

Submit 3 Copies To Appropriate District Office -  
 District I  
 1625 N French Dr., Hobbs, NM 88240  
 District II  
 1301 W Grand Ave., Artesia, NM 88210  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 1220 S St Francis Dr., Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals and Natural Resources

Form C-103  
 May 27, 2004

AM

OIL CONSERVATION DIVISION  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

WELL API NO.  
 30-015-31017

Indicate Type of Lease  
 STATE  FEE

State Oil & Gas Lease No.

**SUNDRY NOTICES AND REPORTS ON WELLS**  
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well  Gas Well  Other

2. Name of Operator  
**COG Operating LLC**

3. Address of Operator  
 550 W. Texas Ave., Suite 1300 Midland, TX 79701

Well Location  
 Unit Letter O : 990 feet from the South line and 2185 feet from the East line  
 Section 16 Township 17S Range 30E NMPM County Eddy

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
 3681' GR

Pit or Below-grade Tank Application  or Closure

Pit type \_\_\_\_\_ Depth to Groundwater \_\_\_\_\_ Distance from nearest fresh water well \_\_\_\_\_ Distance from nearest surface water \_\_\_\_\_

Pit Liner Thickness: \_\_\_\_\_ mil Below-Grade Tank: Volume \_\_\_\_\_ bbls; Construction Material \_\_\_\_\_

**RECEIVED**  
 APR - 7 2010  
 NMOCD ARTESIA

7. Lease Name or Unit Agreement Name  
 Imperial State

8. Well Number 2

9. OGRID Number  
229137

10. Pool name or Wildcat **96718**  
 Loco Hills; Glorieta Yeso

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: Deepen <input checked="" type="checkbox"/>		<input type="checkbox"/> OTHER	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

**See Attached procedure**

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit  or an (attached) alternative OCD-approved plan .

SIGNATURE C Jackson TITLE Agent for COG DATE 4/6/10

Type or print name Chasity Jackson E-mail address: cjackson@conchoresources.com Telephone No. 432-686-3087  
**For State Use Only**

APPROVED BY: [Signature] TITLE Geologist DATE 4/8/2010  
 Conditions of Approval (if any) \_\_\_\_\_

COG Operating, LLC  
Imperial State #2  
API# 30-015-31017  
O-16-17S-30E  
990' FSL & 2185' FEL  
Eddy Co, NM

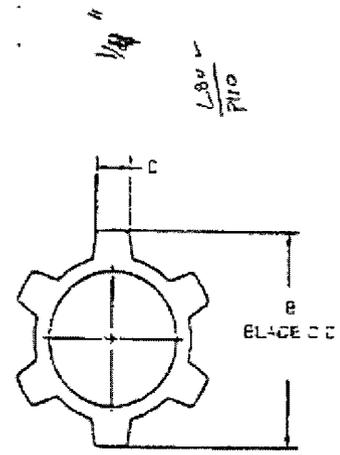
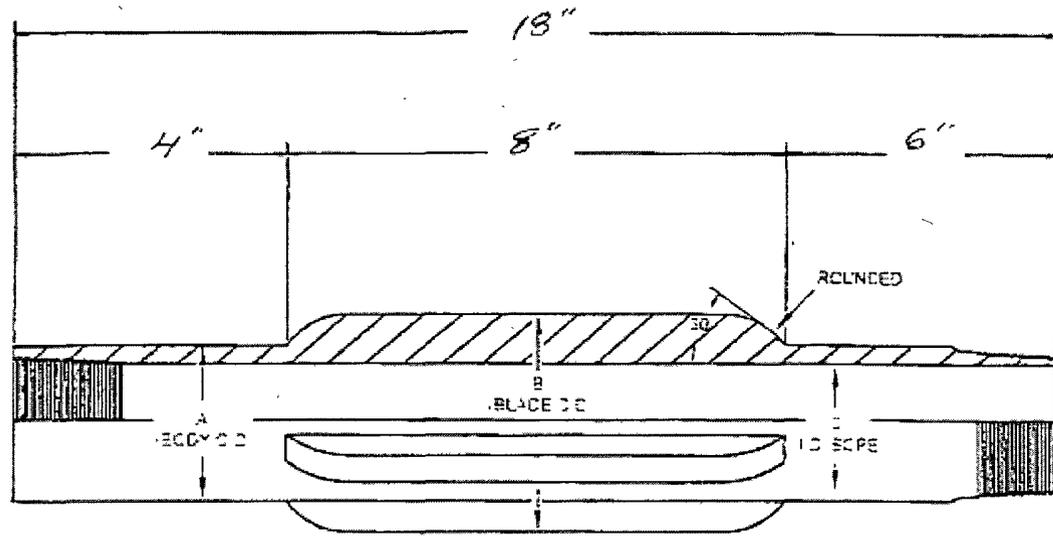
#### Deepening Procedure

1. MIRU rig.
2. Sqz upper Yeso w/ +/- 400 sx of Class C neat. Drill out squeeze.
3. PU 4-3/4" bit and drill 4-3/4" hole from 4985' to 6100'.
4. POOH w/ bit and drillstring.
5. RIH w/ logs and log from TD to 4300'.
6. RIH w/ 4", 11.3# casing. See section 11 for general centralizer program.
7. Cement casing from TD to 4820' w/ 120 sxs Class C cmt. Drop plug and open DV tool. Circ cmt off DV tool. Drop plug to close DV tool.
8. PU workstring and RIH and drill out DV tool. POOH and LD workstring.
9. RDMO rig.

#### Completion Procedure

1. MIRU rig.
2. RIH/ w/ perforating guns and perforate Yeso from 5700 – 5900 w/ 2 spf, 30 holes.
3. Acidize w/ 2500 gals of 15% HCl. Frac zone w/ 179,800 # of sand. Set plug at 5650'.
4. RIH w/ perforating guns and perforate Yeso from 5400' – 5600'.
5. Acidize w/ 2500 gals of 15% HCl. Frac zone w/ 179,800 # of sand. Set plug at 5350'.
6. RIH w/ perforating guns and perforate Yeso from 5100' – 5300'.
7. Acidize w/ 2500 gals of 15% HCl. Frac zone w/ 179,800 # of sand.
8. RIH and drill out plug at 5350' and 5650'.
9. RIH and cut or back off 4" casing at 4820'. POOH w/ 4" casing. Leave 4" liner from 4820' to 6100' (TD).
10. RIH w/ tbg and locate end of tbg at 4700'.
11. RIH w/ rods and pump.
12. RDMO rig.

Centralizer Diagram



SIZE	A	B	C	D	E	F	G	DRIFT
4" x 4 3/4 11.6"	4.050	4.750	3.347	3/4"				3.303"

 RAY OIL TOOL CO. STAND OFF	
CENTRALIZED INTERCASING	
CLIENT	Concho Res
WELL NAME & NO	
CASING	4" P145 11.6"
MATERIAL	4 3/4 x 3/4 x 18" Q195