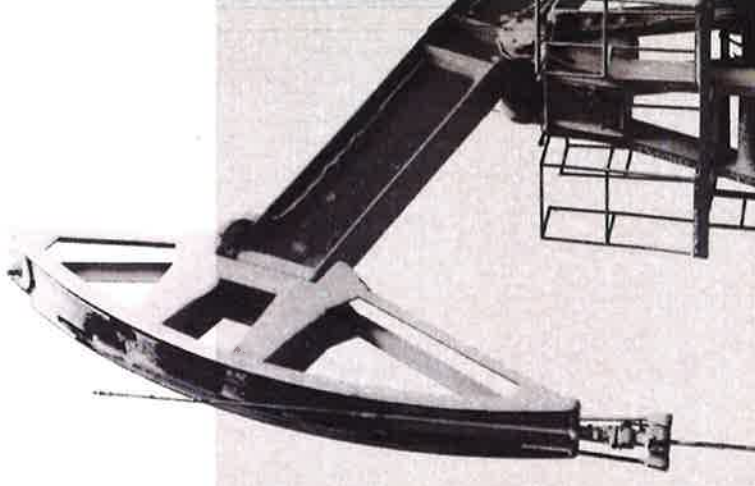


COG OPERATING LLC  
BASEBALL CAP FEDERAL COM  
601H, 607H, 608H, 701H, 702H, 707H, 708H  
Lea County, New Mexico



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

**APPLICATION OF COG OPERATING LLC  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

**CASE NOS. 20070, 20071, 20072 & 20073**

**AFFIDAVIT OF MATTHEW SOLOMON**

Matthew Solomon, of lawful age and being first duly sworn, declares as follows:

1. My name is Matthew Solomon. I work for COG Operating LLC ("COG") as a Landman.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials as a petroleum landman have been accepted by the Division and made a matter of record.
3. I am familiar with the applications filed by COG in these matters and familiar with the status of the lands in the subject areas.
4. None of the parties proposed to be pooled in these cases has indicated opposition, therefore I do not expect any opposition at the hearing.
5. In **Case Nos. 20070**, COG seeks an order pooling all uncommitted interests in the Bone Spring Formation in a 320-acre, more or less, horizontal spacing unit in the 320-acre horizontal spacing unit comprised of the E/2 E/2 of Section 24 and the E/2 E/2 of Section 25, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico. This horizontal spacing unit will be dedicated to the proposed **Baseball Cap Federal Com No. 601H Well**, which will be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 25 to bottom

hole location in the NE/4 NE/4 (Unit A) of Section 24. The completed interval for this well will remain within the standard setback as required by the Statewide rules for oil wells.

6. In **Case No. 20071**, COG seeks an order pooling all uncommitted interests in Bone Spring Formation in the 320-acre horizontal spacing unit comprised of the W/2 W/2 of Section 24 and the W/2 W/2 of Section 25, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico. This horizontal spacing until will be dedicated to two initial wells: the proposed **Baseball Cap Federal Com No. 607H Well** and the proposed **Baseball Cap Federal Com No. 608H Well**. These wells will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 25 to bottom hole location in the NW/4 NW/4 (Unit D) of Section 24. The completed interval for both wells will remain within the standard setback as required by the Statewide rules for oil wells.

7. **COG Exhibit No. 1A** contains draft Form C-102s for the proposed wells in Case Nos. 20070 and 20071 which target the Bone Spring formation.

8. In **Case No. 20072**, COG seeks an order pooling all uncommitted interests in Wolfcamp Formation in the 320-acre horizontal spacing unit comprised of the E/2 E/2 of Section 24 and the E/2 E/2 of Section 25, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico. This horizontal spacing until will be dedicated to the two initial wells: the proposed **Baseball Cap Federal Com No. 701H Well**, and the proposed **Baseball Cap Federal Com No. 702H Well**. These wells will be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 25 to bottom hole location in the NE/4 NE/4 (Unit A) of Section 24. The completed interval for each well will remain within the standard setback as required by the Statewide rules for oil wells.

9. In **Case No. 20073**, COG seeks an order pooling all uncommitted interests in Wolfcamp Formation in the 320-acre horizontal spacing unit comprised of the W/2 W/2 of Section 24 and the W/2 W/2 of Section 25, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico. This horizontal spacing unit will be dedicated to the two initial wells: the proposed the proposed **Baseball Cap Federal Com No. 707H Well** and the proposed **Baseball Cap Federal Com No. 708H Well**. These wells will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 25 to bottom hole location in the NW/4 NW/4 (Unit D) of Section 24. The completed interval for each well will remain within the standard setback as required by the Statewide rules for oil wells.

10. **COG Exhibit No. 1B** contains draft Form C-102s for the proposed wells in Case Nos. 20072 and 20073 which target the Wolfcamp Formation.

11. **COG Exhibit No. 1C** identifies the tracts of land comprising the proposed spacing and proration units in each case. This exhibit also identifies the interest ownership by tract and ultimately by spacing unit. COG is seeking to pool the interests identified under each Pooling Notification List in the exhibit. In each case, COG is seeking to pool working interest owners and one unleased mineral interest owner: Commerce First Royalties, LLC. In addition to proposing the wells to Commerce First Royalties, LLC as a working interest owner, COG has also offered to lease Commerce First Royalties, LLC's interests. There are no overriding royalty interest owners who need to be pooled.

12. All interest owners that COG seeks to pool are locatable. COG has conducted a diligent search of all public records in Lea County, including phone directories and computer databases.

13. **COG Exhibit No. 1D** contains the well proposal letters along with an AFE provided to the interest owners COG is seeking to pool in the Bone Spring Formation in Case Nos. 20070 and 20071. In addition to this letter, COG has made a diligent effort to reach agreement with the parties it is seeking to pool.

14. **COG Exhibit No. 1E** contains the well proposal letters along with an AFE provided to the interest owners COG is seeking to pool in the Wolfcamp Formation in Case Nos. 20072 and 20073. In addition to this letter, COG has made a diligent effort to reach agreement with the interest owners it is seeking to pool.

15. The costs reflected in the AFE are consistent with what other operators have incurred for drilling similar horizontal wells in the area in each of these formations.

16. In my opinion, COG has made good faith efforts to reach agreement with the parties it is seeking to pool. If COG reaches an agreement with any of the proposed pool parties before the Division enters an order, I will let the Division know that COG is no longer seeking to pool those parties.


17. No ownership depth severances exist within these proposed spacing and proration units, and there are no overriding royalty interests or unleased mineral interests in the subject acreage.

18. COG has estimated the overhead and administrative costs for drilling and producing the proposed wells at \$7,000 per month while drilling and \$700 per month while producing. These costs are consistent with what other operators are charging in this area for similar wells.

19. I provided the law firm of Holland & Hart LLP a list of names and addresses for the owners that COG seeks to pool and instructed that they be notified of this hearing.

20. COG Exhibit Nos. 1A through 1E were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT

  
Matthew Solomon

STATE OF TEXAS                    )  
  )  
COUNTY OF MIDLAND        )

SUBSCRIBED and SWORN to before me this 9th day of January 2019 by Matthew Solomon.



  
NOTARY PUBLIC

My Commission Expires:

9/9/2021

DISTRICT I  
1625 N. FRENCH DR., BOBBS, NM 88240  
Phone: (505) 383-8181 Fax: (505) 383-0720

DISTRICT II  
811 S. FIRST ST., ARTESIA, NM 88210  
Phone: (505) 748-1283 Fax: (505) 748-8720

DISTRICT III  
1000 RIO BRAZOS RD., AZTEC, NM 87410  
Phone: (505) 334-8178 Fax: (505) 334-8170

DISTRICT IV  
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number	Pool Code	Pool Name
Property Code	Property Name <b>BASEBALL CAP FEDERAL COM</b>	Well Number 601H
OGRD No.	Operator Name <b>COG OPERATING, LLC</b>	Elevation 3376.7'

**Surface Location**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	25	24-S	34-E		430	SOUTH	1080	EAST	LEA

**Bottom Hole Location If Different From Surface**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	24	24-S	34-E		200	NORTH	760	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

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

<p>NAD 27 NME <u>PROPOSED BOTTOM HOLE LOCATION</u> Y=441177.0 N X=783369.9 E LAT.=32.209593° N LONG.=103.417148° W</p>	<p>Y=441372.8 N X=782810.6 E</p>	<p>200' B.H. -760'</p>	<p>Y=441382.7 N X=784128.0 E</p>	<p><b>OPERATOR CERTIFICATION</b> I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>
				<p><b>SURVEYOR CERTIFICATION</b> I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>MARCH 9, 2018</p> <p>Date of Survey _____</p> <p>Signature &amp; Seal of Professional Surveyor</p>
<p>NAD 27 NME <u>SURFACE LOCATION</u> Y=431174.9 N X=789127.0 E LAT.=32.182106° N LONG.=103.418208° W</p>	<p>Y=430747.1 N X=782889.8 E</p>	<p>330' FNL &amp; 760' FEL Y=441047.0 N X=783370.9 E LAT.=32.209235° N LONG.=103.417148° W</p>	<p>Y=430735.9 N X=784208.8 E</p>	<p><b>CHAD L. HARCROW</b> NEW MEXICO 17777 LICENSED PROFESSIONAL SURVEYOR</p> <p>Chad L. Harcrow 8/29/18</p> <p>Certificate No. CHAD HARCROW 17777</p> <p>W.O. # 18-1068 DRAWN BY: VD</p>

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. 1A

Submitted by: COG OPERATING, LLC

Hearing Date: January 10, 2019

Case Nos. 20070-20073

DISTRICT I  
1825 N. FRENCH DR., HOBBES, NM 88240  
Phone: (505) 393-6161 Fax: (505) 393-0720

DISTRICT II  
811 S. FIRST ST., ARTESIA, NM 88210  
Phone: (505) 748-1283 Fax: (505) 748-9720

DISTRICT III  
1000 RIO BRAZOS RD., AZTEC, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV  
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505  
Phone: (505) 476-3400 Fax: (505) 476-3402

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

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District Office

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number	Pool Code	Pool Name
Property Code	Property Name <b>BASEBALL CAP FEDERAL COM</b>	Well Number 607H
OGRID No.	Operator Name <b>COG OPERATING, LLC</b>	Elevation 3422.6'

**Surface Location**


UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	25	24-S	34-E		340	SOUTH	1030	WEST	LEA

**Bottom Hole Location If Different From Surface**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	24	24-S	34-E		200	NORTH	990	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

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

<p>Y=441339.7 N X=778859.1 E</p> <p>LTP 330' FNL &amp; 990' FWL Y=441018.5 N X=779851.5 E LAT.=32.209239° N LONG.=103.428527° W</p> <p>PROJECT AREA PRODUCING AREA</p> <p>GRID AZ. - 359°35'50" HORZ. DIST. - 100'46.3'</p> <p>GRID AZ. TO FTP 256°23'47"</p> <p>Y=430828.1 N X=821437.5 E</p>	<p>Y=441351.4 N X=780176.1 E</p> <p>LEASE X-ING LAT.=32.206515° N LONG.=103.428531° W</p> <p>LEASE X-ING LAT.=32.195628° N LONG.=103.428549° W</p> <p>SECTION 24 SECTION 25</p> <p>Y=430769.6 N X=780251.9 E</p>	<p>NAD 27 NME PROPOSED BOTTOM HOLE LOCATION Y=441148.5 N X=779850.6 E LAT.=32.209596° N LONG.=103.428526° W</p> <p>NAD 27 NME SURFACE LOCATION Y=431112.1 N X=779961.2 E LAT.=32.182007° N LONG.=103.428442° W</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p> <p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>MARCH 8, 2018</p> <p>Date of Survey _____</p> <p>Signature &amp; Seal of Professional Surveyor</p> <p> Chad Harcrow 11/14/18 Certificate No. CHAD HARCROW 17777 W.O. # 18-1545 DRAWN BY: AM</p>
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DISTRICT I  
1020 N. FRENCH DR., BOBBS, NM 88240  
Phone: (505) 393-6191 Fax: (505) 393-0720

DISTRICT II  
511 S. FIRST ST., ARTESIA, NM 88210  
Phone: (505) 748-1253 Fax: (505) 748-0720

DISTRICT III  
1000 RIO BRAZOS RD., AZTEC, NM 87410  
Phone: (505) 334-6176 Fax: (505) 334-6170

DISTRICT IV  
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
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Santa Fe, New Mexico 87505

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**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number	Pool Code	Pool Name
Property Code	Property Name <b>BASEBALL CAP FEDERAL COM</b>	Well Number <b>608H</b>
OGRID No.	Operator Name <b>COG OPERATING, LLC</b>	Elevation <b>3423.8</b>

**Surface Location**


UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	25	24-S	34-E		340	SOUTH	970	WEST	LEA

**Bottom Hole Location If Different From Surface**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	24	24-S	34-E		200	NORTH	330	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
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OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION**

<p>Y=441339.7 N X=778859.1 E</p> <p>LIP 330' FSL &amp; 330' FWL Y=441012.7 N X=779191.6 E LAT.=32.209238° N LONG.=103.430660° W</p> <p>LEASE X-ING LAT.=32.206516° N LONG.=103.430665° W</p> <p>GRID AZ. - 359°35'50" HORZ. DIST. - 10034.9'</p> <p>LEASE X-ING LAT.=32.195629° N LONG.=103.430682° W</p> <p>FIP 330' FSL &amp; 330' FWL Y=431108.0 N X=779261.2 E LAT.=32.182012° N LONG.=103.430704° W GRID AZ. TO FIP 269°34'44"</p> <p>Y=430780.8 N X=778932.9 E</p> <p>PRODUCING AREA PROJECT AREA</p> <p>SECTION 24 SECTION 25</p> <p>GRID AZ. - 359°35'50" HORZ. DIST. - 10034.9'</p> <p>Y=430769.6 N X=780251.9 E</p>	<p>NAD 27 NME <u>PROPOSED BOTTOM HOLE LOCATION</u> Y=441142.6 N X=779190.7 E LAT.=32.209595° N LONG.=103.430660° W</p> <p>NAD 27 NME <u>SURFACE LOCATION</u> Y=431112.7 N X=779901.2 E LAT.=32.182010° N LONG.=103.428635° W</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p> <p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>MARCH 8, 2018</p> <p>Date of Survey _____</p> <p>Signature &amp; Seal of Professional Surveyor</p> <p></p> <p>Chad L. Harcrow 8/24/18 Certificate No. CHAD HARCROW 17777 W.O. # 18-1029 DRAWN BY: AM</p>
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DISTRICT I  
1645 N. FRANCH DR., BOBBE, NM 88440  
Phone: (505) 352-6161 Fax: (505) 353-0720

DISTRICT II  
811 S. FIRST ST., ARTESIA, NM 88210  
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DISTRICT III  
1000 RIO BRAZOS RD., AZTEC, NM 87410  
Phone: (605) 334-8176 Fax: (505) 334-8170

DISTRICT IV  
1220 S. ST. FRANCIS DR., SANTA FE, NM 87605  
Phone: (505) 476-3469 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

Form C-102  
Revised August 1, 2011  
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District Office

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number	Pool Code	Pool Name
Property Code	Property Name <b>BASEBALL CAP FEDERAL COM</b>	Well Number 701H
OCRID No.	Operator Name <b>COG OPERATING, LLC</b>	Elevation 3377.1'

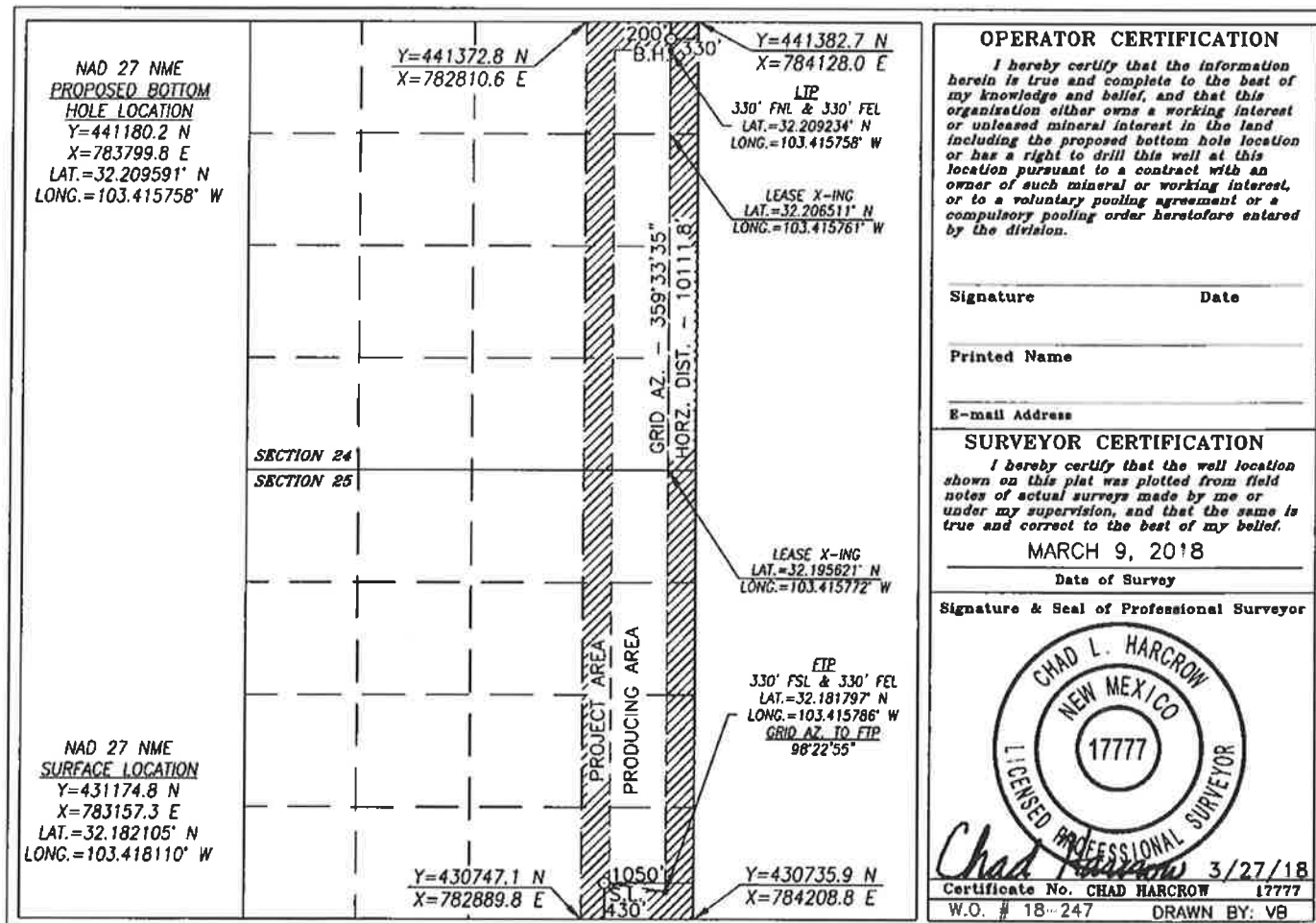
**Surface Location**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	25	24-S	34-E		430'	SOUTH	1050'	EAST	LEA

