

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTOCD Artesia
05/15/2012FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**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
NMLC028992H

6 If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well

☐ Oil Well ☐ Gas Well ☒ Other. INJECTION8. Well Name and No.
LOCO HILLS SWD 34 52 Name of Operator
COG OPERATING LLCContact. CHASITY JACKSON
E-Mail. cjackson@concho.com9. API Well No
30-015-39477-00-X13a Address
550 WEST TEXAS AVENUE SUITE 100
MIDLAND, TX 797013b Phone No (include area code)
Ph: 432-686-308710 Field and Pool, or Exploratory
SALT WATER DISPOSAL (SWD)

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

Sec 34 T17S R30E SENW 1650FNL 1595FWL

11 County or Parish, and 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 checked="" 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
	<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 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.)

Notice of Intent for completion of Loco Hills SWD 34 #5. SWD-1284
Please see attachment. Logs are mailed.

Accepted for record

NMOCD

105
6/6/2012

RE 6/11/12

RECEIVED

JUN 04 2012

NMOCD ARTESIA

14 I hereby certify that the foregoing is true and correct

Electronic Submission #138007 verified by the BLM Well Information System
For COG OPERATING LLC, sent to the Carlsbad
Committed to AFMSS for processing by KURT SIMMONS on 05/22/2012 (12KMS1985SE)

Name (Printed/Typed) CHASITY JACKSON

Title PREPARER

Signature (Electronic Submission)

Date 05/15/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By WESLEY INGRAM

Title PETROLEUM ENGINEER

Date 05/31/2012

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

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

- I. **Subject of Notice:** COG Operating LLC's Loco Hills SWD 34 #5 well, API 30-015-39477-00-X1, Sec 34 T17S R30E SENW 1650FNL 1595FWL, Eddy Co., NM.
- II. **Objective of Notice:** Provision of a second set of supplemental information for this completion NOI.
- III. **Reason for Notice:** To answer additional questions set forth by the BLM on April 5, 2012 on this well. Also to provide supplemental information and/or acknowledge receipt of and intent to comply with those instructions issued in that notice.
- IV. **Answers:**
Question as stated by BLM on April 5, 2012.
 1. Operator stated that they drilled the well according to the approved 3160-3. The BLM stated in the Conditions of Approval that the surface casing was to be set at approximately 360'. Operator to explain why casing was set at 435' since there is no information requesting a change in depth.
 - a. Operator stated that they received approval from Richard Carrasco at 1444 hours 1/19/2012. If operator was drilling at 40 fph they were already past the approved depth at this time. Approximate depth at time of request calculates to 385'.
 - b. Richard Carrasco does not have authority to change the casing depths. That has to be approved by a BLM engineer and there is no confirmation in the BLM files that support this request even to Richard. Once the logs are received, they will be used to verify that COG set in the Rustler.

Response by COG to above:

- 1a. The top of the Rustler as picked by our Mud Logger (Log Attached) is 372 and the additional 25' would be 397'. To match the casing on location we requested and were granted a depth of 435', an additional 38'.
- 1b. COG was not informed of an authority issue in the depth request. We maintain call logs of our activities.

Statement on breakdown pressures by BLM on April 5, 2012.

2. **Operator to provide breakdown pressures. Formation shall not be fractured.**
 - a. **Operator responded that they will provide breakdown pressure and that formation will not be fractured.**
 - b. **Operator should have an approximate value for the breakdown pressure. If review of treatment indicates that formation has been fractured, operator shall submit plan to keep water within approved injection zone.**

Response by COG to above:

2a. Review of literature and calculations from previous jobs indicate that the correct Fracture Gradient for the Wolfcamp reef be approximately +0.75 psi/ft.

2b. COG will design any stimulation to have a surface treating pressure less than that required to fracture this formation considering hydrostatics, friction and fracture gradient.

BLM Swab Test requirements

3. **Swab test – operator to confirm with NMOCD that this is acceptable as order required the well be tested to their satisfaction. This will have to be reviewed prior to commencing injection. Operator to also use open hole logs to establish no production in paying quantities.**
 - a. **Operator stated that they will provide NMOCD notice of the swabbing. NMOCD may still require additional testing.**
 - b. **Operator to submit all test results for determination of production to BLM and NMOCD.**

Response by COG to above:

3a. COG will perform that additional testing requested by the NMOCD.

