

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

HOBBS
Hobbs

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.

RECEIVED

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: SWD INJECTION	8 Well Name and No FEDERAL 18 04
2 Name of Operator COG OPERATING LLC Contact: CHASITY JACKSON E-Mail: cjackson@concho.com	9 API Well No 30-025-01671-00-S1
3a Address 550 WEST TEXAS AVENUE SUITE 100 MIDLAND, TX 79701-4287	3b. Phone No. (include area code) Ph: 432-686-3087
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 18 T19S R33E SENE 1980FNL 660FEL	10. Field and Pool, or Exploratory SWD Seven River TONTO
	11 County or Parish, and State LEA 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"/> Fracture Treat
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Plug and Abandon
	<input type="checkbox"/> Plug Back
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input checked="" type="checkbox"/> Other Workover Operations

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 recomplate 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.)

- COG has been unable to obtain a cement squeeze sufficient to pass an MIT.
- A 4? flush joint liner will be run and cemented to surface to insure mechanical integrity.
- A composite plug will be set at/near the base of the existing 5 ?? casing.
- The hole will be circulated with fresh water.
- A 4? flush joint liner will be run to the composite plug and cemented in place, cement will be circulated to the surface.
- A bit will be run inside the liner to remove the liner floating equipment and drill up the composite plug.
- ~~A packer with profile and on/off tool will be run on 2 3/8? IPC tubing.~~
- The packer will be set as close to the bottom of the liner as is possible. The NMOCD will be contacted about this setting depth prior to running. In the case of a liner COG has been granted additional depth allowance by the NMOCD in the past.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL
SUBJECT TO LIKE
APPROVAL BY STATE**

BLM Witness

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #139997 verified by the BLM Well Information System
For COG OPERATING LLC, sent to the Hobbs
Committed to AFMSS for processing by KURT SIMMONS on 06/12/2012 (12KMS0906SE)

Name (Printed/Typed) CHASITY JACKSON	Title PREPARER
Signature (Electronic Submission)	Date 06/07/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE APPROVAL

Approved By	Title	Date
<i>Wesley W. Ingram</i>		JUN 19 2012
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	
		WESLEY W. INGRAM PETROLEUM ENGINEER

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 or attempt to make any false or fraudulent statements or representations as to any matter within its jurisdiction

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

JUN 26 2012

Additional data for EC transaction #139997 that would not fit on the form

32. Additional remarks, continued

9. The well will be MIT?d prior to return to disposal.

*Notify BLM/NMOC
24 hours prior to
tests*

Liner:

1. WBD w/ Liner mods attached
2. Liner Spec: 4?, 11.34 ppf, L80, Ultra Flush Joint
3. Cement Spec: Class C w/ 2% CaCl₂ and other additives as required for pump ability.
4. Liner length: approx 3,340? depending upon Composite plug depth.
5. Cement: Volume to pump, 175 sxs, Volume to order, 200 sxs. Order volume is larger to insure that the total required can be pumped and not remain in tub.

We have submitted a subsequent sundry updating the well work. The Electronic Submission number for that sundry is 139816.

