E		200	NORTH	660	EAST	EDDY
Dedicated Acres	Joint o	r Infill (onsolidation	Code Or	der No.				



DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240
Phone: (575) 593-6191 Fax: (575) 593-6720
DISTRICT II
611 S. FIRST ST., ARTESIA, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

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

1220 SOUTH ST. FRANCIS DR.

Santa Fe, New Mexico 87505

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

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WELL LOCATION AND ACREAGE DEDICATION PLAT

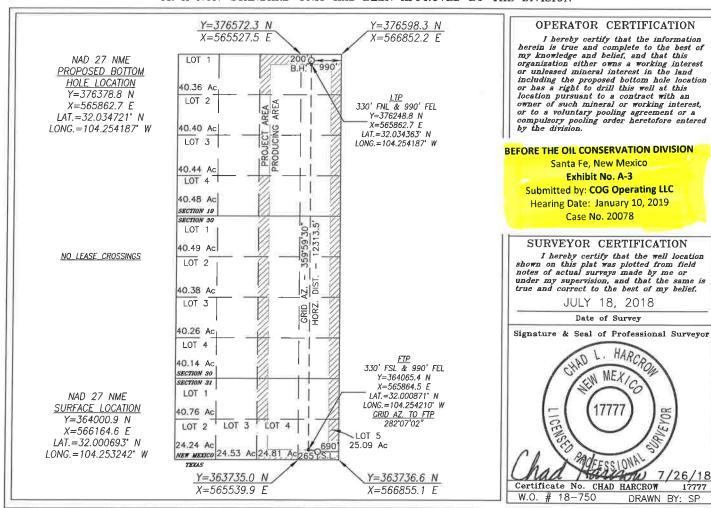
API Number	Pool Code	Pool N	lame
Property Code	=	erty Name H STATE COM	Well Number 703H
OGRID No.		ator Name RATING, LLC	Elevation 3081.9'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
5	31	26-S	28-E		265	SOUTH	690	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Α	19	26-S	28-E		200	NORTH	990	EAST	EDDY
Dedicated Acre	s Joint o	r Infill Co	nsolidation (Code Or	der No.	•			



DISTRICT I 1625 N. FRENCH DR., HOBBS, NM 88240 Phone: (575) 393-6161 Fax: (576) 393-0720 State of New Mexico
Energy, Minerals & Natural Resources Department

DISTRICT II 811 S. FIRST ST., ARTESIA, NM 88210 Phone: (575) 748-1283 Fax: (576) 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) 476-3460 Fax: (505) 476-3462 L CONSERVATION DIVISION

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

Form C-102
Revised August 1, 2011
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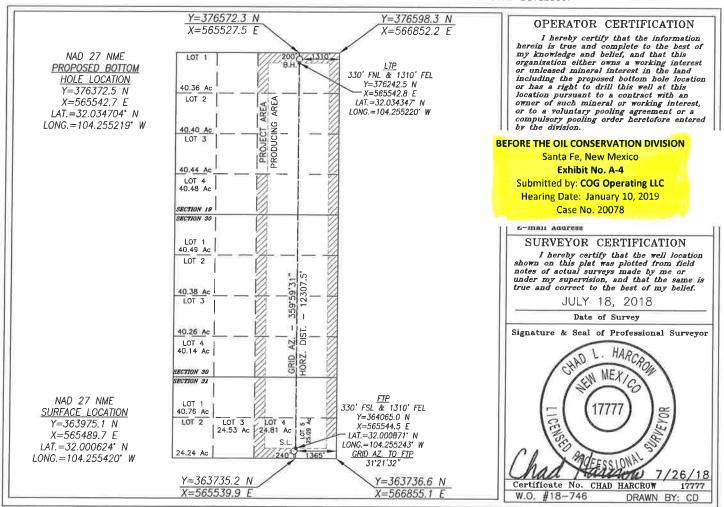
WELL LOCATION AND ACREAGE DEDICATION PLAT Pool Code Property Code Property Name Well Number Way South State Com Operator Name COG OPERATING, LLC WELL LOCATION AND ACREAGE DEDICATION PLAT Pool Name Well Number 704H Slevation 3099.1'

Surface Location

ĺ	UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	4	31	26-S	28-E		240	SOUTH	1365	EAST	EDDY

Bottom Hole Location If Different From Surface

Ì	UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	ΑΑ	19	26-S	28-E		200	NORTH	1310	EAST	EDDY
	Dedicated Acres	Joint o	r Infill Co	nsolidation (Code Ore	ler No.				



DISTRICT I 1625 N. FRENCH DR., HOBBS, NM 68240 Phone: (575) 383-6161 Fax: (575) 393-0720 State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION

DISTRICT II 811 S. FIRST ST., ARTESIA, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

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

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

DISTRICT III 1000 RIO BRAZOS RD., AZTEC, NM 87410 Phone: (505) 334-6178 Fex: (505) 334-6170 DISTRICT IV

□ AMENDED REPORT

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

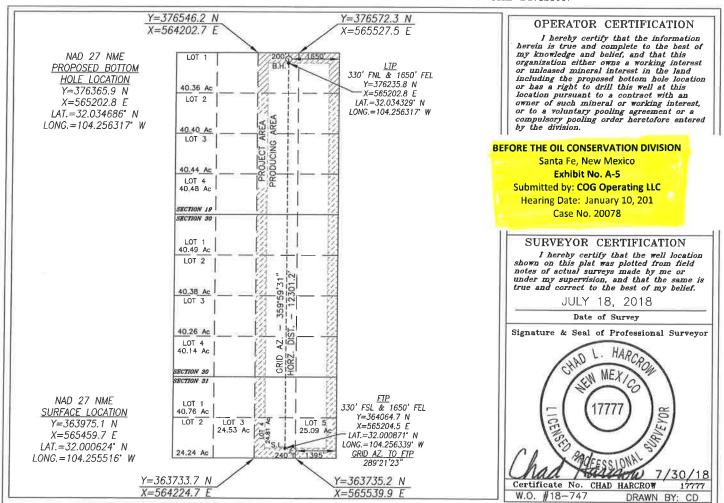
API Number	WELL LOCATION Pool Code	AND	ACREAGE	DEDICATION	PLAT Pool Name	
Property Code	WAY		perty Name 'H STATE	СОМ		Well Number 705H
OGRID No.	COC	-	rator Name CRATING,	LLC		Elevation 3099.3'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	31	26-S	28-E		240	SOUTH	1395	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
В	19	26-S	28-E		200	NORTH	1650	EAST	EDDY
Dedicated Acres	s Joint o	r Infill Co	nsolidation (Code Or	der No.			,,	



DISTRICT I 1826 N. FRENCH DR., HOBBS, NM 88240 Phone: (576) 383-8181 Fax: (576) 383-9720

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

DISTRICT II 811 S. FIRST ST., ARTESIA, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

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

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

DISTRICT III 1000 RIO BRAZOS RD., AZTEC, NM 87410 Phone: (505) 334-6176 Fax: (505) 334-6170

□ AMENDED REPORT

DISTRICT IV 1220 S. ST. FRANCIS DR., SANTA FE, NM 67605 Phone: (505) 476-3460 Fax: (505) 476-3462

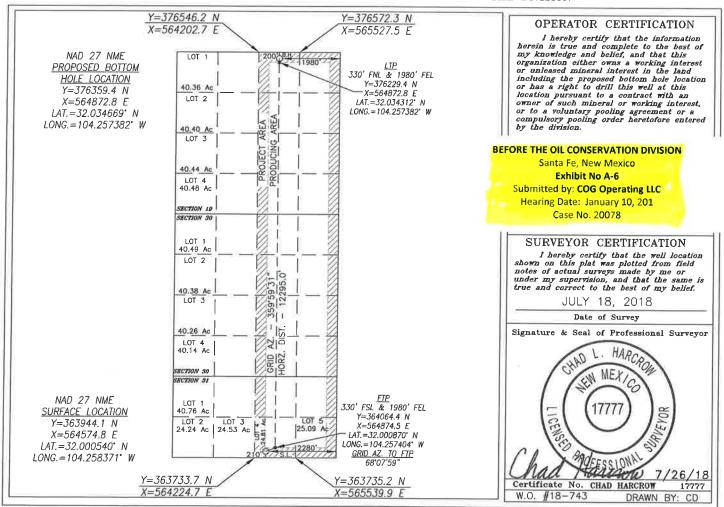
(000) 110 0100 1uz. (000) 110 010	WELL LOCATION AND	ACREAGE DEDICATION PLAT	
API Number	Pool Code	Pool Nam	e
Property Code	-	 erty Name H STATE COM	Well Number
OGRID No.	Oper	ator Name RATING, LLC	Elevation 3123.1

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	31	26-S	28-E		210	SOUTH	2280	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
В	19	26-S	28-E		200	NORTH	1980	EAST	EDDY
Dedicated Acres Joint or Infill Consolidation Code					der No.				



POOLED PARTIES

WAY SOUTH STATE COM 704H, 705H, 706H WAY SOUTH STATE COM 701H, 702H, 703H

19-26S-28E	
15-205-281	
	Tract 1:
	E/2 of Sec. 19
30-26S-28E	
	Tract 2:
	E/2 Sec. 30 E/2 Sec. 31
	2,2 300. 31
31-26S-28E	

Pooled Working Interest Owners Tract 1 - Section 19: E/2 COG Operating LLC 0.47473297 Concho Oil & Gas LLC 0.02498595 Chevron USA Inc. 0.50028108 Tract 2 - Section 30: E/2, Section 31: E/2 COG Operating LLC 0.47500000 Concho Oil & Gas LLC 0.02500000 **EOG Y Resources Inc** 0.35000000 **EOG M Resources Inc** 0.05000000 **EOG A Resources Inc** 0.05000000 **OXY Y1 Company** 0.05000000

Unit Working Interest	
COG Operating LLC	0.474889
Concho Oil & Gas LLC	0.024994
Chevron USA Inc.	0.208479
EOG Y Resources Inc.	0.204147
EOG M Resources Inc.	0.029164
EOG A Resources Inc.	0.029164
OXY Y-1 Company	0.029164

Record Title Owner	
EOG Y Resources Inc.	



August 9, 2018

Via Certified Mail, Return Receipt Requested
WORKING INTEREST OWNERS ON ATTACHED EXHIBIT "A"

Re:

Way South State Com 701H, 702H, 703H (Tango pad)

E/2 of Sections 19, 30, 31, T26S-R28E Eddy County, New Mexico

Dear Sir or Madam:

COG Operating, LLC ("COG") hereby proposes the drilling of the following horizontal wells with productive laterals located in the E/2 of Sections 19, 30, & 31, T26S-R28E, Eddy County, New Mexico. The surface pad locations will be located in Unit P of Section 31, T26S-R28E (subject to change).

- Way South State Com 701H, to be drilled to a depth sufficient to test the WFMP A Shale formation at a total measured depth of 20,700'. The surface location for this well is proposed at a legal location in Unit H of Section 31, and a bottom hole location at a legal location in Unit A of Section 19. The dedicated project area with be the E/2 of Sections 19, 30, and 31, T26S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$12,220,000, as shown on the attached Authority for Expenditure ("AFE").
- Way South State Com 702H, to be drilled to a depth sufficient to test the WFMP B formation at a total measured depth of 20,900'. The surface location for this well is proposed at a legal location in Unit H of Section 31, and a bottom hole location at a legal location in Unit A of Section 19. The dedicated project area with be the E/2 of Sections 19, 30, and 31, T26S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$12,220,000, as shown on the attached AFE.
- Way South State Com 703H, to be drilled to a depth sufficient to test the WFMP A Shale formation at a total measured depth of 20,700'. The surface location for this well is proposed at a legal location in Unit H of Section 31, and a bottom hole location at a legal location in Unit A of Section 19. The dedicated project area with be the E/2 of Sections 19, 30, and 31, T26S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$12,220,000, as shown on the attached AFE.

