

**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 No. 20931**

**INDEX**

Application

Hearing Exhibits

1. Self-Affirmed Statement of Matthew Solomon
  - A. Chart of Tract of Ownership
  - B. Oil Conservation Division C-102 forms
  - C. Well proposal letter
  - D. Sample Notice Letter and associated green return receipt cards
  - E. Affidavit of Publication
  - F. Authorization for Expenditure
2. Self-Affirmed Statement of Cody Bacon
  - A. Map of Location of Sebastian Federal Com #704H well
  - B. Structure map of Wolfcamp formation
  - C. Cross Section map for Sebastian Federal Com #704H
  - D. North to South cross section

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

Case No. 20931

**APPLICATION**

Pursuant to NMSA § 70-2-17, COG Operating LLC ("COG") applies for an order pooling all uncommitted mineral interests in the Wolfcamp formation in a 160-acre, more or less, standard horizontal spacing unit comprised of the W/2 E/2 of Section 18, Township 24 South, Range 34 East in Lea County, New Mexico. In support of its Application, COG states:

1. COG (OGRID No. 229137) is a working interest owner in the W/2 E/2 of Section 18 and has the right to drill a well thereon.
2. The horizontal spacing unit will be dedicated to the Sebastian Federal Com #704H well, which will be horizontally drilled from a surface location in Unit B to a bottom hole location in Unit O in Section 18, Township 24 South, Range 34 East.
2. The completed interval for the well will be orthodox.
3. COG has undertaken diligent, good-faith efforts to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well but has been unable to obtain voluntary agreements from all of the mineral interest owners.
4. The pooling of all uncommitted mineral interests in the Wolfcamp formation underlying the W/2 E/2 of Section 18 will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

5. In order to allow COG to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted mineral interests in the horizontal spacing unit should be pooled.

WHEREFORE, COG requests that this application be set for hearing on December 12, 2019 and that, after notice and hearing, the Division enter an order:

A. Pooling all uncommitted mineral interests in the Wolfcamp formation underlying the W/2 E/2 of Section 18, Township 24 South, Range 34 East;

B. Designating COG as the operator of the Sebastian Federal Com #704H well;

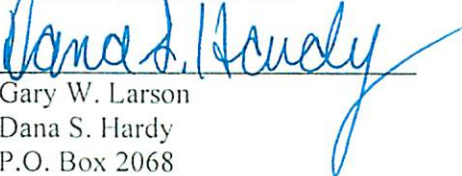
C. Authorizing COG to recover its costs of drilling, equipping, and completing the Sebastian Federal Com #704H well and allocating the costs among the well's working interest owners;

D. Approving the actual operating charges and costs of supervision during drilling and after completion, together with a provision for adjusting the rates pursuant to the COPAS accounting procedure; and

E. Imposing a 200% penalty for the risk assumed by COG in drilling and completing the Sebastian Federal Com #704H well against any mineral interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HINKLE SHANOR LLP



Gary W. Larson

Dana S. Hardy

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

Facsimile: (505) 982-8623

glarson@hinklelawfirm.com

dhardy@hinklelawfirm.com

*Counsel for COG Operating LLC*

**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 No. 20931**

**SELF-AFFIRMED STATEMENT OF  
MATTHEW SOLOMON**

1. I am over 18 years of age and am competent to provide this Self-Affirmed Statement. I have personal knowledge of the matters addressed herein.

2. I am a landman for COG Operating, LLC ("COG"). I have previously testified before the New Mexico Oil Conservation Division, and my qualifications as an expert in petroleum land matters were accepted.

3. I have had direct involvement with COG's development of the 160-acre, more or less, standard horizontal spacing unit ("HSU") that is the subject of COG's application in this case.

4. The HSU is comprised of the W/2 E/2 of Section 18, Township 24 South, Range 34 East in Lea County, New Mexico.

5. COG seeks to pool all uncommitted interests in the Wolfcamp formation underlying the HSU. A chart of tract ownership and identification of the respective working interests is attached as Exhibit A. 99.56% of the working interests are committed to the proposed well.

6. The HSU will be dedicated to the Sebastian Federal Com #704H well, which will be horizontally drilled from a surface location in Unit B to a bottom hole location in Unit O in Section 18, Township 24 South, Range 34 East. The completed interval for the well will be orthodox. The C-102 for the well is attached as Exhibit B.

7. There are no depth exceptions in the Wolfcamp formation.

Case No. 20931

COT Operating, Inc.

Exhibit 1

8. I sent a well proposal letter to all locatable interests. A copy of my letter is attached as Exhibit C. The only locatable interest has committed to the proposed well.

9. In my opinion, COG has made a good faith effort to obtain the voluntary joinder of uncommitted interests in the proposed well.

10. Notice of COG's application and the Division hearing was provided to several parties who were identified as having unmarketable title. A sample of the notice letter and associated green cards are attached as Exhibit D.

11. Notice of COG's application and the Division hearing was also published. The affidavit of publication is attached as Exhibit E.

12. COG has the right to pool the interests of any overriding royalty owners in the HSU.

13. The AFEs for the proposed wells are attached hereto as Exhibit F. The estimated cost of the wells is fair and reasonable and is comparable to the cost of other wells of similar depth and length drilled in Lea County.

14. COG requests overhead and administrative rates of \$7,000 per month while the wells are being drilled and \$700 per month while the wells are producing. These rates are fair and are comparable to the rates charged by COG and by other operators in the vicinity. They are also the rates set forth in the Joint Operating Agreement for the HSU. COG further requests that the rates be adjusted periodically in accordance with the COPAS Accounting Procedure.

15. COG requests that it be designated the operator of the wells.

16. COG also requests that a 200% risk charge be assessed against the uncommitted interests if they are non-consenting working interest owners.

