Surface Use Plan of Operations

Introduction

The following surface use plan of operations will be followed and carried out once the APD is approved. No other disturbance will be created other than what was submitted in this surface use plan. If any other surface disturbance is needed after the APD is approved, a BLM approved sundry notice or right of way application will be acquired prior to any new surface disturbance.

Before any surface disturbance is created, stakes or flagging will be installed to mark boundaries of permitted areas of disturbance, including soils storage areas. As necessary, slope, grade, and other construction control stakes will be placed to ensure construction in accordance with the surface use plan. All boundary markers will be maintained in place until final construction cleanup is completed. If disturbance boundary markers are disturbed or knocked down, they will be replaced before construction proceeds.

If terms and conditions are attached to the approved APD and amend any of the proposed actions in this surface use plan, we will adhere to the terms and conditions.

1. Existing Roads

a. The existing access road route to the proposed project is depicted on Exhibit 2 and Exhibit 2A. Improvements to the driving surface will be done where necessary. No new surface disturbance will be done, unless otherwise noted in the New or Reconstructed Access Roads section of this surface use plan..

b. The existing access road route to the proposed project does cross lease boundaries and a BLM road right-of-way will be acquired from the BLM prior to construction activities.

c. The operator will improve or maintain existing roads in a condition the same as or better than before operations begin. The operator will repair pot holes, clear ditches, repair the crown, etc. All existing structures on the entire access route such as cattleguards, other range improvement projects, culverts, etc. will be properly repaired or replaced if they are damaged or have deteriorated beyond practical use.

d. We will prevent and abate fugitive dust as needed, whether created by vehicular traffic, equipment operations, or wind events. BLM written approval will be acquired before application of surfactants, binding agents, or other dust suppression chemicals on roadways.

2. New or Reconstructed Access Roads

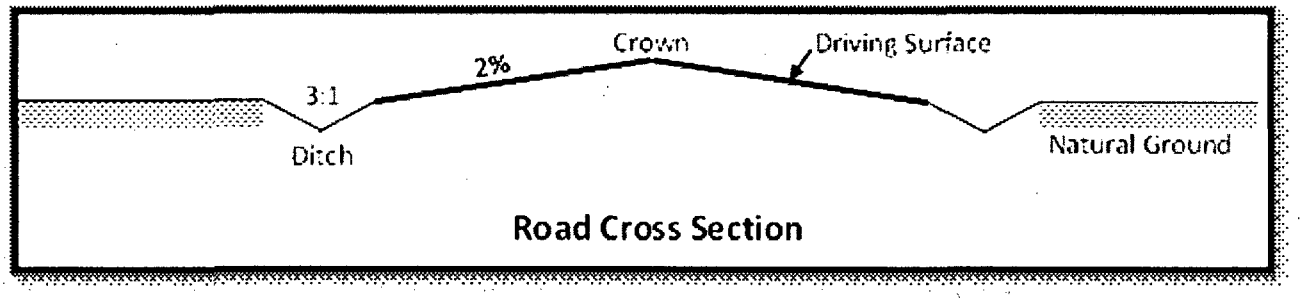
a. An access road will be needed for this proposed project. See the survey plat for the location of the access road.

b. The length of access road needed to be constructed for this proposed project is about 138 feet.

c. The maximum driving width of the access road will be 14 feet. The maximum width of surface disturbance when constructing the access road will not exceed 25 feet. All areas outside of the driving surface will be revegetated.

d. The access road will be constructed with 6 inches of compacted Caliche.

e. When the road travels on fairly level ground, the road will be crowned and ditched with a 2% slope from the tip of the road crown to the edge of the driving surface. The ditches will be 3 feet wide with 3:1 slopes. See Road Cross Section diagram below.



f. The access road will be constructed with a ditch on each side of the road.

g. The maximum grade for the access road will be 1 percent.

h. No turnouts will be constructed on the proposed access road.

i. No cattleguards will be installed for this proposed access road.

j. No BLM right-of-way grant is needed for the construction of this access road.

k. No culverts will be constructed for this proposed access road.

l. No low water crossings will be constructed for the access road.

