

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

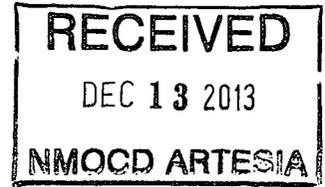
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

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

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

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

Form C-101
Revised July 18, 2013



APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address COG Operating LLC 2208 West Main Street Artesia, NM 88210		² OGRID Number 229137
		³ API Number 30-015-41863
⁴ Property Code 38519	⁵ Property Name Daisy 24 Fee Com	⁶ Well No 7H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
C	24	25S	27E	C	190	North	1800	West	Eddy

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
N	25	25S	27E	N	330	South	1800	West	Eddy

9. Pool Information

Pool Name	Pool Code
Hay Hollow: Bone Spring, North	30216

Additional Well Information

¹¹ Work Type New Well	¹² Well Type Oil	¹³ Cable/Rotary	¹⁴ Lease Type State	¹⁵ Ground Level Elevation 3058.7'
¹⁶ Multiple N	¹⁷ Proposed Depth 17666	¹⁸ Formation Bone Spring	¹⁹ Contractor	²⁰ Spud Date 12/20/2013
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
Surface	17.5	13.375	48	400	325	
Intrmd	12.25	9.625	36	2265	625	
Production	7.875	5.5	17	17666	2500	1765

Casing/Cement Program: Additional Comments

Plan to drill a 17-1/2" hole to 400' with Fresh Water. Run 13-3/8", 48#, H-40 csg and cmt to surface. Drill 12-1/4" hole to 2,265' with Brine, and run 9-5/8", 36#, J-55 and cement to surface. Drill 7-7/8" curve and lateral with cut brine to approx 17,666' MD. Run 5-1/2", 17#, P-110 csg and cement to 1,765'.

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 that I have complied with 19.15.14.9 (A) NMAC and/or 19.15.14.9 (B) NMAC , if applicable.

Signature: *Mayte Reyes*

Printed name: Mayte Reyes

Title: Regulatory Analyst

E-mail Address: mreyes1@concho.com

Date: 12/13/2013

Phone: 575-748-6945

OIL CONSERVATION DIVISION	
Approved By: <i>T. C. Shepard</i>	
Title: "Geologist"	
Approved Date: <i>12/13/2013</i>	Expiration Date: <i>12/13/2015</i>
Conditions of Approval Attached	

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240
Phone: (575) 393-6181 Fax: (575) 393-0720

DISTRICT II
1301 W. GRAND AVENUE, 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

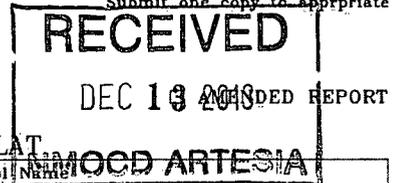
DISTRICT IV
11885 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 478-3480 Fax: (505) 478-3482

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
11885 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102

Revised August 1, 2011

Submit one copy to appropriate



WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015- 41863	Pool Code 30216	Pool Name Hay Hollow; Bone Spring, North
Property Code 38519	Property Name DAISY 24 FEE COM	Well Number 7H
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3058.7

