

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 30-015-38594
4. Property Code 38548	5. Property Name KEYSTONE 32 FEE	6. Well No. 001H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
A	32	20S	28E	A	330	N	330	E	EDDY

8. Pool Information

BURTON FLAT;BONE SPRING ASSOC	96241
-------------------------------	-------

Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type Private	13. Ground Level Elevation 3213
14. Multiple N	15. Proposed Depth 10860	16. Formation Bone Spring	17. Contractor	18. Spud Date
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> mls 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"/>				

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	650	550	0
Int1	12.25	9.625	36	2650	900	0
Prod	7.875	5.5	17	10860	950	0

Casing/Cement Program: Additional Comments

Set 20" conductor to 80'. Plan to drill a 17-1/2" hole to 650' with Brine. Run 13-3/8", 48#, J-55 csg and cmt to surface. Drill 12-1/4" hole to 2650' with FW, and run 9-5/8", 36#, J-55 and cement to surface. Drill 7-7/8" hole with cut brine to 10,860' MD. Run 5-1/2", 17#, P-110 csg and cement to 200' inside 9-5/8" csg in 2 stages.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	Cameron

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 type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> . Printed Name: Electronically filed by Diane Kuykendall Title: Production Reporting Mgr Email Address: dkuykendall@conchoresources.com Date: 3/23/2011 Phone: 432-683-7443	OIL CONSERVATION DIVISION	
	Approved By: Randy Dade	
	Title: District Supervisor	
	Approved Date: 3/23/2011	Expiration Date: 3/23/2013
	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 129144

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-38594	2. Pool Code 96241	3. Pool Name BURTON FLAT;BONE SPRING ASSOC
4. Property Code 38548	5. Property Name KEYSTONE 32 FEE	6. Well No. 001H
7. OGRID No. 229137	8. Operator Name COG OPERATING LLC	9. Elevation 3213

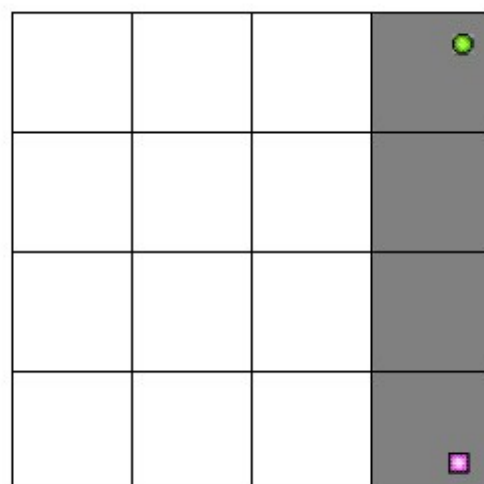
10. Surface Location

UL - Lot A	Section 32	Township 20S	Range 28E	Lot Idn	Feet From 330	N/S Line N	Feet From 330	E/W Line E	County EDDY
---------------	---------------	-----------------	--------------	---------	------------------	---------------	------------------	---------------	----------------

11. Bottom Hole Location If Different From Surface

UL - Lot P	Section 32	Township 20S	Range 28E	Lot Idn P	Feet From 330	N/S Line S	Feet From 380	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: 3/23/2011

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: 3/16/2011
Certificate Number: 12797

Permit Comments

Operator: COG OPERATING LLC , 229137

Well: KEYSTONE 32 FEE #001H

API: 30-015-38594

Created By	Comment	Comment Date
mreyes1	COG Operating 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.	3/23/2011
Artesia	Land P/P	3/23/2011

Permit Conditions of Approval

Operator: COG OPERATING LLC , 229137

Well: KEYSTONE 32 FEE #001H

API: 30-015-38594

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
Artesia	Must use fresh water or air on surface casing