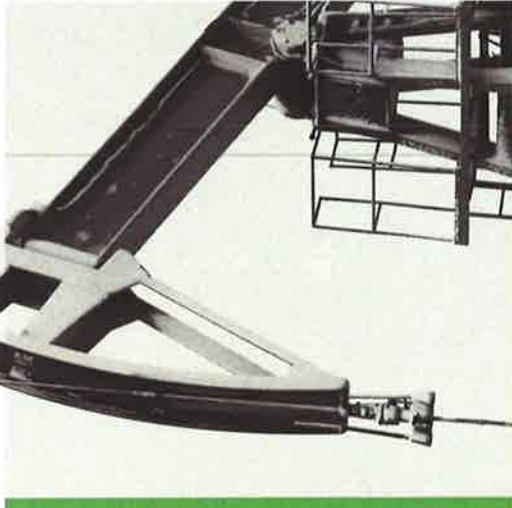




COG OPERATING LLC
Stove Pipe Federal Com
601H, 602H, 603H, 701H, 702H, 703H, 704H,
705H, 706H, 707H

Section 6 & 7-T25S-R35E
Lea County, New Mexico



BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING – JUNE 13, 2019

CASE NO. 20527



COG Operating, LLC—Stove Pipe Federal Com 601H-603H & 701H-707H

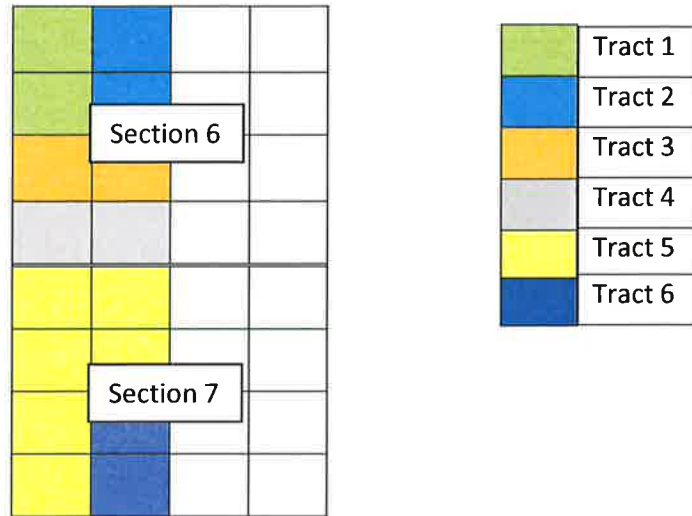
Township 25 South- Range 35 East, N.M.P.M.

Section 6: Lots 3-7, SE/4 NW/4, E/2 SW/4 (aka W/2)

Section 7: Lots 1-4, E/2 W/2 (aka W/2)

Lea County, New Mexico

Limited in Depth to the Wolfbone Pool



Tract 1: Section 6: Lots 4-5 (80.48 Acres)

COG Operating LLC	100.000000%
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Tract 2: Section 6: Lot 3 and the SE/4 NW/4 (80.15 Acres)

COG Operating LLC	11.875000%
Energen Resources Corporation	8.750000%
MRC Permian Company	8.750000%
Burlington Resources Oil & Gas Company	50.000000%
BEXP I, LP	8.750000%
Chisos Minerals, LLC	3.125000%
Charis Resources, LLC	5.833333%
Unleased Heirs or devisees of Barney L. Alsobrook	2.916667%
Total	100.000000%

Tract 3: Section 6: Lot 6, NE/4 SW/4 (79.94 Acres)

COG Operating, LLC	4.373333%
COG Acreage LP	39.982222%
Energen Resources Corporation	37.866667%
Marathon Oil Permian, LLC	8.000000%
MRC Permian Company	6.400000%
Noroma Energy, LLC	0.355556%
Ozark Royalty Company, LLC	0.355556%
Charlotte S. E. Garza	0.533333%
Jetstream Royalty Partners, LP	1.066667%
Jetstream New Mexico MFTC, LLC	1.066667%
Total	100.00000%

Tract 4: Section 6: Lot 7, SE/4SW/4 (79.75 Acres)

Oxy Y-1 Company	20.000000%
COG Operating LLC	80.000000%
Total	100.00000%

Tract 5: Section 7: Lots 1-4, E/2NW/4 (238.76 Acres)

COG Production LLC	100.00000%
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Tract 6: Section 7: E/2SW/4 (80 Acres)

COG Operating LLC	100.00000%
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Unit Working Interest

COG Operating LLC	37.130540%
COG Production LLC	37.359955%
COG Acreage LP	5.001219%
Energen Resources Corporation	5.833970%
OXY Y-1 Company	2.495775%
Marathon Oil Permian, LLC	1.000689%
MRC Permian Company	1.897929%
Burlington Resources Oil & Gas Company	6.270733%
Chisos Minerals, LLC	0.391921%
Unleased Heirs or devisees of Barney L. Alsobrook	0.365793%
Charis Resources, LLC	0.731586%
BEXP I, LP	1.097378%
Ozark Royalty Company, LLC	0.044475%
Noroma Energy, LLC	0.044475%
Charlotte S. E. Garza	0.066713%
Jetstream Royalty Partners, LP	0.133425%
Jetstream New Mexico MFTC, LLC	0.133425%
Total	100.00000%



Uncommitted Working Interest Owner

W2 Stove Pipe Fed Com Wells – Wolfbone Pool

Parties with Unmarketable Title

Heirs or Devisees of Barney L. Alsobrook
Heirs or Devises of Russell Kirby
Heirs or Devises of Erma Kirby
Michael Edwin Thompson
Heirs or Devises of Judith A. Greene
Scott Reed Greene
Elizabeth Alsobrook Schuler
Jonathon Barney Alsobrook
Stephen Reed Alsobrook
Nancy Ray Archie Trust
Neal Ervin Archie, Jr. Testamentary Trust
Heirs or Devisees of L.W. Kirby
Heirs or Devisees of Lillian Kirby
Heirs or Devisees of Neal Archie, Jr.
Heirs or Devisees of Nancy Archie
Vicki Archie Dossey
Richard Neal Archie
Heirs or Devisees of Bob Mason
Heirs or Devisees of Edwin Hall Baird
Heirs or Devisees of Sallie Knight Baird
Scott Gary Mason
Bruce Mason
Ozark Royalty Company, LLC
Noroma Energy, LLC
Jetstream Royalty Partners, LP
Heirs or Devisees of Willie Margaret Lain Baird
Chisos Minerals, LLC
G. Dan Thompson
Tilden Capital Minerals, LLC
GGM Exploration, Inc.
Pegasus Resources, LLC
TD Minerals, LLC
Charlotte Lain McGhee
Betty Ruth Lain Patterson
Georgia Ann Lain McGhee
Heirs or Devisees of Rubiedick K. Hawes
Heirs or Devisees of Hugh Rust Hawes, Jr.
Heirs or Devisees of Peggy Joyce Caudill Hawes
Hugh R. Hawes, IV
Heirs or Devisees of Madge Ferrel
Heirs or Devisees of John H. Ferrel
Heirs or Devisees of J.D. Ferrel

W2 Stove Pipe Fed Com Wells – Wolfbone Pool

PCB LLC
Flatland Mineral Fund, LP
Flatland Sidecar, LLC
Brigham Minerals, LLC
Heirs or Devisees of Georgia Mosley
Heirs or Devisees of Eddie May Mosley
Heirs or Devisees of Guy Neal
Peggy Neal Marquez
COG Operating LLC
Heirs or Devisees of Evelyn Gentry
Mitchell Cappadonna
Carol Cappadonna
Heirs or Devisees of Jewell Hosford
Ruth Vaughn
Heirs or Devisees of Richard G. Hosford
Barry Hosford
Michael Hosford
Bruce Hosford
Diann Hosford
Heirs or Devisees of Shirley Sue Mosley
Elizabeth Hogan
BEXP I, LP

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

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☐ AMENDED REPORT

API Number		Pool Code	Pool Name
Property Code	Property Name STOVE PIPE FEDERAL COM		Well Number 601H
OGRID No.	Operator Name COG OPERATING, LLC		Elevation 3321.7'

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	31	24-S	35-E		270	SOUTH	2160	WEST	LEA

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	7	25--S	35--E		50	SOUTH	2130	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
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The map displays a grid of land parcels. Key features include:

- Lot Numbers:** LOT 1 through LOT 7 are visible.
- Section Numbers:** SECTION 31, SECTION 6, SECTION 8, and SECTION 7 are labeled.
- Survey Points and Measurements:**
 - Top left: $Y=425543.9 \text{ N}$, $X=784285.6 \text{ E}$
 - Top right: $Y=425563.3 \text{ N}$, $X=786922.0 \text{ E}$
 - Middle left: $Y=425459.6 \text{ N}$, $X=786415.8 \text{ E}$; LAT.=32.166319° N; LONG.=103.407738° W
 - Middle right: $Y=425829.7 \text{ N}$, $X=786441.5 \text{ E}$; LAT.=32.167336° N; LONG.=103.407645° W
 - Bottom left: $Y=414982.8 \text{ N}$, $X=784360.8 \text{ E}$
 - Bottom right: $Y=415045.9 \text{ N}$, $X=786490.4 \text{ E}$; LAT.=32.137694° N; LONG.=103.407787° W
 - Far bottom right: $Y=414999.1 \text{ N}$, $X=786996.1 \text{ E}$
- Other Labels:** "FIP", "LEASE X-ING", "GRID AZ.", "HORIZ. DIST.", "S.L.", "B.H.", "100' FSL & 2130' FWL".

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.

Hearing Date: June 13, 2019

Date of Survey

Signature & Seal of Professional Surveyor



Chad Harcrow 6/6/19
Certificate No. CHAD HARCROW 17777
W.O. # 19-1040 DRAWN BY: WN

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240
Phone: (575) 393-8161 Fax: (575) 393-0720

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

DISTRICT III
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Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
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Phone: (505) 476-3460 Fax: (505) 476-3462

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

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name STOVE PIPE FEDERAL COM	Well Number 602H
OGRID No.	Operator Name COG OPERATING, LLC	Elevation 3329.1'

Surface Location


UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	31	24-S	35-E		270	SOUTH	1455	WEST	LEA

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
M	7	25-S	35-E		50	SOUTH	1230	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
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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>LOT 1 39.22 Ac LOT 2 39.18 Ac LOT 3 40.21 Ac LOT 4 40.17 Ac 1455' SL 270' LOT 3 LOT 2 SECTION 31 LOT 1 LOT 4 40.23 Ac 39.90 Ac 40.22 Ac 40.35 Ac LOT 5 40.20 Ac 179.3523 40.02 Ac LOT 6 39.77 Ac LOT 7 39.65 Ac LOT 2 39.61 Ac LOT 3 39.62 Ac LOT 4 39.73 Ac 1230' 50'</p> <p>Y=425543.9 N X=784285.6 E LEASE X-ING LAT.=32.166597° N LONG.=103.410451° W FTP 100' FNL & 1230' FWL Y=425452.9 N X=785515.8 E LAT.=32.166322° N LONG.=103.410647° W GRID AZ. TO FTP 210°42'06" LEASE X-ING LAT.=32.159328° N LONG.=103.410658° W LEASE X-ING LAT.=32.155701° N LONG.=103.410664° W LEASE X-ING LAT.=32.152074° N LONG.=103.410670° W LTP 100' FSL & 1230' FWL Y=415090.4 N X=785590.0 E LAT.=32.137837° N LONG.=103.410694° W Y=414982.8 N X=784360.8 E</p> <p>Y=425563.3 N X=786922.0 E NAD 27 NME SURFACE LOCATION Y=425824.5 N X=785736.5 E LAT.=32.167338° N LONG.=103.409923° W NAD 27 NME PROPOSED BOTTOM HOLE LOCATION Y=415040.4 N X=785590.4 E LAT.=32.137700° N LONG.=103.410694° W Y=414999.1 N X=786996.1 E</p>	<p>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.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p> <p>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.</p> <p>APRIL 2, 2019 Date of Survey</p> <p>Signature & Seal of Professional Surveyor</p> <p> Chad Harcrow 6/6/19 Certificate No. CHAD HARCROW 17777 W.O. # 19-1043 DRAWN BY: AM</p>
---	--

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240
Phone: (575) 393-8161 Fax: (575) 393-0720

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

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

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

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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 STOVE PIPE FEDERAL COM	Well Number 603H
OGRID No.	Operator Name COG OPERATING, LLC	Elevation 3347.4'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	31	24-S	35-E		270	SOUTH	390	WEST	LEA

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
4	7	25-S	35-E		50	SOUTH	330	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
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<p>Y=425543.9 N X=784285.6 E</p> <p>LEASE X-ING LAT.=32.166600° N LONG.=103.413503° W</p> <p>FTP 100' FNL & 330' FWL Y=425446.3 N X=784615.9 E LAT.=32.166325° N LONG.=103.413555° W</p> <p>GRID AZ TO FTP 188°33'05"</p> <p>LEASE X-ING LAT.=32.159333° N LONG.=103.413566° W</p> <p>LEASE X-ING LAT.=32.155707° N LONG.=103.413572° W</p> <p>LEASE X-ING LAT.=32.152080° N LONG.=103.413578° W</p> <p>LTP 100' FSL & 330' FWL Y=415084.8 N X=784690.1 E LAT.=32.137843° N LONG.=103.413601° W</p> <p>Y=414982.8 N X=784360.8 E</p> <p>Y=425563.3 N X=786922.0 E</p> <p>NAD 27 NME SURFACE LOCATION Y=425816.6 N X=784671.6 E LAT.=32.167342° N LONG.=103.413365° W</p> <p>NAD 27 NME PROPOSED BOTTOM HOLE LOCATION Y=415034.8 N X=784690.4 E LAT.=32.137706° N LONG.=103.413601° W</p> <p>Y=414999.1 N X=787000.8 E</p>	<p>OPERATOR CERTIFICATION</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 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.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p> <p>SURVEYOR CERTIFICATION</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>APRIL 2, 2019</p> <p>Date of Survey _____</p> <p>Signature & Seal of Professional Surveyor</p> <p> Chad L. Hargrow 6/6/19 Certificate No. CHAD HARGROW 17777 W.O. # 19-1047 DRAWN BY: CD</p>
---	---

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240
Phone: (505) 393-6161 Fax: (505) 393-0720

DISTRICT II
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name STOVE PIPE FEDERAL COM	Well Number 701H
GRID No.	Operator Name COG OPERATING, LLC	Elevation 3321.2'

Surface Location

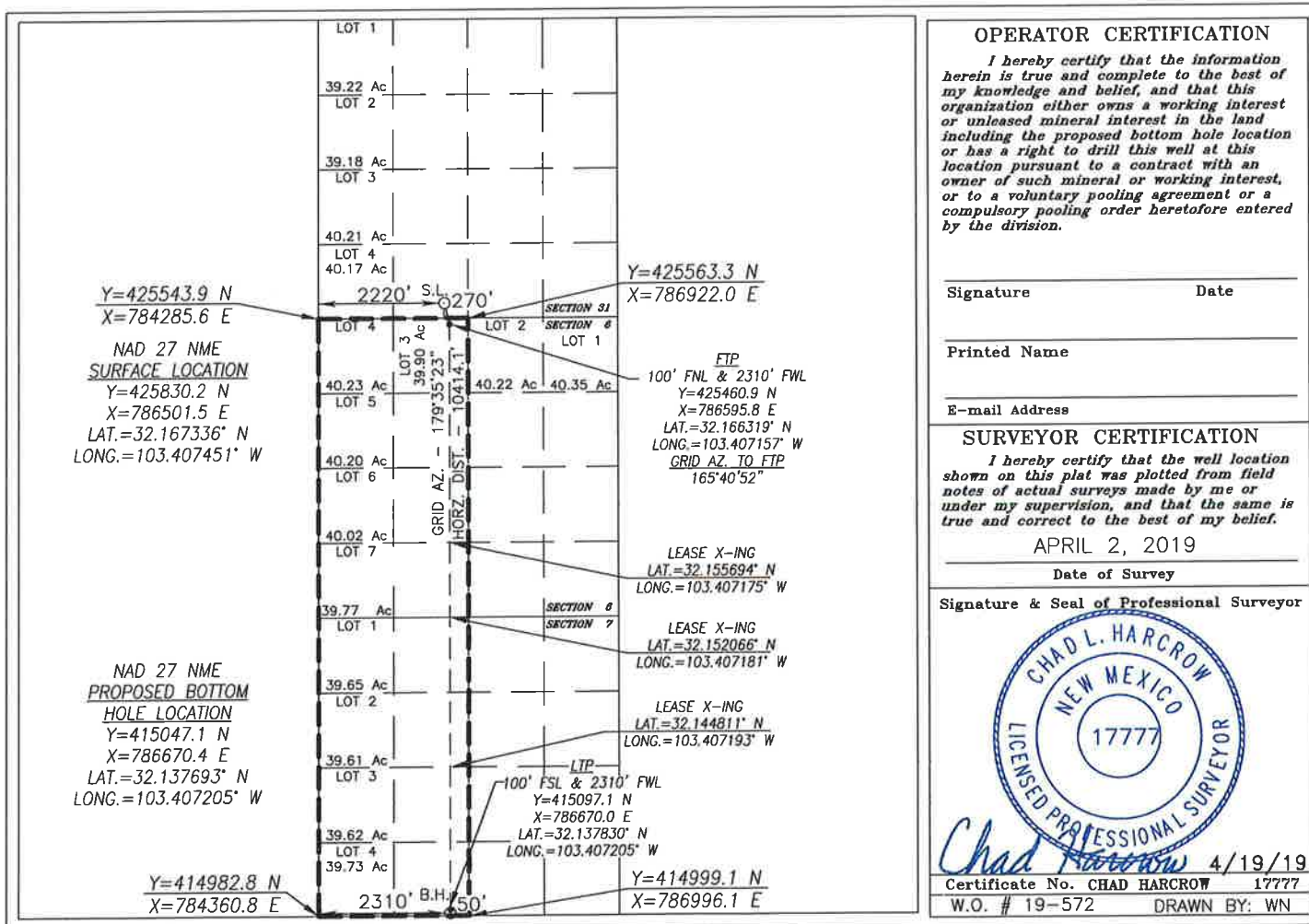
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	31	24-S	35-E		270	SOUTH	2220	WEST	LEA

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
N	7	25-S	35-E		50	SOUTH	2310	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
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DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3482

Chad Harcrow 6/6/19
 Certificate No. CHAD HARCROW 17777
 W.O. # 19-1041 DRAWN BY: WN

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240
Phone: (575) 393-6181 Fax: (575) 393-0720

DISTRICT II
611 S. FIRST ST., ARTESIA, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-0720

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

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name STOVE PIPE FEDERAL COM	Well Number 703H
OGRID No.	Operator Name COG OPERATING, LLC	Elevation 3328.2'

