

**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 37687		3. API Number 30-025-39399
5. Property Name TAYLOR D		6. Well No. 002

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
J	9	17S	32E	J	1650	S	1650	E	LEA

**8. Pool Information**

MALJAMAR;YESO, WEST	44500
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**Additional Well Information**

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type Private	13. Ground Level Elevation 4078
14. Multiple N	15. Proposed Depth 7000	16. Formation Yeso Formation	17. Contractor	18. Spud Date 7/31/2009
Depth to Ground water 110		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 _____ mils thick Clay <input type="checkbox"/> Pit Volume: 5000 _____ bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input 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	900	700	0
Int1	11	8.625	32	2150	800	0
Prod	7.875	5.5	17	7000	1200	0

**Casing/Cement Program: Additional Comments**

COG proposes to drill a 17-1/2" hole to 650' w/fr water mud system, wt 8.5, vis 28, set 13-3/8" casing & cement to surface. Drill a 11" hole to 2150' w/fr mud system, wt 10, vis 30, set 8-5/8" casing & cement to surface. Drill a 7-7/8" hole to 7000' 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.

**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"/> .	<b>OIL CONSERVATION DIVISION</b>
Printed Name: Electronically filed by Diane Kuykendall	Approved By: Paul Kautz
Title: Regulatory Analyst	Title: Geologist
Email Address: dkuykendall@conchoresources.com	Approved Date: 5/14/2009   Expiration Date: 5/14/2011
Date: 5/7/2009   Phone: 432-683-7443	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 91401

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-39399	2. Pool Code 44500	3. Pool Name MALJAMAR,YESO, WEST
4. Property Code 37687	5. Property Name TAYLOR D	6. Well No. 002
7. OGRID No. 229137	8. Operator Name COG OPERATING LLC	9. Elevation 4078

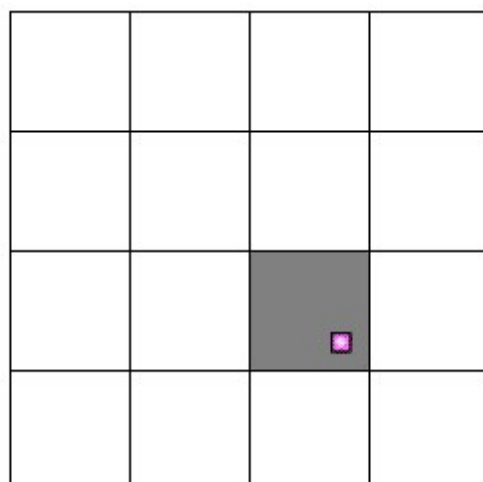
**10. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
J	9	17S	32E		1650	S	1650	E	LEA

**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: 5/7/2009

**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: 4/29/2009  
 Certificate Number: 3239

## Permit Comments

Operator: COG OPERATING LLC , 229137

Well: TAYLOR D #002

API: 30-025-39399

Created By	Comment	Comment Date
rodom	H2S concentrations of wells in this area from surface to TD are low enough that a contingency plan is not required.	3/9/2009
DMULL	OCD has received form C-144 "Pit Registration". OCD Permit Number P1-01072.	5/14/2009

# Permit Conditions of Approval

Operator: COG OPERATING LLC , 229137

Well: TAYLOR D #002

API: 30-025-39399

OCD Reviewer	Condition
pkautz	surface casing must be set 25 below top Rustler
DMULL	Operator (COG Operating LLC) must come into compliance with Rule 40.A(4) before OCD can grant approval of Allowable and Authorization to Transport production.