

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB NO 1004-0135
Expires July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

| | | |
|--|--|---|
| 1 Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5 Lease Serial No NMNM81622 |
| 2 Name of Operator COG OPERATING LLC ✓ | | 6 If Indian, Allottee or Tribe Name |
| Contact: NETHA AARON E-Mail: oaaron@concho.com | | 7 If Unit or CA/Agreement, Name and/or No |
| 3a. Address 550 WEST TEXAS SUITE 100 MIDLAND, TX 79701 | 3b. Phone No (include area code) Ph: 432-818-2319 Fx: 432-685-4396 | 8 Well Name and No GOLD RUSH 30 FEDERAL 3 ✓ |
| 4 Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 30 T23S R30E 1855FNL 520FEL ✓ SECRETARY'S POTASH ULH | | 9 API Well No. 30-015-28671 ✓ |
| | | 10. Field and Pool, or Exploratory WASH DRAW; CRUSHY CANYON B |
| | | 11. County or Parish, and State EDDY COUNTY, NM |

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION |
|--|--|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize <input type="checkbox"/> Deepen <input type="checkbox"/> Production (Start/Resume) <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing <input type="checkbox"/> Fracture Treat <input type="checkbox"/> Reclamation <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input checked="" type="checkbox"/> Casing Repair <input type="checkbox"/> New Construction <input type="checkbox"/> Recomplete <input type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon |
| | <input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> Water Disposal |

13 Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

COG RESPECTFULLY REQUESTS PERMISSION TO REPAIR THE CASING ON THIS WELL.

- 1) MIRU PU
- 2) POOH w/ rods and tubing
- 3) Isolate hole with pkr and rbp
- 4) Perform pump in test to establish rate
- 5) Spot 2 sxs sand on top of rbp
- 6) TOO H w/ tbg & pkr
- 7) TIH w/ cement retainer
- 8) Squeeze w/ 100 sxs class
- 9) Sting out of retainer, spot 2 sxs on top of retainer
- 10) TOO H w/ tbg and PU 4 ?? bit and 6 DC

Approval Subject to General Requirements
& Special Stipulations Attached
SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Accepted for record - NMOCD

10-4-11

ENTERED
IN AFMS

RECEIVED
SEP 19 2011
NMOCD ARTESIA

| | |
|---|---------------------------------|
| 14 I hereby certify that the foregoing is true and correct. Electronic Submission #117154 verified by the BLM Well Information System For COG OPERATING LLC, sent to the Carlsbad | |
| Name (Printed/Typed) NETHA AARON | Title AUTHORIZED REPRESENTATIVE |
| Signature (Electronic Submission) | Date 09/08/2011 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | |
|---|----------------------------------|
| Approved By <u>Ted M. Morgan</u> | Title PETROLEUM ENGINEER |
| Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. | Office BLM-CARLSBAD FIELD OFFICE |

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

10

Additional data for EC transaction #117154 that would not fit on the form

32. Additional remarks, continued

- 11)DO retainer and cement to plug
- 12)TOH w/ bit, DC and tbg
- 13)Test casing to 500 for 30 min
- 14)If no leakoff, TIH production equipment

WE ARE WANTING TO MOVE ON THIS WELL THE FIRST OF NEXT WEEK, SEPTEMBER 12, 2011.

Gold Rush 30 Federal #3

COG

Lease No. NM81622

September 9, 2011

Conditions of Approval

Summary of Current Status:

- Secretary's Potash Well. 13-3/8" at 650', 8-5/8" at 3100', 5-1/2" at 7500'
- Carlsbad Controlled Water Basin. Drilled in 1995. Vertical Well. TD is 7500' MD.
- 13-3/8" cemented to surface after top job. 8-5/8" 120 sx cement circulated to surface.
- 5-1/2" 15.5# Production Casing cemented with 50/50 POZ. TOC at 5250' (temp survey)
- Perforations 7119'-7181' Selective. Frac'd. Flowed 250 BOPD, 248 MCFD, 22 choke.
- Formation Tops
 - Lamar 3430' Brushy Spring 5902'
 - Bell Canyon 3464' Bone Spring 7196'
 - Manzanita 4438'

Requests:

1. To repair a casing leak on the well, following the general sequence of:
 - Leak depth isolation using RBP and Packer combination.
 - Establish injectivity of leak zone.
 - Squeeze leak with 100 sx through cement retainer

Conditions of Approval:

- a) Surface disturbance beyond the existing pad must have prior approval.
- b) **Due to recent H2S encounters in the salt formation, it is recommended that monitoring equipment be onsite for potential Hydrogen Sulfide prior to drilling out the surface shoe. If Hydrogen Sulfide is encountered, please report measurements and formations to the BLM.**
- c) Casing shall be tested per Onshore Order 2.III.B.1.h.
- d) Closed loop system required.
- e) **2000 (2M) BOP to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (2M Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.**
- f) **Top of cement for the 5-1/2" casing is reported as 5200' based on prior temperature survey data. If casing leak is above TOC, then an alternate plan of circulation squeezing the leak and the interval from 5200' to surface should be considered. If leak is above TOC, the BLM should be contacted to review the Operator plan for repairing the well. Operator is responsible to provide accurate TOC data for the 5-1/2" casing.**
- g) Subsequent sundry with well test and wellbore schematic required.

TMM 09/08/2011