

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 MARBOB ENERGY CORP PO BOX 227 ARTESIA, NM 88210227		2. OGRID Number 14049
		3. API Number 30-015-38071
4. Property Code 38282	5. Property Name SRO UNIT STATE COM	6. Well No. 016H

7. Surface Location

UL - Lot	Section	Township	Range	Lot 16n	Feet From	N S Line	Feet From	E W Line	County
M	20	26S	28E	M	660	S	330	W	EDDY

8. Pool Information

HAY HOLLOW BONE SPRING	30215
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Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable Rotary	12. Lease Type State	13. Ground Level Elevation 3019
14. Multiple N	15. Proposed Depth 11500	16. Formation Bone Spring	17. Contractor	18. Spud Date 9/7/2010
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Linear Synthetic <input type="checkbox"/> mds thick Clay <input type="checkbox"/> Pit Volume: bbls Drilling Method: Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/> Closed Loop System <input type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	300	300	0
Int	12.25	9.625	36	2250	600	0
Prod	7.875	5.5	17	11500	950	2000

Casing/Cement Program: Additional Comments

Plan to drill 17 1/2" hole to 300' with fresh water, run 48# H-40 casing and cement to surface. Drill 12 1/4" hole to 2250' with brine, run 36# J-55 9 5/8" casing and cement to surface. Drill 7 7/8" hole with cut brine to 6000' then pick up directional tools and drill to new BHL at a TVD of 6550' and measured depth of 11500', run 5 1/2" 17# N-80 casing and cement to 2000'.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	Cameron

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

I further certify that the drilling pit will be constructed according to NMOC guidelines ☐ a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

Printed Name: Electronically filed by Diana Briggs

Title: Production Manager

Email Address: production@marbob.com

Date: 7/30/2010

Phone: 575-748-3303

OIL CONSERVATION DIVISION

Approved By: Randy Dade

Title: District Supervisor

Approved Date: 8/19/2010

Expiration Date: 8/19/2012

Conditions of Approval Attached

District I

1625 N. French Dr., Hobbs, NM 88240
Phone:(505) 393-6161 Fax:(505) 393-0720

District II

1301 W. Grand Ave., Artesia, NM 88210
Phone:(505) 748-1383 Fax:(505) 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-102
Permit 118097

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-38071	2. Pool Code 30215	3. Pool Name HAY HOLLOW BONE SPRING
4. Property Code 38282	5. Property Name SRO UNIT STATE COM	6. Well No. 016H
7. OGRID No. 14049	8. Operator Name MARBOB ENERGY CORP	9. Elevation 3019

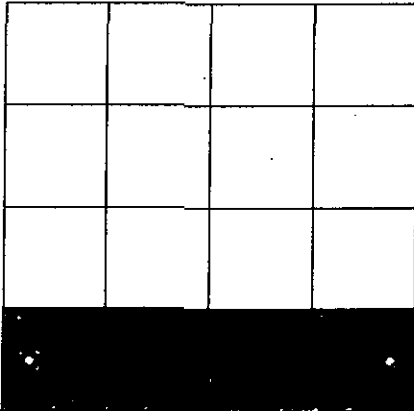
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	20	26S	28E		660	S	330	W	EDDY

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
P	20	26S	28E	P	660	S	330	E	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

	OPERATOR CERTIFICATION	
	<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: Diana Briggs Title: Production Manager Date: 7/30/2010</p>	
	SURVEYOR CERTIFICATION	
	<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: Ronald Eidson Date of Survey: 11/18/2009 Certificate Number: 3239</p>	

District I
1625 N French Dr., Hobbs, NM 88240
Phone (575) 393-6161 Fax (575) 193-0720
District II
1301 W. Grand Ave., Artesia, NM 88210
Phone (575) 748-1283 Fax (575) 748-9720

State of New Mexico
Energy, Minerals and Natural
Resources

Form C-145
Permit 121233

Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Change of Operator

Previous Operator Information

OGRID: 14049
Name: MARBOB ENERGY CORP
Address: PO BOX 227
City, State, Zip: ARTESIA, NM 882110227

New Operator Information

Effective Date: Effective on the date of approval by the OCD

OGRID: 229137
Name: COG OPERATING LLC
Address: 550 W TEXAS
SUITE 1300
City, State, Zip: MIDLAND, TX 79701

I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information on this form and the certified list of wells is true to the best of my knowledge and belief.

Additionally, by signing below, COG OPERATING LLC certifies that it has read and understands the following synopsis of applicable rules.