Surface Location

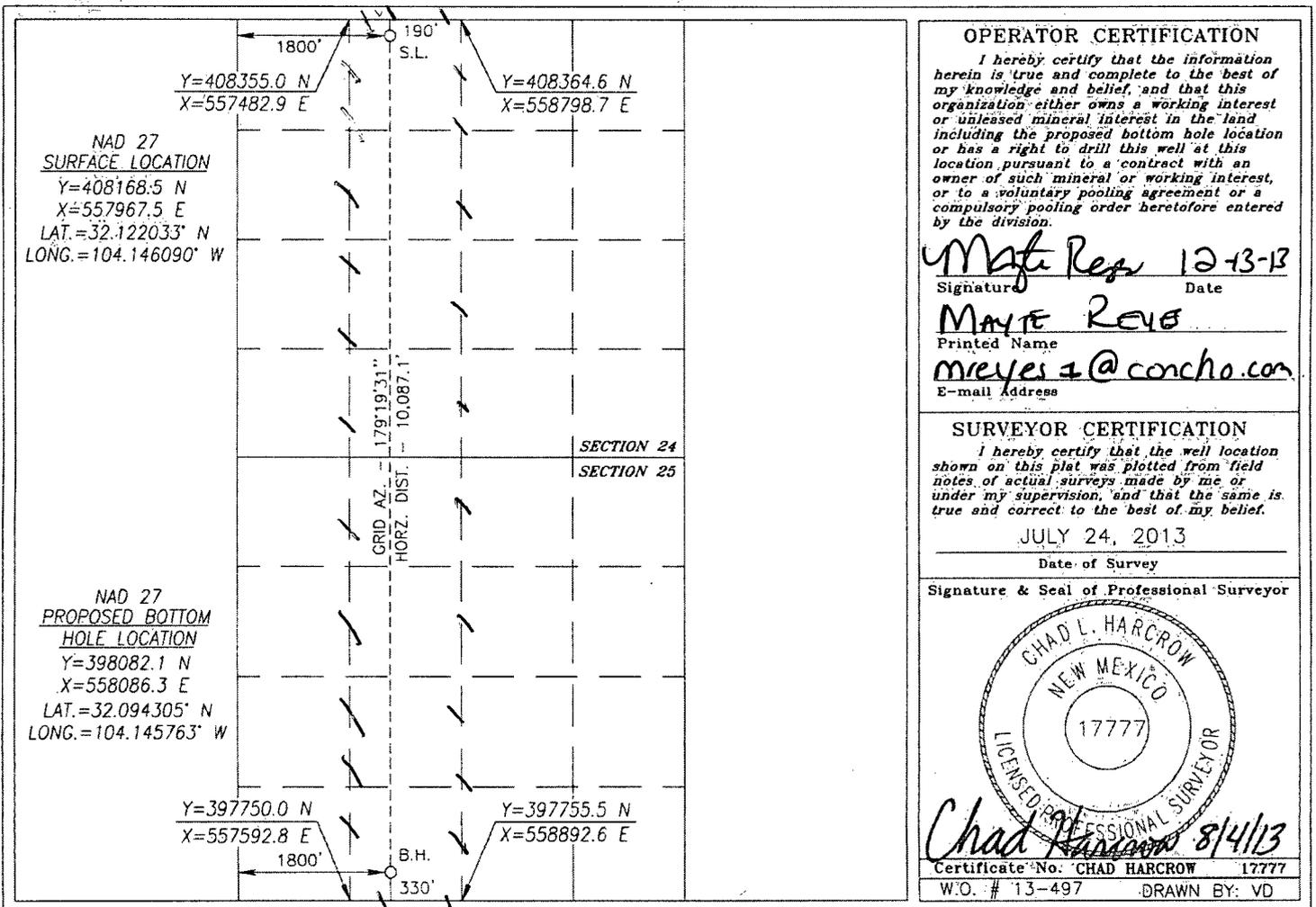
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	24	25-S	27-E		190	NORTH	1800	WEST	EDDY

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
N	25	25-S	27-E		330	SOUTH	1800	WEST	EDDY

Dedicated Acres 320	Joint or Infill	Consolidation Code	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



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.

Mate Reyes
 Signature Date 12-13-13
 MATE REYES
 Printed Name
 mreyes@concho.com
 E-mail Address

