

HOBBS OCD  
DEC 24 2012

30-025-40896

**COG PRODUCTION LLC**  
**RECEIVED MULTI-POINT SURFACE USE AND OPERATIONS PLAN**

**Gold Coast 26 Federal 1H**  
**SHL: 330' FSL & 330' FEL**  
**BHL: 330' FNL & 380' FEL**  
**Section 26 T24S R32E**  
**Lea County, New Mexico**

This plan is submitted with Form 3160-3, Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of the surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of the operations, so that a complete appraisal can be made of the environmental effect associated with the operations.

**1. EXISTING ROADS:**

- a. The well site and elevation plat for the proposed well are reflected on the well site layout; Form C-102. The well was staked by John West Surveying Company.
- b. Exhibit 2 is a portion of a topo map showing the well and roads in the vicinity of the proposed location. The proposed wellsite and the access route to the location are indicated in red on Exhibit 2. Right of way using this proposed route is being requested if necessary.
- c. Routine grading and maintenance of existing roads will be conducted as necessary to maintain their condition as long as any operations continue on this lease.

**DIRECTIONS:**

From the intersection of Co. Rd. J1 and NM Hwy #128 and go south on Co. Rd. J1 approx. 3.1 miles. Turn left and go east approx. 1.1 miles. Turn left and go northeast approx. 0.2 miles. Turn right and go east approx. 0.7 miles. Turn left and go north approx. 0.6 miles to a road survey. Follow road survey 189 feet north to the location.

**PLANNED ACCESS ROAD:**

COG will be using a proposed access road of 189' coming in from the southeast side of the pad. The road width will be 14', crown design. The road will be crowned and ditched with a 2% slope from the tip of the crown to the edge of the driving surface. The ditches will be 3 feet wide with 3:1 slopes.

**2. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:**

- In the event the well is found productive, the Gold Coast 26 Federal 1H
- A. tank battery would be utilized and the necessary production equipment will be installed at the well site. See Exhibit #3.
  - B. All flowlines will adhere to API standards

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- C. If electricity is needed, power will be obtained from Central Valley Electric. Central Valley Electric will apply for ROW for their power lines.
- D. If the well is productive, rehabilitation plans are as follows:
  - i. The original topsoil from the well site will be returned to the location. The drill site will then be contoured as close as possible to the original state.

**3. LOCATION AND TYPES OF WATER SUPPLY:**

This location will be drilled using a combination of water mud systems (outlined in the Drilling Program). The water will be obtained from commercial water stations in the area and hauled to location by transport truck using the existing and proposed roads shown in Exhibit #2. On occasion, water will be obtained from a pre-existing water well, running a pump directly to the drill rig. In these cases where a poly pipeline is used to transport water for drilling purposes, the existing and proposed road shown in Exhibit "2" will be utilized.

**5. CONSTRUCTION MATERIALS:**

All Caliche utilized for the drilling pad and proposed access road will be obtained from an existing BLM approved pit or from prevailing deposits found under the location. All roads will be constructed of 6" rolled and compacted caliche. Will use BLM recommended use of extra caliche from other locations close by for roads, if available.

**6. METHODS OF HANDLING WASTE MATERIAL:**

- a. All trash, junk and other waste material will be removed from the wellsite within 30 days after finishing drilling and/or completion operations. All waste material will be contained in trash cages or trash bins to prevent scattering. When the job is completed, all contents will be removed and disposed of in an approved sanitary landfill.
- b. The supplier, including broken sacks, will pick up slats remaining after completion of well.
- c. A porto-john will be provided for the rig crews. This equipment will be properly maintained during the drilling and completion operations and will be removed when all operations are complete.
- d. Disposal of fluids to be transported by an approved disposal company.

**6. ANCILLARY FACILITIES:**

No campsite or other facilities will be constructed as a result of this well.

**7. WELLSITE LAYOUT:**

- a. Exhibit 1 shows the proposed well site layout with dimensions of the pad layout.
- b. This exhibit indicates proposed location of reserve and sump pits if utilized and living facilities.
- c. Mud pits in the active circulating system will be steel pits and a closed loop system will be utilized.

