District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S St Francis Dr., Santa Fe, NM 87505

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

Form C-144 CLEZ
July 21, 2008

For closed-loop systems *that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure*, submit to the appropriate NMOCD District Office.

Closed-Loop System Permit or Closure Plan Application

(that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)

Type of action: ☒ Permit ☐ Closure

Instructions: Please submit one application (Form C-144 CLEZ) per individual closed-loop system request. For any application request other than for a closed-loop system that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, please submit a Form C-144.

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1.
Operator: COG OPERATING LLC OGRID #: 229137
Address: 550 WEST TEXAS, SUITE 1300 MIDLAND, TX 79701
Facility or well name: EBONY STATE #2
API Number: 30-015- 40443 OCD Permit Number: 213157
U/L or Qtr/Qtr UL H Section 25 Township 17S Range 27E County: EDDY
Center of Proposed Design: Latitude N/A Longitude N/A NAD: ☐1927 ☐ 1983
Surface Owner: ☐ Federal ☒ State ☐ Private ☐ Tribal Trust or Indian Allotment

2.
☒ **Closed-loop System:** Subsection H of 19.15.17.11 NMAC
Operation: ☒ Drilling a new well ☐ Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) ☐ P&A
☐ Above Ground Steel Tanks or ☒ Haul-off Bins

3.
Signs: Subsection C of 19.15.17.11 NMAC
☐ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers
☒ Signed in compliance with 19.15.3.103 NMAC

RECEIVED
JUL 09 2012
NMOCD ARTESIA

4.
Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.
☒ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
☒ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
☒ Closure Plan (Please complete Box 5) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
☐ Previously Approved Design (attach copy of design) API Number: _____
☐ Previously Approved Operating and Maintenance Plan API Number: _____

5.
Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13.D NMAC)
Instructions: Please indentify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.
Disposal Facility Name: CRI Disposal Facility Permit Number: R1966
Disposal Facility Name: GM INC Disposal Facility Permit Number: 711-019-001
Will any of the proposed closed-loop system operations and associated activities occur on or in areas that *will not* be used for future service and operations?
☐ Yes (If yes, please provide the information below) ☒ No

Required for impacted areas which will not be used for future service and operations:
☐ Soil Backfill and Cover Design Specifications - - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

Operator Application Certification:
I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.
Name (Print): KELLY J. HOLLY Title: PERMITTING TECH
Signature: Date: 08/08/2011
e-mail address: kholly@concho.com Telephone: 432-685-4384

7.
OCD Approval: ☒ Permit Application (including closure plan) ☐ Closure Plan (only)

OCD Representative Signature: [signature] **Approval Date:** 07/09/2012

Title: Dist Supervisor **OCD Permit Number:** 213157

8.
Closure Report (required within 60 days of closure completion): Subsection K of 19.15.17.13 NMAC

Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.

☐ **Closure Completion Date:** _____

9.
Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:

Instructions: Please indentify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Were the closed-loop system operations and associated activities performed on or in areas that *will not* be used for future service and operations?

☐ Yes (If yes, please demonstrate compliance to the items below) ☐ No

Required for impacted areas which will not be used for future service and operations:

☐ Site Reclamation (Photo Documentation)
☐ Soil Backfilling and Cover Installation
☐ Re-vegetation Application Rates and Seeding Technique

10.
Operator Closure Certification:

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): _____ Title: _____

Signature: _____ Date: _____

e-mail address: _____ Telephone: _____

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 & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
30-015-40443	96836	Red Lake; Glorieta Yeso, Northeast

Property Code	Property Name	Well Number
	EBONY STATE	2

OGRID No.	Operator Name	Elevation
229137	COG OPERATING, LLC	3540'

