

**NM OIL CONSERVATION  
ARTESIA DISTRICT**

SEP 01 2017

Form 3160-3  
(March 2012)

FORM APPROVED  
OMB No. 1004-0137  
Expires October 31, 2014

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**RECEIVED**

**APPLICATION FOR PERMIT TO DRILL OR REENTER**

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		7. If Unit or CA Agreement, Name and No.
1b. Type of Well: <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other INJ-DIS <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		8. Lease Name and Well No. RONCO FEDERAL SWD 1 <b>319554</b>
2. Name of Operator COG OPERATING LLC		9. API Well No. <b>30-015-44420</b>
3a. Address 600 West Illinois Ave Midland TX 79701	3b. Phone No. (include area code) (432)683-7443	10. Field and Pool, or Exploratory SWD / CISCO-CANYON
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface NENW / 600 FNL / 1650 FWL / LAT 32.8256348 / LONG -104.0142969 At proposed prod. zone NENW / 600 FNL / 1650 FWL / LAT 32.8256348 / LONG -104.0142969		11. Sec., T. R. M. or Blk and Survey or Area SEC 19 / T17S / R30E / NMP
14. Distance in miles and direction from nearest town or post office* 2 miles		12. County or Parish EDDY
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 600 feet		13. State NM
16. No. of acres in lease 629.65	17. Spacing Unit dedicated to this well 0	
18. Distance from proposed location* to nearest well, drilling, completed, 335 feet applied for, on this lease, ft.	19. Proposed Depth 9650 feet / 9650 feet	20. BLM/BIA Bond No. on file FED: NMB000215
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3626 feet	22. Approximate date work will start* 03/30/2017	23. Estimated duration 15 days

**24. Attachments**

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

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

25. Signature (Electronic Submission)	Name (Printed Typed) Robyn Odom / Ph: (432)685-4385	Date 10/27/2016
Title Regulatory Analyst		
Approved by (Signature) (Electronic Submission)	Name (Printed Typed) Cody Layton / Ph: (575)234-5959	Date 08/18/2017
Title Supervisor Multiple Resources		
Office CARLSBAD		

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.

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.

(Continued on page 2)

\*(Instructions on page 2)

**APPROVED WITH CONDITIONS**

RUP 9-1-17

## **Additional Operator Remarks**

### **Location of Well**

1. SHL: NENW / 600 FNL / 1650 FWL / TWSP: 17S / RANGE: 30E / SECTION: 19 / LAT: 32.8256348 / LONG: -104.0142969 ( TVD: 0 feet, MD: 0 feet )

PPP: / FNL / FWL

BHL: NENW / 600 FNL / 1650 FWL / TWSP: 17S / RANGE: 30E / SECTION: 19 / LAT: 32.8256348 / LONG: -104.0142969 ( TVD: 9650 feet, MD: 9650 feet )

## **BLM Point of Contact**

Name: Priscilla Perez

Title: Legal Instruments Examiner

Phone: 5752345934

Email: pperez@blm.gov



U.S. Department of the Interior  
BUREAU OF LAND MANAGEMENT

## Operator Certification Data Report

08/20/2017

### Operator Certification

*I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.*

**NAME:** Robyn Odom

**Signed on:** 10/27/2016

**Title:** Regulatory Analyst

**Street Address:** 600 W Illinois Ave

**City:** Midland

**State:** TX

**Zip:** 79701

**Phone:** (432)685-4385

**Email address:** rodom@concho.com

### Field Representative

**Representative Name:**

**Street Address:**

**City:**

**State:**

**Zip:**

**Phone:**

**Email address:**



APD ID: 10400007287

Submission Date: 10/27/2016

Operator Name: COG OPERATING LLC

Well Name: RONCO FEDERAL SWD

Well Number: 1

Well Type: INJECTION - DISPOSAL

Well Work Type: Drill

**Section 1 - General**

APD ID: 10400007287

Tie to previous NOS?

Submission Date: 10/27/2016

BLM Office: CARLSBAD

User: Robyn Odom

Title: Regulatory Analyst

Federal/Indian APD: FED

Is the first lease penetrated for production Federal or Indian? FED

Lease number: NMLC028793A

Lease Acres: 629.65

Surface access agreement in place?

Allotted?

Reservation:

Agreement in place? NO

Federal or Indian agreement:

Agreement number:

Agreement name:

Keep application confidential? NO

Permitting Agent? NO

APD Operator: COG OPERATING LLC

Operator letter of designation:

Keep application confidential? NO

**Operator Info**

Operator Organization Name: COG OPERATING LLC

Operator Address: 600 West Illinois Ave

Zip: 79701

Operator PO Box:

Operator City: Midland

State: TX

Operator Phone: (432)683-7443

Operator Internet Address: RODOM@CONCHO.COM

**Section 2 - Well Information**

Well in Master Development Plan? NO

Master Development Plan name:

Well in Master SUPO? NO

Master SUPO name:

Well in Master Drilling Plan? NO

Master Drilling Plan name:

Well Name: RONCO FEDERAL SWD

Well Number: 1

Well API Number:

Field/Pool or Exploratory? Field and Pool

Field Name: SWD

Pool Name: CISCO-CANYON

Operator Name: COG OPERATING LLC

Well Name: RONCO FEDERAL SWD

Well Number: 1

Is the proposed well in an area containing other mineral resources? USEABLE WATER,POTASH

Describe other minerals:

Is the proposed well in a Helium production area? N Use Existing Well Pad? NO New surface disturbance?

Type of Well Pad: SINGLE WELL

Multiple Well Pad Name:

Number:

Well Class: VERTICAL

Number of Legs: 1

Well Work Type: Drill

Well Type: INJECTION - DISPOSAL

Describe Well Type:

Well sub-Type: INFILL

Describe sub-type:

Distance to town: 2 Miles

Distance to nearest well: 335 FT

Distance to lease line: 600 FT

Reservoir well spacing assigned acres Measurement: 0 Acres

Well plat: Ronco Federal SWD 1 C102\_02-14-2017.pdf

Well work start Date: 03/30/2017

Duration: 15 DAYS

### Section 3 - Well Location Table

Survey Type: RECTANGULAR

Describe Survey Type:

Datum: NAD83

Vertical Datum: NAVD88

Survey number:

	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	MD	TVD
SHL Leg #1	600	FNL	1650	FWL	17S	30E	19	Aliquot NENW	32.8256348	-104.0142969	EDD Y	NEW MEXI CO	NEW MEXI CO	F	NMLC0 28793A	3626	0	0
KOP Leg #1		FNL		FEL							EDD Y	NEW MEXI CO	NEW MEXI CO	F	NMLC0 28793A	3626		
PPP Leg #1		FNL		FWL							EDD Y		NEW MEXI CO	F	NMLC0 28793A	3626		

**Operator Name:** COG OPERATING LLC

**Well Name:** RONCO FEDERAL SWD

**Well Number:** 1

	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	MD	TVD
EXIT Leg #1		FNL		FWL							EDD Y	NEW MEXI CO	NEW MEXI CO	F	NMLC0 28793A	362 6		
BHL Leg #1	600	FNL	165 0	FWL	17S	30E	19	Aliquot NENW	32.82563 48	- 104.0142 969	EDD Y	NEW MEXI CO	NEW MEXI CO	F	NMLC0 28793A	- 602 4	965 0	965 0

APD ID: 10400007287

Submission Date: 10/27/2016

Operator Name: COG OPERATING LLC

Well Name: RONCO FEDERAL SWD

Well Number: 1

Well Type: INJECTION - DISPOSAL

Well Work Type: Drill

## Section 1 - Geologic Formations

Formation ID	Formation Name	Elevation	True Vertical Depth	Measured Depth	Lithologies	Mineral Resources	Producing Formation
17691	UNKNOWN	3626	0	0	ALLUVIUM	USEABLE WATER	No
17746	RUSTLER	3357	269	269	DOLOMITE	OTHER : Brackish Water	No
17718	TOP SALT	3247	379	379	SALT	OTHER : Salt	No
17724	TANSILL	2655	971	971	DOLOMITE	NONE	No
17694	YATES	2550	1076	1076	SANDSTONE,DOLOMITE	NATURAL GAS,OIL	No
15319	SEVEN RIVERS	2255	1371	1371	DOLOMITE	NATURAL GAS,OIL	No
15318	QUEEN	1642	1984	1984	SANDSTONE	NATURAL GAS,OIL	No
17683	GRAYBURG	1246	2380	2380	SANDSTONE,DOLOMITE	NATURAL GAS,OIL	No
15314	SAN ANDRES	913	2713	2713	DOLOMITE	NATURAL GAS,OIL	No
17701	GLORIETA	-488	4114	4114	SANDSTONE,SILTSTONE	NATURAL GAS,OIL	No
17700	PADDOCK	-557	4183	4183	DOLOMITE	NATURAL GAS,OIL	No
15342	BLINEBRY	-1101	4727	4727	DOLOMITE	NATURAL GAS,OIL	No
17685	TUBB	-2018	5644	5644	SANDSTONE	NATURAL GAS,OIL	No
17702	DRINKARD	-2107	5733	5733	LIMESTONE,DOLOMITE	NATURAL GAS,OIL	No
17709	WOLFCAMP	-3837	7463	7463	LIMESTONE,DOLOMITE	NATURAL GAS,OIL	No
15317	CISCO	-4896	8522	8522	SHALE,DOLOMITE	NONE	No
15327	CANYON	-5645	9271	9271	SHALE,DOLOMITE	NONE	No
17686	STRAWN	-6556	10182	10182	SHALE,DOLOMITE	NONE	No

Operator Name: COG OPERATING LLC

Well Name: RONCO FEDERAL SWD

Well Number: 1

## Section 2 - Blowout Prevention

Pressure Rating (PSI): 3M

Rating Depth: 10000

Equipment: ALL REQUIRED EQUIPMENT PER FEDERAL AND STATE REGULATIONS TO BE IN PLACE PRIOR TO DRILLING OUT THE SURFACE CASING.

Requesting Variance? NO

Variance request:

Testing Procedure: 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.

Choke Diagram Attachment:

3M Choke Schematic\_10-25-2016.pdf

BOP Diagram Attachment:

