OCD-ARTESIA

Form 3160-5 (April 2004)

UNITED STATES DEPARTMENT OF THE INTERIOR

OM B No 1004-0137 Expires March 31, 2007
5 Lease Serial No.

		Expi
I A	5	Lease Serial No.

	BUREAU OF LAND MAN		U J	5 Lease Serial No. NM-100844
Do not use th	NOTICES AND REI his form for proposals to ell. Use Form 3160-3 (to drill or to re-enter an APD) for such proposals.		6. If Indian, Allottee or Tribe Name
SUBMIT IN TR	7. If Unit or CA/Agreement, Name and/or No.			
1 Type of Well Oil Well Gas Well Gas Well Other 2 Name of Operator COG Operating LLC 3a Address 550 W. Texas Ave., Suite 1300 Midland, TX 79701 4 Location of Well (Footage, Sec., T., R., M., or Survey Description) 990 FSL & 1650 FEL, SEC. 21, T16S, R28E, U		2 3 7008 OCD-ARTESIA 3b Phone No. (include area code) 432-685-4340 Unit O		30-015-35421 10. Field and Pool, or Exploratory Area CROW FLATS; SAN ANDRES 11. County or Parish, State EDDY, NM
TYPE OF SUBMISSION	PROPRIATE BOX(ES) TO	O INDICATE NATURE OF NO TYPE OF AC		EPORT, OR OTHER DATA
If the proposal is to deepen dire Attach the Bond under which the following completion of the inv	ctionally or recomplete horizontall ne work will be performed or provi volved operations If the operation	Fracture Treat Rec. New Construction Recc. Plug and Abandon Tem Plug Back Wate nent details, including estimated startin y, give subsurface locations and meas ide the Bond No. on file with BLM/B results in a multiple completion or rec	ured and true IA. Require completion in	Well Integrity ✓ Other APD extension
determined that the site is ready COG Opera	• ,	s permission for an extension to t	A	APPROVED FOR 24 MONTH PERIOR

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed)					
***	Title Regulatory Analyst				
Signature / Meh Edwards	Date 11/14/2007				
THIS SPACE FOR FEDERAL OR STATE OFFICE USE					
Approved by	THILELD MANAGER JAN 2 1 2008				
Conditions of approval, if any, are attached. Approval of this notice does not warrant certify that the applicant holds legal or equitable title to those rights in the subject leas which would entitle the applicant to conduct operations thereon					

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.

PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME: COG Operating LLC

LEASE NO.: | NM100844

WELL NAME & NO.: | Rudolph Federal #2

SURFACE HOLE FOOTAGE: 990' FSL & 1650' FWL

LOCATION: | Section 21, T16S., R28E., NMPM

COUNTY: Eddy County, New Mexico

I. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified a minimum of 4 hours in advance for a representative to witness:

- a. Spudding well
- b. Setting and/or Cementing of all casing strings
- c. BOP/BOPE tests

⊠ Eddy County

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

- 1. Although there are no measured amounts of Hydrogen Sulfide reported, it is always a potential hazard. If Hydrogen Sulfide is encountered, please provide measured values to the BLM.
- 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.

B. CASING

1. The <u>8 5/8 inch</u> surface casing shall be set at approximately <u>500 feet</u> and cemented to the surface.

Possible loss circulation in the Grayburg and San Andres Formations

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 a surface log readout will be used or a cement bond log shall be run to verify the top of the cement.

- b. Wait on cement (WOC) time for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement).
- c. Please provide WOC times to inspector for cement slurries.
- d. 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.
- e. If cement falls back, remedial action will be done prior to drilling out that string.
- 2. The minimum required fill of cement behind the 5 1/2 inch production casing is:
 - Cement to surface. If cement does not circulate, contact the appropriate BLM office. Please provide WOC times to inspector for cement slurries.
- 3. 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.

C. PRESSURE CONTROL

- 1. 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.
- 2. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be 2000 (2M) psi.
- 3. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. The tests shall be done by an independent service company.
 - b. The results of the test shall be reported to the appropriate BLM office.
 - c. 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.

d. 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.

D. DRILL STEM TEST

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

Engineer on call phone (after hours only): Carlsbad: (575) 706-2779

JDW/1/17/2008

MMh 1/17/08

Page 3 of 3