

**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 131814

**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 30-015-40944
4. Property Code 308622	5. Property Name HEARSE "36" STATE	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
M	36	19S	25E	M	150	S	991	W	EDDY

**8. Proposed Bottom Hole Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
A	36	19S	25E	D	330	N	988	W	Eddy

**9. Pool Information**

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

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3426
16. Multiple N	17. Proposed Depth 7659	18. Formation Yeso Formation	19. Contractor	20. Spud Date 3/31/2013
Depth to Ground water 110		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000

**21. Proposed Casing and Cement Program**

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	11	8.625	32	1100	700	0
Prod	7.875	5.5	17	7659	800	0

**Casing/Cement Program: Additional Comments**

COG proposes to drill an 11" hole to 1200' w/fresh water, run 8-5/8" 32# J-55 and cement to surface. Drill a 7-7/8" hole to 2565' MD and kick off and drill curve to 3086' TVD 3392' MD. Drill a 7-7/8" lateral to new BHL @ 3011' TVD 7659' MD. Run a 5 1/2" 17# L-80 casing to TD cement to surface with 800 sacks.

**22. Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	2000	2000	

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: 1/4/2013	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="2" style="text-align: center;">OIL CONSERVATION DIVISION</th> </tr> <tr> <td colspan="2">Approved By: Randy Dade</td> </tr> <tr> <td>Title: District Supervisor</td> <td>Approved Date: 1/9/2013</td> </tr> <tr> <td colspan="2">Expiration Date: 1/9/2015</td> </tr> <tr> <td colspan="2">Conditions of Approval Attached</td> </tr> </table>	OIL CONSERVATION DIVISION		Approved By: Randy Dade		Title: District Supervisor	Approved Date: 1/9/2013	Expiration Date: 1/9/2015		Conditions of Approval Attached	
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**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

Form C-102  
August 1, 2011  
Permit 131814

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-015-40944	2. Pool Code 50270	3. Pool Name PENASCO DRAW;SA-YESO (ASSOC)
4. Property Code 308622	5. Property Name HEARSE "36" STATE	6. Well No. 002H
7. OGRID No. 229137	8. Operator Name COG OPERATING LLC	9. Elevation 3426

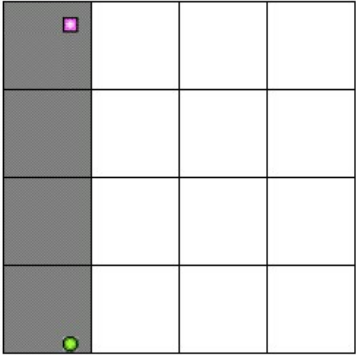
**10. Surface Location**

UL - Lot M	Section 36	Township 19S	Range 25E	Lot Idn D	Feet From 150	N/S Line S	Feet From 991	E/W Line W	County EDDY
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**11. Bottom Hole Location If Different From Surface**

UL - Lot D	Section 36	Township 19S	Range 25E	Lot Idn D	Feet From 330	N/S Line N	Feet From 988	E/W Line W	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**

	<p style="text-align: center;"><b>OPERATOR CERTIFICATION</b></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: Diane Kuykendall Title: Production Reporting Mgr Date: 1/4/2013</p> <hr/> <p style="text-align: center;"><b>SURVEYOR CERTIFICATION</b></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 Eidson Date of Survey: 11/30/2012 Certificate Number: 3239</p>
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## Permit Comments

Operator: COG OPERATING LLC , 229137

Well: HEARSE "36" STATE #002H

API: 30-015-40944

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.	5/16/2011
CSHAPARD	Land s/S	1/9/2013

## Permit Conditions of Approval

**Operator:** COG OPERATING LLC , 229137

**Well:** HEARSE "36" STATE #002H

**API:** 30-015-40944

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