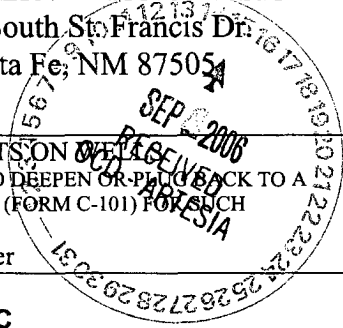


Submit 3 Copies to Appropriate District Office  
 District I  
 1625 N. French Dr., Hobbs, NM 88240  
 District II  
 1301 W. Grand Ave., Artesia, NM 88210  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals and Natural Resources

Form C-103  
 May 27, 2004

OIL CONSERVATION DIVISION  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505



WELL API NO. <b>30-015-34888</b>
5. Indicate Type of Lease <b>FEDERAL</b> STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name <b>SCHLEY FEDERAL</b>
8. Well Number <b>16</b>
9. OGRID Number <b>229137</b>
10. Pool name or Wildcat <b>EAST EMPIRE; YESO</b>

**SUNDRY NOTICES AND REPORTS ON OIL AND GAS PROPOSALS**  
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well  Gas Well  Other

2. Name of Operator  
**COG Operating LLC**

3. Address of Operator  
**550 W. Texas Ave., Suite 1300 Midland, TX 79701**

4. Well Location  
 Unit Letter **F** : **1600'** feet from the **North** line and **2235'** feet from the **West** line  
 Section **29** Township **17S** Range **29E** NMPM County **EDDY**

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
**3606' GR**

Pit or Below-grade Tank Application  or Closure

Pit type **DRILLING** Depth to Groundwater **115'** Distance from nearest fresh water well **1000'** Distance from nearest surface water **1000'**

Pit Liner Thickness: **12 mil** Below-Grade Tank: Volume \_\_\_\_\_ bbls; Construction Material \_\_\_\_\_

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<b>NOTICE OF INTENTION TO:</b> PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/>		<b>SUBSEQUENT REPORT OF:</b> REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <b>Pit closure</b> <input checked="" type="checkbox"/>	OTHER: <input type="checkbox"/>		

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

COG Operating LLC proposes to close the drilling pit as follows:

1. Remove fluids from pit.
2. A deep trench pit will be constructed next to the existing reserve pit and lined with a 12 mil liner. The contents will be encapsulated in this pit and the liner will be folded over the mud and cuttings.
3. Cover liner with 20 mil liner with excess of 3' on all sides as per option IV.B.3.(b) of the Pit and Below-Grade Tank Guidelines.
4. Cover with a minimum 3' of native soil.
5. Contour pit to prevent erosion and ponding of rainwater.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit  or an (attached) alternative OCD-approved plan .

SIGNATURE Phyllis Edwards TITLE Regulatory Analyst DATE 9-13-06

Type or print name Phyllis Edwards E-mail address: pedwards@conchoresources.com Telephone No. 432-685-4340

APPROVED BY: Jim W. Stone TITLE District II Supervisor DATE 9/21/06  
 Conditions of Approval (if any): \_\_\_\_\_