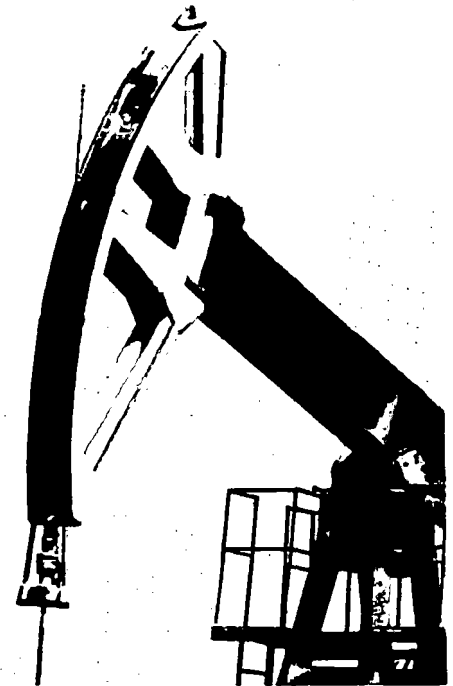


COG Operating LLC

MALCO 23 FEDERAL COM 13H  
Hearing  
Red Lake Area - Eddy County, New Mexico



BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING AUGUST 3, 2017

CASE NOS. 15764



CONCHO

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

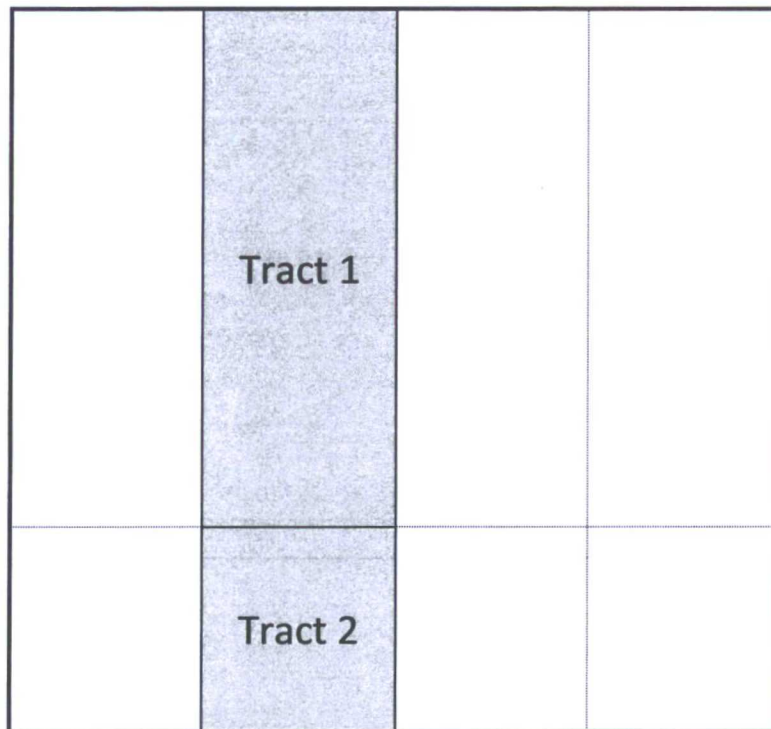
<sup>1</sup> API Number 30-015-44297		<sup>2</sup> Pool Code 96210		<sup>3</sup> Pool Name Empire; Glorieta-Yeso	
<sup>4</sup> Property Code 318325		<sup>5</sup> Property Name MALCO 23 FEDERAL COM			<sup>6</sup> Well Number 13H
<sup>7</sup> OGRID NO. 229137		<sup>8</sup> Operator Name COG OPERATING, LLC			<sup>9</sup> Elevation 3637'
<sup>10</sup> Surface Location					
UL or lot no. C	Section 23	Township 17S	Range 28E	Lot Idn 125	Feet from the NORTH 1543
				Feet from the WEST 1543	County EDDY
<sup>11</sup> Bottom Hole Location If Different From Surface					
UL or lot no. N	Section 23	Township 17S	Range 28E	Lot Idn 10	Feet from the SOUTH 1650
				Feet from the WEST 1650	County EDDY
<sup>12</sup> Dedicated Acres 160		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code	
				<sup>15</sup> Order No.	

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.

	<p><b>17 OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature: <i>[Signature]</i> Date: 7/13/17 Printed Name: Robyn M. Russell E-mail Address: Rrussell@concho.com</p>
	<p><b>18 SURVEYOR CERTIFICATION</b> I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>10-26-2016 Date of Survey Signature and Seal of Professional Surveyor: <i>[Signature]</i> 19680 Certificate Number 6-26-17 BH</p>
	<p><b>GEODETIC DATA</b> NAD 83 GRID - NM EAST <b>SURFACE LOCATION</b> N 664735.3 - E 597605.0 LAT: 32.82725041° N LONG: 104.15015464° W <b>BOTTOM HOLE</b> N 659611.9 - E 597662.7 LAT: 32.81316785° N LONG: 104.14999565° W <b>CORNER DATA</b> NAD 83 GRID - NM EAST A: FOUND BRASS CAP "1941" N 659474.9 - E 596017.7 B: FOUND BRASS CAP "1941" N 662070.8 - E 596116.6 C: FOUND BRASS CAP "1941" N 664715.5 - E 596062.3 D: FOUND BRASS CAP "1941" N 664958.8 - E 598649.2 E: FOUND BRASS CAP "1941" N 665202.3 - E 601236.6 F: FOUND BRASS CAP "1941" N 662539.5 - E 601228.6 G: FOUND BRASS CAP "1941" N 659870.0 - E 601204.8 H: FOUND BRASS CAP "1941" N 659675.7 - E 598617.4 <b>CALCULATED POINTS</b> 1: N 664837.2 - E 597355.8 2: N 659575.4 - E 597317.6 3: N 662186.2 - E 597374.9 4: N 662301.5 - E 598633.2</p>
	<p>RRC - Job No.: LS1609302D4</p>

