



September 4, 2012

U.S. Certified Mail  
Return Receipt Requested  
91 7199 9991 7030 4042 9083

ABO Petroleum Corporation  
105 South 4<sup>th</sup> Street  
Artesia, NM 88210

Attn: ABO Petroleum Corporation

Re: **Well Proposal – Bradley 8 Fee #4H**  
T19S, R26E, Section 8: P Unit Area  
SHL: 160' FSL & 1040' FEL, or a legal location in Unit P  
BHL: 330' FSL & 1040' FWL, or a legal location in Unit A  
Eddy County, New Mexico

Dear Mr/Miss:

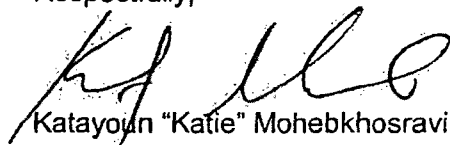
COG Operating LLC (COG), as Operator, proposes to drill the Bradley 8 Fee #4H well as a horizontal well at the above-captioned location to a TVD of approximately 3000' and a MD of 7415' to test the Glorieta Yeso Formation ("Operation"). The total cost of the Operation is estimated to be \$3,974,000 and a detailed description of the cost is set out in the enclosed Authority for Expenditure ("AFE"). COG anticipates that it will spud the well on or before March 4, 2013.

COG is proposing to drill this well under the terms of the modified 1989 AAPL form of Operating Agreement which is enclosed for your review and approval. The Operating Agreement covers (description of lands insert). It has the following general provisions:

- 200/500 Non-consenting penalty
- \$5,450.00/\$540.00 Drilling and Producing rate
- COG named as Operator

If you have any questions, please do not hesitate to contact the undersigned at 432-221-0333.

Respectfully,



Katayoun "Katie" Mohebkhosravi

Landman

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
**Exhibit No. 4**  
Submitted by:  
COG OPERATING LLC  
Hearing Date: November 28, 2012

## 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:

ABO Petroleum Corporation  
105 South 4th Street  
Artesia, NM 88210  
Bradley 8 Fee #4H

## 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

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 9083

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

Concho Resources Inc.  
One Concho Center  
600 W. Illinois Avenue  
Midland, Texas 79701

ABO Petroleum Corporation  
105 South 4th Str  
Artesia, NM 88210

91 7199 9991 7030 4042 9083



## 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:

ABO Petroleum Corporation  
105 South 4th Street  
Artesia, NM 88210  
Bradley 8 Fee #4H

## 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

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 9083

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540



September 11, 2012

U.S. Certified Mail  
Return Receipt Requested  
91 7199 9991 7030 4042 9359

ABO Petroleum Corporation  
105 South 4<sup>th</sup> Street  
Artesia, NM 88210

Attn: Chuck Moran

Re: **Well Proposal Correction – Bradley 8 Fee #4H**  
T19S, R26E, Section 8:  
SHL: 160' FSL & 1040' FEL, or a legal location in Unit P  
BHL: 330' FNL & 1040' FEL, or a legal location in Unit A  
Eddy County, New Mexico

Dear Mr/Miss:

On September 4, 2012 COG Operating LLC sent a proposal packet including a letter, AFE, and Operating Agreement. We are contacting you now in an effort to correct an error found in the letter. The well surface hole and bottom hole locations were given incorrectly in the header. The correct surface hole location is 160' FSL & 1040' FEL, or legal location in Unit P. The bottom hole will be located at 330' FNL & 1040' FEL, or legal location in Unit A.

We apologize for any inconvenience. If you have any questions, please do not hesitate to contact the undersigned at 432-221-0333.

Respectfully,

A handwritten signature in black ink, appearing to read "Katie Mohebkhosravi", written over a horizontal line.

Katayoun "Katie" Mohebkhosravi

Landman

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 <span style="float: right;"><input type="checkbox"/> Agent <input type="checkbox"/> Addressee</span></p> <p><b>X</b></p>	
<p>1. Article Addressed to:</p> <p><b>ABO Petroleum Corporation</b>  <b>105 South 4th Street</b>  <b>Artesia, NM 88210</b>  <b>Bradley 8 Fee #4H</b></p>		<p>B. Received by (Printed Name) <span style="float: right;">C. Date of Delivery</span></p>	
<p>2. Article Number (Transfer from service label)</p> <p><b>91 7199 9991 7030 4042 9359</b></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>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 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 <span style="float: right;"><input type="checkbox"/> Agent <input type="checkbox"/> Addressee</span></p> <p><b>X</b> <i>Chinderwood</i></p>	
<p>1. Article Addressed to:</p> <p><b>ABO Petroleum Corporation</b>  <b>105 South 4th Street</b>  <b>Artesia, NM 88210</b>  <b>Bradley 8 Fee #4H</b></p>		<p>B. Received by (Printed Name) <span style="float: right;">C. Date of Delivery</span></p> <p><i>Chinderwood</i> <b>9-12-16</b></p>	
<p>2. Article Number (Transfer from service label)</p> <p><b>91 7199 9991 7030 4042 9359</b></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>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540



