

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(505) 393-6161 Fax:(505) 393-0720

District II
 1301 W. Grand Ave., Artesia, NM 88210
 Phone:(505) 748-1283 Fax:(505) 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

Form C-103
 Permit 128124

Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

WELL API NUMBER 30-025-39885
5. Indicate Type of Lease S
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name MACHO STATE
8. Well Number 002H
9. OGRID Number 229137
10. Pool name or Wildcat

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

1. Type of Well: O

2. Name of Operator
COG OPERATING LLC

3. Address of Operator
550 W TEXAS , SUITE 1300 , MIDLAND , TX 79701

4. Well Location
 Unit Letter E : 2260 feet from the N line and 330 feet from the W line
 Section 2 Township 24S Range 33E NMPM Lea County

11. Elevation (Show whether DR, KB, BT, GR, etc.)
3627 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 _____

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

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK PLUG AND ABANDON
 TEMPORARILY ABANDON CHANGE OF PLANS
 PULL OR ALTER CASING MULTIPLE COMPL
 Other: _____

SUBSEQUENT REPORT OF:

- REMEDIAL WORK ALTER CASING
 COMMENCE DRILLING OPNS. PLUG AND ABANDON
 CASING/CEMENT JOB
 Other: **Drilling/Cement**

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.
 2/27/11 TD 7 7/8" hole to 14385'. Set 5 1/2" 17# P-110 csg @ 14383'. Cmt 1st Stage w/500 sx Class H. Cmt 2nd Stage w/500 sx Class C. Tailed in w/100 sx. WOC. Test csg to 2500#. Ran TS. TOC @ 6210'. Rig released 3/1/11. **12/26/2010** Spudded well.

Casing and Cement Program

Date	String	Fluid Type	Hole Size	Csg Size	Weight lb/ft	Grade	Est TOC	Dpth Set	Sacks	Yield	Class	1" Dpth	Pres Held	Pres Drop	Open Hole
01/05/11	Surf		17.5	13.375	54.5	J55	0	1347	1100		P+		1000	0	
03/01/11	Prod		7.875	5.5	17	P110	6210	14383	1100		H		2500	0	

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 Electronically Signed _____ TITLE Production Reporting Mgr DATE 3/2/2011
 Type or print name Diane Kuykendall E-mail address dkuykendall@conchoresources.com Telephone No. 432-683-7443

For State Use Only:
 APPROVED BY: Paul Kautz TITLE Geologist DATE 3/2/2011 9:13:43 AM