AFS - 12 - 366

OCD-ARTESIA

Form 3160-3
(April 2004)

FORM APPROVED
OMB No 1004-0137
Expires March 31, 2007

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5 Lease Serial No.
NMLC-068722

6 If Indian, Allotee or Tribe Name
N/A

TCS 7/31/2012

1a. Type of work ☑ DRILL ☐ REENTER

7 If Unit or CA Agreement, Name and No
N/A

1b. Type of Well. ☑ Oil Well ☐ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone

8 Lease Name and Well No.
SIDEMARINE 10 FEDERAL #1H 39373

2 Name of Operator
COG Operating LLC 229137

9 API Well No.
30-015- 40541

3a Address
550 W. Texas Ave., Suite 1300
Midland, TX 79701

3b Phone No. *(include area code)*
432-685-4304

10 Field and Pool, or Exploratory
Dodd; Glorieta-Upper Yeso 97917

4. Location of Well *(Report location clearly and in accordance with any State requirements *)*
At surface **SHL: 330' FSL & 550' FWL, Unit M**
At proposed prod zone **BHL: 330' FNL & 330' FWL, Unit D**

11 Sec, T R M or Blk and Survey or Area
Sec 10 T17S R29E

14 Distance in miles and direction from nearest town or post office*
2 miles from Loco Hills, NM

12 County or Parish
EDDY

13 State
NM

15 Distance from proposed* location to nearest property or lease line, ft (Also to nearest drig unit line, if any)	16 No of acres in lease	17 Spacing Unit dedicated to this well
330'	**160**	**160**
18 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft	19 Proposed Depth	20 BLM/BIA Bond No. on file
200'	**TVD: 4700' MD: 9123'**	**NMB000740; NMB000215**
21 Elevations (Show whether DF, KDB, RT, GL, etc.)	22 Approximate date work will start*	23 Estimated duration
3569' GL	6-30-12	**15 days**

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No 1, shall be attached to this form

1 Well plat certified by a registered surveyor
2 A Drilling Plan
3 A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office)
4 Bond to cover the operations unless covered by an existing bond on file (see Item 20 above)
5 Operator certification
6 Such other site specific information and/or plans as may be required by the authorized officer

25. Signature	Name *(Printed/Typed)*	Date
Kacie Connally	**Kacie Connally**	4-4-12
Title **Permitting Tech**		

Approved by *(Signature)*	Name *(Printed/Typed)*	Date
/s/ Don Peterson	/s/ Don Peterson	JUL 26 2012
Title FIELD MANAGER	Office CARLSBAD FIELD OFFICE	

Application approval 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.
Conditions of approval, if any, are attached.

APPROVAL FOR TWO YEARS

Title 18 USC Section 1001 and Title 43 USC Section 1212, make it a crime for any person knowingly and willfully to make to 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)

RECEIVED
JUL 30 2012
NMOCD ARTESIA

Roswell Controlled Water Basin

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Approval Subject to General Requirements & Special Stipulations Attached

DISTRICT I
1625 N French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
DISTRICT II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
DISTRICT III
1000 Rio Brazos Road, Aztec, NM 87410
Phone. (505) 334-6178 Fax: (505) 334-6170
DISTRICT IV
1220 S St. Francis Dr , Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
30-015- 40541	97917	Dodd; Glorieta-Upper Yeso

Property Code	Property Name	Well Number
39373	SIDEMARINE 10 FEDERAL	1H

OGRID No.	Operator Name	Elevation
229137	COG OPERATING, LLC	3569'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	10	17-S	29-E		330	SOUTH	550	WEST	EDDY

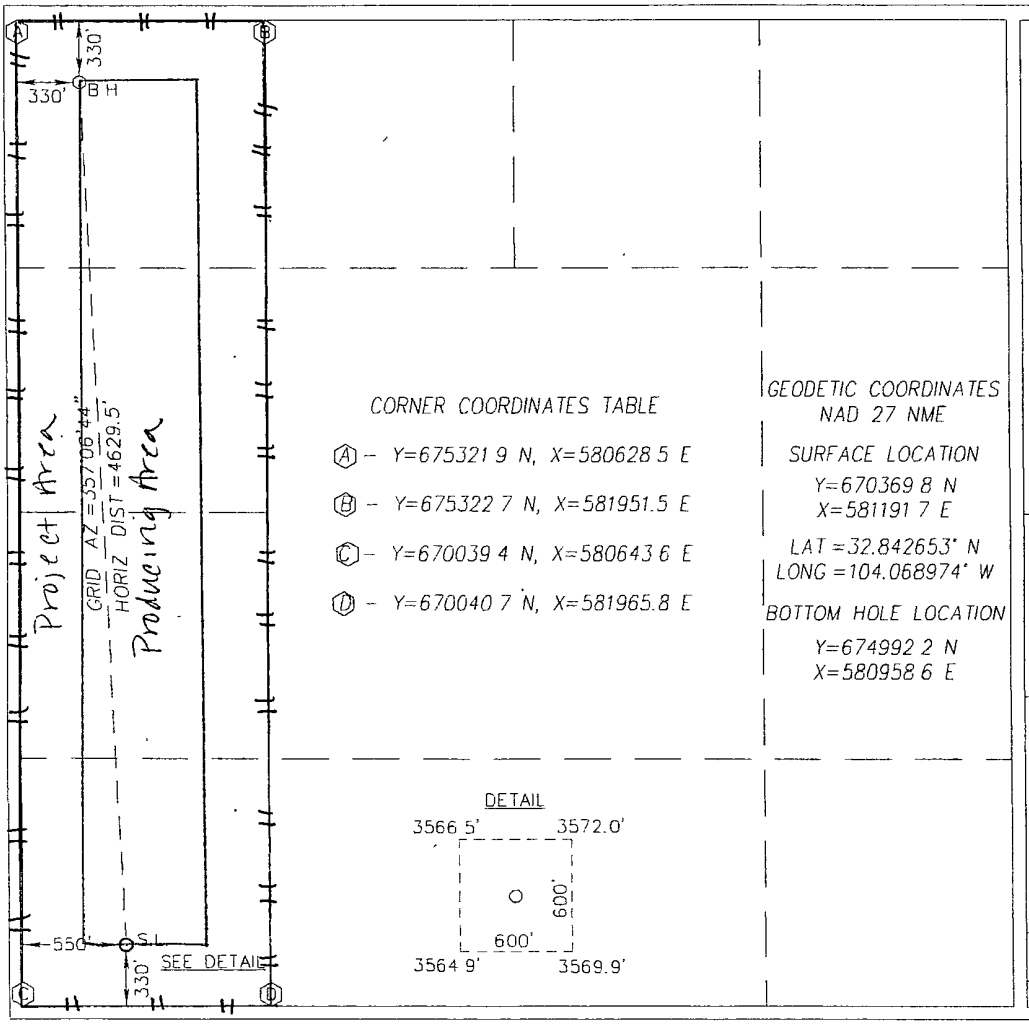
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	10	17-S	29-E		330	NORTH	330	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160			

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

7/26 9173



CORNER COORDINATES TABLE

(A) - Y=675321 9 N, X=580628 5 E
(B) - Y=675322 7 N, X=581951.5 E
(C) - Y=670039 4 N, X=580643 6 E
(D) - Y=670040 7 N, X=581965.8 E

