

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 302569		3. API Number 30-015-35922
5. Property Name STATE S-19		6. Well No. 033

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
L	19	17S	29E	3	1650	S	1250	W	EDDY

8. Pool Information

EMPIRE; GLORIETA-YESO	96210
-----------------------	-------

Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3668
14. Multiple N	15. Proposed Depth 5400	16. Formation Yeso Formation	17. Contractor	18. Spud Date 9/20/2007
Depth to Ground water 115		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: 5000 _____ bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input checked="" 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	300	0
Int1	12.25	8.625	24	800	450	0
Prod	7.875	5.5	17	5400	1100	0

Casing/Cement Program: Additional Comments

COG proposes to drill a 17-1/2" hole to 300' w/fr wtr mud system, wt 8.5, vis 28. Run 13-3/8" casing & cement. Drill a 12-1/4" hole to 800' w/brine mud system, wt 10, vis 30. Run 8-5/8" csg & cmt. Drill 7-7/8" hole to 5400 w/cut brine mud system, wt 9.1, vis 29-32 & test Yeso Formation. Run 5-1/2" csg & cmt. On production string, a caliper will be run, & COG will attempt to circulate cement.

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	
Printed Name: Electronically filed by Diane Kuykendall	Approved By: Bryan Arrant	
Title: Regulatory Analyst	Title: Geologist	
Email Address: dkuykendall@conchoresources.com	Approved Date: 11/30/2007	Expiration Date: 11/30/2008
Date: 11/26/2007	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

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 59494

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-35922	2. Pool Code 96210	3. Pool Name EMPIRE; GLORIETA-YESO
4. Property Code 302569	5. Property Name STATE S-19	6. Well No. 033
7. OGRID No. 229137	8. Operator Name COG OPERATING LLC	9. Elevation 3668

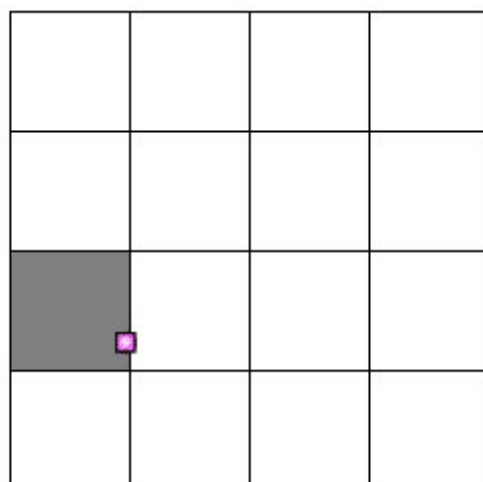
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
L	19	17S	29E		1650	S	1250	W	EDDY

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 27.40		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



OPERATOR CERTIFICATION

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.

E-Signed By: Diane Kuykendall
 Title: Regulatory Analyst
 Date: 11/26/2007

SURVEYOR CERTIFICATION

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.

Surveyed By: Ronald Eidson
 Date of Survey: 7/31/2007
 Certificate Number: 3239

Permit Comments

Operator: COG OPERATING LLC , 229137

Well: STATE S-19 #033

API: 30-015-35922

Created By	Comment	Comment Date
PEDWARDS	H2S concentrations of wells in this are from surface to TD are low enough that a contingency plan is not required.	8/20/2007
BArrant	Please fill in fluid type and submit by hard copy drilling mud program. Notify when NSL is approved.	8/20/2007
PEDWARDS	NSP 1921 approved 11-12-07. NSL 5695 approved 10-5-07.	11/26/2007

Permit Conditions of Approval

Operator: COG OPERATING LLC , 229137

Well: STATE S-19 #033

API: 30-015-35922

OCD Reviewer	Condition
BArrant	Will require administrative order for non-standard location
BArrant	As noted, operator to drill surface hole w/fresh water mud.
BArrant	Operator to set surface casing in anydrite section of the Rustler formation and of course above the Salado formation.