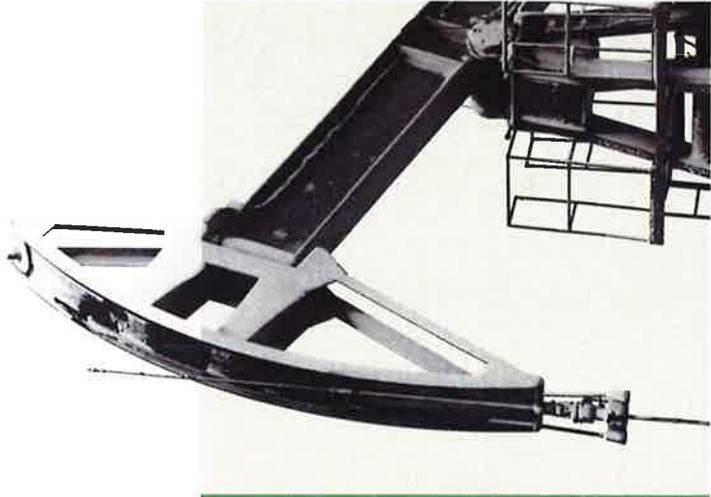


COG OPERATING LLC

Tenderloin Federal Com 501H, 502H, 503H
Section 13-1-T22S-33E
Lea County, New Mexico

Case Nos. 21337-21338

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING July 09, 2020**



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

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

CASE NOS. 21337-21338

**CONSOLIDATED HEARING PACKAGE
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- Compulsory Pooling Application Checklist and Filed Application for each Case
- **COG Exhibit A:** Affidavit of Adam Reker, Landman
 - COG Exhibit A-1: Draft C-102s
 - COG Exhibit A-2: General Location Map
 - COG Exhibit A-3: Spacing Unit Plat/Ownership Breakdown, ORRI List
 - COG Exhibit A-4: Sample Well Proposal Letter /AFEs
 - COG Exhibit A-5: Chronology of Contact
- **COG Exhibit B:** Affidavit of Candice Pettijohn, Geologist
 - COG Exhibit B-1: Subsea Structure Map
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 - COG Exhibit B-4: Orientation of Wells
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COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 21337	APPLICANT'S RESPONSE
Date: July 7, 2020	
Applicant	COG Operating LLC
Designated Operator & OGRID (affiliation if applicable)	229137
Applicant's Counsel:	Holland & Hart
Case Title:	APPLICATION OF COG OPERATING LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	
Well Family	Tenderloin wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	Gramma Ridge; Bone Spring West Pool (Pool Code 28432)
Well Location Setback Rules:	Standard
Spacing Unit Size:	640-acres, more or less
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	640-acres, more or less
Building Blocks:	quarter-quarter sections
Orientation:	South-North
Description: TRS/County	E/2 of Sections 1 and 12, T22S, R33E, Lea County
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	Yes, E/2 E/2 of Sections 1 and 12
Proximity Defining Well: if yes, description	Tenderloin Federal Com 502H
Applicant's Ownership in Each Tract	Exhibit A-3
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	

Well #1	Tenderloin Federal Com 501H (API pending) SHL: 230 FNL and 975 FEL (Unit A) of Section 13 BHL: 50 FNL and 330 FEL (Lot 1) of Section 1 Township 22 South, Range 33 East Completion Target: Bone Spring formation Well Orientation: South to North Completion Location expected to be: Standard
Well #2	Tenderloin Federal Com 502H (API pending) SHL: 230 FNL and 1005 FEL (Unit A) of Section 13 BHL: 50 FNL and 1645 FEL (Lot 2) of Section 1 Township 22 South, Range 33 East Completion Target: Bone Spring formation Well Orientation: South to North Completion Location expected to be: Standard
Horizontal Well First and Last Take Points	Exhibit A-1
Completion Target (Formation, TVD and MD)	Exhibit A-4
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$7,000
Production Supervision/Month \$	\$700
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit C
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-3
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	Exhibit D
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4

Cost Estimate for Production Facilities	Exhibit A-4
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit A-2 and B-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit A-2 and B-1
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-1
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit A-2
Well Bore Location Map	Exhibit A-2 and B-1
Structure Contour Map - Subsea Depth	Exhibit B-1
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibit B-3
Additional Information	
Special Provisions/Stipulations	None
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Michael H. Feldewert
Signed Name (Attorney or Party Representative):	
Date:	7-Jul-20

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 21338	APPLICANT'S RESPONSE
Date: July 7, 2020	
Applicant	COG Operating LLC
Designated Operator & OGRID (affiliation if applicable)	229137
Applicant's Counsel:	Holland & Hart
Case Title:	APPLICATION OF COG OPERATING LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	
Well Family	Tenderloin wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	Gramma Ridge; Bone Spring West Pool (Pool Code 28432)
Well Location Setback Rules:	Standard
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:	South-North
Description: TRS/County	E/2 W/2 of Sections 1 and 12, T22S, R33E, Lea County
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	N/A
Applicant's Ownership in Each Tract	Exhibit A-3
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	

Well #1	Tenderloin Federal Com 503H (API pending) SHL: 410 FNL and 2310 FEL (Unit C) of Section 13 BHL: 50 FNL and 2310 FEL (Lot 3) of Section 1 Township 22 South, Range 33 East Completion Target: Bone Spring formation Well Orientation: South to North Completion Location expected to be: Standard
Horizontal Well First and Last Take Points	Exhibit A-1
Completion Target (Formation, TVD and MD)	Exhibit A-4
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$7,000
Production Supervision/Month \$	\$700
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit C
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-3
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	Exhibit D
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit A-2 and B-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit A-2 and B-1

Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-1
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit A-2
Well Bore Location Map	Exhibit A-2 and B-1
Structure Contour Map - Subsea Depth	Exhibit B-1
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibit B-3
Additional Information	
Special Provisions/Stipulations	None
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Michael H. Feldewert
Signed Name (Attorney or Party Representative):	
Date:	7-Jul-20

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

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

CASE NO. 21337

APPLICATION

COG Operating LLC (“COG”), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of N.M. Stat. Ann. § 70-2-17, for an order pooling all uncommitted interests in the Bone Spring formation [Grama Ridge; Bone Spring West Pool (Pool Code 28432)] underlying a 640-acre, more or less, standard horizontal spacing unit comprised of the E/2 of Sections 1 and 12, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico. In support of its application, COG states:

1. COG Operating LLC (OGRID No. 229137) is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.

2. COG seeks to dedicate the above-referenced horizontal spacing unit to the following proposed initial wells:

- **Tenderloin Federal Com 501H** to be drilled from a surface hole location in NE/4 NE/4 (Unit A) of Section 13 to a bottom hole location in the NE/4 NE/4 (Lot 1) of Section 1; and
- **Tenderloin Federal Com 502H** to be drilled from a surface hole location in NE/4 NE/4 (Unit A) of Section 13 to a bottom hole location in the NW/4 NE/4 (Lot 2) of Section 1.

The completed interval of the Tenderloin Federal Com 502H well will be within 330 feet of the E/2 E/2 of Sections 1 and 12 to allow inclusion of this offsetting acreage in a standard horizontal well spacing unit.

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

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

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

WHEREFORE, COG requests that this application be set for hearing before an Examiner of the Oil Conservation Division on July 9, 2020, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit and approving the initial wells;
- B. Designating COG Operating LLC operator of this spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing COG to recover its costs of drilling, equipping and completing the wells;
- D. Approving the actual operating charges and costs of supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

- E. Imposing a 200% charge for the risk assumed by COG in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

HOLLAND & HART LLP

By: 

Michael H. Feldewert
Adam G. Rankin
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421
(505) 983-6043 Facsimile
mfeldewert@hollandhart.com
agrarkin@hollandhart.com

ATTORNEYS FOR COG OPERATING LLC

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

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

CASE NO. 21338

APPLICATION

COG Operating LLC (“COG”), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of N.M. Stat. Ann. § 70-2-17, for an order pooling all uncommitted interests in the Bone Spring formation [Grama Ridge; Bone Spring West Pool (Pool Code 28432)] underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the E/2 W/2 of Sections 1 and 12, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico. In support of its application, COG states:

1. COG Operating LLC (OGRID No. 229137) is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. COG seeks to dedicate the above-referenced horizontal spacing unit to the **Tenderloin Federal Com 503H** well to be drilled from a surface hole location in NE/4 NW/4 (Unit C) of Section 13 to a bottom hole location in the NE/4 NW/4 (Lot 3) of Section 1.
3. COG has sought and been unable to obtain voluntary agreement for the development of these lands from all the interest owners in the subject spacing unit.
4. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.
5. In order to permit COG to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled and

COG Operating LLC should be designated the operator of this proposed horizontal wells and spacing unit.

WHEREFORE, COG requests that this application be set for hearing before an Examiner of the Oil Conservation Division on July 9, 2020, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit and approving the initial well;
- B. Designating COG Operating LLC operator of this spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing COG to recover its costs of drilling, equipping and completing the well;
- D. Approving the actual operating charges and costs of supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% charge for the risk assumed by COG in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

By:  _____

Michael H. Feldewert
Adam G. Rankin
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421
(505) 983-6043 Facsimile
mfeldewert@hollandhart.com
agrarkin@hollandhart.com

ATTORNEYS FOR COG OPERATING LLC

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

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

CASE NOS. 21337 & 21338

AFFIDAVIT OF ADAM REKER, LANDMAN

Adam Reker, being of lawful age and duly sworn, states the following:

1. My name is Adam Reker and I am employed by COG Operating LLC (“COG”) as a Landman. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters and my credentials have been accepted by the Division and made a matter of record.

2. I am familiar with the applications filed by COG these consolidated matters and the status of the lands in the subject area.

3. None of the mineral owners to be pooled have expressed opposition to these proceedings, so I do not expect any opposition at the hearing.

4. COG seeks orders pooling all uncommitted interests in the Bone Spring formation [Grama Ridge; Bone Spring West Pool (Pool Code 28432)] underlying two standard horizontal spacing units comprised of the E/2 and the E/2 W/2 of Sections 1 and 12, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico.

5. Under Case 21337, COG seeks to form and initially dedicate the E/2 of Sections 1 and 12 to the following proposed wells:

- **Tenderloin Federal Com 501H** to be drilled from a surface hole location in NE/4 NE/4 (Unit A) of Section 13 to a bottom hole location in the NE/4 NE/4 (Lot 1) of Section 1; and

- **Tenderloin Federal Com 502H** to be drilled from a surface hole location in NE/4 NE/4 (Unit A) of Section 13 to a bottom hole location in the NW/4 NE/4 (Lot 2) of Section 1.

