Form 3160-5 (August 2007)	UNITED STATE		Operati			APPROVED 0. 1004-0135
DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT SUNDRY NOTICES AND REPORTS ON WELI			Operator Copy		Expires: July 31, 2010 5. Lease Serial No. NMLC028784A	
Do not use this form for proposals to drill or to re-ent abandoned well. Use form 3160-3 (APD) for such prop					6. If Indian, Allottee or Tribe Name	
SUBMIT IN TRIPLICATE - Other Instructions on reverse side.					7. If Unit or CA/Agreement, Name and/or No. NMNM88525X	
1. Type of Well Gas Well Other					8. Well Name and No. BURCH KEELY UNIT 626	
2. Name of Operator Contact: ROBYN ODOM COG OPERATING LLC E-Mail: Rodom@concho.com					9. API Well No. 30-015-40276	
3a. Address ONE CONCHO CENTER 600 W. ILLINOIS AVENUE MIDLAND, TX 79701 3b. Phone No. Ph: 432-64			. (include area code) 10. Field and Poo 15-4385 BURCH KEE			Exploratory ;G-UPPER YESO
4. Location of Well (Footage, Sec.,) Sec 19 T17S R30E 2366FNL		n) .			TI. County or Parish, EDDY COUNTY	
12. CHECK APP	ROPRIATE BOX(ES) TO	O INDICATE N	ATURE OF	NOTICE, RE	PORT, OR OTHE	R DATA
TYPE OF SUBMISSION	TYPE OF ACTION					
 Notice of Intent Subsequent Report Final Abandonment Notice 	 Acidize Alter Casing Casing Repair Change Plans Convert to Injection 	Fractur New C Plug ar	Deepen Product Fracture Treat Reclam New Construction Plug and Abandon Plug Back Water I			Water Shut-Off Well Integrity Other Change to Original A PD
testing has been completed. Final Abandonment Notices shall be filed only after all requirem determined that the site is ready for final inspection.) COG Operating LLC respectfully requests permission to change the locatio SHL: 1943' FNL & 461' FEL Sec 24, T17S, R29E BHL: 2500' FNL & 300' FEL Sec 24, T17S, R29E					NM OIL CON ARTESIA	ISERVATION DISTRICT 1 2016
Location change is due to Arc A revised C-102, Flowline, Rc		Rig Layouts &	SUPO are at	tached for you	ur RECI	EIVED
review. OK					Accepted fo	
\underline{Fr}_i , $(K - 1)/3$ 14. Thereby certify that the foregoing is		162218 verified h	v the BLM We	li Information	N) Svetem	<u></u>
Electronic Submission #162218 verifie For COG OPERATING L Committed to AFMSS for processing Name(Printed/Typed) ROBYN ODOM			sent to the C KURT SIMMO	arlabad	012 ()	
Signature (Electronic Submission)			Date 12/11/2012			
	THIS SPACE FO	OR FEDERAL	OR STATE	OFFICE US	E	
Approved By Conditions of approval, if any, are attache erify that the applicant holds legal or equilation would entitle the applicant to condu-	uitable title to those rights in the	not warrant or subject lease	<u>Fitle</u> SA	i p <u>s</u> D		1-8.1.7 Date
fitle 180.50. Section 1001 and Title 43 States any false, fictitious or fraudulent	U.S.C. Section 1212, make it a statements or representations as	crime for any perso to any matter withi	n knowingly an n its jurisdiction	d willfully to ma 1.	ke to any department or	agency of the United
** OPERAT	OR-SUBMITTED ** O	PERATOR-SU	BMITTED '	··· OPERATO	DR-SUBMITTED	

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PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME:	COG Operating LLC
LEASE NO.:	NMLC28784A
WELL NAME & NO.:	Burch Keely Unit #626
SURFACE HOLE FOOTAGE:	1943' FNL & 0461' FEL
BOTTOM HOLE FOOTAGE	2500' FNL & 0300' FEL
LOCATION:	Section 24, T. 17 S., R. 29 E., NMPM
COUNTY:	Eddy County, New Mexico

The previously approved APD with conditions of approval dated 05/08/2012 apply to this well relocation. Any deviations to the previously approved APD are as follows:

Special Requirements Topsoil Stockpile Reserve Pit Requirement

Page 1 of 2

I. SPECIAL REQUIREMENT(S)

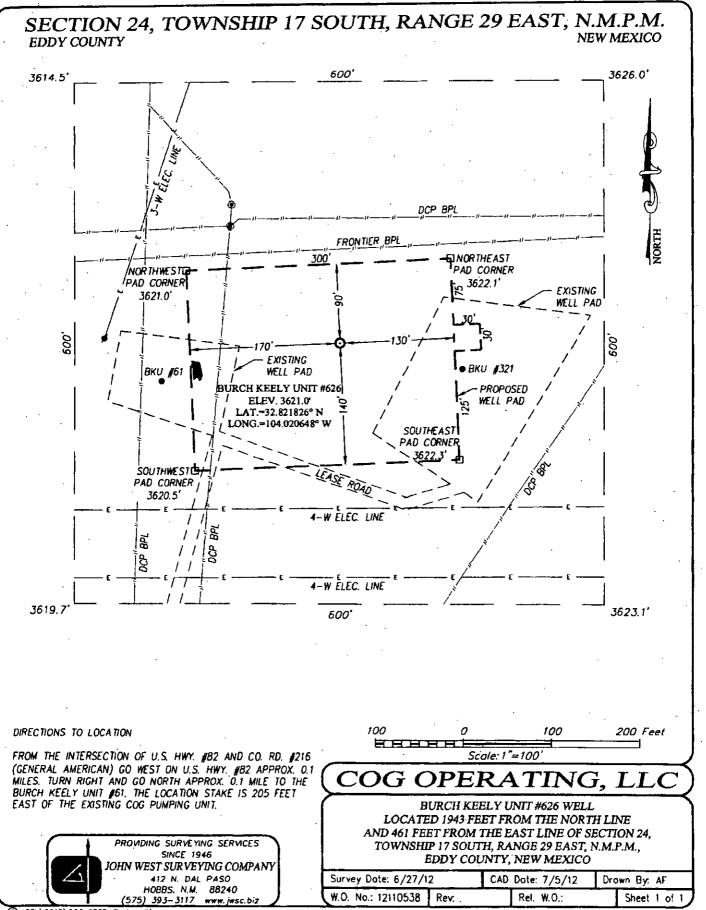
Topsoil Stockpile

The topsoil to be stripped is approximately 2 to 4 inches in depth. The topsoil will be used for interim and final reclamation. Do not strip and store any contaminated soils or caliche.

Reserve Pit Requirement

The operator must abide by all state requirements when operating upon a reserve pit.

