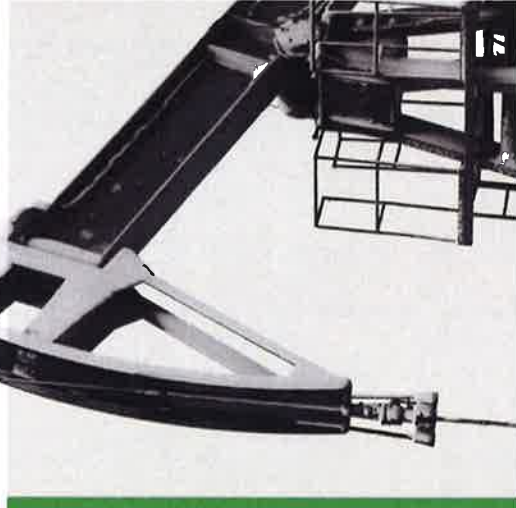


COG OPERATING LLC

Quien Sabe Fed Com 602H, 603H & 801H

Section 24 & 25 - T24S-27E

Eddy County, New Mexico



BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING – JULY 25, 2019

CASE NO. 20337



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

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

CASE NO. 20337

AFFIDAVIT OF TRAVIS MACHA

Travis Macha, of lawful age and being first duly sworn, declares as follows:

1. My name is Travis Macha. 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 this application filed by COG in this matter and familiar with the status of the lands in the subject area.

4. None of the parties proposed to be pooled in this case has indicated opposition, therefore I do not expect any opposition at the hearing.

5. COG seeks an order pooling all uncommitted interests in the Wolfcamp formation (Purple Sage; Wolfcamp (Gas) Pool (98220)) underlying a standard 640-acre horizontal spacing unit comprised of the E/2 of Sections 24 and 25, Township 24 South, Range 27 East, Eddy County, New Mexico. This horizontal spacing unit will be dedicated to the following proposed initial wells:

- **The Quien Sabe Fed Com No. 603H Well, and the Quien Sabe Fed Com 801H Well** to be horizontally drilled from a common surface location in

the NW/4 NE/4 (Unit B) of Section 24 to bottom hole locations in the SW/4 SE/4 (Unit O) of Section 25.

- The **Quien Sabe Fed Com No. 602H Well** to be horizontally drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 24 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 25.

6. The completed interval for these wells will comply with the setback requirements imposed by the Special Rules for the Purple Sage; Wolfcamp (Gas) Pool.

7. **COG Exhibit No. A-1** contains draft Form C-102s for these proposed wells.

8. **COG Exhibit No. A-2** identifies the tracts of land comprising the proposed spacing unit in this case, which includes both state and federal lands. This exhibit also identifies the interest ownership by tract and ultimately by spacing unit. COG is seeking to pool both the working interest owners and overriding royalty interest owners highlighted on the exhibit. Exhibit A-2 also reflects that since the time this application was filed BEXP I, LP has acquired the interests formerly held by Featherstone Development Corporation, Prospector, LLC, Big Three Energy Group, LLC, and Parrot Head Properties, LLC.

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

10. **COG Exhibit No. A-3** contains sample well proposal letters along with an AFE provided to the working interest owners COG is seeking to pool. In addition to these letters, COG has made a diligent effort to reach agreement with the parties it is seeking to pool.

11. The costs reflected in the AFE are consistent with what other operators have incurred for drilling similar horizontal wells in the area.

12. 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.

13. No ownership depth severances exist within this proposed spacing unit, and there are no unleased mineral interests in the subject acreage.

14. 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.

15. 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.

16. COG Exhibit Nos. A-1 through A-3 were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.



TRAVIS MACHA

STATE OF TEXAS)
)
COUNTY OF MIDLAND)

SUBSCRIBED and SWORN to before me this 24th day of July 2019 by Travis
Macha.



Tessa Elder
NOTARY PUBLIC

My Commission Expires:

6/25/2023

DISTRICT I
1825 N. FRENCH DR., HOBBES, NM 88240
Phone: (575) 365-6161 Fax: (575) 365-0720

DISTRICT II
811 S. FIRST ST., ARTESIA, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-0720

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 334-8176 Fax: (505) 334-8170

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 478-3480 Fax: (505) 478-3482

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 QUIEN SABE FEDERAL COM	Well Number 602H
OGRID No.	Operator Name COG OPERATING, LLC	Elevation 3123.5'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	24	24-S	27-E		695	NORTH	2250	EAST	EDDY

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
P	25	24-S	27-E		200	SOUTH	1310	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
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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 SURFACE LOCATION Y=439518.5 N X=559102.6 E LAT.=32.208209° N LONG.=104.142244° W</p>	<p>Y=440202.7 N X=558663.1 E</p> <p>Y=440269.8 N X=561339.3 E</p> <p>FTP 330' FNL & 1310' FEL Y=439907.0 N X=560035.7 E LAT.=32.209272° N LONG.=104.139224° W GRID AZ. TO FTP 67°23'31"</p> <p>LEASE X-ING LAT.=32.202885° N LONG.=104.139227° W</p> <p>LEASE X-ING LAT.=32.195565° N LONG.=104.139230° W</p> <p>SECTION 24 SECTION 25</p> <p>GRID AZ. - 179°55'04" HORZ. DIST. - 10101.8</p> <p>B.H.</p> <p>Y=429573.9 N X=558689.1 E</p> <p>Y=429635.3 N X=561360.6 E</p>	<p>OPERATOR CERTIFICATION</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>SURVEYOR CERTIFICATION</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>Date of Survey _____</p> <p>Signature & Seal of Professional Surveyor _____</p>
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BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A-1
Case No. 20337
Submitted by: **COG OPERATING, LLC**
Hearing Date: July 25, 2019

DRAWN BY: CD

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240
Phone: (575) 393-6181 Fax: (575) 393-0720

DISTRICT II
811 S. FIRST ST., ARTESIA, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

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 QUIEN SABE FEDERAL COM	Well Number 603H
OGRID No.	Operator Name COG OPERATING, LLC	Elevation 3123.9'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	24	24-S	27-E		695	NORTH	2310	EAST	EDDY

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
O	25	24-S	27-E		200	SOUTH	2310	EAST	EDDY
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>SURFACE LOCATION</u> Y=439517.0 N X=559042.6 E LAT.=32.208205° N LONG.=104.142438° W</p>	<p>SECTION 24 SECTION 25</p>	<p>Y=440236.3 N X=560001.2 E</p> <p>FIP 330' FNL & 2310' FEL Y=439882.0 N X=559036.0 E LAT.=32.209209° N LONG.=104.142457° W GRID AZ. TO FIP 358°57'57"</p> <p>LEASE X-ING LAT.=32.202832° N LONG.=104.142460° W</p> <p>LEASE X-ING LAT.=32.195505° N LONG.=104.142463° W</p> <p>LTP 330' FSL & 2310' FEL Y=429912.3 N X=559050.1 E LAT.=32.181802° N LONG.=104.142469° W</p>	<p>OPERATOR CERTIFICATION</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>NAD 27 NME <u>PROPOSED BOTTOM HOLE LOCATION</u> Y=429782.2 N X=559050.3 E LAT.=32.181444° N LONG.=104.142469° W</p>	<p>SURVEYOR CERTIFICATION</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>Date of Survey _____</p> <p>Signature & Seal of Professional Surveyor _____</p>

DISTRICT I
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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 QUIEN SABE FEDERAL COM	Well Number 801H
OGRID No.	Operator Name COG OPERATING, LLC	Elevation 3123.3'


Surface Location

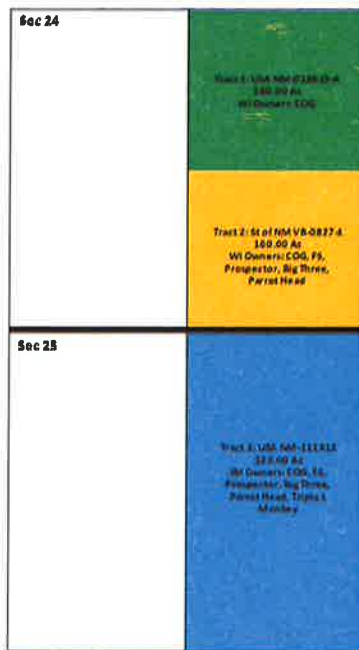
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	24	24-S	27-E		695	NORTH	2280	EAST	EDDY

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
O	25	24-S	27-E		200	SOUTH	2310	EAST	EDDY
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>SURFACE LOCATION</u> Y=439517.7 N X=559072.6 E LAT.=32.208207° N LONG.=104.142341° W</p>	<p>Y=440202.7 N X=558663.1 E</p> <p>695'</p> <p>S.L.</p> <p>2280'</p> <p>Y=440269.8 N X=561339.3 E</p> <p>FTP</p> <p>330' FNL & 2310' FEL Y=439882.0 N X=559036.0 E LAT.=32.209209° N LONG.=104.142457° W GRID AZ. TO FTP 354°16'06"</p> <p>LEASE X-ING LAT.=32.202832° N LONG.=104.142460° W</p> <p>LEASE X-ING LAT.=32.195505° N LONG.=104.142463° W</p> <p>SECTION 24</p> <p>SECTION 25</p> <p>GRID AZ. - 179°55'09" HORZ. DIST. - 10099.8'</p> <p>Y=429573.9 N X=558689.1 E</p> <p>B.H.</p> <p>200'</p> <p>2310'</p> <p>Y=429635.3 N X=561360.6 E</p> <p>330' FSL & 2310' FEL Y=429912.3 N X=559050.1 E LAT.=32.181802° N LONG.=104.142469° W</p>	<p>OPERATOR CERTIFICATION</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>SURVEYOR CERTIFICATION</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>DECEMBER 3, 2018</p> <p>Date of Survey _____</p> <p>Signature & Seal of Professional Surveyor</p> <p></p> <p>6/10/19</p> <p>Certificate No. CHAD HARCROW 17777</p> <p>W.O. # 19-976 DRAWN BY: CD</p>
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Quien Sabe Fed COM 602H, 603H, 801H - Compulsory Pooling Info
Section 24: E2, Section 25: E2, T24S-R27E

Proposal Sent
JOA Sent
COM Sent

WI Parties:
COG Operating LLC X
Concho Oil & Gas LLC X

BEXP I, LP (acquired interests of Prospector LLC, Featherstone Dev. Corp., Big Three Energy Group, Parrot Head Properties after application filed)

Triple L Monkey LLC Consented, Signed OA and COM

Pooling

ORRI Parties:

