



COG OPERATING LLC

Daisy 24 State Com 505H & 506H

Section 24 & 25 - T25S-27E
Eddy County, New Mexico

Case Nos. 20998 & 20999
BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING January 09, 2020



**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. 20998 & 20999

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COMPULSORY POOLING APPLICATION CHECKLIST (pdf)

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 20998

APPLICANT'S RESPONSE

Date: January 9, 2020

Applicant

COG Operating LLC

Designated Operator & OGRID (affiliation if applicable)

COG Operating LLC (OGRID No. 229137)

Applicant's Counsel:

Holland & Hart LLP

Case Title:

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

Entries of Appearance/Intervenors:

None

Well Family

Daisy 24 State Com wells

Formation/Pool

Formation Name(s) or Vertical Extent:

Bone Spring

Primary Product (Oil or Gas):

Oil

Pooling this vertical extent:

Bone Spring

Pool Name and Pool Code:

Hay Hollow; Bone Spring, North Pool (Pool Code
30216)

Well Location Setback Rules:

Statewide rules apply

Spacing Unit Size:

320 acres, more or less

Spacing Unit

Type (Horizontal/Vertical)

Horizontal

Size (Acres)

320 acres, more or less

Building Blocks:

quarter-quarter sections

Orientation:

Standup

Description: TRS/County

W/2 E/2 of Sections 24 and 25, Township 25 South,
Range 27 East, NMPM, Eddy County, New Mexico

Standard Horizontal Well Spacing Unit (Y/N), If No, describe

Yes

Other Situations

Depth Severance: Y/N. If yes, description

No

Proximity Tracts: If yes, description

No

Proximity Defining Well: if yes, description

No

Applicant's Ownership in Each Tract

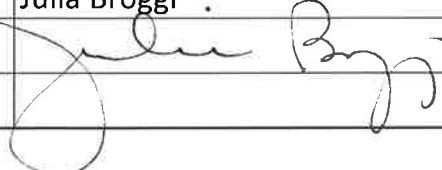
COG Exhibit A-3

Well(s)

Name & API (if assigned), surface and bottom hole location,
footages, completion target, orientation, completion status
(standard or non-standard)

Please see COG Exhibit A-1 for the C-102 for the
proposed Daisy 24 State Com No. 505H well

Case No. 20998 Well	Daisy 24 State Com Well No. 505H, API No. pending SHL:220 ft from North line and 710 ft from East line, (Unit A) of Section 24, Township 25 South, Range 27 East, NMPM. BHL:50 ft from South line and 1650 ft from East line, (Unit O) of Section 25, Township 25 South, Range 27 East, NMPM. Completion Target: Upper 2nd Bone Spring Sand at approx 7800 ft TVD Well Orientation:North to South Completion Location expected to be:Standard
Horizontal Well First and Last Take Points	Please see COG Exhibit A-1 for the C-102 for the proposed Daisy 24 State Com No. 505H well
Completion Target (Formation, TVD and MD)	COG Exhibit A-4
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$7,000
Production Supervision/Month \$	\$700
Justification for Supervision Costs	COG Exhibit A-4
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	See Application
Proof of Mailed Notice of Hearing (20 days before hearing)	COG Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	N/A
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	COG Exhibit A-3
Tract List (including lease numbers and owners)	COG Exhibit A-3
Pooled Parties (including ownership type)	COG Exhibit A-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	COG Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	COG Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	COG Exhibit A-5
Overhead Rates In Proposal Letter	N/A
Cost Estimate to Drill and Complete	COG Exhibit A-4
Cost Estimate to Equip Well	COG Exhibit A-4
Cost Estimate for Production Facilities	COG Exhibit A-4
Geology	
Summary (including special considerations)	COG Exhibit B
Spacing Unit Schematic	COG Exhibit B-1

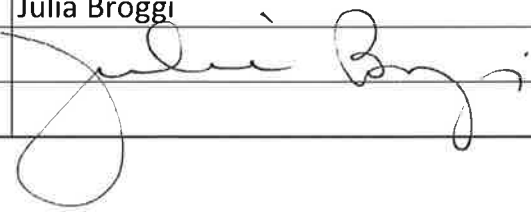
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	COG Exhibits B, B-1, B-2, B-3
Target Formation	COG Exhibits B, B-1, B-2, B-3, B-4
HSU Cross Section	COG Exhibits B, B-4
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	COG Exhibit A-1
Tracts	COG Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	COG Exhibit A-3
General Location Map (including basin)	COG Exhibit B-1
Well Bore Location Map	COG Exhibit B-2
Structure Contour Map - Subsea Depth	COG Exhibit B-2
Cross Section Location Map (including wells)	COG Exhibit B-3
Cross Section (including Landing Zone)	COG Exhibit B-4
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Julia Broggi
Signed Name (Attorney or Party Representative):	
Date: 1/8/2020	

COMPULSORY POOLING APPLICATION CHECKLIST (pdf)

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 20999	APPLICANT'S RESPONSE
Date: January 9, 2020	
Applicant	COG Operating LLC
Designated Operator & OGRID (affiliation if applicable)	COG Operating LLC (OGRID No. 229137)
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF COG OPERATING LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO
Entries of Appearance/Intervenors:	None
Well Family	Daisy 24 State Com wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring
Pool Name and Pool Code:	Hay Hollow; Bone Spring, North Pool (Pool code 30216)
Well Location Setback Rules:	Statewide rules apply
Spacing Unit Size:	320 acres, more or less
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres, more or less
Building Blocks:	quarter-quarter sections
Orientation:	Standup
Description: TRS/County	E/2 E/2 of Sections 24 and 25, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	No
Applicant's Ownership in Each Tract	COG Exhibit A-3
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Please see COG Exhibit A-2 for the C-102 for the proposed Daisy 24 State Com No. 506H well

