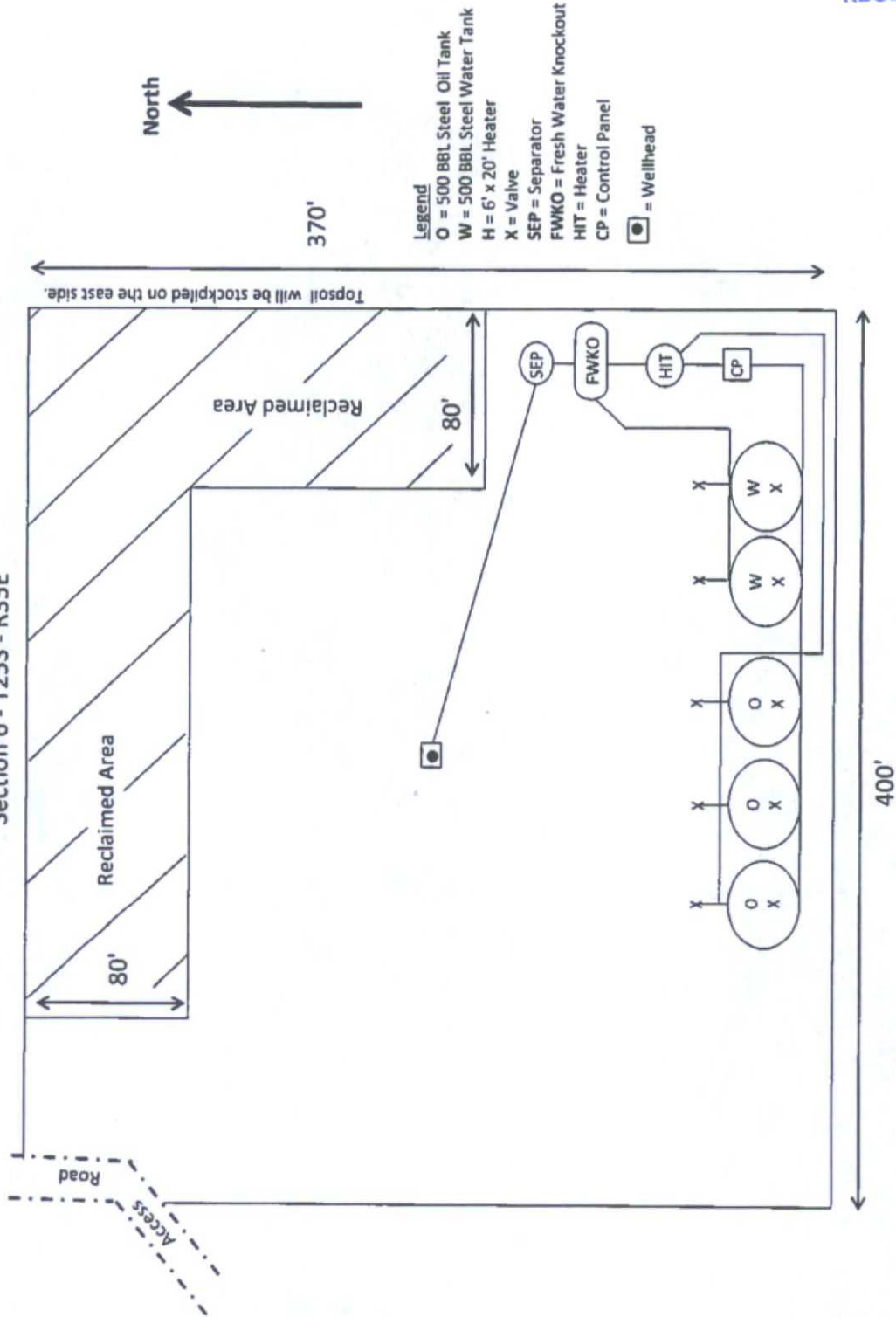


**CONCHO**  
 COG Operating LLC  
 2208 West Main  
 Artesia, NM 88210

Well Site Layout  
 Production Facility Layout  
 Stove Pipe Federal Com #2H  
 Section 6 - T25S - R35E

# Exhibit 3



HOBBS OCD  
 NOV 06 2015  
 RECEIVED

NOV 09 2015

Surface Use Plan  
COG Operating LLC  
Stove Pipe Federal Com #2H  
SHL: 225' FNL & 1905' FEL Lot 2  
Section 6, T25S, R35E  
BHL: 2310' FNL & 1980' FEL UL G  
Section 7, T25S, R35E  
Lea County, New Mexico