Previous Operator

Signature: Raye Miller
Printed Name: Raye Miller
Title: Attorney-in-Fact
Date: 10/7/10 Phone: 575-7483303

New Operator

Signature: Gregory K. Daggett
Printed Name: Gregory K. Daggett
Title: Attorney-in Fact
Date: 10/7/10 Phone: 432-686-3083

NMOCD Approval
Electronic Signature: Randy Dade, District 2
Date: October 22, 2010

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
June 19, 2008

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-015-38012, 71
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name SRO State Unit <u>Com</u>
8. Well Number #16H
9. OGRID Number 229137
10. Pool name or Wildcat Hay Hollow; Bone Spring
11. Elevation (Show whether DR, RKB, RT, GR, etc.) GR; 3122

SUNDRY NOTICES AND REPORTS ON WELLS
(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: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>
2. Name of Operator COG Operating, LLC
3. Address of Operator 2208 W. Main Artesia, NM 88210
4. Well Location Unit Letter <u>M</u> : <u>660</u> feet from the <u>South</u> line and <u>330</u> feet from the <u>West</u> line Section <u>20</u> Township <u>26S</u> Range <u>28E</u> NMPM County <u>Eddy</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) GR; 3122

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

OTHER: BHL Change

☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER:

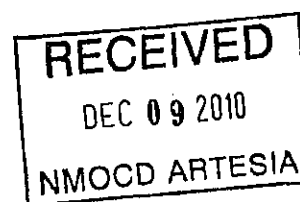
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13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

COG Operating, LLC respectfully requests approval for the following change in BHL.

From 660' FSL & 330' FEL

To 330' FNL & 380' FWL Unit D



Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Kanda Robinson TITLE Administrative Assistant DATE 12/8/2010

Type or print name Kanda Robinson E-mail address: krobinson@conchoresources.com PHONE: 575-748-6940

or State Use Only

APPROVED BY: [Signature] TITLE Geologist DATE 12/17/2011

Conditions of Approval (if any):

COG

State of New Mexico

Energy, Minerals and Natural Resources Department

DISTRICT I
1825 N. FRANCHIS DR., ROSA, NM 88240

DISTRICT II
1301 W. GRAND AVENUE, ARIZONA, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

OIL CONSERVATION DIVISION 1220 SOUTH ST. FRANCIS DR. Santa Fe, New Mexico 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-015-38071	Pool Code 30215	Pool Name Hay Hollow; Bone Spring
Property Code 308169	Property Name SRO UNIT	Well Number 16H
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3019'

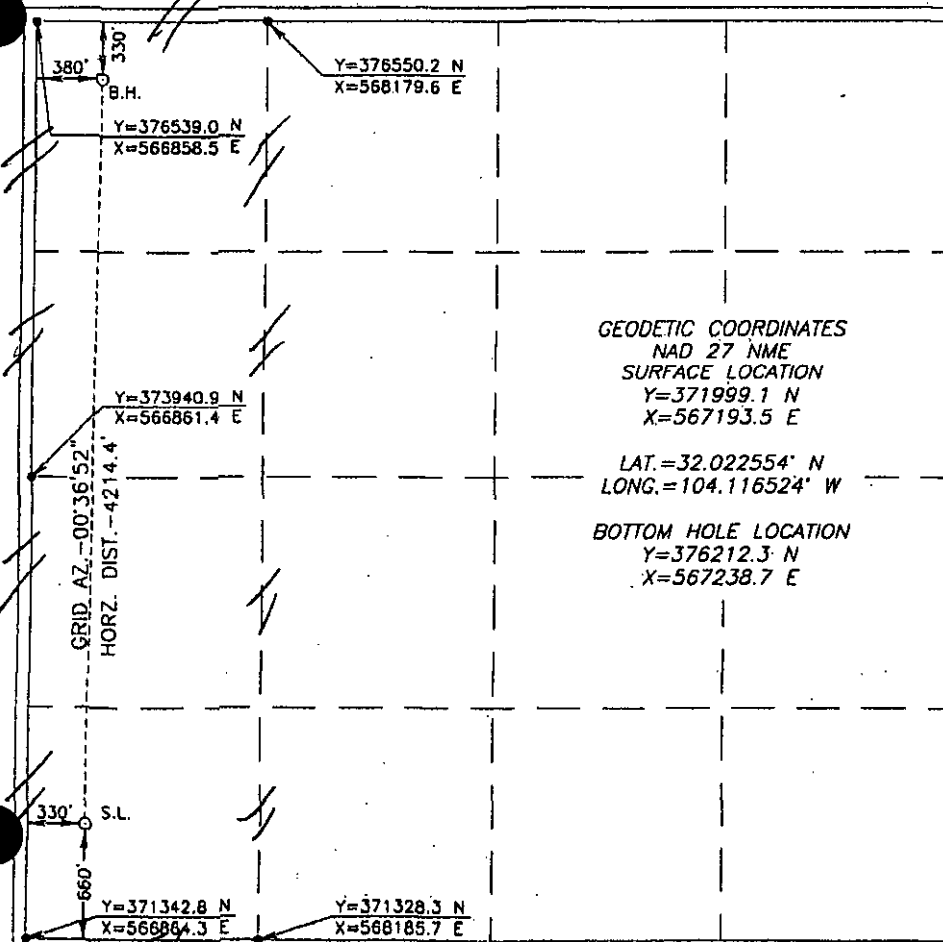
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	20	26-S	28-E		660	SOUTH	330	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	20	26-S	28-E		330	NORTH	380	WEST	EDDY
Dedicated Acres	Joint or Infill	Consolidation Code	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 hereby certify that the information 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 or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Paul French 1/25/11
Signature Date
Paul French
Printed Name