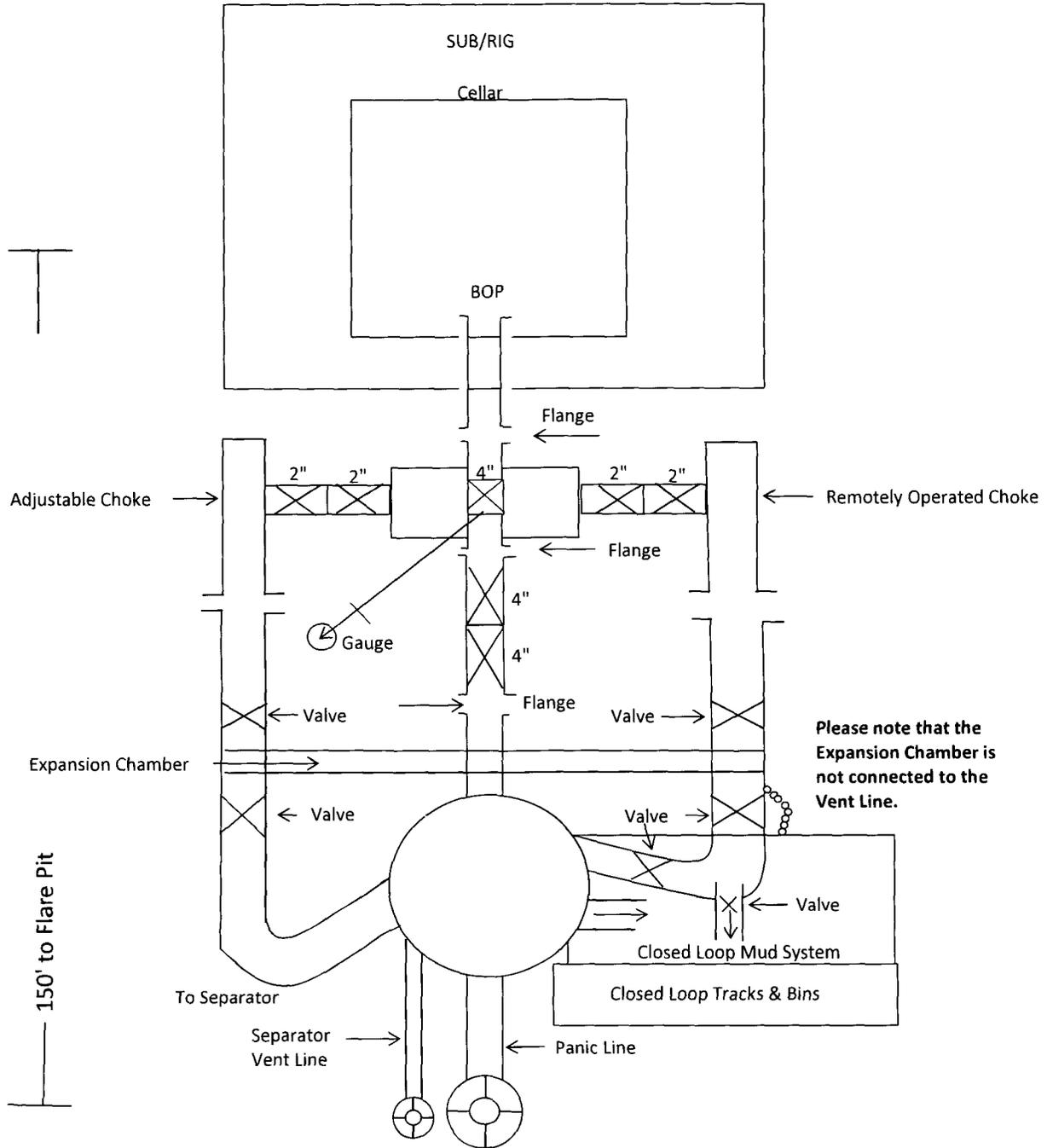
3M ANNULAR BOP\_10-25-2016.pdf

## Section 3 - Casing

Casing ID	String Type	Hole Size	Csg Size	Condition	Standard	Tapered String	Top Set MD	Bottom Set MD	Top Set TVD	Bottom Set TVD	Top Set MSL	Bottom Set MSL	Calculated casing length MD	Grade	Weight	Joint Type	Collapse SF	Burst SF	Joint SF Type	Joint SF	Body SF Type	Body SF
1	SURFACE	17.5	13.375	NEW	API	N	0	350	0	350			350	J-55	54.5	STC	8.42	17.5	DRY	31.4	DRY	52.17
2	INTERMEDIATE	12.25	9.625	NEW	API	N	0	1100	0	1100			1100	J-55	40	STC	4.49	7.5	DRY	10.3	DRY	14.3
3	PRODUCTION	8.75	7.0	NEW	API	N	0	8630	0	8630			8630	L-80	29	LTC	1.64	1.91	DRY	2.35	DRY	2.7
4	OPEN HOLE	6					8630	9650					1020									

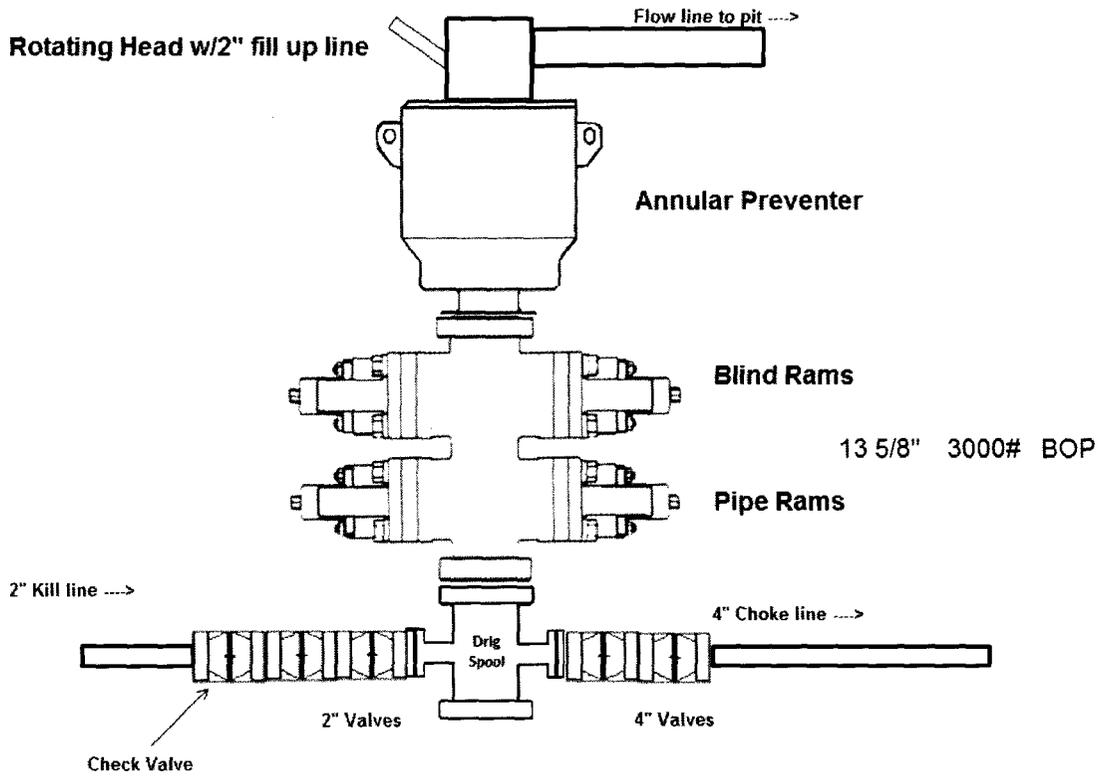
Casing Attachments

# 3M Choke Manifold Equipment



# Exhibit #11

## 3,000 psi BOP Schematic



**Operator Name:** COG OPERATING LLC

**Well Name:** RONCO FEDERAL SWD

**Well Number:** 1

**Casing Attachments**

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**Casing ID:** 1      **String Type:** SURFACE

**Inspection Document:**

**Spec Document:**

**Taperd String Spec:**

**Casing Design Assumptions and Worksheet(s):**

AFMSS 2 Casing Design Attachment.pdf

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**Casing ID:** 2      **String Type:** INTERMEDIATE

**Inspection Document:**

**Spec Document:**

**Taperd String Spec:**

**Casing Design Assumptions and Worksheet(s):**

AFMSS 2 Casing Design Attachment.pdf

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**Casing ID:** 3      **String Type:** PRODUCTION

**Inspection Document:**

**Spec Document:**

**Taperd String Spec:**

**Casing Design Assumptions and Worksheet(s):**

AFMSS 2 Casing Design Attachment.pdf

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Casing Program

	Collapse SF	Burst SF	Tension SF
BLM Minimum Safety Factor	1.125	1	1.6 Dry 1.8 Wet

All casing strings will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.h

Assumed 9.0ppg MW equivalent pore pressure from 9 5/8" shoe to deepest TVD in wellbore.

BLM standard formulas were used on all SF calculations.

Casing design does meet and/or exceed BLM's minimum standards.

The pipe will be kept at a minimum 1/3 fluid fill to avoid approaching the collapse pressure rating of the casing.

This well is not located within the Capitan Reef.

This well is not located in the SOPA or in the R-111-P.

This well is not located in a high or critical Cave/Karst area.

This is not a walking operation.

We will not be pre-setting casing.

All completion intervals are planned to be fracture stimulated.

Operator Name: COG OPERATING LLC

Well Name: RONCO FEDERAL SWD

Well Number: 1

**Casing Attachments**

Casing ID: 4                      String Type: OPEN HOLE

Inspection Document:

Spec Document:

Taperd String Spec:

Casing Design Assumptions and Worksheet(s):

**Section 4 - Cement**

String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
SURFACE	Lead		0	350	400	1.32	14.8	528	153	Class C	2% CaCl2+0.25pps CF
INTERMEDIATE	Lead		0	1100	250	2.45	11.8	612.5	206	50:50:10 C:Poz:Gel	5% Salt+5pps LCM+0.25pps CF
INTERMEDIATE	Tail			1100	200	1.32	14.8	264		Class C	2% CaCl2
PRODUCTION	Lead		0	8630	600	2.01	12.5	1206	64	35:65:6 C:Poz:Gel	5%salt+5pps LCM+0.2%SMS+1%FL- 25+1%Ba-58+0.3%FL- 52A+0.125pps CF
PRODUCTION	Tail			8630	600	1.37	14	822		50:50:2 H:Poz:Gel	5%salt+3pps LCM+0.6%SMS+1%FL- 25+1%BA-58+0.125pps
OPEN HOLE	Lead		8630	9650	0	0	0	0		N/A	N/A

**Operator Name:** COG OPERATING LLC

**Well Name:** RONCO FEDERAL SWD

**Well Number:** 1

### Section 5 - Circulating Medium

**Mud System Type:** Closed

**Will an air or gas system be Used?** NO

**Description of the equipment for the circulating system in accordance with Onshore Order #2:**

**Diagram of the equipment for the circulating system in accordance with Onshore Order #2:**

**Describe what will be on location to control well or mitigate other conditions:** SUFFICIENT MUD MATERIALS TO MAINTAIN MUD PROPERTIES AND MEET MINIMUM LOST CIRCULATION AND WEIGHT INCREASE REQUIREMENTS WILL BE KEPT ON LOCATION AT ALL TIMES.

**Describe the mud monitoring system utilized:** PVT/PASON/VISUAL MONITORING

### Circulating Medium Table

Top Depth	Bottom Depth	Mud Type	Min Weight (lbs/gal)	Max Weight (lbs/gal)	Density (lbs/cu ft)	Gel Strength (lbs/100 sqft)	PH	Viscosity (CP)	Salinity (ppm)	Filtration (cc)	Additional Characteristics
0	350	WATER-BASED MUD	8.6	8.8							
0	8630	SALT SATURATED	10	10.2							
8630	9650	WATER-BASED MUD	8.5	9.2							

### Section 6 - Test, Logging, Coring

**List of production tests including testing procedures, equipment and safety measures:**

INTERVAL PERFORATING, FRACTURE STIMULATING, FLOW BACK TESTING.

**List of open and cased hole logs run in the well:**

CNL,MUDLOG,OTH

**Other log type(s):**

Open hole logs are planned from TD to Intermediate casing hole.

**Coring operation description for the well:**

N/A

**Operator Name:** COG OPERATING LLC

**Well Name:** RONCO FEDERAL SWD

**Well Number:** 1

## **Section 7 - Pressure**

**Anticipated Bottom Hole Pressure:** 4246

**Anticipated Surface Pressure:** 2123

**Anticipated Bottom Hole Temperature(F):** 146

**Anticipated abnormal pressures, temperatures, or potential geologic hazards?** NO

**Describe:**

**Contingency Plans geohazards description:**

**Contingency Plans geohazards attachment:**

**Hydrogen Sulfide drilling operations plan required?** YES

**Hydrogen sulfide drilling operations plan:**

H2S Plan\_05-20-2016.pdf

Ronco Federal SWD 1 H2S Schematic\_10-25-2016.pdf

## **Section 8 - Other Information**

**Proposed horizontal/directional/multi-lateral plan submission:**

**Other proposed operations facets description:**

The 6" open hole portion of this well will not be cased or cemented.

**Other proposed operations facets attachment:**

Closed Loop Schematic\_10-26-2016.pdf

Ronco\_Fed\_SWD\_1\_Contingent\_Multi\_Cmt\_Plans\_05-12-2017.pdf

**Other Variance attachment:**

## 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 and characteristics of hydrogen sulfide (H<sub>2</sub>S)
2. The proper use and maintenance of personal protective equipment and life support systems.
3. The proper use of H<sub>2</sub>S 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 H<sub>2</sub>S on metal components. If high tensile tubular are to be used, personnel will 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 H<sub>2</sub>S Drilling Operations Plan and Public Protection Plan.

There will be an initial training session just prior to encountering a known or probable H<sub>2</sub>S zone (within 3 days or 500 feet) and weekly H<sub>2</sub>S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H<sub>2</sub>S Drilling Operations Plan and the Public Protection Plan. **The concentrations of H<sub>2</sub>S of wells in this area from surface to TD are low enough that a contingency plan is not required.**

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## **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 with minimum of one remotely operated choke.
- C. Closed Loop Blow Down Tank
- D. Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit.
- E. Auxiliary equipment may include if applicable: mud-gas separator, annular preventer & rotating head.

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

- A. SCBA (Self contained breathing apparatus) 30-minute units located in the doghouse and at briefing areas, as indicated on well site diagram.

