

Submit 1 Copy To Appropriate District  
Office  
District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Ave., Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
October 13, 2009

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

|                                      |  |
|--------------------------------------|--|
| WELL API NO.                         | 30-025-42445   |
| 5. Indicate Type of Lease            | STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No.         |  |
| 7. Lease Name or Unit Agreement Name | Lychee BWS State Com   |
| 8. Well Number                       | 1H   |
| 9. OGRID Number                      | 229137   |
| 10. Pool name or Wildcat             | Berry; Bone Spring, South  |

|  |  |
|--|--|
| SUNDRY NOTICES AND REPORTS ON WELLS<br>(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)         |  |
| 1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>   |  |
| 2. Name of Operator<br>COG Operating LLC   |  |
| 3. Address of Operator<br>2208 W. Main Street, Artesia, NM 88210   |  |
| 4. Well Location<br>Unit Letter <u>O</u> : <u>200</u> feet from the <u>South</u> line and <u>1980</u> feet from the <u>East</u> line<br>Section <u>22</u> Township <u>21S</u> Range <u>34E</u> NMPM Lea County |  |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.)<br>36848' GR  |  |

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:  
PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☒  
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐  
DOWNHOLE COMMINGLE ☐  
OTHER: ☐

SUBSEQUENT REPORT OF:  
REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐  
OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

COG Operating LLC respectfully requests approval for the following drilling changes to the above referenced APD.

Drilling changes attached.

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Mayte Reyes TITLE: Regulatory Analyst DATE: 3/8/2016

Type or print name: Mayte Reyes E-mail address: mreyes1@conchoresources.com PHONE: (575) 748-6945

For State Use Only

APPROVED BY: [Signature] TITLE: Petroleum Engineer DATE: 03/15/16

Conditions of Approval (if any):

MAR 29 2016

Drilling changes for the Lychee BWS State Com 1H:

- Request that we set our 9-5/8" Intermediate at 5700' instead of 5400'.
- Request pre-approval of a contingency 2 Stage Cement job in the event of severe losses in the reef. Cement volumes are adjusted to 2200 sx to account for additional depth and possible losses.
- Production hole size originally approved to initially drill 8-3/4" hole from intermediate shoe to 10,734' MD, then reduce hole size to 8.5". Request to drill all of the interval below intermediate with 8.75" hole size.
- We want to cement the 5-1/2" production string to bring cement to 5200' as a minimum, but volumes below designed/sized for cement to surface. Fluid caliper will be ran at TD to verify cementing volumes.
- \* 1st Stage
  - Lead : 900 sx of Halliburton Tune Light Blend at 10.3 ppg /3.53 cuft./sx Yield)  
(Lead Based on 45% Excess in Open Hole Interval from 5700' to KOP at 9975' MD, 0% Excess in 9-5/8" Intermediate Casing from 5700' to surface).
  - Tail: 1800 sx of Versacem H (14.4 ppg/1.24 cf/sk Yield)  
(Tail Based on 15% Excess in 8-3/4" Curve Section 9975' to 10,653').