Form 3160-3 (June 2015)

UNITED STATES

FORM APPROVED
OMB No. 1004-0137
Expires: January 31, 201

PARTMENT OF THE INTERIOR	5.
EALLOE LAND MANAGEMENT	

DEPARTMENT OF THE I		n.		5. Lease Serial No.		
BUREAU OF LAND MAN				C YOY II AII		. v
APPLICATION FOR PERMIT TO D	RILL OR	REENTER		6. If Indian, Allotee	or Tribe I	Name
1a. Type of work: DRILL R	REENTER			7. If Unit or CA Agr	reement, N	Name and No.
1b. Type of Well: Oil Well Gas Well O	Other			8. Lease Name and	W-II N-	
1c. Type of Completion: Hydraulic Fracturing S	ingle Zone [Multiple Zone		8. Lease Name and	well No.	
2. Name of Operator				9. API Well No. 30 015 47583		
3a. Address	3b. Phone N	No. (include area co	ode)	10. Field and Pool, o	or Explora	atory
4. Location of Well (Report location clearly and in accordance	with any State	requirements.*)		11. Sec., T. R. M. or	Blk. and	Survey or Area
At surface						
At proposed prod. zone						
14. Distance in miles and direction from nearest town or post of	fice*			12. County or Parish	ı	13. State
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No of ac	cres in lease	17. Spacin	ng Unit dedicated to the	his well	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Propose	d Depth	20. BLM/	/BIA Bond No. in file		
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approxi	mate date work wi	ll start*	23. Estimated durati	on	
	24. Attac	chments				
The following, completed in accordance with the requirements of (as applicable)	of Onshore Oil	and Gas Order No	. 1, and the F	Hydraulic Fracturing r	ule per 43	3 CFR 3162.3-3
Well plat certified by a registered surveyor. A Drilling Plan.		4. Bond to cover Item 20 above		as unless covered by ar	n existing	bond on file (see
3. A Surface Use Plan (if the location is on National Forest Syste SUPO must be filed with the appropriate Forest Service Office		5. Operator certif6. Such other site BLM.		mation and/or plans as	may be re	equested by the
25. Signature	Name	(Printed/Typed)			Date	
Title						
Approved by (Signature)	Name	(Printed/Typed)			Date	
Title	Office	;				
Application approval does not warrant or certify that the applica applicant to conduct operations thereon. Conditions of approval, if any, are attached.	nt holds legal	or equitable title to	those rights	in the subject lease w	hich woul	ld entitle the
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, rof the United States any false, fictitious or fraudulent statements					iny depart	tment or agency
s are not to be used until fresh water zones are cased and	cemented			Once the well is spu	id, to prev	vent ground wate

Approval Date: 10/08/2020

Oil base muds providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, PPROVED WITH CONDITIONS drilling fluids and solids must be contained in a steel closed loop system.

Will require a directional survey with the C-104

contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string

KP 10/19/2020 GEO Review

*(Instructions on page 2)

SL

(Continued on page 2)

DISTRICT I

State of New Mexico 1625 N. FRENCH DR., HOBBS, NM 88240 Energy, Minerals & Natural Resources Department Phone: (575) 393-6161 Fax: (575) 393-0720 CONSERVATION DIVISION OIL

DISTRICT II 811 S. FIRST ST., ARTESIA, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

1220 SOUTH ST. FRANCIS DR.

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

DISTRICT III 1000 RIO BRAZOS RD., AZTEC, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

Santa Fe, New Mexico 87505

□ AMENDED REPORT

DISTRICT IV 1220 S. ST. FRANCIS DR., SANTA FE, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

	WELL LOCATION AND	ACREAGE DEDICATION PLAT	
API Number	Pool Code	Pool Name	
30-015- 47583	98220	Purple Sage; Wolfcamp	(Gas)
Property Code	Pro	perty Name	Well Number
329756	ROCK JELLY	Y FEDERAL COM	701H
OGRID No.	Ope	rator Name	Elevation
229137	COG OPF	ERATING, LLC	2978.0'

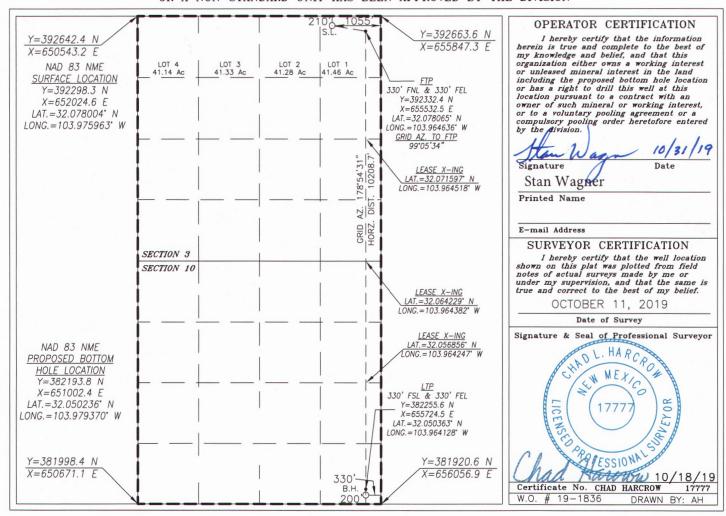
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	3	26-S	29-E		210	NORTH	1055	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	10	26-S	29-E		200	SOUTH	330	EAST	EDDY
Dedicated Acres	s Joint o	r Infill Co	onsolidation	Code Or	der No.				
1280									

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



Inter		As Dri	lled											
API #	# 015-													
	erator Na	me:				Prop	perty N	Name	:					Well Number
СО	G Oper	ating LL0				Roc	k Jell	ly Fe	dera	al Cor	n			701H
Kick (Off Point	(KOP)												
UL	Section 3	Township 26S	Range 29E	Lot 1	Feet		From N	N/S	Feet		Fron	n E/W	County Eddy	
Latit	ude				Longitu	ıde							NAD 83	
				3										
First	Take Poir	it (FTP)												
UL	Section 3	Township 26S	Range 29E	Lot 1	Feet 330		From N North		Feet 330		Fron Eas	n E/W t	County Eddy	
32.0	ode 078065	5			Longitu -103.		636						NAD 8	33
Last T	aka Dain	+ (I TD)								. 7. 7				
	ake Poin						18							
UL P	Section 10	Township 26S	Range 29E	Lot	Feet 330	Fron Sou	n N/S I th	Feet 330		From I East	E/W	Count Eddy		
32.0	050363	}			Longitude -103.		128					NAD NAC	83	
					•			le le						
lc thic	wall the	dofining	all fauth					Г.		1				
15 11115	well the	defining w	ell for the	e Horiz	ontal Sp	acing	Unit?	L	lo					
s this	well an i	nfill well?	[Yes]									
f infill Spacir	l is yes plong I Unit.	ease provi	de API if a	ıvailab	le, Opera	ator N	lame a	and w	ell nu	ımber	for D	efinin	g well fo	- Horizontal
API #	15-													
	ator Nam	ne:				Prope	erty Na	ame:						Well Number
COG	6 Opera	ting LLC				Rock	(Jelly	/ Fed	leral	Com				703H

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME: COG Operating, LLC

LEASE NO.: | NMNM-013997

WELL NAME & NO.: | Rock Jelly Federal Com 701H

SURFACE HOLE FOOTAGE: 0210 FNL & 1055 FEL

BOTTOM HOLE FOOTAGE | 0200 FSL & 0330 FEL Sec. 10, T.26 S., R.29 E.

LOCATION: | Section 03, T.26 S., R.29 E., NMPM

COUNTY: | **Eddy County, New Mexico**

COA

H2S	C Yes	© No	
Potash	None	Secretary	© R-111-P
Cave/Karst Potential	C Low	• Medium	C High
Cave/Karst Potential	Critical		
Variance	O None	• Flex Hose	Other Other
Wellhead	Conventional	© Multibowl	C Both
Other	□4 String Area	☐ Capitan Reef	□WIPP
Other	▼ Fluid Filled	☐ Cement Squeeze	☐ Pilot Hole
Special Requirements	☐ Water Disposal	☑ COM	□ Unit

Medium Cave/Karst

Possibility of water flows in the Salado and Castile.

Possibility of lost circulation in the Rustler and Delaware.

Abnormal pressures can be expected near the base of the Third Bone Spring Sandstone into the top of the Wolfcamp Formation.

A. HYDROGEN SULFIDE

Hydrogen Sulfide (H2S) monitors shall be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the Hydrogen Sulfide area shall meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, provide measured values and formations to the BLM.

B. CASING

- 1. The **13-3/8** inch surface casing shall be set at approximately **470** feet (a minimum of 70 feet (Eddy County) into the Rustler Anhydrite and above the salt) and cemented to the surface.
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
 - b. Wait on cement (WOC) time for a primary cement job will be a minimum of **8** hours or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)
 - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
 - d. If cement falls back, remedial cementing will be done prior to drilling out that string.

