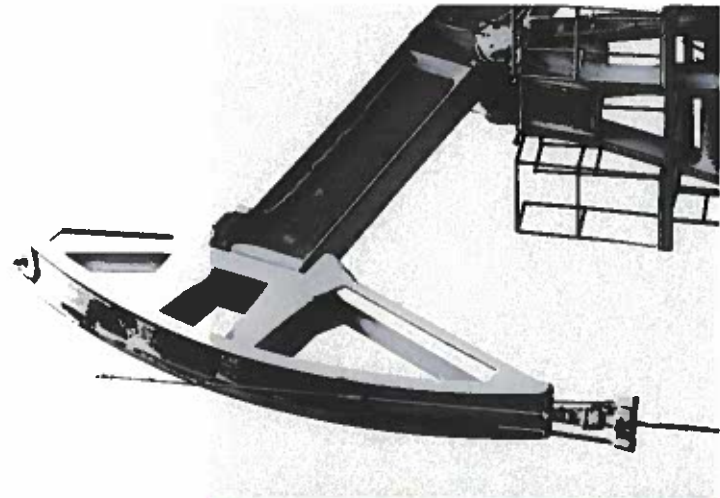


COG OPERATING LLC
 Case No. 21622
 Bedlington Wells
 Hearing on January 7, 2021



COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 21622	APPLICANT'S RESPONSE
Date	January 7, 2021
Applicant	COG Operating LLC
Designated Operator & OGRID (affiliation if applicable)	OGRID # 229137
Applicant's Counsel:	Ocean Munds-Dry, Michael Rodriguez
Case Title:	Application of COG Operating LLC for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	
Well Family	Bedlington
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring
Pool Name and Pool Code:	Triste Draw; Bone Spring (96603)
Well Location Setback Rules:	Statewide
Spacing Unit Size:	~ 640 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	~ 640 acres
Building Blocks:	Quarter-quarter
Orientation:	Standup
Description: TRS/County	W/2 of Sections 26 and 35, Township 23 South, Range 32 East, Lea County, New Mexico.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	The completed interval for the proposed Bedlington Federal Com #502H well will be within 330' of the quarter-quarter line separating the W/2W/2 and the E/2W/2 of Sections 26 and 35 to allow inclusion of this acreage into a standard 640-acre horizontal well spacing unit.
Proximity Defining Well: if yes, description	Bedlington Federal Com #502H
Applicant's Ownership in Each Tract	Attachment B
Well(s)	
Name (API [if assigned]); Surface hole location; Bottom hole location; Completion target (TVD); Orientation, Completion status (standard or non-standard).	Attachment A
Well #1	Bedlington Federal Com #201H (API # Pending) SHL: 425 FSL, 1795 FWL, Unit N, 35-23S-32E

