

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

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

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

Case No. 21292

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

Case No. 21293

MEWBOURNE OIL COMPANY'S MOTION TO DISMISS

Mewbourne Oil Company ("Mewbourne") moves the Division for an order dismissing the above applications, and in support thereof, states:

A. FACTS.

1. In Case No. 21292 COG Operating LLC ("COG") seeks an order pooling all mineral interests in the Wolfcamp formation underlying the East halves of Section 5, 8, and 17, Township 25 South, Range 28 East, NMPM.

In Case No. 21293 COG seeks an order pooling all mineral interests in the Wolfcamp formation underlying the West halves of Section 5, 8, and 17, Township 25 South, Range 28 East, NMPM.

2. All of Sections 5 and 8, Township 25 South, Range 28 East, NMPM are subject to a Joint Operating Agreement dated December 15, 2018, which covers depths below the Second Bone Spring Sand zone within the Bone Spring formation (the "Pale Rider" JOA). **Exhibits A and B.** Mewbourne is designated operator under the JOA. *COG signed the mutually negotiated JOA on July 31, 2019*, less than a year ago. This was done after Mewbourne and COG completed an acreage trade, and part of that agreed-upon trade was that Mewbourne would operate Sections 5 and 8.

3. Mewbourne has proposed the following two mile Wolfcamp wells under the JOA:

Pale Rider 8/5 W1OB State Com. Well No. 1H (API No. 30-015-46916);
Pale Rider 8/5 W0OB State Com. Well No. 1H (API No. 30-015-46920);
Pale Rider 8/5 W0PA State Com. Well No. 1H (API No. 30-015-46921);

Pale Rider 8/5 W1PA State Com. Well No. 1H (API No. 30-015-46922);
Pale Rider 8/5 W0MD State Com. Well No. 1H (API No. 30-015-Pending);
Pale Rider 8/5 W1MD State Com. Well No. 1H (API No. 30-015-Pending);
Pale Rider 8/5 W0NC State Com. Well No. 1H (API No. 30-015-Pending); and
Pale Rider 8/5 W1NC State Com. Well No. 1H (API No. 30-015-Pending).

Significantly, COG signed AFEs to voluntarily participat in all of these wells 2-3 months ago.
Exhibit C.

4. COG operates all of Sections 17, 20, and 29, Township 25 South, Range 28 East, NMPM. **See Exhibit A.** In addition, there are no existing Wolfcamp wells in that acreage which would impair COG from drilling that acreage.

B. ARGUMENT.

COG's applications should be dismissed for the following reasons:

(a) There is a voluntary agreement covering all of Sections 5 and 8, agreed to by COG. Thus, NMSA 1978 §70-2-17.C cannot and should not be invoked to compulsory pool that acreage in the Wolfcamp formation.

(b) COG agreed that Mewbourne should be operator of the Wolfcamp formation underlying Sections 5 and 8. It should not be allowed to use NMSA 1978 §70-2-17.C to breach that agreement.

(c) COG approved the drilling of the above eight wells just a couple months ago. This is further evidence that COG voluntarily agreed that the Wolfcamp formation in Sections 5 and 8 should be developed independently of other acreage.

(d) If COG wants to drill three mile laterals, it can consolidate all of Sections 17, 20, and 29, Township 25 South, Range 28 East, NMPM, which it already operates. **See Exhibit A.**

Based on the foregoing, there is no need to pool Sections 5 and 8 with Section 17. Moreover, COG is reneging on its recent voluntary agreement with Mewbourne under which it agreed to develop Sections 5 and 8 with Mewbourne as operator. Compulsory pooling should not be countenanced by the Division under these circumstances.

WHEREFORE, Mewbourne requests that COG's applications be dismissed without need of a hearing.

Respectfully submitted,

James Bruce

James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043
jamesbruc@aol.com

Attorney for Mewbourne Oil Company

VERIFICATION

STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

Mitch Robb, being duly sworn upon his oath, deposes and states that: He is a landman for Mewbourne Oil Company; he is authorized to make this verification on its behalf; he has read the foregoing motion, and knows the contents thereof; and the facts set forth in Section A above true and correct to the best of his knowledge, information, and belief.

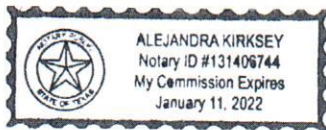
Mitch Robb

Mitch Robb

SUBSCRIBED AND SWORN TO before me this 8th day of June, 2020 by Mitch Robb.

My Commission Expires: January 11, 2022

Alejandra Kirksey
Notary Public



CERTIFICATE OF SERVICE


I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 15th day of June, 2020 by e-mail:

Michael Feldewert
mfeldewert@hollandhart.com

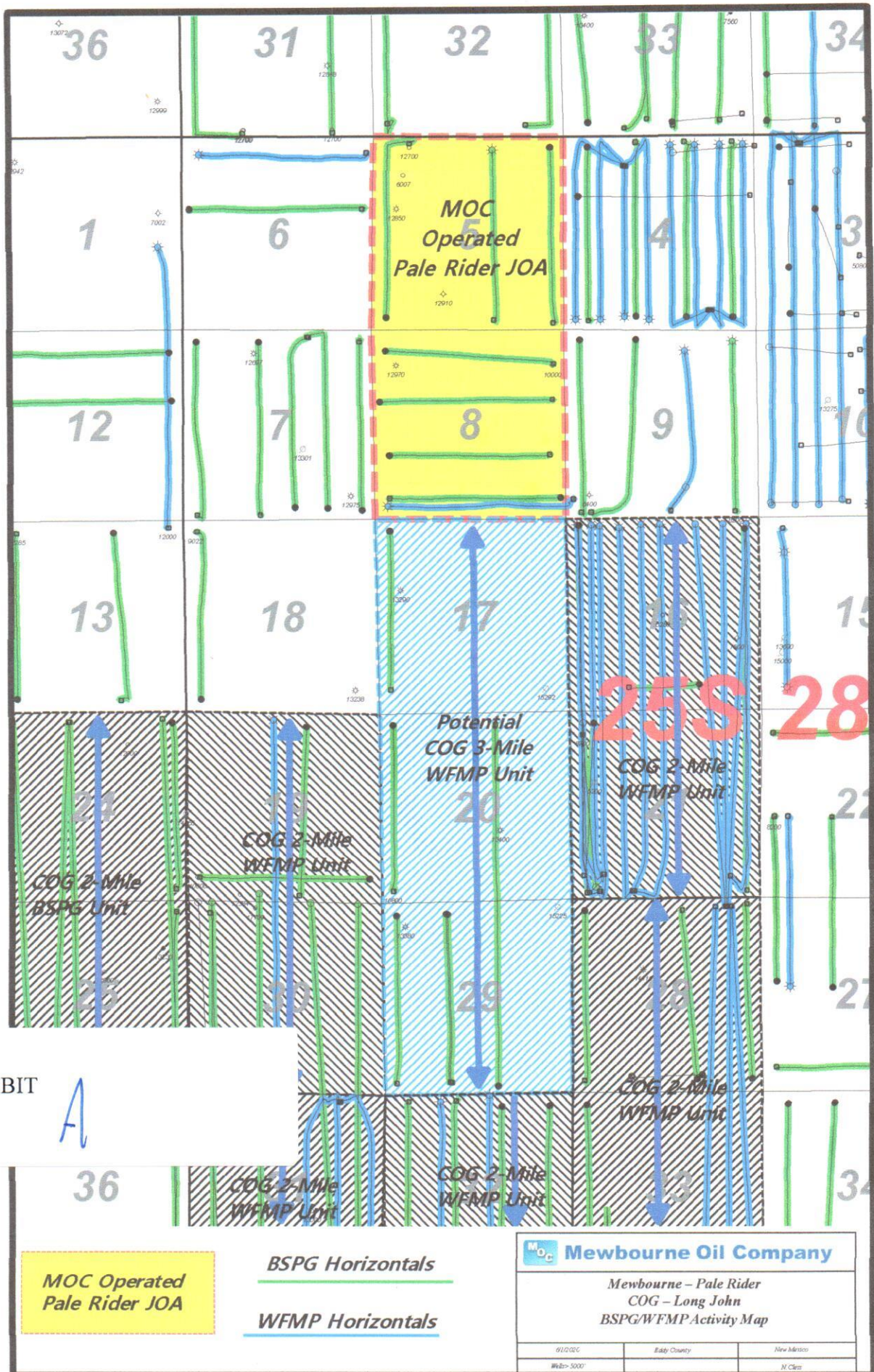
Adam Rankin
agrarkin@hollandhart.com

Julia Broggi
jbroggi@hollandhart.com

Kaitlyn Luck
kaluck@hollandhart.cim



James Bruce



A.A.P.L. FORM 610 - 1989

**MODEL FORM OPERATING AGREEMENT
HORIZONTAL MODIFICATIONS**

OPERATING AGREEMENT

DATED

December 15 , 2018 ,
Year

OPERATOR Mewbourne Oil Company

CONTRACT AREA Township 25 South, Range 28 East, N.M.P.M.