Intermediate casing must be kept fluid filled to meet BLM minimum collapse requirement.

- 2. The minimum required fill of cement behind the 9-5/8 inch intermediate casing is:
 - Cement to surface. If cement does not circulate see B.1.a, c-d above.
 Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst.
 - ❖ In Medium Cave/Karst Areas if cement does not circulate to surface on the first two casing strings, the cement on the 3rd casing string must come to surface.
- 3. The minimum required fill of cement behind the 5-1/2 inch production casing is:
 - Cement should tie-back at least **200 feet** into previous casing string. Operator shall provide method of verification.

C. PRESSURE CONTROL

1. Variance approved to use flex line from BOP to choke manifold. Manufacturer's specification to be readily available. No external damage to flex line. Flex line to be installed as straight as possible (no hard bends).

- 2. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **3000** (**3M**) psi.
- 3. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the intermediate casing shoe shall be **5000** (**5M**) psi.

D. SPECIAL REQUIREMENT (S)

Communitization Agreement

- The operator will submit a Communitization Agreement to the Santa Fe Office, 301 Dinosaur Trail Santa Fe, New Mexico 87508, at least 90 days before the anticipated date of first production from a well subject to a spacing order issued by the New Mexico Oil Conservation Division. The Communitization Agreement will include the signatures of all working interest owners in all Federal and Indian leases subject to the Communitization Agreement (i.e., operating rights owners and lessees of record), or certification that the operator has obtained the written signatures of all such owners and will make those signatures available to the BLM immediately upon request.
- If the operator does not comply with this condition of approval, the BLM may take enforcement actions that include, but are not limited to, those specified in 43 CFR 3163.1.
- In addition, the well sign shall include the surface and bottom hole lease numbers. When the Communitization Agreement number is known, it shall also be on the sign.

Page 3 of 7

GENERAL REQUIREMENTS

The BLM is to be notified in advance for a representative to witness:

- a. Spudding well (minimum of 24 hours)
- b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
- c. BOPE tests (minimum of 4 hours)
 - ☑ Eddy CountyCall the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (575) 361-2822
- 1. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
 - a. In the event the operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well, after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other well(s).
 - b. When the operator proposes to set surface casing with Spudder Rig
 - Notify the BLM when moving in and removing the Spudder Rig.
 - Notify the BLM when moving in the 2nd Rig. Rig to be moved in within 90 days of notification that Spudder Rig has left the location.
 - BOP/BOPE test to be conducted per Onshore Oil and Gas Order No. 2 as soon as 2nd Rig is rigged up on well.
- 2. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.
- 3. The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.

A. CASING

- 1. Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.). The initial wellhead installed on the well will remain on the well with spools used as needed.
- 2. Wait on cement (WOC) for Water Basin: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi at the shoe, 2) until cement has been in place at least 8 hours. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements. The casing intergrity test can be done (prior to the cement setting up) immediately after bumping the plug.
- 3. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.
- 4. No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.
- 5. On that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.
- 6. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

B. PRESSURE CONTROL

- 1. 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.
- 2. If a variance is approved for a flexible hose to be installed from the BOP to the choke manifold, the following requirements apply: The flex line must meet the requirements of API 16C. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.
- 3. 5M or higher system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.
- 5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead when specified), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).
 - b. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for water basin (8 hours) or potash (24 hours) or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).

- c. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.
- d. The results of the test shall be reported to the appropriate BLM office.
- e. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
- f. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to the test at full stack pressure.
- g. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.

C. DRILLING MUD

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the Wolfcamp formation, and shall be used until production casing is run and cemented.

D. WASTE MATERIAL AND FLUIDS

All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of drilling operations and completion operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area.

Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

JAM 10052020

1. Geologic Formations

TVD of target	10,162' EOC	Pilot hole depth	NA
MD at TD:	20,409'	Deepest expected fresh water:	250'

Formation	Depth (TVD) from KB	Water/Mineral Bearing/ Target Zone?	Hazards*
Quaternary Fill	Surface	Water	
Rustler	358	Water	
Top of Salt	700	Salt	
Base of Salt	2903	Salt	
Lamar	3132	Salt Water	
Bell Canyon	3161	Water	
Cherry Canyon	3974	Oil/Gas	
Brushy Canyon	5279	Oil/Gas	
Bone Spring Lime	6832	Oil/Gas	
Upper Avalon Shale	7432	Oil/Gas	
1st Bone Spring Sand	7747	Oil/Gas	
2nd Bone Spring Sand	8483	Oil/Gas	
3rd Bone Spring Sand	9624	Oil/Gas	
Wolfcamp	9990	Oil/Gas	
Wolfcamp A Shale	10121	Target Oil/Gas	

2. Casing Program

Hole Size	Casing Interva		Csg. Size	Weight	Grade	Conn.	SF	SF Burst	SF
11010 0120	From	То	00g. 0.10	(lbs)	0.440		Collapse	0. 20.00	Tension
17.5"	0	385	13.375"	54.5	J55	BTC	9.41	19.83	40.65
12.25"	0	9465	9.625"	40	L80 HC	BTC	1.30	1.10	2.42
8.75"	0	20,409	5.5"	20	P110	втс	2.46	2.07	3.15
			Е	BLM Minim	num Safet	y Factor	1.125	1	1.6 Dry 1.8 Wet

Intermediate casing will be kept at least 1/3 full while running casing.to mitigate collapse. Intermediate burst based on 0.7 frac gradient at the shoe with Gas Gradient 0.1 psi/ft to surface. All casing strings will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.h

	Y or N
Is casing new? If used, attach certification as required in Onshore Order #1	Υ
Does casing meet API specifications? If no, attach casing specification sheet.	Υ
Is premium or uncommon casing planned? If yes attach casing specification sheet.	N
Does the above casing design meet or exceed BLM's minimum standards? If not provide justification (loading assumptions, casing design criteria).	Y
Will the intermediate pipe be kept at a minimum 1/3 fluid filled to avoid approaching the collapse pressure rating of the casing?	Y
Is well located within Capitan Reef?	N
If yes, does production casing cement tie back a minimum of 50' above the Reef?	
Is well within the designated 4 string boundary?	N
Is well located in SOPA but not in R-111-P?	N
If yes, are the first 2 strings cemented to surface and 3 rd string cement tied back 500' into previous casing?	
Is well located in R-111-P and SOPA?	N
If yes, are the first three strings cemented to surface?	
Is 2 nd string set 100' to 600' below the base of salt?	
Is well located in high Cave/Karst?	N
If yes, are there two strings cemented to surface?	
(For 2 string wells) If yes, is there a contingency casing if lost circulation occurs?	
Is well located in critical Cave/Karst?	N
If yes, are there three strings cemented to surface?	

3. Cementing Program

Casing	# Sks	Wt. lb/	Yld ft3/	H₂0 gal/sk	500# Comp. Strength (hours)	Slurry Description
Surf.	100	13.5	1.75	9	12	Lead: Class C + 4% Gel + 1% CaCl2
Suii.	390	14.8	1.34	6.34	8	Tail: Class C + 2% CaCl2
Inter.Stage 1	1280	12.7	2.0	9.6	16	Lead: 35:65:6 C Blend
	360	14.8	1.34	6.34	8	Tail: Class H
	DV/ECP @ 3090					
Inter Stage 2	600	12.7	1.98	10.6	16	Lead: 35:65:6 C Blend
Inter, Stage 2	180	14.8	1.34	6.34	8	Tail: Class C + 2% CaCl
5.5 Prod	940	11.9	2.5	19	72	Lead: 50:50:10 H Blend
3.3 FIUU	4980	14.4	1.24	5.7	19	Tail: 50:50:2 Class H Blend

Volumes Subject to Observed Hole Conditions and/or Fluid Caliper Results Lab reports with the 500 psi compressive strength time for the cement will be onsite for review.

Casing String	TOC	% Excess
Surface	0'	50%
1 st Intermediate	0'	50%
Production	3,061'	35% OH in Lateral (KOP to EOL) – 40% OH in Vertical

4. Pressure Control Equipment

N A variance is requested for the use of a diverter on the surface casing. See attached for schematic.

BOP installed and tested before drilling which hole?	Size?	Min. Required WP	Ту	pe	x	Tested to:	
			Ann	ular	Х	2500	
		3M	Blind	Ram	Х		
12.25	13-5/8"		Pipe	Ram	Х	3M	
			Double	e Ram		SIVI	
			Other*				
			Ann	ular	Χ	2500	
			Blind	Ram	Χ		
8.75	13-5/8"	5M	Pipe	Ram	Х	<i></i>	
				Double	e Ram		5M
			Other*				

BOP/BOPE will be tested by an independent service company to 250 psi low and the high pressure indicated above per Onshore Order 2 requirements. The System may be upgraded to a higher pressure but still tested to the working pressure listed in the table above. If the system is upgraded all the components installed will be functional and tested.

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 will include a Kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold. See attached schematics.