COG is proposing this well under the terms of a new Operating Agreement which will follow under separate cover.

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 spacing unit for the proposed well.

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 aroush@concho.com. Should you have any questions, please do not hesitate to contact me at 432.818.2358.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Exhibit No. A-8
Submitted by: COG Operating LLC
Hearing Date: January 10, 2019

Way South Stat	e Com 701H, 702H, 703H (Tango)
Sincerely,	
COG Operatin	g LLC
Ashley Roush, Landman	RPL
AR:bh Enc	
·	I/We hereby elect to participate in the drilling and completion of the Way South State Com 701H.
	I/We hereby elect <u>not</u> to participate in the drilling and completion of the Way South State Com 701H.
	I/We hereby elect to participate in the drilling and completion of the Way South State Com 702H.
	I/We hereby elect <u>not</u> to participate in the drilling and completion of the Way South State Com 702H.
	I/We hereby elect to participate in the drilling and completion of the Way South State Com 703H.
	I/We hereby elect not to participate in the drilling and completion of the Way South State Com 703H.
Ву:	
Name:	
Title:	
Date:	

August 9, 2018 – Page 2

August 9, 2018 – Page 3 Way South State Com 701H, 702H, 703H (Tango)

EXHIBIT "A" WORKING INTEREST OWNERS

Via Certified Mail, Return Receipt Requested No. 91 7199 9991 7038 7731 4873 Chevron U.S.A. Inc. 6301 Deauville Midland, TX 79706 Attn: Kristen Hunter

Via Certified Mail, Return Receipt Requested No. 91 7199 9991 7038 7731 4880
EOG Y Resources Inc.
EOG A Resources Inc.
EOG M Resources Inc.
5509 Champions Drive
Midland, TX 79706
Attn: Land Manager

Via Certified Mail, Return Receipt Requested No. 91 7199 9991 7038 7731 4958 OXY Y-1 Company 5 Greenway Plaza, Suite 110 Houston, TX 77046 Attn: Jeremy Murphrey

Well Name WAY SOUTH STATE COM 701H
SHL: 210 FSL & 630 FEL (OR UNIT H), SEC, 31
BHL: 200 FNL & 330 FEL (OR UNIT A), SEC, 19
Formation WOLFCAMP A SHALE
Legal 19, 30, 31, 728S-R28E
AFE Numbers

Prospect State & County Objective Depth TVD

Allas 2628 NEW MEXICO, EDDY COUNTY Drill & Complete 20,700 9,138

ost Description	Code	Cost	Revision	Ţ
Ingible Costs Surface Casing	401	348,000.00	ro to T	
-Surface Casing -Intermed Csg	402	\$376,000.00	\$0.00	\$48,000 \$376,000
-Production Casing/Liner	403	\$405,000.00	\$0.00	\$405,000
Wellhead Equip	405	\$40,000.00	\$0.00	\$40,000
Tubing	504	\$47,300.00	\$0.00	\$47,300
Wellhead Equip	505	\$27,500.00	\$0.00	\$27,500
EQ-Pumping Unit	506	\$96,000.00	\$0.00	\$96,000
Q-Rods	508	\$35,000.00	\$0.00	\$35,000
3-Tanks	510	\$56,000.00	\$0.00	\$56,000
3-Flowlines/Pipelines 3-Hlr Trtr/Seprtr	511	\$117,000.00	\$0.00	\$117,000
3-Electrical System/Equipment	512	\$117,000.00	\$0.00	\$117,000
Pckrs/Anchors/Hgrs	514	\$66,000.00	\$0.00	\$66,000
3-Couplings/Fittings/Valves	515	\$165,000.00	\$0.00	\$165,000
3-Gas Lift/Compression	516	\$35,000.00	\$0.00	\$35,000
Miscellaneous	519	\$80,000.00	\$0.00	\$80,000
-Pumps-Surface	521	\$18,000.00	\$0.00	\$18,000
-Meters/Lacts	525	\$32,000.00	50.00	\$32,000
I-Flares/Combusters/Emission	526	\$31,000.00	\$0.00	\$31,000
Gas Lift/Compression	527	\$15,000.00	\$0.00	\$15,000
Q-Instrumentation/SCADA/POC	529	\$7,000,00	\$0.00	\$7,000
:Q-Tubing :Q-Wellhead Equipment	530 531	\$5,000.00	\$0.00	\$5,000 \$3,000
Q-Pumps	532	\$5,000,00	\$0.00	\$5,000
Q-Electrical System	533	\$15,000,00	\$0.00	\$15,000
Q-Packers/Anchors/Hangers	534	\$2,000.00	\$0.00	\$2,000
Q-Miscellaneous	535	\$3,000,00	\$0.00	\$3,000
tal Tangible Costs	4500	\$1,934,800.00	\$0.00	\$1,934,800
CANCES AND ADDRESS OF THE ADDRESS OF		- Control of the Cont		
Ingible Costs Tibe/Permits	201	\$11,000.00	\$0.00	\$11,000
nsurance	202	\$4,000.00	\$0.00	\$4,000
-Damages/ROW	203	\$5,000.00	\$0.00	\$5,000
-Survey/Slake Lctn	204	\$6,000.00	\$0.00	\$6,000
ctn/Pils/Roads	205	\$112,000.00	\$0.00	\$112,000
Prilling Overhead	206	\$9,000,00	\$0.00	\$9,000
Daywork Contract	209	\$660,000.00	\$0.00	\$660,000
Directional Drlg Services	210	\$280,000,00	\$0.00	\$280,000
uel & Power	211	\$150,000.00	\$0.00	\$150,000
Valer	212	\$55,000.00	\$0.00	\$55,000
Bils	213	\$104,000.00	\$0.00	\$104,000
Mud & Chemicals	214	\$245,000.00	\$0.00	\$245,000
Cement Surface Cement Intermed	217	\$30,000.00	\$0.00	\$30,000 \$80,000
Prod-2nd Int Cmt	219	\$105,000.00	\$0.00	\$105,000
Float Equipment & Centralizers	221	\$40,000.00	\$0.00	\$40,000
Csg Crews & Equip	222	\$50,000.00	\$0.00	\$50,000
Contract Labor	225	\$6,500.00	\$0.00	\$6,500
Company Sprvsn	226	\$72,000.00	\$0.00	\$72,000
Contract Sprvsn	227	\$110,000.00	\$0.00	\$110,000
Tslg Csg/Tbg	228	\$30,000.00	\$0.00	\$30,000
Mud Logging Unil	229	\$40,000.00	\$0.00	\$40,000
Perf/Wireline Svc	231	\$4,000.00	\$0.00	\$4,000
Rentals-Surface	235	\$170,000.00	\$0.00	\$170,000
Rentals-Subsrfc	236	\$170,000.00	\$0.00	\$170,000
Frucking/Forklift/Rig Mob	237	\$140,000.00	\$0.00	\$140,000
Welding Services	238	\$3,500.00	\$0.00 \$0.00	\$3,500
Conlingency Envraml//Clsd Loop	244	\$265,000.00	\$0.00	\$44,000 \$265,000
_cln/Pits/Roads	305	\$10,000.00	\$0.00	\$10,000
Frac Equipment	307	\$1,482,000.00	\$0.00	\$1,482,000
Frac Chemicals	308	\$776,000.00	\$0.00	\$776,000
rac Proppant	309	\$1,150,000.00	\$0.00	\$1,150,000
rac Proppant Transportation	310	\$148,000.00	50.00	\$148,000
uel & Power	311	\$5,000.00	\$0,00	\$5,000
Valer	312	\$930,000.00	\$0.00	\$930,000
lits	313	\$9,000.00	\$0.00	\$9,000
flud & Chemicals	314	\$25,000.00	\$0.00	\$25,000
Contract Labor	326	\$8,200.00	50.00	\$8,200
Company Sprvsn	326	\$15,000.00	50.00	\$15,000
Contract Sprvsn	327	\$134,000.00	50.00	\$134,000 \$5,000
stg Csg/Tbg	328	\$5,000.00	\$0.00 \$0.00	\$600,000
Perf/Wireline Svc Stimulation/Treating	332	\$600,000.00	\$0.00	\$12,000
Completion Unit	333	\$60,000.00	50.00	\$60,000
Rentals-Surface	335	\$296,000.00	\$0.00	\$296,000
Rentals-Subsrfc	336	\$65,000.00	\$0.00	\$65,000
rucking/Forklif/Rig Mob	337	\$22,500.00	\$0.00	\$22,500
Velding Services	338	\$5,000.00	\$0.00	\$5,000
Valer Disposal	339	\$60,000.00	\$0.00	\$60,000
onlingency	343	\$250,000.00	\$0.00	\$250,000
nvrnmtl/Clsd Loop	344	\$5,000,00	\$0.00	\$5,000
lyed Diesel	345	\$435,000.00	\$0.00	\$435,000
coil Tubing	346	\$422,000.00	\$0.00	\$422,000 \$48,000
lowback Crews & Equip Localion/Pits/Roads	353	\$73,000.00	\$0.00	\$73,000
	356	\$69,000.00	\$0.00	\$69,000
Contract Labor Water Disposal	362	\$135,000.00	\$0.00	\$135,000
Q-Contract Labor	374	\$6,500.00	\$0.00	\$6,500
Q-Contract Supervision	376	\$5,000.00	\$0.00	\$5,000
Q-Completion Unit	381	\$8,000.00	\$0.00	\$8,000
Q-Rentals-Surface	383	\$7,000.00	\$0.00	\$7,000
Q-Trkg/Forkift/Rig Mobilization	385	\$3,000.00	\$0.00	\$3,000
tal Intangible Costs		\$10,285,200.00	\$0.00	\$10,285,200
ar arrangare ocosto				
al Gross Cost		\$12,220,000.00	\$0.00	\$12,220,000

Note: The above costs are estimates only. Actual costs will be billed as	incurred	
COG Operating LLC		
Ву:	_	Date Prepared 8 9 18
		COG Operating LLC
We approve: % Working Interest		Ву:
Company: By:	-	
Printed Name: Tille: Date:	_ _ - Page 1 of 1	This AFE is only an estimate. By signing you agree to pay your share of the actual costs incurred.

