

CASE NO:
14706-14718
EXHIBIT 2

June 20, 2011

U.S. Certified Mail
Return Receipt Requested

Burnett Oil Company
Burnett Plaza, Unit 9
801 Cherry Street, Suite 1500
Fort Worth, Texas 76102

COPY

RE: New Well Proposal
Puckett "12" Federal #1H
SHL: 75' FSL & 330' FWL (Unit M) of Section 12, T17S, R31E
BHL: 330' FNL & 330' FWL, (Unit D) of Section 12, T17S, R31E
Eddy County, New Mexico

Dear Sirs:

COG Operating LLC ("COG") proposes to drill the Puckett "12" Federal #1H, as a triple lateral well at the captioned location, or a legal location within said Unit M, to depths of approximately 5,500' TVD, 9,900' MD for a Paddock lateral; 6,100' TVD, 10,500' MD for an Upper Blinebry lateral; and 6,600' TVD, 11,021' MD for a Lower Blinebry lateral ("Operation"). The total cost of the Operation is estimated to be \$9,648,000.00 and a detailed description of such cost is set out in the enclosed Authority for Expenditure ("AFE").

Also enclosed is COG's proposed form of Operating Agreement ("OA"). A completed version of the Exhibit "A" to be incorporated into the OA will follow under separate cover, accompanied by a fully executed set of signature pages.

If you elect to participate in the subject well, please sign and return a copy of the AFE to the below letterhead address.

If you desire to receive well information regarding the subject operations please return a Well Information Requirements list to COG. Technical questions should be directed to Carl Bird at 432-686-3057 and land questions to the undersigned at 432-685-4354.

Yours truly,

COG Operating LLC

Stuart Dirks
Stuart A. Dirks, CPL
Senior Landman

Enclosure (s)
DRE/rc

Confirmation Services	Package ID: 9171999991703040428154	Electronic Certified
	Destination ZIP Code: 76102	First Class Large Envelope
	Customer Reference:	PBP Account #: 41592288
	Recipient: <i>Burnett</i>	Serial #: 1364097
	Address: <i>Puckett 12 Federal #1H</i>	JUN 20 2011 4:20 PM

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
(Consolidated) Case No.'s 14706-14718
Exhibit No. 2
Submitted by:
COG OPERATING, LLC
Hearing Date: August 29, 2011

SENDER: COMPLETE THIS SECTION

Complete Items 1, 2, and 3. Also complete Item 4 if Restricted Delivery is desired. 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.

Article Addressed to:

Burnett Oil Company
Burnett Plaza, Unit 9
801 Cherry Street, Suite 1500
Fort worth, Texas 76102
Puckett 12 Federal #1H

COMPLETE THIS SECTION ON DELIVERY

A. Signature <i>M. Berger</i>		<input type="checkbox"/> Agent
B. Received by Printed Name <i>M. Berger</i>		<input type="checkbox"/> Addressee
C. Date of Delivery <i>6/2/11</i>		
D. Is delivery address different from item 1? <input type="checkbox"/> Yes		
If YES, enter delivery address below: <input type="checkbox"/> No		

3. Service Type	
<input checked="" type="checkbox"/> Certified Mail	<input type="checkbox"/> Express Mail
<input type="checkbox"/> Registered	<input checked="" type="checkbox"/> Return Receipt for Merchandise
<input type="checkbox"/> Insured Mail	<input type="checkbox"/> C.O.D.

4. Restricted Delivery? (Extra Fee)	<input type="checkbox"/> Yes
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Article Number
(Transfer from service label) **91 7199 9991 7030 4042 8154**

COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING

WELL NAME: Puckett "12" Federal #1H	PROSPECT NAME: Puckett
Surf. Loc: 75' FSL, 330' FWL, Sec 12, 17S-31E	COUNTY & STATE: Eddy Co, NM
BHL: 330' FNL, 330' FWL, Sec 12, 17S-31E	OBJECTIVE: 11021' MD (6600' TVD) Lower Blinebry
WO/Pilot, 160 Acre	

INTANGIBLE COSTS		BCP	ACP	TOTAL
Title/Curative/Permit	201	10,000		10,000
Insurance	202	22,000	302	22,000
Damages/Right of Way	203	15,000	303	15,000
Survey/Stake Location	204	3,000	304	3,000
Location/Pits/Road Expense	205	40,000	305	105,000
Drilling / Completion Overhead	206	5,000	306	6,000
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract 20:2 @ \$13000/day	209	260,000	309	286,000
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Fuel & Power	211	112,500	311	123,750
Water	212	30,000	312	105,000
Bits	213	45,000	313	46,000
Mud & Chemicals	214	25,000	314	25,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217	16,000		16,000
Cement Intermediate	218	16,000		16,000
Cement Production 7"x5.5"	218		319	70,000
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
Float Equipment & Centralizers	221	3,500	321	18,500
Casing Crews & Equipment	222	7,000	322	20,000
Fishing Tools & Service	223		323	0
Geologic/Engineering	224	10,000	324	11,000
Contract Labor	225	10,000	325	40,000
Company Supervision	226	2,000	326	4,000
Contract Supervision	227	28,000	327	32,000
Testing Casing/Tubing	228	4,000	328	5,500
Mud Logging Unit	229	16,000	329	16,000
Logging	230	0	330	5,000
Perforating/Wireline Services	231	3,500	331	128,500
Stimulation/Treating			332	760,000
Completion Unit			333	40,000
Swabbing Unit			334	0
Rentals-Surface	235	20,000	335	120,000
Rentals-Subsurface	236	30,000	336	40,000
Trucking/Forklift/Rig Mobilization	237	40,000	337	140,000
Welding Services	238	3,000	338	4,500
Water Disposal	239		339	25,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	120,000	344	120,000
Miscellaneous	242	5,000	342	6,000
Contingency	243	131,500	343	281,250
TOTAL INTANGIBLES		1,433,000	1,633,000	3,066,000

TANGIBLE COSTS				
Surface Casing 550' 13 3/8"	401	20,000		1,200
Intermediate Casing 1850' 9 5/8"	402	48,000	503	48,000
Production Casing/Liner 6900' - 7", 4200' - 5.5"			503	260,000
Tubing 6200' 2 7/8"			504	38,000
Wellhead Equipment	405	30,000	505	48,000
Pumping Unit			506	97,000
Prime Mover			507	0
Rods			508	39,000
Pumps			509	4,500
Tanks			510	20,000
Flowlines			511	15,000
Heater Treater/Separator			512	25,000
Electrical System			513	0
Packers/Anchors/Hangers	414		514	0
Couplings/Fittings/Valves	415	2,000	515	27,000
Gas Compressors/Meters			516	4,000
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	1,000	519	2,000
Contingency	420	11,000	520	66,500
TOTAL TANGIBLES		112,000	602,000	714,000
TOTAL WELL COSTS		1,545,000	2,235,000	3,780,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve:
_____% Working Interest

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
DRILLING**

WELL NAME: Puckett "12" Federal #1H

PROSPECT NAME: Puckett

Surf. Loc: 75' FSL, 330' FWL, Sec 12, 17S-31E

COUNTY & STATE: Eddy Co, NM

BHL: 330' FNL, 330' FWL, Sec 12, 17S-31E

OBJECTIVE: 10500' MD (6100' TVD) Upper Blinberry

WO/Pilot, 160 Acre

INTANGIBLE COSTS

		BCP	ACP	TOTAL
Title/Curative/Permit	201	10,000		10,000
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Damages/Right of Way	203		303	0
Survey/Stake Location	204		304	0
Location/Pits/Road Expense	205	10,000	305 10,000	20,000
Drilling / Completion Overhead	206	5,000	306 1,000	6,000
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract 12:3 @ \$13000/day	209	156,000	309 39,000	195,000
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Water	212	25,000	312 75,000	100,000
Bits	213	30,000	313 1,000	31,000
Mud & Chemicals	214	15,000	314	15,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217			0
Cement Intermediate	218			0
Cement 2nd Intermediate 7"	218		319	0
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
Float Equipment & Centralizers	221		321	0
Casing Crews & Equipment	222		322 13,000	13,000
Fishing Tools & Service	223	100,000	323	100,000
Geologic/Engineering	224	10,000	324 1,000	11,000
Contract Labor	225	10,000	325 30,000	40,000
Company Supervision	226	2,000	326 2,000	4,000
Contract Supervision	227	17,000	327 4,200	21,200
Testing Casing/Tubing	228	4,000	328 1,500	5,500
Mud Logging Unit	229	12,000	329	12,000
Logging	230		330	0
Perforating/Wireline Services	231	15,000	331 12,500	27,500
Stimulation/Treating			332 950,000	950,000
Completion Unit		12,000	333 45,000	57,000
Swabbing Unit			334	0
Rentals-Surface	235	15,000	335 45,000	60,000
Rentals-Subsurface	236	60,000	336 10,000	70,000
Trucking/Forklift/Rig Mobilization	237	40,000	337 20,000	60,000
Welding Services	238	3,000	338 1,500	4,500
Water Disposal	239		339 25,000	25,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	50,000	344	50,000
Miscellaneous	242	5,000	342 1,000	6,000
Contingency	243	105,000	343 131,300	236,300
TOTAL INTANGIBLES		1,151,000	1,436,000	2,587,000

TANGIBLE COSTS

Surface Casing	401			1,200
Intermediate Casing	402		503	0
Production Casing/Liner 4200' - 4.5"			503 51,000	51,000
Tubing			504	0
Wellhead Equipment	405		505	0
Pumping Unit			506	0
Prime Mover			507	0
Rods			508	0
Pumps			509	0
Tanks			510	0
Flowlines			511	0
Heater Treater/Separator			512	0
Electrical System			513	0
Packers/Anchors/Hangers	414		514 230,000	230,000
Couplings/Fittings/Valves	415	2,000	515 25,000	27,000
Gas Compressors/Meters			516 4,000	4,000
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	1,000	519 1,000	2,000
Contingency	420	1,000	520 32,000	33,000
TOTAL TANGIBLES		4,000	343,000	347,000
TOTAL WELL COSTS		1,155,000	1,779,000	2,934,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:
_____% Working Interest

Company:

By:

Printed Name:

Title:

Date:

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**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "12" Federal #1H	PROSPECT NAME: Puckett
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WO/Pilot, 160 Acre	

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Pumps			509	0
Tanks			510	0
Flowlines			511	0
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TOTAL WELL COSTS		1,155,000	1,779,000	2,934,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:
_____% Working Interest

Company:

By:

Printed Name:

Title:

Date:

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June 20, 2011

U.S. Certified Mail
Return Receipt Requested

Javalina Partners
616 Texas Street
Fort Worth, TX 76102

RE: **New Well Proposal**
Puckett "12" Federal #1H
SHL: 75' FSL & 330' FWL (Unit M) of Section 12, T17S, R31E
BHL: 330' FNL & 330' FWL, (Unit D) of Section 12, T17S, R31E
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COG Operating LLC ("COG") proposes to drill the Puckett "12" Federal #1H, as a triple lateral well at the captioned location, or a legal location within said Unit M, to depths of approximately 5,500' TVD, 9,900' MD for a Paddock lateral; 6,100' TVD, 10,500' MD for an Upper Blinebry lateral; and 6,600' TVD, 11,021' MD for a Lower Blinebry lateral ("Operation"). The total cost of the Operation is estimated to be \$9,648,000.00 and a detailed description of such cost is set out in the enclosed Authority for Expenditure ("AFE").

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Yours truly,

COG Operating LLC

Stuart Dirks

Stuart A. Dirks, CPL
Senior Landman

Enclosure
DRE/rc

Confirmation Services	Package ID: 9171999991703040428178	Electronic Certified
	Destination ZIP Code: 76102	First Class Large Envelope
	Customer Reference:	
	Recipient: <i>Javalina</i>	PBP Account #: 41592288
	Address: <i>Puckett 12 Fed #1H</i>	Serial #: 1364097
		JUN 20 2011 4:19 PM

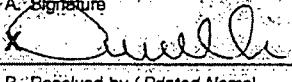
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Article Addressed to:

Javalina Partners
616 Texas Street
Fort Worth, TX 76102
Puckett 12 Federal #1H

COMPLETE THIS SECTION ON DELIVERY

A. Signature 		<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee
B. Received by (Printed Name) Olivia	C. Date of Delivery 6-22	
D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No		
3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.		
4. Restricted Delivery? (Extra Fee)		<input type="checkbox"/> Yes

Article Number

(Transfer from service label)

91 7199 9991 7030 4042 8178

Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

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COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve:
_____% Working Interest

Company:
By: _____

Printed Name:
Title:
Date:

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**COG OPERATING LLC
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DRILLING**

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Coring & Analysis	216			0
Cement Surface	217			0
Cement Intermediate	218			0
Cement 2nd Intermediate 7"	218		319	0
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
Float Equipment & Centralizers	221		321	0
Casing Crews & Equipment	222		322 13,000	13,000
Fishing Tools & Service	223	100,000	323	100,000
Geologic/Engineering	224	10,000	324 1,000	11,000
Contract Labor	225	10,000	325 30,000	40,000
Company Supervision	226	2,000	326 2,000	4,000
Contract Supervision	227	17,000	327 4,200	21,200
Testing Casing/Tubing	228	4,000	328 1,500	5,500
Mud Logging Unit	229	12,000	329	12,000
Logging	230		330	0
Perforating/Wireline Services	231	15,000	331 12,500	27,500
Stimulation/Treating			332 950,000	950,000
Completion Unit		12,000	333 45,000	57,000
Swabbing Unit			334	0
Rentals-Surface	235	15,000	335 45,000	60,000
Rentals-Subsurface	236	60,000	336 10,000	70,000
Trucking/Forklift/Rig Mobilization	237	40,000	337 20,000	60,000
Welding Services	238	3,000	338 1,500	4,500
Water Disposal	239		339 25,000	25,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	50,000	344	50,000
Miscellaneous	242	5,000	342 1,000	6,000
Contingency	243	105,000	343 131,300	236,300
TOTAL INTANGIBLES		1,151,000	1,436,000	2,587,000
TANGIBLE COSTS				
Surface Casing	401			1,200
Intermediate Casing	402		503	0
Production Casing/Liner 4200' - 4.5"			503 51,000	51,000
Tubing			504	0
Wellhead Equipment	405		505	0
Pumping Unit			506	0
Prime Mover			507	0
Rods			508	0
Pumps			509	0
Tanks			510	0
Flowlines			511	0
Heater Treater/Separator			512	0
Electrical System			513	0
Packers/Anchors/Hangers	414		514 230,000	230,000
Couplings/Fittings/Valves	415	2,000	515 25,000	27,000
Gas Compressors/Meters			516 4,000	4,000
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	1,000	519 1,000	2,000
Contingency	420	1,000	520 32,000	33,000
TOTAL TANGIBLES		4,000	343,000	347,000
TOTAL WELL COSTS		1,155,000	1,779,000	2,934,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:
_____% Working Interest

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
DRILLING**

WELL NAME: Puckett "12" Federal #1H	PROSPECT NAME: Puckett
Surf. Loc: 75' FSL, 330' FWL, Sec 12, 17S-31E	COUNTY & STATE: Eddy Co, NM
BHL: 330' FNL, 330' FWL, Sec 12, 17S-31E	OBJECTIVE: 9900' MD (5500' TVD) Paddock
WO/Pilot, 160 Acre	

INTANGIBLE COSTS		BCP	ACP	TOTAL
Title/Curative/Permit	201	10,000		10,000
Insurance	202	22,000	302	22,000
Damages/Right of Way	203		303	0
Survey/Stake Location	204		304	0
Location/Pits/Road Expense	205	10,000	305 10,000	20,000
Drilling / Completion Overhead	206	5,000	306 1,000	6,000
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract 12:3 @ \$13000/day	209	156,000	309 39,000	195,000
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Bits	213	30,000	313 1,000	31,000
Mud & Chemicals	214	15,000	314	15,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217			0
Cement Intermediate	218			0
Cement 2nd Intermediate 7"	218		319	0
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
Float Equipment & Centralizers	221		321	0
Casing Crews & Equipment	222		322 13,000	13,000
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Mud Logging Unit	229	12,000	329	12,000
Logging	230		330	0
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Rentals-Surface	235	15,000	335 45,000	60,000
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Trucking/Forklift/Rig Mobilization	237	40,000	337 20,000	60,000
Welding Services	238	3,000	338 1,500	4,500
Water Disposal	239		339 25,000	25,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	50,000	344	50,000
Miscellaneous	242	5,000	342 1,000	6,000
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Tubing			504	0
Wellhead Equipment	405		505	0
Pumping Unit			506	0
Prime Mover			507	0
Rods			508	0
Pumps			509	0
Tanks			510	0
Flowlines			511	0
Heater Treater/Separator			512	0
Electrical System			513	0
Packers/Anchors/Hangers	414		514 230,000	230,000
Couplings/Fittings/Valves	415	2,000	515 25,000	27,000
Gas Compressors/Meters			516 4,000	4,000
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
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Contingency	420	1,000	520 32,000	33,000
TOTAL TANGIBLES		4,000	343,000	347,000
TOTAL WELL COSTS		1,155,000	1,779,000	2,934,000

COG Operating LLC:

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:
_____% Working Interest

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.

June 20, 2011

U.S. Certified Mail
Return Receipt Requested

Zorro Partners
616 Texas Street
Fort Worth, TX 76102

RE: **New Well Proposal**
Puckett "12" Federal #1H
SHL: 75' FSL & 330' FWL (Unit M) of Section 12, T17S, R31E
BHL: 330' FNL & 330' FWL, (Unit D) of Section 12, T17S, R31E
Eddy County, New Mexico

Dear Sirs:

COG Operating LLC ("COG") proposes to drill the Puckett "12" Federal #1H, as a triple lateral well at the captioned location, or a legal location within said Unit M, to depths of approximately 5,500' TVD, 9,900' MD for a Paddock lateral; 6,100' TVD, 10,500' MD for an Upper Blinebry lateral; and 6,600' TVD, 11,021' MD for a Lower Blinebry lateral ("Operation"). The total cost of the Operation is estimated to be \$9,648,000.00 and a detailed description of such cost is set out in the enclosed Authority for Expenditure ("AFE").

Also enclosed is COG's proposed form of Operating Agreement ("OA"). A completed version of the Exhibit "A" to be incorporated into the OA will follow under separate cover, accompanied by a fully executed set of signature pages.

If you elect to participate in the subject well, please sign and return a copy of the AFE to the below letterhead address.

If you desire to receive well information regarding the subject operations please return a Well Information Requirements list to COG. Technical questions should be directed to Carl Bird at 432-686-3057 and land questions to the undersigned at 432-685-4354.

Yours truly,

COG Operating LLC



Stuart A. Dirks, CPL
Senior Landman

Enclosure (s)
DRE

Confirmation Services	Package ID: 9171999991703040428161	Electronic Certified
	Destination ZIP Code: 76102	First Class Large Envelope
	Customer Reference:	PBP Account #: 41592288
	Recipient: <u>ZORRO</u>	Serial #: 1364097
	Address: <u>Puckett 12 Fed #1H</u>	JUN 20 2011 4:19 PM

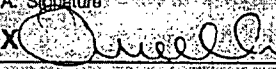
NDER: COMPLETE THIS SECTION

Complete Items 1, 2, and 3. Also complete Item 4 if Restricted Delivery is desired. 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.

Article Addressed to:

Zorro Partners
616 Texas Street
Fort Worth, TX 76102
Puckett 12 Federal #1H

COMPLETE THIS SECTION ON DELIVERY

A. Signature 		<input type="checkbox"/> Agent <input type="checkbox"/> Addressee
B. Received by (Printed Name) C. M. H. H.	C. Date of Delivery 10-22	
D. Is delivery address different from Item 1? <input checked="" type="checkbox"/> Yes If YES, enter delivery address below:		<input type="checkbox"/> No

3. Service Type	
<input checked="" type="checkbox"/> Certified Mail	<input checked="" type="checkbox"/> Express Mail
<input type="checkbox"/> Registered	<input checked="" type="checkbox"/> Return Receipt for Merchandise
<input type="checkbox"/> Insured Mail	<input type="checkbox"/> C.O.D.

4. Restricted Delivery? (Extra Fee)	<input type="checkbox"/> Yes
-------------------------------------	------------------------------

Article Number (Transfer from service label) 91 7199 9991 7030 4042 8161

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "12" Federal #1H	PROSPECT NAME: Puckett
Surf. Loc: 75' FSL, 330' FWL, Sec 12, 17S-31E	COUNTY & STATE: Eddy Co, NM
BHL: 330' FNL, 330' FWL, Sec 12, 17S-31E	OBJECTIVE: 11021' MD (6600' TVD) Lower Blinebry
WO/Pilot, 160 Acre	

INTANGIBLE COSTS		BCP	ACP	TOTAL
Title/Curative/Permit	201	10,000		10,000
Insurance	202	22,000	302	22,000
Damages/Right of Way	203	15,000	303	15,000
Survey/Stake Location	204	3,000	304	3,000
Location/Pits/Road Expense	205	40,000	305 65,000	105,000
Drilling / Completion Overhead	206	5,000	306 1,000	6,000
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract 20:2 @ \$13000/day	209	260,000	309 26,000	286,000
Directional Drilling Services, With RS	210	400,000	310	400,000
Fuel & Power	211	112,500	311 11,250	123,750
Water	212	30,000	312 75,000	105,000
Bits	213	45,000	313 1,000	46,000
Mud & Chemicals	214	25,000	314	25,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217	16,000		16,000
Cement Intermediate	218	16,000		16,000
Cement Production 7"x5.5"	218		319 70,000	70,000
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
Float Equipment & Centralizers	221	3,500	321 15,000	18,500
Casing Crews & Equipment	222	7,000	322 13,000	20,000
Fishing Tools & Service	223		323	0
Geologic/Engineering	224	10,000	324 1,000	11,000
Contract Labor	225	10,000	325 30,000	40,000
Company Supervision	226	2,000	326 2,000	4,000
Contract Supervision	227	28,000	327 4,000	32,000
Testing Casing/Tubing	228	4,000	328 1,500	5,500
Mud Logging Unit	229	16,000	329	16,000
Logging	230	0	330 5,000	5,000
Perforating/Wireline Services	231	3,500	331 125,000	128,500
Stimulation/Treating			332 760,000	760,000
Completion Unit			333 40,000	40,000
Swabbing Unit			334	0
Rentals-Surface	235	20,000	335 100,000	120,000
Rentals-Subsurface	236	30,000	336 10,000	40,000
Trucking/Forklift/Rig Mobilization	237	40,000	337 100,000	140,000
Welding Services	238	3,000	338 1,500	4,500
Water Disposal	239		339 25,000	25,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	120,000	344	120,000
Miscellaneous	242	5,000	342 1,000	6,000
Contingency	243	131,500	343 149,750	281,250
TOTAL INTANGIBLES		1,433,000	1,633,000	3,066,000

TANGIBLE COSTS				
Surface Casing 550' 13 3/8"	401	20,000		1,200
Intermediate Casing 1850' 9 5/8"	402	48,000	503	48,000
Production Casing/Liner 6900' - 7", 4200' - 5.5"			503 260,000	260,000
Tubing 6200' 2 7/8"			504 38,000	38,000
Wellhead Equipment	405	30,000	505 18,000	48,000
Pumping Unit			506 97,000	97,000
Prime Mover			507	0
Rods			508 39,000	39,000
Pumps			509 4,500	4,500
Tanks			510 20,000	20,000
Flowlines			511 15,000	15,000
Heater Treater/Separator			512 25,000	25,000
Electrical System			513	0
Packers/Anchors/Hangers	414		514	0
Couplings/Fittings/Valves	415	2,000	515 25,000	27,000
Gas Compressors/Meters			516 4,000	4,000
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	1,000	519 1,000	2,000
Contingency	420	11,000	520 55,500	66,500
TOTAL TANGIBLES		112,000	602,000	714,000
TOTAL WELL COSTS		1,545,000	2,235,000	3,780,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve:
_____% Working Interest

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
DRILLING

WELL NAME: Puckett "12" Federal #1H PROSPECT NAME: Puckett
Surf. Loc: 75' FSL, 330' FWL, Sec 12, 17S-31E COUNTY & STATE: Eddy Co, NM
BHL: 330' FNL, 330' FWL, Sec 12, 17S-31E OBJECTIVE: 10500' MD (6100' TVD) Upper Blinebry
WO/Pilot, 160 Acre

INTANGIBLE COSTS		BCP		ACP	TOTAL
Title/Curative/Permit	201	10,000			10,000
Insurance	202	22,000	302		22,000
Damages/Right of Way	203		303		0
Survey/Stake Location	204		304		0
Location/Pits/Road Expense	205	10,000	305	10,000	20,000
Drilling / Completion Overhead	206	5,000	306	1,000	6,000
Turnkey Contract	207		307		0
Footage Contract	208		308		0
Daywork Contract 12:3 @ \$13000/day	209	156,000	309	39,000	195,000
Directional Drilling Services, With RS	210	350,000	310		350,000
Fuel & Power	211	68,000	311	17,000	85,000
Water	212	25,000	312	75,000	100,000
Bits	213	30,000	313	1,000	31,000
Mud & Chemicals	214	15,000	314		15,000
Drill Stem Test	215		315		0
Coring & Analysis	216				0
Cement Surface	217				0
Cement Intermediate	218				0
Cement 2nd Intermediate 7"	218		319		0
Cement Squeeze & Other (NO Kickoff Plug)	220		320		0
Float Equipment & Centralizers	221		321		0
Casing Crews & Equipment	222		322	13,000	13,000
Fishing Tools & Service	223	100,000	323		100,000
Geologic/Engineering	224	10,000	324	1,000	11,000
Contract Labor	225	10,000	325	30,000	40,000
Company Supervision	226	2,000	326	2,000	4,000
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Testing Casing/Tubing	228	4,000	328	1,500	5,500
Mud Logging Unit	229	12,000	329		12,000
Logging	230		330		0
Perforating/Wireline Services	231	15,000	331	12,500	27,500
Stimulation/Treating			332	950,000	950,000
Completion Unit		12,000	333	45,000	57,000
Swabbing Unit			334		0
Rentals-Surface	235	15,000	335	45,000	60,000
Rentals-Subsurface	236	60,000	336	10,000	70,000
Trucking/Forklift/Rig Mobilization	237	40,000	337	20,000	60,000
Welding Services	238	3,000	338	1,500	4,500
Water Disposal	239		339	25,000	25,000
Plug to Abandon	240		340		0
Seismic Analysis	241		341		0
Closed Loop & Environmental	244	50,000	344		50,000
Miscellaneous	242	5,000	342	1,000	6,000
Contingency	243	105,000	343	131,300	236,300
TOTAL INTANGIBLES		1,151,000		1,436,000	2,587,000
TANGIBLE COSTS					
Surface Casing	401				1,200
Intermediate Casing	402		503		0
Production Casing/Liner 4200' - 4.5"			503	51,000	51,000
Tubing			504		0
Wellhead Equipment	405		505		0
Pumping Unit			506		0
Prime Mover			507		0
Rods			508		0
Pumps			509		0
Tanks			510		0
Flowlines			511		0
Heater Treater/Separator			512		0
Electrical System			513		0
Packers/Anchors/Hangers	414		514	230,000	230,000
Couplings/Fittings/Valves	415	2,000	515	25,000	27,000
Gas Compressors/Meters			516	4,000	4,000
Dehydrator			517		0
Injection Plant/CO2 Equipment			518		0
Miscellaneous	419	1,000	519	1,000	2,000
Contingency	420	1,000	520	32,000	33,000
TOTAL TANGIBLES		4,000		343,000	347,000
TOTAL WELL COSTS		1,155,000		1,779,000	2,934,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:
_____% Working Interest

Company:
By: _____

Printed Name: _____
Title: _____
Date: _____

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COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING

WELL NAME: Puckett "12" Federal #1H

PROSPECT NAME: Puckett

Surf. Loc: 75' FSL, 330' FWL, Sec 12, 17S-31E

COUNTY & STATE: Eddy Co, NM

BHL: 330' FNL, 330' FWL, Sec 12, 17S-31E

OBJECTIVE: 9900' MD (5500' TVD) Paddock

WO/Pilot, 160 Acre

INTANGIBLE COSTS

		BCP	ACP	TOTAL
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TANGIBLE COSTS

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Wellhead Equipment	405		505	0
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COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:
_____% Working Interest

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.



August 11, 2011

*U.S. Certified Mail
Return Receipt Requested*

Burnett Oil Company
Burnett Plaza, Unit 9
801 Cherry Street, Suite 1500
Fort Worth, Texas 76102

RE: **Amendment to New Well Proposal**

Puckett "12" Federal #1H

SHL: 75' FSL & 330' FWL (Unit M) of Section 12, T17S, R31E

BHL: 660' FNL & 330' FWL, (Unit D) of Section 12, T17S, R31E

Eddy County, New Mexico

Dear Sirs:

Reference is made to our letter to you dated June 20, 2011 proposing the subject well. Please note the following corrections:

- The well will be drilled at an approved surface location within location unit letter M in Section 12.
- The approximate BHL has been moved to 660' FNL and 330' FWL of Section 12.

If you have any questions, please do not hesitate to contact the undersigned at 432-685-4354.

Yours truly,

COG Operating LLC

A handwritten signature in black ink, appearing to read "Stuart A. Dirks".

