Form 3160-3
(June 2015)

FORM APPROVED
OMB No. 1004-0137
Expires: January 31, 2018

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.: NMNM57261

6. If Indian, Allotee or Tribe Name:

1a. Type of work: ☑ DRILL ☐ REENTER

1b. Type of Well: ☑ Oil Well ☐ Gas Well ☐ Other

1c. Type of Completion: ☐ Hydraulic Fracturing ☑ Single Zone ☐ Multiple Zone

7. If Unit or CA Agreement, Name and No.:

8. Lease Name and Well No.: HAMBONE FEDERAL COM 501H

2. Name of Operator: COG OPERATING LLC

9. API Well No.: 30-015-49113

3a. Address: , ,

3b. Phone No. *(include area code)*:

10. Field and Pool, or Exploratory: CORRAL CANYON/BONE SPRING, SOU

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*

At surface: SESE / 222 FSL / 908 FEL / LAT 32.050251 / LONG -104.000542

At proposed prod. zone: NENE / 50 FNL / 330 FEL / LAT 32.078813 / LONG -103.998986

11. Sec., T. R. M. or Blk. and Survey or Area: SEC 8/T26S/R29E/NMP

14. Distance in miles and direction from nearest town or post office*: 17 miles

12. County or Parish: EDDY

13. State: NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any): 50 feet

16. No of acres in lease:

17. Spacing Unit dedicated to this well: 640.0

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.: 30 feet

19. Proposed Depth: 8526 feet / 18820 feet

20. BLM/BIA Bond No. in file: FED: NMB000215

21. Elevations (Show whether DF, KDB, RT, GL, etc.): 2917 feet

22. Approximate date work will start*: 04/01/2021

23. Estimated duration: 30 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, and the Hydraulic Fracturing rule per 43 CFR 3162.3-3 (as applicable)

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be requested by the BLM.

25. Signature	Name *(Printed/Typed)*	Date
(Electronic Submission)	MAYTE REYES / Ph: (432) 683-7443	01/10/2021

Title: Regulatory Analyst

Approved by *(Signature)*	Name *(Printed/Typed)*	Date
(Electronic Submission)	Cody Layton / Ph: (575) 234-5959	10/22/2021

Title	Office
Assistant Field Manager Lands & Minerals	Carlsbad Field Office

Application approval 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.
Conditions of approval, if any, are attached.

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 WITH CONDITIONS

(Continued on page 2)

*(Instructions on page 2)

Approval Date: 10/22/2021

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
DISTRICT II
811 S. FIRST ST., ARTESIA, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
30-015- 49113	13354	CORRAL CANYON; BONE SPRING, SOUTH

Property Code	Property Name	Well Number
323072	HAMBONE FEDERAL COM	501H

OGRID No.	Operator Name	Elevation
229137	COG OPERATING, LLC	2917.2'

Surface Location

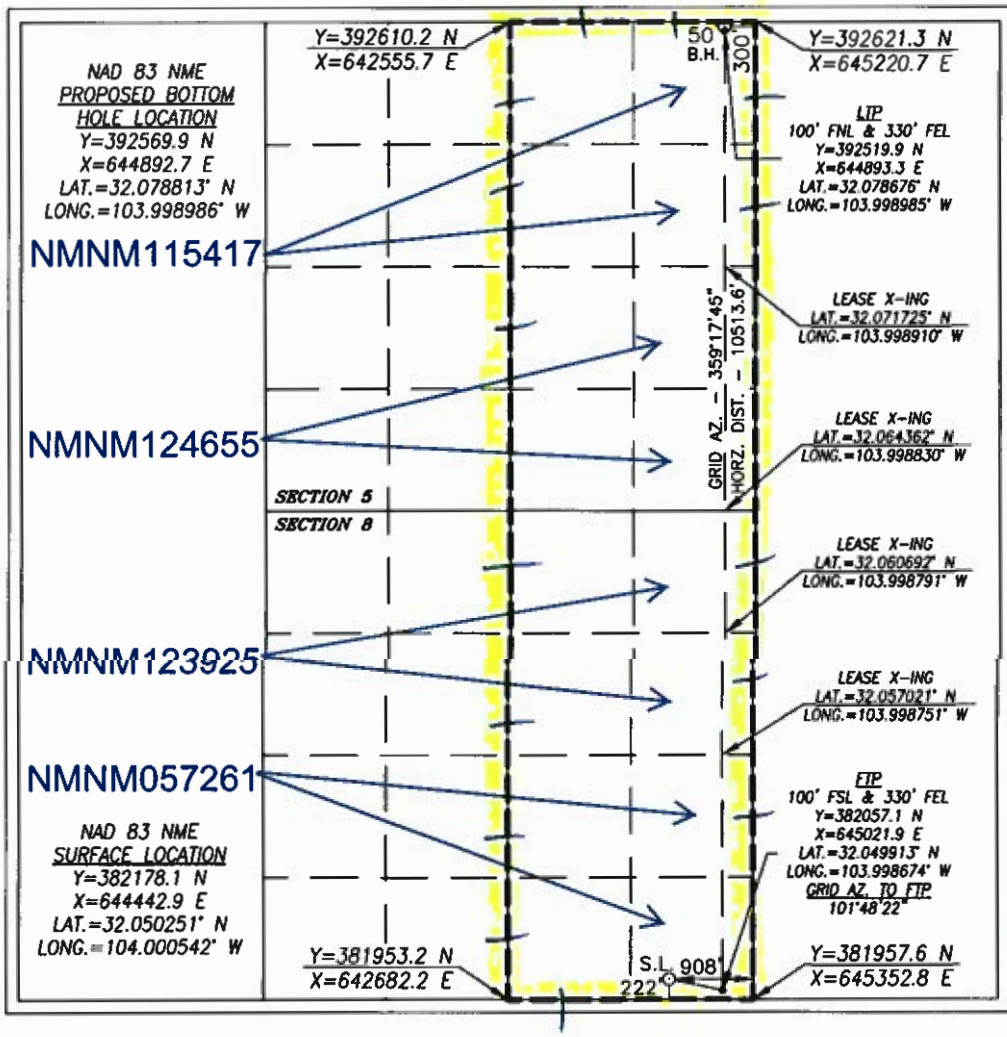
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	8	26-S	29-E		222	SOUTH	908	EAST	EDDY

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
A	5	26-S	29-E		50	NORTH	330	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
640			

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



OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Mayte Reyes 1-10-2021
Signature Date

Mayte Reyes
Printed Name

mreyes1@concho.com
E-mail Address

SURVEYOR CERTIFICATION

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.

JULY 3, 2019
Date of Survey

Signature & Seal of Professional Surveyor

CHAD L. HARCROW
NEW MEXICO
17777
LICENSED PROFESSIONAL SURVEYOR

Chad Harcrow 8/6/19
Certificate No. CHAD HARCROW 17777
W.O. #19-1110 DRAWN BY: CD

State of New Mexico
Energy, Minerals and Natural Resources Department

Submit Electronically
Via E-permitting

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

NATURAL GAS MANAGEMENT PLAN

This Natural Gas Management Plan must be submitted with each Application for Permit to Drill (APD) for a new or recompleted well.

Section 1 – Plan Description

Effective May 25, 2021

I. Operator: COG Operating LLC **OGRID:** 229137 **Date:** 11 / 11 / 21

II. Type: ☒ Original ☐ Amendment due to ☐ 19.15.27.9.D(6)(a) NMAC ☐ 19.15.27.9.D(6)(b) NMAC ☐ Other.

If Other, please describe: _____

III. Well(s): Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	ULSTR	Footages	Anticipated Oil BBL/D	Anticipated Gas MCF/D	Anticipated Produced Water BBL/D
Hambone Federal Com 501H	30-015-	P-8-26S-29E	222 FSL & 908 FEL	± 1249	± 2694	± 2342

IV. Central Delivery Point Name: _____ [See 19.15.27.9(D)(1) NMAC]

V. Anticipated Schedule: Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	Spud Date	TD Reached Date	Completion Commencement Date	Initial Flow Back Date	First Production Date
Hambone Federal Com 501H	Pending	4/20/2022	± 25 days from spud	8/18/2022	8/28/2022	9/2/2022

VI. Separation Equipment: ☒ Attach a complete description of how Operator will size separation equipment to optimize gas capture.

VII. Operational Practices: ☒ Attach a complete description of the actions Operator will take to comply with the requirements of Subsection A through F of 19.15.27.8 NMAC.

VIII. Best Management Practices: ☒ Attach a complete description of Operator's best management practices to minimize venting during active and planned maintenance.

Section 2 – Enhanced Plan

EFFECTIVE APRIL 1, 2022

Beginning April 1, 2022, an operator that is not in compliance with its statewide natural gas capture requirement for the applicable reporting area must complete this section.

☐ Operator certifies that it is not required to complete this section because Operator is in compliance with its statewide natural gas capture requirement for the applicable reporting area.

IX. Anticipated Natural Gas Production:

Well	API	Anticipated Average Natural Gas Rate MCF/D	Anticipated Volume of Natural Gas for the First Year MCF

X. Natural Gas Gathering System (NGGS):

Operator	System	ULSTR of Tie-in	Anticipated Gathering Start Date	Available Maximum Daily Capacity of System Segment Tie-in

XI. Map. ☐ Attach an accurate and legible map depicting the location of the well(s), the anticipated pipeline route(s) connecting the production operations to the existing or planned interconnect of the natural gas gathering system(s), and the maximum daily capacity of the segment or portion of the natural gas gathering system(s) to which the well(s) will be connected.

XII. Line Capacity. The natural gas gathering system ☐ will ☐ will not have capacity to gather 100% of the anticipated natural gas production volume from the well prior to the date of first production.

XIII. Line Pressure. Operator ☐ does ☐ does not anticipate that its existing well(s) connected to the same segment, or portion, of the natural gas gathering system(s) described above will continue to meet anticipated increases in line pressure caused by the new well(s).

☐ Attach Operator's plan to manage production in response to the increased line pressure.

XIV. Confidentiality: ☐ Operator asserts confidentiality pursuant to Section 71-2-8 NMSA 1978 for the information provided in Section 2 as provided in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and attaches a full description of the specific information for which confidentiality is asserted and the basis for such assertion.

Section 3 - Certifications

Effective May 25, 2021

Operator certifies that, after reasonable inquiry and based on the available information at the time of submittal:

☒ Operator will be able to connect the well(s) to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system; or

☐ Operator will not be able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system. ***If Operator checks this box, Operator will select one of the following:***

Well Shut-In. ☐ Operator will shut-in and not produce the well until it submits the certification required by Paragraph (4) of Subsection D of 19.15.27.9 NMAC; or

Venting and Flaring Plan. ☐ Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential alternative beneficial uses for the natural gas until a natural gas gathering system is available, including:

- **(a)** power generation on lease;
- **(b)** power generation for grid;
- **(c)** compression on lease;
- **(d)** liquids removal on lease;
- **(e)** reinjection for underground storage;
- **(f)** reinjection for temporary storage;
- **(g)** reinjection for enhanced oil recovery;
- **(h)** fuel cell production; and
- **(i)** other alternative beneficial uses approved by the division.

Section 4 - Notices

1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:

(a) Operator becomes aware that the natural gas gathering system it planned to connect the well(s) to has become unavailable or will not have capacity to transport one hundred percent of the production from the well(s), no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised venting and flaring plan containing the information specified in Paragraph (5) of Subsection D of 19.15.27.9 NMAC; or

(b) Operator becomes aware that it has, cumulatively for the year, become out of compliance with its baseline natural gas capture rate or natural gas capture requirement, no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised Natural Gas Management Plan for each well it plans to spud during the next 90 days containing the information specified in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and shall file an update for each Natural Gas Management Plan until Operator is back in compliance with its baseline natural gas capture rate or natural gas capture requirement.

2. OCD may deny or conditionally approve an APD if Operator does not make a certification, fails to submit an adequate venting and flaring plan which includes alternative beneficial uses for the anticipated volume of natural gas produced, or if OCD determines that Operator will not have adequate natural gas takeaway capacity at the time a well will be spud.

VI. Separation Equipment

How Operator will size separation equipment to optimize gas capture:

All ConocoPhillips production facility equipment will be sized per industry standards (API 12J) with adequate retention time to effectively separate all phases of production. Each project will take into consideration the number of wells and type curves for each formation pool to ensure adequate facility capacity. Design considerations will also include review of all piping, tanks, VRU's and associated equipment to ensure optimized gas capture minimized risk of release.

VII. Operational Practices

Actions Operator will take to comply with the requirements below:

B. Drilling Operations

- During drilling, flare stacks will be located a minimum of 100 feet from the nearest surface hole location. All gas is captured or combusted. If an emergency or malfunction occurs, gas will be flared or vented for public health, safety, and the environment and be properly reported to the NMOCD pursuant to 19.15.27.8.G.
- Measure or estimate the volume of natural gas that is vented, flared or beneficially used during drilling, completion and production operations, regardless of the reason or authorization for such venting or flaring.

C. Completion Operations

- During completion operations, operator does not produce oil or gas but maintains adequate well control through completion operations.
- Individual well test separators will be set to properly separate gas and liquids. A temporary test separator will be utilized initially to process volumes. In addition, separators will be tied into flowback tanks which will be tied into the gas processing equipment for sales down a pipeline.

