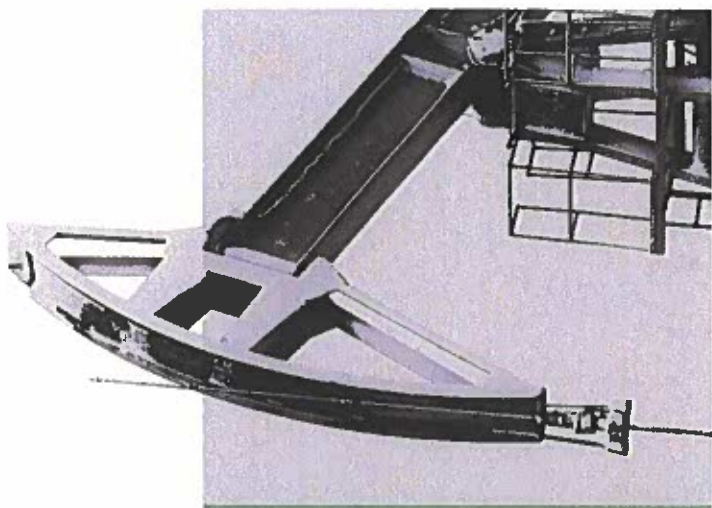


# COG OPERATING LLC

*Myox 31 State Com #501H, #502H, #503H*

*Section 31 & 31 - T25S-28E*

*Eddy County, New Mexico*



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

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

**CASE NOS. 20979, 20980 & 20981**

**TABLE OF CONTENTS**

1.	Compulsory Pooling Application Checklist Case No. 20979; Application.
2.	Compulsory Pooling Application Checklist Case No. 20980; Application.
3.	Compulsory Pooling Application Checklist Case No. 20981; Application.
4.	Exhibit No. 1 – Affidavit of Travis Macha in Support of Case Nos. 20979-20981.
5.	Attachment A to Affidavit of Travis Macha.
6.	Attachment B to Affidavit if Travis Macha.
7.	Attachment C to Affidavit of Travis Macha.
8.	Exhibit No. 2 – Affidavit of Chesney Gilleland in Support of Case Nos. 20979-20981.
9.	Attachment D to Affidavit of Chesney Gilleland.
10.	Attachment E to Affidavit of Chesney Gilleland.
11.	Attachment F to Affidavit of Chesney Gilleland.
12.	Attachment G to Affidavit of Chesney Gilleland.
13.	Exhibit No. 3 – Affidavit of Ocean Munds-Dry

# COMPULSORY POOLING APPLICATION CHECKLIST

**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

<b>Case: 20979</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date</b>	January 9, 2020
<b>Applicant</b>	COG Operating LLC
<b>Designated Operator &amp; OGRID (affiliation if applicable)</b>	229137
<b>Applicant's Counsel:</b>	Ocean Munds-Dry
<b>Case Title:</b>	APPLICATION OF COG OPERATING LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO
<b>Entries of Appearance/Intervenors:</b>	EARL DEBRINE ON BEHALF OF EOG RESOURCES, INC
<b>Well Family</b>	MYOX WELLS
<b>Formation/Pool</b>	
<b>Formation Name(s) or Vertical Extent:</b>	BONE SPRING
<b>Primary Product (Oil or Gas):</b>	OIL
<b>Pooling this vertical extent:</b>	BONE SPRING
<b>Pool Name and Pool Code:</b>	DELAWARE RIVER BS POOL (POOL CODE 16800)
<b>Well Location Setback Rules:</b>	STATEWIDE
<b>Spacing Unit Size:</b>	320 AC
<b>Spacing Unit</b>	
<b>Type (Horizontal/Vertical)</b>	HORIZONTAL
<b>Size (Acres)</b>	320
<b>Building Blocks:</b>	QUARTER SECTION
<b>Orientation:</b>	NORTH-SOUTH
<b>Description: TRS/County</b>	E/2E/2 OF S30 & 31,T25S,R28E, EDDY COUNTY, NM
<b>Standard Horizontal Well Spacing Unit (Y/N), If No, describe</b>	YES
<b>Other Situations</b>	
<b>Depth Severance: Y/N. If yes, description</b>	NO
<b>Proximity Tracts: If yes, description</b>	NO
<b>Proximity Defining Well: if yes, description</b>	NO
<b>Applicant's Ownership in Each Tract</b>	EXHIBIT 1, ATTACHMENT B
<b>Well(s)</b>	
<b>Name &amp; API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)</b>	EXHIBIT 1, ATTACHMENT A

Well #1	MYOX 31 STATE COME WELL NO. 501H, API NO. PENDING. SHL: 290 FSL AND 1390 FEL (UNIT P), S31-T25S-R28E, NMPPM BHL: 50 FNL AND 576 FEL (UNIT A), S30-T25S-R28E, NMPPM. COMPLETION TARGET: SECOND BONE SPRING AT APPROX 7750 TVD. WELL ORIENTATION SOUTH TO NORTH. COMPLETION LOCATION EXPECTED TO BE STANDARD.
Well #2	
Horizontal Well First and Last Take Points	EXHIBIT 1, ATTACHMENT A (C-102s)
Completion Target (Formation, TVD and MD)	EXHIBIT 2, ATTACHMENT G (X-SECTION)
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$7000/MONTH
Production Supervision/Month \$	\$700/MONTH
Justification for Supervision Costs	EXHIBIT 1 (PARA. 12), ATTACHMENT C (AFEs)
Requested Risk Charge	200%, SEE APPLICATION
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	EXHIBIT 3
Proof of Mailed Notice of Hearing (20 days before hearing)	EXHIBIT 3
Proof of Published Notice of Hearing (10 days before hearing)	EXHIBIT 3
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	EXHIBIT 1, ATTACHMENT B
Tract List (including lease numbers and owners)	EXHIBIT 1, ATTACHMENT B
Pooled Parties (including ownership type)	EXHIBIT 1, ATTACHMENT B
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	EXHIBIT 1, ATTACHMENT C
List of Interest Owners (ie Exhibit A of JOA)	EXHIBIT 1, ATTACHMENT B
Chronology of Contact with Non-Joined Working Interests	EXHIBIT 1 (PARA. 11 & 13), ATTACHMENT C

Overhead Rates In Proposal Letter	N/A
Cost Estimate to Drill and Complete	EXHIBIT 1, ATTACHMENT C (AFES)
Cost Estimate to Equip Well	EXHIBIT 1, ATTACHMENT C (AFES)
Cost Estimate for Production Facilities	EXHIBIT 1, ATTACHMENT C (AFES)
<b>Geology</b>	
Summary (including special considerations)	EXHIBIT 2
Spacing Unit Schematic	EXHIBIT 2, ATTACHMENT D
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	EXHIBIT 2
Target Formation	BONE SPRING
HSU Cross Section	EXHIBIT 2, ATTACHMENT G
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	EXHIBIT 1, ATTACHMENT A
Tracts	EXHIBIT 1, ATTACHMENT B
Summary of Interests, Unit Recapitulation (Tracts)	EXHIBIT 1, ATTACHMENT B
General Location Map (including basin)	EXHIBIT 1, ATTACHMENT B
Well Bore Location Map	EXHIBIT 2, ATTACHMENT D
Structure Contour Map - Subsea Depth	EXHIBIT 2, ATTACHMENT E
Cross Section Location Map (including wells)	EXHIBIT 2, ATTACHMENT F
Cross Section (including Landing Zone)	EXHIBIT 2, ATTACHMENT G
<b>Additional Information</b>	
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name (Attorney or Party Representative):</b>	Ocean Munds-Dry
<b>Signed Name (Attorney or Party Representative):</b>	Ocean Munds-Dry
<b>Date:</b>	1/8/20

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

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

Case No. 20979

**APPLICATION**

COG Operating LLC ("COG") through its under-signed attorneys hereby file this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, Sec. 70-2-17, for an order (1) creating a 320-acre, more or less, horizontal spacing and proration unit comprised of the E/2E/2 of Sections 30 and 31, Township 25 South, Range 28 East, N.M.P.M., Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Delaware River; Bone Spring [Pool Code: 16800]. In support of its Application, COG states:

1. COG (OGRID No. 229137) is a working interest owner in the proposed standard horizontal spacing and proration unit and has the right to drill a well thereon.
2. COG proposes to dedicate the above-referenced horizontal spacing and proration unit for its **Myox 31 State Com 501H** which will be horizontally drilled from a surface location in the SE/4SE/4 (Unit P) of Section 31 to a bottom hole location in NE/4NE/4 (Unit A) of Section 30;
3. The completed interval for these Wells will meet the 330-foot standard offset from the outer boundaries of the horizontal spacing unit and the first and last take points will remain within the 100-foot offset as required by the Statewide horizontal rules.



4. COG has sought in good faith and been unable to obtain voluntary agreement for the development of these lands from all of the working interest owners in the subject horizontal spacing unit.

5. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

6. COG requests an extension of the 120-day time period to drill and complete a well provided by the standard pooling order.

7. In order to permit COG to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled, and COG Operating LLC should be designated the operator of the proposed horizontal wells and horizontal spacing unit.

WHEREFORE, COG requests that, this Application be set for hearing before an Examiner of the Oil Conservation Division on January 9, 2020, and, after notice and hearing, the Division enter its order:

- A. Creating a 320-acre, more or less, standard horizontal spacing and proration unit in the Bone Spring Formation comprised of the E/2E/2 of Sections 30 and 31, Township 25 South, Range 28 East, N.M.P.M., Eddy County, New Mexico;
- B. Pooling all uncommitted interests in the Bone Spring Formation underlying the horizontal spacing and proration unit;
- C. Designating COG Operating LLC as the operator of the spacing unit and horizontal well to be drilled thereon;
- D. Providing an extension of the 120-day requirement to drill and complete a well;

- E. Authorizing COG to recover its costs of drilling, equipping, and completing the wells, and allocating its costs among the well's interest owners;
- F. Approving actual operating charges and costs charged for supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- G. Setting a 200% penalty for the risk assumed by COG in drilling and completing the wells against any working interest owner who does not voluntarily elect to participate in the drilling of the wells.

Respectfully submitted,

**COG OPERATING LLC**

By: Ocean Munds-Dry

Ocean Munds-Dry

William R. Carr

Elizabeth A. Ryan

Michael Rodriguez

1048 Paseo de Peralta

Santa Fe, New Mexico 87508

505-780-8000

omundsdry@concho.com

wcarr@concho.com

eryan@concho.com

mrodriguez@concho.com

**ATTORNEYS FOR COG OPERATING LLC**



Case No. \_\_\_\_\_: **Application of COG Operating LLC for Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above styled cause seeks an order (1) creating a 320-acre, more or less, horizontal spacing and proration unit comprised of the E/2E/2 of Sections 30 and 31, Township 25 South, Range 28 East, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring Formation. Said spacing unit shall be dedicated to the **Myox 31 State Com Well No. 501H** with a surface location in the SE/4SE/4 (Unit P) of Section 31 and a bottom hole location in NE/4NE/4 (Unit A) of Section 30. The completed interval and the first and last take points for these wells will remain within the standard offset required by the Rules. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof, as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the wells, and a 200% penalty for risk involved in the drilling the wells. Said area is approximately 8 miles southwest of Malaga, New Mexico.



# COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

<b>Case: 20980</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date</b>	<b>January 9, 2020</b>
<b>Applicant</b>	<b>COG Operating LLC</b>
<b>Designated Operator &amp; OGRID (affiliation if applicable)</b>	<b>229137</b>
<b>Applicant's Counsel:</b>	<b>Ocean Munds-Dry</b>
<b>Case Title:</b>	<b>APPLICATION OF COG OPERATING LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW</b>
<b>Entries of Appearance/Intervenors:</b>	<b>EARL DEBRINE ON BEHALF OF EOG RESOURCES, INC</b>
<b>Well Family</b>	<b>MYOX WELLS</b>
<b>Formation/Pool</b>	
<b>Formation Name(s) or Vertical Extent:</b>	<b>BONE SPRING</b>
<b>Primary Product (Oil or Gas):</b>	<b>OIL</b>
<b>Pooling this vertical extent:</b>	<b>BONE SPRING</b>
<b>Pool Name and Pool Code:</b>	<b>DELAWARE RIVER BS POOL (POOL CODE 16800)</b>
<b>Well Location Setback Rules:</b>	<b>STATEWIDE</b>
<b>Spacing Unit Size:</b>	<b>320 AC</b>
<b>Spacing Unit</b>	
<b>Type (Horizontal/Vertical)</b>	<b>HORIZONTAL</b>
<b>Size (Acres)</b>	<b>320</b>
<b>Building Blocks:</b>	<b>QUARTER SECTION</b>
<b>Orientation:</b>	<b>NORTH-SOUTH</b>
<b>Description: TRS/County</b>	<b>E/2E/2 OF S30 &amp; 31,T25S,R28E, EDDY COUNTY, NM</b>
<b>Standard Horizontal Well Spacing Unit (Y/N), If No, describe</b>	<b>YES</b>
<b>Other Situations</b>	
<b>Depth Severance: Y/N. If yes, description</b>	<b>NO</b>
<b>Proximity Tracts: If yes, description</b>	<b>NO</b>
<b>Proximity Defining Well: if yes, description</b>	<b>NO</b>
<b>Applicant's Ownership in Each Tract</b>	<b>EXHIBIT 1, ATTACHMENT B</b>
<b>Well(s)</b>	
<b>Name &amp; API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)</b>	<b>EXHIBIT 1, ATTACHMENT A</b>
<b>Well #1</b>	<b>MYOX 31 STATE COME WELL NO. 502H, API NO. PENDING. SHL: 290 FSL AND 1335 FEL (UNIT O), S31-T25S-R28E,NMPM BHL: 50 FNL AND 1814 FEL (UNIT B), S30-T25S-R28E, NMPM. COMPLETION TARGET: SECOND BONE SPRING AT APPROX 7750 TVD. WELL ORIENTATION SOUTH TO NORTH. COMPLETION LOCATION EXPECTED TO BE STANDARD.</b>
<b>Well #2</b>	
<b>Horizontal Well First and Last Take Points</b>	<b>EXHIBIT 1, ATTACHMENT A (C-102s)</b>
<b>Completion Target (Formation, TVD and MD)</b>	<b>EXHIBIT 2, ATTACHMENT G (X-SECTION)</b>
<b>AFE Capex and Operating Costs</b>	
<b>Drilling Supervision/Month \$</b>	<b>\$7000/MONTH</b>

