

State of New Mexico
Energy, Minerals and Natural Resources

Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

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

1. Operator Name and Address MARBOB ENERGY CORP PO BOX 227 ARTESIA, NM 882110227		2. OGRID Number 14049
		3. API Number 30-015-38071
4. Property Code 38282	5. Property Name SRO UNIT STATE COM	6. Well No. 016H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	20	26S	28E	M	660	S	330	W	EDDY

8. Pool Information

HAY HOLLOW;BONE SPRING	30215
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Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable Rotary	12. Lease Type State	13. Ground Level Elevation 3019
14. Multiple N	15. Proposed Depth 11500	16. Formation Bone Spring	17. Contractor	18. Spud Date 9/7/2010
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> mils thick Clay <input type="checkbox"/> Pit Volume: bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel Oil-based <input type="checkbox"/> Gas Air <input type="checkbox"/>				

19. 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	300	300	0
Int1	12.25	9.625	36	2250	600	0
Prod	7.875	5.5	17	11500	950	2000

Casing/Cement Program: Additional Comments

Plan to drill 17 1/2" hole to 300' with fresh water, run 48# H-40 casing and cement to surface. Drill 12 1/4" hole to 2250' with brine, run 36# J-55 9 5/8" casing and cement to surface. Drill 7 7/8" hole with cut brine to 6000' then pick up directional tools and drill to new BHL at a TVD of 6550' and measured depth of 11500', run 5 1/2" 17# N-80 casing and cement to 2000'.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	Cameron

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION	
	Approved By: Randy Dade	
	Title: District Supervisor	
	Approved Date: 8/19/2010	Expiration Date: 8/19/2012
	Conditions of Approval Attached	
Printed Name: Electronically filed by Diana Briggs		
Title: Production Manager		
Email Address: production@marbob.com		
Date: 7/30/2010	Phone: 575-748-3303	

BEFORE THE OIL CONSERVATION COMMISSION
 Santa Fe, New Mexico
 Exhibit No. 7
 Submitted by: COG OPERATING LLC
 Hearing Date: February 28, 2011

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. 7
 Submitted by: COG Operating LLC
 Hearing Date: May 4, 2016

District I

1615 N French Dr Hobbs, NM 8840
Phone.(505) 393-6161 Fax.(505) 393-0720

District II

1301 W Grand Ave. Artesia, NM 88210
Phone (505) 748-1383 Fax.(505) 748-9720

District III

1000 Rio Brazos Rd Aztec NM 87410
Phone.(505) 334-6178 Fax.(505) 334-6170

District IV

1230 S St Francis Dr Santa Fe, NM 87505
Phone.(505) 476-3470 Fax.(505) 476-3462

State of New Mexico

Form C-107
Permit 11809

Energy, Minerals and Natural Resources

Oil Conservation Division

1220 S St Francis Dr

Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 50-015 38071	2 Pool Code 30215	3 Pool Name HAY HOLLOW BONE SPRING
4 Property Code 38282	5 Property Name SRO UNIT STATE COM	6 Well No 016H
OGRID No 14049	8. Operator Name MARBOB ENERGY CORP	9 Elevation 3019

10 Surface Location

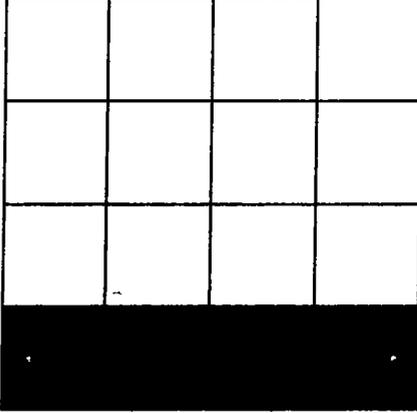
UL Lot	Section	Township	Range	Lot Idn	Feet From	N.S Line	Feet From	E.W Line	County
M	20	26S	28E		660	S	330	W	EDDY

11 Bottom Hole Location If Different From Surface

UL Lot	Section	Township	Range	Lot Idn	Feet From	N.S Line	Feet From	E.W Line	County
P	20	26S	28E	P	660	S	330	E	EDDY

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 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: Diana Briggs Title: Production Manager Date: 7/30/2010</p>
	<p 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: Ronald Edson Date of Survey: 11/18/2009 Certificate Number: 3239</p>

District I
 1625 N French Dr Hobbs NM 88240
 Phone (575) 393-6161 Fa (575) 393-0720
District II
 1301 W Grand Ave Artes a, NM 88210
 Phone (575) 748-1283 Fax (575) 748-9720

