



COG OPERATING LLC

Potato Baby Wells
Eddy County, New Mexico

November 5, 2020



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

**APPLICATION OF COG OPERATING LLC
TO POOL ADDITIONAL INTEREST
OWNERS UNDER ORDER NO. R-21102-A
EDDY COUNTY, NEW MEXICO.**

CASE NO. 21525

TABLE OF CONTENTS

- Application
- Compulsory Pooling Application Checklist
- COG Exhibit A – Landman Verified Statement
 - A-1 – Division Order R-21102
 - A-2 – Division Order R-21102-A
 - A-3 – C-102's
 - A-4 – Land Plat
 - A-5 – Well Proposal Letter and AFE's
- COG Exhibit B – Geology Verified Statement
 - B-1 – Location Map
 - B-2 – Structure Map
 - B-3 – Cross Section Location Map
 - B-4 – Stratigraphic Cross Section Map
- COG Exhibit C – Notice of Affidavit and Notice of Publication

**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. 21526

APPLICATION

COG Operating LLC ("Applicant") (OGRID No. 229137), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Wolfcamp formation [Purple Sage-Wolfcamp Gas Pool (Pool Code: 98220)] underlying a standard 767.72-acre, more or less, horizontal spacing unit comprised of the E/2 of Sections 22 and 27, and the N/2NE/4 and Lots 3-4 (E/2 Equivalent) of irregular Section 34, Township 26 South, Range 28 East, NMPM, Eddy County, New Mexico. In support of its application, COG states:

1. The Division entered Order No. R-21101 in Case No. 20934 on February 12, 2020.
2. Order No. R-21101 created a 767.72-acre, more or less, standard horizontal spacing unit consisting of the E/2 of Sections 22 and 27, and the N/2NE/4 and Lots 3-4 (E/2 Equivalent) of irregular Section 34, Township 26 South, Range 28 East, NMPM, Eddy County, New Mexico. ("Unit").
3. Order No. R-21101 further designated COG as operator of the Unit and pooled all uncommitted interests within the Purple Sage-Wolfcamp Gas Pool (Pool Code: 98220) underlying the Unit.
4. The Division entered Order No. R-21101-A in Case No. 21311 on June 12, 2020, which conformed Order No. R-21101 to the amended order template described in the

Letter of the Division Director dated April 9, 2020 (RE: Amendments to Compulsory Pooling Order Template).

5. Since the entry of Order No. R-21101-A, COG has identified additional unleased mineral interest owners in the Unit that have not been pooled pursuant to the terms of Order No. R-21101.

6. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from the additional unleased mineral interest owners in the subject spacing unit.

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

8. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.

9. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following proposed wells:

- **Potato Baby State Com #702H**, to be drilled from a surface hole location in the SE/4SW/4 (Lot 4) of Section 34 to a bottom hole location in the NW/4NW/4 (Unit H) of Section 22; and
- **Potato Baby State Com #703H**, to be drilled from a surface hole location in the SE/4SW/4 (Lot 4) of Section 34 to a bottom hole location in the NW/4NW/4 (Unit B) of Section 22.

10. Applicant is in good standing under state-wide rules and regulations with respect to Order No. R-21101-A.

11. In order to permit Applicant to obtain it's just and fair share of the oil and gas underlying the subject lands, all additional uncommitted interests in this horizontal spacing unit

should be pooled and Applicant should be designated the operator of the proposed horizontal well spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on November 5, 2020, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all additional unleased mineral interests in the horizontal spacing unit;
- B. Approving the initial wells in the horizontal spacing unit;
- C. Designating Applicant as the operator of this spacing unit and the horizontal wells to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping, and completing the wells;
- E. Approving the actual operating charges and costs of supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedures;
- F. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the wells;
- G. Amending Division Order No. R-21101-A to reflect the changes identified herein.

Respectfully submitted,

COG OPERATING LLC

/s/ Michael Rodriguez

Ocean Munds-Dry
Michael Rodriguez
COG Operating LLC
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Santa Fe, New Mexico 87501
(505) 780-8000
omundsdry@concho.com
mrodriguez@concho.com

ATTORNEYS FOR COG OPERATING LLC


Case No. _____: Application of COG Operating LLC for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all additional uncommitted interests in the Wolfcamp formation [Purple Sage-Wolfcamp Gas Pool (Pool Code: 98220)] underlying a standard 767.72-acre, more or less, horizontal spacing unit comprised of the E/2 of Sections 22 and 27, and the N/2NE/4 and Lots 3-4 (E/2 Equivalent) of irregular Section 34, Township 26 South, Range 28 East, NMPM, Eddy County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the to the following proposed wells: Potato Baby State Com #702H, to be drilled from a surface hole location in the SE/4SW/4 (Lot 4) of Section 34 to a bottom hole location in the NW/4NW/4 (Unit H) of Section 22; and Potato Baby State Com #703H, to be drilled from a surface hole location in the SE/4SW/4 (Lot 4) of Section 34 to a bottom hole location in the NW/4NW/4 (Unit B) of Section 22. Order No. R-21101 created a 767.72-acre, more or less, standard horizontal spacing unit consisting of the E/2 of Sections 22 and 27, and the N/2NE/4 and Lots 3-4 (E/2 Equivalent) of irregular Section 34, Township 26 South, Range 28 East, NMPM, Eddy County, New Mexico ("Unit"), and pooled all uncommitted interests within the Purple Sage-Wolfcamp Gas Pool (Pool Code: 98220) underlying the Unit. The Division entered Order No. R-21101-A in Case No. 21311 on June 12, 2020, which conformed Order No. R-21101 to the amended order template described in the Letter of the Division Director dated April 9, 2020 (RE: Amendments to Compulsory Pooling Order Template). Since the entry of Order No. R-21101-A, COG has identified additional unleased mineral interest owners in the Unit that have not been pooled pursuant to the terms of Order No. R-21101. 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 applicant as operator, the imposition of 200% charge for risk involved in drilling and completing each well, and Amending Division Order No. R-21101-A to reflect the changes identified herein. Said area is located approximately 13 miles south of Malaga, New Mexico.

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 21526	APPLICANT'S RESPONSE
Date	November 5, 2020
Applicant	COG Operating LLC
Designated Operator & OGRID (affiliation if applicable)	OGRID # 229137
Applicant's Counsel:	Ocean Munds-Dry, Michael Rodriguez
Case Title:	Application of COG Operating LLC for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	-
Well Family	Potato Baby
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Gas
Pooling this vertical extent:	Wolfcamp A
Pool Name and Pool Code:	Purple Sage Wolfcamp Gas Pool (98220)
Well Location Setback Rules:	Statewide
Spacing Unit Size:	~767.72 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	~767.72 acres
Building Blocks:	Quarter-quarter
Orientation:	Standup
Description: TRS/County	E/2 of Sections 22 and 27, and the N/2NE/4 and Lots 3-4 (E/2 Equivalent) of irregular Section 34, Township 26 South, Range 28 East, NMPM, Eddy County, New Mexico.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	-
Applicant's Ownership in Each Tract	A-4
Well(s)	
Name (API [if assigned]); Surface hole location; Bottom hole location; Completion target (TVD); Orientation, Completion status (standard or non-standard).	A-3
Rock Jelly Federal Com #702H (API # Pending)	SHL: ~ 300 FSL, 1210 FEL or Lot 4, 34-26S-28E BHL: ~ 365 FNL, 1210 FEL or Unit H, 22-26S-28E Completion Target: Wolfcamp formation (Approx. 9640 feet TVD)

	Completion status: Standard
Rock Jelly Federal Com #703H (API # Pending)	SHL: ~ 300 FSL, 1240 FEL, or Lot 4, 34-26S-28E BHL: ~ 200 FNL, 2090 FEL, or Unit B, 22-26S-28E Completion Target: Wolfcamp formation (Approx. 9630 feet TVD) Completion status: Standard
Horizontal Well First and Last Take Points	A-3
Completion Target (Formation, TVD and MD)	B-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 C
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	A-4
Tract List (including lease numbers and owners)	A-4
Pooled Parties (including ownership type)	A-4
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	A-5
List of Interest Owners (ie Exhibit A of JOA)	A-4
Chronology of Contact with Non-Joined Working Interests	Exhibit A
Overhead Rates in Proposal Letter	N/A
Cost Estimate to Drill and Complete	A-5
Cost Estimate to Equip Well	A-5
Cost Estimate for Production Facilities	A-5
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	B-1
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit B
Target Formation	Wolfcamp
HSU Cross Section	B-3, B-4
Depth Severance Discussion	N/A
Forms, Figures and Tables	

C-102	A-3
Tracts	A-4
Summary of Interests, Unit Recapitulation (Tracts)	A-4
General Location Map (including basin)	B-1
Well Bore Location Map	B-1
Structure Contour Map - Subsea Depth	B-2
Cross Section Location Map (including wells)	B-3
Cross Section (including Landing Zone)	B-4
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Michael Rodriguez
Signed Name (Attorney or Party Representative):	
Date:	11/03/2020

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

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

CASE NO. 21526

LANDMAN AFFIDAVIT

Lizzy Laufer, of lawful age and being first duly sworn, declares as follows:

1. My name is Lizzy Laufer, and I am a Landman with COG Operating LLC ("COG").
1. I have testified before the New Mexico Oil Conservation Division ("Division") and my credentials as an expert witness in petroleum land matters were accepted and made a matter of record.
2. I am familiar with the application filed by COG in this case and familiar with the status of the lands in the subject area.
3. None of the parties proposed to be pooled in this case have indicated opposition to this proceeding, therefore I do not expect any opposition at hearing.
4. COG seeks an order pooling all uncommitted interests in the Wolfcamp formation, Purple Sage-Wolfcamp Gas Pool (Pool Code: 98220), underlying a standard 767.72-acre, more or less, horizontal spacing unit comprised of the E/2 of Sections 22 and 27, and the N/2NE/4 and Lots 3-4 (E/2 Equivalent) of irregular Section 34, Township 26 South, Range 28 East, NMPM, Eddy County, New Mexico.
5. COG proposes to dedicate the above-referenced horizontal spacing unit to the following proposed initial wells, which it proposes to drill simultaneously:

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 21526 Exhibit No. A
Submitted by:
COG OPERATING LLC
Hearing Date: November 5, 2020**

- Potato Baby State Com #702H, to be drilled from a surface hole location in the SE/4NE/4 (Lot 4) of Section 34 to a bottom hole location in the SE/4NE/4 (Unit H) of Section 22; and
- Potato Baby State Com #703H, to be drilled from a surface hole location in the SE/4NE/4 (Lot 4) of Section 34 to a bottom hole location in the NW/4NE/4 (Unit B) of Section 22.

6. The Division entered Order No. R-21101 in Case No. 20934 on February 12, 2020.

7. Order No. R-21101 created a 767.72-acre, more or less, standard horizontal spacing unit consisting of the E/2 of Sections 22 and 27, and the N/2NE/4 and Lots 3-4 (E/2 Equivalent) of irregular Section 34, Township 26 South, Range 28 East, NMPM, Eddy County, New Mexico. ("Unit").

8. Order No. R-21101 further designated COG as operator of the Unit and pooled all uncommitted interests within the Purple Sage-Wolfcamp Gas Pool (Pool Code: 98220) underlying the Unit.

