



COG OPERATING LLC
Atticus State Com 521H-522H
Eddy County, New Mexico

Case Nos. 23050-23051
BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING October 20, 2022



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

**APPLICATIONS OF COG OPERATING LLC
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NOS. 23050 & 23051

**CONSOLIDATED HEARING PACKAGE
TABLE OF CONTENTS**

- Compulsory Pooling Application Checklists and Filed Applications
- **COG Exhibit A:** Self- Affirmed Statement of Shelley Klingler, Landman
 - COG Exhibit A-1: C-102s
 - COG Exhibit A-2: Sample Overlapping Letter and Waiver
 - COG Exhibit A-3: Land Tract Map and Ownership Breakdown
 - COG Exhibit A-4: Sample Well Proposal Letter & AFE
 - COG Exhibit A-5: Chronology of Contact
- **COG Exhibit B:** Affidavit of Jessica Pontiff, Geologist
 - COG Exhibit B-1: General Location Map
 - COG Exhibit B-2: Subsea Structure Map
 - COG Exhibit B-3: Cross Section
 - COG Exhibit B-4: Stratigraphic Cross Section
- **COG Exhibit C:** Notice Affidavit

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 23050	APPLICANT'S RESPONSE
Date	October 20, 2022
Applicant	COG Operating LLC
Designated Operator & OGRID (affiliation if applicable)	229137
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF COG OPERATING LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	N/A
Well Family	Atticus wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	Delaware River; Bone Spring (16800) & Hay Hollow; Bone Spring, North (30216)
Well Location Setback Rules:	Statewide oil rules
Spacing Unit Size:	960-acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	960-acres
Building Blocks:	40-acres
Orientation:	South-North
Description: TRS/County	E/2 W/2, W/2 E/2 of Sections 24, 25 and 36, Township 25 South, Range 27 East, NMPPM, in Eddy County
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	Yes
Proximity Defining Well: if yes, description	The completed interval of the Atticus State Com 521H well is expected to remain with 330 feet of the offsetting quarter-quarter sections or equivalent tracts to include them in a standard horizontal well spacing unit.
Applicant's Ownership in Each Tract	See Exhibit A-3
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	
Well #1	Atticus State Com 521H (30-015-49982) SHL: 345' FSL & 2648' FWL (Unit N) of Section 36 BHL: 50' FNL & 2330' FEL (Unit B) of Section 24 Completion Target: Bone Spring formation Well Orientation: South to North Completion Location expected to be: Standard
Horizontal Well First and Last Take Points	Exhibit A-1
Completion Target (Formation, TVD and MD)	Exhibit A-4

AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	See Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	N/A
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-3
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B; B-4
HSU Cross Section	Exhibit B-4
Depth Severance Discussion	N/A
Forms, Figures and Tables	
A-102	Exhibit A-1
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit B-1
Structure Contour Map - Subsea Depth	Exhibit B-2
Cross Section Location Map (including wells)	Exhibit B-3

Cross Section (including Landing Zone)	Exhibit B-4
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Paula M. Vance
Signed Name (Attorney or Party Representative):	
Date:	18-Oct-22

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 23051	APPLICANT'S RESPONSE
Date	October 20, 2022
Applicant	COG Operating LLC
Designated Operator & OGRID (affiliation if applicable)	229137
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF COG OPERATING LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	N/A
Well Family	Atticus wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	Delaware River; Bone Spring (16800) & Hay Hollow; Bone Spring North (30216)
Well Location Setback Rules:	Statewide oil rules
Spacing Unit Size:	480-acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	480-acres
Building Blocks:	40-acres
Orientation:	South-North
Description: TRS/County	W/2 W/2 of Sections 24, 25 and 36, Township 25 South, Range 27 East, NMPM, in Eddy County
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	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	See Exhibit A-3
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	
Well #1	<u>Atticus State Com 522H (30-015-44983)</u> SHL: 330' FSL & 747' FWL (Unit M) of Section 36 BHL: 50' FNL & 660' FWL (Unit D) of Section 24 Completion Target: Bone Spring formation Well Orientation: South to North Completion Location expected to be: Standard
Horizontal Well First and Last Take Points	Exhibit A-1
Completion Target (Formation, TVD and MD)	Exhibit A-4
AFE Capex and Operating Costs	

Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	See Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	N/A
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-3
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B; B-4
HSU Cross Section	Exhibit B-4
Depth Severance Discussion	N/A
Forms, Figures and Tables	
A-102	Exhibit A-1
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit B-1
Structure Contour Map - Subsea Depth	Exhibit B-2
Cross Section Location Map (including wells)	Exhibit B-3
Cross Section (including Landing Zone)	Exhibit B-4
Additional Information	

Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Paula M. Vance
Signed Name (Attorney or Party Representative):	
Date:	18-Oct-22

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

**APPLICATION OF COG OPERATING, LLC
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 23050

APPLICATION

COG Operating, LLC ("Applicant") (OGRID No. 229137), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 960-acre, more or less, horizontal spacing unit comprised of the E/2 W/2, W/2 E/2 of Sections 24, 25 and 36, Township 25 South, Range 27 East, Eddy County, New Mexico. In support of its application, COG states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Atticus State Com 521H** well to be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 36 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 24.
3. The completed interval of the Atticus State Come 521H well is expected to remain with 330 feet of the offsetting quarter-quarter sections or equivalent tracts to include them in a standard horizontal well spacing unit.
4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all the interest owners in the subject spacing unit.

5. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

6. To allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled and Applicant should be designated the operator of the proposed horizontal well spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on October 6, 2022, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit;
- B. Approving the initial wells in the horizontal spacing unit;
- C. Designating Applicant as the operator of this spacing unit and the horizontal wells to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping, and completing the wells;
- E. Approving the actual operating charges and costs of supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

HOLLAND & HART LLP

By: 

Michael H. Feldewert

Adam G. Rankin

Julia Broggi

Paula M. Vance

Post Office Box 2208

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ATTORNEYS FOR COG OPERATING, LLC

CASE _____: Application of COG Operating, LLC for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 960-acre, more or less, horizontal spacing unit comprised of the E/2 W/2, W/2 E/2 of Sections 24, 25 and 36, Township 25 South, Range 27 East, Eddy County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the proposed **Atticus State Com 521H** well to be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 36 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 24. The completed interval of the Atticus State Com 521H well is expected to remain with 330 feet of the offsetting quarter-quarter sections or equivalent tracts to include them in a standard horizontal well spacing unit. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing each well. Said area is located approximately 8 miles south of Malaga, New Mexico.

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

**APPLICATION OF COG OPERATING, LLC
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 23051

APPLICATION

COG Operating, LLC ("Applicant") (OGRID No. 229137), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 480-acre, more or less, horizontal spacing unit comprised of the W/2 W/2 of Sections 24, 25 and 36, Township 25 South, Range 27 East, Eddy County, New Mexico. In support of its application, COG states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Atticus State Com 522H** well to be drilled from a surface hole location in the SW/4 SW/4 (Unit M) of Section 36 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 24.
3. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all the interest owners in the subject spacing unit.
4. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

5. To allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled and Applicant should be designated the operator of the proposed horizontal well spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on October 6, 2022, and, after notice and hearing as required by law, the Division enter an order:

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- B. Approving the initial wells in the horizontal spacing unit;
- C. Designating Applicant as the operator of this spacing unit and the horizontal wells to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping, and completing the wells;
- E. Approving the actual operating charges and costs of supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

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CASE _____: Application of COG Operating, LLC for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 480-acre, more or less, horizontal spacing unit comprised of the W/2 W/2 of Sections 24, 25 and 36, Township 25 South, Range 27 East, Eddy County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the proposed **Atticus State Com 522H** well to be drilled from a surface hole location in the SW/4 SW/4 (Unit M) of Section 36 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 24. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing each well. Said area is located approximately 8 miles south of Malaga, New Mexico.

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

**APPLICATION OF COG OPERATING LLC
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NOS. 23050 & 23051

SELF-AFFIRMED STATEMENT OF SHELLEY KLINGLER

1. My name is Shelley Klingler and I am a Landman with COG Operating LLC (“COG”), now a wholly-owned subsidiary of ConocoPhillips Company. I am familiar with the applications filed by COG in these consolidated cases and the status of the lands in the subject area.

2. In these consolidated cases, COG seeks orders pooling all uncommitted interests in the Bone Spring formation underlying Sections 24, 25 and 36, Township 25 South, Range 27 East, NMPM, in Eddy County as follows:

- Under Case 23050, COG seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 960-acre horizontal well spacing unit comprised of the E/2 W/2, W/2 E/2 of Sections 24, 25 and 36. This spacing unit will be initially dedicated to the proposed **Atticus State Com 521H** well to be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 36 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 24. The completed interval of the Atticus State Com 521H well is expected to remain with 330 feet of the offsetting quarter-quarter sections or equivalent tracts to include them in a standard horizontal well spacing unit.

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A
Submitted by: COG Operating LLC
Hearing Date: October 20, 2022
Case Nos. 23050-23051**

- Under Case 23051, COG seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 480-acre horizontal well spacing unit comprised of the W/2 W/2 of Sections 24, 25 and 36. This spacing unit will be initially dedicated to the proposed **Atticus State Com 522H** well to be drilled from a surface hole location in the SW/4 SW/4 (Unit M) of Section 36 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 24.

3. **COG Exhibit A-1** contains Form C-102s for each of the initial wells proposed for these standard spacing units. They reflect that the Division has allocated the proposed spacing units between two pools: The Delaware River; Bone Spring (Pool Code 16800) and the Hay Hollow; Bone Spring, North (Pool Code 30216).

4. The E/2 E/2 of Sections 24 and 25 is currently dedicated to an existing Bone Spring well, the Daisy 24 State Com 506H (30-015-46598), and COG is evaluating the future development of that acreage.

5. The proposed spacing units will overlap existing spacing units in the Bone Spring formation operated by COG that are dedicated to the Daisy 24 State Com 501H, 502H, 503H, 504H and 505H wells. Attached as **COG Exhibit A-2** is a letter informing all the working interest owners of the overlapping spacing units and the opportunity to object. No affected party has objected to the proposed overlapping spacing units.

6. No ownership depth severance exists in the Bone Spring formation underlying the subject acreage.

7. **COG Exhibit A-3** identifies the tracts of state and fee lands comprising the proposed horizontal spacing units in each case. This exhibit identifies the interest owners and the

percentage of their interest by tract and on a spacing unit basis. COG is seeking to pool the uncommitted interest owners highlighted in yellow on the exhibit.

8. **COG Exhibit A-4** contains a sample of the well proposal letters and AFEs for each wells that were sent to the working interest owners COG seeks to pool. The costs reflected in these AFEs are consistent with what other operators have incurred for drilling similar horizontal wells in the area in these formations.

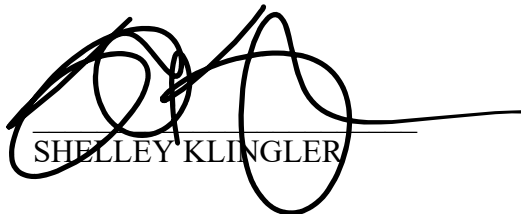
9. COG requests that the overhead and administrative costs for drilling and producing the proposed wells be set at \$8,000 per month while drilling and \$800 per month while producing. These costs are consistent with what other operators are charging in this area for similar wells.

10. **COG Exhibit A-5** contains a chronology of contacts with the uncommitted interest owners that COG seeks to pool. All these interest owners have been located and COG has made good faith efforts to reach a voluntary agreement with each of these uncommitted owners.

11. COG provided the law firm of Holland & Hart LLP with the names and addresses of the parties that COG seeks to pool and instructed that they be notified of this hearing.

12. **COG Exhibits A-1 through A-5** were either prepared by me or compiled under my direction and supervision.

13. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.