17. The exhibits attached hereto were either prepared by me or under my supervision, or were compiled from company business records.

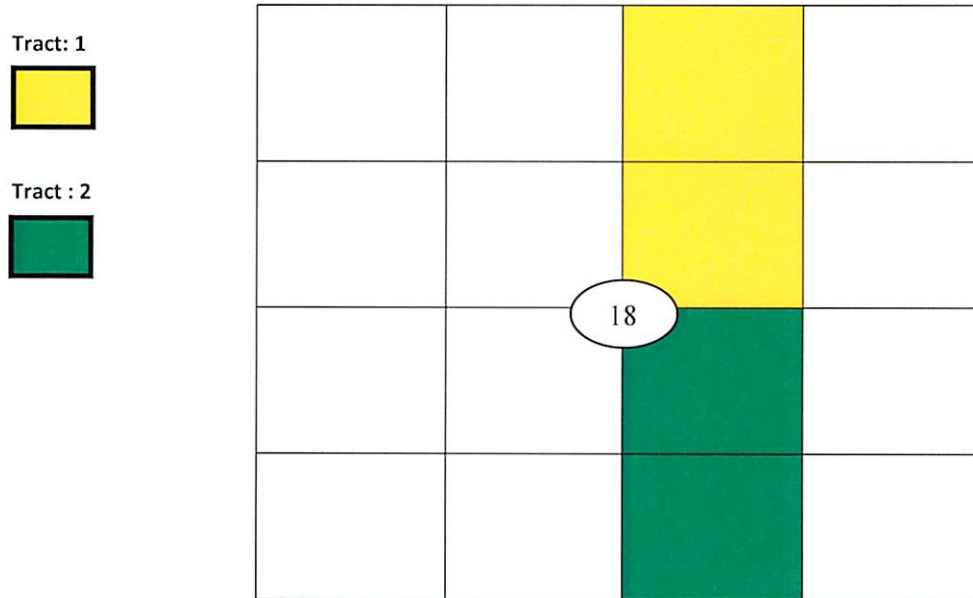
18. In my opinion, the granting of COG's application would serve the interests of conservation and the prevention of waste.

19. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 18 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

  
\_\_\_\_\_  
Matthew Solomon

12.10.19  
Date

**Case No. 20931**  
**Sebastian Federal Com 704H**  
W2E2 of Section 18, T24S-R34E, NMPM,  
Lea County, New Mexico



**Unit Working Interest**

COG Operating LLC	96.688802%
COG Production LLC	2.427642%
Cloma Perkins **	0.441778%
Joel Talley **	0.441778%
	<b>100.000000%</b>

\*\*Unleased Minerals

**Pooling Notification List**

**Working Interest Owners**

COG Operating, LLC  
600 W. Illinois Ave.  
Midland, Texas 79701

COG Operating, LLC  
600 W. Illinois Ave.  
Midland, Texas 79701

Joel Talley  
600 Marienfeld St, Ste 807  
Midland, TX 79701

Cloma Perkins  
Address unknown



## Unmarketable Title

Estate of Stanley J. Pirtle/C.O. Vaughn Pirtle  
323 Tanglewood Hollow  
Blanchard OK 73010

Estate of Stanley J. Pirtle/C.O. Linda Black  
5304 Holly  
Bellaire, TX 77401

Vaughn Pirtle  
323 Tanglewood Hollow  
Blanchard OK 73010

Linda Black  
5304 Holly  
Bellaire, TX 77401

Energen Resources Corp.  
600 Richard Arrington Jr Blvd N.  
Birmingham AL 35203

Estate of Fred McCrigh/C.O. Patricia Simmons  
2 Round Rock Circle  
Richardson TX 75080

Estate of Frankie McCrigh/C.O. Patricia Simmons  
2 Round Rock Circle  
Richardson TX 75080

Shirley Ann Roach  
818 S. San Jose  
Abilene TX 79605

William H. Roach  
818 S. San Jose  
Abilene TX 79605

Estate of Paul D. Henderson/C.O. Karen Ledbetter  
747 Bison  
Houston TX 77079

Estate of Paul D. Henderson/C.O. Greta Massing  
50 Turnin Lane  
Mobile AL 36608



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

☐ AMENDED REPORT

B



C O N C H O

MATT SOLOMON

STAFF LANDMAN

September 23, 2019

Joel Talley  
c/o Tacor Resources Inc.  
600 Marienfeld St., Ste 807  
Midland, Tx 79701

**Re: Sebastian Federal Com Wells Proposal**

Sec 18: E/2 - T24S-R34E

Sec 19: 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/2 of Section 18 and 19, 24S-34E, Lea County, New Mexico:

The **Sebastian Federal Com 703H** well has a surface hole location of 260' FNL and 2225' FEL of Section 18 and a bottom hole location of 50' FSL and 990' FEL of Section 19, 24S-34E, or at a legal location as approved by the governing regulatory agency, to a TVD of approximately 12,365' and a MD of approximately 22,500' to test the Wolfcamp Formation ("Operation"). The total cost of the Operation is estimated to be \$14,571,989.00, and a detailed description of the cost is set out in the enclosed Authority for Expenditure ("AFE").

The **Sebastian Federal Com 704H** well has a surface hole location of 260' FNL and 2225' FEL of Section 18 and a bottom hole location of 50' FSL and 2310' FEL of Section 19, 24S-34E, or at a legal location as approved by the governing regulatory agency, to a TVD of approximately 12,365' and a MD of approximately 22,500' to test the Wolfcamp Formation ("Operation"). The total cost of the Operation is estimated to be \$14,571,989.00, and a detailed description of the cost is set out in the enclosed Authority for Expenditure ("AFE").

