

| <b>District I</b><br>1625 N. French Dr., Hobbs, NM 88240<br>Phone:(575) 393-8161 Fax:(575) 393-0720<br><b>District II</b><br>811 S. First St., Artesia, NM 88210<br>Phone:(575) 748-1283 Fax:(575) 748-9720<br><b>District III</b><br>1000 Rio Brazos Rd., Aztec, NM 87410<br>Phone:(505) 334-6178 Fax:(505) 334-6170<br><b>District IV</b><br>1220 S. St Francis Dr., Santa Fe, NM 87505<br>Phone:(505) 476-3470 Fax:(505) 476-3462  | <b>State of New Mexico</b><br><b>Energy, Minerals and Natural Resources</b><br><b>Oil Conservation Division</b><br><b>1220 S. St Francis Dr.</b><br><b>Santa Fe, NM 87505</b> | Form C-103<br>August 1, 2011<br>Permit 184670<br>WELL API NUMBER<br>30-025-40352<br>5. Indicate Type of Lease<br>S<br>6. State Oil & Gas Lease No.<br>7. Lease Name or Unit Agreement Name<br>PYGMY 27 STATE |   |          |                       |           |  |   |  |                                       |  |  |  |   |   |   |  |           |              |      |   |      |        |      |     |   |      |      |  |   |     |      |   |  |          |      |  |       |       |    |     |   |      |      |  |   |  |      |   |  |          |      |  |       |     |    |      |      |       |      |  |   |  |  |  |  |
|---|---|--|---|----------|-----------------------|-----------|--|---|--|---------------------------------------|--|--|--|---|---|---|--|-----------|--------------|------|---|------|--------|------|-----|---|------|------|--|---|-----|------|---|--|----------|------|--|-------|-------|----|-----|---|------|------|--|---|--|------|---|--|----------|------|--|-------|-----|----|------|------|-------|------|--|---|--|--|--|--|
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b><br>(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)   |   |  |   |          |                       |           |  |   |  |                                       |  |  |  |   |   |   |  |           |              |      |   |      |        |      |     |   |      |      |  |   |     |      |   |  |          |      |  |       |       |    |     |   |      |      |  |   |  |      |   |  |          |      |  |       |     |    |      |      |       |      |  |   |  |  |  |  |
| 1. Type of Well:<br>O   |   | 8. Well Number<br>001H   |   |          |                       |           |  |   |  |                                       |  |  |  |   |   |   |  |           |              |      |   |      |        |      |     |   |      |      |  |   |     |      |   |  |          |      |  |       |       |    |     |   |      |      |  |   |  |      |   |  |          |      |  |       |     |    |      |      |       |      |  |   |  |  |  |  |
| 2. Name of Operator<br>COG OPERATING LLC  |   | 9. OGRID Number<br>229137  |   |          |                       |           |  |   |  |                                       |  |  |  |   |   |   |  |           |              |      |   |      |        |      |     |   |      |      |  |   |     |      |   |  |          |      |  |       |       |    |     |   |      |      |  |   |  |      |   |  |          |      |  |       |     |    |      |      |       |      |  |   |  |  |  |  |
| 3. Address of Operator<br>One Concho Center, 600 W. Illinois Ave, Midland, TX 79701   |   | 10. Pool name or Wildcat   |   |          |                       |           |  |   |  |                                       |  |  |  |   |   |   |  |           |              |      |   |      |        |      |     |   |      |      |  |   |     |      |   |  |          |      |  |       |       |    |     |   |      |      |  |   |  |      |   |  |          |      |  |       |     |    |      |      |       |      |  |   |  |  |  |  |
| 4. Well Location<br>Unit Letter <u>D</u> : <u>330</u> feet from the <u>N</u> line and feet <u>190</u> from the <u>W</u> line<br>Section <u>27</u> Township <u>21S</u> Range <u>33E</u> NMPM _____ County <u>Lea</u>   |   |  |   |          |                       |           |  |   |  |                                       |  |  |  |   |   |   |  |           |              |      |   |      |        |      |     |   |      |      |  |   |     |      |   |  |          |      |  |       |       |    |     |   |      |      |  |   |  |      |   |  |          |      |  |       |     |    |      |      |       |      |  |   |  |  |  |  |
