

PAUL BACA PROFESSIONAL COURT REPORTERS

Exhibit 20

OIL CONSERVATION DIVISION

CASE # 14203

EXHIBIT 20



**MONTGOMERY
& ANDREWS**

J. SCOTT HALL

Cell: (505) 670-7362

Email: shall@montand.com

Reply To: Santa Fe Office

www.montand.com

October 15, 2008

Certified Mail Return Receipt Requested

Chase Oil Company
P. O. Box 1767
Artesia, NM 88211-1767
Attn.: Ronald W. Lanning

Re: NMOCD Case No. 14203; Application of COG Operating LLC for Designation of a Non-Standard Spacing Unit and Compulsory Pooling, Chaves County, New Mexico (Taurus Federal Well No. 1)

Dear Mr. Lanning:

This will advise that COG Operating LLC ("COG") has filed an Application with the New Mexico Oil Conservation Division for an order consolidating the 40-acre spacing units within the S/2 S/2 of Section 10, Township 15 South Range 31 East, NMPM and designating the consolidated units as a 160-acre± non-standard oil spacing and proration unit in the Wolfcamp formation (Wildcat) for Applicant's horizontal drilling project area. Applicant further seeks the compulsory pooling of all interests in the Wolfcamp formation underlying the S/2 S/2 of said Section 10 to be dedicated to its Taurus Federal Well No. 1 to be drilled horizontally from a surface location 330' from the South line and 330' from the West line to a bottom hole location 330' from the South line and 330' from the East line of Section 10 to a depth sufficient to test the Wolfcamp formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator and a charge for risk involved in drilling the well. The proposed well and lands are located approximately 12 miles northeast of Loco Hills, New Mexico.

REPLY TO:

325 Paseo de Peralta
Santa Fe, New Mexico 87501
Telephone (505) 982-3873 • Fax (505) 982-4289

Post Office Box 2307
Santa Fe, New Mexico 87504-2307

6301 Indian School Road NE, Suite 400
Albuquerque, New Mexico 87110
Telephone (505) 884-4200 • Fax (505) 888-8929

Post Office Box 36210
Albuquerque, New Mexico 87176-6210

A copy of the Application is enclosed.

This application will be set for hearing before a Division Examiner on October 30, 2008, at 8:15 a.m. at the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later time. If you intend to attend the hearing and present testimony or evidence, you must enter your appearance and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement at least four business days before the scheduled hearing date in accordance with Division Rule 1211.

Very truly yours,

MONTGOMERY & ANDREWS, P.A.

J. Scott Hall

J. Scott Hall

Attorneys for COG Operating LLC

COMPLETE THIS SECTION ON DELIVERY

COMPLETE THIS SECTION

1. Article Addressed to:
 Chase Oil Corporation
 P. O. Box 1767
 Artesia, NM 88211-1767
 Attn.: Ronald W. Lanning

2. Article Number (transfer from service label) **7002 0510 0003 4612 7583**
 PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

A. Signature Agent Addressee
J. Scott Hall *Donald*

B. Restricted Delivery (Marked Name) *RECEIVED A 10/16/08*

D. Is delivery address different from mailing address? Yes No
 If YES, enter delivery address below:
 OCT 27 2008

3. Certified Mail Express Mail Return Receipt for Merchandise Insured Mail C.O.D.
 4. Restricted Delivery? (Extra Fee) Yes No

U.S. Postal Service CERTIFIED MAIL RECEIPT
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Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Sent To *Chase*

Street, Apt. No., or PO Box No.
 City, State, ZIP+4

Postmark Here: **SANTA FE NM OCT 15 2008 USPO 87504**

PS Form 3800, January 2001 See Reverse for Instructions



**MONTGOMERY
& ANDREWS**

J. SCOTT HALL

Cell: (505) 670-7362

Email: shall@montand.com

Reply To: Santa Fe Office

www.montand.com

October 15, 2008

Certified Mail Return Receipt Requested

Chesapeake Energy Corporation
6100 N. Western Avenue
Oklahoma City, OK 73119

Re: NMOCD Case No. 14203; Application of COG Operating LLC for Designation of a Non-Standard Spacing Unit and Compulsory Pooling, Chaves County, New Mexico (Taurus Federal Well No. 1)