**Bottom Hole Location If Different From Surface**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	24	24-S	34-E		200'	NORTH	330'	EAST	LEA
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

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



**BEFORE THE OIL CONSERVATION DIVISION**

Santa Fe, New Mexico

**Exhibit No. 1B**

Submitted by: **COG OPERATING, LLC**

Hearing Date: January 10, 2019

Case Nos. 20070-20073

**DISTRICT I**  
1825 N. FRENCH DR., BOBBS, NM 86240  
Phone: (505) 363-6151 Fax: (505) 363-6720

**DISTRICT II**  
811 S. FIRST ST., ARTESIA, NM 88210  
Phone: (505) 748-1283 Fax: (505) 748-9720

**DISTRICT III**  
1000 RIO BRAZOS RD., AZTEC, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6178

**DISTRICT IV**  
1825 S. ST. FRANCIS DR., SANTA FE, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

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**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number	Pool Code	Pool Name
Property Code	Property Name <b>BASEBALL CAP FEDERAL COM</b>	Well Number <b>702H</b>
OCRID No.	Operator Name <b>COG OPERATING, LLC</b>	Elevation <b>3377.1'</b>

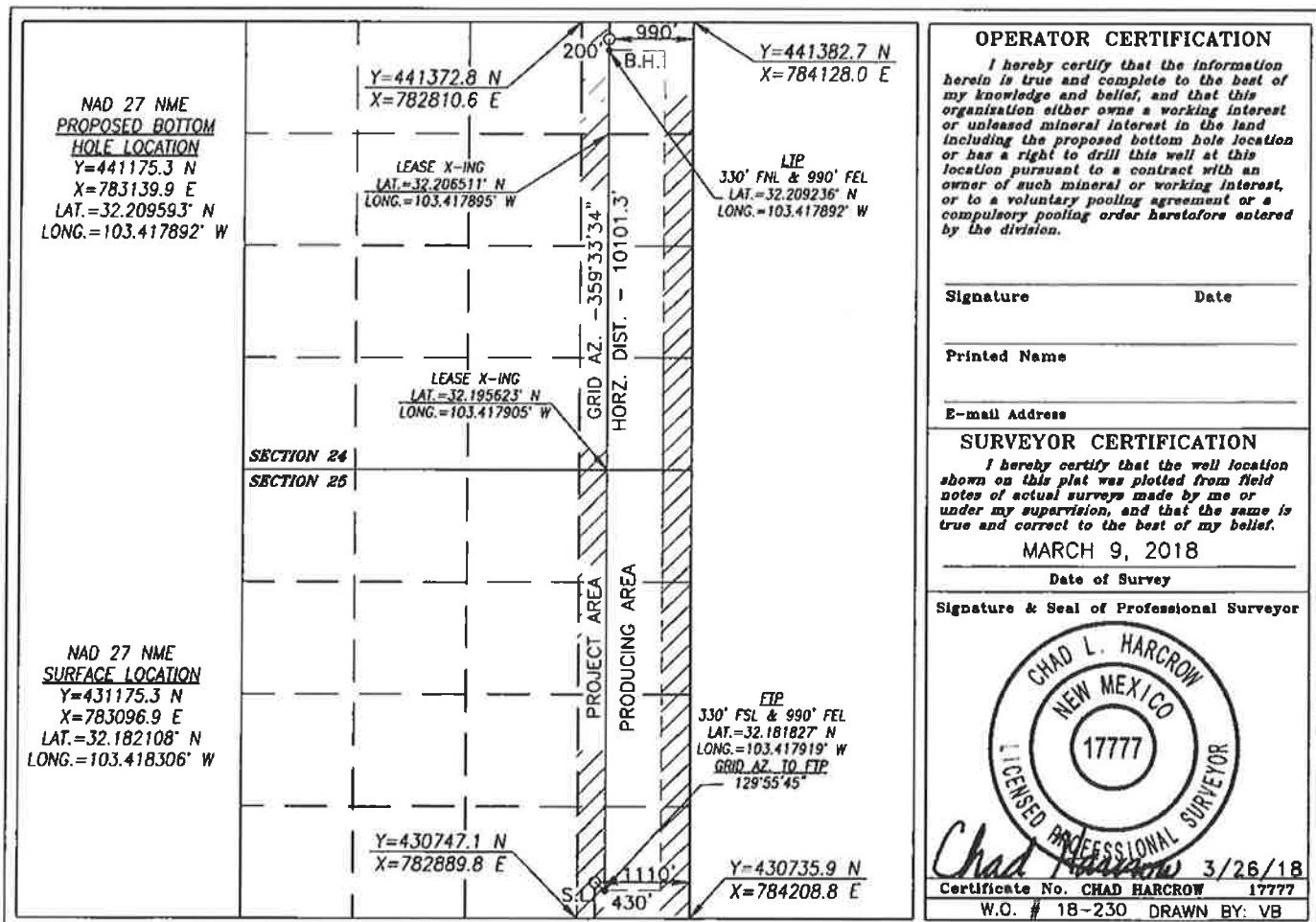
**Surface Location**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	25	24-S	34-E		430'	SOUTH	1110'	EAST	LEA

**Bottom Hole Location If Different From Surface**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	24	24-S	34-E		200'	NORTH	990'	EAST	LEA
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

**NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
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DISTRICT III  
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Phone: (505) 334-8178 Fax: (505) 334-8178

DISTRICT IV  
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Phone: (505) 476-3480 Fax: (505) 476-3480

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
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Santa Fe, New Mexico 87505

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☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number	Pool Code	Pool Name
Property Code	Property Name <b>BASEBALL CAP FEDERAL COM</b>	Well Number <b>707H</b>
OGRID No.	Operator Name <b>COG OPERATING, LLC</b>	Elevation <b>3423.0'</b>


**Surface Location**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	25	24-S	34-E		340	SOUTH	1000	WEST	LEA

**Bottom Hole Location If Different From Surface**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	24	24-S	34-E		200	NORTH	760	WEST	LEA
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

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

<p>Y=441339.7 N X=778859.1 E</p> <p>LTP 330' FNL &amp; 760' FWL Y=441016.5 N X=779621.5 E LAT.=32.209239° N LONG.=103.429270° W</p> <p>NAD 27 NME PROPOSED BOTTOM HOLE LOCATION Y=441146.4 N X=779620.6 E LAT.=32.209596° N LONG.=103.429270° W</p> <p>NAD 27 NME SURFACE LOCATION Y=431112.2 N X=779931.2 E LAT.=32.182008° N LONG.=103.428538° W</p> <p>ETP 330' FSL &amp; 760' FWL Y=431104.4 N X=779691.2 E LAT.=32.181992° N LONG.=103.429314° W GRID AZ. TO ETP 268°07'56"</p> <p>Y=430780.8 N X=778932.9 E</p>	<p>Y=441351.4 N X=780176.2 E</p> <p>LEASE X-ING LAT.=32.206515° N LONG.=103.429275° W</p> <p>SECTION 24 SECTION 25</p> <p>LEASE X-ING LAT.=32.195628° N LONG.=103.429292° W</p> <p>Y=430769.6 N X=780251.9 E</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p> <p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>MARCH 8, 2018</p> <p>Date of Survey _____</p> <p>Signature &amp; Seal of Professional Surveyor</p> <p></p> <p>Chad L. Harcrow 8/29/18 Certificate No. CHAD HARCROW 17777 W.O. # 18-1071 DRAWN BY: VD</p>
---	--	--

DISTRICT I  
1825 N. FRENCH DR., HOBBS, NM 80240  
Phone: (505) 393-0181 Fax: (505) 393-0720

DISTRICT II  
811 S. FIRST ST., ARTESIA, NM 88210  
Phone: (505) 748-1283 Fax: (505) 748-0720

DISTRICT III  
1000 RIO BRAZOS RD., AZTEC, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV  
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number	Pool Code	Pool Name
Property Code	Property Name <b>BASEBALL CAP FEDERAL COM</b>	Well Number <b>708H</b>
OGRID No.	Operator Name <b>COG OPERATING, LLC</b>	Elevation <b>3424.3'</b>

**Surface Location**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	25	24-S	34-E		340	SOUTH	940	WEST	LEA

**Bottom Hole Location If Different From Surface**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	24	24-S	34-E		200	NORTH	330	WEST	LEA
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

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

<p><b>OPERATOR CERTIFICATION</b> I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unless mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p> <p><b>SURVEYOR CERTIFICATION</b> I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>MARCH 8, 2018 Date of Survey _____</p> <p>Signature &amp; Seal of Professional Surveyor</p> <p><b>CHAD L. HARCROW</b> NEW MEXICO 17777 LICENSED PROFESSIONAL SURVEYOR</p> <p>Chad L. Harcrow 3/26/18 Certificate No. CHAD HARCROW 17777 W.O. # 18-231 DRAWN BY: VB</p>	
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(Case No. 20070)  
**Baseball Cap Federal Com 601H**  
E2E2 of Section 24 & E2E2 of Section 25, T24S-R34E, NMPM,  
Lea County, New Mexico

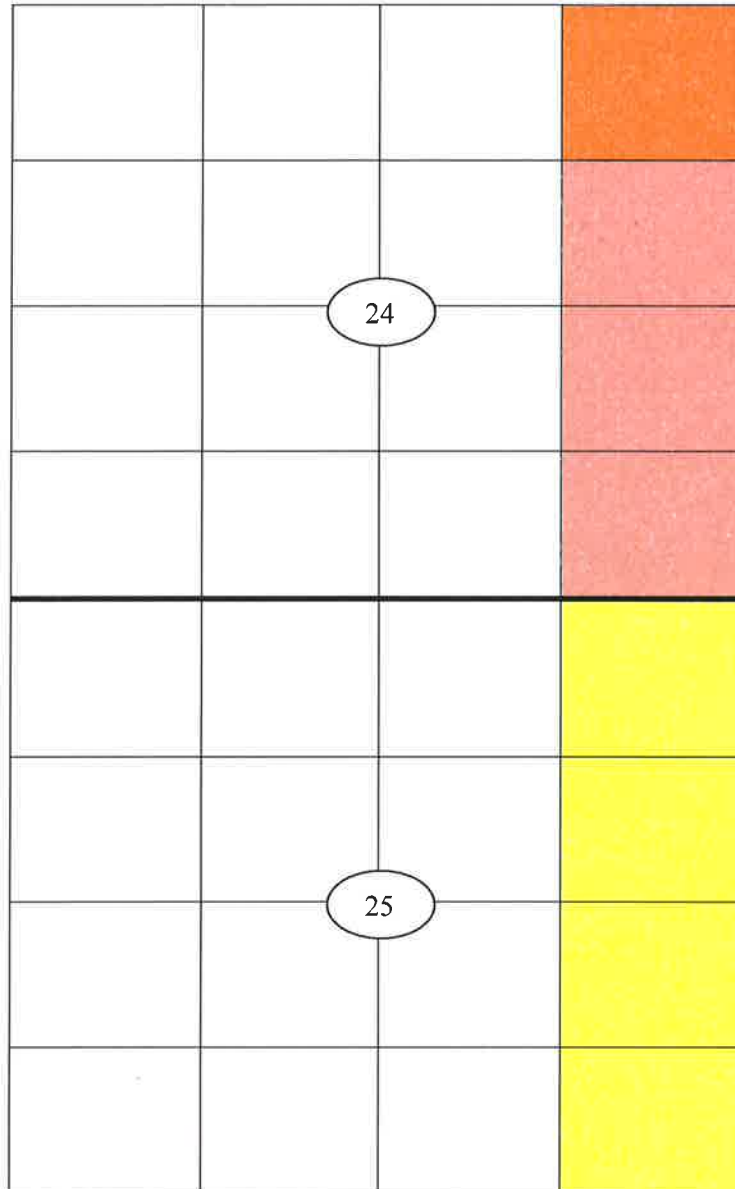
Tract: 1



Tract 2:



Tract 3:



### **Unit Working Interest**

COG Operating LLC	89.968125%
Energen Resources Corp./Diamondback Energy, Inc.	5.625000%
Concho Oil and Gas, LLC	3.635000%
Muleshoe Crude, LP	0.318750%
Commerce First Royalties, LLC	0.312500%
MECO IV, LLC	0.140625%
<b>Total</b>	<b>100.000000%</b>

### **Tract 1 – E2E2 of Section 25**

COG Operating, LLC	100.000000%
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### **Tract 2 – E2SE and SENE of Section 24**

COG Operating, LLC	100.000000%
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### **Tract 3 – NENE of Section 24**

COG Operating LLC	19.745000%
Energen Resources Corp./Diamondback Energy, Inc.	45.000000%
Concho Oil and Gas, LLC	29.080000%
Muleshoe Crude, LP	2.550000%
Commerce First Royalties, LLC	2.550000%
MECO IV, LLC	1.125000%
	<b>100.000000%</b>

### **Pooling Notification List**

Energen Resources Corporation  
605 Richard Arrington, Jr. Blvd. North  
Birmingham, AL 35203

Diamondback Energy, Inc.  
500 W. Texas Ave, Suite 1200  
Midland, TX 79701

Muleshoe Crude, LP  
101 Blackberry Court  
Midland, TX 79705

Commerce First Royalties, LLC  
14241 Dallas Parkway, Suite 600  
Dallas, TX 75254

MECO IV, LLC  
1200 17<sup>th</sup> Street, Suite 975  
Denver, CO 80202

(Case No. 20071)  
**Baseball Cap Federal Com 607H, 608H**  
W2W2 of Section 24 & W2W2 of Section 25, T24S-R34E, NMPM,  
Lea County, New Mexico

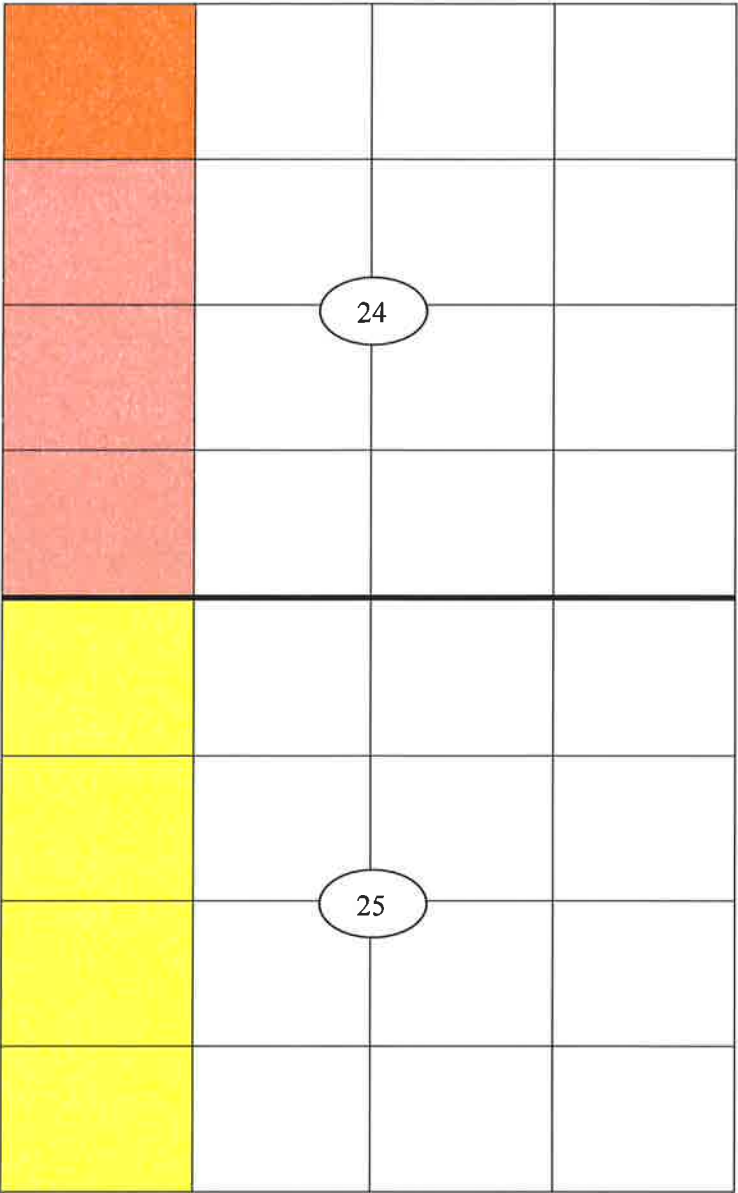
Tract: 1



Tract 2:



Tract 3:



**Unit Working Interest**

COG Operating LLC	62.716875%
Energen Resources Corp./Diamondback Energy, Inc.	16.875000%
Concho Oil and Gas, LLC	5.592500%
EOG Y Resources, Inc	5.000000%
EOG-M Resources, Inc.	2.500000%
EOG-A Resources, Inc.	2.500000%
OXY Y-1	2.500000%
Muleshoe Crude, LP	0.956250%
Commerce First Royalties, LLC	0.937500%
<u>MECO IV, LLC</u>	0.421875%
Total WI	100.000000%

**Tract 1 – W2W2 of Section 25**

COG Operating, LLC	100.000000%
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**Tract 2 – W2SW and SWNW of Section 24**

COG Operating LLC	19.745000%
Energen Resources Corp./Diamondback Energy, Inc.	45.000000%
Concho Oil and Gas, LLC	29.080000%
Muleshoe Crude, LP	2.550000%
Commerce First Royalties, LLC	2.550000%
<u>MECO IV, LLC</u>	1.125000%
Total WI	100.000000%

**Tract 3 – NWNW of Section 24**

EOG Y Resources, Inc	40.000000%
EOG-M Resources, Inc.	20.000000%
EOG-A Resources, Inc.	20.000000%
<u>OXY Y-1</u>	20.000000%
Total WI	100.000000%

**Pooling Notification List**

Energen Resources Corporation  
605 Richard Arrington, Jr. Blvd. North  
Birmingham, AL 35203

