



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

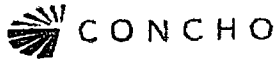

Aaron L. Young, RPL
Sr Landman

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 _____

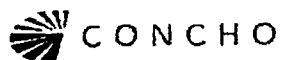
Name _____

Title _____

Date _____

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December 20 2016
Populus Fed #2H
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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

CORPORATE ADDRESS
One Concho Center | 600 West Illinois Avenue | Midland, Texas 79701
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**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: POPULUS FEDERAL 624	PROSPECT NAME: ATLAS 2527 (717054)
SRL: 118 FSL & 2310 FEL	STATE & COUNTY: New Mexico, Eddy
89-L: 50 FSL & 1840 FEL	OBJECTIVE: DRILL & COMPLETE
FORMATION: D8532740 B35	DEPTH: 11,900
LEGAL: 29-259-27E	TVD: 7,439

		Dir. Ris Releases(D)	Completed(C)	Tank Bty Contracts(T)	Prod. Equipment(P/E)	TOTAL
INTANGIBLE COSTS						
Theft/Caravan/Permit	301	11,000				11,000
Insurance	302	4,000				4,000
Domestic Right of Way	303	8,000				8,000
Survey/Title Location	304	8,000				8,000
Location/Permit Expense	305	80,000	12,200	23,000		117,200
Drilling / Completion Overhead	306	4,800				4,800
Timber Contract	307	0				0
Food/Sup Contract	308	0				0
Equipment Contract	309	248,000				248,000
Production Drilling Services	310	120,000				120,000
Fuel & Power	311	37,000	8,000			45,000
Water	312	33,000	311,000			344,000
Rod	313	43,000	2,000			45,000
Mud & Chemicals	314	73,000	12,750			85,750
Oil Stone Test	315	0				0
Coating & Analysis	316	0				0
Concrete Intermediate	317	14,250				14,250
Concrete Intermediate	318	23,750				23,750
Concrete 3rd Intermediate/Production	319	71,250				71,250
Concrete Services & Other (Mud/Plug)	320	0				0
Plant Equipment & Construction	321	0,700				0,700
Casing Crows & Equipment	322	23,000				23,000
Fishing Tools & Service	323	0				0
Geology/Engineering	324	0				0
Contract Labor	325	6,500	40,000	65,000		111,500
Company Separation	326	22,000	30,000			52,000
Contract Separation	327	48,000	65,000			113,000
Tooling Casing/Tubing	328	30,000	80,000			110,000
Mud Logging Unit	329	8,000				8,000
Logging	330	0				0
Performance/Wireline Services	331	4,000	60,000			64,000
Simulation/Testing	332		1,218,000			1,218,000
Completion Unit	333		38,500			38,500
Sealing Unit	334					0
Rentals-Surface	335	70,000	107,000			177,000
Rentals-Subsurface	336	70,000				70,000
Trucking/Off-Highway Mobilization	337	70,000	40,000			110,000
Wellbore Services	338	3,000	5,000			8,000
Water Disposal	339	0	38,000	70,000		108,000
Plug to Abandon	340	0				0
Seismic Analysis	341	0				0
Miscellaneous	342	0				0
Contingency	343	29,000	163,031			192,031
Closed Loop & Environmental	344	83,000	5,000			88,000
Cid Tubing	345					0
Flareback Crows & Equip	346		127,000			127,000
Other Drydown/Frac	348	0	600,000			600,000
TOTAL INTANGIBLES		1,243,650	2,594,091	168,000	21,000	3,926,741