COG is proposing to drill this well under the terms of the modified 1989 AAPL form of Operating Agreement dated October 1, 2019 by and between COG Operating LLC as Operator, and EOG Resources, Inc., et al, as Non-Operators.

If you have any questions, contact the undersigned at (432) 685-4352 or [msolomon@concho.com](mailto:msolomon@concho.com).

Respectfully,

Matt Solomon  
Staff Landman

P

F

C

\_\_\_\_\_ I/We hereby elect to participate in the Sebastian Federal Com 703H.

\_\_\_\_\_ I/We hereby elect **not** to participate in the Sebastian Federal Com 703H.

\_\_\_\_\_ I/We hereby elect to participate in the Sebastian Federal Com 704H.

\_\_\_\_\_ I/We hereby elect **not** to participate in the Sebastian Federal Com 704H.

Company: EOG Resources, Inc.

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

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

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

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



## HINKLE SHANOR LLP

ATTORNEYS AT LAW

PO BOX 2068

SANTA FE, NEW MEXICO 87504

505-982-4554 (FAX) 505-982-8623

WRITER

Dana Hardy  
Partner

dhardy@hinklelawfirm.com

November 20, 2019

VIA CERTIFIED MAIL

Estate of Paul D. Henderson  
c/o Karen Ledbetter  
747 Bison  
Houston, TX 77079

Re: COG Operating LLC NMOCD Application

Dear Ms. Ledbetter:

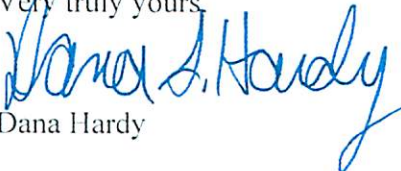
Enclosed is a copy of an application for compulsory pooling that COG Operating LLC ("COG") has filed with the New Mexico Oil Conservation Division ("the Division"). COG's application requests an order pooling all uncommitted mineral interests in the Wolfcamp formation in a 160-acre, more or less, standard horizontal spacing unit comprised of the W/2 E/2 of Section 18, Township 24 South, Range 34 East in Lea County, New Mexico.

This matter (Division Case No. 20931) is scheduled for hearing at 8:15 a.m. on Thursday, December 12, 2019 in Porter Hall at the Division's offices located at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. Estate of Paul D. Henderson ("the Estate") is not required to attend this hearing, but as an owner of an interest that may be affected by COG's application, it may appear at the hearing and present testimony. If the Estate does not appear at that time and become a party of record, it will be precluded from contesting the matter at a later date.

A party appearing in a Division case is required by the Division's Rules to file a Pre-Hearing Statement, which in this matter must be filed no later than Thursday, December 5, 2019. The Pre-Hearing Statement must be filed with the Division's Santa Fe office at the address above, and should include: the name of the party and the party's attorney; a concise statement of the case; the name(s) of the witness(es) the party will call to testify at the hearing; the approximate amount of time the party will need to present the party's case; and an identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to me.

Thank you for your attention to this matter.

Very truly yours,

  
Dana Hardy

DH/lk  
Enclosure



PO BOX 10  
ROSWELL, NEW MEXICO 88202  
575-622-6510  
(FAX) 575-623-9332

PO BOX 1720  
ARTESIA, NEW MEXICO 88211  
575-622-6510  
(FAX) 575-746-6316

PO BOX 2068  
SANTA FE, NEW MEXICO 87504  
505-982-4554  
(FAX) 505-982-8623

7601 JEFFERSON ST NE • SUITE 180  
ALBUQUERQUE, NEW MEXICO 87109  
505-858-8320  
(FAX) 505-858-8321

Mailing List – COB Sebastian

Estate of Stanley J. Pirtle  
c/o Vaughn Pirtle  
323 Tanglewood Hollow  
Blanchard, OK 73010

Estate of Stanley J. Pirtle  
c/o Linda Black  
5304 Holly  
Bellaire, TX 77401

Vaughn Pirtle  
323 Tanglewood Hollow  
Blanchard, OK 73010

Linda Carol Black  
5304 Holly  
Bellaire, TX 77401

Energen Resources Corp.  
600 Richard Arrington Jr. Blvd. N  
Birmingham, AL 35203

Estate of Fred McCright  
c/o Patricia Simmons  
2 Round Rock Circle  
Richardson, TX 75080

Estate of Frankie McCright  
c/o Patricia Simmons  
2 Round Rock Circle  
Richardson, TX 75080

Shirley Ann Roach  
818 S. San Jose  
Abilene, TX 79605

William H. Roach  
818 S. San Jose  
Abilene, TX 79605

Estate of Paul D. Henderson  
c/o Karen Ledbetter  
747 Bison  
Houston, TX 77079

Estate of Paul D. Henderson  
c/o Greta Massing  
50 Turnin Lane  
Mobile, AL 36608

New Mexico Department of Transportation  
Attn: Property Asset Mgmt. Mgr.  
1120 Cerrillos Rd.  
Santa Fe, NM 87505

Cloma Perkins (publication)



SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>1. Complete items 1, 2, and 3.</p> <p>2. Print your name and address on the reverse so that we can return the card to you.</p> <p>3. Attach this card to the back of the mailpiece, or on the front if space permits.</p>		<p>A. Signature X <i>Shirley Ann Roach</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>Shirley Ann Roach</i></p> <p>C. Date of Delivery <i>NOV 26 2019</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>	
<p>1. Shirley Ann Roach 818 S. San Jose Abilene, TX 79605</p>		<p>3. Service Type  <input type="checkbox"/> Adult Signature  <input type="checkbox"/> Adult Signature Restricted Delivery  <input checked="" type="checkbox"/> Certified Mail®  <input type="checkbox"/> Certified Mail Restricted Delivery  <input type="checkbox"/> Collect on Delivery  <input type="checkbox"/> Signature Confirmation™  <input type="checkbox"/> Registered Mail™  <input type="checkbox"/> Registered Mail Restricted Delivery  <input type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> Signature Confirmation™  <input type="checkbox"/> Registered Mail Restricted Delivery </p>	
<p>2. Article</p> <p>PS For</p>		<p>return Receipt</p>	

