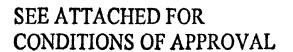
### OCD-ARTESIA

Form 3160 -3 (April 2004)			FORM AI OMB No Expires Ma			
UNITED STATES DEPARTMENT OF THE IN BUREAU OF LAND MANA			5. Lease Serial No. NMNM-0467931			
APPLICATION FOR PERMIT TO D			6 If Indian, Allotee or Tribe Name N/A			
la. Type of work	R		7 If Unit or CA Agrees	ment, Name	and No	_
1b. Type of Well Oil Well Gas Well Other	Single Zone Multi	ple Zone	8 Lease Name and W Electra Federal			-
2. Name of Operator  COG Operating LLC			9 API Well No. 30-015-	7289	<i>-</i>	_
3a. Address 550 W. Texas, Suite 1300 Midland TX 79701		10 Field and Pool, or E. Loco Hills; Glo		96718	_	
4 Location of Well (Report location clearly and in accordance with any At surface SHL: 1755' FNL & 2572' FEL, Unit		11 Sec, T R M or Bli Sec 10, T17S, R		y or Area	_	
At proposed prod zone BHL: 1650' FNL & 2310' FEL, Unit  14. Distance in miles and direction from nearest town or post office*			12 County or Parish	13	3 State	_
2 miles North of Loco Hills, NN  15 Distance from proposed* location to nearest property or lease line, ft (Also to nearest drig unit line, if any)  1755'	16 No. of acres in lease 640	17. Spacin	Eddy g Unit dedicated to this w	ell	NM	_
18 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft  440'	19 Proposed Depth 6150' TVD, 6165' MD		WBIA Bond No. on file B000740			
Elevations (Show whether DF, KDB, RT, GL, etc.) 3724' GL	22. Approximate date work will sta 07/31/2011	art*	23 Estimated duration 10 days			
	24. Attachments					_
The following, completed in accordance with the requirements of Onshore  1. Well plat certified by a registered surveyor.  2. A Drilling Plan  3. A Surface Use Plan (if the location is on National Forest System I SUPO shall be filed with the appropriate Forest Service Office)	4 Bond to cover Item 20 above).  Lands, the 5 Operator certifi 6. Such other site	the operation	ormation and/or plans as		·	
25 Signature Colom Colom	authorized offi  Name (Printed/Typed)  Robyn M. Odoi	<del> </del>		Date 05/04/	/2011	=
Citle Regulatory Analyst						
Approved by (Signature) /s/ Don Peterson	Name (Printed/Typed)			DatgUL	2 2 2	011
Title FIELD MANAGER	Office CARLSBAD	FIELD OF	FICE			_
Application approval does not warrant or certify that the applicant holds conduct operations thereon.  Conditions of approval, if any, are attached	legal or equitable title to those rig	hts in the sub	oject lease which would en APPROVAL	title the app	TWOY	_ /EAF
Fitle 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a cristates any false, fictitious or fraudulent statements or representations as to	ime for any person knowingly and o any matter within its jurisdiction.	willfully to n	nake to any department or	r agency of	the United	=
*(Instructions on page 2)			<u> </u>	_		<del></del>

RECEIVED AUG 4 2011

NMOCD ARTESIA

Roswell Controlled Water Basin





#### MASTER DRILLING PROGRAM

#### 1. Geologic Name of Surface Formation

Quaternary

#### 2. Estimated Tops of Important Geologic Markers:

Quaternary	Surface
Rustler	340'
Top of Salt	500'
Base of Salt	1000'
Yates	1280'
Seven Rivers	1570'
Queen	2190'
Grayburg	2600'
San Andres	2910'
Glorietta	4380'
Paddock	4460'
Blinebry	4930'
Tubb	5940'

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

Water Sand	150'	Fresh Water
Grayburg	2600'	Oil/Gas
San Andres	2910'	Oil/Gas
Glorietta	4380'	Oil/Gas
Paddock	4460'	Oil/Gas
Blinebry	4930'	Oil/Gas
Tubb	5940'	Oil/Gas

No other formations are expected to give up oil, gas or fresh water in measurable quantities. Setting 13 3/8" casing to 425' 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 1300' 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 the environment.