Stuart A. Dirks, CPL
Senior Landman

Enclosure (s)

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also, complete item 4 if Restricted Delivery is desired.
- 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:

Burnett Oil Company
Burnett Plaza, Unit 9
801 Cherry Street, Suite 1500
Fort Worth, Texas 73102
Puckett 12 Federal #1H

COMPLETE THIS SECTION ON DELIVERY

A. Signature *M. Berger* ☒ Agent ☐ Addressee
B. Received by / Printed Name *M. Berger* C. Date of Delivery *8/15/11*
D. Is delivery address different from item 1? ☐ Yes ☒ No
If YES, enter delivery address below:

3. Service Type

- ☒ Certified Mail ☐ Express Mail
- ☐ Registered ☒ Return Receipt for Merchandise
- ☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number
(Transfer from sender)

91 7199 9991 7030 4042 8395

PLACE STICKER AT TOP OF ENVELOPE OR FOLD HERE TO OPEN TO THE RIGHT

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- 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:

Burnett Oil Company
Burnett Plaza, Unit 9
801 Cherry Street, Suite 1500
Fort Worth, Texas 73102
Puckett 12 Federal #1H

COMPLETE THIS SECTION ON DELIVERY

- A. Signature ☐ Agent
X ☐ 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
- ☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number
(Transfer from sender) **91 7199 9991 7030 4047 8395**



August 11, 2011

*U.S. Certified Mail
Return Receipt Requested*

Javelina Partners
616 Texas Street
Fort Worth, TX 76102

RE: **Amendment to New Well Proposal**
Puckett "12" Federal #1H
SHL: 75' FSL & 330' FWL (Unit M) of Section 12, T17S, R31E
BHL: 660' FNL & 330' FWL, (Unit D) of Section 12, T17S, R31E
Eddy County, New Mexico

Dear Sirs:

Reference is made to our letter to you dated June 20, 2011 proposing the subject well. Please note the following corrections:

- The well will be drilled at an approved surface location within location unit letter M in Section 12.
- The approximate BHL has been moved to 660' FNL and 330' FWL of Section 12.

If you have any questions, please do not hesitate to contact the undersigned at 432-685-4354.

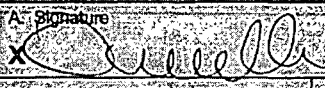
Yours truly,

COG Operating LLC

A handwritten signature in black ink, appearing to read "Stuart A. Dirks".

Stuart A. Dirks, CPL
Senior Landman

Enclosure (s)

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p> <input checked="" type="checkbox"/> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. <input checked="" type="checkbox"/> Print your name and address on the reverse so that we can return the card to you. <input checked="" type="checkbox"/> Attach this card to the back of the mailpiece, or on the front if space permits. </p>		<p>A. Signature  <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <u>Steve</u> C. Date of Delivery <u>AUG 15 2011</u></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below:</p>	
<p>1. Article Addressed to:</p> <p>Javalina Partners 616 Texas Street Fort Worth, TX 76102 Puckett 12 Federal #1H</p>		<p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D. </p>	
<p>2. Article Number (Transfer from) <u>91 7199 9991 7030 4047 8388</u></p>		<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	

DO NOT WRITE IN THESE SPACES
OR THE MAIL WILL BE OPENED FOR INSPECTION

SENDER: COMPLETE THIS SECTION

- ☒ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- ☒ 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:

Javalina Partners
616 Texas Street
Fort Worth, TX 76102
Puckett 12 Federal #1H

2. Article Number
(Transfer from)

91 7199 9991 7030 4047 8388

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

☒ Certified Mail

☐ Express Mail

☐ Registered

☒ Return Receipt for Merchandise

☐ Insured Mail

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes



August 11, 2011

*U.S. Certified Mail
Return Receipt Requested*

Zorro Partners, Ltd.
616 Texas Street
Fort Worth, TX 76102

RE: **Amendment to New Well Proposal**

Puckett "12" Federal #1H

SHL: 75' FSL & 330' FWL (Unit M) of Section 12, T17S, R31E

BHL: 660' FNL & 330' FWL, (Unit D) of Section 12, T17S, R31E

Eddy County, New Mexico

Dear Sirs:

Reference is made to our letter to you dated June 20, 2011 proposing the subject well. Please note the following corrections:

- The well will be drilled at an approved surface location within location unit letter M in Section 12.
- The approximate BHL has been moved to 660' FNL and 330' FWL of Section 12.

If you have any questions, please do not hesitate to contact the undersigned at 432-685-4354.


Yours truly,

COG Operating LLC

A handwritten signature in black ink, appearing to read "Stuart A. Dirks".

Stuart A. Dirks, CPL
Senior Landman

Enclosure (s)

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>		<p>A. Signature <input checked="" type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee  </p> <p>B. Received by (Printed Name): <u>Olivia</u> Date of Delivery: <u>AUG 15 2004</u></p>	
<p>1. Article Addressed to:</p> <p>Zorro Partners 616 Texas Street Fort Worth, TX 76102 Puckett 12 Federal #1H</p>		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below:</p>	
		<p>3. Service Type: <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>	
<p>2. Article Number (Transfer from sender)</p> <p>91 7199 9991 7030 4047 8364</p>		<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

SENDER: COMPLETE THIS SECTION

- Complete Items 1, 2, and 3. Also complete Item 4 if Restricted Delivery is desired.
- 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:

Zorro Partners
616 Texas Street
Fort Worth, TX 76102
Puckett 12 Federal #1H

2. Article Number
(Transfer from sender)

91 7199 9991 7030 4047 8364

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

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

☒ Certified Mail☐ Express Mail☐ Registered☒ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes



August 3, 2011

U.S. Certified Mail
Return Receipt Requested

Burnett Oil Company
Burnett Plaza, Unit 9
801 Cherry Street, Suite 1500
Fort Worth, Texas 76102

RE: **New Well Proposal**
Puckett "12" Federal #2H
SL: 110' FNL & 990' FWL (Unit D) of Section 12, T17S, R31E
BHL: 330' FSL & 990' FWL, (Unit M) of Section 12, T17S, R31E
Eddy County, New Mexico

Dear Sirs:

COG Operating LLC ("COG") proposes to drill the Puckett "12" Federal #2H, as a triple lateral well at the captioned location, or at an approved surface location within said Unit D, to depths of approximately 5,500' TVD, 9,900' MD for a Paddock lateral; 6,100' TVD, 10,500' MD for an Upper Blinebry lateral; and 6,600' TVD, 11,021' MD for a Lower Blinebry lateral ("Operation"). The total cost of the Operation is estimated to be \$9,648,000.00 and a detailed description of such cost is set out in the enclosed Authority for Expenditure ("AFE").

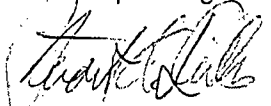
Also enclosed is COG's proposed form of Operating Agreement ("OA"). A completed version of the Exhibit "A" to be incorporated into the OA will follow under separate cover, accompanied by a fully executed set of signature pages.

If you elect to participate in the subject well, please sign and return a copy of the AFE to the below letterhead address.

If you desire to receive well information regarding the subject operations please return a Well Information Requirements list to COG. Technical questions should be directed to Carl Bird at 432-686-3057 and land questions to the undersigned at 432-685-4354.

Yours truly,

COG Operating LLC


Stuart A. Dirks, CPL
Senior Landman

Enclosure (s)

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "12" Federal #2H	PROSPECT NAME: Puckett
Surf. Loc: 110' FNL, 990' FWL, Sec 12, 17S-31E	COUNTY & STATE: Eddy Co, NM
BHL: 330' FSL, 990' FWL, Sec 12, 17S-31E	OBJECTIVE: 9900' MD (5500' TVD) Paddock

INTANGIBLE COSTS		BCP	ACP	TOTAL
Title/Curative/Permit	201	10,000		10,000
Insurance	202	22,000	302	22,000
Damages/Right of Way	203		303	0
Survey/Stake Location	204		304	0
Location/Pits/Road Expense	205	10,000	305	10,000
Drilling / Completion Overhead	206	5,000	306	1,000
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract 12:3 @ \$13000/day	209	156,000	309	39,000
Directional Drilling Services, With RS	210	350,000	310	
Fuel & Power	211	68,000	311	17,000
Water	212	25,000	312	75,000
Bits	213	30,000	313	1,000
Mud & Chemicals	214	15,000	314	
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217			0
Cement Intermediate	218			0
Cement 2nd Intermediate 7"	218		319	0
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
Float Equipment & Centralizers	221		321	0
Casing Crews & Equipment	222		322	13,000
Fishing Tools & Service	223	100,000	323	
Geologic/Engineering	224	10,000	324	1,000
Contract Labor	225	10,000	325	30,000
Company Supervision	226	2,000	326	2,000
Contract Supervision	227	17,000	327	4,200
Testing Casing/Tubing	228	4,000	328	1,500
Mud Logging Unit	229	12,000	329	
Logging	230		330	0
Perforating/Wireline Services	231	15,000	331	12,500
Stimulation/Treating			332	950,000
Completion Unit		12,000	333	45,000
Swabbing Unit			334	0
Rentals-Surface	235	15,000	335	45,000
Rentals-Subsurface	236	60,000	336	10,000
Trucking/Forklift/Rig Mobilization	237	40,000	337	20,000
Welding Services	238	3,000	338	1,500
Water Disposal	239		339	25,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	50,000	344	
Miscellaneous	242	5,000	342	1,000
Contingency	243	105,000	343	131,300
TOTAL INTANGIBLES		1,151,000	1,436,000	2,587,000
TANGIBLE COSTS				
Surface Casing	401			1,200
Intermediate Casing	402		503	0
Production Casing/Liner 4200' - 4.5"			503	51,000
Tubing			504	0
Wellhead Equipment	405		505	0
Pumping Unit			506	0
Prime Mover			507	0
Rods			508	0
Pumps			509	0
Tanks			510	0
Flowlines			511	0
Heater Treater/Separator			512	0
Electrical System			513	0
Packers/Anchors/Hangers	414		514	230,000
Couplings/Fittings/Valves	415	2,000	515	25,000
Gas Compressors/Meters			516	4,000
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	1,000	519	1,000
Contingency	420	1,000	520	32,000
TOTAL TANGIBLES		4,000	343,000	347,000
TOTAL WELL COSTS		1,155,000	1,779,000	2,934,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:
_____% Working Interest

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
DRILLING**

WELL NAME: Puckett "12" Federal #2H	PROSPECT NAME: Puckett
Surf. Loc: 110' FNL, 990' FWL, Sec 12, 17S-31E	COUNTY & STATE: Eddy Co, NM
BHL: 330' FSL, 990' FWL, Sec 12, 17S-31E	OBJECTIVE: 10500' MD (6100' TVD) Upper Blinbry
WO/Pilot, 160 Acre	

INTANGIBLE COSTS		BCP		ACP	TOTAL
Title/Curative/Permit	201	10,000			10,000
Insurance	202	22,000	302		22,000
Damages/Right of Way	203		303		0
Survey/Stake Location	204		304		0
Location/Pits/Road Expense	205	10,000	305	10,000	20,000
Drilling / Completion Overhead	206	5,000	306	1,000	6,000
Turnkey Contract	207		307		0
Footage Contract	208		308		0
Daywork Contract 12:3 @ \$13000/day	209	156,000	309	39,000	195,000
Directional Drilling Services, With RS	210	350,000	310		350,000
Fuel & Power	211	68,000	311	17,000	85,000
Water	212	25,000	312	75,000	100,000
Bits	213	30,000	313	1,000	31,000
Mud & Chemicals	214	15,000	314		15,000
Drill Stem Test	215		315		0
Coring & Analysis	216				0
Cement Surface	217				0
Cement Intermediate	218				0
Cement 2nd Intermediate 7"	218		319		0
Cement Squeeze & Olher (NO Kickoff Plug)	220		320		0
Float Equipment & Centralizers	221		321		0
Casing Crews & Equipment	222		322	13,000	13,000
Fishing Tools & Service	223	100,000	323		100,000
Geologic/Engineering	224	10,000	324	1,000	11,000
Contract Labor	225	10,000	325	30,000	40,000
Company Supervision	226	2,000	326	2,000	4,000
Contract Supervision	227	17,000	327	4,200	21,200
Testing Casing/Tubing	228	4,000	328	1,500	5,500
Mud Logging Unit	229	12,000	329		12,000
Logging	230		330		0
Perforating/Wireline Services	231	15,000	331	12,500	27,500
Stimulation/Treating			332	950,000	950,000
Completion Unit		12,000	333	45,000	57,000
Swabbing Unit			334		0
Rentals-Surface	235	15,000	335	45,000	60,000
Rentals-Subsurface	236	60,000	336	10,000	70,000
Trucking/Forklift/Rig Mobilization	237	40,000	337	20,000	60,000
Welding Services	238	3,000	338	1,500	4,500
Water Disposal	239		339	25,000	25,000
Plug to Abandon	240		340		0
Seismic Analysis	241		341		0
Closed Loop & Environmental	244	50,000	344		50,000
Miscellaneous	242	5,000	342	1,000	6,000
Contingency	243	105,000	343	131,300	236,300
TOTAL INTANGIBLES		1,151,000		1,436,000	2,587,000

TANGIBLE COSTS					
Surface Casing	401				1,200
Intermediate Casing	402		503		0
Production Casing/Liner 4200' - 4.5"			503	51,000	51,000
Tubing			504		0
Wellhead Equipment	405		505		0
Pumping Unit			506		0
Prime Mover			507		0
Rods			508		0
Pumps			509		0
Tanks			510		0
Flowlines			511		0
Heater Treater/Separator			512		0
Electrical System			513		0
Packers/Anchors/Hangers	414		514	230,000	230,000
Couplings/Fittings/Valves	415	2,000	515	25,000	27,000
Gas Compressors/Meters			516	4,000	4,000
Dehydrator			517		0
Injection Plant/CO2 Equipment			518		0
Miscellaneous	419	1,000	519	1,000	2,000
Contingency	420	1,000	520	32,000	33,000
TOTAL TANGIBLES		4,000		343,000	347,000
TOTAL WELL COSTS		1,155,000		1,779,000	2,934,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:
_____% Working Interest

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
DRILLING**

WELL NAME: Puckett "12" Federal #2H	PROSPECT NAME: Puckett
Surf. Loc: 110' FNL, 990' FWL, Sec 12, 17S-31E	COUNTY & STATE: Eddy Co, NM
BHL: 330' FSL, 990' FWL, Sec 12, 17S-31E	OBJECTIVE: 11021' MD (6600' TVD) Lower Blinebry
WO/Pilot, 160 Acre	

<u>INTANGIBLE COSTS</u>		<u>BCP</u>	<u>ACP</u>	<u>TOTAL</u>
Title/Curalive/Permit	201	10,000		10,000
Insurance	202	22,000	302	22,000
Damages/Right of Way	203	15,000	303	15,000
Survey/Stake Location	204	3,000	304	3,000
Location/Pits/Road Expense	205	40,000	305	105,000
Drilling / Completion Overhead	206	5,000	306	6,000
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract 20:2 @ \$13000/day	209	260,000	309	286,000
Directional Drilling Services, With RS	210	400,000	310	400,000
Fuel & Power	211	112,500	311	123,750
Water	212	30,000	312	105,000
Bits	213	45,000	313	46,000
Mud & Chemicals	214	25,000	314	25,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217	16,000		16,000
Cement Intermediate	218	16,000		16,000
Cement Production 7"x5.5"	218		319	70,000
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
Float Equipment & Centralizers	221	3,500	321	18,500
Casing Crews & Equipment	222	7,000	322	20,000
Fishing Tools & Service	223		323	0
Geologic/Engineering	224	10,000	324	11,000
Contract Labor	225	10,000	325	40,000
Company Supervision	226	2,000	326	4,000
Contract Supervision	227	28,000	327	32,000
Testing Casing/Tubing	228	4,000	328	5,500
Mud Logging Unit	229	16,000	329	16,000
Logging	230	0	330	5,000
Perforating/Wireline Services	231	3,500	331	128,500
Stimulation/Treating			332	760,000
Completion Unit			333	40,000
Swabbing Unit			334	0
Rentals-Surface	235	20,000	335	120,000
Rentals-Subsurface	236	30,000	336	40,000
Trucking/Forklift/Rig Mobilization	237	40,000	337	140,000
Welding Services	238	3,000	338	4,500
Water Disposal	239		339	25,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	120,000	344	120,000
Miscellaneous	242	5,000	342	6,000
Contingency	243	131,500	343	281,250
TOTAL INTANGIBLES		1,433,000	1,633,000	3,066,000
<u>TANGIBLE COSTS</u>				
Surface Casing 550' 13 3/8"	401	20,000		1,200
Intermediate Casing 1850' 9 5/8"	402	48,000	503	48,000
Production Casing/Liner 6900' - 7", 4200' - 5.5"			503	260,000
Tubing 6200' 2 7/8"			504	38,000
Wellhead Equipment	405	30,000	505	48,000
Pumping Unit			506	97,000
Prime Mover			507	0
Rods			508	39,000
Pumps			509	4,500
Tanks			510	20,000
Flowlines			511	15,000
Heater Treater/Separator			512	25,000
Electrical System			513	0
Packers/Anchors/Hangers	414		514	0
Couplings/Fittings/Valves	415	2,000	515	27,000
Gas Compressors/Meters			516	4,000
Dehydrator			517	0
Injection Plan/CO2 Equipment			518	0
Miscellaneous	419	1,000	519	2,000
Contingency	420	11,000	520	66,500
TOTAL TANGIBLES		112,000	602,000	714,000
TOTAL WELL COSTS		1,545,000	2,235,000	3,780,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve:
_____ % Working Interest

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.

SENDER: COMPLETE THIS SECTION

- Complete Items 1, 2, and 3. Also complete Item 4 if Restricted Delivery is desired.
- 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:

Burnett Oil Company
Burnett Plaza, Unit 9
801 Cherry Plaza, Unit 9
Fort Worth, Texas 76102
Puckett 12 Fed #2H

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☐ Agent
☐ Addressee
X

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
☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article (Trans) **91 7199 9991 7030 0515 2124**

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

CONCHO
550 West Texas Avenue, Suite 100
Midland, Texas 79701

Burnett Oil Company
Burnett Plaza, Unit 9
801 Cherry Plaza, Unit 9
Fort Worth, Texas 76102
Puckett 12 Fed #2H

91 7199 9991 7030 0515 2124



August 3, 2011

**U.S. Certified Mail
Return Receipt Requested**

Javalina Partners
616 Texas Street
Fort Worth, TX 76102

RE: **New Well Proposal**
Puckett "12" Federal #2H
SL: 110' FNL & 990' FWL (Unit D) of Section 12, T17S, R31E
BHL: 330' FSL & 990' FWL, (Unit M) of Section 12, T17S, R31E
Eddy County, New Mexico

Dear Sirs:

COG Operating LLC ("COG") proposes to drill the Puckett "12" Federal #2H, as a triple lateral well at the captioned location, or at an approved surface location within said Unit D, to depths of approximately 5,500' TVD, 9,900' MD for a Paddock lateral; 6,100' TVD, 10,500' MD for an Upper Blinbry lateral; and 6,600' TVD, 11,021' MD for a Lower Blinbry lateral ("Operation"). The total cost of the Operation is estimated to be \$9,648,000.00 and a detailed description of such cost is set out in the enclosed Authority for Expenditure ("AFE").

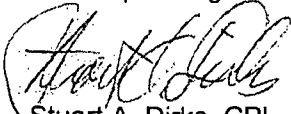
Also enclosed is COG's proposed form of Operating Agreement ("OA"). A completed version of the Exhibit "A" to be incorporated into the OA will follow under separate cover, accompanied by a fully executed set of signature pages.

If you elect to participate in the subject well, please sign and return a copy of the AFE to the below letterhead address.

If you desire to receive well information regarding the subject operations please return a Well Information Requirements list to COG. Technical questions should be directed to Carl Bird at 432-686-3057 and land questions to the undersigned at 432-685-4354.

Yours truly,

COG Operating LLC



Stuart A. Dirks, CPL
Senior Landman

Enclosure (s)

COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING

WELL NAME: Puckett "12" Federal #2H	PROSPECT NAME: Puckett
Surf. Loc: 110' FNL, 990' FWL, Sec 12, 17S-31E	COUNTY & STATE: Eddy Co, NM
BHL: 330' FSL, 990' FWL, Sec 12, 17S-31E	OBJECTIVE: 9900' MD (5500' TVD) Paddock

INTANGIBLE COSTS		BCP	ACP	TOTAL
Title/Curative/Permit	201	10,000		10,000
Insurance	202	22,000	302	22,000
Damages/Right of Way	203		303	0
Survey/Stake Location	204		304	0
Location/Pits/Road Expense	205	10,000	305	10,000
Drilling / Completion Overhead	206	5,000	306	1,000
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract 12:3 @ \$13000/day	209	156,000	309	39,000
Directional Drilling Services, With RS	210	350,000	310	
Fuel & Power	211	68,000	311	17,000
Water	212	25,000	312	75,000
Bits	213	30,000	313	1,000
Mud & Chemicals	214	15,000	314	
Drill Stem Test	215		315	
Coring & Analysis	216			
Cement Surface	217			
Cement Intermediate	218			
Cement 2nd Intermediate 7"	218		319	
Cement Squeeze & Other (NO Kickoff Plug)	220		320	
Float Equipment & Centralizers	221		321	
Casing Crews & Equipment	222		322	13,000
Fishing Tools & Service	223	100,000	323	
Geologic/Engineering	224	10,000	324	1,000
Contract Labor	225	10,000	325	30,000
Company Supervision	226	2,000	326	2,000
Contract Supervision	227	17,000	327	4,200
Testing Casing/Tubing	228	4,000	328	1,500
Mud Logging Unit	229	12,000	329	
Logging	230		330	
Perforating/Wireline Services	231	15,000	331	12,500
Stimulation/Treating			332	950,000
Completion Unit		12,000	333	45,000
Swabbing Unit			334	
Rentals-Surface	235	15,000	335	45,000
Rentals-Subsurface	236	60,000	336	10,000
Trucking/Forklift/Rig Mobilization	237	40,000	337	20,000
Welding Services	238	3,000	338	1,500
Water Disposal	239		339	25,000
Plug to Abandon	240		340	
Seismic Analysis	241		341	
Closed Loop & Environmental	244	50,000	344	
Miscellaneous	242	5,000	342	1,000
Contingency	243	105,000	343	131,300
TOTAL INTANGIBLES		1,151,000	1,436,000	2,587,000
TANGIBLE COSTS				
Surface Casing	401			1,200
Intermediate Casing	402		503	0
Production Casing/Liner 4200' - 4.5"			503	51,000
Tubing			504	0
Wellhead Equipment	405		505	0
Pumping Unit			506	0
Prime Mover			507	0
Rods			508	0
Pumps			509	0
Tanks			510	0
Flowlines			511	0
Heater Treater/Separator			512	0
Electrical System			513	0
Packers/Anchors/Hangers	414		514	230,000
Couplings/Fittings/Valves	415	2,000	515	25,000
Gas Compressors/Meters			516	4,000
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	1,000	519	1,000
Contingency	420	1,000	520	32,000
TOTAL TANGIBLES		4,000	343,000	347,000
TOTAL WELL COSTS		1,155,000	1,779,000	2,934,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:
_____% Working Interest

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
DRILLING**

WELL NAME: Puckett "12" Federal #2H	PROSPECT NAME: Puckett
Surf. Loc: 110' FNL, 990' FWL, Sec 12, 17S-31E	COUNTY & STATE: Eddy Co, NM
BHL: 330' FSL, 990' FWL, Sec 12, 17S-31E	OBJECTIVE: 10500' MD (6100' TVD) Upper Blinbry
WO/Pilot, 160 Acre	

INTANGIBLE COSTS		BCP	ACP	TOTAL
Title/Curative/Permit	201	10,000		10,000
Insurance	202	22,000	302	22,000
Damages/Right of Way	203		303	0
Survey/Stake Location	204		304	0
Location/Pits/Road Expense	205	10,000	305	10,000
Drilling / Completion Overhead	206	5,000	306	1,000
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract 12:3 @ \$13000/day	209	156,000	309	39,000
Directional Drilling Services, With RS	210	350,000	310	
Fuel & Power	211	68,000	311	17,000
Water	212	25,000	312	75,000
Bits	213	30,000	313	1,000
Mud & Chemicals	214	15,000	314	
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217			0
Cement Intermediate	218			0
Cement 2nd Intermediate 7"	218		319	0
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
Float Equipment & Centralizers	221		321	0
Casing Crews & Equipment	222		322	13,000
Fishing Tools & Service	223	100,000	323	
Geologic/Engineering	224	10,000	324	1,000
Contract Labor	225	10,000	325	30,000
Company Supervision	226	2,000	326	2,000
Contract Supervision	227	17,000	327	4,200
Testing Casing/Tubing	228	4,000	328	1,500
Mud Logging Unit	229	12,000	329	
Logging	230		330	0
Perforating/Wireline Services	231	15,000	331	12,500
Stimulation/Treating			332	950,000
Completion Unit		12,000	333	45,000
Swabbing Unit			334	0
Rentals-Surface	235	15,000	335	45,000
Rentals-Subsurface	236	60,000	336	10,000
Trucking/Forklift/Rig Mobilization	237	40,000	337	20,000
Welding Services	238	3,000	338	1,500
Water Disposal	239		339	25,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	50,000	344	
Miscellaneous	242	5,000	342	1,000
Contingency	243	105,000	343	131,300
TOTAL INTANGIBLES		1,151,000	1,436,000	2,587,000

TANGIBLE COSTS				
Surface Casing	401			1,200
Intermediate Casing	402		503	0
Production Casing/Liner 4200' - 4.5"			503	51,000
Tubing			504	0
Wellhead Equipment	405		505	0
Pumping Unit			506	0
Prime Mover			507	0
Rods			508	0
Pumps			509	0
Tanks			510	0
Flowlines			511	0
Heater Treater/Separator			512	0
Electrical System			513	0
Packers/Anchors/Hangers	414		514	230,000
Couplings/Fittings/Valves	415	2,000	515	25,000
Gas Compressors/Meters			516	4,000
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	1,000	519	1,000
Contingency	420	1,000	520	32,000
TOTAL TANGIBLES		4,000	343,000	347,000
TOTAL WELL COSTS		1,155,000	1,779,000	2,934,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:
_____% Working Interest

Company:

By:

Printed Name:

Title:

Date:

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**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "12" Federal #2H	PROSPECT NAME: Puckett
Surf. Loc: 110' FNL, 990' FWL, Sec 12, 17S-31E	COUNTY & STATE: Eddy Co, NM
BHL: 330' FSL, 990' FWL, Sec 12, 17S-31E	OBJECTIVE: 11021' MD (6600' TVD) Lower Blinebry
WO/Pilot, 160 Acre	

INTANGIBLE COSTS		BCP	ACP	TOTAL
Title/Curative/Permit	201	10,000		10,000
Insurance	202	22,000	302	22,000
Damages/Right of Way	203	15,000	303	15,000
Survey/Stake Location	204	3,000	304	3,000
Location/Pits/Road Expense	205	40,000	305	105,000
Drilling / Completion Overhead	206	5,000	306	6,000
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract 20:2 @ \$13000/day	209	260,000	309	286,000
Directional Drilling Services, With RS	210	400,000	310	400,000
Fuel & Power	211	112,500	311	123,750
Water	212	30,000	312	105,000
Bits	213	45,000	313	46,000
Mud & Chemicals	214	25,000	314	25,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217	16,000		16,000
Cement Intermediate	218	16,000		16,000
Cement Production 7"x5.5"	218		319	70,000
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
Float Equipment & Centralizers	221	3,500	321	18,500
Casing Crews & Equipment	222	7,000	322	20,000
Fishing Tools & Service	223		323	0
Geologic/Engineering	224	10,000	324	11,000
Contract Labor	225	10,000	325	40,000
Company Supervision	226	2,000	326	4,000
Contract Supervision	227	28,000	327	32,000
Testing Casing/Tubing	228	4,000	328	5,500
Mud Logging Unit	229	16,000	329	16,000
Logging	230	0	330	5,000
Perforating/Wireline Services	231	3,500	331	128,500
Stimulation/Treating			332	760,000
Completion Unit			333	40,000
Swabbing Unit			334	0
Rentals-Surface	235	20,000	335	120,000
Rentals-Subsurface	236	30,000	336	40,000
Trucking/Forklift/Rig Mobilization	237	40,000	337	140,000
Welding Services	238	3,000	338	4,500
Water Disposal	239		339	25,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	120,000	344	120,000
Miscellaneous	242	5,000	342	6,000
Contingency	243	131,500	343	281,250
TOTAL INTANGIBLES		1,433,000	1,633,000	3,066,000

TANGIBLE COSTS				
Surface Casing 550' 13 3/8"	401	20,000		1,200
Intermediate Casing 1850' 9 5/8"	402	48,000	503	48,000
Production Casing/Liner 6900' - 7", 4200' - 5.5"			503	260,000
Tubing 6200' 2 7/8"			504	38,000
Wellhead Equipment	405	30,000	505	48,000
Pumping Unit			506	97,000
Prime Mover			507	0
Rods			508	39,000
Pumps			509	4,500
Tanks			510	20,000
Flowlines			511	15,000
Heater Treater/Separator			512	25,000
Electrical System			513	0
Packers/Anchors/Hangers	414		514	0
Couplings/Fittings/Valves	415	2,000	515	27,000
Gas Compressors/Meters			516	4,000
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	1,000	519	2,000
Contingency	420	11,000	520	66,500
TOTAL TANGIBLES		112,000	602,000	714,000
TOTAL WELL COSTS		1,545,000	2,235,000	3,780,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve:
_____% Working Interest

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.