ConocoPhillips Company	Ratified COM
Rolla R. Hinkle, III	Ratified COM
Madison M. Hinkle	Ratified COM
Exaciber Energy Company	Ratified COM
Foundation Minerals, LLC	
Justin Nine et ux, Sara Nine	
Tim Lilley et ux, Tashina Lilley	
Mavros Minerals II, LLC	
Bryan Bell	
Wells Fargo Bank, N.A., Trustee of the Robert Enfield Revocable Trust dated March 16, 1999	Ratified COM
DMA, Inc.	
Charmar, LLC	Ratified COM
Howard A. Rubin	Ratified COM
Lisa M. Enfield, Trustee of the Lisa M. Enfield Trust u/t/a dated January 23, 2015	
MLE, LLC	Ratified COM
Richard C. Deason	
Thomas D. Deason	Ratified COM
Oak Valley Mineral and Land, LP	
Ronald H. Mayer, Trustee of the Ronald H. Mayer and Martha M. Mayer Revocable Trust dated March 19, 1990	Ratified COM
SAP, LLC	
Rubie Crosby Bell Family LLC	
Bryan Bell Family Limited Partnership #1	
Nestegg Energy Corporation	Ratified COM

	Leasehold WI			
	COG	Concho	BEXP I, LP	Triple L
Tract 1 - Sec 24: NE	0.9025	0.0475	0.05	0
Tract 2 - Sec 24: SE	0.8717	0.0283	0.1	0
Tract 3 - Sec 25: E2	0.8313	0.0437	0.115	0

Unit Recapitulation	
Owner	Working Interest
COG Operating LLC	85.916625%
Concho Oil & Gas LLC	4.083375%
BEXP I, LP	9.500000%
Triple L Monkey, LLC	0.500000%
Total	100.000000%

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. A-2

Case No. 20337

Submitted by: **COG OPERATING, LLC**

Hearing Date: July 25, 2019



James D. Martin
Landman II

March 4, 2019

Via Certified Mail, Return Receipt Requested
WORKING INTEREST OWNERS ON ATTACHED EXHIBIT "A"

Re: **Quien Sabe Fed Com Unit**
Township 24 South, Range 27 East
E2 of Section 24
E2 of Section 25
Eddy County, New Mexico

Dear Working Interest Owner:

COG Operating LLC ("COG"), as Operator, hereby proposes the drilling of the following horizontal wells located in Sections 24 and 25 of Township 24 South, Range 27 East, Eddy County, New Mexico.

PAD 1

1. **Quien Sabe Fed Com 602H**, to be drilled to a depth sufficient to test the Wolfcamp A Sand formation at a total vertical depth of 9,274'. The surface location for this well is proposed at a legal location in Unit A of Section 24, and a bottom hole location at a legal location in Unit P of Section 25. The dedicated project area will be the E2 of Sections 24 and 25, T24S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$12,220,000, as shown on the attached Authority for Expenditure ("AFE").
2. **Quien Sabe Fed Com 701H**, to be drilled to a depth sufficient to test the Wolfcamp A Shale formation at a total vertical depth of 9,392'. The surface location for this well is proposed at a legal location in Unit A of Section 24, and a bottom hole location at a legal location in Unit P of Section 25. The dedicated project area will be the E2 of Sections 24 and 25, T24S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$12,220,000, as shown on the attached AFE.
3. **Quien Sabe Fed Com 601H**, to be drilled to a depth sufficient to test the Wolfcamp A Sand formation at a total vertical depth of 9,274'. The surface location for this well is proposed at a legal location in Unit A of Section 24, and a bottom hole location at a legal location in Unit P of Section 25. The dedicated project area will be the E2 of Sections 24 and 25, T24S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$12,220,000, as shown on the attached AFE.

PAD 2

4. **Quien Sabe Fed Com 703H**, to be drilled to a depth sufficient to test the Wolfcamp A Shale formation at a total vertical depth of 9,392'. The surface location for this well is proposed at a legal location in Unit B of Section 24, and a bottom hole location at a legal location in Unit O of Section 25. The dedicated project area will be the E2 of Sections 24 and 25, T24S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$12,220,000, as shown on the attached AFE.

5. **Quien Sabe Fed Com 603H**, to be drilled to a depth sufficient to test the Wolfcamp A Sand formation at a total vertical depth of 9,274'. The surface location for this well is proposed at a legal location in Unit B of Section 24, and a bottom hole location at a legal location in Unit O of Section 25. The dedicated project area will be the E2 of Sections 24 and 25, T24S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$12,220,000, as shown on the attached AFE.
6. **Quien Sabe Fed Com 702H**, to be drilled to a depth sufficient to test the Wolfcamp A Shale formation at a total vertical depth of 9,392'. The surface location for this well is proposed at a legal location in Unit B of Section 24, and a bottom hole location at a legal location in Unit O of Section 25. The dedicated project area will be the E2 of Sections 24 and 25, T24S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$12,220,000, as shown on the attached AFE.

COG is proposing to drill these wells under the terms of a new Operating Agreement dated December 1, 2018, covering the E2 of Sections 24 and 25 of Township 24 South, Range 27 East, Eddy County, New Mexico, which is enclosed. Please review the OA and execute where indicated if you are agreeable to its terms. It has the following general provisions:

- 100%/300%/300% Non-Consenting Penalty
- \$8,000/\$800 Drilling and Producing Rate
- COG Operating LLC as Operator.

Should you elect to not participate in these operations, COG would like to discuss a Term Assignment or other means of acquiring of your interest in the subject unit. If we do not reach an agreement 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.

In the meantime, should you have any questions, please do not hesitate to contact me at 432.685.2590 or jmartin1@concho.com.

Sincerely,

COG Operating LLC

James D. Martin
Landman II

JM:bh
Enc.

Quien Sabe Fed Com Unit
March 4, 2019

Well Name	Elect to participate	Elect not to participate
Quien Sabe Fed Com 602H		
Quien Sabe Fed Com 701H		
Quien Sabe Fed Com 601H		
Quien Sabe Fed Com 703H		
Quien Sabe Fed Com 603H		
Quien Sabe Fed Com 702H		

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT "A"
WORKING INTEREST OWNERS

Via Certified Mail, Return Receipt Requested

No. 91 7199 9991 7038 7465 6440

Featherstone Development Corp.

Prospector, LLC

Big Three Energy Group, LLC

Parrot Head Properties, LLC

P.O. Box 429

Roswell, NM 88202

Via Certified Mail, Return Receipt Requested

No. 91 7199 9991 7038 7465 6457

Triple L Monkey, LLC

4425 98th Street

Lubbock, TX 79424



April 30, 2019

Via E-Certified Mail

WORKING INTEREST OWNERS ON ATTACHED EXHIBIT "A"

Re: **Quien Sabe Fed Com Unit**
Township 24 South, Range 27 East
E2 of Section 24
E2 of Section 25
Eddy County, New Mexico

Dear Working Interest Owner:

COG Operating LLC ("COG"), as Operator, hereby proposes the drilling of the following horizontal well located in Sections 24 and 25 of Township 24 South, Range 27 East, Eddy County, New Mexico.

- **Quien Sabe Fed Com 801H**, to be drilled to a depth sufficient to test the Wolfcamp D formation at a total vertical depth of 10,235'. The surface location for this well is proposed at a legal location in Unit B of Section 24, and a bottom hole location at a legal location in Unit O of Section 25. The dedicated project area will be the E2 of Sections 24 and 25, T24S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$12,894,642.00, as shown on the attached Authority for Expenditure ("AFE").

COG is proposing to drill these wells under the terms of a new Operating Agreement dated December 1, 2018, covering the E2 of Sections 24 and 25 of Township 24 South, Range 27 East, Eddy County, New Mexico, which was sent on December 17, 2018.

If we do not reach an agreement pursuant to 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.

Please indicate your participation elections in the space provided below, and return the executed AFEs, Operating Agreement, and a copy of your geological requirements to my attention in the enclosed self-addressed, stamped envelope. Should you have any questions, please do not hesitate to contact me at 432.221.0452 or by email at tmacha@concho.com.

Sincerely,

COG Operating LLC

Travis Macha
Landman

TM:bh
Enc

_____ I/We hereby elect to participate in the drilling and completion of the
Quien Sabe Fed Com 801H.

_____ I/We hereby elect not to participate in the drilling and completion of the
Quien Sabe Fed Com 801H.

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT "A"
WORKING INTEREST OWNERS

Via E-CM No. 9414 8149 0246 9822 0042 30

Featherstone Development Corp.

Prospector, LLC

Big Three Energy Group, LLC

Parrot Head Properties, LLC

P.O. Box 429

Roswell, NM 88202

Via E-CM No. 9414 8149 0246 9822 0042 47

Triple L Monkey, LLC

4425 98th Street

Lubbock, TX 79424



June 27, 2019

Via E-CM No. 9414 8149 0246 9822 0130 72

BEXP I, LP

5914 W. Courtyard Drive, Suite 340

Austin, TX 78730

Attn: Zach Privett, Land Manager

Re: **Quien Sabe Federal Unit**
E2 of Sections 24 & 25, T24S-R27E
Eddy County, New Mexico

Dear Mr. Privett:

COG Operating, LLC ("COG") previously proposed the below referenced wells located in Sections 24 and 25 of Township 24 South, Range 27 East, Eddy County, New Mexico, to Featherstone Development Corporation, Prospector, LLC, Big Three Energy Group, LLC, and Parrot Head Properties, LLC ("Featherstone entities"). I've attached copies of those letters and proof of receipt hereto. As successor-in-interest to the Featherstone entities, COG is considering you subject to the proposals previously mailed.

- **Quien Sabe Fed Com 602H**, to be drilled to a depth sufficient to test the Wolfcamp A Sand formation at a total vertical depth of 9,274'. The surface location for this well is proposed at a legal location in Unit A of Section 24, and a bottom hole location at a legal location in Unit P of Section 25. The dedicated project area will be the E2 of Sections 24 and 25, T24S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$12,220,000, as shown on the attached Authority for Expenditure ("AFE").
- **Quien Sabe Fed Com 701H**, to be drilled to a depth sufficient to test the Wolfcamp A Shale formation at a total vertical depth of 9,392'. The surface location for this well is proposed at a legal location in Unit A of Section 24, and a bottom hole location at a legal location in Unit P of Section 25. The dedicated project area will be the E2 of Sections 24 and 25, T24S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$12,220,000, as shown on the attached AFE.
- **Quien Sabe Fed Com 601H**, to be drilled to a depth sufficient to test the Wolfcamp A Sand formation at a total vertical depth of 9,274'. The surface location for this well is proposed at a legal location in Unit A of Section 24, and a bottom hole location at a legal location in Unit P of Section 25. The dedicated project area will be the E2 of Sections 24 and 25, T24S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$12,220,000, as shown on the attached AFE.
- **Quien Sabe Fed Com 703H**, to be drilled to a depth sufficient to test the Wolfcamp A Shale formation at a total vertical depth of 9,392'. The surface location for this well is proposed at a legal location in Unit B of Section 24, and a bottom hole location at a legal location in Unit O of Section 25. The dedicated project area will be the E2 of Sections 24 and 25, T24S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$12,220,000, as shown on the attached AFE.

