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

2013 APR 15 A 10: 37

IN THE MATTER OF THE HEARINGS CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

APPLICATIONS OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR A NON-STANDARD OIL SPACING AND PRORATION UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

Case Nos. 14951-14954

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

Case No. 14975

# <u>DEVON ENERGY PRODUCTION COMPANY, L.P.'S</u> REPLY IN SUPPORT OF MOTION FOR A CONTINUANCE

Devon Energy Production Company, L.P. ("Devon") submits this reply in support of its motion for a continuance.

- 1. In its response, COG Operating LLC ("COG") states that it <u>must</u> commence its Pan Head Fee Well No. 4H by mid-May, and drill a 240 acre lateral, in order to save its term assignment acreage. That is not true, for the following reasons:
  - (a) There is no need to drill a 240 acre lateral; COG is free to drill a 160 acre lateral (the E/2W/2 of Section 11), and that would extend the term assignment.<sup>1</sup>

Attached as Exhibit 1 are the first two pages of the term assignment, which includes the 180 day continuous drilling provision. As you can see, the assignment encompasses the drilling of vertical and horizontal wells.

Allowing COG to commence its well and drill a 240 acre lateral would eliminate Devon's right to appeal any decision by the Division.

(b) Please refer to Exhibit B attached to Devon's original motion. You can see that COG has extended the term assignment to date *solely* by drilling vertical wells in Sections 9 and 10. It is free to do so again.

Attached hereto as Exhibit 2 is a well proposal from COG to Devon, regarding the Taylor D Well No. 27, a vertical well in the NW/4SW/4 of Section 10 (on term assignment acreage). That acreage, as noted in the proposal letter, is subject to a JOA, and Devon has 30 days to elect. After that date (May 4th), COG may commence the well. And, COG has an approved APD for that well. Exhibit 3.

3. COG can commence its Taylor D Well No. 27 before mid-June,<sup>2</sup> which will extend the term assignment to about the end of December 2013, which will leave sufficient time for the Division (and the Commission, if necessary) to consider and decide these cases. COG's Section 14 acreage is not at risk.

WHEREFORE, Devon requests that Case Nos. 14951-14954 and 14975 be continued to the May 2nd Examiner hearing.

Respectfully submitted,

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

Attorney for Devon Energy Production Company, L.P.

Under a JOA COG would have 90 days to commence the Taylor D Weil No. 27.

## CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this \_\_\_\_\_\_ day of April, 2013 by facsimile transmission and U.S. Mail:

J. Scott Hall Montgomery & Andrews, P.A. P.O. Box 2307 Santa Fe, New Mexico 87504 (505) 982-4289

ames Bruce

JAK work sony

#### TERM ASSIGNMENT OF OIL AND GAS LEASE

This Assignment, made and entered into this 6th day of October, 2008, which shall also be the effective date of this agreement for all purposes, by and between MARATHON OIL COMPANY, here mailer called "Assigner", whose mailing address is P. O. Box 3487, Houston, Texas 77253-2487, and HAWKINS EXPLORATION, INC., heretnafter called "Assignee", whose mailing address is P. O. Box 3192, Midland, Texas 79702.

#### WITNESSETH:

r. A

Assignor, in consideration of the sum of One Hundred and NO/100 Dollars (\$100.00) in hand paid, and other good and valuable considerations, and of the other agreements of Assignee herein contained, the receipt and sufficiency of which are hereby acknowledged, does hereby TRANSPER, ASSIGN and CONVEY, subject to the exceptions, reservations, conditions and other provisions hereinafter set out, exclusively unto Assignee and Assignee's successors and assigns, all of Assigner's right, title and interest in and to that certain Oil and Gas Lesse(s) which is described in Exhibit "A" statched hereto and hereby made a part hereof, such lesse(s) being hereinsfler sometimes called the "said Lesse(s)", INSOFAR AND ONLY INSOFAR as said Lesse(s) covers the lands and depths only, being hereinsfler sailed the "Assigned Frantises".

Reference is hereby made to said Lease(s) and to the record thereof for this and all other purposes.