#### 4. Casing Program

æ coA

		OD					
Hole Size	Interval	Casing	Weight	Grade	Jt., Condition	Jt.	brst/clps/ten
17 ½"	0-425'325	13 3/8"	48#	H-40orJ-55	ST&C/New	ST&C	9.22/3.943/15.8
11"	0-1300'	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:

450 Class C w/ 2% Cacl2 + 0.25 pps CF, yield 1.32, back to surface. 101% excess

8 5/8" Intermediate Casing:

11" Hole:

Single Stage: LEAD: 300 sx 50:50:10 C:Poz:Gel w/ 5% Salt +0.25% CF, yield-2.45 + TAIL: 200 sx Class C w/2% CaCl2, yield-1.32, back to surface. 202% excess Multi-Stage: Stage 1: 200 Class C w/2% CaCl2, yield - 1.32; 26% excess. Stage 2: 300 sx 50:50:10 C:Poz:Gel w/ 5% Salt +0.25% CF, yield - 2.45, back to surface, 509% excess; assumption for tool is lost circulation. Multi stage tool to be set at depending approximately, on hole conditions, 475' (50' below the surface casing). Cement volumes will be adjusted proportionately for depth changes of multi stage tool.

See

5 1/2" Production Casing:

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, 62.4% open hole excess, cement calculated back to surface.

Multi-Stage: Stage 1: (Assumed TD of 6000') 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, 31.8% excess; Stage 2: LEAD

See

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 - 1.02 110.8% open hole excess, cement calculated back to surface. Multi stage tool to be set at approximately, depending on hole conditions, 3000'. 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" See CoA 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.

#### 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 VISCOS		VISCOSITY	WATERLOSS
0-425'325	Fresh Water	8.5	28	N.C.
425-1300'	Brine	10	30	N.C.
1300'-TD	Cut Brine	8.7-9.1	29	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 See CA

- 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 8 5/8" casing shoe.
- 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 hold 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.

#### 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 12 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) Electra Federal #53 Electra Federal #53

OH

Plan: Plan #1 - 7-7/8" Hole SHL = 1755' FNL & 2572' FEL BHL = 1660' FNL & 2300' FEL

Top of Paddock = 1660' FNL & 2300' FEL @ 4400' TVD

### **Standard Planning Report**

30 September, 2010





#### **Scientific Drilling**

Planning Report

TVD Reference:

MD Reference:

North Reference:

Local Co-ordinate Reference:

Survey Calculation Method:



EDM-Julio

Company

COG Operating LLC

Project:

Eddy County, NM (NAN27 NME)

Site: Well: Electra Federal #53 Electra Federal #53

Wellbore:

ОН

Design:

Project

Plan #1 - 7-7/8" Hole

Eddy County, NM (NAN27 NME)

Map System:

US State Plane 1927 (Exact solution)

Geo Datum: Map Zone:

NAD 1927 (NADCON CONUS)

New Mexico East 3001

System Datum:

Mean Sea Level

Grid

Site Electra Federal #53

GL Elev @ 3724 00usft

GL Elev @ 3724 00usft

Minimum Curvature

Site

Electra Federal #53

Site Position: From:

Мар

Northing:

Easting:

673,630 30 usft 614,944 60 usft

Latitude: Longitude: 32° 51' 4 803 N

Position Uncertainty:

0 00 usft

Slot Radius:

13-3/16 "

Grid Convergence:

103° 57' 32 542 W

0 20 °

Well . Well Position Electra Federal #53

+N/-S +E/-W

0 00 usft

0 00 usft

Northing: Easting:

673,630 30 usft 614,944 60 usft Latitude: Longitude: 32° 51' 4 803 N

**Position Uncertainty** 

0 00 usft

Wellhead Elevation:

**Ground Level:** 

103° 57' 32 542 W 3,724 00 usft

Wellbore

ОН

Mägnetics

Model Name

Plan #1 - 7-7/8" Hole

Sample Date

Declination

(°)

Dip Angle , (°)

Field Strength

(nT) -

BGGM2010

2010/09/30

7 96

60 73

49,057

Design

Audit Notes:

Version:

Phase:

PLAN

Tie On Depth:

0 00

Vertical Section:

Depth From (TVD) (usft) 0 00

+N/-S (usft) 0.00

+E/-W (usft) 0 00

Direction (°) 70 59

Plan Sactions

l	Plan Sections											
	Measured			Vertical	, . ,		Dogleg	Build	Turn	<i>E</i>		
	Depth (usft)	Inclination (°)	Azimuth (°)	Depth (usft)	+N/-S (usft)	+E/-W (usft)	Rate (°/100usft)	Rate (°/100úsft)	Rate (*/100usft):	TFO;	Target	
Ì	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00		
	1,450 00	0 00	0 00	1,450 00	0 00	0 00	0 00	0.00	0 00	0 00		
l	1,761 46	6 23	70 59	1,760 85	5 62	15 95	2 00	2 00	0 00	70 59		
ĺ	4,103 59	6 23	70 59	4,089 15	90 08	255 65	0 00	0 00	0 00	0 00		
١	4,415 06	0 00	0 00	4,400 00	95 70	271 60	2 00	-2 00	0 00	180 00	TG1-EF #53	
ļ	6,165 06	0 00	0 00	6,150 00	95 70	271 60	0 00	0 00	0 00	0 00	PBHL-EF #53	



#### **Scientific Drilling**

Planning Report



Datapa Company: Database:

EDM-Julio

COG Operating LLC

Project: Site: 2. Eddy County, NM (NAN27 NME)

Electra Federal #53 Electra Federal #53

Well: Wellbore.

ОН

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

Local Co-ordinate Reference:

TVD Reference:

MD Reference:

North Reference: Survey Calculation Method: Site Electra Federal #53 GL Elev @ 3724 00usft GL Elev @ 3724 00usft

Grid

Minimum Curvature

neu	Survey									
٠	Measured Depth (usft)	Inclination (°)	~ Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
	South HL-EF	#53 - West HL								
	1,350 00	0 00	0 00	1,350 00	0 00	0 00	0 00	0 00	0 00	0 00
	8-5/8" Casing	1								
	1,450 00	0 00	0 00	1,450 00	0 00	0 00	0 00	0 00	0 00	0 00
	KOP Start Bu	ild 2.00°/100'						_		
	1,500 00	1 00	70 59	1,500 00	0 15	0 41	0 44	2 00	2 00	0 00
	1,600 00	3 00	70 59	1,599 93	1 30	3 70	3 93	2 00	2 00	0 00
	1,700 00	5 00	70 59	1,699 68	3 62	10 28	10 90	2 00 .	2 00	0 00
	1,761 46	6 23	70 59	1,760 85	5 62	15 95	16 91	2 00	2 00	0 00
	EOC hold 6.2						,	<del>-</del>		
	1,800 00	6 23	70 59	1,799 16	7 01	19 90	21 10	0 00	0 00	0 00
	1,900 00	6 23	70 59	1,898 57	10 62	30 13	31 95	0 00	0 00	0 00
	2,000 00	6 23	70 59	1,997 98	14 22	40 37	42 80	0 00	0 00	. 0 00
	2,100 00	. 6 23	70 59	2.097 39	17 83	50 60	53 65	0 00	0 00	0.00
	2,100 00	6 23	70 59	2,097 39	21 43	60 83	64 50	0 00	0 00	0.00
	2,300 00	6 23	70 59	2,190.00	25 04	. 71 07	75 35	0 00	0 00	0 00
	2,400 00	6 23	70 59	2,395 62	28 65	81 30	86 20	0 00	0 00	0 00
	2,500 00	6 23	70 59	2,495 03	32 25	91 54	97 05	0 00	0 00	0 00
•										
	2,600 00	6 23	70 59	2,594 44	35 86	101 77	107 90	0 00	0 00	0 00
	2,700 00	6 23 6 23	70 59 70 59	2,693 85 2,793 25	39 47 43 07	112 00 . 122 24	118 75	0 00	0 00	0 00
	2,800 00 2,900 00	6 23	70 59 70 59	2,793.25 2,892.66	45 07 46 68	122 24	129 60 140 45	0 00 0 00	0 00 0 00	0 00 0 00
	3,000 00	6 23	70 59 70 59	2,992 07	50 28	142 71	151 30	0 00	0 00	0 00
				,						
	3,100 00	6 23	70 59	3,091 48	53 89	152 94	162 16	0 00	0 00	0 00
	3,200 00	6 23	70 59	3,190 89	57 50	163 17	173 01	0 00	0 00	0 00
	3,300 00	6 23 6 23	70 59 70 59	3,290 30	61 10 64 71	173 41 183 64	183 86	0 00	0 00	0 00
	3,400 00 3,500 00	6 23	70 59 70 59	3,389 71 3,489 12	68 31	193 88	194 71 205 56	0 00 0 00	0 00 0 00	0 00 0 00
	•			•						
	3,600 00	6 23	70 59	3,588 53	71 92	204 11	216 41	0 00	0 00	0 00
	3,700 00	6 23	70 59	3,687 94	75 53	214 34	227 26	0 00	0 00	0 00
	3,800 00	6 23	70 59	3,787 35	79 13	224 58	238 11	0 00	0 00	0 00
	3,900 00	6 23 6 23	70 59 70 59	3,886 76 3,986 17	82 74 86 34	234 81 245 05	248 96	0 00	0 00	0 00
	4,000 00			•			259 81	0 00	0 00	0 00
	4,100 00	6 23	70 59	4,085 58	89 95	255 28	270 66	0 00	0 00	0 00
	4,103 59	6 23	70 59	4,089 15	90 08	255.65	271 05	0 00	0 00	0 00
	Start DLS 2.0									
	4,200 00	4 30	70 59	4,185 15	93 02	263 99	279 90	2.00	-2 00	0 00
	4,300 00	2 30	70 59	4,284 98	94 93	269 42	285 66	2 00	-2 00	0 00
	4,400 00	0 30	70 59	4,384 94	95 69	271 56	287 93	2 00	-2 00	0 00
	4,415 06	0 00	0 00	4,400 00	95 70	271 60	287 97	2 00	-2 00	0 00
		0° - Top of Pad	dock - TG1-EF	·						
	6,165 06	0 00	0 00	6,150 00	95 70	271 60	287 97	0 00	0 00	0 00
	PBHL-EF #53			,						



