



Via Certified Mail - Return Receipt Requested

December 20 2016

Working Interest Owners
Listed on Attached Exhibit "A"

RE. Well Proposal - Populus Fed 2H
W/2 E/2 of Sec. 29 T25S-R27E
SHL 115 FNL & 2310 FEL Section 29 (or at a legal location in Unit B)
BHL 50 FSL & 1980 FEL Section 29 (or at a legal location in Unit O)
Eddy County New Mexico

Dear Sir or Madam.

COG Operating LLC ("COG") as Operator hereby proposes the drilling of the above-referenced horizontal well. The Populus Fed #2H will be drilled to a depth to test the 2nd Bone Spring Sand formation at total measured depth of approximately 11 900. The surface location is proposed at a legal location in Unit B of Section 29 with a bottom hole location at a legal location in Unit O of Section 29 and the dedicated project area being the W/2 E/2 of Sec. 29 T25S-R27E, Eddy County New Mexico.

Included herewith is an Authority for Expenditure ("AFE") in the gross amount of \$4 928 696 being the total estimated cost to drill and complete this well. COG anticipates to spud the captioned well around April 2017.

COG is proposing to drill this well under the terms of that modified 1989 A.A.P.L. Form 610 Model Form Operating Agreement dated May 28th 2015 by and between COG Operating LLC as Operator and Myco Industries, Inc., et al as Non-Operators (the "JOA"). The enclosed revised Exhibit "A" dated December 12 2016, which expands the contract area to include all of Section 29 was sent to working interest owners for approval on December 13 2016. The JOA has the following general terms:

- 100%/300% Non-consenting penalty
- \$7 000/\$700 Drilling and Producing Rate
- COG named as Operator

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 Young. Should you have any questions please do not hesitate to contact me at 432 221-0343 or by email at ayoung@concho.com.

Sincerely
COG Operating LLC


Aaron L. Young, RPL
Sr. Landman

Enclosures

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

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe New Mexico
Exhibit No 4
Submitted by
COG OPERATING LLC
Hearing Date April 13, 2017



December 20 2016
Populus Fed #2H
Page No 2

_____ I/We hereby elect to participate in the drilling of the Populus Fed #2H

_____ I/We hereby elect not to participate in the drilling and completion of the Populus Fed #2H

Company _____

By _____

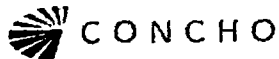
Name _____

Title _____

Date _____

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December 20 2016
Populus Fed #2H
Page No 3

EXHIBIT "A"
Working Interest Owners

COG Operating LLC
Concho Oil & Gas LLC
One Concho Center
600 W Illinois Ave
Midland TX 79701
Attention Aaron Young

OXY Y-1 Company
P O Box 4294
Houston TX 77210-4294
Attention Permian Land Manager - NM

EOG A Resources, Inc
105 South 4th Street
Artesia NM 88211 0840
Attn. Janet Richardson

EOG M Resources, Inc.
105 South 4th Street
Artesia NM 88211-0840

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**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME	POPULUS FEDERAL 62H	PROSPECT NAME	ATLAS 2527 (717054)
SPE	11F FNL & 2310 FEL	STATE & COUNTY	New Mexico, Eddy
840	50' FSL & 1980' FEL	OBJECTIVE	DRILL & COMPLETE
FORMATION	DBSS/2ND BSS	DEPTH	11,000
LEGAL	29-253-27E	TVD	7,439