BEFORE THE OIL CONSERVATION  
DIVISION  
Santa Fe, New Mexico  
Exhibit No. 1  
Submitted by: COG OPERATING LLC

EXHIBIT 2  
Malco 23 Fed Com #13H  
E ½ of the W ½ of Section 23, T17S-R28E  
Eddy County, New Mexico  
**WORKING INTERESTS**



### Tract 1

22.26% COG Operating LLC  
50.00% Fasken Acquisitions 02, Ltd.  
25.00% ZPZ Delaware I, LLC  
1.10% Cardinal River Energy I LP  
0.37% Paul Stafford  
0.37% Greg Wilson  
0.37% Callan Oil and Gas Inc.  
0.33% Black Oak Energy, LLC  
0.18% Fenergy LLC  
0.18% Environmental Risk reduction, Inc.  
0.18% William C. Dean  
0.12% Hall Energy Company, LLC

### Tract 2

75.00% COG Operating LLC  
25.00% Silverton Petroleum, Inc.

### Interests in Proposed Spacing Unit:

35.44% COG Operating LLC  
37.50% Fasken Acquisitions 02, Ltd.  
18.75% ZPZ Delaware I, LLC  
6.25% Silverton Petroleum, Inc.  
0.48% Cardinal River Energy I LP  
0.27% Paul Stafford  
0.27% Greg Wilson  
0.27% Callan Oil and Gas Inc.  
0.25% Black Oak Energy, LLC  
0.14% Fenergy LLC  
0.14% Environmental Risk reduction, Inc.  
0.14% William C. Dean  
0.09% Hall Energy Company, LLC

**\*Uncommitted Owner in Proposed Spacing Unit**

**\*\*Signed AFE**



Sent via Certified Mail  
Return Receipt # 91-7149-9901-7036-0788-1507

May 4, 2017

Fasken Acquisitions 02, Ltd.  
6101 Holiday Hill Road  
Midland, TX 79707

Re: **Well Proposal – Malco 23 Fed Com #13H**  
Sec 23: E/2 W/2, T17S-R28E  
SHL: 125' FNL and 1443' FWL, or a legal location in Unit C of Section 23  
BHL: 330' FSL and 1650' FWL, or a legal location in Unit N of Section 23  
Eddy County, New Mexico

Dear Sir/Madam:

COG Operating LLC (COG), as Operator, hereby proposes to drill the Malco 23 Fed Com #13H 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 3,856' and a MD of 8,550' to test the Yezo Formation ("Operation"). The total cost of the Operation is estimated to be \$4,141,500.00 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 the E/2W/2 of Section 23, T17S-R28E, Eddy County, NM and has the following general provisions:

- Depth Limitation from 3,499' to the Base of the Abo Formation
- 100/300 Non-Consenting Penalty
- \$6,000/\$600 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, the OA, along with a signed copy of the enclosed AFE and a copy of your geologic well requirements if you would like to participate. A self-addressed, postage paid envelope is enclosed for your convenience.

If you do not wish to participate in the Operation, COG would like to term assign your working interest under the following basic provisions:

- \$250/net mineral acre bonus
- 3 Year Primary Term
- Overriding Royalty Interest equal to the positive difference, if any, between 20% and the current burdens of record.

Please indicate your intent to Term Assign your Working Interest to COG by contacting me at the phone number or email below. If you have any questions, please do not hesitate to contact the undersigned at 432-685-2515.

Respectfully,

Adam Reker, RPL  
Landman  
[areker@concho.com](mailto:areker@concho.com)

BEFORE THE OIL CONSERVATION  
DIVISION  
Santa Fe, New Mexico  
Exhibit No. 3  
Submitted by: COG OPERATING, LLC  
Hearing Date: August 3, 2017



**MALCO 23 FEDERAL COM #13H  
WELL PROPOSAL**

\_\_\_\_\_ I/We hereby elect to participate in the Malco 23 Fed Com #13H.

\_\_\_\_\_ I/We hereby elect not to participate in the Malco 23 Fed Com #13H.

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

**By:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_

INTANGIBLE COSTS	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524	525	526	527	528	529	530	531	532	533	534	535	536	537	538	539	540	541	542	543	544	545	546	547	548	549	550	551	552	553	554	555	556	557	558	559	560	561	562	563	564	565	566	567	568	569	570	571	572	573	574	575	576	577	578	579	580	581	582	583	584	585	586	587	588	589	590	591	592	593	594	595	596	597	598	599	600	601	602	603	604	605	606	607	608	609	610	611	612	613	614	615	616	617	618	619	620	621	622	623	624	625	626	627	628	629	630	631	632	633	634	635	636	637	638	639	640	641	642	643	644	645	646	647	648	649	650	651	652	653	654	655	656	657	658	659	660	661	662	663	664	665	666	667	668	669	670	671	672	673	674	675	676	677	678	679	680	681	682	683	684	685	686	687	688	689	690	691	692	693	694	695	696	697	698	699	700	701	702	703	704	705	706	707	708	709	710	711	712	713	714	715	716	717	718	719	720	721	722	723	724	725	726	727	728	729	730	731	732	733	734	735	736	737	738	739	740	741	742	743	744	745	746	747	748	749	750	751	752	753	754	755	756	757	758	759	760	761	762	763	764	765	766	767	768	769	770	771	772	773	774	775	776	777	778	779	780	781	782	783	784	785	786	787	788	789	790	791	792	793	794	795	796	797	798	799	800	801	802	803	804	805	806	807	808	809	810	811	812	813	814	815	816	817	818	819	820	821	822	823	824	825	826	827	828	829	830	831	832	833	834	835	836	837	838	839	840	841	842	843	844	845	846	847	848	849	850	851	852	853	854	855	856	857	858	859	860	861	862	863	864	865	866	867	868	869	870	871	872	873	874	875	876	877	878	879	880	881	882	883	884	885	886	887	888	889	890	891	892	893	894	895	896	897	898	899	900	901	902	903	904	905	906	907	908	909	910	911	912	913	914	915	916	917	918	919	920	921	922	923	924	925	926	927	928	929	930	931	932	933	934	935	936	937	938	939	940	941	942	943	944	945	946	947	948	949	950	951	952	953	954	955	956	957	958	959	960	961	962	963	964	965	966	967	968	969	970	971	972	973	974	975	976	977	978	979	980	981	982	983	984	985	986	987	988	989	990	991	992	993	994	995	996	997	998	999	1000	1001	1002	1003	1004	1005	1006	1007	1008	1009	1010	1011	1012	1013	1014	1015	1016	1017	1018	1019	1020	1021	1022	1023	1024	1025	1026	1027	1028	1029	1030	1031	1032	1033	1034	1035	1036	1037	1038	1039	1040	1041	1042	1043	1044	1045	1046	1047	1048	1049	1050	1051	1052	1053	1054	1055	1056	1057	1058	1059	1060	1061	1062	1063	1064	1065	1066	1067	1068	1069	1070	1071	1072	1073	1074	1075	1076	1077	1078	1079	1080	1081	1082	1083	1084	1085	1086	1087	1088	1089	1090	1091	1092	1093	1094	1095	1096	1097	1098	1099	1100	1101	1102	1103	1104	1105	1106	1107	1108	1109	1110	1111	1112	1113	1114	1115	1116	1117	1118	1119	1120	1121	1122	1123	1124	1125	1126	1127	1128	1129	1130	1131	1132	1133	1134	1135	1136	1137	1138	1139	1140	1141	1142	1143	1144	1145	1146	1147	1148	1149	1150	1151	1152	1153	1154	1155	1156	1157	1158	1159	1160	1161	1162	1163	1164	1165	1166	1167	1168	1169	1170	1171	1172	1173	1174	1175	1176	1177	1178	1179	1180	1181	1182	1183	1184	1185	1186	1187	1188	1189	1190	1191	1192	1193	1194	1195	1196	1197	1198	1199	1200	1201	1202	1203	1204	1205	1206	1207	1208	1209	1210	1211	1212	1213	1214	1215	1216	1217	1218	1219	1220	1221	1222	1223	1224	1225	1226	1227	1228	1229	1230	1231	1232	1233	1234	1235	1236	1237	1238	1239	1240	1241	1242	1243	1244	1245	1246	1247	1248	1249	1250	1251	1252	1253	1254	1255	1256	1257	1258	1259	1260	1261	1262	1263	1264	1265	1266	1267	1268	1269	1270	1271	1272	1273	1274	1275	1276	1277	1278	1279	1280	1281	1282	1283	1284	1285	1286	1287	1288	1289	1290	1291	1292	1293	1294	1295	1296	1297	1298	1299	1300	1301	1302	1303	1304	1305	1306	1307	1308	1309	1310	1311	1312	1313	1314	1315	1316	1317	1318	1319	1320	1321	1322	1323	1324	1325	1326	1327	1328	1329	1330	1331	1332	1333	1334	1335	1336	1337	1338	1339	1340	1341	1342	1343	1344	1345	1346	1347	1348	1349	1350	1351	1352	1353	1354	1355	1356	1357	1358	135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**STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES  
OIL CONSERVATION DIVISION**

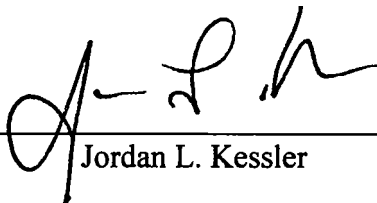
**APPLICATION OF COG OPERATING LLC  
FOR A NON-STANDARD SPACING AND  
PRORATION UNIT AND COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 15764**

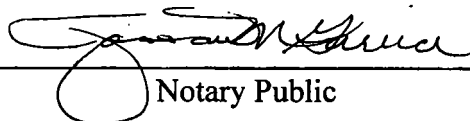
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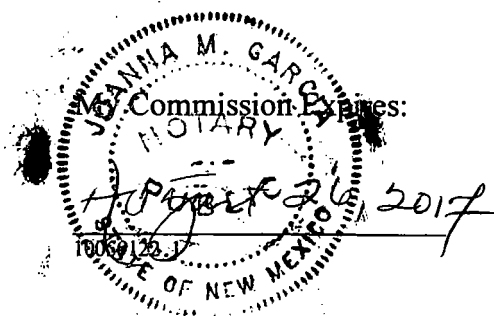
STATE OF NEW MEXICO    )  
                                      ) ss.  
COUNTY OF SANTA FE    )

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 has been provided under the notice letters and proof of receipts attached hereto.

  
\_\_\_\_\_  
Jordan L. Kessler

SUBSCRIBED AND SWORN to before me this 2nd day of August, 2017 by Jordan L.  
Kessler.

  
\_\_\_\_\_  
Notary Public





**HOLLAND & HART**



**Jordan L. Kessler  
Associate**

**Phone (505) 988-4421**

**Fax (505) 983-6043**

**JLKessler@hollandhart.com**

July 14, 2017

**VIA CERTIFIED MAIL**  
**CERTIFIED RECEIPT REQUESTED**

**TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS**

**Re: Application of COG Operating LLC for a non-standard spacing and  
proration unit and compulsory pooling, Eddy County, New Mexico.  
Malco 23 Federal Com No. 13H Well**

Ladies & Gentlemen:

This letter is to advise you that COG Operating LLC has filed the enclosed application with the New Mexico Oil Conservation Division. This application will be set for hearing before a Division Examiner at 8:15 a.m. on August 3, 2017. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices, 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 19.15.4.13.B to file a Pre-hearing Statement four business 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 the hearing.

