

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 134904

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

1. Operator Name and Address COG OPERATING LLC One Concho Center Midland, TX 79701		2. OGRID Number 229137
		3. API Number 30-015-40814
4. Property Code 38873	5. Property Name FALABELLA 31 FEE	6. Well No. 001H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	31	18S	26E	4	150	S	380	W	EDDY

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
A	31	18S	26E	D	330	N	380	W	Eddy

9. Pool Information

PENASCO DRAW;SA-YESO (ASSOC)	50270
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type Private	15. Ground Level Elevation 3440
16. Multiple N	17. Proposed Depth 7382	18. Formation Yeso Formation	19. Contractor	20. Spud Date 12/31/2012
Depth to Ground water 110	Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000	

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	9.625	36	1200	700	0
Int1	8.75	7	26		0	0
Prod	7.875	5.5	17	7382	300	0

Casing/Cement Program: Additional Comments

COG proposes to drill 12-1/4" hole to 1200' w/ fresh water, run 9 5/8" 36# J-55 and cement to surface. Drill 8 3/4" hole to 2273, and kick off and drill curve to 3023' MD. Drill 7 7/8" lateral to new BHL @ 2750' TVD 7382' MD. Run a tapered string with 7" 26# L-80 from surface to 2273' & 5 1/2" 17# L-80 casing to TD with DV/ECP Combo Tool at 2273' and isolation packers in the open hole. Set isolation packers and ECP. Open DV tool and cement from 2273' to surface.

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	2000	2000	

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> , if applicable. Signature:	OIL CONSERVATION DIVISION	
	Approved By: Randy Dade	
Printed Name: Electronically filed by Diane Kuykendall	Title: District Supervisor	
Title: Production Reporting Mgr	Approved Date: 10/22/2012	Expiration Date: 10/22/2014
Email Address: dkuykendall@conchoresources.com		
Date: 10/19/2012	Phone: 432-683-7443	Conditions of Approval Attached

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Energy, Minerals and Natural Resources
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Form C-102
August 1, 2011
Permit 134904

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-40814	2. Pool Code 50270	3. Pool Name PENASCO DRAW;SA-YESO (ASSOC)
4. Property Code 38873	5. Property Name FALABELLA 31 FEE	6. Well No. 001H
7. OGRID No. 229137	8. Operator Name COG OPERATING LLC	9. Elevation 3440

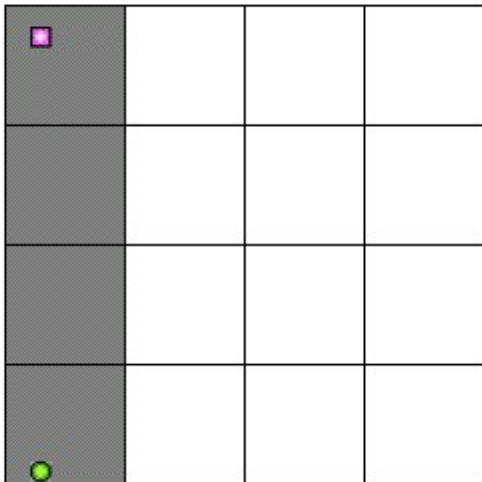
10. Surface Location

UL - Lot M	Section 31	Township 18S	Range 26E	Lot Idn	Feet From 150	N/S Line S	Feet From 380	E/W Line W	County EDDY
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11. Bottom Hole Location If Different From Surface

11. Bottom Hole Location If Different From Surface									
UL - Lot D	Section 31	Township 18S	Range 26E	Lot Idn 1	Feet From 330	N/S Line N	Feet From 380	E/W Line W	County EDDY
12. Dedicated Acres 156.00		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: 10/19/2012</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: Gary Eidson Date of Survey: 9/8/2011 Certificate Number: 12641</p>
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Permit Comments

Operator: COG OPERATING LLC , 229137

Well: FALABELLA 31 FEE #001H

API: 30-015-40814

Created By	Comment	Comment Date
kholly1	H2S concentrations of wells in this area from surface to TD are low enough that a contingency plan is not required.	7/21/2011
CSHAPARD	Land p/F	10/19/2011
Artesia	Waiting on notification of second operator	11/3/2011

Permit Conditions of Approval

Operator: COG OPERATING LLC , 229137

Well: FALABELLA 31 FEE #001H

API: 30-015-40814

OCD Reviewer	Condition
CSHAPARD	Will require administrative order for non-standard location
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