OCD-ARTESIA

Form 3160 -3 (April 2004)		FORM APPROVED OMB No 1004-0137 Expires March 31, 2007							
	UNIT DEPARTMEN BUREAU OF	5 Lease Senal No. NMLC-02878							
ДP	PLICATION FOR P	6 If Indian, Allotee or Tribe Name N/A							
la. Type of work	7 If Unit or CA Agreement, Name and No NMNM - 88525X								
lb. Type of Well	ple Zone	8 Lease Name and BURCH KEE		i96					
2 Name of Operator	COG Operating LLC			_		9 API Well No. 30-015-	3916	270	
3a Address 550	3a Address 550 W. Texas Ave., Suite 1300 Midland, TX 79701 3b Phone No. (include area code) 432-685-4384							-Grbg-SA	
4 Location of Well (Re	port location clearly and in	accordance with any	State requiren	nents *)		11 Sec, TRM or B	Blk and Survey	or Area	
At surface	1133' FNL & 1476' one 1320' FNL & 1320'	•				Sec 25 T17S	R29E		
At proposed prod. zo			· <u> </u>			12 County or Parish	112	Ctate	
14 Distance in miles and	direction from nearest town	or post office* m Loco Hills, NI	м			1		NM	
15 Distance from propos location to nearest	ed*			ncres in lease	17 Spacin	g Unit dedicated to this	well		
property or lease line (Also to nearest drig	, ft unit line, if any)	1133'	1	1440		40			
18 Distance from propos	ed location*		19 Propose	d Depth	20 BLM/I	BLM/BIA Bond No. on file			
to nearest well, drillin applied for, on this le		330'		00' MD: 4811'	1	NMB000215 740			
21 Elevations (Show w	nether DF, KDB, RT, GL, et 3598' GL	tc)	22 Арргохі	mate date work will sta 03/31/2011	rt*	23. Estimated duration 15 days			
			24. Atta	chments					
The following, completed	in accordance with the requir	ements of Onshore	e Oil and Gas	Order No 1, shall be a	ttached to th	is form			
 Well plat certified by a A Drilling Plan 				Item 20 above)	•	ns unless covered by an	existing bond	on file (see	
	f the location is on Nationa ith the appropriate Forest Ser		ands, the	5 Operator certific 6 Such other site authorized office	specific info	ormation and/or plans as	s may be requi	red by the	
25. Signature	25. Signature / OO				Name (Printed Typed) Kelly J. Holly			2011	
Title Permittin	g Tech			-			<u> </u>		
Approved by (Signature)	/s/ Don Pe	eterson	Name	(Printed/Typed)			Date APR	2 9 20	
Title	Office	CARLSBA	DFIELD	OFFICE	L				
Application approval does conduct operations thereo Conditions of approval, if		he applicant holds	legal or equi	table title to those righ		jectlease which would e			
Title 18 U.S.C. Section 100	l and Title 43 U.S.C. Section I or fraudulent statements or re	1212, make it a cri epresentations as to	me for any p	erson knowingly and vithin its jurisdiction.	=				

*(Instructions on page 2)

SEE ATTACHED FOR CONDITIONS OF APPROVAL



Roswell Controlled Water Basin

Approval Subject to General Requirements
& Special Stipulations Attached

MASTER DRILLING PROGRAM

1. Geologic Name of Surface Formation

Quaternary

2. Estimated Tops of Important Geologic Markers:

Quaternary	Surface
Rustler	220'
Salt	360'
Base of Salt	780'
Yates	950'
Seven Rivers	1235'
Queen	1845'
Grayburg	2220'
San Andres	2540'
Glorieta	4000'
Paddock	4075'
Blinebry	4620'
Tubb	5520'

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Carisbad, NM

3. Estimated Depths of Anticipated Fresh Water, Oil and Gas

Water Sand	150'	Fresh Water
Grayburg	2150'	··· Oil/Gas
San Andres	2450'	Oil/Gas
Glorieta	3900'	Oil/Gas
Paddock	4075'	Oil/Gas
Blinebry	4620'	Oil/Gas
Tubb /	·5520'	Oil/Gas