State of New Mexico
Energy, Minerals and Natural
Resources

Form C 145
 Permit 121233

Oil Conservation Division
1220 S St Francis Dr
Santa Fe, NM 87505

Change of Operator

Previous Operator Information

New Operator Information

		Effective Date	<div style="border: 1px solid black; padding: 2px;">Effective on the date of approval by the OCD</div>
OGRID	<u>14049</u>	OGRID	<u>229137</u>
Name	<u>MARBOB FNERGY CORP</u>	Name	<u>COG OPERATING LLC</u>
Address	<u>PO BOX 227</u>	Address	<u>550 W TEXAS</u>
			<u>SUITE 1300</u>
City State Zip	<u>ARTESIA NM 882110227</u>	City State Zip	<u>MIDLAND TX 79701</u>

I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information on this form and the certified list of wells is true to the best of my knowledge and belief

Additionally by signing below COG OPERATING LLC certifies that it has read and understands the following synopsis of applicable rules

Previous Operator

New Operator

Signature *Raye Miller*
 Printed Name Raye Miller

Signature *Gregory K Daggett*
 Printed Name Gregory K Daggett

Title Attorney-in-Fact

Title Attorney-in Fact

Date 10/7/10 Phone 575-748-3303

Date 10/7/10 Phone 432-686-3083

NMOCD Approval
 Electronic Signature Randy Dade, District 2
 Date October 22, 2010

Submit 3 Copies To Appropriate District Office
 District I
 1625 N French Dr Hobbs, NM 88240
 District II
 301 W Grand Ave Artesia NM 88210
 District III
 1000 Rio Brazos Rd Aztec NM 87410
 District IV
 1220 S St. Francis Dr Santa Fe NM 87505

State of New Mexico
 Energy Minerals and Natural Resources

Form C-103
 June 19 2008

OIL CONSERVATION DIVISION
 1220 South St Francis Dr
 Santa Fe NM 87505

WELL API NO 30-015 380177
5 Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6 State Oil & Gas Lease No
7 Lease Name or Unit Agreement Name SRO State Unit <u>Com</u>
8 Well Number #16H
9 OGRID Number 229137
10 Pool name or Wildcat Hay Hollow Bone Spring

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE APPLICATION FOR PERMIT (FORM C 101) FOR SUCH PROPOSALS)

1 Type of Well Oil Well Gas Well Other

2 Name of Operator
COG Operating, LLC

3 Address of Operator
2208 W Main Artesia, NM 88210

4 Well Location
 Unit Letter M 660 feet from the South line and 330 feet from the West line
 Section 20 Township 26S Range 28E NMPM County Eddy

11 Elevation (Show whether DR RKB RT GR, etc.)
GR, 3122

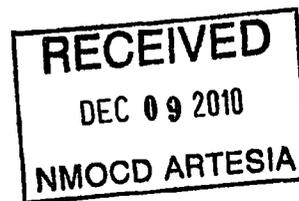
12 Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<p>NOTICE OF INTENTION TO</p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/></p> <p>TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/></p> <p>PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/></p> <p>DOWNHOLE COMMINGLE <input type="checkbox"/></p> <p>OTHER BHL Change <input checked="" type="checkbox"/></p>	<p>SUBSEQUENT REPORT OF</p> <p>REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/></p> <p>COMMENCE DRILLING OPNS <input type="checkbox"/> P AND A <input type="checkbox"/></p> <p>CASING/CEMENT JOB <input type="checkbox"/></p> <p>OTHER <input type="checkbox"/></p>
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13 Describe proposed or completed operations (Clearly state all pertinent details, and give pertinent dates including estimated date of starting any proposed work) SEE RULE 1103 For Multiple Completions Attach wellbore diagram of proposed completion or recompletion

COG Operating LLC respectfully requests approval for the following change in BHL

From 660 FSL & 330 FEL
 To 330 FNL & 380 FWL unit D



Spud Date Rig Release Date

I hereby certify that the information above is true and complete to the best of my knowledge and belief

SIGNATURE Kanda Robinson TITLE Administrative Assistant DATE 12/8/2010

Type or print name Kanda Robinson E mail address krobinson@conchoresources.com PHONE 575 748 6940

State Use Only
 APPROVED BY [Signature] TITLE Geologist DATE 12/17/2011

Conditions of Approval (if any)

