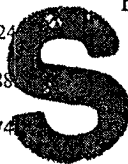


Office  
District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Ave., Artesia, NM 88213  
District III  
1000 Rio Brazos Rd., Aztec, NM 87412  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM  
87505

Energy, Minerals and Natural Resources

May 27, 2004



SOIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

WELL API NO.

30-015-35261

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

STATE S-19

8. Well Number 29

9. OGRID Number

229137

10. Pool name or Wildcat

EMPIRE; YESO 96210

SUNDRY NOTICES AND REPORTS ON WELLS  
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

COG Operating LLC

3. Address of Operator

550 W. Texas Ave., Suite 1300

Midland, TX 79701

4. Well Location

Unit Letter N : 1190' feet from the South line and 1242' feet from the West line  
Section 19 Township 17S Range 29E NMPM County EDDY

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

3655' GR

Pit or Below-grade Tank Application ☐ or Closure ☒

Pit type DRILLING Depth to Groundwater 115' Distance from nearest fresh water well 1000' Distance from nearest surface water 1000'

Pit Liner Thickness: 12 mil Below-Grade Tank: Volume          bbls; Construction Material         

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐

OTHER: Pit closure

☒

OTHER:         

☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

COG Operating LLC proposes to close the drilling pit as follows:

1. Remove fluids from pit.
2. A deep trench pit will be constructed next to the existing reserve pit and lined with a 12 mil liner. The contents will be encapsulated in this pit and the liner will be folded over the mud and cuttings.
3. Cover liner with 20 mil liner with excess of 3' on all sides as per option IV.B.3.(b) of the Pit and Below-Grade Tank Guidelines.
4. Cover with a minimum 3' of native soil.
5. Contour pit to prevent erosion and ponding of rainwater.

Accepted for record  
NMOCED

*Pit closed out 8-27-07 as per verbal from Mike Bratcher, NMOCED, removed 5' of center section - all material trench buried*

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCED guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE

*Phyllis Edwards*

TITLE

Regulatory Analyst

DATE 4-17-07

Type or print name

Phyllis Edwards

E-mail address

nedwards@conchoresources.com

Telephone No. 432-685-4340

For State Use Only

*Jim W. Groom*

Notify OCD 24 hours prior to beginning pit closure.

APPROVED BY

*Michael H. Supervision*

Samples are to be obtained from pit area and analysis submitted to NMOCED prior to back-filling

DATE

*4/23/07*



## Highlander Environmental Corp.

Midland, Texas

September 4, 2007

Mr. Mike Bratcher  
NMOCD, District II  
1301 Grand Avenue  
Artesia, New Mexico 88210

Re: COG Operating LLC  
State S-19 #29, Final Pit Closure Report  
API# 30-015-35261

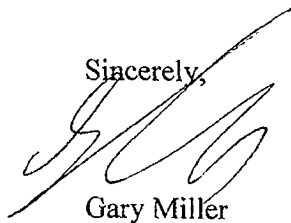
Dear Mr. Bratcher:

Highlander Environmental Corp was contracted by COG Operating LLC to test and prepare closure documentation for the above mentioned reserve pit. This letter and attachments will serve as the final closure report for this reserve pit.

Due to very hard rock conditions, which we discussed on August 27, 2007, the depths to which sampling could be performed were limited. The depths tested are shown of the attached field testing data sheets. The field testing shows that the center section of the pit was found to have elevated chloride levels of 1880 ppm down to 5' below the pit bottom while the 10' sample at this point indicated chloride of 400 ppm. Due to these results, 5' of soil was removed from the pit bottom in the center section and placed into the lined burial trench along with the drill cuttings that were removed from the reserve pit. A 20 mil plastic liner was placed over the burial trench then both the pit and trench were backfilled with a minimum of 3' of fill material.

Attached please find the field testing reports and final laboratory analysis for the above mentioned site. If you require any additional information please call.

Sincerely,



Gary Miller

Attachments: Highlander Environmental Corp field testing results  
Trace Analysis Inc. laboratory results  
NMOCD Form C-103 Pit Closure Form