- **Quien Sabe Fed Com 603H**, to be drilled to a depth sufficient to test the Wolfcamp A Sand formation at a total vertical depth of 9,274'. The surface location for this well is proposed at a legal location in Unit B of Section 24, and a bottom hole location at a legal location in Unit O of Section 25. The dedicated project area will be the E2 of Sections 24 and 25, T24S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$12,220,000, as shown on the attached AFE.
- **Quien Sabe Fed Com 702H**, to be drilled to a depth sufficient to test the Wolfcamp A Shale formation at a total vertical depth of 9,392'. The surface location for this well is proposed at a legal location in Unit B of Section 24, and a bottom hole location at a legal location in Unit O of Section 25. The dedicated project area will be the E2 of Sections 24 and 25, T24S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$12,220,000, as shown on the attached AFE.
- **Quien Sabe Fed Com 801H**, to be drilled to a depth sufficient to test the Wolfcamp D formation at a total vertical depth of 10,235'. The surface location for this well is proposed at a legal location in Unit B of Section 24, and a bottom hole location at a legal location in Unit O of Section 25. The dedicated project area will be the E2 of Sections 24 and 25, T24S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$12,894,642.00, as shown on the attached AFE.

COG has proposed a new Operating Agreement dated December 1, 2018, covering the E2 of Sections 24 and 25 of Township 24 South, Range 27 East, Eddy County, New Mexico, which was previously mailed to the Featherstone entities. It has been amended to account for the successorship of BEXP I, LP, and is attached hereto.

If we do not reach an agreement pursuant to 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 wells.

Please indicate your participation elections in the space provided below, and return a copy of this letter, the executed AFEs and a copy of your geological requirements, along with the signature pages to the Operating Agreement upon your review. Should you have any questions, please do not hesitate to contact me at 432.221.0452 or by email at tmacha@concho.com.

Sincerely,

COG Operating LLC

Travis Macha
Landman

TM:bh
Enc

Please indicate your election below:

"Consent" – Party hereby elects to participate in the drilling and completion of the indicated well(s).

*"Non-Consent" – Party hereby elects **not** to participate in the drilling and completion of the indicated well(s).*

Consent	Non-Consent	Well Name
		Quien Sabe Fed Com 602H
		Quien Sabe Fed Com 701H
		Quien Sabe Fed Com 601H
		Quien Sabe Fed Com 703H
		Quien Sabe Fed Com 603H
		Quien Sabe Fed Com 702H
		Quien Sabe Fed Com 801H

By: _____

Name: _____

Title: _____

Date: _____

COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
Drill & Complete

Well Name	Quien Sabe Fed Com #602H	Prospect	Tomahawk 2427
SHL	Section 24: 460 FNL 2250' FEL (or a legal location in Unit B)	State & County	New Mexico, Eddy County
BHL	Section 25: 200 FSL 1310' FEL (or a legal location in Unit P)	Objective	Drill & Complete
Formation	Wolfcamp A Sand	Depth	19,300'
Legal	E2 of Section 24: T24S-R27E E2 of Section 25: T24S-R27E	TVD	9,274'

AFE Numbers

Cost Description	Code	PreSpud (PS)	Drilling (DR)	Completions (C)	Tank Btty Constrctn(TB)	Pmpq Equip (PEQ)	Revision	Total
Tangible Costs								
D-Surface Casing	401		\$25,000.00				\$0.00	\$25,000.00
D-Intermed Csg	402		\$138,000.00				\$0.00	\$138,000.00
D-Production Casing/Liner	403		\$418,000.00				\$0.00	\$418,000.00
D-Wellhead Equip	405		\$67,000.00				\$0.00	\$67,000.00
C-Tubing	504			\$35,000.00			\$0.00	\$35,000.00
C-Wellhead Equip	505			\$20,000.00			\$0.00	\$20,000.00
PEQ-Pumping Unit	506					\$86,000.00	\$0.00	\$86,000.00
PEQ-Rods	508					\$45,000.00	\$0.00	\$45,000.00
TB-Tanks	510				\$60,000.00		\$0.00	\$60,000.00
TB-Flowlines/Pipelines	511				\$55,000.00		\$0.00	\$55,000.00
TB-Htr Trlr/Seprtr	512				\$135,000.00		\$0.00	\$135,000.00
TB-Electrical System/Equipment	513				\$90,000.00		\$0.00	\$90,000.00
C-Pckrs/Anchors/Hgrs	514			\$49,000.00			\$0.00	\$49,000.00
TB-Couplings/Fittings/Valves	515				\$135,000.00		\$0.00	\$135,000.00
TB-Gas Lift/Compression	516				\$95,000.00		\$0.00	\$95,000.00
TB-Pumps-Surface	521				\$14,000.00		\$0.00	\$14,000.00
TB-Meters/Lacis	525				\$17,500.00		\$0.00	\$17,500.00
TB-Flares/Combusters/Emission	526				\$17,500.00		\$0.00	\$17,500.00
C-Gas Lift/Compression	527			\$12,000.00			\$0.00	\$12,000.00
PEQ-Instrumentation/SCADA/POD	529					\$7,000.00	\$0.00	\$7,000.00
PEQ-Tubing	530					\$5,000.00	\$0.00	\$5,000.00
PEQ-Wellhead Equipment	531					\$3,000.00	\$0.00	\$3,000.00
PEQ-Pumps	532					\$5,000.00	\$0.00	\$5,000.00
PEQ-Electrical System	533					\$15,000.00	\$0.00	\$15,000.00
PEQ-Packers/Anchors/Hangers	534					\$70,000.00	\$0.00	\$70,000.00
PEQ-Miscellaneous	535					\$3,000.00	\$0.00	\$3,000.00
Total Tangible Costs		\$0.00	\$648,000.00	\$116,000.00	\$619,000.00	\$239,000.00	\$0.00	\$1,622,000.00

Intangible Costs								
PS-Title/Permits	201	\$9,000.00					\$0.00	\$9,000.00
D-Insurance	202	\$2,500.00					\$0.00	\$2,500.00
PS-Damages/ROW	203	\$15,000.00					\$0.00	\$15,000.00
PS-Survey/Stake Lctn	204	\$1,000.00					\$0.00	\$1,000.00
D-Lctn/Pits/Roads	205		\$129,000.00				\$0.00	\$129,000.00
D-Drilling Overhead	206		\$7,500.00				\$0.00	\$7,500.00
D-Daywork Contract	209		\$865,000.00				\$0.00	\$865,000.00
D-Directional Drig Services	210		\$367,000.00				\$0.00	\$367,000.00
D-Fuel & Power	211		\$207,000.00				\$0.00	\$207,000.00
D-Water	212		\$48,000.00				\$0.00	\$48,000.00
D-Bits	213		\$97,000.00				\$0.00	\$97,000.00
D-Mud & Chemicals	214		\$232,000.00				\$0.00	\$232,000.00
D-Cement Surface	217		\$19,000.00				\$0.00	\$19,000.00
D-Cement Intermed	218		\$89,000.00				\$0.00	\$89,000.00
D-Prod-2nd Int Cmt	219		\$97,000.00				\$0.00	\$97,000.00
D-Float Equipment & Centralizers	221		\$75,000.00				\$0.00	\$75,000.00
D-Csg Crews & Equip	222		\$49,000.00				\$0.00	\$49,000.00
D-Contract Labor	225		\$15,000.00				\$0.00	\$15,000.00
D-Company Sprvsn	226		\$60,000.00				\$0.00	\$60,000.00
D-Contract Sprvsn	227		\$97,000.00				\$0.00	\$97,000.00
D-Tslg Csg/Tbg	228		\$49,000.00				\$0.00	\$49,000.00
D-Mud Logging Unit	229		\$32,000.00				\$0.00	\$32,000.00
D-Perf/Wireline Svc	231		\$4,000.00				\$0.00	\$4,000.00
D-Rentals-Surface	235		\$258,000.00				\$0.00	\$258,000.00
D-Rentals-Subsrfc	236		\$222,000.00				\$0.00	\$222,000.00
D-Trucking/Forklift/Rig Mob	237		\$169,000.00				\$0.00	\$169,000.00
D-Welding Services	238		\$5,000.00				\$0.00	\$5,000.00
D-Contingency	243		\$62,000.00				\$0.00	\$62,000.00
D-Envrnmntl/Clsd Loop	244		\$347,000.00				\$0.00	\$347,000.00
C-Lctn/Pits/Roads	305			\$7,000.00			\$0.00	\$7,000.00
C-Frac Equipment	307			\$1,230,000.00			\$0.00	\$1,230,000.00
C-Frac Chemicals	308			\$716,000.00			\$0.00	\$716,000.00
C-Frac Proppant	309			\$1,163,000.00			\$0.00	\$1,163,000.00
C-Frac Proppant Transportation	310			\$171,000.00			\$0.00	\$171,000.00
C-Fuel & Power	311			\$12,000.00			\$0.00	\$12,000.00
C-Water	312			\$926,000.00			\$0.00	\$926,000.00
C-Bits	313			\$14,000.00			\$0.00	\$14,000.00
C-Mud & Chemicals	314			\$26,000.00			\$0.00	\$26,000.00
C-Contract Labor	325			\$14,000.00			\$0.00	\$14,000.00
C-Company Sprvsn	326			\$22,000.00			\$0.00	\$22,000.00
C-Contract Sprvsn	327			\$242,000.00			\$0.00	\$242,000.00
C-Tslg Csg/Tbg	328			\$4,000.00			\$0.00	\$4,000.00
C-Perf/Wireline Svc	331			\$498,000.00			\$0.00	\$498,000.00
C-Stimulation/Treating	332			\$9,000.00			\$0.00	\$9,000.00
C-Completion Unit	333			\$45,000.00			\$0.00	\$45,000.00
C-Rentals-Surface	335			\$295,000.00			\$0.00	\$295,000.00
C-Rentals-Subsrfc	336			\$49,000.00			\$0.00	\$49,000.00
C-Trucking/Forklift/Rig Mob	337			\$16,000.00			\$0.00	\$16,000.00
C-Welding Services	338			\$4,000.00			\$0.00	\$4,000.00
C-Water Disposal	339			\$45,000.00			\$0.00	\$45,000.00
C-Contingency	343			\$261,000.00			\$0.00	\$261,000.00
C-Envrnmntl/Clsd Loop	344			\$4,000.00			\$0.00	\$4,000.00
C-Dyed Diesel	345			\$451,000.00			\$0.00	\$451,000.00
C-Coil Tubing	346			\$407,000.00			\$0.00	\$407,000.00
C-Flowback Crews & Equip	347			\$36,000.00			\$0.00	\$36,000.00
TB-Location/Pits/Roads	353				\$56,000.00		\$0.00	\$56,000.00
TB-Contract Labor	356				\$135,000.00		\$0.00	\$135,000.00
TB-Water Disposal	362				\$80,000.00		\$0.00	\$80,000.00
PEQ-Contract Labor	374					\$5,500.00	\$0.00	\$5,500.00
PEQ-Contract Supervision	376					\$5,000.00	\$0.00	\$5,000.00
PEQ-Completion Unit	381					\$10,500.00	\$0.00	\$10,500.00
PEQ-Rentals-Surface	383					\$7,000.00	\$0.00	\$7,000.00
PEQ-Trkg/Forklift/Rig Mobilization	385					\$3,000.00	\$0.00	\$3,000.00

Total Intangible Costs		\$27,500.00	\$3,601,500.00	\$6,667,000.00	\$271,000.00	\$31,000.00	\$0.00	\$10,598,000.00
Total Gross Cost		\$27,500.00	\$4,249,500.00	\$6,783,000.00	\$890,000.00	\$270,000.00	\$0.00	\$12,220,000.00

Note: The above costs are estimates only. Actual costs will be billed as incurred.