Surface Location

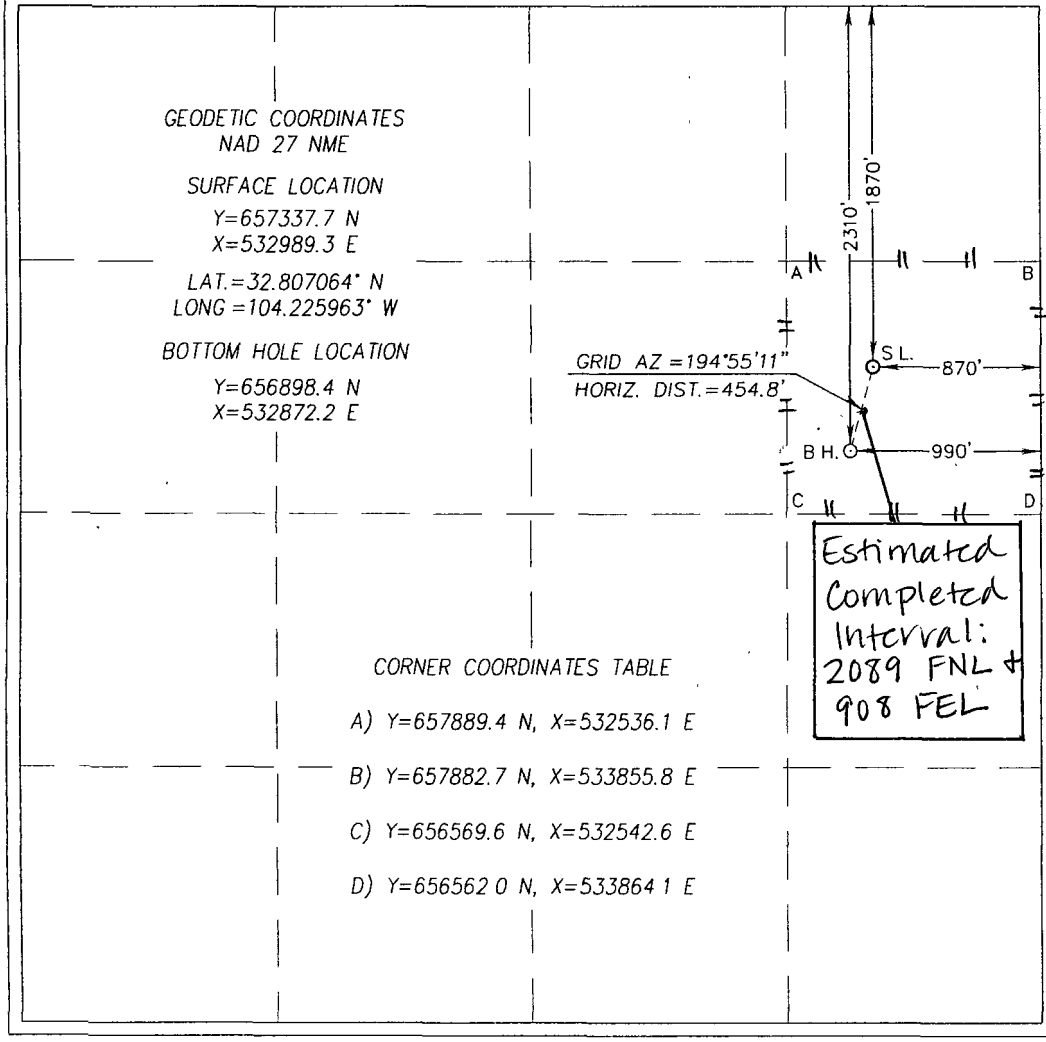
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	25	17-S	27-E		1870	NORTH	870	EAST	EDDY

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
H	25	17-S	27-E		2310	NORTH	990	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40			

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



OPERATOR CERTIFICATION

I hereby certify that the information 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 or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division

Signature — Date: 7-3-12

Kelly J. Holly
Printed Name

kholly@conco.com
E-mail Address

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

JUNE 8, 2012
Date of Survey

Signature & Seal of Professional Surveyor:

RONALD J. EIDSON NEW MEXICO 3239 REGISTERED PROFESSIONAL

Ronald J. Eidson 06/18/2012

Certificate Number		
	Gary G. Eidson	12641
	Ronald J. Eidson	3239

AF — JWSC W.O.: 11.11 1472

CONCHO

COG Operating LLC

Eddy County, NM (NAN27 NME)
Ebony State #2

OH

Plan #1 7-7/8" Hole
Surface: 1870' FNL, 870' FEL, Sec 25, T17S, R27E, Unit H
Top of Paddock @ 3250' TVD: 219' S of surface, 38' W of surface
BHL: 2260' FNL, 940' FEL, Sec 25, T17S, R27E, Unit H

Standard Planning Report

02 July, 2012

Scientific Drilling

Database:	EDM 5000 1 Single User Db	**Local Co-ordinate Reference:**	Site Ebony State #2
Company:	COG Operating LLC	**TVD Reference:**	GL @ 3540 00usft
Project:	Eddy County, NM (NAN27 NME)	**MD Reference:**	GL @ 3540 00usft
Site:	Ebony State #2	**North Reference:**	Grid
Well:	Ebony State #2	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	Plan #1 7-7/8" Hole		

Project Eddy County, NM (NAN27 NME)

Map System:	US State Plane 1927 (Exact solution)	**System Datum:**	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	New Mexico East 3001		

Site Ebony State #2

Site Position:		**Northing:**	657,337 70 usft	**Latitude:**	32° 48' 25 431 N
From:	Map	**Easting:**	532,989.30 usft	**Longitude:**	104° 13' 33 468 W
Position Uncertainty:	0 00 usft	**Slot Radius:**	13-3/16 "	**Grid Convergence:**	0 06 °

Well Ebony State #2

Well Position	**+N/-S**	0 00 usft	**Northing:**	657,337 70 usft	**Latitude:**	32° 48' 25 431 N
	+E/-W	0 00 usft	**Easting:**	532,989 30 usft	**Longitude:**	104° 13' 33 468 W
Position Uncertainty		0 00 usft	**Wellhead Elevation:**		**Ground Level:**	3,540.00 usft

Wellbore OH

Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2010	06/21/12	7 81	60 59	48,792

Design Plan #1 7-7/8" Hole

Audit Notes:

Version:		**Phase:**	PLAN	**Tie On Depth:**	0 00

Vertical Section:	Depth From (TVD) (usft)	+N/-S (usft)	+E/-W (usft)	Direction (°)
	0 00	0.00	0 00	189 78

Plan Sections

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0 00	0 00	0 00	0.00	0 00	0 00	0 00	0.00	0 00	0 00	
1,100 00	0 00	0 00	1,100 00	0 00	0.00	0 00	0 00	0 00	0 00	
1,418 31	6 37	189 78	1,417.66	-17.41	-3 00	2 00	2 00	-53 48	189 78	
4,821 64	6 37	189 78	4,800 00	-389 30	-67 10	0.00	0 00	0 00	0 00	PBHL-Ebony State #2

