

ECUNITED 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.***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. NMNM0397623
2. Name of Operator COG OPERATING LLC		6. If Indian, Allottee or Tribe Name
Contact: KANICIA CARRILLO E-Mail: kcarrillo@conchoresources.com		7. If Unit or CA/Agreement, Name and/or No.
3a. Address 550 WEST TEXAS AVE STE 1300 MIDLAND, TX 79701	3b. Phone No. (include area code) Ph: 432-685-4332	8. Well Name and No. FOLK FEDERAL 1
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 17 T17S R29E 1650FSL 990FWL 32.83172 N Lat, 104.10187 W Lon		9. API Well No. 30-015-35727
		10. Field and Pool, or Exploratory GRAYBURG JACKSON;SR-Q-G-S
		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 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 checked="" 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 recompleate 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 recompleation 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 Operating LLC proposes to recompleate to the GB/SA as follows:

Folk Fed #1 San Andres / GB Add Pay Procedure

1. MI. Hold safety mtg. RU.
2. POOH w/ rods and pump.
3. NU BOP.
4. Release TAC and POOH w/ tbg.
5. RIH w/ CIBP and set at +/- 3800'. Do not cap with cement. COG plans to commingle with Yeso after separately production testing the San Andres and GB.
6. RIH and perforate lower San Andres from 3600' ? 3700' w/ 1 spf, 16 holes.
7. Frac lower San Andres with 66,760 gals of gel carrying 89,200# of 16/30 sand.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct. Electronic Submission #88035 verified by the BLM Well Information System For COG OPERATING LLC, sent to the Carlsbad		Reviewed 7/8/10	
Name (Printed/Typed) KANICIA CARRILLO	Title PREPARER		
Signature (Electronic Submission)	Date 06/16/2010		
THIS SPACE FOR FEDERAL OR STATE OFFICE USE			
Approved By	Title	Date	
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		
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 any statement or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.			

APPROVEDJUL 8 2010
/s/ Dustin WinklerBUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

Additional data for EC transaction #88035 that would not fit on the form

32. Additional remarks, continued

8. RIH w/ perf gun and composite frac plug and set plug at +/- 3500?. Perforate middle San Andres from 3150? ? 3400? w/ 1 spf, 26 holes.

9. Frac middle San Andres with 128,250 gals of gel carrying 178,400# of 16/30 sand.

10. RIH w/ perf gun and composite frac plug and set plug at +/- 2600?. Perforate middle Grayburg from 2380? ? 2400? w/ 2 spf, 12 holes and from 2290? ? 2336? w/ 2 spf, 12 holes.

11. Acidize and swab test each Grayburg sand separately. Based on swab results, appropriate stimulation will be performed (acid only or frac).

12. RIH w/ bit and drill out CFP at 2600? and 3500?. Clean out to CIBP at 3800?.

13. POOH w/ bit and scraper.

14. RIH w/ tbg and land EOT at +/- 3700?.

15. ND BOP.

16. RIH w/ rods and pump.

17. HWOB

18. RDMO.

COG intends to test GB/SA separately from Yeso to determine its producing characteristics and evaluation. COG plans to commingle GB/SA/Yeso at a later date.

COG proposes to down hole commingle the Grayburg Jackson SR Queen Grayburg SA, (28509) with the Empire; Glorieta-Yeso, (96610).

Commingling will not reduce the value of the total remaining production.

The proposed intervals are as follows:

Grayburg Jackson SR Queen Grayburg SA 2396' - 3686'

Empire; Glorieta-Yeso 4370' - 4950'

Percentages to be determined after completion.

Ownership in all zones are the same.

COG Operating LLC
NM-0397623: Folk Federal #1
API: 30-015-35727
Eddy County, New Mexico

RE: Plug Back/Recompletion – Conditions of Approval

There is to be no surface disturbance beyond the originally approved pad. A closed loop system is to be used. H2S monitoring and protection equipment is to be on site.

2M BOP is to be used for this well. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.

This is approval for the plug back/recompletion only. A separate NOI to commingle is required. DHC NOI should include a copy of the NMOCD application.

Submit subsequent report and completion report once work is completed.

DHW 070110