

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
4. Property Code 36759		3. API Number 30-015-35833
5. Property Name DANCER 16 STATE		6. Well No. 001

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
P	16	16S	29E	P	660	S	330	E	EDDY

8. Pool Information

WC20384;WOLFCAMP	97588
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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 3678
14. Multiple N	15. Proposed Depth 7500	16. Formation Wolfcamp	17. Contractor	18. Spud Date 9/21/2007
Depth to Ground water 100		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: 25000 _____ 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	275	300	0
Int1	12.25	9.625	40	3100	950	0
Int2	8.75	5.5	17	7500	400	6500
Prod	7.875	5.5	17	11800	100	6500

Casing/Cement Program: Additional Comments

COG proposes to dr 17-1/2 hole to 275' w/fr water mud sys. Run 13-3/8 csg & cmt. Dr 12-1/4 hole to 3100' w/brine mud sys. Run 9-5/8 csg & cmt. Dr 8-3/4 pilot hole thru Wolfcamp to 7500 w/cut brine mud sys. Run open hole logs. Spot 150sx H KO plug from +/- 7300 to +/- 6800. Time dr & KO 7-7/8 hole @ +/- 6800, building curve over +/- 475' to horizontal @ 7220 TVD. Dr horizontal section in westerly direction for +/- 4600 lateral. Run prod csg & cmt.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	3000	1250	
DoubleRam	3000	3000	
Annular	3000	1500	

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	
Printed Name: Electronically filed by Diane Kuykendall	Approved By: Bryan Arrant	
Title: Regulatory Analyst	Title: Geologist	
Email Address: dkuykendall@conchoresources.com	Approved Date: 9/28/2007	Expiration Date: 9/28/2008
Date: 9/28/2007	Phone: 432-685-4372	Conditions of Approval Attached

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 60321

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-35833	2. Pool Code 97588	3. Pool Name WC20384;WOLFCAMP
4. Property Code 36759	5. Property Name DANCER 16 STATE	6. Well No. 001
7. OGRID No. 229137	8. Operator Name COG OPERATING LLC	9. Elevation 3678

10. Surface Location

UL - Lot P	Section 16	Township 16S	Range 29E	Lot Idn	Feet From 660	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 P	Section 16	Township 16S	Range 29E	Lot Idn P	Feet From 330	N/S Line S	Feet From 330	E/W Line W	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

	OPERATOR CERTIFICATION <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> E-Signed By: Diane Kuykendall Title: Regulatory Analyst Date: 9/28/2007
	SURVEYOR CERTIFICATION <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> Surveyed By: Gary Jones Date of Survey: 8/24/2007 Certificate Number: 7977

Permit Comments

Operator: COG OPERATING LLC , 229137

Well: DANCER 16 STATE #001

API: 30-015-35833

Created By	Comment	Comment Date
PEDWARDS	H2S concentrations of wells in this area from surface to TD are low enough that a contingency plan is not required.	9/7/2007
PEDWARDS	H2S concentrations of wells in this area from surface to TD are low enough that a contingency plan is not required.	9/10/2007
BArrant	Please see e mail dated 9/19/2007	9/19/2007

Permit Conditions of Approval

Operator: COG OPERATING LLC , 229137

Well: DANCER 16 STATE #001

API: 30-015-35833

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 surface hole with fresh water mud.
BArrant	Operator to set surface casing above the Salado formation. Please refer to offset geology for more information.