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- 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:

Javalina Partners
616 Texas Street
Fort Worth, TX 73102
Puckett 12 Fed #2H

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☐ Agent
X ☐ 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
☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. A 91 7199 9991 7030 4043 7859

PS Form 3811, February 2004

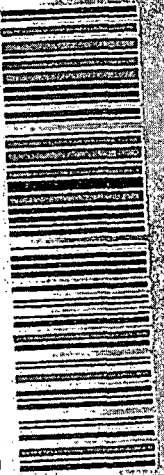
Domestic Return Receipt

102595-02-M-1540

CONCHO
550 West Texas Avenue, Suite 100
Midland, Texas 79701

Javalina Partners
616 Texas Street
Fort Worth, TX 73102
Puckett 12 Fed #2H

91 7199 9991 7030 4043 7859





August 3, 2011

**U.S. Certified Mail
Return Receipt Requested**

Zorro Partners, Ltd.
616 Texas Street
Fort Worth, TX 76102

RE: **New Well Proposal**
Puckett "12" Federal #2H
SL: 110' FNL & 990' FWL (Unit D) of Section 12, T17S, R31E
BHL: 330' FSL & 990' FWL, (Unit M) of Section 12, T17S, R31E
Eddy County, New Mexico

Dear Sirs:

COG Operating LLC ("COG") proposes to drill the Puckett "12" Federal #2H, as a triple lateral well at the captioned location, or at an approved surface location within said Unit D, to depths of approximately 5,500' TVD, 9,900' MD for a Paddock lateral; 6,100' TVD, 10,500' MD for an Upper Blinebry lateral; and 6,600' TVD, 11,021' MD for a Lower Blinebry lateral ("Operation"). The total cost of the Operation is estimated to be \$9,648,000.00 and a detailed description of such cost is set out in the enclosed Authority for Expenditure ("AFE").

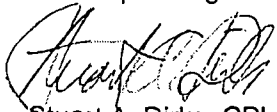
Also enclosed is COG's proposed form of Operating Agreement ("OA"). A completed version of the Exhibit "A" to be incorporated into the OA will follow under separate cover, accompanied by a fully executed set of signature pages.

If you elect to participate in the subject well, please sign and return a copy of the AFE to the below letterhead address.

If you desire to receive well information regarding the subject operations please return a Well Information Requirements list to COG. Technical questions should be directed to Carl Bird at 432-686-3057 and land questions to the undersigned at 432-685-4354.

Yours truly,

COG Operating LLC


Stuart A. Dirks, CPL
Senior Landman

Enclosure (s)

COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING

WELL NAME: Puckett "12" Federal #2H	PROSPECT NAME: Puckett
Surf. Loc: 110' FNL, 990' FWL, Sec 12, 17S-31E	COUNTY & STATE: Eddy Co, NM
BHL: 330' FSL, 990' FWL, Sec 12, 17S-31E	OBJECTIVE: 9900' MD (5500' TVD) Paddock

INTANGIBLE COSTS		BCP	ACP	TOTAL
Title/Curative/Permit	201	10,000		10,000
Insurance	202	22,000	302	22,000
Damages/Right of Way	203		303	0
Survey/Stake Location	204		304	0
Location/Pits/Road Expense	205	10,000	305	10,000
Drilling / Completion Overhead	206	5,000	306	1,000
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract 12:3 @ \$13000/day	209	156,000	309	39,000
Directional Drilling Services, With RS	210	350,000	310	
Fuel & Power	211	68,000	311	17,000
Water	212	25,000	312	75,000
Bits	213	30,000	313	1,000
Mud & Chemicals	214	15,000	314	
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217			0
Cement Intermediate	218			0
Cement 2nd Intermediate 7"	218		319	0
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
Float Equipment & Centralizers	221		321	0
Casing Crews & Equipment	222		322	13,000
Fishing Tools & Service	223	100,000	323	
Geologic/Engineering	224	10,000	324	1,000
Contract Labor	225	10,000	325	30,000
Company Supervision	226	2,000	326	2,000
Contract Supervision	227	17,000	327	4,200
Testing Casing/Tubing	228	4,000	328	1,500
Mud Logging Unit	229	12,000	329	
Logging	230		330	0
Perforating/Wireline Services	231	15,000	331	12,500
Stimulation/Treating			332	950,000
Completion Unit		12,000	333	45,000
Swabbing Unit			334	0
Rentals-Surface	235	15,000	335	45,000
Rentals-Subsurface	236	60,000	336	10,000
Trucking/Forklift/Rig Mobilization	237	40,000	337	20,000
Welding Services	238	3,000	338	1,500
Water Disposal	239		339	25,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	50,000	344	
Miscellaneous	242	5,000	342	1,000
Contingency	243	105,000	343	131,300
TOTAL INTANGIBLES		1,151,000	1,436,000	2,587,000
TANGIBLE COSTS				
Surface Casing	401			1,200
Intermediate Casing	402		503	0
Production Casing/Liner 4200' - 4.5"			503	51,000
Tubing			504	0
Wellhead Equipment	405		505	0
Pumping Unit			506	0
Prime Mover			507	0
Rods			508	0
Pumps			509	0
Tanks			510	0
Flowlines			511	0
Heater Treater/Separator			512	0
Electrical System			513	0
Packers/Anchors/Hangers	414		514	230,000
Couplings/Fittings/Valves	415	2,000	515	25,000
Gas Compressors/Meters			516	4,000
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	1,000	519	1,000
Contingency	420	1,000	520	32,000
TOTAL TANGIBLES		4,000	343,000	347,000
TOTAL WELL COSTS		1,155,000	1,779,000	2,934,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:
_____% Working Interest

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
DRILLING**

WELL NAME: Puckett "12" Federal #2H	PROSPECT NAME: Puckett
Surf. Loc: 110' FNL, 990' FWL, Sec 12, 17S-31E	COUNTY & STATE: Eddy Co, NM
BHL: 330' FSL, 990' FWL, Sec 12, 17S-31E	OBJECTIVE: 10500' MD (6100' TVD) Upper Blinebry
WO/Pilot, 160 Acre	

<u>INTANGIBLE COSTS</u>		<u>BCP</u>	<u>ACP</u>	<u>TOTAL</u>
Title/Curative/Permit	201	10,000		10,000
Insurance	202	22,000	302	22,000
Damages/Right of Way	203		303	0
Survey/Stake Location	204		304	0
Location/Pits/Road Expense	205	10,000	305 10,000	20,000
Drilling / Completion Overhead	206	5,000	306 1,000	6,000
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract 12:3 @ \$13000/day	209	156,000	309 39,000	195,000
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Fuel & Power	211	68,000	311 17,000	85,000
Water	212	25,000	312 75,000	100,000
Bits	213	30,000	313 1,000	31,000
Mud & Chemicals	214	15,000	314	15,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217			0
Cement Intermediate	218			0
Cement 2nd Intermediate 7"	218		319	0
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
Float Equipment & Centralizers	221		321	0
Casing Crews & Equipment	222		322 13,000	13,000
Fishing Tools & Service	223	100,000	323	100,000
Geologic/Engineering	224	10,000	324 1,000	11,000
Contract Labor	225	10,000	325 30,000	40,000
Company Supervision	226	2,000	326 2,000	4,000
Contract Supervision	227	17,000	327 4,200	21,200
Testing Casing/Tubing	228	4,000	328 1,500	5,500
Mud Logging Unit	229	12,000	329	12,000
Logging	230		330	0
Perforating/Wireline Services	231	15,000	331 12,500	27,500
Stimulation/Treating			332 950,000	950,000
Completion Unit		12,000	333 45,000	57,000
Swabbing Unit			334	0
Rentals-Surface	235	15,000	335 45,000	60,000
Rentals-Subsurface	236	60,000	336 10,000	70,000
Trucking/Forklift/Rig Mobilization	237	40,000	337 20,000	60,000
Welding Services	238	3,000	338 1,500	4,500
Water Disposal	239		339 25,000	25,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	50,000	344	50,000
Miscellaneous	242	5,000	342 1,000	6,000
Contingency	243	105,000	343 131,300	236,300
TOTAL INTANGIBLES		1,151,000	1,436,000	2,587,000
<u>TANGIBLE COSTS</u>				
Surface Casing	401			1,200
Intermediate Casing	402	503		0
Production Casing/Liner 4200' - 4.5"		503 51,000		51,000
Tubing		504		0
Wellhead Equipment	405	505		0
Pumping Unit		506		0
Prime Mover		507		0
Rods		508		0
Pumps		509		0
Tanks		510		0
Flowlines		511		0
Heater Treater/Separator		512		0
Electrical System		513		0
Packers/Anchors/Hangers	414	514 230,000		230,000
Couplings/Fittings/Valves	415	515 25,000		27,000
Gas Compressors/Meters		516 4,000		4,000
Dehydrator		517		0
Injection Plant/CO2 Equipment		518		0
Miscellaneous	419	519 1,000		2,000
Contingency	420	520 32,000		33,000
TOTAL TANGIBLES		4,000	343,000	347,000
TOTAL WELL COSTS		1,155,000	1,779,000	2,934,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:
_____ % Working Interest

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
DRILLING**

WELL NAME: Puckett "12" Federal #2H	PROSPECT NAME: Puckett
Surf. Loc: 110' FNL, 990' FWL, Sec 12, 17S-31E	COUNTY & STATE: Eddy Co, NM
BHL: 330' FSL, 990' FWL, Sec 12, 17S-31E	OBJECTIVE: 11021' MD (6600' TVD) Lower Blinebry
WO/Pilot, 160 Acre	

INTANGIBLE COSTS		BCP		ACP	TOTAL
Title/Curative/Permit	201	10,000			10,000
Insurance	202	22,000	302		22,000
Damages/Right of Way	203	15,000	303		15,000
Survey/Stake Location	204	3,000	304		3,000
Location/Pits/Road Expense	205	40,000	305	65,000	105,000
Drilling / Completion Overhead	206	5,000	306	1,000	6,000
Turnkey Contract	207		307		0
Footage Contract	208		308		0
Daywork Contract 20:2 @ \$13000/day	209	260,000	309	26,000	286,000
Directional Drilling Services, With RS	210	400,000	310		400,000
Fuel & Power	211	112,500	311	11,250	123,750
Water	212	30,000	312	75,000	105,000
Bits	213	45,000	313	1,000	46,000
Mud & Chemicals	214	25,000	314		25,000
Drill Stem Test	215		315		0
Coring & Analysis	216				0
Cement Surface	217	16,000			16,000
Cement Intermediate	218	16,000			16,000
Cement Production 7"x5.5"	218		319	70,000	70,000
Cement Squeeze & Other (NO Kickoff Plug)	220		320		0
Float Equipment & Centralizers	221	3,500	321	15,000	18,500
Casing Crews & Equipment	222	7,000	322	13,000	20,000
Fishing Tools & Service	223		323		0
Geologic/Engineering	224	10,000	324	1,000	11,000
Contract Labor	225	10,000	325	30,000	40,000
Company Supervision	226	2,000	326	2,000	4,000
Contract Supervision	227	28,000	327	4,000	32,000
Testing Casing/Tubing	228	4,000	328	1,500	5,500
Mud Logging Unit	229	16,000	329		16,000
Logging	230	0	330	5,000	5,000
Perforating/Wireline Services	231	3,500	331	125,000	128,500
Stimulation/Treating			332	760,000	760,000
Completion Unit			333	40,000	40,000
Swabbing Unit			334		0
Rentals-Surface	235	20,000	335	100,000	120,000
Rentals-Subsurface	236	30,000	336	10,000	40,000
Trucking/Forklift/Rig Mobilization	237	40,000	337	100,000	140,000
Welding Services	238	3,000	338	1,500	4,500
Water Disposal	239		339	25,000	25,000
Plug to Abandon	240		340		0
Seismic Analysis	241		341		0
Closed Loop & Environmental	244	120,000	344		120,000
Miscellaneous	242	5,000	342	1,000	6,000
Contingency	243	131,500	343	149,750	281,250
TOTAL INTANGIBLES		1,433,000		1,633,000	3,066,000

TANGIBLE COSTS		BCP		ACP	TOTAL
Surface Casing 550' 13 3/8"	401	20,000			1,200
Intermediate Casing 1850' 9 5/8"	402	48,000	503		48,000
Production Casing/Liner 6900' - 7", 4200' - 5.5"			503	260,000	260,000
Tubing 6200' 2 7/8"			504	38,000	38,000
Wellhead Equipment	405	30,000	505	18,000	48,000
Pumping Unit			506	97,000	97,000
Prime Mover			507		0
Rods			508	39,000	39,000
Pumps			509	4,500	4,500
Tanks			510	20,000	20,000
Flowlines			511	15,000	15,000
Heater Treater/Separator			512	25,000	25,000
Electrical System			513		0
Packers/Anchors/Hangers	414		514		0
Couplings/Fittings/Valves	415	2,000	515	25,000	27,000
Gas Compressors/Meters			516	4,000	4,000
Dehydrator			517		0
Injection Plant/CO2 Equipment			518		0
Miscellaneous	419	1,000	519	1,000	2,000
Contingency	420	11,000	520	55,500	66,500
TOTAL TANGIBLES		112,000		602,000	714,000
TOTAL WELL COSTS		1,545,000		2,235,000	3,780,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve:
_____% Working Interest

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.

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- 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:

Zorro Partners
616 Texas Street
Fort Worth, TX 73102
Puckett 12 Fed #2H

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

☒ Certified Mail

☐ Express Mail

☐ Registered

☒ Return Receipt for Merchandise

☐ Insured Mail

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☒ Yes

2. Article Number
(Transfer to)

91 7199 9991 7030 0515 2131

PS Form 3811, February 2004

Domestic Return Receipt

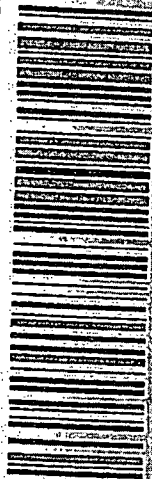
102595-02-M-1540

CONCHO

550 West Texas Avenue, Suite 100
Midland, Texas 79701

Zorro Partners
616 Texas Street
Fort Worth, TX 73102
Puckett 12 Fed #2H

91 7199 9991 7030 0515 2131



June 20, 2011

U.S. Certified Mail
Return Receipt Requested

Burnett Oil Company
Burnett Plaza, Unit 9
801 Cherry Street, Suite 1500
Fort Worth, Texas 76102

COPY

COPY

RE: New Well Proposal
Puckett "12" Federal #3H
SHL: 75' FNL & 1650' FWL (Unit C) of Section 12, T17S, R31E
BHL: 330' FSL & 1650' FWL, (Unit N) of Section 12, T17S, R31E
Eddy County, New Mexico

Dear Sirs:

COG Operating LLC ("COG") proposes to drill the Puckett "12" Federal #3H, as a triple lateral well at the captioned location, or a legal location within said Unit M, to depths of approximately 5,500' TVD, 9,900' MD for a Paddock lateral; 6,100' TVD, 10,500' MD for an Upper Blinebry lateral; and 6,600' TVD, 11,021' MD for a Lower Blinebry lateral ("Operation"). The total cost of the Operation is estimated to be \$9,648,000.00 and a detailed description of such cost is set out in the enclosed Authority for Expenditure ("AFE").

Also enclosed is COG's proposed form of Operating Agreement ("OA"). A completed version of the Exhibit "A" to be incorporated into the OA will follow under separate cover, accompanied by a fully executed set of signature pages.

If you elect to participate in the subject well, please sign and return a copy of the AFE to the below letterhead address.

If you desire to receive well information regarding the subject operations please return a Well Information Requirements list to COG. Technical questions should be directed to Carl Bird at 432-686-3057 and land questions to the undersigned at 432-685-4354.

Yours truly,

COG Operating LLC

S. Dirks

Stuart A. Dirks, CPL
Senior Landman

Enclosure (s)
DRE/rc



Confirmation Services	Package ID: 9171999991703005118298	Electronic Certified
	Destination ZIP Code: 76102	First Class Large Envelope
	Customer Reference:	PBP Account #: 41592288
	Recipient: <i>Burnett</i>	Serial #: 1364097
	Address: <i>Puckett 12 Fed 3H</i>	JUN 20 2011 4:16 PM

UNDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. 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.

Article Addressed to:

Gunnett Oil Company
Gunnett Plaza, Unit 9
1111 Cherry Street, Suite 1500
Fort Worth, Texas 76102
Gunnett 12 Federal #3H

COMPLETE THIS SECTION ON DELIVERY

A. Signature *M. Burger* B. Agent ☒ Agent
C. Date of Delivery *1/24/11*
D. Is delivery address different from item 1? ☒ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail ☒ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

Article Number 91 7199 9991 7030 0511 8298

Transfer from service label

Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "12" Federal #3H	PROSPECT NAME: Puckett
Surf. Loc: 75' FNL, 1650' FWL, Sec 12, 17S-31E	COUNTY & STATE: Eddy Co, NM
BHL: 330' FSL, 1650' FWL, Sec 12, 17S-31E	OBJECTIVE: 11021' MD (6600' TVD) Lower Blinbry
WO/Pilot, 160 Acre	

INTANGIBLE COSTS		BCP	ACP	TOTAL
Title/Curative/Permit	201	10,000		10,000
Insurance	202	22,000	302	22,000
Damages/Right of Way	203	15,000	303	15,000
Survey/Stake Location	204	3,000	304	3,000
Location/Pits/Road Expense	205	40,000	305 65,000	105,000
Drilling / Completion Overhead	206	5,000	306 1,000	6,000
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract 20:2 @ \$13000/day	209	260,000	309 26,000	286,000
Directional Drilling Services, With RS	210	400,000	310	400,000
Fuel & Power	211	112,500	311 11,250	123,750
Water	212	30,000	312 75,000	105,000
Bits	213	45,000	313 1,000	46,000
Mud & Chemicals	214	25,000	314	25,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217	16,000		16,000
Cement Intermediate	218	16,000		16,000
Cement Production 7"x5.5"	218		319 70,000	70,000
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
Float Equipment & Centralizers	221	3,500	321 15,000	18,500
Casing Crews & Equipment	222	7,000	322 13,000	20,000
Fishing Tools & Service	223		323	0
Geologic/Engineering	224	10,000	324 1,000	11,000
Contract Labor	225	10,000	325 30,000	40,000
Company Supervision	226	2,000	326 2,000	4,000
Contract Supervision	227	28,000	327 4,000	32,000
Testing Casing/Tubing	228	4,000	328 1,500	5,500
Mud Logging Unit	229	16,000	329	16,000
Logging	230	0	330 5,000	5,000
Perforating/Wireline Services	231	3,500	331 125,000	128,500
Stimulation/Treating			332 760,000	760,000
Completion Unit			333 40,000	40,000
Swabbing Unit			334	0
Rentals-Surface	235	20,000	335 100,000	120,000
Rentals-Subsurface	236	30,000	336 10,000	40,000
Trucking/Forklift/Rig Mobilization	237	40,000	337 100,000	140,000
Welding Services	238	3,000	338 1,500	4,500
Water Disposal	239		339 25,000	25,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	120,000	344	120,000
Miscellaneous	242	5,000	342 1,000	6,000
Contingency	243	131,500	343 149,750	281,250
TOTAL INTANGIBLES		1,433,000	1,633,000	3,066,000
TANGIBLE COSTS				
Surface Casing 550' 13 3/8"	401	20,000		1,200
Intermediate Casing 1850' 9 5/8"	402	48,000	503	48,000
Production Casing/Liner 6900' - 7", 4200' - 5.5"			503 260,000	260,000
Tubing 6200' 2 7/8"			504 38,000	38,000
Wellhead Equipment	405	30,000	505 18,000	48,000
Pumping Unit			506 97,000	97,000
Prime Mover			507	0
Rods			508 39,000	39,000
Pumps			509 4,500	4,500
Tanks			510 20,000	20,000
Flowlines			511 15,000	15,000
Heater Treater/Separator			512 25,000	25,000
Electrical System			513	0
Packers/Anchors/Hangers	414		514	0
Couplings/Fittings/Valves	415	2,000	515 25,000	27,000
Gas Compressors/Meters			516 4,000	4,000
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	1,000	519 1,000	2,000
Contingency	420	11,000	520 55,500	66,500
TOTAL TANGIBLES		112,000	602,000	714,000
TOTAL WELL COSTS		1,545,000	2,235,000	3,780,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve:
_____% Working Interest

Company:

By:

Printed Name:

Title:

Date:

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**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "12" Federal #3H	PROSPECT NAME: Puckett
Surf. Loc: 75' FNL, 1650' FWL, Sec 12, 17S-31E	COUNTY & STATE: Eddy Co, NM
BHL: 330' FSL, 1650' FWL, Sec 12, 17S-31E	OBJECTIVE: 10500' MD (6100' TVD) Upper Blinbry
WO/Pilot, 160 Acre	

INTANGIBLE COSTS		BCP	ACP	TOTAL
Title/Curative/Permit	201	10,000		10,000
Insurance	202	22,000		22,000
Damages/Right of Way	203			0
Survey/Stake Location	204			0
Location/Pits/Road Expense	205	10,000	10,000	20,000
Drilling / Completion Overhead	206	5,000	1,000	6,000
Turnkey Contract	207			0
Footage Contract	208			0
Daywork Contract 12:3 @ \$13000/day	209	156,000	39,000	195,000
Directional Drilling Services, With RS	210	350,000		350,000
Fuel & Power	211	68,000	17,000	85,000
Water	212	25,000	75,000	100,000
Bits	213	30,000	1,000	31,000
Mud & Chemicals	214	15,000		15,000
Drill Stem Test	215			0
Coring & Analysis	216			0
Cement Surface	217			0
Cement Intermediate	218			0
Cement 2nd Intermediate 7"	218		319	0
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
Float Equipment & Centralizers	221		321	0
Casing Crews & Equipment	222		13,000	13,000
Fishing Tools & Service	223	100,000		100,000
Geologic/Engineering	224	10,000	1,000	11,000
Contract Labor	225	10,000	30,000	40,000
Company Supervision	226	2,000	2,000	4,000
Contract Supervision	227	17,000	4,200	21,200
Testing Casing/Tubing	228	4,000	1,500	5,500
Mud Logging Unit	229	12,000		12,000
Logging	230			0
Perforating/Wireline Services	231	15,000	12,500	27,500
Stimulation/Treating			950,000	950,000
Completion Unit		12,000	45,000	57,000
Swabbing Unit				0
Rentals-Surface	235	15,000	45,000	60,000
Rentals-Subsurface	236	60,000	10,000	70,000
Trucking/Forklift/Rig Mobilization	237	40,000	20,000	60,000
Welding Services	238	3,000	1,500	4,500
Water Disposal	239		25,000	25,000
Plug to Abandon	240			0
Seismic Analysis	241			0
Closed Loop & Environmental	244	50,000		50,000
Miscellaneous	242	5,000	1,000	6,000
Contingency	243	105,000	131,300	236,300
TOTAL INTANGIBLES		1,151,000	1,436,000	2,587,000
TANGIBLE COSTS				
Surface Casing	401			1,200
Intermediate Casing	402			0
Production Casing/Liner 4200' - 4.5"			51,000	51,000
Tubing				0
Wellhead Equipment	405			0
Pumping Unit				0
Prime Mover				0
Rods				0
Pumps				0
Tanks				0
Flowlines				0
Heater Treater/Separator				0
Electrical System				0
Packers/Anchors/Hangers	414		230,000	230,000
Couplings/Fittings/Valves	415	2,000	25,000	27,000
Gas Compressors/Meters			4,000	4,000
Dehydrator				0
Injection Plant/CO2 Equipment				0
Miscellaneous	419	1,000	1,000	2,000
Contingency	420	1,000	32,000	33,000
TOTAL TANGIBLES		4,000	343,000	347,000
TOTAL WELL COSTS		1,155,000	1,779,000	2,934,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:
_____% Working Interest

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
DRILLING**

WELL NAME: Puckett 12" Federal #3H

PROSPECT NAME: Puckett

Surf. Loc: 75' FNL, 1650' FWL, Sec 12, 17S-31E

COUNTY & STATE: Eddy Co, NM

BHL: 330' FSL, 1650' FWL, Sec 12, 17S-31E

OBJECTIVE: 9900' MD (5500' TVD) Paddock

WO/Pilot, 160 Acre

INTANGIBLE COSTS

		BCP	ACP	TOTAL
Title/Curative/Permit	201	10,000		10,000
Insurance	202	22,000	302	22,000
Damages/Right of Way	203		303	0
Survey/Stake Location	204		304	0
Location/Pits/Road Expense	205	10,000	305	10,000
Drilling / Completion Overhead	206	5,000	306	1,000
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract 12:3 @ \$13000/day	209	156,000	309	39,000
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Water	212	25,000	312	75,000
Bits	213	30,000	313	1,000
Mud & Chemicals	214	15,000	314	15,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217			0
Cement Intermediate	218			0
Cement 2nd Intermediate 7"	218		319	0
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
Float Equipment & Centralizers	221		321	0
Casing Crews & Equipment	222		322	13,000
Fishing Tools & Service	223	100,000	323	100,000
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Testing Casing/Tubing	228	4,000	328	1,500
Mud Logging Unit	229	12,000	329	12,000
Logging	230		330	0
Perforating/Wireline Services	231	15,000	331	12,500
Stimulation/Treating			332	950,000
Completion Unit		12,000	333	45,000
Swabbing Unit			334	0
Rentals-Surface	235	15,000	335	45,000
Rentals-Subsurface	236	60,000	336	10,000
Trucking/Forklift/Rig Mobilization	237	40,000	337	20,000
Welding Services	238	3,000	338	1,500
Water Disposal	239		339	25,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	50,000	344	50,000
Miscellaneous	242	5,000	342	1,000
Contingency	243	105,000	343	131,300
TOTAL INTANGIBLES		1,151,000	1,436,000	2,587,000

TANGIBLE COSTS

Surface Casing	401			1,200
Intermediate Casing	402		503	0
Production Casing/Liner 4200' - 4.5"			503	51,000
Tubing			504	0
Wellhead Equipment	405		505	0
Pumping Unit			506	0
Prime Mover			507	0
Rods			508	0
Pumps			509	0
Tanks			510	0
Flowlines			511	0
Heater Treater/Separator			512	0
Electrical System			513	0
Packers/Anchors/Hangers	414		514	230,000
Couplings/Fittings/Valves	415	2,000	515	25,000
Gas Compressors/Meters			516	4,000
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	1,000	519	1,000
Contingency	420	1,000	520	32,000
TOTAL TANGIBLES		4,000	343,000	347,000
TOTAL WELL COSTS		1,155,000	1,779,000	2,934,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:
_____% Working Interest

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.

June 20, 2011

U.S. Certified Mail
Return Receipt Requested

Javalina Partners
616 Texas Street
Fort Worth, TX 76102

RE: **New Well Proposal**
Puckett "12" Federal #3H
SHL: 75' FNL & 1650' FWL (Unit C) of Section 12, T17S, R31E
BHL: 330' FSL & 1650' FWL, (Unit N) of Section 12, T17S, R31E
Eddy County, New Mexico

Dear Sirs:

COG Operating LLC ("COG") proposes to drill the Puckett "12" Federal #3H, as a triple lateral well at the captioned location, or a legal location within said Unit M, to depths of approximately 5,500' TVD, 9,900' MD for a Paddock lateral; 6,100' TVD, 10,500' MD for an Upper Blinebry lateral; and 6,600' TVD, 11,021' MD for a Lower Blinebry lateral ("Operation"). The total cost of the Operation is estimated to be \$9,648,000.00 and a detailed description of such cost is set out in the enclosed Authority for Expenditure ("AFE").

Also enclosed is COG's proposed form of Operating Agreement ("OA"). A completed version of the Exhibit "A" to be incorporated into the OA will follow under separate cover, accompanied by a fully executed set of signature pages.

If you elect to participate in the subject well, please sign and return a copy of the AFE to the below letterhead address.

If you desire to receive well information regarding the subject operations please return a Well Information Requirements list to COG. Technical questions should be directed to Carl Bird at 432-686-3057 and land questions to the undersigned at 432-685-4354.