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

- A. 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.
- 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

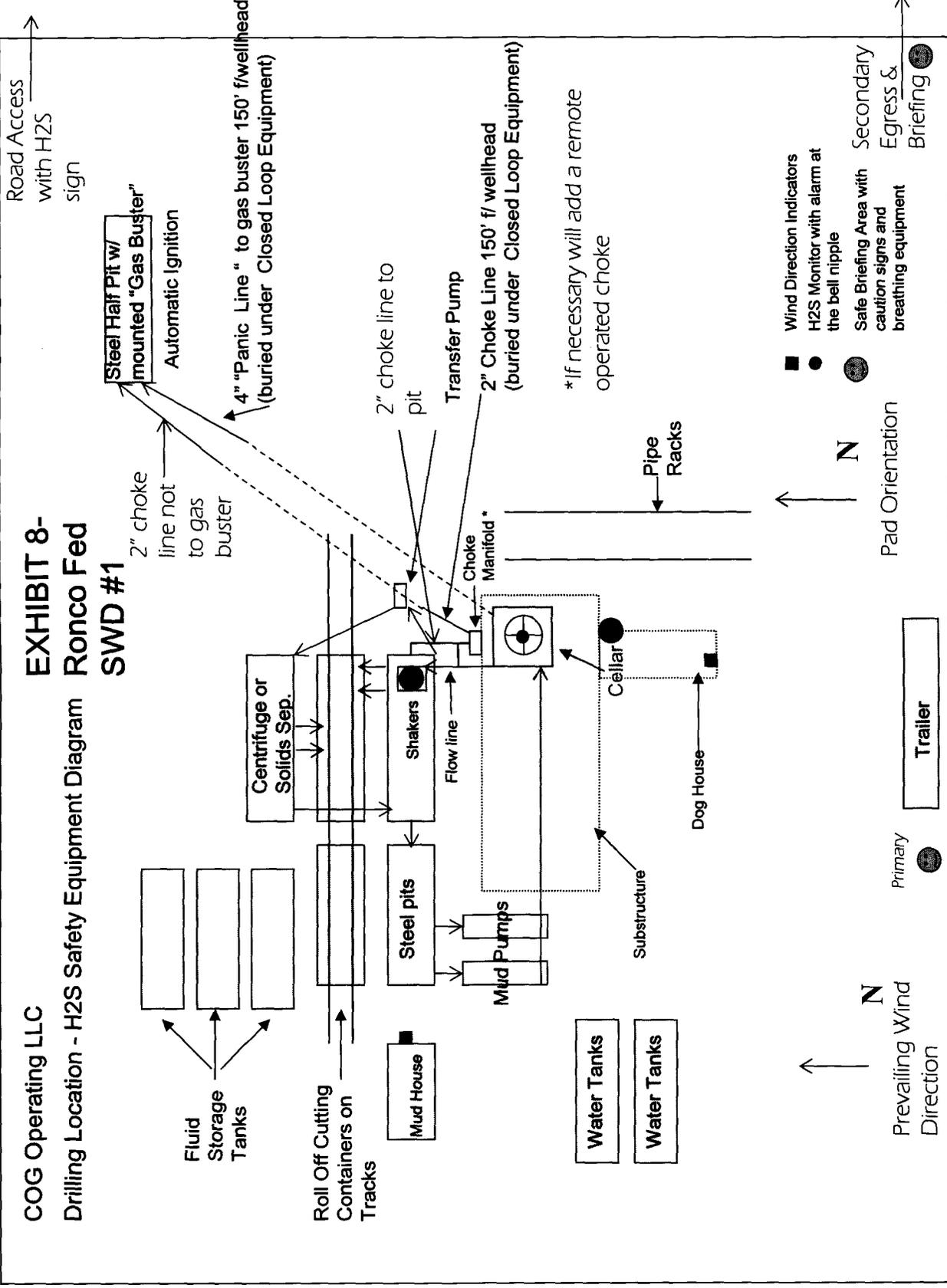
**COG OPERATING LLC**

**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



## 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.

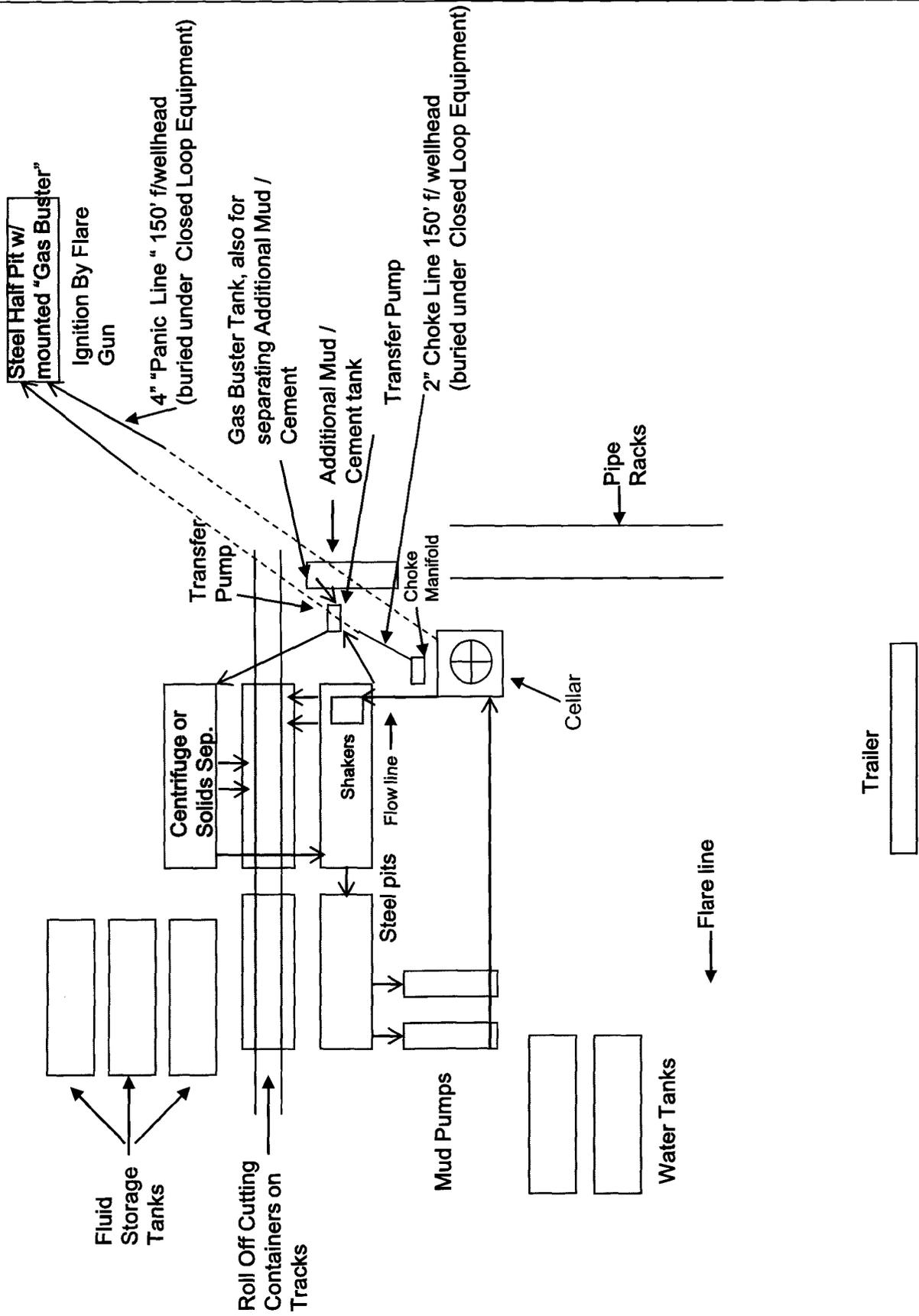
Cuttings will be hauled to either:

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

dependent upon which rig is available to drill this well.

# COG Operating LLC

## Closed Loop Equipment Diagram







APD ID: 10400007287

Submission Date: 10/27/2016

Operator Name: COG OPERATING LLC

Well Name: RONCO FEDERAL SWD

Well Number: 1

Well Type: INJECTION - DISPOSAL

Well Work Type: Drill

### Section 1 - Existing Roads

Will existing roads be used? YES

Existing Road Map:

Ronco Federal SWD 1 Vicinity Plat\_02-14-2017.pdf

Existing Road Purpose: ACCESS,FLUID TRANSPORT

Row(s) Exist? NO

#### ROW ID(s)

ID:

Do the existing roads need to be improved? NO

Existing Road Improvement Description:

Existing Road Improvement Attachment:

### Section 2 - New or Reconstructed Access Roads

Will new roads be needed? YES

New Road Map:

Ronco Federal SWD 1 New Road Plat\_10-25-2016.pdf

New road type: RESOURCE

Length: 180 Feet

Width (ft.): 30

Max slope (%): 3

Max grade (%): 1

Army Corp of Engineers (ACOE) permit required? NO

ACOE Permit Number(s):

New road travel width: 20

New road access erosion control: Water will be diverted where necessary to avoid ponding, prevent erosion, maintain good drainage, and to be consistent with local drainage patterns.

New road access plan or profile prepared? YES

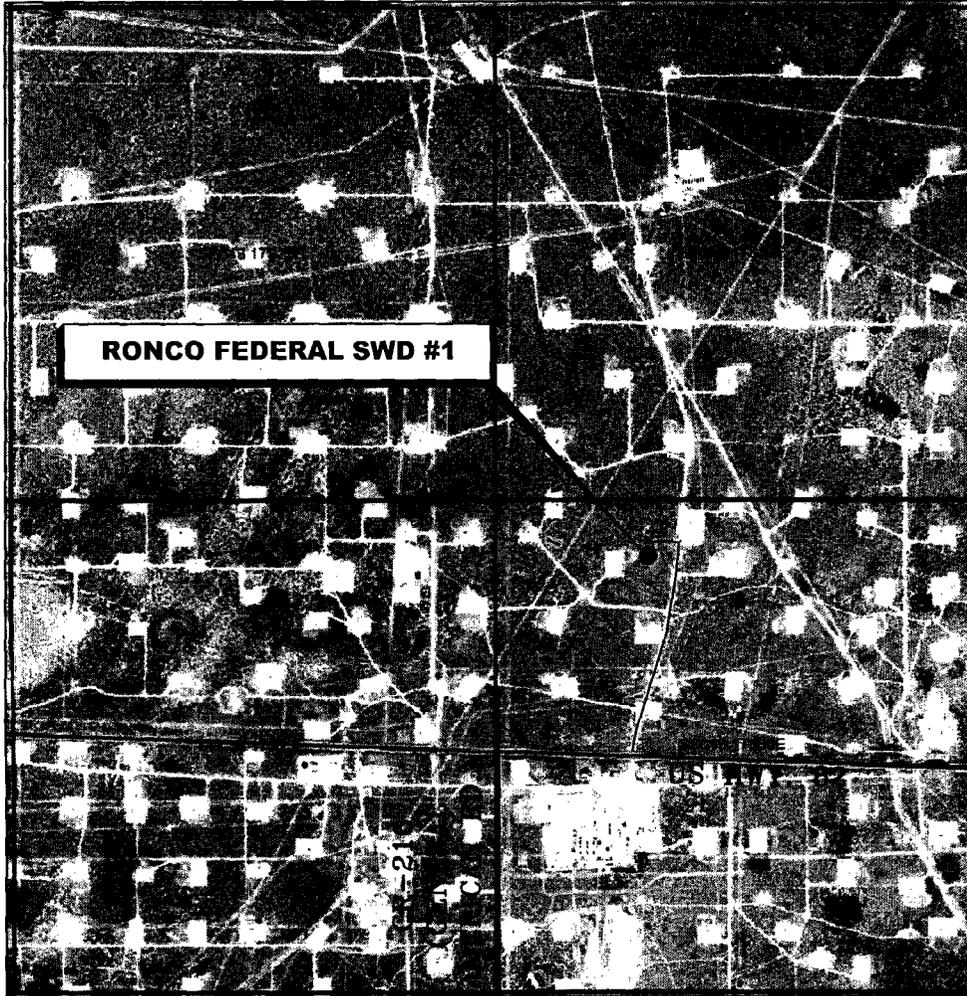
New road access plan attachment:

New Access Road Plan\_10-27-2016.pdf

Access road engineering design? NO

# VICINITY MAP

NOT TO SCALE



*SECTION 19, TWP. 17 SOUTH, RGE. 30 EAST,  
N. M. P. M., EDDY CO., NEW MEXICO*

OPERATOR: COG Operating, LLC  
 LEASE: Ronco Federal SWD  
 WELL NO.: 1

LOCATION: 600' FNL & 1650' FWL  
 ELEVATION: 3626'