	<p>BHL: 50 FNL, 726 FWL, Unit D, 26-23S-32E Completion Target: Bone Spring formation (Approx. 9500 feet TVD) Completion status: Standard</p>
Well #2	<p>Bedlington Federal Com #202H (API # Pending) SHL: 425 FSL, 1825 FWL, Unit N, 35-23S-32E BHL: 50 FNL, 1518 FWL, Unit C, 26-23S-32E Completion Target: Bone Spring formation (Approx. 9500 feet TVD) Completion status: Standard</p>
Well #3	<p>Bedlington Federal Com #301H (API # Pending) SHL: 425 FSL, 1535 FWL, Unit N, 35-23S-32E BHL: 50 FNL, 330 FWL, Unit D, 26-23S-32E Completion Target: Bone Spring formation (Approx. 9650 feet TVD) Completion status: Standard</p>
Well #4	<p>Bedlington Federal Com #302H (API # Pending) SHL: 425 FSL, 1565 FWL, Unit N, 35-23S-32E BHL: 50 FNL, 1122 FWL, Unit D, 26-23S-32E Completion Target: Bone Spring formation (Approx. 9650 feet TVD) Completion status: Standard</p>
Well #5	<p>Bedlington Federal Com #303H (API # Pending) SHL: 425 FSL, 1595 FWL, Unit N, 35-23S-32E BHL: 50 FNL, 1914 FWL, Unit C, 26-23S-32E Completion Target: Bone Spring formation (Approx. 9650 feet TVD) Completion status: Standard</p>
Well #6	<p>Bedlington Federal Com #501H (API # Pending) SHL: 225 FSL, 1455 FWL, Unit N, 35-23S-32E BHL: 50 FNL, 330 FWL, Unit D, 26-23S-32E Completion Target: Bone Spring formation (Approx. 10725 feet TVD) Completion status: Standard</p>
Well #7	<p>Bedlington Federal Com #502H (API # Pending) SHL: 225 FSL, 1485 FWL, Unit N, 35-23S-32E BHL: 50 FNL, 1130 FWL, Unit D, 26-23S-32E Completion Target: Bone Spring formation (Approx. 10975 feet TVD) Completion status: Standard</p>
Well #8	<p>Bedlington Federal Com #503H (API # Pending) SHL: 225 FSL, 1515 FWL, Unit N, 35-23S-32E BHL: 50 FNL, 1930 FWL, Unit C, 26-23S-32E Completion Target: Bone Spring formation (Approx. 10725 feet TVD) Completion status: Standard</p>
Horizontal Well First and Last Take Points	Exhibit 1, Attachment A
Completion Target (Formation, TVD and MD)	Exhibit 2, Attachment G
APE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit 1, Attachment C
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit 3
Proof of Mailed Notice of Hearing 20 days before hearing)	Exhibit 3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit 3
Ownership Determination	

Page 4 of 24
Received by O.C.D.: 1/6/2021 2:43:03 PM

Land Ownership Schematic of the Spacing Unit	Attachment B
Tract List (including lease numbers and owners)	Attachment B
Pooled Parties (including ownership type)	Attachment B
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Attachment C
List of Interest Owners (ie Exhibit A of JOA)	Attachment B
Chronology of Contact with Non-Joined Working Interests	Exhibit 1
Overhead Rates In Proposal Letter	N/A
Cost Estimate to Drill and Complete	Attachment C
Cost Estimate to Equip Well	Attachment C
Cost Estimate for Production Facilities	Attachment C
Geology	
Summary (including special considerations)	Exhibit 2
Spacing Unit Schematic	Attachment D
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit 2
Target Formation	Bone Spring
HSU Cross Section	Attachments F and G
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Attachment A
Tracts	Attachment B
Summary of Interests, Unit Recapitulation (Tracts)	Attachment B
General Location Map (including basin)	Attachment B
Well Bore Location Map	Attachment D
Structure Contour Map - Subsea Depth	Attachment E
Cross Section Location Map (including wells)	Attachment F
Cross Section (including Landing Zone)	Attachment G
Additional Information	Case No. 21420 is the prior iteration of the subject case and contains the documents and exhibits referenced herein.
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Michael Rodriguez

Released to Imaging: 1/6/2021 8:16:48 AM

Signed Name (Attorney or Party Representative):



Date:

01/05/2021

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION

APPLICATION OF COG OPERATING LLC
TO AMEND ORDER NO. R-21473 TO
REASSIGN THE DEFINING WELL
LEA COUNTY, NEW MEXICO.