| 11. Elevation (Show whether DR, KB, BT, GR, etc.)<br>3706 GR  |   |  |   |          |                       |           |  |   |  |                                       |  |  |  |   |   |   |  |           |              |      |   |      |        |      |     |   |      |      |  |   |     |      |   |  |          |      |  |       |       |    |     |   |      |      |  |   |  |      |   |  |          |      |  |       |     |    |      |      |       |      |  |   |  |  |  |  |
| Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/><br>Pit Type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____<br>Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____   |   |  |   |          |                       |           |  |   |  |                                       |  |  |  |   |   |   |  |           |              |      |   |      |        |      |     |   |      |      |  |   |     |      |   |  |          |      |  |       |       |    |     |   |      |      |  |   |  |      |   |  |          |      |  |       |     |    |      |      |       |      |  |   |  |  |  |  |
| 12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data<br><table style="width:100%;"> <tr> <td colspan="2">NOTICE OF INTENTION TO:</td> <td colspan="2">SUBSEQUENT REPORT OF:</td> </tr> <tr> <td>PERFORM REMEDIAL WORK <input type="checkbox"/></td> <td>PLUG AND ABANDON <input type="checkbox"/></td> <td>REMEDIAL WORK <input type="checkbox"/></td> <td>ALTER CASING <input type="checkbox"/></td> </tr> <tr> <td>TEMPORARILY ABANDON <input type="checkbox"/></td> <td>CHANGE OF PLANS <input type="checkbox"/></td> <td>COMMENCE DRILLING OPNS. <input type="checkbox"/></td> <td>PLUG AND ABANDON <input type="checkbox"/></td> </tr> <tr> <td>PULL OR ALTER CASING <input type="checkbox"/></td> <td>MULTIPLE COMPL <input type="checkbox"/></td> <td>CASING/CEMENT JOB <input type="checkbox"/></td> <td></td> </tr> <tr> <td colspan="2">Other: _____</td> <td colspan="2">Other: <u>Drilling/Cement</u> <input checked="" type="checkbox"/></td> </tr> </table>   |   |  | NOTICE OF INTENTION TO:                   |          | SUBSEQUENT REPORT OF: |           | PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> | ALTER CASING <input type="checkbox"/> | TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE OF PLANS <input type="checkbox"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | PULL OR ALTER CASING <input type="checkbox"/> | MULTIPLE COMPL <input type="checkbox"/> | CASING/CEMENT JOB <input type="checkbox"/> |           | Other: _____ |      | Other: <u>Drilling/Cement</u> <input checked="" type="checkbox"/> |      |        |      |     |   |      |      |  |   |     |      |   |  |          |      |  |       |       |    |     |   |      |      |  |   |  |      |   |  |          |      |  |       |     |    |      |      |       |      |  |   |  |  |  |  |
| NOTICE OF INTENTION TO:   |   | SUBSEQUENT REPORT OF:  |   |          |                       |           |  |   |  |                                       |  |  |  |   |   |   |  |           |              |      |   |      |        |      |     |   |      |      |  |   |     |      |   |  |          |      |  |       |       |    |     |   |      |      |  |   |  |      |   |  |          |      |  |       |     |    |      |      |       |      |  |   |  |  |  |  |
| PERFORM REMEDIAL WORK <input type="checkbox"/>  | PLUG AND ABANDON <input type="checkbox"/>   | REMEDIAL WORK <input type="checkbox"/>   | ALTER CASING <input type="checkbox"/>     |          |                       |           |  |   |  |                                       |  |  |  |   |   |   |  |           |              |      |   |      |        |      |     |   |      |      |  |   |     |      |   |  |          |      |  |       |       |    |     |   |      |      |  |   |  |      |   |  |          |      |  |       |     |    |      |      |       |      |  |   |  |  |  |  |
