<u>District I</u> 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 <u>District III</u>

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 147716

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

1. Operator	Name and Address	2. OGRID Number	
	ERATING LLC	229137	
550 W TEXAS MIDLAND , TX 79701		3. API Number	
0.67(1707)	5.13 MOV 199	30-015-40421	
4. Property Code	5. Property Name	6. Wett No.	
36826	TEX-MACK	252H	

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
E	2	17S	31E	E	2340	N	330	W	EDDY

8. Pool Information

FREN; GLORIETA-YESO	26770
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Additional Well Information

		Additional Well Inform	ation		
9. Work Type New Well	10. Weti Type OIL	11. Cable/Rotary	12. Lesse Type State	13. Ground Level Elevation 3983	
14. Multiple N	15. Proposed Depth 9874	16. Formation 17. Contractor Yeso Formation		18. Spud Date 8/31/2012	
Depth to Ground water		Distance from nearest fresh water > 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	17.5	13.375	48	700	650	0
Int1	12.25	9.625	36	2000	750	0
Int2	8.75	7	26	0	900	0
Prod	7.875	5.5	17	9874	0	0

Casing/Cement Program: Additional Comments

COG proposes to drill a 17 ½" hole to 700' with a 8.5 ppg, 28 viscosity fresh water mud system. Set 13 3/8" casing and cement to surface. Drill a 12 ½" hole to 2000' with a 10 ppg, 30 viscosity brine water mud system. Set 9 5/8" casing and cement to surface. Drill an 8 ½" hole to 4973' MD and kick off and drill an 8 ½" curve to 5731' MD. Drill a 7 7/8" lateral to new BHL at 5378' TVD 9874' MD. Run a tapered string with 7" 26# L-80 from surface to 4973' & 5 ½" 17# L-80 casing to TD with DV/ECP Combo Tool at 4973' and isolation packers in the open hole. Set isolation packers and ECP. Open DV tool and cement from 4973' to surface.

Proposed Blowout Prevention Program

30.0	388	Troposcu Dionout I	cvention rrogram	65
	Type	Working Pressure	Test Pressure	Manufacturer
Г	DoubleRam	2000	2000	

of my knowledge and belief.	n given above is true and complete to the best g pit will be constructed according to	OIL CONSERVATION DIVISION			
NMOCD guidelines X, a gener OCD-approved plan .	al permit □, or an (attached) alternative	Approved By: Randy Dade			
Printed Name: Electronicall	y filed by Diane Kuykendall	Title: District Supervisor			
Title: Production Reporting	Mgr	Approved Date: 6/25/2012	Expiration Date: 6/25/2014		
Email Address: dkuykendal	1@conchoresources.com				
Date: 6/20/2012	Phone: 432-683-7443	Conditions of Approval Attached			

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<u>District IV</u> 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-102 August 1, 2011

Permit 147716

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-40421	2. Pool Code 26770	3. Pool Name FREN; GLORIETA-YESO
4. Property Code 36826	5. Property N TEX-MA	
7. OGRID No.	8. Operator N	iame 9. Elevation
229137	COG OPERAT	NG LLC 3983

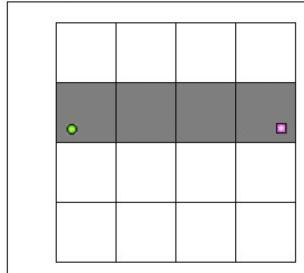
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
E	2	17S	31E		2340	N	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
Н	2	17S	31E	H	2310	N	330	E	EDDY
12. Dedicated Acres 160.00		13. J	oint 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 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.

E-Signed By: Diane Kuykendall Title: Production Reporting Mgr

Date: 6/20/2012

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.

Surveyed By: Ronald Eidson Date of Survey: 3/27/2012 Certificate Number: 3239

Permit Comments

Operator: COG OPERATING LLC , 229137 Well: TEX-MACK #252H

API: 30-015-40421

Created By	Comment	Comment Date
kholly1	H2S concentrations of well in this area from surface to TD are low enough that a contingency plan is not required.	4/24/2012
CSHAPARD	Land s/S	6/21/2012

Permit Conditions of Approval

Operator: COG OPERATING LLC , 229137 Well: TEX-MACK #252H

API: 30-015-40421

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