		Drill Rig Release(D)	Completion(C)	Tank Bivy Construction(T)	Press Equipment(P/E)	TOTAL
INTANGIBLE COSTS						
Site/Drill/Power	207	11,000				11,000
Insurance	208	4,000				4,000
Compass/Right of Way	209	8,000				8,000
Survey/State Location	204	8,000				8,000
Location/Plot/Road Expense	205	80,000	12,200	21,000		117,200
Drilling / Completion Overhead	203	4,000				4,000
Temporary Contract	207	0				0
Perdiem Contract	203	0				0
Daywork Contract	209	248,000				248,000
Production Drilling Services	210	120,000				120,000
Fuel & Power	211	37,000	8,000			45,000
Water	212	33,000	311,000			344,000
Mud	213	43,000	2,000			45,000
Mud & Chemicals	214	73,000	12,750			85,750
Oil Stem Test	215	0				0
Coring & Analysis	216	0				0
Corelog Surface	217	14,250				14,250
Corelog Intermediate	218	23,750				23,750
Corelog 2nd Intermediate/Production	219	71,250				71,250
Corelog Segments & Other (Pilot Plug)	220	0				0
Plant Equipment & Construction	221	9,700				9,700
Casing Crows & Equipment	222	23,000				23,000
Fishing Tools & Services	223	0				0
Geology/Engineering	224	0				0
Contract Labor	225	8,500	40,000	60,000		111,500
Company Supervision	226	23,000	30,000			53,000
Contract Supervision	227	48,000	60,000		8,000	116,000
Testing Casing/Tubing	228	20,000	10,000			30,000
Mud Logging Unit	229	8,000				8,000
Logging	230	0				0
Performing/Winning Services	231	4,000	60,000			108,000
Simulation/Training			1,210,000			1,210,000
Completion Unit			30,000			30,000
Swabbing Unit						0
Refract Surface	232	70,000	107,000			177,000
Refract Subsurface	233	70,000				70,000
Truck/Off Highway Mobilization	234	70,000	40,000			110,000
Welding Services	235	1,000	8,000			9,000
Water Disposal	236	0	38,000			38,000
Plug to Abandon	237	0				0
Seismic Analysis	238	0				0
Miscellaneous	239	0				0
Contingency	240	25,000	163,031			188,031
Chased Logs & Environmental	241	83,000	9,000			92,000
Oil Tubing						0
Flareback Crews & Equip			127,000			127,000
Oilfield Drydown/Proc	242	0	100,000			100,000
TOTAL INTANGIBLES		1,243,650	2,504,081	160,000	21,000	3,928,731
TANGIBLE COSTS						
Surface Casing	401	8,000				8,000
Intermediate Casing	402	44,000				44,000
Production Casing/liner	403	132,000				132,000
Tubing			34,000			34,000
Wellhead Equipment	405	20,000	12,000			32,000
Pumping Unit						87,173
Prime Mover						0
Rods						30,000
Plugs-Sub Surfaces (B/T)						8,000
Tools						0
Flareback						100,000
Master Tractor/Operator						50,000
Electrical System						60,000
Packoff/Mechanical/Hangers	414	0	9,000			9,000
Couplings/Tripods/Valves	415	0				160,000
Galvanization						0
Injection Plant/CDS Equipment						0
Pumps-Surface						24,000
Instrumentation/SCADA/POC						4,000
Miscellaneous	419	0				23,502
Contingency	420	0				0
Miscellaneous						30,000
Flare/Combustion/Injection						30,000
Gas Lift/Compression						63,000
TOTAL TANGIBLES		216,000	82,000	854,502	137,173	977,757
TOTAL WELL COSTS		1,459,650	2,586,081	748,502	100,173	4,922,457

COG Operating LLC % of Total Well Cost

Date Prepared 10/21/18

COG Operating LLC

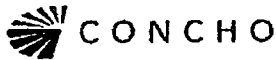
We approve
By Working Interest

By TRAVIS NEWMAN/KN LAPORTUNE NO

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.