GEODETIC COORDINATES
NAD 27 NME

SURFACE LOCATION
Y=670369 8 N
X=581191 7 E
LAT =32.842653° N
LONG =104.068974° W

BOTTOM HOLE LOCATION
Y=674992 2 N
X=580958 6 E

OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature 1-30-2012 Date

Kelly J. Holly
Printed Name

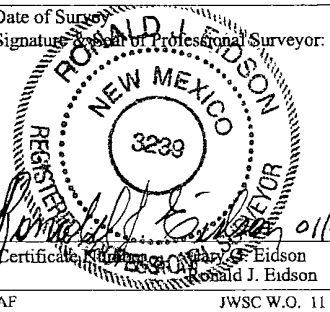
kholly@concho.com
E-mail Address

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

JANUARY 9, 2012
Date of Survey

Signature & Seal of Professional Surveyor:



01/25/2012

Certificate Number Gary L. Eidson 12641
Ronald J. Eidson 3239

AF JWSC W.O. 11 11.2659

ATTACHMENT TO FORM 3160-3
COG Operating, LLC
SIDEMARINE 10 FEDERAL #1H
SHL: 330' FSL & 550' FWL, Unit M
BHL: 330' FNL & 330' FWL, Unit D
Sec 10, T17S, R29E
Eddy County, NM

1. Proration Unit Spacing: 160 Acres

2. Ground Elevation: 3569' TVD = 4700', MD =9123'

4. Estimated tops of geological markers:

Quaternary	Surface
Rustler	300'
Top of Salt	450'
Base of Salt	800'
Yates	958'
Seven Rivers	1232'
Queen	1824'
Grayburg	2236'
San Andres	2530'
Glorieta	3948'
Paddock	4008'
Blinebry	4410'
Tubb	5355'

5. Possible mineral bearing formations:

Water Sand	150'	Fresh Water
Grayburg	2236'	Oil/Gas
San Andres	2530'	Oil/Gas
Glorieta	3948'	Oil/Gas
Paddock	4008'	Oil/Gas
Blinebry	4410'	Oil/Gas
Tubb	5355'	Oil/Gas

No other formations are expected to give up oil, gas or fresh water in measurable quantities. Setting 13 3/8" casing to 400' and circulating cement back to the surface will protect the surface fresh water sand. The Salt Section will be protected by setting 9 5/8" casing to 1350' 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 7" x 5 1/2" production casing back 200' into the intermediate casing (although cement volume is actually calculated to surface), 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 environment.

See COA

See COA

6. Casing Program - **Proposed**

Hole size	Interval	OD of Casing	Weight	Cond.	Collar	Grade
17-1/2"	0' - +/-~~400'~~ 425	13-3/8"	48#	New	STC	H-40 or Hybrid J-55
Collapse sf – 4.36, Burst sf – 9.79, Tension sf – 16.77						
12-1/4"	0' - +/-1350'	9-5/8"	36#	New	STC	J/K-55
Collapse sf – 3.16, Burst sf – 5.51, Tension sf – 9.32						
8-3/4" x 7 7/8"	0' – 9123'	7" x 5-1/2"	26#/17#	New	LTC	L-80
7" Csg - Collapse sf – 2.71, Burst sf – 2.07, Tension sf – 4.73						
5 ½" Csg - Collapse sf – 2.82, Burst sf – 2.08, Tension sf – 4.36						

Production string will be a tapered string with 7" 26# L-80 LTC ran from surface to kick off point and then crossed over to 5 ½" 17# L-80 LTC.

7. Cement Program See Cost

13 3/8" Surface Csg: Set at +/- ~~400~~'MD, Lead Slurry: 400sx Class "C" w/ 2% CaCl2 & .25 pps CF, 1.32 yield. 190% excess, calculated to surface.

9 5/8" Intrmd. Csg: Set at +/- 1350'MD. **Single Stage:** Lead Slurry: 300 sx 50:50:10:C:Poz:Gel w/ 5% salt, 5 pps LCM-1 .25 pps CF, 2.45 yield. Tail Slurry: 200 sx Class "C" w/ 2% CaCl2, 1.32 yield. 185% excess, calculated to surface.

Multi Stage: **Stage 1:** 200 sx Class "C" w/ 2% CaCl2, 1.32 yield. 45% excess. **Stage 2:** 300 sx 50:50:10:C:Poz:Gel w/ 5% salt, 5 pps LCM-1 .25 pps CF, 2.45 yield, back to surface, 185% excess; assumption for tool is lost circulation. Multi stage tool to be set at approximately, depending on hole conditions, 450' (50' below the surface casing). Cement volumes will be adjusted proportionately for depth changes of multi stage tool.

7 x 5 1/2" Production Csg: Set at +/- 9123'MD. **Single Stage:** Lead Slurry: 400 sx 35:65:6:C:Poz:Gel w/ 5% salt, 5 pps LCM, .2% SMS, .3% FL-52A, .125 pps CF, 2.01 yd. Tail Slurry: 300 sx 50:50:2:C:Poz:Gel w/ 5% salt, 3 pps LCM, .6% SMS, 1% FL-25, 1% BA-58, .125 pps CF, .3% FL-52A; 1.37 yield. DV Tool and ECP to be set at kick off point with 7" cemented to surface and 5 ½" run with +/- 18 isolation packers and sliding sleeves in uncemented lateral. 129% excess in open hole, from kick off point, calculated to surface. **This is a minimum volume and will be adjusted up after caliper is run.**

Multi Stage: **Stage 1:** (From assumed KOP of 4223' MD to DV at 3000') Lead Slurry: 200 sx 50:50:2:C:Poz:Gel w/ 5% salt, 3 pps LCM, .6% SMS, 1% FL-25, 1% BA-58, .125 pps CF, .3% FL-52A; 1.37 yield. 49% excess. **This is a minimum volume and will be adjusted up after caliper is run.** **Stage 2:** Lead Slurry: 400 sx 50:50:2:C:Poz:Gel w/ 5% salt, 3 pps LCM, .6% SMS, 1% FL-25, 1% BA-58, .125 pps CF, .3% FL-52A; 1.37 yield. Tail Slurry: 300 sx Class C w/ 0.3% R-3 + 1.5% CD-32, 1.02 yield. 154% excess calculated back to surface (no need for excess in casing overlap). DV tool to be set at 3000'. DV Tool depth will be adjusted depending on hole conditions. Stage packer to be set at kick off point at 4223', with 7" casing cemented from kick off point to surface and 5 ½" casing run from kick off point to TD with +/- 18 isolation packers and sliding sleeves in uncemented lateral. **This is a minimum volume and will be adjusted up after caliper is run.**

Multi stage tool to be set at approximately 3000', depending on hole conditions. Cement volumes will be adjusted proportionately for depth changes of multi stage tool; assumption for use of tool is water flow.

8. Pressure Control Equipment:

The blowout preventer equipment (BOP) shown in Exhibit #9 will consist of a double ram-type (2000 psi WP) preventer, and in some cases possibly a 2000 psi Hydril type annular preventer as provided for in Onshore Order #2. 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. A 13-5/8" BOP will be used during the drilling of the well. A 13 5/8" permanent casing head will be installed on the 13 3/8" casing. The BOP will be nippled up on the 13 5/8" permanent casing head and tested to 2000 psi. After setting 9-5/8", permanent "B section" well head will be installed and the BOP will then be nipped up on the permanent B section well head and tested by a third party to 2000 psi and used continuously until total depth is reached. 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.

