

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 180639

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
		3. API Number 30-025-41633
4. Property Code 39263	5. Property Name STRATOCONE 32 STATE	6. Well No. 002H

7. Surface Location

UL - Lot M	Section 32	Township 20S	Range 35E	Lot Idn	Feet From 330	N/S Line S	Feet From 190	E/W Line W	County Lea
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8. Proposed Bottom Hole Location

UL - Lot P	Section 32	Township 20S	Range 35E	Lot Idn P	Feet From 380	N/S Line S	Feet From 330	E/W Line E	County Eddy
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9. Pool Information

BERRY;BONE SPRING, NORTH	5535
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3732
16. Multiple N	17. Proposed Depth 15381	18. Formation Bone Spring	19. Contractor	20. Spud Date 2/4/2014
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	54.5	1950	1250	
Int1	12.25	9.625	40	5900	1500	
Prod	7.875	5.5	17	15381	2150	5700

Casing/Cement Program: Additional Comments

Plan to drill a 17-1/2" hole to 1950' with Fresh Water. Run 13-3/8", 54.5#, J-55 csg and cmt to surface. Drill 12-1/4" hole to 5900' with Brine, and run 9-5/8", 40# J-55/ N-80 csg and cement to surface. Drill 8-3/4" curve and lateral with cut brine to approx 15,381'MD. Run 5-1/2", 17#, P-110 csg and cement to 5700'

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	3000	3000	Cameron

<p>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.</p> <p>Signature:</p> <p>Printed Name: Electronically filed by Diane Kuykendall</p> <p>Title: Production Reporting Mgr</p> <p>Email Address: dkuykendall@conchoresources.com</p> <p>Date: 1/29/2014</p>	<p>OIL CONSERVATION DIVISION</p> <p>Approved By: Paul Kautz</p> <p>Title: Geologist</p> <p>Approved Date: 1/29/2014</p> <p>Expiration Date: 1/29/2016</p> <p>Conditions of Approval Attached</p>
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Form C-102
 August 1, 2011
 Permit 180639

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Oil Conservation Division
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Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-41633	2. Pool Code 5535	3. Pool Name BERRY;BONE SPRING, NORTH
4. Property Code 39263	5. Property Name STRATOCONE 32 STATE	6. Well No. 002H
7. OGRID No. 229137	8. Operator Name COG OPERATING LLC	9. Elevation 3732

10. Surface Location

UL - Lot M	Section 32	Township 20S	Range 35E	Lot Idn	Feet From 330	N/S Line S	Feet From 190	E/W Line W	County Lea
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11. Bottom Hole Location If Different From Surface

UL - Lot P	Section 32	Township 20S	Range 35E	Lot Idn	Feet From 380	N/S Line S	Feet From 330	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
	<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: 1/29/2014</p>
	SURVEYOR CERTIFICATION
	<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: Chad Harcrow Date of Survey: 8/15/2013 Certificate Number: 17777</p>

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Form APD Comments

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Santa Fe, NM 87505

PERMIT COMMENTS

Operator Name and Address: COG OPERATING LLC [229137] One Concho Center Midland, TX 79701	API Number: 30-025-41633
	Well: STRATOCONE 32 STATE #002H

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.	1/29/2014
pkautz	Land p/S	1/29/2014

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PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: COG OPERATING LLC [229137] One Concho Center Midland, TX 79701	API Number: 30-025-41633
	Well: STRATOCONE 32 STATE #002H

OCD Reviewer	Condition
pkautz	Will require a directional survey with the C-104
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
pkautz	1) SURFACE & INTERMEDIATE CASING - Cement must circulate to surface -- 2) PRODUCTION CASING - Cement must tie back into intermediate casing --
pkautz	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water