Coat

State of New Mexico

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240

Energy Minerals and Natural Resources Department

DISTRICT II
1301 W GRAND AVENUE, ARTESIA, NM 88210

OIL CONSERVATION DIVISION
1220 SOUTH ST FRANCIS DR
Santa Fe New Mexico 87505

Form C-102
Revised October 18 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT III
1000 Rio Brazos Rd. Artesia NM 87410

DISTRICT IV
1820 S. ST FRANCIS DR., SANTA FE, NM 87805

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-015-38071	Pool Code 30215	Pool Name Hay Hollow, Bone Spring
Property Code 308169	Property Name SRO UNIT	Well Number 16H
OGRID No 229137	Operator Name COG OPERATING, LLC	Elevation 3019

Surface Location

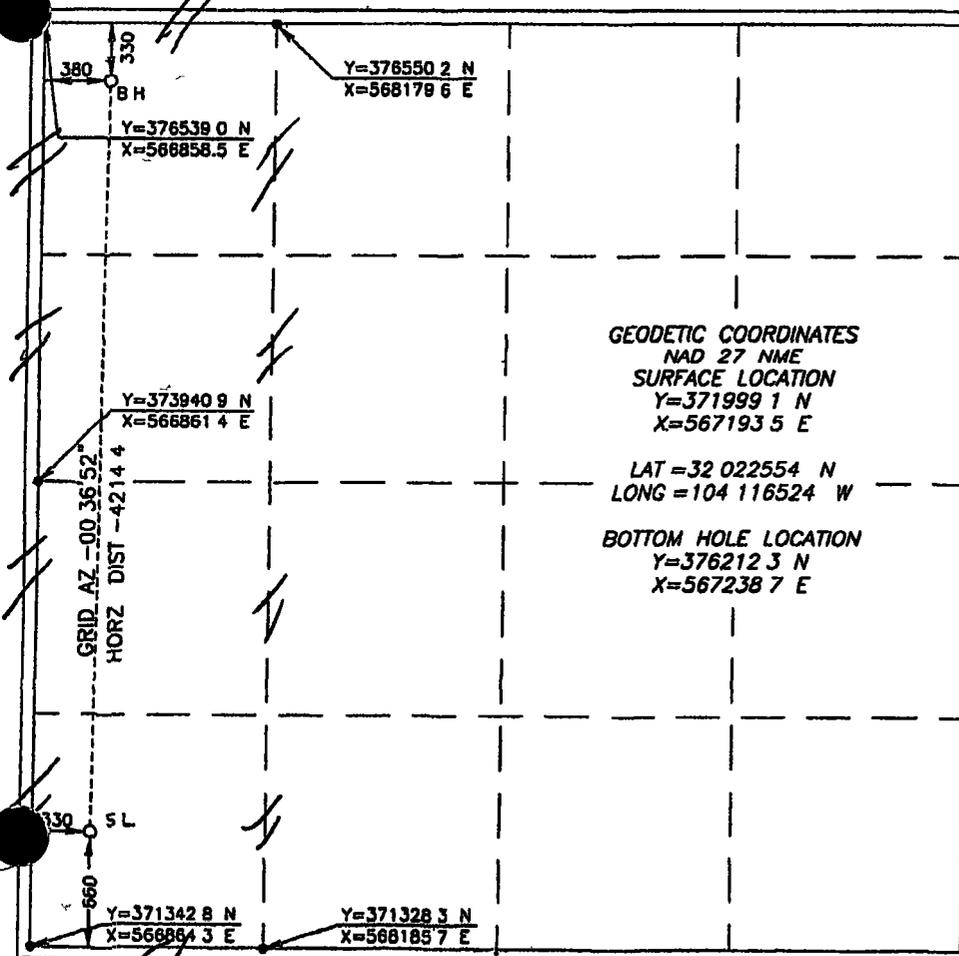
UL or lot No	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	20	26-S	28-E		660	SOUTH	330	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	20	26-S	28-E		330	NORTH	380	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	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



OPERATOR CERTIFICATION

I hereby certify that the information 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 or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division

Paul French 1/25/11
Signature Date

Paul French
Printed Name

SURVEYOR CERTIFICATION

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

NOVEMBER 18 2009

Date Surveyed Rev 1/22/11 DSS

Signature and Seal of Professional Surveyor
GARY EDISON
11130185
1/24/2011

Cert. No. 18 No. GARY EDISON 12841
Professional Surveyor RON EDISON 3839

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(505) 393-6161 Fax:(505) 393-6730

