

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-8161 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) 334-8178 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 201888

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

1. Operator Name and Address COG PRODUCTION, LLC 600 W. Illinois Ave Midland, TX 79701		2. OGRID Number 217955
4. Property Code 313475		3. API Number 30-025-42489
5. Property Name MACHO NACHO STATE COM		6. Well No. 007H

**7. Surface Location**

UL - Lot	O	Section	7	Township	24S	Range	33E	Lot Idn	Feet From	190	N/S Line	S	Feet From	2255	E/W Line	E	County	Lea
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**8. Proposed Bottom Hole Location**

UL - Lot	B	Section	7	Township	24S	Range	33E	Lot Idn	B	Feet From	230	N/S Line	N	Feet From	2340	E/W Line	E	County	Lea
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**9. Pool Information**

TRIPLE X;BONE SPRING, WEST	96674
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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 3572
16. Multiple N	17. Proposed Depth 14588	18. Formation Bone Spring	19. Contractor	20. Spud Date 4/1/2015
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	1200	800	
Int1	12.25	9.625	40	5025	1000	
Prod	8.75	5.5	17	14588	2500	4500

**Casing/Cement Program: Additional Comments**

Plan to drill a 17-1/2" hole to 1200' with Fresh Water. Run 13-3/8", 54.5#, J-55 csg and cmt to surface. Drill 12-1/4" hole to 5000' with Brine, and run 9-5/8", 40#, J55 and cement to surface. Drill 8-3/4" to 9700' to kick off and drill curve and lateral with cut brine to approx 14,588' MD. Run 5-1/2" 17# LTC P-110 csg and cement to 4500' in 1 stage.

**22. Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	3000	3000	Cameron

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:	<b>OIL CONSERVATION DIVISION</b>
Printed Name: Electronically filed by DIANE KUYKENDALL	Approved By: Paul Kautz
Title: Production Reporting Manager	Title: Geologist
Email Address: dkuykendall@concho.com	Approved Date: 3/27/2015      Expiration Date: 3/27/2017
Date: 3/25/2015      Phone: 432-685-4372	Conditions of Approval Attached

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Form C-102  
August 1, 2011  
Permit 201888

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-42489	2. Pool Code 96674	3. Pool Name TRIPLE X;BONE SPRING, WEST
4. Property Code 313475	5. Property Name MACHO NACHO STATE COM	6. Well No. 007H
7. OGRID No. 217955	8. Operator Name COG PRODUCTION, LLC	9. Elevation 3572

**10. Surface Location**

UL - Lot O	Section 7	Township 24S	Range 33E	Lot Idn	Feet From 190	N/S Line S	Feet From 2255	E/W Line E	County Lea
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**11. Bottom Hole Location If Different From Surface**

UL - Lot B	Section 7	Township 24S	Range 33E	Lot Idn	Feet From 230	N/S Line N	Feet From 2340	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**

<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px; text-align: center;">■</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;"></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; text-align: center;">■</td><td style="height: 40px;"></td></tr> </table>			■												■		<p style="text-align: center;"><b>OPERATOR CERTIFICATION</b></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 Manager Date:                3/25/2015</p> <hr/> <p style="text-align: center;"><b>SURVEYOR CERTIFICATION</b></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:       Chad Harcrow Date of Survey:    2/10/2015 Certificate Number: 17777</p>
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Form APD Comments

Permit 201888

**PERMIT COMMENTS**

Operator Name and Address: COG PRODUCTION, LLC [217955] 600 W. Illinois Ave Midland, TX 79701		API Number: 30-025-42489
		Well: MACHO NACHO STATE COM #007H
Created By	Comment	Comment Date
matyereyes	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.	3/25/2015

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Form APD Conditions

Permit 201888

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: COG PRODUCTION, LLC [217955] 600 W. Illinois Ave Midland, TX 79701	API Number: 30-025-42489
	Well: MACHO NACHO STATE COM #007H

OCD Reviewer	Condition
DMULL	Will require a directional survey with the C-104
DMULL	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	If cement does not circulate to surface, must run temperature survey or other log to determine top of cement
pkautz	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water