

ATS-10-710  
11-935

OCD-ARTESIA

Form 3160-3  
(April 2004)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED  
OMB No 1004-0137  
Expires March 31, 2007

1a Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5 Lease Serial No. NMLC-029020M
1b Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6 If Indian, Allottee or Tribe Name N/A
2 Name of Operator COG Operating LLC		7 If Unit or CA Agreement, Name and No. N/A
3a Address 550 W. Texas, Suite 1300 Midland TX 79701	3b Phone No. (include area code) (432) 685-4385	8 Lease Name and Well No. Carmen Federal #15
4 Location of Well (Report location clearly and in accordance with any State requirements *) At surface SHL: 660' FNL & 600' FWL, Unit D At proposed prod zone BHL: 330' FNL & 330' FWL, Unit D		9 API Well No. 30-015-39289
14 Distance in miles and direction from nearest town or post office* 2.5 miles Northeast of Loco Hills, NM		10 Field and Pool, or Exploratory Loco Hills; Glorieta Yeso 96718
15 Distance from proposed* location to nearest property or lease line, ft (Also to nearest drig. unit line, if any) 600'	16 No. of acres in lease 159.57	11 Sec., T. R M or Blk. and Survey or Area Sec 3, T17S, R30E
17 Spacing Unit dedicated to this well 40	18 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 50'	12 County or Parish Eddy
19 Proposed Depth 6150' TVD; 6174' MD	20 BLM/BIA Bond No. on file NMB000740	13 State NM
21 Elevations (Show whether DF, KDB, RT, GL, etc.) 3730' GL	22 Approximate date work will start* 07/31/2011	23 Estimated duration 10 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No 1, shall be attached to this form.

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

25. Signature 	Name (Printed/Typed) Robyn M. Odom	Date 05/25/2011
Title Regulatory Analyst		

Approved by (Signature) Is/ Don Peterson	Name (Printed/Typed)	Date JUL 26 2011
Title FIELD MANAGER	Office CARLSBAD FIELD OFFICE	

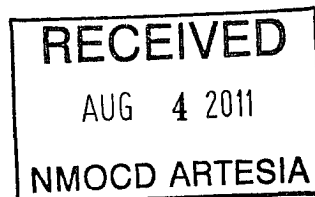
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
Conditions of approval, if any, are attached.

APPROVAL FOR TWO YEARS

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

\*(Instructions on page 2)

Roswell Controlled Water Basin



Approval Subject to General Requirements  
& Special Stipulations Attached

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

## MASTER DRILLING PROGRAM

### 1. Geologic Name of Surface Formation

Quaternary

### 2. Estimated Tops of Important Geologic Markers:

Quaternary	Surface
Rustler	340'
Top of Salt	500'
Base of Salt	1000'
Yates	1280'
Seven Rivers	1570'
Queen	2190'
Grayburg	2600'
San Andres	2910'
Glorietta	4380'
Paddock	4460'
Blinberry	4930'
Tubb	5940'

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

Water Sand	150'	Fresh Water
Grayburg	2600'	Oil/Gas
San Andres	2910'	Oil/Gas
Glorietta	4380'	Oil/Gas
Paddock	4460'	Oil/Gas
Blinberry	4930'	Oil/Gas
Tubb	5940'	Oil/Gas

No other formations are expected to give up oil, gas or fresh water in measurable quantities. Setting 13 3/8" casing to ~~425'~~ 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 1300' 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 (but calculated to surface), 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 the environment. *see COA*

#### 4. Casing Program

See COA

Hole Size	Interval	OD Casing	Weight	Grade	Jt., Condition	Jt.	brst/clps/ten
17 1/2"	0-425'340	13 3/8"	48#	H-40orJ-55	ST&C/New	ST&C	9.22/3.943/15.8
11"	0-1300'	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

13 3/8" Surface Casing:

450 Class C w/ 2% CaCl<sub>2</sub> + 0.25 pps CF, yield 1.32, back to surface. 101% excess

8 5/8" Intermediate Casing:

##### 11" Hole:

**Single Stage:** LEAD: 300 sx 50:50:10 C:Poz:Gel w/ 5% Salt +0.25% CF, yield-2.45 + TAIL: 200 sx Class C w/2% CaCl<sub>2</sub>, yield-1.32, back to surface. 202% excess

**Multi-Stage:** Stage 1: 200 Class C w/2% CaCl<sub>2</sub>, yield - 1.32; 26% excess. Stage 2: 300 sx 50:50:10 C:Poz:Gel w/ 5% Salt +0.25% CF, yield - 2.45, back to surface, 509% excess; assumption for tool is lost circulation. Multi stage tool to be set at approximately, depending on hole conditions, 475' (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 + 0.125 pps CF, yield-1.37, 62.4% open hole excess, cement calculated back to surface.