COG Operating LLC

By: _____

Date Prepared: _____

We approve:
% Working Interest

COG Operating LLC

By: _____

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
Drill & Complete

Well Name	Quien Sabe Fed Com #603H	Prospect	Tomahawk 2427
SHL	Section 24: 695 FNL 2310' FEL (or a legal location in Unit B)	State & County	New Mexico, Eddy County
BHL	Section 25: 200 FSL 2310' FEL (or a legal location in Unit O)	Objective	Drill & Complete
Formation	Wolfcamp A Sand	Depth	19,300'
Legal	E2 of Section 24: T24S-R27E	TVD	9,274'
	E2 of Section 25: T24S-R27E		

AFE Numbers

Cost Description	Code	PreSpud (PS)	Drilling (DR)	Completions (C)	Tank Btty Constrctn(TB)	Pmpq Equip (PEQ)	Revision	Total
Tangible Costs								
D-Surface Casing	401		\$25,000.00				\$0.00	\$25,000.00
D-Intermed Csg	402		\$138,000.00				\$0.00	\$138,000.00
D-Production Casing/Liner	403		\$418,000.00				\$0.00	\$418,000.00
D-Wellhead Equip	405		\$67,000.00				\$0.00	\$67,000.00
C-Tubing	504			\$35,000.00			\$0.00	\$35,000.00
C-Wellhead Equip	505			\$20,000.00			\$0.00	\$20,000.00
PEQ-Pumping Unit	506					\$86,000.00	\$0.00	\$86,000.00
PEQ-Rods	508					\$45,000.00	\$0.00	\$45,000.00
TB-Tanks	510				\$60,000.00		\$0.00	\$60,000.00
TB-Flowlines/Pipelines	511				\$55,000.00		\$0.00	\$55,000.00
TB-Htr Trlr/Seprtr	512				\$135,000.00		\$0.00	\$135,000.00
TB-Electrical System/Equipment	513				\$90,000.00		\$0.00	\$90,000.00
C-Pckrs/Anchors/Hgrs	514			\$49,000.00			\$0.00	\$49,000.00
TB-Couplings/Fittings/Valves	515				\$135,000.00		\$0.00	\$135,000.00
TB-Gas Lift/Compression	516				\$95,000.00		\$0.00	\$95,000.00
TB-Pumps-Surface	521				\$14,000.00		\$0.00	\$14,000.00
TB-Meters/Lacts	525				\$17,500.00		\$0.00	\$17,500.00
TB-Flares/Combusters/Emission	526				\$17,500.00		\$0.00	\$17,500.00
C-Gas Lift/Compression	527			\$12,000.00			\$0.00	\$12,000.00
PEQ-Instrumentation/SCADA/POC	529					\$7,000.00	\$0.00	\$7,000.00
PEQ-Tubing	530					\$5,000.00	\$0.00	\$5,000.00
PEQ-Wellhead Equipment	531					\$3,000.00	\$0.00	\$3,000.00
PEQ-Pumps	532					\$5,000.00	\$0.00	\$5,000.00
PEQ-Electrical System	533					\$15,000.00	\$0.00	\$15,000.00
PEQ-Packers/Anchors/Hangers	534					\$70,000.00	\$0.00	\$70,000.00
PEQ-Miscellaneous	535					\$3,000.00	\$0.00	\$3,000.00
Total Tangible Costs		\$0.00	\$648,000.00	\$116,000.00	\$619,000.00	\$239,000.00	\$0.00	\$1,622,000.00

Intangible Costs								
PS-Title/Permits	201	\$9,000.00					\$0.00	\$9,000.00
D-Insurance	202	\$2,500.00					\$0.00	\$2,500.00
PS-Damages/ROW	203	\$15,000.00					\$0.00	\$15,000.00
PS-Survey/Stake Lctn	204	\$1,000.00					\$0.00	\$1,000.00
D-Lctn/Pits/Roads	205		\$129,000.00				\$0.00	\$129,000.00
D-Drilling Overhead	206		\$7,500.00				\$0.00	\$7,500.00
D-Daywork Contract	209		\$865,000.00				\$0.00	\$865,000.00
D-Directional Drig Services	210		\$367,000.00				\$0.00	\$367,000.00
D-Fuel & Power	211		\$207,000.00				\$0.00	\$207,000.00
D-Water	212		\$48,000.00				\$0.00	\$48,000.00
D-Bits	213		\$97,000.00				\$0.00	\$97,000.00
D-Mud & Chemicals	214		\$232,000.00				\$0.00	\$232,000.00
D-Cement Surface	217		\$19,000.00				\$0.00	\$19,000.00
D-Cement Intermed	218		\$89,000.00				\$0.00	\$89,000.00
D-Prod-2nd Int Cmt	219		\$97,000.00				\$0.00	\$97,000.00
D-Float Equipment & Centralizers	221		\$75,000.00				\$0.00	\$75,000.00
D-Csg Crews & Equip	222		\$49,000.00				\$0.00	\$49,000.00
D-Contract Labor	225		\$15,000.00				\$0.00	\$15,000.00
D-Company Sprvsn	226		\$60,000.00				\$0.00	\$60,000.00
D-Contract Sprvsn	227		\$97,000.00				\$0.00	\$97,000.00
D-Tstg Csg/Tbg	228		\$49,000.00				\$0.00	\$49,000.00
D-Mud Logging Unit	229		\$32,000.00				\$0.00	\$32,000.00
D-Perf/Wireline Svc	231		\$4,000.00				\$0.00	\$4,000.00
D-Rentals-Surface	235		\$258,000.00				\$0.00	\$258,000.00
D-Rentals-Subsrfc	236		\$222,000.00				\$0.00	\$222,000.00
D-Trucking/Forklift/Rig Mob	237		\$169,000.00				\$0.00	\$169,000.00
D-Welding Services	238		\$5,000.00				\$0.00	\$5,000.00
D-Contingency	243		\$62,000.00				\$0.00	\$62,000.00
D-Envmntl/Clsd Loop	244		\$347,000.00				\$0.00	\$347,000.00
C-Lctn/Pits/Roads	305			\$7,000.00			\$0.00	\$7,000.00
C-Frac Equipment	307			\$1,230,000.00			\$0.00	\$1,230,000.00
C-Frac Chemicals	308			\$716,000.00			\$0.00	\$716,000.00
C-Frac Proppant	309			\$1,163,000.00			\$0.00	\$1,163,000.00
C-Frac Proppant Transportation	310			\$171,000.00			\$0.00	\$171,000.00
C-Fuel & Power	311			\$12,000.00			\$0.00	\$12,000.00
C-Water	312			\$926,000.00			\$0.00	\$926,000.00
C-Bits	313			\$14,000.00			\$0.00	\$14,000.00
C-Mud & Chemicals	314			\$26,000.00			\$0.00	\$26,000.00
C-Contract Labor	325			\$14,000.00			\$0.00	\$14,000.00
C-Company Sprvsn	326			\$22,000.00			\$0.00	\$22,000.00
C-Contract Sprvsn	327			\$242,000.00			\$0.00	\$242,000.00
C-Tstg Csg/Tbg	328			\$4,000.00			\$0.00	\$4,000.00
C-Perf/Wireline Svc	331			\$498,000.00			\$0.00	\$498,000.00
C-Stimulation/Treating	332			\$9,000.00			\$0.00	\$9,000.00
C-Completion Unit	333			\$45,000.00			\$0.00	\$45,000.00
C-Rentals-Surface	335			\$295,000.00			\$0.00	\$295,000.00
C-Rentals-Subsrfc	336			\$49,000.00			\$0.00	\$49,000.00
C-Trucking/Forklift/Rig Mob	337			\$16,000.00			\$0.00	\$16,000.00
C-Welding Services	338			\$4,000.00			\$0.00	\$4,000.00
C-Water Disposal	339			\$45,000.00			\$0.00	\$45,000.00
C-Contingency	343			\$261,000.00			\$0.00	\$261,000.00
C-Envmntl/Clsd Loop	344			\$4,000.00			\$0.00	\$4,000.00
C-Dyed Diesel	345			\$451,000.00			\$0.00	\$451,000.00
C-Coil Tubing	346			\$407,000.00			\$0.00	\$407,000.00
C-Flowback Crews & Equip	347			\$38,000.00			\$0.00	\$38,000.00
TB-Location/Pits/Roads	353				\$56,000.00		\$0.00	\$56,000.00
TB-Contract Labor	356				\$135,000.00		\$0.00	\$135,000.00
TB-Water Disposal	362				\$80,000.00		\$0.00	\$80,000.00
PEQ-Contract Labor	374					\$5,500.00	\$0.00	\$5,500.00
PEQ-Contract Supervision	376					\$5,000.00	\$0.00	\$5,000.00
PEQ-Completion Unit	381					\$10,500.00	\$0.00	\$10,500.00
PEQ-Rentals-Surface	383					\$7,000.00	\$0.00	\$7,000.00
PEQ-Trkg/Forklift/Rig Mobilization	385					\$3,000.00	\$0.00	\$3,000.00

Total Intangible Costs		\$27,500.00	\$3,601,500.00	\$6,667,000.00	\$271,000.00	\$31,000.00	\$0.00	\$10,596,000.00
Total Gross Cost		\$27,500.00	\$4,249,500.00	\$6,763,000.00	\$690,000.00	\$270,000.00	\$0.00	\$12,220,000.00

Note: The above costs are estimates only. Actual costs will be billed as incurred.