Database:	EDM 5000 1 Single User Db	**Local Co-ordinate Reference:**	Site Ebony State #2
Company:	COG Operating LLC	**TVD Reference:**	GL @ 3540 00usft
Project:	Eddy County, NM (NAN27 NME)	**MD Reference:**	GL @ 3540 00usft
Site:	Ebony State #1	**North Reference:**	Grid
Well:	Ebony State #1	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	Plan #1 7-7/8" Hole		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
0 00	0 00	0 00	0.00	0 00	0 00	0 00	0 00	0.00	0.00
1,000 00	0 00	0 00	1,000.00	0 00	0 00	0 00	0 00	0 00	0 00
8-5/8" Casing									
1,100 00	0 00	0.00	1,100 00	0 00	0.00	0.00	0 00	0 00	0 00
KOP Start Build 2.00°/100'									
1,200 00	2 00	189 78	1,199 98	-1 72	-0 30	1 75	2 00	2 00	0 00
1,300 00	4 00	189 78	1,299.84	-6 88	-1 19	6 98	2 00	2 00	0 00
1,400 00	6 00	189 78	1,399.45	-15.47	-2 67	15 69	2 00	2 00	0 00
1,418 31	6 37	189 78	1,417 66	-17.41	-3 00	17 67	2 00	2 00	0 00
Hold 6.37°									
1,500 00	6 37	189 78	1,498 84	-26 34	-4 54	26.72	0 00	0 00	0.00
1,600 00	6 37	189 78	1,598 23	-37 26	-6 42	37.81	0 00	0 00	0.00
1,700 00	6 37	189 78	1,697 61	-48 19	-8 31	48 90	0 00	0 00	0 00
1,800 00	6 37	189 78	1,796.99	-59.12	-10 19	59 99	0.00	0 00	0 00
1,900 00	6 37	189 78	1,896 38	-70 04	-12 07	71 08	0 00	0 00	0 00
2,000 00	6.37	189 78	1,995 76	-80.97	-13 96	82 17	0 00	0 00	0 00
2,100 00	6 37	189 78	2,095 14	-91.90	-15 84	93 25	0 00	0.00	0.00
2,200.00	6 37	189.78	2,194 53	-102 83	-17 72	104 34	0 00	0 00	0 00
2,300 00	6 37	189.78	2,293 91	-113.75	-19 61	115 43	0.00	0 00	0 00
2,400 00	6 37	189.78	2,393 29	-124 68	-21 49	126 52	0 00	0 00	0 00
2,500.00	6 37	189.78	2,492 68	-135.61	-23 37	137 61	0 00	0 00	0 00
2,600.00	6 37	189 78	2,592 06	-146 54	-25 26	148 70	0 00	0 00	0 00
2,700 00	6 37	189 78	2,691 44	-157.46	-27 14	159 78	0 00	0 00	0 00
2,800 00	6 37	189.78	2,790 83	-168 39	-29.02	170 87	0 00	0.00	0 00
2,900 00	6 37	189.78	2,890 21	-179 32	-30 91	181 96	0 00	0 00	0 00
3,000.00	6 37	189.78	2,989 59	-190.24	-32 79	193.05	0 00	0 00	0 00
3,100 00	6 37	189.78	3,088 98	-201 17	-34 67	204 14	0 00	0 00	0 00
3,200 00	6 37	189 78	3,188.36	-212 10	-36 56	215 23	0 00	0 00	0 00
3,262 02	6 37	189 78	3,250 00	-218 88	-37 73	222 10	0 00	0 00	0 00
Top of Paddock									
3,300 00	6.37	189 78	3,287 74	-223.03	-38 44	226 31	0.00	0 00	0.00
3,400 00	6 37	189 78	3,387.13	-233 95	-40 32	237 40	0 00	0 00	0 00
3,500 00	6.37	189 78	3,486 51	-244.88	-42 21	248 49	0.00	0.00	0.00
3,600 00	6 37	189 78	3,585 89	-255 81	-44 09	259 58	0 00	0 00	0 00
3,700 00	6.37	189.78	3,685 28	-266 74	-45 97	270 67	0 00	0 00	0 00
3,800 00	6 37	189 78	3,784 66	-277.66	-47 86	281 76	0.00	0.00	0 00
3,900 00	6 37	189 78	3,884 04	-288 59	-49.74	292 85	0.00	0.00	0.00
4,000 00	6 37	189 78	3,983.43	-299 52	-51 62	303 93	0 00	0.00	0 00
4,100 00	6 37	189 78	4,082 81	-310 44	-53 51	315.02	0.00	0.00	0 00
4,200 00	6 37	189 78	4,182 19	-321 37	-55 39	326.11	0 00	0 00	0.00
4,300 00	6 37	189 78	4,281 58	-332 30	-57 28	337 20	0 00	0 00	0.00
4,400 00	6 37	189 78	4,380.96	-343 23	-59 16	348.29	0.00	0 00	0.00
4,500 00	6 37	189 78	4,480 34	-354 15	-61 04	359 38	0 00	0 00	0 00
4,600 00	6 37	189 78	4,579 73	-365 08	-62 93	370.46	0 00	0 00	0 00
4,700 00	6 37	189 78	4,679 11	-376 01	-64 81	381 55	0 00	0 00	0 00
4,800 00	6 37	189 78	4,778 49	-386 94	-66.69	392 64	0 00	0 00	0 00
4,821 64	6 37	189 78	4,800 00	-389 30	-67 10	395 04	0 00	0 00	0 00
PBHL-Ebony State #2									

