

OCD-ARTESIA

Form 3160-5
(August, 2007)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No 1004- 0137
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 page 2.**

1 Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5 Lease Serial No NMNM12559
2 Name of Operator COG Production LLC		6 If Indian, Allottee, or Tribe Name
3a Address 2208 W. Main Street Artesia, NM 88210	3b Phone No (include area code) 575-748-6940	7 If Unit or CA Agreement Name and/or No
4 Location of Well (Footage, Sec., T., R., M., or Survey Description) 810' FSL & 2630' FWL Unit Letter N (SESW) Sec 13-26S-28E		8 Well Name and No Cottonmouth 13 Federal Com #1H
Lat. Long.		9 API Well No 30-015-39734
		10. Field and Pool, or Exploratory Area Delaware River; Bone Spring
		11 County or Parish, State Eddy County NM

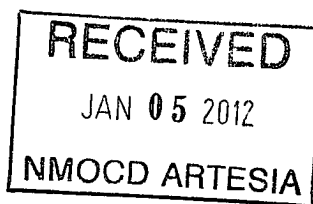
12 CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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"/> Altering Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and abandon	<input type="checkbox"/> Temporarily Abandon	
	<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 recomplete horizontally, give subsurface locations and measured and true vertical depths or pertinent markers and sands. Attach the Bond under which the work will be performed or provide the Bond No on file with the BLM/ BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notice 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 respectfully requests approval for the following changes to the original approved APD.

Casing Program. (See Attached)

Approval Subject to General Requirements
& Special Stipulations AttachedSEE ATTACHED FOR
CONDITIONS OF APPROVALAccepted for record
NMOC D 1/9/12/2012

14 I hereby certify that the foregoing is true and correct Name (Printed/ Typed) Mayte Reyes		Title Regulatory Analyst
Signature <i>Mayte Reyes</i>		Date 12/27/11
THIS SPACE FOR FEDERAL OR STATE OFFICE USE		
Approved by 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.		PETROLEUM ENGINEER Date JAN 4 2012 [Signature] BUREAU OF LAND MANAGEMENT

Title 18 USC Section 1001 AND Title 43 USC. Section 1212, make it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

Cottonmouth 13 Federal #1H Sundry

COG respectfully request the following changes:

Surface Casing setting depth will be @ 425' as per approved APD.

Cmt to sfc with 450 sx Class C + 2% CaCl₂ @ 14.8/1.35 yield

75% excess on OH

Intermediate casing section:

Drill 12-1/4" hole to 2625'

Run 9-5/8" 36# J-55 STC csg to 2625'

Cmt to surface in 1 stg with:

Lead: 650 sx Class C + 4% Gel + 2% CaCl₂ @ 13.5 ppg/1.75 yield

Tail: 250 sx Class C + 2% CaCl₂ @ 14.8/1.35 yield

100% excess on OH

Production casing section:

Drill 7-7/8" PH to 7500' (into the 2nd Bone Spring Carbonate)

Run OH logs and Gyro

Plug back from 7500' to 6800' with 250 sx Class H @ 17.2ppg/0.98 yield

Kick off and drill curve & lateral to +/- 12,664' MD (+/-7050' TVD).

Run 5-1/2" 17# P-110 LTC csg to TD

Cmt in 1 state with:

Lead: 1000 sx 35:65:6 H + Salt + Gilsonite + CF + CFR-3 @ 12.7 ppg/1.89 yield

Tail: 900 sx 50:50:2 H + Salt + GasStop + CFR-3 @ 14.4/1.25 yield

Minimum tie back to 200' into 9-5/8" csg shoe (designed to circ cmt to sfc)

35% excess on OH

Cottonmouth 13 Federal Com 1H
COG Operating LLC
30-015-39734
Jan 4, 2012
Conditions of Approval

Summary of Current Status:

- Well recently spud. Drilling Intermediate hole section now.

Requests of Sundry dated 12/27/2011:

COG requests to change the original APD to:

- Utilize 9-5/8" 36# J-55 STC casing in 12-1/4" hole for intermediate string
- Drill, log, survey, and plugback 7-7/8" pilot hole with one continuous plug.
- Cement production casing with TOC at 200' above intermediate casing shoe
- Planned TD at 12664' MD (7050' TVD) in Bone Springs (as originally approved)

Conditions of Approval:

The previous drilling COA dated 11/30/11 shall remain applicable, with the following additions.

1. Plugging of the Pilot Hole with one continuous plug is approved as proposed, however BLM evaluation indicates there is no excess in the cement slurry volume and the TOC is exactly designed for the KOP. It is recommended that the slurry volume be revised to include excess cement to ensure the plug is continuous.
2. The record of the drilling rate along with the GR/N well log run from in the vertical portion of hole including the pilot 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.
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.

NOTE: Cementing of the Production Casing with TOC 200' above intermediate casing shoe is contingent on TOC to surface being achieved for both the Surface and Intermediate casing strings. Two of the well's three casing strings, minimum, must be cemented to surface.