SHELLEY KLINGLER

10/18/2022
Date

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

Submitted by: COG Operating LLC

Hearing Date: October 20, 2022

Case Nos. 23050-23051 Revised August 1, 2011

Form C-102

Submit one copy to appropriate

District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-015 49982	2 Pool Code 16800	3 Pool Name Delaware River; Bone Spring
4 Property Code 327322	5 Property Name ATTICUS STATE COM	6 Well Number 521H
7 OGRID No. 229137	8 Operator Name COG OPERATING LLC	9 Elevation 3120.07'

10 Surface Location

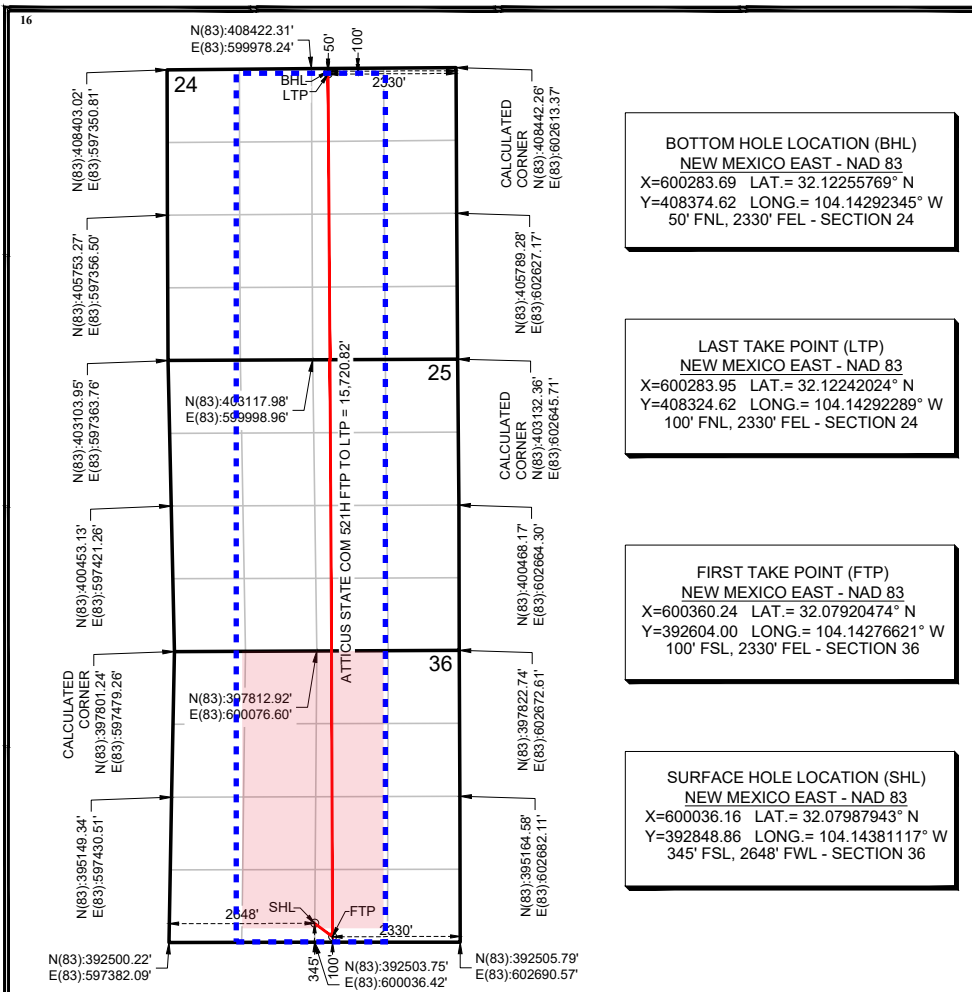
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	36	25-S	27-E		345'	SOUTH	2648'	WEST	EDDY

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	24	25-S	27-E		50'	NORTH	2330'	EAST	EDDY

12 Dedicated Acres 960 320	13 Joint or Infill	14 Consolidation Code	15 Order No.
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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.

Mayte Reyes 9/13/2022

Signature Date

Mayte Reyes

Printed Name

mayte.x.reyes@cop.com

E-mail Address

18 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.

CHARLES L. JURICA 08/19/2022

Date of Survey

Signature and Seal of Professional Surveyor:

25490

CHARLES L. JURICA
PROFESSIONAL SURVEYOR

Certificate Number

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 30-015 49982	2 Pool Code 30216	3 Pool Name Hay Hollow; Bone Spring, North
4 Property Code 327322	5 Property Name ATTICUS STATE COM	6 Well Number 521H
7 OGRID No. 229137	8 Operator Name COG OPERATING LLC	9 Elevation 3120.07'

" Surface Location

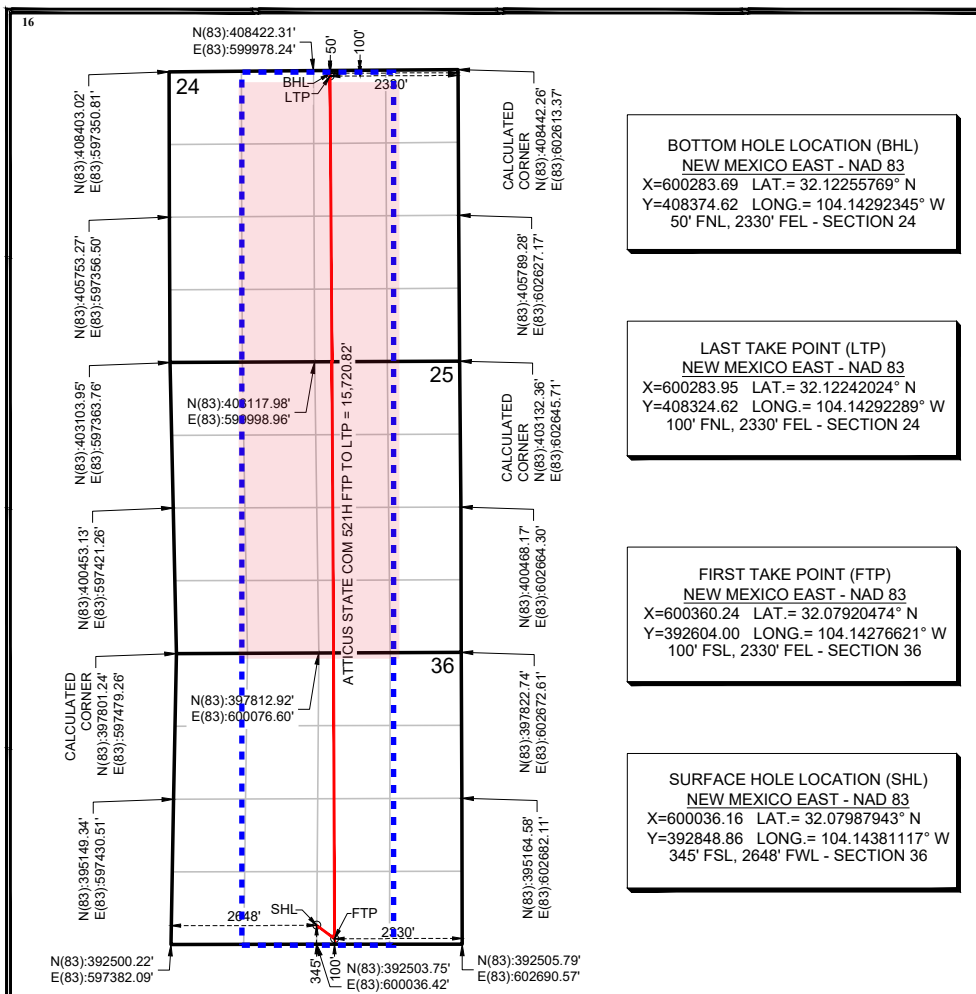
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	36	25-S	27-E		345'	SOUTH	2648'	WEST	EDDY

" Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	24	25-S	27-E		50'	NORTH	2330'	EAST	EDDY

12 Dedicated Acres 960 640	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.

Mayte Reyes 9/13/2022

Signature Date

Mayte Reyes

Printed Name

mayte.x.reyes@cop.com

E-mail Address

18 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.

CHARLES L. WILKINSON 08/19/2022

Date of Survey

Signature and Seal of Professional Surveyor:

25490

PROFESSIONAL SURVEYOR

Charles L. Wilkin

Certificate Number

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 30-015- 49983	2 Pool Code 16800	3 Pool Name Delaware River; Bone Spring
4 Property Code 327332	5 Property Name ATTICUS STATE COM	6 Well Number 522H
7 OGRID No. 229137	8 Operator Name COG OPERATING LLC	9 Elevation 3143.36'

" Surface Location

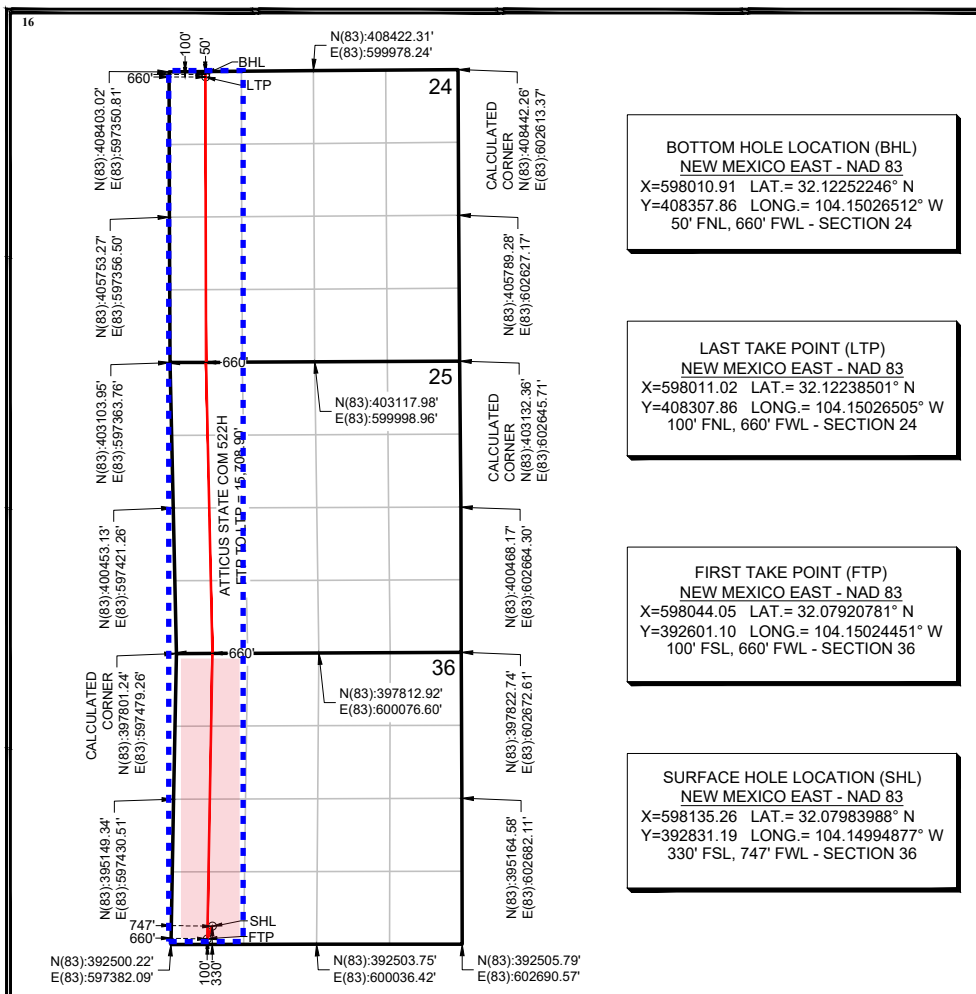
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	36	25-S	27-E		330'	SOUTH	747'	WEST	EDDY

" Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	24	25-S	27-E		50'	NORTH	660'	WEST	EDDY

12 Dedicated Acres 480 160	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.

Mayte Reyes 9/13/2022

Signature

Date

Mayte Reyes

Printed Name

mayte.x.reyes@cop.com

E-mail Address

18 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.