9. Proposed Mud Circulating System

Interval	Mud Wt.	Visc.	FL	Type Mud System
0' - 400' 425	8.5	28	NC	Fresh water native mud w/ paper for seepage and sweeps. Lime for PH.
400'- 1350'	10	30	NC	Brine mud, lime for PH and paper for seepage and sweeps.
1350'- 9123'	9.1	29	NC	Drill section with fresh water/cut brine circulating the reserve utilizing periodic sweeps of paper as needed for seepage control and solids removal.

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

10. Production Hole Drilling Summary:

Drill 8 ¾" hole and kick off at +/- 4223', building curve over +/- 750' to horizontal at 4700' TVD. Drill 7 7/8" lateral section in a northerly direction for +/-4145' lateral to TD at +/-9123' MD, 4700' TVD. Run 7" x 5-1/2" production casing. 7" to be ran from surface to kickoff point and changed over to 5 ½" with DV Tool and ECP at kickoff point. 5 ½" casing will be ran from kickoff point to td and isolation packers set throughout lateral. 7" to be cemented from kickoff point to surface.

11. 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.

12. Logging, Testing and Coring Program: See COA

    A. No electric logs to be run.

    B. The mud logging program will consist of lagged 10' samples from intermediate casing point to T.D. in vertical pilot hole and from Kick off point to TD in Horizontal hole.

    C. Drill Stem test is not anticipated.

    D. No conventional coring is anticipated.

    E. Further testing procedures will be determined after the 7" x 5 ½" production casing has been cemented at TD based on drill shows and log evaluation.

13. Abnormal Conditions, Pressures, Temperatures and Potential Hazards:

    No abnormal pressures or temperatures are anticipated. The estimated bottom hole temperature at TD of pilot hole is 90 degrees and estimated maximum bottom hole pressure is 2000 psig. Measurable gas volumes or Hydrogen Sulfide levels have not been encountered during drilling operations in this area, however an H2S plan is attached to the Drilling Program. No major loss of circulation zones has been reported in offsetting wells.

14. Anticipated Starting Date

    Drilling operations will commence approximately on ***May 15, 2012*** with drilling and completion operations lasting approximately ***90*** days.

CONCHO

COG Operating LLC

Eddy County, NM (NAN27 NME)
Sidemarine 10 Federal #1H
Sidemarine 10 Federal #1H

OH

Plan: Plan #1 8-3/4" Hole
SHL = 330' FSL & 550' FWL
BHL = 330' FNL & 330' FWL

Standard Planning Report

08 February, 2012

Scientific Drilling
Directional Drilling Operations

Database:	EDM 5000 1 Single User Db	**Local Co-ordinate Reference:**	Site Sidemarine 10 Federal #1H
Company:	COG Operating LLC	**TVD Reference:**	GL @ 3569 00usft
Project:	Eddy County, NM (NAN27 NME)	**MD Reference:**	GL @ 3569 00usft
Site:	Sidemarine 10 Federal #1H	**North Reference:**	Grid
Well:	Sidemarine 10 Federal #1H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	Plan #1 8-3/4" Hole		

Project Eddy County, NM (NAN27 NME)

Map System:	US State Plane 1927 (Exact solution)	**System Datum:**	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	New Mexico East 3001		

Site Sidemarine 10 Federal #1H

Site Position:		**Northing:**	670,369.80 usft	**Latitude:**	32° 50' 33 549 N
From:	Map	**Easting:**	581,191 70 usft	**Longitude:**	104° 4' 8 308 W
Position Uncertainty:	0 00 usft	**Slot Radius:**	13-3/16 "	**Grid Convergence:**	0 14 °

Well Sidemarine 10 Federal #1H

Well Position	**+N/-S**	0 00 usft	**Northing:**	670,369 80 usft	**Latitude:**	32° 50' 33 549 N
	+E/-W	0.00 usft	**Easting:**	581,191 70 usft	**Longitude:**	104° 4' 8 308 W
Position Uncertainty		0.00 usft	**Wellhead Elevation:**		**Ground Level:**	3,569.00 usft

Wellbore OH

Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2010	02/08/12	7 78	60 66	48,867

Design Plan #1 8-3/4" Hole

Audit Notes:					
Version:		**Phase:**	PLAN	**Tie On Depth:**	0 00

Vertical Section:	Depth From (TVD) (usft)	+N/-S (usft)	+E/-W (usft)	Direction (°)
	0 00	0 00	0 00	357.11

Plan 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	
4,222 54	0 00	0 00	4,222.54	0 00	0 00	0 00	0 00	0 00	0 00	
4,972 54	90 00	357 11	4,700 00	476 86	-24 05	12.00	12 00	0 00	357 11	
9,123 34	90.00	357 11	4,700 00	4,622 40	-233 10	0 00	0 00	0 00	0 00	PBHL-Sidemarine 10

Database:	EDM 5000 1 Single User Db	**Local Co-ordinate Reference:**	Site Sidemarine 10 Federal #1H
Company:	COG Operating LLC	**TVD Reference:**	GL @ 3569 00usft
Project:	Eddy County, NM (NAN27 NME)	**MD Reference:**	GL @ 3569 00usft
Site:	Sidemarine 10 Federal #1H	**North Reference:**	Grid
Well:	Sidemarine 10 Federal #1H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	Plan #1 8 3/4" Hole		