Well #1	Daisy 24 State Com Well No. 506H , API No. 30-015-pending SHL: 225 ft from North line and 680 ft from East line, (Unit A) of Section 24, Township 25 South, Range 27 East, NMPM. BHL: 50 ft from South line and 330 ft from East line, (Unit P) of Section 25, Township 25 South, Range 27 East, NMPM. Completion Target: Upper 2nd Bone Spring Sand at approx 7800 ft TVD Well Orientation: North to South Completion Location expected to be: standard
Horizontal Well First and Last Take Points	Please see COG Exhibit A-2 for the C-102 for the proposed Daisy 24 State Com No. 506H well
Completion Target (Formation, TVD and MD)	COG Exhibit A-4
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$7,000
Production Supervision/Month \$	\$700
Justification for Supervision Costs	COG Exhibit A-4
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	See Application
Proof of Mailed Notice of Hearing (20 days before hearing)	COG Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	N/A
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	COG Exhibit A-3
Tract List (including lease numbers and owners)	COG Exhibit A-3
Pooled Parties (including ownership type)	COG Exhibit A-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	COG Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	COG Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	COG Exhibit A-5
Overhead Rates In Proposal Letter	N/A
Cost Estimate to Drill and Complete	COG Exhibit A-4
Cost Estimate to Equip Well	COG Exhibit A-4
Cost Estimate for Production Facilities	COG Exhibit A-4
Geology	
Summary (including special considerations)	COG Exhibit B
Spacing Unit Schematic	COG Exhibit B-1

Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	COG Exhibits B, B-1, B-2, B-3
Target Formation	COG Exhibits B, B-1, B-2, B-3, B-4
HSU Cross Section	COG Exhibits B, B-4
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	COG Exhibit A-12
Tracts	COG Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	COG Exhibit A-3
General Location Map (including basin)	COG Exhibit B-1
Well Bore Location Map	COG Exhibit B-2
Structure Contour Map - Subsea Depth	COG Exhibit B-2
Cross Section Location Map (including wells)	COG Exhibit B-3
Cross Section (including Landing Zone)	COG Exhibit B-4
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Julia Broggi
Signed Name (Attorney or Party Representative):	
Date: 1/8/2020	

**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. 20998 & 20999

**AFFIDAVIT OF TRAVIS MACHA
IN SUPPORT OF CASE NOS. 20998 & 20999**

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 parties proposed to be pooled in these cases has indicated opposition, therefore I do not expect any opposition at the hearing.
5. In Case No. 20998, COG seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the W/2 E/2 of Sections 24 and 25, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico.
6. COG seeks to dedicate this horizontal spacing unit to proposed initial **Daisy 24 State Com #505H** well (API No. 30-015-pending) to be drilled from a surface hole

location in NE/4 NE/4 (Unit A) of Section 24, to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 25.

7. **COG Exhibit No. A-1** contains a draft Form C-102 for the well. It is my understanding that the Division's District Office has placed this well in the Hay Hollow; Bone Spring, North Pool (Pool code 30216).

8. The completed interval of the proposed well will comply with statewide setbacks for oil wells.

9. In **Case No. 20999**, COG seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the E/2 E/2 of Sections 24 and 25, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico.

10. COG seeks to dedicate this horizontal spacing unit to proposed initial **Daisy 24 State Com #506H well** to be drilled from a surface hole location in NE/4 NE/4 (Unit A) of Section 24, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 25.

11. **COG Exhibit No. A-2** contains a draft Form C-102 for the well. It is my understanding that the Division's District Office has placed this well in the Hay Hollow; Bone Spring, North Pool (Pool code 30216).

12. The completed interval of the proposed well will comply with statewide setbacks for oil wells.

13. **COG Exhibit No. A-3** identifies the tracts of land comprising the proposed spacing units in **Case Nos. 20998 and 20999** that include both fee and state land. Exhibit A-3 also identifies the interest ownership by tract and ultimately by spacing unit. In both cases, COG is seeking to pool each of the working interest owners highlighted on the exhibit.

14. No ownership depth severances exist within the proposed spacing units in Case Nos. 20998 and 20999, and there are no unleased mineral interests in the subject acreage.

15. COG sent well proposal letters, together with corresponding AFEs, to the working interest owners in **Case Nos. 20998 and 20999**. 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 AFE, is attached hereto as **COG Exhibit A-4**.

16. COG has been able to locate contact information for all parties it seeks to pool and has undertaken good faith efforts to reach an agreement with the uncommitted interest owners. A chronology of COG's contacts with the party it is seeking to pool is attached hereto as **COG Exhibit A-5**.

17. In my opinion, COG has made good faith efforts to reach agreement with the parties it is seeking to pool in both **Case Nos. 20998 and 20999**. If COG reaches an agreement with any of the proposed pool parties before the Division enters any order, I will let the Division know that COG is no longer seeking to pool that party.

18. I provided the law firm of Holland & Hart LLP a list of names and addresses for the uncommitted interest owners COG is seeking to pool. In compiling this address, COG conducted a diligent search of all public records in the county where the proposed wells are located and of phone directories, including computer searches. All interest owners were locatable.

19. COG seeks approval of overhead and administrative costs at \$7,000/month while drilling and \$700/month while producing. These costs are consistent with what COG and 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 order entered by the Division in these cases.

20. **COG Exhibits A-1 through A-5** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.

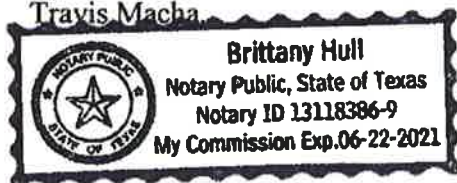


TRAVIS MACHA

STATE OF TEXAS)
)
COUNTY OF MIDLAND)

SUBSCRIBED and SWORN to before me this 7th day of January 2020 by

Travis Macha


NOTARY PUBLIC

My Commission Expires:

6-22-21

Case Nos. 20998 & 20999

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

1 API Number	2 Pool Code	3 Pool Name
4 Property Code	5 Property Name DAISY 24 STATE COM	6 Well Number 506H
7 OGRID No.	8 Operator Name COG OPERATING LLC	9 Elevation 3088'

