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, EDDY COUNTY, NEW MEXICO

CASE NO. 23304

EXHIBIT INDEX

Compulsory Pooling Checklist

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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, EDDY COUNTY, NEW MEXICO

CASE NO. 23304

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 January 10, 2023

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

23304	APPLICANT'S RESPONSE
Date	April 6, 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, Eddy County, New Mexico
Entries of Appearance/Intervenors:	Chevron U.S.A. Inc.
Well Family	Flaming Snail
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring
Pool Name and Pool Code:	Hay Hollow; Bone Spring, North (Code 30216)
Well Location Setback Rules:	Statewide
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	1,920
Building Blocks:	quarter-quarter
Orientation:	North/South
Description: TRS/County	Sections 28 and 33 of Township 25 South, Range 27 East, and
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and is</u> <u>approval of non-standard unit requested in this application?</u>	Section 4 of Township 26 South, Range 27 East, Eddy County No, approval of non-standard unit requested in this application.
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	Exhibit A-3
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	Flaming Snail Fed Com 501H (API #) SHL: 805' FNL & 975' FEL (Unit A), Section 28, T25S, R27E BHL: 50' FSL & 330' FEL (Unit P), Section 4, T26S, R27E Completion Target: Bone Spring Formation (Approx. 7,580' TVD)

Received by OCD: 3/30/2023 4:55:56 PM	Page 4 of 80
	Flaming Snail Fed Com 502H (API #) SHL: 805' FNL & 1035' FEL (Unit A), Section 28, T25S, R27E BHL: 50' FSL & 1570' FEL (Unit O), Section 4, T26S, R27E Completion Target: Bone Spring Formation
	(Approx. 7,556' TVD)
	Flaming Snail Fed Com 503H (API #) SHL: 957' FNL & 1589' FWL (Unit C), Section 28, T25S, R27E BHL: 50' FSL & 2390' FWL (Unit N), Section 4, T26S, R27E Completion Target: Bone Spring Formation (Approx. 7,553' TVD)
	Flaming Snail Fed Com 504H (API #) SHL: 957' FNL & 1529' FWL (Unit C), Section 28, T25S, R27E BHL: 50' FSL & 990' FWL (Unit M), Section 4, T26S, R27E Completion Target: Bone Spring Formation (Approx. 7,527' TVD)
	Flaming Snail Fed Com 520H (API #) SHL: 805' FNL & 1005' FEL (Unit A), Section 28, T25S, R27E BHL: 50' FSL & 990' FEL (Unit P), Section 4, T26S, R27E Completion Target: Bone Spring Formation (Approx. 7,959' TVD)
	Flaming Snail Fed Com 521H (API #) SHL: 957' FNL & 1559' FWL (Unit C), Section 28, T25S, R27E BHL: 50' FSL & 1570' FWL (Unit N), Section 4, T26S, R27E Completion Target: Bone Spring Formation (Approx. 7,939' TVD)
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-7
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-1
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-3
Tract List (including lease numbers and owners) If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	Exhibit A-3 Exhibit A-6
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
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Sample Copy of Proposal Letter	Exhibit A-7
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-8
Overhead Rates In Proposal Letter	Exhibit A-7, \$8000/\$800
Cost Estimate to Drill and Complete	Exhibit A-7
Cost Estimate to Equip Well	Exhibit A-7
Cost Estimate for Production Facilities	Exhibit A-7
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-2
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-4
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-2
Well Bore Location Map	Exhibit B-2
Structure Contour Map - Subsea Depth	Exhibits B-3, B-6
Cross Section Location Map (including wells)	Exhibit B-4, B-7
Cross Section (including Landing Zone)	Exhibits B-5, B-8
Gross Isopach Map	N/A
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provide	ded 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:	3/30/2023

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, EDDY COUNTY, NEW MEXICO.

CASE NO. 23304

SELF-AFFIRMED STATEMENT OF SHELLEY C. KLINGLER

1. I am a Staff 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 previously testified before the New Mexico Oil Conservation Division ("Division") and my credentials as an expert in petroleum land matters were accepted and made a matter of record.

2. I have been directly involved in development of the horizontal spacing units that are the subject of COG's applications, and I am familiar with the objection filed by Chevron U.S.A. Inc. ("Chevron"). Chevron has not filed competing pooling applications or proposed its own development plan for any of the acreage included in COG's proposed horizontal spacing unit.

3. A copy of COG's application and proposed notice is attached as **Exhibit A-1**.

4. COG seeks an order: (1) establishing a 1,920-acre, more or less, non-standard horizontal spacing unit comprised of Sections 28 and 33 of Township 25 South, Range 27 East, and Section 4 of Township 26 South, Range 27 East, Eddy County, New Mexico ("Unit"); and (2) pooling all uncommitted interests in the Bone Spring formation underlying the Unit. The Unit will be dedicated to the following wells ("Wells"):

• Flaming Snail Fed Com 501H and Flaming Snail Fed Com 520H, to be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 28,

COG Operating LLC Case No. 23304 Exhibit A Township 25 South, Range 27 East, to bottom hole locations in the SE/4 SE/4 (Unit P) of Section 4, Township 26 South, Range 27 East;

- Flaming Snail Fed Com 502H, to be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 28, Township 25 South, Range 27 East, to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 4, Township 26 South, Range 27 East;
- Flaming Snail Fed Com 503H and Flaming Snail Fed Com 521H, to be drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 28, Township 25 South, Range 27 East, to bottom hole locations in the SE/4 SW/4 (Unit N) of Section 4, Township 26 South, Range 27 East; and
- Flaming Snail Fed Com 504H, to be drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 28, Township 25 South, Range 27 East, to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 4, Township 26 South, Range 27 East.

5. The proposed Wells will be completed from North to South, and the completed intervals of the Wells will be orthodox.

6. The Wells are located in the Hay Hollow; Bone Spring; North Pool (Code 30216) With respect to well setback requirements, this pool is subject to the statewide horizontal well rules set out in NMAC 19.15.16.15. Spacing in this pool is based on quarter-quarter sections, and the Unit is constructed based on quarter-quarter sections.

7. The C-102s for the Wells are attached as **Exhibit A-2**.

8. A plat of the tracts included in the Unit and the associated ownership interests is attached as **Exhibit A-3**. Exhibit A-3 also identifies the ownership in each tract, includes a unit recapitulation, and identifies the interests COG seeks to pool highlighted in yellow.

9. COG controls 98.5417% of the working interest in its proposed Unit. COG has an operating agreement with Veritas Permian Resources III LLC ("Veritas"), and both Veritas and Occidental Petroleum have provided letters of support for COG's proposed development. Copies of those letters are attached as **Exhibit A-4.** Section 4 of the proposed Unit is under two leases. In Section 4, COG owns 71.5% of one lease and 91.7% of the second lease. Chevron owns 2.5% of one lease and 6.25% of the second lease. Thus, Chevron owns a 1.4583% interest in COG's proposed Unit.

10. There are no unlocatable interests in that COG believes it located a valid address for each party. To locate the interest owners, I performed internet searches on multiple databases, including Lexis-Nexis Accurint, which is a paid subscription service. COG has conducted a diligent search of all county public records including phone directories and computer databases.

11. COG seeks to develop the entirety of Sections 28, 33, and 4. Allowing COG to develop these three sections is the most prudent way to develop the acreage at issue and will prevent waste because COG will have the ability to coordinate development within the Unit and implement operational efficiencies, such as batch drilling and consolidated surface facilities.

12. COG's comprehensive development plan also protects correlative rights and prevents the drilling of unnecessary wells. COG will have the ability to best locate its wells within each spacing unit, and COG's plan to drill three-mile laterals will allow it to efficiently produce the underlying reserves without the setback limitations that would apply if the acreage were developed with shorter laterals.

13. COG's proposal to drill three-mile laterals will also minimize the need for surface facilities. COG plans to complete 22 wells (16 Wolfcamp and 6 Bone Spring), each 3 miles long in Sections 28, 33, and 4, and proposes to drill and operate the wells from one pad in the W/2 and one pad in the E/2 of Section 28. COG's proposal to fully develop two formations underlying three sections from only two well pads will reduce environmental, surface, and economic waste.

14. COG seeks approval of a non-standard spacing unit to obtain flexibility regarding the placement of surface facilities and the ability to consolidate those facilities to the greatest extent possible. **Exhibit A-5** is a map that shows the location of the to-be constructed surface facilities for the Wells, which are outlined in blue or black. As the map demonstrates, there will be one central tank battery located in the W/2 and one central tank battery located in the E/2. These two facilities will house Bone Spring and Wolfcamp production and will be utilized for all of the wells. Without approval of a non-standard spacing unit, COG would be required to utilize multiple tank batteries or seek commingling approval, which may or may not be granted. The ability to consolidate surface facilities reduces surface, environmental, and economic waste.

15. **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.

16. Approval of a non-standard spacing unit affords COG the flexibility to optimally locate its proposed wells. COG has determined that the most optimal spacing between wells results in the wells being located within 330' of the internal quarter-quarter section lines. Thus, applying for separate standard spacing units would require COG to seek approval of unorthodox well locations, which may or may not be approved. Approval of a non-standard spacing unit is

necessary to ensure COG is able to optimally locate its wells and, as a result, to prevent waste and protect correlative rights.

17. COG has the ability to timely locate well sites in this area. The BLM has approved COG's Applications for Permits to Drill and will allow COG to surface commingle the Bone Spring and Wolfcamp production from the same acreage. This ability allows COG to reduce the number of surface facilities, avoids the need for commingling approvals from the BLM, and reduces costs.

18. COG has contracts in place for the takeaway of gas and water.

19. **Exhibit A-7** includes a sample well proposal letter and AFEs sent to working interest owners in the Wells. The estimated cost of the Wells is fair and reasonable and is comparable to the cost of other wells of similar depth and length drilled in Eddy County.

20. A summary of COG's contacts with the pooled parties is attached as **Exhibit A-8**. In my opinion, COG has made a good faith effort to obtain the voluntary joinder of uncommitted interests in the proposed wells.

21. COG requests overhead and administrative rates of \$8,000 per month while the well is being drilled and \$800 per month while the well is producing. These rates are fair and are comparable to the rates charged by COG and by other operators in the vicinity. They are also the rates set forth in the Joint Operating Agreement for the Unit. COG further requests that the rates be adjusted periodically in accordance with the COPAS Accounting Procedure.

22. COG requests that it be designated the operator of the wells.

23. COG also requests that a 200% risk charge be assessed against the uncommitted interests if they are non-consenting working interest owners.

24. For the reasons set out above, it is my opinion that granting COG's applications would best prevent waste, protect correlative rights, and prevent the drilling of unnecessary wells. COG should be permitted to proceed with its development plan, and Chevron's objections should be rejected.

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

26. 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.

Klingler

March 28, 2023 Date

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, EDDY COUNTY, NEW MEXICO

CASE NO. 23304

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 1,920-acre, more or less, non-standard horizontal spacing unit comprised of Sections 28 and 33 of Township 25 South, Range 27 East, and Section 4 of Township 26 South, Range 27 East, Eddy County, New Mexico ("Unit"); and (2) pooling all uncommitted interests in the Bone Spring 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. Flaming Snail Fed Com 501H and Flaming Snail Fed Com 520H, to be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 28, Township 25 South, Range 27 East, to bottom hole locations in the SE/4 SE/4 (Unit P) of Section 4, Township 26 South, Range 27 East;
- Flaming Snail Fed Com 502H, to be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 28, Township 25 South, Range 27 East, to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 4, Township 26 South, Range 27 East;

COG Operating LLC Case No. 23304 Exhibit A-1

- c. Flaming Snail Fed Com 503H and Flaming Snail Fed Com 521H, to be drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 28, Township 25 South, Range 27 East, to bottom hole locations in the SE/4 SW/4 (Unit N) of Section 4, Township 26 South, Range 27 East; and
- Flaming Snail Fed Com 504H, to be drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 28, Township 25 South, Range 27 East, to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 4, Township 26 South, Range 27 East.
- 3. The completed intervals of the Wells will be orthodox.

4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all of the interest owners in the Unit.

5. The pooling of 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 permit 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 the operator of the proposed horizontal wells and the Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on February 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 horizontal wells to be drilled thereon;
- 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 P.O. Box 2068 Santa Fe, NM 87504-2068 Phone: (505) 982-4554 Facsimile: (505) 98208623 dhardy@hinklelawfirm.com jmclean@hinklelawfirm.com *Counsel for COG Operating LLC*

Application of COG Operating LLC for Compulsory Pooling and Approval of Non-Standard Spacing Unit, Eddy County, New Mexico. COG Operating LLC ("Applicant") seeks an order: (1) establishing a 1,920-acre, more or less, non-standard horizontal spacing unit comprised of Sections 28 and 33 of Township 25 South, Range 27 East, and Section 4 of Township 26 South, Range 27 East, Eddy County, New Mexico ("Unit"); and (2) pooling all uncommitted interests in the Bone Spring formation underlying the Unit. Applicant seeks to dedicate the Unit to the following proposed wells ("Wells"): the Flaming Snail Fed Com 501H and Flaming Snail Fed Com 520H, to be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 28, Township 25 South, Range 27 East, to bottom hole locations in the SE/4 SE/4 (Unit P) of Section 4, Township 26 South, Range 27 East; the Flaming Snail Fed Com 502H, to be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 28, Township 25 South, Range 27 East, to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 4, Township 26 South, Range 27 East; the Flaming Snail Fed Com 503H and Flaming Snail Fed Com 521H, to be drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 28, Township 25 South, Range 27 East, to bottom hole locations in the SE/4 SW/4 (Unit N) of Section 4, Township 26 South, Range 27 East; and the Flaming Snail Fed Com 504H, to be drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 28, Township 25 South, Range 27 East, to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 4, Township 26 South, Range 27 East. 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 Wells, and a 200% charge for the risk involved in drilling and completing the Wells. The Wells are located approximately 22 miles south of Carlsbad, New Mexico.