September 4, 2012

U.S. Certified Mail  
Return Receipt Requested  
91 7199 9991 7030 4042 9205

Constance Chipman Truly  
177 Tranquil Place  
Waxahachie, TX 75167

Attn: Constance Chipman Truly

Re: **Well Proposal – Bradley 8 Fee #4H**  
T19S, R26E, Section 8: P Unit Area  
SHL: 160' FSL & 1040' FEL, or a legal location in Unit P  
BHL: 330' FSL & 1040' FWL, or a legal location in Unit A  
Eddy County, New Mexico

Dear Mr/Miss:

COG Operating LLC (COG), as Operator, proposes to drill the Bradley 8 Fee #4H well as a horizontal well at the above-captioned location to a TVD of approximately 3000' and a MD of 7415' to test the Glorieta Yeso Formation ("Operation"). The total cost of the Operation is estimated to be \$3,974,000 and a detailed description of the cost is set out in the enclosed Authority for Expenditure ("AFE"). COG anticipates that it will spud the well on or before March 4, 2013.

COG is proposing to drill this well under the terms of the modified 1989 AAPL form of Operating Agreement which is enclosed for your review and approval. The Operating Agreement covers (description of lands insert). It has the following general provisions:

- 200/500 Non-consenting penalty
- \$5,450.00/\$540.00 Drilling and Producing rate
- COG named as Operator

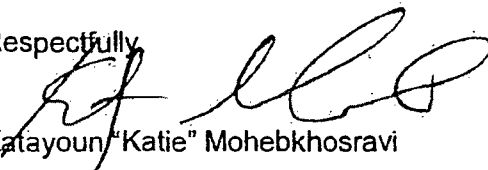
If you do not wish to participate in the Operation, COG would like to acquire a Term Assignment of your leasehold for the following general terms:

- 5 year primary term
- Delivering a 77.5% NRI, proportionately reduced
- \$1000.00 per net acre bonus consideration

This Term Assignment offer is subject to the approval of COG's management and verification of title.

If you have any questions, please do not hesitate to contact the undersigned at 432-221-0333.

Respectfully,

  
Katayoun "Katie" Mohebkhosravi

Landman

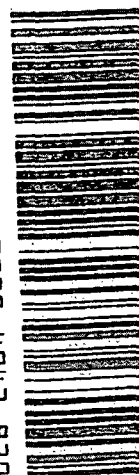


Concho Resources Inc.  
One Concho Center  
600 W. Illinois Avenue  
Midland, Texas 79701

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"><li>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li><li>■ Print your name and address on the reverse so that we can return the card to you.</li><li>■ Attach this card to the back of the mailpiece, or on the front if space permits.</li></ul>		<p>A. Signature <b>X</b></p> <p><input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>	
		B. Received by (Printed Name)	C. Date of Delivery
1. Article Addressed to:  Constance Chipman Truly 177 Tranquil Place Waxahachie, TX 75167 Bradley 8 Fee #4H		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 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.	
2. Article Number (Transfer from service label)		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
PS Form 3811, February 2004		Domestic Return Receipt 102595-02-M-1540	

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"><li>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li><li>■ Print your name and address on the reverse so that we can return the card to you.</li><li>■ Attach this card to the back of the mailpiece, or on the front if space permits.</li></ul>		<p>A. Signature <b>X</b> <i>John D. Truly</i></p> <p><input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>	
		B. Received by (Printed Name) <i>John D. Truly</i>	C. Date of Delivery <i>9/7/12</i>
1. Article Addressed to:  Constance Chipman Truly 177 Tranquil Place Waxahachie, TX 75167 Bradley 8 Fee #4H		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 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.	
2. Article Number (Transfer from service label)		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
PS Form 3811, February 2004		Domestic Return Receipt 102595-02-M-1540	