Production Supervision/Month \$	\$700/MONTH
Justification for Supervision Costs	EXHIBIT 1 (PARA. 12), ATTACHMENT C (AFES)
Requested Risk Charge	200%, SEE APPLICATION
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	EXHIBIT 3
Proof of Mailed Notice of Hearing (20 days before hearing)	EXHIBIT 3
Proof of Published Notice of Hearing (10 days before hearing)	EXHIBIT 3
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	EXHIBIT 1, ATTACHMENT B
Tract List (including lease numbers and owners)	EXHIBIT 1, ATTACHMENT B
Pooled Parties (including ownership type)	EXHIBIT 1, ATTACHMENT B
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	EXHIBIT 1, ATTACHMENT C
List of Interest Owners (ie Exhibit A of JOA)	EXHIBIT 1, ATTACHMENT B
Chronology of Contact with Non-Joined Working Interest	EXHIBIT 1 (PARA. 11 & 13), ATTACHMENT C
Overhead Rates In Proposal Letter	N/A
Cost Estimate to Drill and Complete	EXHIBIT 1, ATTACHMENT C (AFES)
Cost Estimate to Equip Well	EXHIBIT 1, ATTACHMENT C (AFES)
Cost Estimate for Production Facilities	EXHIBIT 1, ATTACHMENT C (AFES)
<b>Geology</b>	
Summary (including special considerations)	EXHIBIT 2
Spacing Unit Schematic	EXHIBIT 2, ATTACHMENT D
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	EXHIBIT 2
Target Formation	BONE SPRING
HSU Cross Section	EXHIBIT 2, ATTACHMENT G
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	EXHIBIT 1, ATTACHMENT A
Tracts	EXHIBIT 1, ATTACHMENT B
Summary of Interests, Unit Recapitulation (Tracts)	EXHIBIT 1, ATTACHMENT B
General Location Map (including basin)	EXHIBIT 1, ATTACHMENT B
Well Bore Location Map	EXHIBIT 2, ATTACHMENT D
Structure Contour Map - Subsea Depth	EXHIBIT 2, ATTACHMENT E
Cross Section Location Map (including wells)	EXHIBIT 2, ATTACHMENT F
Cross Section (including Landing Zone)	EXHIBIT 2, ATTACHMENT G
<b>Additional Information</b>	
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
Printed Name (Attorney or Party Representative):	Ocean Munds-Dry
Signed Name (Attorney or Party Representative):	Ocean Munds-Dry
Date:	1/8/20

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

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

Case No. 20980

**APPLICATION**

COG Operating LLC ("COG") through its under-signed attorneys hereby file this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, Sec. 70-2-17, for an order (1) creating a 320-acre, more or less, horizontal spacing and proration unit comprised of the W/2E/2 of Sections 30 and 31, Township 25 South, Range 28 East, N.M.P.M., Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Delaware River; Bone Spring [Pool Code: 16800]. In support of its Application, COG states:

1. COG (OGRID No. 229137) is a working interest owner in the proposed standard horizontal spacing and proration unit and has the right to drill a well thereon.
2. COG proposes to dedicate the above-referenced horizontal spacing and proration unit for its **Myox 31 State Com 502H** which will be horizontally drilled from a surface location in the SW/4SE/4 (Unit O) of Section 31 to a bottom hole location in NW/4NE/4 (Unit B) of Section 30;
3. The completed interval for these Wells will meet the 330-foot standard offset from the outer boundaries of the horizontal spacing unit and the first and last take points will remain within the 100-foot offset as required by the Statewide horizontal rules.

4. COG has sought in good faith and been unable to obtain voluntary agreement for the development of these lands from all of the working interest owners in the subject horizontal spacing unit.

5. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

6. COG requests an extension of the 120-day time period to drill and complete a well provided by the standard pooling order.

7. In order to permit COG to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled, and COG Operating LLC should be designated the operator of the proposed horizontal wells and horizontal spacing unit.


WHEREFORE, COG requests that, this Application be set for hearing before an Examiner of the Oil Conservation Division on January 9, 2020, and, after notice and hearing, the Division enter its order:

- A. Creating a 320-acre, more or less, standard horizontal spacing and proration unit in the Bone Spring Formation comprised of the W/2E/2 of Sections 30 and 31, Township 25 South, Range 28 East, N.M.P.M., Eddy County, New Mexico;
- B. Pooling all uncommitted interests in the Bone Spring Formation underlying the horizontal spacing and proration unit;
- C. Designating COG Operating LLC as the operator of the spacing unit and horizontal well to be drilled thereon;
- D. Providing an extension of the 120-day requirement to drill and complete a well;

- E. Authorizing COG to recover its costs of drilling, equipping, and completing the wells, and allocating its costs among the well's interest owners;
- F. Approving actual operating charges and costs charged for supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- G. Setting a 200% penalty for the risk assumed by COG in drilling and completing the wells against any working interest owner who does not voluntarily elect to participate in the drilling of the wells.

Respectfully submitted,

**COG OPERATING LLC**

By: 

Ocean Munds-Dry  
William R. Carr  
Elizabeth A. Ryan  
Michael Rodriguez  
1048 Paseo de Peralta  
Santa Fe, New Mexico 87508  
505-780-8000  
omundsdry@concho.com  
wcarr@concho.com  
eryan@concho.com  
mrodriguez@concho.com

**ATTORNEYS FOR COG OPERATING LLC**



Case No. \_\_\_\_\_: **Application of COG Operating LLC for Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above styled cause seeks an order (1) creating a 320-acre, more or less, horizontal spacing and proration unit comprised of the W/2E/2 of Sections 30 and 31, Township 25 South, Range 28 East, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring Formation. Said spacing unit shall be dedicated to the **Myox 31 State Com Well No. 502H** with a surface location in the SW/4SE/4 (Unit O) of Section 31 and a bottom hole location in NW/4NE/4 (Unit B) of Section 30. The completed interval and the first and last take points for these wells will remain within the standard offset required by the Rules. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof, as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the wells, and a 200% penalty for risk involved in the drilling the wells. Said area is approximately 8 miles southwest of Malaga, New Mexico.

# COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

<b>Case: 20981</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date</b>	<b>January 9, 2020</b>
<b>Applicant</b>	<b>COG Operating LLC</b>
<b>Designated Operator &amp; OGRID (affiliation if applicable)</b>	<b>229137</b>
<b>Applicant's Counsel:</b>	<b>Ocean Munds-Dry</b>
<b>Case Title:</b>	<b>APPLICATION OF COG OPERATING LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW</b>
<b>Entries of Appearance/Intervenors:</b>	<b>EARL DEBRINE ON BEHALF OF EOG RESOURCES, INC</b>
<b>Well Family</b>	<b>MYOX WELLS</b>
<b>Formation/Pool</b>	
<b>Formation Name(s) or Vertical Extent:</b>	<b>BONE SPRING</b>
<b>Primary Product (Oil or Gas):</b>	<b>OIL</b>
<b>Pooling this vertical extent:</b>	<b>BONE SPRING</b>
<b>Pool Name and Pool Code:</b>	<b>DELAWARE RIVER BS POOL (POOL CODE 16800)</b>
<b>Well Location Setback Rules:</b>	<b>STATEWIDE</b>
<b>Spacing Unit Size:</b>	<b>320 AC</b>
<b>Spacing Unit</b>	
<b>Type (Horizontal/Vertical)</b>	<b>HORIZONTAL</b>
<b>Size (Acres)</b>	<b>320</b>
<b>Building Blocks:</b>	<b>QUARTER SECTION</b>
<b>Orientation:</b>	<b>NORTH-SOUTH</b>
<b>Description: TRS/County</b>	<b>E/2E/2 OF S30 &amp; 31,T25S,R28E, EDDY COUNTY, NM</b>
<b>Standard Horizontal Well Spacing Unit (Y/N), If No, describe</b>	<b>YES</b>
<b>Other Situations</b>	
<b>Depth Severance: Y/N. If yes, description</b>	<b>NO</b>
<b>Proximity Tracts: If yes, description</b>	<b>NO</b>
<b>Proximity Defining Well: if yes, description</b>	<b>NO</b>
<b>Applicant's Ownership in Each Tract</b>	<b>EXHIBIT 1, ATTACHMENT B</b>
<b>Well(s)</b>	
<b>Name &amp; API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)</b>	<b>EXHIBIT 1, ATTACHMENT A</b>
<b>Well #1</b>	<b>MYOX 31 STATE COME WELL NO. 503H, API NO. PENDING. SHL: 270 FSL AND 1420 FWL (UNIT N), S31-T25S-R28E,NMPM BHL: 50 FNL AND 2228 FWL (UNIT C), S30-T25S-R28E, NMPM. COMPLETION TARGET: SECOND BONE SPRING AT APPROX 7750 TVD. WELL ORIENTATION SOUTH TO NORTH. COMPLETION LOCATION EXPECTED TO BE STANDARD.</b>
<b>Well #2</b>	
<b>Horizontal Well First and Last Take Points</b>	<b>EXHIBIT 1, ATTACHMENT A (C-102s)</b>
<b>Completion Target (Formation, TVD and MD)</b>	<b>EXHIBIT 2, ATTACHMENT G (X-SECTION)</b>
<b>AFE Capex and Operating Costs</b>	
<b>Drilling Supervision/Month \$</b>	<b>\$7000/MONTH</b>

Production Supervision/Month \$	\$700/MONTH
Justification for Supervision Costs	EXHIBIT 1 (PARA. 12), ATTACHMENT C (AFES)
Requested Risk Charge	200%, SEE APPLICATION
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	EXHIBIT 3
Proof of Mailed Notice of Hearing (20 days before hearing)	EXHIBIT 3
Proof of Published Notice of Hearing (10 days before hearing)	EXHIBIT 3
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	EXHIBIT 1, ATTACHMENT B
Tract List (including lease numbers and owners)	EXHIBIT 1, ATTACHMENT B
Pooled Parties (including ownership type)	EXHIBIT 1, ATTACHMENT B
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	EXHIBIT 1, ATTACHMENT C
List of Interest Owners (ie Exhibit A of JOA)	EXHIBIT 1, ATTACHMENT B
Chronology of Contact with Non-Joined Working Interests	EXHIBIT 1 (PARA. 11 & 13), ATTACHMENT C
Overhead Rates In Proposal Letter	N/A
Cost Estimate to Drill and Complete	EXHIBIT 1, ATTACHMENT C (AFES)
Cost Estimate to Equip Well	EXHIBIT 1, ATTACHMENT C (AFES)
Cost Estimate for Production Facilities	EXHIBIT 1, ATTACHMENT C (AFES)
<b>Geology</b>	
Summary (including special considerations)	EXHIBIT 2
Spacing Unit Schematic	EXHIBIT 2, ATTACHMENT D
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	EXHIBIT 2
Target Formation	BONE SPRING
HSU Cross Section	EXHIBIT 2, ATTACHMENT G
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	EXHIBIT 1, ATTACHMENT A
Tracts	EXHIBIT 1, ATTACHMENT B
Summary of Interests, Unit Recapitulation (Tracts)	EXHIBIT 1, ATTACHMENT B
General Location Map (including basin)	EXHIBIT 1, ATTACHMENT B
Well Bore Location Map	EXHIBIT 2, ATTACHMENT D
Structure Contour Map - Subsea Depth	EXHIBIT 2, ATTACHMENT E
Cross Section Location Map (including wells)	EXHIBIT 2, ATTACHMENT F
Cross Section (including Landing Zone)	EXHIBIT 2, ATTACHMENT G
<b>Additional Information</b>	
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
Printed Name (Attorney or Party Representative):	Ocean Munds-Dry
Signed Name (Attorney or Party Representative):	Ocean Munds-Dry
Date:	1/8/20

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

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

Case No. 20981

**APPLICATION**

COG Operating LLC ("COG") through its under-signed attorneys hereby file this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, Sec. 70-2-17, for an order (1) creating a 320-acre, more or less, horizontal spacing and proration unit comprised of the E/2W/2 of Sections 30 and 31, Township 25 South, Range 28 East, N.M.P.M., Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Delaware River; Bone Spring [Pool Code: 16800]. In support of its Application, COG states:

1. COG (OGRID No. 229137) is a working interest owner in the proposed standard horizontal spacing and proration unit and has the right to drill a well thereon.
2. COG proposes to dedicate the above-referenced horizontal spacing and proration unit for its **Myox 31 State Com 503H** which will be horizontally drilled from a surface location in the SE/4SW/4 (Unit N) of Section 31 to a bottom hole location in NE/4NW/4 (Unit C) of Section 30;
3. The completed interval for these Wells will meet the 330-foot standard offset from the outer boundaries of the horizontal spacing unit and the first and last take points will remain within the 100-foot offset as required by the Statewide horizontal rules.

4. COG has sought in good faith and been unable to obtain voluntary agreement for the development of these lands from all of the working interest owners in the subject horizontal spacing unit.

5. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

6. COG requests an extension of the 120-day time period to drill and complete a well provided by the standard pooling order.

7. In order to permit COG to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled, and COG Operating LLC should be designated the operator of the proposed horizontal wells and horizontal spacing unit.

WHEREFORE, COG requests that, this Application be set for hearing before an Examiner of the Oil Conservation Division on January 9, 2020, and, after notice and hearing, the Division enter its order:

- A. Creating a 320-acre, more or less, standard horizontal spacing and proration unit in the Bone Spring Formation comprised of the E/2W/2 of Sections 30 and 31, Township 25 South, Range 28 East, N.M.P.M., Eddy County, New Mexico;
- B. Pooling all uncommitted interests in the Bone Spring Formation underlying the horizontal spacing and proration unit;
- C. Designating COG Operating LLC as the operator of the spacing unit and horizontal well to be drilled thereon;
- D. Providing an extension of the 120-day requirement to drill and complete a well;

- E. Authorizing COG to recover its costs of drilling, equipping, and completing the wells, and allocating its costs among the well's interest owners;
- F. Approving actual operating charges and costs charged for supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- G. Setting a 200% penalty for the risk assumed by COG in drilling and completing the wells against any working interest owner who does not voluntarily elect to participate in the drilling of the wells.

