

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

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:**

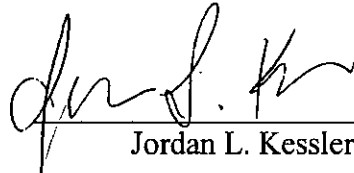
**APPLICATION OF COG OPERATING LLC
FOR A NON-STANDARD SPACING AND PRORATION
UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 15185

AFFIDAVIT

STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)


Jordan L. Kessler, attorney in fact and authorized representative of COG Operating LLC,
the Applicant herein, being first duly sworn, upon oath, states that the above-referenced
Application was provided under the notice letter and proof of receipt attached hereto.



Jordan L. Kessler

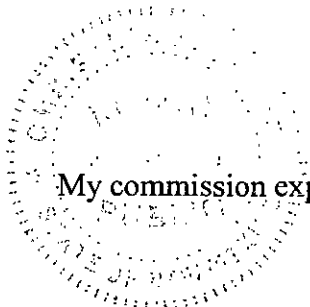
SUBSCRIBED AND SWORN to before me this 15th day of October 2014 by Jordan L.

Kessler.



Notary Public

My commission expires: 7-17-17





MODRALL SPERLING
L A W Y E R S

September 5, 2014

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Jordan L. Kessler
505.848.1849
Fax: 505.449.9710
jlk@modrall.com

TO: POOLED PARTIES LISTED ON SECOND REVISED EXHIBIT A

Re: Application for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.

Ladies and Gentlemen:

This letter is to advise you that COG Operating LLC has filed the enclosed application with the New Mexico Oil Conservation Division seeking a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.

This application has been set for hearing before a Division Examiner at 8:15 a.m. on October 16th, 2014. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Office located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 1208.B to file a Pre-Hearing Statement four days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above-specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to hearing.

Sincerely,

Jordan L. Kessler
Attorney for COG Operating LLC

Enclosure

Y:\dox\client\85789\0009\CORRES\W2267925.DOCX

Modrall Sperling
Roehl Harris & Sisk P.A.

Bank of America Centre
500 Fourth Street NW
Suite 1000
Albuquerque,
New Mexico 87102

PO Box 2168
Albuquerque,
New Mexico 87103-2168

Tel: 505.848.1800
www.modrall.com

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

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2014 JUL -9 P 3:08

**APPLICATION OF COG OPERATING LLC FOR A NON-STANDARD OIL SPACING
AND PRORATION UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW
MEXICO.**

CASE NO. 15185

APPLICATION

COG Operating LLC ("Concho"), through its undersigned attorneys, hereby makes application to the Oil Conservation Division pursuant to the provisions of NMSA 1978, Section 70-2-17, for an order: (1) creating a non-standard 160-acre, more or less, oil spacing and proration unit in the Yeso formation, comprised of the W/2 W/2 of Section 15, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Yeso formation underlying this proposed non-standard spacing and proration unit. In support of this application, Concho states as follows:

1. Concho is an interest owner in the subject lands and has the right to drill a well thereon.
2. Concho seeks to dedicate the W/2 W/2 of Section 15 to the proposed well to form a non-standard 160-acre, more or less, oil spacing and proration unit (the "project area").
3. Concho proposes to drill the Ivar the Boneless Fed. No. 1H to a depth sufficient to test the Yeso formation.

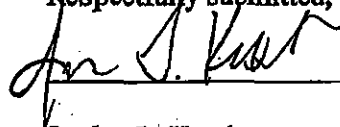
4. This project area is located within the Mar Loco-Glorieta-Yeso pool (pool code 97866). The completed interval for this well will be within the 330-foot setback required by the statewide rules.
5. Concho has sought but been unable to obtain a voluntary agreement from all interest owners in the Yeso formation underlying the proposed project area to participate in the drilling of the well or to otherwise commit their interests to the well.
6. Approval of the non-standard unit and the pooling of all interests in the Yeso formation underlying the proposed project area will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.
7. Notice of this application has been given in accordance with Division rules as shown on Exhibit A.