CHARLES L. DURICA 08/19/2022

Date of Survey

Signature and Seal of Professional Surveyor:

25490

CHARLES L. DURICA
PROFESSIONAL SURVEYOR

Charles L. Durica

Certificate Number

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 30-015- 49983	2 Pool Code 30216	3 Pool Name Hay Hollow; Bone Spring, North
4 Property Code 327332	5 Property Name ATTICUS STATE COM	6 Well Number 522H
7 OGRID No. 229137	8 Operator Name COG OPERATING LLC	9 Elevation 3143.36'

" Surface Location

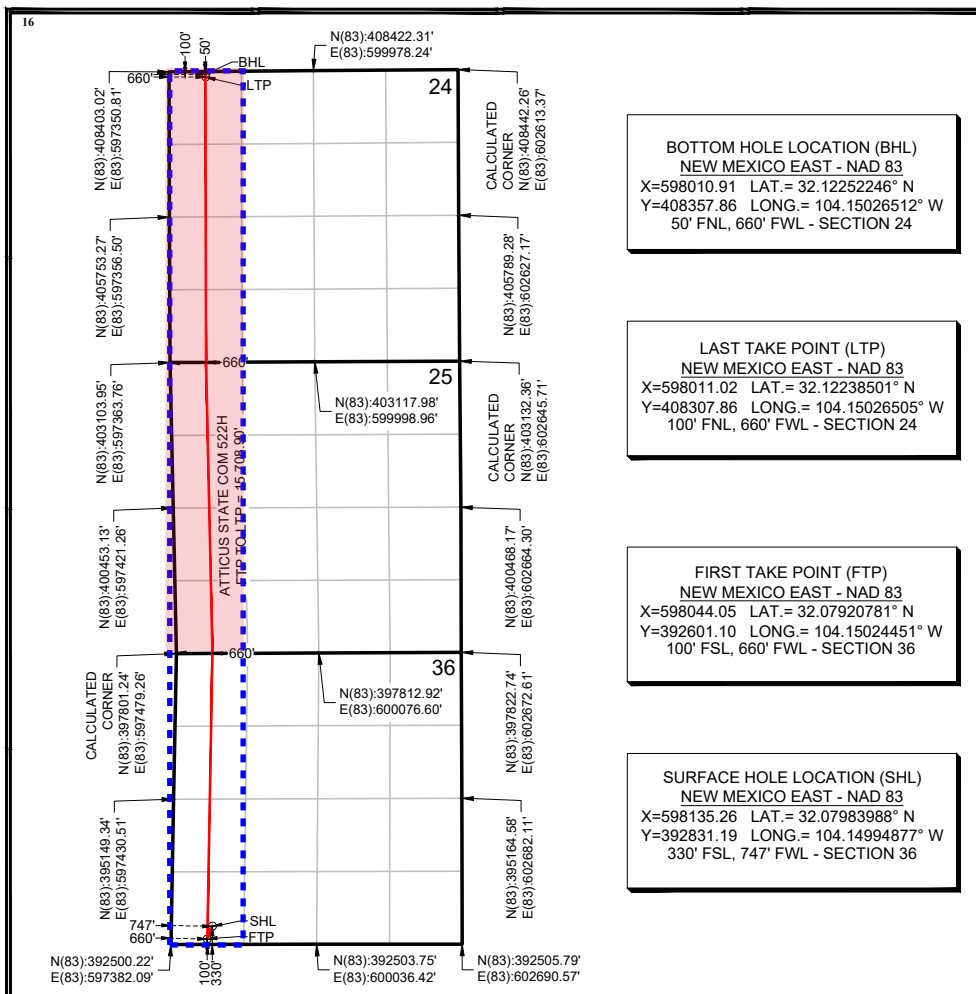
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	36	25-S	27-E		330'	SOUTH	747'	WEST	EDDY

" Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	24	25-S	27-E		50'	NORTH	660'	WEST	EDDY

12 Dedicated Acres 480 320	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.

Mayte Reyes 9/13/2022
Signature Date

Mayte Reyes
Printed Name

mayte.x.reyes@cop.com
E-mail Address

18 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.

CHARLES L. DURICA 08/19/2022
Date of Survey

Signature and Seal of Professional Surveyor:
25490

Certificate Number



Shelley C. Klingler, CPL
Staff Land Negotiator
ConocoPhillips
600 W. Illinois Ave
Midland, TX 79701
www.conocophillips.com

VIA FEDEX

**TO ALL WORKING INTEREST OWNERS IN THE AGREAGE AFFECTED BY
PROPOSED OVERLAPPING SPACING UNITS**

Re: Notice of Overlapping Spacing Units
Bone Spring Formation
Atticus State Com 521H
960 acres

To IOG Resources LLC:

COG Operating LLC has proposed a well for development of the Charkey Interval in the Bone Spring Formation underlying E2W2, W2E2 T25S-R27E, Sections 24, 25 and 36, Eddy County, New Mexico. This letter is to advise you that this proposed development plan will require the formation of the following 960 -acre spacing unit:

E2W2, W2E2 T25S-R27E, Sections 24, 25 and 36, eddy County, New Mexico, for Atticus State Com 521H, SHL at a legal location in Unit N of T25S-R27E, 36 and BHL at a legal location in Unit B of T25S-R27E, 24 to an approximate TVD of 8220' in the Charkey Interval.

The proposed 960-acre spacing unit will overlap the following existing spacing units and wells:

W2 T25S-R27E, 24 and 25, Eddy County, New Mexico, Daisy 24 State Com 501H, 502H, 503H, 504H and W2E2 T25S-R27E, 24 and 25, Daisy 24 State Com 505H, all in the Second Bone Spring Interval in the Bone Spring Formation.

Pursuant to NMAC 19.15.16.15.B(9) and 19.15.15.12.B, you have a right to object the overlapping spacing units by delivering a written statement of objection to our office within twenty (20) days of the mailing of this notice. To expedite approval of the overlapping spacing units, we ask that you execute the waiver provision below. Once the waiver is received or if no objection is received within this 20-day period, we will proceed with obtaining any remaining regulatory approvals for the proposed spacing units.

If you have any questions about this matter, please contact my office at 432.688.9027 or shelley.c.klingler@conocophillips.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Shelley C. Klingler".

Shelley C. Klingler

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A2
Submitted by: COG Operating LLC
Hearing Date: October 20, 2022
Case Nos. 23050-23051

Please execute, date, email to shelley.c.klingler@conocophillips.com and return original in the envelope provided.

IOG Resources LLC

This Waiver of objection to the above mentioned Overlapping Spacing Units for Atticus State Com 521H request is agreed to and accepted this 11th day of October 2022.

By: Thomas C Woolley Jr.

Name: Thomas C. Woolley, Jr.

Title: Managing Director



Shelley C. Klingler, CPL
Staff Land Negotiator
ConocoPhillips
600 W. Illinois Ave
Midland, TX 79701
www.conocophillips.com

VIA FEDEX

**TO ALL WORKING INTEREST OWNERS IN THE AGREAGE AFFECTED BY
PROPOSED OVERLAPPING SPACING UNITS**

Re: Notice of Overlapping Spacing Units
Bone Spring Formation
Atticus State Com 522H
480 acres

To IOG Resources LLC:

COG Operating LLC has proposed a well for development of the Charkey Interval in the Bone Spring Formation underlying W2W2 T25S-R27E, Sections 24, 25 and 36, Eddy County, New Mexico. This letter is to advise you that this proposed development plan will require the formation of the following 480-acre spacing unit:

W2W2 T25S-R27E, Sections 24, 25 and 36, Eddy County, New Mexico for Atticus State Com 522H, SHL at a legal location in Unit M of T25S-R27E, 36 and BHL at a legal location in Unit D of T25S-R27E, 24 to an approximate TVD of 8220' in the Charkey Interval.

The proposed 480-acre spacing unit will overlap the following existing spacing units and wells:

W2 T25S-R27E, 24 and 25, Eddy County, New Mexico, Daisy 24 State Com 501H, 502H, 503H, 504H in the Second Bone Spring Interval in the Bone Spring Formation.

Pursuant to NMAC 19.15.16.15.B(9) and 19.15.15.12.B, you have a right to object the overlapping spacing units by delivering a written statement of objection to our office within twenty (20) days of the mailing of this notice. To expedite approval of the overlapping spacing units, we ask that you execute the waiver provision below. Once the waiver is received or if no objection is received within this 20-day period, we will proceed with obtaining any remaining regulatory approvals for the proposed spacing units.

If you have any questions about this matter, please contact my office at 432.688.9027 or shelley.c.klingler@conocophillips.com.

Sincerely,

A handwritten signature in black ink, appearing to be "SK", with a long horizontal line extending to the right.

Shelley C. Klingler

Please execute, date, email to shelley.c.klingler@conocophillips.com and return original in the envelope provided.

IOG Resources LLC

This Waiver of objection to the above mentioned Overlapping Spacing Units for Atticus State Com 522H request is agreed to and accepted this 11th day of October 2022.

By: Thomas C Woolley Jr.

Name: Thomas C. Woolley, Jr.

Title: Managing Director

	CHARKEY	
24-T25S-R27E	Tract 1 VB-1006-01 240 ac	
	Tract 2 FEE 240 ac	
25-T25S-R27E	Tract 3 VB-1007-01 240 ac	
	Tract 4 VB-0995-02 240 ac	
36-T25S-R27E	Tract 5 VB-0996-02 240 ac	
	Tract 6 VB-1008-02 240 ac	

LEASEHOLD INTERESTS	TR 1	TR 2	TR 3	TR 4	TR 5	TR 6
COG Operating LLC	0.63519606	0.63519606	0.63519606	0.00000000	0.71250000	0.71250000
Concho Oil & Gas LLC	0.01735624	0.01735624	0.01735624	0.00000000	0.00000000	0.00000000
Chevron U.S.A. Inc.	0.00000000	0.00000000	0.00000000	1.00000000	0.28750000	0.28750000
Devon Energy Production Co	0.34744770	0.34744770	0.34744770	0.00000000	0.00000000	0.00000000
Read & Stevens Inc.*	0.00000000	0.00000000	0.00000000	0.00000000	Unknown	Unknown

UNIT WORKING INTEREST	
COG Operating LLC	0.57488970
Concho Oil & Gas LLC	0.00867811
Chevron U.S.A. Inc.	0.24270834
Devon Energy Production Co	0.17372385
Read & Stevens Inc.*	0.00000000
*Confirming disputed interest	

PARTIES TO POOL	ROLE
Chevron U.S.A. Inc. 6301 Deauville Avenue Midland, TX 79706	RTO, WIO
Devon Energy Production Co. 333 W. Sheridan Ave Oklahoma City, OK 73102	WIO
Read & Stevens Inc. 400 N. Pennsylvania Ave Ste 1000 Roswell, NM 88201	Possible WIO*

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A3
Submitted by: COG Operating LLC
Hearing Date: October 20, 2022
Case Nos. 23050-23051



Shelley C. Klingler
Staff Land Negotiator
600 W. Illinois Ave
Midland, TX 79701
O: 432-688-9027
F: 432-221-0470
Shelley.c.klingler@conocophillips.com

July 21, 2022

Via CMRRR No. 9489 0090 0027 6245 2759 40

Devon Energy Production Company, LP

333 W. Sheridan Avenue
Oklahoma City, OK 73102
Attn: Land Department

Re: **Atticus State Com 701H – 706H (Wolfcamp A)**
Atticus State Com 521H and 522H (Charkey)
Sections 24, 25 & 36, T25S-R27E
Eddy County, New Mexico

Dear Sir or Madam:

COG Operating, LLC ("COG"), as Operator, hereby proposes the drilling of the following horizontal wells with productive laterals located in Sections 24, 25 & 36, Township 25 South, Range 27 East, Eddy County, New Mexico (collectively, the "Operation"). Please see details below:

WOLFCAMP A:

The surface pad locations will be located in Units M, N, and P of Section 36, T25S-R27E (subject to change).