No other formations are expected to give up oil, gas or fresh water in measurable quantities. Setting 13 3/8" casing to 300' and circulating cement back to the surface will protect the surface fresh water sand. The Salt Section will be protected by setting 8 5/8" casing to 80' and circulating cement, in a single or multi-stage job and/or with an ECP, back to the surface. Any shallower zones above TD, which contain commercial quantities of oil and/or gas, will have cement circulated across them. This will be achieved by cementing, with a single or multi-stage job, the 5 1/2" production casing back 200' into the intermediate casing, to be run at TD. If wellbore conditions arise that require immediate action and/or a change to this program, COG Operating LLC personnel will always react to protect the wellbore and/or environment.

4. Casing Program

Hole Size	Interval	OD Casing	Weight	Grade	Jt., Condition	Jt.	brst/clps/ten
17 ½"	0-300'	13 3/8"	48#	H-40orJ-55	ST&C/New	ST&C	9.22/3.943/15.8
11" 950'	0-880'	8 5/8"	24or32#	J-55	ST&C/New	ST&C	3.03/2.029/7.82
7 7/8"	0-TD	5 1/2"	15.5or17#	J-55orL-80	LT&C/New	LT&C	1.88/1.731/2.42

5. **Cement Program**

5ee COA

See COA

13 3/8" Surface Casing:

Class C w/ 2% Cacl2 + 0.25 pps CF, 400 sx, yield 1.32, back to surface. 154% excess

8 5/8" Intermediate Casing:

11" Hole:

Single Stage: 50:50:10 C:Poz:Gel w/ 5% Salt +0.25% CF, 300 sx lead, yield-2.45 + Class C w/2% CaCl2, 200 sx tail, yield-1.32, back to surface. 363% excess

Multi-Stage: Stage 1: Class C w/2% CaCl2, 200 sx, yield - 1.32; 108% excess Stage 2: 50:50:10 C:Poz:Gel w/ 5% Salt +0.25% CF, 300 sx, yield - 2.45, back to surface, 726% excess; assumption for tool is lost circulation. Multi stage tool to be set at approximately, depending on hole conditions, 350' (50' below the surface casing). Cement volumes will be adjusted proportionately for depth changes of multi stage tool.

5 1/2" Production Casing:

Single Stage: LEAD 500 sx 35:65:6 C:Poz:Gel w/ 5% Salt + 5 pps LCM + 0.2%SMS + 0.3% FL-52A + 0.125 pps CF, yield-2.05; + TAIL 400 sx 50:50:2 C:Poz:Gel w/ 5% Salt + 3 pps LCM + 0.6% SMS + 1% FL-25 + 1% BA-58 + 0.3% FL-52A + 0.125pps CF, yield-1.37, to 200' minimum tie back to intermediate casing. 106% open hole excess, cement calculated back to surface.

Multi-Stage: Stage 1: (Assumed TD of 4800') 500 sx 50:50:2 C:Poz:Gel w/ 5% Salt + 3 pps LCM + 0.6% SMS + 1% FL-25 + 1% BA-58 + 0.3% FL-52A + 0.125 pps CFyield - 1.37, 72% excess; Stage 2: LEAD

COG Operating LLC Master Drilling Plan Grayburg Jackson; SR-Q-Grbg-SA Use for Sections 6-30, T17S, R29E Eddy County, NM

450 sx 50:50:2 C:Poz:Gel w/ 5% Salt + 3 pps LCM + 0.6% SMS + 1% FL-25 + 1% BA-58 + 0.3% FL-52A + 0.125 pps CF, yield - 1:37, + TAIL 250 sx Class C w/ 0.3% R-3 + 1.5% CD-32, yield - 1.02 148% open hole excess, cement calculated back 'to surface. Multi stage tool to be set at approximately, depending on hole conditions, 2500'. Cement volumes will be adjusted proportionately for depth changes of multi stage tool, assumption for tool is water flow.

