

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD 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.*

HOBBSOCD

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

JAN 26 2015

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM123528
2. Name of Operator COG OPERATING LLC		6. If Indian, Allottee or Tribe Name
Contact: MAYTE X REYES E-Mail: mreyes1@concho.com		7. If Unit or CA/Agreement, Name and/or No.
3a. Address ONE CONCHO CENTER 600 W ILLINOIS AVENUE MIDLAND, TX 79701-4287	3b. Phone No. (include area code) Ph: 575-748-6945	8. Well Name and No. SEBASTIAN FEDERAL COM 1H
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 18 T24S R34E Lot 1 0190FNL 0660FWL 32.224176 N Lat, 103.514903 W Lon		9. API Well No. 30-025-41687-00-X1
		10. Field and Pool, or Exploratory RED HILLS
		11. County or Parish, and State LEA COUNTY, NM

RECEIVED

**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 type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Change to Original A
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	PD

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 recompleat 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 recompleat 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 respectfully requests approval for the following changes to the original approved APD.

Request a change in hole size profile in the production section below the 9-5/8" intermediate.

We will drill the vertical/curve from intermediate at 5200' to our KOP at 10,407' MD and our curve from 10,407' to 11,144' MD / 10,885' TVD with 8-3/4" hole size as originally planned.

In the lateral at 11,144' MD/10,885' TVD, we want to reduce hole size from 8-3/4" to 7-7/8" (15,440' MD / 11,005' TVD)

We want to cement the production string with a 2 Stage Cement Job instead of a one stage job as originally planned.

1st Stage

Lead : 650 sx of Econocem HLH (12.7 ppg / 10.5 gal/sk / 2.01 cf/sk)

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #288924 verified by the BLM Well Information System For COG OPERATING LLC, sent to the Hobbs Committed to AFMSS for processing by JENNIFER MASON on 01/22/2015 (15JAM0062SE)	
Name (Printed/Typed) MAYTE X REYES	Title REGULATORY ANALYST
Signature (Electronic Submission)	Date 01/22/2015
THIS SPACE FOR FEDERAL OR STATE OFFICE USE	
Approved By	Title
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
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.	

APPROVED

JAN 22 2015

BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE

\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\*

JAN 29 2015

**Additional data for EC transaction #288924 that would not fit on the form**

**32. Additional remarks, continued**

(Lead Volume base on 35% OH excess from KOP @ 10,407 to DV Tool at 6700?)

Tail: 950 sx of Versacem H (14.4 ppg ? 5.66 gal/sk 1.25 cf/sk)

(Tail Volume based on 25% OH excess in the 7-7/8? Lateral and 8-3/4? Curve)

2nd Stage ? DV Tool Set at 6700?

Lead: 575 sx of Econocem C (11.9 ? / 14.07 gal/sk 2.51 cf/sk)

(Lead Volume based on Intermediate Casing ID from 5200? to 0? (Surface) + 5% Excess

Tail: 350 sx C (14.8 ppg / 6.35 gal/sk / 1.34 cf/sk)

(Tail Volumes based on 25% OH Excess from DV Tool at 6700? to 5200?)

Planned volumes are intended for cement to surface, but will tie back to a minimum of 500? into the 9-5/8? casing shoe at 5200?.

**PECOS DISTRICT  
CONDITIONS OF APPROVAL**

<b>OPERATOR'S NAME:</b>	<b>COG Production LLC</b>
<b>LEASE NO.:</b>	<b>NMNM-123528</b>
<b>WELL NAME &amp; NO.:</b>	<b>Sebastian Federal Com 1H</b>
<b>SURFACE HOLE FOOTAGE:</b>	<b>0190' FNL &amp; 0660' FWL</b>
<b>BOTTOM HOLE FOOTAGE</b>	<b>0330' FSL &amp; 0660' FWL</b>
<b>LOCATION:</b>	<b>Section 18, T. 24 S., R 34 E., NMPM</b>
<b>COUNTY:</b>	<b>Lea County, New Mexico</b>
<b>API:</b>	<b>30-025-41687</b>

**The original COAs still stand with the following drilling modifications:**

**I. DRILLING**

**A. DRILLING OPERATIONS REQUIREMENTS**

The BLM is to be notified in advance for a representative to witness:

- a. Spudding well (minimum of 24 hours)
- b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
- c. BOPE tests (minimum of 4 hours)

☒ **Lea County**

Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240,  
(575) 393-3612

1. **Hydrogen Sulfide (H2S) monitors shall be installed prior to drilling out the surface shoe. Hydrogen Sulfide has been reported as a hazard in formations deeper than the proposed depth. If H2S is detected in concentrations greater than 100 ppm, the Hydrogen Sulfide area shall meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, provide measured values and formations to the BLM.**
2. **Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval. If the drilling rig is removed without approval – an Incident of Non-Compliance will be written and will be a “Major” violation.**

3. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works is located, this does not include the dog house or stairway area.
4. **The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well – vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.**

## **B. CASING**

Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.). The initial wellhead installed on the well will remain on the well with spools used as needed.

**Centralizers required on surface casing per Onshore Order 2.III.B.1.f.**

**Wait on cement (WOC) time prior to drilling out for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater for all casing strings. DURING THIS WOC TIME, NO DRILL PIPE, ETC. SHALL BE RUN IN THE HOLE. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. See individual casing strings for details regarding lead cement slurry requirements.**

**No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.**

**Possibility of water flows in the Salado and Delaware.**

**Possibility of lost circulation in the Red Beds, Rustler, and Delaware.**

1. The 13-3/8 inch surface casing shall be set at approximately 1375 feet (in a competent bed below the Magenta Dolomite, which is a Member of the Rustler, and if salt is encountered, set casing at least 25 feet above the salt) and cemented to the surface. Fresh water mud to be used to setting depth.
  - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
  - b. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry.
  - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
  - d. If cement falls back, remedial cementing will be done prior to drilling out that string.
2. The minimum required fill of cement behind the 9-5/8 inch intermediate casing is:

☒ Cement to surface. If cement does not circulate see B.1.a, c-d above.

**Centralizers required on horizontal leg, must be type for horizontal service and a minimum of one every other joint.**

3. The minimum required fill of cement behind the 5-1/2 inch production casing is:

**Operator has proposed DV tool at depth of 6700'. Operator is to submit sundry if DV tool depth varies by more than 100' from approved depth.**

- a. First stage to DV tool:

☒ Cement to circulate. If cement does not circulate, contact the appropriate BLM office before proceeding with second stage cement job. Operator should have plans as to how they will achieve approved top of cement on the next stage.

- b. Second stage above DV tool:

☒ Cement should tie-back at least 500 feet into previous casing string. Operator shall provide method of verification.

4. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

### C. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
2. **In the case where the only BOP installed is an annular preventer, it shall be tested to a minimum of 2000 psi (which may require upgrading to 3M or 5M annular).**
3. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **2000 (2M)** psi.
4. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the **9-5/8** intermediate casing shoe shall be **3000 (3M)** psi.
5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
  - a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead when specified), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).
  - b. The tests shall be done by an independent service company utilizing a test plug **not a cup or J-packer**.
  - c. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock with a corresponding chart (i.e. two hour clock-two hour chart, one hour clock-one hour chart).

- d. The results of the test shall be reported to the appropriate BLM office.
- e. All tests are required to be recorded on a calibrated test chart. **A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.**
- f. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to the test at full stack pressure.

#### **D. DRILL STEM TEST**

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

#### **E. WASTE MATERIAL AND FLUIDS**

All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of drilling operations and completion 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.

**JAM 012215**