

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 138302

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 38872	3. API Number 30-015-39783
5. Property Name CLYDESDALE 1 FEE	6. Well No. 002H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
A	1	19S	25E	1	1040	N	150	E	EDDY

8. Pool Information

PENASCO DRAW;SA-YESO (ASSOC)	50270
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Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type Private	13. Ground Level Elevation 3430
14. Multiple N	15. Proposed Depth 7431	16. Formation Yeso Formation	17. Contractor	18. Spud Date 5/31/2012
Depth to Ground water 110		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	9.625	36	1200	700	0
Int1	8.75	7	26		0	0
Prod	7.875	5.5	17	7431	300	

Casing/Cement Program: Additional Comments

COG proposes to drill a 12 1/4" hole to 1200' w/ fresh water, run 9 5/8" 36# J-55 and cement to surface. Drill a 8 1/4" hole to 2273' MD and kick off and drill curve to 3023' MD. Drill a 7 7/8" lateral to new BHL @ 2750' TVD 7431' MD. Run a tapered string with 7" 26# L-80 from surface to 2273' & 5 1/2" 17# L-80 casing to TD with DV/ECP Combo Tool at 2273' and isolation packers in the open hole. Set isolation packers and ECP. Open DV tool and cement from 2273' to surface.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	2000	2000	

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 NMOC guidelines <input checked="" type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION
Printed Name: Electronically filed by Diane Kuykendall Title: Production Reporting Mgr Email Address: dkuykendall@conchoresources.com Date: 4/2/2012	Approved By: Randy Dade Title: District Supervisor Approved Date: 4/11/2012 Expiration Date: 4/11/2014 Phone: 432-683-7443 Conditions of Approval Attached

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Form C-102
 August 1, 2011
 Permit 138302

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-39783	2. Pool Code 50270	3. Pool Name PENASCO DRAW;SA-YESO (ASSOC)
4. Property Code 38872	5. Property Name CLYDESDALE 1 FEE	6. Well No. 002H
7. OGRID No. 229137	8. Operator Name COG OPERATING LLC	9. Elevation 3430

10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
A	1	19S	25E		1040	N	150	E	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
D	1	19S	25E	4	1040	N	330	W	EDDY
12. Dedicated Acres 159.20		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

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	■																
<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: Gary Eidson Date of Survey: 2/24/2012 Certificate Number: 12641</p>																	

Permit Comments

Operator: COG OPERATING LLC , 229137

Well: CLYDESDALE 1 FEE #002H

API: 30-015-39783

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.	10/6/2011
CSHAPARD	Land p/P	12/16/2011
CSHAPARD	Reject APD at request of Operator	2/1/2012
CSHAPARD	Re-submitted APD which will be approved with hard copy due to acreage overlap requirement.	4/2/2012

Permit Conditions of Approval

Operator: COG OPERATING LLC , 229137

Well: CLYDESDALE 1 FEE #002H

API: 30-015-39783

OCD Reviewer	Condition
CSHAPARD	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