Surface Location

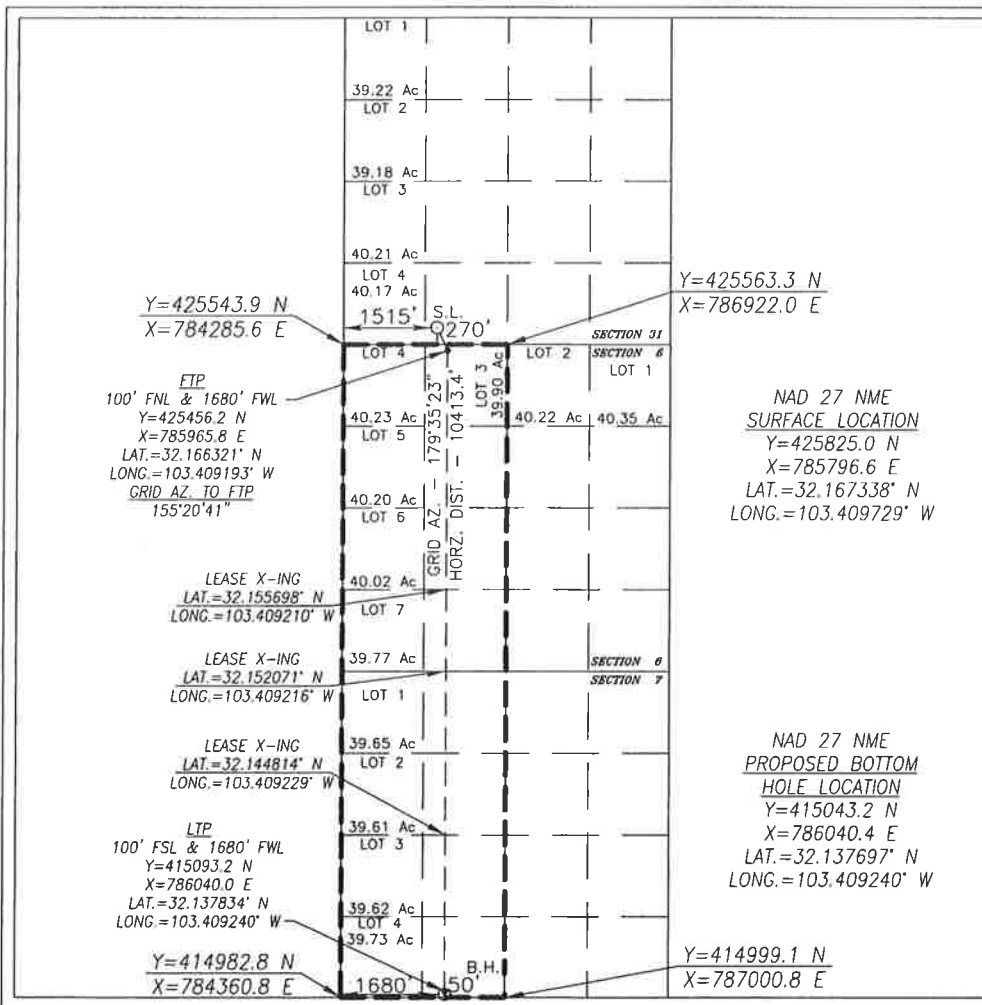
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	31	24-S	35-E		270	SOUTH	1515	WEST	LEA

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
N	7	25-S	35-E		50	SOUTH	1680	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

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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.

APRIL 2, 2019

Date of Survey

Signature & Seal of Professional Surveyor



Chad L. Harcrow 6/6/19
Certificate No. CHAD HARCROW 17777
W.O. # 19-1045 DRAWN BY: CD

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name STOVE PIPE FEDERAL COM	Well Number 704H
OGRID No.	Operator Name COG OPERATING, LLC	Elevation 3328.4'

Surface Location

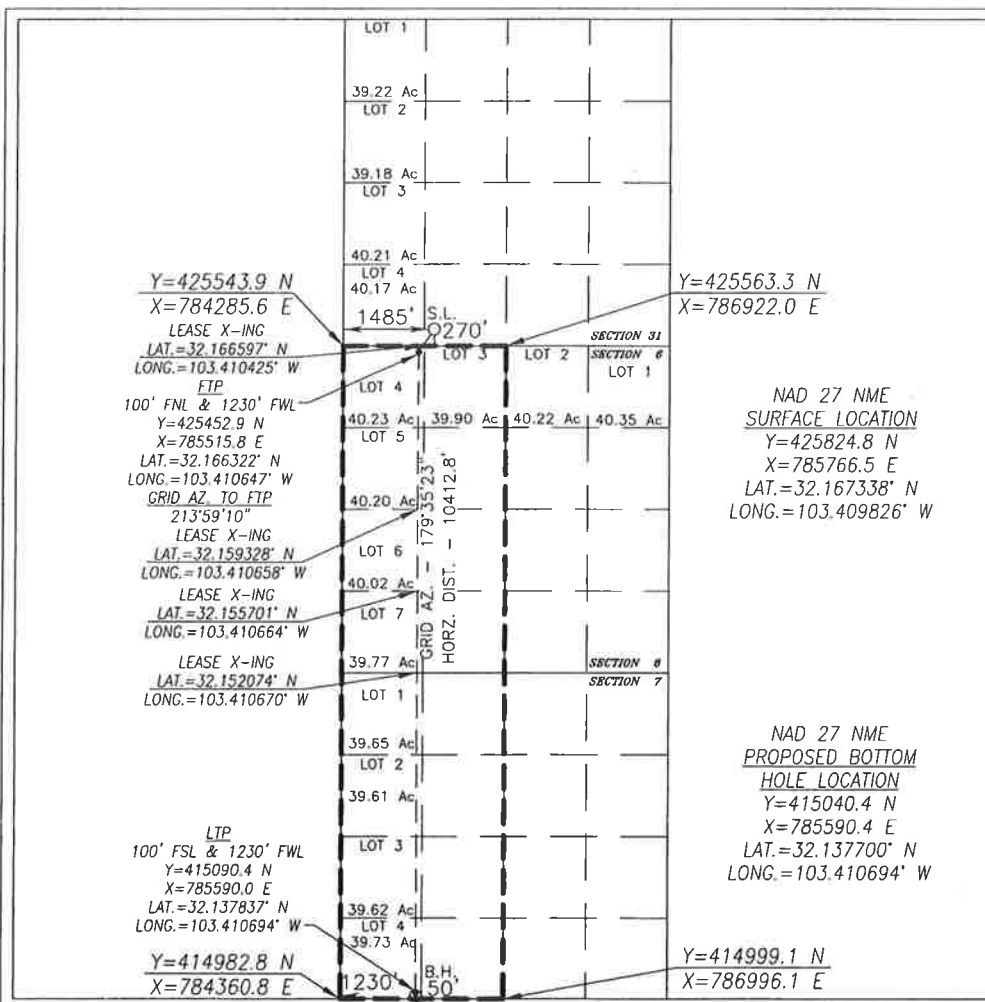
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	31	24-S	35-E		270	SOUTH	1485	WEST	LEA

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
M	7	25-S	35-E		50	SOUTH	1230	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
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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.

APRIL 2, 2019

Date of Survey

Signature & Seal of Professional Surveyor



Signature _____ 6/6/19
Certificate No. CHAD HARGROW 17777
W.O. # 19-1044 DRAWN BY: AM

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505
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☐ AMENDED REPORT

API Number		Pool Code	Pool Name
Property Code	Property Name		Well Number
	STOVE PIPE FEDERAL COM		705H
OGRID No.	Operator Name		Elevation
	COG OPERATING, LLC		3329.7'

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	31	24-S	35-E		270	SOUTH	1425	WEST	LEA

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South ¹ line	Feet from the	East/West line	County
4	7	25-S	35-E		50	SOUTH	780	WEST	LEA

[illegible]

LOT 1
39.22 Ac
LOT 2
39.18 Ac
LOT 3
40.21 Ac
LOT 4
40.17 Ac
S.L.
1425' P 270'
SECTION 31
SECTION 6
LOT 1
39.90 Ac 40.22 Ac 40.35 Ac
LOT 5
LOT 6
LOT 7
LOT 8
LOT 9
LOT 10
LOT 11
LOT 12
SECTION 8
SECTION 7
NAD 27 NME
SURFACE LOCATION
Y=425824.3 N
X=785706.5 E
LAT.=32.167339° N
LONG.=103.410020° W
NAD 27 NME
PROPOSED BOTTOM
HOLE LOCATION
Y=415037.6 N
X=785140.4 E
LAT.=32.137703° N
LONG.=103.412148° W
Y=425543.9 N
X=784285.6 E
LEASE X-ING
LAT.=32.166598° N
LONG.=103.411538° W
FTP
100' FNL & 780' FWL
Y=425449.6 N
X=785065.8 E
LAT.=32.166324° N
LONG.=103.412101° W
GRID AZ. TO FTP
239°40'34"
LEASE X-ING
LAT.=32.159330° N
LONG.=103.412112° W
LEASE X-ING
LAT.=32.155704° N
LONG.=103.412118° W
LEASE X-ING
LAT.=32.152077° N
LONG.=103.412124° W
LTP
100' FSL & 780' FWL
Y=415087.6 N
X=785140.1 E
LAT.=32.137840° N
LONG.=103.412147° W
Y=414982.8 N
X=784360.8 E
LOT 4
39.73 Ac
B.H.
780' 150'

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

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.

APRIL 2, 2019

Date of Survey

Signature & Seal of Professional Surveyor



Chad Harcrow 6/6/19
Certificate No. CHAD HARCROW 17777
W.O. # 19-1042 DRAWN BY: CD

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240
Phone: (575) 393-8181 Fax: (575) 393-0720

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

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

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

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 STOVE PIPE FEDERAL COM	Well Number 706H
OGRID No.	Operator Name COG OPERATING, LLC	Elevation 3348.2'

Surface Location

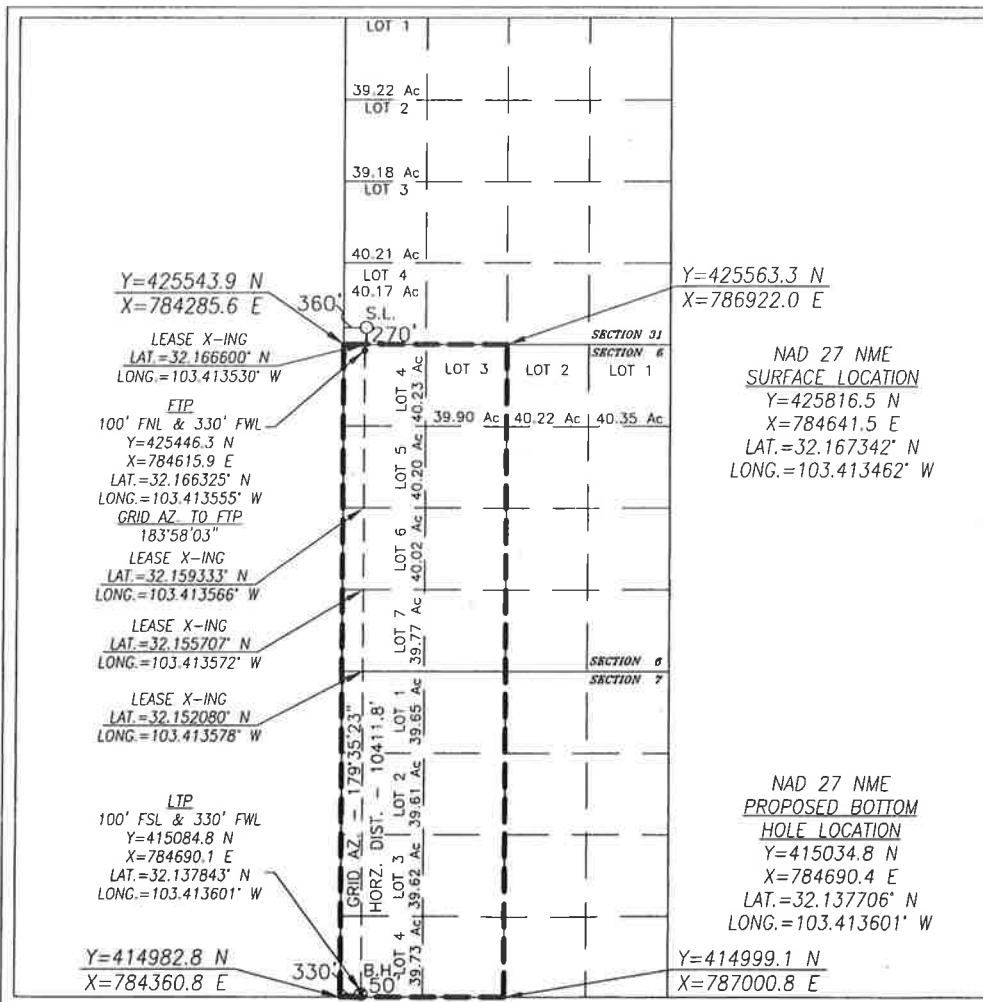
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	31	24-S	35-E		270	SOUTH	360	WEST	LEA

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
4	7	25-S	35-E		50	SOUTH	330	WEST	LEA

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 _____

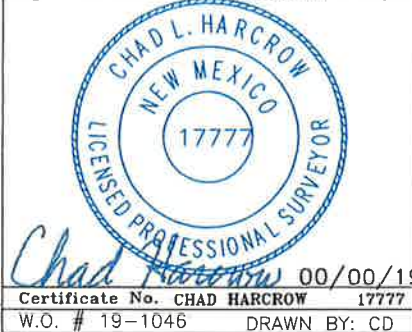
SURVEYOR CERTIFICATION

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.

APRIL 2, 2019

Date of Survey

Signature & Seal of Professional Surveyor



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Phone: (575) 393-8181 Fax: (575) 393-0720

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Phone: (505) 334-0178 Fax: (505) 334-0170

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

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

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 STOVE PIPE FEDERAL COM	Well Number 707H
GRID No.	Operator Name COG OPERATING, LLC	Elevation 3348.5'

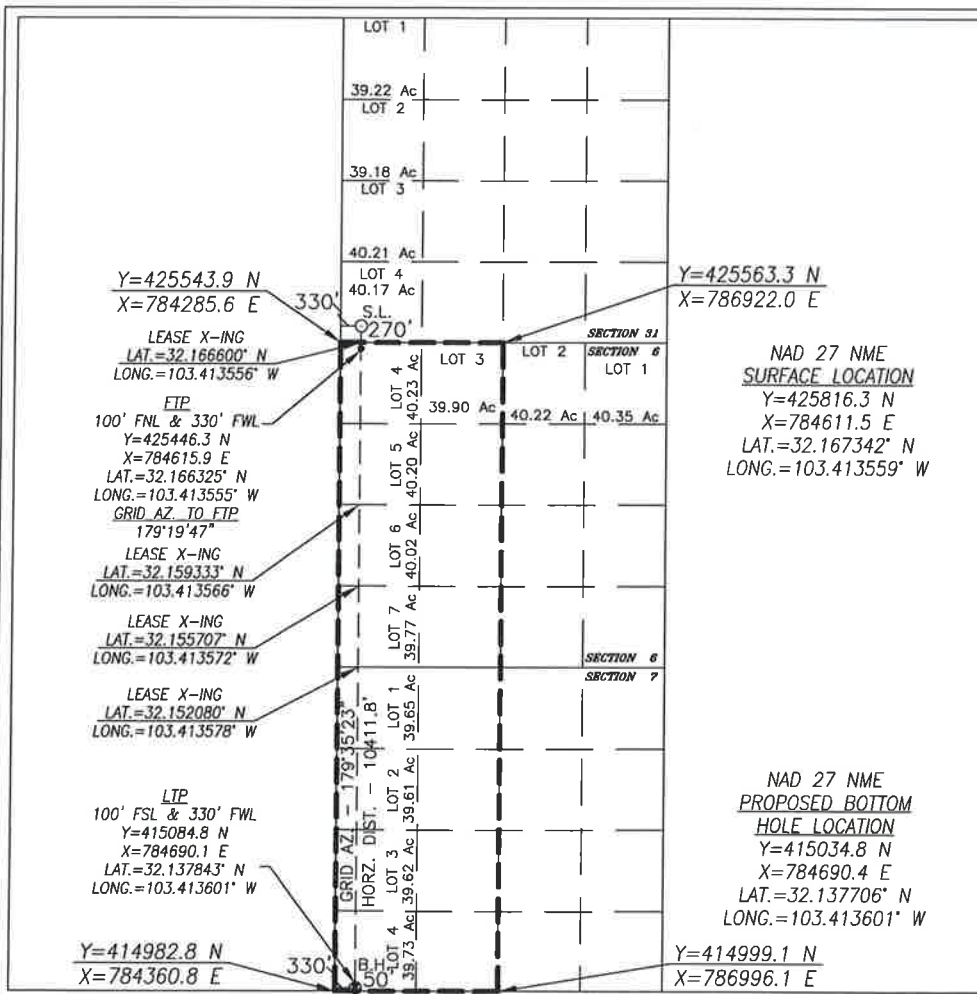
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	31	24-S	35-E		270	SOUTH	330	WEST	LEA

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
4	7	25-S	35-E		50	SOUTH	330	WEST	LEA
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

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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.

APRIL 2, 2019

Date of Survey

Signature & Seal of Professional Surveyor



Chad Harcrow 4/19/19
Certificate No. CHAD HARCROW 17777
W.O. # 19-577 DRAWN BY: WN

Certified Mail No.91 7199 9991 7038 7698 0574

March 19, 2019

Chisos Minerals, LLC
1111 Bagby St., Ste 2150
Houston, TX 77002

Re: Title Requirement
Sections 6 & 7, T25S-R35E
Lea County, NM

To Whom It May Concern:

COG Operating LLC ("COG"), as Operator, plans to develop the W/2 of Sections 6 & 7, T25S-R35E by drilling multiple horizontal wells. COG recently received an updated title opinion covering the W/2 of Sections 6 & 7, T25S-R35E, among other lands, and your interest is subject to title requirement(s). Due to the uncertainties involved with unsatisfied title requirements, if the title requirement(s) regarding your interest are not cured before drilling, COG may apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a spacing unit for the proposed well at such time. Please find the title requirement(s) affecting your interest attached to this letter. Upon the completion of curing such title requirement(s), please provide any instrument or documentation to the undersigned for review.

Please contact the undersigned at (432) 685-2588 if you would like to discuss this in more detail. Your prompt attention to this matter is greatly appreciated.

