District I 1825 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

Eddy

| | | APPLICA | ATION FOR PERMI | T TO DRILL, R | E-ENTER, DEEP | EN, PLUGBAC | CK, OR ADD | AZONE | | |
|---------------|--------------------------------------|------------|--------------------------------------|---------------|---------------------|---------------|-----------------|-----------------------------|--------|--|
| | lame and Address OG OPERATING LL | c | | | ** | | | 2. OGRID Number 229137 | | |
| | ne Concho Center idland, TX 79701 | | | | | | | 3. API Number 30-015-423 | 325 | |
| 4. Property C | ode)333 | | 5. Property Name HEARSE 36 STATE COM | | | | | 6. Well No. 007H | | |
| | | | | 7. S | urface Location | 111111 | | 11.000 | | |
| UL - Lot | Section 36 | Township 1 | Range 9S 25E | Lot Idn | Feet From 150 | N/S Line S | Feet From 99 | E/W Line E | County | |
| | | | | 8. Propose | d Bottom Hole Locat | ion | | | | |
| III - Lot | Section | Township | Panas | Lot Ido | East From | N/S Line | Foot From | E/M/Line | County | |

9. Pool Information

330

N

990

| | or commonmation | |
|-------------------------------|--|---|
| N Seven Rivers: Glorieta Yeso | An Yarding to the street of th | 0 |

Additional Well Information

| 11. Work Type New Well | 12. Well Type OIL | 13. Cable/Rotary | 14. Lease Type Private | 15. Ground Level Elevation 3399 | | | | |
|------------------------------|----------------------------|---|---------------------------|--|--|--|--|--|
| 18. Multiple N | 17. Proposed Depth 7758 | 18. Formation Yeso Formation | 19. Contractor | 20. Spud Date 9/24/2014 | | | | |
| Depth to Ground water 110 | | Distance from nearest fresh water well > 1000 | | Distance to nearest surface water > 1000 | | | | |

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

198

25E

21. Proposed Casing and Cement Program

| Type | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sads of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|----------------|---------------|
| Surf | 11 | 8.625 | 32 | 1200 | 700 | 0 |
| Prod | 7.875 | 5.5 | 17 | 7758 | 800 | 0 |

Casing/Cement Program: Additional Comments

COG proposes to drill an 11" hole to 1100' w/fresh water, run 8-5/8" 32# J-55 and cement to surface. Drill a 7-7/8" hole to 2682' MD and kick off and drill curve to 3203' TVD 3502' MD. Drill a 7-7/8" lateral to new BHL @ 3188' TVD 7758' 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 |
|-----------------------|------|---------------|--------------|
| Double Ram | 2000 | 2000 | |

| knowledge and b | belief. have complied with 19.15.14.9 (A | s true and complete to the best of my | | OIL CONSERVATION | ON DIVISION |
|-------------------------------------|---|---------------------------------------|-------------------|----------------------------|-------------|
| Printed Name: | Electronically filed by Diane Kuy | kendall | Approved By: | Randy Dade | |
| Title: | Production Reporting Mgr | | Title: | District Supervisor | |
| Email Address: | dkuykendall@conchoresources | Approved Date: | 4/16/2014 | Expiration Date: 4/16/2016 | |
| Date: 4/16/2014 Phone: 432-683-7443 | | | Conditions of App | roval Attached | |

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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-102 August 1, 2011

Permit 184839

WELL LOCATION AND ACREAGE DEDICATION PLAT

| 1. API Number 30-015-42325 | 2. Pool Code | Pool Name N Seven Rivers; Glorieta Yeso |
|-------------------------------|---------------------|---|
| 4. Property Code | 5. Property Name | 6. Well No. |
| 40333 | HEARSE 36 STATE COM | 007H |
| 7. OGRID No. | 8. Operator Name | 9. Elevation |
| 229137 | COG OPERATING LLC | 3399 |

10. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| Р | 36 | 198 | 25E | | 150 | S | 990 | E | Eddy |

11. Bottom Hole Location If Different From Surface

| Г | UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County | |
|-----|---------------------|---------|----------|---------------------|---------------|------------------------|----------|-----------|---------------|--------|--|
| | Α | 36 | 198 | 25E | Control March | 330 | N | 990 | E | EDDY | |
| | 12. Dedicated Acres | | | 13. Joint or Infill | | 14. Consolidation Code | | | 15. Order No. | | |
| - 1 | 160.00 | | | | | | | | | | |

| | organization either own a right to drill this well a | 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: F | Production Reporting Mgr | | | | |
| | Date: 4 | 4/16/2014 | | | | |
| | | SURVEYOR CERTIFICATION well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision e and correct to the best of my belief. | | | | |
| 2002 | Surveyed By: | Robert Howett | | | | |
| 0 | Date of Survey: | 1/14/2014 | | | | |
| | Certificate Number: | 19680 | | | | |

Form APD Comments

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-8161 Fax:(575) 393-0720

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Permit 184839

PERMIT COMMENTS

| Operator Name and Address: | API Number: |
|----------------------------|---------------------------|
| COG OPERATING LLC [229137] | 30-015-42325 |
| One Concho Center | Well: |
| Midland, TX 79701 | HEARSE 36 STATE COM #007H |

| 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. | 4/16/2014 |
| CSHAPARD | Land s/S | 4/16/2014 |

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Permit 184839

Form APD Conditions

PERMIT CONDITIONS OF APPROVAL

| Operator Name and Address: COG OPERATING LLC [229137] | API Number: 30-015-42325 |
|---|-----------------------------|
| One Concho Center | Well: |
| Midland, TX 79701 | HEARSE 36 STATE COM #007H |

| OCD Reviewer | Condition |
|-----------------|--|
| | 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 |