" Surface Location

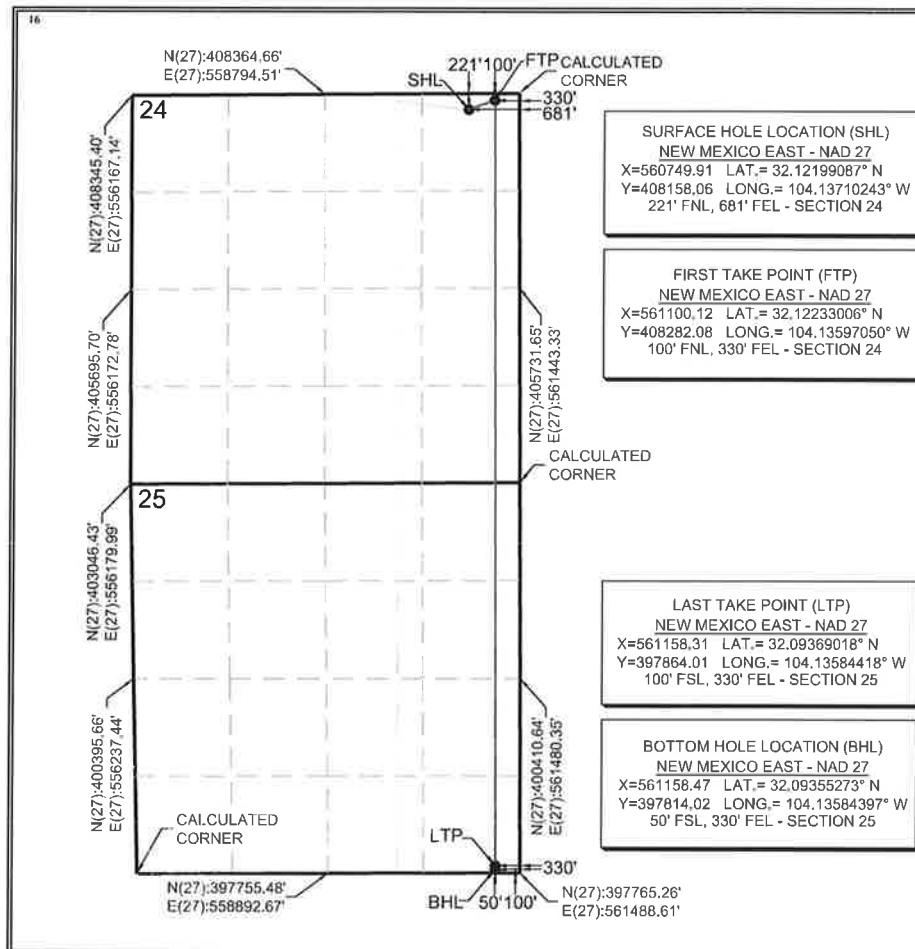
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	24	25-S	27-E		221'	NORTH	681'	EAST	EDDY

" Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	25	25-S	27-E		50'	SOUTH	330'	EAST	EDDY

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



17 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 _____

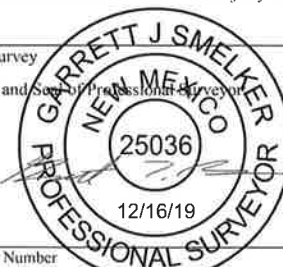
" SURVEYOR CERTIFICATION

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.

Date of Survey _____

Signature and Seal of Professional Surveyor _____

Certificate Number _____



BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. A2

Submitted by: COG OPERATING, LLC

Hearing Date: January 09, 2020

Case Nos. 20998 & 20999

Sec 24	Tract 1: State of NM VB-1006 WI Owners: COG, Devon, Chevron Tract 2: Fee WI Owners: COG, Devon, Chevron	Daisy 24 State Com 505H Spacing	Daisy 24 State Com 506H Spacing
Sec 25	Tract 3: State of NM VB-1007 WI Owners: COG, Devon, Chevron Tract 4: State of NM VB-0995 WI Owners: COG, Chevron		

Daisy 24 State Com 505H & 506H - Compulsory Pooling Info

505H - W2E2 of Sections 24 and 25 of T25S-R27E

506H - E2E2 of Sections 24 and 25 of T25S-R27E

Proposal	Completed	WI Parties:	
JOA	Completed	COG Operating LLC	X
COM	Completed	Concho Oil & Gas LLC	X
DPU	Completed	Devon Energy Production Company LP	No info received
		Chevron U.S.A., Inc.	Signed JOA

Pooling

Leasehold Ownership

	COG WI	Concho WI	Devon WI	Chevron WI
Tract 1 - Sec 24: NW	63.51961%	1.73562%	34.74477%	0.0000%
Tract 2 - Sec 24: SW	63.51961%	1.73562%	34.74477%	0.0000%
Tract 3 - Sec 25: NW	63.51961%	1.73562%	34.74477%	0.0000%
Tract 4 - Sec 25: SW	0.0000%	0.0000%	0.0000%	100.0000%

Notes - COG is not seeking to pool Chevrons interest as they have signed up under the JOA covering both the Daisy 24 State Com 505H and 506H proration units. The proposal and elections to Chevron are subject to that JOA.

Unit Recapitulation

Owner	Working Interest
COG Operating LLC	47.639705%
Concho Oil & Gas LLC	1.301718%
Devon Energy Prod Co LP	26.058577%
Chevron U.S.A., Inc.	25.000000%

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. A3

Submitted by: **COG OPERATING, LLC**

Hearing Date: January 09, 2020

Case Nos. 20998 & 20999



November 13, 2019

Via Certified Mail, Return Receipt Requested

No. 91 7199 9991 7039 1769 0066

Devon Energy Production Company LP

333 W Sheridan Ave.

Oklahoma City, OK 73102

Attn: Land Department

Re: **Well Proposals**
Daisy 24 State Com #505H & 506H
E/2 of Sections 24, 25, T25S-R27E
Eddy County, New Mexico

Dear Sir or Madam:

COG Operating, LLC ("COG") hereby proposes the drilling of the following horizontal wells with productive laterals located in the E/2 of Sections 24 and 25, T25S-R27E, Eddy County, New Mexico. The surface pad locations will be located in Unit A of Section 24, T25S-R27E (subject to change).

- **Daisy 24 State Com 505H**, to be drilled to a depth sufficient to test the 2nd Bone Spring formation at an approximate total vertical depth of 7,800'. The surface location for this well is proposed at approximately 220' FNL & 710' FEL, or in a legal location in Unit A of Section 24, and a bottom hole location at approximately 50' FSL & 1650' FEL, or in a legal location in Unit O of Section 25. The dedicated project area will be the W/2 E/2 of Sections 24 and 25, T25S-R27E, 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").
- **Daisy 24 State Com 506H**, to be drilled to a depth sufficient to test the 2nd Bone Spring formation at an approximate total vertical depth of 7,800'. The surface location for this well is proposed at approximately 225' FNL & 680' FEL, or in a legal location in Unit A of Section 24, and a bottom hole location at approximately 50' FSL & 330' FEL, or in a legal location in Unit P of Section 25. The dedicated project area will be the E/2 E/2 of Sections 24 and 25, T25S-R27E, 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 this well under the terms of the previously proposed Operating Agreement ("OA") dated February 1, 2019, by and between COG Operating LLC and Chevron U.S.A. Inc., covering All of Sections 24 & 25, T25S-R27E, Eddy County, New Mexico. Attached is a copy of this OA for your review and signature.