Respectfully submitted,

**COG OPERATING LLC**

By:   
Ocean Munds-Dry  
William R. Carr  
Elizabeth A. Ryan  
Michael Rodriguez  
1048 Paseo de Peralta  
Santa Fe, New Mexico 87508  
505-780-8000  
omundsdry@concho.com  
wcarr@concho.com  
eryan@concho.com  
mrodriguez@concho.com

**ATTORNEYS FOR COG OPERATING LLC**

Case No. \_\_\_\_\_:

**Application of COG Operating LLC for Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above styled cause seeks an order (1) creating a 320-acre, more or less, horizontal spacing and proration unit comprised of the E/2W/2 of Sections 30 and 31, Township 25 South, Range 28 East, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring Formation. Said spacing unit shall be dedicated to the **Myox 31 State Com Well No. 503H** with a surface location in the SE/4SW/4 (Unit N) of Section 31 and a bottom hole location in NE/4NW/4 (Unit C) of Section 30. The completed interval and the first and last take points for these wells will remain within the standard offset required by the Rules. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof, as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the wells, and a 200% penalty for risk involved in the drilling the wells. Said area is approximately 8 miles southwest of Malaga, New Mexico.



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

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

**CASE NOS. 20979, 20980 & 20981**

**AFFIDAVIT OF TRAVIS MACHA  
IN SUPPORT OF CASE NOS. 20979-20981**

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 the applications filed by COG in these cases, and I am familiar with the status of the lands in the subject area.
4. None of the proposed parties to be pooled in these cases have indicated opposition, and therefore I do not expect any opposition at the hearing.
5. COG is seeking an order pooling all uncommitted interests in the Bone Spring formation and dedicating the following horizontal spacing units:
  - (a) the E/2E/2 of Sections 30 and 31, Township 25 South, Range 28 East, Eddy County, New Mexico to the Myox 31 State Com Well No. 501H with a surface location in the SE/4SE/4 (Unit P) of Section 31 and a bottomhole location in the NE/4NE/4 (Unit A) of Section 30;

(b) the W/2E/2 of Sections 30 and 31, Township 25 South, Range 28 East, Eddy County, New Mexico to the **Myox 31 State Com Well No. 502H** with a surface location in the SW/4SE/4 (Unit O) and a bottomhole location in the NW/4NE/4 (Unit B) of Section 30; and

(c) the E/2W/2 of Sections 30 and 31, Township 25 South, Range 28 East, Eddy County, New Mexico to the **Myox 31 State Com Well No. 503H** with a surface location in the SE/4SW/4 (Unit N) and a bottomhole location in the NE/4NW/4 (Unit C) of Section 30.

6. COG has prepared Form C-102s to file with the Division for the proposed Wells. The C-102s are attached as **COG Attachment A**. The assigned Pool is the North Hay Hollow Bone Spring Pool (Pool Code 30216).

7. The completed intervals for the proposed Wells will comply with the Division's setback requirements.

8. There are no depth severances in the Bone Spring formation.

9. **COG Attachment B** is an exhibit prepared by me that identifies the tracts of land comprising the horizontal spacing units. These horizontal spacing units include fee and state lands. This exhibit shows the interest owners and the percentage of their interest by tract. A unit recapitulation, showing the percentage of ownership interests in the proposed spacing unit, is also included on the exhibit. COG is seeking to pool the working interest owners highlighted in yellow in Exhibit B. There are no unleased mineral interest owners.

10. COG is not seeking to pool any overriding royalty interest owners.

11. COG sent well proposal letters to the working interest owners. AFEs for each well were included with the well proposal letters. The costs reflected in the AFEs are consistent

with what other operators have incurred for drilling similar horizontal wells in the area. A copy of the well proposal letters, along with the AFEs, is attached as **COG Attachment C**.

**Chronology of Contact with Non-Joined Interests:**

- October 3, 2019 – 503H proposed, Operating Agreement, Com, and Designation of Unit sent. (Chevron, Oxy Y-1, EOG)
- October 7, 2019 – 501H & 502H proposed, Operating Agreement, Coms, and Designations of Units sent. (Chevron)
- October 11, 2019 – Correspondence with Chevron confirming technical details.
- November 14, 2019 – Oxy Y-1 begins negotiating 503H JOA.
- No further Correspondence.

12. COG has made an estimate of overhead and administrative costs for drilling and producing the proposed wells. It is \$7,000/month while drilling, and \$700/month while producing. These costs are consistent with what other operators are charging in this area for these types of wells. COG respectfully requests that these administrative and overhead costs be incorporated into any orders entered by the Division in this case.

13. In my opinion, COG has made good faith efforts to reach an agreement with the parties it is seeking to pool. If COG reaches an agreement with any of these parties before the Division enters an order, I will let the Division know.

14. I provided my hearing counsel with the name and address for the proposed pool parties, which is included in Exhibit C. There were no unlocatable parties.

15. **COG Exhibit 1 (as well as Attachments A through C)** were either prepared by me or compiled under my direction and supervision.

Travis Macha  
TRAVIS MACHA

STATE OF TEXAS )

COUNTY OF midland )

SUBSCRIBED and SWORN to before me this 8th day of January 2020 by  
Travis Macha.

Tessa Elder  
NOTARY PUBLIC

My Commission Expires:

6/25/2023



District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 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 Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

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

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number	<sup>2</sup> Pool Code	<sup>3</sup> Pool Name
<sup>4</sup> Property Code	<sup>5</sup> Property Name <b>MYOX 31 STATE COM</b>	<sup>6</sup> Well Number <b>501H</b>
<sup>7</sup> GRID NO.	<sup>8</sup> Operator Name <b>COG OPERATING, LLC</b>	<sup>9</sup> Elevation <b>3038'</b>

<sup>10</sup> Surface Location

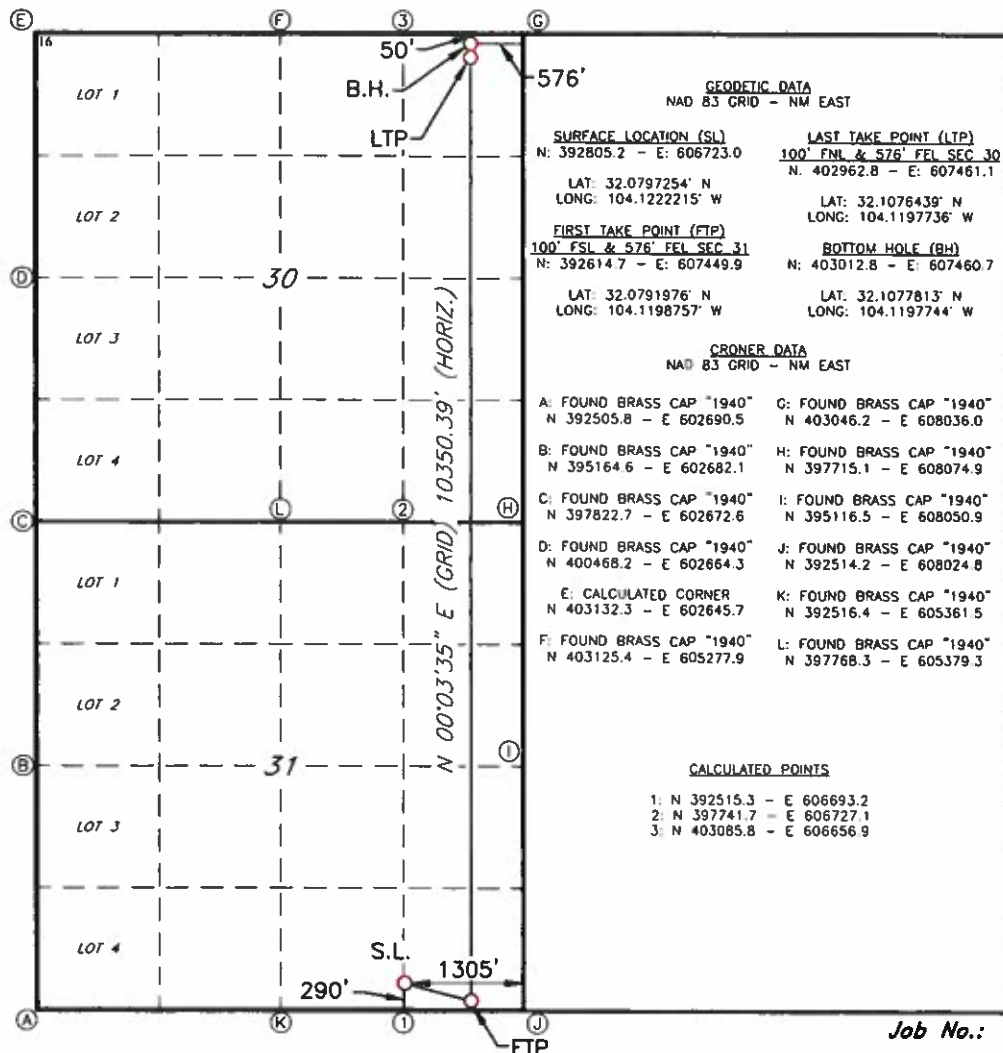
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
<b>P</b>	<b>31</b>	<b>25S</b>	<b>28E</b>		<b>290</b>	<b>SOUTH</b>	<b>1305</b>	<b>EAST</b>	<b>EDDY</b>

<sup>11</sup> 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
<b>A</b>	<b>30</b>	<b>25S</b>	<b>28E</b>		<b>50</b>	<b>NORTH</b>	<b>576</b>	<b>EAST</b>	<b>EDDY</b>

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
-------------------------------	-------------------------------	----------------------------------	-------------------------

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.



**<sup>17</sup> OPERATOR CERTIFICATION**

I hereby certify that the information contained 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division

Signature \_\_\_\_\_ Date \_\_\_\_\_  
Printed Name \_\_\_\_\_  
E-mail Address \_\_\_\_\_

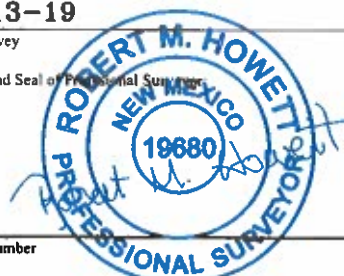
**<sup>18</sup> SURVEYOR CERTIFICATION**

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.

**11-13-19**

Date of Survey

Signature and Seal of Professional Surveyor



**19680**

Certificate Number

**BEFORE THE OIL CONSERVATION DIVISION**

Santa Fe, New Mexico  
Case No. 20979, 20980, 20981 Attachment A

Submitted by:

**COG OPERATING LLC**

Job No.:



District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 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 Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code		<sup>3</sup> Pool Name	
<sup>4</sup> Property Code		<sup>5</sup> Property Name <b>MYOX 31 STATE COM</b>			<sup>6</sup> Well Number <b>502H</b>
<sup>7</sup> OGRID NO.		<sup>8</sup> Operator Name <b>COG OPERATING, LLC</b>			<sup>9</sup> Elevation <b>3038'</b>

<sup>10</sup> Surface Location

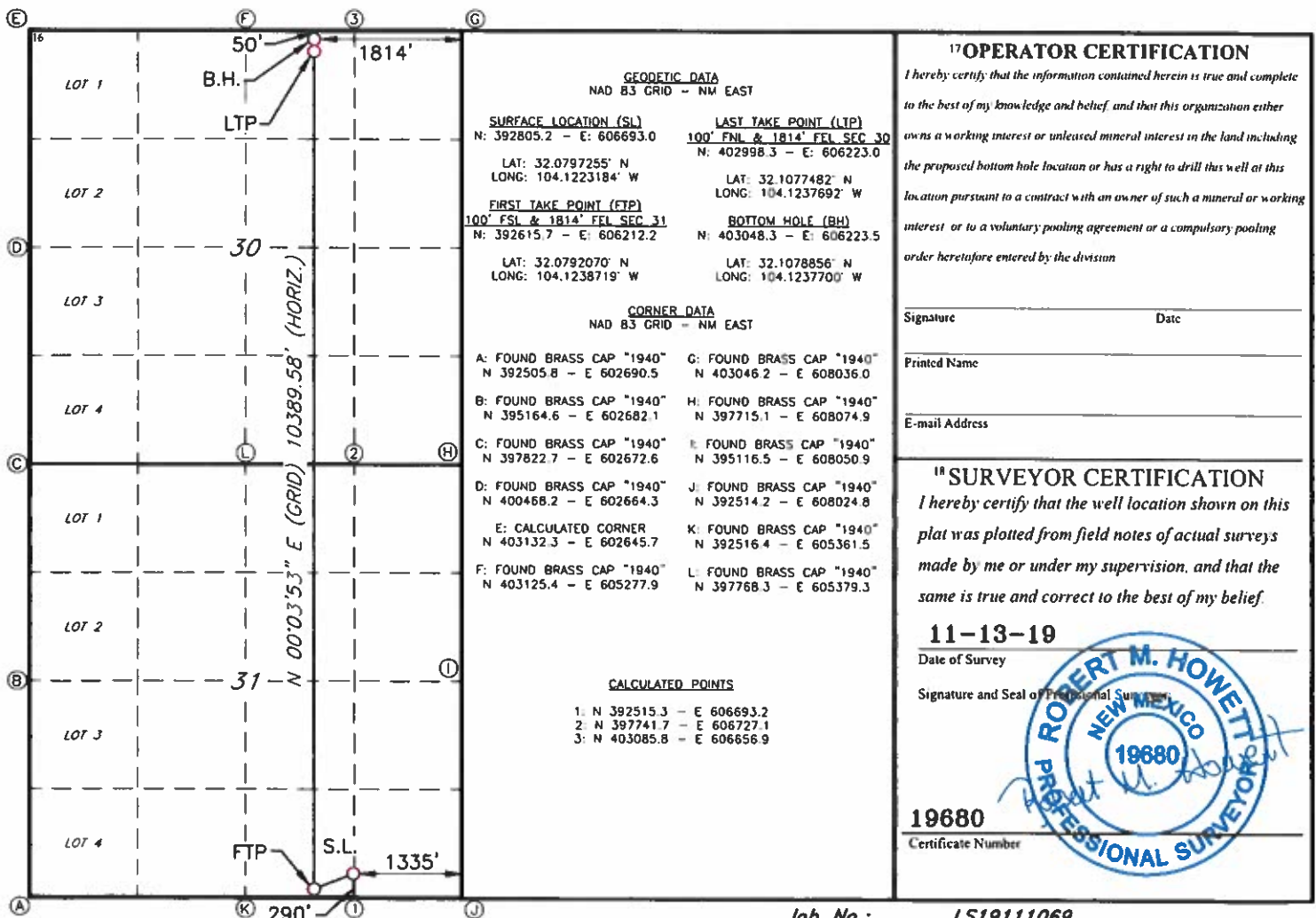
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
<b>0</b>	<b>31</b>	<b>25S</b>	<b>28E</b>		<b>290</b>	<b>SOUTH</b>	<b>1335</b>	<b>EAST</b>	<b>EDDY</b>

<sup>11</sup> 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
<b>B</b>	<b>30</b>	<b>25S</b>	<b>28E</b>		<b>50</b>	<b>NORTH</b>	<b>1814</b>	<b>EAST</b>	<b>EDDY</b>

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
-------------------------------	-------------------------------	----------------------------------	-------------------------

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.



