# OCD-ARTESIA

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Form 3160 -3 (April 2004)		FORM APPROVED OMB No 1004-0137 Expires March 31, 2007				
UNITED STATES DEPARTMENT OF THE 1		5 Lease Serial No. NMNM-0397623				
BUREAU OF LAND MAN  APPLICATION FOR PERMIT TO	6. If Ind	ian, Allotee or Tri	be Name			
la. Type of work  DRILL  REENTE	7 If Unit	or CA Agreement	, Name and No.			
lb. Type of Well		Name and Well N Federal #19	0			
2 Name of Operator COG Operating LLC		9 API V 30-0	7/1	270		
3a Address 550 W. Texas, Suite 1300 Midland TX 79701	3b Phone No. (include area code) (432) 685-4384		nd Pool, or Explor pire; Glorieta-Y	atory eso, East 96610		
4. Location of Well (Report location clearly and in accordance with an At surface 660' FNL & 2310' FWL, Unit C		11 Sec , T	R M or Blk and	Survey or Area		
At proposed prod zone 330' FNL & 2310' FWL, Unit C			17, T17S, R29E			
14 Distance in miles and direction from nearest town or post office*  2.5 miles Northwest of Loco Hi	ills, New Mexico	12 Count Edd	y or Parish y	13 State NM		
15 Distance from proposed* location to nearest	16 No. of acres in lease	17 Spacing Unit dedic	ated to this well			
property or lease line, ft (Also to nearest drig unit line, if any)  660'	400	40	<u>~1</u>			
18 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft  330'	19 Proposed Depth <b>TVD:</b> 5500' <b>MD:</b> 5515'					
21 Elevations (Show whether DF, KDB, RT, GL, etc.) 3618' GL	22. Approximate date work will star 06/30/2011		23 Estimated duration 10 days			
	24. Attachments					
The following, completed in accordance with the requirements of Onshor  Well plat certified by a registered surveyor  A Drilling Plan  Surface Use Plan (if the location is on National Forest System SUPO shall be filed with the appropriate Forest Service Office)	4 Bond to cover the Item 20 above). Lands, the 5 Operator certific	e operations unless co	,			
25. Signature	Name (Printed/Typed) Kelly J. Holly		Date	05/11/2011		
Title Permitting Tech	Keny J. Hony		1	05/11/2011		
Approved by (Signature) /s/ Don Peterson	Name (Printed/Typed)		Date	UL 26 201		
Title FIELD MANAGER	Office CARLS	BAD FIELD OFFIC				
Application approval does not warrant or certify that the applicant hold conduct operations thereon. Conditions of approval, if any, are attached.	ls legal or equitable title to those right			he applicant to OR TWO YE		
Title 18 USC Section 1001 and Title 43 USC. Section 1212, make it a ci States any false, fictitious or fraudulent statements or representations as	rime for any person knowingly and v to any matter within its jurisdiction	ullfully to make to any o	lepartment or ager	ncy of the United		
*(Instructions on page 2)	R	AUG 4 2011 NOCD ARTE	CALS			
well Controlled Water Basin	/ NN	OCD ARTE	9171			

Approval Subject to General Requirements & Special Stipulations Attached

#### MASTER DRILLING PROGRAM

### 1. Geologic Name of Surface Formation

Quaternary

## 2. Estimated Tops of Important Geologic Markers:

Quaternary	Surface
Rustler	220'
Salt	400'
Base of Salt	800'
Yates	850'
Seven Rivers	1130'
Queen	1700'
Grayburg	2100'
San Andres	2400'
Glorieta	3850'
Paddock	3950'
Blinebry	4400'
Tubb	5300'

#### 3. Estimated Depths of Anticipated Fresh Water, Oil and Gas

Water Sand	150'	Fresh Water
Grayburg	2100'	Oil/Gas
San Andres	2400'	Oil/Gas
Glorieta	3850'	Oil/Gas
Paddock	3950'	Oil/Gas
Blinebry	4400'	Oil/Gas
Tubb	5300'	Oil/Gas

No other formations are expected to give up oil, gas or fresh water in measurable quantities. Setting 13 3/8" casing to 300' and circulating cement back to the surface will protect the surface fresh water sand. The Salt Section will be protected by setting 8 5/8" casing to 850' and circulating cement, in a single or multi-stage job and/or with an ECP, back to the surface. Any shallower zones above TD, which contain commercial quantities of oil and/or gas, will have cement circulated across them. This will be achieved by cementing, with a single or multi-stage job, the 5 1/2" production casing back 200' into the intermediate casing, (but calculated to surface) to be run at TD. If wellbore conditions arise that require immediate action and/or a change to this program, COG Operating LLC personnel will always react to protect the wellbore and/or environment.

See COH

See COP

## 4. Casing Program

		OD					
Hole Size	Interval	Casing	Weight	Grade	Jt., Condition	Jt.	brst/clps/ten
17 ½"	0-300'	13 3/8"	48#	H-40orJ-55	ST&C/New	ST&C	9.22/3.943/15.8
11"	0-850'	8 5/8"	24or32#	J-55	ST&C/New	ST&C	3.03/2.029/7.82
7 7/8"	0-TD	5 1/2"	15.5or17#	J-55orL-80	LT&C/New	LT&C	1.88/1.731/2.42

### 5. Cement Program

13 3/8" Surface Casing:

Class C w/ 2% Cacl2 + 0.25 pps CF, 400 sx, yield 1.32, back to surface. 154% excess

8 5/8" Intermediate Casing:

#### 11" Hole:

**Single Stage:** 50:50:10 C:Poz:Gel w/ 5% Salt +0.25% CF, 300 sx lead, yield-2.45 + Class C w/2% CaCl2, 200 sx tail, yield-1.32, back to surface. 363% excess

Multi-Stage: Stage 1: Class C w/2% CaCl2, 200 sx, yield - 1.32; 108% excess Stage 2: 50:50:10 C:Poz:Gel w/ 5% Salt +0.25% CF, 300 sx, yield - 2.45, back to surface, 726% excess; assumption for tool is lost circulation. Multi stage tool to be set at approximately, depending on hole conditions, 350' (50' below the surface casing). Cement volumes will be adjusted proportionately for depth changes of multi stage tool.

See COA

5 1/2" Production Casing:

See COA

Single Stage: LEAD 500 sx 35:65:6 C:Poz:Gel w/ 5% Salt + 5 pps LCM + 0.2% SMS + 0.3% FL-52A + 0.125 pps CF, yield-2.05; + TAIL 400 sx 50:50:2 C:Poz:Gel w/ 5% Salt + 3 pps LCM + 0.6% SMS + 1% FL-25 + 1% BA-58 + 0.3% FL-52A + 0.125 pps CF, yield-1.37, to 200' minimum tie back to intermediate casing. 76.8% open hole excess, cement calculated back to surface.

**Multi-Stage:** Stage 1: (Assumed TD of 5450') 500 sx 50:50:2 C:Poz:Gel w/ 5% Salt + 3 pps LCM + 0.6% SMS + 1% FL-25 + 1% BA-58 + 0.3% FL-52A + 0.125 pps CF,

yield - 1.37, 34% excess; Stage 2: LEAD 450 sx 50:50:2 C:Poz:Gel w/ 5% Salt + 3 pps LCM + 0.6% SMS + 1% FL-25 + 1% BA-58 + 0.3% FL-52A + 0.125 pps CF, yield - 1.37, + TAIL 250 sx Class C w/ 0.3% R-3 + 1.5% CD-32, yield -1.02 148% open hole excess, cement calculated back to Multi stage tool to be set at surface. approximately, depending on hole conditions, 2500'. Cement volumes will be adjusted proportionately for depth changes of multi stage tool, assumption for tool is water flow.

# 6. Minimum Specifications for Pressure Control

The blowout preventer equipment (BOP) shown in Exhibit #9 will consist of a double ram-type (2000 psi WP) preventer, and in some cases possibly a 2000 psi Hydril type annular preventer as provided for in Onshore Order #2. This unit will be hydraulically operated and the ram type preventer will be equipped with blind rams on top of 4 1/2" drill pipe rams on the bottom. A 13-5/8" or 11" BOP will be used, depending on the rig selected, during the drilling of the well. The BOP will be nippled up on the 13 3/8" surface casing with BOP equipment and tested to 2000 psi. When 11" BOP is used the special drilling flange will be utilized on the 13-3/8" head to allow testing the BOP with a retrievable test plug. After setting 8-5/8" the BOP will then be nippled up on the 8 5/8" intermediate casing and tested by a third party to 2000 psi and used continuously until total depth is reached. Pipe rams will be operationally checked each 24-hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment (Exhibit #10) will include a Kelly cock and floor safety valve, choke lines and a choke manifold (Exhibit #11) with a 2000 psi WP rating.

The majority of the rigs currently in use have a 13-5/8" BOP, so no special provision is needed for most wells in the area for conventionally testing the BOP with a test plug. However, due to the vagaries of rig scheduling, it might be that one of the few rigs with 11" BOP's might be called upon to drill any specific well in the area. Note that intermediate hole size is always 11". Therefore, COG Operating LLC respectfully requests a variance to the requirement of 13-5/8" BOP on 13-3/8" casing. When that circumstance is encountered the special flange will be utilized to allow testing the entire BOP with a test plug, without subjecting the casing to test pressure. The special flange also allows the return to full-open capability if desired.

See COM

# 7. Types and Characteristics of the Proposed Mud System

The well will be drilled to TD with a combination of brine, cut brine and polymer mud system. The applicable depths and properties of this system are as follows:

DEPTH	TYPE	WEIGHT	VISCOSITY	WATERLOSS
0-300'	Fresh Water	8.5	28	N.C.
300-850'	Brine	10	30	N.C.
850'-TD'	Cut Brine	8.7-9.2	30	N.C.

Sufficient mud materials will be kept at the well site to maintain mud properties and meet minimum lost circulation and weight increase requirements at all times.

# 8. Auxiliary Well Control and Monitoring Equipment

- A. Kelly cock will be kept in the drill string at all times.
- B. A full opening drill pipe-stabbing valve with proper drill pipe connections will be on the rig floor at all times.

# 9. Logging, Testing and Coring Program $\mathcal{S}_{ee}$ $\mathcal{COH}$

- A. The electric logging program will consist of GR-Dual Laterolog, Spectral Density, Dual Spaced Neutron, CSNG Log and will be run from TD to Surface.
- B. Drill Stem test is not anticipated.
- C. No conventional coring is anticipated.
- D. Further testing procedures will be determined after the 5 ½" production casing has been cemented at TD, based on drill shows and log evaluation.

### 10. Abnormal Conditions, Pressure, Temperatures and Potential Hazards

No abnormal pressures or temperatures are anticipated. The estimated bottom hole at TD is 110 degrees and the estimated maximum bottom hole pressure is 2300 psig. Measurable gas volumes or Hydrogen Sulfide levels have not been encountered during drilling operations in this area, although a Hydrogen Sulfide Drilling Operation Plan is attached to this program. No major loss of circulation zones has been reported in offsetting wells.

COG Operating LLC Master Drilling Plan Revised 4-21-11 Empire East; Yeso Use for Sections 6-30, T17S, R29E Eddy County, NM

# 11. Anticipated Starting Date and Duration of Operations

Road and location work will not begin until approval has been received from the BLM. As this is a Master Drilling plan, please refer to the Form 3160-3 for the anticipated start date. Once commenced, drilling operations should be finished in approximately 10 days. If the well is productive, an additional 30 days will be required for completion and testing before a decision is made to install permanent facilities.



# **COG Operating LLC**

Eddy County, NM (NAN27 NME) Folk Federal #19 Folk Federal #19

OH

Plan: Plan #1 - 7-7/8" Hole SHL = 660' FNL & 2310' FWL BHL = 380' FNL & 2300' FWL Paddock Top = 380' FNL & 2300' FWL @ 3850' TVD

# Standard Planning Report

25 April, 2011





#### **Scientific Drilling**

#### Planning Report



EDM-Julio

COG Operating LLC Company:

Eddy County, NM (NAN27 NME)

Project: Site: Well: Folk Federal #19 Folk Federal #19

🖁 он Wellbore:

Design: Plan #1 - 7-7/8" Hole Local Co-ordinate Reference:

Site Folk Federal #19 TVD Reference: GL Elev @ 3618 00usft MD Reference: GL Elev @ 3618.00usft

North Reference: Survey Calculation Method:

Grid

Minimum Curvature

Eddy County, NM (NAN27 NME)

Map System:

US State Plane 1927 (Exact solution)

NAD 1927 (NADCON CONUS)

Geo Datum: Map Zone:

New Mexico East 3001

System Datum:

Mean Sea Level

Folk Federal #19

Site Position:

Map

Northing: Easting:

669,347 80 usft 572,410 60 usft

COMMENCENCY CONTROL OF THE WATER STREET STREET, THE PART OF THE PART OF THE PART OF THE PART OF THE

Latitude:

32° 50' 23 642 N 104° 5' 51 262 W

From: Position Uncertainty:

0 00 usft

Slot Radius:

13-3/16 "

Longitude: Grid Convergence:

0 13 °

Folk Federal #19

**Well Position** 

+N/-S

+E/-W

0 00 usft 0 00 usft

Northing:

Easting:

669.347 80 usft 572,410 60 usft Latitude: Longitude:

32° 50' 23 642 N 104° 5' 51 262 W

**Position Uncertainty** 

0 00 usft

Wellhead Elevation:

Ground Level:

3,618 00 usft

Wellbore OH

Model Name

IGRF2010

2011/04/25

60 67

Design Plan #1 - 7-7/8" Hole

**Audit Notes:** 

Version:

Phase:

PLAN

Tie On Depth:

0 00

Vertical Section:

(usft) 0 00

0 00

(üsft) 0 00

357 85

Plan Sections Measured Depth# #Incli Azimuth +E/:W Rate (usft) \*(://100usft) Rate Rate (\*/100usft) (\*/100usft)\* Rate Depth Cinclination. (usft) (usft) 0 00 0.00 0.00 0.00 0.00 0.00 0 00 0 00 0 00 0 00 950 00 0 00 950 00 0.00 0.00 0.00 0.00 0 00 0 00 0 00 1,258 59 6 17 357 85 1,258 00 16 59 -0 62 2 00 2 00 0 00 357 85 3,555 92 6 17 357 85 3,542 00 263 41 -9 88 0 00 0 00 0 00 0 00 3,864 51 0 00 0 00 3,850 00 280 00 -10 50 2 00 -200 0 00 180 00 TG1-FF #19 5,514 51 0 00 0 00 5,500 00 280 00 -10 50 0 00 0 00 0 00 0 00 PBHL-FF #19 .



#### **Scientific Drilling**

Planning Report



Database: Database: EDM-Julio
Company: COG Operating LLC
Project: Eddy County, NM (NAN27 NME)
Site: Folk Federal #19
Well: Folk Federal #19
Wellbore: OH
Design: Plan #1 - 7-7/8" Hole

EDM-Julio

Local Co-ordinate Reference: Site Folk Federal #19
TVD Reference: GL Elev @ 3618 00us:
MD Reference: GL Elev @ 3618 00us:
North Reference: Grid
Survey Calculation Method: Minimum Curvature

GL Elev @ 3618 00usft GL Elev @ 3618 00usft

ned Survey	ADVECTOR OF ST	* -ceoencors	Carr Casanco Islandos	CO-FITTAL TRANSPORTED BY	BESTERNAMENT OF THE	art of the Market Constraint	James and the second	o par a l'impa sinaba mora. Guer	THE SECOND CONTRACTOR OF THE SECOND CONTRACTOR
Measured 👙 🖖			Vertical			Vertical	Dogleg	Build	Turn
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0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
East HL-FF #19 - I	North HL-FF	#19							
850 00	0 00	0 00	850 00	0 00	0 00	0 00	0 00	0 00	0 00
8-5/8" Casing									
950 00	0 00	0 00	950 00	0 00	0 00	0 00	0 00	0 00	0 00
KOP Start Build 2	.00°/100'								
1,000 00	1 00	357 85	1,000 00	0 44	-0 02	0 44	2 00	. 200	0 00
1,100 00	3 00	357 85	1,099 93	3 92	-0 15	3.93	2 00	2 00	0 00
1,200 00	5 00	357 85	1,199 68	10 89	-0 41	10 90	2 00	2 00	0 00
1,258 59	6 17	357 85	1,257 99	16 59	-0 62	16 60	2 00	2 00	0 00
EOC hold 6.17°									
1,300 00	6 17	357 85	1,299 16	21 04	-0 79	21 06	0 00	0 00	0 00
1,400 00	6 17	357 85	1,398 58	31 79	-1 19	31 81	0 00	0 00	0 00
1,500 00	6 17	357 85	1,498 00	42 53	-1 59	42 56	0 00	0 00	0 00
1,600 00	6 17	357 85	1,597 42	53 27	-2 00	53 31	0 00	0 00	0 00
1,700 00	6 17	357 85	1,696 85	64 02	-2 40	64 06	0 00	0 00	0 00
1,800 00	6 17	357 85	1,796.27	74 76	-2 80	74 81	0 00	0.00	0 00
1,900 00	6 17	357 85	1,895 69	85 50	-3 21	85 56	0 00	0 00	0 00
2,000 00	6 17	357 85	1,995 11	96 25	-3 61	96 31	0 00	0 00	0 00
2,100 00	6 17	357 85	2,094 53	106 99	-4 01	107 07	0 00	0 00	0 00
2,200 00	6 17	357 85	2,193 95	117 73	-4 42	117 82	0 00	0 00	0 00
2,300 00	6 17	357 85	2,293 37	128 48	-4 82	128 57	0 00	0 00	0 00
2,400 00	6 17	357 85	2,392 79	139 22	-5 22	139 32	0 00	0 00	0 00
2,500 00	6 17	357 85	2,492 21	149 96	-5 62	150 07	0 00	0 00	0 00
2,600 00	6 17	357 85	2,591 63	160 71	-6 03	160 82	0 00	0 00	0 00
2,700 00	6.17	357 85	2,691 05	171 45	-6 43	171 57	0 00	0 00	0 00
2,800 00	6 17	357 85	2,790 47	182 19	-6 83	182 32	0 00	0 00	0 00
2,900 00	6 17	357 85	2,889 89	192 94	-7 24	193 07	0 00	0 00	0 00
3,000 00	6 17	357 85	2,989 31	203 68	-7 64	203 83	0 00	0 00	0 00
3,100 00	6 17	357 85	3,088 73	214 43	-8 04	214 58	0 00	0 00	0 00
3,200 00	6 17	357 85	3,188 15	225 17	-8 44	225 33	0 00	0.00	0 00
3,300 00	6 17	357 85	3,287 57	235 91	-8 85	236 08	0 00	0 00	0 00
3,400 00	6 17	357 85	3,386 99	246.66	-9 25	246 83	0 00	0 00	0 00
3,500 00	6 17	357 85	3,486 41	257 40	-9 65	257 58	0 00	0 00	0 00
3,555 92	6 17	357 85	3,542 01	263 41	-9 88	263 59	0 00	0.00	0 00
Start Drop 2.00°/10	00'								
3,600 00	5 29	357 85	3,585 87	267 81	-10 04	267 99	2 00	-2 00	0 00
3,700 00	3 29	357 85	3,685 58	275 28	-10 32	275 47	2 00	-2.00	0 00
3,800 00	1 29	357 85	3,785 50	279 27	-10 47	279 47	2 00	-2 00	0 00
3,864 51	0 00	0 00	3,850 00	280 00	-10 50	280 20	2 00	-2 00	3 33
EOC hold 0.00° - T	G1-FF #19								
5,514 51	0 00	0 00	5,500 00	280 00	-10 50	280 20	0 00	0 00	0 00
PBHL-FF #19									



#### **Scientific Drilling**

Planning Report



Database: EDM-Julio
Company: COG Operating LLC
Project: Eddy County, NM (NAN27 NME)
Site: Folk Federal #19
Well: Folk Federal #19
Wellbore: OH
Design: Plan #1 - 7-7/8" Hole

Local Co-ordinate Reference:

TVD Reference:

MD Reference:

North Reference:

Survey/Calculation Method:

Survey/Calculation Method:

Survey Calculation Method:

Survey Calculation Method:

Survey Calculation Method:

Survey Calculation Method:

Design:Targets  Target Name hit/miss target Shape						Northing (üsft)		Latitude	Longitude
East HL-FF #19 - plan misses target center - Rectangle (sides W0 00 l	•		0 00 00usft MD (0 0	330 00 0 TVD, 0 00 N	-0 50 I, 0 00 E)	669,677 80	572,410 10	32° 50′ 26 908 N	104° 5' 51 259 W
North HL-FF #19 - plan misses target center - Rectangle (sides W100 0			0 00 Ousft MD (0 0	330 00 0 TVD, 0 00 N	-0 50 I, 0 00 E)	669,677 80	572,410 10	32° 50' 26 908 N	104° 5' 51 259 W
TG1-FF #19 - plan hits target center - Point	0 00	0 01	3,850 00	280 00	-10 50	669,627 80	572,400 10	32° 50' 26 413 N	104° 5' 51 378 W
PBHL-FF #19 - plan hits target center - Circle (radius 50 00)	0 00	0 01	5,500 00	280 00	-10 50	669,627 80	572,400 10	32° 50′ 26 413 N	104° 5' 51 378 W

Casing Points	CALLEST TARREST MATERIAL MATERIAL AND A STATE OF THE STAT	enteres 20 a manufactura esperante esta partir de la companya del companya de la companya de la companya del companya de la co	the series and an experience to the series of the third and the antique the series of	direction of a conference and a tenter to the land	E TOUR A SECRET OF STREET, SHE THE THE SECRET OF THE SECRE
	Property Control				
Measured Ver	tical			Casing H	ole 🦂 👉 💮
Gieffi De	effi	N.		Diameter. Dia	meter.
		Name (			
850 00	850 00 8-5/8"	Casing		8-5/8	12-1/4

WALES AND THE PROPERTY OF THE ARTHUR AND ART	Vertical Depth (usft)	Local Coordi +N/S)	nates +E/:W (jistt)	Comment
950 00	950 00	0.00	0 00	KOP Start Build 2 00°/100'
1,258 59	1,257 99	16 59	-0 62	EOC hold 6 17°
3,555 92	3,542 01	263 41	-9 88	Start Drop 2 00°/100'
3,864 51	3,850 00	280 00	-10 50	EOC hold 0 00°



