

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB NO 1004-0135
Expires: July 31, 2010**SUNDRY 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.5. Lease Serial No.
NMLC028992H

6. If Indian, Allottee or Tribe Name

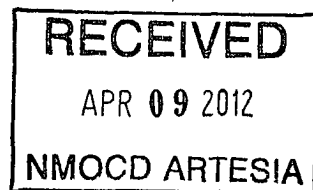
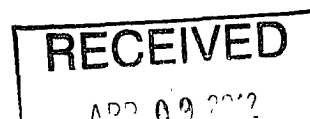
7. If Unit or CA/Agreement, Name and/or No.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.1 Type of Well
☐ Oil Well ☐ Gas Well ☒ Other: INJECTION8 Well Name and No.
LOCO HILLS SWD 34 52 Name of Operator
COG OPERATING LLC
Contact: KANICIA CASTILLO
E-Mail: kcastillo@conchoresources.com9. API Well No.
30-015-39477-00-X13a Address
550 WEST TEXAS AVENUE SUITE 100
MIDLAND, TX 797013b Phone No (include area code)
Ph: 432-685-433210 Field and Pool, or Exploratory
SALT WATER DISPOSAL (SWD)4 Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 34 T17S R30E SENW 1650FNL 1595FWL11 County or Parish, and State
EDDY COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) 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"/> Alter Casing	<input checked="" 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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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 of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with 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 Notices 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.)

Notice of Intent for completion of Loco Hills SWD 34 #5
SWD-1284
Please see attachment.SUBJECT TO LIKE
APPROVAL BY STATESEE ATTACHED FOR
CONDITIONS OF APPROVALAccepted for record
NMOCD RE - 4/21/12 - w/ CONDITIONS

14 I hereby certify that the foregoing is true and correct.

Electronic Submission #131286 verified by the BLM Well Information System
For COG OPERATING LLC, sent to the Carlsbad
Committed to AFMSS for processing by KURT SIMMONS on 02/21/2012 (12KMS1053SE)

Name (Printed/Typed) KANICIA CASTILLO

Title PREPARER

Signature (Electronic Submission)

Date 02/21/2012

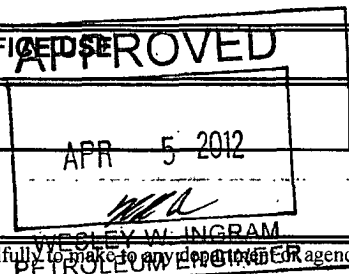
THIS SPACE FOR FEDERAL OR STATE OFFICIAL USE

Approved By

Title

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.

Office



Date

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.

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

- I. **Subject of Notice:** COG Operating LLC's Loco Hills SWD 34 #5 well, API 30-015-39477-00-X1, Sec 34 T17S R30E SENW 1650FNL 1595FWL, Eddy Co., NM.
- II. **Objective of Notice:** Obtain approval for the completion procedure for this well.
- III. **Reason for Notice:** This notice is to comply with stipulations in the COA for this well. That certain stipulation being designated as Item E. 'Well Completion', requiring this NOI to be filed as set forth on page 3 of 15 for Lease No. NMLC028992H.
- IV. **Authorities Granted:**
- a. **State of New Mexico Authority to Dispose,** Permit: SWD 1284, June 1, 2011
- b. **Federal Bureau of Land Management in Carlsbad, New Mexico** drilled as per approved Form 3160-3 and all other documents and Sundry Notices and Reports on Wells and COA's as approved or ordered. Form 3160-3 dated August 30, 2011
- V. **Well Status:** COG's Loco Hills SWD 34 #5 is currently in a suspended state pending approval of this NOI for completion. Below is a summary of the casing as run and cemented in this well. All casing strings have cement circulated to surface of the ground.

Casing	Size	Set @	Top Cmt
Surface	13 3/8"	435	Circ
Intermediate	9 5/8"	4,000	Circ
Production	7"	9,589	Circ