Database:	EDM 5000 1 Single User Db	**Local Co-ordinate Reference:**	Site Ebony State #2
Company:	COG Operating LLC	**TVD Reference:**	GL @ 3540 00usft
Project:	Eddy County, NM (NAN27 NME)	**MD Reference:**	GL @ 3540 00usft
Site:	Ebony State #2	**North Reference:**	Grid
Well:	Ebony State #2	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	Plan #1 7-7/8" Hole		

Design Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
PBHL-Ebony State #2 - plan hits target center - Circle (radius 50 00)	0 00	0 01	4,800 00	-389 30	-67.10	656,948 40	532,922 20	32° 48' 21.579 N	104° 13' 34 259 W

Casing Points

Measured Depth (usft)	Vertical Depth (usft)	Name	Casing Diameter (")	Hole Diameter (")
1,000 00	1,000 00	8-5/8" Casing	8-5/8	12-1/4

Formations

Measured Depth (usft)	Vertical Depth (usft)	Name	Lithology	Dip (°)	Dip Direction (°)
3,262 02	3,250.00	Top of Paddock		0 00	

Plan Annotations

Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates +N/-S (usft)	Local Coordinates +E/-W (usft)	Comment
1,100 00	1,100 00	0 00	0 00	KOP Start Build 2 00°/100'
1,418 31	1,417 66	-17 41	-3 00	Hold 6 37°

CONCHO

Scientific Drilling

Azimuths to Grid North
True North -0.06°
Magnetic North: 7.75°

Magnetic Field
Strength: 48791.6nT
Dip Angle: 60.59°
Date: 06/21/2012
Model: IGRF2010

*To convert Magnetic North to Grid, Add 7.75°
To convert True North to Grid, Subtract 0.06°

Ebony State #2
Eddy County, NM (NAN27 NME)
Northing (Y) 657337.70
Easting (X) 532989.30
Plan #1 7-7/8" Hole

WELL DETAILS: Ebony State #2

+N/-S	+E/-W	Northing	Ground Level Easting	3540.00 Latitude	Longitude	Slot
0.00	0.00	657337.70	532989.30	32° 45' 25.431 N	104° 13' 33.468 W	

SITE DETAILS: Ebony State #1
Site Centre Northing: 657337.70
Easting: 532989.30

Positional Uncertainty: 0.00
Convergence: 0.06
Local North: Grid

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSect	Target
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2	1100.00	0.00	0.00	1100.00	0.00	0.00	0.00	0.00	0.00	
3	1418.91	6.37	189.78	1417.66	-17.41	-3.00	2.00	189.78	17.67	
4	4821.64	6.37	189.78	4800.00	-389.30	-67.10	0.00	0.00	395.04	PBHL-Ebony State #2

Map System: US State Plane 1927 (Exact solution)
Datum: NAD 1927 (NADCON CONUS)
Ellipsoid: Clarke 1866
Zone Name: New Mexico East 3001

