

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-8161 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 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 183252

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

|                                                                                             |  |                               |
|---------------------------------------------------------------------------------------------|--|-------------------------------|
| 1. Operator Name and Address<br>COG OPERATING LLC<br>One Concho Center<br>Midland, TX 79701 |  | 2. OGRID Number<br>229137     |
| 4. Property Code<br>38909                                                                   |  | 3. API Number<br>30-015-42205 |
| 5. Property Name<br>SHERMAN 4 FEE                                                           |  | 6. Well No.<br>005H           |

**7. Surface Location**

|                      |                     |                        |                     |         |                         |                      |                          |                      |                       |
|----------------------|---------------------|------------------------|---------------------|---------|-------------------------|----------------------|--------------------------|----------------------|-----------------------|
| UL - Lot<br><b>M</b> | Section<br><b>4</b> | Township<br><b>19S</b> | Range<br><b>26E</b> | Lot Idn | Feet From<br><b>150</b> | N/S Line<br><b>S</b> | Feet From<br><b>1175</b> | E/W Line<br><b>W</b> | County<br><b>Eddy</b> |
|----------------------|---------------------|------------------------|---------------------|---------|-------------------------|----------------------|--------------------------|----------------------|-----------------------|

**8. Proposed Bottom Hole Location**

|                      |                     |                        |                     |                     |                         |                      |                         |                      |                       |
|----------------------|---------------------|------------------------|---------------------|---------------------|-------------------------|----------------------|-------------------------|----------------------|-----------------------|
| UL - Lot<br><b>D</b> | Section<br><b>4</b> | Township<br><b>19S</b> | Range<br><b>26E</b> | Lot Idn<br><b>D</b> | Feet From<br><b>330</b> | N/S Line<br><b>N</b> | Feet From<br><b>990</b> | E/W Line<br><b>W</b> | County<br><b>Eddy</b> |
|----------------------|---------------------|------------------------|---------------------|---------------------|-------------------------|----------------------|-------------------------|----------------------|-----------------------|

**9. Pool Information**

|                     |      |
|---------------------|------|
| ATOKA;GLORIETA-YESO | 3250 |
|---------------------|------|

**Additional Well Information**

|                                     |                                   |                                                            |                                  |                                                       |
|-------------------------------------|-----------------------------------|------------------------------------------------------------|----------------------------------|-------------------------------------------------------|
| 11. Work Type<br><b>New Well</b>    | 12. Well Type<br><b>OIL</b>       | 13. Cable/Rotary                                           | 14. Lease Type<br><b>Private</b> | 15. Ground Level Elevation<br><b>3350</b>             |
| 16. Multiple<br><b>N</b>            | 17. Proposed Depth<br><b>8247</b> | 18. Formation<br><b>Yeso Formation</b>                     | 19. Contractor                   | 20. Spud Date<br><b>5/5/2014</b>                      |
| Depth to Ground water<br><b>110</b> |                                   | Distance from nearest fresh water well<br><b>&gt; 1000</b> |                                  | Distance to nearest surface water<br><b>&gt; 1000</b> |

☐ 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 | 11        | 8.625       | 32               | 1200          | 700             | 0             |
| Prod | 7.875     | 5.5         | 17               | 8247          | 800             | 0             |

**Casing/Cement Program: Additional Comments**

COG proposes to drill an 11" hole to 1200' w/fresh water, run 8-5/8" 32# J-55 and cement to surface. Drill a 7-7/8" hole to 3913' MD and kick off and drill curve to 3608' TVD 4852' MD. Drill a 7-7/8" lateral to new BHL @ 3590' TVD 8247' MD. Run a 5 1/2" 17# L-80 casing to TD cement to surface with 800 sacks.