Firm No.: TX 10193838 NM 4655451

Copyright 2014 - All Rights Reserved

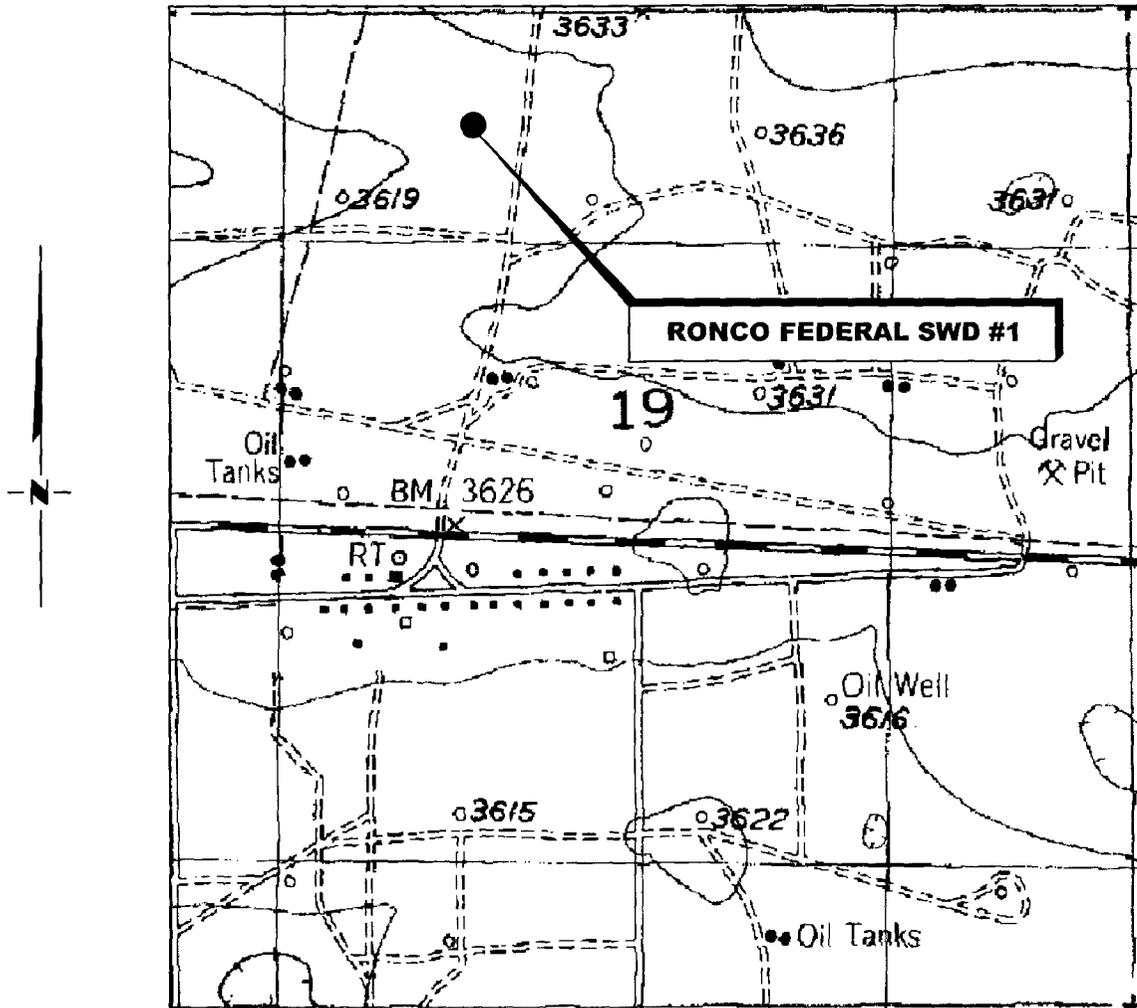
NO.	REVISION	DATE
JOB NO.: LS1507401		
DWG. NO.: 1507401VM		

# RRC

308 W. BROADWAY ST., HOBBS, NM 88240 (575) 964-8200

SCALE: NTS
DATE: 7-27-2015
SURVEYED BY: GB
DRAWN BY: CMJ
APPROVED BY: RMH
SHEET : 1 OF 1

# LOCATION VERIFICATION MAP



SECTION 19, TWP. 17 SOUTH, RGE. 30 EAST,  
N. M. P. M., EDDY CO., NEW MEXICO

OPERATOR: COG Operating, LLC  
 LEASE: Ronco Federal SWD  
 WELL NO.: 1  
 ELEVATION: 3626'

LOCATION: 600' FNL & 1650' FWL  
 CONTOUR INTERVAL: 10'  
 USGS TOPO. SOURCE MAP:  
Red Lake SE, NM (1955)

Firm No.: TX 10193838 NM 4655451

Copyright 2015 - All Rights Reserved

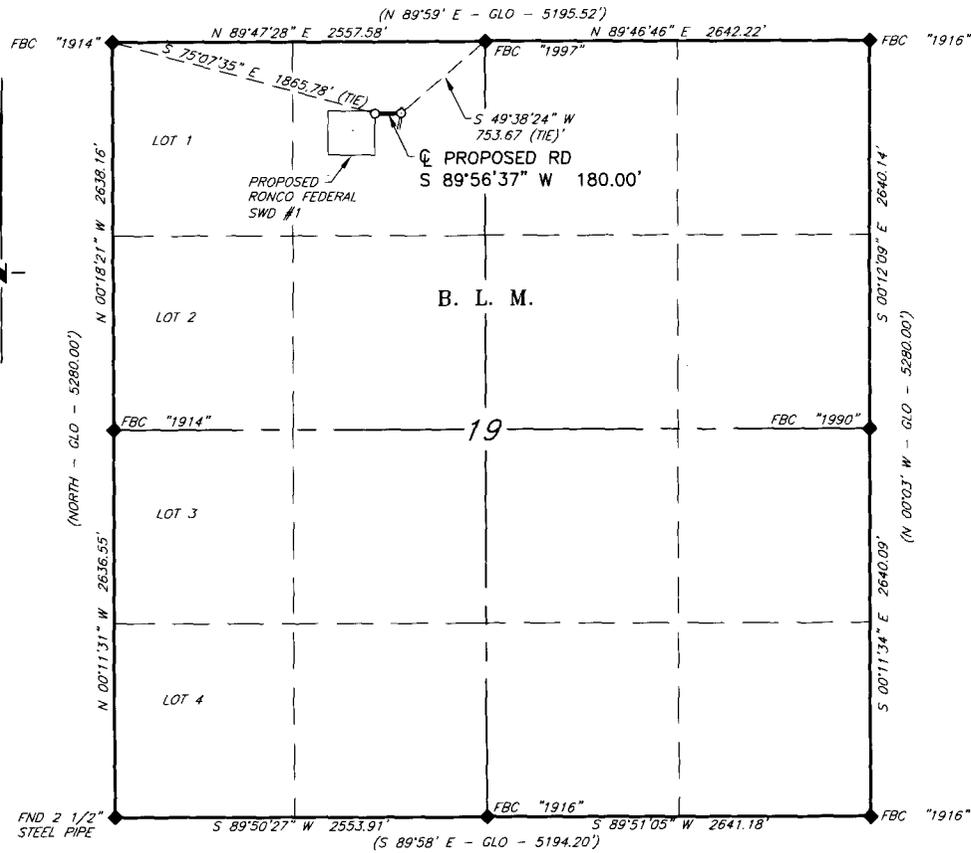
NO.	REVISION	DATE
JOB NO.: LS1507401		
DWG. NO.: 1507401LVM		

# RRC

308 W. BROADWAY ST., HOBBS, NM 88240 (575) 964-8200

SCALE: 1000'  
 DATE: 7-27-2015  
 SURVEYED BY: GB  
 DRAWN BY: CMJ  
 APPROVED BY: RMH  
 SHEET : 1 OF 1

**COG OPERATING, LLC**  
**PROPOSED ACCESS ROAD FOR THE RONCO FEDERAL SWD #1**  
**SECTION 19 T17S, R30E**  
**N. M. P. M., EDDY CO., NEW MEXICO**



**DESCRIPTION**

A strip of land 30 feet wide, being 180.00 feet or 10.909 rods in length, lying in Section 19, Township 17 South, Range 30 East, N. M. P. M., Eddy County, New Mexico, being 15 feet left and 15 feet right of the following described survey of a centerline across B. L. M. lands;

BEGINNING at Engr. Sta. 0+00, a in the Northwest quarter of Section 19, which bears S 49°38'24" W, 753.67 feet from a brass cap, stamped "1997", found for the North quarter corner of Section 19;

Thence S 89°56'37" E, 180.00 feet, to Engr. Sta. 180+00, the End of Survey, a point which bears S 75°07'35" E, 1,865.78 feet from a brass cap, stamped "1914", found for the Northeast corner of Section 19.

Said strip of land contains 0.124 acres, more or less and is allocated by forties as follows:

SCALE: 1" = 1000'  
 0 500 1000  
 NE 1/4 NW 1/4      10.909 Rods      0.124 Acres

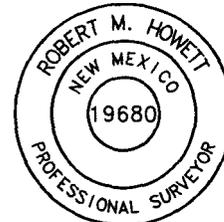
BEARINGS ARE GRID NAD 27  
 NM EAST  
 DISTANCES ARE HORIZ. GROUND.

- LEGEND**
- ( ) RECORD DATA - GLO
  - ◆ FOUND MONUMENT AS NOTED
  - PROPOSED ROAD

I, R. M. Howett, a N. M. Professional Surveyor, hereby certify that I prepared this plat from an actual survey made on the ground under my direct supervision, said survey and plat meet the Min. Stds. for Land Surveying in the State of N. M. and are true and correct to the best of my knowledge and belief.

*Robert M. Howett*

Robert M. Howett      NM PS 19680



Firm No.: TX 10193838 NM 4655451

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NO.	REVISION	DATE
JOB NO.: LS1507401		
DWG. NO.: 1507401RD		

**RRC**

308 W. BROADWAY ST., HOBBS, NM 88240 (575) 964-8200

SCALE: 1" = 1000'
DATE: 7-27-2015
SURVEYED BY: GB
DRAWN BY: RMH
APPROVED BY: RMH
SHEET : 1 OF 1

## **NEW ACCESS ROAD PLAN**

### **1. Proposed Access Road:**

The Elevation Plat shows that 180' of new access road will be required for this location. If any road is required it will be constructed as follows:

- A. The maximum width of the running surface will be 20'. The road will be crowned, ditched and constructed of 6" rolled and compacted caliche. Ditches will be at 3:1 slope and 4 feet wide. Water will be diverted where necessary to avoid ponding, prevent erosion, maintain good drainage, and to be consistent with local drainage patterns.
- B. The average grade will be less than 1%.
- C. No turnouts are planned.
- D. No culverts, cattleguard, gates, low water crossings or fence cuts are necessary.
- E. Surfacing material will consist of native caliche. Caliche will be obtained from the actual well site if available. Secondary candidate source will be NMSLO Caliche Pit located in S2 SW4 of Section 32, Township 16 South, Range 30 East.

### **2. Source of Construction Materials and Location "Turn-Over" Procedure:**

Obtaining caliche: The primary way of obtaining caliche to build locations and roads will be by "turning over" the location. This means, caliche will be obtained from the actual well sight. A caliche permit will be obtained from BLM prior to pushing up any caliche. 2400 cu. Yards is max amount of caliche needed for pad and roads. Amount will vary for each pad. The procedure below has been approved by BLM personnel:

- A. The top 6 inches of topsoil is pushed off and stockpiled along the side of the location.
- B. An approximate 120' X 120' area is used within the proposed well site to remove caliche.
- C. Subsoil is removed and piled alongside the 120' by 120' area within the pad site.
- D. When caliche is found, material will be stock piled within the pad site to build the location and road.
- E. Then subsoil is pushed back in the hole and caliche is spread accordingly across entire location and road.
- F. Once well is drilled, the stock piled top soil will be used for interim reclamation and spread along areas where caliche is picked up and the location size is reduced. Neither caliche nor subsoil will be stock piled outside of the well pad. Topsoil will be stockpiled along the edge of the pad as depicted in attached plat.

**Operator Name:** COG OPERATING LLC

**Well Name:** RONCO FEDERAL SWD

**Well Number:** 1

**Access road engineering design attachment:**

**Access surfacing type:** OTHER

**Access topsoil source:** ONSITE

**Access surfacing type description:** Caliche

**Access onsite topsoil source depth:** 6

**Offsite topsoil source description:**

**Onsite topsoil removal process:** See attached plan

**Access other construction information:**

**Access miscellaneous information:**

**Number of access turnouts:**

**Access turnout map:**

### **Drainage Control**

**New road drainage crossing:** OTHER

**Drainage Control comments:** N/A

**Road Drainage Control Structures (DCS) description:** Water will be diverted where necessary to avoid ponding, prevent erosion, maintain good drainage, and to be consistent with local drainage patterns.