**8. PLANS FOR SURFACE RECLAMATION:**

- a. After finishing drilling and/or completion operations, if the well is found non-commercial, the caliche will be removed from the pad and transported to the original caliche pit or used for other drilling locations. The road will be reclaimed as directed by the BLM. The original top soil will again be returned to the pad and contoured, as close as possible, to the original state.
- b. The location and road will be rehabilitated as recommended by the BLM.
- c. Caliche from areas of the pad site not required for operations will be reclaimed. The original top soil will be returned to the area of the drill pad not necessary to operate the well. These unused areas of the drill pad will be contoured, as close as possible, to match the original topography.

**9. SURFACE OWNERSHIP:**

The surface is owned by the US Government and is administered by the Bureau of Land Management. The surface is multiple use with the primary uses of the region for the grazing of livestock and the production of oil and gas. The proposed road routes and the surface location will be restored as directed by the BLM.

**10. OTHER INFORMATION:**

- a. The area surrounding the well site is grassland. The vegetation is moderately sparse with native prairie grass and mesquite bushes. No wildlife was observed but it is likely that deer, rabbits, coyotes, and rodents traverse the area.
- b. There is no permanent or live water in the general proximity of the location.
- c. If the well is deemed commercially productive, caliche from areas of the pad site not required for operations will be reclaimed. The original top soil will be returned to the area of the drill pad not necessary to operate the well. These unused areas of the drill pad will be contoured, as close as possible, to match the original topography. Reserve pit will not be used on this location therefore no reclamation is needed.
- d. Topsoil will be stockpiled on the NORTH SIDE of the location until it is needed for interim reclamation described in paragraph above.

**12. OPERATOR'S REPRESENTATIVE:**

A. Through A.P.D. Approval:

Melanie Parker, Regulatory Coordinator  
COG PRODUCTION LLC  
Artesia, NM 88210  
Phone (575)748-6940  
Cell (432) 553-9834

B. Through Drilling Operations

Sheryl Baker, Drilling Supervisor  
COG PRODUCTION LLC  
Artesia, NM 88210  
Phone (575)748-6940  
Cell (432)934-7873

## STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

Date: 10/10/2012

Lease #: NMNM120907  
Gold Coast 26 Federal 1H

Legal Description: Sec. 26– T24S – R32E  
Lea County, New Mexico

Formation(s): 2nd Bone Spring Sand

Bond Coverage: Statewide

BLM Bond File #: NMB000740 & NMB00215

COG PRODUCTION LLC

A handwritten signature in black ink, appearing to read "Mayte Reyes", is written over a horizontal line.

Mayte Reyes  
Regulatory Analyst

COG PRODUCTION LLC  
Gold Coast 26 Federal 1H  
Section 26-T24S-R32E

## Operator Certification

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in the APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Executed this 11<sup>th</sup> day of October, 2012.

