

HOBBS OCD

MAY 03 2013

RECEIVED

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

**Azores Federal 3H**  
**SHL: 190' FSL & 1980' FWL**  
**BHL: 330' FNL & 1980' FWL**  
**Section 29 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 Harcrow Surveying.
- b. Exhibit 2 is a portion of a topo map showing the well and roads in the vicinity of the location. The wellsite is indicated in red on Exhibit 2. No new access road is necessary. 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 Highway 128 and County Road 1 go south along County Road 1 approximately 2.4 miles. Turn right (west) onto Cotton Draw Road, and go 1.4 miles and well is 150 feet north.

**PLANNED ACCESS ROAD:**

COG will be using an existing caliche road to access the well pad. Width of road is 14' wide, crown design, the road is crowned and ditched with a 2% slope from the tip of the crown to the edge of the driving surface. The ditches are 3 feet wide with 3:1 slopes.

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

- a. In the event the well is found productive a tank battery would be constructed and the necessary production equipment will be installed at the well site. See Exhibit #3.
- b. All flowlines will adhere to API standards
- c. If electricity is needed, power will be obtained from Xcel Energy. Xcel Energy will apply for ROW for their power lines.
- d. If the well is productive, rehabilitation plans are as follows:
  1. 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.

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

This well 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.

**4. 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.

**5. 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.

**11. OPERATOR'S REPRESENTATIVE:**

- |  |   |
|--|---|
| a. Through A.P.D. Approval:<br>Melanie Parker, Regulatory Coordinator<br>COG PRODUCTION LLC<br>Artesia, NM 88210<br>Phone (575)748-6940<br>Cell (432) 553-9834 | b. Through Drilling Operations<br>Sheryl Baker, Drilling Supervisor<br>COG PRODUCTION LLC<br>Artesia, NM 88210<br>Phone (575)748-6940<br>Cell (432)934-7873 |
|--|---|

COG PRODUCTION LLC  
Azores Federal #3H  
Section 29-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 20<sup>th</sup> day of February, 2013.

Signed: Melanie Parker

Name: Melanie Parker

Position Title: Regulatory Coordinator

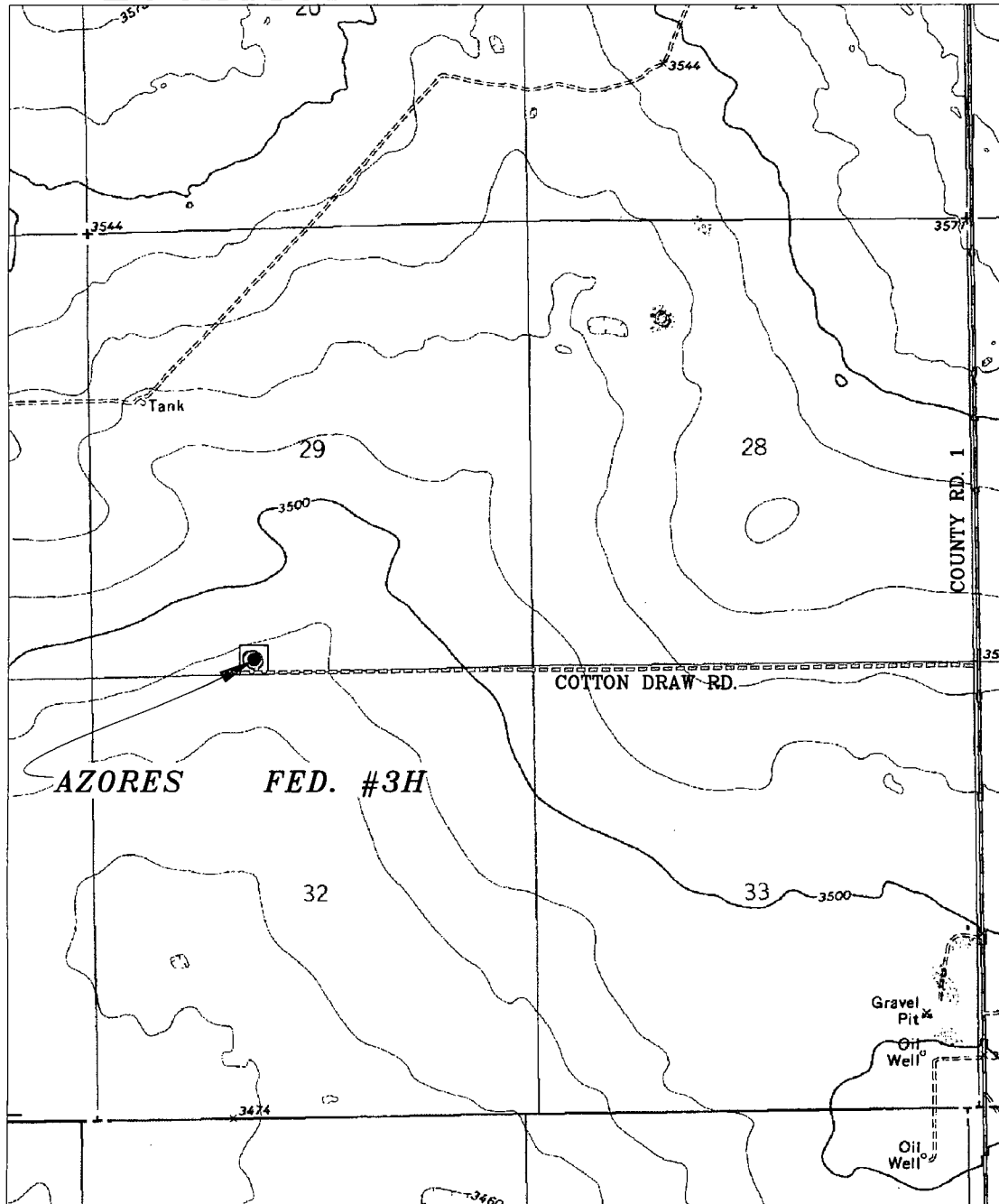
Address: 2208 West Main Street, Artesia, NM 88210

Telephone: 575-748-6940

FILE: 13-009

# EXHIBIT 2

## LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'

SEC. 29 TWP. 24-S RGE. 32-E  
 SURVEY N.M.P.M.  
 COUNTY LEA STATE NEW MEXICO  
 DESCRIPTION 190' FSL & 1980' FWL  
 ELEVATION 3493.8'  
 OPERATOR COG PRODUCTION, LLC  
 LEASE AZORES FED.

U.S.G.S. TOPOGRAPHIC MAP  
 PADUCA BREAKS NW, N.M.

LEGEND:

CALICHE ROAD - - - - -

HARCROW SURVEYING

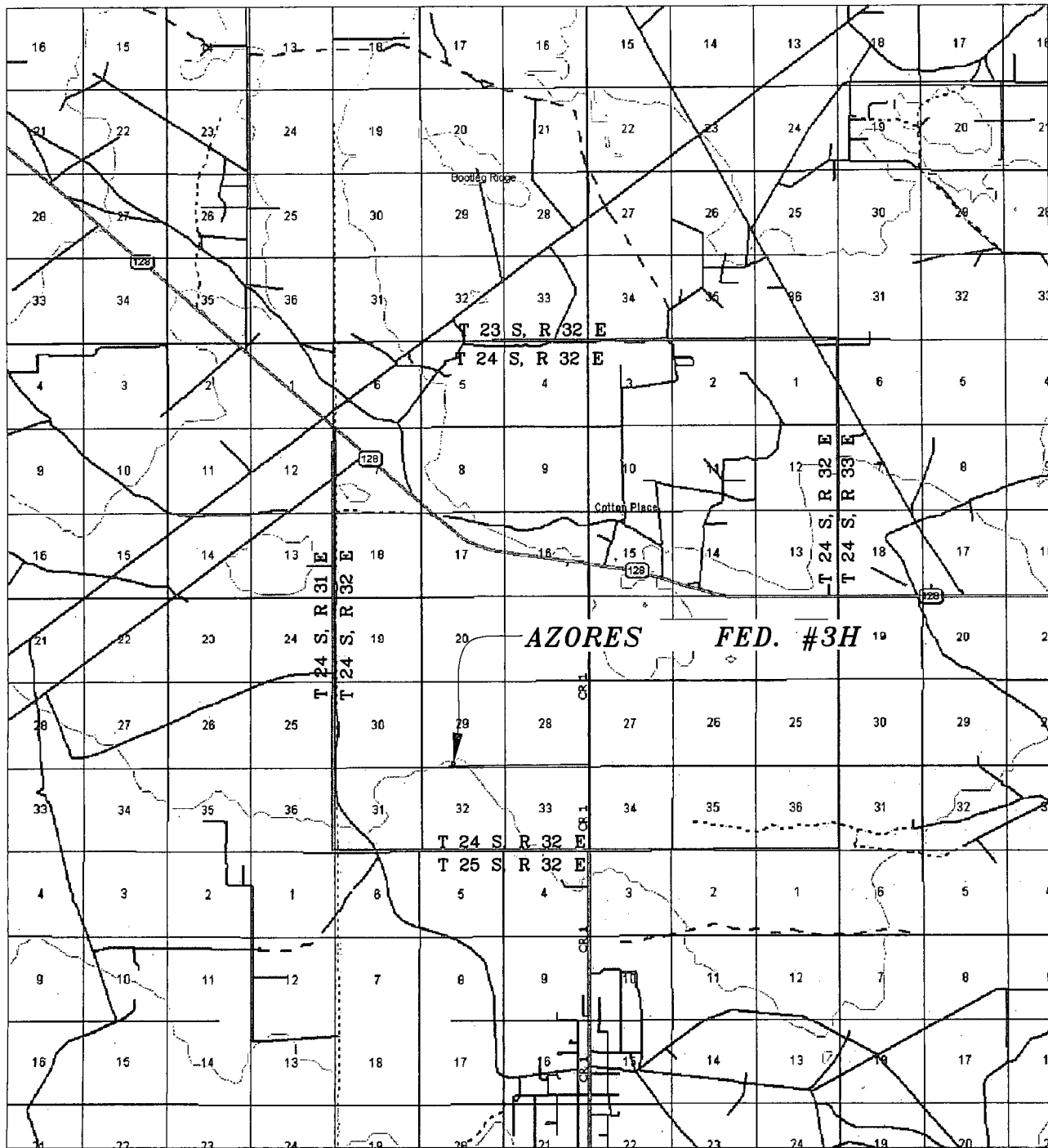
1107 WATSON, ARTESIA N.M. 88210  
 PH: (575) 513-2570  
 FAX: (575) 746-2808  
 EST. 2007



**COG PRODUCTION, LLC**

SURVEY DATE: JAN. 07, 2013	PAGE: 1 OF 1
DRAFTING DATE: JAN. 13, 2013	
APPROVED BY: CH	DRAWN BY: DDSI FILE: 13-009

# VICINITY MAP

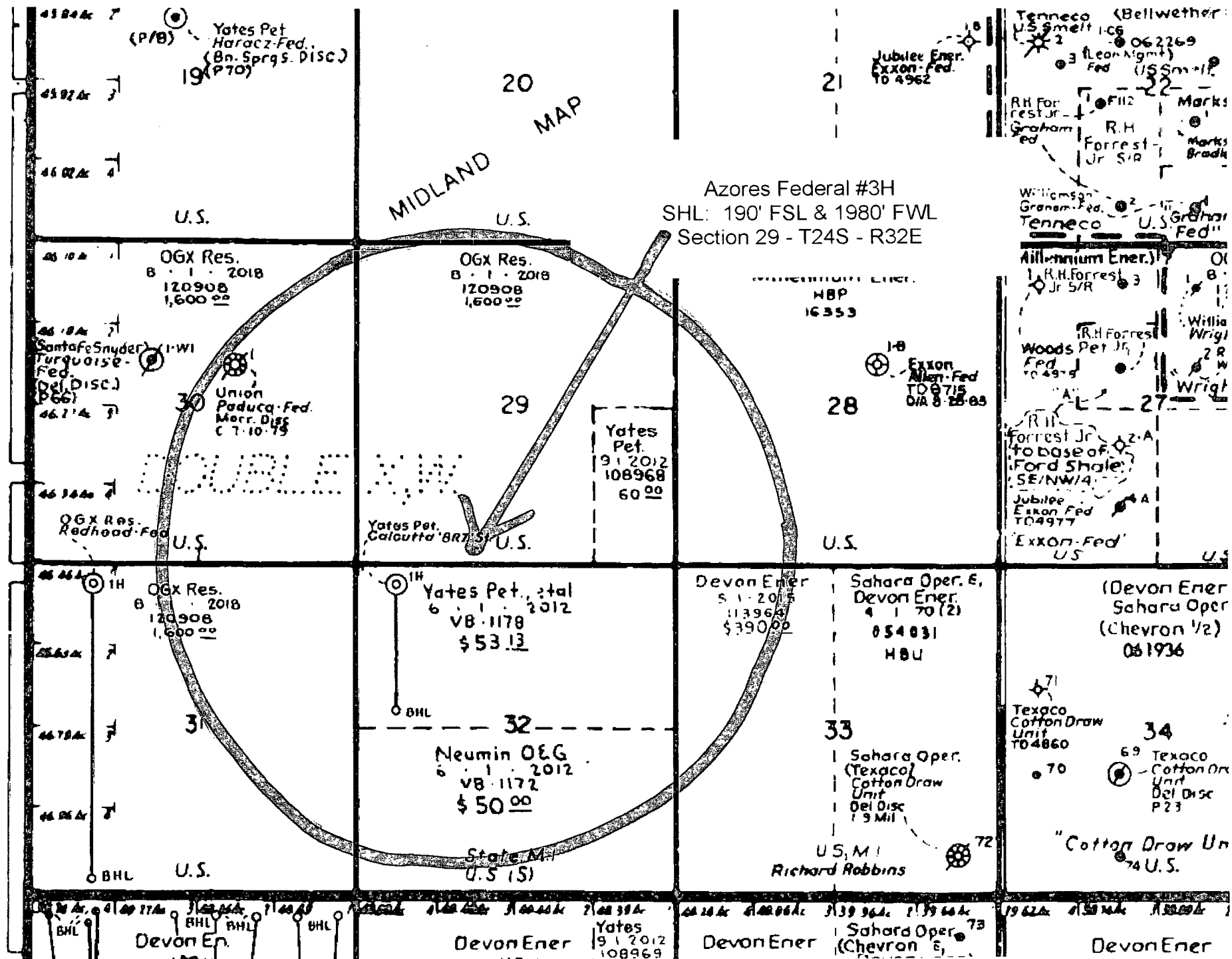


SCALE: 1" = 2 MILES

SEC. 29 TWP. 24-S RGE. 32-E  
 SURVEY N.M.P.M.  
 COUNTY LEA STATE NEW MEXICO  
 DESCRIPTION 190' FSL & 1980' FWL  
 ELEVATION 3493.8'  
 OPERATOR COG PRODUCTION, LLC  
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