

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB NO 1004-0135
Expires July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**
*Do not use this form for proposals to drill or to re-enter an
abandoned well. Use form 3160-3 (APD) for such proposals.*

JUL 29 2009

5 Lease Serial No
NMLC056551A

6 If Indian, Allottee or Tribe Name

7 If Unit or CA/Agreement, Name and/or No

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1 Type of Well

☒ Oil Well ☐ Gas Well ☐ Other8 Well Name and No
HOLDER CB FEDERAL 4

2 Name of Operator

COG OPERATING LLC

Contact: KANICIA CARRILLO

E-Mail: kcarrillo@conchoresources.com

9. API Well No.

30-015-25837-00-S1

3a Address

550 W TEXAS, STE 1300 FASKEN TOWER II
MIDLAND, TX 79701

3b. Phone No. (include area code)

Ph: 432-685-4332

10. Field and Pool, or Exploratory
GRAYBURG

4. Location of Well (Footage, Sec, T., R., M., or Survey Description)

Sec 17 T17S R30E SWNW

11 County or Parish, and State

EDDY COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input checked="" type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13 Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

COG Operating respectfully requests 180 days approval.

See attachment.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #70460 verified by the BLM Well Information System
For COG OPERATING LLC, sent to the Carlsbad
Committed to AFMSS for processing by KURT SIMMONS on 06/03/2009 (09KMS1514SE)**

Name (Printed/Typed) KANICIA CARRILLO

Title PREPARER

Signature (Electronic Submission)

Date 06/02/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By WESLEY INGRAM

Title PETROLEUM ENGINEER

2009
Date 07/25/20

Conditions of approval, if any, are attached. Approval of this notice 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.

Office Carlsbad

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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-25837		² Pool Code 28509		³ Pool Name Grayburg Jackson; SR-Q-G-SA	
⁴ Property Code 302504		⁵ Property Name Holder CB			⁶ Well Number 4
⁷ OGRID No 229137		⁸ Operator Name COG OPERATING LLC			⁹ Elevation 3646

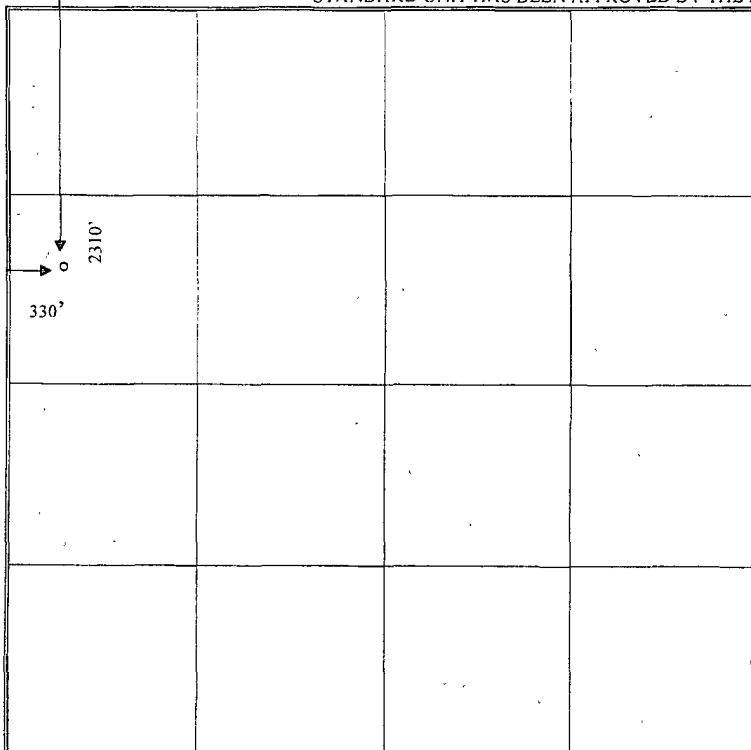

¹⁰ Surface Location

UL or lot no. E	Section 17	Township 17S	Range 30E	Lot Idn	Feet from the 2310	North/South line North	Feet from the 330	East/West line West	County Eddy
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 40		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i>  Signature Kanicia Carrillo Printed Name Regulatory Analyst Title and E-mail Address 06/02/09 Date			
	¹⁸ SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief</i> Referred Original Plat Date of Survey Signature and Seal of Professional Surveyor			
	Certificate Number			

CB HOLDER FED #4 DEEPENING PROGRAM

1. Estimated Tops of Important Geologic Markers

Yeso Group +/- 4200'

2. Estimated Depths of Anticipated Fresh Water, Oil, and Gas

Yeso Group +/- 4200'

This deepening originates in the Yeso and will finish at the base of the Yeso. The entire Yeso group is an oil and gas bearing interval.

