

Summary Review of Title Costs for Ivar the Boneless #11H

Title & Permits	Costs													
Budgeted	\$11,000.00													
Actuals per Report to NMOCD	\$215,336.65													
Over Budget	(\$204,336.65)													
	Date	Acreage	Zones Covered											
Drilling Title Opinion	April 16, 2015, effective July 10, 2014	Section 15: W/2	Eight (8)											
Division Order Title Opinion	November 24, 2015, Effective October 1, 2015	Section 15: W/2	Eight (8)											
Force Pooling	Acreage Pooled:	Section 15: W/2W/2												
	Zones	Yeso Formation West Maljamar Yeso Pool	Only three(3) of the zones covered by the Title Opinions were part of the pool											
Notes:	Title Opinions covered twice the pooled acreage(W/2 rather than the W/2W/2 of Section 15.													
	Title Opinions covered some eight zones, while only three(3) of the zones were part of the force pooling.													



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Affiliated Firm

Jones Waldo Holbrook &
McDonough, PC

April 16, 2015

Effective July 10, 2014

COG Operating LLC
One Concho Center
600 W. Illinois Avenue
Midland, Texas 79701

Attention: Joseph Scott
Landman

DRILLING TITLE OPINION

IVAR THE BONELESS WELL

LEA COUNTY, NEW MEXICO

LANDS INVOLVED:

Township 17 South, Range 32 East, N.M.P.M.

Section 15: W½

(containing 320.00 acres, more or less)

LEASES INVOLVED:

United States Oil and Gas Lease

NMLC 054687

(see Appendix "A")

NOTE: For purposes of identification and convenience, we have delineated the lands under examination as Tracts 1-5. We note that we have further delineated Tract 5, into Tract 5A and Tract 5B. We have also further delineated the stratigraphic ownership within the tracts (See Comment 37, discussing ownership variation by depth and the designation of Zones). The Tracts and Zones are more particularly described as:



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IVAR THE BONELESS WELL (W½W½)

Tract 1: [REDACTED] Section 15, Township 17 South, Range 32 East, N.M.P.M.

ZONE 1: Surface to base of the San Andres Formation, which we have assumed is 4,200 feet below the surface

[REDACTED]
[REDACTED] e

ZONE 3: Below 11,800 feet to the center of the Earth

Tract 2: [REDACTED] Section 15, Township 17 South, Range 32 East, N.M.P.M.

ZONE 1: Surface to base of the San Andres Formation, which we have assumed is 4,200 feet below the surface

[REDACTED]
[REDACTED] e

ZONE 3: Below 11,800 feet to the center of the Earth

Tract 3: [REDACTED] Section 15, Township 17 South, Range 32 East, N.M.P.M.¹

ZONE I: Surface to 3,555 feet below the surface

ZONE II: Below 3,555 feet to 5,425 feet below the surface, being the stratigraphic interval of the Grayburg-San Andres Formation

¹ See Comment 23, discussing the leasehold interest of ConocoPhillips Company



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Tract 4: [REDACTED] Section 15, Township 17 South, Range 32 East, N.M.P.M.

ZONE i: Surface to the top of the Grayburg Formation

EXCLUDED: Grayburg and San Andres Formations²

[REDACTED]

E $\frac{1}{2}$ W $\frac{1}{2}$

Tract 1: E $\frac{1}{2}$ NW $\frac{1}{4}$, Section 15, Township 17 South, Range 32 East, N.M.P.M.

Tract 5A: NE $\frac{1}{4}$ SW $\frac{1}{4}$, Section 15, Township 17 South, Range 32 East, N.M.P.M.

Tract 5B: SE $\frac{1}{4}$ SW $\frac{1}{4}$, Section 15, Township 17 South, Range 32 East, N.M.P.M.

ZONE 1: Surface to base of the San Andres Formation, which
we have assumed is 4,200 feet below the surface

ZONE 2: Below the base of the San Andres Formation to
11,800 feet below the surface

ZONE 3: Below 11,800 feet to the center of the Earth

² We note that these formations in Tract 4 have been federally unitized. See Comment 3 (discussing the Maljamar Cooperative Repressuring Unit).



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19. **"Zone 1"** shall mean those depths from the surface to the base of the San Andres Formation, which we have assumed is 4,200 feet below the surface, affecting Tracts 1, 2, and 5. *See Comment 37.*

20. **"Zone 2"** shall mean those depths below the base of the San Andres Formation to 11,800 feet below the surface, affecting Tracts 1, 2, and 5. *See Comment 37.*

21. **"Zone 3"** shall mean those depths below 11,800 feet to the center of the Earth, affecting Tracts 1, 2, and 5. *See Comment 37.*

22. **"Zone I"** shall mean those depths from the surface to 3,555 feet from the surface, affecting Tract 3. *See Comment 37.*

23. **"Zone II"** shall mean those depths below 3,555 feet to 5,425 feet below the surface, being the stratigraphic interval of the Grayburg-San Andres Formation, affecting Tract 3. *See Comment 37.*

