

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

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

**CASE NO. 21410** 

# AMENDED AFFIDAVIT OF LIZZY LAUFER, LANDMAN

Lizzy Laufer, being of lawful age and duly sworn, states the following:

- 1. My name is Lizzy Laufer, 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.
- 3. I am familiar with the application filed by COG this case and the status of the lands in the subject area.
- 4. None of the mineral owners to be pooled have expressed opposition to this case proceeding by affidavit, so I do not expect any opposition at the hearing.
- 5. In this case, COG seeks an order pooling all uncommitted interests in the Wolfcamp formation (Purple Sage; Wolfcamp (Gas) Pool [98220]) underlying standard 1,538.88-acre, more or less, horizontal spacing unit comprised of all of Sections 21, 28, and 33, Township 26 South, Range 28 East, Eddy County, New Mexico.
- 6. COG seeks to form and initially dedicate the horizontal spacing unit to the following proposed initial wells:

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Case No. 21410

- The Boo Radley Com 701H well (API No. 30-015-pending), and the Boo Radley
   Com 702H well (API No. 30-015-pending), both of which are to be drilled from a common surface hole location in SW/4 SE/4 (Unit O) of Section 16 to bottom hole locations in the SE/4 NE/4 (Lot 4) of Section 33;
- The Boo Radley Com 703H well (API No. 30-015-pending) to be drilled from a surface hole location in SW/4 SE/4 (Unit O) of Section 16 to a bottom hole location in the SW/4 NE/4 (Lot 3) of Section 33;
- The Boo Radley Com 704H well (API No. 30-015-pending) and the Boo Radley
   Com 705H well (API No. 30-015-pending) to be drilled from a common surface
   hole location in SE/4 SW/4 (Unit N) of Section 16 to bottom hole locations in the
   SE/4 NW/4 (Lot 2) of Section 33; and
- The Boo Radley Com 706H well (API No. 30-015-pending) to be drilled from a surface hole location in SE/4 SW/4 (Unit N) of Section 16 to a bottom hole location in the SW/4 NW/4 (Lot 5) of Section 33.
- 7. The completed interval for the proposed **Boo Radley Com 704H well** will be within 330' of the quarter-quarter line separating the W/2 and the E/2 of Sections 21, 28, and 33 to allow inclusion of the E/2 of Sections 21, 28, and 33 into a standard horizontal well spacing unit.
- 8. COG Exhibit C-1 contains Form C-102s for the proposed initial wells for each spacing unit in numerical order and reflecting that these wells are located in the Purple Sage; Wolfcamp (Gas) Pool (98220).
- 9. COG Exhibit C-2 identifies the tracts of land comprising the proposed spacing unit, the working interest ownership in each tract and their respective interest in the horizontal

spacing unit. COG has highlighted on Exhibit C-2 the mineral owners that remain to be pooled for the proposed spacing unit. COG has also listed the overriding royalty interest owners that require pooling. The acreage is comprised of fee, state, and federal lands.

- 10. An ownership depth severance exists within in the Wolfcamp formation underlying the subject acreage at 9500'. COG is has reached agreements with the affected parties regarding the allocation of production for the subject horizontal spacing unit. The percentage of each interest above and below the depth severance is provided on **COG Exhibit C-3**.
- 11. COG has conducted a diligent search of company records, county records, telephone directors and conducted computer searches to locate contact information for each of the mineral owners that it seeks to pool. All of the pooled mineral owners have been located.
- 12. **COG Exhibit C-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. **COG Exhibit C-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 \$8,000 per month for drilling and \$800 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 of the mineral owners that COG seeks to pool and instructed that they be notified of this hearing.

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

FURTHER AFFIANT SAYETH NAUGHT.

E. Janfer GIZZY LAUFER

STATE OF TEXAS	)
	)
COUNTY OF MIDLAND	)

SUBSCRIBED and SWORN to before me this Oday of day of 2020 by

Lizzy Laufer.