Diamondback Energy, Inc.  
500 W. Texas Ave, Suite 1200  
Midland, TX 79701

Muleshoe Crude, LP  
101 Blackberry Court  
Midland, TX 79705

Commerce First Royalties, LLC  
14241 Dallas Parkway, Suite 600  
Dallas, TX 75254

MECO IV, LLC  
1200 17th Street, Suite 975  
Denver, CO 80202  
EOG Y Resources, Inc  
5509 Champions Drive  
Midland, TX 79706

EOG-A Resources, Inc.  
5509 Champions Drive  
Midland, TX 79706

EOG-M Resources, Inc.  
5509 Champions Drive  
Midland, TX 79706

OXY Y-1  
P.O. Box 27570  
Houston, TX 77227

(Case No. 20072)  
**Baseball Cap Federal Com 701H, 702H**  
E2E2 of Section 24 & E2E2 of Section 25, T24S-R34E, NMPM,  
Lea County, New Mexico

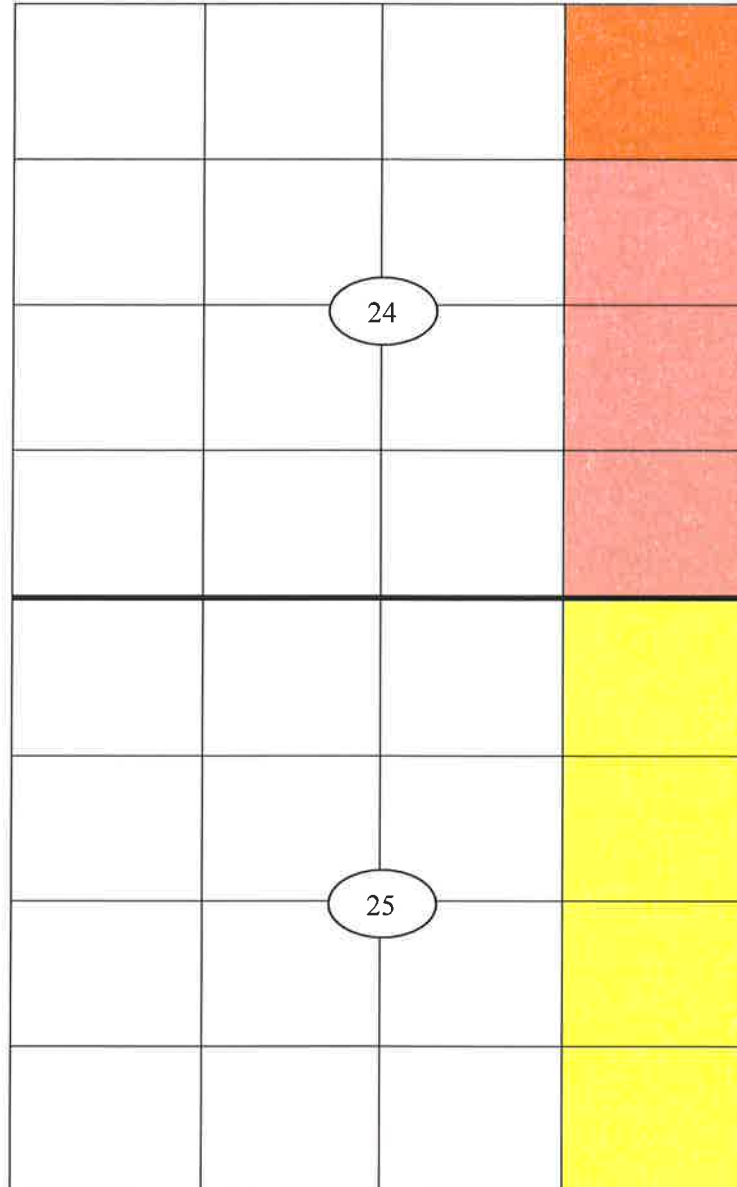
Tract: 1



Tract 2:



Tract 3:



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MECO IV, LLC	0.140625%
<b>Total</b>	<b>100.000000%</b>

**Tract 1 – E2E2 of Section 25**

COG Operating, LLC	100.000000%
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**Tract 2 – E2SE and SENE of Section 24**

COG Operating, LLC	100.000000%
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**Tract 3 – NENE of Section 24**

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Muleshoe Crude, LP	2.550000%
Commerce First Royalties, LLC	2.550000%
MECO IV, LLC	1.125000%
	<b>100.000000%</b>

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Energen Resources Corporation  
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Birmingham, AL 35203

Diamondback Energy, Inc.  
500 W. Texas Ave, Suite 1200  
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Muleshoe Crude, LP  
101 Blackberry Court  
Midland, TX 79705

Commerce First Royalties, LLC  
14241 Dallas Parkway, Suite 600  
Dallas, TX 75254

MECO IV, LLC  
1200 17<sup>th</sup> Street, Suite 975  
Denver, CO 80202

(Case No. 20073)  
**Baseball Cap Federal Com 707H, 708H**  
W2W2 of Section 24 & W2W2 of Section 25, T24S-R35E, NMPM,  
Lea County, New Mexico

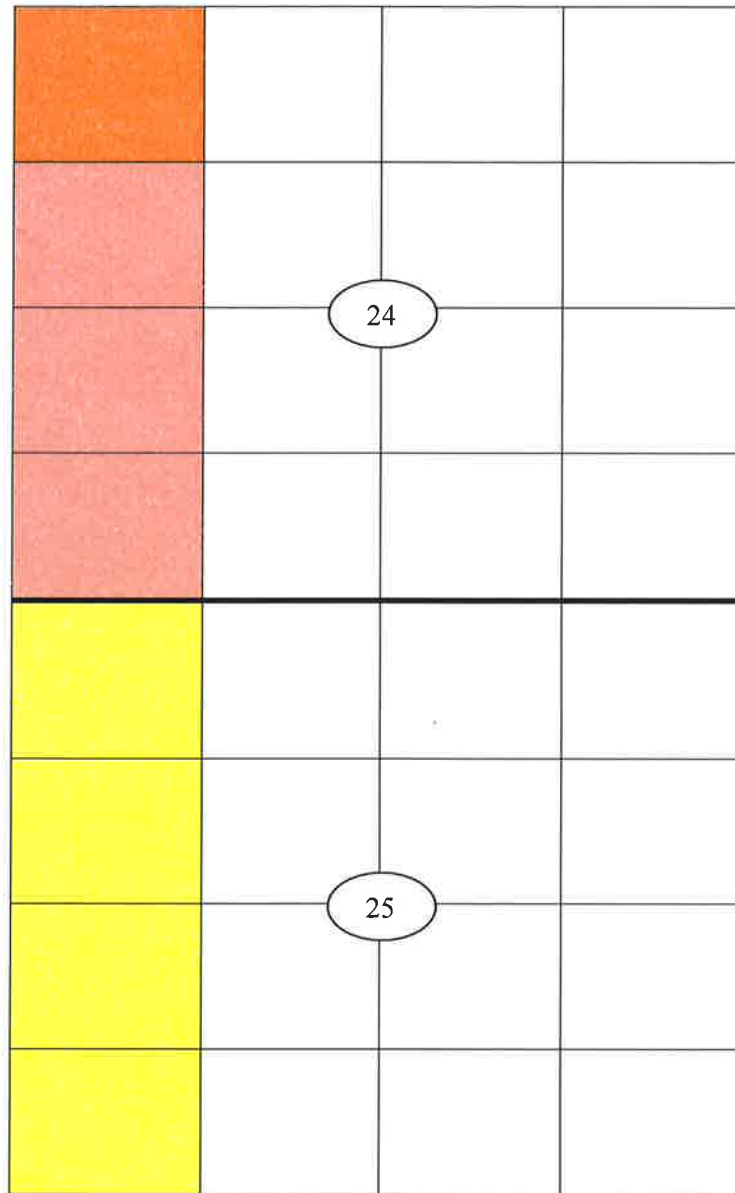
Tract 1:



Tract 2:



Tract 3:



**Unit Working Interest**

COG Operating LLC	62.716875%
Energen Resources Corp./Diamondback Energy, Inc.	16.875000%
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EOG-M Resources, Inc.	2.500000%
EOG-A Resources, Inc.	2.500000%
OXY Y-1	2.500000%
Muleshoe Crude, LP	0.956250%
Commerce First Royalties, LLC	0.937500%
<u>MECO IV, LLC</u>	<u>0.421875%</u>
Total WI	<b>100.000000%</b>

**Tract 1 – W2W2 of Section 25**

COG Operating, LLC	<b>100.000000%</b>
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**Tract 2 – W2SW and SWNW of Section 24**

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Muleshoe Crude, LP	2.550000%
Commerce First Royalties, LLC	2.550000%
<u>MECO IV, LLC</u>	<u>1.125000%</u>
Total WI	<b>100.000000%</b>

**Tract 3 – NWNW of Section 24**

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EOG-M Resources, Inc.	20.000000%
EOG-A Resources, Inc.	20.000000%
<u>OXY Y-1</u>	<u>20.000000%</u>
Total WI	<b>100.000000%</b>

**Pooling Notification List**

Energen Resources Corporation  
605 Richard Arrington, Jr. Blvd. North  
Birmingham, AL 35203

Diamondback Energy, Inc.  
500 W. Texas Ave, Suite 1200  
Midland, TX 79701

Muleshoe Crude, LP  
101 Blackberry Court  
Midland, TX 79705

Commerce First Royalties, LLC  
14241 Dallas Parkway, Suite 600  
Dallas, TX 75254

MECO IV, LLC  
1200 17th Street, Suite 975  
Denver, CO 80202  
EOG Y Resources, Inc  
5509 Champions Drive  
Midland, TX 79706

EOG-A Resources, Inc.  
5509 Champions Drive  
Midland, TX 79706

EOG-M Resources, Inc.  
5509 Champions Drive  
Midland, TX 79706

OXY Y-1  
P.O. Box 27570  
Houston, TX 77227



October 9, 2018

MECO IV, LLC  
1200 17<sup>th</sup> Street, Ste 975  
Denver, CO 80202

**Re: Baseball Cap Federal Com 601H, 701H & 702H**  
Sec 24: E/2 E/2 - T24S-R34E  
Sec 25: E/2 E/2 - T24S-R34E  
Lea County, New Mexico

Dear Sir/Madam:

COG Operating LLC ("COG"), as Operator, hereby proposes to drill the following wells located in the E/2E/2 of Section 24 and E/2E/2 of Section 25, 24S-34E, Lea County, New Mexico:

The **Baseball Cap Federal Com 601H** well has a surface hole location of 430' FSL and 1,080' FEL of Section 25 and a bottom hole location of 200' FNL and 760' FEL of Section 24, 24S-34E, or at a legal location as approved by the governing regulatory agency, to a TVD of approximately 12,642' and a MD of approximately 22,600' to test the Bone Spring Formation ("Operation"). The total cost of the Operation is estimated to be \$13,919,803.00, and a detailed description of the cost is set out in the enclosed Authority for Expenditure ("AFE").

The **Baseball Cap Federal Com 701H** well has a surface hole location of 430' FSL and 1,050' FEL of Section 25 and a bottom hole location of 200' FNL and 330' FEL of Section 24, 24S-34E, or at a legal location as approved by the governing regulatory agency, to a TVD of approximately 12,882' and a MD of approximately 22,500' to test the Wolfcamp Formation ("Operation"). The total cost of the Operation is estimated to be \$14,520,203.00, and a detailed description of the cost is set out in the enclosed Authority for Expenditure ("AFE").

The **Baseball Cap Federal Com 702H** well has a surface hole location of 430' FSL and 1,110' FEL of Section 25 and a bottom hole location of 200' FNL and 760' FEL of Section 24, 24S-34E, or at a legal location as approved by the governing regulatory agency, to a TVD of approximately 12,837' and a MD of approximately 22,500' to test the Wolfcamp Formation ("Operation"). The total cost of the Operation is estimated to be \$14,520,203.00, and a detailed description of the cost is set out in the enclosed Authority for Expenditure ("AFE").

COG is proposing to drill these wells under the terms of the modified 1989 AAPL form of Operating Agreement which is enclosed for your review and approval. The Operating Agreement covers Sec 24: E/2 E/2 - T24S-R34E and Sec 25: E/2 E/2 - T24S-R34E. It has the following general provisions:

- 100/300 Non-Consenting Penalty
- \$7,000/\$700 Drilling and Producing Rate
- COG Operating LLC named as Operator

**BEFORE THE OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico  
**Exhibit No. 1D**  
Submitted by: **COG OPERATING, LLC**  
Hearing Date: January 10, 2019  
Case Nos. 20070-20073

Please indicate your participation election in the space provided below, sign and return this letter, along with a signed copy of the enclosed AFE and a copy of your geologic well requirements. A self-addressed, postage paid envelope is enclosed for your convenience. If you do not wish to participate, COG proposes to acquire your interest via term assignment. It has the following general provisions:

- 3 year primary term
- Delivering a 75% NRI, proportionately reduced
- \$5,000 per net acre bonus consideration

The Term Assignment offer terminates November 15, 2018 and is subject to the approval of COG's management and verification of title.

If an agreement cannot be reached within 30 days of the date of this letter, COG will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a spacing unit for the proposed well if uncommitted at such time.

If you have any questions, please do not hesitate to contact the undersigned at (432) 685-4352 or [msolomon@concho.com](mailto:msolomon@concho.com).

Respectfully,

A handwritten signature in dark ink, appearing to read 'MS', is written over a faint, circular embossed seal.

Matt Solomon  
Staff Landman

\_\_\_\_\_ I/We hereby elect to participate in the Baseball Cap Federal Com 601H.

\_\_\_\_\_ I/We hereby elect **not** to participate in the Baseball Cap Federal Com 601H.

\_\_\_\_\_ I/We hereby elect to participate in the Baseball Cap Federal Com 701H.

\_\_\_\_\_ I/We hereby elect **not** to participate in the Baseball Cap Federal Com 701H.

\_\_\_\_\_ I/We hereby elect to participate in the Baseball Cap Federal Com 702H.

\_\_\_\_\_ I/We hereby elect **not** to participate in the Baseball Cap Federal Com 702H.

Company: MECO IV, LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**COG OPERATING LLC  
AUTHORITY FOR EXPENDITURE  
DRILLING**

WELL NAME:	Baseball Cap Federal Com #601H	PROSPECT NAME:	Bulldog 2434
SHL:	Sec 25: 430 FSL & 1080 FEL	STATE & COUNTY:	New Mexico, Lea
BHL:	Sec 24: 200 FNL & 760 FEL	OBJECTIVE:	DRILL AND COMPLETE
FORMATION:	3rd Bone Spring	DEPTH:	22,600
LEGAL:	Sec 25: 24S-34E	TVD:	12,642

		Drig - Rig Release(D)	Completion(C)	Tank Btty Constrctn(TB)	Pmpg Equipment(PEQ)	TOTAL
<b>INTANGIBLE COSTS</b>						
Title/Curative/Permit	201	20,000				20,000
Insurance	202	2,500	302			2,500
Damages/Right of Way	203	20,000	303			20,000
Survey/Stake Location	204	7,000		352		7,000
Location/Pile/Road Expense	205	135,000	305	10,000	353	195,000
Drilling / Completion Overhead	206	11,100	306	15,000		26,100
Turnkey Contract	207	0				0
Footage Contract	208	0				0
Daywork Contract	209	923,000				923,000
Directional Drilling Services	210	442,000				442,000
Frac Equipment			307	1,393,000		1,393,000
Frac Chemicals			308	464,000		464,000
Frac Proppant			309	799,000		799,000
Frac Proppant Transportation			310	392,000		392,000
Fuel & Power	211	211,000	311	68,000	354	279,000
Water	212	60,000	312	950,000	358	1,015,000
Bits	213	111,000	313	4,500	369	115,500
Mud & Chemicals	214	275,000	314	25,000	370	300,000
Drill Stem Test	215	0	315			0
Coring & Analysis	216	0				0
Cement Surface	217	28,000				28,000
Cement Intermediate	218	75,000				75,000
Cement 2nd Intermediate/Production	219	115,000				115,000
Cement Squeeze & Other (Kickoff Plug)	220	0			371	0
Float Equipment & Centralizers	221	65,000				65,000
Casing Crews & Equipment	222	70,000				70,000
Fishing Tools & Service	223	0	323		372	0
Geologic/Engineering	224	11,400	324		373	11,400
Contract Labor	225	6,500	325	20,000	356	159,435
Company Supervision	226	65,600	326	15,000	357	81,600
Contract Supervision	227	157,000	327	255,000	358	418,000
Testing Casing/Tubing	228	30,000	328	5,000	377	43,000
Mud Logging Unit	229	52,000	329			52,000
Logging	230	0			378	0
Perforating/Wireline Services	231	4,000	331	529,000	379	533,000
Stimulation/Treating			332	397,000	380	397,000
Completion Unit			333	138,000	381	158,000
Swabbing Unit			334		382	0
Rentals-Surface	235	190,000	335	403,000	358	599,000
Rentals-Subsurface	236	150,000	336	30,000	384	180,000
Trucking/Forklift/Rig Mobilization	237	200,000	337	20,000	360	240,000
Welding Services	238	3,000	338	5,000	361	8,000
Water Disposal	239	0	339	60,000	362	195,000
Plug to Abandon	240	0	340			0
Seismic Analysis	241	0	341			0
Miscellaneous	242	0	342		389	0
Contingency	243	69,000	343	250,000	363	319,000
Closed Loop & Environmental	244	330,000	344	5,000	364	335,000
Dyed Diesel	245		345	476,000		
Coil Tubing			346	750,000		750,000
Flowback Crews & Equip			347	48,000		48,000
Offset Directional/Frac	248		348		391	0
<b>TOTAL INTANGIBLES</b>		3,840,100	7,526,500	302,935	80,000	11,749,535

<b>TANGIBLE COSTS</b>						
Surface Casing	401	52,000				52,000
Intermediate Casing	402	555,000				555,000
Production Casing/Liner	403	516,000				516,000
Tubing			504	52,030	530	62,030
Wellhead Equipment	405	75,000	505	22,000	531	107,000
Pumping Unit				0	506	98,000
Prime Mover				0	507	12,000
Rods				0	508	60,000
Pumps-Sub Surface (BH)			509		532	6,000
Tanks				63,645		63,645
Flowlines				26,593		26,593
Heater Treater/Separator				140,007		140,007
Electrical System				130,000	533	140,000
Packers/Anchors/Hangers	414		514	66,000	534	70,000
Couplings/Fillings/Valves	415			102,282		102,282
Dehydration					517	0
Injection Plant/CO2 Equipment					518	0
Pumps-Surface				4,717		4,717
Instrumentation/SCADA/POC				10,482	529	17,482
Miscellaneous	419		519	5,241	535	10,241
Contingency	420		520		536	5,000
Meters/LACT				25,156		25,156
Flares/Combustors/Emission				23,584		23,584
Gas Lift/Compression			527	15,000	516	73,531
<b>TOTAL TANGIBLES</b>		1,198,000	155,030	590,238	227,000	2,170,268
<b>TOTAL WELL COSTS</b>		5,038,100	7,682,000	893,173	307,000	13,919,803

COG Operating LLC

% of Total Well Cost

36% 65% 6% 2%

Date Prepared: 8/16/18

COG Operating LLC

We approve:  
% Working Interest

By: KL-AB-RL-CH

Company:  
By:  
Printed Name:  
Title:  
Date:

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



August 30, 2018

MECO IV, LLC  
1200 17th Street, Suite 975  
Denver, CO 80202

**Re: Baseball Cap Federal Com 607H, 608H, 707H, & 708H Well Proposals**  
Sec 24: W/2 W/2 - T24S-R34E  
Sec 25: W/2 W/2 - T24S-R34E  
Lea County, New Mexico

Dear Sir/Madam:

COG Operating LLC ("COG"), as Operator, hereby proposes to drill the following wells located in the W/2W/2 of Section 24 and W/2W/2 of Section 25, 24S-34E, Lea County, New Mexico:

The **Baseball Cap Federal Com 607H** well has a surface hole location of 340' FSL and 1,030' FWL of Section 25 and a bottom hole location of 200' FNL and 1,220' FWL of Section 24, 24S-34E, or at a legal location as approved by the governing regulatory agency, to a TVD of approximately 12,614' and a MD of approximately 22,300' to test the Bone Spring formation ("Operation"). The total cost of the Operation is estimated to be \$13,919,803.00, and a detailed description of the cost is set out in the enclosed Authority for Expenditure ("AFE").

