Form 3160-3 (April 2004)	į	FORM APPROVED OMB No. 1004-0137 Expires March 31, 2007				
UNITED STATES DEPARTMENT OF THE INT BUREAU OF LAND MANAG		5. Lease Serial No. NMLC-029418.				
APPLICATION FOR PERMIT TO DR		6. If Indian, Allotee or Tribe Name				
		N/A				
la. Type of work: DRILL REENTER	7. If Unit or CA Agree NMNM - 71030	· ·				
Ib. Type of Well: Oil Well Gas Well Other	Single Zone Multip	ole Zone	8. Lease Name and W SKELLY UNI	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~		
2. Name of Operator Chevron USA Agent: COG Operator	ating LLC LZZ913	377	9. API Well No. 30-015- 3 §	3450 ~		
3a. Address Agent Address: 550 W. Texas Ave., Suite 1300 3b. Midland, TX 79701	Phone No. (include area code) 432-685-4385		10. Field and Pool, or E Fren; Glorieta	•		
4. Location of Well (Report location clearly and in accordance with any Sta	te requirements.*)		11. Sec., T. R. M. or Bll	k. and Survey or Area		
At surface SHL: 2085' FNL & 1650' FEL, Unit C	G ~		C	2045		
At proposed prod. zone BHL: 2310' FNL & 1650' FEL, Unit	G -		Sec 23 T17S I	RHE		
14. Distance in miles and direction from nearest town or post office*			12. County or Parish	13. State		
9 miles East of Loco Hills, NM	<u> </u>		EDDY	NM		
15. Distance from proposed* location to nearest	No. of acres in lease	17. Spacin	g Unit dedicated to this w	ell		
property or lease line, ft. (Also to nearest drig. unit line, if any) 1650'	720		40			
18. Distance from proposed location* to nearest well, drilling, completed,	Proposed Depth 6700 TV D	20. BLM/E	N/BIA Bond No. on file			
applied for, on this lease, ft. 360'	-6850 6708 MD		NMB000215			
	Approximate date work will star	rt*	23. Estimated duration			
3881' GL ~	12/31/2010		15 days			
2	4. Attachments					
The following, completed in accordance with the requirements of Onshore Oi	l and Gas Order No.1, shall be a	ttached to thi	s form:			
 Well plat certified by a registered surveyor. A Drilling Plan. 	4. Bond to cover the Item 20 above).	he operation	ns unless covered by an e	existing bond on file (see		
3. A Surface Use Plan (if the location is on National Forest System Land	ds, the 5. Operator certific	ation				
SUPO shall be filed with the appropriate Forest Service Office).	6. Such other site authorized offic	specific info er.	ormation and/or plans as i	may be required by the		
25. Signature	Name (Printed/Typed)		1	Date		
- tom Man	Robyn M. Odom			10/22/2010		
Title Regulatory Analyst		•				
Approved by (Signature) /s/ Don Peterson	Name (Printed/Typed)			Date JAN 20 2011		
Title CEP	Office		CARLSBAD FIELI	DOSSIAN		
FIELD MANAGER	1					
Application approval does not warrant or certify that the applicant holds leg conduct operations thereon.	gai or equitable title to those righ	ts in the sub				
Conditions of approval, if any, are attached.	, , , , , , , , , , , , , , , , , , , ,		-	<u>FOR TWO YEARS</u>		
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime States any false, fictitious or fraudulent statements or representations as to an	for any person knowingly and v y matter within its jurisdiction.	villfully to m	ake to any department or	agency of the United		

Roswell Controlled Watte Basin

*(Instructions on page 2)

Approval Subject to General Requirements & Special Stipulations Attached

JAN 25 2011

NMOCD ARTESIA

SEE ATTACHED FOR CONDITIONS OF APPROVAL



MASTER DRILLING PROGRAM

1. **Geologic Name of Surface Formation**

Ouaternary

2. **Estimated Tops of Important Geologic Markers:**

Quaternary	Surface
Top of Salt	560'
Base of Salt	1150'
Yates	1770'
Seven Rivers	2100'
Queen	2715'
Grayburg	3100'
San Andres	3450'
Glorietta	4950'
Yeso Group	4995'

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

Water Sand	150'	Fresh Water
Grayburg	3100'	Oil/Gas
San Andres	3450'	Oil/Gas
Glorieta	4950'	Oil/Gas
Yeso Group	4995'	Oil/Gas
-		