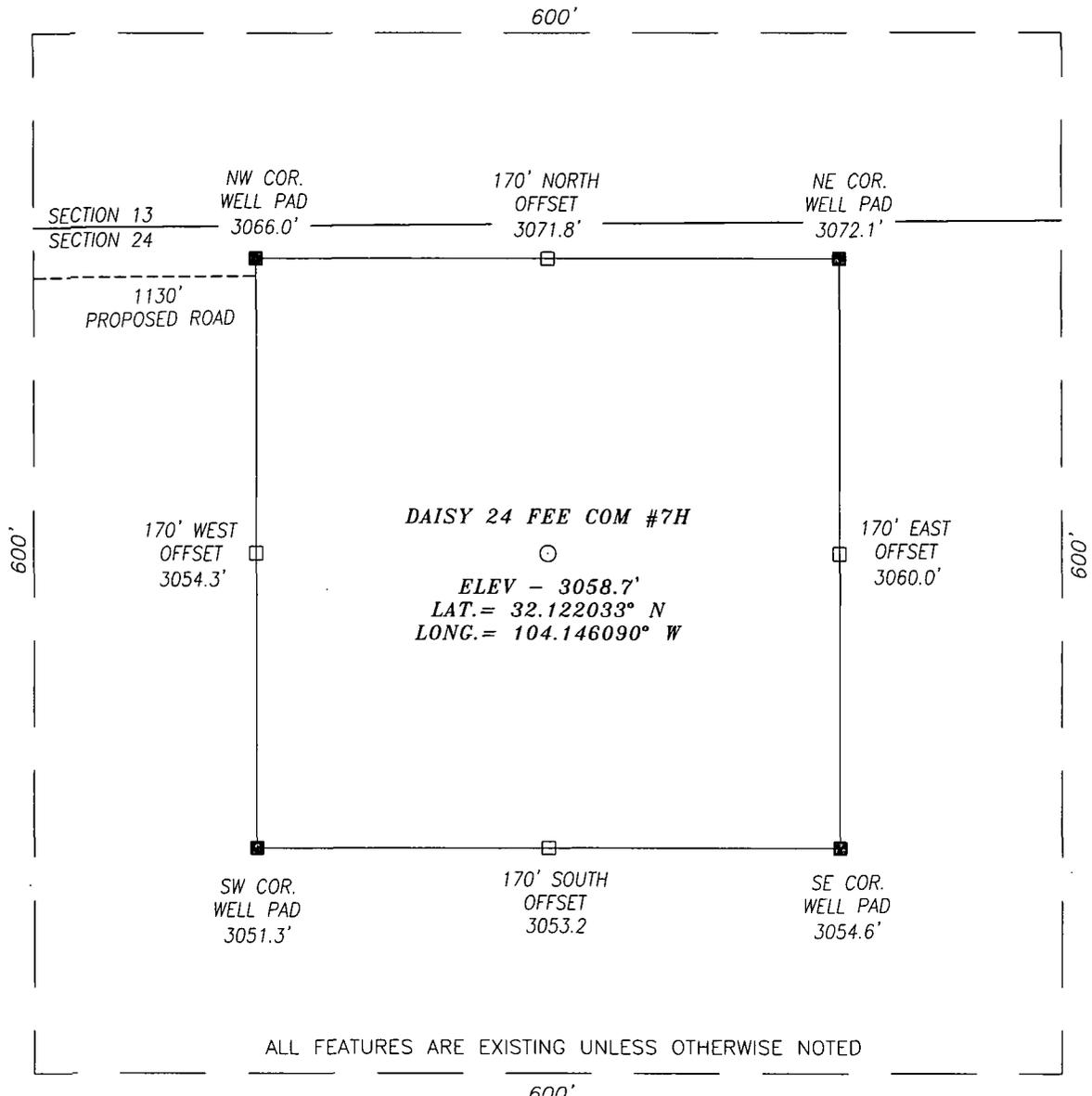
SURVEYOR CERTIFICATION
 I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

JULY 24, 2013
 Date of Survey

Signature & Seal of Professional Surveyor

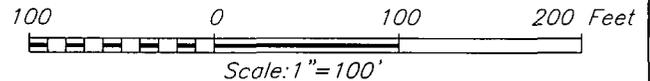
Chad Harcrow 8/4/13
 Certificate No. CHAD HARCROW 17777
 W.O. # 13-497 DRAWN BY: VD

SECTION 24, TOWNSHIP 25 SOUTH, RANGE 27 EAST, N.M.P.M.,
 EDDY COUNTY NEW MEXICO



DIRECTIONS TO LOCATION:

HEADING SOUTH ON HWY 285 TURN RIGHT (WEST) APPROX. 0.9 MILE PAST MILE MARKER 10 ONTO A CALICHE RD AND GO APPROX. 2.6 MILES; THEN TURN LEFT (SOUTHWEST) AND GO APPROX. 0.5 MILE; THEN TURN RIGHT (NORTHWEST) AND GO APPROX. 0.1 MILE; THEN TURN LEFT (SOUTHWEST) AND GO APPROX. 0.2 MILE; THEN TURN LEFT (SOUTH) AND FOLLOW MEANDERING ROAD FOR APPROX. 0.6 MILE; THEN TURN RIGHT (NORTHWEST) ONTO A TWO TRACK ROAD AND GO APPROX. 1.0 MILES; THEN TURN LEFT (SOUTHWEST) AND GO APPROX. 0.5 MILE; THEN TURN RIGHT (NORTH) AND GO APPROX. 0.3 MILE; THEN PROPOSED WELL IS APPROX. 1980 FEET NORTHEAST.