9. The Division entered Order No. R-21101-A in Case No. 21311 on June 12, 2020, which conformed Order No. R-21101 to the amended order template described in the Letter of the Division Director dated April 9, 2020 (RE: Amendments to Compulsory Pooling Order Template).

10. Since the entry of Order No. R-21101-A, COG has identified additional unleased mineral interest owners in the Unit that have not been pooled pursuant to the terms of Order No. R-21101.

11. **Exhibit A-1** contains Division Order No. R-21101.

12. **Exhibit A-2** contains Division Order No. R-21101-A.

13. **Exhibit A-3** contains draft Form C-102s for the proposed wells.

14. No ownership depth severances exist within this proposed spacing unit, and there are no unleased mineral interests in the subject acreage.

15. **Exhibit A-4** depicts the tracts of land comprising the proposed spacing unit in this case. The proposed spacing unit includes fee and state lands. It also identifies the interest ownership and interest type by tract. COG seeks to pool all uncommitted interests identified in this attachment.

16. All interest owners that COG seeks to pool are locatable. COG has conducted a diligent search of all public records in Eddy County, including phone directories and computer databases.

17. **Exhibit A-5** contains a sample lease offer, well proposal letter, and AFEs for each well provided to the mineral interest owners COG is seeking to pool. The costs reflected on each AFE are consistent with what other operators have incurred for drilling similar horizontal wells in the area.

18. In my opinion, COG has made a diligent effort to reach agreement with the non-joined parties as indicated by the following Chronology of Contact:

- 7/31/2019 – Well proposals sent to all uncommitted working interest owners
- 9/16/2019 – COG's proposed form of JOA, State Com Agreement and Designation of Pooled Unit was sent to all uncommitted working interest owners
- 11/4/2019 – Sent ratification of Com Agreement and Designation of Pooled Unit to ORRI and NPRI owners
- Q1/Q2 2020 – Email correspondence with OXY USA negotiating the proposed JOA, which they executed (no longer being pooled)

- 5/1/2020 – Chevron USA Inc and COG Operating LLC trade finalized. Chevron USA Inc traded all working interest in Potato Baby project to COG
- 8/25/20 – Well proposals, AFE's and COG's proposed form of JOA sent to all unleased mineral owners
- 9/9/20 – Present – Ongoing phone and email communication with Ellen Y Ryan and legal representative, Cas Tabor regarding Ellen Y Ryan's unleased interest and COG's proposed lease form
- 10/6/20 – Sent informational proposal letter to working interest parties rescinding the 701H proposal and revising SHL/BHL of 702H and 703H wells.
- 10/15/20 – Phone communication with EG3 Development and Allar Company discussing Potato Baby Development

19. In my opinion, COG has made a good faith effort to obtain voluntary joinder of the parties it is seeking to pool. If COG reaches an agreement with any of the parties it is seeking to pool before the Division enters an order, I will inform the Division that COG is no longer seeking to pool those parties.

20. COG has estimated the overhead and administrative costs for drilling and producing the proposed wells at \$7,000 per month while drilling and \$700 per month while producing. These costs are consistent with what other operators are charging in this area for similar wells.

21. Applicant is in good standing under state-wide rules and regulations with respect to Order No. R-21101-A.

22. I have provided COG's legal counsel a list of names and addresses of the owners COG seeks to pool and instructed that they be notified of this hearing. Additionally, notice of this hearing was timely published in a newspaper of general circulation in Eddy County, New Mexico.

23. **Exhibit A through Exhibit A-5** were either prepared by me or compiled under my direction and supervision.

[Signature page follows]

E. Laufer
Affiant

STATE OF TEXAS

COUNTY OF MIDLAND

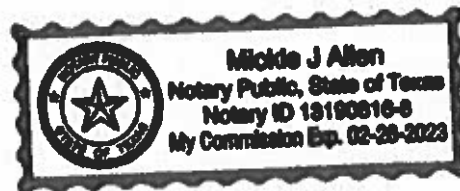
SUBSCRIBED and SWORN to before me this 2nd day of November 2020, by

Lizzy Laufer.

M. Allen
NOTARY PUBLIC

My Commission Expires:

2-26-23



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

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
COG OPERATING LLC**

**CASE NO. 20934
ORDER NO. R-21101**

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on December 12, 2019, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. COG Operating LLC ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 21526 Exhibit No. A-1
Submitted by:
COG OPERATING LLC
Hearing Date: November 5, 2020**

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the described depth(s) and location(s) in the Unit.
11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

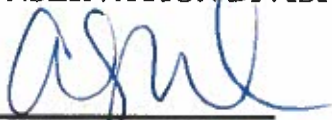
15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the Surface Location or Bottom Hole Location of a well is changed from the location described in Exhibit A, Operator shall submit an amended Exhibit A, which the Division shall append to this Order.
19. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location before commencing production of the well.
20. The Operator shall commence drilling the initial well within one (1) year after the date of this Order; and (b) for an infill well, no later than thirty (30) days after completion of the well.

21. Operator shall comply with the infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC.
22. This Order shall terminate automatically if Operator fails to comply with Paragraphs 20 or 21.
23. Operator shall submit to OCD and each owner of a working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs") no later than: (a) for an initial well, no later than thirty (30) days after the date of this Order; (b) for an infill well proposed by Operator, no later than (30) days after the later of the initial notice period pursuant to 19.15.13.10(B) NMAC or the extension granted by the OCD Director pursuant 19.15.13.10(D) NMAC; or (c) for an infill well proposed by an owner of a Pooled Working Interest, no later than thirty (30) days after expiration of the last action required by 19.15.13.11 NMAC.
24. No later than thirty (30) days after Operator submits the Estimated Well Costs , the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
25. No later than within one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
26. No later than sixty (60) days after the later of the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.

27. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
28. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
29. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
30. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to OCD and each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*

34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL
DIRECTOR**

AS/jag

Date: February 12, 2020



Exhibit "A"

Applicant: COG Operating LLC
Operator: COG Operating LLC (OGRID 229137)

Spacing Unit: Horizontal Gas
Building Blocks: Half Section Equivalent
Spacing Unit Size: 767.72 acres (more or less)
Orientation of Unit: North/South

Spacing Unit Description:
E/2 of Sections 22 and 27, and the N/2 NE/4 and Lots 3-4 (E/2 equivalent) of irregular Section 34, Township 26 South, Range 28 East, NMPM, Eddy County, New Mexico

Pooling this Vertical Extent: Wolfcamp Formation
Depth Severance? (Yes/No): No

Pool: Purple Sage; Wolfcamp Gas (Pool code 98220)
Pool Spacing Unit Size: Half Sections
Governing Well Setbacks: Special Rules for the Purple Sage Gas Pool Apply
Pool Rules: Purple Sage and Horizontal Well Rules

Proximity Tracts: No

Monthly charge for supervision: While drilling: \$7000 While producing: \$700
As the charge for risk, 200 percent of reasonable well costs.

Proposed Wells:

Potato Baby State Com Well No. 701H, API No. 30-015-Pending

SHL: 330 feet from the North line and 1291 feet from the East line,
(Unit A) of Section 22, Township 26 South, Range 28 East, NMPM.
BHL: 330 feet from the South line and 330 feet from the East line,
(Unit P) of Section 34, Township 26 South, Range 28 East, NMPM.

Completion Target: Wolfcamp A at approx 9560 feet TVD.

Well Orientation: North to South

Completion Location expected to be: standard

Potato Baby State Com Well No. 702H, API No. 30-015-Pending

SHL: 330 feet from the North line and 1321 feet from the East line,
(Unit B) of Section 22, Township 26 South, Range 28 East, NMPM.
BHL: 330 feet from the South line and 1254 feet from the East line,
(Unit P) of Section 34, Township 26 South, Range 28 East, NMPM.

Completion Target: Wolfcamp A at approx 9540 feet TVD.

Well Orientation: North to South

Completion Location expected to be: standard

Potato Baby State Com Well No. 703H, API No. 30-015-Pending

SHL: 330 feet from the North line and 1351 feet from the East line,
(Unit B) of Section 22, Township 26 South, Range 28 East, NMPM.

BHL: 330 feet from the South line and 2178 feet from the East line,
(Unit O) of Section 34, Township 26 South, Range 28 East, NMPM.

Completion Target: Wolfcamp A at approx 9520 feet TVD.

Well Orientation: North to South

Completion Location expected to be: standard

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

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
COG OPERATING, LLC**

**CASE NO. 21311
ORDER NO. R-21101-A**

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on June 11, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order:

FINDINGS OF FACT

1. COG Operating, LLC. ("Operator") applied to conform Order R-21101 ("Existing Order") issued in Case No. 20934 with the Division's recently amended order template ("Amended Template").
2. Operator is in good standing under state-wide rules and regulations with respect to the Existing Order.
3. Operator has reviewed and agrees to the terms and conditions in the ordering paragraphs of the Amended Template.
4. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

5. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
6. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
7. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
8. This Order affirms the Findings of Fact and Conclusions of Law in the Existing Order and replaces the ordering paragraphs 15-35 in the Existing Order as stated below.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 21526 Exhibit No. A-2
Submitted by:
COG OPERATING LLC
Hearing Date: November 5, 2020

ORDER

9. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
10. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
11. Operator is designated as operator of the Unit and the Well(s).
12. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
13. The Operator shall commence drilling the Well(s) within one year after the date of this Order and complete each Well no later than one (1) year after the commencement of drilling the Well.
14. This Order shall terminate automatically if Operator fails to comply with Paragraph 13 unless Operator obtains an extension by an amendment of this Order for good cause shown.
15. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
16. Operator shall submit to each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
17. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
18. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written

objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.

19. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
20. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
21. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
22. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
23. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
24. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 23 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
25. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.

26. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
27. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
28. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
29. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL
DIRECTOR**

AES/jag

Date: 6/12/2020

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-015-	2 Pool Code 98220	3 Pool Name Purple Sage; Wolfcamp (Gas)
4 Property Code	5 Property Name POTATO BABY STATE COM	6 Well Number 702H
7 OGRID No. 229137	8 Operator Name COG OPERATING LLC	9 Elevation 3074'

" Surface Location

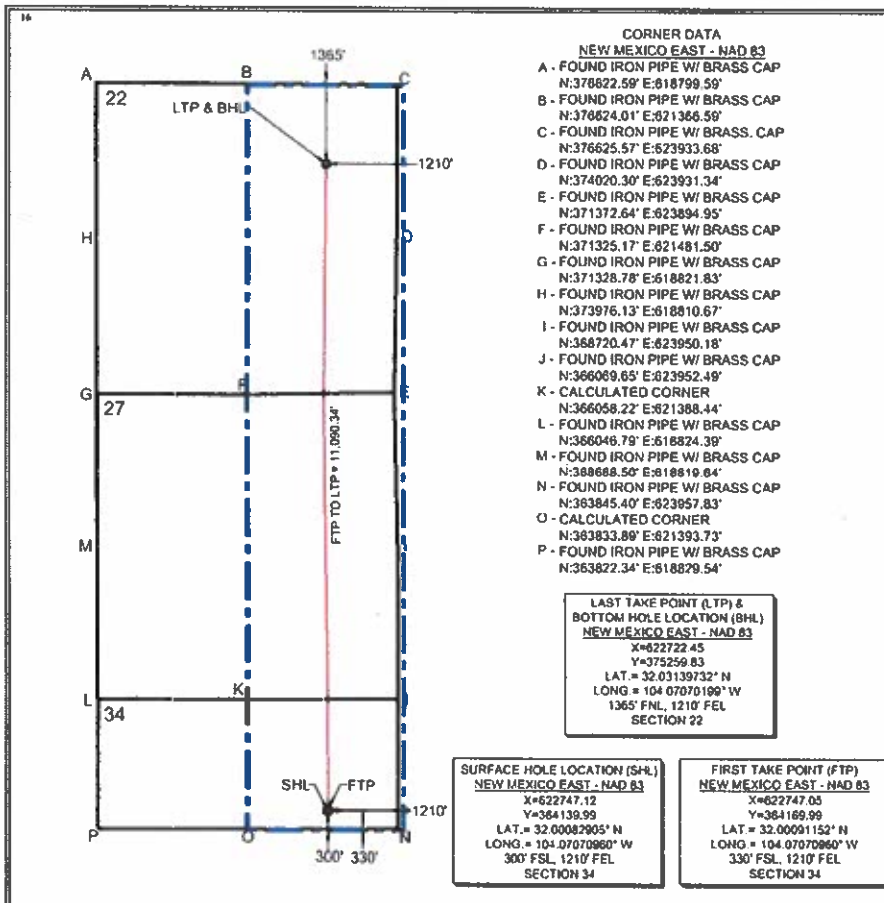
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	34	26-S	28-E		300'	SOUTH	1210'	EAST	EDDY

" Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	22	26-S	28-E		1365'	NORTH	1210'	EAST	EDDY

12 Dedicated Acres 767.52	13 Joint or Infill	14 Consolidation Code	15 Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



17 OPERATOR CERTIFICATION

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

Stan Wagner 9/17/2020
Signature Date

Stan Wagner
Printed Name

E-mail Address

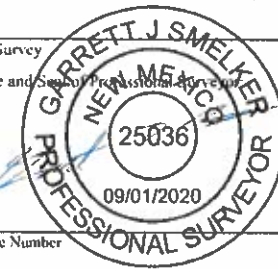
" SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey

Signature and Seal of Professional Surveyor

Certificate Number



BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico
Case No. 21526 Exhibit No. A-3

Submitted by:

COG OPERATING LLC

Hearing Date: November 5, 2020

District I1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720**District II**811 S. First St., Artesia, NM 88210
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Phone: (505) 334-6178 Fax: (505) 334-6170**District IV**1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

Form C-102

Revised August 1, 2011

Submit one copy to appropriate
District Office☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1 API Number 30-015-		2 Pool Code 98220		3 Pool Name Purple Sage; Wolfcamp (Gas)	
4 Property Code		5 Property Name POTATO BABY STATE COM			6 Well Number 703H
7 OGRID No. 229137		8 Operator Name COG OPERATING LLC			9 Elevation 3075'

10 Surface Location

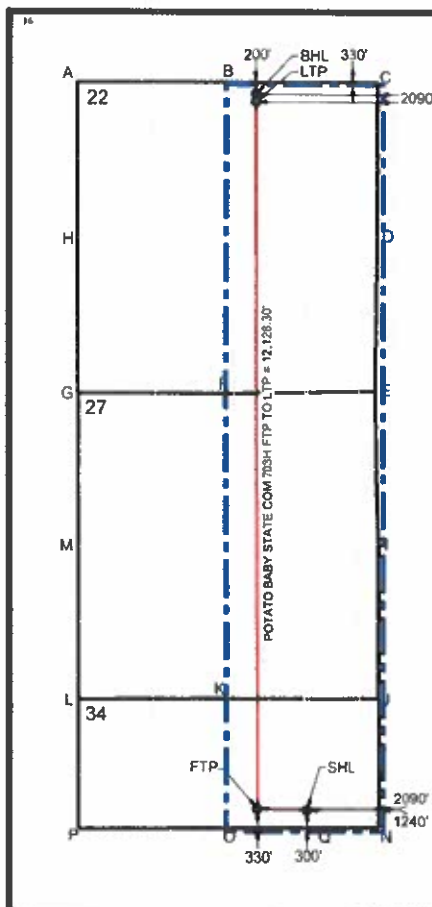
11. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	34	26-S	28-E		300'	SOUTH	1240'	EAST	EDDY

11 Bottom Hole Location If Different From Surface

11. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	22	26-S	28-E		200'	NORTH	2090'	EAST	EDDY

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
767.52			

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.



CORNER DATA NEW MEXICO EAST - NAD 83 A - FOUND IRON PIPE W/ BRASS CAP N 376622.59' E 618799.50' B - FOUND IRON PIPE W/ BRASS CAP N 376624.01' E 621366.50' C - FOUND IRON PIPE W/ BRASS CAP N 376625.57' E 623933.85' D - FOUND IRON PIPE W/ BRASS CAP N 374020.30' E 623631.34' E - FOUND IRON PIPE W/ BRASS CAP N 371372.84' E 623894.95' F - FOUND IRON PIPE W/ BRASS CAP N 371325.17' E 621481.50' G - FOUND IRON PIPE W/ BRASS CAP N 371328.78' E 618821.83' H - FOUND IRON PIPE W/ BRASS CAP N 373976.13' E 618810.67' I - FOUND IRON PIPE W/ BRASS CAP N 368720.47' E 623950.18' J - FOUND IRON PIPE W/ BRASS CAP N 368609.65' E 623952.40' K - CALCULATED CORNER N 368658.22' E 621368.44' L - FOUND IRON PIPE W/ BRASS CAP N 368646.79' E 618824.39' M - FOUND IRON PIPE W/ BRASS CAP N 368658.50' E 618819.64' N - FOUND IRON PIPE W/ BRASS CAP N 363845.40' E 623957.83' O - CALCULATED CORNER N 363833.88' E 621393.73' P - FOUND IRON PIPE W/ BRASS CAP N 363822.34' E 618829.54' Q - FOUND IRON PIPE N 363840.86' E 622941.43'		LAST TAKE POINT (LTP) NEW MEXICO EAST - NAD 83 X=621843.38 Y=376284.30 LAT = 32.03424687° N LONG = 104.07353071° W 330' FSL 2090' FEL SECTION 22		BOTTOM HOLE LOCATION (BHL) NEW MEXICO EAST - NAD 83 X=621843.50 Y=376424.30 LAT = 32.03460423° N LONG = 104.07352932° W 200' FSL 2090' FEL SECTION 22		SURFACE HOLE LOCATION (SHL) NEW MEXICO EAST - NAD 83 X=622717.12 Y=364138.85 LAT = 32.00082888° N LONG = 104.07080638° W 300' FSL 1240' FEL SECTION 34		FIRST TAKE POINT (FTP) NEW MEXICO EAST - NAD 83 X=621867.05 Y=364166.02 LAT = 32.00090647° N LONG = 104.07354842° W 330' FSL 2090' FEL SECTION 34	
--	--	--	--	---	--	--	--	---	--

17 OPERATOR CERTIFICATION

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

Stan Wagner 9/17/2020
Signature Date

Stan Wagner

Printed Name

E-mail Address

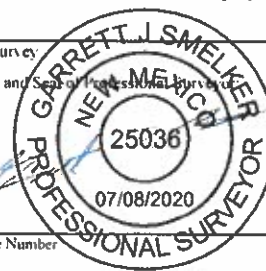
18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey

Signature and Seal of Professional Surveyor

Certificate Number



SEC 22	TRACT 4A: STATE OF NM V0-7967-2 80 AC	TRACT 4B: STATE OF NM V0-7967-2 120 AC
	TRACT 1: 40 AC FEE	
	TRACT 2 40 AC FEE	TRACT 3 40 AC FEE
SEC 27	TRACT 5 STATE OF NM VB-1126 160 AC	
	TRACT 6: STATE OF NM VB-0678 160 AC	
SEC 34	TRACT 7: STATE OF NM VB-1127 127.72 AC	

SEC 22	POTATO BABY E2 SPACING UNIT
SEC 27	
SEC 34	POTATO BABY E2 SPACING UNIT

E2 POTATO BABY UNIT									
WI OWNER	TR 1	TR 2	TR 3	TR 4A	TR 4B	TR 5	TR 6	TR 7	UNIT RECAP
COG PRODUCTION, LLC	0.0146361	0.0176900	0.0211185	0.0353800	0.0633554	0.0000000	0.0000000	0.0000000	0.1521800
COG ACREAGE, LP	0.0005976	0.0007222	0.0008622	0.0014445	0.0025866	0.0000000	0.0000000	0.0000000	0.0062131
OXY USA INC	0.0152337	0.0184122	0.0219807	0.0368245	0.0659420	0.0000000	0.0000000	0.0000000	0.1583931
ALLAR DEVELOPMENT LLC	0.0046982	0.0009732	0.0000000	0.0019465	0.0000000	0.0000000	0.0000000	0.0000000	0.0076179
EG3 DEVELOPMENT LLC	0.0015661	0.0003244	0.0000000	0.0006488	0.0000000	0.0000000	0.0000000	0.0000000	0.0025393
COG OPERATING LLC	0.0116505	0.0135897	0.0078153	0.0271793	0.0234460	0.2084093	0.2084093	0.1663627	0.6668623
CONCHO OIL & GAS LLC	0.0003231	0.0003905	0.0003256	0.0007810	0.0009769	0.0000000	0.0000000	0.0000000	0.0027972
UMI - LEE M KUGLE	0.0016985	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0016985
UMI - ELLEN RYAN	0.0016985	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0016985
TOTAL	0.0521023	0.0521023	0.0521023	0.1042047	0.1563070	0.2084093	0.2084093	0.1663627	1.0000000

PARTIES TO POOL	
Allar Company P.O. Box 1567 Graham, TX 76450	WI
EG3 Development LLC P.O. Box 1567 Graham, TX 76450	WI
Ricky D. Raindl P.O. Box 142454 Irving, TX 75014	NPRI
Buckhorn Minerals IV, LP 1800 Bering Drive, Suite 1075 Houston, TX 77057	NPRI
Marguerite Fort Burns SSP 12711 Colorado Blvd E #505 Thornton, CO 80241	ORRI
OXY USA Inc 5 Greenway Plaza, Suite 110 Houston, TX 77046	ORRI/RT
Delaware Ranch, Inc. 1304 W. Riverside Dr. Carlsbad, NM 88220	RI
Ellen Y Ryan 5300 Mohawk Lane Fairway, KS 66205	UMI
Lee M Kugle 2429 Westlake Dr. Austin, TX 78764	UMI

Well proposal sent	YES
Communitization Agreement sent	YES
Designation of Pooled Unit Sent	YES
Joint Operating Agreement sent	YES

Notes: Due to a number of separate JOAs covering the area, leasehold ownership does not exactly correspond with contractual ownership.



