



COG OPERATING LLC

Potato Baby Wells
Eddy County, New Mexico

November 5, 2020



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

**APPLICATION OF COG OPERATING LLC
TO POOL ADDITIONAL INTEREST
OWNERS UNDER ORDER NO. R-21102-A
EDDY COUNTY, NEW MEXICO.**

CASE NO. 21525

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

**APPLICATION OF COG OPERATING LLC
TO POOL ADDITIONAL INTEREST
OWNERS UNDER ORDER NO. R-21102-A
EDDY COUNTY, NEW MEXICO**

CASE NO. 21525
ORDER NO. R-21102-A (Re-Open)

APPLICATION

COG Operating LLC ("COG") (OGRID No. 229137), through its undersigned attorneys, hereby files this application with the Oil Conservation Division ("Division") for the limited purpose of pooling additional unleased mineral interest owners under the terms of Division Order No. R-21102-A. In support of its application, COG states:

1. The Division entered Order No. R-21102 in Case No. 20935 on February 12, 2020, which created a 767.52-acre, more or less, standard horizontal spacing unit comprised of the W/2 of Sections 22 and 27, and the N/2 NW/4 and Lots 1-2 (W/2 equivalent) of irregular Section 34, Township 26 South, Range 28 East, Eddy County, New Mexico ("Unit"), and designated COG as the operator of the Unit.

2. Order No. R-21102 further pooled all uncommitted interests within the Purple Sage; Wolfcamp Gas Pool (Pool Code: 98220) underlying the Unit and dedicated the Unit to the Potato Baby State Com Well Nos. 704H, 705H, and 706H.

3. The Division entered Order No. R-21102-A in Case No. 21312 on June 12, 2020, which conformed Order No. R-21102 to the amended order template described in the Letter of the Division Director dated April 9, 2020 (RE: Amendments to Compulsory Pooling Order Template).

4. Since the entry of Order No. R-21102-A, COG has identified additional unleased mineral interest owners in the Unit that have not been pooled pursuant to the terms of Order No. R-21102.

5. In order to permit COG to obtain its just and fair share of the oil and gas underlying the subject lands, COG requests that Order No. R-21102-A be opened for the limited purpose of pooling the additional unleased mineral interest owners in the Unit pursuant to the terms of Order No. R-21102-A.

WHEREFORE, COG requests that this application be set for hearing before an Examiner of the Oil Conservation Division on November 5, 2020, and, after notice and hearing as required by law, the Division pool the additional unleased mineral interest owners pursuant to the terms of Order No. R-21102-A.

Respectfully submitted,

COG OPERATING LLC

/s/ Michael Rodriguez

Ocean Munds-Dry
Michael Rodriguez
COG Operating LLC
1048 Paseo de Peralta
Santa Fe, New Mexico 87501
(505) 780-8000
omundsdry@concho.com
mrodriguez@concho.com

ATTORNEYS FOR COG OPERATING LLC

Case No. _____: Application of COG Operating LLC to pool additional interest owners under Order No. R-21102-A, Eddy county, New Mexico. Applicant in the above-styled cause seeks an order for the limited purpose of pooling additional unleased mineral interest owners under the terms of Division Order No. R-21102-A. The Division entered Order No. R-21102 in Case No. 20935 on February 12, 2020, which created a 767.52-acre, more or less, standard horizontal spacing unit comprised of the W/2 of Sections 22 and 27, and the N/2 NW/4 and Lots 1-2 (W/2 equivalent) of irregular Section 34, Township 26 South, Range 28 East, Eddy County, New Mexico ("Unit"), and designated COG as the operator of the Unit. Order No. R-21102 further pooled all uncommitted interests within the Purple Sage; Wolfcamp Gas Pool (Pool Code: 98220) underlying the Unit and dedicated the Unit to the Potato Baby State Com Well Nos. 704H, 705H, and 706H. The Division entered Order No. R-21102-A in Case No. 21312 on June 12, 2020, which conformed Order No. R-21102 to the amended order template described in the Letter of the Division Director dated April 9, 2020 (RE: Amendments to Compulsory Pooling Order Template). Since the entry of Order No. R-21102-A, COG has identified additional unleased mineral interest owners in the Unit that have not been pooled pursuant to the terms of Order No. R-21102.

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

**APPLICATION OF COG OPERATING LLC
TO POOL ADDITIONAL INTEREST
OWNERS UNDER ORDER NO. R-21102-A
EDDY COUNTY, NEW MEXICO**

**CASE NO. 21525
ORDER NO. R-21102-A (Re-Open)**

LANDMAN AFFIDAVIT

Lizzy Laufer, of lawful age and being first duly sworn, declares as follows:

1. My name is Lizzy Laufer, and I am a Landman with COG Operating LLC ("COG").
1. I have testified before the New Mexico Oil Conservation Division ("Division") and my credentials as an expert witness in petroleum land matters were accepted and made a matter of record.
2. I am familiar with the application filed by COG in this case and familiar with the status of the lands in the subject area.
3. None of the parties proposed to be pooled in this case have indicated opposition to this proceeding, therefore I do not expect any opposition at hearing.
4. In this application, COG seeks to pool additional interest owners pursuant to the terms of Division Order No. R-21102-A.
5. The Division entered Order No. R-21102 in Case No. 20935 on February 12, 2020, which created a 767.52-acre, more or less, standard horizontal spacing unit comprised of the W/2 of Sections 22 and 27, and the N/2 NW/4 and Lots 1-2 (W/2 equivalent) of irregular Section 34,

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 21525 Exhibit No. A
Submitted by:
COG OPERATING LLC
Hearing Date: November 5, 2020**

Township 26 South, Range 28 East, Eddy County, New Mexico ("Unit"), and designated COG as the operator of the Unit.

6. Order No. R-21102 further pooled all uncommitted interests within the Purple Sage; Wolfcamp Gas Pool (Pool Code: 98220) underlying the Unit and dedicated the Unit to the Potato Baby State Com Well Nos. 704H, 705H, and 706H.

7. The Division entered Order No. R-21102-A in Case No. 21312 on June 12, 2020, which conformed Order No. R-21102 to the amended order template described in the Letter of the Division Director dated April 9, 2020 (RE: Amendments to Compulsory Pooling Order Template).

8. Since the entry of Order No. R-21102-A, COG has identified additional unleased mineral interest owners in the Unit that have not been pooled pursuant to the terms of Order No. R-21102-A.

9. **Exhibit A-1** contains Division Order No. R-21102.

10. **Exhibit A-2** contains Division Order No. R-21102-A.

11. Since the entry of Order No. R-21102-A, COG has identified additional unleased mineral interest owners in the Unit that have not been pooled pursuant to the terms of Order No. R-21102-A.

12. **Exhibit A-3** identifies the additional mineral interest owners to be pooled under the terms of Order No. R-21102-A and the location of its interests COG seeks to pool within the subject tracts.

13. **Exhibit A-4** contains a sample lease offer letter and well AFEs sent to the mineral interest owners.

14. I have provided COG's legal counsel the name and address of the additional mineral interest owner COG seeks to pool and instructed that they be notified of this hearing. Additionally,

notice of this hearing was timely published in a newspaper of general circulation in Eddy County, New Mexico.