HARCROW SURVEYING, LLC
 1107 WATSON, ARTESIA, N.M. 88210
 PH: (575) 513-2570 FAX: (575) 746-2158
 chad_harcrow77@yahoo.com



COG OPERATING, LLC		
DAISY FEE COM #7H WELL LOCATED 190 FEET FROM THE NORTH LINE AND 1800 FEET FROM THE WEST LINE OF SECTION 24, TOWNSHIP 25 SOUTH, RANGE 27 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO		
SURVEY DATE: 07/24/2013	PAGE: 1 OF 1	
DRAFTING DATE: 07/28/2013		
APPROVED BY: CH	DRAWN BY: VD	FILE: 13-497

VICINITY MAP

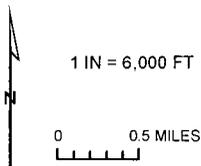


Sources: Esri, DeLorme, NAVTEQ, USGS, Intermap, iPC, NRCAN, Esri Japan, METI, Esri China (Hong Kong), Esri (Thailand), TomTom, 2012

SEC. 24, TWP. 25 S, RGE. 27 E
 SURVEY: N.M.P.M
 COUNTY: EDDY STATE: NEW MEXICO
 DESCRIPTION: DAISY 24 FEE COM #7H

ELEVATION: 3058.7'
 190' FNL & 1800' FWL
 OPERATOR: COG OPERATING LLC
 LEASE: DAISY 24 FEE COM

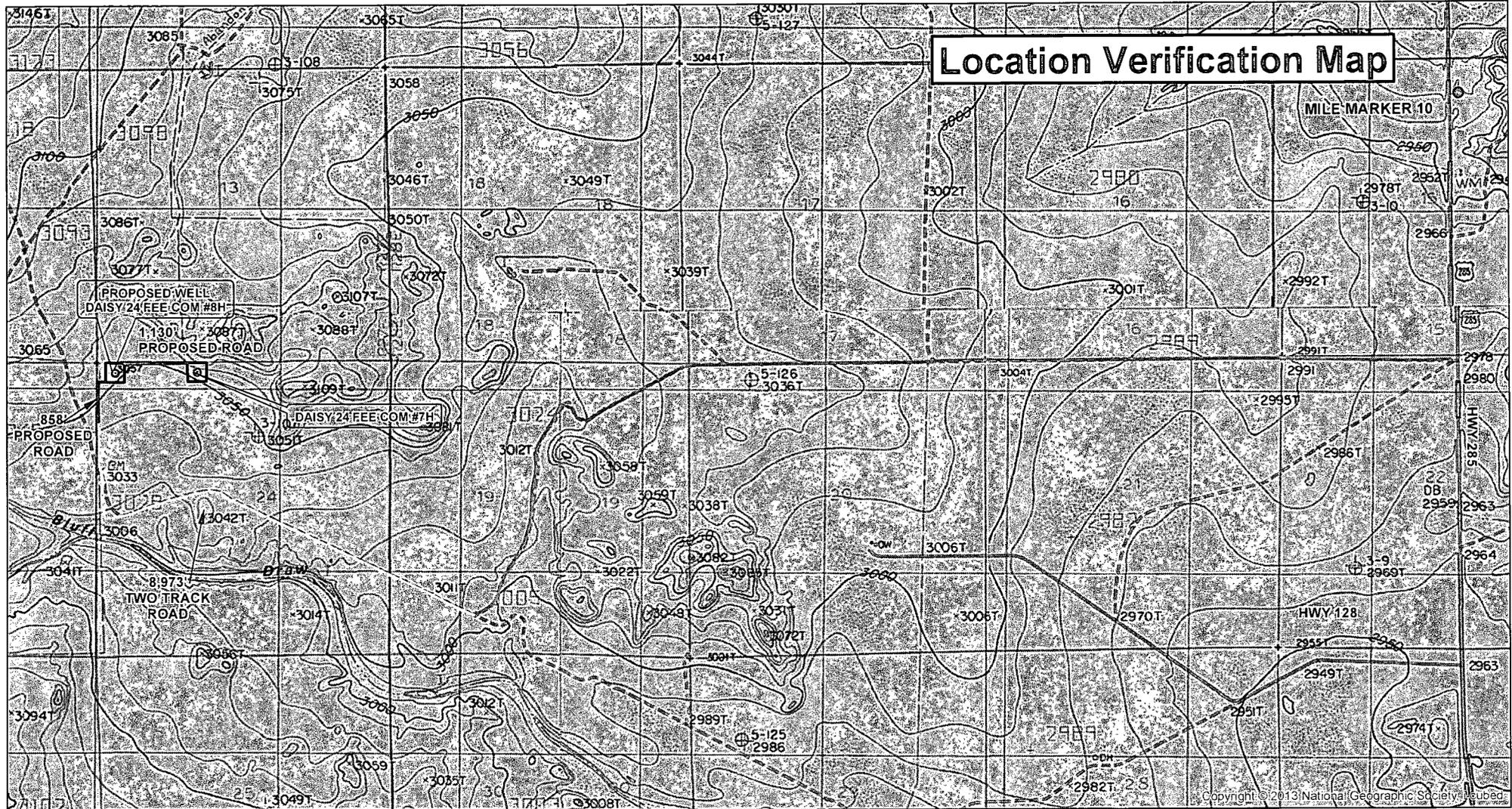
W.O. # 13-497



- WELL
- TOWNSHIP
- SECTION

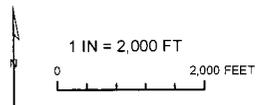
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SEC. 24, TWP. 25 S, RGE. 27 E
 SURVEY: N.M.P.M
 COUNTY: EDDY STATE: NEW MEXICO
 DESCRIPTION: DAISY 24 FEE COM #7H

