

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000**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.***SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

COG OPERATING, LLC.

3a. Address

550 WEST TEXAS AVE
SUITE 1300 MIDLAND, TEXAS 79701

3b. Phone No. (include area code)

432-685-4342

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2045' FSL & 705' FWL SECTION 29 T23S-R30E EDDY CO. NM

5. Lease Serial No.
NM-921806. If Indian, Allottee or Tribe Name
-----7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

GOLD RUSH "29" FED. # 2

9. API Well No.

10. Field and Pool, or Exploratory Area

NASH DRAW-BRUSHY CANYON

11. County or Parish, State

EDDY CO. NEW MEXICO

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 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 <u>MOVE</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>LOCATION</u>
	<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.)

1. COG OPERATING, LLC. requests the approval to move the location of their GOLD RUSH "29" FEDERAL # 2. FROM: 2045' FSL & 405' FWL SEC. 29 T23S-R30E EDDY CO. NM
TO: 2045' FSL & 705' FWL SEC. 29 T23S-R30E EDDY CO. NM
2. The reason for this move is to avoid Archaeology.

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

Name (Printed/Typed)

Joe T. Janica

Title Agent

Signature

Date 02/24/05

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ Linda S. C. Rundell

Title STATE DIRECTOR

Date

APR 19 2005

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

NM STATE OFFICE

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised JUNE 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code 47545	Pool Name NASH DRAW-BRUSHY CANYON
Property Code	Property Name GOLD RUSH 29 FEDERAL	Well Number 2
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3104'

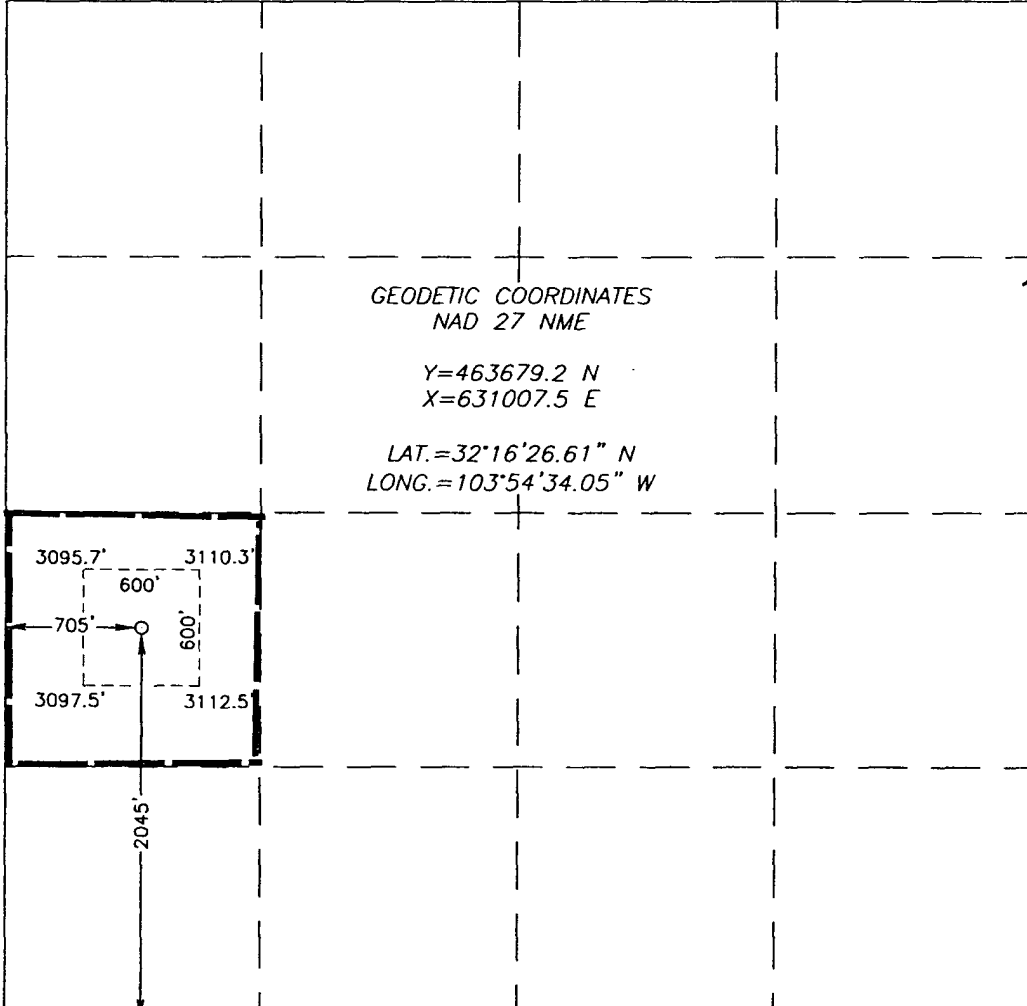
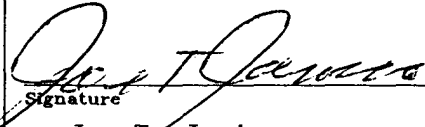
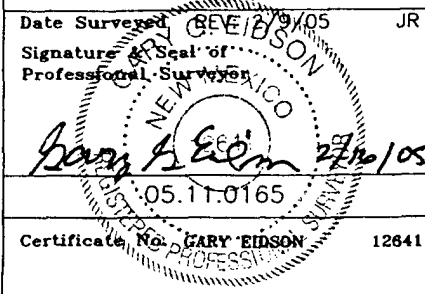
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	29	23-S	30-E		2045	SOUTH	705	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