Section 5: All

Section 8: All

Black Lake 5/8 Prospect

COUNTY OR PARISH OF Eddy , STATE OF New Mexico

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AMERICAN ASSOCIATION OF PROFESSIONAL
LANDMEN, 4100 FOSSIL CREEK BLVD. FORT
WORTH, TEXAS, 76137, APPROVED FORM.
A.A.P.L. NO. 610 - 1989 (Horz.)

EXHIBIT

13

OPERATING AGREEMENT

THIS AGREEMENT, entered into by and between Mewbourne Oil Company hereinafter designated and referred to as "Operator," and the signatory party or parties other than Operator, sometimes hereinafter referred to individually as "Non-Operator," and collectively as "Non-Operators."

WITNESSETH:

WHEREAS, the parties to this agreement are owners of Oil and Gas Leases and/or Oil and Gas Interests in the land identified in Exhibit "A," and the parties hereto have reached an agreement to explore and develop these Leases and/or Oil and Gas Interests for the production of Oil and Gas to the extent and as hereinafter provided,

NOW, THEREFORE, it is agreed as follows:

ARTICLE I.
DEFINITIONS

As used in this agreement, the following words and terms shall have the meanings here ascribed to them:

A. The term "AFE" shall mean an Authority for Expenditure prepared by a party to this agreement for the purpose of estimating the costs to be incurred in conducting an operation hereunder. An AFE is not a contractual commitment. Rather it is only an estimate, made in good faith.

B. The term "Completion" or "Complete" shall mean a single operation intended to complete a well as a producer of Oil and Gas in one or more Zones, including, but not limited to, the setting of production casing, perforating, well stimulation and production testing conducted in such operation.

C. The term "Contract Area" shall mean all of the lands, Oil and Gas Leases and/or Oil and Gas Interests intended to be developed and operated for Oil and Gas purposes under this agreement. Such lands, Oil and Gas Leases and Oil and Gas Interests are described in Exhibit "A."

D. The term "Deepen" shall mean a single operation whereby a well is drilled to an objective Zone below the deepest Zone in which the well was previously drilled, or below the Deepest Zone proposed in the associated AFE, whichever is the lesser. When used in connection with a Horizontal Well, the term "Deepen" shall mean an operation whereby a Lateral is drilled to a Displacement greater than (i) the Displacement contained in the proposal for such operation approved by the Consenting Parties, or (ii) to the Displacement to which the Lateral was drilled pursuant to a previous proposal.

E. The term "Displacement" shall have the same meaning as the term defined by the state regulatory agency having jurisdiction over the Contract Area, in the absence of which the term shall otherwise mean the length of a Lateral.

F. The terms "Drilling Party" and "Consenting Party" shall mean a party who agrees to join in and pay its share of the cost of any operation conducted under the provisions of this agreement.

G. The term "Drilling Unit" shall mean the area fixed for the drilling of one well by order or rule of any state or federal body having authority. If a Drilling Unit is not fixed by any such rule or order, a Drilling Unit shall be the drilling unit as established by the pattern of drilling in the Contract Area unless fixed by express agreement of the Drilling Parties.

H. The term "Drillsite" shall mean the Oil and Gas Lease or Oil and Gas Interest on which a proposed well is to be located. When used in connection with a Horizontal Well, the term "Drillsite" shall mean (i) the surface hole location, and (ii) the Oil and Gas Leases or Oil and Gas Interests within the Drilling Unit on or under which the wellbore, including the Lateral, is located.

I. The term "Horizontal Rig Move-On Period" shall mean the number of days after the date of rig release of a Spudder Rig until the date a rig capable of drilling a Horizontal Well to its Total Measured Depth has moved on to location.

J. The term "Horizontal Well" shall have the same meaning as the term defined by the state regulatory agency having jurisdiction over the Contract Area, in the absence of which the term shall mean a well containing one or more Laterals which are drilled, Completed or Recompleted in a manner in which the horizontal component of the Completion interval (1) extends at least one hundred feet (100') in the objective formation(s) and (2) exceeds the vertical component of the Completion interval in the objective formation(s).

K. The term "Initial Well" shall mean the well required to be drilled by the parties hereto as provided in Article VI.A.

L. The term "Lateral" shall mean that portion of a wellbore that deviates from approximate vertical orientation to approximate horizontal orientation and all wellbore beyond such deviation to Total Measured Depth.

M. The term "Non-Consent Well" shall mean a well in which less than all parties have conducted an operation as provided in Article VI.B.2.

N. The terms "Non-Drilling Party" and "Non-Consenting Party" shall mean a party who elects not to participate in a proposed operation.

O. The term "Oil and Gas" shall mean oil, gas, casinghead gas, gas condensate, and/or all other liquid or gaseous hydrocarbons and other marketable substances produced therewith, unless an intent to limit the inclusiveness of this term is specifically stated.

P. The term "Oil and Gas Interests" or "Interests" shall mean unleased fee and mineral interests in Oil and Gas in tracts of land lying within the Contract Area which are owned by parties to this agreement.

Q. The terms "Oil and Gas Lease," "Lease" and "Leasehold" shall mean the oil and gas leases or interests therein covering tracts of land lying within the Contract Area which are owned by the parties to this agreement.

R. The term "Plug Back" shall mean a single operation whereby a deeper Zone is abandoned in order to attempt a Completion in a shallower Zone. When used in connection with a Horizontal Well, the term "Plug Back" shall mean an operation to test or Complete the well at a stratigraphically shallower Zone in which the operation has been or is being Completed and which is not in an existing Lateral.

S. The term "Recompletion" or "Recomplete" shall mean an operation whereby a Completion in one Zone is abandoned in order to attempt a Completion in a different Zone within the existing wellbore.

T. The term "Rework" shall mean an operation conducted in the wellbore of a well after it is Completed to secure, restore, or improve production in a Zone which is currently open to production in the wellbore. Such operations include, but are not limited to, well stimulation operations but exclude any routine repair or maintenance work or drilling, Sidetracking, Deepening, Completing, ReCompleting, or Plugging Back of a well.

U. The term "Sidetrack" shall mean the directional control and intentional deviation of a well from vertical so as to change the bottom hole location unless done to straighten the hole or drill around junk in the hole to overcome other mechanical difficulties. When used in connection with a Horizontal Well, the term "Sidetrack" shall mean the directional control and deviation of a well outside the existing Lateral(s) so as to change the Zone or the direction of a Lateral from the approved proposal unless done to straighten the hole or drill around junk in the hole or to overcome other mechanical difficulties.

V. The term "Spudder Rig" shall mean a drilling rig utilized only for drilling all or part of the vertical component of a Horizontal Well; a rig used only for setting conductor pipe shall not be considered a Spudder Rig.

W. The term "Terminus" shall have the same meaning as the term defined by the state regulatory agency having jurisdiction

A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1989 (Horz.)

IN WITNESS WHEREOF, this agreement shall be effective as of the 15th day of December, 2018.

_____, who has prepared and circulated this form for execution, represents and warrants that the form was printed from and, with the exception(s) listed below, is identical to the AAPL Form 610-1989 Model Form Operating Agreement, as published in computerized form by Forms On-A-Disk, Inc. No changes, alterations, or modifications, other than those made by strikethrough and/or insertion and that are clearly recognizable as changes in Articles _____ have been made to the form.

ATTEST OR WITNESS:

OPERATOR

MEWBOURNE OIL COMPANY

By Corey Mitchell

Drew Robison Corey Mitchell
Type or print name

Title Attorney-in-Fact

Date _____

Tax ID or S.S. No. 75-1254872

NON-OPERATORS

COG OPERATING LLC

By Sean Johnson

Sean Johnson
Type or print name

Title Attorney-in-Fact

Date _____

Tax ID or S.S. No. _____

DEVON ENERGY PRODUCTION COMPANY, L.P.

By _____

Catherine Lebsack
Type or print name

Title Vice President

Date _____

Tax ID or S.S. No. _____

OCCIDENTAL PERMAIN LIMITED PARTNERSHIP
By: OCCIDENTAL PERMAIN MANAGER, LLC

By _____

Bradley S. Dusek
Type or print name

Title Attorney-in-Fact

Date _____

Tax ID or S.S. No. _____

EXHIBIT "A"

Attached to and made a part of that
certain Operating Agreement dated December 15, 2018,
by and between Mewbourne Oil Company, as Operator, and
COG Operating LLC, et al, as Non-Operators.

1. LANDS SUBJECT TO THIS AGREEMENT

Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico

Section 5: All

Section 8: All,

containing 1,281.98 gross acres, more or less

2. DEPTH RESTRICTIONS AND EXCLUSIONS

Limited to depths below the Second Bone Spring formation, being defined as the stratigraphic equivalent of 8,140' as referenced in the Halliburton Dual Laterolog/Micro-Guard Log for the Spanky Federal Com #1 well (API 3001536895) located in section 33-T24S-R28E, Eddy County, NM.

3. ADDRESSES OF THE PARTIES

Mewbourne Oil Company
500 West Texas, Suite 1020
Midland, Texas 79701
Attn: Land Department
Phone: (432) 682-3715
Fax: (432) 685-4170

COG Operating LLC
Attn: Joint Interest Ventures
600 W. Illinois Avenue
Midland TX 79701
jivland@concho.com
432.683.7443

Devon Energy Production Company, L.P.
333 West Sheridan Avenue
Oklahoma City, OK 73102

Occidental Permian Limited Partnership
5 Greenway Plaza, Suite 110
Houston, Texas 77046
Phone: (713) 215-7383
Attn: Land Manager – Permian Basin NM

4. PERCENTAGES OF THE PARTIES

	<u>Initial, Substitute and Subsequent Wells</u>
Mewbourne Oil Company	31.483252%
COG Operating LLC	30.888777%
Devon Energy Production Company, L.P.	24.974025%
Occidental Permian Limited Partnership	12.653946%
TOTAL	100.000000%

5. OIL AND GAS INTERESTS AND LEASES SUBJECT TO THE AGREEMENT

- A) State Lease No: VA-2779
Lease Dated: February 1, 2003
Lessor: The State of New Mexico acting by and through its Commissioner of Public Lands.
Lessee: OGX Resources, LLC.
Description: Lots 1-4, S/2N/2 of Section 5, T-25-S, R-28-E, NMPM, Eddy County, New Mexico, containing 321.98 acres, more or less.
Royalty: 1/8th
- B) State Lease No: VB-2194
Lease Dated: October 1, 2012.
Lessor: The State of New Mexico acting by and through its Commissioner of Public Lands.
Lessee: Doug J. Schutz.
Description: SE/4 of Section 5, T-25-S, R-28-E, NMPM, Eddy County, New Mexico, containing 160.00 acres, more or less.
Royalty: 3/16th
- C) Lease Dated: January 13, 2005
Lessor: Devon Energy Production Company, L.P.
Lessee: Occidental Permian Limited Partnership
Recorded: Book 590, Page 1105, Eddy County Records, as corrected and rerecorded in Book 603, Page 606, Eddy County Records, as corrected and rerecorded in Book 654, Page 1115, Eddy County Records, as amended and recorded in Book 687, Page 464 Eddy County Records, as amended by memorandum recorded in Book 1040, Page 344 Eddy County Records.
Description: SW/4 of Section 5 and All of Section 8, T-25-S, R-28-E, NMPM, Eddy County, New Mexico, containing 800.0 acres, more or less.
Royalty: 1/5th

6. BURDENS ON PRODUCTION:

Burdens of Record.

End of Exhibit "A"

MEWBORNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name: PALE RIDER 8/5 W10B ST COM #1H		Prospect: PALE RIDER 8/5 (Black Lake 5/Devon Fee 8)	
Location: SL: 260 FSL & 1330 FEL(8); BHL: 330 FNL & 1650 FEL (5)		County: Eddy ST: NM	
Sec: 8	Blk:	Survey:	TWP: 25S RNG: 28E Prop. TVD: 9584 TMD: 19288

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$10,000	0180-0200	\$5,000
Location / Road / Site / Preparation		0180-0105	\$75,000	0180-0205	\$25,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$25,000
Daywork / Turnkey / Footage Drilling	23 days drlg / 3 days comp @ \$21500/d	0180-0110	\$528,100	0180-0210	\$68,900
Fuel	1700 gal/day @ \$2.74/gal	0180-0114	\$114,400	0180-0214	\$585,000
Mud, Chemical & Additives		0180-0120	\$200,000	0180-0220	
Horizontal Drillout Services				0180-0222	\$250,000
Cementing		0180-0125	\$100,000	0180-0225	\$35,000
Logging & Wireline Services		0180-0130	\$2,000	0180-0230	\$625,000
Casing / Tubing / Snubbing Service		0180-0134	\$20,000	0180-0234	\$90,000
Mud Logging		0180-0137	\$30,000		
Stimulation	80 Stg 24.2 MM gal/ 24.2 MM lb			0180-0241	\$2,100,000
Stimulation Rentals & Other				0180-0242	\$235,000
Water & Other		0180-0145	\$50,000	0180-0245	\$415,000
Bits		0180-0148	\$111,100	0180-0248	\$8,000
Inspection & Repair Services		0180-0150	\$40,000	0180-0250	\$5,000
Misc. Air & Pumping Services		0180-0154		0180-0254	\$10,000
Testing & Flowback Services		0180-0158	\$15,000	0180-0258	\$30,000
Completion / Workover Rig				0180-0260	\$10,500
Rig Mobilization		0180-0164	\$150,000		
Transportation		0180-0165	\$20,000	0180-0265	\$20,000
Welding Services		0180-0168	\$5,000	0180-0268	\$15,000
Contract Services & Supervision		0180-0170	\$39,000	0180-0270	\$64,500
Directional Services	Includes Vertical Control	0180-0175	\$250,000		
Equipment Rental		0180-0180	\$201,300	0180-0280	\$30,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$5,000	0180-0285	
Intangible Supplies		0180-0188	\$8,000	0180-0288	\$1,000
Damages		0180-0190	\$50,000	0180-0290	\$113,000
ROW & Easements		0180-0192		0180-0292	\$113,000
Pipeline Interconnect				0180-0293	
Company Supervision		0180-0195	\$124,800	0180-0295	\$110,400
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Well Abandonment		0180-0198		0180-0298	
Contingencies	2% (TCP) 2% (CC)	0180-0199	\$47,300	0180-0299	\$100,200
TOTAL			\$2,411,000		\$5,109,500

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0")	450' - 13 3/8" 54.5# J-55 ST&C @ \$32.16/ft	0181-0794	\$15,500		
Casing (8.1" - 10.0")	2400' - 9 5/8" 40# HCL80 LT&C @ \$24.48/ft	0181-0795	\$62,700		
Casing (6.1" - 8.0")	9700' - 7" 29# HCP-110 LT&C @ \$21.5/ft	0181-0796	\$222,700		
Casing (4.1" - 6.0")	10375' - 4 1/2" 13.5# P-110 BPN @ \$11.75/ft			0181-0797	\$130,200
Tubing	8950' - 2 7/8" 6.5# EUE tbg @ \$4.54/ft			0181-0798	\$43,400
Drilling Head		0181-0860	\$40,000		
Tubing Head & Upper Section				0181-0870	\$50,000
Horizontal Completion Tools	Completion Liner Hanger			0181-0871	\$82,000
Sucker Rods				0181-0875	
Subsurface Equipment	Packer			0181-0880	\$10,000
Artificial Lift Systems	Gas Lift Valves			0181-0884	\$15,000
Pumping Unit				0181-0885	
Surface Pumps & Prime Movers	pumps/VRU			0181-0886	\$32,000
Tanks - Oil	(1/4) 10 - 750 bbl			0181-0890	\$54,000
Tanks - Water	(1/4) 7 - 750 bbl			0181-0891	\$35,000
Separation / Treating Equipment	1/4 - GB/30"x10"x1k# 3 ph/48"x15"x1k# Hor 3ph/1/2VRT			0181-0895	\$122,000
Heater Treaters, Line Heaters	1/4 - 8"x20"x75# HT			0181-0897	\$26,000
Metering Equipment				0181-0898	\$15,000
Line Pipe & Valves - Gathering	1/4 - 1 mile gas line			0181-0900	\$13,000
Fittings / Valves & Accessories				0181-0906	\$138,000
Cathodic Protection				0181-0908	\$29,000
Electrical Installation				0181-0909	\$38,000
Equipment Installation				0181-0910	\$88,000
Pipeline Construction	1/4 - 1 mile gas line			0181-0920	\$32,000
TOTAL			\$340,900		\$952,600
SUBTOTAL			\$2,751,900		\$6,062,100
TOTAL WELL COST		\$8,814,000			

Extra Expense Insurance

☐ I elect to be covered by Operator's Extra Expense Insurance and pay my proportionate share of the premium.
Operator has secured Extra Expense Insurance covering costs of well control, clean up and redrilling as estimated in Line Item 0180-0185.