Via Certified Mail - Return Receipt Requested

December 20 2016

OXY Y 1 Company
P O Box 4294
Houston, TX 77210-4294
Attention: Permian Land Manager - NM

RE Well Proposal & Proposed Joint Operating Agreement- Populus Fed 2H
W/2 E/2 of Sec. 29 T25S-R27E
SHL 115 FNL & 2310 FEL Section 29 (or at a legal location in Unit B)
BHL 50 FSL & 1980 FEL Section 29 (or at a legal location in Unit O)
Eddy County New Mexico

Dear Sir or Madam,

COG Operating LLC ("COG") hereby proposes the drilling of the above-referenced horizontal well. The Populus Fed #2H will be drilled to a depth to test the 2nd Bone Spring Sand formation at total measured depth of approximately 11,900'. The surface location is proposed at a legal location in Unit B of Section 29 with a bottom hole location at a legal location in Unit O of Section 29 and the dedicated project area being the W/2 E/2 of Sec. 29 T25S- R27E, Eddy County New Mexico.

Included herewith is an Authority for Expenditure ("AFE") in the gross amount of \$4,928,696 being the total estimated cost to drill and complete this well. COG anticipates to spud the captioned well around April of 2017.

COG is proposing to drill this well under the terms of that modified 1989 A.A.P.L. Form 610 Model Form Operating Agreement dated May 28th 2015 by and between COG Operating LLC as Operator and Myco Industries, Inc. et al as Non-Operators (the "JOA") enclosed for your review along with a revised Exhibit "A" dated December 12 2016 expanding the Contract Area. OXY Y 1 Company has yet to execute the JOA, therefore a Ratification and Joinder of Joint Operating Agreement will be sent under separate letterhead. The JOA has the following general terms:

- 100%/300% Non-consenting penalty
- \$7,000/\$700 Drilling and Producing Rate
- COG named as Operator

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 Young. Should you have any questions please do not hesitate to contact me at 432 221-0343 or by email at ayoung@concho.com.

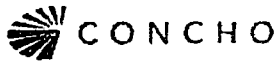
Sincerely
COG Operating LLC


Aaron L. Young, RPL
Sr. Landman

Enclosures

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LOCAL ADDRESS
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PHONE 575.748.6940 | FAX 575.746.2096



December 20 2016
Populus Fed #2H
Page No 2

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Company _____

By _____

Name _____

Title _____

Date _____

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Working Interest Owners

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Attention Aaron Young

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**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: POPULUS FEDERAL #2H
SFL: 115 FNL & 2310 FEL
SIZ: 50 FSL & 1800 FSL
FORMATION: DBSS/2ND BSS
LEGAL: 29-25S-27E

PROSPECT NAME: ATLAS 2527 (717054)
STATE & COUNTY: New Mexico, Eddy
OBJECTIVE: DRILL & COMPLETE
DEPTH: 11,900
TYPE: 7,439