11

There is hereby excepted from this Assignment and reserved unto Assigner, its successors and assigns, and Assigner, its successors and assigns, shall have the following:

- A. Any and all minerals, mineral rights and mineral leasehold estates in, to and under the Assigned Premises other than the oil and gas leasehold estate therein and rights appurtment thereto;
- B. All the right, title and interest of Assignor in and to said Lease(s) insofar as it covers are and/or depths other than the Assigned Premises; and
- C. The overriding royalty described in Article V.

All of the rights retained by Assignor and the rights granted to Assignes began shall be exercised in such manner that neither shall unduly interfere with the operations of the other upon the land covered by the Assigned Premises.

ZVI PT

Subject to the other provisions hereof and to the terms and conditions of said Lease(s), this Assignment shall be for a term of two (I) years commencing upon the effective date hereof, (hereinafter called "primary term"), and as long thereafter at all, gas or attacklated liquid or presons by those the produced hereunder in paying distribution, or any operation is conducted, payment is made, or condition exists which operation this which provided. Should this Assignment apply to more than one Lease, then the expiration or demination of one Lease shall not affect the Assignment's applicability to the remaining Lease(s) covering the Assignment.

rv

A. If, at the expiration of the primary term, a Production Unit, as defined in Article IV.B., on the Assigned Premises or lands peopled therewith which produced oil, gas or associated liquid or gaseous hydrocarbons in paying quantities during the primary term, is no longer production or absolutement of a well, if a well be abandoned or production should cease within sixty (60) days prior to the expiration of the primary term). Assignes commences actual drilling or reworking operations on the Production Unit in an effort to restore production on the Production Unit, or production to commence or resumed during such sixty (60) day period, then this Assignment shall continue in force as to such Production Unit so long as such operations and their recommencement whether on the same well or on different wells on the Production unit successively or so long as the production so commenced or resumed in paying quantities from the Production Unit. If, at any time or times after the expiration of the primary term, production in paying quantities from a Production Unit should for any reason cease or terminate, Assignse shall have the right at any time within sixty (60) days from the date of such cessation to resume production or commence actual drilling or reworking operations in an effort to make the Production Unit spain produce in paying quantities, in which event this Assignment shall continue in force se to the Production of oil, gas or associated iduid or gaseous hydrocarbons is preserved between the Assignment shall continue in force se to the Production of oil, gas or associated iduid or gaseous hydrocarbons is preserved between the Assignment shall continue in force as to the Production Unit so long as any of them is produced between the Assignment shall continue as the production of oil, gas or associated iduid or gaseous hydrocarbons is preserved between the Production to otherwise being maintained as herein provided.

beyond the mis Assignment sam commute in more as to use Production than so long as may in turn as produced beyond in paying quantities or this Assignment is otherwise being maintained as herein provided.

B. Assigned shall have the continuing option, but not the obligation, to further develop the Assigned Premises, or acreage pooled therewith, beyond the primary term only if (i) Assigned completed or abandoned a well within the Assigned Premises, during the primary term or (ii) at the expiration of the primary term Assignee is diligantly

Term Assignment From Marathon Oll Company to Hawkins Exploration, Inc.

EXHIBIT \_\_\_\_

engaged in actual drilling operations in a bone fide effort to discover oil end/or gas in paying quantities on the Assigned Premises or lands pooled therewith. Assignee agrees to continue in bloc magnet to drill other additional wells on the Assigned Premises, or acreage pooled therewith, at one hundred eighty (180) day intervals between the completion or abandonment of one well and the commiscement of actual drilling of the light microscing well until the Assigned Premises have been fully developed or the undeveloped portion thereof has been ressigned an accordance with spacing astablished by the appropriate governmental authority having jurisdiction, or in the absence thereof, on the basis of firty (40) acres for each producing gas or gas condensate well, herein referred to se "Production Unit". It is understood and agreed that the only penalty for not drilling an additional well or wells within the time required shall be the execution of a reassignment of the interest herein satings as additional well or wells within the time required shall be the execution of a reassignment of the primary term, production in paying quantities from each well drilled on Assigned Premises, once established, shall be continuous and upon consistent thereof Assignes shall offer a reassignment — in accordance with the terms of Article XVI — to Assignor covering those portions of the Assigned Premises within the purchasis of the Assigned Premises within the production. Unit from which production caused unless within sixty (60) days after cossession of said production. Assignes is then engaged in actual drilling or reworking operations on that Production Unit and such operations are prosecuted diligently to completion and result in production of oil or gas in paying quantities being obtained or restored.

