

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires, July 31, 2010SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an
abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other Instructions on page 2.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM059383
2. Name of Operator COG Operating LLC ✓		6. If Indian, Allottee, or Tribe Name
3a. Address 2208 W. Main Street Artesia, NM 88210	3b. Phone No. (include area code) 575-748-6940	7. If Unit or CA Agreement Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1715' FNL & 2220' FEL Unit Letter G (SWNE) SHL Sec 5-23S- 29E		8. Well Name and No. Road Lizard 5 Federal Com # 2 H
Lat. Long.		9. API Well No. 30-015-39283
		10. Field and Pool, or Exploratory Area Culebra Bluff; Bone Spring
		11. County or Parish, State Eddy County NM

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and abandon	<input type="checkbox"/> Temporarily Abandon	Notice of
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug back	<input type="checkbox"/> Water Disposal	Non-Compliance

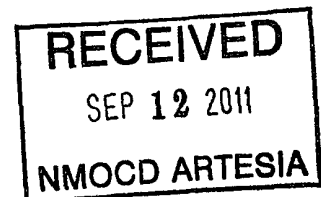
13. Describe Proposed or Completed Operation (clearly state all pertinent details including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths or pertinent markers and sands. Attach the Bond under which the work will be performed or provide the Bond No. on file with the BLM/ BIA Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notice shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

COG Operating LLC is addressing the incidents of non-compliance dated 9/1/2011 by the following attachments.

- 1) Abatement/Remediation Plan - Which includes a well pad size of 310' x 330'
- 2) Production Facility Layout/Final Reclamation Design
- 3) Survey Map depicting the well pad.

Surface: J Fast 9-2-11

Accepted for record - NMOCD
DA 9-14-11



14. I hereby certify that the foregoing is true and correct.
Name (Printed: Typed)

Rand French

Title: Regulatory Coordinator

Signature: *Rand French*

Date: 9/1/11

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by: *[Signature]*

Title: *AFM*

Date: 9/2/11

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

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 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)

Date: September 1, 2011

Purpose: Abatement/Remediation Plan for Notice of Incidents of Noncompliance resulting in the shut down of well operations on 9/1/2011.

Well Name: Road Lizard 5 Federal Com #2H

Legal Description: T23S. R29E. Section 5 SWNE

The following will identify the necessary steps taken to correct the current actions of non compliance. This plan will further identify additional steps taken that were discussed with the interested parties on Tuesday August 30, 2011 and on Thursday September 1, 2011 when the field meeting was conducted by the BLM.

Overview and Immediate Remediation Actions:

Prior to this morning's meeting, an initial attempt was made to correct the issues and concerns that United Salt Corp and Mosaic had in regards to the construction of the above mentioned well. During pad construction overburden material was placed on the West (A) and the North (B) sides of the proposed location. (See Attached Map). This loose overburden of soil was approximately 8-12 feet high and was in close proximity to small drainages. If a major storm event would occur this material may end up impacting the salt lakes to the East. On Wednesday work began to address these concerns which comprised of pushing the topsoil back onto the pad and watering to reduce this risk. While doing so, some material was displaced into a couple of the smaller (1-2') washes. Once notified by the BLM late that afternoon work was stopped. A meeting was scheduled with all parties this morning and the following actions were agreed upon.

Actions Set Forth

While the Rig is shut down, Concho Resources has agreed to complete the following actions to address the Incidents of Noncompliance.

1. To reduce the likelihood and amount of sediment loading, the overburden topsoil on the North side (B) of location will be removed and hauled to an agreed upon BLM caliche pit located off of SR 31 in Sec. 9 of T23S-R28E SESE. This area outside of the pad where the topsoil was located will be watered to help in compaction and reduce the amount of potential erosion.
2. In combination of reducing the pad size and minimizing erosion, the material on the West (A) will be pushed off and onto the location. An estimated area of 40 feet wide by 310 feet long will be filled with this material. This material will also be watered during the process to allow for compaction and stabilization.
3. Items #1 and #2 will address most of the concerns. As a result of this work there will be a reduction in pad size to approximately 310' x 330' and the material will be less likely to erode.

Constant water will be necessary. Water will be periodically placed on loose material for settling and compaction purposes.

4. A small trench will be cut from the edge of the Right of Way fence going diagonally in a northeasterly direction approximately 40 feet to reduce the amount of water that would normally flow down three small channels (6 inches to 1 foot in depth). This will remove the risk of sediment entering into the large drainage and towards the salt lake.
5. Continue to water road to address dust abatement.
6. A new production facility diagram is also attached showing final reclamation and locations of facilities. Specific requirements for seeding and other reclamation requirements will be followed as called for in the APD.

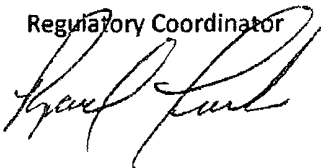
Other Proposed Actions:

These actions will be completed as soon as possible. Material will need to be ordered and scheduled for installation.