Yours truly,

COG Operating LLC

S. Dirks - gjh

Stuart A. Dirks, CPL
Senior Landman

Enclosure (c)
DRE/rc

Confirmation Services	Package ID: 9171999991703005118311	Electronic Certified
	Destination ZIP Code: 76102	First Class Large Envelope
	Customer Reference:	PBP Account #: 41592288
	Recipient: <i>Javalina</i>	Serial #: 1364097
	Address: <i>Puckett 12 # 3H</i>	JUN 20 2011 4:14 PM

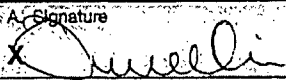
SENDER: COMPLETE THIS SECTION

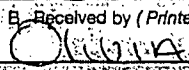
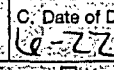
- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Javalina Partners
616 Texas Street
Fort Worth, TX 76102
Puckett 12 Federal #3H

COMPLETE THIS SECTION ON DELIVERY

A. Signature  ☐ 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
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number
(Transfer from service label)

91 7199 9991 7030 0511 8311

COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING

WELL NAME: Puckett "12" Federal #3H PROSPECT NAME: Puckett
Surf. Loc: 75' FNL, 1650' FWL, Sec 12, 17S-31E COUNTY & STATE: Eddy Co, NM
BHL: 330' FSL, 1650' FWL, Sec 12, 17S-31E OBJECTIVE: 11021' MD (6600' TVD) Lower Blinbry
WO/Pilot, 160 Acre

INTANGIBLE COSTS		BCP	ACP	TOTAL
Title/Curative/Permit	201	10,000		10,000
Insurance	202	22,000	302	22,000
Damages/Right of Way	203	15,000	303	15,000
Survey/Stake Location	204	3,000	304	3,000
Location/Pits/Road Expense	205	40,000	305 65,000	105,000
Drilling / Completion Overhead	206	5,000	306 1,000	6,000
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract 20:2 @ \$13000/day	209	260,000	309 26,000	286,000
Directional Drilling Services, With RS	210	400,000	310	400,000
Fuel & Power	211	112,500	311 11,250	123,750
Water	212	30,000	312 75,000	105,000
Bits	213	45,000	313 1,000	46,000
Mud & Chemicals	214	25,000	314	25,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217	16,000		16,000
Cement Intermediate	218	16,000		16,000
Cement Production 7"x5.5"	218		319 70,000	70,000
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
Float Equipment & Centralizers	221	3,500	321 15,000	18,500
Casing Crews & Equipment	222	7,000	322 13,000	20,000
Fishing Tools & Service	223		323	0
Geologic/Engineering	224	10,000	324 1,000	11,000
Contract Labor	225	10,000	325 30,000	40,000
Company Supervision	226	2,000	326 2,000	4,000
Contract Supervision	227	28,000	327 4,000	32,000
Testing Casing/Tubing	228	4,000	328 1,500	5,500
Mud Logging Unit	229	16,000	329	16,000
Logging	230	0	330 5,000	5,000
Perforating/Wireline Services	231	3,500	331 125,000	128,500
Stimulation/Treating			332 760,000	760,000
Completion Unit			333 40,000	40,000
Swabbing Unit			334	0
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Rentals-Subsurface	236	30,000	336 10,000	40,000
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Seismic Analysis	241		341	0
Closed Loop & Environmental	244	120,000	344	120,000
Miscellaneous	242	5,000	342 1,000	6,000
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TANGIBLE COSTS				
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Intermediate Casing 1850' 9 5/8"	402	48,000	503	48,000
Production Casing/Liner 6900' - 7", 4200' - 5.5"			503 260,000	260,000
Tubing 6200' 2 7/8"			504 38,000	38,000
Wellhead Equipment	405	30,000	505 18,000	48,000
Pumping Unit			506 97,000	97,000
Prime Mover			507	0
Rods			508 39,000	39,000
Pumps			509 4,500	4,500
Tanks			510 20,000	20,000
Flowlines			511 15,000	15,000
Heater Treater/Separator			512 25,000	25,000
Electrical System			513	0
Packers/Anchors/Hangers	414		514	0
Couplings/Fittings/Valves	415	2,000	515 25,000	27,000
Gas Compressors/Meters			516 4,000	4,000
Dehydrator			517	0
Injection Plan/CO2 Equipment			518	0
Miscellaneous	419	1,000	519 1,000	2,000
Contingency	420	11,000	520 55,500	66,500
TOTAL TANGIBLES		112,000	602,000	714,000
TOTAL WELL COSTS		1,545,000	2,235,000	3,780,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve:
_____% Working Interest

Company:

By:

Printed Name:

Title:

Date:

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WO/Pilot, 160 Acre

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Intermediate Casing	402		503	0
Production Casing/Liner 4200' - 4.5"			503 51,000	51,000
Tubing			504	0
Wellhead Equipment	405		505	0
Pumping Unit			506	0
Prime Mover			507	0
Rods			508	0
Pumps			509	0
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Flowlines			511	0
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Electrical System			513	0
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Contingency	420	1,000	520 32,000	33,000
TOTAL TANGIBLES		4,000	343,000	347,000
TOTAL WELL COSTS		1,155,000	1,779,000	2,934,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:
_____% Working Interest

Company:

By:

Printed Name:

Title:

Date:

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WO/Pilot, 160 Acre	

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COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:
_____% Working Interest

Company:

By:

Printed Name:

Title:

Date:

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June 20, 2011

U.S. Certified Mail
Return Receipt Requested

Zorro Partners
616 Texas Street
Fort Worth, TX 76102

RE: **New Well Proposal**
Puckett "12" Federal #3H
SHL: 75' FNL & 1650' FWL (Unit C) of Section 12, T17S, R31E
BHL: 330' FSL & 1650' FWL, (Unit N) of Section 12, T17S, R31E
Eddy County, New Mexico

Dear Sirs:

COG Operating LLC ("COG") proposes to drill the Puckett "12" Federal #3H, as a triple lateral well at the captioned location, or a legal location within said Unit M, to depths of approximately 5,500' TVD, 9,900' MD for a Paddock lateral; 6,100' TVD, 10,500' MD for an Upper Blinebry lateral; and 6,600' TVD, 11,021' MD for a Lower Blinebry lateral ("Operation"). The total cost of the Operation is estimated to be \$9,648,000.00 and a detailed description of such cost is set out in the enclosed Authority for Expenditure ("AFE").

Also enclosed is COG's proposed form of Operating Agreement ("OA"). A completed version of the Exhibit "A" to be incorporated into the OA will follow under separate cover, accompanied by a fully executed set of signature pages.

If you elect to participate in the subject well, please sign and return a copy of the AFE to the below letterhead address.

If you desire to receive well information regarding the subject operations please return a Well Information Requirements list to COG. Technical questions should be directed to Carl Bird at 432-686-3057 and land questions to the undersigned at 432-685-4354.

Yours truly,

COG Operating LLC

S. Dirks - CJ

Stuart A. Dirks, CPL
Senior Landman

Enclosure (1)
DRE/rc

Confirmation Services	Package ID: 9171999991703005118304	Electronic Certified
	Destination ZIP Code: 76102	First Class Large Envelope
	Customer Reference:	PBP Account #: 41592288
	Recipient: <i>Zorro</i>	Serial #: 1364097
	Address: <i>Puckett 12 Fed 3H</i>	JUN 20 2011 4:15 PM

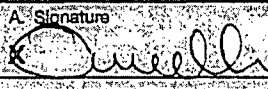
SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
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.

Article Addressed to:

Zorzo Partners
516 Texas Street
Fort Worth, TX 76102
P.O. Box 12 Federal #3H

COMPLETE THIS SECTION ON DELIVERY

A. Signature 		<input type="checkbox"/> Agent <input type="checkbox"/> Addressee
B. Received by (Printed Name) Quinn	C. Date of Delivery 6-22	
D. Is delivery address different from item 1? If YES, enter delivery address below:		<input type="checkbox"/> Yes <input type="checkbox"/> No

3. Service Type	
<input checked="" type="checkbox"/> Certified Mail	<input type="checkbox"/> Express Mail
<input type="checkbox"/> Registered	<input type="checkbox"/> Return Receipt for Merchandise
<input type="checkbox"/> Insured Mail	<input type="checkbox"/> C.O.D.

4. Restricted Delivery? (Extra Fee)	<input type="checkbox"/> Yes
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Article Number 91 7199 9991 7030 0511 8304
(Transfer from service label)

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Date Prepared: 5/16/11

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_____ % Working Interest

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Production Casing/Liner 4200' - 4.5"			503 51,000	51,000
Tubing			504	0
Wellhead Equipment	405		505	0
Pumping Unit			506	0
Prime Mover			507	0
Rods			508	0
Pumps			509	0
Tanks			510	0
Flowlines			511	0
Heater Treater/Separator			512	0
Electrical System			513	0
Packers/Anchors/Hangers	414		514 230,000	230,000
Couplings/Fittings/Valves	415	2,000	515 25,000	27,000
Gas Compressors/Meters			516 4,000	4,000
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	1,000	519 1,000	2,000
Contingency	420	1,000	520 32,000	33,000
TOTAL TANGIBLES		4,000	343,000	347,000
TOTAL WELL COSTS		1,155,000	1,779,000	2,934,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:
_____% Working Interest

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
DRILLING

WELL NAME: Puckett #12" Federal #3H

PROSPECT NAME: Puckett

Surf. Loc: 75' FNL, 1650' FWL, Sec 12, 17S-31E

COUNTY & STATE: Eddy Co, NM

BHL: 330' FSL, 1650' FWL, Sec 12, 17S-31E

OBJECTIVE: 9900' MD (5500' TVD) Paddock

WO/Pilot, 160 Acre

INTANGIBLE COSTS

		BCP	ACP	TOTAL
Title/Curative/Permit	201	10,000		10,000
Insurance	202	22,000	302	22,000
Damages/Right of Way	203		303	0
Survey/Stake Location	204		304	0
Location/Pits/Road Expense	205	10,000	305 10,000	20,000
Drilling / Completion Overhead	206	5,000	306 1,000	6,000
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract 12:3 @ \$13000/day	209	156,000	309 39,000	195,000
Directional Drilling Services, With RS	210	350,000	310	350,000
Fuel & Power	211	68,000	311 17,000	85,000
Water	212	25,000	312 75,000	100,000
Bits	213	30,000	313 1,000	31,000
Mud & Chemicals	214	15,000	314	15,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217			0
Cement Intermediate	218			0
Cement 2nd Intermediate 7"	218		319	0
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
Float Equipment & Centralizers	221		321	0
Casing Crews & Equipment	222		322 13,000	13,000
Fishing Tools & Service	223	100,000	323	100,000
Geologic/Engineering	224	10,000	324 1,000	11,000
Contract Labor	225	10,000	325 30,000	40,000
Company Supervision	226	2,000	326 2,000	4,000
Contract Supervision	227	17,000	327 4,200	21,200
Testing Casing/Tubing	228	4,000	328 1,500	5,500
Mud Logging Unit	229	12,000	329	12,000
Logging	230		330	0
Perforating/Wireline Services	231	15,000	331 12,500	27,500
Stimulation/Treating			332 950,000	950,000
Completion Unit		12,000	333 45,000	57,000
Swabbing Unit			334	0
Rentals-Surface	235	15,000	335 45,000	60,000
Rentals-Subsurface	236	60,000	336 10,000	70,000
Trucking/Forklift/Rig Mobilization	237	40,000	337 20,000	60,000
Welding Services	238	3,000	338 1,500	4,500
Water Disposal	239		339 25,000	25,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	50,000	344	50,000
Miscellaneous	242	5,000	342 1,000	6,000
Contingency	243	105,000	343 131,300	236,300
TOTAL INTANGIBLES		1,151,000	1,436,000	2,587,000

TANGIBLE COSTS

Surface Casing	401			1,200
Intermediate Casing	402		503	0
Production Casing/Liner 4200' - 4.5"			503 51,000	51,000
Tubing			504	0
Wellhead Equipment	405		505	0
Pumping Unit			506	0
Prime Mover			507	0
Rods			508	0
Pumps			509	0
Tanks			510	0
Flowlines			511	0
Heater Treater/Separator			512	0
Electrical System			513	0
Packers/Anchors/Hangers	414		514 230,000	230,000
Couplings/Fittings/Valves	415	2,000	515 25,000	27,000
Gas Compressors/Meters			516 4,000	4,000
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	1,000	519 1,000	2,000
Contingency	420	1,000	520 32,000	33,000
TOTAL TANGIBLES		4,000	343,000	347,000
TOTAL WELL COSTS		1,155,000	1,779,000	2,934,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:
_____% Working Interest

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.



August 11, 2011

*U.S. Certified Mail
Return Receipt Requested*

Burnett Oil Company
Burnett Plaza, Unit 9
801 Cherry Street, Suite 1500
Fort Worth, Texas 76102

RE: **Amendment to New Well Proposal**
Puckett "12" Federal #3H
SL: 75' FNL & 1650' FWL (Unit C) of Section 12, T17S, R31E
BHL: 330' FSL & 1650' FWL, (Unit N) of Section 12, T17S, R31E
Eddy County, New Mexico

Dear Sirs:

Reference is made to our letter to you dated June 20, 2011 proposing the subject well.
Please note the following correction:

- The well will be drilled at an approved surface location within location unit letter C in Section 12.

If you have any questions, please do not hesitate to contact the undersigned at 432-685-4354.

Yours truly,

COG Operating LLC

A handwritten signature in black ink, appearing to read "Stuart A. Dirks".

Stuart A. Dirks, CPL
Senior Landman

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- 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:

Burnett Oil Company
Burnett Plaza, Unit 9
801 Cherry Street, Suite 1500
Fort Worth, Texas 73102
Puckett 12 Federal #3H

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

☒ Certified Mail

☐ Express Mail

☐ Registered

☐ Insured Mail

☒ Return Receipt for Merchandise

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

2. Article Number

(Transfer from service label)

91 7199 9991 7030 4047 8371

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540



August 11, 2011

*U.S. Certified Mail
Return Receipt Requested*

Javelina Partners
616 Texas Street
Fort Worth, TX 76102

RE: Amendment to New Well Proposal
Puckett "12" Federal #3H
SL: 75' FNL & 1650' FWL (Unit C) of Section 12, T17S, R31E
BHL: 330' FSL & 1650' FWL, (Unit N) of Section 12, T17S, R31E
Eddy County, New Mexico

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- The well will be drilled at an approved surface location within location unit letter C in Section 12.

If you have any questions, please do not hesitate to contact the undersigned at 432-685-4354.

Yours truly,

COG Operating LLC

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Stuart A. Dirks, CPL
Senior Landman

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- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Javalina Partners
616 Texas Street
Fort Worth, TX 76102
Puckett 12 Federal #3H

2. Article Number
(Transfer from service label)

91 7199 9991 7030 4047 8357

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

☒ Certified Mail☐ Express Mail☐ Registered☒ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes



August 11, 2011

*U.S. Certified Mail
Return Receipt Requested*

Zorro Partners, Ltd.
616 Texas Street
Fort Worth, TX 76102

RE: **Amendment to New Well Proposal**
Puckett "12" Federal #3H
SL: 75' FNL & 1650' FWL (Unit C) of Section 12, T17S, R31E
BHL: 330' FSL & 1650' FWL, (Unit N) of Section 12, T17S, R31E
Eddy County, New Mexico

Dear Sirs:

Reference is made to our letter to you dated June 20, 2011 proposing the subject well. Please note the following correction:

- The well will be drilled at an approved surface location within location unit letter C in Section 12.

If you have any questions, please do not hesitate to contact the undersigned at 432-685-4354.

Yours truly,

COG Operating LLC

A handwritten signature in black ink, appearing to read "Stuart A. Dirks".

Stuart A. Dirks, CPL
Senior Landman

UNITED STATES POSTAL SERVICE
FIRST CLASS PERMIT NO. 1000 WASHINGTON, DC 20540

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none">Complete Items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.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.		<p>A. Signature X</p> <p><input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>	
		B. Received by (Printed Name)	C. Date of Delivery
		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
1. Article Addressed to: Zorro Partners 616 Texas Street Fort Worth, TX 76102 Puckett 12 Federal #3H		3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
2. Article Number (Transfer from serv)		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
91 7199 9991 7030 4047 8340			

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- 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:

Burnett Oil Company
Burnett Plaza, Unit 9
801 Cherry Street, Suite 1500
Fort Worth, Texas 73102
Puckett 12 Federal #3H

COMPLETE THIS SECTION ON DELIVERY

- A. Signature ☒ Agent ☐ Addressee
- B. Received by (Printed Name) M. Berger Date of Delivery 8/15/11
- D. Is delivery address different from item 1? ☐ Yes ☒ No
If YES, enter delivery address below:

3. Service Type
- ☒ Certified Mail ☐ Express Mail
- ☐ Registered ☒ Return Receipt for Merchandise
- ☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number

(Transfer from service label)

91 7199 9991 7030 4042 8371

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p>■ Complete Items 1, 2, and 3. Also complete Item 4 if Restricted Delivery is desired.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>	<p>A. Signature <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <input type="checkbox"/> Date of Delivery</p>
<p>1. Article Addressed to:</p> <p>Javalina Partners 616 Texas Street Fort Worth, TX 76102 Puckett 12 Federal #3H</p>	<p>D. Is delivery address different from Item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If YES, enter delivery address below:</p> <p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label)</p>	<p>91 7199 9991 7030 4047 8357</p>

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p> <input type="checkbox"/> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. <input type="checkbox"/> Print your name and address on the reverse so that we can return the card to you. <input type="checkbox"/> Attach this card to the back of the mailpiece, or on the front if space permits. </p>		<p>A. Signature: <u>X [Signature]</u> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>	
<p>1. Article Addressed to:</p> <p>Zorro Partners 616 Texas Street Fort Worth, TX 76102 Puckett 12 Federal #3H</p>		<p>B. Received by (Printed Name) <u>[Signature]</u> C. Date of Delivery <u>AUG 15 2011</u></p>	
		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below:</p>	
		<p>3. Service Type: <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D. </p>	
		<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	
<p>2. Article Number (Transfer from serv)</p> <p>91 7199 9991 7030 4047 8340</p>			

June 20, 2011

U.S. Certified Mail
Return Receipt Requested

Burnett Oil Company
Burnett Plaza, Unit 9
801 Cherry Street, Suite 1500
Fort Worth, Texas 76102

COPY

RE: **New Well Proposal**
Puckett "12" Federal #5H
SHL: 10' FNL & 1781' FEL of Section 13, T17S, R31E
BHL: 330' FNL & 1980 FEL, of Section 12, T17S, R31E
Eddy County, New Mexico

Dear Sirs:

COG Operating LLC ("COG") proposes to drill the Puckett "12" Federal #5H, as a triple lateral well to penetrate the Yeso Formation at a legal location within Unit Letter O of Section 12, to depths of approximately 5,500' TVD, 9,900' MD for a Paddock lateral; 6,100' TVD, 10,500' MD for an Upper Blinebry lateral; and 6,600' TVD, 11,021' MD for a Lower Blinebry lateral ("Operation"). The total cost of the Operation is estimated to be \$9,648,000.00 and a detailed description of such cost is set out in the enclosed Authority for Expenditure ("AFE").

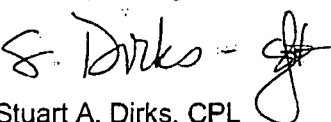
Also enclosed is COG's proposed form of Operating Agreement ("OA"). A completed version of the Exhibit "A" to be incorporated into the OA will follow under separate cover, accompanied by a fully executed set of signature pages.

If you elect to participate in the subject well, please sign and return a copy of the AFE to the below letterhead address.

If you desire to receive well information regarding the subject operations please return a Well Information Requirements list to COG. Technical questions should be directed to Carl Bird at 432-686-3057 and land questions to the undersigned at 432-685-4354.

Yours truly,

COG Operating LLC


Stuart A. Dirks, CPL
Senior Landman

Enclosure (s)
DRE/rc

Confirmation Services	Package ID: 9171999991703040142975	Electronic Certified
	Destination ZIP Code: 76102	First Class Large Envelope
	Customer Reference:	
	Recipient: <u>Burnett</u>	BBP Account #: 41592288
	Address: <u>Puckett 12 # 5H</u>	Serial #: 1364097
		JUN 20 2011 4:17 PM

ENDER: COMPLETE THIS SECTION

Complete Items 1, 2, and 3. Also complete Item 4 if Restricted Delivery is desired.
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.

Article Addressed to:

Burnett Oil Company
Burnett Plaza, Unit 9
801 Cherry Street, Suite 1500
Fort worth, Texas 76102
Puckett 12 Federal #5H

COMPLETE THIS SECTION ON DELIVERY

Signature: *M. Berger* ☒ Agent ☐ Addressee
Received by / Printed Name: *M. Berger* Date of Delivery: *6/22/11*
D. Is delivery address different from Item 1? ☐ Yes ☒ No
If YES, enter delivery address below:

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

Article Number (Transfer from service label) 91 7199 9991 7030 4014 2975

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "12" Federal #5H	PROSPECT NAME: Puckett
Surf. Loc: 10' FNL, 1781' FEL, Sec 13, 17S-31E	COUNTY & STATE: Eddy Co, NM
BHL: 330' FNL, 1980' FEL, Sec 12, 17S-31E	OBJECTIVE: 11021' MD (6600' TVD) Lower Blinebry
WO/Pilot, 160 Acre	

INTANGIBLE COSTS

		BCP	ACP	TOTAL
Title/Curative/Permit	201	10,000		10,000
Insurance	202	22,000	302	22,000
Damages/Right of Way	203	15,000	303	15,000
Survey/Stake Location	204	3,000	304	3,000
Location/Pits/Road Expense	205	40,000	305 65,000	105,000
Drilling / Completion Overhead	206	5,000	306 1,000	6,000
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract 20:2 @ \$13000/day	209	260,000	309 26,000	286,000
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Fuel & Power	211	112,500	311 11,250	123,750
Water	212	30,000	312 75,000	105,000
Bits	213	45,000	313 1,000	46,000
Mud & Chemicals	214	25,000	314	25,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217	16,000		16,000
Cement Intermediate	218	16,000		16,000
Cement Production 7"x5.5"	218		319 70,000	70,000
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
Float Equipment & Centralizers	221	3,500	321 15,000	18,500
Casing Crews & Equipment	222	7,000	322 13,000	20,000
Fishing Tools & Service	223		323	0
Geologic/Engineering	224	10,000	324 1,000	11,000
Contract Labor	225	10,000	325 30,000	40,000
Company Supervision	226	2,000	326 2,000	4,000
Contract Supervision	227	28,000	327 4,000	32,000
Testing Casing/Tubing	228	4,000	328 1,500	5,500
Mud Logging Unit	229	16,000	329	16,000
Logging	230	0	330 5,000	5,000
Perforating/Wireline Services	231	3,500	331 125,000	128,500
Stimulation/Treating			332 760,000	760,000
Completion Unit			333 40,000	40,000
Swabbing Unit			334	0
Rentals-Surface	235	20,000	335 100,000	120,000
Rentals-Subsurface	236	30,000	336 10,000	40,000
Trucking/Forklift/Rig Mobilization	237	40,000	337 100,000	140,000
Welding Services	238	3,000	338 1,500	4,500
Water Disposal	239		339 25,000	25,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	120,000	344	120,000
Miscellaneous	242	5,000	342 1,000	6,000
Contingency	243	131,500	343 149,750	281,250
TOTAL INTANGIBLES		1,433,000	1,633,000	3,066,000

TANGIBLE COSTS

Surface Casing 550' 13 3/8"	401	20,000		1,200
Intermediate Casing 1850' 9 5/8"	402	48,000	503	48,000
Production Casing/Liner 6900' - 7", 4200' - 5.5"			503 260,000	260,000
Tubing 6200' 2 7/8"			504 38,000	38,000
Wellhead Equipment	405	30,000	505 18,000	48,000
Pumping Unit			506 97,000	97,000
Prime Mover			507	0
Rods			508 39,000	39,000
Pumps			509 4,500	4,500
Tanks			510 20,000	20,000
Flowlines			511 15,000	15,000
Heater Treater/Separator			512 25,000	25,000
Electrical System			513	0
Packers/Anchors/Hangers	414		514	0
Couplings/Fittings/Valves	415	2,000	515 25,000	27,000
Gas Compressors/Meters			516 4,000	4,000
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	1,000	519 1,000	2,000
Contingency	420	11,000	520 55,500	66,500
TOTAL TANGIBLES		112,000	602,000	714,000
TOTAL WELL COSTS		1,545,000	2,235,000	3,780,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve:
_____% Working Interest

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
DRILLING**

WELL NAME: Puckett "12" Federal #5H

PROSPECT NAME: Puckett

Surf. Loc: 10' FNL, 1781' FEL, Sec 13, 17S-31E

COUNTY & STATE: Eddy Co, NM

BHL: 330' FNL, 1980' FEL, Sec 12, 17S-31E

OBJECTIVE: 10500' MD (6100' TVD) Upper Blinetry

WO/Pilot, 160 Acre

INTANGIBLE COSTS

		BCP	ACP	TOTAL
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Insurance	202	22,000	302	22,000
Damages/Right of Way	203		303	0
Survey/Stake Location	204		304	0
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Cement Intermediate	218			0
Cement 2nd Intermediate 7"	218		319	0
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
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Casing Crews & Equipment	222		322 13,000	13,000
Fishing Tools & Service	223	100,000	323	100,000
Geologic/Engineering	224	10,000	324 1,000	11,000
Contract Labor	225	10,000	325 30,000	40,000
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Logging	230		330	0
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Stimulation/Treating			332 950,000	950,000
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Swabbing Unit			334	0
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Rentals-Subsurface	236	60,000	336 10,000	70,000
Trucking/Forklift/Rig Mobilization	237	40,000	337 20,000	60,000
Welding Services	238	3,000	338 1,500	4,500
Water Disposal	239		339 25,000	25,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	50,000	344	50,000
Miscellaneous	242	5,000	342 1,000	6,000
Contingency	243	105,000	343 131,300	236,300
TOTAL INTANGIBLES		1,151,000	1,436,000	2,587,000

TANGIBLE COSTS

Surface Casing	401			1,200
Intermediate Casing	402		503	0
Production Casing/Liner 4200" - 4.5"			503 51,000	51,000
Tubing			504	0
Wellhead Equipment	405		505	0
Pumping Unit			506	0
Prime Mover			507	0
Rods			508	0
Pumps			509	0
Tanks			510	0
Flowlines			511	0
Heater Treater/Separator			512	0
Electrical System			513	0
Packers/Anchors/Hangers	414		514 230,000	230,000
Couplings/Fittings/Valves	415	2,000	515 25,000	27,000
Gas Compressors/Meters			516 4,000	4,000
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	1,000	519 1,000	2,000
Contingency	420	1,000	520 32,000	33,000
TOTAL TANGIBLES		4,000	343,000	347,000
TOTAL WELL COSTS		1,155,000	1,779,000	2,934,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:

_____% Working Interest

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
DRILLING**

WELL NAME: Puckett "12" Federal #5H

PROSPECT NAME: Puckett

Surf. Loc: 10' FNL, 1781' FEL, Sec 13, 17S-31E

COUNTY & STATE: Eddy Co, NM

BHL: 330' FNL, 1980' FEL, Sec 12, 17S-31E

OBJECTIVE: 9900' MD (5500' TVD) Paddock

WO/Pilot, 160 Acre

INTANGIBLE COSTS

		<u>BCP</u>	<u>ACP</u>	<u>TOTAL</u>
Title/Curative/Permit	201	10,000		10,000
Insurance	202	22,000	302	22,000
Damages/Right of Way	203		303	0
Survey/Stake Location	204		304	0
Location/Pits/Road Expense	205	10,000	305 10,000	20,000
Drilling / Completion Overhead	206	5,000	306 1,000	6,000
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract 12:3 @ \$13000/day	209	156,000	309 39,000	195,000
Directional Drilling Services, With RS	210	350,000	310	350,000
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Bits	213	30,000	313 1,000	31,000
Mud & Chemicals	214	15,000	314	15,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217			0
Cement Intermediate	218			0
Cement 2nd Intermediate 7"	218		319	0
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
Float Equipment & Centralizers	221		321	0
Casing Crews & Equipment	222		322 13,000	13,000
Fishing Tools & Service	223	100,000	323	100,000
Geologic/Engineering	224	10,000	324 1,000	11,000
Contract Labor	225	10,000	325 30,000	40,000
Company Supervision	226	2,000	326 2,000	4,000
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Testing Casing/Tubing	228	4,000	328 1,500	5,500
Mud Logging Unit	229	12,000	329	12,000
Logging	230		330	0
Perforating/Wireline Services	231	15,000	331 12,500	27,500
Stimulation/Treating			332 950,000	950,000
Completion Unit		12,000	333 45,000	57,000
Swabbing Unit			334	0
Rentals-Surface	235	15,000	335 45,000	60,000
Rentals-Subsurface	236	60,000	336 10,000	70,000
Trucking/Forklift/Rig Mobilization	237	40,000	337 20,000	60,000
Welding Services	238	3,000	338 1,500	4,500
Water Disposal	239		339 25,000	25,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
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Wellhead Equipment	405		505	0
Pumping Unit			506	0
Prime Mover			507	0
Rods			508	0
Pumps			509	0
Tanks			510	0
Flowlines			511	0
Heater Treater/Separator			512	0
Electrical System			513	0
Packers/Anchors/Hangers	414		514 230,000	230,000
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Dehydrator			517	0
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TOTAL TANGIBLES		4,000	343,000	347,000
TOTAL WELL COSTS		1,155,000	1,779,000	2,934,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:

_____% Working Interest

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.

June 20, 2011

U.S. Certified Mail
Return Receipt Requested

Javalina Partners
616 Texas Street
Fort Worth, TX 76102

RE: **New Well Proposal**
Puckett "12" Federal #5H
SHL: 10' FNL & 1781' FEL of Section 13, T17S, R31E
BHL: 330' FNL & 1980 FEL, of Section 12, T17S, R31E
Eddy County, New Mexico

Dear Sirs:

COG Operating LLC ("COG") proposes to drill the Puckett "12" Federal #5H, as a triple lateral well to penetrate the Yeso Formation at a legal location within Unit Letter O of Section 12, to depths of approximately 5,500' TVD, 9,900' MD for a Paddock lateral; 6,100' TVD, 10,500' MD for an Upper Blinebry lateral; and 6,600' TVD, 11,021' MD for a Lower Blinebry lateral ("Operation"). The total cost of the Operation is estimated to be \$9,648,000.00 and a detailed description of such cost is set out in the enclosed Authority for Expenditure ("AFE").

Also enclosed is COG's proposed form of Operating Agreement ("OA"). A completed version of the Exhibit "A" to be incorporated into the OA will follow under separate cover, accompanied by a fully executed set of signature pages.

If you elect to participate in the subject well, please sign and return a copy of the AFE to the below letterhead address.

If you desire to receive well information regarding the subject operations please return a Well Information Requirements list to COG. Technical questions should be directed to Carl Bird at 432-686-3057 and land questions to the undersigned at 432-685-4354.

