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

APPLICATION OF COG OPERATING LLC FOR COMPULSORY POOLING AND APPROVAL OF NON-STANDARD SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE NO. 23334

EXHIBIT INDEX

Compulsory Pooling Checklist

Exhibit A	Self-Affirmed Statement of Sean P. Miller
A-1	Resume of Sean P. Miller
A-2	Application & Proposed Notice of Hearing
A-3	C-102s
A-4	Plat of Tracts, Tract Ownership, Pooled Parties, Unit Recapitulation
A-5	Sample Well Proposal Letter & AFEs
A-6	Map of Non-Standard Spacing Unit and Tract Ownership
A-7	Chronology of Contact
A-8	Copies of Signed Waivers of Notice and Protest of Non-Standard Spacing Unit
Exhibit B	Self-Affirmed Statement of Deserae Jennings
B-1	Location Map of the Bandana Federal Com 702H, 703H, and 704H wells
B-2	Wolfcamp Subsea Structure Map
B-3	Cross-Section Map
B-4	Stratigraphic Cross-Section
Exhibit C	Self-Affirmed Statement of Dana S. Hardy
C-1	Sample Notice Letter to All Interested Parties

- C-2 Chart of Notice to All Interested Parties
- C-3 Copies of Certified Mail Green Cards and White Slips
- C-4 Affidavit of Publication for February 7, 2023

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Page 3 of 65

Case: 23334	APPLICANT'S RESPONSE
Date	March 2, 2023
Applicant	COG Operating LLC
Designated Operator & OGRID (affiliation if applicable)	OGRID No. 229137
Applicant's Counsel:	Hinkle Shanor LLP
Case Title:	Application of COG Operating LLC for Compulsory Pooling and Approval of Non-Standard Spacing Unit, Lea County, New Mexico
Entries of Appearance/Intervenors:	None
Well Family	Bandana
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Wolfcamp Formation
Pool Name and Pool Code:	Wolfbone Pool (Code WC-023 G-09 S243532M)
Well Location Setback Rules:	Statewide
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	960 acres
Building Blocks:	quarter-quarter
Orientation:	North/South
Description: TRS/County	S/2 of Section 12 and all of Section 13, Township 25 South, Range 34 East, Lea County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and is</u> approval of non-standard unit requested in this application?	No. Approval of Non-Standard Spacing Unit requested in this application.
Other Situations	
Depth Severance: Y/N. If yes, description	Νο
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit A-4
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Bandana Fed Com 702H (API #) SHL: 2380' FNL & 1505' FEL (Unit G), Section 12, T25S, R34E BHL: 50' FSL & 1640' FEL (Unit O), Section 13, T25S, R34E Completion Target: Wolfcamp (Approx. 12,938' TVD)
Well #2	Bandana Fed Com 703H (API #) SHL: 1913' FNL & 1518' FWL (Unit F), Section 12, T25S, R34E BHL: 50' FSL & 2320' FWL (Unit N), Section 13, T25S, R34E Completion Target: Wolfcamp (Approx. 12,918' TVD)

WRL##ived by OCD: 2/28/2023 8:59:02 AM	Bandana Fed Com 704H (API #) Page 4 of 0 SHL: 1878' FNL & 1469' FWL (Unit F), Section 12, T25S, R34E BHL: 50' FSL & 1000' FWL (Unit M), Section 13, T25S, R34E Completion Target: Wolfcamp (Approx. 12,871' TVD) Page 4 of 0
Horizontal Well First and Last Take Points	Exhibit A-3
Completion Target (Formation, TVD and MD)	Exhibit A-5
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000.00
Production Supervision/Month \$	\$800.00
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A-2
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-1, Exhibit C-2, Exhibit C-3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-4
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-4
Tract List (including lease numbers and owners)	Exhibit A-4
If approval of Non-Standard Spacing Unit is requested, Tract List	1
(including lease numbers and owners) of Tracts subject to notice	
requirements. Pooled Parties (including ownership type)	Exhibit A-6 Exhibit A-4
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-4
Chronology of Contact with Non-Joined Working Interests	Exhibit A-7
Overhead Rates In Proposal Letter	Exhibit A-5
Cost Estimate to Drill and Complete	Exhibit A-5
Cost Estimate to Equip Well	Exhibit A-5
Cost Estimate for Production Facilities	Exhibit A-5
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
HSU Cross Section	Exhibit B-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-3
Tracts	Exhibit A-4

GEReereineet In A ABip 2/ A& BERRing & 558 is 92 AM	Exhibit B-1	Page 5 of 6
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 provid	led in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Dana S. Hardy	
Signed Name (Attorney or Party Representative):	/s/ Dana S. Hardy	
Date:		2/28/2023

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

APPLICATION OF COG OPERATING LLC FOR COMPULSORY POOLING AND APPROVAL OF NON-STANDARD SPACING UNIT, LEA COUNTY, NEW MEXICO.

CASE NO. 23334

SELF-AFFIRMED STATEMENT OF SEAN P. MILLER

1. I am a Senior Land Negotiator for COG Operating LLC ("COG"). I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement. I have not previously testified before the New Mexico Oil Conservation Division ("Division"). A copy of my resume is attached as **Exhibit A-1**.

2. I am familiar with the land matters involved in the above-referenced case. Copies of COG's application and proposed hearing notice are attached as **Exhibit A-2**.

3. None of the parties proposed to be pooled in this case indicated opposition to this matter proceeding by affidavit, therefore I do not expect any opposition at hearing.

4. COG seeks an order: (1) establishing a 960-acre, more or less, non-standard horizontal spacing unit comprised of the S/2 of Section 12 and all of Section 13, Township 25 South, Range 34 East, Lea County, New Mexico ("Unit"); and (2) pooling all uncommitted interests in the Wolfcamp formation underlying the Unit.

5. The Unit will be dedicated to the following proposed wells ("Wells"), which will be completed in the Wolfbone Pool (Code WC-023 G-09 S243532M):

• Bandana Fed Com 702H well, to be horizontally drilled from a surface hole location in the SW/4 NE/4 (Unit G) of Section 12 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 13;

COG Operating LLC Case No. 23334 Exhibit A

- Bandana Fed Com 703H well, to be horizontally drilled from a surface hole location in the SE/4 NW/4 (Unit F) of Section 12 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 13;
- Bandana Fed Com 704H well, to be horizontally drilled from a surface hole location in the SE/4 NW/4 (Unit F) of Section 12 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 13.
- 6. The completed interval of the Well will be orthodox.
- 7. **Exhibit A-3** contains the C-102s for the Wells.

8. **Exhibit A-4** contains a plat identifying ownership by tract in the Unit. This exhibit also includes any applicable lease numbers, a unit recapitulation, and the interests COG seeks to pool highlighted in yellow. All of the parties are locatable.

9. COG has conducted a diligent search of all county public records including phone directories and computer databases, as well as internet searches, to locate the interest owners it seeks to pool.