m. Lead-off ditches will be constructed on the access road to divert water and prevent excessive erosion. Each lead-off ditch will be 6 inches deep and have a 6 inch berm above natural ground on the down hill slope. Each lead-off ditch will be graded to drain water with a 1 percent minimum to 3 percent maximum ditch slope. Lead-off ditches will not extend more than 10 feet off the road edge.

n. Newly constructed or reconstructed roads on surface under the jurisdiction of the Bureau of Land Management, will be constructed as outlined in the BLM "Gold Book" and to meet the standards of the anticipated traffic flow and all anticipated weather requirements as needed. Construction will include ditching, draining, crowning and capping or sloping and dipping the roadbed as necessary to provide a well-constructed and safe road.

3. Location of Existing Wells

a. Exhibit 4 of the APD depicts all known wells within a one mile radius of the proposed well.

b. 1 mile well data

4. Location of Existing and/or Proposed Production Facilities

a. All permanent, lasting more than 6 months, above ground structures including but not limited to pumpjacks, storage tanks, barrels, pipeline risers, meter housing, etc. that are not subject to safety requirements will be painted a non-reflective paint color, Shale Green, from the BLM Standard Environmental Colors chart, unless another color is required in the APD Conditions of Approval.

b. If any type of production facilities are located on the well pad, they will be strategically placed to allow for maximum interim reclamation, recontouring, and revegetation of the well location.

c. A production facility is proposed to be installed on the proposed well location. Production from the well will be processed on site in the production facility. Exhibit 3 depicts the location of the production facilities as they relate to the well and well pad.

d. The proposed production facility will have a secondary containment structure that is constructed to hold the capacity of 1-1/2 times the largest tank, plus freeboard to account for percipitation, unless more stringent

protective requirements are deemed necessary.

e. There is no other diagram that depicts production facilities.

If any plans change regarding the production facility or other infrastructure (pipeline, electric line, etc.), we will submit a sundry notice or right of way (if applicable) prior to installation or construction.

Electric Line(s)

a. An electric line will be applied for through a sundry notice or BLM right of way at a later date.

5. Location and Types of Water

a. The location of the water well is as follows: Contractors water well.

b. The operator will use established or constructed oil and gas roads to transport water to the well site. The operator will try to utilize the identified access route in the surface use plan.

6. Construction Material

a. Caliche from an approved Federal or State pit.

7. Methods for Handling Waste

a. Drilling fluids and produced oil and water from the well during drilling and completion operations will be stored safely and disposed of properly in an NMOCD approved disposal facility.

b. Garbage and trash produced during drilling and completion operations will be collected in a trash container and disposed of properly at a state approved disposal facility. All trash on and around the well site will be collected for disposal.

c. Human waste and grey water will be properly contained and disposed of properly at a state approved disposal facility.

d. After drilling and completion operations, trash, chemicals, salts, frac sand and other waste material will be removed and disposed of properly at a state approved disposal facility.

e. The well will be drilled utilizing a closed loop system. Drill cutting will be properly disposed of into steel tanks and taken to an NMOCD approved disposal facility.

8. Ancillary Facilities

a. No ancillary facilities will be needed for this proposed project.

9. Well Site Layout

a. The following information is presented in the well site survey plat or diagram:

i. reasonable scale (near 1":50')

ii. well pad dimensions

iii. well pad orientation

iv. drilling rig components

v. proposed access road

vi. elevations of all points

vii. topsoil stockpile

viii. reserve pit location/dimensions if applicable

ix. other disturbances needed (flare pit, stinger, frac farm pad, etc.)

x. existing structures within the 600' x 600' archaeoligical surveyed area (pipelines, electric lines, well pads, etc

b. The proposed drilling pad was staked and surveyed by a professional surveyor. The attached survey plat of the well site depicts the drilling pad layout as staked.

c. The submitted survey plat does depict all the necessary information required by Onshore Order No. 1.

d. Topsoil Salvaging

i. Grass, forbs, and small woody vegetation, such as mesquite will be excavated as the topsoil is removed. Large woody vegetation will be stripped and stored separately and respread evenly on the site following topsoil respreading. Topsoil depth is defined as the top layer of soil that contains 80% of the roots. In areas to be heavily disturbed, the top 6 inches of soil material, will be stripped and stockpiled on the perimeter of the well location and along the perimeter of the access road to control run-on and run-off, to keep topsoil viable, and to make redistribution of topsoil more efficient during interim reclamation. Stockpiled topsoil should include vegetative material. Topsoil will be clearly segregated and stored separately from subsoils. Contaminated soil will not be stockpiled, but properly treated and handled prior to topsoil salvaging.