---

# Supplemental

## Surface Use & Operating Plan

### Stove Pipe Federal Com #2H

11/4/15

- Surface Owner: Bert Madera, 524 Antelope Road, Jal 88252
- New Road: No road necessary
- **Well Site Information**
  - V Door: East
  - Topsoil: East
  - Interim Reclamation: North and East

### **Notes**

**Onsite:** On-site was done by Don Peterson (BLM); Rand French (COG); Todd Suter (COG) on February 19, 2015.

## **SURFACE USE AND OPERATING PLAN**

### **1. Existing & Proposed Access Roads**

- A. Based on current road maintenance performed on other roads serving existing wells, we anticipate maintaining the lease roads leading to the proposed well pad at least once a year on dry conditions and twice a year in wetter conditions.

### **2. Access Road:**

The Location Verification Map shows that no new access road will be required for this location.

The existing road will be periodically maintained at a maximum width of the running surface of 20'. The existing road will be crowned, ditched and constructed of 6" rolled and compacted caliche. Ditches will be at 3:1 slope and 4 feet wide. Water will be diverted where necessary to avoid ponding, prevent erosion, maintain good drainage, and to be consistent with local drainage patterns.

- A. The average grade will be less than 1%.
- B. No turnouts are planned.
- C. No cattleguard, culvert, gates, low water crossings or fence cuts are necessary.
- D. Surfacing material will consist of native caliche. Caliche will be obtained from the actual well site if available. If not available onsite, caliche will be hauled from the nearest BLM approved caliche pit. Candidate source will be caliche pit from Bert Madera (575) 390-2861.

### **3. Location of Existing and/or Proposed Facilities:**

- A. Location will be enlarged from the proposed 340' x 340' to 370' x 400' to accommodate a much larger Rig.
- B. COG Operating LLC does not operate an oil production facility on this lease.
- C. If the well is productive, contemplated facilities will be as follows:
  - 1) A tank battery and facilities will be constructed as shown on Exhibit 3
  - 2) The tank battery and facilities will be installed according to API specifications. No flow lines are anticipated at this time. If needed Targa will be responsible for gas line ROW.



- 3) Any additional caliche will be obtained from the actual well site. If caliche does not exist or is not plentiful from the well site, the caliche will be hauled from a BLM approved caliche pit. Candidate source will be caliche pit from Bert Madera (575) 390-2861. Any additional construction materials will be purchased from contractors.
- 4) It will be necessary to run electric power if this well is productive. Power will be provided by Xcel Energy and they will submit a separate plan and ROW for service to the well location.
- 5) If the well is productive, rehabilitation plans will include the following:
  - The original topsoil from the well site will be returned to the location, and the site will be re-contoured as close as possible to the original site.

#### **4. Location and Type of Water Supply:**

The well will be drilled with combination brine and fresh water mud system as outlined in the drilling program. The water will be obtained from the Fez Frac Pond located in Section 9. T25S. R35E which originates from a private water well located on the Pitch Fork Ranch. No water well will be drilled on the location.

#### **5. Source of Construction Materials and Location "Turn-Over" Procedure:**

Obtaining caliche: One primary way of obtaining caliche to build locations and roads will be by "turning over" the location. This means, caliche will be obtained from the actual well site. Amount will vary for each pad. The procedure below has been approved by BLM personnel:

- A. The top 6 inches of topsoil is pushed off and stockpiled along the side of the location.
- B. An approximate 160' X 160' area is used within the proposed well site to remove caliche.
- C. Subsoil is removed and stockpiled within the surveyed well pad.
- D. When caliche is found, material will be stock piled within the pad site to build the location and road.
- E. Then subsoil is pushed back in the hole and caliche is spread accordingly across entire location and road.

- F. Once well is drilled, the stock piled top soil will be used for interim reclamation and spread along areas where caliche is picked up and the location size is reduced.
- G. Neither caliche, nor subsoil will be stock piled outside of the well pad. Topsoil will be stockpiled along the edge of the pad as depicted in the Well Site Layout or survey plat.

In the event that no caliche is found onsite, caliche will be hauled in from a BLM approved caliche pit or other established mineral pit. Candidate source will be caliche pit from Bert Madera (575) 390-2861.