 <p>GEODETIC COORDINATES NAD 27 NME Y=463679.2 N X=631007.5 E LAT.=32°16'26.61" N LONG.=103°54'34.05" W</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p> Signature Joe T. Janica Printed Name Agent Title 02/24/05 Date</p> <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>FEBRUARY 2, 2005</p> <p>Date Surveyed Signature & Seal of Professional Surveyor  Certificate No. GARY EDSON 12841</p>
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District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

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

Form C-144
June 1, 2004

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: 432-687-7443 e-mail address: enelson@conchoresources.com
Address: 550 W. Texas, Suite 1300 Midland, TX 79701
Facility or well name: Gold Rush 29 Federal #2 API #: 30 015-34081 U/L or Qtr/Qtr L Sec 29 T 23S R 30E
County: Eddy Latitude 32°16' 26.61" N Longitude 103°54'34.05" W NAD: 1927 ☒ 1983 ☐
Surface Owner: Federal ☒ State ☐ Private ☐ Indian ☐

Pit

Type: Drilling ☒ Production ☐ Disposal ☐
Workover ☐ Emergency ☐
Lined ☒ Unlined ☐
Liner type: Synthetic ☒ Thickness 12 mil Clay ☐
Pit Volume 30,000 bbl

Below-grade tank

Volume: bbl Type of fluid:
Construction material:
Double-walled, with leak detection? Yes ☐ If not, explain why not.

RECEIVED

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	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

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:

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: 4/7/05

Printed Name/Title Erick Nelson / Sr. Engineer

Signature Erick Nelson

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.

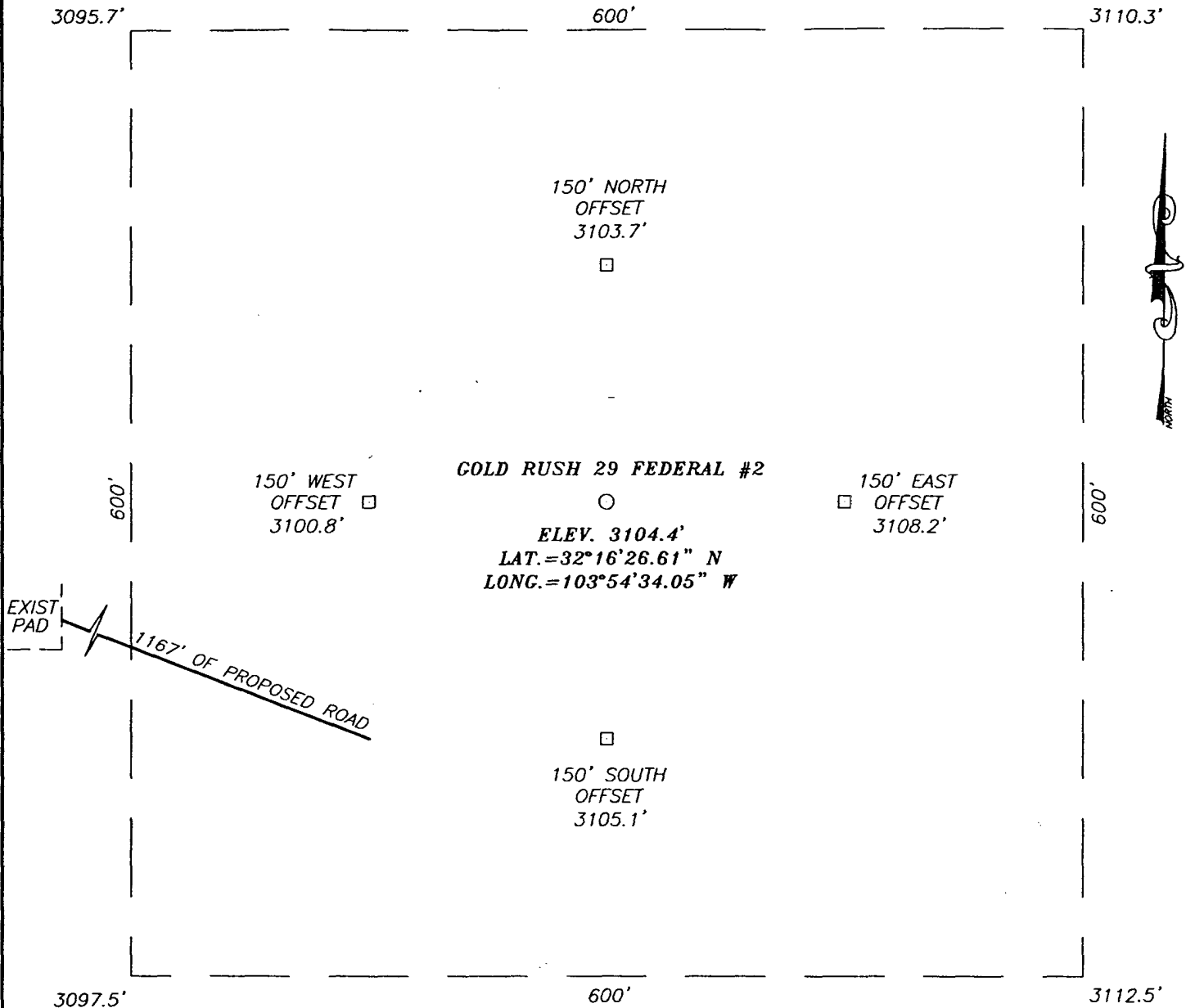
Approval:

Printed Name/Title Wild Dog ID

Signature Wild Dog ID

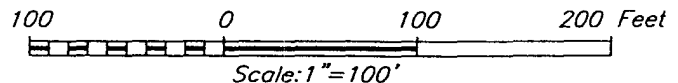
Date: APR 15 2005

SECTION 29, TOWNSHIP 23 SOUTH, RANGE 30 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

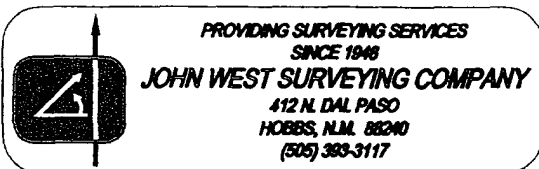
FROM THE INTERSECTION OF STATE HWY. #128
(JAL HIGHWAY) AND CO. RD. #793 (RAWHIDE RD.)
GO SOUTH ON CO. RD. #793 FOR APPROX. 3.7
MILES. TURN LEFT (EAST) AND GO APPROX. 0.5
MILES. TURN RIGHT (SOUTH) AND GO 0.2 MILES
TO THE GOLD RUSH 30 FED. #4 WELL. FROM THE
EAST SIDE OF THE PAD FOLLOW THE PROPOSED
ROAD SURVEY APPROX. 1167' TO THIS LOCATION.



COG OPERATING, LLC

GOLD RUSH 29 FEDERAL #2 WELL
LOCATED 2045 FEET FROM THE SOUTH LINE
AND 705 FEET FROM THE WEST LINE OF SECTION 29,
TOWNSHIP 23 SOUTH, RANGE 30 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.

Survey Date: 2/2/05		Sheet 1 of 1 Sheets	
W.O. Number: 05.11.0165		Dr By: J.R.	Rev 1:N/A
Date: 2/5/05	Disk: CD#5	05110165	Scale: 1"=100'



APPLICATION TO DRILL

COG OPERATING, LLC.
GOLD RUSH "29" FEDERAL # 2
UNIT "L" SECTION 29
T23S-R30E EDDY CO. NM

In response to questions asked under Section II of Bulletin NTL-6 the following information on the above well is provided for your consideration.

1. Location of well: 2045' FSL & 405' FWL SECTION 29 T23S-R30E EDDY CO. NM

2. Ground Elevation above Sea Level: 3098' GR

3. Geological age of surface formation: Quaternary Deposits:

4. Drilling tools and associated equipment: Conventional rotary drilling rig using drilling mud as a circulating medium to remove solids from hole.

5. Proposed drilling depth: 7450'

6. Estimated tops of geological markers:

Lamar	3290'	Brushy Canyon	6350'
Bell Canyon	4280'	Bone Spring	7080'
Cherry Canyon	5780'	Avalon Sand	7190'

7. Possible mineral bearing formations:

Brushy Canyon	Oil
Bone Spring	Oil
Avalon Sand	Oil

8. Casing Program:

Hole Size	Interval	OD of Casing	Weight	Thread	Collar	Grade
25"	0-40'	20"	NA	NA	NA	Conductor
17½"	0- 650' 250-350'	13 3/8"	54.5	8-R	ST&C	J-55
12½"	0-3100'	8 5/8"	32	8-R	ST&C	J-55
7 7/8"	0-7450'	5½"	15.5	8-R	LT&C	J-55

APPLICATION TO DRILL

COG OPERATING, LLC.
GOLD RUSH "29" FEDERAL # 2
UNIT "L" SECTION 29
T23S-R30E EDDY CO. NM

9. CASING CEMENTING & SETTING DEPTH:

20"	Conductor	Set 40' of 20" conductor pipe and cement to surface Redi-mix.
13 3/8"	Surface	Set 650' of 13 3/8" 54.5# J-55 ST&C casing. Cement with 500 Sx. of Halco Light + additives, tail in with 250 Sx. of Class "C" + 2% CaCl, + 1/4# Flocele/Sx. Circulate cement.
8 5/8"	Intermediate	Set 3100' of 8 5/8" 32# J-55 ST&C casing. Cement with 925 Sx. of Halco Light + additives, tail in with 250 Sx. of Class "C" cement + 2% CaCl, + 1/4# Flocele/Sx. circulate cement to surface.
5 1/2"	Production	Set 7450' of 5 1/2" 15.5# J-55 LT&C casing. Cement with 700 Sx. of Halco Light cement + additives, tail in with 300 Sx. of Class "H" Modified + additives, circulate cement to surface.

10. PRESSURE CONTROL EQUIPMENT: Exhibit "E" shows a 900 series 3000 PSI working pressure B.O.P. consisting of an annular bag type preventor, middle blind rams, and bottom pipe rams. The B.O.P. will be nipped up on the 13 3/8" casing and tested to API specifications. The B.O.P. will be operated at least once each 24 Hr. period and the blind rams will be operated when the drill pipe is out of on trips. Full opening stabbing valve and upper kelly cock will be available in case if needed. Exhibit "E-1" shows a hydraulically operated closing unit and a 3" 3000 PSI choke manifold with adjustable chokes. No abnormal pressures or temperatures are expected while drilling this well. No problems in offset wells.