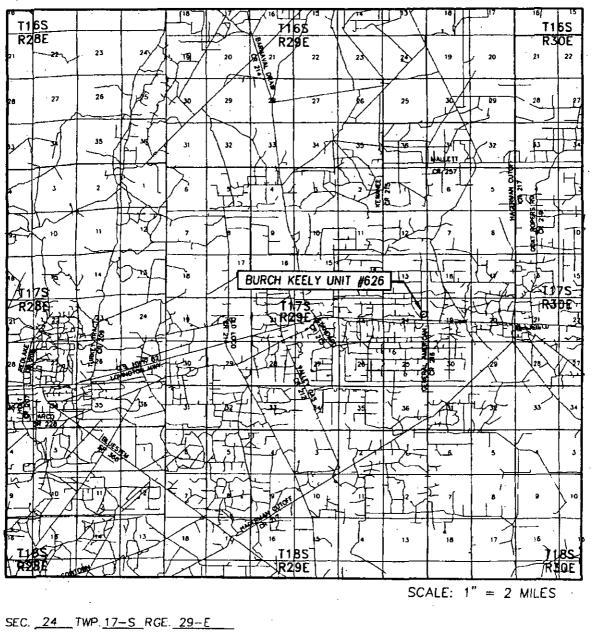
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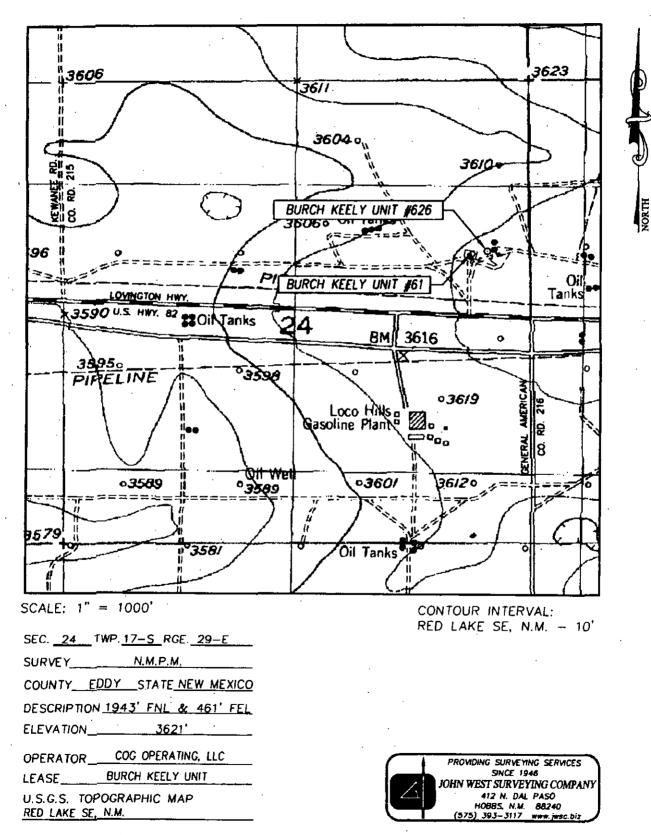
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VICINITY MAP

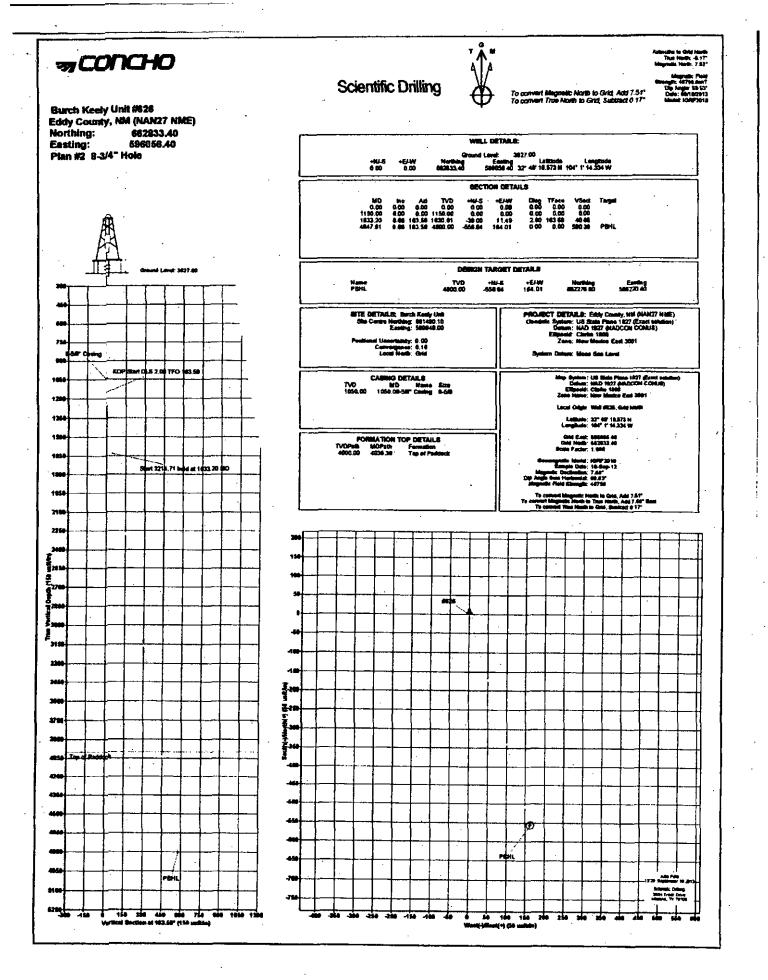


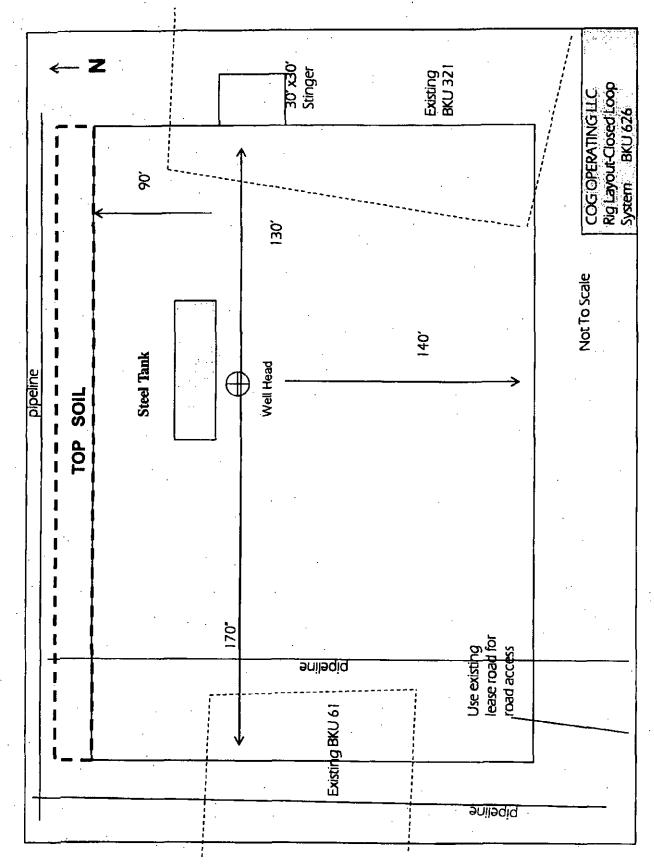
SEC. <u>24</u> TWP.<u>17-S</u> RGE.<u>29-E</u> SURVEY <u>N.M.P.M.</u> COUNTY <u>EDDY</u> STATE <u>NEW MEXICO</u> DESCRIPTION <u>1943' FNL & 461' FEL</u> ELEVATION <u>3621'</u> OPERATOR <u>COG OPERATING, LLC</u> LEASE <u>BURCH KEELY UNIT</u>

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



LOCATION VERIFICATION MAP





Z 307x30 Stinger Stinger remov Rig Layout-Closed Loop Interim reclamation plat COG OPERATING LLC Existing BKU B21 This area will be reclaimed to the anchors on steel pit side. 50' will be reclaimed towards the anchor Not To Scale anchor \bigcirc Welł Head \oplus Ï anchor anchor 300 \bigcirc through existing lease Road Access will be road Existing BKU 61 reclaimed on motor side of pad 60' will be wellhead 1 i 0<u>8</u>2

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Surface Use & Operating Plan

Burch Keely Unit #626

- Surface Tenant: Bogle Farms, Lewis Derrick, P O Box 441, Artesia, NM 88211.
- New Road: approx. 0'
- Flow Line: approx. 0.5 miles
- Facilities: BKU Satellite B

Well Site Information

V Door: West

Topsoil: East

Interim Reclamation: North/West

Notes

-90' to pit side

<u>Onsite</u>: 8/2/2011

John Fast (BLM), Caden Jameson (COG), Gary Box (J.W.S)

Surface Use Plan

SURFACE USE AND OPERATING PLAN

1. Existing & Proposed Access Roads

- A. The well site survey and elevation plat for the proposed well is attached with this application. It was staked by John West Engineering, Hobbs, NM.
- B. All roads to the location are shown in the Vicinity Map. The existing lease roads are illustrated and are adequate for travel during drilling and production operations. Upgrading existing roads prior to drilling the well will be done where necessary. The road route to the well site is depicted in Exhibit #2. The road highlighted in Exhibit #2 will be used to access the well.
- C. Directions to location: See exhibit #2.
- D. Routine grading and maintenance of existing roads will be conducted as necessary to maintain their condition as long as any operations continue on this lease. Roads will be maintained according to specifications in section 2A of this Surface Use and Operating Plan.