Very truly yours,

COG Operating LLC



Megan Tipton, RPL
Landman

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. 3

Case No. 20527

Submitted by: **COG OPERATING, LLC**

Hearing Date: June 13, 2019



US Certified Mail – 91 7199 9991 7038 7772 3163

March 19, 2019

Diamondback Energy Incorporated
500 W. Texas Avenue, Ste. 1200
Midland, TX 79701

Re: **Well Proposal – Stove Pipe Federal Com #601H**
Sec 6: Lots 3-7, SE/4NW/4, E/2SW/4 (W/2) - T25S-R35E
Sec 7: Lots 1-4, E/2W/2 (W/2) - T25S-R35E
SHL: 270 FSL/2160 FWL, or a location in Sec 31 - T24S-R35E
BHL: 50 FSL/2080 FWL, or a location in Sec 7 - T25S-R35E
Lea County, New Mexico

Dear Sir/Madam:

COG Operating LLC (COG), as Operator, proposes to drill the Stove Pipe Federal Com #601H well as a horizontal well at the above-captioned location to a TVD of approximately 12,550' and a MD of 23,069' to test the Wolfbone Pool ("Operation"). The total cost of the Operation is estimated to be \$14,874,855.00 and a detailed description of the cost is set out in the enclosed Authority for Expenditure ("AFE").

COG is proposing to drill this well under the terms of the AAPL Form 610- 1989 Operating Agreement. The Operating Agreement covers Sec. 6: Lots 3-7, SE/4NW/4, E/2SW/4 (W/2) and Sec. 7: Lots 1-4, E/2W/2 (W/2) - T25S-R35E, Lea County, NM; a fully executable copy will be sent for your execution if you shall choose to participate with the following general provisions:

- 100/300 Non-consenting penalty
- \$8,000/\$800 Drilling and Producing rate
- COG Operating LLC named as Operator

Please indicate your election in the space provided below, sign and return this letter, along with a signed copy of the enclosed AFE and a copy of your geologic well requirements. A self-addressed, postage paid envelope is enclosed for your convenience. If you do not wish to participate, COG proposes to acquire your interest via term assignment. It has the following general provisions:

- 3 year primary term
- Delivering a 75% NRI, proportionately reduced
- \$2,000 per net acre bonus consideration

The Term Assignment offer terminates 30 days from the date of this letter and is subject to the approval of COG's management and verification of title.

If an agreement cannot be reached 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 if uncommitted at such time.

If you have any questions, please contact the undersigned at 432-685-2588 or mtipton@concho.com.

Respectfully,

Megan L. Tipton

Megan Tipton
Landman

_____ I/We hereby elect to participate in the Stove Pipe Federal Com #601H.

_____ I/We hereby elect **not** to participate in the Stove Pipe Federal Com #601H.

Company: _____

By: _____

Name: _____

Title: _____

Date: _____



March 19, 2019

US Certified Mail – 91 7199 9991 7038 7772 3217

Burlington Resources Oil & Gas Company
600 N. Dairy Ashford Rd
Houston, TX 77079

Re: **Well Proposal – Stove Pipe Federal Com #601H**
Sec 6: Lots 3-7, SE/4NW/4, E/2SW/4 (W/2) - T25S-R35E
Sec 7: Lots 1-4, E/2W/2 (W/2) - T25S-R35E
SHL: 270 FSL/2160 FWL, or a location in Sec 31 - T24S-R35E
BHL: 50 FSL/2080 FWL, or a location in Sec 7 - T25S-R35E
Lea County, New Mexico

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- \$8,000/\$800 Drilling and Producing rate
- COG Operating LLC named as Operator

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- Bonus of \$2,000 /Net Mineral Acre
- 3 Year Primary Term
- 25% Royalty Interest

The Lease offer is subject to the approval of COG's management and verification of title.

If an agreement cannot be reached 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 if uncommitted at such time.

If you have any questions, please contact the undersigned at (432) 685-2588 or mtipton@concho.com.

Respectfully,

Megan L. Tipton

Megan Tipton
Landman

_____ I/We hereby elect to participate in the Stove Pipe Federal Com #601H.

_____ I/We hereby elect **not** to participate in the Stove Pipe Federal Com #601H.

Company: _____

By: _____

Name: _____

Title: _____

Date: _____

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME:	STOVE PIPE FEDERAL COM #601H	PROSPECT NAME:	Buildog 2535 (717109)
SHL:	Sec 31: 270 FSL & 2160 FWL	STATE & COUNTY:	New Mexico, Lea
BHL:	Sec 7: 50 FSL & 2080 FWL	OBJECTIVE:	DRILL AND COMPLETE
FORMATION:	Wolfbone Pool	DEPTH:	23,009
LEGAL:	Sec 31: 24S-35E	TVD:	12,550

		Drig - Rig		Tank Btty		Pmpg	
		Release(D)	Completion(C)	Constrctn(TB)		Equipment(PEO)	TOTAL
INTANGIBLE COSTS							
Title/Cursive/Permit	201	20,000					20,000
Insurance	202	2,500	302				2,500
Damages/Right of Way	203	20,000	303	351			20,000
Survey/State Location	204	7,000		352			7,000
Location/Pits/Road Expense	205	135,000	305	10,000	353	45,000	190,000
Drilling / Completion Overhead	206	11,100	306	15,000			26,100
Turnkey Contract	207						0
Footage Contract	208						0
Daywork Contract	209	984,000					984,000
Directional Drilling Services	210	442,000					442,000
Frac Equipment			307	1,629,000			1,629,000
Frac Chemicals			308	473,000			473,000
Frac Proppant			309	814,000			814,000
Frac Proppant Transportation			310	399,000			399,000
Fuel & Power	211	211,000	311	68,000	354	307	279,000
Water	212	60,000	312	966,000		368	1,026,000
Bits	213	11,000	313	4,500		369	15,500
Mud & Chemicals	214	275,000	314	25,000		370	300,000
Oril Stem Test	215		315				0
Coring & Analysis	216						0
Cement Surface	217	28,000					28,000
Cement Intermediate	218	75,000					75,000
Cement 2nd Intermediate/Production	219	115,000					115,000
Cement Squeeze & Other (Kickoff Plug)	220					371	0
Float Equipment & Centralizers	221	65,000					65,000
Casing Crews & Equipment	222	70,000					70,000
Fishing Tools & Service	223		323			372	0
Geology/Engineering	224	11,400	324	355		373	11,400
Contract Labor	225	6,500	325	20,000	356	122,935	155,935
Company Supervision	226	66,600	326	15,000	357		81,600
Contract Supervision	227	157,000	327	255,000	358		412,000
Testing Casing/Tubing	228	30,000	328	5,000		377	35,000
Mud Logging Unit	229	52,000	329				52,000
Logging	230					378	0
Perforating/Wireline Services	231	4,000	331	586,000		379	590,000
Stimulation/Treating			332	397,000		380	397,000
Completion Unit			333	136,000		381	146,800
Swabbing Unit			334			382	0
Rentals-Surface	235	160,000	335	403,000	359	383	600,000
Rentals-Subsurface	236	150,000	336	30,000		384	180,000
Trucking/Forklift/Rig Mobilization	237	200,000	337	20,000	360	385	223,000
Welding Services	238	3,000	338	5,000	361	386	8,000
Water Disposal	239		339	60,000	362	135,000	445,000
Plug to Abandon	240		340			387	250,000
Seismic Analysis	241		341				0
Miscellaneous	242	10,000	342			389	10,000
Contingency	243	71,000	343	250,000	363	390	321,000
Closed Loop & Environmental	244	330,000	344	5,000	364	388	335,000
Dyed Diesel	245		345	484,000			484,000
Coil Tubing			346	750,000			750,000
Flowback Crews & Equip			347	48,000			48,000
Offset Directional/Frac	248		348			391	0
TOTAL INTANGIBLES		3,813,100	8,076,500	302,935		280,300	12,472,835

TANGIBLE COSTS							
Surface Casing	401	52,000					52,000
Intermediate Casing	402	555,000					555,000
Production Casing/liner	403	782,000					782,000
Tubing			504	52,030		530	57,030
Wellhead Equipment	405	75,000	505	22,000		531	100,000
Pumping Unit				0		506	96,000
Prime Mover				0		507	0
Rods				0		508	55,000
Pumps-Sub Surface (BH)			509			532	5,000
Tanks				510	63,645		63,645
Flowlines				511	26,592		26,592
Heater Treater/Separator				512	140,007		140,007
Electrical System				513	130,000	533	145,000
Packers/Anchors/Slangers	414		514	68,000		534	68,000
Couplings/Fittings/Valves	415			515	102,282		102,282
Dehydration				517			0
Injection Plant/CO2 Equipment				518			0
Pumps-Surface				521	5,000		5,000
Instrumentation/SCADA/POG				522	10,482	529	17,482
Miscellaneous	419		519	5,241	535	3,000	8,241
Contingency	420		520		524		0
Meters/LACT				525	25,156		25,156
Flares/Combustors/Emission				526	23,584		23,584
Gas Lift/Compression			527	15,000	516	60,000	75,000
TOTAL TANGIBLES		1,464,000	155,030	591,980		191,000	2,402,020
TOTAL WELL COSTS		5,277,100	8,232,000	894,925		471,300	14,874,855

COG Operating LLC

Date Prepared: 2/28/19

We approve:

COG Operating LLC

% Working Interest:

By: AL

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.



US Certified Mail – 91 7199 9991 7038 7772 3163

March 19, 2019

Diamondback Energy Incorporated
500 W. Texas Avenue, Ste. 1200
Midland, TX 79701

Re: **Well Proposal – Stove Pipe Federal Com #602H**
Sec 6: Lots 3-7, SE/4NW/4, E/2SW/4 (W/2) - T25S-R35E
Sec 7: Lots 1-4, E/2W/2 (W/2) - T25S-R35E
SHL: 270 FSL/1455 FWL, or a location in Sec 31 - T24S-R35E
BHL: 50 FSL/1330 FWL, or a location in Sec 7 - T25S-R35E
Lea County, New Mexico

Dear Sir/Madam:

COG Operating LLC (COG), as Operator, proposes to drill the Stove Pipe Federal Com #602H well as a horizontal well at the above-captioned location to a TVD of approximately 12,550' and a MD of 22,936' to test the Wolfbone Pool ("Operation"). The total cost of the Operation is estimated to be \$14,982,855.00 and a detailed description of the cost is set out in the enclosed Authority for Expenditure ("AFE").

COG is proposing to drill this well under the terms of the AAPL Form 610- 1989 Operating Agreement. The Operating Agreement covers Sec. 6: Lots 3-7, SE/4NW/4, E/2SW/4 (W/2) and Sec. 7: Lots 1-4, E/2W/2 (W/2) - T25S-R35E, Lea County, NM; a fully executable copy will be sent for your execution if you shall choose to participate with the following general provisions:

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- Delivering a 75% NRI, proportionately reduced
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If you have any questions, please contact the undersigned at 432-685-2588 or mtipton@concho.com.

Respectfully,

Megan L. Tipton

Megan Tipton
Landman

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_____ I/We hereby elect **not** to participate in the Stove Pipe Federal Com #602H.

Company: _____

By: _____

Name: _____

Title: _____

Date: _____



March 19, 2019

US Certified Mail – 91 7199 9991 7038 7772 3217

Burlington Resources Oil & Gas Company
600 N. Dairy Ashford Rd
Houston, TX 77079

Re: **Well Proposal – Stove Pipe Federal Com #602H**
Sec 6: Lots 3-7, SE/4NW/4, E/2SW/4 (W/2) - T25S-R35E
Sec 7: Lots 1-4, E/2W/2 (W/2) - T25S-R35E
SHL: 270 FSL/1455 FWL, or a location in Sec 31 - T24S-R35E
BHL: 50 FSL/1330 FWL, or a location in Sec 7 - T25S-R35E
Lea County, New Mexico

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- \$8,000/\$800 Drilling and Producing rate
- COG Operating LLC named as Operator

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- Bonus of \$2,000 /Net Mineral Acre
- 3 Year Primary Term
- 25% Royalty Interest

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Respectfully,

Megan L. Tipton

Megan Tipton
Landman

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_____ I/We hereby elect **not** to participate in the Stove Pipe Federal Com #602H.

Company: _____

By: _____

Name: _____

Title: _____

Date: _____

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME:	STOVE PIPE FEDERAL COM #602H	PROSPECT NAME:	Bulldog 2535 (717109)
SHL:	Sec 31: 270 FSL & 1455 FWL	STATE & COUNTY:	New Mexico, Lea
BHL:	Sec 7: 50 FSL & 1330 FWL	OBJECTIVE:	DRILL AND COMPLETE
FORMATION:	Wolfbone Pool	DEPTH:	22,936
LEGAL:	Sec 31: 24S-35E	TVD:	12,550

		Drig - Rig Release(D)	Completion(C)	Tank Btly Constrcn(TB)	Pmpg Equipment(PEO)	TOTAL
INTANGIBLE COSTS						
Time/Corrosion/Permit	201	20,000				20,000
Insurance	202	2,500	302			2,500
Damages/Right of Way	203	20,000	303	351		20,000
Survey/State Location	204	7,000		352		7,000
Location/Pits/Road Expense	205	135,000	305	10,000	353	190,000
Drilling / Completion Overhead	206	11,100	306	15,000	360	26,100
Turnkey Contract	207					0
Footage Contract	208					0
Daywork Contract	209	984,000				984,000
Directional Drilling Services	210	442,000				442,000
Frac Equipment			307	1,829,000		1,829,000
Frac Chemicals			308	473,000		473,000
Frac Proppant			309	814,000		814,000
Frac Proppant Transportation			310	399,000		399,000
Fuel & Power	211	211,000	311	68,000	354	279,000
Water	212	60,000	312	966,000	357	1,026,000
Bills	213	118,000	313	4,500	369	123,500
Mud & Chemicals	214	275,000	314	25,000	370	300,000
Drill Stem Test	215		315			0
Coring & Analysis	216					0
Cement Surface	217	28,000				28,000
Cement Intermediate	218	75,000				75,000
Cement 2nd Intermediate/Production	219	115,000				115,000
Cement Squeeze & Other (Kickoff Plug)	220				371	0
Float Equipment & Centralizers	221	65,000				65,000
Casing Crews & Equipment	222	70,000				70,000
Fishing Tools & Service	223		323		372	0
Geologic/Engineering	224	11,400	324	355	373	11,400
Contract Labor	225	6,500	325	20,000	374	155,935
Company Supervision	226	88,800	326	15,000	375	81,600
Contract Supervision	227	157,000	327	255,000	376	417,000
Testing Casing/Tubing	228	30,000	328	5,000	377	35,000
Mud Logging Unit	229	52,000	329			52,000
Logging	230				378	0
Perforating/Wireline Services	231	4,000	331	588,000	379	592,000
Simulation/Treating			332	397,000	380	397,000
Completion Unit			333	138,000	381	148,800
Swabbing Unit			334		382	8,800
Rentals-Surface	235	190,000	335	403,000	359	600,000
Rentals-Subsurface	236	150,000	336	30,000	383	180,000
Trucking/Facility/Rig Mobilization	237	200,000	337	20,000	384	223,000
Welding Services	238	3,000	338	5,000	385	6,000
Water Disposal	239	3,000	339	60,000	362	135,000
Plug to Abandon	240		340		387	250,000
Seismic Analysis	241		341			0
Miscellaneous	242	10,000	342		389	10,000
Contingency	243	71,000	343	250,000	353	321,000
Closed Loop & Environmental	244	330,000	344	5,000	384	335,000
Dyed Diesel	245		345	484,000		750,000
Coil Tubing			346	750,000		48,000
Flowback Crews & Equip			347	48,000		0
Offset Directional/Frac	246		348		361	0
TOTAL INTANGIBLES		3,921,100	8,076,500	302,935	280,300	12,580,835
TANGIBLE COSTS						
Surface Casing	401	52,000				52,000
Intermediate Casing	402	555,000				555,000
Production Casing/Liner	403	782,000				782,000
Tubing			504	52,030	530	57,030
Wellhead Equipment	405	75,000	505	22,000	531	100,000
Pumping Unit				0	506	96,000
Prime Mover				0	507	0
Rods				0	508	55,000
Pumps-Sub Surface (BH)			509		532	5,000
Tanks				510	63,645	63,645
Flowlines				511	26,593	26,593
Heater Treater/Separator				512	140,007	140,007
Electrical System				513	130,000	145,000
Packers/Anchors/Hangers	414		514	66,000	534	2,000
Couplings/Fittings/Valves	415			515	102,282	102,282
Dehydration				517		0
Injection Plant/CO2 Equipment				518		0
Pumps-Surface				521	5,000	5,000
Instrumentation/SCADA/POC				522	10,482	17,482
Miscellaneous	419		519		523	5,241
Contingency	420		520		524	3,000
Meters/LACT				525	25,156	25,156
Flares/Combustors/Emission				528	23,584	23,584
Gas Lift/Compression			527	15,000	518	60,000
TOTAL TANGIBLES		1,464,000	155,030	591,990	191,000	2,402,020
TOTAL WELL COSTS		5,385,100	8,232,000	894,925	471,300	14,982,855
% of Total Well Cost						
		36%	55%	6%	3%	

COG Operating LLC

Date Prepared: 2/28/19

COG Operating LLC

We approve:

By: AL

% Working Interest

Company:

By:

Printed Name:

Title:

This AFE is only an estimate. By signing you agree to pay your share

Date:

of the actual costs incurred.



US Certified Mail – 91 7199 9991 7038 7772 3163

March 19, 2019

Diamondback Energy Incorporated
500 W. Texas Avenue, Ste. 1200
Midland, TX 79701

Re: **Well Proposal – Stove Pipe Federal Com #603H**
Sec 6: Lots 3-7, SE/4NW/4, E/2SW/4 (W/2) - T25S-R35E
Sec 7: Lots 1-4, E/2W/2 (W/2) - T25S-R35E
SHL: 270 FSL/390 FWL, or a location in Sec 31 - T24S-R35E
BHL: 50 FSL/560 FWL, or a location in Sec 7 - T25S-R35E
Lea County, New Mexico

Dear Sir/Madam:

COG Operating LLC (COG), as Operator, proposes to drill the Stove Pipe Federal Com #603H well as a horizontal well at the above-captioned location to a TVD of approximately 12,550' and a MD of 23,090' to test the Wolfbone Pool ("Operation"). The total cost of the Operation is estimated to be \$14,974,855.00 and a detailed description of the cost is set out in the enclosed Authority for Expenditure ("AFE").

COG is proposing to drill this well under the terms of the AAPL Form 610- 1989 Operating Agreement. The Operating Agreement covers Sec. 6: Lots 3-7, SE/4NW/4, E/2SW/4 (W/2) and Sec. 7: Lots 1-4, E/2W/2 (W/2) - T25S-R35E, Lea County, NM; a fully executable copy will be sent for your execution if you shall choose to participate with the following general provisions:

- 100/300 Non-consenting penalty
- \$8,000/\$800 Drilling and Producing rate
- COG Operating LLC named as Operator

Please indicate your election in the space provided below, sign and return this letter, along with a signed copy of the enclosed AFE and a copy of your geologic well requirements. A self-addressed, postage paid envelope is enclosed for your convenience. If you do not wish to participate, COG proposes to acquire your interest via term assignment. It has the following general provisions:

- 3 year primary term
- Delivering a 75% NRI, proportionately reduced
- \$2,000 per net acre bonus consideration

The Term Assignment offer terminates 30 days from the date of this letter and is subject to the approval of COG's management and verification of title.