3. Casing Program

Hole Size	Interval	OD Casing	Weight	Grade **	Jt./Condition	Burst/collapse/tension
4-3/4"	4584' - 6000'	4"	11.3#	L-80 or P-110	ULT-FJ/New	3.98/4.09/3.21 (L80) 5.47/5.23/4.25 (P110)

** Due to casing shortages, either L-80 or P-110 will be run. The exact grade is unknown at time of requesting permit.

NOTE: COG OPERATING LLC REQUESTS A VARIANCE TO THE 0.422" STAND OFF RULE BETWEEN CASING AND WELLBORE.

4. Cement Program

4" Liner: Class C, 115 sxs, yield 1.37. 75' minimum tie back to production casing.

NOTE: COG OPERATING LLC REQUESTS A VARIANCE TO THE LINER TOP FLUID ENTRY OR PRESSURE TEST BECAUSE THE DEEPENED WELL WILL BE COMPLETED IN THE SAME ZONE AS THE CURRENT PERFS AND THE ENTIRE INTERVAL IS RECOGNIZED BY THE OCD AS ONE INTERVAL (YESO). AS PER ONSHORE ORDER NO. 2 SECT III: REQUIREMENTS, PART B. CASING AND CEMENTING REQUIREMENTS, SUBPART b. "NO TEST SHALL BE REQUIRED FOR LINERS THAT DO NOT INCORPORATE OR NEED A SEAL MECHANISM." COG BELIEVES WE MEET THE CRITERIA TO NOT BE REQUIRED TESTING THE LINER TOP BECAUSE THERE IS NO NEED FOR A SEAL MECHANISM.

NOTE: COG OPERATING LLC REQUESTS A VARIANCE TO THE 200' MINIMUM TIE BACK TO THE PRODUCTION CASING BECAUSE THE LOWEST PERFORATION IS AT 4548'. THE 75' WILL ALLOW US TO NOT COVER EXISTING PERFORATIONS.

5. Minimum Specifications for Pressure Control

The BOP equipment will be a 3000 psi double ram type manually operated preventer. This equipment will be nipple up to a 7-1/16" 3K flange. The pipe rams are located above blind rams. There is no choke or kill manifold. The BOP is tested to 500 psi prior to drilling new formation. Access to the annulus will be through the valves on the 5-1/2" casing head.

6. Types and Characteristics of the Proposed Mud System

This well will drilled from end of the existing 5-1/2" casing to TD with 2% KCl.

7. Auxiliary Well Control and Monitoring Equipment

- A. A full opening drill pipe-stabbing valve with proper drill pipe connections will be on the rig floor at all times.

8. Logging, Testing, and Coring Program

- A. The electric logging program will consist of GR-Dual Laterolog, Spectral Density, Dual Spaced Neutron, CSNG Log and will be run from TD to 5-1/2" production casing shoe.
- B. No drill stem tests.
- C. No conventional coring anticipated.
- D. Further testing procedures will be determined after the 4" liner has been cemented at TD, based on drill shows and log evaluation.

9. Abnormal Conditions, Pressure, Temperatures, and Potential Hazards

No abnormal pressures or temperatures are anticipated. The estimated bottomhole temperature at TD is 110 degrees and the estimated maximum bottomhole pressure is 2300 psig. The drilling starts in the Yeso and ends in the Yeso. The section of Yeso being drilled has very low permeability (less than 1 md).

10. Anticipated Starting Date and Duration of Operations

There will be no road or location work required as this is an existing well location. Once commenced, drilling operations should be finished in approximately 14 days. If the well is productive, an additional 30 days will be required for completion and testing before a decision is made.

11. Centralizer Program

Fixed blade stabilizer subs will be utilized in the casing string to insure adequate isolation and seal throughout the wellbore. These stabilizer subs are positive fixed blade type. These subs will actually be screwed into the casing string. A diagram of the fixed blade stabilizer sub is located at the end of this program.

The standard location of the stabilizers will be the following:

Shoe Location

Guide shoe, 1 jt casing, stabilizer sub, float collar, 1 jt casing, stabilizer sub

