

12-1276

OCD Artesia

Form 3160-3
(April 2004)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
NMLC-0029342D *TES*
6. If Indian, Allottee or Tribe Name
N/A *2/13/2013*

1a. Type of work: DRILL REENTER
1b. Type of Well: Oil Well Gas Well Other Single Zone Multiple Zone

7. If Unit or CA Agreement, Name and No.
N/A
8. Lease Name and Well No.
Miranda Federal #9H *< 37887*

2. Name of Operator
COG Operating LLC *< 2291377*

9. API Well No.
30-015- *41101*

3a. Address
One Concho Center
600 W Illinois Ave Midland, Texas 79701
3b. Phone No. (include area code)
432-685-4385

10. Field and Pool, or Exploratory
Loco Hills; Glorieta-Yeso 96718

4. Location of Well (Report location clearly and in accordance with any State requirements.)
At surface *SHL: 1750' FNL & 330' FEL, UL H*
At proposed prod. zone *BHL: 1650' FNL & 1650' FWL, UL F*

11. Sec., T. R. M. or Blk. and Survey or Area
Sec 9, T17S, R30E

14. Distance in miles and direction from nearest town or post office*
2 miles north of Loco Hills, NM

12. County or Parish
EDDY
13. State
NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) **330'**
16. No. of acres in lease **240**
17. Spacing Unit dedicated to this well **120**

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. **98'**
19. Proposed Depth
Upper: 5051'TVD; 8200'MD
Lower: 5551'TVD; 8700'MD
20. BLM/BIA Bond No. on file
NMB000215; NMB000740

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
3695' GL
22. Approximate date work will start*
11/30/2012
23. Estimated duration
20 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- 1. Well plat certified by a registered surveyor.
- 2. A Drilling Plan.
- 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- 5. Operator certification
- 6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature *Kacie Connally* Name (Printed/Typed) **Kacie Connally** Date **09/12/2012**

Title **Permitting Tech**

Approved by (Signature) */s/ Don Peterson* Name (Printed/Typed) **/s/ Don Peterson** Date **FEB - 8 2013**

Title **FIELD MANAGER** Office **CARLSBAD FIELD OFFICE**

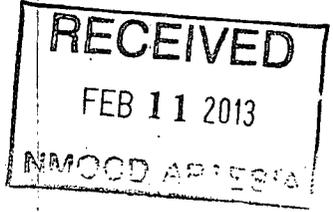
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached. **APPROVAL FOR TWO YEARS**

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.

*(Instructions on page 2)

Roswell Controlled Water Basin

Approval Subject to General Requirements & Special Stipulations Attached



SEE ATTACHED FOR CONDITIONS OF APPROVAL

*Surface Use Plan
COG Operating, LLC
Miranda Federal 9H
SL: 1750' FNL & 330' FEL UL H
BHL: 1650' FNL & 1650' FWL
Section 9, T-17-S, R-30-E
Eddy County, New Mexico*

I hereby certify that I, or persons under my direct supervision, have inspected the drill site and access road proposed herein; that I am familiar with the conditions that presently exist; that I have full knowledge of State and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or COG Operating, LLC, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements. Executed this 18th day of April, 2012.

Signed: Carl Bird

Printed Name: Carl Bird

Position: Drilling Engineer

Address: One Concho Center 600 W Illinois Ave Midland, Texas 79701

Telephone: (432) 683-7443

Field Representative (if not above signatory): Same

E-mail: cbird@concho.com

**ATTACHMENT TO FORM 3160-3
COG Operating, LLC
MIRANDA FEDERAL #9H
SHL: 1750' FNL & 330' FEL, Unit H
BHL: 1650' FNL & 1650' FWL, Unit F
Sec 9, T17S, R30E
Eddy County, NM**

Note: This will be a dual lateral well.

1. Proration Unit Spacing: 120 Acres
2. Ground Elevation: 3695'
3. Proposed Depths:

Upper Lateral: Horizontal TVD = 5051', MD =8200'

Lower Lateral: Horizontal TVD = 5551', MD =8700'

4. Estimated tops of geological markers:

| | |
|--------------|-------------|
| Rustler | 300' (est) |
| Top of Salt | 900' (est) |
| Base of Salt | 1178' (est) |
| Yates | 1246' |
| Seven Rivers | 1540' |
| Queen | 2143' |
| Grayburg | 2550' |
| San Andres | 2874' |
| Glorieta | 4288' |
| Paddock | 4394' |
| Blinebry | 4788' |
| Tubb | 5825' |

5. Possible mineral bearing formations:

| | | |
|------------|-------|-------------|
| Water Sand | 120' | Fresh Water |
| Grayburg | 2550' | |
| San Andres | 2874' | |
| Glorieta | 4288' | |
| Paddock | 4394' | |
| Blinebry | 4788' | |
| Tubb | 5825' | |

No other formations are expected to give up oil, gas or fresh water in measurable quantities. Setting 13 3/8" casing to ~~325'~~ (25' into Rustler) and circulating cement back to the surface will protect the surface fresh water sand. The Salt Section will be protected by setting 9 5/8" casing to ~~1400'~~ and circulating cement back to surface in a single or multi-stage job and/or with an ECP. Any shallower zones above TD, which contain commercial quantities of oil and/or gas, will be isolated with 7" casing set at 5000' with cement circulated to a minimum of 200' above the 9 5/8" casing shoe. Cement volumes will be calculated to surface. A 6 1/8" openhole will then be drilled to approximately 5123' and then kicked off building curve at 12°/100' over +/- 486' of horizontal section in a westerly direction to 5881' MD/ 5600' TVD. Continue drilling a 6 1/8" lateral to new BHL at 8700' MD/5551' TVD. As per attached directional plan. Then a 4 1/2" production liner will be run in the uncemented open hole lateral utilizing open hole packers and liner top packer for isolation. Request approval of liner overlap of 125' to facilitate pumping.

ATTACHMENT TO FORM 3160-3
COG Operating, LLC
MIRANDA FEDERAL #9H
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A retrievable bridge plug will be set at +/- 4800' MD. Followed by a hydraulic whipstock set at 4572' MD/4572' TVD. A window will be milled in 7' casing starting at 4572' and ending at +/- 4622'. Kick off at 4622' building curve at 12°/100' over +/- 486' of horizontal section in a westerly direction to 5381' MD/5100' TVD. Continue drilling a second 6 1/8" lateral from 5381' MD/5100' TVD to 8200' MD/5051' TVD as per attached drilling plan. A second 4 1/2" uncemented production liner using open hole packers will be run in hole. J off liner and leave top of liner at 4651' MD (+/- 30' outside of casing window).

*See
COA*

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 environment.

6. Proposed Mud System

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

| DEPTH (MD) | TYPE | WEIGHT | VISCOSITY | WATERLOSS |
|---------------------------------------|-----------------------|---------|-----------|-----------|
| 0-325' ³⁵⁰ | Fresh Water | 8.5 | 28 | N.C. |
| 325'-1300' ¹²⁰⁰ | Brine | 10 | 30 | N.C. |
| 1300'-5000' | Cut Brine | 8.7-9.2 | 30 | N.C. |
| Lower curve & lateral 5000'-8700'MD | Cut Brine/polymer mud | 8.7-9.2 | 30 | N.C. |
| Upper curve & lateral 4622'-8200'MD | Cut Brine/polymer mud | 8.7-9.2 | 30 | 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.

Visual or electronic mud monitoring equipment shall be in place to detect volume changes indicating loss or gain of circulating fluid volume.

The mud program has been designed to minimize the volume of H2S circulated to surface. Proper mud weights, safe drilling practices and the use of H2S scavengers will minimize hazards when penetrating h2S bearing zones.

6. Proposed Casing Program

See CBA

| Hole Size | Interval MD | OD Casing Interval MD | Weight | Grade | Condition | Jt. | brst/clps/ten |
|-------------------------|---------------------------------------------|-----------------------|--------|---------------------|-----------|------|----------------|
| 17 1/2" | 0-325' <i>350'</i> | 13 3/8" 0-325' | 48# | H-40/J-55 Hybrid | New | ST&C | 12.1/5.17/23.7 |
| 12 1/4" | 325'-1300' <i>1300'-1300'</i> | 9 5/8" 0-1300' | 40# | J/K-55 | New | LT&C | 3.76/3.53/9.50 |
| 8 3/4" | 1300'-5000' | 7" 0-5000' | 26# | L-80 | New | LT&C | 1.45/2.30/4.56 |
| Lower Lateral 6 1/8" | 5000'-8700' | 4 1/2" 4875'-8700' | 11.6# | L-80 | New | LT&C | 1.56/2.65/3.15 |
| Upper Lateral 6 1/8" | 4592'-8200' | 4 1/2" 4592'-8200' | 11.6# | L-80 | New | LT&C | 1.56/2.65/3.15 |

7. Proposed Cement Program *See CBA*

13 3/8" SURFACE: (Circulate to Surface)

Tail: 0-325' 400 sks Class C w/2% CaCl2 1.32 cf/sk 14.8 ppg
 Excess 102%

9 5/8" INTERMEDIATE:

Option #1: Single Stage (Circulate to Surface)

Lead: 300 sks 50:50:10 C:Poz:Gel 2.45 cf/sk 11.8 ppg
 0'-900' w/ 5% Salt+ 0.25% CF
 Excess 143% +5 pps LCM

Tail: 200 sks Class C w/2% CaCl2 1.32 cf/sk 14.8 ppg
 900'-1300'
 Excess 86%

400

Option #2: Multi-stage w/ DV Tool @ +/-375' (DV Tool 50' below 13 3/8" csg. Shoe)
 (Circulate to Surface)

Stage #1: 200 sks 50:50:10 C:Poz:Gel 2.45 cf/sk 14.8 ppg
 Lead: w/ 5% Salt+ 0.25% CF
 375'-900' +5 pps LCM
 Excess 198%

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COG Operating, LLC
MIRANDA FEDERAL #9H
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| | | | | |
|------------|---------|--------------------------------|------------|----------|
| Tail: | 200 sks | Class C w/2% CaCl ₂ | 1.32 cf/sk | 14.8 ppg |
| 900'-1300' | | | | |
| Excess 86% | | | | |

| | | | | |
|-----------------|---------|------------------------------|------------|----------|
| Stage #2 | | | | |
| 0'-375' | 100 sks | 50:50:10 C:Poz:Gel w/5% | 2.45 cf/sk | 11.8 ppg |
| Excess 78% | | salt+ 0.25% CF +5 pps LCM | | |

Note: Multi-stage tool to be set depending on hole conditions at approximately 375' (50' below the surface casing shoe). Cement volumes will be adjusted proportionately for depth changes of multi-stage tool.