The completed interval of the Tenderloin Federal Com 502H well will be within 330 feet of the E/2 E/2 of Sections 1 and 12 to allow inclusion of this offsetting acreage in a standard horizontal well spacing unit.

6. Under Case 21338, COG seeks to form and initially dedicate the E/2 W/2 of Sections 1 and 12 to the **Tenderloin Federal Com 503H** well. This well will be drilled from a surface hole location in NE/4 NW/4 (Unit C) of Section 13 to a bottom hole location in the NE/4 NW/4 (Lot 3) of Section 1.

7. **Exhibit A-1** contains Form C-102s for the proposed initial wells for each spacing unit in numerical order.

8. **Exhibit A-2** is a general location map outlining the acreage being pooled and the lateral trajectory of the proposed wells. The acreage is comprised of federal lands.

9. **Exhibit A-3** identifies the tracts of land comprising the proposed spacing units, the working interest ownership in each tract and their respective interest in the horizontal spacing units. COG has highlighted on Exhibit A-3 the mineral owners that remain to be pooled for each proposed spacing unit.

10. No ownership depth severances exist within in the Bone Spring formation underlying the subject acreage.

11. COG has conducted a diligent search of company records, county records, telephone directories and conducted computer searches to locate contact information for each of the mineral owners that it seeks to pool.

12. **Exhibit A-4** contains a sample of the letters and AFE's for the proposed wells sent to the working interest owners that COG has been able to locate. The costs reflected on these AFE's are consistent with what COG and other operators have incurred for drilling similar horizontal wells in the area in these formations.

13. **Exhibit A-5** contains a chronology of the contacts with the uncommitted mineral owners COG was able to locate. COG has made a good faith effort to obtain voluntary joinder of these owners in the proposed wells.

14. COG requests overhead and administrative rates of \$7,000 per month for drilling and \$700 per month for a producing well. These rates are consistent with the rates charged by COG and other operators for similar wells in this area.

15. I have provided the law firm of Holland and Hart, LLP, with the names and addresses (where available) of the mineral owners that COG seeks to pool and instructed that they be notified of this hearing.

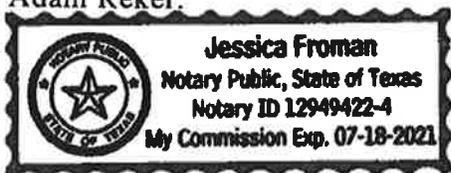
16. Exhibits A-1 through A-5 were prepared by me or compiled under my direction from company business records.

FURTHER AFFIANT SAYETH NAUGHT


ADAM REKER

STATE OF TEXAS)
)
COUNTY OF MIDLAND)

SUBSCRIBED and SWORN to before me this 16th day of July 2020 by
Adam Reker.



Jessica Froman
NOTARY PUBLIC

My Commission Expires:

07-18-2021

14916349_v1

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240
Phone: (576) 399-6101 Fax: (576) 393-0720

DISTRICT II
811 S. FIRST ST., ARTESIA, NM 88210
Phone: (576) 748-1283 Fax: (576) 748-9720

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 478-3460 Fax: (505) 478-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 28432	Pool Name Grama Ridge; Bone Spring West Pool
Property Code	Property Name TENDERLOIN FEDERAL COM	Well Number 501H
OGRID No.	Operator Name COG OPERATING, LLC	Elevation 3514.6'

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	13	22-S	33-E		230	NORTH	975	EAST	LEA

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
1	1	22-S	33-E		50	NORTH	330	EAST	LEA

Dedicated Acres 640.01	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

NAD 27 NME
PROPOSED BOTTOM HOLE LOCATION
Y=520282.2 N
X=751534.4 E
LAT.=32.427731° N
LONG.=103.518123° W

POINT LEGEND	
1	Y=509773.4 N X=751946.3 E
2	Y=515053.8 N X=751904.4 E
3	Y=517692.7 N X=751883.8 E
4	Y=520334.1 N X=751864.0 E
5	Y=520319.2 N X=749225.7 E
6	Y=515038.7 N X=749264.2 E
7	Y=509754.3 N X=749308.0 E

NAD 27 NME
SURFACE LOCATION
Y=509536.4 N
X=750973.1 E
LAT.=32.398207° N
LONG.=103.520207° W

LEASE X-ING
LAT.=32.413354° N
LONG.=103.518120° W

LEASE X-ING
LAT.=32.406097° N
LONG.=103.518119° W

OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

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.

FEBRUARY 21, 2020
Date of Survey

Signature & Seal of Professional Surveyor

Chad Harcrow 3/2/20
Certificate No. CHAD HARCROW 17777
W.O. # 19-2216 DRAWN BY: AH

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A1
Submitted by: **COG OPERATING, LLC**
Hearing Date: July 09, 2020
Case Nos. 21337-21338

DISTRICT I
1825 N. FRENCH DR., HOBBS, NM 88240
Phone: (575) 393-8181 Fax: (575) 393-0720

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

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 334-8178 Fax: (505) 334-8170

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3482

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 28432	Pool Name Grama Ridge; Bone Spring West Pool
Property Code	Property Name TENDERLOIN FEDERAL COM	Well Number 502H
OGRID No.	Operator Name COG OPERATING, LLC	Elevation 3515.4'

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	13	22-S	33-E		230	NORTH	1005	EAST	LEA

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
2	1	22-S	33-E		50	NORTH	1645	EAST	LEA
Dedicated Acres 640.01	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

NAD 27 NME
PROPOSED BOTTOM HOLE LOCATION
Y=520274.8 N
X=750219.4 E
LAT.=32.427738° N
LONG.=103.522384° W

POINT LEGEND	
1	Y=509773.4 N X=751946.3 E
2	Y=515053.8 N X=751904.4 E
3	Y=517892.7 N X=751883.8 E
4	Y=520334.1 N X=751864.0 E
5	Y=520319.2 N X=749225.7 E
6	Y=515038.7 N X=749264.2 E
7	Y=509754.3 N X=749306.0 E

NAD 27 NME
SURFACE LOCATION
Y=509536.2 N
X=750943.2 E
LAT.=32.398207° N
LONG.=103.520304° W

OPERATOR CERTIFICATION
I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unless mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

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.

FEBRUARY 21, 2020
Date of Survey _____

Signature & Seal of Professional Surveyor

Chad L. Harcrow 3/2/20
Certificate No. CHAD HARCROW 17777
W.O. # 19-2215 DRAWN BY: AH

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240
Phone: (575) 393-0181 Fax: (575) 393-0720

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

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 334-6178 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, New Mexico 87505

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 28432	Pool Name Grama Ridge; Bone Spring West Pool
Property Code	Property Name TENDERLOIN FEDERAL COM	Well Number 503H
OGRID No.	Operator Name COG OPERATING, LLC	Elevation 3517.8'

Surface Location

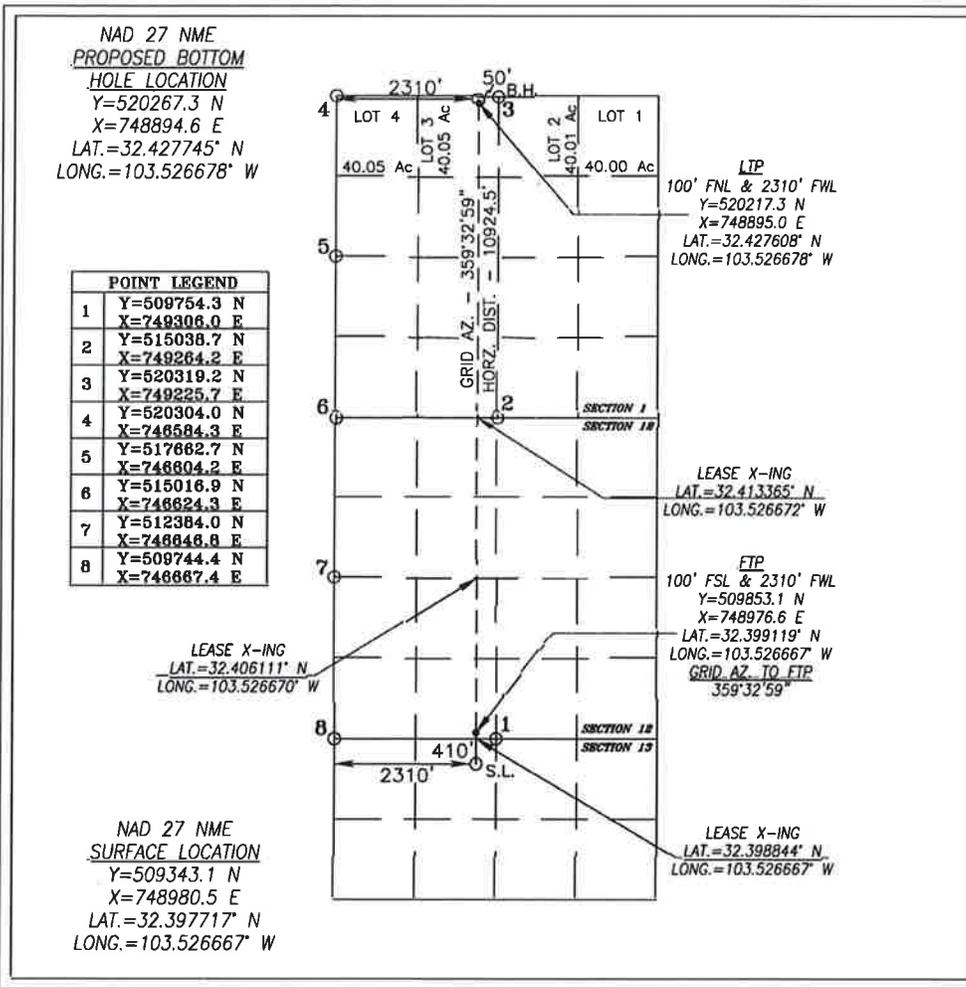
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	13	22-S	33-E		410	NORTH	2310	WEST	LEA

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
3	1	22-S	33-E		50	NORTH	2310	WEST	LEA

Dedicated Acres 320.01	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unless mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

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.