190' FNL & 1800' FWL
 ELEVATION: 3058.7'
 OPERATOR: COG OPERATING LLC
 LEASE: DAISY 24 FEE COM
 W.O. # 13-497

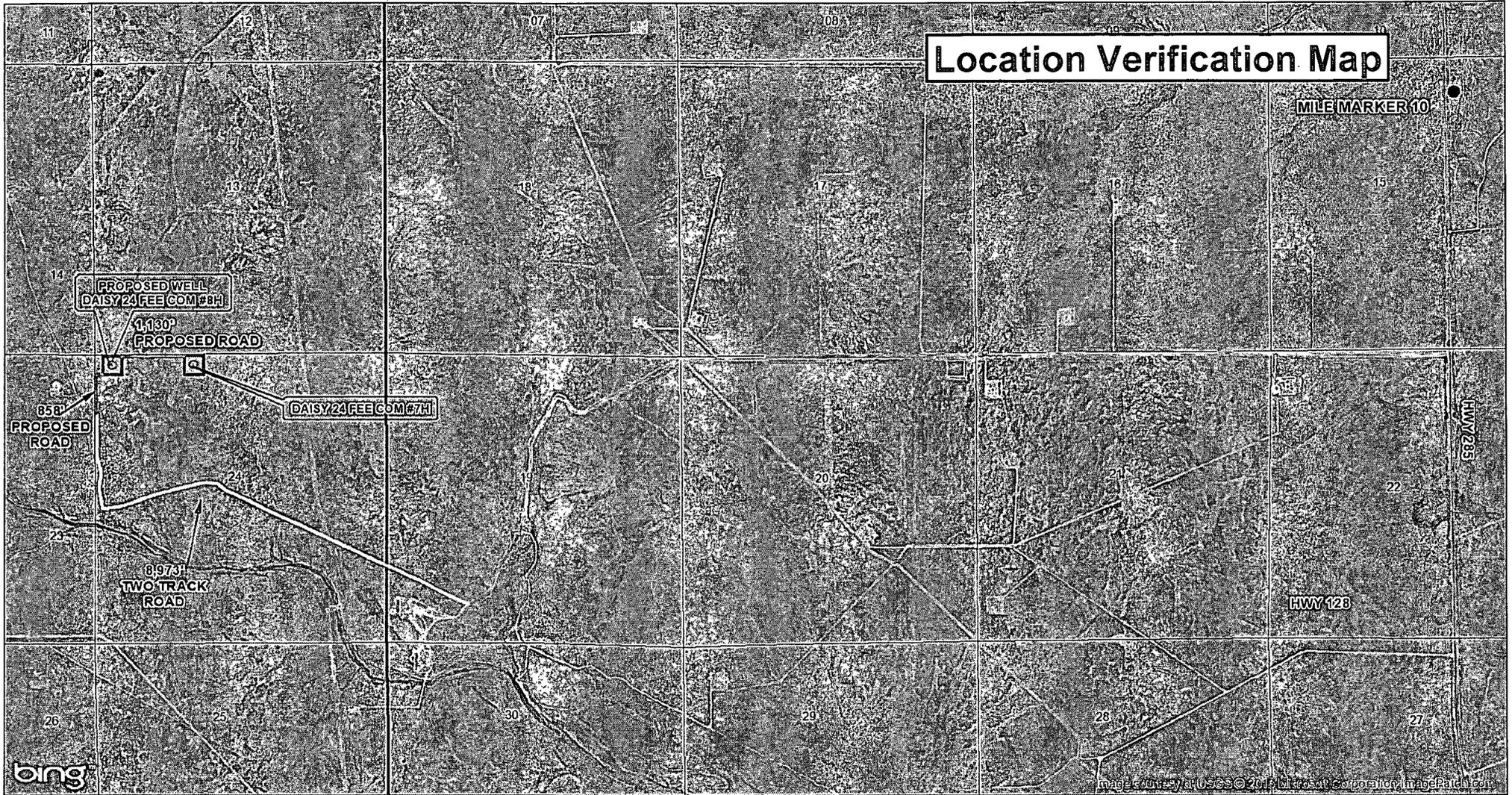


- MAIN ROAD
- PROPOSED ROAD
- - - TWO TRACK ROAD
- WELL
- WELLPAD

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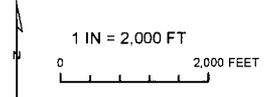
MAP DATE: 7/29/2013



