United States Department of the Interior



BUREAU OF LAND MANAGEMENT Carlsbad Field Office 620 E. Greene St. Carlsbad, NM 88220-6292



IN REPLY REFER TO: NM54291 NM104646 3162.4 (P0220)



August 23, 2012

COG Operating LLC 550 W. Texas Ave., Suite 100 Midland, TX 79701

Gentlemen:

Your Applications for Permit to Drill (APDs) the referenced wells have expired because drilling has not commenced within two years as per Onshore Order #1.

NM54291 Gehrig Federal 3H, 2080'/S. & 10'/E., sec.9, T.26S., R.29E. 300/5-37839 APD Approved on April 28, 2010, APD expired on April 27, 2012

NM104646 Michalada Federal 7D, 2310'/S. & 330'/E., sec.3, T.22 S., R.25 E. APD EXT. Approved on July 30, 2010, APD expired on April 11, 2012

If a well has not been spud, but site construction activities have occurred please contact Jim Amos at (575) 234-5909 for surface reclamation instructions. If drilling operations have commenced on a well send all necessary reports (spud, casing/cementing, etc., 1 original and 3 copies) to the BLM, so we may correct our records.

Sincerely,

Con Peterson

Assistant Field Manager Lands & Minerals

1. D. W Litterka

bcc: P0221, I&E CFO NMOCD Artesia