- **Atticus State Com 701H**, to be drilled to a depth sufficient to test the Wolfcamp A formation at an approximate total vertical depth of 9200'. The surface location for this well is proposed at a legal location in Unit P of Section 36, and a bottom hole location at a legal location in Unit A of Section 24. The dedicated horizontal spacing unit will be All of Sections 24, 25 & 36, T25S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$14,276,000, as shown on the attached Authority for Expenditure ("AFE").
- **Atticus State Com 702H**, to be drilled to a depth sufficient to test the Wolfcamp A formation at an approximate total vertical depth of 9200'. The surface location for this well is proposed at a legal location in Unit P of Section 36, and a bottom hole location at a legal location in Unit B of Section 24. The dedicated horizontal spacing unit will be All of Sections 24, 25 & 36, T25S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$14,276,000, as shown on the attached AFE.
- **Atticus State Com 703H**, to be drilled to a depth sufficient to test the Wolfcamp A formation at an approximate total vertical depth of 9200'. The surface location for this well is proposed at a legal location in Unit N of Section 36, and a bottom hole location at a legal location in Unit B of Section 24. The dedicated horizontal spacing unit will be All of Sections 24, 25 & 36, T25S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$14,276,000, as shown on the attached AFE.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A4
Submitted by: COG Operating LLC Hearing
Date: October 20, 2022
Case Nos. 23050-23051

July 21, 2022 – Page 2

Atticus State Com Unit well proposals

- **Atticus State Com 704H**, to be drilled to a depth sufficient to test the Wolfcamp A formation at an approximate total vertical depth of 9200'. The surface location for this well is proposed at a legal location in Unit N of Section 36, and a bottom hole location at a legal location in Unit C of Section 24. The dedicated horizontal spacing unit will be All of Sections 24, 25 & 36, T25S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$14,276,000, as shown on the attached AFE.
- **Atticus State Com 705H**, to be drilled to a depth sufficient to test the Wolfcamp A formation at an approximate total vertical depth of 9200'. The surface location for this well is proposed at a legal location in Unit M of Section 36, and a bottom hole location at a legal location in Unit D of Section 24. The dedicated horizontal spacing unit will be All of Sections 24, 25 & 36, T25S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$14,276,000, as shown on the attached AFE.
- **Atticus State Com 706H**, to be drilled to a depth sufficient to test the Wolfcamp A formation at an approximate total vertical depth of 9200'. The surface location for this well is proposed at a legal location in Unit M of Section 36, and a bottom hole location at a legal location in Unit D of Section 24. The dedicated horizontal spacing unit will be All of Sections 24, 25 & 36, T25S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$14,276,000, as shown on the attached AFE.

CHARKEY:

The surface pad locations will be located in Units O and M of Section 36, T25S-R27E (subject to change).

- **Atticus State Com 521H**, to be drilled to a depth sufficient to test the Charkey formation at an approximate total vertical depth of 8220'. The surface location for this well is proposed at a legal location in N of Section 36, and a bottom hole location at a legal location in Unit B of Section 24. The dedicated horizontal spacing unit will be the W2 and W2E2 of Sections 24, 25, & 36, T25S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$12,375,000, as shown on the attached AFE.
- **Atticus State Com 522H**, to be drilled to a depth sufficient to test the Charkey formation at an approximate total vertical depth of 8220'. The surface location for this well is proposed at a legal location in M of Section 36, and a bottom hole location at a legal location in Unit D of Section 24. The dedicated horizontal spacing unit will be the W2 and W2E2 of Sections 24, 25, & 36, T25S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$12,375,000, as shown on the attached AFE.

COG is proposing to drill the Wolfcamp 701H-706H wells under the terms of New Mexico Oil Conservation Division Orders No. R-21450-A and R-21451-A, and the Charkey 521H-522H wells under a new Operating Agreement which will be sent under separate cover. In the interest of time, if we are unable to reach an agreement on the Charkey wells within 30 days of the date of this letter, COG will apply to the NMOCDC for compulsory pooling of your interest in the Charkey into a horizontal spacing unit for the proposed wells.

Please indicate your participation elections in the space provided below, sign and return this letter, along with a signed copy of the enclosed AFEs and a copy of your geologic requirements, to my attention at the

July 21, 2022 – Page 3

Atticus State Com Unit well proposals

letterhead address or by email to shelley.c.klingler@conocophillips.com. Should you have any questions, please do not hesitate to contact me.

Sincerely,

COG Operating LLC

Shelley C. Klingler
Staff Land Negotiator

Please Indicate your election below:

WELL NAME	PARTICIPATE Elect to participate in drilling & completion of well	DO NOT PARTICIPATE Elect NOT to participate in drilling & completion of well
Atticus State Com 701H		
Atticus State Com 702H		
Atticus State Com 703H		
Atticus State Com 704H		
Atticus State Com 705H		
Atticus State Com 706H		

WELL NAME	PARTICIPATE Elect to participate in drilling & completion of well	DO NOT PARTICIPATE Elect NOT to participate in drilling & completion of well
Atticus State Com 521H		
Atticus State Com 522H		

DEVON ENERGY PRODUCTION COMPANY, LP

By: _____

Name: _____

Title: _____

Date: _____



Shelley C. Klingler
Staff Land Negotiator
600 W. Illinois Ave
Midland, TX 79701
O: 432-688-9027
F: 432-221-0470
Shelley.c.klingler@conocophillips.com

July 21, 2022

Via CMRRR No. 9489 0090 0027 6245 2759 57

Chevron U.S.A. Inc.

6301 Deauville
Midland, TX 79706
Attn: Gregg Pazer

Re: **Atticus State Com 701H – 706H (Wolfcamp A)**
Atticus State Com 521H and 522H (Charkey)
Sections 24, 25 & 36, T25S-R27E
Eddy County, New Mexico

Dear Sir or Madam:

COG Operating, LLC ("COG"), as Operator, hereby proposes the drilling of the following horizontal wells with productive laterals located in Sections 24, 25 & 36, Township 25 South, Range 27 East, Eddy County, New Mexico (collectively, the "Operation"). Please see details below:

WOLFCAMP A:

The surface pad locations will be located in Units M, N, and P of Section 36, T25S-R27E (subject to change).

- **Atticus State Com 701H**, to be drilled to a depth sufficient to test the Wolfcamp A formation at an approximate total vertical depth of 9200'. The surface location for this well is proposed at a legal location in Unit P of Section 36, and a bottom hole location at a legal location in Unit A of Section 24. The dedicated horizontal spacing unit will be All of Sections 24, 25 & 36, T25S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$14,276,000, as shown on the attached Authority for Expenditure ("AFE").
- **Atticus State Com 702H**, to be drilled to a depth sufficient to test the Wolfcamp A formation at an approximate total vertical depth of 9200'. The surface location for this well is proposed at a legal location in Unit P of Section 36, and a bottom hole location at a legal location in Unit B of Section 24. The dedicated horizontal spacing unit will be All of Sections 24, 25 & 36, T25S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$14,276,000, as shown on the attached AFE.
- **Atticus State Com 703H**, to be drilled to a depth sufficient to test the Wolfcamp A formation at an approximate total vertical depth of 9200'. The surface location for this well is proposed at a legal location in Unit N of Section 36, and a bottom hole location at a legal location in Unit B of Section 24. The dedicated horizontal spacing unit will be All of Sections 24, 25 & 36, T25S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$14,276,000, as shown on the attached AFE.

July 21, 2022 – Page 2

Atticus State Com Unit well proposals

- **Atticus State Com 704H**, to be drilled to a depth sufficient to test the Wolfcamp A formation at an approximate total vertical depth of 9200'. The surface location for this well is proposed at a legal location in Unit N of Section 36, and a bottom hole location at a legal location in Unit C of Section 24. The dedicated horizontal spacing unit will be All of Sections 24, 25 & 36, T25S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$14,276,000, as shown on the attached AFE.
- **Atticus State Com 705H**, to be drilled to a depth sufficient to test the Wolfcamp A formation at an approximate total vertical depth of 9200'. The surface location for this well is proposed at a legal location in Unit M of Section 36, and a bottom hole location at a legal location in Unit D of Section 24. The dedicated horizontal spacing unit will be All of Sections 24, 25 & 36, T25S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$14,276,000, as shown on the attached AFE.
- **Atticus State Com 706H**, to be drilled to a depth sufficient to test the Wolfcamp A formation at an approximate total vertical depth of 9200'. The surface location for this well is proposed at a legal location in Unit M of Section 36, and a bottom hole location at a legal location in Unit D of Section 24. The dedicated horizontal spacing unit will be All of Sections 24, 25 & 36, T25S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$14,276,000, as shown on the attached AFE.

CHARKEY:

The surface pad locations will be located in Units O and M of Section 36, T25S-R27E (subject to change).

- **Atticus State Com 521H**, to be drilled to a depth sufficient to test the Charkey formation at an approximate total vertical depth of 8220'. The surface location for this well is proposed at a legal location in N of Section 36, and a bottom hole location at a legal location in Unit B of Section 24. The dedicated horizontal spacing unit will be the W2 and W2E2 of Sections 24, 25, & 36, T25S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$12,375,000, as shown on the attached AFE.
- **Atticus State Com 522H**, to be drilled to a depth sufficient to test the Charkey formation at an approximate total vertical depth of 8220'. The surface location for this well is proposed at a legal location in M of Section 36, and a bottom hole location at a legal location in Unit D of Section 24. The dedicated horizontal spacing unit will be the W2 and W2E2 of Sections 24, 25, & 36, T25S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$12,375,000, as shown on the attached AFE.

COG is proposing to drill the Wolfcamp 701H-706H wells under the terms of New Mexico Oil Conservation Division Orders No. R-21450-A and R-21451-A, and the Charkey 521H-522H wells under a new Operating Agreement which will be sent under separate cover. In the interest of time, if we are unable to reach an agreement on the Charkey wells within 30 days of the date of this letter, COG will apply to the NMOCDD for compulsory pooling of your interest in the Charkey into a horizontal spacing unit for the proposed wells.

Please indicate your participation elections in the space provided below, sign and return this letter, along with a signed copy of the enclosed AFEs and a copy of your geologic requirements, to my attention at the July 21, 2022 – Page 3
Atticus State Com Unit well proposals

letterhead address or by email to shelley.c.klingler@conocophillips.com. Should you have any questions, please do not hesitate to contact me.

Sincerely,

COG Operating LLC

Shelley C. Klingler
Staff Land Negotiator

Please Indicate your election below:

WELL NAME	PARTICIPATE Elect to participate in drilling & completion of well	DO NOT PARTICIPATE Elect NOT to participate in drilling & completion of well
Atticus State Com 701H		
Atticus State Com 702H		
Atticus State Com 703H		
Atticus State Com 704H		
Atticus State Com 705H		
Atticus State Com 706H		

WELL NAME	PARTICIPATE Elect to participate in drilling & completion of well	DO NOT PARTICIPATE Elect NOT to participate in drilling & completion of well
Atticus State Com 521H		
Atticus State Com 522H		

CHEVRON U.S.A. INC.

By: _____

Name: _____

Title: _____

Date: _____



Shelley C. Klingler
Staff Land Negotiator
600 W. Illinois Ave
Midland, TX 79701
O: 432-688-9027
F: 432-221-0470
Shelley.c.klingler@conocophillips.com

July 21, 2022

Via CMRRR No. 9489 0090 0027 6245 2759 64

Read & Stevens, Inc.

P.O. Box 1518

Roswell, NM 88202

Attn: Land Department

Re: **Atticus State Com 701H – 706H (Wolfcamp A)**
Atticus State Com 521H and 522H (Charkey)
Sections 24, 25 & 36, T25S-R27E
Eddy County, New Mexico

Dear Sir or Madam:

COG Operating, LLC ("COG"), as Operator, hereby proposes the drilling of the following horizontal wells with productive laterals located in Sections 24, 25 & 36, Township 25 South, Range 27 East, Eddy County, New Mexico (collectively, the "Operation"). Please see details below:

WOLFCAMP A:

The surface pad locations will be located in Units M, N, and P of Section 36, T25S-R27E (subject to change).

- **Atticus State Com 701H**, to be drilled to a depth sufficient to test the Wolfcamp A formation at an approximate total vertical depth of 9200'. The surface location for this well is proposed at a legal location in Unit P of Section 36, and a bottom hole location at a legal location in Unit A of Section 24. The dedicated horizontal spacing unit will be All of Sections 24, 25 & 36, T25S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$14,276,000, as shown on the attached Authority for Expenditure ("AFE").
- **Atticus State Com 702H**, to be drilled to a depth sufficient to test the Wolfcamp A formation at an approximate total vertical depth of 9200'. The surface location for this well is proposed at a legal location in Unit P of Section 36, and a bottom hole location at a legal location in Unit B of Section 24. The dedicated horizontal spacing unit will be All of Sections 24, 25 & 36, T25S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$14,276,000, as shown on the attached AFE.
- **Atticus State Com 703H**, to be drilled to a depth sufficient to test the Wolfcamp A formation at an approximate total vertical depth of 9200'. The surface location for this well is proposed at a legal location in Unit N of Section 36, and a bottom hole location at a legal location in Unit B of Section 24. The dedicated horizontal spacing unit will be All of Sections 24, 25 & 36, T25S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$14,276,000, as shown on the attached AFE.

