

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
1080 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

Form C-101
Revised July 18, 2013

HOBBS OGD

JUN 09 2014

RECEIVED

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

¹ Operator Name and Address COG Operating LLC 2208 West Main Street Artesia, NM 88210		² OGRID Number 229137
³ Property Code 39446		⁴ API Number 30-025-41915
⁵ Property Name Ben Lilly 2 State Com		⁶ Well No 5H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
P	2	21S	33E		190	South	600	East	Lea

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
1	2	21S	33E		330	North	600	East	Lea

9. Pool Information

Pool Name	Pool Code
Berry: Bone Spring, North	5535

Additional Well Information

¹¹ Work Type New Well	¹² Well Type Oil	¹³ Cable/Rotary	¹⁴ Lease Type State	¹⁵ Ground Level Elevation 3783.9'
¹⁶ Multiple N	¹⁷ Proposed Depth 18802'	¹⁸ Formation Bone Spring	¹⁹ Contractor	²⁰ Spud Date 6/14/2014
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
Surface	17.5	13.375	54.5	1850'	1215	
Intmid	12.25	9.625	36/40	5530'	2115	
Production	8.75	5.5	17	18802'	3700	

Casing/Cement Program: Additional Comments

Drill 17-1/2" hole to ~1850' w/ fresh water spud mud. Run 13-3/8" 54.5# J55 STC casing to TD and cement to surface in one stage. Will use 1" tubing and Class C w/ 2% CaCl₂ to cement to surface, if necessary.
 Drill 12-1/4" hole to ~5530' with saturated brine water. If losses occur in the Reef, will switch to fresh water to interval TD. Run 9-5/8" 36#/40# J55/L80 LTC casing to TD with a DV tool placed ~ 100' above the Reef. Plan to circulate cement on both stages.
 Drill 8-3/4" vertical hole, curve and lateral to 18802' with cut brine. Run 5-1/2" 17# P110 Tenaris TXP casing to TD and cement to surface in one stage.

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	3000	3000	T3 Energy Services

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that 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: <i>Mayte Reyes</i>		OIL CONSERVATION DIVISION	
Printed name: Mayte Reyes		Approved By: <i>[Signature]</i> Title: Petroleum Engineer	
Title: Regulatory Analyst		Approved Date: <i>06/16/14</i> Expiration Date: <i>06/16/16</i>	
E-mail Address: nreyes1@concho.com			
Date: 6/5/2014	Phone: 575-748-6945	Conditions of Approval Attached	

JUN 17 2014