

Energy Minerals and Natural Resources

Oil Conservation Division

☐ AMENDED REPORT

1220 South St. Francis Dr.

Santa Fe, NM 87505

OCT 29 2014

RECEIVED

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

| | | |
|--|--|-----------------------------------|
| Operator Name and Address Cobalt Operating, LLC 3001 N. Big Spring, Suite 207 Midland TX 79705 | | OGRID Number 286255 |
| Property Code 309596 | | API Number 30-025-26953 |
| Property Name Warren | | Well No. 2 |

7. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet from | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| H | 8 | 17 S | 37 E | | 2200 | N | 880 | E | Lea |

8. Proposed Bottom Hole Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet from | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| H | 8 | 17 S | 37 E | | 2200 | N | 880 | E | Lea |

9. Pool Information

| | |
|---|---------------------------|
| Pool Name SWD; Devonian (C-108 filed with OCD Santa Fe on 10-20-14) | Pool Code 96101 |
|---|---------------------------|

Additional Well Information

| | | | | |
|-------------------------------------|--------------------------------------|--|----------------------------|--|
| 11. Work Type D | 12. Well Type S | 13. Cable/Rotary R | 14. Lease Type P | 15. Ground Level Elevation 3775 |
| 16. Multiple N | 17. Proposed Depth 12,850' | 18. Formation Devonian | 19. Contractor | 20. Spud Date Upon C-108 Approval |
| Depth to Ground water 50' | | Distance from nearest fresh water well 1,138' (well L 05758) | | Distance to nearest surface water 150' |

☒ 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 | 17-1/2" | 13-3/8" | 48 (existing) | 378' | 350 | GL |
| Intermed. | 12-1/4" | 8-5/8" | 24 & 32 (exist.) | 4,400' | 1,600 | GL |
| Product'n | 7-7/8" | 5-1/2" | 17 & 20 (exist.) | 11,875' | 1,850 | 2,400' |

Casing/Cement Program: Additional Comments

Will drill 4" hole to 12,850' & complete bottom 975' as open hole. Will set packer between 11660' & 11710', run 2-7/8" tubing, and dispose from 11,760' to 12,850'.

22. Proposed Blowout Prevention Program

| Type | Working Pressure | Test Pressure | Manufacturer |
|------|------------------|---------------|--------------|
| | 3000 | | |

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 ☐ and/or 19.15.14.9 (B) NMAC ☐, if applicable.

Signature:

Printed name: **Brian Wood**

Title: **Consultant**

E-mail Address: **brian@permitswest.com**

Date: **10-26-14**

Phone: **(505) 466-8120**

OIL CONSERVATION DIVISION

Approved By:

Title: **Petroleum Engineer**

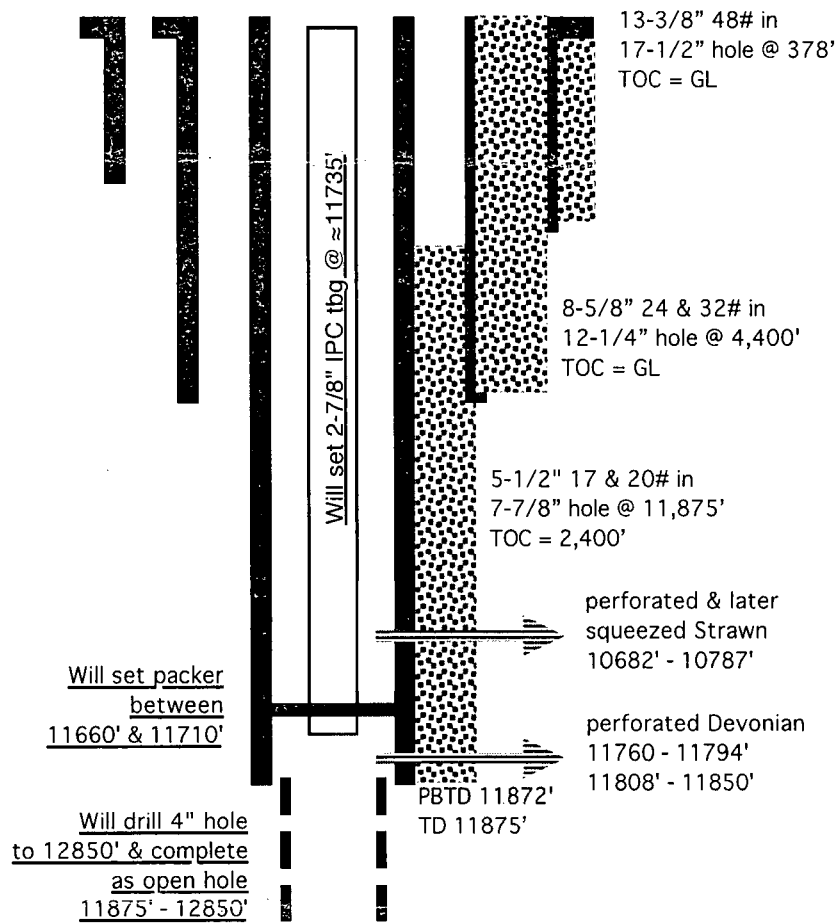
Approved Date: **10/30/14**

Expiration Date: **10/30/16**

Conditions of Approval Attached

OIL CONSERVATION DIVISION
CONDITION OF APPROVAL - Approval for drilling / workover ONLY - CANNOT INJECT OR DISPOSAL until the injection/disposal order has been approved by the OCD Santa Fe office.

OCT 30 2014



(not to scale)