7" PRODUCTION CASING: Lower Lateral

Option #1: Single Stage to surface (Cement cal to surface)

| | | | | |
|-----------------------|---------|-------------------------|------------|----------|
| 1 st Lead: | 500 sks | 35:65:6 C:Poz Gel w/5% | 2.01 cf/sk | 12.5 ppg |
| 0'-3000' | | salt+ 5 pps LCM+ 0.2 % | | |
| (min. tie back 200' | | SMS+ 0.3% FL-52A+ | | |
| above 9 5/8" shoe) | | 0.125 pps CF+1 % BA-58+ | | |
| Excess 118.0% | | 1% FL-25 | | |
| Tail: | 400 sks | 50:50:2 C:Poz Gel w/5% | 1.37 cf/sk | 14.0 ppg |
| 3000'-5000' | | salt+ 3 pps LCM+ 0.6 % | | |
| Excess 77.0% | | SMS+ 0.3% FL-52A+ | | |
| | | 0.125 pps CF+1% FL-25+ | | |
| | | 1% BA-58 | | |

Option #2: Multi-stage (2 Stages)

Stage #1: TD to DV Tool @ 1350' (50' below 9 5/8" csg shoe)

| | | | | |
|---------------|---------|-------------------------|------------|----------|
| Lead: | 250 sks | 35:65:6 C:Poz Gel w/5% | 2.01 cf/sk | 12.5 ppg |
| 1350'-3000' | | salt+ 5 pps LCM+ 0.2 % | | |
| Excess 103.0% | | SMS+ 0.3% FL-52A+ | | |
| | | 0.125 pps CF+1 % BA-58+ | | |
| | | 1% FL-25 | | |

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COG Operating, LLC
MIRANDA FEDERAL #9H
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Stage #1: Continued

| | | | | |
|--------------|---------|------------------------|------------|----------|
| Tail: | 400 sks | 50:50:2 C:Poz Gel w/5% | 1.37 cf/sk | 14.0 ppg |
| 3000'-5000' | | salt+ 3 pps LCM+ 0.6 % | | |
| Excess 77.0% | | SMS+ 0.3% FL-52A+ | | |
| | | 0.125 pps CF+1% FL-25+ | | |
| | | 1% BA-58 | | |

Stage #2: DV Tool @ 1350' to Surface (Cement calculated to surface)

| | | | | |
|---------------------|---------|-------------------------|------------|----------|
| Lead: | 250 sks | 35:65:6 C:Poz Gel w/5% | 2.01 cf/sk | 12.5 ppg |
| 0'-1350' | | salt+ 5 pps LCM+ 0.2 % | | |
| (min. tie back 200' | | SMS+ 0.3% FL-52A+ | | |
| above 9 5/8" shoe) | | 0.125 pps CF+1 % BA-58+ | | |
| Excess 135.0% | | 1% FL-25 | | |

Note: FL-52A is fluid loss additive, R-3 is retarder

4 1/2" LOWER LATERAL LINER cementing description: TD to Liner top at 4850'

| | | | | |
|-------------|---------|---------------------|------------|----------|
| Tail: | 300 sks | Class "H" SOLUCEM-H | 2.62 cf/sk | 15.0 ppg |
| 4850'-8700' | | W/0.7% HR-601 | | |
| Excess 116% | | | | |

Upper Lateral Running Summary:

4 1/2" casing liner will be run thru window at 4621' thru curve and lateral to TD of 8200' MD/5051'TVD. Liner top will be +/- 30' outside of casing window. Productive intervals will be isolated by a Peak Packer system or similar.

8. Pressure Control Equipment:

See
COA

The blowout preventer equipment (BOP) shown in Exhibit #9 will consist of a double ram-type (2000 psi WP) preventer, and in some cases possibly a 2000 psi Hydril type annular preventer as provided for in Onshore Order #2. This unit will be hydraulically operated and the ram type preventer will be equipped with blind rams on top and 4 1/2" drill pipe rams on the bottom. A 13-5/8" BOP will be used during the drilling of the well. A 13 5/8" permanent casing head will be installed on the 13 3/8" casing. The BOP will be nipped up on the 13 5/8" permanent casing head and tested to 2000 psig. After setting 9-5/8", permanent "B section" well head will be installed and the BOP will then be nipped up on the permanent B section. BOP and well head will be tested by a third party to 2000 psig and used continuously until total depth is reached. 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 will include a Kelly cock and floor safety valve, choke lines and a choke manifold with a 2000 psi WP rating all of which will also be tested to working pressure by independent tester also.

ATTACHMENT TO FORM 3160-3
COG Operating, LLC
MIRANDA FEDERAL #9H
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9. Production Hole Drilling Summary:

Lower Lateral

Drill 6 1/8" hole from 5000' to +/-5123'. Kick off at +/- 5123', building curve at 12°/100' over +/- 758' to horizontal at 5881' MD/5600'TVD. Drill 6 1/8" lateral section in a westerly direction for +/-2819' lateral to TD at +/-8700'MD/ 5551'TVD. Run 4 1/2" production liner from 4850'(150' liner overlap) to td and cement in single stage .

Upper Lateral

Drill window in 7" casing from 4572' to 4622'. Kick off 6 1/8" OH at +/- 4622', building curve at 12° over +/- 758' to horizontal at 5381' MD/5100'TVD. Drill 6 1/8" lateral section in a westerly direction for +/-2819' lateral to TD at +/-8200'MD/ 5051'TVD. Run 4 1/2" production liner from 4652' to 8200' TD. 4 1/2" will be run from kickoff point to td and isolation packers set throughout lateral. J off the liner and leave top of liner at +/- 30' outside of casing window.

10. 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.

11. Logging, Testing and Coring Program:

*See
COA*

- A. The following logs will be run in the vertical portion of the hole to KOP: SLB-PEX/HRLA, HNGS.
- B. The mud logging program will consist of lagged 10' samples from KOP to TD in Horizontal hole.
- C. Drill Stem test is not anticipated.
- D. No conventional coring is anticipated.
- E. Further testing procedures will be determined after the 7" x 4 1/2" production casing has been cemented at TD based on drill shows and log evaluation.

12. Abnormal Conditions, Pressures, Temperatures and Potential Hazards:

No abnormal pressures or temperatures are anticipated. The estimated bottom hole temperature at TD is 90° Fahrenheit and estimated maximum bottom hole pressure is 2244 psi. Wells in the Loco Hills area will penetrate formations that are known or could reasonably be expected to contain hydrogen sulfide. Measurable gas volumes or hydrogen sulfide levels have not been encountered during drilling operations in this area, However a H2S drilling operations plan is included with this APD. If H2S concentrations exceed 100 ppm a remote operated choke will be installed (see diagram #8 & #9) and COG will comply with the specifics of Onshore Order #6. No major loss circulation zones have been reported in offsetting wells.

13. Anticipated Starting Date

Drilling operations will commence approximately on **March 31, 2013** with drilling and completion operations lasting approximately **90** days.

COG Operating LLC

Eddy County, NM

Miranda Federal 9H

Miranda Federal 9H

Wellbore #2

Surface: 1750' FNL, 330' FEL, Sec 9, T17S, R30E, Unit H
BHL: 1650' FNL, 1650' FWL, Sec 9, T17S, R30E, Unit F

Plan: Upper Lateral Plan #1

Standard Planning Report

20 April, 2012

Crescent Directional Drilling Planning Report

| | | | |
|--------------------------------------|-------------------------------------------------------------------|-----------------------------------|--------------------------------------------------------------------|
| Database: R5000 Houston DB | Local Co-ordinate Reference: Site Miranda Federal 9H | Company: COG Operating LLC | TVD Reference: WELL (copy) @ 3713.00ft (Original Well Elev) |
| Project: Eddy County, NM | MD Reference: WELL (copy) @ 3713.00ft (Original Well Elev) | | North Reference: Grid |
| Site: Miranda Federal 9H | Survey Calculation Method: Minimum Curvature. | | |
| Well: Miranda Federal 9H | | | |
| Wellbore: Wellbore #2 | | | |
| Design: Upper Lateral Plan #1 | | | |

| | |
|---------------------------------------------------------|-------------------------------------|
| Project: Eddy County, NM | |
| Map System: US State Plane 1927 (Exact solution) | System Datum: Mean Sea Level |
| Geo Datum: NAD 1927 (NADCON CONUS) | |
| Map Zone: New Mexico East 3001 | |

| | | | |
|--------------------------------------|--------------------------------|---------------------------------|--|
| Site: Miranda Federal 9H | | | |
| Site Position: | Northing: 673,629.40 ft | Latitude: 32.851357 | |
| From: Map | Easting: 611,908.00 ft | Longitude: -103.968932 | |
| Position Uncertainty: 0.00 ft | Slot Radius: 13.200 in | Grid Convergence: 0.20 ° | |

| | | | |
|---------------------------------|----------------------|--------------------------------|----------------------------------|
| Well: Miranda Federal 9H | | | |
| Well Position | +N/-S 0.00 ft | Northing: 673,629.40 ft | Latitude: 32.851357 |
| | +E/-W 0.00 ft | Easting: 611,908.00 ft | Longitude: -103.968932 |
| Position Uncertainty | 0.00 ft | Wellhead Elevation: | Ground Level: 3,695.00 ft |

| | | | |
|------------------------------|-------------------|--------------------|-----------------------------------|
| Wellbore: Wellbore #2 | | | |
| Magnetics | Model Name | Sample Date | Declination |
| | IGRF2010 | 4/20/2012 | (°) 7.71 |
| | | | Dip Angle (°) 60.68 |
| | | | Field Strength (nT) 48,863 |

| | | | |
|--------------------------------------|------------------------------|----------------------|-----------------------------|
| Design: Upper Lateral Plan #1 | | | |
| Audit Notes: | | | |
| Version: | Phase: PROTOTYPE | Tie On Depth: | 4,622.61 |
| Vertical Section: | Depth From (TVD) (ft) | +N/-S (ft) | +E/-W (ft) |
| | 0.00 | 0.00 | 0.00 |
| | | | Direction (°) 271.67 |

| Plan Sections | | | | | | | | | | |
|----------------------|-----------------|-------------|---------------------|------------|------------|-----------------------|----------------------|---------------------|---------|---------------------|
| Measured Depth (ft) | Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | Dogleg Rate (°/100ft) | Build Rate (°/100ft) | Turn Rate (°/100ft) | TFO (°) | Target |
| 4,622.61 | 0.00 | 0.00 | 4,622.61 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 5,380.94 | 91.00 | 271.67 | 5,100.00 | 14.13 | -485.59 | 12.00 | 12.00 | -11.65 | 271.67 | |
| 8,199.87 | 91.00 | 271.67 | 5,050.80 | 96.10 | -3,302.90 | 0.00 | 0.00 | 0.00 | 0.00 | UL PBHL (Miranda Fe |