	Formation integrity test will be performed per Onshore Order #2.
Y	On Exploratory wells or on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.i.
Y	A variance is requested for the use of a flexible choke line from the BOP to Choke Manifold. See attached for specs and hydrostatic test chart.
	N Are anchors required by manufacturer?
Y	A multibowl wellhead is being used. The BOP will be tested per Onshore Order #2 after installation on the surface casing which will cover testing requirements for a maximum of 30 days. If any seal subject to test pressure is broken the system must be tested.

5. Mud Program

	Depth	Tyroo	Weight	Viscosity	Water Loss
From	То	Туре	(ppg)	VISCOSILY	Water Loss
0	Surf. Shoe	FW Gel	8.6 - 8.8	28-34	NC
Surf. Shoe	9-5/8" Int shoe	Brine Diesel	9 - 9.4	32-45	NC
9-5/8" Int shoe	Lateral TD	OBM	10.5 - 12	55-65	NC

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

What will be used to monitor the loss or gain of fluid?	PVT/Pason/Visual Monitoring

6. Logging and Testing Procedures

Logging, Coring and Testing.		
Y	Will run GR/CNL from TD to surface (horizontal well – vertical portion of hole). Stated logs run will be in the Completion Report and submitted to the BLM.	
Y	No Logs are planned based on well control or offset log information.	
N	Drill stem test? If yes, explain.	
N	Coring? If yes, explain.	

Additional logs planned		Interval		
N	Resistivity	Pilot Hole TD to ICP		
N	Density	Pilot Hole TD to ICP		
Υ	CBL	Production casing (If cement not circulated to surface)		
Υ	Mud log	Intermediate shoe to TD		
N	PEX			

7. Drilling Conditions

Condition	Specify what type and where?	
BH Pressure at deepest TVD	6345 psi at 10162' TVD	
Abnormal Temperature	NO 160 Deg. F.	

No abnormal pressure or temperature conditions are anticipated. Sufficient mud materials to maintain mud properties and weight increase requirements will be kept on location at all times.

Sufficient supplies of Paper/LCM for periodic sweeps to control seepage and losses will be maintained on location.

Hydrogen Sulfide (H2S) monitors will be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the operator will comply with the provisions of Onshore Oil and Gas Order #6. If Hydrogen Sulfide is encountered, measured values and formations will be provided to the BLM.

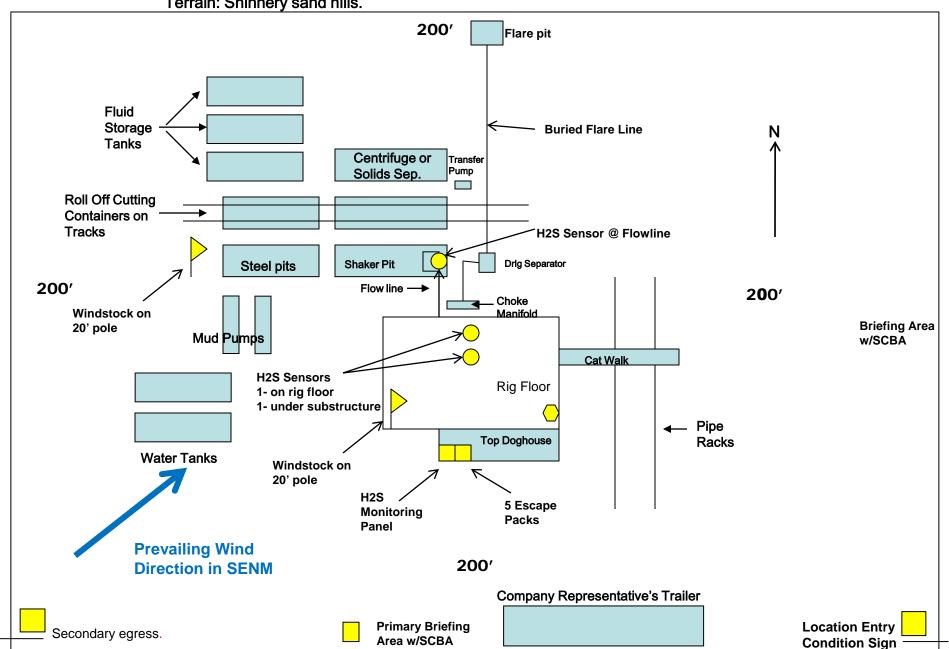
N	H2S is present
Y	H2S Plan attached

8. Other Facets of Operation

Y	Is it a walking operation?
N	Is casing pre-set?

х	H2S Plan.
х	BOP & Choke Schematics.
х	Directional Plan

Well pad will be 400' x 400' with cellar in center of pad



COG OPERATING LLC HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

1. <u>HYDROGEN SULFIDE TRAINING</u>

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing drilling operations on this well:

- a. The hazards and characteristics of hydrogen sulfide (H₂S).
- b. The proper use and maintenance of personal protective equipment and life support systems.
- c. The proper use of H₂S detectors, alarms, warning systems, briefing areas, evacuation procedures, and prevailing winds.
- d. The proper techniques for first aid and rescue procedures.

In addition, supervisory personnel will be trained in the following areas:

- a. The effects of H2S on metal components. If high tensile tubulars are to be used, personnel will be trained in their special maintenance requirements.
- b. Corrective action and shut-in procedures when drilling or reworking a well and blowout prevention and well control procedures.
- c. The contents and requirements of the H₂S Drilling Operations Plan and the Public Protection Plan.

There will be an initial training session just prior to encountering a known or probable H2S zone (within 3 days or 500 feet) and weekly H2S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H2S Drilling Operations Plan and the Public Protection Plan. This plan shall be available at the well site. All personnel will be required to carry documentation that they have received the proper training.

2. <u>H₂S SAFETY EQUIPMENT AND SYSTEMS</u>

Note: All H₂S safety equipment and systems will be installed, tested, and operational when drilling reaches a depth of 500 feet above, or three days prior to penetrating the first zone containing or reasonably expected to contain H2S. If H2S greater than 100 ppm is encountered in the gas stream we will shut in and install H2S equipment.

a. Well Control Equipment:

Flare line.

Choke manifold with remotely operated choke.

Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit.

Auxiliary equipment to include: annular preventer, mud-gas separator, rotating head.

- Protective equipment for essential personnel:
 Mark II Surviveair 30-minute units located in the dog house and at briefing areas.
- c. H2S detection and monitoring equipment:
 2 portable H2S monitor positioned on location for best coverage and response. These units have warning lights and audible sirens when H2S levels of 20 ppm are reached.
- d. Visual warning systems: Caution/Danger signs shall be posted on roads providing direct access to location. Signs will be painted a high visibility yellow with black lettering of sufficient size to be readable at a reasonable distance from the immediate location. Bilingual signs will be used, when appropriate. See example attached.
- e. Mud Program:
 The mud program has been designed to minimize the volume of H2S circulated to the surface.
- f. Metallurgy:
 All drill strings, casings, tubing, wellhead, blowout preventers, drilling spool, kill lines, choke manifold and lines, and valves shall be suitable for H2S service.
- g. Communication:Company vehicles equipped with cellular telephone.

COG OPERATING LLC has conducted a review to determine if an H2S contingency plan is required for the above referenced well. We were able to conclude that any potential hazardous volume would be minimal. H2S concentrations of wells in this area from surface to TD are low enough; therefore, we do not believe that an H2S contingency plan is necessary.

WARNING

YOU ARE ENTERING AN H₂S AREA AUTHORIZED PERSONNEL ONLY

- 1. BEARDS OR CONTACT LENSES NOT ALLOWED
- 2. HARD HATS REQUIRED
- 3. SMOKING IN DESIGNATED AREAS ONLY
- 4. BE WIND CONSCIOUS AT ALL TIMES
- 5. CK WITH COG OPERATING LLC FOREMAN AT MAIN OFFICE

COG OPERATING LLC

1-575-748-6940

EMERGENCY CALL LIST

	<u>OFFICE</u>	<u>MOBILE</u>
COG OPERATING LLC OFFICE	575-748-6940	
SETH WILD	432-683-7443	432-528-3633
JOHN COFFMAN	432-685-4310	432-631-9762

EMERGENCY RESPONSE NUMBERS

	<u>OFFICE</u>
STATE POLICE	575-748-9718
EDDY COUNTY SHERIFF	575-746-2701
EMERGENCY MEDICAL SERVICES (AMBULANCE)	911 or 575-746-2701
EDDY COUNTY EMERGENCY MANAGEMENT (HARRY BURGESS)	575-887-9511
STATE EMERGENCY RESPONSE CENTER (SERC)	575-476-9620
CARLSBAD POLICE DEPARTMENT	575-885-2111
CARLSBAD FIRE DEPARTMENT	575-885-3125
NEW MEXICO OIL CONSERVATION DIVISION	575-748-1283
INDIAN FIRE & SAFETY	800-530-8693
HALLIBURTON SERVICES	800-844-8451