☐ I elect to purchase my own well control insurance policy.

If neither box is checked above, non-operating working interest owner elects to be covered by Operator's well control insurance.

Prepared by: Levi Jackson	Date: 2/25/2020
Company Approval: <i>m. whitte</i>	Date: 2/25/2020
Joint Owner Interest: _____ Amount: _____ Joint Owner Name: COG Operating LLC	
Jeff Gasch, Vice President of Delaware Basin Signature: <i>Jeff Gasch</i>	

Revised: 01/31/2018

MEWBORNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name: PALE RIDER 8/5 W00B ST COM #1H		Prospect: PALE RIDER 8/5 (Black Lake 5/Devon Fee 8)	
Location: SL: 260 FSL & 1360 FEL(8); BHL: 330 FNL & 2310 FEL (5)		County: Eddy ST: NM	
Sec. 8	Bik:	Survey:	TWP: 25S RNG: 28E Prop. TVD: 9380 TMD: 19184

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$10,000	0180-0200	\$5,000
Location / Road / Site / Preparation		0180-0105	\$75,000	0180-0205	\$25,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$25,000
Daywork / Turnkey / Footage Drilling	23 days drlg / 3 days comp @ \$21500/d	0180-0110	\$528,100	0180-0210	\$68,900
Fuel	1700 gal/day @ \$2.74/gal	0180-0114	\$114,400	0180-0214	\$585,000
Mud, Chemical & Additives		0180-0120	\$200,000	0180-0220	
Horizontal Drillout Services				0180-0222	\$250,000
Cementing		0180-0125	\$100,000	0180-0225	\$35,000
Logging & Wireline Services		0180-0130	\$2,000	0180-0230	\$625,000
Casing / Tubing / Snubbing Service		0180-0134	\$20,000	0180-0234	\$90,000
Mud Logging		0180-0137	\$30,000		
Stimulation	80 Stg 24.2 MM gal/ 24.2 MM lb			0180-0241	\$2,100,000
Stimulation Rentals & Other				0180-0242	\$235,000
Water & Other		0180-0145	\$50,000	0180-0245	\$415,000
Bits		0180-0148	\$111,100	0180-0248	\$8,000
Inspection & Repair Services		0180-0150	\$40,000	0180-0250	\$5,000
Misc. Air & Pumping Services		0180-0154		0180-0254	\$10,000
Testing & Flowback Services		0180-0158	\$15,000	0180-0258	\$30,000
Completion / Workover Rig				0180-0260	\$10,500
Rig Mobilization		0180-0164	\$150,000		
Transportation		0180-0165	\$20,000	0180-0265	\$20,000
Welding Services		0180-0168	\$5,000	0180-0268	\$15,000
Contract Services & Supervision		0180-0170	\$39,000	0180-0270	\$64,500
Directional Services	Includes Vertical Control	0180-0175	\$250,000		
Equipment Rental		0180-0180	\$201,300	0180-0280	\$30,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$5,000	0180-0285	
Intangible Supplies		0180-0188	\$8,000	0180-0288	\$1,000
Damages		0180-0190	\$50,000	0180-0290	\$113,000
ROW & Easements		0180-0192		0180-0292	\$113,000
Pipeline Interconnect				0180-0293	
Company Supervision		0180-0195	\$124,800	0180-0295	\$110,400
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Well Abandonment		0180-0198		0180-0298	
Contingencies	2% (TCP) 2% (CC)	0180-0199	\$47,300	0180-0299	\$100,200
TOTAL			\$2,411,000		\$5,109,500

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0")	450' - 13 3/8" 54.5# J-55 ST&C @ \$32.16/ft	0181-0794	\$15,500		
Casing (8.1" - 10.0")	2400' - 9 5/8" 40# HCL80 LT&C @ \$24.48/ft	0181-0795	\$62,700		
Casing (6.1" - 8.0")	9600' - 7" 29# HCP-110 LT&C @ \$21.5/ft	0181-0796	\$220,400		
Casing (4.1" - 6.0")	10340' - 4 1/2" 13.5# P-110 BPN @ \$11.75/ft			0181-0797	\$129,800
Tubing	8850' - 2 7/8" 6.5# EUE tbgr @ \$4.54/ft			0181-0798	\$42,900
Drilling Head		0181-0860	\$40,000		
Tubing Head & Upper Section				0181-0870	\$50,000
Horizontal Completion Tools	Completion Liner Hanger			0181-0871	\$82,000
Sucker Rods				0181-0875	
Subsurface Equipment	Packer			0181-0880	\$10,000
Artificial Lift Systems	Gas Lift Valves			0181-0884	\$15,000
Pumping Unit				0181-0885	
Surface Pumps & Prime Movers	pumps/VRU			0181-0886	\$32,000
Tanks - Oil	(1/4) 10 - 750 bbl			0181-0890	\$54,000
Tanks - Water	(1/4) 7 - 750 bbl			0181-0891	\$35,000
Separation / Treating Equipment	1/4 - GB/30"x10"x1k# 3 ph/48"x15"x1k# Hor 3ph/1/2VRT			0181-0895	\$122,000
Heater Treaters, Line Heaters	1/4 - 8"x20"x75# HT			0181-0897	\$26,000
Metering Equipment				0181-0898	\$15,000
Line Pipe & Valves - Gathering	1/4 - 1 mile gas line			0181-0900	\$13,000
Fittings / Valves & Accessories				0181-0906	\$138,000
Cathodic Protection				0181-0908	\$29,000
Electrical Installation				0181-0909	\$38,000
Equipment Installation				0181-0910	\$88,000
Pipeline Construction	1/4 - 1 mile gas line			0181-0920	\$32,000
TOTAL			\$338,600		\$951,700
SUBTOTAL			\$2,749,600		\$6,061,200
TOTAL WELL COST			\$8,810,800		

Extra Expense Insurance

☐ I elect to be covered by Operator's Extra Expense Insurance and pay my proportionate share of the premium.
Operator has secured Extra Expense Insurance covering costs of well control, clean up and redrilling as estimated in Line Item 0180-0185.

☐ I elect to purchase my own well control insurance policy.

If neither box is checked above, non-operating working interest owner elects to be covered by Operator's well control insurance.

Prepared by: Levi Jackson	Date: 2/25/2020
Company Approval: <i>M. White</i>	Date: 2/25/2020

Joint Owner Interest: Amount:	Jeff Gasch, Vice President of Delaware Basin
Joint Owner Name: COG Operating LLC	Signature: <i>Jeff Gasch</i>

Revised: 01/31/2018

MEWBORNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name: PALE RIDER 8/5 WOPA ST COM #1H		Prospect: PALE RIDER 8/5 (Black Lake 5/Devon Fee 8)	
Location: SL: 260 FSL & 1300 FEL(8); BHL: 330 FNL & 990 FEL (5)		County: Eddy ST: NM	
Sec: 8	Bik:	Survey:	TWP: 25S RNG: 28E Prop. TVD: 9394 TMD: 19158

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$10,000	0180-0200	\$5,000
Location / Road / Site / Preparation		0180-0105	\$75,000	0180-0205	\$25,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$25,000
Daywork / Turnkey / Footage Drilling	23 days drlg / 3 days comp @ \$21500/d	0180-0110	\$528,100	0180-0210	\$68,900
Fuel	1700 gal/day @ \$2.74/gal	0180-0114	\$114,400	0180-0214	\$585,000
Mud, Chemical & Additives		0180-0120	\$200,000	0180-0220	
Horizontal Drillout Services				0180-0222	\$250,000
Cementing		0180-0125	\$100,000	0180-0225	\$35,000
Logging & Wireline Services		0180-0130	\$2,000	0180-0230	\$625,000
Casing / Tubing / Snubbing Service		0180-0134	\$20,000	0180-0234	\$90,000
Mud Logging		0180-0137	\$30,000		
Stimulation	80 Stg 24.2 MM gal/ 24.2 MM lb			0180-0241	\$2,100,000
Stimulation Rentals & Other				0180-0242	\$235,000
Water & Other		0180-0145	\$50,000	0180-0245	\$415,000
Bits		0180-0148	\$111,100	0180-0248	\$8,000
Inspection & Repair Services		0180-0150	\$40,000	0180-0250	\$5,000
Misc. Air & Pumping Services		0180-0154		0180-0254	\$10,000
Testing & Flowback Services		0180-0158	\$15,000	0180-0258	\$30,000
Completion / Workover Rig				0180-0260	\$10,500
Rig Mobilization		0180-0164	\$150,000		
Transportation		0180-0165	\$20,000	0180-0265	\$20,000
Welding Services		0180-0168	\$5,000	0180-0268	\$15,000
Contract Services & Supervision		0180-0170	\$39,000	0180-0270	\$64,500
Directional Services	Includes Vertical Control	0180-0175	\$250,000		
Equipment Rental		0180-0180	\$201,300	0180-0280	\$30,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$5,000	0180-0285	
Intangible Supplies		0180-0188	\$8,000	0180-0288	\$1,000
Damages		0180-0190	\$50,000	0180-0290	\$113,000
ROW & Easements		0180-0192		0180-0292	\$113,000
Pipeline Interconnect				0180-0293	
Company Supervision		0180-0195	\$124,800	0180-0295	\$110,400
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Well Abandonment		0180-0198		0180-0298	
Contingencies	2% (TCP) 2% (CC)	0180-0199	\$47,300	0180-0299	\$100,200
TOTAL			\$2,411,000		\$5,109,500

