State of New Mexico

Form C-101 Permit 124176

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

COGO	or Name and Address PERATING LLC	OGRID Number 229137		
550 W TEXAS		3. API Number		
MIDLAND, TX 79701		30-015-38949		
4. Property Code	5. Property Name	6. Weti No.		
308272	CONTINENTAL STATE	005		

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	15	17S	29E	D	990	N	280	W	EDDY

8. Pool Information

GRAYBURG JACKSON;SR-Q-G-SA	28509
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Additional Well Information

	No.			
9. Work Type New Well	10. Well Type OIL	11. Cable Rotary	12. Lesse Type State	13. Ground Level Elevation 3561
14. Multiple N	15. Proposed Depth 5500	16. Formation Yeso Formation	17. Contractor	18. Spud Date 3/31/2011
Depth to Ground	Water	Distance from nearest fresh water > 1000	well .	Distance to nearest surface water > 1000
it: Liner: Synthetic D Closed Loop Syste		Clay Pit Volume: 5000 bbls	Drilling Method: Fresh Water ■ Brine	Diesel/Oil-based Gas/Air

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	350	400	0				
Int1	11	8.625	24	850	400	0				
Prod	7.875	5.5	17	5500	900	0				

Casing/Cement Program: Additional Comments

COG proposes to drill a 17-1/2" hole to 350' w/fr wtr mud system, wt 8.5, vis 28, set 13-3/8" casing & cement to surface. Drill an 11" hole to 850' w/br mud system, wt 10, vis 30. Set 8-5/8" casing & cement to surface. Drill 7-7/8" hole to 5500' 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

5.00	Troposcu Dionout Tr	CTCHEIGH LIUGIAM	20-
Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	2000	2000	

I hereby certify that the information given above is true and complete to the be of my knowledge and belief. I further certify that the drilling pit will be constructed according to	OIL CONSERVATION DIVISION			
NMOCD guidelines X, a general permit , or an (attached) alternative OCD-approved plan .	Approved By: Randy Dade			
Printed Name: Electronically filed by Diane Kuykendall	Title: District Supervisor			
Title: Production Reporting Mgr	Approved Date: 4/11/2011 Expiration Date: 4/11/2013			
Email Address: dkuykendall@conchoresources.com	Contract of the contract of th			
Date: 1/6/2011 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

Form C-102 Permit 124176

Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr.

Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number	2. Pool Code		3. Pool Name
30-015-38949	28509	GRAYBUR	G JACKSON;SR-Q-G-SA
4. Property Code	5. Property Name		6. Well No.
308272	CONTINENT	CONTINENTAL STATE	
7. OGRID No.	8. Operato	r Name	9. Elevation
229137	COG OPERATING LLC		3561

10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	15	17S	29E		990	N	280	W	EDDY

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot	Idn	Feet From	N/S Lin	ne	Feet From	E/W Line	County
0.500 100 100	cated Acres	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

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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: 1/6/2011

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: 12/22/2010 Certificate Number: 3239

Permit Comments

Operator: COG OPERATING LLC , 229137 Well: CONTINENTAL STATE #005

API: 30-015-38949

Created By	Comment	Comment Date
rodom	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	4/11/2011
Artesia	NSL-8326	4/11/2011

Permit Conditions of Approval

Operator: COG OPERATING LLC , 229137 Well: CONTINENTAL STATE #005

API: 30-015-38949

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