NOTARY PUBLIC

My Commission Expires:

21.265-28E	21-265-28E				
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			Tract 3 FEE 40 AC	Tract 2 FEE 40 AC	
28-265-28E	28-265-28E Tract 8D VO-7474 40 AC	Tract 5 FEE 40 AC	Tract 4 FEE 40 AC		
	Tract 6 FEE 40AC	Tract 7 FEE 40 AC		Tract 8A VO-7474	
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COG Production LLC	Chevron U.S.A. Inc.	OXY Y-1 Company	Sharbro Energy, LLC	The Allar Company		PARTIES TO POOL	OXY USA Inc.	5 Greenway Plaza, Suite 110	Houston, TX 77046	Chevron U.S.A. Inc.	6301 Deauville Avenue	Midland, TX 79706	OXY Y-1 Company	5 Greenway Plaza, Suite 110	Houston, TX 77046	The Allar Company	P.O. Box 1567	Grah am, TX 76450	EG3, Inc.	P.O. Box 1567	Graham, TX 76450	Malaga Royalty, LLC	P.O. Box 2064	Midland, TX	Malaga EF7, LLC	P.O. Box 2064	Midland, TX	Phillip L. White	P.O. Box 25968	Albuquerque, NM 87125	Margi Fort Bruns aka Marguerite	Fort Bruns, ssp	12711 Colorado Blvd E #505	Thornton, Co 80241	Debra K. Primera, ssp	P.O. Box 28504	Austin, TX 78755	Ricky D. Raindl, ssp	P.O. Box 142454	Irving, TX 75014
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YES YES

YES YES

U.S.A. Inc. uville Avenue Company Company Applicate, Suite 110 TX 77046 Company TX 77046 TX 77046 TX 77046 TX 76450	WI/ORRI/ RTO	Communitization Agreements sent
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EOS, IMC.		
Graham, TX 76450	ORRI	
Malaga Royalty, LLC		
P.O. Box 2064 Midland. TX	ORRI	
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P.O. Box 2064	ā	
ite	JUNI	
P.O. Box 25968		
П	ORRI	
Margi Fort Bruns aka Marguerite		
12711 Colorado Blvd E #505		
Thornton, Co 80241	ORRI	
Debra K. Primera, ssp		
5	ORRI	
Ricky D. Raindl, ssp		
P.O. Box 142454	100	
kes aka Christine	OKKI	
Speidel Fowlkes		
Horizon City, TX 79928 N	NPRI	
116 S. Manzita Drive		
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Kemp Smith, LLP		
221 N. Kansas, Suite 1700	Iddi	
vid Kerby & Rebecca Kerby	NFR	
440		
Wolfforth, IX 79382 George Thompson & Shirley	NPRI	
Thompson		
4619 94th Street	i da	
IV, LP		
375		
П	NPRI	
Wayne A. Bissett & Laura Bissett		
3702	NPRI	
Delaware Ranch, Inc.		
1304 W. Riverside Dr.		
NO BOOK	W	
500 W. Texas, Suite 1020		
	RTO	
EOG Resources, Inc.		
	RTO	

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico

Submitted by: COG OPERATING LLC Hearing Date: September 24, 2020 Case No. 21410 **Amended Exhibit C2** 

## Kaitlyn A. Luck

From: Lizzy Laufer <ELaufer@concho.com>
Sent: Monday, September 21, 2020 8:41 AM

**To:** Kaitlyn A. Luck

**Subject:** FW: Boo Radley Depth Severance

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico
Supplement to Exhibit C3

Submitted by: COG OPERATING LLC Hearing Date: September 24, 2020

Case No. 21410

#### **External Email**

We have received confirmation that Oxy is okay with the depth severance in Boo Radley.

Thanks! Lizzy Laufer

From: Carr, Courtney R < Courtney\_Carr@oxy.com> Sent: Monday, September 21, 2020 9:32 AM

To: Lizzy Laufer <ELaufer@concho.com>; Schneider, John V <John Schneider@oxy.com>

Cc: Ashley Roush <ARoush@concho.com>

Subject: [External] RE: Boo Radley Depth Severance

Hey Lizzy,

We are good with the 9500' depth severance within the Wolfcamp formation due to the pugh in the various Fowlkes leases.

Thanks!

Courtney Carr Land Negotiator Occidental Oil & Gas Corporation (713) 599-4116

From: Lizzy Laufer < <u>ELaufer@concho.com</u>> Sent: Monday, September 21, 2020 8:40 AM

To: Schneider, John V < John Schneider@oxy.com >; Carr, Courtney R < Courtney Carr@oxy.com >

Cc: Ashley Roush < ARoush@concho.com >

Subject: [EXTERNAL] RE: Boo Radley Depth Severance

# WARNING - This message is from an EXTERNAL SENDER - be CAUTIOUS, particularly with links and attachments.

#### John/Courtney,

Hope you had a nice weekend. Courtney and I have been negotiating the Boo Radley OA and I wanted to confirm that Oxy is okay with the depth severance. The depth severance is at 9500' and we are pooling above and below 9500' within the Wolfcamp formation. If you could send confirmation that Oxy does not have issues with how COG is treating the depth severance, it would be much appreciated. This will allow us to move forward with hearing.