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0")	450' - 13 3/8" 54.5# J-55 ST&C @ \$32.16/ft	0181-0794	\$15,500		
Casing (8.1" - 10.0")	2400' - 9 5/8" 40# HCL80 LT&C @ \$24.48/ft	0181-0795	\$62,700		
Casing (6.1" - 8.0")	9550' - 7" 29# HCP-110 LT&C @ \$21.5/ft	0181-0796	\$219,300		
Casing (4.1" - 6.0")	10300' - 4 1/2" 13.5# P-110 BPN @ \$11.75/ft			0181-0797	\$129,300
Tubing	8875' - 2 7/8" 6.5# EUE tbg @ \$4.54/ft			0181-0798	\$43,000
Drilling Head		0181-0860	\$40,000		
Tubing Head & Upper Section				0181-0870	\$50,000
Horizontal Completion Tools	Completion Liner Hanger			0181-0871	\$82,000
Sucker Rods				0181-0875	
Subsurface Equipment	Packer			0181-0880	\$10,000
Artificial Lift Systems	Gas Lift Valves			0181-0884	\$15,000
Pumping Unit				0181-0885	
Surface Pumps & Prime Movers	pumps/VRU			0181-0886	\$32,000
Tanks - Oil	(1/4) 10 - 750 bbl			0181-0890	\$54,000
Tanks - Water	(1/4) 7 - 750 bbl			0181-0891	\$35,000
Separation / Treating Equipment	1/4 - GB/30"x10"x1k# 3 ph/48"x15"x1k# Hor 3ph/1/2VR1			0181-0895	\$122,000
Heater Treaters, Line Heaters	1/4 - 8"x20"x75# HT			0181-0897	\$26,000
Metering Equipment				0181-0898	\$15,000
Line Pipe & Valves - Gathering	1/4 - 1 mile gas line			0181-0900	\$13,000
Fittings / Valves & Accessories				0181-0906	\$138,000
Cathodic Protection				0181-0908	\$29,000
Electrical Installation				0181-0909	\$38,000
Equipment Installation				0181-0910	\$88,000
Pipeline Construction	1/4 - 1 mile gas line			0181-0920	\$32,000
TOTAL			\$337,500		\$951,300
SUBTOTAL			\$2,748,500		\$6,060,800

TOTAL WELL COST		\$8,809,300
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Extra Expense Insurance

☐ I elect to be covered by Operator's Extra Expense Insurance and pay my proportionate share of the premium.
Operator has secured Extra Expense Insurance covering costs of well control, clean up and redrilling as estimated in Line Item 0180-0185.

☐ I elect to purchase my own well control insurance policy.

If neither box is checked above, non-operating working interest owner elects to be covered by Operator's well control insurance.

Prepared by: Levi Jackson	Date: 2/25/2020
Company Approval: <i>M. Whitte</i>	Date: 2/25/2020
Joint Owner Interest: _____ Amount: _____	Jeff Gasch, Vice President of Delaware Basin
Joint Owner Name: COG Operating LLC	Signature: <i>Jeff Gasch</i>

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Revised: 01/31/2018

MEWBORNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name: PALE RIDER 8/5 W1PA ST COM #1H		Prospect: PALE RIDER 8/5 (Black Lake 5/Devon Fee 8)	
Location: SL: 260 FSL & 1270 FEL(8); BHL: 330 FNL & 330 FEL (5)		County: Eddy ST: NM	
Sec: 8	Bik:	Survey:	TWP: 25S RNG: 28E Prop. TVD: 9604 TMD: 19338

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$10,000	0180-0200	\$5,000
Location / Road / Site / Preparation		0180-0105	\$75,000	0180-0205	\$25,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$25,000
Daywork / Turnkey / Footage Drilling 23 days drlg / 3 days comp @ \$21500/d		0180-0110	\$528,100	0180-0210	\$68,900
Fuel 1700 gal/day @ \$2.74/gal		0180-0114	\$114,400	0180-0214	\$585,000
Mud, Chemical & Additives		0180-0120	\$200,000	0180-0220	
Horizontal Drillout Services				0180-0222	\$250,000
Cementing		0180-0125	\$100,000	0180-0225	\$35,000
Logging & Wireline Services		0180-0130	\$2,000	0180-0230	\$625,000
Casing / Tubing / Snubbing Service		0180-0134	\$20,000	0180-0234	\$90,000
Mud Logging		0180-0137	\$30,000		
Stimulation 80 Stg 24.2 MM gal/ 24.2 MM lb				0180-0241	\$2,100,000
Stimulation Rentals & Other				0180-0242	\$235,000
Water & Other		0180-0145	\$50,000	0180-0245	\$415,000
Bits		0180-0148	\$111,100	0180-0248	\$8,000
Inspection & Repair Services		0180-0150	\$40,000	0180-0250	\$5,000
Misc. Air & Pumping Services		0180-0154		0180-0254	\$10,000
Testing & Flowback Services		0180-0158	\$15,000	0180-0258	\$30,000
Completion / Workover Rig				0180-0260	\$10,500
Rig Mobilization		0180-0164	\$150,000		
Transportation		0180-0165	\$20,000	0180-0265	\$20,000
Welding Services		0180-0168	\$5,000	0180-0268	\$15,000
Contract Services & Supervision		0180-0170	\$39,000	0180-0270	\$64,500
Directional Services Includes Vertical Control		0180-0175	\$250,000		
Equipment Rental		0180-0180	\$201,300	0180-0280	\$30,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$5,000	0180-0285	
Intangible Supplies		0180-0188	\$8,000	0180-0288	\$1,000
Damages		0180-0190	\$50,000	0180-0290	\$113,000
ROW & Easements		0180-0192		0180-0292	\$113,000
Pipeline Interconnect				0180-0293	
Company Supervision		0180-0195	\$124,800	0180-0295	\$110,400
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Well Abandonment		0180-0198		0180-0298	
Contingencies 2% (TCP) 2% (CC)		0180-0199	\$47,300	0180-0299	\$100,200
TOTAL			\$2,411,000		\$5,109,500

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0") 450' - 13 3/8" 54.5# J-55 ST&C @ \$32.16/ft		0181-0794	\$15,500		
Casing (8.1" - 10.0") 2400' - 9 5/8" 40# HCL80 LT&C @ \$24.48/ft		0181-0795	\$62,700		
Casing (6.1" - 8.0") 9725' - 7" 29# HCP-110 LT&C @ \$21.5/ft		0181-0796	\$223,300		
Casing (4.1" - 6.0") 10400' - 4 1/2" 13.5# P-110 BPN @ \$11.75/ft				0181-0797	\$130,500
Tubing 8950' - 2 7/8" 6.5# EUE tbg @ \$4.54/ft				0181-0798	\$43,400
Drilling Head		0181-0860	\$40,000		
Tubing Head & Upper Section				0181-0870	\$50,000
Horizontal Completion Tools Completion Liner Hanger				0181-0871	\$82,000
Sucker Rods				0181-0875	
Subsurface Equipment Packer				0181-0880	\$10,000
Artificial Lift Systems Gas Lift Valves				0181-0884	\$15,000
Pumping Unit				0181-0885	
Surface Pumps & Prime Movers pumps/VRU				0181-0886	\$32,000
Tanks - Oil (1/4) 10 - 750 bbl				0181-0890	\$54,000
Tanks - Water (1/4) 7 - 750 bbl				0181-0891	\$35,000
Separation / Treating Equipment 1/4 - GB/30"x10"x1k# 3 ph/48"x15"x1k# Hor 3ph/1/2VR1				0181-0895	\$122,000
Heater Treaters, Line Heaters 1/4 - 8'x20'x75# HT				0181-0897	\$26,000
Metering Equipment				0181-0898	\$15,000
Line Pipe & Valves - Gathering 1/4 - 1 mile gas line				0181-0900	\$13,000
Fittings / Valves & Accessories				0181-0906	\$138,000
Cathodic Protection				0181-0908	\$29,000
Electrical Installation				0181-0909	\$38,000
Equipment Installation				0181-0910	\$88,000
Pipeline Construction 1/4 - 1 mile gas line				0181-0920	\$32,000
TOTAL			\$341,500		\$952,900
SUBTOTAL			\$2,752,500		\$6,062,400

TOTAL WELL COST	\$8,814,900
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Extra Expense Insurance

☐ I elect to be covered by Operator's Extra Expense Insurance and pay my proportionate share of the premium. Operator has secured Extra Expense Insurance covering costs of well control, clean up and redrilling as estimated in Line Item 0180-0185.

