

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) 476-3462

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 145051

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

1. Operator Name and Address COG OPERATING LLC 550 W TEXAS MIDLAND, TX 79701		2. OGRID Number 229137
		3. API Number 30-015-39999
4. Property Code 308169	5. Property Name SRO STATE UNIT	6. Well No. 018H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
A	17	26S	28E	A	330	N	330	E	EDDY

8. Pool Information

HAY HALLOW; BONE SPRING	30215
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Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3061
14. Multiple N	15. Proposed Depth 17767	16. Formation 2nd Bone Spring Sand	17. Contractor	18. Spud Date 3/8/2012
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 Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	400	400	
Int1	12.25	9.625	36	2400	650	
Prod	7.875	5.5	17	17767	2550	2200

Casing/Cement Program: Additional Comments

Plan to drill a 17-1/2" hole to 400' with Fresh Water. Run 13-3/8", 48#, J-55 csg and cmt to surface. Drill 12-1/4" hole to 2400' with Brine, and run 9-5/8", 36#, J55 and cement to surface. Drill 7-7/8" vertical, curve and lateral with cut brine to approx 17,767' MD. Run 5-1/2", 17#, P-110 csg and cement to 2200' in 1 stage.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	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 guidelines <input type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> . Printed Name: Electronically filed by Diane Kuykendall Title: Production Reporting Mgr Email Address: dkuykendall@conchoresources.com Date: 2/29/2012 Phone: 432-683-7443	OIL CONSERVATION DIVISION	
	Approved By: Randy Dade	
	Title: District Supervisor	
	Approved Date: 3/6/2012	Expiration Date: 3/6/2014
	Conditions of Approval Attached	

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Form C-102
August 1, 2011
Permit 145051

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-39999	2. Pool Code 30215	3. Pool Name HAY HALLOW; BONE SPRING
4. Property Code 308169	5. Property Name SRO STATE UNIT	6. Well No. 018H
7. OGRID No. 229137	8. Operator Name COG OPERATING LLC	9. Elevation 3061

10. Surface Location

UL - Lot A	Section 17	Township 26S	Range 28E	Lot Idn	Feet From 330	N/S Line N	Feet From 330	E/W Line E	County EDDY
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11. Bottom Hole Location If Different From Surface

11. Bottom Hole Location If Different From Surface									
UL - Lot P	Section 20	Township 26S	Range 28E	Lot Idn P	Feet From 330	N/S Line S	Feet From 500	E/W Line E	County EDDY
12. Dedicated Acres 320.00		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 Mgr Date: 2/29/2012</p>	<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: Filimon Jaramillo Date of Survey: 2/14/2012 Certificate Number: PLS 12797</p>
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Permit Comments

Operator: COG OPERATING LLC , 229137

Well: SRO STATE UNIT #018H

API: 30-015-39999

Created By	Comment	Comment Date
mreyes1	OIL: COG Operating has conducted a review to determine if an H2S contingency plan is required for the above referenced well. We were able to conclude that any potential hazardous volume would be minimal. H2S concentrations of wells in this area from surface to TD are low enough; therefore we do not believe that an H2S Contingency Plan would be necessary.	2/29/2012
CSHAPARD	Land s/S	3/5/2012

Permit Conditions of Approval

Operator: COG OPERATING LLC , 229137

Well: SRO STATE UNIT #018H

API: 30-015-39999

OCD Reviewer	Condition
CSHAPARD	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