OCD Artesia

Form 3160 - 3 (April 2004)			FORM APPR OMB No. 100 Expires March	4-0137		
UNITED STATES DEPARTMENT OF THE INTE BUREAU OF LAND MANAGE		5. Lease Serial No. NMLC-029420A				
APPLICATION FOR PERMIT TO DRII		6. If Indian, Allotee or Tribe Name N/A				
ia. Type of work: DRILL REENTER		7. If Unit or CA Agreement, Name and No. NMNM - 71030C				
1b. Type of Well: Oil Well Gas Well Other	le Zone	NMNM - 71030C 8. Lease Name and Well No. SKELLY UNIT #833				
2. Name of Operator Chevron USA Agent: COG Operatin		-	9. API Well No 30-015- 384			
3a Address Agent Address: 550 W. Texas Ave., Suite 1300 Midland, TX 79701		10. Field and Pool, or Explorer Fren; Glorieta-Ye	*			
4 Location of Well (Report location clearly and in accordance with any State At surface SHL: 900' FNL & 1851' FEL, Unit B	requirements.*)		11. Sec., T. R. M. or Blk. an	d Survey or Area		
At proposed prod. zone BHL: 990' FNL & 1650' FEL, Unit B			_ Sec 15 T17S R31	. ·		
14 Distance in miles and direction from nearest town or post office* 9 miles East of Loco Hills, NM		12. County or Parish 13. State EDDY NM				
location to nearest	No. of acres in lease	17. Spacing	Unit dedicated to this well			
property or lease line, ft. (Also to nearest drig. unit line, if any) 900'	720		40			
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 770'	Proposed Depth LTUD TVD	20. BLM/E	M/BIA Bond No. on file NMB000215			
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 22. 3897' GL	Approximate date work will star 12/31/2010	t*	23. Estimated duration 15 days	1		
24.	Attachments		1	· - 1/-in		
The following, completed in accordance with the requirements of Onshore Oil a	and Gas Order No.1, shall be at	tached to thi	s form:			
Well plat certified by a registered surveyor. A Drilling Plan.	4. Bond to cover the Item 20 above).	ne operation	s unless covered by an exist	ing bond on file (see		
3. A Surface Use Plan (if the location is on National Forest System Lands S) PO shall be filed with the appropriate Forest Service Office).		specific info	rmation and/or plans as may	be required by the		
25 Signature HO 201 (AD)	Name (Printed/Typed) Robyn M. Odom		Date	10/21/2010		
Regulatory Analyst						
Approved by (Signature) /s/ Don Peterson	Name (Printed/Typed)		Date	JAN 20 2011		
Title FIELD MANAGER	Office		CARLSBAD FIELD	OFFICE		
Application approval does not warrant or certify that the applicant holds legal conduct operations thereon. Conditions of approval, if any, are attached.	l or equitable title to those right	ts in the subj	ect lease which would entitle APPROVAL FO	the applicant to YEARS		
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for States any false, fictitious or fraudulent statements or representations as to any		illfully to m	ake to any department or ago	ency of the United		

Roswell Controlled Water Basin

*(!nstructions on page 2)

RECEIVED

JAN 25 2011

NMOCD ARTESIA

Approval Subject to General Requirements & Special Stipulations Attached

MP

SEE ATTACHED FOR CONDITIONS OF APPROVAL

24

MASTER DRILLING PROGRAM

1. Geologic Name of Surface Formation

Quaternary

2. Estimated Tops of Important Geologic Markers:

Quaternary	Surface
Top of Salt	560'
Base of Salt	1150'
Yates	1770'
Seven Rivers	2100'
Queen	2715'
Grayburg	3100'
San Andres	3450'
Glorietta	4950'
Yeso Group	4995'

3. Estimated Depths of Anticipated Fresh Water, Oil and Gas

Water Sand	150'	Fresh Water
Grayburg	3100'	Oil/Gas
San Andres	3450'	Oil/Gas
Glorieta	4950'	Oil/Gas
Yeso Group	4995'	Oil/Gas
		See COA

No other formations are expected to give up oil, gas or fresh water in measurable quantities. Setting 13 3/8" casing to 450° and circulating cement back to the surface will protect the surface fresh water sand. The Salt Section will be protected by setting 8 5/8" casing to 1800° and circulating cement, in a single or multi-stage job and/or with an ECP, back to the surface. Any shallower zones above TD, which contain commercial quantities of oil and/or gas, will have cement circulated across them. This will be achieved by cementing, with a single or multi-stage job, the 5 1/2" production casing back 200° into the intermediate casing, to be run at TD. If wellbore conditions arise that require immediate action and/or a change to this program, COG Operating LLC personnel will always react to protect the wellbore and/or the environment.