D. Venting and flaring during production operations

- During each phase of well life (drilling, completion and production) of a ConocoPhillips well, COP personnel will follow all necessary procedures to ensure both the operation and the equipment are within the NMAC 19.15.27.8 Subsection D guidelines.
- During well operations that require unloading of the well to atmospheric pressure, all reasonable actions will be taken to minimize vented gas
- Through the life of the well all flaring shall be measured, and venting events quantified using the data available and industry best practice.

E. Performance standards for separation, storage tank and flare equipment

- All storage tanks and separation equipment are designed minimize risk of liquid or vapor release and optimize gas capture. This includes automation for automatic gauging and pressure monitoring.

- All flare stacks are equipped with auto ignition devices and/or continuous pilots and are designed to operate at maximum combustion efficiency pursuant NMAC 19.15.27.8 Subsection E. Flares will follow COP spacing guidelines to ensure they are a safe distance from combustibles and operations equipment.
- COP personnel will conduct routine AVO inspections on a regular basis per NMAC 19.15.27.8 Subsection E guidelines.

F. Measurement of vented and flared natural gas.

- Measurement equipment will be installed to quantify gas flared during drilling, completion and production of the well.
- All measurement devices installed will meet accuracy ratings per AGA and API standards.
- Measurement devices will be installed without manifolds that allow diversion of gas around the metering element, except for the sole purpose of inspection of servicing the measurement device.

VIII. Best Management Practices

- Operator will curtail or shut in production, within reasonable limits, during upset conditions to minimize venting and flaring.
- When feasible, Operator will use equipment to capture gas that would otherwise be vented or flared.
- During completions and production operations Operator will minimize blowdowns to atmosphere
- When feasible, Operator will use electric or air actuated equipment to reduce bleed emissions

I certify that, after reasonable inquiry, the statements in and attached to this Natural Gas Management Plan are true and correct to the best of my knowledge and acknowledge that a false statement may be subject to civil and criminal penalties under the Oil and Gas Act.

Signature:	Mayte Reyes
Printed Name:	Mayte Reyes
Title:	Sr. Regulatory Coodinator
E-mail Address:	mayte.x.reyes@conocophillips.com
Date:	11/11/2021
Phone:	575-748-6945

OIL CONSERVATION DIVISION
(Only applicable when submitted as a standalone form)

Approved By:	
Title:	
Approval Date:	
Conditions of Approval:	

AFMSS

U.S. Department of the Interior
BUREAU OF LAND MANAGEMENT

Drilling Plan Data Report

11/11/2021

APD ID: 10400067650

Submission Date: 01/10/2021

Operator Name: COG OPERATING LLC

Well Name: HAMBONE FEDERAL COM

Well Number: 501H

Well Type: OIL WELL

Well Work Type: Drill

Highlighted data reflects the most recent changes

Show Final Text

Section 1 - Geologic Formations

Formation ID	Formation Name	Elevation	True Vertical Depth	Measured Depth	Lithologies	Mineral Resources	Producing Formation
1373226	QUATERNARY	2917	0	0	ALLUVIUM	NONE	N
1373229	RUSTLER	2829	88	88	CONGLOMERATE	NONE	N
1373230	TOP SALT	2517	400	400	SALT	NONE	N
1373231	BASE OF SALT	258	2659	2659	SALT	NONE	N
1373224	LAMAR	68	2849	2849	LIMESTONE	NONE	N
1373225	BELL CANYON	21	2896	2896	SANDSTONE	NONE	N
1373232	CHERRY CANYON	-786	3703	3703	SANDSTONE	NATURAL GAS, OIL	N
1373233	BRUSHY CANYON	-2023	4940	4940	SANDSTONE	NATURAL GAS, OIL	N
1373234	BONE SPRING LIME	-3644	6561	6561	LIMESTONE	NATURAL GAS, OIL	N
1373235	BONE SPRING 1ST	-4556	7473	7473	SANDSTONE	NATURAL GAS, OIL	N
1373236	BONE SPRING 2ND	-5420	8337	8337	SANDSTONE	NATURAL GAS, OIL	Y
1373228	BONE SPRING 3RD	-6445	9362	9362	SANDSTONE	NATURAL GAS, OIL	N
1373223	WOLFCAMP	-6806	9723	9723	SHALE	NATURAL GAS, OIL	N

Section 2 - Blowout Prevention

Operator Name: COG OPERATING LLC

Well Name: HAMBONE FEDERAL COM **Well Number:** 501H

Pressure Rating (PSI): 3M **Rating Depth:** 8526

Equipment: BOP and BOPE will be installed per Onshore Order #2 requirements prior to drilling below the surface casing and will be rated to the above pressure rating or greater, see attached diagrams. Required safety valves, with appropriate wrenches and subs for the drill string being utilized, will be in the open position and accessible on the rig floor.
Requesting Variance? YES

Variance request: A variance is requested for the use of a flexible choke line from the BOP to choke manifold. See attached for specs and hydrostatic test chart. A variance is requested for use of a multibowl wellhead
Testing Procedure: The BOP and BOPE will be fully tested per Onshore Order #2 when initially installed, whenever any seal subject to test pressure is broken, and/or following related repairs.

Choke Diagram Attachment:

COG_Hambone_2M_Choke_20210110190418.pdf

BOP Diagram Attachment:

Flex_Hose_Variance___Pioneer_84_20190926121403.pdf

COG_Hambone_2M_BOP_20210110190429.pdf

Pressure Rating (PSI): 5M **Rating Depth:** 2870

Equipment: BOP and BOPE will be installed per Onshore Order #2 requirements prior to drilling below the surface casing and will be rated to the above pressure rating or greater, see attached diagrams. Required safety valves, with appropriate wrenches and subs for the drill string being utilized, will be in the open position and accessible on the rig floor.
Requesting Variance? YES

Variance request: A variance is requested for the use of a flexible choke line from the BOP to choke manifold. See attached for specs and hydrostatic test chart.A variance is re A variance is requested for use of a multibowl wellhead
Testing Procedure: The BOP and BOPE will be fully tested per Onshore Order #2 when initially installed, whenever any seal subject to test pressure is broken, and/or following related repairs.

Choke Diagram Attachment:

COG_Hambone_3M_Choke_20210110190706.pdf

BOP Diagram Attachment:

Flex_Hose_Variance___Pioneer_84_20190926121639.pdf

COG_Hambone_2M_BOP_20210110190723.pdf

Section 3 - Casing

Casing ID	String Type	Hole Size	Csg Size	Condition	Standard	Tapered String	Top Set MD	Bottom Set MD	Top Set TVD	Bottom Set TVD	Top Set MSL	Bottom Set MSL	Calculated casing length MD	Grade	Weight	Joint Type	Collapse SF	Burst SF	Joint SF Type	Joint SF	Body SF Type	Body SF
1	SURFACE	17.5	13.375	NEW	API	N	0	360	0	360	2917	2557	360	J-55	54.5	ST&C	6.86	2.24	DRY	26.2	DRY	26.2

Operator Name: COG OPERATING LLC

Well Name: HAMBONE FEDERAL COM **Well Number:** 501H

Casing ID	String Type	Hole Size	Csg Size	Condition	Standard	Tapered String	Top Set MD	Bottom Set MD	Top Set TVD	Bottom Set TVD	Top Set MSL	Bottom Set MSL	Calculated casing length MD	Grade	Weight	Joint Type	Collapse SF	Burst SF	Joint SF Type	Joint SF	Body SF Type	Body SF
2	INTERMEDIATE	12.25	9.625	NEW	API	N	0	2870	0	2870	3585	47	2870	J-55	40	LT&C	1.71	1.21	DRY	4.53	DRY	4.53
3	PRODUCTION	8.75	5.5	NEW	API	N	0	18820	0	8526	3585	-5609	18820	P-110	17	LT&C	1.81	3.25	DRY	3.07	DRY	3.07

Casing Attachments

Casing ID: 1 **String Type:** SURFACE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

COG_Hambone_501H_Casing_Prog_20210110191248.pdf

Casing ID: 2 **String Type:** INTERMEDIATE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

COG_Hambone_501H_Casing_Prog_20210110191423.pdf

Operator Name: COG OPERATING LLC

Well Name: HAMBONE FEDERAL COM **Well Number:** 501H

Casing Attachments

Casing ID: 3 **String Type:** PRODUCTION

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

COG_Hambone_501H_Casing_Prog_20210110191025.pdf

Section 4 - Cement

String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
SURFACE	Lead		0	360	30	1.75	13.5	52	50	Class C	4% Gel + 1% CaCl2
SURFACE	Tail		0	360	250	1.34	14.8	335	50	Class C	2% CaCl2
INTERMEDIATE	Lead		0	2870	490	2	12.7	980	50	35:65:6 C Blend	N/A
INTERMEDIATE	Tail		9320	2870	250	1.34	14.8	335	50	Class C	2% CaCl
PRODUCTION	Lead		8526	18820	710	2.5	11.9	1775	20	50:50:10 H Blend	N/A
PRODUCTION	Tail		8526	18820	2640	1.24	14.4	3273	20	50:50:2 Class H Blend	N/A

Operator Name: COG OPERATING LLC

Well Name: HAMBONE FEDERAL COM **Well Number:** 501H

Section 5 - Circulating Medium

Mud System Type: Closed

Will an air or gas system be Used? NO

Description of the equipment for the circulating system in accordance with Onshore Order #2:

Diagram of the equipment for the circulating system in accordance with Onshore Order #2:

Describe what will be on location to control well or mitigate other conditions: Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept on location at all times

Describe the mud monitoring system utilized: PVT/Pason/Visual Monitoring

Circulating Medium Table

Top Depth	Bottom Depth	Mud Type	Min Weight (lbs/gal)	Max Weight (lbs/gal)	Density (lbs/cu ft)	Gel Strength (lbs/100 sqft)	PH	Viscosity (CP)	Salinity (ppm)	Filtration (cc)	Additional Characteristics
360	2870	OTHER : Saturated Brine	10	10.1							Saturated Brine
2870	18820	OTHER : Cut Brine	8.6	9.3							Cut Brine
0	360	OTHER : Fresh water gel	8.6	8.8							Fresh water gel

Section 6 - Test, Logging, Coring

List of production tests including testing procedures, equipment and safety measures:

None planned

List of open and cased hole logs run in the well:

CEMENT BOND LOG,COMPENSATED NEUTRON LOG,GAMMA RAY LOG,

Coring operation description for the well:

None planned

Operator Name: COG OPERATING LLC

Well Name: HAMBONE FEDERAL COM **Well Number:** 501H

Section 7 - Pressure

Anticipated Bottom Hole Pressure: 4125 **Anticipated Surface Pressure:** 2249

Anticipated Bottom Hole Temperature(F): 145

Anticipated abnormal pressures, temperatures, or potential geologic hazards? NO

Describe:

Contingency Plans geoharzards description:

Contingency Plans geohazards attachment:

Hydrogen Sulfide drilling operations plan required? YES

Hydrogen sulfide drilling operations plan:

COG_Hambone_501H_502H_H2S_Schem_20210110192743.pdf
COG_Hambone_H2S_SUP_20210110192755.pdf

Section 8 - Other Information

Proposed horizontal/directional/multi-lateral plan submission:

COG_Hambone_501H_AC_RPT_20210110192831.pdf
COG_Hambone_501H_Directional_Plan_20210110192839.pdf

Other proposed operations facets description:

Drilling prog attached.
Cement prog attached.
GCP attached.

Other proposed operations facets attachment:

COG_Hambone_501H_Drilling_Prog_20210110192900.pdf
COG_Hambone_501H_Cement_Prog_20210110192907.pdf
COG_Hambone_501H_502H_505H_506H_GCP_20210110192927.pdf

Other Variance attachment:

DELAWARE BASIN WEST

ATLAS PROSPECT (NM-E)
HAMBONE FEDERAL PROJECT (ATLAS 2629)
HAMBONE FEDERAL COM #501H

OWB

Plan: PWP1

Standard Survey Report

30 November, 2020

Concho Resources LLC

Survey Report

Company:	DELAWARE BASIN WEST	**Local Co-ordinate Reference:**	Well HAMBONE FEDERAL COM #501H
Project:	ATLAS PROSPECT (NM-E)	**TVD Reference:**	*KB=30' @ 2947.2usft (TBD)
Site:	HAMBONE FEDERAL PROJECT (ATLAS 2629)	**MD Reference:**	*KB=30' @ 2947.2usft (TBD)
Well:	HAMBONE FEDERAL COM #501H	**North Reference:**	Grid
Wellbore:	OWB	**Survey Calculation Method:**	Minimum Curvature
Design:	PWP1	**Database:**	edm

Project ATLAS PROSPECT (NM-E)

Map System:	US State Plane 1927 (Exact solution)	**System Datum:**	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	New Mexico East 3001		

Site HAMBONE FEDERAL PROJECT (ATLAS 2629)

Site Position:		**Northing:**	382,232.28 usft	**Latitude:**	32° 3' 1.622 N
From:	Map	**Easting:**	601,211.49 usft	**Longitude:**	104° 0' 23.979 W
Position Uncertainty:	0.0 usft	**Slot Radius:**	13-3/16 "	**Grid Convergence:**	0.17 °

Well HAMBONE FEDERAL COM #501H

Well Position	**+N/-S**	0.0 usft	**Northing:**	382,120.40 usft	**Latitude:**	32° 3' 0.453 N
	+E/-W	0.0 usft	**Easting:**	603,257.50 usft	**Longitude:**	104° 0' 0.210 W
Position Uncertainty		3.0 usft	**Wellhead Elevation:**	usft	**Ground Level:**	2,917.2 usft