If an agreement cannot be reached 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 if uncommitted at such time.

If you have any questions, please contact the undersigned at 432-685-2588 or mtipton@concho.com.

Respectfully,

Megan L. Tipton

Megan Tipton
Landman

_____ I/We hereby elect to participate in the Stove Pipe Federal Com #603H.

_____ I/We hereby elect not to participate in the Stove Pipe Federal Com #603H.

Company: _____

By: _____

Name: _____

Title: _____

Date: _____



March 19, 2019

US Certified Mail – 91 7199 9991 7038 7772 3217

Burlington Resources Oil & Gas Company
600 N. Dairy Ashford Rd
Houston, TX 77079

Re: **Well Proposal – Stove Pipe Federal Com #603H**
Sec 6: Lots 3-7, SE/4NW/4, E/2SW/4 (W/2) - T25S-R35E
Sec 7: Lots 1-4, E/2W/2 (W/2) - T25S-R35E
SHL: 270 FSL/390 FWL, or a location in Sec 31 - T24S-R35E
BHL: 50 FSL/560 FWL, or a location in Sec 7 - T25S-R35E
Lea County, New Mexico

Dear Sir/Madam:

COG Operating LLC (COG), as Operator, proposes to drill the Stove Pipe Federal Com #603H well as a horizontal well at the above-captioned location to a TVD of approximately 12,550' and a MD of 23,090' to test the Wolfbone Pool ("Operation"). The total cost of the Operation is estimated to be \$14,974,855.00 and a detailed description of the cost is set out in the enclosed Authority for Expenditure ("AFE").

COG is proposing to drill this well under the terms of the AAPL Form 610- 1989 Operating Agreement. The Operating Agreement covers Sec. 6: Lots 3-7, SE/4NW/4, E/2SW/4 (W/2) and Sec. 7: Lots 1-4, E/2W/2 (W/2) - T25S-R35E, Lea County, NM; a fully executable copy will be sent for your execution if you shall choose to participate with the following general provisions:

- 100/300 Non-consenting penalty
- \$8,000/\$800 Drilling and Producing rate
- COG Operating LLC named as Operator

Please indicate your election in the space provided below, sign and return this letter, along with a signed copy of the enclosed AFE and a copy of your geologic well requirements. A self-addressed, postage paid envelope is enclosed for your convenience. If you do not wish to participate, COG would like to lease your minerals under the following general terms:

- Bonus of \$2,000 /Net Mineral Acre
- 3 Year Primary Term
- 25% Royalty Interest

The Lease offer is subject to the approval of COG's management and verification of title.

If an agreement cannot be reached 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 if uncommitted at such time.

If you have any questions, please contact the undersigned at (432) 685-2588 or mtipton@concho.com.

Respectfully,

Megan L. Tipton

Megan Tipton
Landman

_____ I/We hereby elect to participate in the Stove Pipe Federal Com #603H.

_____ I/We hereby elect **not** to participate in the Stove Pipe Federal Com #603H.

Company: _____

By: _____

Name: _____

Title: _____

Date: _____

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME:	STOVE PIPE FEDERAL COM #603H	PROSPECT NAME:	Bulldog 2535 (717109)
SHL:	Sec 31: 270 FSL & 390 FWL	STATE & COUNTY:	New Mexico, Lea
BHL:	Sec 7: 50 FSL & 590 FWL	OBJECTIVE:	DRILL AND COMPLETION
FORMATION:	Wolfbone Pool	DEPTH:	23,090
LEGAL:	Sec 31: 24S-35E	TVD:	12,550

INTANGIBLE COSTS		Drill - Risk Release(D)	Completion(C)	Tank Btty Constrcn(TB)	Pmpg Equipment(PEO)	TOTAL
Title/Curative/Permit	201	20,000				20,000
Insurance	202	2,500	302			2,500
Damages/Right of Way	203	20,000	303	351		20,000
Survey/State Location	204	7,000		352		7,000
Location/Pits/Load Expense	205	135,000	305	353	45,000	190,000
Drilling / Completion Overhead	206	11,100	308			26,100
Turnkey Contract	207					0
Footage Contract	208					0
Daywork Contract	209	984,000				984,000
Directional Drilling Services	210	442,000				442,000
Frac Equipment			307	1,829,000		1,829,000
Frac Chemicals			308	473,000		473,000
Frac Proppant			309	814,000		814,000
Frac Proppant Transportation			310	399,000		399,000
Fuel & Power	211	211,000	311	68,000	354	279,000
Water	212	80,000	312	966,000	368	1,026,000
Bills	213	111,000	313	4,500	369	115,500
Mud & Chemicals	214	275,000	314	25,000	370	300,000
Drill Stem Test	215		315			0
Coring & Analysis	216					0
Cement Surface	217	28,000				28,000
Cement Intermediate	218	75,000				75,000
Cement 2nd Intermediate/Production	219	115,000				115,000
Cement Squeeze & Other (Kickoff Plug)	220				371	0
Float Equipment & Centralizers	221	65,000				65,000
Casing Crews & Equipment	222	70,000				70,000
Fishing Tools & Service	223		323		372	0
Geologic/Engineering	224	11,400	324	355	373	11,400
Contract Labor	225	8,500	325	20,000	356	155,835
Company Supervision	226	68,600	328	15,000	357	81,600
Contract Supervision	227	157,000	327	255,000	358	417,000
Testing Casing/Tubing	228	30,000	329	5,000	377	25,000
Mud Logging Unit	229	52,000	329			52,000
Logging	230				378	0
Perforating/Wireline Services	231	4,000	331	588,000	379	592,000
Stimulation/Treating			332	397,000	380	397,000
Completion Unit			333	138,000	381	148,800
Swabbing Unit			334		382	0
Rentals-Surface	235	190,000	335	403,000	359	600,000
Rentals-Subsurface	236	150,000	336	30,000	384	180,000
Trucking/Forklift/Rig Mobilization	237	200,000	337	20,000	360	223,000
Welding Services	238	3,000	338	5,000	361	8,000
Water Disposal	239		339	60,000	362	135,000
Plug to Abandon	240		340		387	250,000
Seismic Analysis	241		341			0
Miscellaneous	242	10,000	342		389	10,000
Contingency	243	71,000	343	250,000	363	321,000
Closed Loop & Environmental	244	330,000	344	5,000	364	335,000
Dyed Diesel	245		345	484,000		
Coil Tubing			346	750,000		750,000
Flowback Crews & Equip			347	48,000		48,000
Offset Directional/Frac	248		348		391	0
TOTAL INTANGIBLES		3,913,100	8,076,500	262,835	280,300	12,572,835
TANGIBLE COSTS						
Surface Casing	401	52,000				52,000
Intermediate Casing	402	555,000				555,000
Production Casing/Liner	403	782,000				782,000
Tubing			504	52,030	530	57,030
Wellhead Equipment	405	75,000	505	22,000	531	100,000
Pumping Unit				0	506	96,000
Prime Mover				0	507	0
Floods				0	508	55,000
Pumps-Sub Surface (BHI)			509		532	5,000
Tanks				510	63,645	63,645
Flowlines				511	26,593	26,593
Heater Treater/Separator				512	146,007	146,007
Electrical System				513	130,000	145,000
Packers/Anchors/Hangers	414		514	66,000	534	66,000
Couplings/Fittings/Valves	415			515	102,282	102,282
Dehydration				517		0
Injection Plant/CO2 Equipment				518		0
Pumps-Surface				521	5,000	5,000
Instrumentation/SCADA/PDC				522	10,482	17,482
Miscellaneous	419		519		523	5,241
Contingency	420		520		524	0
Meters/LACT				525	25,156	25,156
Flares/Combustors/Emission				528	23,584	23,584
Gas Lift/Compression			527	15,000	516	60,000
TOTAL TANGIBLES		1,464,000	155,030	591,990	191,000	2,402,020
TOTAL WELL COSTS		5,377,100	8,232,000	894,925	471,300	14,974,855

COG Operating LLC % of Total Well Cost

36% 55% 6% 3%

Date Prepared: 3/28/19

COG Operating LLC

We approve:

% Working Interest

By: AL

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.



US Certified Mail – 91 7199 9991 7038 7772 3163

March 19, 2019

Diamondback Energy Incorporated
500 W. Texas Avenue, Ste. 1200
Midland, TX 79701

Re: **Well Proposal – Stove Pipe Federal Com #701H**
Sec 6: Lots 3-7, SE/4NW/4, E/2SW/4 (W/2) - T25S-R35E
Sec 7: Lots 1-4, E/2W/2 (W/2) - T25S-R35E
SHL: 270 FSL/2220 FWL, or a location in Sec 31 - T24S-R35E
BHL: 50 FSL/ 2310 FWL, or a location in Sec 7 - T25S-R35E
Lea County, New Mexico

Dear Sir/Madam:

COG Operating LLC (COG), as Operator, proposes to drill the Stove Pipe Federal Com #701H well as a horizontal well at the above-captioned location to a TVD of approximately 12,865' and a MD of 23,306' to test the Wolfbone Pool ("Operation"). The total cost of the Operation is estimated to be \$15,050,255.00 and a detailed description of the cost is set out in the enclosed Authority for Expenditure ("AFE").

COG is proposing to drill this well under the terms of the AAPL Form 610- 1989 Operating Agreement. The Operating Agreement covers Sec. 6: Lots 3-7, SE/4NW/4, E/2SW/4 (W/2) and Sec. 7: Lots 1-4, E/2W/2 (W/2) - T25S-R35E, Lea County, NM; a fully executable copy will be sent for your execution if you shall choose to participate with the following general provisions:

- 100/300 Non-consenting penalty
- \$8,000/\$800 Drilling and Producing rate
- COG Operating LLC named as Operator

Please indicate your election in the space provided below, sign and return this letter, along with a signed copy of the enclosed AFE and a copy of your geologic well requirements. A self-addressed, postage paid envelope is enclosed for your convenience. If you do not wish to participate, COG proposes to acquire your interest via term assignment. It has the following general provisions:

- 3 year primary term
- Delivering a 75% NRI, proportionately reduced
- \$2,000 per net acre bonus consideration

The Term Assignment offer terminates 30 days from the date of this letter and is subject to the approval of COG's management and verification of title.

If an agreement cannot be reached 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 if uncommitted at such time.

If you have any questions, please contact the undersigned at 432-685-2588 or mtipton@concho.com.

Respectfully,

Megan L. Tipton

Megan Tipton
Landman

_____ I/We hereby elect to participate in the Stove Pipe Federal Com #701H.

_____ I/We hereby elect **not** to participate in the Stove Pipe Federal Com #701H.

Company: _____

By: _____

Name: _____

Title: _____

Date: _____



March 19, 2019

US Certified Mail – 91 7199 9991 7038 7772 3217

Burlington Resources Oil & Gas Company
600 N. Dairy Ashford Rd
Houston, TX 77079

Re: **Well Proposal – Stove Pipe Federal Com #701H**
Sec 6: Lots 3-7, SE/4NW/4, E/2SW/4 (W/2) - T25S-R35E
Sec 7: Lots 1-4, E/2W/2 (W/2) - T25S-R35E
SHL: 270 FSL/2220 FWL, or a location in Sec 31 - T24S-R35E
BHL: 50 FSL/ 2310 FWL, or a location in Sec 7 - T25S-R35E
Lea County, New Mexico

Dear Sir/Madam:

COG Operating LLC (COG), as Operator, proposes to drill the Stove Pipe Federal Com #701H well as a horizontal well at the above-captioned location to a TVD of approximately 12,865' and a MD of 23,306' to test the Wolfbone Pool ("Operation"). The total cost of the Operation is estimated to be \$15,050,255.00 and a detailed description of the cost is set out in the enclosed Authority for Expenditure ("AFE").

COG is proposing to drill this well under the terms of the AAPL Form 610- 1989 Operating Agreement. The Operating Agreement covers Sec. 6: Lots 3-7, SE/4NW/4, E/2SW/4 (W/2) and Sec. 7: Lots 1-4, E/2W/2 (W/2) - T25S-R35E, Lea County, NM; a fully executable copy will be sent for your execution if you shall choose to participate with the following general provisions:

- 100/300 Non-consenting penalty
- \$8,000/\$800 Drilling and Producing rate
- COG Operating LLC named as Operator

Please indicate your election in the space provided below, sign and return this letter, along with a signed copy of the enclosed AFE and a copy of your geologic well requirements. A self-addressed, postage paid envelope is enclosed for your convenience. If you do not wish to participate, COG would like to lease your minerals under the following general terms:

- Bonus of \$2,000 /Net Mineral Acre
- 3 Year Primary Term
- 25% Royalty Interest

The Lease offer is subject to the approval of COG's management and verification of title.

If an agreement cannot be reached 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 if uncommitted at such time.

If you have any questions, please contact the undersigned at (432) 685-2588 or mtipton@concho.com.

Respectfully,

Megan L. Tipton

Megan Tipton
Landman

_____ I/We hereby elect to participate in the Stove Pipe Federal Com #701H.

_____ I/We hereby elect **not** to participate in the Stove Pipe Federal Com #701H.

Company: _____

By: _____

Name: _____

Title: _____

Date: _____

COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING

WELL NAME: STOVE PIPE FEDERAL COM #701H	PROSPECT NAME: Bulldog 2535 (717109)
SHL: Sec 31: 270 FSL & 2220 FWL	STATE & COUNTY: New Mexico, Lea
BHL: Sec 7: 50 FSL & 2310 FWL	OBJECTIVE: DRILL AND COMPLETE
FORMATION: Wolfbone Pool	DEPTH: 23,306
LEGAL: Sec 31: 24S-35E	TVD: 12,865

		Drig - Rig Release(D)	Completion(C)	Tank Bty. Constructn(TB)	Pmpg Equipment(PEQ)	TOTAL
INTANGIBLE COSTS						
Title/Cursive/Permit	201	20,000				20,000
Insurance	202	2,500	302			2,500
Damages/Right of Way	203	20,000	303	351		20,000
Survey/Stake Location	204	7,000		352		7,000
Location/Pits/Road Expense	205	135,000	305	10,000	353	160,000
Drilling / Completion Overhead	206	11,100	306	15,000		26,100
Turnkey Contract	207					0
Footage Contract	208					0
Daywork Contract	209	964,000				964,000
Directional Drilling Services	210	480,000				480,000
Frac Equipment			307	1,829,000		1,829,000
Frac Chemicals			308	473,000		473,000
Frac Proppant			309	814,000		814,000
Frac Proppant Transportation			310	399,000		399,000
Fuel & Power	211	211,000	311	68,000	354	279,000
Water	212	80,000	312	960,000	355	1,040,000
Bits	213	119,000	313	4,500	356	123,500
Mud & Chemicals	214	275,000	314	25,000	370	300,000
Drill Stem Test	215		315			0
Coring & Analysis	216					0
Cement Surface	217	38,000				38,000
Cement Intermediate	218	75,000				75,000
Cement 2nd Intermediate/Production	219	115,000				115,000
Cement Squeeze & Other (Kickoff Plug)	220				371	0
Float Equipment & Centralizers	221	65,000				65,000
Casing Crews & Equipment	222	70,000				70,000
Fishing Tools & Service	223		323		372	0
Geologic/Engineering	224	11,800	324	355	373	11,800
Contract Labor	225	6,500	325	20,000	356	155,935
Company Supervision	226	66,800	326	15,000	357	81,600
Contract Supervision	227	157,000	327	255,000	358	417,000
Testing Casing/Tubing	228	30,000	328	5,000	377	35,000
Mud Logging Unit	229	70,000	329			70,000
Logging	230				378	0
Perforating/Wireline Services	231	4,000	331	588,000	379	592,000
Simulation/Testing			332	387,000	380	387,000
Completion Unit			333	138,000	381	146,800
Swabbing Unit			334		382	0
Rentals-Surface	235	190,000	335	400,000	359	600,000
Rentals-Subsurface	236	150,000	336	30,000	384	180,000
Trucking/Facility/Htg Mobilization	237	200,000	337	20,000	360	220,000
Welding Services	238	3,000	338	5,000	361	8,000
Water Disposal	239		339	60,000	362	135,000
Plug to Abandon	240		340		387	250,000
Solismic Analysis	241		341			0
Miscellaneous	242		342		388	0
Contingency	243	72,000	343	250,000	363	322,000
Closed Loop & Environmental	244	330,000	344	5,000	364	335,000
Dyed Diesel	245		345	484,000		750,000
Coil Tubing			346	750,000		48,000
Flowback Crews & Equip			347	48,000		0
Other Directional/Frac	246		348		391	0
TOTAL INTANGIBLES		3,978,500	8,078,500	302,935	280,300	12,638,235
TANGIBLE COSTS						
Surface Casing	401	48,000				48,000
Intermediate Casing	402	555,000				555,000
Production Casing/Liner	403	796,000				796,000
Tubing			504	52,030	530	57,030
Wellhead Equipment	405	76,000	505	22,000	531	100,000
Pumping Unit				0	506	98,000
Prime Mover				0	507	0
Rods				0	508	55,000
Pumps-Sub Surface (BH)			509		532	5,000
Tanks				63,645		63,645
Flowlines				26,593		26,593
Heater Treater/Separator				140,007		140,007
Electrical System				130,000	533	145,000
Packers/Anchors/Hangers	414		514	66,000	534	68,000
Couplings/Fittings/Valves	415			102,282		102,282
Dehydration					517	0
Injection Plant/CO2 Equipment					518	0
Pumps-Surface				5,000		5,000
Instrumentation/SCADA/POC				10,482	529	17,482
Miscellaneous	419		519	5,241	535	8,241
Contingency	420		520		536	0
Meters/LACT				25,166		25,166
Flares/Combustors/Emission				23,584		23,584
Gas Lift/Compression			527	15,000	516	60,000
TOTAL TANGIBLES		1,474,000	165,030	591,980	181,000	2,412,020
TOTAL WELL COSTS		5,452,500	8,233,530	894,925	471,300	15,050,255

COG Operating LLC

Date Prepared: 2/28/19

We approve: _____
% Working Interest

COG Operating LLC

By: _____ AL

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.