1. Another project may consist of building erosion dikes on Federal land east of the railroad tracks where the topography flattens out to use as silt catchments and water retention. Planning along with Archeology surveys will need to be conducted prior too.
2. Starting at the top (by highway 31) and working down several small channels, gabions will be constructed to catch sediment and slow water flow patterns.
3. Due to the extent of high erodible soils and to get vegetation established on disturbed soils; erosion control matting (biodegradable) will be used on areas outside of the well pad area.

If there are any questions or if I can be of any assistance please call me at 432-254-5556

Rand French
Regulatory Coordinator

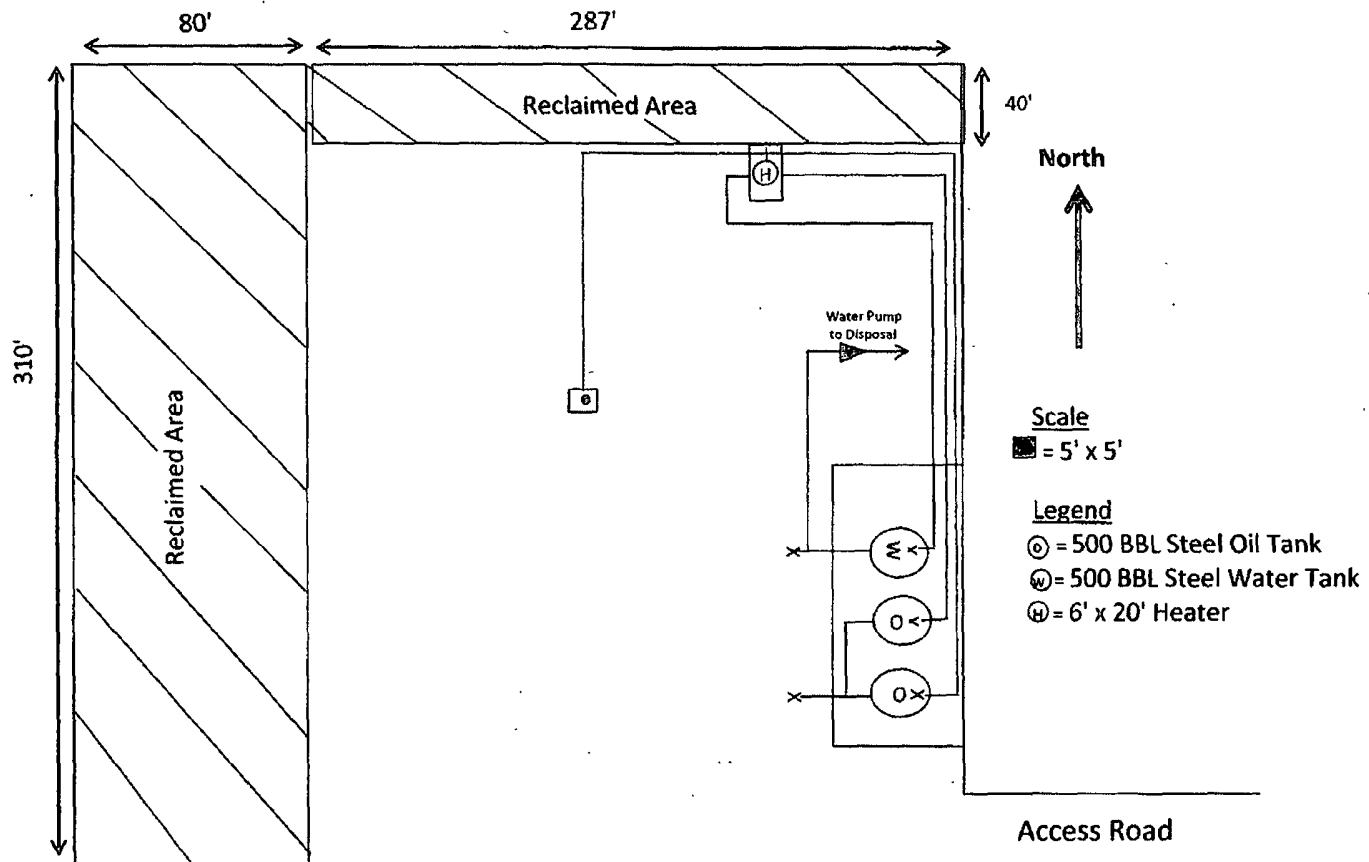


9/1/11

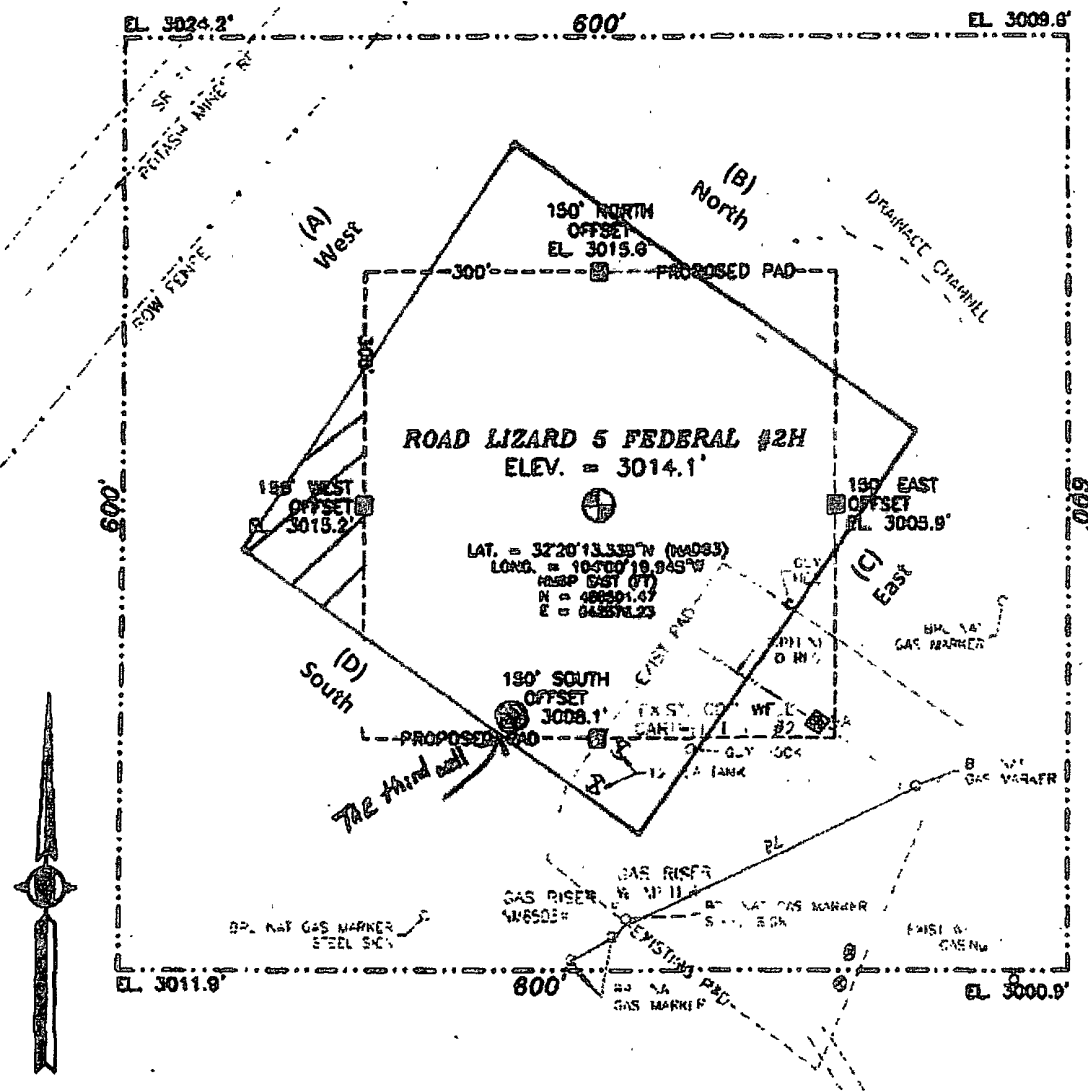
CONCHO
COG Operating LLC
2208 West Main
Artesia, NM 88210

Production Facility Layout

Final Reclamation Layout
Road Lizard 5 Federal #2H



SECTION 5, TOWNSHIP 23 SOUTH, RANGE 29 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO



0 50 100 200

SCALE 1" = 100'

INSTRUCTIONS TO LOCATOR
FROM THE INTERSECTION OF STATE ROAD 31 AND U.S. HIGHWAY ROAD
GO EAST ON STATE ROAD 31 1.5 MILES TO GRADE ROAD WITH A
