



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. NMLC056551A
2. Name of Operator COG OPERATING LLC		6. If Indian, Allottee or Tribe Name
Contact: KANICIA CARRILLO E-Mail: kcarrillo@conchoresources.com		7. If Unit or CA/Agreement, Name and/or No.
3a. Address 550 W TEXAS, STE 1300 FASKEN TOWER II MIDLAND, TX 79701	3b. Phone No. (include area code) Ph: 432-685-4332	8. Well Name and No. HOLDER CB FED 5
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 17 T17S R30E NWNW 1295FNL 990FWL		9. API Well No. 30-015-26529-00-S1
10. Field and Pool, or Exploratory GRAYBURG		11. County or Parish, and State EDDY COUNTY, NM

JAN 12 2009
OCD-ARTESIA

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 type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input checked="" 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 Operating LLC proposes to deepen & recompleate to the Yeso as follows:

Deepening Procedure:

1. MIRU rig.
2. PU 4-3/4" bit and drill 4-3/4" from 4700' to 6000'.
3. POOH w/ bit and drillstring.
4. RIH w/ logs and log from TD to 4700'.
5. RIH w/ 4", 11.3# casing. See section 11 for general centralizer program.
6. Cement casing from TD to 4582' w/ 115 sxs Class C cmt. Drop plug and open DV tool. Circ cmt off DV tool. Drop plug to close DV tool.
7. PU workstring and RIH and drill out DV tool. POOH and LD workstring.
8. RDMO rig.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

ACCEPTED FOR RECORD

14. I hereby certify that the foregoing is true and correct	
Electronic Submission #62815 verified by the BLM Well Information System For COG OPERATING LLC, sent to the Carlsbad, NM Office, Deputy Field Inspector Committed to AFMSS for processing by KURT SIMMONS on 09/09/2008 (BKL0526215) I ARTESIA	
Name (Printed/Typed) KANICIA CARRILLO	Title PREPARER
Signature (Electronic Submission)	Date 09/05/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By WESLEY INGRAM	Title PETROLEUM ENGINEER	2009 Date 01/07/20
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 Carlsbad

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.

Additional data for EC transaction #62815 that would not fit on the form

32. Additional remarks, continued

Recompletion Procedure:

1. MIRU rig.
2. RIH/ w/ perforating guns and perforate Yeso from 5700 ? 5900 w/ 2 spf, 30 holes.
3. Acidize w/ 2500 gals of 15% HCl. Frac zone w/ 179,800 # of sand. Set plug at 5650?.
4. RIH w/ perforating guns and perforate Yeso from 5400? ? 5600?.
5. Acidize w/ 2500 gals of 15% HCl. Frac zone w/ 179,800 # of sand. Set plug at 5350?.
6. RIH w/ perforating guns and perforate Yeso from 5100? ? 5300?.
7. Acidize w/ 2500 gals of 15% HCl. Frac zone w/ 179,800 # of sand.
8. RIH and drill out plug at 5350? and 5650?.
9. RIH and cut or back off 4? casing at 4582?. POOH w/ 4? casing. Leave 4? liner from 4582? to 6000? (TD).
10. RIH w/ tbg and locate end of tbg at 4500?.
11. RIH w/ rods and pump.
12. RDMO rig.

COG proposes to down hole commingle the Grayburg Jackson SR Queen Grayburg SA, (28509) with the Loco Hills; Glorieta-Yeso, (96718).

Commingling will not reduce the value of the total remaining production.

The proposed intervals are as follows:

Grayburg Jackson SR Queen Grayburg SA 2990' - 3642'

Loco Hills; Glorieta-Yeso 5100' - 5900'

Percentages to be determined after completion.

Ownership in all zones is the same.

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, 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 & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-26529	² Pool Code 96718	³ Pool Name Loco Hills; Glorieta-Yeso
⁴ Property Code 302504	⁵ Property Name Holder CB Federal	
⁷ OGRID No. 229137	⁸ Operator Name COG OPERATING LLC	⁶ Well Number 5
		⁹ Elevation 3659.8

¹⁰ Surface Location

UL or lot no. D	Section 17	Township 17S	Range 30E	Lot Idn	Feet from the 1295	North/South line North	Feet from the 990	East/West line West	County Eddy
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code		¹⁵ Order No.					

