

State of New Mexico
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

1. Operator Name and Address COG OPERATING LLC 550 W TEXAS MIDLAND, TX 79701		2. OGRID Number 229137
		3. API Number 30-015-34873
4. Property Code 302507	5. Property Name IMPERIAL STATE	6. Well No. 007

7. Surface Location

UL - Lot O	Section 16	Township 17S	Range 30E	Lot Idn O	Feet From 990	N/S Line S	Feet From 1650	E/W Line E	County EDDY
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8. Pool Information

LOCO HILLS; PADDOCK	96718
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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 3671
14. Multiple N	15. Proposed Depth 6000	16. Formation Paddock	17. Contractor	18. Spud Date 5/20/2006
Depth to Ground water 150		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 miles thick Clay <input type="checkbox"/> Pit Volume: 3000 bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input checked="" type="checkbox"/>				

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	425	450	0
Int1	12.25	8.625	32	1225	850	0
Prod	7.875	5.5	17	6000	1000	0

Casing/Cement Program: Additional Comments

COG proposes to drill a 17 1/2 hole to 425, run 13 3/8 casing and cement. Drill a 12 1/4 hole to 1225, run 8 5/8 casing and cement. Drill a 7 7/8 hole to 6000 test paddock formation, run 5 1/2 casing and cement. Note: On production string a fluid caliper will be run and will figure cement with 25% excess, attempt to circulate.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	2000	2000	

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 NMOCD guidelines <input checked="" type="checkbox"/> a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION	
	Approved By: Bryan Arrant	
	Title: Geologist	
	Approved Date: 5/17/2006	Expiration Date: 5/17/2007
	Conditions of Approval Attached	

Printed Name: Electronically filed by Diane Kuykendall

Title: Regulatory Analyst

Email Address: dkuykendall@conchoresources.com

Date: 5/17/2006

Phone: 432-685-4372

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

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Form C-102
 Permit 30348

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-34873	2. Pool Code 96718	3. Pool Name LOCO HILLS; PADDOCK
4. Property Code 302507	5. Property Name IMPERIAL STATE	6. Well No. 007
7. OGRID No. 229137	8. Operator Name COG OPERATING LLC	9. Elevation 3671

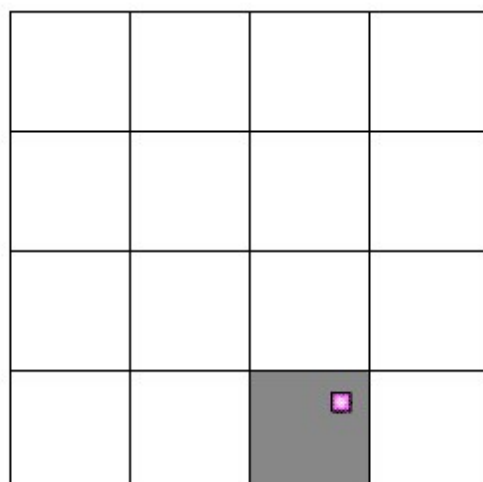
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
O	16	17S	30E		990	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
12. Dedicated Acres 40.00		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



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: Regulatory Analyst
 Date: 5/17/2006

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: 5/16/2006
 Certificate Number: 12641

Permit Comments

Operator: COG OPERATING LLC , 229137

Well: IMPERIAL STATE #007

API: 30-015-34873

Created By	Comment	Comment Date
JSHERRELL	H2S concentrations of wells in this area from surface to TD are low enough that a contingency plan is not required.	5/17/2006

Permit Conditions of Approval

Operator: COG OPERATING LLC , 229137

Well: IMPERIAL STATE #007

API: 30-015-34873

OCD Reviewer	Condition
BArrant	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines
BArrant	As noted, operator to drill with fresh water mud.