Well Name WAY SOUTH STATE COM 702H
SHL: 210 FSL & 660 FEL (OR UNIT H), SEC, 31
BHL: 200 FNL & 660 FEL (OR UNIT A), SEC. 19
Formalion WOLFCAMP B
Legal 19, 30, 31, T26S-R28E
AFE Numbers

Prospect State & County Objective Depth TVD

Allas 2628 NEW MEXICO, EDDY COUNTY Drill & Complete 20,900 9,345

Cost Description	Code	Cost	Revision	Total
Tangible Costs			- ANALOGO A	
D-Surface Casing	401	\$48,000.00	\$0.00	\$46,000.00
D-Intermed Csg	402	\$376,000.00	\$0.00	\$376,000.00
D-Production Casing/Liner	403	\$405,000.00	\$0.00	\$405,000.00
D-Wellhead Equip	405	\$40,000.00	\$0.00	\$40,000.00
C-Tubing	504	\$47,300.00	\$0.00	\$47,300.00
C-Wellhead Equip	505	\$27,500.00	\$0.00	\$27,500.00
PEQ-Pumping Unit	506	\$96,000.00	\$0.00	\$98,000.00
PEQ-Rods	508	\$35,000.00	\$0.00	\$35,000.00
TB-Tanks	510	\$56,000,00	\$0.00	\$56,000.00
TB-Flowlines/Pipelines	511	5117,000.00	\$0.00	\$117,000.00
TB-HIr Trtr/Seprtr	512	\$117,000.00	50.00	\$117,000.00
TB-Electrical System/Equipment	513	\$88,000.00	\$0.00	\$88,000.00
C-Pckrs/Anchors/Hgrs	514	\$66,000.00	\$0.00	\$66,000.00
TB-Couplings/Fillings/Valves	515	\$165,000.00	\$0.00	\$165,000,00
TB-Gas Lift/Compression	516	\$35,000.00	\$0.00	\$35,000.00
C-Miscellaneous	519	\$80,000.00	\$0.00	\$80,000,00
TB-Pumps-Surface	521	\$18,000.00	\$0.00	\$18,000,00
TB-Meters/Lacts	525	\$32,000.00	\$0.00	\$32,000.00
TB-Flares/Combusters/Emission	526	\$31,000.00	\$0.00	\$31,000.00
C-Gas Lift/Compression	527	\$15,000.00	\$0.00	\$15,000.00
PEQ-Instrumentation/SCADA/POC	529	\$7,000.00	\$0.00	\$7,000.00
PEQ-Tubing	530	\$5,000.00	\$0.00	\$5,000.00
PEQ-Welthead Equipment	531	\$3,000.00	\$0.00	\$3,000.00
PEQ-Pumps	532	\$5,000.00	\$0.00	\$5,000.0D
PEQ-Electrical System	533	\$15,000.00	\$0.00	\$15,000.00
PEQ-Packers/Anchors/Hangers	534	\$2,000.00	50.00	\$2,000.00
PEQ-Miscellaneous	535	\$3,000.00	\$0.00	\$3,000.00
Total Tangible Costs		\$1,934,800.00	50,00	\$1,934,800.00

Total Tangible Costs		\$1,934,800.00	50,00	\$1,934,800.0
Intangible Costs	CONTRACTOR OF THE PARTY OF THE			
PS-Title/Permits	201	\$11,000.00	\$0.00	\$11,000.0
D-Insurance	202	\$4,000.00	\$0.00	\$4,000.0
PS-Damages/ROW	203	\$5,000.00	\$0.00	\$5,000.0
S-Survey/Stake Lctn	204	\$6,000.00	\$0.00	\$8,000.0
D-Lcln/Pits/Roads	205	\$112,000.00	\$0.00	\$112,000.0
D-Drilling Overhead	206	\$9,000.00	\$0.00	\$9,000.6
D-Daywork Contract	209	\$800,000.00	\$0.00	\$660,000.0
D-Directional Drig Services	210	\$280,000.00	\$0.00	\$280,000.0
D-Fuel & Power	211	\$150,000.00	\$0.00	\$150,000.0
D-Water	212	\$55,000.00	\$0.00	\$55,000.0
O-Bils	213	\$104,000.00	\$0.00	\$104,000.0
D-Mud & Chemicals	214	\$245,000,00	\$0.00	\$245,000.0
D-Cement Surface	217	\$30,000.00	\$0.00	\$30,000.0
D-Cement Intermed	218	\$80,000.00	\$0.00	
D-Prod-2nd Int Cmt	210	\$105,000.00	\$0.00	\$80,000.0
D-Float Equipment & Centralizers	221		\$0.00	\$105,000.0
O-Csg Crews & Equip	222	\$40,000.00	\$0.00	\$40,000.0
D-Contract Labor	225			\$50,000.0
D-Company Sprvsn	226	\$6,500.00	\$0.00	\$6,500.0
		\$72,000.00	\$0.00	\$72,000.0
D-Contract Sprvsn	227	\$110,000.00	\$0.00	\$110,000.0
D-Tslg Csg/Tbg	228	\$30,000.00	\$0.00	\$30,000.0
D-Mud Logging Unit	229	\$40,000.00	\$0.00	\$40,000.0
D-Perf/Wireline Svc	231	\$4,000.00	\$0.00	\$4,000.0
D-Rentals-Surface	235	\$170,000.00	\$0.00	\$170,000.0
D-Rentals-Subsrfc	238	\$170,000,00	\$0.00	\$170,000.0
D-Trucking/Forklift/Rig Mob	237	\$140,000.00	\$0.00	\$140,000.0
D-Welding Services	238	\$3,500.00	\$0.00	\$3,500.0
O-Contingency	243	\$44,000.00	\$0.00	\$44,000.0
)-Envrnmtl/Clsd Loop	244	\$265,000.00	\$0.00	\$265,000.0
C-LcIn/Pils/Roads	305	\$10,000.00	\$0.00	\$10,000.0
C-Frac Equipment	307	\$1,482,000.00	\$0.00	\$1,482,000.0
C-Frac Chemicals	308	\$776,000.00	\$0.00	5776,000.0
C-Frac Proppant	309	\$1,150,000.00	\$0.00	\$1,150,000.0
C-Frac Proppant Transportation	310	\$148,000.00	\$0.00	\$148,000.0
C-Fuel & Power	311	\$5,000.00	50.00	\$5,000.0
C-Water	312	\$930,000.00	\$0.00	\$930,000.0
C-Bits	313	\$9,000.00	\$0.00	\$9,000.0
C-Mud & Chemicals	314	\$25,000.00	\$0.00	\$25,000.0
C-Contract Labor	325	\$8,200.00	\$0.00	\$8,200.0
C-Company Sprvsn	326	\$15,000.00	\$0.00	\$15,000.0
C-Contract Sprvsn	327	\$134,000.00	\$0.00	\$134,000.0
C-Tstg Csg/Tbg	328	\$5,000.00	\$0.00	\$5,000.0
C-Perf/Wireline Svc	331	\$600,000.00	\$0.00	
C-Slimulation/Treating	332	\$12,000.00		\$600,000.0
	333	\$60,000.00	\$0.00	\$12,000.0
C-Completion Unit			50.00	\$60,000.0
-Rentals-Surface	335	\$296,000.00	\$0.00	\$296,000 0
-Rentals-Subsrfc	338	\$65,000.00	\$0.00	\$65,000.0
-Trucking/Forklift/Rig Mob	337	\$22,500.00	\$0.00	\$22,500.0
-Welding Services	338	\$5,000.00	\$0.00	\$5,000.0
-Water Disposal	339	\$80,000.00	\$0.00	\$60,000.0
C-Conlingency	343	\$250,000.00	\$0.00	\$250,000.0
-Envrnmtl/Clsd Loop	344	\$5,000.00	\$0.00	\$5,000.0
-Dyed Diesel	345	\$435,000.00	\$0.00	\$435,000.0
-Coil Tubing	346	\$422,000.00	\$0.00	\$422,000.0
-Flowback Crews & Equip	347	\$48,000.00	\$0.00	\$48,000.0
B-Location/Pits/Roads	353	\$73,000.00	\$0.00	\$73,000.0
B-Contract Labor	356	\$69,000.00	\$0.00	\$69,000.0
B-Water Disposal	362	\$135,000.00	\$0.00	\$135,000.0
EQ-Contract Labor	374	\$6,500.00	\$0.00	\$8,500.0
EQ-Contract Supervision	376	\$5,000.00	\$0.00	\$5,000.0
EQ-Completion Unit	381	\$8,000.00	\$0.00	\$8,000.0
EQ-Rentals-Surface	383	\$7,000.00	\$0.00	\$7,000.0
EQ-Trkg/Forkitt/Rig Mobilization	385	\$3,000.00	\$0.00	\$3,000.0
otal Intangible Costs	383	\$10,285,200.00	\$0.00	\$10,285,200.0
otal Gross Cost		\$12,220,000.00	\$0.00	\$12,220,000.0

COG Operating LLC By: Date Prepared 8.9.18 COG Operating LLC 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

Page 1 of 1

Well Name WAY SOUTH STATE COM 703H
SHL: 210 FSL & 690 FEL (OR UNIT H), SEC, 31
BHL: 200 FNL & 890 FEL (OR UNIT A), SEC, 19
Formation WOLFCAMP A SHALE
Legal 19, 30, 31, T26S-R28E
AFE Numbers

