

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 149806

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 30-015-40400
4. Property Code 308045	5. Property Name CLUSTER STATE COM	6. Well No. 002H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	16	26S	27E	D	380	N	190	W	EDDY

8. Pool Information

WELCH;BONE SPRING	64010
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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 3285
14. Multiple N	15. Proposed Depth 11900	16. Formation 2nd Bone Spring Sand	17. Contractor	18. Spud Date 7/4/2012
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	26	20	57	60	50	0
Int1	12.25	9.625	36	2050	500	0
Prod	7.875	5.5	17	11900	1200	1800

Casing/Cement Program: Additional Comments

Plan to set and Readymix 20" 57# conductor pipe at 60'. Drill 12 1/4" hole to 2050' with brine water, set 9 5/8" 36# J-55 casing and cement to surface with 500 sx. Drill 7 7/8" hole to BHL with cut brine, run 5 1/2" 17# P110 casing and cement with 1200 sx.

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 NMOCD 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: 6/18/2012 Phone: 432-683-7443	OIL CONSERVATION DIVISION	
	Approved By: Randy Dade	
	Title: District Supervisor	
	Approved Date: 6/19/2012	Expiration Date: 6/19/2014
	Conditions of Approval Attached	

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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 149806

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-40400	2. Pool Code 64010	3. Pool Name WELCH,BONE SPRING
4. Property Code 308045	5. Property Name CLUSTER STATE COM	6. Well No. 002H
7. OGRID No. 229137	8. Operator Name COG OPERATING LLC	9. Elevation 3285

10. Surface Location

UL - Lot D	Section 16	Township 26S	Range 27E	Lot Idn	Feet From 380	N/S Line N	Feet From 190	E/W Line W	County EDDY
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11. Bottom Hole Location If Different From Surface

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UL - Lot A	Section 16	Township 26S	Range 27E	Lot Idn A	Feet From 380	N/S Line N	Feet From 330	E/W Line E	County EDDY
12. Dedicated Acres 160.00		13. Joint or Infill		14. Consolidation Code Communitization		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

<table border="1" style="width: 100%; border-collapse: collapse; height: 150px;"> <tr> <td style="width: 25%; height: 40px; text-align: center; vertical-align: middle;">●</td> <td style="width: 25%;"></td> <td style="width: 25%;"></td> <td style="width: 25%; text-align: center; vertical-align: middle;">■</td> </tr> <tr><td style="height: 40px;"></td><td></td><td></td><td></td></tr> <tr><td style="height: 40px;"></td><td></td><td></td><td></td></tr> <tr><td style="height: 40px;"></td><td></td><td></td><td></td></tr> </table>	●			■													<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: 6/18/2012</p> <hr/> <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: Jeffery Hudson Date of Survey: 6/11/2012 Certificate Number: 20559</p>
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Permit Comments

Operator: COG OPERATING LLC , 229137

Well: CLUSTER STATE COM #002H

API: 30-015-40400

Created By	Comment	Comment Date
CSHAPARD	Land s/S	6/18/2012

Permit Conditions of Approval

Operator: COG OPERATING LLC , 229137

Well: CLUSTER STATE COM #002H

API: 30-015-40400

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