

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 30-015-38595
4. Property Code 308624	5. Property Name HONEYGRAHAM STATE	6. Well No. 007H

7. Surface Location

UL - Lot C	Section 29	Township 26S	Range 28E	Lot Idn C	Feet From 660	N/S Line N	Feet From 1650	E/W Line W	County EDDY
---------------	---------------	-----------------	--------------	--------------	------------------	---------------	-------------------	---------------	----------------

8. Pool Information

HAY HOLLOW BONE SPRING		30215
------------------------	--	-------

Additional Well Information

Additional Well Information					
9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 2995	
14. Multiple N	15. Proposed Depth 13450	16. Formation Bone Spring	17. Contractor	18. Spud Date 5/1/2011	
Depth to Ground water		Distance from nearest fresh water well			Distance to nearest surface water
Pit:	Linear: Synthetic <input type="checkbox"/>	mils thick	Clay <input type="checkbox"/>	Pit Volume:	bbls
<input type="checkbox"/> Closed Loop System <input type="checkbox"/>			Drilling Method: 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	36	2200	900	0
Prod	7.875	5.5	17	13450	1700	0

Casing/Cement Program: Additional Comments

Plan to drill a 17-1/2" hole to 300' with FW. Run 13-3/8", 48#, H-40 csg and cmt to surface. Drill 12-1/4" hole to 2200' with brine, and run 9-5/8", 36#, J-55 and cement to surface. Drill 7-7/8" hole with cut brine to 13,450' MD (6,625' TVD). Run 5-1/2", 17#, P-110 csg and cement to surface.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	Cameron

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
I further certify that the drilling pit will be constructed according to NMOCD guidelines <input type="checkbox"/> a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .			
Printed Name: Electronically filed by Diane Kuykendall		Approved By: Randy Dade	
Title: Production Reporting Mgr		Title: District Supervisor	
Email Address: dkuykendall@conchoresources.com		Approved Date: 3/23/2011 Expiration Date: 3/23/2013	
Date: 3/23/2011 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

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 129091

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-38595	2. Pool Code 30215	3. Pool Name HAY HOLLOW;BONE SPRING
4. Property Code 308624	5. Property Name HONEYGRAHAM STATE	6. Well No. 007H
7. OGRID No. 229137	8. Operator Name COG OPERATING LLC	9. Elevation 2995

10. Surface Location

UL - Lot C	Section 29	Township 26S	Range 28E	Lot Idn	Feet From 660	N/S Line N	Feet From 1650	E/W Line W	County EDDY
---------------	---------------	-----------------	--------------	---------	------------------	---------------	-------------------	---------------	----------------

11. Bottom Hole Location If Different From Surface

UL - Lot F	Section 32	Township 26S	Range 28E	Lot Idn 2	Feet From 330	N/S Line S	Feet From 1650	E/W Line W	County EDDY
12. Dedicated Acres 223.76		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: Diane Kuykendall Title: Production Reporting Mgr Date: 3/23/2011</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: Filamon Jaramillo Date of Survey: 2/22/2011 Certificate Number: PLS12797</p>

Permit Comments

Operator: COG OPERATING LLC , 229137

Well: HONEYGRAHAM STATE #007H

API: 30-015-38595

Created By	Comment	Comment Date
Artesia	Land S/S	3/23/2011

Permit Conditions of Approval

Operator: COG OPERATING LLC , 229137
Well: HONEYGRAHAM STATE #007H
API: 30-015-38595

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