6. Minimum Specifications for Pressure Control

The blowout preventer equipment (BOP) shown in Exhibit #9 will consist of a double ram-type (2000 psi WP) preventer, and in some cases possibly a 2000 psi Hydril type annular preventer as provided for in Onshore Order #2. This unit will be hydraulically operated and the ram type preventer will be equipped with blind rams on top of 4 1/2" drill pipe rams on the bottom. A 13-5/8" or 11" BOP will be used, depending on the rig selected, during the drilling of the well. The BOP will be nippled up on the 13 3/8" surface casing with BOP equipment and tested to 2000 psi. When 11" BOP is used the special drilling flange will be utilized on the 13-3/8" head to allow testing the BOP with a retrievable test plug. After setting 8-5/8" the BOP will then be nippled up on the 8 5/8" intermediate casing and tested by a third party to 2000 psi and used continuously until total depth is reached. 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 (Exhibit #10) will include a Kelly cock and floor safety valve, choke lines and a choke manifold (Exhibit #11) with a 2000 psi WP rating.

The majority of the rigs currently in use have a 13-5/8" BOP, so no special provision is needed for most wells in the area for conventionally testing the BOP with a test plug. However, due to the vagaries of rig scheduling, it might be that one of the few rigs with 11" BOP's might be called upon to drill any specific well in the area. Note that intermediate hole size is always 11". Therefore, COG Operating LLC respectfully requests a variance to the requirement of 13-5/8" BOP on 13-3/8" casing. When that circumstance is encountered the special flange will be utilized to allow testing the entire BOP with a test plug, without subjecting the casing to test pressure. The special flange also allows the return to full-open capability if desired.

Ger COH

7. Types and Characteristics of the Proposed Mud System

The well will be drilled to TD with a combination of brine, cut brine and polymer mud system. The applicable depths and properties of this system are as follows:

DEPTH	TYPE	WEIGHT	VISCOSITY	WATERLOSS
0-300'	Fresh Water	8.5	28	N.C.
300-850 950	Brine	10	. 30	N.C.
850°-TD'	Cut Brine	8.7-9.2	30	N.C.

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

8. Auxiliary Well Control and Monitoring Equipment

- A. Kelly cock will be kept in the drill string at all times.
- B. A full opening drill pipe-stabbing valve with proper drill pipe connections will be on the rig floor at all times.

9. Logging, Testing and Coring Program See COA

- A. The electric logging program will consist of GR-Dual Laterolog, Spectral Density, Dual Spaced Neutron, CSNG Log and will be run from TD to Surface.
- B. Drill Stem test is not anticipated.
- C. No conventional coring is anticipated.
- D. Further testing procedures will be determined after the 5 ½" production casing has been cemented at TD, based on drill shows and log evaluation.

10. Abnormal Conditions, Pressure, Temperatures and Potential Hazards

No abnormal pressures or temperatures are anticipated. The estimated bottom hole at TD is 110 degrees and the estimated maximum bottom hole pressure is 2300 psig. Measurable gas volumes or Hydrogen Sulfide levels have not been encountered during drilling operations in this area, although a Hydrogen Sulfide Drilling Operation Plan is attached to this program. No major loss of circulation zones has been reported in offsetting wells.

11. Anticipated Starting Date and Duration of Operations

COG Operating LLC Master Drilling Plan Grayburg Jackson; SR-Q-Grbg-SA Use for Sections 6-30, T17S, R29E Eddy County, NM

Road and location work will not begin until approval has been received from the BLM. As this is a Master Drilling plan, please refer to the Form 3160-3 for the anticipated start date. Once commenced, drilling operations should be finished in approximately 10 days. If the well is productive, an additional 30 days will be required for completion and testing before a decision is made to install permanent facilities.