No other formations are expected to give up oil, gas or fresh water in measurable quantities. Setting 13 3/8" casing to 450 and circulating cement back to the surface will protect the surface fresh water sand. The Salt Section will be protected by setting 8 5/8" casing to 1800 and circulating cement, in a single or multi-stage job and/or with an ECP, back to the surface. Any shallower zones above TD, which contain commercial quantities of oil and/or gas, will have cement circulated across them. This will be achieved by cementing, with a single or multi-stage job, the 5 1/2" production casing back 200' into the intermediate casing, to be run at TD. If wellbore conditions arise that require immediate action and/or a change to this program, COG Operating LLC personnel will always react to protect the wellbore and/or the environment.

. COG Operating LLC Master Drilling Plan Revised 7-22-09 Fren Area; Yeso Use for Sections 2-28, T-17-S, R-31-E Eddy County, NM

4. Casing Program

See COA

Hole Size	Interval	OD Casing	Weight	Grade	Jt., Condition	Jt.	burst/collapse/tension
17 ½"	0-450530	13 3/8"	48#	H-40orJ-55	New	ST&C	8.71/3.724/14.91
11"or 1214"	0-1800		24or32#	J-55	New	ST&C	2.91/1.46/5.65
7 7/8"	0-T.D.	5 1/2"	15.5 or17#	J-55orL80	New	LT&C	1.71/1.574/2.20

5. Cement Program

13 3/8" Surface Casing:

Class C, 500 sx, yield 1.32, back to surface

8 5/8" Intermediate Casing:

11" Hole:

Single Stage: 50:50:10, 350 sx lead, yield-2.45 + Class C, 200 sx tail, yield-1.32, back to surface.

See.

Multi-Stage: Stage 1: Class C, 350 sx, yield-1.32. Stage 2: 50:50:10, 200 sx, yield-2.45, back to surface. Multi stage tool to be set at approximately, depending on hole conditions, 450' 120'

5 1/2" Production Casing:

Single Stage: 35:65:6, 500 sx Lead, yield-2.05 + 50:50:2, 400 sx Tail, yield-1.37, to 200' minimum tie back to intermediate casing.

get Con

Multi-Stage: Stage 1: 50:50:2, 400 sx, yield - 1.37; Stage 2: 35:65:6, 500 sx, yield - 2.05, to 200' minimum tie back to intermediate casing. Multi stage tool to be set at approximately, depending on hole conditions, **X** - 2000'.

6. Minimum Specifications for Pressure Control

The blowout preventer equipment (BOP) shown in Exhibit #9 will consist of a double ram-type (2000 psi WP) preventer. This unit will be hydraulically operated and the ram type preventer will be equipped with blind rams on top of 4 1/2" drill pipe rams on the bottom. The BOP will be nippled up on the 13 3/8" surface casing with BOP equipment and tested together to 2000 psi by rig pump in one test. The BOP will then be nippled up on the 8 5/8" intermediate casing and tested by a third party to 2000 psi and used continuously until total depth is reached. All BOP's and accessory equipment will be tested to 2000 psi before drilling out of the intermediate casing. 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 (Exhibit #10) will include a Kelly cock and floor safety valve, choke lines and a choke manifold (Exhibit #11) with a 2000 psi WP rating.

7. Types and Characteristics of the Proposed Mud System

The well will be drilled to TD with a combination of brine, cut brine and polymer mud system. The applicable depths and properties of this system are as follows:

Ser Eda

1	DEPTH	TYPE	WEIGHT	VISCOSITY	WATERLOSS
,	0-450 550	Fresh Water	8.5	28	N.C.
580	450-1800'1825	Brine	10	30	N.C.
1825	1800-TD	Cut Brine	8.7-9.1	. 29	N.C.

Sufficient mud materials will be kept at the well site to maintain mud properties and meet minimum lost circulation and weight increase requirements at all times.

8. Auxiliary Well Control and Monitoring Equipment

- A. Kelly cock will be kept in the drill string at all times.
- B. A full opening drill pipe-stabbing valve with proper drill pipe connections will be on the rig floor at all times.

9. Logging, Testing and Coring Program See COA

- 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 8 5/8" casing shoe.
- B. Drill Stem test is not anticipated.
- C. No conventional coring is anticipated.
- D. Further testing procedures will be determined after the 5 ½" production casing has been cemented at TD, based on drill shows and log evaluation.