Definitions : com margan , remorking, som pletion

C. Whenever in this Assignment it is provided that Assignee shall begin the actual drilling of a well, it is the intent of the parties that a detrick and the necessary operating machinery, capable of drilling such a well to the applicable depth, be fully set up and equipped sud actual spudding in of the well be commenced within the time specified. As used herein "reworking" or "reworked" shall mean perforating, cleaning out, actilizing, accorditioning, repairing, fracturing, attempted recompletion in or plugging back to a separate interval of an existing well, or any other good faith operations for the purpose of restoring or increasing production which does not involve the drilling of additional hole. Actual drilling operations shall be deemed to terminate on the last day actual operations are conducted in a diligent and good faith manner for the purpose of attempting to discover oil, gas or associated liquid hydrocarbous or to complete a well as a producer, including the installation of squipment, to and including, but not beyond, the wellhead connections, in such a well being drilled or deepened. Reworking operations shall be deemed to terminate on the last day such operations are conducted in a diligent and good faith manner for the purpose of establishing, increasing or restoring production.

V. Besievation and Payment of ORR

Assignor hereby reserves unto Assignor its successors and essigns and excepts from this Assignment an overriding royalty in an amount as set out hereinafter of all of the oil, gas or associated liquid or gaseous hydrocarbous produced and saved from or attributable to each of the tracts comprising the land included in the Assigned Premises. The overriding royalty herein reserved shall be an amount equal to the difference between existing lease burdens and 22.5% of the gross production. Unless Assignor elects to take in kind all or may part of the portion due Assignor as an overriding royalty on substances produced and saved hereunder, which option is expressly reserved by Assignor as in which option is exercisable by written notice to Assignee at any time and from the to time while this Assignment is in which option is exercisable by written notice to Assignee at any time and from the time while this Assignment is in which option is represent to or after acceptance by Assignor of overriding royalties on prior production, it being understood that nothing contained herein shall be interpreted as limiting or waiving said option, Assignce shall pay or deliver to Assignor the following:

- As an overriding royalty on oil and all hydrocarbons produced and saved in a liquid form at the wellhead, including, without limitation, condensate, distillate and other liquid hydrocarbons removed from oil or gas run through a separator or other equipment as horeinafter provided, an amount equal to the difference between entiting lease burdens and 22.5% of the gross production or, at the option of Assignor, the market value thereof on the Assigned Premises. The market value of such production (or Assignor, the market value thereof, on the Assigned Premises. The market value of such production (or contracts prudently negotiated under the facts and circumstances existing at the time of execution with an independent party or parties. As used in this Assignment, the term "independent party" shall mean any person, firm, corporation, or other business entity which is not owned or controlled by Assignee, in whole or in part, nor by a subsidiary or affiliate of Assignee, and of which Assignee is so a subsidiary or affiliate. If such production is sold other than to an independent party under a prudently negotiated contract, the value of the production shall be based on the highest market price paid or offered to the producer, whichever is the greater. Assignee agrees that before any gas produced from the Assigned Premises is sold, used or processed in a plant, it will be run free of cost to Assignor through an adequate oil and gas separator of conventional type or other equipment at least as efficient to the end that all liquid hydrocarbons recoverable from the gas by such means will be recovered. Upon written consent of Assignor, the requirement that such gas be run through such a separator or other equipment may be waived upon such terms and conditions as prescribed by Assignor.
- b) As an overriding royalty on any gas and all hydrocarbons and gaseous substances not included in subparagraph (a) above produced and saved from the Assigned Pramises (except as provided herein with respect to gas processed in a plant for the extraction of gasoline, liquid hydrocarbons or other products), an amount equal to the difference between existing lease burdens and 22.3% of the gross production or, at the option of Assigner's there thereof on the Assigned Pramises. The market value of such production (or Assigner's share thereof) shall be the price or prices received by Assignee if sold under a contract or contracts prudently negotiated under the facts and circumstances

Term Assignment From Marathon Oil Company to Hawkins Exploration, Inc.



