



January 18, 2013

RECEIVED OCD
2013 JAN 22 P 1:31

VIA U.S. MAIL

Ms. Jami Bailey, Director
Attn: Richard Ezeanyim
Oil Conservation Division
New Mexico Department of Energy, Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: **Order No. R-13625/Case No. 14860**: Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.

Dear Ms. Bailey:

Pursuant to Ordering Paragraph 11 of Order No. R-13625, please find enclosed an itemized schedule of actual well costs for the Clydesdale "1" Fee Well No. 4H (API No. 30-015-40131). By copy of this letter, the itemized schedule of actual well costs is also being sent to known pooled working interest owners.

Thank you for your time and attention to this matter.

Sincerely,

COG Operating LLC

A handwritten signature in black ink, appearing to read "Stuart A. Dirks", written over a circular stamp or seal.

Stuart A. Dirks, CPL
Senior Landman

Enclosures

cc: Known Pooled Working Interest Owners



DAILY COST BREAKDOWN REPORT

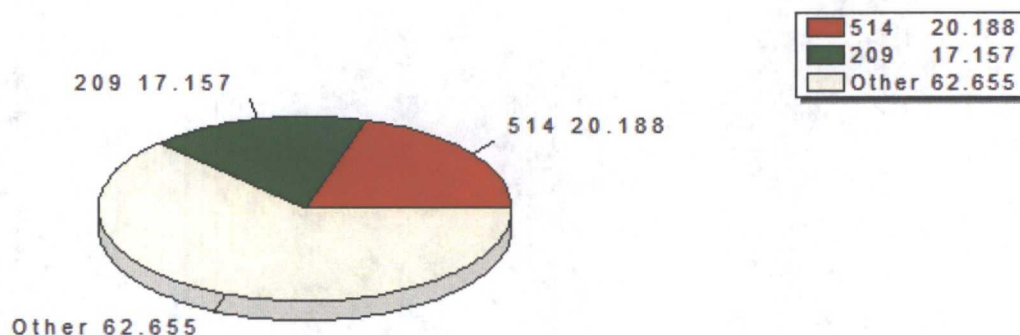
WELL NAME: CLYDESDALE 1 FEE #4H

WELL ID NO: 30-015-40131

FIELD: PENASCO DRAW

AFE NO.: 001443

Date From : 08/22/2012 Date To : 09/08/2012



Note : Cost values in chart are displayed as percentage of total cost

COST TYPE	COST CODE	TOTAL COST	% of TOTAL	DESCRIPTION
TANG	514	\$307,100	20.19 %	ACP - PCKRS/ANCHORS/HGRS
INTN	209	\$261,000	17.16 %	BCP - DAYWORK CONTRACT
TANG	503	\$138,000	9.07 %	ACP - PRODCTN CSG/LINER
INTN	210	\$105,950	6.96 %	BCP - DIRECTIONAL DRLG SERVICES
INTN	244	\$81,260	5.34 %	BCP - ENVMNTL/CLSD LOOP
INTN	211	\$49,500	3.25 %	BCP - FUEL & POWER
INTN	236	\$47,550	3.13 %	BCP - RENTALS-SUBSRFC
INTN	205	\$47,300	3.11 %	BCP - LCTN/PITS/ROAD
INTN	212	\$45,570	3.00 %	BCP - WATER
INTN	217	\$41,200	2.71 %	BCP - CEMENT SURFACE
INTN	237	\$36,650	2.41 %	BCP - TRUCKING/FORKLIFT/RIG MOBIL
INTN	214	\$36,271	2.38 %	BCP - MUD & CHEMICALS
INTN	235	\$32,385	2.13 %	BCP - RENTALS-SURFACE
TANG	401	\$31,000	2.04 %	BCP - SURFACE CASING
INTN	213	\$30,000	1.97 %	BCP - BITS
INTN	227	\$29,700	1.95 %	BCP - CONTRACT SPRVSN
INTN	229	\$24,600	1.62 %	BCP - MUD LOGGING UNIT
INTN	225	\$24,450	1.61 %	BCP - CONTRACT LABOR
INTN	202	\$22,000	1.45 %	BCP - INSURANCE
TANG	505	\$16,000	1.05 %	ACP - WELLHEAD EQUIP
INTN	321	\$15,200	1.00 %	ACP - FLOAT EQUIPMENT
INTN	203	\$15,000	0.99 %	BCP - DAMAGES/ROW
INTN	319	\$14,650	0.96 %	ACP - CEMENT PRODUCTN
INTN	322	\$13,200	0.87 %	ACP - CSG CREWS & EQUIP
INTN	224	\$10,000	0.66 %	BCP - GEOLOGIC/ENGNRG
INTN	201	\$10,000	0.66 %	BCP - TITLE/PERMITS
INTN	222	\$6,500	0.43 %	BCP - CSG CREWS & EQUIP