CASE NO. 21622
ORDER NO. R-21473 (Re-open)

APPLICATION

COG Operating LLC ("COG") (OGRID No. 229137), through its undersigned attorneys, hereby files this application with the Oil Conservation Division ("Division") requesting the Division amend Order No. R-21473 to reflect a well authorized under the Order as the new defining well. In support of its application, COG states:

1. The Division issued Order No. R-21473 ("Order") in Case No. 21420 on September 21, 2020, which created a 640-acre, more or less, horizontal spacing unit comprised of the W/2 of Sections 26 and 35, Township 23 South, Range 32 East, Lea County, New Mexico ("Unit") and designated COG as the operator of the Unit.
2. The Order further pooled all uncommitted interests within the Bone Spring formation [Triste Draw; Bone Spring (96603)] underlying the Unit and dedicated the Unit to the Bedlington Federal Com #201H, 202H, 301H, 302H, 303H, 501H, 502H, and 503H wells.
3. Exhibit A of the Order assigned the **Bedlington Federal Com #302H** well as the Proximity Defining Well.
4. The completed interval for the proposed **Bedlington Federal Com #502H** well will be within 330' of the quarter-quarter line separating the W/2W/2 and the E/2W/2 of Sections 26 and 35 to allow inclusion of this acreage into a standard 640-acre horizontal well spacing unit.

5. COG requests Order No. R-21473 be re-opened to reassign the Proximity Defining Well to the **Bedlington Federal Com #502H** well.

WHEREFORE, COG requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 7, 2021, and after notice and hearing as required by law, the Division amend Order No. R-21473 to reflect the **Bedlington Federal Com #502H** well as the Proximity Defining Well.

Respectfully submitted,

COG OPERATING LLC

/s/ Michael Rodriguez

Ocean Munds-Dry
Michael Rodriguez
1048 Paseo de Peralta
Santa Fe, New Mexico 87501
(505) 780-8000
omundsdry@concho.com
mrodriguez@concho.com

ATTORNEYS FOR COG OPERATING LLC

Case No. _____: Application of COG Operating LLC to amend Order No. R-21473 to reassign the defining well, Lea County, New Mexico. Applicant in the above-styled cause requests the Division amend Order No. R-21473 to reflect a well authorized under the Order as the new defining well. The Division issued Order No. R-21473 (“Order”) in Case No. 21420 on September 21, 2020, which created a 640-acre, more or less, horizontal spacing unit comprised of the W/2 of Sections 26 and 35, Township 23 South, Range 32 East, Lea County, New Mexico (“Unit”) and designated COG as the operator of the Unit. The Order further pooled all uncommitted interests within the Bone Spring formation [Triste Draw; Bone Spring (96603)] underlying the Unit and dedicated the Unit to the Bedlington Federal Com #201H, 202H, 301H, 302H, 303H, 501H, 502H, and 503H wells. Exhibit A of the Order assigned the Bedlington Federal Com #302H well as the Proximity Defining Well. The completed interval for the proposed Bedlington Federal Com #502H well will be within 330’ of the quarter-quarter line separating the W/2W/2 and the E/2W/2 of Sections 26 and 35 to allow inclusion of this acreage into a standard 640-acre horizontal well spacing unit. COG requests Order No. R-21473 be re-opened to reassign the Proximity Defining Well to the Bedlington Federal Com #502H well.

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

**APPLICATION OF COG OPERATING LLC
TO AMEND ORDER NO. R-21473 TO
REASSIGN THE DEFINING WELL
LEA COUNTY, NEW MEXICO**

**CASE NO. 21622
ORDER NO. R-21473 (Re-open)**

SELF-AFFIRMED STATEMENT OF ADAM REKER

1. I am over 18 years of age and am competent to provide this Self-Affirmed Statement. I have personal knowledge of the matters addressed herein.

2. I am a Landman with COG Operating LLC ("COG") and have previously testified before the New Mexico Oil Conservation Division ("Division") as an expert witness in petroleum land matters. My credentials as a petroleum landman have been accepted by the Division and made a matter of record.

3. I am familiar with the application filed by COG in this case and familiar with the status of the lands in the subject area.

4. I do not anticipate any opposition to this case or the presentation of this case by affidavit.

5. In its application, COG seeks to amend Division Order No. R-21473 to reflect the **Bedlington Federal Com #502H** well as the Proximity Defining Well.