Planned 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	0 00	0.00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
4,222 54	0 00	0 00	4,222 54	0 00	0 00	0 00	0 00	0 00	0 00
KOP Start Build 12.00°/100'									
4,300 00	9 30	357 11	4,299 66	6 26	-0 32	6 27	12 00	12.00	0 00
4,400 00	21 30	357 11	4,395 94	32 56	-1 64	32.60	12 00	12 00	0 00
4,500 00	33 30	357 11	4,484 64	78 28	-3 95	78 38	12 00	12 00	0 00
4,600 00	45 30	357 11	4,561 89	141 41	-7 13	141 59	12 00	12.00	0 00
4,700 00	57 30	357 11	4,624.31	219 21	-11 05	219 49	12 00	12 00	0 00
4,800 00	69 30	357 11	4,669.16	308.27	-15 55	308 66	12 00	12 00	0 00
4,900 00	81 30	357 11	4,694 50	404 69	-20 41	405.21	12 00	12 00	0 00
4,972 54	90 00	357.11	4,700 00	476 86	-24 05	477.47	12 00	12 00	0 00
Land EOC hold 90.00°									
5,000 00	90 00	357 11	4,700 00	504 29	-25 43	504 93	0 00	0.00	0 00
5,100 00	90 00	357 11	4,700 00	604 16	-30.47	604 93	0 00	0 00	0.00
5,200 00	90 00	357 11	4,700 00	704 04	-35 50	704 93	0 00	0 00	0 00
5,300 00	90 00	357 11	4,700 00	803 91	-40 54	804 93	0 00	0 00	0 00
5,400 00	90 00	357 11	4,700 00	903 78	-45 58	904 93	0 00	0 00	0 00
5,500 00	90 00	357 11	4,700 00	1,003 65	-50 61	1,004 93	0 00	0 00	0 00
5,600 00	90 00	357 11	4,700.00	1,103 53	-55 65	1,104.93	0 00	0 00	0 00
5,700 00	90 00	357 11	4,700.00	1,203 40	-60 69	1,204 93	0 00	0 00	0 00
5,800.00	90 00	357 11	4,700 00	1,303 27	-65 72	1,304 93	0 00	0 00	0 00
5,900 00	90 00	357 11	4,700 00	1,403 15	-70 76	1,404 93	0 00	0 00	0 00
6,000 00	90 00	357.11	4,700 00	1,503 02	-75 79	1,504 93	0 00	0.00	0 00
6,100 00	90 00	357 11	4,700 00	1,602 89	-80 83	1,604.93	0 00	0 00	0.00
6,200 00	90 00	357 11	4,700 00	1,702 77	-85.87	1,704 93	0 00	0 00	0 00
6,300 00	90 00	357 11	4,700 00	1,802 64	-90 90	1,804 93	0 00	0 00	0 00
6,400 00	90 00	357 11	4,700 00	1,902 51	-95 94	1,904 93	0 00	0 00	0 00
6,500 00	90 00	357 11	4,700 00	2,002 39	-100 98	2,004 93	0 00	0 00	0 00
6,600 00	90 00	357.11	4,700 00	2,102 26	-106 01	2,104 93	0 00	0 00	0 00
6,700 00	90 00	357 11	4,700.00	2,202 13	-111 05	2,204 93	0 00	0 00	0 00
6,800 00	90 00	357 11	4,700 00	2,302 00	-116 09	2,304 93	0 00	0 00	0 00
6,900.00	90 00	357.11	4,700 00	2,401 88	-121 12	2,404 93	0 00	0 00	0 00
7,000 00	90 00	357 11	4,700 00	2,501 75	-126.16	2,504 93	0 00	0 00	0 00
7,100 00	90 00	357 11	4,700 00	2,601 62	-131 20	2,604 93	0 00	0.00	0 00
7,200 00	90.00	357 11	4,700 00	2,701 50	-136 23	2,704 93	0 00	0 00	0 00
7,300 00	90.00	357 11	4,700 00	2,801 37	-141 27	2,804 93	0 00	0 00	0 00
7,400 00	90 00	357 11	4,700 00	2,901 24	-146 30	2,904 93	0 00	0 00	0 00
7,500 00	90 00	357 11	4,700 00	3,001 12	-151 34	3,004 93	0 00	0 00	0 00
7,600 00	90 00	357 11	4,700 00	3,100 99	-156 38	3,104 93	0 00	0.00	0.00
7,700 00	90 00	357 11	4,700 00	3,200 86	-161 41	3,204 93	0 00	0 00	0 00
7,800 00	90 00	357.11	4,700 00	3,300 74	-166 45	3,304 93	0 00	0 00	0 00
7,900 00	90 00	357 11	4,700.00	3,400 61	-171 49	3,404 93	0 00	0 00	0 00
8,000 00	90 00	357 11	4,700 00	3,500 48	-176 52	3,504 93	0 00	0 00	0 00
8,100 00	90 00	357 11	4,700 00	3,600 35	-181 56	3,604 93	0 00	0 00	0 00
8,200 00	90 00	357 11	4,700 00	3,700 23	-186 60	3,704 93	0 00	0 00	0 00
8,300 00	90 00	357 11	4,700 00	3,800 10	-191 63	3,804 93	0 00	0 00	0.00
8,400 00	90 00	357 11	4,700 00	3,899 97	-196 67	3,904 93	0 00	0 00	0 00
8,500.00	90 00	357 11	4,700.00	3,999 85	-201 71	4,004 93	0 00	0 00	0 00
8,600 00	90 00	357 11	4,700 00	4,099 72	-206 74	4,104 93	0 00	0 00	0 00
8,700.00	90 00	357.11	4,700 00	4,199 59	-211 78	4,204 93	0 00	0 00	0 00
8,800 00	90 00	357 11	4,700 00	4,299 47	-216 81	4,304 93	0 00	0 00	0 00
8,900 00	90 00	357 11	4,700 00	4,399 34	-221 85	4,404 93	0 00	0 00	0 00
9,000 00	90 00	357 11	4,700 00	4,499 21	-226 89	4,504.93	0 00	0 00	0 00
9,100 00	90 00	357 11	4,700 00	4,599 09	-231 92	4,604.93	0 00	0 00	0 00

Database:	EDM 5000 1 Single User Db	**Local Co-ordinate Reference:**	Site Sidemarine 10 Federal #1H
Company:	COG Operating LLC	**TVD Reference:**	GL @ 3569 00usft
Project:	Eddy County, NM (NAN27 NME)	**MD Reference:**	GL @ 3569 00usft
Site:	Sidemarine 10 Federal #1H	**North Reference:**	Grid
Well:	Sidemarine 10 Federal #1H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	Plan #1, 8-3/4" Hole		

Planned 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)
9,123 34	90 00	357 11	4,700 00	4,622 40	-233.10	4,628 27	0 00	0 00	0 00
PBHL-Sidemarine 10 Fed #1H									

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
PBHL-Sidemarine 10 Fe - plan hits target center - Point	0 00	0 01	4,700 00	4,622.40	-233 10	674,992 20	580,958 60	32° 51' 19.295 N	104° 4' 10 905 W

Plan Annotations

Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates +N/-S (usft)	Local Coordinates +E/-W (usft)	Comment
4,222 54	4,222 54	0 00	0 00	KOP Start Build 12 00°/100'
4,972 54	4,700 00	475 45	43 89	Land EOC hold 90 00°

CONCHO

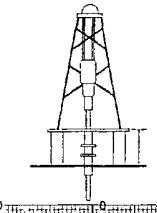
Sidemarine 10 Federal #1H

Eddy County, NM (NAN27.NME)
Northing: (Y) 670369.80
Easting (X) 581191.70
Plan #1 8-3/4" Hole

Scientific Drilling
Directional Drilling Operations

Azimuths to Grid-North
True North -0.14°
Magnetic North: 7.64°
Magnetic Field
Strength: 48867.3snT
Dip Angle: 60.66°
Date: 02/08/2012
Model: IGRF2010

To convert a Magnetic Direction to a Grid Direction, Add 7.64°
To convert a True Direction to a Grid Direction, Subtract 0.14°



WELL DETAILS Sidemarine 10 Federal #1H

Ground Level: 3569.00

+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
0.00	0.00	670369.80	581191.70	32° 50' 33.549 N	104° 4' 8.308 W	

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSect	Target
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2	4222.54	0.00	0.00	4222.54	0.00	0.00	0.00	0.00	0.00	
3	4972.54	90.00	357.11	4700.00	476.86	-24.05	12.00	357.11	477.46	
4	9123.34	90.00	357.11	4700.00	4622.40	-233.10	0.00	0.00	4628.27	PBHL-Sidemarine 10 Fed #1H

DESIGN TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Shape
PBHL-Sidemarine 10 Fed #1H - plan hits target center	9700.00	4622.40	-233.10	674992.20	580958.6032	32° 51' 19.295 N	104° 4' 10.905 W	Point

PROJECT DETAILS Eddy County, NM (NAN27.NME)

Geodetic System: US State Plane 1927 (Exact solution)
Datum: NAD 1927 (NADCON CONUS)
Ellipsoid: Clarke 1866
Zone: New Mexico East 3001

System Datum: Mean Sea Level

Map System: US State Plane 1927 (Exact solution)
Datum: NAD 1927 (NADCON CONUS)
Ellipsoid: Clarke 1866
Zone Name: New Mexico East 3001