10. Plans for Surface Reclamation

Reclamation Objectives

i. The objective of interim reclamation is to restore vegetative cover and a portion of the landform sufficient to maintain healthy, biologically active topsoil; control erosion; and minimize habitat and forage loss, visual impact, and weed infestation, during the life of the well or facilities.

ii. The long-term objective of final reclamation is to return the land to a condition similar to what existed prior to disturbance. This includes restoration of the landform and natural vegetative community, hydrologic systems, visual resources, and wildlife habitats. To ensure that the long-term objective will be reached through human and natural processes, actions will be taken to ensure standards are met for site stability, visual quality, hydrological functioning, and vegetative productivity.

iii. The BLM will be notified at least 3 days prior to commencement of any reclamation procedures.

iv. If circumstances allow, interim reclamation and/or final reclamation actions will be completed no later than 6 months from when the final well on the location has been completed or plugged. We will gain written permission from the BLM if more time is needed.

v. Interim reclamation will be performed on the well site after the well is drilled and completed. Exhibit 3 depicts the location and dimensions of the planned interim reclamation for the well site.

Interim Reclamation Procedures (If performed)

1. Within 30 days of well completion, the well location and surrounding areas will be cleared of, and maintained free of, all materials, trash, and equipment not required for production.

2. In areas planned for interim reclamation, all the surfacing material will be removed and returned to the original mineral pit or recycled to repair or build roads and well pads.

3. The areas planned for interim reclamation will then be recontoured to the original contour if feasible,

or if not feasible, to an interim contour that blends with the surrounding topography as much as possible. Where applicable, the fill material of the well pad will be backfilled into the cut to bring the area back to the original contour. The interim cut and fill slopes prior to re-seeding will not be steeper than a 3:1 ratio, unless the adjacent native topography is steeper. Note: Constructed slopes may be much steeper during drilling, but will be recontoured to the above ratios during interim reclamation.

4. Topsoil will be evenly respread and aggressively revegetated over the entire disturbed area not needed for all-weather operations including cuts & fills. To seed the area, the proper BLM seed mixture, free of noxious weeds, will be used. Final seedbed preparation will consist of contour cultivating to a depth of 4 to 6 inches within 24 hours prior to seeding, dozer tracking, or other imprinting in order to break the soil crust and create seed germination micro-sites.

5. Proper erosion control methods will be used on the area to control erosion, runoff and siltation of the surrounding area.

6. The interim reclamation will be monitored periodically to ensure that vegetation has reestablished and that erosion is controlled.

Final Reclamation (well pad, buried pipelines, etc.)

1. Prior to final reclamation procedures, the well pad, road, and surrounding area will be cleared of material, trash, and equipment.

2. All surfacing material will be removed and returned to the original mineral pit or recycled to repair or build roads and well pads.

3. All disturbed areas, including roads, pipelines, pads, production facilities, and interim reclaimed areas will be recontoured to the contour existing prior to initial construction or a contour that blends indistinguishably with the surrounding landscape. Topsoil that was spread over the interim reclamation areas will be stockpiled prior to recontouring. The topsoil will be redistributed evenly over the entire disturbed site to ensure successful revegetation.

4. After all the disturbed areas have been properly prepared, the areas will be seeded with the proper BLM seed mixture, free of noxious weeds. Final seedbed preparation will consist of contour cultivating to a depth of 4 to 6 inches within 24 hours prior to seeding, dozer tracking, or other imprinting in order to break the soil crust and create seed germination micro-sites.