See

COG Operating LLC Master Drilling Plan Revised 7-22-09 Fren Area; Yeso Use for Sections 2-28, T-17-S, R-31-E Eddy County, NM

4. Casing Program

See COA

Hole Size	Interval	OD Casing	Weight	Grade	Jt., Condition	Jt.	burst/collapse/tension
17 1/2"	0-450010		48#	H-40orJ-55	New	ST&C	8.71/3.724/14.91
11"or1	0-13-00137	8 5/8"	24or32#	J-55	New	ST&C	2.91/1.46/5.65
7 7/8"	0-T.D.	5 1/2"	15.5 or17#	J-55orL80	New	LT&C	1.71/1.574/2.20

5. Cement Program

13 3/8" Surface Casing:

Class C, 500 sx, yield 1.32, back to surface

8 5/8" Intermediate Casing:

11" Hole:

Single Stage: 50:50:10, 350 sx lead, yield-2.45 + Class C, 200 sx tail, yield-1.32, back to surface.

See COA

Multi-Stage: Stage 1: Class C, 350 sx, yield-1.32. Stage 2: 50:50:10, 200 sx, yield-2.45, back to surface. Multi stage tool to be set at approximately, depending on hole conditions, 450 bb()

5 1/2" Production Casing:

Single Stage: 35:65:6, 500 sx Lead, yield-2.05 + 50:50:2, 400 sx Tail, yield-1.37, to 200' minimum tie back to intermediate casing.

See COA Multi-Stage: Stage 1: 50:50:2, 400 sx, yield - 1.37; Stage 2: 35:65:6, 500 sx, yield - 2.05, to 200' minimum tie back to intermediate casing. Multi stage tool to be set at approximately, depending on hole conditions. 20 - 2000'.

6. Minimum Specifications for Pressure Control

The blowout preventer equipment (BOP) shown in Exhibit #9 will consist of a double ram-type (2000 psi WP) preventer. This unit will be hydraulically operated and the ram type preventer will be equipped with blind rams on top of 4 1/2" drill pipe rams on the bottom. The BOP will be nippled up on the 13 3/8" surface casing with BOP equipment and tested together to 2000 psi by rig pump in one test. The BOP will then be nippled up on the 8 5/8" intermediate casing and tested by a third party to 2000 psi and used continuously until total depth is reached. All BOP's and accessory equipment will be tested to 2000 psi before drilling out of the intermediate casing. Pipe rams will be operationally checked each 24-hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment (Exhibit #10) will include a Kelly cock and floor safety valve, choke lines and a choke manifold (Exhibit #11) with a 2000 psi WP rating.

7. Types and Characteristics of the Proposed Mud System

The well will be drilled to TD with a combination of brine, cut brine and polymer mud system. The applicable depths and properties of this system are as follows:

deedy

610	
(610' (825)	Ĺ

DEPTH	TYPE	WEIGHT	VISCOSITY	WATERLOSS
0-450 610	Fresh Water	8.5	28	N.C.
A50-1800'1835'	Brine	10	30	N.C.
(188 0'-TD	Cut Brine	8.7-9.1	29	N.C.

Sufficient mud materials will be kept at the well site to maintain mud properties and meet minimum lost circulation and weight increase requirements at all times.

8. Auxiliary Well Control and Monitoring Equipment

- A. Kelly cock will be kept in the drill string at all times.
- B. A full opening drill pipe-stabbing valve with proper drill pipe connections will be on the rig floor at all times.

9. Logging, Testing and Coring Program acc COA

- A. The electric logging program will consist of GR-Dual Laterolog, Spectral Density, Dual Spaced Neutron, CSNG Log and will be run from TD to 8 5/8" casing shoe.
- B. Drill Stem test is not anticipated.
- C. No conventional coring is anticipated.
- D. Further testing procedures will be determined after the 5 ½" production casing has been cemented at TD, based on drill shows and log evaluation.

