



Sent Certified Mail  
Receipt #: 91 7199 9991 7036 1867 8288

March 1, 2016

Occidental Permian Limited Partnership  
Attention: Land Department.  
5 Greenway Plaza, Suite 110  
Houston, Texas 77046-0526

Re: Well Proposal – Halberd 27 State Com #1H  
T17S-R28E: S/2S/2 of Section 27  
SHL: 1003' FSL & 65' FWL, Section 26  
BHL: 972' FSL & 330' FWL, Section 27  
Eddy County, New Mexico

Dear Sir or Madam:

COG Operating LLC ("COG"), as Operator, proposes to drill the Halberd 27 State Com #1H well as a horizontal well at the above-captioned location to a max TVD of approximately 3,925' and a measured depth of approximately 8,935' to test the Yeso Formation (the "Operation"). The total cost of the Operation is estimated to be \$2,730,000 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 1989 AAPL form of Operating Agreement modified for horizontal development, which is enclosed for your review. The Operating Agreement covers the South ½ South ½ of Section 27, T17S-R28E, Eddy County, NM, and is limited in depth from the top of the Glorieta Formation to a subsurface depth of 4,000 feet. It has the following general provisions:

- 100/300 Non-consenting penalty
- \$6,000/\$600 Drilling and Producing rate
- COG named as Operator

If you wish to participate, please execute the AFE along with the signature and notarization pages to the Operating Agreement and Exhibit H. Upon completion, please return in the enclosed self-addressed envelope. If you do not wish to participate in this operation, COG would like to acquire a Term Assignment of your leasehold, covering the Yeso formation, for the following general terms:

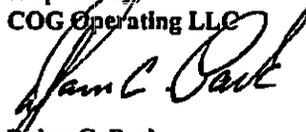
- 3 year primary term
- \$150.00 per net acre bonus consideration
- ORRI equal to the positive difference between 25% of 8/8<sup>th</sup> and burdens of record.

The Term Assignment offer is the same and identical offer included in the Halberd 27 State Com #21H proposal, subject to approval of COG's management and verification of title.

If we do not reach an agreement 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 the undersigned at 432-685-2539, or by email at [dpark@concho.com](mailto:dpark@concho.com).

Respectfully,  
COG Operating LLC



Dylan C. Park  
Sr. Landman

Enclosure(s)

BEFORE THE OIL CONSERVATION  
DIVISION  
Santa Fe, New Mexico  
Exhibit No. 5  
Submitted by: COG OPERATING LLC  
Hearing Date: August 4, 2016



Sent Certified Mail  
Receipt #: 91 7199 9991 7036 1867 8295

March 1, 2016

Occidental Permian Limited Partnership  
Attention: Land Department  
5 Greenway Plaza, Suite 110  
Houston, Texas 77046

Re: Well Proposal – Halberd 27 State Com #21H  
T17S-R28E: S/2S/2 of Section 27  
SHL: 1150' FSL & 65' FWL, Section 26  
BHL: 972' FSL & 330' FWL, Section 27  
Eddy County, New Mexico

Dear Sir or Madam:

COG Operating LLC ("COG"), as Operator, proposes to drill the Halberd 27 State Com #21H well as a horizontal well at the above-captioned location to a max TVD of approximately 4,450' and a measured depth of approximately 9,460' to test the Yeso Formation (the "Operation"). The total cost of the Operation is estimated to be \$2,730,000 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 1989 AAPL form of Operating Agreement modified for horizontal development, which is enclosed for your review. The Operating Agreement covers the South ½ South ½ of Section 27, T17S-R28E, Eddy County, NM,, limited in depth from 4,000' beneath the surface to the top of the Abo Formation, Eddy County, NM. It has the following general provisions:

- 100/300 Non-consenting penalty
- \$6,000/\$600 Drilling and Producing rate
- COG named as Operator

If you wish to participate, please execute the AFE along with the signature and notarization pages to the Operating Agreement and Exhibit H. Upon completion, please return in the enclosed self-addressed envelope. If you do not wish to participate in this operation, COG would like to acquire a Term Assignment of your leasehold, covering the Yeso formation, for the following general terms:

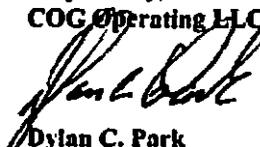
- 3 year primary term
- \$150.00 per net acre bonus consideration
- ORRI equal to the positive difference between 25% of 8/8<sup>th</sup> and burdens of record.

The Term Assignment offer is the same and identical offer included in the Halberd 27 State Com #1H proposal, subject to approval of COG's management and verification of title.

If we do not reach an agreement 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.

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Respectfully,  
COG Operating LLC

  
Dylan C. Park  
Sr. Landman

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