



Sent via Certified Mail
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February 25, 2015

Occidental Permian Limited Partnership
Attn: Permian Basin Land Manager
5 Greenway Plaza, Suite 110
Houston, TX 77046

Re: **Well Proposal – Sneed 9 Federal Com 23H**
T17S, R32E, S2N2 of Section 9 & SWNW of Section 10
SHL: 1650' FNL & 330' FWL, Section 9 (Unit E)
BHL: 1650' FNL & 990' FWL, Section 10 (Unit E)
Lea County, New Mexico

Dear Working Interest Owner,

COG Operating LLC (COG), as Operator, proposes to drill the Sneed 9 Federal Com 23H well as a horizontal well at the above-captioned location to a TVD of approximately 6,400' to test the Yeso Formation ("Operation"). The total cost of the Operation is estimated to be \$4,007,000 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 modified for horizontal development, enclosed herein. The Operating Agreement covers, T17S-R32E, S/2N/2 of Section 9 and SW/4NW/4 of Section 10, Lea County, New Mexico. It has the following general provisions:

- 100/300 Non-consenting penalty
- \$7,000/\$700 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:

- 3 year primary term
- Delivering a 80% NRI, proportionately reduced
- \$700 per net acre bonus consideration

Term Assignment offers are subject to the approval of COG's management and verification of title.

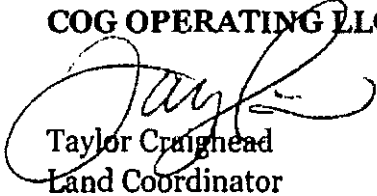
BEFORE THE OIL CONVERSION
COMMISSION
Santa Fe, New Mexico
Exhibit No. 6
Submitted by: COG OPERATING INC.
Hearing Date: November 5, 2015

If an agreement can't be negotiated within 30 days of the date of this letter, COG will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a spacing unit for the proposed well.

If you have any questions, please do not hesitate to contact Ashley Roush at 432-818-2358 or by email at aroush@concho.com.

Respectfully,

COG OPERATING LLC



Taylor Craighead
Land Coordinator

Enclosure(s)

Tract Ownership

Sneed 9 Fed Com 23H
S2N2 Section 9 and SW1/4 Section 10, Township 17 South, Range 32 East
Top of Yeso down to Base of Blinberry

[illegible]

Tract 1: S2NW of Section 9

COG Operating LLC	50.00%
Occidental Permian Limited Partnership	50.00%

Tract 2: S2NE of Section 9

COG Operating LLC	96.8750%
Chevron U.S.A. Inc.	3.1250%

Tract 3: SWNW of Section 10

COG Operating LLC	92.303282%
Devon Energy Production	7.7696718%

Unit Working Interest

COG Operating LLC	77.210656%
Occidental Permian Limited Partnership	20.00%
Chevron U.S.A. Inc.	1.25%
Devon Energy Production	1.5393436%

Uncommitted Royalty/ Overriding Royalty/ Non Participating Royalty interest Owners and Unmarketable Title

	Unmarketable Title
ORRI	James R. Mallor, Jr. Cara L. Gant Robert C. Iles Laura H. Parkes Pauline A. Nicholson Revocable Family Trust Wade H. Hover & Elizabeth B. Hover Carol M. Nandker Family Trust Marathon Oil Company
RI	Alice Crouch Deborah Masters Andrews William Wilson Masters Christian Martin Masters Mary Anne Miller Berlinger Heirs and Devisees of Julia Miller Burnham Fern Sullivan or the Heirs and Devisees of Fern Sullivan Alton C. White, Jr. Dorothy Dell Graeber Trust Selma E Andrews Perpetual Charitable Trust Selma E Andrews Trust for the benefit of Peggy Barrett
NPRI	David Kyte C and I Powell Revocable Living Trust Cecile Marie Dreessen Betty Kyte Dreessen Irrevocable Trust of 12-23-1958
	Jean F Wigman Crowley Jean F Wigman Survivor's Trust Heirs and Devisees of A.C. Taylor and wife, Nettie Taylor Heirs and Devisees of Zach Taylor and wife, Willie Taylor Heirs and Devisees of Ella Belle Holeman Heirs and Devisees of Bessie Ruth Brecheisen Heirs and Devisees of Bernice Dick Taylor Heirs and Devisees of Bette Taylor Kimbrough Heirs and Devisees of Doris Mae Taylor Heirs and Devisees of H.H. Balish and Ruth E. Balish, his wife Heirs and Devisees of Frank E. Miller Heirs and Devisees of Lillie Mae Yates Heirs and Devisees of Constance E Byers Bob and Leita Bradshaw or the Heirs and Devisees of Bob and Leita Bradshaw Kiska Oil Company J.H. Campbell and his wife E.A. Tom Walker or the Heirs and Devisees of J.H. Campbell and his wife E.A. Tom Walker Heirs and Devisees of Selma E. Andrews Selma E. Andrews Trust Heirs and Devisees of Max W. Coll Heirs and Devisees of Cecil H. Kyte Heirs and Devisees of Marilee I. Kyte Betty M. Dreessen Revocable Living Trust Bruce Sullivan or the Heirs and Devisees of Bruce Sullivan
	Record Title Owner Tract 1 Linn Energy Holdings