FEBRUARY 21, 2020

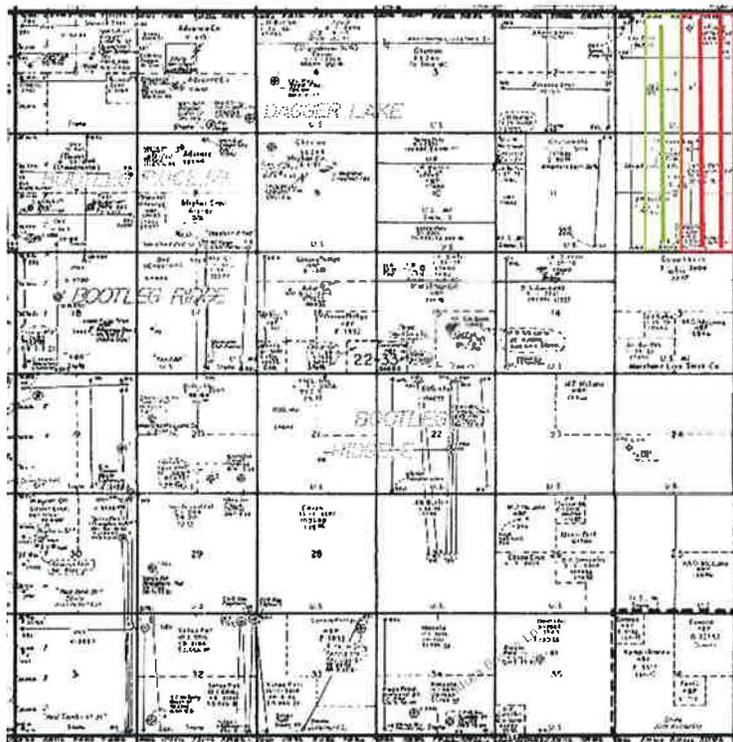
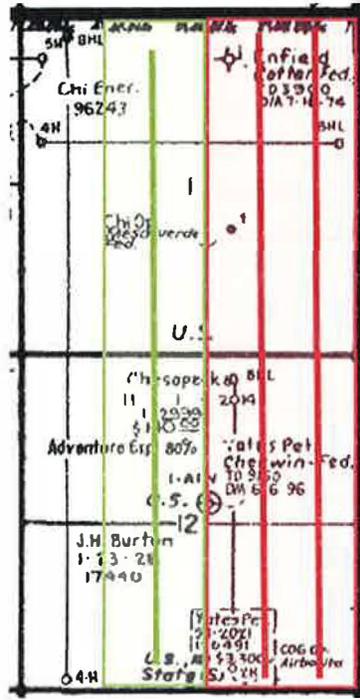
Date of Survey _____

Signature & Seal of Professional Surveyor

Chad L. Harcrow 3/2/20

Certificate No. CHAD HARCROW 17777
W.O. # 19-2214 DRAWN BY: DS

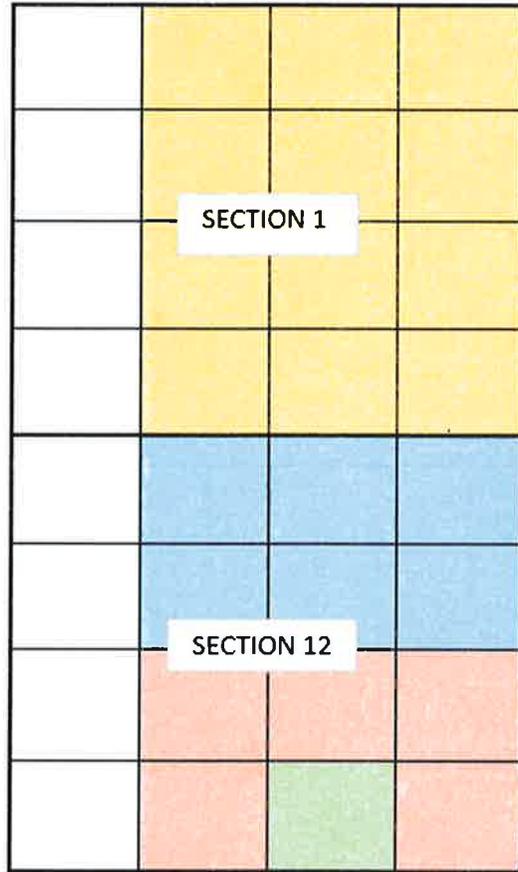
Tenderloin Fed Com #501H, #502H, and #503H will be utilizing "stand up" laterals located in Sections 1 and 12, T22S-R33E, Lea County, NM.



BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. A2
 Submitted by: COG OPERATING, LLC
 Hearing Date: July 09, 2020
 Case Nos. 21337-21338

COG Operating, LLC—Tenderloin Federal Com Wells

Township 22 South- Range 33 East, N.M.P.M.
 Section 1: Lots 1, 2, 3, SE/4NW/4, S/2NE/4, E/2SW/4, and SE/4
 Township 22 South- Range 33 East, N.M.P.M.
 Section 12: E/2W/2, E/2
 Lea County, New Mexico
 Limited in Depth to the Bone Spring Formation



TRACT 1	
TRACT 2	
TRACT 3	
TRACT 4	

Tract 1 (Lease #1) : Section 1: Lots 1, 2, 3, SE/4NW/4, S/2NE/4, E/2SW/4, and SE/4 (640.03 acres, more or less)

Record Title:

(WI) COG Operating LLC

100.000000%

Tenderloin Federal Com Wells – Bone Spring Pool

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
Exhibit No. A3
 Submitted by: **COG OPERATING, LLC**
 Hearing Date: July 09, 2020
 Case Nos. 21337-21338

Operating Rights:

(WI) COG Operating LLC	51.500000%
(WI) CM Resources LLC	20.000000%
(WI) Advance Energy Partners LLC	15.200000%
(WI) Marshall & Winston Inc.	12.500000%
(WI) Bullhead Energy LLC	0.800000%
Total:	100.000000%

Participating Parties

Parties We Seek to Pool

Non-Cost-Bearing Interests We Seek to Pool in Tract 1:

(ORRI) William R. Bergman	1.202500%
(ORRI) Richard Kevin Barr Family Trust, Beverly Jean Renfro Barr as Trustee	1.000000%
(ORRI) Bypass Trust, Cynthia Mae Wilson as Trustee	1.000000%
(ORRI) Todd M. Wilson	1.000000%
(ORRI) Chi Energy Inc.	0.397500%

Parties We Seek to Pool

Tract 2 (Lease #2) : Section 12: N/2 (320.00 acres, more or less)

Record Title:

(WI) COG Operating LLC	100.000000%
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Operating Rights:

(WI) COG Operating LLC	51.500000%
(WI) CM Resources LLC	20.000000%
(WI) Advance Energy Partners LLC	15.200000%
(WI) Marshall & Winston Inc.	12.500000%
(WI) Bullhead Energy LLC	0.800000%
Total:	100.000000%

Participating Parties

Parties We Seek to Pool

Non-Cost-Bearing Interests We Seek to Pool in Tract 2:

(ORRI) Chi Energy Inc.	3.900000%
(ORRI) Richard Kevin Barr Family Trust, Beverly Jean Renfro Barr as Trustee	2.500000%
(ORRI) Bypass Trust, Cynthia Mae Wilson as Trustee	2.500000%
(ORRI) Todd M. Wilson and Carol I. Wilson	2.500000%
(ORRI) Pocahontas Oil Co. Inc.	0.012500%
(ORRI) Daniel Energy Inc.	0.012500%

Parties We Seek to Pool

Tract 3 (Lease #3) : Section 12: SW/4, N/2SE/4, Se/4SE/4 (280.00 acres, more or less)

Record Title:

(WI) John H. Burton and Mary C. Burton Trust dtd. July 30, 1980, Wells Fargo Bank N.A. as Trustee 100.000000%

Operating Rights:

(WI) EOG Resources Inc. 90.000000%

(WI) Oxy Y1 Company 10.000000%

Total: 100.000000%

Participating Parties

Parties We Seek to Pool

Non-Cost-Bearing Interests We Seek to Pool in Tract 3:

(ORRI) Patterson UTI Energy Inc. 1.000000%

(ORRI) Richard Kevin Barr Family Trust, Beverly Jean Renfro Barr as Trustee 0.500000%

(ORRI) Bypass Trust, Cynthia Mae Wilson as Trustee 0.500000%

(ORRI) Wolfcamp Title LLC 2.0833333%

Parties We Seek to Pool

Tract 4 (Lease #4) : Section 12: SW/4SE/4 (40.00 acres, more or less)

Record Title:

(WI) EOG Resources Inc. 100.000000%

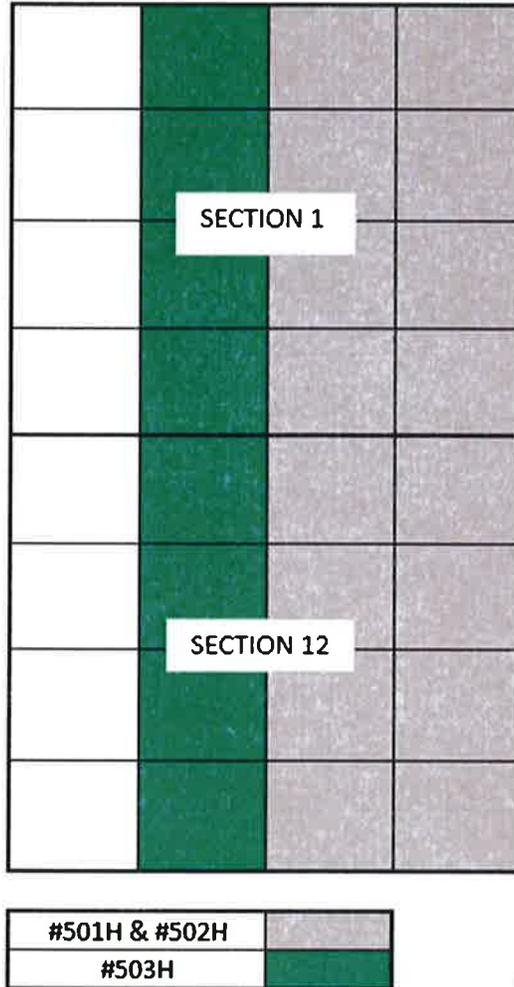
Operating Rights:

(WI) EOG Resources Inc. 100.000000%

Total: 100.000000%

Participating Parties

Parties We Seek to Pool



Tenderloin Fed Com #501H and #502H Spacing Unit Summary (640.02 Acres more or less), Lots 1 and 2, S/2NE/4, SE/4 of Section 1 and the E/2 of Section 12, T22S-R33E.