		Drill Btu Release(D)	Completion(C)	Tank Btu Completion(TB)	Press Equipment(PEC)	TOTAL
INTANGIBLE COSTS						
Fixed Capital/Period	301	81,000				81,000
Insurance	303	4,000	303			4,000
Damage/Right of Way	303	5,000	303			5,000
Survey/State Location	304	8,000		351		8,000
Location/Plot/Read Expense	305	20,000	305	22,200	352	117,200
Drilling / Completion Overhead	306	4,000	306			4,000
Turkey Contract	307	0	307			0
Footage Contract	308	0	308			0
Daywork Contract	309	248,000	309			248,000
Directional Drilling Services	310	120,000	310			120,000
Fuel & Power	311	27,000	311	8,000	354	43,000
Water	312	33,000	312	311,000	355	344,000
Site	313	43,000	313	2,000		45,000
Mud & Chemicals	314	73,000	314	12,700	359	87,700
Oil State Test	315	0	315			0
Coring & Analysis	316	0				0
Corecut Surface	317	14,250				14,250
Current Intermediate	318	23,750				23,750
Current 2nd Intermediate/Production	319	71,250				71,250
Current Squeeze & Other (Rockoff Plug)	320	0			370	0
Fixed Equipment & Capitalize	321	9,700				9,700
Casing Crews & Equipment	322	23,000				23,000
Fishing Tools & Service	323	0	323		372	0
Geophysical/Engineering	324	0	324		373	0
Contract Labor	325	8,500	325	69,000	374	111,500
Company Supervision	326	20,000	326	37,000	375	57,000
Contract Supervision	327	40,000	327	65,000	376	115,000
Tooling Casing/Tubing	328	20,000	328	10,000	377	30,000
Mud Logging Unit	329	0	329			0
Logging	330	0			378	0
Perforating/Wireline Services	331	4,000	331	83,000	379	109,000
Stimulation/Treating	332		332	1,210,000	380	1,210,000
Completion Unit	333		333	34,500	381	42,500
Sanding Unit	334		334		382	0
Refract-Surface	335	70,000	335	187,000	383	257,000
Refract-Subsurface	336	70,000	336		384	70,000
Trucking/Fuel/Water/Log Mobilization	337	70,000	337	40,000	385	110,000
Working Services	338	3,000	338	5,000	386	8,000
Water Disposal	339	0	339	30,000	387	30,000
Plug to Abandon	340	0	340	70,000	388	70,000
Solvent Analysis	341	0	341			0
Miscellaneous	342	0	342		389	0
Contingency	343	23,000	343	183,031	390	196,031
Closed Loop & Environmental	344	83,000	344	5,000	391	88,000
Cut Tubing	345		345			0
Flareback Crews & Equip	346		346	127,000		127,000
Offsite Directional Fee	347	0	347	100,000		100,000
TOTAL INTANGIBLES		1,243,850	2,504,031	160,000	23,000	3,930,881
TANGIBLE COSTS						
Surface Casing	401	8,000				8,000
Intermediate Casing	402	44,000				44,000
Production Casing/Liner	403	132,000				132,000
Tubing	404		504	35,000	530	35,000
Wellhead Equipment	405	25,000	505	12,000	531	37,000
Pumping Unit					532	87,173
Prime Motor					533	0
Roofs					534	35,000
Pumps-Sub Surface (SH)			506		535	8,000
Tanks				510		0
Flowlines				511	103,000	103,000
Header Transfer/Separator				512	90,000	90,000
Electrical Systems				513	60,000	60,000
Packer/Annular Pluggers	414	0	514	8,000	536	8,000
Couplings/Flange/Valves	415	0		515	140,000	140,000
Dehydrator				517		0
Injection Plant/CO2 Equipment				518		0
Pumps-Surface				521	25,000	25,000
Instrumentation/SCADA/POC				522	4,000	4,000
Miscellaneous	416	0	519		523	33,592
Contingency	420	0	520		524	0
Meters/LACT				525	30,000	30,000
Flare/Combustion/Emission				526	30,000	30,000
Gas Lift/Compression			527	10,000	528	85,000
TOTAL TANGIBLES		318,000	62,000	504,502	137,173	977,675
TOTAL WELL COSTS		1,561,850	2,566,031	748,502	160,173	4,936,556

COG Operating LLC % of Total Well Cost

Date Prepared: 10/21/19

COG Operating LLC

We approve:
% Working Interest

By: TRAVIS NEWMANN LAFORTUNE NO

Company:
By:

Printed Name:
Title:
Date:

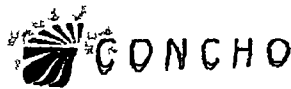
This AFE is only an estimate. By signing you agree to pay your share of the actual costs incurred.

