

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 168045

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

| | | |
|---|--|-------------------------------|
| 1. Operator Name and Address COG OPERATING LLC One Concho Center Midland, TX 79701 | | 2. OGRID Number 229137 |
| 4. Property Code 302591 | | 3. API Number 30-015-41443 |
| 5. Property Name YUCCA STATE | | 6. Well No. 004 |

7. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| L | 16 | 17S | 31E | L | 2310 | S | 430 | W | EDDY |

8. Proposed Bottom Hole Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| L | 16 | 17S | 31E | L | 2310 | S | 430 | W | Eddy |

9. Pool Information

| | |
|---------------------|-------|
| FREN; GLORIETA-YESO | 26770 |
|---------------------|-------|

Additional Well Information

| | | | | |
|------------------------------|----------------------------|--|-------------------------|---|
| 11. Work Type New Well | 12. Well Type OIL | 13. Cable/Rotary | 14. Lease Type State | 15. Ground Level Elevation 3768 |
| 16. Multiple N | 17. Proposed Depth 6700 | 18. Formation Yeso Formation | 19. Contractor | 20. Spud Date 8/31/2013 |
| Depth to Ground water 110 | | Distance from nearest fresh water well > 1000 | | Distance to nearest surface water > 1000 |

21. 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 | 48 | 425 | 500 | 0 |
| Int1 | 11 | 8.625 | 32 | 1800 | 550 | 0 |
| Prod | 7.875 | 5.5 | 17 | 6700 | 900 | 0 |

Casing/Cement Program: Additional Comments

COG proposes to drill a 17-1/2" hole to 450' w/fr water mud system, wt 8.5, vis 28, set 13-3/8" casing & cement to surface. Drill an 11" hole to 1800' w/fr mud system, wt 10, vis 30. Run 8 5/8" casing & cement to surface. Drill a 7-7/8" hole to 6700' w/cut brine mud system, wt 9.1, vis 29-32. Test Yeso formation. Run 5-1/2" casing & cement to surface. Note: On production string, a caliper will be run, COG will attempt to circulate.

22. Proposed Blowout Prevention Program

| Type | Working Pressure | Test Pressure | Manufacturer |
|-----------|------------------|---------------|--------------|
| DoubleRam | 2000 | 2000 | |

| | | |
|--|---|---------------------------------|
| 23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable. Signature: | OIL CONSERVATION DIVISION Approved By: Randy Dade | |
| Printed Name: Electronically filed by Diane Kuykendall | Title: District Supervisor | |
| Title: Production Reporting Mgr | Approved Date: 6/12/2013 | Expiration Date: 6/12/2015 |
| Email Address: dkuykendall@conchoresources.com | | |
| Date: 6/5/2013 | Phone: 432-683-7443 | Conditions of Approval Attached |

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

Form C-102
August 1, 2011
Permit 168045

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-------------------------------|---------------------------------------|-------------------------------------|
| 1. API Number 30-015-41443 | 2. Pool Code 26770 | 3. Pool Name FREN; GLORIETA-YESO |
| 4. Property Code 302591 | 5. Property Name YUCCA STATE | 6. Well No. 004 |
| 7. OGRID No. 229137 | 8. Operator Name COG OPERATING LLC | 9. Elevation 3768 |

10. Surface Location

| | | | | | | | | | |
|---------------|---------------|-----------------|--------------|---------|-------------------|---------------|------------------|---------------|----------------|
| UL - Lot L | Section 16 | Township 17S | Range 31E | Lot Idn | Feet From 2310 | N/S Line S | Feet From 430 | E/W Line W | County EDDY |
|---------------|---------------|-----------------|--------------|---------|-------------------|---------------|------------------|---------------|----------------|

11. Bottom Hole Location If Different From Surface

| | | | | | | | | | |
|------------------------------|---------------------|------------------------|---------------|---------|-----------|----------|-----------|----------|--------|
| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
| 12. Dedicated Acres 40.00 | 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

| | | | | | | | | | | | | | | | | | |
|---|--|--|--|--|--|--|--|--|---|--|--|--|--|--|--|--|---|
| <table border="1" style="width: 100%; height: 150px; border-collapse: collapse;"> <tr><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td></tr> <tr><td style="height: 40px; text-align: center; vertical-align: middle;">■</td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td></tr> </table> | | | | | | | | | ■ | | | | | | | | <p style="text-align: center;">OPERATOR CERTIFICATION</p> <p><i>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.</i></p> <p>E-Signed By: Diane Kuykendall Title: Production Reporting Mgr Date: 6/5/2013</p> <hr/> <p style="text-align: center;">SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>Surveyed By: Ronald Eidson Date of Survey: 11/6/2007 Certificate Number: 3239</p> |
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Permit Comments

Operator: COG OPERATING LLC , 229137

Well: YUCCA STATE #004

API: 30-015-41443

| Created By | Comment | Comment Date |
|------------|---|--------------|
| khelly1 | H2S concentrations of wells in this area from surface to TD are low enough that a contingency plan is not required. | 6/3/2013 |
| CSHAPARD | Land s/S | 6/7/2013 |

Permit Conditions of Approval

Operator: COG OPERATING LLC , 229137

Well: YUCCA STATE #004

API: 30-015-41443

| OCD Reviewer | Condition |
|-----------------|--|
| CSHAPARD | 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 |