

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
4. Property Code 35218		3. API Number 30-025-37557
5. Property Name OSUDO "7" STATE		6. Well No. 001

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
B	7	20S	36E	B	660	N	1980	E	LEA

8. Pool Information

OSUDO, MORROW, NORTH (GAS)	82160
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Additional Well Information

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3637
14. Multiple N	15. Proposed Depth 12700	16. Formation Morrow	17. Contractor	18. Spud Date 11/20/2005
Depth to Ground water 50		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 _____ miles thick Clay <input type="checkbox"/> Pit Volume: 25000 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	600	500	0
Int1	12.25	9.625	40	5200	1400	0
Prod	8.75	5.5	17	12700	900	7500

Casing/Cement Program: Additional Comments

Dr 17-1/2" w/ fr wtr mud system to 600'. Run & set 13-3/8" 48# H40 csg @ 600' & cmt w/ 500 sx C1 C + add. Circ cmt to surf. Dr 12-1/4" w/ fr/brine wtr to 5200'. Run & set 9-5/8" 40# J55/HCK55 csg @ 5200'. Cmt w/ 1400 sx C1 C + add. Circ cmt to surf. Dr 8-3/4" hole w/ fr/brine wtr to 12,700'. Run & set 5-1/2" 17# N80/P110 csg @ 12,700'. Cmt w/ 900 sx C1 H + add. Circ cmt to +/- 7500'.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	3000	1250	
Double Ram	5000	5000	
Annular	5000	3000	

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 NM OCD guidelines <input checked="" type="checkbox"/> a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION	
Printed Name: Electronically filed by Diane Kuykendall	Approved By: Paul Kautz	
Title: Regulatory Analyst	Title: Geologist	
Email Address: dkuykendall@conchoresources.com	Approved Date: 11/16/2005 Expiration Date: 11/16/2006	
Date: 11/9/2005 Phone: 432-685-4372	Conditions of Approval Attached	

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(505) 393-6161 Fax:(505) 393-0720

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

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

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Form C-102
 Permit 18343

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-37557	2. Pool Code 82160	3. Pool Name OSUDO;MORROW, NORTH (GAS)
4. Property Code 35218	5. Property Name OSUDO "7" STATE	6. Well No. 001
7. OGRID No. 229137	8. Operator Name COG OPERATING LLC	9. Elevation 3637

10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
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11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 637.54		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.</i></p> <p>E-Signed By: Diane Kuykendall Title: Regulatory Analyst Date: 11/9/2005</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: Gary Eidson Date of Survey: 9/1/2005 Certificate Number: 12641</p>

Permit Comments

Operator: COG OPERATING LLC , 229137

Well: OSUDO "7" STATE #001

API: 30-025-37557

Created By	Comment	Comment Date
KSHARP	requested verification of mineral ownership for w/160 ac of Section (lots 1,2,3,4) from Jeff Albers/ State Land	11/9/2005

Permit Conditions of Approval

Operator: COG OPERATING LLC , 229137

Well: OSUDO "7" STATE #001

API: 30-025-37557

OCD Reviewer	Condition
pkautz	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines
pkautz	prior to any pit construction notify Gary Wink at 505-393-6161 ext 114