August 25, 2020

Via Certified Mail #91 7199 9991 7039 1750 9405

Ellen Y. Ryan
5300 Mohawk Lane
Fairway, KS 66205

Re: **Potato Baby State Com Unit**
W/2 & E/2 of Sections 22, 27, and 34, T26S-R28E
Eddy County, New Mexico

Dear Ms. Ryan:

COG Operating, LLC ("COG") hereby proposes the drilling of the following horizontal wells:

- **Potato Baby State Com 702H**, to be drilled to a depth sufficient to test the Wolfcamp A formation at a total vertical depth of 9,640'. The surface hole location for this well is proposed at a legal location in Lot 4 of Section 34 and the bottomhole location in a legal location in Unit H of Section 22. The dedicated project area will be E/2 of Sections 22 and 27, and N2NE4 and Lots 3, 4 (E/2) of Section 34, T26S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$7,896,000, as shown on the attached Authority for Expenditure ("AFE").
- **Potato Baby State Com 703H**, to be drilled to a depth sufficient to test the Wolfcamp A formation at a total vertical depth of 9,630'. The surface hole location for this well is proposed at a legal location in Lot 4 of Section 34 and the bottomhole location in a legal location in Unit B of Section 22. The dedicated project area will be E/2 of Sections 22 and 27, and N2NE4 and Lots 3, 4 (E/2) of Section 34, T26S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$9,279,000, as shown on the attached AFE.
- **Potato Baby State Com 704H**, to be drilled to a depth sufficient to test the Wolfcamp A formation at a total vertical depth of 9,620'. The surface hole location for this well is proposed at a legal location in Lot 2 of Section 34 and the bottomhole location in a legal location in Unit C of Section 22. The dedicated project area will be W/2 of Sections 22 and 27, and N2NW4 and Lots 1, 2 (W/2) of Section 34, T26S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$9,279,000, as shown on the attached AFE.
- **Potato Baby State Com 705H**, to be drilled to a depth sufficient to test the Wolfcamp A formation at a total vertical depth of 9,615'. The surface hole location for this well is proposed at a legal location in Lot 2 of Section 34 and the bottomhole location in a legal location in Unit C of Section 22. The dedicated project area will be W/2 of Sections 22 and 27, and N2NW4 and Lots 1, 2 (W/2) of Section 34, T26S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$9,279,000, as shown on the attached AFE.

- **Potato Baby State Com 706H**, to be drilled to a depth sufficient to test the Wolfcamp A formation at a total vertical depth of 9,605'. The surface hole location for this well is proposed at a legal location in Lot 2 of Section 34 and the bottomhole location in a legal location in Unit D of Section 22. The dedicated project area will be W/2 of Sections 22 and 27, and N2NW4 and Lots 1, 2 (W/2) of Section 34, T26S-R28E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$9,279,000, as shown on the attached AFE.

As an unleased mineral owner, you have the opportunity to participate in the drilling of the wells described above. Should you wish **to participate**, please indicate so below and return to me within thirty days of receipt of this letter. An Operating Agreement ("OA") for the E/2 Potato Baby Unit is enclosed for your review and execution, indicating a 0.1698636% WI per our current records. An OA for the W/2 Potato Baby Unit is also enclosed for your review and execution, indicating a 0.1698979% WI per our current records. Please review the enclosed OAs and execute both where indicated should you wish to participate under the OAs.

Should you wish **not to participate** in this Operation, COG hereby makes the following offer to lease your minerals described below. According to the Official Public Records of Eddy County, New Mexico, you own an undivided .0326 mineral interest in and under the lands described below, being a total of 2.608 net mineral acres (1.304 nma in the SW/4 NE/4 and 1.304 nma in the SE/4 NW/4). COG is offering to lease your minerals for \$5,000 per net mineral acre which yields a total lease bonus payment of \$13,040.00. This lease will include a three (3) year primary term and a 25% royalty interest. A lease form is attached for your review and execution should you accept. This offer is subject to final title review and management approval, as well as a mutually agreeable lease form, and will remain valid until September 21, 2020. Your minerals are described as:

Township 26 South, Range 28 East, N.M.P.M.

Section 22: SW/4 NE/4, as to all depths below 8,188', or those certain depths 100' below the deepest depth drilled of the Diamondback 22 State Com #1H well (API No. 30-015-38528)

Section 22: SE/4 NW/4, as to all depths below 8,171', or those certain depths 100' below the deepest depth drilled of the Diamondback 22 State Com #4H well (API No. 30-015-40816)

Containing 80.00 gross acres, more or less, in Eddy County, New Mexico

If we do not reach an agreement within 30 days of the date of this letter, COG will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a spacing unit for the proposed well.

Should you have any questions, please do not hesitate to contact me at 432.221.0470 or elauf@concho.com. I look forward to discussing this opportunity with you in greater detail.

Sincerely,

COG Operating LLC

Lizzy Laufer
Landman II

LL:bh
Enc

WELL NAME	Elect to PARTICIPATE in drilling and completion	Elect NOT TO PARTICIPATE in drilling and completion
Potato Baby State Com 702H		
Potato Baby State Com 703H		
Potato Baby State Com 704H		
Potato Baby State Com 705H		
Potato Baby State Com 706H		

By: _____
ELLEN Y. RYAN

COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
Drill & Complete

Well Name: POTATO BABY STATE COM UNIT 702H
 SHL 34: 300 FSL, 1210 FEL or Lot 4
 BHL 22: 1365 FNL, 1210 FEL or Unit H
 Formation: WOLFCAMP
 Legal: 34, 27, 22, 1265-R28E
 AFE Numbers:

Prospect: ATLAS 2628
 State & County: NEW MEXICO, EDDY
 Objective: DRILL & COMPLETE
 Depth: 20,740
 TVD: 9,640

Cost Description	Code	PreSpud (PS)	Pre-Set Casing (PC)	Drilling (DR)	Completions (C)	Tank Btry Constrcn (TB)	Pmpg Equip (PEQ)	Revelon	Total
Intangible Costs									
D-Lctn/Pits/Roads	205			\$ 89,000.00				\$ -	\$ 89,000.00
D-Drilling Overhead	206			\$ 7,000.00				\$ -	\$ 7,000.00
D-Daywork Contract	209			\$ 484,000.00				\$ -	\$ 484,000.00
D-Directional Drtg Services	210			\$ 258,000.00				\$ -	\$ 258,000.00
D-Fuel & Power	211			\$ 84,000.00				\$ -	\$ 84,000.00
D-Water	212			\$ 70,000.00				\$ -	\$ 70,000.00
D-Bits	213			\$ 89,000.00				\$ -	\$ 89,000.00
D-Mud & Chemicals	214			\$ 182,000.00				\$ -	\$ 182,000.00
D-Cement Surface	217			\$ 18,000.00				\$ -	\$ 18,000.00
D-Cement Intermed	218			\$ 70,000.00				\$ -	\$ 70,000.00
D-Prod:2nd Int Cmt	219			\$ 103,000.00				\$ -	\$ 103,000.00
D-Float Equipment & Centralizers	221			\$ 58,000.00				\$ -	\$ 58,000.00
D-Csg Crews & Equip	222			\$ 61,000.00				\$ -	\$ 61,000.00
D-Contract Labor	225			\$ 7,000.00				\$ -	\$ 7,000.00
D-Company Spvsn	226			\$ 41,000.00				\$ -	\$ 41,000.00
D-Contract Spvsn	227			\$ 101,000.00				\$ -	\$ 101,000.00
D-Tstg Csg/Tbg	228			\$ 38,000.00				\$ -	\$ 38,000.00
D-Mud Logging Unit	229			\$ 38,000.00				\$ -	\$ 38,000.00
D-Rentals-Surface	235			\$ 157,000.00				\$ -	\$ 157,000.00
D-Rentals-Subsric	236			\$ 73,000.00				\$ -	\$ 73,000.00
D-Trucking/Forklift/Rtg Mob	237			\$ 150,000.00				\$ -	\$ 150,000.00
D-Welding Services	238			\$ 3,000.00				\$ -	\$ 3,000.00
D-Contingency	243			\$ 58,000.00				\$ -	\$ 58,000.00
D-Envrnmnt/Cld Loop	244			\$ 247,000.00				\$ -	\$ 247,000.00
C-Wellbore Frac Prep	304				\$ 95,000.00			\$ -	\$ 95,000.00
C-Lctn/Pits/Roads	305				\$ 10,000.00			\$ -	\$ 10,000.00
C-Completion OH	306				\$ 15,000.00			\$ -	\$ 15,000.00
C-Frac Equipment	307				\$ 648,000.00			\$ -	\$ 648,000.00
C-Frac Chemicals	308				\$ 410,000.00			\$ -	\$ 410,000.00
C-Frac Proppant	309				\$ 188,000.00			\$ -	\$ 188,000.00
C-Frac Proppant Transportation	310				\$ 289,000.00			\$ -	\$ 289,000.00
C-Fuel Delivery & Services	311				\$ 42,000.00			\$ -	\$ 42,000.00
C-Water	312				\$ 273,000.00			\$ -	\$ 273,000.00
C-Frac Surface Rentals	315				\$ 258,000.00			\$ -	\$ 258,000.00
C-Contract Labor	325				\$ 10,000.00			\$ -	\$ 10,000.00
C-Company Spvsn	326				\$ 10,000.00			\$ -	\$ 10,000.00
C-Contract Spvsn	327				\$ 138,000.00			\$ -	\$ 138,000.00
C-Artificial Lift Install	329				\$ 45,000.00			\$ -	\$ 45,000.00
C-Part/Wireline Svc	331				\$ 317,000.00			\$ -	\$ 317,000.00
C-Trucking/Forklift/Rtg Mob	337				\$ 10,000.00			\$ -	\$ 10,000.00
C-Water Disposal	339				\$ 40,000.00			\$ -	\$ 40,000.00
C-Contingency	343				\$ 74,000.00			\$ -	\$ 74,000.00
C-Dyed Diesel	345				\$ 155,000.00			\$ -	\$ 155,000.00
C-Drillout	346				\$ 295,000.00			\$ -	\$ 295,000.00
TB-Damages/Right of Way	351					\$ 2,000.00		\$ -	\$ 2,000.00
TB-Location/Pits/Roads	353					\$ 34,000.00		\$ -	\$ 34,000.00
TB-Contract Labor	356					\$ 180,000.00		\$ -	\$ 180,000.00
PEQ-Contract Labor	374						\$ 39,000.00	\$ -	\$ 39,000.00
PEQ-Water Disposal	387						\$ 179,000.00	\$ -	\$ 179,000.00
PEQ-HRZ Well Offset Frac	391						\$ 18,000.00	\$ -	\$ 18,000.00
Total Intangible Costs		\$ -	\$ -	\$ 2,482,000.00	\$ 3,318,000.00	\$ 216,000.00	\$ 238,000.00	\$ -	\$ 6,252,000.00
Tangible Costs									
PEQ-Flowback Crews & Equip	392						\$ 108,000.00	\$ -	\$ 108,000.00
D-Surface Casing	401			\$ 20,000.00				\$ -	\$ 20,000.00
D-Intermed Csg	402			\$ 155,000.00				\$ -	\$ 155,000.00
D-Production Casing/Liner	403			\$ 385,000.00				\$ -	\$ 385,000.00
D-Wellhead Equip	405			\$ 70,000.00				\$ -	\$ 70,000.00
C-Tubing	504				\$ 52,000.00			\$ -	\$ 52,000.00
C-Wellhead Equip	505				\$ 28,000.00			\$ -	\$ 28,000.00
TB-Tanks	510					\$ 58,000.00		\$ -	\$ 58,000.00
TB-Flowlines/Pipeline	511					\$ 28,000.00		\$ -	\$ 28,000.00
TB-Hiz Trt/Seprtr	512					\$ 185,000.00		\$ -	\$ 185,000.00
TB-Electrical System/Equipment	513					\$ 114,000.00		\$ -	\$ 114,000.00
C-Pckrs/Anchors/Nips	514				\$ 84,000.00			\$ -	\$ 84,000.00
TB-Couplings/Fittings/Valves	515					\$ 192,000.00		\$ -	\$ 192,000.00
TB-Pumps-Surface	521					\$ 26,000.00		\$ -	\$ 26,000.00
TB-Instrumentation/SCADA/POC	522					\$ 20,000.00		\$ -	\$ 20,000.00
TB-Miscellaneous	523					\$ 20,000.00		\$ -	\$ 20,000.00
TB-Meters/Lacts	525					\$ 26,000.00		\$ -	\$ 26,000.00
TB-Flares/Combusters/Emission	526					\$ 31,000.00		\$ -	\$ 31,000.00
C-Gas Lift/Compression	527				\$ 25,000.00			\$ -	\$ 25,000.00
PEQ-Wellhead Equipment	531						\$ 39,000.00	\$ -	\$ 39,000.00
Total Tangible Costs		\$ -	\$ -	\$ 630,000.00	\$ 189,000.00	\$ 608,000.00	\$ 147,000.00	\$ -	\$ 1,644,000.00
Total Gross Cost		\$ -	\$ -	\$ 3,112,000.00	\$ 3,487,000.00	\$ 914,000.00	\$ 383,000.00	\$ -	\$ 7,898,000.00

