Form 3160-5 (August 2007).

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

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old langesta 200	and 1	FORM APPROVED OMB NO. 1004-0135 Expires: July 31, 2010
10-	5. Lease Ser	ial No.

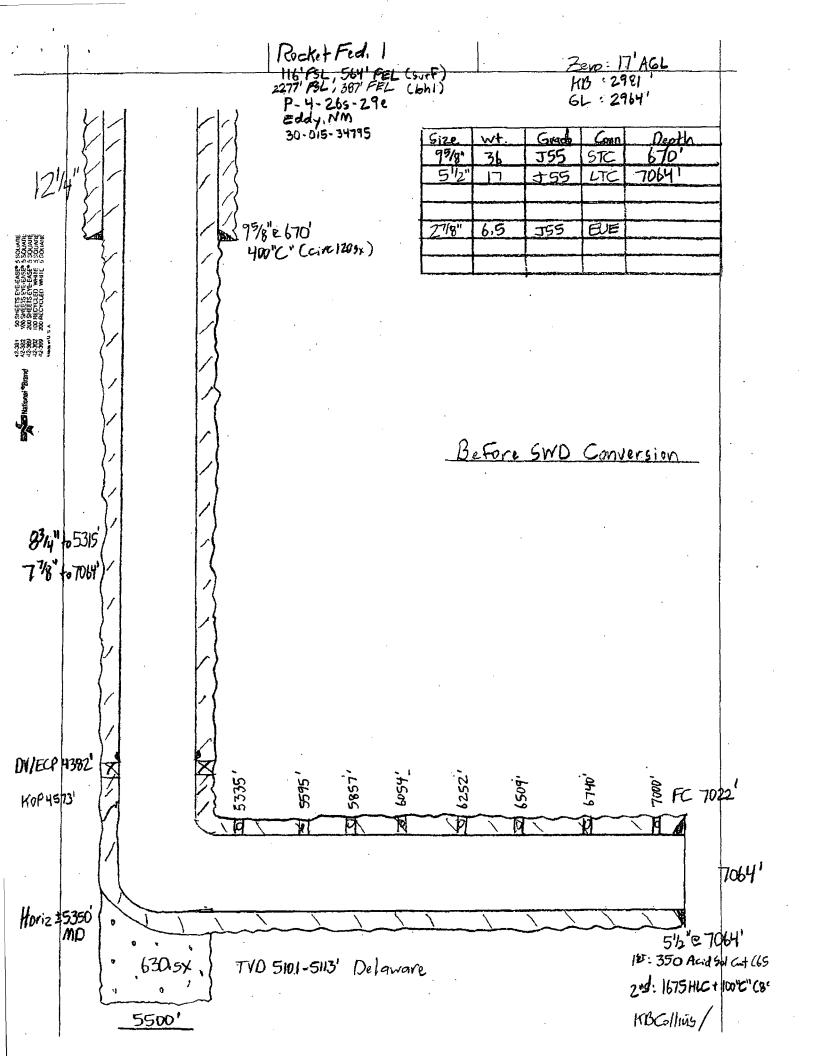
B	UREAU OF LAND MAN	AGEMENT	201	2 Expires: 5. Lease Serial No. NMNM96849	July 31, 2010	
SUNDRY NOTICES AND REPORTS ON WELLS INMOCD ARTS				NMNM96849		
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.			ANTE	5. Lease Serial No. NMNM96849		
SUBMIT IN TRIPLICATE - Other instructions on reverse side.			7. If Unit or CA/Agreement, Name and/or No.			
1. Type of Well				8. Well Name and No.		
Oil Well Gas Well Other: INJECTION			·	ROCKET FEDERAL 1 9. API Well No.		
2. Name of Operator Contact: STORMI DAVIS COG OPERATING LLC E-Mail: sdavis@concho.com				30-015-34795		
3a. Address 2208 WEST MAIN STREET ARTESIA, NM 88210	3b. Phone No. (include area code) Ph: 575-748-6946 Fx: 575-748-6968) .	10. Field and Pool, or Exploratory SWD; DELAWARE			
4. Location of Well (Footage, Sec., 7	on)		11. County or Parish,	and State		
Sec 4 T26S R29E SESE 116F		,	EDDY COUNTY	/, NM		
12. CHECK APPI	ROPRIATE BOX(ES) T	TO INDICATE NATURE OF N	NOTICE, RE	EPORT, OR OTHE	R DATA	
TYPE OF SUBMISSION	TYPE OF ACTION					
Notice of Intent	☐ Acidize ☐ Alter Casing	□ Deepen □ Fracture Treat	□ Reclama		☐ Water Shut-Off ☐ Well Integrity	
Subsequent Report	Casing Repair	New Construction	Recomp		Other .	
Final Abandonment Notice	☐ Change Plans Convert to Injection	Plug and Abandon Plug Back	☐ Temporarily Abandon ☐ Water Disposal			
Attach the Bond under which the wo following completion of the involved testing has been completed. Final At determined that the site is ready for f COO Operating LLO respectfus VD-1356): 1) Set CIBP + 35' cmt @ 482 2) Perf Delaware 3228-3338', 3982-4000', 4100-4230', 4272 4736-4758'.	ch will be performed or provide operations. If the operation is andonment Notices shall be final inspection. If the operation of the inal inspection. If the operation is an andone in the inal inspection. If the inal inspection. If the inal inspection. If the inal inspection. If the inal inspection is an another inal inspection is an another inal inspection. If the inal inspection is an another inspection is an another inspection. If the inal inspection is an another inspection is an another inspection. If the inspection is an another inspection is an another inspection. If the inspection is an another inspection is an another inspection. If the inspection is an another inspection is an another inspection. If the inspection is an another inspection is an another inspection. If the inspection is an another inspection is an another inspection. If the inspection is an another inspection is an another inspection. If the inspection is an another inspection is an another inspection in the inspection is an another inspection. If the inspection is an another inspection is an another inspection in the inspection is an another inspection in the inspection in the inspection is an another inspection in the inspection in the inspection is an another inspection in the inspection in the inspection is an another inspection in the inspectio	Glassbore internally-lined tbg	A. Required sulpmpletion in a filing reclamation for the filing reclamation of the filing reclamation (OCD) (OC) (OC) (OC) (OC) (OC) (OC) (OC) (OC	bsequent reports shall be new interval, a Form 316 in, have been completed APP APP BUREAU OF LA CARLSBAD ACCEPTED FOR AMOCE	ROVED 2 7 2012 ND MANAGEMENT FIELD OFFICE	
Name(Printed/Typed) STORMI	Committed to AFMSS	OPERATING LLC, sent to the Ca for processing by KURT SIMMO Title PREPA	NS on 09/20/	2012 ()		
Signature (Electronic S	Date 09/10/20	Date 09/10/2012				
	THIS SPACE F	OR FEDERAL OR STATE (OFFICE US	SE		
Approved By		Title			Date	
Conditions of approval, if any, are attache ertify that the applicant holds legal or equivalent would entitle the applicant to conductive the conductive the applicant to	atable title to those rights in the	es not warrant or he subject lease Office				
itle 18 U.S.C. Section 1001 and Title 43	U.S.C. Section 1212 make it	a crime for any person knowingly and	willfully to m	ake to any department o	r agency of the United	

