

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME:	GUNNER 5 FEE COM #1H	PROSPECT NAME:	BULLDOG 717038
SHL:	660 FNL & 190 FEL	STATE & COUNTY:	New Mexico, Lea
BHL:	660 FNL & 330 FWL	OBJECTIVE:	DRILL & COMPLETE
FORMATION:	AVALON SHALE	DEPTH:	14,300'
LEGAL:	5-26S-34E	TVD:	9,900'

INTANGIBLE COSTS		BCP		ACP		TOTAL
Title/Curative/Permit	201	11,000				11,000
Insurance	202	5,000	302			5,000
Damages/Right of Way	203	15,000	303			15,000
Survey/Stake Location	204	7,000	304			7,000
Location/Pits/Road Expense	205	100,000	305	25,000		125,000
Drilling / Completion Overhead	206	6,000	306			6,000
Turnkey Contract	207	0	307			0
Footage Contract	208	0	308			0
Daywork Contract	209	458,000	309			458,000
Directional Drilling Services	210	170,000	310			170,000
Fuel & Power	211	158,000	311	10,000		168,000
Water	212	75,000	312	250,000		325,000
Bits	213	78,000	313	4,500		82,500
Mud & Chemicals	214	70,000	314			70,000
Drill Stem Test	215	0	315			0
Coring & Analysis	216	0				0
Cement Surface	217	40,000				40,000
Cement Intermediate	218	60,000				60,000
Cement 2nd Intermediate/Production	218	0	319	125,000		125,000
Cement Squeeze & Other (Kickoff Plug)	220	40,000	320			40,000
Float Equipment & Centralizers	221	15,000	321	20,000		35,000
Casing Crews & Equipment	222	20,000	322	20,000		40,000
Fishing Tools & Service	223	0	323			0
Geologic/Engineering	224	0	324			0
Contract Labor	225	10,000	325	160,000		170,000
Company Supervision	226	0	326			0
Contract Supervision	227	42,000	327	50,000		92,000
Testing Casing/Tubing	228	7,000	328			7,000
Mud Logging Unit	229	32,000	329			32,000
Logging	230	100,000	330	10,000		110,000
Perforating/Wireline Services	231	15,000	331	125,000		140,000
Stimulation/Treating		0	332	1,500,000		1,500,000
Completion Unit		0	333	50,000		50,000
Swabbing Unit		0	334			0
Rentals-Surface	235	125,000	335	250,000		375,000
Rentals-Subsurface	236	110,000	336	25,000		135,000
Trucking/Forklift/Rig Mobilization	237	140,000	337	25,000		165,000
Welding Services	238	5,000	338	7,500		12,500
Water Disposal	239	0	339	280,000		280,000
Plug to Abandon	240	0	340			0
Seismic Analysis	241	0	341			0
Closed Loop & Environmental	244	150,000	344	10,000		160,000
Miscellaneous	242	0	342			0
Contingency	243	104,000	343	150,000		254,000
TOTAL INTANGIBLES		2,168,000		3,097,000		5,265,000

TANGIBLE COSTS		BCP		ACP		TOTAL
Surface Casing	401	39,000				39,000
Intermediate Casing	402	124,000	503			124,000
Production Casing		0	503	218,000		218,000
Tubing		0	504	60,000		60,000
Wellhead Equipment	405	20,000	505	35,000		55,000
Pumping Unit		0	506	115,000		115,000
Prime Mover		0	507	20,000		20,000
Rods		0	508	50,000		50,000
Pumps		0	509	22,000		22,000
Tanks		0	510	75,000		75,000
Flowlines		0	511	50,000		50,000
Heater Treater/Separator		0	512	50,000		50,000
Electrical System		0	513			0
Packers/Anchors/Hangers	414	0	514	10,000		10,000
Couplings/Fittings/Valves	415	0	515	160,000		160,000
Gas Compressors/Meters		0	516	8,100		8,100
Dehydrator		0	517			0
Injection Plant/CO2 Equipment		0	518			0
Miscellaneous	419	0	519			0
Contingency	420	10,000	520	44,900		54,900
TOTAL TANGIBLES		193,000		918,000		1,111,000
TOTAL WELL COSTS		2,361,000		4,015,000		6,376,000

COG Operating LLC

Date Prepared: 7/15/2013

COG Operating LLC

By: SETH WILD

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We approve:
0.391 % Working Interest

Company: CHEVRON U.S.A. INC

By:

Printed Name: VINCE LEMIEUX

Title: ASSET MANAGER

Date: 08/17/2013

This AFE is only an estimate
of the actual costs incurred

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Exhibit No. 10

Submitted by: COG OPERATING LLC

Hearing Date: September 18, 2013