**Road Drainage Control Structures (DCS) attachment:**

### **Access Additional Attachments**

**Additional Attachment(s):**

### **Section 3 - Location of Existing Wells**

**Existing Wells Map?** YES

**Attach Well map:**

Ronco Federal SWD 1 1mileRadius Map\_10-26-2016.pdf

**Existing Wells description:**

### **Section 4 - Location of Existing and/or Proposed Production Facilities**

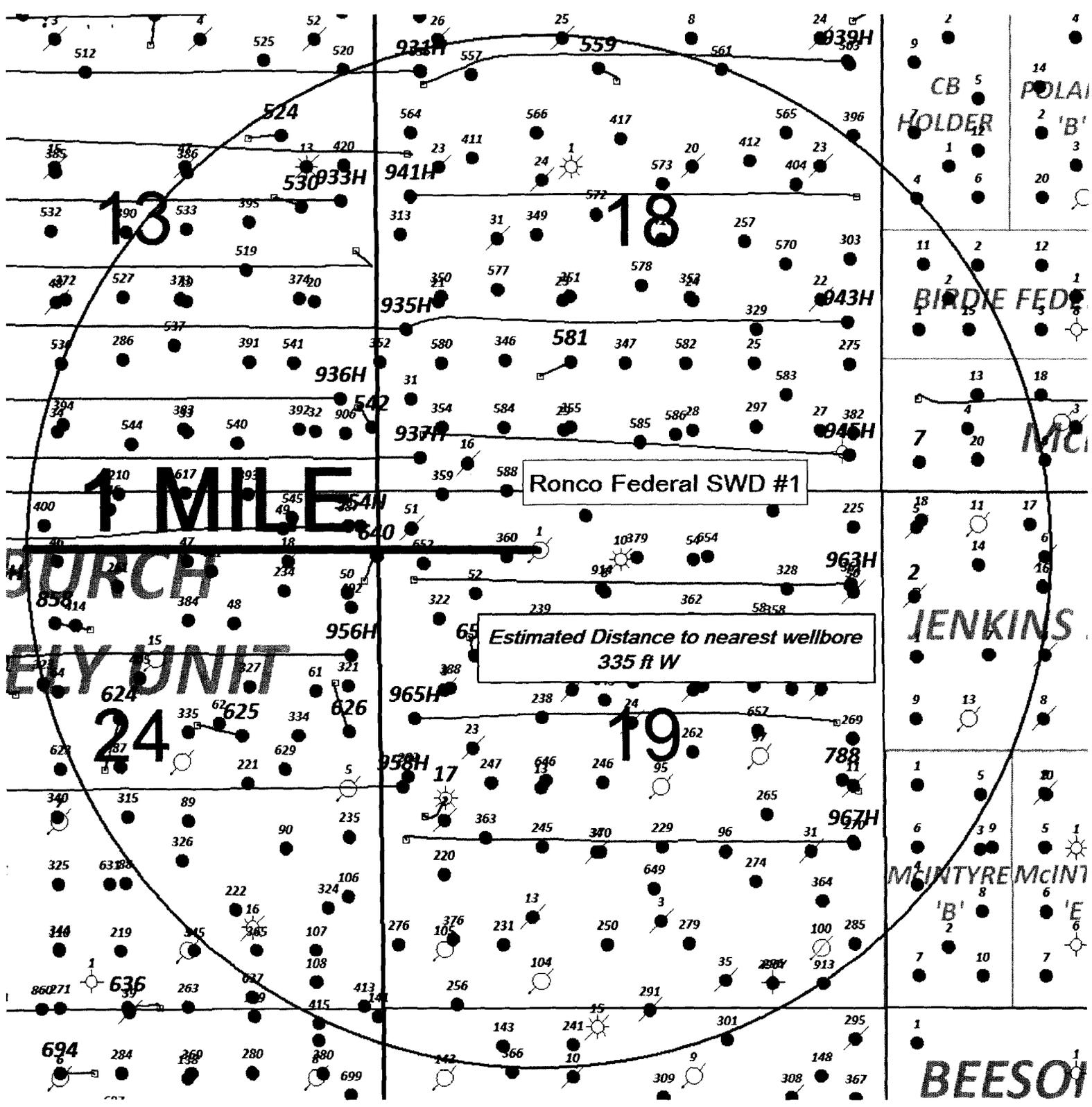
**Submit or defer a Proposed Production Facilities plan?** SUBMIT

**Estimated Production Facilities description:** PRODUCTION TO BE SENT TO THE BKU 18-A FEDERAL TANK BATTERY IN SECTION 18, T17S, R30E, AT THE EXISTING BKU #411 WELL SITE AT 1910' FNL & 990' FWL.  
**Production Facilities description:**

**Production Facilities map:**

Ronco Fed SWD 1 SWD Facilities Description\_10-26-2016.pdf

Ronco Fed SWD 1 SWD Battery Layout\_10-26-2016.pdf



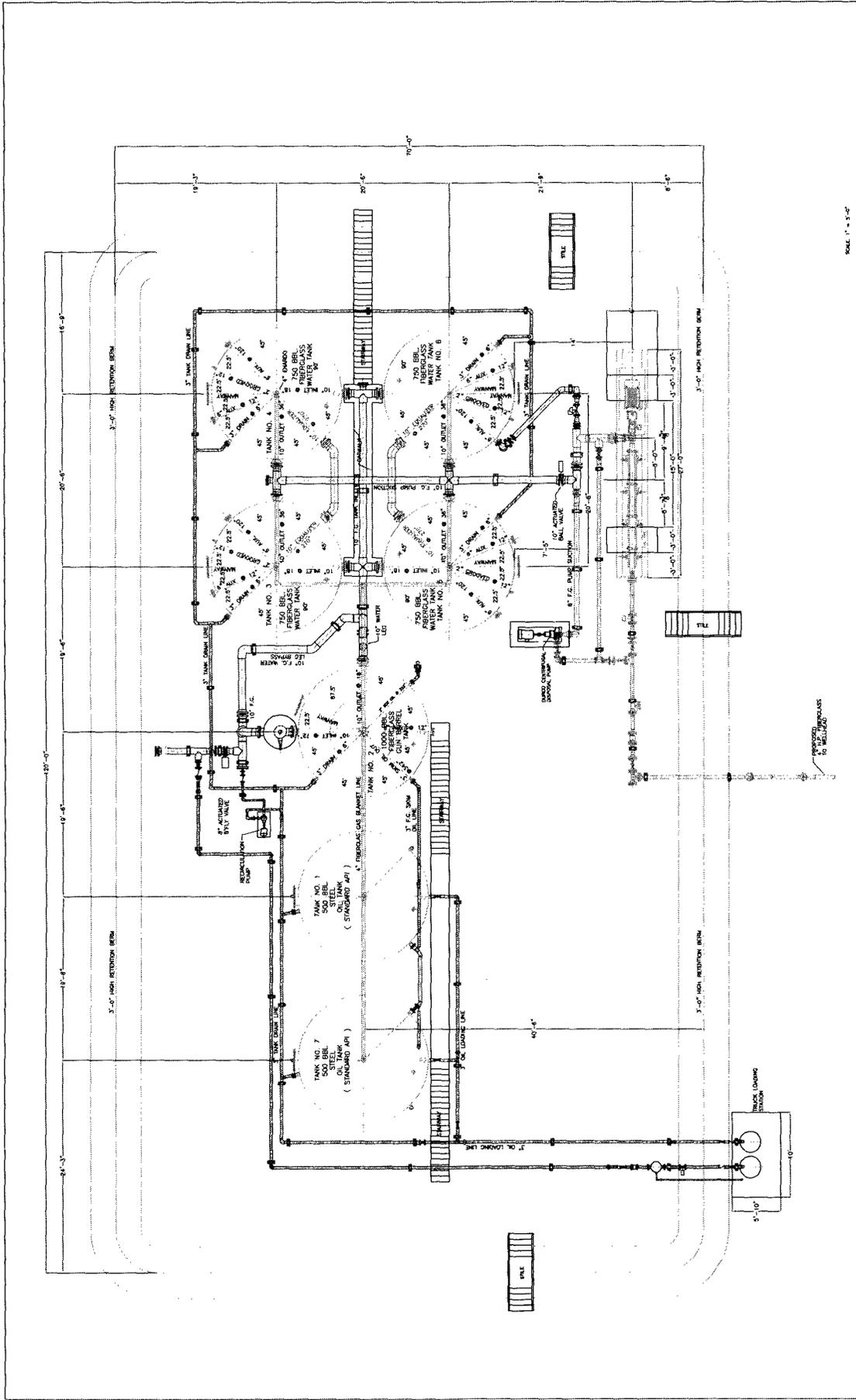
 <b>SENM Shelf Area</b> <b>Ronco Federal SWD #1</b>		
SEC. 19 T17S - R30E SHL 600 FNL 1650 FWL, UNIT C Eddy County, New Mexico		
Author: v3	Scale:	Date: 10.26.16
AOP-VG SHELF		

# **COG Operating LLC**

## **Ronco Federal SWD #1**

### **Proposed SWD Facilities Description:**

- A. COG Operating LLC will operate the SWD on location.**
- B. Once the well is drilled, contemplated facilities will be as follows:**
  - 1) Tank batteries will be set on the Ronco Federal SWD #1 location. The facility location is shown in the Well Site Plat.**
  - 2) The tank battery and facilities including all flow lines and pipeline will be installed according to API specifications.**
  - 3) Any additional caliche will be obtained from a BLM approved caliche pit. Any additional construction materials will be purchased from contractors.**
  - 4) Proposed pipelines will follow an archaeologically approved route to the main Water Line tie in point that will be requested by a Right of Way Application.**
  - 5) It will be necessary to run electric power after the well is drilled. Power will be provided by CVE, and they will submit a separate plan and ROW for service to the well location.**



SCALE: 1" = 3'-0"

**CONCHO**

CONCHO RESOURCES  
SHELL STD STANDARD BATTERY  
SALT WATER DISPOSAL STATION  
EDDY COUNTY, NEW MEXICO

**PIPING PLAN  
AND DETAILS**

DRAWN BY: P.J.B.  
CHECKED BY:  
DATE: 10/23/14  
DRAWING NO.: 14-122-02

REVISIONS	DATE	BY	DESCRIPTION

**REFERENCE DRAWINGS**

NUMBER	DESCRIPTION

**NOTES**

1. THE DRAWING IS THE PROPERTY OF CONCHO RESOURCES. IT IS TO BE USED ONLY FOR THE PROJECT AND SITE SPECIFICALLY IDENTIFIED HEREIN. IT IS NOT TO BE REPRODUCED, COPIED, OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE WRITTEN PERMISSION OF CONCHO RESOURCES. ANY UNAUTHORIZED USE OF THIS DRAWING IS PROHIBITED AND WILL BE SUBJECT TO LEGAL ACTION.

2. THE USER OF THIS DRAWING SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE APPROPRIATE AGENCIES AND AUTHORITIES.

3. THE USER OF THIS DRAWING SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE APPROPRIATE AGENCIES AND AUTHORITIES.

4. THE USER OF THIS DRAWING SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE APPROPRIATE AGENCIES AND AUTHORITIES.

**Operator Name:** COG OPERATING LLC

**Well Name:** RONCO FEDERAL SWD

**Well Number:** 1

## Section 5 - Location and Types of Water Supply

### Water Source Table

**Water source use type:** DUST CONTROL,  
INTERMEDIATE/PRODUCTION CASING, SURFACE CASING  
**Describe type:**

**Water source type:** GW WELL

**Source latitude:**

**Source longitude:**

**Source datum:**

**Water source permit type:** PRIVATE CONTRACT

**Source land ownership:** COMMERCIAL

**Water source transport method:** PIPELINE,TRUCKING

**Source transportation land ownership:** COMMERCIAL

**Water source volume (barrels):** 8000

**Source volume (acre-feet):** 1.0311447

**Source volume (gal):** 336000

**Water source and transportation map:**

Loco Hills Water Supply\_10-26-2016.pdf

**Water source comments:**

**New water well?** NO

### New Water Well Info

**Well latitude:**

**Well Longitude:**

**Well datum:**

**Well target aquifer:**

**Est. depth to top of aquifer(ft):**

**Est thickness of aquifer:**

**Aquifer comments:**

**Aquifer documentation:**

**Well depth (ft):**

**Well casing type:**

**Well casing outside diameter (in.):**

**Well casing inside diameter (in.):**

**New water well casing?**

**Used casing source:**

**Drilling method:**

**Drill material:**

**Grout material:**

**Grout depth:**

**Casing length (ft.):**

**Casing top depth (ft.):**

**Well Production type:**

**Completion Method:**

**Water well additional information:**

**State appropriation permit:**

# Loco Hills Water Disposal Co.

Write a description for your map.

## Legend



**Operator Name:** COG OPERATING LLC

**Well Name:** RONCO FEDERAL SWD

**Well Number:** 1

**Additional information attachment:**

## **Section 6 - Construction Materials**

**Construction Materials description:** SEE ATTACHED TURN-OVER PROCEDURE.

**Construction Materials source location attachment:**

Construction Turn-Over Procedure\_10-26-2016.pdf

## **Section 7 - Methods for Handling Waste**

**Waste type:** DRILLING

**Waste content description:** DRILL CUTTINGS AND DRILLING FLUIDS

**Amount of waste:** 100 barrels

**Waste disposal frequency :** Daily

**Safe containment description:** CLOSED LOOP SYSTEM

**Safe containmant attachment:**

**Waste disposal type:** HAUL TO COMMERCIAL FACILITY **Disposal location ownership:** FEDERAL

**Disposal type description:**

**Disposal location description:** R360'S DISPOSAL SITE LOCATED AT 4507 WEST CARLSBAD HIGHWAY, HOBBS, NM 88240.

**Waste type:** PRODUCED WATER

**Waste content description:** PRODUCED WATER

**Amount of waste:** 100 barrels

**Waste disposal frequency :** Daily

**Safe containment description:** STEEL TANKS

**Safe containmant attachment:**

**Waste disposal type:** HAUL TO COMMERCIAL FACILITY **Disposal location ownership:** STATE

**Disposal type description:**

**Disposal location description:** NMOCD APPROVED COMMERCIAL DISPOSAL FACILITY. R360'S DISPOSAL SITE LOCATED AT 4507 WEST CARLSBAD HIGHWAY, HOBBS, NM 88240.