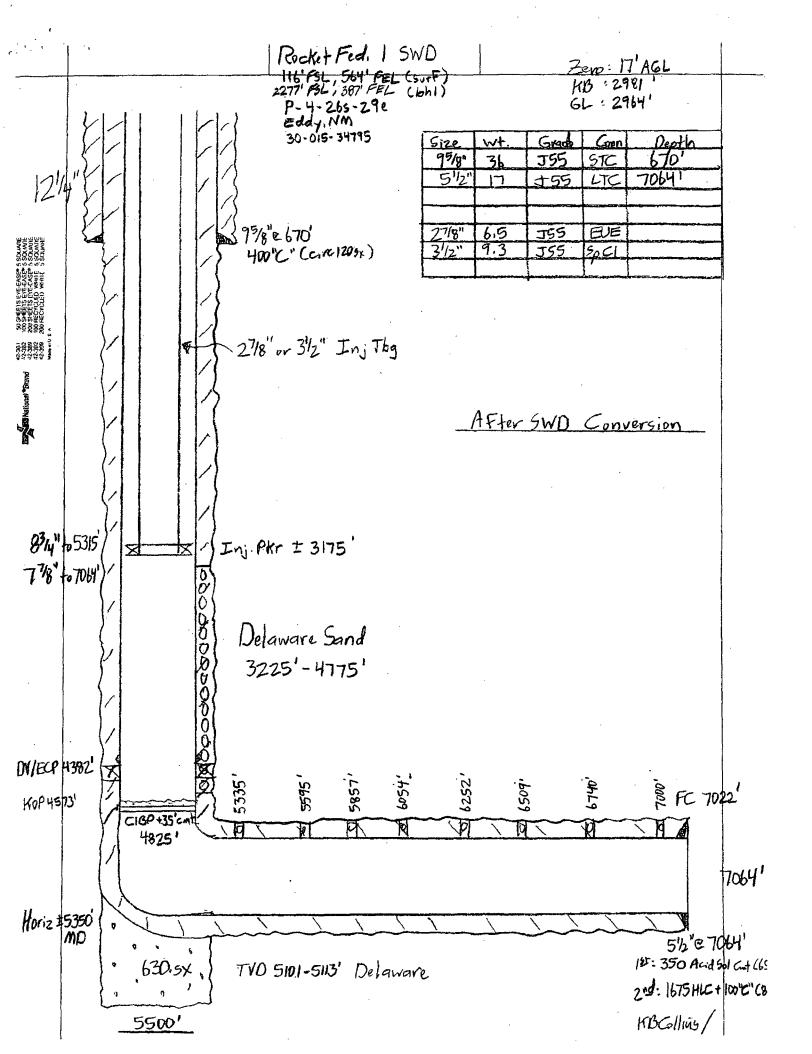
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Additional data for EC transaction #149451 that would not fit on the form

