

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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 ☐ Other2. Name of Operator
COG Operating LLC3a. Address
550 W. Texas Ave., Suite 1300 Midland, TX 797013b. Phone No. (include area code)
432-685-4385

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

SHL: 2065' FNL & 990' FEL Section 17, T17S, R29E, Unit H
BHL: 2210' FNL & 990' FEL Section 17, T17S, R29E, Unit H

5. Lease Serial No.

NMNM-0397623

6. If Indian, Allottee or Tribe Name

N/A

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

N/A

8. Well Name and No.

Folk Federal #10

9. API Well No.

30-015-36862

10. Field and Pool, or Exploratory Area

Empire; Yeso, East 96610

11. County or Parish, State

EDDY, 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 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 Build battery |
| | <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 recomplete 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 recompletion 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.)

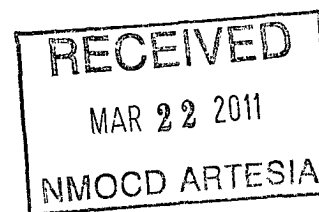
COG Operating respectfully requests permission to construct a tank battery at the Folk Federal #10.

No extension of the well pad will be needed, therefore there will be no new surface disturbance.

Attached for your review is a facility diagram.

Accepted for record - NMOCD

DSD

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

Robyn M. Odom

Title

Regulatory Analyst

Signature

Date

02/03/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

MAR 18 2010

Approved by

/s/ Don Peterson

Title

FIELD MANAGER

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

CARLSBAD FIELD OFFICE

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)

ENTERED

COG OPERATING LLC

550 W. Texas Ave Ste 1300 Midland, Texas 79701
(432)-683-7443

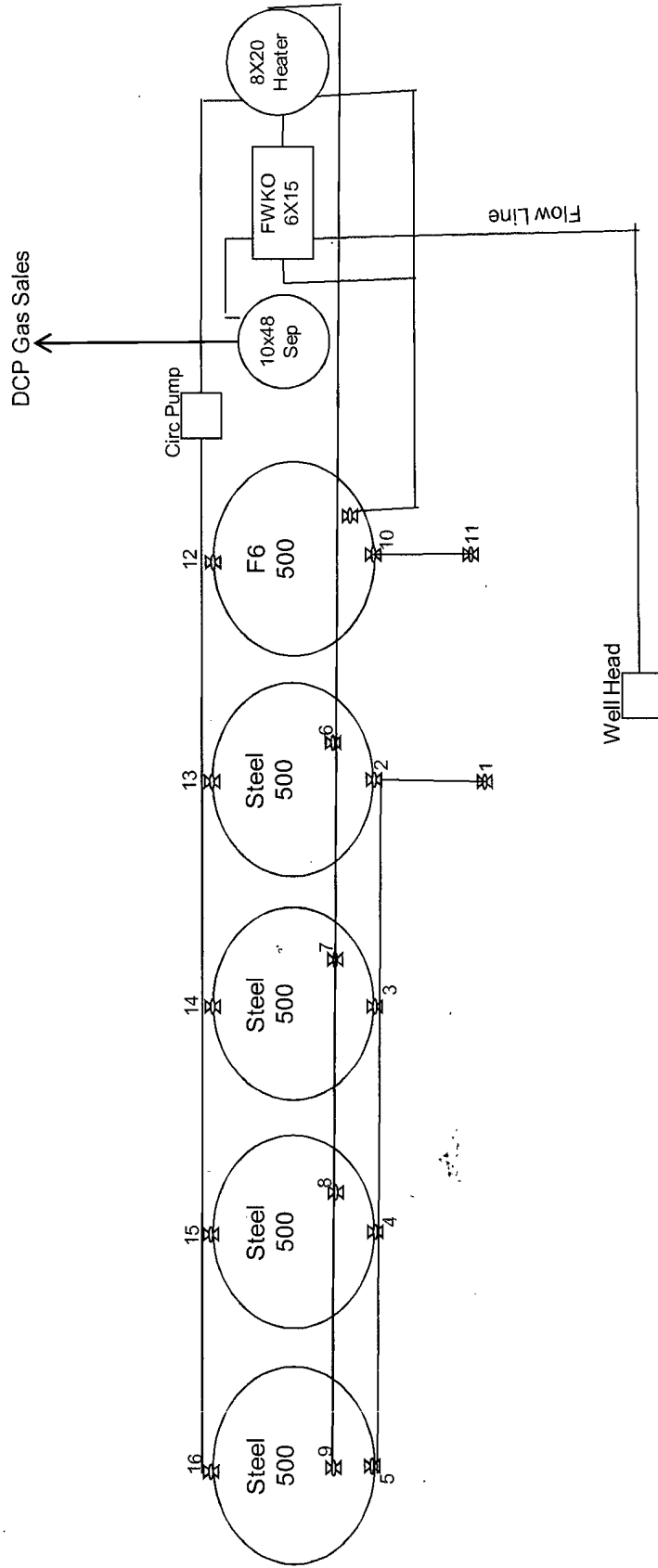
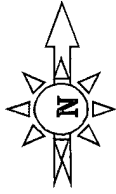
February 3, 2011

Folk Federal #10 Tank Battery

2065' FNL & 990' FEL * Sec 17-17S-29E * Unit H

Eddy CO, NM

API -30-015-36862



Production Phase:

Valves: #1, 2, 3, 4, 5 Closed
Valve: #10 Open
Valves: #6, 7, 8 or 9 Open
Valves: #13, 14, 15 or 16 Open

Sales Phase:

Valve: #1 Open
Valves: #2, 3, 4 or 5 Open
Valves: #13, 14, 15 or 16 Closed
Valve: #6, 7, 8 or 9 Open

PECOS DISTRICT CONDITIONS OF APPROVAL

| | |
|-----------------------|-------------------------------------|
| OPERATOR'S NAME: | COG Operating, LLC |
| LEASE NO.: | NM0397623 |
| WELL NAME & NO.: | Folk Federal #10 |
| SURFACE HOLE FOOTAGE: | 2065' FNL & 990' FEL |
| BOTTOM HOLE FOOTAGE: | 2210' FNL & 990' FEL |
| LOCATION: | Section 17, T. 17 S., R 29 E., NMPM |
| COUNTY: | Eddy County, New Mexico |

I. PRODUCTION (POST DRILLING)

A. WELL STRUCTURES & FACILITIES

Placement of Production Facilities

Production facilities should be placed near access road to allow for maximum interim recontouring and revegetation of the well location.

Containment Structures

The containment structure shall be constructed to hold the capacity of the entire contents of the largest tank, plus 24 hour production, unless more stringent protective requirements are deemed necessary by the Authorized Officer.

Painting Requirement

All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color Shale Green, Munsell Soil Color Chart # 5Y 4/2