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FLAMING SNAIL FED COM

Secs 28 & 33, 25S-27E & Sec 4, 26S-27E

BONE SPRING 501H-504H, 520H-521H

1920 Acres in Spacing Unit				
TRACT 1 USA NMNM-92167 560 Acres		SECTION 28-255-27E		
	TRACT 2 Fee Leases	SECTION		
	320 Acres	33-25S-27E		
	TRACT 3 USA NMNM-112270 400 Acres			
TRACT 4 USA NMNM-112271 320 Acres	TRACT 5 USA NMNM-113399 320 Acres	SECTION 4-26S-27E		

Recapitulation			
Tract Number	Number of Acres Committed	Percent of Interest in Communitized Area	
1	560	0.291666667	
2	320	0.166666667	
3	400	0.208333333	
4	320	0.1666666667	
5	320	0.1666666667	
TOTAL	1920	100.0000000%	

> **COG Operating LLC** Case No. 23304 Exhibit A-3

> > .

WORKING INTEREST OWNERS OXY Y-1 COMPANY CHEVRON U.S.A. INC

ORRI OWNERS

OXY Y-1 COMPANY

- BUFFALO RIVER MINERALS, LLC
- NESTEGG ENERGY CORPORATION

	TRACT 1 NMNM-92167	TRACT 2 FEE LEASE	TRACT 3 NMNM-112270	TRACT 4 NMNM-112271	TRACT 5 NMNM-113399
LEASEHOLD INTERESTS BY TRACT	W2, NE, N2SE 28- 25S-27E 560 AC	S2SE 28-25S-27E & N2NE, SWNE, SENW, E2SW 33-25S-27E 320 AC	W2W2, NENW, SE, SENE 33-25S-27E 400 AC	NW, SE 4-26S-27E 320 AC	NE, SW 4-26S-27E 320 AC
COG OPERATING LLC	0.76000000	0.95000000	0.71500000	0.67925000	0.87083337
CONCHO OIL & GAS LLC	0.04000000	0.05000000	0.02500000	0.03575000	0.04583334
VERITAS PERMIAN RESOURCES III LLC	0.00000000	0.00000000	0.26000000	0.26000000	0.00000000
OXY Y-1 COMPANY	0.2000000	0.00000000	0.00000000	0.00000000	0.02083330
CHEVRON U.S.A. INC	0.00000000	0.00000000	0.00000000	0.02500000	0.06250000
TOTALS	1.00000000	1.0000000	1.0000000	1.0000000	1.00000000

UNIT WORKING INTEREST OWNERS TOTAL UNIT - 1920 AC	WORKING INTEREST
COG OPERATING LLC	0.7873055608
CONCHO OIL & GAS LLC	0.0388055558
VERITAS PERMIAN RESOURCES III LLC	0.0975000000
OXY Y-1 COMPANY	0.0618055500
CHEVRON U.S.A. INC	0.0145833333
TOTAL	1.000000000

PARTIES TO POOL	TYPE OF INTEREST
OXY Y-1 COMPANY	WORKING INTEREST, ORRI
CHEVRON U.S.A. INC	WORKING INTEREST
BUFFALO RIVER MINERALS, LLC	ORRI
NESTEGG ENERGY CORPORATION	ORRI



New Mexico Oil Conservation Division 1220 South St. Francis Street Santa Fe, New Mexico 87505

Re: New Mexico Oil Conservation Division Case Nos. 23303, 23304 COG Operating LLC's Flaming Snail Wells

To whom it may concern:

Veritas Permian Resources III LLC ("Veritas") is the second largest working interest owner in COG Operating, LLC's ("COG") Flaming Snail units that are the subject of Case Nos. 23303 and 23304. Veritas owns 187 acres within the Flaming Snail units, amounting to a 9.73958% working interest, and has already executed a Joint Operating Agreement with COG.

Veritas owns approximately 12,000 gross acres in Eddy and Lea Counties. In the last 4 years, Veritas and its predecessor have participated in, as a working interest owner, the drilling of over 200 horizontal wells in Eddy and Lea Counties, with a variety of different operators. This includes 11 horizontal wells with COG acting as operator. Based on Veritas' experience, we ask that you grant COG the right to drill its Flaming Snail wells as proposed. COG's proposal will best develop the acreage for the benefit of the interest owners and the state.

Thank you for your consideration of our request.

VERITAS PERMIAN RESOURCES III, LLC

ND

Mark Schumacher President & COO

COG Operating LLC Case No. 23304 Exhibit A-4

Veritas Energy, LLC | P.O. Box 10850 | Fort Worth, Texas 76114 | 817.377.9888 | veritasenergyllc.com



5 Greenway Plaza, Suite 110, Houston, Texas 77046-0521 P.O. Box 4294, Houston, Texas 77210-4294

March 30, 2023

New Mexico Oil Conservation Division 1220 South St. Francis Street Santa Fe, New Mexico 87505

RE: New Mexico Oil Conservation Division Case Nos. 23303, 23304 COG Operating LLC's Flaming Snail Wells

To whom it may concern:

OXY Y-1 Company ("OXY") is the third largest working interest owner in COG Operating, LLC's ("COG") Flaming Snail units that are the subject of Case Nos. 23303 and 23304. OXY has participated in numerous wells in Eddy and Lea Counties, including horizontal wells, with COG acting as operator. Based on Oxy's experience in the Delaware Basin, we ask that you grant COG the right to drill its Flaming Snail wells, as proposed. COG's proposal will best develop the acreage for the benefit of the interest owners.

Thank you for your consideration of our request.

OXY Y-1 Company By Name: James Laning Title: Attorney-in-Fact

FLAMING SNAIL FED COM WELLPAD FLAMING SNAIL FED COM 28 C GTB R 2 7 Е T 25 S

Flaming Snail West Pad CTB

COG Operating LLC Case No. 23304 Exhibit A-5 Flaming Snail East Pad CTB



SESE 20-25S- 27E NM- 130854	S2S2 21-25S-27E NMSLO VB-0673-2	SWSW 22-25S- 27E NMSLO VB- 1780-2	NON STANDARD SPACING UNIT SECTIONS 28-255-27E, 33-255-27E, AND 4-26S-27E
		W2W2 27-255-	SESE 20-25S-27E NM-130854 - COTERRA ENERGY CO - RECORD TITLE & OPERATOR
E2E2 29-255-	Section 28 JES 175 Edds Counts		S2S2 21-25S-27E VB-0673-2 - CHEVRON U.S.A. INC - RECORD TITLE & OPERATOR
27E NM- 114348	Section 28-25S-27E, Eddy County	27E NM-112270	SWSW 22-25S-27E VB-1780-2 - EOG RESOURCES INC - RECORD TITLE THERE ARE NO ACTIVE BS WELLS IN THE SWSW
			E2E2 29-255-27E NM-114348 - COG OPERATING LLC, CIMAREX ENERGY CO, OXY Y-1 CO, EOG RESOURCES INC - RECORD TITLE THERE ARE NO ACTIVE BS WELLS IN E2E2
			W2W2 27-255-27E NM-112270 - COG OPERATING LLC - RECORD TITLE THERE ARE NO ACTIVE BS WELLS IN THE W2W2
E2E2 32-25S-		W2W2 34-25S-	E2E2 32-25S-27E V0-7966-1 - CHEVRON U.S.A. INC - RECORD TITLE COTERRA ENERGY CO - OPERATOR
27E NMSLO VO 7966	Section 33-25S-27E, Eddy County	27E NM-112270	W2W2 34-255-27E NM-112270 - COG OPERATING LLC - RECORD TITLE THERE ARE NO ACTIVE BS WELLS IN W2W2
			E2E2 35-26S-27E NM-118108 - CHEVRON U.S.A. INC - RECORD TITLE THERE ARE NO ACTIVE BS WELLS IN E2E2
			W2W2 3-265-27E NM-138826 - CHEVRON U.S.A. INC - RECORD TITLE THERE ARE NO ACTIVE BS WELLS IN W2W2
E2E2 5-26S- 27E NM-	Section 4-265-27E, Eddy County	W2W2 3-265-27E	NENE 8-265-27E NM-118108 - CHEVRON U.S.A. INC - RECORD TITLE THERE ARE NO ACTIVE BS WELLS IN NENE
118108	Section 4-205-27E, Eddy County	NM-138826	N2N2 9-26S-27E NM-138827 - CHEVRON U.S.A. INC - RECORD TITLE THERE ARE NO ACTIVE BS WELLS IN N2N2
			NWNW 10-26S-27E NM-121473 - CHEVRON U.S.A. INC - RECORD TITLE THERE ARE NO ACTIVE BS WELLS IN NWNW
NENE 8-26S- 27E NM- 118108	N2N2 9-26W-27E NM-138827	NWNW 10-26S- 27E NM-121473	

COG Operating LLC Case No. 23304 Exhibit A-6

.



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

October 25, 2022

Via CMRRR No. 9489 0090 0027 6245 2756 81 OXY Y-1 Company 5 Greenway Plaza, Suite 110 Houston, TX 77046 Attn: Land Department

Re: Flaming Snail Fed Com Unit All of Sections 28 & 33, T25S-R27E and All of Section 4, T26S-27E 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 All of Sections 28 and 33, T25S-R27E, and All of Section 4, T26S-R27E, Eddy County, New Mexico (collectively, the "Operation"). The surface pad locations will be located in Units A and C of Section 28, T25S-R27E (subject to change).

BONE SPRING

- Flaming Snail Fed Com 501H, to be drilled to a depth sufficient to test the Second Bone Spring Interval of the Bone Spring Formation at an approximate total vertical depth of 7,580'. The surface location for this well is proposed at a legal location in Unit A of Section 28, T25S-R27E, and a bottom hole location at a legal location in Unit P of Section 4, T26S-R27E. The dedicated horizontal spacing unit will be All of Sections 28 and 33, T25S-R27E, and All of Section 4, T26S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$14,964,000.00, as shown on the attached Authority for Expenditure ("AFE").
- Flaming Snail Fed Com 502H, to be drilled to a depth sufficient to test the Second Bone Spring Interval of the Bone Spring Formation at an approximate total vertical depth of 7,556'. The surface location for this well is proposed at a legal location in Unit A of Section 28, T25S-R27E, and a bottom hole location at a legal location in Unit O of Section 4, T26S-R27E. The dedicated horizontal spacing unit will be All of Sections 28 and 33, T25S-R27E, and All of Section 4, T26S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$14,964,000.00, as shown on the attached AFE.
- Flaming Snail Fed Com 503H, to be drilled to a depth sufficient to test the Second Bone Spring Interval of the Bone Spring Formation at an approximate total vertical depth of 7,553'. The surface location for this well is proposed at a legal location in Unit C of Section 28, T25S-R27E, and a bottom hole location at a legal location in Unit N of Section 4, T26S-R27E. The dedicated horizontal spacing unit will be All of Sections 28 and 33, T25S-R27E, and All of Section 4, T26S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$14,964,000.00, as shown on the attached AFE.

COG Operating LLC Case No. 23304 Exhibit A-7 October 25, 2022 – Page 2 Flaming Snail Fed Com Unit well proposals

- Flaming Snail Fed Com 504H, to be drilled to a depth sufficient to test the Second Bone Spring Interval of the Bone Spring Formation at an approximate total vertical depth of 7,527'. The surface location for this well is proposed at a legal location in Unit C of Section 28, T25S-R27E, and a bottom hole location at a legal location in Unit M of Section 4, T26S-R27E. The dedicated horizontal spacing unit will be All of Sections 28 and 33, T25S-R27E, and All of Section 4, T26S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$14,964,000.00, as shown on the attached AFE.
- Flaming Snail Fed Com 520H, to be drilled to a depth sufficient to test the Charkey Interval of the Bone Spring Formation at an approximate total vertical depth of 7,959'. The surface location for this well is proposed at a legal location in Unit A of Section 28, T25S-R27E, and a bottom hole location at a legal location in Unit P of Section 4, T26S-R27E. The dedicated horizontal spacing unit will be All of Sections 28 and 33, T25S-R27E, and All of Section 4, T26S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$14,964,000.00, as shown on the attached AFE.
- Flaming Snail Fed Com 521H, to be drilled to a depth sufficient to test the Charkey Interval of the Bone Spring Formation at an approximate total vertical depth of 7,939'. The surface location for this well is proposed at a legal location in Unit C of Section 28, T25S-R27E, and a bottom hole location at a legal location in Unit N of Section 4, T26S-R27E. The dedicated horizontal spacing unit will be All of Sections 28 and 33, T25S-R27E, and All of Section 4, T26S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$14,964,000.00, as shown on the attached AFE.

