

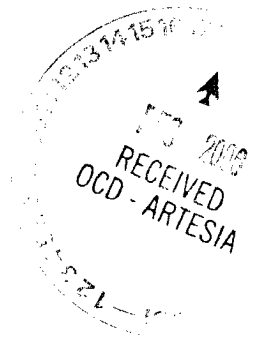


ALLSTATE ENVIRONMENTAL SERVICES, LLC



P.O BOX 11322
MIDLAND, TEXAS 79702
OFFICE: (432) 682-3547
FAX: (432) 682-4182
Contractors License #94195

30-015-34580



July 31, 2006

New Mexico Oil Conservation Division
District 2
1301 Grand Avenue
Artesia, New Mexico 88210

Dear Sir/Ma'am

Included in this mailing is the closure report for COG Operating Corp. RJ Unit #135 lease. As indicated in the summary the pit closure work was begun on July 26, 2006 and completed on July 31, 2006.

Any concern or questions regarding this site may be addressed to Randy Offield, Allstate Environmental Services, at 432-682-3547 or his e-mail address at allstateenviro@sbcglobal.net

Sincerely
Mark Meadows for Randy Offield-Owner
Allstate Environmental Services

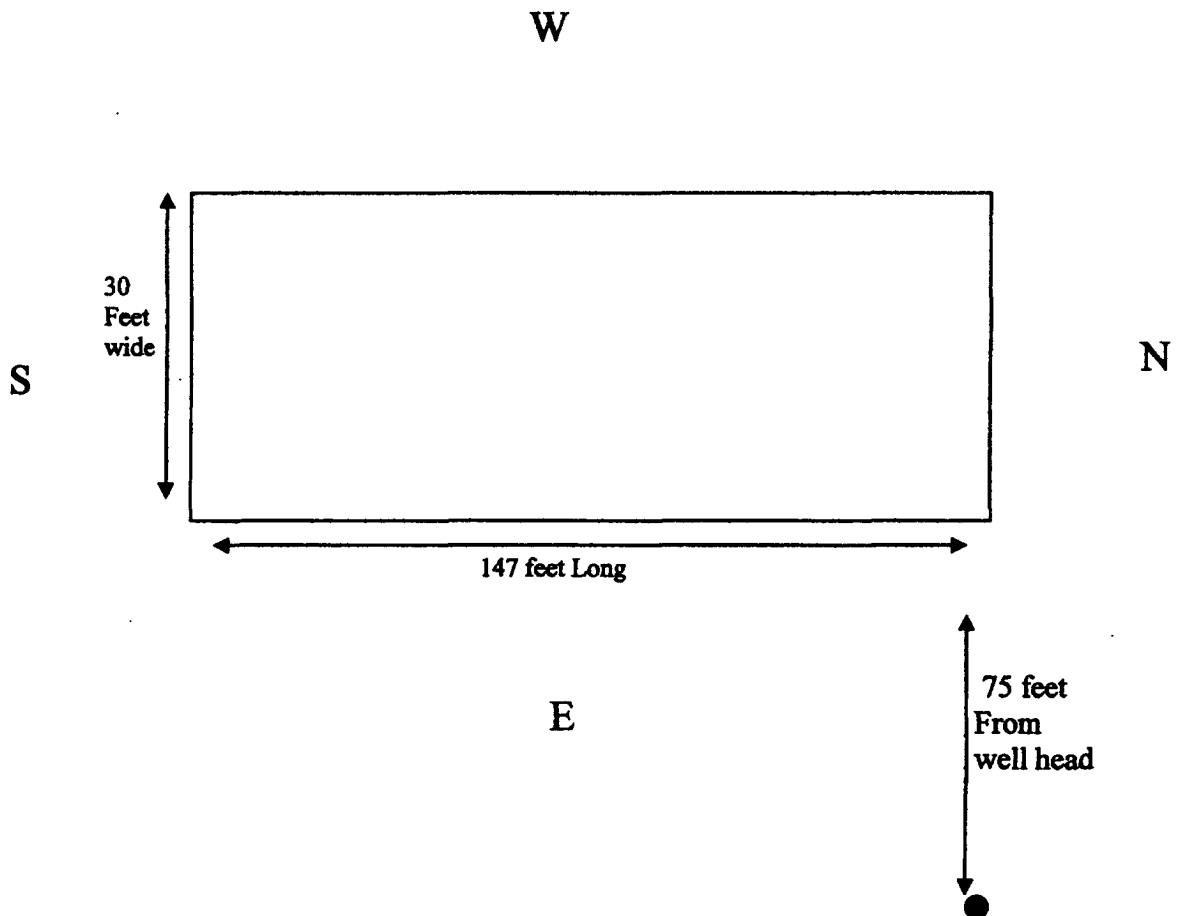
cc: COG Operating Corp.-Artesia, N.M.
Allstate Environmental Svcs. file

RECEIVED
AUG 15 2006

COG Operating, LLC
RJ Unit #135 API #: 30-015-34580
Eddy County, New Mexico

147 Feet Long
30 Feet Wide

BEGAN 7-26-06
COMPLETED 7-31-06



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

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

| |
|--|
| WELL API NO. 30-015-34580 |
| 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. LC-028775A (FEDERAL) |
| 7. Lease Name or Unit Agreement Name R J UNIT |
| 8. Well Number 135 |
| 9. OGRID Number 229137 |
| 10. Pool name or Wildcat Grayburg Jackson SR Q G SA |

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator
COG Operating LLC

3. Address of Operator
550 W. Texas Ave., Suite 1300 Midland, TX 79701

4. Well Location
Unit Letter **J** : **2030** feet from the **SOUTH** line and **2580** feet from the **EAST** line
Section **27** Township **17S** Range **29E** NMPM County **EDDY**

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3537' GR

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: **PIT CLOSURE** ☒

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

On July 26, 2006, Allstate Environmental Services started closure procedures.
Closure of the pits was completed July 31, 2006.

Attachments:

Diagram of well site and pit location.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐ a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Phyllis Edwards TITLE Regulatory Analyst DATE 8-22-06

Type or print name Phyllis Edwards E-mail address: pedwards@conchoresources.com Telephone No. 432-685-4340

For State Use Only

Accepted for record - NMOCD

APPROVED BY: _____ TITLE _____ DATE 8/29/06

Conditions of Approval (if any):

Accepted for record - NMOCD

12/20/06