

Santa Fe, NM 87505

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| 1. Operator Name and Address COG OPERATING LLC 550 W TEXAS MIDLAND , TX 79701 | | 2. OGRID Number 229137 |
| | | 3. API Number 30-015-36479 |
| 4. Property Code 37287 | 5. Property Name KOOL AID STATE | 6. Well No. 002 |

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|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
| H | 24 | 17S | 28E | H | 1650 | N | 330 | E | EDDY |

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| EMPIRE; GLORIETA-YESO | 96210 |
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|---|----------------------|--|-------------------------|------------------------------------|
| 9. Work Type New Well | 10. Well Type OIL | 11. Cable/Rotary | 12. Lease Type State | 13. Ground Level Elevation 3694 |
| 14. Multiple N | 15. Proposed Depth | 16. Formation Yeso Formation | 17. Contractor | 18. Spud Date 8/15/2008 |
| Depth to Ground water 110 | | Distance from nearest fresh water well | | Distance to nearest surface water |
| Pit: Liner: Synthetic <input type="checkbox"/> miles thick Clay <input type="checkbox"/> Pit Volume: bbls Drilling Method: | | | | |
| Closed Loop System <input checked="" type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/> | | | | |

| Type | Hole Size | Casing Type | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 11 | 8.625 | 32 | 250 | 300 | 0 |
| Prod | 7.875 | 5.5 | 17 | 5400 | 1200 | 0 |

COG proposes to drill an 11" hole to 250' w/fresh water mud system, vis 8.5, vis 28. Set 8-5/8" casing & cement to surface. Drill 7-7/8" hole to 5400' w/brine mud system, wt 8.7, vis 29-32. Test Yezo formation. Run 5-1/2" casing & cement to surface. Note: On production string, a caliper will be run, COG will attempt to circulate cement.

| Type | Working Pressure | Test Pressure | Manufacturer |
|-----------|------------------|---------------|--------------|
| DoubleRam | 2000 | 2000 | |

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| 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 NMCD 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: Tim Gurn | |
| Printed Name: Electronically filed by Diane Kuykendall | Title: District Supervisor | |
| Title: Regulatory Analyst | Approved Date: 8/10/2008 | Expiration Date: 8/10/2010 |
| Email Address: dkuykendall@conchoresources.com | | |
| Date: 7/29/2008 | Phone: 432-683-7443 | |

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

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
Permit 77732

WELL LOCATION AND ACREAGE DEDICATION PLAT

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|-------------------------------|---------------------------------------|---------------------------------------|
| 1. API Number 30-015-36479 | 2. Pool Code 96210 | 3. Pool Name EMPIRE; GLORIETA-YESO |
| 4. Property Code 37287 | 5. Property Name KOOL AID STATE | 6. Well No. 002 |
| 7. OGRID No. 229137 | 8. Operator Name COG OPERATING LLC | 9. Elevation 3694 |

10. Surface Location

| | | | | | | | | | |
|---------------|---------------|-----------------|--------------|---------|-------------------|---------------|------------------|---------------|----------------|
| UL - Lot H | Section 24 | Township 17S | Range 28E | Lot Idn | Feet From 1650 | N/S Line N | Feet From 330 | E/W Line E | County EDDY |
|---------------|---------------|-----------------|--------------|---------|-------------------|---------------|------------------|---------------|----------------|

11. Bottom Hole Location If Different From Surface

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|------------------------------|---------------------|------------------------|---------------|---------|-----------|----------|-----------|----------|--------|
| 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

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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: 7/29/2008

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: Ronald Eidson
Date of Survey: 7/14/2008
Certificate Number: 3239

Permit Comments

Operator: COG OPERATING LLC , 229137

Well: KOOL AID STATE #002

API: 30-015-36479

| 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. | 6/26/2008 |