Project: Eddy County, NM (NAD27 NME)

Site: Rock Jelly Fed Com

Well: 701H Wellbore: OH

Design: Plan 1 10-30-19

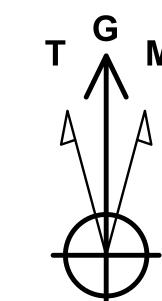
Dig: Engign 155

10-30-19

PHOENIX

TECHNOLOGY SERVI

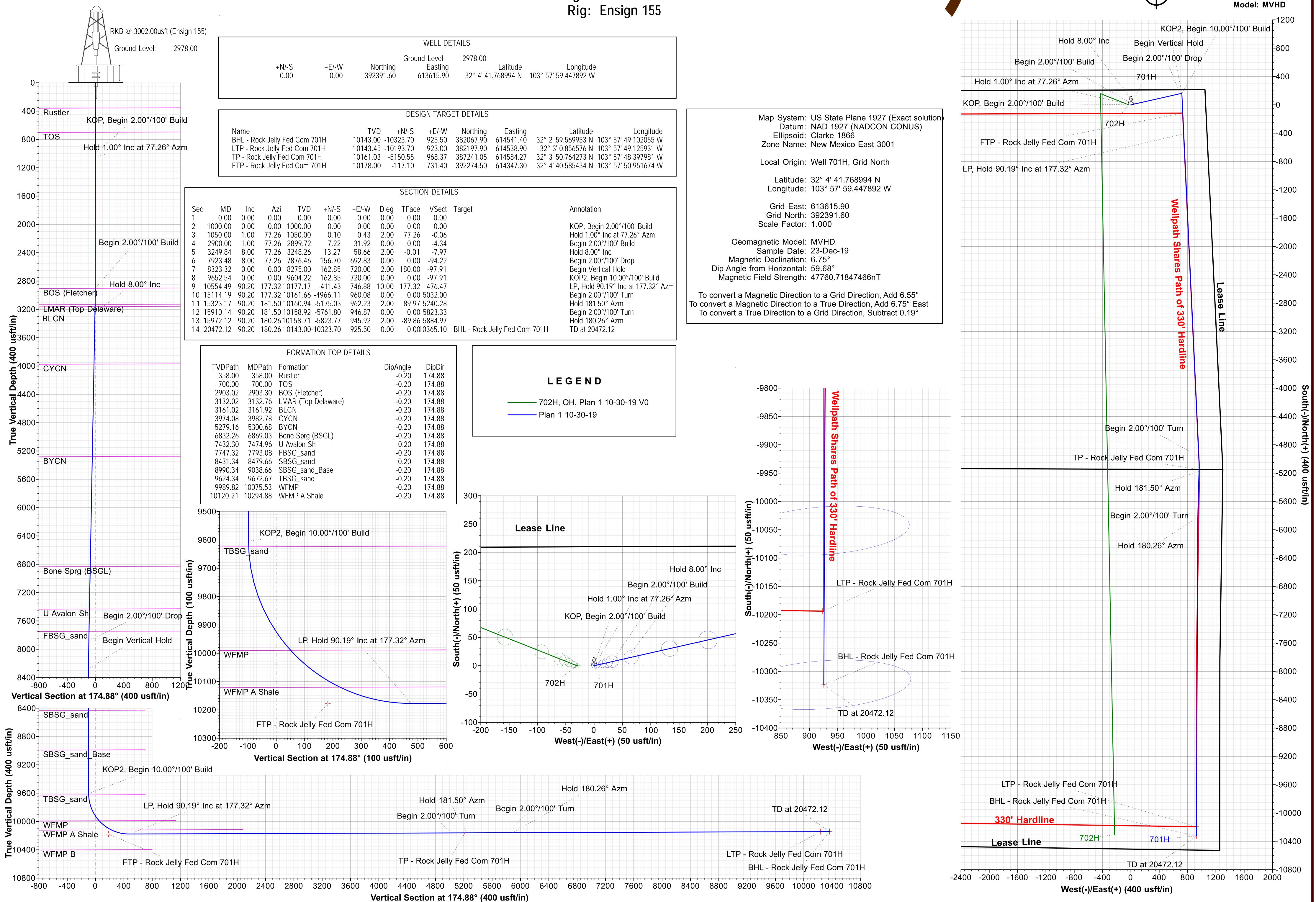




Azimuths to Grid North
True North: -0.20°
Magnetic North: 6.55°

Created By: Sherman Sholars Date: 8:18, October 30 2019

Magnetic Field Strength: 47760.7snT Dip Angle: 59.68° Date: 12/23/2019





COG Operating LLC

Eddy County, NM (NAD27 NME) Rock Jelly Fed Com 701H

OH

Plan: Plan 1 10-30-19

Standard Planning Report

30 October, 2019







USA Compass Database: Company:

COG Operating LLC

Project: Eddy County, NM (NAD27 NME)

Site: Rock Jelly Fed Com

Well: 701H Wellbore: OH

Plan 1 10-30-19 Design:

Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well 701H

RKB @ 3002.00usft (Ensign 155) RKB @ 3002.00usft (Ensign 155)

(°)

174.88

Minimum Curvature

Project Eddy County, NM (NAD27 NME)

US State Plane 1927 (Exact solution) Map System: NAD 1927 (NADCON CONUS) Geo Datum:

New Mexico East 3001 Map Zone:

System Datum:

Mean Sea Level

Rock Jelly Fed Com Site

Northing: 392,391.60 usft Site Position: Latitude: 32° 4' 41.768994 N From: Мар Easting: 613,615.90 usft Longitude: 103° 57' 59.447893 W

Position Uncertainty: 0.00 usft Slot Radius: 13-3/16 " Grid Convergence: 0.19

Well 701H

Well Position +N/-S 0.00 usft Northing: 392,391.60 usft Latitude: 32° 4' 41.768994 N +E/-W 0.00 usft Easting: 613,615.90 usft Longitude: 103° 57' 59.447893 W

Position Uncertainty 1.00 usft Wellhead Elevation: **Ground Level:** 2,978.00 usft

Wellbore ОН

Magnetics **Model Name** Sample Date Declination **Dip Angle** Field Strength (°) (°) (nT) 12/23/2019 **MVHD** 6.75 59.68 47,760.71847466

Plan 1 10-30-19 Design **Audit Notes:** Version: Phase: PLAN Tie On Depth: 0.00 **Vertical Section:** Depth From (TVD) +N/-S +E/-W Direction

(usft)

0.00

(usft)

0.00

Plan Survey Tool Program Date 10/29/2019

Depth From Depth To

(usft) (usft) Survey (Wellbore) **Tool Name** Remarks

(usft)

0.00

MWD+HRGM 0.00 20,472.12 Plan 1 10-30-19 (OH)

OWSG MWD + HRGM





Database: **USA Compass** Company:

COG Operating LLC

Project: Eddy County, NM (NAD27 NME)

Site: Rock Jelly Fed Com

701H Well: ОН Wellbore:

Design: Plan 1 10-30-19 Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well 701H

RKB @ 3002.00usft (Ensign 155) RKB @ 3002.00usft (Ensign 155)

an Sections										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
1,000.00	0.00	0.00	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00	
1,050.00	1.00	77.26	1,050.00	0.10	0.43	2.00	2.00	0.00	77.26	
2,900.00	1.00	77.26	2,899.72	7.22	31.92	0.00	0.00	0.00	0.00	
3,249.84	8.00	77.26	3,248.26	13.27	58.66	2.00	2.00	0.00	-0.01	
7,923.48	8.00	77.26	7,876.46	156.70	692.83	0.00	0.00	0.00	0.00	
8,323.32	0.00	0.01	8,275.00	162.85	720.00	2.00	-2.00	0.00	180.00	
9,652.54	0.00	0.01	9,604.22	162.85	720.00	0.00	0.00	0.00	0.01	
10,554.49	90.20	177.32	10,177.17	-411.43	746.88	10.00	10.00	0.00	177.32	
15,114.19	90.20	177.32	10,161.66	-4,966.11	960.08	0.00	0.00	0.00	0.00	
15,323.17	90.20	181.50	10,160.94	-5,175.03	962.23	2.00	0.00	2.00	89.97	
15,910.14	90.20	181.50	10,158.92	-5,761.80	946.87	0.00	0.00	0.00	0.00	
15,972.12	90.20	180.26	10,158.71	-5,823.77	945.92	2.00	0.00	-2.00	-89.86	
20,472.12	90.20	180.26	10,143.00	-10,323.70	925.50	0.00	0.00	0.00	0.00	BHL - Rock Jelly Fe





Database: **USA Compass** Company:

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Well: 701H ОН Wellbore:

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Survey Calculation Method:

Well 701H

RKB @ 3002.00usft (Ensign 155) RKB @ 3002.00usft (Ensign 155)

