

District II
 1301 W. Grand Ave., Artesia, NM 88210
 Phone: (505) 748-1283 Fax: (505) 748-9720

Form C-101
 Permit 117103

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

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

1. Operator Name and Address COG OPERATING LLC 550 W TEXAS MIDLAND, TX 79701		2. OGRID Number 229137
		3. API Number 30-015-37948
4. Property Code 302644	5. Property Name USP FEE	6. Well No 003

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
	9	23S	29E	M	100	S	200	W	EDDY

8. Pool Information

LAGUNA SALADO; BONE SPRING	96721
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Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 2957
14. Multiple N	15. Proposed Depth 14788	16. Formation Bone Spring	17. Contractor	18. Spud Date 9/30/2010
Depth to Ground water 110	Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000	
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume: 5000 bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	300	350	0
Int1	12.25	9.625	40	2800	750	0
Int2	8.75	7	26	7100	800	0
Prod	6.125	4.5	11.6	14788	0	0

Casing/Cement Program: Additional Comments

COG proposes to drill 17-1/2" hole to 300' w/ fresh water mud system, wt. 8.5, vis 28, set 13-3/8" casing & cement to surf. Drill an 12.25" hole to 2800' w/ brine mud system, wt 10, vis 30, set 9-5/8" casing & cement to surf. Drill 8-3/4" hole to 7100' w/ cut brine mud system, wt 8.7, vis 29-32. Kick off in 8-3/4" hole at approximately 2950' to a standard location by 7100' TVD. Set 7" prod casing @ +/- 7100'. Drill 6-1/8" hole & kick off @ +/- 7408', building curve over +/- 450' horizontal section in a Easterly direction for +/- 7318' lateral to TD @ +/- 14788' MD, 7850' TVD. Run 4-1/2" prod liner in un-cemented open hole lateral & set isolation packers & liner top packer @ +/- 7000' MD. Respectfully request permission to reduce 4-1/2" liner overlap to 100' to facilitate setting pump as deep as possible.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	2000	2000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input checked="" type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION
	Approved By: _____

Printed Name:	Title:	
Title:	Approved Date:	Expiration Date:
Email Address:		
Date:	Phone:	

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 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
Permit 117103

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number	2. Pool Code 96721	3. Pool Name LAGUNA SALADO; BONE SPRING
4. Property Code 302644	5. Property Name USP FEE	6. Well No. 003
7. OGRID No. 229137	8. Operator Name COG OPERATING LLC	9. Elevation 2957


10. Surface Location

UL - Lot M	Section 9	Township 23S	Range 29E	Lot Idn	Feet From 100	N/S Line S	Feet From 200	E/W Line W	County EDDY
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11. Bottom Hole Location If Different From Surface

UL - Lot N	Section 10	Township 23S	Range 29E	Lot Idn	Feet From 500	N/S Line S	Feet From 2310	E/W Line W	County EDDY
12. Dedicated Acres 240.00		13. Joint or Infill			14. Consolidation Code		15. Order No.		

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

	<p align="center">OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained 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(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p>E-Signed By: Title: Date:</p>
	<p align="center">SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>Surveyed By: Filimon Jaramillo Date of Survey: 2/8/2010 Certificate Number: 12797</p>