(WI) COG Operating LLC	38.625201%
(WI) EOG Resources Inc.	24.124639%
(WI) CM Resources, LLC	15.000078%
(WI) Advance Energy Partners LLC	11.400059%
(WI) Marshall & Winston Inc.	9.375049%
(WI) Oxy Y1 Company	1.874971%
(WI) Bullhead Energy LLC	0.600003%
Total:	100.000000%

Participating Parties
Parties We Seek to Pool

Non-Cost-Bearing Interests We Seek to Pool in the Tenderloin Fed Com #501H and #502H:

(ORRI) Richard Kevin Barr Family Trust, Beverly Jean Renfro Barr as Trustee	1.218747%
(ORRI) Bypass Trust, Cynthia Mae Wilson as Trustee	1.218747%
(ORRI) Chi Energy Inc.	0.876867%
(ORRI) Todd M. Wilson and Carol I. Wilson	0.624990%
(ORRI) William R. Bergman	0.601259%
(ORRI) Todd M. Wilson	0.500008%
(ORRI) Wolfcamp Title LLC	0.390619%
(ORRI) Patterson UTI Energy Inc.	0.187497%
(ORRI) Pocahontas Oil Co. Inc.	0.003125%
<u>(ORRI) Daniel Energy Inc.</u>	<u>0.003125%</u>

Parties We Seek to Pool

Tenderloin Fed Com #503H Spacing Unit Summary (320.01 Acres more or less), Lot 3, SE/4NW/4, E/2SW/4 of Section 1 and the E/2W/2 of Section 12, T2S-R33E.

(WI) COG Operating LLC	38.625402%
(WI) EOG Resources Inc.	22.499297%
(WI) CM Resources, LLC	15.000156%
(WI) Advance Energy Partners LLC	11.400119%
(WI) Marshall & Winston Inc.	9.375098%
(WI) Oxy Y1 Company	2.499922%
(WI) Bullhead Energy LLC	0.600006%

Total: **100.000000%**

Participating Parties

Parties We Seek to Pool

Non-Cost-Bearing Interests We Seek to Pool in the Tenderloin Fed Com #503H:

(ORRI) Richard Kevin Barr Family Trust, Beverly Jean Renfro Barr as Trustee	1.249992%
(ORRI) Bypass Trust, Cynthia Mae Wilson as Trustee	1.249992%
(ORRI) Chi Energy Inc.	0.876860%
(ORRI) Todd M. Wilson and Carol I. Wilson	0.624981%
(ORRI) William R. Bergman	0.601269%
(ORRI) Wolfcamp Title LLC	0.520817%
(ORRI) Todd M. Wilson	0.500016%
(ORRI) Patterson UTI Energy Inc.	0.249992%
(ORRI) Pocahontas Oil Co. Inc.	0.003125%
<u>(ORRI) Daniel Energy Inc.</u>	<u>0.003125%</u>

Parties We Seek to Pool



Luke Bedrick, CPL
Senior Landman
COG Operating LLC
One Concho Center
600 West Illinois Avenue
Midland, Texas 79701

February 20, 2020

Via Certified Mail, Return Receipt Requested
Working Interest Owners – Attached Listing

Main: 432-683-7443
Direct: 432-686-3000
LBedrick@concho.com

Re: Tenderloin Federal Com 501H
Tenderloin Federal Com 502H
Township 22 South – Range 33 East, N.M.P.M.
Sections 1 & 12
640.01 acres – Bone Spring Formation
Lea County, New Mexico

Dear Sir or Madam:

COG Operating LLC (“COG”), as Operator, respectfully rescinds its well proposal for the captioned wells dated November 18, 2019 and hereby re-proposes the drilling and completion of the horizontal wells with productive laterals located on E½ of Sections 1 and 12, T22S-R33E, Lea County, New Mexico (collectively, the “Operation”). The surface pad is planned as an off-lease location in Unit A, of Section 13, T22S-R33E (or another legal location chosen by Operator).

Tenderloin Federal Com 501H to be drilled to a depth sufficient to test the Bone Spring formation at an approximate total vertical depth of 10,890 feet. The surface location for this well is proposed at approximately 220 FNL, 975 FEL, or an approved location within Unit A of Section 13, and a bottom hole location at approximately 50 FNL, 330 FEL, or an approved location within Unit A of Section 1. The dedicated horizontal spacing unit will be E½ of Sections 1 and 12, T22S-R33E, Lea County, New Mexico. The total estimated cost to drill and complete said well is \$10,491,500.00, as shown on the attached Authority for Expenditure (“AFE”).

Tenderloin Federal Com 502H to be drilled to a depth sufficient to test the Bone Spring formation at an approximate total vertical depth of 10,590 feet. The surface location for this well is proposed at approximately 220 FNL, 1005 FEL, or an approved location within Unit A of Section 13, and a bottom hole location at approximately 50 FNL, 1645 FEL, or an approved location within Unit B of Section 1. The dedicated horizontal spacing unit will be E½ of Sections 1 and 12, T22S-R33E, Lea County, New Mexico. The total estimated cost to drill and complete said well is \$10,491,500.00, as shown on the attached Authority for Expenditure (“AFE”).

COG is proposing these wells under the terms of a new Operating Agreement which is included for your review and approval. It has the following general provisions:

- 100/300 Non-Consenting Penalty;
- \$7,000/\$700 Drilling and Producing Rate; and
- COG Operating LLC named as Operator.

If you do not wish to participate in the Operation, COG would like to discuss the term assignment of your interest to COG under the following indicative terms:

- \$750 / acre bonus;
- 3 year Primary Term; and
- Overriding Royalty Interest reserved unto assignor of the positive difference (if any) between existing burdens of record and 25%.

Please indicate your desire to term assign your Working Interest to COG by contacting me at the email or telephone number below. This invitation to discuss a term assignment remains open until thirty (30) days after your receipt of any pooling order obtained from the NMOCD.

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 wells.

Please indicate your participation elections in the spaces 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 LBedrick@concho.com.

If you have any questions, please do not hesitate to contact me at 432-686-3000.

Sincerely,
COG OPERATING LLC



Luke Bedrick, CPL
Senior Landman

LB:lr

Enc

_____ I/We hereby elect to participate in the drilling and completion of the Tenderloin Federal Com 501H

_____ I/We hereby elect not to participate in the drilling and completion of the Tenderloin Federal Com 501H

_____ I/We hereby elect to participate in the drilling and completion of the Tenderloin Federal Com 502H

_____ I/We hereby elect not to participate in the drilling and completion of the Tenderloin Federal Com 502H

By: _____

Name: _____

Title: _____

Date: _____



Luke Bedrick, CPL
Senior Landman
COG Operating LLC
One Concho Center
600 West Illinois Avenue
Midland, Texas 79701

February 20, 2020

Via Certified Mail, Return Receipt Requested
Working Interest Owners – Attached Listing

Main: 432-683-7443
Direct: 432-686-3000
LBedrick@concho.com

Re: Tenderloin Federal Com 503H
Township 22 South – Range 33 East, N.M.P.M.
Sections 1 & 12
320.01 acres – Bone Spring Formation
Lea County, New Mexico

Dear Sir or Madam:

COG Operating LLC (“COG”), as Operator, respectfully rescinds its well proposal for the captioned well dated November 18, 2019 and hereby re-proposes the drilling and completion of the horizontal well with a productive lateral located on E $\frac{1}{2}$ W $\frac{1}{2}$ of Sections 1 and 12, T22S-R33E, Lea County, New Mexico (collectively, the “Operation”). The surface pad is planned as an off-lease location in Unit C, of Section 13, T22S-R33E (or another legal location chosen by Operator).

Tenderloin Federal Com 503H to be drilled to a depth sufficient to test the Bone Spring formation at an approximate total vertical depth of 10,890 feet. The surface location for this well is proposed at approximately 410 FNL, 2310 FWL, or an approved location within Unit C of Section 13, and a bottom hole location at approximately 50 FNL, 2310 FWL, or an approved location within Unit C of Section 1. The dedicated horizontal spacing unit will be E $\frac{1}{2}$ W $\frac{1}{2}$ of Sections 1 and 12, T22S-R33E, Lea County, New Mexico. The total estimated cost to drill and complete said well is \$10,491,500.00, as shown on the attached Authority for Expenditure (“AFE”).

COG is proposing this well under the terms of a new Operating Agreement which is included for your review and approval. It has the following general provisions:

- 100/300 Non-Consenting Penalty;
- \$7,000/\$700 Drilling and Producing Rate; and
- COG Operating LLC named as Operator.

If you do not wish to participate in the Operation, COG would like to discuss the term assignment of your interest to COG under the following indicative terms:

- \$750 / acre bonus;
- 3 year Primary Term; and
- Overriding Royalty Interest reserved unto assignor of the positive difference (if any) between existing burdens of record and 25%.

Please indicate your desire to term assign your Working Interest to COG by contacting me at the email or telephone number below. This invitation to discuss a term assignment remains open until thirty (30) days after your receipt of any pooling order obtained from the NMOCD.

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.

Please indicate your participation election in the space provided below, sign, and return this letter, along with a signed copy of the enclosed AFE and a copy of your geologic requirements, to my attention at the letterhead address or by email to LBedrick@concho.com.

If you have any questions, please do not hesitate to contact me at 432-686-3000.

Sincerely,
COG OPERATING LLC



Luke Bedrick, CPL
Senior Landman

LB:lr

Enc

_____ I/We hereby elect to participate in the drilling and completion of the Tenderloin Federal Com 503H

_____ I/We hereby elect not to participate in the drilling and completion of the Tenderloin Federal Com 503H

By: _____

Name: _____

Title: _____

Date: _____

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
Drill & Complete**

Well Name TENDERLOIN FEDERAL COM 501H
SHL Sec 1: 220 FNL & 975 FEL or an approved location within Unit A
BHL Sec 1: 50 FNL & 330 FEL or an approved location within Unit A
Formation BONE SPRING
Legal Sections 1 & 12, T22S-R33E

Prospect Lea 2233 (717180)
State & County Lea County, NM
Objective Drill and Complete
Depth 21,450
TVD 10,890

