

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-8161 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 179383

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 40112 | | 3. API Number 30-015-41927 |
| 5. Property Name SRO STATE COM | | 6. Well No. 037H |

7. Surface Location

| | | | | | | | | | |
|---------------|---------------|-----------------|--------------|---------|------------------|---------------|-------------------|---------------|----------------|
| UL - Lot O | Section 33 | Township 25S | Range 28E | Lot Idn | Feet From 380 | N/S Line S | Feet From 1980 | E/W Line E | County Eddy |
|---------------|---------------|-----------------|--------------|---------|------------------|---------------|-------------------|---------------|----------------|

8. Proposed Bottom Hole Location

| | | | | | | | | | |
|---------------|---------------|-----------------|--------------|--------------|------------------|---------------|-------------------|---------------|----------------|
| UL - Lot B | Section 33 | Township 25S | Range 28E | Lot Idn B | Feet From 330 | N/S Line N | Feet From 1980 | E/W Line E | County Eddy |
|---------------|---------------|-----------------|--------------|--------------|------------------|---------------|-------------------|---------------|----------------|

9. Pool Information

| | |
|----------------------------|-------|
| DELAWARE RIVER;BONE SPRING | 16800 |
|----------------------------|-------|

Additional Well Information

| | | | | |
|---------------------------|-----------------------------|--|-------------------------|------------------------------------|
| 11. Work Type New Well | 12. Well Type OIL | 13. Cable/Rotary | 14. Lease Type State | 15. Ground Level Elevation 2969 |
| 16. Multiple N | 17. Proposed Depth 12374 | 18. Formation Bone Spring | 19. Contractor | 20. Spud Date 1/14/2014 |
| Depth to Ground water | | Distance from nearest fresh water well | | Distance to nearest surface water |

☐ We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

| Type | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 17.5 | 13.375 | 48 | 350 | 300 | |
| Int1 | 12.25 | 9.625 | 36 | 2435 | 650 | |
| Prod | 7.875 | 5.5 | 17 | 12374 | 1650 | 2235 |

Casing/Cement Program: Additional Comments

| |
|--|
| Plan to drill a 17-1/2" hole to 350' with Fresh Water. Run 13-3/8", 48#, H-40 csg and cmt to surface. Drill 12-1/4" hole to 2,435' with Brine, and run 9-5/8", 36#, J-55 and cement to surface in 1 stage. Drill 7-7/8" curve and lateral with cut brine to approx 12,374' MD. Run 5-1/2", 17#, P-110 csg and cement to 2,235' in 1 stage. |
|--|

22. Proposed Blowout Prevention Program

| Type | Working Pressure | Test Pressure | Manufacturer |
|------------|------------------|---------------|--------------|
| Double Ram | 3000 | 3000 | Cameron |

| | |
|---|--|
| 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: 1/6/2014 | OIL CONSERVATION DIVISION Approved By: Randy Dade Title: District Supervisor Approved Date: 1/6/2014 Expiration Date: 1/6/2016 Conditions of Approval Attached |
| Phone: 432-683-7443 | |

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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 179383

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-------------------------------|---------------------------------------|--|
| 1. API Number 30-015-41927 | 2. Pool Code 16800 | 3. Pool Name DELAWARE RIVER;BONE SPRING |
| 4. Property Code 40112 | 5. Property Name SRO STATE COM | 6. Well No. 037H |
| 7. OGRID No. 229137 | 8. Operator Name COG OPERATING LLC | 9. Elevation 2969 |

10. Surface Location

| | | | | | | | | | |
|---------------|---------------|-----------------|--------------|---------|------------------|---------------|-------------------|---------------|----------------|
| UL - Lot O | Section 33 | Township 25S | Range 28E | Lot Idn | Feet From 380 | N/S Line S | Feet From 1980 | E/W Line E | County Eddy |
|---------------|---------------|-----------------|--------------|---------|------------------|---------------|-------------------|---------------|----------------|

11. Bottom Hole Location If Different From Surface

| | | | | | | | | | |
|-------------------------------|---------------------|-----------------|------------------------|---------|------------------|---------------|-------------------|---------------|----------------|
| UL - Lot B | Section 33 | Township 25S | Range 28E | Lot Idn | Feet From 330 | N/S Line N | Feet From 1980 | 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

| | | | | | | | | | | | | | | | | | |
|--|--|---|---|--|--|--|--|--|--|--|--|--|--|--|---|--|---|
| <table border="1" style="width: 100%; border-collapse: collapse; height: 150px;"> <tr><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px; text-align: center;">■</td><td style="width: 25%; height: 40px;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px; text-align: center;">■</td><td style="height: 40px;"></td></tr> </table> | | | ■ | | | | | | | | | | | | ■ | | <div style="text-align: center;">OPERATOR CERTIFICATION</div> <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: 1/6/2014</p> <hr/> <div style="text-align: center;">SURVEYOR CERTIFICATION</div> <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: 5/28/2013 Certificate Number: 17777</p> |
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Form APD Comments

Permit 179383

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

PERMIT COMMENTS

| | |
|--|------------------------------|
| Operator Name and Address: COG OPERATING LLC [229137] One Concho Center Midland, TX 79701 | API Number: 30-015-41927 |
| | Well: SRO STATE COM #037H |

| 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. | 1/6/2014 |
| CSHAPARD | Land s/s | 1/6/2014 |

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Form APD Conditions
Permit 179383

PERMIT CONDITIONS OF APPROVAL

| | | |
|--|--|------------------------------|
| Operator Name and Address: COG OPERATING LLC [229137] One Concho Center Midland, TX 79701 | | API Number: 30-015-41927 |
| | | Well: SRO STATE COM #037H |

| | |
|-----------------|--|
| 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 |