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

COG Operating LLC

By: _____

Date Prepared: 6.20.20

COG Operating LLC

We approve:
 % Working Interest

By: _____

Company: _____
 By: _____

Printed Name: _____
 Title: _____
 Date: _____

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

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

Well Name POTATO BABY STATE COM 703H
SHL 34: 300 FSL, 1240 FEL, or Lot 4
BHL 22: 200 FM, 2090 FEL, or Unit B
Formation WOLFCAMP
Legal 22, 27, 34, T26S-R28E
AFE Numbers

Prospect ATLAS 2628
State & County NEW MEXICO, EDDY
Objective DRILL & COMPLETE
Depth 21,975
TVD 9,630

Cost Description	Code	PreSpud (PS)	Pre-Set Casing(PC)	Drilling (DR)	Completions (C)	Tank Btry Constrcn(TB)	Pmpg Equip (PEQ)	Revision	Total
Intangible Costs									
D-Lctr/Pits/Roads	205			\$ 108,000.00			\$ -		\$ 108,000.00
D-Drilling Overhead	206			\$ 8,000.00			\$ -		\$ 8,000.00
D-Daywork Contract	209			\$ 574,000.00			\$ -		\$ 574,000.00
D-Directional Drig Services	210			\$ 308,000.00			\$ -		\$ 308,000.00
D-Fuel & Power	211			\$ 99,000.00			\$ -		\$ 99,000.00
D-Water	212			\$ 84,000.00			\$ -		\$ 84,000.00
D-Bits	213			\$ 108,000.00			\$ -		\$ 108,000.00
D-Mud & Chemicals	214			\$ 216,000.00			\$ -		\$ 216,000.00
D-Cement Surface	217			\$ 22,000.00			\$ -		\$ 22,000.00
D-Cement Intermid	218			\$ 83,000.00			\$ -		\$ 83,000.00
D-Prod-2nd Int Cmt	219			\$ 122,000.00			\$ -		\$ 122,000.00
D-Float Equipment & Centralizers	221			\$ 67,000.00			\$ -		\$ 67,000.00
D-Csg Crews & Equip	222			\$ 72,000.00			\$ -		\$ 72,000.00
D-Contract Labor	225			\$ 8,000.00			\$ -		\$ 8,000.00
D-Company Spvrn	226			\$ 48,000.00			\$ -		\$ 48,000.00
D-Contract Spvrn	227			\$ 120,000.00			\$ -		\$ 120,000.00
D-Tstg Csg/Tbg	228			\$ 45,000.00			\$ -		\$ 45,000.00
D-Mud Logging Unit	229			\$ 45,000.00			\$ -		\$ 45,000.00
D-Rentals-Surface	235			\$ 187,000.00			\$ -		\$ 187,000.00
D-Rentals-Subsurf	236			\$ 87,000.00			\$ -		\$ 87,000.00
D-Trucking/Forklift/Rtg Mob	237			\$ 178,000.00			\$ -		\$ 178,000.00
D-Welding Services	238			\$ 4,000.00			\$ -		\$ 4,000.00
D-Contingency	243			\$ 67,000.00			\$ -		\$ 67,000.00
D-Envrnmnt/Cld Loop	244			\$ 293,000.00			\$ -		\$ 293,000.00
C-Wellbore Frac Prep	304				\$ 116,000.00		\$ -		\$ 116,000.00
C-Lctr/Pits/Roads	305				\$ 13,000.00		\$ -		\$ 13,000.00
C-Completion OH	306				\$ 19,000.00		\$ -		\$ 19,000.00
C-Frac Equipment	307				\$ 794,000.00		\$ -		\$ 794,000.00
C-Frac Chemicals	308				\$ 504,000.00		\$ -		\$ 504,000.00
C-Frac Proppant	309				\$ 229,000.00		\$ -		\$ 229,000.00
C-Frac Proppant Transportation	310				\$ 355,000.00		\$ -		\$ 355,000.00
C-Fuel Delivery & Services	311				\$ 51,000.00		\$ -		\$ 51,000.00
C-Water	312				\$ 336,000.00		\$ -		\$ 336,000.00
C-Frac Surface Rentals	315				\$ 317,000.00		\$ -		\$ 317,000.00
C-Contract Labor	325				\$ 13,000.00		\$ -		\$ 13,000.00
C-Company Spvrn	326				\$ 13,000.00		\$ -		\$ 13,000.00
C-Contract Spvrn	327				\$ 169,000.00		\$ -		\$ 169,000.00
C-Artificial Lift Install	329				\$ 55,000.00		\$ -		\$ 55,000.00
C-Perf/Wireline Svc	331				\$ 390,000.00		\$ -		\$ 390,000.00
C-Trucking/Forklift/Rtg Mob	337				\$ 13,000.00		\$ -		\$ 13,000.00
C-Water Disposal	339				\$ 49,000.00		\$ -		\$ 49,000.00
C-Contingency	343				\$ 91,000.00		\$ -		\$ 91,000.00
C-Dyed Diesel	345				\$ 190,000.00		\$ -		\$ 190,000.00
C-Drillout	346				\$ 362,000.00		\$ -		\$ 362,000.00
TB-Damages/Right of Way	351					\$ 2,000.00	\$ -		\$ 2,000.00
TB-Location/Pits/Roads	353					\$ 34,000.00	\$ -		\$ 34,000.00
TB-Contract Labor	356					\$ 180,000.00	\$ -		\$ 180,000.00
PEQ-Contract Labor	374						\$ 39,000.00		\$ 39,000.00
PEQ-Water Disposal	387						\$ 179,000.00		\$ 179,000.00
PEQ-HRZ Well Offset Frac	391						\$ 18,000.00		\$ 18,000.00
Total Intangible Costs		\$ -	\$ -	\$ 2,947,000.00	\$ 4,079,000.00	\$ 218,000.00	\$ 236,000.00	\$ -	\$ 7,478,000.00
Tangible Costs									
PEQ-Flowback Crews & Equip	392						\$ 108,000.00	\$ -	\$ 108,000.00
D-Surface Casing	401			\$ 24,000.00			\$ -		\$ 24,000.00
D-Intermed Csg	402			\$ 164,000.00			\$ -		\$ 164,000.00
D-Production Casing/Liner	403			\$ 457,000.00			\$ -		\$ 457,000.00
D-Wellhead Equip	405			\$ 84,000.00			\$ -		\$ 84,000.00
C-Tubing	504				\$ 63,000.00		\$ -		\$ 63,000.00
C-Wellhead Equip	505				\$ 34,000.00		\$ -		\$ 34,000.00
TB-Tanks	510					\$ 58,000.00	\$ -		\$ 58,000.00
TB-Flowlines/Pipelines	511					\$ 26,000.00	\$ -		\$ 26,000.00
TB-Hz Trtr/Seprtr	512					\$ 185,000.00	\$ -		\$ 185,000.00
TB-Electrical System/Equipment	513					\$ 114,000.00	\$ -		\$ 114,000.00
C-Pckrs/Anchors/Nrgs	514				\$ 79,000.00		\$ -		\$ 79,000.00
TB-Couplings/Fittings/Valves	515				\$ 192,000.00		\$ -		\$ 192,000.00
TB-Pumps-Surface	521				\$ 26,000.00		\$ -		\$ 26,000.00
TB-Instrumentation/SCADA/POC	522				\$ 20,000.00		\$ -		\$ 20,000.00
TB-Miscellaneous	523				\$ 20,000.00		\$ -		\$ 20,000.00
TB-Meters/Lacts	525				\$ 26,000.00		\$ -		\$ 26,000.00
TB-Flares/Combusters/Emission	526				\$ 31,000.00		\$ -		\$ 31,000.00
C-Gas Lift/Compression	527				\$ 31,000.00		\$ -		\$ 31,000.00
PEQ-Wellhead Equipment	531						\$ 39,000.00		\$ 39,000.00
Total Tangible Costs		\$ -	\$ -	\$ 748,000.00	\$ 207,000.00	\$ 608,000.00	\$ 147,000.00	\$ -	\$ 1,891,000.00
Total Gross Cost		\$ -	\$ -	\$ 3,695,000.00	\$ 4,286,000.00	\$ 914,000.00	\$ 383,000.00	\$ -	\$ 9,279,000.00

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

COG Operating LLC

By: _____

Date Prepared: 8/20/20

We approve:
% Working Interest

COG Operating LLC

By: _____

Company:
By: _____

Printed Name:
Title:
Date: _____

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

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

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

CASE NO. 21526

GEOLOGIST AFFIDAVIT

Malachi Lopez, of lawful age and being first duly sworn, declares as follows:

1. My name is Malachi Lopez, and I am a Geologist with COG Operating LLC ("COG").
2. I have not testified before the New Mexico Oil Conservation Division ("Division") as an expert witness in petroleum land matters.
3. I graduated from Oklahoma State University with a Master of Science in Geology in December of 2012. In November of 2014, I began working for COG as a Geologist in Permian Basin. I am a member of the following professional organizations: American Association of Professional Geologist (AAPG).
4. I am familiar with the application filed by COG in this case and I have conducted a geologic study of the lands in the subject area.
5. COG is targeting the Wolfcamp formation with its proposed **Potato Baby State Com #702H and 703H wells** (collectively the "Wells").
6. **Exhibit B-1** is a locator map displaying COG's acreage in yellow for the Wolfcamp formation. Existing producing wells in the Wolfcamp interval are represented by solid lines. The approximate wellbore paths for the Wells are marked by dashed lines.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 21526 Exhibit No. B
Submitted by:
COG OPERATING LLC
Hearing Date: November 5, 2020

7. **Exhibit B-2** is a subsea structure map that I prepared for the top of the Wolfcamp that is representative of the targeted interval within the Wolfcamp interval. The data points are indicated by crosses. I used the Wolfcamp structure because it is a reliable regional marker and the target intervals lie near this marker. The approximate wellbore paths for the proposed Wells are depicted by dashed lines. The map shows that the formation is gently dipping to the northeast in this area. I do not observe any faulting, pinch-outs, or other geologic impediments to developing the targeted intervals with horizontal wells in this area.