The **Baseball Cap Federal Com 608H** well has a surface hole location of 340' FSL and 970' FWL of Section 25 and a bottom hole location of 200' FNL and 330' FWL of Section 24, 24S-34E, or at a legal location as approved by the governing regulatory agency, to a TVD of approximately 12,718' and a MD of approximately 22,400' to test the Bone Spring formation ("Operation"). The total cost of the Operation is estimated to be \$13,919,803.00, and a detailed description of the cost is set out in the enclosed Authority for Expenditure ("AFE").

The **Baseball Cap Federal Com 707H** well has a surface hole location of 340' FSL and 1,000' FWL of Section 25 and a bottom hole location of 200' FNL and 760' FWL of Section 24, 24S-34E, or at a legal location as approved by the governing regulatory agency, to a TVD of approximately 12,908' and a MD of approximately 22,600' to test the Wolfcamp Formation ("Operation"). The total cost of the Operation is estimated to be \$14,520,203.00, and a detailed description of the cost is set out in the enclosed Authority for Expenditure ("AFE").

The **Baseball Cap Federal Com 708H** well has a surface hole location of 340' FSL and 940' FWL of Section 25 and a bottom hole location of 200' FNL and 330' FWL of Section 24, 24S-34E, or at a legal location as approved by the governing regulatory agency, to a TVD of approximately 12,784' and a MD of approximately 22,500' to test the Wolfcamp Formation ("Operation"). The total cost of the Operation is estimated to be \$14,520,203.00, and a detailed description of the cost is set out in the enclosed Authority for Expenditure ("AFE").

COG is proposing to drill these wells under the terms of the modified 1989 AAPL form of Operating Agreement which is enclosed for your review and approval. The Operating Agreement covers Sec 24: W/2 W/2 - T24S-R34E and Sec 25: W/2 W/2 - T24S-R34E. It has the following general provisions:

- 100/300 Non-Consenting Penalty
- \$7,000/\$700 Drilling and Producing Rate
- COG Operating LLC named as Operator

Please indicate your participation election in the space provided below, sign and return this letter, along with a signed copy of the enclosed AFE and a copy of your geologic well requirements. A self-addressed, postage paid envelope is enclosed for your convenience. If you do not wish to participate, COG proposes to acquire your interest via term assignment. It has the following general provisions:

- 3 year primary term
- Delivering a 75% NRI, proportionately reduced
- \$750 per net acre bonus consideration

The Term Assignment offer terminates November 15, 2018 and is subject to the approval of COG's management and verification of title.

If an agreement cannot be reached within 30 days of the date of this letter, COG will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a spacing unit for the proposed well if uncommitted at such time.

If you have any questions, please do not hesitate to contact the undersigned at (432) 685-4352 or [msolomon@concho.com](mailto:msolomon@concho.com).

Respectfully,



Matt Solomon  
Staff Landman

**Baseball Cap Federal Com 607H, 608H, 707H, & 708H**

\_\_\_\_\_ I/We hereby elect to participate in the Baseball Cap Federal Com 607H.

\_\_\_\_\_ I/We hereby elect **not** to participate in the Baseball Cap Federal Com 607H.

\_\_\_\_\_ I/We hereby elect to participate in the Baseball Cap Federal Com 608H.

\_\_\_\_\_ I/We hereby elect **not** to participate in the Baseball Cap Federal Com 608H.

\_\_\_\_\_ I/We hereby elect to participate in the Baseball Cap Federal Com 707H.

\_\_\_\_\_ I/We hereby elect **not** to participate in the Baseball Cap Federal Com 707H.

\_\_\_\_\_ I/We hereby elect to participate in the Baseball Cap Federal Com 708H.

\_\_\_\_\_ I/We hereby elect **not** to participate in the Baseball Cap Federal Com 708H.

Company: MECO IV, LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**COG OPERATING LLC  
AUTHORITY FOR EXPENDITURE  
DRILLING**

**WELL NAME:** Baseball Cap Federal Com #607H  
**SHL:** Sec 25: 340 FSL & 1030 FWL  
**BHL:** Sec 24: 200 FNL & 1220 FWL  
**FORMATION:** 3rd Bone Spring  
**LEGAL:** Sec 25: 24S-34E

**PROSPECT NAME:** Bulldog 2434  
**STATE & COUNTY:** New Mexico, Lea  
**OBJECTIVE:** DRILL AND COMPLETE  
**DEPTH:** 22,300  
**TVD:** 12,614

		<u>Drig - Rig</u> <u>Release(D)</u>	<u>Completion(C)</u>	<u>Tank Btty</u> <u>Constrctn(TB)</u>	<u>Pmpg</u> <u>Equipment(PEQ)</u>	<u>TOTAL</u>
<b>INTANGIBLE COSTS</b>						
Title/Curative/Permit	201	20,000				20,000
Insurance	202	2,500	302			2,500
Damages/Right of Way	203	20,000	303	351		20,000
Survey/Stake Location	204	7,000		352		7,000
Location/Pits/Road Expense	205	135,000	305	10,000	353	45,000
Drilling / Completion Overhead	206	11,100	306	15,000	366	5,000
Turnkey Contract	207	0				26,100
Footage Contract	208	0				0
Daywork Contract	209	923,000				923,000
Directional Drilling Services	210	442,000				442,000
Frac Equipment			307	1,393,000		1,393,000
Frac Chemicals			308	464,000		464,000
Frac Preppart			309	799,000		799,000
Frac Proppant Transportation			310	392,000		392,000
Fuel & Power	211	211,000	311	68,000	354	279,000
Water	212	60,000	312	950,000	368	5,000
Bits	213	111,000	313	4,500	369	1,015,000
Mud & Chemicals	214	275,000	314	25,000	370	115,500
Drill Stem Test	215	0	315			300,000
Coring & Analysis	216	0				0
Cement Surface	217	28,000				28,000
Cement Intermediate	218	75,000				75,000
Cement 2nd Intermediate/Production	219	115,000				115,000
Cement Squeeze & Other (Kickoff Plug)	220	0			371	0
Float Equipment & Centralizers	221	65,000				65,000
Casing Crews & Equipment	222	70,000				70,000
Fishing Tools & Service	223	0	323		372	0
Geologic/Engineering	224	11,400	324	355	373	11,400
Contract Labor	225	6,500	325	20,000	356	122,935
Company Supervision	226	66,600	326	15,000	357	10,000
Contract Supervision	227	157,000	327	255,000	358	159,435
Testing Casing/Tubing	228	30,000	328	5,000	377	81,600
Mud Logging Unit	229	52,000	329		378	6,000
Logging	230	0			379	43,000
Perforating/Wireline Services	231	4,000	331	529,000	379	52,000
Stimulation/Treating			332	397,000	380	533,000
Completion Unit	333	138,000			381	397,000
Swabbing Unit	334				382	158,000
Rentals-Surface	235	190,000	335	403,000	359	20,000
Rentals-Subsurface	236	150,000	336	30,000	384	599,000
Trucking/Forklift/Rig Mobilization	237	200,000	337	20,000	360	180,000
Welding Services	238	3,000	338	5,000	361	240,000
Water Disposal	239	0	339	60,000	362	135,000
Plug to Abandon	240	0	340		386	8,000
Seismic Analysis	241	0	341			195,000
Miscellaneous	242	0	342		389	0
Contingency	243	69,000	343	250,000	363	390
Closed Loop & Environmental	244	330,000	344	5,000	364	388
Dyed Diesel	245		345	476,000		319,000
Coil Tubing			346	750,000		335,000
Flowback Crews & Equip			347	48,000		750,000
Offset Directional/Frac	248		348		391	48,000
<b>TOTAL INTANGIBLES</b>		<b>3,840,100</b>	<b>7,526,500</b>	<b>302,935</b>	<b>80,000</b>	<b>11,749,535</b>
<b>TANGIBLE COSTS</b>						
Surface Casing	401	52,000				52,000
Intermediate Casing	402	555,000				555,000
Production Casing/Liner	403	516,000				516,000
Tubing			504	52,030	530	10,000
Wellhead Equipment	405	75,000	505	22,000	531	10,000
Pumping Unit				0	506	98,000
Prime Mover				0	507	12,000
Rods				0	508	60,000
Pumps-Sub Surface (BH)			509		532	6,000
Tanks				510	63,645	63,645
Flowlines				511	26,593	26,593
Heater Treater/Separator				512	140,007	140,007
Electrical System				513	130,000	130,000
Packers/Anchors/Hangers	414	514	66,000		534	4,000
Couplings/Fittings/Valves	415			515	102,282	102,282
Dehydration				517		0
Injection Plant/CO2 Equipment				518		0
Pumps-Surface				521	4,717	4,717
Instrumentation/SCADA/POG				522	10,482	10,482
Miscellaneous	419	519		523	5,241	5,241
Contingency	420	520		524		5,000
Meters/LACT				525	25,156	25,156
Flares/Combustors/Emission				526	23,584	23,584
Gas Lift/Compression			527	15,000	516	58,531
<b>TOTAL TANGIBLES</b>		<b>1,198,000</b>	<b>155,030</b>	<b>580,238</b>	<b>227,000</b>	<b>2,170,268</b>
<b>TOTAL WELL COSTS</b>		<b>5,038,100</b>	<b>7,682,000</b>	<b>883,173</b>	<b>307,000</b>	<b>13,919,803</b>

COG Operating LLC

Date Prepared: 8/16/18

COG Operating LLC

We approve:  
% Working Interest

By: KL-AB-PS-CH

Company  
By:

Printed Name:  
Title:  
Date:

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

**COG OPERATING LLC  
AUTHORITY FOR EXPENDITURE  
DRILLING**

<b>WELL NAME:</b>	<b>Baseball Cap Federal Com #608H</b>	<b>PROSPECT NAME:</b>	<b>Bulldog 2434</b>
<b>SHL:</b>	<b>Sec 25: 340 FSL &amp; 970 FWL</b>	<b>STATE &amp; COUNTY:</b>	<b>New Mexico, Lea</b>
<b>BHL:</b>	<b>Sec 24: 200 FNL &amp; 330 FWL</b>	<b>OBJECTIVE:</b>	<b>DRILL AND COMPLETE</b>
<b>FORMATION:</b>	<b>Bone Spring</b>	<b>DEPTH:</b>	<b>22,400</b>
<b>LEGAL:</b>	<b>Sec 25: 24S-34E</b>	<b>TVD:</b>	<b>12,718</b>

		<b>Drig - Rig Release(D)</b>	<b>Completion(C)</b>	<b>Tank Btty Constructn(TB)</b>	<b>Pmpg Equipment(PEQ)</b>	<b>TOTAL</b>
<b>INTANGIBLE COSTS</b>						
Title/Curative/Permit	201	20,000				20,000
Insurance	202	2,500	302			2,500
Damages/Right of Way	203	20,000	303	351		20,000
Survey/Stake Location	204	7,000		352		7,000
Location/Pits/Road Expense	205	135,000	305	10,000	353	195,000
Drilling / Completion Overhead	206	11,100	306	15,000		26,100
Turnkey Contract	207	0				0
Footage Contract	208	0				0
Daywork Contract	209	923,000				923,000
Directional Drilling Services	210	442,000				442,000
Frac Equipment			307	1,393,000		1,393,000
Frac Chemicals			308	464,000		464,000
Frac Proppant			309	799,000		799,000
Frac Proppant Transportation			310	392,000		392,000
Fuel & Power	211	211,000	311	68,000	354	279,000
Water	212	60,000	312	950,000	368	1,015,000
Bits	213	111,000	313	4,500	369	115,500
Mud & Chemicals	214	275,000	314	25,000	370	300,000
Drill Stem Test	215	0	315			0
Coring & Analysis	216	0				0
Cement Surface	217	28,000				28,000
Cement Intermediate	218	75,000				75,000
Cement 2nd Intermediate/Production	219	115,000				115,000
Cement Squeeze & Other (Kickoff Plug)	220	0			371	0
Float Equipment & Centralizers	221	65,000				65,000
Casing Crews & Equipment	222	70,000				70,000
Fishing Tools & Service	223	0	323		372	0
Geologic/Engineering	224	11,400	324		373	11,400
Contract Labor	225	6,500	325	20,000	356	159,435
Company Supervision	226	66,600	326	15,000	357	81,600
Contract Supervision	227	157,000	327	255,000	358	418,000
Testing Casing/Tubing	228	30,000	328	5,000	377	43,000
Mud Logging Unit	229	52,000	329			52,000
Logging	230	0			378	0
Perforating/Wireline Services	231	4,000	331	529,000	379	533,000
Stimulation/Treating			332	397,000	380	397,000
Completion Unit			333	138,000	381	156,000
Swabbing Unit			334		382	0
Rentals-Surface	235	190,000	335	403,000	359	599,000
Rentals-Subsurface	236	150,000	336	30,000		180,000
Trucking/Forklift/Rig Mobilization	237	200,000	337	20,000	360	240,000
Welding Services	238	3,000	338	5,000	361	8,000
Water Disposal	239	0	339	60,000	362	195,000
Plug to Abandon	240	0	340			0
Seismic Analysis	241	0	341			0
Miscellaneous	242	0	342		369	0
Contingency	243	69,000	343	250,000	363	319,000
Closed Loop & Environmental	244	330,000	344	5,000	364	335,000
Dyed Diesel	245		345	476,000		
Coil Tubing			346	750,000		750,000
Flowback Crews & Equip			347	48,000		48,000
Offset Directional/Frac	248		348		391	0
<b>TOTAL INTANGIBLES</b>		<b>3,840,100</b>	<b>7,526,500</b>	<b>302,935</b>	<b>80,000</b>	<b>11,749,535</b>
<b>TANGIBLE COSTS</b>						
Surface Casing	401	52,000				52,000
Intermediate Casing	402	555,000				555,000
Production Casing/Liner	403	516,000				516,000
Tubing			504	52,030	530	62,030
Wellhead Equipment	405	75,000	505	22,000	531	107,000
Pumping Unit				0	506	98,000
Prime Mover				0	507	12,000
Rods				0	508	60,000
Pumps-Sub Surface (BH)			509		532	6,000
Tanks				63,645		63,645
Flowlines				26,593		26,593
Heater Treater/Separator				140,007		140,007
Electrical System				130,000	533	140,000
Packers/Anchors/Hangers	414		514	66,000	534	70,000
Couplings/Fittings/Valves	415				515	102,282
Dehydration					517	0
Injection Plant/CO2 Equipment					518	0
Pumps-Surface				4,717		4,717
Instrumentation/SCADA/POC				10,482	529	17,482
Miscellaneous	419	519		5,241	535	10,241
Contingency	420	520			536	5,000
Meters/LACT				25,156		25,156
Flares/Combustors/Emission				23,584		23,584
Gas Lift/Compression		527	15,000	58,531	528	73,531
<b>TOTAL TANGIBLES</b>		<b>1,198,000</b>	<b>155,030</b>	<b>590,238</b>	<b>227,000</b>	<b>2,170,268</b>
<b>TOTAL WELL COSTS</b>		<b>5,038,100</b>	<b>7,682,000</b>	<b>893,173</b>	<b>307,000</b>	<b>13,919,803</b>
	<b>% of Total Well Cost</b>	<b>36%</b>	<b>55%</b>	<b>6%</b>	<b>2%</b>	

COG Operating LLC

Date Prepared: 8/16/18

COG Operating LLC

We approve:  
% Working Interest

By: KLAB-PS-CH

Company:  
By:

Printed Name:  
Title:  
Date:

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



October 9, 2018

MECO IV, LLC  
1200 17<sup>th</sup> Street, Ste 975  
Denver, CO 80202

**Re: Baseball Cap Federal Com 601H, 701H & 702H**  
Sec 24: E/2 E/2 - T24S-R34E  
Sec 25: E/2 E/2 - T24S-R34E  
Lea County, New Mexico

Dear Sir/Madam:

COG Operating LLC ("COG"), as Operator, hereby proposes to drill the following wells located in the E/2E/2 of Section 24 and E/2E/2 of Section 25, 24S-34E, Lea County, New Mexico:

The **Baseball Cap Federal Com 601H** well has a surface hole location of 430' FSL and 1,080' FEL of Section 25 and a bottom hole location of 200' FNL and 760' FEL of Section 24, 24S-34E, or at a legal location as approved by the governing regulatory agency, to a TVD of approximately 12,642' and a MD of approximately 22,600' to test the Bone Spring Formation ("Operation"). The total cost of the Operation is estimated to be \$13,919,803.00, and a detailed description of the cost is set out in the enclosed Authority for Expenditure ("AFE").

The **Baseball Cap Federal Com 701H** well has a surface hole location of 430' FSL and 1,050' FEL of Section 25 and a bottom hole location of 200' FNL and 330' FEL of Section 24, 24S-34E, or at a legal location as approved by the governing regulatory agency, to a TVD of approximately 12,882' and a MD of approximately 22,500' to test the Wolfcamp Formation ("Operation"). The total cost of the Operation is estimated to be \$14,520,203.00, and a detailed description of the cost is set out in the enclosed Authority for Expenditure ("AFE").