**Multi-Stage:** Stage 1: (Assumed TD of 6000') 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 CF, yield - 1.37, 31.8% excess; Stage 2: LEAD

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 - 1.02 110.8% open hole excess, cement calculated back to surface. Multi stage tool to be set at approximately, depending on hole conditions, 3000'. 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 nipped 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 nipped 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. *see cor*

## 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- <del>425</del> <sup>340</sup>	Fresh Water	8.5	28	N.C.
<del>425</del> -1300'	Brine	10	30	N.C.
1300'-TD	Cut Brine	8.7-9.1	29	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 cor*

- 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 8 5/8" casing shoe.
- B. Drill Stem test is not anticipated.
- C. No conventional coring is anticipated.
- D. Further testing procedures will be determined after the 5 1/2" 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 hold 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**

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 12 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)**

**Carmen Federal #15**

**Carmen Federal #15**

**OH**

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

**SHL = 660' FNL & 600' FWL**

**BHL = 380' FNL & 380' FWL**

**Top of Paddock = 380' FNL & 380' FWL @ 4400' TVD**

## **Standard Planning Report**

**18 November, 2010**





Scientific Drilling  
Planning Report



Database:	EDM-Julio	Local Co-ordinate Reference:	Site Carmen Federal #15
Company:	COG Operating LLC	TVD Reference:	GL Elev @ 3730.00usft
Project:	Eddy County, NM (NAN27 NME)	MD Reference:	GL Elev @ 3730.00usft
Site:	Carmen Federal #15	North Reference:	Grid
Well:	Carmen Federal #15	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #1 - 7-7/8" Hole		

Project:	Eddy County, NM (NAN27 NME)		
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:	Carmen Federal #15		
Site Position:	Map	Northing:	679,991.50 usft
From:		Easting:	612,815.90 usft
Position Uncertainty:	0.00 usft	Slot Radius:	13-3/16"
		Latitude:	32° 52' 7.822 N
		Longitude:	103° 57' 57.237 W
		Grid Convergence:	0.20°

Well:	Carmen Federal #15		
Well Position	+N/-S	0.00 usft	Northing:
	+E/-W	0.00 usft	Easting:
Position Uncertainty	0.00 usft	Wellhead Elevation:	Ground Level:
			3,730.00 usft

Wellbore:	OH		
Magnetics	Model Name	Sample Date	Declination
	IGRF2010	2010/11/18	7.89
			Dip Angle
			60.73
			Field Strength
			49,016

Design:	Plan #1 - 7-7/8" Hole		
Audit Notes:			
Version:	Phase:	PLAN	Tie On Depth:
			0.00
Vertical Section:	Depth From (TVD)	+N/-S	+E/-W
	(usft)	(usft)	(usft)
	0.00	0.00	0.00
			Direction
			321.58

Plan Sections										
Measured Depth	Inclination	Azimuth	Vertical Depth	+N/-S	+E/-W	Dogleg Rate	Build Rate	Turn Rate	TFO	Target
(usft)	(°)	(°)	(usft)	(usft)	(usft)	(°/100usft)	(°/100usft)	(°/100usft)	(°)	
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
1,450.00	0.00	0.00	1,450.00	0.00	0.00	0.00	0.00	0.00	0.00	
1,847.16	7.94	321.58	1,845.89	21.53	-17.08	2.00	2.00	0.00	321.58	
4,026.29	7.94	321.58	4,004.11	257.47	-204.22	0.00	0.00	0.00	0.00	
4,423.45	0.00	0.00	4,400.00	279.00	-221.30	2.00	-2.00	0.00	180.00	TG1-Carmen #15
6,173.45	0.00	0.00	6,150.00	279.00	-221.30	0.00	0.00	0.00	0.00	PBHL-Carmen #15





Scientific Drilling  
Planning Report



Database:	EDM-Julio	Local Co-ordinate Reference:	Site Carmen Federal #15
Company:	COG Operating LLC	TVD Reference:	GL Elev @ 3730 00usft
Project:	Eddy County, NM (NAN27 NME)	MD Reference:	GL Elev @ 3730 00usft
Site:	Carmen Federal #15	North Reference:	Grid
Well:	Carmen Federal #15	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #1 - 7-7/8" Hole		