WHEREFORE, COG Operating LLC requests this application be set for hearing before an Examiner of the Oil Conservation Division on August 7, 2014, and after notice and hearing as required by law, the Division enter its order:

- A. Creating a non-standard oil spacing and proration unit ("project area") in the Yeso formation comprised of W/2 W/2 of Section 15, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico;
- B. Pooling all mineral interests in the Yeso formation underlying this non-standard spacing and proration unit/project area;
- C. Designating Concho as operator of this unit and the well to be drilled thereon;
- D. Authorizing Concho to recover its costs of drilling, equipping and completing this well;

- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,



Jordan L. Kessler
Post Office Box 2168
Albuquerque, New Mexico 87103
(505) 848-1800 Phone
(505) 848-1897 Facsimile

ATTORNEY FOR COG OPERATING LLC

SECOND REVISED EXHIBIT A
COG OPERATING LLC NOTICE LIST

Parties to be pooled:

Lindy's Living Trust
6300 Ridglea Place
Suite 1005 A
Fort Worth, TX 76116

Lindy's Living Trust
C/O Ms. Francis H. Hudson
4200 S. Hulen, St. 302
Ft. Worth, TX 76109

Delmar Hudson Lewis Living Trust
6300 Ridglea Place
Suite 1005 A
Fort Worth, TX 76116

Delmar Hudson Lewis Living Trust
Bank of America, NA, Trustee
Drawer 840738
Dallas, TX 75284-0738
Attn: Ms. Deborah Coughlin

Moore & Shelton Company, Ltd.
P.O. Box 3070
Galveston, TX 77552

Ard Oil, Ltd.
4808 Westridge Ave
Fort Worth, TX 76116

Zorro Partners, Ltd.
616 Texas St.
Fort Worth, TX 76116

ConocoPhillips Company
600 N. Dairy Ashford, 2WL-15058
Houston, TX 77079
Attn: Tom Scarbrough

Ard Energy Group, Ltd.
222 West 4th Street, PH-5
Fort Worth, TX 76116

Estate of Josephine T. Hudson
616 Texas Street
Fort Worth, TX 76102

Edward R. Hudson, Jr. and Anne F. Hudson
616 Texas Street
Fort Worth, TX 76102

Lynx Petroleum Consultants, Inc.
3325 N. Enterprise Dr.
Hobbs, NM 88240

Offsets:

COG Operating LLC
600 W. Illinois Ave
Midland, TX 79701

(offset operator) ConocoPhillips Company
600 N. Dairy Ashford, 2WL-15058
Houston, TX 77079
Attn: Tom Scarbrough

Fuel Products, Inc.
P.O. Box 3098
Midland, TX 79702

Pear Resources
P.O. Box 11044
Midland, TX 79702

Marcus Wayne Luna
P.O. Box 1889
Midland, TX 79702

Lindy's Living Trust
6300 Ridglea Place
Suite 1005 A
Fort Worth, TX 76116

Lindy's Living Trust
C/O Ms. Francis H. Hudson
4200 S. Hulen, St. 302
Ft. Worth, TX 76109

Delmar Hudson Lewis Living Trust
6300 Ridglea Place
Suite 1005 A
Fort Worth, TX 76116

Delmar Hudson Lewis Living Trust
Bank of America, NA, Trustee
Drawer 840738
Dallas, TX 75284-0738
Attn: Ms. Deborah Coughlin

Moore & Shelton Company, Ltd.
P.O. Box 3070
Galveston, TX 77552

Ard Oil, Ltd.
4808 Westridge Ave
Fort Worth, TX 76116

Zorro Partners, Ltd.
616 Texas St.
Fort Worth, TX 76116

Occidental Permian Limited Partnership
5 Greenway Plaza, Suite 110
Houston, TX 77046

Legacy Reserves
303 West Wall, Suite 1800
Midland, TX 79702

Certified Mail Receipt – COG Operating LLC Notice List (Ivar the Boneless)
[Additional working interest parties mailed 9/5/14]

| | Pooled Party (Case No. 15185) | USPS Article No. | Date Returned |
|----|---|--------------------------|--------------------------|
| 1. | Ard Energy Group, Ltd. 222 West 4 th Street, PH-5 Fort Worth, TX 76116 | 7008 1300 0001 2834 6856 | |
| 2. | Estate of Josephine T. Hudson 616 Texas Street Fort Worth, TX 76102 | 7008 1300 0001 2834 6863 | 9/11/14 |
| 3. | Edward R. Hudson, Jr. and Anne F. Hudson 616 Texas Street Fort Worth, TX 76102 | 7008 1300 0001 2834 6870 | 9/11/14 |
| 4. | Lynx Petroleum Consultants, Inc. 3325 N. Enterprise Drive Hobbs, NM 88240 | 7008 1300 0001 2834 6887 | 9/10/14 |

