

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
OCD ArtesiaFORM 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 type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other: INJECTION		5. Lease Serial No. NMLC028731B
2. Name of Operator COG OPERATING LLC Contact: KANICIA CASTILLO E-Mail: kcastillo@conchoresources.com		6. If Indian, Allottee or Tribe Name
3a. Address 550 WEST TEXAS AVENUE SUITE 100 MIDLAND, TX 79701	3b. Phone No (include area code) Ph: 432-685-4332	7. If Unit or CA/Agreement, Name and/or No
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 10 T17S R29E NWNE Lot B 850FNL 2310FEL		8. Well Name and No EMPIRE FEDERAL SWD 10 5
		9. API Well No. 30-015-39446-00-X1
		10. Field and Pool, or Exploratory UNKNOWN
		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"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Alter Casing
	<input checked="" type="checkbox"/> Fracture Treat
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Recomplete
	<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
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input type="checkbox"/> Other

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 recompleat 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 recompletion 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.)

Completion Procedure:

I. Subject of Notice: COG Operating LLC's Empire Federal SWD #5 well, API 30-015-39446-00-X1, Sec 10 T17S R29E NWNE Lot B 850FNL 2310FEL

II. Objective of Notice: Obtain approval for the completion procedure for this well.

III. Reason for Notice: This well is permitted as an Open Hole Completion in the Cisco Reef Section. Open Hole completion was requested for this well so that drilling could be ceased immediately after penetrating the disposal section with a small amount of rat hole. Offset completions encountered high pressure water flows while drilling rat hole below the disposal section.

RECEIVED

NOV 23 2011

NMOCD ARTESIA

Accepted for record

NMOCD

DEC 02 2011

SEE ATTACHED FOR

CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #123583 verified by the BLM Well Information System For COG OPERATING LLC, sent to the Carlsbad Committed to AFMSS for processing by KURT SIMMONS on 11/21/2011 (12KMS037157)	
Name (Printed/Typed) KANICIA CASTILLO	Title PREPARER
Signature (Electronic Submission)	Date 11/17/2011
THIS SPACE FOR FEDERAL OR STATE OFFICE USE	
Approved By (BLM Approver Not Specified)	Title
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.	Date 11/21/2011
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	Office Carlsbad WESLEY W. INGRAM PETROLEUM ENGINEER

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Additional data for EC transaction #123583 that would not fit on the form

32. Additional remarks, continued

IV. Authorities Granted:

- a. State of New Mexico Authority to Dispose, Permit: SWD 1283, May 29, 2011
- b. Federal Bureau of Land Management in Carlsbad, New Mexico drilled as per approved Form 3160-3 and all other documents and Sundry Notices and Reports on Wells and COA's as approved or ordered. Form 3160-3 dated August 30, 2011

V Well Status: COG's Empire Federal SWD #5 is currently in a suspended state pending approval of this NOI for completion. Below is a summary of the casing as run and cemented in this well. All casing strings have cement circulated to surface of the ground.

Casing Size Set @ Top Cmt
Surface 13 3/8" 248 Circ
Intermediate 9 5/8" 2,612 Circ
Production 7" 8,352 Circ

A graphic representation of the well is shown on the next page. The open hole section of this well is not yet drilled and is the subject of this NOI and request for approval to complete.

