

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

## 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.FORM APPROVED  
OMB No. 1004-0137  
Expires March 31, 2007

5 Lease Serial No.

NMLC-028784B

6. If Indian, Allottee or Tribe Name

N/A

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

NMNM-88252X

8 Well Name and No.

BKU 18-A Production Facility

9 API Well No.

N/A 3001536263

10. Field and Pool, or Exploratory Area

N/A

11 County or Parish, State

EDDY, NM

## SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1 Type of Well

☐ Oil Well ☐ Gas Well ☒ Other

2 Name of Operator

COG Operating LLC

3a Address

550 W. Texas Ave., Suite 1300 Midland, TX 79701

3b. Phone No. (include area code)

432-685-4385

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

1910 FNL &amp; 990 FWL Section 18, T17S, R30E

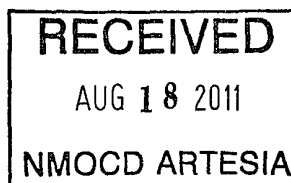
## 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input 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 checked="" type="checkbox"/> Other Build battery
	<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 permission to construct a tank battery (BKU 18-A Production Facility) at the Burch Keely Unit 411.

Attached for your review are a facility diagram and a plat.

Accepted for record  
NMOCD 8-23-1114 I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

Caden M. Jameson

Title

Permitting Specialist

Signature

Caden Jameson

Date

5/18/2011

## THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Is/ Don Peterson

Title

FIELD MANAGER

Date

AUG 11 2011

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.

