

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>30-015-43660</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>7H</b>
9. OGRID Number <b>229137</b>
10. Pool name or Wildcat <b>Penasco Draw; SA-YESO (Assoc) 50270</b>

**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 ☒ Gas Well ☐ Other

2. Name of Operator  
**COG Operating LLC**

3. Address of Operator  
**One Concho Center - 600 W Illinois Ave Midland, TX 79701**

4. Well Location

Unit Letter **P** : **990** feet from the **SOUTH** line and **150** feet from the **EAST** line  
Section **1** Township **19S** Range **25E** NMPM County **EDDY**

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
**3391'**

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 ☐

SUBSEQUENT REPORT OF:

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

OTHER: Explanation & Exemption from Emergency Order-42 ☒

OTHER: ☐

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 #7H Target Spud Date: 7/1/2016

Spud Date:

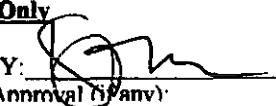
Rig Release Date:

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 (if any):