Prospect State & County Objective Depth TVD

Allas 2628 NEW MEXICO, EDDY COUNTY Drill & Complete 20,700 9,126

ost Description	Code	Cost	Revision	Te
angible Costs Surface Casing	97	717.0		
	401	\$48,000.00	\$0.00	\$48,000
Intermed Csg	402	\$376,000.00	\$0.00	\$376,000
Production Casing/Liner	403	\$405,000.00	\$0.00	\$405,000
-Wellhead Equip	405	\$40,000.00	\$0.00	\$40,000
-Tubing	504	\$47,300.00	\$0.00	\$47,300
-Wellhead Equip	505	\$27,500.00	\$0.00	\$27,500
EQ-Pumping Unit	508	\$96,000.00	\$0.00	
EQ-Rods				\$96,000
	508	\$35,000.00	\$0.00	\$35,000
3-Tanks	510	\$56,000,00	\$0.00	\$56,000
3-Flowlines/Pipelines	511	\$117,000.00	\$0.00	\$117,000
I-Htr Trtr/Seprtr	512	\$117,000.00	\$0.00	\$117,000
3-Electrical System/Equipment	513	\$88,000.00	\$0.00	\$88,000
Pckrs/Anchors/Hgrs	514	\$66,000.00	\$0.00	\$66,000
3-Couplings/Fittings/Valves	515	\$165,000.00		
B-Gas Lift/Compression	516		00.02	\$165,000
		\$35,000.00	\$0.00	\$35,000
Miscellaneous	519	\$80,000.00	\$0.00	\$80,000
J-Pumps-Surface	521	\$18,000.00	\$0,00	\$18,000
I-Melers/Lacts	525	\$32,000.00	\$0.00	532,000
-Flares/Combusters/Emission	526	\$31,000.00	\$0.00	531,000
Gas Lift/Compression	527	\$15,000.00	\$0.00	\$15,000
Q-Instrumentation/SCADA/POC	529	\$7,000.00	\$0.00	
Q-Tubing				\$7,000
	530	\$5,000.00	\$0.00	\$5,000
Q-Wellhead Equipment	531	\$3,000.00	\$0.00	\$3,000
Q-Pumps	532	\$5,000.00	\$0.00	\$5,000
Q-Electrical System	533	\$15,000.00	\$0.00	\$15,000
Q-Packers/Anchors/Hangers	534	\$2,000.00	\$0.00	\$2,000
Q-Miscellaneous	535	\$3,000.00	\$0.00	\$3,000
tal Tangible Costs	400			
rei mingroid dosts		\$1,934,800.00	\$0.00	\$1,934,800
angible Costs	ACCUSED TO	SERVEN SERVE	SOLUTION STATE	
-Title/Permits	201	\$11,000.00	\$0.00	\$11,000
nsurance	202	\$4,000.00	\$0.00	\$4,000
-Damages/ROW	203	\$5,000.00	\$0.00	\$5,000
-Survey/Slake Lctn	203	\$6,000.00		
_cln/Pils/Roads	205	\$112,000.00	\$0.00	\$8,000
Orilling Overhead				\$112,000
	206	\$9,000.00	\$0.00	\$9,000
Daywork Contract	209	\$660,000.00	\$0.00	\$660,000
Directional Drlg Services	210	\$280,000.00	\$0.00	\$280,000
Fuel & Power	211	\$150,000.00	\$0.00	\$150,000
Water	212	\$55,000.00	\$0.00	\$55,000
Bils .	213	\$104,000.00	\$0.00	\$104,000
Vlud & Chemicals	214	\$245,000.00	\$0.00	\$245,000
Cement Surface	217	\$30,000.00	\$0.00	
				\$30,000
Cement Intermed	218	\$80,000.00	\$0.00	\$80,000
Prod-2nd Int Cmt	219	\$105,000.00	\$0.00	\$105,000
Float Equipment & Centralizers	221	\$40,000.00	\$0.00	\$40,000
Osg Crews & Equip	222	\$50,000.00	\$0.00	\$50,000
Contract Labor	225	\$6,500.00	\$0.00	\$6,500
Company Sprvsn	226	\$72,000.00	\$0.00	
Contract Sprvsn	227			\$72,000
		\$110,000.00	\$0.00	\$110,000
Tslg Csg/Tbg	228	\$30,000.00	\$0.00	\$30,000
Mud Logging Unit	229	\$40,000.00	\$0.00	\$40,000
Perf/Wireline Svc	231	\$4,000.00	\$0.00	\$4,000
Rentals-Surface	235	\$170,000.00	\$0.00	\$170,000
Rentals-Subsrfc	236	\$170,000.00	\$0.00	\$170,000
Frucking/Forklift/Rig Mob	237	\$140,000.00	\$0.00	\$140,000
Welding Services	238	\$3,500.00	\$0.00	\$3,500
Conlingency	243	\$44,000.00	\$0.00	\$44,000
Enyrnmil/Clsd Loop	244	\$285,000.00	\$0,00	\$265,000
.cln/Pils/Roads	305	\$10,000.00	\$0.00	\$10,000
Frac Equipment	307	\$1,482,000.00	\$0.00	\$1,482,000
rac Chemicals	308	\$776,000.00	\$0.00	\$776,000
rac Proppant	309	\$1,150,000.00	\$0.00	\$1,150,000
Frac Proppant Transportation	310	\$148,000.00	50.00	\$148,000
uel & Power	311	\$5,000.00	\$0.00	\$5,000
Valer	312	\$930,000.00	50.00	
vater Bils	313	\$9,000.00	\$0.00	\$930,000
				\$9,000
Aud & Chemicals	314	\$25,000.00	\$0.00	\$25,000
Contract Labor	325	\$8,200.00	50.00	\$8,200
Company Sprvsn	326	\$15,000.00	\$0.00	\$15,000
Contract Sprvsn	327	\$134,000.00	\$0.00	\$134,000
stg Csg/Tbg	328	\$5,000.00	\$0.00	\$5,000
Perf/Wireline Svc	331	\$600,000.00	\$0.00	\$600,000
stimulation/Treating	332	\$12,000.00	\$0.00	\$12,000
ompletion Unit	333	\$60,000.00	\$0.00	\$60,000
entals-Surface	335	\$296,000.00		
			\$0.00	\$298,000
entals-Subsrfc	336	\$65,000.00	\$0.00	\$65,000
rucking/Forklift/Rig Mob	337	\$22,500.00	\$0.00	\$22,500
Velding Services	338	\$5,000.00	\$0.00	\$5,000
Valer Disposal	339	\$60,000.00	\$0.00	\$60,000
onlingency	343	\$250,000.00	\$0.00	\$250,000
nvrnmtl/Clsd Loop	344	\$5,000.00	\$0.00	\$5,000
lyed Diesel	345	\$435,000.00	\$0.00	\$435,000
	346	\$422,000.00	00.02	\$422,000
Coil Tubing	347	\$48,000.00	\$0.00	\$48,000
Coil Tubing Towback Crews & Equip	men.	\$73,000.00	\$0.00	\$73,000
Coil Tubing Towback Crews & Equip	353		\$0.00	\$69,000
oil Tubing lowback Crews & Equip Localion/Pits/Roads	355	\$69,000.00	90.001	
Coll Tubing Flowback Crews & Equip Flocation/Pits/Roads Contract Labor	356	\$69,000.00 \$135,000.00		\$135,000
oil Tubing Flowback Crews & Equip -Localion/Pits/Roads -Contract Labor -Water Disposal	356 382	\$135,000.00	\$0.00	\$135,000
Zoll Tubing Tlowback Crews & Equip Localion/Pits/Roads Contract Labor -Water Disposal Q-Contract Labor	356 382 374	\$135,000.00 \$6,500.00	\$0.00 \$0.00	\$135,000 \$6,500
Doll Tubling Inwhack Crews & Equip Location/Pits/Roads Contract Labor Water Disposal Q-Contract Labor Q-Contract Supervision	356 382 374 376	\$135,000.00 \$8,500.00 \$5,000.00	\$0.00 \$0.00 \$0.00	\$135,000 \$6,500 \$5,000
Zolf Tubing Tlowback Crews & Equip Localion/Plts/Roads Contract Labor Q-Contract Labor Q-Contract Labor Q-Contract Supervision Q-Completion Unit	356 382 374 376 381	\$135,000.00 \$8,500.00 \$5,000.00 \$8,000.00	\$0.00 \$0.00 \$0.00 \$0.00	\$135,000 \$6,500 \$5,000 \$8,000
Doll Tubling Inwhack Crews & Equip Location/Pits/Roads Contract Labor Water Disposal Q-Contract Labor Q-Contract Supervision	356 382 374 376	\$135,000.00 \$8,500.00 \$5,000.00	\$0.00 \$0.00 \$0.00	\$135,000 \$6,500 \$5,000

Total Gross Cost \$12,220,000.00 \$0.00 \$12,220,000.00 Note: The above costs are estimates only. Actual costs will be billed as incurred. COG Operating LLC Ву: Dale Prepared: 8,9,18 COG Operating LLC We approve: 14 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.

-Page 1 of 1



August 9, 2018

Via Certified Mail, Return Receipt Requested
WORKING INTEREST OWNERS ON ATTACHED EXHIBIT "A"

Re:

Way South State Com 704H & 705H (Sierra pad)

E/2 of Sections 19, 30, 31, T26S-R28E

Eddy County, New Mexico

Dear Sir or Madam:

COG Operating, LLC ("COG") hereby proposes the drilling of the following horizontal wells with productive laterals located in the E/2 of Sections 19, 30, & 31, T26S-R28E, Eddy County, New Mexico. The surface pad locations will be located in Unit O of Section 31, T26S-R28E (subject to change).

- Way South State Com 704H, to be drilled to a depth sufficient to test the WFMP B formation at a total measured depth of 20,900'. The surface location for this well is proposed at a legal location in Unit G of Section 31, and a bottom hole location at a legal location in Unit A of Section 19. The dedicated project area with be the E/2 of Sections 19, 30, and 31, T26S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$12,220,000, as shown on the attached Authority for Expenditure ("AFE").
- Way South State Com 705H, to be drilled to a depth sufficient to test the WFMP A Shale formation at a total measured depth of 20,700'. The surface location for this well is proposed at a legal location in Unit G of Section 31, and a bottom hole location at a legal location in Unit B of Section 19. The dedicated project area with be the E/2 of Sections 19, 30, and 31, T26S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$12,220,000, as shown on the attached AFE.

COG is proposing this well under the terms of a new Operating Agreement which will follow under separate cover.

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 spacing unit for the proposed well.

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 aroush@concho.com. Should you have any questions, please do not hesitate to contact me at 432.818.2358.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Exhibit No. A-9
Submitted by: COG Operating LLC
Hearing Date: January 10, 2019

August 9, 2018 - Way South State	e Com 704H & 705H (Sierra)
Sincerely,	
COG Operating	g LLC
Ashley Roush, Landman	RPL
AR:bh Enc	
	I/We hereby elect to participate in the drilling and completion of the Way South State Com 704H.
-	I/We hereby elect <u>not</u> to participate in the drilling and completion of the Way South State Com 704H.
	I/We hereby elect to participate in the drilling and completion of the Way South State Com 705H.
	I/We hereby elect <u>not</u> to participate in the drilling and completion of the Way South State Com 705H.

August 9, 2018 – Page 3 Way South State Com 704H & 705H (Sierra)

EXHIBIT "A" WORKING INTEREST OWNERS

Via Certified Mail, Return Receipt Requested No. 91 7199 9991 7038 7731 4873 Chevron U.S.A. Inc. 6301 Deauville Midland, TX 79706 Attn: Kristen Hunter

Via Certified Mail, Return Receipt Requested No. 91 7199 9991 7038 7731 4880

EOG Y Resources Inc.

EOG A Resources Inc.

EOG M Resources Inc.

5509 Champions Drive

Midland, TX 79706

Attn: Land Manager

Via Certified Mail, Return Receipt Requested No. 91 7199 9991 7038 7731 4958 OXY Y-1 Company 5 Greenway Plaza, Suite 110 Houston, TX 77046 Attn: Jeremy Murphrey

Well Name WAY SOUTH STATE COM 704H SHL: 210 FSL & 1465 FEL (OR UNIT G), SEC, 31 BHL: 200 FNL & 1310 FEL (OR UNIT A), SEC, 19 Formation WOLFCAMP B Legal 19, 30, 31, 7265-R28E

Prospect State & County Objective Depth TVD Atlas 2628 NEW MEXICO, EDDY COUNTY Drill & Complete 20,900 9,325

20,90 9,325

egal 19, 30, 31, T26S-R28E FE Numbers			VD	9,325
ost Description	Code	Cost	Revision	To
angible Costs	0000	Cost	TKC PASION	
-Surface Casing	401	\$48,000.00	\$0.00	\$48,000
-Intermed Csg	402	\$376,000.00	\$0.00	\$376,000
-Production Casing/Liner	403	\$405,000.00	\$0.00	\$405,000
Wellhead Equip	405	\$40,000.00	\$0.00	\$40,000.
Tubing	504	\$47,300.00	\$0.00	\$47,300.
Wellhead Equip	505	\$27,500.00	\$0.00	\$27,500.
EQ-Pumping Unit	506	\$98,000.00	\$0.00	\$96,000
Q-Rods	508	\$35,000.00	\$0.00	\$35,000
3-Tanks	510	\$56,000.00	\$0.00	\$56,000.
3-Flowlines/Pipelines	511	\$117,000.00	\$0.00	\$117,000.
3-Hir Trir/Seprir	512	5117,000.00	\$0.00	\$117,000.
3-Electrical System/Equipment	513	\$88,000.00	\$0.00	\$88,000
Pckrs/Anchors/Hgrs	514	\$66,000.00	\$0.00	\$66,000.
3-Couplings/Fitlings/Valves	515	\$165,000.00	\$0.00	\$165,000.
3-Gas Lift/Compression	516	\$35,000.00	\$0.00	\$35,000
Miscellaneous	519	\$80,000.00	\$0.00	\$80,000
3-Pumps-Surface	521	\$18,000.00	\$0.00	\$18,000
3-Meters/Lacts	525	\$32,000.00	\$0.00	\$32,000
3-Flares/Combusters/Emission	526	\$31,000.00	\$0.00	\$31,000
Gas Lift/Compression	527	\$15,000.00	\$0.00	\$15,000
EQ-Instrumentation/SCADA/POC	529	\$7,000.00	\$0.00	\$7,000
EQ-Tubing	530	\$5,000.00	\$0.00	\$5,000
EQ-Wellhead Equipment	531	\$3,000.00	\$0.00	\$3,000
EQ-Pumps	532	\$5,000.00	\$0.00	\$5,000.
EQ-Electrical System	533	\$15,000.00	\$0.00	\$15,000
EQ-Packers/Anchors/Hangers	534	\$2,000.00	\$0.00	\$2,000
	535	\$3,000.00	\$0.00	\$3,000
EQ-Miscelaneous	933		\$0.00	\$1,934,800
otal Tangible Costs		\$1,934,800.00	\$4.40	31,034,000
tangible Costs				
S-Title/Permits	201	\$11,000.00	\$0.00	\$11,000 \$4,000
Insurance	202	\$4,000.00	\$0.00	
S-Damages/ROW	203	\$5,000.00	\$0.00	\$5,000
S-Survey/Slake Lctn	204	\$6,000.00	50,00	\$6,000
-Lcln/Pils/Roads	205	\$112,000.00	\$0.00	\$112,000
-Drilling Overhead	206	\$9,000.00	\$0.00	\$9,000
-Daywork Contract	209	\$660,000.00	\$0.00	\$660,000
-Directional Drlg Services	210	\$280,000.00	\$0.00	\$280,000
-Fuel & Power	211	\$150,000.00	\$0.00	\$150,000
-Waler	212	\$55,000.00	\$0.00	\$55,000
-Bits	213	\$104,000.00	\$0.00	\$104,000
-Mud & Chemicals	214	\$245,000.00	\$0.00	\$245,000
-Cement Surface	217	\$30,000.00	\$0.00	\$30,000
-Cement Intermed	218	\$80,000.00	\$0.00	\$80,000
	219	\$105,000.00	\$0.00	\$105,000
-Prod-2nd Int Cmt	221	\$40,000.00	\$0.00	\$40,000
-Float Equipment & Centralizers	222	\$50,000.00	\$0.00	\$50,000
-Csg Crews & Equip				\$6,500
-Contract Labor	225	\$6,500.00	\$0.00	\$72,000
-Company Sprvsn	226	\$72,000.00	\$0.00	\$110,000
-Contract Sprvsn	227	\$110,000.00	\$0.00	
-Tstg Csg/Tbg	228	\$30,000.00	\$0.00	\$30,000
-Mud Logging Unit	229	\$40,000.00	\$0.00	\$40,000
-Perf/Wireline Svc	231	\$4,000.00	\$0.00	
-Rentals-Surface	235	\$170,000.00	\$0.00	\$170,000
-Rentals-Subsrfc	236	\$170,000.00	\$0.00	\$170,000
-Trucking/Forklift/Rig Mob	237	\$140,000.00	\$0.00	\$140,000
-Welding Services	238	\$3,500.00	\$0.00	
-Conlingency	243	\$44,000.00	\$0.00	
-Environti/Clsd Loop	244	\$265,000.00	\$0.00	\$265,000
-LcIn/Pils/Roads	305	\$10,000.00	\$0.00	\$10,000
-Frac Equipment	307	\$1,482,000.00	\$0.00	
	308	\$776,000.00	\$0.00	
-Frac Chemicals	309	\$1,150,000.00	\$0,00	
-Frac Proposit Transportation	310	\$148,000.00	\$0.00	
-Frac Proppant Transportation -Fuel & Power	311	\$5,000.00	\$0.00	
-Fuel & Power -Waler	312	\$930,000.00	\$0.00	
	313	\$9,000.00	\$0.00	
-Bils			\$0.00	
-Mud & Chemicals	314	\$25,000.00	\$0.00	
-Contract Labor	325	\$8,200.00	\$0.00	
-Company Sprvsn	326	\$15,000.00	\$0.00	
-Contract Sprvsn	327		\$0.00	
-Tslg Csg/Tbg	328	\$5,000.00		
-Perf/Wireline Svc	331	\$600,000.00	\$0.00	
-Stimulation/Treating	332	\$12,000.00	\$0.00	
-Completion Unit	333	\$60,000.00	\$0.00	
-Rentals-Surface	335	\$296,000.00	\$0.00	
-Rentals-Subsrfc	336	\$65,000,00	\$0.00	
-Trucking/Forklift/Rig Mob	337	\$22,500.00	\$0.00	
-Welding Services	338	\$5,000.00	50.00	
-Water Disposal	339	\$60,000.00	\$0.00	\$60,000
-Conlingency	343	\$250,000.00	\$0.00	
-Envrnmll/Clsd Loop	344	\$5,000.00	\$0.00	\$5,000
-Dyed Diesel	345	\$435,000.00	\$0.00	\$435,000
-Coil Tubing	348	\$422,000.00	\$0.00	\$422,000
-Flowback Crews & Equip	347	\$48,000.00	\$0,00	
B-Location/Pits/Roads	353	\$73,000.00	\$0.00	\$73,000
B-Contract Labor	356	\$69,000.00	\$0.00	\$89,000
B-Contract Labor B-Water Disposal	362	\$135,000.00	\$0.00	
	374	\$6,500.00	\$0.00	
	376	\$5,000.00	\$0.00	
PEQ-Contract Labor	3/61		\$0.00	
PEQ-Contract Labor PEQ-Contract Supervision			30.00	
PEQ-Contract Labor PEQ-Contract Supervision PEQ-Completion Unit	381	00,000,82	22.22	67.00
PEQ-Contract Labor PEQ-Contract Supervision PEQ-Completion Unit PEQ-Rentals-Surface	381 383	\$7,000.00	\$0.00	
EQ-Contract Labor EQ-Contract Supervision EQ-Completion Unit EQ-Rentals-Surface EQ-ThgfFordtilPig Mobilization	381	\$7,000.00 \$3,000.00	\$0.00	\$3,00
EQ-Contract Labor EQ-Contract Supervision EQ-Completion Unit EQ-Rentals-Surface	381 383	\$7,000.00		\$3,00

COG Operating LLC

By:
Date Prepared: 8.9.18

COG Operating LLC

We approve:

% Working Inferest
By:

Company.

By:

Printed Name:
Title:
Date: Page 1 of 1

This AFE is only an estimate. By signing you agree to pay your share of the actual costs incurred.

Well Name WAY SOUTH STATE COM 705H SHL: 210 FSL & 1495 FEL (OR UNIT G), SEC, 31 BHL: 200 FNL & 1860 FEL (OR UNIT B), SEC, 19 Formation WOLFCAMP A SHALE Legal 19, 30, 31, T26S-R29E AFE Numbers

Prospect State & County Objective Depth TVD

Allas 2628 NEW MEXICO, EDDY COUNTY Drill & Complete 20,700 9,118

This AFE is only an estimate. By signing you agree to pay your share of the actual costs incurred.

ost Description	Code	Cost	Revision	To
angible Costs -Surface Casing	401	\$48,000.00	\$0.00	\$48,000.0
-Intermed Csg	402	\$376,000.00	\$0.00	\$376,000.0
-Production Casing/Liner	403	\$405,000.00	\$0.00	\$405,000.0
-Wellhead Equip	405	\$40,000.00	\$0.00	\$40,000.0
-Tubing	504	\$47,300.00	\$0.00	\$47,300.0
-Wellhead Equip	505	\$27,500.00	\$0.00	\$27,500.0
EQ-Pumping Unil	506	\$96,000.00	\$0.00	\$96,000.0
EQ-Rods	508	\$35,000.00	\$0.00	\$35,000.0
B-Tanks	510	\$56,000.00	\$0.00	\$56,000.0
B-Flowlines/Pipelines	511	\$117,000.00	\$0.00	\$117,000.0
B-Hir Trtr/Seprtr	512	\$117,000.00	\$0.00	\$117,000.0
B-Electrical System/Equipment	513	\$88,000.00	\$0.00	\$88,000
-Pckrs/Anchors/Hgrs	514	\$66,000.00	\$0.00	\$88,000.
B-Couplings/Filtings/Valves	515	\$165,000,00	\$0.00	\$165,000
B-Gas Lift/Compression	516	\$35,000.00	\$0.00	\$35,000
-Miscellaneous	519	\$80,000.00	\$0,00	\$80,000
B-Pumps-Surface	521	\$18,000.00	\$0.00	\$18,000
B-Meters/Lacts	525	\$32,000.00	\$0.00	\$32,000
B-Flares/Combusters/Emission	526	\$31,000.00	\$0,00	\$31,000
-Gas Lift/Compression	527	\$15,000,00	\$0,00	\$15,000
EQ-Instrumentation/SCADA/POC	529	\$7,000.00	\$0.00	\$7,000
EQ-Tubing	530	\$5,000,00	\$0,00	\$5,000
EQ-Wellhead Equipment	531	\$3,000.00	\$0.00	\$3,000.
EQ-Pumps	532	\$5,000.00	\$0.00	\$5,000
EQ-Electrical System	533	\$15,000.00	\$0.00	\$15,000
EQ-Packers/Anchors/Hangers	534	\$2,000.00	\$0.00	\$2,000
EQ-Miscellaneous	535	\$3,000.00	\$0.00	\$3,000
otal Tangible Costs		\$1,934,800.00	\$0.00	\$1,934,800.
stangible Costs				
S-Title/Permits	201	\$11,000.00	\$0.00	\$11,000.0
-Insurance	202	\$4,000.00	\$0.00	\$4,000
S-Damages/ROW	203	\$5,000.00	\$0.00	\$5,000.
S-Survey/Slake Lcin	204	\$6,000.00	\$0.00	\$8,000
-LcIn/Pils/Roads	205	\$112,000.00	\$0.00	5112,000.
-Drilling Overhead	208	\$9,000.00	\$0.00	\$9,000
-Daywork Contract	209	\$660,000.00	\$0.00	\$860,000
-Directional Drlg Services	210	\$280,000.00	\$0.00	\$280,000
-Fuel & Power	211	\$150,000.00	\$0.00	\$150,000
-Waler	212	\$55,000.00	\$0.00	\$55,000
-Bits	213	\$104,000.00	\$0.00	5104,000
-Mud & Chemicals	214	\$245,000.00	\$0.00	\$245,000
-Cernent Surface	217	\$30,000.00	\$0.00	\$30,000
-Cement Intermed	218	\$80,000.00	\$0,00	\$80,000
-Prod-2nd Inl Cmt	219	\$105,000.00	\$0.00	\$105,000
-Float Equipment & Centralizers	221	\$40,000.00	\$0.00	\$40,000
-Csg Crews & Equip	222	\$50,000.00	\$0.00	\$50,000
-Contract Labor	225	\$6,500.00	\$0.00	\$8,500
-Company Sprvsn	226	\$72,000.00	\$0.00	\$72,000
-Contract Sprvsn	227	\$110,000.00	\$0.00	\$110,000.
-Tslg Csg/Tbg	228	\$30,000.00	\$0.00	\$30,000
-Mud Logging Unit	229	\$40,000.00	\$0.00	\$40,000
-Perf/Wireline Svc	231	\$4,000.00	\$0.00	\$4,000
-Rentals-Surface	236	\$170,000.00	\$0.00	\$170,000
-Rentals-Subsrfc	236	\$170,000.00	\$0.00	\$170,000
-Trucking/Forklift/Rig Mob	237	\$140,000.00	\$0.00	\$140,000
-Welding Services	238	\$3,500.00	\$0.00	\$3,500.
-Conlingency	243	\$44,000.00	\$0.00	\$44,000
-Envrnmtl/Clsd Loop	244	\$265,000.00	\$0.00	\$265,000
-LcIn/Pils/Roads	305	\$10,000.00	\$0.00	\$10,000
-Frac Equipment	307	\$1,482,000.00	\$0.00	\$1,482,000.
-Frac Chemicals	308	\$776,000.00	\$0.00	\$776,000
-Frac Proppant	309	\$1,150,000.00	\$0.00	\$1,150,000
-Frac Proppant Transportation	310	\$148,000.00	\$0.00	\$148,000
-Fuel & Power	311	\$5,000.00	\$0.00	\$5,000
-Water	312	\$930,000.00	\$0.00	\$930,000
Bits	313	\$9,000.00	\$0.00	\$9,000
Mud & Chemicals	314	\$25,000.00	\$0.00	\$25,000
Contract Labor	325	\$8,200.00	\$0.00	\$8,200
Company Sprvsn	326	\$15,000.00	\$0.00	\$15,000
Contract Sprvsn	327	\$134,000.00	\$0.00	\$134,000
-Tstg Csg/Tbg	328	\$5,000.00	\$0.00	\$5,000
-Perf/Wireline Svc	331	\$600,000.00	\$0.00	\$600,000
-Stimulation/Treating	332	\$12,000.00	\$0.00	\$12,000 \$60,000
-Completion Unit	333	\$60,000.00	\$0.00	\$296,000
Ronlais-Surface	336	\$65,000.00	\$0.00	\$65,000
Rentals-Subsrfc	337	\$22,500.00	\$0.00	\$22,500
Trucking/Forklift/Rig Mob -Welding Services	338	\$5,000.00	\$0.00	\$5,000
Water Disposal	339	\$60,000.00	\$0.00	\$60,000
Conlingency	343	\$250,000.00	\$0.00	\$250,000
Envingency Envinmtl/Clsd Loop	344	\$5,000.00	\$0,00	\$5,000
-EnvironityCisa Loop -Dyed Diesel	345	\$435,000.00	\$0.00	\$435,000
Coil Tubing	346	\$422,000.00	\$0.00	\$422,000
-Coll Tubing -Flowback Crews & Equip	347	\$48,000.00	\$0.00	\$48,000
-Flowback Crews & Equip B-Localion/Pits/Roads	353	\$73,000.00	\$0.00	\$73,000
3-Localion/Pits/Roads 3-Contract Labor	356	\$89,000.00	\$0.00	\$69,000
3-Contract Labor 3-Water Disposal	362	\$135,000.00	\$0.00	\$135,000
	374	\$6,500.00	\$0.00	\$6,500
	427.93	eu,000.00		\$5,000
EQ-Contract Labor		\$5,000,00	1 00 02	
EQ-Contract Labor EQ-Contract Supervision	376	\$5,000.00	\$0.00	
EQ-Contract Labor EQ-Contract Supervision EQ-Completion Unit	376 381	58,000.00	\$0.00	\$8,000
EQ-Contract Labor EQ-Contract Supervision	376			