5. Proper erosion control methods will be used on the entire area to control erosion, runoff and siltation of the surrounding area.

6. All unused equipment and structures including pipelines, electric line poles, tanks, etc. that serviced the well will be removed.

7. All reclaimed areas will be monitored periodically to ensure that revegetation occurs, that the area is not redisturbed, and that erosion is controlled.

11. Surface Ownership

a. The surface ownership of the proposed project is Federal.

12. Other Information

a. COG operating is in the process of permitting a Centralized Battery for this lease , but in the event one is not approved in time, a tank battery will be constructed as onsite as identified on Exhibit 3.
B.The area around the well site is grassland and the topsoil is sandy. The vegetation is moderately sparse with

native prairie grasses, some mesquite and shinnery oak. No wildlife was observed but it is likely that mule deer, rabbits, coyotes and rodents traverse the area.
C.There is no permanent or live water in the immediate area.
D.There are no dwellings within 2 miles of this location.
E.If needed, a Cultural Resources Examination is being prepared by Boone Arch Services of NM, LLC., 2030 North Canal, Carlsbad, New Mexico, 88220, phone # 575-885-1352 and the results will be forwarded to your office in the near future. Otherwise, COG will be participating in the Permian Basin MOA Program.

13. Maps and Diagrams

Exhibit 2 and Exhibit 2A - Existing Road
Exhibit 4 - Wells Within One Mile
Exhibit 3 - Production Facilities Diagram
Exhibit 3 - Interim Reclamation

OPERATOR CERTIFICATION

I hereby certify that I, or persons under my direct supervision, have inspected the drill site and access road proposed herein; that I am familiar with the conditions that presently exist; that I have full knowledge of State and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or COG Operating LLC, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements. Executed this 6th day of May, 2015.

Signed: Melanie J Wilson

Printed Name: Melanie J. Wilson
Position: Regulatory Coordinator
Address: 2208 W. Main Street, Artesia, NM 88210
Telephone: (575) 748-6940
Field Representative (if not above signatory): Rand French
E-mail: mwilson@concho.com

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page

Run Date: 05/01/2015

01 12-22-1987;101STAT1330;30USC181 ET SE
Case Type 312021: O&G LSE COMP PD -1987
Commodity 459: OIL & GAS
Case Disposition: AUTHORIZED

Total Acres	Serial Number
800.000	NMNM-- - 085937

Serial Number: NMNM-- - 085937

Name & Address			Int Rel	% Interest
COG OPERATING LLC	600 W ILLINOIS AVE	MIDLAND TX 797014882	LESSEE	0.000000000
COG OPERATING LLC	600 W ILLINOIS AVE	MIDLAND TX 797014882	OPERATING RIGHTS	0.000000000
DEVON ENERGY PROD CO LP	333 W SHERIDAN AVE	OKLAHOMA CITY OK 731025010	LESSEE	0.000000000
KHODY LAND & MINERALS CO	210 PARK AVE STE 900	OKLAHOMA CITY OK 731025606	LESSEE	0.000000000
OXY USA INC	PO BOX 27570	HOUSTON TX 772277570	OPERATING RIGHTS	0.000000000
OXY USA INC	5 GREENWAY PLZ #110	HOUSTON TX 770460521	OPERATING RIGHTS	0.000000000

Serial Number: NMNM-- - 085937

Mer Twp Rng Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23 0220S 0320E 012	ALIQ		NW,S2;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23 0220S 0320E 014	ALIQ		N2;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 085937