The **Baseball Cap Federal Com 702H** well has a surface hole location of 430' FSL and 1,110' FEL of Section 25 and a bottom hole location of 200' FNL and 760' FEL of Section 24, 24S-34E, or at a legal location as approved by the governing regulatory agency, to a TVD of approximately 12,837' and a MD of approximately 22,500' to test the Wolfcamp Formation ("Operation"). The total cost of the Operation is estimated to be \$14,520,203.00, and a detailed description of the cost is set out in the enclosed Authority for Expenditure ("AFE").

COG is proposing to drill these wells under the terms of the modified 1989 AAPL form of Operating Agreement which is enclosed for your review and approval. The Operating Agreement covers Sec 24: E/2 E/2 - T24S-R34E and Sec 25: E/2 E/2 - T24S-R34E. It has the following general provisions:

- 100/300 Non-Consenting Penalty
- \$7,000/\$700 Drilling and Producing Rate
- COG Operating LLC named as Operator

**BEFORE THE OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico  
**Exhibit No. 1E**  
Submitted by: **COG OPERATING, LLC**  
Hearing Date: January 10, 2019  
Case Nos. 20070-20073

Please indicate your participation election in the space provided below, sign and return this letter, along with a signed copy of the enclosed AFE and a copy of your geologic well requirements. A self-addressed, postage paid envelope is enclosed for your convenience. If you do not wish to participate, COG proposes to acquire your interest via term assignment. It has the following general provisions:

- 3 year primary term
- Delivering a 75% NRI, proportionately reduced
- \$5,000 per net acre bonus consideration

The Term Assignment offer terminates November 15, 2018 and is subject to the approval of COG's management and verification of title.

If an agreement cannot be reached within 30 days of the date of this letter, COG will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a spacing unit for the proposed well if uncommitted at such time.

If you have any questions, please do not hesitate to contact the undersigned at (432) 685-4352 or [msolomon@concho.com](mailto:msolomon@concho.com).

Respectfully,

A handwritten signature in dark ink, appearing to read 'MS', is written over a large, faint, circular watermark that contains the text 'CONCHO OIL FIELD'.

Matt Solomon  
Staff Landman

\_\_\_\_\_ I/We hereby elect to participate in the Baseball Cap Federal Com 601H.

\_\_\_\_\_ I/We hereby elect **not** to participate in the Baseball Cap Federal Com 601H.

\_\_\_\_\_ I/We hereby elect to participate in the Baseball Cap Federal Com 701H.

\_\_\_\_\_ I/We hereby elect **not** to participate in the Baseball Cap Federal Com 701H.

\_\_\_\_\_ I/We hereby elect to participate in the Baseball Cap Federal Com 702H.

\_\_\_\_\_ I/We hereby elect **not** to participate in the Baseball Cap Federal Com 702H.

Company: MECO IV, LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**COG OPERATING LLC  
AUTHORITY FOR EXPENDITURE  
DRILLING**

WELL NAME: **Baseball Cap Federal Com #701H**  
 SHL: Sec 25: 430 FSL & 1050 FEL  
 BHL: Sec 24: 200 FNL & 330 FEL  
 FORMATION: Wolfcamp  
 LEGAL: Sec 25: 24S-34E

PROSPECT NAME: **Buildog 2434**  
 STATE & COUNTY: New Mexico, Lea  
 OBJECTIVE: DRILL AND COMPLETE  
 DEPTH: 22,500  
 TVD: 12,882

		Drig - Rig	Completion(C)	Tank Btty	Pmpg	TOTAL
		Release(D)		Constrctn(TB)	Equipment(PEQ)	
<b>INTANGIBLE COSTS</b>						
Title/Curative/Permit	201	20,000				20,000
Insurance	202	2,500	302			2,500
Damages/Right of Way	203	20,000	303	351		20,000
Survey/Stake Location	204	7,000		352		7,000
Location/Pits/Road Expense	205	135,000	305	10,000	353	195,000
Drilling / Completion Overhead	206	14,100	306	15,000		29,100
Turnkey Contract	207	0				0
Footage Contract	208	0				0
Daywork Contract	209	1,148,000				1,148,000
Directional Drilling Services	210	548,000				548,000
Frac Equipment			307	1,393,000		1,393,000
Frac Chemicals			308	464,000		464,000
Frac Proppant			309	799,000		799,000
Frac Proppant Transportation			310	392,000		392,000
Fuel & Power	211	268,000	311	68,000	354	336,000
Water	212	60,000	312	950,000	368	1,010,000
Bits	213	153,000	313	4,500	369	157,500
Mud & Chemicals	214	285,000	314	25,000	370	310,000
Drill Stem Test	215	0	315			0
Coring & Analysis	216	0				0
Cement Surface	217	28,000				28,000
Cement Intermediate	218	75,000				75,000
Cement 2nd Intermediate/Production	219	115,000				115,000
Cement Squeeze & Other (Kickoff Plug)	220	0			371	0
Float Equipment & Centralizers	221	45,000				45,000
Casing Crews & Equipment	222	70,000				70,000
Fishing Tools & Service	223	0	323		372	0
Geologic/Engineering	224	16,800	324		373	16,800
Contract Labor	225	6,500	325	20,000	356	159,435
Company Supervision	226	84,600	326	15,000	357	99,600
Contract Supervision	227	195,000	327	255,000	358	450,000
Testing Casing/Tubing	228	30,000	328	5,000	377	43,000
Mud Logging Unit	229	61,000	329			61,000
Logging	230	0			378	0
Perforating/Wireline Services	231	4,000	331	529,000	379	533,000
Stimulation/Treating			332	397,000	380	397,000
Completion Unit			333	138,000	381	158,000
Swabbing Unit			334		382	0
Rentals-Surface	235	230,000	335	403,000	359	638,000
Rentals-Subsurface	236	185,000	336	30,000	364	215,000
Trucking/Forklift/Rig Mobilization	237	200,000	337	20,000	365	240,000
Welding Services	238	3,000	338	5,000	361	8,000
Water Disposal	239	0	339	60,000	362	195,000
Plug to Abandon	240	0	340			0
Seismic Analysis	241	0	341			0
Miscellaneous	242	0	342		389	0
Contingency	243	61,000	343	250,000	363	331,000
Closed Loop & Environmental	244	350,000	344	5,000	364	355,000
Dyed Diesel	245		345	476,000		750,000
Coil Tubing			346	750,000		48,000
Flowback Crews & Equip			347	48,000		0
Offset Directional/Frac	248		348		391	0
<b>TOTAL INTANGIBLES</b>		<b>4,440,500</b>	<b>7,526,500</b>	<b>302,935</b>	<b>80,000</b>	<b>12,349,935</b>
<b>TANGIBLE COSTS</b>						
Surface Casing	401	52,000				52,000
Intermediate Casing	402	555,000				555,000
Production Casing/Liner	403	516,000				516,000
Tubing			504	52,030	530	62,030
Wellhead Equipment	405	75,000	505	22,000	531	107,000
Pumping Unit				0	506	98,000
Prime Mover				0	507	12,000
Rods				0	508	60,000
Pumps-Sub Surface (BH)			509		532	6,000
Tanks				63,645		63,645
Flowlines				26,593		26,593
Heater Treater/Separator				140,007		140,007
Electrical System				130,000	533	140,000
Packers/Anchors/Hangers	414		514	66,000	534	70,000
Couplings/Fittings/Valves	415			102,282		102,282
Dehydration					517	0
Injection Plant/CO2 Equipment					518	0
Pumps-Surface				4,717		4,717
Instrumentation/SCADA/POC				10,482	529	17,482
Miscellaneous	419		519	5,241	535	10,241
Contingency	420		520		536	5,000
Meters/LACT				25,156		25,156
Flares/Combustors/Emission				23,584		23,584
Gas Lift/Compression			527	15,000	516	58,531
<b>TOTAL TANGIBLES</b>		<b>1,198,000</b>	<b>155,030</b>	<b>590,238</b>	<b>227,000</b>	<b>2,170,268</b>
<b>TOTAL WELL COSTS</b>		<b>5,638,500</b>	<b>7,682,000</b>	<b>893,173</b>	<b>307,000</b>	<b>14,520,203</b>

COG Operating LLC

% of Total Well Cost

39%

53%

8%

2%

Date Prepared: 8/16/18

COG Operating LLC

We approve:  
% Working Interest

By: KL-AB-RL-CH

Company:  
By:

Printed Name:  
Title:  
Date:

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

**COG OPERATING LLC  
AUTHORITY FOR EXPENDITURE  
DRILLING**

<b>WELL NAME:</b>	<b>Baseball Cap Federal Com #702H</b>	<b>PROSPECT NAME:</b>	Bulldog 2434
<b>SHL:</b>	Sec 25: 430 FSL & 1110 FEL	<b>STATE &amp; COUNTY:</b>	New Mexico, Lea
<b>BHL:</b>	Sec 24: 200 FNL & 760 FEL	<b>OBJECTIVE:</b>	DRILL AND COMPLETE
<b>FORMATION:</b>	Wolfcamp	<b>DEPTH:</b>	22,500
<b>LEGAL:</b>	Sec 25: 24S-34E	<b>TVD:</b>	12,837

		<b>Drig - Rig Release(D)</b>	<b>Completion(C)</b>	<b>Tank Btty Constrctn(TB)</b>	<b>Pmpq Equipment(PEQ)</b>	<b>TOTAL</b>
<b>INTANGIBLE COSTS</b>						
Title/Curative/Permit	201	20,000				20,000
Insurance	202	2,500				2,500
<b>Damages/Right of Way</b>	203	20,000				20,000
Survey/Stake Location	204	7,000				7,000
Location/Pits/Road Expense	205	135,000	10,000	45,000	5,000	195,000
Drilling / Completion Overhead	206	14,100	15,000			29,100
Turnkey Contract	207	0				0
Footage Contract	208	0				0
Daywork Contract	209	1,148,000				1,148,000
Directional Drilling Services	210	548,000				548,000
<b>Frac Equipment</b>			1,393,000			1,393,000
Frac Chemicals			464,000			464,000
Frac Proppant			799,000			799,000
Frac Proppant Transportation			392,000			392,000
Fuel & Power	211	268,000	68,000			336,000
Water	212	60,000	950,000		5,000	1,015,000
Bits	213	153,000	4,500			157,500
Mud & Chemicals	214	285,000	25,000			310,000
Drill Stem Test	215	0				0
<b>Coring &amp; Analysis</b>	216	0				0
Cement Surface	217	28,000				28,000
Cement Intermediate	218	75,000				75,000
Cement 2nd Intermediate/Production	219	115,000				115,000
Cement Squeeze & Other (Kickoff Plug)	220	0				0
Float Equipment & Centralizers	221	45,000				45,000
Casing Crews & Equipment	222	70,000				70,000
<b>Fishing Tools &amp; Service</b>	223	0				0
Geologic/Engineering	224	16,800				16,800
Contract Labor	225	6,500	20,000	122,935	10,000	159,435
<b>Company Supervision</b>	226	84,600	15,000			99,600
Contract Supervision	227	195,000	255,000		6,000	456,000
Testing Casing/Tubing	228	30,000	5,000		8,000	43,000
Mud Logging Unit	229	61,000				61,000
Logging	230	0				0
Perforating/Wireline Services	231	4,000	528,000			532,000
Simulation/Treating			397,000			397,000
Completion Unit			138,000		20,000	158,000
<b>Swabbing Unit</b>						0
<b>Rentals-Surface</b>	235	230,000	403,000		6,000	639,000
Rentals-Subsurface	236	185,000	30,000			215,000
Trucking/Forklift/Rig Mobilization	237	200,000	20,000		20,000	240,000
Welding Services	238	3,000	5,000			8,000
Water Disposal	239	0	60,000	135,000		195,000
Plug to Abandon	240	0				0
Seismic Analysis	241	0				0
Miscellaneous	242	0				0
<b>Contingency</b>	243	81,000	250,000			331,000
<b>Closed Loop &amp; Environmental</b>	244	350,000	5,000			355,000
Dyed Diesel	245		476,000			476,000
Coil Tubing			750,000			750,000
Flowback Crews & Equip			48,000			48,000
Offset Directional/Frac	248					0
<b>TOTAL INTANGIBLES</b>		<b>4,440,500</b>	<b>7,526,500</b>	<b>302,935</b>	<b>60,000</b>	<b>12,349,935</b>
<b>TANGIBLE COSTS</b>						
Surface Casing	401	52,000				52,000
Intermediate Casing	402	555,000				555,000
Production Casing/Liner	403	516,000				516,000
Tubing			52,030		10,000	62,030
Wellhead Equipment	405	75,000	22,000		10,000	107,000
Pumping Unit			0		98,000	98,000
Prime Mover			0		12,000	12,000
Rods			0		60,000	60,000
<b>Pumps-Sub Surface (BH)</b>					6,000	6,000
Tanks				63,645		63,645
Flowlines				26,593		26,593
Heater Treater/Separator				140,007		140,007
Electrical System				130,000	10,000	140,000
Packers/Anchors/Hangers	414		66,000		4,000	70,000
Couplings/Fittings/Valves	415			102,282		102,282
Dehydration						0
Injection Plant/CO2 Equipment						0
Pumps-Surface				4,717		4,717
Instrumentation/SCADA/POC				10,482	7,000	17,482
Miscellaneous	419	519		5,241	5,000	10,241
Contingency	420	520			5,000	5,000
Meters/LACT				25,156		25,156
Flares/Combustors/Emission				23,584		23,584
Gas Lift/Compression			15,000	58,531		73,531
<b>TOTAL TANGIBLES</b>		<b>1,198,000</b>	<b>155,030</b>	<b>590,238</b>	<b>227,000</b>	<b>2,170,268</b>
<b>TOTAL WELL COSTS</b>		<b>5,638,500</b>	<b>7,682,000</b>	<b>893,173</b>	<b>307,000</b>	<b>14,520,203</b>

% of Total Well Cost

39%

53%

6%

2%

COG Operating LLC

Date Prepared: 8/16/18

We approve  
% Working Interest

COG Operating LLC

By: KL-AB-PS-CH

Company  
By:  
Printed Name  
Title  
Date

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



August 30, 2018

MECO IV, LLC  
1200 17th Street, Suite 975  
Denver, CO 80202

**Re: Baseball Cap Federal Com 607H, 608H, 707H, & 708H Well Proposals**  
Sec 24: W/2 W/2 - T24S-R34E  
Sec 25: W/2 W/2 - T24S-R34E  
Lea County, New Mexico

Dear Sir/Madam:

COG Operating LLC ("COG"), as Operator, hereby proposes to drill the following wells located in the W/2W/2 of Section 24 and W/2W/2 of Section 25, 24S-34E, Lea County, New Mexico:

The **Baseball Cap Federal Com 607H** well has a surface hole location of 340' FSL and 1,030' FWL of Section 25 and a bottom hole location of 200' FNL and 1,220' FWL of Section 24, 24S-34E, or at a legal location as approved by the governing regulatory agency, to a TVD of approximately 12,614' and a MD of approximately 22,300' to test the Bone Spring formation ("Operation"). The total cost of the Operation is estimated to be \$13,919,803.00, and a detailed description of the cost is set out in the enclosed Authority for Expenditure ("AFE").

The **Baseball Cap Federal Com 608H** well has a surface hole location of 340' FSL and 970' FWL of Section 25 and a bottom hole location of 200' FNL and 330' FWL of Section 24, 24S-34E, or at a legal location as approved by the governing regulatory agency, to a TVD of approximately 12,718' and a MD of approximately 22,400' to test the Bone Spring formation ("Operation"). The total cost of the Operation is estimated to be \$13,919,803.00, and a detailed description of the cost is set out in the enclosed Authority for Expenditure ("AFE").

The **Baseball Cap Federal Com 707H** well has a surface hole location of 340' FSL and 1,000' FWL of Section 25 and a bottom hole location of 200' FNL and 760' FWL of Section 24, 24S-34E, or at a legal location as approved by the governing regulatory agency, to a TVD of approximately 12,908' and a MD of approximately 22,600' to test the Wolfcamp Formation ("Operation"). The total cost of the Operation is estimated to be \$14,520,203.00, and a detailed description of the cost is set out in the enclosed Authority for Expenditure ("AFE").

The **Baseball Cap Federal Com 708H** well has a surface hole location of 340' FSL and 940' FWL of Section 25 and a bottom hole location of 200' FNL and 330' FWL of Section 24, 24S-34E, or at a legal location as approved by the governing regulatory agency, to a TVD of approximately 12,784' and a MD of approximately 22,500' to test the Wolfcamp Formation ("Operation"). The total cost of the Operation is estimated to be \$14,520,203.00, and a detailed description of the cost is set out in the enclosed Authority for Expenditure ("AFE").

COG is proposing to drill these wells under the terms of the modified 1989 AAPL form of Operating Agreement which is enclosed for your review and approval. The Operating Agreement covers Sec 24: W/2 W/2 - T24S-R34E and Sec 25: W/2 W/2 - T24S-R34E. It has the following general provisions:

- 100/300 Non-Consenting Penalty
- \$7,000/\$700 Drilling and Producing Rate
- COG Operating LLC named as Operator

Please indicate your participation election in the space provided below, sign and return this letter, along with a signed copy of the enclosed AFE and a copy of your geologic well requirements. A self-addressed, postage paid envelope is enclosed for your convenience. If you do not wish to participate, COG proposes to acquire your interest via term assignment. It has the following general provisions:

- 3 year primary term
- Delivering a 75% NRI, proportionately reduced
- \$750 per net acre bonus consideration

The Term Assignment offer terminates November 15, 2018 and is subject to the approval of COG's management and verification of title.

If an agreement cannot be reached within 30 days of the date of this letter, COG will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a spacing unit for the proposed well if uncommitted at such time.

If you have any questions, please do not hesitate to contact the undersigned at (432) 685-4352 or [msolomon@concho.com](mailto:msolomon@concho.com).

Respectfully,



Matt Solomon  
Staff Landman

**Baseball Cap Federal Com 607H, 608H, 707H, & 708H**

\_\_\_\_\_ I/We hereby elect to participate in the Baseball Cap Federal Com 607H.

\_\_\_\_\_ I/We hereby elect **not** to participate in the Baseball Cap Federal Com 607H.

\_\_\_\_\_ I/We hereby elect to participate in the Baseball Cap Federal Com 608H.

\_\_\_\_\_ I/We hereby elect **not** to participate in the Baseball Cap Federal Com 608H.