8. **Exhibit B-3** overlays a cross-section line consisting of three wells penetrating the Wolfcamp formation that I used to construct a stratigraphic cross-section from A to A'. I consider these well logs to be representative of the geology in the area.

9. **Exhibit B-4** is a stratigraphic cross-section using the representative wells depicted on **Exhibit B-3**. Each well in the cross-section contains gamma ray, resistivity, and porosity logs. The proposed target intervals in the Wolfcamp formation are labeled on the exhibit. The cross-section demonstrates that the targeted intervals are continuous across the proposed spacing unit.

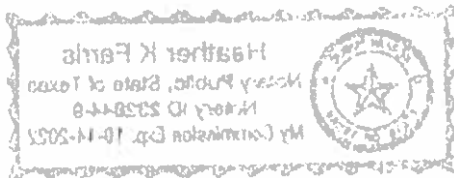
10. In my opinion, the stand-up orientation of the proposed wells is the preferred orientation for horizontal well development in this area and is appropriate to efficiently and effectively develop the subject acreage.

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

12. In my opinion, the granting of COG's application will be in the best interest of conservation, the prevention of waste, and the protection of correlative rights.

13. Exhibits B through B-4 were either prepared by me or compiled under my direction and supervision.

[Signature page follows]



Malachi Lopez
Affiant

STATE OF Texas)
COUNTY OF Midland)

SUBSCRIBED and SWORN to before me this 28th day of October, by
Malachi Lopez.

Heather K. Farris
NOTARY PUBLIC

My Commission Expires:

10-14-22



MALACHI T. LOPEZ

EDUCATION:

Oklahoma State University,
Masters of Science, Geology

2010 – 2012

Arkansas Tech University,
Bachelor of Science, Geology

2006 - 2010

EXPERIENCE:

Concho Resources, Midland, TX
Senior Geologist, (Delaware Basin)

June 2019- Present

- Mapping and reservoir characterization

Geologist I-II, (Midland Basin)

November 2014-June 2019

- Subsurface mapping and reservoir characterization (Geographix based)
- Project development for multi rig program in Midland and Upton Counties
- Delineation of new targets and spacing test within prospect areas
- 139 wells planned and drilled in the WFMP, LSBY, and MSBY

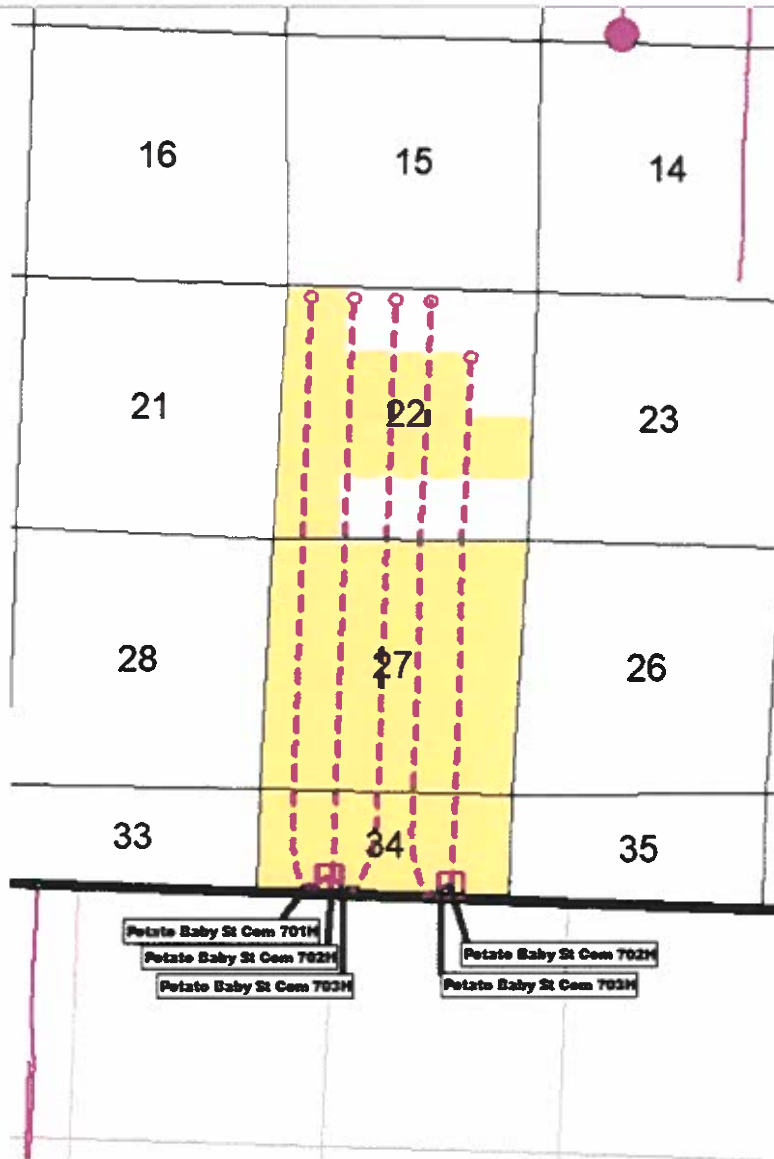
Silver Creek Oil & Gas, Irving, TX
Geologist I,

March 2013-November 2014

- Subsurface mapping (Petra based)
- Well location identification
- Generate geological prognosis
- Geosteering horizontal wells in the Woodford Shale and Booch Sandstone (Arkoma Basin), Ellenberger Formation and Penn Sand Stack (Texoma Basin)

Purple Sage Pool

Potato Baby 701H-706H



Map Legend

SHL

COG - Wolfcamp Horizontal Location

BHL



Producing Wolfcamp A Shale Wells

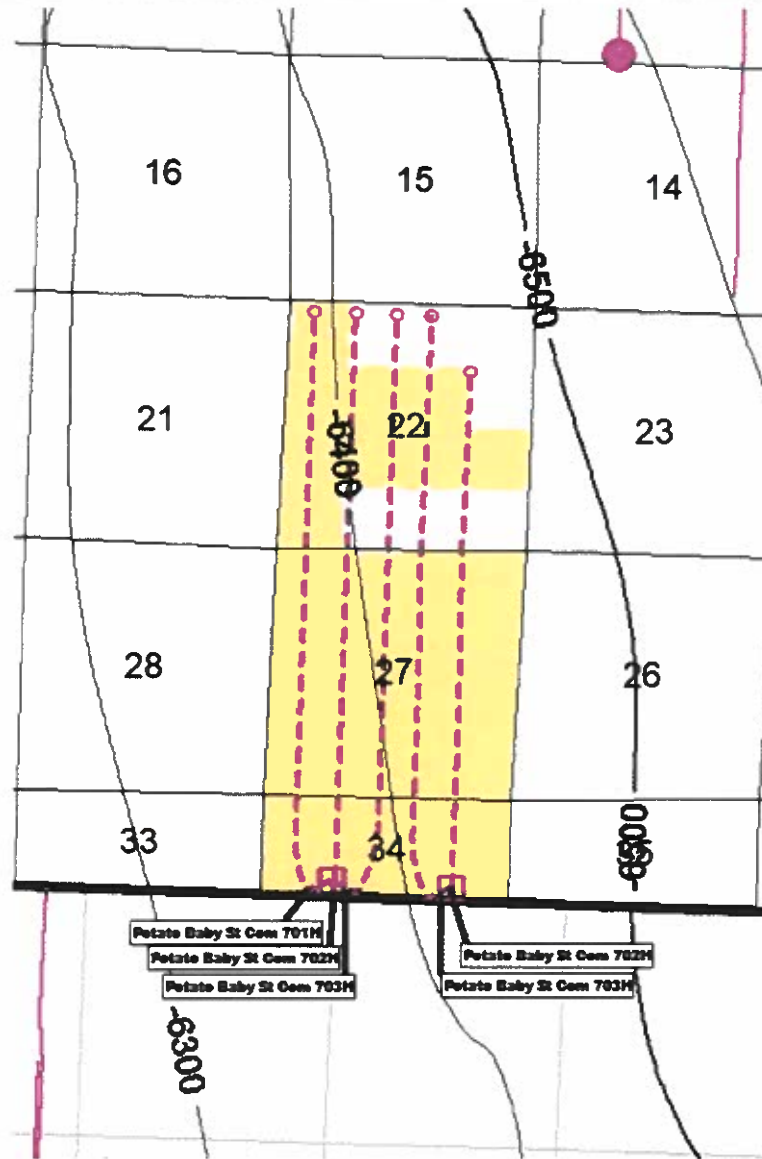


COG Acreage



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 21526 Exhibit No. B-1
Submitted by:
COG OPERATING LLC
Hearing Date: November 5, 2020

Purple Sage Pool Wolfcamp Structure Map



Map Legend

SHL

COG - Wolfcamp Horizontal Location

BHL

Producing Wolfcamp A Shale Wells

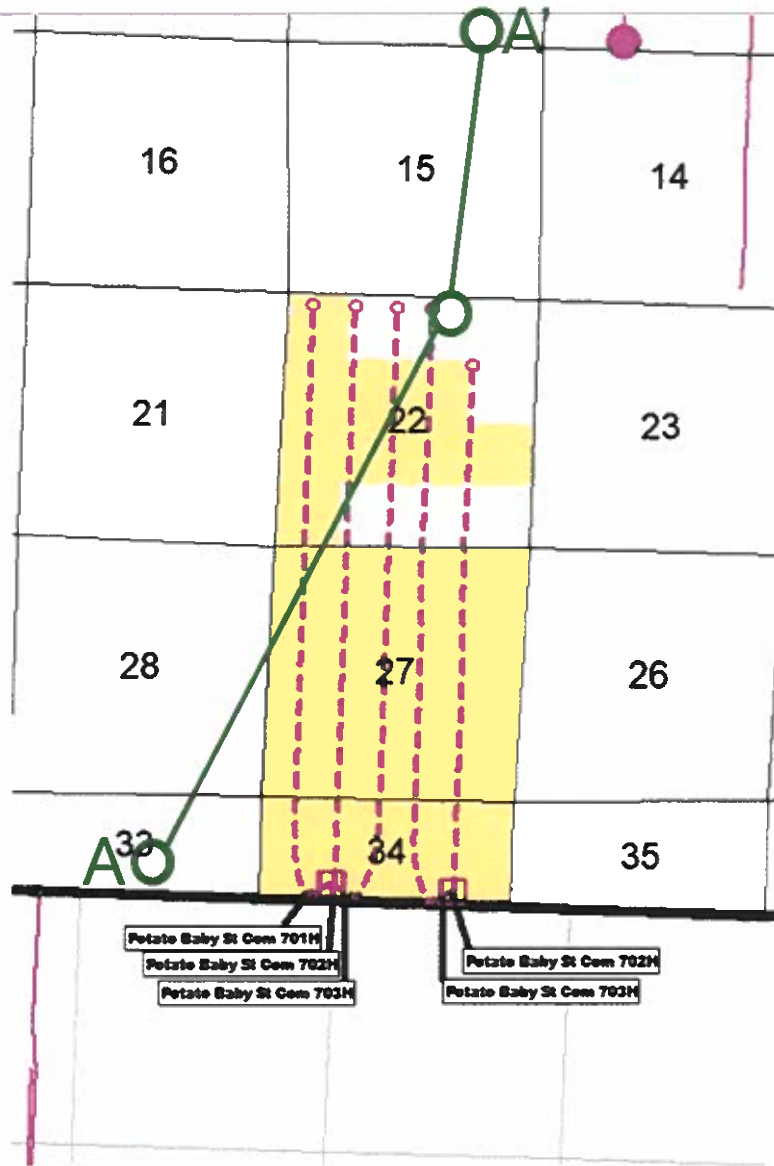
Wolfcamp Structure
CI: 100'