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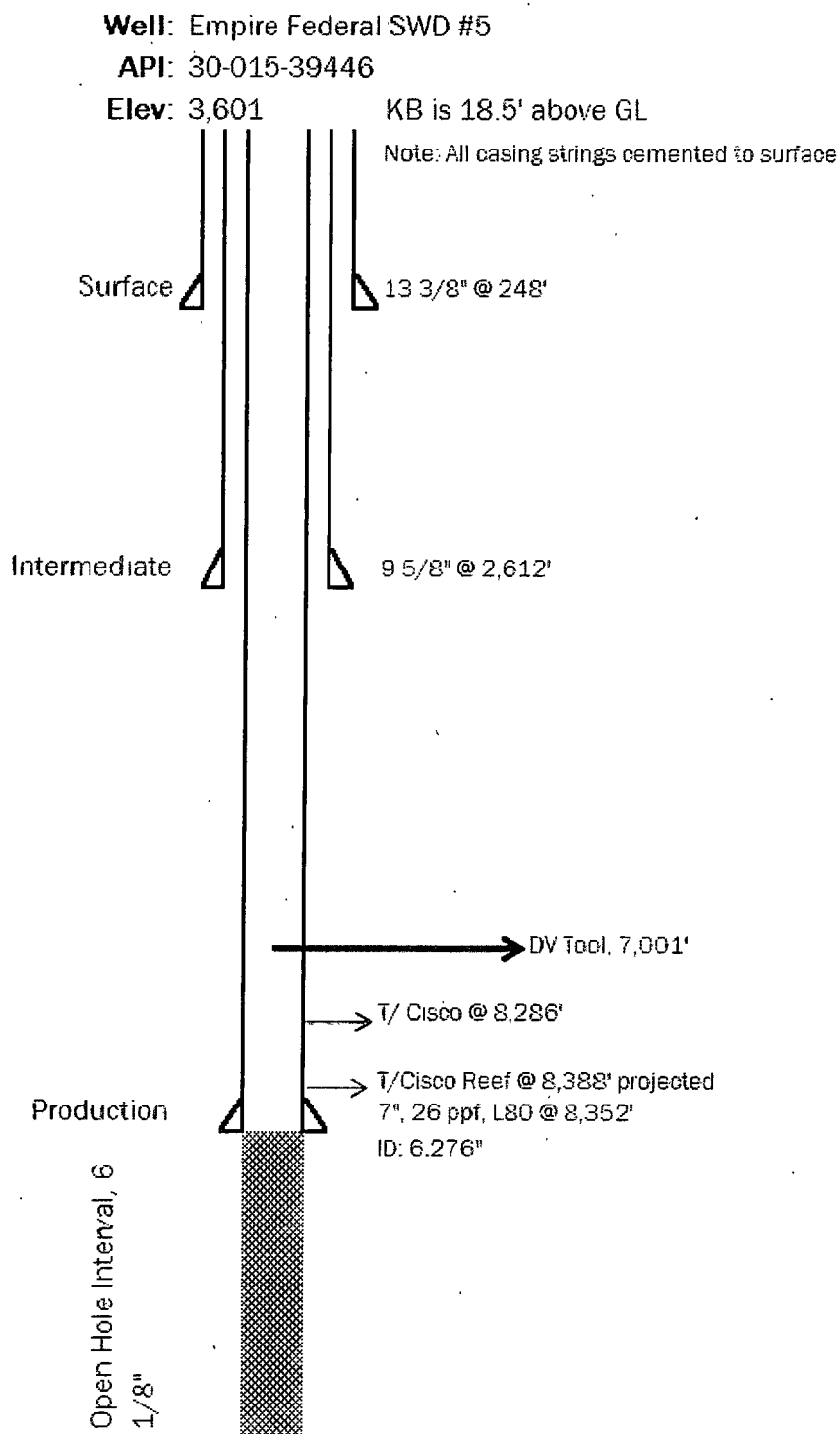
I. Proposed Completion Procedure:

1. MIRU Well Service Unit.
2. Set 3000 psig WP, BOP, Hydraulic, blind by pipe, with upper bag type preventer. Contact BLM for witness 4 hours prior to function and pressure test by third party.
3. Set up closed loop system consisting of reverse unit pit.
4. GIH w/ 6 1/8" mill tooth bit, drill collars and 2 7/8" work string. Drill out DV tool and then drill both float collar and shoe. POOH w/ mill tooth bit.
5. GIH w/ PDC type 6 1/8" bit w/ collars and work string. Begin drilling Open Hole in the Cisco Reef.
6. Continue drilling until zone of Massive Loss of Circulation is encountered.
7. Drill 20-25' of rat hole below Massive Loss of Circulation.
8. POOH w/ bit, collars and work string.
9. Massive Loss of Circulation is to be conclusive proof that zone is not productive of hydrocarbons.
10. Maximum TD for this well is 9,000' KB; in no event will it be drilled deeper.
11. GIH w/ 7" packer w/ plugs and nipples, 3", EUE, IPC tubing. Set packer at near base 7" casing.
12. Un 7" from packer, circulate packer fluid to surface. 7" into packer.
13. Nipple up well head.
14. Contact BLM for MIT test, perform test per BLM standards.
15. No disposal will be made into this well until the ROW from COG Main Line to well is completed and approved by BLM, Carlsbad Realty Section.

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- II. **Objective of Notice:** Obtain approval for the completion procedure for this well.
- III. **Reason for Notice:** This well is permitted as an Open Hole Completion in the Cisco Reef Section. Open Hole completion was requested for this well so that drilling could be ceased immediately after penetrating the disposal section with a small amount of rat hole. Offset completions encountered high pressure water flows while drilling rat hole below the disposal section.
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VI. Proposed Completion Procedure:

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3. Set up closed loop system consisting of reverse unit pit.
4. GIH w/ 6 1/8" mill tooth bit, drill collars and 2 7/8" work string. Drill out DV tool and then drill both float collar and shoe. POOH w/ mill tooth bit.
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9. Massive Loss of Circulation is to be conclusive proof that zone is not productive of hydrocarbons.
10. Maximum TD for this well is 9,000' KB; in no event will it be drilled deeper.
11. GIH w/ 7" packer w/ plugs and nipples, 3 1/2", EUE, IPC tubing. Set packer at near base 7" casing.
12. Un 'J' from packer, circulate packer fluid to surface. 'J' into packer.
13. Nipple up well head.
14. Contact BLM for MIT test, perform test per BLM standards.
15. **No disposal** will be made into this well until the ROW from COG Main Line to well is completed and approved by BLM, Carlsbad Realty Section.

**Empire Federal SWD 10 5
30-015-39446
COP Operating LLC
November 21, 2011
Conditions of Approval**

- 1. Test of 7" casing to meet Onshore Order 2 requirements for casing integrity test. This test shall be performed prior to drilling out the float collar and shoe.**
- 2. Operator's procedure does not provide proof that the Cisco formation above the massive loss circulation zone is non-productive of hydrocarbons that can be produced in paying quantities. Operator to provide proof.**
- 3. All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.**

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