State of New Mexico

Form C-101 Permit 131005

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	stor Name and Address DPERATING LLC	OGRID Number 229137
MIDI	3. API Number 30-025-40130	
4. Property Code 5. Property Name 38601 CORAZON STATE UNIT 4		6. Well No. 004H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	4	21S	33E	5	330	N	330	W	LEA

8. Pool Information

WILDCAT:BONE SPRING 9

Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable Rotary	12. Lesse Type State	13. Ground Level Elevation 3755
14. Multiple N	15. Proposed Depth 18500	16. Formation Bone Spring	17. Contractor	18. Spud Date 5/9/2011
Depth to Ground	water	Distance from nearest fresh	water well	Distance to nearest surface water
Pit: Liner: Synthetic Closed Loop Syste	mils thick	Clay Pit Volume:	bbls Drilling 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	54.5	1825	1100	0
Int1	12.25	9.625	36	5500	1400	0
Prod	7.875	5.5	17	18500	1600	5300

Casing/Cement Program: Additional Comments

Plan to drill a 17-1/2" hole to 1825' with Fresh Water. Run 13-3/8", 54.5#, J-55 csg and cmt to surface. Drill 12-1/4" hole to 5500' with Brine, and run 9-5/8", 36#, J-55 (40# f/4500' - 5500') and cement to surface. Drill 8-3/4" hole with cut brine to 11,600', run logs and plug back. Kick off and drill 8-3/4" curve then drill 7-7/8" lateral to approx 18,500' MD (11,325' TVD). Run 5-1/2", 17#, P-110 csg and cement to 5300' in 2 stages.

Proposed Blowout Prevention Program

Γ	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	OIL CONSERVATION DIVISION			
NMOCD guidelines, a general permit, or an (attached) alternative OCD-approved plan	Approved By: Paul Kautz			
Printed Name: Electronically filed by Diane Kuykendall	Title: Geologist	26		
Title: Production Reporting Mgr	Approved Date: 5/6/2011	Expiration Date: 5/6/2013		
Email Address: dkuykendall@conchoresources.com				
Date: 4/29/2011 Phone: 432-683-7443				

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 131005

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

Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number	2. Pool Code		3. Pool Name
30-025-40130	96403		AT;BONE SPRING
4. Property Code	5. Property Name		6. Well No.
38601	CORAZON STATE UNIT 4		004H
7. OGRID No. 229137	8. Operator COG OPERAT		9. Elevation 3755

10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	4	21S	33E	4	330	N	330	W	LEA

11. Bottom Hole Location If Different From Surface

UL - Lot M	Section	Township	Range 33E	Lot Idn M	Feet From 330	N/S Line	Feet From 380	E/W Line	County
12. Dedic	cated Acres	13. J	oint or Infill	10.00	. Consolidation	Code		15. Order No.	LEA

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: 4/29/2011

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: Ronald Eidson Date of Survey: 4/15/2011 Certificate Number: 3239

Permit Comments

Operator: COG OPERATING LLC , 229137 Well: CORAZON STATE UNIT 4 #004H

API: 30-025-40130

Created By	Comment	Comment Date
pkautz	Restricted due to potash	4/29/2011
pkautz		4/29/2011
p <mark>kautz</mark>	05/05/2011 Received from State Land Office, location was not in LMR and was not in Buffer Zone.	5/6/2011
pkautz	05/06/2011 Received from BLM, location was not in LMR and was not in Buffer Zone	5/6/2011