10. **Exhibit A-5** contains a sample well proposal letter and AFEs sent to the working interest owners for the Wells. The estimated costs reflected on the AFEs are fair and reasonable and comparable to the cost of other wells of similar depth and length drilled in the subject formation in the area.

11. **Exhibit A-6** is a map that depicts the non-standard spacing unit in relation to the outline of a standard spacing unit. The map also identifies the interest owners in the tracts surrounding the proposed Unit, who were provided notice of COG's application.

12. COG's request for approval of a non-standard spacing unit will allow it to consolidate surface facilities and will consequently prevent surface, environmental, and economic

2

waste. As a result, approval of a non-standard spacing unit is necessary to prevent waste and protect correlative rights.

13. In my opinion, COG made a good-faith effort to reach voluntary joinder of uncommitted interests in the Well as indicated by the chronology of contact described in **Exhibit A-7**.

14. COG also received one (1) signed Waivers of Notice and Protest for the Bandana Fed Com non-standard horizontal spacing units, which were sent to all offset owners in November 2022. Exhibit A-8 includes copies of the signed waivers.

15. COG requests overhead and administrative rates of \$8,000 per month while the Well is being drilled and \$800 per month while the Wells are producing. These rates are fair and are comparable to the rates charged by COG and other operators in the vicinity.

16. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.

17. In my opinion, the granting of COG's application for compulsory pooling and approval of a non-standard spacing unit would serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

18. I understand this Self-Affirmed Statement will be used as written testimony in the subject cases. I affirm that my testimony 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 handwritten next to my signature below.

Sec

Sean P. Miller

12/27/2023

Sean Patrick Miller, CPL

3412 Meadowridge Ln, Midland, TX 79707

seanpmiller7@gmail.com

713.907.7583

www.linkedin.com/in/seanmiller90

Petroleum Landman Degrees in both business management & petroleum land management

Degrees in both business management and land & resource management with over 9 years experience working as a professional as both an In-House and field Landman. Active AAPL member since 2013.

Work experience includes 4 years operational and non-op land in the Permian Basin in both New Mexico and Texas assets. Over 5 years experience in Rockies and Appalachia assets both in house and field. Specific roles include:

- Drilling unit creation and asset management
- Contract drafting & negotiating
- Managing brokers for title/leasing/curative

Professional Experience

Concho Resources/ConocoPhillips, Midland, Texas

Sr. Land Negotiator, Texas & New Mexico Asset - Permian Basin

- Responsible for extensive urban leasing program and unit creation running brokers and coordinating with title attorneys for multi-well projects on drill schedule.
- New Mexico OCD compulsory pooling applications and hearings.
- Negotiated contracts including Joint Operating Agreements, Leases, Purchase and Sale Agreements and other negotiable instruments with working interest partners and mineral owners.
- Drilling unit creation through JOA's, Pooling Agreements, Production Sharing Agreements, SUA's etc for contract rights and payment structures to both non-operators and royalty owners.
- Handled curative matters in conjunction with title attorney and brokers in the field.
- Responsible for company operated assets located in Midland, & Martin County, Texas as well as Lea County, NM

Landman II, Joint Interest Ventures Non-Op Team – Permian Basin

- Reviewed well proposals from outside operators primarily in New Mexico as wells as Texas, coordinating with reservoir engineering and geology to determine economics.
- Negotiated contracts including Joint Operating Agreements, Facility Sharing Agreements, Exchange Agreements, Leases, ect.
- Handled trades in both Eddy and Lea counties for acreage positions.

EOG Resources: Denver, CO

Contract Landman, North Dakota Asset

- Ran title for prospective drilling operations in Bakken target area.
- COG Operating LLC Case No. 23334 Exhibit A-1

1/2018 - 8/2018

- New Mexico & Texas drilling program
- Extensive industry software familiarity
- Acquisition/Divestitures & Trades

10/2018 - Present

Page Two

Lone Tree Energy, Littleton, Colorado

Contract Landman, Wyoming & West Virginia (Wetzel, Tyler & Marshall counties)

Analyzed records in major drilling asset areas to prepare reports showing ownership of oil and gas rights by abstracts, lease checks and full draft title.

- Completed over 100 lease check title reports to determine mineral owners for leasing purposes in the listed counties in West Virginia
- In a 6-month time period completed 15 full draft title reports to determine full ownership and verify lease bonus payments.
- As a part of a two-man team, analyzed and corrected ownership reports to ensure clarity and accuracy for client.
- Collaborated in developing company sharepoint database, which allowed field and office personnel to assess competitor activity in asset area.
- Compiled over 50 mineral title abstracts covering BLM and private lands furnished to client.

SM Energy, Billings, Montana

Landman Internship, Northern (North Dakota) and Southern (Wyoming) Asset Group

An intern who performed as an in-house landman reviewing legal contracts and title opinions, managing industry mapping software, negotiating leases and addressing land owner relations.

- Reviewed leases to determine possible lease forfeiture to the company due to poorly constructed clauses.
- Prepared working interest and net revenue percentages on over 50 SM operated/non-operated drilling proposals for review by senior landman.
- Coordinated and distributed new well proposals to working interest partners by drafting election letters.
- Conducted searches through online sites, company databases, and phone calls to find unlocatable mineral owners and contacted them directly to negotiate lease terms and bonus offers.
- Partnered with Sr. Landman based in Williston, ND in negotiating surface use agreements, right-ofways and pipeline easements with land owners in the North Dakota asset.
- Entered lease data into industry mapping software to visualize companies' lease position versus competitor lease positions.

Noble Energy, Denver, Colorado

Land Analyst, DJ Basin Group

Facilitated the state regulatory compliance process as well as contract analysis. Member of Arc GIS program review team to determine company lease expiration schedule.

Education

 Bachelor of Petroleum Land and Resource Management <i>GPR: 3.82</i> Western State Colorado University, Gunnison, Colorado 	2014
Bachelor of Business Administration in Management GPR: 3.19	2012
Texas A&M University, College Station, Texas	

2014

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

APPLICATION OF COG OPERATING LLC FOR COMPULSORY POOLING AND APPROVAL OF NON-STANDARD SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE NO. 23334

APPLICATION

In accordance with NMSA 1978, § 70-2-17 and NMAC 19.15.16.15(B)(5), COG Operating LLC ("COG" or "Applicant"), through its undersigned attorneys, files this application with the Oil Conservation Division ("Division") seeking an order: (1) establishing a 960-acre, more or less, non-standard horizontal spacing unit comprised of the S/2 of Section 12 and all of Section 13, Township 25 South, Range 34 East, Lea County, New Mexico ("Unit"); and (2) pooling all uncommitted interests in the Wolfcamp formation underlying the Unit. In support of this application, COG states the following.