**22. Proposed Blowout Prevention Program**

| Type       | Working Pressure | Test Pressure | Manufacturer |
|------------|------------------|---------------|--------------|
| Double Ram | 2000             | 2000          |              |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief.<br>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.<br><br>Signature:<br>Printed Name: <b>Electronically filed by Diane Kuykendall</b><br>Title: <b>Production Reporting Mgr</b><br>Email Address: <b>dkuykendall@conchoresources.com</b><br>Date: <b>3/18/2014</b> | <b>OIL CONSERVATION DIVISION</b><br><br>Approved By: <b>Randy Dade</b><br>Title: <b>District Supervisor</b><br>Approved Date: <b>3/19/2014</b> Expiration Date: <b>3/19/2016</b><br>Conditions of Approval Attached |
| Phone: <b>432-683-7443</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                     |

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

Form C-102  
August 1, 2011  
Permit 183252

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

|                               |                                       |                                     |
|-------------------------------|---------------------------------------|-------------------------------------|
| 1. API Number<br>30-015-42205 | 2. Pool Code<br>3250                  | 3. Pool Name<br>ATOKA;GLORIETA-YESO |
| 4. Property Code<br>38909     | 5. Property Name<br>SHERMAN 4 FEE     | 6. Well No.<br>005H                 |
| 7. OGRID No.<br>229137        | 8. Operator Name<br>COG OPERATING LLC | 9. Elevation<br>3350                |

**10. Surface Location**

|               |              |                 |              |         |                  |               |                   |               |                |
|---------------|--------------|-----------------|--------------|---------|------------------|---------------|-------------------|---------------|----------------|
| UL - Lot<br>M | Section<br>4 | Township<br>19S | Range<br>26E | Lot Idn | Feet From<br>150 | N/S Line<br>S | Feet From<br>1175 | E/W Line<br>W | County<br>Eddy |
|---------------|--------------|-----------------|--------------|---------|------------------|---------------|-------------------|---------------|----------------|

**11. Bottom Hole Location If Different From Surface**

|                               |                     |                 |                        |         |                  |               |                  |               |                |
|-------------------------------|---------------------|-----------------|------------------------|---------|------------------|---------------|------------------|---------------|----------------|
| UL - Lot<br>D                 | Section<br>4        | Township<br>19S | Range<br>26E           | Lot Idn | Feet From<br>330 | N/S Line<br>N | Feet From<br>990 | E/W Line<br>W | County<br>Eddy |
| 12. Dedicated Acres<br>159.07 | 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**

|                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <div style="border: 1px solid black; width: 100%; height: 100%; position: relative;"> <div style="position: absolute; top: 5%; left: 5%; width: 20px; height: 20px; background-color: purple; border: 1px solid black;"></div> <div style="position: absolute; bottom: 5%; left: 5%; width: 20px; height: 20px; background-color: green; border: 1px solid black;"></div> </div> | <p style="text-align: center;"><b>OPERATOR CERTIFICATION</b></p> <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<br/>Title: Production Reporting Mgr<br/>Date: 3/18/2014</p> <hr/> <p style="text-align: center;"><b>SURVEYOR CERTIFICATION</b></p> <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: Ronald Eidson<br/>Date of Survey: 11/14/2013<br/>Certificate Number: 3239</p> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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**Santa Fe, NM 87505**

Form APD Comments

Permit 183252

**PERMIT COMMENTS**

|                                                                                                    |                              |
|----------------------------------------------------------------------------------------------------|------------------------------|
| Operator Name and Address:<br>COG OPERATING LLC [229137]<br>One Concho Center<br>Midland, TX 79701 | API Number:<br>30-015-42205  |
|                                                                                                    | Well:<br>SHERMAN 4 FEE #005H |

| Created By | Comment                                                                                                             | Comment Date |
|------------|---------------------------------------------------------------------------------------------------------------------|--------------|
| kholly1    | H2S concentrations of wells in this area from surface to TD are low enough that a contingency plan is not required. | 3/18/2014    |
| CSHAPARD   | Land p/P                                                                                                            | 3/18/2014    |

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Form APD Conditions  
Permit 183252

**PERMIT CONDITIONS OF APPROVAL**

|                                                                                                    |                                                                                                                                                                                                                                                                      |                              |
|----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| Operator Name and Address:<br>COG OPERATING LLC [229137]<br>One Concho Center<br>Midland, TX 79701 |                                                                                                                                                                                                                                                                      | API Number:<br>30-015-42205  |
|                                                                                                    |                                                                                                                                                                                                                                                                      | Well:<br>SHERMAN 4 FEE #005H |
| OCD<br>Reviewer                                                                                    | Condition                                                                                                                                                                                                                                                            |                              |
| CSHAPARD                                                                                           | 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 |                              |