In the interest of time, 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 horizontal spacing unit for the proposed well.

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. A4

Submitted by: **COG OPERATING, LLC**

Hearing Date: January 09, 2020

Case Nos. 20998 & 20999

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. 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

WELL	ELECT TO PARTICIPATE IN THE DRILLING AND COMPLETION	ELECT <i>not</i> TO PARTICIPATE IN THE DRILLING AND COMPLETION
Daisy 24 State Com 505H		
Daisy 24 State Com 506H		

By: _____

Name: _____

Title: _____

Date: _____

COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
Drill & Complete

Well Name	Daisy 24 St Com #505H			Prospect	#71054 ATLAS 2527	
BHL	SEC 24: 220 FNL 710 FEL OR UNIT A			State & County	NEW MEXICO, EDDY	
Formation	SEC 25: 50 FSL 1650 FEL OR UNIT O			Objective	Drill & Complete	
Legal	BONE SPRING			Depth	16,000	
A/E Numbers	25S-27E-24			TVD	7,800	

Cost Description	Code	PreSpud (PS)	Drilling (DR)	Completions (C)	Tank Btty Construcn(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				\$94,300.00		\$0.00	\$94,300.00
TB-Flowlines/Pipelines	511				\$77,200.00		\$0.00	\$77,200.00
TB-Htr Trlr/Seprtr	512				\$189,600.00		\$0.00	\$189,600.00
TB-Electrical System/Equipment	513				\$126,400.00		\$0.00	\$126,400.00
C-Pktrs/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	528				\$24,600.00		\$0.00	\$24,600.00
C-Gas Lift/Compression	527			\$6,300.00			\$0.00	\$6,300.00
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					\$5,000.00	\$0.00	\$5,000.00
PEQ-Pumps	532					\$15,100.00	\$0.00	\$15,100.00
PEQ-Electrical System	533					\$70,500.00	\$0.00	\$70,500.00
PEQ-Packers/Anchors/Hangers	534					\$3,000.00	\$0.00	\$3,000.00
PEQ-Miscellaneous	535	\$0.00	\$411,800.00	\$60,500.00	\$689,400.00	\$108,700.00	\$0.00	\$1,470,400.00
Total Tangible Costs								

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/Plts/Roads	205		\$66,800.00				\$0.00	\$66,800.00
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		\$60,400.00				\$0.00	\$60,400.00
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 Spnsvn	226		\$40,400.00				\$0.00	\$40,400.00
D-Contract Spnsvn	227		\$85,200.00				\$0.00	\$85,200.00
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-Subsfc	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-Envrml/Oisd Loop	244		\$233,400.00				\$0.00	\$233,400.00
C-Lctn/Plts/Roads	305		\$4,900.00				\$0.00	\$4,900.00
C-Frac Chemicals	307		\$900,300.00				\$0.00	\$900,300.00
C-Frac Proppant	308		\$546,500.00				\$0.00	\$546,500.00
C-Frac Proppant Transportation	309		\$853,500.00				\$0.00	\$853,500.00
C-Fuel & Power	310		\$133,300.00				\$0.00	\$133,300.00
C-Water	311		\$8,400.00				\$0.00	\$8,400.00
C-Bits	312		\$646,200.00				\$0.00	\$646,200.00
C-Mud & Chemicals	313		\$9,800.00				\$0.00	\$9,800.00
C-Contract Labor	314		\$18,100.00				\$0.00	\$18,100.00
C-Company Spnsvn	325		\$9,800.00				\$0.00	\$9,800.00
C-Contract Spnsvn	326		\$15,400.00				\$0.00	\$15,400.00
C-Tstg Csg/Tbg	328		\$210,800.00				\$0.00	\$210,800.00
C-Perf/Wireline Svc	331		\$2,800.00				\$0.00	\$2,800.00
C-Stimulation/Freatng	332		\$361,500.00				\$0.00	\$361,500.00
C-Completion Unit	333		\$6,300.00				\$0.00	\$6,300.00
C-Rentals-Surface	335		\$31,400.00				\$0.00	\$31,400.00
C-Rentals-Subsfc	336		\$240,800.00				\$0.00	\$240,800.00
C-Trucking/Forklift/Rig Mob	337		\$34,200.00				\$0.00	\$34,200.00
C-Welding Services	338		\$11,200.00				\$0.00	\$11,200.00
C-Water Disposal	339		\$2,800.00				\$0.00	\$2,800.00
C-Contingency	343		\$31,400.00				\$0.00	\$31,400.00
C-Envrml/Oisd Loop	344		\$203,100.00				\$0.00	\$203,100.00
C-Dyed Diesel	345		\$2,800.00				\$0.00	\$2,800.00
C-Coil Tubing	346		\$335,700.00				\$0.00	\$335,700.00
C-Flowback Crews & Equip	347		\$318,900.00				\$0.00	\$318,900.00
TB-Localn/Plts/Roads	353		\$52,100.00				\$0.00	\$52,100.00
TB-Contract Labor	356		\$61,400.00				\$0.00	\$61,400.00
TB-Water Disposal	362		\$148,000.00				\$0.00	\$148,000.00
PEQ-Contract Labor	374		\$87,700.00				\$0.00	\$87,700.00
PEQ-Contract Supervision	376		\$5,500.00				\$0.00	\$5,500.00
PEQ-Completion Unit	381		\$5,000.00				\$0.00	\$5,000.00
PEQ-Rentals-Surface	383		\$10,500.00				\$0.00	\$10,500.00
PEQ-Tstg/Forklift/Rig Mobilization	385		\$7,000.00				\$0.00	\$7,000.00
Total Intangible Costs								
		\$18,600.00	\$2,422,500.00	\$4,974,000.00	\$297,100.00	\$331,000.00	\$0.00	\$7,743,200.00
Total Gross Cost								
		\$18,600.00	\$2,834,300.00	\$5,054,500.00	\$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

Company: _____
By: _____

By:

Printed Name: _____
Title: _____
Date: _____

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

COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
Drill & Complete

Well Name BHL Formation Legal AFE Numbers	Daisy 24 St Com #506H	Prospect State & County Objective Depth TVD
	SEC 24: 225 FNL 680 FEL OR UNIT A	
	SEC 25: 50 FSL 330 FEL OR UNIT P	
	BONE SPRING	
	25S-27E-24	
		#717054 ATLAS 2527 NEW MEXICO, EDDY Drill & Complete 16,000 7,800