Grid

d Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
0.00 358.00	0.00 0.00	0.00 0.00	0.00 358.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00
Rustler 700.00	0.00	0.00	700.00	0.00	0.00	0.00	0.00	0.00	0.00
TOS									
1,000.00	0.00 2.00°/100' Build	0.00	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00
1,050.00	1.00	77.26	1,050.00	0.10	0.43	-0.06	2.00	2.00	0.00
Hold 1.00° I	nc at 77.26° Azm								
1,100.00	1.00	77.26	1,099.99	0.29	1.28	-0.17	0.00	0.00	0.00
1,200.00	1.00	77.26	1,199.97	0.67	2.98	-0.40	0.00	0.00	0.00
1,300.00	1.00	77.26	1,299.96	1.06	4.68	-0.64	0.00	0.00	0.00
1,400.00	1.00	77.26	1,399.94	1.44	6.38	-0.87	0.00	0.00	0.00
1,500.00	1.00	77.26	1,499.93	1.83	8.09	-1.10	0.00	0.00	0.00
1,600.00	1.00	77.26	1,599.91	2.21	9.79	-1.33	0.00	0.00	0.00
1,700.00	1.00	77.26	1,699.90	2.60	11.49	-1.56	0.00	0.00	0.00
1,800.00	1.00	77.26	1,799.88	2.98	13.19	-1.79	0.00	0.00	0.00
1,900.00	1.00	77.26	1,899.87	3.37	14.89	-2.02	0.00	0.00	0.00
2,000.00	1.00	77.26	1,999.85	3.75	16.60	-2.26	0.00	0.00	0.00
2,100.00	1.00	77.26	2,099.84	4.14	18.30	-2.49	0.00	0.00	0.00
2,200.00	1.00	77.26	2,199.82	4.52	20.00	-2.72	0.00	0.00	0.00
2,300.00	1.00	77.26	2,299.81	4.91	21.70	-2.95	0.00	0.00	0.00
2,400.00	1.00	77.26	2,399.79	5.29	23.41	-3.18	0.00	0.00	0.00
2,500.00	1.00	77.26	2,499.78	5.68	25.11	-3.41	0.00	0.00	0.00
2,600.00	1.00	77.26	2,599.76	6.06	26.81	-3.64	0.00	0.00	0.00
2,700.00	1.00	77.26	2,699.75	6.45	28.51	-3.87	0.00	0.00	0.00
2,800.00	1.00	77.26	2,799.73	6.83	30.22	-4.11	0.00	0.00	0.00
2,900.00	1.00	77.26	2,899.72	7.22	31.92	-4.34	0.00	0.00	0.00
Begin 2.00°		77.00	0.000.00	7.00	04.00	4.05	0.00	0.00	0.04
2,903.30 BOS (Fletch	1.07 ner)	77.26	2,903.02	7.23	31.98	-4.35	2.00	2.00	-0.01
3,000.00	3.00	77.26	2,999.65	7.99	35.32	-4.80	2.00	2.00	0.00
3,100.00	5.00	77.26	3,099.40	9.52	42.12	-5.73	2.00	2.00	0.00
3,132.76	5.66	77.26	3,132.02	10.20	45.09	-6.13	2.00	2.00	0.00
LMAR (Top	Delaware)								
3,161.92 BLCN	6.24	77.26	3,161.02	10.86	48.04	-6.53	2.00	2.00	0.00
3,200.00	7.00	77.26	3,198.85	11.83	52.32	-7.11	2.00	2.00	0.00
3,249.84	8.00	77.26	3,248.26	13.27	58.66	-7.97	2.00	2.00	0.00
Hold 8.00° I									
3,300.00	8.00	77.26	3,297.93	14.81	65.47	-8.90	0.00	0.00	0.00
3,400.00	8.00	77.26	3,396.96	17.87	79.04	-10.75	0.00	0.00	0.00
3,500.00	8.00	77.26	3,495.99	20.94	92.61	-12.59	0.00	0.00	0.00
3,600.00	8.00	77.26	3,595.02	24.01	106.18	-14.44	0.00	0.00	0.00
3,700.00	8.00	77.26	3,694.04	27.08	119.75	-16.28	0.00	0.00	0.00
3,800.00	8.00	77.26	3,793.07	30.15	133.31	-18.13	0.00	0.00	0.00
3,900.00	8.00	77.26	3,892.10	33.22	146.88	-19.97	0.00	0.00	0.00
3,982.78	8.00	77.26	3,974.08	35.76	158.12	-21.50	0.00	0.00	0.00
CYCN	0.00	77.00	0.004.40	00.00	400.45	64.00	0.00	2.22	2.22
4,000.00	8.00	77.26	3,991.13	36.29	160.45	-21.82	0.00	0.00	0.00
4,100.00	8.00	77.26	4,090.15	39.36	174.02	-23.66	0.00	0.00	0.00
4,200.00	8.00 8.00	77.26 77.26	4,189.18 4,288.21	42.43 45.50	187.59 201.16	-25.51 -27.35	0.00 0.00	0.00 0.00	0.00 0.00





Database: **USA Compass** Company:

COG Operating LLC

Project: Eddy County, NM (NAD27 NME)

Site: Rock Jelly Fed Com

Well: 701H ОН Wellbore:

Design: Plan 1 10-30-19 Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well 701H

RKB @ 3002.00usft (Ensign 155) RKB @ 3002.00usft (Ensign 155)

anned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
4,400.00	8.00	77.26	4,387.24	48.57	214.73	-29.20	0.00	0.00	0.00
4,500.00	8.00	77.26	4,486.26	51.63	228.30	-31.04	0.00	0.00	0.00
4,600.00	8.00	77.26	4,585.29	54.70	241.87	-32.89	0.00	0.00	0.00
4,700.00	8.00	77.26	4,684.32	57.77	255.44	-34.73	0.00	0.00	0.00
4,800.00	8.00	77.26	4,783.35	60.84	269.00	-36.58	0.00	0.00	0.00
4,900.00	8.00	77.26	4,882.38	63.91	282.57	-38.42	0.00	0.00	0.00
5,000.00	8.00	77.26	4,981.40	66.98	296.14	-40.27	0.00	0.00	0.00
5,100.00	8.00	77.26	5,080.43	70.05	309.71	-42.11	0.00	0.00	0.00
5,200.00	8.00	77.26	5,179.46	73.12	323.28	-43.96	0.00	0.00	0.00
5,300.00	8.00	77.26	5,278.49	76.19	336.85	-45.81	0.00	0.00	0.00
5,300.68	8.00	77.26	5,279.16	76.21	336.94	-45.82	0.00	0.00	0.00
BYCN 5,400.00	8.00	77.26	5,377.51	79.26	350.42	-47.65	0.00	0.00	0.00
5,500.00	8.00	77.26	5,476.54	82.33	363.99	-49.50	0.00	0.00	0.00
5,600.00	8.00	77.26	5,575.57	85.39	377.56	-51.34	0.00	0.00	0.00
5,700.00	8.00	77.26	5,674.60	88.46	391.12	-53.19	0.00	0.00	0.00
5,800.00	8.00	77.26	5,773.62	91.53	404.69	-55.03	0.00	0.00	0.00
5,900.00	8.00	77.26	5,872.65	94.60	418.26	-56.88	0.00	0.00	0.00
6,000.00	8.00	77.26	5,971.68	97.67	431.83	-58.72	0.00	0.00	0.00
6,100.00	8.00	77.26	6,070.71	100.74	445.40	-60.57	0.00	0.00	0.00
6,200.00	8.00	77.26	6,169.73	103.81	458.97	-62.41	0.00	0.00	0.00
6,300.00	8.00	77.26	6,268.76	106.88	472.54	-64.26	0.00	0.00	0.00
6,400.00	8.00	77.26	6,367.79	109.95	486.11	-66.10	0.00	0.00	0.00
6,500.00	8.00	77.26	6,466.82	113.02	499.68	-67.95	0.00	0.00	0.00
6,600.00	8.00	77.26	6,565.84	116.09	513.25	-69.79	0.00	0.00	0.00
6,700.00	8.00	77.26	6,664.87	119.15	526.81	-71.64	0.00	0.00	0.00
6,800.00	8.00	77.26	6,763.90	122.22	540.38	-73.48	0.00	0.00	0.00
6,869.03	8.00	77.26	6,832.26	124.34	549.75	-74.76	0.00	0.00	0.00
Bone Sprg (E		77.20	0,002.20	121.01	010.70	7 1.7 0	0.00	0.00	0.00
6,900.00	8.00	77.26	6,862.93	125.29	553.95	-75.33	0.00	0.00	0.00
7,000.00	8.00	77.26	6,961.95	128.36	567.52	-77.17	0.00	0.00	0.00
7,100.00	8.00	77.26	7,060.98	131.43	581.09	-79.02	0.00	0.00	0.00
7,200.00	8.00	77.26	7,160.01	134.50	594.66	-80.87	0.00	0.00	0.00
7,300.00	8.00	77.26	7,259.04	137.57	608.23	-82.71	0.00	0.00	0.00
7,400.00	8.00	77.26	7,358.06	140.64	621.80	-84.56	0.00	0.00	0.00
7,474.96	8.00	77.26	7,432.30	142.94	631.97	-85.94	0.00	0.00	0.00
U Avalon Sh 7,500.00 7,600.00 7,700.00	8.00 8.00 8.00 8.00	77.26 77.26 77.26 77.26	7,457.09 7,556.12 7,655.15 7,747.32	143.71 146.78 149.85 152.70	635.37 648.94 662.50 675.13	-86.40 -88.25 -90.09	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00
7,793.08 FBSG_sand	8.00	11.20	1,141.32	152.70	0/5.13	-91.81	0.00	0.00	0.00
7,800.00	8.00	77.26	7,754.18	152.91	676.07	-91.94	0.00	0.00	0.00
7,900.00	8.00	77.26	7,853.20	155.98	689.64	-93.78	0.00	0.00	0.00
7,923.48	8.00	77.26	7,876.46	156.70	692.83	-94.22	0.00	0.00	0.00
Begin 2.00°/1	•	77.00	7.050.00	450.00	700.00	05.40	0.00	0.00	0.00
8,000.00	6.47	77.26	7,952.36	158.83	702.22	-95.49	2.00	-2.00	0.00
8,100.00	4.47	77.26	8,051.90	160.93	711.51	-96.76	2.00	-2.00	0.00
8,200.00	2.47	77.26	8,151.72	162.26	717.41	-97.56	2.00	-2.00	0.00
8,300.00	0.47	77.26	8,251.68	162.83	719.91	-97.90	2.00	-2.00	0.00
8,323.32	0.00	0.01	8,275.00	162.85	720.00	-97.91	2.00	-2.00	0.00
Begin Vertica	1 Hold 0.00	0.00	8,351.68	162.85	720.00	-97.91	0.00	0.00	0.00