TANGIBLE COSTS						
Surface Casing	401	0,000				0,000
Intermediate Casing	402	44,000				44,000
Production Casing/Liner	403	132,000				132,000
Tubing	404		35,000			35,000
Wellhead Equipment	405	28,000	12,000			40,000
Purging Unit						87,173
Pitso Mover						0
Rod						35,000
Pumps-Rod Service (B/R)	409					8,000
Tools						0
Flareback						688,000
Master Tooljoint/connector	411		60,000			60,000
Electrical System	412		60,000			60,000
Packer/Manhole/Manzon	414	0	8,000			8,000
Completion/Temp/Tricks	415	0	140,000			140,000
Dehydration						0
Injection Pump/CO2 Equipment						0
Pumps-System						28,000
Instrumentation/CADA/POC						4,000
Miscellaneous	420	0	23,582			23,582
Contingency	421	0	624			624
Mud/LACT	422		30,000			30,000
Flare/Completion/Emulsion	423		30,000			30,000
Gas Lift/Compression	424		19,000			19,000
TOTAL TANGIBLES		216,000	62,000	688,000	137,173	977,173
TOTAL WELL COSTS		1,459,650	2,594,091	748,502	168,173	4,870,416

COG Operating LLC % of Total Well Cost

Date Prepared: 10/21/18

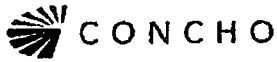
We approve
% Working Interest

COG Operating LLC
By: TRAVIS KJWAMANKEN LAFORTUNE NO

Company
By:

Printed Name:
Title:
Date:

This APB 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
Concho West | 2208 Main Street | Artesia, New Mexico 88210
PHONE 575-748-6940 | FAX 575-746-2096



December 20 2016
Populus Fed #2H
Page No 2

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Company _____

By _____

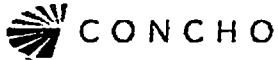
Name _____

Title _____

Date _____

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December 20, 2016
Populus Fed #2H
Page No 3

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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	PROSPECT NAME: ATLAS 2527 (717054)
SFL: 115' FSL & 2310' FEL	STATE & COUNTY: New Mexico, Eddy
SFL: 50' FSL & 1800' FEL	OBJECTIVE: DRILL & COMPLETE
FORMATION: D855/2ND 855	DEPTH: 11,500
LEGAL: 29-259-27E	TVD: 7,439

	Drill Rite Release(D)	Completion(C)	Tank Btty Constrn(TB)	Finer. Equipment(PE)	TOTAL
INTANGIBLE COSTS					
Title/Drill/Pool	301 11,000				11,000
Insurance	302 4,000	302			4,000
Damages/Right of Way	303 8,000	303	351		8,000
Survey/State Location	304 8,000		302		8,000
Location/Pool/Road Expense	305 60,000	305 12,700	301 25,000	304	117,700
Drilling / Completion Overhead	306 4,800	306			4,800
Turbine Contract	307 8	307			8
Fasttag Contract	308 8	308			8
Daywork Contract	309 248,000	309			248,000
Directional Drilling Services	310 120,000	310			120,000
Fuel & Power	311 37,000	311 8,000	304	307	42,000
Water	312 31,000	312 311,000		306	344,000
Site	313 43,000	313 2,000			45,000
Mud & Chemicals	314 74,000	314 12,700		309	87,700
DIC Stone Test	315 0	315			0
Coring & Analysis	316 0				0
Cement Surface	317 14,250				14,250
Cement Intermediate	318 23,750				23,750
Cement 2nd Intermediate/Production	319 71,250				71,250
Cement Spacers & Other (PS&I Plug)	320 0			371	0
Field Equipment & Contractors	321 9,700				9,700
Casing Crews & Equipment	322 23,000				23,000
Fishing Tools & Service	323 0	323		373	0
Geotech/Engineering	324 0	324	305	373	0
Contract Labor	325 8,500	325 48,000	301 81,000	374	111,500
Company Supervision	326 28,000	326 30,000	307	375	58,000
Contract Supervision	327 40,000	327 60,000	300	376 8,000	118,000
Tooling Casing/Tubing	328 28,000	328 10,000		377	38,000
Mud Logging Unit	329 8,000	329			8,000
Logging	330 0			378	0
Purchasing/Wholesale Services	331 4,000	331 80,000		379	100,000
Electrician/Tracing	332 0	332 1,210,000		380	1,210,000
Completion Unit	333 0	333 39,500		381 7,500	42,500
Sealing Unit	334 0	334		382	0
Reactive Surface	335 70,000	335 107,000	309	383 8,000	283,000
Reactive Subsurface	336 70,000	336		384	70,000
Turbine/PS&I/WDY Mobilization	337 70,000	337 40,000	300	385 8,000	118,000
Wellbore Services	338 3,000	338 8,000	301	386	6,000
Water Disposal	339 0	339 30,000	302	387 70,000	108,000
Plug to Abandon	340 0	340			0
Seismic Analysis	341 0	341			0
Miscellaneous	342 0	342		309	0
Contingency	343 23,000	343 803,031	303	390	100,031
Closed Loop & Environmental	344 80,000	344 8,000	304	388	88,000
Cool Tubing	345 0	345			0
Flowback Crews & Equip	346 0	346 177,000			177,000
Other Directional Fee	348 0	348 100,000			100,000
TOTAL INTANGIBLES	243,850	2,904,031	160,000	23,000	3,030,881