10. Abnormal Conditions, Pressure, Temperatures and Potential Hazards

No abnormal pressures or temperatures are anticipated. The estimated bottom hole at TD is 110 degrees and the estimated maximum bottom hold pressure is 2300 psig. Measurable gas volumes or Hydrogen Sulfide levels have not been encountered during drilling operations in this area, although a Hydrogen Sulfide Drilling Operation Plan is attached to this program. No major loss of circulation zones has been reported in offsetting wells.

11. Anticipated Starting Date and Duration of Operations

Road and location work will not begin until approval has been received from the BLM. As this is a Master Drilling plan, please refer to the Form 3160-3 for the anticipated start date. Once commenced, drilling operations should be finished in approximately 12 days. If the well is productive, an additional 30 days will be required for completion and testing before a decision is made to install permanent facilities.



COG Operating LLC

Eddy County, NM (NAN27 NME) Skelly Unit #810 Skelly Unit #810

ОН

Plan: Plan #1 - 7-7/8" Hole SHL = 2085' FNL & 1650' FEL BHL = 2300' FNL & 1660' FEL Top of Paddock = 2300' FNL & 1660' FEL @ 4900' TVD

Standard Planning Report

29 September, 2010





Scientific Drilling

Planning Report



Database:

EDM-Julio

Company:

Project:

COG Operating LLC

Site:

Eddy County, NM (NAN27 NME) Skelly Unit #810

Well:

Skelly Unit #810

Wellbore: Design:

Plan #1 - 7-7/8" Hole

Local Co-ordinate Reference

Survey Calculation Method:

TVD Reference: MD Reference: North Reference:

Site Skelly Unit #810 GL Elev @ 3868.00usft GL Elev @ 3868.00usft

Grid

Minimum Curvature

Project Eddy County, NM (NAN27 NME)

Map System:

US State Plane 1927 (Exact solution) NAD 1927 (NADCON CONUS)

Geo Datum: New Mexico East 3001 Map Zone:

System Datum:

Mean Sea Level

Site Skelly Unit #810

Site Position:

From:

Мар

Northing: Easting:

662,947.40 usft 652,611.20 usft

Longitude:

32° 49' 17.558 N

Position Uncertainty:

0.00 usft

103° 50' 11.591 W

Slot Radius: 13-3/16 " Grid Convergence: 0.27

Well Position

Skelly Unit #810

+N/-S +E/-W

0.00 usft 0.00 usft

Northing: Easting:

2010/09/29

662,947.40 usft 652,611.20 usft

7.90

Latitude: Longitude:

32° 49′ 17.558 N 103° 50' 11.591 W

49,054

Position Uncertainty

0.00 usft

Wellhead Elevation:

Ground Level:

3,868.00 usft

Wellbore

Magnetics

Declination

Field Strength

BGGM2010

Audit Notes:

Version:

Design

Phase: Vertical Section:

Depth From (TVD) (usft) 0.00

PLAN +N/-S

(usft)

0.00

Tie On Depth: +E/-W (usft)

0.00

0.00

60.72

Direction (°). 182.37

Plan Sections Measured Depth (usft)	Inclination (°)	Ażimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO ()	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
1,950.00	0.00	0.00	1,950.00	0.00	0.00	0.00	0.00	0.00	0.00	
2,175.61	4.51	182.37	2,175.37	-8.87	-0.37	2.00	2.00	0.00	182.37	
4,682.63	4.51	182.37	4,674.63	-205.93	-8.53	0.00	0.00	0.00	0.00	
4,908.24	0.00	0.00	4,900.00	-214.80	-8.90	2.00	-2.00	0.00	180.00	TG1-Skelly #810
6,708.24	0.00	0.00	6,700.00	-214.80	-8.90	0.00	0.00	0.00	0.00	PBHL-Skelly #810



Scientific Drilling

Planning Report



Database: Company:

EDM-Julio

COG Operating LLC

Project:

Eddy County, NM (NAN27 NME)

Site:

Skelly Unit #810 Skelly Unit #810

Wellbore:

Design:

OH

₽lan #1 - 7-7/8" Hole

Local Co-ordinate Reference:

TVD Reference:

MD Reference:

North Reference:

Survey Calculation Method:

Site Skelly Unit #810

GL Elev @ 3868.00usft GL Elev @ 3868.00usft

Grid

Minimum Curvature

Measured Depth Incl	ination	Azimuth	Vertical Depth	+N/-S	+E/-W	Vertical Section	Dogleg Rate	Build Rate	Turn Rate
	mation (°)	72inuu (°)	(usft)	(usft)	te/-vv (usft)	(usft)	(°/100 usft)	(°/100usft)	(°/100usft)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
South HL-Skelly #		-							
1,850.00	0.00	0.00	1,850.00	0.00	0.00	0.00	0.00	0.00	0.00
8-5/8" Casing									
1,950.00	0.00	0.00	1,950.00	0.00	0.00	0.00	0.00	0.00	0.00
KOP Start Build 2	.00°/100'				•				
2,000.00	1.00	182.37	2,000.00	-0.44	-0.02	0.44	2.00	2.00	0.00
2,100.00	3.00	182.37	2,099.93	-3.92	-0.16	3.93	2.00	2.00	0.00
2,175.61	4.51	182.37	2,175.38	-8.87	-0.37	8.88	2.00	2.00	0.00
EOC hold 4.51°									
2,200.00	4.51	182.37	2,199.69	-10.79	-0.45	10.80	0.00	0.00	.0.00
2,300.00	4.51	182.37	2,299.38	-18.65	-0.77	18.66	0.00	0.00	0.00
2,400.00	4.51	182.37	2,399.07	-26.51	-1.10	26.53	0.00	0.00	0.00
2,500.00	4.51	182.37	2,498.76	-34.37	-1.42	34.40	0.00	0.00	0.00
2,600.00	4.51	182.37	2,598.45	-42.23	-1.75	42.27	0.00	0.00	0.00
2,700.00	4.51	182.37	2,698.14	-50.09	-2.08	50.13	0.00	0.00	0.00
2,800.00	4.51	182.37	2,797.83	-57.95	-2.40	58.00	0.00	0.00	0.00
2,900.00 -	4.51	182.37	2,897.52	-65.81	-2.73	65.87	0.00	0.00	0.00
3,000.00	4.51	182.37	2,997.21	-73.67	-3.05	73.73	0.00	0.00	0.00
3,100.00	4.51	182.37	3,096.90	-81.53	-3.38	81.60	0.00	0.00	0.00
3,200.00	4.51	182.37	3,196.59	-89.39	-3.70	89.47	0.00	0.00	0.00
3,300.00	4.51	182.37	3,296.28	-97.25	-4.03	97.33	0.00	0.00	0.00
3,400.00	4.51	182.37	3,395.97	-105.11	-4.36	105.20	0.00	0.00	0.00
3,500.00	4.51	182.37	3,495.66	-112.97	-4.68	113.07	0.00	0.00	0.00
3,600.00	4.51	182.37	3,595,35	-120.83	-5.01	120.94	0.00	0.00	0.00
3,700.00	4.51	182.37	3,695.04	-128.69	-5.33	128.80	0.00	0.00	0.00
3,800.00	4.51	182.37	3,794.73	-136.55	-5.66	136.67	0.00	0.00	0.00
3,900.00	4.51	182.37	3,894.42	-144.41	-5.98	144.54	0.00	0.00	0.00
4,000.00	4.51	182.37	3,994.11	-152.27	-6.31	152.40	0.00	0.00	0.00
4,100.00	4.51	182.37	4,093.80	-160.13	-6.63	160.27	0.00	0.00	0.00
4,200.00	4.51	182.37	4,193.49	-167.99	-6.96	168.14	0.00	0.00	0.00
4,300.00	4.51	182.37	4,293.18	-175.85	-7.29	176.00	0.00	0.00	0.00
4,400.00	4.51	182.37	4,392.87	-183.71	-7.61	183.87	0.00	0.00	0.00
4,500.00	4.51	182.37	4,492.56	-191.57	-7.94	191.74	0.00	0.00	0.00
4,600.00	4.51	182.37	4,592.25	-199.43	-8.26	199.61	0.00	0.00	0.00
4,682.63	4.51	182.37	4,674.63	-205.93	-8.53	206.11	0.00	0.00	0.00
Start DLS 2.00°/10	0'								
4,700.00	4.16	182.37	4,691.95	-207.24	-8.59	207.42	2.00	-2.00	0.00
4,800.00	2.16	182.37	4,791.79	-212.76	-8.82	212.94	2.00	-2.00	0.00
4,900.00	0.16	182.37	4,891.76	-214.79	-8.90	214.97	2.00	-2.00	0.00
4,908.24	0.00	0.00	4,900.00	-214.80	-8.90	214.98	2.00	-2.00	0.00
EOC hold 0.00° - T	op of Paddo	ck - TG1-Skel	ly #810						
6,708.24	0.00	0.00	6,700.00	-214.80	-8.90	214.98	0.00	0.00	0.00