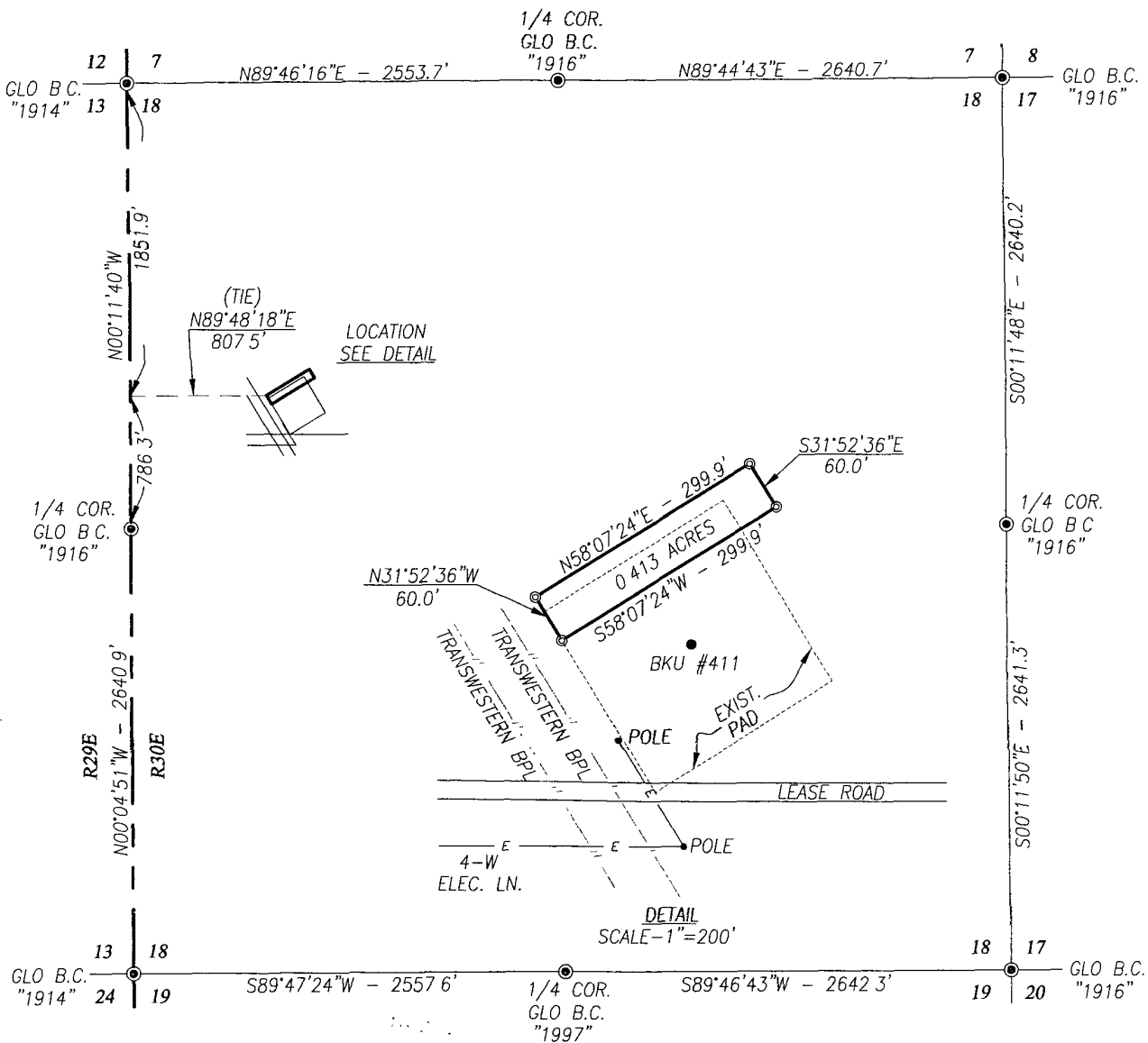
Office

CARLSBAD FIELD OFFICE

Title 18 USC, Section 1001 and Title 43 USC 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

(Instructions on page 2)

SECTION 18, TOWNSHIP 17 SOUTH, RANGE 30 EAST, N.M.P.M.  
EDDY COUNTY NEW MEXICO



DESCRIPTION

A TRACT FOR A PRODUCTION FACILITY IN THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 18, TOWNSHIP 17 SOUTH, RANGE 30 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE WEST CORNER OF THIS TRACT, WHICH LIES N00°11'40"W ALONG THE WEST LINE A DISTANCE OF 786.3 FEET AND N89°48'18"E 807.5 FEET FROM THE WEST QUARTER CORNER; THEN N58°07'24"E 299.9 FEET; THEN S31°52'36"E 60.0 FEET; THEN S58°07'24"W 299.9 FEET; THEN N31°52'36"W 60.0 FEET TO THE POINT OF BEGINNING AND CONTAINING 0.413 ACRES MORE OR LESS.

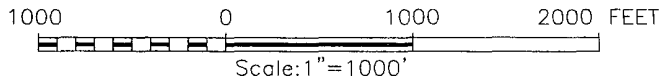
NOTE

BEARINGS SHOWN HEREON ARE MERCATOR GRID AND CONFORM TO THE NEW MEXICO COORDINATE SYSTEM "NEW MEXICO EAST ZONE" NORTH AMERICAN DATUM 1983. DISTANCES ARE SURFACE VALUES.

LEGEND

- DENOTES FOUND CORNER AS NOTED
- ⊙ DENOTES SET SPIKE NAIL

I HEREBY CERTIFY THAT I DIRECTED AND AM RESPONSIBLE FOR THIS ACTUAL ON THE GROUND SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO.



GARY E. EIDSON, P.S.  
RONALD J. EIDSON, N.M. P.S.

No. 12641  
No. 3239

PROVIDING SURVEYING SERVICES  
SINCE 1946  
JOHN WEST SURVEYING COMPANY  
412 N. DAL PASO  
HOBBS, N.M. 88240  
(575) 393-3117

COG OPERAING, LLC

SURVEY TO LOCATE  
THE BKU 18-A PROD. FACILITY  
IN SECTION 18, TOWNSHIP 17 SOUTH,  
RANGE 30 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO

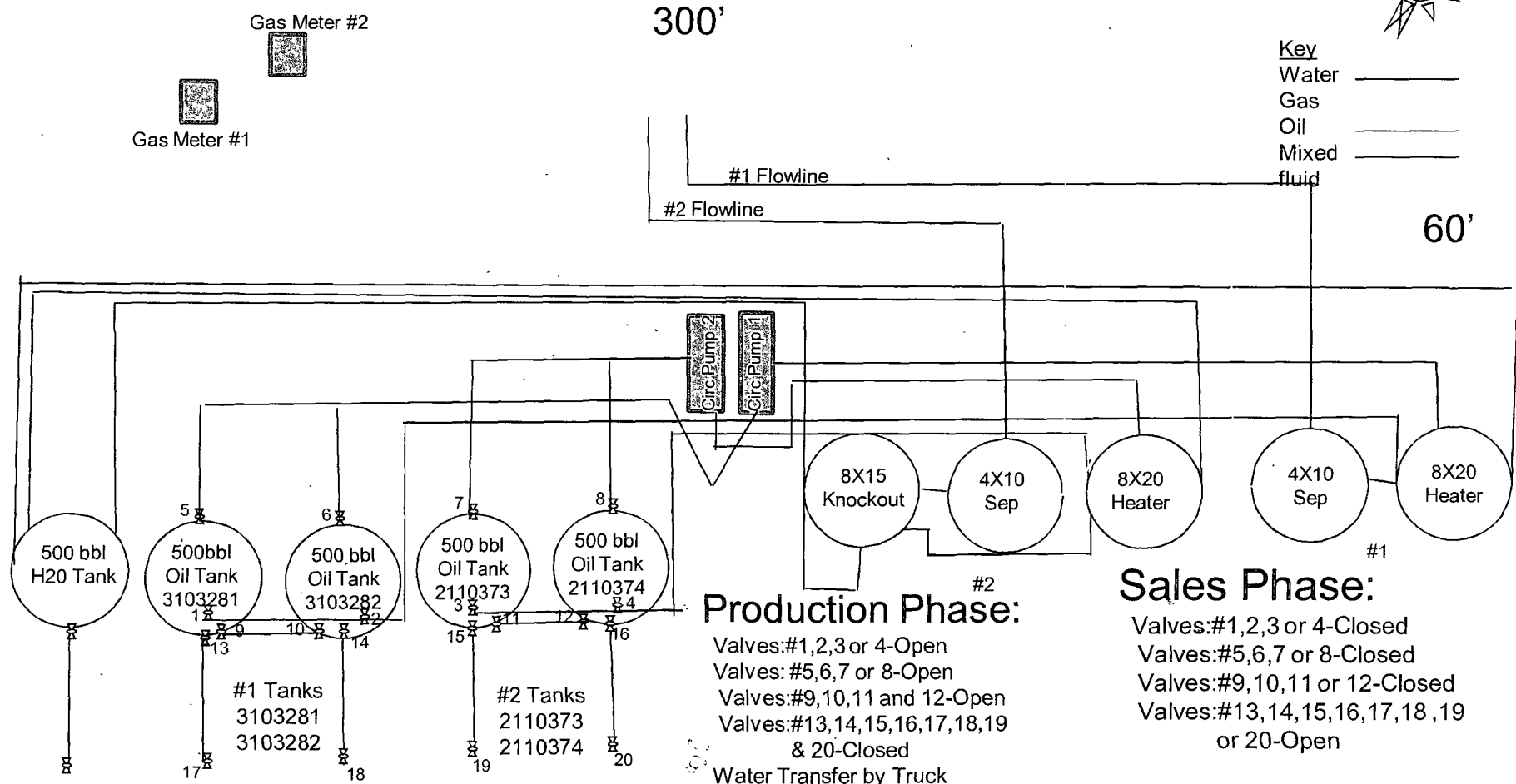
Survey Date: 4/30/11	Sheet 1 of 1 Sheets
W O Number: 11131315	Drawn By: LA Rev 6/7/11
Date: 5/10/11	REL: 11131315 CAD File 11131315

# COG OPERATING LLC

550 W. Texas Ave Ste 100 Midland, Texas 79701  
(432)-683-7443

## BKU 18-A Tank Battery

1910' FNL, 990' FWL \* Sec 18-T17S-R30E  
Eddy CO, NM



### Production Phase:

Valves: #1, 2, 3 or 4 - Open  
Valves: #5, 6, 7 or 8 - Open  
Valves: #9, 10, 11 and 12 - Open  
Valves: #13, 14, 15, 16, 17, 18, 19  
& 20 - Closed

Water Transfer by Truck

### Sales Phase:

Valves: #1, 2, 3 or 4 - Closed  
Valves: #5, 6, 7 or 8 - Closed  
Valves: #9, 10, 11 or 12 - Closed  
Valves: #13, 14, 15, 16, 17, 18, 19  
or 20 - Open