If you have any questions about this matter please contact Adam Reker, at (432) 685-2515 or AReker@concho.com.

Sincerely,

Jordan L. Kessler

**ATTORNEY FOR COG OPERATING LLC**

**Holland & Hart LLP**

**Phone (505) 988-4421 Fax (505) 983-6043 [www.hollandhart.com](http://www.hollandhart.com)**

**110 North Guadalupe Suite 1 Santa Fe, New Mexico 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208**

**Aspen Boulder Carson City Colorado Springs Denver Denver Tech Center Billings Boise Cheyenne Jackson Hole Las Vegas Reno Salt Lake City Santa Fe Washington, D.C. ☉**

HOLLAND & HART LLP



Jordan L. Kessler

Associate

Phone (505) 988-4421

Fax (505) 983-6043

JLKessler@hollandhart.com

July 14, 2017

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**TO: OFFSETTING LESSEES AND OPERATORS**

**Re: Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.  
Malco 23 Federal Com No. 13H Well**

This letter is to advise you that COG Operating LLC has filed the enclosed application with the New Mexico Oil Conservation Division. *Your interests are not being pooled under this application*, but as a lessee or operator in an offsetting tract, you are entitled to notice of this application.

This application has been set for hearing before a Division Examiner at 8:15 AM on August 3, 2017. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices 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 19.15.4.13.B to file a Pre-Hearing Statement with the Oil Conservation Division's Santa Fe office, four business days in advance of a scheduled hearing, but at least on the Thursday preceding the hearing. This statement must 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 the hearing.

If you have any questions about this matter please contact Adam Reker, at (432) 685-2515 or AReker@concho.com.

Sincerely,

Jordan L. Kessler

**ATTORNEY FOR COG OPERATING LLC**

9945978\_1

Holland & Hart LLP

Phone (505) 988-4421 Fax (505) 983-6043 [www.hollandhart.com](http://www.hollandhart.com)

110 North Guadalupe Suite 1 Santa Fe, New Mexico 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Boulder Carson City Colorado Springs Denver Denver Tech Center Billings Boise Cheyenne Jackson Hole Las Vegas Reno Salt Lake City Santa Fe Washington, D.C. ☐

**COG/Malco 23 Fed Com #13**  
**Pooled Parties – Case No. 15764**

Fasken Acquisitions 02, Ltd.  
303 W. Wall Street, Suite 1800  
Midland, TX 79701

ZPZ Delaware I, LLC  
Attn: Land Department  
303 Veterans Airpark Lane, Suite 1000  
Midland, TX 79705

Paul Stafford  
210 Park Ave, #3000  
Oklahoma City, OK 73102

Greg Wilson  
210 Park Ave, #3000  
Oklahoma City, OK 73102

Callan Oil and Gas, Inc.  
210 Park Ave, #3000  
Oklahoma City, OK 73102

William C. Dean  
210 Park Ave, #3000  
Oklahoma City, OK 73102

Fenergy LLC  
2301 Brookside Ave.  
Edmond, OK 73034

Silverton Petroleum, Inc.  
PO Box 26  
Graham, TX 76450

Environmental Risk Reduction, Inc.  
210 Park Ave, #3000  
Oklahoma City, OK 73102

7017 1450 0000 8463 1777

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**OFFICE**

Case NRM 87501

Certified Mail Fee

Extra Services & Fees (check box, add fee as appropriate)

- ☒ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$

Postage

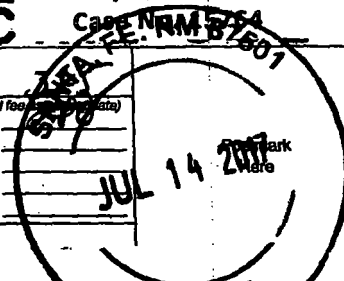
Total Fee

Sent To Fasken Acquisitions 02, Ltd.  
 303 W. Wall Street, Suite 1800  
 Street and Midland, TX 79701

City, State

PS Form 3800, April 2015 PSN 7530-01-000-9000

See Reverse for Instructions



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Case NRM 87501

Certified Mail Fee

Extra Services & Fees (check box, add fee as appropriate)

- ☒ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$

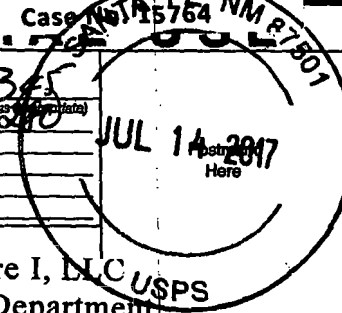
Postage

Total Fee

Sent To ZPZ Delaware I, LLC  
 Attn: Land Department  
 303 Veterans Airpark Lane,  
 Street and Suite 1000  
 City, State Midland, TX 79705

PS Form 3800, April 2015 PSN 7530-01-000-9000

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For delivery information, visit **com #13/8**  
**OFFICIAL** Case No. 15764 87501  
Certified Mail Fee \$  
Extra Services & Fees (check box, add fees and postage)  
☒ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$  
Postage \$  
Total Postage \$  
Sent To Paul Stafford  
210 Park Ave, #3000  
Oklahoma City, OK 73102  
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