Dear Sir or Madam:

This will advise that COG Operating LLC ("COG") has filed an Application with the New Mexico Oil Conservation Division for an order consolidating the 40-acre spacing units within the S/2 S/2 of Section 10, Township 15 South Range 31 East, NMPM and designating the consolidated units as a 160-acre \pm non-standard oil spacing and proration unit in the Wolfcamp formation (Wildcat) for Applicant's horizontal drilling project area. Applicant further seeks the compulsory pooling of all interests in the Wolfcamp formation underlying the S/2 S/2 of said Section 10 to be dedicated to its Taurus Federal Well No. 1 to be drilled horizontally from a surface location 330' from the South line and 330' from the West line to a bottom hole location 330' from the South line and 330' from the East line of Section 10 to a depth sufficient to test the Wolfcamp formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator and a charge for risk involved in drilling the well. The proposed well and lands are located approximately 12 miles northeast of Loco Hills, New Mexico.

REPLY TO:

325 Paseo de Peralta
Santa Fe, New Mexico 87501
Telephone (505) 982-3873 • Fax (505) 982-4289

Post Office Box 2307
Santa Fe, New Mexico 87504-2307

6301 Indian School Road NE, Suite 400
Albuquerque, New Mexico 87110
Telephone (505) 884-4200 • Fax (505) 888-8929

Post Office Box 36210
Albuquerque, New Mexico 87176-6210

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Very truly yours,

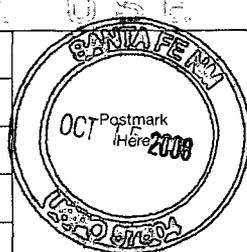
MONTGOMERY & ANDREWS, P.A.

J. Scott Hall

J. Scott Hall

Attorneys for COG Operating LLC

<p>SENDER: COMPLETE THIS SECTION</p> <p>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. 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.</p> <p>1. Article Addressed to: Chesapeake Energy Corp. 6100 N. Western Avenue Oklahoma City, OK 73118</p>	<p>COMPLETE THIS SECTION ON DELIVERY</p> <p>A. Signature <i>xMM</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery _____</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p> <p>2. Article Number (Transfer from service label) 7002 0510 0003 4612 7569</p> <p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540</p>
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U.S. Postal Service CERTIFIED MAIL RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)	
OFFICIAL USE	
Postage \$ _____ Certified Fee _____ Return Receipt Fee (Endorsement Required) _____ Restricted Delivery Fee (Endorsement Required) _____ Total Postage & Fees \$ _____	
Sent To <i>Chesapeake Energy</i> Street, Apt. No.; or PO Box No. _____ City, State, ZIP+4 _____	
PS Form 3800, January 2007 See Reverse for Instructions	



**MONTGOMERY
& ANDREWS**

J. SCOTT HALL

Cell: (505) 670-7362

Email: shall@montand.com

Reply To: Santa Fe Office

www.montand.com

October 15, 2008

Certified Mail Return Receipt Requested

Chesapeake Exploration LP
6100 N. Western Avenue
Oklahoma City, OK 73118
Attn.: Jared Boren

Re: NMOCD Case No. 14203; Application of COG Operating LLC for Designation of a Non-Standard Spacing Unit and Compulsory Pooling, Chaves County, New Mexico (Taurus Federal Well No. 1)

Dear Mr. Boren:

This will advise that COG Operating LLC ("COG") has filed an Application with the New Mexico Oil Conservation Division for an order consolidating the 40-acre spacing units within the S/2 S/2 of Section 10, Township 15 South Range 31 East, NMPM and designating the consolidated units as a 160-acre± non-standard oil spacing and proration unit in the Wolfcamp formation (Wildcat) for Applicant's horizontal drilling project area. Applicant further seeks the compulsory pooling of all interests in the Wolfcamp formation underlying the S/2 S/2 of said Section 10 to be dedicated to its Taurus Federal Well No. 1 to be drilled horizontally from a surface location 330' from the South line and 330' from the West line to a bottom hole location 330' from the South line and 330' from the East line of Section 10 to a depth sufficient to test the Wolfcamp formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator and a charge for risk involved in drilling the well. The proposed well and lands are located approximately 12 miles northeast of Loco Hills, New Mexico.