32. Additional remarks, continued

Current and proposed schematics are attached.





Conditions of Approval

COG Operating LLC Rocket Federal - 1 API 3001534795, T26S-R29E, Sec 04

November 27, 2012

- 1. A new "Well Location and Acreage Dedication Plat" (NMOCD Form C-102) is required with the notice of intent package when opening another pay zone.
- 2. Before casing or a liner is added or replaced, prior BLM approval of the design is required. Use notice of intent Form 3160-5.
- 3. Subject to like approval by the New Mexico Oil Conservation Division.
- 4. Notify BLM 575-200-7902 before plug back procedures. The procedures are to be witnessed. If no answer, leave a voice mail with the API#, workover purpose, and a call back phone number. Note the contact, time, & date in your subsequent report.
- 5. Surface disturbance beyond the existing pad must have prior approval.
- 6. A closed loop system is required. The operator shall properly dispose of drilling/circulating contents at an authorized disposal site. Tanks are required for all operations, no excavated pits.
- 7. Functional H₂S monitoring equipment shall be on location.
- 8. A minimum of 2000 (2M) BOPE shall be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (2M) Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.
- 9. All waste (i.e. trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over 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.
- 10. The BLM PET witness is to run tbg tally and agree to cement placement. Sample each plug for cement curing time and tag and/or pressure test (WOC time of 4 hours recommended) as requested by BLM PET witness.

- 11. Class C < 7500ft) cement plugs(s) will be necessary. The minimum pumped volume of 25 sacks of cement slurry is to exceed a 100ft cement plug across the drilled wellbore. Add 10% to the 100ft slurry volume for each 1000ft of plug depth when calculations indicate the need. For any plug that requires a tag or pressure test a minimum WOC time of 4 hours(C) is recommended. Formation isolation plugs of Class "C" to be mixed 14.8#/gal, 1.32 ft³/sx, 6.3gal/sx.
- 12. Step 1 -the CIBP is to be set at 5075'.
- 13. A minimum of 25sx C cement is to be placed on the CIBP of Step 1.
- 14. After setting the plug and before perforating, perform a BLM PET witnessed (charted) casing integrity test of 1200 psig. Pressure leakoff may require correction for approval. Include a copy of the chart in the subsequent sundry for this workover.
- 15. File intermediate **subsequent sundry** Form 3160-**5** within 30 days of any interrupted workover procedures and a complete workover subsequent sundry. File the subsequent sundry for the frac separately if it is delayed as much as 20 days.
- 16. Submit the BLM Form 3160-4 Recompletion Report within 30 days of the date all BLM approved procedures are complete.
- 17. Workover approval is good for 90 days (completion to be within 90 days of approval). A legitimate request is necessary for extension of that date.

An inactive/shut-in well bore is a non-producing completion that is capable of "beneficial use" i.e. production in **paying quantities** or of service use.