RETURNED

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Domestic Mail Only **COG/JLK/Marco 23 Fed**  
For delivery information, visit **com #13/8**  
**OFFICIAL** Case No. 15764 87501  
Certified Mail Fee \$  
Extra Services & Fees (check box, add fees and postage)  
☒ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$  
Postage \$  
Total Postage \$  
Sent To Greg Wilson  
210 Park Ave, #3000  
Oklahoma City, OK 73102  
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

RETURNED

U.S. Postal Service<sup>SM</sup>  
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**Domestic Mail<sup>®</sup> -**  
**Case No. 15704**

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Certified Mail Fee \$ 3.45

Extra Services and Fees (check box, add fees and prices)

<input type="checkbox"/> Return Receipt (hardcopy)	\$	
<input type="checkbox"/> Return Receipt (electronic)	\$	
<input type="checkbox"/> Certified Mail Restricted Delivery	\$	
<input type="checkbox"/> Adult Signature Required	\$	
<input type="checkbox"/> Adult Signature Restricted Delivery	\$	

Postage \$           

Total Fee \$           

Sent To           

Street or           

City, State           

**USPS**

**JUL 14 2017**  
 Postmark Here

**Callan Oil and Gas, Inc.**  
**210 Park Ave, #3000**  
**Oklahoma City, OK 73102**

PS Form 3800, April 2015 PSN 7530-02-000-9000 See Reverse for Instructions

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2017 1450 0000 8463 1722

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COG/JUL 14 2017  
 For delivery information, visit [usps.com](http://usps.com) #15764  
 Case No. 15764

**OFFICE**

Certified Mail Fee \$

Extra Services & Fees (check box, add fee as appropriate)

<input checked="" type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$

Postage \$

Total Fee \$

Sent To  
 Street at  
 City, St

William C. Dean  
 210 Park Ave, #3000  
 Oklahoma City, OK 73102

JUL 14 2017  
 Postmark Here

USPS

PS Form 3800, April 2015 PSN 7530-02-000-9000 See Reverse for Instructions

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Certified Mail Fee \$  
Extra Services & Fees (check box, add fee as appropriate)  
☒ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$  
Postage \$  
Total Postage \$  
Sent To **Fenergy LLC**  
2301 Brookside Ave.  
Edmond, OK 73034  
City, State, ZIP+4<sup>®</sup>  
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

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**OFFICIAL** Case No. 15764M 82501  
Certified Mail Fee \$  
Extra Services & Fees (check box, add fee as appropriate)  
☒ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$  
Postage \$  
Total Postage \$  
Sent To **Silverton Petroleum, Inc.**  
PO Box 26  
Graham, TX 76450  
City, State, ZIP+4<sup>®</sup>  
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions



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Domestic Mail Only  
For delivery information, visit [usps.com](http://usps.com)

COG/JLK/Malco 23 Fed  
Com #1244444 Partles -  
Case No. 15784

**OFFICE**

Certified Mail Fee \$  
Extra Services & Fees (check box, add fee as appropriate)  
☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$

Postage \$  
Total \$

Sent  
Street  
City

Environmental Risk Reduction, Inc.  
210 Park Ave, #3000  
Oklahoma City, OK 73102

U.S. Postal Service® Application for Certified Mail and Registered Mail® See us for more information

345  
JUL 14 2017  
Postmark Here  
USPS

RETURNED

**COG/Malco 23 Fed Com #13**  
**Offset Parties – Case No. 15764**

ZPZ Delaware I, LLC  
303 Veterans Airpark Lane, Suite 1000  
Midland, TX 79705

Khody Land & Minerals Co.  
One Williams Center  
Tulsa, OK 74172

Mack Energy Corporation  
PO Box 960  
Artesia, NM 88211

S.P. Yates  
105 S. Fourth Street  
Artesia, NM 88210

7017 1450 0000 8463 1784

U.S. Postal Service™  
**CERTIFIED MAIL® RECEIPT**  
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For delivery information, visit **COG/JLK/Malco 23 Fed**  
**OFFICE** Com #13/Offset Parties -  
 Case No. 15764

Certified Mail Fee \$  
 Extra Services & Fees (check box, add fee as appropriate)  
☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$

Postage \$  
 Total \$

Sent To: **USPS**  
 Street: **303 Veterans Airpark Lane,**  
 City, St: **Suite 1000**  
**Midland, TX 79705**

PS Form 3800, April 2015 PSN 7530-02-000-9053 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

1. Article Addressed to:
2. Article Number (Transfer from service label)

9590 9402 2942 7094 6375 17

7017 1450 0000 8463 1784

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent ☐ Addressee  
 X *Robert Ford*  
 B. Received by (Printed Name) **R. Ford**  
 C. Date of Delivery **7-18-17**  
 D. Is delivery address different from item 1? ☐ Yes  
 If YES, enter delivery address below: ☐ No

3. Service Type  
☐ Adult Signature ☐ Priority Mail Express®  
☐ Adult Signature Restricted Delivery ☐ Registered Mail™  
☒ Certified Mail® ☐ Registered Mail Restricted Delivery  
☐ Certified Mail Restricted Delivery ☐ Return Receipt for Merchandise  
☐ Collect on Delivery ☐ Signature Confirmation™  
☐ Collect on Delivery Restricted Delivery ☐ Signature Confirmation Restricted Delivery

7017 1450 0000 8462 8807

U.S. Postal Service™  
**CERTIFIED MAIL® RECEIPT**  
 Domestic Mail Only

For delivery information, visit **COG/JLK/Malco 23 Fed**  
**OFFICE** Com #13/Offset Parties -  
 Case No. 15764

Certified Mail Fee \$  
 Extra Services & Fees (check box, add fee as appropriate)  
☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$

Postage \$  
 Total \$

Sent To: **USPS**  
 Street: **One Williams Center**  
 City, St: **Tulsa, OK 74172**