Cost Description	Code	PreSpud (PS)	Drilling (DR)	Completions (C)	Tank Bty Constrcn(TB)	Pmpq Equip (PEQ)	Total
Intangible Costs							
PS-Title/Permits	201	\$20,000.00					\$20,000.00
D-Insurance	202	\$2,500.00					\$2,500.00
PS-Damages/ROW	203	\$20,000.00					\$20,000.00
PS-Survey/Stake Lctn	204	\$7,000.00					\$7,000.00
D-Lctn/Pits/Roads	205		\$180,000.00				\$180,000.00
D-Drilling Overhead	206		\$9,600.00				\$9,600.00
D-Daywork Contract	209		\$807,000.00				\$807,000.00
D-Directional Drlg Services	210		\$335,000.00				\$335,000.00
D-Fuel & Power	211		\$162,000.00				\$162,000.00
D-Water	212		\$120,000.00				\$120,000.00
D-Bits	213		\$92,000.00				\$92,000.00
D-Mud & Chemicals	214		\$160,000.00				\$160,000.00
D-Cement Surface	217		\$37,200.00				\$37,200.00
D-Cement Intermed	218		\$55,800.00				\$55,800.00
D-Prod-2nd Int Cmt	219		\$120,900.00				\$120,900.00
D-Float Equipment & Centralizers	221		\$65,000.00				\$65,000.00
D-Csg Crews & Equip	222		\$70,000.00				\$70,000.00
D-Contract Labor	225		\$6,500.00				\$6,500.00
D-Company Sprvn	226		\$57,600.00				\$57,600.00
D-Contract Sprvn	227		\$144,000.00				\$144,000.00
D-Tstg Csg/Tbg	228		\$40,000.00				\$40,000.00
D-Mud Logging Unit	229		\$46,000.00				\$46,000.00
D-Rentals-Surface	235		\$192,000.00				\$192,000.00
D-Rentals-Subsrfc	236		\$112,000.00				\$112,000.00
D-Trucking/Forklift/Rig Mob	237		\$265,000.00				\$265,000.00
D-Welding Services	238		\$3,000.00				\$3,000.00
D-Contingency	243		\$70,000.00				\$70,000.00
D-Envrnmnt/Cisd Loop	244		\$352,000.00				\$352,000.00
C-Wellbore Frac Prep	304			\$67,000.00			\$67,000.00
C-Lctn/Pits/Roads	305			\$12,200.00			\$12,200.00
C-Completion OH	306			\$15,000.00			\$15,000.00
C-Frac Equipment	307			\$1,070,000.00			\$1,070,000.00
C-Frac Chemicals	308			\$446,000.00			\$446,000.00
C-Frac Proppant	309			\$210,000.00			\$210,000.00
C-Frac Proppant Transportation	310			\$347,000.00			\$347,000.00
C-Fuel Delivery & Services	311			\$68,000.00			\$68,000.00
C-Water	312			\$576,000.00			\$576,000.00
C-Frac Surface Rentals	315			\$393,000.00			\$393,000.00
C-Contract Labor	326			\$40,000.00			\$40,000.00
C-Company Sprvn	328			\$15,000.00			\$15,000.00
C-Contract Sprvn	327			\$169,000.00			\$169,000.00
C-Tstg Csg/Tbg	328			\$5,000.00			\$5,000.00
C-Artificial Lift Install	329			\$48,000.00			\$48,000.00
C-Perf/Wireline Svc	331			\$404,000.00			\$404,000.00
C-Trucking/Forklift/Rig Mob	337			\$40,000.00			\$40,000.00
C-Welding Services	338			\$5,000.00			\$5,000.00
C-Water Disposal	339			\$60,000.00			\$60,000.00
C-Miscellaneous	342			\$0.00			\$0.00
C-Contingency	343			\$192,000.00			\$192,000.00
C-Envrnmnt/Cisd Loop	344			\$5,000.00			\$5,000.00
C-Dyed Diesel	345			\$353,000.00			\$353,000.00
C-Drillout	346			\$309,000.00			\$309,000.00
TB-Damages/Right of Way	351				\$2,000.00		\$2,000.00
TB-Location/Pits/Roads	353				\$38,000.00		\$38,000.00
TB-Contract Labor	356				\$200,000.00		\$200,000.00
TB-Company Supervision	357				\$5,000.00		\$5,000.00
TB-Water Disposal	362				\$200,000.00		\$200,000.00
PEQ-HRZ Well Offset Frac	391					\$20,000.00	\$20,000.00
Total Intangible Costs		\$49,500.00	\$3,502,500.00	\$4,849,200.00	\$445,000.00	\$20,000.00	\$8,866,300.00
Tangible Costs							
PEQ-Flowback Crews & Equip	392					\$120,000.00	\$120,000.00
D-Surface Casing	401		\$47,000.00				\$47,000.00
D-Intermed Csg	402		\$128,000.00				\$128,000.00
D-Production Casing/Liner	403		\$278,000.00				\$278,000.00
D-Wellhead Equip	405		\$65,000.00				\$65,000.00
D-Contingency	420		\$1,400.00				\$1,400.00
C-Tubing	504			\$52,600.00			\$52,600.00
C-Wellhead Equip	505			\$13,200.00			\$13,200.00
TB-Tanks	510				\$80,000.00		\$80,000.00
TB-Flowlines/Pipelines	511				\$30,000.00		\$30,000.00
TB-Htr Trnr/Seprtr	512				\$185,000.00		\$185,000.00
TB-Electrical System/Equipment	513				\$135,000.00		\$135,000.00
C-Pckrs/Anchors/Hgrs	514			\$65,000.00			\$65,000.00
TB-Couplings/Fittings/Valves	515				\$220,000.00		\$220,000.00
TB-Gas Lift/Compression	516				\$35,000.00		\$35,000.00
TB-Pumps-Surface	521				\$25,000.00		\$25,000.00
TB-Instrumentation/SCADA/POC	522				\$20,000.00		\$20,000.00
TB-Miscellaneous	523				\$20,000.00		\$20,000.00
TB-Meters/Lacts	525				\$25,000.00		\$25,000.00
TB-Flares/Combusters/Emission	526				\$30,000.00		\$30,000.00
C-Gas Lift/Compression	527			\$50,000.00			\$50,000.00
Total Tangible Costs		\$0.00	\$519,400.00	\$180,000.00	\$805,000.00	\$120,000.00	\$1,625,200.00
Total Gross Cost		\$49,500.00	\$4,022,000.00	\$5,030,000.00	\$1,250,000.00	\$140,000.00	\$10,491,500.00

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

COG Operating LLC

By: _____

Date Prepared: 2-17-2020

We approve:
% Working Interest

COG Operating LLC

By: DR

Company: Advance Energy Partners Hat Mesa, LLC

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 TENDERLOIN FEDERAL COM 502H
SHL Sec 13: 220 FNL & 1005 FEL or an approved location within Unit A
BHL Sec 1: 50 FNL & 1645 FEL or an approved location within Unit B
Formation BONE SPRING
Legal Sections 1 & 12, T22S-R33E

Prospect Lea 2233 (717160)
State & County Lea County, NM
Objective Drill and Complete
Depth 21,150
TVD 10,590

Cost Description	Code	PreSpud (PS)	Drilling (DR)	Completions (C)	Tank Btry Constrcn(TB)	Pmpg Equip (PEQ)	Total
Intangible Costs							
PS-Title/Permits	201	\$20,000.00					\$20,000.00
D-Insurance	202	\$2,500.00					\$2,500.00
PS-Damages/ROW	203	\$20,000.00					\$20,000.00
PS-Survey/Stake Lctn	204	\$7,000.00					\$7,000.00
D-Lctn/Pits/Roads	205		\$180,000.00				\$180,000.00
D-Drilling Overhead	206		\$9,600.00				\$9,600.00
D-Daywork Contract	209		\$807,000.00				\$807,000.00
D-Directional Drig Services	210		\$335,000.00				\$335,000.00
D-Fuel & Power	211		\$162,000.00				\$162,000.00
D-Water	212		\$120,000.00				\$120,000.00
D-Bits	213		\$92,000.00				\$92,000.00
D-Mud & Chemicals	214		\$160,000.00				\$160,000.00
D-Cement Surface	217		\$37,200.00				\$37,200.00
D-Cement Intermed	218		\$55,800.00				\$55,800.00
D-Prod-2nd Int Cmt	219		\$120,900.00				\$120,900.00
D-Float Equipment & Centralizers	221		\$65,000.00				\$65,000.00
D-Csg Crews & Equip	222		\$70,000.00				\$70,000.00
D-Contract Labor	225		\$6,500.00				\$6,500.00
D-Company Sprvsn	226		\$57,600.00				\$57,600.00
D-Contract Sprvsn	227		\$144,000.00				\$144,000.00
D-Tstg Csg/Tbg	228		\$40,000.00				\$40,000.00
D-Mud Logging Unit	229		\$46,000.00				\$46,000.00
D-Rentals-Surface	235		\$192,000.00				\$192,000.00
D-Rentals-Subsrfc	236		\$112,000.00				\$112,000.00
D-Trucking/Forklift/Rig Mob	237		\$265,000.00				\$265,000.00
D-Welding Services	238		\$3,000.00				\$3,000.00
D-Contingency	243		\$70,000.00				\$70,000.00
D-Envrmtl/Clsd Loop	244		\$352,000.00				\$352,000.00
C-Wellbore Frac Prep	304			\$67,000.00			\$67,000.00
C-Lctn/Pits/Roads	305			\$12,200.00			\$12,200.00
C-Completion OH	306			\$15,000.00			\$15,000.00
C-Frac Equipment	307			\$1,070,000.00			\$1,070,000.00
C-Frac Chemicals	308			\$446,000.00			\$446,000.00
C-Frac Proppant	309			\$210,000.00			\$210,000.00
C-Frac Proppant Transportation	310			\$347,000.00			\$347,000.00
C-Fuel Delivery & Services	311			\$68,000.00			\$68,000.00
C-Water	312			\$576,000.00			\$576,000.00
C-Frac Surface Rentals	315			\$393,000.00			\$393,000.00
C-Contract Labor	325			\$40,000.00			\$40,000.00
C-Company Sprvsn	326			\$15,000.00			\$15,000.00
C-Contract Sprvsn	327			\$169,000.00			\$169,000.00
C-Tstg Csg/Tbg	328			\$5,000.00			\$5,000.00
C-Artificial Lift Install	329			\$48,000.00			\$48,000.00
C-Perf/Wireline Svc	331			\$404,000.00			\$404,000.00
C-Trucking/Forklift/Rig Mob	337			\$40,000.00			\$40,000.00
C-Welding Services	338			\$5,000.00			\$5,000.00
C-Water Disposal	339			\$60,000.00			\$60,000.00
C-Miscellaneous	342			\$0.00			\$0.00
C-Contingency	343			\$192,000.00			\$192,000.00
C-Envrmtl/Clsd Loop	344			\$5,000.00			\$5,000.00
C-Dyed Diesel	345			\$353,000.00			\$353,000.00
C-Drillout	346			\$309,000.00			\$309,000.00
TB-Damages/Right of Way	351				\$2,000.00		\$2,000.00
TB-Location/Pits/Roads	353				\$38,000.00		\$38,000.00
TB-Contract Labor	356				\$200,000.00		\$200,000.00
TB-Company Supervision	357				\$5,000.00		\$5,000.00
TB-Water Disposal	362				\$200,000.00		\$200,000.00
PEQ-HRZ Well Offset Frac	391					\$20,000.00	\$20,000.00
Total Intangible Costs		\$49,600.00	\$3,502,600.00	\$4,849,200.00	\$445,000.00	\$20,000.00	\$8,866,300.00
Tangible Costs							
PEQ-Flowback Crews & Equip	392					\$120,000.00	\$120,000.00
D-Surface Casing	401		\$47,000.00				\$47,000.00
D-Intermed Csg	402		\$128,000.00				\$128,000.00
D-Production Casing/Liner	403		\$278,000.00				\$278,000.00
D-Wellhead Equip	405		\$65,000.00				\$65,000.00
D-Contingency	420		\$1,400.00				\$1,400.00
C-Tubing	504			\$52,600.00			\$52,600.00
C-Wellhead Equip	505			\$13,200.00			\$13,200.00
TB-Tanks	510				\$80,000.00		\$80,000.00
TB-Flowlines/Pipelines	511				\$30,000.00		\$30,000.00
TB-Htr Trtr/Seprtr	512				\$185,000.00		\$185,000.00
TB-Electrical System/Equipment	513				\$135,000.00		\$135,000.00
C-Pckrs/Anchors/Hgrs	514			\$65,000.00			\$65,000.00
TB-Couplings/Fittings/Valves	515				\$220,000.00		\$220,000.00
TB-Gas Lift/Compression	516				\$35,000.00		\$35,000.00
TB-Pumps-Surface	521				\$25,000.00		\$25,000.00
TB-Instrumentation/SCADA/POC	522				\$20,000.00		\$20,000.00
TB-Miscellaneous	523				\$20,000.00		\$20,000.00
TB-Meters/Lacts	525				\$25,000.00		\$25,000.00
TB-Flares/Combusters/Emission	526				\$30,000.00		\$30,000.00
C-Gas Lift/Compression	527			\$50,000.00			\$50,000.00
Total Tangible Costs		\$0.00	\$519,400.00	\$180,800.00	\$805,000.00	\$120,000.00	\$1,625,200.00
Total Gross Cost		\$49,600.00	\$4,022,000.00	\$5,030,000.00	\$1,250,000.00	\$140,000.00	\$10,491,500.00

