

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(505) 393-8161 Fax:(505) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(505) 748-1283 Fax:(505) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-8178 Fax:(505) 334-8170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3482

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 218783

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 39335		3. API Number 30-025-43141
5. Property Name QUESO STATE		6. Well No. 008H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
O	36	23S	32E	O	400	S	1390	E	Lea

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
B	36	23S	32E	B	230	N	1345	E	Lea

9. Pool Information

TRISTE DRAW;BONE SPRING	96603
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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 3644
16. Multiple N	17. Proposed Depth 13945	18. Formation Bone Spring	19. Contractor	20. Spud Date 4/5/2016
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	54.5	1225	850	
Int1	12.25	9.625	40	5040	1350	
Prod	8.75	5.5	17	13945	2150	4000

Casing/Cement Program: Additional Comments

Drill 17-1/2" hole to ~ (+/-) 1225' 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 ~ (+/-) 5040' with saturated brine water. Run 9-5/8" 40# J55 BTC casing to TD and cement to surface in one stage. Drill 8-3/4" vertical hole, curve, and lateral to ~ (+/-) 13945' with cut brine. Run 5-1/2" 17# P110 LTC casing to TD and cement to surface in one stage.

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5000	3000	Hydrill

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:	OIL CONSERVATION DIVISION
Printed Name: Electronically filed by Diane Kuykendall Title: Production Reporting Mgr Email Address: production@concho.com Date: 3/28/2016	Approved By: Paul Kautz Title: Geologist Approved Date: 3/29/2016 Conditions of Approval Attached
Phone: 432-683-7443	Expiration Date: 3/29/2018

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Form C-102
August 1, 2011
Permit 218783

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-43141	2. Pool Code 96603	3. Pool Name TRISTE DRAW;BONE SPRING
4. Property Code 39335	5. Property Name QUESO STATE	6. Well No. 008H
7. OGRID No. 229137	8. Operator Name COG OPERATING LLC	9. Elevation 3644

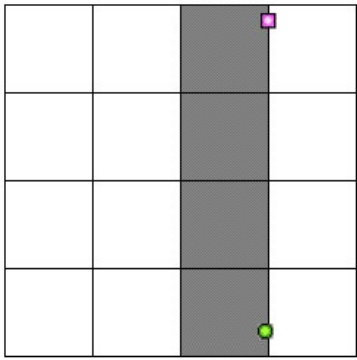
10. Surface Location

UL - Lot O	Section 36	Township 23S	Range 32E	Lot Idn O	Feet From 400	N/S Line S	Feet From 1390	E/W Line E	County Lea
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11. Bottom Hole Location If Different From Surface

UL - Lot B	Section 36	Township 23S	Range 32E	Lot Idn	Feet From 230	N/S Line N	Feet From 1345	E/W Line E	County Lea
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

	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: 3/28/2016 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: 3/24/2016 Certificate Number: 17777
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Form APD Comments

Permit 218783

PERMIT COMMENTS

Operator Name and Address: COG OPERATING LLC [229137] One Concho Center Midland, TX 79701		API Number: 30-025-43141
		Well: QUESO STATE #008H
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.	3/28/2016

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Form APD Conditions

Permit 218783

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: COG OPERATING LLC [229137] One Concho Center Midland, TX 79701	API Number: 30-025-43141
	Well: QUESO STATE #008H

OCD Reviewer	Condition
pkautz	Will require a directional survey with the C-104
pkautz	Will require a administrative order for non-standard location prior to placing the well on production.
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	If using a pit for drilling and completion operations, must have an approved pit from prior to spudding the well.
pkautz	1) SURFACE & INTERMEDIATE CASING - Cement must circulate to surface -- 2) PRODUCTION CASING - Cement must tie back into intermediate casing --
pkautz	If cement does not circulate to surface, must run temperature survey or other log to determine top of cement
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pkautz	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water
pkautz	Must notify OCD Hobbs Office if lost circulation is encountered at 575-370-3186
pkautz	Must notify OCD Hobbs Office of any water flows in the Castile Formation at 575-370-3186. Report depth and flow rate
pkautz	1) Must notify OCD Hobbs Office prior to running Stage Tool at 575-370-3186 2) If using Stage Tool on Surface casing, Stage Tool must be set greater than 350' from surface and a minimum of 200 feet above surface shoe. 3) When using a Stage Tool on Intermediate or Production Casing Stage must be a minimum of 50 feet below previous casing shoe.