District II
1301 W. Grand Ave., Artesia, NM 88210
Phone:(505) 748-1283 Fax:(505) 748-9720

Form C-101
Permit 110611

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	2. OGRID Number
COG OPERATING LLC 550 W TEXAS MIDLAND , TX 79701	229137
	3. API Number 30-015-37755

4. Property Code	5. Property Name	6. Well No.
38113	LEMONADE STATE	003

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	24	17S	28E	D	990	N	330	W	EDDY

8. Pool Information

EMPIRE; GLORIETA-YESO	96210

Additional Well Information

9. Work Type	10. Well Type	11. Cable/Rotary	12. Lease Type	13. Ground Level Elevation
New Well	OIL		State	3710
14. Multiple	**15. Proposed Depth**	**16. Formation**	**17. Contractor**	**18. Spud Date**
N	5350	Yeso Formation		7/31/2010

Depth to Ground water	Distance from nearest fresh water well	Distance to nearest surface water
110	> 1000	> 1000

Pit: Liner: Synthetic ☒ 12 mils thick Clay ☐ Pit Volume: 5000 bbls Drilling Method:
Closed Loop System ☐ 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	11	8.625	32	250	300	0
Prod	7.875	5.5	17	5350	900	0

Casing/Cement Program: Additional Comments

COG proposes to drill a 11" hole to 250' w/fr wtr mud system, wt 8.5, vis 28, set 8-5/8" casing & cement to surface. Drill 7-7/8" hole to 5350' w/cut brine mud system, wt 9.1, vis 29-32. Test Yeso formation. Run 5-1/2" casing & cememt to surface. Note: On production string, a caliper will be run, COG will attempt to circulate cement.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	2000	2000	

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 ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.**	OIL CONSERVATION DIVISION
	Approved By: Jacqueta Reeves
Printed Name: Electronically filed by Diane Kuykendall	Title: District Geologist
Title: Regulatory Analyst	Approved Date: 4/19/2010 | Expiration Date: 4/19/2012
Email Address: dkuykendall@conchoresources.com	
Date: 4/5/2010 | 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 110611

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number	2. Pool Code	3. Pool Name	
30-015-37755	96210	EMPIRE; GLORIETA-YESO	
4. Property Code	5. Property Name		6. Well No.
38113	LEMONADE STATE		003
7. OGRID No.	8. Operator Name		9. Elevation
229137	COG OPERATING LLC		3710

10. Surface Location

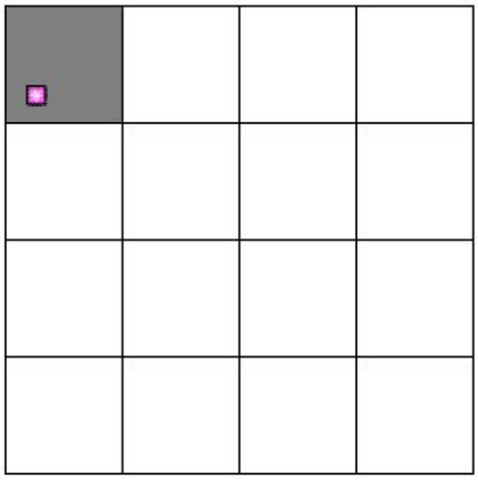
UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	24	17S	28E		990	N	330	W	EDDY

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	13. Joint or Infill	14. Consolidation Code	15. Order No.
40.00			

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



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: Regulatory Analyst
Date: 4/5/2010

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: 3/24/2010
Certificate Number: 3239

Permit Comments

Operator: COG OPERATING LLC , 229137
Well: LEMONADE STATE #003
API: 30-015-37755

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.	3/10/2010

Permit Conditions of Approval

Operator: COG OPERATING LLC , 229137
Well: LEMONADE STATE #003
API: 30-015-37755

OCD Reviewer	Condition
JVREEVES	BOP test must be performed by 3rd party, per District II Supervisor.