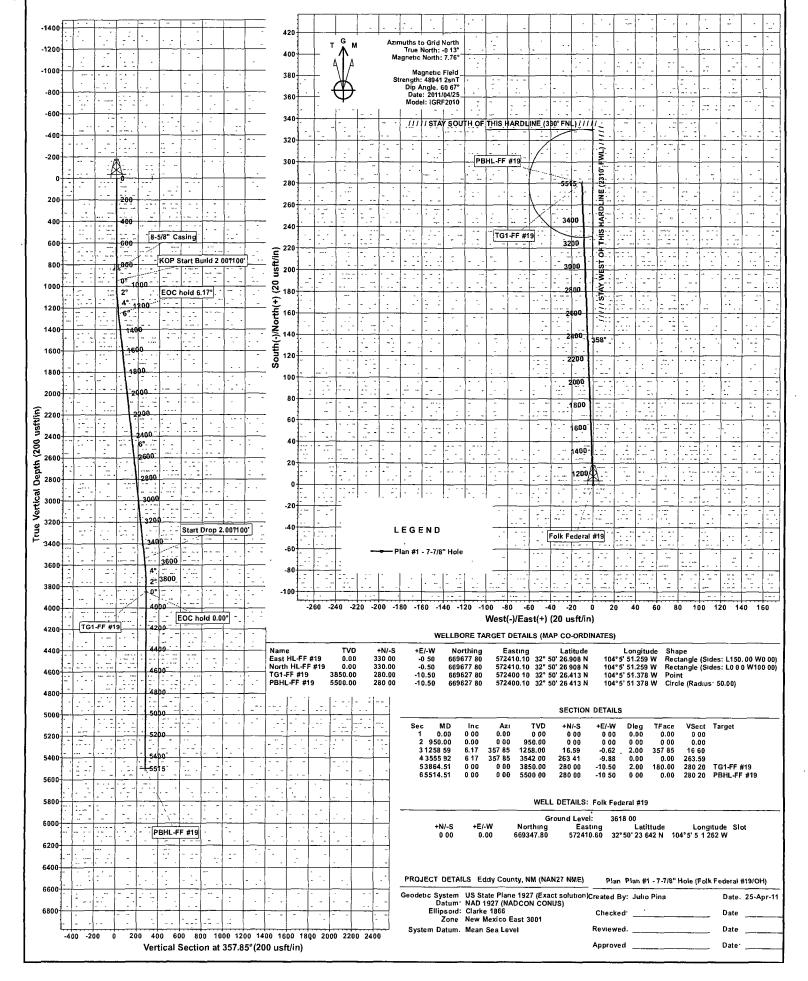
Scientific Drilling for COG Operating LLC

Site: Eddy County, NM (NAN27 NME) Well: Folk Federal #19

Wellbore: OH

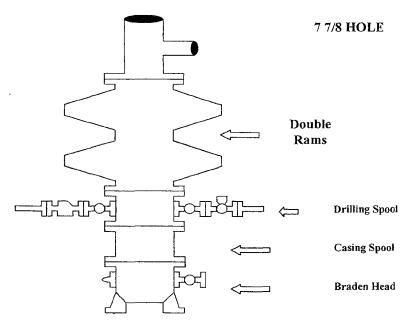
Design: Plan #1 - 7-7/8" Hole





# **COG Operating LLC**

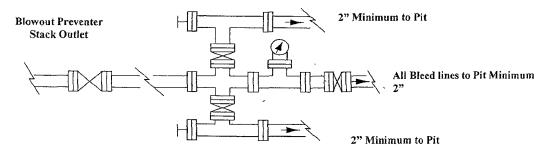
# **Exhibit #9 BOPE and Choke Schematic**



Minimum 4" Nominal choke and kill lines

# Choke Manifold Requirement (2000 psi WP) No Annular Required

#### Adiustable Choke



Adjustable Choke (or Positive)

# NOTES REGARDING THE BLOWOUT PREVENTERS Master Drilling Plan Eddy County, New Mexico

- 1. Drilling nipple to be so constructed that it can be removed without use of a welder through rotary table opening, with minimum I.D. equal to preventer bore.
- 2. Wear ring to be properly installed in head.
- 3. Blow out preventer and all fittings must be in good condition, 2000 psi WP minimum.
- 4. All fittings to be flanged.
- 5. Safety valve must be available on rig floor at all times with proper connections, valve to be full 2000 psi WP minimum.
- 6. All choke and fill lines to be securely anchored especially ends of choke lines.
- 7. Equipment through which bit must pass shall be at least as large as the diameter of the casing being drilled through.
- 8. Kelly cock on Kelly.
- 9. Extension wrenches and hands wheels to be properly installed.
- 10. Blow out preventer control to be located as close to driller's position as feasible.
- 11. Blow out preventer closing equipment to include minimum 40-gallon accumulator, two independent sources of pump power on each closing unit installation all API specifications.

Blowout Preventers Page 2