Act Date	Code	Action	Action Remark	Pending Office
10/16/1990	387	CASE ESTABLISHED	9010150	
10/17/1990	191	SALE HELD		
10/17/1990	267	BID RECEIVED	$472000.00;	
10/17/1990	392	MONIES RECEIVED	$1600.00;	
10/30/1990	392	MONIES RECEIVED	$470400.00;	
11/20/1990	237	LEASE ISSUED		
11/20/1990	974	AUTOMATED RECORD VERIF	LBO/ML	
12/01/1990	496	FUND CODE	05;145003	
12/01/1990	530	RLTY RATE - 12 1/2%		
12/01/1990	868	EFFECTIVE DATE		
12/01/1990	909	BOND ACCEPTED	EFF 04/30/79;NM2044	
12/05/1990	600	RECORDS NOTED		
12/13/1990	111	RENTAL RECEIVED	$1200.00;21/015670957	
12/18/1990	575	APD FILED	MARALO INC	
01/07/1991	899	TRF OF ORR FILED	1	
01/07/1991	899	TRF OF ORR FILED	2	
01/10/1991	576	APD APPROVED	PROHIBITION FED UT 1	
01/22/1991	232	LEASE COMMITTED TO UNIT	NMNM84611X;PROHIBITIO	
03/01/1991	140	ASGN FILED	COLLINS/FORTSON;1	
03/01/1991	140	ASGN FILED	COLLINS/FORTSON;2	
03/07/1991	139	ASGN APPROVED	EFF 04/01/91;1	
03/07/1991	139	ASGN APPROVED	EFF 04/01/91;2	
03/25/1991	932	TRF OPER RGTS FILED	CORTEZ/COLLINS & WARE	
05/07/1991	933	TRF OPER RGTS APPROVED	EFF 04/01/91;	
05/07/1991	974	AUTOMATED RECORD VERIF	MRR/CG	
10/24/1991	111	RENTAL RECEIVED	$1200.00;21/000638	
12/17/1991	643	PRODUCTION DETERMINATION	/1/	
12/17/1991	650	HELD BY PROD - ACTUAL	/1/	
12/17/1991	658	MEMO OF 1ST PROD-ACTUAL	/1/PROHIBIT FED UT 1;	
09/10/1992	140	ASGN FILED	FORTSON/MARALO INC;1	
09/10/1992	140	ASGN FILED	FORTSON/MARALO INC;2	
10/07/1992	140	ASGN FILED	COLLINS ETAL/MITCHELL	

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12/01/1992	139	ASGN APPROVED	EFF 10/01/92;1
12/01/1992	139	ASGN APPROVED	EFF 10/01/92;2
12/01/1992	974	AUTOMATED RECORD VERIF	BCO/JS
01/04/1993	974	AUTOMATED RECORD VERIF	TF/JS
02/04/1993	567	ASGN RETURNED UNAPPROVED	COLLINS ETAL/MITCHELL
02/04/1993	974	AUTOMATED RECORD VERIF	SSP/JS
03/03/1993	643	PRODUCTION DETERMINATION	/2/
03/03/1993	659	LOCATED IN PROD UNIT	/2/UA NMNM84611X;
06/01/1993	140	ASGN FILED	MARALO/COLLINS & WARE
07/02/1993	140	ASGN FILED	COLLINS/MITCHELL
08/01/1993	139	ASGN APPROVED	EFF 08/01/93;
09/20/1993	974	AUTOMATED RECORD VERIF	AR/LBO
09/22/1993	963	CASE MICROFILMED/SCANNED	CNUM 568,248 PR
10/22/1993	139	ASGN APPROVED	EFF 07/01/93;
10/22/1993	974	AUTOMATED RECORD VERIF	BCO/KRP
02/15/1994	246	LEASE COMMITTED TO CA	CA NMNM91053;
06/20/1994	139	ASGN APPROVED	EFF 08/01/93;
06/20/1994	974	AUTOMATED RECORD VERIF	TF/KRP
11/18/1994	643	PRODUCTION DETERMINATION	/3/
11/18/1994	660	MEMO OF 1ST PROD-ALLOC	/3/CA NMNM91053;
12/30/1994	140	ASGN FILED	COLLINS&WARE/DREYFUSS
05/26/1995	139	ASGN APPROVED	EFF 01/01/95;
05/26/1995	974	AUTOMATED RECORD VERIF	JLV
03/01/1998	253	ELIM BY CONTRAC(PARTIAL)	NMNM84611X;
06/29/1998	140	ASGN FILED	MARALO/LOWE PARTNERS
07/14/1998	139	ASGN APPROVED	EFF 07/01/98;
07/14/1998	974	AUTOMATED RECORD VERIF	JLV
08/13/1998	522	CA TERMINATED	CA NMNM91053;
12/12/2001	817	MERGER RECOGNIZED	L DREYFUS/DOMINION
05/16/2002	940	NAME CHANGE RECOGNIZED	MITCHELL/DEVON ENE
11/17/2004	817	MERGER RECOGNIZED	DEVON OP/DEVON PROD
01/18/2005	140	ASGN FILED	LOWE PTNRS/COG OG
01/18/2005	932	TRF OPER RGTS FILED	LOWE PTNRS/COG OG
02/16/2005	139	ASGN APPROVED	EFF 02/01/05;
02/16/2005	933	TRF OPER RGTS APPROVED	EFF 02/01/05;
02/16/2005	974	AUTOMATED RECORD VERIF	LR
01/04/2007	140	ASGN FILED	DOMINION/LOBOS ENE;1
05/08/2007	139	ASGN APPROVED	EFF 02/01/07;
05/08/2007	974	AUTOMATED RECORD VERIF	ANN
05/01/2008	932	TRF OPER RGTS FILED	POGO PRODUC/OXY USA;1
06/13/2008	933	TRF OPER RGTS APPROVED	EFF 06/01/08;
06/13/2008	974	AUTOMATED RECORD VERIF	SSP
01/08/2009	932	TRF OPER RGTS FILED	POGO PRODUC/OXY USA;1
03/02/2009	933	TRF OPER RGTS APPROVED	EFF 02/01/09;
03/02/2009	974	AUTOMATED RECORD VERIF	ANN
02/01/2010	817	MERGER RECOGNIZED	LOBOS ENE/KHODY LAND
03/17/2010	940	NAME CHANGE RECOGNIZED	COG O&G/COG OPER
11/01/2011	246	LEASE COMMITTED TO CA	CA NMNM127994;

Serial Number: NMNM-- - 085937

Line Nr	Remarks	
0002	CURRENT RECORD TITLE OWNERS	
0003	SEC 12: SWNW	
0004	LOBOS ENERGY PARTNERS LLC	25.00%
0005	COG OIL & GAS LP	50.00%
0006	MITCHELL ENERGY	25.00%

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Run Date: 05/01/2015

0007	SEC 12: N2NW, SENW, S2 SEC. 14: N2	
0008	LOBOS ENERGY PARTNERS LLC	28.75%
0009	COG OIL & GAS LP	42.50%
0010	MITCHELL ENERGY CORP	28.75%
0011	BONDED OPERATOR - PER AFMSS	
0012	02/16/2005 - MARALO LLC - NM2791 - S/W;	
0013	OPERATOR BONDED - 04/25/2007	
0014	LOBOS ENERGY PARTNERS LLC - NMB000460 - S/W;	
0015	06/13/2008 - OXY USA INC - ES0136 - NW	
0016	OPERATOR BONDED - 03/02/2009	
0017	COG OPERATING LLC - NMB000215 - S/W;	

New Mexico Office of the State Engineer
Water Column/Average Depth to Water

(A CLW##### in the POD suffix indicates the POD has been replaced & no longer serves a water right file.)

(R=POD has been replaced, O=orphaned, C=the file is closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are smallest to largest) (NAD83 UTM in meters) (In feet)

POD Number	POD Sub-basin	Code	County	Q 64	Q 16	Q 4	Sec	Twws	Rng	X	Y	Depth Well	Depth Water	Water Column
C 02096			ED	2	3		14	22S	32E	627204	3584464*	435	360	75
C 02821		C	LE	2	2	3	14	22S	32E	627303	3584563*	540	340	200
C 02939		C	LE	3	3	1	19	22S	32E	620234	3583042*	280		

Average Depth to Water: **350 feet**

Minimum Depth: **340 feet**

Maximum Depth: **360 feet**

Record Count: 3

PLSS Search:

Township: 22S **Range:** 32E

***UTM location was derived from PLSS - see Help**

New Mexico Office of the State Engineer
Water Column/Average Depth to Water

No records found.

PLSS Search:

Section(s): 12 **Township:** 22S **Range:** 32E