Signed: Melanie Parker

Name : Melanie Parker

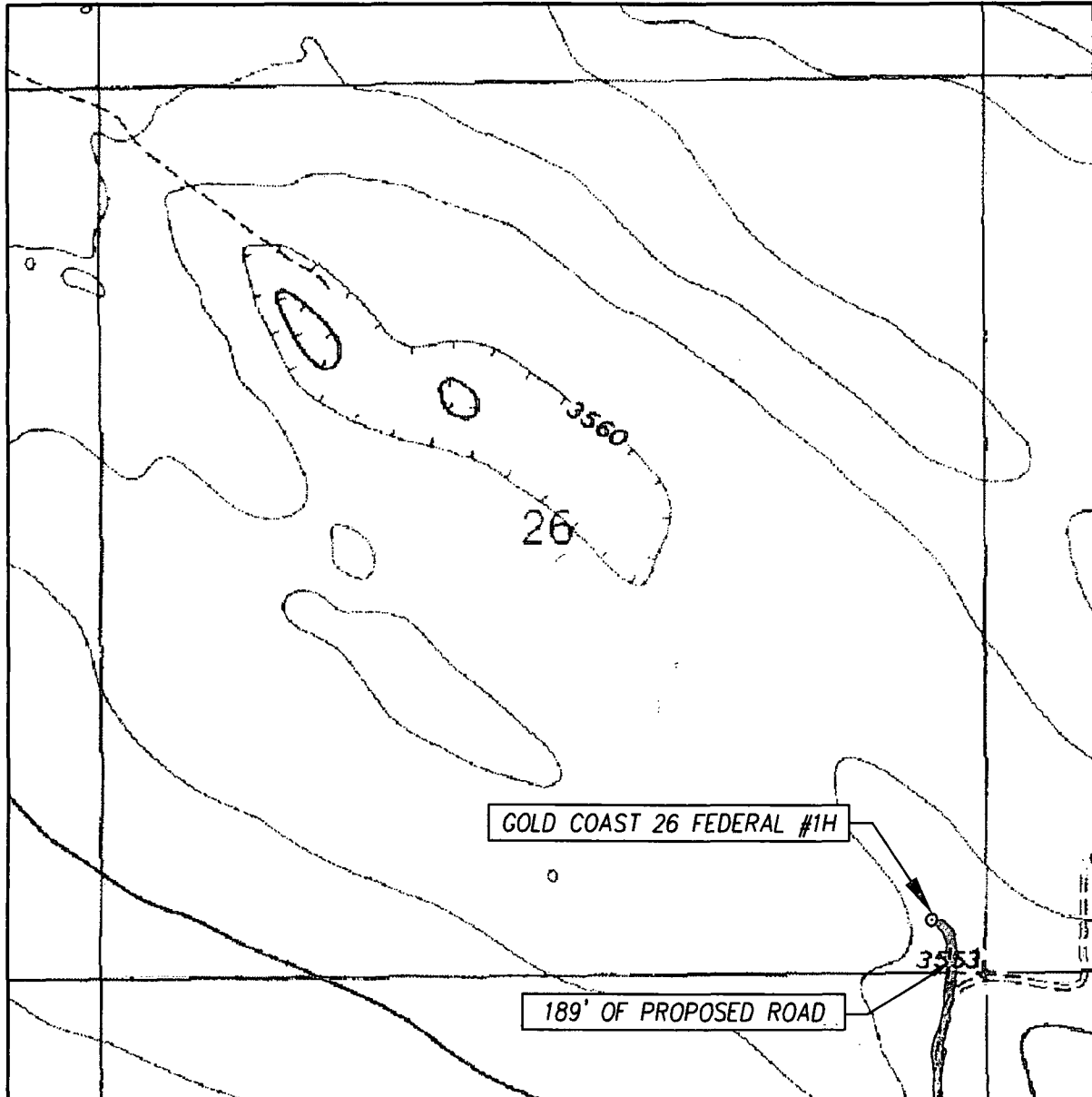
Position Title: Regulatory Coordinator

Address: 2208 West Main Street, Artesia, NM 88210

Telephone: 575-748-6940

# EXHIBIT 2

## LOCATION VERIFICATION MAP



SCALE: 1" = 1000'

CONTOUR INTERVAL:  
PADUCA BREAKS NW, N.M. - 10'

SEC. 26 TWP. 24-S RGE. 32-E

SURVEY \_\_\_\_\_ N.M.P.M.

