

ATS-11-447

Form 3160-3
(August 2007)

OCD-HOBBS

HOBBS OCD

OCT 05 2011

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FORM APPROVED
OMB No 1004-013
Expires July 31, 2010

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMNM224664	
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator COG Operating LLC.		7. If Unit or CA Agreement, Name and No.	
3a. Address 2208 West Mam Street Artesia, NM 88210		8. Lease Name and Well No. 39865 Gunner 8 Federal #8H	
3b. Phone No. (include area code) 575-748-6940		9. API Well No. 30-025-40309	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 990' FSL & 330' FWL Unit Letter M (SWSW) Sec. 8 - T26S - R34E 5HL At proposed prod. Zone 1980' FRL & 375' FWL Unit Letter E (SWNW) Sec. 5-T26S-R34E BHL		10. Field and Pool, or Exploratory 196403 Wildcat; Bone Spring	
14. Distance in miles and direction from nearest town or post office* About 17 miles from Jal		11. Sec., T.R.M. or Blk and Survey or Area Sec. 8 - T26S - R34E	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. Unit line, if any) 330'	16. No. of acres in lease 1120	17. Spacing Unit dedicated to this well 320 280	
18. Distance from location* to nearest well, drilling, completed, applied for, on this lease, ft. 600'	19. Proposed Depth PHTD.12250 TVD. 9724 MD. 17112	20. BLM/BIA Bond No. on file NMB000715 NMB000740	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3361	22. Approximate date work will start* 9/1/2011	23. Estimated duration 30 days	

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- Well plat certified by a registered surveyor
- A Drilling Plan
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPD shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature <i>Mayte Reyes</i>	Name (Printed/Typed) Mayte Reyes	Date 4/13/2011
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Title Regulatory Analyst	
Approved by (Signature) <i>/s/ Don Peterson</i>	Name (Printed/Typed) Date <i>/s/ Don Peterson</i> OCT 05 2011
Title <i>Jr. FIELD MANAGER</i>	Office CARLSBAD FIELD OFFICE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

APPROVAL FOR TWO YEARS

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 2)

(Instructions on page 2)

CARLSBAD CONTROLLED WATER BASIN
SEE ATTACHED FOR
CONDITIONS OF APPROVAL

K210/06/11

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

Yates

Oil Conservation Commission
Case No. 15035715044
Exhibit No. 2

HOBBS OCD
OCT 05 2011

DISTRICT I
1025 S. FRANCIS DR. SANTA FE, NM 87505

DISTRICT II
1305 S. GRAND AVENUE, ALBUQUERQUE, NM 87102

DISTRICT III
1040 RIO DELGADOS RD., ALBUQUERQUE, NM 87410

DISTRICT IV
1000 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico
Energy Resources and Natural Resources Department

OIL CONSERVATION DIVISION
1990 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

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Form C-102
Revised October 12, 2004
Submit to Appropriate District Office
State Letter - 4 Copies
Fee Letter - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-025-40309	Pool Name Wildcat; Bone Spring
Property Code 39865	Property Name GUNNER 8 FEDERAL
OGED No. 229137	Operator Name COG OPERATING, LLC
Well Number 8H	Elevation 3361'

Surface Location

UL or lot No.	Section	Township	Range	Lot No.	Feet from the	North/South line	Feet from the	East/West line	County
M	8	26-S	34-E		990	SOUTH	330	WEST	LEA

Bottom Hole Location if Different From Surface

UL or lot No.	Section	Township	Range	Lot No.	Feet from the	North/South line	Feet from the	East/West line	County
E	5	26-S	34-E		1980	NORTH	375'	WEST	LEA

Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.
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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 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 or has a right to drill this well at the location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

[Signature] 4-18-11
Signature Date

[Printed Name]
Printed Name

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.

MARCH 18, 2011

Date Surveyed
Signature
Printed Name

RONALD J. EDISON
NEW MEXICO
110875

Corrected by: GARY C. SIMON 10841
10841 10841