Scientific Drilling

Planning Report



Database:

EDM-Julio

Company:

COG Operating LLC

Project:

Eddy County, NM (NAN27 NME)

Site: Well: · Skelly Unit #810 Skelly Unit #810

Wellbore:

ОН

Plan #1 - 7-7/8" Hole Design:

Local Co-ordinate Reference:

TVD Reference: MD Reference:

North Reference:

Survey Calculation Method:

Site Skelly Unit #810

GL Elev @ 3868.00usft GL Elev @ 3868.00usft

Grid

Minimum Curvature

Design Targets Target Name hit/miss target Shape	Angle ۵ (°)	ip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Eästing (úsft)	Latitude	Longitude
South HL-Skelly #810 - plan misses target cente - Rectangle (sides W200.			0.00 Ousft MD (0.	-224.80 00 TVD, 0.00 N	1.10 I, 0.00 E)	662,722.60	652,612.30	32° 49′ 15.334 N	103° 50' 11,590 W
West HL-Skelly #810 - plan misses target cente - Rectangle (sides W0.00			0.00 Ousft MD (0.	-224.80 00 TVD, 0.00 N	1.10 , 0.00 E)	662,722.60	652,612.30	32° 49′ 15.334 N	103° 50' 11.590 W
TG1-Skelly #810 - plan hits target center - Point	0.00	0.00	4,900.00	-214.80	-8.90	662,732.60	652,602.30	32° 49′ 15.433 N	103° 50' 11.707 W
PBHL-Skelly #810 - plan hits target center - Circle (radius 10.00)	0.00	0.00	6,700.00	-214.80	-8.90	662,732.60	652,602.30	32° 49' 15.433 N	103° 50' 11,707 W

Casing Points	e mediani i may indexes estitutia. I in the median median are to a spinale.	and the second final first the second first the second final second fi
[1] 제휴의 [편집] 공급 위하는 경고(SET) 하다	- 経験構造の対象を対象のである。	
Meäsured Vertical		Casing Hole
Depth Depth		Diameter Diameter
(usft) (usft)	Name	
1,850.00 1,850.00	8-5/8" Casing	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
1,830.00	0-5/6 Casing	8-5/8 12-1/4

Formations	en a antica de la composición dela composición de la composición de la composición dela composición dela composición dela composición de la composición dela composición de la composición de la composición de la composición dela composic
Measured Vertical Depth Depth	Dip Din Direction
(usft) (usft) Name	Lithology (f)
4,908.24 4,900.00 Top of Paddock	0.00

Plan Annotations			,	the section of the problem to the section of the se
Measured	Vertical	Local Coord	inatès	
Depth	Depth	+N/-S	+E/-W	불통하는 어디도 참은 사동물 발생하다 빨리 화를 가지 않았다.
(üsft)	(usft)	(usft)	(usft)	Comment
1,950.00	1,950.00	0.00	0.00	KOP Start Build 2.00°/100'
2,175.61	2,175.38	-8.87	-0.37	EOC hold 4.51°
4,682.63	4,674.63	-205.93	-8.53	Start DLS 2.00°/100'
4,908.24	4,900.00	-214.80	-8.90	EOC hold 0.00°