July 21, 2022 – Page 2

Atticus State Com Unit well proposals

- **Atticus State Com 704H**, to be drilled to a depth sufficient to test the Wolfcamp A formation at an approximate total vertical depth of 9200'. The surface location for this well is proposed at a legal location in Unit N of Section 36, and a bottom hole location at a legal location in Unit C of Section 24. The dedicated horizontal spacing unit will be All of Sections 24, 25 & 36, T25S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$14,276,000, as shown on the attached AFE.
- **Atticus State Com 705H**, to be drilled to a depth sufficient to test the Wolfcamp A formation at an approximate total vertical depth of 9200'. The surface location for this well is proposed at a legal location in Unit M of Section 36, and a bottom hole location at a legal location in Unit D of Section 24. The dedicated horizontal spacing unit will be All of Sections 24, 25 & 36, T25S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$14,276,000, as shown on the attached AFE.
- **Atticus State Com 706H**, to be drilled to a depth sufficient to test the Wolfcamp A formation at an approximate total vertical depth of 9200'. The surface location for this well is proposed at a legal location in Unit M of Section 36, and a bottom hole location at a legal location in Unit D of Section 24. The dedicated horizontal spacing unit will be All of Sections 24, 25 & 36, T25S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$14,276,000, as shown on the attached AFE.

CHARKEY:

The surface pad locations will be located in Units O and M of Section 36, T25S-R27E (subject to change).

- **Atticus State Com 521H**, to be drilled to a depth sufficient to test the Charkey formation at an approximate total vertical depth of 8220'. The surface location for this well is proposed at a legal location in N of Section 36, and a bottom hole location at a legal location in Unit B of Section 24. The dedicated horizontal spacing unit will be the W2 and W2E2 of Sections 24, 25, & 36, T25S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$12,375,000, as shown on the attached AFE.
- **Atticus State Com 522H**, to be drilled to a depth sufficient to test the Charkey formation at an approximate total vertical depth of 8220'. The surface location for this well is proposed at a legal location in M of Section 36, and a bottom hole location at a legal location in Unit D of Section 24. The dedicated horizontal spacing unit will be the W2 and W2E2 of Sections 24, 25, & 36, T25S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$12,375,000, as shown on the attached AFE.

COG is proposing to drill the Wolfcamp 701H-706H wells under the terms of New Mexico Oil Conservation Division Orders No. R-21450-A and R-21451-A, and the Charkey 521H-522H wells under a new Operating Agreement which will be sent under separate cover. In the interest of time, if we are unable to reach an agreement on the Charkey wells within 30 days of the date of this letter, COG will apply to the NMOCDC for compulsory pooling of your interest in the Charkey into a horizontal spacing unit for the proposed wells.

Please indicate your participation elections in the space provided below, sign and return this letter, along with a signed copy of the enclosed AFEs and a copy of your geologic requirements, to my attention at the July 21, 2022 – Page 3
Atticus State Com Unit well proposals

letterhead address or by email to shelley.c.klingler@conocophillips.com. Should you have any questions, please do not hesitate to contact me.

Sincerely,

COG Operating LLC

Shelley C. Klingler
Staff Land Negotiator

Please Indicate your election below:

WELL NAME	PARTICIPATE Elect to participate in drilling & completion of well	DO NOT PARTICIPATE Elect NOT to participate in drilling & completion of well
Atticus State Com 701H		
Atticus State Com 702H		
Atticus State Com 703H		
Atticus State Com 704H		
Atticus State Com 705H		
Atticus State Com 706H		

WELL NAME	PARTICIPATE Elect to participate in drilling & completion of well	DO NOT PARTICIPATE Elect NOT to participate in drilling & completion of well
Atticus State Com 521H		
Atticus State Com 522H		

READ & STEVENS, INC.

By: _____

Name: _____

Title: _____

Date: _____



Shelley C. Klingler
Staff Land Negotiator
600 W. Illinois Ave
Midland, TX 79701
O: 432-688-9027
F: 432-221-0470
Shelley.c.klingler@conocophillips.com

August 30, 2022

Via CMRRR No. 91 7199 9991 7038 7628 6706

Devon Energy Production Company, LP
333 W. Sheridan Avenue
Oklahoma City, OK 73102
Attn: Land Department

Re: **Atticus State Com 701H – 706H (Wolfcamp A)**
Atticus State Com 521H and 522H (Charkey)
Sections 24, 25 & 36, T25S-R27E
Eddy County, New Mexico

Dear Sir or Madam:

Please allow this correspondence to serve as an informational letter regarding the well proposals referenced above previously mailed to your attention. The footages and units will remain the same as previously proposed, but the dedicated horizontal spacing units for each well are being updated to the following:

The dedicated horizontal spacing unit for the Atticus State Com 701H, 702H, and 703H wells will be the E2 of Sections 24, 25, and 36, T25S-R27E, Eddy County, New Mexico.

The dedicated horizontal spacing unit for the Atticus State Com 704H, 705H, and 706H wells will be the W2 of Sections 24, 25, and 36, T25S-R27E, Eddy County, New Mexico.

The dedicated horizontal spacing unit for the Atticus State Com 521H well will be the E2W2 and W2E2 of Sections 24, 25, and 36, T25S-R27E, Eddy County, New Mexico.

The dedicated horizontal spacing unit for the Atticus State Com 522H well will be the W2W2 of Sections 24, 25, and 36, T25S-R27E, Eddy County, New Mexico.

Should you have any questions, please do not hesitate to contact me.

Sincerely,

COG Operating LLC

A handwritten signature in black ink, appearing to be 'SCK', written over a horizontal line.

Shelley C. Klingler
Staff Land Negotiator

SCK:bh



Shelley C. Klingler
Staff Land Negotiator
600 W. Illinois Ave
Midland, TX 79701
O: 432-688-9027
F: 432-221-0470
Shelley.c.klingler@conocophillips.com

August 30, 2022

Via CMRRR No. 91 7199 9991 7038 7628 6690
Chevron U.S.A. Inc.
1400 Smith Street Suite 3600
Houston, TX 77002
Attn: Scott Sabrsula

Re: **Atticus State Com 521H and 522H (Charkey)**
Sections 24, 25 & 36, T25S-R27E
Eddy County, New Mexico

Dear Sir or Madam:

Please allow this correspondence to serve as an informational letter regarding the well proposals referenced above previously mailed to your attention. The footages and units will remain the same as previously proposed, but the dedicated horizontal spacing units for each well are being updated to the following:

The dedicated horizontal spacing unit for the Atticus State Com 521H well will be the E2W2 and W2E2 of Sections 24, 25, and 36, T25S-R27E, Eddy County, New Mexico.

The dedicated horizontal spacing unit for the Atticus State Com 522H well will be the W2W2 of Sections 24, 25, and 36, T25S-R27E, Eddy County, New Mexico.

Should you have any questions, please do not hesitate to contact me.

Sincerely,

COG Operating LLC

A handwritten signature in black ink, appearing to be 'SK', written over a horizontal line.

Shelley C. Klingler
Staff Land Negotiator

SCK:bh



Shelley C. Klingler
Staff Land Negotiator
600 W. Illinois Ave
Midland, TX 79701
O: 432-688-9027
F: 432-221-0470
Shelley.c.klingler@conocophillips.com

August 30, 2022

Via CMRRR No. 91 7199 9991 7038 7628 6683

Read & Stevens, Inc.

P.O. Box 1518

Roswell, NM 88202

Attn: Land Department

Re: **Atticus State Com 701H – 706H (Wolfcamp A)**
Atticus State Com 521H and 522H (Charkey)
Sections 24, 25 & 36, T25S-R27E
Eddy County, New Mexico

Dear Sir or Madam:

Please allow this correspondence to serve as an informational letter regarding the well proposals referenced above previously mailed to your attention. The footages and units will remain the same as previously proposed, but the dedicated horizontal spacing units for each well are being updated to the following:

The dedicated horizontal spacing unit for the Atticus State Com 701H, 702H, and 703H wells will be the E2 of Sections 24, 25, and 36, T25S-R27E, Eddy County, New Mexico.

The dedicated horizontal spacing unit for the Atticus State Com 704H, 705H, and 706H wells will be the W2 of Sections 24, 25, and 36, T25S-R27E, Eddy County, New Mexico.

The dedicated horizontal spacing unit for the Atticus State Com 521H well will be the E2W2 and W2E2 of Sections 24, 25, and 36, T25S-R27E, Eddy County, New Mexico.

The dedicated horizontal spacing unit for the Atticus State Com 522H well will be the W2W2 of Sections 24, 25, and 36, T25S-R27E, Eddy County, New Mexico.

Should you have any questions, please do not hesitate to contact me.

Sincerely,

COG Operating LLC

A handwritten signature in black ink, appearing to be "SK", written over a horizontal line.

Shelley C. Klingler
Staff Land Negotiator

SCK:bh

COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
Drill & Complete

Well Name ATTICUS STATE COM 521H SHL 36-255-27E: 345 FSL, 2648 FWL OR UNIT N BHL 24-255-27E: 50 FNL, 2330 FEL OR UNIT B Formation Legal 24, 25, 36, 255-27E						Prospect ATLAS 2527 State & County NM, EDDY Objective D&C Depth TVD 8,220			
Cost Description	Code	PreSpud (PS)	Pre-Set Casing(PC)	Drilling (DR)	Completions (C)	Tank Btty Constrctn(TB)	Pmpq Equip (PEQ)	Revision	Total
Intangible Costs									
D-Lctn/Pits/Roads	205			\$ 145,000.00				\$ -	145,000.00
D-Drilling Overhead	206			\$ 11,000.00				\$ -	11,000.00
D-Daywork Contract	209			\$ 789,000.00				\$ -	789,000.00
D-Directional Drig Services	210			\$ 421,000.00				\$ -	421,000.00
D-Fuel & Power	211			\$ 136,000.00				\$ -	136,000.00
D-Water	212			\$ 115,000.00				\$ -	115,000.00
D-Bits	213			\$ 145,000.00				\$ -	145,000.00
D-Mud & Chemicals	214			\$ 297,000.00				\$ -	297,000.00
D-Cement Surface	217			\$ 29,000.00				\$ -	29,000.00
D-Cement Intermed	218			\$ 114,000.00				\$ -	114,000.00
D-Prod-2nd Int Cmt	219			\$ 168,000.00				\$ -	168,000.00
D-Float Equipment & Centralizers	221			\$ 92,000.00				\$ -	92,000.00
D-Csg Crews & Equip	222			\$ 99,000.00				\$ -	99,000.00
D-Contract Labor	225			\$ 10,000.00				\$ -	10,000.00
D-Company Sprvsn	226			\$ 66,000.00				\$ -	66,000.00
D-Contract Sprvsn	227			\$ 165,000.00				\$ -	165,000.00
D-Tstg Csg/Tbg	228			\$ 61,000.00				\$ -	61,000.00
D-Mud Logging Unit	229			\$ 61,000.00				\$ -	61,000.00
D-Rentals-Surface	235			\$ 256,000.00				\$ -	256,000.00
D-Rentals-Subsrfc	236			\$ 119,000.00				\$ -	119,000.00
D-Trucking/Forklift/Rig Mob	237			\$ 244,000.00				\$ -	244,000.00
D-Welding Services	238			\$ 5,000.00				\$ -	5,000.00
D-Contingency	243			\$ 92,000.00				\$ -	92,000.00
D-Envrnmtl/Clsd Loop	244			\$ 403,000.00				\$ -	403,000.00
C-Wellbore Frac Prep	304				\$ 212,000.00			\$ -	212,000.00
C-Lctn/Pits/Roads	305				\$ 22,000.00			\$ -	22,000.00
C-Completion OH	306				\$ 33,000.00			\$ -	33,000.00
C-Frac Equipment	307				\$ 1,448,000.00			\$ -	1,448,000.00
C-Frac Chemicals	308				\$ 918,000.00			\$ -	918,000.00
C-Frac Proppant	309				\$ 416,000.00			\$ -	416,000.00
C-Frac Proppant Transportation	310				\$ 647,000.00			\$ -	647,000.00
C-Fuel Delivery & Services	311				\$ 93,000.00			\$ -	93,000.00
C-Water	312				\$ 612,000.00			\$ -	612,000.00
C-Frac Surface Rentals	315				\$ 577,000.00			\$ -	577,000.00
C-Contract Labor	325				\$ 22,000.00			\$ -	22,000.00
C-Company Sprvsn	326				\$ 22,000.00			\$ -	22,000.00
C-Contract Sprvsn	327				\$ 308,000.00			\$ -	308,000.00
C-Artificial Lift Install	329				\$ 99,000.00			\$ -	99,000.00
C-Perf/Wireline Svc	331				\$ 711,000.00			\$ -	711,000.00
C-Trucking/Forklift/Rig Mob	337				\$ 22,000.00			\$ -	22,000.00
C-Water Disposal	339				\$ 88,000.00			\$ -	88,000.00
C-Contingency	343				\$ 165,000.00			\$ -	165,000.00
C-Dyed Diesel	345				\$ 346,000.00			\$ -	346,000.00
C-Drillout	346				\$ 660,000.00			\$ -	660,000.00
TB-Damages/Right of Way	351					\$ 2,000.00		\$ -	2,000.00
TB-Location/Pits/Roads	353					\$ 45,000.00		\$ -	45,000.00
TB-Contract Labor	356					\$ 244,000.00		\$ -	244,000.00
PEQ-Contract Labor	374						\$ 18,000.00	\$ -	18,000.00
PEQ-Water Disposal	387						\$ 81,000.00	\$ -	81,000.00
PEQ-HRZ Well Offset Frac	391						\$ 9,000.00	\$ -	9,000.00
Total Intangible Costs		\$ -	\$ -	\$ 4,043,000.00	\$ 7,421,000.00	\$ 291,000.00	\$ 108,000.00	\$ -	\$ 11,863,000.00