cc. Phyllis Edward, COG Operating, LLC

Variable	Unit	Mean	SD	Min	Max	Skewness	Kurtosis	Normality
Age	Years	35.2	12.5	18	65	-0.1	3.2	0.95
Gender	Male/Female	52/48	0	0	100	0.5	0.2	0.98
Education	Years	12.8	2.1	8	16	-0.2	2.8	0.96
Income	USD/month	1500	400	500	3000	0.3	1.5	0.99
Marital Status	Married/Single	65/35	0	0	100	0.1	0.1	0.99
Occupation	Various	10	5	1	20	-0.3	2.5	0.97
Health Status	Good/Bad	70/30	0	0	100	0.2	0.1	0.98
Smoking Status	Smoker/Non-smoker	30/70	0	0	100	0.4	0.3	0.97
Alcohol Consumption	Yes/No	20/80	0	0	100	0.3	0.2	0.98
Stress Level	Low/High	40/60	0	0	100	0.1	0.1	0.99
Sleep Quality	Good/Poor	60/40	0	0	100	0.2	0.1	0.98
Dietary Habits	Healthy/Unhealthy	50/50	0	0	100	0.1	0.1	0.99
Exercise Frequency	Regular/Irregular	40/60	0	0	100	0.2	0.1	0.98
Family Size	1-4/5+	30/70	0	0	100	0.3	0.2	0.97
Religious Beliefs	Various	15	5	1	25	-0.2	2.0	0.96
Political Views	Conservative/Progressive	45/55	0	0	100	0.1	0.1	0.99
Travel Frequency	Often/Rarely	30/70	0	0	100	0.2	0.1	0.98
Technology Use	High/Low	60/40	0	0	100	0.1	0.1	0.99
Artistic Interests	Yes/No	40/60	0	0	100	0.2	0.1	0.98
Gardening Habits	Regular/Irregular	30/70	0	0	100	0.3	0.2	0.97
Volunteering	Yes/No	20/80	0	0	100	0.4	0.3	0.97
Reading Habits	Frequent/Occasional	40/60	0	0	100	0.2	0.1	0.98
Music Preferences	Classical/Pop	30/70	0	0	100	0.3	0.2	0.97
Video Gaming	Yes/No	40/60	0	0	100	0.2	0.1	0.98
Collecting Items	Yes/No	20/80	0	0	100	0.4	0.3	0.97
Home Ownership	Owner/Renter	60/40	0	0	100	0.1	0.1	0.99
Car Ownership	Yes/No	70/30	0	0	100	0.2	0.1	0.98
Pet Ownership	Yes/No	50/50	0	0	100	0.1	0.1	0.99
Travel Preferences	Domestic/International	40/60	0	0	100	0.2	0.1	0.98
Food Preferences	Vegetarian/Non-vegetarian	30/70	0	0	100	0.3	0.2	0.97
Shopping Habits	Online/Offline	40/60	0	0	100	0.2	0.1	0.98
Work-Life Balance	Good/Poor	50/50	0	0	100	0.1	0.1	0.99
Life Satisfaction	High/Low	60/40	0	0	100	0.2	0.1	0.98
Resilience	High/Low	50/50	0	0	100	0.1	0.1	0.99
Emotional Stability	Stable/Unstable	60/40	0	0	100	0.2	0.1	0.98
Self-Esteem	High/Low	50/50	0	0	100	0.1	0.1	0.99
Empathy	High/Low	60/40	0	0	100	0.2	0.1	0.98
Conscientiousness	High/Low	50/50	0	0	100	0.1	0.1	0.99
Openness	High/Low	60/40	0	0	100	0.2	0.1	0.98
Agreeableness	High/Low	50/50	0	0	100	0.1	0.1	0.99
Neuroticism	High/Low	40/60	0	0	100	0.2	0.1	0.98
Extraversion	High/Low	50/50	0	0	100	0.1	0.1	0.99
Conscientiousness	High/Low	60/40	0	0	100	0.2	0.1	0.98
Openness	High/Low	50/50	0	0	100	0.1	0.1	0.99
Agreeableness	High/Low	60/40	0	0	100	0.2	0.1	0.98
Neuroticism	High/Low	40/60	0	0	100	0.2	0.1	0.98
Extrav								

All pit sample depths are *below pit bottom* (BPB)

Approved for closure by  
Mike Drotz-hu 8-27-07  
Remond 5' at Soil Trans  
plant Section Before Closure

DNR- Did not run at lab.  
BGS- Below Ground Surface  
BPB- Below Pit Bottom

Highlander Environmental Corp.  
Pit Sample Location Plat

Pit wall in feet 100

x NW

x NE

x Center

Depth of pit in feet 10'

x SW

x SE

x \_\_\_\_\_ Indicates Sample Location  
(Name by quarter i.e. NW, NE etc)



Draw in North Arrow

Pit wall in feet 100'

• Wellhead

Well Pad

Client:

POB Operations, LLC

Well

Name:

State 5-19 # 29

API#

30-015-35261

## Summary Report

Gary Miller  
Highlander Environmental Services  
1910 N. Big Spring Street  
Midland, TX, 79705

Report Date: September 4, 2007

Work Order: 7082939



Project Location: Eddy County, NM  
Project Name: COG-State S-19 #29  
Project Number: 3148

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
134865	Center 10'	soil	2007-08-27	00:00	2007-08-29
134866	SE 5'	soil	2007-08-27	00:00	2007-08-29
134867	SW 2'	soil	2007-08-27	00:00	2007-08-29
134868	NE 10'	soil	2007-08-27	00:00	2007-08-29
134869	NW 2'	soil	2007-08-27	00:00	2007-08-29

### Sample: 134865 - Center 10'

Param	Flag	Result	Units	RL
Chloride		460	mg/Kg	2.00

### Sample: 134866 - SE 5'

Param	Flag	Result	Units	RL
Chloride		275	mg/Kg	2.00

### Sample: 134867 - SW 2'

Param	Flag	Result	Units	RL
Chloride		185	mg/Kg	2.00

### Sample: 134868 - NE 10'

Param	Flag	Result	Units	RL
Chloride		266	mg/Kg	2.00

### Sample: 134869 - NW 2'

TraceAnalysis, Inc. • 6701 Aberdeen Ave., Suite 9 • Lubbock, TX 79424-1515 • (806) 794-1296  
*This is only a summary. Please, refer to the complete report package for quality control data.*

Report Date: September 4, 2007  
3148

Work Order: 7082939  
COG-State S-19 #29

Page Number: 2 of 2  
Eddy County, NM

Param	Flag	Result	Units	RL
Chloride		131	mg/Kg	2.00