<u>District I</u> 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 120431

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

| 1. Operator | Name and Address | 2. OGRID Number | |
|---|------------------------|---|--|
| | ERATING LLC W TEXAS | 229137 3. API Number 30-025-40548 | |
| 50,50 g 5 6 7 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 | WD, TX 79701 | | |
| 1800.00 | | | |
| 4. Property Code | 5. Property Name | 6. Well No. | |
| 37687 | TAYLOR D | 028 | |

7. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| G | 9 | 17S | 32E | G | 1650 | N | 1650 | E | LEA |

8. Pool Information

| MALJAMAR:YESO, WEST | 44500 |
|---------------------|-------|

Additional Well Information

| | | | Additional Wen Intolni | ation | | |
|---|--------------------|--|--|--|------------------------------------|--|
| 9. Work Type 10. Well T New Well OIL | | 1.55 3.50 7.55 3.50 3.50 | | 12. Lease Type State | 13. Ground Level Elevation 4109 | |
| 14. Multiple N | 15. Propose 710 | A STATE OF THE STA | 16. Formation Yeso Formation | 17. Contractor | 18. Spud Date 6/30/2012 | |
| Depth to Ground water | | | Distance from nearest fresh water > 1000 | Distance to nearest surface water > 1000 | | |

19. Proposed Casing and Cement Program

| | arrang and comment and | | | | | | | | | |
|------|------------------------|-------------|------------------|---------------|-----------------|---------------|--|--|--|--|
| Type | Hole Size | Casing Type | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC | | | | |
| Surf | 17.5 | 13.375 | 48 | 800 | 650 | 0 | | | | |
| Int1 | 11 | 8.625 | 32 | 2150 | 650 | 0 | | | | |
| Prod | 7.875 | 5.5 | 17 | 7100 | 900 | 0 | | | | |

Casing/Cement Program: Additional Comments

COG proposes to drill a 17-1/2" hole to 800' w/fr wtr mud system, wt 8.5, vis 28, set 13-3/8" casing & cement to surface. Drill an 11" hole to 2150' w/br mud system, wt 10, vis 30. Set 8-5/8" casing & cement to surface. Drill 7-7/8" hole to 7100' w/cut brine mud system, wt 9.1, vis 29-32. Test Yeso formation. Run 5-1/2" casing & cement to surface. Note: On production string, a caliper will be run, COG will attempt to circulate cement.

Proposed Blowout Prevention Program

| Туре | Working Pressure | Test Pressure | Manufacturer |
|-----------|------------------|---------------|--------------|
| DoubleRam | 2000 | 2000 | |

| 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 | OIL CONSERVATION DIVISION | | | | |
|---|---|--|--|--|--|
| NMOCD guidelines , a general permit , or an (attached) alternative OCD-approved plan . | Approved By: Paul Kautz | | | | |
| Printed Name: Electronically filed by Diane Kuykendall | Title: Geologist | | | | |
| Title: Production Reporting Mgr | Approved Date: 4/26/2012 Expiration Date: 4/26/2014 | | | | |
| Email Address: dkuykendall@conchoresources.com | | | | | |
| Date: 4/25/2012 Phone: 432-683-7443 | Conditions of Approval Attached | | | | |

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<u>District IV</u> 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-102 August 1, 2011

Permit 120431

WELL LOCATION AND ACREAGE DEDICATION PLAT

| 1. API Number 30-025-40548 | 2. Pool Code 44500 | 3. Pool Name MALJAMAR;YESO, WEST |
|-------------------------------|-----------------------|----------------------------------|
| 4. Property Code 37687 | 5. Property 1 TAYLOR | |
| 7. OGRID No. | 8. Operator 1 | Name 9. Elevation |
| 229137 | COG OPERAT | ING LLC 4109 |

10. Surface Location

| | UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|---|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| 1 | G | 9 | 17S | 32E | | 1650 | N | 1650 | E | LEA |

11. Bottom Hole Location If Different From Surface

| UL - Lot | Section | Township | Range | Lot | Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|-----------------|-------------|----------|-----------------|-----|------------------------|-----------|------------------------|-----------|---------------|--------|
| District Street | cated Acres | 13. 3 | Joint or Infill | | 14. Consolidation Code | | 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

| 8 | | |
|-----|--|--|
| 200 | | |
| | | |
| ě | | |

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 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.

E-Signed By: Diane Kuykendall Title: Production Reporting Mgr

Date: 4/25/2012

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.

Surveyed By: Ronald Eidson Date of Survey: 3/23/2012 Certificate Number: 3239

Permit Comments

Operator: COG OPERATING LLC , 229137 Well: TAYLOR D #028

API: 30-025-40548

| Created By | Comment | Comment Date |
|---------------|---|-----------------|
| rodom | H2S concentrations of wells in this area from surface to TD are low enough that a contingency plan is not required. | 9/16/2010 |
| pkautz | Land p/P | 4/25/2012 |
| CHERRERA | OCD RECIEVED FORM C144 CLEZ. OCD PERMIT #P1-04499 | 4/26/2012 |

Permit Conditions of Approval

Operator: COG OPERATING LLC , 229137 Well: TAYLOR D #028

API: 30-025-40548

| OCD Reviewer | Condition |
|-----------------|--|
| pkautz | 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 |