Database: **USA Compass** Company:

COG Operating LLC

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Site: Rock Jelly Fed Com

Well: 701H ОН Wellbore:

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Well 701H

RKB @ 3002.00usft (Ensign 155) RKB @ 3002.00usft (Ensign 155)

lanned Survey									
Measured			Vertical			Vertical	Dogleg	Build	Turn
Depth (usft)	Inclination (°)	Azimuth (°)	Depth (usft)	+N/-S (usft)	+E/-W (usft)	Section (usft)	Rate (°/100usft)	Rate (°/100usft)	Rate (°/100usft)
8,479.66	0.00	0.00	8,431.34	162.85	720.00	-97.91	0.00	0.00	0.00
SBSG_sand									
8,500.00	0.00	0.00	8,451.68	162.85	720.00	-97.91	0.00	0.00	0.00
8,600.00	0.00	0.00	8,551.68	162.85	720.00	-97.91	0.00	0.00	0.00
8,700.00	0.00	0.00	8,651.68	162.85	720.00	-97.91	0.00	0.00	0.00
8,800.00	0.00	0.00	8,751.68	162.85	720.00	-97.91	0.00	0.00	0.00
,									
8,900.00	0.00	0.00	8,851.68	162.85	720.00	-97.91	0.00	0.00	0.00
9,000.00	0.00	0.00	8,951.68	162.85	720.00	-97.91	0.00	0.00	0.00
9,038.66	0.00	0.00	8,990.34	162.85	720.00	-97.91	0.00	0.00	0.00
SBSG_sand	_Base								
9,100.00	0.00	0.00	9,051.68	162.85	720.00	-97.91	0.00	0.00	0.00
9,200.00	0.00	0.00	9,151.68	162.85	720.00	-97.91	0.00	0.00	0.00
9,300.00	0.00	0.00	9,251.68	162.85	720.00	-97.91	0.00	0.00	0.00
9,400.00	0.00	0.00	9,251.66	162.85	720.00	-97.91 -97.91	0.00	0.00	0.00
9,500.00	0.00	0.00	9,451.68	162.85	720.00	-97.91	0.00	0.00	0.00
9,600.00	0.00	0.00	9,551.68	162.85	720.00	-97.91	0.00	0.00	0.00
9,652.54	0.00	0.00	9,604.22	162.85	720.00	-97.91	0.00	0.00	0.00
KOP2, Begir	10.00°/100' Bui	ld							
9.672.67	2.01	177.32	9,624.34	162.50	720.02	-97.56	10.00	10.00	0.00
TBSG_sand			-,						
9.700.00	4.75	177 22	9,651.62	160.90	720.09	05.05	10.00	10.00	0.00
-,	4.75	177.32	,	160.89		-95.95			
9,800.00	14.75	177.32	9,750.06	144.00	720.88	-79.06	10.00	10.00	0.00
9,900.00	24.75	177.32	9,844.06	110.30	722.46	-45.35	10.00	10.00	0.00
10,000.00	34.75	177.32	9,930.77	60.80	724.78	4.16	10.00	10.00	0.00
10,075.53	42.30	177.32	9,989.82	13.84	726.98	51.13	10.00	10.00	0.00
WFMP									
10,100.00	44.75	177.32	10,007.56	-2.99	727.76	67.96	10.00	10.00	0.00
10,200.00	54.75	177.32	10,072.10	-79.13	731.33	144.11	10.00	10.00	0.00
10,294.88	64.23	177.32	10,120.21	-160.69	735.14	225.69	10.00	10.00	0.00
WFMP A Sha		177.02	10,120.21	100.00	700.11	220.00	10.00	10.00	0.00
		477.00	40 400 40	405.00	705.00	220.20	40.00	40.00	0.00
10,300.00	64.75	177.32	10,122.42	-165.30	735.36	230.30	10.00	10.00	0.00
10,400.00	74.75	177.32	10,156.99	-258.90	739.74	323.92	10.00	10.00	0.00
10,500.00	84.75	177.32	10,174.77	-357.07	744.34	422.11	10.00	10.00	0.00
10,554.49	90.20	177.32	10,177.17	-411.43	746.88	476.47	10.00	10.00	0.00
	19° Inc at 177.32								
10,600.00	90.20	177.32	10,177.02	-456.89	749.01	521.94	0.00	0.00	0.00
10,700.00	90.20	177.32	10,177.02	-556.78	753.68	621.85	0.00	0.00	0.00
10,800.00	90.20	177.32	10,176.34	-656.67	758.36	721.76	0.00	0.00	0.00
10,900.00	90.20	177.32	10,176.00	-756.56	763.04	821.67	0.00	0.00	0.00
11,000.00	90.20	177.32	10,175.66	-856.45	767.71	921.57	0.00	0.00	0.00
11,100.00	90.20	177.32	10,175.32	-956.34	772.39	1,021.48	0.00	0.00	0.00
11,200.00	90.20	177.32	10,174.98	-1,056.23	777.06	1,121.39	0.00	0.00	0.00
11,300.00	90.20	177.32	10,174.64	-1,156.12	781.74	1,221.30	0.00	0.00	0.00
11,400.00	90.20	177.32	10,174.64	-1,156.12	786.42	1,321.21	0.00	0.00	0.00
11,500.00	90.20	177.32	10,174.30	-1,255.01	791.09	1,321.21	0.00	0.00	0.00
			10,173.96	-1,355.90 -1,455.79					
11,600.00	90.20	177.32	,	,	795.77	1,521.03	0.00	0.00	0.00
11,700.00	90.20	177.32	10,173.28	-1,555.68	800.44	1,620.93	0.00	0.00	0.00
11,800.00	90.20	177.32	10,172.94	-1,655.57	805.12	1,720.84	0.00	0.00	0.00
11,900.00	90.20	177.32	10,172.60	-1,755.46	809.79	1,820.75	0.00	0.00	0.00
12,000.00	90.20	177.32	10,172.26	-1,855.35	814.47	1,920.66	0.00	0.00	0.00
12,100.00	90.20	177.32	10,171.91	-1,955.24	819.15	2,020.57	0.00	0.00	0.00
12,200.00	90.20	177.32	10,171.57	-2,055.13	823.82	2,120.48	0.00	0.00	0.00
,									
12,300.00	90.20	177.32	10,171.23	-2,155.02	828.50	2,220.39	0.00	0.00	0.00





Database: **USA Compass** Company:

COG Operating LLC

Project: Eddy County, NM (NAD27 NME)

Site: Rock Jelly Fed Com

Well: 701H ОН Wellbore:

Design: Plan 1 10-30-19 Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well 701H