Wellbore OWB

Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2020	11/30/2020	6.79	59.69	47,406.02470835

Design PWP1

Audit Notes:

Version:		**Phase:**	PLAN	**Tie On Depth:**	0.0

Vertical Section:	Depth From (TVD) (usft)	+N/-S (usft)	+E/-W (usft)	Direction (°)
	0.0	0.0	0.0	2.48

Survey Tool Program **Date** 11/30/2020

From (usft)	To (usft)	Survey (Wellbore)	Tool Name	Description
0.0	7,919.9	PWP1 (OWB)	Standard Keeper 104	Standard Wireline Keeper ver 1.0.4
7,919.9	18,820.7	PWP1 (OWB)	MWD+IFR1+MS	OWSG MWD + IFR1 + Multi-Station Correction

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00
100.0	0.00	0.00	100.0	0.0	0.0	0.0	0.00	0.00	0.00
200.0	0.00	0.00	200.0	0.0	0.0	0.0	0.00	0.00	0.00
300.0	0.00	0.00	300.0	0.0	0.0	0.0	0.00	0.00	0.00
400.0	0.00	0.00	400.0	0.0	0.0	0.0	0.00	0.00	0.00
500.0	0.00	0.00	500.0	0.0	0.0	0.0	0.00	0.00	0.00
600.0	0.00	0.00	600.0	0.0	0.0	0.0	0.00	0.00	0.00
700.0	0.00	0.00	700.0	0.0	0.0	0.0	0.00	0.00	0.00
800.0	0.00	0.00	800.0	0.0	0.0	0.0	0.00	0.00	0.00
900.0	0.00	0.00	900.0	0.0	0.0	0.0	0.00	0.00	0.00

Concho Resources LLC

Survey Report

Company:	DELAWARE BASIN WEST	**Local Co-ordinate Reference:**	Well HAMBONE FEDERAL COM #501H
Project:	ATLAS PROSPECT (NM-E)	**TVD Reference:**	*KB=30' @ 2947.2usft (TBD)
Site:	HAMBONE FEDERAL PROJECT (ATLAS 2629)	**MD Reference:**	*KB=30' @ 2947.2usft (TBD)
Well:	HAMBONE FEDERAL COM #501H	**North Reference:**	Grid
Wellbore:	OWB	**Survey Calculation Method:**	Minimum Curvature
Design:	PWP1	**Database:**	edm

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
1,000.0	0.00	0.00	1,000.0	0.0	0.0	0.0	0.00	0.00	0.00
1,100.0	0.00	0.00	1,100.0	0.0	0.0	0.0	0.00	0.00	0.00
1,200.0	0.00	0.00	1,200.0	0.0	0.0	0.0	0.00	0.00	0.00
1,300.0	0.00	0.00	1,300.0	0.0	0.0	0.0	0.00	0.00	0.00
1,400.0	0.00	0.00	1,400.0	0.0	0.0	0.0	0.00	0.00	0.00
1,500.0	0.00	0.00	1,500.0	0.0	0.0	0.0	0.00	0.00	0.00
1,600.0	0.00	0.00	1,600.0	0.0	0.0	0.0	0.00	0.00	0.00
1,700.0	0.00	0.00	1,700.0	0.0	0.0	0.0	0.00	0.00	0.00
1,800.0	0.00	0.00	1,800.0	0.0	0.0	0.0	0.00	0.00	0.00
1,900.0	0.00	0.00	1,900.0	0.0	0.0	0.0	0.00	0.00	0.00
2,000.0	0.00	0.00	2,000.0	0.0	0.0	0.0	0.00	0.00	0.00
2,100.0	0.00	0.00	2,100.0	0.0	0.0	0.0	0.00	0.00	0.00
2,200.0	0.00	0.00	2,200.0	0.0	0.0	0.0	0.00	0.00	0.00
2,300.0	0.00	0.00	2,300.0	0.0	0.0	0.0	0.00	0.00	0.00
2,400.0	0.00	0.00	2,400.0	0.0	0.0	0.0	0.00	0.00	0.00
2,500.0	0.00	0.00	2,500.0	0.0	0.0	0.0	0.00	0.00	0.00
Start Build 2.00									
2,600.0	2.00	104.46	2,600.0	-0.4	1.7	-0.4	2.00	2.00	0.00
2,700.0	4.00	104.46	2,699.8	-1.7	6.8	-1.4	2.00	2.00	0.00
2,747.2	4.94	104.46	2,746.9	-2.7	10.3	-2.2	2.00	2.00	0.00
Start 5220.6 hold at 2747.2 MD									
2,800.0	4.94	104.46	2,799.5	-3.8	14.7	-3.2	0.00	0.00	0.00
2,900.0	4.94	104.46	2,899.1	-5.9	23.1	-4.9	0.00	0.00	0.00
3,000.0	4.94	104.46	2,998.8	-8.1	31.4	-6.7	0.00	0.00	0.00
3,100.0	4.94	104.46	3,098.4	-10.3	39.8	-8.5	0.00	0.00	0.00
3,200.0	4.94	104.46	3,198.0	-12.4	48.1	-10.3	0.00	0.00	0.00
3,300.0	4.94	104.46	3,297.6	-14.6	56.5	-12.1	0.00	0.00	0.00
3,400.0	4.94	104.46	3,397.3	-16.7	64.8	-13.9	0.00	0.00	0.00
3,500.0	4.94	104.46	3,496.9	-18.9	73.1	-15.7	0.00	0.00	0.00
3,600.0	4.94	104.46	3,596.5	-21.0	81.5	-17.5	0.00	0.00	0.00
3,700.0	4.94	104.46	3,696.1	-23.2	89.8	-19.3	0.00	0.00	0.00
3,800.0	4.94	104.46	3,795.8	-25.3	98.2	-21.0	0.00	0.00	0.00
3,900.0	4.94	104.46	3,895.4	-27.5	106.5	-22.8	0.00	0.00	0.00
4,000.0	4.94	104.46	3,995.0	-29.6	114.9	-24.6	0.00	0.00	0.00
4,100.0	4.94	104.46	4,094.7	-31.8	123.2	-26.4	0.00	0.00	0.00
4,200.0	4.94	104.46	4,194.3	-33.9	131.6	-28.2	0.00	0.00	0.00
4,300.0	4.94	104.46	4,293.9	-36.1	139.9	-30.0	0.00	0.00	0.00
4,400.0	4.94	104.46	4,393.5	-38.2	148.3	-31.8	0.00	0.00	0.00
4,500.0	4.94	104.46	4,493.2	-40.4	156.6	-33.6	0.00	0.00	0.00
4,600.0	4.94	104.46	4,592.8	-42.5	164.9	-35.4	0.00	0.00	0.00
4,700.0	4.94	104.46	4,692.4	-44.7	173.3	-37.1	0.00	0.00	0.00
4,800.0	4.94	104.46	4,792.1	-46.8	181.6	-38.9	0.00	0.00	0.00
4,900.0	4.94	104.46	4,891.7	-49.0	190.0	-40.7	0.00	0.00	0.00

Concho Resources LLC

Survey Report

Company:	DELAWARE BASIN WEST	**Local Co-ordinate Reference:**	Well HAMBONE FEDERAL COM #501H
Project:	ATLAS PROSPECT (NM-E)	**TVD Reference:**	*KB=30' @ 2947.2usft (TBD)
Site:	HAMBONE FEDERAL PROJECT (ATLAS 2629)	**MD Reference:**	*KB=30' @ 2947.2usft (TBD)
Well:	HAMBONE FEDERAL COM #501H	**North Reference:**	Grid
Wellbore:	OWB	**Survey Calculation Method:**	Minimum Curvature
Design:	PWP1	**Database:**	edm

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
5,000.0	4.94	104.46	4,991.3	-51.1	198.3	-42.5	0.00	0.00	0.00
5,100.0	4.94	104.46	5,090.9	-53.3	206.7	-44.3	0.00	0.00	0.00
5,200.0	4.94	104.46	5,190.6	-55.4	215.0	-46.1	0.00	0.00	0.00
5,300.0	4.94	104.46	5,290.2	-57.6	223.4	-47.9	0.00	0.00	0.00
5,400.0	4.94	104.46	5,389.8	-59.7	231.7	-49.7	0.00	0.00	0.00
5,500.0	4.94	104.46	5,489.5	-61.9	240.1	-51.5	0.00	0.00	0.00
5,600.0	4.94	104.46	5,589.1	-64.0	248.4	-53.2	0.00	0.00	0.00
5,700.0	4.94	104.46	5,688.7	-66.2	256.7	-55.0	0.00	0.00	0.00
5,800.0	4.94	104.46	5,788.3	-68.4	265.1	-56.8	0.00	0.00	0.00
5,900.0	4.94	104.46	5,888.0	-70.5	273.4	-58.6	0.00	0.00	0.00
6,000.0	4.94	104.46	5,987.6	-72.7	281.8	-60.4	0.00	0.00	0.00
6,100.0	4.94	104.46	6,087.2	-74.8	290.1	-62.2	0.00	0.00	0.00
6,200.0	4.94	104.46	6,186.8	-77.0	298.5	-64.0	0.00	0.00	0.00
6,300.0	4.94	104.46	6,286.5	-79.1	306.8	-65.8	0.00	0.00	0.00
6,400.0	4.94	104.46	6,386.1	-81.3	315.2	-67.6	0.00	0.00	0.00
6,500.0	4.94	104.46	6,485.7	-83.4	323.5	-69.3	0.00	0.00	0.00
6,600.0	4.94	104.46	6,585.4	-85.6	331.8	-71.1	0.00	0.00	0.00
6,700.0	4.94	104.46	6,685.0	-87.7	340.2	-72.9	0.00	0.00	0.00
6,800.0	4.94	104.46	6,784.6	-89.9	348.5	-74.7	0.00	0.00	0.00
6,900.0	4.94	104.46	6,884.2	-92.0	356.9	-76.5	0.00	0.00	0.00
7,000.0	4.94	104.46	6,983.9	-94.2	365.2	-78.3	0.00	0.00	0.00
7,100.0	4.94	104.46	7,083.5	-96.3	373.6	-80.1	0.00	0.00	0.00
7,200.0	4.94	104.46	7,183.1	-98.5	381.9	-81.9	0.00	0.00	0.00
7,300.0	4.94	104.46	7,282.8	-100.6	390.3	-83.7	0.00	0.00	0.00
7,400.0	4.94	104.46	7,382.4	-102.8	398.6	-85.4	0.00	0.00	0.00
7,500.0	4.94	104.46	7,482.0	-104.9	407.0	-87.2	0.00	0.00	0.00
7,600.0	4.94	104.46	7,581.6	-107.1	415.3	-89.0	0.00	0.00	0.00
7,700.0	4.94	104.46	7,681.3	-109.2	423.6	-90.8	0.00	0.00	0.00
7,800.0	4.94	104.46	7,780.9	-111.4	432.0	-92.6	0.00	0.00	0.00
7,900.0	4.94	104.46	7,880.5	-113.5	440.3	-94.4	0.00	0.00	0.00
7,967.8	4.94	104.46	7,948.1	-115.0	446.0	-95.6	0.00	0.00	0.00
Start DLS 10.00 TFO -98.15									
8,000.0	5.50	69.04	7,980.1	-114.8	448.8	-95.3	10.00	1.73	-110.09
8,100.0	13.42	27.31	8,078.8	-102.7	458.6	-82.8	10.00	7.92	-41.74
8,200.0	23.01	17.91	8,173.7	-73.7	470.0	-53.3	10.00	9.59	-9.39
8,300.0	32.84	13.90	8,261.9	-28.7	482.5	-7.8	10.00	9.83	-4.01
8,400.0	42.74	11.60	8,340.9	31.0	495.9	52.4	10.00	9.90	-2.31
8,500.0	52.67	10.03	8,408.1	103.6	509.7	125.5	10.00	9.93	-1.57
8,600.0	62.62	8.82	8,461.5	186.8	523.5	209.3	10.00	9.95	-1.20
8,700.0	72.58	7.82	8,499.6	278.2	536.8	301.2	10.00	9.96	-1.00
8,800.0	82.54	6.92	8,521.1	374.9	549.3	398.3	10.00	9.96	-0.90
8,878.6	90.37	6.25	8,526.0	452.8	558.3	476.5	10.00	9.96	-0.86
Start DLS 2.00 TFO -89.93									
8,900.0	90.37	5.82	8,525.8	474.1	560.5	497.9	2.00	0.00	-2.00

Concho Resources LLC

Survey Report

Company:	DELAWARE BASIN WEST	**Local Co-ordinate Reference:**	Well HAMBONE FEDERAL COM #501H
Project:	ATLAS PROSPECT (NM-E)	**TVD Reference:**	*KB=30' @ 2947.2usft (TBD)
Site:	HAMBONE FEDERAL PROJECT (ATLAS 2629)	**MD Reference:**	*KB=30' @ 2947.2usft (TBD)
Well:	HAMBONE FEDERAL COM #501H	**North Reference:**	Grid
Wellbore:	OWB	**Survey Calculation Method:**	Minimum Curvature
Design:	PWP1	**Database:**	edm