Cost Description	Code	PreSpud (PS)	Drilling (DR)	Completions (C)	Tank Bty Contrctn(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-Hr Trlr/Seprtr	512				\$189,600.00		\$0.00	\$189,600.00
TB-Electrical System/Equipment	513				\$126,400.00		\$0.00	\$126,400.00
C-Pkrs/Anchors/Hgrs	514						\$0.00	\$0.00
TB-Couplings/Fittings/Valves	515			\$34,000.00			\$0.00	\$34,000.00
TB-Gas Lift/Compression	516						\$0.00	\$0.00
TB-Pumps-Surface	521				\$189,600.00		\$0.00	\$189,600.00
TB-Meters/Lacs	526				\$133,400.00		\$0.00	\$133,400.00
TB-Fires/Combusters/Emission	527				\$19,700.00		\$0.00	\$19,700.00
C-Gas Lift/Compression	529				\$24,600.00		\$0.00	\$24,600.00
PEQ-Instrumentation/SCADA/POC	530						\$0.00	\$0.00
PEQ-Tubing	531			\$8,300.00			\$0.00	\$8,300.00
PEQ-Wellhead Equipment	532					\$7,100.00	\$0.00	\$7,100.00
PEQ-Pumps	533					\$5,000.00	\$0.00	\$5,000.00
PEQ-Electrical System	534					\$5,000.00	\$0.00	\$5,000.00
PEQ-Packers/Anchors/Hangers	535					\$15,100.00	\$0.00	\$15,100.00
PEQ-Miscellaneous						\$70,500.00	\$0.00	\$70,500.00
Total Tangible Costs		\$0.00	\$411,800.00	\$50,500.00	\$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 Lch	204	\$700.00					\$0.00	\$700.00
D-Lctrn/Pits/Roads	205		\$86,600.00				\$0.00	\$86,600.00
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		\$245,900.00				\$0.00	\$245,900.00
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-Cso 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 Spvsn	228		\$40,400.00				\$0.00	\$40,400.00
D-Contract Spvsn	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-Perfr/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-Envmntl/Clsd Loop	244		\$233,400.00				\$0.00	\$233,400.00
C-Lctrn/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 Spvsn	326		\$15,400.00				\$0.00	\$15,400.00
C-Contract Spvsn	327		\$210,800.00				\$0.00	\$210,800.00
C-Tstg Csg/Tbg	328		\$2,800.00				\$0.00	\$2,800.00
C-Perfr/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-Envmntl/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-Flareback 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	\$5,054,500.00	\$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

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.

Daisy 24 State Com 505H & 506H

Operator: COG Operating LLC

Parties seeking to Pool: Devon Energy Production Company, LP

Brief Timeline of Events:

- January 8, 2019 – COG Operating proposed 4 wells (Daisy 24 State Com 501H-504H) under a JOA dated February 1, 2019 covering ALL of Sections 24 and 25 and ALL depths.
- January 9, 2019 to November 2019 – COG Operating drilled and completed the 4 initial Daisy 24 State Com 501H-504H wells (Devon sold their interest in these wells after COG pooled the spacing units)
- November 13, 2019 – COG Operating proposed the Daisy 24 State Com 505H and 506H wells to Devon under the JOA dated February 1, 2019. At this time, Devon also received the Communitization Agreements and Designation of Units to sign.
- November 20, 2019 – Email chain between Devon and COG begins (Brief summary below)
 - November 20, 2019
 - COG confirms to Devon Daisy 24 State Com 501-504 have been completed.
 - Devon confirms receipt of Daisy 24 State Com 505H and 506H proposals
 - Initial thoughts of a trade to get Devon out of the unit are mentioned
 - December 4, 2019
 - COG provides Devon information on timing of near-term developments and a few ideas for a trade schedule
 - Devon declines the initial trade offer, presents trade ideas COG is not interested in pursuing

No communication beyond December 4, 2019.

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. A5

Submitted by: **COG OPERATING, LLC**

Hearing Date: January 09, 2020

Case Nos. 20998 & 20999

**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. 20998 & 20999

**AFFIDAVIT OF CHESNEY GILLELAND
IN SUPPORT OF CASE NOS. 20998 & 20999**

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 these consolidated cases, and I have conducted a geologic study of the lands in the subject areas.
4. **COG Exhibit B-1** is a project locator map that includes Sections 24 and 25 that comprise the proposed spacing units in **Case Nos. 20998 and 20999**. The proposed wells in both cases are depicted by dashed orange lines. Existing producing wells in the Bone Spring formation are also noted on the map with solid orange lines.
5. In **Case Nos. 20998 and 20999**, COG is targeting the Second Bone Spring, within the Bone Spring formation, with its proposed **Daisy 24 State Com #505H and #506H wells**.
6. **COG Exhibit No. B-2** is a subsea structure map that I prepared on the top of the Second Bone Spring that is representative of the targeted interval within the Bone Spring formation. The structure map shows that the formation is gently dipping to the east in this area. I

do not observe any faulting, pinchouts, or other geologic impediments to developing the targeted interval with a horizontal well in this area.

7. **COG Exhibit No. B-3** overlays a cross-section line in red consisting of three wells penetrating the Bone Spring formation that I used to construct a stratigraphic cross-section from A to A'. I consider these wells to be representative of the geology in the area.

8. **COG Exhibit No. B-4** is a cross section using the representative wells depicted on Exhibit B-3. Each well in the cross-section contains gamma ray, resistivity, and porosity logs. The proposed targeted interval in the Bone Spring is labeled on the exhibit. The cross-section demonstrates that the targeted interval extends across the proposed spacing units.

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

10. Based on my geologic study, the Bone Spring formation underlying the subject area is suitable for development by horizontal wells and the acreage comprising the proposed spacing unit will contribute more-or-less equally to the production from the wellbores.

11. In my opinion, the granting of COG's applications in **Case Nos. 20998 and 20999** will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.

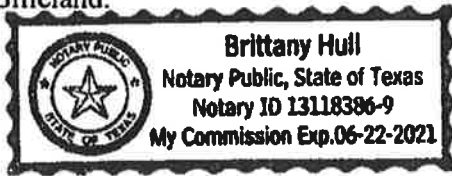
12. **COG Exhibit Nos. B-1 through B-4** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.