PS Form 3800, April 2015 PSN 7530-02-000-9053 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

1. Article Addressed to:
2. Article Number (Transfer from service label)

9590 9402 2942 7094 6396 65

7017 1450 0000 8462 8807

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent ☐ Addressee  
 X *Khody Land*  
 B. Received by (Printed Name) **Khody Land**  
 C. Date of Delivery **JUL 14 2017**  
 D. Is delivery address different from item 1? ☐ Yes  
 If YES, enter delivery address below: ☐ No

3. Service Type  
☐ Adult Signature ☐ Priority Mail Express®  
☐ Adult Signature Restricted Delivery ☐ Registered Mail™  
☒ Certified Mail® ☐ Registered Mail Restricted Delivery  
☐ Certified Mail Restricted Delivery ☐ Return Receipt for Merchandise  
☐ Collect on Delivery ☐ Signature Confirmation™  
☐ Collect on Delivery Restricted Delivery ☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

7017 1450 0000 8462 8821

U.S. Postal Service<sup>®</sup>  
**CERTIFIED MAIL<sup>®</sup> RECEIPT**  
 Domestic Mail Only

For delivery information, visit [usps.com](http://usps.com) #13/Offset Part 18

**OFFICIAL** Case No. 15764

**COG/JLK/Malcom Fed**

**385** JUL 14 2017  
Postmark Here

USPS

Certified Mail Fee \$  
 Extra Services & Fees (check box, add fee as indicated)  
☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$

Postage \$  
 Total Post \$

Sent To  
 Mack Energy Corporation  
 PO Box 960  
 Artesia, NM 88211

City, State

PS Form 3811, July 2015 PSN 7530-02-000-9053

- Complete items 1, 2, and 3.
- 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:

Mack Energy Corporation  
 PO Box 960  
 Artesia, NM 88211

9590 9402 2942 7094 6396 58

7017 1450 0000 8462 8821

PS Form 3811, July 2015 PSN 7530-02-000-9053

A. Signature **Kathy Beauregard** ☐ Agent ☐ Addressee

B. Received by (Printed Name) **KATHY BEAUREGARD**

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes  
 If YES, enter delivery address below: ☐ No

3. Service Type

☐ Adult Signature ☐ Priority Mail Express<sup>®</sup>

☐ Adult Signature Restricted Delivery ☐ Registered Mail<sup>™</sup>

☒ Certified Mail<sup>®</sup> ☐ Registered Mail Restricted Delivery

☐ Certified Mail Restricted Delivery ☐ Return Receipt for Merchandise

☐ Collect on Delivery ☐ Signature Confirmation<sup>™</sup>

☐ Collect on Delivery Restricted Delivery ☐ Signature Confirmation Restricted Delivery

7017 1450 0000 8462 8814

U.S. Postal Service<sup>®</sup>  
**CERTIFIED MAIL<sup>®</sup> RECEIPT**  
 Domestic Mail Only

For delivery information, visit [usps.com](http://usps.com) #13/Offset Part 18

**OFFICIAL** Case No. 15764

**COG/JLK/Malcom Fed**

**385** JUL 14 2017  
Postmark Here

USPS

Certified Mail Fee \$  
 Extra Services & Fees (check box, add fee as indicated)  
☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$

Postage \$  
 Total Post \$

Sent To  
 S.P. Yates  
 105 S. Fourth Street  
 Artesia, NM 88210

City, State

PS Form 3811, July 2015 PSN 7530-02-000-9053

- Complete items 1, 2, and 3.
- 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:

S.P. Yates  
 105 S. Fourth Street  
 Artesia, NM 88210

9590 9402 2942 7094 6350 49

7017 1450 0000 8462 8814

PS Form 3811, July 2015 PSN 7530-02-000-9053

A. Signature **X** ☐ Agent ☐ Addressee

B. Received by (Printed Name) **SP**

C. Date of Delivery **7/17**

D. Is delivery address different from item 1? ☐ Yes  
 If YES, enter delivery address below: ☐ No

3. Service Type

☐ Adult Signature ☐ Priority Mail Express<sup>®</sup>

☐ Adult Signature Restricted Delivery ☐ Registered Mail<sup>™</sup>

☒ Certified Mail<sup>®</sup> ☐ Registered Mail Restricted Delivery

☐ Certified Mail Restricted Delivery ☐ Return Receipt for Merchandise

☐ Collect on Delivery ☐ Signature Confirmation<sup>™</sup>

☐ Collect on Delivery Restricted Delivery ☐ Signature Confirmation Restricted Delivery

**Legal Notices 152**

scriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: Fasken Acquisition 02 Ltd., and its successors, heirs and/or devisees; ZPZ Delaware I, LLC, and its successors, heirs and/or devisees; Paul Stafford, and his successors, heirs and/or devisees; Greg Wilson, and his successors, heirs and/or devisees; Callan Oil & Gas, Inc., and its successors, heirs and/or devisees; Fenery LLC, and its successors, heirs and/or devisees; William C. Dean, and his successors, heirs and/or devisees; and Silverton Petroleum, Inc., and its successors, heirs and/or devisees.

CASE 15764: Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard 160-acre, more or less, spacing and proration unit comprised of the E/2 W/2 of Section 23, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Empire Glorieta-Yeso Pool (96210) underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed Malco 23 Federal Com No. 13H Well, which will be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) to a standard bottomhole location in the SE/4 SW/4 (Unit N) of Section 23. The completed interval for this well will remain not within the 330-foot offset as required by the Statewide rules for oil wells, and will therefore be unorthodox. COG will apply administratively for approval of an unorthodox location. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 22 miles west of Maljamar, New Mexico.

July 19, 2017

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

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on July 20, 2017, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appoint for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by July 11, 2017. Public documents including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.