☐ I elect to purchase my own well control insurance policy.

If neither box is checked above, non-operating working interest owner elects to be covered by Operator's well control insurance.

Prepared by: Levi Jackson	Date: 2/25/2020
Company Approval: <i>m. whitte</i>	Date: 2/25/2020
Joint Owner Interest: Amount:	Jeff Gasch, Vice President of Delaware Basin
Joint Owner Name: COG Operating LLC	Signature: <i>Jeff Gasch</i>

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Revised: 01/31/2018

MEWBORNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name: PALE RIDER 8/5 W0MD ST COM #1H		Prospect: PALE RIDER 8/5 (Black Lake 5/Devon Fee 8)	
Location: SL: 300 FSL & 1430 FWL (8); BHL: 330 FNL & 330 FWL (5)		County: Eddy ST: NM	
Sec: 8	Blk:	Survey:	TWP: 25S RNG: 28E Prop. TVD: 9363 TMD: 19115

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$10,000	0180-0200	\$5,000
Location / Road / Site / Preparation		0180-0105	\$75,000	0180-0205	\$25,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$25,000
Daywork / Turnkey / Footage Drilling	23 days drlg / 3 days comp @ \$19500/d	0180-0110	\$479,100	0180-0210	\$62,600
Fuel	1700 gal/day @ \$1.10/gal	0180-0114	\$50,000	0180-0214	\$234,900
Mud, Chemical & Additives		0180-0120	\$200,000	0180-0220	
Horizontal Drillout Services				0180-0222	\$250,000
Cementing		0180-0125	\$100,000	0180-0225	\$35,000
Logging & Wireline Services		0180-0130	\$2,000	0180-0230	\$625,000
Casing / Tubing / Snubbing Service		0180-0134	\$20,000	0180-0234	\$90,000
Mud Logging		0180-0137	\$30,000		
Stimulation	80 Stg 24.2 MM gal/ 24.2 MM lb			0180-0241	\$2,100,000
Stimulation Rentals & Other				0180-0242	\$235,000
Water & Other		0180-0145	\$50,000	0180-0245	\$415,000
Bits		0180-0148	\$111,100	0180-0248	\$8,000
Inspection & Repair Services		0180-0150	\$40,000	0180-0250	\$5,000
Misc. Air & Pumping Services		0180-0154		0180-0254	\$10,000
Testing & Flowback Services		0180-0158	\$15,000	0180-0258	\$30,000
Completion / Workover Rig				0180-0260	\$10,500
Rig Mobilization		0180-0164	\$150,000		
Transportation		0180-0165	\$20,000	0180-0265	\$20,000
Welding Services		0180-0168	\$5,000	0180-0268	\$15,000
Contract Services & Supervision		0180-0170	\$39,000	0180-0270	\$64,500
Directional Services	Includes Vertical Control	0180-0175	\$250,000		
Equipment Rental		0180-0180	\$201,300	0180-0280	\$30,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$5,000	0180-0285	
Intangible Supplies		0180-0188	\$8,000	0180-0288	\$1,000
Damages		0180-0190	\$50,000	0180-0290	\$113,000
ROW & Easements		0180-0192		0180-0292	\$113,000
Pipeline Interconnect				0180-0293	
Company Supervision		0180-0195	\$124,800	0180-0295	\$110,400
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Well Abandonment		0180-0198		0180-0298	
Contingencies	2% (TCP) 2% (CC)	0180-0199	\$45,006	0180-0299	\$93,058
TOTAL			\$2,295,306		\$4,745,958

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0")	450' - 13 3/8" 54.5# J-55 ST&C @ \$32.16/ft	0181-0794	\$15,500		
Casing (8.1" - 10.0")	2400' - 9 5/8" 40# HCL80 LT&C @ \$24.48/ft	0181-0795	\$62,700		
Casing (6.1" - 8.0")	9570' - 7" 29# HCP-110 LT&C @ \$21.5/ft	0181-0796	\$219,900		
Casing (4.1" - 6.0")	10340' - 4 1/2" 13.5# P-110 BPN @ \$11.75/ft			0181-0797	\$129,800
Tubing	8910' - 2 7/8" 6.5# EUE tbg @ \$4.54/ft			0181-0798	\$42,900
Drilling Head		0181-0860	\$40,000		
Tubing Head & Upper Section				0181-0870	\$50,000
Horizontal Completion Tools	Completion Liner Hanger			0181-0871	\$82,000
Sucker Rods				0181-0875	
Subsurface Equipment	Packer			0181-0880	\$10,000
Artificial Lift Systems	Gas Lift Valves			0181-0884	\$15,000
Pumping Unit				0181-0885	
Surface Pumps & Prime Movers	pumps/VRU			0181-0886	\$32,000
Tanks - Oil	(1/4) 10 - 750 bbl			0181-0890	\$54,000
Tanks - Water	(1/4) 7 - 750 bbl			0181-0891	\$35,000
Separation / Treating Equipment	1/4 - GB/30"x10"x1k# 3 ph/48"x15"x1k# Hor 3ph/1/2VRT			0181-0895	\$122,000
Heater Treaters, Line Heaters	1/4 - 8"x20"x75# HT			0181-0897	\$26,000
Metering Equipment				0181-0898	\$15,000
Line Pipe & Valves - Gathering	1/4 - .5 mile gas line			0181-0900	\$10,000
Fittings / Valves & Accessories				0181-0906	\$138,000
Cathodic Protection				0181-0908	\$29,000
Electrical Installation				0181-0909	\$38,000
Equipment Installation				0181-0910	\$88,000
Pipeline Construction	1/4 - .5 mile gas line			0181-0920	\$20,000
TOTAL			\$338,100		\$936,700
SUBTOTAL			\$2,633,406		\$5,682,658

TOTAL WELL COST	\$8,316,064
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Extra Expense Insurance

☐ I elect to be covered by Operator's Extra Expense Insurance and pay my proportionate share of the premium.
Operator has secured Extra Expense Insurance covering costs of well control, clean up and redrilling as estimated in Line Item 0180-0185.

☒ I elect to purchase my own well control insurance policy.

If neither box is checked above, non-operating working interest owner elects to be covered by Operator's well control insurance.