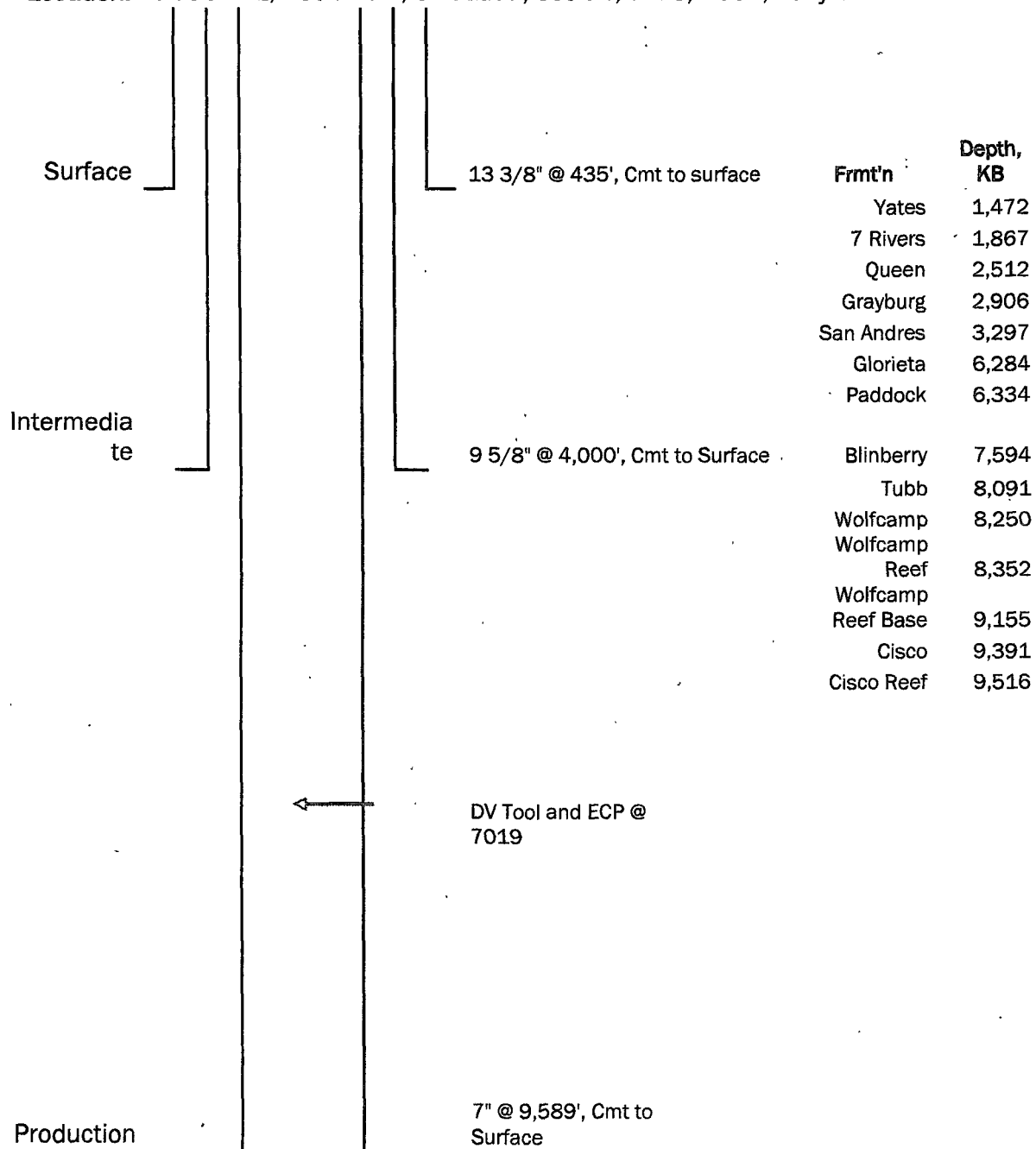
A graphic representation of the well is shown on the next page.

- I. Subject of Notice: COG Operating LLC's Loco Hills SWD 34 #5 well, API 30-015-39477-00-X1, Sec 34 T17S R30E SENW 1650FNL 1595FWL, Eddy Co., NM.
- II. Objective of Notice: Provision of supplemental information for this completion NOI.
- III. Reason for Notice: To answer an additional questions set forth by the BLM on February 12, 2012 on this well. Also to provide supplemental information and/or acknowledge receipt of and intent to comply with those instructions issued in that notice.
- IV. Answers:

Question: Operator stated that they drilled the well according to the approved 3160-3. The BLM stated in the Conditions of Approval that the surface casing was to be set at approximately 360'. Operator to explain why casing was set at 435' since there is no information requesting a change in depth.

Answer: "DRILL FROM 336' TO 435' AT 40 FPH, TD 17 1/2" HOLE AT 16:00 MST ON 1/19/12, RICHARD CARRASCO WITH BLM WAS NOTIFIED AT 14:44 MST ON 1/19/12 FOR PERMISSION WHICH WAS GRANTED TO DRILL TO 435' TD, HOLE DEPTH WAS PROJECTED AT 25' INTO RUSTLER (397') BUT 435' WAS NEEDED TO MATCH CASING."
- V. Acknowledgement and/or Intent to Comply:
 - A. Breakdown pressures: COG will provide breakdown pressure and will not fracture formation.
 - B. Swab Test, OH Logs: COG will swab test this well and provide NMOCD notice of this swabbing. COG will provide a computed log across this interval prior to disposal in this wellbore to NMOCD or BLM as required, requested.
 - C. SWD-1284: COG does and will continue to comply with all SWD orders issued as to Maximum Disposal Pressure on this and other operated SWD's.

Well: Loco Hills SWD 34 #5
API: 30-015-39477 SWD Permit: 1284
Elev: 3,570.3 KB; 3,551.8 GL
Location: 1650 FNL; 1595 FWL, Unit Ltr. F, Sec 34, T17S, R30E, Eddy Co. NM



VI. Proposed Completion Procedure:

1. MIRU Well Service Unit.
2. Set 3000 psig WP, BOP, Hydraulic, blind by pipe, with upper bag type preventer. Contact BLM for witness 4 hours prior to function and pressure test by third party.
3. Set up closed loop system consisting of reverse unit pit.
4. GIH w/ 6 1/8" mill tooth bit, drill collars and 2 7/8" work string. Drill out DV tool and ECP. POOH w/ mill tooth bit.
5. GIH to btm and circulate hole clean. POOH w/ tubing, collars and bit.
6. RU cased hole logging truck to run GR/CLL/CBL. GR tie to OH log as follows: Schlumberger Well Service, Platform Express, date 2/13/2012.
7. Perforate specified intervals, 4 jet shots per foot, inclusive within the permitted depth range of approximately ~~8,352~~ to ~~9,155~~. *8500 to 9250.*
8. GIH w/ packer and work string. Spot acid across perforated interval, breakdown the interval. Record ISIP and 5, 10 and 15 minute SI's.
9. Acidize full interval after analysis of breakdown pressures.
10. Swab test interval to insure no commercial hydrocarbon production. Notify BLM 4 hours prior to swab test in the event the BLM wishes to witness.
11. POOH w/ work string, PU packer with O/F tool and profiles, GIH w/ pkr and 3 1/2", 8rd, EUE, IPC tubing. Set pkr within 100' of top perf.
12. Run step rate test to determine parameters for disposal pump design.
13. No disposal will be made into this well until the ROW from COG Main Line to well is completed and approved by BLM, Carlsbad Realty Section.

*BEFORE TO DISPOSAL, MIT PRESSURE TEST
MUST BE WITNESSED BY NMOED.
CONTACT THE OGD TO ARRANGE A DATE
AND TIME.*

RE - NMOED

Loco Hills SWD 34 5
30-015-39477
COG Operating LLC
April 5, 2012
Conditions of Approval

1. Operator stated that they drilled the well according to the approved 3160-3. The BLM stated in the Conditions of Approval that the surface casing was to be set at approximately 360'. Operator to explain why casing was set at 435' since there is no information requesting a change in depth.
 - a. Operator stated that they received approval from Richard Carrasco at 1444 hours 1/19/2012. If operator was drilling at 40 fph they were already past the approved depth at this time. Approximate depth at time of request calculates to 385'.
 - b. Richard Carrasco does not have authority to change the casing depths. That has to be approved by a BLM engineer and there is no confirmation in the BLM files that support this request even to Richard. Once the logs are received, they will be used to verify that COG set in the Rustler.
2. Operator to provide breakdown pressures. Formation shall not be fractured.
 - a. Operator responded that they will provide breakdown pressure and that formation will not be fractured.
 - b. Operator should have an approximate value for the breakdown pressure. If review of treatment indicates that formation has been fractured, operator shall submit plan to keep water within approved injection zone.
3. Swab test – operator to confirm with NMOCD that this is acceptable as order required the well be tested to their satisfaction. This will have to be reviewed prior to commencing injection. Operator to also use open hole logs to establish no production in paying quantities.
 - a. Operator stated that they will provide NMOCD notice of the swabbing. NMOCD may still require additional testing.
 - b. Operator to submit all test results for determination of production to BLM and NMOCD.
4. Operator is restricted to 1700 psi per order SWD-1284.
5. Completion procedure conditions:
 - a. Submit copy of all logs run to BLM.
 - b. Breakdown pressures to be submitted.
 - c. Submit step rate test results.

WWI 040512