Local Origin: Site Ebony State #1 Grid North

Latitude: 32° 45' 25.431 N
Longitude: 104° 13' 33.468 W

Grid East: 532989.30
Grid North: 657337.70
Scale Factor: 1.000

Geomagnetic Model: IGRF2010
Sample Date: 21-Jun-12
Magnetic Declination: 7.81°
Dip Angle from Horizontal: 60.59°
Magnetic Field Strength: 48792

To convert Magnetic North to Grid: Add 7.75°
To convert Magnetic North to True North: Add 7.81° East
To convert True North to Grid: Subtract 0.06°

DESIGN TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Shape
PBHL Ebony State #2 - plan hits target center	4800.00	-389.30	-67.10	656948.40	532922.20	32° 48' 21.579 N	104° 13' 34.259 W	Circle (Radius 50.00)

FORMATION TOP DETAILS

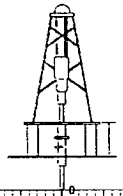
TVDPath	MDPath	Formation	DipAngle	DipDir
3250.00	3562.82	Top of Paddock	0.00	

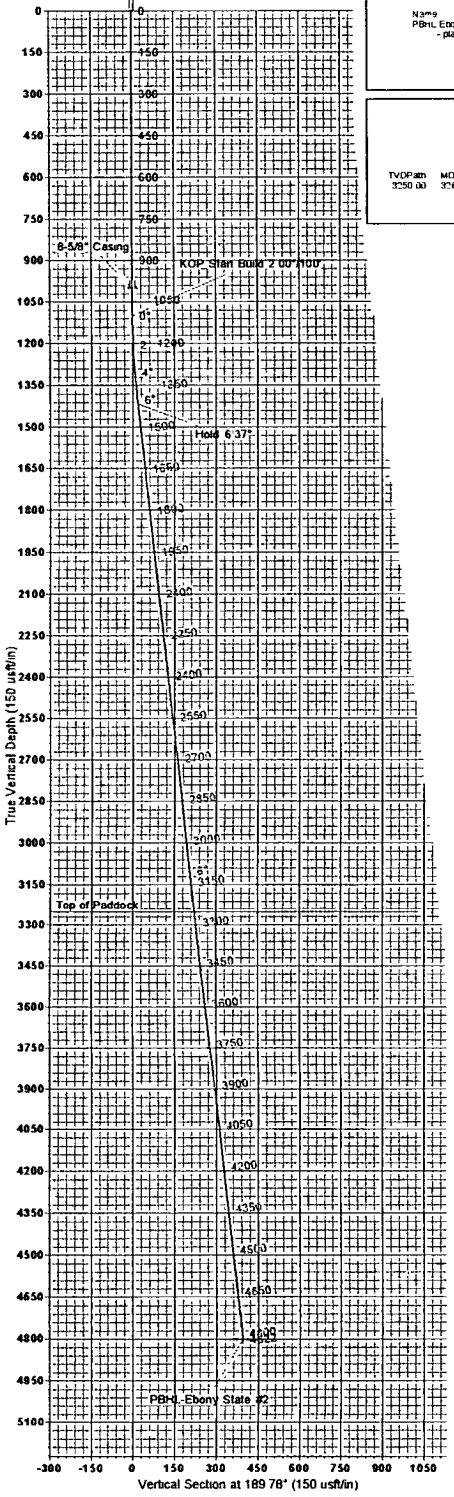
CASING DETAILS

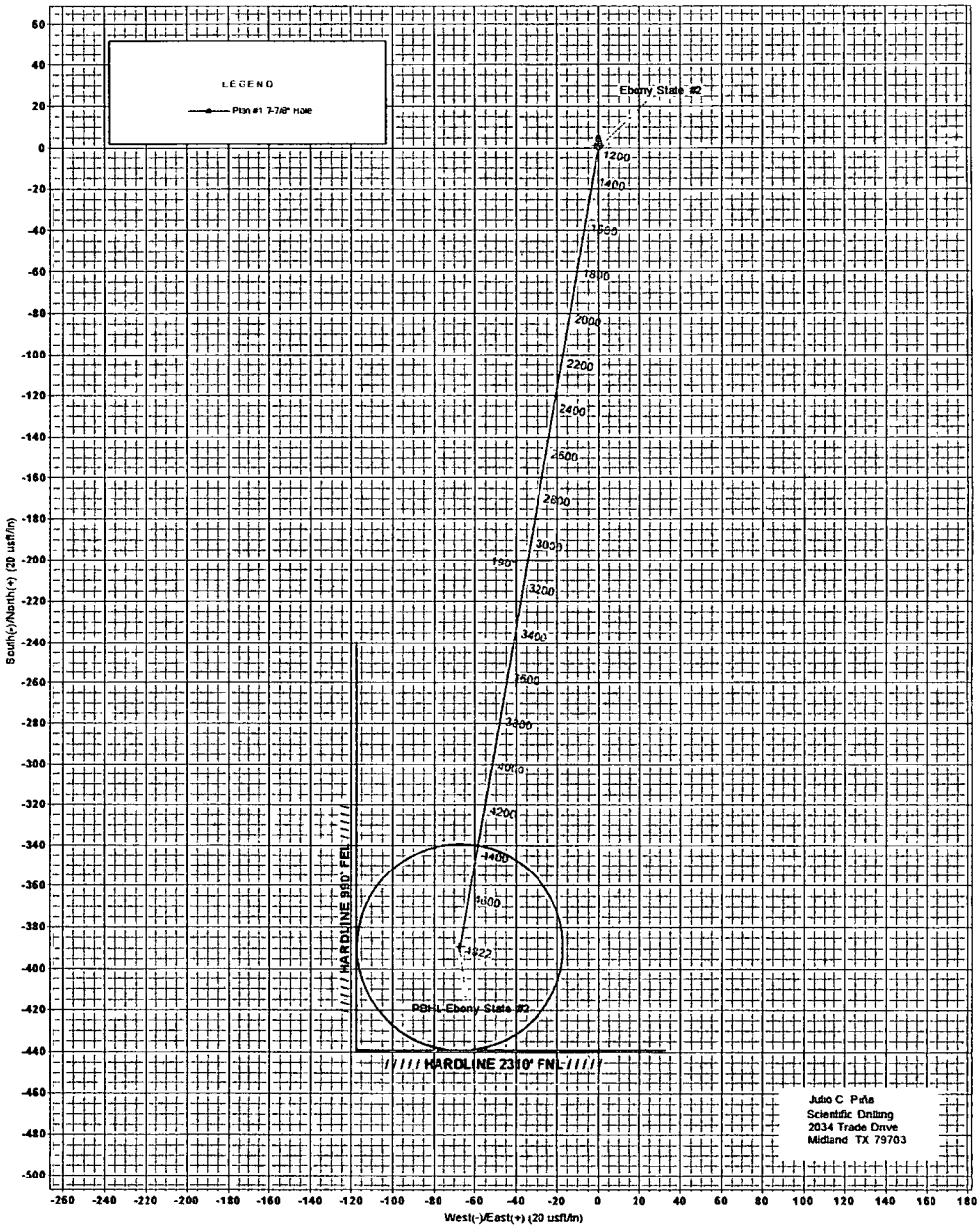
TVD	MD	Name	Size
1000.00	1000.00	8-5/8" Casing	8-5/8

PROJECT DETAILS: Eddy County NM (NAN27 NME)
Geodetic System: US State Plane 1927 (Exact solution)
Datum: NAD 1927 (NADCON CONUS)
Ellipsoid: Clarke 1866
Zone: New Mexico East 3001

System Datum: Mean Sea Level







Julio C Piña
Scientific Drilling
2034 Trade Drive
Midland TX 79703