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
9,000.0	90.37	3.82	8,525.2	573.7	568.9	597.8	2.00	0.00	-2.00
9,100.0	90.37	1.82	8,524.5	673.6	573.9	697.8	2.00	0.00	-2.00
9,198.6	90.38	359.85	8,523.9	772.2	575.3	796.3	2.00	0.00	-2.00
Start 4362.8 hold at 9198.6 MD									
9,200.0	90.38	359.85	8,523.9	773.6	575.3	797.7	0.00	0.00	0.00
9,300.0	90.38	359.85	8,523.2	873.6	575.0	897.6	0.00	0.00	0.00
9,400.0	90.38	359.85	8,522.6	973.6	574.8	997.5	0.00	0.00	0.00
9,500.0	90.38	359.85	8,521.9	1,073.6	574.5	1,097.4	0.00	0.00	0.00
9,600.0	90.38	359.85	8,521.2	1,173.5	574.2	1,197.3	0.00	0.00	0.00
9,700.0	90.38	359.85	8,520.6	1,273.5	574.0	1,297.2	0.00	0.00	0.00
9,800.0	90.38	359.85	8,519.9	1,373.5	573.7	1,397.1	0.00	0.00	0.00
9,900.0	90.38	359.85	8,519.3	1,473.5	573.4	1,497.0	0.00	0.00	0.00
10,000.0	90.38	359.85	8,518.6	1,573.5	573.2	1,596.9	0.00	0.00	0.00
10,100.0	90.38	359.85	8,518.0	1,673.5	572.9	1,696.8	0.00	0.00	0.00
10,200.0	90.38	359.85	8,517.3	1,773.5	572.7	1,796.6	0.00	0.00	0.00
10,300.0	90.38	359.85	8,516.7	1,873.5	572.4	1,896.5	0.00	0.00	0.00
10,400.0	90.38	359.85	8,516.0	1,973.5	572.1	1,996.4	0.00	0.00	0.00
10,500.0	90.38	359.85	8,515.3	2,073.5	571.9	2,096.3	0.00	0.00	0.00
10,600.0	90.38	359.85	8,514.7	2,173.5	571.6	2,196.2	0.00	0.00	0.00
10,700.0	90.38	359.85	8,514.0	2,273.5	571.3	2,296.1	0.00	0.00	0.00
10,800.0	90.38	359.85	8,513.4	2,373.5	571.1	2,396.0	0.00	0.00	0.00
10,900.0	90.38	359.85	8,512.7	2,473.5	570.8	2,495.9	0.00	0.00	0.00
11,000.0	90.38	359.85	8,512.1	2,573.5	570.5	2,595.8	0.00	0.00	0.00
11,100.0	90.38	359.85	8,511.4	2,673.5	570.3	2,695.7	0.00	0.00	0.00
11,200.0	90.38	359.85	8,510.8	2,773.5	570.0	2,795.6	0.00	0.00	0.00
11,300.0	90.38	359.85	8,510.1	2,873.5	569.8	2,895.5	0.00	0.00	0.00
11,400.0	90.38	359.85	8,509.5	2,973.5	569.5	2,995.4	0.00	0.00	0.00
11,500.0	90.38	359.85	8,508.8	3,073.5	569.2	3,095.3	0.00	0.00	0.00
11,600.0	90.38	359.85	8,508.1	3,173.5	569.0	3,195.1	0.00	0.00	0.00
11,700.0	90.38	359.85	8,507.5	3,273.5	568.7	3,295.0	0.00	0.00	0.00
11,800.0	90.38	359.85	8,506.8	3,373.5	568.4	3,394.9	0.00	0.00	0.00
11,900.0	90.38	359.85	8,506.2	3,473.5	568.2	3,494.8	0.00	0.00	0.00
12,000.0	90.38	359.85	8,505.5	3,573.5	567.9	3,594.7	0.00	0.00	0.00
12,100.0	90.38	359.85	8,504.9	3,673.5	567.6	3,694.6	0.00	0.00	0.00
12,200.0	90.38	359.85	8,504.2	3,773.5	567.4	3,794.5	0.00	0.00	0.00
12,300.0	90.38	359.85	8,503.6	3,873.5	567.1	3,894.4	0.00	0.00	0.00
12,400.0	90.38	359.85	8,502.9	3,973.5	566.9	3,994.3	0.00	0.00	0.00
12,500.0	90.38	359.85	8,502.3	4,073.5	566.6	4,094.2	0.00	0.00	0.00
12,600.0	90.38	359.85	8,501.6	4,173.5	566.3	4,194.1	0.00	0.00	0.00
12,700.0	90.38	359.85	8,500.9	4,273.5	566.1	4,294.0	0.00	0.00	0.00
12,800.0	90.38	359.85	8,500.3	4,373.5	565.8	4,393.9	0.00	0.00	0.00
12,900.0	90.38	359.85	8,499.6	4,473.5	565.5	4,493.7	0.00	0.00	0.00
13,000.0	90.38	359.85	8,499.0	4,573.5	565.3	4,593.6	0.00	0.00	0.00

Concho Resources LLC

Survey Report

Company:	DELAWARE BASIN WEST	**Local Co-ordinate Reference:**	Well HAMBONE FEDERAL COM #501H
Project:	ATLAS PROSPECT (NM-E)	**TVD Reference:**	*KB=30' @ 2947.2usft (TBD)
Site:	HAMBONE FEDERAL PROJECT (ATLAS 2629)	**MD Reference:**	*KB=30' @ 2947.2usft (TBD)
Well:	HAMBONE FEDERAL COM #501H	**North Reference:**	Grid
Wellbore:	OWB	**Survey Calculation Method:**	Minimum Curvature
Design:	PWP1	**Database:**	edm

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
13,100.0	90.38	359.85	8,498.3	4,673.5	565.0	4,693.5	0.00	0.00	0.00
13,200.0	90.38	359.85	8,497.7	4,773.5	564.8	4,793.4	0.00	0.00	0.00
13,300.0	90.38	359.85	8,497.0	4,873.5	564.5	4,893.3	0.00	0.00	0.00
13,400.0	90.38	359.85	8,496.4	4,973.5	564.2	4,993.2	0.00	0.00	0.00
13,500.0	90.38	359.85	8,495.7	5,073.5	564.0	5,093.1	0.00	0.00	0.00
13,561.5	90.38	359.85	8,495.3	5,134.9	563.8	5,154.5	0.00	0.00	0.00
Start DLS 2.00 TFO 91.78									
13,566.4	90.37	359.95	8,495.3	5,139.9	563.8	5,159.5	2.00	-0.06	2.00
Start 2674.1 hold at 13566.4 MD									
13,600.0	90.37	359.95	8,495.0	5,173.4	563.8	5,193.0	0.00	0.00	0.00
13,700.0	90.37	359.95	8,494.4	5,273.4	563.7	5,292.9	0.00	0.00	0.00
13,800.0	90.37	359.95	8,493.8	5,373.4	563.6	5,392.8	0.00	0.00	0.00
13,900.0	90.37	359.95	8,493.1	5,473.4	563.5	5,492.7	0.00	0.00	0.00
14,000.0	90.37	359.95	8,492.5	5,573.4	563.4	5,592.6	0.00	0.00	0.00
14,100.0	90.37	359.95	8,491.8	5,673.4	563.3	5,692.5	0.00	0.00	0.00
14,200.0	90.37	359.95	8,491.2	5,773.4	563.2	5,792.4	0.00	0.00	0.00
14,300.0	90.37	359.95	8,490.5	5,873.4	563.1	5,892.3	0.00	0.00	0.00
14,400.0	90.37	359.95	8,489.9	5,973.4	563.0	5,992.2	0.00	0.00	0.00
14,500.0	90.37	359.95	8,489.2	6,073.4	563.0	6,092.1	0.00	0.00	0.00
14,600.0	90.37	359.95	8,488.6	6,173.4	562.9	6,192.0	0.00	0.00	0.00
14,700.0	90.37	359.95	8,487.9	6,273.4	562.8	6,291.9	0.00	0.00	0.00
14,800.0	90.37	359.95	8,487.3	6,373.4	562.7	6,391.8	0.00	0.00	0.00
14,900.0	90.37	359.95	8,486.6	6,473.4	562.6	6,491.7	0.00	0.00	0.00
15,000.0	90.37	359.95	8,486.0	6,573.4	562.5	6,591.6	0.00	0.00	0.00
15,100.0	90.37	359.95	8,485.3	6,673.4	562.4	6,691.5	0.00	0.00	0.00
15,200.0	90.37	359.95	8,484.7	6,773.4	562.3	6,791.4	0.00	0.00	0.00
15,300.0	90.37	359.95	8,484.0	6,873.4	562.2	6,891.3	0.00	0.00	0.00
15,400.0	90.37	359.95	8,483.4	6,973.4	562.2	6,991.2	0.00	0.00	0.00
15,500.0	90.37	359.95	8,482.7	7,073.4	562.1	7,091.1	0.00	0.00	0.00
15,600.0	90.37	359.95	8,482.1	7,173.4	562.0	7,191.0	0.00	0.00	0.00
15,700.0	90.37	359.95	8,481.4	7,273.4	561.9	7,290.9	0.00	0.00	0.00
15,800.0	90.37	359.95	8,480.8	7,373.4	561.8	7,390.8	0.00	0.00	0.00
15,900.0	90.37	359.95	8,480.1	7,473.4	561.7	7,490.7	0.00	0.00	0.00
16,000.0	90.37	359.95	8,479.5	7,573.4	561.6	7,590.6	0.00	0.00	0.00
16,100.0	90.37	359.95	8,478.8	7,673.4	561.5	7,690.5	0.00	0.00	0.00
16,200.0	90.37	359.95	8,478.2	7,773.4	561.4	7,790.4	0.00	0.00	0.00
16,240.6	90.37	359.95	8,477.9	7,813.9	561.4	7,830.9	0.00	0.00	0.00
Start DLS 2.00 TFO -89.92									
16,300.0	90.37	358.76	8,477.5	7,873.4	560.7	7,890.3	2.00	0.00	-2.00
16,364.7	90.38	357.47	8,477.1	7,938.1	558.6	7,954.8	2.00	0.00	-2.00
Start 2456.0 hold at 16364.7 MD									
16,400.0	90.38	357.47	8,476.9	7,973.3	557.0	7,989.9	0.00	0.00	0.00
16,500.0	90.38	357.47	8,476.2	8,073.2	552.6	8,089.6	0.00	0.00	0.00
16,600.0	90.38	357.47	8,475.5	8,173.1	548.2	8,189.2	0.00	0.00	0.00

Concho Resources LLC

Survey Report

Company:	DELAWARE BASIN WEST	**Local Co-ordinate Reference:**	Well HAMBONE FEDERAL COM #501H
Project:	ATLAS PROSPECT (NM-E)	**TVD Reference:**	*KB=30' @ 2947.2usft (TBD)
Site:	HAMBONE FEDERAL PROJECT (ATLAS 2629)	**MD Reference:**	*KB=30' @ 2947.2usft (TBD)
Well:	HAMBONE FEDERAL COM #501H	**North Reference:**	Grid
Wellbore:	OWB	**Survey Calculation Method:**	Minimum Curvature
Design:	PWP1	**Database:**	edm

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
16,700.0	90.38	357.47	8,474.9	8,273.0	543.8	8,288.8	0.00	0.00	0.00
16,800.0	90.38	357.47	8,474.2	8,372.9	539.4	8,388.4	0.00	0.00	0.00
16,900.0	90.38	357.47	8,473.6	8,472.8	534.9	8,488.0	0.00	0.00	0.00
17,000.0	90.38	357.47	8,472.9	8,572.7	530.5	8,587.6	0.00	0.00	0.00
17,100.0	90.38	357.47	8,472.3	8,672.6	526.1	8,687.3	0.00	0.00	0.00
17,200.0	90.38	357.47	8,471.6	8,772.5	521.7	8,786.9	0.00	0.00	0.00
17,300.0	90.38	357.47	8,471.0	8,872.4	517.2	8,886.5	0.00	0.00	0.00
17,400.0	90.38	357.47	8,470.3	8,972.3	512.8	8,986.1	0.00	0.00	0.00
17,500.0	90.38	357.47	8,469.7	9,072.2	508.4	9,085.7	0.00	0.00	0.00
17,600.0	90.38	357.47	8,469.0	9,172.1	504.0	9,185.3	0.00	0.00	0.00
17,700.0	90.38	357.47	8,468.3	9,272.0	499.6	9,284.9	0.00	0.00	0.00
17,800.0	90.38	357.47	8,467.7	9,371.9	495.1	9,384.6	0.00	0.00	0.00
17,900.0	90.38	357.47	8,467.0	9,471.8	490.7	9,484.2	0.00	0.00	0.00
18,000.0	90.38	357.47	8,466.4	9,571.7	486.3	9,583.8	0.00	0.00	0.00
18,100.0	90.38	357.47	8,465.7	9,671.6	481.9	9,683.4	0.00	0.00	0.00
18,200.0	90.38	357.47	8,465.1	9,771.5	477.4	9,783.0	0.00	0.00	0.00
18,300.0	90.38	357.47	8,464.4	9,871.4	473.0	9,882.6	0.00	0.00	0.00
18,400.0	90.38	357.47	8,463.8	9,971.3	468.6	9,982.3	0.00	0.00	0.00
18,500.0	90.38	357.47	8,463.1	10,071.2	464.2	10,081.9	0.00	0.00	0.00
18,600.0	90.38	357.47	8,462.4	10,171.1	459.8	10,181.5	0.00	0.00	0.00
18,700.0	90.38	357.47	8,461.8	10,271.0	455.3	10,281.1	0.00	0.00	0.00
18,800.0	90.38	357.47	8,461.1	10,370.9	450.9	10,380.7	0.00	0.00	0.00
18,820.7	90.38	357.47	8,461.0	10,391.6	450.0	10,401.3	0.00	0.00	0.00
TD at 18820.7									

