



**Certified Mail; Return Receipt Requested**  
**No. 91 7199 9991 7033 2264 9062**

August 11, 2015

Working Interest Owners  
Listed on Exhibit "A"

Re: **Well Proposal – Sombbrero Fed Com No. 4H**  
W/2 W/2, Section 13, T24S-R34E  
W/2 SW/4 Section 12, T24S-R34E  
SHL: 460' FSL & 380' FWL, or a legal location in Sec 13; Unit M  
BHL: 2310' FSL & 380' FWL, or a legal location in Sec 12; Unit L  
Lea County, New Mexico

Dear Sir/Madam:

COG Operating LLC (COG), as Operator, proposes to drill the Sombbrero Fed Com No. 4H 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 9,451' and a MD of 16,400' to test the Avalon Shale Formation ("Operation"). The total cost of the Operation is estimated to be \$10,354,600.00 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 W/2 W/2 of Section 13 and W/2 SW/4 of Section 12, T24S-R34E. 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 or farmout.

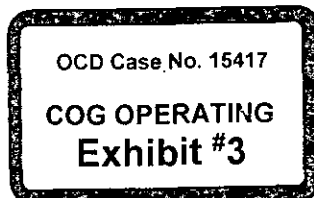
If you have any questions, please do not hesitate to contact the undersigned at 432-221-0465.

Respectfully,

Mike Wallace  
Senior Landman

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One Concho Center | 600 West Illinois Avenue | Midland, Texas 79701 | P 432.683.7443 | F 432.663.7441





**EXHIBIT "A"**

**COG Operating LLC**  
One Concho Center  
600 West Illinois Avenue  
Midland, TX 79701

**Concho Oil & Gas LLC**  
One Concho Center  
600 West Illinois Avenue  
Midland, TX 79701

**The Allar Co.**  
P.O. Box 1567  
Graham, TX 76450  
Attn: Jack Graham

**Oxy USA, Inc.**  
5 Greenway Plaza  
Houston, TX 77046  
Attn: Joel Johnson



Working Interest Owners  
Sombrero Fed Com No. 4H  
August 11, 2015  
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\_\_\_\_\_ I/We hereby elect to participate in the Sombrero Fed Com No. 4H.

\_\_\_\_\_ I/We hereby elect not to participate in the Sombrero Fed Com No. 4H.

Company or  
Individual Name: OXY USA, INC.

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

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>Paul Eric</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>PAUL ERIC</i> C. Date of Delivery <i>8/14/15</i></p> <p>D. Is delivery address different from Item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below:</p>
<p>1. Article Addressed to:</p> <p><b>Oxy USA, Inc.</b> <b>5 Greenway Plaza</b> <b>Houston, TX 77046</b> <b>Attn: Joel Johns</b></p>	<p>3. Service Type <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>
<p>2. Article Number (Transfer from service label)</p> <p><b>91 7199 9991 7033 2264 9062</b></p>	

PS Form 3811, February 2004 Domestic Return Receipt 102585-02-14-1640



## USPS Tracking®



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**Tracking Number:** 9171999991703322649055

### On Time

**Expected Delivery Day:** Friday, August 14, 2015

## Product & Tracking Information

**Postal Product:**  
Priority Mail 3-Day™

**Features:**  
Certified Mail™

## Available Actions

DATE & TIME	STATUS OF ITEM	LOCATION
August 14, 2015, 10:31 am	Delivered	GRAHAM, TX 76450

Your item was delivered at 10:31 am on August 14, 2015 in GRAHAM, TX 76450

August 14, 2015, 9:47 am	Available for Pickup	GRAHAM, TX 76450
August 14, 2015, 8:37 am	Sorting Complete	GRAHAM, TX 76450
August 14, 2015, 8:08 am	Arrived at Unit	GRAHAM, TX 76450
August 12, 2015, 9:46 pm	Departed USPS Facility	FORT WORTH, TX 76161
August 12, 2015, 7:26 pm	Arrived at USPS Destination Facility	FORT WORTH, TX 76161
August 12, 2015, 12:35 am	Departed USPS Facility	MIDLAND, TX 79711
August 11, 2015, 8:29 pm	Arrived at USPS Origin Facility	MIDLAND, TX 79711
August 11, 2015, 7:14 pm	Accepted at USPS Origin Sort Facility	MIDLAND, TX 79701

## Track Another Package

Tracking (or receipt) number

Track It

## Manage Incoming Packages

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No tracking numbers necessary

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9/25/2015