

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 30-025-37713 |
| 4. Property Code 34284 | 5. Property Name RED RAIDER 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 |
| B | 19 | 20S | 36E | B | 660 | N | 1650 | E | LEA |

8. Pool Information

| | |
|---------------------------|-------|
| OSUDO,MORROW, NORTH (GAS) | 82160 |
|---------------------------|-------|

Additional Well Information

| | | | | |
|---|-----------------------------|--|-------------------------|---|
| 9. Work Type New Well | 10. Well Type GAS | 11. Cable/Rotary | 12. Lease Type State | 13. Ground Level Elevation 3625 |
| 14. Multiple N | 15. Proposed Depth 12000 | 16. Formation Morrow | 17. Contractor | 18. Spud Date 2/15/2006 |
| Depth to Ground water 81 | | 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: 35000 _____ 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 | 17.5 | 13.375 | 48 | 500 | 500 | 0 |
| Int1 | 12.25 | 9.625 | 40 | 5200 | 1400 | 0 |
| Prod | 8.75 | 5.5 | 17 | 12000 | 900 | 7500 |

Casing/Cement Program: Additional Comments

Dr 17-1/2 w/fr wtr mud system 500'. Run & set 13-3/8" 48# H40 csg @ 500' & cmt w/500 sx Cl C + add. Circ to surf. Dr 12-1/4 w/ fr/brine wtr to 5200'. Run & set 9-5/8 40# J55/HCK55 csg @ 5200'. Cmt w/1400 sx Cl C + add. Circ to surf. Dr 8-3/4 hole w/fr/brine wtr to 12,000'. Run & set 5-1/2 17# N80/P110 @ 12,000'. Cmt w/900 sx Cl H + add. TOC @ +/- 7500'.

Proposed Blowout Prevention Program

| Type | Working Pressure | Test Pressure | Manufacturer |
|-----------|------------------|---------------|--------------|
| Annular | 3000 | 2500 | |
| DoubleRam | 5000 | 4000 | |

| | | |
|---|---------------------------------|----------------------------|
| 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 | |
| | Approved By: Paul Kautz | |
| | Title: Geologist | |
| | Approved Date: 2/17/2006 | Expiration Date: 2/17/2007 |
| | Conditions of Approval Attached | |

| | |
|--|---------------------|
| Printed Name: Electronically filed by Diane Kuykendall | |
| Title: Regulatory Analyst | |
| Email Address: dkuykendall@conchoresources.com | |
| Date: 1/26/2006 | Phone: 432-685-4372 |

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 22140

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-------------------------------|---------------------------------------|---|
| 1. API Number 30-025-37713 | 2. Pool Code 82160 | 3. Pool Name OSUDO;MORROW, NORTH (GAS) |
| 4. Property Code 34284 | 5. Property Name RED RAIDER STATE | 6. Well No. 003 |
| 7. OGRID No. 229137 | 8. Operator Name COG OPERATING LLC | 9. Elevation 3625 |

10. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| B | 19 | 20S | 36E | | 660 | N | 1650 | E | LEA |

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 638.18 | | 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: Regulatory Analyst Date: 1/26/2006</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 Jones Date of Survey: 1/6/2006 Certificate Number: 7977</p> |


Permit Conditions of Approval

Operator: COG OPERATING LLC , 229137

Well: RED RAIDER STATE #003

API: 30-025-37713

| OCD Reviewer | Condition |
|-----------------|---|
| pkautz | 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 |
| pkautz | prior to any pit construction notify Gary Wink at 505-393-6161 ext 114 |

 The sender of this message has requested a read receipt. [Click here to send a receipt.](#)

Mull, Donna, EMNRD

From: Phillips, Dorothy, EMNRD
To: Mull, Donna, EMNRD
Cc:
Subject: RE: Financial Assurance Requirement
Attachments:

Sent: Fri 2/17/2006 8:22 AM

They are okay

From: Mull, Donna, EMNRD
Sent: Friday, February 17, 2006 6:32 AM
To: Phillips, Dorothy, EMNRD
Subject: Financial Assurance Requirement

Operator's has APD's in District I for approval:

Apache Corp (873)
COG Operating LLC (229137)
Marbob Energy Corp (14049)