Local Origin: Site Sidemarine 10 Federal #1H, Grid North

Latitude: 32° 50' 33.549 N
Longitude: 104° 4' 8.308 W

Grid East: 581191.70
Grid North: 670369.80
Scale Factor: 1.000

Geomagnetic Model: IGRF2010
Sample Date: 08-Feb-12
Magnetic Declination: 7.78°
Dip Angle from Horizontal: 60.66°
Magnetic Field Strength: 48867

To convert a Magnetic Direction to a Grid Direction, Add 7.64°
To convert a Magnetic Direction to a True Direction, Add 7.78° East
To convert a True Direction to a Grid Direction, Subtract 0.14°

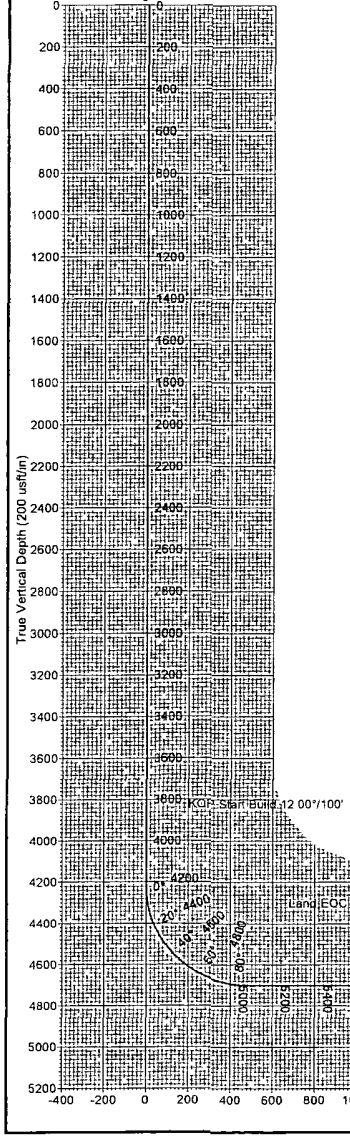
SITE DETAILS Sidemarine 10 Federal #1H

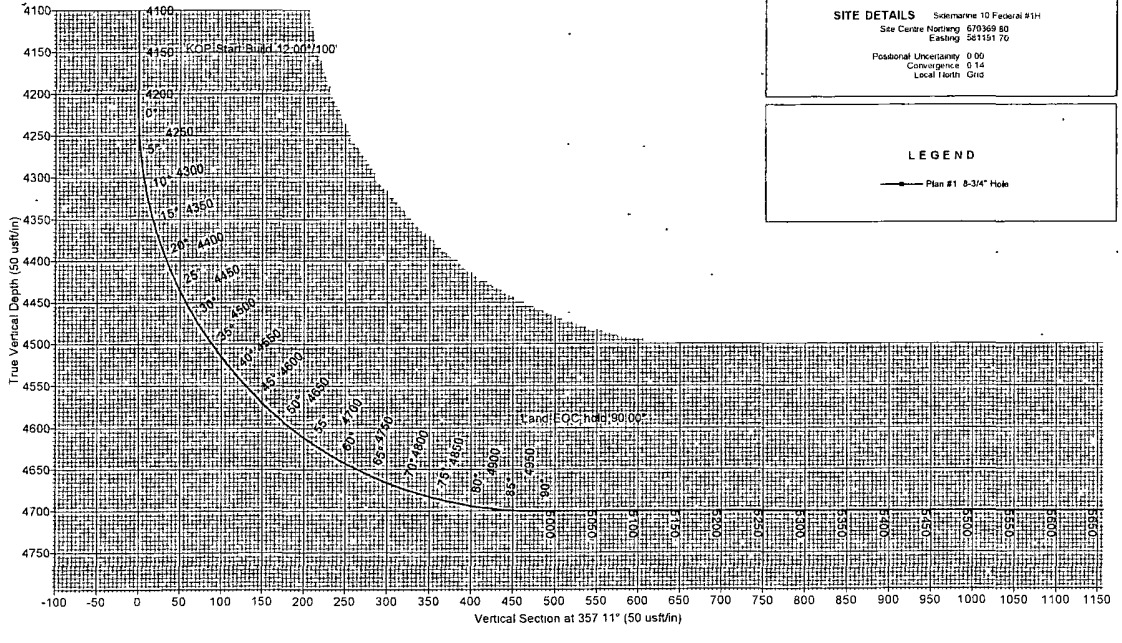
Site Centre Northing: 670369.80
Easting: 581191.70

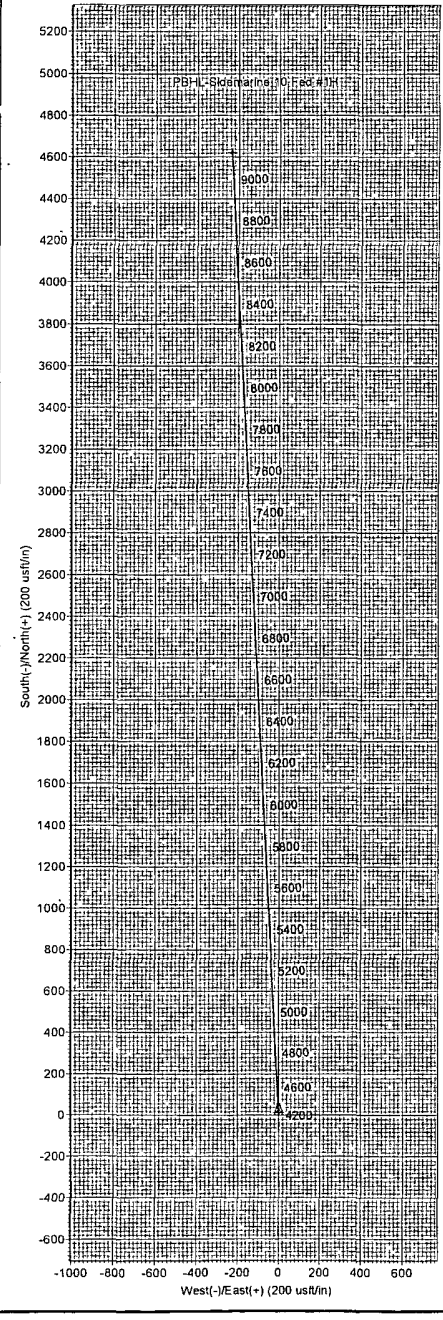
Positional Uncertainty: 0.00
Convergence: 0.14
Local North: Grid