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

COG Operating LLC

By: _____

Date Prepared: 2-17-2020

We approve:
% Working Interest

COG Operating LLC

By: DR

Company: Advance Energy Partners Hat Mesa, LLC

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 TENDERLOIN FEDERAL COM 503H
SHL Sec 13: 410 FNL & 2310 FWL or an approved location within Unit C
BHL Sec 1: 50 FNL & 2310 FWL or an approved location within Unit C
Formation BONE SPRING
Legal Sections 1 & 12, T22S-R33E

Prospect Lea 2233 (717180)
State & County Lea County, NM
Objective Drill and Complete
Depth 21,450
TVD 10,890

Cost Description	Code	PreSpud (PS)	Drilling (DR)	Completions (C)	Tank Btty Constrcn(TB)	Pmpg Equip (PEQ)	Total
Intangible Costs							
PS-Title/Permits	201	\$20,000.00					\$20,000.00
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D-Daywork Contract	209		\$607,000.00				\$607,000.00
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D-Contingency	243		\$70,000.00				\$70,000.00
D-Envmntl/Clsd Loop	244		\$352,000.00				\$352,000.00
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C-Wellhead Equip	505			\$13,200.00			\$13,200.00
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TB-Electrical System/Equipment	513				\$135,000.00		\$135,000.00
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TB-Couplings/Fittings/Valves	515				\$220,000.00		\$220,000.00
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TB-Pumps-Surface	521				\$25,000.00		\$25,000.00
TB-Instrumentation/SCADA/POC	522				\$20,000.00		\$20,000.00
TB-Miscellaneous	523				\$20,000.00		\$20,000.00
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TB-Flares/Combusters/Emission	526				\$30,000.00		\$30,000.00
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Total Gross Cost		\$49,500.00	\$4,022,000.00	\$5,030,000.00	\$1,280,000.00	\$140,000.00	\$10,491,500.00

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

COG Operating LLC

By: _____

Date Prepared: 2-17-2020

We approve:
% Working Interest

COG Operating LLC

By: DR

Company: Advance Energy Partners Hat Mesa, LLC

By: _____

Printed Name: _____

Title: _____

Date: _____

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

Communication Log – Tenderloin Fed Com #501H, #502H, #503H

- 2/20/2020 - Proposed the 3 Tenderloin Wells. Sent out the Comm Agreement as well as Ratifications of the Comm Agreement to Record Title Owners and Overriding Royalty Interest Owners respectively.
 - All documents were received by all owners over the 2 weeks following the February 20th proposals.
- 3/1/20 – 6/1/20 - Negotiated JOA and got signatures with multiple parties in the spacing units including Advance and Marshall & Winston
- 3/1/20 – 6/1/20 - Obtained Ratifications of the Comm Agreement from 7 Overriding Royalty Interest owners at various times until we filed our pooling application.
- Currently negotiating a trade with EOG Resources Inc. to obtain their record title and operating rights in these 2 Sections. Trade has been agreed upon by both parties and is set to close soon.
- 6/23/20 to 6/30/20 - Discussed their override with Chi Energy. They think that it is calculated incorrectly so we are working with Chi and the title attorney to make sure it is correct now.

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

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

CASE NOS. 21337 & 21338

AFFIDAVIT OF CANDICE PETTIJOHN, GEOLOGIST

Candice Pettijohn, of lawful age and being first duly sworn, declares as follows:

1. My name is Candice Pettijohn and I am employed by 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. I am familiar with the applications filed by COG in these consolidated cases and have conducted a geologic study of the lands in the subject area.
3. The target interval for the proposed wells is the Second Sands in the Bone Spring formation.
4. **COG Exhibit B-1** is a subsea structure map that I prepared for the Second Sands of the Bone Spring formation. The proposed initial wells in the E/2 and the E/2 W/2 of Sections 1 and 12 are depicted with dashed lines. The contour intervals are 20 feet and show the Bone Spring formation gently dipping to the south. The structure appears consistent across the proposed spacing unit and I do not observe any faulting, pinch outs, or other geologic impediments to drilling horizontal wells.
5. **COG Exhibit B-2** contains a line of cross sections from A to A’ using two wells. I chose these wells to create the cross section because they are the nearest full set of logs in the

proposed project area. In my opinion, these well logs are representative of the geology in the subject area.

6. **COG Exhibit B-3** is a stratigraphic cross-section that I prepared for the Second Sands of the Bone Spring formation using the logs from the representative wells shown on Exhibit B-2. Each well on the cross-section contains gamma ray, resistivity, and porosity logs. The target interval for the proposed wells are bracketed on the cross section. The cross-section demonstrates that the targeted intervals are continuous across the proposed spacing unit.

7. 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 horizontal spacing units will be productive and contribute proportionately to the production from the wells.

8. **COG Exhibit B-4** shows the orientation of the wells drilled in the Second Sands of the Bone Spring formation in the surrounding area. The standup orientation of the proposed wells matches that of existing production in this area and their recent production suggests that this is the preferred orientation.

9. In my opinion, the approval of COG's applications in these consolidated cases is in the best interest of conservation, the prevention of waste, and protection of correlative rights.

10. COG Exhibits B-1 and B-4 were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT


CANDICE PETTIJOHN

STATE OF TEXAS)
)
COUNTY OF MIDLAND)

SUBSCRIBED and SWORN to before me this 6th day of July, 2020, by Candice Pettijohn.

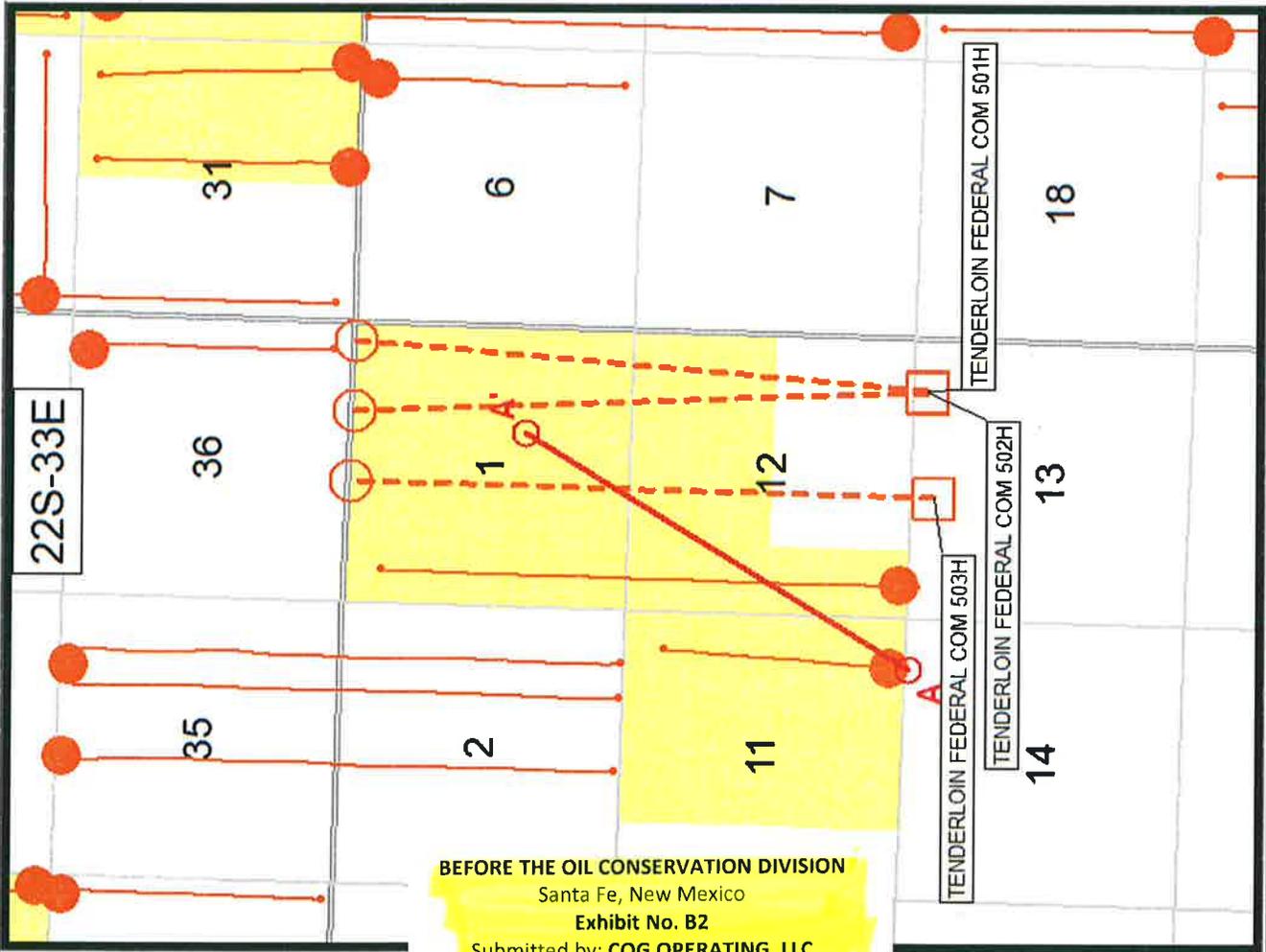
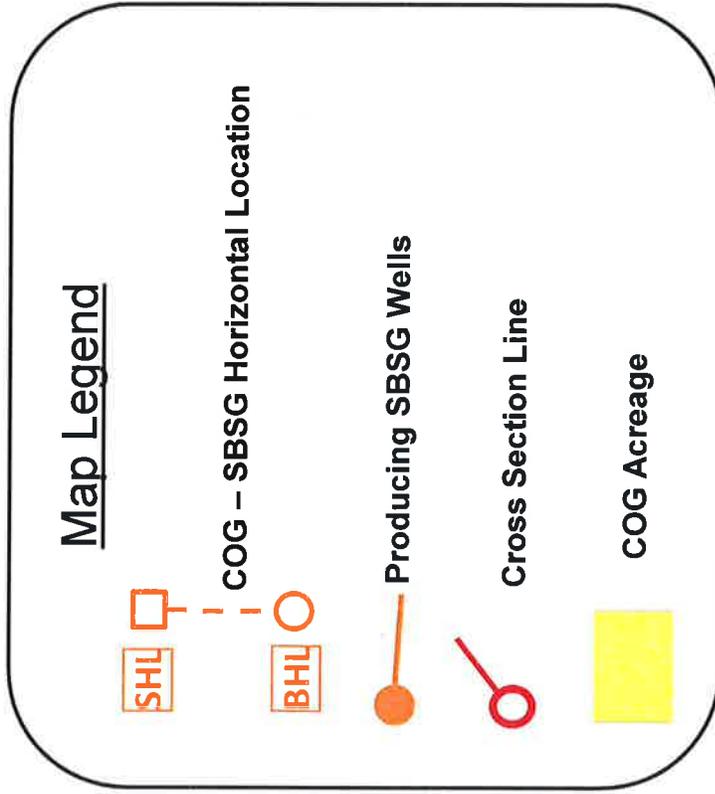