Crescent Directional Drilling Planning Report

| | | | |
|------------------|-----------------------|-------------------------------------|----------------------------------------------|
| Database: | R5000 Houston DB | Local Co-ordinate Reference: | Site Miranda Federal 9H |
| Company: | COG Operating LLC | TVD Reference: | WELL (copy) @ 3713.00ft (Original Well Elev) |
| Project: | Eddy County, NM | MD Reference: | WELL (copy) @ 3713.00ft (Original Well Elev) |
| Site: | Miranda Federal 9H | North Reference: | Grid |
| Well: | Miranda Federal 9H | Survey Calculation Method: | Minimum Curvature |
| Wellbore: | Wellbore #2 | | |
| Design: | Upper Lateral Plan #1 | | |

| Planned Survey | | | | | | | | | | |
|------------------------------------------------------|-----------------|-------------|---------------------|------------|------------|-----------------------|-----------------------|----------------------|---------------------|------|
| Measured Depth (ft) | Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | Vertical Section (ft) | Dogleg Rate (°/100ft) | Build Rate (°/100ft) | Turn Rate (°/100ft) | |
| 4,622.61 | 0.00 | 0.00 | 4,622.61 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| KOP - Start Build @ 12.00°/100' | | | | | | | | | | |
| 4,700.00 | 9.29 | 271.67 | 4,699.66 | 0.18 | -6.26 | 6.26 | 12.00 | 12.00 | 0.00 | 0.00 |
| 4,800.00 | 21.29 | 271.67 | 4,795.95 | 0.95 | -32.56 | 32.58 | 12.00 | 12.00 | 0.00 | 0.00 |
| 4,900.00 | 33.29 | 271.67 | 4,884.66 | 2.28 | -78.30 | 78.34 | 12.00 | 12.00 | 0.00 | 0.00 |
| 5,000.00 | 45.29 | 271.67 | 4,961.91 | 4.12 | -141.48 | 141.54 | 12.00 | 12.00 | 0.00 | 0.00 |
| 5,100.00 | 57.29 | 271.67 | 5,024.34 | 6.38 | -219.33 | 219.43 | 12.00 | 12.00 | 0.00 | 0.00 |
| 5,200.00 | 69.29 | 271.67 | 5,069.21 | 8.97 | -308.46 | 308.59 | 12.00 | 12.00 | 0.00 | 0.00 |
| 5,300.00 | 81.29 | 271.67 | 5,094.56 | 11.78 | -404.96 | 405.13 | 12.00 | 12.00 | 0.00 | 0.00 |
| 5,380.94 | 91.00 | 271.67 | 5,100.00 | 14.13 | -485.59 | 485.79 | 12.00 | 12.00 | 0.00 | 0.00 |
| Landing Point - Hold @ 91.00° INC, 271.67° AZ | | | | | | | | | | |
| 5,380.94 | 91.00 | 271.67 | 5,100.00 | 14.13 | -485.59 | 485.80 | 12.00 | 12.00 | 0.00 | 0.00 |
| 5,400.00 | 91.00 | 271.67 | 5,099.67 | 14.68 | -504.64 | 504.85 | 0.00 | 0.00 | 0.00 | 0.00 |
| 5,500.00 | 91.00 | 271.67 | 5,097.92 | 17.59 | -604.58 | 604.84 | 0.00 | 0.00 | 0.00 | 0.00 |
| 5,600.00 | 91.00 | 271.67 | 5,096.18 | 20.50 | -704.52 | 704.82 | 0.00 | 0.00 | 0.00 | 0.00 |
| 5,700.00 | 91.00 | 271.67 | 5,094.43 | 23.41 | -804.47 | 804.81 | 0.00 | 0.00 | 0.00 | 0.00 |
| 5,800.00 | 91.00 | 271.67 | 5,092.69 | 26.31 | -904.41 | 904.79 | 0.00 | 0.00 | 0.00 | 0.00 |
| 5,900.00 | 91.00 | 271.67 | 5,090.94 | 29.22 | -1,004.35 | 1,004.78 | 0.00 | 0.00 | 0.00 | 0.00 |
| 6,000.00 | 91.00 | 271.67 | 5,089.20 | 32.13 | -1,104.29 | 1,104.76 | 0.00 | 0.00 | 0.00 | 0.00 |
| 6,100.00 | 91.00 | 271.67 | 5,087.45 | 35.04 | -1,204.24 | 1,204.74 | 0.00 | 0.00 | 0.00 | 0.00 |
| 6,200.00 | 91.00 | 271.67 | 5,085.71 | 37.95 | -1,304.18 | 1,304.73 | 0.00 | 0.00 | 0.00 | 0.00 |
| 6,300.00 | 91.00 | 271.67 | 5,083.96 | 40.85 | -1,404.12 | 1,404.71 | 0.00 | 0.00 | 0.00 | 0.00 |
| 6,400.00 | 91.00 | 271.67 | 5,082.22 | 43.76 | -1,504.06 | 1,504.70 | 0.00 | 0.00 | 0.00 | 0.00 |
| 6,500.00 | 91.00 | 271.67 | 5,080.47 | 46.67 | -1,604.01 | 1,604.68 | 0.00 | 0.00 | 0.00 | 0.00 |
| 6,600.00 | 91.00 | 271.67 | 5,078.72 | 49.58 | -1,703.95 | 1,704.67 | 0.00 | 0.00 | 0.00 | 0.00 |
| 6,700.00 | 91.00 | 271.67 | 5,076.98 | 52.49 | -1,803.89 | 1,804.65 | 0.00 | 0.00 | 0.00 | 0.00 |
| 6,800.00 | 91.00 | 271.67 | 5,075.23 | 55.39 | -1,903.83 | 1,904.64 | 0.00 | 0.00 | 0.00 | 0.00 |
| 6,900.00 | 91.00 | 271.67 | 5,073.49 | 58.30 | -2,003.78 | 2,004.62 | 0.00 | 0.00 | 0.00 | 0.00 |
| 7,000.00 | 91.00 | 271.67 | 5,071.74 | 61.21 | -2,103.72 | 2,104.61 | 0.00 | 0.00 | 0.00 | 0.00 |
| 7,100.00 | 91.00 | 271.67 | 5,070.00 | 64.12 | -2,203.66 | 2,204.59 | 0.00 | 0.00 | 0.00 | 0.00 |
| 7,200.00 | 91.00 | 271.67 | 5,068.25 | 67.02 | -2,303.60 | 2,304.58 | 0.00 | 0.00 | 0.00 | 0.00 |
| 7,300.00 | 91.00 | 271.67 | 5,066.51 | 69.93 | -2,403.54 | 2,404.56 | 0.00 | 0.00 | 0.00 | 0.00 |
| 7,400.00 | 91.00 | 271.67 | 5,064.76 | 72.84 | -2,503.49 | 2,504.55 | 0.00 | 0.00 | 0.00 | 0.00 |
| 7,500.00 | 91.00 | 271.67 | 5,063.02 | 75.75 | -2,603.43 | 2,604.53 | 0.00 | 0.00 | 0.00 | 0.00 |
| 7,600.00 | 91.00 | 271.67 | 5,061.27 | 78.66 | -2,703.37 | 2,704.52 | 0.00 | 0.00 | 0.00 | 0.00 |
| 7,700.00 | 91.00 | 271.67 | 5,059.52 | 81.56 | -2,803.31 | 2,804.50 | 0.00 | 0.00 | 0.00 | 0.00 |
| 7,800.00 | 91.00 | 271.67 | 5,057.78 | 84.47 | -2,903.26 | 2,904.49 | 0.00 | 0.00 | 0.00 | 0.00 |
| 7,900.00 | 91.00 | 271.67 | 5,056.03 | 87.38 | -3,003.20 | 3,004.47 | 0.00 | 0.00 | 0.00 | 0.00 |
| 8,000.00 | 91.00 | 271.67 | 5,054.29 | 90.29 | -3,103.14 | 3,104.46 | 0.00 | 0.00 | 0.00 | 0.00 |
| 8,100.00 | 91.00 | 271.67 | 5,052.54 | 93.20 | -3,203.08 | 3,204.44 | 0.00 | 0.00 | 0.00 | 0.00 |
| 8,193.76 | 91.00 | 271.67 | 5,050.91 | 95.92 | -3,296.79 | 3,298.19 | 0.00 | 0.00 | 0.00 | 0.00 |
| LL PBHL (Miranda Federal 9H LL Plan 1) | | | | | | | | | | |
| 8,199.87 | 91.00 | 271.67 | 5,050.80 | 96.10 | -3,302.89 | 3,304.29 | 0.00 | 0.00 | 0.00 | 0.00 |
| TD @ 8199.87' MD, 5050.80' TVD | | | | | | | | | | |
| 8,199.87 | 91.00 | 271.67 | 5,050.80 | 96.10 | -3,302.90 | 3,304.30 | 0.00 | 0.00 | 0.00 | 0.00 |
| UL PBHL (Miranda Federal 9H UL Plan 1) | | | | | | | | | | |