\_\_\_\_\_ I/We hereby elect to participate in the Baseball Cap Federal Com 707H.

\_\_\_\_\_ I/We hereby elect **not** to participate in the Baseball Cap Federal Com 707H.

\_\_\_\_\_ I/We hereby elect to participate in the Baseball Cap Federal Com 708H.

\_\_\_\_\_ I/We hereby elect **not** to participate in the Baseball Cap Federal Com 708H.

Company: MECO IV, LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**COG OPERATING LLC  
AUTHORITY FOR EXPENDITURE  
DRILLING**

<b>WELL NAME:</b>	<b>Baseball Cap Federal Com #707H</b>	<b>PROSPECT NAME:</b>	<b>Bulldog 2434</b>
<b>SHL:</b>	<b>Sec 25: 340 FSL &amp; 1000 FWL</b>	<b>STATE &amp; COUNTY:</b>	<b>New Mexico, Lea</b>
<b>BHL:</b>	<b>Sec 24: 200 FNL &amp; 760 FWL</b>	<b>OBJECTIVE:</b>	<b>DRILL AND COMPLETE</b>
<b>FORMATION:</b>	<b>Wolfcamp</b>	<b>DEPTH:</b>	<b>22,600</b>
<b>LEGAL:</b>	<b>Sec 25: 24S-34E</b>	<b>TVD:</b>	<b>12,908</b>

		<u>Drig - Rig</u>		<u>Completion(C)</u>		<u>Tank Btty</u>		<u>Pmpg</u>		<u>TOTAL</u>
<u>INTANGIBLE COSTS</u>		<u>Release(D)</u>				<u>Constrctn(TB)</u>		<u>Equipment(PEQ)</u>		
Title/Curtive/Permit	201	20,000	302							20,000
Insurance	202	2,500								2,500
Damages/Right of Way	203	20,000	303		351					20,000
Survey/State Location	204	7,000			352					7,000
Location/Pits/Road Expense	205	135,000	305	10,000	353	45,000	368	5,000		195,000
Drilling / Completion Overhead	206	14,100	306	15,000						29,100
Turnkey Contract	207	0								0
Footage Contract	208	0								0
Daywork Contract	209	1,148,000								1,148,000
Directional Drilling Services	210	548,000								548,000
Frac Equipment			307	1,393,000						1,393,000
Frac Chemicals			308	464,000						464,000
Frac Proppant			309	799,000						799,000
Frac Proppant Transportation			310	392,000						392,000
Fuel & Power	211	268,000	311	68,000	354		367			336,000
Water	212	60,000	312	950,000			368	5,000		1,015,000
Bits	213	153,000	313	4,500			369			157,500
Mud & Chemicals	214	265,000	314	25,000			370			310,000
Drill Stem Test	215	0	315							0
Coring & Analysis	216	0								0
Cement Surface	217	28,000								28,000
Cement Intermediate	218	75,000								75,000
Cement 2nd Intermediate/Production	219	115,000								115,000
Cement Squeeze & Other (Kickoff Plug)	220	0					371			0
Float Equipment & Centralizers	221	45,000								45,000
Casing Crews & Equipment	222	70,000								70,000
Fishing Tools & Service	223	0	323				372			0
Geologic/Engineering	224	16,800	324		355		373			16,800
Contract Labor	225	5,500	325	20,000	356	122,935	374	10,000		159,435
Company Supervision	226	84,600	326	15,000	357		375			99,600
Contract Supervision	227	195,000	327	255,000	358		376	6,000		456,000
Testing Casing/Tubing	228	30,000	328	5,000			377	6,000		43,000
Mud Logging Unit	229	61,000	329							61,000
Logging	230	0					378			0
Perforating/Wireline Services	231	4,000	331	529,000			379			533,000
Stimulation/Treating			332	397,000			380			397,000
Completion Unit			333	138,000			381	20,000		158,000
Swabbing Unit			334				382			0
Rentals-Surface	235	230,000	335	403,000	359		383	6,000		639,000
Rentals-Subsurface	236	185,000	336	30,000			384			215,000
Trucking/Forklift/Rig Mobilization	237	200,000	337	20,000	360		385	20,000		240,000
Welding Services	238	3,000	338	5,000	361		386			8,000
Water Disposal	239	0	339	60,000	362	135,000	387			195,000
Plug to Abandon	240	0	340							0
Seismic Analysis	241	0	341							0
Miscellaneous	242	0	342				389			0
Contingency	243	81,000	343	250,000	363		390			331,000
Closed Loop & Environmental	244	350,000	344	5,000	364		388			355,000
Dyed Diesel	245		345	476,000						
Coil Tubing			346	750,000						750,000
Flowback Crews & Equip			347	48,000						48,000
Offsel Directional/Frac	248		348				391			0
<b>TOTAL INTANGIBLES</b>		<b>4,440,500</b>		<b>7,526,500</b>		<b>302,935</b>		<b>80,000</b>		<b>12,349,535</b>
<b><u>TANGIBLE COSTS</u></b>										
Surface Casing	401	52,000								52,000
Intermediate Casing	402	555,000								555,000
Production Casing/Liner	403	516,000								516,000
Tubing			504	52,030			530	10,000		62,030
Wellhead Equipment	405	75,000	505	22,000			531	10,000		107,000
Pumping Unit				0			506	98,000		98,000
Prime Mover				0			507	12,000		12,000
Rods				0			508	60,000		60,000
Pumps-Sub Surface (BH)			509				532	6,000		6,000
Tanks					510	63,645				63,645
Flowlines					511	26,593				26,593
Heater Treater/Separator					512	140,007				140,007
Electrical System					513	130,000	533	10,000		140,000
Packers/Anchors/Hangers	414		514	66,000			534	4,000		70,000
Couplings/Fittings/Valves	415				515	102,282				102,282
Dehydration					517					0
Injection Plant/CO2 Equipment					518					0
Pumps-Surface					521	4,717				4,717
Instrumentation/SCADA/POC					522	10,482	529	7,000		17,482
Miscellaneous	419		519		523	5,241	535	5,000		10,241
Contingency	420		520		524		536	5,000		5,000
Meters/LACT					525	25,156				25,156
Flares/Combustors/Emission					526	23,584				23,584
Gas Lift/Compression			527	15,000	516	58,531	528			73,531
<b>TOTAL TANGIBLES</b>		<b>1,198,000</b>		<b>155,030</b>		<b>590,238</b>		<b>227,000</b>		<b>2,170,268</b>
<b>TOTAL WELL COSTS</b>		<b>5,638,500</b>		<b>7,682,000</b>		<b>893,173</b>		<b>307,000</b>		<b>14,520,203</b>

COG Operating LLC

% of Total Well Cost

38%

53%

6%

2%

Date Prepared: 8/16/18

COG Operating LLC

We approve:  
\_\_\_\_\_% Working Interest

By: KL-AB-PS-CH

Company:

By:

Printed Name:

Title:

Date:

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

**COG OPERATING LLC  
AUTHORITY FOR EXPENDITURE  
DRILLING**

<b>WELL NAME:</b>	<b>Baseball Cap Federal Com #708H</b>	<b>PROSPECT NAME:</b>	<b>Bulldog 2434</b>
<b>SHL:</b>	<b>Sec 25: 340 FSL &amp; 940 FWL</b>	<b>STATE &amp; COUNTY:</b>	<b>New Mexico, Lea</b>
<b>BHL:</b>	<b>Sec 24: 200 FNL &amp; 330 FWL</b>	<b>OBJECTIVE:</b>	<b>DRILL AND COMPLETE</b>
<b>FORMATION:</b>	<b>Wolfcamp</b>	<b>DEPTH:</b>	<b>22,500</b>
<b>LEGAL:</b>	<b>Sec 25: 24S-34E</b>	<b>TVD:</b>	<b>12,784</b>

		<b>Drig - Rig</b>		<b>Completion(C)</b>		<b>Tank Btty</b>		<b>Pmpg</b>		<b>TOTAL</b>
		<b>Release(D)</b>				<b>Constrcn(TB)</b>		<b>Equipment(PEG)</b>		
<b>INTANGIBLE COSTS</b>										
Title/Curative/Permit	201	20,000	302							20,000
Insurance	202	2,500	302							2,500
Damages/Right of Way	203	20,000	303		351					20,000
Survey/Stake Location	204	7,000			352					7,000
Location/Pas/Road Expense	205	135,000	305	10,000	353	45,000	366	5,000		195,000
Drilling / Completion Overhead	206	14,100	306	15,000						29,100
Turnkey Contract	207	0								0
Footage Contract	208	0								0
Daywork Contract	209	1,148,000								1,148,000
Directional Drilling Services	210	548,000								548,000
Frac Equipment			307	1,393,000						1,393,000
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Fuel & Power	211	268,000	311	68,000	354		367			336,000
Water	212	60,000	312	950,000			368	5,000		1,015,000
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Mud & Chemicals	214	285,000	314	25,000			370			310,000
Drill Stem Test	215	0	315							0
Coring & Analysis	216	0								0
Cement Surface	217	28,000								28,000
Cement Intermediate	218	75,000								75,000
Cement 2nd Intermediate/Production	219	115,000								115,000
Cement Squeeze & Other (Kickoff Plug)	220	0					371			0
Float Equipment & Centralizers	221	45,000								45,000
Casing Crews & Equipment	222	70,000								70,000
Fishing Tools & Service	223	0	323				372			0
Geologic/Engineering	224	16,800	324		355		373			16,800
Contract Labor	225	6,500	325	20,000	356	122,935	374	10,000		159,435
Company Supervision	226	84,600	326	15,000	357		375			99,600
Contract Supervision	227	195,000	327	255,000	358		376	6,000		456,000
Testing Casing/Tubing	228	30,000	328	5,000			377	8,000		43,000
Mud Logging Unit	229	61,000	329							61,000
Logging	230	0					378			0
Perforating/Wireline Services	231	4,000	331	529,000			379			533,000
Stimulation/Treating			332	397,000			380			397,000
Completion Unit			333	138,000			381	20,000		158,000
Swabbing Unit			334				382			0
Rentals-Surface	235	230,000	335	403,000	359		383	5,000		638,000
Rentals-Subsurface	236	185,000	336	30,000			384			215,000
Trucking/Forklift/Rig Mobilization	237	200,000	337	20,000	360		385	20,000		240,000
Welding Services	238	3,000	338	5,000	361		386			8,000
Water Disposal	239	0	339	60,000	362	135,000	387			195,000
Plug to Abandon	240	0	340							0
Seismic Analysis	241	0	341							0
Miscellaneous	242	0	342				389			0
Contingency	243	81,000	343	250,000	363		390			331,000
Closed Loop & Environmental	244	350,000	344	5,000	364		388			355,000
Dyed Diesel	245		345	476,000						
Coil Tubing			346	750,000						750,000
Flowback Crews & Equip			347	48,000						48,000
Offset Directional/Frac	248		348				391			0
<b>TOTAL INTANGIBLES</b>		<b>4,440,500</b>		<b>7,526,500</b>		<b>302,935</b>		<b>80,000</b>		<b>12,349,935</b>
<b>TANGIBLE COSTS</b>										
Surface Casing	401	52,000								52,000
Intermediate Casing	402	555,000								555,000
Production Casing/Liner	403	516,000								516,000
Tubing			504	52,030			530	10,000		62,030
Wellhead Equipment	405	75,000	505	22,000			531	10,000		107,000
Pumping Unit				0			506	98,000		98,000
Prime Mover				0			507	12,000		12,000
Rods				0			508	60,000		60,000
Pumps-Sub Surface (BH)			509				532	6,000		6,000
Tanks					510	63,645				63,645
Flowlines					511	26,593				26,593
Heater Treater/Separator					512	140,007				140,007
Electrical System					513	130,000	533	10,000		140,000
Packers/Anchors/Hangers							534	4,000		70,000
Couplings/Fittings/Valves	414		514	66,000						102,282
Dehydration	415				515	102,282				0
Injection Plant/CO2 Equipment					517					0
Pumps-Surface					518					0
Instrumentation/SCADA/POC					521	4,717				4,717
Miscellaneous	419		519		522	10,482	529	7,000		17,482
Contingency	420		520		523	5,241	535	5,000		10,241
Meeters/LACT					524		536	5,000		5,000
Flares/Combustors/Emission					525	25,156				25,156
Gas Lift/Compression					526	23,584				23,584
<b>TOTAL TANGIBLES</b>		<b>1,198,000</b>		<b>155,030</b>		<b>590,238</b>		<b>227,000</b>		<b>2,170,268</b>
<b>TOTAL WELL COSTS</b>		<b>5,638,500</b>		<b>7,682,000</b>		<b>893,173</b>		<b>307,000</b>		<b>14,520,203</b>
<b>% of Total Well Cost</b>			<b>38%</b>	<b>53%</b>		<b>6%</b>		<b>2%</b>		

COG Operating LLC

Date Prepared: 8/16/18

COG Operating LLC

We approve:  
% Working Interest

By: KL-AB-PS-CH

Company:  
By:

Printed Name:  
Title:  
Date:

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

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

**APPLICATION OF COG OPERATING LLC  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

**CASE NOS. 20070, 20071, 20072 & 20073**

**AFFIDAVIT OF BRIAN SITEK**

Brian Sitek, of lawful age and being first duly sworn, declares as follows:

1. My name is Brian Sitek. I work for COG Operating LLC ("COG") as a geologist.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology. My credentials as a petroleum geology have been accepted by the Division and made a matter of record.
3. I am familiar with the applications filed by COG in these cases and I have conducted a geologic study of the Bone Spring and Wolfcamp formations underlying the subject acreage.
4. COG is targeting the Bone Spring formation (Third Bone Spring interval) with its proposed **Baseball Cap Federal Com No. 601H Well in Case No. 20070**, and its **Baseball Cap Federal Com No. 607H Well and Baseball Cap Federal Com No. 608H Well in Case No. 20071**.
5. COG is also targeting the Wolfcamp formation with its proposed **Baseball Cap Federal Com No. 701H and 702H Wells in Case No. 20072**, and its **Baseball Cap Federal Com No. 707H and 708H Wells in Case No. 20073**.
6. **COG Exhibit No. 2A** is a subsea structure map that I prepared for the top of the Wolfcamp Formation in Exhibit 2A. It is representative of the targeted interval in the Wolfcamp

Formation in Case Nos. 20072 and 20073. The proposed **Baseball Cap Federal Com No. 701H, 702H, 707H and 708H Wells**, which target the Wolfcamp, are depicted by a red dashed line. Existing producing wells in the Wolfcamp are represented by solid red lines. The structure map shows that the formation is gently dipping to the south in this area. I do not observe any faulting, pinchouts, or other geologic impediments to developing the targeted Wolfcamp interval with a horizontal well in this area.

7. **COG Exhibit No. 2B** is the same subsea structure map that I prepared depicting the top of the Wolfcamp Formation. It is also representative of the targeted Third Bone Spring interval in Case Nos. 20070 and 20071. The contour intervals are 25 feet and the proposed wellbore path for the **Baseball Cap Federal Com No. 601H, 607H and 608H Wells**, which target the Third Bone Spring interval, are depicted by purple dashed lines. Existing producing wells in the Third Bone Spring are represented by solid purple lines. The structure map shows that the formation is gently dipping to the south in this area. I do not observe any faulting, pinchouts, or other geologic impediments to developing the Third Bone Spring interval with a horizontal well in this area.

8. **COG Exhibit No. 2C** shows a cross-section line in green consisting of three wells penetrating the Bone Spring formation and the targeted Wolfcamp interval that I used to construct a stratigraphic cross-section from A to A'. I consider these wells to be representative of the geology in the area.

9. **COG Exhibit No. 2D** is a cross section using the representative wells depicted on Exhibit 2C. Each well in the cross-section contains gamma ray, resistivity, and porosity logs, with the exception of the Pitchfork 36 State 1 well, which has only gamma ray and resistivity logs. The proposed target interval in the Third Bone Spring is labeled and depicted by the top set

of green brackets on the left-hand side of the exhibit. The proposed Wolfcamp target interval is depicted by the lower set of green brackets on the left-hand side of the exhibit. The cross-section demonstrates that the targeted intervals extends across the proposed spacing and proration units in all cases.

10. In my opinion the south to north orientation of the proposed wells in the Bone Spring and Wolfcamp formations is the preferred orientation for horizontal well development in this area and is appropriate to efficiently and effectively develop the subject acreage.

11. Based on my geologic study, both the Bone Spring and Wolfcamp formations underlying the subject area are suitable for development by horizontal wells and the acreage comprising the proposed spacing and proration units will contribute more-or-less equally to the production from the wellbores.

12. In my opinion, the granting of COG's application will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.

FURTHER AFFIANT SAYETH NOT.

  
Brian Sitek

STATE OF TEXAS                    )  
  )  
COUNTY OF MIDLAND            )

SUBSCRIBED and SWORN to before me this 9th day of January 2019 by  
Brian Sitek.