1. Applicant (OGRID No. 229137) is a working interest owner in the Unit and has the right to drill thereon.

- 2. Applicant seeks to dedicate the Unit to the following proposed wells ("Wells"):
 - a. Bandana Fed Com 702H, to be drilled from a surface hole location in the SW/4 NE/4 (Unit G) of Section 12 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 13;
 - b. Bandana Fed Com 703H, to be drilled from a surface hole location in the SE/4 NW/4 (Unit F) of Section 12 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 13; and

COG Operating LLC Case No. 23334 Exhibit A-2

- c. Bandana Fed Com 704H, to be drilled from a surface hole location in the SE/4 NW/4 (Unit F) of Section 12 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 13.
- 3. The completed intervals of the Wells will be orthodox.

4. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Wells but has been unable to obtain voluntary agreements from all interest owners.

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

6. Approval of a non-standard horizontal spacing unit is necessary to prevent waste and protect correlative rights.

7. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and Applicant should be designated as the operator of the Wells and Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 2, 2023, and, after notice and hearing as required by law, the Division enter an order:

- A. Approving a non-standard horizontal spacing unit pursuant to 19.15.16.15(B)(5) NMAC;
- B. Pooling all uncommitted interests in the Unit;
- C. Approving the initial wells in the Unit;
- D. Designating Applicant as the operator of the Unit and the Wells;

- E. Authorizing Applicant to recover its costs of drilling, equipping, and completing the Wells;
- F. Approving the actual operating charges and costs of supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- G. 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,

HINKLE SHANOR LLP

<u>/s/ Dana S. Hardy</u> Dana S. Hardy Jaclyn M. McLean Yarithza Peña P.O. Box 2068 Santa Fe, NM 87504-2068 Phone: (505) 982-4554 Facsimile: (505) 98208623 dhardy@hinklelawfirm.com jmclean@hinklelawfirm.com Application of COG Operating LLC for Compulsory Pooling and Approval of Non-Standard Spacing Unit, Lea County, New Mexico. Applicant applies for an order: (1) establishing a 960-acre, more or less, non-standard horizontal spacing unit comprised of S/2 of Section 12 and all of Section 13, Township 25 South, Range 34 East, Lea County, New Mexico ("Unit"); and (2) pooling all uncommitted interests in the Wolfcamp formation underlying the Unit. The Unit will be dedicated to the following wells: Bandana Fed Com 702H, to be drilled from a surface hole location in the SW/4 NE/4 (Unit G) of Section 12 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 13; Bandana Fed Com 703H, to be drilled from a surface hole location in the SE/4 NW/4 (Unit F) of Section 12 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 13; and Bandana Fed Com 704H, to be drilled from a surface hole location in the SE/4 NW/4 (Unit F) of Section 12 to a bottom hole location in the SE/4 NW/4 (Unit F) of Section 12 to a bottom hole location in the SE/4 NW/4 (Unit F) of Section 12 to a bottom hole location in the SE/4 NW/4 (Unit F) of Section 12 to a bottom hole location in the SE/4 NW/4 (Unit F) of Section 12 to a bottom hole location in the SE/4 NW/4 (Unit F) of Section 12 to a bottom hole location in the SE/4 NW/4 (Unit M) of Section 13. The completed intervals of the wells will be orthodox. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs, the designation of Applicant as the operator of the well, and a 200% charge for the risk involved in drilling and completing the wells. The wells are located approximately 13 miles west of Jal, New Mexico.

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COG Operating Lage 15 of 65 Case No. 23334

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Dedicated Acres 960	Joint o	r Infill C	onsolidation	Code	Order 1	No.					
ETP 2540' FSL & 232 Y=417501.8 X=781378.2 LAT.=32.14456 LONG.=103.4242 <u>GRID AZ. 10</u> 135°19'15" LEASE. X–1	N E 33' W FTP 33 [⊕]		$AZ. = \frac{179.32'24''}{ \text{ Dist.}} = \frac{179.32'24''}{ \text{ T770.2'}} + \dots + \underbrace{AZ. = \frac{179}{ \text{ Dist.}} = \frac{179.32'24''}{ \text{ Dist.}}$	 			$\frac{SURF}{Y=}$ $X=$ $LAT.=$ $LONG.=$ $\frac{PC}{1}$ $\frac{Y}{2}$ $\frac{Y}{3}$ $\frac{Y}{4}$ $\frac{Y}{3}$ $\frac{Y}{5}$ $\frac{Y}{5}$	AD 27 NME FACE LOCATION e418320.8 N =780568.4 E =32.146834' N =103.426827' W DINT LEGEND X=420224.8 N X=779029.7 E Y=417585.8 N X=779078.8 E Y=412315.7 N X=779098.3 E Y=41947.3 N X=779098.3 E Y=412315.7 N X=779098.3 E Y=412315.7 N X=779098.3 E Y=409669.3 N X=77911.1 E	including the or has a right location pursu owner of such or to a volunt compulsory poo by the division Signature Printed Nam E-mail Addres SURVEY(C I hereby shown on this notes of actua under my supe	Da	e location than than interest, interest, interest, e entered te TION I location m field ne or e same is
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COG Operating LLC Case No. 23334 Exhibit A-4

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Bandana Fed Com Wolfcamp Unit Sections 13 & S2 of Section 12 T25S R34E Lea County, New Mexico

Unit Working Interest

COG Operating LLC	92.72659000%
Chevron U.S.A. Inc.	6.25000000%
Oxy Y-1 Company	1.02341000%
Total WI	100.0000000%

<u>Tract 1 – S2 Section 12 – T25S-R34E</u>	
COG Operating LLC	1.0000000
Total	1.0000000
<u>Tract 2- NE4, E2NW Section 13 – T25S-R34E</u>	
COG Operating LLC	.75000000
Chevron U.S.A. Inc.	.25000000
Total	1.0000000
Tract 3 - NWNW Section 13 – T25S-R34E	
COG Operating LLC	1.0000000
Total	1.0000000
Tract 4 – SWNW Section 13 – T25S-R34E	
COG Operating LLC	.75438163
Oxy Y-1 Company	.24561837
Total	1.0000000
<u>Tract 5 - S2 Section 13 – T25S-R34E</u>	
COG Operating LLC	1.0000000
Total	1.0000000

Pooling Notification List

Working Interest Owners

Chevron U.S.A. Inc 1400 Smith Street Houston, TX 77002

Oxy Y-1 Company 5 Greenway Plaza, Suite 110 Houston, TX 77056

Overriding Royalty Interest Owners

Allar Development LLC P.O. Box 1567 Graham, TX 76450

Crownrock Minerals, L.P. P.O. Box 51933 Midland, TX 79710

EOG Resources, Inc. 105 South Fourth Street Artesia, NM 88210-2123

John Lawrence Thoma, Trustee Cornerstone Family Trust P.O. Box 17656 Golden, CO 80402

