

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 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-101
August 1, 2011
Permit 139829

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 30-015-39612
4. Property Code 38379	5. Property Name PHANTOM 18 STATE #1H	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
P	18	19S	29E	P	330	S	330	E	EDDY

8. Pool Information

SCANLON DRAW;BONE SPRING	55510
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Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable Rotary	12. Lease Type State	13. Ground Level Elevation 3368
14. Multiple N	15. Proposed Depth 12258	16. Formation 2nd Bone Spring Sand	17. Contractor	18. Spud Date 11/21/2011
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

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	250	300	
Int1	12.25	9.625	36	3500	1000	
Prod	7.875	5.5	17	12258	1700	3300

Casing/Cement Program: Additional Comments

Plan to drill a 17-1/2" hole to 300' with Fresh Water. Run 13-3/8", 48#, J-55 csg and cmt to surface. Drill 12-1/4" hole to 3500' with Brine, and run 9-5/8", 36#, J55 and cement to surface. Kick off and drill 7-7/8" lateral to approx 12,258' MD. Run 5-1/2", 17#, P-110 csg and cement to 3300' in 1 stage.

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 NMOCDC guidelines <input type="checkbox"/> a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION	
	Approved By: Randy Dade	
	Title: District Supervisor	
	Approved Date: 11/14/2011	Expiration Date: 11/14/2013
	Conditions of Approval Attached	

Printed Name: Electronically filed by Diane Kuykendall
 Title: Production Reporting Mgr
 Email Address: dkuykendall@conchoresources.com
 Date: 11/9/2011 Phone: 432-683-7443

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Form C-102
August 1, 2011
Permit 139829

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-39612	2. Pool Code 55510	3. Pool Name SCANLON DRAW;BONE SPRING
4. Property Code 38379	5. Property Name PHANTOM 18 STATE #1H	6. Well No. 001H
7. OGRID No. 229137	8. Operator Name COG OPERATING LLC	9. Elevation 3368

10. Surface Location

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

UL - Lot A	Section 18	Township 19S	Range 29E	Lot Idn A	Feet From 330	N/S Line N	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

<table border="1" style="width: 100%; height: 150px;"> <tr><td></td><td></td><td></td><td style="background-color: #cccccc; text-align: center;">■</td></tr> <tr><td></td><td></td><td></td><td style="background-color: #cccccc;"></td></tr> <tr><td></td><td></td><td></td><td style="background-color: #cccccc;"></td></tr> <tr><td></td><td></td><td></td><td style="background-color: #cccccc; text-align: center;">●</td></tr> </table>				■												●	<p style="text-align: center;">OPERATOR CERTIFICATION</p> <p><i>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.</i></p> <p>E-Signed By: Diane Kuykendall Title: Production Reporting Mgr Date: 11/9/2011</p> <hr/> <p style="text-align: center;">SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>Surveyed By: Frank Jaramillo Date of Survey: 6/16/2011 Certificate Number: PLS12797</p>
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Permit Comments

Operator: COG OPERATING LLC , 229137
Well: PHANTOM 18 STATE #1H #001H
API: 30-015-39612

Created By	Comment	Comment Date
mreyes1	OIL: 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.	11/9/2011
CSHAPARD	Land s/S	11/10/2011

Permit Conditions of Approval

Operator: COG OPERATING LLC , 229137

Well: PHANTOM 18 STATE #1H #001H

API: 30-015-39612

OCD Reviewer	Condition
CSHAPARD	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