3b. COG will submit results.

BLM Statement

4. **Operator is restricted to 1700 psi per order SWD-1284.**

Response by COG is that it maintains the highest level of compliance with the NMOCD orders for SWD wells and that its SWD facilities are subject to continuous electronic monitoring with maximum disposal pressures being of the utmost priority.

BLM Requirement(s)

5. Completion procedure conditions:
 - a. Submit copy of all logs run to BLM.
 - b. Breakdown pressures to be submitted.
 - c. Submit step rate test results.

Response by COG

- a. Logs will be submitted.
- b. Breakdown pressures will be submitted after they are obtained.
- c. No step rate will be run, calculations have sufficiently delineated the formation fracture gradient that this step is no longer required. An amended completion procedure for this well is hereby submitted with this supplemental NOI.

Amended Completion Procedure to accompany NOI Supplement No. 2

Well: Loco Hills SWD 34 #5

API: 30-015-39477

Location: Sec 34 T17S R30E SENW 1650FNL 1595FWL, Eddy Co., NM.

Permits: SWD 1284

Elevation: 3,570.3 KB; 3,551.8 GL

BHT: 129 Deg

Base Log: Schlumberger Platform Express Three Detector Porosity Log Dated
Feb 13, 2012

Current Status: Suspended, See included Wellbore Diagram

Attachments:

- Wellbore Diagram, attached and made a part
- BLM Conditions of Approval, sent under separate cover
- Wellhead Schematic, Downing, attached and made a part

Procedure

1. Please read and ask questions about any part of the BLM Conditions of Approval prior to beginning this work.
2. MIRU Well Service Unit.
3. BOP. This well will require the drill out of the DV Tool. Per BLM COA the BOP must be 3000 psig rated with hydraulic accumulator with 200 psig over pre-charge. If collars are used, the BOP must have pipe rams for both collars and work string as well as blind rams. See also requirements for manifold system.
4. PU 6 1/8" Mill tooth bit, collars if required, and work string and GIH to drill out DV Tool, T/DV @ 7,019'.
5. GIH to Float Collar 9,495'.
6. Circulate hole clean w/ 2% KCL and pickle tubing with 250 gal 15% acid, spot acid to btm and then reverse out.
7. POOH and LD Collars and Bit.
8. RU Cased Hole Loggers and run GR/CCL/CBL. Tie GR to OH log shown in heading. Log from PBTD to 9 5/8" casing shoe at 4,000'.
9. Perforations: Gun: 4" Cased Hole, SPF: 1 jspf every two feet, inclusive, or 1/2 jspf inclusive.

Amended Completion Procedure to accompany NOI Supplement No. 2

10. Perforate as shown:

8,886 – 9,000' Gross interval 114 ft, 59 total holes (inclusive basis).

11. Acid Breakdown/Ball Out GIH w/ 4 jt's Tail Pipe, Trt'g Pkr, SN and work string. Leave pkr hanging 1 joint above top perf at 8,886'.

RU Rising Star to Breakdown/Ball Out.

Acid Spec: 15 % NE-FE w/

- Spot 250 gal acid to btm tbg
- POOH w/ 4 jts, reverse 1 bbl into tbg, set packer.
- Roll pumps to breakdown; record ISIP, 5 and 10 minute.
- Begin ball job.

12. Pump Ball Job as follows: Rate 4-5 BPM, ballout formation.

Record ISIP, 5, 10, 15 minute, and surge balls off.

Gal	Ball Sealers
500	
500	40
500	
500	40
500	
500	40
500	
500	40
500	
4,500	120

13. Notify BLM of swabbing. RU and swab back to confirm no commercial volume of hydrocarbons.

14. RU Rising Star and perform gelled acid treatment across this interval. Gelled acid job to be 30,000 gal gelled 15%, in two stages of 15,000 gal per stage, w/ 3000 Rock salt block between stages. Based on offset well, an average rate of 7.5 BPM.

Amended Completion Procedure to accompany NOI Supplement No. 2

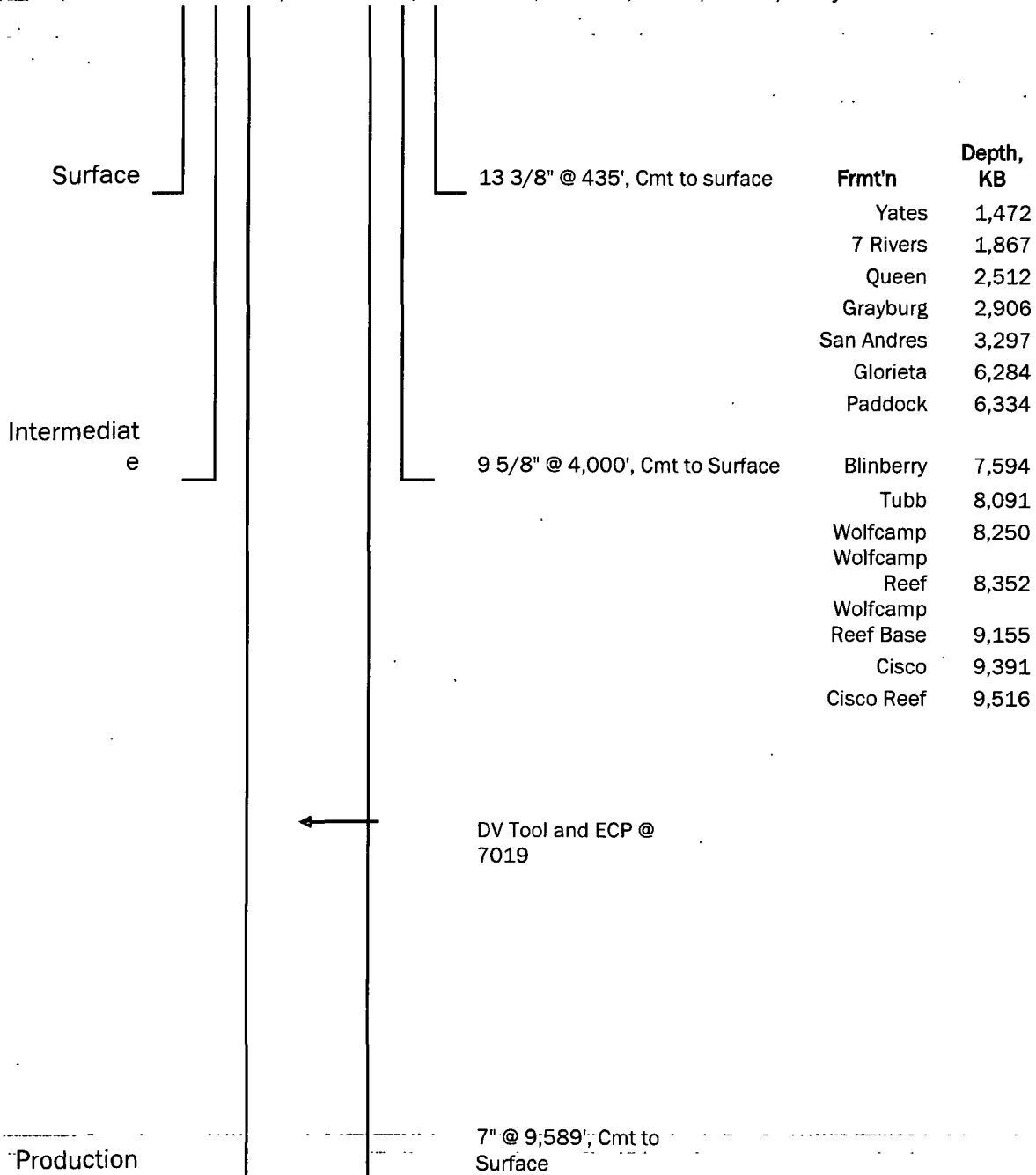
Well: Loco Hills SWD 34 #5

API: 30-015-39477

SWD Permit: 1284

Elev: 3,570.3 KB; 3,551.8 GL

Location: 1650 FNL; 1595 FWL, Unit Ltr. F, Sec 34, T17S, R30E, Eddy Co. NM



Amended Completion Procedure to accompany NOI Supplement No. 2