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| Other: _____  |   | Other: <u>Drilling/Cement</u> <input checked="" type="checkbox"/>  |   |          |                       |           |  |   |  |                                       |  |  |  |   |   |   |  |           |              |      |   |      |        |      |     |   |      |      |  |   |     |      |   |  |          |      |  |       |       |    |     |   |      |      |  |   |  |      |   |  |          |      |  |       |     |    |      |      |       |      |  |   |  |  |  |  |
| 13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work.) SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.<br>3/3/14 TD 12 1/4" hole @ 5600'. Set DVT @ 3779'. Set 9 5/8" 36# J-55 & 40# L-80 csg @ 5600'. Cmt Stage 1 w/440 sx Class C. Tailed in w/200 sx. Cmt Stage 2 w/1344 sx Class C. Tailed in w/101 sx. Circ 600 sx to surface. WOC 18 hrs. Test csg to 1000# for 30 mins. 3/9/14 TD 7 7/8" pilot hole @ 12150'. Set 1st plug @ 10050' w/150 sx. WOC. Set 2nd plug @ 11150' w/380 sx. WOC & tag @ 10560'. Pump 125 sx. WOC. Tag @ 10210'. Drill down to 10660'. Set plug w/150 sx. WOC & tag @ 10289'. Dress off to 10373' (KOP). 3/26/14 TD 7 7/8" lateral @ 15285'. Set 5 1/2" P-110 csg @ 15285' 2/23/2014 Spudded well.   |   |  |   |          |                       |           |  |   |  |                                       |  |  |  |   |   |   |  |           |              |      |   |      |        |      |     |   |      |      |  |   |     |      |   |  |          |      |  |       |       |    |     |   |      |      |  |   |  |      |   |  |          |      |  |       |     |    |      |      |       |      |  |   |  |  |  |  |
| <b>Casing and Cement Program</b><br><table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th>Date</th> <th>String</th> <th>Fluid Type</th> <th>Hole Size</th> <th>Csg Size</th> <th>Weight lb/ft</th> <th>Grade</th> <th>Est TOC</th> <th>Dpth Set</th> <th>Sacks</th> <th>Yield</th> <th>Class</th> <th>1" Dpth</th> <th>Pres Held</th> <th>Pres Drop</th> <th>Open Hole</th> </tr> </thead> <tbody> <tr> <td>02/26/14</td> <td>Surf</td> <td></td> <td>17.5</td> <td>13.375</td> <td>54.5</td> <td>J55</td> <td>0</td> <td>1800</td> <td>1360</td> <td></td> <td>C</td> <td>460</td> <td>1000</td> <td>0</td> <td></td> </tr> <tr> <td>03/03/14</td> <td>Int1</td> <td></td> <td>12.25</td> <td>9.625</td> <td>36</td> <td>J55</td> <td>0</td> <td>5600</td> <td>2085</td> <td></td> <td>C</td> <td></td> <td>1000</td> <td>0</td> <td></td> </tr> <tr> <td>03/28/14</td> <td>Prod</td> <td></td> <td>7.875</td> <td>5.5</td> <td>17</td> <td>P110</td> <td>5620</td> <td>15285</td> <td>1655</td> <td></td> <td>H</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> |   |  | Date                                      | String   | Fluid Type            | Hole Size | Csg Size                                       | Weight lb/ft                              | Grade                                  | Est TOC                               | Dpth Set                                     | Sacks                                    | Yield  | Class                                     | 1" Dpth                                       | Pres Held                               | Pres Drop                                  | Open Hole | 02/26/14     | Surf |   | 17.5 | 13.375 | 54.5 | J55 | 0 | 1800 | 1360 |  | C | 460 | 1000 | 0 |  | 03/03/14 | Int1 |  | 12.25 | 9.625 | 36 | J55 | 0 | 5600 | 2085 |  | C |  | 1000 | 0 |  | 03/28/14 | Prod |  | 7.875 | 5.5 | 17 | P110 | 5620 | 15285 | 1655 |  | H |  |  |  |  |
| Date  | String  | Fluid Type   | Hole Size                                 | Csg Size | Weight lb/ft          | Grade     | Est TOC  | Dpth Set                                  | Sacks                                  | Yield                                 | Class  | 1" Dpth                                  | Pres Held  | Pres Drop                                 | Open Hole                                     |   |  |           |              |      |   |      |        |      |     |   |      |      |  |   |     |      |   |  |          |      |  |       |       |    |     |   |      |      |  |   |  |      |   |  |          |      |  |       |     |    |      |      |       |      |  |   |  |  |  |  |