**BEFORE THE OIL CONVERSION
COMMISSION**
Santa Fe, New Mexico
Exhibit No. 7
Submitted by: **COG OPERATING INC.**
Hearing Date: November 5, 2015

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: SNEED 9 FED COM # 23H	PROSPECT NAME: MALJAMAR - 713083
SHL: 1650' FNL 330' FWL, UL - E	STATE & COUNTY: New Mexico, Lea
BHL: 1650' FNL, 990' FWL, UL - E	OBJECTIVE: Yeso Horizontal
FORMATION: YESO	DEPTH: 12,150
LEGAL: SEC. 9, SW4NW4, T17S-R32E	TVD: 6,400

INTANGIBLE COSTS		BCP	ACP	TOTAL
Title/Curative/Permit	201	11,000		11,000
Insurance	202	5,000	302 0	5,000
Damages/Right of Way	203	12,000	303 0	12,000
Survey/Stake Location	204	3,000	304 0	3,000
Location/Pits/Road Expense	205	80,000	305 25,000	105,000
Drilling / Completion Overhead	206	4,000	306 2,000	6,000
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract (0 days f/spud-rs @ \$0)	209	208,000	309 0	208,000
Directional Drilling Services (0 dir days @ \$0)	210	103,000	310	103,000
Fuel & Power	211	40,000	311 5,000	45,000
Water	212	38,000	312 112,500	150,500
Bits	213	43,600	313 5,000	48,600
Mud & Chemicals	214	45,000	314 0	45,000
Drill Stem Test	215		315 0	0
Coring & Analysis	216			0
Cement Surface	217	31,000		31,000
Cement Intermediate	218	31,000		31,000
Cement 2nd Intermediate/Production	218	0	319 65,000	65,000
Cement Squeeze & Other (Kickoff Plug)	220		320 0	0
Float Equipment & Centralizers	221	2,000	321 18,000	20,000
Casing Crews & Equipment	222	4,250	322 10,200	14,450
Fishing Tools & Service	223		323	0
Geologic/Engineering	224	2,000	324	2,000
Contract Labor	225	33,150	325 38,000	71,150
Company Supervision	226	2,000	326 2,000	4,000
Contract Supervision	227	28,000	327 46,000	74,000
Testing Casing/Tubing	228	2,480	328 4,500	8,980
Mud Logging Unit	229	25,000	329	25,000
Logging	230	18,000	330	18,000
Perforating/Wireline Services	231	1,500	331 162,500	164,000
Stimulation/Treating			332 1,150,000	1,150,000
Completion Unit			333 35,000	35,000
Swabbing Unit			334	0
Rentals-Surface	235	52,000	335 312,500	364,500
Rentals-Subsurface	236	70,000	336 28,000	98,000
Trucking/Forklift/Rig Mobilization	237	61,000	337 50,000	111,000
Welding Services	238	5,000	338 3,000	8,000
Water Disposal	239	0	339 5,000	5,000
Plug to Abandon	240	0	340 0	0
Seismic Analysis	241	0	341 0	0
Closed Loop & Environmental	244	89,000	344 0	89,000
Miscellaneous	242	0	342 0	0
Contingency 5%	243	53,010	343 104,800	157,810
TOTAL INTANGIBLES		1,103,000	2,184,000	3,287,000

TANGIBLE COSTS				
Surface Casing (13 3/8" 54.5# J55 STC)	401	34,000		34,000
Intermediate Casing (9 5/8" 40# J55 LTC)	402	69,000	503 0	69,000
Production Casing (7" 29# & 5 1/2" 17# L80)			503 253,000	253,000
Tubing			504 32,000	32,000
Wellhead Equipment	405	8,200	505 18,000	26,200
Pumping Unit			506 72,000	72,000
Prime Mover			507 0	0
Rods			508 11,000	11,000
Pumps			509 63,000	63,000
Tanks			510 19,000	19,000
Flowlines			511 11,000	11,000
Heater Treater/Separator			512 29,000	29,000
Electrical System			513 18,000	18,000
Packers/Anchors/Hangers	414	0	514 2,000	2,000
Couplings/Fittings/Valves	415	500	515 36,000	36,500
Gas Compressors/Meters			516 4,000	4,000
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	500	519 4,000	4,500
Contingency	420	6,800	520 29,000	35,800
TOTAL TANGIBLES		119,000	601,000	720,000
TOTAL WELL COSTS		1,222,000	2,785,000	4,007,000

COG Operating LLC

By: Carl Bird

Date Prepared: 2/19/2015 KF

COG Operating LLC

We approve:
% Working Interest

By:

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.