State of New Mexico

Form C-101 Permit 126139

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

COG OP	Name and Address ERATING LLC	2. OGRID Number 229137	
550 W TEXAS		3. API Number	
MIDLAND, TX 79701		30-015-38950	
4. Property Code	5. Property Name	6. Well No.	
37953	YALE STATE	009	

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	2	17S	30E	M	990	S	330	W	EDDY

8. Pool Information

LOCO HILLS; GLORIETA-YESO 96718

Additional Well Information

9. Work Type	10. Well Type	11. Cable/Rotary	12. Lesse Type	13. Ground Level Elevation
New Well	OIL		State	3743
14. Multiple	15. Proposed Depth	16. Formation	17. Contractor	18. Spud Date
N	6150	Yeso Formation		4/30/2011
Depth to Ground	water	Distance from nearest fresh water v > 1000	well	Distance to nearest surface water > 1000
Pit: Liner: Synthetic D Closed Loop Syste			Drilling Method: Fresh Water X Brine	Diesel/Oil-based Gas/Air

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	450	450	0
Int1	11	8.625	24	1350	500	0
Prod	7.875	5.5	17	6150	900	0

Casing/Cement Program: Additional Comments

COG proposes to drill a 17-1/2" hole to 800° w/fr wtr mud system, wt 8.5, vis 28, set 13-3/8" casing & cement to surface. Drill an 11" hole to 1350' w/br mud system, wt 10, vis 30. Set 8-5/8" casing & cement to surface. Drill 7-7/8" hole to 6150' 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 cement.

Proposed Blowout Prevention Program

100		Troposed Dionout Tr	CTCHEIGH LIUGIAIN	72- 42
	Type	Working Pressure	Test Pressure	Manufacturer
	DoubleRam	2000	2000	

I hereby certify that the information given above is true and complete to the b of my knowledge and belief. I further certify that the drilling pit will be constructed according to	OIL CONSERVATION DIVISION			
NMOCD guidelines X, a general permit , or an (attached) alternative OCD-approved plan .	Approved By: Randy Dade			
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	10 Department of the control of the			
Date: 2/24/2011 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

State of New Mexico

Permit 126139

Form C-102

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 30-015-38950			3. Pool Name LS; GLORIETA-YESO	
4. Property Code 37953	5. Property Name YALE STATE		6. Wett No. 009	
7. OGRID No. 229137		8. Operator Name COG OPERATING LLC		

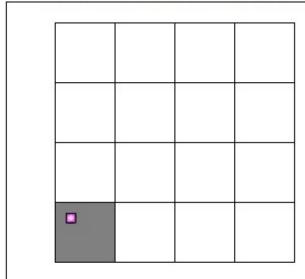
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	2	17S	30E	1	990	S	330	W	EDDY

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot	Idn	Feet From	N/S Li	ne	Feet From	E/W Line	County
0.000	cated Acres	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: Production Reporting Mgr

Date: 2/24/2011

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: Ronald Eidson Date of Survey: 2/9/2011 Certificate Number: 3239

Permit Comments

Operator: COG OPERATING LLC , 229137 Well: YALE STATE #009

30-015-38950 API:

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.	1/21/2011
Artesia	Land S/S	2/24/2011

Permit Conditions of Approval

Operator: COG OPERATING LLC , 229137 Well: YALE STATE #009

API: 30-015-38950

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