April 1, 2013

Sent Via Certified Mail Receipt#: 91-7199-9991-7030-0518-7928

**Devon Energy Corporation** 333 W. Sheridan Avenue

Oklahoma City, OK 73102

Attn: Cari Allen

RE:

New Well Proposal

Taylor D #27

SHL: 2310' FSL & 990' FWL of Section 10, T17S, R32E

BHL: 2310' FSL & 990' FWL of Section 10, T17S, R32E

Lea County, New Mexico

RECEIVED AFR - 4 2013 WESTERNLAND

Dear Sira:

COG Operating LLC ("COG") proposes to drill the Taylor D #27 as a Vertical well at the captioned location, or at an approved surface location, to depths of approximately 7100' for a Glorieta-Yeso test. The total cost of the Operation is estimated to be \$1,687,000.00 and a detailed description of such cost is set out in the enclosed Authority for Expenditure ("AFE").

Pursuant to JOA dated December 1, 2011, please make your election within 30 days of receipt, please sign and return a copy of the AFE in the letterhead address below,

If you desire to receive well information regarding the subject operations please return a Well Information Requirements list to CQG. Technical questions should be directed to Carl Bird at 432-686-3057 and land questions to the undersigned at 432-818-2230.

Yours truly,

COG Operating LLC

Sean Johnson Landman

Enclosure (s)

Cost Center Request 100005210

JOA: NWSW; SWNW

da.lod 12/1/11

Novon 7.676718% WI 5.868740% NRI

## COG OPERATING LLC AUTHORITY FOR EXPENDITURE DRILLING

WELL NAME: TAYLOR D #27			ME: MALJAMAR 7130	83
8HL: 2810' FSL & 990' FWL UL-L BHL: 2310' FSL & 990' FWL UL-L		OBJECTIVE:	NTY: New Mexico, Les Blinebry Peddock	(A Erace) 7000'
FORMATION: Glorieta Yeao		DEPTH:	7,100	(4 F1804) 1000
LEGAL: SEC10 T178-R32E APM: 30-026-409	19	TVD:	7,100	
INTANGIBLE COSTS			400	7074
Tille/Curti ve/Parmi	201	<u>BCP</u> 22,000	ACP	TOTAL 22,000
Indicated a	202	2,500	303	3,800
Dameges/Right of Way	201		903 0	0
Survey/Stake Location	204	3,000	304 0	3,000
Location/Pile/Road Expense	205	45,000	308 8,000	50,000
Diffling / Completion Overhead Turnisty Contract	206 207	2.500	306 2,000	4,500
Footings Contract	208		308	<del></del>
Daywork Contract (0 days f/apud-ria (2 \$0)	209	136,000	209	138,000
Directional Orifling Services (0 dir days @ 50)	210	0	310	0
Fuel & Power	211	29,000	311 1,000	30,000
Water Bits	212	19,000	21235,000	54,000
Mud & Chemicals	212 214	18,000	513 500 314 0	27.500 15.000
DNR Stem Test	215	Tuper	318 0	0
Coring & Analysis	216			0
Cernent Surface	217	22,000		23,000
Commit intermediate	218	19,000	***	18,000
Gement 2nd Intermediate/Production Cement Squeeze 4 Other (Nickoff Plug)	218	- 0	319 39.000	38,000
Flort Equipment & Contra Eport	220 221	2,600	320 <u>0</u> 321 2,000	4,500
Casing Crews & Equipment	222	7,000	922 8,000	15,000
Fishing Tools & Service	223		323	0
Geologicitary meeting	224 226	10,500	3,24 325 15,000	1,000
Company Supervision	225	10,500	25 18,000 24	25,500
Confrect Supervision	227	14,000	327 <u>5,000</u>	19,000
Testing Cooling/Tubbing Mud Logging Unit	228 220	3,000	348 3,500	8,000
Lagging	230	15,000	330	15,000
Perforating/Wireline Services	231	3,500	331 28.500	32,500
Strateling Int			332 370,000 333 22,000	370,000
Completion Unit  Ewab line Unit			333 22.000	22,000
Remials-Surface	235	13,000	35,000	49,000
Rentals-3 ubgurie de Trucking/Parkift/Rig Mobilitation	236 237	25,000 42,000	338 10,000 337 8,000	\$5,000 80,000
Welding Bervices	236	3,000	337 <u>8,000</u> 338 <u>1,000</u>	4,000
Water Dispusal	230	0	239 12,000	12,000
Ptug le Abendon Selemic Analysia	240 241	0	340 6 341 0	0
Cicert Loop & Environmental	244	<b>52.000</b>	344	52,000
Miscellenedus	242		342 0	- 6
TOTAL INTANGIBLES	243	28,200	31,000 634,000	54,200
TOTAL DATA DE LA CONTRACTOR DE LA CONTRA		300,000	OBP-1000	1,214,000
TANGIBLE COSTS				
Surface Cooking (12 3/6" 48# HAO GTC)	401	28,000		28,000
Incomediate Casing (2180° 8 6/8" 32# 255 LTC) Production Casing (5 1/2" 17# LSO)	402	48,000	603 0 603 103.000	48,000 103,000
Tubing			504 35,000	35,000
Wellhead Equipment	405	5,006	3,000	9,000
Prime Mover			EQS 97,000	87.000
Node			508 41,000	41,000
Pumps			600 6,500	6,600
Tanks Flowings			\$10 <u>0,000</u> \$11 <u>15,000</u>	9,000
Heavier Traples/Separator			512 12,000	12,000
Electrical System Packers/Anchoru/Hangers			513 26,000	\$0,000
Couplings/Fillings/Valves	414 415	800	514 900 515 16,500	17,000
G44 Compressors/Aidlers			516 5,800	6,600
Dehydrator Injection Plant/CO2 Equipment			817	
La sce la negus	419	800	618 619 500	1,000
Conlingency	420	5.000	520 18,600	24,800
TOTAL TANGISLES TOTAL WELL COSTS		84,000	385,000	472,000
IA I USE ILEME AND I A		668,000	1,018,000	1,567,000
200 0				
COO Operating LLC			_	
By: Carl Bled		Date Preparent	4/1/13	<del>1</del> 11
We approve:			-	
% Working interest				
Company:				
Ву:				
Printed Name:		315 4PP - 1	-di 4 Busines	
Dete:		of the actual costs in	estimulu. By signing you ago corred.	es to billy your share

