

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(575) 393-6161 Fax:(575) 393-0720
District II
 811 S. First St., Artesia, NM 88210
 Phone:(575) 748-1283 Fax:(575) 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-101
 August 1, 2011
 Permit 137749

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 |
| | | 3. API Number 30-015-39778 |
| 4. Property Code 38976 | 5. Property Name STONEWALL 9 FEE | 6. Well No. 002H |

7. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| C | 9 | 19S | 26E | C | 150 | N | 1700 | W | EDDY |

8. Pool Information

| | |
|---------------------|------|
| ATOKA;GLORIETA-YESO | 3250 |
|---------------------|------|

Additional Well Information

| | | | | |
|------------------------------|--|---------------------------------|---|------------------------------------|
| 9. Work Type New Well | 10. Well Type OIL | 11. Cable/Rotary | 12. Lease Type Private | 13. Ground Level Elevation 3346 |
| 14. Multiple N | 15. Proposed Depth 7416 | 16. Formation Yeso Formation | 17. Contractor | 18. Spud Date 1/31/2012 |
| Depth to Ground water 110 | Distance from nearest fresh water well > 1000 | | 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 | 12.25 | 9.625 | 36 | 825 | 600 | 0 |
| Int1 | 8.75 | 7 | 26 | | 0 | 0 |
| Prod | 7.875 | 5.5 | 17 | 7416 | 300 | |

Casing/Cement Program: Additional Comments

COG proposes to drill a 12 1/4" hole to 825' w/ fresh water, run 9 5/8" 36# J-55 and cement to surface. Drill a 8 3/4" hole to 2273' MD and kick off and drill curve to 3023' MD. Drill a 7 7/8" lateral to new BHL @ 2750' TVD 7416' MD. Run a tapered string with 7" 26# L-80 from surface to 2273' & 5 1/2" 17# L-80 casing to TD with DV/ECP Combo Tool at 2273' and isolation packers in the open hole. Set isolation packers and ECP. Open DV tool and cement from 2273' to surface.

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"/> . | OIL CONSERVATION DIVISION | |
| | Approved By: Randy Dade | |
| | Title: District Supervisor | |
| | Approved Date: 12/16/2011 | Expiration Date: 12/16/2013 |
| | Email Address: dkuykendall@conchoresources.com | |
| | Date: 12/14/2011 | Phone: 432-683-7443 |

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Form C-102
 August 1, 2011
 Permit 137749

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-------------------------------|---------------------------------------|--------------------------------------|
| 1. API Number 30-015-39778 | 2. Pool Code 3250 | 3. Pool Name ATOKA, GLORIETA-YESO |
| 4. Property Code 38976 | 5. Property Name STONEWALL 9 FEE | 6. Well No. 002H |
| 7. OGRID No. 229137 | 8. Operator Name COG OPERATING LLC | 9. Elevation 3346 |

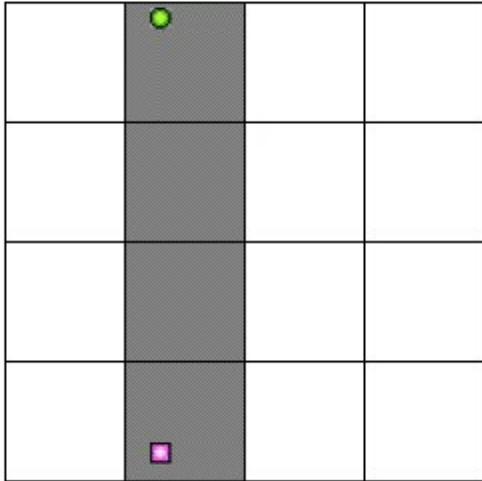
10. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| C | 9 | 19S | 26E | | 150 | N | 1700 | W | 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 |
|-------------------------------|---------|---------------------|-------|------------------------|-----------|---------------|-----------|----------|--------|
| N | 9 | 19S | 26E | N | 330 | S | 1700 | W | EDDY |
| 12. Dedicated Acres 160.00 | | 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

| | |
|---|--|
|  | <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: 12/14/2011</p> <hr/> <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: Gary Eidson Date of Survey: 11/7/2011 Certificate Number: 12641</p> |
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Permit Comments

Operator: COG OPERATING LLC , 229137

Well: STONEWALL 9 FEE #002H

API: 30-015-39778

| 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. | 9/21/2011 |
| CSHAPARD | Land p/P | 12/16/2011 |

Permit Conditions of Approval

Operator: COG OPERATING LLC , 229137

Well: STONEWALL 9 FEE #002H

API: 30-015-39778

| OCD Reviewer | Condition |
|-------------------------|--|
| CSHAPARD | 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 |