2. Proposed Access Road:

The Elevation Plat shows that 0' of new access road will be required for this location. If any road is required it will be constructed as follows:

- A. The maximum width of the running surface will be 14'. The road will be crowned, ditched and constructed of 6" rolled and compacted caliche. Ditches will be at 3:1 slope and 4 feet wide. Water will be diverted where necessary to avoid ponding, prevent erosion, maintain good drainage, and to be consistent with local drainage patterns.
- B. The average grade will be less than 1%.
- C. No turnouts are planned.
- D. No culverts, cattleguard, gates, low water crossings or fence cuts are necessary.
- E. Surfacing material will consist of native caliche. Caliche will be obtained from the actual well site if available. If not available onsite, caliche will be hauled from the nearest BLM approved caliche pit.

Surface Use Plan

3. Location of Existing Well:

The 1-mile Map shows all existing wells within a one-mile radius of this well.

As shown on this plat there are numerous wells producing from the San Andres and Yeso formations.

4. Location of Existing and/or Proposed Facilities:

A. COG Operating LLC does operate a production facility on this lease.

- B. If the well is productive, contemplated facilities will be as follows:
 - 1) Production will be sent to the BKU Satellite B located in Section 19 T17-S R30-E at approx. 2100' FNL & 1915' FWL. The facility location is shown in Exhibit #1.
 - 2) The tank battery and facilities including all flow lines and piping will be installed according to API specifications.
 - 3) Any additional caliche will be obtained from the actual well site. If caliche does not exist or is not plentiful from the well site, the caliche will be hauled from a BLM approved caliche pit. Any additional construction materials will be purchased from contractors.
 - 4) Proposed flow lines, will follow an archaeologically approved route to the Satellite B located in Section 19 T17-S R30-E at approx. 2100' FNL & 1915' FWL. The flowline will be SDR 7 3" poly line laid on the surface and will be approximately 0.5 mile in length. See Exhibit #1
 - 5) It will be necessary to run electric power if this well is productive. Power will be provided by CVE and they will submit a separate plan and ROW for service to the well location.
 - 6) If the well is productive, rehabilitation plans will include the following:
 - The original topsoil from the well site will be returned to the location, and the site will be re-contoured as close as possible to the original site.

Surface Use Plan

5. Location and Type of Water Supply:

The well will be drilled with combination brine and fresh water mud system as outlined in the drilling program. The water will be obtained from commercial water stations in the area and hauled to location by transport truck over the existing and proposed access roads shown in Exhibit #1. If a commercial fresh water source is nearby, fast line may be laid along existing road ROW's and fresh water pumped to the well. No water well will be drilled on the location.

6. Source of Construction Materials and Location "Turn-Over" Procedure:

Obtaining caliche: The primary way of obtaining caliche to build locations and roads will be by "turning over" the location. This means, caliche will be obtained from the actual well sight. A caliche permit will be obtained from BLM prior to pushing up any caliche. 2400 cu. Yards is max amount of caliche needed for pad and roads. Amount will vary for each pad. The procedure below has been approved by BLM personnel:

A. The top 6 inches of topsoil is pushed off and stockpiled along the side of the location.

B. An approximate 120' X 120' area is used within the proposed well site to remove caliche.

C. Subsoil is removed and piled alongside the 120' by 120' area within the pad site.

- D. When caliche is found, material will be stock piled within the pad site to build the location and road.
- E. Then subsoil is pushed back in the hole and caliche is spread accordingly across entire location and road.
- F. Once well is drilled, the stock piled top soil will be used for interim reclamation and spread along areas where caliche is picked up and the location size is reduced. Neither caliche nor subsoil will be stock piled outside of the well pad. Topsoil will be stockpiled along the edge of the pad as depicted in attached plat.

In the event that no caliche is found onsite, caliche will be hauled in from a BLM approved caliche pit.