11. PROPOSED MUD CIRCULATING SYSTEM:

DEPTH	MUD WT.	VISC.	FLUID LOSS	TYPE MUD SYSTEM
40-650'	8.4-8.7	29-34	NC	Fresh water use paper to control seepage.
650-3100'	10.0-10.2	29-38	NC	Brine water add paper to control seepage & High viscosity sweeps to clean hole.
3100-6900'	8.4-8.7	29-38	NC	Fresh water use Gel for for high viscosity sweeps to clean hole.
6900-7450'	8.4-8.7	34-40	10 cc or less	Same as above add a Poly- to reduce water loss and Gel for viscosity use high viscosity sweeps to clean hole.

Sufficient mud materials will be kept on location at all times in order to combat lost circulation, or unexpected kicks. In order to run DST's, open hole logs, and casing, viscosity, and water loss may have to be adjusted to meet these needs.

APPLICATION TO DRILL

COG OPERATING, LLC.
GOLD RUSH "29" FEDERAL # 2
UNIT "L" SECTION 29
T23S-R30E EDDY CO. NM

12. LOGGING, CORING, AND TESTING PROGRAM:

- A. Open hole logs: Dual Induction, CNL, LDT, Gamma Ray and Caliper from TD back to 3100'.
- B. Run Gamma Ray, CNL from 3100' back to surface.
- C. Mud logger will be placed on hole at 3100' and remain on hole to TD.
- D. No DST's or cores are planned at this time.

13. POTENTIAL HAZARDS:

No abnormal pressures or temperatures are expected. There is no known presence of H²S in this area. If H²S is encountered the operator will comply with the provisions of Onshore Oil and Gas Order No. 6. No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. Estimated BHP 3800 PSI, and Estimated BHT 150°.

14. ANTICIPATED STARTING DATE AND DURATION OF OPERATION:

Road and location construction will begin after the BLM has approved the APD. Anticipated spud date will be as soon after BLM approval and as soon as a rig will be available. Move in operation and drilling is expected to take 22 days. If production casing is run then an additional 30 days will be needed to complete well and construct surface facilities and/or lay flowlines in order to place well on production.

15. OTHER FACETS OF OPERATIONS:

After running casing, cased hole Gamma Ray, Neutron Collar logs will be run from TD back to all possible productive zones. The BRUSHY CANYON formation will be perforated and stimulated in order to establish production. The well will be swab tested and potentialized as an oil well.

1. All Company and Contract personnel admitted on location must be trained by a qualified H₂S safety instructor to the following:
 - A. Characteristics of H₂S
 - B. Physical effects and hazards
 - C. Proper use of safety equipment and life support systems.
 - D. Principle and operation of H₂S detectors, warning system and briefing areas.
 - E. Evacuation procedure, routes and first aid.
 - F. Proper use of 30 minute pressure demand air pack.
2. H₂S Detection and Alarm Systems
 - A. H₂S detectors and audio alarm system to be located at bell nipple, end of blowie line (mud pit) and on derrick floor or doghouse.
3. Windsack and/or wind streamers
 - A. Windsack at mudpit area should be high enough to be visible.
 - B. Windsack at briefing area should be high enough to be visible.
 - C. There should be a windsack at entrance to location.
4. Condition Flags and Signs
 - A. Warning sign on access road to location.
 - B. Flags to be displayed on sign at entrance to location. Green flag, normal safe condition. Yellow flag indicates potential pressure and danger. Red flag, danger, H₂S present in dangerous concentration. Only emergency personnel admitted to location.
5. Well control equipment
 - A. See exhibit "E" & "E-1"
6. Communication
 - A. While working under masks chalkboards will be used for communication.
 - B. Hand signals will be used where chalk board is inappropriate.
 - C. Two way radio will be used to communicate off location in case of emergency help is required. In most cases cellular telephones will be available at most drilling foreman's trailer or living quarters.
7. Drillstem Testing
 - A. Exhausts will be watered.
 - B. Flare line will be equipped with an electric ignitor or a propane pilot light in case gas reaches the surface.
 - C. If the location is near to a dwelling a closed DST will be performed.

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

8. Drilling contractor supervisor will be required to be familiar with the effects H₂S has on tubular goods and other mechanical equipment.
9. If H₂S is encountered, mud system will be altered if necessary to maintain control of formation. A mud gas separator will be brought into service along with H₂S scavengers if necessary.