Design Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
LTP (HAMBONE FED	0.00	0.00	8,461.0	10,341.6	450.6	392,462.00	603,708.10	32° 4' 42.785 N	103° 59' 54.601 W
- plan misses target center by 1.6usft at 18770.7usft MD (8461.3 TVD, 10341.7 N, 452.2 E)									
- Point									
PBHL (HAMBONE FE	0.38	177.47	8,461.0	10,391.6	450.0	392,511.99	603,707.50	32° 4' 43.279 N	103° 59' 54.607 W
- plan hits target center									
- Rectangle (sides W100.0 H2,583.0 D20.0)									
POI 2 (HAMBONE FE	0.38	179.95	8,477.9	7,813.9	561.4	389,934.35	603,818.90	32° 4' 17.766 N	103° 59' 53.405 W
- plan hits target center									
- Rectangle (sides W100.0 H2,682.0 D20.0)									
POI 1 (HAMBONE FE	0.38	179.85	8,495.3	5,134.9	563.8	387,255.30	603,821.30	32° 3' 51.253 N	103° 59' 53.474 W
- plan hits target center									
- Rectangle (sides W100.0 H5,256.0 D20.0)									
FTP (HAMBONE FED	0.00	0.00	8,526.0	-121.0	578.9	381,999.40	603,836.40	32° 2' 59.238 N	103° 59' 53.488 W
- plan misses target center by 250.6usft at 8425.6usft MD (8359.3 TVD, 48.4 N, 499.4 E)									
- Circle (radius 50.0)									

Concho Resources LLC

Survey Report

Company:	DELAWARE BASIN WEST	**Local Co-ordinate Reference:**	Well HAMBONE FEDERAL COM #501H
Project:	ATLAS PROSPECT (NM-E)	**TVD Reference:**	*KB=30' @ 2947.2usft (TBD)
Site:	HAMBONE FEDERAL PROJECT (ATLAS 2629)	**MD Reference:**	*KB=30' @ 2947.2usft (TBD)
Well:	HAMBONE FEDERAL COM #501H	**North Reference:**	Grid
Wellbore:	OWB	**Survey Calculation Method:**	Minimum Curvature
Design:	PWP1	**Database:**	edm

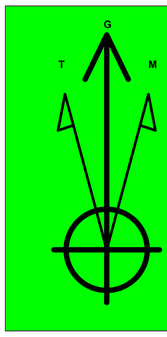
Plan Annotations

Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates +N/-S (usft)	Local Coordinates +E/-W (usft)	Comment
2500	2500	0	0	Start Build 2.00
2747	2747	-3	10	Start 5220.6 hold at 2747.2 MD
7968	7948	-115	446	Start DLS 10.00 TFO -98.15
8879	8526	453	558	Start DLS 2.00 TFO -89.93
9199	8524	772	575	Start 4362.8 hold at 9198.6 MD
13,561	8495	5135	564	Start DLS 2.00 TFO 91.78
13,566	8495	5140	564	Start 2674.1 hold at 13566.4 MD
16,241	8478	7814	561	Start DLS 2.00 TFO -89.92
16,365	8477	7938	559	Start 2456.0 hold at 16364.7 MD
18,821	8461	10,392	450	TD at 18820.7

Checked By: _____ Approved By: _____ Date: _____

CONCHO

Project:	ATLAS PROSPECT (NM-E)
Site:	HAMBONE FEDERAL PROJECT (ATLAS 2629)
Well:	HAMBONE FEDERAL COM #501H
Wellbore:	OWB
Design:	PWP1
GL:	2917.2
*KB=30' @ 2947.2usft (TBD)	



Azimuths to Grid North
True North: -0.18°
Magnetic North: 6.62°

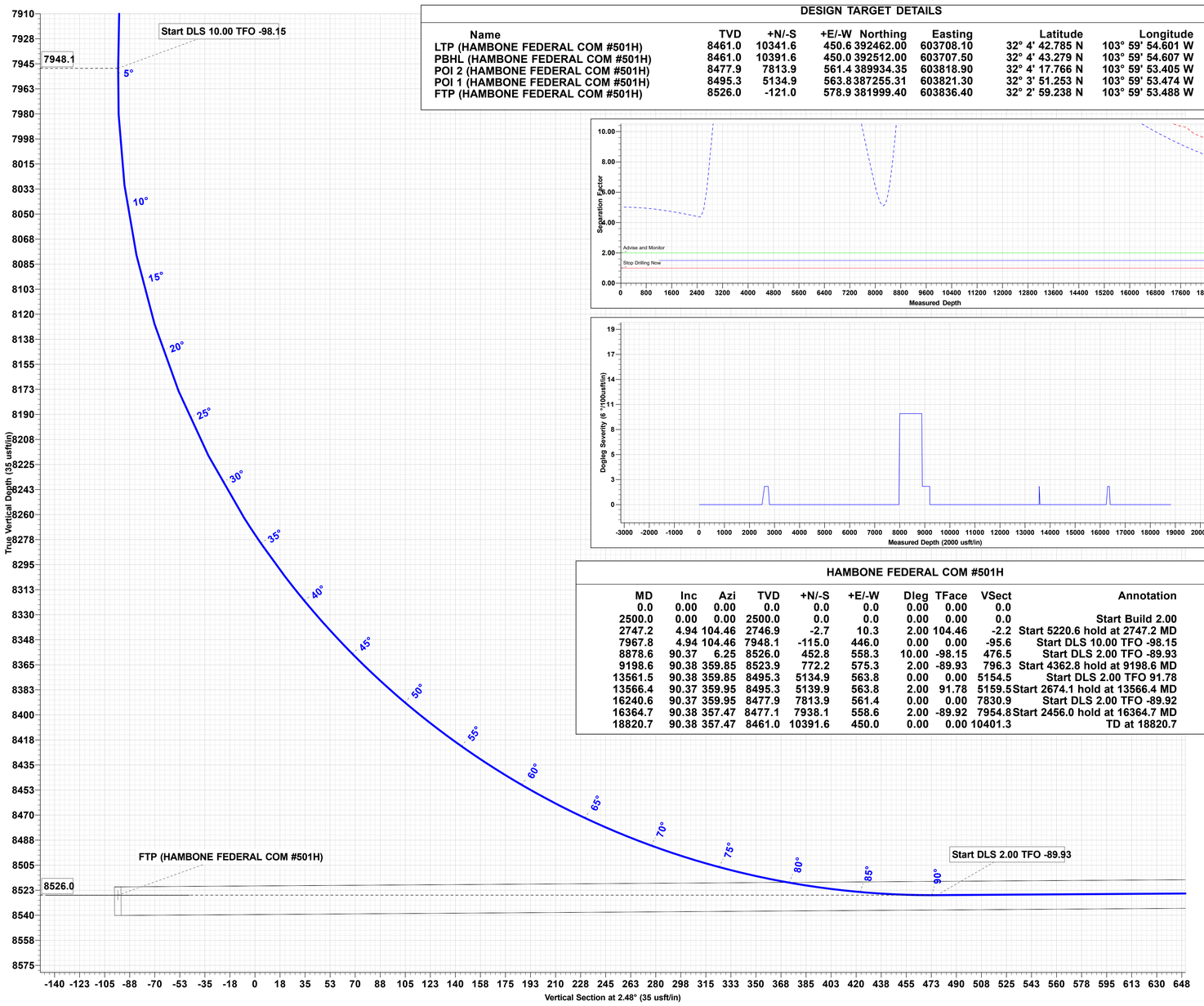
Magnetic Field
Strength: 47406.0nT
Dip Angle: 59.69°
Date: 11/30/2020
Model: IGRF2020

WELL DETAILS: HAMBONE FEDERAL COM #501H

+N/-S	+E/-W	Northing	Easting	Latittude	Longitude
0.0	0.0	382120.40	603257.50	32° 3' 0.453 N	104° 0' 0.210 W

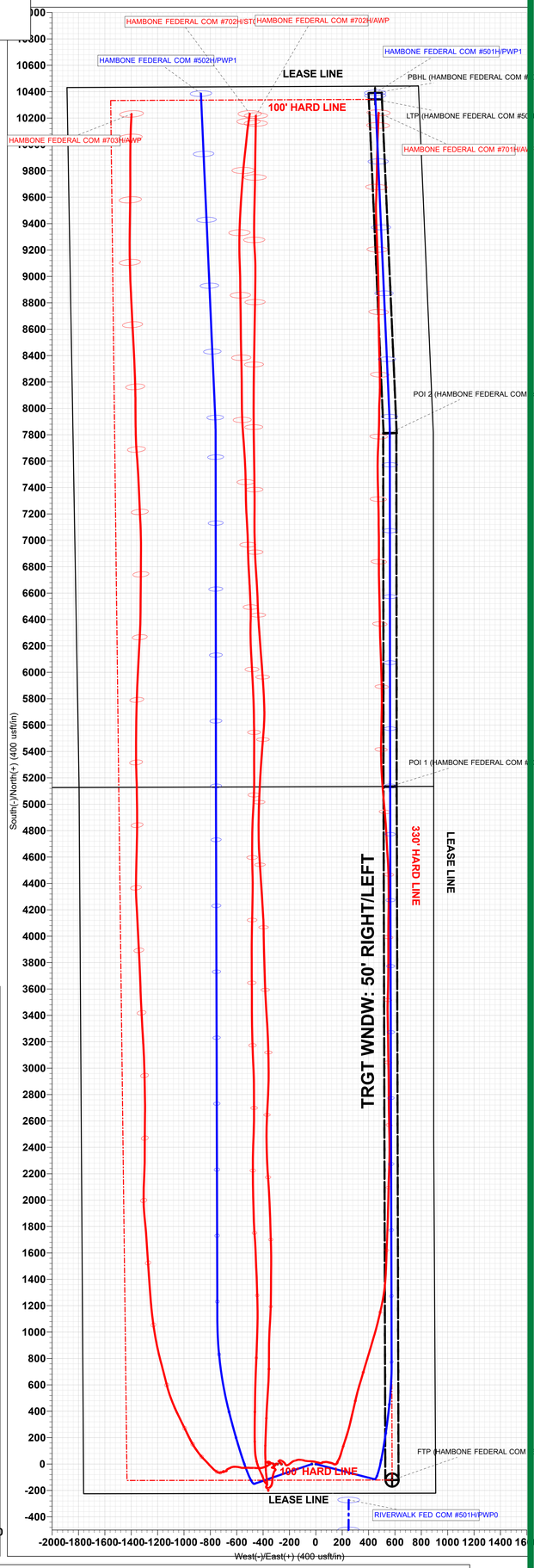
DESIGN TARGET DETAILS

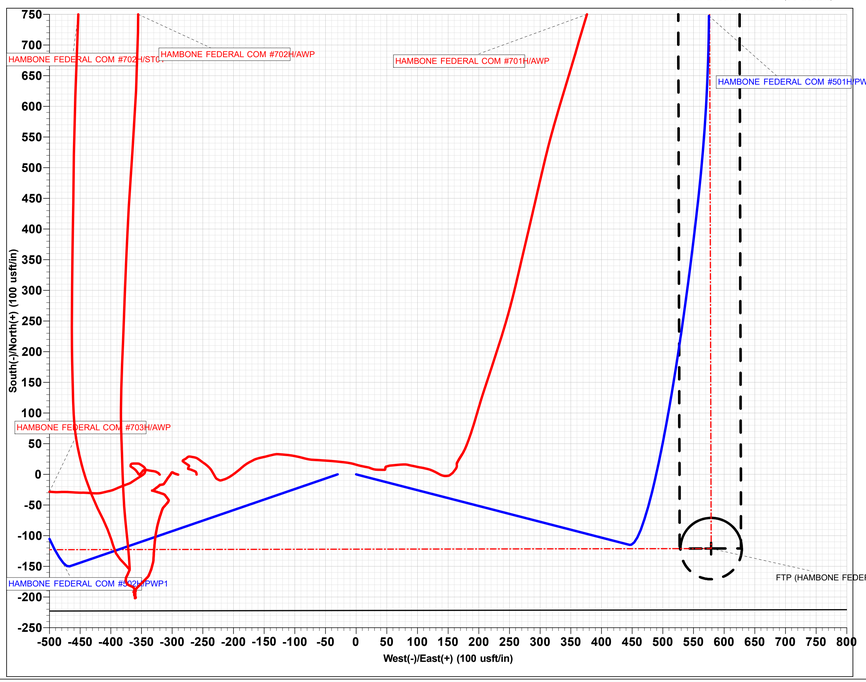
Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
LTP (HAMBONE FEDERAL COM #501H)	8461.0	10341.6	450.6	392462.00	603708.10	32° 4' 42.785 N	103° 59' 54.601 W
PBHL (HAMBONE FEDERAL COM #501H)	8461.0	10391.6	450.0	392512.00	603707.50	32° 4' 43.279 N	103° 59' 54.607 W
POI 2 (HAMBONE FEDERAL COM #501H)	8477.9	7813.9	561.4	389934.35	603818.90	32° 4' 17.766 N	103° 59' 53.405 W
POI 1 (HAMBONE FEDERAL COM #501H)	8495.3	5134.9	563.8	387255.31	603821.30	32° 3' 51.253 N	103° 59' 53.474 W
FTP (HAMBONE FEDERAL COM #501H)	8526.0	-121.0	578.9	381999.40	603836.40	32° 2' 59.238 N	103° 59' 53.488 W