6. Exhibit A of Order No. R-21473 assigned the **Bedlington Federal Com #302H** well as the Proximity Defining Well.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 21622 Exhibit No. 1
Submitted by:
COG OPERATING LLC
Hearing Date: January 7, 2021
Case No. 21622 - Page 9

7. The **Bedlington Federal Com #302H well** will be located in the **Avalon interval** within the **Bone Spring formation**.

8. Due to geological preferences and recent monitoring results in the surrounding area, **COG now plans to initially develop the 2nd Bone Spring** instead of the **Avalon interval**.

9. Therefore, the **Bedlington Federal Com #302H well** is precluded from being designated as the **Proximity Defining well**.

10. However, **COG plans to initially drill the Bedlington Federal Com #502H well** within the **2nd Bone Spring**.

11. The **Bedlington Federal Com #502H well** is a qualifying **Proximity Defining well** since its interval will be within **330'** of the line separating the **W/2W/2** and the **E/2W/2** of Sections **26 and 35** to allow inclusion of this acreage into a standard **640-acre horizontal well spacing unit**.

12. **Attachment A** contains a true and accurate copy of **Division Order No. R-21473**.

13. **Attachment B** contains a draft **Form C-102** for the proposed **Bedlington Federal Com #502H well**.

14. I have provided **COG's legal counsel** a list of names and addresses of the owners **COG seeks to pool** and instructed that they be notified of this hearing. Additionally, notice of this hearing was timely published in a newspaper of general circulation in the county where the proposed wells will be located in.

15. In my opinion, the granting of **COG's application** will be in the best interest of conservation, the prevention of waste, and the protection of correlative rights.

16. **Exhibit 1 and Attachments A and B** were either prepared by me, compiled under my direction and supervision, or were compiled from company business records.

17. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 16 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date indicated next to my signature below.



Adam Reker

12/29/20
Date

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
COG OPERATING, LLC**

**CASE NO. 21420
ORDER NO. R-21473**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on September 10, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. COG Operating, LLC (“Operator”) submitted an application (“Application”) to compulsory pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Case No. 21622 Attachment A
 Case No. 21622 Page 12
 Submitted by
COG OPERATING LLC
 Hearing Date: January 7, 2021

- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
- 10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
- 21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
- 23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the

CASE NO. 21420
ORDER NO. R-21473

well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

- 24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
- 26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
- 27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
- 28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.

- 29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
- 30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
- 34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL
DIRECTOR**
AES/jag

Date: 9/21/2020

CASE NO. 21420
ORDER NO. R-21473

Exhibit A

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 21420	APPLICANT'S RESPONSE
Date	September 10, 2020
Applicant	COG Operating LLC
Designated Operator & OGRID (affiliation if applicable)	OGRID # 229137
Applicant's Counsel:	Ocean Munds-Dry, Michael Rodriguez
Case Title:	Application of COG Operating LLC for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	
Well Family	Bedlington
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring
Pool Name and Pool Code:	Triste Draw; Bone Spring (96603)
Well Location Setback Rules:	Statewide
Spacing Unit Size:	~ 640 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	~ 640 acres
Building Blocks:	Quarter-quarter
Orientation:	Standup
Description: TRS/County	W/2 of Sections 26 and 35, Township 23 South, Range 32 East, Lea County, New Mexico.
Standard Horizontal Well Spacing Unit (Y/N), if No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	The completed interval for the proposed Bedlington Federal Com #302H well will be within 330' of the quarter-quarter line separating the W/2W/2 and the E/2W/2 of Sections 26 and 35 to allow inclusion of this acreage into a standard 640-acre horizontal well spacing unit.
Proximity Defining Well: if yes, description	Bedlington Federal Com #302H (API # Pending)
Applicant's Ownership in Each Tract	Attachment B
Well(s)	
Name (API [if assigned]); Surface hole location; Bottom hole location; Completion target (TVD); Orientation, Completion status (standard or non-standard).	Attachment A
Well #1	Bedlington Federal Com #201H (API # Pending) SHL: 425 FSL, 1795 FWL, Unit N, 35-23S-32E