WOLFCAMP

- Flaming Snail Fed Com 701H, to be drilled to a depth sufficient to test the Wolfcamp A Interval of the Wolfcamp Formation at an approximate total vertical depth of 8,925'. The surface location for this well is proposed at a legal location in Unit A of Section 28, T25S-R27E, and a bottom hole location at a legal location in Unit P of Section 4, T26S-R27E. The dedicated horizontal spacing unit will be All of Sections 28 and 33, T25S-R27E, and All of Section 4, T26S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$14,182,000.00, as shown on the attached AFE.
- Flaming Snail Fed Com 702H, to be drilled to a depth sufficient to test the Wolfcamp A Interval of the Wolfcamp Formation at an approximate total vertical depth of 8,925'. The surface location for this well is proposed at a legal location in Unit A of Section 28, T25S-R27E, and a bottom hole location at a legal location in Unit P of Section 4, T26S-R27E. The dedicated horizontal spacing unit will be All of Sections 28 and 33, T25S-R27E, and All of Section 4, T26S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$14,182,000.00, as shown on the attached AFE.
- Flaming Snail Fed Com 703H, to be drilled to a depth sufficient to test the Wolfcamp A Interval of the Wolfcamp Formation at an approximate total vertical depth of 8,925'. The surface location for this well is proposed at a legal location in Unit A of Section 28, T25S-R27E, and a bottom hole location at a legal location in Unit P of Section 4, T26S-R27E. The dedicated horizontal spacing unit will be All of Sections 28 and 33, T25S-R27E, and All of Section 4, T26S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$14,182,000.00, as shown on the attached AFE.

October 25, 2022 – Page 3 Flaming Snail Fed Com Unit well proposals

- Flaming Snail Fed Com 704H, to be drilled to a depth sufficient to test the Wolfcamp A Interval of the Wolfcamp Formation at an approximate total vertical depth of 8,925'. The surface location for this well is proposed at a legal location in Unit A of Section 28, T25S-R27E, and a bottom hole location at a legal location in Unit O of Section 4, T26S-R27E. The dedicated horizontal spacing unit will be All of Sections 28 and 33, T25S-R27E, and All of Section 4, T26S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$14,182,000.00, as shown on the attached AFE.
- Flaming Snail Fed Com 705H, to be drilled to a depth sufficient to test the Wolfcamp A Interval of the Wolfcamp Formation at an approximate total vertical depth of 8,925'. The surface location for this well is proposed at a legal location in Unit A of Section 28, T25S-R27E, and a bottom hole location at a legal location in Unit O of Section 4, T26S-R27E. The dedicated horizontal spacing unit will be All of Sections 28 and 33, T25S-R27E, and All of Section 4, T26S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$14,182,000.00, as shown on the attached AFE.
- Flaming Snail Fed Com 706H, to be drilled to a depth sufficient to test the Wolfcamp A Interval of the Wolfcamp Formation at an approximate total vertical depth of 8,925'. The surface location for this well is proposed at a legal location in Unit C of Section 28, T25S-R27E, and a bottom hole location at a legal location in Unit N of Section 4, T26S-R27E. The dedicated horizontal spacing unit will be All of Sections 28 and 33, T25S-R27E, and All of Section 4, T26S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$14,182,000.00, as shown on the attached AFE.
- Flaming Snail Fed Com 707H, to be drilled to a depth sufficient to test the Wolfcamp A Interval of the Wolfcamp Formation at an approximate total vertical depth of 8,925'. The surface location for this well is proposed at a legal location in Unit C of Section 28, T25S-R27E, and a bottom hole location at a legal location in Unit N of Section 4, T26S-R27E. The dedicated horizontal spacing unit will be All of Sections 28 and 33, T25S-R27E, and All of Section 4, T26S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$14,182,000.00, as shown on the attached AFE.
- Flaming Snail Fed Com 708H, to be drilled to a depth sufficient to test the Wolfcamp A Interval of the Wolfcamp Formation at an approximate total vertical depth of 8,925'. The surface location for this well is proposed at a legal location in Unit C of Section 28, T25S-R27E, and a bottom hole location at a legal location in Unit N of Section 4, T26S-R27E. The dedicated horizontal spacing unit will be All of Sections 28 and 33, T25S-R27E, and All of Section 4, T26S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$14,182,000.00, as shown on the attached AFE.
- Flaming Snail Fed Com 709H, to be drilled to a depth sufficient to test the Wolfcamp A Interval of the Wolfcamp Formation at an approximate total vertical depth of 8,925'. The surface location for this well is proposed at a legal location in Unit C of Section 28, T25S-R27E, and a bottom hole location at a legal location in Unit M of Section 4, T26S-R27E. The dedicated horizontal spacing unit will be All of Sections 28 and 33, T25S-R27E, and All of Section 4, T26S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$14,182,000.00, as shown on the attached AFE.

October 25, 2022 – Page 4 Flaming Snail Fed Com Unit well proposals

- Flaming Snail Fed Com 710H, to be drilled to a depth sufficient to test the Wolfcamp A Interval of the Wolfcamp Formation at an approximate total vertical depth of 8,925'. The surface location for this well is proposed at a legal location in Unit C of Section 28, T25S-R27E, and a bottom hole location at a legal location in Unit M of Section 4, T26S-R27E. The dedicated horizontal spacing unit will be All of Sections 28 and 33, T25S-R27E, and All of Section 4, T26S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$14,182,000.00, as shown on the attached AFE.
- Flaming Snail Fed Com 801H, to be drilled to a depth sufficient to test the Wolfcamp C Interval of the Wolfcamp Formation at an approximate total vertical depth of 9,775'. The surface location for this well is proposed at a legal location in Unit A of Section 28, T25S-R27E, and a bottom hole location at a legal location in Unit P of Section 4, T26S-R27E. The dedicated horizontal spacing unit will be All of Sections 28 and 33, T25S-R27E, and All of Section 4, T26S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$14,182,000.00, as shown on the attached AFE.
- Flaming Snail Fed Com 802H, to be drilled to a depth sufficient to test the Wolfcamp C Interval of the Wolfcamp Formation at an approximate total vertical depth of 9,775'. The surface location for this well is proposed at a legal location in Unit A of Section 28, T25S-R27E, and a bottom hole location at a legal location in Unit P of Section 4, T26S-R27E. The dedicated horizontal spacing unit will be All of Sections 28 and 33, T25S-R27E, and All of Section 4, T26S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$14,182,000.00, as shown on the attached AFE.
- Flaming Snail Fed Com 803H, to be drilled to a depth sufficient to test the Wolfcamp C Interval of the Wolfcamp Formation at an approximate total vertical depth of 9,775'. The surface location for this well is proposed at a legal location in Unit A of Section 28, T25S-R27E, and a bottom hole location at a legal location in Unit O of Section 4, T26S-R27E. The dedicated horizontal spacing unit will be All of Sections 28 and 33, T25S-R27E, and All of Section 4, T26S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$14,182,000.00, as shown on the attached AFE.
- Flaming Snail Fed Com 804H, to be drilled to a depth sufficient to test the Wolfcamp C Interval of the Wolfcamp Formation at an approximate total vertical depth of 9,775'. The surface location for this well is proposed at a legal location in Unit C of Section 28, T25S-R27E, and a bottom hole location at a legal location in Unit N of Section 4, T26S-R27E. The dedicated horizontal spacing unit will be All of Sections 28 and 33, T25S-R27E, and All of Section 4, T26S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$14,182,000.00, as shown on the attached AFE.
- Flaming Snail Fed Com 805H, to be drilled to a depth sufficient to test the Wolfcamp C Interval of the Wolfcamp Formation at an approximate total vertical depth of 9,775'. The surface location for this well is proposed at a legal location in Unit C of Section 28, T25S-R27E, and a bottom hole location at a legal location in Unit N of Section 4, T26S-R27E. The dedicated horizontal spacing unit will be All of Sections 28 and 33, T25S-R27E, and All of Section 4, T26S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$14,182,000.00, as shown on the attached AFE.

October 25, 2022 – Page 5 Flaming Snail Fed Com Unit well proposals

• Flaming Snail Fed Com 806H, to be drilled to a depth sufficient to test the Wolfcamp C Interval of the Wolfcamp Formation at an approximate total vertical depth of 9,775'. The surface location for this well is proposed at a legal location in Unit C of Section 28, T25S-R27E, and a bottom hole location at a legal location in Unit M of Section 4, T26S-R27E. The dedicated horizontal spacing unit will be All of Sections 28 and 33, T25S-R27E, and All of Section 4, T26S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$14,182,000.00, as shown on the attached AFE.

COG is proposing to drill these wells under the terms of a new Operating Agreement which is included herewith for your review and execution.

In the interest of time, if we are unable to reach an agreement on these wells within 30 days of the date of this letter, COG will apply to the NMOCD for compulsory pooling of your interest 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 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:

PARTICIPATE Elect to participate in drilling & completion of well	DO NOT PARTICIPATE Elect NOT to participate in drilling & completion of well	WELL NAME
		FLAMING SNAIL FED COM 701H (WC A)
		FLAMING SNAIL FED COM 702H (WC A)
		FLAMING SNAIL FED COM 703H (WC A)
		FLAMING SNAIL FED COM 704H (WC A)
		FLAMING SNAIL FED COM 705H (WC A)
		FLAMING SNAIL FED COM 706H (WC A)
		FLAMING SNAIL FED COM 707H (WC A)
		FLAMING SNAIL FED COM 708H (WC A)
		FLAMING SNAIL FED COM 709H (WC A)
		FLAMING SNAIL FED COM 710H (WC A)
		FLAMING SNAIL FED COM 801H (WC C)
		FLAMING SNAIL FED COM 802H (WC C)

October 25, 2022 – Page 6 Flaming Snail Fed Com Unit well proposals

PARTICIPATE Elect to participate in drilling & completion of well	DO NOT PARTICIPATE Elect NOT to participate in drilling & completion of well	WELL NAME
		FLAMING SNAIL FED COM 803H (WC C)
		FLAMING SNAIL FED COM 804H (WC C)
		FLAMING SNAIL FED COM 805H (WC C)
		FLAMING SNAIL FED COM 806H (WC C)
		FLAMING SNAIL FED COM 501H (BS)
		FLAMING SNAIL FED COM 502H (BS)
		FLAMING SNAIL FED COM 503H (BS)
		FLAMING SNAIL FED COM 504H (BS)
		FLAMING SNAIL FED COM 520H (Charkey)
		FLAMING SNAIL FED COM 521H (Charkey)

OXY Y-1 COMPANY

Ву: _____

Name: _____

Title: ______
Date: _____

COG OPERATING LLC AUTHORITY FOR EXPENDITURE Drill & Complete

SHL BHL Formation	805 FNL, 9 50 FSL, 330 SBSG) FEL	OR UNIT A	T25S-R27E T26S-R27E		Prospect ATLAS 2527 State & County NEW MEXICO, EDDY Objective DRILL & COMPLETE Depth 23,048 TVD 7,580								
Cost Description	Code	PreSpud (PS)	Pre-Set Casing(PC)	Drilling (DF	Completions (C)	Tank Btty Constrctn(TB)	Pmpg Equip (PEQ)	Revision		Total				
Intangible Costs			U /		<u>, </u>									
D-Lctn/Pits/Roads	205			\$ 167,000.0)			\$ -	\$	167,000.00				
D-Drilling Overhead	206			\$ 13,000.0				ş -	\$	13,000.00				
D-Daywork Contract	209			\$ 912.000.0				ş -	\$	912,000.00				
D-Directional Drlg Services	210			\$ 487.000.0)			ş -	\$	487,000.00				
D-Fuel & Power	211			\$ 157,000.0)			\$-	\$	157,000.00				
D-Water	212			\$ 133,000.0				ş -	\$	133,000.00				
D-Bits	213			\$ 167,000.0				ş -	\$	167,000.00				
D-Mud & Chemicals	214			\$ 342,000.0				ş -	\$	342,000.00				
D-Cement Surface	217			\$ 33,000.0		1		\$ -	\$	33,000.00				
D-Cement Intermed	218			\$ 131,000.0				\$ -	\$	131,000.00				
D-Prod-2nd Int Cmt	219			\$ 194,000.0		1		\$ -	\$	194,000.00				
D-Float Equipment & Centralizers	221			\$ 105,000.0		1		\$ -	\$	105,000.00				
D-Csg Crews & Equip	222			\$ 114,000.0		1		s -	s	114,000.00				
D-Contract Labor	225			\$ 12.000.0		1		s -	\$	12,000.00				
D-Company Sprvsn	226			\$ 76.000.0				s -	\$	76,000.00				
D-Contract Sprvsn	227			\$ 191,000.0				s -	s	191.000.00				
D-Tstg Csg/Tbg	228			\$ 70,000.0				s -	s	70,000.00				
D-Mud Logging Unit	229			\$ 70,000.0				s -	ŝ	70.000.00				
D-Rentals-Surface	235			\$ 297,000.0				s -	s	297.000.00				
D-Rentals-Subsrfc	236			\$ 138,000.0				s -	s	138,000.00				
D-Trucking/Forklift/Rig Mob	237			\$ 282,000.0				\$ -	s	282.000.00				
D-Welding Services	238			\$ 5,000.0				s -	\$	5,000.00				
D-Contingency	243			\$ 105,000.0				\$ -	s	105,000.00				
D-Envrnmtl/Clsd Loop	244			\$ 466,000.0				\$ -	s	466,000.00				
C-Wellbore Frac Prep	304			\$ 466,000.0	\$ 209.000.00			s -	s	209,000.00				
C-Lctn/Pits/Roads	305				\$ 22,000.00			\$ -	\$	22,000.00				
C-Completion OH	306				\$ 22,000.00			\$ - \$ -	s	32.000.00				
C-Frac Equipment	307				\$ 1,431,000.00			\$ -		1,431,000.00				
C-Frac Chemicals	308				\$ 1,431,000.00			\$ - \$ -	\$	907.000.00				
C-Frac Proppant	309							s -	s	411,000.00				
C-Frac Proppant Transportation	310							\$ - \$ -	s	640,000.00				
C-Fuel Delivery & Services	310				\$ 640,000.00 \$ 92,000.00			s -	\$	92,000.00				
C-Water	311				• •••••••			s -	ş S	605,000.00				
C-Frac Surface Rentals	312				\$ 605,000.00 \$ 569,000.00			s -	s	569.000.00				
C-Contract Labor	315				• ••••••••			s -	s	22,000.00				
C-Contract Labor C-Company Sprvsn	325				\$ 22,000.00			s -	\$	22,000.00				
C-Company Sprvsn C-Contract Sprvsn	326				\$ 22,000.00			s -	s s	305.000.00				
	327				\$ 305,000.00				s	97.000.00				
C-Artificial Lift Install	329				\$ 97,000.00			s - s -	\$ S	97,000.00				
C-Perf/Wireline Svc					\$ 703,000.00									
C-Trucking/Forklift/Rig Mob	337				\$ 22,000.00			\$ -	\$	22,000.00				
C-Water Disposal	339				\$ 88,000.00			s -	\$	88,000.00				
C-Contingency	343				\$ 164,000.00			\$ -	\$	164,000.00				
C-Dyed Diesel	345				\$ 341,000.00			\$ -	s	341,000.00				
C-Drillout	346				\$ 653,000.00			s -	s	653,000.00				
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					\$ 243,000.00		\$ -	\$	243,000.00				
PEQ-Contract Labor	374						\$ 18,000.00	ş -	\$	18,000.00				
PEQ-Water Disposal	387						\$ 79,000.00	\$ -	\$	79,000.00				
PEQ-HRZ Well Offset Frac	391						\$ 8,000.00	\$-	\$	8,000.00				
Total Intangible Costs		\$ -	\$-	\$ 4,667,000.00	\$ 7,335,000.00	\$ 290,000.00	\$ 105,000.00	s -	\$ 1	2,397,000.00				

Tangible Costs

Total Gross Cost		\$-	\$	-	\$	5,856,000.00	\$	7,706,000.00	\$	1,232,000.00	\$ 170,000.00	\$	-	\$	14,964,000.00
		•	÷		+	.,,	2	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	1.2	542,000.00	• • • • • • • • • • • • • • • • • • • •	Ŧ		Ŧ	_,,000.00
Total Tangible Costs		s -	s		ŝ	1,189,000.00	s	371,000.00	s	942,000.00		-	-	S	2,567,000.00
PEQ-Wellhead Equipment	531										\$ 18,000.00	s	-	s	18,000.00
C-Gas Lift/Compression	527						\$	54.000.00	É	,		s		ŝ	54.000.00
TB-Flares/Combusters/Emission	526								ŝ	42.000.00		s		ŝ	42.000.00
TB-Meters/Lacts	525								Ś	35.000.00		s		ŝ	35.000.00
TB-Miscellaneous	523								ŝ	26,000.00		s		ŝ	26,000.00
TB-Instrumentation/SCADA/POC	522								ŝ	26.000.00		s	-	s	26,000.00
TB-Pumps-Surface	521								s	35.000.00		s	-	s	35.000.00
TB-Couplings/Fittings/Valves	515								\$	261,000.00		s	-	\$	261,000.00
C-Pckrs/Anchors/Hgrs	514						\$	142,000.00				s	-	\$	142,000.00
TB-Electrical System/Equipment	513								\$	153,000.00		\$	-	\$	153,000.00
TB-Htr Trtr/Seprtr	512								\$	251,000.00		\$	-	\$	251,000.00
TB-Flowlines/Pipelines	511								\$	35,000.00		\$	-	\$	35,000.00
TB-Tanks	510								\$	78,000.00		\$	-	\$	78,000.00
C-Wellhead Equip	505						\$	61,000.00				\$	-	\$	61,000.00
C-Tubing	504						\$	114,000.00				\$	-	\$	114,000.00
D-Wellhead Equip	405				\$	133,000.00						\$	-	\$	133,000.00
D-Production Casing/Liner	403				\$	727,000.00						s	-	\$	727,000.00
D-Intermed Csg	402				\$	292,000.00						\$	-	\$	292,000.00
D-Surface Casing	401				\$	37,000.00						\$	-	\$	37,000.00
PEQ-Flowback Crews & Equip	392										\$ 47,000.00	\$	-	\$	47,000.00

COG Operating LLC

We approve: % Working Interest

Company: By:

Printed Name: Title: Date:

Date Prepared: COG Operating LLC

By:

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

By:
SHL BHL Formation	805 FNL, 10 50 FSL, 157 SBSG	'0 FEL 8 & 33, 25S-27E 8	OR UNIT A OR UNIT O & ALL SEC 4, 26S-27E	T25S-R27E T26S-R27E			State & County Objective Depth TVD	ATLAS 2527 NEW MEXICO, EDDY DRILL & COMPLETE 22,846 7,556		
Cost Description	Code	PreSpud (PS)	Pre-Set Casing(PC)	Drilling (DR)	Completions (C)	Tank Btty Constrctn(TB)	Pmpq Equip (PEQ)	Revision	1	Total
Intangible Costs			i î							
D-Lctn/Pits/Roads	205			\$ 167,000.00				\$ -	\$	167,000.00
D-Drilling Overhead	206			\$ 13,000.00				s -	\$	13,000.00
D-Daywork Contract	209			\$ 912,000.00				\$ -	\$	912,000.00
D-Directional Drlg Services	210			\$ 487,000.00				\$ -	\$	487,000.00
D-Fuel & Power	211			\$ 157,000.00				s -	\$	157,000.00
D-Water	212			\$ 133,000.00				s -	\$	133,000.00
D-Bits	213			\$ 167,000.00				s -	\$	167,000.00
D-Mud & Chemicals	214			\$ 342,000.00				\$ -	\$	342,000.00
D-Cement Surface	217			\$ 33,000.00				s -	\$	33,000.00
D-Cement Intermed	218			\$ 131,000.00				s -	\$	131,000.00
D-Prod-2nd Int Cmt	219			\$ 194,000.00				s -	\$	194,000.00
D-Float Equipment & Centralizers	221			\$ 105,000.00				s -	\$	105,000.00
D-Csg Crews & Equip	222			\$ 114,000.00				s -	\$	114,000.00
D-Contract Labor	225			\$ 12,000.00				s -	\$	12,000.00
D-Company Sprvsn	226			\$ 76,000.00				\$ -	\$	76,000.00
D-Contract Sprvsn	227			\$ 191,000.00				s -	\$	191,000.00
D-Tstg Csg/Tbg	228			\$ 70,000.00				s -	\$	70,000.00
D-Mud Logging Unit	229			\$ 70,000.00				s -	\$	70,000.00
D-Rentals-Surface	235			\$ 297,000.00				s -	\$	297,000.00
D-Rentals-Subsrfc	236			\$ 138,000.00				\$ -	\$	138,000.00
D-Trucking/Forklift/Rig Mob	237			\$ 282,000.00				\$ -	\$	282,000.00
D-Welding Services	238			\$ 5,000.00				\$ -	\$	5,000.00
D-Contingency	243			\$ 105,000.00				\$ -	\$	105,000.00
D-Envrnmtl/Clsd Loop	244			\$ 466,000.00				s -	\$	466,000.00
C-Wellbore Frac Prep	304				\$ 209,000.00			\$ -	\$	209,000.00
C-Lctn/Pits/Roads	305				\$ 22,000.00			s -	\$	22,000.00
C-Completion OH	306				\$ 32,000.00			\$ -	\$	32,000.00
C-Frac Equipment	307				\$ 1,431,000.00			\$ -	\$	1,431,000.00
C-Frac Chemicals	308				\$ 907,000.00			\$-	\$	907,000.00
C-Frac Proppant	309				\$ 411,000.00			\$-	\$	411,000.00
C-Frac Proppant Transportation	310				\$ 640,000.00			\$ -	\$	640,000.00
C-Fuel Delivery & Services	311				\$ 92,000.00			\$-	\$	92,000.00
C-Water	312				\$ 605,000.00			\$-	\$	605,000.00
C-Frac Surface Rentals	315			-	\$ 569,000.00			\$ -	\$	569,000.00
C-Contract Labor	325				\$ 22,000.00			s -	\$	22,000.00
C-Company Sprvsn	326				\$ 22,000.00			\$ -	\$	22,000.00
C-Contract Sprvsn	327				\$ 305,000.00			\$-	\$	305,000.00
C-Artificial Lift Install	329				\$ 97,000.00			\$-	\$	97,000.00
C-Perf/Wireline Svc	331				\$ 703,000.00			\$-	\$	703,000.00
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				\$ 164,000.00			s -	\$	164,000.00
C-Dyed Diesel	345				\$ 341,000.00	-		s -	\$	341,000.00
C-Drillout	346				\$ 653,000.00			s -	\$	653,000.00
TB-Damages/Right of Way	351					\$ 2,000.00		s -	\$	2,000.00
TB-Location/Pits/Roads	353					\$ 45,000.00		\$ -	\$	45,000.00
TB-Contract Labor	356					\$ 243,000.00		\$ -	\$	243,000.00
PEQ-Contract Labor	374						\$ 18,000.00	\$ -	\$	18,000.00
PEQ-Water Disposal	387						\$ 79,000.00	\$ -	\$	79,000.00
PEQ-HRZ Well Offset Frac	391						\$ 8,000.00	\$ -	\$	8,000.00
Total Intangible Costs		\$ -	s -	\$ 4,667,000.00	\$ 7,335,000.00	\$ 290.000.00	\$ 105,000.00	s -	S	12,397,000.00

Tangible Costs

Total Gross Cost		\$ -	\$ -	\$	5,856,000.00	\$	7,706,000.00	\$	1,232,000.00	\$ 170,000.00	\$	-	\$	14,964,000.00
Total Tangible Costs		\$ -	\$ -	\$	1,189,000.00	\$	371,000.00	\$	942,000.00	\$ 65,000.00	\$	-	\$	2,567,000.00
PEQ-Wellhead Equipment	531									\$ 18,000.00	\$	-	\$	18,000.00
C-Gas Lift/Compression	527					\$	54,000.00				\$	-	\$	54,000.00
TB-Flares/Combusters/Emission	526							\$	42,000.00		s	-	\$	42,000.00
TB-Meters/Lacts	525							\$	35,000.00		s	-	\$	35,000.00
TB-Miscellaneous	523							s	26,000.00		s	-	s	26,000.00
TB-Instrumentation/SCADA/POC	522							\$	26.000.00		s		s	26,000.00
TB-Pumps-Surface	521							\$	35,000.00		s	-	\$	35,000.00
TB-Couplings/Fittings/Valves	515							\$	261,000.00		s	-	s	261,000.00
C-Pckrs/Anchors/Hgrs	514					\$	142,000.00				s	-	s	142,000.00
TB-Electrical System/Equipment	513							s	153.000.00		s	-	s	153.000.00
TB-Htr Trtr/Seprtr	512							s	251.000.00		s	-	s	251.000.00
TB-Flowlines/Pipelines	511							s	35.000.00		s	-	s	35.000.00
TB-Tanks	510					Ť		ŝ	78.000.00		s		ŝ	78.000.00
C-Wellhead Equip	505					s	61,000.00				s		ŝ	61,000.00
C-Tubing	504			2	133,000.00	s	114.000.00				s		ŝ	114,000.00
D-Wellhead Equip	405			ŝ	133,000.00						s		э с	133,000.00
D-Production Casing/Liner	402			s S	727.000.00						3 ¢		\$ ¢	727,000.00
D-Surface Casing D-Intermed Csg	401			\$	37,000.00						5	-	s s	37,000.00
PEQ-Flowback Crews & Equip	392			s	07.000.00					\$ 47,000.00	\$	-	\$	47,000.00

COG Operating LLC

By:

Date Prepared: COG Operating LLC

By:

We approve: % Working Interest

Company: By:

Printed Name: Title: Date:

SHL 8 BHL 5 Formation S	55 FNL, 17 0 FSL, 239 BSG	0 FWL	OR UNIT C	T25S-R27E T26S-R27E			State & County Objective Depth	ATLAS 2527 NEW MEXICO, EDDY DRILL & COMPLETE 22,914 7,553		
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			\$ 167,000.00				s -	\$	167,000.00
D-Drilling Overhead	206			\$ 13,000.00				s -	\$	13,000.00
D-Daywork Contract	209			\$ 912,000.00				s -	\$	912,000.00
D-Directional Drlg Services	210			\$ 487,000.00				s -	\$	487,000.00
D-Fuel & Power	211			\$ 157,000.00				s -	\$	157,000.00
D-Water	212			\$ 133,000.00				s -	\$	133,000.00
D-Bits	213			\$ 167,000.00				\$ -	\$	167,000.00
D-Mud & Chemicals	214			\$ 342,000.00				s -	\$	342,000.00
D-Cement Surface	217			\$ 33,000.00				s -	\$	33,000.00
D-Cement Intermed	218			\$ 131,000.00				\$ -	\$	131,000.00
D-Prod-2nd Int Cmt	219			\$ 194,000.00				s -	\$	194,000.00
D-Float Equipment & Centralizers	221			\$ 105,000.00				\$ -	\$	105,000.00
D-Csg Crews & Equip	222			\$ 114,000.00				s -	\$	114,000.00
D-Contract Labor	225			\$ 12,000.00				\$ -	\$	12,000.00
D-Company Sprvsn	226			\$ 76,000.00				s -	\$	76,000.00
D-Contract Sprvsn	227			\$ 191,000.00				s -	\$	191,000.00
D-Tstg Csg/Tbg	228			\$ 70,000.00				s -	\$	70,000.00
D-Mud Logging Unit	229			\$ 70,000.00				s -	\$	70,000.00
D-Rentals-Surface	235			\$ 297,000.00				s -	\$	297,000.00
D-Rentals-Subsrfc	236			\$ 138,000.00				s -	\$	138,000.00
D-Trucking/Forklift/Rig Mob	237			\$ 282,000.00				s -	\$	282,000.00
D-Welding Services	238			\$ 5,000.00				s -	\$	5,000.00
D-Contingency	243			\$ 105,000.00				s -	\$	105,000.00
D-Envrnmtl/Clsd Loop	244			\$ 466,000.00				s -	\$	466,000.00
C-Wellbore Frac Prep	304				\$ 209,000.00			s -	\$	209,000.00
C-Lctn/Pits/Roads	305				\$ 22,000.00			s -	\$	22,000.00
C-Completion OH	306				\$ 32,000.00			s -	\$	32,000.00
C-Frac Equipment	307				\$ 1,431,000.00			s -	\$	1,431,000.00
C-Frac Chemicals	308				\$ 907,000.00			s -	s	907,000.00
C-Frac Proppant	309				\$ 411,000.00			s -	s	411,000.00
C-Frac Proppant Transportation	310				\$ 640,000.00			s -	s	640,000.00
C-Fuel Delivery & Services	311				\$ 92.000.00			s -	\$	92,000.00
C-Water	312				\$ 605.000.00			s -	s	605,000.00
C-Frac Surface Rentals	315				\$ 569.000.00			s -	s	569.000.00
C-Contract Labor	325				\$ 22,000.00			s -	s	22,000.00
C-Company Sprvsn	326				\$ 22,000.00			s -	ŝ	22.000.00
C-Contract Sprvsn	327				\$ 22,000.00			s -	ŝ	305,000.00
C-Artificial Lift Install	329				\$ 97,000.00			s -	ŝ	97.000.00
C-Perf/Wireline Svc	331				\$ 703,000.00			s -	ŝ	703.000.00
C-Trucking/Forklift/Rig Mob	337				\$ 22,000.00			s -	ŝ	22,000.00
C-Water Disposal	339				\$ 22,000.00			s -	\$	88.000.00
C-Contingency	343				\$ 164,000.00			s -	\$	164,000.00
C-Dyed Diesel	345				\$ 164,000.00 \$ 341,000.00			s -	s	341,000.00
C-Drillout	345				\$ 341,000.00 \$ 653,000.00			s -	ŝ	653,000.00
TB-Damages/Right of Way	351				a 053,000.00	\$ 2.000.00		s -	ŝ	2.000.00
TB-Location/Pits/Roads	353							s -	ş S	45,000.00
TB-Contract Labor	355					\$ 45,000.00 \$ 243,000.00		s -	φ S	243.000.00
PEQ-Contract Labor	374					\$ 243,000.00		s -	s	18,000.00
PEQ-Contract Labor PEQ-Water Disposal	374						\$ 18,000.00	s -	э S	79.000.00
PEQ-Water Disposal PEQ-HRZ Well Offset Frac	387						\$ 79,000.00	s -	\$	
	391					1	\$ 8,000.00	÷ -	1.2	8,000.00

Tangible Costs

Total Gross Cost		\$ -	\$ -	\$	5,856,000.00	\$	7,706,000.00	\$	1,232,000.00	\$ 170,000.00	\$	-	\$	14,964,000.00
Total Tangible Costs		\$ -	\$ -	\$	1,189,000.00	\$	371,000.00	\$	942,000.00	\$ 65,000.00	\$	-	\$	2,567,000.00
PEQ-Wellhead Equipment	531									\$ 18,000.00	\$	-	\$	18,000.00
C-Gas Lift/Compression	527					\$	54,000.00				\$	-	\$	54,000.00
TB-Flares/Combusters/Emission	526							\$	42,000.00		s	-	\$	42,000.00
TB-Meters/Lacts	525							\$	35,000.00		s	-	\$	35,000.00
TB-Miscellaneous	523							s	26,000.00		s	-	s	26,000.00
TB-Instrumentation/SCADA/POC	522							\$	26.000.00		s		s	26,000.00
TB-Pumps-Surface	521							\$	35,000.00		s	-	\$	35,000.00
TB-Couplings/Fittings/Valves	515							\$	261,000.00		s	-	s	261,000.00
C-Pckrs/Anchors/Hgrs	514					\$	142,000.00				s	-	s	142,000.00
TB-Electrical System/Equipment	513							s	153.000.00		s	-	s	153.000.00
TB-Htr Trtr/Seprtr	512							s	251.000.00		s	-	s	251.000.00
TB-Flowlines/Pipelines	511							s	35.000.00		s	-	s	35.000.00
TB-Tanks	510					Ť		ŝ	78.000.00		s		ŝ	78.000.00
C-Wellhead Equip	505					s	61,000.00				s		ŝ	61,000.00
C-Tubing	504			2	133,000.00	s	114.000.00				s		ŝ	114,000.00
D-Wellhead Equip	405			ŝ	133,000.00						s		э с	133,000.00
D-Production Casing/Liner	402			s	727.000.00						3 ¢		\$ ¢	727,000.00
D-Surface Casing D-Intermed Csg	401			\$	37,000.00						5	-	s s	37,000.00
PEQ-Flowback Crews & Equip	392			s	07.000.00					\$ 47,000.00	\$	-	\$	47,000.00

COG Operating LLC

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We approve:
% Working Interest
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Company: By:

Ву:

Printed Name: Title: Date: Date Prepared: COG Operating LLC

By:

By:

SHL	855 FNL, 10 50 FSL, 990		OR UNIT C	T25S-R27E T26S-R27E			State & County Objective	ATLAS 2527 NEW MEXICO, EDDY DRILL & COMPLETE 22,754	
Legal AFE Numbers	ALL SECS 2	8 & 33, 25S-27E 8	& ALL SEC 4, 26S-27E				TVD	7,527	
Cost Description	Code	PreSpud (PS)	Pre-Set Casing(PC)	Drilling (DR)	Completions (C)	Tank Btty Constrctn(TB)	Pmpq Equip (PEQ)	Revision	T
Intangible Costs	205	1	1						
D-Lctn/Pits/Roads	205			\$ 167,000.00				\$ -	\$ 167,000
D-Drilling Overhead	206			\$ 13,000.00				\$ -	\$ 13,000
D-Daywork Contract	209			\$ 912,000.00				s -	\$ 912,000
D-Directional Drlg Services	210			\$ 487,000.00				\$ -	\$ 487,000 \$ 157,000
D-Fuel & Power	211			\$ 157,000.00				s -	•,
D-Water	212 213			\$ 133,000.00				\$ -	\$ 133,000
D-Bits				\$ 167,000.00				s -	\$ 167,000
D-Mud & Chemicals	214			\$ 342,000.00				\$ -	\$ 342,000
D-Cement Surface	217			\$ 33,000.00				s -	\$ 33,000
D-Cement Intermed	218			\$ 131,000.00				s -	\$ 131,000
D-Prod-2nd Int Cmt	219			\$ 194,000.00				\$ -	\$ 194,000
D-Float Equipment & Centralizers	221			\$ 105,000.00				s -	\$ 105,000
D-Csg Crews & Equip	222			\$ 114,000.00				s -	\$ 114,000
D-Contract Labor	225			\$ 12,000.00				s -	\$ 12,000
D-Company Sprvsn	226			\$ 76,000.00				s -	\$ 76,000
D-Contract Sprvsn	227			\$ 191,000.00				\$ -	\$ 191,000
D-Tstg Csg/Tbg	228			\$ 70,000.00				\$-	\$ 70,000
D-Mud Logging Unit	229			\$ 70,000.00				\$-	\$ 70,000
D-Rentals-Surface	235			\$ 297,000.00				s -	\$ 297,000
D-Rentals-Subsrfc	236			\$ 138,000.00				s -	\$ 138,000
D-Trucking/Forklift/Rig Mob	237			\$ 282,000.00				s -	\$ 282,000
D-Welding Services	238			\$ 5,000.00				s -	\$ 5,000
D-Contingency	243			\$ 105,000.00				s -	\$ 105,000
D-Envrnmtl/Clsd Loop	244			\$ 466,000.00				s -	\$ 466,000
C-Wellbore Frac Prep	304				\$ 209,000.00			s -	\$ 209,000
C-Lctn/Pits/Roads	305				\$ 22.000.00			s -	\$ 22,000
C-Completion OH	306				\$ 32.000.00			s -	\$ 32,000
C-Frac Equipment	307				\$ 1.431.000.00			s -	\$ 1,431,000
C-Frac Chemicals	308				\$ 907.000.00			s -	\$ 907,000
C-Frac Proppant	309				\$ 411,000.00			s -	\$ 411.000
C-Frac Proppant Transportation	310				\$ 640,000.00			s -	\$ 640,000
C-Fuel Delivery & Services	311				\$ 92,000.00			s -	\$ 92.000
C-Water	312				\$ 605,000.00			s -	\$ 605.000
C-Frac Surface Rentals	315				\$ 569,000.00			s -	\$ 569,000
C-Contract Labor	325				\$ 22,000.00			s -	\$ 22.000
C-Company Sprvsn	326				\$ 22,000.00			s -	\$ 22,000
C-Contract Sprvsn	320				\$ 22,000.00 \$ 305.000.00			s -	\$ 305,000
C-Artificial Lift Install	327							s -	\$ 305,000
C-Perf/Wireline Svc	329				\$ 97,000.00			s -	\$ 97,000
C-Pert/Wireline Svc C-Trucking/Forklift/Rig Mob	331				\$ 703,000.00			s -	\$ 703,000
	337				\$ 22,000.00				
C-Water Disposal					\$ 88,000.00			s -	\$ 88,000
C-Contingency	343				\$ 164,000.00			s -	\$ 164,000
C-Dyed Diesel	345				\$ 341,000.00			s -	\$ 341,000
C-Drillout	346				\$ 653,000.00			\$ -	\$ 653,000
TB-Damages/Right of Way	351					\$ 2,000.00		s -	\$ 2,000
TB-Location/Pits/Roads	353					\$ 45,000.00		s -	\$ 45,000
TB-Contract Labor	356					\$ 243,000.00		s -	\$ 243,000
PEQ-Contract Labor	374						\$ 18,000.00	s -	\$ 18,000
PEQ-Water Disposal	387						\$ 79,000.00	\$ -	\$ 79,000
PEQ-HRZ Well Offset Frac	391						\$ 8,000.00	\$-	\$ 8,000
Total Intangible Costs		\$ -	s -	\$ 4,667,000.00	\$ 7,335,000.00	\$ 290,000.00	\$ 105,000.00	s -	\$ 12,397,000

Tangible Costs

Tangible Costs												
PEQ-Flowback Crews & Equip	392								\$	47,000.00	\$ -	\$ 47,000.00
D-Surface Casing	401				\$ 37,000.00						\$ -	\$ 37,000.00
D-Intermed Csg	402				\$ 292,000.00						\$ -	\$ 292,000.00
D-Production Casing/Liner	403				\$ 727,000.00						\$ -	\$ 727,000.00
D-Wellhead Equip	405				\$ 133,000.00						\$ -	\$ 133,000.00
C-Tubing	504					\$ 114,000.00					\$ -	\$ 114,000.00
C-Wellhead Equip	505					\$ 61,000.00					\$ -	\$ 61,000.00
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						\$	153,000.00			\$ -	\$ 153,000.00
C-Pckrs/Anchors/Hgrs	514					\$ 142,000.00					\$ -	\$ 142,000.00
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					\$ 54,000.00					\$ -	\$ 54,000.00
PEQ-Wellhead Equipment	531								s	18,000.00	\$ -	\$ 18,000.00
Total Tangible Costs		\$-	\$	-	\$ 1,189,000.00	\$ 371,000.00	\$	942,000.00	\$	65,000.00	\$ -	\$ 2,567,000.00
Total Gross Cost		\$-	\$	-	\$ 5,856,000.00	\$ 7,706,000.00	\$	1,232,000.00	\$	170,000.00	\$ -	\$ 14,964,000.00
Note: The above costs are estimate	es only. Ac	ctual costs will be	billed as inc	curred.			_		_			

COG Operating LLC

By:

Date Prepared: COG Operating LLC

By:

We approve: % Working Interest

Company: By:

y:

Printed Name: Title: Date:

SHL BHL Formation	805 FNL, 1 50 FSL, 990 CHARKEY) FEL	OR UNIT A OR UNIT P	T25S-R27E T26S-R27E			State & County Objective Depth	ATLAS 2527 NEW MEXICO, EDDY DRILL & COMPLETE 23,388		
Legal . AFE Numbers	ALL SECS 2	8 & 33, 25S-27E 8	ALL SEC 4, 26S-27E				TVD	7,959		
Cost Description	Code	PreSpud (PS)	Pre-Set Casing(PC)	Drilling (DR)	Completions (C)	Tank Btty Constrctn(TB)	Pmpq Equip (PEQ)	Revision	1	Total
Intangible Costs		I			1	1		1.	1.0	
D-Lctn/Pits/Roads	205			\$ 167,000.00				s -	\$	167,000.00
D-Drilling Overhead	206			\$ 13,000.00				s -	\$	13,000.00
D-Daywork Contract	209			\$ 912,000.00				s -	\$	912,000.00
D-Directional Drlg Services	210			\$ 487,000.00				s -	\$	487,000.00
D-Fuel & Power	211			\$ 157,000.00				s -	\$	157,000.00
D-Water	212			\$ 133,000.00				s -	\$	133,000.00
D-Bits	213			\$ 167,000.00				s -	\$	167,000.00
D-Mud & Chemicals	214			\$ 342,000.00				s -	\$	342,000.00
D-Cement Surface	217			\$ 33,000.00				s -	\$	33,000.00
D-Cement Intermed	218			\$ 131,000.00				s -	\$	131,000.00
D-Prod-2nd Int Cmt	219			\$ 194,000.00				\$ -	\$	194,000.00
D-Float Equipment & Centralizers	221			\$ 105,000.00				ş -	\$	105,000.00
D-Csg Crews & Equip	222			\$ 114,000.00				s -	\$	114,000.00
D-Contract Labor	225			\$ 12,000.00				s -	\$	12,000.00
D-Company Sprvsn	226			\$ 76.000.00				s -	\$	76,000.00
D-Contract Sprvsn	227			\$ 191.000.00				s -	s	191,000.00
D-Tstg Csg/Tbg	228			\$ 70.000.00				s -	\$	70,000.00
D-Mud Logging Unit	229			\$ 70,000.00				s -	\$	70.000.00
D-Rentals-Surface	235			\$ 297,000.00				s -	s	297.000.00
D-Rentals-Subsrfc	236			\$ 138,000.00				s -	ŝ	138.000.00
D-Trucking/Forklift/Rig Mob	237			\$ 282,000.00				s -	ŝ	282,000.00
D-Welding Services	238			\$ 5,000.00				s -	ŝ	5.000.00
D-Contingency	243			\$ 5,000.00				s -	\$	105,000.00
D-Envrnmtl/Clsd Loop	243			•				s -	s	466.000.00
C-Wellbore Frac Prep	304			\$ 466,000.00				s -	s	209.000.00
C-Lctn/Pits/Roads	304				\$ 209,000.00			s -	\$	209,000.00
C-Completion OH	305				\$ 22,000.00			s -	s S	32,000.00
C-Frac Equipment	306				\$ 32,000.00			s -	\$ \$	1,431,000.00
	307				\$ 1,431,000.00				\$	
C-Frac Chemicals	308				\$ 907,000.00				s	907,000.00
C-Frac Proppant					\$ 411,000.00			\$ -	-	411,000.00
C-Frac Proppant Transportation	310				\$ 640,000.00			\$ -	\$	640,000.00
C-Fuel Delivery & Services	311				\$ 92,000.00			\$ -	\$	92,000.00
C-Water	312				\$ 605,000.00			\$ -	\$	605,000.00
C-Frac Surface Rentals	315				\$ 569,000.00			s -	\$	569,000.00
C-Contract Labor	325				\$ 22,000.00			s -	\$	22,000.00
C-Company Sprvsn	326				\$ 22,000.00			s -	\$	22,000.00
C-Contract Sprvsn	327				\$ 305,000.00			\$ -	\$	305,000.00
C-Artificial Lift Install	329				\$ 97,000.00			\$ -	\$	97,000.00
C-Perf/Wireline Svc	331				\$ 703,000.00			\$ -	\$	703,000.00
C-Trucking/Forklift/Rig Mob	337				\$ 22,000.00			\$-	\$	22,000.00
C-Water Disposal	339				\$ 88,000.00			s -	\$	88,000.00
C-Contingency	343				\$ 164,000.00			s -	\$	164,000.00
C-Dyed Diesel	345				\$ 341,000.00			s -	\$	341,000.00
C-Drillout	346				\$ 653,000.00			s -	\$	653,000.00
TB-Damages/Right of Way	351					\$ 2,000.00		ş -	\$	2,000.00
TB-Location/Pits/Roads	353					\$ 45,000.00		s -	\$	45,000.00
TB-Contract Labor	356					\$ 243,000.00		s -	\$	243,000.00
PEQ-Contract Labor	374					¥ 243,000.00	\$ 18,000.00	s -	ŝ	18.000.00
PEQ-Water Disposal	387						\$ 79.000.00	s -	\$	79,000.00
PEQ-HRZ Well Offset Frac	391						\$ 79,000.00	s -	ŝ	8,000.00
Total Intangible Costs	331	s -	s -	\$ 4,667,000.00	\$ 7,335,000.00	\$ 290,000.00	\$ 8,000.00 \$ 105,000.00	s -	\$ \$	12,397,000.00

Tangible Costs

Note: The above costs are estimate	es only. Ac	tual costs will be	billed as incu	rred.											
Total Gross Cost		\$-	\$	-	\$ 5,856,000.00	\$	7,706,000.00	\$	1,232,000.00	\$	170,000.00	\$		\$	14,964,000.00
Total Tangible Costs		\$ -	\$	-	\$ 1,189,000.00	\$	371,000.00	\$	942,000.00	\$	65,000.00	\$	-	\$	2,567,000.00
PEQ-Wellhead Equipment	531	•			4 400 000 00		274 000 00		0.40,000,00	÷		-		2	
	527					φ	04,000.00			s	18,000.00	s	-	3	18,000.00
C-Gas Lift/Compression	526					\$	54,000.00	φ	42,000.00	+		\$ 6			42,000.00
TB-Flares/Combusters/Emission	525							ъ С	42.000.00	-		s S		\$	42,000.00
TB-Miscellaneous TB-Meters/Lacts	523							\$	35.000.00			s		3	26,000.00
TB-Instrumentation/SCADA/POC TB-Miscellaneous	522							\$	26,000.00 26,000.00	+		\$	-	\$	26,000.00 26,000.00
TB-Pumps-Surface	521							\$		+		s	-	\$	35,000.00
TB-Couplings/Fittings/Valves	515 521							\$	261,000.00 35.000.00			s	-	\$	261,000.00
C-Pckrs/Anchors/Hgrs	514					\$	142,000.00		004 000 00	-		s	-	\$	142,000.00
TB-Electrical System/Equipment	513							\$	153,000.00	-		\$	-	\$	153,000.00
TB-Htr Trtr/Seprtr	512							\$	251,000.00	-		\$	-	\$	251,000.00
TB-Flowlines/Pipelines	511							\$	35,000.00	-		\$	-	\$	35,000.00
TB-Tanks	510							\$	78,000.00			\$	-	\$	78,000.00
C-Wellhead Equip	505					\$	61,000.00					\$	-	\$	61,000.00
C-Tubing	504					\$	114,000.00					\$	-	\$	114,000.00
D-Wellhead Equip	405				\$ 133,000.00							\$	-	\$	133,000.00
D-Production Casing/Liner	403				\$ 727,000.00							\$	-	\$	727,000.00
D-Intermed Csg	402				\$ 292,000.00							\$	-	\$	292,000.00
D-Surface Casing	401				\$ 37,000.00							\$	-	\$	37,000.00
PEQ-Flowback Crews & Equip	392									\$	47,000.00	\$	-	\$	47,000.00

COG Operating LLC

We approve: % Working Interest

Company: By:

Printed Name: Title: Date:

Date Prepared: COG Operating LLC

By:

By:

SHL BHL Formation	855 FNL, 1 50 FSL, 157 CHARKEY	0 FWL	OR UNIT C OR UNIT N	T25S-R27E T26S-R27E			State & County Objective Depth	ATLAS 2527 NEW MEXICO, EDDY DRILL & COMPLETE 23,048		
Legal AFE Numbers	ALL SECS 2	8 & 33, 255-27E 8	& ALL SEC 4, 26S-27E				TVD	7,939		
Cost Description	Code	PreSpud (PS)	Pre-Set Casing(PC)	Drilling (DR)	Completions (C)	Tank Btty Constrctn(TB)	Pmpq Equip (PEQ)	Revision		Tota
Intangible Costs D-Lctn/Pits/Roads	205		[]			[C		167,000.00
D-Drilling Overhead	205			\$ 167,000.00				\$ - \$ -	\$ \$	13,000.00
D-Daywork Contract	200			\$ 13,000.00 \$ 912.000.00				s -	ş Ş	912,000.00
D-Directional Drlg Services	209							s -	s	487,000.00
D-Fuel & Power	210			\$ 487,000.00				s -	s	157.000.00
D-Water	211 212			\$ 157,000.00 \$ 133,000.00				s -	s	133,000.00
D-Bits	212			•				s -	s	167.000.00
D-Mud & Chemicals	213			\$ 167,000.00					s	342,000.00
D-Nud & Chemicals D-Cement Surface	214			\$ 342,000.00				\$ - \$ -	\$	33,000.00
D-Cement Surrace	217			\$ 33,000.00				s -	э S	131.000.00
D-Cement Intermed D-Prod-2nd Int Cmt	218			\$ 131,000.00				s - s -	s	131,000.00
D-Prod-2nd Int Cmt D-Float Equipment & Centralizers	219			\$ 194,000.00				s - s -	s	194,000.00
				\$ 105,000.00						
D-Csg Crews & Equip D-Contract Labor	222			\$ 114,000.00				\$ - \$ -	\$ \$	114,000.00
	225			\$ 12,000.00						76.000.00
D-Company Sprvsn				\$ 76,000.00					\$	
D-Contract Sprvsn	227			\$ 191,000.00				s -	\$	191,000.00
D-Tstg Csg/Tbg	228			\$ 70,000.00				\$ -	\$	70,000.00
D-Mud Logging Unit	229			\$ 70,000.00				\$ -	\$	70,000.00
D-Rentals-Surface	235			\$ 297,000.00				\$ -	\$	297,000.00
D-Rentals-Subsrfc	236			\$ 138,000.00				s -	\$	138,000.00
D-Trucking/Forklift/Rig Mob	237			\$ 282,000.00				s -	\$	282,000.00
D-Welding Services	238			\$ 5,000.00				s -	\$	5,000.00
D-Contingency	243			\$ 105,000.00				s -	\$	105,000.00
D-Envrnmtl/Clsd Loop	244			\$ 466,000.00				s -	\$	466,000.00
C-Wellbore Frac Prep	304				\$ 209,000.00			s -	\$	209,000.00
C-Lctn/Pits/Roads	305				\$ 22,000.00			s -	\$	22,000.00
C-Completion OH	306				\$ 32,000.00			s -	\$	32,000.00
C-Frac Equipment	307				\$ 1,431,000.00			s -	\$	1,431,000.00
C-Frac Chemicals	308				\$ 907,000.00			s -	\$	907,000.00
C-Frac Proppant	309				\$ 411,000.00			s -	\$	411,000.00
C-Frac Proppant Transportation	310				\$ 640,000.00			\$ -	\$	640,000.00
C-Fuel Delivery & Services	311				\$ 92,000.00			s -	\$	92,000.00
C-Water	312				\$ 605,000.00			s -	\$	605,000.00
C-Frac Surface Rentals	315				\$ 569,000.00			s -	\$	569,000.00
C-Contract Labor	325				\$ 22,000.00			s -	\$	22,000.00
C-Company Sprvsn	326				\$ 22,000.00			s -	\$	22,000.00
C-Contract Sprvsn	327				\$ 305,000.00			s -	\$	305,000.00
C-Artificial Lift Install	329				\$ 97,000.00			\$-	\$	97,000.00
C-Perf/Wireline Svc	331				\$ 703,000.00			\$-	\$	703,000.00
C-Trucking/Forklift/Rig Mob	337				\$ 22,000.00			\$-	\$	22,000.00
C-Water Disposal	339				\$ 88,000.00			s -	\$	88,000.00
C-Contingency	343				\$ 164,000.00			s -	\$	164,000.00
C-Dyed Diesel	345				\$ 341,000.00			s -	\$	341,000.00
C-Drillout	346				\$ 653,000.00			s -	\$	653,000.00
TB-Damages/Right of Way	351					\$ 2,000.00		ş -	\$	2,000.00
TB-Location/Pits/Roads	353					\$ 45,000.00		ş -	\$	45,000.00
TB-Contract Labor	356					\$ 243,000.00		\$ -	\$	243,000.00
PEQ-Contract Labor	374					240,000.00	\$ 18.000.00	s -	\$	18,000.00
PEQ-Water Disposal	387						\$ 79,000.00	s -	s	79.000.00
PEQ-HRZ Well Offset Frac	391						\$ 79,000.00	s -	\$	8,000.00
Total Intangible Costs		s -	s -	\$ 4,667,000.00	\$ 7,335,000.00	\$ 290,000.00	\$ 105,000.00	\$.	ŝ	12,397,000.00