COUNTY LEA STATE NEW MEXICO

DESCRIPTION 330' FSL & 330' FEL

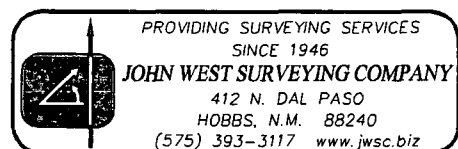
ELEVATION 3561'

OPERATOR COG PRODUCTION, LLC

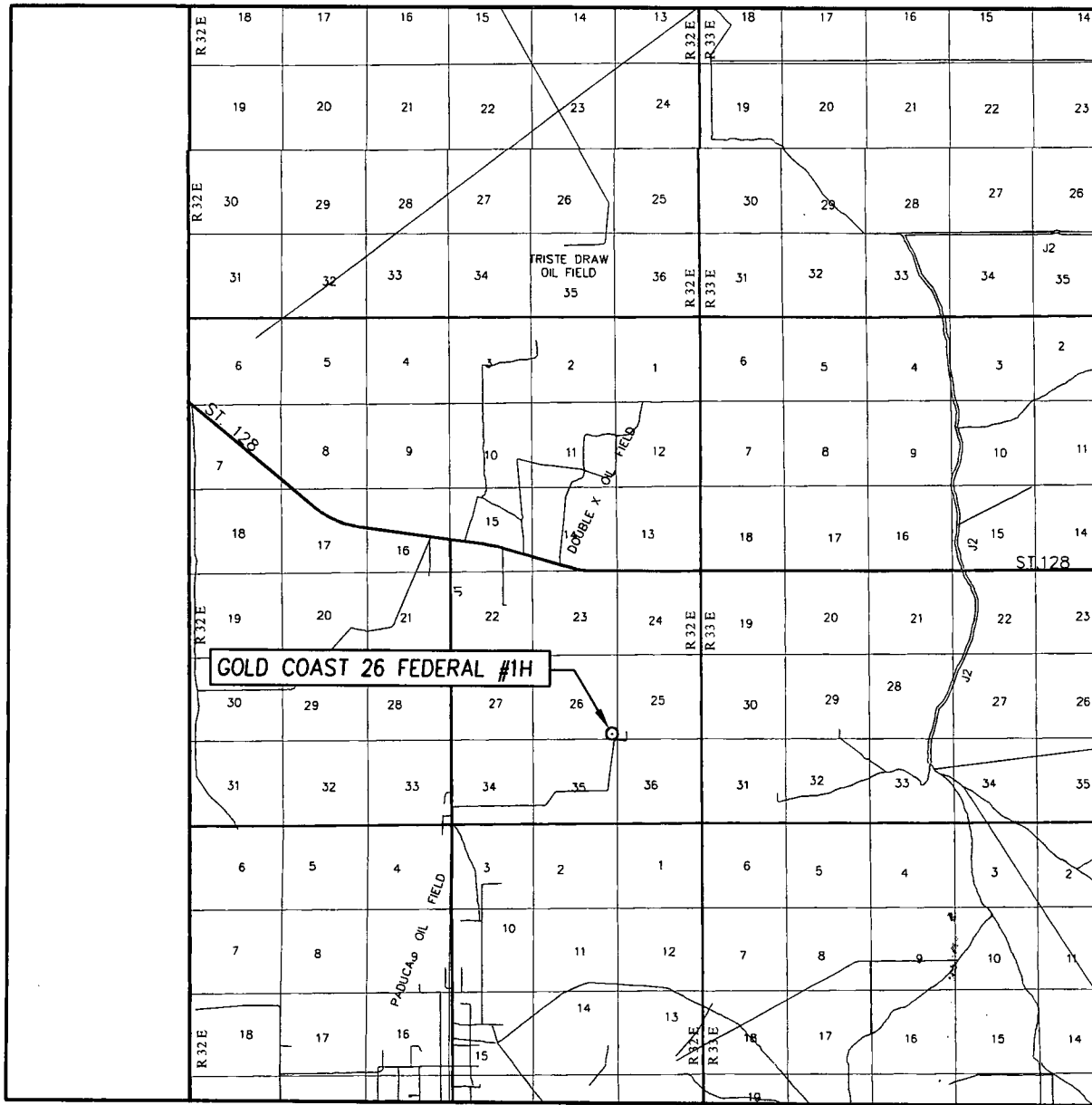
LEASE GOLD COAST 26 FEDERAL

U.S.G.S. TOPOGRAPHIC MAP

PADUCA BREAKS NW, N.M.