CASE NO. 21420
ORDER NO. R-21473

Page 5 of 8

Case No. 21622 - Page 16

	BHL: 50 FNL, 726 FWL, Unit D, 26-23S-32E Completion Target: Bone Spring formation (Approx. 9500 feet TVD) Completion status: Standard
Well #2	Bedlington Federal Com #202H (API # Pending) SHL: 425 FSL, 1825 FWL, Unit N, 35-23S-32E BHL: 50 FNL, 1518 FWL, Unit C, 26-23S-32E Completion Target: Bone Spring formation (Approx. 9500 feet TVD) Completion status: Standard
Well #3	Bedlington Federal Com #301H (API # Pending) SHL: 425 FSL, 1535 FWL, Unit N, 35-23S-32E BHL: 50 FNL, 330 FWL, Unit D, 26-23S-32E Completion Target: Bone Spring formation (Approx. 9650 feet TVD) Completion status: Standard
Well #4	Bedlington Federal Com #302H (API # Pending) SHL: 425 FSL, 1565 FWL, Unit N, 35-23S-32E BHL: 50 FNL, 1122 FWL, Unit D, 26-23S-32E Completion Target: Bone Spring formation (Approx. 9650 feet TVD) Completion status: Standard
Well #5	Bedlington Federal Com #303H (API # Pending) SHL: 425 FSL, 1595 FWL, Unit N, 35-23S-32E BHL: 50 FNL, 1914 FWL, Unit C, 26-23S-32E Completion Target: Bone Spring formation (Approx. 9650 feet TVD) Completion status: Standard
Well #6	Bedlington Federal Com #501H (API # Pending) SHL: 225 FSL, 1455 FWL, Unit N, 35-23S-32E BHL: 50 FNL, 330 FWL, Unit D, 26-23S-32E Completion Target: Bone Spring formation (Approx. 10725 feet TVD) Completion status: Standard
Well #7	Bedlington Federal Com #502H (API # Pending) SHL: 225 FSL, 1485 FWL, Unit N, 35-23S-32E BHL: 50 FNL, 1130 FWL, Unit D, 26-23S-32E Completion Target: Bone Spring formation (Approx. 10975 feet TVD) Completion status: Standard
Well #8	Bedlington Federal Com #503H (API # Pending) SHL: 225 FSL, 1515 FWL, Unit N, 35-23S-32E BHL: 50 FNL, 1930 FWL, Unit C, 26-23S-32E Completion Target: Bone Spring formation (Approx. 10725 feet TVD) Completion status: Standard
Horizontal Well First and Last Take Points	Exhibit 1, Attachment A
Completion Target (Formation, TVD and MD)	Exhibit 2, Attachment G
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit 1, Attachment C
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit 3
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit 3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit 3
Ownership Determination	

CASE NO. 21420
ORDER NO. R-21473

Page 6 of 8


Case No. 21622 - Page 17

Land Ownership Schematic of the Spacing Unit	Attachment B
Tract List (including lease numbers and owners)	Attachment B
Pooled Parties (including ownership type)	Attachment B
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Attachment C
List of Interest Owners (ie Exhibit A of JOA)	Attachment B
Chronology of Contact with Non-Joined Working Interests	Exhibit 1
Overhead Rates In Proposal Letter	N/A
Cost Estimate to Drill and Complete	Attachment C
Cost Estimate to Equip Well	Attachment C
Cost Estimate for Production Facilities	Attachment C
Geology	
Summary (including special considerations)	Exhibit 2
Spacing Unit Schematic	Attachment D
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit 2
Target Formation	Bone Spring
HSU Cross Section	Attachments F and G
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Attachment A
Tracts	Attachment B
Summary of Interests, Unit Recapitulation (Tracts)	Attachment B
General Location Map (including basin)	Attachment B
Well Bore Location Map	Attachment D
Structure Contour Map - Subsea Depth	Attachment E
Cross Section Location Map (including wells)	Attachment F
Cross Section (including Landing Zone)	Attachment G
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Michael Rodriguez