Crescent Directional Drilling Planning Report

| | | | |
|------------------|-----------------------|-------------------------------------|----------------------------------------------|
| Database: | R5000 Houston DB | Local Co-ordinate Reference: | Site Miranda Federal 9H |
| Company: | COG Operating LLC | TVD Reference: | WELL (copy) @ 3713.00ft (Original Well Elev) |
| Project: | Eddy County, NM | MD Reference: | WELL (copy) @ 3713.00ft (Original Well Elev) |
| Site: | Miranda Federal 9H | North Reference: | Grid |
| Well: | Miranda Federal 9H | Survey Calculation Method: | Minimum Curvature |
| Wellbore: | Wellbore #2 | | |
| Design: | Upper Lateral Plan #1 | | |

| Design Targets | | | | | | | | | |
|---------------------------------------------------------------|-----------|----------|----------|-------|-----------|------------|------------|-----------|-------------|
| Target Name | Dip Angle | Dip Dir. | TVD | +N/-S | +E/-W | Northing | Easting | Latitude | Longitude |
| - hit/miss target | (°) | (°) | (ft) | (ft) | (ft) | (ft) | (ft) | | |
| UL PBHL (Miranda Fede - plan hits target center - Point | 0.00 | 0.00 | 5,050.80 | 96.10 | -3,302.90 | 673,725.50 | 608,605.10 | 32.851652 | -103.979686 |

| Plan Annotations | | | | | |
|---------------------------|---------------------------|------------------------------------|---------------|-----------------------------------------------|--|
| Measured Depth (ft) | Vertical Depth (ft) | Local Coordinates +N/-S (ft) | +E/-W (ft) | Comment | |
| 4,622.61 | 4,622.61 | 0.00 | 0.00 | KOP - Start Build @ 12.00°/100' | |
| 5,380.94 | 5,100.00 | 14.13 | -485.59 | Landing Point - Hold @ 91.00° INC, 271.67° AZ | |
| 8,199.87 | 5,050.80 | 96.10 | -3,302.89 | TD @ 8199.87' MD, 5050.80' TVD | |



**COG Operating LLC
Miranda Federal 9H
Eddy County, NM
Upper Lateral Plan #1**



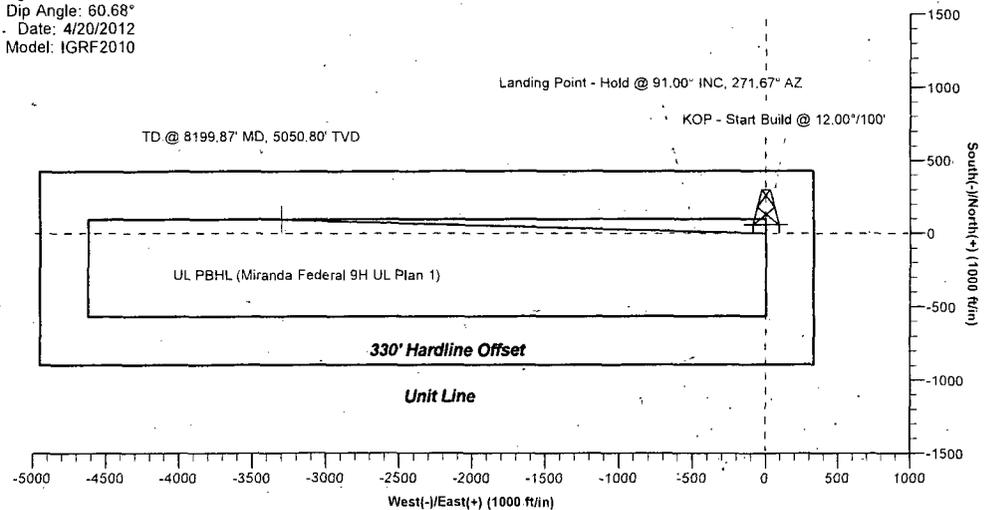
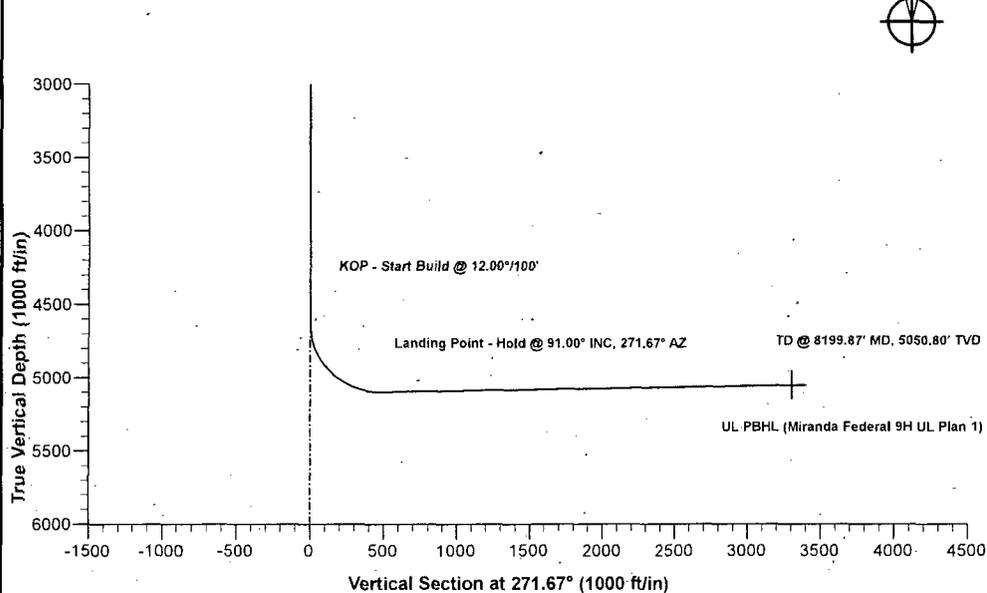
| | | | | | |
|------------------|-------|-------------------------------------------------------------------|-----------|-----------|-------------|
| Surface Location | | Ground Elev: 3695.00 WELL (copy) @ 3713.00ft (Original Well Elev) | | | |
| +N/-S | +E/-W | Northing | Easting | Latitude | Longitude |
| 0.00 | 0.00 | 673629.40 | 611908.00 | 32.851357 | -103.968931 |

| TARGET DETAILS | | | | | | | |
|----------------------------------------|---------|-------|----------|-----------|-----------|-----------|-------------|
| Name | TVD | +N/-S | +E/-W | Northing | Easting | Latitude | Longitude |
| UL PBHL (Miranda Federal 9H UL Plan 1) | 5050.80 | 96.10 | -3302.90 | 673725.50 | 608605.10 | 32.851652 | -103.979685 |



Azimuths to Grid North
True North: -0.20°
Magnetic North: 7.51°

Magnetic Field
Strength: 48863.1snT
Dip Angle: 60.68°
Date: 4/20/2012
Model: IGRF2010



| SECTION DETAILS | | | | | | | | | | | |
|-----------------|---------|-------|--------|---------|-------|----------|-------|--------|---------|-----------------------------------------------|--|
| Sec | MD | Inc | Azi | TVD | +N/-S | +E/-W | Dleg | TFace | VFace | Annotation | |
| 1 | 4622.61 | 0.00 | 0.00 | 4622.61 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | KOP - Start Build @ 12.00°/100' | |
| 2 | 5380.94 | 91.00 | 271.67 | 5100.00 | 14.13 | -485.59 | 12.00 | 271.67 | 485.80 | Landing Point - Hold @ 91.00° INC, 271.67° AZ | |
| 3 | 8199.87 | 91.00 | 271.67 | 5050.80 | 96.10 | -3302.90 | 0.00 | 0.00 | 3304.30 | TD @ 8199.87° MD, 5050.80' TVD | |

COG Operating LLC

Eddy County, NM

Miranda Federal 9H

Miranda Federal 9H

Wellbore #1

Plan: Lower Lateral Plan #2

Surface: 1750' FNL, 330' FEL, Sec 9, T17S, R30E, Unit H

BHL: 1650' FNL, 1650' FWL, Sec 9, T17S, R30E, Unit F

Standard Planning Report

10 September, 2012

Planning Report

| | | | |
|------------------|------------------------|-------------------------------------|----------------------------------------------|
| Database: | Houston R5000 Database | Local Co-ordinate Reference: | Site Miranda Federal 9H |
| Company: | C&G Operating LLC | TVD Reference: | WELL (copy) @ 3713.00ft (Original Well Elev) |
| Project: | Eddy County, NM | MD Reference: | WELL (copy) @ 3713.00ft (Original Well Elev) |
| Site: | Miranda Federal 9H | North Reference: | Grid |
| Well: | Miranda Federal 9H | Survey Calculation Method: | Minimum Curvature |
| Wellbore: | Wellbore #1 | | |
| Design: | Lower Lateral Plan #2 | | |

| | | | |
|--------------------|--------------------------------------|----------------------|----------------|
| Project | Eddy County, NM | | |
| Map System: | US State Plane 1927 (Exact solution) | System Datum: | Mean Sea Level |
| Geo Datum: | NAD 1927 (NADCON CONUS) | | |
| Map Zone: | New Mexico East 3001 | | |

| | | | | | |
|------------------------------|--------------------|---------------------|---------------|--------------------------|-------------|
| Site | Miranda Federal 9H | | | | |
| Site Position: | | Northing: | 673,629.40 ft | Latitude: | 32.851357 |
| From: | Map | Easting: | 611,908.00 ft | Longitude: | -103.968932 |
| Position Uncertainty: | 0.00 ft | Spot Radius: | 13.200 in | Grid Convergence: | 0.20 ° |

| | | | | | | |
|-----------------------------|--------------------|---------|----------------------------|---------------|----------------------|-------------|
| Well | Miranda Federal 9H | | | | | |
| Well Position | +N/-S | 0.00 ft | Northing: | 673,629.40 ft | Latitude: | 32.851357 |
| | +E/-W | 0.00 ft | Easting: | 611,908.00 ft | Longitude: | -103.968932 |
| Position Uncertainty | | 0.00 ft | Wellhead Elevation: | | Ground Level: | 3,695.00 ft |

| | | | | | |
|------------------|-------------------|--------------------|--------------------|------------------|-----------------------|
| Wellbore | Wellbore #1 | | | | |
| Magnetics | Model Name | Sample Date | Declination | Dip Angle | Field Strength |
| | IGRF2010 | 4/20/2012 | (°) 7.71 | (°) 60.68 | (nT) 48,863 |

| | | | | |
|--------------------------|-------------------------|--------------|----------------------|------------------|
| Design | Lower Lateral Plan #2 | | | |
| Audit Notes: | | | | |
| Version: | Phase: | PLAN | Tie On Depth: | 0.00 |
| Vertical Section: | Depth From (TVD) | +N/-S | +E/-W | Direction |
| | (ft) | (ft) | (ft) | (°) |
| | 0.00 | 0.00 | 0.00 | 271.67 |

| Plan Sections | | | | | | | | | | |
|---------------|-------------|---------|----------|-------|-----------|-----------|-----------|-----------|--------|---------------------|
| Measured | Inclination | Azimuth | Vertical | +N/-S | +E/-W | Dogleg | Build | Turn | TFO | Target |
| Depth | (°) | (°) | Depth | (ft) | (ft) | Rate | Rate | Rate | (°) | |
| (ft) | | | (ft) | | | (°/100ft) | (°/100ft) | (°/100ft) | | |
| 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 5,122.61 | 0.00 | 0.00 | 5,122.61 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 5,880.94 | 91.00 | 271.67 | 5,600.00 | 14.13 | -485.59 | 12.00 | 12.00 | 0.00 | 271.67 | |
| 8,699.87 | 91.00 | 271.67 | 5,550.80 | 96.10 | -3,302.90 | 0.00 | 0.00 | 0.00 | 0.00 | LL PBHL (Miranda Fe |

Planning Report

| | | | |
|-----------|------------------------|------------------------------|----------------------------------------------|
| Database: | Houston R5000 Database | Local Co-ordinate Reference: | Site Miranda Federal 9H |
| Company: | COG Operating LLC | TVD Reference: | WELL (copy) @ 3713.00ft (Original Well Elev) |
| Project: | Eddy County, NM | MD Reference: | WELL (copy) @ 3713.00ft (Original Well Elev) |
| Site: | Miranda Federal 9H | North Reference: | Grid |
| Well: | Miranda Federal 9H | Survey Calculation Method: | Minimum Curvature |
| Wellbore: | Wellbore #1 | | |
| Design: | Lower Lateral Plan #2 | | |

| Planned Survey | | | | | | | | | | |
|--------------------------------------------------------------------------------|-----------------|-------------|---------------------|------------|------------|-----------------------|-----------------------|----------------------|---------------------|------|
| Measured Depth (ft) | Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | Vertical Section (ft) | Dogleg Rate (°/100ft) | Build Rate (°/100ft) | Turn Rate (°/100ft) | |
| 5,122.61 | 0.00 | 0.00 | 5,122.61 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| KOP - Start Build @ 12.00°/100' | | | | | | | | | | |
| 5,200.00 | 9.29 | 271.67 | 5,199.66 | 0.18 | -6.26 | 6.26 | 12.00 | 12.00 | 12.00 | 0.00 |
| 5,300.00 | 21.29 | 271.67 | 5,295.95 | 0.95 | -32.56 | 32.58 | 12.00 | 12.00 | 12.00 | 0.00 |
| 5,400.00 | 33.29 | 271.67 | 5,384.66 | 2.28 | -78.31 | 78.34 | 12.00 | 12.00 | 12.00 | 0.00 |
| 5,500.00 | 45.29 | 271.67 | 5,461.91 | 4.12 | -141.48 | 141.54 | 12.00 | 12.00 | 12.00 | 0.00 |
| 5,600.00 | 57.29 | 271.67 | 5,524.34 | 6.38 | -219.34 | 219.43 | 12.00 | 12.00 | 12.00 | 0.00 |
| 5,700.00 | 69.29 | 271.67 | 5,569.21 | 8.97 | -308.46 | 308.59 | 12.00 | 12.00 | 12.00 | 0.00 |
| 5,800.00 | 81.29 | 271.67 | 5,594.56 | 11.78 | -404.97 | 405.14 | 12.00 | 12.00 | 12.00 | 0.00 |
| 5,880.94 | 91.00 | 271.67 | 5,600.00 | 14.13 | -485.59 | 485.80 | 12.00 | 12.00 | 12.00 | 0.00 |
| Landing Point - Hold @ 91.00° INC, 271.67° AZ | | | | | | | | | | |
| 5,900.00 | 91.00 | 271.67 | 5,599.66 | 14.68 | -504.64 | 504.86 | 0.00 | 0.00 | 0.00 | 0.00 |
| 6,000.00 | 91.00 | 271.67 | 5,597.92 | 17.59 | -604.59 | 604.84 | 0.00 | 0.00 | 0.00 | 0.00 |
| 6,100.00 | 91.00 | 271.67 | 5,596.17 | 20.50 | -704.53 | 704.83 | 0.00 | 0.00 | 0.00 | 0.00 |
| 6,200.00 | 91.00 | 271.67 | 5,594.43 | 23.41 | -804.47 | 804.81 | 0.00 | 0.00 | 0.00 | 0.00 |
| 6,300.00 | 91.00 | 271.67 | 5,592.68 | 26.31 | -904.41 | 904.80 | 0.00 | 0.00 | 0.00 | 0.00 |
| 6,400.00 | 91.00 | 271.67 | 5,590.94 | 29.22 | -1,004.36 | 1,004.78 | 0.00 | 0.00 | 0.00 | 0.00 |
| 6,500.00 | 91.00 | 271.67 | 5,589.19 | 32.13 | -1,104.30 | 1,104.77 | 0.00 | 0.00 | 0.00 | 0.00 |
| 6,600.00 | 91.00 | 271.67 | 5,587.45 | 35.04 | -1,204.24 | 1,204.75 | 0.00 | 0.00 | 0.00 | 0.00 |
| 6,700.00 | 91.00 | 271.67 | 5,585.70 | 37.95 | -1,304.18 | 1,304.73 | 0.00 | 0.00 | 0.00 | 0.00 |
| 6,800.00 | 91.00 | 271.67 | 5,583.96 | 40.85 | -1,404.13 | 1,404.72 | 0.00 | 0.00 | 0.00 | 0.00 |
| 6,900.00 | 91.00 | 271.67 | 5,582.21 | 43.76 | -1,504.07 | 1,504.70 | 0.00 | 0.00 | 0.00 | 0.00 |
| 7,000.00 | 91.00 | 271.67 | 5,580.47 | 46.67 | -1,604.01 | 1,604.69 | 0.00 | 0.00 | 0.00 | 0.00 |
| 7,100.00 | 91.00 | 271.67 | 5,578.72 | 49.58 | -1,703.95 | 1,704.67 | 0.00 | 0.00 | 0.00 | 0.00 |
| 7,200.00 | 91.00 | 271.67 | 5,576.98 | 52.49 | -1,803.90 | 1,804.66 | 0.00 | 0.00 | 0.00 | 0.00 |
| 7,300.00 | 91.00 | 271.67 | 5,575.23 | 55.39 | -1,903.84 | 1,904.64 | 0.00 | 0.00 | 0.00 | 0.00 |
| 7,400.00 | 91.00 | 271.67 | 5,573.49 | 58.30 | -2,003.78 | 2,004.63 | 0.00 | 0.00 | 0.00 | 0.00 |
| 7,500.00 | 91.00 | 271.67 | 5,571.74 | 61.21 | -2,103.72 | 2,104.61 | 0.00 | 0.00 | 0.00 | 0.00 |
| 7,600.00 | 91.00 | 271.67 | 5,570.00 | 64.12 | -2,203.67 | 2,204.60 | 0.00 | 0.00 | 0.00 | 0.00 |
| 7,700.00 | 91.00 | 271.67 | 5,568.25 | 67.02 | -2,303.61 | 2,304.58 | 0.00 | 0.00 | 0.00 | 0.00 |
| 7,800.00 | 91.00 | 271.67 | 5,566.50 | 69.93 | -2,403.55 | 2,404.57 | 0.00 | 0.00 | 0.00 | 0.00 |
| 7,900.00 | 91.00 | 271.67 | 5,564.76 | 72.84 | -2,503.49 | 2,504.55 | 0.00 | 0.00 | 0.00 | 0.00 |
| 8,000.00 | 91.00 | 271.67 | 5,563.01 | 75.75 | -2,603.43 | 2,604.54 | 0.00 | 0.00 | 0.00 | 0.00 |
| 8,100.00 | 91.00 | 271.67 | 5,561.27 | 78.66 | -2,703.38 | 2,704.52 | 0.00 | 0.00 | 0.00 | 0.00 |
| 8,200.00 | 91.00 | 271.67 | 5,559.52 | 81.56 | -2,803.32 | 2,804.51 | 0.00 | 0.00 | 0.00 | 0.00 |
| 8,300.00 | 91.00 | 271.67 | 5,557.78 | 84.47 | -2,903.26 | 2,904.49 | 0.00 | 0.00 | 0.00 | 0.00 |
| 8,400.00 | 91.00 | 271.67 | 5,556.03 | 87.38 | -3,003.20 | 3,004.48 | 0.00 | 0.00 | 0.00 | 0.00 |
| 8,500.00 | 91.00 | 271.67 | 5,554.29 | 90.29 | -3,103.15 | 3,104.46 | 0.00 | 0.00 | 0.00 | 0.00 |
| 8,600.00 | 91.00 | 271.67 | 5,552.54 | 93.20 | -3,203.09 | 3,204.45 | 0.00 | 0.00 | 0.00 | 0.00 |
| 8,699.87 | 91.00 | 271.67 | 5,550.80 | 96.10 | -3,302.90 | 3,304.30 | 0.00 | 0.00 | 0.00 | 0.00 |
| TD @ 8699.87' MD, 5550.80' TVD - LL PBHL (Miranda Federal 9H LL Plan-2) | | | | | | | | | | |

| Design Targets | | | | | | | | | | |
|---------------------------------------------------------------|---------------|--------------|----------|------------|------------|---------------|--------------|-----------|-------------|--|
| Target Name | Dip Angle (°) | Dip Dir. (°) | TVD (ft) | +N/-S (ft) | +E/-W (ft) | Northing (ft) | Easting (ft) | Latitude | Longitude | |
| LL PBHL (Miranda Fede - plan hits target center - Point | 0.00 | 0.00 | 5,550.80 | 96.10 | -3,302.90 | 673,725.50 | 608,605.10 | 32.851652 | -103.979686 | |