Marathon Oil Permian LLC 5555 San Felipe Street Houston, TX 77056

Regen Royalty Corp. P.O. Box 210 Artesia, NM 88211-0210



Sean P. Miller, CPL Sr. Land Negotiator

600 W. Illinois Ave Midland, TX 79701 Sean.Miller@conocophillips.com

December 1, 2022

Via Federal Express

Chevron U.S.A. Inc. Attn: NOJV Group 6301 Deauville, Blvd Midland, TX 79706

Re: <u>Bandana Federal Com 702H - 704H</u> Township 25 South – Range 34 East, N.M.P.M. Section 12: S2 Section 13: All Lea County, New Mexico Containing 960.0 ac – Wolfcamp formation

Chevron U.S.A. Inc.:

COG Operating LLC ("COG"), as Operator, hereby proposes to drill the following wells located in the S2 of Section 12, and All of Section 13, 25S-34E, Lea County, New Mexico:

- **BANDANA FED COM 702H**, to be drilled to a depth sufficient to test the Wolfcamp formation at an approximate total vertical depth of 12,938 feet. The estimated surface hole location for this well is proposed at approximately 2380' FNL, 1505' FEL of Section 12 or a location in unit letter G of Section 12. The first take point for this well is estimated at approximately 2540' FSL, 1650' FEL of Section 12, and the last take point is estimated at approximately 100 FSL, 1650 FEL of Section 13. The estimated bottom hole location for this well is proposed at approximately 50 FSL, 1650' FEL of Section 13 or a legal location in Unit B of Section 13. The total estimated cost to drill and complete said well is \$9,648,009.00 as shown on the attached Authority for Expenditure ("AFE").
- **BANDANA FED COM 703H**, to be drilled to a depth sufficient to test the Wolfcamp formation at an approximate total vertical depth of 12,918 feet. The estimated surface hole location for this well is proposed at approximately 1913' FNL, 1518' FWL of Section 12 or a location in unit letter F of Section 12. The first take point for this well is estimated at approximately 2540' FSL, 2310' FWL of Section 12, and the last take point is estimated at approximately 100 FSL, 2310 FWL of Section 13. The estimated bottom hole location for this well is proposed at approximately 50 FSL, 2310' FWL of Section 13 or a legal location in Unit F of Section 13. The total estimated cost to drill and complete said well is \$9,648,009.00 as shown on the attached Authority for Expenditure ("AFE").
- **BANDANA FED COM 704H**, to be drilled to a depth sufficient to test the Wolfcamp formation at an approximate total vertical depth of 12,871 feet. The estimated surface hole location for this well is proposed at approximately 1878' FNL, 1469' FWL of Section 12 or a location in unit letter F of Section 12. The first take point for this well is estimated at approximately 2540' FSL, 990' FWL of Section 12, and the last take point is estimated at approximately 100 FSL, 990' FWL of Section 13. The estimated bottom hole location for this well is proposed at approximately 50 FSL, 990' FWL of Section 13 or a legal location in Unit E of Section 13. The total estimated cost to drill and complete said well is \$9,648,009.00 as shown on the attached Authority for Expenditure ("AFE").

COG Operating LLC Case No. 23334 Exhibit A-5 COG is proposing to drill these wells under the terms of the modified 1989 AAPL form of Operating Agreement which is enclosed for your review and approval. The Operating Agreement covers S2 of Section 12 and all of Section 13, Township 25 South – Range 34 East, N.M.P.M.. If has the following general provisions:

- 100/300 Non-Consenting Penalty
- \$8,000/\$800 Drilling and Producing Rate
- COG Operating LLC named as Operator

If you do not wish to participate, COG proposes to acquire your interest via term assignment. It has the following general provisions:

- 3 year primary term
- Delivering a 75% NRI, proportionately reduced
- \$2,000 per net acre bonus consideration

The Term Assignment offer terminates December 31, 2022 and is subject to the approval of COG's management and verification of title. If an agreement cannot be reached within 30 days of the date of this letter, COG will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a spacing unit for the proposed well if uncommitted at such time.

Please indicate your participation elections in the spaces provided below, sign, and return this letter, along with a signed copy of the enclosed AFEs and fully executed signature pages to the JOA, in the enclosed postage paid envelope.

If you have any questions, please do not hesitate to contact me at 432-818-2371.

Respectfully,

Sean Miller, CPL Sr. Land Negotiator

Bandana Federal Com 601H – 604H Page 3

Bandana Fed Com 702H

 I/We hereby elect to participate in the Bandana Fed Com 702H.
I/We hereby elect <u><i>not</i></u> to participate in the Bandana Fed Com 702H.
Bandana Fed Com 703H
 I/We hereby elect to participate in the Bandana Fed Com 703H.
I/We hereby elect <u>not</u> to participate in the Bandana Fed Com 703H.
-
Bandana Fed Com 704H
 I/We hereby elect to participate in the Bandana Fed Com 704H.
I/We hereby elect <i>not</i> to participate in the Bandana Fed Com 704H.

Company:	
By:	
Name:	
Title:	
Date:	

Project Cost Summary

Released to Imaging: 2/28/2023 9:04:33 AM



 Well Name
 BANDANA FED COM 702H

 Job Type
 Drill and Complete

 State
 New Mexico - 30

 County/Parish
 Lea - 025

Cost Feature Group	Drilling	Completions	Pumping Equipment	Facilities
A000: CASING & TUBING	\$1,027,000.00		\$60,000.00	
B000: WELLHEAD, XMAS TREE, AND ASST EQUIPT	\$70,000.00	\$10,000.00	\$44,000.00	
C000: COMPLETION EQUIPMENT & OTHER			\$117,500.00	\$1,841,564.00
D000: LOCATION (WELLSITE RELATED)	\$188,500.00	\$5,000.00	\$4,000.00	\$100,440.00
E000: RIGS & RIG RELATED	\$771,000.00		\$18,600.00	
F000: DRILLING & COMPLETION UTILITIES (ALL)	\$146,000.00	\$655,000.00		
G000: FLUID AND CHEMICALS SERVICES	\$193,725.00	\$25,000.00		
H000: DIRECTIONAL DRILLING / MWD / LWD	\$262,900.00			
J000: CEMENTING MATERIALS, SERVICES, AND CSG ACCS	\$235,760.00			
K000: FORMATION EVALUATION	\$42,000.00			
M000: COMPLETION & TESTING		\$10,000.00		
N000: FORMATION STIMULATION & TREATING		\$1,196,000.00		
0000: CERTIFICATION, INSPECT, CONTROL & TEST				
P000: TRANSPORTATION SUPPLY & DISPOSAL		\$406,500.00	\$19,500.00	
Q000: DRLG TOOLS & EQPT RNTAL W/WO OPR	\$252,450.00	\$303,000.00	\$11,550.00	
R000: BITS & MILLS	\$85,000.00			
S000: SPECIAL SERVICES	\$102,500.00	\$201,000.00	\$6,100.00	
T000: MISCELLANEOUS	\$302,400.00	\$113,200.00	\$36,000.00	\$267,195.00
U000: PERFORATING & SLICKLINE SERVICES		\$257,000.00	\$8,500.00	
V000: ENG & CONSTRUCTION(E&C), CONSLT, R&D			\$15,000.00	
W000: GENERAL FEES	\$42,500.00		\$8,000.00	
X000: CONOCOPHILLIPS LABOR & OVERHEAD	\$5,400.00	\$27,500.00		\$11,725.00
Y000: TOTALS, CONTINGENCY & MISCELLANEOUS	\$77,000.00	\$65,000.00		
Grand Total	\$3,804,135.00	\$3,274,200.00	\$348,750.00	\$2,220,924.00

Grand Total (\$)

9,648,009.00

Approved By:

Last Edited By Last Edited Date Luis Ortega Jun 06, 2022
 Approved By
 Luis Ortega

 Approved Date
 Jun 06, 2022

ConocoPhillips

<u>г</u>

Date

Project Cost Summary



This document contains proposed and estimated project cost information which is proprietary and confidential to ConocoPhillips.