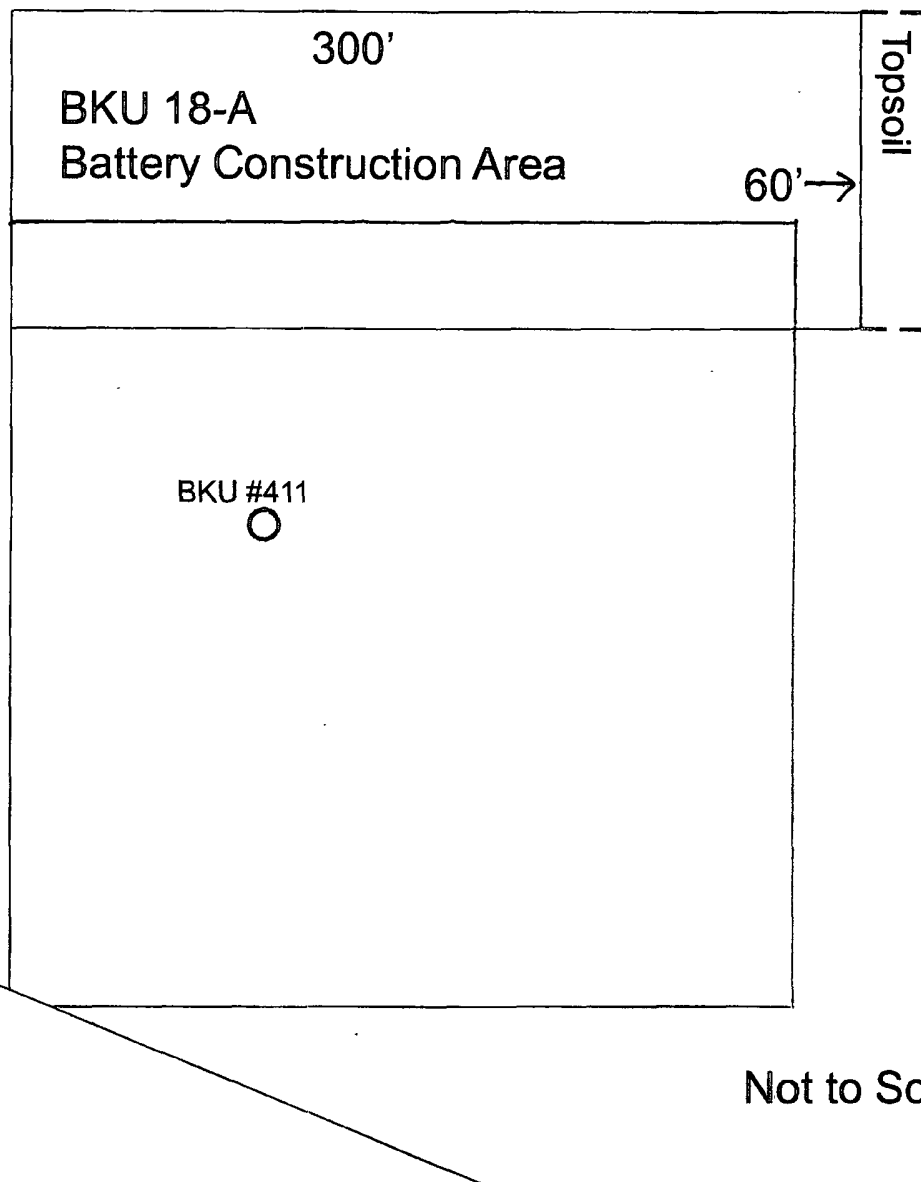
• Road Route from the south of battery utilizing the existing entrance to the BKU #411 well location

• Battery pad will be approx. 60' x 300' extending Northeast off the BKU #411 well location

• No interim reclamation on battery pad until production or foreseeable production ceases. Reclamation procedures will follow Section 10 B from the Surface Use Plan from the BKU #411 well when necessary.

• This battery site will be located directly Northwest of the BKU #411 well location

Final reclamation will be completed on the BKU 18-A Battery when operation or foreseeable operation is complete.



Not to Scale

**BLM Lease Number: NMLC028784B**  
**Company Reference: COG Operating, LLC**  
**Well Name & Number: Burch Keely Unit 411**

STANDARD STIPULATIONS FOR OIL AND GAS RELATED SITES (Tank Battery)

A copy of the Sundry Notice and attachments, including stipulations and map, will be on location during construction. BLM personnel may request to view a copy of your permit during construction to ensure compliance with all stipulations.

The holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer, BLM.

1. The holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant and for all response costs, penalties, damages, claims, and other costs arising from the provisions of the Resource Conservation and Recovery Act (RCRA), 42 U.S.C. Chap. 82, Section 6901 et. seq., from the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 U.S.C. Chap. 109, Section 9601 et. seq., and from other applicable environmental statutes.
2. The holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976, as amended (15 U.S.C. 2601, et. seq.) with regard to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized by this grant. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation and Liability Act, Section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the Authorized Officer concurrent with the filing of the reports to the involved Federal agency or State government.
3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et. seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et. seq.) on the right-of-way (unless the release or threatened release is wholly unrelated to the right-of-way holder's activity on the right-of-way). This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.
4. If, during any phase of the construction, operation, maintenance, or termination of the site or related pipeline(s), any oil or other pollutant should be discharged from site facilities, the pipeline(s) or from containers or vehicles impacting Federal lands, the control and total removal, disposal, and cleanup of such oil or other pollutant, wherever found, shall be the responsibility of the holder, regardless of fault. Upon failure of the holder to control, dispose of, or clean up such

discharge on or affecting Federal lands, or to repair all damages to Federal lands resulting therefrom, the Authorized Officer may take such measures as deemed necessary to control and cleanup the discharge and restore the area, including, where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve the holder of any liability or responsibility.