US Certified Mail – 91 7199 9991 7038 7772 3163

March 19, 2019

Diamondback Energy Incorporated
500 W. Texas Avenue, Ste. 1200
Midland, TX 79701

Re: **Well Proposal – Stove Pipe Federal Com #702H**
Sec 6: Lots 3-7, SE/4NW/4, E/2SW/4 (W/2) - T25S-R35E
Sec 7: Lots 1-4, E/2W/2 (W/2) - T25S-R35E
SHL: 270 FSL/2190 FWL, or a location in Sec 31 - T24S-R35E
BHL: 50 FSL/2080 FWL, or a location in Sec 7 - T25S-R35E
Lea County, New Mexico

Dear Sir/Madam:

COG Operating LLC (COG), as Operator, proposes to drill the Stove Pipe Federal Com #702H well as a horizontal well at the above-captioned location to a TVD of approximately 12,700' and a MD of 23,162' to test the Wolfbone Pool ("Operation"). The total cost of the Operation is estimated to be \$15,050,255.00 and a detailed description of the cost is set out in the enclosed Authority for Expenditure ("AFE").

COG is proposing to drill this well under the terms of the AAPL Form 610- 1989 Operating Agreement. The Operating Agreement covers Sec. 6: Lots 3-7, SE/4NW/4, E/2SW/4 (W/2) and Sec. 7: Lots 1-4, E/2W/2 (W/2) - T25S-R35E, Lea County, NM; a fully executable copy will be sent for your execution if you shall choose to participate with the following general provisions:

- 100/300 Non-consenting penalty
- \$8,000/\$800 Drilling and Producing rate
- COG Operating LLC named as Operator

Please indicate your election in the space provided below, sign and return this letter, along with a signed copy of the enclosed AFE and a copy of your geologic well requirements. A self-addressed, postage paid envelope is enclosed for your convenience. If you do not wish to participate, COG proposes to acquire your interest via term assignment. It has the following general provisions:

- 3 year primary term
- Delivering a 75% NRI, proportionately reduced
- \$2,000 per net acre bonus consideration

The Term Assignment offer terminates 30 days from the date of this letter and is subject to the approval of COG's management and verification of title.

If an agreement cannot be reached 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 if uncommitted at such time.

If you have any questions, please contact the undersigned at 432-685-2588 or mtipton@concho.com.

Respectfully,

Megan L. Tipton

Megan Tipton
Landman

_____ I/We hereby elect to participate in the Stove Pipe Federal Com #702H.

_____ I/We hereby elect **not** to participate in the Stove Pipe Federal Com #702H.

Company: _____

By: _____

Name: _____

Title: _____

Date: _____



March 19, 2019

US Certified Mail –

Chevron U.S.A. Inc.
P. O. Box 2100
Houston, TX 77252

Re: **Well Proposal – Stove Pipe Federal Com #702H**
Sec 6: Lots 3-7, SE/4NW/4, E/2SW/4 (W/2) - T25S-R35E
Sec 7: Lots 1-4, E/2W/2 (W/2) - T25S-R35E
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Lea County, New Mexico

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- Bonus of \$2,000 /Net Mineral Acre
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- 25% Royalty Interest

The Lease offer is subject to the approval of COG's management and verification of title.

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Respectfully,

Megan L. Tipton

Megan Tipton
Landman

_____ I/We hereby elect to participate in the Stove Pipe Federal Com #702H.

_____ I/We hereby elect **not** to participate in the Stove Pipe Federal Com #702H.

Company: _____

By: _____

Name: _____

Title: _____

Date: _____

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME:	STOVE PIPE FEDERAL COM #702H	PROSPECT NAME:	Buildog 2535 (717109)
SHL:	Sec 31: 270 FSL & 2190 FWL	STATE & COUNTY:	New Mexico, Lea
BHL:	Sec 7: 50 FSL & 2080 FWL	OBJECTIVE:	DRILL AND COMPLETE
FORMATION:	Wollbone Pool	DEPTH:	23,162
LEGAL:	Sec 31: 24S-35E	TVD:	12,700

		<u>Drig - Rig</u>		<u>Completion(C)</u>		<u>Tank Btty</u>		<u>Pmpg</u>		<u>TOTAL</u>
<u>INTANGIBLE COSTS</u>		<u>Release(D)</u>				<u>Constrctn(TB)</u>		<u>Equipment(PEO)</u>		
Title/Curative/Permit	201	20,000								20,000
Insurance	202	2,500	302							2,500
Damages/Right of Way	203	20,000	303		351					20,000
Survey/Stake Location	204	7,000			352					7,000
Location/Pits/Road Expense	205	135,000	305	10,000	353	45,600	366			190,000
Drilling / Completion Overhead	206	11,100	306	15,000						26,100
Turnkey Contract	207									0
Footage Contract	208									0
Daywork Contract	209	964,000								964,000
Directional Drilling Services	210	490,000								490,000
Frac Equipment			307	1,829,000						1,829,000
Frac Chemicals			308	473,000						473,000
Frac Proppant			309	814,000						814,000
Frac Proppant Transportation			310	399,000						399,000
Fuel & Power	211	211,000	311	68,000	354		367			279,000
Water	212	80,000	312	960,000			368			1,040,000
Bits	213	119,000	313	4,500			369			123,500
Mud & Chemicals	214	275,000	314	25,000			370			300,000
Drill Stem Test	215		315							0
Coring & Analysis	216									0
Cement Surface	217	38,000								38,000
Cement Intermediate	218	75,000								75,000
Cement 2nd Intermediate/Production	219	115,000								115,000
Cement Squeeze & Other (Kickoff Plug)	220						371			0
Frost Equipment & Contractors	221	65,000								65,000
Casing Crews & Equipment	222	70,000								70,000
Fishing Tools & Service	223		323				372			0
Geologic/Engineering	224	11,800	324		355		373			11,800
Contract Labor	225	6,500	325	20,000	356	122,935	374	6,500		155,935
Company Supervision	226	66,600	326	15,000	357		375			81,600
Contract Supervision	227	157,000	327	255,000	358		376	5,000		417,000
Testing Casing/Tubing	228	30,000	328	5,000			377			35,000
Mud Logging Unit	229	70,000	329							70,000
Logging	230						378			0
Perforating/Wireline Services	231	4,000	331	588,000			379			592,000
Simulation/Tracing			332	397,000			380			397,000
Completion Unit			333	138,000			381	8,800		146,800
Swabbing Unit			334				382			0
Rentals-Surface	235	190,000	335	403,000	359		383	7,000		600,000
Rentals-Subsurface	236	150,000	336	30,000			384			180,000
Trucking/Forklift/Rig Mobilization	237	200,000	337	20,000	360		385	3,000		223,000
Welding Services	238	3,000	338	5,000	361		386			8,000
Water Disposal	239		339	60,000	362	135,000	387	250,000		445,000
Plug to Abandon	240		340							0
Seismic Analysis	241		341							0
Miscellaneous	242		342				389			0
Contingency	243	72,000	343	250,000	363		390			322,000
Closed Loop & Environmental	244	330,000	344	5,000	364		391			335,000
Dyed Diesel	245		345	484,000						484,000
Coil Tubing			346	750,000						750,000
Flowback Crews & Equip			347	48,000						48,000
Disposal Directional/Frac	248		348				391			0
TOTAL INTANGIBLES		3,978,500		8,076,500		302,935		280,300		12,638,235
TANGIBLE COSTS										
Surface Casing	401	48,000								48,000
Intermediate Casing	402	555,000								555,000
Production Casing/Liner	403	796,000								796,000
Tubing			504	52,030			530	5,000		57,030
Wellhead Equipment	405	75,000	505	22,000			531	3,000		100,000
Pumping Unit				0			506	96,000		96,000
Prime Mover				0			507			0
Rods				0			508	55,000		55,000
Pumps-Sub Surface (BH)			509				532	5,000		5,000
Tanks					510	83,845				83,845
Flowlines					511	26,593				26,593
Heater Treater/Separator					512	140,007				140,007
Electrical System					513	130,000	533	15,000		145,000
Packers/Anchors/Hangers	414		514	66,000			534	2,000		68,000
Couplings/Fittings/Valves	415				515	102,282				102,282
Dehydration					517					0
Injection Plant/CO2 Equipment					518					0
Pumps-Surface					521	5,000				5,000
Instrumentation/SCADA/PDC					522	10,482	529	7,000		17,482
Miscellaneous	419		519		523	5,241	535	3,000		8,241
Contingency	420		520		524		536			0
Meters/LACT					525	25,156				25,156
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Gas Lift/Compression			527	15,000	516	60,000	528			75,000
TOTAL TANGIBLES		1,474,000		195,030		581,990		191,000		2,442,020
TOTAL WELL COSTS		5,452,500		8,232,000		884,925		471,300		15,050,255

COG Operating LLC	% of Total Well Cost	36%	55%	6%	3%
--------------------------	-----------------------------	------------	------------	-----------	-----------

Date Prepared: 2/28/19

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.



US Certified Mail – 91 7199 9991 7038 7772 3163

March 19, 2019

Diamondback Energy Incorporated
500 W. Texas Avenue, Ste. 1200
Midland, TX 79701

Re: **Well Proposal – Stove Pipe Federal Com #703H**
Sec 6: Lots 3-7, SE/4NW/4, E/2SW/4 (W/2) - T25S-R35E
Sec 7: Lots 1-4, E/2W/2 (W/2) - T25S-R35E
SHL: 270 FSL/1515 FWL, or a location in Sec 31 - T24S-R35E
BHL: 50 FSL/1650 FWL, or a location in Sec 7 - T25S-R35E
Lea County, New Mexico

Dear Sir/Madam:

COG Operating LLC (COG), as Operator, proposes to drill the Stove Pipe Federal Com #703H well as a horizontal well at the above-captioned location to a TVD of approximately 12,865' and a MD of 23,302' to test the Wolfbone Pool ("Operation"). The total cost of the Operation is estimated to be \$15,050,255.00 and a detailed description of the cost is set out in the enclosed Authority for Expenditure ("AFE").

COG is proposing to drill this well under the terms of the AAPL Form 610- 1989 Operating Agreement. The Operating Agreement covers Sec. 6: Lots 3-7, SE/4NW/4, E/2SW/4 (W/2) and Sec. 7: Lots 1-4, E/2W/2 (W/2) - T25S-R35E, Lea County, NM; a fully executable copy will be sent for your execution if you shall choose to participate with the following general provisions:

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Respectfully,

Megan L. Tipton

Megan Tipton
Landman

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_____ I/We hereby elect not to participate in the Stove Pipe Federal Com #703H.

Company: _____

By: _____

Name: _____

Title: _____

Date: _____



March 19, 2019

US Certified Mail – 91 7199 9991 7038 7772 3217

Burlington Resources Oil & Gas Company
600 N. Dairy Ashford Rd
Houston, TX 77079

Re: **Well Proposal – Stove Pipe Federal Com #703H**
Sec 6: Lots 3-7, SE/4NW/4, E/2SW/4 (W/2) - T25S-R35E
Sec 7: Lots 1-4, E/2W/2 (W/2) - T25S-R35E
SHL: 270 FSL/1515 FWL, or a location in Sec 31 - T24S-R35E
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Lea County, New Mexico

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Company: _____

By: _____

Name: _____

Title: _____

Date: _____

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: **STOVE PIPE FEDERAL COM #703H**

PROSPECT NAME: **Bulldog 2535 (717109)**

SHL: **Sec 31: 270 FSL & 1515 FWL**

STATE & COUNTY: **New Mexico, Lea**

BHL: **Sec 7: 50 FSL & 1650 FWL**

OBJECTIVE: **DRILL AND COMPLETE**

FORMATION: **Wolfburne Pool**

DEPTH: **23,302**

LEGAL: **Sec 31: 24S-35E**

TVD: **12,665**

		Drig - Rig Release(D)	Completion(C)	Tank Btty Constrctn(TB)	Pmpg Equipment(PEO)	TOTAL
INTANGIBLE COSTS						
Title/Certificate/Permit	201	20,000				20,000
Insurance	202	2,500	302			2,500
Damages/Right of Way	203	20,000	303	351		20,000
Survey/Stake Location	204	7,000		352		7,000
Location/Post/Road Expense	205	135,000	305	10,000	353	190,000
Drilling / Completion Overhead	206	11,100	306	15,000	358	26,100
Turnkey Contract	207					0
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Directional Drilling Services	210	480,000				480,000
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Water Disposal	239		339	60,000	362	135,000
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Seismic Analysis	241		341			0
Miscellaneous	242		342		389	0
Contingency	243	72,000	343	250,000	363	322,000
Closed Loop & Environmental	244	300,000	344	5,000	364	335,000
Dyed Diesel	245		345	484,000		750,000
Coil Tubing			346	750,000		48,000
Flowback Crews & Equip			347	48,000		0
Offset Directional/Frac	248		348		391	0
TOTAL INTANGIBLES		2,978,500	8,076,500	302,835	280,300	12,638,235
TANGIBLE COSTS						
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Tubing			504	52,030	530	57,030
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Couplings/Fittings/Valves	415			515	102,282	102,282
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Pumps-Surface				521	5,000	5,000
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Contingency	420		520		536	0
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Gas Lift/Compression			527	15,000	516	75,000
TOTAL TANGIBLES		1,474,000	155,030	591,590	191,000	2,412,620
TOTAL WELL COSTS		5,452,500	8,232,000	894,425	471,300	15,050,255

COG Operating LLC

% of Total Well Cost

36%

55%

6%

3%

Date Prepared: **2/28/19**

COG Operating LLC

We approve:

% Working Interest

By:

AL

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.



US Certified Mail – 91 7199 9991 7038 7772 3163

March 19, 2019

Diamondback Energy Incorporated
500 W. Texas Avenue, Ste. 1200
Midland, TX 79701

Re: **Well Proposal – Stove Pipe Federal Com #704H**
Sec 6: Lots 3-7, SE/4NW/4, E/2SW/4 (W/2) - T25S-R35E
Sec 7: Lots 1-4, E/2W/2 (W/2) - T25S-R35E
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BHL: 50 FSL/1330 FWL, or a location in Sec 7 - T25S-R35E
Lea County, New Mexico

Dear Sir/Madam:

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- Delivering a 75% NRI, proportionately reduced
- \$2,000 per net acre bonus consideration

The Term Assignment offer terminates 30 days from the date of this letter and is subject to the approval of COG's management and verification of title.

If an agreement cannot be reached 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 if uncommitted at such time.

If you have any questions, please contact the undersigned at 432-685-2588 or mtipton@concho.com.

Respectfully,

Megan L. Tipton

Megan Tipton
Landman

_____ I/We hereby elect to participate in the Stove Pipe Federal Com #704H.

_____ I/We hereby elect **not** to participate in the Stove Pipe Federal Com #704H.

Company: _____

By: _____

Name: _____

Title: _____

Date: _____



March 19, 2019

US Certified Mail – 91 7199 9991 7038 7772 3217

Burlington Resources Oil & Gas Company
600 N. Dairy Ashford Rd
Houston, TX 77079

Re: **Well Proposal – Stove Pipe Federal Com #704H**
Sec 6: Lots 3-7, SE/4NW/4, E/2SW/4 (W/2) - T25S-R35E
Sec 7: Lots 1-4, E/2W/2 (W/2) - T25S-R35E
SHL: 270 FSL/1485 FWL, or a location in Sec 31 - T24S-R35E
BHL: 50 FSL/1330 FWL, or a location in Sec 7 - T25S-R35E
Lea County, New Mexico

Dear Sir/Madam:

COG Operating LLC (COG), as Operator, proposes to drill the Stove Pipe Federal Com #704H well as a horizontal well at the above-captioned location to a TVD of approximately 12,700' and a MD of 23,131' to test the Wolfbone Pool ("Operation"). The total cost of the Operation is estimated to be \$15,050,255.00 and a detailed description of the cost is set out in the enclosed Authority for Expenditure ("AFE").

COG is proposing to drill this well under the terms of the AAPL Form 610- 1989 Operating Agreement. The Operating Agreement covers Sec. 6: Lots 3-7, SE/4NW/4, E/2SW/4 (W/2) and Sec. 7: Lots 1-4, E/2W/2 (W/2) - T25S-R35E, Lea County, NM; a fully executable copy will be sent for your execution if you shall choose to participate with the following general provisions:

- 100/300 Non-consenting penalty
- \$8,000/\$800 Drilling and Producing rate
- COG Operating LLC named as Operator

Please indicate your election in the space provided below, sign and return this letter, along with a signed copy of the enclosed AFE and a copy of your geologic well requirements. A self-addressed, postage paid envelope is enclosed for your convenience. If you do not wish to participate, COG would like to lease your minerals under the following general terms:

- Bonus of \$2,000 /Net Mineral Acre
- 3 Year Primary Term
- 25% Royalty Interest

The Lease offer is subject to the approval of COG's management and verification of title.

If an agreement cannot be reached 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 if uncommitted at such time.

If you have any questions, please contact the undersigned at (432) 685-2588 or mtipton@concho.com.