Jessia Froman

NOTARY PUBLIC

My Commission Expires:
07-18-2021

Cross Section Map



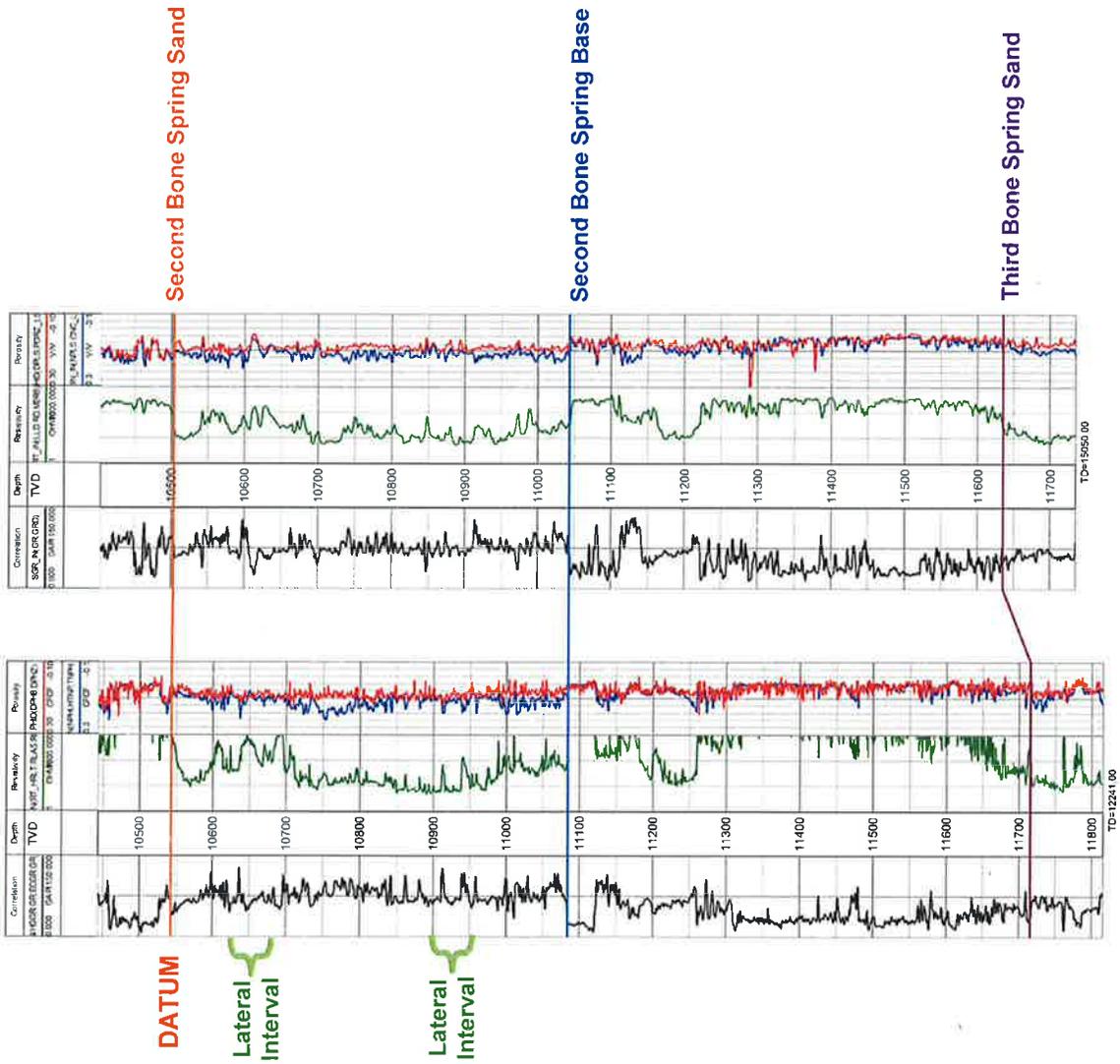
BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. B2
 Submitted by: COG OPERATING, LLC
 Hearing Date: July 09, 2020
 Case Nos. 21337-21338

Stratigraphic Cross Section A – A'

A **A'**

300254160400 8440 ft 3022376100
 COG OPERATING, LLC
 BEVO 11 FEDERAL, Prod Hole 4H
 TWP. 22 S., Range 33 E., Sec. 11

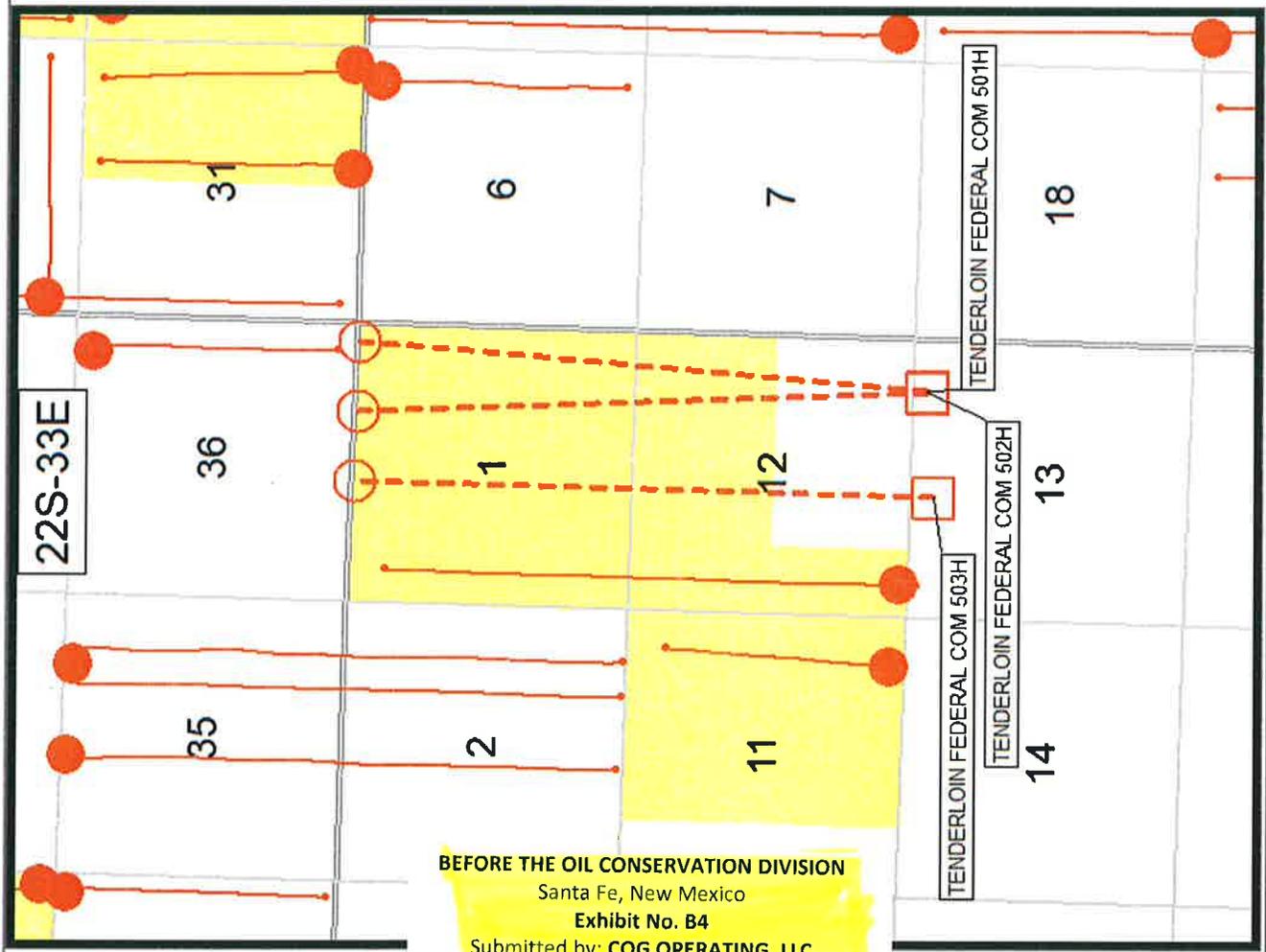
COG OPERATING, LLC
 BEVO 11 FEDERAL, Prod Hole 4H
 TWP. 22 S., Range 33 E., Sec. 1



BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. B3
 Submitted by: COG OPERATING, LLC
 Hearing Date: July 09, 2020
 Case Nos. 21337-21338



Tenderloin Federal Com 501H, 502H & 503H



Map Legend

- SHL (red square)
- BHL (red circle)
- COG - SBGS Horizontal Location (dashed red line)
- Producing SBGS Wells (red line with dot)
- COG Acreage (yellow square)

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. B4
 Submitted by: COG OPERATING, LLC
 Hearing Date: July 09, 2020
 Case Nos. 21337-21338



Michael H. Feldewert
Phone: (505) 988-4421
Fax: (505) 983-6043
Email: mfeldewert@hollanhart.com

June 19, 2020

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

**Re: Application of COG Operating LLC for compulsory pooling, Lea County,
New Mexico – Tenderloin 501H and 502H Wells**

Greetings:

This letter is to advise you that COG Operating Inc. has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on July 9, 2020, and the status of the hearing can be monitored through the Division's website at <http://www.emnrd.state.nm.us/ocd/>. 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 subsequently challenging this matter.