CASE NO. 21420
ORDER NO. R-21473

Page 7 of 8

Case No. 21622 - Page 18

Signed Name (Attorney or Party Representative):	
Date:	09/08/2020

CASE NO. 21420
ORDER NO. R-21473

District I
1625 N. French Dr., Hobbs, NM 88240
Phone (575) 393-6161 Fax (575) 393-0720

District II
811 S. First St., Artesia, NM 88210
Phone (575) 748-1283 Fax (575) 748-9720

District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone (505) 334-6178 Fax (505) 334-6170

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3460 Fax (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office
 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-		2 Pool Code 96603		3 Pool Name Triste Draw; Bone Spring	
4 Property Code		5 Property Name BEDLINGTON FEDERAL COM			6 Well Number 502H
7 OGRID No. 229137		8 Operator Name COG OPERATING LLC			9 Elevation 3622'

" Surface Location

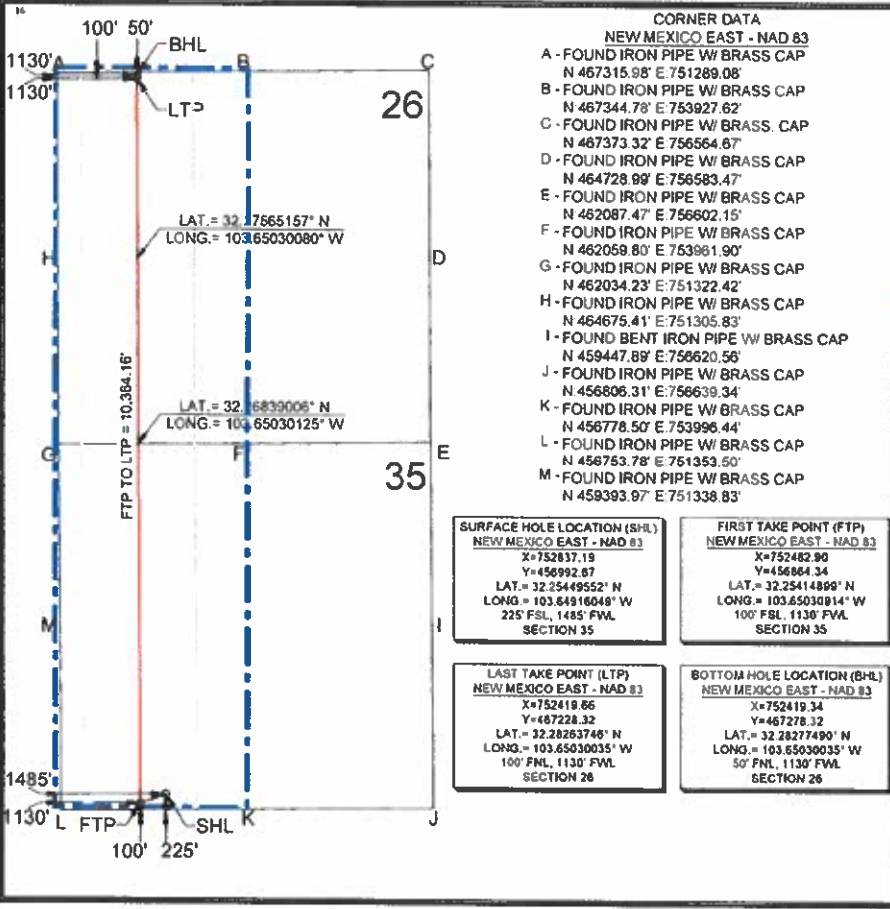
11L or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	35	23-S	32-E		225'	SOUTH	1485'	WEST	LEA

" Bottom Hole Location If Different From Surface

11L or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	26	23-S	32-E		50'	NORTH	1130'	WEST	LEA

12 Dedicated Acres 640	13 Joint or Infill	14 Consolidation Code	15 Order No.
---------------------------	--------------------	-----------------------	--------------

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



17 OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *Stan Wagner* Date: 6/24/2020
Printed Name: Stan Wagner
E-mail Address:

" SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey: 05/21/2020
Signature and Seal of Professional Surveyor: *Garrett J Smelker*
Certificate Number: 25036

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 21622 Attachment B
Case No. 21622 Page 20
COG OPERATING LLC
Hearing Date: January 7, 2021



Michael Rodriguez
Attorney

December 18, 2020

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Case No. 21622: Application of COG Operating LLC to amend Order No. R-21473 to reassign the defining well, Lea County, New Mexico.
Bedlington Federal Com #302H, 502H

To whom it may concern:

This letter is to advise you that COG Operating LLC has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on January 7, 2021, and the status of the hearing can be monitored through the Division’s website at <http://www.emnrd.state.nm.us/ocd/>. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

During the COVID-19 Pubic Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. To participate in the electronic hearing, please see the instructions posted on the OCD Hearings website: <http://www.emnrd.state.nm.us/OCD/announcements.html>.

Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division’s Santa Fe office at the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Adam Reker, at (432) 685-2515 or areker@concho.com.

Sincerely,

/s/ Michael Rodriguez

Michael Rodriguez
Attorney for COG Operating LLC

CORPORATE ADDRESS

One Concho Center | 600 West Illinois Avenue | Midland, Texas 79701
P 432.683.7443 | F 432.683.7441

SANTA FE OFFICE

1048 Paseo De Peralta | Santa Fe, New Mexico 87501
P 505.780.8000 | F 505.428.0485 Case No. 21622 - Page 22

**U.S. Postal Service™
CERTIFIED MAIL® RECEIPT**
Domestic Mail Only

For delivery information, visit our website at www.usps.com

OFFICIAL BedLinx

Certified Mail Fee \$ 87.00
 Extra Services & Fees (check box, add fee as appropriate)
 Return Receipt (hardcopy) \$
 Return Receipt (electronic) \$
 Certified Mail Restricted Delivery \$
 Adult Signature Required \$
 Adult Signature Restricted Delivery \$
 Postage \$ 1.9998

Chevron USA Inc.
 ATTN: NOJV Group
 6301 Deauville Blvd
 Midland, TX 79701

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

7020 0640 0000 0143 0429



**U.S. Postal Service™
CERTIFIED MAIL® RECEIPT**
Domestic Mail Only

For delivery information, visit our website at www.usps.com

OFFICIAL BedLinx

Certified Mail Fee \$ 87.50
 Extra Services & Fees (check box, add fee as appropriate)
 Return Receipt (hardcopy) \$
 Return Receipt (electronic) \$
 Certified Mail Restricted Delivery \$
 Adult Signature Required \$
 Adult Signature Restricted Delivery \$
 Postage \$ 1.9998

Conoco Phillips Company
 925 N. Eldridge Pkwy
 Houston, TX 77079

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

7020 0640 0000 0143 0429



VERY

X Complete items 1, 2, and 3.
 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.