Prepared by: T. Cude	Date: 3/24/2020
Company Approval: <i>m. whitte</i>	Date: 3/24/2020

Joint Owner Interest: _____ Amount: _____	Jeff Gasch, Vice President of Delaware Basin
Joint Owner Name: COG Operating LLC	Signature: <i>Jeff Gasch</i>

Revised: 01/31/2018

MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name: PALE RIDER 8/5 W1MD ST COM #1H		Prospect: PALE RIDER 8/5 (Black Lake 5/Devon Fee 8)	
Location: SL: 300 FSL & 1460 FWL (8); BHL: 330 FNL & 990 FWL (5)		County: Eddy	ST: NM
Sec.: 8	Blk:	Survey:	TWP: 25S RNG: 28E Prop. TVD: 9548 TMD: 19207

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$10,000	0180-0200	\$5,000
Location / Road / Site / Preparation		0180-0105	\$75,000	0180-0205	\$25,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$25,000
Daywork / Turnkey / Footage Drilling	23 days drlg / 3 days comp @ \$19500/d	0180-0110	\$479,100	0180-0210	\$62,600
Fuel	1700 gal/day @ \$1.10/gal	0180-0114	\$50,000	0180-0214	\$234,900
Mud, Chemical & Additives		0180-0120	\$200,000	0180-0220	
Horizontal Drillout Services				0180-0222	\$250,000
Cementing		0180-0125	\$100,000	0180-0225	\$35,000
Logging & Wireline Services		0180-0130	\$2,000	0180-0230	\$625,000
Casing / Tubing / Snubbing Service		0180-0134	\$20,000	0180-0234	\$90,000
Mud Logging		0180-0137	\$30,000		
Stimulation	80 Stg 24.2 MM gal/ 24.2 MM lb			0180-0241	\$2,100,000
Stimulation Rentals & Other				0180-0242	\$235,000
Water & Other		0180-0145	\$50,000	0180-0245	\$415,000
Bits		0180-0148	\$111,100	0180-0248	\$8,000
Inspection & Repair Services		0180-0150	\$40,000	0180-0250	\$5,000
Misc. Air & Pumping Services		0180-0154		0180-0254	\$10,000
Testing & Flowback Services		0180-0158	\$15,000	0180-0258	\$30,000
Completion / Workover Rig				0180-0260	\$10,500
Rig Mobilization		0180-0164	\$150,000		
Transportation		0180-0165	\$20,000	0180-0265	\$20,000
Welding Services		0180-0168	\$5,000	0180-0268	\$15,000
Contract Services & Supervision		0180-0170	\$39,000	0180-0270	\$64,500
Directional Services	Includes Vertical Control	0180-0175	\$250,000		
Equipment Rental		0180-0180	\$201,300	0180-0280	\$30,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$5,000	0180-0285	
Intangible Supplies		0180-0188	\$8,000	0180-0288	\$1,000
Damages		0180-0190	\$50,000	0180-0290	\$113,000
ROW & Easements		0180-0192		0180-0292	\$113,000
Pipeline Interconnect				0180-0293	
Company Supervision		0180-0195	\$124,800	0180-0295	\$110,400
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Well Abandonment		0180-0198		0180-0298	
Contingencies	2% (TCP) 2% (CC)	0180-0199	\$45,006	0180-0299	\$93,058
TOTAL			\$2,295,306		\$4,745,958

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0")	450' - 13 3/8" 54.5# J-55 ST&C @ \$32.16/ft	0181-0794	\$15,500		
Casing (8.1" - 10.0")	2400' - 9 5/8" 40# HCL80 LT&C @ \$24.48/ft	0181-0795	\$62,700		
Casing (6.1" - 8.0")	9570' - 7" 29# HCP-110 LT&C @ \$21.5/ft	0181-0796	\$219,900		
Casing (4.1" - 6.0")	10340' - 4 1/2" 13.5# P-110 BPN @ \$11.75/ft			0181-0797	\$129,800
Tubing	8910' - 2 7/8" 6.5# EUE tbg @ \$4.54/ft			0181-0798	\$42,900
Drilling Head		0181-0860	\$40,000		
Tubing Head & Upper Section				0181-0870	\$50,000
Horizontal Completion Tools	Completion Liner Hanger			0181-0871	\$82,000
Sucker Rods				0181-0875	
Subsurface Equipment	Packer			0181-0880	\$10,000
Artificial Lift Systems	Gas Lift Valves			0181-0884	\$15,000
Pumping Unit				0181-0885	
Surface Pumps & Prime Movers	pumps/VRU			0181-0886	\$32,000
Tanks - Oil	(1/4) 10 - 750 bbl			0181-0890	\$54,000
Tanks - Water	(1/4) 7 - 750 bbl			0181-0891	\$35,000
Separation / Treating Equipment	1/4 - GB/30"x10"x1k# 3 ph/48"x15"x1k# Hor 3ph/1/2VR			0181-0895	\$122,000
Heater Treaters, Line Heaters	1/4 - 8"x20"x75# HT			0181-0897	\$26,000
Metering Equipment				0181-0898	\$15,000
Line Pipe & Valves - Gathering	1/4 - .5 mile gas line			0181-0900	\$10,000
Fittings / Valves & Accessories				0181-0906	\$138,000
Cathodic Protection				0181-0908	\$29,000
Electrical Installation				0181-0909	\$38,000
Equipment Installation				0181-0910	\$88,000
Pipeline Construction	1/4 - .5 mile gas line			0181-0920	\$20,000
TOTAL			\$338,100		\$936,700
SUBTOTAL			\$2,633,406		\$5,682,658

TOTAL WELL COST		\$8,316,064
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Extra Expense Insurance

☐ I elect to be covered by Operator's Extra Expense Insurance and pay my proportionate share of the premium.
Operator has secured Extra Expense Insurance covering costs of well control, clean up and redrilling as estimated in Line Item 0180-0185.

☒ I elect to purchase my own well control insurance policy.

If neither box is checked above, non-operating working interest owner elects to be covered by Operator's well control insurance.

Prepared by: <u>T. Cude</u>	Date: <u>3/24/2020</u>
Company Approval: <u><i>m. whitte</i></u>	Date: <u>3/24/2020</u>

Joint Owner Interest: _____ Amount: _____	Jeff Gasch, Vice President of Delaware Basin
Joint Owner Name: <u>COG Operating LLC</u>	Signature: <u><i>Jeff Gasch</i></u>

Revised: 01/31/2018

MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name: PALE RIDER 8/5 W0NC ST COM #1H		Prospect: PALE RIDER 8/5 (Black Lake 5/Devon Fee 8)	
Location: SL: 300 FSL & 1490 FWL (8); BHL: 330 FNL & 1650 FWL (5)		County: Eddy	ST: NM
Sec: 8	Blk:	Survey:	TWP: 25S RNG: 28E Prop. TVD: 9383 TMD: 19071

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$10,000	0180-0200	\$5,000
Location / Road / Site / Preparation		0180-0105	\$75,000	0180-0205	\$25,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$25,000
Daywork / Turnkey / Footage Drilling 23 days drlg / 3 days comp @ \$19500/d		0180-0110	\$479,100	0180-0210	\$62,600
Fuel 1700 gal/day @ \$1.10/gal		0180-0114	\$50,000	0180-0214	\$234,900
Mud, Chemical & Additives		0180-0120	\$200,000	0180-0220	
Horizontal Drillout Services				0180-0222	\$250,000
Cementing		0180-0125	\$100,000	0180-0225	\$35,000
Logging & Wireline Services		0180-0130	\$2,000	0180-0230	\$625,000
Casing / Tubing / Snubbing Service		0180-0134	\$20,000	0180-0234	\$90,000
Mud Logging		0180-0137	\$30,000		
Stimulation 80 Stg 24.2 MM gal/ 24.2 MM lb				0180-0241	\$2,100,000
Stimulation Rentals & Other				0180-0242	\$235,000
Water & Other		0180-0145	\$50,000	0180-0245	\$415,000
Bits		0180-0148	\$111,100	0180-0248	\$8,000
Inspection & Repair Services		0180-0150	\$40,000	0180-0250	\$5,000
Misc. Air & Pumping Services		0180-0154		0180-0254	\$10,000
Testing & Flowback Services		0180-0158	\$15,000	0180-0258	\$30,000
Completion / Workover Rig				0180-0260	\$10,500
Rig Mobilization		0180-0164	\$150,000		
Transportation		0180-0165	\$20,000	0180-0265	\$20,000
Welding Services		0180-0168	\$5,000	0180-0268	\$15,000
Contract Services & Supervision		0180-0170	\$39,000	0180-0270	\$64,500
Directional Services Includes Vertical Control		0180-0175	\$250,000		
Equipment Rental		0180-0180	\$201,300	0180-0280	\$30,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$5,000	0180-0285	
Intangible Supplies		0180-0188	\$8,000	0180-0288	\$1,000
Damages		0180-0190	\$50,000	0180-0290	\$113,000
ROW & Easements		0180-0192		0180-0292	\$113,000
Pipeline Interconnect				0180-0293	
Company Supervision		0180-0195	\$124,800	0180-0295	\$110,400
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Well Abandonment		0180-0198		0180-0298	
Contingencies 2% (TCP) 2% (CC)		0180-0199	\$45,006	0180-0299	\$93,058
TOTAL			\$2,295,306		\$4,745,958

