

FAX

Fasken Center, Tower II
550 West Texas Avenue, Suite 1300
Midland, TX 79701

Phone: (432) 683-7443
Land Dept. Fax: (432) 685-4398

Total Pages (including cover): 6

Privileged and Confidential

Date: August 11, 2009

To: Kevin Rister

Fax: Chesapeake Encl.
405-935-1450

From: Jan Spradlin

Subject: Blackhawk II Le #2

The information transmitted by this Facsimile is considered privileged and confidential, and is intended only for the use of the individual or entity named. If the reader of this message is not the intended recipient or the employee or agent responsible to deliver it to the intended recipient, you should be aware that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please immediately notify us by telephone, and return the original message to us at the above address via the U.S. Postal Service.
Thank you.

If you have any difficulty in receiving this fax, please call

Nate Conner 432-686-3006



August 11, 2009

VIA FEDERAL EXPRESS
AND FACSIMILE (405) 935-1450

Chesapeake Exploration LP
6100 N. Western Avenue
Oklahoma City, OK 73118
Attn: Kevin Pfister

RE: Big Game Prospect
Blackhawk "11" Federal Com #2
N2S2 of Section 11-T16S-R28E
Eddy County, New Mexico

Dear Mr. Pfister:

COG Operating LLC (hereinafter referred to as Concho) hereby propose the drilling of a horizontal well to a depth sufficient to adequately test the Crow Flats Abo formation at an anticipated total vertical depth of 6686' and total measured depth being approximately 9,709'. The surface location for this well has been permitted at 1800' FSL & 1590' FWL with a bottomhole location at 1650' FSL & 330' FEL with the dedicated project area being the N2S2 of Section 11, Township 16 South, Range 28 East, Eddy County, New Mexico. Included herein is our AFE dated August 10, 2009 as well as a copy the submitted Permit to Drill.

We ask that you join Concho to the full extent of your interest in the drilling, testing and completing of this proposed well by indicating your acceptance in the space provided.

However, in the event you do not wish to participate, Concho respectfully requests that you consider as an alternative either of the below proposals:

Proposal 1:

Concho would be interested in purchasing, subject to reaching mutually agreeable price and terms, all of Chesapeake Exploration LP's or its entity's of record contractual and leasehold interests situated in Section 11-T16S-R28E, Eddy County, New Mexico.

Proposal 2:

Chesapeake Exploration LP or its entity of record will farmout all of its contractual and leasehold interests in Section 11-T16S-R28E, Eddy County, New Mexico, retaining an

overriding royalty interest equal to difference between existing lease burdens of record and twenty percent (20%), proportionately reduced.

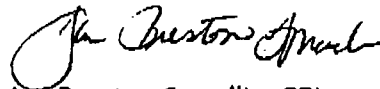
Please indicate below the option of your choice below, sign and return this letter at your earliest convenience to my attention by any of the following methods:

- US Mail – 550 West Texas Avenue, Suite 1300, Midland, Texas 79701
- Fax – 432.685.4398
- Email – Jspradlin@conchoresources.com

Should you have any questions, please do not hesitate to contact me at 432.683.7443.

Very truly yours,

COG Operating LLC



Jan Preston Spradlin, CPL
Senior Landman

_____ I/We hereby elect to participate in the Blackhawk "11" Federal Com #2
_____ I/We hereby elect not to participate in the Blackhawk "11" Federal Com #2
_____ I/We hereby elect to pursue Proposal 1
_____ I/We hereby elect to pursue Proposal 2

CHESAPEAKE EXPLORATION LP

By: _____

Name: _____

Title: _____

Date: _____

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Blackhawk "11" Fed Com #2
Surf. Loc: 1650' FS&WL, Sec 11
B.H. Loc: 1650' FS&L & 330' FEL, Sec 11
T16S - R28E w/plot, wo/LWD

PROSPECT NAME: Crow Flats

COUNTY & STATE: Eddy, NM

OBJECTIVE: 9,778' MD (6690' TVD) Lwr Abo/Wolfcamp

INTANGIBLE COSTS

		BCP	ACP	TOTAL
Title/Curative/Permit	201	5,500		5,500
Insurance	202	22,000	302	22,000
Damages/Right of Way	203	15,000	303	15,000
Survey/Stake Location	204	3,000	304	3,000
Location/Pit/Road Expense	205	45,000	305 5,000	50,000
Drilling / Completion Overhead	206	5,000	306 1,000	6,000
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract 29:4 @ \$10,000/day	209	290,000	309 40,000	330,000
Directional Drilling Services, With out LWD	210	160,000	310	160,000
Fuel & Power	211	48,000	311 6,000	54,000
Water	212	30,000	312 50,000	80,000
Bits	213	50,000	313 1,000	51,000
Mud & Chemicals	214	60,000	314	60,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217	12,200		12,200
Cement Intermediate	218	15,000		15,000
Cement 2nd Intermediate 7"	218		319 23,400	23,400
Cement Squeeze & Other (Kickoff Plug)	220	18,700	320	18,700
Float Equipment & Centralizers	221	5,000	321 2,000	7,000
Casing Crews & Equipment	222	15,000	322 10,000	25,000
Fishing Tools & Service	223		323	0
Geologic/Engineering	224	10,000	324 1,000	11,000
Contract Labor	226	10,000	325 30,000	40,000
Company Supervision	226	2,000	326 2,000	4,000
Contract Supervision	227	36,000	327 4,000	40,000
Testing Casing/Tubing	228	4,000	328 1,500	5,500
Mud Logging Unit	229	19,500	329	19,500
Logging	230	60,000	330	60,000
Perforating/Wireline Services	231	1,500	331 12,500	14,000
Stimulation/Treating			332 750,000	750,000
Completion Unit			333 18,000	18,000
Swabbing Unit			334	0
Rentals-Surface	235	90,000	335 45,000	135,000
Rentals-Subsurface	236	40,000	336 10,000	50,000
Trucking/Forklift/Rig Mobilization	237	60,000	337 15,000	95,000
Welding Services	238	3,000	338 1,500	4,500
Water Disposal	239		339 15,000	15,000
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	210,000	344	210,000
Miscellaneous	242	5,000	342 1,000	6,000
Contingency	243	138,600	343 105,100	243,700
TOTAL INTANGIBLES		1,508,000	1,150,000	2,658,000

TANGIBLE COSTS

Surface Casing 800' 13 3/8"	401	18,000		18,000
Intermediate Casing 2300' 9 5/8" 8000' - 7"	402	59,000	503 146,000	204,000
Production Casing/Liner 4900' - 4.5"			503 69,000	69,000
Tubing 8000' 2 7/8"			504 34,000	34,000
Wellhead Equipment	405	10,000	505 8,000	18,000
Pumping Unit			506	0
Prime Mover			507	0
Rods			508	0
Pumps			509	0
Tanks			510 60,000	60,000
Flowlines			511 15,000	15,000
Heater Treater/Separator			512 25,000	25,000
Electrical System			513	0
Packers/Anchors/Hangers	414		514 200,000	200,000
Couplings/Fittings/Valves	415	2,000	515 50,000	52,000
Gas Compressors/Meters			516 4,000	4,000
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	1,000	519 1,000	2,000
Contingency	420	9,000	520 61,000	70,000
TOTAL TANGIBLES		99,000	862,000	761,000
TOTAL WELL COSTS		1,608,000	1,812,000	3,420,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 8/10/09

We approve:

% Working Interest

Company:

By:

Printed Name:

Title:

Date:

This AFE is only an estimate. By signing you agree to pay your share of the actual costs incurred.

OCD-ARTESIA

Form 3160-3
(April 2004)

MAY 27 2009

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMA-95630	
1b. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name N/A	
2. Name of Operator COG Operating LLC		7. If Unit or CA Agreement, Name and No. N/A	
3a. Address 550 W. Texas, Suite 1300 Midland TX 79701		8. Lease Name and Well No. Black Hawk 13 Red Corn #2	
3b. Phone No. (include area code) (432) 685-4385		9. API Well No. 30-015-37106	
4. Location of Well (Report location clearly and in accordance with any State requirements) At surface 1800' FSL & 1590' FWL. RUSWELL CONTROLLED WATER BASIN At proposed prod. zone 1650' FSL & 330' FWL, UL 1		10. Field and Pool, or Exploratory Green Hills, Abo	
11. Sec., T. R. M. or Blk and Survey or Area Sec 11, T16S, R38E		12. County or Parish Eddy	
13. State NM		14. Distance in miles and direction from nearest town or post office 2.5 miles north of Loco Hills, NM	
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drg. well line, if any). 1590'		16. No. of acres in lease 1760	
17. Spacing Unit dedicated to this well 40/20		18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 450'	
19. Proposed Depth 1700' hole 6850 TVD 6600, MD 9950 6850' 9109		20. BLM/BIA Bond No. on file NMB000215	
21. Elevations (Show whether OF, KDB, RT, GL, etc.) 3576' GL		22. Approximate date work will start 04/01/2009	
23. Estimated duration 10 days		24. Attachments	

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (If the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see item 20 above).
- Operator certification.
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature <i>Phyllis A. Edwards</i>	Name (Printed/Typed) Phyllis A. Edwards	Date 02/27/2009
Title Regulatory Analyst		
Approved by (Signature) <i>/s/ Don Peterson</i>	Name (Printed/Typed) /s/ Don Peterson	Date MAY 22 2008
Title FIELD MANAGER	Office CARLSBAD FIELD OFFICE	

Application approval 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.
Conditions of approval, if any, are attached.

APPROVAL FOR TWO YEARS

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)

SEE ATTACHED FOR
CONDITIONS OF APPROVALAPPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

DISTRICT I
1000 W. French St., El Paso, TX 79902

DISTRICT II
1001 W. Grand Avenue, Amarillo, TX 79102

DISTRICT III
1000 E. Grand Ave., Amarillo, TX 79102

DISTRICT IV
1000 E. St. Francis St., El Paso, TX 79902

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 October 18, 2005

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 2 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-37106	Pool Code	Pool Name Wildcat CROW FLATS; ABO
Property Code 37327	Property Name BLACKHAWK "11" FEDERAL COM	Well Number 2H
OGED No. 229137	Operator Name C.O.G. OPERATING L.L.C.	Elevation 3576'

Surface Location

UL or lot No.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
K	11	15 S	28 E		1800	SOUTH	1590	WEST	EDDY

Bottom Hole Location if Different From Surface

UL or lot No.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
I	11	16 S	28 E		1650	SOUTH	330	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
120			

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>SURFACE LOCATION</p> <p>LAT.: N 32°56'09.01" LONG.: W 104°08'23.24" SPC- N.: 704240.873 E.: 597585.755 (NAD-83)</p>	<p>PROJECT AREA</p> <p>3576.2' 3582.4' 3568.4' 3567.5'</p> <p>1590' 1800'</p> <p>3582.4' 3568.4' 3567.5'</p>		<p>BOTTOM HOLE LOCATION</p> <p>LAT.: N 32°56'09.01" LONG.: W 104°08'23.24" SPC- N.: 704082.009 E.: 598853.825 (NAD-83)</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided interest in the land underlying the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or is a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature: <i>Robyn Odum</i> Date: 10/24/2008</p> <p>Printed Name: Robyn Odum</p>
	<p>PRODUCING AREA</p> <p>ABO PENETRATION POINT</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>DATE SURVEYED: AUGUST 25, 2007</p> <p>Signature: <i>W. L. Jones</i></p> <p>Professional Surveyor No. 20219</p> <p>Cartilage No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>	

08-11-08

10:59am

From-Concho Land

+4326854398

T-308 P.001/007 F-488



FAX

Fasken Center, Tower II
550 West Texas Avenue, Suite 1300
Midland, TX 79701

Phone: (432) 683-7443
Land Dept. Fax: (432) 685-4398

Total Pages (including cover): 7

Privileged and Confidential

Date: August 11, 2009

To: Kevin Rister
Chesapeake Eupl.
Fax: 405-935-1450

From: Jan Spradlin

Subject: Blackhawk II Se. #1

The information transmitted by this Facsimile is considered privileged and confidential, and is intended only for the use of the individual or entity named. If the reader of this message is not the intended recipient or the employee or agent responsible to deliver it to the intended recipient, you should be aware that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please immediately notify us by telephone, and return the original message to us at the above address via the U.S. Postal Service.

Thank you.

If you have any difficulty in receiving this fax, please call

Maes Conner 432-686-3006



August 11, 2009

VIA FEDERAL EXPRESS
AND FACSIMILE (405) 935-1450

Chesapeake Exploration LP
6100 N. Western Avenue
Oklahoma City, OK 73118
Attn: Kevin Pfister

RE: Big Game Prospect
Blackhawk "11" Federal Com #1
S2S2 of Section 11-T16S-R28E
Eddy County, New Mexico

Dear Mr. Pfister:

COG Operating LLC (hereinafter referred to as Concho) hereby propose the drilling of a horizontal well to a depth sufficient to adequately test the Crow Flats Abo formation at an anticipated total vertical depth of 6680' and total measured depth being approximately 11,130'. The surface location for this well has been permitted at 430' FSL & 430' FWL with a bottomhole location at 330' FSL & 330' FEL with the dedicated project area being the S2S2 of Section 11, Township 16 South, Range 28 East, Eddy County, New Mexico. Included herein is our AFE dated August 10, 2009 as well as a copy the submitted Permit to Drill.

We ask that you join Concho to the full extent of your interest in the drilling, testing and completing of this proposed well by indicating your acceptance in the space provided.

However, in the event you do not wish to participate, Concho respectfully requests that you consider as an alternative either of the below proposals:

Proposal 1:

Concho would be interested in purchasing, subject to reaching mutually agreeable price and terms, all of Chesapeake Exploration LP's or its entity's of record contractual and leasehold interests situated in Section 11-T16S-R28E, Eddy County, New Mexico.

Proposal 2:

Chesapeake Exploration LP or its entity of record will farmout all of its contractual and leasehold interests in Section 11-T16S-R28E, Eddy County, New Mexico, retaining an

overriding royalty interest equal to the difference between existing lease burdens of record and twenty percent (20%), proportionately reduced.

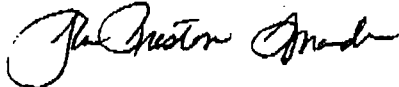
Please indicate below the option of your choice below, sign and return this letter at your earliest convenience to my attention by any of the following methods:

- US Mail – 550 West Texas Avenue, Suite 1300, Midland, Texas 79701
- Fax – 432.685.4398
- Email – Jspradlin@conchoresources.com

Should you have any questions, please do not hesitate to contact me at 432.683.7443.

Very truly yours,

COG Operating LLC



Jan Preston Spradlin, CPL
Senior Landman

_____/We hereby elect to participate in the Blackhawk "11" Federal Com #1
_____/We hereby elect not to participate in the Blackhawk "11" Federal Com #1
_____/We hereby elect to pursue Proposal 1
_____/We hereby elect to pursue Proposal 2

CHESAPEAKE EXPLORATION LP

By: _____

Name: _____

Title: _____

Date: _____

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Blackhawk "11" Fed Com #1
Surf. Loc: 430' FS&WL, Sec 11
B.H. Loc: 330' FS&EL, Sec 11
T16S - R28E w/pilot, wo/LWD

PROSPECT NAME: Crow Flats
COUNTY & STATE: Eddy, NM
OBJECTIVE: 10,900' MD (6680' TVD) Lwr Abo/Wolfcamp

INTANGIBLE COSTS

	BCP	ACP	TOTAL
Title/Curative/Permit	201 5,500		5,500
Insurance	202 22,000	302	22,000
Damages/Right of Way	203 15,000	303	15,000
Survey/Stake Location	204 3,000	304	3,000
Location/Pits/Road Expenses	205 45,000	305 5,000	50,000
Drilling / Completion Overhead	206 5,000	306 1,000	6,000
Turnkey Contract	207	307	0
Footage Contract	208	308	0
Daywork Contract 32:4 @ \$10,000/day	209 320,000	309 40,000	360,000
Directional Drilling Services, With out LWD	210 180,000	310	180,000
Fuel & Power	211 54,000	311 6,000	60,000
Water	212 30,000	312 50,000	80,000
Bite	213 50,000	313 1,000	51,000
Mud & Chemicals	214 80,000	314	80,000
Drill Stem Test	215	315	0
Coring & Analysis	216		0
Cement Surface	217 12,200		12,200
Cement Intermediates	218 15,000		15,000
Cement 2nd Intermediates 7"	218	319 23,400	23,400
Cement Squeeze & Other (Kickoff Plug)	220 18,700	320	18,700
Float Equipment & Centralizers	221 5,000	321 2,000	7,000
Casing Crews & Equipment	222 15,000	322 10,000	25,000
Fishing Tools & Service	223	323	0
Geologic/Engineering	224 10,000	324 1,000	11,000
Contract Labor	225 10,000	325 30,000	40,000
Company Supervision	226 2,000	326 2,000	4,000
Contract Supervision	227 36,000	327 4,000	40,000
Testing Casing/Tubing	228 4,000	328 1,500	5,500
Mud Logging Unit	229 22,500	329	22,500
Logging	230 80,000	330	80,000
Perforating/Wireline Services	231 1,500	331 12,500	14,000
Stimulation/Treating		332 750,000	750,000
Completion Unit		333 18,000	18,000
Swabbing Unit		334	0
Rentals-Surface	235 100,000	335 45,000	145,000
Rentals-Subsurface	236 45,000	336 10,000	55,000
Trucking/Forklift/Rig Mobilization	237 80,000	337 15,000	95,000
Welding Services	238 3,000	338 1,500	4,500
Water Disposal	239	339 15,000	15,000
Plug to Abandon	240	340	0
Seismic Analysis	241	341	0
Closed Loop & Environmental	244 225,000	344	225,000
Miscellaneous	242 5,000	342 1,000	6,000
Contingency	243 146,600	343 105,100	251,700
TOTAL INTANGIBLES	1,606,000	1,150,000	2,756,000

TANGIBLE COSTS

Surface Casing 500' 15 3/8"	401 18,000		18,000
Intermediate Casing 2300' 8 5/8", 6000' - 7"	402 59,000	503 145,000	204,000
Production Casing/Liner #1800' - 4.5"		503 59,000	59,000
Tubing 6000' 2 7/8"		504 34,000	34,000
Wellhead Equipment	405 10,000	505 8,000	18,000
Pumping Unit		506	0
Prime Mover		507	0
Rods		508	0
Pumps		509	0
Tanks		510 60,000	60,000
Flowlines		511 15,000	15,000
Heater Treater/Separator		512 25,000	25,000
Electrical System		513	0
Packers/Anchors/Hangers	414	514 200,000	200,000
Couplings/Fittings/Valves	415 2,000	515 50,000	52,000
Gas Compressors/Meters		516 4,000	4,000
Dehydrator		517	0
Injection Plant/CO2 Equipment		518	0
Miscellaneous	419 1,000	519 1,000	2,000
Contingency	420 9,000	520 61,000	70,000
TOTAL TANGIBLES	89,000	682,000	771,000
TOTAL WELL COSTS	1,795,000	1,832,000	3,517,000

COG Operating LLC

By: J. Coffman / C. Bird

Date Prepared: 8/10/08

We approve:

% Working Interest

Company:

By:

Printed Name:

Title:

Date:

This AFE is only an estimate. By signing you agree to pay your share of the actual costs incurred.

OCD-ARTESIA

ATS-08-118
E1-08-1146

S

AUG - 6 2008

Form 3160-3
(February 2005)

OCD-ARTESIA

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No 1004-0137
Expires March 31, 20075 Lease Serial No. **95630**
NM ~~46684~~6 If Indian, Allottee or Tribe Name
N/A

7 If Unit or CA Agreement, Name and No

8 Lease Name and Well No. **37327**
Blackhawk "11" Federal Com #19 API Well No.
30-015-3654110 Field and Pool, or Exploratory
Wellcamp-Crow Flats

11 Sec, T R M or Bk and Survey or Area

Section 11 T16S R28E

12 County or Parish
Eddy County13 State
NM1a. Type of work ☒ DRILL ☐ REENTER1b. Type of Well ☒ Oil Well ☐ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone2 Name of Operator
COG OPERATING, LLC

229137

3a Address 550 W. Texas Suite 1300
Midland, Texas 797013b Phone No. (include area code)
432-683-7443

4. Location of Well (Report location clearly and in accordance with any State requirements.)

At surface 430' FSL & 430' FWL

At proposed prod zone 330' FSL & 330' FWL

14 Distance in miles and direction from nearest town or post office

15 Distance from proposed*
location to nearest
property or lease line, ft.
(Also to nearest drg. unit line, if any)

330'

16 No. of acres in lease

17 Spacing Unit dedicated to this well

160

18 Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft.19 Proposed Depth 11130' MD
6680' TVD20 BLM/BIA Bond No. on file
NMB 00021521 Elevations (Show whether IDF, KDB, RT, GL, etc.)
3570 GL22 Approximate date work will start*
06/01/200823 Estimated duration
45 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No 1, must be attached to this form

1. Well plat certified by a registered surveyor
2. A Drilling Plan
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office)

4. Bond to cover the operations unless covered by an existing bond on file (see item 20 above)
5. Operator certification
6. Such other site specific information and/or plans as may be required by the BLM.

25 Signature

Title

Agent

Name (Printed Type)

Lee Ann Rollins

Date

04/30/2008

Approved by (Signature)

/s/ James Stovall

Name (Printed Type)

/s/ James Stovall

Date AUG 04 2008

Title

FIELD MANAGER

Office

CARLSBAD FIELD OFFICE

Application approval 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.

Conditions of approval, if any, are attached.

APPROVAL FOR TWO YEARS

Title 18 USC Section 1001 and Title 43 USC Section 1212 make it a crime for any person knowingly and States any false, fictitious or fraudulent statements or representations in any manner within its jurisdiction

NOTE: NEW PIT RULE

19-15-17 NMAL PART 17

A form C-144 must be approved
before starting drilling operations.

*(Instructions on page 2)

ROSWELL CONTROLLED WATER BASIN

SEE ATTACHED FOR
CONDITIONS OF APPROVALAPPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

DISTRICT I

1692 N. French Dr., Hobbs, NM 88240

DISTRICT II

1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III

1600 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

1820 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 87505Form C-102
Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Per Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-	Pool Code 97102	Pool Name CROW FLATS: WOLFCAMP
Property Code	Property Name BLACKHAWK "11" FEDERAL COM	Well Number 1
OCRD No. 229137	Operator Name C.O.G. OPERATING L.L.C.	Elevation 3570'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	11	16 S	28 E		430	SOUTH	430	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
P	11	16 S	28 E		330	SOUTH	330	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160			

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

		OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature Date 8-14-08 Phyllis A. Edwards Printed Name Regulatory Analyst	
		SURVEYOR CERTIFICATION 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. DECEMBER 16, 2007 Date Surveyed Signature of Gary L. Jones Professional Surveyor W.C. Jones Certificate No. Gary L. Jones 7977 BASIN SURVEYS	

Form 3160-5
(April 2004)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTOPERATOR'S SIGNATURE
FORM APPROVED
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 <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM-95630
2. Name of Operator COG Operating LLC		6. If Indian, Allottee or Tribe Name
3a. Address 550 W. Texas Ave., Suite 1300 Midland, TX 79701	3b. Phone No. (include area code) 432-685-4340	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec. T., R., M., or Survey Description) SURFACE: 430' FSL & 430' FWL Section 11, T16S, R28E, UL M BHL: 330' FSL & 330' FEL Section 11, T16S, R28E, UL P		8. Well Name and No. Blackhawk 11 Federal Com #1
		9. API Well No. 30-015-36541
		10. Field and Pool, or Exploratory Area Crow Flats, Wolfcamp
		11. County or Parish, 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 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 <u>Chg pool, casing & cementing program</u>
	<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 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 respectfully requests permission:

to change Field and Pool from Wolfcamp to Crow Flats Abo;

to change proposed Casing & Cement Program;

for a variance to the 200' minimum tie back in order to set the pump as close to the formation as possible. The curve and horizontal are all located in the Abo Formation.

Attached is a revised plat and revised Form 3160-3 Drill Plan with changes reflected in shaded areas.

APPROVED

OCT 18 2008

JAMES A. AMOS
SUPERVISOR-EPS

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

Phyllis A. Edwards

Title: Regulatory Analyst

Signature

Date

10/08/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____
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

Date

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)