91 7199 9991 7030 4042 9205



Constance Chipman Truly  
177 Tranquil Place  
Waxahachie, TX 75167



September 11, 2012

U.S. Certified Mail  
Return Receipt Requested  
91 7199 9991 7030 4042 9229

Constance Chipman Truly  
177 Tranquil Place  
Waxahachie, TX 75167

Attn: Constance Chipman Truly

Re: **Well Proposal Correction – Bradley 8 Fee #4H**  
T19S, R26E, Section 8:  
SHL: 160' FSL & 1040' FEL, or a legal location in Unit P  
BHL: 330' FNL & 1040' FEL, or a legal location in Unit A  
Eddy County, New Mexico

Dear Mr/Miss:

On September 4, 2012 COG Operating LLC sent a proposal packet including a letter, AFE, and Operating Agreement. We are contacting you now in an effort to correct an error found in the letter. The well surface hole and bottom hole locations were given incorrectly in the header. The correct surface hole location is 160' FSL & 1040' FEL, or legal location in Unit P. The bottom hole will be located at 330' FNL & 1040' FEL, or legal location in Unit A.

We apologize for any inconvenience. If you have any questions, please do not hesitate to contact the undersigned at 432-221-0333.

Respectfully,

Katayoun "Katie" Mohebkhosravi

Landman

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 <span style="float: right;"><input type="checkbox"/> Agent <input type="checkbox"/> Addressee</span></p> <p><b>X</b></p>	
<p>1. Article Addressed to:</p>		<p>B. Received by (Printed Name) <span style="float: right;">C. Date of Delivery</span></p>	
<p>Constance Chipman Truly 177 Tranquil Place Waxahachie, TX 75167 Bradley 8 Fee #4H</p>		<p>D. Is delivery address different from item 1? <span style="float: right;"><input type="checkbox"/> Yes <input type="checkbox"/> No</span></p> <p>If YES, enter delivery address below:</p>	
<p>2. Article Number (Transfer from service label)</p>		<p>Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <span style="float: right;"><input type="checkbox"/> Express Mail</span></p> <p><input type="checkbox"/> Registered <span style="float: right;"><input checked="" type="checkbox"/> Return Receipt for Merchandise</span></p> <p><input type="checkbox"/> Insured Mail <span style="float: right;"><input type="checkbox"/> C.O.D.</span></p>	
<p>PS Form 3811, February 2004</p>		<p>4. Restricted Delivery? (Extra Fee) <span style="float: right;"><input type="checkbox"/> Yes</span></p>	
<p>91 7199 9991 7030 4042 9229</p>		<p>Domestic Return Receipt</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 <span style="float: right;"><input type="checkbox"/> Agent <input type="checkbox"/> Addressee</span></p> <p><b>X</b></p>	
<p>1. Article Addressed to:</p>		<p>B. Received by (Printed Name) <span style="float: right;">C. Date of Delivery</span></p>	
<p>Constance Chipman Truly 177 Tranquil Place Waxahachie, TX 75167 Bradley 8 Fee #4H</p>		<p>D. Is delivery address different from item 1? <span style="float: right;"><input type="checkbox"/> Yes <input type="checkbox"/> No</span></p> <p>If YES, enter delivery address below:</p>	
<p>2. Article Number (Transfer from service label)</p>		<p>Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <span style="float: right;"><input type="checkbox"/> Express Mail</span></p> <p><input type="checkbox"/> Registered <span style="float: right;"><input checked="" type="checkbox"/> Return Receipt for Merchandise</span></p> <p><input type="checkbox"/> Insured Mail <span style="float: right;"><input type="checkbox"/> C.O.D.</span></p>	
<p>PS Form 3811, February 2004</p>		<p>4. Restricted Delivery? (Extra Fee) <span style="float: right;"><input type="checkbox"/> Yes</span></p>	
<p>91 7199 9991 7030 4042 9229</p>		<p>Domestic Return Receipt</p>	



COG OPERATING LLC  
AUTHORITY FOR EXPENDITURE  
DRILLING

WELL NAME:	BRADLEY 8 FEE #4H	PROSPECT NAME:	LAKEWOOD
SHL:	160' FSL & 1040 FEL UL-P	STATE & COUNTY:	New Mexico, Eddy
BHL:	330' FNL & 1040' FEL UL-A	OBJECTIVE:	SH6 7415' MD, (3000' TVD) Yeso Tes
FORMATION:	Glorieta Yeso	DEPTH:	7,390
LEGAL:	SEC8 T19S-R26E API#: 30-015-39813	TVD:	