SURFACE USE PLAN

COG OPERATING, LLC.
GOLD RUSH "29" FEDERAL # 2
UNIT "L" SECTION 29
T23S-R30E EDDY CO. NM

1. EXISTING AND PROPOSED ROADS: Area maps: Exhibit "B" is a reproduction of a County General Hi-way map showing access roads to the location. Exhibit "C" is a reproduction of a USGS Topographic map showing existing roads in close proximity to the location and the proposed access roads. All existing roads will be maintained in a condition equal to or better than their current conditions. All new roads will be constructed to BLM specifications.
 - A. Exhibit "A" shows the location of the proposed well site as staked.
 - B. From Hobbs, New Mexico take U.S. Hi-way 62-180 toward Carlsbad New Mexico go 40± miles to WIPP Road, turn Left go 13 miles to CR-802, turn Right go 4.6 miles to State Hi-way 128 turn Right go 6 miles to Rawhide Road, turn Left go 4 miles, turn Left go .4 miles, turn, turn Right go 1 mile, turn Left go .4 miles, turn Southeast follow road .45 miles , turn Southwest go to well # 2, turn Northwest and follow road to location.
 - C. Lay flowlines and construct powerlines along road as shown on Exhibits "C" and "F"
2. PLANNED ACCESS ROADS: Approximately 800' of new road will be constructed.
 - A. The access road will be crowned and ditched to a 12' wide traveled surface with a 40' Right-Of-Way.
 - B. Gradient on all roads will be less than 5% if possible.
 - C. Turn-outs will be constructed where necessary.
 - D. If needed roads will be surfaced to the BLM requirements with material obtained from a local source.
 - E. Center line of new road will be flagged.
 - F. The new road will be constructed to utilize low water crossings where drainage currently exists, and culverts will be installed where necessary.
3. EXHIBIT "A-1" SHOWS THE BELOW LISTED TYPE WELLS WITHIN A 1 MILE RADIUS:
 - A. Water wells - None known
 - B. Disposal wells - One known approximately 1700' North.
 - C. Drilling wells - None known
 - D. Producing wells - As shown on Exhibit "A-1"
 - E. Abandoned wells - As shown on exhibit "A-1"

SURFACE USE PLAN

COG OPERATING, LLC.
GOLD RUSH "29" FEDERAL # 2
UNIT "L" SECTION 29
T23S-R30E EDDY CO. NM

4. If on completion this well is a producer the operator will lay pipelines and construct powerlines along existing road R-O-W's or other existing R-O-W's. Possible routes of pipelines, flowlines and powerlines are shown on Exhibit "C".

5. LOCATION AND TYPE OF WATER SUPPLY:

Water will be purchased locally from a commercial source and trucked over the access roads or piped to location in flexible lines laid on top of the ground.

6. SOURCE OF CONSTRUCTION MATERIAL:

If possible construction material will be obtained from the excavation of drill site, if additional material is needed it will be obtained from a local source and transported over the access roads as shown on Exhibit "C".

7. METHODS OF HANDLING WASTE MATERIAL:

- A. Drill cuttings will be disposed of in the reserve pits.
- B. All trash, junk and other waste material will be contained in trash cages or trash bins to prevent scattering. When the job is completed all contents will be removed and disposed of in a approved sanitary land fill.
- C. Salts remaining after completion of well will be picked up by the supplier, including broken sacks.
- D. Waste water from living quarters will be drained into holes with a minium of 10'. These holes will be covered during drilling and will be back filled when the well is completed. A Porto-John will be provided for the rig crews. This equipment will be properly maintained during the drilling and completion operations and will be removed when all operations are complete.
- E. Remaining drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry enough to be broken out for furthred drying. If the drilling fluids do not evaporate in a reasonable time they will be hauled off by transports to a state approve disposal site. Later pips will be broken out to speed drying. Water produced during completion will be put in reserve pits. Oil and condensate produced will be put in storage tanks and sold.

8. ANCILLARY FACILITIES:

- A. No camps or air strips will be constructed on location.

SURFACE USE PLAN

COG OPERATING, LLC.
GOLD RUSH "29" FEDERAL # 2
UNIT "L" SECTION 29
T23S-R30E EDDY CO. NM

9. WELL SITE LAYOUT:

- A. Exhibit "D" shows the proposed well site layout.
- B. This Exhibit shows the location of reserve pit, sump pits, and living facilities.
- C. Mud pits in the active circulating system will be steel pits and the reserve pits will be unlined unless subsurface conditions encountered during pit construction indicate that a plastic liner is required to contain lateral migration.
- D. If needed the reserve pits will be lined with polyethelene. The pit liner will be no less than 6 mils thick and the liner will be extended at least 3 feet over the top of the dikes and secured in place to keep edge of liner in place.
- E. The reserve pit will be fenced on three sides and fenced with four strands of barbed wire during drilling and completion phases. The 4th side will be fenced after drilling operations are complete and the drilling rig has moved out. If the well is a producer the mud pits will remain fenced in until the mud has dried up enough to break out the pits and reclaimed according to BLM requirements.

10. PLANS FOR RESTORATION OF SURFACE:

Rehabilitation of the location and reserve pits will be allowed to dry properly, fluids may be moved and disposed of in accordance with article 7-E as previously noted. The pit area will then be leveled and contoured to conform to the original and surrounding area. Drainage systems, if any will be reshaped to the original configuration with provisions made to alleviate future erosion. In case of the well completed as a producer the drilling pad will be necessary to construct production facilities. After the area has been shaped and contoured top soil from the spoil pile will be placed over the disturbed area to the extent possible so that revegetation procedures can be accomplished to comply with the BLM specifications.

If the well is a dry hole the pad and road area will be contoured to match the existing terrain. Top soil will be spread to the extent possible and revegetation will be carried out according to the BLM specifications.

Should the well be a producer the previously noted procedures will apply to those areas which are not required for production facilities.