COG Operating LLC

By: _____

Date Prepared: _____

We approve:

% Working Interest

COG Operating LLC

By: _____

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
Drill & Complete

Well Name	Quien Sabe Federal Com 801H	Prospect	Tomahawk 2427
SHL	Section 24: Legal location within Unit B	State & County	NEW MEXICO, EDDY
BHL	Section 25: Legal location within Unit O	Objective	DRILL & COMPLETE
Formation	WOLFCAMP D SHALE	Depth	20,100' Subject to change
Legal	Section 24: E2, Section 25: E2, T24S-R27E	TVD	10,235'
A/E Numbers			

Cost Description	Code	PreSpud (PS)	Drilling (DR)	Completions (C)	Tank Btty Constrcn(TB)	Pmpq Equip (PEQ)	Revision	Total
Tangible Costs								
D-Surface Casing	401	\$0.00	\$28,902.00	\$0.00	\$0.00	\$0.00	\$0.00	\$28,902.00
D-Intermed Csg	402	\$0.00	\$159,543.00	\$0.00	\$0.00	\$0.00	\$0.00	\$159,543.00
D-Production Casing/Liner	403	\$0.00	\$483,255.00	\$0.00	\$0.00	\$0.00	\$0.00	\$483,255.00
D-Wellhead Equip	405	\$0.00	\$77,459.00	\$0.00	\$0.00	\$0.00	\$0.00	\$77,459.00
C-Tubing	504	\$0.00	\$0.00	\$31,482.00	\$0.00	\$0.00	\$0.00	\$31,482.00
C-Wellhead Equip	505	\$0.00	\$0.00	\$17,989.00	\$0.00	\$0.00	\$0.00	\$17,989.00
PEQ-Pumping Unit	506	\$0.00	\$0.00	\$0.00	\$0.00	\$42,626.00	\$0.00	\$42,626.00
PEQ-Rods	508	\$0.00	\$0.00	\$0.00	\$0.00	\$22,304.00	\$0.00	\$22,304.00
TB-Tanks	510	\$0.00	\$0.00	\$0.00	\$103,403.00	\$0.00	\$0.00	\$103,403.00
TB-Flowlines/Pipelines	511	\$0.00	\$0.00	\$0.00	\$94,786.00	\$0.00	\$0.00	\$94,786.00
TB-Hlr Trlr/Seprlr	512	\$0.00	\$0.00	\$0.00	\$232,658.00	\$0.00	\$0.00	\$232,658.00
TB-Electrical System/Equipment	513	\$0.00	\$0.00	\$0.00	\$155,105.00	\$0.00	\$0.00	\$155,105.00
C-Pckrs/Anchors/Hgrs	514	\$0.00	\$0.00	\$44,074.00	\$0.00	\$0.00	\$0.00	\$44,074.00
TB-Couplings/Fittings/Valves	515	\$0.00	\$0.00	\$0.00	\$232,658.00	\$0.00	\$0.00	\$232,658.00
TB-Gas Lift/Compression	516	\$0.00	\$0.00	\$0.00	\$163,722.00	\$0.00	\$0.00	\$163,722.00
TB-Pumps-Surface	521	\$0.00	\$0.00	\$0.00	\$24,127.00	\$0.00	\$0.00	\$24,127.00
TB-Meters/Lacts	525	\$0.00	\$0.00	\$0.00	\$30,159.00	\$0.00	\$0.00	\$30,159.00
TB-Fiares/Combusters/Emission	526	\$0.00	\$0.00	\$0.00	\$30,159.00	\$0.00	\$0.00	\$30,159.00
C-Gas Lift/Compression	527	\$0.00	\$0.00	\$10,793.00	\$0.00	\$0.00	\$0.00	\$10,793.00
PEQ-Instrumentation/SCADA/POC	529	\$0.00	\$0.00	\$0.00	\$0.00	\$3,469.00	\$0.00	\$3,469.00
PEQ-Tubing	530	\$0.00	\$0.00	\$0.00	\$0.00	\$2,478.00	\$0.00	\$2,478.00
PEQ-Wellhead Equipment	531	\$0.00	\$0.00	\$0.00	\$0.00	\$1,486.00	\$0.00	\$1,486.00
PEQ-Pumps	532	\$0.00	\$0.00	\$0.00	\$0.00	\$2,478.00	\$0.00	\$2,478.00
PEQ-Electrical System	533	\$0.00	\$0.00	\$0.00	\$0.00	\$7,434.00	\$0.00	\$7,434.00
PEQ-Packers/Anchors/Hangers	534	\$0.00	\$0.00	\$0.00	\$0.00	\$34,695.00	\$0.00	\$34,695.00
PEQ-Miscellaneous	535	\$0.00	\$0.00	\$0.00	\$0.00	\$1,486.00	\$0.00	\$1,486.00
Total Tangible Costs		\$0.00	\$749,159.00	\$104,338.00	\$1,086,777.00	\$118,456.00	\$0.00	\$2,038,730.00

Intangible Costs								
PS-Title/Permits	201	\$9,179.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$9,179.00
D-Insurance	202	\$2,549.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,549.00
PS-Damages/ROW	203	\$15,299.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$15,299.00
PS-Survey/Stake Lctn	204	\$1,019.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,019.00
D-Lctn/Pits/Roads	205	\$0.00	\$145,699.00	\$0.00	\$0.00	\$0.00	\$0.00	\$145,699.00
D-Drilling Overhead	206	\$0.00	\$8,470.00	\$0.00	\$0.00	\$0.00	\$0.00	\$8,470.00
D-Daywork Contract	209	\$0.00	\$976,979.00	\$0.00	\$0.00	\$0.00	\$0.00	\$976,979.00
D-Directional Drig Services	210	\$0.00	\$414,510.00	\$0.00	\$0.00	\$0.00	\$0.00	\$414,510.00
D-Fuel & Power	211	\$0.00	\$233,797.00	\$0.00	\$0.00	\$0.00	\$0.00	\$233,797.00
D-Water	212	\$0.00	\$54,213.00	\$0.00	\$0.00	\$0.00	\$0.00	\$54,213.00
D-Bits	213	\$0.00	\$109,557.00	\$0.00	\$0.00	\$0.00	\$0.00	\$109,557.00
D-Mud & Chemicals	214	\$0.00	\$262,033.00	\$0.00	\$0.00	\$0.00	\$0.00	\$262,033.00
D-Cement Surface	217	\$0.00	\$21,459.00	\$0.00	\$0.00	\$0.00	\$0.00	\$21,459.00
D-Cement Intermed	218	\$0.00	\$100,521.00	\$0.00	\$0.00	\$0.00	\$0.00	\$100,521.00
D-Prod-2nd Int Cmt	219	\$0.00	\$109,557.00	\$0.00	\$0.00	\$0.00	\$0.00	\$109,557.00
D-Float Equipment & Centralizers	221	\$0.00	\$84,709.00	\$0.00	\$0.00	\$0.00	\$0.00	\$84,709.00
D-Csg Crews & Equip	222	\$0.00	\$55,343.00	\$0.00	\$0.00	\$0.00	\$0.00	\$55,343.00
D-Contract Labor	225	\$0.00	\$16,941.00	\$0.00	\$0.00	\$0.00	\$0.00	\$16,941.00
D-Company Sprvsn	226	\$0.00	\$67,767.00	\$0.00	\$0.00	\$0.00	\$0.00	\$67,767.00
D-Contract Sprvsn	227	\$0.00	\$109,557.00	\$0.00	\$0.00	\$0.00	\$0.00	\$109,557.00
D-Tstg Csg/Tbg	228	\$0.00	\$55,343.00	\$0.00	\$0.00	\$0.00	\$0.00	\$55,343.00
D-Mud Logging Unit	229	\$0.00	\$36,142.00	\$0.00	\$0.00	\$0.00	\$0.00	\$36,142.00
D-Perf/Wireline Svc	231	\$0.00	\$4,517.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,517.00
D-Rentals-Surface	235	\$0.00	\$291,399.00	\$0.00	\$0.00	\$0.00	\$0.00	\$291,399.00
D-Rentals-Subsrfc	236	\$0.00	\$250,739.00	\$0.00	\$0.00	\$0.00	\$0.00	\$250,739.00
D-Trucking/Forklift/Rig Mob	237	\$0.00	\$190,878.00	\$0.00	\$0.00	\$0.00	\$0.00	\$190,878.00
D-Welding Services	238	\$0.00	\$5,647.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,647.00
D-Contingency	243	\$0.00	\$70,026.00	\$0.00	\$0.00	\$0.00	\$0.00	\$70,026.00
D-Envrmntl/Clsd Loop	244	\$0.00	\$391,921.00	\$0.00	\$0.00	\$0.00	\$0.00	\$391,921.00
C-Lctn/Pits/Roads	305	\$0.00	\$0.00	\$6,306.00	\$0.00	\$0.00	\$0.00	\$6,306.00
C-Frac Equipment	307	\$0.00	\$0.00	\$1,162,211.00	\$0.00	\$0.00	\$0.00	\$1,162,211.00
C-Frac Chemicals	308	\$0.00	\$0.00	\$708,138.00	\$0.00	\$0.00	\$0.00	\$708,138.00
C-Frac Proppant	309	\$0.00	\$0.00	\$1,101,848.00	\$0.00	\$0.00	\$0.00	\$1,101,848.00
C-Frac Proppant Transportation	310	\$0.00	\$0.00	\$172,079.00	\$0.00	\$0.00	\$0.00	\$172,079.00
C-Fuel & Power	311	\$0.00	\$0.00	\$10,811.00	\$0.00	\$0.00	\$0.00	\$10,811.00
C-Water	312	\$0.00	\$0.00	\$834,269.00	\$0.00	\$0.00	\$0.00	\$834,269.00
C-Bits	313	\$0.00	\$0.00	\$12,613.00	\$0.00	\$0.00	\$0.00	\$12,613.00
C-Mud & Chemicals	314	\$0.00	\$0.00	\$23,424.00	\$0.00	\$0.00	\$0.00	\$23,424.00
C-Contract Labor	325	\$0.00	\$0.00	\$12,613.00	\$0.00	\$0.00	\$0.00	\$12,613.00
C-Company Sprvsn	326	\$0.00	\$0.00	\$19,820.00	\$0.00	\$0.00	\$0.00	\$19,820.00
C-Contract Sprvsn	327	\$0.00	\$0.00	\$272,083.00	\$0.00	\$0.00	\$0.00	\$272,083.00
C-Tstg Csg/Tbg	328	\$0.00	\$0.00	\$3,603.00	\$0.00	\$0.00	\$0.00	\$3,603.00
C-Perf/Wireline Svc	331	\$0.00	\$0.00	\$466,686.00	\$0.00	\$0.00	\$0.00	\$466,686.00
C-Stimulation/Treating	332	\$0.00	\$0.00	\$8,108.00	\$0.00	\$0.00	\$0.00	\$8,108.00
C-Completion Unit	333	\$0.00	\$0.00	\$40,542.00	\$0.00	\$0.00	\$0.00	\$40,542.00
C-Rentals-Surface	335	\$0.00	\$0.00	\$310,824.00	\$0.00	\$0.00	\$0.00	\$310,824.00
C-Rentals-Subsrfc	336	\$0.00	\$0.00	\$44,146.00	\$0.00	\$0.00	\$0.00	\$44,146.00
C-Trucking/Forklift/Rig Mob	337	\$0.00	\$0.00	\$14,415.00	\$0.00	\$0.00	\$0.00	\$14,415.00
C-Welding Services	338	\$0.00	\$0.00	\$3,603.00	\$0.00	\$0.00	\$0.00	\$3,603.00
C-Water Disposal	339	\$0.00	\$0.00	\$40,542.00	\$0.00	\$0.00	\$0.00	\$40,542.00
C-Contingency	343	\$0.00	\$0.00	\$262,173.00	\$0.00	\$0.00	\$0.00	\$262,173.00
C-Envrmntl/Clsd Loop	344	\$0.00	\$0.00	\$3,603.00	\$0.00	\$0.00	\$0.00	\$3,603.00
C-Dyed Diesel	345	\$0.00	\$0.00	\$433,351.00	\$0.00	\$0.00	\$0.00	\$433,351.00
C-Coil Tubing	346	\$0.00	\$0.00	\$411,729.00	\$0.00	\$0.00	\$0.00	\$411,729.00
C-Flowback Crews & Equip	347	\$0.00	\$0.00	\$41,443.00	\$0.00	\$0.00	\$0.00	\$41,443.00
TB-Location/Pits/Roads	353	\$0.00	\$0.00	\$0.00	\$64,342.00	\$0.00	\$0.00	\$64,342.00
TB-Contract Labor	356	\$0.00	\$0.00	\$0.00	\$155,110.00	\$0.00	\$0.00	\$155,110.00
TB-Water Disposal	362	\$0.00	\$0.00	\$0.00	\$91,917.00	\$0.00	\$0.00	\$91,917.00
PEQ-Contract Labor	374	\$0.00	\$0.00	\$0.00	\$0.00	\$4,931.00	\$0.00	\$4,931.00
PEQ-Contract Supervision	376	\$0.00	\$0.00	\$0.00	\$0.00	\$4,482.00	\$0.00	\$4,482.00
PEQ-Completion Unit	381	\$0.00	\$0.00	\$0.00	\$0.00	\$9,413.00	\$0.00	\$9,413.00
PEQ-Rentals-Surface	383	\$0.00	\$0.00	\$0.00	\$0.00	\$6,275.00	\$0.00	\$6,275.00
PEQ-Trkg/Forklift/Rig Mobilization	385	\$0.00	\$0.00	\$0.00	\$0.00	\$2,689.00	\$0.00	\$2,689.00
Total Intangible Costs		\$28,046.00	\$4,067,724.00	\$6,420,983.00	\$311,369.00	\$27,790.00	\$0.00	\$10,855,912.00

