

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(505) 393-8161 Fax:(505) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(505) 748-1283 Fax:(505) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-8178 Fax:(505) 334-8170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3482

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 202745

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

| | | |
|---|--|-------------------------------|
| 1. Operator Name and Address COG PRODUCTION, LLC 600 W. Illinois Ave Midland, TX 79701 | | 2. OGRID Number 217955 |
| 4. Property Code 39769 | | 3. API Number 30-025-42513 |
| 5. Property Name SALVADOR FEE | | 6. Well No. 005H |

7. Surface Location

| | | | | | | | | | | | | | | | | | | |
|----------|---|---------|----|----------|-----|-------|-----|---------|-----------|-----|----------|---|-----------|-----|----------|---|--------|-----|
| UL - Lot | P | Section | 10 | Township | 24S | Range | 34E | Lot Idn | Feet From | 190 | N/S Line | S | Feet From | 560 | E/W Line | E | County | Lea |
|----------|---|---------|----|----------|-----|-------|-----|---------|-----------|-----|----------|---|-----------|-----|----------|---|--------|-----|

8. Proposed Bottom Hole Location

| | | | | | | | | | | | | | | | | | | | |
|----------|---|---------|----|----------|-----|-------|-----|---------|---|-----------|-----|----------|---|-----------|-----|----------|---|--------|-----|
| UL - Lot | A | Section | 10 | Township | 24S | Range | 34E | Lot Idn | A | Feet From | 230 | N/S Line | N | Feet From | 380 | E/W Line | E | County | Lea |
|----------|---|---------|----|----------|-----|-------|-----|---------|---|-----------|-----|----------|---|-----------|-----|----------|---|--------|-----|

9. Pool Information

| | |
|------------------------------|-------|
| RED HILLS;BONE SPRING, NORTH | 96434 |
|------------------------------|-------|

Additional Well Information

| | | | | |
|---------------------------|-----------------------------|--|---------------------------|------------------------------------|
| 11. Work Type New Well | 12. Well Type OIL | 13. Cable/Rotary | 14. Lease Type Private | 15. Ground Level Elevation 3511 |
| 16. Multiple N | 17. Proposed Depth 14000 | 18. Formation Bone Spring | 19. Contractor | 20. Spud Date 4/17/2015 |
| 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 |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 17.5 | 13.375 | 54.5 | 1170 | 950 | |
| Int1 | 12.25 | 9.625 | 40 | 5450 | 1500 | |
| Prod | 8.75 | 5.5 | 17 | 14000 | 2250 | 4950 |

Casing/Cement Program: Additional Comments

Plan to drill a 17-1/2" hole to 1170' with Fresh Water. Run 13-3/8", 54.5# J-55 casing and cement to surface. Drill 12-1/4" hole to 5450' with Brine, and run 9-5/8", 5450' of 40# J-55/N/L-80 and cement to surface. Drill an 8-3/4" Pilot Hole to 9800' and log. Plug back to kick off point at approximately 8900' and drill an 8-3/4" curve and lateral with cut brine to approximately 14,000' MD. Run 5-1/2" P-110 casing and cement to a minimum of 4,950' TOC to tie into 9-5/8" Intermediate Casing at 5450'.

22. Proposed Blowout Prevention Program

| Type | Working Pressure | Test Pressure | Manufacturer |
|------------|------------------|---------------|--------------|
| Double Ram | 3000 | 3000 | Cameron |

| | |
|--|--|
| 23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. 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. Signature: | OIL CONSERVATION DIVISION |
| Printed Name: Electronically filed by DIANE KUYKENDALL Title: Production Reporting Manager Email Address: dkuykendall@concho.com Date: 4/13/2015 | Approved By: Paul Kautz Title: Geologist Approved Date: 4/13/2015 Conditions of Approval Attached |
| Phone: 432-685-4372 | Expiration Date: 4/13/2017 |

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) 334-8178 Fax:(505) 334-8170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3482

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 202745

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-------------------------------|---|--|
| 1. API Number 30-025-42513 | 2. Pool Code 96434 | 3. Pool Name RED HILLS;BONE SPRING, NORTH |
| 4. Property Code 39769 | 5. Property Name SALVADOR FEE | 6. Well No. 005H |
| 7. OGRID No. 217955 | 8. Operator Name COG PRODUCTION, LLC | 9. Elevation 3511 |

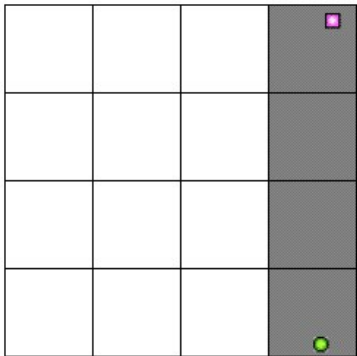
10. Surface Location

| | | | | | | | | | |
|---------------|---------------|-----------------|--------------|---------|------------------|---------------|------------------|---------------|---------------|
| UL - Lot P | Section 10 | Township 24S | Range 34E | Lot Idn | Feet From 190 | N/S Line S | Feet From 560 | E/W Line E | County Lea |
|---------------|---------------|-----------------|--------------|---------|------------------|---------------|------------------|---------------|---------------|

11. Bottom Hole Location If Different From Surface

| | | | | | | | | | |
|-------------------------------|---------------------|-----------------|------------------------|---------|------------------|---------------|------------------|---------------|---------------|
| UL - Lot A | Section 10 | Township 24S | Range 34E | Lot Idn | Feet From 230 | N/S Line N | Feet From 380 | E/W Line E | County Lea |
| 12. Dedicated Acres 160.00 | 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

| | |
|---|---|
|  | <p style="text-align: center;">OPERATOR CERTIFICATION</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 Title: Production Reporting Manager Date: 4/13/2015</p> <hr/> <p style="text-align: center;">SURVEYOR CERTIFICATION</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: Chad Harcrow Date of Survey: 4/9/2015 Certificate Number: 17777</p> |
|---|---|

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
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) 476-3482

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

Form APD Comments

Permit 202745

PERMIT COMMENTS

| | |
|--|-----------------------------|
| Operator Name and Address: COG PRODUCTION, LLC [217955] 600 W. Illinois Ave Midland, TX 79701 | API Number: 30-025-42513 |
| | Well: SALVADOR FEE #005H |

| | | |
|------------|---------|--------------|
| Created By | Comment | Comment Date |
|------------|---------|--------------|

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) 476-3482

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

Form APD Conditions

Permit 202745

PERMIT CONDITIONS OF APPROVAL

| | |
|--|-----------------------------|
| Operator Name and Address: COG PRODUCTION, LLC [217955] 600 W. Illinois Ave Midland, TX 79701 | API Number: 30-025-42513 |
| | Well: SALVADOR FEE #005H |

| OCD Reviewer | Condition |
|-----------------|--|
| pkautz | Will require a directional survey with the C-104 |
| pkautz | 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 |
| pkautz | If using a pit for drilling and completion operations, must have an approved pit from prior to spudding the well. |
| pkautz | 1) SURFACE & INTERMEDIATE CASING - Cement must circulate to surface -- 2) PRODUCTION CASING - Cement must tie back into intermediate casing -- |
| pkautz | If cement does not circulate to surface, must run temperature survey or other log to determine top of cement |
| pkautz | Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water |