10. Abnormal Conditions, Pressure, Temperatures and Potential Hazards

No abnormal pressures or temperatures are anticipated. The estimated bottom hole at TD is 110 degrees and the estimated maximum bottom hold pressure is 2300 psig. Measurable gas volumes or Hydrogen Sulfide levels have not been encountered during drilling operations in this area, although a Hydrogen Sulfide Drilling Operation Plan is attached to this program. No major loss of circulation zones has been reported in offsetting wells.

11. Anticipated Starting Date and Duration of Operations

Road and location work will not begin until approval has been received from the BLM. As this is a Master Drilling plan, please refer to the Form 3160-3 for the anticipated start date. Once commenced, drilling operations should be finished in approximately 12 days. If the well is productive, an additional 30 days will be required for completion and testing before a decision is made to install permanent facilities.



COG Operating LLC

Eddy County, NM (NAN27 NME) Skelly Unit #833 Skelly Unit #833

ОН

Plan: Plan #1 - 7-7/8" Hole SHL = 900' FNL & 1851' FEL BHL = 980' FNL & 1660' FEL Top of Paddock = 980' FNL & 1660' FEL @ 5000' TVD

Standard Planning Report

30 September, 2010





Scientific Drilling

Planning Report



0.26

EDM-Julio Database:

Company: COG-Operating LLC

Eddy County, NM (NAN27 NME) Project:

Site: Skelly Unit #833 Well: Skelly Unit #833

Wellbore:

Plan #1 - 7-7/8" Hole Design:

Local Co-ordinate Reference:

Site Skelly Unit #833 TVD Reference: GL Elev @ 3897.00usft MD Reference: GL Elev @ 3897.00usft

North Reference: Grid

Survey Calculation Method: Minimum Curvature

Project: Eddy County, NM (NAN27 NME)

Map System: Geo Datum:

US State Plane 1927 (Exact solution)

NAD 1927 (NADCON CONUS)

New Mexico East 3001 Map Zone:

System Datum:

Mean Sea Level

Site Skelly Unit #833

Northing: Site Position: From: Мар Easting:

669,372,80 usft Latitude: 647,096.70 usft Longitude:

0.00

32° 50' 21.390 N 103° 51' 15.870 W

112.29

Slot Radius: 13-3/16 " Position Uncertainty: 0.00 usft **Grid Convergence:**

0.00

Skelly Unit #833

Well Position 0.00 usft 669,372.80 usft 32° 50' 21.390 N Northing:

+E/-W 0.00 usft Easting: 647,096.70 usft Longitude: 103° 51' 15.870 W 3,897.00 usft 0.00 usft Wellhead Elevation: Ground Level: **Position Uncertainty**

Wellbore ОH

Declination Dip Angle Field Strength Magnetics Sample Date

BGGM2010 60.74 2010/09/30 7.91 49.062

Design **Audit Notes:** 0.00 Version: Phase: PLAN Tie On Depth: Vertical Section: Depth From (TVD) +E/-W Direction (usft) (usft) (usft) (°)÷

0.00

Plan Sections			racasa ingeliji.		and the second s		in a series of the series of t	a 10 mart commence of the contract of the cont		
Measured			Vertical			Dogleg	Build	Tűrn		
Depth In	clination	Azimuth	Depth	+N/-S	+Ę/-W	Rate	Rate	Rate	TFO	
(usft)	(°)	(°)	(usft)	(usft)	(usft) (°	/100usft)	(°/100usft) (°/100usft)	(°)	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	*
2,000.00	0.00	0.00	2,000.00	0.00	0.00	0.00	0.00	0.00	0.00	
2,212.31	4.25	112.29	2,212.11	-2.98	7.28	2.00	2.00	0.00	112.29	
4,795.17	4.25	112.29	4,787.89	-75.52	184.22	0.00	0.00	0.00	0.00	
5,007.48	0.00	0.00	5,000.00	-78.50	191.50	2.00	-2.00	0.00	180.00	TG1-Skelly #833
6,707.48	0.00	0.00	6,700.00	-78.50	191.50	0.00	0.00	0.00	0.00	PBHL-Skelly #833



Scientific Drilling

Planning Report



Database: Company: EDM-Julio

COG Operating LLC

Project:

Eddy County, NM (NAN27 NME)