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 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	
North HL-Carmen #15 - West HL-Carmen #15										
1,350 00	0 00	0 00	1,350 00	0 00	0 00	0 00	0 00	0 00	0 00	
8-5/8" Casing										
1,450 00	0 00	0 00	1,450 00	0 00	0 00	0 00	0 00	0 00	0 00	
KOP Start Build 2.00°/100'										
1,500 00	1 00	321 58	1,500 00	0 34	-0 27	0 44	2 00	2 00	0 00	
1,600 00	3 00	321 58	1,599 93	3 08	-2 44	3 93	2 00	2 00	0 00	
1,700 00	5 00	321 58	1,699 68	8 54	-6 77	10 90	2 00	2 00	0 00	
1,800 00	7 00	321 58	1,799 13	16 73	-13 27	21 35	2 00	2 00	0 00	
1,847 16	7 94	321 58	1,845 89	21 53	-17 08	27 49	2 00	2 00	0 00	
EOC hold 7.94°										
1,900 00	7 94	321 58	1,898 22	27 26	-21 62	34 79	0 00	0 00	0 00	
2,000 00	7 94	321 58	1,997 26	38 08	-30 21	48 61	0 00	0 00	0 00	
2,100 00	7 94	321 58	2,096 30	48 91	-38 79	62 43	0 00	0 00	0 00	
2,200 00	7 94	321 58	2,195 34	59 74	-47 38	76 25	0 00	0 00	0 00	
2,300 00	7 94	321 58	2,294 38	70 56	-55 97	90 06	0 00	0 00	0 00	
2,400 00	7 94	321 58	2,393 42	81 39	-64 56	103 88	0 00	0 00	0 00	
2,500 00	7 94	321 58	2,492 47	92 22	-73 15	117 70	0 00	0 00	0 00	
2,600 00	7 94	321 58	2,591 51	103 04	-81 73	131 52	0 00	0 00	0 00	
2,700 00	7 94	321 58	2,690 55	113 87	-90 32	145 34	0 00	0 00	0 00	
2,800 00	7 94	321 58	2,789 59	124 70	-98 91	159 16	0 00	0 00	0 00	
2,900 00	7 94	321 58	2,888 63	135 52	-107 50	172 98	0 00	0 00	0 00	
3,000 00	7 94	321 58	2,987 67	146 35	-116 08	186 80	0 00	0 00	0 00	
3,100 00	7 94	321 58	3,086 71	157 18	-124 67	200 62	0 00	0 00	0 00	
3,200 00	7 94	321 58	3,185 75	168 00	-133 26	214 44	0 00	0 00	0 00	
3,300 00	7 94	321 58	3,284 79	178 83	-141 85	228 26	0 00	0 00	0 00	
3,400 00	7 94	321 58	3,383 83	189 66	-150 43	242 08	0 00	0 00	0 00	
3,500 00	7 94	321 58	3,482 87	200 48	-159 02	255 90	0 00	0 00	0 00	
3,600 00	7 94	321 58	3,581 91	211 31	-167 61	269 71	0 00	0 00	0 00	
3,700 00	7 94	321 58	3,680 95	222 14	-176 20	283 53	0 00	0 00	0 00	
3,800 00	7 94	321 58	3,779 99	232 97	-184 79	297 35	0 00	0 00	0 00	
3,900 00	7 94	321 58	3,879 03	243 79	-193 37	311 17	0 00	0 00	0 00	
4,000 00	7 94	321 58	3,978 07	254 62	-201 96	324 99	0 00	0 00	0 00	
4,026 29	7 94	321 58	4,004 11	257 47	-204 22	328 62	0 00	0 00	0 00	
Start Drop 2.00°/100'										
4,100 00	6 47	321 58	4,077 24	264 71	-209 96	337 87	2 00	-2 00	0 00	
4,200 00	4 47	321 58	4,176 78	272 18	-215 89	347 40	2 00	-2 00	0 00	
4,300 00	2 47	321 58	4,276 59	276 92	-219 65	353 45	2 00	-2 00	0 00	
4,400 00	0 47	321 58	4,376 55	278 92	-221 24	356 01	2 00	-2 00	0 00	
4,423 45	0 00	0 00	4,400 00	279 00	-221 30	356 11	2 00	-2 00	163 84	
EOC hold 0.00° - TG1-Carmen #15										
6,173 45	0 00	0 00	6,150 00	279 00	-221 30	356 11	0 00	0 00	0 00	
PBHL-Carmen #15										



# Scientific Drilling Planning Report



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Project:	Eddy County, NM (NAN27 NME)	MD Reference:	GL Elev @ 3730.00usft
Site:	Carmen Federal #15	North Reference:	Grid
Well:	Carmen Federal #15	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #1 - 7-7/8" Hole		