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0") 450' - 13 3/8" 54.5# J-55 ST&C @ \$32.16/ft		0181-0794	\$15,500		
Casing (8.1" - 10.0") 2400' - 9 5/8" 40# HCL80 LT&C @ \$24.48/ft		0181-0795	\$62,700		
Casing (6.1" - 8.0") 9570' - 7" 29# HCP-110 LT&C @ \$21.5/ft		0181-0796	\$219,900		
Casing (4.1" - 6.0") 10340' - 4 1/2" 13.5# P-110 BPN @ \$11.75/ft				0181-0797	\$129,800
Tubing 8910' - 2 7/8" 6.5# EUE tbg @ \$4.54/ft				0181-0798	\$42,900
Drilling Head		0181-0860	\$40,000		
Tubing Head & Upper Section				0181-0870	\$50,000
Horizontal Completion Tools Completion Liner Hanger				0181-0871	\$82,000
Sucker Rods				0181-0875	
Subsurface Equipment Packer				0181-0880	\$10,000
Artificial Lift Systems Gas Lift Valves				0181-0884	\$15,000
Pumping Unit				0181-0885	
Surface Pumps & Prime Movers pumps/VRU				0181-0886	\$32,000
Tanks - Oil (1/4) 10 - 750 bbl				0181-0890	\$54,000
Tanks - Water (1/4) 7 - 750 bbl				0181-0891	\$35,000
Separation / Treating Equipment 1/4 - GB/30"x10"x1k# 3 ph/48"x15"x1k# Hor 3ph/1/2VRT				0181-0895	\$122,000
Heater Treaters, Line Heaters 1/4 - 8"x20"x75# HT				0181-0897	\$26,000
Metering Equipment				0181-0898	\$15,000
Line Pipe & Valves - Gathering 1/4 - .5 mile gas line				0181-0900	\$10,000
Fittings / Valves & Accessories				0181-0906	\$138,000
Cathodic Protection				0181-0908	\$29,000
Electrical Installation				0181-0909	\$38,000
Equipment Installation				0181-0910	\$88,000
Pipeline Construction 1/4 - .5 mile gas line				0181-0920	\$20,000
TOTAL			\$338,100		\$936,700
SUBTOTAL			\$2,633,406		\$5,682,658

TOTAL WELL COST		\$8,316,064
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Extra Expense Insurance

☐ I elect to be covered by Operator's Extra Expense Insurance and pay my proportionate share of the premium.
Operator has secured Extra Expense Insurance covering costs of well control, clean up and redrilling as estimated in Line Item 0180-0185.

☒ I elect to purchase my own well control insurance policy.

If neither box is checked above, non-operating working interest owner elects to be covered by Operator's well control insurance.

Prepared by: T. Cude	Date: 3/24/2020
Company Approval: <i>m. whitte</i>	Date: 3/24/2020

Joint Owner Interest: _____ Amount: _____	Jeff Gasch, Vice President of Delaware Basin
Joint Owner Name: COG Operating LLC	Signature: <i>Jeff Gasch</i>

Revised: 01/31/2018

MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name: PALE RIDER 8/5 W1NC ST COM #1H		Prospect: PALE RIDER 8/5 (Black Lake 5/Devon Fee 8)	
Location: SL: 300 FSL & 1520 FWL (8); BHL: 330 FNL & 2310 FWL (5)		County: Eddy	ST: NM
Sec. 8	Bik:	Survey:	TWP: 25S RNG: 28E Prop. TVD: 9568 TMD: 19243

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$10,000	0180-0200	\$5,000
Location / Road / Site / Preparation		0180-0105	\$75,000	0180-0205	\$25,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$25,000
Daywork / Turnkey / Footage Drilling 23 days drlg / 3 days comp @ \$19500/d		0180-0110	\$479,100	0180-0210	\$62,600
Fuel 1700 gal/day @ \$1.10/gal		0180-0114	\$50,000	0180-0214	\$234,900
Mud, Chemical & Additives		0180-0120	\$200,000	0180-0220	
Horizontal Drillout Services				0180-0222	\$250,000
Cementing		0180-0125	\$100,000	0180-0225	\$35,000
Logging & Wireline Services		0180-0130	\$2,000	0180-0230	\$625,000
Casing / Tubing / Snubbing Service		0180-0134	\$20,000	0180-0234	\$90,000
Mud Logging		0180-0137	\$30,000		
Stimulation 80 Stg 24.2 MM gal/ 24.2 MM lb				0180-0241	\$2,100,000
Stimulation Rentals & Other				0180-0242	\$235,000
Water & Other		0180-0145	\$50,000	0180-0245	\$415,000
Bits		0180-0148	\$111,100	0180-0248	\$8,000
Inspection & Repair Services		0180-0150	\$40,000	0180-0250	\$5,000
Misc. Air & Pumping Services		0180-0154		0180-0254	\$10,000
Testing & Flowback Services		0180-0158	\$15,000	0180-0258	\$30,000
Completion / Workover Rig				0180-0260	\$10,500
Rig Mobilization		0180-0164	\$150,000		
Transportation		0180-0165	\$20,000	0180-0265	\$20,000
Welding Services		0180-0168	\$5,000	0180-0268	\$15,000
Contract Services & Supervision		0180-0170	\$39,000	0180-0270	\$64,500
Directional Services Includes Vertical Control		0180-0175	\$250,000		
Equipment Rental		0180-0180	\$201,300	0180-0280	\$30,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$5,000	0180-0285	
Intangible Supplies		0180-0188	\$8,000	0180-0288	\$1,000
Damages		0180-0190	\$50,000	0180-0290	\$113,000
ROW & Easements		0180-0192		0180-0292	\$113,000
Pipeline Interconnect				0180-0293	
Company Supervision		0180-0195	\$124,800	0180-0295	\$110,400
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Well Abandonment		0180-0198		0180-0298	
Contingencies 2% (TCP) 2% (CC)		0180-0199	\$45,006	0180-0299	\$93,058
TOTAL			\$2,295,306		\$4,745,958

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0") 450' - 13 3/8" 54.5# J-55 ST&C @ \$32.16/ft		0181-0794	\$15,500		
Casing (8.1" - 10.0") 2400' - 9 5/8" 40# HCL80 LT&C @ \$24.48/ft		0181-0795	\$62,700		
Casing (6.1" - 8.0") 9680' - 7" 29# HCP-110 LT&C @ \$21.5/ft		0181-0796	\$222,700		
Casing (4.1" - 6.0") 10375' - 4 1/2" 13.5# P-110 BPN @ \$11.75/ft				0181-0797	\$130,200
Tubing 8930' - 2 7/8" 6.5# EUE tbg @ \$4.54/ft				0181-0798	\$43,400
Drilling Head		0181-0860	\$40,000		
Tubing Head & Upper Section				0181-0870	\$50,000
Horizontal Completion Tools Completion Liner Hanger				0181-0871	\$82,000
Sucker Rods				0181-0875	
Subsurface Equipment Packer				0181-0880	\$10,000
Artificial Lift Systems Gas Lift Valves				0181-0884	\$15,000
Pumping Unit				0181-0885	
Surface Pumps & Prime Movers pumps/VRU				0181-0886	\$32,000
Tanks - Oil (1/4) 10 - 750 bbl				0181-0890	\$54,000
Tanks - Water (1/4) 7 - 750 bbl				0181-0891	\$35,000
Separation / Treating Equipment 1/4 - GB/30"x10"x1k# 3 ph/48"x15"x1k# Hor 3ph/1/2VTR				0181-0895	\$122,000
Heater Treaters, Line Heaters 1/4 - 8"x20"x75# HT				0181-0897	\$26,000
Metering Equipment				0181-0898	\$15,000
Line Pipe & Valves - Gathering 1/4 - .5 mile gas line				0181-0900	\$10,000
Fittings / Valves & Accessories				0181-0906	\$138,000
Cathodic Protection				0181-0908	\$29,000
Electrical Installation				0181-0909	\$38,000
Equipment Installation				0181-0910	\$88,000
Pipeline Construction 1/4 - .5 mile gas line				0181-0920	\$20,000
TOTAL			\$340,900		\$937,600
SUBTOTAL			\$2,636,206		\$5,683,558

TOTAL WELL COST		\$8,319,764
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Extra Expense Insurance

☐ I elect to be covered by Operator's Extra Expense Insurance and pay my proportionate share of the premium.
Operator has secured Extra Expense Insurance covering costs of well control, clean up and redrilling as estimated in Line Item 0180-0185.

☒ I elect to purchase my own well control insurance policy.

If neither box is checked above, non-operating working interest owner elects to be covered by Operator's well control insurance.

Prepared by: <u>T. Cude</u>		Date: <u>3/24/2020</u>
Company Approval: <u><i>M. Whittier</i></u>		Date: <u>3/24/2020</u>
Joint Owner Interest: _____ Amount: _____		Jeff Gasch, Vice President of Delaware Basin
Joint Owner Name: <u>COG Operating LLC</u>		Signature: <u><i>Jeff Gasch</i></u>

Revised: 01/31/2018