LEGEND

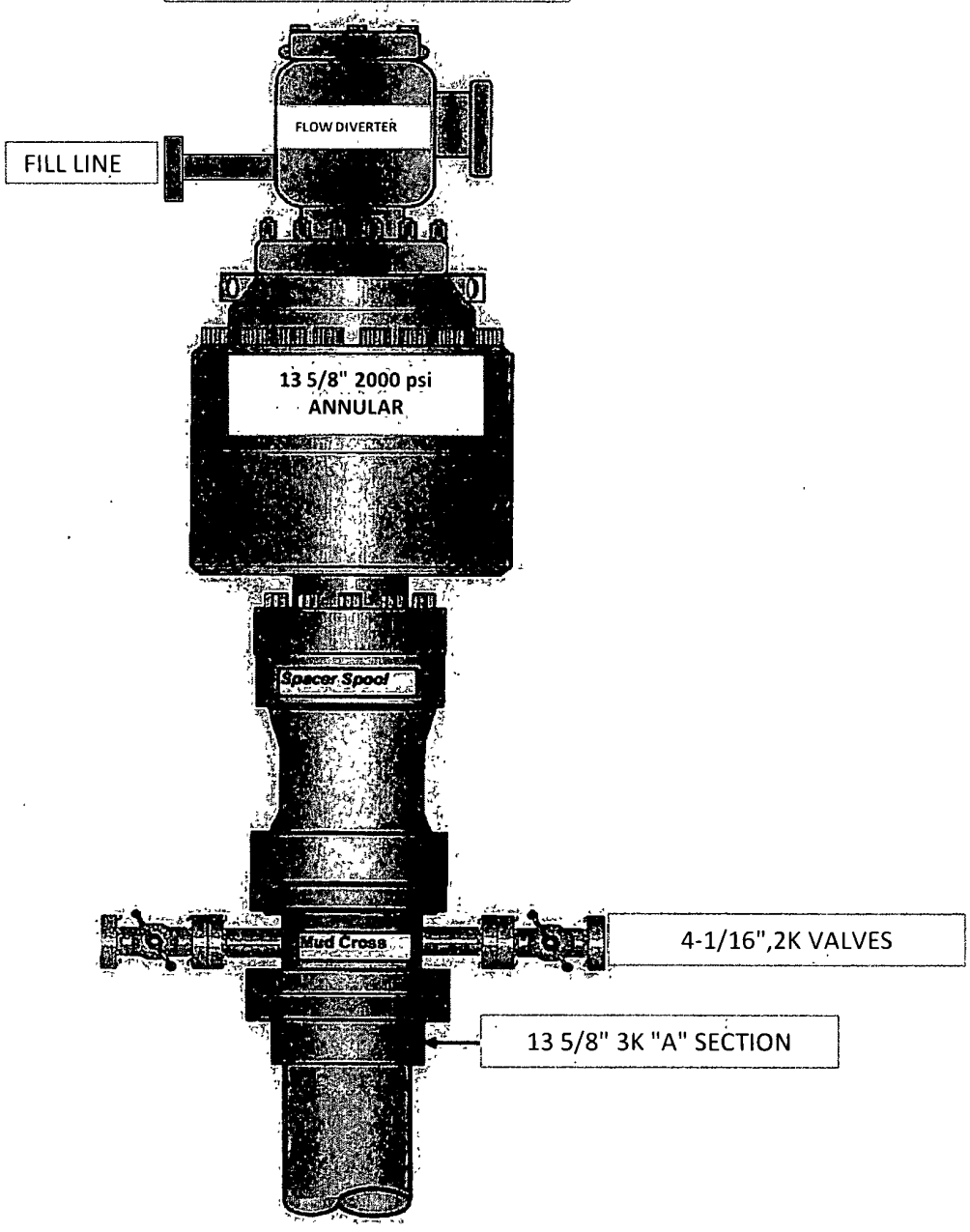
Plan #1 8-3/4" Hole







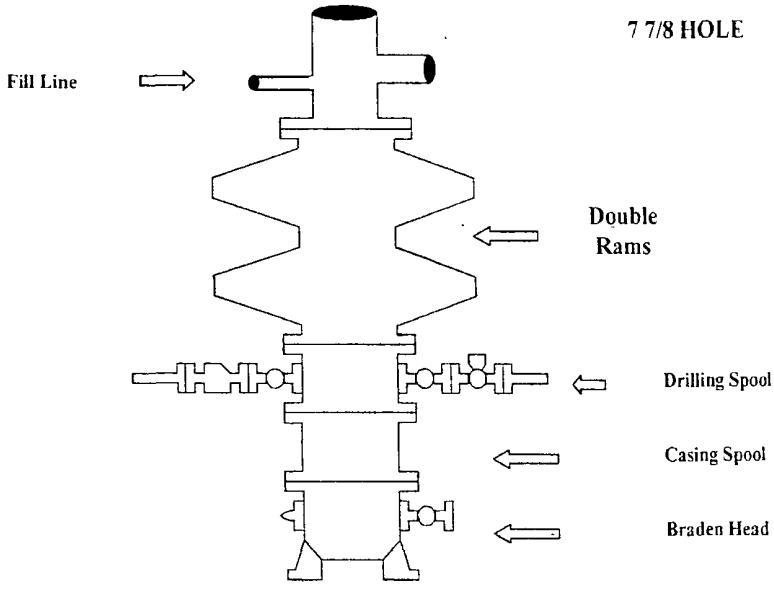
13 5/8" 2K ANNULAR



COG Operating LLC

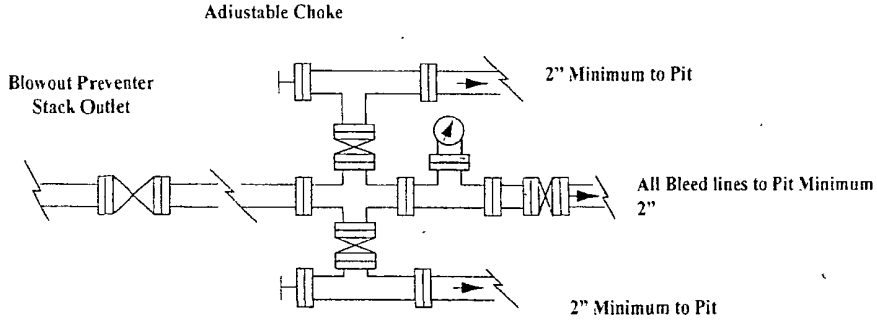
Exhibit #9

BOPE and Choke Schematic



Minimum 4" Nominal choke and kill lines

Choke Manifold Requirement (2000 psi WP)
No Annular Required



Adjustable Choke
(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.