**Waste type:** GARBAGE

**Waste content description:** GARBAGE AND TRASH PRODUCED DURING DRILLING AND COMPLETION OPERATIONS.

**Amount of waste:** 100 pounds

**Waste disposal frequency :** Weekly

**Safe containment description:** TRASH BIN

**Safe containmant attachment:**

## WELL SITE AND ROAD CONSTRUCTION

### 1. Source of Construction Materials and Location “Turn-Over” Procedure:

Obtaining caliche: The primary way of obtaining caliche to build locations and roads will be by “turning over” the location. This means, caliche will be obtained from the actual well sight. A caliche permit will be obtained from BLM prior to pushing up any caliche. 2400 cu. Yards is max amount of caliche needed for pad and roads. Amount will vary for each pad. The procedure below has been approved by BLM personnel:

- A. The top 6 inches of topsoil is pushed off and stockpiled along the side of the location.**
- B. An approximate 120' X 120' area is used within the proposed well site to remove caliche.**
- C. Subsoil is removed and piled alongside the 120' by 120' area within the pad site.**
- D. When caliche is found, material will be stock piled within the pad site to build the location and road.**
- E. Then subsoil is pushed back in the hole and caliche is spread accordingly across entire location and road.**
- F. Once well is drilled, the stock piled top soil will be used for interim reclamation and spread along areas where caliche is picked up and the location size is reduced. Neither caliche nor subsoil will be stock piled outside of the well pad. Topsoil will be stockpiled along the edge of the pad as depicted in attached plat.**
  - In the event that no caliche is found onsite, caliche will be hauled in from a BLM approved caliche pit.



**Operator Name:** COG OPERATING LLC

**Well Name:** RONCO FEDERAL SWD

**Well Number:** 1

**Cuttings area liner specifications and installation description**

## **Section 8 - Ancillary Facilities**

**Are you requesting any Ancillary Facilities?:** NO

**Ancillary Facilities attachment:**

**Comments:**

## **Section 9 - Well Site Layout**

**Well Site Layout Diagram:**

Ronco Federal SWD 1 Well Site Plat\_02-14-2017.pdf

**Comments:**

## **Section 10 - Plans for Surface Reclamation**

**Type of disturbance:** NEW

**Recontouring attachment:**

**Drainage/Erosion control construction:** NO SEDIMENTATION OR EROSION CONTROL WILL BE NECESSARY ON THIS LOCATION AS IT IS GENERALLY FLAT WITH LITTLE TO NO SLOPE OR CUT AND FILL.

**Drainage/Erosion control reclamation:** NO SEDIMENTATION OR EROSION CONTROL WILL BE NECESSARY ON THIS LOCATION AS IT IS GENERALLY FLAT WITH LITTLE TO NO SLOPE OR CUT AND FILL.

**Wellpad long term disturbance (acres):** 2.2

**Wellpad short term disturbance (acres):** 2.2

**Access road long term disturbance (acres):** 0.12

**Access road short term disturbance (acres):** 0.12

**Pipeline long term disturbance (acres):** 0.04141449

**Pipeline short term disturbance (acres):** 0.04141449

**Other long term disturbance (acres):** 0

**Other short term disturbance (acres):** 0

**Total long term disturbance:** 2.3614144

**Total short term disturbance:** 2.3614144

**Reconstruction method:** INTERIM RECLAMATION WILL NOT OCCUR WHILE SWD IS IN OPERATION. FINAL RECLAMATION: UPON PLUGGING AND ABANDONING THE WELL ALL CALICHE FOR WELL PAD AND LEASE ROAD WILL BE REMOVED AND SURFACE WILL BE RE-CONTOURED TO ITS ORIGINAL STATE AS MUCH AS POSSIBLE. THE CALICHE THAT IS REMOVED WILL BE REUSED TO EITHER BUILD ANOTHER PAD SITE OR FOR ROAD REPAIRS WITHIN THE LEASE.

**Topsoil redistribution:** THE STOCKPILED TOPSOIL WILL BE SPREAD OUT ON RECLAIMED AREA AND RESEEDED WITH A BLM APPROVED SEED MIXTURE.

**Soil treatment:** INTERIM RECLAMATION WILL NOT OCCUR WHILE SWD IS IN OPERATION.

**Existing Vegetation at the well pad:** GRASSLAND AREA WITH SANDY TOPSOIL. VEGETATION IS MODERATELY SPARSE WITH NATIVE PRAIRIE GRASSES, SOME MESQUITE AND SHINNERY OAK.

**Existing Vegetation at the well pad attachment:**

**Existing Vegetation Community at the road:** GRASSLAND AREA WITH SANDY TOPSOIL. VEGETATION IS MODERATELY SPARSE WITH NATIVE PRAIRIE GRASSES, SOME MESQUITE AND SHINNERY OAK.

**Existing Vegetation Community at the road attachment:**



**Operator Name:** COG OPERATING LLC

**Well Name:** RONCO FEDERAL SWD

**Well Number:** 1

**Existing Vegetation Community at the pipeline:** GRASSLAND AREA WITH SANDY TOPSOIL. VEGETATION IS MODERATELY SPARSE WITH NATIVE PRAIRIE GRASSES, SOME MESQUITE AND SHINNERY OAK.

**Existing Vegetation Community at the pipeline attachment:**

**Existing Vegetation Community at other disturbances:** GRASSLAND AREA WITH SANDY TOPSOIL. VEGETATION IS MODERATELY SPARSE WITH NATIVE PRAIRIE GRASSES, SOME MESQUITE AND SHINNERY OAK.

**Existing Vegetation Community at other disturbances attachment:**

**Non native seed used?** NO

**Non native seed description:**

**Seedling transplant description:**

**Will seedlings be transplanted for this project?** NO

**Seedling transplant description attachment:**

**Will seed be harvested for use in site reclamation?** NO

**Seed harvest description:**

**Seed harvest description attachment:**

## Seed Management

### Seed Table

**Seed type:**

**Seed source:**

**Seed name:**

**Source name:**

**Source address:**

**Source phone:**

**Seed cultivar:**

**Seed use location:**

**PLS pounds per acre:**

**Proposed seeding season:**

### Seed Summary

**Total pounds/Acre:**

**Seed Type**

**Pounds/Acre**

**Seed reclamation attachment:**

### Operator Contact/Responsible Official Contact Info

**First Name:**

**Last Name:**

**Phone:**

**Email:**

**Seedbed prep:**

**Seed BMP:**

**Seed method:**

**Operator Name:** COG OPERATING LLC

**Well Name:** RONCO FEDERAL SWD

**Well Number:** 1

**Existing invasive species?** NO

**Existing invasive species treatment description:**

**Existing invasive species treatment attachment:**

**Weed treatment plan description:** APPROVED EPA AND BLM REQUIREMENTS AND POLICIES FOR WEED CONTROL METHODS WILL BE FOLLOWED.

**Weed treatment plan attachment:**

**Monitoring plan description:** EVALUATION OF GROWTH WILL BE MADE AFTER THE COMPLETION OF ONE FULL GROWING SEASON AFTER SEEDING. -OR- BLM REPRESENTATIVE WILL BE CONTACTED PRIOR TO COMMENCING CONSTRUCTION OF WELL PAD AND ROAD. BLM REPRESENTATIVE WILL ALSO BE CONTACTED PRIOR TO COMMENCING RECLAMATION WORK.

**Monitoring plan attachment:**

**Success standards:** 80% COVERAGE BY 2ND GROWING SEASON OF NATIVE SPECIES WITH LESS THAN 5% INVASIVE SPECIES.

**Pit closure description:** N/A

**Pit closure attachment:**

## **Section 11 - Surface Ownership**

**Disturbance type:** EXISTING ACCESS ROAD

**Describe:**

**Surface Owner:** BUREAU OF LAND MANAGEMENT

**Other surface owner description:**

**BIA Local Office:**

**BOR Local Office:**

**COE Local Office:**

**DOD Local Office:**

**NPS Local Office:**

**State Local Office:**

**Military Local Office:**

**USFWS Local Office:**

**Other Local Office:**

**USFS Region:**

**USFS Forest/Grassland:**

**USFS Ranger District:**

**Operator Name:** COG OPERATING LLC

**Well Name:** RONCO FEDERAL SWD

**Well Number:** 1

**Disturbance type:** WELL PAD

**Describe:**

**Surface Owner:** BUREAU OF LAND MANAGEMENT

**Other surface owner description:**

**BIA Local Office:**

**BOR Local Office:**

**COE Local Office:**

**DOD Local Office:**

**NPS Local Office:**

**State Local Office:**

**Military Local Office:**

**USFWS Local Office:**

**Other Local Office:**

**USFS Region:**

**USFS Forest/Grassland:**

**USFS Ranger District:**

**Disturbance type:** PIPELINE

**Describe:**

**Surface Owner:** BUREAU OF LAND MANAGEMENT

**Other surface owner description:**

**BIA Local Office:**

**BOR Local Office:**

**COE Local Office:**

**DOD Local Office:**

**NPS Local Office:**

**State Local Office:**

**Military Local Office:**

**USFWS Local Office:**

**Other Local Office:**

**USFS Region:**

**USFS Forest/Grassland:**

**USFS Ranger District:**

**Operator Name:** COG OPERATING LLC

**Well Name:** RONCO FEDERAL SWD

**Well Number:** 1

## Section 12 - Other Information

**Right of Way needed?** NO

**Use APD as ROW?**

**ROW Type(s):**

### ROW Applications

**SUPO Additional Information:** 1. It will be necessary to run electric power if this well is productive. Power will be provided by CVE. There will be no necessary electric line construction for this well. CVE operates an existing primary line parallel to the well pad; therefor no poles will be set off the well pad disturbance. There is no permanent or live water in the immediate area. 2. There are no dwellings within 2 miles of this location. 3. If needed, a Cultural Resources Examination is being prepared by Boone Arch Services of New Mexico, LLC. Carlsbad, NM, 88220. 506 E Chapman Rd., phone # 575.887.7667 and the results will be forwarded to your office in the near future. Otherwise, COG will be participating in the Permian Basin MOA Program.

**Use a previously conducted onsite?** YES

**Previous Onsite information:** ONSITE PERFORMED ON 07/27/15 BY JESSE BASSETT(BLM), CADEN JAMESON(COG), GARY BOX(R.R.C.)

### Other SUPO Attachment



## Section 1 - General

Would you like to address long-term produced water disposal? NO

## Section 2 - Lined Pits

Would you like to utilize Lined Pit PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner:

PWD disturbance (acres):

Lined pit PWD on or off channel:

Lined pit PWD discharge volume (bbl/day):

Lined pit specifications:

Pit liner description:

Pit liner manufacturers information:

Precipitated solids disposal:

Describe precipitated solids disposal:

Precipitated solids disposal permit:

Lined pit precipitated solids disposal schedule:

Lined pit precipitated solids disposal schedule attachment:

Lined pit reclamation description:

Lined pit reclamation attachment:

Leak detection system description:

Leak detection system attachment:

Lined pit Monitor description:

Lined pit Monitor attachment:

Lined pit: do you have a reclamation bond for the pit?

Is the reclamation bond a rider under the BLM bond?

Lined pit bond number:

Lined pit bond amount:

Additional bond information attachment:

### **Section 3 - Unlined Pits**

Would you like to utilize Unlined Pit PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner:

PWD disturbance (acres):

Unlined pit PWD on or off channel:

Unlined pit PWD discharge volume (bbl/day):

Unlined pit specifications:

Precipitated solids disposal:

Describe precipitated solids disposal:

Precipitated solids disposal permit:

Unlined pit precipitated solids disposal schedule:

Unlined pit precipitated solids disposal schedule attachment:

Unlined pit reclamation description:

Unlined pit reclamation attachment:

Unlined pit Monitor description:

Unlined pit Monitor attachment:

Do you propose to put the produced water to beneficial use?

Beneficial use user confirmation:

Estimated depth of the shallowest aquifer (feet):

Does the produced water have an annual average Total Dissolved Solids (TDS) concentration equal to or less than that of the existing water to be protected?

TDS lab results:

Geologic and hydrologic evidence:

State authorization:

Unlined Produced Water Pit Estimated percolation:

Unlined pit: do you have a reclamation bond for the pit?

Is the reclamation bond a rider under the BLM bond?