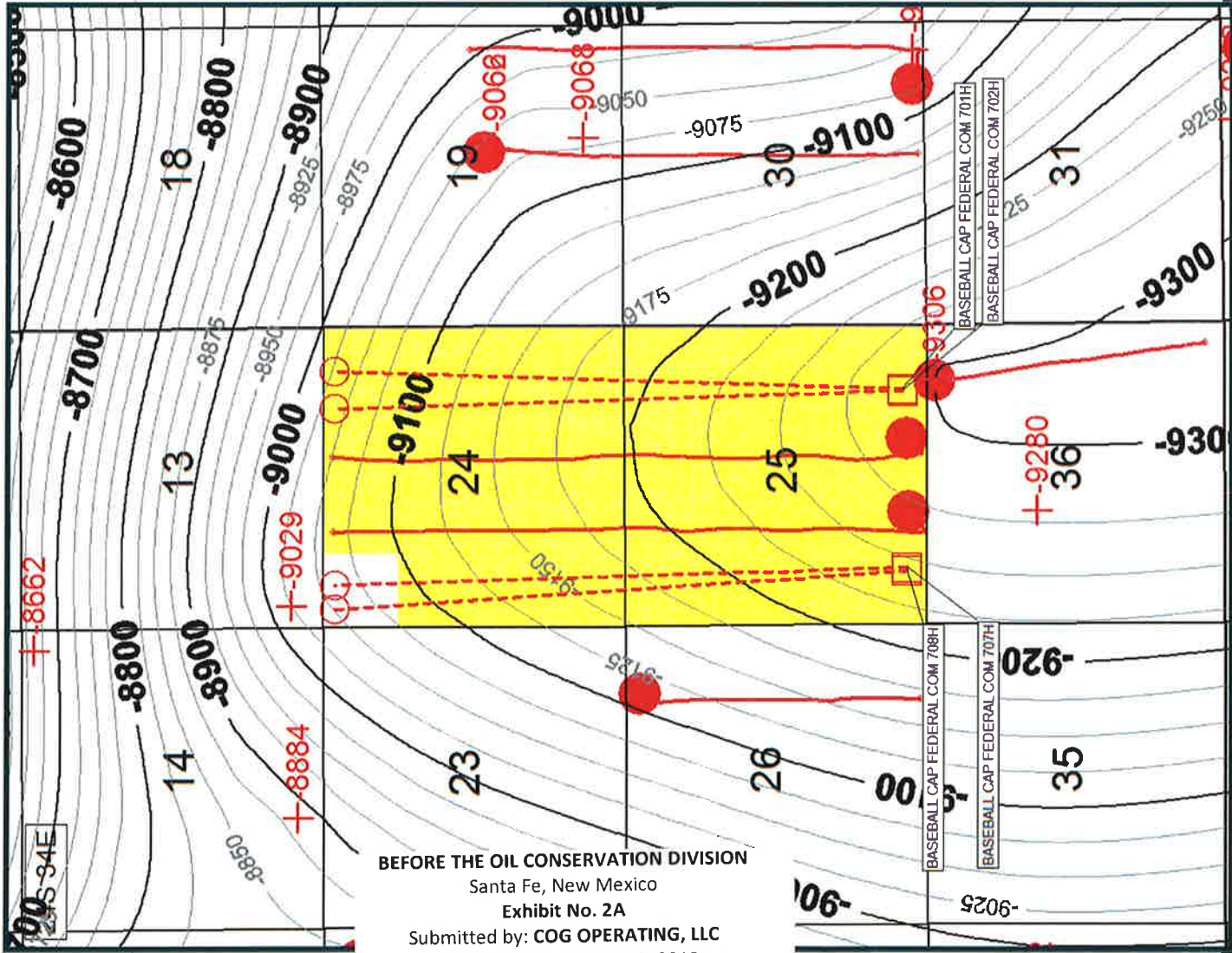
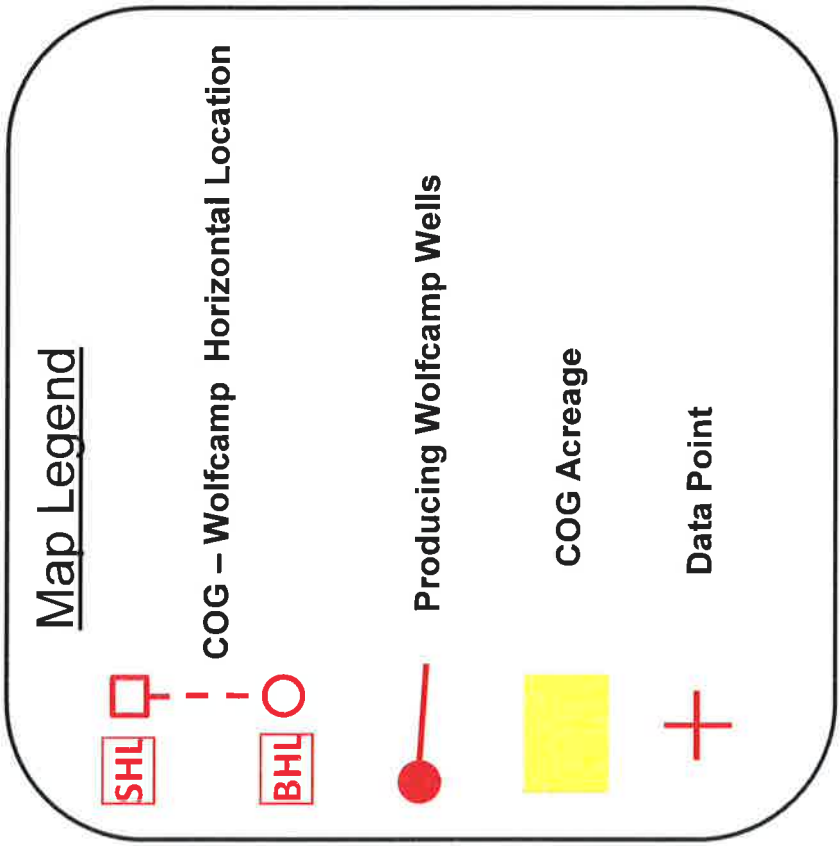
Melissa L. Dimit  
NOTARY PUBLIC

My Commission Expires:

9/9/2021

# Wolfcamp Subsea Structure Map

Baseball Cap Federal Com  
701H, 702H, 707H, 708H  
Sections 24 & 25 T24S-R34E



BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. 2A  
Submitted by: COG OPERATING, LLC  
Hearing Date: January 10, 2019  
Case Nos. 20070-20073



# Wolfcamp Subsea Structure Map

Baseball Cap Federal Com  
601H,607H,608H  
Sections 24 & 25 T24S-R34E

## Map Legend



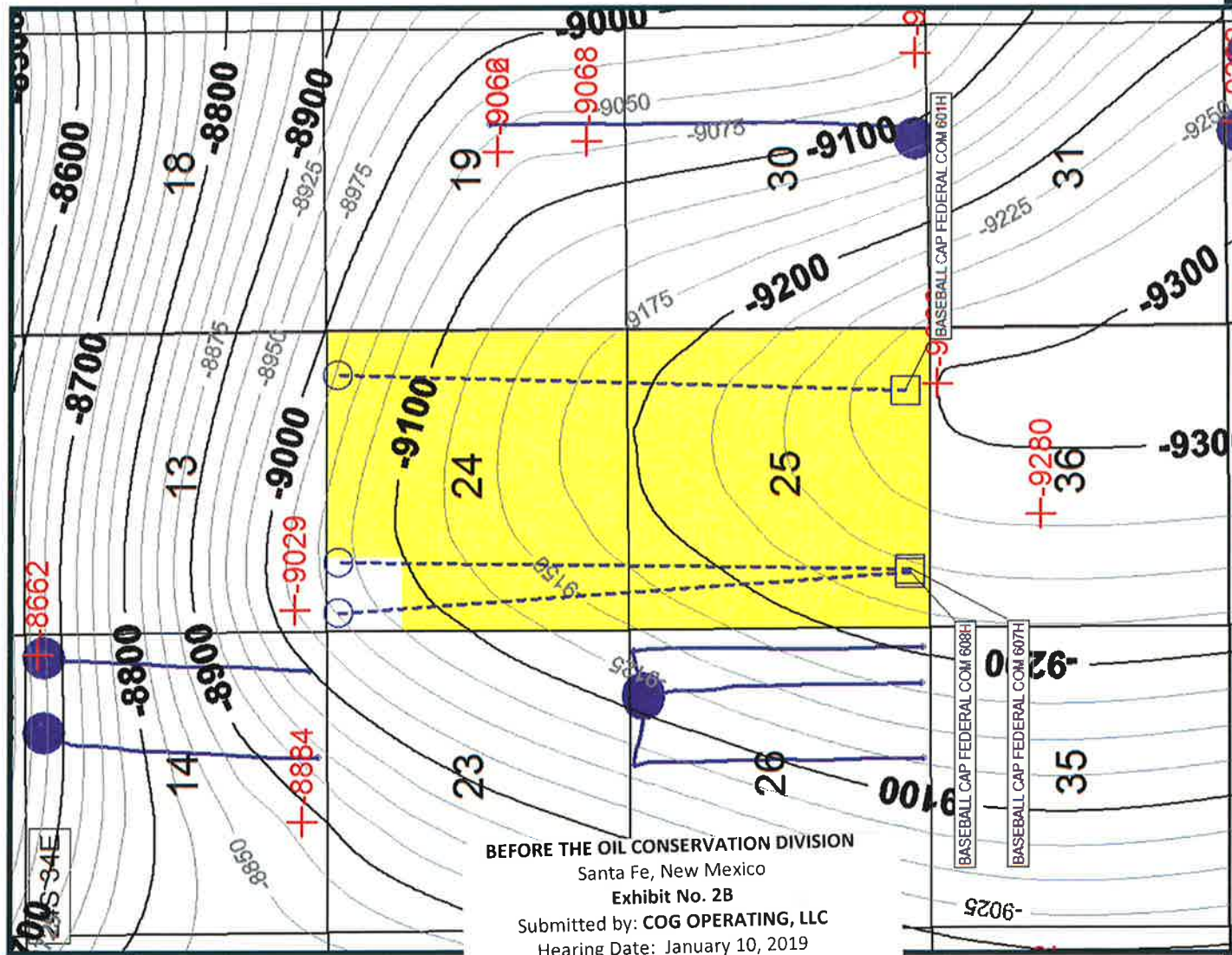
COG - 3<sup>RD</sup> Bone Spring Horizontal Location



Producing 3<sup>rd</sup> Bone Spring Wells

COG Acreage

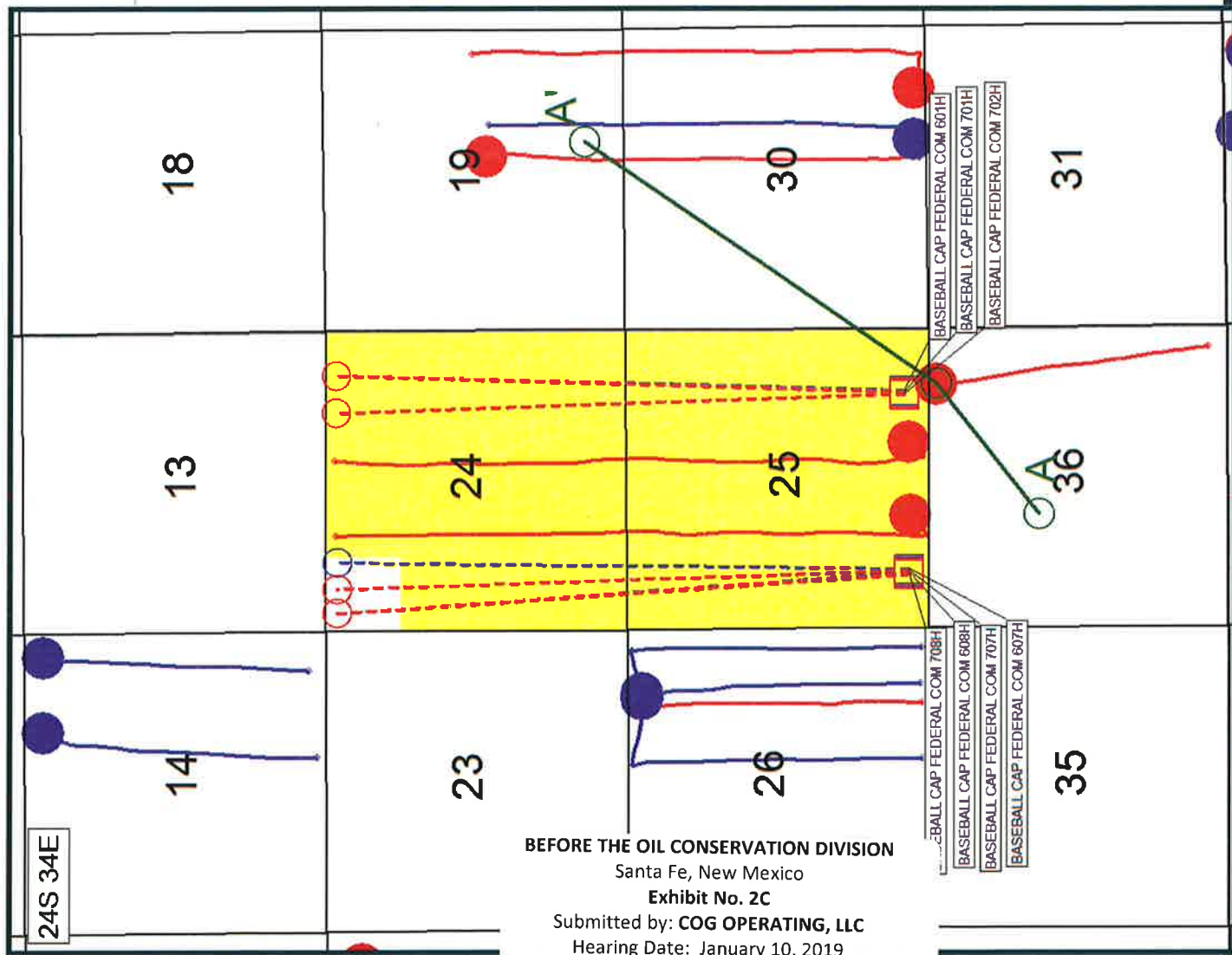
Data Point



BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. 2B  
Submitted by: COG OPERATING, LLC  
Hearing Date: January 10, 2019  
Case Nos. 20070-20073

# BASEBALL CAP Project

Baseball Cap Federal Com  
601H,607H,608H,701H,702H,707H,708H  
Sections 24 & 25 T24S-R34E

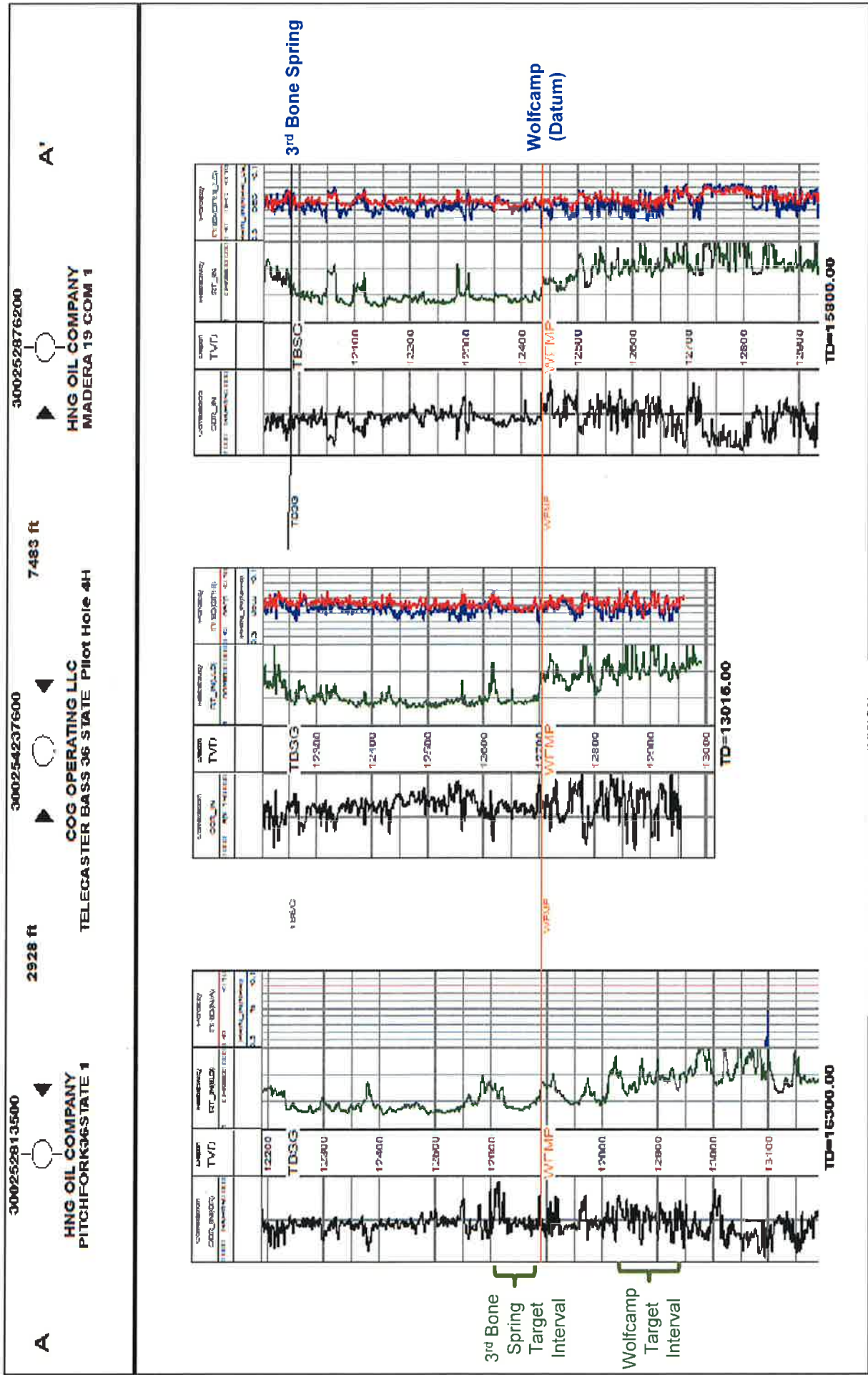


**Map Legend**

- SHL
- COG – Wolfcamp Horizontal Location
- BHL
- SHL
- COG – 3<sup>RD</sup> Bone Spring Horizontal Location
- BHL
- Cross Section Line
- Producing Wolfcamp Wells
- Producing 3<sup>rd</sup> Bone Spring Wells
- COG Acreage

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. 2C  
Submitted by: **COG OPERATING, LLC**  
Hearing Date: January 10, 2019  
Case Nos. 20070-20073

# Stratigraphic Cross Section A – A'



BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Exhibit No. 2D  
 Submitted by: COG OPERATING, LLC  
 Hearing Date: January 10, 2019  
 Case Nos. 20070-20073



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

**APPLICATION COG OPERATING, LLC  
FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 20070**

**AFFIDAVIT**

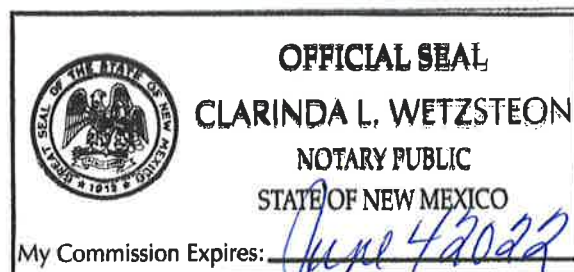
STATE OF NEW MEXICO    )  
  ) ss.  
COUNTY OF SANTA FE    )

Adam G. Rankin, attorney in fact and authorized representative of **COG OPERATING, LLC**, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Applications have been provided under the notice letters and proof of receipts attached hereto.

  
Adam G. Rankin

SUBSCRIBED AND SWORN to before me this 9th day of January 2019 by Adam G. Rankin.