Perf Interval Location – between perf intervals

Stabilizer sub, 1 jt casing, stabilizer sub

Top of Liner Location

DV tool, 1 jt casing, stabilizer sub, 1 jt casing, stabilizer sub

12. Summary Drilling and Completion Program

Deepening Procedure

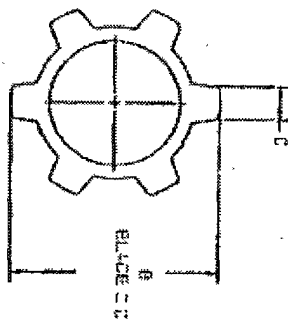
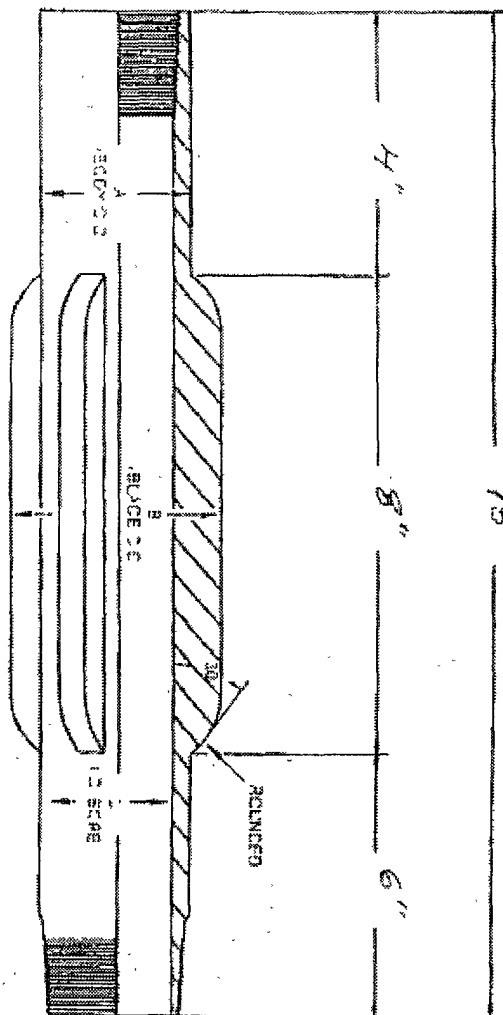
- 1. MIRU rig.
- 2. Sqz SA w/ +/- 400 sx of Class C neat. Drill out squeeze.
- 3. Sqz upper Yeso w/ +/- 400 sx of Class C neat. Drill out squeeze.

4. PU 4-3/4" bit and drill 4-3/4" hole from 4680' to 6000'.
5. POOH w/ bit and drillstring.
6. RIH w/ logs and log from TD to 4600'.
7. RIH w/ 4", 11.3# casing. See section 11 for general centralizer program.
8. Cement casing from TD to 4584' w/ 115 sxs Class C cmt. Drop plug and open DV tool. Circ cmt off DV tool. Drop plug to close DV tool.
9. PU workstring and RIH and drill out DV tool. POOH and LD workstring.
10. RDMO rig.

Completion Procedure

1. MIRU rig.
2. RIH/ w/ perforating guns and perforate Yeso from 5700 – 5900 w/ 2 spf, 30 holes.
3. Acidize w/ 2500 gals of 15% HCl. Frac zone w/ 179,800 # of sand. Set plug at 5650'.
4. RIH w/ perforating guns and perforate Yeso from 5400' – 5600'.
5. Acidize w/ 2500 gals of 15% HCl. Frac zone w/ 179,800 # of sand. Set plug at 5350'.
6. RIH w/ perforating guns and perforate Yeso from 5100' – 5300'.
7. Acidize w/ 2500 gals of 15% HCl. Frac zone w/ 179,800 # of sand.
8. RIH and drill out plug at 5350' and 5650'.
9. RIH and cut or back off 4" casing at 4584'. POOH w/ 4" casing. Leave 4" liner from 4584' to 6000' (TD).
10. RIH w/ tbg and locate end of tbg at 4500'.
11. RIH w/ rods and pump.
12. RDMO rig.


Centralizer Diagram



1/4"
 2.80
 11.00

SIZE	A	B	C	D	E	F	G	DRIFT
4" 1/4" 3/4" 11.6"	4.050	4.750	3.397"	3/4"				3.303"

1000
 0.00
 0.00
 0.00

 RAY OIL TOOL CO.	
CENTRALIZED INTERCASING	
CLIENT	Canada Res
WELL NAME & NO.	
CASING	4" 11.6"
MATERIAL	4 3/4" 3/4" 11.6"

Holder CB Federal 4
COG Operating LLC
30-015-25837
July 25, 2009
Conditions of Approval

1. **The sundry states that there are perforations to a depth of 4548'. BLM has no records on file regarding these perforations. Per the BLM records and NMOCD files on line, the perforations are in the San Andres.**
2. **Also there is no Downhole Commingle approval for the San Andres and Yeso formations.**
3. **Submit documentation for items number 1 and 2.**
4. Work to be complete within 180 days.
5. Surface disturbance beyond the existing pad requires prior approval.
6. Closed loop system to be used.
7. H2S monitoring equipment should be onsite for personnel protection from surrounding oil operations. Operator should not encounter H2S while deepening.
8. BOP to be tested to **1000 psi** based on BHP expected.
9. Variance for stand-off of less than 0.422" is approved due to NMOCD classifying the formations in this area as the Yeso group.
10. Variance approved for a minimum tie back of 75'. When plugged, cement plug will be required across this tie back and across squeezed perforations.
11. Variance for not testing seal also approved based on NMOCD classification of formations in this area as the Yeso group. ✓
12. If cement does not circulate to DV tool, the appropriate BLM office is to be notified.
13. Test casing as per Onshore Order 2.III.B.1.h.
14. Subsequent sundry detailing work and current well test data are to be submitted when work is complete.

WWI 072509