Planning Report

| | | | |
|------------------|------------------------|-------------------------------------|----------------------------------------------|
| Database: | Houston R5000 Database | Local Co-ordinate Reference: | Site Miranda Federal 9H |
| Company: | COG Operating LLC | TVD Reference: | WELL (copy) @ 3713.00ft (Original Well Elev) |
| Project: | Eddy County, NM | MD Reference: | WELL (copy) @ 3713.00ft (Original Well Elev) |
| Site: | Miranda Federal 9H | North Reference: | Grid |
| Well: | Miranda Federal 9H | Survey Calculation Method: | Minimum Curvature |
| Wellbore: | Wellbore #1 | | |
| Design: | Lower Lateral Plan #2 | | |

| Plan Annotations | | | | |
|---------------------|---------------------|-------------------|------------|-----------------------------------------------|
| Measured Depth (ft) | Vertical Depth (ft) | Local Coordinates | | Comment |
| | | +N/-S (ft) | +E/-W (ft) | |
| 5,122.61 | 5,122.61 | 0.00 | 0.00 | KOP - Start Build @ 12.00°/100' |
| 5,880.94 | 5,600.00 | 14.13 | -485.59 | Landing Point - Hold @ 91.00° INC, 271.67° AZ |
| 8,699.87 | 5,550.80 | 96.10 | -3,302.90 | TD @ 8699.87' MD, 5550.80' TVD |



**COG Operating LLC
Miranda Federal 9H
Eddy County, NM
Lower Lateral Plan #2**



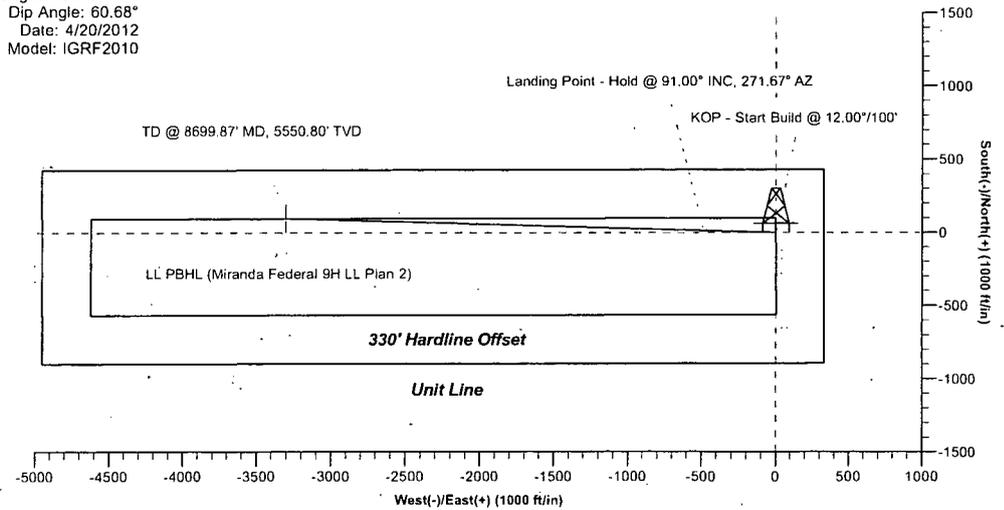
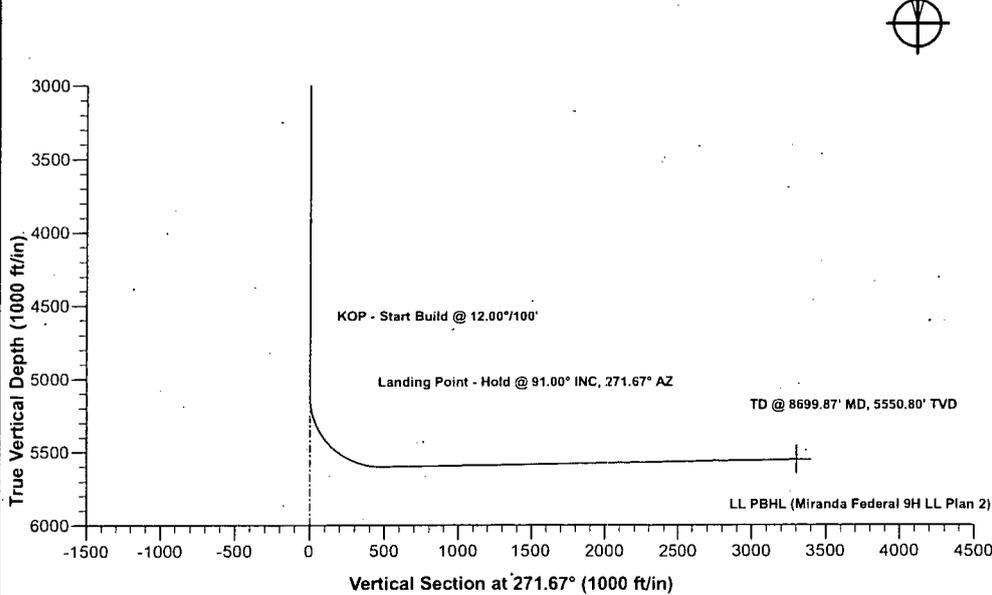
| | | | | | |
|------------------|-------|-------------------------------------------------------------------|-----------|-----------|-------------|
| Surface Location | | Ground Elev: 3695.00 WELL (copy) @ 3713.00ft (Original Well Elev) | | | |
| +N/-S | +E/-W | Northing | Easting | Latitude | Longitude |
| 0.00 | 0.00 | 673629.40 | 611908.00 | 32.851357 | -103.968931 |

| TARGET DETAILS | | | | | | | |
|----------------------------------------|---------|-------|----------|-----------|-----------|-----------|-------------|
| Name | TVD | +N/-S | +E/-W | Northing | Easting | Latitude | Longitude |
| LL PBHL (Miranda Federal 9H LL Plan 2) | 5550.80 | 96.10 | -3302.90 | 673725.50 | 608605.10 | 32.851652 | -103.979685 |



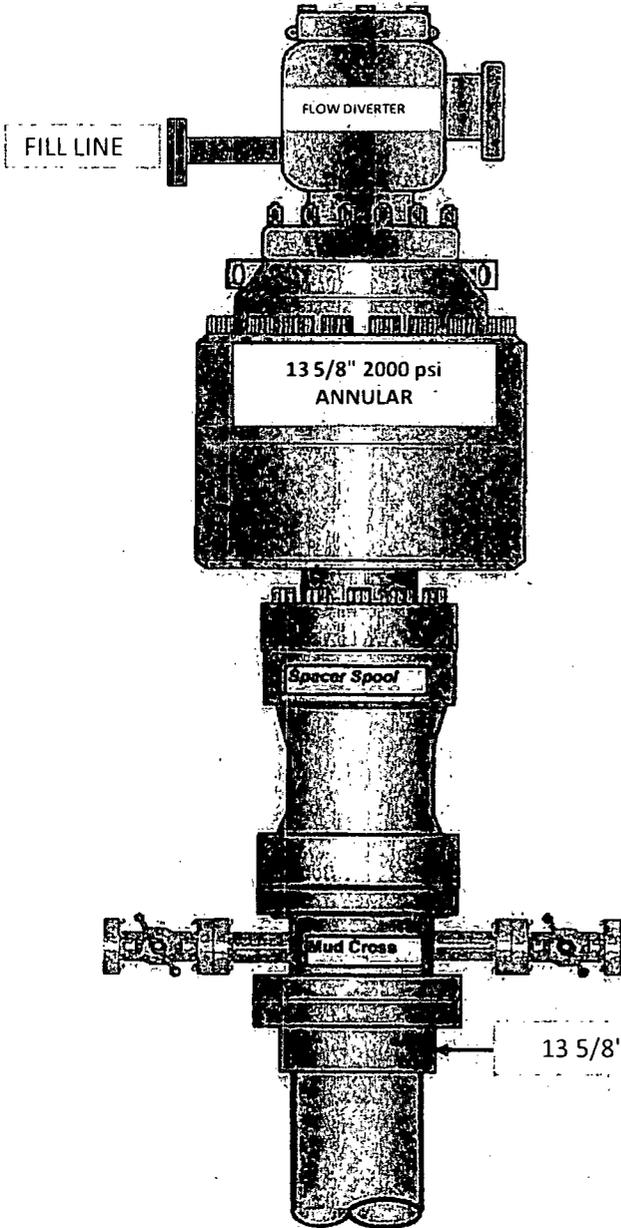
Azimuths to Grid North
True North: -0.20°
Magnetic North: 7.51°

Magnetic Field
Strength: 48863.1nT
Dip Angle: 60.68°
Date: 4/20/2012
Model: IGRF2010



| SECTION DETAILS | | | | | | | | | | |
|-----------------|---------|-------|--------|---------|-------|----------|-------|--------|---------|-----------------------------------------------|
| Sec | MD | Inc | Azi | TVD | +N/-S | +E/-W | Dleg | TFace | VSect | Annotation |
| 1 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 2 | 5122.60 | 0.00 | 0.00 | 5122.60 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | KOP - Start Build @ 12.00°/100' |
| 3 | 5880.94 | 91.00 | 271.67 | 5600.00 | 14.13 | -485.59 | 12.00 | 271.67 | 485.80 | Landing Point - Hold @ 91.00° INC, 271.67° AZ |
| 4 | 8699.87 | 91.00 | 271.67 | 5550.80 | 96.10 | -3302.90 | 0.00 | 0.00 | 3304.30 | TD @ 8699.87' MD, 5550.80' TVD |