15. COG requests the additional mineral interest owners be pooled pursuant to the terms of Order No. R-21102-A.

16. Exhibit A through Exhibit A-4 were either prepared by me or compiled under my direction and supervision.

[Signature page follows]

E. Lawler
Affiant

STATE OF TEXAS)

COUNTY OF MIDLAND)

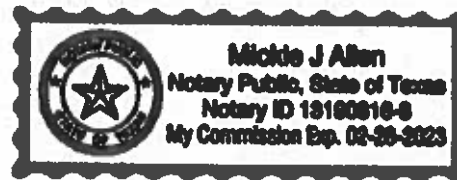
SUBSCRIBED and SWORN to before me this 2nd day of November, 2020, by

Lizzy Lawler.

Mickie J Allen
NOTARY PUBLIC

My Commission Expires:

2-26-23



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

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
COG OPERATING LLC**

**CASE NO. 20935
ORDER NO. R-21102**

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on December 12, 2019, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. COG Operating LLC ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 21525 Exhibit No. A-1
Submitted by:
COG OPERATING LLC
Hearing Date: November 5, 2020**

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the described depth(s) and location(s) in the Unit.
11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the Surface Location or Bottom Hole Location of a well is changed from the location described in Exhibit A, Operator shall submit an amended Exhibit A, which the Division shall append to this Order.
19. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location before commencing production of the well.
20. The Operator shall commence drilling the initial well within one (1) year after the date of this Order; and (b) for an infill well, no later than thirty (30) days after completion of the well.

21. Operator shall comply with the infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC.
22. This Order shall terminate automatically if Operator fails to comply with Paragraphs 20 or 21.
23. Operator shall submit to OCD and each owner of a working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs") no later than: (a) for an initial well, no later than thirty (30) days after the date of this Order; (b) for an infill well proposed by Operator, no later than (30) days after the later of the initial notice period pursuant to 19.15.13.10(B) NMAC or the extension granted by the OCD Director pursuant 19.15.13.10(D) NMAC; or (c) for an infill well proposed by an owner of a Pooled Working Interest, no later than thirty (30) days after expiration of the last action required by 19.15.13.11 NMAC.
24. No later than thirty (30) days after Operator submits the Estimated Well Costs , the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
25. No later than within one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
26. No later than sixty (60) days after the later of the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.

27. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
28. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
29. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
30. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to OCD and each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*

34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL
DIRECTOR**

AS/jag

Date: February 12, 2020



Exhibit "A"

Applicant: COG Operating LLC
Operator: COG Operating LLC (OGRID 229137)

Spacing Unit: Horizontal Gas
Building Blocks: Half Section Equivalent
Spacing Unit Size: 767.52 acres (more or less)
Orientation of Unit: North/South

Spacing Unit Description:
W/2 of Sections 22 and 27, and the N/2 NW/4 and Lots 1-2 (W/2 equivalent) of irregular Section 34, Township 26 South, Range 28 East, Eddy County, New Mexico

Pooling this Vertical Extent: Wolfcamp Formation
Depth Severance? (Yes/No): No

Pool: Purple Sage; Wolfcamp Gas (Pool code 98220)
Pool Spacing Unit Size: Half Sections
Governing Well Setbacks: Special Rules for the Purple Sage Gas Pool Apply
Pool Rules: Purple Sage and Horizontal Well Rules

Proximity Tracts: No

Monthly charge for supervision: While drilling: \$7000 While producing: \$700
As the charge for risk, 200 percent of reasonable well costs.

Proposed Wells:

Potato Baby State Com Well No. 704H, API No. 30-015-Pending

SHL: 330 feet from the North line and 1351 feet from the West line,
(Unit C) of Section 22, Township 26 South, Range 28 East, NMPM.
BHL: 330 feet from the South line and 2178 feet from the West line,
(Unit N) of Section 34, Township 26 South, Range 28 East, NMPM.

Completion Target: Wolfcamp A at approx 9500 feet TVD.
Well Orientation: North to South
Completion Location expected to be: standard

Potato Baby State Com Well No. 705H, API No. 30-015-Pending

SHL: 330 feet from the North line and 1321 feet from the West line,
(Unit C) of Section 22, Township 26 South, Range 28 East, NMPM.
BHL: 330 feet from the South line and 1254 feet from the West line,
(Unit M) of Section 34, Township 26 South, Range 28 East, NMPM.

Completion Target: Wolfcamp A at approx 8480 feet TVD.

Well Orientation: North to South
Completion Location expected to be: standard

Potato Baby State Com Well No. 706H, API No. 30-015-Pending

SHL: 330 feet from the North line and 1291 feet from the West line,
(Unit D) of Section 22, Township 26 South, Range 28 East, NMPM.

BHL: 330 feet from the South line and 330 feet from the West line,
(Unit M) of Section 34, Township 26 South, Range 28 East, NMPM.

Completion Target: Wolfcamp A at approx 8460 feet TVD.

Well Orientation: North to South

Completion Location expected to be: standard

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

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
COG OPERATING, LLC**

**CASE NO. 21312
ORDER NO. R-21102-A**

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on June 11, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order:

FINDINGS OF FACT

1. COG Operating, LLC. ("Operator") applied to conform Order R-21102 ("Existing Order") issued in Case No. 20935 with the Division's recently amended order template ("Amended Template").
2. Operator is in good standing under state-wide rules and regulations with respect to the Existing Order.
3. Operator has reviewed and agrees to the terms and conditions in the ordering paragraphs of the Amended Template.
4. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

5. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
6. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
7. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
8. This Order affirms the Findings of Fact and Conclusions of Law in the Existing Order and replaces the ordering paragraphs 15-35 in the Existing Order as stated below.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 21525 Exhibit No. A-2
Submitted by:
COG OPERATING LLC
Hearing Date: November 5, 2020

ORDER

9. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
10. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
11. Operator is designated as operator of the Unit and the Well(s).
12. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
13. The Operator shall commence drilling the Well(s) within one year after the date of this Order and complete each Well no later than one (1) year after the commencement of drilling the Well.
14. This Order shall terminate automatically if Operator fails to comply with Paragraph 13 unless Operator obtains an extension by an amendment of this Order for good cause shown.
15. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
16. Operator shall submit to each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
17. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
18. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written

objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.

19. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
20. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
21. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
22. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
23. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
24. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 23 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
25. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.

26. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
27. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
28. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
29. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL
DIRECTOR**

AES/jag

Date: 6/12/2020



August 25, 2020

Via Certified Mail #91 7199 9991 7039 1750 9368
Chisos Minerals LLC
1111 Bagby Street, Suite 2150
Houston, TX 77002

Re: **Potato Baby State Com Unit**
W/2 of Sections 22, 27, and 34, T26S-R28E
Eddy County, New Mexico

Dear Sir or Madam:

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

- **Potato Baby State Com 704H**, to be drilled to a depth sufficient to test the Wolfcamp A formation at a total vertical depth of 9,620'. The surface hole location for this well is proposed at a legal location in Lot 2 of Section 34 and the bottomhole location in a legal location in Unit C of Section 22. The dedicated project area will be W/2 of Sections 22 and 27, and N2NW4 and Lots 1, 2 (W/2) of Section 34, T26S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$9,279,000, as shown on the attached AFE.
- **Potato Baby State Com 705H**, to be drilled to a depth sufficient to test the Wolfcamp A formation at a total vertical depth of 9,615'. The surface hole location for this well is proposed at a legal location in Lot 2 of Section 34 and the bottomhole location in a legal location in Unit C of Section 22. The dedicated project area with be W/2 of Sections 22 and 27, and N2NW4 and Lots 1, 2 (W/2) of Section 34, T26S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$9,279,000, as shown on the attached AFE.
- **Potato Baby State Com 706H**, to be drilled to a depth sufficient to test the Wolfcamp A formation at a total vertical depth of 9,605'. The surface hole location for this well is proposed at a legal location in Lot 2 of Section 34 and the bottomhole location in a legal location in Unit D of Section 22. The dedicated project area with be W/2 of Sections 22 and 27, and N2NW4 and Lots 1, 2 (W/2) of Section 34, T26S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$9,279,000, as shown on the attached AFE.