#### **Scientific Drilling**

Planning Report



/ EDM-Julio

Company: COG Operating LLC

Project: Eddy County, NM (NAN27 NME) ∠., ∴ Electra Federal #53

Site: Well: Wellbore: Electra Federal #53 .- ОН

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

TVD Reference: MD Reference:

North Reference: Survey Calculation Method:

Site Electra Federal #53

GL Elev @ 3724 00usft GL Elev @ 3724 00usft

Minimum Curvature

e ,-					_	•			
Design Targets Target Name - hit/miss target D - Shape	ip Angle (°)	Dip Dįr. (°):	TVD (usft)	+N/-S (usft)	+E/-W′ (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
South HL-EF #53 - plan misses target cer - Rectangle (sides W20			0 00 00usft MD (0	105 70 00 TVD, 0 00	261 60 N, 0 00 E)	673,736 00	615,206 20	32° 51' 5 840 N	103° 57' 29 471 W
West HL-EF #53 - plan misses target cer - Rectangle (sides W01			0 00 Ousft MD (0	105 70 00 TVD, 0 00	261 60 N, 0 00 E)	673,736 00	615,206 20	32° 51′ 5 840 N	103° 57' 29 471 W
TG1-EF #53 - plan hits target center - Point	0 00	0 00	4,400 00	95 70	271 60	673,726 00	615,216 20	32° 51' 5 741 N	103° 57' 29 355 W
PBHL-EF #53 - plan hits target center - Circle (radius 10 00)	0 00	0 00	6,150 00	95 70	271 60	673,726 00	615,216 20	32° 51' 5 741 N	103° 57' 29 355 W

Casing Points	· ·					15	
-	Measured Depth (usft)	Vertical Depth (usft)		Name	Casing Diameter (")	Hole Diameter (")	1
	1,350 00	1,350 00	8-5/8" Casing		8-5/8	12-1/4	

Formations  Measured Vertical		Dip
Depth (usft) (usft) 4,415 06 4,400 00	Name Top of Paddock	Dip Direction Lithology (°). (°).