Yours truly,

COG Operating LLC



Stuart A. Dirks, CPL
Senior Landman

Enclosure (s)
DRE/rc

Confirmation Services	Package ID: 9171999991703040142951	Electronic Certified
	Destination ZIP Code: 76102	First Class Large Envelope
	Customer Reference:	PBP Account #: 41592288
	Recipient: <u>Javalina</u>	Serial #: 1364097
	Address: <u>Puckett 12 Fed #5H</u>	JUN 20 2011 4 18 PM

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>		<p>A. Signature <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If YES, enter delivery address below:</p>	
<p>1. Article Addressed to:</p> <p>Javalina Partners 616 Texas Street Fort Worth, TX 76102 Puckett Federal #5H</p>		<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail</p> <p><input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>	
		<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	
<p>Article Number (Transfer from service label)</p>		<p>91 7199 9991 7030 4014 2951</p>	

COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING

WELL NAME: Puckett "12" Federal #5H PROSPECT NAME: Puckett
Surf. Loc: 10' FNL, 1781' FEL, Sec 13, 17S-31E COUNTY & STATE: Eddy Co, NM
BHL: 330' FNL, 1980' FEL, Sec 12, 17S-31E OBJECTIVE: 11021' MD (6600' TVD) Lower Blinbry
WO/Pilot, 160 Acre

INTANGIBLE COSTS

		BCP	ACP	TOTAL
Title/Curative/Permit	201	10,000		10,000
Insurance	202	22,000	302	22,000
Damages/Right of Way	203	15,000	303	15,000
Survey/Stake Location	204	3,000	304	3,000
Location/Pits/Road Expense	205	40,000	305 65,000	105,000
Drilling / Completion Overhead	206	5,000	306 1,000	6,000
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract 20:2 @ \$13000/day	209	260,000	309 26,000	286,000
Directional Drilling Services, With RS	210	400,000	310	400,000
Fuel & Power	211	112,500	311 11,250	123,750
Water	212	30,000	312 75,000	105,000
Bits	213	45,000	313 1,000	46,000
Mud & Chemicals	214	25,000	314	25,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217	16,000		16,000
Cement Intermediate	218	16,000		16,000
Cement Production 7"x5.5"	218		319 70,000	70,000
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
Float Equipment & Centralizers	221	3,500	321 15,000	18,500
Casing Crews & Equipment	222	7,000	322 13,000	20,000
Fishing Tools & Service	223		323	0
Geologic/Engineering	224	10,000	324 1,000	11,000
Contract Labor	225	10,000	325 30,000	40,000
Company Supervision	226	2,000	326 2,000	4,000
Contract Supervision	227	28,000	327 4,000	32,000
Testing Casing/Tubing	228	4,000	328 1,500	5,500
Mud Logging Unit	229	16,000	329	16,000
Logging	230	0	330 5,000	5,000
Perforating/Wireline Services	231	3,500	331 125,000	128,500
Stimulation/Treating			332 760,000	760,000
Completion Unit			333 40,000	40,000
Swabbing Unit			334	0
Rentals-Surface	235	20,000	335 100,000	120,000
Rentals-Subsurface	236	30,000	336 10,000	40,000
Trucking/Forklift/Rig Mobilization	237	40,000	337 100,000	140,000
Welding Services	238	3,000	338 1,500	4,500
Water Disposal	239		339 25,000	25,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	120,000	344	120,000
Miscellaneous	242	5,000	342 1,000	6,000
Contingency	243	131,500	343 149,750	281,250
TOTAL INTANGIBLES		1,433,000	1,633,000	3,066,000

TANGIBLE COSTS

Surface Casing 550' 13 3/8"	401	20,000		1,200
Intermediate Casing 1850' 9 5/8"	402	48,000	503	48,000
Production Casing/Liner 6900' - 7", 4200' - 5.5"			503 260,000	260,000
Tubing 6200' 2 7/8"			504 38,000	38,000
Wellhead Equipment	405	30,000	505 18,000	48,000
Pumping Unit			506 97,000	97,000
Prime Mover			507	0
Rods			508 39,000	39,000
Pumps			509 4,500	4,500
Tanks			510 20,000	20,000
Flowlines			511 15,000	15,000
Heater Treater/Separator			512 25,000	25,000
Electrical System			513	0
Packers/Anchors/Hangers	414		514	0
Couplings/Fittings/Valves	415	2,000	515 25,000	27,000
Gas Compressors/Meters			516 4,000	4,000
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	1,000	519 1,000	2,000
Contingency	420	11,000	520 55,500	66,500
TOTAL TANGIBLES		112,000	602,000	714,000
TOTAL WELL COSTS		1,545,000	2,235,000	3,780,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve:
_____% Working Interest

Company:

By:

Printed Name:

Title:

Date:

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**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "12" Federal #5H

PROSPECT NAME: Puckett

Surf. Loc: 10' FNL, 1781' FEL, Sec 13, 17S-31E

COUNTY & STATE: Eddy Co, NM

BHL: 330' FNL, 1980' FEL, Sec 12, 17S-31E

OBJECTIVE: 10500' MD (6100' TVD) Upper Blinetry

WO/Pilot, 160 Acre

INTANGIBLE COSTS

		BCP	ACP	TOTAL
Title/Curative/Permit	201	10,000		10,000
Insurance	202	22,000	302	22,000
Damages/Right of Way	203		303	0
Survey/Stake Location	204		304	0
Location/Pits/Road Expense	205	10,000	305 10,000	20,000
Drilling / Completion Overhead	206	5,000	306 1,000	6,000
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract 12:3 @ \$13000/day	209	156,000	309 39,000	195,000
Directional Drilling Services, With RS	210	350,000	310	350,000
Fuel & Power	211	68,000	311 17,000	85,000
Water	212	25,000	312 75,000	100,000
Bits	213	30,000	313 1,000	31,000
Mud & Chemicals	214	15,000	314	15,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217			0
Cement Intermediate	218			0
Cement 2nd Intermediate 7"	218		319	0
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
Float Equipment & Centralizers	221		321	0
Casing Crews & Equipment	222		322 13,000	13,000
Fishing Tools & Service	223	100,000	323	100,000
Geologic/Engineering	224	10,000	324 1,000	11,000
Contract Labor	225	10,000	325 30,000	40,000
Company Supervision	226	2,000	326 2,000	4,000
Contract Supervision	227	17,000	327 4,200	21,200
Testing Casing/Tubing	228	4,000	328 1,500	5,500
Mud Logging Unit	229	12,000	329	12,000
Logging	230		330	0
Perforating/Wireline Services	231	15,000	331 12,500	27,500
Stimulation/Treating			332 950,000	950,000
Completion Unit		12,000	333 45,000	57,000
Swabbing Unit			334	0
Rentals-Surface	235	15,000	335 45,000	60,000
Rentals-Subsurface	236	60,000	336 10,000	70,000
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Seismic Analysis	241		341	0
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Pumping Unit			506	0
Prime Mover			507	0
Rods			508	0
Pumps			509	0
Tanks			510	0
Flowlines			511	0
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Electrical System			513	0
Packers/Anchors/Hangers	414		514 230,000	230,000
Couplings/Fittings/Valves	415	2,000	515 25,000	27,000
Gas Compressors/Meters			516 4,000	4,000
Dehydrator			517	0
Injection Plan/CO2 Equipment			518	0
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Contingency	420	1,000	520 32,000	33,000
TOTAL TANGIBLES		4,000	343,000	347,000
TOTAL WELL COSTS		1,155,000	1,779,000	2,934,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:
_____% Working Interest

Company:

By:

Printed Name:

Title:

Date:

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AUTHORITY FOR EXPENDITURE
DRILLING

WELL NAME: Puckett "12" Federal #5H

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WO/Pilot, 160 Acre

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COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:

_____% Working Interest

Company:

By:

Printed Name:

Title:

Date:

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June 20, 2011

U.S. Certified Mail
Return Receipt Requested

Zorro Partners
616 Texas Street
Fort Worth, TX 76102

RE: **New Well Proposal**
Puckett "12" Federal #5H
SHL: 10' FNL & 1781' FEL of Section 13, T17S, R31E
BHL: 330' FNL & 1980 FEL, of Section 12, T17S, R31E
Eddy County, New Mexico

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Yours truly,


COG Operating LLC



Stuart A. Dirks, CPL
Senior Landman

Enclosure (c)
DRE/rc

Confirmation Services	Package ID: 9171999991703040142968	Electronic Certified
	Destination ZIP Code: 76102	First Class Large Envelope
	Customer Reference:	PBP Account #: 41592288
	Recipient: <u>Zorro</u>	Serial #: 1364097
	Address: <u>Puckett 12 # 5H</u>	JUN 20 2011 4:17 PM

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<div>■ Complete Items 1, 2, and 3. Also complete Item 4 if Restricted Delivery is desired.</div> <div>■ Print your name and address on the reverse so that we can return the card to you.</div> <div>■ Attach this card to the back of the mailpiece, or on the front if space permits.</div>		<div>A. Signature<div><div></div><div><input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</div></div></div> <div>B. Received by (Printed Name)<div>Quinn</div></div> <div>C. Date of Delivery<div>10-22</div></div>	
1. Article Addressed to: <div>Zorro Partners 616 Texas Street Fort Worth, TX 76102 Puckett Federal #5H 12</div>		<div>D. Is delivery address different from Item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input checked="" type="checkbox"/> No</div>	
		<div>3. Service Type<div><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</div></div> <div>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</div>	
1. Article Number (Transfer from service label)		91 7199 9991 7030 4014 2968	

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "12" Federal #5H	PROSPECT NAME: Puckett
Surf. Loc: 10' FNL, 1781' FEL, Sec 13, 17S-31E	COUNTY & STATE: Eddy Co, NM
BHL: 330' FNL, 1980' FEL, Sec 12, 17S-31E	OBJECTIVE: 11021' MD (6600' TVD) Lower Blinebry
WO/Pilot, 160 Acre	

INTANGIBLE COSTS

		BCP	ACP	TOTAL
Title/Curative/Permit	201	10,000		10,000
Insurance	202	22,000	302	22,000
Damages/Right of Way	203	15,000	303	15,000
Survey/Stake Location	204	3,000	304	3,000
Location/Pits/Road Expense	205	40,000	305 65,000	105,000
Drilling / Completion Overhead	206	5,000	306 1,000	6,000
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract 20:2 @ \$13000/day	209	260,000	309 26,000	286,000
Directional Drilling Services, With RS	210	400,000	310	400,000
Fuel & Power	211	112,500	311 11,250	123,750
Water	212	30,000	312 75,000	105,000
Bits	213	45,000	313 1,000	46,000
Mud & Chemicals	214	25,000	314	25,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217	16,000		16,000
Cement Intermediate	218	16,000		16,000
Cement Production 7"x5.5"	218		319 70,000	70,000
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
Float Equipment & Centralizers	221	3,500	321 15,000	18,500
Casing Crews & Equipment	222	7,000	322 13,000	20,000
Fishing Tools & Service	223		323	0
Geologic/Engineering	224	10,000	324 1,000	11,000
Contract Labor	225	10,000	325 30,000	40,000
Company Supervision	226	2,000	326 2,000	4,000
Contract Supervision	227	28,000	327 4,000	32,000
Testing Casing/Tubing	228	4,000	328 1,500	5,500
Mud Logging Unit	229	16,000	329	16,000
Logging	230	0	330 5,000	5,000
Perforating/Wireline Services	231	3,500	331 125,000	128,500
Stimulation/Treating			332 760,000	760,000
Completion Unit			333 40,000	40,000
Swabbing Unit			334	0
Rentals-Surface	235	20,000	335 100,000	120,000
Rentals-Subsurface	236	30,000	336 10,000	40,000
Trucking/Forklift/Rig Mobilization	237	40,000	337 100,000	140,000
Welding Services	238	3,000	338 1,500	4,500
Water Disposal	239		339 25,000	25,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	120,000	344	120,000
Miscellaneous	242	5,000	342 1,000	6,000
Contingency	243	131,500	343 149,750	281,250
TOTAL INTANGIBLES		1,433,000	1,633,000	3,066,000

TANGIBLE COSTS

Surface Casing 550' 13 3/8"	401	20,000		1,200
Intermediate Casing 1850' 9 5/8"	402	48,000	503	48,000
Production Casing/Liner 6900' - 7", 4200' - 5.5"			503 260,000	260,000
Tubing 6200' 2 7/8"			504 38,000	38,000
Wellhead Equipment	405	30,000	505 18,000	48,000
Pumping Unit			506 97,000	97,000
Prime Mover			507	0
Rods			508 39,000	39,000
Pumps			509 4,500	4,500
Tanks			510 20,000	20,000
Flowlines			511 15,000	15,000
Heater Treater/Separator			512 25,000	25,000
Electrical System			513	0
Packers/Anchors/Hangers	414		514	0
Couplings/Fittings/Valves	415	2,000	515 25,000	27,000
Gas Compressors/Meters			516 4,000	4,000
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	1,000	519 1,000	2,000
Contingency	420	11,000	520 55,500	66,500
TOTAL TANGIBLES		112,000	602,000	714,000
TOTAL WELL COSTS		1,545,000	2,235,000	3,780,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve:
_____% Working Interest

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
DRILLING

WELL NAME: Puckett "12" Federal #5H

PROSPECT NAME: Puckett

Surf. Loc: 10' FNL, 1781' FEL, Sec 13, 17S-31E

COUNTY & STATE: Eddy Co, NM

BHL: 330' FNL, 1980' FEL, Sec 12, 17S-31E

OBJECTIVE: 10500' MD (6100' TVD) Upper Blinebry

WO/Pilot, 160 Acre

INTANGIBLE COSTS

		BCP	ACP	TOTAL
Title/Curative/Permit	201	10,000		10,000
Insurance	202	22,000	302	22,000
Damages/Right of Way	203		303	0
Survey/Stake Location	204		304	0
Location/Pits/Road Expense	205	10,000	305 10,000	20,000
Drilling / Completion Overhead	206	5,000	306 1,000	6,000
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract 12:3 @ \$13000/day	209	156,000	309 39,000	195,000
Directional Drilling Services, With RS	210	350,000	310	350,000
Fuel & Power	211	68,000	311 17,000	85,000
Water	212	25,000	312 75,000	100,000
Bits	213	30,000	313 1,000	31,000
Mud & Chemicals	214	15,000	314	15,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217			0
Cement Intermediate	218			0
Cement 2nd Intermediate 7"	218		319	0
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
Float Equipment & Centralizers	221		321	0
Casing Crews & Equipment	222		322 13,000	13,000
Fishing Tools & Service	223	100,000	323	100,000
Geologic/Engineering	224	10,000	324 1,000	11,000
Contract Labor	225	10,000	325 30,000	40,000
Company Supervision	226	2,000	326 2,000	4,000
Contract Supervision	227	17,000	327 4,200	21,200
Testing Casing/Tubing	228	4,000	328 1,500	5,500
Mud Logging Unit	229	12,000	329	12,000
Logging	230		330	0
Perforating/Wireline Services	231	15,000	331 12,500	27,500
Stimulation/Treating			332 950,000	950,000
Completion Unit		12,000	333 45,000	57,000
Swabbing Unit			334	0
Rentals-Surface	235	15,000	335 45,000	60,000
Rentals-Subsurface	236	60,000	336 10,000	70,000
Trucking/Forklift/Rig Mobilization	237	40,000	337 20,000	60,000
Welding Services	238	3,000	338 1,500	4,500
Water Disposal	239		339 25,000	25,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	50,000	344	50,000
Miscellaneous	242	5,000	342 1,000	6,000
Contingency	243	105,000	343 131,300	236,300
TOTAL INTANGIBLES		1,151,000	1,436,000	2,587,000

TANGIBLE COSTS

Surface Casing	401			1,200
Intermediate Casing	402		503	0
Production Casing/Liner 4200' - 4.5"			503 51,000	51,000
Tubing			504	0
Wellhead Equipment	405		505	0
Pumping Unit			506	0
Prime Mover			507	0
Rods			508	0
Pumps			509	0
Tanks			510	0
Flowlines			511	0
Heater Treater/Separator			512	0
Electrical System			513	0
Packers/Anchors/Hangers	414		514 230,000	230,000
Couplings/Fittings/Valves	415	2,000	515 25,000	27,000
Gas Compressors/Meters			516 4,000	4,000
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	1,000	519 1,000	2,000
Contingency	420	1,000	520 32,000	33,000
TOTAL TANGIBLES		4,000	343,000	347,000
TOTAL WELL COSTS		1,155,000	1,779,000	2,934,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:

% Working Interest

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
DRILLING

WELL NAME: Puckett "12" Federal #5H

PROSPECT NAME: Puckett

Surf. Loc: 10' FNL, 1781' FEL, Sec 13, 17S-31E

COUNTY & STATE: Eddy Co, NM

BHL: 330' FNL, 1980' FEL, Sec 12, 17S-31E

OBJECTIVE: 9900' MD (5500' TVD) Paddock

WO/Pilot, 160 Acre

INTANGIBLE COSTS

		BCP	ACP	TOTAL
Title/Curative/Permit	201	10,000		10,000
Insurance	202	22,000	302	22,000
Damages/Right of Way	203		303	0
Survey/Stake Location	204		304	0
Location/Pits/Road Expense	205	10,000	305	20,000
Drilling / Completion Overhead	206	5,000	306	6,000
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract 12:3 @ \$13000/day	209	156,000	309	195,000
Directional Drilling Services, With RS	210	350,000	310	350,000
Fuel & Power	211	68,000	311	85,000
Water	212	25,000	312	100,000
Bits	213	30,000	313	31,000
Mud & Chemicals	214	15,000	314	15,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217			0
Cement Intermediate	218			0
Cement 2nd Intermediate 7"	218		319	0
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
Float Equipment & Centralizers	221		321	0
Casing Crews & Equipment	222		322	13,000
Fishing Tools & Service	223	100,000	323	100,000
Geologic/Engineering	224	10,000	324	11,000
Contract Labor	225	10,000	325	40,000
Company Supervision	226	2,000	326	4,000
Contract Supervision	227	17,000	327	21,200
Testing Casing/Tubing	228	4,000	328	5,500
Mud Logging Unit	229	12,000	329	12,000
Logging	230		330	0
Perforating/Wireline Services	231	15,000	331	27,500
Stimulation/Treating			332	950,000
Completion Unit		12,000	333	57,000
Swabbing Unit			334	0
Rentals-Surface	235	15,000	335	60,000
Rentals-Subsurface	236	60,000	336	70,000
Trucking/Forklift/Rig Mobilization	237	40,000	337	60,000
Welding Services	238	3,000	338	4,500
Water Disposal	239		339	25,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	50,000	344	50,000
Miscellaneous	242	5,000	342	6,000
Contingency	243	105,000	343	236,300
TOTAL INTANGIBLES		1,151,000	1,436,000	2,587,000

TANGIBLE COSTS

Surface Casing	401			1,200
Intermediate Casing	402		503	0
Production Casing/Liner 4200' - 4.5"			503	51,000
Tubing			504	0
Wellhead Equipment	405		505	0
Pumping Unit			506	0
Prime Mover			507	0
Rods			508	0
Pumps			509	0
Tanks			510	0
Flowlines			511	0
Heater Treater/Separator			512	0
Electrical System			513	0
Packers/Anchors/Hangers	414		514	230,000
Couplings/Fittings/Valves	415	2,000	515	27,000
Gas Compressors/Meters			516	4,000
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	1,000	519	2,000
Contingency	420	1,000	520	33,000
TOTAL TANGIBLES		4,000	343,000	347,000
TOTAL WELL COSTS		1,155,000	1,779,000	2,934,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:
_____% Working Interest

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.



August 11, 2011

*U.S. Certified Mail
Return Receipt Requested*

Burnett Oil Company
Burnett Plaza, Unit 9
801 Cherry Street, Suite 1500
Fort Worth, Texas 76102

RE: **Amendment to New Well Proposal**
Puckett "12" Federal #5H
SL: 10' FSL & 1781' FEL of Section 12, T17S, R31E
BHL: 660' FNL & 1980' FEL, of Section 12, T17S, R31E
Eddy County, New Mexico

Dear Sirs:

Reference is made to our letter to you dated June 20, 2011 proposing the subject well. Please note the following corrections:

- The well will be drilled at an approved surface location within location unit letter O in Section 12.
- The approximate BHL has been moved to 660' FNL and 1980' FEL of Section 12.

If you have any questions, please do not hesitate to contact the undersigned at 432-685-4354.

Yours truly,

COG Operating LLC

A handwritten signature in black ink, appearing to read "Stuart A. Dirks".

Stuart A. Dirks, CPL
Senior Landman

PLACE STICKER AT TOP OF MAIL OR ATTACH TO THE FRONT OF MAIL IF MAIL IS NOT OPENED AT ADDRESSEE'S RISK

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY		
<ul style="list-style-type: none">■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.■ 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. <p>1. Article Addressed to:</p> <p>Burnett Oil Company Burnett Plaza, Unit 9 801 Cherry Street, Suite 1500 Fort Worth, Texas 73102 Puckett 12 Federal #5H</p>	<p>A. Signature</p> <p>X _____ <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>		
	<p>B. Received by (Printed Name)</p>	<p>C. Date of Delivery</p>	
	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>		
	<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>		
<p>2. Article Number. (Transfer from service label)</p>	<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>		
<p>91 7199 9991 7030 4047 8333</p>			



August 11, 2011

*U.S. Certified Mail
Return Receipt Requested*

Javelina Partners
616 Texas Street
Fort Worth, TX 76102

RE: **Amendment to New Well Proposal**
Puckett "12" Federal #5H
SL: 10' FSL & 1781' FEL of Section 12, T17S, R31E
BHL: 660' FNL & 1980' FEL, of Section 12, T17S, R31E
Eddy County, New Mexico

Dear Sirs:

Reference is made to our letter to you dated June 20, 2011 proposing the subject well.
Please note the following corrections:

- The well will be drilled at an approved surface location within location unit letter O in Section 12.
- The approximate BHL has been moved to 660' FNL and 1980' FEL of Section 12.

If you have any questions, please do not hesitate to contact the undersigned at 432-685-4354.

Yours truly,

COG Operating LLC

A handwritten signature in black ink, appearing to read "Stuart A. Dirks".

Stuart A. Dirks, CPL
Senior Landman

SENDER: COMPLETE THIS SECTION

- ☐ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- ☐ 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:

Javalina Partners
616 Texas Street
Fort Worth, TX 76102
Puckett 12 Federal #5H

2. Article Number

(Transfer from service label)

PS Form 3811, February 2004

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

☒ Certified Mail☐ Express Mail☐ Registered☒ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

91 7199 9991 7030 4047 8326

Domestic Return Receipt

102595-02-M-1540



August 11, 2011

*U.S. Certified Mail
Return Receipt Requested*

Zorro Partners, Ltd.
616 Texas Street
Fort Worth, TX 76102

RE: **Amendment to New Well Proposal**
Puckett "12" Federal #5H
SL: 10' FSL & 1781' FEL of Section 12, T17S, R31E
BHL: 660' FNL & 1980' FEL, of Section 12, T17S, R31E
Eddy County, New Mexico

Dear Sirs:

Reference is made to our letter to you dated June 20, 2011 proposing the subject well. Please note the following corrections:

- The well will be drilled at an approved surface location within location unit letter O in Section 12.
- The approximate BHL has been moved to 660' FNL and 1980' FEL of Section 12.

If you have any questions, please do not hesitate to contact the undersigned at 432-685-4354.

Yours truly,

COO Operating LLC

A handwritten signature in dark ink, appearing to read "Stuart A. Dirks", written over the company name.

Stuart A. Dirks, CPL
Senior Landman

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- 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:

Zorro Partners
616 Texas Street
Fort Worth, TX 76102
Puckett 12 Federal #5H

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

☒ Certified Mail☐ Express Mail☐ Registered☒ Return Receipt for Merchandise☐ Insured Mail☒ C.O.D.

4. Restricted Delivery? (Extra Fee)


☐ Yes

2. Article Number:

(Transfer from service)



91 7199 9991 7030 4047 8319

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>	<p>A. Signature <input checked="" type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If YES, enter delivery address below:</p>
<p>1. Article Addressed to:</p> <p>Burnett Oil Company Burnett Plaza, Unit 9 801 Cherry Street, Suite 1500 Fort Worth, Texas 73102 Puckett 12 Federal #5H</p>	<p>3. Service Type:</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail</p> <p><input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label) 91 7199 9991 7030 4047 8333</p>	
<p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540</p>	

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>		<p>A. Signature  <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <u>Olivia</u> C. Date of Delivery <u>AUG 15 2005</u></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below:</p>	
<p>1. Article Addressed to:</p> <p>Javalina Partners 616 Texas Street Fort Worth, TX 76102 Puckett 12 Federal #5H</p>		<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail</p> <p><input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>	
<p>2. Article Number (Transfer from service label)</p>		<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	
<p>PS Form 3811, February 2004</p>		<p>Domestic Return Receipt</p>	

91 7199 9991 7030 4047 8326

102595-02-M-1540

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>		<p>A. Signature  <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p>	
<p>1. Article Addressed to:</p> <p>Zorro Partners 616 Texas Street Fort Worth, TX 76102 Puckett 12 Federal #5H</p>		<p>B. Received by (Printed Name) </p> <p>C. Date of Delivery AUG 15 2011</p>	
		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input checked="" type="checkbox"/> No</p>	
		<p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>	
		<p>4. Restricted Delivery? (Extra Fee) <input checked="" type="checkbox"/> Yes</p>	
<p>2. Article Number (Transfer from service)</p>		<p>91 7199 9991 7030 4047 8319</p>	
<p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540</p>			



May 25, 2011

U.S. Certified Mail
Return Receipt Requested

Burnett Oil Company
Burnett Plaza, Unit 9
801 Cherry Street, Suite 1500
Fort Worth, Texas 76102

RE: **New Well Proposal**
Puckett "12" Federal #7H
SHL: 10' FNL & 850' FEL (Unit P) of Section 12, T17S, R31E
BHL: 330' FSL & 990' FEL, (Unit A) of Section 12, T17S, R31E
Eddy County, New Mexico

Dear Sirs:

COG Operating, LLC ("COG") proposes to drill the Puckett "12" Federal #7H as a triple lateral well at the captioned location, or a legal location within Location Unit M, to depth's of approximately 5,500' TVD (Paddock lateral), 6,100' TVD (Upper Blinebry lateral), and 6,600' TVD (Lower Blinebry lateral) TVD, each to approximately 11,021' MD, to test the Yeso Formation ("Operation"). The total cost of the Operation is estimated to be \$11,340,000.00 and a detailed description of such cost is set out in the enclosed Authority for Expenditure ("AFE").

Also enclosed is COG's proposed form of Operating Agreement ("OA"). A completed version of the Exhibit "A" to be incorporated into the OA will follow under separate cover, accompanied by a fully executed set of signature pages.

If you elect to participate in the subject well, please sign and return a copy of the AFE to the below letterhead address.

If you desire to receive well information regarding the subject operations please return a Well Information Requirements list to COG. Technical questions should be directed to Carl Bird at 432-686-3057 and land questions to the undersigned at 432-818-2298.

Yours truly,

COG Operating, LLC

David R. Evans

David R. Evans
New Mexico Shelf, Land Lead

Enclosure (s)
DRE/rc

COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING

WELL NAME: **Puckett "12" Federal #7H**
SHL: 10' FNL & 850' FEL, Sec. 12-17S-31E
BHL: 330' FSL & 990' FEL, Sec. 12-17S-31E
WO/Pilot, 160 Acre

PROSPECT NAME: **Tamano (Mack) 720017**
COUNTY & STATE: **Eddy Co, NM**
OBJECTIVE: **YESO (11, 021' MD) (5500' TVD) Paddock**

INTANGIBLE COSTS		BCP	ACP	TOTAL
Title/Curative/Permit	201	10,000		10,000
Insurance	202	22,000	302	22,000
Damages/Right of Way	203	15,000	303	15,000
Survey/Stake Location	204	3,000	304	3,000
Location/Pits/Road Expense	205	40,000	305	105,000
Drilling / Completion Overhead	206	5,000	306	6,000
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract 20:2 @ \$13000/day	209	260,000	309	286,000
Directional Drilling Services, With RS	210	400,000	310	400,000
Fuel & Power	211	112,500	311	123,750
Water	212	30,000	312	105,000
Bits	213	45,000	313	46,000
Mud & Chemicals	214	25,000	314	25,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217	16,000		16,000
Cement Intermediate	218	16,000		16,000
Cement Production 7"x5.5"	218		319	70,000
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
Float Equipment & Centralizers	221	3,500	321	18,500
Casing Crews & Equipment	222	7,000	322	20,000
Fishing Tools & Service	223		323	0
Geologic/Engineering	224	10,000	324	11,000
Contract Labor	225	10,000	325	40,000
Company Supervision	226	2,000	326	4,000
Contract Supervision	227	28,000	327	32,000
Testing Casing/Tubing	228	4,000	328	5,500
Mud Logging Unit	229	16,000	329	16,000
Logging	230	0	330	5,000
Perforating/Wireline Services	231	3,500	331	128,500
Stimulation/Treating			332	760,000
Completion Unit			333	40,000
Swabbing Unit			334	0
Rentals-Surface	235	20,000	335	120,000
Rentals-Subsurface	236	30,000	336	40,000
Trucking/Forklift/Rig Mobilization	237	40,000	337	140,000
Welding Services	238	3,000	338	4,500
Water Disposal	239		339	25,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	120,000	344	120,000
Miscellaneous	242	5,000	342	6,000
Contingency	243	131,500	343	281,250
TOTAL INTANGIBLES		1,433,000	1,633,000	3,066,000
TANGIBLE COSTS				
Surface Casing 550' 13 3/8"	401	20,000		1,200
Intermediate Casing 1850' 9 5/8"	402	48,000	503	48,000
Production Casing/Liner 6900' - 7", 4200' - 5.5"			503	260,000
Tubing 6200' 2 7/8"			504	38,000
Wellhead Equipment	405	30,000	505	48,000
Pumping Unit			506	97,000
Prime Mover			507	0
Rods			508	39,000
Pumps			509	4,500
Tanks			510	20,000
Flowlines			511	15,000
Heater Treater/Separator			512	25,000
Electrical System			513	0
Packers/Anchors/Hangers	414		514	0
Couplings/Fittings/Valves	415	2,000	515	27,000
Gas Compressors/Meters			516	4,000
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	1,000	519	2,000
Contingency	420	11,000	520	66,500
TOTAL TANGIBLES		112,000	602,000	714,000
TOTAL WELL COSTS		1,545,000	2,235,000	3,780,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve:
_____% Working Interest

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
DRILLING**

WELL NAME: **Puckett "12" Federal #7H**
SHL: 10' FNL & 850' FEL, Sec. 12-17S-31E
BHL: 330' FSL & 990' FEL, Sec. 12-17S-31E
WO/Pilot, 160 Acre

PROSPECT NAME: **Tamano (Mack) 720017**
COUNTY & STATE: **Eddy Co, NM**
OBJECTIVE: **YESO (11, 021' MD) (5500' TVD) Paddock**

INTANGIBLE COSTS

		<u>BCP</u>	<u>ACP</u>	<u>TOTAL</u>
Title/Curative/Permit	201	10,000		10,000
Insurance	202	22,000	302	22,000
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Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217	16,000		16,000
Cement Intermediate	218	16,000		16,000
Cement Production 7"x5.5"	218		319	70,000
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
Float Equipment & Centralizers	221	3,500	321	18,500
Casing Crews & Equipment	222	7,000	322	20,000
Fishing Tools & Service	223		323	0
Geologic/Engineering	224	10,000	324	11,000
Contract Labor	225	10,000	325	40,000
Company Supervision	226	2,000	326	4,000
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Testing Casing/Tubing	228	4,000	328	5,500
Mud Logging Unit	229	16,000	329	16,000
Logging	230	0	330	5,000
Perforating/Wireline Services	231	3,500	331	125,000
Stimulation/Treating			332	760,000
Completion Unit			333	40,000
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Rentals-Surface	235	20,000	335	120,000
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Welding Services	238	3,000	338	4,500
Water Disposal	239		339	25,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
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Dehydrator			517	0
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TOTAL WELL COSTS		1,545,000	2,235,000	3,780,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve:
_____% Working Interest

Company: _____

By: _____

Printed Name: _____

Title: _____

Date: _____

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**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

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BHL: 330' FSL & 990' FEL, Sec. 12-17S-31E
WO/Pilot, 160 Acre

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COUNTY & STATE: Eddy Co, NM
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Closed Loop & Environmental	244	120,000	344	120,000
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TOTAL WELL COSTS		1,545,000	2,235,000	3,780,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve:
_____% Working Interest

Company: _____

By: _____

Printed Name: _____

Title: _____

Date: _____

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Transmission Report

Date/Time
Local ID 1

05-25-2011
4326863000

03:44:55 p.m.