Respectfully,

Megan L. Tipton

Megan Tipton
Landman

_____ I/We hereby elect to participate in the Stove Pipe Federal Com #704H.

_____ I/We hereby elect **not** to participate in the Stove Pipe Federal Com #704H.

Company: _____

By: _____

Name: _____

Title: _____

Date: _____

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME:	STOVE PIPE FEDERAL COM #704H	PROSPECT NAME:	Buildog 2535 (717109)
SHL:	Sec 31: 270 FSL & 1485 FWL	STATE & COUNTY:	New Mexico, Lea
BHL:	Sec 7: 50 FSL & 1330 FWL	OBJECTIVE:	DRILL AND COMPLETE
FORMATION:	Wolfbone Pool	DEPTH:	23,131
LEGAL:	Sec 31: 24S-35E	TVD:	12,700

		Drig - Rig Release(D)	Completion(C)	Tank Btty Constcrn(TB)	Pmpg Equipment(PEO)	TOTAL
INTANGIBLE COSTS						
Total/Current/Permit	201	20,000				20,000
Insurance	202	2,500	302			2,500
Damages/Right of Way	203	20,000	303			20,000
Survey/State Location	204	7,000		351		7,000
Location/Via/Road Expense	205	125,000	305	10,000	352	190,000
Drilling / Completion Overhead	206	11,100	306	15,000	353	26,100
Turnkey Contract	207					0
Footage Contract	208					0
Daywork Contract	209	964,000				964,000
Directional Drilling Services	210	480,000				480,000
Frac Equipment			307	1,828,000		1,828,000
Frac Chemicals			308	473,000		473,000
Frac Proppant			309	814,000		814,000
Frac Proppant Transportation			310	399,000		399,000
Fuel & Power	211	211,000	311	65,000	354	276,000
Water	212	80,000	312	596,000	356	1,046,000
Bits	213	119,000	313	4,500	359	123,500
Mud & Chemicals	214	275,000	314	25,000	370	300,000
Drill Stem Test	215		315			0
Coring & Analysis	216					0
Cement Surface	217	38,000				38,000
Cement Intermediate	218	75,000				75,000
Cement 2nd Intermediate/Production	219	115,000				115,000
Cement Squeeze & Other (Kickoff Plug)	220				371	0
Float Equipment & Cementizers	221	65,000				65,000
Casing Crews & Equipment	222	70,000				70,000
Fishing Tools & Service	223		323		372	0
Geologic/Engineering	224	11,800	324		373	11,800
Contract Labor	225	6,500	325	20,000	358	155,935
Company Supervision	226	86,600	326	15,000	357	81,600
Contract Supervision	227	157,000	327	255,000	358	417,000
Testing Casing/Tubing	228	30,000	328	5,000		35,000
Mud Logging Unit	229	70,000	329			70,000
Logging	230				378	0
Perforating/Wireline Services	231	4,000	331	588,000		588,000
Stimulation/Treating			332	397,000		397,000
Completion Unit			333	138,000		145,900
Swabbing Unit			334			0
Rentals-Surface	235	190,000	335	403,000	359	600,000
Rentals-Subsurface	236	150,000	336	30,000		180,000
Trucking/Forklift/Rig Mobilization	237	200,000	337	20,000	360	223,000
Welding Services	238	3,000	338	5,000	361	8,000
Water Disposal	239		339	60,000	362	135,000
Plug to Abandon	240		340		367	250,000
Seismic Analysis	241		341			0
Miscellaneous	242		342			0
Contingency	243	72,000	343	250,000	363	322,000
Closed Loop & Environmental	244	330,000	344	5,000	364	335,000
Dyed Diesel	245		345	484,000		484,000
Coil Tubing			346	750,000		750,000
Flowback Crews & Equip			347	48,000		48,000
Offset Directional/Frac	246		348		381	0
TOTAL INTANGIBLES		3,978,500	8,076,500	302,935	280,300	12,638,235
TANGIBLE COSTS						
Surface Casing	401	48,000				48,000
Intermediate Casing	402	555,000				555,000
Production Casing/Liner	403	796,000				796,000
Tubing			504	52,030	530	57,030
Wellhead Equipment	405	75,000	505	22,000	531	100,000
Pumping Unit				0	506	96,000
Prime Mover				0	507	0
Rods				0	508	65,000
Pumps-Sub Surface (BH)			509		532	5,000
Tanks				63,645		63,645
Flowlines				26,593		26,593
Heater Treater/Separator				140,007		140,007
Electrical System				130,000	533	145,000
Packers/Anchors/Hangers	414		514	86,000	534	86,000
Couplings/Fittings/Valves	415			102,282		102,282
Dehydration				0		0
Injection Plant/CO2 Equipment				0		0
Pumps-Surface				5,000		5,000
Instrumentation/SCADA/POC				10,482	529	17,482
Miscellaneous	418		519	5,241	535	8,241
Contingency	420		520		536	0
Meters/LACT				25,156		25,156
Flares/Combustors/Emission				23,584		23,584
Gas Lift/Compression			527	15,000	538	75,000
TOTAL TANGIBLES		1,474,000	155,030	591,930	101,000	2,412,020
TOTAL WELL COSTS		5,452,500	8,232,000	894,925	471,300	15,050,255

COG Operating LLC	% of Total Well Cost	38%	55%	6%	3%
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Date Prepared 2/26/19

We approve: COG Operating LLC

% Working Interest **By:** AL

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.



US Certified Mail – 91 7199 9991 7038 7772 3163

March 19, 2019

Diamondback Energy Incorporated
500 W. Texas Avenue, Ste. 1200
Midland, TX 79701

Re: **Well Proposal – Stove Pipe Federal Com #705H**
Sec 6: Lots 3-7, SE/4NW/4, E/2SW/4 (W/2) - T25S-R35E
Sec 7: Lots 1-4, E/2W/2 (W/2) - T25S-R35E
SHL: 270 FSL/1425 FWL, or a location in Sec 31 - T24S-R35E
BHL: 50 FSL/990 FWL, or a location in Sec 7 - T25S-R35E
Lea County, New Mexico

Dear Sir/Madam:

COG Operating LLC (COG), as Operator, proposes to drill the Stove Pipe Federal Com #705H well as a horizontal well at the above-captioned location to a TVD of approximately 12,865' and a MD of 23,306' to test the Wolfbone Pool ("Operation"). The total cost of the Operation is estimated to be \$15,050,255.00 and a detailed description of the cost is set out in the enclosed Authority for Expenditure ("AFE").

COG is proposing to drill this well under the terms of the AAPL Form 610- 1989 Operating Agreement. The Operating Agreement covers Sec. 6: Lots 3-7, SE/4NW/4, E/2SW/4 (W/2) and Sec. 7: Lots 1-4, E/2W/2 (W/2) - T25S-R35E, Lea County, NM; a fully executable copy will be sent for your execution if you shall choose to participate with the following general provisions:

- 100/300 Non-consenting penalty
- \$8,000/\$800 Drilling and Producing rate
- COG Operating LLC named as Operator

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- 3 year primary term
- Delivering a 75% NRI, proportionately reduced
- \$2,000 per net acre bonus consideration

The Term Assignment offer terminates 30 days from the date of this letter and is subject to the approval of COG's management and verification of title.

If an agreement cannot be reached 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 if uncommitted at such time.

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Respectfully,

Megan L. Tipton

Megan Tipton
Landman

_____ I/We hereby elect to participate in the Stove Pipe Federal Com #705H.

_____ I/We hereby elect **not** to participate in the Stove Pipe Federal Com #705H.

Company: _____

By: _____

Name: _____

Title: _____

Date: _____



March 19, 2019

US Certified Mail – 91 7199 9991 7038 7772 3217

Burlington Resources Oil & Gas Company
600 N. Dairy Ashford Rd
Houston, TX 77079

Re: **Well Proposal – Stove Pipe Federal Com #705H**
Sec 6: Lots 3-7, SE/4NW/4, E/2SW/4 (W/2) - T25S-R35E
Sec 7: Lots 1-4, E/2W/2 (W/2) - T25S-R35E
SHL: 270 FSL/1425 FWL, or a location in Sec 31 - T24S-R35E
BHL: 50 FSL/990 FWL, or a location in Sec 7 - T25S-R35E
Lea County, New Mexico

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COG Operating LLC (COG), as Operator, proposes to drill the Stove Pipe Federal Com #705H well as a horizontal well at the above-captioned location to a TVD of approximately 12,865' and a MD of 23,306' to test the Wolfbone Pool ("Operation"). The total cost of the Operation is estimated to be \$15,050,255.00 and a detailed description of the cost is set out in the enclosed Authority for Expenditure ("AFE").

COG is proposing to drill this well under the terms of the AAPL Form 610- 1989 Operating Agreement. The Operating Agreement covers Sec. 6: Lots 3-7, SE/4NW/4, E/2SW/4 (W/2) and Sec. 7: Lots 1-4, E/2W/2 (W/2) - T25S-R35E, Lea County, NM; a fully executable copy will be sent for your execution if you shall choose to participate with the following general provisions:

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- \$8,000/\$800 Drilling and Producing rate
- COG Operating LLC named as Operator

Please indicate your election in the space provided below, sign and return this letter, along with a signed copy of the enclosed AFE and a copy of your geologic well requirements. A self-addressed, postage paid envelope is enclosed for your convenience. If you do not wish to participate, COG would like to lease your minerals under the following general terms:

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Megan Tipton
Landman

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Company: _____

By: _____

Name: _____

Title: _____

Date: _____

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME:	STOVE PIPE FEDERAL COM #705H	PROSPECT NAME:	Buildog 2535 (717109)
SHL:	Sec 31: 270 FSL & 1425 FWL	STATE & COUNTY:	New Mexico, Lea
BHL:	Sec 7: 50 FSL & 990 FWL	OBJECTIVE:	DRILL AND COMPLETE
FORMATION:	Wolfbone Pool	DEPTH:	23,306
LEGAL:	Sec 31: 245-35E	TVD:	12,865

INTANGIBLE COSTS		Drig - Rig Release(D)	Completion(C)	Tank Btty Constructn(TB)	Pmpg Equipment(PEO)	TOTAL			
Title/Curtive/Permit	201	20,000				20,000			
Insurance	202	2,500	302			2,500			
Damages/Right of Way	203	20,000	303	351		20,000			
Survey/Stake Location	204	7,000		352		7,000			
Location/Plat/Road Expense	205	135,000	305	10,000	353	45,000	180,000		
Drilling / Completion Overhead	206	11,100	306	15,000			26,100		
Turnkey Contract	207						0		
Footage Contract	208						0		
Daywork Contract	209	964,000					964,000		
Directional Drilling Services	210	480,000					480,000		
Frac Equipment			307	1,829,000			1,829,000		
Frac Chemicals			308	473,000			473,000		
Frac Proppant			309	814,000			814,000		
Frac Proppant Transportation			310	399,000			399,000		
Fuel & Power	211	211,000	311	68,000	354	367	279,000		
Water	212	60,000	312	968,000		368	1,048,000		
Bits	213	119,000	313	4,500		369	123,500		
Mud & Chemicals	214	275,000	314	25,000		370	300,000		
Drill Stem Test	215		315				0		
Coring & Analysis	216						0		
Cement Surface	217	38,000					38,000		
Cement Intermediate	218	75,000					75,000		
Cement 2nd Intermediate/Production	219	115,000					115,000		
Cement Squeeze & Other (Kickoff Plug)	220				371		0		
Float Equipment & Centralizers	221	65,000					65,000		
Casing Crews & Equipment	222	70,000					70,000		
Fishing Tools & Service	223		323		372		0		
Geologic/Engineering	224	11,800	324	355	373		11,800		
Contract Labor	225	6,500	325	20,000	356	122,935	155,935		
Company Supervision	226	66,600	326	15,000	357	375	81,600		
Contract Supervision	227	157,000	327	255,000	358	376	417,000		
Testing Casing/Tubing	228	30,000	328	5,000		377	35,000		
Mud Logging Unit	229	70,000	329				70,000		
Logging	230					378	0		
Perforating/Wireline Services	231	4,000	331	588,000		379	592,000		
Stimulation/Treating			332	397,000		380	397,000		
Completion Unit			333	136,000		381	146,800		
Swabbing Unit			334			382	0		
Rentals Surface	235	180,000	335	403,000	359	383	7,000	600,000	
Rentals-Subsurface	236	150,000	336	30,000		384	180,000		
Trucking/Forklift/Rig Mobilization	237	200,000	337	20,000	360	385	3,000	223,000	
Welding Services	238	3,000	338	5,000	361	386	8,000		
Water Disposal	239		339	60,000	362	135,000	387	250,000	445,000
Plug to Abandon	240		340				0		
Seismic Analysis	241		341				0		
Miscellaneous	242		342			389	0		
Contingency	243	72,000	343	250,000	363	390	322,000		
Closed Loop & Environmental	244	330,000	344	5,000	384	388	335,000		
Dyed Diesel	245		345	484,000			484,000		
Coil Tubing			346	750,000			750,000		
Flowback Crews & Equip			347	48,000			48,000		
Offset Directional/Frac	248		348			381	0		
TOTAL INTANGIBLES		3,978,500	8,076,500	302,935		280,300	12,638,235		

TANGIBLE COSTS									
Surface Casing	401	48,000							48,000
Intermediate Casing	402	555,000							555,000
Production Casing/Liner	403	796,000							796,000
Tubing			504	52,000			530	6,000	57,000
Wellhead Equipment	405	75,000	505	22,000			531	3,000	100,000
Pumping Unit				0			506	96,000	96,000
Prime Mover				0			507		0
Rods				0			508	55,000	55,000
Pumps-Sub Surface (BH)			509				532	5,000	5,000
Tanks					510	63,645			63,645
Flowlines					511	26,593			26,593
Heater Treater/Separator					612	140,007			140,007
Electrical System					513	130,000	533	15,000	145,000
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Couplings/Fittings/Valves	415				515	102,282			102,282
Dehydration					517				0
Injection Plant/CO2 Equipment					518				0
Pumps-Surface					521	6,000			5,000
Instrumentation/SCADA/POC					522	10,482	529	7,000	17,482
Miscellaneous	419		519		523	5,241	535	3,000	8,241
Contingency	420		520		524		536		0
Meters/LACT					525	25,156			25,156
Flares/Combustors/Emission					526	23,584			23,584
Gas Lift/Compression			527	15,000	516	60,000	528		75,000
TOTAL TANGIBLES		1,474,000		155,030		591,890		191,000	2,412,020
TOTAL WELL COSTS		5,452,500		8,232,000		894,925		471,300	15,050,255

COG Operating LLC

Date Prepared: 2/25/19

We approve: % Working Interest

COG Operating LLC
By: AL

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.



US Certified Mail – 91 7199 9991 7038 7772 3163

March 19, 2019

Diamondback Energy Incorporated
500 W. Texas Avenue, Ste. 1200
Midland, TX 79701

Re: **Well Proposal – Stove Pipe Federal Com #706H**
Sec 6: Lots 3-7, SE/4NW/4, E/2SW/4 (W/2) - T25S-R35E
Sec 7: Lots 1-4, E/2W/2 (W/2) - T25S-R35E
SHL: 270 FSL/360 FWL, or a location in Sec 31 - T24S-R35E
BHL: 50 FSL/560 FWL, or a location in Sec 7 - T25S-R35E
Lea County, New Mexico

Dear Sir/Madam:

COG Operating LLC (COG), as Operator, proposes to drill the Stove Pipe Federal Com #706H well as a horizontal well at the above-captioned location to a TVD of approximately 12,700' and a MD of 22,889' to test the Wolfbone Pool ("Operation"). The total cost of the Operation is estimated to be \$15,050,255.00 and a detailed description of the cost is set out in the enclosed Authority for Expenditure ("AFE").

COG is proposing to drill this well under the terms of the AAPL Form 610- 1989 Operating Agreement. The Operating Agreement covers Sec. 6: Lots 3-7, SE/4NW/4, E/2SW/4 (W/2) and Sec. 7: Lots 1-4, E/2W/2 (W/2) - T25S-R35E, Lea County, NM; a fully executable copy will be sent for your execution if you shall choose to participate with the following general provisions:

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Respectfully,

Megan L. Tipton

Megan Tipton
Landman

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Company: _____

By: _____

Name: _____

Title: _____

Date: _____



March 19, 2019

US Certified Mail – 91 7199 9991 7038 7772 3217

Burlington Resources Oil & Gas Company
600 N. Dairy Ashford Rd
Houston, TX 77079

Re: **Well Proposal – Stove Pipe Federal Com #706H**
Sec 6: Lots 3-7, SE/4NW/4, E/2SW/4 (W/2) - T25S-R35E
Sec 7: Lots 1-4, E/2W/2 (W/2) - T25S-R35E
SHL: 270 FSL/360 FWL, or a location in Sec 31 - T24S-R35E
BHL: 50 FSL/560 FWL, or a location in Sec 7 - T25S-R35E
Lea County, New Mexico

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Respectfully,

Megan L. Tipton

Megan Tipton
Landman

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Company: _____

By: _____

Name: _____

Title: _____

Date: _____

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: STOVE PIPE FEDERAL COM #706H
SHL: Sec 31: 270 FSL & 360 FWL
BHL: Sec 7: 50 FSL & 560 FWL
FORMATION: Wolfbone Pool
LEGAL: Sec 31: 24S-35E

PROSPECT NAME: Bulldog 2535 (717109)
STATE & COUNTY: New Mexico, Lea
OBJECTIVE: DRILL AND COMPLETE
DEPTH: 22,889
TVD: 12,700

		Drig - Rig Release(D)	Completion(C)	Tank Bty Constrotn(TB)	Pmpg Equipment(PEQ)	TOTAL
INTANGIBLE COSTS						
Title/Curative/Permit	201	20,000				20,000
Insurance	202	2,500	302			2,500
Damages/Right of Way	203	20,000	303	351		20,000
Survey/Stake Location	204	7,000		352		7,000
Location/Post/Road Expense	205	135,000	305	10,000	353	180,000
Drilling / Completion Overhead	206	11,100	306	15,000	366	26,100
Turnkey Contract	207					0
Footage Contract	208					0
Daywork Contract	209	964,000				964,000
Directional Drilling Services	210	480,000				480,000
Frac Equipment			307	1,829,000		1,829,000
Frac Chemicals			308	473,000		473,000
Frac Proppant			309	814,000		814,000
Frac Proppant Transportation			310	399,000		399,000
Fuel & Power	211	211,000	311	68,000	354	279,000
Water	212	80,000	312	906,000	367	1,046,000
Bits	213	119,000	313	4,500	368	123,500
Mud & Chemicals	214	275,000	314	25,000	370	300,000
Drill Stem Test	215		315			0
Coring & Analysis	216					0
Cement Surface	217	38,000				38,000
Cement Intermediate	218	75,000				75,000
Cement 2nd Intermediate/Production	219	115,000				115,000
Cement Squeeze & Other (Kickoff Plug)	220				371	0
Float Equipment & Centralizers	221	65,000				65,000
Casing Crews & Equipment	222	70,000				70,000
Fishing Tools & Service	223		323		372	0
Geologic/Engineering	224	11,800	324	355	373	11,800
Contract Labor	225	6,500	325	20,000	356	155,935
Company Supervision	226	66,600	326	15,000	357	81,600
Contract Supervision	227	157,000	327	255,000	358	417,000
Testing Casing/Tubing	228	30,000	328	6,000	377	35,000
Mud Logging Unit	229	70,000	329			70,000
Logging	230				378	0
Perforating/Wireline Services	231	4,000	331	588,000	379	592,000
Simulation/Treating			332	397,000	380	397,000
Completion Unit			333	138,000	381	146,800
Swabbing Unit			334		382	0
Rentals-Surface	235	190,000	335	403,000	359	600,000
Rentals-Subsurface	236	150,000	336	30,000	384	180,000
Trucking/Forklift/Mobilization	237	200,000	337	20,000	385	223,000
Wellbore Services	238	3,000	338	5,000	381	8,000
Water Disposal	239		339	60,000	362	135,000
Plug to Abandon	240		340		387	250,000
Seismic Analysis	241		341			0
Miscellaneous	242		342		389	0
Contingency	243	72,000	343	250,000	363	322,000
Closed Loop & Environmental	244	330,000	344	5,000	384	335,000
Dyed Diesel	245		345	484,000		
Coil Tubing			346	750,000		750,000
Flowback Crews & Equip			347	48,000		48,000
Offset Directional/Frac	248		348		391	0
TOTAL INTANGIBLES		3,978,500	8,076,500	302,935	280,300	12,538,235
TANGIBLE COSTS						
Surface Casing	401	48,000				48,000
Intermediate Casing	402	555,000				555,000
Production Casing/Liner	403	796,000				796,000
Tubing			504	52,030	530	57,030
Wellhead Equipment	405	75,000	506	22,000	531	100,000
Pumping Unit				0	508	96,000
Prime Mover				0	507	0
Rods				0	508	55,000
Pumps-Sub Surface (BH)			509		532	5,000
Tanks				510	63,645	63,645
Flowlines				511	26,593	26,593
Heater Treater/Separator				512	140,007	140,007
Electrical System				513	130,000	145,000
Packers/Anchors/Hangers	414		514	66,000	534	66,000
Couplings/Fittings/Valves	415			515	102,282	102,282
Dehydration				517		0
Injection Plant/CO2 Equipment				518		0
Pumps-Surface				521	5,000	5,000
Instrumentation/SCADA/POC				522	10,482	17,482
Miscellaneous	419		519	523	5,241	8,241
Contingency	420		520	524		0
Meters/LACT				525	25,156	25,156
Flares/Combustors/Emission				526	23,584	23,584
Gas Lift/Compression			527	15,000	516	75,000
TOTAL TANGIBLES		1,474,000	155,030	581,990	181,000	2,412,020
TOTAL WELL COSTS		5,452,500	8,232,000	894,925	471,300	15,050,255

COG Operating LLC

Date Prepared: 2/28/19
COG Operating LLC

We approve: _____
% Working Interest

By: _____ AL

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.



