

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

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

Form C-103
May 27, 2004

WELL API NO. 30-015-29607
Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
State Oil & Gas Lease No.

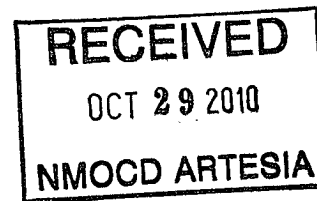
<p align="center">SUNDRY NOTICES AND REPORTS ON WELLS</p> <p>(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)</p>		<p>7. Lease Name or Unit Agreement Name</p> <p>Yucca State</p>
<p>1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/></p>		<p>8. Well Number</p> <p>003</p>
<p>2. Name of Operator</p> <p>COG Operating LLC</p>		<p>9. OGRID Number</p> <p>229137</p>
<p>3. Address of Operator</p> <p>550 W. Texas Ave., Suite 1300 Midland, TX 79701</p>		<p>10. Pool name or Wildcat</p> <p>Fren; Glorieta-Yeso 26770</p>
<p>Well Location</p> <p>Unit Letter <u>L</u> : <u>1850</u> feet from the <u>South</u> line and <u>990</u> feet from the <u>West</u> line</p> <p>Section <u>16</u> Township <u>17S</u> Range <u>31E</u> NMPM County <u>Eddy</u></p>		
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.)</p> <p>3756 GR</p>		
<p>Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/></p> <p>Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____</p> <p>Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____</p>		

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

<p align="center">NOTICE OF INTENTION TO:</p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/></p> <p>TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/></p> <p>PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/></p> <p>DOWNHOLE COMMINGLE <input type="checkbox"/></p>		<p align="center">SUBSEQUENT REPORT OF:</p> <p>REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/></p> <p>COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/></p> <p>CASING/CEMENT JOB <input type="checkbox"/></p>	
<p>OTHER: _____ Deepen <input checked="" type="checkbox"/></p>		<p>OTHER: <input type="checkbox"/></p>	

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.

See Attached procedure



SIGNATURE Natalie Krueger TITLE Regulatory Analyst DATE 10/28/2010

Type or print name Natalie Krueger E-mail address: nkrueger@conchoresources.com PHONE: 432-221-0300

For State Use Only

APPROVED BY: [Signature] TITLE _____ DATE 11/11/2010

Conditions of Approval (if any): _____

[Handwritten mark]

COG Operating, LLC
Yucca State No. 3
API# 30-015-29607
K-16-17S-31E
1850 FSL & 990 FWL
Eddy Co, NM

Deepening Procedure

1. MIRU rig.
2. Sqz upper Yeso w/ +/- 400 sx of Class C neat. Drill out squeeze.
3. PU 4-3/4" bit and drill 4-3/4" hole from 5518' to 6700'.
4. POOH w/ bit and drillstring.
5. RIH w/ logs and log from TD to 4800'.
6. RIH w/ 4", 11.3# casing. See section 11 for general centralizer program.
7. Cement casing from TD to 5309' w/ 120 sxs Class C cmt. Drop plug and open DV tool. Circ cmt off DV tool. Drop plug to close DV tool.
8. PU workstring and RIH and drill out DV tool. POOH and LD workstring.
9. RDMO rig.

Completion Procedure

1. MIRU rig.
2. RIH/ w/ perforating guns and perforate Yeso from 6200 – 6400 w/ 2 spf, 30 holes.
3. Acidize w/ 2500 gals of 15% HCl. Frac zone w/ 179,800 # of sand. Set plug at 6150'.
4. RIH w/ perforating guns and perforate Yeso from 5900' – 6100'.
5. Acidize w/ 2500 gals of 15% HCl. Frac zone w/ 179,800 # of sand. Set plug at 5850'.
6. RIH w/ perforating guns and perforate Yeso from 5600' – 5800'.
7. Acidize w/ 2500 gals of 15% HCl. Frac zone w/ 179,800 # of sand.
8. RIH and drill out plug at 5850' and 6150'.
9. RIH and cut or back off 4" casing at 5309'. POOH w/ 4" casing. Leave 4" liner from 5309' to 6700' (TD).
10. RIH w/ tbg and locate end of tbg at 5250'.
11. RIH w/ rods and pump.
12. RDMO rig.