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 2. OGRID Number COG OPERATING LLC 229137 550 W TEXAS 3. API Number MIDLAND , TX 79701 3. API Number 4. Property Code 5. Property Name 6. Well No. 38579 CROSSMAN 25 STATE 001H

				7. S	urface Loca	ation			
UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
A	25	25S	27E	А	300	Ν	330	E	EDDY

HAY HOLLOW; BONE SPRING, NORTH

Additional Well Information 10. Well Type 9. Work Type 11. Cable/Rotary 12. Lease Type 13. Ground Level Elevation New Well 2997 OIL State 14. Multiple 15. Proposed Depth 16. Formation 17. Contractor 18. Spud Date N 10924 Bone Spring 4/29/2011 Depth to Ground water Distance from nearest fresh water well Distance to nearest surface water Pit: Liner: Synthetic Clay Pit Volume: bbls Drilling Method: mils thick Fresh Water 🗙 Brine 🗌 Diesel/Oil-based 🗌 Gas/Air Closed Loop System

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	400	350	0
Int1	12.25	9.625	36	2250	600	0
Prod	7.875	5.5	17	10924	1200	0

Casing/Cement Program: Additional Comments

Plan to drill a 17-1/2" hole to 400' with Fresh Water. Run 13-3/8", 48#, J-55 csg and cmt to surface. Drill 12-1/4" hole to 2250' with Brine, and run 9-5/8", 36#, J-55 and cement to surface. Drill 7-7/8" hole with cut brine to 10,924' MD. Run 5-1/2", 17#, P-110 csg and cement to surface in 3 stages.

Proposed Blowout Prevention Program				
Type	Working Pressure	Test Pressure	Manufacturer	
DoubleRam	3000	3000	Cameron	

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	OIL CONSERVATION DIVISION Approved By: Randy Dade		
NMOCD guidelines , a general permit , or an (attached) alternative OCD-approved plan .			
Printed Name: Electronically filed by Diane Kuykendall	Title: District Supervisor		
Title: Production Reporting Mgr	Approved Date: 4/11/2011	Expiration Date: 4/11/2013	
Email Address: dkuykendall@conchoresources.com			
Date: 4/8/2011 Phone: 432-683-7443	Conditions of Approval Attached		

8. Pool Information

30216

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number	2. Pool Code	HAY HOLLO	3. Pool Name	
30-015-38948	30216		HAY HOLLOW;BONE \$PRING, NORTH	
4. Property Code	5. Property Name		6. Wett No.	
38579	CROSSMAN 25 STATE		001H	
7. OGRID No.	8. Operator Name		9. Elevation	
229137	COG OPERATING LLC		2997	

10. Surface Location UL - Lot Lot Idn Feet From N/S Line Feet From E/W Line Section Township Range County A 25 25S 27E 300 N 330 Е 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
P	25	25S	27E	P	330	S	380	E	EDDY
100 C	cated Acres 0.00	13. J	oint <mark>or Infill</mark>	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: Production Reporting Mgr Date: 4/8/2011

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: Frank Jaramillo

Date of Survey: 3/1/2011

Certificate Number: 12797

Permit Comments

Operator: COG OPERATING LLC , 229137 Well: CROSSMAN 25 STATE #001H

API: 30-015-38948

Created By	Comment	Comment Date
krobinson2	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.	
Artesia	Land S/S	4/8/2011

Permit Conditions of Approval

Operator: COG OPERATING LLC , 229137 Well: CROSSMAN 25 STATE #001H

API: 30-015-38948

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