5. Sites shall be maintained in an orderly, sanitary condition at all times. Waste materials, both liquid and solid, shall be disposed of promptly at an appropriate, authorized waste disposal facility in accordance with all applicable State and Federal laws. "Waste" means all discarded matter including, but not limited to, human waste, trash, garbage, refuse, petroleum products, brines, chemicals, oil drums, ashes, and equipment.

6. In those areas where erosion control structures are required to stabilize soil conditions, the holder shall install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound management practices. Any earth work will require prior approval by the Authorized Officer.

7. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be a color which simulates "Standard Environmental Colors" designated by the Rocky Mountain Five-State Interagency Committee. The color selected for this project is **Shale Green**, Munsell Soil Color Chart Number 5Y 4/2.

8. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on the holder's behalf, on public or Federal land shall be immediately reported to the Authorized Officer. The holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to the proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

9. A sales contract for removal of mineral material (caliche, sand, gravel, fill dirt) from an authorized pit, site, or on location must be obtained from the BLM prior to commencing construction. There are several options available for purchasing mineral material: contact the BLM office (575-234-5972).

10. The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

11. Once the site is no longer in service or use, the site must undergo final abandonment. At final abandonment, the site and access roads must undergo "final" reclamation so that the character and

productivity of the land are restored. Earthwork for final reclamation must be completed within six (6) months of the abandonment of the site. All pads and facility locations and roads must be reclaimed to a satisfactory revegetated, safe, and stable condition, unless an agreement is made with the landowner or BLM to keep the road and/or pad intact. After all disturbed areas have been satisfactorily prepared, these areas need to be revegetated with the seed mixture provided. Seeding should be accomplished by drilling on the contour whenever practical or by other approved methods. Seeding may need to be repeated until revegetation is successful, as determined by the BLM.

Operators shall contact a BLM surface protection specialist prior to surface abandonment operations for site specific objectives (Jim Amos: 575-234-5909).

12. The holder shall stockpile an adequate amount of topsoil where blading occurs. The topsoil to be stripped is approximately 6 inches in depth. The topsoil will be segregated from other spoil piles. The topsoil will be used for final reclamation.

13. The holder will reseed all disturbed areas. Seeding will be done according to the attached seeding requirements, using the following seed mix.

- |  |  |
|--|--|
| <input type="checkbox"/> seed mixture 1            | <input type="checkbox"/> seed mixture 3          |
| <input checked="" type="checkbox"/> seed mixture 2 | <input type="checkbox"/> seed mixture 4          |
| <input type="checkbox"/> seed mixture 2/LPC        | <input type="checkbox"/> Aplomado Falcon Mixture |

14. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.

15. Special Stipulations:

**Lesser Prairie-Chicken**

Oil and gas activities will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration other than 3-D operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 ft. from the source of the noise.

**BLM Lease Number: NMLC028784B**  
**Company Reference: COG Operating, LLC**  
**Well Name & Number: Burch Keely Unit 411**

Seed Mixture 2, for Sandy Sites

The holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)\* per acre. There shall be no primary or secondary noxious weeds in the seed mixture. Seed will be tested and the viability testing of seed will be done in accordance with State law (s) and within nine (9) months prior to purchase. Commercial seed will be either certified or registered seed. The seed container will be tagged in accordance with State law(s) and available for inspection by the authorized officer.

Seed will be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (smaller/heavier seeds have a tendency to drop the bottom of the drill and are planted first). The holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be doubled. The seeding will be repeated until a satisfactory stand is established as determined by the authorized officer. Evaluation of growth will not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed\* per acre:

<u>Species</u>	<u>lb/acre</u>
Sand dropseed ( <i>Sporobolus cryptandrus</i> )	1.0
Sand love grass ( <i>Eragrostis trichodes</i> )	1.0
Plains bristlegrass ( <i>Setaria macrostachya</i> )	2.0

\*Pounds of pure live seed:

Pounds of seed x percent purity x percent germination = pounds pure live seed