13 5/8" 2K ANNULAR

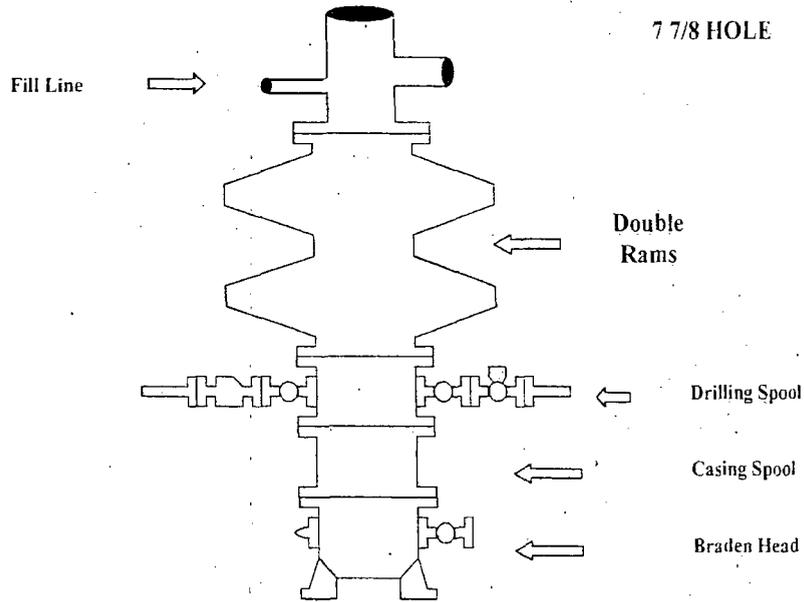


See
COA

COG Operating LLC

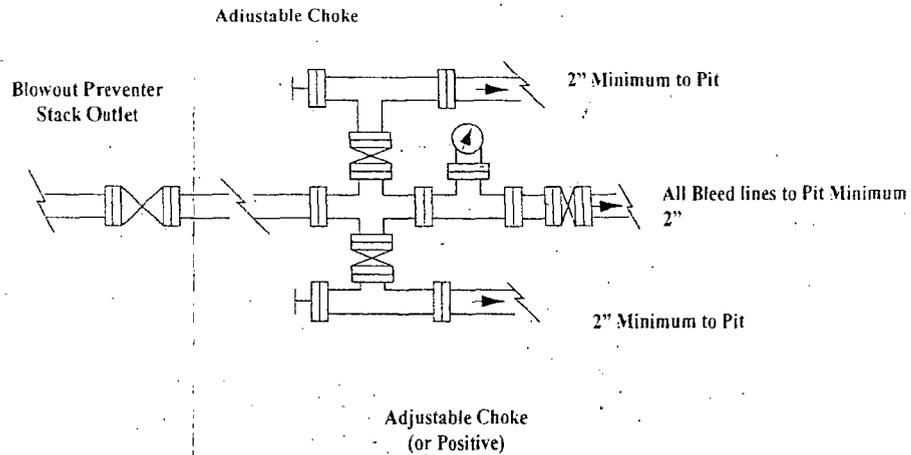
Exhibit #9

BOPE and Choke Schematic



Minimum 4" Nominal choke and kill lines

Choke Manifold Requirement (2000 psi WP)
No Annular Required



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.

COG Operating LLC

Hydrogen Sulfide Drilling Operation Plan

I. HYDROGEN SULFIDE TRAINING

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing drilling operations on this well:

1. The hazards and characteristics of hydrogen sulfide (H₂S)
2. The proper use and maintenance of personal protective equipment and life support systems.
3. The proper use of H₂S detectors, alarms, warning systems, briefing areas, evacuation procedures, and prevailing winds.
4. The proper techniques for first aid and rescue procedures.

In addition, supervisory personnel will be trained in the following areas:

1. The effects of H₂S on metal components. If high tensile tubular are to be used, personnel will be trained in their special maintenance requirements.
2. Corrective action and shut-in procedures when drilling or reworking a well and blowout prevention and well control procedures.
3. The contents and requirements of the H₂S Drilling Operations Plan and Public Protection Plan.

There will be an initial training session just prior to encountering a known or probable H₂S zone (within 3 days or 500 feet) and weekly H₂S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H₂S Drilling Operations Plan and the Public Protection Plan. **The concentrations of H₂S of wells in this area from surface to TD are low enough that a contingency plan is not required.**

II. H2S SAFETY EQUIPMENT AND SYSTEMS

Note: All H2S safety equipment and systems will be installed, tested, and operational when drilling reaches a depth of 500 feet above, or three days prior to penetrating the first zone containing or reasonable expected to contain H2S.

1. Well Control Equipment:

- A. Flare line.
- B. Choke manifold. *w/remotely operated choke*
- C. Closed Loop Blow Down Tank
- D. Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit.
- E. Auxiliary equipment may include if applicable: annular preventer & rotating head.

2. Protective equipment for essential personnel:

- A. SCBA (Self contained breathing apparatus) 30-minute units located in the doghouse and at briefing areas, as indicated on well site diagram.

3. H2S detection and monitoring equipment:

- A. Portable H2S monitors positioned on location for best coverage and response. These units have warning lights and audible sirens when H2S levels of 20 PPM are reached.

4. Visual warning systems:

- A. Wind direction indicators as shown on well site diagram.
- B. Caution/Danger signs (Exhibit #7) shall be posted on roads providing direct access to location. Signs will be painted a high visibility yellow with black lettering of sufficient size to be readable at a reasonable distance from the immediate location. Bilingual signs will be used, when appropriate. See example attached.

5. Mud program:

- A. The mud program has been designed to minimize the volume of H2S circulated to surface. Proper mud weight, safe drilling practices, and the use of H2S scavengers will minimize hazards when penetrating H2S bearing zones.
-

6. Metallurgy:

- A. All drill strings, casings, tubing, wellhead, blowout preventer, drilling spool, kill lines, choke manifold and lines, and valves shall be suitable for H₂S service.
- B. All elastomers used for packing and seals shall be H₂S trim.

7. Communication:

- A. Radio communications in company vehicles including cellular telephone and 2-way radio.
- B. Land line (telephone) communication at Office.

8. Well testing:

- A. Drill stem testing will be performed with a minimum number of personnel in the immediate vicinity, which are necessary to safely and adequately conduct the test. The drill stem testing will be conducted during daylight hours and formation fluids will not be flowed to the surface. All drill-stem-testing operations conducted in an H₂S environment will use the closed chamber method of testing.
- B. There will be no drill stem testing.

EXHIBIT #7

WARNING

YOU ARE ENTERING AN H₂S

AUTHORIZED PERSONNEL ONLY

- 1. BEARDS OR CONTACT LENSES NOT ALLOWED
- 2. HARD HATS REQUIRED
- 3. SMOKING IN DESIGNATED AREAS ONLY
- 4. BE WIND CONSCIOUS AT ALL TIMES
- 5. CHECK WITH COG OPERATING FOREMAN AT