Well Name	BANDANA FED COM 703H			
Job Type	Drill and Complete			
State	New Mexico			
County/Parish	Lea - 025			

Released to Imaging: 2/28/2023 9:04:33 AM

State	New Mexico - 30				
County/Parish	Lea - 025				
			Grand	[Total	
		Drilling	Completions	Pumping Equipment	Facilities
Cost Feature Group	1877-1977		Completions	\$60,000.00	Tucinues
A000: CASING & TUBING		\$1,027,000.00	\$10,000.00		
B000: WELLHEAD, XMAS TREE,		\$70,000.00	\$10,000.00	\$117,500.00	\$1,841,564.00
C000: COMPLETION EQUIPMENT			\$5,000.00		\$1,041,504.00
D000: LOCATION (WELLSITE RE	LATED)	\$188,500.00	\$5,000.00		\$100,440.00
E000: RIGS & RIG RELATED		\$771,000.00		\$18,600.00	
F000: DRILLING & COMPLETION	UTILITIES (ALL)	\$146,000.00	\$655,000.00	}	
G000: FLUID AND CHEMICALS S	ERVICES	\$193,725.00	\$25,000.00		
H000: DIRECTIONAL DRILLING	/ MWD / LWD	\$262,900.00			
J000: CEMENTING MATERIALS,	SERVICES, AND CSG ACCS	\$235,760.00			
K000: FORMATION EVALUATION	1	\$42,000.00			
M000: COMPLETION & TESTING			\$10,000.00		
N000: FORMATION STIMULATIC	N & TREATING		\$1,196,000.00		
0000: CERTIFICATION, INSPECT	F, CONTROL & TEST				
P000: TRANSPORTATION SUPPL	Y & DISPOSAL		\$406,500.00	\$19,500.00	
Q000: DRLG TOOLS & EQPT RN	TAL W/WO OPR	\$252,450.00	\$303,000.00	\$11,550.00	
R000: BITS & MILLS		\$85,000.00			
S000: SPECIAL SERVICES		\$102,500.00	\$201,000.00	\$6,100.00	
T000: MISCELLANEOUS		\$302,400.00	\$113,200.00	\$36,000.00	\$267,195.00
U000: PERFORATING & SLICKLI	NE SERVICES		\$257,000.00	\$8,500.00	
V000: ENG & CONSTRUCTION(E	&C), CONSLT, R&D			\$15,000.00	
W000: GENERAL FEES		\$42,500.00		\$8,000.00	
X000: CONOCOPHILLIPS LABOR & OVERHEAD		\$5,400.00	\$27,500.00		\$11,725.00
Y000: TOTALS, CONTINGENCY 8	& MISCELLANEOUS	\$77,000.00	\$65,000.00		
	rand Total	\$3,804,135.00	\$3,274,200.00	\$348,750.00	\$2,220,924.00
	Grand To	tal (S)		9,648,009.0	0

Date

Approved By:

Last Edited By

Last Edited Date

Luis Ortega Jun 06, 2022

Approved By Luis Ortega Approved Date Jun 06, 2022

Project Cost Summary



This document contains proposed and estimated project cost information which is proprietary and confidential to ConocoPhillips.

We Jol Sta Co

ell Name	BANDANA FED COM 704H				
ор Туре	Drill and Complete				
ate	New Mexico - 30				
ounty/Parish	Lea - 025				

	Grand Total				
Cost Feature Group	Drilling	Completions	Pumping Equipment	Facilities	
A000: CASING & TUBING	\$1,027,000.00		\$60,000.00		
6000: WELLHEAD, XMAS TREE, AND ASST EQUIPT	\$70,000.00	\$10,000.00	\$44,000.00		
C000: COMPLETION EQUIPMENT & OTHER			\$117,500.00	\$1,841,564.00	
D000: LOCATION (WELLSITE RELATED)	\$188,500.00	\$5,000.00	\$4,000.00	\$100,440.00	
E000: RIGS & RIG RELATED	\$771,000.00		\$18,600.00		
F000: DRILLING & COMPLETION UTILITIES (ALL)	\$146,000.00	\$655,000.00			
G000: FLUID AND CHEMICALS SERVICES	\$193,725.00	\$25,000.00			
H000: DIRECTIONAL DRILLING / MWD / LWD	\$262,900.00				
3000: CEMENTING MATERIALS, SERVICES, AND CSG ACCS	\$235,760.00			·	
K000: FORMATION EVALUATION	\$42,000.00				
M000: COMPLETION & TESTING		\$10,000.00			
N000: FORMATION STIMULATION & TREATING		\$1,196,000.00			
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R000: BITS & MILLS	\$85,000.00				
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U000: PERFORATING & SLICKLINE SERVICES		\$257,000.00	\$8,500.00		
V000: ENG & CONSTRUCTION(E&C), CONSLT, R&D			\$15,000.00		
W000: GENERAL FEES	\$42,500.00		\$8,000.00		
X000: CONOCOPHILLIPS LABOR & OVERHEAD	\$5,400.00	\$27,500.00	•	\$11,725.00	
Y000: TOTALS, CONTINGENCY & MISCELLANEOUS	\$77,000.00	\$65,000.00			
Grand Total	\$3,804,135.00	\$3,274,200.00	\$348,750.00	\$2,220,924.00	

Grand Total (\$)

Date

Approved By:

Last Edited By Last Edited Date Luis Ortega Jun 06, 2022

Luis Ortega Approved By Jun 06, 2022 Approved Date

9,648,009.00

Received by OCD: 2/28/2023 8:59:02 AM

TOWNSHIP 25 SOUTH – RANGE 34 EAST LEA COUNTY, NEW MEXICO





Wolfbone wells operated by COG Operating LLC



Marathon operator (all formations)



COG, EOG Resources, OXY Y-1, Yates Industries LLC WI owners



No Development; COG Operating LLC 100 WI%

Matador wells operated (WC); Matador 100% WI (BS)

No	Well	SHL	BHL
1	Bandana Federal Com 601H	2380' FNL 1475 FEL	50 FSL 1000 FEL
2	Bandana Federal Com 602H	2380 FNL 1535 FEL	50 FSL 2320 FEL
3	Bandana Federal Com 603H	1896 FNL 1493 FWL	50 FSL 1640 FWL
4	Bandana Federal Com 604H	1861 FNL 1445 FWL	50 FSL 330 FWL
5	Bandana Federal Com 702H	2380 FNL 1505 FEL	50 FSL 1640 FEL
6	Bandana Federal Com 703H	1913 FNL 1518 FWL	50 FSL 2320 FWL
7	Bandana Federal Com 704H	1878 FNL 1469 FWL	50 FSL 1000 FWL

COG Operating LLC Case No. 23334 Exhibit A-6

.

