

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6167 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 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
HOBBS OCD
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

NOV 20 2014
RECEIVED

Form C-101
Revised July 18, 2013

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

| | | |
|---|--|--|
| 1. Operator Name and Address COG Production LLC 2208 West Main Street Artesia, NM 88210 | | 2. OGRID Number 287955 3. API Number 30.025-42274 |
| 4. Property Code 40560-39209 | 5. Property Name Eata Fajita State | 6. Well No 9H |

7. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet from | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| P | 8 | 24S | 33E | | 200 | South | 900 | 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 |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| B | 5 | 24S | 33E | | 330 | North | 1350 | East | Lea |

9. Pool Information

| | |
|---|---------------------------|
| Pool Name Triple X; Bone Spring, West | Pool Code 96674 |
|---|---------------------------|

Additional Well Information

| | | | | |
|----------------------------------|------------------------------------|---|--------------------------------|--|
| 11. Work Type New Well | 12. Well Type Oil | 13. Cable/Rotary | 14. Lease Type State | 15. Ground Level Elevation 3604.1' |
| 16. Multiple N | 17. Proposed Depth 19412 | 18. Formation Bone Spring | 19. Contractor | 20. Spud Date 12/02/2014 |
| 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 | 1250' | 800 | |
| Intmd | 12.25 | 9.625 | 36/40 | 4900' | 950 | |
| Prod | 7.875 | 5.5 | 17 | 19412' | 3500 | 4600 |

Casing/Cement Program: Additional Comments

Plan to drill a 17-1/2" hole to 1250' with Fresh Water. Run 13-3/8", 54.5#, J-55 csg and cmt to surface. Drill 12-1/4" hole to 4900' with Brine, and run 9-5/8", 36#/40#, J55 and cement to surface. Drill 8-3/4" to 9100' to kick off and drill curve and lateral with cut brine to approx 19,412' MD. Run 5-1/2" 17# BTC P-110 csg and cement to 4600' in 1 stage.

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 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> Printed name: Mayte Reyes Title: Regulatory Analyst E-mail Address: mreyes1@concho.com Date: 11/19/2014 </p> | <p style="text-align: center;">OIL CONSERVATION DIVISION</p> <p>Approved By: <i>[Signature]</i> Title: Petroleum Engineer Approved Date: 11/20/14 Expiration Date: 11/20/16 Conditions of Approval Attached </p> |
|---|---|

E-PERMITTING -- New Well P.M.
 Comp P&A TA
 CSNG Loc Chng
 ReComp Add New Well
 Cancl Well Create Pool

See Attached
Conditions of Approval

NOV 24 2014

Eata Fajita State 9H

| | Hole | | | | | |
|---------|-------|--------|-------|--------|------|-------|
| | Size | Casing | Wt | Depth | Cmt | TOC |
| Surface | 17.5 | 13.375 | 54.5 | 1250' | 800 | 0 |
| Intrmd | 12.25 | 9.625 | 36/40 | 4900' | 950 | 0 |
| Prod | 7.875 | 5.5 | 17 | 19412' | 3500 | 4600' |

Plan to drill a 17-1/2" hole to 1250' with Fresh Water. Run 13-3/8", 54.5#, J-55 csg and cmt to surface. Drill 12-1/4" hole to 4900' with Brine, and run 9-5/8", 36#/40#, J55 and cement to surface. Drill 8-3/4" to 9100' to kick off and drill curve and lateral with cut brine to approx 19,412' MD. Run 5-1/2" 17# BTC P-110 csg and cement to 4600' in 1 stage.

Well Control

| Type | Pressure | Test | Manufacture |
|------------|----------|------|-------------|
| Double Ram | 3000 | 3000 | Cameron |

CONDITIONS OF APPROVAL

| API # | Operator | Well name & Number |
|--------------|-------------------|-----------------------|
| 30-025-42274 | COG Operating LLC | Eata Fajita State #9H |

Applicable conditions of approval marked with XXXXXX

Administrative Orders Required

| | |
|--|--|
| | |
|--|--|

Other wells

| | |
|--|--|
| | |
|--|--|

Drilling

| | |
|---------|--|
| XXXXXXX | 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 |
| | |

Casing

| | |
|---------|--|
| XXXXXXX | SURFACE & INTERNEMIATE(1) CASING - Cement must circulate to surface -- |
| XXXXXXX | PRODUCTION CASING - Cement must tie back into intermediate casing -- |
| XXXXXXX | If cement does not circulate to surface, must run temperature survey or other log to determine top of cement |
| | South Area |
| XXXXXXX | Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water |
| | |