CRISTE CURVE ON THE RIGHT HAND SIDE (ABOUT) GO 200 FT ON
CALCULATED ROAD TO 12" WATER ROAD ON THE LEFT (ABOUT) GO ABOUT
200 FT TO WELL LOCATION

COG OPERATING, LLC
ROAD LIZARD 5 FEDERAL #2H
LOCATED 1715 FT. FROM THE NORTH LINE
AND 2220 FT. FROM THE EAST LINE OF
SECTION 5, TOWNSHIP 23 SOUTH,
RANGE 29 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO

SURVEY NO. 431A.

MAY 23, 2011

MADRON SURVEYING, INC. CARLSBAD, NEW MEXICO

CONDITIONS OF APPROVAL

OPERATOR'S NAME:	COG Operating LLC
LEASE NO.:	NMNM059383
WELL NAME & NO.:	Road Lizard 5 Federal Com #2H
SURFACE HOLE FOOTAGE:	1715' FNL & 2220' FEL
LOCATION:	Section 5, T. 23 S., R. 29 E., NMPM
COUNTY:	Eddy County, New Mexico

1. Upon completion of the soil stabilization measures described in the shut in order, notify Jim Amos at 575-361-2648 in order to conduct final inspection prior to lifting order.
2. Upon completion of the proposed actions, the BLM will determine if further measures are needed for stabilization of the soil.
3. Any surface disturbance that occurs outside of the surveyed 600 X 600 feet area for the Road Lizard 5 Federal Com #2H shall be approved by a BLM staff archeologist prior to starting construction.