INTANGIBLE COSTS		BCP		ACP		TOTAL
Title/Curative/Permit	201	10,000				10,000
Insurance	202	22,000	302	0		22,000
Damages/Right of Way	203	15,000	303	0		15,000
Survey/Stake Location	204	3,000	304	0		3,000
Location/Pits/Road Expense	205	50,000	305	15,000		65,000
Drilling / Completion Overhead	206	5,000	306	1,000		6,000
Turnkey Contract	207	0	307	0		0
Footage Contract	208	0	308	0		0
Daywork Contract (0 days f/spud-ris @ \$0)	209	266,000	309	42,000		308,000
Directional Drilling Services (0 dir days @ \$0)	210	165,000	310	0		165,000
Fuel & Power	211	57,000	311	9,000		66,000
Water	212	28,500	312	60,000		88,500
Bits	213	40,000	313	5,000		45,000
Mud & Chemicals	214	35,000	314	0		35,000
Drill Stem Test	215	0	315	0		0
Coring & Analysis	216	0				0
Cement Surface	217	50,000				50,000
Cement Intermediate	218	0				0
Cement 2nd Intermediate 7"	218	0	319	25,000		25,000
Cement Squeeze & Other (Kickoff Plug)	220	40,000	320	0		40,000
Float Equipment & Centralizers	221	2,000	321	25,000		27,000
Casing Crews & Equipment	222	5,000	322	12,000		17,000
Fishing Tools & Service	223	0	323	0		0
Geologic/Engineering	224	10,000	324	1,000		11,000
Contract Labor	225	20,000	325	21,000		41,000
Company Supervision	226	2,000	326	2,000		4,000
Contract Supervision	227	30,400	327	4,800		35,200
Testing Casing/Tubing	228	2,500	328	12,000		14,500
Mud Logging Unit (logging f/24 days)	229	23,750	329	0		23,750
Logging	230	25,000	330	0		25,000
Perforating/Wireline Services	231	3,500	331	0		3,500
Stimulation/Treating			332	1,300,000		1,300,000
Completion Unit			333	24,000		24,000
Swabbing Unit			334	0		0
Rentals-Surface	235	32,300	335	75,000		107,300
Rentals-Subsurface	236	49,400	336	10,000		59,400
Trucking/Forklift/Rig Mobilization	237	45,000	337	20,000		65,000
Welding Services	238	5,000	338	2,500		7,500
Water Disposal	239	0	339	15,000		15,000
Plug to Abandon	240	0	340	0		0
Seismic Analysis	241	0	341	0		0
Closed Loop & Environmental	244	88,000	344	0		88,000
Miscellaneous	242	5,000	342	1,000		6,000
Contingency	243	114,650	343	169,700		284,350
TOTAL INTANGIBLES		1,250,000		1,852,000		3,102,000

TANGIBLE COSTS		BCP		ACP		TOTAL
Surface Casing (655' 13 3/8" 54.5# J55 STC)	401	35,000				35,000
Intermediate Casing(4050' 9 5/8" 36#/40# J55 BUTT)	402	0	503	0		0
Production Casing (13,450' 5 1/2" 17# N80/P110)			503	150,000		150,000
Tubing			504	16,000		16,000
Wellhead Equipment	405	5,000	505	15,000		20,000
Pumping Unit			506	40,000		40,000
Prime Mover			507	20,000		20,000
Rods			508	12,000		12,000
Pumps			509	10,000		10,000
Tanks			510	21,000		21,000
Flowlines			511	8,000		8,000
Heater Treater/Separator			512	30,000		30,000
Electrical System			513	11,250		11,250
Packers/Anchors/Hangers	414	0	514	335,000		335,000
Couplings/Fittings/Valves	415	2,500	515	45,000		47,500
Gas Compressors/Meters			516	14,500		14,500
Dehydrator			517	0		0
Injection Plant/CO2 Equipment			518	0		0
Miscellaneous	419	1,000	519	20,000		21,000
Contingency	420	5,500	520	75,250		80,750
TOTAL TANGIBLES		49,000		823,000		872,000
TOTAL WELL COSTS		1,299,000		2,675,000		3,974,000

COG Operating LLC

Date Prepared: 4/20/12 JJ

We approve:  
\_\_\_\_\_% Working Interest

COG Operating LLC

By: Chad Elliott

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.