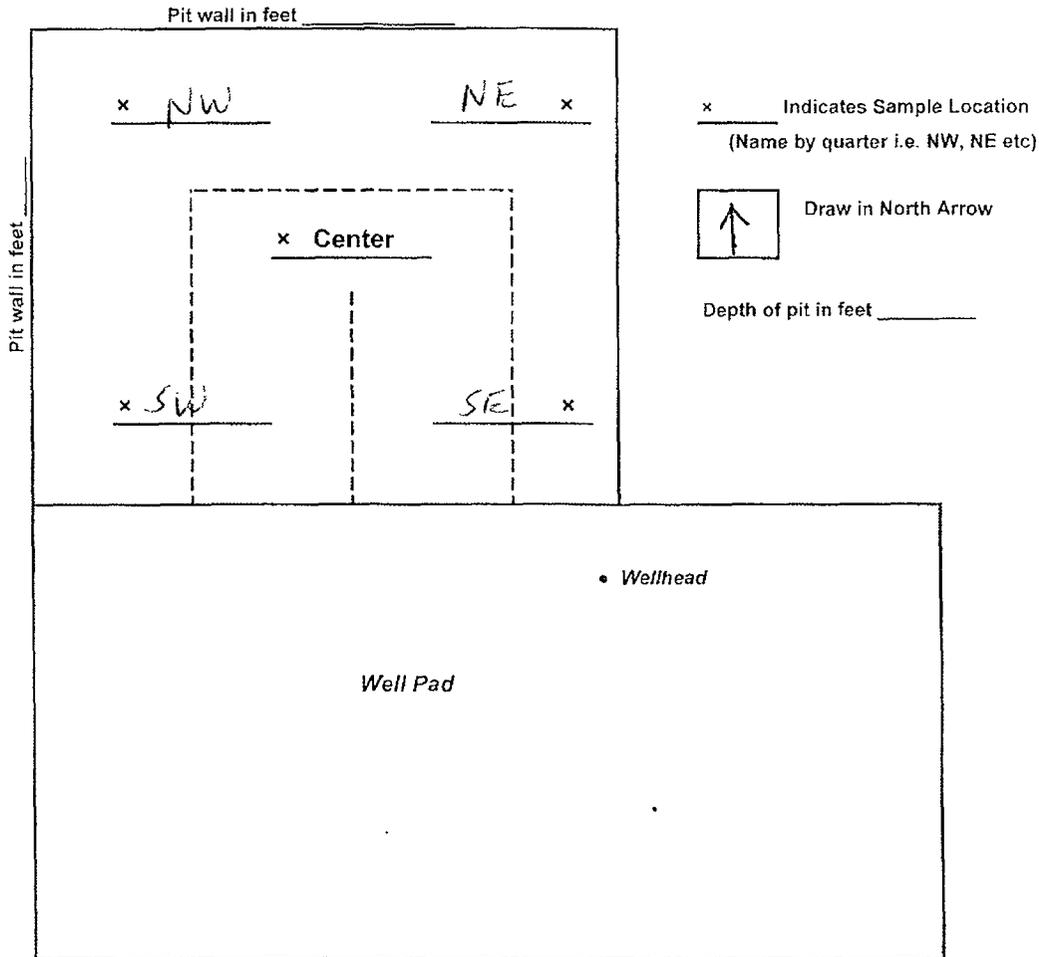


Highlander Environmental Corp.
Pit Sample Location Plat



Client: COG Operating LLC
Well Name: Caddo Federal #3
API# 30-015-35700

Summary Report

Gary Miller
Highlander Environmental Services
1910 N Big Spring Street
Midland, TX, 79705

Report Date: November 29, 2007

Work Order: 7112505



Project Location: Eddy County, NM
Project Name: COG/Caddo Fed. #3
Project Number: 3249