CHESNEY GILLELAND

STATE OF TEXAS)
)
COUNTY OF MIDLAND)

SUBSCRIBED and SWORN to before me this 6th day of January 2020 by Chesney Gilleland.



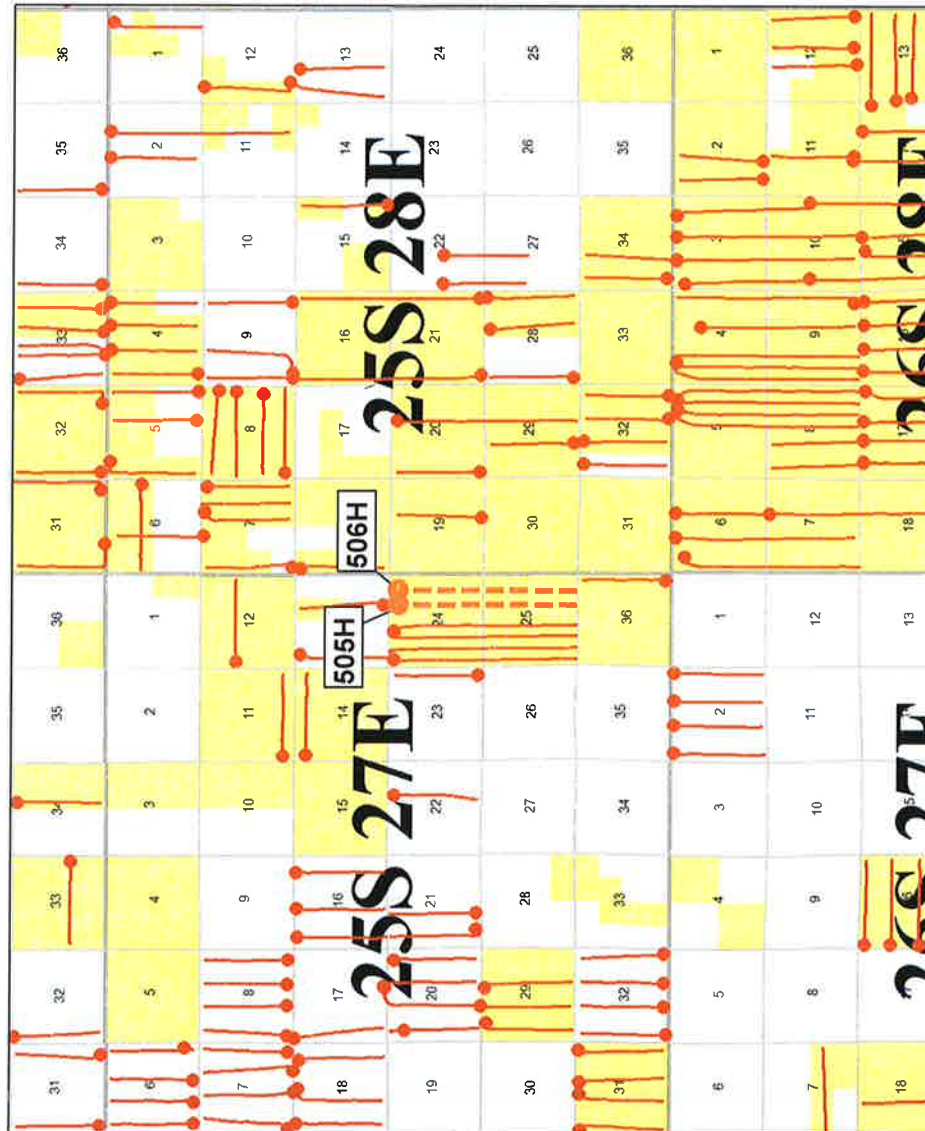

NOTARY PUBLIC

My Commission Expires:

6-22-21

Bone Spring Pool Daisy 24 State Com Location Map

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B1
Submitted by: **COG OPERATING, LLC**
Hearing Date: January 09, 2020
Case Nos. 20998 & 20999

