<u>District I</u> 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 141948

APPLICATION FOR PERMIT TO DRILL, RE	-ENTER, DEEPEN, PLUGBACK	OR ADD A ZONE

COG OF	r Name and Address ERATING LLC	OGRID Number 229137		
10.00 (1.00 (W TEXAS ND , TX 79701	3. API Number 30-015-39854		
4. Property Code	5. Property Name	6. Well No.		
39038	CONOCO 8 STATE	002		

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
J	8	17S	29E	J	2310	S	1650	E	EDDY

8. Pool Information

EMPIRE; GLORIETA-YESO, EAST	96610

Additional Well Information

			Additional Well Inform	ation		
9. Work Type New Well	100,000,000		11. Cable/Rotary	12. Lesse Type State	13. Ground Level Elevation 3620	
14. Multiple N	15. Proposed 5400	200000000000000000000000000000000000000	16. Formation Yeso Formation	17. Contractor	18. Spud Date 3/31/2012	
Depth to Ground water			Distance from nearest fresh water > 1000	Distance to nearest surface water > 1000		

19. Proposed Casing and Cement Program

	arratoposta cusing and coment regium										
Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC					
Surf	17.5	13.375	48	300	400	0					
Int1	11	8.625	24	850	500	0					
Prod	7.875	5.5	17	5400	1100						

Casing/Cement Program: Additional Comments

COG proposes to drill a 17-1/2" hole to 300' w/fr wtr mud system, wt 8.5, vis 28, set 13-3/8" casing & cement to surface. Drill a 11" hole to 850' w/br mud system, wt 10, vis 30, set 8-5/8" casing & cement to surface. Drill a 7-7/8" hole to 5400' 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

Туре	Working Pressure	Test Pressure	Manufacturer
DoubleRam	2000	2000	

of my knowledge and belief.	given above is true and complete to the best pit will be constructed according to	OIL CONSERVATION DIVISION				
	permit , or an (attached) alternative	Approved By: Randy Dade				
Printed Name: Electronically	filed by Diane Kuykendall	Title: District Supervisor				
Title: Production Reporting 1	Mgr	Approved Date: 1/25/2012	Expiration Date: 1/25/2014			
Email Address: dkuykendall(2)conchoresources.com		25. 7.1			
Date: 1/24/2012	Phone: 432-683-7443	Conditions of Approval Atta	ched			

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Energy, Minerals and Natural Resources

Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505 Form C-102 August 1, 2011

Permit 141948

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number	2. Pool Code		3. Pool Name	
30-015-39854	96610		RE; GLORIETA-YESO, EAST	
4. Property Code	5. Property Name		6. Well No.	
39038	CONOCO 8 STATE		002	
7. OGRID No.	8. Operato		9. Elevation	
229137	COG OPERA		3620	

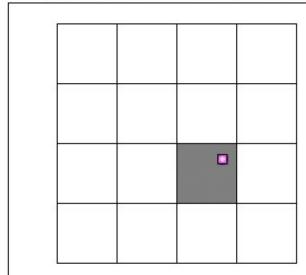
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
J	8	17S	29E		2310	S	1650	E	EDDY

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot	Idn	Feet From	N/S Line	Feet From	E/W Line	County
District Street	cated Acres	13. 3	Joint or Infill		14. Consolidation Code		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: 1/24/2012

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: Gary Eidson Date of Survey: 1/6/2012 Certificate Number: 12641

Permit Comments

Operator: COG OPERATING LLC , 229137 Well: CONOCO 8 STATE #002

API: 30-015-39854

Created By	Comment	Comment Date
kconnally	H2S concentrations of wells in this area from surface to TD are low enough that a contingency plan is not required.	12/22/2011
CSHAPARD	Land p/S	1/25/2012

Permit Conditions of Approval

Operator: COG OPERATING LLC , 229137 Well: CONOCO 8 STATE #002

API: 30-015-39854

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