**STATE OF  
NEW MEXICO TO:**  
All named parties and persons having any right, title, interest or claim in the following cases and notice to the public.

(NOTE: All land de-

**Affidavit of Publication**

State of New Mexico,  
County of Eddy, ss.

**Danny Fletcher**, being first duly sworn, on oath says:

That he is the Publisher of the Carlsbad Current-Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

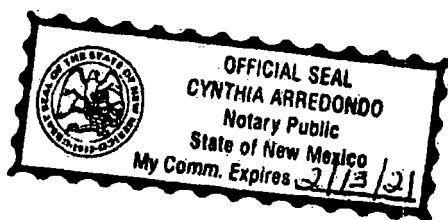
July 19 2017

That the cost of publication is \$174.85 and that payment thereof has been made and will be assessed as court costs

Subscribed and sworn to before me this 27 day of July, 2017

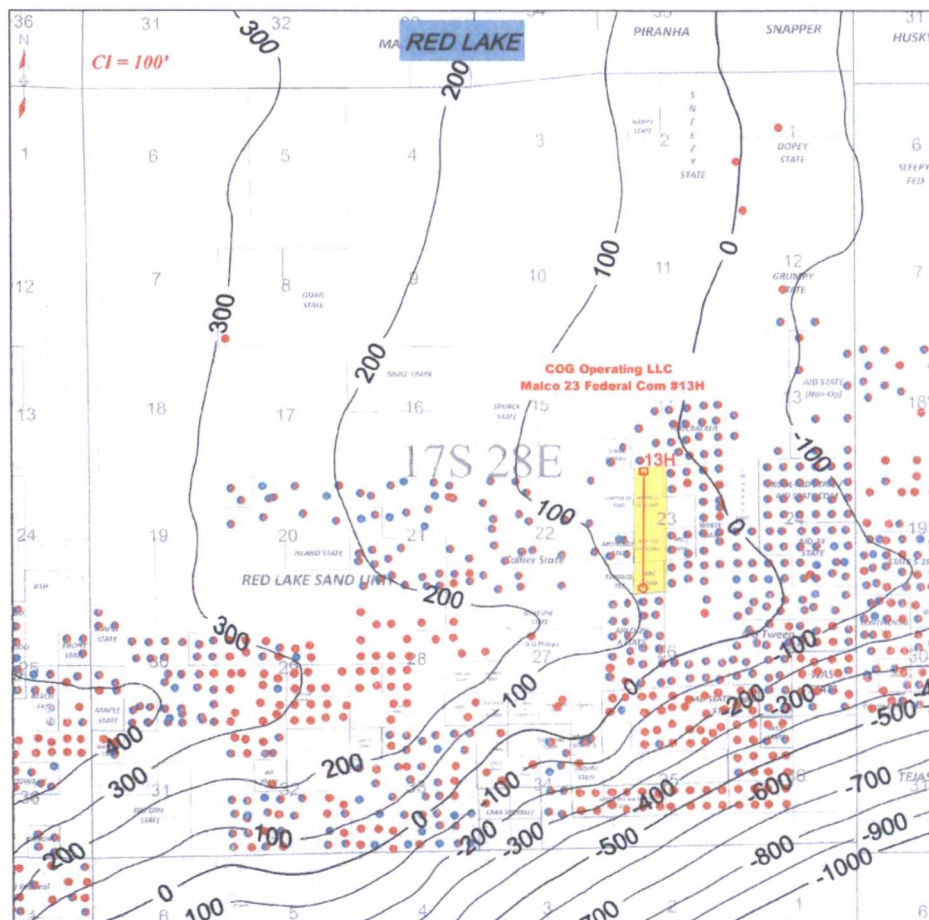
My commission Expires 2/13/21

Notary Public





**BEFORE THE OIL CONSERVATION  
DIVISION**  
Santa Fe, New Mexico  
Exhibit No. 5  
Submitted by: COG OPERATING, LLC  
Hearing Date: August 3, 2017

# Red Lake Area – Structure Map T/PDCK



## Map Legend

-  Blinebry Producer
-  Paddock Producer

SHL  COG - Horizontal Location  
(Malco 23 Fed Com #13H)