- 18. Return the well to "beneficial use" on or before 04/20/2013.
- 19. Should "beneficial use" not be achieved submit for BLM approval a plan for plug and abandonment.

PRS 101712

Operations for a Well with an Inj Packer

- 1) Conduct a Mechanical Integrity Test of the tubing/casing annulus after a tubing, packer or casing seal is established. Repair that seal any time more than five barrels of packer fluid is replaced within 30 days.
- 2) The minimum test pressure should be 500 psig for 30 minutes or 300 psig for 60 minutes, with 200 psig differentials between tubing and casing pressure (at test time) but no more than 70% of casing burst pressure as described by Onshore Order 2.III.B.1.h. (The tubing or reservoir pressure may need to be reduced). An alternate method for a BLM approved MIT is to have the fluid filled system open to atmospheric pressure and have a loss of less than five barrels in 30 days witnessed by a BLM authorized officer.
- 3) Document the pressure test on a calibrated recorder chart registering within 25 to 85 per cent of its full range. Greater than 10% pressure leakoff will be viewed as a failed MIT. Less than 10% pressure leakoff will be evaluated site specifically and may restrict injection approval.
- 4) Make arrangements 24 hours before the test for BLM to witness: email Paul R. Swartz pswartz@blm.gov or phone 575-200-7902. Note the contact, time, & date in your subsequent report.
- 5) Submit a subsequent Sundry Form 3160-5 relating the MIT activity. Include a copy of the recorded MIT pressure chart. List the name of the BLM witness, or the notified person and date of notification. NMOCD is to retain the original recorded MIT chart.
- 6) Use of tubing internal protection, tubing on/off equipment just above the packer, a profile nipple, and an in line tubing check valve below the packer or between the on/off tool and packer is a "Best Management Practice". The setting depths and descriptions of each are to be included in the subsequent sundry. List (by date) descriptions of daily activity of any previously unreported wellbore workover.
- 7) Submit the original subsequent sundry with three copies to BLM Carlsbad.
- 8) Compliance with a NMOCD Administrative Order is required, submit documentation of that authorization. Approved injection pressure compliance is required. If injection pressure exceeds the approved pressure you are required to reduce that pressure and notify the BLM within 24 hours.
- 9) When injection pressure is within 50 psig of the maximum pressure, install automation equipment that will prevent exceeding that maximum. Submit a subsequent report (Sundry Form 3160-5) describing the installed automation equipment within 30 days.
- 10) Unexplained significant variations of rate or pressure to be reported within 5 days of notice.
- 11) The casing/tubing annulus is required to be monitored for communication with injection fluid or loss of casing integrity. A BLM inspector may request verification of the annular fluid level at any time.
- 12) A "Best Management Practice" is to maintain the annulus full of packer fluid at atmospheric pressure. Equipment that will display on site, continuous open to the air fluid level is necessary to achieve this goal.

- 13) Loss of packer fluid above five barrels per month indicates a developing problem. Notify BLM Carlsbad Field Office, Petroleum Engineering within 5 days.
- 14) A suggested format for monthly records documenting that the casing annulus is fluid filled is available from the BLM Carlsbad Field Office.
- 15) Gain of annular fluid requires notification within 24 hours. Cease injection and maintain a production casing pressure of 0psia. Notify the BLM's authorized officer ("Paul R. Swartz" <<u>pswartz@blm.gov</u>>, cell phone 575-200-7902). If there is no response phone 575-361-2822.
- 16) Submit a (Sundry Form 3160-5) subsequent report (daily reports) describing all wellbore activity and Mechanical Integrity Test as per item 1) above. Include the date(s) of the well work, and the setting depths of equipment: internally corrosive protected tubing, tubing on/off equipment just above the packer, and an in line tubing check valve below the packer or between the on/off tool and packer. The setting depths and descriptions of each are to be included in the subsequent sundry. List (by date) descriptions of daily activity of any previously unreported wellbore workover.

Access information for use of Form 3160-5 "Sundry Notices and Reports on Wells"

NM Fed Regs & Forms - http://www.blm.gov/nm/st/en/prog/energy/oil and gas.html

§ 43 CFR 3162.3-2 Subsequent Well Operations.

§ 43 CFR 3160.0-9 (c)(1) Information collection.

§ 3162.4-1 (c) Well records and reports.