I will be in the office today, so feel free to give me a call if you have any questions. My office number is 432-221-0470.

Best,

Lizzy Laufer

From: Lizzy Laufer

**Sent:** Thursday, September 17, 2020 4:18 PM **To:** Schneider, John V < <u>John Schneider@oxy.com</u>>

Subject: RE: Boo Radley Depth Severance

Appreciate it!

Best,

Lizzy Laufer | Landman | COG Operating LLC

600 W. Illinois Avenue | Midland, TX 79701 | 432.221.0470

From: Schneider, John V < John Schneider@oxy.com>

**Sent:** Thursday, September 17, 2020 4:12 PM **To:** Lizzy Laufer < <u>ELaufer@concho.com</u>>

Subject: [External] RE: Boo Radley Depth Severance

\*\*\*\* External email. Use caution. \*\*\*\*

Hi, Lizzy. Sure thing – will look at tomorrow and get you some feedback.

John Schneider, CPL Land Manager – New Mexico Occidental Petroleum John Schneider@Oxy.com

5 Greenway Plaza, Suite 110, Houston, Texas 77046-0521

Office: 713.366.5330

From: Lizzy Laufer <<u>ELaufer@concho.com</u>>
Sent: Thursday, September 17, 2020 2:56 PM
To: Schneider, John V <<u>John Schneider@oxy.com</u>>
Subject: [EXTERNAL] FW: Boo Radley Depth Severance

WARNING - This message is from an EXTERNAL SENDER - be CAUTIOUS, particularly with links and attachments.

John,

I sent the below email to Courtney and saw that she is out of the office until Monday. Our Boo Radley project is going to hearing on the 24<sup>th</sup> and I was hoping you could you could confirm that Oxy has no issue with the way COG is treating the depth severance. Attached is my prior email correspondence with Courtney. Please feel free to give me a call at 432-888-1002.

#### Thank you,

#### Lizzy Laufer | Landman | COG Operating LLC

600 W. Illinois Avenue | Midland, TX 79701 | 432.221.0470

From: Lizzy Laufer

**Sent:** Thursday, September 17, 2020 10:36 AM **To:** Carr, Courtney R < Courtney Carr@oxy.com>

**Subject:** Boo Radley Depth Severance

Hey Courtney,

The Boo Radley wells are going to hearing on September 24<sup>th</sup>. Prior to the hearing I need confirmation that Oxy has no issues with the way COG is treating the depth severance. As outlined in the attached email, the JOA contract area is broken out by Contract Area A and Contract Area B. Contract Area A covers the depths from the Base of the Bone Spring to 9,500' subsurface, whereas Contract Area B covers the depths from 9,500' subsurface to the Base of the Wolfcamp formation. All proposed Boo Radley wells are located in Contract Area A, above 9,500'. Given that Oxy's working interest slightly varies above and below 9,500', can you please confirm that Oxy has no issues with the way we plan to treat the depth severance? Per the NMOCD requirements we need evidence of your approval.

Your response is much appreciated!

Best,

Lizzy Laufer | Landman | COG Operating LLC

600 W. Illinois Avenue | Midland, TX 79701 | 432.221.0470



Artesia, NM 88211-0840 (575) 736-7000

August 27, 2020

COG Operating 600 W. Illinois Ave Midland, TX 79701

ATTN: Brittany Hull

5 E+

Operating Agreement - Boo Radley Fed Com Unit

Eddy County, New Mexico

Dear Brittany Hull,

Enclosed for the referenced well is the following:

• Executed Operating Agreement

If you have any questions or concerns please contact me at 575-736-6606 or by email at  $\underline{ebaker@sharbroenergy.com}$  or Roberto Roybal at  $\underline{rroybal@sharbroenergy.com}$ . Thank you very much.

Best,

Sharbro Energy, LLC Elizabeth Baker

Elizabeth Baker Landman

Enclosures:

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

	OXY USA Inc.
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	Type or print name
	Title
	Date
	Tax ID or S.S. No.
	OXY Y-1 Company
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	Date
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	Charles Passes II C
	Sharbro Energy, LLC
	Elizabeth Baker
	Elizabeth Baker
	Type or print name
	Title Attorney-in-Fact
	Date _August 27, 2020
	Tax ID or S.S. No. 45-2401867
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	Date
	Tax ID or S.S. No.
	Chevron U.S.A. Inc.
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#### ACKNOWLEDGMENTS

Note: The following forms of acknowledgment are the short forms approved by the Uniform Law on Notarial Acts. The validity and effect of these forms in any state will depend upon the statutes of that state.