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	504 35,000		530		35,000
Wellhead Equipment	405 25,000	505 12,000		531 3,000	40,000
Pumping Unit				508 87,173	87,173
Prime Motor				507	0
Tools				509 35,000	35,000
Pumps-Sub Surfaces (SB)				532 8,000	8,000
Tanks			510 0		0
Flowlines			511 105,000		105,000
Nuclear Tracer/Separator			512 90,000		90,000
Electrical System			513 60,000	533	60,000
Probes/Mechans/Rings	414 0	514 8,000		534	8,000
Couplings/Flange/Valves	415 0		515 140,000		140,000
Dehydrator			517		0
Injection Pumps/CO2 Equipment			510		0
Pumps-Subs			521 25,000		25,000
Instrumentation/SCADA/POC			523	529 4,000	4,000
Miscellaneous	416 0	519 33,500	525	535	33,500
Contingency	420 0	520	524	530	0
Meters/LACT			526 30,000		30,000
Flares/Combustion/Exhaustion			528 30,000		30,000
Gas Lift/Compression		527 10,000	518 75,000	528	85,000
TOTAL TANGIBLES	318,000	62,000	588,992	137,173	897,765
TOTAL WELL COSTS	1,551,850	2,966,031	748,992	160,173	4,928,046

COG Operating LLC % of Total Well Cost 28% 62% 16% 7%

Date Prepared: 10/14/16
COG Operating LLC

We approve: % Working Interest
By: TRAVIS NEWMANN/KEN 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 29 119 FNL & 2310 FEL	STATE & COUNTY	New Mexico, Eddy	
SHL	SEC 29 80 FSL & 1080 FEL	OBJECTIVE	Drill & Complete	
FORMATION	2BS	DEPTH	11,900	
LEGAL	29-255-27E	TYD	7,439	