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
143554	NE 2'	soil	2007-11-20	00:00	2007-11-21
143555	NW 5'	soil	2007-11-20	00:00	2007-11-21
143556	SE 2'	soil	2007-11-20	00:00	2007-11-21
143557	SW 2'	soil	2007-11-20	00:00	2007-11-21
143558	Center 2'	soil	2007-11-20	00:00	2007-11-21

Sample: 143554 - NE 2'

Param	Flag	Result	Units	RL
Chloride		<100	mg/Kg	2.00

Sample: 143555 - NW 5'

Param	Flag	Result	Units	RL
Chloride		347	mg/Kg	2.00

Sample: 143556 - SE 2'

Param	Flag	Result	Units	RL
Chloride		202	mg/Kg	2.00

Sample: 143557 - SW 2'

Param	Flag	Result	Units	RL
Chloride		281	mg/Kg	2.00

Sample: 143558 - Center 2'

TraceAnalysis, Inc. • 6701 Aberdeen Ave., Suite 9 • Lubbock, TX 79424-1515 • (806) 794-1296
This is only a summary. Please, refer to the complete report package for quality control data.

Report Date: November 29, 2007
3249

Work Order: 7112505
COG/Caddo Fed. #3

Page Number: 2 of 2
Eddy County, NM

Param	Flag	Result	Units	RL
Chloride		276	mg/Kg	2.00

District I
1625 N French Dr., Hobbs, NM 88240
District II
1301 W Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Lordsburg, NM 87410
District IV
1220 S St Francis, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-144
June 1, 2004

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

For drilling and production facilities, submit to appropriate NMOCD District Office
For downstream facilities, submit to Santa Fe office



Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes No

Type of action Registration of a pit or below-grade tank Closure of a pit or below-grade tank

Operator COG Operating LLC Telephone 432-685-4332 e-mail address kcarrillo@conchoresources.com
 Address 550 W. Texas, Suite 1300 Midland, TX 79701
 Facility or well name Caddo Federal #3 API # 30-015-35700 U/L or Qtr/Qtr A Sec 17 T 17S R 30E
 County EDDY Latitude 32.840779° N Longitude 103.988276° W NAD: 1927 1983
 Surface Owner Federal State Private Indian

Pit Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type Synthetic <input checked="" type="checkbox"/> Thickness <u>12</u> mil Clay <input type="checkbox"/> Pit Volume <u>3000</u> bbl	Below-grade tank Volume _____ bbl Type of fluid _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not _____	
	SEP 24 2007 OCD-ARTESIA	
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water) <u>150'</u>	Less than 50 feet (20 points) 50 feet or more, but less than 100 feet (10 points) 100 feet or more (0 points)	
Wellhead protection area (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources)	Yes (20 points) No (0 points)	
Distance to surface water (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses)	Less than 200 feet (20 points) 200 feet or more, but less than 1000 feet (10 points) 1000 feet or more (0 points)	
Ranking Score (Total Points)		0 points

If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks (2) Indicate disposal location (check the onsite box if you are burying in place) onsite offsite If offsite, name of facility _____ (3) Attach a general description of remedial action taken including remediation start date and end date (4) Groundwater encountered No Yes If yes, show depth below ground surface _____ ft and attach sample results (5) Attach soil sample results and a diagram of sample locations and excavations

Additional Comments: COG Operating LLC proposes to close the drilling pit as follows:

1. Remove fluids from pit.
2. A deep trench pit will be constructed next to the existing reserve pit and lined with a 12 mil liner. The contents will be encapsulated in this pit and the liner will be folded over the mud & cuttings.
3. Cover liner w/20 mil liner w/ excess of 3' on all sides as per option IV.B.3.(b) of Pit and Below-Grade Tank Guidelines.
4. Cover w/ a minimum of 3' of native soil.
5. Contour pit to prevent erosion & ponding of rainwater.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit , or an (attached) alternative OCD-approved plan .

Date 09/21/07
 Printed Name/Title Kanicia Carrillo, Regulatory Analyst Signature

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval Gerry Guye
 Printed Name/Title Compliance Officer Signature Date OCT 9 2007