COG OPERATING LLC

1-432-683-7443

1-575-746-2010

EDDY COUNTY EMERGENCY NUMBERS

ARTESIA FIRE DEPT. 575-746-5050
ARTESIA POLICE DEPT. 575-746-5000
EDDY CO. SHERIFF DEPT. 575-746-9888

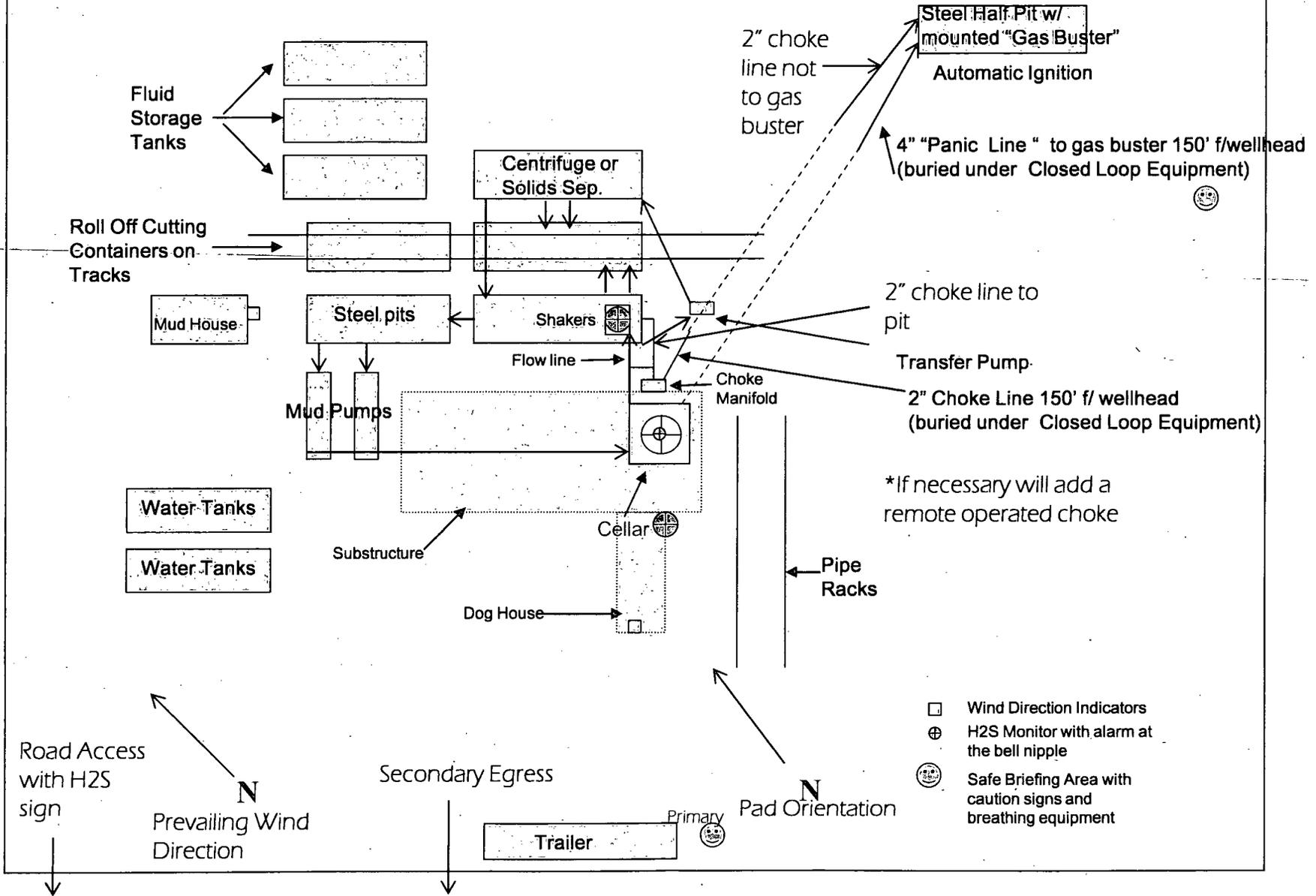
LEA COUNTY EMERGENCY NUMBERS

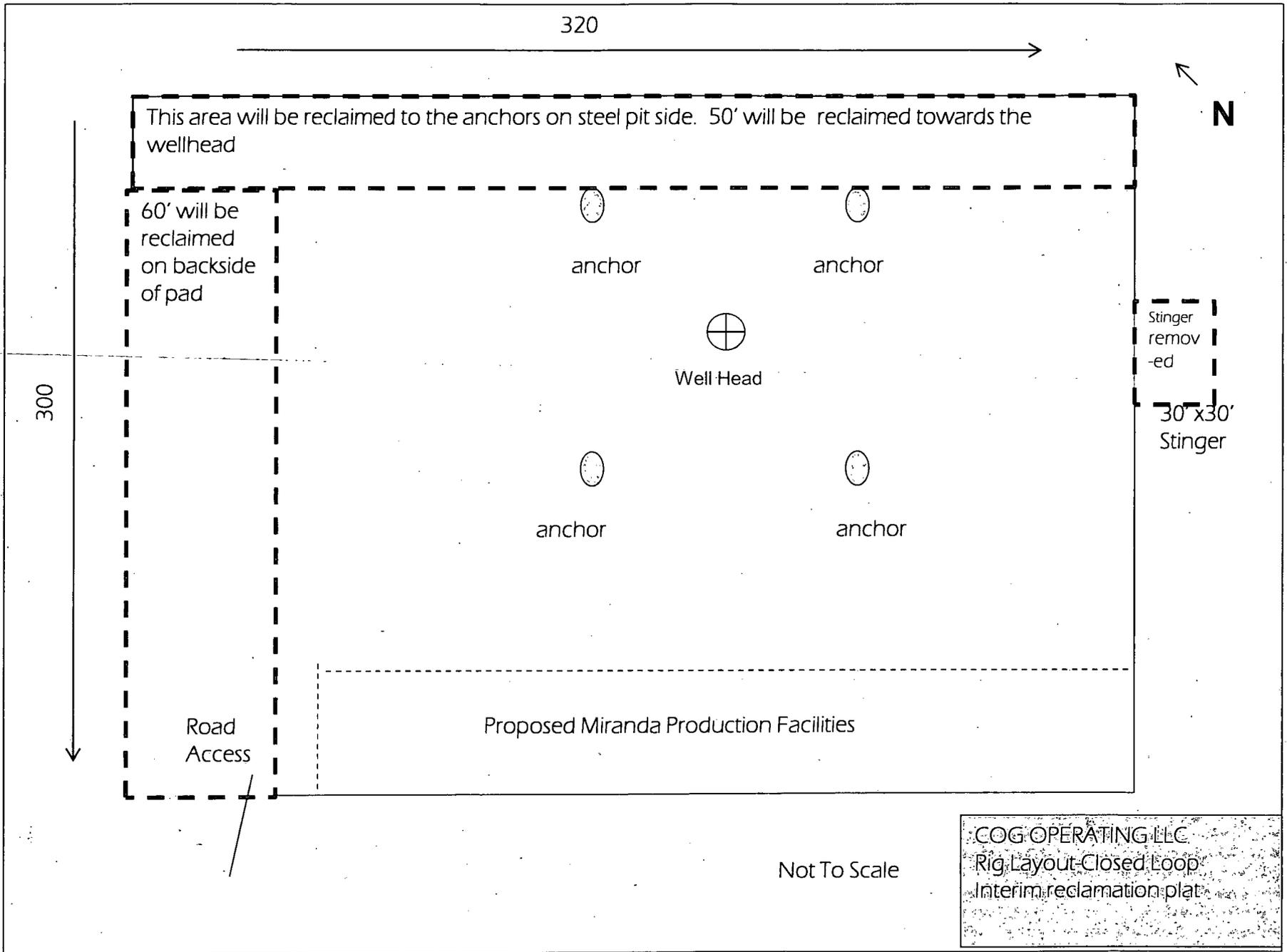
HOBBS FIRE DEPT. 575-397-9308
HOBBS POLICE DEPT. 575-397-9285
LEA CO. SHERIFF DEPT. 575-396-1196

COG Operating LLC

EXHIBIT 8

Drilling Location - H2S Safety Equipment Diagram



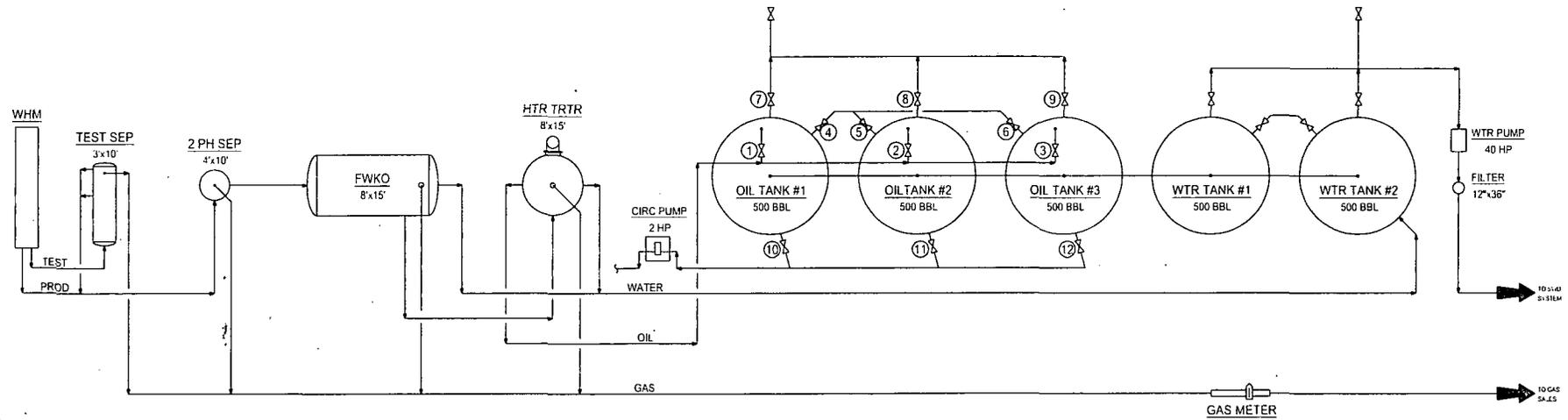


Production Phase - Oil Tank #1

- Valve 1 open
- Valves 2 and 3 closed
- Valves 4, 5, and 6 open
- Valves 7, 8, and 9 closed
- Valves 10, 11, and 12 closed

Sales Phase - Oil Tank #1

- Valve 1 closed
- Valves 2 or 3 open
- Valve 4 closed
- Valves 5 and 6 open
- Valve 7 open
- Valves 8 and 9 closed
- Valves 10, 11, and 12 closed



NOTES:

Mirand Federal 9H Tank Battery

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| REFERENCE DRAWINGS | | REVISIONS | | | ENGINEERING RECORD | |
|--------------------|-------|-----------|----------|---------------------------|--------------------|------|
| NO. | TITLE | NO. | DATE | DESCRIPTION | BY | DATE |
| A | | | 06/01/12 | ISSUE FOR SITE PERMITTING | CRB | |

COG OPERATING LLC
 550 W. TEXAS AVE, SUITE 100
 MIDLAND, TEXAS 79701

| NO. | DATE | DESCRIPTION | BY | CHK. | APP. |
|-----|------|-------------|----|------|------|
| | | | | | |

| BY | DATE |
|------------|------------|
| DRN: CRB | 06/01/12 |
| DES: CRB | 06/01/12 |
| CHK: | |
| APP: | |
| ATE NO: | |
| FACE ENGR: | E. BLEDSOE |
| OPER ENGR: | VARIES |
| SCALE: | NONE |

NEW MEXICO SHELF ASSET
 PRODUCTION FACILITIES
 STANDARD TANK BATTERY

EDDY COUNTY
 TOWNSHIP/RANGE
 MULTIPLE

DWG NO. 0-1700-81-005
 REV A

PECOS DISTRICT CONDITIONS OF APPROVAL

| | |
|-----------------------|-------------------------------------|
| OPERATOR'S NAME: | COG OPERATING, LLC |
| LEASE NO.: | LC029342D |
| WELL NAME & NO.: | 9H-MIRANDA FEDERAL |
| SURFACE HOLE FOOTAGE: | 1750'/N. & 330'/E. |
| BOTTOM HOLE FOOTAGE: | 1650'/N. & 1650'/W. |
| LOCATION: | Section 9, T. 17 S.; R. 30 E., NMPM |
| COUNTY: | Eddy County, New Mexico |

TABLE OF CONTENTS

Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

- General Provisions**
- Permit Expiration**
- Archaeology, Paleontology, and Historical Sites**
- Noxious Weeds**
- Special Requirements**
 - Lesser Prairie-Chicken Timing Stipulations
 - Ground-level Abandoned Well Marker
- Construction**
 - Notification
 - Topsoil
 - Closed Loop System
 - Federal Mineral Material Pits
 - Well Pads
 - Roads
- Road Section Diagram**
- Drilling**
 - H2S requirement
 - Logging requirement
 - Waste Material and Fluids
- Production (Post Drilling)**
 - Well Structures & Facilities
- Interim Reclamation**
- Final Abandonment & Reclamation**