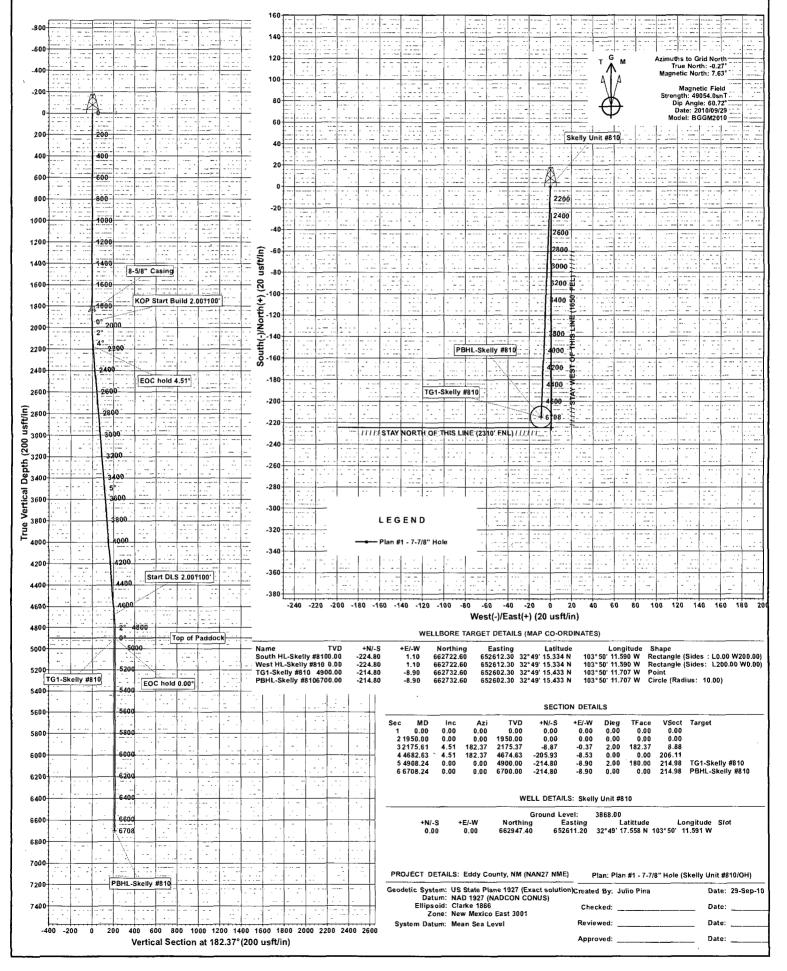
Scientific Drilling for COG Operating LLC Site: Eddy County, NM (NAN27 NME)

Well: Skelly Unit #810

Wellbore: OH

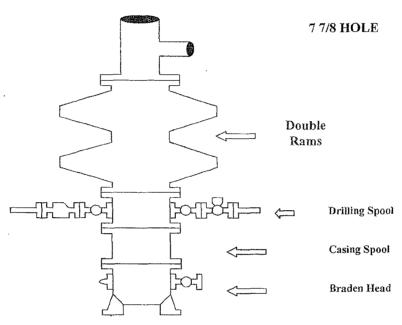
Design: Plan #1 - 7-7/8" Hole





COG Operating LLC

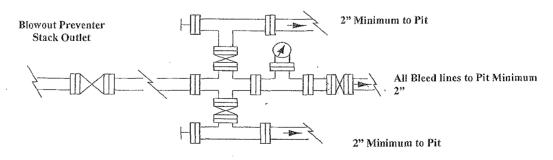
Exhibit #9 BOPE and Choke Schematic



Minimum 4" Nominal choke and kill lines

Choke Manifold Requirement (2000 psi WP) No Annular Required

Adiustable Choke



Adjustable Choke (or Positive)

NOTES REGARDING THE BLOWOUT PREVENTERS Master Drilling Plan Eddy County, New Mexico

- 1. Drilling nipple to be so constructed that it can be removed without use of a welder through rotary table opening, with minimum I.D. equal to preventer bore.
- 2. Wear ring to be properly installed in head.
- 3. Blow out preventer and all fittings must be in good condition, 2000 psi WP minimum.
- 4. All fittings to be flanged.
- 5. Safety valve must be available on rig floor at all times with proper connections, valve to be full 2000 psi WP minimum.
- 6. All choke and fill lines to be securely anchored especially ends of choke lines.
- 7. Equipment through which bit must pass shall be at least as large as the diameter of the casing being drilled through.
- 8. Kelly cock on Kelly.
- 9. Extension wrenches and hands wheels to be properly installed.
- 10. Blow out preventer control to be located as close to driller's position as feasible.
- 11. Blow out preventer closing equipment to include minimum 40-gallon accumulator, two independent sources of pump power on each closing unit installation all API specifications.

Blowout Preventers Page 2