DAILY COST BREAKDOWN REPORT

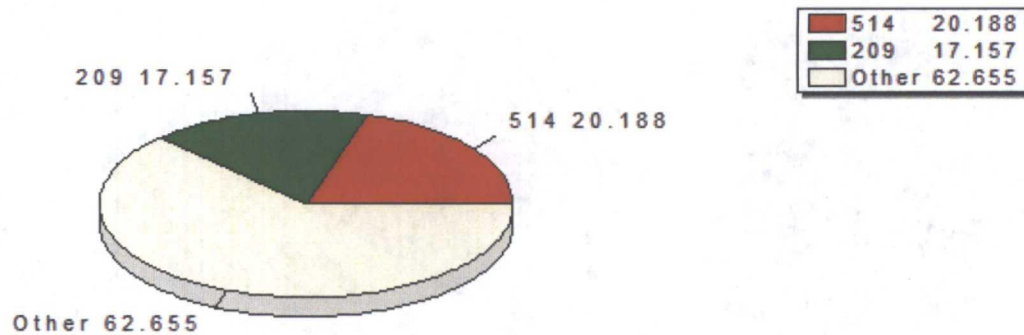
WELL NAME: CLYDESDALE 1 FEE #4H

WELL ID NO: 30-015-40131

FIELD: PENASCO DRAW

AFE NO.: 001443

Date From : 08/22/2012 Date To : 09/08/2012



Note : Cost values in chart are displayed as percentage of total cost

COST TYPE	COST CODE	TOTAL COST	% of TOTAL	DESCRIPTION
INTN	206	\$5,000	0.33 %	BCP - DRILLING OVERHEAD
INTN	228	\$3,750	0.25 %	BCP - TSTG CSG/TBG
TANG	405	\$3,650	0.24 %	BCP - WELLHEAD EQUIP
INTN	337	\$3,000	0.20 %	ACP - TRUCKING/FORKLIFT/RIG MOBIL
INTN	328	\$2,550	0.17 %	ACP - TSTG CSG/TBG
INTN	230	\$2,300	0.15 %	BCP - LOGGING
INTN	238	\$2,050	0.13 %	BCP - WELDING SERVICES
INTN	226	\$2,000	0.13 %	BCP - COMPANY SPRVSN
INTN	240	\$1,700	0.11 %	BCP - PLUG TO ABANDON
INTN	325	\$1,700	0.11 %	ACP - CONTRACT LABOR
INTN	221	\$1,500	0.10 %	BCP - FLOAT EQUIPMENT

Total Amount :

\$1,521,236

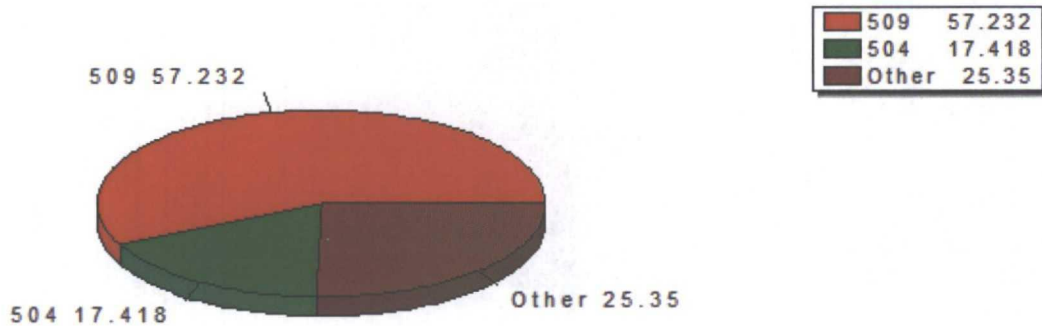


DAILY COST BREAKDOWN REPORT

WELL NAME: CLYDESDALE 1 FEE #4H
FIELD: PENASCO DRAW

WELL ID NO: 30-015-40131
AFE NO.:

Date From : 10/15/2012 Date To : 01/07/2013



Note : Cost values in chart are displayed as percentage of total cost

COST TYPE	COST CODE	TOTAL COST	% of TOTAL	DESCRIPTION
TANG	509	\$46,000	57.23 %	ACP - PUMPS
TANG	504	\$14,000	17.42 %	ACP - TUBING
INTN	336	\$5,300	6.59 %	ACP - RENTALS-SUBSRFC
INTN	333	\$4,200	5.23 %	ACP - COMPLETION UNIT
INTN	335	\$4,000	4.98 %	ACP - RENTALS-SURFACE
INTN	337	\$2,600	3.23 %	ACP - TRUCKING/FORKLIFT/RIG MOBIL
TANG	505	\$2,500	3.11 %	ACP - WELLHEAD EQUIP
INTN	339	\$1,000	1.24 %	ACP - WATER DISPOSAL
INTN	327	\$775	0.96 %	ACP - CONTRACT SPRVSN

Total Amount : \$80,375



DAILY COST BREAKDOWN REPORT

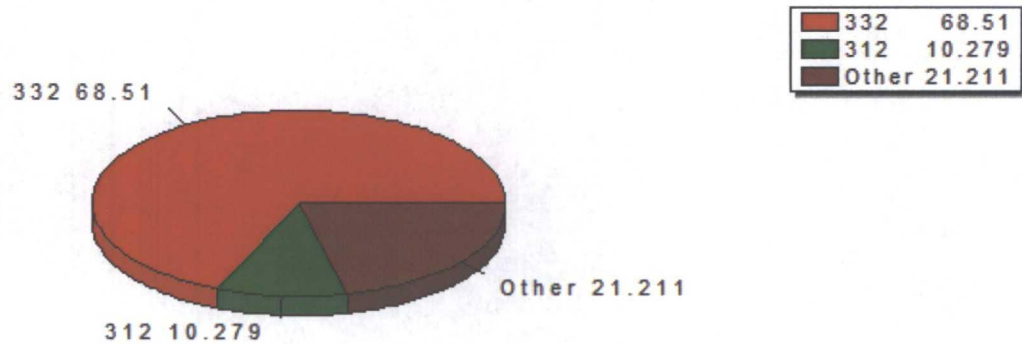
WELL NAME: CLYDESDALE 1 FEE #4H

WELL ID NO: 30-015-40131

FIELD: PENASCO DRAW

AFE NO.:

Date From : 09/12/2012 Date To : 10/04/2012



Note : Cost values in chart are displayed as percentage of total cost

COST TYPE	COST CODE	TOTAL COST	% of TOTAL	DESCRIPTION
INTN	332	\$752,500	68.51 %	ACP - STIMULATION/TREATING
INTN	312	\$112,900	10.28 %	ACP - WATER
INTN	335	\$108,150	9.85 %	ACP - RENTALS-SURFACE
INTN	333	\$75,100	6.84 %	ACP - COMPLETION UNIT
INTN	336	\$34,350	3.13 %	ACP - RENTALS-SUBSRFC
INTN	327	\$6,382	0.58 %	ACP - CONTRACT SPRVSN
INTN	305	\$5,000	0.46 %	ACP - LCTN/PITS/ROAD
INTN	339	\$2,500	0.23 %	ACP - WATER DISPOSAL
INTN	337	\$1,500	0.14 %	ACP - TRUCKING/FORKLIFT/RIG MOBIL

Total Amount : \$1,098,382