24. **"Zone III"** shall mean those depths below 5,425 feet to the center of the Earth, affecting Tract 3. *See Comment 37.*

25. **"Zone i"** shall mean those depths from the surface to the top of the Grayburg Formation, affecting Tract 4. *See Comment 37.*

26. **"Zone ii"** shall mean those depths below the base of the San Andres Formation to the center of the Earth, affecting Tract 4. *See Comment 37.*



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Jones Waldo Holbrook &
McDonough, PC

November 24, 2015

Effective October 1, 2015

COG Operating LLC
One Concho Center
600 W. Illinois Avenue
Midland, Texas 79701

Attention: Joseph Scott
Landman

DIVISION ORDER TITLE OPINION

**IVAR THE BONELESS FEDERAL #11H WELL AND
IVAR THE BONELESS FEDERAL #23H WELL**

LEA COUNTY, NEW MEXICO

**W½W½ of Section 15: Limited from the top of the Glorieta Formation to the top of the
Tubb Formation¹**

**E½W½ of Section 15: Limited for depths between the base of the San Andres
Formation and 11,800 feet below the surface**

LANDS INVOLVED:

Township 17 South, Range 32 East, N.M.P.M.
Section 15: W½

(containing 320.00 acres, more or less)

LEASE INVOLVED:

United States Oil and Gas Lease

NMLC 054687

(see Underlying Opinion Appendix "A")

¹ See Comment 37 (discussing stratigraphic limitation of Opinion).



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11. **"Tract"** or **"Tracts"** means the geographical area of the Subject Lands defined by mineral ownership.

12. **"Tract 1 Lands"** or **"Tract 1"** means the N $\frac{1}{2}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 15, Township 17 South, Range 32 East, N.M.P.M. Tract 1 is also described as Tract 1A and Tract 1B. *See* Comment 64 (discussing division of Tract 1 into Tracts 1A and 1B).

13. **"Tract 1A Lands"** or **"Tract 1A"** means the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 15, Township 17 South, Range 32 East, N.M.P.M. *See* Comment 64 (discussing division of Tract 1 into Tracts 1A and 1B).

14. **"Tract 1B Lands"** or **"Tract 1B"** means the E $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 15, Township 17 South, Range 32 East, N.M.P.M. *See* Comment 64 (discussing division of Tract 1 into Tracts 1A and 1B).

15. **"Tract 2 Lands"** or **"Tract 2"** means the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 15, Township 17 South, Range 32 East, N.M.P.M.

16. **"Tract 3 Lands"** or **"Tract 3"** means the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 15, Township 17 South, Range 32 East, N.M.P.M.

17. **"Tract 4 Lands"** or **"Tract 4"** means the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 15, Township 17 South, Range 32 East, N.M.P.M.

18. **"Tract 5 Lands"**, **"Tract 5"** means the E $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 15, Township 17 South, Range 32 East, N.M.P.M. Tract 5 is also described as Tract 5A and Tract 5B.

19. **"Tract 5A Lands"** or **"Tract 5A"** means the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 15, Township 17 South, Range 32 East, N.M.P.M.

20. **"Tract 5B Lands"** or **"Tract 5B"** means the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 15, Township 17 South, Range 32 East, N.M.P.M.

21. **"Zones"** shall mean those stratigraphic intervals for which working interest ownership is common within each tract, and in which leasehold rights amongst the various Tracts are uniform across the Subject Lands. *See* Comment 37 of the Underlying Opinion.

22. **"Zone 1"** shall mean those depths from the surface to the base of the San Andres Formation, which we have assumed is 4,200 feet below the surface, affecting Tracts 1, 2, and 5. *See* Comment 37 of the Underlying Opinion.



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23. **"Zone 2"** shall mean those depths below the base of the San Andres Formation to 11,800 feet below the surface, affecting Tracts 1, 2, and 5. *See* Comment 37 of the Underlying Opinion.

24. **"Zone 3"** shall mean those depths below 11,800 feet to the center of the Earth, affecting Tracts 1, 2, and 5. *See* Comment 37 of the Underlying Opinion.

25. **"Zone I"** shall mean those depths from the surface to 3,555 feet from the surface, affecting Tract 3. *See* Comment 37 of the Underlying Opinion.

26. **"Zone II"** shall mean those depths below 3,555 feet to 5,425 feet below the surface, being the stratigraphic interval of the Grayburg-San Andres Formation, affecting Tract 3. *See* Comment 37 of the Underlying Opinion.

27. **"Zone III"** shall mean those depths below 5,425 feet to the center of the Earth, affecting Tract 3. *See* Comment 37 of the Underlying Opinion.

28. **"Zone i"** shall mean those depths from the surface to the top of the Grayburg Formation, affecting Tract 4. *See* Comment 37 of the Underlying Opinion.

29. **"Zone ii"** shall mean those depths below the base of the San Andres Formation to the center of the Earth, affecting Tract 4. *See* Comment 37 of the Underlying Opinion.