1. Article Addressed to:
 Chevron_USA Inc.
 ATTN: NOJV Group
 6301 Deauville Blvd
 Midland, TX 79701

2. Received by (Printed Name)
 Stephanie Gamba 12/18/20

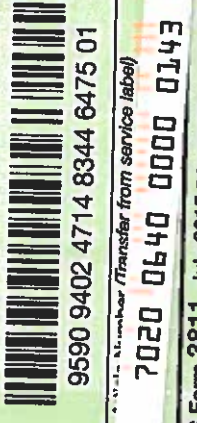
C. Date of Delivery
 Agent
 Addressee

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

3. Service Type
 Adult Signature
 Adult Signature Restricted Delivery
 Certified Mail®
 Certified Mail Restricted Delivery
 Collect on Delivery Restricted Delivery
 Collect on Delivery Restricted Delivery Merchandise
 Insured Mail
 Insured Mail Restricted Delivery
 Priority Mail Express®
 Registered Mail™
 Registered Mail Restricted Delivery
 Return Receipt for Merchandise
 Signature Confirmation™
 Signature Confirmation Restricted Delivery

Domestic Return Receipt

PS Form 3811, July 2015 PSN 7530-02-000-9053

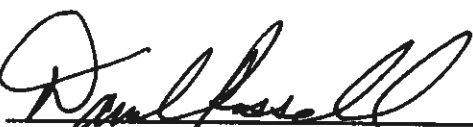


Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

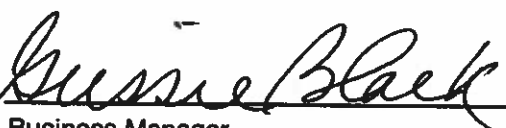
I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
December 23, 2020
and ending with the issue dated
December 23, 2020.



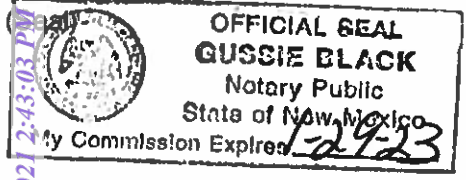
Publisher

Sworn and subscribed to before me this
23rd day of December 2020.



Business Manager

My commission expires
January 29, 2023



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL NOTICE December 23, 2020

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION SANTA FE, NEW MEXICO

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on January 7, 2021. During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <http://www.emnrd.state.nm.us/OCD/announcements.html>. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-869-1779 by December 28, 2020. Public documents, including the agenda and minutes, can be provided in various accessible formats. Members of the public may obtain copies of the docket by contacting Ms. Davidson at the phone number indicated above. Also, the docket will be posted on the Oil Conservation Division website at www.emnrd.state.nm.us/OCD/. Please contact Ms. Davidson if a summary or other type of accessible form is needed.

STATE OF NEW MEXICO TO:
All named parties and persons
having any right, title, interest
or claim in the following case
and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: All Interested Parties, including: Chevron U.S.A. Inc.; ConocoPhillips Company.

Case No. 21622: Application of COG Operating LLC to Amend Order No. R-21473 to Reassign the Defining Well, Lea County, New Mexico. Applicant in the above-styled cause requests the Division amend Order No. R-21473 to reflect a well authorized under the Order as the new defining well. The Division issued Order No. R-21473 ("Order") in Case No. 21420 on September 21, 2020, which created a 640-acre, more or less, horizontal spacing unit comprised of the W/2 of Sections 26 and 35, Township 23 South, Range 32 East, Lea County, New Mexico ("Unit") and designated COG as the operator of the Unit. The Order further pooled all uncommitted interests within the Bone Spring formation (Triste Draw; Bone Spring (96603)) underlying the Unit and dedicated the Unit to the Bedlington Federal Com #201H, 202H, 301H, 302H, 303H, 501H, 502H, and 503H wells. Exhibit A of the Order assigned the Bedlington Federal Com #302H well as the Proximity Defining Well. The completed interval for the proposed Bedlington Federal Com #502H well will be within 330' of the quarter-quarter line separating the W/2W/2 and the E/2W/2 of Sections 26 and 35 to allow inclusion of this acreage into a standard 640-acre horizontal well spacing unit. COG requests Order No. R-21473 be re-opened to reassign the Proximity Defining Well to the Bedlington Federal Com #502H well.
#36081

67115004

00249498

COG Operating LLC - SANTA FE
1048 PASEO DE PERALTA
SANTA FE, NM 87501