Plan Annotatio	ns	_			, <del></del>	. ,		
7 .	Measured	Vertical	Local Coorg	linates	•	•		
	Depth (usft)	Depth (usft)	+N/-Š (usft)	+E/-W (usft)	Comment		٠,	•
	1,450 00	1,450 00	0 00	0 00	KOP Start Build 2 00°/100'			
	1,761 46	1,760 85	5 62	15 95	EOC hold 6 23°			
	4,103 59	4,089 15	90 08	255 65	Start DLS 2 00°/100'			
	4,415 06	4,400 00	95 70	271 60	EOC hold 0 00°			



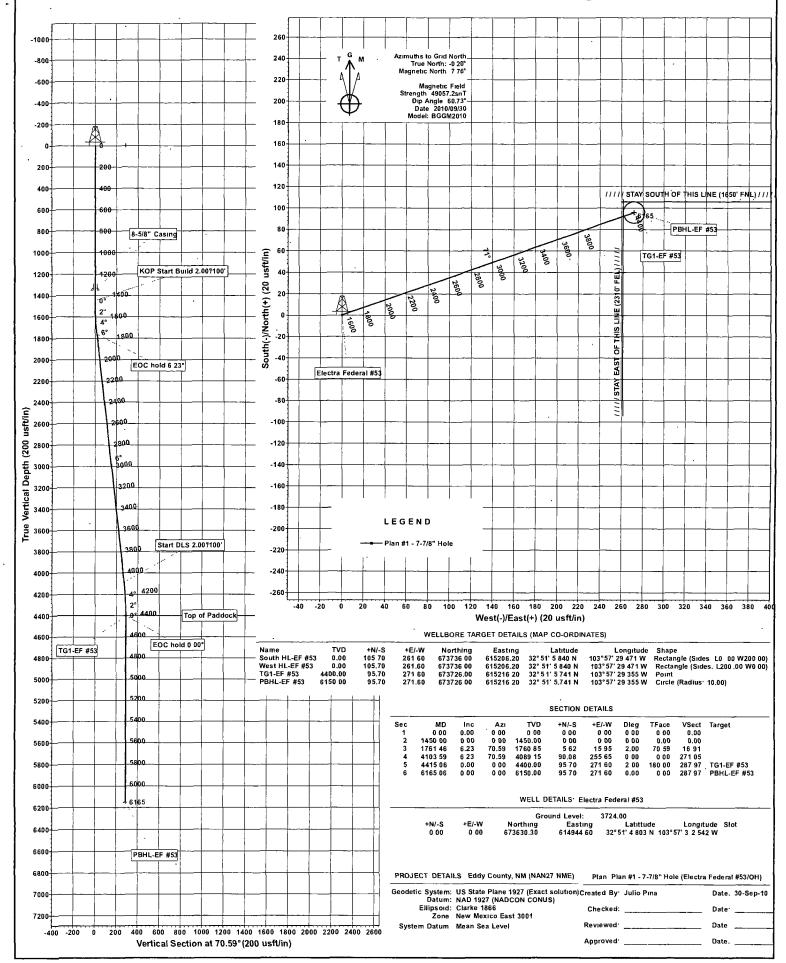
Scientific Drilling for COG Operating LLC

Site: Eddy County, NM (NAN27 NME) Well: Electra Federal #53

Wellbore: OH

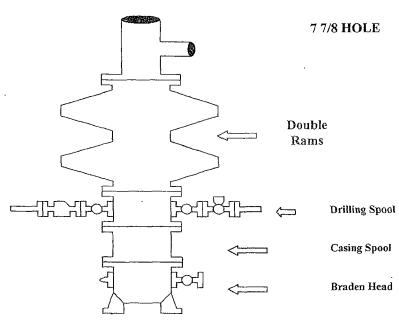
Design: Plan #1 - 7-7/8" Hole





## COG Operating LLC

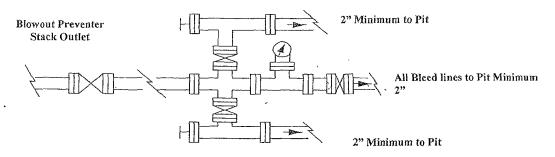
# Exhibit #9 BOPE and Choke Schematic



Minimum 4" Nominal choke and kill lines

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

#### Adjustable 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