

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 134731

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 30-015-41665
4. Property Code 38919	5. Property Name PAINT "32" FEE	6. Well No. 002H

7. Surface Location

UL - Lot L	Section 32	Township 18S	Range 26E	Lot Idn L	Feet From 1670	N/S Line S	Feet From 190	E/W Line W	County Eddy
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8. Proposed Bottom Hole Location

UL - Lot I	Section 32	Township 18S	Range 26E	Lot Idn I	Feet From 1670	N/S Line S	Feet From 330	E/W Line E	County Eddy
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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 3400
16. Multiple N	17. Proposed Depth 7464	18. Formation Yeso Formation	19. Contractor	20. Spud Date 11/30/2013
Depth to Ground water 110		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000

We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	11	8.625	32	1200	700	0
Prod	7.875	5.5	17	7464	800	0

Casing/Cement Program: Additional Comments

COG proposes to drill an 11" hole to 1200' w/fresh water, run 8-5/8" 32# J-55 and cement to surface. Drill a 7-7/8" hole to 2400' MD and kick off and drill curve to 2920' TVD 3222' MD. Drill a 7-7/8" lateral to new BHL @ 2883' TVD 7464' MD. Run a 5 1/2" 17# L-80 casing to TD cement to surface with 800 sacks.

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	2000	2000	

<p>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.</p> <p>Signature:</p> <p>Printed Name: Electronically filed by Diane Kuykendall</p> <p>Title: Production Reporting Mgr</p> <p>Email Address: dkuykendall@conchoresources.com</p> <p>Date: 9/16/2013</p>	<p>OIL CONSERVATION DIVISION</p> <p>Approved By: Randy Dade</p> <p>Title: District Supervisor</p> <p>Approved Date: 9/17/2013</p> <p>Expiration Date: 9/17/2015</p> <p>Conditions of Approval Attached</p>
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WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-41665	2. Pool Code 50270	3. Pool Name PENASCO DRAW;SA-YESO (ASSOC)
4. Property Code 38919	5. Property Name PAINT "32" FEE	6. Well No. 002H
7. OGRID No. 229137	8. Operator Name COG OPERATING LLC	9. Elevation 3400

10. Surface Location

UL - Lot L	Section 32	Township 18S	Range 26E	Lot Idn L	Feet From 1670	N/S Line S	Feet From 190	E/W Line W	County Eddy
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11. Bottom Hole Location If Different From Surface

UL - Lot I	Section 32	Township 18S	Range 26E	Lot Idn I	Feet From 1670	N/S Line S	Feet From 330	E/W Line E	County Eddy
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12. Dedicated Acres 160.00	13. Joint or Infill	14. Consolidation Code	15. Order No.
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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>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: 9/16/2013</p>
	<p>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: Ronald Eidson Date of Survey: 7/15/2013 Certificate Number: 3239</p>

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PERMIT COMMENTS

Operator Name and Address: COG OPERATING LLC [229137] One Concho Center Midland, TX 79701	API Number: 30-015-41665
	Well: PAINT "32" FEE #002H

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.	7/18/2011
kholly1	COG Operating LLC respectfully requests permission to drill this well with a closed loop system.	9/12/2013

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PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: COG OPERATING LLC [229137] One Concho Center Midland, TX 79701	API Number: 30-015-41665
	Well: PAINT "32" FEE #002H
OCD Reviewer	Condition