Photoci 3
1925 N. Presch Dr., Haves, NM 84240
Procest 75, 192-40 of Parcet 772, Other 61 E.
821 S. Fier Pr., Artesia, NM 85110
Photoci 30
1000 Flor Region Rel, Artesia, NM 85110
Photoci 30
1000 Flor Region Rel, Artes, NM 17410
Photoci 30
1000 Flor Region Rel, Artes, NM 17410
Photoci 30
134-6175 Facci 505; 324-6176
Photoci 30
130 S. St Presci Dr., Sansa Pr., NM 17365
Photoci (505) 476-3470 Facci 505; 476-3462

State of New Mexico

Form C-101 Apper 1, 2011 Permir 160745

Energy, Minerals and Natural Resources

Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

APPLICATION FOR PER	<u>MIT TO DRILL, RE-ENTER, DEEPEN,</u>	PLUGBACK, OR ADD A ZONE				
	1. Operator Home and Address COO OPERATING LLC					
	One Concho Cent er Midtand, TX 79701					
	mid, 424 127 44	30-025-40919				
4. Property Code	5. Property Name	6, West 240.				
37687	37697 TAYLOR D					

	7. Surface Location									
UL - Lot Section Township Range Lot Ma Feet Proce M/S Line Feet Proce E/W Line County									County	
1	L	10	175	32E	Ĺ	2310	5	990	W	LEA

8. Proposed Bottom Hole Location										
LL - Lot Section Township Range Locks Part From N. S. Line For From R.W. Line County										
Α	10	175	32K	L	2310	3	990	W	Lea	

y, Puol Internation	
MALJAMAR, YESO, WEST	44500

				Additional Well Informat	lon		
	11. West Type 12, We		H Type	13. Calde Rossy	14. Leste Type	15. Ground Level Elevation	
L	New Well	17. Proposes Depth.			Private	4128	
	15. Maithele			16. Formation	19. Convector	30. 5 put Date	
l	N		100	Year Formation		3/31/2013	
Ī	Dayth to Greyand water			Duppes from samel fell room we	ž.	Distance to represt station Water	
Į	110			> 1000	> 1000		