Total Gross Cost \$12,220,000.00 \$0.00 512,220,000.00 Note: The above costs are estimates only. Actual costs will be billed as incurred COG Operating LLC By Date Prepared: 8.9.18 COG Operating LLC We approve: % Working Interest By: Company. By: Printed Name:

Page 1 of 1

Title: Date:



August 9, 2018

Via Certified Mail, Return Receipt Requested
WORKING INTEREST OWNERS ON ATTACHED EXHIBIT "A"

Re: Way South State Com 706H, 707H, 708H (Romeo pad)

E/2 of Sections 19, 30, 31, T26S-R28E

Eddy County, New Mexico

Dear Sir or Madam:

COG Operating, LLC ("COG") hereby proposes the drilling of the following horizontal wells with productive laterals located in the E/2 of Sections 19, 30, & 31, T26S-R28E, Eddy County, New Mexico. The surface pad locations will be located in Unit O of Section 31, T26S-R28E (subject to change).

- Way South State Com 706H, to be drilled to a depth sufficient to test the WFMP B formation at a total measured depth of 20,900'. The surface location for this well is proposed at a legal location in Unit G of Section 31, and a bottom hole location at a legal location in Unit B of Section 19. The dedicated project area with be the E/2 of Sections 19, 30, and 31, T26S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$12,220,000, as shown on the attached Authority for Expenditure ("AFE").
- Way South State Com 707H, to be drilled to a depth sufficient to test the WFMP A Shale formation at a total measured depth of 20,700'. The surface location for this well is proposed at a legal location in Unit G of Section 31, and a bottom hole location at a legal location in Unit B of Section 19. The dedicated project area with be the E/2 of Sections 19, 30, and 31, T26S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$12,220,000, as shown on the attached AFE.
- Way South State Com 708H, to be drilled to a depth sufficient to test the WFMP B formation at a total measured depth of 20,900'. The surface location for this well is proposed at a legal location in Unit G of Section 31, and a bottom hole location at a legal location in Unit B of Section 19. The dedicated project area with be the E/2 of Sections 19, 30, and 31, T26S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$12,220,000, as shown on the attached AFE.

COG is proposing this well under the terms of a new Operating Agreement which will follow under separate cover.

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 spacing unit for the proposed well.

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 aroush@concho.com. Should you have any questions, please do not hesitate to contact me at 432.818.2358.

August 9, 201 Way South St	8 – Page 2 ate Com 706H, 707H, 708H (Romeo)
Sincerely,	
COG Operat	ing LLC
Ashley Rousl Landman	h, RPL
AR:bh Enc	194
	I/We hereby elect to participate in the drilling and completion of the Way South State Com 706H.
·	I/We hereby elect not to participate in the drilling and completion of the Way South State Com 706H.
	I/We hereby elect to participate in the drilling and completion of the Way South State Com 707H.
	I/We hereby elect <u>not</u> to participate in the drilling and completion of the Way South State Com 707H.
	I/We hereby elect to participate in the drilling and completion of the Way South State Com 708H.
	I/We hereby elect <u>not</u> to participate in the drilling and completion of the Way South State Com 708H.
Ву:	
Name:	
vale:	

August 9, 2018 – Page 3 Way South State Com 706H, 707H, 708H (Romeo)

EXHIBIT "A" WORKING INTEREST OWNERS

Via Certified Mail, Return Receipt Requested No. 91 7199 9991 7038 7731 4873 Chevron U.S.A. Inc. 6301 Deauville Midland, TX 79706 Attn: Kristen Hunter

Via Certified Mail, Return Receipt Requested No. 91 7199 9991 7038 7731 4880
EOG Y Resources Inc.
EOG A Resources Inc.
EOG M Resources Inc.
5509 Champions Drive
Midland, TX 79706
Attn: Land Manager

Via Certified Mail, Return Receipt Requested No. 91 7199 9991 7038 7731 4958 OXY Y-1 Company 5 Greenway Plaza, Suite 110 Houston, TX 77046 Attn: Jeremy Murphrey

Well Name WAY SOUTH STATE COM 706H SHL: 210 FSL & 2280 FEL (OR UNIT G), SEC, 31 BHL: 200 FNL & 1980 FEL (OR UNIT B), SEC, 19 Formation WOLFCAMP B Legal 19, 30, 31, T26S-R28E AFE Number.

Prospect State & County Objective Depth TVD

Atlas 2628 NEW MEXICO, EDDY COUNTY Drill & Complete 20,900 9,315

Substance Classing	ost Description	Code	Cost	Revision	To
Interned Cog	angible Costs	181	640 man av 1		
Production Casing/Line					\$48,000
Welmand Equal					
Tubing (1940)					
Welhead Europ					\$47,300
Co-Pumping Unit					\$27,500
Company					\$96,000
Francis 9.10 \$56,000.00 \$00.00 \$56.					\$35,000
Section Sect					
Belle Transport					
Selection System Causement 513 \$88,000.00 \$00.01 \$98.					
Petral Annotoria Physics					
ScoupingFittingsItValves					
B-Gas LINCorquession					\$66,000
Miscollaneous			\$165,000.00		
8-Parames Juríanea 921 \$18,000.00 \$9.00 \$16.00 \$16.00 \$16.00 \$16.00 \$16.00 \$16.00 \$16.00 \$16.00 \$16.00 \$16.00 \$16.00 \$15.					\$35,000
Bellering John September					\$80,000
B-flaresCombusient/Emission 500 515,000,00 510,00					\$18,000
Gas Lillicompression 927 \$15,000.00 \$0.00 \$15.55					\$32,000
EC-Instrumentation/SCADA/POC 529 \$7,000.00 \$0.00 \$1.00 \$1.50 ED-Tubing \$0.00 \$3,000.00 \$3.					\$31,000
ED-Tulnight					\$15,000
EA-Weinfand Equipment	EQ-Instrumentation/SCADA/POC		\$7,000,00		\$7,000
EG-Pumps	EQ-Tubing	530	\$5,000.00	\$0.00	\$5,000
EG-Pumps	EQ-Wellhead Equipment	531	\$3,000.00	\$0.00	\$3,000
SC-Bendrical System 533 \$15,000 00 \$30.00 \$15,000 \$20.00 \$20.00 \$30.00 \$32,000 00 \$30.00 \$32,000 00 \$30.00 \$32,000 00 \$30.00 \$32,000 00 \$30.00 \$32,000 00 \$30.00 \$32,000 00 \$30.00		532			\$5,000
EQ-Packers/Anchors/Hangers 544 \$2,000.00 \$0.00 \$1.20.00 \$1.30.00					\$15,000
### ### ### ### ### ### ### ### ### ##					\$2,000
					\$3,000.
ST-REGP Permits		2.02			\$1,934,800.
STIGNOPPRIMER 201 \$11,000.00 \$0.00 \$11.11 Insurance 202 \$4,000.00 \$0.00 \$3.00 \$3.00 S-Damages/ROW 203 \$5,000.00 \$0.00 \$3.00 \$3.00 S-Damages/ROW 203 \$5,000.00 \$0.00 \$3.00 \$3.00 S-Sturey/Stake Lcin 204 \$4,000.00 \$0.00 \$3.00 \$3.00 S-Damages/ROW 203 \$5,000.00 \$0.00 \$3.00 S-Damages/ROW 205 \$11,000.00 \$0.00 \$3.00 S-Damages/ROW 205 \$10,000.00 \$3.00 S-Damages/ROW 205 \$10,000.00			3.10	90.00	* 1,047,040.
Insurance 202 \$4,000 00 \$4,000 \$4,000 \$4,000 \$4,000 \$4,000 \$4,000 \$5,000	tangible Costs				THE ALLERSANDER
Insurance 202 \$4,000.00 \$0.00 \$4.00 \$5.5urreySjikke Lein 204 \$6,000.00 \$5.00 \$					\$11,000.
S-DampsgeRCOV		202		\$0.00	\$4,000
Schurey/Slake Lcin			\$5,000.00		\$5,000
ClarifyPisRoads			\$6,000.00		\$8,000
Dilling Overhead 206 \$9,000.00 \$0.00 \$99,000.00 \$90,00			\$112,000.00		\$112,000
Daywork Contract					\$9,000
Directional Drig Services 210 \$299,000.00 \$0.00 \$320.00 \$150.00					\$660,000
Fuel & Power 211 \$150,000 \$0.00 \$150					\$280,000
Water					\$150,000
Signature 1985 213 5104,000.00 50.00 5104.00					\$55,000
Aud & Chemicals			\$104,000,00		\$104,000
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Prod.=2nd In Cmt					\$30,000
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Cog Crews & Equip					\$105,000
Contract Labor					\$40,000
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Contract Sprish 227 \$110,000.00 \$0.00 \$110,	-Contract Labor				\$6,500
A	-Company Sprvsn	226	\$72,000.00		\$72,000
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Mud Logoing Unit 229 \$44,000.00 \$0.00 \$44,	-Tslq Csq/Tbq	228	\$30,000,00	\$0.00	\$30,000
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			\$3,000,00		\$3,000
otal Intangible Costs \$10,285,200.00 \$0.00 \$10,285		307			\$10,285,200

Total Gross Cost \$12,220,000.00 |
Note: The above costs are estimates only. Actual costs will be billed as incurred. COG Operating LLC Date Prepared: 8 9 18 Ву: COG Operating LLC 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.

Page 1 of 1



November 19, 2018

Via Certified Mail, Return Receipt Requested
WORKING INTEREST OWNERS ON ATTACHED EXHIBIT "A"

Re:

Way South State Com pad wells E/2 of Sections 19, 30, 31, T26S-R28E Eddy County, New Mexico

Dear Sir or Madam:

COG Operating, LLC ("COG") previously proposed multiple Way South State Com wells to be drilled on three separate pads. COG is now rescinding the proposals and AFEs for the Way South State Com 707H and 708H wells, and notifying you that the previously proposed Way South State Com 701H, 702H, and 703H wells will be drilled on one pad, and the Way South State Com 704H, 705H, 706H will be drilled on another pad.