SURVEYOR CERTIFICATION

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.

NOVEMBER 18, 2009

Date Surveyed: Rev: 1/22/11 OSS

Signature of Seal of Professional Surveyor

Paul French 01/24/2011
11.13.01855

Certificate No. GARY EIDSON 12841
RON EIDSON 3239

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(505) 393-6161 Fax:(505) 393-6720

District II
1301 W. Grand Ave., Artesia, NM 88210
Phone:(505) 748-1283 Fax:(505) 748-9720

District III
1000 Rio Brazos Rd., Aztec, NM 87416
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) 476-3452

State of New Mexico
Energy, Minerals and Natural Resources

Form C-163
Permit 128372

Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

WELL API NUMBER 30-015-38071
5. Indicate Type of Lease S
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name SRO STATE UNIT
8. Well Number 016H
9. OGRID Number 229137
10. Pool name or Wildcat

SUNDRY NOTICES AND REPORTS ON WELLS
(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-161) FOR SUCH PROPOSALS.)

1. Type of Well: O

2. Name of Operator

COG OPERATING LLC

3. Address of Operator

550 W TEXAS, SUITE 1300, MIDLAND, TX 79701

4. Well Location:

Unit Letter M : 660 feet from the S line and 330 feet from the W line
Section 20 Township 26S Range 28E NMPM Eddy County

11. Elevation (Show whether DR, KB, BT, GR, etc.)
3019 GR

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit Type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____
Pit Liner Thickness: _____ mil Below-Grade Tank Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE OF PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
Other: _____

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTER CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDON ☐
CASING CEMENT JOB ☐
Other: Drilling/Cement ☒

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.
3/4/11 TD 17 1/2" hole to 305'. Set 13 3/8" 48# H-40 csg @ 305'. Cmt w/350 sx Prem+. Circ 108 sx to surface. WOC 18 hrs. Test to 500=3/4/2011 Spudded well.

Casing and Cement Program

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
03/04/11	Surf		17.5	13.375	48	H40	0	305	350			500	0	

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 ☐ a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Electronically Signed

TITLE Production Reporting Mgr

DATE 3/8/2011

Type or print name Diane Kuykendall

E-mail address dkuykendall@conchoreources.com

Telephone No. 432-693-7443

For State Use Only:

APPROVED BY: Randy Dade

TITLE District Supervisor

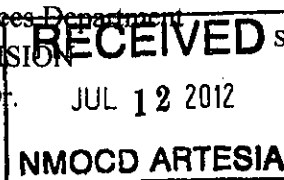
DATE 3/8/2011 10:48:28 AM

District I
1625 N French Dr., Hobbs, NM 88240
Phone (575) 393-6161 Fax (575) 393-0720

District II
1000 Rio Brazos Road, Aztec, NM 87410
Phone (505) 334-6178 Fax (505) 334-6170

District III
1220 S St Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3460 Fax (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505



Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-38071		² Pool Code 30215		³ Pool Name Hay Hollow; Bone Spring	
⁴ Property Code 308169		⁵ Property Name SRO State Unit			⁶ Well Number 16H
⁷ OGRID No. 229137		⁸ Operator Name COG Operating LLC			⁹ Elevation 3019' GR

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	20	26S	28E		660	South	330	West	Eddy

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	20	26S	28E		331	North	369	West	Eddy

¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.

				<p>¹⁷ OPERATOR CERTIFICATION</p> <p>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 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</p> <p><i>Storm Davis</i> 6/28/12 Signature Date</p> <p>Stormi Davis Printed Name</p> <p>sdavis@concho.com E-mail Address</p>
				<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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</p> <p>Date of Survey Signature and Seal of Professional Surveyor</p> <p>REFER TO ORIGINAL PLAT</p> <p>Certificate Number</p>