Unlined pit bond number:

Unlined pit bond amount:

Additional bond information attachment:

### **Section 4 - Injection**

Would you like to utilize Injection PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner:

PWD disturbance (acres):

Injection PWD discharge volume (bbl/day):

Injection well mineral owner:

**Injection well type:**

**Injection well number:**

**Injection well name:**

**Assigned injection well API number?**

**Injection well API number:**

**Injection well new surface disturbance (acres):**

**Minerals protection information:**

**Mineral protection attachment:**

**Underground Injection Control (UIC) Permit?**

**UIC Permit attachment:**

## **Section 5 - Surface Discharge**

**Would you like to utilize Surface Discharge PWD options? NO**

**Produced Water Disposal (PWD) Location:**

**PWD surface owner:**

**PWD disturbance (acres):**

**Surface discharge PWD discharge volume (bbl/day):**

**Surface Discharge NPDES Permit?**

**Surface Discharge NPDES Permit attachment:**

**Surface Discharge site facilities information:**

**Surface discharge site facilities map:**

## **Section 6 - Other**

**Would you like to utilize Other PWD options? NO**

**Produced Water Disposal (PWD) Location:**

**PWD surface owner:**

**PWD disturbance (acres):**

**Other PWD discharge volume (bbl/day):**

**Other PWD type description:**

**Other PWD type attachment:**

**Have other regulatory requirements been met?**

**Other regulatory requirements attachment:**



U.S. Department of the Interior  
BUREAU OF LAND MANAGEMENT

## Bond Info Data Report

08/20/2017

### Bond Information

Federal/Indian APD: FED

BLM Bond number: NMB000215

BIA Bond number:

Do you have a reclamation bond? NO

Is the reclamation bond a rider under the BLM bond?

Is the reclamation bond BLM or Forest Service?

BLM reclamation bond number:

Forest Service reclamation bond number:

Forest Service reclamation bond attachment:

Reclamation bond number:

Reclamation bond amount:

Reclamation bond rider amount:

Additional reclamation bond information attachment:

**PECOS DISTRICT  
DRILLING OPERATIONS  
CONDITIONS OF APPROVAL**

OPERATOR'S NAME:	COG OPERATING, LLC
LEASE NO.:	NMLC028793A
WELL NAME & NO.:	1 – RONCO FEDERAL SWD
SURFACE HOLE FOOTAGE:	600'N & 1650'W
BOTTOM HOLE FOOTAGE:	600'N & 1650'W
LOCATION:	Section 19 T.17 S., R.19 E., NMPM
COUNTY:	Eddy County, New Mexico

Potash	<input checked="" type="radio"/> None	<input type="radio"/> Secretary	<input type="radio"/> R-111-P
Cave/Karst Potential	<input checked="" type="radio"/> Low	<input type="radio"/> Medium	<input type="radio"/> High
Variance	<input checked="" type="radio"/> None	<input type="radio"/> Flex Hose	<input type="radio"/> Other
Wellhead	<input checked="" type="radio"/> Conventional	<input type="radio"/> Multibowl	
Other	<input type="checkbox"/> 4 String Area	<input type="checkbox"/> Capitan Reef	<input type="checkbox"/> WIPP

**A. Hydrogen Sulfide**

1. A Hydrogen Sulfide (H2S) Drilling Plan shall be activated 500 feet prior to drilling into the **Grayburg** formation. As a result, the Hydrogen Sulfide area must meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, please provide measured values and formations to the BLM.

**B. CASING**

1. The **13 3/8** inch surface casing shall be set at approximately **375** feet (a minimum of 25 feet 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.

2. The minimum required fill of cement behind the 9 5/8 inch intermediate casing is:

**Option 1:**

- Cement to surface. If cement does not circulate see B.1.a, c-d above.

**Option 2:**

**Operator has proposed DV tool. DV tool shall be set a minimum of 50' below previous shoe and a minimum of 200' above current shoe. Operator shall submit sundry if DV tool depth cannot be set in this range. If an ECP is used, it is to be set a minimum of 50' below the shoe to provide cement across the shoe. If it cannot be set below the shoe, a CBL shall be run to verify cement coverage.**

- a. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.
- b. Second stage above DV tool:
  - Cement to surface. If cement does not circulate, contact the appropriate BLM office.

3. The minimum required fill of cement behind the 7 inch production casing is:

**Option 1:**

- Cement to surface. Operator shall provide method of verification.

**Option 2:**

**Operator has proposed DV tool. DV tool shall be set a minimum of 50' below previous shoe and a minimum of 200' above current shoe. Operator shall submit sundry if DV tool depth cannot be set in this range. If an ECP is used, it is to be set a minimum of 50' below the shoe to provide cement across the shoe. If it cannot be set below the shoe, a CBL shall be run to verify cement coverage.**

- a. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.
- b. Second stage above DV tool:
  - Cement to surface. Operator shall provide method of verification.

### **C. PRESSURE CONTROL**

1. 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.

### **D. WELL COMPLETION**

#### **Special Requirements:**

**The operator shall provide to the BLM a summary of formation depth picks based on mudlog and geophysical logs along with a copy of the mudlog and open hole logs from TD to top of Cisco-Canyon.**

**A NOI sundry with the completion procedure for this well shall be submitted and approved prior to commencing completion work. The procedure will be reviewed to verify that the completion proposal will allow the operator to:**

- 1. Properly evaluate the injection zone utilizing open hole logs, swab testing along any other method to confirm that hydrocarbons cannot be produced in paying quantities. This evaluation shall be reviewed by the BLM prior to injection commencing.**
- 2. Restrict the injection fluid to the approved formation.**
- 3. If a step rate test will be run an NOI sundry shall be submitted to the BLM for approval**

**If off-lease water will be disposed in this well, the operator shall provide proof of right-of-way approval.**

**MHH 08172017**

## 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)

Chaves and Roosevelt Counties  
Call the Roswell Field Office, 2909 West Second St., Roswell NM 88201.  
During office hours call (575) 627-0272.  
After office hours call (575)

Eddy County  
Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220,  
(575) 361-2822

Lea County  
Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (575)  
393-3612

2. 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 2<sup>nd</sup> 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.
3. 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.
4. 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 Potash Areas: 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 for all cement blends, 2) until cement has been in place at least 24 hours. WOC time will be recorded in the driller's log.
3. 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.
4. 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.
5. No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.
6. 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.
7. 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.

8. Whenever a casing string is cemented in the R-111-P potash area, the NMOCD requirements shall be followed.

B. PRESSURE CONTROL

2. 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.
3. If a variance is approved for a flexible hose to be installed from the BOP to the choke manifold, the following requirements apply: 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.
4. 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.
4. If the operator has proposed a multi-bowl wellhead assembly in the APD. The following requirements must be met:
  - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
  - b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
  - c. Manufacturer representative shall install the test plug for the initial BOP test.
  - d. Operator shall perform the intermediate casing integrity test to 70% of the casing burst. This will test the multi-bowl seals.
  - e. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
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. In potash areas, 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. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the plug. However, **no tests** shall commence until the cement has had a minimum of 24 hours setup time.
- c. 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).
- d. 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.
- e. The results of the test shall be reported to the appropriate BLM office.
- f. 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.
- g. 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.
- h. 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.

**PECOS DISTRICT  
SURFACE USE  
CONDITIONS OF APPROVAL**

OPERATOR'S NAME:	COG OPERATING, LLC
LEASE NO.:	NMLC028793A
WELL NAME & NO.:	1 – RONCO FEDERAL SWD
SURFACE HOLE FOOTAGE:	600'N & 1650'W
BOTTOM HOLE FOOTAGE:	600'N & 1650'W
LOCATION:	Section 19 T.17 S., R.19 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.

- General Provisions**
- Permit Expiration**
- Archaeology, Paleontology, and Historical Sites**
- Noxious Weeds**
- Special Requirements**
  - Lesser Prairie-Chicken Timing Stipulations
  - Below Ground-level Abandoned Well Marker
  - Watershed
- Construction**
  - Notification
  - Topsoil
  - Closed Loop System
  - Federal Mineral Material Pits
  - Well Pads
  - Roads
- Road Section Diagram**
- Production (Post Drilling)**
  - Well Structures & Facilities
- Interim Reclamation**
- Final Abandonment & Reclamation**

## **I. GENERAL PROVISIONS**

The approval of the Application For Permit To Drill (APD) is in compliance with all applicable laws and regulations: 43 Code of Federal Regulations 3160, the lease terms, Onshore Oil and Gas Orders, Notices To Lessees, New Mexico Oil Conservation Division (NMOCD) Rules, National Historical Preservation Act As Amended, and instructions and orders of the Authorized Officer. Any request for a variance shall be submitted to the Authorized Officer on Form 3160-5, Sundry Notices and Report on Wells.

## **II. PERMIT EXPIRATION**

If the permit terminates prior to drilling and drilling cannot be commenced within 60 days after expiration, an operator is required to submit Form 3160-5, Sundry Notices and Reports on Wells, requesting surface reclamation requirements for any surface disturbance. However, if the operator will be able to initiate drilling within 60 days after the expiration of the permit, the operator must have set the conductor pipe in order to allow for an extension of 60 days beyond the expiration date of the APD. (Filing of a Sundry Notice is required for this 60 day extension.)

## **III. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES**

Any cultural and/or paleontological resource discovered by the operator or by any person working on the operator's behalf shall immediately report such findings to the Authorized Officer. The operator is fully accountable for the actions of their contractors and subcontractors. The operator shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery shall be made by the Authorized Officer to determine the appropriate actions that shall be required to prevent the loss of significant cultural or scientific values of the discovery. The operator shall be held responsible for the cost of the proper mitigation measures that the Authorized Officer assesses after consultation with the operator on the evaluation and decisions of the discovery. Any unauthorized collection or disturbance of cultural or paleontological resources may result in a shutdown order by the Authorized Officer.

## **IV. NOXIOUS WEEDS**

The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

## V. SPECIAL REQUIREMENT(S)

### **Timing Limitation Stipulation / Condition of Approval for lesser prairie-chicken:**

Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period.

Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted.

Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 feet from the source of the noise.

**Below Ground-level Abandoned Well Marker to avoid raptor perching:** Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well. For more installation details, contact the Carlsbad Field Office at 575-234-5972.

This authorization is subject to your Certificate of Participation and/or Certificate of Inclusion under the New Mexico Candidate Conservation Agreement. Because it involves surface disturbing activities covered under your Certificate, your Habitat Conservation Fund Account with the Center of Excellence for Hazardous Materials Management (CEHMM) will be debited according to Exhibit B Part 2 of the Certificate of Participation.

### **Watershed**

The entire well pad will be bermed to prevent oil, salt, and other chemical contaminants from leaving the well pad. Topsoil shall not be used to construct the berm. No water flow from the uphill side(s) of the pad shall be allowed to enter the well pad. The berm shall be maintained through the life of the well and after interim reclamation has been completed.

Any water erosion that may occur due to the construction of the well pad during the life of the well will be quickly corrected and proper measures will be taken to prevent future erosion.

## **VI. CONSTRUCTION**

### **A. NOTIFICATION**

The BLM shall administer compliance and monitor construction of the access road and well pad. Notify the Carlsbad Field Office at (575) 234-5909 at least 3 working days prior to commencing construction of the access road and/or well pad.

When construction operations are being conducted on this well, the operator shall have the approved APD and Conditions of Approval (COA) on the well site and they shall be made available upon request by the Authorized Officer.

### **B. TOPSOIL**

The operator shall strip the top portion of the soil (root zone) from the entire well pad area and stockpile the topsoil along the edge of the well pad as depicted in the APD. The root zone is typically six (6) inches in depth. All the stockpiled topsoil will be redistributed over the interim reclamation areas. Topsoil shall not be used for berming the pad or facilities. For final reclamation, the topsoil shall be spread over the entire pad area for seeding preparation.

Other subsoil (below six inches) stockpiles must be completely segregated from the topsoil stockpile. Large rocks or subsoil clods (not evident in the surrounding terrain) must be buried within the approved area for interim and final reclamation.

### **C. CLOSED LOOP SYSTEM**

Tanks are required for drilling operations: No Pits.

The operator shall properly dispose of drilling contents at an authorized disposal site.

### **D. FEDERAL MINERAL MATERIALS PIT**

Payment shall be made to the BLM prior to removal of any federal mineral materials. Call the Carlsbad Field Office at (575) 234-5972.

### **E. WELL PAD SURFACING**

Surfacing of the well pad is not required.

If the operator elects to surface the well pad, the surfacing material may be required to be removed at the time of reclamation. The well pad shall be constructed in a manner which creates the smallest possible surface disturbance, consistent with safety and operational needs.

### **F. EXCLOSURE FENCING (CELLARS & PITS)**

**Exclosure Fencing**

The operator will install and maintain exclosure fencing for all open well cellars to prevent access to public, livestock, and large forms of wildlife before and after drilling operations until the pit is free of fluids and the operator initiates backfilling. (For examples of exclosure fencing design, refer to BLM's Oil and Gas Gold Book, Exclosure Fence Illustrations, Figure 1, Page 18.)

**G. ON LEASE ACCESS ROADS****Road Width**

The access road shall have a driving surface that creates the smallest possible surface disturbance and does not exceed fourteen (14) feet in width. The maximum width of surface disturbance, when constructing the access road, shall not exceed twenty-five (25) feet.