Transmit Header Text
Local Name 1

Land

This document : Failed
(reduced sample and details below)
Document size : 8.5"x14"



FAX COVER SHEET

PAGE 1 OF 5 PAGES

DATE: May 25, 2011

TO: Burnett Oil Company-Attn: Land Manager

FAX: (817) 332-7832

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FROM: Robyn Cummins
Concho Resources Inc. - COG Oil & Gas LP / COG Operating LLC
550 West Texas Avenue, Suite 100, Midland, Texas 79701-4210

PHONE: (432) 818-2324 FAX: (432) 686 3000

Re: New Well Proposal Pickett "12" Federal 7-13

Total Pages Scanned : 5

Total Pages Confirmed : 0

No.	Job	Remote Station	Start Time	Duration	Pages	Line	Mode	Job Type	Results
001	183	818173327832	03:00:51 p.m. 05-25-2011	00:00:00	0/5	1	--	HS	FA

Abbreviations:

HS: Host send
HR: Host receive
WS: Waiting send

PL: Polled local
PR: Polled remote
MS: Mailbox save

MP: Mailbox print
RP: Report
FF: Fax Forward

CP: Completed
FA: Fail
TU: Terminated by user

TS: Terminated by system
G3: Group 3
EC: Error Correct

Transmission Report

Date/Time
Local ID 1

05-25-2011
4326863000

02:02:54 p.m.

Transmit Header Text
Local Name 1

Land

This document : Failed
(reduced sample and details below)
Document size : 8.5"x14"



FAX COVER SHEET

PAGE 1 OF 5 PAGES

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Concho Resources Inc. - COG Oil & Gas LP / COG Operating LLC
550 West Texas Avenue, Suite 100, Midland, Texas 79701-4210

PHONE: (432) 818-2324 FAX: (432) 686 3000

Re: New Well Proposal Puckett "12" Federal 7-H

Total Pages Scanned : 5

Total Pages Confirmed : 0

No.	Job	Remote Station	Start Time	Duration	Pages	Line	Mode	Job Type	Results
001	142	818173327832	02:01:02 p.m. 05-25-2011	00:00:00	0/5	1	--	HS	FA

Abbreviations:

HS: Host send
HR: Host receive
WS: Waiting send

PL: Polled local
PR: Polled remote
MS: Mailbox save

MP: Mailbox print
RP: Report
FF: Fax Forward

CP: Completed
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FAX COVER SHEET

PAGE 1 OF 5 PAGES

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TO: Burnett Oil Company-Attn: Land Manager

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Concho Resources Inc. - COG Oil & Gas LP / COG Operating LLC
550 West Texas Avenue, Suite 100, Midland, Texas 79701-4210

PHONE: (432) 818-2324

FAX: (432) 686 3000

Re: New Well Proposal Puckett "12" Federal 7-H

Transmission Report

Date/Time 05-25-2011 03:44:55 p.m. Transmt Header Text
ocal ID 1 4326863000 Local Name 1 Land

This document : Failed
(reduced sample and details below)
Document size : 8.5"x14"



FAX COVER SHEET

PAGE 1 OF 5 PAGES

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FROM: Robyn Cummins
Concho Resources Inc. - COO Oil & Gas LP / COO Operating LLC
550 West Texas Avenue, Suite 100, Midland, Texas 79701-4210

PHONE: (432) 818-2324 FAX: (432) 686 3000

Re: New Well Proposal Pockett "12" Federal 7-U

Total Pages Scanned : 5

Total Pages Confirmed : 0

o.	Job	Remote Station	Start Time	Duration	Pages	Line	Mode	Job Type	Results
01	183	818173327832	03:00:51 p.m. 05-25-2011	00:00:00	0/5	1	--	HS	FA

Abbreviations:

: Host send
: Host receive
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PL: Polled local
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Transmission Report

Date/Time 05-25-2011 02:02:54 p.m. Transmit Header Text
Local ID 1 4326863000 Local Name 1 Land

This document : Failed
(reduced sample and details below)
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550 West Texas Avenue, Suite 100, Midland, Texas 79701-4210

PHONE: (432) 818-2324 FAX: (432) 686 3000

Re: New Well Proposal Puckett "12" Federal 7-B

Total Pages Scanned : 5

Total Pages Confirmed : 0

o.	Job	Remote Station	Start Time	Duration	Pages	Line	Mode	Job Type	Results
01	142	818173327832	02:01:02 p.m. 05-25-2011	00:00:00	0/5	1	--	HS	FA

Abbreviations:

: Host send	PL: Polled local	MP: Mailbox print	CP: Completed	TS: Terminated by system
: Host receive	PR: Polled remote	RP: Report	FA: Fail	G3: Group 3
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FAX COVER SHEET

PAGE 1 OF 5 PAGES

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TO: Burnett Oil Company-Attn: Land Manager

FAX: (817) 332-7832

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Concho Resources Inc. - COG Oil & Gas LP / COG Operating LLC
550 West Texas Avenue, Suite 100, Midland, Texas 79701-4210

PHONE: (432) 818-2324

FAX: (432) 686 3000

Re: New Well Proposal Puckett "12" Federal 7-H

Confirmation Services	Package ID: 917199991703005145607
Customer Reference:	Destination ZIP Code: 76102
Recipient Address:	
Electronic Certified Priority Envelope or package CBP BFB Account #: 41592268 Serial #: 1364097 MAY 25 2011 4:33pm	

SENDER: COMPLETE THIS SECTION ■ Complete items 1, 2, and 3: Also complete item 4 if Restricted Delivery is desired. ■ 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: Burnett Oil Company Burnett Plaza, Unit 9 801 Cherry Street, Suite 1500 Fort Worth, TX 76102 Puckett "12" Federal #7H 2. Article Number (Transfer from service label) 91 7199 9991 7030 0514 5607 PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540		COMPLETE THIS SECTION ON DELIVERY A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee B. Received by (Printed Name) C. Date of Delivery D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No 3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D. 4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

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------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Lisa Wilson

From: Lisa Wilson
Sent: Wednesday, May 25, 2011 4:26 PM
To: 'dsrhodes@burnettoil.com'
Cc: David Evans
Subject: Puckett Well Proposals
Attachments: Burnett_Puckett 24 Fed 2H.pdf; Burnett_Puckett 24 Fed 6H.pdf; Burnett_Puckett 12 Fed 7H.pdf; Burnett_Puckett 12 Fed 9H.pdf; Burnett_Puckett 13 Fed 1H.pdf; Burnett_Puckett 13 Fed 7H.pdf

Tracking:	Recipient	Delivery	Read
	'dsrhodes@burnettoil.com'		
	David Evans	Delivered: 5/25/2011 4:26 PM	Read: 5/25/2011 4:27 PM

Mr. Rhodes,

Attached are scanned copies of 6 Puckett Well Proposals. The originals are being sent today via U.S. Certified Mail.

Thank you,

Lisa Wilson (Oetting)
Land Assistant
COG OPERATING LLC
550 W. Texas Avenue, Suite 100
Midland, Texas 79701
p.432.685.4366
f.432.686.3000



Lisa Wilson

From: David Rhodes [dsrhodes@burnettoil.com]
To: Lisa Wilson
Sent: Wednesday, May 25, 2011 4:29 PM
Subject: Read: Puckett Well Proposals

Your message was read on Wednesday, May 25, 2011 4:28:31 PM (GMT-06:00) Central Time (US & Canada).



May 25, 2011

U.S. Certified Mail
Return Receipt Requested

Javalina Partners
616 Texas Street
Fort Worth, TX 76102

RE: **New Well Proposal**
Puckett "12" Federal #7H
SHL: 10' FNL & 850' FEL (Unit P) of Section 12, T17S, R31E
BHL: 330' FSL & 990' FEL, (Unit A) of Section 12, T17S, R31E
Eddy County, New Mexico

Dear Sirs:

COG Operating, LLC ("COG") proposes to drill the Puckett "12" Federal #7H as a triple lateral well at the captioned location, or a legal location within Location Unit M, to depths of approximately 5,500' TVD (Paddock lateral), 6,100' TVD (Upper Blinbry lateral), and 6,600' TVD (Lower Blinbry lateral) TVD, each to approximately 11,021' MD, to test the Yeso Formation ("Operation"). The total cost of the Operation is estimated to be \$11,340,000.00 and a detailed description of such cost is set out in the enclosed Authority for Expenditure ("AFE").

Also enclosed is COG's proposed form of Operating Agreement ("OA"). A completed version of the Exhibit "A" to be incorporated into the OA will follow under separate cover, accompanied by a fully executed set of signature pages.

If you elect to participate in the subject well, please sign and return a copy of the AFE to the below letterhead address.

If you desire to receive well information regarding the subject operations please return a Well Information Requirements list to COG. Technical questions should be directed to Carl Bird at 432-686-3057 and land questions to the undersigned at 432-818-2298.

Yours truly,

COG Operating, LLC

David R. Evans
New Mexico Shelf, Land Lead

Enclosure (s)
DRE/rc

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: **Puckett "12" Federal #7H**
SHL: 10' FNL & 850' FEL, Sec. 12-17S-31E
BHL: 330' FSL & 990' FEL, Sec. 12-17S-31E
WO/Pilot, 160 Acre

PROSPECT NAME: Tamano (Mack) 720017
COUNTY & STATE: Eddy Co, NM
OBJECTIVE: YESO (11, 021' MD) (6100' TVD) Upper Blinbry

INTANGIBLE COSTS

		BCP	ACP	TOTAL
Title/Curative/Permit	201	10,000		10,000
Insurance	202	22,000	302	22,000
Damages/Right of Way	203	15,000	303	15,000
Survey/Stake Location	204	3,000	304	3,000
Location/Pits/Road Expense	205	40,000	305 65,000	105,000
Drilling / Completion Overhead	206	5,000	306 1,000	6,000
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract 20:2 @ \$13000/day	209	260,000	309 26,000	286,000
Directional Drilling Services, With RS	210	400,000	310	400,000
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Water	212	30,000	312 75,000	105,000
Bits	213	45,000	313 1,000	46,000
Mud & Chemicals	214	25,000	314	25,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217	16,000		16,000
Cement Intermediate	218	16,000		16,000
Cement Production 7"x5.5"	218		319 70,000	70,000
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
Float Equipment & Centralizers	221	3,500	321 15,000	18,500
Casing Crews & Equipment	222	7,000	322 13,000	20,000
Fishing Tools & Service	223		323	0
Geologic/Engineering	224	10,000	324 1,000	11,000
Contract Labor	225	10,000	325 30,000	40,000
Company Supervision	226	2,000	326 2,000	4,000
Contract Supervision	227	28,000	327 4,000	32,000
Testing Casing/Tubing	228	4,000	328 1,500	5,500
Mud Logging Unit	229	16,000	329	16,000
Logging	230	0	330 5,000	5,000
Perforating/Wireline Services	231	3,500	331 125,000	128,500
Stimulation/Treating			332 760,000	760,000
Completion Unit			333 40,000	40,000
Swabbing Unit			334	0
Rentals-Surface	235	20,000	335 100,000	120,000
Rentals-Subsurface	236	30,000	336 10,000	40,000
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Welding Services	238	3,000	338 1,500	4,500
Water Disposal	239		339 25,000	25,000
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TOTAL INTANGIBLES		1,433,000	1,633,000	3,066,000

TANGIBLE COSTS

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Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	1,000	519 1,000	2,000
Contingency	420	11,000	520 55,500	66,500
TOTAL TANGIBLES		112,000	602,000	714,000
TOTAL WELL COSTS		1,545,000	2,235,000	3,780,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve:
_____% Working Interest

Company:

By:

Printed Name:

Title:

Date:

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**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: **Puckett "12" Federal #7H**
SHL: 10' FNL & 850' FEL, Sec. 12-17S-31E
BHL: 330' FSL & 990' FEL, Sec. 12-17S-31E
WO/Pilot, 160 Acre

PROSPECT NAME: Tamano (Mack) 720017
COUNTY & STATE: Eddy Co, NM
OBJECTIVE: YESO (11, 021' MD) (6100' TVD) Upper Blinbry

INTANGIBLE COSTS

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COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve:
_____% Working Interest

Company:

By:

Printed Name:

Title:

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**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

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COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve:
_____% Working Interest

Company:

By:

Printed Name:

Title:

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Transmission Report

Date/Time
Local ID 1

05-25-2011
4326863000

03:21:33 p.m.

Transmit Header Text
Local Name 1

Land

This document : Confirmed
(reduced sample and details below)
Document size : 8.5"x14"



FAX COVER SHEET

PAGE 1 OF 5 PAGES

DATE: May 25, 2011

TO: Javelina Partners-Mr. E. Randall Hudson III

FAX: (817) 334-0442

NOTICE: This facsimile message contains PRIVILEGED and CONFIDENTIAL information and is intended only for the use of the specific individual or individuals to which it is addressed. If you are not an intended recipient of this facsimile, you are hereby notified that any unauthorized use, dissemination or copying of this facsimile or the information contained herein or attached hereto is strictly prohibited. If you receive this facsimile in error, please notify the sender named below by telephone and/or reply facsimile and destroy the facsimile received in error. Thank you.

FROM: Robyn Cummings
Concho Resources Inc. - COO Oil & Gas LP / COO Operating LLC
550 West Texas Avenue, Suite 100, Midland, Texas 79701-4210

PHONE: (432) 818-2324 FAX: (432) 686 3000

Re: New Well Proposal Puckett "12" Federal 7-B

Total Pages Scanned : 5

Total Pages Confirmed : 5

No.	Job	Remote Station	Start Time	Duration	Pages	Line	Mode	Job Type	Results
01	168	8173340442	02:33:26 p.m. 05-25-2011	00:05:17	5/5	1	EC	H5	CP14400

Abbreviations:

H: Host send
R: Host receive
S: Waiting send

PL: Polled local
PR: Polled remote
MS: Mailbox save

MP: Mailbox print
RP: Report
FF: Fax Forward

CP: Completed
FA: Fail
TU: Terminated by user

TS: Terminated by system
G3: Group 3
EC: Error Correct



FAX COVER SHEET

PAGE 1 OF 5 PAGES

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FAX: (432) 686 3000

Re: New Well Proposal Puckett "12" Federal 7-H

Transmission Report

Date/Time
Local ID 1

05-25-2011
4326863000

03:21:33 p.m.

Transmit Header Text
Local Name 1

Land

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(reduced sample and details below)
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FAX: (432) 686 3000

Re: New Well Proposal Puckett "12" Federal 7-H

Confirmation Services	Package ID: 9171999991703005145539	Electronic Certified
	Destination ZIP Code: 76102	Priority Envelope or package CBP
	Customer Reference:	
	Recipient:	PBP Account #: 41562288
	Address:	Serial #: 1364097 MAY 25 2011 4:42pm

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<input type="checkbox"/> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.		A. Signature <input type="checkbox"/> Agent	
<input type="checkbox"/> Print your name and address on the reverse so that we can return the card to you.		<input checked="" type="checkbox"/> Addressee	
<input type="checkbox"/> Attach this card to the back of the mailpiece, or on the front if space permits.		B. Received by (Printed Name) C. Date of Delivery	
1. Article Addressed to:		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
Javelina Partners 616 Texas Street Fort Worth, TX 76102 Puckett "12" Federal #7H			
2. Article Number (Transfer from service label)		91 7199 9991 7030 0514 5539	
PS Form 3811, February 2004		Domestic Return Receipt	
		102595-02-M-1540	

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<input type="checkbox"/> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.		A. Signature <input type="checkbox"/> Agent	
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Javelina Partners 616 Texas Street Fort Worth, TX 76102 Puckett "12" Federal #7H		Olivia MAY 27 2011	
2. Article Number (Transfer from service label)		91 7199 9991 7030 0514 5539	
PS Form 3811, February 2004		Domestic Return Receipt	
		102595-02-M-1540	



May 25, 2011

U.S. Certified Mail
Return Receipt Requested

Zorro Partners
616 Texas Street
Fort Worth, TX 76102

RE: **New Well Proposal**
Puckett "12" Federal #7H
SHL: 10' FNL & 850' FEL (Unit P) of Section 12, T17S, R31E
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Eddy County, New Mexico

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Yours truly,

COG Operating, LLC

David R. Evans
New Mexico Shelf, Land Lead

Enclosure (s)
DRE/rc

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AUTHORITY FOR EXPENDITURE
DRILLING**

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WO/Pilot, 160 Acre

PROSPECT NAME: **Tamano (Mack) 720017**
COUNTY & STATE: **Eddy Co, NM**
OBJECTIVE: **YESO (11, 021' MD) (6600' TVD) Lower Blinbry**

INTANGIBLE COSTS		BCP	ACP	TOTAL
Title/Curative/Permit	201	10,000		10,000
Insurance	202	22,000		22,000
Damages/Right of Way	203	15,000		15,000
Survey/Stake Location	204	3,000		3,000
Location/Pits/Road Expense	205	40,000	65,000	105,000
Drilling / Completion Overhead	206	5,000	1,000	6,000
Turnkey Contract	207			0
Footage Contract	208			0
Daywork Contract 20:2 @ \$13000/day	209	260,000	26,000	286,000
Directional Drilling Services, With RS	210	400,000		400,000
Fuel & Power	211	112,500	11,250	123,750
Water	212	30,000	75,000	105,000
Bits	213	45,000	1,000	46,000
Mud & Chemicals	214	25,000		25,000
Drill Stem Test	215			0
Coring & Analysis	216			0
Cement Surface	217	16,000		16,000
Cement Intermediate	218	16,000		16,000
Cement Production 7"x5.5"	218		319 70,000	70,000
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
Float Equipment & Centralizers	221	3,500	321 15,000	18,500
Casing Crews & Equipment	222	7,000	322 13,000	20,000
Fishing Tools & Service	223		323	0
Geologic/Engineering	224	10,000	324 1,000	11,000
Contract Labor	225	10,000	325 30,000	40,000
Company Supervision	226	2,000	326 2,000	4,000
Contract Supervision	227	28,000	327 4,000	32,000
Testing Casing/Tubing	228	4,000	328 1,500	5,500
Mud Logging Unit	229	16,000	329	16,000
Logging	230	0	330 5,000	5,000
Perforating/Wireline Services	231	3,500	331 125,000	128,500
Stimulation/Treating			332 760,000	760,000
Completion Unit			333 40,000	40,000
Swabbing Unit			334	0
Rentals-Surface	235	20,000	335 100,000	120,000
Rentals-Subsurface	236	30,000	336 10,000	40,000
Trucking/Forklift/Rig Mobilization	237	40,000	337 100,000	140,000
Welding Services	238	3,000	338 1,500	4,500
Water Disposal	239		339 25,000	25,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	120,000	344	120,000
Miscellaneous	242	5,000	342 1,000	6,000
Contingency	243	131,500	343 149,750	281,250
TOTAL INTANGIBLES		1,433,000	1,633,000	3,066,000
TANGIBLE COSTS				
Surface Casing 550' 13 3/8"	401	20,000		1,200
Intermediate Casing 1850' 9 5/8"	402	48,000	503	48,000
Production Casing/Liner 6900' - 7", 4200' - 5.5"			503 260,000	260,000
Tubing 6200' 2 7/8"			504 38,000	38,000
Wellhead Equipment	405	30,000	505 18,000	48,000
Pumping Unit			506 97,000	97,000
Prime Mover			507	0
Rods			508 39,000	39,000
Pumps			509 4,500	4,500
Tanks			510 20,000	20,000
Flowlines			511 15,000	15,000
Heater Treater/Separator			512 25,000	25,000
Electrical System			513	0
Packers/Anchors/Hangers	414		514	0
Couplings/Fittings/Valves	415	2,000	515 25,000	27,000
Gas Compressors/Meters			516 4,000	4,000
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	1,000	519 1,000	2,000
Contingency	420	11,000	520 55,500	66,500
TOTAL TANGIBLES		112,000	602,000	714,000
TOTAL WELL COSTS		1,545,000	2,235,000	3,780,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve:
_____% Working Interest

Company:
By: _____

Printed Name:
Title:
Date: _____

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**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: **Puckett "12" Federal #7H**
SHL: 10' FNL & 850' FEL, Sec. 12-17S-31E
BHL: 330' FSL & 990' FEL, Sec. 12-17S-31E
WO/Pilot, 160 Acre

PROSPECT NAME: **Tamano (Mack) 720017**
COUNTY & STATE: **Eddy Co, NM**
OBJECTIVE: **YESO (11, 021' MD) (6600' TVD) Lower Blinbry**

INTANGIBLE COSTS

		BCP	ACP	TOTAL
Title/Curative/Permit	201	10,000		10,000
Insurance	202	22,000	302	22,000
Damages/Right of Way	203	15,000	303	15,000
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Cement Production 7"x5.5"	218		319	70,000
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Casing Crews & Equipment	222	7,000	322	20,000
Fishing Tools & Service	223		323	0
Geologic/Engineering	224	10,000	324	11,000
Contract Labor	225	10,000	325	40,000
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Testing Casing/Tubing	228	4,000	328	5,500
Mud Logging Unit	229	16,000	329	16,000
Logging	230	0	330	5,000
Perforating/Wireline Services	231	3,500	331	128,500
Stimulation/Treating			332	760,000
Completion Unit			333	40,000
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Welding Services	238	3,000	338	4,500
Water Disposal	239		339	25,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	120,000	344	120,000
Miscellaneous	242	5,000	342	6,000
Contingency	243	131,500	343	281,250
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COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve:
_____% Working Interest

Company: _____

By: _____

Printed Name: _____

Title: _____

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COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING

WELL NAME: Puckett "12" Federal #7H
SHL: 10' FNL & 850' FEL, Sec. 12-17S-31E
BHL: 330' FSL & 990' FEL, Sec. 12-17S-31E
WO/Pilot, 160 Acre

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COUNTY & STATE: Eddy Co, NM
OBJECTIVE: YESO (11, 021' MD) (6600' TVD) Lower Blinbry

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COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve:
_____% Working Interest

Company: _____

By: _____

Printed Name: _____

Title: _____

This AFE is only an estimate. By signing you agree to pay your share
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Transmission Report

Date/Time
Local ID 1

05-25-2011
4326863000

02:26:30 p.m.

Transmit Header Text
Local Name 1

Land

This document : Confirmed
(reduced sample and details below)
Document size : 8.5"x14"



FAX COVER SHEET

PAGE 1 OF 5 PAGES

DATE: May 25, 2011

TO: Zorro Partners-Mr. William A. Hudson II

FAX: (817) 334-0442

NOTICE: This facsimile message contains PRIVILEGED and CONFIDENTIAL information and is intended only for the use of the specific individual or individuals to which it is addressed. If you are not an intended recipient of this facsimile, you are hereby notified that any unauthorized use, dissemination or copying of this facsimile or the information contained herein or attached hereto is strictly prohibited. If you receive this facsimile in error, please notify the sender named below by telephone and/or reply facsimile and destroy the facsimile received in error. Thank you.

FROM: Robyn Cummings
Concho Resources Inc. - COG Oil & Gas LP / COG Operating LLC
550 West Texas Avenue, Suite 100, Midland, Texas 79701-4210

PHONE: (432) 818-2324 FAX: (432) 686 3000

Re: New Well Proposal Packett "12" Federal 7-H

Total Pages Scanned : 5

Total Pages Confirmed : 5

No.	Job	Remote Station	Start Time	Duration	Pages	Line	Mode	Job Type	Results
001	157	8173340442	02:18:08 p.m. 05-25-2011	00:04:14	5/5	1	EC	HS	CP9600

Abbreviations:

HS: Host send
HR: Host receive
WS: Waiting send

PL: Polled local
PR: Polled remote
MS: Mailbox save

MP: Mailbox print
RP: Report
FF: Fax Forward

CP: Completed
FA: Fall
TU: Terminated by user

TS: Terminated by system
G3: Group 3
EC: Error Correct



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PAGE 1 OF 5 PAGES

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FROM: Robyn Cummins
Concho Resources Inc. - COG Oil & Gas LP / COG Operating LLC
550 West Texas Avenue, Suite 100, Midland, Texas 79701-4210

PHONE: (432) 818-2324

FAX: (432) 686 3000

Re: New Well Proposal Puckett "12" Federal 7-H

Transmission Report

Date/Time
Local ID 1

05-25-2011
4326863000

02:26:30 p.m.

Transmit Header Text
Local Name 1

Land

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550 West Texas Avenue, Suite 100, Midland, Texas 79701-4210

PHONE: (432) 818-2324

FAX: (432) 686 3000

Re: New Well Proposal Puckett "12" Federal 7-H

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- 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:

Zorro Partners
616 Texas Street
Fort Worth, TX 76102
Puckett "12" Federal #7H

2. Article Number
(Transfer from)

91 7199 9991 7030 0514 5591

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

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

☐ No

If YES, enter delivery address below:

3. Service Type

☒ Certified Mail

☐ Express Mail

☐ Registered

☒ Return Receipt for Merchandise

☐ Insured Mail

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

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102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent

☐ Addressee

B. Received by (Printed Name)

David A

C. Date of Delivery

MAY 27 2011

D. Is delivery address different from item 1?

☐ Yes

If YES, enter delivery address below:

☐ No

3. Service Type

☒ Certified Mail

☒ Express Mail

☐ Registered

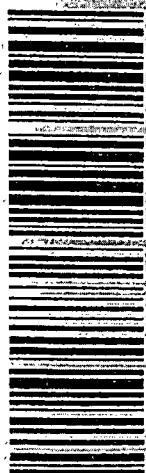
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☐ Insured Mail

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes



91 7199 9991 7030 0514 5591

CONCHO

550 West Texas Avenue, Suite 100
Midland, Texas 79701

Zorro Partners
616 Texas Street
Fort Worth, TX 76102



August 5, 2011

*U.S. Certified Mail
Return Receipt Requested*

Burnett Oil Company
Burnett Plaza, Unit 9
801 Cherry Street, Suite 1500
Fort Worth, Texas 76102

RE: Amendment to New Well Proposal

Puckett "12" Federal #9H

SL: 330' FNL & 330' FWL (Unit D) of Section 12, T17S, R31E

BHL: 330' FNL & 330' FEL, (Unit A) of Section 12, T17S, R31E

Eddy County, New Mexico

Dear Sirs:

Reference is made to our letter to you dated May 25, 2011 proposing the subject well. Please note the following corrections:

- The well will be drilled at an approved surface location within location unit letter D.
- The well will be drilled with a pilot hole to an estimated TD of 6800'.
- The two subsequent laterals will be drilled to approximately 9900' MD for the Paddock and 10500' MD for the upper Blinbry.
- The total cost of the Operation is estimated to be \$9,825,000.00. A set of AFEs (Authority for Expenditure) are enclosed to replace those sent previously.

If you have any questions, please do not hesitate to contact the undersigned at 432-685-4354.

Yours truly,

COG Operating LLC

Stuart A. Dirks, CPL
Senior Landman

Enclosure (s)

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "12" Federal #9H	PROSPECT NAME: Puckett
Surf. Loc: 330' FNL, 330' FWL, Sec 12-17S-31E	COUNTY & STATE: Eddy Co, NM
B.H. Loc: 330' FNL, 330' FEL, Sec 12-17S-31E	OBJECTIVE: 11021' MD (6600' TVD) Blinbry
W/Pilot, 160 Acre	

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Tanks			510	20,000
Flowlines			511	15,000
Heater Treater/Separator			512	25,000
Electrical System			513	0
Packers/Anchors/Hangers	414		514	0
Couplings/Fittings/Valves	415	2,000	515	27,000
Gas Compressors/Meters			516	4,000
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	1,000	519	2,000
Contingency	420	11,000	520	66,500
TOTAL TANGIBLES		112,000	602,000	714,000
TOTAL WELL COSTS		1,722,000	2,235,000	3,957,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/24/11

We approve:
_____% Working Interest

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
DRILLING**

WELL NAME: Puckett "12" Federal #9H	PROSPECT NAME: Puckett
Surf. Loc: 330' FNL, 330' FWL, Sec 12-17S-31E	COUNTY & STATE: Eddy Co, NM
B.H. Loc: 330' FNL, 330' FEL, Sec 12-17S-31E	OBJECTIVE: 10500' MD (6100' TVD) Upper Blinberry
WO/Pilot, 160 Acre	

INTANGIBLE COSTS		BCP	ACP	TOTAL
Title/Curative/Permit	201	10,000		10,000
Insurance	202	22,000	302	22,000
Damages/Right of Way	203		303	0
Survey/Stake Location	204		304	0
Location/Pits/Road Expense	205	10,000	305	10,000
Drilling / Completion Overhead	206	5,000	306	1,000
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract 12:3 @ \$13000/day	209	156,000	309	39,000
Directional Drilling Services, With RS	210	350,000	310	350,000
Fuel & Power	211	68,000	311	17,000
Water	212	25,000	312	75,000
Bits	213	30,000	313	1,000
Mud & Chemicals	214	15,000	314	15,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217			0
Cement Intermediate	218			0
Cement 2nd Intermediate 7"	218		319	0
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
Float Equipment & Centralizers	221		321	0
Casing Crews & Equipment	222		322	13,000
Fishing Tools & Service	223	100,000	323	100,000
Geologic/Engineering	224	10,000	324	1,000
Contract Labor	225	10,000	325	30,000
Company Supervision	226	2,000	326	2,000
Contract Supervision	227	17,000	327	4,200
Testing Casing/Tubing	228	4,000	328	1,500
Mud Logging Unit	229	12,000	329	12,000
Logging	230		330	0
Perforating/Wireline Services	231	15,000	331	12,500
Stimulation/Treating			332	950,000
Completion Unit		12,000	333	45,000
Swabbing Unit			334	0
Rentals-Surface	235	15,000	335	45,000
Rentals-Subsurface	236	60,000	336	10,000
Trucking/Forklift/Rig Mobilization	237	40,000	337	20,000
Welding Services	238	3,000	338	1,500
Water Disposal	239		339	25,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	50,000	344	50,000
Miscellaneous	242	5,000	342	1,000
Contingency	243	105,000	343	131,300
TOTAL INTANGIBLES		1,151,000	1,436,000	2,587,000
TANGIBLE COSTS				
Surface Casing	401			1,200
Intermediate Casing	402		503	0
Production Casing/Liner 4200' - 4.5"			503	51,000
Tubing			504	0
Wellhead Equipment	405		505	0
Pumping Unit			506	0
Prime Mover			507	0
Rods			508	0
Pumps			509	0
Tanks			510	0
Flowlines			511	0
Heater Treater/Separator			512	0
Electrical System			513	0
Packers/Anchors/Hangers	414		514	230,000
Couplings/Fittings/Valves	415	2,000	515	25,000
Gas Compressors/Meters			516	4,000
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	1,000	519	1,000
Contingency	420	1,000	520	32,000
TOTAL TANGIBLES		4,000	343,000	347,000
TOTAL WELL COSTS		1,155,000	1,779,000	2,934,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:
_____ % Working Interest

Company: _____
By: _____

Printed Name: _____
Title: _____
Date: _____

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**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "12" Federal #9H	PROSPECT NAME: Puckett
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B.H. Loc: 330' FNL, 330' FEL, Sec 12-17S-31E	OBJECTIVE: 9900' MD (5500' TVD) Paddock
WO/Pilot, 160 Acre	

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Survey/Stake Location	204		304	0
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Drilling / Completion Overhead	206	5,000	306	1,000
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract 12:3 @ \$13000/day	209	156,000	309	39,000
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Fuel & Power	211	68,000	311	17,000
Water	212	25,000	312	75,000
Bits	213	30,000	313	1,000
Mud & Chemicals	214	15,000	314	
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217			0
Cement Intermediate	218			0
Cement 2nd Intermediate 7"	218		319	0
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
Float Equipment & Centralizers	221		321	0
Casing Crews & Equipment	222		322	13,000
Fishing Tools & Service	223	100,000	323	
Geologic/Engineering	224	10,000	324	1,000
Contract Labor	225	10,000	325	30,000
Company Supervision	226	2,000	326	2,000
Contract Supervision	227	17,000	327	4,200
Testing Casing/Tubing	228	4,000	328	1,500
Mud Logging Unit	229	12,000	329	
Logging	230		330	0
Perforating/Wireline Services	231	15,000	331	12,500
Stimulation/Treating			332	950,000
Completion Unit		12,000	333	45,000
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Rentals-Surface	235	15,000	335	45,000
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Trucking/Forklift/Rig Mobilization	237	40,000	337	20,000
Welding Services	238	3,000	338	1,500
Water Disposal	239		339	25,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	50,000	344	
Miscellaneous	242	5,000	342	1,000
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TOTAL INTANGIBLES		1,151,000	1,436,000	2,587,000
TANGIBLE COSTS				
Surface Casing	401			1,200
Intermediate Casing	402		503	0
Production Casing/Liner 4200' - 4.5"			503	51,000
Tubing			504	0
Wellhead Equipment	405		505	0
Pumping Unit			506	0
Prima Mover			507	0
Rods			508	0
Pumps			509	0
Tanks			510	0
Flowlines			511	0
Heater Treater/Separator			512	0
Electrical System			513	0
Packers/Anchors/Hangers	414		514	230,000
Couplings/Fittings/Valves	415	2,000	515	25,000
Gas Compressors/Meters			516	4,000
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	1,000	519	1,000
Contingency	420	1,000	520	32,000
TOTAL TANGIBLES		4,000	343,000	347,000
TOTAL WELL COSTS		1,155,000	1,779,000	2,934,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:
_____ % Working Interest

Company: _____
By: _____

Printed Name: _____
Title: _____
Date: _____

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SENDER: COMPLETE THIS SECTION

- Complete Items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- 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:

Burnett Oil Company
Burnett Plaza, Unit 9
801 Cherry Street, Suite 1500
Fort Worth, Texas 73102
Puckett 12 Federal #9H

2. Article
(TRA)

91 7199 9991 7030 4045 3699

PS Form 3811, February 2004

Domestic Return Receipt

102589-02-M-1540

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

☒ Certified Mail

☐ Express Mail

☐ Registered

☒ Return Receipt for Merchandise

☐ Insured Mail

☐ C.O.D.

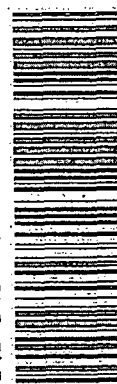
4. Restricted Delivery? (Extra Fee)

☐ Yes

CONCHO
550 West Texas Avenue, Suite 100
Midland, Texas 79701

Burnett Oil Company
Burnett Plaza, Unit 9
801 Cherry Street, Suite 1500
Fort Worth, Texas 73102
Puckett 12 Federal #9H

91 7199 9991 7030 4045 3699





August 5, 2011

*U.S. Certified Mail
Return Receipt Requested*

Javelina Partners
616 Texas Street
Fort Worth, TX 76102

RE: Amendment to New Well Proposal

Puckett "12" Federal #9H

SL: 330' FNL & 330' FWL (Unit D) of Section 12, T17S, R31E

BHL: 330' FNL & 330' FEL, (Unit A) of Section 12, T17S, R31E

Eddy County, New Mexico

Dear Sirs:

Reference is made to our letter to you dated May 25, 2011 proposing the subject well. Please note the following corrections:

- The well will be drilled at an approved surface location within location unit letter D.
- The well will be drilled with a pilot hole to an estimated TD of 6800'.
- The two subsequent laterals will be drilled to approximately 9900' MD for the Paddock and 10500' MD for the upper Blinbry.
- The total cost of the Operation is estimated to be \$9,825,000.00. A set of AFEs (Authority for Expenditure) are enclosed to replace those sent previously.

If you have any questions, please do not hesitate to contact the undersigned at 432-685-4354.

Yours truly,

COG Operating LLC

Stuart A. Dirks, CPL
Senior Landman

Enclosure (s)

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "12" Federal #9H	PROSPECT NAME: Puckett
Surf. Loc: 330' FNL, 330' FWL, Sec 12-17S-31E	COUNTY & STATE: Eddy Co, NM
B.H. Loc: 330' FNL, 330' FEL, Sec 12-17S-31E	OBJECTIVE: 11021' MD (6600' TVD) Blinebry
W/Pilot, 160 Acre	

INTANGIBLE COSTS		BCP	ACP	TOTAL
Title/Curative/Permit	201	10,000		10,000
Insurance	202	22,000	302	22,000
Damages/Right of Way	203	15,000	303	15,000
Survey/Stake Location	204	3,000	304	3,000
Location/Pits/Road Expense	205	40,000	305 65,000	105,000
Drilling / Completion Overhead	206	5,000	306 1,000	6,000
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract 24:2 @ \$13000/day	209	312,000	309 26,000	338,000
Directional Drilling Services, With RS	210	400,000	310	400,000
Fuel & Power	211	135,000	311 11,250	146,250
Water	212	34,000	312 75,000	109,000
Bits	213	45,000	313 1,000	46,000
Mud & Chemicals	214	25,000	314	25,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217	16,000		16,000
Cement Intermediate	218	16,000		16,000
Cement Production 7"x5.5"	218		319 70,000	70,000
Cement Squeeze & Other (Kickoff Plug)	220	25,000	320	25,000
Float Equipment & Centralizers	221	3,500	321 15,000	18,500
Casing Crews & Equipment	222	7,000	322 13,000	20,000
Fishing Tools & Service	223		323	0
Geologic/Engineering	224	10,000	324 1,000	11,000
Contract Labor	225	10,000	325 30,000	40,000
Company Supervision	226	2,000	326 2,000	4,000
Contract Supervision	227	28,000	327 4,000	32,000
Testing Casing/Tubing	228	4,000	328 1,500	5,500
Mud Logging Unit	229	20,000	329	20,000
Logging	230	30,000	330 5,000	35,000
Perforating/Wireline Services	231	3,500	331 125,000	128,500
Stimulation/Treating			332 760,000	760,000
Completion Unit			333 40,000	40,000
Swabbing Unit			334	0
Rentals-Surface	235	24,000	335 100,000	124,000
Rentals-Subsurface	236	35,000	336 10,000	45,000
Trucking/Forklift/Rig Mobilization	237	40,000	337 100,000	140,000
Welding Services	238	3,000	338 1,500	4,500
Water Disposal	239		339 25,000	25,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	135,000	344	135,000
Miscellaneous	242	5,000	342 1,000	6,000
Contingency	243	147,000	343 149,750	296,750
TOTAL INTANGIBLES		1,610,000	1,633,000	3,243,000
TANGIBLE COSTS				
Surface Casing 550' 13 3/8"	401	20,000		1,200
Intermediate Casing 1850' 9 5/8"	402	48,000	503	48,000
Production Casing/Liner 6900' - 7", 4200' - 5.5"			503 260,000	260,000
Tubing 6200' 2 7/8"			504 38,000	38,000
Wellhead Equipment	405	30,000	505 18,000	48,000
Pumping Unit			506 97,000	97,000
Prime Mover			507	0
Rods			508 39,000	39,000
Pumps			509 4,500	4,500
Tanks			510 20,000	20,000
Flowlines			511 15,000	15,000
Heater Treater/Separator			512 25,000	25,000
Electrical System			513	0
Packers/Anchors/Hangers	414		514	0
Couplings/Fittings/Valves	415	2,000	515 25,000	27,000
Gas Compressors/Meters			516 4,000	4,000
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	1,000	519 1,000	2,000
Contingency	420	11,000	520 55,500	66,500
TOTAL TANGIBLES		112,000	602,000	714,000
TOTAL WELL COSTS		1,722,000	2,235,000	3,957,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/24/11

We approve:
% Working Interest

Company:

By:

Printed Name:

Title:

Date:

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**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "12" Federal #9H	PROSPECT NAME: Puckett
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WO/Pilot, 160 Acre	

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Bits	213	30,000	313	1,000
Mud & Chemicals	214	15,000	314	15,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217			0
Cement Intermediate	218			0
Cement 2nd Intermediate 7"	218		319	0
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Fishing Tools & Service	223	100,000	323	100,000
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Plug to Abandon	240		340	0
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Closed Loop & Environmental	244	50,000	344	50,000
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COG Operating LLC

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Date Prepared: 5/17/11

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_____% Working Interest

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WO/Pilot, 160 Acre	

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Water	212 25,000	312 75,000	100,000
Bits	213 30,000	313 1,000	31,000
Mud & Chemicals	214 15,000	314	15,000
Drill Stem Test	215	315	0
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Mud Logging Unit	229 12,000	329	12,000
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Perforating/Wireline Services	231 15,000	331 12,500	27,500
Stimulation/Treating		332 950,000	950,000
Completion Unit	12,000	333 45,000	57,000
Swabbing Unit		334	0
Rentals-Surface	235 15,000	335 45,000	60,000
Rentals-Subsurface	236 60,000	336 10,000	70,000
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Welding Services	238 3,000	338 1,500	4,500
Water Disposal	239	339 25,000	25,000
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Wellhead Equipment	405	505	0
Pumping Unit		506	0
Prime Mover		507	0
Rods		508	0
Pumps		509	0
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TOTAL WELL COSTS		1,155,000	2,934,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:
_____ % Working Interest

Company:
By: _____

Printed Name:
Title:
Date: _____

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1. Article Addressed to:

Javalina Partners
616 Texas Street
Fort Worth, TX 76102
Puckett 12 Federal #9H

2. Article Number
(Transfer from serv

91 7199 9991 7030 4045 3682

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

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? ☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail☐ Express Mail☐ Registered☒ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

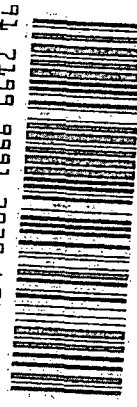
4. Restricted Delivery? (Extra Fee)

☐ Yes


CONCHO
550 West Texas Avenue, Suite 100
Midland, Texas 79701

Javalina Partners
616 Texas Street
Fort Worth, TX 76102
Puckett 12 Federal #9H

91 7199 9991 7030 4045 3682





August 5, 2011

*U.S. Certified Mail
Return Receipt Requested*

Zorro Partners, Ltd.
616 Texas Street
Fort Worth, TX 76102

RE: Amendment to New Well Proposal

Puckett "12" Federal #9H
SL: 330' FNL & 330' FWL (Unit D) of Section 12, T17S, R31E
BHL: 330' FNL & 330' FEL, (Unit A) of Section 12, T17S, R31E
Eddy County, New Mexico

Dear Sirs:


Reference is made to our letter to you dated May 25, 2011 proposing the subject well. Please note the following corrections:

- The well will be drilled at an approved surface location within location unit letter D.
- The well will be drilled with a pilot hole to an estimated TD of 6800'.
- The two subsequent laterals will be drilled to approximately 9900' MD for the Paddock and 10500' MD for the upper Blinebry.
- The total cost of the Operation is estimated to be \$9,825,000.00. A set of AFEs (Authority for Expenditure) are enclosed to replace those sent previously.

If you have any questions, please do not hesitate to contact the undersigned at 432-685-4354.

Yours truly,

COG Operating LLC


Stuart A. Dirks, CPL
Senior Landman

Enclosure (s)

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "12" Federal #9H	PROSPECT NAME: Puckett
Surf. Loc: 330' FNL, 330' FWL, Sec 12-17S-31E	COUNTY & STATE: Eddy Co, NM
B.H. Loc: 330' FNL, 330' FEL, Sec 12-17S-31E	OBJECTIVE: 11021' MD (6600' TVD) Blinbry
W/Pilot, 160 Acre	

INTANGIBLE COSTS		BCP	ACP	TOTAL
Title/Curative/Permit	201	10,000		10,000
Insurance	202	22,000	302	22,000
Damages/Right of Way	203	15,000	303	15,000
Survey/Stake Location	204	3,000	304	3,000
Location/Pits/Road Expense	205	40,000	305	105,000
Drilling / Completion Overhead	206	5,000	306	6,000
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract 24:2 @ \$13000/day	209	312,000	309	338,000
Directional Drilling Services, With RS	210	400,000	310	400,000
Fuel & Power	211	135,000	311	146,250
Water	212	34,000	312	109,000
Bits	213	45,000	313	46,000
Mud & Chemicals	214	25,000	314	25,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217	16,000		16,000
Cement Intermediate	218	16,000		16,000
Cement Production 7"x5.5"	218		319	70,000
Cement Squeeze & Other (Kickoff Plug)	220	25,000	320	25,000
Float Equipment & Centralizers	221	3,500	321	18,500
Casing Crews & Equipment	222	7,000	322	20,000
Fishing Tools & Service	223		323	0
Geologic/Engineering	224	10,000	324	11,000
Contract Labor	225	10,000	325	40,000
Company Supervision	226	2,000	326	4,000
Contract Supervision	227	28,000	327	32,000
Testing Casing/Tubing	228	4,000	328	5,500
Mud Logging Unit	229	20,000	329	20,000
Logging	230	30,000	330	35,000
Perforating/Wireline Services	231	3,500	331	128,500
Stimulation/Treating			332	760,000
Completion Unit			333	40,000
Swabbing Unit			334	0
Rentals-Surface	235	24,000	335	124,000
Rentals-Subsurface	236	35,000	336	45,000
Trucking/Forklift/Rig Mobilization	237	40,000	337	140,000
Welding Services	238	3,000	338	4,500
Water Disposal	239		339	25,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	135,000	344	135,000
Miscellaneous	242	5,000	342	6,000
Contingency	243	147,000	343	296,750
TOTAL INTANGIBLES		1,610,000	1,633,000	3,243,000
TANGIBLE COSTS				
Surface Casing 550' 13 3/8"	401	20,000		1,200
Intermediate Casing 1850' 9 5/8"	402	48,000	503	48,000
Production Casing/Liner 6900' - 7", 4200' - 5.5"			503	260,000
Tubing 6200' 2 7/8"			504	38,000
Wellhead Equipment	405	30,000	505	48,000
Pumping Unit			506	97,000
Prime Mover			507	0
Rods			508	39,000
Pumps			509	4,500
Tanks			510	20,000
Flowlines			511	15,000
Heater Treater/Separator			512	25,000
Electrical System			513	0
Packers/Anchors/Hangers	414		514	0
Couplings/Fittings/Valves	415	2,000	515	27,000
Gas Compressors/Meters			516	4,000
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	1,000	519	2,000
Contingency	420	11,000	520	66,500
TOTAL TANGIBLES		112,000	602,000	714,000
TOTAL WELL COSTS		1,722,000	2,235,000	3,957,000

COG Operating LLC

By: J. Cofman / C. Bird

Date Prepared: 5/24/11

We approve:
_____% Working Interest

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
DRILLING**

WELL NAME: Puckett "12" Federal #9H	PROSPECT NAME: Puckett
Surf. Loc: 330' FNL, 330' FWL, Sec 12-17S-31E	COUNTY & STATE: Eddy Co, NM
B.H. Loc: 330' FNL, 330' FEL, Sec 12-17S-31E	OBJECTIVE: 10500' MD (6100' TVD) Upper Blinbry
WO/Pilot, 160 Acre	

INTANGIBLE COSTS		BCP	ACP	TOTAL
Title/Curative/Permit	201	10,000		10,000
Insurance	202	22,000		22,000
Damages/Right of Way	203			0
Survey/Stake Location	204			0
Location/Pits/Road Expense	205	10,000	10,000	20,000
Drilling / Completion Overhead	206	5,000	1,000	6,000
Turnkey Contract	207			0
Footage Contract	208			0
Daywork Contract 12:3 @ \$13000/day	209	156,000	39,000	195,000
Directional Drilling Services, With RS	210	350,000		350,000
Fuel & Power	211	68,000	17,000	85,000
Water	212	25,000	75,000	100,000
Bits	213	30,000	1,000	31,000
Mud & Chemicals	214	15,000		15,000
Drill Stem Test	215			0
Coring & Analysis	216			0
Cement Surface	217			0
Cement Intermediate	218			0
Cement 2nd Intermediate 7"	218		319	0
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
Float Equipment & Centralizers	221		321	0
Casing Crews & Equipment	222		322	13,000
Fishing Tools & Service	223	100,000	323	100,000
Geologic/Engineering	224	10,000	324	11,000
Contract Labor	225	10,000	325	40,000
Company Supervision	226	2,000	326	4,000
Contract Supervision	227	17,000	327	21,200
Testing Casing/Tubing	228	4,000	328	5,500
Mud Logging Unit	229	12,000	329	12,000
Logging	230		330	0
Perforating/Wireline Services	231	15,000	331	27,500
Stimulation/Treating			332	950,000
Completion Unit		12,000	333	45,000
Swabbing Unit			334	0
Rentals-Surface	235	15,000	335	60,000
Rentals-Subsurface	236	60,000	336	70,000
Trucking/Forklift/Rig Mobilization	237	40,000	337	60,000
Welding Services	238	3,000	338	4,500
Water Disposal	239		339	25,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	50,000	344	50,000
Miscellaneous	242	5,000	342	6,000
Contingency	243	105,000	343	236,300
TOTAL INTANGIBLES		1,151,000	1,436,000	2,587,000
TANGIBLE COSTS				
Surface Casing	401			1,200
Intermediate Casing	402		503	0
Production Casing/Liner 4200" - 4.5"			503	51,000
Tubing			504	0
Wellhead Equipment	405		505	0
Pumping Unit			506	0
Prime Mover			507	0
Rods			508	0
Pumps			509	0
Tanks			510	0
Flowlines			511	0
Heater Treater/Separator			512	0
Electrical System			513	0
Packers/Anchors/Hangers	414		514	230,000
Couplings/Fittings/Valves	415	2,000	515	27,000
Gas Compressors/Meters			516	4,000
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	1,000	519	2,000
Contingency	420	1,000	520	32,000
TOTAL TANGIBLES		4,000	343,000	347,000
TOTAL WELL COSTS		1,155,000	1,779,000	2,934,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:
_____% Working Interest

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
DRILLING**

WELL NAME: Puckett "12" Federal #9H	PROSPECT NAME: Puckett
Surf. Loc: 330' FNL, 330' FWL, Sec 12-17S-31E	COUNTY & STATE: Eddy Co, NM
B.H. Loc: 330' FNL, 330' FEL, Sec 12-17S-31E	OBJECTIVE: 9900' MD (5500' TVD) Paddock
WO/Pilot, 160 Acre	

INTANGIBLE COSTS		BCP	ACP	TOTAL
Title/Curative/Permit	201	10,000		10,000
Insurance	202	22,000	302	22,000
Damages/Right of Way	203		303	0
Survey/Stake Location	204		304	0
Location/Pits/Road Expense	205	10,000	305	10,000
Drilling / Completion Overhead	206	5,000	306	1,000
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract 12:3 @ \$13000/day	209	156,000	309	39,000
Directional Drilling Services, With RS	210	350,000	310	
Fuel & Power	211	68,000	311	17,000
Water	212	25,000	312	75,000
Bits	213	30,000	313	1,000
Mud & Chemicals	214	15,000	314	
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217			0
Cement Intermediate	218			0
Cement 2nd Intermediate 7"	219		319	0
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
Float Equipment & Centralizers	221		321	0
Casing Crews & Equipment	222		322	13,000
Fishing Tools & Service	223	100,000	323	
Geologic/Engineering	224	10,000	324	1,000
Contract Labor	225	10,000	325	30,000
Company Supervision	226	2,000	326	2,000
Contract Supervision	227	17,000	327	4,200
Testing Casing/Tubing	228	4,000	328	1,500
Mud Logging Unit	229	12,000	329	
Logging	230		330	0
Perforating/Wireline Services	231	15,000	331	12,500
Stimulation/Treating			332	950,000
Completion Unit		12,000	333	45,000
Swabbing Unit			334	0
Rentals-Surface	235	15,000	335	45,000
Rentals-Subsurface	236	60,000	336	10,000
Trucking/Forklift/Rig Mobilization	237	40,000	337	20,000
Welding Services	238	3,000	338	1,500
Water Disposal	239		339	25,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	50,000	344	
Miscellaneous	242	5,000	342	1,000
Contingency	243	105,000	343	131,300
TOTAL INTANGIBLES		1,151,000	1,436,000	2,587,000
TANGIBLE COSTS				
Surface Casing	401			1,200
Intermediate Casing	402		503	0
Production Casing/Liner 4200" - 4.5"			503	51,000
Tubing			504	0
Wellhead Equipment	405		505	0
Pumping Unit			506	0
Prime Mover			507	0
Rods			508	0
Pumps			509	0
Tanks			510	0
Flowlines			511	0
Heater Treater/Separator			512	0
Electrical System			513	0
Packers/Anchors/Hangers	414		514	230,000
Couplings/Fittings/Valves	415	2,000	515	25,000
Gas Compressors/Meters			516	4,000
Dehydrator			517	0
Injection Plan/CO2 Equipment			518	0
Miscellaneous	419	1,000	519	1,000
Contingency	420	1,000	520	32,000
TOTAL TANGIBLES		4,000	343,000	347,000
TOTAL WELL COSTS		1,155,000	1,779,000	2,934,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/17/11

We approve:
_____% Working Interest

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.

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- 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:

Zorro Partners
616 Texas Street
Fort Worth, TX 76102
Puckett 12 Federal #9H

2. Article Number

(Transfer from sen

91 7199 9991 7030 4045 3675

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

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

☒ Certified Mail

☐ Express Mail

☐ Registered

☒ Return Receipt for Merchandise

☐ Insured Mail

☐ C.O.D.

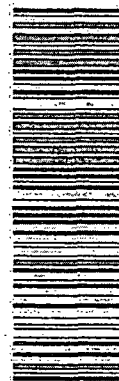
4. Restricted Delivery? (Extra Fee)

☐ Yes

CONCHO
530 West Texas Avenue, Suite 100
Midland, Texas 79701

Zorro Partners
616 Texas Street
Fort Worth, TX 76102
Puckett 12 Federal #9H

91 7199 9991 7030 4045 3675





May 25, 2011

U.S. Certified Mail
Return Receipt Requested

Burnett Oil Company
Burnett Plaza, Unit 9
801 Cherry Street, Suite 1500
Fort Worth, Texas 76102

RE: **New Well Proposal**
Puckett "12" Federal #9H
SHL: 330' FNL & 330' FWL (Unit D) of Section 12, T17S, R31E
BHL: 330' FNL & 330' FEL, (Unit A) of Section 12, T17S, R31E
Eddy County, New Mexico

Dear Sirs:

COG Operating LLC ("COG") proposes to drill the Puckett "12" Federal #9H, with pilot hole to approximately 6,800' TD, as a triple lateral well at the captioned location, or a legal location within said Unit M, to depth's of approximately 5,500' TVD (Paddock lateral), 6,100' TVD (Upper Blinebry lateral), and 6,600' TVD (Lower Blinebry lateral) TVD, each to approximately 11,021' MD, to test the Yeso Formation ("Operation"). The total cost of the Operation is estimated to be \$11,517,000.00 and a detailed description of such cost is set out in the enclosed Authority for Expenditure ("AFE").

Also enclosed is COG's proposed form of Operating Agreement ("OA"). A completed version of the Exhibit "A" to be incorporated into the OA will follow under separate cover, accompanied by a fully executed set of signature pages.

If you elect to participate in the subject well, please sign and return a copy of the AFE to the below letterhead address.

If you desire to receive well information regarding the subject operations please return a Well Information Requirements list to COG. Technical questions should be directed to Carl Bird at 432-686-3057 and land questions to the undersigned at 432-818-2298.