Total Gross Cost	\$28,046.00	\$4,816,883.00	\$6,525,321.00	\$1,378,146.00	\$146,246.00	\$0.00	\$12,894,642.00
Note: The above costs are estimates only. Actual costs will be billed as incurred.							

COG Operating LLC

By: _____

We approve:

 % Working Interest

Company: _____
 By: _____

Printed Name: _____
 Title: _____
 Date: _____

Date Prepared: _____

COG Operating LLC

By: _____

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

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

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

CASE NO. 20337

AFFIDAVIT OF TRAVIS SPARKS

Travis Sparks, of lawful age and being first duly sworn, declares as follows:

1. My name is Travis Sparks. 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 an expert petroleum geologist 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 targeted Wolfcamp A and Wolfcamp D within the Wolfcamp formation underlying the subject acreage.
4. **COG Exhibit No. B-1** is a project locator map that reflects COG's acreage in yellow. The paths of the proposed wells are depicted by dashed red lines. Existing producing wells in the Wolfcamp D shale are represented by solid purple lines.
5. COG is targeting Wolfcamp A within the Wolfcamp formation with its proposed **Quien Sabe Fed Com No. 602H and Quien Sabe Fed Com No. 603H Wells**. **COG Exhibit No. B-2** is a subsea structure map that I prepared on the top of the Wolfcamp A that is representative of the targeted intervals within the Wolfcamp formation. The structure map shows that the formation is gently dipping to the southeast in this area. I do not observe any faulting,

pinchouts, or other geologic impediments to developing the targeted Wolfcamp A with a horizontal well in this area.

6. COG is targeting Wolfcamp D within the Wolfcamp formation with its proposed **Quien Sabe Fed Com 801H Well**. **COG Exhibit No. B-3** is a subsea structure map that I prepared on the top of the Wolfcamp D that is representative of the targeted intervals within the Wolfcamp formation. The structure map shows that the formation is gently dipping to the southeast in this area. I do not observe any faulting, pinchouts, or other geologic impediments to developing the targeted Wolfcamp D with a horizontal well in this area.

7. **COG Exhibit No. B-4** overlays a cross-section line in red consisting of three wells penetrating the Wolfcamp formation 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.

8. **COG Exhibit No. B-5** is a cross section using the representative wells depicted on Exhibit B-3. Each well in the cross-section contains gamma ray, resistivity, and porosity logs. The proposed target intervals in the Wolfcamp A and in the Wolfcamp D are labeled on the exhibit. The cross-section demonstrates that the targeted intervals extend across the proposed spacing unit.

9. In my opinion, the stand-up orientation of the proposed wells is the preferred orientation for horizontal well development in this area and is appropriate to efficiently and effectively develop the subject acreage.

10. Based on my geologic study, the Wolfcamp formation underlying the subject area, including the targeted Wolfcamp A and Wolfcamp D, is 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.

11. 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.

12. COG Exhibit Nos. B-1 through B-5 were either prepared by me or compiled under my direction and supervision.


FURTHER AFFIANT SAYETH NOT.



TRAVIS SPARKS

STATE OF TEXAS)
)
COUNTY OF MIDLAND)

SUBSCRIBED and SWORN to before me this 24 day of July 2019 by Travis Sparks.



NOTARY PUBLIC

My Commission Expires:

4/20/22

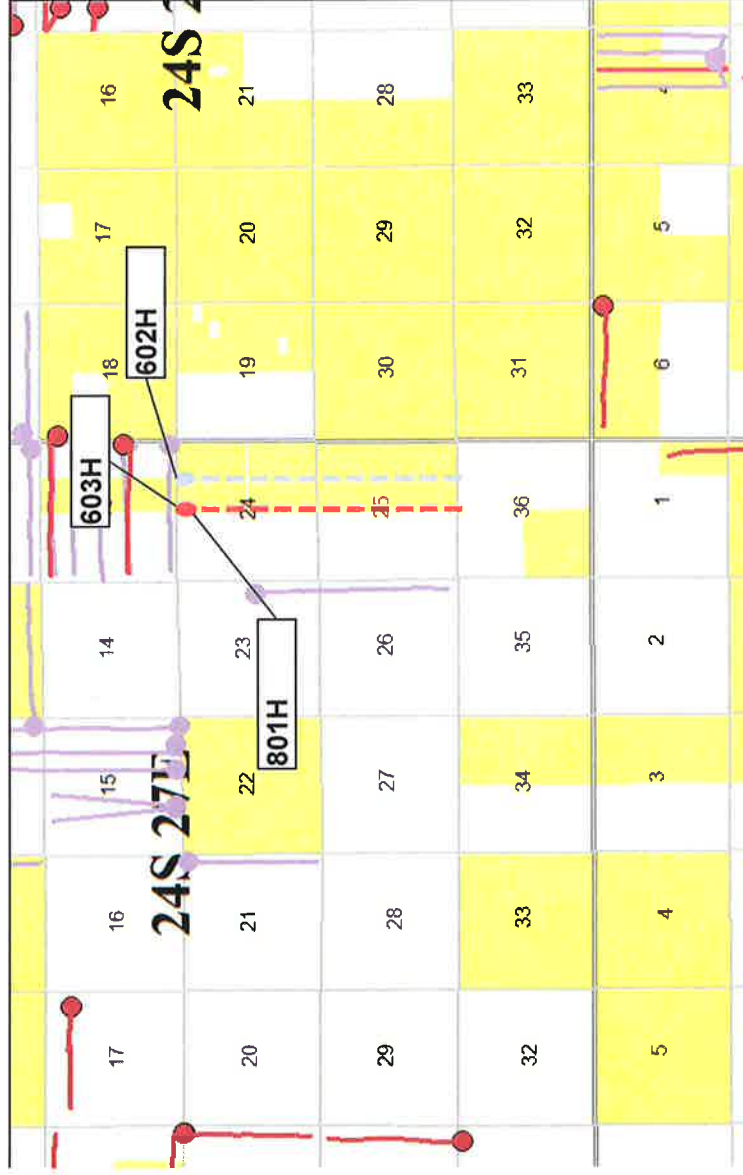


Wolfcamp Pool

Quien Sabe Fed Com Location Map

Map Legend

- SHL COG – Proposed Quien Sabe 602H, & 603H Location
- BHL
- SHL COG – Proposed Quien Sabe 801H Location
- BHL
- Producing Wolfcamp A Sand Horizontals
- Producing Wolfcamp D Horizontals
- COG Acreage

