

**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 169077

**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
4. Property Code 39975		3. API Number 30-025-41236
5. Property Name VETO 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
C	16	23S	34E	C	160	N	2030	W	LEA

**8. Proposed Bottom Hole Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
F	21	23S	34E	F	2310	N	1980	W	Lea

**9. Pool Information**

BELL LAKE, DELAWARE, EAST	96322
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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 3423
16. Multiple N	17. Proposed Depth 15745	18. Formation Delaware	19. Contractor	20. Spud Date
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

**21. 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	54.5	1350	870	
Int1	12.25	9.625	36	5010	1540	
Prod	7.875	5.5	17	15745	2050	4710

**Casing/Cement Program: Additional Comments**

Drill 17-1/2" hole to ~1350' w/ fresh water spud mud. Run 13-3/8" 54.5# J55 STC casing to TD and cement to surface in one stage. Will use 1" tubing and Class C w/ 2% CaCl2 to cement to surface, if necessary. Drill 12-1/4" hole to ~5010' with saturated brine water. Run 9-5/8" 36# J55 & 40# N80 BTC casing to TD and cement to surface in one stage. Drill 7-7/8" vertical hole, curve and lateral to 15745' with cut brine. Run 5-1/2" 17# P110 LTC casing to TD and cement to 4710' (300' overlap) surface in one stage.

**22. Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	T3 Energy Services

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:	<b>OIL CONSERVATION DIVISION</b> Approved By: Paul Kautz
Printed Name: Electronically filed by Diane Kuykendall	Title: Geologist
Title: Production Reporting Mgr	Approved Date: 6/25/2013   Expiration Date: 6/25/2015
Email Address: dkuykendall@conchoresources.com	
Date: 6/24/2013   Phone: 432-683-7443	Conditions of Approval Attached

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Form C-102  
August 1, 2011  
Permit 169077

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-41236	2. Pool Code 96322	3. Pool Name BELL LAKE,DELAWARE, EAST
4. Property Code 39975	5. Property Name VETO STATE	6. Well No. 002H
7. OGRID No. 229137	8. Operator Name COG OPERATING LLC	9. Elevation 3423

**10. Surface Location**

UL - Lot C	Section 16	Township 23S	Range 34E	Lot Idn F	Feet From 160	N/S Line N	Feet From 2030	E/W Line W	County LEA
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**11. Bottom Hole Location If Different From Surface**

UL - Lot F	Section 21	Township 23S	Range 34E	Lot Idn F	Feet From 2310	N/S Line N	Feet From 1980	E/W Line W	County LEA
12. Dedicated Acres 240.00		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: 6/24/2013</p>	<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: Chad Harcrow Date of Survey: 5/14/2013 Certificate Number: 17777</p>
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## Permit Comments

**Operator:** COG OPERATING LLC , 229137

**Well:** VETO STATE #002H

**API:** 30-025-41236

Created By	Comment	Comment Date
mreyes1	OIL: COG Operating has conducted a review to determine if an H2S contingency plan is required for the above referenced well. We were able to conclude that any potential hazardous volume would be minimal. H2S concentrations of wells in this area from surface to TD are low enough; therefore we do not believe that an H2S Contingency Plan would be necessary.	6/24/2013
pkautz	Land p/S	6/25/2013
CHERRERA	OCD RECIEVED FORM C144 CLEZ. OCD PERMIT # P1-06429.	6/25/2013

## Permit Conditions of Approval

Operator: COG OPERATING LLC , 229137

Well: VETO STATE #002H

API: 30-025-41236

OCD Reviewer	Condition
pkautz	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
pkautz	In order to seal off protectable water, surface casing must be set 25' below top of Rustler Anhydrite.
CHERRERA	CONDITION OF APPROVAL- 24 HOUR CALLIN FOR SPUD, CASING,CEMENT AND ALL OTHER 24 HOURS NOTICES TO BE REPORTED TO THE OFFICE PHONE 575-393-6161 EXT 102, OR 120 OR 107. LEAVE A MESSAGE IF NO ONE ANSWERS. EMERGENCY ONLY PHONE 575-370-3186