

Submit 1 Copy To Appropriate District Office  
District I - (575) 393-6161  
1625 N. French Dr., Hobbs, NM 88240  
District II - (575) 748-1283  
811 S. First St., Artesia, NM 88210  
District III - (505) 334-6178  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV - (505) 476-3460  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
Revised August 1, 2011

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

WELL API NO. <b>30-015-43387</b>
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name <b>Clydesdale 1 Fee</b>
8. Well Number <b>8H</b>
9. OGRID Number <b>229137</b>
10. Pool name or Wildcat <b>Penasco Draw; SA-YESO (Assoc) 50270</b>

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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 <b>COG Operating LLC</b>	
3. Address of Operator <b>One Concho Center - 600 W Illinois Ave Midland, TX 79701</b>	
4. Well Location Unit Letter <b>P</b> : <b>330</b> feet from the <b>SOUTH</b> line and <b>150</b> feet from the <b>EAST</b> line Section <b>1</b> Township <b>19S</b> Range <b>25E</b> NMPM County <b>EDDY</b>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <b>3389'</b>	

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

<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: Explanation & Exemption from Emergency Order-42 <input checked="" type="checkbox"/>		OTHER: <input 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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

In accordance with our phone conversation of 5/16/2016 with Randy Bayliss, and additional conversations with Paul Kautz in Hobbs, NM, Concho Resources requests relief from requirements to set an additional string of 13 3/8" casing @ 450' on the Clydesdale 1 Fee #5H, #6H, #7H, #8H wells. We are in agreement that the 8 5/8" casing set to approximately 1250' is sufficient in providing hydraulic isolation between the two aquifers in areas where both are present. It only takes approximately 1 day to drill, case and cement the entire interval to 1250'. Additionally, the requirement of 13 3/8" casing is an extra expense and is counter-productive as it would prevent future conversion to a shallow water well.

Clydesdale 1 Fee #8H Target Spud Date: 8/6/2016

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  TITLE Permitting Tech DATE 05/17/2016

Type or print name Kelly J. Holly E-mail address: kholly@concho.com PHONE: 432-685-4384

For State Use Only

APPROVED BY:  TITLE "Geologist" DATE 5/17/16

Conditions of Approval (NMAC)