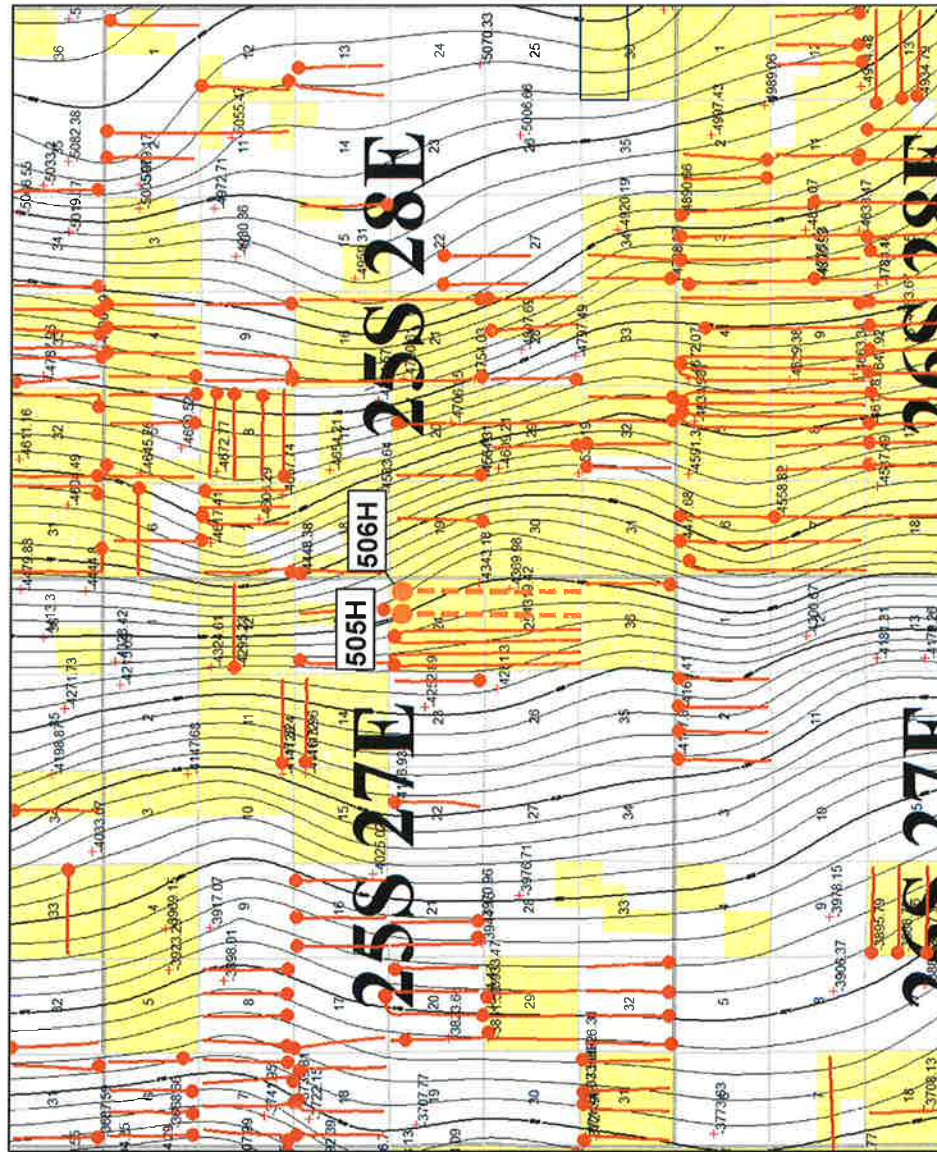


Map Legend

- SHL COG – Proposed Daisy Horizontal Location
- BHL
- Producing Wolfcamp A Sand Horizontals
- COG Acreage

Bone Spring Pool

Second Bone Spring Subsea Structure Map

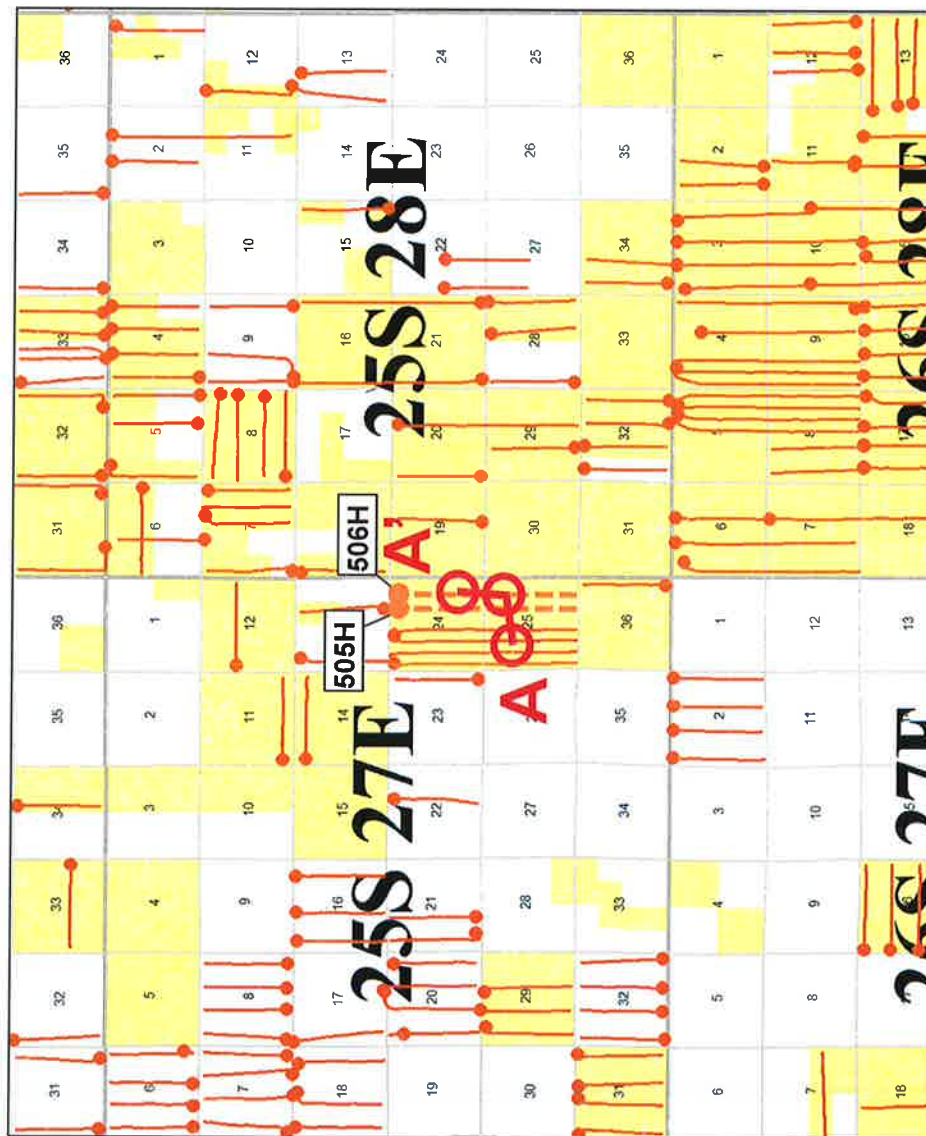


Map Legend

- SHL
- BHL
- Producing Second Bone Spring Horizontals
- COG Acreage
- Second Bone Spring Subsea Structural Contours
- CI: 25'
- Data point

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. B2
 Submitted by: COG OPERATING, LLC
 Hearing Date: January 09, 2020
 Case Nos. 20998 & 20999