Yours truly,

COG Operating LLC

David R. Evans

David R. Evans
New Mexico Shelf, Land Lead

Enclosure (s)
DRE/rc

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: **Puckett "12" Federal #9H**
SHL: 330' FNL & 330' FWL, Sec. 12-17S-31E
BHL: 330' FNL & 330' FEL, Sec. 12-17S-31E
Pilot- 160 Acre

PROSPECT NAME: Tamano (Mack) 720017
COUNTY & STATE: Eddy Co, NM
OBJECTIVE: YESO (11, 021' MD) (6100' TVD) Upper Blinebry

INTANGIBLE COSTS

		BCP	ACP	TOTAL
Title/Curative/Permit	201	10,000		10,000
Insurance	202	22,000	302	22,000
Damages/Right of Way	203	15,000	303	15,000
Survey/Stake Location	204	3,000	304	3,000
Location/Pits/Road Expense	205	40,000	305	105,000
Drilling / Completion Overhead	206	5,000	306	6,000
Turnkey Contract	207		307	0
Footage Contract	208		308	0
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Water	212	30,000	312	105,000
Bits	213	45,000	313	46,000
Mud & Chemicals	214	25,000	314	25,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217	16,000		16,000
Cement Intermediate	218	16,000		16,000
Cement Production 7"x5.5"	218		319	70,000
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
Float Equipment & Centralizers	221	3,500	321	18,500
Casing Crews & Equipment	222	7,000	322	20,000
Fishing Tools & Service	223		323	0
Geologic/Engineering	224	10,000	324	11,000
Contract Labor	225	10,000	325	40,000
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Logging	230	0	330	5,000
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Miscellaneous	242	5,000	342	6,000
Contingency	243	131,500	343	281,250
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TANGIBLE COSTS

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Contingency	420	11,000	520	66,500
TOTAL TANGIBLES		112,000	602,000	714,000
TOTAL WELL COSTS		1,545,000	2,235,000	3,780,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve:
_____% Working Interest

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
DRILLING**

WELL NAME: **Puckett "12" Federal #9H**
SHL: 330' FNL & 330' FWL, Sec. 12-17S-31E
BHL: 330' FNL & 330' FEL, Sec. 12-17S-31E
Pilot- 160 Acre

PROSPECT NAME: Tamano (Mack) 720017
COUNTY & STATE: Eddy Co, NM
OBJECTIVE: YESO (11, 021' MD) (6100' TVD) Upper Blinbry

INTANGIBLE COSTS

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TOTAL INTANGIBLES		1,433,000	1,633,000	3,066,000

TANGIBLE COSTS

Surface Casing 550' 13 3/8"	401	20,000		1,200
Intermediate Casing 1850' 9 5/8"	402	48,000	503	48,000
Production Casing/Liner 6900' - 7", 4200' - 5.5"			503	260,000
Tubing 6200' 2 7/8"			504	38,000
Wellhead Equipment	405	30,000	505	48,000
Pumping Unit			506	97,000
Prime Mover			507	0
Rods			508	39,000
Pumps			509	4,500
Tanks			510	20,000
Flowlines			511	15,000
Heater Treater/Separator			512	25,000
Electrical System			513	0
Packers/Anchors/Hangers	414		514	0
Couplings/Fittings/Valves	415	2,000	515	27,000
Gas Compressors/Meters			516	4,000
Dehydrator			517	0
Injection Plan/CO2 Equipment			518	0
Miscellaneous	419	1,000	519	2,000
Contingency	420	11,000	520	66,500
TOTAL TANGIBLES		112,000	602,000	714,000
TOTAL WELL COSTS		1,545,000	2,235,000	3,780,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve:
_____% Working Interest

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
DRILLING

WELL NAME: **Puckett "12" Federal #9H**
SHL: 330' FNL & 330' FWL, Sec. 12-17S-31E
BHL: 330' FNL & 330' FEL, Sec. 12-17S-31E
Pilot- 160 Acre

PROSPECT NAME: Tamano (Mack) 720017
COUNTY & STATE: Eddy Co, NM
OBJECTIVE: YESO (11, 021' MD) (6100' TVD) Upper Blinbery

INTANGIBLE COSTS

		BCP	ACP	TOTAL
Title/Curative/Permit	201	10,000		10,000
Insurance	202	22,000	302	22,000
Damages/Right of Way	203	15,000	303	15,000
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Drilling / Completion Overhead	206	5,000	306 1,000	6,000
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Bits	213	45,000	313 1,000	46,000
Mud & Chemicals	214	25,000	314	25,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
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Cement Production 7"x5.5"	218		319 70,000	70,000
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
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Casing Crews & Equipment	222	7,000	322 13,000	20,000
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Contract Labor	225	10,000	325 30,000	40,000
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Mud Logging Unit	229	16,000	329	16,000
Logging	230	0	330 5,000	5,000
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Completion Unit			333 40,000	40,000
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COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve:
_____% Working Interest

Company:

By:

Printed Name:

Title:

Date:

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Confirmation Services	Package ID: 9171999991703005145614 Destination ZIP Code: 76102 Customer Reference: Recipient Address:
Electronic Certified Priority Envelope or package CBP PBP Account #: 415922288 Serial #: 1364097 MAY 25 2011 4:36pm	

SENDER: COMPLETE THIS SECTION ■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. ■ 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: Burnett Oil Company Burnett Plaza, Unit 9 801 Cherry Street, Suite 1500 Fort Worth, TX 76102 Puckett "12" Federal #9H 2. Article Number: (Transfer from service) 91 7199 9991 7030 0514 5614 PS Form 3811, February 2004 Domestic Return Receipt		COMPLETE THIS SECTION ON DELIVERY Signature: <u>M. Burger</u> <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee Received by (Printed Name): <u>M. Burger</u> C. Date of Delivery: <u>5/27/11</u> D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below: 3. Service Type: <input checked="" type="checkbox"/> Certified Mail <input checked="" type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Registered <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D. 4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes <input type="checkbox"/> No A. Signature: <u>X</u> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee B. Received by (Printed Name): <u>X</u> C. Date of Delivery: <u>X</u> D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below: 3. Service Type: <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Registered <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D. 4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes <input type="checkbox"/> No 1. Article Addressed to: Burnett Oil Company Burnett Plaza, Unit 9 801 Cherry Street, Suite 1500 Fort Worth, TX 76102 Puckett "12" Federal #9H 2. Article Number: (Transfer from service) 91 7199 9991 7030 0514 5614 PS Form 3811, February 2004 Domestic Return Receipt	
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102595-02-M-1540

Transmission Report

Date/Time
Local ID 1

05-25-2011
4326863000

03:43:07 p.m.

Transmit Header Text
Local Name 1

Land

This document : Failed
(reduced sample and details below)
Document size : 8.5"x14"



FAX COVER SHEET

PAGE 1 OF 5 PAGES

DATE: May 25, 2011

TO: Burnett Oil Company-Attn: Land Manager

FAX: (817) 332-7832

NOTICE: This facsimile message contains PRIVILEGED and CONFIDENTIAL information and is intended only for the use of the specific individual or individuals to which it is addressed. If you are not an intended recipient of this facsimile, you are hereby notified that any unauthorized use, dissemination or copying of this facsimile or the information contained herein or attached hereto is strictly prohibited. If you receive this facsimile in error, please notify the sender named below by telephone and/or reply facsimile and destroy the facsimile received in error. Thank you.

FROM: Robyn Cummins
Concho Resources Inc. - COO Oil & Gas LP / COG Operating LLC
550 West Texas Avenue, Suite 100, Midland, Texas 79701-4211

PHONE: (432) 818-2324 FAX: (432) 686 3000

Re: New Well Proposal Pockett "12" Federal 9-H

Total Pages Scanned : 5

Total Pages Confirmed : 0

No.	Job	Remote Station	Start Time	Duration	Pages	Line	Mode	Job Type	Results
001	181	818173327832	03:00:05 p.m. 05-25-2011	00:00:00	0/5	1	--	HS	FA

Abbreviations:

HS: Host send
HR: Host receive
WS: Waiting send

PL: Polled local
PR: Polled remote
MS: Mailbox save

MP: Mailbox print
RP: Report
FF: Fax Forward

CP: Completed
FA: Fall
TU: Terminated by user

TS: Terminated by system
G3: Group 3
EC: Error Correct



FAX COVER SHEET

PAGE 1 OF 5 PAGES

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TO: Burnett Oil Company-Attn: Land Manager

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Concho Resources Inc. - COG Oil & Gas LP / COG Operating LLC
550 West Texas Avenue, Suite 100, Midland, Texas 79701-4210

PHONE: (432) 818-2324

FAX: (432) 686 3000

Re: New Well Proposal Puckett "12" Federal 9-H

Lisa Wilson

From: Lisa Wilson
Sent: Wednesday, May 25, 2011 4:26 PM
To: 'dsrhodes@burnettoil.com'
Cc: David Evans
Subject: Puckett Well Proposals
Attachments: Burnett_Puckett 24 Fed 2H.pdf; Burnett_Puckett 24 Fed 6H.pdf; Burnett_Puckett 12 Fed 7H.pdf; Burnett_Puckett 12 Fed 9H.pdf; Burnett_Puckett 13 Fed 1H.pdf; Burnett_Puckett 13 Fed 7H.pdf

Tracking:	Recipient	Delivery	Read
	'dsrhodes@burnettoil.com'		
	David Evans	Delivered: 5/25/2011 4:26 PM	Read: 5/25/2011 4:27 PM

Mr. Rhodes,

Attached are scanned copies of 6 Puckett Well Proposals. The originals are being sent today via U.S. Certified Mail.

Thank you,

Lisa Wilson (Oetting)
Land Assistant
COG OPERATING LLC
550 W. Texas Avenue, Suite 100
Midland, Texas 79701
p.432.685.4366
f.432.686.3000



Lisa Wilson

From: David Rhodes [dsrhodes@burnettoil.com]
To: Lisa Wilson
Sent: Wednesday, May 25, 2011 4:29 PM
Subject: Read: Puckett Well Proposals

Your message was read on Wednesday, May 25, 2011 4:28:31 PM (GMT-06:00) Central Time (US & Canada).

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To: 'dsrhodes@burnettoil.com'
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May 25, 2011

**U.S. Certified Mail
Return Receipt Requested**

Javalina Partners
616 Texas Street
Fort Worth, TX 76102

RE: **New Well Proposal**
Puckett "12" Federal #9H
SHL: 330' FNL & 330' FWL (Unit D) of Section 12, T17S, R31E
BHL: 330' FNL & 330' FEL, (Unit A) of Section 12, T17S, R31E
Eddy County, New Mexico

Dear Sirs:

COG Operating LLC ("COG") proposes to drill the Puckett "12" Federal #9H, with pilot hole to approximately 6,800' TD, as a triple lateral well at the captioned location, or a legal location within said Unit M, to depth's of approximately 5,500' TVD (Paddock lateral), 6,100' TVD (Upper Blinebry lateral), and 6,600' TVD (Lower Blinebry lateral) TVD, each to approximately 11,021' MD, to test the Yeso Formation ("Operation"). The total cost of the Operation is estimated to be \$11,517,000.00 and a detailed description of such cost is set out in the enclosed Authority for Expenditure ("AFE").

Also enclosed is COG's proposed form of Operating Agreement ("OA"). A completed version of the Exhibit "A" to be incorporated into the OA will follow under separate cover, accompanied by a fully executed set of signature pages.

If you elect to participate in the subject well, please sign and return a copy of the AFE to the below letterhead address.

If you desire to receive well information regarding the subject operations please return a Well Information Requirements list to COG. Technical questions should be directed to Carl Bird at 432-686-3057 and land questions to the undersigned at 432-818-2298.

Yours truly,

COG Operating LLC

David R. Evans

David R. Evans
New Mexico Shelf, Land Lead

Enclosure (s)
DRE/rc

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Puckett "12" Federal #9H	PROSPECT NAME: Tamano (Mack) 720017
SHL: 330' FNL & 330' FWL, Sec. 12-17S-31E	COUNTY & STATE: Eddy Co, NM
BHL: 330' FNL & 330' FEL, Sec. 12-17S-31E	OBJECTIVE: 11, 021' MD (6600' TVD) Lower Blinbry
Pilot, 160 Acre	

INTANGIBLE COSTS		BCP	ACP	TOTAL
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COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/24/11

We approve:
_____ % Working Interest

Company:
By: _____

Printed Name:
Title:
Date: _____

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**COG OPERATING LLC
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Pilot, 160 Acre	

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Casing Crews & Equipment	222	7,000	322 13,000	20,000
Fishing Tools & Service	223		323	0
Geologic/Engineering	224	10,000	324 1,000	11,000
Contract Labor	225	10,000	325 30,000	40,000
Company Supervision	226	2,000	326 2,000	4,000
Contract Supervision	227	28,000	327 4,000	32,000
Testing Casing/Tubing	228	4,000	328 1,500	5,500
Mud Logging Unit	229	20,000	329	20,000
Logging	230	30,000	330 5,000	35,000
Perforating/Wireline Services	231	3,500	331 125,000	128,500
Stimulation/Treating			332 760,000	760,000
Completion Unit			333 40,000	40,000
Swabbing Unit			334	0
Rentals-Surface	235	24,000	335 100,000	124,000
Rentals-Subsurface	236	35,000	336 10,000	45,000
Trucking/Forklift/Rig Mobilization	237	40,000	337 100,000	140,000
Welding Services	238	3,000	338 1,500	4,500
Water Disposal	239		339 25,000	25,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	135,000	344	135,000
Miscellaneous	242	5,000	342 1,000	6,000
Contingency	243	147,000	343 149,750	296,750
TOTAL INTANGIBLES		1,610,000	1,633,000	3,243,000

TANGIBLE COSTS

Surface Casing 550' 13 3/8"	401	20,000		1,200
Intermediate Casing 1850' 9 5/8"	402	48,000	503	48,000
Production Casing/Liner 6900' - 7", 4200' - 5.5"			503 260,000	260,000
Tubing 6200' 2 7/8"			504 38,000	38,000
Wellhead Equipment	405	30,000	505 18,000	48,000
Pumping Unit			506 97,000	97,000
Prime Mover			507	0
Rods			508 39,000	39,000
Pumps			509 4,500	4,500
Tanks			510 20,000	20,000
Flowlines			511 15,000	15,000
Heater Treater/Separator			512 25,000	25,000
Electrical System			513	0
Packers/Anchors/Hangers	414		514	0
Couplings/Fittings/Valves	415	2,000	515 25,000	27,000
Gas Compressors/Meters			516 4,000	4,000
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	1,000	519 1,000	2,000
Contingency	420	11,000	520 55,500	66,500
TOTAL TANGIBLES		112,000	602,000	714,000
TOTAL WELL COSTS		1,722,000	2,235,000	3,957,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/24/11

We approve:
_____% Working Interest

Company:

By:

Printed Name:

Title:

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

Confirmation Services	Package ID: 9171999991703005145522
Destination ZIP Code: 76102	Electronic Certified
Customer Reference:	Priority Envelope or package CBP
Recipient Address:	PBP Account #: 41592288
	Serial #: 1364097
	MAY 25 2011 4:37 pm

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- 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:

Javelina Partners
616 Texas Street
Fort Worth, TX 76102
Puckett "12" Federal #9H

2. Article Number 9J 7J99 999J 7030 05J4 5522
(Transfer from service)

PS Form 3811, February 2004 Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

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

3. Service Type

- ☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
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616 Texas Street
Fort Worth, TX 76102
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- A. Signature ☐ Agent ☒ Addressee
- B. Received by (Printed Name) C. Date of Delivery
- D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

[Signature] MAY 27 2011

3. Service Type

- ☒ Certified Mail ☒ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number 9J 7J99 999J 7030 05J4 5522
(Transfer from service)

PS Form 3811, February 2004 Domestic Return Receipt

102595-02-M-1540

Transmission Report

Date/Time
Local ID 1

05-25-2011
4326863000

03:16:16 p.m.

Transmit Header Text
Local Name 1

Land

This document : Confirmed
(reduced sample and details below)
Document size : 8.5"x14"



FAX COVER SHEET

PAGE 1 OF 5 PAGES

DATE: May 23, 2011

TO: Javelina Partners-Mr. E. Randall Hudson III

FAX: (817) 334-0442

NOTICE: This facsimile message contains PRIVILEGED and CONFIDENTIAL information and is intended only for the use of the specific individual or individuals to which it is addressed. If you are not an intended recipient of this facsimile, you are hereby notified that any unauthorized use, dissemination or copying of this facsimile or the information contained herein or attached hereto is strictly prohibited. If you receive this facsimile in error, please notify the sender named below by telephone and/or reply facsimile and destroy the facsimile received in error. Thank you.

FROM: Robyn Cummins
Concho Resources Inc. - COG Oil & Gas LP / COG Operating LLC
550 West Texas Avenue, Suite 100, Midland, Texas 79701-4210

PHONE: (432) 818-2324

FAX: (432) 686-3000

Re: New Well Proposal Packett "12" Federal 9-H

Total Pages Scanned : 5

Total Pages Confirmed : 5

No.	Job	Remote Station	Start Time	Duration	Pages	Line	Mode	Job Type	Results
001	167	8173340442	02:32:35 p.m. 05-25-2011	00:04:57	5/5	1	EC	HS	CP7200

Abbreviations:

HS: Host send
HR: Host receive
WS: Waiting send

PL: Polled local
PR: Polled remote
MS: Mailbox save

MP: Mailbox print
RP: Report
FF: Fax Forward

CP: Completed
FA: Fail
TU: Terminated by user

TS: Terminated by system
G3: Group 3
EC: Error Correct



FAX COVER SHEET

PAGE 1 OF 5 PAGES

DATE: May 25, 2011

TO: Javelina Partners-Mr. E. Randall Hudson III

FAX: (817) 334-0442

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FROM: Robyn Cummins
Concho Resources Inc. - COG Oil & Gas LP / COG Operating LLC
550 West Texas Avenue, Suite 100, Midland, Texas 79701-4210

PHONE: (432) 818-2324

FAX: (432) 686 3000

Re: New Well Proposal Puckett "12" Federal 9-H



May 25, 2011

U.S. Certified Mail
Return Receipt Requested

Zorro Partners
616 Texas Street
Fort Worth, TX 76102

RE: **New Well Proposal**
Puckett "12" Federal #9H
SHL: 330' FNL & 330' FWL (Unit D) of Section 12, T17S, R31E
BHL: 330' FNL & 330' FEL, (Unit A) of Section 12, T17S, R31E
Eddy County, New Mexico

Dear Sirs:

COG Operating LLC ("COG") proposes to drill the Puckett "12" Federal #9H, with pilot hole to approximately 6,800' TD, as a triple lateral well at the captioned location, or a legal location within said Unit M, to depth's of approximately 5,500' TVD (Paddock lateral), 6,100' TVD (Upper Blinebry lateral), and 6,600' TVD (Lower Blinebry lateral) TVD, each to approximately 11,021' MD, to test the Yeso Formation ("Operation"). The total cost of the Operation is estimated to be \$11,517,000.00 and a detailed description of such cost is set out in the enclosed Authority for Expenditure ("AFE").

Also enclosed is COG's proposed form of Operating Agreement ("OA"). A completed version of the Exhibit "A" to be incorporated into the OA will follow under separate cover, accompanied by a fully executed set of signature pages.

If you elect to participate in the subject well, please sign and return a copy of the AFE to the below letterhead address.

If you desire to receive well information regarding the subject operations please return a Well Information Requirements list to COG. Technical questions should be directed to Carl Bird at 432-686-3057 and land questions to the undersigned at 432-818-2298.

Yours truly,

COG Operating LLC

David R. Evans

David R. Evans
New Mexico Shelf, Land Lead

Enclosure (s)
DRE/rc

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: **Puckett "12" Federal #9H**
 SHL: 330' FNL & 330' FWL, Sec. 12-17S-31E
 BHL: 330' FNL & 330' FEL, Sec. 12-17S-31E
 Pilot- 160 Acre

PROSPECT NAME: **Tamano (Mack) 720017**
 COUNTY & STATE: **Eddy Co, NM**
 OBJECTIVE: **YESO (11, 021" MD) (5500' TVD) Paddock**

INTANGIBLE COSTS

		BCP	ACP	TOTAL
Title/Curative/Permit	201	10,000		10,000
Insurance	202	22,000	302	22,000
Damages/Right of Way	203	15,000	303	15,000
Survey/Stake Location	204	3,000	304	3,000
Location/Pits/Road Expense	205	40,000	305	105,000
Drilling / Completion Overhead	206	5,000	306	6,000
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract 20:2 @ \$13000/day	209	260,000	309	286,000
Directional Drilling Services, With RS	210	400,000	310	400,000
Fuel & Power	211	112,500	311	123,750
Water	212	30,000	312	105,000
Bits	213	45,000	313	46,000
Mud & Chemicals	214	25,000	314	25,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217	16,000		16,000
Cement Intermediate	218	16,000		16,000
Cement Production 7"x5.5"	218		319	70,000
Cement Squeeze & Other (NO Kickoff Plug)	220		320	0
Float Equipment & Centralizers	221	3,500	321	18,500
Casing Crews & Equipment	222	7,000	322	20,000
Fishing Tools & Service	223		323	0
Geologic/Engineering	224	10,000	324	11,000
Contract Labor	225	10,000	325	40,000
Company Supervision	226	2,000	326	4,000
Contract Supervision	227	28,000	327	32,000
Testing Casing/Tubing	228	4,000	328	5,500
Mud Logging Unit	229	16,000	329	16,000
Logging	230	0	330	5,000
Perforating/Wireline Services	231	3,500	331	128,500
Stimulation/Treating			332	760,000
Completion Unit			333	40,000
Swabbing Unit			334	0
Rentals-Surface	235	20,000	335	120,000
Rentals-Subsurface	236	30,000	336	40,000
Trucking/Forklift/Rig Mobilization	237	40,000	337	140,000
Welding Services	238	3,000	338	4,500
Water Disposal	239		339	25,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	120,000	344	120,000
Miscellaneous	242	5,000	342	6,000
Contingency	243	131,500	343	281,250
TOTAL INTANGIBLES		1,433,000	1,633,000	3,066,000

TANGIBLE COSTS

Surface Casing 550' 13 3/8"	401	20,000		1,200
Intermediate Casing 1850' 9 5/8"	402	48,000	503	48,000
Production Casing/Liner 6900' - 7", 4200' - 5.5"			503	260,000
Tubing 6200' 2 7/8"			504	38,000
Wellhead Equipment	405	30,000	505	48,000
Pumping Unit			506	97,000
Prime Mover			507	0
Rods			508	39,000
Pumps			509	4,500
Tanks			510	20,000
Flowlines			511	15,000
Heater Treater/Separator			512	25,000
Electrical System			513	0
Packers/Anchors/Hangers	414		514	0
Couplings/Fittings/Valves	415	2,000	515	27,000
Gas Compressors/Meters			516	4,000
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	1,000	519	2,000
Contingency	420	11,000	520	66,500
TOTAL TANGIBLES		112,000	602,000	714,000
TOTAL WELL COSTS		1,545,000	2,235,000	3,780,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve:
 _____ % Working Interest

Company:

By:

Printed Name:

Title:

This AFE is only an estimate. By signing you agree to pay your share

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: **Puckett "12" Federal #9H**
 SHL: 330' FNL & 330' FWL, Sec. 12-17S-31E
 BHL: 330' FNL & 330' FEL, Sec. 12-17S-31E
 Pilot- 160 Acre

PROSPECT NAME: Tamano (Mack) 720017
 COUNTY & STATE: Eddy Co, NM
 OBJECTIVE: YESO (11, 021' MD) (5500' TVD) Paddock

INTANGIBLE COSTS

	BCP		ACP		TOTAL
Title/Curative/Permit	201	10,000			10,000
Insurance	202	22,000	302		22,000
Damages/Right of Way	203	15,000	303		15,000
Survey/Stake Location	204	3,000	304		3,000
Location/Pits/Road Expense	205	40,000	305	65,000	105,000
Drilling / Completion Overhead	206	5,000	306	1,000	6,000
Turnkey Contract	207		307		0
Footage Contract	208		308		0
Daywork Contract 20:2 @ \$13000/day	209	260,000	309	26,000	286,000
Directional Drilling Services, With RS	210	400,000	310		400,000
Fuel & Power	211	112,500	311	11,250	123,750
Water	212	30,000	312	75,000	105,000
Bits	213	45,000	313	1,000	46,000
Mud & Chemicals	214	25,000	314		25,000
Drill Stem Test	215		315		0
Coring & Analysis	216				0
Cement Surface	217	16,000			16,000
Cement Intermediate	218	16,000			16,000
Cement Production 7"x5.5"	218		319	70,000	70,000
Cement Squeeze & Other (NO Kickoff Plug)	220		320		0
Float Equipment & Centralizers	221	3,500	321	15,000	18,500
Casing Crews & Equipment	222	7,000	322	13,000	20,000
Fishing Tools & Service	223		323		0
Geologic/Engineering	224	10,000	324	1,000	11,000
Contract Labor	225	10,000	325	30,000	40,000
Company Supervision	226	2,000	326	2,000	4,000
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Testing Casing/Tubing	228	4,000	328	1,500	5,500
Mud Logging Unit	229	16,000	329		16,000
Logging	230	0	330	5,000	5,000
Perforating/Wireline Services	231	3,500	331	125,000	128,500
Stimulation/Treating			332	760,000	760,000
Completion Unit			333	40,000	40,000
Swabbing Unit			334		0
Rentals-Surface	235	20,000	335	100,000	120,000
Rentals-Subsurface	236	30,000	336	10,000	40,000
Trucking/Forklift/Rig Mobilization	237	40,000	337	100,000	140,000
Welding Services	238	3,000	338	1,500	4,500
Water Disposal	239		339	25,000	25,000
Plug to Abandon	240		340		0
Seismic Analysis	241		341		0
Closed Loop & Environmental	244	120,000	344		120,000
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Contingency	243	131,500	343	149,750	281,250
TOTAL INTANGIBLES		1,433,000		1,633,000	3,066,000

TANGIBLE COSTS

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Wellhead Equipment	405	30,000	505	18,000	48,000
Pumping Unit			506	97,000	97,000
Prime Mover			507		0
Rods			508	39,000	39,000
Pumps			509	4,500	4,500
Tanks			510	20,000	20,000
Flowlines			511	15,000	15,000
Heater Treater/Separator			512	25,000	25,000
Electrical System			513		0
Packers/Anchors/Hangers	414		514		0
Couplings/Fittings/Valves	415	2,000	515	25,000	27,000
Gas Compressors/Meters			516	4,000	4,000
Dehydrator			517		0
Injection Plant/CO2 Equipment			518		0
Miscellaneous	419	1,000	519	1,000	2,000
Contingency	420	11,000	520	55,500	66,500
TOTAL TANGIBLES		112,000		602,000	714,000
TOTAL WELL COSTS		1,545,000		2,235,000	3,780,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve:
 _____ % Working Interest

Company: _____
 By: _____

Printed Name: _____
 Title: _____

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**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: **Puckett "12" Federal #9H**
SHL: 330' FNL & 330' FWL, Sec. 12-17S-31E
BHL: 330' FNL & 330' FEL, Sec. 12-17S-31E
Pilot- 160 Acre

PROSPECT NAME: Tamano (Mack) 720017

COUNTY & STATE: Eddy Co, NM

OBJECTIVE: YESO (11, 021' MD) (5500' TVD) Paddock

INTANGIBLE COSTS

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COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 5/16/11

We approve:
_____% Working Interest

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.

Confirmation Services	Package ID: 9171999991703005145577	Electronic Certified
	Destination ZIP Code: 76102	Priority Envelope or package GBP
	Customer Reference:	PBP Account #: 41592288
	Recipient:	Serial #: 1364097
	Address:	MAY 25 2011 4:40pm

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none">■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.■ 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.		<ul style="list-style-type: none">A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to:		B. Received by (Printed Name) C. Date of Delivery	
Zorro Partners 616 Texas Street Fort Worth, TX 76102 Puckett "12" Federal #9H		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
2. Article Number (Transfer from service label)		3. Service Type	
91 7199 9991 7030 0514 5577		<input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none">■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.■ 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.		<ul style="list-style-type: none">A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee	
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Zorro Partners 616 Texas Street Fort Worth, TX 76102 Puckett "12" Federal #9H		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
2. Article Number (Transfer from service label)		3. Service Type	
91 7199 9991 7030 0514 5577		<input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	

Transmission Report

Date/Time 05-25-2011 02:34:58 p.m. Transmit Header Text
Local ID 1 4326863000 Local Name 1 Land

This document : Confirmed
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Document size : 8.5"x14"



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PAGE 1 OF 5 PAGES

DATE: May 25, 2011

TO: Zorro Partners-Mr. William A. Hudson II

FAX: (817) 334-0442

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FROM: Robyn Cummins
Concho Resources Inc. - COG Oil & Gas LP / COG Operating LLC
550 West Texas Avenue, Suite 100, Midland, Texas 79701-4210

PHONE: (432) 818-2324 FAX: (432) 686 3000

Re: New Well Proposal Packett "12" Federal 9-B

Total Pages Scanned : 5

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001	159	8173340442	02:20:25 p.m. 05-25-2011	00:04:18	5/5	1	EC	HS	CP9600

Abbreviations:

HS: Host send
HR: Host receive
WS: Waiting send

PL: Polled local
PR: Polled remote
MS: Mailbox save

MP: Mailbox print
RP: Report
FF: Fax Forward

CP: Completed
FA: Fail
TU: Terminated by user

TS: Terminated by system
G3: Group 3
EC: Error Correct



FAX COVER SHEET

PAGE 1 OF 5 PAGES

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Concho Resources Inc. - COG Oil & Gas LP / COG Operating LLC
550 West Texas Avenue, Suite 100, Midland, Texas 79701-4210

PHONE: (432) 818-2324

FAX: (432) 686 3000

Re: New Well Proposal Puckett "12" Federal 9-H

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<div><input type="checkbox"/> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</div> <div><input type="checkbox"/> Print your name and address on the reverse so that we can return the card to you.</div> <div><input type="checkbox"/> Attach this card to the back of the mailpiece, or on the front if space permits.</div>		<div>A. Signature <div>X</div></div> <div>B. Received by (Printed Name)<div></div></div> <div>C. Date of Delivery <div></div></div>	
<div>1. Article Addressed to:</div> <div>Zorro Partners 616 Texas Street Fort Worth, TX 76102 Puckett "12" Federal #9H</div>		<div>D. Is delivery address different from item 1? If YES, enter delivery address below: <div></div></div> <div><div>3. Service Type</div><div><div><input checked="" type="checkbox"/> Certified Mail</div><div><input type="checkbox"/> Registered</div><div><input type="checkbox"/> Insured Mail</div></div><div><div><input type="checkbox"/> Express Mail</div><div><input checked="" type="checkbox"/> Return Receipt for Merchandise</div><div><input type="checkbox"/> C.O.D.</div></div></div>	
<div>2. Article Number (Transfer from service label)</div> <div>91 7199 9991 7030 0514 5577</div>		<div>4. Restricted Delivery? (Extra Fee) <div><input type="checkbox"/> Yes</div></div>	
PS Form 3811, February 2004		Domestic Return Receipt	
		102595-02-M-1540	