	21. Proposed Casing and Cement Program									
Type	Hale Size	Casing Type	Cesing Weight R	Setting Depth	Encks of Coment	Escinated TOC				
Surf	17.5	13.375	46	\$00	630	0				
int	11	€.625	32	2150	600	0				
Prod	7.875	5.5	17	7100	900	0				

Cosing/Compent Program: Additional Comments

COG proposes to crid : 17-1/2" hole to 800 wife wir mud system, wt 8.5, vis 25, set 13-3/8" using & coment to surface. Drill an 11" hole to 2150 wife mud system, wt 10, vis 30, Set 3-5/8" casing & coment to surface. Drill 7-7/3" hole to 7100 would being mud system, wt 9.1, vin 29-12. Test Yaso formation. Run 5-1/2" casing & coment to surface. Note: On production arring, a caliper will be run, COO will attempt to circulate coment.

22. Proposed Blowout Prevention Program									
Type	Working Pressure	Test Pressure	Mamafacturer						
DoubleRam	2000	2000							

have of one burnelation held had	presentati atang spand in pada mang manadang na tan Ing	OIL CONSERVATION DIVISION				
] facilier cuttly   have come 19.26.14.9 (B) 1444.0 [K], if	died wate 19,16.149 (A) MARAC (A) and/or applicable.	Approved By, ELIDIO CONZALES				
Signature:		1				
Printed Name: Electronic	ally filed by Diane Knykendall	Title: HOBES STAFF MANAGER				
Title: Production Repor	ing Mex	Approved Date: 1/15/2013	Expiration Date: U15/2015			
Email Address: dlauyteen	fall greenchorsseurces.com					
Date: 1/15/2013	Phone: 432-623-7442	Conditions of Approval Attached				

District I 1611 N. French Dr., Hoiston, NM 52240 1933 N. Frinch Lt., Holley, No. 18240 Phone, (57) 193-6161 Fm.:(175) 163-6720 Phone, (57) 193-6123 Fm.:(573) 748-6720 Phone, (573) 746-1283 Fm.:(573) 748-6720

Patent IV.

1000 Rie Berei Rd., Arme, No. 17410
Phoenicio) 114-617 Francisco, 154-6170
Phoenic IV.

1300 S. St. Francis Dr., James Fe, No. 1710d
Phoenicio) 476-1470 Francisco (476-146)

## State of New Mexico Energy, Minerals and Natural Resources

Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

Fours C-103 August 1, 2011

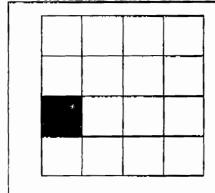
Pared: 169745

WELL LOCATION AND ACREAGE DEDICATION PLAT									
1. API Nomber 2. Peel Code 3. Peel Name 30-025-40919 44500 MALJAMAR, YESO, WEST									
4. Pro <del>puly</del> Code 37637	1. Proper TAYL	• • • • • • • • • • • • • • • • • • • •							
1. GORUD Na. 229137	t. Open COG OPER								

10. Surface Locarion										
UL - Los Sestion Township Range Lot ids Fast From Million Fost From E. W. Line County										
L	10	178	32E		2310	\$	990	W	LEA	

	11. Bottom Hole Location If Different From Surface											
1	12 - Lot Escriba Township Enegs (		Let	lds	Fee: Prom	M/8 I	.lee	Part From	EW Luce	Councy		
		sted Arms	13. 1	lojaj or Indij		14	. Convolidacion (	Code			15. Order No.	

NO ALLOWABLE WILL BE ASSICNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



#### OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or valenced mineral interest in the land including the proposed hotiom half location(s) or has a right to drill this well of this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling arder heretofore emered by the driveton.

E-Signed By: Disme Kuylondall. Title: Production Reporting Mgr Date: 1/15/2013

### **SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plus was plotted from field notes of autoal surveys made by me or under my supervision, and that the same is true and correct to the best of my beiluf.

Surveyed By: Robert Howett Date of Survey: 1/3/2013 Certificate Number: 19690