



Via Certified Mail – Return Receipt Requested

May 4 2017

**Working Interest Owners
Listed on Attached Exhibit "A"**

**RE Order No 14329 – Populus Fed 2H
 & Order No 14330 – Populus Fed 4H**

Dear Sir or Madam

COG Operating LLC (COG) applied for two non standard spacing and proration units and compulsory poolings for the above referenced horizontal wells under Case No 15639 and Case No 15640 Therefore pursuant to the referenced Order of Divisions COG as operator has provided herein the respective Authority for Expenditures (AFE) for the estimated costs of drilling and equipping the wells

Should you have any questions please do not hesitate to contact me at 432 685 2589 or by email at vcuccerre@concho.com

Sincerely
COG Operating LLC


Vincent Cuccerre
Landman



May 4 2017
Page 2

EXHIBIT "A"
WORKING INTEREST OWNERS

COG Operating LLC
600 W Illinois Ave
Midland TX 79701
Attn Delaware Basin West Land Lead

OXY Y 1 Company
5 Greenway Plaza Suite 110
Houston TX 77046
Attn Permian Land Manager

EOG A Resources Inc
5509 Champions Dr
Midland TX 79706
Attn Charles Moran

EOG M Resources Inc
5509 Champions Dr
Midland TX 79706
Attn Charles Moran

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME	Popul s Fed #2H	PROSPECT NAME	#717054	SL WC no PH 1M
SHL	SEC 29 115 FNL & 2310 FEL	STATE & COUNTY	New M co Eddy	
BHL	SEC 29 200 FSL & 1980 FEL	OBJECTIVE	D II & Complete	
FORMATION	2BS	DEPTH	11,900	
LEGAL	29 25S 27E	TVD	7,439	

INTANGIBLE COSTS	D lg Rlg Release(D)	Completion(C)	Tank Btty Constrctn(TB)	Pmpg Eq Ipment(PEQ)	TOTAL
T B /C /v /P /rm	20	000			000
I	202				000
D m g s/R gh f W y	203	5 000 303	35		5 000
S r v y/Stak L	204	000	352		6 0 0
Loc n/P ts/R d Expe se	205	20 000 305	2 200 353	02 52 366	234 552
Dnl g /Co pl O rhead	206	6 900 306			6 00
T mk Co	207	7			0
Footag Co	208	0 308			
D ywork C	209	375 000 3			3 5 000
D lo ID II g S	2 0	153			153 000
F I & P we	2	54 000 3	5 00 54	367	59 000
W t	2 2	35 0 3	294 000	368	329 000
B ts	2 3	57 000 3	2 800	369	59 600
M d & Ch m ts	2 4	50 000	2 750	370	62 750
D II Stem T	2 5	0 3 5			0
C g & A ys	2 6	0			0
C S rf	2 7	14 250			1 250
Ce I t rm d te	2 8	23 750			23 750
Cem 2 d I rm d te/Prod	21	75 000			75 000
Cemen Sq eezs & Oth (K koff Plug)	220	0		3	0
Fl Eq pm & Ce tralizers	22	7 00			7 700
Cas g Crews & Eq p	222	25 000			25 000
F g T & S r v	223	0 32		372	0
G g /E g g	22	0 32	55	373	0
C tra t L b	225	6 50 25	40 000 358	177 37	22 3 0
Comp y S p r v	226	41 400 26	5 000 35	375	56 400
Co S p r v	227	72 00 27	90 000 358	376	62 000
T g Ca g T b g	228	30 000 2	0 00	377	40 000
M d Logg g U	229	27 000 329			27 0
L gg g	230	0		378	0
P rf g W l S r v	231	000 331	90 000	379	9 000
S m l /T g		332	1 257 300	80	2 3
C mpl U		3	60 000	81	60 000
Swabb g U		334		382	0
R tals-S rf	235	20 00 335	18 000 359	83	307 000
R tals-S b rf	236	93 000 336		384	3 000
Tru lu g F rkt/Rg M bilza	23	20 000 337	40 000 380	385	60 000
W ld g S r v	238	3 500 338	5 000 381	386	500
W D p l	239	0 339	60 000 382	387	15 000
Pl g to Ab d	240	0 340			0
S A lya	2	0 34			0
M l	242	0 342		8	0
Co ge y	243	39 000 343	163 03 383	390	2 2
Cl d L p & En ro m tal	244	50 000 344	5 000 364	388	55 000
Co I T b g		346			0
Fl wb k C wa & Eq p		347	127 000		27 000
Offset D re t V Fra	248	0 348			0
TOTAL INTANGIBLES		629 000	2 475 88	7 52	4 5 033

TANGIBLE COSTS					
S rfac C g	401	0 000			10 000
I te d te Ca g	02	0 000			40
Prod C g/L	403	60 000			160 000
T b g			35 000	530	35 000
W th d Eq lpm	05	20 000 505	2 000	53	32 000
P p g U				506	0
P m M				5 7	0
R					
P p -S b S rf (BH)		509		532	0
T			0	50	
Fl wl			511	40 000	40 000
H Tre /S p			5 2	47 500	47 500
E tn System				50 5	2 50
P kers/A h /H g	4 4	72 000 514	5 000	534	77 000
Co p gs/F gs/V	5	0	5 5	0 000	110 000
Dehydra					0
I jecul Pl VCO2 Eq p			5 8		0
P mps-S rf			52	2 50	12 500
I tru tati /SCADA/POC			522		0
M l	9	0 5 9	523	535	0
Co tinge y	20	52	52	536	0
M tans/LACT			5 5	30 000	00
Fl res/Co b tans/E on			526	2 500	42 500
G Lft/C pra		527	10 000 516	25 000 528	35 000
TOTAL TANGIBLES		302 000	62	377 500	41 500
TOTAL WELL COSTS		1 931 000	2 537 881	747 652	5 216 533