Surface Use Plan

7. Methods of Handling Water Disposal:

- A. The well will be drilled utilizing a closed loop mud system. Drill cuttings will be held in roll-off style mud boxes and taken to an NMOCD approved disposal site.
- B. Drilling fluids will be contained in steel mud pits.
- C. Water produced from the well during completion will be held temporarily in steel tanks and then taken to an NMOCD approved commercial disposal facility.
- D. Garbage and trash produced during drilling or completion operations will be collected in a trash bin and hauled to an approved landfill. No toxic waste or hazardous chemicals will be produced by this operation.
- E. Human waste and grey water will need to be properly contained and disposed of. Proper disposal and elimination of waste and grey water may include but are not limited to portable septic systems and/or portable waste gathering systems (i.e. portable toilets).
- F. After the rig is moved out and the well is either completed or abandoned, all waste materials will be cleaned up within 30 days. In the event of a dry hole only a dry hole marker will remain.

8. Ancillary Facilities:

No airstrip, campsite or other facilities will be built as a result of the operation on this well.

9. Well Site Layout:

- A. The drill pad layout, with elevations staked by John West Engineering, is shown in the Elevation Plat. Dimensions of the pad and pits are shown on the Rig Layout. V door direction is East. Topsoil, if available, will be stockpiled per BLM specifications. Because the pad is almost level no major cuts will be required.
- B. The Rig Layout Closed-Loop exhibit shows the proposed orientation of closed loop system and access road. No permanent living facilities are planned, but a temporary foreman/toolpusher's trailer will be on location during the drilling operations.

Surface Use Plan

10. Plans for Restoration of the Surface:

- A. Interim Reclamation will take place after the well has been completed. The pad will be downsized by reclaiming the areas not needed for production operations. The portions of the pad that are not needed for production operations will be re-contoured to its original state as much as possible. The caliche that is removed will be reused to either build another pad site or for road repairs within the lease. The stockpiled topsoil will then be spread out reclaimed area and reseeded with a BLM approved seed mixture. In the event that the well must be worked over or maintained, it may be necessary to drive, park, and/or operate machinery on reclaimed land. This area will be repaired or reclaimed after work is complete.
- B. Final Reclamation: Upon plugging and abandoning the well all caliche for well pad and lease road will be removed and surface will be recountoured to reflect its surroundings as much as possible. Caliche will be recycled for road repair or reused for another well pad within the lease. If any topsoil remains, it will be spread out and the area will be resceded with a BLM approved mixture and re-vegetated as per BLM orders.

11.Surface Ownership:

A. The surface is owned by the U.S. Government and is administered by the Bureau of Land Management. The surface is multiple uses with the primary uses of the region for grazing of livestock and the production of oil and gas.

B. The surface tenant is Bogle Farms, Lewis Derrick, P.O. Box 441, Artesia, NM 88211.

C. The proposed road routes and surface location will be restored as directed by the BLM

Surface Use Plan

12. Other Information:

- A. The area around the well site is grassland and the topsoil is sandy. The vegetation is moderately sparse with native prairie grasses, some mesquite and shinnery oak. No wildlife was observed but it is likely that mule deer, rabbits, coyotes and rodents traverse the area.
- B. There is no permanent or live water in the immediate area.
- C. There are no dwellings within 2 miles of this location.
- D. If needed, a Cultural Resources Examination is being prepared by Southern New Mexico Archaeological Services, Inc. P.O. Box 1, Bent New Mexico, 88314, phone # 505-671-4797 and the results will be forwarded to your office in the near future. Otherwise, COG will be participating in the Permian Basin MOA Program.

13. Bond Coverage:

Bond Coverage is Nationwide Bond # 000215

14. Lessee's and Operator's Representative:

The COG Operating LLC representative responsible for assuring compliance with the surface use plan is as follows:

Jim Evans	Ray Peterson
Drilling Superintendent	Drilling Manager
COG Operating LLC	COG Operating LLC
550 W. Texas, Suite 1300	550 W. Texas, Suite 1300
Midland, TX 79701	Midland, TX 79701
Phone (432) 685-4304 (office)	Phone (432) 685-4304 (office)
(432) 221-0346 (business)	(432) 818-2254 (business)

Surface Use Plan

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 13th day of July, 2012.

and Brod Signed:

Printed Name: Carl Bird

Position: Drilling Engineer

Address: 550 W. Texas, Suite 1300, Midland, Texas 79701

Telephone: (432) 683-7443

Field Representative (if not above signatory): Same

E-mail: cbird@concho.com

Surface Use Plan