

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.
NMNM57261

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

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

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No.
HAMBONE FEDERAL COM 702H

2. Name of Operator Contact: STAN WAGNER
COG OPERATING LLC

9. API Well No.
30-015-46813-00-X1

3a. Address 3b. Phone No. (include area code)
600 W ILLINOIS AVENUE Ph: 432.683.7443
MIDLAND, TX 79701

10. Field and Pool or Exploratory Area
RED HILLS

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

Sec 8 T26S R29E SESE 222FSL 1198FEL
32.050251 N Lat, 104.001480 W Lon

11. County or Parish, State

EDDY COUNTY, NM

12. CHECK THE 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"/> Hydraulic Fracturing	<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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Change to Original A
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	PD

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 must 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 must be filed once testing has been completed. Final Abandonment Notices must 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 LLC requests an amendment to our approved APD for this well to reflect a change in the drilling program as attached.

OCD Accepted for Record 8/27/2020 - JAG

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

**Electronic Submission #507778 verified by the BLM Well Information System
For COG OPERATING LLC, sent to the Carlsbad
Committed to AFMSS for processing by PRISCILLA PEREZ on 03/21/2020 (20PP1721SE)**

Name (Printed/Typed) STAN WAGNER

Title

Signature (Electronic Submission)

Date 03/19/2020

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By DYLAN ROSSMANGO

Title PETROLEUM ENGINEER

Date 05/26/2020

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

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)

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

Hambone Federal Com 702H 30-015-46813

Wellhead

The operator request to use multi-bowl wellhead assembly.

Surface

Drill 17.5" hole to 360'

Set 17.5" 54.5# J55 BTC casing @ 360'

Cement in one stage to surface:

Tail: 350 sx of Class C + 1% CaCl₂ (14.8 ppg/ 1.35 cuft/sx)

The Operator requests to preset the surface casing on the subject well.

Intermediate 1

2M BOP System

Drill 12.25" hole to 2870' with Saturated Brine

Set 10.75" 45.5# J55 BTC Special Clearance @ 2870'

Cement in one stage to surface:

Lead: 350 sx of Class C + 4% Gel (12.6 ppg / 2.26 cuft/ sx)

Tail: 200 sx of Class C (14.8 ppg/ 1.36 cuft/sx)

After cementing the 10.75" casing to surface, the 13.375" portion of the well head will be cut off and a multi-bowl wellhead will be attached to the 10.75" casing. A metal plate with a gauge will be welded on to the 13.375" casing to isolate the annulus

Intermediate 2

3M BOP System

Drill 9.875" hole to 9,300' with Cut Brine

Set 7.625" 29.7# EHC L80 BTC @ 9,300'

Cement in one stage to surface:

Lead: 700 sx of NeoCem (10.5 ppg / 3.39 cuft/ sx)

Tail: 200 sx of Class H (15.0 ppg/ 1.27 cuft/sx)

Production

5M BOP System

Drill 6.75" hole to 20,138'

Set 5.5" 20# P110 BTC @ 20,138'

Cement in one stage to surface

Lead: 650 sx of 35:65:6 Class H (12.7 ppg / 1.98 cuft/ sx)

Tail: 700 sx of 50:50:2 Class H Blend (14.0 ppg / 1.65 cuft/sx)

**PECOS DISTRICT
DRILLING OPERATIONS
CONDITIONS OF APPROVAL**

OPERATOR'S NAME:	COG Operating LLC
LEASE NO.:	NMNM57261
WELL NAME & NO.:	Hambone Federal Com 701H, 702H, 703H
LOCATION:	Section 8, T 26S, R 29E, NMPM
COUNTY:	Eddy County, New Mexico

All other previous conditions of approval still apply.

A. HYDROGEN SULFIDE

1. Hydrogen Sulfide (H₂S) monitors shall be installed prior to drilling out the surface shoe. If H₂S is detected in concentrations greater than 100 ppm, the Hydrogen Sulfide area shall meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, provide measured values and formations to the BLM.

B. CASING

1. The **13-3/8"** surface casing shall be set at approximately **360'** (a minimum of 75' into the Rustler Anhydrite and above the salt) and cemented to surface.
 - a. **If cement does not circulate to surface**, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of **6 hours** after pumping cement, ideally between 8-10 hours after.
 - b. WOC time for a primary cement job will be a minimum of **8 hours** or **500 psi** compressive strength, whichever is greater. This is to include the lead cement.
 - c. If cement falls back, remedial cementing will be done prior to drilling out the shoe.
 - d. WOC time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 psi compressive strength, whichever is greater.
2. The **10-3/4"** intermediate casing shall be cemented to surface.
 - a. **If cement does not circulate to surface**, see B.1.a, c & d.
3. The **7-5/8"** intermediate casing shall be set in the 3rd BS Lime and cemented with at least **200' tie-back** into the previous casing. Operator shall provide method of verification.
 - a. In Medium Cave/Karst Areas, if cement does not circulate to surface on the previous two casing strings, the cement on this string must come to surface.
4. The **5-1/2"** production casing shall be cemented with at least **500' tie-back** into the previous casing due to the lack of clearance between the casing and the open hole. Operator shall provide method of verification.

- a. In Medium Cave/Karst Areas, if cement does not circulate to surface on any two of the previous three casing strings, the cement on this string must come to surface.

C. PRESSURE CONTROL

1. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **3000 (3M)** psi.
2. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the second intermediate casing shoe shall be **5000 (5M)** psi.

D. SPECIAL REQUIREMENTS

1. Submit a Communitization Agreement to the Carlsbad Field Office, 620 E Greene St. Carlsbad, New Mexico 88220, at least 90 days before the anticipated date of first production from a well subject to a spacing order issued by the New Mexico Oil Conservation Division. The Communitization Agreement will include the signatures of all working interest owners in all Federal and Indian leases subject to the Communitization Agreement (i.e., operating rights owners and lessees of record), or certification that the operator has obtained the written signatures of all such owners and will make those signatures available to the BLM immediately upon request.
 - a. The well sign on location shall include the surface and bottom hole lease numbers. When the Communitization Agreement number is known, it shall also be on the sign.
2. The operator has proposed a multi-bowl wellhead assembly, see attached diagram. The following requirements must be met:
 - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
 - b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
 - c. Manufacturer representative shall install the test plug for the initial BOP test.
 - d. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
 - e. Whenever any seal subject to test pressure is broken, all the tests in Onshore Order 2 III.A.2.i must be followed.

DR 5/26/2020