Tangible Costs									
PEQ-Flowback Crews & Equip	392						\$ 49,000.00	\$ -	49,000.00
D-Surface Casing	401			\$ 32,000.00				\$ -	32,000.00
D-Intermed Csg	402			\$ 253,000.00				\$ -	253,000.00
D-Production Casing/Liner	403			\$ 628,000.00				\$ -	628,000.00
D-Wellhead Equip	405			\$ 115,000.00				\$ -	115,000.00
C-Tubing	504				\$ 115,000.00			\$ -	115,000.00
C-Wellhead Equip	505				\$ 62,000.00			\$ -	62,000.00
TB-Tanks	510					\$ 78,000.00		\$ -	78,000.00
TB-Flowlines/Pipelines	511					\$ 35,000.00		\$ -	35,000.00
TB-Htr Trtr/Seprtr	512					\$ 251,000.00		\$ -	251,000.00
TB-Electrical System/Equipment	513					\$ 154,000.00		\$ -	154,000.00
C-Pckrs/Anchors/Hgrs	514				\$ 143,000.00			\$ -	143,000.00
TB-Couplings/Fittings/Valves	515					\$ 261,000.00		\$ -	261,000.00
TB-Pumps-Surface	521					\$ 35,000.00		\$ -	35,000.00
TB-Instrumentation/SCADA/POC	522					\$ 26,000.00		\$ -	26,000.00
TB-Miscellaneous	523					\$ 26,000.00		\$ -	26,000.00
TB-Meters/Lacts	525					\$ 35,000.00		\$ -	35,000.00
TB-Flares/Combusters/Emission	526					\$ 42,000.00		\$ -	42,000.00
C-Gas Lift/Compression	527				\$ 55,000.00			\$ -	55,000.00
PEQ-Wellhead Equipment	531						\$ 18,000.00	\$ -	18,000.00
Total Tangible Costs		\$ -	\$ -	\$ 1,028,000.00	\$ 375,000.00	\$ 943,000.00	\$ 67,000.00	\$ -	\$ 2,413,000.00
Total Gross Cost		\$ -	\$ -	\$ 5,071,000.00	\$ 7,796,000.00	\$ 1,234,000.00	\$ 175,000.00	\$ -	\$ 14,276,000.00

Note: The above costs are estimates only. Actual costs will be billed as incurred.

COG Operating LLC

By: _____

Date Prepared: 7/19/22 _____

We approve:
% Working Interest

COG Operating LLC

By: _____

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
Drill & Complete

Well Name ATTICUS STATE COM 522H SHL 36-255-27E: 330 FSL, 747 FWL OR UNIT M BHL 24-255-27E: 50 FNL, 660 FWL OR UNIT D Formation Legal 24, 25, 36, 255-27E						Prospect ATLAS 2527 State & County NM, EDDY Objective D&C Depth TVD 8,220			
Cost Description	Code	PreSpud (PS)	Pre-Set Casing(PC)	Drilling (DR)	Completions (C)	Tank Btty Constrctn(TB)	Pmpq Equip (PEQ)	Revision	Total
Intangible Costs									
D-Lctn/Pits/Roads	205			\$ 145,000.00				\$ -	145,000.00
D-Drilling Overhead	206			\$ 11,000.00				\$ -	11,000.00
D-Daywork Contract	209			\$ 789,000.00				\$ -	789,000.00
D-Directional Drig Services	210			\$ 421,000.00				\$ -	421,000.00
D-Fuel & Power	211			\$ 136,000.00				\$ -	136,000.00
D-Water	212			\$ 115,000.00				\$ -	115,000.00
D-Bits	213			\$ 145,000.00				\$ -	145,000.00
D-Mud & Chemicals	214			\$ 297,000.00				\$ -	297,000.00
D-Cement Surface	217			\$ 29,000.00				\$ -	29,000.00
D-Cement Intermed	218			\$ 114,000.00				\$ -	114,000.00
D-Prod-2nd Int Cmt	219			\$ 168,000.00				\$ -	168,000.00
D-Float Equipment & Centralizers	221			\$ 92,000.00				\$ -	92,000.00
D-Csg Crews & Equip	222			\$ 99,000.00				\$ -	99,000.00
D-Contract Labor	225			\$ 10,000.00				\$ -	10,000.00
D-Company Sprvsn	226			\$ 66,000.00				\$ -	66,000.00
D-Contract Sprvsn	227			\$ 165,000.00				\$ -	165,000.00
D-Tstg Csg/Tbg	228			\$ 61,000.00				\$ -	61,000.00
D-Mud Logging Unit	229			\$ 61,000.00				\$ -	61,000.00
D-Rentals-Surface	235			\$ 256,000.00				\$ -	256,000.00
D-Rentals-Subsrfc	236			\$ 119,000.00				\$ -	119,000.00
D-Trucking/Forklift/Rig Mob	237			\$ 244,000.00				\$ -	244,000.00
D-Welding Services	238			\$ 5,000.00				\$ -	5,000.00
D-Contingency	243			\$ 92,000.00				\$ -	92,000.00
D-Envrnmnt/Clsd Loop	244			\$ 403,000.00				\$ -	403,000.00
C-Wellbore Frac Prep	304				\$ 212,000.00			\$ -	212,000.00
C-Lctn/Pits/Roads	305				\$ 22,000.00			\$ -	22,000.00
C-Completion OH	306				\$ 33,000.00			\$ -	33,000.00
C-Frac Equipment	307				\$ 1,448,000.00			\$ -	1,448,000.00
C-Frac Chemicals	308				\$ 918,000.00			\$ -	918,000.00
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C-Frac Surface Rentals	315				\$ 577,000.00			\$ -	577,000.00
C-Contract Labor	325				\$ 22,000.00			\$ -	22,000.00
C-Company Sprvsn	326				\$ 22,000.00			\$ -	22,000.00
C-Contract Sprvsn	327				\$ 308,000.00			\$ -	308,000.00
C-Artificial Lift Install	329				\$ 99,000.00			\$ -	99,000.00
C-Perf/Wireline Svc	331				\$ 711,000.00			\$ -	711,000.00
C-Trucking/Forklift/Rig Mob	337				\$ 22,000.00			\$ -	22,000.00
C-Water Disposal	339				\$ 88,000.00			\$ -	88,000.00
C-Contingency	343				\$ 165,000.00			\$ -	165,000.00
C-Dyed Diesel	345				\$ 346,000.00			\$ -	346,000.00
C-Drillout	346				\$ 660,000.00			\$ -	660,000.00
TB-Damages/Right of Way	351					\$ 2,000.00		\$ -	2,000.00
TB-Location/Pits/Roads	353					\$ 45,000.00		\$ -	45,000.00
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D-Production Casing/Liner	403			\$ 628,000.00				\$ -	628,000.00
D-Wellhead Equip	405			\$ 115,000.00				\$ -	115,000.00
C-Tubing	504				\$ 115,000.00			\$ -	115,000.00
C-Wellhead Equip	505				\$ 62,000.00			\$ -	62,000.00
TB-Tanks	510					\$ 78,000.00		\$ -	78,000.00
TB-Flowlines/Pipelines	511					\$ 35,000.00		\$ -	35,000.00
TB-Htr Trtr/Seprtr	512					\$ 251,000.00		\$ -	251,000.00
TB-Electrical System/Equipment	513					\$ 154,000.00		\$ -	154,000.00
C-Pckrs/Anchors/Hgrs	514				\$ 143,000.00			\$ -	143,000.00
TB-Couplings/Fittings/Valves	515					\$ 261,000.00		\$ -	261,000.00
TB-Pumps-Surface	521					\$ 35,000.00		\$ -	35,000.00
TB-Instrumentation/SCADA/POC	522					\$ 26,000.00		\$ -	26,000.00
TB-Miscellaneous	523					\$ 26,000.00		\$ -	26,000.00
TB-Meters/Lacts	525					\$ 35,000.00		\$ -	35,000.00
TB-Flares/Combusters/Emission	526					\$ 42,000.00		\$ -	42,000.00
C-Gas Lift/Compression	527				\$ 55,000.00			\$ -	55,000.00
PEQ-Wellhead Equipment	531						\$ 18,000.00	\$ -	18,000.00
Total Tangible Costs		\$ -	\$ -	\$ 1,028,000.00	\$ 375,000.00	\$ 943,000.00	\$ 67,000.00	\$ -	\$ 2,413,000.00
Total Gross Cost		\$ -	\$ -	\$ 5,071,000.00	\$ 7,796,000.00	\$ 1,234,000.00	\$ 175,000.00	\$ -	\$ 14,276,000.00

Note: The above costs are estimates only. Actual costs will be billed as incurred.

COG Operating LLC

By: _____

Date Prepared: 7/19/22 _____

We approve:
% Working Interest

COG Operating LLC

By: _____

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.

Company	Contact Name	Notes	Discussion Topic	Date
Devon Energy Production Company, LP	Peggy Buller	Emailed Proposals	Charkey development	7/25/2022
Devon Energy Production Company, LP	Peggy Buller	Emailed answers to Devon's project questions	Charkey development	7/25/2022
Devon Energy Production Company, LP	Peggy Buller	Emailed to discuss with Landman over the project	Charkey development	7/26/2022
Devon Energy Production Company, LP	Verl Brown	Emailed to discuss with Atticus project with their Landman	Charkey development	8/2/2022
Devon Energy Production Company, LP	Verl Brown	Set up Teams meeting to discuss project	Charkey development	8/2/2022
Devon Energy Production Company, LP	Verl Brown	Teams meeting to go over project/OA/proposals, emailed proposed OA (certified mail sent later)	Charkey development	8/3/2022
Devon Energy Production Company, LP	Verl Brown	Confirmation of proposed OA receipt	Charkey development	8/10/2022
Devon Energy Production Company, LP	Verl Brown	Email and phone call with Devon letting me know they prefer I file the pooling as they prefer not to sign the proposed OA	Charkey development	8/11/2022
Devon Energy Production Company, LP	Verl Brown	Emailed revised proposals	Charkey development	8/17/2022
Devon Energy Production Company, LP	David Korell	In person discussion about Atticus project and Devon's interest and pooling. No objection from Devon.	Charkey development	9/21/2022
Chevron U.S.A. Inc	Gregg Pazer	Emailed to answer Chevron's questions about the project proposals	Charkey development	7/29/2022
Chevron U.S.A. Inc	Gregg Pazer	Emailed proposed OA (also certified mail sent later)	Charkey development	8/3/2022
Chevron U.S.A. Inc	Gregg Pazer	Emailed to discuss project Teams meeting	Charkey development	8/4/2022
Chevron U.S.A. Inc	Gregg Pazer	Team meeting with COP and Chevron teams to discuss project	Charkey development	8/9/2022
Chevron U.S.A. Inc	Victoria Drechsel	Emailed proposed OA (also certified mail sent later)	Charkey development	8/9/2022
Chevron U.S.A. Inc	Victoria Drechsel	Received confirmation of OA receipt	Charkey development	8/10/2022
Chevron U.S.A. Inc	Victoria Drechsel	Emailed answers to Chevron's project questions	Charkey development	8/10/2022
Chevron U.S.A. Inc	Gregg Pazer	Emailed our directional plans to Chevron per their request	Charkey development	8/16/2022
Read & Stevens Inc	Lydia Lara	Discussed on phone, confirmed email	Charkey development	8/3/2022
Read & Stevens Inc	Lydia Lara	Emailed about proposed OA	Charkey development	8/3/2022
Read & Stevens Inc	Lydia Lara	Emailed revised proposals	Charkey development	8/17/2022
Read & Stevens Inc	Harrison Read	Received a call from Harrison asking for WI/NRI	Charkey development	8/29/2022
Read & Stevens Inc	Lydia Lara	Emailed approximate WI/NRI per their request	Charkey development	8/29/2022
Read & Stevens Inc	Harrison Read	Emailed about a dispute to their WI based on an updated DDOTO.	Charkey development	9/7/2022
Read & Stevens Inc	Harrison Read	Phone discussion about WI dispute. Read & Stevens is searching their records to confirm/dispute new findings.	Charkey development	9/7/2022

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A5
Submitted by: COG Operating LLC
Hearing Date: October 20, 2022
Case Nos. 23050-23051

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

**APPLICATION OF COG OPERATING LLC
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NOS. 23050 & 23051

SELF-AFFIRMMENT STATEMENT OF JESSICA PONTIFF

1. My name is Jessica Pontiff, and I am employed by COG Operating LLC ("COG"), now a wholly owned subsidiary of ConocoPhillips Company as a petroleum geologist. My responsibilities include the Permian Basin of New Mexico. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology.