  
Notary Public



**BEFORE THE OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico  
**Exhibit No. 3A**  
Submitted by: **COG OPERATING, LLC**  
Hearing Date: January 10, 2019  
Case Nos. 20070-20073



October 26, 2018

**VIA CERTIFIED MAIL**  
**CERTIFIED RECEIPT REQUESTED****TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS****Re: Application of COG Operating LLC for compulsory pooling, Lea County,  
New Mexico.  
Baseball Cap Federal Com No. 601H Well**

Ladies &amp; Gentlemen:

This letter is to advise you that COG Operating LLC has filed the enclosed application with the New Mexico Oil Conservation Division. This application will be set for hearing before a Division Examiner at 8:15 a.m. on November 15, 2018. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices, located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. 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.

Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address 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.

If you have any questions about this matter please contact Matt Solomon at (432) 685-4352 or MSolomon@concho.com.

Sincerely,

Jordan L. Kessler

**ATTORNEY FOR COG OPERATING LLC**

	A		B	C		F	G	I	J	K
	MailClass	TrackingNo	CustomField1	ToName		DeliveryAddress	City	State	Zip	
1	Certified with Return Receipt (Signature)	9414810898765020659181	64683 - COG Baseball Cap - 1	Bradley S. Bates		101 Blackberry Court	Midland	TX	79705	
2	Certified with Return Receipt (Signature)	9414810898765020659198	64683 - COG Baseball Cap - 2	Energen Resources Corporation		605 Richard Arrington, Jr. Blvd North	Birmingham	AL	35203	
3	Certified with Return Receipt (Signature)	9414810898765020659204	64683 - COG Baseball Cap - 3	MECO IV LLC		1200 17th Street Suite 975	Denver	CO	80202	
4	Certified with Return Receipt (Signature)	9414810898765020659211	64683 - COG Baseball Cap - 4	Commerce First Royalties, LLC		14241 Dallas Parkway Suite 600	Dallas	TX	75254	

N		U
1	MailDate	USPS_Status
2	10/26/2018	The delivery status of your item has not been updated as of October 29, 2018, 10:45 pm. We apologize that it may arrive later than expected.
3	10/26/2018	Your item was delivered to an individual at the address at 12:48 pm on October 30, 2018 in BIRMINGHAM, AL 35203.
4	10/26/2018	Your item was delivered to the front desk, reception area, or mail room at 3:52 pm on October 30, 2018 in DENVER, CO 80202.
5	10/26/2018	Your item was delivered to an individual at the address at 4:57 pm on October 29, 2018 in DALLAS, TX 75254.

# Affidavit of Publication

STATE OF NEW MEXICO  
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated  
November 01, 2018  
and ending with the issue dated  
November 01, 2018.

*Daniel Russell*

Publisher

Sworn and subscribed to before me this  
1st day of November 2018.

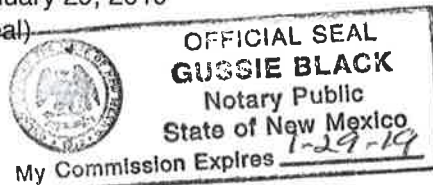
*Gussie Black*

Business Manager

My commission expires

January 29, 2019

(Seal)



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL LEGAL

LEGAL NOTICE  
NOVEMBER 1, 2018

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

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on November 15, 2018, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appoint for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by November 5, 2018. Public documents, including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.

STATE OF NEW MEXICO TO:  
All named parties and persons  
having any right, title, interest  
or claim in the following case  
and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: All overriding royalty interest owners and pooled parties, including: Energen Resources Corporation; Devon Energy Production; James R. Jackson, his heirs and devisees; White Living Trust c/o Cathy W. Brunilcardi; Chilmark Properties LLC c/o Robert Landreth; Crownrock Minerals LP.

Case No. 20074: Application of COG Operating LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a 320-acre horizontal spacing unit comprised of the E/2E/2 of Section 10 and the E/2E/2 of Section 15, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. COG seeks to dedicate the above-referenced horizontal spacing unit to the proposed **Pork Pie State Com No. 601H Well**, to be horizontally drilled from a surface location in the NE/4NE/4 (Unit A) of Section 10 to bottom hole location in the SE/4SE/4 (Unit P) of Section 15. The completed interval for the well will remain within the standard setbacks as required by the Statewide rules for oil wells. Also to be considered will be the cost of drilling and completing the well the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator, and a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 12.5 miles northwest of Jal, New Mexico.

#33398

67100754

00220077

HOLLAND & HART LLC  
PO BOX 2208  
SANTA FE,, NM 87504-2208

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

**APPLICATION COG OPERATING, LLC  
FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 20071**

**AFFIDAVIT**

STATE OF NEW MEXICO   )  
  ) ss.  
COUNTY OF SANTA FE   )

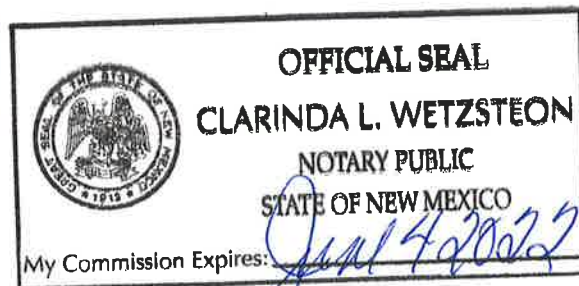
Adam G. Rnakin, attorney in fact and authorized representative of **COG OPERATING, LLC**, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Applications have been provided under the notice letters and proof of receipts attached hereto.



Adam G. Rankin

SUBSCRIBED AND SWORN to before me this 9th day of January 2019 by Adam G. Rankin.

  
Notary Public



**BEFORE THE OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico  
**Exhibit No. 3B**  
Submitted by: **COG OPERATING, LLC**  
Hearing Date: January 10, 2019  
Case Nos. 20070-20073



October 26, 2018

**VIA CERTIFIED MAIL**  
**CERTIFIED RECEIPT REQUESTED**

**TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS**

**Re: Application of COG Operating LLC for compulsory pooling, Lea County,  
New Mexico.**

**Baseball Cap Federal Com No. 701H Well**  
**Baseball Cap Federal Com No. 702H Well**

Ladies & Gentlemen:

This letter is to advise you that COG Operating LLC has filed the enclosed application with the New Mexico Oil Conservation Division. This application will be set for hearing before a Division Examiner at 8:15 a.m. on November 15, 2018. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices, located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. 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.

Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address 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.

If you have any questions about this matter please contact Matt Solomon at (432) 685-4352 or MSolomon@concho.com.

Sincerely,

Jordan L. Kessler

**ATTORNEY FOR COG OPERATING LLC**

	A	B	C	F	G	I	J	K
	MaiClass	TrackingNo	CustomField1	ToName	DeliveryAddress	City	State	Zip
1	Certified with Return Receipt (Signature)	9414810898765020659181	64683 - COG Baseball Cap - 1	Bradley S. Bates	101 Blackberry Court	Midland	TX	79705
2	Certified with Return Receipt (Signature)	9414810898765020659198	64683 - COG Baseball Cap - 2	Energen Resources Corporation	605 Richard Arrington, Jr. Blvd North	Birmingham	AL	35203
3	Certified with Return Receipt (Signature)	9414810898765020659204	64683 - COG Baseball Cap - 3	MECO IV LLC	1200 17th Street Suite 975	Denver	CO	80202
4	Certified with Return Receipt (Signature)	9414810898765020659211	64683 - COG Baseball Cap - 4	Commerce First Royalties, LLC	14241 Dallas Parkway Suite 600	Dallas	TX	75254

	N	U
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3	10/26/2018	Your item was delivered to an individual at the address at 12:48 pm on October 30, 2018 in BIRMINGHAM, AL 35203.
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5	10/26/2018	Your item was delivered to an individual at the address at 4:57 pm on October 29, 2018 in DALLAS, TX 75254.

# Affidavit of Publication

STATE OF NEW MEXICO  
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated  
October 30, 2018  
and ending with the issue dated  
October 30, 2018.



Publisher

Sworn and subscribed to before me this  
30th day of October 2018.

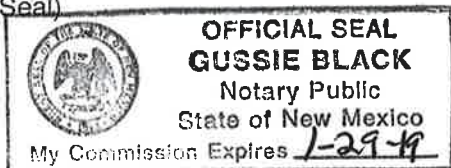


Business Manager

My commission expires

January 29, 2019

(Seal)



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL

LEGAL

LEGAL NOTICE  
OCTOBER 30, 2018

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

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on **November 15, 2018**, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appoint for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by **November 5, 2018**. Public documents, including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.

**STATE OF NEW MEXICO TO:**  
All named parties and persons  
having any right, title, interest  
or claim in the following case  
and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

**To: All overriding royalty interest owners and pooled parties, including: Muleshoe Crude, LP; EOG-A Resources, Inc.; Energen Resources Corporation; MECO IV, LLC; Yates Petroleum Corporation; EOG-M Resources, Inc.; Commerce First Royalties, LLC; OXY Y-1.**

**Case No. 20071: Application of COG Operating LLC for compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a 320-acre horizontal spacing unit comprised of the W/2W/2 of Section 24 and the W/2W/2 of Section 25, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico. COG seeks to dedicate the above-referenced horizontal spacing unit to two initial wells: the proposed **Baseball Cap Federal Com No. 607H Well** and the proposed **Baseball Cap Federal Com No. 608H Well**. These wells will be horizontally drilled from a surface location in the SW/4SW/4 (Unit M) of Section 25 to bottom hole location in the NW/4NW/4 (Unit D) of Section 24. The completed intervals for the **Baseball Cap Federal Com No. 608H Well** will remain within the standard setbacks as required by the Statewide rules for oil wells. The **Baseball Cap Federal Com No. 607H Well** is at an unorthodox location. COG will apply administratively for approval of the **Baseball Cap Federal Com No. 607H Well** unorthodox location. Also to be considered will be the cost of drilling and completing the well the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator, and a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 15 miles northwest of Jal, New Mexico.  
#33392

67100754

00220049

HOLLAND & HART LLC  
PO BOX 2208  
SANTA FE., NM 87504-2208

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

**APPLICATION COG OPERATING, LLC  
FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 20072**

**AFFIDAVIT**

STATE OF NEW MEXICO    )  
  ) ss.  
COUNTY OF SANTA FE    )

Adam G. Rankin. Kessler, attorney in fact and authorized representative of **COG OPERATING, LLC**, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Applications have been provided under the notice letters and proof of receipts attached hereto.

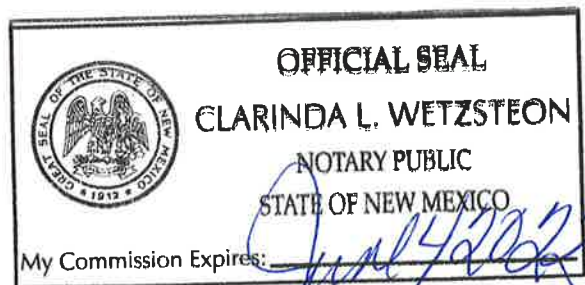


Adam G. Rankin

SUBSCRIBED AND SWORN to before me this 9th day of January 2019 by Adam G. Rankin.



Notary Public



**BEFORE THE OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico  
**Exhibit No. 3C**  
Submitted by: **COG OPERATING, LLC**  
Hearing Date: January 10, 2019  
Case Nos. 20070-20073



October 26, 2018

**VIA CERTIFIED MAIL**  
**CERTIFIED RECEIPT REQUESTED****TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS****Re: Application of COG Operating LLC for compulsory pooling, Lea County,  
New Mexico.****Baseball Cap Federal Com No. 607H Well****Baseball Cap Federal Com No. 608H Well**

Ladies &amp; Gentlemen:

This letter is to advise you that COG Operating LLC has filed the enclosed application with the New Mexico Oil Conservation Division. This application will be set for hearing before a Division Examiner at 8:15 a.m. on November 15, 2018. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices, located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. 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.

Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address 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.

If you have any questions about this matter please contact Matt Solomon at (432) 685-4352 or MSolomon@concho.com.

Sincerely,

Jordan L. Kessler

**ATTORNEY FOR COG OPERATING LLC**

	A	B	D	F	G	I	J	K
1	MailClass	TrackingNo	TransactionDate	ToName	DeliveryAddress	City	State	Zip
2	Certified with Return Receipt (Signature)	9.41481E+21	10/29/2018	Muleshoe Crude, LP	101 Blackberry Court	Midland	TX	79705
3	Certified with Return Receipt (Signature)	9.41481E+21	10/29/2018	EOG - A Resources, Inc	5509 Champions Drive	Midland	TX	79706
4	Certified with Return Receipt (Signature)	9.41481E+21	10/29/2018	Energen Resources Corporation	605 Richard Arrington, Jr. Blvd. North	Birmingham	AL	35206
5	Certified with Return Receipt (Signature)	9.41481E+21	10/29/2018	MECO IV, LLC Attn: Rhonda Deimer	1200 17th Street, Suite 975	Denver	CO	80202
6	Certified with Return Receipt (Signature)	9.41481E+21	10/29/2018	Yates Petroleum Corporation	105 South 4th Street	Artesia	NM	88210
7	Certified with Return Receipt (Signature)	9.41481E+21	10/29/2018	EOG - M Resources, Inc	5509 Champions Drive	Midland	TX	79706
8	Certified with Return Receipt (Signature)	9.41481E+21	10/29/2018	Commerce First Royalties, LLC	14241 Dallas Parkway, Suite 600	Dallas	TX	75254
9	Certified with Return Receipt (Signature)	9.41481E+21	10/29/2018	OXY Y-1	PO Box 27570	Houston	TX	77227

N		U
1	MailDate	USPS_Status
2	10/29/2018	The delivery status of your item has not been updated as of November 2, 2018, 10:40 pm. We apologize that it may arrive later than expected.
3	10/29/2018	Your item was picked up at a postal facility at 7:36 am on November 2, 2018 in MIDLAND, TX 79702.
4	10/29/2018	Your item departed our USPS facility in ALBUQUERQUE, NM 87101 on November 7, 2018 at 8:57 pm. The item is currently in transit to the destination.
5	10/29/2018	Your item was delivered to the front desk, reception area, or mail room at 1:51 pm on November 2, 2018 in DENVER, CO 80202.
6	10/29/2018	Your item was delivered to an individual at the address at 8:04 am on November 2, 2018 in ARTESIA, NM 88210.
7	10/29/2018	Your item was picked up at a postal facility at 7:35 am on November 5, 2018 in MIDLAND, TX 79702.
8	10/29/2018	Your item was delivered to the front desk, reception area, or mail room at 3:41 pm on November 5, 2018 in DALLAS, TX 75254.
9	10/29/2018	Your item has been delivered and is available at a PO Box at 2:03 pm on November 1, 2018 in HOUSTON, TX 77227.

# Affidavit of Publication

STATE OF NEW MEXICO  
COUNTY OF LEA


I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated  
October 30, 2018  
and ending with the issue dated  
October 30, 2018.



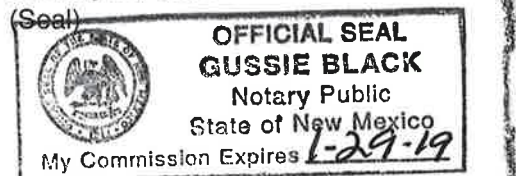
Publisher

Sworn and subscribed to before me this  
30th day of October 2018.



Business Manager

My commission expires  
January 29, 2019



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL

LEGAL

LEGAL NOTICE  
OCTOBER 30, 2018

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

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on **November 15, 2018**, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appoint for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by **November 5, 2018**. Public documents, including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.

**STATE OF NEW MEXICO TO:**  
All named parties and persons  
having any right, title, interest  
or claim in the following case  
and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: All overriding royalty interest owners and pooled parties, including: Muleshoe Crude, LP; EOG-A Resources, Inc.; Energen Resources Corporation; MECO IV, LLC; Yates Petroleum Corporation; EOG-M Resources, Inc.; Commerce First Royalties, LLC; OXY Y-1.

**Case No. 20072: Application of COG Operating LLC for compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Wolfcamp formation underlying a 320-acre horizontal spacing unit comprised of the E/2E/2 of Section 24 and the E/2E/2 of Section 25, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico. COG seeks to dedicate the above-referenced horizontal spacing unit to two initial wells: the proposed **Baseball Cap Federal Com No. 701H Well**, and the proposed **Baseball Cap Federal Com No. 702H Well**. These wells will be horizontally drilled from a surface location in the SE/4SE/4 (Unit P) of Section 25 to bottom hole location in the NE/4NE/4 (Unit A) of Section 24. The completed intervals for each well will remain within the standard setbacks as required by the Statewide rules for oil wells. Also to be considered will be the cost of drilling and completing the well the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator, and a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 15 miles northwest of Jal, New Mexico.  
#33393

67100754

00220058

HOLLAND & HART LLC  
PO BOX 2208  
SANTA FE,, NM 87504-2208

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

**APPLICATION COG OPERATING, LLC  
FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 20073**

**AFFIDAVIT**

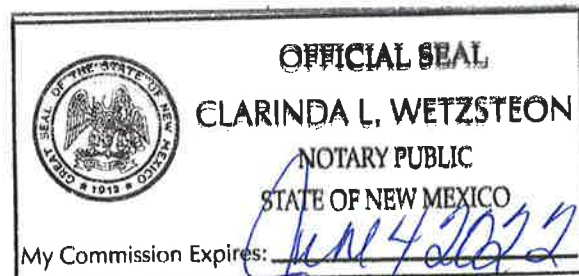
STATE OF NEW MEXICO   )  
  ) ss.  
COUNTY OF SANTA FE   )

Adam G. Rankin, attorney in fact and authorized representative of **COG OPERATING, LLC**, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Applications have been provided under the notice letters and proof of receipts attached hereto.

  
Adam G. Rankin

SUBSCRIBED AND SWORN to before me this 9th day of January 2019 by Adam G. Rankin.

  
Notary Public



**BEFORE THE OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico  
**Exhibit No. 3D**  
Submitted by: **COG OPERATING, LLC**  
Hearing Date: January 10, 2019  
Case Nos. 20070-20073

**Jordan L. Kessler****Associate****Phone** (505) 988-4421**Fax** (505) 983-6043

jlkessler@hollandhart.com

October 26, 2018

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Publisher

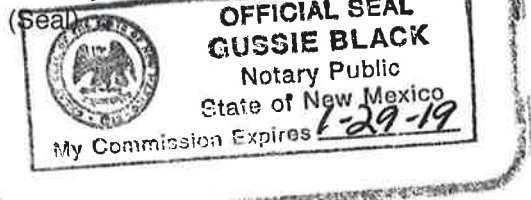
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30th day of October 2018.



Business Manager

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January 29, 2019



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OCTOBER 30, 2018

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