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<p>1. Complete items 1, 2, and 3.</p> <p>2. Print your name and address on the reverse so that we can return the card to you.</p> <p>3. Attach this card to the back of the mailpiece, or on the front if space permits.</p>		<p>A. Signature X <i>Linda Carol Black</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>Linda Carol Black</i></p> <p>C. Date of Delivery <i>NOV 26 2019</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>	
<p>1. Article Addressed to: Linda Carol Black 5304 Holly Bellaire, TX 77401</p>		<p>3. Service Type  <input type="checkbox"/> Adult Signature  <input type="checkbox"/> Adult Signature Restricted Delivery  <input checked="" type="checkbox"/> Certified Mail®  <input type="checkbox"/> Certified Mail Restricted Delivery  <input type="checkbox"/> Collect on Delivery  <input type="checkbox"/> Collect on Delivery Restricted Delivery  <input type="checkbox"/> Priority Mail Express®  <input type="checkbox"/> Registered Mail™  <input type="checkbox"/> Registered Mail Restricted Delivery  <input type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> Signature Confirmation™  <input type="checkbox"/> Signature Confirmation Restricted Delivery </p>	
<p>2. Article Addressed to (Transfer from service label) 7024 2290 0000 3432 4762</p>		<p>Domestic Return Receipt</p>	

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<p>1. Complete items 1, 2, and 3.</p> <p>2. Print your name and address on the reverse so that we can return the card to you.</p> <p>3. Attach this card to the back of the mailpiece, or on the front if space permits.</p>		<p>A. Signature X <i>Paul D. Henderson</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>Paul D. Henderson</i></p> <p>C. Date of Delivery <i>NOV 26 2019</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>	
<p>1. Article Addressed to: Estate of Paul D. Henderson c/o Greta Massing 50 Turnin Lane Mobile, AL 36608</p>		<p>3. Service Type  <input type="checkbox"/> Adult Signature  <input type="checkbox"/> Adult Signature Restricted Delivery  <input checked="" type="checkbox"/> Certified Mail®  <input type="checkbox"/> Certified Mail Restricted Delivery  <input type="checkbox"/> Collect on Delivery  <input type="checkbox"/> Collect on Delivery Restricted Delivery  <input type="checkbox"/> Priority Mail Express®  <input type="checkbox"/> Registered Mail™  <input type="checkbox"/> Registered Mail Restricted Delivery  <input type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> Signature Confirmation™  <input type="checkbox"/> Signature Confirmation Restricted Delivery </p>	
<p>2. Article Addressed to (Transfer from service label) 7024 2290 0000 3432 4762</p>		<p>Domestic Return Receipt</p>	



SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>■ Complete items 1, 2, and 3.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p> <p>1. Article Addressed to:</p> <p>Estate of Frankie McCright c/o Patricia Simmons 2 Round Rock Circle Richardson, TX 75080</p>		<p>A. Signature X <i>Wm. Simmons</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>Wm. Simmons</i> C. Date of Delivery <i>11/26/17</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>	
<p>2. Article Number (Transfer from service label)</p> <p>7018 2290 0000 3433 1487</p>		<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p>	
<p>PS Form 3811, July 2015 PSN 7530-02-000-9053</p>		<p>Domestic Return Receipt</p>	

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<p>2. Article Number (Transfer from service label)</p> <p>7018 2290 0000 3433 1494</p>		<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p>	
<p>PS Form 3811, July 2015 PSN 7530-02-000-9053</p>		<p>Domestic Return Receipt</p>	

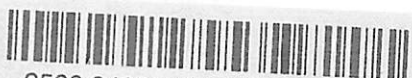
SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
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<p>2. Article Number (Transfer from service label)</p> <p>7018 2290 0000 3433 1524</p>		<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p>	
<p>PS Form 3811, July 2015 PSN 7530-02-000-9053</p>		<p>Domestic Return Receipt</p>	



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- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
Estate of Stanley J. Pirtle  
c/o Linda Black  
5304 Holly  
Bellaire, TX 77401



9590 9402 4582 8278 6039 28

2. Article Number (Transfer from service label)  
7018 2290 0000 3433 1463

PS Form 3811, July 2015 PSN 7530-02-000-9053

## COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent☒ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

3. Service Type

☐ Adult Signature☐ Adult Signature Restricted Delivery☒ Certified Mail®☐ Certified Mail Restricted Delivery☐ Collect on Delivery☐ Collect on Delivery Restricted Delivery☐ Restricted Delivery☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricted Delivery☐ Return Receipt for Merchandise☐ Signature Confirmation™☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. New Mexico Department of  
Transportation  
Attn: Property Asset Mgmt. Mgr.  
112 Cerrillos Rd.  
Santa Fe, NM 87505



9590 9402 4582 8278 6036 07

2. Article Number (Transfer from service label)  
7018 2290 0000 3433 1500

PS Form 3811, July 2015 PSN 7530-02-000-9053

## COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent☒ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

3. Service Type

☐ Adult Signature☐ Adult Signature Restricted Delivery☒ Certified Mail®☐ Certified Mail Restricted Delivery☐ Collect on Delivery☐ Collect on Delivery Restricted Delivery☐ Restricted Delivery☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricted Delivery☐ Return Receipt for Merchandise☐ Signature Confirmation™☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
Estate of Paul D. Henderson  
c/o Karen Ledbetter  
747 Bison  
Houston, TX 77079



9590 9402 4582 8278 6039 35

2. Article

## COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent☒ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

3. Service Type

☐ Adult Signature☐ Adult Signature Restricted Delivery☒ Certified Mail®☐ Certified Mail Restricted Delivery☐ Collect on Delivery☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricted Delivery☐ Return Receipt for Merchandise

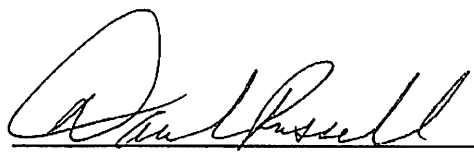


# Affidavit of Publication

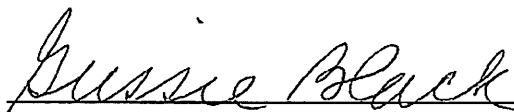
STATE OF NEW MEXICO  
COUNTY OF LEA

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).

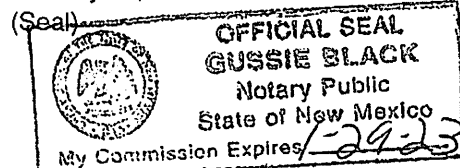
Beginning with the issue dated  
November 24, 2019  
and ending with the issue dated  
November 24, 2019.

  
\_\_\_\_\_  
Publisher

Sworn and subscribed to before me this  
24th day of November 2019.

  
\_\_\_\_\_  
Business Manager

My commission expires  
January 29, 2023



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 24, 2019

This is to notify all interested parties, including Estate of Stanley J. Pirtle c/o Vaughn Pirtle, Estate of Stanley J. Pirtle c/o Linda Black, Vaughn Pirtle, Linda Carol Black, Energen Resources Corp, Estate of Fred McCright c/o Patricia Simmons, Estate of Frankie McCright c/o Patricia Simmons, Shirley Ann Roach, William H. Roach, Estate of Paul D. Henderson c/o Karen Ledbetter, Estate of Paul D. Henderson c/o Greta Massing, Cloma Perkins, New Mexico Department of Transportation, and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by COG Operating (Case No. 20931) at 8:15 a.m. on December 12, 2019 in Porter Hall at 1220 South St. Francis Drive, Santa Fe, New Mexico. Applicant COG Operating LLC seeks an order pooling all uncommitted mineral interests in the Wolfcamp formation in a 160-acre, more or less, standard horizontal spacing unit comprised of the W/2 E/2 of Section 18, Township 24 South, Range 34 East in Lea County, New Mexico. The horizontal spacing unit will be dedicated to the Sebastian Federal Com #704H well, which will be horizontally drilled from a surface location in Unit B to a bottom hole location in Unit O in Section 18, Township 24 South, Range 34 East. The completed interval for the well will be orthodox. Also to be considered will be the costs of drilling and completing the well and the allocation of the costs, the designation of COG Operating, LLC as the operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well is located approximately 20 miles northwest of Jal, New Mexico.  
#34898

02107475

00236309

HINKLE, HENSLEY, SHANOR & MARTIN, LLP  
PO BOX 2068  
SANTA FE, NM 87504

E

**COG OPERATING LLC  
AUTHORITY FOR EXPENDITURE  
DRILLING**

WELL NAME: **SEBASTIAN FED COM #704H**  
SHL: Sec 18: 260 FNL & 2255 FEL  
BHL: Sec 19: 50 FSL & 2310 FEL  
FORMATION: Wolfcamp  
LEGAL: Sec 18: 24S 34E

PROSPECT NAME: **Bulldog 2434 (717040)**  
STATE & COUNTY: New Mexico, Lea  
OBJECTIVE: Drill and Complete  
DEPTH: 22,600  
TVD: 12,365

		<u>Drig - Rig</u>		<u>Completion(C)</u>		<u>Tank Btty</u>		<u>Pmpq</u>		<u>TOTAL</u>
<u>INTANGIBLE COSTS</u>		<u>Release(D)</u>				<u>Constrctrn(TB)</u>		<u>Equipment(PEQ)</u>		
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		57,000	352					64,000
Location/Pits/Road Expense	205	180,000	305	10,000	353	54,000	366			244,000
Drilling / Completion Overhead	206	15,000	306	15,000						30,000
Turnkey Contract	207	0	307	1,168,000						1,168,000
Footage Contract	208	0	308	422,000						422,000
Daywork Contract	209	1,277,000	309	719,000						1,996,000
Directional Drilling Services	210	538,000	310	336,000						874,000
Fuel & Power	211	228,000	311	68,000	354		367			296,000
Water	212	100,000	312	868,000			368			968,000
Bits	213	180,000	313				369			180,000
Mud & Chemicals	214	420,000	314				370			420,000
Drill Stem Test	215	0	315	550,000						550,000
Coring & Analysis	216	0								0
Cement Surface	217	27,900								27,900
Cement Intermediate	218	83,700								83,700
Cement 2nd Intermediate/Production	219	116,300								116,300
Cement Squeeze & Other (Kickoff Plug)	220	0					371			0
Float Equipment & Centralizers	221	70,000								70,000
Casing Crews & Equipment	222	80,000								80,000
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	316,585	374	6,500		349,585
Company Supervision	226	90,000	326	15,000	357		375	0		105,000
Contract Supervision	227	212,000	327	295,000	358		376	5,000		512,000
Testing Casing/Tubing	228	40,000	328	5,000			377			45,000
Mud Logging Unit	229	71,000	329	68,000						139,000
Logging	230	0					378			0
Perforating/Wireline Services	231	10,000	331	404,000			379			414,000
Stimulation/Treating			332	0			380			0
Completion Unit			333	140,000			381	10,000		150,000
Swabbing Unit			334				382	0		0
Rentals-Surface	235	300,000	335		359		383	7,000		307,000
Rentals-Subsurface	236	175,000	336	30,000			384	0		205,000
Trucking/Forklift/Rig Mobilization	237	265,000	337	20,000	360		385	3,000		288,000
Welding Services	238	6,000	338	5,000	361		386			11,000
Water Disposal	239		339	60,000	362	200,000	387			260,000
Plug to Abandon	240		340							0
Seismic Analysis	241		341							0
Miscellaneous	242		342				389			0
Contingency	243	103,000	343	200,000	363		390			303,000
Closed Loop & Environmental	244	550,000	344	0	364		388			550,000
Coil Tubing			346	468,000						468,000
Flowback Crews & Equip			347	750,000						750,000
Offset Directional/Frac	248		348							0
<b>TOTAL INTANGIBLES</b>		<b>5,210,700</b>		<b>6,691,000</b>		<b>570,585</b>		<b>31,500</b>		<b>12,503,785</b>
<u>TANGIBLE COSTS</u>										
Surface Casing	401	47,000								47,000
Intermediate Casing	402	459,000								459,000
Production Casing/Liner	403	471,000								471,000
Tubing			504	52,000			530	10,000		62,000
Wellhead Equipment	405	75,000	505	22,000			531	3,000		100,000
Pumping Unit							506	98,000		98,000
Prime Mover							507	0		0
Rods							508	65,000		65,000
Pumps-Sub Surface (BH)			509				532	5,500		5,500
Tanks					510	63,583				63,583
Flowlines					511	33,333				33,333
Heater Treater/Separator					512	99,618				99,618
Electrical System					513	20,833	533	20,000		40,833
Packers/Anchors/Hangers	414		514	66,000			534	2,000		68,000
Couplings/Fittings/Valves	415				515	175,731				175,731
Dehydration					517					0
Injection Plant/CO2 Equipment					518					0
Pumps-Surface					521	10,000				10,000
Instrumentation/SCADA/POC					522	19,167	529	7,000		26,167
Miscellaneous	419		519		523	74,939	535	3,000		77,939
Contingency	420		520		524		536			0
Meters/LACT					525	35,500				35,500
Flares/Combustors/Emission					526	13,333				13,333
Gas Lift/Compression			527	50,000	516	66,667	528			116,667
<b>TOTAL TANGIBLES</b>		<b>1,052,000</b>		<b>190,000</b>		<b>612,704</b>		<b>213,500</b>		<b>2,068,204</b>
<b>TOTAL WELL COSTS</b>		<b>6,262,700</b>		<b>6,881,000</b>		<b>1,183,289</b>		<b>245,000</b>		<b>14,571,989</b>

COG Operating LLC

Date Prepared 7/15/19

COG Operating LLC

We approve  
% Working Interest

BM

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

F

**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 No. 20931**

**SELF-AFFIRMED STATEMENT OF  
CODY BACON**

1. I am over 18 years of age and am competent to provide this Self-Affirmed Statement. I have personal knowledge of the matters addressed herein.

2. I am a geologist at COG Operating, LLC ("COG"). I have previously testified before the New Mexico Oil Conservation Division, and my qualifications as an expert in geology matters were accepted. I am familiar with the geological matters that pertain to COG's application.

3. Attached as Exhibit A is a map that shows the proposed location of the Sebastian Federal Com #704H well in relation to other Wolfcamp wells drilled in the vicinity. The preference is for stand-up wells (north to south or south to north), and the completed wells in the area (recent completions) apparently are commercial.

4. Attached as Exhibit B is a structure map of the Wolfcamp formation, which is the target zone for the proposed wells.

5. Attached as Exhibit C is a cross section map for the Sebastian Federal Com #704H well.

6. Attached as Exhibit D is a north to south cross section. The well logs on the cross section provide a representative sample of the Wolfcamp formation in the area. The target zone for the proposed well is continuous across the HSU.

Case No. 20931

COT Operating, Inc

Exhibit 2

7. Based on the information contained in Exhibits A, B, C, and D, I am able to conclude that:

- a) The HSU is justified from a geologic standpoint;
- b) There is no faulting or other geologic impediment that could adversely affect the drilling of the proposed well; and
- c) Each quarter-quarter section in the HSU will contribute more or less equally to production.

8. In my opinion, the granting of COG's application will serve the interests of conservation and the prevention of waste.

9. Exhibits A through D were either prepared by me or compiled from company records.

10. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 9 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

M Cody Bacon  
Cody Bacon

12-10-19  
Date

24S 34E

Sebastian Federal Com 703H, 704H

12

7

8

SEBASTIAN FEDERAL COM 704H

SEBASTIAN FEDERAL COM 703H

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### Map Legend

SHL



COG - Wolfcamp Horizontal Location

BHL



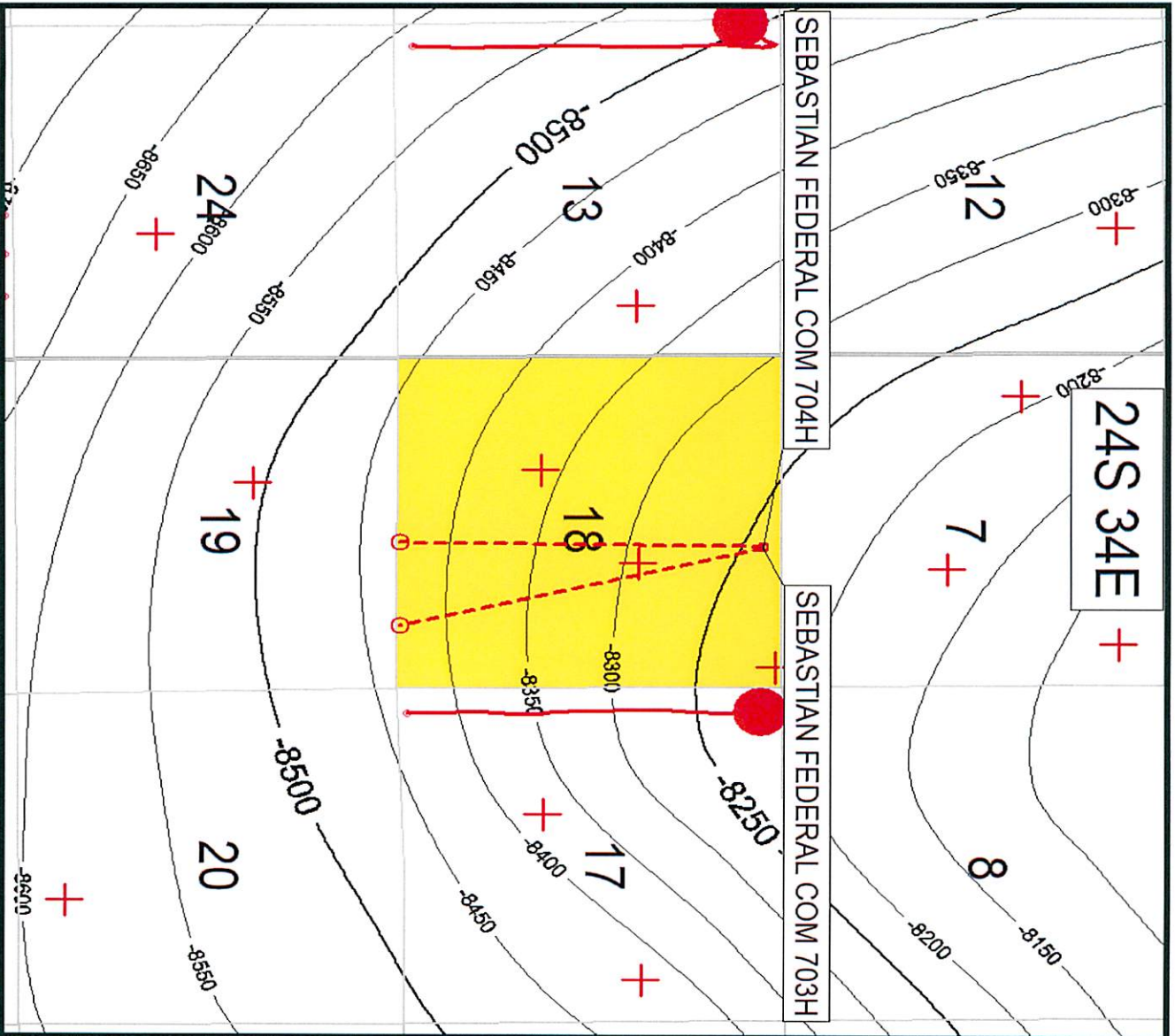
Producing Wolfcamp Wells









COG Acreage

A

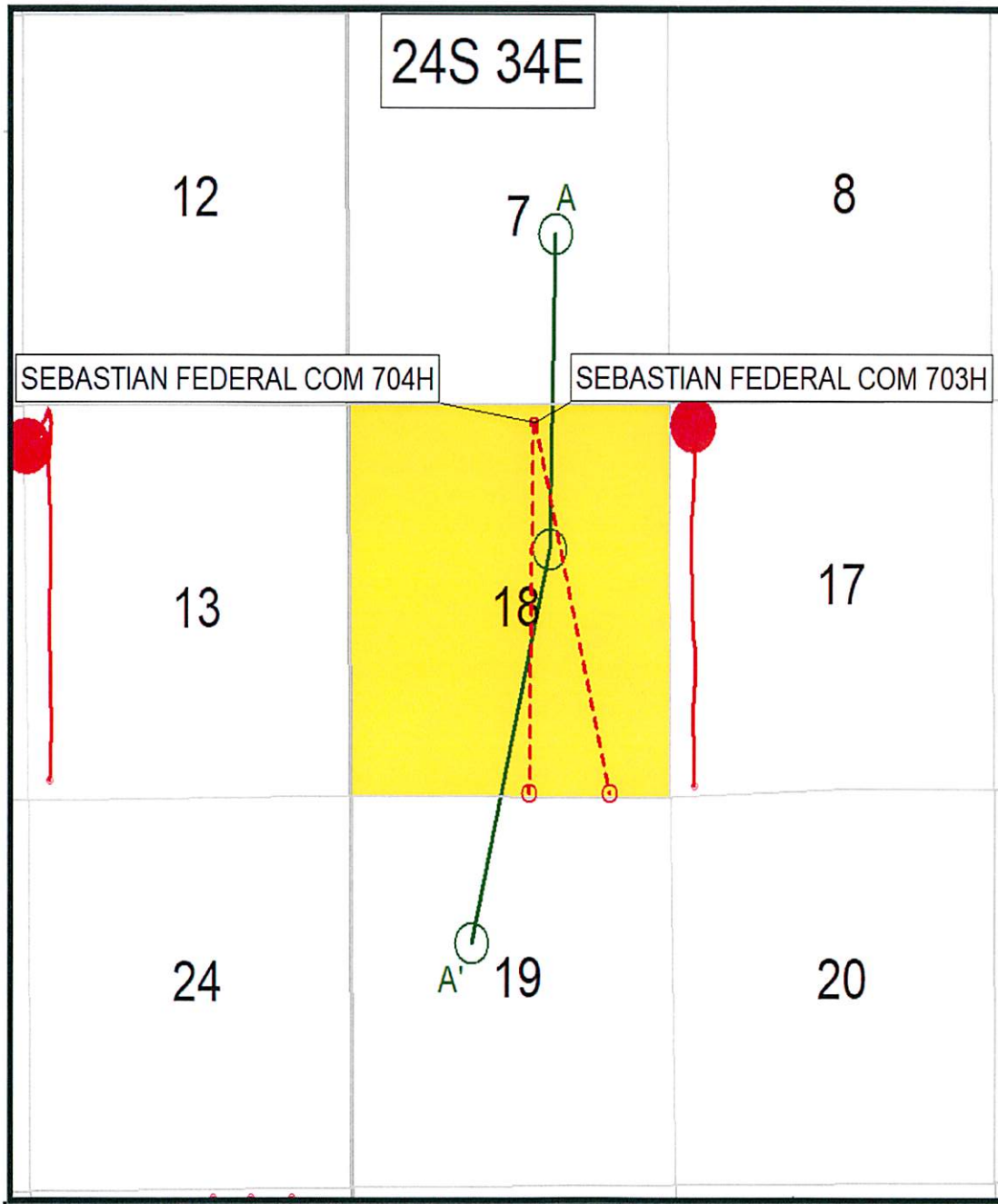
# Wolfcamp Structure Map



## Map Legend

-  SHL
-  COG - Wolfcamp Horizontal Location
-  BHL
-  Producing Wolfcamp Wells
-  Wolfcamp Structure  
CI: 50'
-  COG Acreage

## Cross Section Map



### Map Legend

SHL

BHL



COG - Wolfcamp Horizontal Location

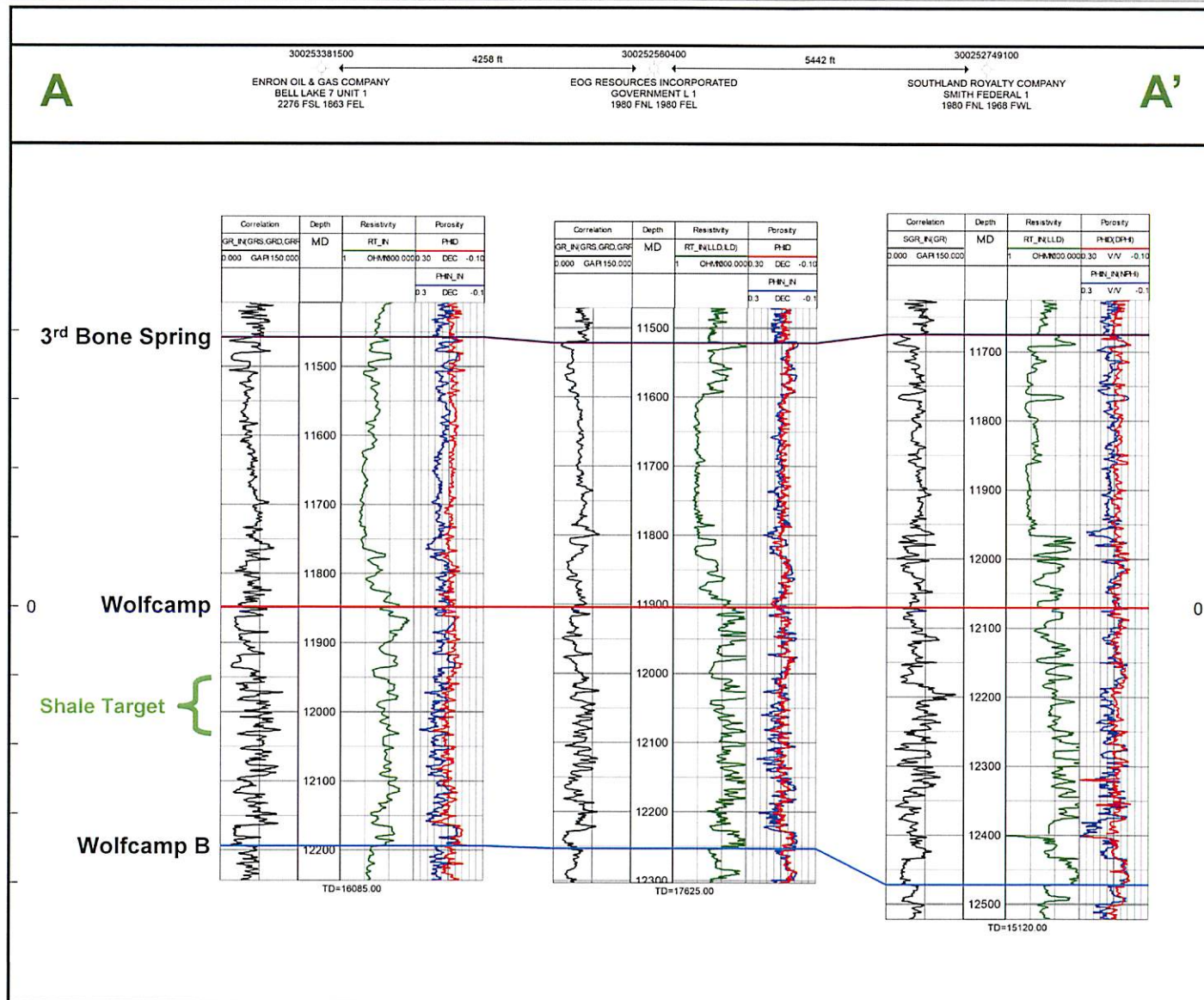
Producing Wolfcamp Wells

Cross Section Line

COG Acreage



# Stratigraphic Cross Section A – A'



**D**