

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 **NM OIL CONSERVATION**
Oil Conservation Division **ARTESIA DISTRICT**

1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-101
Revised July 18, 2013

DEC 12 2018

RECEIVED

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 30-015-45544 | |
| ⁴ Property Code 308269 | ⁵ Property Name Way South State Corn | | ⁶ Well No 704H |

⁷ Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet from | N:S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| 4 | 31 | 26S | 28E | | 240' | South | 1365' | East | Eddy |

⁸ Proposed Bottom Hole Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet from | N:S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| A | 19 | 26S | 28E | | 200' | North | 1310' | East | Eddy |

⁹ Pool Information

| Pool Name | Pool Code |
|-----------------------|-----------|
| Purple Sage; Wolfcamp | 98220 |

Additional Well Information

| | | | | |
|-------------------------------------|--|--|-----------------------------------|---|
| ¹¹ Work Type New Well | ¹² Well Type Oil | ¹³ Cable/Rotary | ¹⁴ Lease Type State | ¹⁵ Ground Level Elevation 3099.1' |
| ¹⁶ Multiple N | ¹⁷ Proposed Depth 21797' | ¹⁸ Formation Wolfcamp | ¹⁹ Contractor | ²⁰ Spud Date 12/30/2018 |
| 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 | 54.5 | 500' | 400 | |
| Intemd | 12.25 | 9.625 | 40 | 8900' | 2400 | |
| Production | 8.5 | 5.5 | 20 | 21797' | 3450 | 8500' |

Casing/Cement Program: Additional Comments

Drill 17-1/2" hole to 500' into the Rustler. Run 13-3/8" 54.5# J55 STC casing to TD and cement to surface in one stage. Will set in Rustler and cover water depth. Drill 12-1/4" hole to ~8,900' with Brine. Run 9-5/8" 40# L-80 casing to TD and cement to surface in one stage. Drill 8-3/4" vertical hole, curve & lateral to 21,797' with Oil base mud. Run 5-1/2" 20# P110 BTC casing to TD and cement to 8,500' in one stage.

²² Proposed Blowout Prevention Program

| Type | Working Pressure | Test Pressure | Manufacturer |
|---------|------------------|---------------|--------------|
| Annular | 5000 | 5000 | 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: 12/12/2018 Phone: 575-748-6945

OIL CONSERVATION DIVISION

Approved By: *Raymond W. Rodary*
Title: *Geologist*

Approved Date: *12-14-18* Expiration Date: *12-14-20*

Conditions of Approval Attached