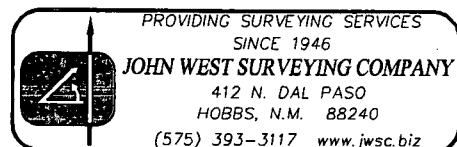


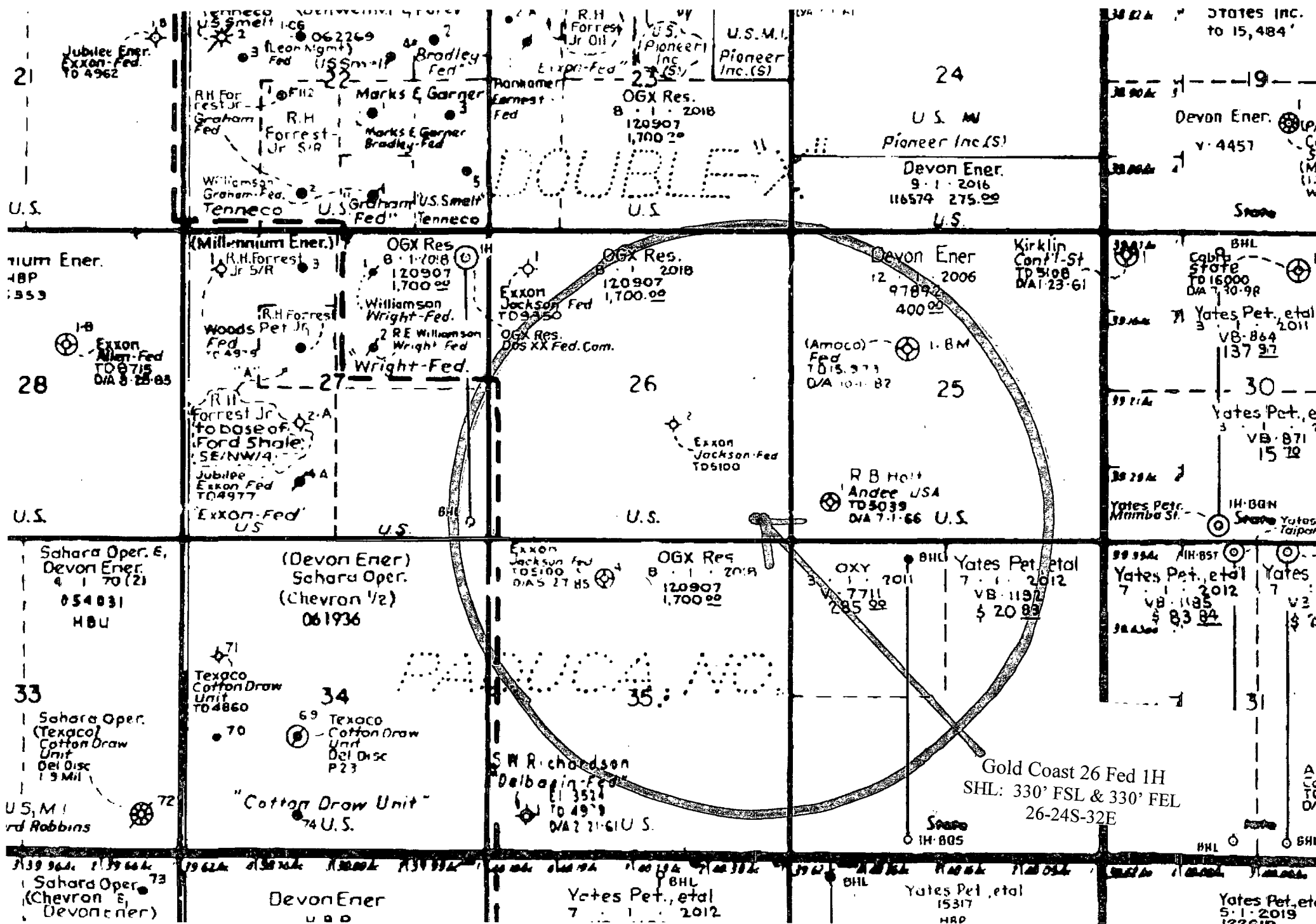
# VICINITY MAP



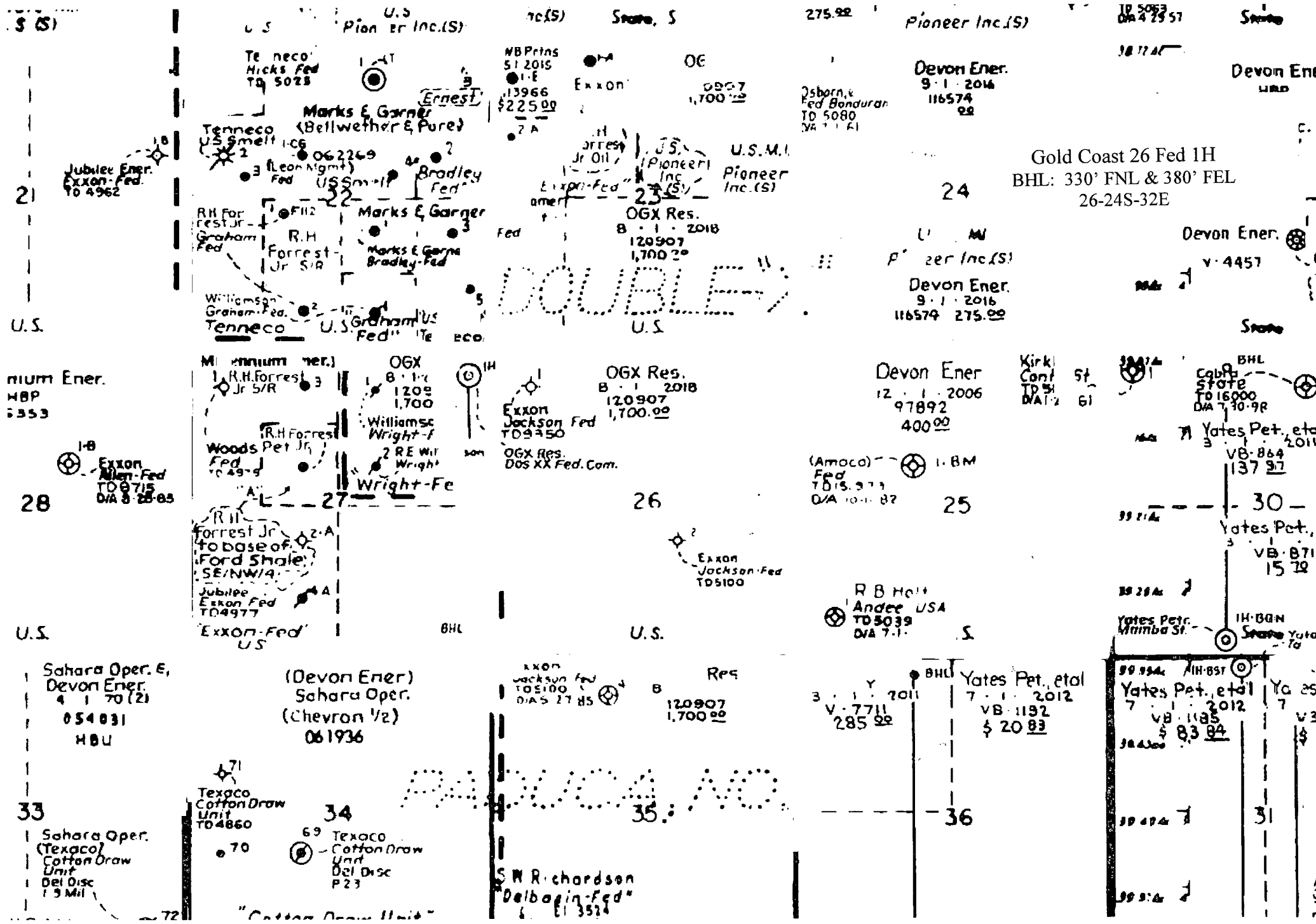
SCALE: 1" = 2 MILES

SEC. 26 TWP. 24-S RGE. 32-E  
 SURVEY N.M.P.M.  
 COUNTY LEA STATE NEW MEXICO  
 DESCRIPTION 330' FSL & 330' FEL  
 ELEVATION 3561'  
 OPERATOR COG PRODUCTION, LLC  
 LEASE GOLD COAST 26 FEDERAL









21  
Jubilee Ener.  
Exxon-Fed  
TO 4962  
U.S.

28  
Exxon  
Allen-Fed  
TO 6715  
D/A 8-28-83  
U.S.

33  
Sahara Oper. E.  
Devon Ener.  
4-1-70 (2)  
054031  
HBU

33  
Sahara Oper.  
(Texaco)  
Cotton Draw  
Unit  
Del Disc  
1.9 Mil

U.S. Pioneer Inc.(S)  
Tenneco  
Hicks Fed  
TO 5023  
Marks & Garner  
(Bellwether & Pure)  
U.S. Steel  
OG 2269  
Bradley  
Fed  
U.S. Steel  
Marks & Garner  
Bradley-Fed  
U.S. Steel  
Graham  
Fed  
Tenneco  
U.S. Steel  