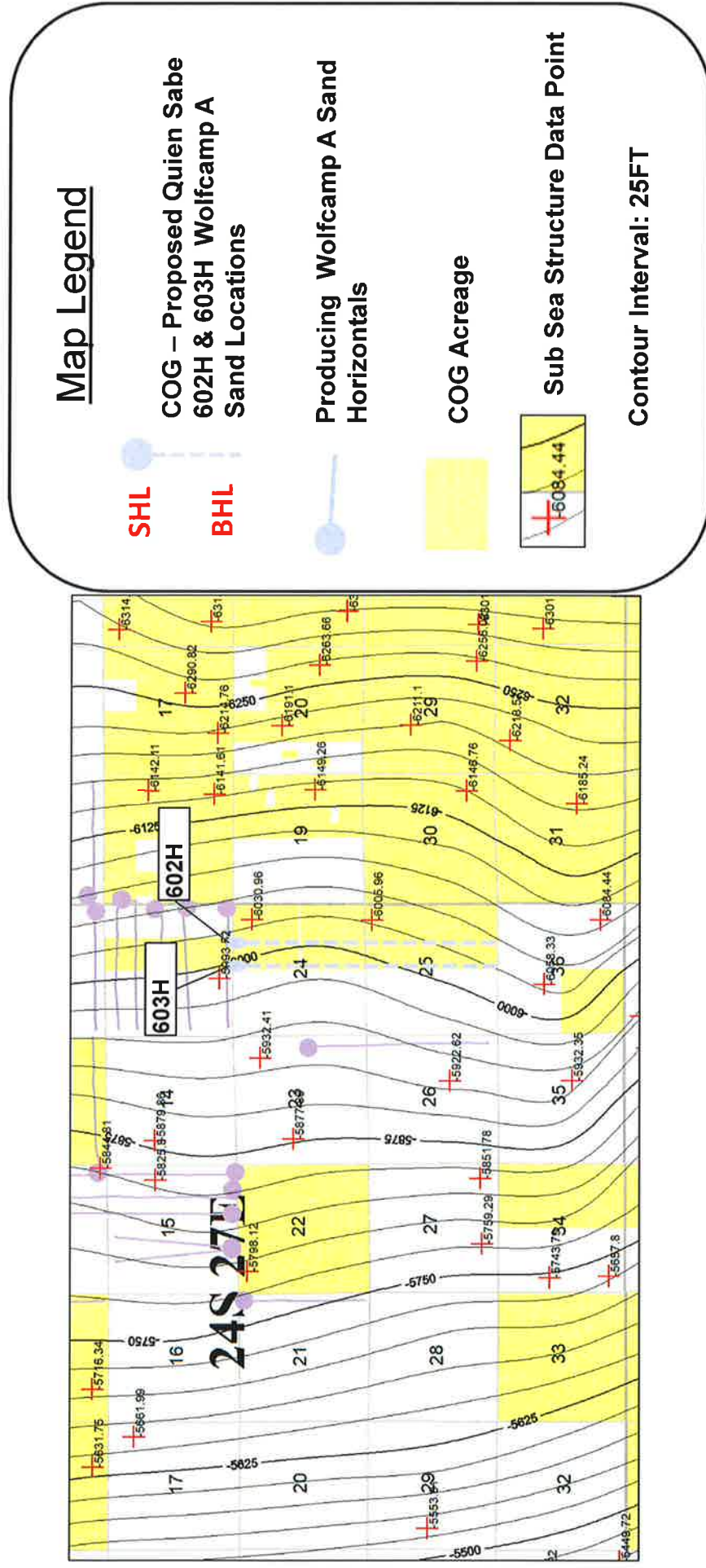


BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. B-1
 Case No. 20337
 Submitted by: COG OPERATING, LLC
 Hearing Date: July 25, 2019



Wolfcamp Pool

Wolfcamp Subsea Structure Map

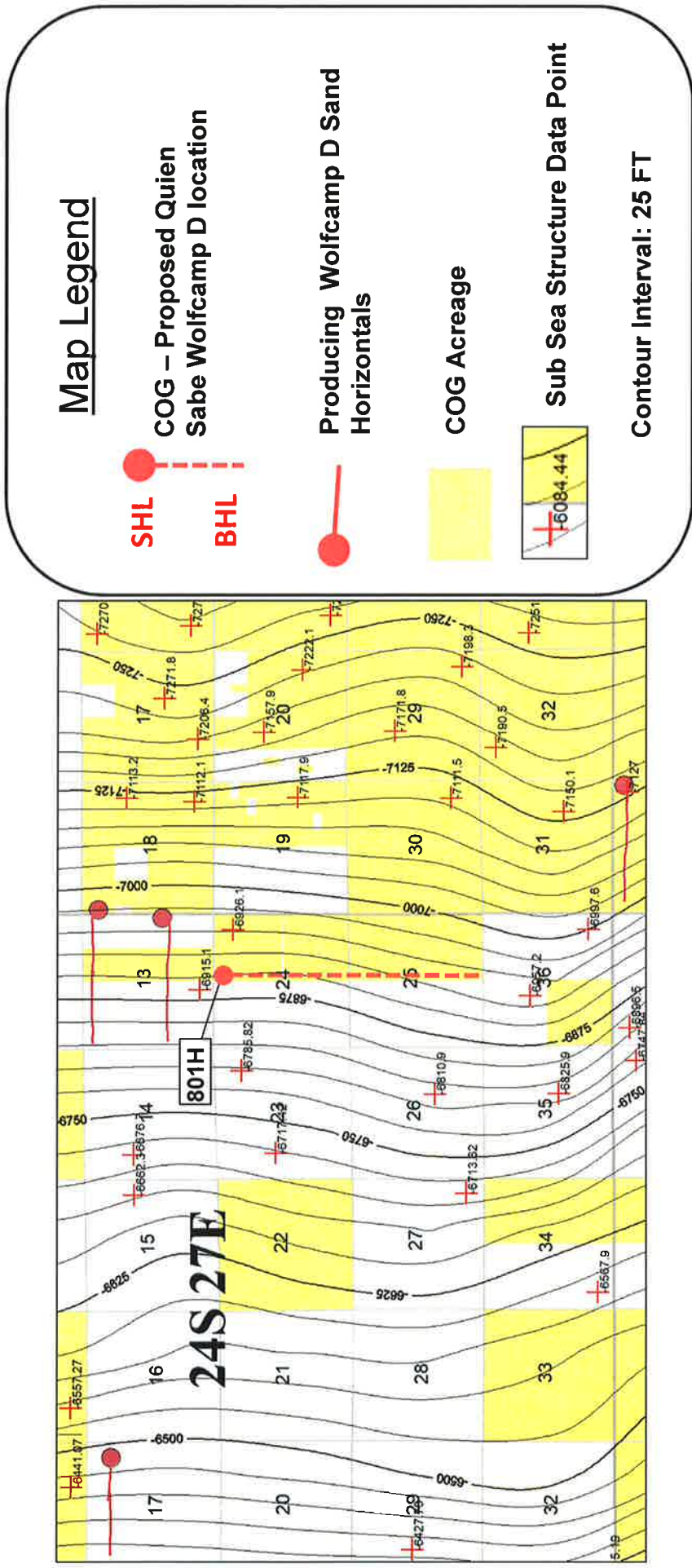


BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. B-2
 Case No. 20337
 Submitted by: COG OPERATING, LLC
 Hearing Date: July 25, 2019



Wolfcamp Pool

Wolfcamp D Subsea Structure Map



BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. B-3

Case No. 20337

Submitted by: COG OPERATING, LLC

Hearing Date: July 25, 2019

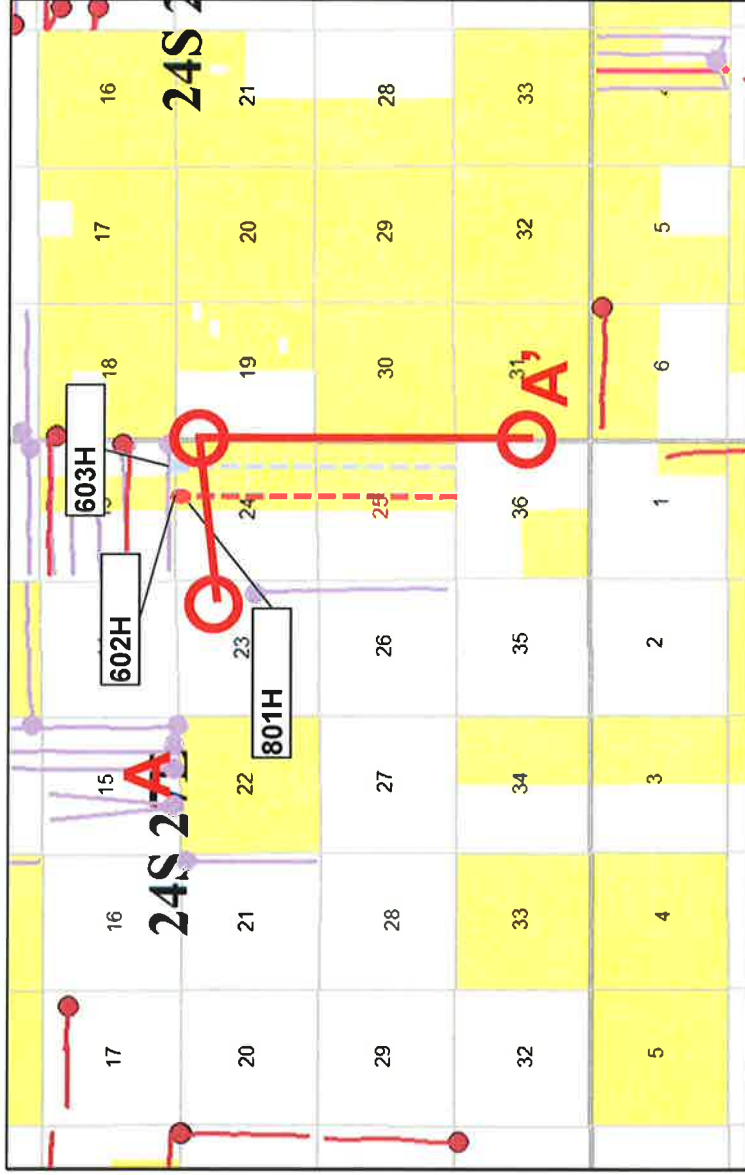


Wolfcamp Pool

Cross Section Location Map

Map Legend

- SHL COG – Proposed Quien Sabe 601H, 602H, & 603H Location
- BHL
- SHL COG – Proposed Quien Sabe 801H Location
- BHL
- Producing Wolfcamp A Sand Horizontals
- Producing Wolfcamp D Horizontals
- COG Acreage
- Cross Section Line



BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

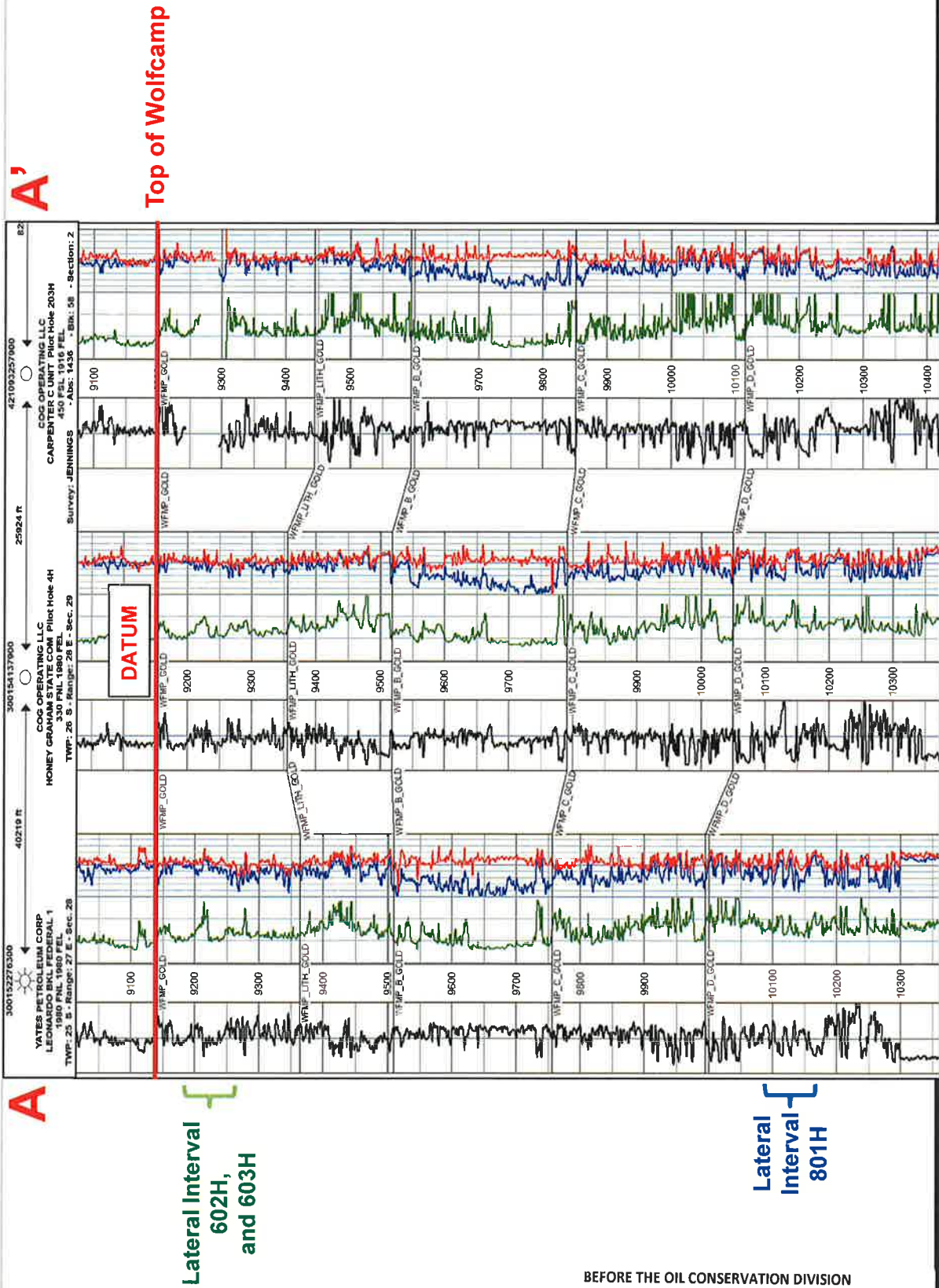
Exhibit No. B-4

Case No. 20337

Submitted by: COG OPERATING, LLC

Hearing Date: July 25, 2019

Stratigraphic Cross Section A – A'





Michael H. Feldewert
Recognized Specialist in the
Area of Natural Resources –
Oil and Gas Law – New Mexico Board
of Legal Specification
mfeldewert@hollandhart.com

June 14, 2019

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

**Application of COG Operating LLC for compulsory pooling,
Eddy County, New Mexico.
Quien Sabe Fed Com No. 601H-603H, 701H-703H and 801H Wells**

Ladies & Gentlemen:

This letter is to advise you that COG Operating LLC has filed the enclosed amended application with the New Mexico Oil Conservation Division. A hearing before a Division Examiner has been requested for July 11, 2019 and the status of the hearing can be monitored through the Division's website at <http://www.emnrd.state.nm.us/ocd/>. Division hearings will commence at 8:15 am 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 Travis Macha at (432) 221-0452 or by email at tmacha@concho.com.

Sincerely,

Michael H. Feldewert

ATTORNEY FOR COG OPERATING LLC

T 505.988.4421 F 505.983.6043

110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849

Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208

www.hollandhart.com

Alaska

Colorado

Idaho

Montana

Nevada

New Mexico

Utah

Washington, D.C.

Wyoming

POSTAL DELIVERY REPORT
COG/Quen Sabe 601H 603H
Case No. 20337

Tracking Number	Recipient	Status
921489019403838471410	ConocoPhillips Company 600 N Dairy Ashford Rd Houston TX 77079	In-Transit
921489019403838471411	Rolla R Hinkle III PO BOX 2292 Roswell NM 88202	Delivered Signature Received
921489019403838471412	Madison M Hinkle PO BOX 2292 Roswell NM 88202	Delivered Signature Received
921489019403838471413	Exacfiber Energy Company PO Drawer 25045 Albuquerque NM 87125	Delivered Signature Received
921489019403838471414	Foundation Minerals LLC PO BOX 50820 Midland TX 70710	Delivered Signature Received
921489019403838471415	Justin Nine et ux Sara Nine 1900 Larkspur Dr Golden CO 80401	In-Transit
921489019403838471416	Tim Lilley et ux Tashina Lilley 4873 Raintree Circle Parker CO 80134	Delivered Signature Received
921489019403838471417	Mavros Minerals II LLC PO BOX 50820 Midland TX 79710	Delivered Signature Received
921489019403838471418	Successors-in-Interest to Central Southwest Oil Corporation 405 N Virginia Ave Roswell NM 88201	In-Transit
921489019403838471419	Bryan Bell PO BOX 24591 New Orleans LA 70184	Delivered Signature Received
921489019403838471420	Wells Fargo Bank N.A. Trustee of the Robert Enfield Revocable Trust dated March 16 1999 PO BOX 41779 Austin TX 78704	Delivered Signature Received
921489019403838471421	DMA Inc 14 Granite Circle Roswell NM 88201	Delivered Signature Received
921489019403838471422	Charmar LLC 4815 Vista Del Oso Court NE Albuquerque NM 87109	Delivered Signature Received
921489019403838471423	Howard A Rubin 623 1/2 Camino Rancheros Santa Fe NM 87505	Delivered Signature Received
921489019403838471424	Lisa M Enfield Trustee of the Lisa M Enfield Trust u/a dated January 23 2015 465 Camino Manzano Santa Fe NM 87505	Delivered Signature Received
921489019403838471425	MLE LLC 612 Old Santa Fe Trail Santa Fe NM 87505	Delivered Signature Received
921489019403838471426	Richard C Deason 1301 Havenhurst #217 West Hollywood CA 90046	In-Transit
921489019403838471427	Thomas D Deason 3407 Essex Ave Lubbock TX 79407	Delivered Signature Received
921489019403838471428	Oak Valley Mineral and Land LP PO BOX 50820 Midland TX 79710	Delivered Signature Received
921489019403838471429	Ronald H Mayer Trustee of the Ronald H Mayer and Martha M Mayer Revocable Trust dated March 19 1990 PO BOX 2391 Roswell NM 88201	Delivered Signature Received
921489019403838471430	SAP LLC 4901 Whitney Lane Roswell NM 88203	Delivered Signature Received
921489019403838471431	Rubie Crosby Bell Family LLC PO BOX 24591 New Orleans LA 70184	In-Transit
921489019403838471432	Bryan Bell Family Limited Partnership #1 PO BOX 24591 New Orleans LA 70184	Delivered Signature Received
921489019403838471433	Nestegg Energy Corporation 2308 Sierra Vista Rd Artesia NM 88210	In-Transit
921489019403838471434	Featherstone Development Corporation PO BOX 429 Roswell NM 88202	Delivered Signature Received
921489019403838471435	Prospector LLC PO BOX 429 Roswell NM 88202	Delivered Signature Received
921489019403838471436	Big Three Energy Group LLC PO BOX 429 Roswell NM 88202	Delivered Signature Received
921489019403838471437	Parrot Head Properties LLC PO BOX 429 Roswell NM 88202	Delivered Signature Received
921489019403838471438	Triple L Monkey LLC 4425 98th St Lubbock TX 79424	Delivered Signature Received

CARLSBAD
CURRENT-ARGUS

AFFIDAVIT OF PUBLICATION

Ad No.
0001289425

HOLLAND & HART
PO BOX 2208

SANTA FE NM 87504

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

06/25/19



Legal Clerk

Subscribed and sworn before me this
25th of June 2019.



State of WI, County of Brown
NOTARY PUBLIC



My Commission Expires



Ad#:0001289425
P O : Quien Sabe 601H
of Affidavits :0.00

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D
Case No. 20337
Submitted by: **COG OPERATING, LLC**
Hearing Date: July 25, 2019

**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 July 25, 2019, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appointed 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 July 15, 2019. 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: Prospector, LLC; Featherstone Development Corporation; Big Three Energy Group, LLC; Parrot Head Properties, LLC; Triple L Monkey LLC; ConocoPhillips Company; Rolla R. Hinkle, III, his heirs and devisees; Madison M. Hinkle, her heirs and devisees; Excalibur Energy Company; Foundation Minerals, LLC; Justin Nine et ux, Sara Nine, their heirs and devisees; Tim Lilley et ux, Tashina Lilley, their heirs and devisees; Mavros Minerals II, LLC; Successors-in-Interest to Central Southwest Oil Corporation; Bryan Bell, his heirs and devisees; Wells Fargo Bank, N.A., Trustee of the Robert Enfield Revocable Trust dated March 16, 1999; DMA, Inc.; Charmar, LLC; Howard A. Rubin, his heirs and devisees; Lisa M. Enfield, Trustee of the Lisa M. Enfield Trust u/t/a dated January 23, 2015; MLE, LLC; Richard C. Deason, his heirs and devisees; Thomas D. Deason, his heirs and devisees; Oak Valley Mineral and Land, LP; Ronald H. Mayer, Trustee of the Ronald H. Mayer and Martha M. Mayer Revocable Trust dated March 19, 1990; SAP, LLC; Rubie Crosby Bell Family LLC; Bryan Bell Family Limited Partnership #1; Nestegg Energy Corporation.

Case No. 20337: Amended application of COG Operating LLC for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Wolfcamp formation underlying a 640-acre horizontal spacing unit comprised of the E/2 of Sections 24 and 25, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico. COG seeks to dedicate the above-referenced horizontal spacing unit to the following proposed initial wells:

•the Quien Sabe Fed Com No. 601H Well, Quien Sabe Fed Com No. 602H Well, and the Quien Sabe Fed Com No. 701H Well to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 24 to bottom hole location in the SE/4 SE/4 (Unit P) of Section 25; and

•the Quien Sabe Fed Com No. 603H Well, Quien Sabe Fed Com No. 702H Well, Quien Sabe Fed Com No. 703H Well and the Quien Sabe Fed Com 801H to be horizontally drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 24 to bottom hole location in the SW/4 SE/4 (Unit O) of Section 25.

Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of COG Operating LLC as operator, and the imposition of a 200% charge for risk involved in drilling and completing each well. Said area is located approximately 5 miles southwest of Malaga, New Mexico.

June 25, 2019