Skelly Unit #833 Site: Well: Skelly Unit #833

Wellbore: ОН

Design: Plan #1 - 7-7/8" Hole

in the second The second s Local Co-ordinate Reference:

TVD Reference: MD Reference:

North Reference:

Survey Calculation Method:

Site Skelly Unit #833

GL Elev @ 3897.00usft GL Elev @ 3897.00usft

Minimum Curvature

Planned Survey

							or the lines		
Measured			Vertical.		es a subject of the s	Vertical	Dogleg	Build	Turn
	lination	Azimuth	Depth	+N/-S	+E/-W	Section	Rate	Rate	Rate
" (usft)	(°),	(°)** -	(usft)	(usft)	. (usft)	(usft)	(°/100usft)	(°/100usft)	(°/100usft)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
South HL-Skelly #	1833 - West H	IL-Skelly #833							
1,900.00	0.00	0.00	1,900.00	0.00	0.00	0.00	0.00	0.00	0.00
8-5/8" Casing									
2,000.00	0.00	0.00	2,000.00	0.00	0.00	0.00	0.00	0.00	0.00
KOP Start Build 2	.00°/100'								
2,100.00	2.00	112.29	2,099.98	-0.66	1.61	1.75	2.00	2.00	0.00
2,200.00	4.00	112.29	2,199.84	-2.65	6.46	6.98	2.00	2.00	0.00
2,212.31	4.25	112.29	2,212.12	-2.98	7.28	7.86	2.00	2.00	0.00
EOC hold 4.25°			,						
2,300.00	4.25	112.29	2,299.57	-5.45	13.28	14.36	0.00	0.00	0.00
2,400.00	4.25	112.29	2,399.29	-8.25	20.13	21.76	0.00	0.00	0.00
2,500.00	4.25	112.29	2,499.02	-11.06	26.99	29.16	0.00	0.00	0.00
2,600.00	4.25	112.29	2,598.74	-13.87	33.84	36.57	0.00	0.00	0.00
2,700.00	4.25	112.29	2,698.47	-16.68	40.69	43.97	0.00	0.00	0.00
2,800.00	4.25	112.29	2,798.19	-19.49	47.54	51.38	0.00	0.00	0.00
2,900.00	4.25	112.29	2,897.92	-22.30	54.39	58.78	0.00	0.00	0.00
3,000.00	4.25	112.29	2,997.64	-25.10	61.24	66.19	0.00	0.00	0.00
3,100.00	4.25	112.29	3,097.37	-27.91	68.09	73.59	0.00	0.00	0.00
3,200.00	4.25	112.29	3,197.09	-30.72	74.94	80.99	0.00	0.00	0.00
3,300.00	4.25	112.29	3,296.82	-33.53	81.79	88.40	0.00	0.00	0.00
3,400.00	4.25	112.29	3,396.55	-36.34	88.64	95.80	0.00	0.00	0.00
3,500.00	4.25	112.29	3,496.27	-39.14	95.49	103.21	0.00	0.00	0.00
3,600.00	4.25	112.29	3,596.00	-41.95	102.34	110.61	0.00	0.00	0.00
3,700.00	4.25	112.29	3,695.72	-44.76	109.20	118.01	0.00	0.00	0.00
3,800.00	4.25	112.29	3,795.45	-47.57	116.05	125.42	0.00	0.00	0.00
3,900.00	4.25	112.29	3,895.17	-50.38	122.90	132.82	0.00	0.00	0.00
4,000.00	4.25	112.29	3,994.90	-53.19	129.75	140.23	0.00	0.00	0.00
4,100.00	4.25	112.29	4,094.62	-55.99	136.60	147.63	0.00	0.00	0.00
4,200.00	4.25	112.29	4,194.35	-58.80	143.45	155.03	0.00	0.00	0.00
4,300.00	4.25	112.29	4,294.08	-61.61	150.30	162.44	0.00	0.00	0.00
4,400.00	4.25	112.29	4,393.80	-64.42	157.15	169.84	0,00	0.00	0.00
4,500.00	4.25	112.29	4,493.53	-67.23	164.00	177.25	0.00	0.00	0.00
4,600.00	4.25	112.29	4,593.25	-70.04	170.85	184.65	0.00	0.00	0.00
4,700.00	4.25	112.29	4,692.98	-72.84	177.70	192.06	0.00	0.00	0.00
4,795.17	4.25	112.29	4,787.89	-75.52	184.22	199.10	0.00	0.00	0.00
Start DLS 2.00°/10	0,								
4,800.00	4.15	112.29	4,792.70	-75.65	184.55	199.46	2.00	-2.00	0.00
4,900.00	2.15	112.29	4,892.55	-77.74	189.63	204.95	2.00	-2.00	0.00
5,000.00	0.15	112.29	4,992.52	-78.50	191.49	206.96	2.00	-2.00	0.00
5,007.48	0.00	0.00	5,000.00	-78.50	191.50	206.96	2.00	-2.00	0.00
EOC hold 0.00° - 1	•		•						
6,707.48	0.00	0.00	6,700.00	-78.50	191.50	206.96	0.00	0.00	0.00