During the COVID-19 Pubic Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. To participate in the electronic hearing, see the instructions posted on the Oil Conservation Division "OCD Hearings" website at <http://www.emnrd.state.nm.us/OCD/announcements.html>.

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 Adam Reker at (432) 685-2515 or at AREker@concho.com.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael H. Feldewert".

Michael H. Feldewert
ATTORNEY FOR COG OPERATING LLC



Michael H. Feldewert
Phone: (505) 988-4421
Fax: (505) 983-6043
Email: mfeldewert@hollanhart.com

June 19, 2020

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

**Re: Application of COG Operating LLC for compulsory pooling, Lea County,
New Mexico – Tenderloin 503H Well**

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Sincerely,

A handwritten signature in blue ink, appearing to read "Michael H. Feldewert".

Michael H. Feldewert
ATTORNEY FOR COG OPERATING LLC

COG - Tenderloin 501H-503H
Case No. 21337-21338 - Postal Delivery Report

TrackingNo	ToName	DeliveryAddress	City	State	Zip	USPS_Status
9414810898765061582912	Richard Kevin Barr Family Trust Beverly Jean Rengro Barr, as Trustee Richard Kevin Barr Family Trust	8027 Chalk Knoll Dr	Austin	TX	78735-1706	Your item was delivered to an individual at the address at 1:14 pm on June 23, 2020 in AUSTIN, TX 78735.
9414810898765061582936	Chi Energy, inc.	PO Box 1799	Midland	TX	79702-1799	Your item was delivered at 11:56 am on June 24, 2020 in MIDLAND, TX 79701.
9414810898765061582943	CM Resources LLC	303 W Wall St Ste 700	Midland	TX	79701-5114	Your item was delivered to an individual at the address at 1:15 pm on June 22, 2020 in MIDLAND, TX 79701.
9414810898765061582950	CM Royalties, LP Cynthia Mae Wilson, Trustee Bypass established in Will of Scott Evans	306 W Wall St Ste 500	Midland	TX	79701-5173	Your item was delivered to the front desk, reception area, or mail room at 1:42 pm on June 22, 2020 in MIDLAND, TX 79701.
9414810898765061582967	Wilson Bypass Trust	4601 Mirador Dr	Austin	TX	78735-1554	Your item has been delivered to an agent for final delivery in AUSTIN, TX 78735 on June 22, 2020 at 1:19 pm.
9414810898765061582974	Daniel Energy, Inc.	521 Oliver Street	Midland	TX	79701	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414810898765061582981	Devon Energy Production Company, LP	333 W Sheridan Ave	Oklahoma City	OK	73102-5010	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414810898765061582998	EOG Resources Inc.	5509 Champions Dr	Midland	TX	79706-2843	Your item was picked up at a postal facility at 7:36 am on June 23, 2020 in MIDLAND, TX 79702.
9414810898765061583001	Mustang Oil & gas, LLC	PO Box 412	Roswell	NM	88202-0412	Your item was delivered at 10:35 am on June 23, 2020 in ROSWELL, NM 88201.
9414810898765061583018	Oxy Y-1 Company	PO Box 27570	Houston	TX	77227-7570	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414810898765061583025	Patterson-UTI Energy, Inc.	10713 W Sam Houston Pkwy N Ste 800	Houston	TX	77064-3583	Your item was delivered to an individual at the address at 1:33 pm on June 22, 2020 in HOUSTON, TX 77064.
9414810898765061583032	Pocahontas Oil Co. Inc.	PO Box 60476	Midland	TX	79711-0476	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414810898765061583049	Todd M. Wilson	3608 S County Road 1184	Midland	TX	79706-6468	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414810898765061583056	Todd M. Wilson & Carol I. Wilson	3608 S County Road 1184	Midland	TX	79706-6468	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414810898765061583094	William R. Bergman	PO Box 1799	Midland	TX	79702-1799	Your item was delivered at 11:56 am on June 24, 2020 in MIDLAND, TX 79701.

COG - Tenderloin 501H-503H

Case No. 21337-21338 - Postal Delivery Report

9414810898765061583100 Wolfcamp Title, LLC

PO Box 2423

Roswell

NM

88202-2423 2020 in ROSWELL, NM 88201.

Your item was delivered at 11:32 am on June 23,

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
June 25, 2020
and ending with the issue dated
June 25, 2020.



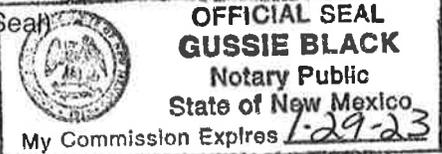
Publisher

Sworn and subscribed to before me this
25th day of June 2020.



Business Manager

My commission expires
January 29, 2023

(Seal)

OFFICIAL SEAL
GUSSIE BLACK
Notary Public
State of New Mexico
My Commission Expires 1-29-23

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL NOTICE
June 25, 2020

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

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following case. During the COVID-19 Public Health Emergency, state buildings are closed to the public and Division hearings will be conducted remotely. The remote electronic public hearing will be conducted remotely on the following case. The hearing will be conducted on **Thursday, July 9, 2020, beginning at 8:15 a.m.** To participate in the electronic hearing, see the instructions posted below. The docket may be viewed at <http://www.emnrd.state.nm.us/OCD/hearings.html> or obtained from Marlene Salvidrez, at Marlene.Salvidrez@state.nm.us. Documents filed in the case may be viewed at <http://ocdimage.emnrd.state.nm.us/imaging/CaseFileCriteria.aspx>. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Marlene Salvidrez at Marlene.Salvidrez@state.nm.us, or the New Mexico Relay Network at 1-800-659-1779, no later than **Monday, June 29, 2020**.

Persons may view and participate in the hearings through the following link and as indicated below:

Meeting number: 968 329 152
Password: YQe6KZBe3n6
<https://nmemnrd.webex.com/nmemnrd/j.php?MTID=mb3ddb90721ccc17207709b8c71dc2ac1>

Join by video system
Dial 968329152@nmemnrd.webex.com
You can also dial 173.243.2.68 and enter your meeting number.

Join by phone
+1-408-418-9388 United States Toll
Access code: 968 329 152

STATE OF NEW MEXICO TO:
All named parties and persons
having any right, title, interest
or claim in the following case
and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

TO: All overriding royalty interest owners and pooled parties, including: Bullhead Energy, LCL; CM Resources LLC; EOG Resources Inc.; Oxy Y-1 Company; Beverly Jean Rengro Barr, as Trustee, Richard Kevin Barr Family Trust; Chi Energy, Inc.; CM Royalties, LP; Cynthia Mae Wilson, Trustee, Bypass Trust established in Will of Scott Evans Wilson; Daniel Energy, Inc.; Devon Energy Production Company, LP; Mustang Oil & Gas, LLC; Pocahontas Oil Co. Inc.; Todd M. Wilson, his heirs and devisees; Todd M. Wilson & Carol I. Wilson, their heirs and devisees; Patterson-UTI Energy, Inc.; William R. Bergman, his heirs and devisees; and Wolfcamp Title, LLC.

Case No. 21337: Application of COG Operating LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation [Grana Ridge; Bone Spring West Pool (Pool Code 28432)] underlying a 640-acre, more or less, standard horizontal spacing unit comprised of the E/2 of Sections 1 and 12, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following proposed initial wells:

- **Tenderloin Federal Com 501H** to be drilled from a surface hole location in NE/4 NE/4 (Unit A) of Section 13 to a bottom hole location in the NE/4 NE/4 (Lot 1) of Section 1; and
- **Tenderloin Federal Com 502H** to be drilled from a surface hole location in NE/4 NE/4 (Unit A) of Section 13 to a bottom hole location in the NW/4 NE/4 (Lot 2) of Section 1.

Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of COG Operating LLC as operator, and the imposition of 200% charge for risk involved in drilling and completing each well. Said area is located approximately 21 miles west of Eunice, New Mexico.
#35605

67100754

00243822

HOLLAND & HART LLC
PO BOX 2208
SANTA FE,, NM 87504-2208

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D
Submitted by: **COG OPERATING, LLC**
Hearing Date: July 09, 2020
Case Nos. 21337-21338

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

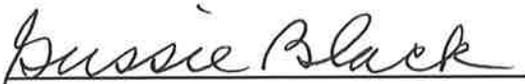
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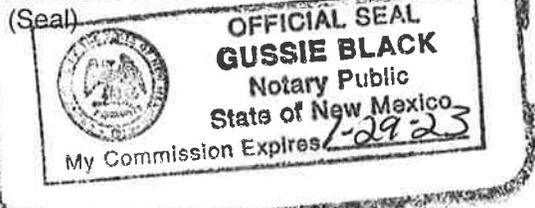
Publisher

Sworn and subscribed to before me this
25th day of June 2020.



Business Manager

My commission expires
January 29, 2023



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

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June 25, 2020

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Case No. 21338: Application of COG Operating LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation [Grama Ridge; Bone Spring West Pool (Pool Code 28432)] underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the E/2 W/2 of Sections 1 and 12, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the **Tenderloin Federal Com 503H** well to be drilled from a surface hole location in NE/4 NW/4 (Unit C) of Section 13 to a bottom hole location in the NE/4 NW/4 (Lot 3) of Section 1. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of COG Operating LLC as operator, and the imposition of 200% charge for risk involved in drilling and completing each well. Said area is located approximately 21 miles west of Eunice, New Mexico.
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