Tangible Costs

Total Gross Cost		\$	-	\$	-	\$	5,856,000.00	\$	7,706,000.00	\$	1,232,000.00	\$ 170,000.00	\$	-	\$	14,964,000.00
		\$	-	\$		\$	1,109,000.00	\$	371,000.00	\$	942,000.00	\$ 65,000.00	\$	-	Ŷ	2,567,000.00
PEQ-Wellhead Equipment Total Tangible Costs	531	s		s		ŝ	1.189.000.00	s	371.000.00	¢	942,000.00	• 10,000.00	v		\$	2,567,000.00
C-Gas Lift/Compression	527 531					_		\$	54,000.00	-		\$ 18,000,00	s	-	\$ \$	54,000.00
TB-Flares/Combusters/Emission	526					_			51000.00	\$	42,000.00		s	-	\$	42,000.00
TB-Meters/Lacts	525					_		-		\$	35,000.00		s	-	\$	35,000.00
TB-Miscellaneous	523							-		\$	26,000.00		\$	-	\$	26,000.00
TB-Instrumentation/SCADA/POC	522					_				\$	26,000.00		\$	-	\$	26,000.00
TB-Pumps-Surface	521							I		\$	35,000.00		\$	-	\$	35,000.00
TB-Couplings/Fittings/Valves	515							1		\$	261,000.00		\$	-	\$	261,000.00
C-Pckrs/Anchors/Hgrs	514							\$	142,000.00				\$	-	\$	142,000.00
TB-Electrical System/Equipment	513									\$	153,000.00		\$	-	\$	153,000.00
TB-Htr Trtr/Seprtr	512									\$	251,000.00		\$	-	\$	251,000.00
TB-Flowlines/Pipelines	511									\$	35,000.00		\$	-	\$	35,000.00
TB-Tanks	510									\$	78,000.00		\$	-	\$	78,000.00
C-Wellhead Equip	505							\$	61,000.00				\$	-	\$	61,000.00
C-Tubing	504							\$	114,000.00				\$	-	\$	114,000.00
D-Wellhead Equip	405					\$	133,000.00						s	-	\$	133,000.00
D-Production Casing/Liner	403					S	727.000.00						s	-	s	727,000.00
D-Intermed Csg	402					S	292.000.00						s	-	s	292,000.00
D-Surface Casing	401					s	37.000.00						s	-	s	37,000.00
EQ-Flowback Crews & Equip	392											\$ 47,000.00	s	-	\$	47,000.0

COG Operating LLC

We approve: % Working Interest

Company: By:

-1-

Printed Name: Title: Date: Date Prepared: COG Operating LLC

By:

By:

NAME OF CONTACT	COMPANY	DATE	TYPE OF COMMUNICATION	DISCUSSION TOPIC
				OPERATORSHIP OF FLAMING SNAIL PROJECT AREA.
MICHAEL STEVENSON & RANDY BLURTON	VERITAS PERMIAN RESOURCES III, LLC	5/3/2022	PHONE	TITLE/LEASEHOLD
				OPERATORSHIP OF FLAMING SNAIL PROJECT AREA.
MICHAEL STEVENSON & RANDY BLURTON	VERITAS PERMIAN RESOURCES III, LLC	5/4/2022	EMAIL	TITLE/LEASEHOLD
MICHAEL STEVENSON & RANDY BLURTON	VERITAS PERMIAN RESOURCES III, LLC	7/7/2022	EMAII	DDOTO OF PROJECT AREA, OA DISCUSSIONS, COMMINGLING
MICHAEL STEVENSON	VERITAS PERMIAN RESOURCES III, LLC	8/25/2022		DEVELOPMENT OF PROJECT AREA, TIMING
GREGG PAZER	CHEVRON U.S.A. INC	9/19/2022		CONFLICTING PERMITS IN PROJECT AREA
GREGG PAZER	CHEVRON U.S.A. INC	9/19/2022		PROJECT AREA & PERMITS
GREGG PAZER	CHEVRON U.S.A. INC	9/20/2022		PROJECT AREA & PERMITS
GREGG PAZER	CHEVRON U.S.A. INC	9/28/2022		PROJECT AREA & PERMITS
GREGG PAZER	CHEVRON U.S.A. INC	10/10/2022		PROJECT AREA & PERMITS
MICHAEL STEVENSON	VERITAS PERMIAN RESOURCES III, LLC	10/11/2022		PROJECT AREA & PERMITS
MICHAEL STEVENSON	VERITAS PERMIAN RESOURCES III, LLC	10/12/2022	EMAIL	AFEs & PROPOSED OA
MICHAEL STEVENSON	VERITAS PERMIAN RESOURCES III, LLC	10/19/2022	EMAIL	DEVELOPMENT OF PROJECT AREA
MICHAEL STEVENSON	VERITAS PERMIAN RESOURCES III, LLC	10/19/2022	EMAIL	PROPOSED OA
MICHAEL STEVENSON	VERITAS PERMIAN RESOURCES III, LLC	10/25/2022	EMAIL	WELL PROPOSALS & AFEs SENT
COURTNEY CARR	OXY Y-1 COMPANY	10/26/2022	EMAIL	WELL PROPOSALS & AFEs SENT
HANNAH EASTWOOD	OXY Y-1 COMPANY	10/26/2022	EMAIL	WELL PROPOSALS & AFES SENT
MICHAEL STEVENSON	VERITAS PERMIAN RESOURCES III, LLC	10/27/2022	EMAIL	UPDATED OA EXHIBITS A & H
HANNAH EASTWOOD	OXY Y-1 COMPANY	10/27/2022	EMAIL	UPDATED OA EXHIBITS A & H
KEVIN CRUZ	CHEVRON U.S.A. INC	10/27/2022	EMAIL	UPDATED OA EXHIBITS A & H
HANNAH EASTWOOD	OXY Y-1 COMPANY	10/27/2022	EMAIL	RESENT DIGITAL COPIES OF WELL PROPOSALS, AFES AND OA DRAFT
HANNAH EASTWOOD	OXY Y-1 COMPANY	10/31/2022	EMAIL	WI/ORRI/TRACTS/DEVELOPMENT
MICHAEL STEVENSON	VERITAS PERMIAN RESOURCES III, LLC	11/3/2022	EMAIL	PROPOSED OA
KEVIN CRUZ	CHEVRON U.S.A. INC	11/7/2022	EMAIL	DEVELOPMENT OF PROJECT AREA, TIMING
MICHAEL STEVENSON	VERITAS PERMIAN RESOURCES III, LLC	11/10/2022	EMAIL	INTEREST VERIFICATION
MICHAEL STEVENSON	VERITAS PERMIAN RESOURCES III, LLC	11/14/2022	EMAIL	PROPOSED OA
KEVIN CRUZ	CHEVRON U.S.A. INC	11/16/2022	EMAIL	DEVELOPMENT OF PROJECT AREA, TIMING
MICHAEL STEVENSON	VERITAS PERMIAN RESOURCES III, LLC	11/22/2022	EMAIL	DEVELOPMENT OF PROJECT AREA, TIMING
KEVIN CRUZ	CHEVRON U.S.A. INC	11/28/2022	EMAIL	AFEs & DEVELOPMENT
KEVIN CRUZ	CHEVRON U.S.A. INC	11/29/2022	EMAIL	AFEs
HANNAH EASTWOOD	OXY Y-1 COMPANY	11/29/2022	EMAIL	UPDATED OA, EXHIBIT C, AFEs
KEVIN CRUZ	CHEVRON U.S.A. INC	1/10/2023	EMAIL	PROPOSED OA, COMPULSORY POOLING
HANNAH EASTWOOD	OXY Y-1 COMPANY	1/11/2023	EMAIL	PROPOSED OA, COMPULSORY POOLING

COG Operating LLC Case No. 23304 Exhibit A-8

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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, EDDY COUNTY, NEW MEXICO.

CASE NO. 23304

SELF-AFFIRMED STATEMENT OF ANDREW FLETCHER

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 not previously testified before the New Mexico Oil Conservation Division ("Division").

2. I have a Master of Science in Geology from Oklahoma State University and five years of experience in the petroleum industry. My experience has focused on planning and executing projects, and mapping reservoir properties in the Delaware Basin. A copy of my resume is attached as **Exhibit B-1**.

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

4. Exhibit B-2 is a location map of the proposed horizontal spacing unit ("Unit"). The approximate wellbore paths for the proposed Flaming Snail Fed Com 501H, Flaming Snail Fed Com 502H, Flaming Snail Fed Com 503H, Flaming Snail Fed Com 504H, Flaming Snail Fed Com 520H, and Flaming Snail Fed Com 521H wells are represented by dashed lines. Existing producing wells in the targeted interval are represented by solid lines.

5. **Exhibit B-3** is a subsea structure map for the Second Bone Spring Sand that is representative of the targeted intervals for the proposed Flaming Snail Fed Com 501H, Flaming Snail Fed Com 502H, Flaming Snail Fed Com 503H, and Flaming Snail Fed Com 504H wells.

COG Operating LLC Case No. 23304 Exhibit B The data points are indicated by crosses. The approximate wellbore paths of the wells are depicted by dashed lines. The map demonstrates the formation is gently dipping to the east in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells.

6. **Exhibit B-4** is a cross section map for the Second Bone Spring Sand 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.

7. **Exhibit B-5** is a stratigraphic cross-section using the representative wells identified on Exhibit B-4. It contains gamma ray, resistivity and porosity logs. The proposed landing zones for the Flaming Snail Fed Com 501H, Flaming Snail Fed Com 502H, Flaming Snail Fed Com 503H, and Flaming Snail Fed Com 504H wells are labeled on the exhibit. This cross-section demonstrates the target intervals are continuous across the Unit.

8. **Exhibit B-6** is a subsea structure map for the Charkey/Third Bone Spring formation that is representative of the targeted intervals for the proposed Flaming Snail Fed Com 520H and Flaming Snail Fed Com 521H wells. The data points are indicated by crosses. The approximate wellbore paths of the wells are depicted by dashed lines. The map demonstrates the formation is gently dipping to the east in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells.

9. Exhibit B-7 is a cross section map for the Charkey/Third Bone Spring formation 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.

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10. Exhibit B-8 is a stratigraphic cross-section using the representative wells identified on Exhibit B-7. It contains gamma ray, resistivity and porosity logs. The proposed landing zones for the Flaming Snail Fed Com 520H and Flaming Snail Fed Com 521H wells are labeled on the exhibit. This cross-section demonstrates the target intervals are continuous across the Unit.

11. 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.

12. 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.

13. 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.

The attached exhibits were either prepared by me or under my supervision or were 14. compiled from company business records.

15. 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.

adh 156Hehm Andrew Fletcher

<u>1-20 - 2023</u> Date

Andrew W. Fletcher

Awfletcher711@gmail.com | (281) 740-7711 | 6003 San Bernard Drive, Midland, TX 79707

EXPERIENCE

May 2017 - Present | Petroleum Geoscientist | ConocoPhillips

February 2021 – Present | Delaware Basin | Asset Development Geologist | Midland, TX

- Created method for conjoining Enverus production and completion data with well path shapefiles in Petrel for well performance comparison against reservoir property maps.
- Lead well planning efforts and presented project proposals to management for asset's 1-2 rig drilling program.
- Assessed water disposal risk to drilling activities and evaluated new SWD permit applications.
- Actively geosteered 30+ Wolfcamp and Bone Spring wells by providing real-time interpretations and drilling guidance to ensure optimal well placement.
- Monitored competitor activity in asset area to identify emerging development strategies.
- Supported Delaware Basin growth efforts through geologic evaluations of acreage trades and OBO proposals.
- Lead study investigating inter-zone fluid communication between horizontal wellbores.
- Trained/mentored co-workers, new hires, and interns on workflows, best practices, and software.

June 2020 – February 2021 | Midland Basin | Development Geologist | Houston, TX

- Leveraged strengths in data integration, evaluation, and prospect generation to efficiently develop and fully monetize assets, creating value and optionality within our leasehold.
- Performed subsurface characterization work for current and prospective development areas.
- Monitored industry activity in areas of interest and evaluated new play opportunities.
- Planned and progressed ConocoPhillips' first two Midland Basin horizontal wellbores pre-Concho acquisition. Both wells now performing above type curve (Reagan Core 110E 1H and Reagan Core 4E 1H wells).
- Lead infill drilling risk evaluation for Delaware Basin assets.
- Created well spacing analytics tool to aid in establishing production relationships between wells for varying spacing, stacking, and sequencing scenarios.

June 2018 – June 2020 | Delaware Basin and Eagle Ford | Operations Geologist | Houston, TX

- Prognosed, landed, and geosteered 28 Delaware Basin wells and 25 Eagle Ford wells.
- Created geologic structure grids, cross-sections, and picked geologic tops on local and regional scales.
- Coordinated and lead pre-spud meetings between subsurface, drilling, regulatory, and field operations teams.
- Provided post-drill wellbore summaries by integrating geology, drilling parameters, and execution details.
- Created drilling performance optimization tool, which cataloged drilling issues and drilling performance metrics by geologic zone and area. Tool contributed to a 50% reduction in Wolfcamp C lateral drilling durations.
- Assisted in pilot hole data acquisition by collaborating with reservoir characterization team and contractors.
- 100+ competitor re-steers and provided detailed geologic and drilling performance follow-up analysis for re-steers.

May 2017 - August 2017 | North Slope | Internship | Anchorage, AK

- Determined hydrocarbon resource volumes by integrating seismic attributes and well data.
- 3D seismic fault mapping for resource compartmentalization evaluation and well planning.
- 4 wells drilled based on internship characterization work, all of which are performing above type curve.

EDUCATION

December 2018 | Master of Science, Geology | Oklahoma State University

- Cumulative GPA: 3.83/4.00
- Thesis topic: utilizing gravity and magnetics data to identify cratonic rifting processes.
- Research emphasis: potential-field geophysics, spectral signal processing, and remote sensing.

January 2015 | Bachelor of Science, Geology | Utah Valley University

- Cumulative GPA: 3.83/4.00
- Major GPA: 3.95/4.00
- Research emphasis: structural geology, geochemistry, resource geology, hydrology, and paleoclimatology.

