

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 35217		3. API Number 30-015-34416
5. Property Name BLUE RIDGE 28 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
A	28	20S	28E	A	800	N	660	E	EDDY

8. Pool Information

BURTON FLAT,MORROW (PRO GAS)	73280
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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 3214
14. Multiple N	15. Proposed Depth 11600	16. Formation Morrow	17. Contractor	18. Spud Date 11/15/2005
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 type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input checked="" 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	650	0
Int1	12.25	8.625	32	2800	1100	0
Prod	7.875	5.5	17	11600	800	5000

Casing/Cement Program: Additional Comments

Set apprx 600' 13-3/8" csg. Cmt & circ. Run 8-5/8" intermediate csg & set @ apprx 2800'. Cmt & circ. If commercial, run 5-1/2" prod csg & set @ apprx 11,600'. Cmt & circ. Perf/stimulate as needed for production. MUD PROGRAM: 0'-600' FW/LCM: 600'-2800' FW/LCM: 2800'-10400' Cut brine/LCM: 10,400'-11,600' Cut brine/starch & XCD Polymer. BOP PROGRAM: 3000# BOPE will be installed on 13-3/8" & tested. 5000# BOPE will be installed on 8-5/8" csg & tested.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	3000	1350	
DoubleRam	5000	5000	
Annular	3000	2500	

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: 11/8/2005	Expiration Date: 11/8/2006
Date: 11/7/2005	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 16779

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-34416	2. Pool Code 73280	3. Pool Name BURTON FLAT;MORROW (PRO GAS)
4. Property Code 35217	5. Property Name BLUE RIDGE 28 STATE	6. Well No. 001
7. OGRID No. 229137	8. Operator Name COG OPERATING LLC	9. Elevation 3214

10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
A	28	20S	28E		800	N	660	E	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 320.00		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

	<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: 11/7/2005</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: 7/12/2005 Certificate Number: 12641</p>

Permit Comments

Operator: COG OPERATING LLC , 229137

Well: BLUE RIDGE 28 STATE #001

API: 30-015-34416

Created By	Comment	Comment Date
PEDWARDS	Sources @ COG have relayed information to me that they believe there will not be enough H2S found from the surface to the Morrow formation to meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118.	10/17/2005
PEDWARDS	On 10/16/05, Tim Gum approved Yates Petroleum Corporation's request to change the proration unit from a west half to a south half proration unit.	11/3/2005

Permit Conditions of Approval

Operator: COG OPERATING LLC , 229137

Well: BLUE RIDGE 28 STATE #001

API: 30-015-34416

OCD Reviewer	Condition
BArrant	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
BArrant	Operator to notify OCD time of spud and time to witness the cementing of the surface and intermediate casing.
BArrant	Drilling mud samples are to be collected every 100' from @ 600-2800'to determine chloride levels. Results are to be submitted to the Artesia District II office prior to drilling to TD.