Should you have any questions, please do not hesitate to contact me at aroush@concho.com or 432.818.2358.

Sincerely,

COG Operating LLC

Ashley Roush, RPL Senior Landman

AR:bh

Submitted by: COG Operating LLC
Hearing Date: January 10, 2019
Case No. 20078

EXHIBIT "A" WORKING INTEREST OWNERS

Via Certified Mail, Return Receipt Requested No. 91 7199 9991 7038 7703 5341 Chevron U.S.A. Inc. 6301 Deauville Midland, TX 79706 Attn: Kristen Hunter

Via Certified Mail, Return Receipt Requested No. 91 7199 9991 7038 7703 5358

EOG Y Resources Inc.

EOG A Resources Inc.

EOG M Resources Inc.

5509 Champions Drive

Midland, TX 79706

Attn: Land Manager

Via Certified Mail, Return Receipt Requested No. 91 7199 9991 7038 7703 5365 OXY Y-1 Company 5 Greenway Plaza, Suite 110 Houston, TX 77046 Attn: Jeremy Murphrey

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

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

CASE NOS. 20078

AFFIDAVIT OF MATT FISHER IN SUPPORT OF CASE NO. 20078

Matt Fisher, of lawful age and being first duly sworn, declares as follows:

- 1. My name is Matt Fisher. I work for COG Operating LLC ("COG") as a Geologist.
- 2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record.
- 3. I am familiar with the amended application filed by COG in this case, and I have conducted a geologic study of the lands in the subject area.
 - 4. COG is targeting the Wolfcamp A formation.
- 5. COG Exhibit B-1 is a locator map. It shows COG's acreage in yellow. The path of the proposed wellbore for the proposed Way South State Com No. 701H, 702H, 703H, 704H, 705H, and 706H are marked and depicted with pink dashed lines. Existing Wolfcamp A producers are marked and depicted with the solid pink lines.
- 6. COG Exhibit B-2 is a subsea structure map that I prepared off of the top of the Wolfcamp Formation. Once again, the proposed wellbore path for the proposed Way South State Com No. 701H, 702H, 703H, 704H, 705H, and 706H are depicted with pink dashed lines. The contour interval is 25 feet. The structure map shows that the Wolfcamp is dipping gently to the east. The structure appears consistent in this section. I do not observe any faulting, pinchouts, or

1

other geologic hazards to developing a horizontal well. The proposed Way South wells will be drilled approximately along strike with the Wolfcamp structure.

- 7. COG Exhibit No. B-3 shows the three producing wells, depicted by the red circles, used to construct a cross-section from A to A' that is shown on Exhibit B-4. I consider these wells to be representative of the geology of the area.
- 8. COG Exhibit No. B-4 is a stratigraphic cross section prepared by me for the three representative wells from A to A'. The two exterior wells in the cross-section, The Graham Nash 6H and the Augustus 1001H, show the following logs: gamma ray (black line in the first track), deep resistivity (green line in the middle track), and porosity (neutron in blue and density in red, on the far right track). The middle well in the cross section, the Sunday Silence 1H, only contains a gamma ray log but was used in the cross section because it is the closest well to the proposed Way South wells that contains logs through the Wolfcamp A interval. The proposed targeted interval for the Way South 701H, 702H and the 703H is labeled and depicted in green. The proposed targeted interval for the Way South 702H, 704H and the 706H is labeled and depicted in blue. The logs in the cross-section demonstrate that the target interval within the Wolfcamp A is consistent in thickness, across the entire proposed spacing unit.
- 9. Based on my geologic study of the areas, I have not identified any geologic impediments to drilling horizontal wells in the area.
- 10. In my opinion, each quarter-quarter section will be productive and contribute more-or-less equally to each 40-acre unit comprising the spacing and proration units.
- In my opinion, horizontal drilling will be the most efficient method to develop this acreage, to prevent the drilling of unnecessary wells, and to result in the greatest ultimate recovery.

- 12. In my opinion, the granting of COG's amended application in this case will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.
- 13. **COG Exhibits B-1 through B-4** were either prepared by me or compiled under my direction and supervision.

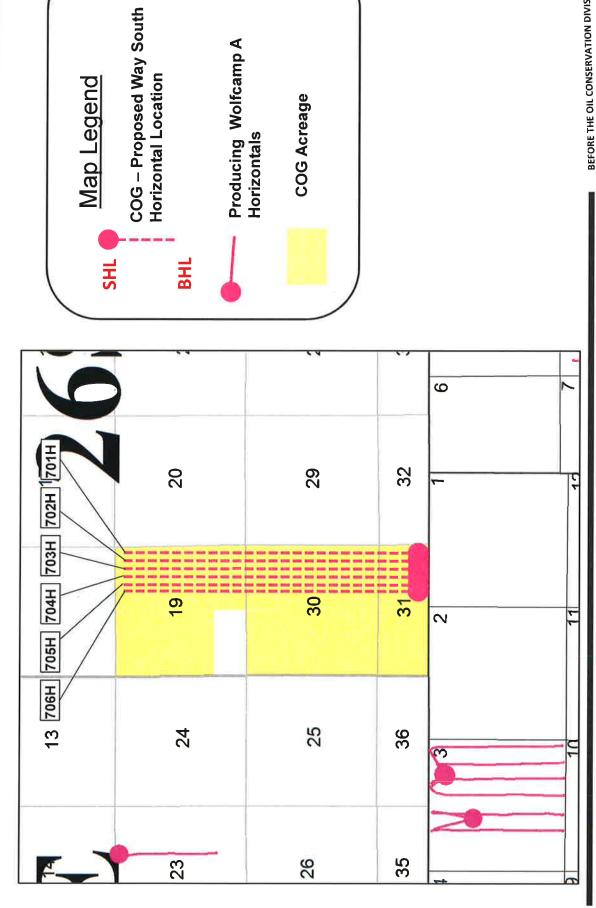
my direction and supervision.
Man Fresher
MATT FISHER
STATE OF TEXAS
COUNTY OF Midland
SUBSCRIBED and SWORN to before me this day of January 2019 by
Matt Fisher.
Brittany Hull Notary Public, State of Texas Notary ID 13118386-9 My Commission Exp.06-22-2021 NOTARY PUBLIC

My Commission Expires:

6 22 21

11850944_1

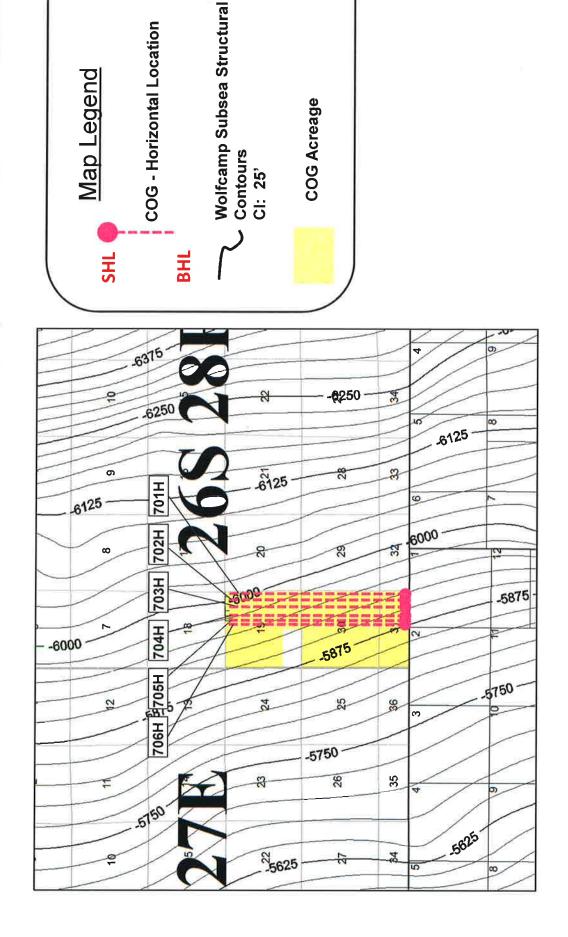
Way South State Com Locations





BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B-1
Submitted by: COG Operating LLC
Hearing Date: January 10, 2019
Case No. 20078

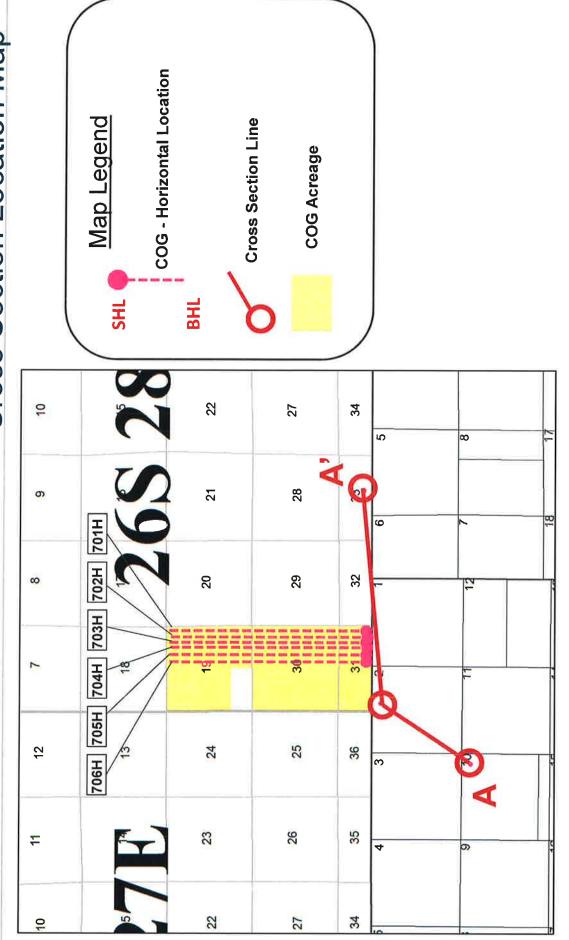
Wolfcamp Subsea Structure Map



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 8-2
Submitted by: COG Operating LLC
Hearing Date: January 10, 2019
Case No. 20078



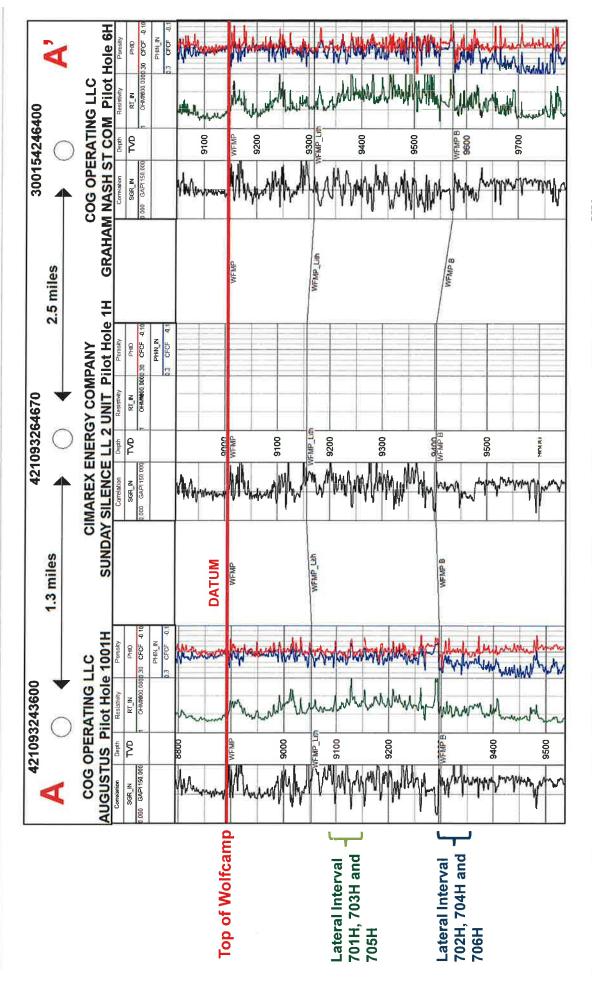
Wolfcamp Pool Cross Section Location Map



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B-3
Submitted by: COG Operating LLC
Hearing Date: January 10, 2019
Case No. 20078



Stratigraphic Cross Section A – A'





BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B-4
Submitted by: COG Operating LLC
Hearing Date: January 10, 2019
Case No. 20078

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

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

CASE NO. 20078

AFFIDAVIT

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

Julia Broggi, attorney in fact and authorized representative of **COG OPERATING LLC**, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Amended Application has been provided under the notice letters and proof of receipts attached hereto.

