



**FEDERAL EXPRESS**

August 4, 2015

Working Interest Owners  
Listed on Exhibit "A"

Re: **Well Re-Proposal – Resolver Fed Com 2H**  
Sec 12: E/2 W/2 - T23S-R32E  
SHL: 190' FNL/2260' FWL, or a legal location in Sec 12 (Unit C)  
BHL: 330' FSL/2260' FWL, or a legal location in Sec 12 (Unit N)  
Lea County, New Mexico

Dear Sir/Madam:

COG Operating LLC ("COG") hereby retracts and rescinds the captioned well proposal, dated July 31, 2015 regarding the Resolver Fed Com No. 2H. Please disregard the subject proposal, as the planned well was proposed without a pilot hole. A corrected well proposal is detailed below. Please contact the undersigned if you have any questions and/or concerns.

COG Operating LLC (COG), as Operator, hereby proposes to drill the Resolver Fed Com No. 2H well as a horizontal well at the above-captioned location, or at a legal location as approved by the governing regulatory agency, to a TVD of approximately 9,826' (12,500' PH) and a MD of 14,400' to test the Bone Spring Formation ("Operation"). The total cost of the Operation is estimated to be \$6,291,590.00 and a detailed description of the cost is set out in the enclosed Authority for Expenditure ("AFE").

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 Sec 12: W/2 - T23S-R32E. It has the following general provisions:

- 100/300 Non-Consenting Penalty
- \$7,000/\$700 Drilling and Producing Rate
- COG Operating LLC named as Operator

Please indicate your participation election in the space provided below, sign and return this letter, along with a signed copy of the enclosed AFE and a copy of your geologic well requirements. A self-addressed, postage paid envelope is enclosed for your convenience. If you do not wish to participate, COG proposes to acquire your interest via term assignment.

If you have any questions, please do not hesitate to contact the undersigned at 432-685-2514.

Respectfully,

Andrew Wenzel  
Landman

Cc: Mike Wallace

---

One Concho Center | 600 West Illinois Avenue | Midland, Texas 79701 | P 432.683.7443 | F 432.683.7441

OCD Case No. 15381

COG OPERATING  
Exhibit #4



\_\_\_\_\_ I/We hereby elect to participate in the Resolver Fed Com No. 2H.

\_\_\_\_\_ I/We hereby elect not to participate in the Resolver Fed Com No. 2H.

Company or  
Individual Name: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**Exhibit "A"**

---

One Concho Center | 600 West Illinois Avenue | Midland Texas 79701 | P 432 683 7443 | F 432 683 7441



**COG Operating LLC**  
600 West Illinois Ave  
Midland, TX 79701

**ConocoPhillips Company**  
600 North Dairy Ashford  
Houston, TX 77079  
Attention: Andy Harmon