TOWNSHIP 25 SOUTH – RANGE 34 EAST LEA COUNTY, NEW MEXICO

OFFSET PARTIES

Working Interest Owners

Marathon Oil Permian LLC 990 Town and Country Blvd Houston, TX 77024

OXY Y-1 5 Greenway Plaza, Suite 110 Houston, TX 77046

EOG Resources, Inc. 5509 Champions Dr Midland, TX 79706

Yates Industries LLC 403 W San Francisco St Santa Fe, NM 87501

Matador Resources Company One Lincoln Center 5400 LBJ Freeway Ste 1500 INA Dallas, TX 75240

Name/Address	Proposal Mailed	Delivered	30th day	Election	Communication
Chevron U.S.A. Inc 1400 Smith Street Houston, TX 77002	12/13/2022	12/24/2022		Pool then drop if signed OA received	Email correspondance with Candace LaBron-Howard confirming WI/NRI, operations timing and JOA.
Oxy Y-1 Company 5 Greenway Plaza, Suite 110 Houston, TX 77056	12/13/2022	12/14/2022		Pool	Sent well proposal and JOA. No communication from OXY regarding their election.

COG Operating LLC Case No. 23334 Exhibit A-7

Received by OCD: 2/28/2023 8:59:02 AM

Name/Address	Ratification Mailed	Delivered	30th day	Signed (Y/N)
Allar Development LLC P.O. Box 1567 Graham, TX 76450	Y	2/8/2023		Ν
Crownrock Minerals, L.P. P.O. Box 51933 Midland, TX 79710	Y	2/7/2023		Ν
EOG Resources, Inc. 105 South Fourth Street Artesia, NM 88210-2123	Y	In transit Email confirmation from Terra Peterson EOG Houston. EOG Midland (Tracy Jordan) did receive,		Ν
John Lawrence Thoma, Trustee Cornerstone Family Trust P.O. Box 17656 Golden, CO 80402	Y	2/21/2023		Ν
Regen Royalty Corp. P.O. Box 210 Artesia, NM 88211-0210	Y	2/6/2023		Yes

Received by OCD: 2/28/2023 8:59:02 AM



RECEIVED

OCT 18 2022

EOG RESOURCES, INC MIDLAND DIVISION

October 17, 2022

EOG Resources, Inc. 5509 Champions Dr. Midland, TX 79706

Re: <u>Waiver of Notice for Bandana Fed Com Unit Non-Standard Spacing Application</u> Formation: Bone Spring & Wolfcamp (2 separate unit applications) Sec 12: S2- T25S-R34E Sec 13: All - T25S-R34E Lea County, New Mexico 960.00 acres

Land Department Representative:

COG Operating LLC ("COG"), as Operator, respectfully requests your waiver of notice and protest for our two Bandana Fed Com non-standard horizontal spacing units consisting of the above described formations ("Bandana Units").

The Bandana Units are located in Lea County, New Mexico as captioned above. COG is obtaining approval of the non-standard spacing units with the New Mexico Oil and Gas Division ("NMOCD"). The NMOCD advises that a non-standard unit designation is appropriate, rather than a standard designation, because COG will develop the spacing units utilizing three proximity wells.

The horizontal well rules require the last take point of a well to be set back from the north/south boundary of the spacing unit by at least 100' to protect correlative rights from draining offset acreage. Both of our Bandana Unit's last take points are within these parameters as you can see from the attached plats. EOG Resources' interest is located in the quarter/quarter section to the south of the last take point of the Bandana Fed Com 604H & 704H.

Given that our Bandana Units presents no drainage threat, we ask that you sign in the space indicated below and return this letter to the undersigned whether through the mail or electronic mail. The wells are scheduled to be spud next year and we intend to initiate compulsory pooling procedures with the NMOCD. With that in mind and in an effort to avoid further involvement of EOG Resources in those proceedings, we appreciate your quick response.

If you have any questions, please contact the undersigned at (432) 818-2371 or **sean.miller@conocophillips.com**. I look forward to hearing from you.

Respectfully,

Sean Miller Senior Land Negotiator

> COG Operating LLC Case No. 23334 * Exhibit A-8

COG Operating LLC is a wholly owned subsidiary of ConocoPhillips

WAIVER OF PROTEST

The undersigned hereby waives its right to notice and protest under NMAC 19.15.15.11 B(3)-(4) in connection with COG Operating LLC's application to form the Bandana Fed Com non-standard spacing units.

AGREED AND ACCEPTED:

Company: _	EOG Resources, Inc	
	72 51	
By: _	\sim	- 4 -
Name:	Keith Trasko	Enus
Title:	lice President & General Man	ager
Date:	10/21/22	0

Please return to:

Sean Miller ConocoPhillips 600 W. Illinois Ave Midland, TX 79701

Or

Sean.Miller@conocophillips.com

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

APPLICATION OF COG OPERATING LLC FOR COMPULSORY POOLING AND APPROVAL OF NON-STANDARD SPACING UNIT, LEA COUNTY, NEW MEXICO.

CASE NO. 23334

SELF-AFFIRMED STATEMENT OF DESERAE JENNINGS

1. I am a geologist for COG Operating LLC ("COG"). I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division ("Division") by affidavit, and my credentials as an expert in geology were accepted and made a matter of record.

2. I am familiar with the geological matters that pertain to the above-referenced case.

3. Exhibit B-1 is a location map of the proposed horizontal spacing unit ("Unit"). The approximate wellbore paths for the proposed Bandana Fed Com 702H, Bandana Fed Com 703H, and Bandana Fed Com 704H wells are represented by pink dashed lines. Existing producing wells in the targeted interval are represented by pink solid lines. Wells producing from other formations are represented by solid black lines.

4. **Exhibit B-2** is a subsea structure map for the Wolfcamp formation that is representative of the targeted interval. The approximate wellbore paths of the wells are depicted by dashed pink lines. The map demonstrates the formation is gently dipping to the northeast in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells.

COG Operating LLC Case No. 23334 Exhibit B 5. **Exhibit B-3** is a cross section map that identifies three wells penetrating the targeted intervals used to construct a structural cross-section from A to A'. I used these well logs because they penetrate the targeted intervals, are of good quality, and are representative of the geology in the area.

6. **Exhibit B-4** is a stratigraphic cross-section using the representative wells identified on Exhibit B-3. It contains gamma ray, resistivity and porosity logs. The proposed landing zone for the wells are labeled on the exhibit. This cross-section demonstrates the target intervals are continuous across the area.