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

					¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i> Signature Kanicia Carrillo Printed Name Regulatory Analyst Title and E-mail Address 09/05/08 Date	
					¹⁸ SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief</i>	
					Date of Survey Signature and Seal of Professional Surveyor	
					Certificate Number	

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-26529	² Pool Code 28509	³ Pool Name Grayburg Jackson SR; Queen Grayburg SA
⁴ Property Code 302504	⁵ Property Name Holder CB Federal	
⁶ Well Number 5	⁷ Elevation 3659.8	
⁸ OGRID No. 229137	⁹ Operator Name COG OPERATING LLC	

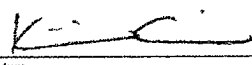
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	17	17S	30E		1295	North	990	West	Eddy

¹¹ Bottom Hole Location If Different From Surface

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	Date of Survey Signature and Seal of Professional Surveyor		
	Certificate Number		

CB HOLDER FED #5 DEEPENING PROGRAM

1. Estimated Tops of Important Geologic Markers

Yeso Group +/- 4250'

2. Estimated Depths of Anticipated Fresh Water, Oil, and Gas

Yeso Group +/- 4250'

This deepening originates in the Yeso and will finish at the base of the Yeso. The entire Yeso group is an oil and gas bearing interval.

3. Casing Program

Hole Size	Interval	OD Casing	Weight	Grade**	Jt./Condition	Burst/collapse/tension
4-3/4"	4700' - 6000'	4"	11.3#	L-80 or P-110	ULT-FJ/New	3.98/4.09/3.21 (L80) 5.47/5.23/4.25 (P110)

** Due to casing shortages, either L-80 or P-110 will be run. The exact grade is unknown at time of requesting permit.

NOTE: COG OPERATING LLC REQUESTS A VARIANCE TO THE 0.422" STAND OFF RULE BETWEEN CASING AND WELLBORE.

4. Cement Program

4" Liner: Class C, 115 sxs, yield 1.37. 100' minimum tie back to production casing.

NOTE: COG OPERATING LLC REQUESTS A VARIANCE TO THE LINER TOP FLUID ENTRY OR PRESSURE TEST BECAUSE THE DEEPENED WELL WILL BE COMPLETED IN THE SAME ZONE AS THE CURRENT PERFS AND THE ENTIRE INTERVAL IS RECOGNIZED BY THE OCD AS ONE INTERVAL (YESO). AS PER ONSHORE ORDER NO. 2 SECT III: REQUIREMENTS, PART B. CASING AND CEMENTING REQUIREMENTS, SUBPART b. "NO TEST SHALL BE REQUIRED FOR LINERS THAT DO NOT INCORPORATE OR NEED A SEAL MECHANISM." COG BELIEVES WE MEET THE CRITERIA TO NOT BE REQUIRED TESTING THE LINER TOP BECAUSE THERE IS NO NEED FOR A SEAL MECHANISM.

NOTE: COG OPERATING LLC REQUESTS A VARIANCE TO THE 200' MINIMUM TIE BACK TO THE PRODUCTION CASING BECAUSE THE LOWEST PERFORATION IS AT 4526'. THE 100' WILL ALLOW US TO NOT COVER EXISTING PERFORATIONS.

5. Minimum Specifications for Pressure Control

The BOP equipment will be a 3000 psi double ram type manually operated preventer. This equipment will be nipple up to a 7-1/16" 3K flange. The pipe rams are located above blind rams. There is no choke or kill manifold. The BOP is tested to 500 psi prior to drilling new formation. Access to the annulus will be through the valves on the 5-1/2" casing head.

6. Types and Characteristics of the Proposed Mud System

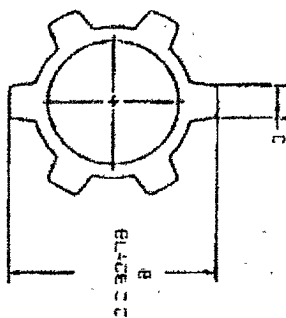
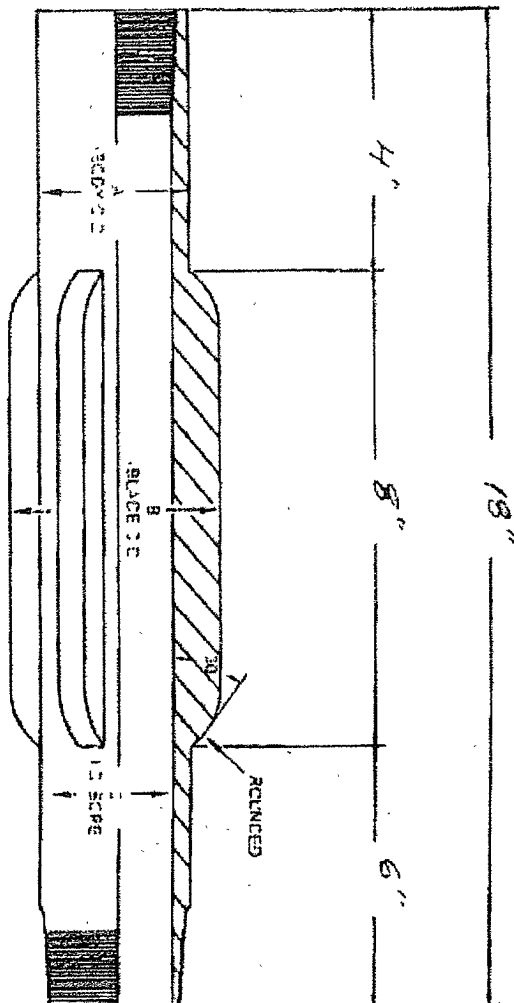
This well will drilled from end of the existing 5-1/2" casing to TD with 2% KCl.