As an unleased mineral owner, you have the opportunity to participate in the drilling of the wells described above. Should you wish **to participate**, please indicate so below and return to me within thirty days of receipt of this letter. An OA for the W/2 Potato Baby Unit is also enclosed for your review and execution, indicating a 0.1336305 % WI per our current records. Please review the enclosed OA and execute where indicated should you wish to participate under the OA.

Should you wish **not to participate** in this Operation, COG hereby makes the following offer to lease your minerals described below. According to the Official Public Records of Eddy County, New Mexico, you own an undivided .02564 mineral interest in and under the lands described below, being a total of

August 20, 2020
Page 2

1.0256 net mineral acres. COG is offering to lease your minerals for \$5,000 per net mineral acre which yields a total lease bonus payment of \$5,128.00. This lease will include a three (3) year primary term and a 25% royalty interest. A lease form is attached for your review and execution should you accept. This offer is subject to final title review and management approval, as well as a mutually agreeable lease form, and will remain valid until September 21, 2020. Your minerals are described as:

Township 26 South, Range 28 East, N.M.P.M.

Section 22: SE/4 NW/4, as to all depths below 8,171',
or those certain depths 100' below the deepest depth drilled
of the Diamondback 22 State Com #4H well (API No. 30-015-40816)
Containing 40.00 gross acres, more or less, in Eddy County, New Mexico

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

Should you have any questions, please do not hesitate to contact me at 432.221.0470 or elaufer@concho.com. I look forward to discussing this opportunity with you in greater detail.

Sincerely,

COG Operating LLC

Lizzy Laufer
Landman II

LL:bh
Enc

WELL NAME	Elect to PARTICIPATE in drilling and completion	Elect NOT TO PARTICIPATE in drilling and completion
Potato Baby State Com 704H		
Potato Baby State Com 705H		
Potato Baby State Com 706H		

CHISOS MINERALS LLC

By: _____
Title: _____
Date: _____

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
Drill & Complete**

Well Name POTATO BABY STATE COM 704H
BHL 34: 380 FSL, 1385 FWL or Lot 2
BHL 22: 200 FNL, 2310 FWL or Unit C
Formation WOLF CAMP
Legal 22, 27, 34, T265-R28E
AFE Numbers

Prospect ATLAS 2628
State & County NEW MEXICO, EDDY
Objective DRILL & COMPLETE
Depth 21,921
TVD 9,620

Cost Description	Code	PreSpud (PS)	Pre-Set Casing(PC)	Drilling (DR)	Completions (C)	Tank Btty Constructn(TB)	Pmpq Equip (PEQ)	Revision	Total
Intangible Costs									
D-Lctr/Pits/Roads	205			\$ 108,000.00			\$ -	\$ -	108,000.00
D-Drilling Overhead	206			\$ 8,000.00			\$ -	\$ -	8,000.00
D-Daywork Contract	209			\$ 574,000.00			\$ -	\$ -	574,000.00
D-Directional Drig Services	210			\$ 308,000.00			\$ -	\$ -	308,000.00
D-Fuel & Power	211			\$ 99,000.00			\$ -	\$ -	99,000.00
D-Water	212			\$ 84,000.00			\$ -	\$ -	84,000.00
D-Bits	213			\$ 108,000.00			\$ -	\$ -	108,000.00
D-Mud & Chemicals	214			\$ 216,000.00			\$ -	\$ -	216,000.00
D-Cement Surface	217			\$ 22,000.00			\$ -	\$ -	22,000.00
D-Cement Intermed	218			\$ 83,000.00			\$ -	\$ -	83,000.00
D-Prod-2nd Int Cmt	219			\$ 122,000.00			\$ -	\$ -	122,000.00
D-Float Equipment & Centralizers	221			\$ 67,000.00			\$ -	\$ -	67,000.00
D-Cig Crews & Equip	222			\$ 72,000.00			\$ -	\$ -	72,000.00
D-Contract Labor	225			\$ 8,000.00			\$ -	\$ -	8,000.00
D-Company Spvsn	226			\$ 48,000.00			\$ -	\$ -	48,000.00
D-Contract Spvsn	227			\$ 120,000.00			\$ -	\$ -	120,000.00
D-Ttg Csg/Thg	228			\$ 45,000.00			\$ -	\$ -	45,000.00
D-Mud Logging Unit	229			\$ 45,000.00			\$ -	\$ -	45,000.00
D-Rentals-Surface	235			\$ 187,000.00			\$ -	\$ -	187,000.00
D-Rentals-Subsric	236			\$ 87,000.00			\$ -	\$ -	87,000.00
D-Trucking/Forklift/Rg Mob	237			\$ 178,000.00			\$ -	\$ -	178,000.00
D-Welding Services	238			\$ 4,000.00			\$ -	\$ -	4,000.00
D-Contingency	243			\$ 67,000.00			\$ -	\$ -	67,000.00
D-Envrmtl/Cld Loop	244			\$ 293,000.00			\$ -	\$ -	293,000.00
C-Wellbore Frac Prep	304				\$ 116,000.00		\$ -	\$ -	116,000.00
C-Lctr/Pits/Roads	305				\$ 13,000.00		\$ -	\$ -	13,000.00
C-Completion DH	306				\$ 19,000.00		\$ -	\$ -	19,000.00
C-Frac Equipment	307				\$ 794,000.00		\$ -	\$ -	794,000.00
C-Frac Chemicals	308				\$ 504,000.00		\$ -	\$ -	504,000.00
C-Frac Proppant	309				\$ 229,000.00		\$ -	\$ -	229,000.00
C-Frac Proppant Transportation	310				\$ 355,000.00		\$ -	\$ -	355,000.00
C-Fuel Delivery & Services	311				\$ 51,000.00		\$ -	\$ -	51,000.00
C-Water	312				\$ 336,000.00		\$ -	\$ -	336,000.00
C-Frac Surface Rentals	315				\$ 317,000.00		\$ -	\$ -	317,000.00
C-Contract Labor	325				\$ 13,000.00		\$ -	\$ -	13,000.00
C-Company Spvsn	326				\$ 13,000.00		\$ -	\$ -	13,000.00
C-Contract Spvsn	327				\$ 169,000.00		\$ -	\$ -	169,000.00
C-Artificial Lift Install	329				\$ 55,000.00		\$ -	\$ -	55,000.00
C-Perf/Wireline Svc	331				\$ 390,000.00		\$ -	\$ -	390,000.00
C-Trucking/Forklift/Rg Mob	337				\$ 13,000.00		\$ -	\$ -	13,000.00
C-Water Disposal	339				\$ 49,000.00		\$ -	\$ -	49,000.00
C-Contingency	343				\$ 91,000.00		\$ -	\$ -	91,000.00
C-Dyed Diesel	345				\$ 190,000.00		\$ -	\$ -	190,000.00
C-Orilout	346				\$ 362,000.00		\$ -	\$ -	362,000.00
TB-Damages/Right of Way	351					\$ 2,000.00	\$ -	\$ -	2,000.00
TB-Location/Pits/Roads	353					\$ 34,000.00	\$ -	\$ -	34,000.00
TB-Contract Labor	356					\$ 180,000.00	\$ -	\$ -	180,000.00
PEQ-Contract Labor	374						\$ 39,000.00	\$ -	39,000.00
PEQ-Water Disposal	387						\$ 179,000.00	\$ -	179,000.00
PEQ-HRZ Well Offset Frac	391						\$ 18,000.00	\$ -	18,000.00
Total Intangible Costs		\$ -	\$ -	\$ 2,947,000.00	\$ 4,079,000.00	\$ 216,000.00	\$ 238,000.00	\$ -	\$ 7,478,000.00
Tangible Costs									
PEQ-Flowback Crews & Equip	392						\$ 108,000.00	\$ -	108,000.00
D-Surface Casing	401			\$ 24,000.00			\$ -	\$ -	24,000.00
D-Intermed Csg	402			\$ 184,000.00			\$ -	\$ -	184,000.00
D-Production Casing/Liner	403			\$ 457,000.00			\$ -	\$ -	457,000.00
D-Wellhead Equip	405			\$ 84,000.00			\$ -	\$ -	84,000.00
C-Tubing	504				\$ 63,000.00		\$ -	\$ -	63,000.00
C-Wellhead Equip	505				\$ 34,000.00		\$ -	\$ -	34,000.00
TB-Tanks	510					\$ 58,000.00	\$ -	\$ -	58,000.00
TB-Flowlines/Pipeline	511					\$ 28,000.00	\$ -	\$ -	28,000.00
TB-Htr Trtr/Segmr	512					\$ 185,000.00	\$ -	\$ -	185,000.00
C-Electrical System/Equipment	513					\$ 114,000.00	\$ -	\$ -	114,000.00
C-Pckrs/Anchors/Ngrs	514				\$ 79,000.00		\$ -	\$ -	79,000.00
TB-Couplings/Fitting/Valves	515					\$ 162,000.00	\$ -	\$ -	162,000.00
TB-Pumps-Surface	521					\$ 26,000.00	\$ -	\$ -	26,000.00
TB-Instrumentation/SCADA/POC	522					\$ 20,000.00	\$ -	\$ -	20,000.00
TB-Miscellaneous	523					\$ 20,000.00	\$ -	\$ -	20,000.00
TB-Meters/Lacts	525					\$ 26,000.00	\$ -	\$ -	26,000.00
TB-Flares/Combustors/Emission	526					\$ 31,000.00	\$ -	\$ -	31,000.00
C-Gas Lift/Compression	527				\$ 31,000.00		\$ -	\$ -	31,000.00
PEQ-Wellhead Equipment	531						\$ 39,000.00	\$ -	39,000.00
Total Tangible Costs		\$ -	\$ -	\$ 740,000.00	\$ 207,000.00	\$ 668,000.00	\$ 147,000.00	\$ -	\$ 1,801,000.00
Total Gross Cost		\$ -	\$ -	\$ 3,686,000.00	\$ 4,286,000.00	\$ 914,000.00	\$ 385,000.00	\$ -	\$ 9,279,000.00

Note: The above costs are estimates only. Actual costs will be billed as incurred

COG Operating LLC

By: _____

Date Prepared: 8.20.20

We approve:
% Working Interest

COG Operating LLC

By: _____

Company: _____
By: _____

Printed Name: _____
Title: _____
Date: _____

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

COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
Drill & Complete

Well Name: POTATO BABY STATE COM 705H
 SHL 34: 380 FSL, 1355 FWL, or Lot 2
 BHL 22: 200 FNL, 1430 FWL, or Unit N
 Formation: WOLFCAMP
 Legal: 22, 27, 34, T265-R28E
 AFE Numbers:

Prospect: ATLAS 2628
 State & County: NEW MEXICO, EDDY
 Objective: DRILL & COMPLETE
 Depth: 21,800
 TVD: 9,615

Cost Description	Code	Pre-Spud (PS)	Pre-Set Casing (PC)	Drilling (DR)	Completions (C)	Tank Btry Constrctn (TB)	Pmpq Equip (PEQ)	Revision	Total
Intangible Costs									
D-Lctr/Pits/Roads	205			\$ 108,000.00			\$ -	\$ -	108,000.00
D-Dnblng Overhead	206			\$ 8,000.00			\$ -	\$ -	8,000.00
D-Daywork Contract	209			\$ 574,000.00			\$ -	\$ -	574,000.00
D-Directional Drig Services	210			\$ 308,000.00			\$ -	\$ -	308,000.00
D-Fuel & Power	211			\$ 99,000.00			\$ -	\$ -	99,000.00
D-Water	212			\$ 84,000.00			\$ -	\$ -	84,000.00
D-Bits	213			\$ 108,000.00			\$ -	\$ -	108,000.00
D-Mud & Chemicals	214			\$ 216,000.00			\$ -	\$ -	216,000.00
D-Cement Surface	217			\$ 22,000.00			\$ -	\$ -	22,000.00
D-Cement Intermed	218			\$ 83,000.00			\$ -	\$ -	83,000.00
D-Prod-2nd Int Crnt	219			\$ 122,000.00			\$ -	\$ -	122,000.00
D-Float Equipment & Centralizers	221			\$ 67,000.00			\$ -	\$ -	67,000.00
D-Csg Crews & Equip	222			\$ 72,000.00			\$ -	\$ -	72,000.00
D-Contract Labor	225			\$ 8,000.00			\$ -	\$ -	8,000.00
D-Company Spvrn	226			\$ 48,000.00			\$ -	\$ -	48,000.00
D-Contract Spvrn	227			\$ 120,000.00			\$ -	\$ -	120,000.00
D-1stg Csg/Tbg	228			\$ 45,000.00			\$ -	\$ -	45,000.00
D-Mud Logging Unit	229			\$ 45,000.00			\$ -	\$ -	45,000.00
D-Rentals-Surface	235			\$ 187,000.00			\$ -	\$ -	187,000.00
D-Rentals-Subsrfc	236			\$ 67,000.00			\$ -	\$ -	67,000.00
D-Trucking/Forklift/Rig Mob	237			\$ 178,000.00			\$ -	\$ -	178,000.00
D-Welding Services	238			\$ 4,000.00			\$ -	\$ -	4,000.00
D-Contingency	243			\$ 67,000.00			\$ -	\$ -	67,000.00
D-Envrnmnt/Chld Loop	244			\$ 293,000.00			\$ -	\$ -	293,000.00
C-Wellbore Frac Prep	304				\$ 118,000.00		\$ -	\$ -	118,000.00
C-Lctr/Pits/Roads	305				\$ 13,000.00		\$ -	\$ -	13,000.00
C-Completion OH	306				\$ 19,000.00		\$ -	\$ -	19,000.00
C-Frac Equipment	307				\$ 794,000.00		\$ -	\$ -	794,000.00
C-Frac Chemicals	308				\$ 504,000.00		\$ -	\$ -	504,000.00
C-Frac Proppant	309				\$ 229,000.00		\$ -	\$ -	229,000.00
C-Frac Proppant Transportation	310				\$ 355,000.00		\$ -	\$ -	355,000.00
C-Fuel Delivery & Services	311				\$ 51,000.00		\$ -	\$ -	51,000.00
C-Water	312				\$ 336,000.00		\$ -	\$ -	336,000.00
C-Frac Surface Rentals	315				\$ 317,000.00		\$ -	\$ -	317,000.00
C-Contract Labor	325				\$ 13,000.00		\$ -	\$ -	13,000.00
C-Company Spvrn	326				\$ 13,000.00		\$ -	\$ -	13,000.00
C-Contract Spvrn	327				\$ 169,000.00		\$ -	\$ -	169,000.00
C-Artificial Lift Install	329				\$ 55,000.00		\$ -	\$ -	55,000.00
C-Perf/Wireline Svc	331				\$ 390,000.00		\$ -	\$ -	390,000.00
C-Trucking/Forklift/Rig Mob	337				\$ 13,000.00		\$ -	\$ -	13,000.00
C-Water Disposal	339				\$ 49,000.00		\$ -	\$ -	49,000.00
C-Contingency	343				\$ 91,000.00		\$ -	\$ -	91,000.00
C-Dyed Diesel	345				\$ 190,000.00		\$ -	\$ -	190,000.00
C-Drillout	346				\$ 382,000.00		\$ -	\$ -	382,000.00
TB-Damages/Right of Way	351					\$ 2,000.00	\$ -	\$ -	2,000.00
TB-Location/Pits/Roads	353					\$ 34,000.00	\$ -	\$ -	34,000.00
TB-Contract Labor	356					\$ 180,000.00	\$ -	\$ -	180,000.00
PEQ-Contract Labor	374						\$ 39,000.00	\$ -	39,000.00
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PEQ-HRZ Well Offset Frac	391						\$ 18,000.00	\$ -	18,000.00
Total Intangible Costs		\$ -	\$ -	\$ 2,947,000.00	\$ 4,079,000.00	\$ 218,000.00	\$ 236,000.00	\$ -	7,478,000.00
Tangible Costs									
PEQ-Flowback Crews & Equip	392					\$ 108,000.00	\$ -	\$ -	108,000.00
D-Surface Casing	401			\$ 24,000.00			\$ -	\$ -	24,000.00
D-Intermed Csg	402			\$ 184,000.00			\$ -	\$ -	184,000.00
D-Production Casing/Unlcr	403			\$ 457,000.00			\$ -	\$ -	457,000.00
D-Wellhead Equip	405			\$ 84,000.00			\$ -	\$ -	84,000.00
C-Tubing	504				\$ 83,000.00		\$ -	\$ -	83,000.00
C-Wellhead Equip	505				\$ 34,000.00		\$ -	\$ -	34,000.00
TB-Tanks	510					\$ 58,000.00	\$ -	\$ -	58,000.00
TB-Flowlines/Pipelines	511					\$ 26,000.00	\$ -	\$ -	26,000.00
TB-Mtr Trtr/Seprtr	512					\$ 185,000.00	\$ -	\$ -	185,000.00
TB-Electrical System/Equipment	513					\$ 114,000.00	\$ -	\$ -	114,000.00
C-Pckrs/Anchors/Hgts	514				\$ 79,000.00		\$ -	\$ -	79,000.00
TB-Couplings/Fittings/Valves	515					\$ 192,000.00	\$ -	\$ -	192,000.00
TB-Pumps-Surface	521					\$ 26,000.00	\$ -	\$ -	26,000.00
TB-Instrumentation/SCADA/POC	522					\$ 20,000.00	\$ -	\$ -	20,000.00
TB-Miscellaneous	523					\$ 20,000.00	\$ -	\$ -	20,000.00
TB-Meters/Lacts	525					\$ 28,000.00	\$ -	\$ -	28,000.00
TB-Flares/Combustors/Emission	526					\$ 31,000.00	\$ -	\$ -	31,000.00
C-Gas Lift/Compression	527				\$ 31,000.00		\$ -	\$ -	31,000.00
PEQ-Wellhead Equipment	531						\$ 39,000.00	\$ -	39,000.00
Total Tangible Costs		\$ -	\$ -	\$ 749,000.00	\$ 207,000.00	\$ 608,000.00	\$ 147,000.00	\$ -	1,801,000.00
Total Gross Cost		\$ -	\$ -	\$ 3,696,000.00	\$ 4,286,000.00	\$ 814,000.00	\$ 383,000.00	\$ -	8,278,000.00

Note: The above costs are estimates only. Actual costs will be billed as incurred.

COG Operating LLC

By: _____

Date Prepared: 8.20.20

We approve:
 % Working Interest

COG Operating LLC

By: _____

Company:
 By: _____

Printed Name:
 Title:
 Date: _____

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

COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
Drill & Complete

Well Name: POTATO BABY STATE COM 706H
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 BHL 22: 200 FNL, 550 FWL, or Unit D
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 Legal: 22, 27, 34, T26S-R28E
 AFE Numbers:

Prospect: ATLAS 2628
 State & County: NEW MEXICO, EDDY
 Objective: DRILL & COMPLETE
 Depth: 21,860
 TVD: 9,605

Cost Description	Code	Pre-Spud (PS)	Pre-Set Casing (PC)	Drilling (DR)	Completions (C)	Tank Btry Constrcn (TB)	Pmpq Equip (PEQ)	Revision	Total
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D-Water	212			\$ 84,000.00			\$ -	\$ -	84,000.00
D-Bits	213			\$ 108,000.00			\$ -	\$ -	108,000.00
D-Mud & Chemicals	214			\$ 216,000.00			\$ -	\$ -	216,000.00
D-Cement Surface	217			\$ 22,000.00			\$ -	\$ -	22,000.00
D-Cement Intermed	218			\$ 83,000.00			\$ -	\$ -	83,000.00
D-Prod-2nd Int Cmt	219			\$ 122,000.00			\$ -	\$ -	122,000.00
D-Float Equipment & Centralizers	221			\$ 87,000.00			\$ -	\$ -	87,000.00
D-Csg Crews & Equip	222			\$ 72,000.00			\$ -	\$ -	72,000.00
D-Contract Labor	225			\$ 8,000.00			\$ -	\$ -	8,000.00
D-Company Sprvsn	226			\$ 48,000.00			\$ -	\$ -	48,000.00
D-Contract Sprvsn	227			\$ 120,000.00			\$ -	\$ -	120,000.00
D-Tstg Csg/Tbg	228			\$ 45,000.00			\$ -	\$ -	45,000.00
D-Mud Logging Unit	229			\$ 45,000.00			\$ -	\$ -	45,000.00
D-Rentals Surface	235			\$ 187,000.00			\$ -	\$ -	187,000.00
D-Rentals Subsurf	236			\$ 87,000.00			\$ -	\$ -	87,000.00
D-Trucking/Forklift/Rtg Mob	237			\$ 178,000.00			\$ -	\$ -	178,000.00
D-Welding Services	238			\$ 4,000.00			\$ -	\$ -	4,000.00
D-Contingency	243			\$ 87,000.00			\$ -	\$ -	87,000.00
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C-Wellbore Frac Prep	304				\$ 116,000.00		\$ -	\$ -	116,000.00
C-Loan/Pmts/Roads	305				\$ 13,000.00		\$ -	\$ -	13,000.00
C-Completion OH	306				\$ 19,000.00		\$ -	\$ -	19,000.00
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C-Frac Proppant Transportation	310				\$ 355,000.00		\$ -	\$ -	355,000.00
C-Fuel Delivery & Services	311				\$ 51,000.00		\$ -	\$ -	51,000.00
C-Water	312				\$ 336,000.00		\$ -	\$ -	336,000.00
C-Frac Surface Rentals	315				\$ 317,000.00		\$ -	\$ -	317,000.00
C-Contract Labor	325				\$ 13,000.00		\$ -	\$ -	13,000.00
C-Company Sprvsn	326				\$ 13,000.00		\$ -	\$ -	13,000.00
C-Contract Sprvsn	327				\$ 169,000.00		\$ -	\$ -	169,000.00
C-Artificial Lift Install	329				\$ 55,000.00		\$ -	\$ -	55,000.00
C-Perf/Wireline Svc	331				\$ 390,000.00		\$ -	\$ -	390,000.00
C-Trucking/Forklift/Rtg Mob	337				\$ 13,000.00		\$ -	\$ -	13,000.00
C-Water Disposal	339				\$ 49,000.00		\$ -	\$ -	49,000.00
C-Contingency	343				\$ 91,000.00		\$ -	\$ -	91,000.00
C-Dyed Diesel	345				\$ 190,000.00		\$ -	\$ -	190,000.00
C-Ordlout	346				\$ 362,000.00		\$ -	\$ -	362,000.00
TB-Damages/Right of Way	351					\$ 2,000.00	\$ -	\$ -	2,000.00
TB-Location/Pmts/Roads	353					\$ 34,000.00	\$ -	\$ -	34,000.00
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D-Intermed Csg	402			\$ 184,000.00			\$ -	\$ -	184,000.00
D-Production Casing/Liner	403			\$ 457,000.00			\$ -	\$ -	457,000.00
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TB-Flowlines/Pipeline	511					\$ 28,000.00	\$ -	\$ -	28,000.00
TB-Htr Tric/Seprtr	512					\$ 185,000.00	\$ -	\$ -	185,000.00
TB-Electrical System/Equipment	513					\$ 114,000.00	\$ -	\$ -	114,000.00
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TB-Couplings/Fittings/Valves	515					\$ 192,000.00	\$ -	\$ -	192,000.00
TB-Pumps-Surface	521					\$ 28,000.00	\$ -	\$ -	28,000.00
TB-Instrumentation/SCADA/POC	522					\$ 20,000.00	\$ -	\$ -	20,000.00
TB-Miscellaneous	523					\$ 20,000.00	\$ -	\$ -	20,000.00
TB-Meters/Lacts	525					\$ 28,000.00	\$ -	\$ -	28,000.00
TB-Flares/Combusters/Emission	526					\$ 31,000.00	\$ -	\$ -	31,000.00
C-Gas Lift/Compression	527				\$ 31,000.00		\$ -	\$ -	31,000.00
PEQ-Wellhead Equipment	531						\$ 39,000.00	\$ -	39,000.00
Total Tangible Costs		\$ -	\$ -	\$ 740,000.00	\$ 207,000.00	\$ 698,000.00	\$ 147,000.00	\$ -	1,801,000.00
Total Gross Cost		\$ -	\$ -	\$ 3,687,000.00	\$ 4,286,000.00	\$ 914,000.00	\$ 383,000.00	\$ -	9,279,000.00

Note: The above costs are estimates only. Actual costs will be billed as incurred.

COG Operating LLC

By: _____

Date Prepared: 8/20/20

We approve:
 % Working Interest

COG Operating LLC

By: _____

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.

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

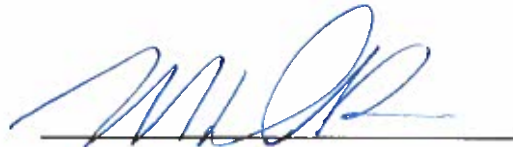
**APPLICATION OF COG OPERATING LLC
TO POOL ADDITIONAL INTEREST
OWNERS UNDER ORDER NO. R-21102-A
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 21525
ORDER NO. R-21102-A (Re-Open)**

AFFIDAVIT

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

Michael Rodriguez, attorney and authorized representative of COG Operating LLC, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Application were provided under the notice letter and proof of receipts attached hereto.




Michael Rodriguez

SUBSCRIBED AND SWORN to before me this 3rd day of November 2020 by Michael Rodriguez.



OFFICIAL SEAL
LISAMARIE ORTIZ
NOTARY PUBLIC-STATE OF NEW MEXICO
My commission expires 01/14/2023



Notary Public

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 21525 Exhibit No. B
Submitted by:
COG OPERATING LLC
Hearing Date: November 5, 2020**



MICHAEL RODRIGUEZ
ATTORNEY

October 16, 2020

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

**Re: Case No. 21525: Application of COG Operating LLC
to Pool Additional Interest Owners Under Order No. R-21102-A
Eddy County, New Mexico.
Potato Baby State Com Wells**

Ladies & Gentlemen:

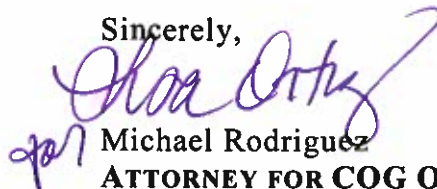
This letter is to advise you that COG Operating LLC has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on November 5, 2020, and the status of the hearing can be monitored through the Division's website at <http://www.emnrd.state.nm.us/ocd/>. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

During the COVID-19 Pubic Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. To participate in the electronic hearing, please see the instructions posted on the OCD Hearings website: <http://www.emnrd.state.nm.us/OCD/announcements.html>.

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

If you have any questions about this matter, please contact Lizzy Laufer, at (432) 221-0470 or elauffer@concho.com.

Sincerely,



Michael Rodriguez
ATTORNEY FOR COG OPERATING LLC

CORPORATE ADDRESS

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

SANTA FE OFFICE

1048 Paseo De Peralta | Santa Fe, New Mexico 87501
P 505.780.8000 | F 505.428.0485

7020 0640 0000 0143 0375

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT

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For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee

\$

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy)☐ Return Receipt (electronic)☐ Certified Mail Restricted Delivery☐ Adult Signature Required☐ Adult Signature Restricted Delivery

Postage

\$

The Allar Company
Post Office Box 1567
Graham, Texas 76450



PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

7020 0640 0000 0143 0337

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT

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OFFICIAL USE

Certified Mail Fee

\$

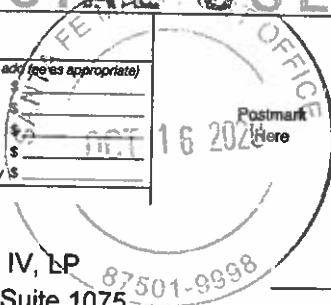
Extra Services & Fees (check box, add fees as appropriate)

☐ Return Receipt (hardcopy)☐ Return Receipt (electronic)☐ Certified Mail Restricted Delivery☐ Adult Signature Required☐ Adult Signature Restricted Delivery

Postage

\$

Buckhorn Minerals IV, LP
1800 Bering Drive Suite 1075
Houston, Texas 77057



PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1 Article Addressed to:

The Allar Company
Post Office Box 1567
Graham, Texas 76450



9590 9402 4714 8344 6474 02

2 Article Number (Transfer from service label)

7020 0640 0000 0143 0375

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X M Barrett

☐ Agent☐ Addressee

B. Received by (Printed Name)

M Barrett

C. Date of Delivery

10/20/20

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

3. Service Type

☐ Adult Signature☐ Adult Signature Restricted Delivery☐ Certified Mail®☐ Certified Mail Restricted Delivery☐ Collect on Delivery☐ Collect on Delivery Restricted Delivery☐ All Restricted Delivery☐ All Restricted Delivery☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricted Delivery☐ Return Receipt for Merchandise☐ Signature Confirmation™☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

Buckhorn Minerals IV, LP
1800 Bering Drive Suite 1075
Houston, Texas 77057



9590 9402 4714 8344 6473 65

2 Article Number (Transfer from service label)

7020 0640 0000 0143 0337

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X JB 5754 C19

☐ Agent☐ Addressee

B. Received by (Printed Name)

Stephen Dexter

C. Date of Delivery

10-20-20

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

3. Service Type

☐ Adult Signature☐ Adult Signature Restricted Delivery☐ Certified Mail®☐ Certified Mail Restricted Delivery☐ Collect on Delivery☐ Collect on Delivery Restricted Delivery☐ All Restricted Delivery☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricted Delivery☐ Return Receipt for Merchandise☐ Signature Confirmation™☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

6920 6470 0000 0143 0202

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

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee \$
 Extra Services & Fees (check box, add fee as appropriate)
☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$
 Postage \$

Postmark Here
 OCT 16 2020

Chisos Minerals LLC
 1111 Bagby Street, Suite 2150
 Houston, Texas 77002

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

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Chisos Minerals LLC
 1111 Bagby Street, Suite 2150
 Houston, Texas 77002



9590 9402 4714 8344 6472 97

7020 0640 0000 0143 0269

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X [Signature]

☐ Agent
☐ Addressee

B. Received by (Printed Name)

M. L. [Signature]

C. Date of Delivery

10-19-20

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

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☐ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- ☐ all Restricted Delivery

- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

7020 0640 0000 0143 0306

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
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OFFICIAL USE

Certified Mail Fee \$
 Extra Services & Fees (check box, add fee as appropriate)
☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$
 Postage \$

Postmark Here
 OCT 16 2020

Delaware Ranch, Inc.
 1304 W. Riverside Drive
 Carlsbad, New Mexico 88202

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

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Delaware Ranch, Inc.
 1304 W. Riverside Drive
 Carlsbad, New Mexico 88202



9590 9402 4714 8344 6473 34

7020 0640 0000 0143 0306

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X [Signature]

☐ Agent
☐ Addressee

B. Received by (Printed Name)

[Signature]

C. Date of Delivery

10-19-20

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

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☐ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- ☐ all Restricted Delivery

- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

7020 0640 0000 0143 0368

U.S. Postal ServiceTM CERTIFIED MAIL[®] RECEIPT

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OFFICIAL USE

Certified Mail Fee

Extra Services & Fees (check box, add fee as appropriate)

- ☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$

Postage

2020

Postmark
Here

EG3 Development LLC
 Post Office Box 1567
 Graham, Texas 76450

PS Form 3800, April 2015 PSN 7530-02-000-9053 See reverse for instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

EG3 Development LLC
 Post Office Box 1567
 Graham, Texas 76450



9590 9402 4714 8344 6473 96

7020 0640 0000 0143 0368

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

x M Barrett

☒ Agent☐ Addressee

B. Received by (Printed Name)

M Barrett

C. Date of Delivery

10/20/20

D. Is delivery address different from item 1? If YES, enter delivery address below:

☐ Yes☒ No

3. Service Type

- ☐ Adult Signature
☐ Adult Signature Restricted Delivery
☐ Certified Mail[®]
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery

Mail
 Mail Restricted Delivery

- ☐ Priority Mail Express[®]
☐ Registered MailTM
☐ Registered Mail Restricted Delivery
☐ Return Receipt for Merchandise
☐ Signature ConfirmationTM
☐ Signature Confirmation Restricted Delivery

(over 500)

Domestic Return Receipt

7020 0640 0000 0143 0252

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Certified Mail Fee

Extra Services & Fees (check box, add fee as appropriate)

- ☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$

Postage

2020

Postmark
Here

Franco Nevada Texas, LP
 1745 Shea Center Drive, Suite 400
 Highlands Ranch, Colorado 80129

PS Form 3800, April 2015 PSN 7530-02-000-9053 See reverse for instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Franco Nevada Texas, LP
 1745 Shea Center Drive, Suite 400
 Highlands Ranch, Colorado 80129



9590 9402 4714 8344 6472 80

7020 0640 0000 0143 0252

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

x Franco Nevada Texas, LP

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? If YES, enter delivery address below:

☐ Yes☐ No

3. Service Type

- ☐ Adult Signature
☐ Adult Signature Restricted Delivery
☐ Certified Mail[®]
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery

Mail
 Mail Restricted Delivery

- ☐ Priority Mail Express[®]
☐ Registered MailTM
☐ Registered Mail Restricted Delivery
☐ Return Receipt for Merchandise
☐ Signature ConfirmationTM
☐ Signature Confirmation Restricted Delivery

(over 500)

Domestic Return Receipt

7020 0640 0000 0143 0283

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Certified Mail Fee

\$

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy)

☐ Return Receipt (electronic)

☐ Certified Mail Restricted Delivery

☐ Adult Signature Required

☐ Adult Signature Restricted Delivery

Postage

Lee M. Kugle
 2429 Westlake Drive
 Austin, Texas 78764

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

7020 0640 0000 0143 0276

U.S. Postal Service™
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OFFICIAL USE

Certified Mail Fee

\$

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy)

☐ Return Receipt (electronic)

☐ Certified Mail Restricted Delivery

☐ Adult Signature Required

☐ Adult Signature Restricted Delivery

Postage

Map2009-OK
 101 N. Robinson, Suite 1000
 Oklahoma City, OK 73102

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Map2009-OK
 101 N. Robinson, Suite 1000
 Oklahoma City, OK 73102



9590 9402 4714 8344 6473 03

7020 0640 0000 0143 0276

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

[Signature]

☒ Agent

☐ Addressee

B. Received by (Printed Name)

Debbie M...

C. Date of Delivery

10/19

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

3. Service Type

☐ Adult Signature

☐ Adult Signature Restricted Delivery

☐ Certified Mail®

☐ Certified Mail Restricted Delivery

☐ Collect on Delivery

☐ Collect on Delivery Restricted Delivery

All

All Restricted Delivery

(over \$500)

☐ Priority Mail Express®

☐ Registered Mail™

☐ Registered Mail Restricted Delivery

☐ Return Receipt for Merchandise

☐ Signature Confirmation™

☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

7020 0640 0000 0143 0320

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Certified Mail Fee

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Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$☐ Return Receipt (electronic) \$☐ Certified Mail Restricted Delivery \$☐ Adult Signature Required \$☐ Adult Signature Restricted Delivery \$

Postage

Postmark
Here

2020

87501-9998

Marguerite Fort Burns SSP
12711 Colorado Blvd E #505
Thornton, Colorado 80241

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

7020 0640 0000 0143 0313

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT

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Certified Mail Fee

\$

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$☐ Return Receipt (electronic) \$☐ Certified Mail Restricted Delivery \$☐ Adult Signature Required \$☐ Adult Signature Restricted Delivery \$

Postage

Postmark
Here

2020

87501-9998

OXY USA Inc.
5 Greenway Plaza, Suite 110
Houston, Texas 77046

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Marguerite Fort Burns SSP
12711 Colorado Blvd E #505
Thornton, Colorado 80241



9590 9402 4714 8344 6473 58

2. Article Number (Transfer from service label)

7020 0640 0000 0143 0320

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☒ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

10-21-20

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

3. Service Type

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

(over \$500)

☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricted Delivery☐ Return Receipt for Merchandise☐ Signature Confirmation™☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

OXY USA Inc.
5 Greenway Plaza, Suite 110
Houston, Texas 77046



9590 9402 4714 8344 6473 41

2. Article Number (Transfer from service label)

7020 0640 0000 0143 0313

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☒ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

10-20-21

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

3. Service Type

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

(over \$500)

☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricted Delivery☐ Return Receipt for Merchandise☐ Signature Confirmation™☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

7020 0640 0000 0143 0344

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT

Domestic Mail Only

For delivery information, visit our website at www.usps.com®.**OFFICIAL USE**

Certified Mail Fee

\$

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy)☐ Return Receipt (electronic)☐ Certified Mail Restricted Delivery☐ Adult Signature Required☐ Adult Signature Restricted Delivery

Postage

Postmark
Here

OCT 16 2020

87501-9998

Ricky D. Raindl
Post Office Box 142454
Irving, Texas 75014

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Ricky D. Raindl
Post Office Box 142454
Irving, Texas 75014



9590 9402 4714 8344 6473 72

2. Article Number (Transfer from service label)

7020 0640 0000 0143 0344

PS Form 3811, July 2015 PSN 7530-02-000-9053

DELIVERY

A. Signature

X

☐ Agent☒ Addressee

B. Received by (Printed Name)

R RAINDL

C. Date of Delivery

10/22/20

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

3. Service Type

☐ Adult Signature☐ Adult Signature Restricted Delivery☐ Certified Mail®☐ Certified Mail Restricted Delivery☐ Collect on Delivery☐ Collect on Delivery Restricted Delivery☐ Insured Mail☐ Mail Restricted Delivery☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricted Delivery☐ Return Receipt for Merchandise☐ Signature Confirmation™☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

7020 0640 0000 0143 0290

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT

Domestic Mail Only

For delivery information, visit our website at www.usps.com®.**OFFICIAL USE**

Certified Mail Fee

\$

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy)☐ Return Receipt (electronic)☐ Certified Mail Restricted Delivery☐ Adult Signature Required☐ Adult Signature Restricted Delivery

Postage

Postmark
Here

OCT 16 2020

87501-9998

Ellen Ryan
5300 Mohawk Lane
Fairway, KS 66205

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Ellen Ryan
5300 Mohawk Lane
Fairway, KS 66205



9590 9402 4714 8344 6473 27

7020 0640 0000 0143 0290

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION DELIVERY

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

SIR C19

C. Date of Delivery

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

3. Service Type

☐ Adult Signature☐ Adult Signature Restricted Delivery☐ Certified Mail®☐ Certified Mail Restricted Delivery☐ Collect on Delivery☐ Collect on Delivery Restricted Delivery☐ Insured Mail☐ Mail Restricted Delivery☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricted Delivery☐ Return Receipt for Merchandise☐ Signature Confirmation™☐ Signature Confirmation Restricted Delivery

(over \$500)

Domestic Return Receipt

U.S. Postal ServiceTM
CERTIFIED MAIL[®] RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com[®]

OFFICIAL USE

Certified Mail Fee

\$

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy)

☐ Return Receipt (electronic)

☐ Certified Mail Restricted Delivery

☐ Adult Signature Required

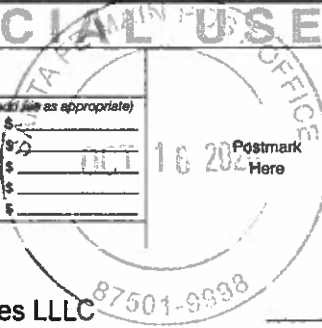
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Tap Rock Resources LLC

523 Park Point Drive, Suite 200

Golden, Colorado 80401



PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

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Carlsbad Current Argus.

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Affidavit of Publication

Ad # 0004427133

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SANTA FE, NM 87501

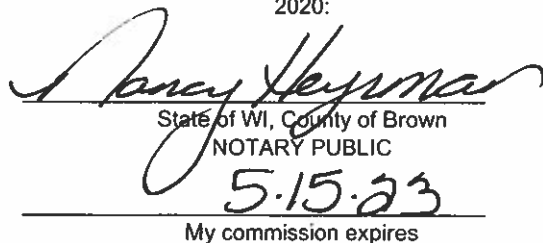
I, a legal clerk of the Carlsbad Current Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements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

10/21/2020



Legal Clerk

Subscribed and sworn before me this October 21, 2020:



State of WI, County of Brown
NOTARY PUBLIC
5.15.23
My commission expires

Ad # 0004427133

PO #:

of Affidavits 1

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

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on November 5, 2020. During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <http://www.emnrd.state.nm.us/OCD/announcements.html>. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by October 26, 2020. Public documents, including the agenda and minutes, can be provided in various accessible formats. Members of the public may obtain copies of the docket by contacting Ms. Davidson at the phone number indicated above. Also, the docket will be posted on the Oil Conservation Division website at www.emnrd.state.nm.us/OCD/. Please contact Ms. Davidson if a summary or other type of accessible form is needed.

STATE OF NEW MEXICO TO:

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

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

To: All interested parties, including: The Allar Company; EG3 Development LLC; Tap Rock Resources LLC; Ricky D. Raindl; Buckhorn Minerals IV, LP; Marguerite Fort Burns SSP; OXY USA Inc.; Delaware Ranch, Inc.; Ellen Ryan; Lee M. Kugle; Map2009-OK; Chisos Minerals LLC; Franco Nevada Texas, LP.

Case No. 21525: Application of COG Operating LLC to pool additional interest owners under Order No. R-21102-A, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order for the limited purpose of pooling additional unleased mineral interest owners under the terms of Division Order No. R-21102-A. The Division entered Order No. R-21102 in Case No. 20935 on February 12, 2020, which created a 767.52-acre, more or less, standard horizontal spacing unit comprised of the W/2 of Sections 22 and 27, and the N/2 NW/4 and Lots 1-2 (W/2 equivalent) of irregular Section 34, Township 26 South, Range 28 East, Eddy County, New Mexico ("Unit"), and designated COG as the operator of the Unit. Order No. R-21102 further pooled all uncommitted interests within the Purple Sage; Wolfcamp Gas Pool (Pool Code: 98220) underlying the Unit and dedicated the Unit to the Potato Baby State Com Well Nos. 704H, 705H, and 706H. The Division entered Order No. R-21102-A in Case No. 21312 on June 12, 2020, which conformed Order No. R-21102 to the amended order template described in the Letter of the Division Director dated April 9, 2020 (RE: Amendments to Compulsory Pooling Order Template). Since the entry of Order No. R-21102-A, COG has identified additional unleased mineral interest owners in the Unit that have not been pooled pursuant to the terms of Order No. R-21102. #4427133, Current Argus, October 21, 2020

NANCY HEYRMAN
Notary Public
State of Wisconsin