

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 COG OPERATING LLC 550 W TEXAS MIDLAND, TX 79701 | | 2. OGRID Number 229137 |
| 4. Property Code 36623 | | 3. API Number 30-015-35726 |
| 5. Property Name DASHER 16 STATE | | 6. Well No. 001 |

7. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| P | 16 | 16S | 30E | P | 330 | S | 330 | E | EDDY |

8. Pool Information

| | |
|------------------|-------|
| HENSHAW;WOLFCAMP | 30630 |
|------------------|-------|

Additional Well Information

| | | | | |
|---|----------------------------|--|-------------------------|---|
| 9. Work Type New Well | 10. Well Type OIL | 11. Cable/Rotary | 12. Lease Type State | 13. Ground Level Elevation 3793 |
| 14. Multiple N | 15. Proposed Depth 7640 | 16. Formation Wolfcamp | 17. Contractor | 18. Spud Date 8/15/2007 |
| Depth to Ground water 100 | | Distance from nearest fresh water well > 1000 | | Distance to nearest surface water > 1000 |
| Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 miles thick Clay <input type="checkbox"/> Pit Volume: 25000 bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input checked="" 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 | 450 | 350 | 0 |
| Int1 | 12.25 | 9.625 | 40 | 3100 | 950 | 0 |
| Int2 | 8.75 | 5.5 | 17 | 7800 | 100 | 6500 |
| Prod | 7.875 | 5.5 | 17 | 7640 | 400 | 6500 |

Casing/Cement Program: Additional Comments

Use cmt plug @ 7200' to kick off directionally & drill 7-7/8" hole to apprx 12,300' MD. Plan is to land horizontal section @ 90 deg @ 7640' TVD. Hole section will be drilled w/ XCD polymer system.

Proposed Blowout Prevention Program

| Type | Working Pressure | Test Pressure | Manufacturer |
|-----------|------------------|---------------|--------------|
| Annular | 3000 | 1250 | |
| DoubleRam | 3000 | 3000 | |
| Annular | 3000 | 1500 | |

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 ☒ a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

Printed Name: Electronically filed by Diane Kuykendall

Title: Regulatory Analyst

Email Address: dkuykendall@conchoresources.com

Date: 7/20/2007

Phone: 432-685-4372

OIL CONSERVATION DIVISION

Approved By: Bryan Arrant

Title: Geologist

Approved Date: 7/27/2007

Expiration Date: 7/27/2008

Conditions of Approval Attached

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(505) 393-6161 Fax:(505) 393-0720

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
Oil Conservation Division
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Santa Fe, NM 87505

Form C-102
 Permit 57669

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-------------------------------|---------------------------------------|----------------------------------|
| 1. API Number 30-015-35726 | 2. Pool Code 30630 | 3. Pool Name HENSHAW,WOLFCAMP |
| 4. Property Code 36623 | 5. Property Name DASHER 16 STATE | 6. Well No. 001 |
| 7. OGRID No. 229137 | 8. Operator Name COG OPERATING LLC | 9. Elevation 3793 |

10. Surface Location

| | | | | | | | | | |
|---------------|---------------|-----------------|--------------|---------|------------------|---------------|------------------|---------------|----------------|
| UL - Lot P | Section 16 | Township 16S | Range 30E | Lot Idn | Feet From 330 | N/S Line S | Feet From 330 | E/W Line E | County EDDY |
|---------------|---------------|-----------------|--------------|---------|------------------|---------------|------------------|---------------|----------------|

11. Bottom Hole Location If Different From Surface

| | | | | | | | | | |
|--|---------------|---------------------|--------------|------------------------|------------------|---------------|------------------|---------------|----------------|
| 11. Bottom Hole Location if Different from Surface | | | | | | | | | |
| UL - Lot A | Section 16 | Township 16S | Range 30E | Lot Idn A | Feet From 330 | N/S Line N | Feet From 330 | 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

| | | |
|--|---|--|
| | OPERATOR CERTIFICATION | |
| | <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> | |
| | E-Signed By: Diane Kuykendall Title: Regulatory Analyst Date: 7/20/2007 | |
| | SURVEYOR CERTIFICATION | |
| <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> | | |
| Surveyed By: Gary Jones Date of Survey: 6/5/2007 Certificate Number: 7977 | | |

Permit Conditions of Approval

Operator: COG OPERATING LLC , 229137

Well: DASHER 16 STATE #001

API: 30-015-35726

| OCD Reviewer | Condition |
|-----------------|---|
| BArrant | 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 |
| BArrant | Will require a directional survey with the C-104 |
| BArrant | As noted, operator to drill surface hole with fresh water mud. |