2. I am familiar with the applications filed by COG in these consolidated matters, and I have conducted a geologic study of the lands in the subject area.

3. The initial target interval for COG's proposed Atticus State Com 521H and 522H wells is the Charkey Sand of the Bone Spring formation underlying Sections 24, 25 and 36, Township 25 South, Range 27 East, NMPM, in Eddy County.

4. **Exhibit B-1** is a general location map showing the proposed spacing units in yellow in relation to a nearby landmark, the town of Carlsbad, NM, state and county lines. On the expanded map, the proposed spacing units are also highlighted in yellow with the approximate location and orientation of the Bone Spring Charkey wells noticed with red dash lines. Existing producing wells in the target interval are represented by light orange solid lines.

5. **Exhibit B-2** is a subsea structure map for the base of the Second Bone Spring, the carbonate above the Charkey target sand. The structure map has a contour interval of 50 feet and shows the target formation dips gently to the east. The data points controlling the structure map

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B
Submitted by: COG Operating LLC Hearing
Date: October 20, 2022
Case Nos. 23050-23051**

are depicted as small red crosses. The structure appears consistent across the proposed spacing units, and I do not observe any faults, pinch outs, or other geologic impediments to drilling horizontal wells.

6. **Exhibit B-3** identifies the location of three nearby wells penetrating the target interval and shows a line of cross-section into the proposed horizontal spacing units from A to A'. I chose these wells to create the cross-section because they penetrate the targeted interval, are of good quality, and have been subjected to petrophysical analysis of the targeted interval. In my opinion, these well logs are representative of the geology in the subject area.

7. **Exhibit B-4** is a stratigraphic cross-section that I prepared using the logs from the representative wells shown on Exhibit B-3. Each well on the cross-section contains gamma ray, resistivity, and porosity logs. The target intervals for the proposed wells are marked on the cross section. The cross-section demonstrates that the targeted intervals are continuous across the proposed spacing units.

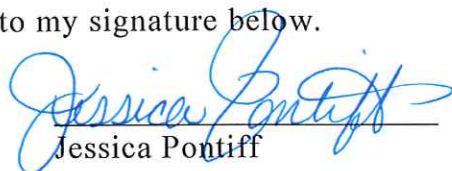
8. My geologic study indicates the Charkey Sand of Bone Spring formation underlying the subject area is suitable for development by horizontal wells and the acreage comprising the proposed horizontal spacing units will be productive and contribute proportionately to the production from the wells.

9. **Exhibit B-3** also shows the existing Charkey Sand development in this area as light orange solid lines. In my opinion, the standup orientation of the proposed wells is appropriate to properly develop the subject acreage because of expected similar rock properties throughout and equivalent orientation with the east offset producer.

10. In my opinion, approval of these applications is in the best interest of conservation, the prevention of waste, and protection of correlative rights.

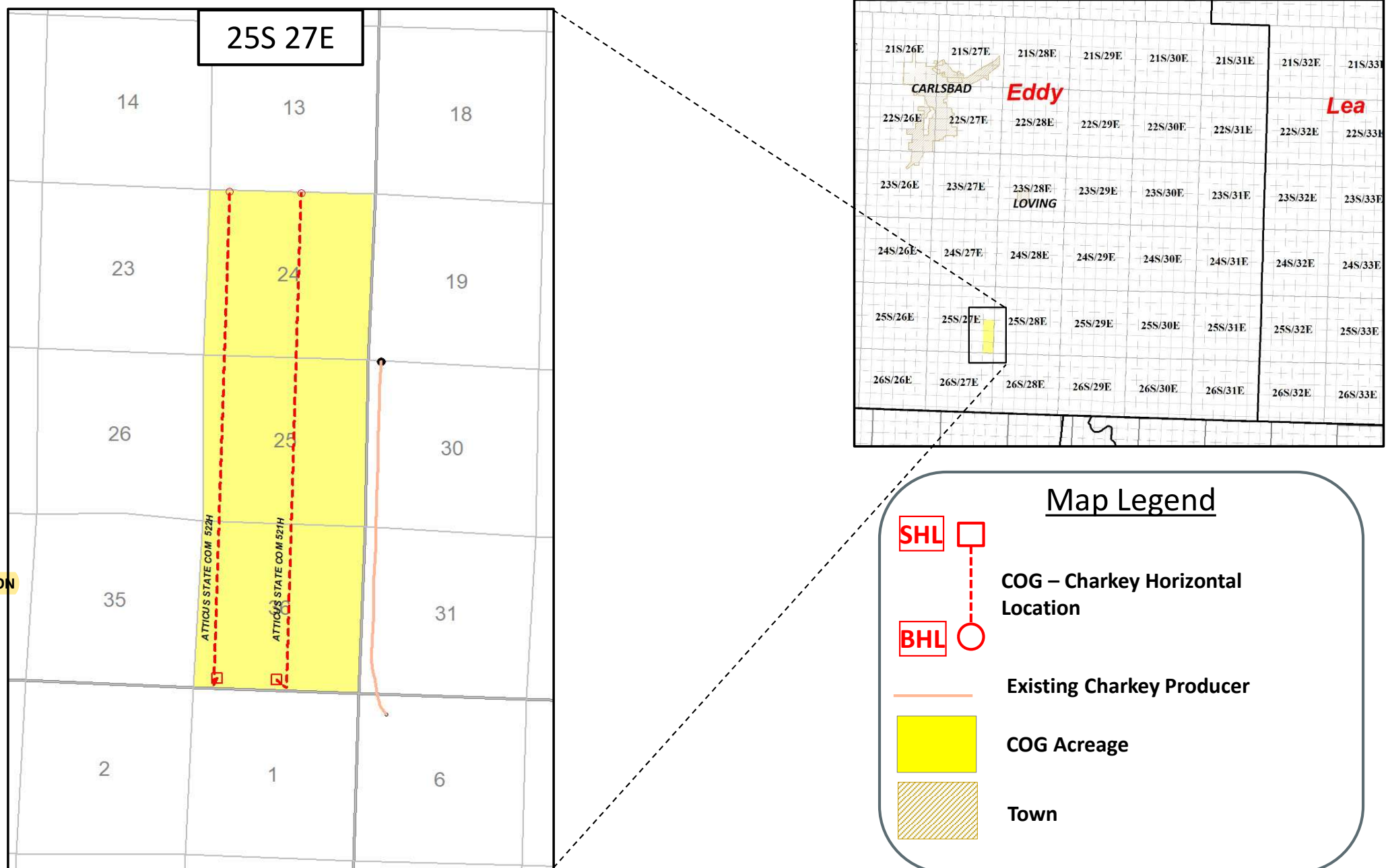
11. Exhibits B-1 through B-4 were either prepared by me or compiled under my direction and supervision.

12. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.

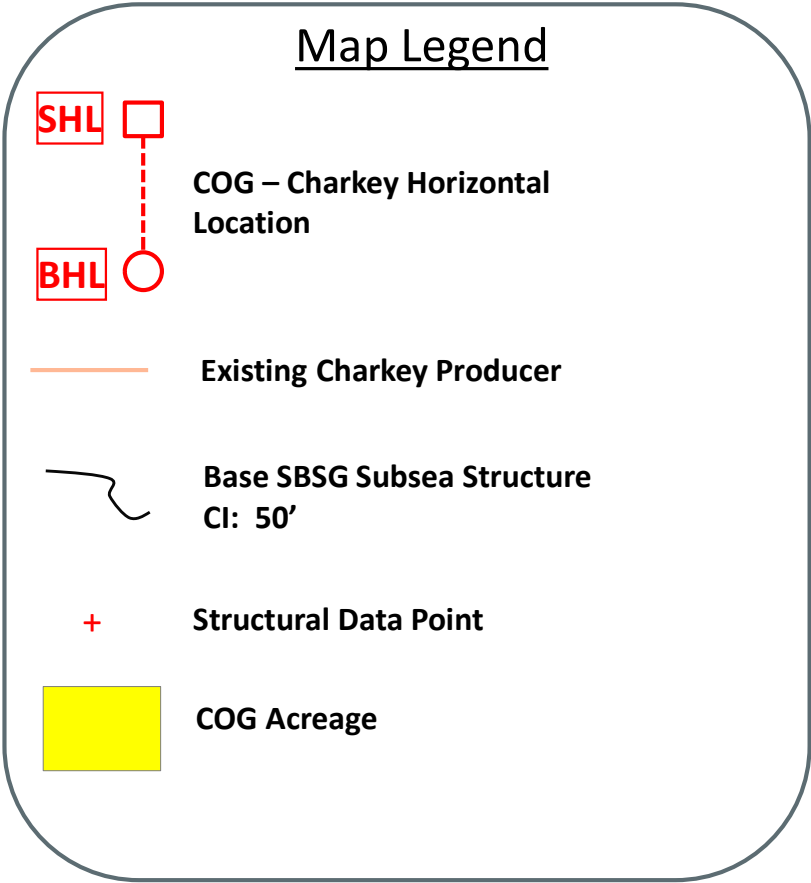
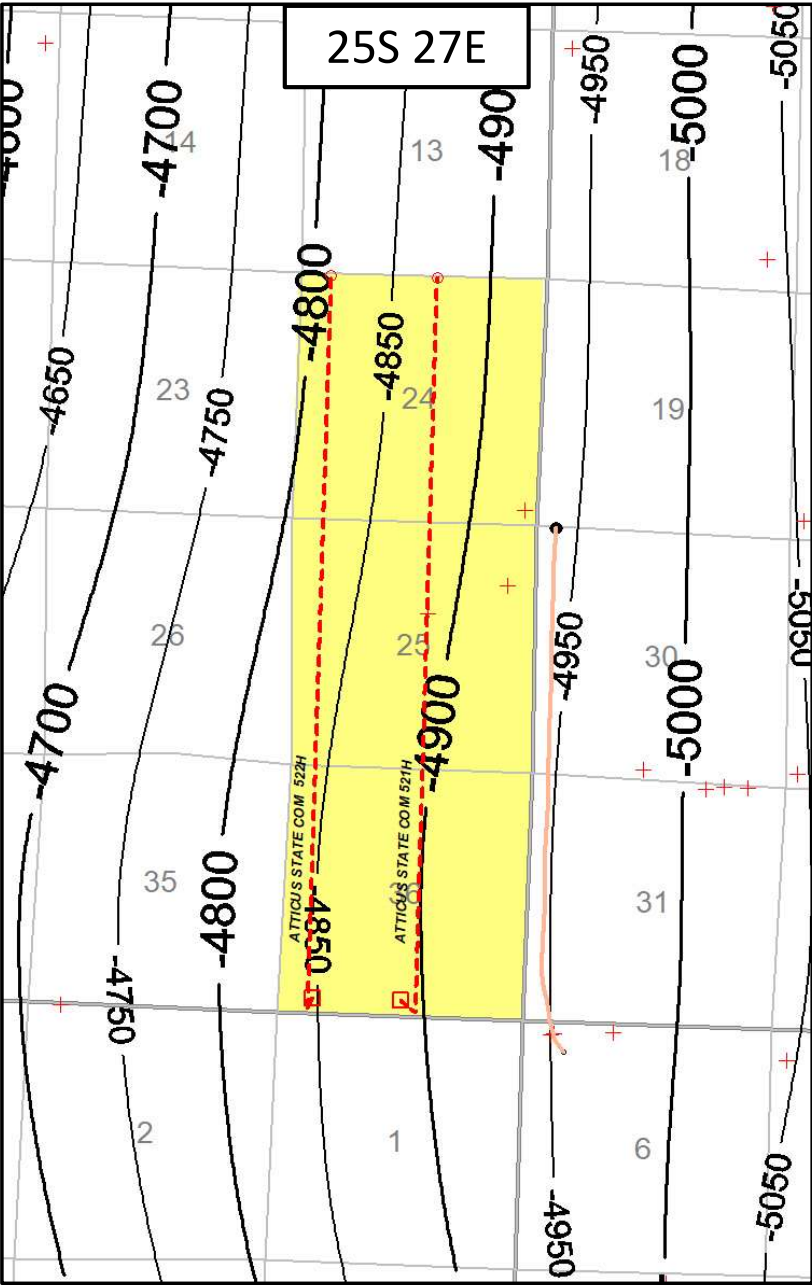

Jessica Pontiff

10.13.22
Date

Atticus State Com 521H and 522H Charkey: Location Map

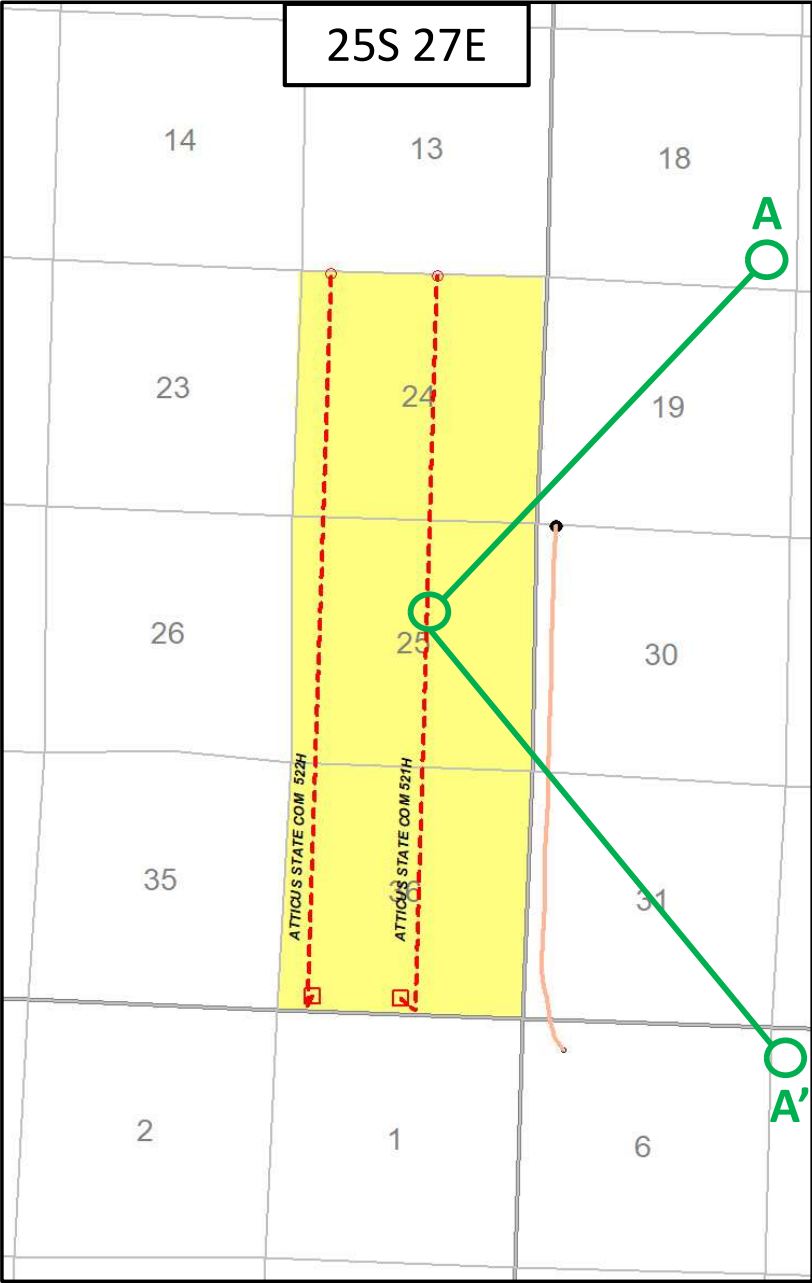


Atticus State Com 521H and 522H Charkey Sand: Base Second Bone Spring – Structure Map



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B2
Submitted by: COG Operating LLC
Hearing Date: October 20, 2022
Case Nos. 23050-23051

Atticus State Com 521H and 522H Charkey Sand: Cross Section Map



Map Legend

SHL

BHL

COG – Charkey Horizontal Location

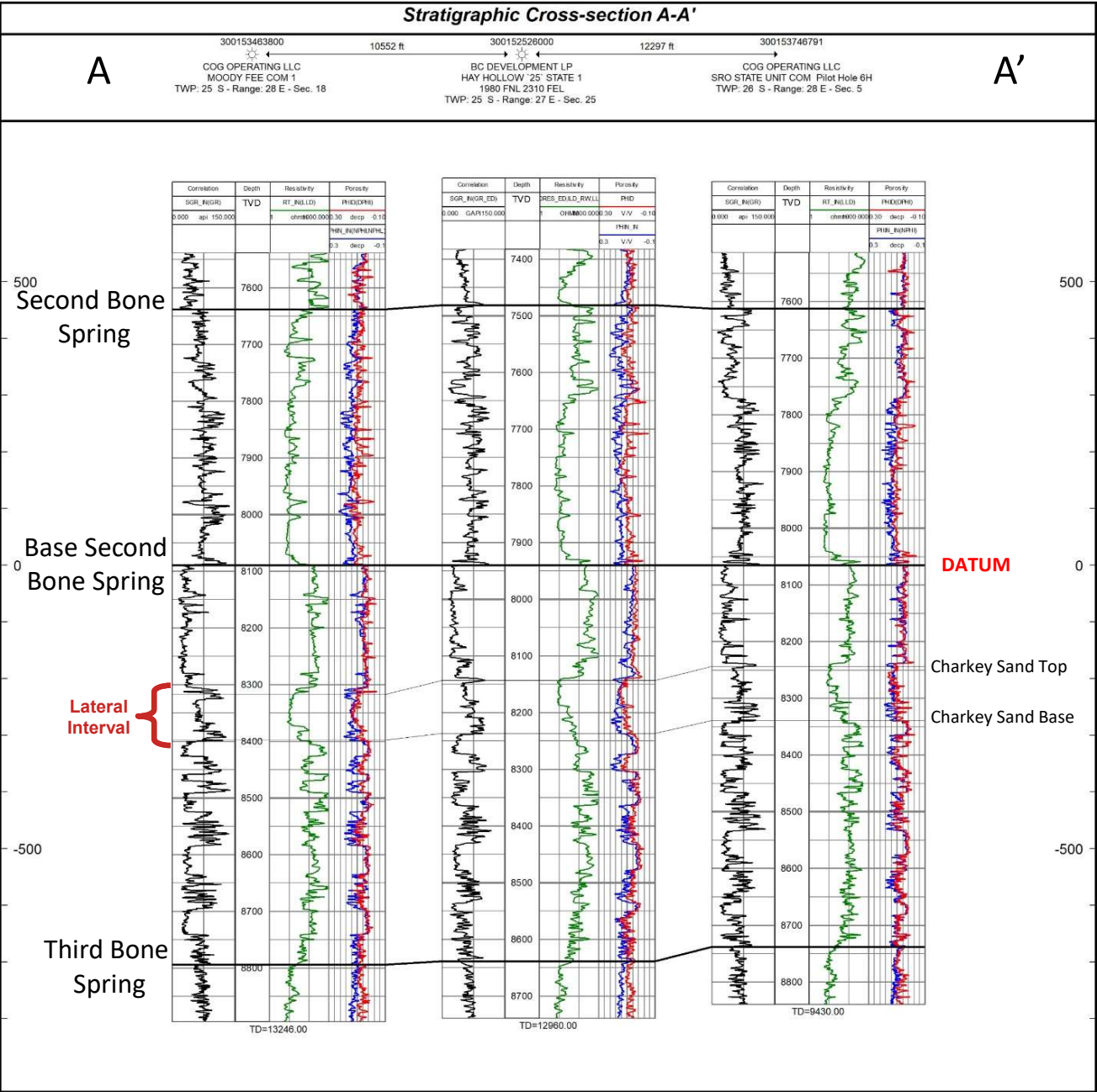
Existing Charkey Sand Producer

Cross Section Line

COG Acreage

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B3
Submitted by: COG Operating LLC
Hearing Date: October 20, 2022
Case Nos. 23050-23051

Atticus State Com: Charkey – Stratigraphic Cross Section A – A’



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B4
Submitted by: COG Operating LLC
Hearing Date: October 20, 2022
Case Nos. 23050-23051

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

**APPLICATIONS OF COG OPERATING LLC
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

CASE NOS. 23050-23051

**SELF-AFFIRMED STATEMENT OF
PAULA M. VANCE**

1. I am attorney in fact and authorized representative of COG Operating LLC (“COG”), the Applicant herein. I have personal knowledge of the matters addressed herein and am competent to provide this self-affirmed statement.
2. The above-referenced application and notice of the hearing on this application was sent by certified mail to the affected parties on the date set forth in the letter attached hereto.
3. The spreadsheet attached hereto contains the names of the parties to whom notice was provided.
4. The spreadsheet attached hereto contains the information provided by the United States Postal Service on the status of the delivery of this notice as of October 14, 2022.
5. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.



Paula M. Vance

10/18/22

Date

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C
Submitted by: COG Operating LLC
Hearing Date: October 20, 2022
Case Nos. 23050-23051**



Michael H. Feldewert
Partner
Phone (505) 988-4421
mfeldewert@hollandhart.com

September 16, 2022

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

**Re: Application of COG Operating, LLC for Compulsory Pooling, Eddy County,
New Mexico: Atticus State Com 521H**

Ladies & Gentlemen:

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 October 6, 2022, and the status of the hearing can be monitored through the Division's website at <http://www.emnrd.state.nm.us/ocd/>.

Due to the remodeling of the state building where the New Mexico Oil Conservation Division is located, hearings will be conducted remotely beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>.

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. Parties appearing in cases are required to file a Pre-hearing Statement four business days in advance of a scheduled hearing that complies with the provisions of NMAC 19.15.4.13.B.

If you have any questions about this matter, please contact Shelley Klingler at (432) 688-9027 or at Shelley.C.Klinger@conocophillips.com.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael H. Feldewert".

Michael H. Feldewert
ATTORNEY FOR COG OPERATING, LLC

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
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Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming



Michael H. Feldewert
Partner
Phone (505) 988-4421
mfeldewert@hollandhart.com

September 16, 2022

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Michael H. Feldewert
ATTORNEY FOR COG OPERATING, LLC

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Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming

COG - Atticus 521H-522H
Case Nos 23050-23051 POstal Delivery Reports

TrackingNo	ToName	DeliveryAddress	City	State	Zip	USPS_Status
9414811898765819916805	Devon Energy Production Company , L.P.	333 W Sheridan Ave	Oklahoma City	OK	73102-5010	Your item was picked up at a postal facility at 8:13 am on September 19, 2022 in OKLAHOMA CITY, OK 73102.
9414811898765819916898	Chevron U.S.A. Inc. attn Land Department	6301 Deauville	Midland	TX	79706-2964	Your item was picked up at a postal facility at 2:38 pm on September 21, 2022 in MIDLAND, TX 79701.
9414811898765819916874	Read & Stevens, Inc.	PO Box 1518	Roswell	NM	88202-1518	Your item was picked up at the post office at 9:18 am on September 21, 2022 in ROSWELL, NM 88201.