| 02/26/14  | Surf  |  | 17.5                                      | 13.375   | 54.5                  | J55       | 0  | 1800                                      | 1360                                   |                                       | C  | 460                                      | 1000   | 0   |   |   |  |           |              |      |   |      |        |      |     |   |      |      |  |   |     |      |   |  |          |      |  |       |       |    |     |   |      |      |  |   |  |      |   |  |          |      |  |       |     |    |      |      |       |      |  |   |  |  |  |  |
| 03/03/14  | Int1  |  | 12.25                                     | 9.625    | 36                    | J55       | 0  | 5600                                      | 2085                                   |                                       | C  |  | 1000   | 0   |   |   |  |           |              |      |   |      |        |      |     |   |      |      |  |   |     |      |   |  |          |      |  |       |       |    |     |   |      |      |  |   |  |      |   |  |          |      |  |       |     |    |      |      |       |      |  |   |  |  |  |  |
| 03/28/14  | Prod  |  | 7.875                                     | 5.5      | 17                    | P110      | 5620   | 15285                                     | 1655                                   |                                       | H  |  |  |   |   |   |  |           |              |      |   |      |        |      |     |   |      |      |  |   |     |      |   |  |          |      |  |       |       |    |     |   |      |      |  |   |  |      |   |  |          |      |  |       |     |    |      |      |       |      |  |   |  |  |  |  |
| I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines <input type="checkbox"/> , a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> .   |   |  |   |          |                       |           |  |   |  |                                       |  |  |  |   |   |   |  |           |              |      |   |      |        |      |     |   |      |      |  |   |     |      |   |  |          |      |  |       |       |    |     |   |      |      |  |   |  |      |   |  |          |      |  |       |     |    |      |      |       |      |  |   |  |  |  |  |
| SIGNATURE <u>Electronically Signed</u> TITLE <u>Production Reporting Mgr</u> DATE <u>4/15/2014</u><br>Type or print name <u>Diane Kuykendall</u> E-mail address <u>dkuykendall@conchoresources.com</u> Telephone No. <u>432-683-7443</u>  |   |  |   |          |                       |           |  |   |  |                                       |  |  |  |   |   |   |  |           |              |      |   |      |        |      |     |   |      |      |  |   |     |      |   |  |          |      |  |       |       |    |     |   |      |      |  |   |  |      |   |  |          |      |  |       |     |    |      |      |       |      |  |   |  |  |  |  |
| <b>For State Use Only:</b><br>APPROVED BY: <u>Paul Kautz</u> TITLE <u>Geologist</u> DATE <u>4/15/2014 11:30:43 AM</u>   |   |  |   |          |                       |           |  |   |  |                                       |  |  |  |   |   |   |  |           |              |      |   |      |        |      |     |   |      |      |  |   |     |      |   |  |          |      |  |       |       |    |     |   |      |      |  |   |  |      |   |  |          |      |  |       |     |    |      |      |       |      |  |   |  |  |  |  |

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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**

Comments  
Permit 184670

**DRILLING COMMENTS**

|  |                          |
|--|--------------------------|
| Operator:<br>COG OPERATING LLC<br>One Concho Center<br>Midland, TX 79701 | OGRID:<br>229137         |
|  | Permit Number:<br>184670 |
|  | Permit Type:<br>Drilling |

**Comments**

| Created By                            | Comment | Comment Date |
|---------------------------------------|---------|--------------|
| There are no Comments for this Permit |         |              |