7. Auxillary Well Control and Monitoring Equipment

- A. A full opening drill pipe-stabbing valve with proper drill pipe connections will be on the rig floor at all times.

8. Logging, Testing, and Coring Program


Centralizer Diagram



1/4"
L80
P110

SIZE	A	B	C	D	E	F	G	DRIFT
4" 1/4 x 3/4 11.6"	4.450	4.750	3.347"	3.44"				3.303"

TOE
±.000
±.000
±.000
±.010

 RAY OIL TOOL CO	
CENTRALIZED INTERCASING	
CLIENT	Concho Pos
WELL NAME AND NO	
CASING	4" 11.6"
MATERIAL	4 3/4 x 3/4 x 11.6" DRIFT
DESIGNED BY	42

- 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 5-1/2" production casing shoe.
- B. No drill stem tests.
- C. No conventional coring anticipated.
- D. Further testing procedures will be determined after the 4" liner has been cemented at TD, based on drill shows and log evaluation.

9. Abnormal Conditions, Pressure, Temperatures, and Potential Hazards

No abnormal pressures or temperatures are anticipated. The estimated bottomhole temperature at TD is 110 degrees and the estimated maximum bottomhole pressure is 2300 psig. The drilling starts in the Yeso and ends in the Yeso. The section of Yeso being drilled has very low permeability (less than 1 md).

10. Anticipated Starting Date and Duration of Operations

There will be no road or location work required as this is an existing well location. Once commenced, drilling operations should be finished in approximately 14 days. If the well is productive, an additional 30 days will be required for completion and testing before a decision is made.

11. Centralizer Program

Fixed blade stabilizer subs will be utilized in the casing string to insure adequate isolation and seal throughout the wellbore. These stabilizer subs are positive fixed blade type. These subs will actually be screwed into the casing string. A diagram of the fixed blade stabilizer sub is located at the end of this program.

The standard location of the stabilizers will be the following:

Shoe Location

Guide shoe, 1 jt casing, stabilizer sub, float collar, 1 jt casing, stabilizer sub

Perf Interval Location – between perf intervals

Stabilizer sub, 1 jt casing, stabilizer sub

Top of Liner Location

DV tool, 1 jt casing, stabilizer sub, 1 jt casing, stabilizer sub

12. Summary Drilling and Completion Program

Deepening Procedure

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10. RIH w/ tbg and locate end of tbg at 4500'.
11. RIH w/ rods and pump.
12. RDMO rig.

Holder CB Federal 5
COG Operating LLC
30-015-26529
January 7, 2009
Conditions of Approval

1. **Downhole Commingling Order DHC-4108 received on sundry dated 11/14/2008.**
2. Work to be complete within one year.
3. Variance for stand-off of less than 0.422" is approved due to NMOCD classifying the formations in this area as the Yeso group – Pool 96718 and DHC-4108.
4. **Minimum tie back of 200'. Records on file with BLM indicate that existing perforations are approximately 1000' above bottom of hole. When plugged, cement plug will be required across this tie back.**
5. Variance for not testing seal is approved based on NMOCD classification of formations in this area as the Yeso group – Pool 96718 and DHC-4108.
6. Radial CBL to be run. Submit copy to BLM.
7. Surface disturbance is not to exceed existing pad without prior approval.
8. Steel tanks to be used.
9. BOP to be tested to **1000 psi** based on BHP expected.
10. Subsequent sundry and completion report required when work is complete.

WWI 010709