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME	Populus Fed #2H	PROSPECT NAME	#717054	SL WC no PH 1M
SHL	SEC 29 115 FNL & 2310 FEL	STATE & COUNTY	New Mexico, Eddy	
BHL	SEC 29 58 FSL & 1980 FEL	OBJECTIVE	Drill & Complete	
FORMATION	2BS	DEPTH	11,900	
LEGAL	29-25S-27E	TVD	7,439	

INTANGIBLE COSTS		Drill Btu Release(D)	Completion(C)	Tank Btu Construc(TB)	Prod. Equipment(PEQ)	TOTAL
201	11 000					11 000
202	4 000					4 000
203	5 000					5 000
204	6 000					6 000
205	20 000		2 200	102 352	368	234 552
206	6 800					6 800
207	0					0
208	0					0
209	373 000					373 000
210	153 000					153 000
211	54 000		3 000			57 000
212	35 000		204 000			239 000
213	67 000		2 800			69 800
214	30 000		12 750			42 750
215	0					0
216	0					0
217	14 250					14 250
218	21 750					21 750
219	75 000					75 000
220	0					0
221	7 700					7 700
222	25 000					25 000
223	0	323			372	695
224	0	324			373	697
225	6 500	325	40 000	177 600	374	234 600
226	41 400	326	18 000		375	59 400
227	72 000	327	60 000		376	132 000
228	30 000	328	0 000		377	30 000
229	27 000	329			378	27 000
230	0				379	0
231	4 000	331	60 000		379	64 000
232	0	332	237 300		380	237 300
233	0	333	60 000		381	60 000
234	0	334			382	0
235	120 000	335	7 000	350	383	307 000
236	63 000	336			384	63 000
237	120 000	337	42 000	360	385	160 000
238	13 500	338	9 000	30	386	22 500
239	0	339	63 000	361	387	63 000
240	0	340			388	0
241	0	341			389	0
242	0	342			390	0
243	39 000	343	163 03	363	390	202 03
244	50 000	344	9 000	364	388	59 000
245	0	345			389	0
246	0	346			390	0
247	0	347	127 000		391	127 000
248	0	348			392	0
TOTAL INTANGIBLES		1 829 030	2 475 861	378 52	1 0	4 475 033

TANGIBLE COSTS									
Surface Casing	401	1 075							10 000
Intermediate Casing	402	40 000							40 000
Production Casing/liner	403	180 000							80 000
Tubing			504	35 000			530		35 000
Wellhead Equipment	405	20 000	505	2 000			531		32 000
Pumping Unit							505		0
Prime Mover							507		0
Rod							508		0
Pumpjack/Surf. B			509				532		0
Tanks					5 2	37 500			37 500
Flowlines						40 000			40 000
Water Treat/Separator					517	47 500			47 500
Electrical System					513	32 500	533		32 500
Packers/Anchors/Hangers		72 000	5	5 000			534		77 000
Couplings/Fittings/Valves	415	0			515	110 000			10 000
Dehydration					5 7				0
Injection Plant/CO2 Equipment					518				0
Purges-Surface			52		52	12 500			2 500
Instrumentation/SCADA/POC					522		529		0
Miscellaneous	419	0	519		523		535		0
Contingency	420		520		524		536		0
Meters/LACT					525	30 000			30 000
Flare/Combustors/Emission					526	42 500			42 500
Ge. Lbr/Compression			54	10 000	51	25 000	528		35 000
TOTAL TANGIBLES		309 000		62 000		377 500		0	7 500
TOTAL WELL COSTS		1 631 000		2 537 681		747 432		0	52 8 533



Via Certified Mail - Return Receipt Requested

March 8 2017

RE Amendment to Populus Operating Agreement
Dated May 28, 2015
Section 29
Township 25 South, Range 27 East
Eddy County New Mexico

Dear Sir or Madam.

Reference is hereby made to Well Proposals dated December 13 2016 and December 20 2016 Under said letters COG Operating LLC proposed to drill the Populus Fed 2H and 4H under Joint Operating Agreement dated May 28th 2015 (the "JOA") by and between COG Operating LLC as Operator and Myco Industries Inc et al as Non-Operators, and expand the JOA's Contract Area

Enclosed please find a revised Exhibit "A" dated March 7 2017 that will expand the Contract Area to cover the W/2 and W/2 E/2 of Section 29 and replace and supersede the original Exhibit "A" Also enclosed are an updated page 1 and a new Memorandum of Operating Agreement and Financing Statement

