

District I
1625 N. French Dr., Hobbs, NM 88240

District II
1301 W. Grand Ave., Artesia, NM 88210

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
1220 S. St Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101
Permit 1506

APPLICATION FOR PERMIT TO DRILL

Operator Name and Address COG OPERATING LLC 550 W Texas Midland, TX 79701		OGRID Number 229137
		API Number 30-025-36885
Property Code 34308	Property Name HOPI 35 STATE COM	Well No. 001

Surface Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
K	35	11S	32E	K	2154	S	1392	W	Lea

Proposed Pools

Wildcat Morrow

Work Type New Well	Well Type GAS	Cable/Rotary	Lease Type State	Ground Level Elevation 4363
Multiple N	Proposed Depth 11300	Formation Morrow	Contractor	Spud Date 10/04/2004

Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	350	350	0
Intl	12.25	8.625	32	3600	1200	0
Prod	7.975	5.5	17	11300	600	8000

Casing/Cement Program: Additional Comments

No hydrogen sulfide or other hazardous gases or fluids have been encountered, reported or are known to exist at this depth in this area. 13-3/8 350sx C1C+add, circ to surf. 8-5/8 1000sx 50/50 Poz lead, 200sx C1C tail, circ to surf. 5-1/2 600sx C1H+add.TOC +/-8000. 17-1/2 hole to be drilled w/fr water, 12-1/4 hole to be drilled w/ fr water/brine & starch to protect water sands. 7 7/8 hole to be drilled w/ cut brine.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	3000	1350	
Double Ram	5000	3000	
Annular	3000	2500	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Electronically Signed By: Erick Nelson

Title: Manager

Date: 09/24/2004 Phone: 432-683-7443

OIL CONSERVATION DIVISION	
Electronically Approved By: Paul Kautz	
Title: Geologist	
Approval Date: 09/28/2004	Expiration Date: 09/28/2005
Conditions of Approval: There are conditions. See Attached.	

Permit Conditions Of Approval

C-101, Permit 1506

Operator: COG OPERATING LLC , 229137

Well: HOPI 35 STATE COM #001

OCD Reviewer	Condition
PKAUTZ	Re-seeding mixture will must be approved or authorized by surface owner
PKAUTZ	Notice is to be given to the OCD prior to construction of the pit(s)
PKAUTZ	Pit construction and closure must satisfy all requirements of O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines

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Form C-102
 Permit 1506

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-36885	Pool Name Wildcat Morrow	Pool Code
Property Code 34308	Property Name HOPI 35 STATE COM	Well No. 001
OGRID No. 229137	Operator Name COG OPERATING LLC	Elevation 4363

Surface And Bottom Hole Location

UL or Lot K	Section 35	Township 11S	Range 32E	Lot Idn K	Feet From 2154	N/S Line S	Feet From 1392	E/W Line W	County Lea
Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No. 6						

	x		

OPERATOR CERTIFICATION
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.
 Electronically Signed By: Erick Nelson
 Title: Manager
 Date: 09/24/2004

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: Gary Eidson
 Date of Survey: 09/16/2004
 Certificate Number: 12641

Submit 3 Copies To Appropriate District Office
 District I
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 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
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 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 May 27, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. <u>30-025-36885</u>
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name <u>Hopi 35 State Com</u>
8. Well Number <u>1</u>
9. OGRID Number <u>299137</u>
10. Pool name or Wildcat <u>Wildcat Morrow</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <u>4363'</u>
Fit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input type="checkbox"/>
Pit type <u>open</u> Depth to Groundwater <u>>50'</u> Distance from nearest fresh water well <u>>1000'</u> Distance from nearest surface water <u>>1000'</u>
Pit Liner Thickness: <u>12</u> mill Below-Grade Tank: Volume <u>35,000</u> bbls; Construction Material: <u>synthetic</u>

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
COG OPERATING LLC

3. Address of Operator 550 W. Texas, Suite 1300 Fasken Center, Tower II Midland, TX 79701

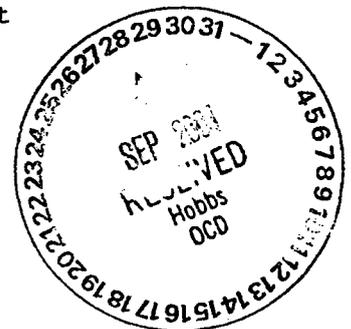
4. Well Location
 Unit Letter K : 2154 feet from the South line and 1392 feet from the West line
 Section 35 Township 11S Range 32E NMPM County Lea

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <u>submit pit guidelines</u> <input checked="" type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Pit will be constructed according to the State of New Mexico interim pit and below grade tank guidelines.



I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Phyllis A. Edwards TITLE Regulatory Analyst DATE 9/27/04

Type or print name Phyllis A. Edwards E-mail address: pedwards@conchoresources.com Telephone No. 432-685-4340

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE SEP 28 2004

Conditions of Approval (if any):