

**District I**  
 1025 N. French Dr., Hobbs, NM 88240  
 Phone:(575) 393-6161 Fax:(575) 393-9720

**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) 334-6176 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 173023

**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 30-025-41401
4. Property Code 40123	5. Property Name [40123] GUNNER 5 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
A	5	26S	34E	A	660	N	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
D	5	26S	34E	D	860	N	330	W	Lea

9. Pool Information	
WILDCAT,BONE SPRING	97892

Additional Well Information				
11. Well Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type Private	15. Ground Level Elevation 3335
16. Multiple N	17. Proposed Depth 14938	18. Formation Bone Spring	19. Contractor	20. Spud Date 9/16/2013
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

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	17.5	13.375	54.5	675	500	
Int1	12.25	9.625	40	5250	1000	
Prod	7.875	5.5	17	14938	2000	4700

**Casing/Cement Program: Additional Comments**

Plan to drill a 17-1/2" hole to 675' with Fresh Water. Run 13-3/8", 54.5#, J-55 csg and cmt to surface. Drill 12-1/4" hole to 5250' with Brine, and run 9-5/8", 40#, J55/N80 csg and cement to surface. Drill vertical to approx 9400' then kick off and drill a 7-7/8" curve and lateral with cut brine to approx 14,938' MD. Run 5-1/2", 17#, P-110 csg and cement to 4700' in 1 stage. I further certify that I will comply with Rule 19.15.17 NMAC by using a Closed Loop System.

22. Proposed Blowout Prevention Program			
Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	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: 9/10/2013	<b>OIL CONSERVATION DIVISION</b>  Approved By: Paul Kautz Title: Geologist Approved Date: 9/11/2013 Expiration Date: 9/11/2015 Conditions of Approval Attached
Phone: 432-683-7443	

**BEFORE THE OIL CONSERVATION  
 COMMISSION**  
 Santa Fe, New Mexico  
 Exhibit No. 3  
 Submitted by: COG OPERATING LLC  
 Hearing Date: June 19, 2014

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 1625 N. French Dr., Hobbs, NM 88240  
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Form C-102  
 August 1, 2011  
 Permit 173023

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-41401	2. Pool Code 97892	3. Pool Name WILDCAT.BONE SPRING
4. Property Code 40123	5. Property Name [40123] GUNNER 5 FEE	5. Well No. 001H
7. OGRID No. 229137	8. Operator Name COG OPERATING LLC	9. Elevation 3335

**10. Surface Location**

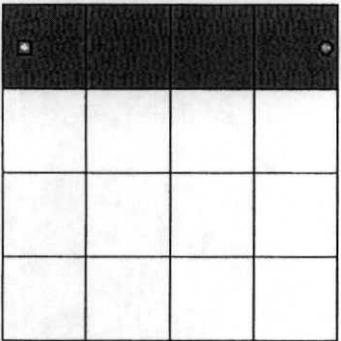
UL - Lot A	Section 5	Township 26S	Range 34E	Lot Idn	Feet From 660	N/S Line N	Feet From 190	E/W Line E	County Lea
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**11. Bottom Hole Location If Different From Surface**

UL - Lot D	Section 5	Township 26S	Range 34E	Lot Idn D	Feet From 660	N/S Line N	Feet From 330	E/W Line W	County Lea
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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**

	<b>OPERATOR CERTIFICATION</b>
	<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: 9/10/2013</p>
	<b>SURVEYOR CERTIFICATION</b>
	<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: 8/28/2013          Certificate Number: 17777</p>

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**Santa Fe, NM 87505**

Form APD Comments

Permit 173023

PERMIT COMMENTS

Operator Name and Address: COG OPERATING LLC [229137] One Concho Center Midland, TX 79701	API Number: 30-025-41401
	Well: [40123] GUNNER 5 FEE #001H

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.	9/9/2013
pkautz	Land p/P	9/10/2013
pkautz		9/10/2013

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Form APD Conditions

Permit 173023

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: COG OPERATING LLC (229137) One Concho Center Midland, TX 79701	API Number: 30-025-41401
	Well: [40123] GUNNER 5 FEE #001H

OCD Reviewer	Condition
pkautz	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines
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	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable waters.