COG Operating LLC

Lease & Well #

Federal "18" # 4

Liner Modifications in Green

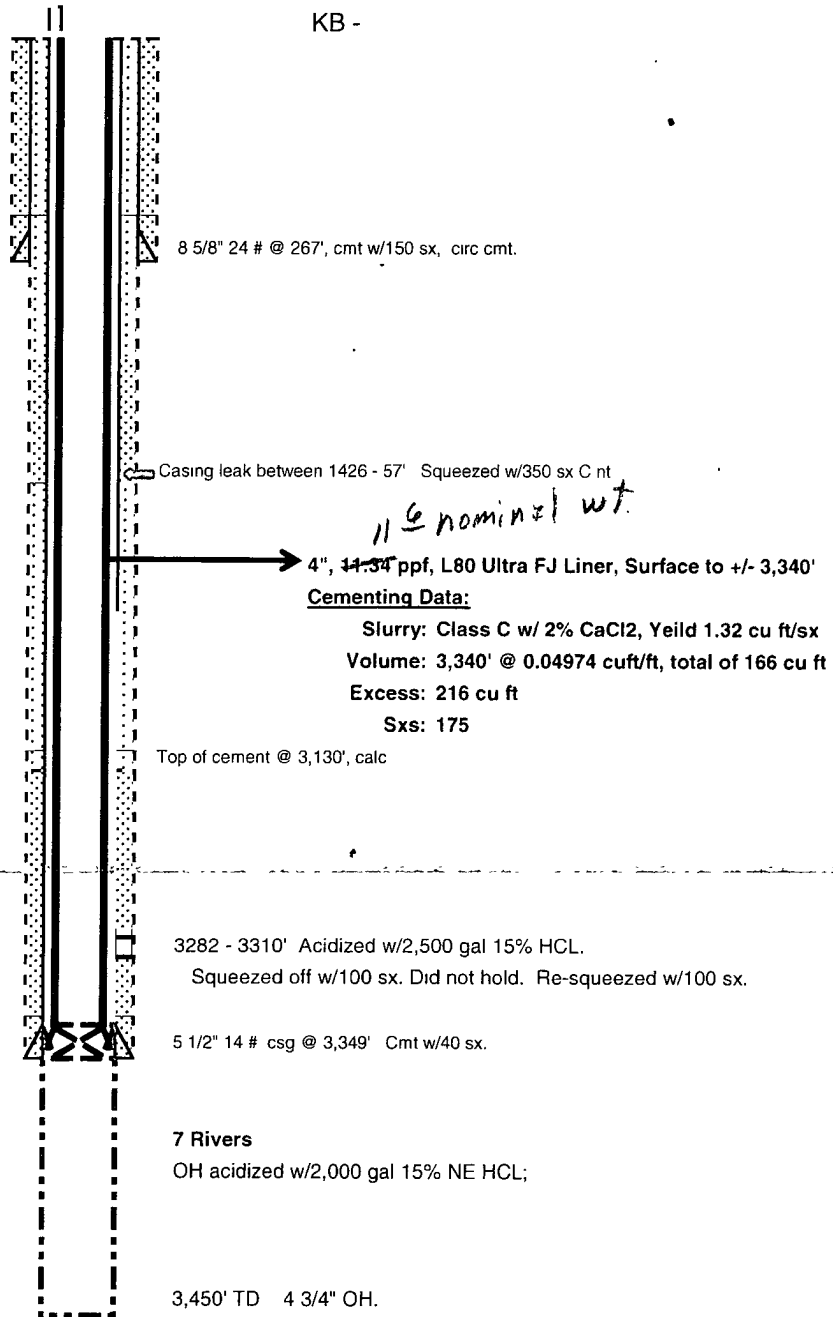
Spud - 6/23/60

Lea Co., NM

Sec 18, T19S R33E, 1980 FNL & 660 FEL

Elevation - 3642' GL

KB -



Conditions of Approval

COG Operating LLC

Federal 18 4

API 3002501671

June 19, 2012

1. **Due to being within the Lesser Prairie Chicken habitat, this workover activity will be restricted to the hours of 9:00am through 3:00am for the period of March 1 through June 15. Exceptions to these restrictions may be granted by BLM's Johnny Chopp <jchopp@blm.gov> 575.234.2227 or Bob Ballard <bballard@blm.gov> 575.234.5973.**
2. **Provide BLM with an electronic copy (Adobe Acrobat Document) cement bond log record from the liner shoe to top of cement.**
3. **After injection rates and pressures stabilize, an injection profile shall be run and submitted to BLM CFO for review. If it is determined that injection water is moving down into the Capitan Reef, operator shall take necessary measures to restrict injection to the Seven Rivers. Operator shall submit logs to TD, since they were not submitted when well was deepened.**
4. Surface disturbance beyond the existing pad shall have prior approval.
5. A closed loop system is required. The operator shall properly dispose of drilling/circulating contents at an authorized disposal site. Tanks are required for all operations, no excavated pits.
6. Functional H₂S monitoring equipment shall be on location.
7. A 2000 (2M) BOPE 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 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 1, 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.
8. All waste (i.e. 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.
9. Liner shall be tested as required in Onshore Order 2.III.B.1.h., submit chart to BLM.
10. Workover approval is good for 90 days (completion to be within 90 days of approval). A legitimate request is necessary for extension of that date.
11. Submit subsequent report detailing work by date performed.

Well with a Packer – Operations

- 1) Conduct a Mechanical Integrity Test of the tubing/casing annulus after a tubing, packer or casing seal is established. Repair that seal any time more than five barrels of packer fluid is replaced within 30 days.
- 2) The minimum test pressure should be 500 psig for 30 minutes or 300 psig for 60 minutes, with 200 psig differentials between tubing and casing pressure (at test time) but no more than 70% of casing burst pressure as described by Onshore Order 2.III.B.1.h. (The tubing or reservoir pressure may need to be reduced). An alternate method for a BLM approved MIT is to have the fluid filled system open to atmospheric pressure and have a loss of less than five barrels in 30 days witnessed by a BLM authorized officer.
- 3) Document the pressure test on a calibrated recorder chart registering within 25 to 85 per cent of its full range. Greater than 10% pressure leakoff will be viewed as a failed MIT. Less than 10% pressure leakoff will be evaluated site specifically and may restrict injection approval.
- 4) At least 24 hours before the test: In Lea County email Andy Cortez acortez@blm.gov, (phone 575-393-3612 or 575-631-5801). If no answer, leave a voice mail with the API#, workover purpose, and a call back phone number. Note the contact notification method, time, & date in your subsequent report.
- 5) Submit a subsequent Sundry Form 3160-5 relating the MIT activity. Include a copy of the recorded MIT pressure chart. List the name of the BLM witness, or the notified person and date of notification. NMOCD is to retain the original recorded MIT chart.
- 6) Use of tubing internal protection, tubing on/off equipment just above the packer, a profile nipple, and an in line tubing check valve below the packer or between the on/off tool and packer is a “Best Management Practice”. The setting depths and descriptions of each are to be included in the subsequent sundry. List (by date) descriptions of daily activity of any previously unreported wellbore workover.
- 7) **Submit the original subsequent sundry with three copies to BLM Carlsbad.**
- 8) Compliance with a NMOCD Administrative Order is required, submit documentation of that authorization.
 - a) Approved injection pressure compliance is required.
 - b) If injection pressure exceeds the approved pressure you are required to reduce that pressure and notify the BLM within 24 hours.
 - c) When injection pressure is within 50 psig of the maximum pressure, install automation equipment that will prevent exceeding that maximum. Submit a subsequent report (Sundry Form 3160-5) describing the installed automation equipment within 30 days.
- 9) Unexplained significant variations of rate or pressure to be reported within 5 days of notice.
- 10) The casing/tubing annulus is required to be monitored for communication with injection fluid or loss of casing integrity. A BLM inspector may request verification of the annular fluid level at any time.

- 11) A “Best Management Practice” is to maintain the annulus full of packer fluid at atmospheric pressure. Equipment that will display on site, continuous open to the air fluid level is necessary to achieve this goal.
- 12) Loss of packer fluid above five barrels per month indicates a developing problem. Notify BLM Carlsbad Field Office, Petroleum Engineering within 5 days.
- 13) A suggested format for monthly records documenting that the casing annulus is fluid filled is available from the BLM Carlsbad Field Office.
- 14) Gain of annular fluid requires notification within 24 hours. Cease injection and maintain a production casing pressure of 0 psia. Notify the BLM’s authorized officer (“Paul R. Swartz” <pswartz@blm.gov>, cell phone 575-200-7902). If there is no response phone 575-361-2822.
- 15) Submit a (Sundry Form 3160-5) subsequent report (daily reports) describing all wellbore activity and Mechanical Integrity Test as per item 1) above. Include the date(s) of the well work, and the setting depths of equipment: internally corrosive protected tubing, tubing on/off equipment just above the packer, and an in-line tubing check valve below the packer or between the on/off tool and packer. The setting depths and descriptions of each are to be included in the subsequent sundry. List (by date) descriptions of daily activity of any previously unreported wellbore workover.

PRS / WWI 061912

Access information for use of Form 3160-5 “Sundry Notices and Reports on Wells”

NM Fed Regs & Forms - http://www.blm.gov/nm/st/en/prog/energy/oil_and_gas.html

§ 43 CFR 3162.3-2 Subsequent Well Operations.

§ 43 CFR 3160.0-9 (c)(1) Information collection.

§ 3162.4-1 (c) Well records and reports.