Scientific Drilling

Planning Report



Database:

EDM-Julio COG Operating LLC

Site: Well:

COG Operating LLC
Project: Eddy County, NM (NAN27 NME) Skelly Unit #833 Skelly Unit #833

ОН

vell: Wellbore: Design

Local Co-ordinate Reference: Site Skelly Unit #833

ng LLC TVD Reference: GL Elev @ 3897.00usft

NM (NAN27 NME) MD Reference: GL Elev @ 3897.00usft

North Reference: Grid

33 Survey Calculation Method: Minimum Curvature

Design Targets	76,740	e akti ouru marri	TERL ST. STAR	and the second s	Pa des Phos Ind	ter de males and area further than the second	, an historiaansa a . A ii .		ET OFFITS IN A COMMONDER PROPERTY.
Target Name - hit/miss target Dip	Angle ،	Oip Dir.	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
South HL-Skelly #833 - plan misses target cente - Rectangle (sides W200.			0.00 Dusft MD (0.0	-88.50 70 TVD, 0.00	201.50 N, 0.00 E)	669,284.30	647,298.20	32° 50′ 20.505 N	103° 51' 13.513 W
West HL-Skelly #833 - plan misses target cente - Rectangle (sides W0.00			0.00 Ousft MD (0.0	-88.50 00 TVD, 0.00 1	201.50 N, 0.00 E)	669,284.30	647,298.20	32° 50′ 20.505 N	103° 51' 13.513 W
TG1-Skelly #833 - plan hits target center - Point	0.00	0.00	5,000.00	-78.50	191.50	669,294.30	647,288.20	32° 50' 20.605 N	103° 51′ 13.630 W
PBHL-Skelly #833 - plan hits target center - Circle (radius 10.00)	0.00	0.01	6,700.00	-78,50	191.50	669,294.30	647,288.20	32° 50' 20.605 N	103° 51' 13.630 W

Casing Points Measured Vertical Cas Depth Depth Diam (usft) (usft) Name (1,900.00 1,900.00 8-5/8" Casing	sing, neter	Hole Diameter (") 12-1/4
---	----------------	-----------------------------------

Formations Measured Vertical Depth Depth (usft) (usft)	Name	Dip Dip Direction thology (*)
5,007.48 5,000.00 T	Top of Paddock	0.00