District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 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 Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code		<sup>3</sup> Pool Name	
<sup>4</sup> Property Code		<sup>5</sup> Property Name <b>MYOX 31 STATE COM</b>			<sup>6</sup> Well Number <b>503H</b>
<sup>7</sup> GRID NO.		<sup>8</sup> Operator Name <b>COG OPERATING, LLC</b>			<sup>9</sup> Elevation <b>3071'</b>

<sup>10</sup> Surface Location

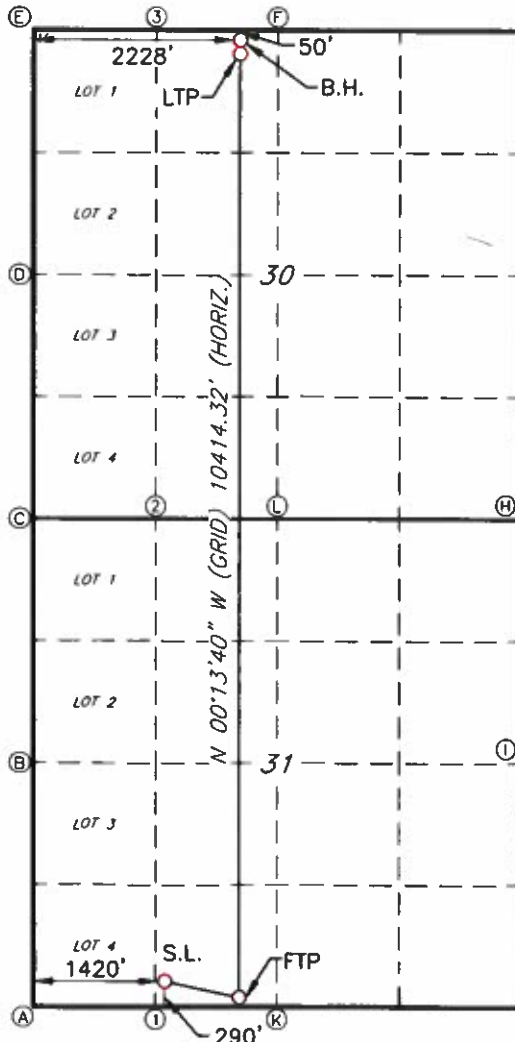
UL or lot no. <b>N</b>	Section <b>31</b>	Township <b>25S</b>	Range <b>28E</b>	Lot Idn	Feet from the <b>270</b>	North/South line <b>SOUTH</b>	Feet From the <b>1420</b>	East/West line <b>WEST</b>	County <b>EDDY</b>
---------------------------	----------------------	------------------------	---------------------	---------	-----------------------------	----------------------------------	------------------------------	-------------------------------	-----------------------

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no. <b>C</b>	Section <b>30</b>	Township <b>25S</b>	Range <b>28E</b>	Lot Idn	Feet from the <b>50</b>	North/South line <b>NORTH</b>	Feet from the <b>2228</b>	East/West line <b>WEST</b>	County <b>EDDY</b>
---------------------------	----------------------	------------------------	---------------------	---------	----------------------------	----------------------------------	------------------------------	-------------------------------	-----------------------

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
-------------------------------	-------------------------------	----------------------------------	-------------------------

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.



**GEODETIC DATA**  
NAD 83 GRID - NM EAST

**SURFACE LOCATION (SL)**  
N: 392781.3 - E: 604109.3  
LAT: 32.0796734° N  
LONG: 104.1306606° W

**LAST TAKE POINT (LTP)**  
N: 403026.5 - E: 604873.9  
LAT: 32.1078329° N  
LONG: 104.1281290° W

**FIRST TAKE POINT (FTP)**  
N: 392614.6 - E: 604915.3  
LAT: 32.0792109° N  
LONG: 104.1280593° W

**BOTTOM HOLE (BH)**  
N: 403076.5 - E: 604873.5  
LAT: 32.1079703° N  
LONG: 104.1281298° W

**CORNER DATA**  
NAD 83 GRID - NM EAST

A: FOUND BRASS CAP "1940"  
N 392505.8 - E 602690.5

B: FOUND BRASS CAP "1940"  
N 395164.6 - E 602682.1

C: FOUND BRASS CAP "1940"  
N 397822.7 - E 602672.6

D: FOUND BRASS CAP "1940"  
N 400468.2 - E 602664.3

E: CALCULATED CORNER  
N 403132.3 - E 602645.7

F: FOUND BRASS CAP "1940"  
N 403125.4 - E 605277.9

G: FOUND BRASS CAP "1940"  
N 403046.2 - E 608036.0

H: FOUND BRASS CAP "1940"  
N 397715.1 - E 608074.9

I: FOUND BRASS CAP "1940"  
N 395116.5 - E 608050.9

J: FOUND BRASS CAP "1940"  
N 392514.2 - E 608024.8

K: FOUND BRASS CAP "1940"  
N 392516.4 - E 605361.5

L: FOUND BRASS CAP "1940"  
N 397768.3 - E 605379.3

**CALCULATED POINTS**

1: N 392511.1 - E 604026.3  
2: N 397795.4 - E 604031.2  
3: N 403128.9 - E 603968.4

**<sup>17</sup> OPERATOR CERTIFICATION**  
I hereby certify that the information contained 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 a mineral or working interest or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division

Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name \_\_\_\_\_

E-mail Address \_\_\_\_\_

**<sup>18</sup> SURVEYOR CERTIFICATION**  
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.

**11-13-19**  
Date of Survey

Signature and Seal of Professional Surveyor:

**19680**  
Certificate Number

Job No.: LS19111070



Sec 30	<p>Tract 1: Fee WI Owners: COG, Concho, Oxy, EOG</p> <p>Tract 2: State of NM VB-0836 WI Owners: COG, Concho, Oxy, EOG</p>	Sec 30	<p>Myox 31 State Com 502H Spacing</p> <p>Myox 31 State Com 501H Spacing</p>
Sec 31	<p>Tract 3: State of NM VB-0814 WI Owners: COG, Concho, Chevron, Oxy, EOG</p>	Sec 31	

**Myox 31 State Com 501H & 502H - Compulsory Pooling Info**

502H - W2E2 of Sections 30 and 31 of T25S-R28E

501H - E2E2 of Sections 30 and 31 of T25S-R28E

<b>Proposal</b>	<b>Completed</b>	<b>WI Parties:</b>	
JOA	Completed	COG Operating LLC	X
COM	Completed	Concho Oil & Gas LLC	X
DPU	Completed	Oxy Y-1 Company	Signed JOA
		EOG Resources, Inc.	Signed JOA
		Chevron U.S.A., Inc.	No info Received

Pooling

Leasehold Ownership				
	COG & Concho	Oxy Y-1	EOG	Chevron
Tract 1	100.0000000%	0.0000000%	0.0000000%	0.0000000%
Tract 2	68.9051391%	4.2574280%	26.8374329%	0.0000000%
Tract 3	68.9053125%	4.2574280%	26.8374329%	0.0000000%

**Notes** - COG is not seeking to pool Oxy's or EOG's interest as they have signed up under the 2005 JOA covering both the Myox 31 State Com 501H & 502H proration units. The proposal and elections to EOG and Oxy are subject to that JOA. Due to the underlying OA being so large (3000+ Acres). Leasehold Ownership and Unit Recapitulation do not correspond exactly.

Unit Recapitulation	
Owner	Working Interest
COG Operating	63.12420359%
Concho Oil & Gas	0.95461523%
Oxy Y-1	4.25742900%
EOG Resources	26.83733700%
Chevron U.S.A.	4.82641518%

**BEFORE THE OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico  
Case No. 20979, 20980, 20981 Attachment B  
Submitted by:  
**COG OPERATING LLC**  
Hearing Date: January 9, 2020

Tract 1: Fee WI Owners: COG, Concho, Oxy, EOG		Sec 30	POOLED UNDER ORDER NO. R-20967	Myox 31 State Com 503H Spacing		Sec 30
Tract 2: State of NM VB-0836 WI Owners: COG, Concho, Oxy, EOG						
Tract 3: State of NM VB-08106 WI Owners: COG, Chevron,		Sec 31				Sec 31

**Myox 31 State Com 503H - Compulsory Pooling Info**  
503H - E2W2 of Sections 30 and 31 of T255-R28E

<b>Proposal</b>	<b>Completed</b>	<b>WI Parties:</b>	
JOA	Completed	COG Operating LLC	X
COM	Completed	Concho Oil & Gas LLC	X
DPU	Completed	Oxy Y-1 Company	No info Received
		EOG Resources, Inc.	No info Received
		Chevron U.S.A., Inc.	No info Received

Pooling

Leasehold Ownership				
	COG & Concho	Oxy Y-1	EOG	Chevron
Tract 1	100.0000000%	0.0000000%	0.0000000%	0.0000000%
Tract 2	68.9051391%	4.2574280%	26.8374329%	0.0000000%
Tract 3	0.0000000%	0.0000000%	0.0000000%	100.0000000%

**Notes** - Due to the underlying OAs being so large, Leasehold Ownership and Unit Recapitulation do not correspond exactly.

Unit Recapitulation	
Owner	Working Interest
COG Operating	36.69216125%
Concho Oil & Gas	0.74731100%
EOG Resources	13.41866850%
Oxy Y-1 Company	2.12871450%
Chevron U.S.A., Inc.	47.01314475%



November 12, 2019

*Via Certified Mail, Return Receipt Requested*

No. 91 7199 9991 7039 1769 0080

**OXY Y-1 Company**

5 Greenway Plaza, Suite 110

Houston, TX 77046

Attn: Courtney Carr

**BEFORE THE OIL CONSERVATION DIVISION**

Santa Fe, New Mexico

Case No. 20979, 20980, 20981 Attachment C

Submitted by:

**COG OPERATING LLC**

Hearing Date: January 9, 2020

**Re: Myox 31 State Com 501H & 502H**  
E/2 of Sections 30 & 31, T25S-R28E  
Eddy County, New Mexico

Dear Courtney:

COG Operating, LLC ("COG") hereby recinds the previously proposed Myox 31 State Com 501H and 502H that were originally proposed by letter dated October 7, 2019. COG additionally hereby recinds the wellbore-only Operated Agreement dated October 1, 2019, intending to cover the wellbores of the Myox 31 State Com 501H and 502H. For all purposes, it is COG's intention that the above referenced proposal dated October 7, 2019 and the wellbore-only Operating Agreement shall be void.

Pursuant to this letter, COG re-proposes the drilling of the Myox 31 State Com 501H and 502H wells with productive laterals located on the E/2 E/2 and W/2 E/2 of Sections 30 and 31 of T25S-R28E, Eddy County, New Mexico (collectively, the "Operation") as described below. The surface pad locations will be located in Units P and O of Section 31, T25S-R28E (or another legal location chose by Operator).

- **Myox 31 State Com 501H**, to be drilled to a depth sufficient to test the 2<sup>nd</sup> Bone Spring formation at a total vertical depth of 8,000' and a total measured depth of 18,000'. The surface location for this well is proposed at a legal location of 290' FSL & 1305' FEL OR in Unit P of Section 31, and a bottom hole location at a legal location of 50' FNL & 660' FEL OR in Unit A of Section 30. The dedicated project area with be the E/2 E/2 of Sections 30 & 31, T25S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$9,213,600.00, as shown on the attached Authority for Expenditure ("AFE").
- **Myox 31 State Com 502H**, to be drilled to a depth sufficient to test the 2<sup>nd</sup> Bone Spring formation at a total vertical depth of 8,000' and a total measured depth of 18,000'. The surface location for this well is proposed at a legal location of 290' FSL & 1335' FEL OR in Unit O of Section 31, and a bottom hole location at a legal location of 50' FNL & 1980' FEL OR in Unit B of Section 30. The dedicated project area with be the W/2 E/2 of Sections 30 & 31, T25S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$9,213,600.00, as shown on the attached AFE.

COG is proposing to drill these wells under the existing Myox Operating Agreement ("JOA") dated November 1, 2005, by and between Marbob Energy Corporation, as Operator, and Yates Petroleum Corporation, et al, as Non-Operator(s). Article VII. D of the JOA requires the Operator give notice to the participating parties once the well reaches its authorized depth and an election to participate in the setting of casing and the completion attempt (the "casing point election"). Considering the operational aspects of horizontal wells and the attached AFE reflecting costs through completion, an option is provided below for the participating parties to waive this casing point election.