US Certified Mail – 91 7199 9991 7038 7772 3163

March 19, 2019

Diamondback Energy Incorporated
500 W. Texas Avenue, Ste. 1200
Midland, TX 79701

Re: **Well Proposal – Stove Pipe Federal Com #707H**
Sec 6: Lots 3-7, SE/4NW/4, E/2SW/4 (W/2) - T25S-R35E
Sec 7: Lots 1-4, E/2W/2 (W/2) - T25S-R35E
SHL: 270 FSL/330 FWL, or a location in Sec 31 - T24S-R35E
BHL: 50 FSL/330 FWL, or a location in Sec 7 - T25S-R35E
Lea County, New Mexico

Dear Sir/Madam:

COG Operating LLC (COG), as Operator, proposes to drill the Stove Pipe Federal Com #707H well as a horizontal well at the above-captioned location to a TVD of approximately 12,865' and a MD of 23,048' to test the Wolfbone Pool ("Operation"). The total cost of the Operation is estimated to be \$15,050,255.00 and a detailed description of the cost is set out in the enclosed Authority for Expenditure ("AFE").

COG is proposing to drill this well under the terms of the AAPL Form 610- 1989 Operating Agreement. The Operating Agreement covers Sec. 6: Lots 3-7, SE/4NW/4, E/2SW/4 (W/2) and Sec. 7: Lots 1-4, E/2W/2 (W/2) - T25S-R35E, Lea County, NM; a fully executable copy will be sent for your execution if you shall choose to participate with the following general provisions:

- 100/300 Non-consenting penalty
- \$8,000/\$800 Drilling and Producing rate
- COG Operating LLC named as Operator

Please indicate your election in the space provided below, sign and return this letter, along with a signed copy of the enclosed AFE and a copy of your geologic well requirements. A self-addressed, postage paid envelope is enclosed for your convenience. If you do not wish to participate, COG proposes to acquire your interest via term assignment. It has the following general provisions:

- 3 year primary term
- Delivering a 75% NRI, proportionately reduced
- \$2,000 per net acre bonus consideration

The Term Assignment offer terminates 30 days from the date of this letter and is subject to the approval of COG's management and verification of title.

If an agreement cannot be reached 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 if uncommitted at such time.

If you have any questions, please contact the undersigned at 432-685-2588 or mtipton@concho.com.

Respectfully,

Megan L. Tipton

Megan Tipton
Landman

_____ I/We hereby elect to participate in the Stove Pipe Federal Com #707H.

_____ I/We hereby elect **not** to participate in the Stove Pipe Federal Com #707H.

Company: _____

By: _____

Name: _____

Title: _____

Date: _____



March 19, 2019

US Certified Mail – 91 7199 9991 7038 7772 3217

Burlington Resources Oil & Gas Company
600 N. Dairy Ashford Rd
Houston, TX 77079

Re: **Well Proposal – Stove Pipe Federal Com #707H**
Sec 6: Lots 3-7, SE/4NW/4, E/2SW/4 (W/2) - T25S-R35E
Sec 7: Lots 1-4, E/2W/2 (W/2) - T25S-R35E
SHL: 270 FSL/330 FWL, or a location in Sec 31 - T24S-R35E
BHL: 50 FSL/330 FWL, or a location in Sec 7 - T25S-R35E
Lea County, New Mexico

Dear Sir/Madam:

COG Operating LLC (COG), as Operator, proposes to drill the Stove Pipe Federal Com #707H well as a horizontal well at the above-captioned location to a TVD of approximately 12,865' and a MD of 23,048' to test the Wolfbone Pool ("Operation"). The total cost of the Operation is estimated to be \$15,050,255.00 and a detailed description of the cost is set out in the enclosed Authority for Expenditure ("AFE").

COG is proposing to drill this well under the terms of the AAPL Form 610- 1989 Operating Agreement. The Operating Agreement covers Sec. 6: Lots 3-7, SE/4NW/4, E/2SW/4 (W/2) and Sec. 7: Lots 1-4, E/2W/2 (W/2) - T25S-R35E, Lea County, NM; a fully executable copy will be sent for your execution if you shall choose to participate with the following general provisions:

- 100/300 Non-consenting penalty
- \$8,000/\$800 Drilling and Producing rate
- COG Operating LLC named as Operator

Please indicate your election in the space provided below, sign and return this letter, along with a signed copy of the enclosed AFE and a copy of your geologic well requirements. A self-addressed, postage paid envelope is enclosed for your convenience. If you do not wish to participate, COG would like to lease your minerals under the following general terms:

- Bonus of \$2,000 /Net Mineral Acre
- 3 Year Primary Term
- 25% Royalty Interest

The Lease offer is subject to the approval of COG's management and verification of title.

If an agreement cannot be reached 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 if uncommitted at such time.

If you have any questions, please contact the undersigned at (432) 685-2588 or mtipton@concho.com.

Respectfully,

Megan L. Tipton

Megan Tipton
Landman

_____ I/We hereby elect to participate in the Stove Pipe Federal Com #707H.

_____ I/We hereby elect **not** to participate in the Stove Pipe Federal Com #707H.

Company: _____

By: _____

Name: _____

Title: _____

Date: _____

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME:	STOVE PIPE FEDERAL COM #707H	PROSPECT NAME:	Bulldog 2535 (717109)
SHL:	Sec 31: 270 FSL & 330 FWL	STATE & COUNTY:	New Mexico, Lea
BHL:	Sec 7: 50 FSL & 330 FWL	OBJECTIVE:	DRILL AND COMPLETE
FORMATION:	Wolfbone Pout	DEPTH:	23,048
LEGAL:	Sec 31: 245-35E	TVD:	12,865

		Drig - Rig Release(D)	Completion(C)	Tank Btty Constructn(TB)	Pmpg Equipment(PEQ)	TOTAL
INTANGIBLE COSTS						
Title/Curative/Permit	201	20,000				20,000
Insurance	202	2,500	302			2,500
Damages/Right of Way	203	20,000	303	351		20,000
Survey/Stake Location	204	7,000		352		7,000
Location/Plus/Road Expense	205	135,000	305	10,000	353	180,000
Drilling / Completion Overhead	206	11,100	306	15,000		26,100
Turnkey Contract	207					0
Footage Contract	208					0
Daywork Contract	209	954,000				954,000
Directional Drilling Services	210	480,000				480,000
Frac Equipment			307	1,829,000		1,829,000
Frac Chemicals			308	473,000		473,000
Frac Proppant			309	814,000		814,000
Frac Proppant Transportation			310	399,000		399,000
Fuel & Power	211	211,000	311	68,000	354	279,000
Water	212	80,000	312	968,000	368	1,048,000
Bits	213	118,000	313	4,500	369	123,500
Mud & Chemicals	214	275,000	314	25,000	370	300,000
Drill Stem Test	215		315			0
Coring & Analysis	216					0
Cement Surface	217	38,000				38,000
Cement Intermediate	218	75,000				75,000
Cement 2nd Intermediate/Production	219	115,000				115,000
Cement Squeeze & Other (Kickoff Plug)	220				371	0
Float Equipment & Centralizers	221	65,000				65,000
Casing Crews & Equipment	222	70,000				70,000
Fishing Tools & Service	223		323		372	0
Geologic/Engineering	224	11,800	324		373	11,800
Contract Labor	226	6,500	325	20,000	356	155,935
Company Supervision	228	86,600	326	15,000	357	81,600
Contract Supervision	227	157,000	327	255,000	358	417,000
Testing Casing/Tubing	228	30,000	328	5,000	377	35,000
Mud Logging Unit	229	70,000	329			70,000
Logging	230				378	0
Perforating/Wireline Services	231	4,000	331	588,000	379	592,000
Simulation/Treating			332	397,000	380	397,000
Completion Unit			333	138,000	381	148,800
Swabbing Unit			334		382	0
Rentals-Surface	235	190,000	335	403,000	359	600,000
Rentals-Subsurface	236	150,000	336	30,000	384	180,000
Trucking/Forklift/Rig Mobilization	237	200,000	337	20,000	385	223,000
Welding Services	238	3,000	338	5,000	361	8,000
Water Disposal	239		339	80,000	362	135,000
Plug to Abandon	240		340		367	250,000
Seismic Analysis	241		341			445,000
Miscellaneous	242		342			0
Contingency	243	72,000	343	250,000	363	322,000
Closed Loop & Environmental	244	330,000	344	5,000	384	335,000
Dyed Diesel	245		345	484,000		0
Coil Tubing			346	750,000		750,000
Flowback Crews & Equip			347	48,000		48,000
Offset Directional/Frac	248		348		381	0
TOTAL INTANGIBLES		3,978,500	8,076,500	302,835	280,300	12,638,235
TANGIBLE COSTS						
Surface Casing	401	48,000				48,000
Intermediate Casing	402	555,000				555,000
Production Casing/Liner	403	796,000				796,000
Tubing			504	62,000	500	67,000
Wellhead Equipment	405	75,000	505	22,000	501	100,000
Pumping Unit				0	506	98,000
Primo Mover				0	507	0
Rods				0	508	55,000
Pumps-Sub Surface (BH)			509		532	5,000
Tanks				510	63,645	63,645
Flowlines				511	26,593	26,593
Heater Treater/Separator				512	140,007	140,007
Electrical System				513	130,000	145,000
Packers/Anchors/Hangers	414		514	66,000	503	84,000
Couplings/Fittings/Valves	415				504	102,282
Dehydration				515	102,282	0
Injection Plant/CO2 Equipment				517		0
Pumps-Surface				518		0
Instrumentation/SCADA/POC				521	5,000	5,000
Miscellaneous	419		519		522	10,482
Contingency	420		520		529	7,000
Meters/LACT				523	5,241	8,241
Flares/Combustors/Emission				524		0
Gas Lift/Compression				525	25,156	25,156
				526	23,584	23,584
TOTAL TANGIBLES		1,474,000	155,030	591,990	191,000	2,412,020
TOTAL WELL COSTS		5,452,500	8,232,000	894,825	471,300	15,050,255

COG Operating LLC % of Total Well Cost 36% 55% 6% 3%

Date Prepared: 2/28/19

COG Operating LLC

We approve: % Working Interest By: AL

Company: _____

By: _____

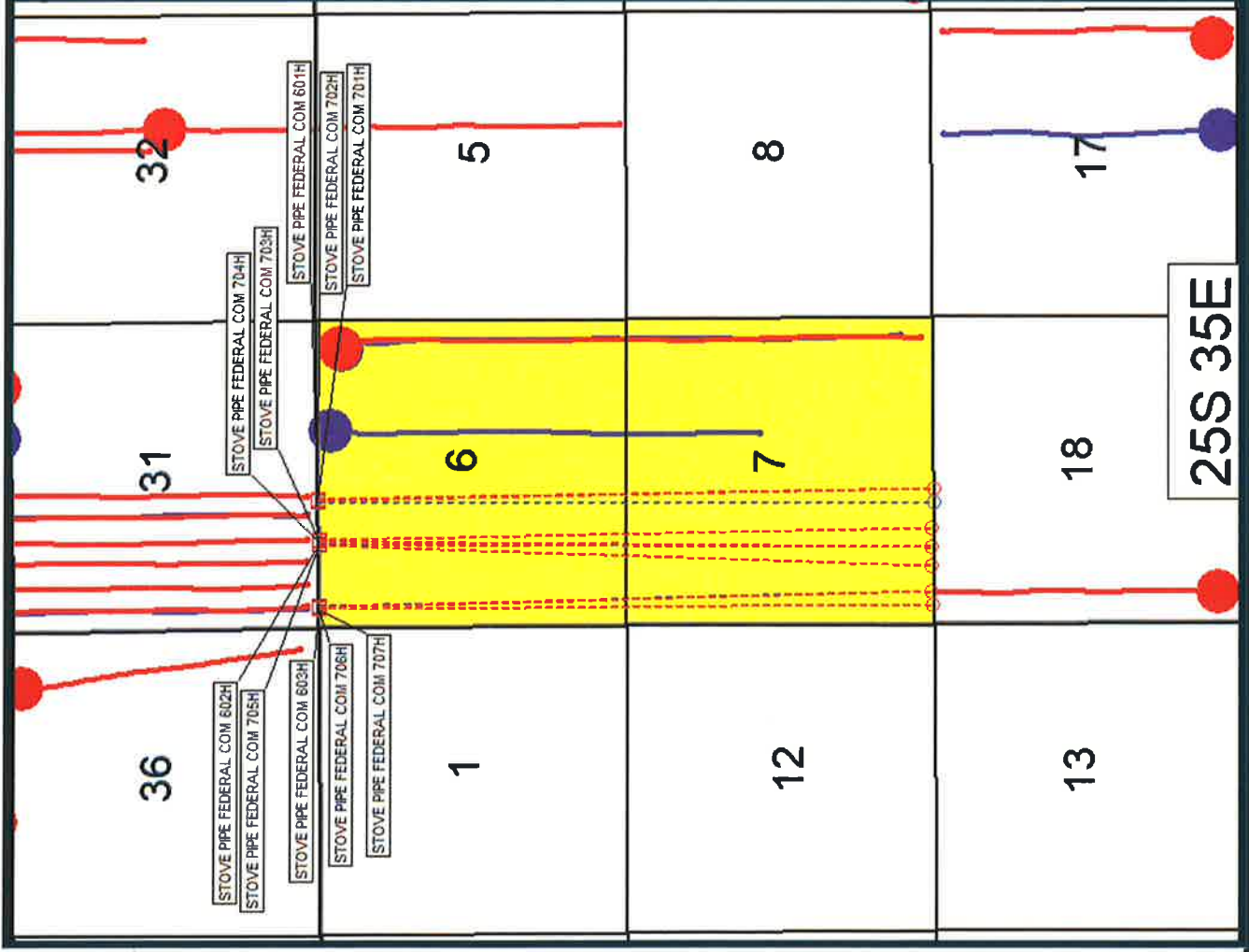
Printed Name: _____

Title: _____

Date: _____

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

Stove Pipe Federal Com
601H, 602H, 603H, 701H, 702H, 703H,
704H, 705H, 706H, 707H



Map Legend



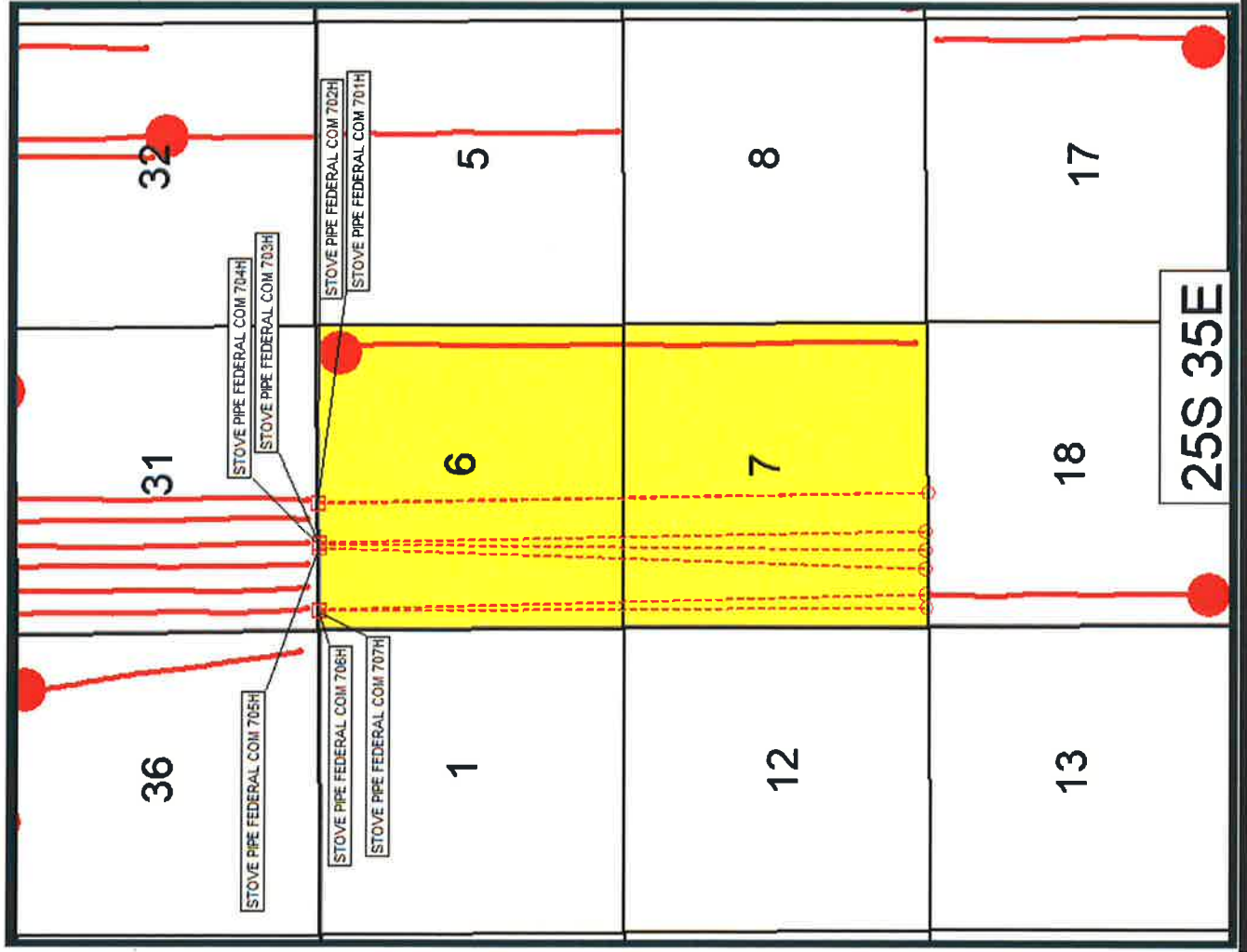
BEFORE THE OIL CONSERVATOIN
DIVISION
Santa Fe, New Mexico
Exhibit No. 4

