

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 165817

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
4. Property Code 39018		3. API Number 30-025-41126
5. Property Name MACHO NACHO STATE		6. Well No. 004H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
P	7	24S	33E	P	330	S	190	E	LEA

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	7	24S	33E	4	380	S	330	W	Lea

9. Pool Information

TRIPLE X;BONE SPRING, WEST	96674
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3577
16. Multiple N	17. Proposed Depth 15421	18. Formation Bone Spring	19. Contractor	20. Spud Date 4/25/2013
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

21. 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	54.5	1225	800	
Int1	12.25	9.625	40	4950	1150	
Prod	7.875	5.5	17	15421	1550	4850

Casing/Cement Program: Additional Comments

Plan to drill a 17-1/2" hole to 1225' with Fresh Water. Run 13-3/8", 54.5#, J-55 csg and cmt to surface. Drill 12-1/4" hole to 4950' with Brine, and run 9-5/8", 40#, J55/N80 and cement to surface. Drill 7-7/8" pilot hole to 12,500'. Plug back pilot hole with cement. Drill 7-7/8" curve and lateral with cut brine to approx 15,421' MD. Run 5-1/2", 17#, P-110 csg and cement to 4850'.

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	Cameron

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: Printed Name: Electronically filed by Diane Kuykendall Title: Production Reporting Mgr Email Address: dkuykendall@conchoresources.com Date: 4/19/2013	OIL CONSERVATION DIVISION Approved By: Paul Kautz Title: Geologist Approved Date: 4/23/2013 Expiration Date: 4/23/2015 Conditions of Approval Attached
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Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
August 1, 2011
Permit 165817

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-41126	2. Pool Code 96674	3. Pool Name TRIPLE X;BONE SPRING, WEST
4. Property Code 39018	5. Property Name MACHO NACHO STATE	6. Well No. 004H
7. OGRID No. 229137	8. Operator Name COG OPERATING LLC	9. Elevation 3577

10. Surface Location

UL - Lot P	Section 7	Township 24S	Range 33E	Lot Idn 4	Feet From 330	N/S Line S	Feet From 190	E/W Line E	County LEA
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11. Bottom Hole Location If Different From Surface

11. Bottom Hole Location (If Different From Surface)									
UL - Lot M	Section 7	Township 24S	Range 33E	Lot Idn 4	Feet From 380	N/S Line S	Feet From 330	E/W Line W	County LEA
12. Dedicated Acres 158.39		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

<div style="border: 1px solid black; width: 200px; height: 150px; margin: 0 auto; position: relative;"> <div style="position: absolute; top: 0; left: 0; width: 100%; height: 100%; background-color: #f0f0f0;"></div> <div style="position: absolute; top: 50px; left: 50px; width: 20px; height: 20px; background-color: #800080; border: 1px solid black;"></div> <div style="position: absolute; top: 100px; left: 150px; width: 20px; height: 20px; background-color: #008000; border: 1px solid black;"></div> </div>	<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: 4/19/2013</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: Chad Harcrow Date of Survey: 3/18/2013 Certificate Number: 17777</p>
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Permit Comments

Operator: COG OPERATING LLC , 229137

Well: MACHO NACHO STATE #004H

API: 30-025-41126

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.	4/19/2013
pkautz	Land s/S	4/19/2013
CHERRERA	OCD RECEIVED FORM C144 CLEZ. OCD PERMIT # P1-06096	4/23/2013

Permit Conditions of Approval

Operator: COG OPERATING LLC , 229137

Well: MACHO NACHO STATE #004H

API: 30-025-41126

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
pkautz	In order to seal off protectable water, surface casing must be set 25' below top of Rustler Anhydrite