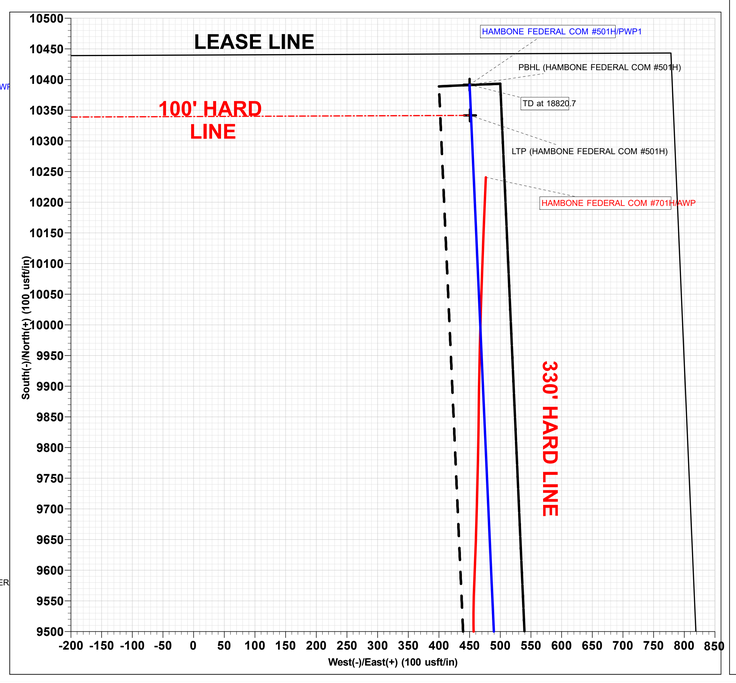


HAMBONE FEDERAL COM #501H

MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSect	Annotation
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.0	
2500.0	0.00	0.00	2500.0	0.0	0.0	0.00	0.00	0.0	Start Build 2.00
2747.2	4.94	104.46	2746.9	-2.7	10.3	2.00	104.46	-2.2	Start 5220.6 hold at 2747.2 MD
7967.8	4.94	104.46	7948.1	-115.0	446.0	0.00	0.00	-95.6	Start DLS 10.00 TFO -98.15
8878.6	90.37	6.25	8526.0	452.8	558.3	10.00	-98.15	476.5	Start DLS 2.00 TFO -89.93
9198.6	90.38	359.85	8523.9	772.2	575.3	2.00	-89.93	796.3	Start 4362.8 hold at 9198.6 MD
13561.5	90.38	359.85	8495.3	5134.9	563.8	0.00	0.00	5154.5	Start DLS 2.00 TFO 91.78
13566.4	90.37	359.95	8495.3	5139.9	563.8	2.00	91.78	5159.5	Start 2674.1 hold at 13566.4 MD
16240.6	90.37	359.95	8477.9	7813.9	561.4	0.00	0.00	7830.9	Start DLS 2.00 TFO -89.92
16364.7	90.38	357.47	8477.1	7938.1	558.6	2.00	-89.92	7954.8	Start 2456.0 hold at 16364.7 MD
18820.7	90.38	357.47	8461.0	10391.6	450.0	0.00	0.00	10401.3	TD at 18820.7







PECOS DISTRICT
DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	**COG**
LEASE NO.:	**NMNM57261**
LOCATION:	Section 8, T.26 S., R.29 E., NMPM
COUNTY:	Eddy County, New Mexico

WELL NAME & NO.:	Hambone Fed Com 501H
SURFACE HOLE FOOTAGE:	222'/S & 908'/E
BOTTOM HOLE FOOTAGE	50'/N & 330'/E

COA

H2S	○ Yes	◉ No	
Potash	◉ None	○ Secretary	○ R-111-P
Cave/Karst Potential	○ Low	◉ Medium	○ High
Cave/Karst Potential	○ Critical		
Variance	○ None	◉ Flex Hose	○ Other
Wellhead	◉ Conventional	○ Multibowl	○ Both
Other	☐ 4 String Area	☐ Capitan Reef	☐ WIPP
Other	☐ Fluid Filled	☐ Cement Squeeze	☐ Pilot Hole
Special Requirements	☐ Water Disposal	☑ COM	☐ Unit

A. HYDROGEN SULFIDE

Hydrogen Sulfide (H2S) monitors shall be installed prior to drilling out the surface shoe. 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.

B. CASING

1. The **13-3/8** inch surface casing shall be set at approximately **360** feet (a minimum of 70 feet (Eddy County) into the Rustler Anhydrite and above the salt) and cemented to the surface.

    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 will be a minimum of **8**

 Approval Date: 10/22/2021

hours or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)

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.

Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.

❖ In Medium Cave/Karst Areas if cement does not circulate to surface on the first two casing strings, the cement on the 3rd casing string must come to surface.

3. The minimum required fill of cement behind the **5-1/2** inch production casing is:
   - Cement should tie-back at least **200 feet** into previous casing string. Operator shall provide method of verification. **Excess calculates to 23%. Additional cement maybe requried.**

C. PRESSURE CONTROL

1. Variance approved to use flex line from BOP to choke manifold. Manufacturer's specification to be readily available. No external damage to flex line. Flex line to be installed as straight as possible (no hard bends).'

2. 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.

3. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the intermediate casing shoe shall be **3000 (3M)** psi.

4. **SPECIAL REQUIREMENT (S)**

Communitization Agreement

- The operator will submit a Communitization Agreement to the Santa Fe Office, 301 Dinosaur Trail Santa Fe, New Mexico 87508, at least 90 days before the anticipated date of first production from a well subject to a spacing order issued by the New Mexico Oil Conservation Division. The Communitization Agreement will include the signatures of all working interest owners in all Federal and Indian leases subject to the Communitization Agreement (i.e., operating rights owners and lessees of record), or certification that the operator has obtained the written signatures of all such owners and will make those signatures available to the BLM immediately upon request.

- If the operator does not comply with this condition of approval, the BLM may take enforcement actions that include, but are not limited to, those specified in 43 CFR 3163.1.
- In addition, the well sign shall include the surface and bottom hole lease numbers. When the Communitization Agreement number is known, it shall also be on the sign.

GENERAL 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)

☒ Eddy County
Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (575) 361-2822

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

1. 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.

   a. In the event the operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well, after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other well(s).
   b. When the operator proposes to set surface casing with Spudder Rig
      - Notify the BLM when moving in and removing the Spudder Rig.
      - Notify the BLM when moving in the 2nd Rig. Rig to be moved in within 90 days of notification that Spudder Rig has left the location.
      - BOP/BOPE test to be conducted per Onshore Oil and Gas Order No. 2 as soon as 2nd Rig is rigged up on well.

2. 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 are located, this does not include the dog house or stairway area.

3. 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.

A. CASING

1. 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.

2. Wait on cement (WOC) for Potash Areas: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi for all cement blends, 2) until cement has been in place at least 24 hours. WOC time will be recorded in the driller's log. The casing intergrity test can be done (prior to the cement setting up) immediately after bumping the plug.

3. Wait on cement (WOC) for Water Basin: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi at the shoe, 2) until cement has been in place at least 8 hours. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements. The casing intergrity test can be done (prior to the cement setting up) immediately after bumping the plug.

4. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.

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

6. On that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.

7. 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.
8. Whenever a casing string is cemented in the R-111-P potash area, the NMOCD requirements shall be followed.

B. 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. If a variance is approved for a flexible hose to be installed from the BOP to the choke manifold, the following requirements apply: The flex line must meet the requirements of API 16C. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.

3. 5M or higher system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.

4. If the operator has proposed a multi-bowl wellhead assembly in the APD. The following requirements must be met:

    a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
    b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
    c. Manufacturer representative shall install the test plug for the initial BOP test.
    d. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.
    e. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.

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. In potash areas, 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. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the plug. However, **no tests** shall commence until the cement has had a minimum of 24 hours setup time, except the casing pressure test can be initiated immediately after bumping the plug (only applies to single stage cement jobs).

    c. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for water basin (8 hours) or potash (24 hours) or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).

    d. 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. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.

    e. The results of the test shall be reported to the appropriate BLM office.

    f. 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.

    g. 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.

h. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.

C. DRILLING MUD

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the Wolfcamp formation, and shall be used until production casing is run and cemented.

D. 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.
ZS 072221

COG OPERATING LLC
HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

1. HYDROGEN SULFIDE TRAINING

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing drilling operations on this well:

a. The hazards and characteristics of hydrogen sulfide (H_2S).
b. The proper use and maintenance of personal protective equipment and life support systems.
c. The proper use of H_2S detectors, alarms, warning systems, briefing areas, evacuation procedures, and prevailing winds.
d. The proper techniques for first aid and rescue procedures.

In addition, supervisory personnel will be trained in the following areas:

a. The effects of H2S on metal components. If high tensile tubulars are to be used, personnel will be trained in their special maintenance requirements.
b. Corrective action and shut-in procedures when drilling or reworking a well and blowout prevention and well control procedures.
c. The contents and requirements of the H_2S Drilling Operations Plan and the Public Protection Plan.

There will be an initial training session just prior to encountering a known or probable H2S zone (within 3 days or 500 feet) and weekly H2S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H2S Drilling Operations Plan and the Public Protection Plan. This plan shall be available at the well site. All personnel will be required to carry documentation that they have received the proper training.

2. H_2S SAFETY EQUIPMENT AND SYSTEMS

Note: All H_2S safety equipment and systems will be installed, tested, and operational when drilling reaches a depth of 500 feet above, or three days prior to penetrating the first zone containing or reasonably expected to contain H2S. If H2S greater than 100 ppm is encountered in the gas stream we will shut in and install H2S equipment.

a. Well Control Equipment:
   Flare line.
   Choke manifold with remotely operated choke.
   Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit.
   Auxiliary equipment to include: annular preventer, mud-gas separator, rotating head.

b. Protective equipment for essential personnel:
Mark II Surviveair 30-minute units located in the dog house and at briefing areas.

c. H2S detection and monitoring equipment:
2 - portable H2S monitor positioned on location for best coverage and response. These units have warning lights and audible sirens when H2S levels of 20 ppm are reached.

d. Visual warning systems:
Caution/Danger signs shall be posted on roads providing direct access to location. Signs will be painted a high visibility yellow with black lettering of sufficient size to be readable at a reasonable distance from the immediate location. Bilingual signs will be used, when appropriate. See example attached.

e. Mud Program:
The mud program has been designed to minimize the volume of H2S circulated to the surface.

f. Metallurgy:
All drill strings, casings, tubing, wellhead, blowout preventers, drilling spool, kill lines, choke manifold and lines, and valves shall be suitable for H2S service.

g. Communication:
Company vehicles equipped with cellular telephone.

COG OPERATING LLC has conducted a review to determine if an H2S contingency plan is required for the above referenced well. We were able to conclude that any potential hazardous volume would be minimal. H2S concentrations of wells in this area from surface to TD are low enough; therefore, we do not believe that an H2S contingency plan is necessary.

W A R N I N G

YOU ARE ENTERING AN H_2S AREA
AUTHORIZED PERSONNEL ONLY

1. ***BEARDS OR CONTACT LENSES NOT ALLOWED***
2. ***HARD HATS REQUIRED***
3. ***SMOKING IN DESIGNATED AREAS ONLY***
4. ***BE WIND CONSCIOUS AT ALL TIMES***
5. ***CK WITH COG OPERATING LLC FOREMAN AT MAIN OFFICE***

COG OPERATING LLC

1-575-748-6940

EMERGENCY CALL LIST

	OFFICE	MOBILE
COG OPERATING LLC OFFICE	575-748-6940	
SETH WILD	432-683-7443	432-528-3633
WALTER ROYE	575-748-6940	432-934-1886

EMERGENCY RESPONSE NUMBERS

	OFFICE
STATE POLICE	575-748-9718
EDDY COUNTY SHERIFF	575-746-2701
EMERGENCY MEDICAL SERVICES (AMBULANCE)	911 or 575-746-2701
EDDY COUNTY EMERGENCY MANAGEMENT (HARRY BURGESS)	575-887-9511
STATE EMERGENCY RESPONSE CENTER (SERC)	575-476-9620
CARLSBAD POLICE DEPARTMENT	575-885-2111
CARLSBAD FIRE DEPARTMENT	575-885-3125
NEW MEXICO OIL CONSERVATION DIVISION	575-748-1283
INDIAN FIRE & SAFETY	800-530-8693
HALLIBURTON SERVICES	800-844-8451

COG Operating LLC

Rig Plat & Closed Loop Equipment Diagram

Well pad will be 400' X 430' with cellar in center of pad

Flare Lines will be from both Choke Manifold & Separator to edge of location.