Case No. 20527

Submitted by: COG OPERATING, LLC
Hearing Date: June 13, 2019



Stove Pipe Federal Com
701H, 702H, 703H,
704H, 705H, 706H, 707H



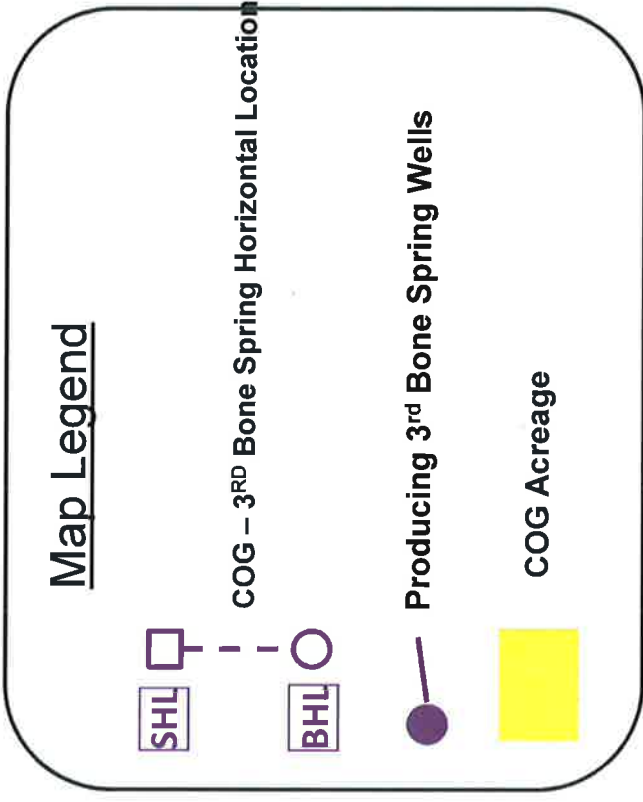
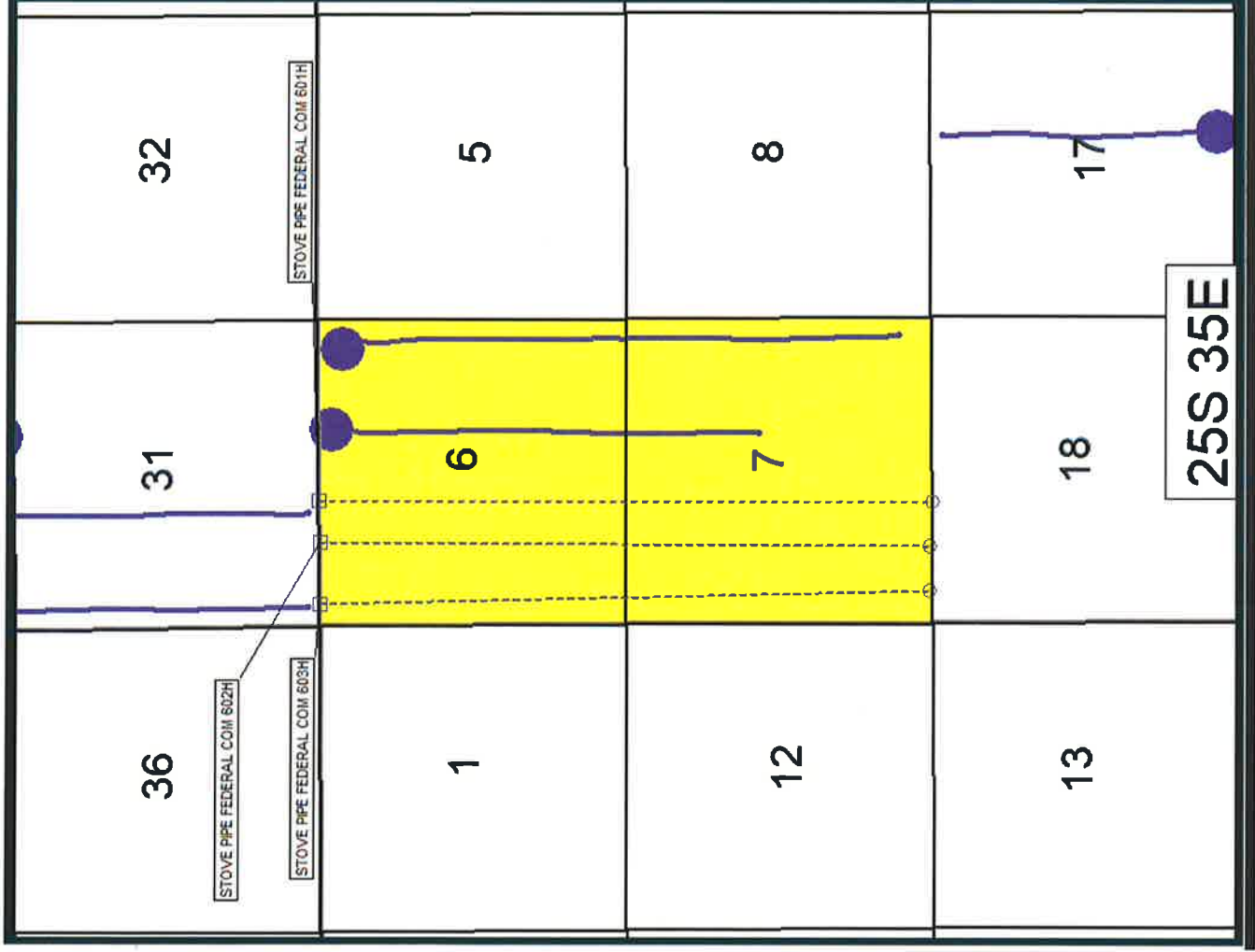
Map Legend



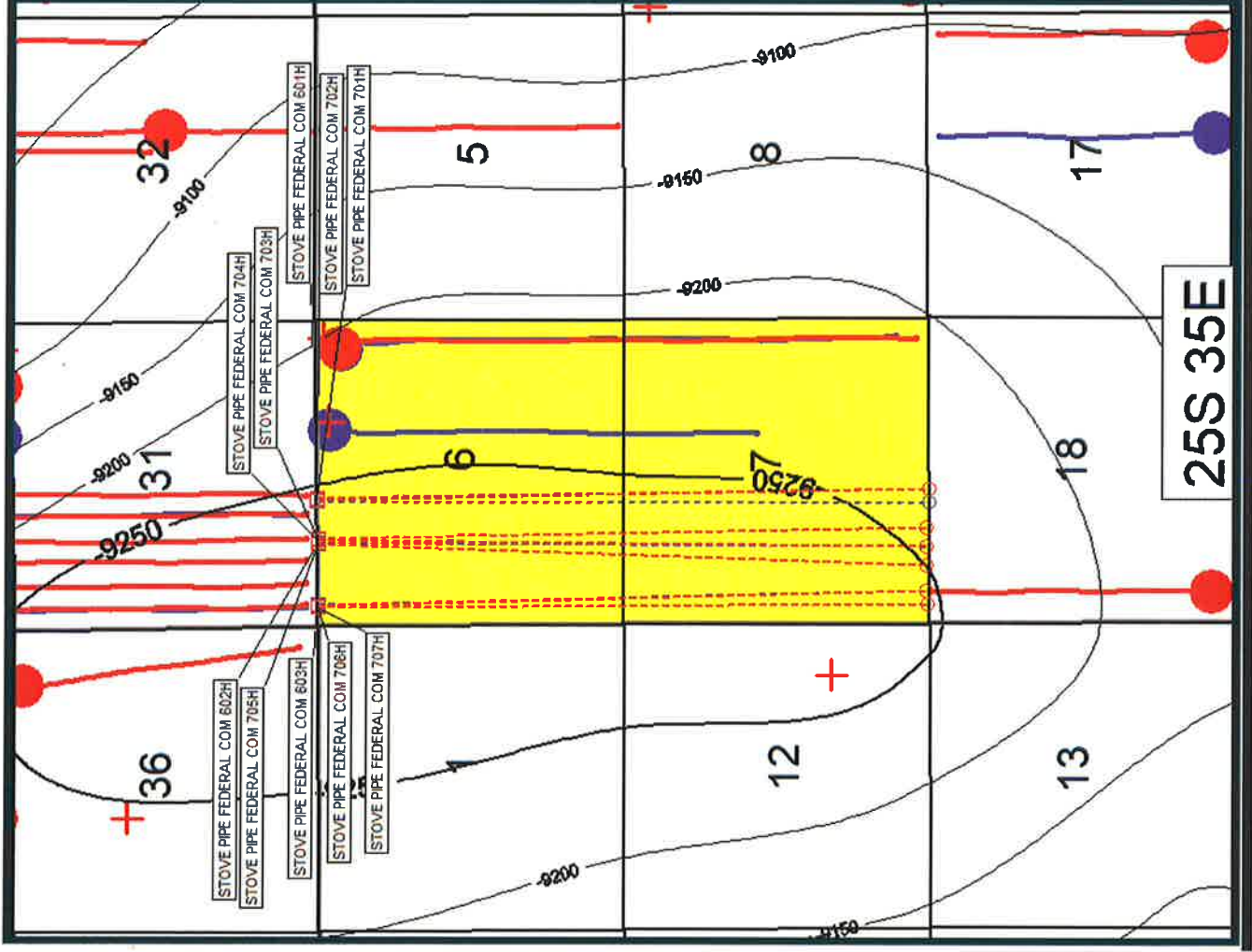
COG – Wolfcamp Horizontal Location

Producing Wolfcamp Wells

COG Acreage



Stove Pipe Federal Com
601H, 602H, 603H, 701H, 702H, 703H,
704H, 705H, 706H, 707H



Map Legend



COG - Wolfcamp Horizontal Location



Producing Wolfcamp Wells



COG - 3RD Bone Spring Horizontal Location



Producing 3rd Bone Spring Wells



WFMP Structure

CI: 50'



Data point



COG Acreage



BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

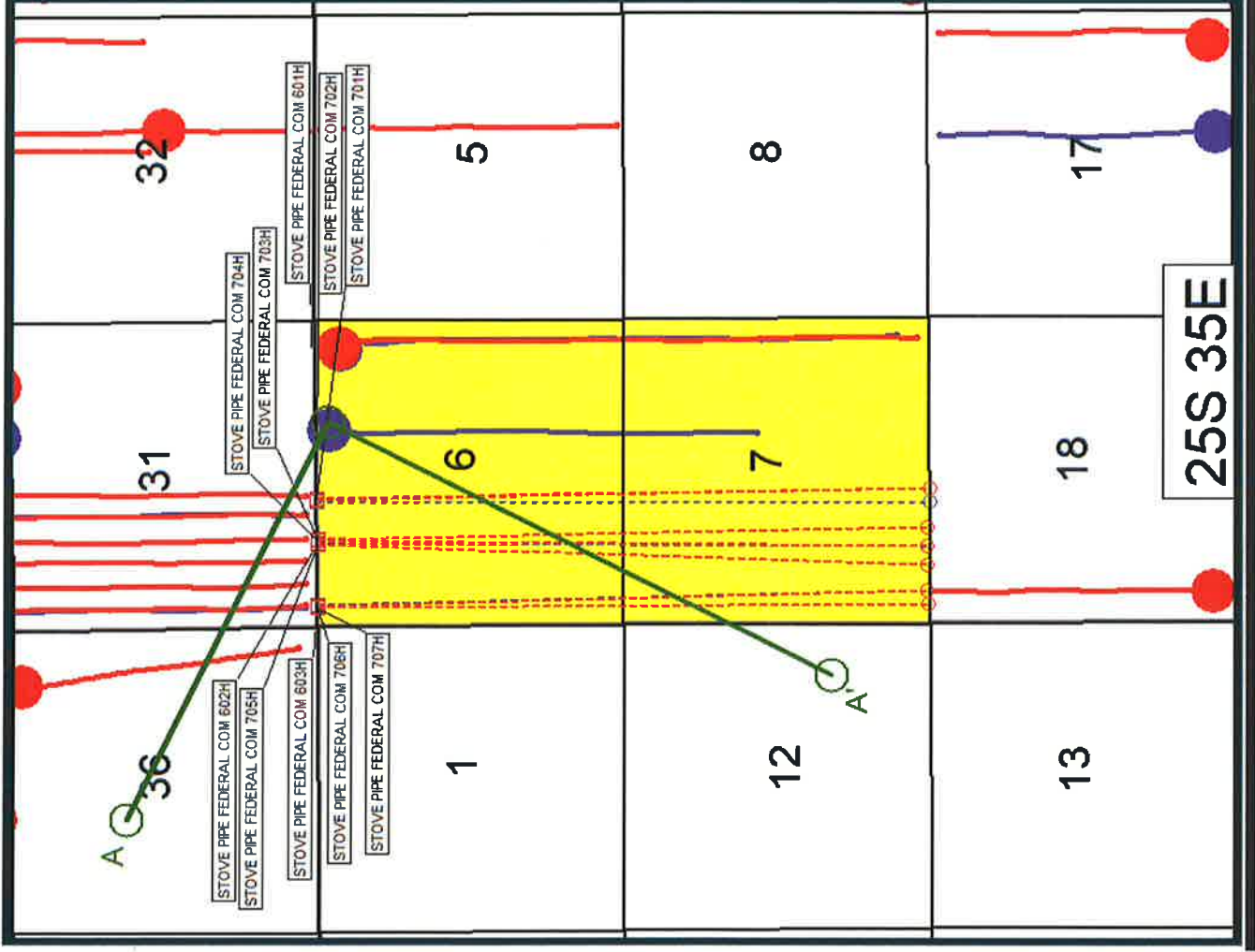
Exhibit No. 5

Case No. 20527

Submitted by: COG OPERATING, LLC

Hearing Date: June 13, 2019

Stove Pipe Federal Com
601H, 602H, 603H, 701H, 702H, 703H,
704H, 705H, 706H, 707H



Map Legend



COG – Wolfcamp Horizontal Location



Producing Wolfcamp Wells



COG – 3RD Bone Spring Horizontal Location



Producing 3rd Bone Spring Wells



Cross Section Line

BEFORE THE OIL CONSERVATOIN DIVISION
Santa Fe, New Mexico
Exhibit No. 6

Case No. 20527

Submitted by: COG OPERATING, LLC
Hearing Date: June 13, 2019



COG Acreage

Stratigraphic Cross Section A-A'

A'

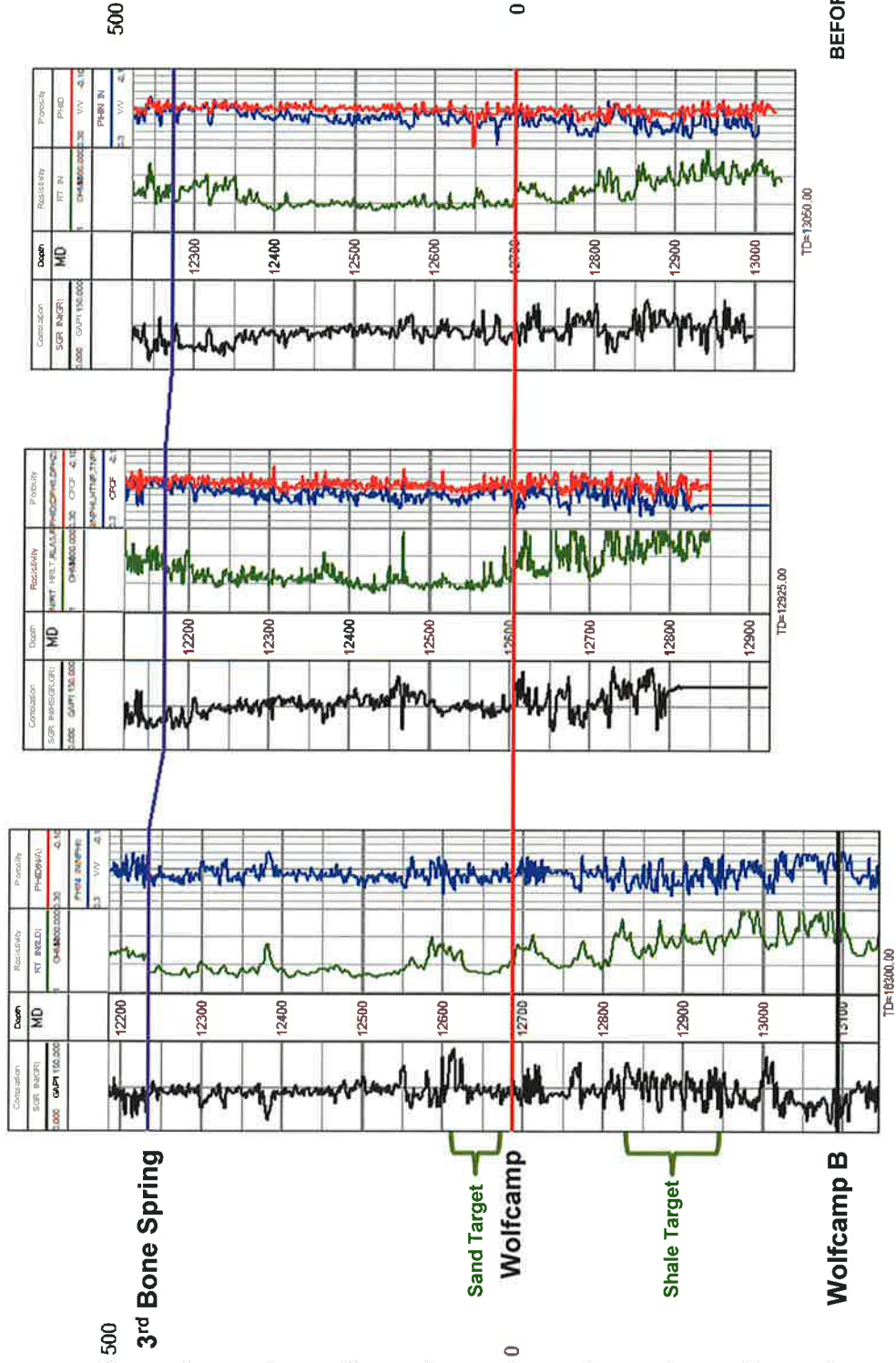
A

300252813500 7699 ft 300254326000 5724 ft 300253345100

EOG RESOURCES INCORPORATED
PITCHFORK-38 STATE 1
1980 FWU/1980 FNL
TWP: 24 S - Range: 34 E - Sec. 30

COG OPERATING LLC
STONE PIPE FEDERAL COM Plot Hole 2H
225 FNL 1905 FEL
TWP: 25 S - Range: 35 E - Sec. 8

ENRON OIL & GAS COMPANY
JAMAICA 12 FEDERAL 1
900 FEL/1700 FSL
TWP: 25 S - Range: 34 E - Sec. 12



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 7
Case No. 20527
Submitted by: COG OPERATING, LLC
Hearing Date: June 13, 2019