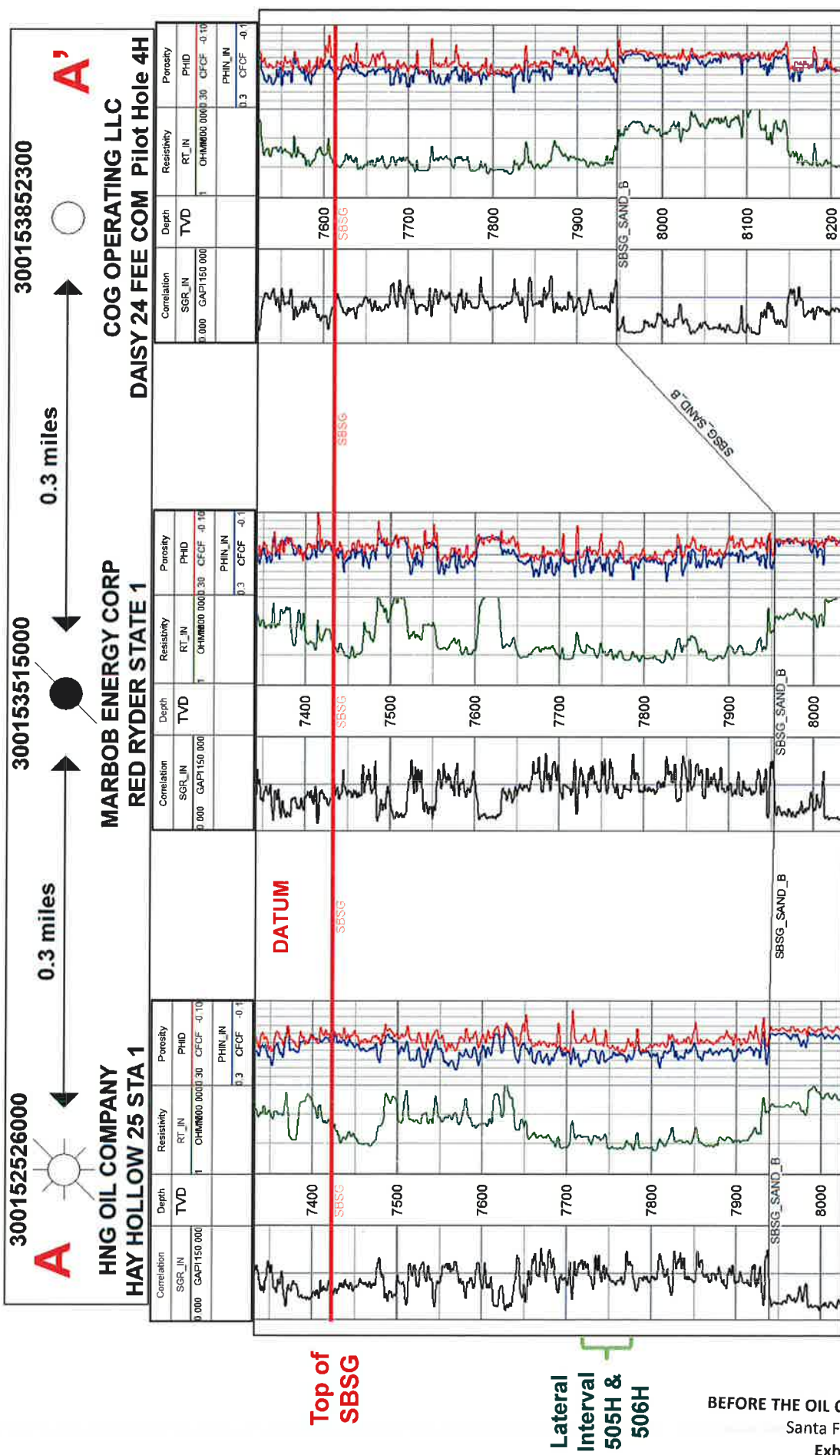
Bone Spring Pool Cross Section Location Map



Map Legend

- SHL** COG – Proposed Daisy Horizontal Location
- BHL** Producing Second Bone Spring Horizontals
- COG Acreage**
- Cross Section Line**

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B3
Submitted by: **COG OPERATING, LLC**
Hearing Date: January 09, 2020
Case Nos. 20998 & 20999



Top of SBSG

Lateral Interval 505H & 506H

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

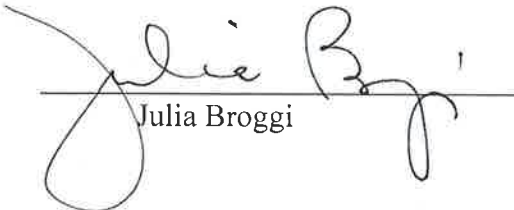
**APPLICATION OF COG OPERATING LLC
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NOS. 20998 & 20999

AFFIDAVIT

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

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



Julia Broggi

SUBSCRIBED AND SWORN to before me this 8th day of January, 2020 by Julia Broggi.



Notary Public

My Commission

Expires: Nov. 12, 2023



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C
Submitted by: **COG OPERATING, LLC**
Hearing Date: January 09, 2020
Case Nos. 20998 & 20999



December 13, 2019

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

**Re: Application of COG Operating, LLC for Compulsory Pooling, Eddy County,
New Mexico.**
Daisy 24 State Com #505H Well

Ladies & Gentlemen:

This letter is to advise you that COG Operating LLC has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on January 9, 2020, and the status of the hearing can be monitored through the Division's website at <http://www.emnrd.state.nm.us/ocd/>. Division hearings will commence at 8:15 a.m. in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Travis Macha at (432) 683-7443 or TMacha@concho.com.

Sincerely,

Michael H. Feldewert
ATTORNEY FOR COG OPERATING LLC



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

December 13, 2019

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

**Re: Application of COG Operating, LLC for Compulsory Pooling, Eddy County,
New Mexico.
Daisy 24 State Com #506H Well**

Ladies & Gentlemen:

This letter is to advise you that COG Operating LLC has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on January 9, 2020, and the status of the hearing can be monitored through the Division's website at <http://www.emnrd.state.nm.us/ocd/>. Division hearings will commence at 8:15 a.m. in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

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If you have any questions about this matter, please contact Travis Macha at (432) 683-7443 or TMacha@concho.com.

Sincerely,

Michael H. Feldewert
ATTORNEY FOR COG OPERATING LLC



\$5.75

Shipment Confirmation Acceptance Notice

A. Mailer Action

Note to Mailer: The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

COG - Daisy 505H & 506H
Case Nos. 20998 & 20999
CM# 51500.0010

Shipment Date: 12/13/2019

Shipped From:

Name: HOLLAND & HART LLP (1)

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	1
Total	1

*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

B. USPS Action

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.
Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0018 9863 64





Check type of mail or service

☐ Adult Signature Required
☐ Adult Signature Restricted Delivery
☒ Certified Mail
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery (COD)
☐ Insured Mail
☐ Priority Mail
☐ Priority Mail Express
☐ Registered Mail
☐ Return Receipt for Merchandise
☐ Signature Confirmation
☐ Signature Confirmation Restricted Delivery

Affix Stamp Here
*(if issued as an international
certificate of mailing or for
additional copies of this receipt).*
Postmark with Date of Receipt.

[illegible]

Postmaster, Rer (Name of receiving employee)

PS Form 3877, April 2015 (Page 1 of 1)

Complete in Ink

Privacy Notice: For more information on USPS privacy policies, visit usps.com/privacypolicy.

COG - Daisy 505H, 506H
Case Nos. 20998-20999 Postal Delivery Report

Tracking Number

9214890194038302402870 Class: First Class Services: CM RR

Recipient

Devon Energy Production Company L.P. Attn: Land Department 333 W Sheridan Ave Oklahoma City OK 73102

Status

Delivered Signature Received