

**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 30-015-38420
4. Property Code 38453	5. Property Name KIOWA STATE	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
G	36	17S	27E	G	1425	N	1520	E	EDDY

**8. Pool Information**

RED LAKE; GLORIETA YESO, NORTHEAST	96836
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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 3629
14. Multiple N	15. Proposed Depth 4850	16. Formation Yeso Formation	17. Contractor	18. Spud Date 3/31/2011
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	13.375	48	250	300	0
Int1	11	8.625	24	850	400	0
Prod	7.875	5.5	17	4850	900	0

**Casing/Cement Program: Additional Comments**

COG proposes to drill an 17" hole to 250' w/fr wtr mud system, wt 8.5, vis 28, set 13-3/8" casing & cement to surface. Drill an 11" or 12-1/4" hole to 850' w/brine mud system, wt 10, vis 30, set 8-5/8" casing & cement to surface. Drill 7-7/8" hole to 4850' w/cut brine mud system, wt 9.1, vis 29-32. Test Yeso formation. Run 5-1/2" casing & cement to surface. Note: 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"/> .	<b>OIL CONSERVATION DIVISION</b>	
	Approved By: Randy Dade	
	Title: District Supervisor	
	Approved Date: 1/18/2011	Expiration Date: 1/18/2013
	Email Address: dkuykendall@conchoresources.com	
Date: 1/14/2011	Phone: 432-683-7443	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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**1220 S. St Francis Dr.**  
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Form C-102  
 Permit 124175

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-015-38420	2. Pool Code 96836	3. Pool Name RED LAKE; GLORIETA YESO, NORTHEAST
4. Property Code 38453	5. Property Name KIOWA STATE	6. Well No. 003
7. OGRID No. 229137	8. Operator Name COG OPERATING LLC	9. Elevation 3629

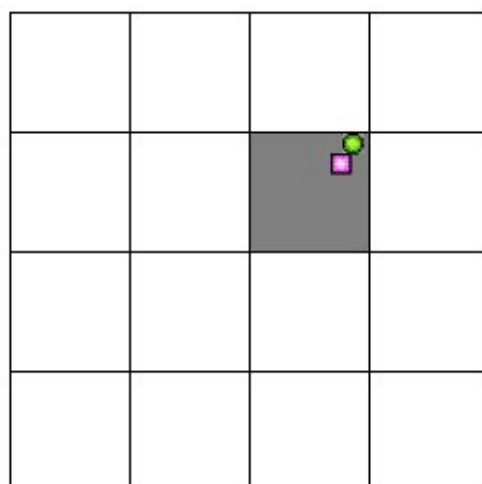
**10. Surface Location**

UL - Lot G	Section 36	Township 17S	Range 27E	Lot Idn	Feet From 1425	N/S Line N	Feet From 1520	E/W Line E	County EDDY
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**11. Bottom Hole Location If Different From Surface**

UL - Lot G	Section 36	Township 17S	Range 27E	Lot Idn G	Feet From 1650	N/S Line N	Feet From 1650	E/W Line E	County EDDY
12. Dedicated Acres 40.00		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**



**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: Production Reporting Mgr  
 Date: 1/14/2011

**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: 12/21/2010  
 Certificate Number: 3239

## Permit Comments

**Operator:** COG OPERATING LLC , 229137

**Well:** KIOWA STATE #003

**API:** 30-015-38420

Created By	Comment	Comment Date
rodan	H2S concentrations of wells in this area from surface to TD are low enough that a contingency plan is not required.	12/9/2010
Artesia	Land S/S	1/15/2011

# Permit Conditions of Approval

**Operator:** COG OPERATING LLC , 229137

**Well:** KIOWA STATE #003

**API:** 30-015-38420

OCD Reviewer	Condition
Artesia	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string