COG Op g LLC % of T tal W II Cost

D to P p ed 2/ 0/ 7

COG Op na g LLC

By TRN (DRLG) IV KL

W pp
% W rku g tore

Compa y
By

P ted N
Ttl
D

Th AFE ly te By g g yo gre p yyo h
fth l ts med

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME	Populu F d #4H	PROSPECT NAME	#717054	SL WC	PH 1M
SHL	SEC 29 210 FNL & 990 FWL	STATE & COUNTY	New M lco Eddy		
BHL	SEC 29 200 FSL & 660 FWL	OBJECTIVE	D ll & Complete		
FORMATION	2BS	DEPTH	11,800		
LEGAL	29 25S 27E	TVD	7,364		

INTANGIBLE COSTS	D lg Rlg R lease(D)	Completion(C)	Tank Btty C t tn(TB)	Pmpg Eq pment(PEQ)	TOTAL
Title/C /P m	201	10			000
I	202	000 3 2			000
D m g s/R g fW y	203	5 3	35		5 000
S rvey/Stak L	204	6 000	352		00
L n/P ts/R d Expe se	205	20 05	2 200 353	102 352 368	234 552
D ll g / Compl to Ov rh d	206	6 900 306			900
T k yC	2 7	0 307			0
F lag C	208	0			0
D yw rk C	209	375 000 309			375 000
D ID ll g S	2 0	53 000 3 0			153
F l & P we	2	54 000 3	5 000 354	3 7	59 000
W	2 2	35 000 312	446 000	368	48
B ts	2 3	57 000 3 3	2 600	36	59 600
M d & C l	2	50 000 3	2 750	370	62 5
D t S m Tes	2	0 3 5			0
C g & A lys	2 6	0			
C m S rf	2 7	4 250			25
C l rm d	2 8	23 750			2 75
C m 2 d l rm d /P d	2	75 000			5 000
C m Sq ze & Oth (Kl koff P g)	2	0		37	0
Fl Eq pm & C sze	22	7 700			7 00
C g Crews & Eq pm	222	25 000			25 000
F h g T l & S rvc	22	0 323		372	0
G log /E g oe g	22	0 32	355	373	0
C Lab	225	6 500 325	40 000 356	77 7	22 300
C p S p rv	226	400 326	15 000 357	375	56 400
C tre t S p rv	227	72 000 327	90 000 358	376	82 000
T g Ca g/T b g	228	0 0 328	10 000	377	0 000
M d L g g U	22	27 000 329			27 000
Logg g	230	0		378	0
P rforatng/W S rv	23	000 33	180 000	379	84 000
S m l n/Tre tng	3	3 2	600 000	380	600 000
C mpl U	333	0 00		38	0
S bb g U	334			382	0
R l -S rf	235	120 000 335	187 000 359	383	7
R l -S b rf	236	63 000 336		384	63 000
Tru k g/F rkl/Rlg M blizat	237	120 000 337	0 000 360	385	000
W ld g S rv	238	3 500 8	5 000 36	386	8 500
W D	239	0 33	000 362	80 000 387	5 0
Pl g to Ab d	240	0 340			0
Se m A ys	2	0 34			
M l	242	0 342		389	
Co tngs y	243	39 000 343	63 03 363	390	202 03
Clo d L p & E ro ta	244	50 000 344	5 36	388	5
C IT b g					0
Fl wb k Crew & Eq p		127 000 34			12
Off Dre t /F	248	0 348			0
TOTAL INTANGIBLES		1 629 000	3 060 5	3 0 52	5 059 33

TANGIBLE COSTS					
S rf C g		0 000			0 000
I rm d te Ca g	02	40 000			0 000
Prod to Ca g/L	03	60 000			60 000
T b g			504 35 000	530	35 000
W th d Eq pm	5	20 000 505	12 000	53	32 000
P p g U				506	0
P M				507	0
Rod				508	0
P pa-S S rf (B)		50		532	
T ks					
Fl wll			510 37 500		37 500
H Tre S p			5 000		40 000
Electn l Sys m			5 2 47 500		7 50
P k rs/A h a/H g		72 000 5	5 000	533	32 500
C p gs/F g /V l	5	0		534	77 000
D hyd ti				5 7	0
I j ti Pl /CO2 Eq p				5	0
P mps-S rf			52 2 500		2
I tru ta n/SCADA/POC			522 0 529		0
M		0	523	535	0
C ge y	20	52	52	536	0
M ters/LACT			525 30 000		30 000
Fl /Comb ters/Em			526 42 500		2 500
G Lft/C p		527 10 000	5 6 25 000	528	35 000
TOTAL TANGIBLES		302 000	62 000	0	7 1 500
TOTAL WELL COSTS		93 000	3 22 561	7 7 652	5 2

COG Op ra LLC

D te P ep ed 2/22/ 7

COG O t g LLC

By TRN (DRLG) IV KL

W ppro
% W ku g l te

C p y

By

Ph ted N m

Tle

D t

Th AFE l m te B gn yo gre yo
fth l te med