COG Operating LLC Case No. 23304 Exhibit B-1

SKILLS

Geomodeling	Facies modeling	Reservoir property mapping	Structure mapping
Well correlation	Data analytics	Geosteering	Asset evaluation
SOFTWARE / PLATFORM	S		
Petrel	Starsteer (+Solo)	Enverus	Sourcenergy (Sourcewater)
Wellview	ArcMap	Decision Space Geoscience	Spotfire
AWARDS & HONORS			
Earth Science Student of the	e Year 2014 (UVU)	Chevron Research Fun	d Award (Aug 2015 – Present)
Questar Scholarship (Aug 20	013 – May 2015)	Elected to Dean's Hon	or Roll (Jan 2011 – Dec 2014)
Utah Geological Society Sch	olarship (April 2014)	Undergraduate Resear	rch Award (Mar 2013 – May 2014)
PUBLICATIONS			

- Fletcher, A. et al. (2018) Lithospheric controls on the rifting of the Tanzanian Craton at the Eyasi Basin, Eastern Branch of the East African Rift System. *Tectonics*. Vol. 37, Issue 9, p2818-2832
- Bunds, M., DuRoss, C., Fletcher, A., Toke, N. (2015) High-resolution topographic mapping for geologic hazard studies using low-altitude aerial photographs and structure from motion software: methods, accuracy and examples. Geological Society of America Conference Paper, Baltimore, MD.
- Bryant, H., Fletcher, A., Judd, E., Zanazzi, A. (2015) Eocene-Oligocene latitudinal climate gradients in North American inferred from stable isotope ratios in perissodactyl tooth enamel. *Paleogeography, Paleoclimatology, Paleoecology*. Vol. 417, p561-568





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-3750







Released to Imaging- 3/31/2023 10:27:25 AM

Received by OCD: 3/30/2023 4:55:56 PM



ConocoPhillips

March 10, 2023

4







<u>xhibit B-8) Charkey (Third Bone Spring) – Stratigraphic Cross Section A – A'</u>



Received by OCD: 3/30/2023 4:55:56 PM

ConocoPhillips

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, EDDY COUNTY, NEW MEXICO

CASE NO. 23304

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 January 10, 2023, I caused a notice to be published to all interested parties in the Carlsbad Current Argus. An Affidavit of Publication from the Legal Clerk of the Carlsbad Current Argus, 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.

/s/ Dana S. Hardy Dana S. Hardy

<u>March 30, 2022</u> Date

> COG Operating LLC Case No. 23304 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 11, 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. 23303 & 23304 – Applications of COG Operating LLC for Compulsory Pooling, Eddy 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 **February 2**, 2023, beginning at 8:15a.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 The statement must be submitted through the OCD E-Permitting system date. (https://wwwapps.emnrd.nm.gov/ocd/ocdpermitting/ via e-mail to) or ocd.hearings@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 Shelley C. Klingler, Senior Land Negotiator for COG Operating LLC, by phone at 432-688-9027 if you have any questions regarding this matter.

Sincerely,

<u>/s/ Dana S. Hardy</u> Dana S. Hardy

COG Operating LLC Case No. 23304 Exhibit C-1

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

Enclosure



HINKLE SHANOR LLP

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

January 6, 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. 23303 & 23304 – Applications of COG Operating LLC for Compulsory Pooling, Eddy County, New Mexico.

To whom it may concern:

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Please contact Shelley C. Klingler, Senior Land Negotiator for COG Operating LLC, by phone at 432-688-9027 if you have any questions regarding this matter.

Sincerely,

<u>/s/ Dana S. Hardy</u> 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

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. 23303

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

CASE NO. 23304

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
Buffalo River Minerals, LLC.,	1/11/23	01/23/23
8 The Green, Suite 8479		
Dover, Delaware 19901		
Chevron U.S.A. Inc.	01/06/23	01/18/23
1400 Smith St., Suite 3600		
Houston, TX 77002		
Coterra Energy Inc.	01/06/23	01/11/23
600 N. Marienfeld St., Suite 600		
Midland, TX 79701		
Donald R. Creamer, Inc.	01/06/23	01/11/23
2005 W. Boyd St.		
Midland, TX 79705		
Donald R. Creamer, Inc.	01/06/23	01/26/23
3300 N "A" Street		
One Petroleum Center		
Building 1, Suite 244		
Midland, TX 79705		
Donald R. Creamer, Inc.	01/06/23	02/10/23
PO Box 10014		
Midland, TX 79702		Return to sender.
EOG Resources Inc.	01/06/23	01/12/23
5509 Champions Blvd.		
Midland, TX 79706		
Map Resources, Inc.	01/06/23	01/11/23
401 W. Texas Ave.		
Midland, TX 79701		
Richard E., and Blix A. Masterson	01/06/23	01/13/23
3520 Rocks Mill Lane		
Charlottsville, VA 22903		
Richard E., and Blix A. Masterson	01/06/23	02/06/23
5712 Heartland Court		
Midland, TX 79707		Return to sender.

NOTICE LETTER CHART

COG Operating LLC Case No. 23304 Exhibit C-2

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. 23303

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

CASE NO. 23304

Greg McCabe PO Box 11188 Midland, TX 79702	01/06/23	01/18/23
Nestegg Energy Corporation 2308 Sierra Vista Rd Artesia, NM 88210	01/06/23	01/12/23
OXY Y-1 Company 5 Greenway Plaza, Suite 110 Houston, TX 77046	01/06/23	01/18/23
Samson Resources II 15 East 5th Street, Suite 1000 Tulsa, OK 74103	01/06/23	01/19/23
TRO-X, L.P. 511 W. Ohio, Suite 301 Midland, TX 79701	01/06/23	01/20/23 Return to sender.
TRO-X, L.P. PO Box 3816 Midland, TX 79702	01/06/23	01/23/23
Veritas Permian Resources III, LLC 6500 White Settlement Rd. Westworth Village, TX 76114	01/06/23	01/13/23
Veritas Permian Resources III, LLC PO Box 10850 Fort Worth, TX 76114	01/06/23	02/24/23

NOTICE LETTER CHART



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JAN 23 2023

Hinkle Shanor LLP

Service TypeSanta Fe NM 87504 Priority Mail Express® Adult Signature Restricted Delivery Certified Mail® Certified Mail Restricted Delivery Certified Mail Restricted Delivery Certified Mail Restricted Delivery Signature Confirmation™ Certified Mail Restricted Delivery

D.

Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Buffalo River Minerals, LLC., 8 The Green, Suite 8479 Dover, Delaware 19901 23303 & 23304 (COG - Flaming Snail) З. Adult Signature
 Adult Signature Restricted Delivery
 Certified Mail®
 Certified Mail® 9590 9402 7635 2122 8638 67 Collect on Delivery
Collect on Delivery Restricted Delivery 2. Article Number (Transfer from service label) Insured Mall
 Insured Mall Restricted Delivery
 (over \$500) 7021 0950 0002 0368 6528

PS Form 3811, July 2020 PSN 7530-02-000-9053

Domestic Return Receipt

Signature Confirmation Restricted Delivery

□ Yes

D No

COG Operating LLC Case No. 23304 **Exhibit C-3**

















7211	U.S. Postal Service [™] CERTIFIED MAIL [®] RECENT Domestic Mail Only
	For delivery information, visit our website at www.usps.com
	OFFICMAL USE
0368	Certified Mail Fee JAN ~ 0 2023
	Extra Services & Fees (check box, add feeles appropriate) Return Receipt (hardcopy)
гu	Return Receipt (electronic)
2000	Certified Mail Restricted Delivery \$
	Adult Signature Required Adult Signature Restricted Delivery
	Postage
5	S Total Dectars and F
0450	Total Postage and Fees
	Sant To
ш	EOG Resources Inc. 5509 Champions Blvd.
7021	Midland, TX 79706
19	C 23303 & 23304 - COG Flaming Snail
	PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions











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SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
 Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	A. Signature X Aug Angent B. Received by (Printed Name) Addressee C. Date of Delivery 1-12-23	
1. Article Addressed to: Greg McCabe	D. Is delivery address different from item 1? Yes If YES, enter delivery address before BNo	
PO Box 11188 Midland, TX 79702	JAN 18 2023	
23303 & 23304 - COG Flaming Snail	Line Classes to P	
9590 9402 7635 2122 8634 78	Service Type HINKIE Shanot I Prority Mail Express® Adult Signature Santa Fe NM 87 Bystered Mail™ Adult Signature Restricted Delivery Certified Mail® Contined Mail Restricted Delivery Collect on Delivery	
2. Article Number (Transfer from service label) 7021 0950 0002 0368 7297	Collect on Delivery Restricted Delivery Restricted Delivery Insured Mail Insured Mail Restricted Delivery (over \$500)	
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt	



	and the second	
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
 Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailplece, or on the front if space permits. Attach Addressed to: Nestegg Enci gy Corporation 2308 Sierra Vista Rd Artesia, NM: 88210 	A. Signature X Raye Mille Agent B. Received by (Printed Name) Raye Milley D. Is delivery address different from item 1? If YES, enter delivery address before DNo RECEIVED No JAN 12 2023	
_ 23303 & 23304 - COG Flaming Snail	1	
9590 9402 7635 2122 8633 62	3. Service Type Hinkle Shanor Legiority Mail Express® □ Adult Signature Santa Fe NM 8D Hegistered Mail™ □ Adult Signature Restricted Delivery □ Registered Mail Restricted Delivery □ Certified Mail® □ Confirmation™ □ Collect on Delivery □ Signature Confirmation □ Collect on Delivery □ Signature Confirmation	
2. And the Number (Mansfer Hold Service Label)	Insured Mail Insured Mail (over \$500)	
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt	







PS Form 3811, July 2020 PSN 7530-02-000-9053

-

Domestic Return Receipt





Released to Imaging: 3/31/2023 10:27:25 AM





Released to Imaging: 3/31/2023 10:27:25 AM



SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
 Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 1. Article Addressed to: Veritas Permian Resources III, LLC PO Box 10850 Fort Worth, TX 76114 	A. Signature X. M. H. tou Agent Addressee B. Beceived by (Phyted Name) KeitH ISTOCCO D. Is delivery address different from item 1? If YES, enter delivery address below RECEIVED FEB 24 2023
23303 & 23304 - COG Flaming Snail 9590 9402 7635 2122 8633 79 2. Article Number (Transfer from service label) 7021 0950 0002 0368 7204	Service Type Hinkle Shanor Herrity Mail Express® Adult Signature Santa Fe NM 8/2506/sistered Mail™ Adult Signature Restricted Delivery Certified Mail® Collect on Delivery Collect on Delivery Restricted Delivery Collect on Delivery Restricted Delivery Insured Mail Restricted Delivery (over \$500)













Carlsbad Current Argus.

Affidavit of Publication Ad # 0005548535 This is not an invoice

HINKLE SHANOR LLP POBOX 10

ROSWELL, NM 88202-0010

I, a legal clerk of the Carlsbad Current Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof in editions dated as follows:

01/10/2023

linda Legal Clerk

Subscribed and sworn before me this January 10,

2023:

State of Wi, County of Brown NOTARY PUBLIC

My commission expires

KATHLEEN ALLEN Notary Public

State of Wisconsin

Ad # 0005548535 PO #: 0005548535 # of Affidavits1

This is not an invoice

COG Operating LLC Case No. 23304 Exhibit C-4

This is to notify all interested parties, including Cheved parties, including Chev-ron U.S.A. Inc., Coterra Ener-gy Inc., EOG Resources Inc., Veritas Permian Resources III, LLC, OXY Y-1 Company, Greg McCabe, TRO-X, L.P., Donald R. Creamer, Inc., Map Resources, Inc., Richard E. Masterson, Nesteng Energy Masterson, Nestegg Energy Corporation, Samson Re-sources, 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. 23304). The hearing will No. 23304). The hearing will be conducted remotely on February 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: <u>https:</u> <u>//www.emnrd.nm.gov/ocd/h</u> <u>earing-info/</u>. Applicant ap-plies for an order: (1) estabplies for an order: (1) establishing a 1,920-acre, more or less, non-standard horizonless, non-standard horizon-tal spacing unit comprised of Sections 28 and 33 of Township 25 South, Range 27 East, and Section 4 of Township 26 South, Range 27 East, Eddy County, New Mexico ("Unit"); and (2) pooling all uncommitted in-terests in the Bone Spring formation underlying the Unit. Applicant seeks to dedicate the Unit to the fol-lowing proposed wells ("Wells"): the Flaming Snail Fed Com 501H and Flaming Snail Fed Com 520H, to be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 28, Township 25 South, Range 27 East, to bottom hole lo-cations in the SE/4 SE/4 (Unit P) of Section 4, Township 26 South, Range 27 East; the Flaming Snail Fed Com 502H, to be drilled from a surface hole location in the surface hole location in the NE/4 NE/4 (Unit A) of Section 28, Township 25 South, Range 27 East, to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 4, Township 26 South, Range 27 East; the Flaming Snail Fed Com 503H and Flaming Snail Fed Com 521H, to be drilled from a surface hole drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 28, Township 25 South, Range 27 East, to bottom hole lo-

....

cations in the SE/4 SW/4 (Unit N) of Section 4, Township 26 South, Range 27 East; and the Flaming Snail Fed Com 504H, to be drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 28, Township 25 South, Range 27 East, to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 4, Township 26 South, Range 27 East. 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 Wells, and a 200% charge for the risk involved in drilling and completing the Wells. The Wells are located approximately 22 miles south of Carlsbad, New Mexico. #5548535, Current Argus, January 10, 2023