		Dria Ris Release(D)	Completion(C)	Tank Btry Constrcn(TB)	Finna Equipment(PEQ)	TOTAL
INTANGIBLE COSTS						
Title/Cursive/Permit	201	1 000				1 000
Insurance	202	4 000	302			4 000
Damages/Right of Way	203	5 000	303	351		5 000
Survey/Stake Location	204	8 000		352		8 000
Locator/Plat/Road Expense	205	120 000	305	2 700	02 352	125 052
Drilling / Completion Overhead	206	8 000	306			8 000
Turnkey Contract	207	0	307			0
Footage Contract	208	0	308			0
Daywork Contract	209	375 000	309			375 000
Directional Drilling Service	210	153 000	310			153 000
Fuel & Power	211	54 000	311	5 000	354	59 000
Water	212	35 000	312	284 000	358	324 000
Bits	213	87 000	313	2 800	360	90 000
Mud & Chemicals	214	50 000	314	12 750	370	62 750
Drill Stem Test	215	0	315			0
Coreing & Analysis	216	0				0
Cement Surface	217	14 250				1 250
Cement Intermediate	218	23 750				23 750
Cement 2nd Intermediate/Production	219	75 000				75 000
Cement Spacers & Other (Kickoff Plug)	220	0			371	0
Float Equipment & Centralizers	221	7 700				7 700
Casing Crews & Equipment	222	25 000				25 000
Fishing Tools & Service	223	0	323		372	0
Geologic/Engineering	224	0	324	355	373	0
Contract Labor	225	6 500	325	40 000	177 800	224 300
Company Supervision	226	41 400	326	15 000	375	56 400
Contract Supervision	227	72 000	327	80 000	356	152 000
Testing Casing/Tubing	228	30 000	328	0 000	377	30 000
Skid Logging Unit	229	27 000	329			27 000
Logging	230	0			378	0
Perforating/Wireline Service	231	0	331	80 000	379	80 000
Simulation/Treating			332	237 300	380	237 300
Completion Unit			333	80 000	381	80 000
Swabbing Unit			334		382	0
Rentals-Surface	235	120 000	335	187 000	336	307 000
Rentals-Subsurface	236	83 000	336		344	83 000
Trucking/Fuel/M/R/ Mobilization	237	120 000	337	42 000	360	160 000
Welding Services	238	3 500	338	5 000	36	8 500
Water Disposal	239	0	339	83 000	362	83 000
Plug to Abandon	240	0	340		367	0
Seismic Analysis	241	0	341			0
Miscellaneous	242	0	342			0
Contingency	243	39 000	343	183 03	363	202 03
Closed Loop & Environmental	244	50 000	344	5 000	364	55 000
Coil Tubing			345			0
Flowback Crews & Equip			347	27 000		27 000
Offset Directional, etc	248	0	348			0
TOTAL INTANGIBLES		1 829 032	2 473 68	378 52	1 0	475 033

TANGIBLE COSTS						
Surface Casing	401	1 070				10 000
Intermediate Casing	402	40 000				40 000
Production Casing/liner	403	80 000				160 000
tubing			504	35 000	530	35 000
Wellhead Equipment	405	20 000	505	2 000	51	22 000
Pumping Unit					506	0
Prime Mover					507	0
Rod					508	0
Pumps/Sub Surface (B)			509		532	0
Tanks				37 500		37 500
Flowlines				40 000		40 000
Heater Treater/Separator				7 500		47 500
Electrical System				32 500	533	32 500
Packers/Anchors/Hangers		72 000	51	5 000	534	77 000
Couplings/Tenons/Valves	415	0		10 000		10 000
Dehydration					517	0
Injection Plant/CO2 Equipment					518	0
Pumps-Surface				12 500		2 500
Instrumentation/SCADA/POC					522	0
Miscellaneous	419	0	519		523	0
Contingency	420	0	520		524	0
Meters/LACT				30 000		30 000
Flare/Combustors/Emission				42 500		42 500
Gas L&C/Compression			51	29 000	526	35 000
TOTAL TANGIBLES		302 000	82 000	377 500	0	7 500
TOTAL WELL COSTS		1 831 032	2 555 681	747 632	0	528 533

COG Operating LLC % of Total Well Cost 37% 49% 14% 0%

Date Prepared 1.21.7

COG Operating LLC

By TRM (DRLG) iv ML

W approve % Working Interest

Company

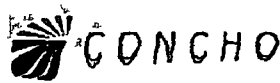
By

Printed Name

Title

Date

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



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 EOG M Resources Inc. as successor to Myco Industries Inc et al as Non-Operators, and associated page changes

Company _____

By _____

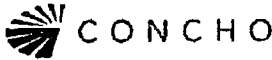
Name _____

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 575.746.3096



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: _____

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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".

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