

1. Operator Name and Address COG OPERATING LLC 550 W TEXAS MIDLAND , TX 79701		2. OGRID Number 229137
		3. API Number 30-015-38274
4. Property Code 38386	5. Property Name HONEY GRAHAM 29 STATE	6. Well No. 003H

UL - Lot B	Section 29	Township 26S	Range 28E	Lot Idn B	Feet From 330	N/S Line N	Feet From 1980	E/W Line E	County EDDY
---------------	---------------	-----------------	--------------	--------------	------------------	---------------	-------------------	---------------	----------------

HAY HOLLOW BONE SPRING	30215
------------------------	-------

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3006
14. Multiple N	15. Proposed Depth 13502	16. Formation Bone Spring	17. Contractor	18. Spud Date 12/5/2010
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> mills thick Clay <input type="checkbox"/> Pit Volume: 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"/>				

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	300	350	0
Int1	12.25	9.625	36	2300	900	0
Prod	7.875	5.5	17	13502	1150	2100

Plan to drill a 17-1/2" hole to 300' with FW. Run 13-3/8", 48#, H-40 csg and cmt to surface. Drill 12-1/4" hole to 2300' with brine, and run 9-5/8", 36#, J-55 and cement to surface. Drill 7-7/8" hole with cut brine to 13,502' MD (6,800' TVD). Run 5-1/2", 17#, P-110 & N-80 csg and cement to surface in 2 stages.

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	Cameron

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

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 123424

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-38274	2. Pool Code 30215	3. Pool Name HAY HOLLOW;BONE SPRING
4. Property Code 38386	5. Property Name HONEY GRAHAM 29 STATE	6. Well No. 003H
7. OGRID No. 229137	8. Operator Name COG OPERATING LLC	9. Elevation 3006

10. Surface Location

UL - Lot B	Section 29	Township 26S	Range 28E	Lot Idn	Feet From 330	N/S Line N	Feet From 1980	E/W Line E	County EDDY
---------------	---------------	-----------------	--------------	---------	------------------	---------------	-------------------	---------------	----------------

11. Bottom Hole Location If Different From Surface

UL - Lot G	Section 32	Township 26S	Range 28E	Lot Idn 3	Feet From 330	N/S Line S	Feet From 2310	E/W Line E	County EDDY
12. Dedicated Acres 223.78		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

	<p align="center">OPERATOR CERTIFICATION</p> <p><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></p> <p>E-Signed By: Diane Kuykendall Title: Production Reporting Mgr Date: 11/17/2010</p>
	<p align="center">SURVEYOR CERTIFICATION</p> <p><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></p> <p>Surveyed By: Filmon Jaramillo Date of Survey: 11/2/2010 Certificate Number: 12797</p>

Permit Comments

Operator: COG OPERATING LLC , 229137

Well: HONEY GRAHAM 29 STATE #003H

API: 30-015-38274

Created By	Comment	Comment Date
krabinson2	COG Operating has conducted a review to determine if an H2S contingency plan is required for the above referenced well. We were able to conclude that any potential hazardous volume would be minimal. H2S concentrations of wells in this area from surface to TD are low enough; therefore we do not believe that an H2S Contingency Plan would be necessary.	11/17/2010

Permit Conditions of Approval

Operator: COG OPERATING LLC , 229137

Well: HONEY GRAHAM 29 STATE #003H

API: 30-015-38274

OCD Reviewer	Condition
Artesia	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string