

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

Form C-101

August 1, 2011

Permit 179441

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

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 308243		3. API Number 30-015-41937
5. Property Name Coinflip State		6. Well No. 002H

7. Surface Location

UL - Lot D	Section 18	Township 20S	Range 30E	Lot Idn 1	Feet From 580	N/S Line N	Feet From 570	E/W Line W	County Eddy
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8. Proposed Bottom Hole Location

UL - Lot A	Section 18	Township 20S	Range 30E	Lot Idn A	Feet From 380	N/S Line N	Feet From 330	E/W Line E	County Eddy
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9. Pool Information

PARKWAY,BONE SPRING	49622
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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 3307
16. Multiple N	17. Proposed Depth 12572	18. Formation Bone Spring	19. Contractor	20. Spud Date 1/15/2014
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	26	20	57	75	50	
Int1	17.5	13.375	54.5	1500	800	
Int2	12.25	9.625	36	3500	2500	
Prod	8.75	7	29	7800	650	
Prod	7.875	5.5	17	12572	725	7800

Casing/Cement Program: Additional Comments

Drill 26" hole to 60' with Air/Fresh Water (Conductor Rig). Run 20", 57#, conductor pipe and cement. Drill 17-1/2" hole to 1500' with Brine Water. Run 13-3/8", 54.5#, J-55 csg and cement to surface. Drill 12-1/4" hole to 3,500' with Fresh Water/Cut Brine. Run 9-5/8", 40#, J-55 csg and cement to surface. Drill 8-3/4" hole with Cut Brine to approximately 7929', kick off and drill 8-3/4" curve to approximately 8743' MD, 8450' TVD. Drill 7-7/8" lateral with Cut Brine to approximately 12,572' MD. Run tapered casing string 7", 29#, P-110 and 5-1/2", 17#, P-110 and cement to surface.

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 ☒ and/or 19.15.14.9 (B) NMAC ☒, if applicable.

Signature:

Printed Name: Electronically filed by Diane Kuykendall

Title: Production Reporting Mgr

Email Address: dkuykendall@conchoresources.com

Date: 1/7/2014

Phone: 432-683-7443

OIL CONSERVATION DIVISION

Approved By: Randy Dade

Title: District Supervisor

Approved Date: 1/7/2014

Expiration Date: 1/7/2016

Conditions of Approval Attached

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Form C-102
August 1, 2011
Permit 179441

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-41937	2. Pool Code 49622	3. Pool Name PARKWAY;BONE SPRING
4. Property Code 308243	5. Property Name Coinflip State	6. Well No. 002H
7. OGRID No. 229137	8. Operator Name COG OPERATING LLC	9. Elevation 3307

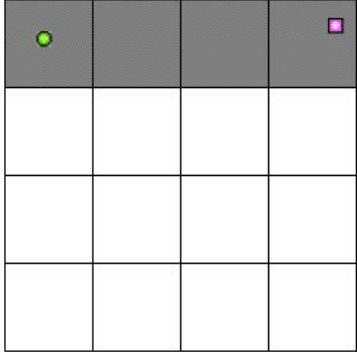
10. Surface Location

UL - Lot D	Section 18	Township 20S	Range 30E	Lot Idn 1	Feet From 580	N/S Line N	Feet From 570	E/W Line W	County Eddy
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11. Bottom Hole Location If Different From Surface

UL - Lot A	Section 18	Township 20S	Range 30E	Lot Idn	Feet From 380	N/S Line N	Feet From 330	E/W Line E	County 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

 OPERATOR CERTIFICATION <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> E-Signed By: Diane Kuykendall Title: Production Reporting Mgr Date: 1/7/2014 SURVEYOR CERTIFICATION <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> Surveyed By: Chad Harcrow Date of Survey: 11/22/2013 Certificate Number: 17777

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Form APD Comments
 Permit 179441

PERMIT COMMENTS

Operator Name and Address: COG OPERATING LLC [229137] One Concho Center Midland, TX 79701		API Number: 30-015-41937
		Well: Coinflip State #002H

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.	1/7/2014
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.	1/7/2014
CSHAPARD	Land s/S	1/7/2014

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Form APD Conditions
Permit 179441

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: COG OPERATING LLC [229137] One Concho Center Midland, TX 79701		API Number: 30-015-41937
		Well: Coinflip State #002H
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	