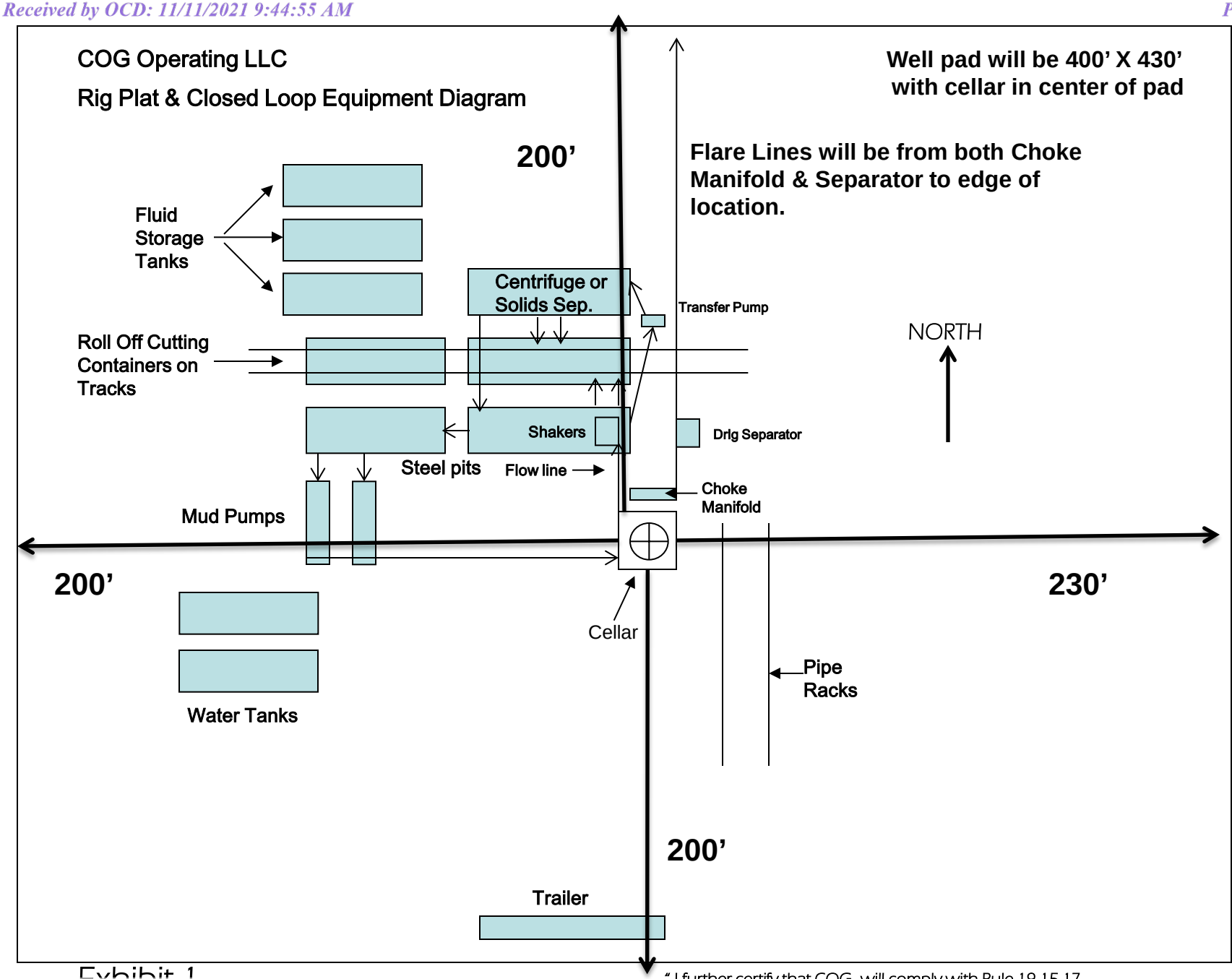


Exhibit 1

"I further certify that COG will comply with Rule 19.15.17 NMAC by using a Closed Loop System."

COG Production LLC - Hambone Federal Com 501H

1. Geologic Formations

TVD of target	8,526' EOL	Pilot hole depth	NA
MD at TD:	18,820'	Deepest expected fresh water:	50'

Formation	Depth (TVD) from KB	Water/Mineral Bearing/ Target Zone?	Hazards*
Quaternary Fill	Surface	Water	
Rustler	88	Water	
Top of Salt	400	Salt	
Base of Salt	2659	Salt	
Lamar	2849	Salt Water	
Bell Canyon	2896	Salt Water	
Cherry Canyon	3703	Oil/Gas	
Brushy Canyon	4940	Oil/Gas	
Bone Spring Lime	6561	Oil/Gas	
1st Bone Spring Sand	7473	Oil/Gas	
2nd Bone Spring Sand	8337	Oil/Gas	
3rd Bone Spring Sand	9362	Not Penetrated	
Wolfcamp	9723	Not Penetrated	

2. Casing Program

Hole Size	Casing Interval		Csg. Size	Weight (lbs)	Grade	Conn.	SF Collapse	SF Burst	SF Tension
	From	To							
17.5”	0	360	13.375”	54.5	J55	STC	6.86	2.24	26.20
12.25”	0	2870	9.625”	40	J55	LTC	1.71	1.21	4.53
8.75”	0	18,820	5.5”	17	P110	LTC	1.81	3.25	3.07
				BLM Minimum Safety Factor			1.125	1	1.6 Dry 1.8 Wet

Intermediate casing will be kept at least 1/3 full while running casing.to mitigate collapse. Intermediate burst based on 0.7 frac gradient at the shoe with Gas Gradient 0.1 psi/ft to surface.
All casing strings will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.h

COG Production LLC - Hambone Federal Com 501H

	Y or N
Is casing new? If used, attach certification as required in Onshore Order #1	Y
Does casing meet API specifications? If no, attach casing specification sheet.	Y
Is premium or uncommon casing planned? If yes attach casing specification sheet.	N
Does the above casing design meet or exceed BLM's minimum standards? If not provide justification (loading assumptions, casing design criteria).	Y
Will the intermediate pipe be kept at a minimum 1/3 fluid filled to avoid approaching the collapse pressure rating of the casing?	Y
Is well located within Capitan Reef?	N
If yes, does production casing cement tie back a minimum of 50' above the Reef?	
Is well within the designated 4 string boundary?	
Is well located in SOPA but not in R-111-P?	N
If yes, are the first 2 strings cemented to surface and 3rd string cement tied back 500' into previous casing?	
Is well located in R-111-P and SOPA?	N
If yes, are the first three strings cemented to surface?	
Is 2nd string set 100' to 600' below the base of salt?	
Is well located in high Cave/Karst?	N
If yes, are there two strings cemented to surface?	
(For 2 string wells) If yes, is there a contingency casing if lost circulation occurs?	
Is well located in critical Cave/Karst?	N
If yes, are there three strings cemented to surface?	

COG Production LLC - Hambone Federal Com 501H

3. Cementing Program

Casing	# Sks	Wt. lb/ gal	Yld ft3/ sack	H_20 gal/sk	500# Comp. Strength (hours)	Slurry Description
Surf.	30	13.5	1.75	9	12	Lead: Class C + 4% Gel + 1% CaCl2
	250	14.8	1.34	6.34	8	Tail: Class C + 2% CaCl2
Inter.	490	12.7	2.0	9.6	16	Lead: 35:65:6 C Blend
	250	14.8	1.34	6.34	8	Tail: Class C + 2% CaCl
5.5 Prod	710	11.9	2.5	19	72	Lead: 50:50:10 H Blend
	2640	14.4	1.24	5.7	19	Tail: 50:50:2 Class H Blend

Volumes Subject to Observed Hole Conditions and/or Fluid Caliper Results
Lab reports with the 500 psi compressive strength time for the cement will be onsite for review.

Casing String	TOC	% Excess
Surface	0’	50%
1st Intermediate	0’	50%
Production	2,370'	20% OH in Lateral (KOP to EOL) – 25% OH in Vertical

COG Production LLC - Hambone Federal Com 501H

4. Pressure Control Equipment

N	A variance is requested for the use of a diverter on the surface casing. See attached for schematic.

BOP installed and tested before drilling which hole?	Size?	Min. Required WP	Type	x	Tested to:
12-1/4”	13-5/8”	2M	Annular	x	2000 psi
			Blind Ram		2M
			Pipe Ram		
			Double Ram		
			Other*		
8-3/4”	13-5/8”	3M	Annular	x	50% testing pressure
			Blind Ram	x	3M
			Pipe Ram	x	
			Double Ram		
			Other*		

BOP/BOPE will be tested by an independent service company to 250 psi low and the high pressure indicated above per Onshore Order 2 requirements. The System may be upgraded to a higher pressure but still tested to the working pressure listed in the table above. If the system is upgraded all the components installed will be functional and tested.

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment will include a Kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold. See attached schematics.

X	Formation integrity test will be performed per Onshore Order #2. On Exploratory wells or on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.i.
Y	A variance is requested for the use of a flexible choke line from the BOP to Choke Manifold. See attached for specs and hydrostatic test chart.
	N Are anchors required by manufacturer?
N	A multibowl wellhead is being used. The BOP will be tested per Onshore Order #2 after installation on the surface casing which will cover testing requirements for a maximum of 30 days. If any seal subject to test pressure is broken the system must be tested.

COG Production LLC - Hambone Federal Com 501H

5. Mud Program

Depth		Type	Weight (ppg)	Viscosity	Water Loss
From	To				
0	Surf. Shoe	FW Gel	8.6 - 8.8	28-34	N/C
Surf csg	9-5/8" Int shoe	Saturated Brine	10 - 10.1	28-34	N/C
9-5/8" Int shoe	Lateral TD	Cut Brine	8.6 - 9.3	28-34	N/C

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept on location at all times.

What will be used to monitor the loss or gain of fluid?	PVT/Pason/Visual Monitoring

6. Logging and Testing Procedures

Logging, Coring and Testing.	
Y	Will run GR/CNL from TD to surface (horizontal well – vertical portion of hole). Stated logs run will be in the Completion Report and submitted to the BLM.
Y	No Logs are planned based on well control or offset log information.
N	Drill stem test? If yes, explain.
N	Coring? If yes, explain.

Additional logs planned		Interval
N	Resistivity	Pilot Hole TD to ICP
N	Density	Pilot Hole TD to ICP
Y	CBL	Production casing (If cement not circulated to surface)
Y	Mud log	Intermediate shoe to TD
N	PEX	

COG Production LLC - Hambone Federal Com 501H

7. Drilling Conditions

Condition	Specify what type and where?
BH Pressure at deepest TVD	4125 psi at 8526’ TVD
Abnormal Temperature	NO 145 Deg. F.

No abnormal pressure or temperature conditions are anticipated. Sufficient mud materials to maintain mud properties and weight increase requirements will be kept on location at all times.

Sufficient supplies of Paper/LCM for periodic sweeps to control seepage and losses will be maintained on location.

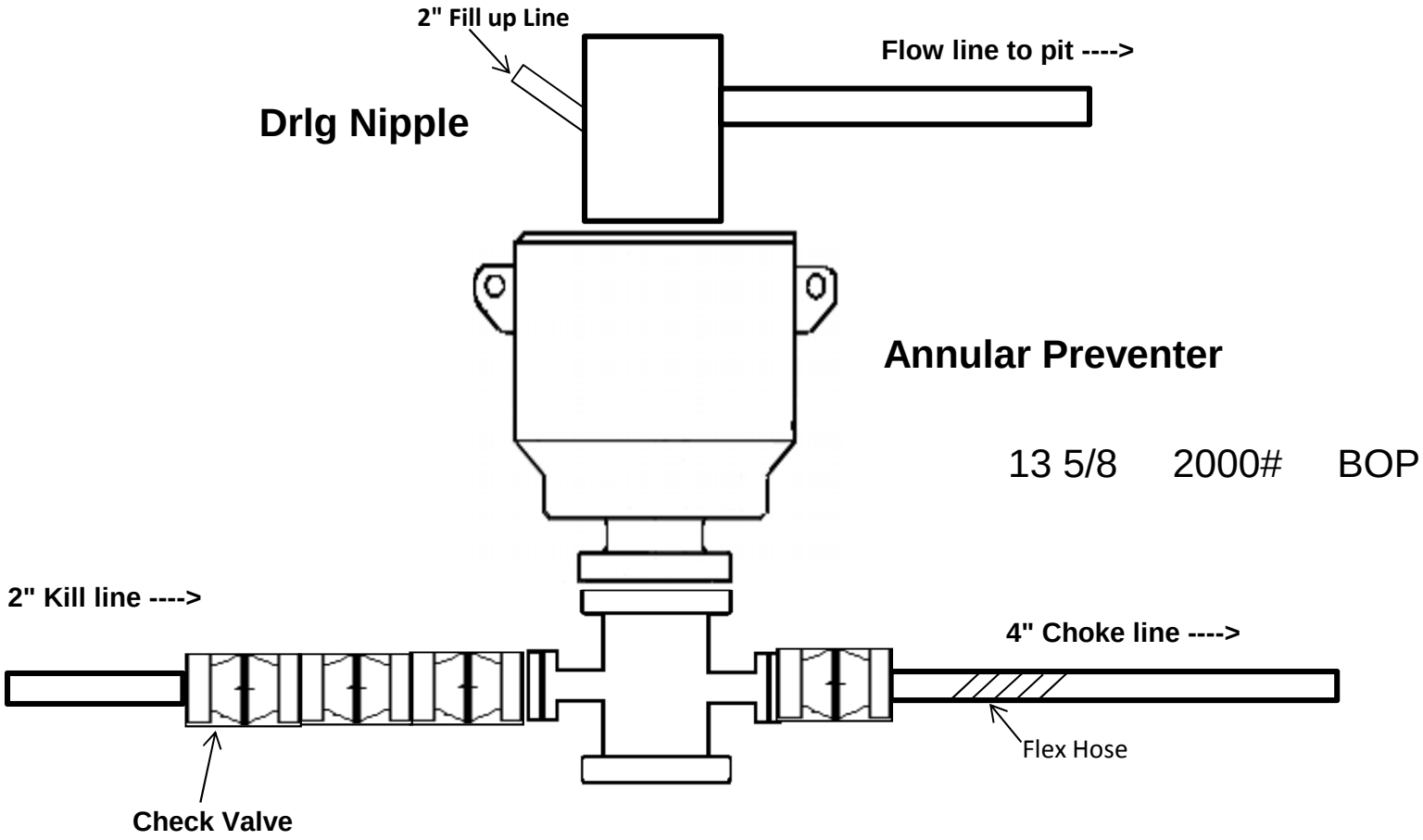
Hydrogen Sulfide (H2S) monitors will be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the operator will comply with the provisions of Onshore Oil and Gas Order #6. If Hydrogen Sulfide is encountered, measured values and formations will be provided to the BLM.	
N	H2S is present
Y	H2S Plan attached