Design Targets									
Target Name	hit/miss target	Dip Angle	Dip Dir.	TVD	+N/-S	+E/-W	Northing	Easting	
Shape		(°)	(°)	(usft)	(usft)	(usft)	(usft)	(usft)	
North HL-Carmen #15		0 00	0 00	0 00	329 00	-271 30	680,320 50	612,544 60	
- plan misses target center by 426 43usft at 0 00usft MD (0 00 TVD, 0 00 N, 0 00 E)									
- Rectangle (sides W200 00 H0 00 D0 00)									
West HL-Carmen #15		0 00	0 00	0 00	329 00	-271 30	680,320 50	612,544 60	
- plan misses target center by 426 43usft at 0 00usft MD (0 00 TVD, 0 00 N, 0 00 E)									
- Rectangle (sides W0 00 H200 00 D0 00)									
TG1-Carmen #15		0 00	0 00	4,400 00	279 00	-221 30	680,270 50	612,594 60	
- plan hits target center									
- Circle (radius 50 00)									
PBHL-Carmen #15		0 00	0 00	6,150 00	279 00	-221 30	680,270 50	612,594 60	
- plan hits target center									
- Circle (radius 50 00)									

Casing Points					
Measured Depth	Vertical Depth	Name		Casing Diameter	Hole Diameter
(usft)	(usft)			(")	(")
1,350 00	1,350 00	8-5/8" Casing		8-5/8	12-1/4

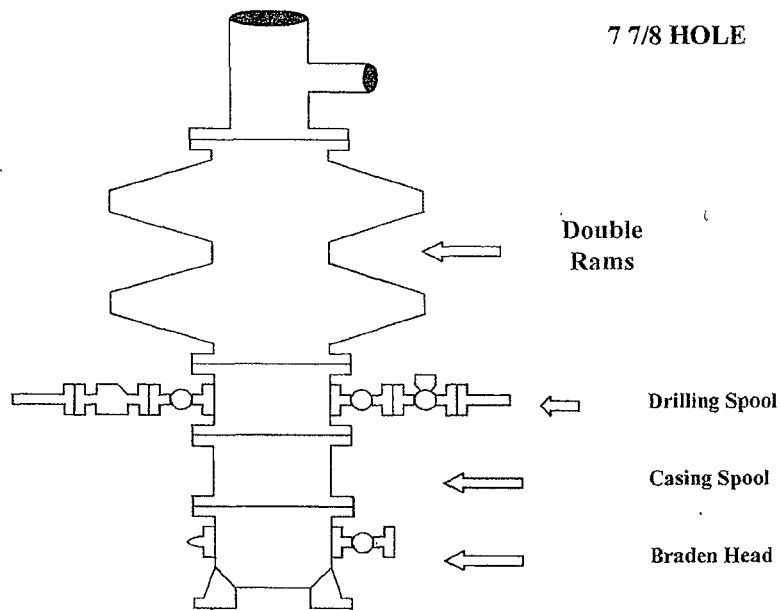
Plan Annotations					
Measured Depth	Vertical Depth	Local Coordinates		Comment	
(usft)	(usft)	+N/-S	+E/-W		
(usft)	(usft)	(usft)	(usft)		
1,450.00	1,450 00	0 00	0 00	KOP Start Build 2.00°/100'	
1,847 16	1,845 89	21 53	-17 08	EOC hold 7 94°	
4,026 29	4,004 11	257 47	-204 22	Start Drop 2 00°/100'	
4,423 45	4,400 00	279 00	-221 30	EOC hold 0 00°	



# COG Operating LLC

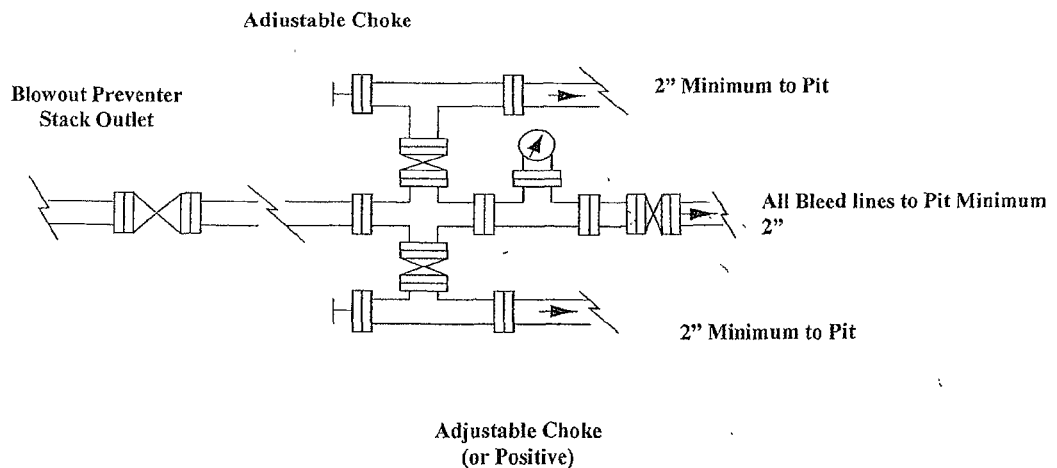
## Exhibit #9

### BOPE and Choke Schematic



Minimum 4" Nominal choke and kill lines

Choke Manifold Requirement (2000 psi WP)  
No Annular Required



**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.