



Via Federal Express

August 18, 2016

Working Interest Owners - Listed on Attached Exhibit "A"

RE: Well Proposal – Copperhead 31 Federal Com #3H

Township 26 South, Range 29 East, N.M.P.M.

Section 30: E/2 E/2

SHL: 349' FNL & 773' FEL (Or at a legal location in Unit A)

Section 31: NE/NE, Lot 7

BHL: 50' FSL & 660' FEL (Or at a legal location in Lot 7)

Eddy County, New Mexico

Dear Working Interest Owners:

COG Production LLC ("COG"), as Operator, proposes to drill the Copperhead 31 Federal Com #3H well as a horizontal well at the above-captioned location, or at a legal location as approved by the governing regulatory agency, to a TVD of approximately 10,635' and a MD of 17,400' to test the Wolfcamp Formation ("Operation"). The total cost of the Operation is estimated to be \$7,990,696 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 that certain Exhibit "E" (JOA) of the Exploration and Development Agreement, Avalon Project Area, dated effective May 24, 2010, by and between OXY USA Inc. and OGX Resources LLC, et al. Please be advised that the form of operating agreement pursuant to the Exploration and Development Agreement will follow separately for the above referenced well.

Please indicate your participation election in the space provided below and return this letter, along with an executed AFE and a copy of your geological well requirements to the corporate address, attention Aaron Myers. Should you have any questions, please do not hesitate to contact Aaron at 432-688-6674.

Very truly yours,
COG Production LLC

Savannah Haller
Land Technician – Delaware Basin

_____ I/We hereby elect to participate in the Copperhead 31 Federal Com #3H.

_____ I/We hereby elect not to participate in the Copperhead 31 Federal Com #3H.

Company or
Individual Name: _____

By: _____

Name: _____

Title: _____

Date: _____

OCD Case No. 15557

**COG OPERATING
Exhibit # 3**

CORPORATE ADDRESS

One Concho Center | 600 West Illinois Avenue | Midland, Texas 79701
PHONE 432.683.7443 | FAX 432.683.7441

LOCAL ADDRESS

Concho West | 2208 Main Street | Artesia, New Mexico 88210
PHONE 575.748.6940 | FAX 575.746.2096



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EXHIBIT "A"
Working Interest Owners

COG Production LLC
COG Acreage LP
One Concho Center
600 W. Illinois Ave.
Midland, TX 79701
Attention: Aaron Myers (Landman)

OXY USA Inc.
5 Greenway Plaza, Suite 110
Houston, TX 77046
Attention: Jeremy Murphrey

Chevron U.S.A. Inc.
1400 Smith Street
Houston, TX 77002
Attention: NOJV Land

YAKKA Operations, LLC
1018 North 5th Street
Abilene, TX 79601

Gayle D. Fogelson
300 Crescent Court, Suite 920
Dallas, TX 75201

HRH Properties, LTD
3009 N. Big Spring
Midland, TX 79705