7. In my opinion, a standup orientation for the wells is appropriate to properly develop the subject acreage because of consistent rock properties throughout the Unit and the lack of preferred fracture orientation in this portion of the trend.

8. Based on my geologic study of the area, the targeted interval underlying the Unit is suitable for development by horizontal wells and the tracts comprising the Unit will contribute more or less equally to the production of the wells.

9. In my opinion, the granting of COG's application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

10. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.

11. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm my testimony 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 identified next to my signature below.

Deserae Jennings prin flattide 2-7.3-2023

Date



Bandana Fed Com 702H-704H





COG Operating LLC Case No. 23334 Exhibit B-1 Page 36 of 65


Bandana Fed Com 702H-704H





COG Operating LLC Case No. 23334 Exhibit B-2





Bandana Fed Com 702H-704H





Bandana Fed Com 702H-704H – Cross Section



Woflcamp A Shale Target Zone

COG Operating LLC Case No. 23334 Exhibit B-4



Page 39 of 65

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

APPLICATION OF COG OPERATING LLC FOR COMPULSORY POOLING AND APPROVAL OF NON-STANDARD SPACING UNIT, LEA COUNTY, NEW MEXICO.

CASE NO. 23334

SELF-AFFIRMED STATEMENT OF DANA S. HARDY

1. I am attorney in fact and authorized representative of COG Operating LLC the Applicant herein.

2. I am familiar with the Notice Letter attached as **Exhibit C-1** and caused the Notice Letter, along with the Application in this case, to be sent to the parties set out in the chart attached as **Exhibit C-2**.

3. Exhibit C-2 also provides the date each Notice Letter was sent and the date each return was received.

4. Copies of the certified mail green cards and white slips are attached as Exhibit C-3 as supporting documentation for proof of mailing and the information provided on Exhibit C-2.

5. On February 7, 2023, I caused a notice to be published to all interested parties in the Hobbs News-Sun. An Affidavit of Publication from the Legal Clerk of the Hobbs News-Sun, along with a copy of the notice publication, is attached as **Exhibit C-4**.

6. I understand this Self-Affirmed Statement will be used as written testimony in the subject cases. I affirm that my testimony above is true and correct and it made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

<u>/s/ Dana S. Hardy</u> Dana S. Hardy February 24, 2022 Date

> COG Operating LLC Case No. 23334 Exhibit C



HINKLE SHANOR LLP

ATTORNEYS AT LAW P.O. BOX 2068 SANTA FE, NEW MEXICO 87504 505-982-4554 (FAX) 505-982-8623

January 27, 2023

WRITER: Dana S. Hardy, Partner dhardy@hinklelawfirm.com

<u>VIA CERTIFIED MAIL</u> <u>RETURN RECEIPT REQUESTED</u>

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case Nos. 23333 & 23334 – Applications of COG Operating LLC, for Compulsory Pooling and Approval of Non-Standard Spacing Unit, Lea County, New Mexico.

To whom it may concern:

This letter is to advise you that the enclosed applications were filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **March 2, 2023** beginning at 8:15 a.m.

Hearings are currently conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <u>https://www.emnrd.nm.gov/ocd/hearing-info/</u>. 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.

Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. Mountain Time, on the Thursday preceding the scheduled hearing date. The statement must be submitted through the OCD E-Permitting system (https://wwwapps.emnrd.nm.gov/OCD/OCDPermitting) or via e-mail to ocd.hearing@emnrd.nm.gov 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.

Please contact Sean P. Miller, CPL, Senior Land Negotiator for COG Operating LLC, by phone at (432) 818-2371 if you have questions regarding this matter.

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

COG Operating LLC Case No. 23334 Exhibit C-1

Enclosure

PO BOX 10 ROSWELL, NEW MEXICO 88202 (575) 622-6510 FAX (575) 623-9332 7601 JEFFERSON ST NE · SUITE 180 ALBUQUERQUE, NEW MEXICO 87109 505-858-8320 (FAX) 505-858-8321 PO BOX 2068 SANTA FE, NEW MEXICO 87504 (505) 982-4554 FAX (505) 982-8623



HINKLE SHANOR LLP

ATTORNEYS AT LAW P.O. BOX 2068 SANTA FE, NEW MEXICO 87504 505-982-4554 (FAX) 505-982-8623

January 27, 2023

WRITER: Dana S. Hardy, Partner dhardy@hinklelawfirm.com

<u>VIA CERTIFIED MAIL</u> <u>RETURN RECEIPT REQUESTED</u>

TO ALL OFFSET INTEREST OWNERS

Re: Case Nos. 23333 & 23334 – Applications of COG Operating LLC, for Compulsory Pooling and Approval of Non-Standard Spacing Unit, Lea County, New Mexico.

To whom it may concern:

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Please contact Sean P. Miller, CPL, Senior Land Negotiator for COG Operating LLC by phone at (432) 818-2371 if you have questions regarding this matter.

Sincerely,

/s/ Dana S. Hardy Dana S. Hardy

Enclosure

PO BOX 10 ROSWELL, NEW MEXICO 88202 (575) 622-6510 FAX (575) 623-9332 7601 JEFFERSON ST NE · SUITE 180 ALBUQUERQUE, NEW MEXICO 87109 505-858-8320 (FAX) 505-858-8321



HINKLE SHANOR LLP

ATTORNEYS AT LAW P.O. BOX 2068 SANTA FE, NEW MEXICO 87504 505-982-4554 (FAX) 505-982-8623

February 10, 2023

WRITER: Dana S. Hardy, Partner dhardy@hinklelawfirm.com

<u>VIA CERTIFIED MAIL</u> <u>RETURN RECEIPT REQUESTED</u>

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case Nos. 23333 & 23334 – Applications of COG Operating LLC, for Compulsory Pooling and Approval of Non-Standard Spacing Unit, Lea County, New Mexico.

To whom it may concern:

This letter is to advise you that the enclosed applications were filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **March 2, 2023** beginning at 8:15 a.m.

Hearings are currently conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <u>https://www.emnrd.nm.gov/ocd/hearing-info/</u>. 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.

Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. Mountain Time, on the Thursday preceding the scheduled hearing date. The statement must be submitted through the OCD E-Permitting system (https://wwwapps.emnrd.nm.gov/OCD/OCDPermitting) or via e-mail to ocd.hearing@emnrd.nm.gov 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.

Please contact Sean P. Miller, CPL, Senior Land Negotiator for COG Operating LLC, by phone at (432) 818-2371 if you have questions regarding this matter.