**6. Methods of Handling Water Disposal:**

- A. The well will be drilled utilizing a closed loop mud system. Drill cuttings will be held in roll-off style mud box commercials and taken to R360's disposal site located at 4507 West Carlsbad Highway, Hobbs, NM 88240.
- B. Drilling fluids will be contained in steel mud pits and taken to R360's disposal site located at 4507 West Carlsbad Highway, Hobbs, NM 88240.
- C. Water produced from the well during completion will be held temporarily in steel tanks and then taken to an NMOCD approved commercial disposal facility. R360's disposal site located at 4507 West Carlsbad Highway, Hobbs, NM 88240.
- D. Garbage and trash produced during drilling or completion operations will be collected in a trash bin and hauled to an approved landfill-Lea Landfill LLC. Located at Mile Marker 64, Highway 62-180 East, P O Box 3247, Carlsbad, NM 88221. No toxic waste or hazardous chemicals will be produced by this operation.
- E. Human waste and grey water will need to be properly contained and disposed of. Proper disposal and elimination of waste and grey water may include but are not limited to portable septic systems and/or portable waste gathering systems (i.e. portable toilets).
- F. After the rig is moved out and the well is either completed or abandoned, all waste materials will be cleaned up within 30 days. In the event of a dry hole only a dry hole marker will remain.

**7. Plans for Restoration of the Surface:**

- A. Interim Reclamation will take place after the well has been completed. The pad will be downsized by reclaiming the areas not needed for production operations. The portions of the pad that are not needed for production operations will be re-contoured to its original

Surface Use Plan  
COG Operating LLC  
Stove Pipe Federal Com #2H  
SHL: 225' FNL & 1905' FEL Lot 2  
Section 6, T25S, R35E  
BHL: 2310' FNL & 1980' FEL UL G  
Section 7, T25S, R35E  
Lea County, New Mexico

---

state as much as possible. The caliche that is removed will be reused to either build another pad site or for road repairs within the lease. The stockpiled topsoil will then be spread out reclaimed area and reseeded with a BLM approved seed mixture. In the event that the well must be worked over or maintained, it may be necessary to drive, park, and/or operate machinery on reclaimed land. This area will be repaired or reclaimed after work is complete.

- B. Final Reclamation: Upon plugging and abandoning the well all caliche for well pad and lease road will be removed and surface will be recountoured to reflect its surroundings as much as possible. Caliche will be recycled for road repair or reused for another well pad within the lease. If any topsoil remains, it will be spread out and the area will be reseeded with a BLM approved mixture and re-vegetated as per BLM orders. When required by BLM, the well pad site will be restored to match pre-construction grades.

**8. (Sedimentation and Erosion Control)**

- Immediately following pad construction approximately 550' of straw waddles will be placed on the bottom edge of the East and Southeast sides of the location to reduce sediment impacts to fragile/sensitive soils.



Surface Use Plan  
COG Operating LLC  
Stove Pipe Federal Com #2H  
SHL: 225' FNL & 1905' FEL Lot24  
Section 6, T25S, R35E  
BHL: 2310' FNL & 1980' FEL  
Section 7, T25S, R35E  
Lea County, New Mexico

---

### OPERATOR CERTIFICATION

I hereby certify that I, or persons under my direct supervision, have inspected the drill site and access road proposed herein; that I am familiar with the conditions that presently exist; that I have full knowledge of State and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or COG Operating LLC, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements. Executed this 14th day of April, 2015.

Signed: Melanie J. Wilson

Printed Name: Melanie J. Wilson

Position: Regulatory Coordinator

Address: 2208 W. Main Street, Artesia, NM 88210

Telephone: (575) 748-6940

Field Representative (if not above signatory): Rand French

E-mail: [mparker@concho.com](mailto:mparker@concho.com)

Run Time: 08:11 AM

DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTRun Date: 04/13/2015  
Page 1 of 1

## LLD ACREAGE REPORT

Admin State: NM

Geo State: NM

MTR: 23 0250S 0350E

Section: 006

Sur Type	Sur No	Lld Suff	NE NNSS	NW NNSS	SW NNSS	SE NNSS	Sur Note	Dup Flg	Sub Surf	Acreage
A			EWWE	EWWE	EWWE	EWWE				360.000
L	1		--XX	---X	X--X	XXXX				40.350
L	2		X---	----	----	----				40.250
L	3		-X--	----	----	----				40.150
L	4		----	X---	----	----				40.360
L	5		----	-X--	----	----				40.120
L	6		----	----	-X--	----				39.940
L	7		----	----	--X-	----				39.750

Section 006 Total: 640.920

MTR Total Exluding Survey Notes C/D/R  
and Sub Surf = Y

640.920

Grand Total Excluding Survey Notes C/D/R  
and Sub Surf = Y:

640.920