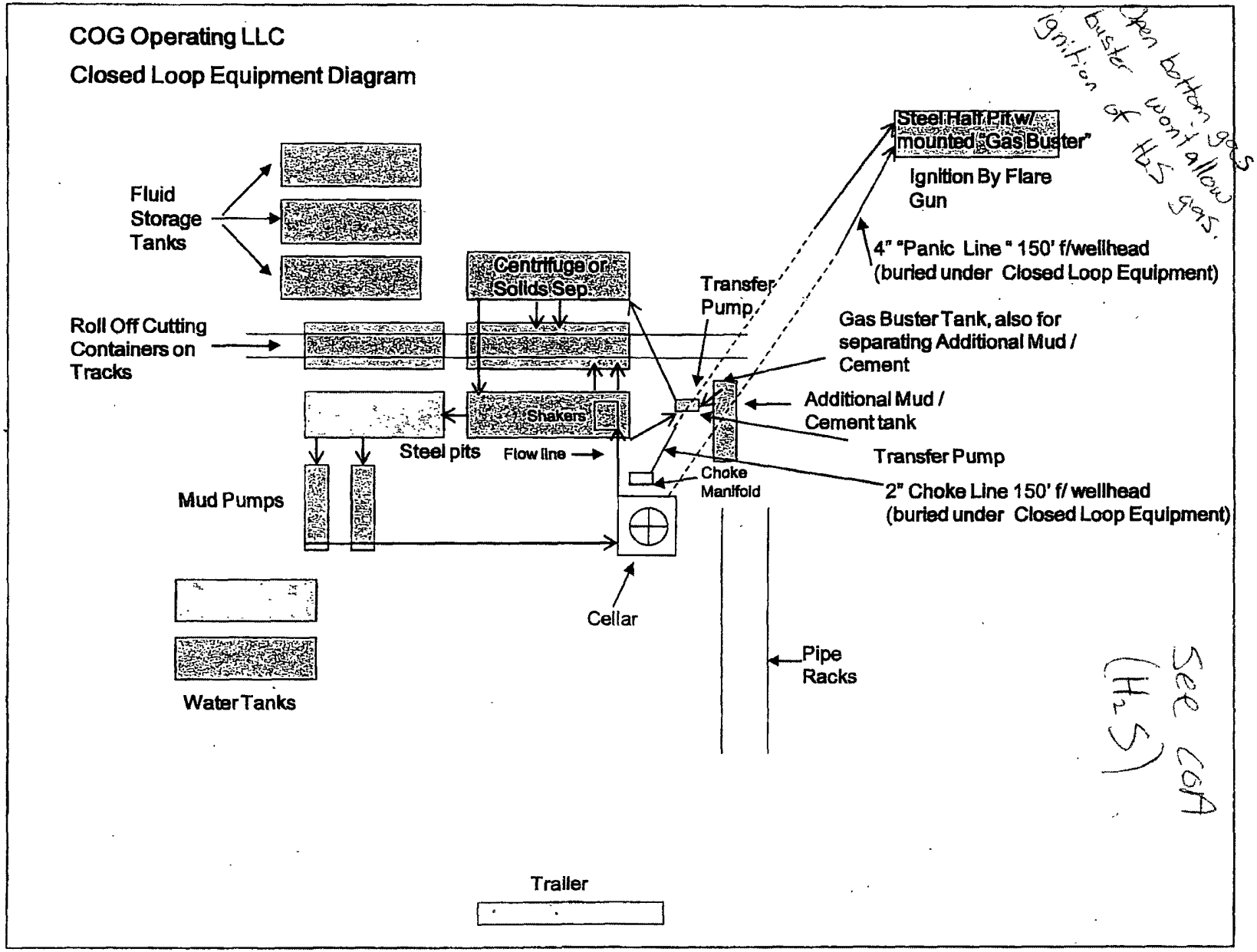
9. Extension wrenches and hands wheels to be properly installed

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

COG Operating LLC

Closed Loop Equipment Diagram



Closed Loop Operation & Maintenance Procedure

All drilling fluid circulated over shaker(s) with cuttings discharged into roll off container.

Fluid and fines below shaker(s) are circulated with transfer pump through centrifuge(s) or solids separator with cuttings and fines discharged into roll off container.

Fluid is continuously re-circulated through equipment with polymer added to aid separation of cutting fines.

Roll off containers are lined and de-watered with fluids re-circulated into system.

Additional tank is used to capture unused drilling fluid or cement returns from casing jobs.

This equipment will be maintained 24 hrs./day by solids control personnel and or rig crews that stay on location.

Cuttings will be hauled to either:

CRI (permit number R9166)
or
GMI (permit number 711-019-001)

dependent upon which rig is available to drill this well.

COG Operating LLC

Hydrogen Sulfide Drilling Operation Plan

I. HYDROGEN SULFIDE TRAINING

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:

1. The hazards an characteristics of hydrogen sulfide (H2S)
2. The proper use and maintenance of personal protective equipment and life support systems.
3. The proper use of H2S detectors alarms warning systems, briefing areas, evacuation procedures, and prevailing winds.
4. The proper techniques for first aid and rescue procedures.

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

1. The effects of H2S on metal components. If high tensile tubular are to be used, personnel well be trained in their special maintenance requirements.
2. Corrective action and shut-in procedures when drilling or reworking a well and blowout prevention and well control procedures.
3. The contents and requirements of the H2S Drilling Operations Plan and 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. **The concentrations of H2S of wells in this area from surface to TD are low enough that a contingency plan is not required.**

II. H2S SAFETY EQUIPMENT AND SYSTEMS

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 reasonable expected to contain H2S.

1. **Well Control Equipment:**

   A. Flare line.

   B. Choke manifold.

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

   D. Auxiliary equipment may include if applicable: annular preventer & rotating head.

2. **Protective equipment for essential personnel:**

   A. Mark II Survive air 30-minute units located in the doghouse and at briefing areas, as indicated on well site diagram.

3. **H2S detection and monitoring equipment:**

   A. 1 portable H2S monitors positioned on location for best coverage and response. These units have warning lights and audible sirens when H2S levels of 20 PPM are reached.

4. **Visual warning systems:**

   A. Wind direction indicators as shown on well site diagram (Exhibit #8).

   B. Caution/Danger signs (Exhibit #7) 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.

5. **Mud program:**

   A. The mud program has been designed to minimize the volume of H2S circulated to surface. Proper mud weight, safe drilling practices, and the use of H2S scavengers will minimize hazards when penetrating H2S bearing zones.

6. **Metallurgy:**

   A. All drill strings, casings, tubing, wellhead, blowout preventer, drilling spool, kill lines, choke manifold and lines, and valves shall be suitable for H2S service.

   B. All elastomers used for packing and seals shall be H2S trim.

7. **Communication:**

   A. Radio communications in company vehicles including cellular telephone and 2-way radio.

   B. Land line (telephone) communication at Office.

8. **Well testing:**

   A. Drill stem testing will be performed with a minimum number of personnel in the immediate vicinity, which are necessary to safely and adequately conduct the test. The drill stem testing will be conducted during daylight hours and formation fluids will not be flowed to the surface. All drill-stem-testing operations conducted in an H2S environment will use the closed chamber method of testing.

   B. There will be no drill stem testing.

EXHIBIT #7

WARNING

YOU ARE ENTERING AN H2S

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. CHECK WITH COG OPERATING FOREMAN AT