SURFACE USE PLAN

COG OPERATING, LLC.
GOLD RUSH "29" FEDERAL # 2
UNIT "L" SECTION 29
T23S-R30E EDDY CO. NM

11. OTHER INFORMATION:

- A. Topography consists of low lying sand dunes with drainage toward the West into Remuda Basin. Vegetation consists of Acacia, Sage, Devil Claw, Cresote, Mesquite, Narrow leaf Yucca, and assorted native grasses.
- B. Surface is owned by the U.S. Department of Interior and is administered by the Bureau of Land Management. The surface is leased to ranchers for grazing of live stock.
- C. An archaeological survey will be conducted and the results will be filed with The Bureau of Land Management Carlsbad Field office in Carlsbad NM.
- D. There are no domestic dwellings located within one mile of the location.

12. OPERATORS REPRESENTATIVE:

Before construction:

TIERRA EXPLORATION, INC.
P.O. BOX 2188
HOBBS, NEW MEXICO 88241
JOE T. JANICA
OFFICE PHONE 505-391-8503

During and after construction:

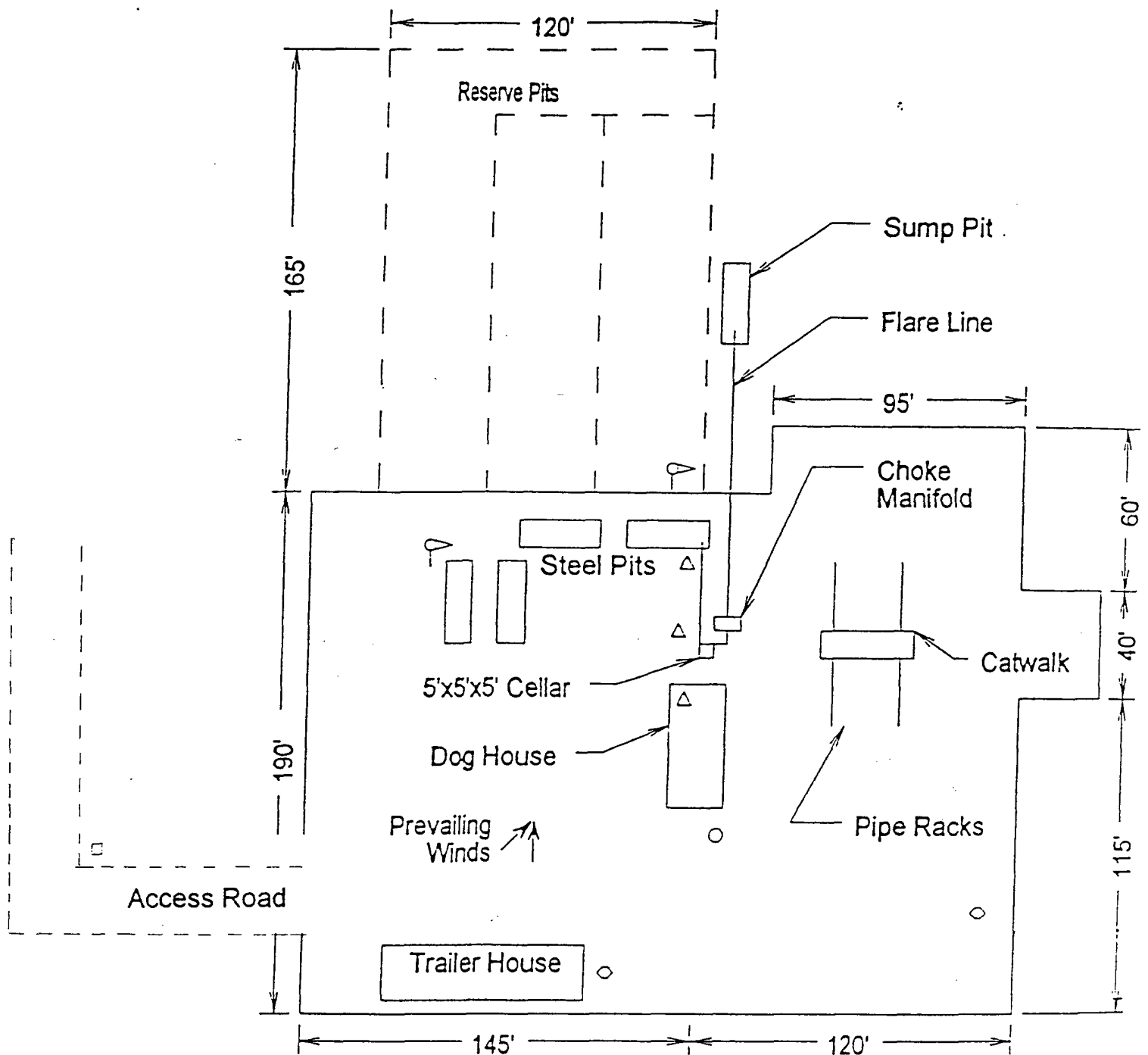
COG OPERATING, LLC.
550 WEST TEXAS AVE
SUITE 1300
MIDLAND, TEXAS 79701
OFFICE GREG WILKES 432-685-4341

13. CERTIFICATION: I hereby certify that I or persons under my direct supervision have inspected the proposed drill site and access route, that I am familiar with the conditions which currently exist, that the statements made in this plan are to the best of my knowledge, are true and correct, and that the work associated with the operations proposed herein will be performed by COG OPERATING, LLC. it's contractors/subcontractors is in the conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provision of U.S.C. 1001 for the filing of a false statement.

NAME : Joe T. Janica

DATE :

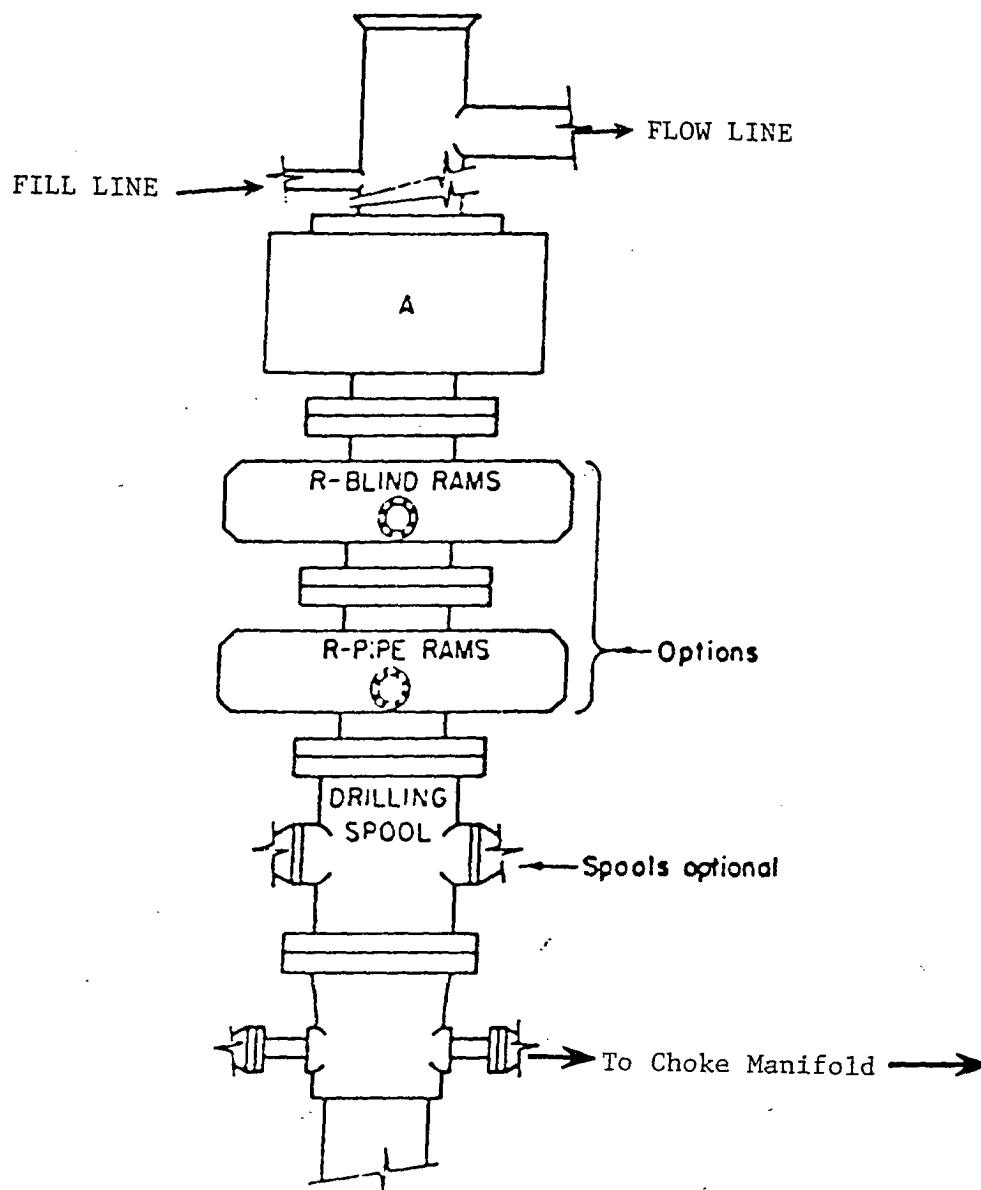
TITLE : Agent



- Wind Direction Indicators
(wind sock or streamers)
- △ H2S Monitors
(alarms at bell nipple and shale shaker)
- Briefing Areas
- Remote BOP Closing Unit
- Sign and Condition Flags

EXHIBIT "D"
RIG LAY OUT PLAT

COG OPERATING, LLC.
GOLD RUSH "29" FEDERAL # 2
UNIT "L" SECTION 29
T23S-R30E EDDY CO. NM

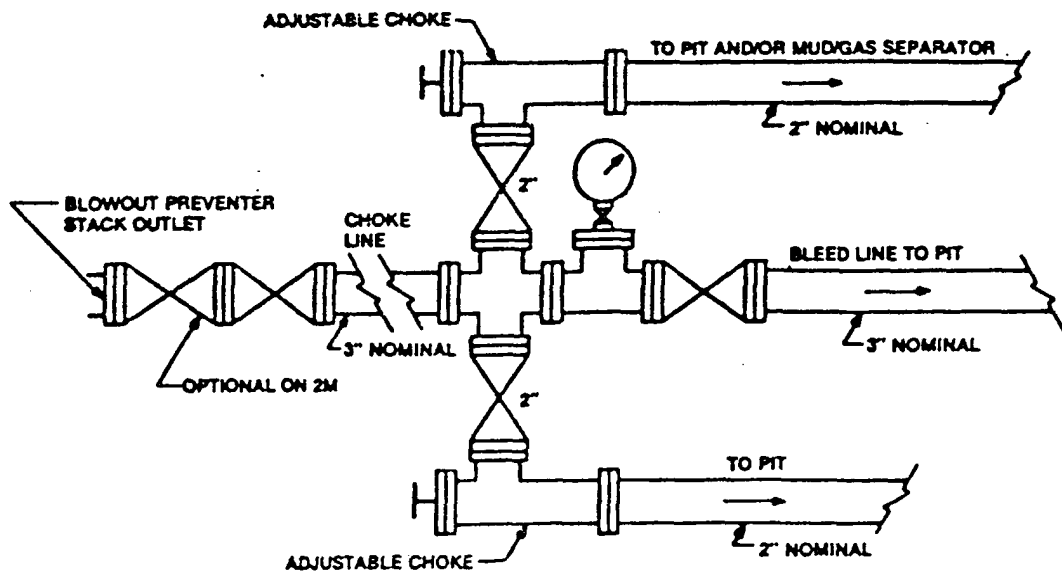


ARRANGEMENT SRRA

900 Series
3000 PSI WP

EXHIBIT "E"
SKETCH OF B.O.P TO BE USED ON

COG OPERATING, LLC.
GOLD RUSH "29" FEDERAL # 2
UNIT "L" SECTION 29
T23S-R30E EDDY CO. NM



Typical choke manifold assembly for 3M WP system

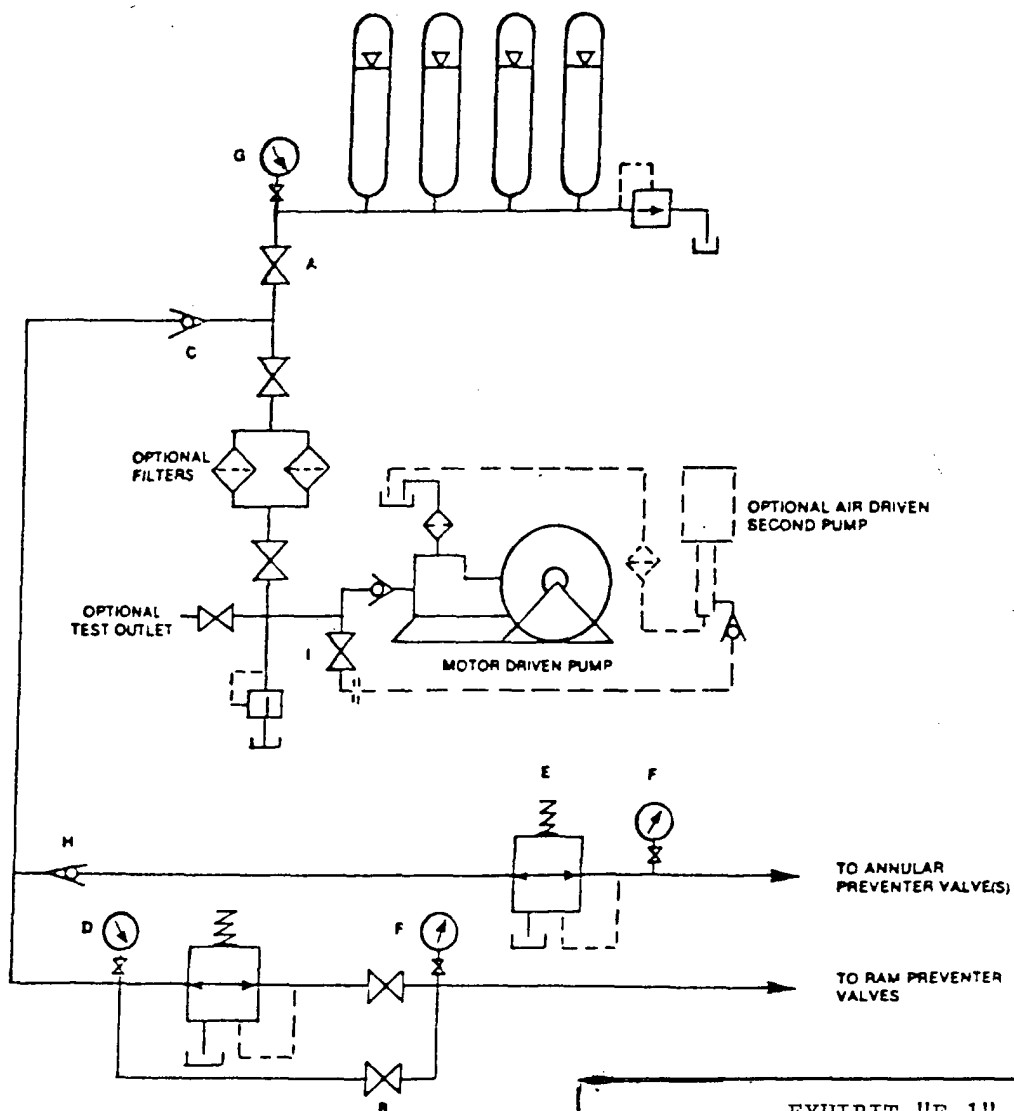


EXHIBIT "E-1"
CHOKE MANIFOLD & CLOSING UNIT

COG OPERATING, LLC.
GOLD RUSH "29" FEDERAL # 2
UNIT "L" SECTION 29
T23S-R30E EDDY CO. NM