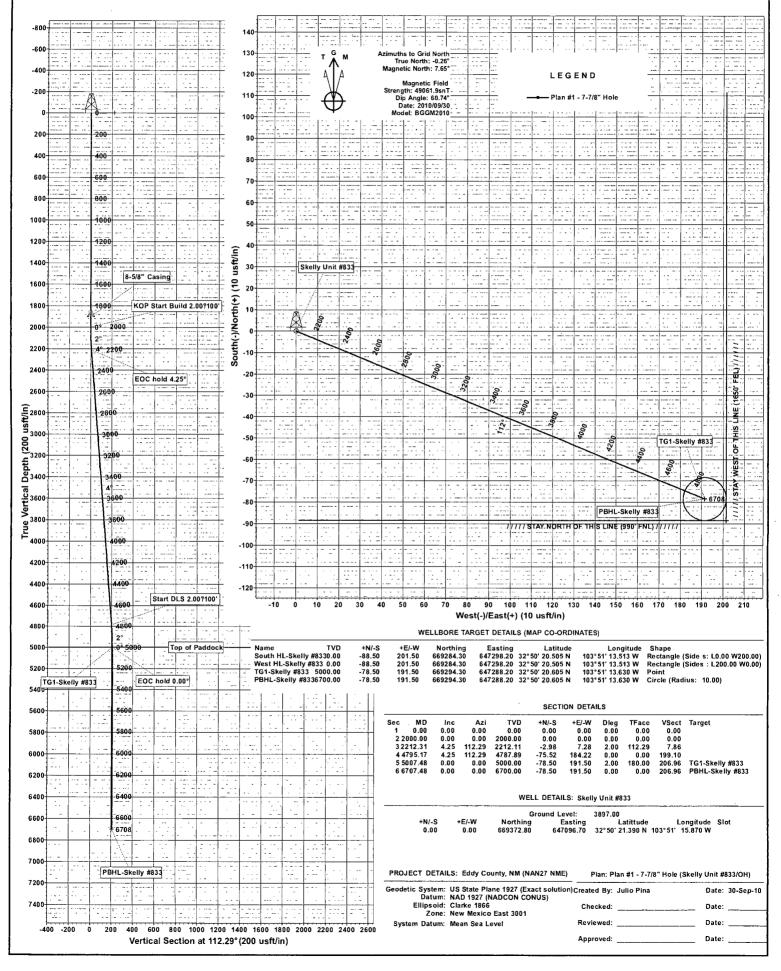
Plan Annotations		* * * * * * * * * * * * * * * * * * *	- Tag (1980)	The part of the contract of th
		الأروع والبقل يتناه فيقرأ العماي		된 사람들 수많이 해가는 회회를 취임하다 하다니 나를 보더니?
Measured	Vertical	Local Coordi	nates -	
Depth*	Depth	+N/-S	+E/-W	
(usft)	(usft)	(usft)	(usft)	Comment
2,000.00	2,000.00	. 0.00	0.00	KOP Start Build 2.00°/100'
2,212.31	2,212.12	-2.98	7.28	EOC hold 4.25°
4,795.17	4,787.89	-75.52	184.22	Start DLS 2.00°/100'
5,007.48	5,000.00	-78.50	191.50	EOC hold 0.00°



Scientific Drilling for COG Operating LLC Site: Eddy County, NM (NAN27 NME) Well: Skelly Unit #833

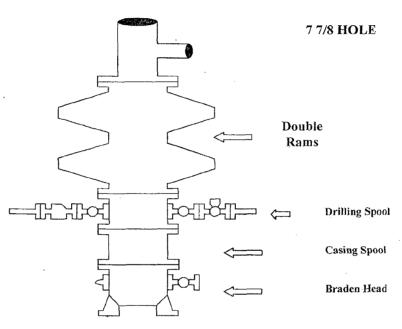
Wellbore: OH Design: Plan #1 - 7-7/8" Hole





COG Operating LLC

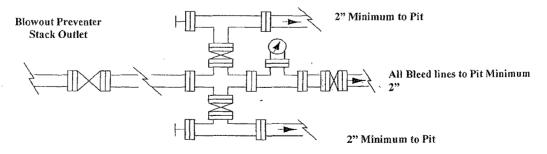
Exhibit #9 BOPE and Choke Schematic



Minimum 4" Nominal choke and kill lines

Choke Manifold Requirement (2000 psi WP) No Annular Required

Adjustable Choke



Adjustable Choke (or Positive)

NOTES REGARDING THE BLOWOUT PREVENTERS Master Drilling Plan Eddy County, New Mexico

- 1. Drilling nipple to be so constructed that it can be removed without use of a welder through rotary table opening, with minimum I.D. equal to preventer bore.
- 2. Wear ring to be properly installed in head.
- 3. Blow out preventer and all fittings must be in good condition, 2000 psi WP minimum.
- 4. All fittings to be flanged.
- 5. Safety valve must be available on rig floor at all times with proper connections, valve to be full 2000 psi WP minimum.
- 6. All choke and fill lines to be securely anchored especially ends of choke lines.
- 7. Equipment through which bit must pass shall be at least as large as the diameter of the casing being drilled through.
- 8. Kelly cock on Kelly.
- 9. Extension wrenches and hands wheels to be properly installed.
- 10. Blow out preventer control to be located as close to driller's position as feasible.
- 11. Blow out preventer closing equipment to include minimum 40-gallon accumulator, two independent sources of pump power on each closing unit installation all API specifications.

Blowout Preventers Page 2