

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 169838

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 308169 | | 3. API Number 30-015-41532 |
| 5. Property Name SRO STATE UNIT | | 6. Well No. 053H |

7. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| A | 16 | 26S | 28E | A | 190 | N | 560 | E | EDDY |

8. Proposed Bottom Hole Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| P | 16 | 26N | 28E | P | 330 | S | 560 | E | Eddy |

9. Pool Information

| | |
|---------------------|-------|
| WILDCAT;BONE SPRING | 96403 |
|---------------------|-------|

Additional Well Information

| | | | | |
|---------------------------|-----------------------------|--|-------------------------|------------------------------------|
| 11. Work Type New Well | 12. Well Type OIL | 13. Cable/Rotary | 14. Lease Type State | 15. Ground Level Elevation 3038 |
| 16. Multiple N | 17. Proposed Depth 12745 | 18. Formation Bone Spring | 19. Contractor | 20. Spud Date 7/19/2013 |
| 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 | 48 | 350 | 345 | |
| Int1 | 12.25 | 9.625 | 36 | 2550 | 885 | |
| Prod | 7.875 | 5.5 | 17 | 12745 | 1770 | 2250 |

Casing/Cement Program: Additional Comments

Drill 17-1/2" hole to ~350' w/ fresh water spud mud. Run 13-3/8" 48# H40 STC casing to TD and cement to surface in one stage. Will use 1" tubing and Class C w/ 2% CaCl2 to cement to surface, if necessary. Drill 12-1/4" hole to ~2550' with saturated brine water. Run 9-5/8" 36# J55 LTC casing to TD and cement to surface in one stage. Drill 7-7/8" vertical hole, curve and lateral to 12745' with cut brine. Run 5-1/2" 17# P110 LTC casing to TD and cement in one stage bringing TOC to 2250' (300' overlap).

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: | OIL CONSERVATION DIVISION Approved By: Randy Dade |
| Printed Name: Electronically filed by Diane Kuykendall | Title: District Supervisor |
| Title: Production Reporting Mgr | Approved Date: 7/11/2013 Expiration Date: 7/11/2015 |
| Email Address: dkuykendall@conchoresources.com | |
| Date: 7/11/2013 Phone: 432-683-7443 | Conditions of Approval Attached |

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-102
August 1, 2011
Permit 169838

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-------------------------------|---------------------------------------|-------------------------------------|
| 1. API Number 30-015-41532 | 2. Pool Code 96403 | 3. Pool Name WILDCAT;BONE SPRING |
| 4. Property Code 308169 | 5. Property Name SRO STATE UNIT | 6. Well No. 053H |
| 7. OGRID No. 229137 | 8. Operator Name COG OPERATING LLC | 9. Elevation 3038 |

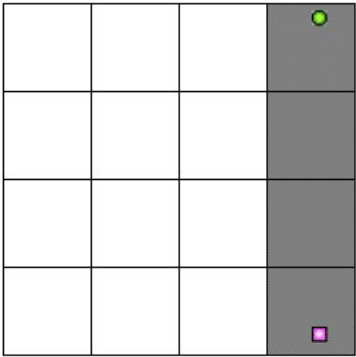
10. Surface Location

| | | | | | | | | | |
|---------------|---------------|-----------------|--------------|--------------|------------------|---------------|------------------|---------------|----------------|
| UL - Lot A | Section 16 | Township 26S | Range 28E | Lot Idn P | Feet From 190 | N/S Line N | Feet From 560 | E/W Line E | County EDDY |
|---------------|---------------|-----------------|--------------|--------------|------------------|---------------|------------------|---------------|----------------|

11. Bottom Hole Location If Different From Surface

| | | | | | | | | | |
|-------------------------------|---------------|---------------------|--------------|------------------------|------------------|---------------|------------------|---------------|----------------|
| UL - Lot P | Section 16 | Township 26S | Range 28E | Lot Idn P | Feet From 330 | N/S Line S | Feet From 560 | E/W Line E | County EDDY |
| 12. Dedicated Acres 160.00 | | 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: 7/11/2013</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: 6/24/2013 Certificate Number: 17777</p> |
|--|--|

Permit Comments

Operator: COG OPERATING LLC , 229137

Well: SRO STATE UNIT #053H

API: 30-015-41532

| 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. | 7/11/2013 |

Permit Conditions of Approval

Operator: COG OPERATING LLC , 229137

Well: SRO STATE UNIT #053H

API: 30-015-41532

| OCD Reviewer | Condition |
|-----------------|--|
| RDADE | 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 |