Sincerely,

/s/ Dana S. Hardy Dana S. Hardy

Enclosure

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

APPLICATION OF COG OPERATING LLC FOR COMPULSORY POOLING AND APPROVAL OF NON-STANDARD SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE Nos. 23333 & 23334

WI AND ORRI NOTICE LETTER CHART

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
Allar Development LLC	01/27/23	02/13/23
P.O. Box 1567		
Graham, TX 76450		
Chevron Midcontinent, L.P.	01/27/23	02/08/23
1400 Smith Street		
Houston, TX 77002		
Chevron U.S.A. Inc.	01/27/23	02/07/23
1400 Smith Street		
Houston, TX 77002		
Crownrock Minerals, L.P.	01/27/23	Latest USPS Update
P.O. Box 51933		(Last Checked $02/24/23$)
Midland, TX 79710		, , , , , , , , , , , , , , , , , , ,
		01/30/23 – Item delivered
		to front desk/reception
		area/mail room.
EOG Resources, Inc.	01/27/23	02/01/23
105 South Fourth Street		
Artesia, NM 88210-2123		
Marathon Oil Permian LLC	01/27/23	2/10/23
5555 San Felipe Street		Return to sender.
Houston, TX 77056		New letter sent to address
		below.
Marathon Oil Permian, LLC	2/10/23	02/17/23
990 Town and Country Boulevard		
Houston, Texas 77024		
Oxy Y-1 Company	01/27/23	02/08/23
5 Greenway Plaza, Suite 110		
Houston, TX 77046		No signature.
Regen Royalty Corp.	01/27/23	02/01/23
P.O. Box 210		
Artesia, NM 88211-0210		
John Lawrence Thoma, Trustee	01/27/23	02/23/23
Cornerstone Family Trust		
P.O. Box 17656		
Golden, CO 80402		

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

APPLICATION OF COG OPERATING LLC FOR COMPULSORY POOLING AND APPROVAL OF NON-STANDARD SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE Nos. 23333 & 23334

OFFSET NOTICE LETTER CHART

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
Bureau of Land Management	01/27/23	02/03/23
301 Dinosaur Trail		
Santa Fe, NM 87508		
Bureau of Land Management	01/27/23	02/02/23
620 E. Greene St.		
Carlsbad, NM 88220		
EOG Resources, Inc.	01/27/23	02/06/23
5509 Champions Dr		
Midland, TX 79706		
Marathon Oil Permian LLC	01/27/23	02/13/23
990 Town and Country Blvd		
Houston, TX 77024		
Matador Resources Company	01/27/23	02/08/23
One Lincoln Center		
5400 LBJ Freeway Ste 1500 INA		
Dallas, TX 75240		
OXY Y-1	01/27/23	02/07/23
5 Greenway Plaza, Suite 110		
Houston, TX 77046		
Yates Industries LLC	01/27/23	02/02/23
403 W San Francisco St		
Santa Fe, NM 87501		





Received by OCD: 2/28/2023 8:59:02 AM

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1 2000	Extra Services & Fees (check box, add fee as appropriate) Return Receipt (lardcopy) Cortified Mall Restricted Delivery Adult Signature Restricted Delivery Postage Adult Signature Restricted Delivery Continue Restried Restricted Delivery Continue Restricted Restrict
1670	Postage \$ Total Postage and Fees \$ Sent To
r-	Sent To Chevron Midcontinent, L.P. Street and A, 1400 Smith Street Houston, TX 77002 City, State, 2 2333-34 - COG Bandana (W//ORRI)



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日	Postage		
0600	\$ MAIN POST		
7020	Sent To Oxy Y-1 Company		
70	Street and Apt 5 Greenway Plaza, Suite 110 Houston, TX 77046		
	City, State, Zil 23333-34 - COG Bandana (Wi/ORRI) PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions		





SENDER: COMPLETE THIS SECTION COMPLETE THIS SECTION ON DELIVERY Complete items 1, 2, and 3. A. Signature Print your name and address on the reverse D Agent X so that we can return the card to you. Addressee Attach this card to the back of the mailpiece, B. Received by (Printed Name) Date of Delivery C. or on the front if space permits. Joul W. Miller 1. Article Addressed to: D. Is delivery address different from item 1? Yes If YE No No Regen Royalty Corp. P.O. Box 210 FEB -1 2023 Artesia, NM 89-11-0210 33-34 - COG Bandana (WI/ORRI) Hinkle Shanor LLP Santa Fe NM 8759 Registered Mail Restrict Registered Mail Restrict 3. Service Type 3. Service type Adult Signature Santa Fe NM 87 Adult Signature Restricted Delivery Certified Mail Restricted Delivery Certified Mail Restricted Delivery Collect on Delivery Collect on Delivery Restricted Delivery Insured Meil Registered Mail Restricted Delivery 9590 9402 7543 2098 9383 16 □ Signature Confirmation™ □ Signature Confirmation 2. Article Number (Transfer from service label) **Restricted Delivery** □ Insured Mail □ Insured Mail Restricted Delivery (over \$500) 7021 0950 0002 0374 1302 PS Form 3811, July 2020 PSN 7530-02-000-9053 **Domestic Return Receipt**

































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FAQs



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 February 07, 2023 and ending with the issue dated February 07, 2023.

lassel

Publisher

Sworn and subscribed to before me this 7th day of February 2023.

wh Black

Business Manager

My commission expires January 29, 2027 (Seal) STATE OF NEW MEXICO NOTARY PUBLIC GUSSIE RUTH BLACK COMMISSION # 1087526

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

COMMISSION EXPIRES 01/29/2027

LEGAL NOTICE February 7, 2023

This is to notify all interested parties, including Bureau of Land Management, EOG Resources, Inc., Marathon Oil Permian, LLC, Matador Resources Company, Oxy Y-1 Company, Yates Industries, LLC, Allar Development, LLC, Chevron Midcontinent, L.P., Chevron U.S.A., Inc., Crownrock Minerals, L.P., Regen Royalty Corp., John Lawrence Thoma, Trustee Cornerstone Family Trust, and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by COG Operating LLC (Case No. 23334). The hearing will be conducted remotely on March 2, 2023, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website for that date: https://www.emnrd.nm.gov/ocd/hearinginfo/. Applicant applies for an order: (1) establishing a 960-acre, more or less, non-standard horizontal spacing unit comprised of S/2 of Section 12 and all of Section 13, Township 25 South, Range 34 East, Lea County, New Mexico ("Unit"): and (2) pooling all uncommitted interests in the Wolfcamp formation underlying the Unit. The Unit will be dedicated to the following wells: **Bandana Fed Com 702H**, to be drilled from a surface hole location in the SW/4 NE/4 (Unit G) of Section 12 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 13; **Bandana Fed Com 703H**, to be drilled from a surface hole location in the SE/4 NW/4 (Unit F) of Section 12 to a bottom hole location in the SE/4 SW/4 (Unit F) of Section 12 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 13. The completed intervals of the wells will be orthodox. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs, the designation of Applicant as the operator of the well, and a 200% charge for the risk involved in drilling and completing the wells. The wells are located approximately 13 miles west of Jal, New Mexico.

02107475

GILBERT HINKLE, SHANOR LLP PO BOX 2068 SANTA FE, NM 87504 00275569

COG Operating LLC Case No. 23334 Exhibit C-4