COG Acreage



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 21526 Exhibit No. B-2
Submitted by:
COG OPERATING LLC
Hearing Date: November 5, 2020

Purple Sage Pool Cross Section Map



Map Legend

SHL □

COG - Wolfcamp Horizontal Location

BHL ○



Producing Wolfcamp A Shale Wells



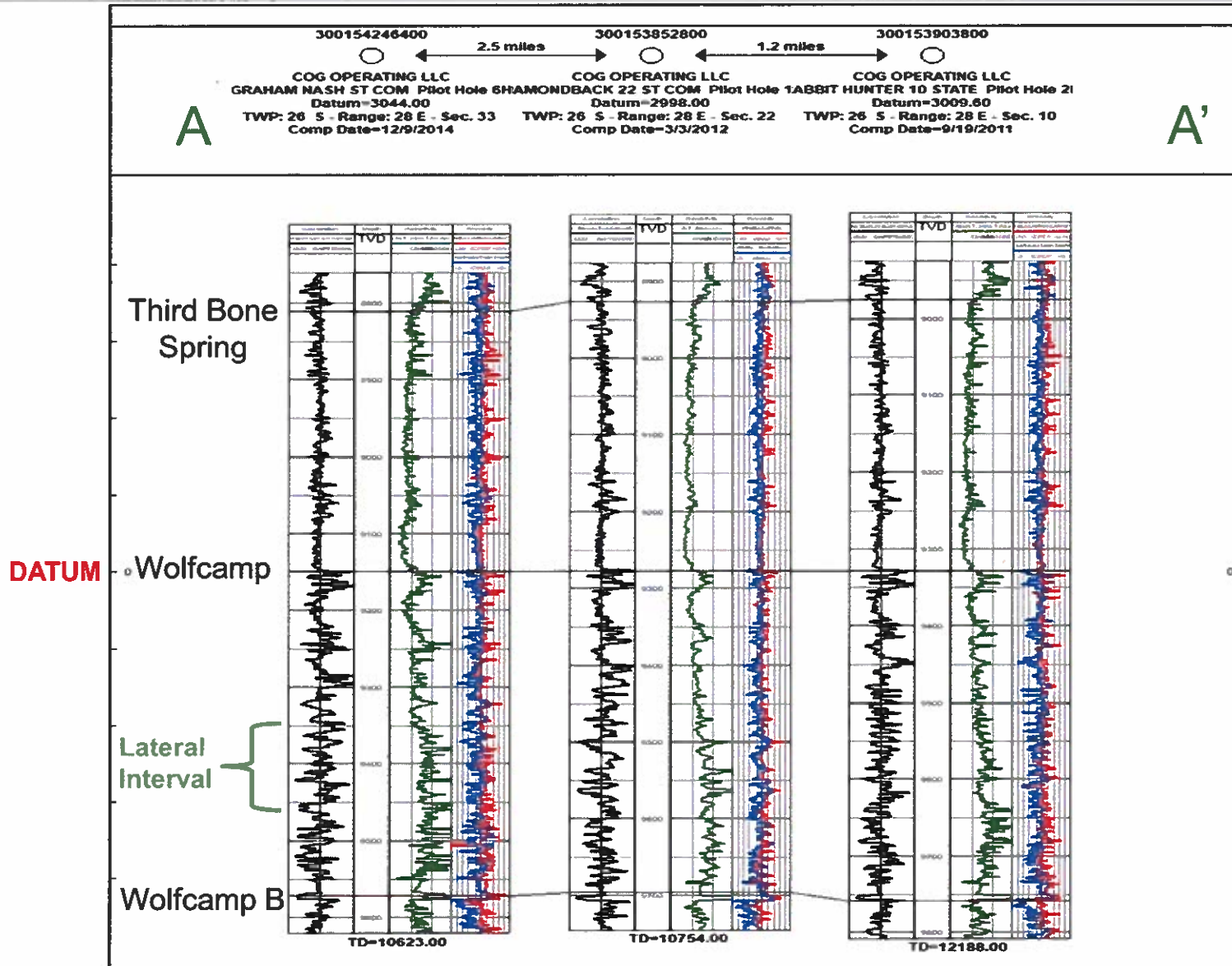
Cross Section Line



COG Acreage



Stratigraphic Cross Section A – A'



Case No. 21526 Exhibit No. C
Submitted by:
COG OPERATING LLC
Hearing Date: November 5, 2020

October 16, 2020

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED**TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS****Re: Case No. 21526: Application of COG Operating LLC
for Compulsory Pooling; Eddy County, New Mexico.
Potato Baby State Com wells**

Ladies & Gentlemen:

This letter is to advise you that COG Operating LLC has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on November 5, 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 challenging the matter at a later date.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. To participate in the electronic hearing, please see the instructions posted on the OCD Hearings website: <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 Lizzy Laufer, at (432) 221-0470 or elaufer@concho.com.

Sincerely,

Michael Rodriguez
ATTORNEY FOR COG OPERATING LLC**CORPORATE ADDRESS**One Concho Center | 600 West Illinois Avenue | Midland, Texas 79701
P 432.683.7443 | F 432.683.7441**SANTA FE OFFICE**1048 Paseo De Peralta | Santa Fe, New Mexico 87501
P 505.780.8000 | F 505.428.0485

7020 0640 0000 0143 0375

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

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee
 \$

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

Postage
 \$

Postmark
 Here

OCT 16 2020

87501-9998

The Allar Company
 Post Office Box 1567
 Graham, Texas 76450

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

7020 0640 0000 0143 0337

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
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OFFICIAL USE

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

Postage
 \$

Postmark
 Here

OCT 16 2020

87501-9998

Buckhorn Minerals IV, LP
 1800 Bering Drive Suite 1075
 Houston, Texas 77057

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

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1 Article Addressed to:

The Allar Company
 Post Office Box 1567
 Graham, Texas 76450



9590 9402 4714 8344 6474 02

2 Article Number (Transfer from service label)

7020 0640 0000 0143 0375

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

M Barrett

☐ Agent☐ Addressee

B. Received by (Printed Name)

M Barrett

C. Date of Delivery

10/20/20

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

3. Service Type

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

Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

Buckhorn Minerals IV, LP
 1800 Bering Drive Suite 1075
 Houston, Texas 77057



9590 9402 4714 8344 6473 65

2 Article Number (Transfer from service label)

7020 0640 0000 0143 0337

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

JB 5754 C19

☐ Agent☐ Addressee

B. Received by (Printed Name)

Stephen Dexter

C. Date of Delivery

10-20-20

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

3. Service Type

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

Domestic Return Receipt

7920 0640 0000 0143 0269

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

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee

\$

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

☐ Return Receipt (hardcopy)

☐ Return Receipt (electronic)

☐ Certified Mail Restricted Delivery

☐ Adult Signature Required

☐ Adult Signature Restricted Delivery

Postage

Chisos Minerals LLC
 1111 Bagby Street, Suite 2150
 Houston, Texas 77002

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

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Chisos Minerals LLC
 1111 Bagby Street, Suite 2150
 Houston, Texas 77002



9590 9402 4714 8344 6472 97

Article Number (Transfer from service label)

7020 0640 0000 0143 0269

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

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

3. Service Type

☐ Adult Signature

☐ Adult Signature Restricted Delivery

☐ Certified Mail®

☐ Certified Mail Restricted Delivery

☐ Collect on Delivery

☐ Collect on Delivery Restricted Delivery

☐ Mail Restricted Delivery

☐ Priority Mail Express®

☐ Registered Mail™

☐ Registered Mail Restricted Delivery

☐ Return Receipt for Merchandise

☐ Signature Confirmation™

☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

7020 0640 0000 0143 0306

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

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee

\$

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

☐ Return Receipt (hardcopy)

☐ Return Receipt (electronic)

☐ Certified Mail Restricted Delivery

☐ Adult Signature Required

☐ Adult Signature Restricted Delivery

Postage

Delaware Ranch, Inc.
 1304 W. Riverside Drive
 Carlsbad, New Mexico 88202

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

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Delaware Ranch, Inc.
 1304 W. Riverside Drive
 Carlsbad, New Mexico 88202



9590 9402 4714 8344 6473 34

Article Number (Transfer from service label)

7020 0640 0000 0143 0306

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

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

3. Service Type

☐ Adult Signature

☐ Adult Signature Restricted Delivery

☐ Certified Mail®

☐ Certified Mail Restricted Delivery

☐ Collect on Delivery

☐ Collect on Delivery Restricted Delivery

☐ Mail Restricted Delivery

☐ Priority Mail Express®

☐ Registered Mail™

☐ Registered Mail Restricted Delivery

☐ Return Receipt for Merchandise

☐ Signature Confirmation™

☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

7020 0640 0000 0143 0368

U.S. Postal ServiceTM CERTIFIED MAIL[®] RECEIPT

Domestic Mail Only

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OFFICIAL USE

Certified Mail Fee

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

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

Postage

Postmark
Here

EG3 Development LLC
 Post Office Box 1567
 Graham, Texas 76450

PS Form 3800, April 2015 PSN 7530-02-000-9053 See reverse for instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

EG3 Development LLC
 Post Office Box 1567
 Graham, Texas 76450



9590 9402 4714 8344 6473 96

7020 0640 0000 0143 0368

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X M Barrett

☒ Agent
☐ Addressee

B. Received by (Printed Name)

M Barrett

C. Date of Delivery

10/20/20

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

3. Service Type

- ☐ Adult Signature
☐ Adult Signature Restricted Delivery
☐ Certified Mail[®]
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Mail
☐ Mail Restricted Delivery

- ☐ Priority Mail Express[®]
☐ Registered MailTM
☐ Registered Mail Restricted Delivery
☐ Return Receipt for Merchandise
☐ Signature ConfirmationTM
☐ Signature Confirmation Restricted Delivery

(over 3000)

Domestic Return Receipt

7020 0640 0000 0143 0252

U.S. Postal ServiceTM CERTIFIED MAIL[®] RECEIPT

Domestic Mail Only

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OFFICIAL USE

Certified Mail Fee

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

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

Postage

Postmark
Here

Franco Nevada Texas, LP
 1745 Shea Center Drive, Suite 400
 Highlands Ranch, Colorado 80129

PS Form 3800, April 2015 PSN 7530-02-000-9053 See reverse for instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Franco Nevada Texas, LP
 1745 Shea Center Drive, Suite 400
 Highlands Ranch, Colorado 80129



9590 9402 4714 8344 6472 80

7020 0640 0000 0143 0252

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X Franco Nevada

☐ Agent
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

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

3. Service Type

- ☐ Adult Signature
☐ Adult Signature Restricted Delivery
☐ Certified Mail[®]
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Mail
☐ Mail Restricted Delivery

- ☐ Priority Mail Express[®]
☐ Registered MailTM
☐ Registered Mail Restricted Delivery
☐ Return Receipt for Merchandise
☐ Signature ConfirmationTM
☐ Signature Confirmation Restricted Delivery

(over 3000)

Domestic Return Receipt

7020 0640 0000 0143 0283

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

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee \$

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

☐ Return Receipt (hardcopy) \$

☐ Return Receipt (electronic) \$

☐ Certified Mail Restricted Delivery \$

☐ Adult Signature Required \$

☐ Adult Signature Restricted Delivery \$

Postage \$

Postmark Here

87501-9098

Lee M. Kugle
 2429 Westlake Drive
 Austin, Texas 78764

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

7020 0640 0000 0143 0276

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

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee \$

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

☐ Return Receipt (hardcopy) \$

☐ Return Receipt (electronic) \$

☐ Certified Mail Restricted Delivery \$

☐ Adult Signature Required \$

☐ Adult Signature Restricted Delivery \$

Postage \$

Postmark Here

87501-9098

Map2009-OK
 101 N. Robinson, Suite 1000
 Oklahoma City, OK 73102

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

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS. FOLD AT DOTTED LINE.