Julia Broggi

SUBSCRIBED AND SWORN to before me this 9th day of January 2019 by Julia Broggi.

Exhibit No. C
Submitted by: COG Operating LLC
Hearing Date: January 10, 201
Case No. 20078



Jordan L. Kessler Associate Phone (505) 988-4421 Fax (505) 983-6043 JLKessler@hollandhart.com

December 21, 2018

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

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re:

Amended Application of COG Operating LLC for compulsory pooling, Eddy

County, New Mexico.

Way South State Com No. 701H, Way South State Com No. 702H, Way South State Com No. 703H, Way South State Com No. 704H, Way South

State Com No. 705H, and Way South State Com No. 706H

Ladies & Gentlemen:

This letter is to advise you that COG Operating LLC has filed the enclosed amended application with the New Mexico Oil Conservation Division. This application will be set for hearing before a Division Examiner at 8:15 a.m. on January 10, 2019. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices, located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Ashley Roush at (432) 818-2358 or ARoush@concho.com.

Sincerely,

Jordan L. Kessler

ATTORNEY FOR COG OPERATING LLC

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Ц	A	В	C	D	u.	G	#5	-,	~
Н	1 MailClass	TrackingNo	CustomField1	TransactionDate ToName	ToName	DeliveryAddress	City	State Zip	Zip
7	2 Certified with Return Receipt (Signature) 9414810898765023670183 65175 - Way South 701-708H - 1 12/24/2018	9414810898765023670183 (55175 - Way South 701-708H - 1	12/24/2018	Chevron USA Inc Attn: Kristen Hunter	6301 Deauville	Midland TX		90/6/
Lw	3 Certified with Return Receipt (Signature) 9414810898765023670190 65175 - Way South 701-708H - 2 12/24/2018	9414810898765023670190 (55175 - Way South 701-708H - 2	12/24/2018	EOG Y Resources Inc Attn: Land Manager	5509 Champions Drive	Midland TX		90262
4	4 Certified with Return Receipt (Signature) 9414810898765023670206 65175 - Way South 701-708H - 3 12/24/2018	9414810898765023670206 (55175 - Way South 701-708H - 3	12/24/2018	EOG A Resources Inc Attn: Land Manager	5509 Champions Drive	Midland TX		90262
2	5 Certified with Return Receipt (Signature) 9414810898765023670213 65175 - Way South 701-708H - 4 12/24/2018	9414810898765023670213 (55175 - Way South 701-708H - 4	12/24/2018	EOG M Resources Inc Attn: Land Manager	5509 Champions Drive	Midland TX		90262
9	6 Certified with Return Receipt (Signature) 9414810898765023670237 65175 - Way South 701-708H - 5 12/24/2018	9414810898765023670237 (55175 - Way South 701-708H - 5	12/24/2018	OXY Y-1 Company Attn: Jeremy Murphy	5 Greenway Plaza, Suite 110 Houston TX	Houston	¥	77046
_	7 Certified with Return Receipt (Signature) 9414810898765023670244 65175 - Way South 701-708H - 6 12/24/2018	9414810898765023670244 (55175 - Way South 701-708H - 6	12/24/2018	Nearburg Exploration Company, LLC	PO Box 823085	Dallas	۲	75382
	8 Certified with Return Receipt (Signature) 9414810898765023670251 65175 - Way South 701-708H - 7 12/24/2018	9414810898765023670251 (65175 - Way South 701-708H - 7	12/24/2018	Nearburg Producing Company	PO Box 823085	Dallas	۲	75382

	1 MailDate	1 MailDate USPS_Status
. 4	2 12/24/2018	2 12/24/2018 Your item was delivered to an individual at the address at 1:45 pm on January 7, 2019 in MiDLAND, TX 79706.
."	3 12/24/2018	3 12/24/2018 We attempted to deliver your package at 11:29 am on January 7, 2019 in MIDLAND, TX 79706 but could not access the delivery location. We will redeliver on the next business day.
	1 12/24/2018	4 12/24/2018 We attempted to deliver your package at 11:29 am on January 7, 2019 in MIDLAND, TX 79706 but could not access the delivery location. We will redeliver on the next business day.
51	5 12/24/2018	5 12/24/2018 We attempted to deliver your package at 11:29 am on January 7, 2019 in MIDLAND, TX 79706 but could not access the delivery location. We will redeliver on the next business day.
	5 12/24/2018	6 12/24/2018 Your item was delivered at 1:19 pm on January 7, 2019 in HOUSTON, TX 77227.
	7 12/24/2018	7 $12/24/2018$ Your item was picked up at the post office at 10:46 am on January 4, 2019 in DALLAS, TX 75231.
~	3 12/24/2018	8 12/24/2018 All sorting has been completed at the delivery unit for today's deliveries at 9:48 am on January 7, 2019 in DALLAS, TX 75382.

CURRENT-ARGUS

AFFIDAVIT OF PUBLICATION

Ad No. 0001266674

DAVID WASHINGTON 110 NORTH GUADALUPE, SUITE 1 PO BOX 2208

SANTA FE NM 87504

I, a legal clerk of the Carlsbad Current-Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

10/30/18

Legal Clerk

Subscribed and sworn before me this 30th of October 2018.

State of WI, County of Brown NOTARY PUBLIC

My Commission Expires

Ad#:0001266674 P O : Way South State # of Affidavits :0.00



ubmitted by: COG Operating LLC
Hearing Date: January 10, 201
Case No. 20078

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

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on November 15, 20 18, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appoint for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by November 5, 2018. Public documents, including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.

STATE OF NEW MEXICO TO:

All named parties and persons having any right, title, interest or claim in the following case and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To:All overriding royalty interest owners, overriding royalty interest owners, and pooled parties, including: Chevron USA Inc.; EOG Y Resources Inc.; EOG A Resources Inc.; EOG M Resources Inc.; OXY Y-1 Company; Nearburg Exploration Company, LLC; Nearburg Producing Company.

Case No. 20078:Application of COG Operating LLC for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Wolfcamp formation in the 767.59-acre horizontal spacing unit comprised of the E/2 of Section 19, the E/2 of Section 30, and the E/2 equivalent (N/2 NE/4, Lot 4, Lot 5) of Section 31, Township 26 South, Range 28 East, NMPM, Eddy County, New Mexico. The horizontal spacing unit will be dedicated to eight initial wells, to be drilled simultaneously from three pads:

•The proposed Way South State Com No. 70 1H Well, the proposed Way South State Com No. 70 2H Well, and the proposed Way South State Com No. 70 3H Well, to be horizontally drilled from a surface location in the SE/4NE/4 (Lot 5) of Section 31 to a bottom hole location in NE/4NE/4 (Unit A) of Section 19.

•The proposed Way South State Com No. 704H Well, to be horizontally drilled from a surface location in the SW/4NE/4 (Lot 4) of Section 31 to a bottom hole location in NE/4NE/4 (Unit A) of Section 19.

*The proposed Way South State Com No. 705H Well, the proposed Way South State Com No. 706H Well, the proposed Way South

State Com No. 707H Well, and the proposed Way South State Com No. 708H Well, to be horizontally drilled from a surface location in the SW/4NE/4 (Lot 4) of Section 31 to a bottom hole location in NW/4NE/4 (Unit B) of Section 19.

tion 19.

The Way South State Com No. 701H-707H Wells will be at an orthodox location 330 feet from the outer boundary of the spacing unit pursuant to the Special Rules for the Purple Sage Pool. The completed interval for the Way South State Com No. 708H Well will be at a non-standard location. COG will apply administratively for approval of an unorthodox location for the Way South State Com No. 708H Well. Also to be considered will be approval of additional initial wells, an extension of the timeframe for drilling and completion thereof, the cost of drilling and completing the well the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator, and a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 16 miles southwest of Malaga, New Mexico.

October 30, 2018 #1266674

JRRENT-ARGUS

AFFIDAVIT OF PUBLICATION

Ad No. 0001272237

DAVID WASHINGTON 110 NORTH GUADALUPE, SUITE 1 PO BOX 2208

SANTA FE NM 87504

I, a legal clerk of the Carlsbad Current-Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:..

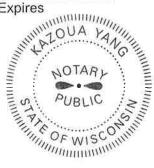
12/22/18

Subscribed and sworn before me this 24th of December 2018.

State of WI, County of Brown NOTARY PUBLIC

My Commission Expires

Ad#:0001272237 PO: 0001272237 # of Affidavits: 0.00



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

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on **January 10**, **2019**, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appoint for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign lan-guage interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by December 31, 2018. Public documents, including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.

> STATE OF NEW MEXICO TO: All named parties and persons having any right, title, interest or claim in the following case and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not

To:All overriding royalty interest owners and pooled parties, including: Chevron USA Inc.; EOG Y Resources Inc.; EOG A Resources Inc.; EOG M Resources Inc.; OXY Y-1 Company

Nearburg Exploration Company, LLC
Nearburg Producing Company.
Case No. 20078: Amended Application of COG
Operating LLC for compulsory pooling, Eddy
County, New Mexico. Applicant in the abovestyled cause seeks an order pooling all uncommitted interests in the Wolfcamp formation in the 767.59-acre horizontal spacing unit comprised of the E/2 of Section 19, the E/2 of Section 30, and the E/2 equivalent (N/2 NE/4, Lot 4, Lot 5) of Section 31, Township 26 South, Range 28 East, NMPM, Eddy County, New Mexico. The horizontal spacing unit will be dedicated to six initial wells to be drilled simultanear ed to six initial wells, to be drilled simultaneously from two pads:

- The proposed Way South State Com No. 701H Well, the proposed Way South State Com No. 702H Well, and the proposed Way South State Com No. 703H Well, to be horizontally drilled from a surface location in the SE/4NE/4 (Lot 5) of Section 31 to a bottom hole location in NE/4NE/4 (Unit A) of Section

- The proposed Way South State Com No. 704H Well, to be horizontally drilled from a surface location in the SW/4NE/4 (Lot 4) of Section 31 to a bottom hole location in NE/4NE/4 (Unit A) of Section 19.

- The proposed Way South State Com No. 705H Well, the proposed Way South State Com No. 706H Well, to be horizontally drilled from a surface location in the SW/4NE/4 (Lot 4) of Section 31 to a bottom hole location in NW/4NE/4 (Unit B) of Section 19.

The completed interval for all wells will be at an orthodox location 330 feet from the outer boundary of the spacing unit pursuant to the Special Rules for the Purple Sage Pool. Also, to be considered will be approval of additional initial wells, an extension of the timeframe for drilling and completion thereof, the cost of drilling and completing the well the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator, and a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 16 miles southwest of Malaga, New Mexico.

Pub: December 22, 2018 #1272237