JUN 29 2009

April 2004)		UNITED STATES EPARTMENT OF THE	INTERIOR		OCD-ART	ESIA	FORM APPRO OM B No 1004 Expires March	-0137		
		UREAU OF LAND MAN.				5. Lease Seria				
	SUNDRY NOTICES AND REPORTS ON WELLS  Do not use this form for proposals to drill or to re-enter an						NMNM0397623  6. If Indian, Allottee or Tribe Name			
		il. Use Form 3160 - 3 (A				O. II IIIGIAI	, Allollee of Ti	ioc raine		
		PLICATE- Other instr	7. If Unit or CA/Agreement, Name and/or No.			d/or No.				
1. Type of ₩	Vell 7 Oil Well 🗆 🗀	Gas Well 🗆 🔲 Other	8. Well Na	me and No.						
2 Name of Op	oerator COG Operat	ing LLC				Folk Fo	ederal #7			
3a Address	as Ave., Suite 1300	Midland TV 70701	area code)	30-015	-36171					
· · · · · · · · · · · · · · · · · · ·		, R., M., or Survey Description)		10 Field and Pool, or Exploratory Area Empire; Yeso, East 96610						
990' FNL &	& 1650' FEL					11. County or Parish, State				
Sec.17, T17S, R29E, Unit B							Eddy, NM			
	12. CHECK AP	PROPRIATE BOX(ES) TO	INDICATE 1	NATURE	E OF NOTICE, R	EPORT, OF	OTHER D	ATA		
TYPE OF	SUBMISSION		E OF ACTION							
Notice o	of Intent	Acidize	Deepen		Production (Sta	rt/Resume)	Water Sh			
		Alter Casing Casing Repair	Fracture Tre		Reclamation		Well Inte		illing Plan	
	uent Report	Change Plans	Plug and At		Recomplete Temporarily Ab	andon				
Final At	bandonment Notice	Convert to Injection	Plug Back		Water Disposal					
followin testing h determin  COG 1	g completion of the invo as been completed Financed that the site is ready respectfully requests to intermediate hole to	e work will be performed or proviolved operations. If the operation al Abandonment Notices shall be for final inspection)  permission to make the following 12-1/4" or 11", and csg weils.5 or 17# and J55 or L80 de	results in a multi filed only after al wing changes to ght to 24# or 3	ple comple il requirem o the dril	etion or recompletion in nents, including reclama	n a new interva	al, a Form 3160	-4 shall be f	iled once	
SE CO	E ATTACI	HED FOR S OF APPROV	'AL							
14 I hereby Name (	certify that the forego	going is true and correct								
	Phyllis A. Edward	ds		Title Re	gulatory Analyst					
Signature	Phyllis	Q-Edward	(s)	Date		6/17/2009				
		THIS SPACE FOR I	FEDERAL							
Approved by	· · · · · · · · · · · · · · · · · · ·	Whele	· <b>—</b> —	etroleum I			N 2 5			
		ttached. Approval of this notice or equitable title to those rights i			BLM-CA	ARLSB	AD FI	ELD	OFFICE	
		conduct operations thereon.	are subject toa	Of	fice					

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.: | NMNM-0397623

WELL NAME & NO.: | Folk Federal #7

SURFACE HOLE FOOTAGE: 990' FNL & 1650' FEL

LOCATION: Section 17, T. 17 S., R 29E., 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. BOPE tests

### **Eddy County**

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

- 1. A Hydrogen Sulfide (H2S) Drilling Plan should 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 (well control, etc.) and personnel/public protection items. If Hydrogen Sulfide is encountered, please provide measured values and formations 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.
- 3. Rustler and Salt formation to be listed on Completion Report.

#### B. CASING

Changes to the approved APD casing and cement program require submitting a sundry and receiving approval prior to work. Failure to obtain approval prior to work will result in an Incident of Non-Compliance being issued.

#### Centralizers required on surface casing per Onshore Order 2.III.B.1.f.

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 for all casing strings. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. See individual casing strings for details regarding lead cement slurry requirements.

No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

Possible lost circulation in the Grayburg and San Andres formations. Possible water and brine flows in the Salado and Artesia Group.

- 1. The 13-3/8 inch surface casing shall be set at approximately 250 feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt) and cemented to the surface. If the salt is encountered at a shallower depth the casing should be set 25 feet above the salt.
  - 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 is to include the lead cement slurry.
  - 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.
- 3. The minimum required fill of cement behind the 5-1/2 inch production casing is:
  - Cement should tie-back at least 200 feet into previous casing string. Operator shall provide method of verification.

4. 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.
  - e. Effective November 1, 2008, no variances will be granted on reduced pressure tests on the surface casing and BOP/BOPE. Onshore Order 2 requirements will be in effect.

#### D. DRILL STEM TEST

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

CRW 062209

#### Phyllis Edwards

To:

Wesley\_Ingram@blm.gov

Subject:

FW: B C Federal 28 Drill Plan Change Request S

VARIOUS

6-17-09

Dear Wesley,

Ally 18 2009

These APD's were permitted before changes were made to the drill plans.

Each sundry specifically asks for these changes to be reviewed. The requested changes are highlighted below.

Hole Size	Interval	OD Casing	Weight	Grade	Jt., Condition	burst/collapse/tension
17 ½"	0-250	13 3/8"	48#	H-40	ST&C/New	6.03/2.578/10.32
11"or12 ¼"	0-850	8 5/8"	24or32#	J-55	ST&C/New	1.85/1.241/4.78
7 7/8"	0-T.D.	5 1/2"	17#	J-55orL-80	LT&C/New	1.59/1.463/2.05

As always, thanks so much for your time.

## Phyllis Edwards

Regulatory Analyst



COG Operating LLC

Fasken Tower II

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Midland, TX 79701

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