8. Other Facets of Operation

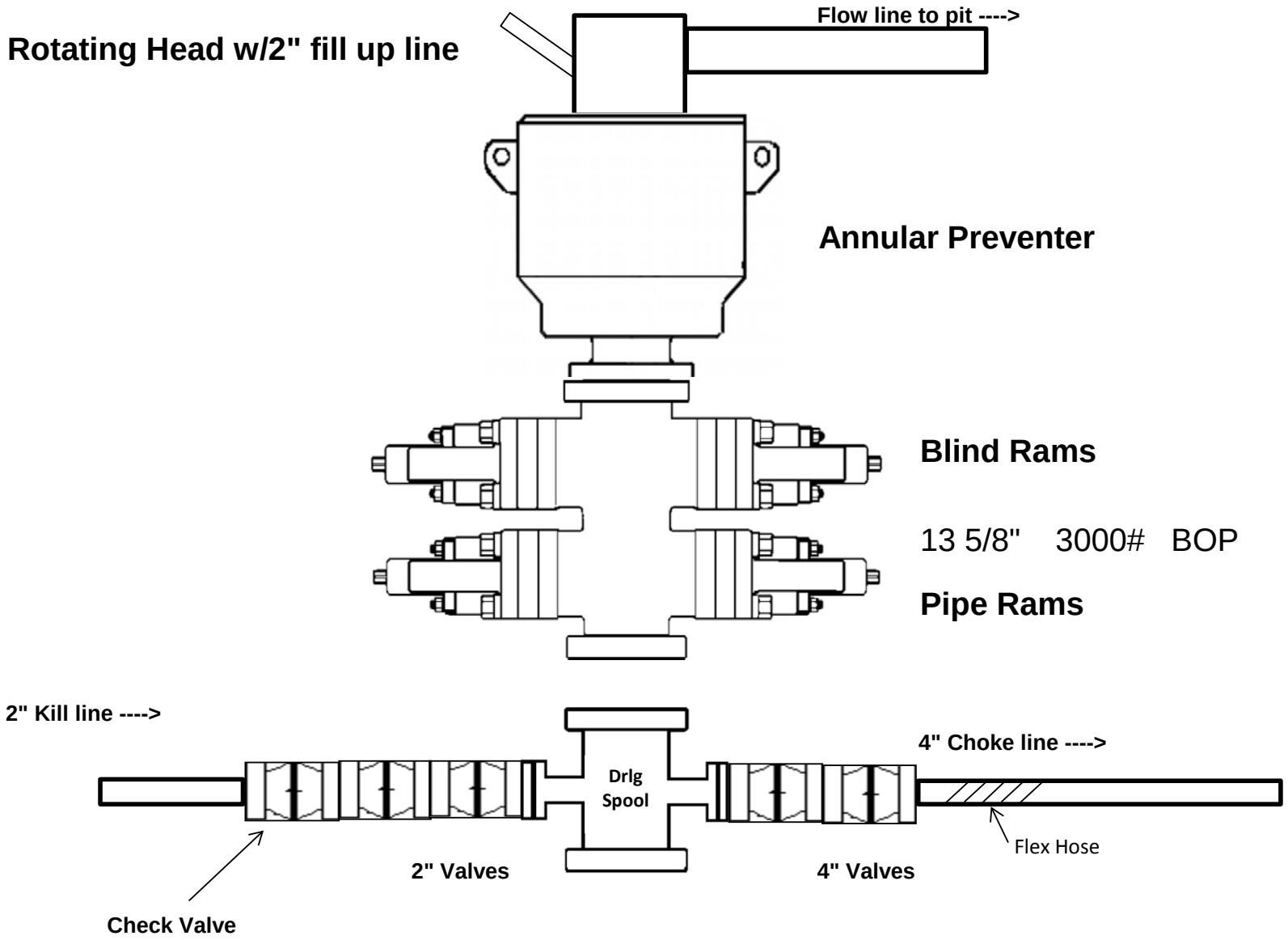
Y	Is it a walking operation?
Y	Is casing pre-set?

x	H2S Plan.
x	BOP & Choke Schematics.
x	Directional Plan

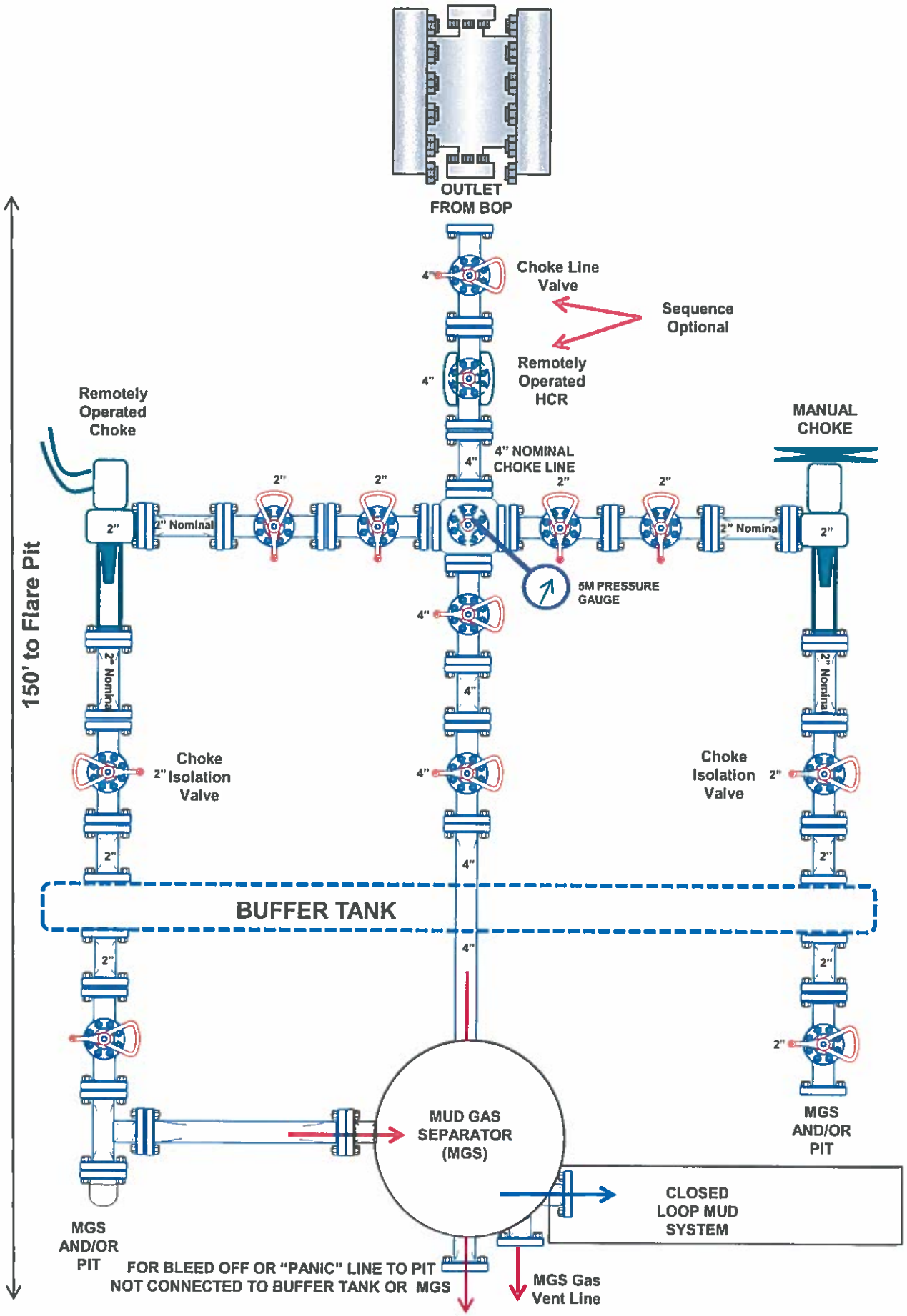
2,000 psi BOP Schematic



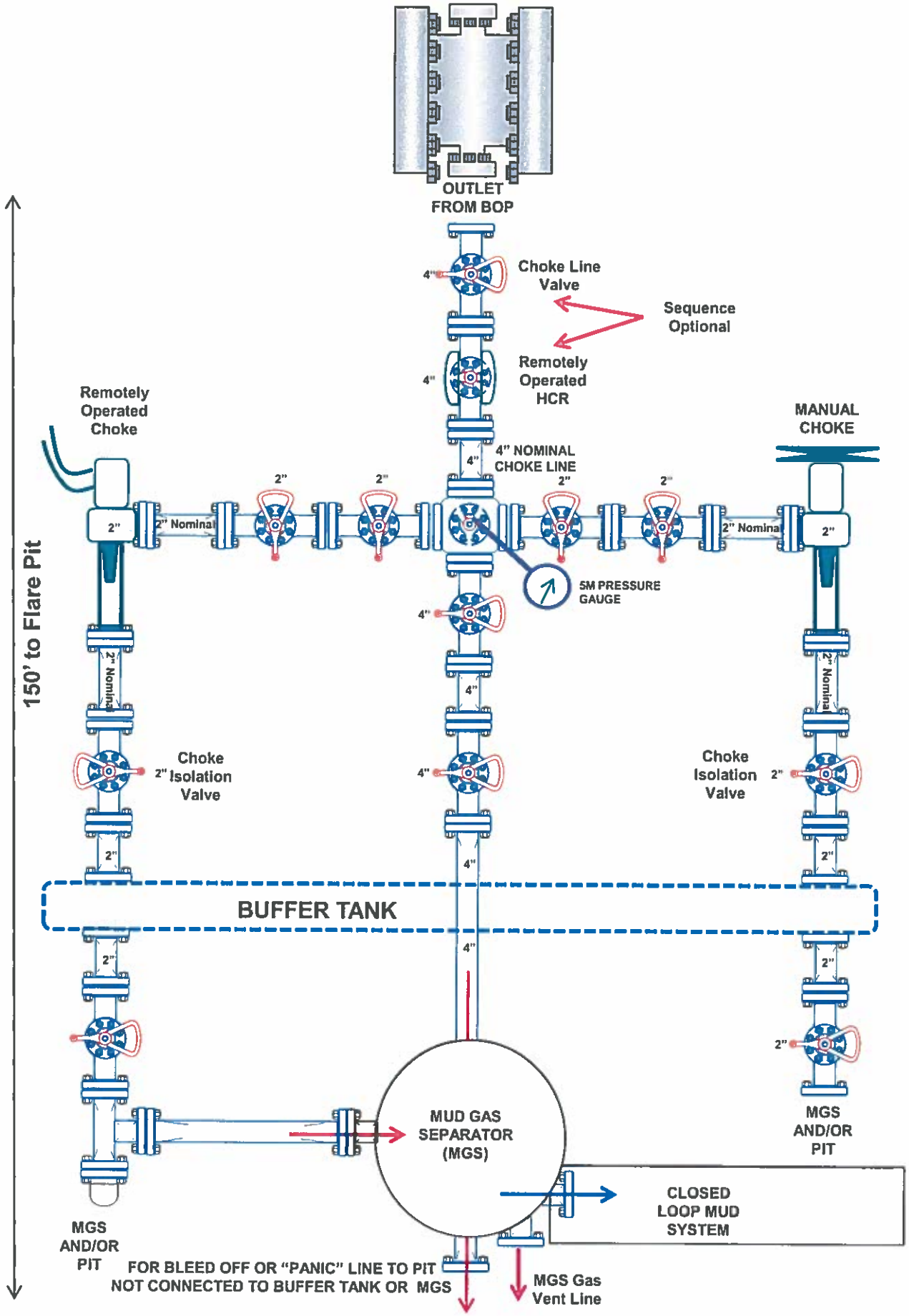
3,000 psi BOP Schematic



2M Choke Manifold Equipment (WITH MGS + CLOSED LOOP)



3M Choke Manifold Equipment (WITH MGS + CLOSED LOOP)



District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 61325

CONDITIONS

Operator:	OGRID:
COG OPERATING LLC 600 W Illinois Ave Midland, TX 79701	229137
	Action Number: 61325
	Action Type: [C-101] BLM - Federal/Indian Land Lease (Form 3160-3)

CONDITIONS

Created By	Condition	Condition Date
kpickford	Will require administrative order for non-standard spacing unit	11/22/2021
kpickford	Notify OCD 24 hours prior to casing & cement	11/22/2021
kpickford	Will require a File As Drilled C-102 and a Directional Survey with the C-104	11/22/2021
kpickford	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string	11/22/2021
kpickford	Cement is required to circulate on both surface and intermediate1 strings of casing	11/22/2021
kpickford	Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system	11/22/2021