Location Verification Map

SEC. 24, TWP. 25 S, RGE. 27 E
 SURVEY: N.M.P.M
 COUNTY: EDDY STATE: NEW MEXICO
 DESCRIPTION: DAISY 24 FEE COM#7H

190' FNL & 1800' FWL
 ELEVATION: 3058.7'
 OPERATOR: COG OPERATING LLC
 LEASE: DAISY 24 FEE COM
 W.O. # 13-497



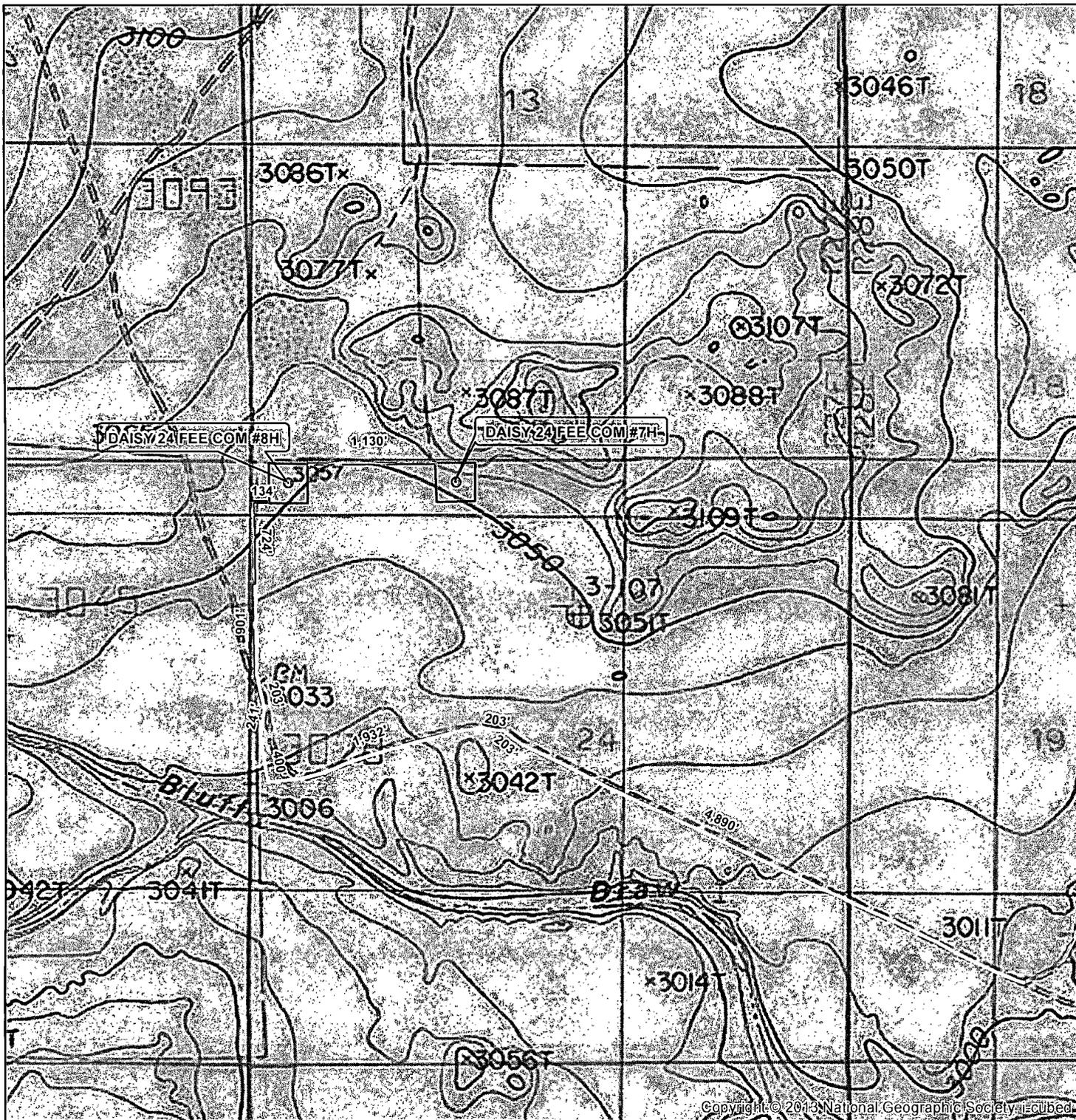
- MAIN ROAD
- PROPOSED ROAD
- TWO TRACK ROAD
- WELL
- WELLPAD

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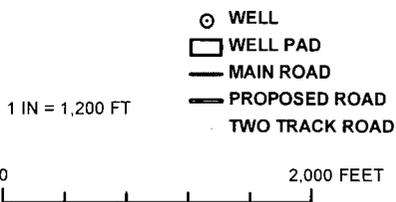
MAP DATE: 7/29/2013