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| Certified Fee | |
| Return Receipt Fee (Endorsement Required) | |
| Restricted Delivery Fee (Endorsement Required) | |
| Total Postage & Fees | \$ |
| Postmark Here SEP - 5 2014 | |
| Sent To | |
| Ard Energy Group, Ltd. | |
| Street, / or PO B 222 West 4 th Street, PH-5 | |
| City, Sts Fort Worth, TX 76116 | |
| PS Form | uctions |

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 (Endorsement Required)
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SEP - 5 2014

Sent To Estate of Josephine T. Hudson
 Street, Apt. 616 Texas Street
 or PO Box Fort Worth, TX 76102
 City, State

PS Form 3811

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:

Estate of Josephine T. Hudson
 616 Texas Street
 Fort Worth, TX 76102

2. Article Number

(Transfer from service label)

7008 1300 0001 2834 6863

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

[Signature]

☐ Agent

☐ Addressee

B. Received by (Printed Name)

Shirley G. Berg

C. Date of Delivery

SEP 08 2014

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

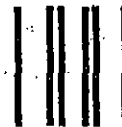
☐ Insured Mail

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

UNITED STATES POSTAL SERVICE



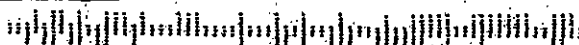
First-Class Mail
 Postage & Fees Paid
 USPS
 Permit No. G-10

• Sender: Please print your name, address, and ZIP+4 in this box •

Jordan Kessler
 Modrall Sperling Law Firm
 P.O. Box 2168
 Albuquerque, NM 87103-2168

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| | |
|---|----|
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| Certified Fee | |
| Return Receipt Fee (Endorsement Required) | |
| Restricted Delivery Fee (Endorsement Required) | |
| Total Postage | |

Postmark
Here

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Sent To **Edward R. Hudson Jr. & Anne F.**
Hudson
Street, Ap or PO Box **616 Texas Street**
City, State **Fort Worth, TX 76102**

PS Form 3811, February 2004

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
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- Attach this card to the back of the mailpiece, or on the front if space permits.

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Edward R. Hudson Jr. & Anne F.
Hudson
616 Texas Street
Fort Worth, TX 76102

2. Article Number
(Transfer from service label)

7008 1300 0001 2834 6870

PS Form 3811, February 2004

Domestic Return Receipt

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COMPLETE THIS SECTION ON DELIVERY

A. Signature *[Signature]* ☒ Agent
☐ Addressee

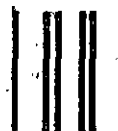
B. Received by (Printed Name) *Stan E. Gilberg* C. Date of Delivery **SEP 08 2014**

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

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Jordan Kessler
Modrall Sperling Law Firm
P.O. Box 2168
Albuquerque, NM 87103-2168

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BY: *[Signature]*

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|---|----|
| Postage | \$ |
| Certified Fee | |
| Return Receipt Fee (Endorsement Required) | |
| Restricted Delivery Fee (Endorsement Required) | |
| Total Postage & Fees | \$ |

Postmark Here
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Sent To: **Lynx Petroleum Consultants, Inc.**
3325 N. Enterprise Drive
Hobbs, NM 88240

Street, Apt. or PO Box
 City, State

PS Form 3811, February 2004

| COMPLETE THIS SECTION | COMPLETE THIS SECTION ON DELIVERY |
|---|---|
| <p>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> <p>1. Article Addressed to:</p> <p>Lynx Petroleum Consultants, Inc. 3325 N. Enterprise Drive Hobbs, NM 88240</p> <p>2. Article Number (Transfer from service label) 7008 1300 0001 2834 6887</p> | <p>A. Signature <i>Jordan Kessler</i> <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 If YES, enter delivery address below: <input type="checkbox"/> No</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>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p> |

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Modrall Sperling Law Firm
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Albuquerque, NM 87103-2168

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