Please indicate your agreement to expand the Contract Area of the JOA, reflected on the revised Exhibit "A" in the spaces provided below and return this amendment along with an executed Memorandum of Operating Agreement and Financing Statement to the corporate address attention Vincent Cuccerre 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 E. Cuccerre
Landman

I hereby acknowledge receipt and approval of the revised Exhibit "A" dated March 7 2017 expanding the Contract Area of the Operating Agreement dated May 28th 2015 by and between COG Operating LLC as Operator and EQO M Resources Inc. as successor to Myco Industries Inc et al as Non-Operators and associated page changes

Company: _____

By: _____

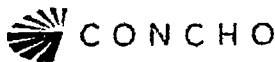
Name: _____

Title: _____

Date: _____

CORPORATE ADDRESS
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LOCAL ADDRESS
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PHONE 575.748.6940 | FAX 575.746.2096



Via Certified Mail - Return Receipt Requested

March 21 2017

RE Ratification of Operating Agreement, Revised Exhibit "A" to Operating Agreement
Section 29
Township 25 South, Range 27 East
Eddy County New Mexico

Dear Sir or Madam:

Reference is hereby made to Well Proposals dated December 13 2016 and December 20 2016 Under said letters, COG Operating LLC proposed to drill the Populus Fed 2H and 4H and expand the Contract Area of the Joint Operating Agreement dated May 28th 2015 (the "JOA ") by and between COG Operating LLC as Operator and Myco Industries Inc., et al as Non-Operators

Enclosed please find a revised Exhibit "A" dated March 8 2017 that will expand the Contract Area to cover the W/2 and W/2 E/2 of Section 29 and replace and supersede the original Exhibit "A" Also enclosed are an updated page 1 and a new Memorandum of Operating Agreement and Financing Statement.

Also please find enclosed an updated Ratification of Operating Agreement to reflect the revised Exhibit "A" Furthermore please execute in the space provided below to reflect your agreement to the Revised Exhibit "A" and return this amendment along with an executed Ratification of Operating Agreement and the Memorandum of Operating Agreement and Financing Statement to the corporate address, attention Vincent Cuccerre.

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 E. Cuccerre
Landman

I hereby acknowledge receipt and approval of the revised Exhibit "A" dated March 8 2017 expanding the Contract Area of the Operating Agreement dated May 28th 2015 by and between COG Operating LLC as Operator and EOG M Resources Inc., as successor to Myco Industries, Inc. et al as Non-Operators, and associated page changes

Company _____

By _____

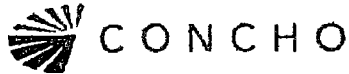
Name: _____

Title: _____

Date: _____

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



April 6, 2017

**WORKING INTEREST OWNERS
LISTED ON ATTACHED EXHIBIT "A"**

Re Operating Agreement
Populus Fed Com 2H and 4H
W/2 W/2 and W/2 E/2 Section 29
T25S R27E
Eddy County New Mexico

Dear Sir or Madam

COG Operating LLC ('COG ') sent out well proposals for the Populus Fed Com 2H and Populus Fed Com 4H wells on December 20, 2016 and has received OXY's elections to participate respectively in each. Enclosed for your review and execution is the modified A.A P L Form 610 - 1989 Model Form Operating Agreement covering the below described contract area under which the respective wells will be drilled

W/2 W/2 and W/2 E/2 Section 29 T25S R27E Eddy County, New Mexico

It has the following general provisions

- 100% / 300% / 300% Non consenting penalty
- \$7,000/\$700 Drilling and Producing rate
- COG named as Operator

Please return the executed Operating Agreement along with an executed Memorandum of Operating Agreement and Financing Statement to the corporate address attention Vincent Cuccerre

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

Sincerely

COG Operating LLC

A handwritten signature in black ink, appearing to read "Vincent Cuccerre", written over a horizontal line.

Vincent Cuccerre
Landman

April 6, 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