

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
1900 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 183556

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 30-025-41752
4. Property Code 40474	5. Property Name CUATRO HIJOS FEE	6. Well No. 004H

7. Surface Location										
UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County	
M	17	19S	35E		190	S	500	W	Lea	

8. Proposed Bottom Hole Location										
UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County	
D	17	19S	35E	D	460	N	500	W	Lea	

9. Pool Information SCHARB:BONE SPRING	55610
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Additional Well Information				
11. Well Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type Private	15. Ground Level Elevation 3866
16. Multiple N	17. Proposed Depth 15369	18. Formation Bone Spring	19. Contractor	20. Spud Date 3/31/2014
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	2000	1350	
Int1	12.25	9.625	36	3600	950	
Prod	8.75	5.5	17	15369	1675	3200

Casing/Cement Program: Additional Comments

Plan to drill a 17-1/2" hole to 2,000' with Fresh Water. Run 13-3/8", 54.5#, J-55 csg and cmt to surface. Drill 12-1/4" hole to 3,600' with Brine, and run 9-5/8", 36#, J-55 and cement to surface in 1 stage. Drill 8-3/4" curve and lateral with cut brine to approx 15,369' MD. Run 5-1/2", 17#, P-110 csg and cement to 3,200'.

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: 3/25/2014</p>	<p>OIL CONSERVATION DIVISION</p> <p>Approved By: Paul Kautz</p> <p>Title: Geologist</p> <p>Approved Date: 3/26/2014</p> <p>Expiration Date: 3/26/2016</p> <p>Conditions of Approval Attached</p>
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BEFORE THE OIL CONSERVATION
DIVISION
Santa Fe, New Mexico
Exhibit No. 2
Submitted by: COG OPERATING LLC
Hearing Date: April 30, 2014

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Form C-102
 August 1, 2011
 Permit: 183556

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-41752	2. Pool Code 55610	3. Pool Name SCHARB;BONE SPRING
4. Property Code 40474	5. Property Name CUATRO HUOS FEE	6. Well No. 004H
7. OGRIC No. 229137	8. Operator Name COG OPERATING LLC	9. Elevation 3866

10. Surface Location

UL - Lot M	Section 17	Township 19S	Range 35E	Lot Idn	Feet From 190	N/S Line S	Feet From 500	E/W Line W	County Lea
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11. Bottom Hole Location If Different From Surface

UL - Lot D	Section 17	Township 19S	Range 35E	Lot Idn	Feet From 460	N/S Line N	Feet From 500	E/W Line W	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: 3/25/2014</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: 1/17/2014 Certificate Number: 17777</p>	

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Form APD Comments

Permit 183556

PERMIT COMMENTS

Operator Name and Address: COG OPERATING LLC (229137) One Concho Center Midland, TX 79701	API Number: 30-025-41752
	Well: CUATRO HJOS FEE #004H

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.	3/25/2014
pkautz	Land p/P	3/25/2014

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Form APD Conditions

Permit 183566

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: COG OPERATING LLC [229137] One Concho Center Midland, TX 79701	API Number: 30-025-41752
	Well: CUATRO HJDS FEE #004H

OCD Reviewer	Condition
pkautz	1) SURFACE & INTERMEDIATE CASING - Cement must circulate to surface -- 2) PRODUCTION CASING - Cement must tie back into intermediate casing --
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	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water
DMULL	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines