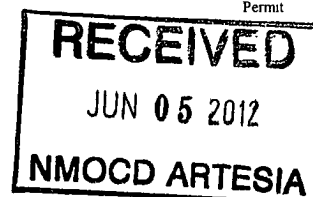


District I
1625 N French Dr., Hobbs, NM 88240
Phone (575) 393-6161 Fax (575) 393-0720
District II
811 S First St., Artesia, NM 88210
Phone (575) 748-1283 Fax (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone (505) 334-6178 Fax (505) 334-6170
District IV
1220 S St Francis Dr., Santa 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 December 16, 2011



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 API Number 30-015-40369
⁴ Property Code 308269	⁵ Property Name Way South State Com	⁶ Well No 3H

⁷ Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
C	30	26S	28E		990'	NORTH	1887'	WEST	EDDY

⁸ Pool Information

Hay Hollow, Bone Sprng	30215
------------------------	-------

Additional Well Information

⁹ Work Type New Well	¹⁰ Well Type Oil	¹¹ Cable/Rotary	¹² Lease Type State	¹³ Ground Level Elevation 3066'
¹⁴ Multiple N	¹⁵ Proposed Depth 13750'	¹⁶ Formation 2 nd Bone Spring Sand	¹⁷ Contractor	¹⁸ Spud Date 6/8/2012
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

¹⁹ 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	48	400	400	0
Int 1	12.25	9.625	36	2300	750	0
Prod	7.875	5.5	17	13750	1700	2000

Casing/Cement Program: Additional Comments

Plan to drill a 17-1/2" hole to 400' with Fresh Water Run 13-3/8" casing cement with 400 sk toc. Drill 12-1/4" hole to 2300' with Brine water, set 9-5/8" casing cement with 750 sk cement toc 0. Drill 7-7/8" vertical, curve and lateral with cut brine to approx 13750' MD Run 5 1/2 casing, cement with 1700 sk cement TOC 2000

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	3000	3000	Cameron

I hereby certify that the information given above is true and complete to the best of my knowledge and belief

I further certify that the drilling pit will be constructed according to NMOC D guidelines ☐, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Signature: *Mayte Reyes*

Printed name: Mayte Reyes

Title: Regulatory Analyst

E-mail Address: mreyes1@concho.com

Date: 6/5/2012

Phone: 575-748-6945

OIL CONSERVATION DIVISION

Approved By

T. C. Shepard
Geologist

Title:

Approved Date

6/5/2012

Expiration Date:

6/5/2014

Conditions of Approval Attached

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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-40369	² Pool Code 30215	³ Pool Name Hay Hollow; Bone Spring
⁴ Property Code 3082269	⁵ Property Name WAY SOUTH STATE COM	⁶ Well Number 3H
⁷ OGRID No. 229137	⁸ Operator Name COG OPERATING, LLC	⁹ Elevation 3066'

¹⁰ Surface Location

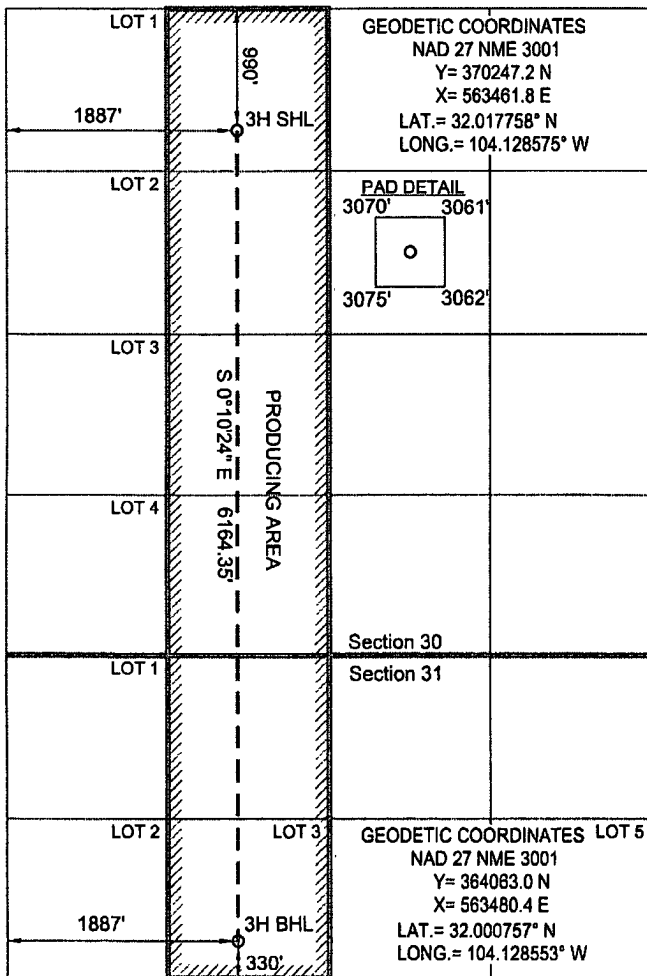
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	30	26S	28E		990'	NORTH	1887'	WEST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
3	31	26S	28E		330'	SOUTH	1887'	WEST	EDDY

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
223.89			

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.



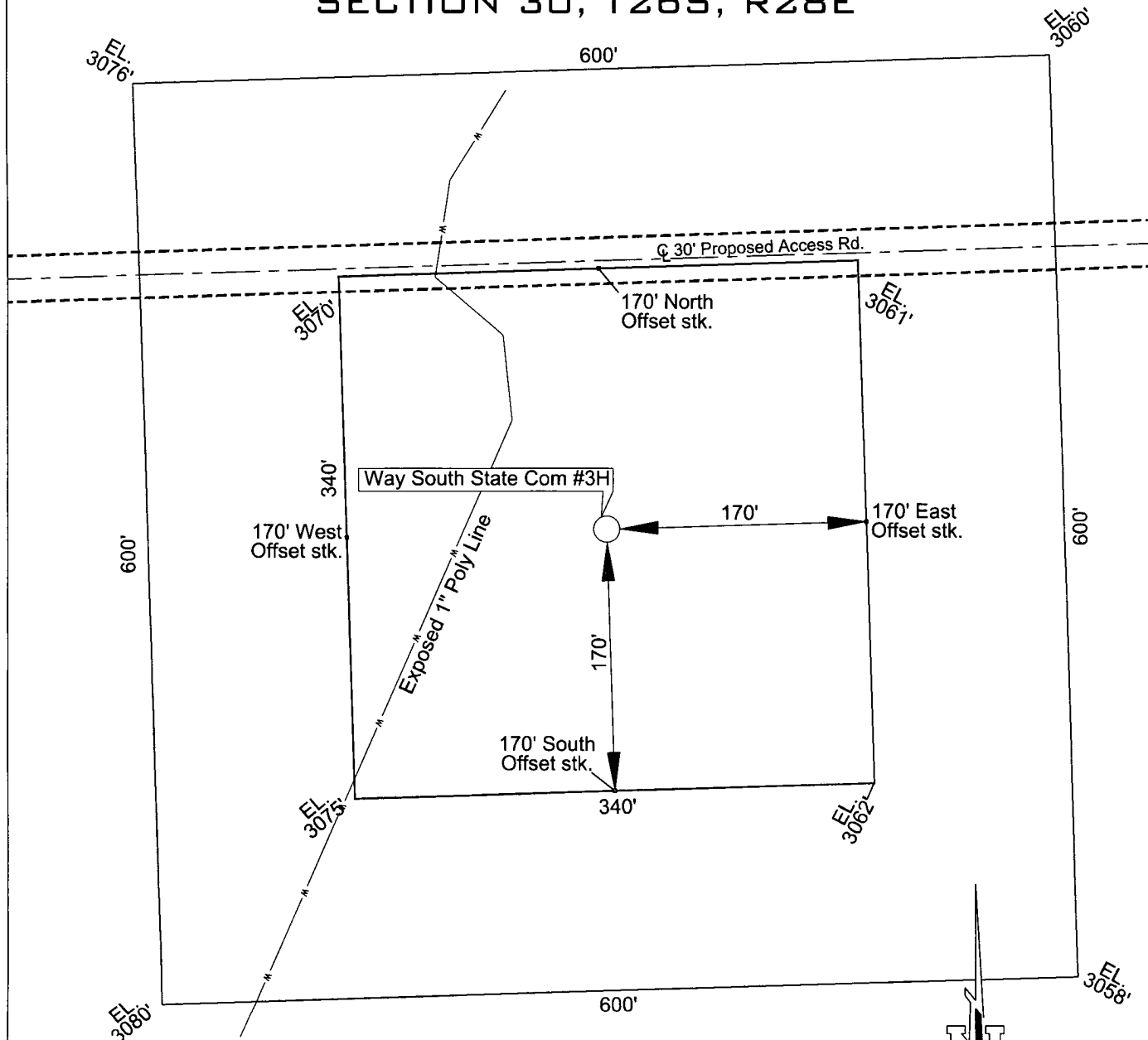
¹⁷ OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or mineral interest in the land including the proposed bottom hole location or has a right to drill this 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.

Signature: Melanie J Parker Date: 6/5/12
Printed Name: Melanie J Parker
E-mail Address: mparker@concho.com

¹⁸ SURVEYOR CERTIFICATION
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.

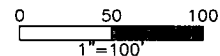
MAY 30, 2012
Date of Survey
Signature and Seal of Professional Surveyor: Jeffrey E. Hudson
Certificate Number: JEFFERY E HUDSON PL#20559

SECTION 30, T26S, R28E



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF US-285 AND WHITES RD/CR 724
 TAKE WHITES RD/CR 724 WEST 3.1 MILES TO AN EXISTING ACCESS ROAD
 TURN LEFT(SOUTH) ON ACCESS ROAD GO 3.16 MILES TO AN EXISTING
 WELL PAD. LOCATION IS 3454 FEET WEST



Well Name	NAD 27 Coordinates		NAD 83 Coordinates		Elevation
	Latitude	Longitude	Latitude	Longitude	
Way South State Com 3H	32.017758°N	104.128575°W	32.017882°N	104.129064°W	3066'

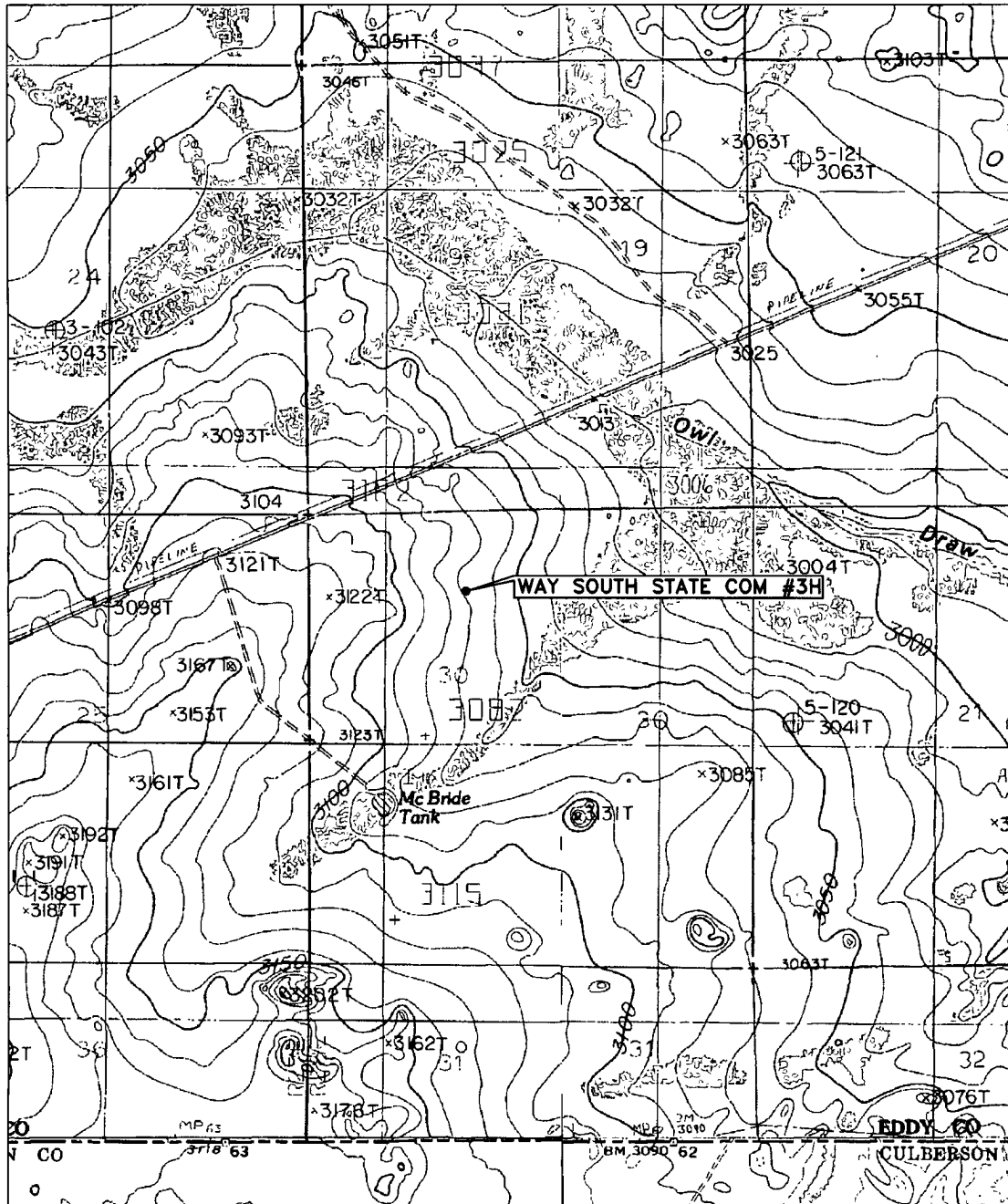
KSA
ENGINEERS

140 E Tyler St. Suite 600 Longview, Texas 75601
 T 903-236-7700 F 903-236-7779
 www.ksaeng.com

Exhibit of Proposed
 Well Pad Way South
 State Com #3H
 5/31/12

Way South State Com #3H
 Located 990' From North Line
 and 1887' From West Line
 SEC 30 T26S, R28E
 Eddy County, New Mexico

LOCATION VERIFICATION MAP



SCALE: 1"=2000'

CONTOUR INTERVAL: 10'

Well Name	NAD 27 Coordinates		NAD 83 Coordinates		Elevation
	Latitude	Longitude	Latitude	Longitude	
Way South State Com 3H	32.017758°N	104.128575°W	32.017882°N	104.129064°W	3066'

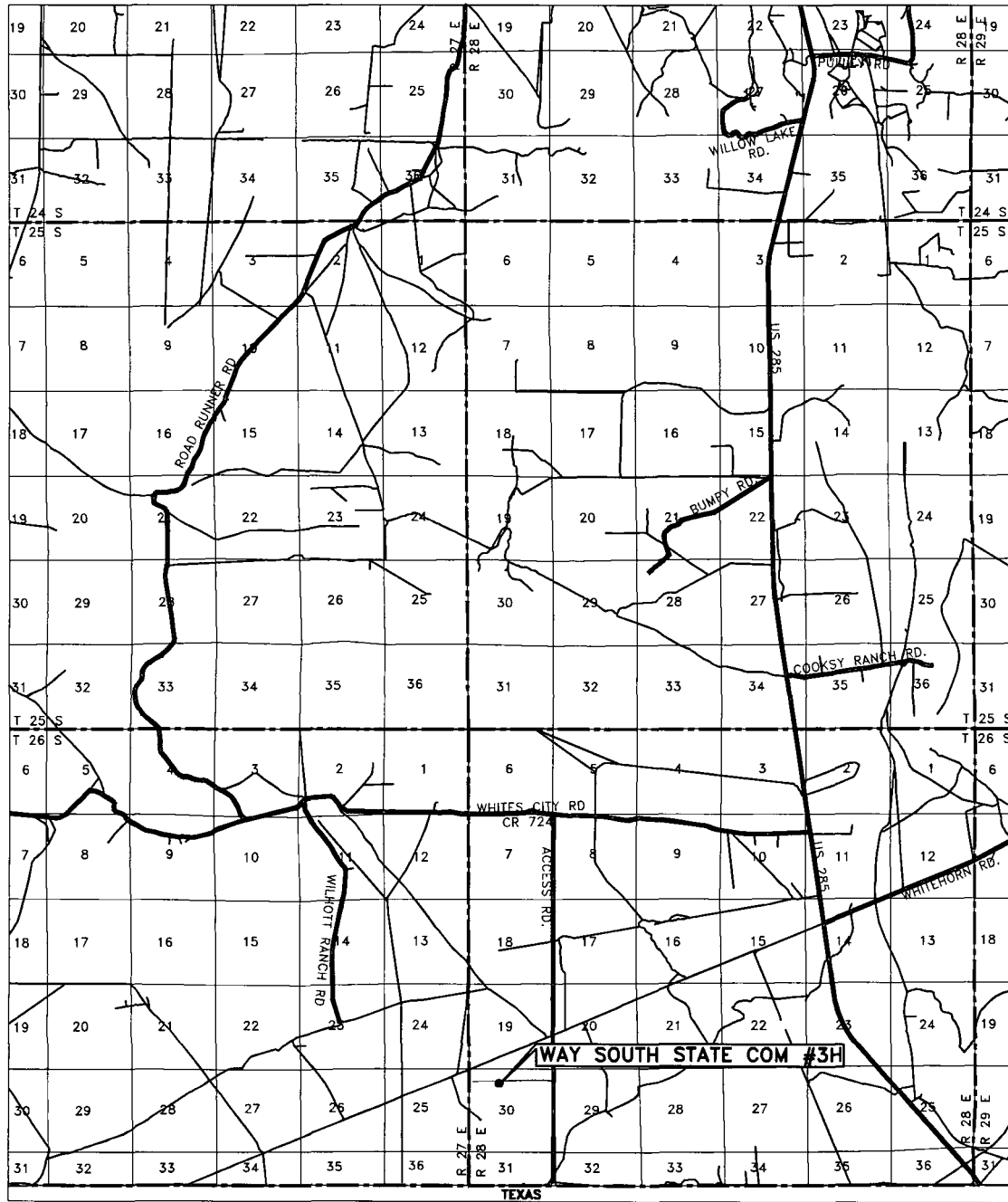
KSA
ENGINEERS

140 E Tyler St. Suite 400 Loneview, Texas 75601
T 903-236-7700 F 903-236-7770
www.ksaeng.com

COG OPERATING, LLC
Location Verification Map
Way South State Com
#3H
5/31/2012

Way South State Com #3H
Located 990' From North Line
and 1887' From West Line
SEC 30 T26S, R28E
Eddy County, New Mexico

VICINITY MAP



SCALE: 1" = 2 MILES

Well Name	NAD 27 Coordinates		NAD 83 Coordinates		Elevation
	Latitude	Longitude	Latitude	Longitude	
Way South State Com 3H	32.017758°N	104.128575°W	32.017882°N	104.129064°W	3066'

KSA
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COG OPERATING, LLC.
Vicinity Map
Way South State Com
#3H
5/31/2012

Way South State Com #3H
Located 990' From North Line
and 1887' From West Line
SEC 30 T26S, R28E
Eddy County, New Mexico