REPLY TO:

325 Paseo de Peralta
Santa Fe, New Mexico 87501
Telephone (505) 982-3873 • Fax (505) 982-4289

Post Office Box 2307
Santa Fe, New Mexico 87504-2307

6301 Indian School Road NE, Suite 400
Albuquerque, New Mexico 87110
Telephone (505) 884-4200 • Fax (505) 888-8929

Post Office Box 36210
Albuquerque, New Mexico 87176-6210

A copy of the Application is enclosed.

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Very truly yours,

MONTGOMERY & ANDREWS, P.A.

J. Scott Hall

J. Scott Hall

Attorneys for COG Operating LLC

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
X M M

B. Received by (Printed Name) Date of Delivery
 C. *OK SANTA FE NM 2008*

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

3. Service Type Express Mail Return Receipt for Merchandise
 Certified Mail Registered Insured Mail C.O.D.
 Restricted Delivery? (Extra Fee) Yes

2. Article Number (Transfer from service label) 7002 0510 0003 4612 7576
 PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

SENDER: COMPLETE THIS SECTION

1. Article Addressed to:
 Chesapeake Exploration LP
 6100 N. Western Avenue
 Oklahoma City, OK 73118
 Attn.: Jared Boren

1. Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
 2. Print your name and address on the reverse so that we can return the card to you.
 3. Attach this card to the back of the mailpiece, or on the front if space permits.

U.S. Postal Service CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

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Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Sent To: *Chesapeake Exploration*
 Street, Apt. No., or PO Box No.
 City, State, ZIP+4

Postmark: *SANTA FE NM OCT 15 2008 USPO 87504*

PS Form 3800, January 2001 See Reverse for Instructions



**MONTGOMERY
& ANDREWS**

J. SCOTT HALL

Cell: (505) 670-7362

Email: shall@montand.com

Reply To: Santa Fe Office

www.montand.com

October 15, 2008

Certified Mail Return Receipt Requested

Cimarex Energy Co.
600 N. Marienfeld, Suite 600
Midland, TX 79701
Attn.: Hayden Tresner

Re: NMOCD Case No. 14203; Application of COG Operating LLC for Designation of a Non-Standard Spacing Unit and Compulsory Pooling, Chaves County, New Mexico (Taurus Federal Well No. 1)

Dear Tresner:

This will advise that COG Operating LLC ("COG") has filed an Application with the New Mexico Oil Conservation Division for an order consolidating the 40-acre spacing units within the S/2 S/2 of Section 10, Township 15 South Range 31 East, NMPM and designating the consolidated units as a 160-acre \pm non-standard oil spacing and proration unit in the Wolfcamp formation (Wildcat) for Applicant's horizontal drilling project area. Applicant further seeks the compulsory pooling of all interests in the Wolfcamp formation underlying the S/2 S/2 of said Section 10 to be dedicated to its Taurus Federal Well No. 1 to be drilled horizontally from a surface location 330' from the South line and 330' from the West line to a bottom hole location 330' from the South line and 330' from the East line of Section 10 to a depth sufficient to test the Wolfcamp formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator and a charge for risk involved in drilling the well. The proposed well and lands are located approximately 12 miles northeast of Loco Hills, New Mexico.

REPLY TO:

325 Paseo de Peralta
Santa Fe, New Mexico 87501
Telephone (505) 982-3873 • Fax (505) 982-4289

Post Office Box 2307
Santa Fe, New Mexico 87504-2307

6301 Indian School Road NE, Suite 400
Albuquerque, New Mexico 87110
Telephone (505) 884-4200 • Fax (505) 888-8929

Post Office Box 36210
Albuquerque, New Mexico 87176-6210

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Very truly yours,

MONTGOMERY & ANDREWS, P.A.

J. Scott Hall

J. Scott Hall

Attorneys for COG Operating LLC

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
Sadie Garcia Addressee

B. Received by (Printed Name) Date of Delivery
Sadie Garcia *10/18*

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

3. Service Type Express Mail
 Certified Mail Return Receipt for Merchandise
 Registered Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

102595-02-M-1540

SENDER: COMPLETE THIS SECTION

1. Article Addressed to:
 Cimarex Energy Company
 600 N. Marienfeld, Suite 600
 Midland, TX 79701
 Attn.: Hayden Tresner

2. Article Number (Transfer from service label) **7002 0510 0003 4612 7552**

PS Form 3811, February 2004 Domestic Return Receipt

U.S. Postal Service
CERTIFIED MAIL RECEIPT
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Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

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 City, State, ZIP+4

PS Form 3800, January 2001 See Reverse for Instructions

7002 0510 0003 4612 7552

SANTA FE NM
 OCT 15 2008
 Here
 87504



**MONTGOMERY
& ANDREWS**

J. SCOTT HALL

Cell: (505) 670-7362
Email: shall@montand.com
Reply To: Santa Fe Office
www.montand.com

October 15, 2008

Certified Mail Return Receipt Requested

Marbob Energy Corporation
P.O. Box 227
Artesia, NM 88211-0227
Attn.: Ray Miller

Re: NMOCD Case No. 14203; Application of COG Operating LLC for Designation of a Non-Standard Spacing Unit and Compulsory Pooling, Chaves County, New Mexico (Taurus Federal Well No. 1)

Dear Mr. Miller:

This will advise that COG Operating LLC ("COG") has filed an Application with the New Mexico Oil Conservation Division for an order consolidating the 40-acre spacing units within the S/2 S/2 of Section 10, Township 15 South Range 31 East, NMPM and designating the consolidated units as a 160-acre \pm non-standard oil spacing and proration unit in the Wolfcamp formation (Wildcat) for Applicant's horizontal drilling project area. Applicant further seeks the compulsory pooling of all interests in the Wolfcamp formation underlying the S/2 S/2 of said Section 10 to be dedicated to its Taurus Federal Well No. 1 to be drilled horizontally from a surface location 330' from the South line and 330' from the West line to a bottom hole location 330' from the South line and 330' from the East line of Section 10 to a depth sufficient to test the Wolfcamp formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator and a charge for risk involved in drilling the well. The proposed well and lands are located approximately 12 miles northeast of Loco Hills, New Mexico.

REPLY TO:

325 Paseo de Peralta
Santa Fe, New Mexico 87501
Telephone (505) 982-3873 • Fax (505) 982-4289

Post Office Box 2307
Santa Fe, New Mexico 87504-2307

6301 Indian School Road NE, Suite 400
Albuquerque, New Mexico 87110
Telephone (505) 884-4200 • Fax (505) 888-8929

Post Office Box 36210
Albuquerque, New Mexico 87176-6210

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Very truly yours,

MONTGOMERY & ANDREWS, P.A.

J. Scott Hall

J. Scott Hall

Attorneys for COG Operating LLC

<p>SENDER: COMPLETE THIS SECTION</p> <ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. 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. <p>1. Article Addressed to: Marbob Energy Corporation P. O. Box 227 Artesia, NM 88211 Attn.: Ray Miller</p>	<p>COMPLETE THIS SECTION ON DELIVERY</p> <p>A. Signature <input type="checkbox"/> Agent <input type="checkbox"/> Addressee <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D. <input type="checkbox"/> Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>C. Date of Delivery <i>10-16-08</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below:</p>
<p>2. Article Number (Transfer from service label) 7002 0510 0003 4612 7545</p> <p>PS Form 3811, February 2004</p>	

U.S. Postal Service
CERTIFIED MAIL RECEIPT
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OFFICIAL

