

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 Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101
August 1, 2011
Permit 152052

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address COG OPERATING LLC 550 W TEXAS MIDLAND, TX 79701		2. OGRID Number 229137
		3. API Number 30-025-40688
4. Property Code 39335	5. Property Name QUESO STATE	6. Well No. 001H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
O	36	23S	32E	O	180	S	2260	E	LEA

8. Pool Information

TRISTE DRAW,BONE SPRING	96603
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Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3651
14. Multiple N	15. Proposed Depth 15523	16. Formation 2nd Bone Spring Carbonate	17. Contractor	18. Spud Date 7/31/2012
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	54.5	1250	800	
Int1	12.25	9.625	36	5050	1200	
Prod	7.875	5.5	17	15523	1500	4550

Casing/Cement Program: Additional Comments

Plan to drill a 17-1/2" hole to 1250' with Fresh Water. Run 13-3/8", 54.5#, J-55 csg and cmt to surface. Drill 12-1/4" hole to 5050' with Brine, and run 9-5/8", 36#/40#, J55 and cement to surface. Drill 7-7/8" curve and lateral with cut brine to approx 15,523' MD. Run 5-1/2", 17#, P-110 csg and cement to 4,550' in 1 stage.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	Cameron

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> . Printed Name: Electronically filed by Diane Kuykendall Title: Production Reporting Mgr Email Address: dkuykendall@conchoresources.com Date: 7/16/2012 Phone: 432-683-7443	OIL CONSERVATION DIVISION	
	Approved By: Paul Kautz	
	Title: Geologist	
	Approved Date: 7/18/2012	Expiration Date: 7/18/2014
	Conditions of Approval Attached	

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Form C-102
August 1, 2011
Permit 152052

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-40688	2. Pool Code 96603	3. Pool Name TRISTE DRAW;BONE SPRING
4. Property Code 39335	5. Property Name QUESO STATE	6. Well No. 001H
7. OGRID No. 229137	8. Operator Name COG OPERATING LLC	9. Elevation 3651

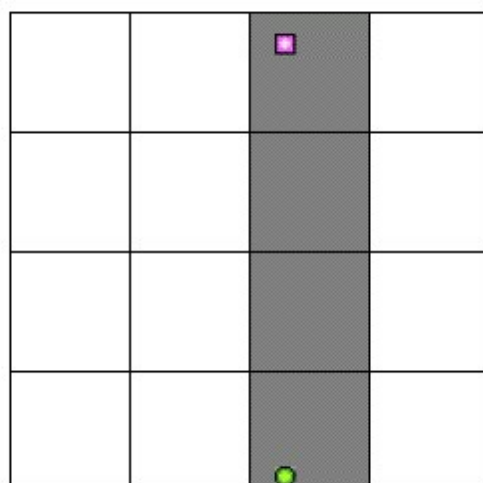
10. Surface Location

UL - Lot O	Section 36	Township 23S	Range 32E	Lot Idn	Feet From 180	N/S Line S	Feet From 2260	E/W Line E	County LEA
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11. Bottom Hole Location If Different From Surface

11. Bottom Hole Location If Different From Surface									
UL - Lot B	Section 36	Township 23S	Range 32E	Lot Idn B	Feet From 330	N/S Line N	Feet From 2260	E/W Line E	County LEA
12. Dedicated Acres 160.00		13. Joint or Infill		14. Consolidation Code			15. Order No.		

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

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(s) 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.

E-Signed By: Diane Kuykendall
Title: Production Reporting Mgr
Date: 7/16/2012

SURVEYOR CERTIFICATION

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.

Surveyed By: Jeffrey Hudson
Date of Survey: 6/28/2012
Certificate Number: 20559

Permit Comments

Operator: COG OPERATING LLC , 229137

Well: QUESO STATE #001H

API: 30-025-40688

Created By	Comment	Comment Date
mreyes1	OIL: COG Operating has conducted a review to determine if an H2S contingency plan is required for the above referenced well. We were able to conclude that any potential hazardous volume would be minimal. H2S concentrations of wells in this area from surface to TD are low enough; therefore we do not believe that an H2S Contingency Plan would be necessary.	7/16/2012
pkautz	Land s/S	7/16/2012
CHERRERA	OCD RECIEVED FORM C144 CLEZ. OCD PERMIT # P1-04946	7/18/2012

Permit Conditions of Approval

Operator: COG OPERATING LLC , 229137

Well: QUESO STATE #001H

API: 30-025-40688

OCD Reviewer	Condition
pkautz	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string