Graham  
Fed  
Tenneco

Minimum Ener.  
R.H. Forrest  
Jr S/R  
OGX  
8-1-70  
1209  
1,700  
R.H. Forrest  
Jr  
Woods Pet Jr  
Fed  
TO 49-5  
Wright-Fed  
2 RE Wil  
Wright  
OGX Res.  
DOS XX Fed. Com.  
U.S.

(Devon Ener)  
Sahara Oper.  
(Chevron 1/2)  
061936  
Texaco  
Cotton Draw  
Unit  
TO 4860  
70  
Texaco  
Cotton Draw  
Unit  
Del Disc  
P23  
"Cotton Draw Unit"

U.S. Steel  
Pioneer Inc.(S)  
OGX Res.  
8-1-2018  
120907  
1,700.00  
U.S.

OGX Res.  
8-1-2018  
120907  
1,700.00  
Exxon  
Jackson Fed  
TO 9350  
OGX Res.  
DOS XX Fed. Com.  
U.S.

EXXON  
Jackson Fed  
TO 5100  
D/A 27-85  
RPS  
120907  
1,700.00  
S.W. Richardson  
"Delbabin-Fed"  
TO 3524

275.92  
Pioneer Inc.(S)  
Devon Ener.  
9-1-2016  
116574  
92  
Osborn, E.  
Fed Banduran  
TO 5080  
D/A 7-1-61  
U.S. Steel  
Pioneer Inc.(S)  
OGX Res.  
8-1-2018  
120907  
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U.S.

Devon Ener  
12-1-2006  
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400.00  
(Amoco)  
Fed  
TO 5.973  
D/A 10-1-82  
R.B. Hall  
Andee USA  
TO 5039  
D/A 7-1-  
U.S.

Yates Pet. et al  
7-1-2012  
VB-1132  
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BHL  
3-1-2011  
V-7711  
285.92  
36

18 5063  
D/A 4-23-57  
Devon Ener  
U.S. Steel  
Devon Ener.  
V-4457  
U.S. Steel

Yates Pet. et al  
3-1-2011  
VB-864  
137.97  
Yates Pet.  
VB-871  
15.28  
Yates Pet.  
Mamba St.  
IH-BON  
Yates  
TO

Yates Pet. et al  
7-1-2012  
VB-1132  
\$ 20.83  
Yates Pet. et al  
7-1-2012  
VB-1132  
\$ 20.83  
Yates Pet. et al  
7-1-2012  
VB-1132  
\$ 20.83  
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VB-1132  
\$ 20.83