

1. Operator Name and Address COG OPERATING LLC 550 W TEXAS MIDLAND , TX 79701		2. OGRID Number 229137
		3. API Number 30-015-38258
4. Property Code 38379	5. Property Name PHANTOM 18 STATE	6. Well No. 002H

UL - Lot O	Section 18	Township 19S	Range 29E	Lot Idn O	Feet From 330	N/S Line S	Feet From 1980	E/W Line E	County EDDY
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PALMILLO:BONE SPRING, NORTH	49554
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9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3381
14. Multiple N	15. Proposed Depth 12258	16. Formation Wolfcamp	17. Contractor	18. Spud Date 11/29/2010
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> mills thick Clay <input type="checkbox"/> Pit Volume: 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"/>				

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	355	250	0
Int1	12.25	9.625	36	3000	750	0
Prod	7.875	5.5	17	12258	1150	0

Plan to drill a 17 1/2" hole to 355' with FW. Run 13 3/8", 48# H-40 casing and cement to surface. Drill 12 1/4" hole to 3000' with brine, and run 9 5/8", 36#, J-55 and cement to surface. Drill 7 7/8" hole with cut brine to 9100'. Run logs, plug back to 7400' to kick off and drill lateral to 12,258' MD (7850' TVD). Run 5 1/2", 17#, P-110/N-80 csg and cement to surface in 2 stages.

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	Cameron

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 122673

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-38258	2. Pool Code 49554	3. Pool Name PALMILLO;BONE SPRING, NORTH
4. Property Code 38379	5. Property Name PHANTOM 18 STATE	6. Well No. 002H
7. OGRID No. 229137	8. Operator Name COG OPERATING LLC	9. Elevation 3381

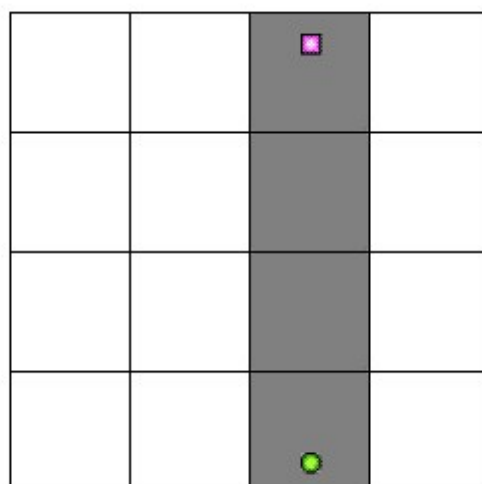
10. Surface Location

UL - Lot O	Section 18	Township 19S	Range 29E	Lot Idn	Feet From 330	N/S Line S	Feet From 1980	E/W Line E	County EDDY
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11. Bottom Hole Location If Different From Surface

UL - Lot B	Section 18	Township 19S	Range 29E	Lot Idn B	Feet From 330	N/S Line N	Feet From 1980	E/W Line E	County EDDY
12. Dedicated Acres 160.00		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



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: Production Reporting Mgr
Date: 11/5/2010

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: Filmon Jaramillo
Date of Survey: 9/22/2010
Certificate Number: 12797

Permit Comments

Operator: COG OPERATING LLC , 229137

Well: PHANTOM 18 STATE #002H

API: 30-015-38258

Created By	Comment	Comment Date
krabinson2	COG Operating, LLC has conducted a review to determine if an H2S contingency plan is required for the above referenced well. We were able to conclude that any potential hazardous volume would be minimal. H2S concentrations of wells in this area from surface to TD are low enough; therefore we do not believe that an H2S Contingency Plan would be necessary.	11/5/2010

Permit Conditions of Approval

Operator: COG OPERATING LLC , 229137

Well: PHANTOM 18 STATE #002H

API: 30-015-38258

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