Individual a	cknowledgment.				
State of	New Mexico	)			
County of	Eddy	) ss)			
7	This instrument wa	s acknowledged before me on			
August	27, 2020		by .	Elizabeth Baker, as Attorney-in-Fact	2
(Seal if any	҈ 捌 ''''	OFFICIAL SEAL 'SHELL KENNEDY NOTARY PUBLIC TE OF NEW MEXICO		Rauskell Lennod Title (and Rank) Notary Public My commission expires 10/17/2021	<i>y</i>
Acknowled	gment in representa	itive capacity:			
State of		)			
		) ss.			
County of		)			
-	This instrument wa	s acknowledged before me on			
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(Seal, if any	<i>(</i> )				
()	•			Title (and Rank)	
				My commission expires	

#### ACKNOWLEDGMENT

Corporate:	
STATE OF New Mexico	
COUNTY OF Eddy \$ SS:	
The foregoing instrument was acknowledged before me this _27t	th_day of August , 2020, by
Elizabeth Baker, as _ Attorney-in-Fact	of Sharbro Energy, LLC
a Limited Liability Companycorporation, on behalf of said corporation.	
	Par Pall Vannadi?
OFFICIAL SEAL RAYSHELL KENNEDY	Notary Public Notary's Printed Name: Rayshell Kennedy
NOTARY PUBLIC STATE OF NEW MEXICO My Commission Expires: 10-12-2021	My Commission Expires: 10-17-707
Individual:	
STATE OF	
\$ SS:	
The foregoing instrument was acknowledged before me this	day of
	Notary Public
	Notary's Printed Name: My Commission Expires:
	wry Commission Expires.

COG Operating LLC , who has prepared and circulated this form printed from and, with the exception(s) listed below described in the ne Model Form Recording Supplement to Operating Agreement and Fina Forms On-A-Disk, Inc. No changes, alterations, or modifications, other that are clearly recognizable as changes in Articles , have been made to the	xt sentence, is identical to the AAPL Form 610RS-1989 noing Statement, as published in computerized form by han those made by strikethrough and/or insertion and that
IN WITNESS WHEREOF, this agreement shall be effective as of theIst	day of
OPERATOR	
ATTEST OR WITNESS	COG Operating LLC
Ru-	Mark A Carter
	Type or Print Name
	Attorney-in-Fact
Date: Address:	
NON-OPERATOR	as
ATTEST OR WITNESS	COG Production LLC
By:	Mark A. Carter
Tales	Type or Print Name
Date:	Attorney-in-Fact
Address:	
ATTEST OR WITNESS	COG Acreage LP
Dec	Mark A. Carter
by	
Title:	Type or Print Name Attorney-in-Fact
Date: Address:	
ATTEST OR WITNESS	Concho Oil & Gas LLC
ATEST OR WITHESS	- Control on a day bbc
Ву;	Mark A. Carter
and a Section	Type or Print Name
Title: Date:	Attorney-in-Fact
Address	
ATTEST OR WITNESS	OXY USA Inc.
By;	
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ATTEST OR WITNESS	OXY Y-1 Company
Ву:	
Title	Type or Print Name
Date:	
Address:	
A TEMPORE OF INVESTIGA	01 1 2 155
ATTEST OR WITNESS	Sharbro Energy, LLC
By:	Elizabeth Baker
	Type or Print Name
Title;	Attomey-in-Fact
Date: Address:	August 27, 2020 PO Box 840, Artesia, NM 88211

#### ACKNOWLEDGMENTS

#### NOTE:

The following forms of acknowledgment are the short forms approved by the Uniform Law on Notarial Acts. The validity and effect of these forms in any state will depend upon the statutes of that state.

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State of §	
§ ss.	
County of §	
This instrument was acknowledged before me on	
by	
(Seal, if any)	
	Title (and Rank)
	My commission expires:
Acknowledgment in Repres	entative Capacity
State of New Mexico §	
§ ss.	
County of Eddy §	
This instrument was acknowledged before me onAugust 27,	2020
by Elizabeth Baker Sharbro Energy, LLC	as Attorney-in-Fact of
(Seal, if any OFFICIAL SEAL RAYSHELL KENNEDY NOTARY PUBLIC STATE OF NEW MEXICO My Commission Expires: 10-11-20-21	Bayshell Kennedy  Title (and Rank) Notary Public  My commission expires: 10/17/2021