**Surfacing**

Surfacing material is not required on the new access road driving surface. If the operator elects to surface the new access road or pad, the surfacing material may be required to be removed at the time of reclamation.

Where possible, no improvements should be made on the unsurfaced access road other than to remove vegetation as necessary, road irregularities, safety issues, or to fill low areas that may sustain standing water.

The Authorized Officer reserves the right to require surfacing of any portion of the access road at any time deemed necessary. Surfacing may be required in the event the road deteriorates, erodes, road traffic increases, or it is determined to be beneficial for future field development. The surfacing depth and type of material will be determined at the time of notification.

**Crowning**

Crowning shall be done on the access road driving surface. The road crown shall have a grade of approximately 2% (i.e., a 1" crown on a 14' wide road). The road shall conform to Figure 1; cross section and plans for typical road construction.

**Ditching**

Ditching shall be required on both sides of the road.

**Turnouts**

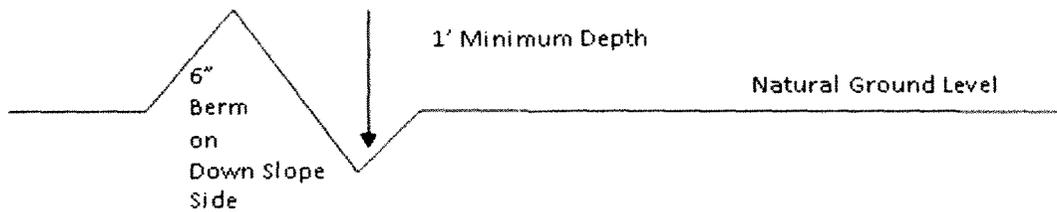
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall conform to Figure 1; cross section and plans for typical road construction.

**Drainage**

Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill outsloping and insloping, lead-off ditches, culvert installation, and low water crossings).

A typical lead-off ditch has a minimum depth of 1 foot below and a berm of 6 inches above natural ground level. The berm shall be on the down-slope side of the lead-off ditch.

### Cross Section of a Typical Lead-off Ditch



All lead-off ditches shall be graded to drain water with a 1 percent minimum to 3 percent maximum ditch slope. The spacing interval are variable for lead-off ditches and shall be determined according to the formula for spacing intervals of lead-off ditches, but may be amended depending upon existing soil types and centerline road slope (in %);

### Formula for Spacing Interval of Lead-off Ditches

Example - On a 4% road slope that is 400 feet long, the water flow shall drain water into a lead-off ditch. Spacing interval shall be determined by the following formula:

$$400 \text{ foot road with } 4\% \text{ road slope: } \frac{400'}{4\%} + 100' = 200' \text{ lead-off ditch interval}$$

### Cattle guards

An appropriately sized cattle guard sufficient to carry out the project shall be installed and maintained at fence/road crossings. Any existing cattle guards on the access road route shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattle guards that are in place and are utilized during lease operations.

### Fence Requirement

Where entry is granted across a fence line, the fence shall be braced and tied off on both sides of the passageway prior to cutting. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fences.

### Public Access

Public access on this road shall not be restricted by the operator without specific written approval granted by the Authorized Officer.

**Construction Steps**

1. Salvage topsoil
2. Construct road

3. Redistribute topsoil
4. Revegetate slopes

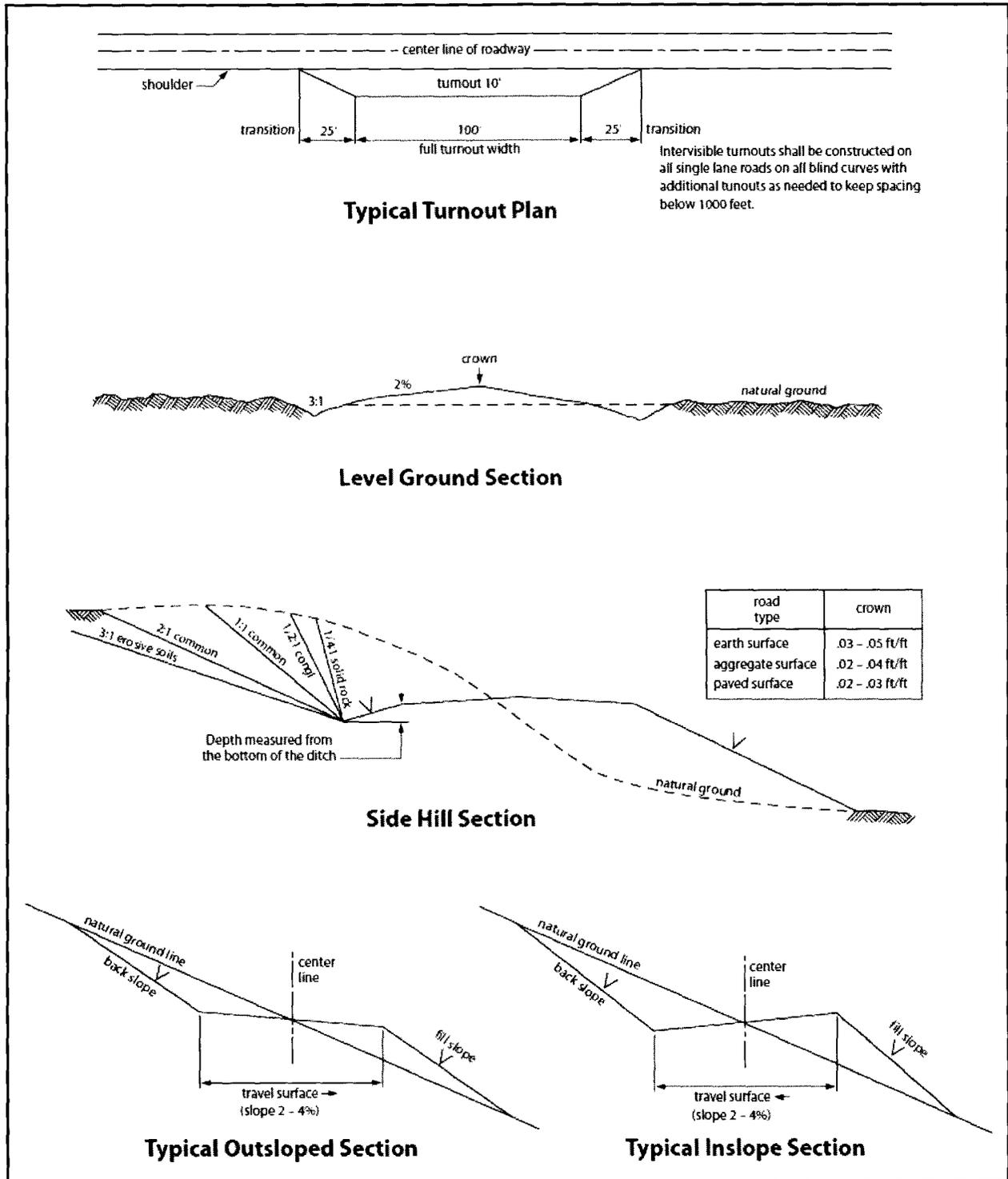


Figure 1. Cross-sections and plans for typical road sections representative of BLM resource or FS local and higher-class roads.

## VII. PRODUCTION (POST DRILLING)

### A. WELL STRUCTURES & FACILITIES

#### **Placement of Production Facilities**

Production facilities should be placed on the well pad to allow for maximum interim recontouring and revegetation of the well location.

#### **Exclosure Netting (Open-top Tanks)**

Immediately following active drilling or completion operations, the operator will take actions necessary to prevent wildlife and livestock access, including avian wildlife, to all open-topped tanks that contain or have the potential to contain salinity sufficient to cause harm to wildlife or livestock, hydrocarbons, or Resource Conservation and Recovery Act of 1976-exempt hazardous substances. At a minimum, the operator will net, screen, or cover open-topped tanks to exclude wildlife and livestock and prevent mortality. If the operator uses netting, the operator will cover and secure the open portion of the tank to prevent wildlife entry. The operator will net, screen, or cover the tanks until the operator removes the tanks from the location or the tanks no longer contain substances that could be harmful to wildlife or livestock. Use a maximum netting mesh size of 1 ½ inches. The netting must not be in contact with fluids and must not have holes or gaps.

#### **Chemical and Fuel Secondary Containment and Exclosure Screening**

The operator will prevent all hazardous, poisonous, flammable, and toxic substances from coming into contact with soil and water. At a minimum, the operator will install and maintain an impervious secondary containment system for any tank or barrel containing hazardous, poisonous, flammable, or toxic substances sufficient to contain the contents of the tank or barrel and any drips, leaks, and anticipated precipitation. The operator will dispose of fluids within the containment system that do not meet applicable state or U. S. Environmental Protection Agency livestock water standards in accordance with state law; the operator must not drain the fluids to the soil or ground. The operator will design, construct, and maintain all secondary containment systems to prevent wildlife and livestock exposure to harmful substances. At a minimum, the operator will install effective wildlife and livestock exclosure systems such as fencing, netting, expanded metal mesh, lids, and grate covers. Use a maximum netting mesh size of 1 ½ inches.

#### **Open-Vent Exhaust Stack Exclosures**

The operator will construct, modify, equip, and maintain all open-vent exhaust stacks on production equipment to prevent birds and bats from entering, and to discourage perching, roosting, and nesting. (*Recommended exclosure structures on open-vent exhaust stacks are in the shape of a cone.*) Production equipment includes, but may not be limited to, tanks, heater-treaters, separators, dehydrators, flare stacks, in-line units, and compressor mufflers.

#### **Containment Structures**

Proposed production facilities such as storage tanks and other vessels will have a secondary containment structure that is constructed to hold the capacity of 1.5 times the largest tank, plus freeboard to account for precipitation, unless more stringent protective requirements are deemed necessary.

#### **Painting Requirement**

All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color, **Shale Green** from the BLM Standard Environmental Color Chart (CC-001: June 2008).

### **VIII. INTERIM RECLAMATION**

During the life of the development, all disturbed areas not needed for active support of production operations should undergo interim reclamation in order to minimize the environmental impacts of development on other resources and uses.

Within six (6) months of well completion, operators should work with BLM surface management specialists (Jim Amos: 575-234-5909) to devise the best strategies to reduce the size of the location. Interim reclamation should allow for remedial well operations, as well as safe and efficient removal of oil and gas.

During reclamation, the removal of caliche is important to increasing the success of revegetating the site. Removed caliche that is free of contaminants may be used for road repairs, fire walls or for building other roads and locations. In order to operate the well or complete workover operations, it may be necessary to drive, park and operate on restored interim vegetation within the previously disturbed area. Disturbing revegetated areas for production or workover operations will be allowed. If there is significant disturbance and loss of vegetation, the area will need to be revegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed.

All disturbed areas after they have been satisfactorily prepared need to be reseeded with the seed mixture provided below.

Upon completion of interim reclamation, the operator shall submit a Sundry Notices and Reports on Wells, Subsequent Report of Reclamation (Form 3160-5).

### **IX. FINAL ABANDONMENT & RECLAMATION**

At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land are restored.

Earthwork for final reclamation must be completed within six (6) months of well plugging. All pads, pits, facility locations and roads must be reclaimed to a satisfactory revegetated, safe, and stable condition, unless an agreement is made with the landowner or BLM to keep the road and/or pad intact.

After all disturbed areas have been satisfactorily prepared, these areas need to be revegetated with the seed mixture provided below. Seeding should be accomplished by drilling on the contour whenever practical or by other approved methods. Seeding may need to be repeated until revegetation is successful, as determined by the BLM.

Operators shall contact a BLM surface protection specialist prior to surface abandonment operations for site specific objectives (Jim Amos: 575-234-5909).

Below Ground-level Abandoned Well Marker to avoid raptor perching: Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well.

### Seed Mixture for LPC Sand/Shinnery Sites

Holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)\* per acre. There shall be no primary or secondary noxious weeds in the seed mixture. Seed will be tested and the viability testing of seed shall be done in accordance with State law(s) and within nine (9) months prior to purchase. Commercial seed shall be either certified or registered seed. The seed container shall be tagged in accordance with State law(s) and available for inspection by the Authorized Officer.

Seed will be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (smaller/heavier seeds have a tendency to drop the bottom of the drill and are planted first). Holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be doubled. Seeding shall be repeated until a satisfactory stand is established as determined by the Authorized Officer. Evaluation of growth may not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed\* per acre:

<u>Species</u>	<u>lb/acre</u>
Plains Bristlegrass	5lbs/A
Sand Bluestem	5lbs/A
Little Bluestem	3lbs/A
Big Bluestem	6lbs/A
Plains Coreopsis	2lbs/A
Sand Dropseed	1lbs/A

\*Pounds of pure live seed:

Pounds of seed x percent purity x percent germination = pounds pure live seed