November, 12 – Page 3  
Myox 31 State Com 501H & 502H

Additionally, Article XV.H. of the JOA states that "If such well is proposed to a depth above the base of the Bone Springs formation and is timely drilled and completed, any non-participating party shall assign all of its right, title and interest to the participating parties. Any such assignment shall be limited to (1) from the surface to 100' below the total depth drilled and (2) the proration unit for such well, plus two (2) offsetting direct or diagonal non-producing proration units as permitted or prescribed by the New Mexico Oil Conservation Division."

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.

Please indicate your participation elections in the space provided below, sign and return this letter, along with a signed copy of the enclosed AFEs and a copy of your geologic requirements, to my attention at the letterhead address or by email to [tmacha@concho.com](mailto:tmacha@concho.com). Should you have any questions, please do not hesitate to contact me at 432.221.0452.

Sincerely,

COG Operating LLC



Travis Macha  
Landman

TM:bh  
Enc

<u>WELL NAME</u>	<u>CONSENT &amp; WAIVE CP ELECTION</u> Elect to participate in drilling & completion of well AND waive casing point election	<u>CONSENT BUT DO NOT WAIVE CP ELECTION</u> Elect to participate in drilling & completion of well BUT require a casing point election for completion costs	<u>NON-CONSENT</u> Elect NOT to participate in the drilling & completion of well
Myox 31 St Com 501H			
Myox 31 St Com 502H			

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

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

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

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

COG OPERATING LLC  
AUTHORITY FOR EXPENDITURE  
Drill & Complete

Well Name	MYOX 31 ST COM 501H	Prospect	ATLAS 2528
SHL	31: 290 FSL, 1305 FEL OR UNIT P	State & County	NEW MEXICO, EDDY
BHL	30: 50 FNL, 660 FEL OR UNIT A	Objective	DRILL & COMPLETE
Formation	2ND BONE SPRING	Depth	18,000'
Legal	30 & 31, T25S-R28E	TVD	8,000'
AFE Numbers			

Cost Description	Code	PreSpud (PS)	Drilling (DR)	Completions (C)	Tank Bity Conestrotz(TB)	Pmpq Equip (PEQ)	Revision	Total
Tangible Costs								
D-Surface Casing	401		\$15,900.00				\$0.00	\$15,900.00
D-Intermed Csg	402		\$87,700.00				\$0.00	\$87,700.00
D-Production Casing/Liner	403		\$265,600.00				\$0.00	\$265,600.00
D-Wellhead Equip	405		\$42,600.00				\$0.00	\$42,600.00
C-Tubing	504			\$24,300.00			\$0.00	\$24,300.00
C-Wellhead Equip	505			\$13,900.00			\$0.00	\$13,900.00
PEQ-Pumping Unit	506						\$0.00	\$0.00
PEQ-Rods	508						\$0.00	\$0.00
TB-Tanks	510				\$84,300.00		\$0.00	\$84,300.00
TB-Flowlines/Pipelines	511				\$77,200.00		\$0.00	\$77,200.00
TB-Htr Trtr/Seprtr	512				\$189,600.00		\$0.00	\$189,600.00
TB-Electrical System/Equipment	513				\$126,400.00		\$0.00	\$126,400.00
C-Pckrs/Anchors/Hgrs	514			\$34,000.00			\$0.00	\$34,000.00
TB-Couplings/Fittings/Valves	515				\$189,600.00		\$0.00	\$189,600.00
TB-Gas Lift/Compression	516				\$133,400.00		\$0.00	\$133,400.00
TB-Pumps-Surface	521				\$19,700.00		\$0.00	\$19,700.00
TB-Meters/Lacts	525				\$24,600.00		\$0.00	\$24,600.00
TB-Flares/Combusters/Emission	526				\$24,600.00		\$0.00	\$24,600.00
C-Gas Lift/Compression	527			\$8,300.00			\$0.00	\$8,300.00
PEQ-Instrumentation/SCADA/POC	529					\$7,100.00	\$0.00	\$7,100.00
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					\$15,100.00	\$0.00	\$15,100.00
PEQ-Packers/Anchors/Hangers	534					\$70,500.00	\$0.00	\$70,500.00
PEQ-Miscellaneous	535					\$3,000.00	\$0.00	\$3,000.00
Total Tangible Costs		\$0.00	\$411,600.00	\$80,500.00	\$869,400.00	\$108,700.00	\$0.00	\$1,470,400.00

Intangible Costs								
PS-Title/Permits	201	\$6,100.00					\$0.00	\$6,100.00
D-Insurance	202	\$1,700.00					\$0.00	\$1,700.00
PS-Damages/ROW	203	\$10,100.00					\$0.00	\$10,100.00
PS-Survey/Stake Lctn	204	\$700.00					\$0.00	\$700.00
D-Lctn/Pits/Roads	205		\$86,800.00				\$0.00	\$86,800.00
D-Drilling Overhead	206		\$5,000.00				\$0.00	\$5,000.00
D-Daywork Contract	209		\$581,800.00				\$0.00	\$581,800.00
D-Directional Drig Services	210		\$246,900.00				\$0.00	\$246,900.00
D-Fuel & Power	211		\$139,200.00				\$0.00	\$139,200.00
D-Water	212		\$32,300.00				\$0.00	\$32,300.00
D-Bits	213		\$65,200.00				\$0.00	\$65,200.00
D-Mud & Chemicals	214		\$156,100.00				\$0.00	\$156,100.00
D-Cement Surface	217		\$12,800.00				\$0.00	\$12,800.00
D-Cement Intermed	218		\$59,900.00				\$0.00	\$59,900.00
D-Prod-2nd Int Cmt	219		\$65,200.00				\$0.00	\$65,200.00
D-Float Equipment & Centralizers	221		\$50,400.00				\$0.00	\$50,400.00
D-Csg Crews & Equip	222		\$33,000.00				\$0.00	\$33,000.00
D-Contract Labor	225		\$10,100.00				\$0.00	\$10,100.00
D-Company Sprvsn	226		\$40,400.00				\$0.00	\$40,400.00
D-Contract Sprvsn	227		\$65,200.00				\$0.00	\$65,200.00
D-Tstg Csg/Tbg	228		\$33,000.00				\$0.00	\$33,000.00
D-Mud Logging Unit	229		\$21,500.00				\$0.00	\$21,500.00
D-Perf/Wireline Svc	231		\$2,700.00				\$0.00	\$2,700.00
D-Rentals-Surface	235		\$173,500.00				\$0.00	\$173,500.00
D-Rentals-Subsrfc	236		\$149,300.00				\$0.00	\$149,300.00
D-Trucking/Forklift/Rig Mob	237		\$113,700.00				\$0.00	\$113,700.00
D-Welding Services	238		\$3,400.00				\$0.00	\$3,400.00
D-Contingency	243		\$41,700.00				\$0.00	\$41,700.00
D-Envrnmntl/Clsd Loop	244		\$233,400.00				\$0.00	\$233,400.00
C-Lctn/Pits/Roads	305			\$4,900.00			\$0.00	\$4,900.00
C-Frac Equipment	307			\$900,300.00			\$0.00	\$900,300.00
C-Frac Chemicals	308			\$548,500.00			\$0.00	\$548,500.00
C-Frac Proppant	309			\$853,500.00			\$0.00	\$853,500.00
C-Frac Proppant Transportation	310			\$133,300.00			\$0.00	\$133,300.00
C-Fuel & Power	311			\$8,400.00			\$0.00	\$8,400.00
C-Water	312			\$646,200.00			\$0.00	\$646,200.00
C-Bits	313			\$9,800.00			\$0.00	\$9,800.00
C-Mud & Chemicals	314			\$18,100.00			\$0.00	\$18,100.00
C-Contract Labor	325			\$9,800.00			\$0.00	\$9,800.00
C-Company Sprvsn	326			\$15,400.00			\$0.00	\$15,400.00
C-Contract Sprvsn	327			\$210,800.00			\$0.00	\$210,800.00
C-Tstg Csg/Tbg	328			\$2,800.00			\$0.00	\$2,800.00
C-Perf/Wireline Svc	331			\$361,500.00			\$0.00	\$361,500.00
C-Stimulation/Treating	332			\$6,300.00			\$0.00	\$6,300.00
C-Completion Unit	333			\$31,400.00			\$0.00	\$31,400.00
C-Rentals-Surface	335			\$240,800.00			\$0.00	\$240,800.00
C-Rentals-Subsrfc	336			\$34,200.00			\$0.00	\$34,200.00
C-Trucking/Forklift/Rig Mob	337			\$11,200.00			\$0.00	\$11,200.00
C-Welding Services	338			\$2,800.00			\$0.00	\$2,800.00
C-Water Disposal	339			\$31,400.00			\$0.00	\$31,400.00
C-Contingency	343			\$203,100.00			\$0.00	\$203,100.00
C-Envrnmntl/Clsd Loop	344			\$2,800.00			\$0.00	\$2,800.00
C-Dyed Diesel	345			\$335,700.00			\$0.00	\$335,700.00
C-Coil Tubing	346			\$318,900.00			\$0.00	\$318,900.00
C-Flowback Crews & Equip	347			\$32,100.00			\$0.00	\$32,100.00
TB-Location/Pits/Roads	353				\$61,400.00		\$0.00	\$61,400.00
TB-Contract Labor	356				\$148,000.00		\$0.00	\$148,000.00
TB-Water Disposal	362				\$87,700.00		\$0.00	\$87,700.00
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		\$18,600.00	\$2,422,500.00	\$4,974,000.00	\$297,100.00	\$31,000.00	\$0.00	\$7,743,200.00

Total Gross Cost	\$18,600.00	\$2,834,300.00	\$6,054,600.00	\$1,166,500.00	\$139,700.00	\$0.00	\$9,213,600.00
------------------	-------------	----------------	----------------	----------------	--------------	--------	----------------

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.



October 3, 2019

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

Re: **Myox 31 State Com 503H**  
E2W2 Sec. 30 & 31, T25S-R28E  
Eddy County, New Mexico

Dear Sir or Madam:

COG Operating LLC hereby proposes the drilling of the Myox 31 State Com 503H well, to be drilled to a depth sufficient to test the Bone Spring formation at a total vertical depth of 8,000' and total measured depth of 18,000'. The surface location is proposed at a legal location in Unit N of Section 31, T25S-R28E, and the bottom hole location at a legal location in Unit C of Section 30, T25S-R28E. The dedicated project area will be the E2W2 of Sections 30 and 31, T25S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$9,213,600.00, as shown on the attached Authority for Expenditure ("AFE").

COG has previously proposed a wellbore-only Operating Agreement ("OA") dated April 15, 2019, which covered the wellbore of the Myox 6 State Com 510H, located in Lots 1-4 (W2W2) of Sections 30 and 31, T25S-R28E. At this time, COG is revising that OA to cover both the wellbores of the Myox 6 State Com 510H, and also the Myox 31 State Com 503H wellbore, currently being proposed. A new OA has been attached for your review and approval covering both of these wellbores only.

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.

Please indicate your participation election in the space provided below, sign and return this letter, along with a signed copy of the enclosed AFE and a copy of your geologic requirements, to my attention at the letterhead address or by email to [tmacha@concho.com](mailto:tmacha@concho.com). Should you have any questions, please do not hesitate to contact me at 432.221.0452.

Sincerely,

**COG Operating LLC**

Travis Macha  
Landman II

Enc  
TM:bh

\_\_\_\_\_ I/We hereby elect to participate in the drilling and completion of the  
**Myox 31 State Com 503H.**

\_\_\_\_\_ I/We hereby elect not to participate in the drilling and completion of the  
**Myox 31 State Com 503H.**

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

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

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

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



**EXHIBIT "A"**  
**WORKING INTEREST OWNERS**

*Via E-CM No. 9414 8149 0246 9822 0038 13*  
**EOG Resources Inc.**  
5509 Champions Drive  
Midland, TX 79706  
Attn: Land Manager

*Via E-CM No. 9414 8149 0246 9822 0038 20*  
**OXY Y-1 Company**  
5 Greenway Plaza, Suite 110  
Houston, TX 77046  
Attn: Courtney Carr

*Via E-CM No. 9414 8149 0246 9822 0038 37*  
**Chevron U.S.A. Inc.**  
6301 Deauville Blvd  
Midland, TX 79706  
Attn: Kristen Hunter



COG OPERATING LLC  
AUTHORITY FOR EXPENDITURE  
Drill & Complete

Well Name	MYOX 31 ST COM 503H	Prospect	ATLAS 2528
SHL	31: 270 FSL 1420 FWL OR UNIT N	State & County	NEW MEXICO, EDDY
BHL	30: 50 FNL 1980 FWL OR UNIT C	Objective	DRILL & COMPLETE
Formation	2ND BONE SPRING	Depth	18,000'
Legal	30 & 31, T25S-R28E	TVD	8,000'
AFE Numbers			

Cost Description	Code	PreSpud (PS)	Drilling (DR)	Completions (C)	Tank Btty Constrcn(TB)	Pmpq Equip (PEQ)	Revelon	Total
Tangible Costs								
D-Surface Casing	401		\$15,900.00				\$0.00	\$15,900.00
D-Intermed Csg	402		\$87,700.00				\$0.00	\$87,700.00
D-Production Casing/Liner	403		\$265,600.00				\$0.00	\$265,600.00
D-Wellhead Equip	405		\$42,600.00				\$0.00	\$42,600.00
C-Tubing	504			\$24,300.00			\$0.00	\$24,300.00
C-Wellhead Equip	505			\$13,900.00			\$0.00	\$13,900.00
PEQ-Pumping Unit	506						\$0.00	\$0.00
PEQ-Rods	508						\$0.00	\$0.00
TB-Tanks	510				\$84,300.00		\$0.00	\$84,300.00
TB-Flowlines/Pipelines	511				\$77,200.00		\$0.00	\$77,200.00
TB-Htr Trtr/Seprtr	512				\$189,600.00		\$0.00	\$189,600.00
TB-Electrical System/Equipment	513				\$126,400.00		\$0.00	\$126,400.00
C-Pckrs/Anchors/Hgrs	514			\$34,000.00			\$0.00	\$34,000.00
TB-Couplings/Fittings/Valves	515				\$189,600.00		\$0.00	\$189,600.00
TB-Gas Lift/Compression	516				\$133,400.00		\$0.00	\$133,400.00
TB-Pumps-Surface	521				\$19,700.00		\$0.00	\$19,700.00
TB-Meters/Lacts	525				\$24,600.00		\$0.00	\$24,600.00
TB-Flares/Combusters/Emission	526				\$24,600.00		\$0.00	\$24,600.00
C-Gas Lift/Compression	527			\$8,300.00			\$0.00	\$8,300.00
PEQ-Instrumentation/SCADA/POC	529					\$7,100.00	\$0.00	\$7,100.00
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					\$15,100.00	\$0.00	\$15,100.00
PEQ-Packers/Anchors/Hangers	534					\$70,500.00	\$0.00	\$70,500.00
PEQ-Miscellaneous	535					\$3,000.00	\$0.00	\$3,000.00
Total Tangible Costs		\$0.00	\$411,800.00	\$80,600.00	\$669,400.00	\$108,700.00	\$0.00	\$1,470,400.00

Intangible Costs								
PS-Title/Permits	201	\$6,100.00					\$0.00	\$6,100.00
D-Insurance	202	\$1,700.00					\$0.00	\$1,700.00
PS-Damages/ROW	203	\$10,100.00					\$0.00	\$10,100.00
PS-Survey/Stake Lctn	204	\$700.00					\$0.00	\$700.00
D-Lctn/Pits/Roads	205		\$86,800.00				\$0.00	\$86,800.00
D-Drilling Overhead	206		\$5,000.00				\$0.00	\$5,000.00
D-Daywork Contract	209		\$581,800.00				\$0.00	\$581,800.00
D-Directional Orig Services	210		\$246,900.00				\$0.00	\$246,900.00
D-Fuel & Power	211		\$138,200.00				\$0.00	\$138,200.00
D-Water	212		\$32,300.00				\$0.00	\$32,300.00
D-Bits	213		\$65,200.00				\$0.00	\$65,200.00
D-Mud & Chemicals	214		\$156,100.00				\$0.00	\$156,100.00
D-Cement Surface	217		\$12,800.00				\$0.00	\$12,800.00
D-Cement Intermed	218		\$59,900.00				\$0.00	\$59,900.00
D-Prod-2nd Int Cmt	219		\$65,200.00				\$0.00	\$65,200.00
D-Float Equipment & Centralizers	221		\$50,400.00				\$0.00	\$50,400.00
D-Csg Crews & Equip	222		\$33,000.00				\$0.00	\$33,000.00
D-Contract Labor	225		\$10,100.00				\$0.00	\$10,100.00
D-Company Sprvsn	226		\$40,400.00				\$0.00	\$40,400.00
D-Contract Sprvsn	227		\$65,200.00				\$0.00	\$65,200.00
D-Tstg Csg/Tbg	228		\$33,000.00				\$0.00	\$33,000.00
D-Mud Logging Unit	229		\$21,500.00				\$0.00	\$21,500.00
D-Perf/Wireline Svc	231		\$2,700.00				\$0.00	\$2,700.00
D-Rentals-Surface	235		\$173,500.00				\$0.00	\$173,500.00
D-Rentals-Subsrfc	236		\$149,300.00				\$0.00	\$149,300.00
D-Trucking/Forklift/Rig Mob	237		\$113,700.00				\$0.00	\$113,700.00
D-Welding Services	238		\$3,400.00				\$0.00	\$3,400.00
D-Contingency	243		\$41,700.00				\$0.00	\$41,700.00
D-Envrnmnt/Clsd Loop	244		\$233,400.00				\$0.00	\$233,400.00
C-Lctn/Pits/Roads	305			\$4,900.00			\$0.00	\$4,900.00
C-Frac Equipment	307			\$900,300.00			\$0.00	\$900,300.00
C-Frac Chemicals	308			\$548,500.00			\$0.00	\$548,500.00
C-Frac Proppant	309			\$853,500.00			\$0.00	\$853,500.00
C-Frac Proppant Transportation	310			\$133,300.00			\$0.00	\$133,300.00
C-Fuel & Power	311			\$8,400.00			\$0.00	\$8,400.00
C-Water	312			\$646,200.00			\$0.00	\$646,200.00
C-Bits	313			\$9,800.00			\$0.00	\$9,800.00
C-Mud & Chemicals	314			\$18,100.00			\$0.00	\$18,100.00
C-Contract Labor	325			\$9,800.00			\$0.00	\$9,800.00
C-Company Sprvsn	326			\$15,400.00			\$0.00	\$15,400.00
C-Contract Sprvsn	327			\$210,800.00			\$0.00	\$210,800.00
C-Tstg Csg/Tbg	328			\$2,800.00			\$0.00	\$2,800.00
C-Perf/Wireline Svc	331			\$361,500.00			\$0.00	\$361,500.00
C-Stimulation/Treating	332			\$6,300.00			\$0.00	\$6,300.00
C-Completion Unit	333			\$31,400.00			\$0.00	\$31,400.00
C-Rentals-Surface	335			\$240,800.00			\$0.00	\$240,800.00
C-Rentals-Subsrfc	336			\$34,200.00			\$0.00	\$34,200.00
C-Trucking/Forklift/Rig Mob	337			\$11,200.00			\$0.00	\$11,200.00
C-Welding Services	338			\$2,800.00			\$0.00	\$2,800.00
C-Water Disposal	339			\$31,400.00			\$0.00	\$31,400.00
C-Contingency	343			\$203,100.00			\$0.00	\$203,100.00
C-Envrnmnt/Clsd Loop	344			\$2,800.00			\$0.00	\$2,800.00
C-Dyed Diesel	345			\$335,700.00			\$0.00	\$335,700.00
C-Coil Tubing	346			\$318,900.00			\$0.00	\$318,900.00
C-Flowback Crews & Equip	347			\$32,100.00			\$0.00	\$32,100.00
TB-Location/Pits/Roads	353				\$61,400.00		\$0.00	\$61,400.00
TB-Contract Labor	356				\$148,000.00		\$0.00	\$148,000.00
TB-Water Disposal	362				\$87,700.00		\$0.00	\$87,700.00
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		\$18,600.00	\$2,422,600.00	\$4,974,000.00	\$297,100.00	\$31,000.00	\$0.00	\$7,743,200.00

Total Gross Cost	\$18,600.00	\$2,834,300.00	\$5,054,500.00	\$1,168,500.00	\$139,700.00	\$0.00	\$9,213,600.00
------------------	-------------	----------------	----------------	----------------	--------------	--------	----------------

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.

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

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

**CASE NOS. 20979, 20980 & 20981**

**AFFIDAVIT OF CHESNEY GILLELAND  
IN SUPPORT OF CASE NOS. 20979-20981**

Chesney Gilleland, of lawful age and being first duly sworn, declares as follows:

1. My name is Chesney Gilleland. I work for COG Operating LLC ("COG") as a Geologist.

2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record.

3. I am familiar with the applications filed by COG in this case, and I have conducted a geologic study of the lands in the subject area.

4. COG is targeting the Bone Spring formation.

5. **COG Attachment D** is a locator map. It shows COG's acreage in yellow. The path of the proposed wellbores for the proposed **Myox 31 State Com Well Nos 501H, 502H and 503H** (collectively called the "Wells") are marked by a dashed line, and the surface hole locations are denoted by a circle.

6. **COG Attachment E** is a subsea structure map that I prepared off the top of the Bone Spring. I used the Bone Spring structure because it is a reliable regional marker and the target interval lies just above this marker. As with the locator map, the proposed wellbore path

for the proposed Wells is depicted by a dashed line. The structure map shows a gentle dip to the east. It also shows nearby Bone Spring producing wells. The structure appears consistent in this section. I do not observe any faulting, pinchouts, or other geologic hazards to developing a horizontal well.

7. **COG Attachment F**, shows four wells used to construct a cross-section from A to A'. I consider these wells to be representative of the geology of the area.

8. **COG Attachment G** is a cross section prepared by me for the representative wells from A to A'. For each well in the cross-section, the attachment shows the following logs: gamma ray, resistivity, and porosity. The proposed target intervals are labeled. The logs in the cross-section demonstrate that the target interval within the Bone Spring are consistent in thickness, across the entire proposed spacing units.

9. Based on my geologic study of the areas, I have not identified any geologic impediments to drilling horizontal wells in the area.

10. 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.

11. In my opinion, each quarter-quarter section will be productive and contribute more-or-less equally to each 40-acre unit comprising the spacing units.

12. In my opinion, horizontal drilling will be the most efficient method to develop this acreage, to prevent the drilling of unnecessary wells, and to result in the greatest ultimate recovery.

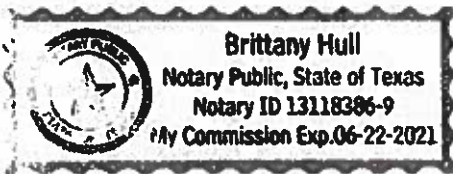
13. In my opinion, the granting of COG's applications in these cases will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.

14. COG Exhibit 2 (and Attachments D through G) were either prepared by me or compiled under my direction and supervision.

  
CHESNEY GILLELAND

STATE OF TEXAS )  
COUNTY OF midland )

SUBSCRIBED and SWORN to before me this 8<sup>th</sup> day of January 2020 by  
Chesney Gilleland.



  
NOTARY PUBLIC

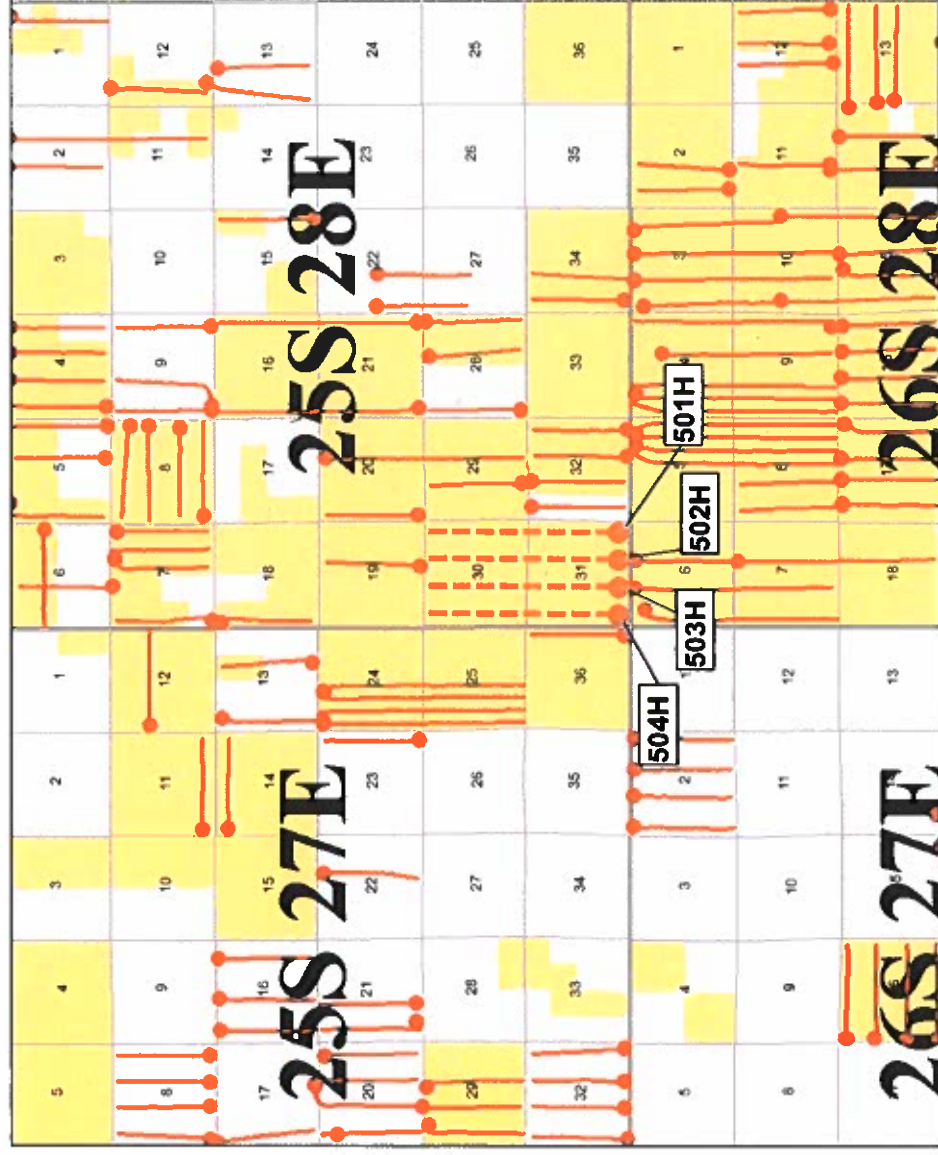
My Commission Expires:

6-22-21





# Bone Spring Pool Myox 31 State Com Location Map



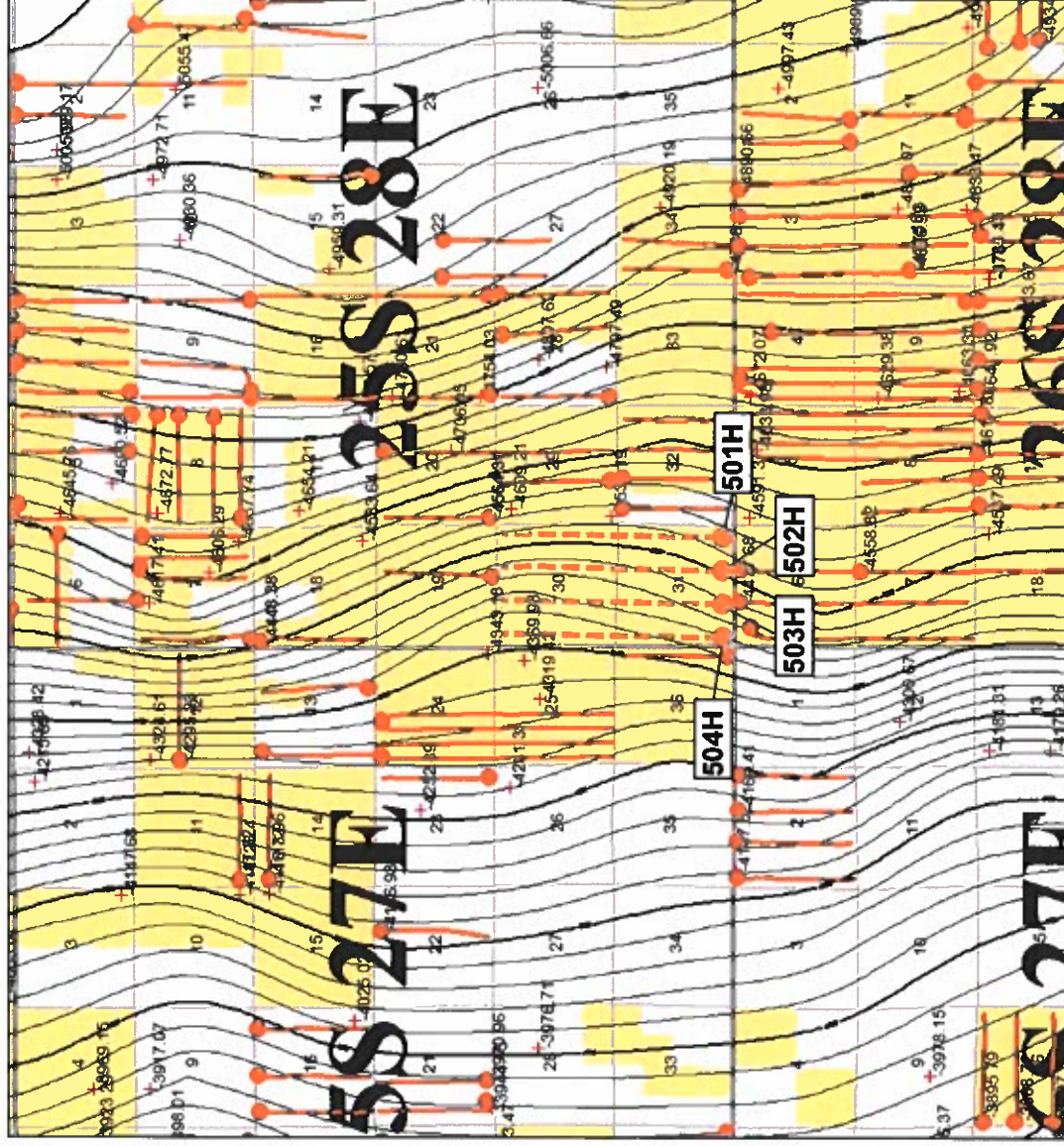
## Map Legend

- SHL
- BHL
- COG – Proposed Myox 31 Horizontal Location
- Producing Second Bone Spring Horizontals
- COG Acreage








# Bone Spring Pool

## Second Bone Spring Subsea Structure Map

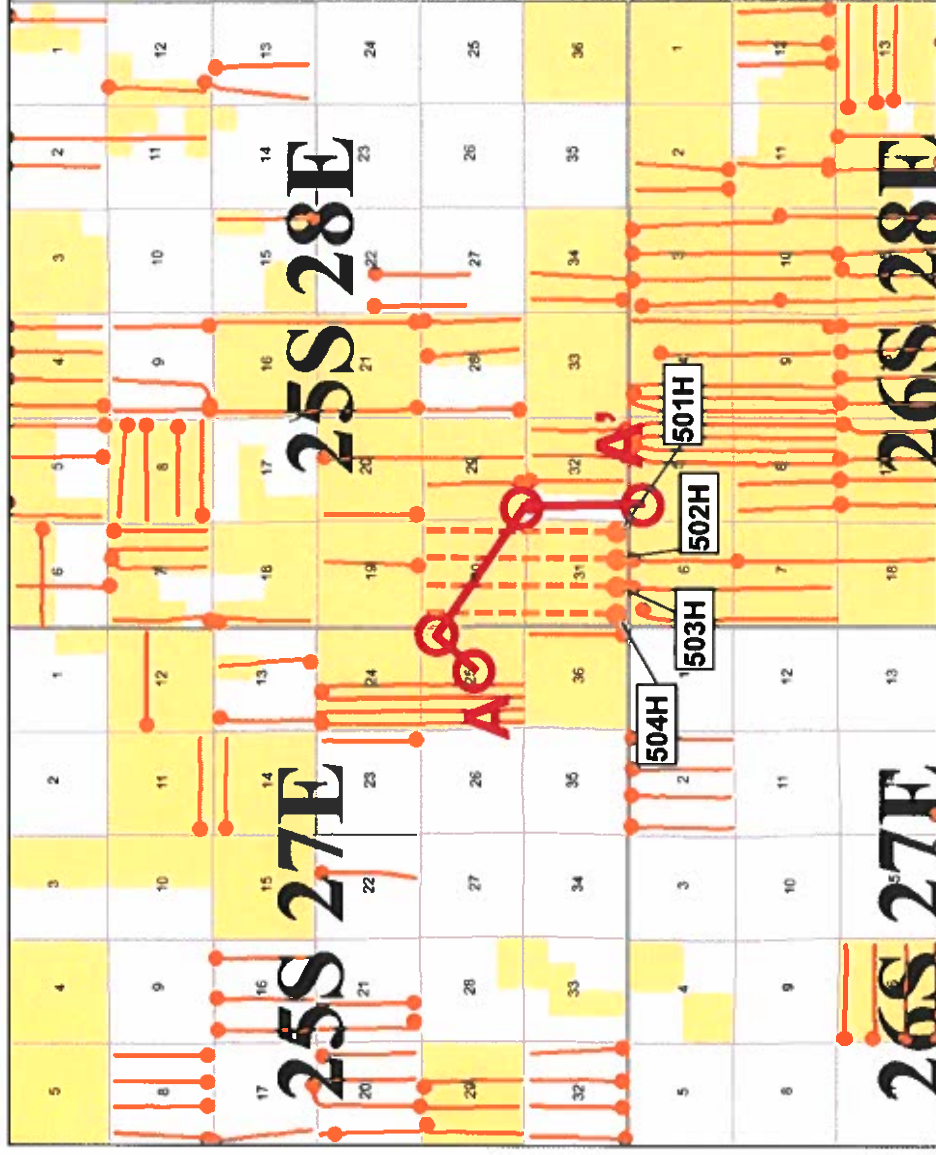


### Map Legend






- SHL**  **COG – Proposed Myox 31 Horizontal Location**
- BHL**  **Producing Second Bone Spring Horizontals**
-  **COG Acreage**
-  **Second Bone Spring Subsea Structural Contours**
- Cl: 25'**
- +**  **Data point**



# Bone Spring Pool Cross Section Location Map



**Map Legend**

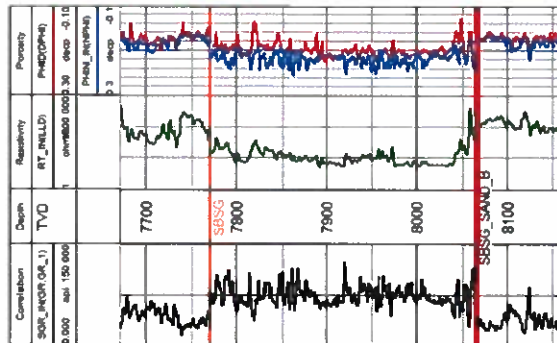
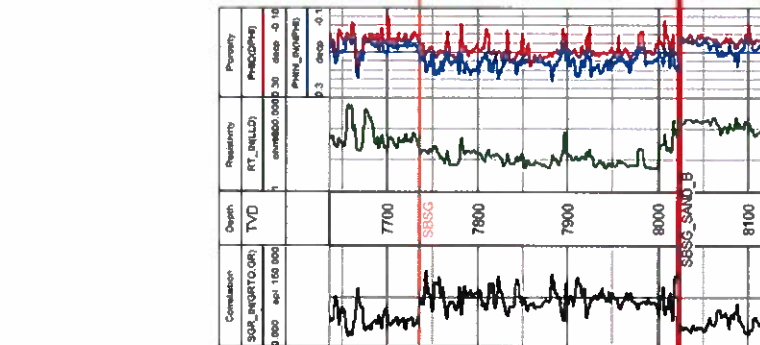
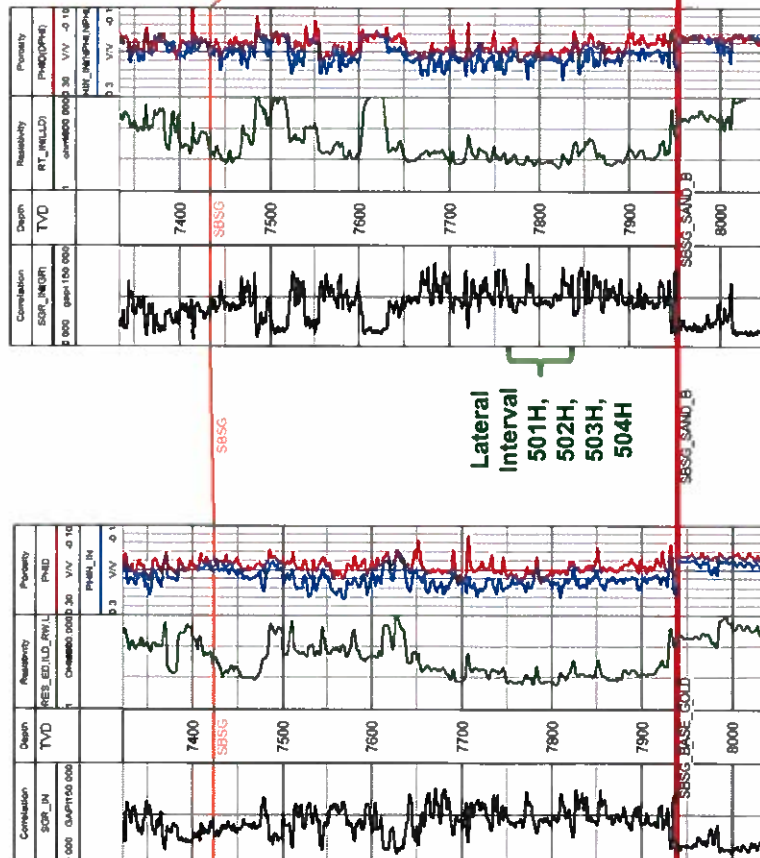
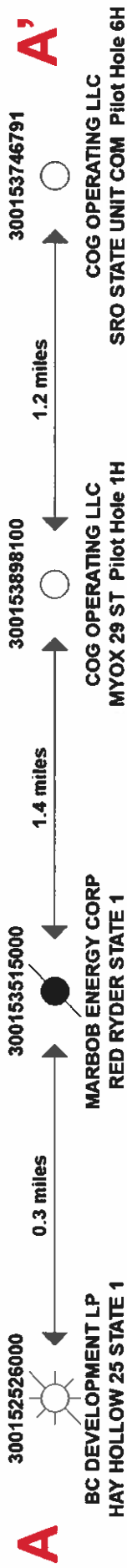
 SHL  
 BHL  
 Producing Second Bone Spring Horizontals  
 COG Acreage  
 Cross Section Line

COG – Proposed Myox 31 Horizontal Location





# Stratigraphic Cross Section A – A'



**DATUM**  
**SBSEG**  
**Base**



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

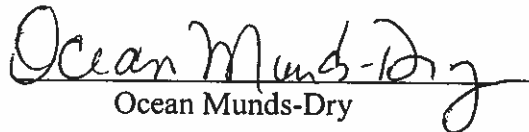
**APPLICATION OF COG OPERATING LLC FOR  
COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

**CASE NOS. 20979, 20980 & 2098**

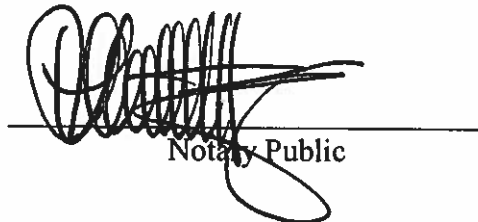
**AFFIDAVIT**

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

Ocean Munds-Dry, attorney and authorized representative of COG Operating LLC, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Applications were provided under the notice letters and proof of receipts attached hereto.

  
Ocean Munds-Dry

SUBSCRIBED AND SWORN to before me this 8<sup>th</sup> day of January 2020 by Ocean Munds-Dry.

  
Notary Public

 **OFFICIAL SEAL  
LISAMARIE ORTIZ  
NOTARY PUBLIC-STATE OF NEW MEXICO**  
My commission expires 01/14/2023

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Case No. 20979, 20980, 20981 Exhibit No. 3  
Submitted by:  
COG OPERATING LLC  
Hearing Date: January 9, 2020**

# Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

## Affidavit of Publication

Ad # 0003949181

This is not an invoice

CONCHO

1048 PASEO DE PERALTA

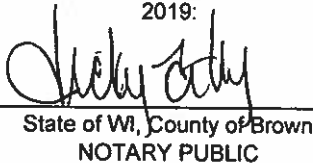
SANTA FE, NM 87501

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:

December 14, 2019

  
Legal Clerk

Subscribed and sworn before me this December 14, 2019:

  
State of WI, County of Brown  
NOTARY PUBLIC

9-14-11  
My commission expires

## 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 January 9, 2020, in Porter Hall, the Oil Conservation Division Hearing Room, 1st Floor, Wendell Chino Building, 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 January 2, 2020. Public documents, including the agenda and minutes, can be provided in various accessible formats. Members of the public may obtain copies of the docket by contacting Ms. Davidson at the phone number indicated above. Also, the docket will be posted on the Oil Conservation Division website at [www.emnrd.state.nm.us/OCD/](http://www.emnrd.state.nm.us/OCD/). Please contact Ms. 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 Working Interest Owners, Royalty Interest Owners, Overriding Royalty Interest Owners, Non-Participating Royalty Interest Owners, and Pooled Parties, including: Chevron USA, Inc.