COG OPERATING LLC

1-432-683-7443

1-575-746-2010

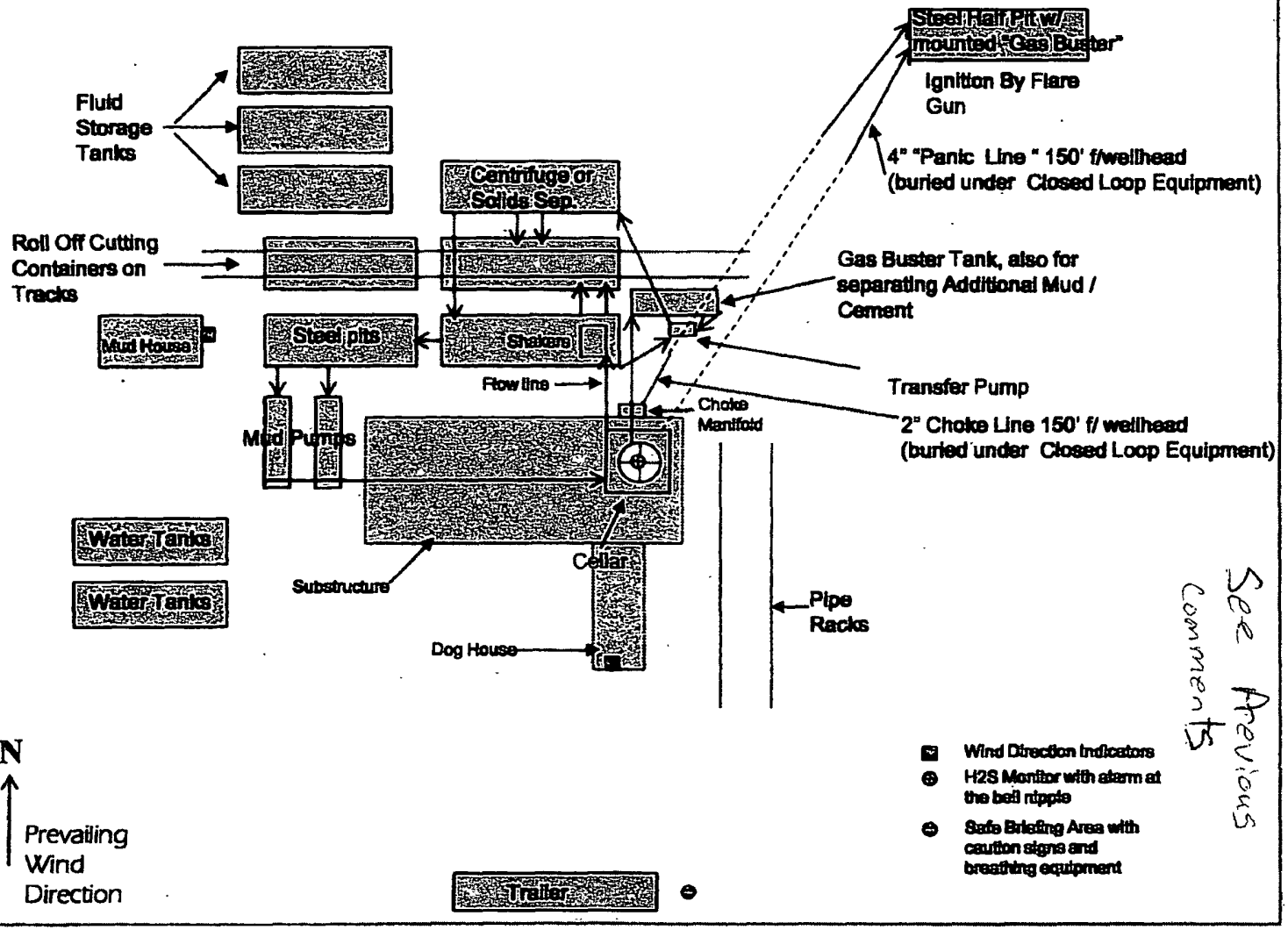
EDDY COUNTY EMERGENCY NUMBERS
ARTESIA FIRE DEPT. 575-746-5050
ARTESIA POLICE DEPT. 575-746-5000
EDDY CO. SHERIFF DEPT. 575-746-9888

LEA COUNTY EMERGENCY NUMBERS
HOBBS FIRE DEPT. 575-397-9308
HOBBS POLICE DEPT. 575-397-9285
LEA CO. SHERIFF DEPT. 575-396-1196

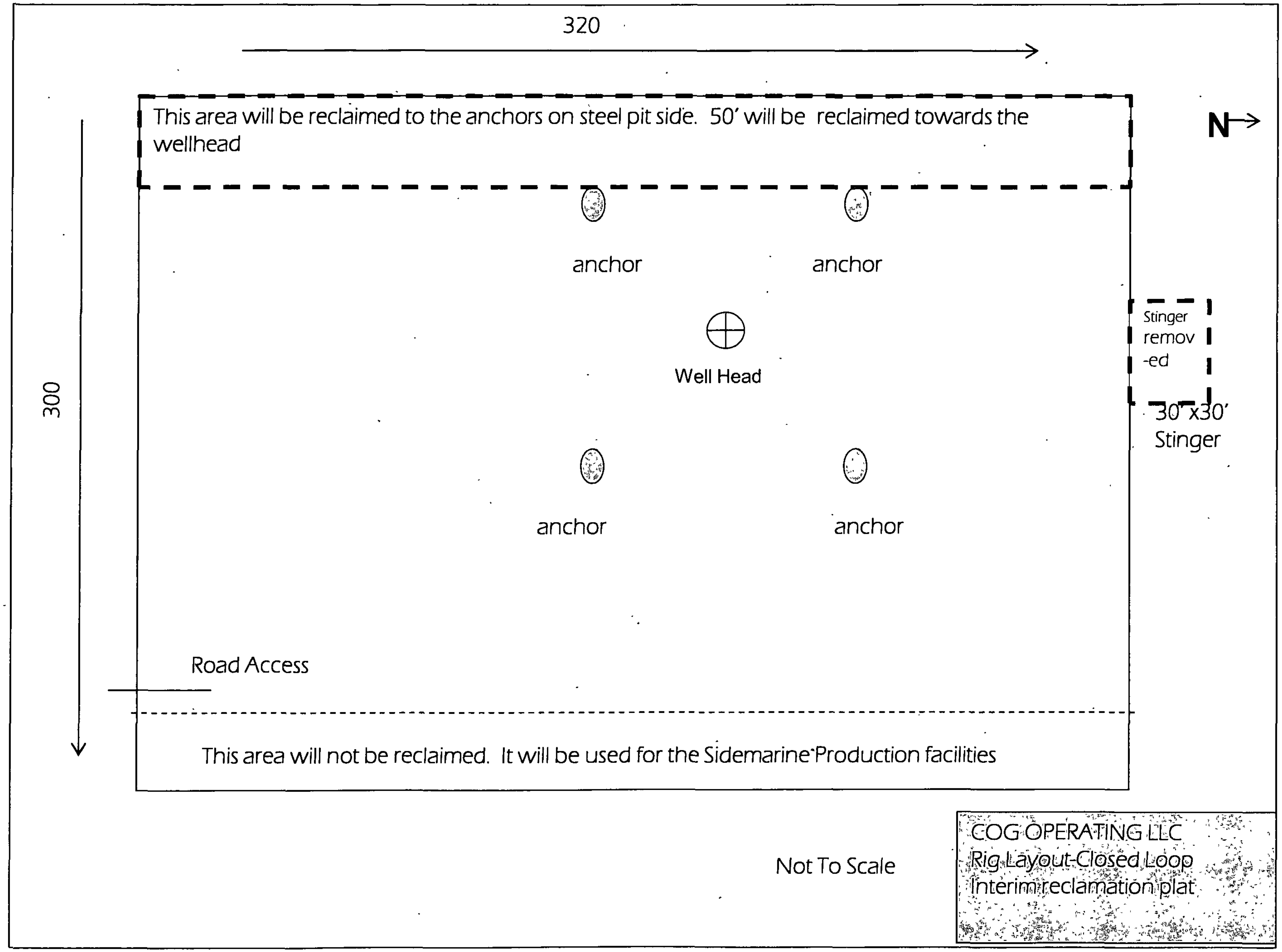
COG Operating LLC

EXHIBIT 8

Drilling Location - H2S Safety Equipment Diagram



See Previous Comments



Received 5-4-12 gdf

PECOS DISTRICT
CONDITIONS OF APPROVAL

OPERATOR'S NAME:	COG Operating
LEASE NO.:	LC068722
WELL NAME & NO.:	1H Sidemarine 10 Federal
SURFACE HOLE FOOTAGE:	330' FSL & 550' FWL
BOTTOM HOLE FOOTAGE	330' FNL & 330' FWL
LOCATION:	Section 10, T.17 S., R.29 E., NMPM
COUNTY:	Eddy County, New Mexico

TABLE OF CONTENTS

Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.