

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM 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.
NMLC029020M

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
CARMEN 3 FEDERAL COM 15H9. API Well No.
30-015-40539-00-X110. Field and Pool, or Exploratory
LOCO HILLS GLORIETA-YESO11. County or Parish, and State
EDDY COUNTY, NM**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator
COG OPERATING LLC
Contact: ROBYN ODOM
E-Mail: rododom@conchoresources.com3a. Address
ONE CONCHO CENTER 600 W ILLINOIS AVENUE
MIDLAND, TX 797013b. Phone No. (include area code)
Ph: 432-685-43854. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 3 T17S R30E Lot 1 330FNL 330FEL**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
	<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 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.)

13 3/8" set at 462' and cemented w/50sxs Class C w/2% CaCl₂, 300sxs Thixotropic, 250sxs Class C w/2% CaCl₂, 450sxs Class C w/2% CaCl₂. Did not circulate cement to surface. TOC by temp survey 134'. 1" w/200sxs Class C, circulated 50sxs to surface.

9 5/8" set at 1388'. Cemented per APD with 300sxs of 50:50:10; 200sxs of Class C w/2% CaCl₂. Circulated 117sxs to surface. Noted 24BPH Flow from 13 3/8" x 9 5/8" annulus. SI for PBU, 12hr sisp 300psi. Tagged TOC at 39'. Tested 9 5/8" to 1200psi for 30mins, ok. Drilled 10' new formation (to 1398') closed BOP and performed FIT to 10.3ppg EMW for 30mins, ok. Left annulus flowing. Drilled to 5179' ran OH logs. Ran CBL on 9 5/8" casing, bond appears poor. TD horizontal at 10,200'. Water flow has depleted to 2.25BPH (from 24BPH).

Concerns: If we pump in from the top, we are concerned about collapsing the 9 5/8". If we attempt to perforate the 9 5/8" and squeeze, we are concerned that we will simply fracture the salt but not fix the problem.

RECEIVED

APR 05 2013

NMOCD ARTESIA

SEE ATTACHED FOR

Accepted for record

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

Electronic Submission #202984 verified by the BLM Well Information System

For COG OPERATING LLC, sent to the Carlsbad

Committed to AFMSS for processing by DEBORAH MCKINNEY on 04/02/2013 (13DLM1852SE)

Name (Printed/Typed) ROBYN ODOM

Title PERSON RESPONSIBLE

Signature (Electronic Submission)

Date 03/28/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By EDWARD FERNANDEZ

Title PETROLEUM ENGINEER

Date 04/02/2013

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 ******SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

Additional data for EC transaction #202984 that would not fit on the form

32. Additional remarks, continued

COG proposes to run casing with isolation packers in the lateral and cement from the KOP to surface, as per the APD.

We further propose to cement with 900sxs of the 50:50:2 (approved tail cement) Followed by 800sxs of 16.8ppg kickoff cement. This is the cement that is approved for the alternate 2 stage job. This will give higher and sooner compressive strength.

We further propose to shut in and monitor the 9 5/8" x 13 3/8" annulus pressure.

After a minimum 48hrs SICP to establish a baseline, during the Frac job the service company will continuously monitor the annulus pressure. If at any time the annulus pressure increases by more than 250psi the Frac job will be shut down and terminated.

After completion operations, the annulus will be piped to a rental test tank and flowed for 30 days, with the test tank gauged daily to record volume flowed and to allow the annulus to seal itself. After that, a pressure gauge will be installed and the pressure recorded weekly.

Records of this will be maintained.

We believe this procedure is the method that will cause the least risk of wellbore damage.

CONDITIONS OF APPROVAL

Sundry dated 03/28/2013

COG Operating LLC
NMLC029020M
Carmen 3 federal Com 15H
30-015-40539
Section 3, T. 17 S., R 30 E., NMPM
Eddy County, New Mexico

After completion operations, the Operator shall send the BLM weekly reports via email to Ed Fernandez and Wesley Ingram of the BLM of the flow rates to the proposed test tank and/or pressure gauge reading. The reports shall continue until told to stop by the BLM.

EGF 040213