COG Operating LLC

Eddy County, NM (NAN27 NME)
Burch Keely Unit #696
Burch Keely Unit #696

OH

Plan: Plan #1 7-7/8" Hole
SHL = 1133' FNL & 1476' FWL
BHL = 1320' FNL & 1320' FWL
Top of Paddock = 1320' FNL & 1320' FWL @ 4000' TVD

Standard Planning Report

12 January, 2011





Scientific Drilling

Planning Report



Database: EDM-Julio

COG Operating LLC

Eddy County, NM (NAN27 NME)

Company: COG Operating LLC
Project Eddy County, NM (NAN
Site Burch Keely Unit #696
Well: Burch Keely Unit #696 Well: Wellbore Design:

₫ ОН

Plan #1 7-7/8" Hole

Local Co-ordinate Reference:

TVD Reference: MD Reference:

North Reference: Survey Calculation Method: Site Burch Keely Unit #696

GL Elev @ 3598 00usft GL Elev @ 3598 00usft

Grid

Minimum Curvature

Eddy County, NM (NAN27 NME)

US State Plane 1927 (Exact solution) Map System:

NAD 1927 (NADCON CONUS) Geo Datum: New Mexico East 3001 Map Zone:

System Datum:

Mean Sea Level

Burch Keely Unit #696

Northing: 658.360 20 usft 32° 48' 34 405 N Site Position: Latitude: From: Map Easting: 592.719 10 usft Longitude: 104° 1' 53 592 W Position Uncertainty: 0 00 usft Slot Radius: 13-3/16 " Grid Convergence: 0 16

Burch Keely Unit #696

Well Position +E/-W

+N/-S 0 00 usft

0 00 usft

Northing: Easting:

658,360 20 usft 592,719 10 usft

Latitude: Longitude:

32° 48' 34 405 N 104° 1' 53 592 W

Position Uncertainty

0 00 usft

Wellhead Elevation:

Ground Level:

3,598 00 usft

Wellbore ОH

Magnetics

Declination

Field Strength

IGRF2010

2011/01/12

7 89

60 66

48,959

Audit Notes:

Version:

Phase:

PLAN

Tie On Depth:

0.00

Vertical Section:

Depth From (TVD) (usft) 0 00

(usft) 0.00

+E/-W (usft) 0 00

219 66

Plan Sections

Measured Depth (usft)	inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)*	Dogleg Rate /100usft) (*	Build Rate /100usft) (?	Turn Rate 100usft)	TFO (?)	Target
0 00	0 00	0 00	0 00	0.00	0 00	0 00	0 00	0 00	0 00	
1,150 00	0 00	0 00	1,150 00	0 00	0 00	0 00	0 00	0 00	0 00	
1,419 32	5 39	219 66	1,418 92	-9 74	-8 07	2 00	2 00	0 00	219 66	
3,741 73	5 39	219 66	3,731 08	-177 56	-147 23	0 00	0 00	0 00	0 00	
4,011 05	0 00	0 00	4,000 00	-187 30	-155 30	2 00	-2 00	0 00	180 00	TG1-BK #696
· 4,811 05	0 00	0 00	4,800 00	-187 30	-155 30	0 00	0 00	0 00	0 00	PBHL-BK #696



Scientific Drilling

Planning Report



Database: Company: Project: Site: Well:

EDM-Julio COG Operating LLC

COG Operating LLC
Eddy County, NM (NAN27 NME) Burch Keely Unit #696

Wellbore: Design:

Plan #1 7-7/8" Hole

North Reference:
Survey Calculation Method:
Minimum Curvature

Site Burch Keely Unit #696

Local Co-ordinate Reference:

TVD Reference:

GL Elev @ 3598 00usft
GL Elev @ 3598 00usft
Grid

								公司,从他的各	验的信息
Measured		理學的	Vertical	Part of the	APPLE MEDICAL	"\$P\$ 4.00"。 "2.000" (\$P\$) " " " " " " " " " " " " " " " " " " "	Dogleg V	Build	Turn
(usft) Inc	lination (°)	Azimuth (°)	Depth:	+N/-S (usft)	, +E/-W (usft),	Section (usft)	Rate /100usft) ; (Rate /100usft)	Rate */100usft)*
0.00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
1,050 00	0 00	0 00	1,050 00	0 00	0 00	0 00	0 00	0 00	0 00
8-5/8" Casing									
1,150 00	0 00	0 00	1,150 00	0 00	0 00	0 00	0 00	0 00	0 00
KOP Start Build 2	.00°/100'								
1,200 00	1 00	219 66	1,200 00	-0 34	-0.28	0 44	2 00	2 00	0 00
1,300 00	3 00	219 66	1,299 93	-3.02	-2 51	3 93	2 00	2 00	, 0 00
1,400 00	5 00	219 66	1,399 68	-8 39	-6 96	10 90	2 00	2 00	0 00
1,419 32	5 39	219 66	1,418 92	-9 74	-8 07	12 65	2 00	2 00	0 00
EOC hold 5.39°									
1,500 00	5 39	219 66	1,499 25	-15 57 ·	-12 91	20 22	0 00	0 00	0 00
1,600 00	5 39	219 66	1,598 81	-22 79	-18 90	29.61	0 00	0 00	0 00
1,700 00	5 39	219 66	1,698 36	-30 02	-24 89	39 00	0 00	0.00	0 00
1,800 00	5 39	219 66	1,797 92	-37 25	-30 88	48 39	0 00	0 00	0 00
1,900 00	5 39	219 66	1,897 48	-44 47	-36 88	57 77	ò 00	0 00	0 00
2,000 00 -	5 39	219 66	1,997 04	-51 70	-42 87	67 16	0 00	0 00	0 00
2,100 00	5 39	219 66	2,096 60	-58 93	-48 86	76 55	0 00	0 00	0 00
2,200 00	5 39	219 66	2,196 16	-66.15	-54 85	85 93	0 00	0 00	0 00
2,300 00	5 39	219 66	2,295 71	-73 38	-60 84	95.32	0 00	0 00	0 00
2,400 00	5 39	219 66	2,395 27	-80 60	-66 83 .	104 71	0 00	0 00	0 00
2,500 00	5 39	219 66	2,494 83	-87.83	-72 83	114 10	0 00	0 00	0 00
2,600 00	5 39	219 66	2,594 39	-95 06	-78.82	123 48	0 00	0 00	0 00
2,700 00	5 39	219 66	2,693 95	-102 28	-84 81	132 87	0 00	0 00	0 00
2,800 00	5 39	219 66	2,793 51	-109 51	-90 80	142 26	0 00	0 00	0 00
2,900 00	5 39	219 66	2,893.07	-116 74	-96 79	151 64	0 00	0 00	0 00
3,000 00	5 39	219 66	2,992 62	-123 96 '	-102 78	161 03	0 00	0 00	0 00
3,100 00 3,200 00	5 39 5 39	219 66 219 66	3,092 18 3,191 74	-131 19 -138 42	-108 78 -114 77	170 42 179 81	0 00 0 00	0 00 0 00	0 00 0 00
3,200 00	5 59	219 00	·		-114 //	17901			
3,300 00	5 39	219 66	3,291 30	-145.64	-120 76	189 19	0 00	0 00	0 00
3,400 00	5 39	219 66	3,390 86	-152 87	-126 75	198 58	0 00	0 00	0 00
3,500 00 3,600 00	5 39 5 39	219 66 219 66	3,490 42 3,589 97	-160 09 -167 32	-132 74 -138 73	207 97 217 35	0 00 0 00	0 00 0 00	0 00 0 00
3,700 00	5 39	219 66	3,689 53	-107 32 -174 55	-136 73 -144 73	217 35	0 00	0 00	0 00
			,						
3,741 73	5 39	219 66	3,731 08	-177 56	-147 23	230 66	0 00	0 00	0 00
Start Drop 2.00°/1		040.00	2 702 11	404.00	450.04	005.51	0.00	0.00	
3,800 00	4 22	219 66	3,789.14	-181 32	-150 34	235 54	2 00	-2 00	0 00
3,900 00 4,000 00	2 22 0 22	219 66 219 66	3,888 98 3,988 95	-185 64 -187 28	-153 93 -155 29	241.16 243 29	2.00 2.00	-2 00 -2 00	0 00 0 00
4,011 05	0 00	0 00	4,000 00	-187 30	-155 30	243 29	2 00	-2 00 -2 00	1,270 22
EOC hold 0.00° -		3 00	.,	.5. 55	100 00	2,001	2 00	200	1,2,022
		0.00	4 800 00	407.00	455.05	0.40.04	2.00	0.00	
4,811 05 PBHL-BK #696	0 00	0 00	4,800 00	-187.30	-155 30	243.31	0 00	0 00	0 00



Scientific Drilling

Planning Report



Database:

EDM-Julio

Company:

COG Operating LLC

Project: Site:

Eddy County, Nivi (1.1.)
Burch Keely Unit #696 Eddy County, NM (NAN27 NME)

HO

Wellbore: Design:

Plan #1 7-7/8" Hole

Local Co-ordinate Reference:

MD Reference: GL Elev @ 3598 00
MD Reference: GL Elev @ 3598 00
North Reference: Grid
Survey Calculation Method: Minimum Curvature

Site Burch Keely Unit #696

GL Elev @ 3598 00usft

GL Elev @ 3598 00usft

Design Targets Target Name	Angle Di	p Dir.	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Congitude
TG1-BK #696 - plan hits target center - Point	0 00	0 00	4,000 00	-187 30	-155 30	658,172 90	592,563 80	32° 48′ 32 556 N	104° 1' 55 418 W
PBHL-BK #696 - plan hits target center - Circle (radius 10 00)	0 00	0 01	4,800 00	-187 30	-155 30	658,172 90	592,563 80	32° 48' 32 556 N	104° 1' 55 418 W

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	at the standard commence to be selected as the second of the selected of the s
(usft) (usft) Name	
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Plan Annotations	alle of Author Mandeles of American south 1845)	ବୌକରି ଛଟ ବିଆଲେଖନ ଧାରିକ ନିଲ୍ଲିକଟିଟିଲ । Mod. କ. ନେଲ ଅଲଣ୍ଡିଟ	Souther and which There \$700 at	the state of the s
		学的证明的		
Measured	Vertical	Local Coordinate	ites	
Depth	Depth	+N/-S	+E/-W	
(usft)	(usft)	(usft)	(usft)	Comment
。 「一個學術學學學學學學學學學學學學學學學學學學學	一个一个一个一个一个一个一个一个一个一个一个一个一个一个一个一个一个一个一个	知识的理论 既识实为此。第	"如何是你是我们的	公司的"大学"的"大学"的"大学"的"大学"的"大学"的"大学"的"大学"的"大学"
1,150 00	1,150 00	0 00	0 00	KOP Start Build 2 00°/100'
1,419 32	1,418 92	-974	-8 07	EOC hold 5 39°
3,741 73	3,731 08	-177 56	-147 23	Start Drop 2 00°/100'
4,011 05	4,000 00	-187 30	-155 30	EOC hold 0 00°