District II
1301 W. Grand Ave., Artesia, NM 88210
Phone:(505) 748-1283 Fax:(505) 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

Form C-103
Permit 128372

Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

<p align="center">SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)</p>		<p>WELL API NUMBER 30-015-38071</p>
<p>1. Type of Well: O</p>		<p>5. Indicate Type of Lease S</p>
<p>2. Name of Operator COG OPERATING LLC</p>		<p>6. State Oil & Gas Lease No.</p>
<p>3. Address of Operator 550 W TEXAS, SUITE 1300, MIDLAND, TX 79701</p>		<p>7. Lease Name or Unit Agreement Name SRO STATE UNIT</p>
<p>4. Well Location Unit Letter <u>M</u> : <u>660</u> feet from the <u>S</u> line and <u>330</u> feet from the <u>W</u> line Section <u>20</u> Township <u>26S</u> Range <u>28E</u> NMPM <u>Eddy</u> County</p>		<p>8. Well Number 016H</p>
<p>11. Elevation (Show whether DR, KB, BT, GR, etc.) 3019 GR</p>		<p>9. OGRID Number 229137</p>
<p>Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/></p> <p>Pit Type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____ Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____</p>		<p>10. Pool name or Wildcat</p>

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<p>NOTICE OF INTENTION TO:</p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/></p> <p>TEMPORARILY ABANDON <input type="checkbox"/> CHANGE OF PLANS <input type="checkbox"/></p> <p>PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/></p> <p>Other: _____</p>	<p>SUBSEQUENT REPORT OF:</p> <p>REMEDIAL WORK <input type="checkbox"/> ALTER CASING <input type="checkbox"/></p> <p>COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/></p> <p>CASING-CEMENT JOB <input type="checkbox"/></p> <p>Other: Drilling/Cement <input checked="" type="checkbox"/></p>
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13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work.) SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.
3/4/11 TD 17 1/2" hole to 305'. Set 13 3/8" 48# H-40 csg @ 305'. Cmt w/350 sx Prem+. Circ 108 sx to surface. WOC 18 hrs. Test to 500#. **3/4/2011 Spudded well.**

Casing and Cement Program

Date	String	Fluid Type	Hole Size	Csg Size	Weight lb/ft	Grade	Est TOC	Dpth Set	Sacks	Yield Class	1" Dpth	Pres Held	Pres Drop	Open Hole
03/04/11	Surf		17.5	13.375	48	H40	0	305	350			500		0

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been will be constructed or closed according to NMOCED guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Electronically Signed TITLE Production Reporting Mgr DATE 3/8/2011

Type or print name Diane Kuykendall E-mail address dkuykendall@conchoresources.com Telephone No. 432-683-7443

For State Use Only:

APPROVED BY: Randy Dade TITLE District Supervisor DATE 3/8/2011 10:48:28 AM

District I
 1625 N French Dr Hobbs, NM 88240
 Phone (575) 393-6161 Fax (575) 393-0720
District II
 First St Artesia, NM 88210
 Phone (575) 748-1283 Fax (575) 748-9720
District III
 1000 R Brazos Road Aztec, NM 87410
 Phone (505) 334-6178 Fax (505) 334-6170
District IV
 1220 S St Francis Dr Santa Fe, NM 87505
 Phone (505) 476-3460 Fax (505) 476-3462

State of New Mexico
 Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
 1220 South St. Francis Dr
 Santa Fe, NM 87505

Form C 102
 Revised August 1 2011
 Submit one copy to appropriate
 District Office

RECEIVED
 JUL 12 2012
NMOCD ARTESIA

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-38071		² Pool Code 30215		³ Pool Name Hay Hollow, Bone Spring	
⁴ Property Code 308169		⁵ Property Name SRO State Unit			⁶ Well Number 16H
⁷ OGRID No 229137		⁸ Operator Name COG Operating LLC			⁹ Elevation 3019' GR

¹⁰ Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	20	26S	28E		660	South	330	West	Eddy

¹¹ Bottom Hole Location if Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	20	26S	28E		331	North	369	West	Eddy

¹² Dedicated Acres 160	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>¹⁷ 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 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> Signature 6/28/12 Date </p> <p>Stormi Davis Printed Name</p> <p>sdavis@concho.com E-mail Address</p>
				<p>¹⁸ 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>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p>
				<p>REFER TO ORIGINAL PLAT</p> <p>Certificate Number</p>