District I 1625 N. French Dr., Hobbs, NM 88240 Phone:(505) 393-6161 Fax:(505) 393-0720 District II 811 S. First St., 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

26770

Permit 128950

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

MIDLA	ND, TX 79701	3. API Number 30-015-39244
4. Property Code	5. Property Name	6. Well No.
36826	TEX-MACK	225

ý.	7. Surface Location								
UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	2	17S	31E	4	1040	Ν	990	W	EDDY

FREN; GLORIETA-YESO

550 W TEXAS

8. Pool Information

			Additional Well Inform	ation		
9. Work Type New Well	ew Wetl OIL		11. Cable/Rotary	12. Lesse Type State	13. Ground Level Elevation 4002	
14. Multiple N			16. Formation 17. Contractor Yeso Formation		18. Spud Date 8/31/2011	
Depth to Ground	water		Distance from nearest fresh water > 1000	well	Distance to nearest surface water > 1000	

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	725	600	0
Int1	11	8.625	32	1800	800	0
Prod	7.875	5.5	17	6700	1200	0

Casing/Cement Program: Additional Comments

COG proposes to drill a 17-1/2" hole to 725' w/fr wtr mud system, wt 8.5, vis 28, set 13-3/8" casing & cement to surface. Drill an 11" hole to 1800' w/br mud system, wt 10, vis 30. Set 8-5/8" casing & cement to surface. Drill 7-7/8" hole to 6700' w/cut brine mud system, wt 9.1, vis 29-32. Test Yeso formation. Run 5-1/2" casing & cememt 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	

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				
	permit , or an (attached) alternative	Approved By: Randy Dade				
Printed Name: Electronically	filed by Diane Kuykendall	Title: District Supervisor				
Title: Production Reporting N	vlgr	Approved Date: 7/27/2011	Expiration Date: 7/27/2013			
Email Address: dkuykendall(Jconchoresources.com					
Date: 7/26/2011	Phone: 432-683-7443	Conditions of Approval Attac	ched			

District I

1625 N. French Dr., Hobbs, NM 88240 Phone:(505) 393-6161 Fax:(505) 393-0720 <u>District II</u> 811 S. First St., Artesia, NM 88210 Phone:(505) 748-1283 Fax:(505) 748-9720 <u>District III</u> 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 30-015-39244	2. Pool Code 26770	3. Pool Name FREN; GLORIETA-YESO
4. Property Code 36826	5. Property 1 TEX-MA	
7. OGRID No. 229137	8. Operator 1 COG OPERAT	

	10. Surface Location								
UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	2	17S	31E		1040	N	990	W	EDDY

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Id:	Feet From	N/S Line	Feet From	E/W Line	County
1000 C	cated Acres 9.90	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: 7/26/2011

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: 7/9/2011

Certificate Number: 3239

Permit Comments

Operator: COG OPERATING LLC , 229137 Well: TEX-MACK #225

30-015-39244 API:

Created By	Comment	Comment Date
kholly1	H2S concentrations of wells in this area from surface to TD are low enough that a contingency plan is not required.	3/17/2011
Artesia	Land S/S	7/27/2011

Permit Conditions of Approval

Operator: COG OPERATING LLC , 229137 Well: TEX-MACK #225

30-015-39244 API:

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
Artesia	Will require administrative order for non-standard location