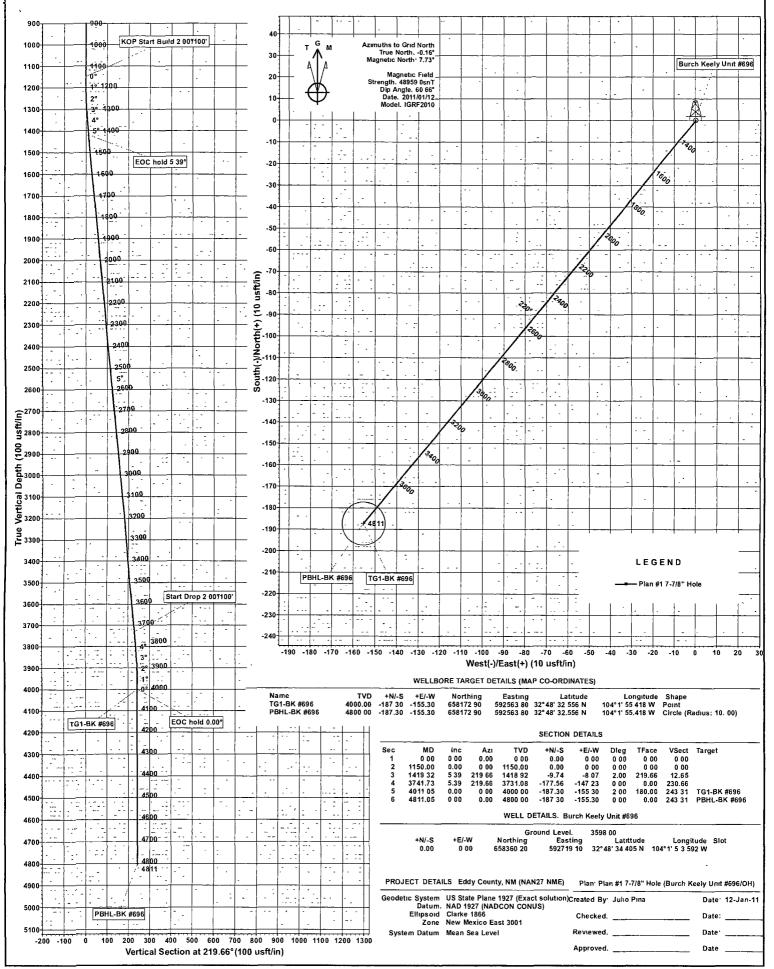
Scientific Drilling for COG Operating LLC Site: Eddy County, NM (NAN27 NME)

Well: Burch Keely Unit #696

Wellbore: OH

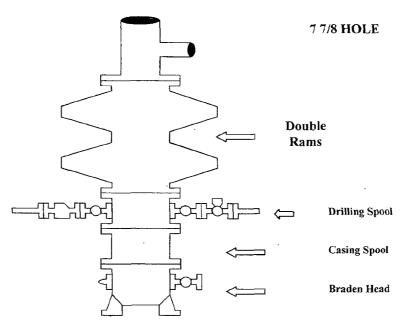
Design: Plan #1 7-7/8" Hole





COG Operating LLC

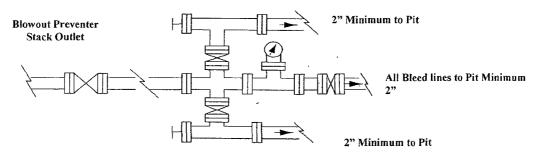
Exhibit #9 BOPE and Choke Schematic



Minimum 4" Nominal choke and kill lines

Choke Manifold Requirement (2000 psi WP) No Annular Required

Adjustable Choke



Adjustable Choke (or Positive)

NOTES REGARDING THE BLOWOUT PREVENTERS Master Drilling Plan Eddy County, New Mexico

- 1. Drilling nipple to be so constructed that it can be removed without use of a welder through rotary table opening, with minimum I.D. equal to preventer bore.
- 2. Wear ring to be properly installed in head.
- 3. Blow out preventer and all fittings must be in good condition, 2000 psi WP minimum.
- 4. All fittings to be flanged.
- 5. Safety valve must be available on rig floor at all times with proper connections, valve to be full 2000 psi WP minimum.
- 6. All choke and fill lines to be securely anchored especially ends of choke lines.
- 7. Equipment through which bit must pass shall be at least as large as the diameter of the casing being drilled through.
- 8. Kelly cock on Kelly.
- 9. Extension wrenches and hands wheels to be properly installed.
- 10. Blow out preventer control to be located as close to driller's position as feasible.
- 11. Blow out preventer closing equipment to include minimum 40-gallon accumulator, two independent sources of pump power on each closing unit installation all API specifications.

Blowout Preventers Page 2