Case No. 20979: Application of COG Operating LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above styled cause seeks an order (1) creating a 320-acre, more or less, horizontal spacing and proration unit comprised of the E/2E/2 of Sections 30 and 31, Township 25 South, Range 28 East, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring Formation. Said spacing unit shall be dedicated to the Myox 31 State Com Well No. 501H with a surface location in the SE/4SE/4 (Unit P) of Section 31 and a bottom hole location in NE/4NE/4 (Unit A) of Section 30. The completed interval and the first and last take points for these wells will remain within the standard offset required by the Rules. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof, as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the wells, and a 200% penalty for risk involved in the drilling the wells. Said area is approximately 8 miles southwest of Malaga, New Mexico.

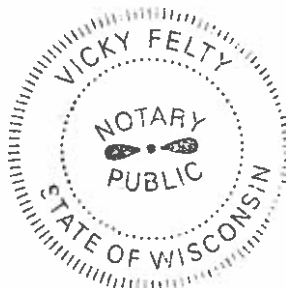
#3949181, Current Argus, Dec. 14, 2019

Ad # 0003949181

PO #: 501H

# of Affidavits: 1

This is not an invoice





Ocean Munds-Dry  
Senior Attorney

December 10, 2019

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

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

**Re: Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Myox 31 State Com 501H.**

Ladies and Gentlemen:

This letter is to advise you that COG Operating LLC has filed the enclosed application with the New Mexico Oil Conservation Division seeking a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.

This application has been set for hearing before a Division Examiner at 8:15 a.m. on January 9, 2020. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Office 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 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 hearing.

Sincerely,

A handwritten signature in cursive script that reads "Ocean Munds-Dry".

Ocean Munds-Dry  
Senior Counsel  
COG Operating LLC



**U.S. Postal Service<sup>TM</sup>**  
**CERTIFIED MAIL<sup>®</sup> RECEIPT**  
 Domestic Mail Only

For delivery information, visit our website at [www.usps.com](http://www.usps.com)<sup>®</sup>.

**OFFICIAL MAIL**

**Certified Mail Fee**  
 \$ \_\_\_\_\_  
 Extra Services & Fees (check box, add fee as appropriate)  
☐ Return Receipt (hardcopy) \$ \_\_\_\_\_  
☐ Return Receipt (electronic) \$ \_\_\_\_\_  
☐ Certified Mail Restricted Delivery \$ \_\_\_\_\_  
☐ Adult Signature Required \$ \_\_\_\_\_  
☐ Adult Signature Restricted Delivery \$ \_\_\_\_\_

Postmark  
 Here

Postage

Chevron USA, Inc.  
 6301 Deauville Blvd.  
 Midland, Texas 79706  
 Attn: Kristen Hunter

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

**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.

Chevron USA, Inc.  
 6301 Deauville Blvd.  
 Midland, Texas 79706  
 Attn: Kristen Hunter



7018 2290 0000 3430 9394

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

**ADDRESSEE: COMPLETE THIS SECTION**

**DELIVERY**

A. Signature ☒ Agent ☐ Addressee  
 B. Received by (Printed Name) \_\_\_\_\_ C. Date of Delivery \_\_\_\_\_  
 D. Is delivery address different from item 1? ☐ Yes ☐ No  
 If YES, enter delivery address below:

3. Service Type  
☐ Adult Signature ☐ Priority Mail Express<sup>®</sup>  
☐ Adult Signature Restricted Delivery ☐ Registered Mail<sup>™</sup>  
☐ Certified Mail<sup>®</sup> ☐ Certified Mail Restricted Delivery ☐ Return Receipt for Merchandise  
☐ Collect on Delivery ☐ Signature Confirmation<sup>™</sup>  
☐ Restricted Delivery ☐ Restricted Delivery

Domestic Return Receipt

# Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

## Affidavit of Publication

Ad # 0003949234

This is not an invoice

CONCHO  
1048 PASEO DE PERALTA

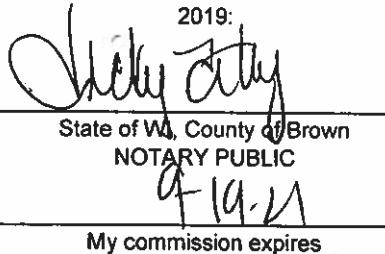
SANTA FE, NM 87501

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:

December 14, 2019

  
Legal Clerk

Subscribed and sworn before me this December 14, 2019:

  
State of W. County of Brown  
NOTARY PUBLIC  
9-19-21  
My commission expires

## 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 **January 9, 2020**, in Porter Hall, the Oil Conservation Division Hearing Room, 1st Floor, Wendell Chino Building, 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 **January 2, 2020**. Public documents, including the agenda and minutes, can be provided in various accessible formats. Members of the public may obtain copies of the docket by contacting Ms. Davidson at the phone number indicated above. Also, the docket will be posted on the Oil Conservation Division website at [www.emnrd.state.nm.us/OC/D/](http://www.emnrd.state.nm.us/OC/D/). Please contact Ms. 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 Working Interest Owners, Royalty Interest Owners, Overriding Royalty Interest Owners, Non-Participating Royalty Interest Owners, and Pooled Parties, including: Chevron USA, Inc.

Case No. 20980: Application of COG Operating LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above styled cause seeks an order (1) creating a 320-acre, more or less, horizontal spacing and proration unit comprised of the W/2E/2 of Sections 30 and 31, Township 25 South, Range 28 East, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring Formation. Said spacing unit shall be dedicated to the Myox 31 State Com Well No. 502H with a surface location in the SW/4SE/4 (Unit O) of Section 31 and a bottom hole location in NW/4NE/4 (Unit B) of Section 30. The completed interval and the first and last take points for these wells will remain within the standard offset required by the Rules. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof, as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the wells, and a 200% penalty for risk involved in the drilling the wells. Said area is approximately 8 miles southwest of Malaga, New Mexico.

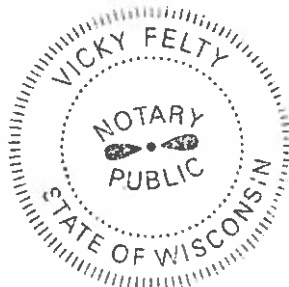
#3949234, Current Argus, Dec. 14, 2019

Ad # 0003949234

PO #: 502H

# of Affidavits : 1

This is not an invoice





Ocean Munds-Dry  
Senior Attorney

December 10, 2019

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

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

**Re: Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Myox 31 State Com 502H.**

Ladies and Gentlemen:

This letter is to advise you that COG Operating LLC has filed the enclosed application with the New Mexico Oil Conservation Division seeking a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.

This application has been set for hearing before a Division Examiner at 8:15 a.m. on January 9, 2020. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Office 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 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 hearing.

Sincerely,

*Ocean Munds-Dry*  
Ocean Munds-Dry  
Senior Counsel  
COG Operating LLC

7018 2290 0000 3430 9387

**U.S. Postal Service<sup>TM</sup>**  
**CERTIFIED MAIL<sup>®</sup> RECEIPT**  
*Domestic Mail Only*

For delivery information, visit our website at [www.usps.com](http://www.usps.com)<sup>®</sup>

**OFFICIAL MAIL 5021RE**

**Certified Mail Fee**

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$ \_\_\_\_\_

☐ Return Receipt (electronic) \$ \_\_\_\_\_

☐ Certified Mail Restricted Delivery \$ \_\_\_\_\_

☐ Adult Signature Required \$ \_\_\_\_\_

☐ Adult Signature Restricted Delivery \$ \_\_\_\_\_

Postage \$ \_\_\_\_\_

Postmark Here

Chevron USA, Inc.  
 6301 Deauville Blvd.  
 Midland, Texas 79706  
 Attn: Kristen Hunter

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

**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. Return Addressed to:

Chevron USA, Inc.  
 6301 Deauville Blvd.  
 Midland, Texas 79706  
 Attn: Kristen Hunter

2. Article Number (Transfer from service label)

7018 2290 0000 3430 9387

9590 9402 4582 8278 6186 01

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature ☒ Agent ☐ Addressee

B. Received by (Printed Name) C. Date of Delivery

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

3. Service Type

☐ Adult Signature ☐ Priority Mail Express<sup>®</sup>

☐ Adult Signature Restricted Delivery ☐ Registered Mail<sup>™</sup>

☐ Certified Mail<sup>®</sup> ☐ Registered Mail Restricted Delivery

☐ Certified Mail Restricted Delivery ☐ Return Receipt for Merchandise

☐ Collect on Delivery ☐ Signature Confirmation<sup>™</sup>

☐ Collect on Delivery Restricted Delivery ☐ Signature Confirmation Restricted Delivery

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

# Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

## Affidavit of Publication

Ad # 0003949839

This is not an invoice

### CONCHO

1048 PASEO DE PERALTA

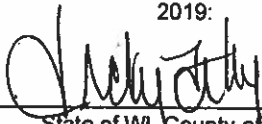
SANTA FE, NM 87501

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:

December 14, 2019

  
Legal Clerk

Subscribed and sworn before me this December 14, 2019:



State of WI, County of Brown  
NOTARY PUBLIC

9-19-21  
My commission expires

### 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 January 9, 2020, in Porter Hall, the Oil Conservation Division Hearing Room, 1st Floor, Wendell Chino Building, 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 January 2, 2020. Public documents, including the agenda and minutes, can be provided in various accessible formats. Members of the public may obtain copies of the docket by contacting Ms. Davidson at the phone number indicated above. Also, the docket will be posted on the Oil Conservation Division website at [www.emnrd.state.nm.us/OCD/](http://www.emnrd.state.nm.us/OCD/). Please contact Ms. 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 Working Interest Owners, Royalty Interest Owners, Overriding Royalty Interest Owners, Non-Participating Royalty Interest Owners, and Pooled Parties, including: Chevron USA, Inc., EOG Resources Inc. and OXY Y-1 Company.

Case No. 20981: Application of COG Operating LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above styled cause seeks an order (1) creating a 320-acre, more or less, horizontal spacing and proration unit comprised of the E/2W/2 of Sections 30 and 31, Township 25 South, Range 28 East, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring Formation. Said spacing unit shall be dedicated to the Myox 31 State Com Well No. 503H with a surface location in the SE/4SW/4 (Unit N) of Section 31 and a bottom hole location in NE/4NW/4 (Unit C) of Section 30. The completed interval and the first and last take points for these wells will remain within the standard offset required by the Rules. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof, as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the wells, and a 200% penalty for risk involved in the drilling the wells. Said area is approximately 8 miles southwest of Malaga, New Mexico.

#3949839, Current Argus, Dec. 14, 2019

Ad # 0003949839

PO #: 503H

# of Affidavits : 1

This is not an invoice







Ocean Munds-Dry  
Senior Attorney

December 10, 2019

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

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

**Re: Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Myox 31 State Com 503H.**

Ladies and Gentlemen:

This letter is to advise you that COG Operating LLC has filed the enclosed application with the New Mexico Oil Conservation Division seeking a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.

This application has been set for hearing before a Division Examiner at 8:15 a.m. on January 9, 2020. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Office 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 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 hearing.

Sincerely,

A handwritten signature in cursive script that reads "Ocean Munds-Dry".

Ocean Munds-Dry  
Senior Counsel  
COG Operating LLC

**U.S. Postal Service<sup>TM</sup>**  
**CERTIFIED MAIL<sup>®</sup> RECEIPT**  
*Domestic Mail Only*

For delivery information, visit our website at [www.usps.com](http://www.usps.com)

Certified Mail Fee

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$

Postage

Postmark  
Here

Chevron USA, Inc.  
 6301 Deauville Blvd.  
 Midland, Texas 79706  
 Attn: Kristen Hunter

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

**U.S. Postal Service<sup>TM</sup>**  
**CERTIFIED MAIL<sup>®</sup> RECEIPT**  
*Domestic Mail Only*

For delivery information, visit our website at [www.usps.com](http://www.usps.com)

Certified Mail Fee

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$

Postage

Postmark  
Here

BOG Resources Inc.  
 5509 Champions Drive  
 Midland, Texas 79706  
 Attn: Land Manager

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

**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:

Chevron USA, Inc.  
 6301 Deauville Blvd.  
 Midland, Texas 79706  
 Attn: Kristen Hunter

9590 9402 4582 8278 6186 18

2. Article Number (Transfer from service label)

7018 2290 0000 3430 9370

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

**ADDRESSEE, COMPLETE THIS SECTION**

A. Signature  
 B. Received by (Printed Name)  
 C. Date of Delivery  
 D. Is delivery address different from item 1? ☐ Yes ☐ No  
 If YES, enter delivery address below:

Signature  
 Received by (Printed Name)  
 Date of Delivery  
 Is delivery address different from item 1? ☐ Yes ☐ No  
 If YES, enter delivery address below:

3. Service Type  
☐ Adult Signature Restricted Delivery  
☐ Adult Signature Restricted Delivery  
☐ Certified Mail  
☐ Certified Mail Restricted Delivery  
☐ Collect on Delivery  
☐ Collect on Delivery Restricted Delivery  
☐ Mail Restricted Delivery  
☐ Priority Mail Express<sup>®</sup>  
☐ Registered Mail<sup>™</sup>  
☐ Registered Mail Restricted Delivery  
☐ Return Receipt for Merchandise  
☐ Signature Confirmation<sup>™</sup>  
☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt



**U.S. Postal Service™  
CERTIFIED MAIL® RECEIPT**  
Domestic Mail Only

For delivery information, visit our website at [www.usps.com](http://www.usps.com)®.

**OFFICIAL MAIL**

**Certified Mail Fee**

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$

☐ Return Receipt (electronic) \$

☐ Certified Mail Restricted Delivery \$

☐ Adult Signature Required \$

☐ Adult Signature Restricted Delivery \$

Postage \$

Postmark  
Here

OXY Y-1 Company  
6 Greenway Plaza, Suite 110  
Houston, Texas 77046  
Attn: Courtney Carr

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

7018 2290 0000 3430 9356

**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.

OXY Y-1 Company  
6 Greenway Plaza, Suite 110  
Houston, Texas 77046  
Attn: Courtney Carr



9590 9402 4582 8278 6186 32

7018 2290 0000 3430 9356

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

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

*[Signature]*

☐ Agent

B. Received by (Printed Name)

*[Signature]*

C. Date of Delivery  
12/18/14

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
- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

