State of New Mexico

Form C-101 Permit 116275

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

COG OP	Name and Address ERATING LLC	 OGRID Number 229137
	W TEXAS ND , TX 79701	3. API Number 30-015-38008
4. Property Code 37933	5. Property Name MCCOY STATE	6. Well No. 002

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
P	8	17S	29E	P	990	S	330	E	EDDY

8. Pool Information

EMPIRE: GLORIETA-YESO.	EAST	96610

Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3607
14. Multiple 15. Proposed Depth N 5350		16. Formation Yeso Formation	17. Contractor	18. Spud Date 9/30/2010
Depth to Ground 110	water	Distance from nearest fresh water v > 1000	vett	Distance to nearest surface water > 1000
it: Liner: Synthetic D Closed Loop Syste			Drifting Method: Fresh Water X 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	5350	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 5350' 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

	1 Toposcu Dionout 11	CTCHIOL LIUGIAM	
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: Regulatory Analyst	Approved Date: 7/23/2010 Expiration Date: 7/23/2012				
Email Address: dkuykendall@conchoresources.com	172				
Date: 7/19/2010 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

Form C-102 Permit 116275

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

Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

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1. API Number	2. Pool Code	3.	Pool Name
30-015-38008	96610 EMPIRE; GLOR		ORIETA-YESO, EAST
4. Property Code	5. Propert	y Name	6. Well No.
37933	MCCOY	MCCOY STATE	
7. OGRID No.	8. Operato	8. Operator Name	
229137	COG OPERATING LLC		3607

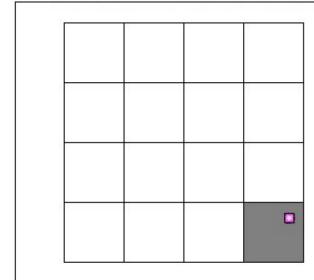
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
P	8	17S	29E	1.	990	S	330	E	EDDY

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot	Idn	Feet From	N/S L	ine	Feet From	E/W Line	County
2.000	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



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: 7/19/2010

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: 6/25/2010 Certificate Number: 3239

Permit Comments

Operator: COG OPERATING LLC , 229137 Well: MCCOY STATE #002

API: 30-015-38008

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.	6/22/2010

Permit Conditions of Approval

Operator: COG OPERATING LLC , 229137 Well: MCCOY STATE #002

API: 30-015-38008

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