ACCESS ROAD MAP



SEC. 24, TWP. 25 S, RGE. 27 E
 SURVEY: N.M.P.M
 COUNTY: EDDY STATE: NEW MEXICO
 DESCRIPTION: DAISY 24 FEE COM #7H & #8H

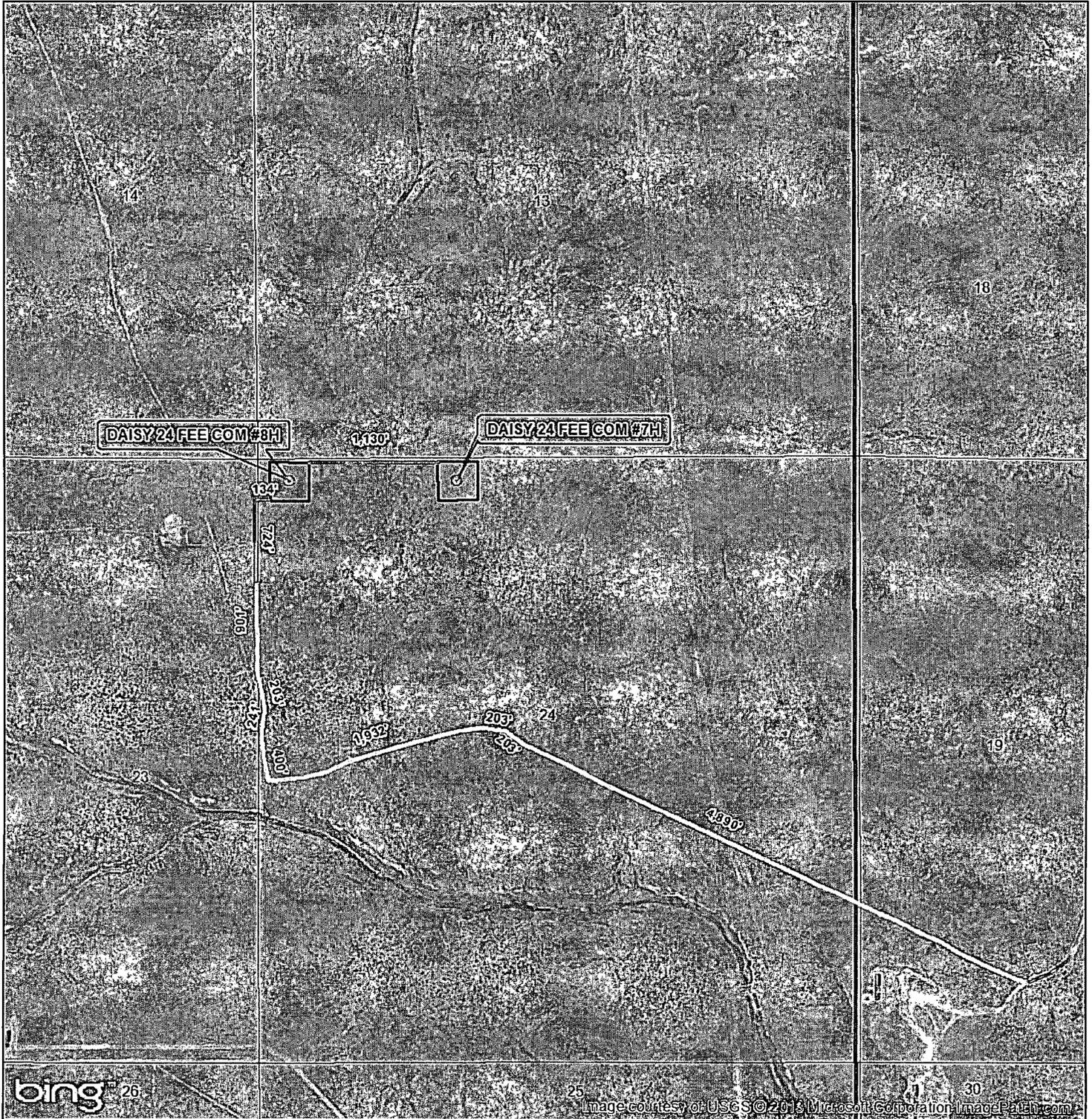
OPERATOR: COG OPERATING LLC
 LEASE: DAISY 24 FEE COM
 W.O. # 13-497



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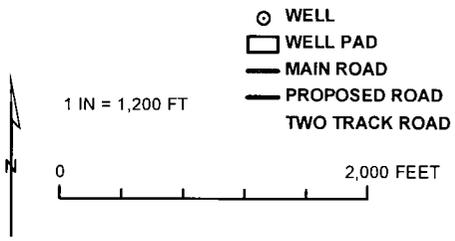


ACCESS ROAD MAP



SEC. 24, TWP. 25 S, RGE. 27 E
 SURVEY: N.M.P.M
 COUNTY: EDDY STATE: NEW MEXICO
 DESCRIPTION: DAISY 24 FEE COM #7H & #8H

OPERATOR: COG OPERATING LLC
 LEASE: DAISY 24 FEE COM
 W.O. # 13-497



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Daisy 24 Fee Com #7H

	Hole					
	Size	Casing	Wt	Depth	Cmt	TOC
Surface	17.5	13.375	48	400'	325	0
Intrmd	12.25	9.625	36	2,265'	625	0
Prod	7.875	5.5	17	17,666'	2,500	1,765'

Plan to drill a 17-1/2" hole to 400' with Fresh Water. Run 13-3/8", 48#, H-40 csg and cmt to surface. Drill 12-1/4" hole to 2,265' with Brine, and run 9-5/8", 36#, J-55 and cement to surface. Drill 7-7/8" curve and lateral with cut brine to approx 17,666' MD. Run 5-1/2", 17#, P-110 csg and cement to 1,765'.

Well Control

Type	Pressure	Test	Manufacture
Double Ram	3000	3000	Cameron

Permit Conditions of Approval

API: 30-015-41863
Daisy 24 Fee Com # 7H

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