State of New Mexico

Form C-101 Permit 128968

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

COGO	or Name and Address PERATING LLC	OGRID Number 229137	
550 W TEXAS		3. API Number	
MIDLAND, TX 79701		30-015-39116	
4. Property Code	5. Property Name	6. Well No.	
308272	CONTINENTAL STATE	016	

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
F	15	17S	29E	F	2310	N	2310	W	EDDY

8. Pool Information

GRAYBURG JACKSON;SR-Q-G-SA	28509
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Additional Well Information

	901		Inditional II cir Intolin			
9. Work Type New Well	10. Well Ty OIL	ype	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3577	
14. Multiple N	le 15. Proposed Depth 5600		16. Formation Yeso Formation	17. Contractor	18. Spud Date 6/30/2011	
Depth to Ground 110	water		Distance from nearest fresh water > 1000	well	Distance to nearest surface water > 1000	
Pit: Liner: Synthetic D Closed Loop Syste	_	ls thick Cla	y Pit Volume: 5000 bbls	Drilling Method: Fresh Water ■ Brine ■ 1	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	5600	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 5600' 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

100		1 Toposcu Dionout 1	icication i rogium	
	Type	Working Pressure	Test Pressure	Manufacturer
Т	DoubleRam	2000	2000	

I hereby certify that the information given above is true and of my knowledge and belief. I further certify that the drilling pit will be constructed	OIL CONSERVATION DIVISION
NMOCD guidelines X, a general permit , or an (attac OCD-approved plan .	
Printed Name: Electronically filed by Diane Kuyk	rendall Title: District Supervisor
Title: Production Reporting Mgr	Approved Date: 6/8/2011 Expiration Date: 6/8/2013
Email Address: dkuykendall@conchoresources.co	m
Date: 6/8/2011 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 I

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 128968

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
30-015-39116	28509	GRAYBUR	G JACKSON;SR-Q-G-SA
4. Property Code	5. Propert	y Name	6. Well No.
308272	CONTINENTAL STATE		016
7. OGRID No.	8. Operator Name		9. Elevation
229137	COG OPERA	3577	

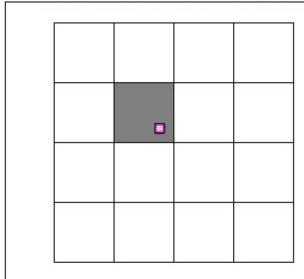
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
F	15	17S	29E	1	2310	N	2310	W	EDDY

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Id	Feet From	N/S Line	Feet From	E/W Line	County
	cated Acres	13. 1	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: 6/8/2011

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: 6/1/2011 Certificate Number: 3239

Permit Comments

Operator: COG OPERATING LLC , 229137 Well: CONTINENTAL STATE #016

API: 30-015-39116

Created By	Comment	Comment Date
kholly1	H2S concentrations of wells in this area from surface to TD are low enough that a contingency plan is not required.	3/17/2011
Artesia	Land S/S	6/8/2011

Permit Conditions of Approval

Operator: COG OPERATING LLC , 229137 Well: CONTINENTAL STATE #016

API: 30-015-39116

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