Postage \$	
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees \$	

Sent To *Marbob*

Street, Apt. No., or PO Box No.
 City, State, ZIP+4

PS Form 3800, January 2001 See Reverse for Instructions

102595-02-M-1540



**MONTGOMERY
& ANDREWS**

J. SCOTT HALL

Cell: (505) 670-7362

Email: shall@montand.com

Reply To: Santa Fe Office

www.montand.com

October 15, 2008

Certified Mail Return Receipt Requested

Penroc Oil Corporation
P. O. Box 2769
Hobbs, NM 88241
Attn.: M.Y. Merchant

Re: NMOCD Case No. 14203; Application of COG Operating LLC for Designation of a Non-Standard Spacing Unit and Compulsory Pooling, Chaves County, New Mexico (Taurus Federal Well No. 1)

Dear Mr. Merchant:

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REPLY TO:

325 Paseo de Peralta
Santa Fe, New Mexico 87501
Telephone (505) 982-3873 • Fax (505) 982-4289

Post Office Box 2307
Santa Fe, New Mexico 87504-2307

6301 Indian School Road NE, Suite 400
Albuquerque, New Mexico 87110
Telephone (505) 884-4200 • Fax (505) 888-8929

Post Office Box 36210
Albuquerque, New Mexico 87176-6210

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Very truly yours,

MONTGOMERY & ANDREWS, P.A.

J. Scott Hall

J. Scott Hall

Attorneys for COG Operating LLC

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U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only, No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Sent To *Penroc*

Street, Apt. No., or PO Box No.

City, State, ZIP+4

PS Form 3800, January 2001 See Reverse for Instructions



**MONTGOMERY
& ANDREWS**

J. SCOTT HALL

Cell: (505) 670-7362
Email: shall@montand.com
Reply To: Santa Fe Office
www.montand.com

October 15, 2008

Certified Mail Return Receipt Requested

Yates Drilling Company, Inc.
Yates Petroleum, Inc.
Abo Petroleum, Inc.
Myco Industries, Inc.
105 South Fourth Street
Artesia, New Mexico 88210

Re: NMOCD Case No. 14203; Application of COG Operating LLC for Designation of a Non-Standard Spacing Unit and Compulsory Pooling, Chaves County, New Mexico (Taurus Federal Well No. 1)

Dear Sir or Madam:

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REPLY TO:

325 Paseo de Peralta
Santa Fe, New Mexico 87501
Telephone (505) 982-3873 • Fax (505) 982-4289

Post Office Box 2307
Santa Fe, New Mexico 87504-2307

6301 Indian School Road NE, Suite 400
Albuquerque, New Mexico 87110
Telephone (505) 884-4200 • Fax (505) 888-8929

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NMOCD CASE #14203-14216
C.O.G. OPERATING LLC
TAURUS FEDERAL #1H
NOVEMBER 12, 2008

JESSE K. LAWSON
SENIOR RESERVOIR ENGINEER

Based on the BAKER HUGHES-INTEQ-Planned Wellpath Report for the directional drilling of the Taurus Federal #1H, the following supplemental data is presented to the NMOCD in Case #14203-14216. This data is based upon anticipated directional drilling practices, directional azimuths and inclinations.

SHL
LEGAL

DESCRIPTION: 330' FSL & 330' FWL, UNIT M, SEC.10, T-15-S, R-31-E, NMPM
CHAVES COUNTY, NM

WLFCP
PENETRATION
POINT:

TVD: 8,655'
MD: 8,808'

LEGAL DESCRIPTION: 336' FSL & 668' FWL, UNIT M, SEC.10, T-15-S, R-31-E, NMPM
CHAVES COUNTY, NM

BHL
LEGAL
DESCRIPTION

TVD: 8,745'
MD: 13,102'

LEGAL DESCRIPTION: 330' FSL & 330' FEL, UNIT P, SEC.10, T-15-S, R-31-E, NMPM
CHAVES COUNTY, NM

NMOCD Case Nos. 14203 and 14204
COG Operating LLC
Exhibit No. 20