RKB @ 3002.00usft (Ensign 155) RKB @ 3002.00usft (Ensign 155)

nned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
12,400.00	90.20	177.32	10,170.89	-2,254.91	833.17	2,320.29	0.00	0.00	0.00
12,500.00	90.20	177.32	10,170.55	-2,354.80	837.85	2,420.20	0.00	0.00	0.00
12,600.00	90.20	177.32	10,170.21	-2,454.69	842.52	2,520.11	0.00	0.00	0.00
12,700.00	90.20	177.32	10,169.87	-2,554.58	847.20	2,620.02	0.00	0.00	0.00
12,800.00	90.20	177.32	10,169.53	-2,654.47	851.88	2,719.93	0.00	0.00	0.00
12,900.00	90.20	177.32	10,169.19	-2,754.36	856.55	2,819.84	0.00	0.00	0.00
13,000.00	90.20	177.32	10,168.85	-2,854.25	861.23	2,919.75	0.00	0.00	0.00
13,100.00	90.20	177.32	10,168.51	-2,954.14	865.90	3,019.65	0.00	0.00	0.00
13,200.00	90.20	177.32	10,168.17	-3,054.03	870.58	3,119.56	0.00	0.00	0.00
13,300.00	90.20	177.32	10,167.83	-3,153.92	875.25	3,219.47	0.00	0.00	0.00
13,400.00	90.20	177.32	10,167.49	-3,253.81	879.93	3,319.38	0.00	0.00	0.00
13,500.00	90.20	177.32	10,167.15	-3,353.70	884.61	3,419.29	0.00	0.00	0.00
13,600.00	90.20	177.32	10,166.81	-3,453.59	889.28	3,519.20	0.00	0.00	0.00
13,700.00	90.20	177.32	10,166.47	-3,553.48	893.96	3,619.11	0.00	0.00	0.00
13,800.00	90.20	177.32	10,166.13	-3,653.37	898.63	3,719.01	0.00	0.00	0.00
13,900.00	90.20	177.32	10,165.79	-3,753.26	903.31	3,818.92	0.00	0.00	0.00
14,000.00	90.20	177.32	10,165.45	-3,853.15	907.98	3,918.83	0.00	0.00	0.00
14,100.00	90.20	177.32	10,165.11	-3,953.04	912.66	4,018.74	0.00	0.00	0.00
14,200.00	90.20	177.32	10,164.77	-4,052.93	917.34	4,118.65	0.00	0.00	0.00
14,300.00	90.20	177.32	10,164.43	-4,152.82	922.01	4,218.56	0.00	0.00	0.00
14,400.00	90.20	177.32	10,164.09	-4,252.71	926.69	4,318.47	0.00	0.00	0.00
14,500.00	90.20	177.32	10,163.75	-4,352.60	931.36	4,418.37	0.00	0.00	0.00
14,600.00	90.20	177.32	10,163.41	-4,452.49	936.04	4,518.28	0.00	0.00	0.00
14,700.00	90.20	177.32	10,163.07	-4,552.38	940.71	4,618.19	0.00	0.00	0.00
14,800.00	90.20	177.32	10,162.73	-4,652.27	945.39	4,718.10	0.00	0.00	0.00
14,900.00	90.20	177.32	10,162.39	-4,752.16	950.07	4,818.01	0.00	0.00	0.00
15,000.00	90.20	177.32	10,162.04	-4,852.05	954.74	4,917.92	0.00	0.00	0.00
15,100.00	90.20	177.32	10,161.70	-4,951.94	959.42	5,017.83	0.00	0.00	0.00
15,114.19	90.20	177.32	10,161.66	-4,966.11	960.08	5,032.00	0.00	0.00	0.00
Begin 2.00°	7100° Turn								
15,200.00	90.20	179.04	10,161.36	-5,051.88	962.81	5,117.67	2.00	0.00	2.00
15,300.00	90.20	181.04	10,161.02	-5,151.87	962.75	5,217.26	2.00	0.00	2.00
15,323.17	90.20	181.50	10,160.94	-5,175.03	962.23	5,240.28	2.00	0.00	2.00
Hold 181.50		45.5	10.122.25	5.05 / 5 /	000.00				
15,400.00	90.20	181.50	10,160.68	-5,251.84	960.22	5,316.60	0.00	0.00	0.00
15,500.00	90.20	181.50	10,160.33	-5,351.80	957.61	5,415.93	0.00	0.00	0.00
15,600.00	90.20	181.50	10,159.99	-5,451.77	954.99	5,515.26	0.00	0.00	0.00
15,700.00	90.20	181.50	10,159.65	-5,551.73	952.37	5,614.59	0.00	0.00	0.00
15,800.00	90.20	181.50	10,159.30	-5,651.70	949.75	5,713.93	0.00	0.00	0.00
15,900.00	90.20	181.50	10,158.96	-5,751.66	947.14	5,813.26	0.00	0.00	0.00
15,910.14	90.20	181.50	10,158.92	-5,761.80	946.87	5,823.33	0.00	0.00	0.00
Begin 2.00°									
15,972.12	90.20	180.26	10,158.71	-5,823.77	945.92	5,884.97	2.00	0.00	-2.00
Hold 180.26									
16,000.00	90.20	180.26	10,158.61	-5,851.65	945.79	5,912.73	0.00	0.00	0.00
16,100.00	90.20	180.26	10,158.26	-5,951.65	945.34	6,012.29	0.00	0.00	0.00
16,200.00	90.20	180.26	10,157.91	-6,051.65	944.89	6,111.84	0.00	0.00	0.00
16,300.00	90.20	180.26	10,157.56	-6,151.65	944.43	6,211.40	0.00	0.00	0.00
16,400.00	90.20	180.26	10,157.21	-6,251.64	943.98	6,310.96	0.00	0.00	0.00
16,500.00	90.20	180.26	10,156.87	-6,351.64	943.52	6,410.52	0.00	0.00	0.00
16,600.00	90.20	180.26	10,156.52	-6,451.64	943.07	6,510.08	0.00	0.00	0.00
16,700.00	90.20	180.26	10,156.17	-6,551.64	942.62	6,609.64	0.00	0.00	0.00
16,800.00	90.20	180.26	10,155.82	-6,651.64	942.16	6,709.19	0.00	0.00	0.00





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COG Operating LLC

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Site: Rock Jelly Fed Com

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Survey Calculation Method:

Well 701H

RKB @ 3002.00usft (Ensign 155) RKB @ 3002.00usft (Ensign 155)

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
16,900.00	90.20	180.26	10,155.47	-6,751.64	941.71	6,808.75	0.00	0.00	0.00
17,000.00	90.20	180.26	10,155.12	-6,851.63	941.26	6,908.31	0.00	0.00	0.00
17,100.00	90.20	180.26	10,154.77	-6,951.63	940.80	7,007.87	0.00	0.00	0.00
17,200.00	90.20	180.26	10,154.42	-7,051.63	940.35	7,107.43	0.00	0.00	0.00
17,300.00	90.20	180.26	10,154.07	-7,151.63	939.89	7,206.99	0.00	0.00	0.00
17,400.00	90.20	180.26	10,153.72	-7,251.63	939.44	7,306.54	0.00	0.00	0.00
17,500.00	90.20	180.26	10,153.37	-7,351.63	938.99	7,406.10	0.00	0.00	0.00
17,600.00	90.20	180.26	10,153.03	-7,451.62	938.53	7,505.66	0.00	0.00	0.00
17,700.00	90.20	180.26	10,152.68	-7,551.62	938.08	7,605.22	0.00	0.00	0.00
17,800.00	90.20	180.26	10,152.33	-7,651.62	937.63	7,704.78	0.00	0.00	0.00
17,900.00	90.20	180.26	10,151.98	-7,751.62	937.17	7,804.34	0.00	0.00	0.00
18,000.00	90.20	180.26	10,151.63	-7,851.62	936.72	7,903.90	0.00	0.00	0.00
18,100.00	90.20	180.26	10,151.28	-7,951.62	936.26	8,003.45	0.00	0.00	0.00
18,200.00	90.20	180.26	10,150.93	-8,051.61	935.81	8,103.01	0.00	0.00	0.00
18,300.00	90.20	180.26	10,150.58	-8,151.61	935.36	8,202.57	0.00	0.00	0.00
18,400.00	90.20	180.26	10,150.23	-8,251.61	934.90	8,302.13	0.00	0.00	0.00
18,500.00	90.20	180.26	10,149.88	-8,351.61	934.45	8,401.69	0.00	0.00	0.00
18,600.00	90.20	180.26	10,149.54	-8,451.61	934.00	8,501.25	0.00	0.00	0.00
18,700.00	90.20	180.26	10,149.19	-8,551.61	933.54	8,600.80	0.00	0.00	0.00
18,800.00	90.20	180.26	10,148.84	-8,651.60	933.09	8,700.36	0.00	0.00	0.00
18,900.00	90.20	180.26	10,148.49	-8,751.60	932.63	8,799.92	0.00	0.00	0.00
19,000.00	90.20	180.26	10,148.14	-8,851.60	932.18	8,899.48	0.00	0.00	0.00
19,100.00	90.20	180.26	10,147.79	-8,951.60	931.73	8,999.04	0.00	0.00	0.00
19,200.00	90.20	180.26	10,147.44	-9,051.60	931.27	9,098.60	0.00	0.00	0.00
19,300.00	90.20	180.26	10,147.09	-9,151.60	930.82	9,198.15	0.00	0.00	0.00
19,400.00	90.20	180.26	10,146.74	-9,251.59	930.37	9,297.71	0.00	0.00	0.00
19,500.00	90.20	180.26	10,146.39	-9,351.59	929.91	9,397.27	0.00	0.00	0.00
19,600.00	90.20	180.26	10,146.04	-9,451.59	929.46	9,496.83	0.00	0.00	0.00
19,700.00	90.20	180.26	10,145.70	-9,551.59	929.00	9,596.39	0.00	0.00	0.00
19,800.00	90.20	180.26	10,145.35	-9,651.59	928.55	9,695.95	0.00	0.00	0.00
19,900.00	90.20	180.26	10,145.00	-9,751.59	928.10	9,795.51	0.00	0.00	0.00
20,000.00	90.20	180.26	10,144.65	-9,851.59	927.64	9,895.06	0.00	0.00	0.00
20,100.00	90.20	180.26	10,144.30	-9,951.58	927.19	9,994.62	0.00	0.00	0.00
20,200.00	90.20	180.26	10,143.95	-10,051.58	926.73	10,094.18	0.00	0.00	0.00
20,300.00	90.20	180.26	10,143.60	-10,151.58	926.28	10,193.74	0.00	0.00	0.00
20,400.00	90.20	180.26	10,143.25	-10,251.58	925.83	10,293.30	0.00	0.00	0.00
20,472.12	90.20	180.26	10,143.00	-10,323.70	925.50	10,365.10	0.00	0.00	0.00