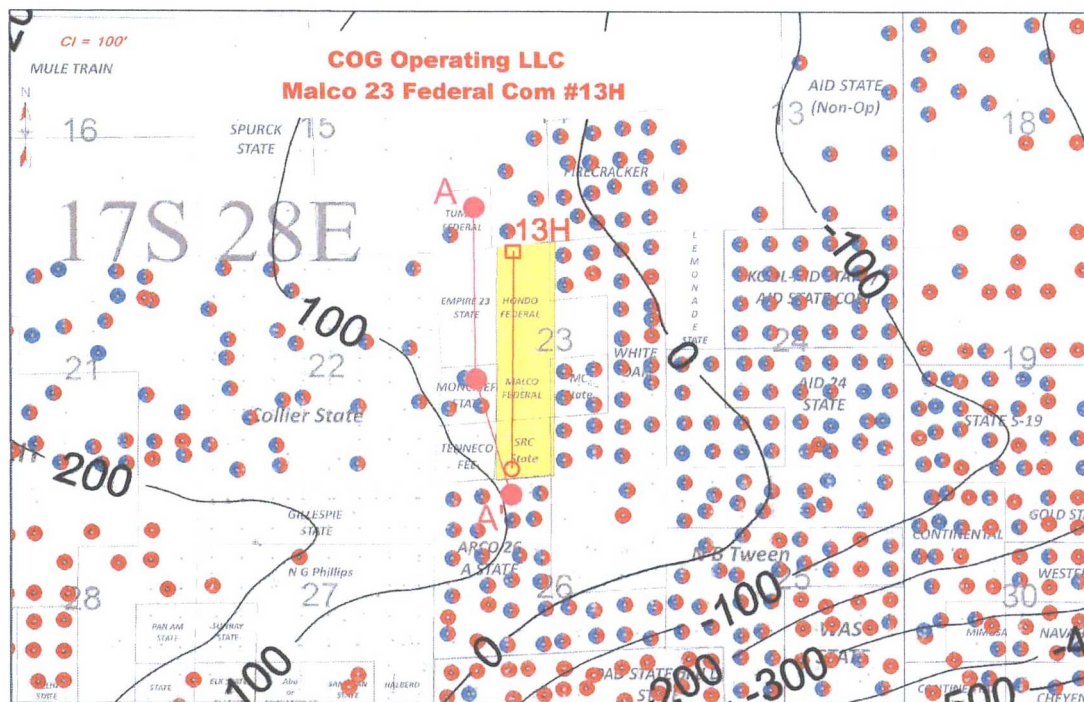
BHL 

 Proposed Spacing Unit






BEFORE THE OIL CONSERVATION  
DIVISION  
Santa Fe, New Mexico  
Exhibit No. 6  
Submitted by: COG OPERATING, LLC  
Hearing Date: August 3, 2017

# Red Lake Area – Cross Section Map



## Map Legend

-  Blinebry Producer
-  Paddock Producer

- SHL  COG - Horizontal Location (Malco 23 Fed Com #13H)
- BHL 

-  Cross Section Line

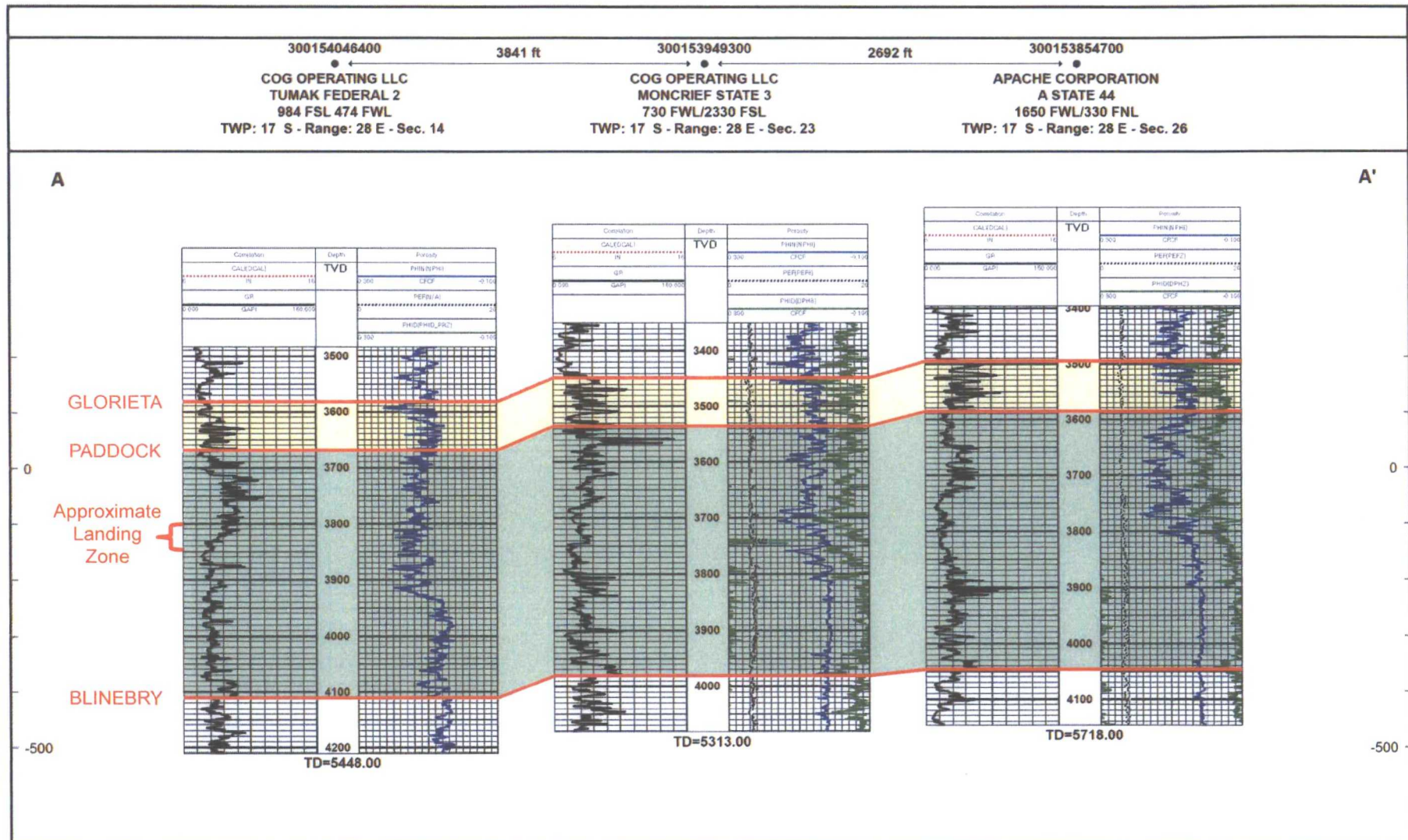
-  Proposed Spacing Unit



BEFORE THE OIL CONSERVATION  
DIVISION  
Santa Fe, New Mexico  
Exhibit No. 7  
Submitted by: COG OPERATING, LLC  
Hearing Date: August 3, 2017



# Red Lake Area - Cross Section A – A'



BEFORE THE OIL CONSERVATION  
DIVISION

Santa Fe, New Mexico

Exhibit No. 8

Submitted by: COG OPERATING, LLC

Hearing Date: August 3, 2017