SENDER: COMPLETE THIS SECTION

■ Complete items 1, 2, and 3.
 ■ Print your name and address on the reverse so that we can return the card to you.
 ■ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Map2009-OK
 101 N. Robinson, Suite 1000
 Oklahoma City, OK 73102

2. Barcode

9590 9402 4714 8344 6473 03

3. Service Type

☐ Adult Signature

☐ Adult Signature Restricted Delivery

☐ Certified Mail®

☐ Certified Mail Restricted Delivery

☐ Collect on Delivery

☐ Collect on Delivery Restricted Delivery

☐ Mail

☐ Mail Restricted Delivery

☐ Priority Mail Express®

☐ Registered Mail™

☐ Registered Mail Restricted Delivery

☐ Return Receipt for Merchandise

☐ Signature Confirmation™

☐ Signature Confirmation Restricted Delivery

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☒ Agent

☐ Addressee

B. Received by (Printed Name)

David M. ...

C. Date of Delivery

10-19

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

7020 0640 0000 0143 0276

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

7020 0640 0000 0143 0320

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

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

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

Marguerite Fort Burns SSP
 12711 Colorado Blvd E #505
 Thornton, Colorado 80241

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

7020 0640 0000 0143 0313

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

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

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

OXY USA Inc.
 5 Greenway Plaza, Suite 110
 Houston, Texas 77046

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

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

Marguerite Fort Burns SSP
 12711 Colorado Blvd E #505
 Thornton, Colorado 80241



9590 9402 4714 8344 6473 58

7020 0640 0000 0143 0320

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature **X** ☒ Agent ☐ Addressee
 B. Received by (Printed Name) C. Date of Delivery **10-21-20**
 D. Is delivery address different from item 1? ☐ Yes ☒ No
 If YES, enter delivery address below:

3. Service Type
- ☐ Adult Signature
 - ☐ Adult Signature Restricted Delivery
 - ☐ Certified Mail®
 - ☐ Certified Mail Restricted Delivery
 - ☐ Collect on Delivery
 - ☐ Delivery Restricted Delivery
 - ☐ Insured Mail
 - ☐ Mail Restricted Delivery (over \$500)
 - ☐ Priority Mail Express®
 - ☐ Registered Mail™
 - ☐ Registered Mail Restricted Delivery
 - ☐ Return Receipt for Merchandise
 - ☐ Signature Confirmation™
 - ☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

OXY USA Inc.
 5 Greenway Plaza, Suite 110
 Houston, Texas 77046



9590 9402 4714 8344 6473 41

7020 0640 0000 0143 0313

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature **X** **CVI9** ☒ Agent ☐ Addressee
 B. Received by (Printed Name) **CVI9** C. Date of Delivery **10-20-21**
 D. Is delivery address different from item 1? ☐ Yes ☒ No
 If YES, enter delivery address below:

3. Service Type
- ☐ Adult Signature
 - ☐ Adult Signature Restricted Delivery
 - ☐ Certified Mail®
 - ☐ Certified Mail Restricted Delivery
 - ☐ Collect on Delivery
 - ☐ Collect on Delivery Restricted Delivery
 - ☐ Insured Mail
 - ☐ Mail Restricted Delivery
 - ☐ Priority Mail Express®
 - ☐ Registered Mail™
 - ☐ Registered Mail Restricted Delivery
 - ☐ Return Receipt for Merchandise
 - ☐ Signature Confirmation™
 - ☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

7020 0640 0000 0143 0344

U.S. Postal ServiceTM
CERTIFIED MAIL[®] RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com.

OFFICIAL USE

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

Postmark Here

Ricky D. Raindl
Post Office Box 142454
Irving, Texas 75014

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

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3.
Print your name and address on the reverse so that we can return the card to you.
Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
Ricky D. Raindl
Post Office Box 142454
Irving, Texas 75014

2. Article Number (Transfer from service label)
9590 9402 4714 8344 6473 72

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

DELIVERY

A. Signature ☒ Agent ☐ Addressee
X [Signature]
B. Received by (Printed Name) R RAINDL
C. Date of Delivery 10/22/20
D. Is delivery address different from item 1? ☐ Yes ☒ No
If YES, enter delivery address below:

3. Service Type
☐ Adult Signature
☐ Adult Signature Restricted Delivery
☐ Certified Mail[®]
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Insured Mail
☐ Priority Mail Express[®]
☐ Registered MailTM
☐ Registered Mail Restricted Delivery
☐ Return Receipt for Merchandise
☐ Signature ConfirmationTM
☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

7020 0640 0000 0143 0290

U.S. Postal ServiceTM
CERTIFIED MAIL[®] RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com.

OFFICIAL USE

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

Postmark Here

Ellen Ryan
5300 Mohawk Lane
Fairway, KS 66205

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

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3.
Print your name and address on the reverse so that we can return the card to you.
Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
Ellen Ryan
5300 Mohawk Lane
Fairway, KS 66205

2. Article Number (Transfer from service label)
9590 9402 4714 8344 6473 27

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

DELIVERY

A. Signature ☒ Agent ☐ Addressee
X [Signature]
B. Received by (Printed Name) SIA C19
C. Date of Delivery
D. Is delivery address different from item 1? ☐ Yes ☒ No
If YES, enter delivery address below:

3. Service Type
☐ Adult Signature
☐ Adult Signature Restricted Delivery
☐ Certified Mail[®]
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Insured Mail
☐ Priority Mail Express[®]
☐ Registered MailTM
☐ Registered Mail Restricted Delivery
☐ Return Receipt for Merchandise
☐ Signature ConfirmationTM
☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

7020 0640 0000 0143 0351

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

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee

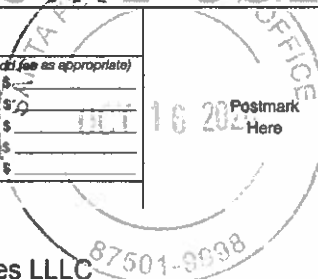
\$

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

- | | | |
|--|----|--|
| <input type="checkbox"/> Return Receipt (hardcopy) | \$ | |
| <input type="checkbox"/> Return Receipt (electronic) | \$ | |
| <input type="checkbox"/> Certified Mail Restricted Delivery | \$ | |
| <input type="checkbox"/> Adult Signature Required | \$ | |
| <input type="checkbox"/> Adult Signature Restricted Delivery | \$ | |

Postage

Tap Rock Resources LLC
523 Park Point Drive, Suite 200
Golden, Colorado 80401



Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

Affidavit of Publication

Ad # 0004427142

This is not an invoice

CONCHO

1048 PASEO DE PERALTA

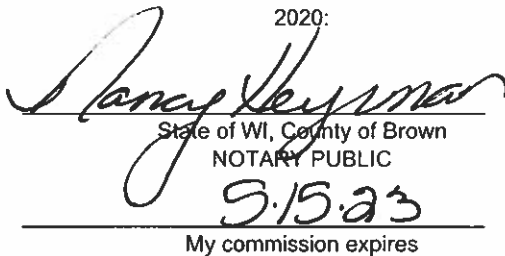
SANTA FE, NM 87501

I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

10/21/2020


Legal Clerk

Subscribed and sworn before me this October 21,
2020:


State of WI, County of Brown
NOTARY PUBLIC
5.15.23
My commission expires

Ad # 0004427142
PO #:
of Affidavits 1

This is not an invoice

NANCY HEYRMAN
Notary Public
State of Wisconsin

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

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on November 5, 2020. During the COVID-19 Public 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 OCD Hearings website: <http://www.emnrd.state.nm.us/OCD/announcements.html>. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by October 26, 2020. Public documents, including the agenda and minutes, can be provided in various accessible formats. Members of the public may obtain copies of the docket by contacting Ms. Davidson at the phone number indicated above. Also, the docket will be posted on the Oil Conservation Division website at www.emnrd.state.nm.us/OCD/. Please contact Ms. Davidson if a summary or other type of accessible form is needed.

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

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

To: All interested parties, including: The Allar Company; EG3 Development LLC; Tap Rock Resources LLC; Ricky D. Raindl; Buckhorn Minerals IV, LP; Marguerite Fort Burns SSP; OXY USA Inc.; Delaware Ranch, Inc.; Ellen Ryan; Lee M. Kugle; Map2009-OK; Chisos Minerals LLC; Franco Nevada Texas, LP.

Case No. 21526: Application of COG Operating LLC for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all additional uncommitted interests in the Wolfcamp formation [Purple Sage-Wolfcamp Gas Pool (Pool Code: 98220)] underlying a standard 767.72-acre, more or less, horizontal spacing unit comprised of the E/2 of Sections 22 and 27, and the N/2NE/4 and Lots 3-4 (E/2 Equivalent) of irregular Section 34, Township 26 South, Range 28 East, NMPM, Eddy County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the to the following proposed wells: Potato Baby State Com #702H, to be drilled from a surface hole location in the SE/4SW/4 (Lot 4) of Section 34 to a bottom hole location in the NW/4NW/4 (Unit H) of Section 22; and Potato Baby State Com #703H, to be drilled from a surface hole location in the SE/4SW/4 (Lot 4) of Section 34 to a bottom hole location in the NW/4NW/4 (Unit B) of Section 22. Order No. R-21101 created a 767.72-acre, more or less, standard horizontal spacing unit consisting of the E/2 of Sections 22 and 27, and the N/2NE/4 and Lots 3-4 (E/2 Equivalent) of irregular Section 34, Township 26 South, Range 28 East, NMPM, Eddy County, New Mexico ("Unit"), and pooled all uncommitted interests within the Purple Sage-Wolfcamp Gas Pool (Pool Code: 98220) underlying the Unit. The Division entered Order No. R-21101-A in Case No. 21311 on June 12, 2020, which conformed Order No. R-21101 to the amended order template described in the Letter of the Division Director dated April 9, 2020 (RE: Amendments to Compulsory Pooling Order Template). Since the entry of Order No. R-21101-A, COG has identified additional unleased mineral interest owners in the Unit that have not been pooled pursuant to the terms of Order No. R-21101. 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 applicant as operator, the imposition of 200% charge for risk involved in drilling and completing each well, and Amending Division Order No. R-21101-A to reflect the changes identified herein. Said area is located approximately 13 miles south of Malaga, New Mexico.
#4427142, Current Argus, October 21, 2020