Database: USA Compass

Company: COG Operating LLC
Project: Eddy County, NM (NAD27 NME)

Site: Rock Jelly Fed Com

Well: 701H Wellbore: OH

Design: Plan 1 10-30-19

Local Co-ordinate Reference:

TVD Reference:
MD Reference:
North Reference:

Survey Calculation Method:

Well 701H

RKB @ 3002.00usft (Ensign 155) RKB @ 3002.00usft (Ensign 155)

Grid

Design Targets									
Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
BHL - Rock Jelly Fed Co - plan hits target cer - Point		0.00	10,143.00	-10,323.70	925.50	382,067.90	614,541.40	32° 2' 59.569953 N 1	03° 57' 49.102055 W
LTP - Rock Jelly Fed Co - plan misses target - Point			10,143.45 2.13usft MD	-,	923.00 D, -10193.71	382,197.90 N, 926.09 E)	614,538.90	32° 3' 0.856576 N 1	03° 57' 49.125931 W
TP - Rock Jelly Fed Con - plan misses target - Point			10,161.03 8.68usft MD	-5,150.55 (10161.03 TV	968.37 'D, -5150.55 N	387,241.05 N, 962.77 E)	614,584.27	32° 3' 50.764273 N 1	03° 57' 48.397981 W
FTP - Rock Jelly Fed Co - plan misses target - Point			10,178.00 86.55usft M	-117.10 D (10116.53 T	731.40 VD, -153.22 N	392,274.50 I, 734.79 E)	614,347.30	32° 4' 40.585434 N 1	03° 57' 50.951674 W

ormations						
	Measured Depth (usft)	Vertical Depth (usft)	Name	Lithology	Dip (°)	Dip Direction (°)
	358.00	358.00	Rustler		-0.20	174.88
	700.00	700.00	TOS		-0.20	174.88
	2,903.30	2,903.02	BOS (Fletcher)		-0.20	174.88
	3,132.76	3,132.02	LMAR (Top Delaware)		-0.20	174.88
	3,161.92	3,161.02	BLCN		-0.20	174.88
	3,982.78	3,974.08	CYCN		-0.20	174.88
	5,300.68	5,279.16	BYCN		-0.20	174.88
	6,869.03	6,832.26	Bone Sprg (BSGL)		-0.20	174.88
	7,474.96	7,432.30	U Avalon Sh		-0.20	174.88
	7,793.08	7,747.32	FBSG_sand		-0.20	174.88
	8,479.66	8,431.34	SBSG_sand		-0.20	174.88
	9,038.66	8,990.34	SBSG_sand_Base		-0.20	174.88
	9,672.67	9,624.34	TBSG_sand		-0.20	174.88
	10,075.53	9,989.82	WFMP		-0.20	174.88
	10,294.88	10,120.21	WFMP A Shale		-0.20	174.88





Database: **USA Compass** Company:

COG Operating LLC

Project: Eddy County, NM (NAD27 NME) Site: Rock Jelly Fed Com

701H Well: ОН

Wellbore:

Design: Plan 1 10-30-19 Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well 701H

RKB @ 3002.00usft (Ensign 155) RKB @ 3002.00usft (Ensign 155)

Annotations				
Measured Depth (usft)	Vertical Depth (usft)	Local Coord +N/-S (usft)	dinates +E/-W (usft)	Comment
1,000.00	1,000.00	0.00	0.00	KOP, Begin 2.00°/100' Build
1,050.00	1,050.00	0.10	0.43	Hold 1.00° Inc at 77.26° Azm
2,900.00	2,899.72	7.22	31.92	Begin 2.00°/100' Build
3,249.84	3,248.26	13.27	58.66	Hold 8.00° Inc
7,923.48	7,876.46	156.70	692.83	Begin 2.00°/100' Drop
8,323.32	8,275.00	162.85	720.00	Begin Vertical Hold
9,652.54	9,604.22	162.85	720.00	KOP2, Begin 10.00°/100' Build
10,554.49	10,177.17	-411.43	746.88	LP, Hold 90.19° Inc at 177.32° Azm
15,114.19	10,161.66	-4,966.11	960.08	Begin 2.00°/100' Turn
15,323.17	10,160.94	-5,175.03	962.23	Hold 181.50° Azm
15,910.14	10,158.92	-5,761.80	946.87	Begin 2.00°/100' Turn
15,972.12	10,158.71	-5,823.77	945.92	Hold 180.26° Azm
20,472.12	10,143.00	-10,323.70	925.50	TD at 20472.12

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy, Minerals and Natural Resources Department

Submit Original to Appropriate District Office

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

GAS CAPTURE PLAN

Date: 10/22/19		
⊠ Original	Operator & OGRID No.:	COG Operating LLC, (229137)
☐ Amended - Reason for Amendment:		

This Gas Capture Plan outlines actions to be taken by the Operator to reduce well/production facility flaring/venting for new completion (new drill, recomplete to new zone, re-frac) activity.

Note: Form C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule (Subsection A of 19.15.18.12 NMAC).

Well(s)/Production Facility – Name of facility

The well(s) that will be located at the production facility are shown in the table below.

Well Name	API	Well Location (ULSTR)	Footages	Expected MCF/D	Flared or Vented	Comments
Rock Jelly Federal Com 701H	30-015-	1-3-26S-29E	210' FNL & 1055' FEL	±2500	None Planned	APD Submission Plan Subject to change
Rock Jelly Federal Com 702H	30-015-	1-3-26S-29E	210' FNL & 1085' FEL	±2500	None Planned	APD Submission Plan Subject to change
Rock Jelly Federal Com 703H	30-015-	3-3-26S-29E	350' FNL & 1530' FWL	±2500	None Planned	APD Submission Plan Subject to change
Rock Jelly Federal Com 704H	30-015-	3-3-26S-29E	350' FNL & 1500' FWL	±2500	None Planned	APD Submission Plan Subject to change
Rock Jelly Federal Com 705H	30-015-	3-3-26S-29E	350' FNL & 1470' FWL	±2500	None Planned	APD Submission Plan Subject to change

Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flow back operations are complete, if gas transporter system is in place. The gas produced from production facility is dedicated to **ETC Field Services LLC** and will be connected to **Red Bluff** low pressure gathering system located in **Culberson** County, Texas. **COG Operating LLC** provides (periodically) to **ETC Field Services LLC** a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, **COG Operating LLC** and **ETC Field Services LLC** have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at **ETC Field Services LLC** Processing Plant located in Sec. **35**, Blk. **57**, **T2**, **Culberson** County, Texas. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

Flowback Strategy

After the fracture treatment/completion operations, well(s) will be produced to temporary production tanks and gas will be flared or vented. During flowback, the fluids and sand content will be monitored. When the produced fluids contain minimal sand, the wells will be turned to production facilities. Gas sales should start as soon as the wells start flowing through the production facilities, unless there are operational issues on <u>Gas Transporter</u> system at that time. Based on current information, it is Operator's belief the system can take this gas upon completion of the well(s).

Safety requirements during cleanout operations from the use of underbalanced air cleanout systems may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

Alternatives to Reduce Flaring

Below are alternatives considered from a conceptual standpoint to reduce the amount of gas flared.

- Power Generation On lease
 - o Only a portion of gas is consumed operating the generator, remainder of gas will be flared
- Compressed Natural Gas On lease
 - o Gas flared would be minimal, but might be uneconomical to operate when gas volume declines
- NGL Removal On lease
 - o Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines