

OCD COPY

SURFACE USE AND OPERATIONS PLAN
FOR DRILLING, COMPLETION, AND PRODUCING

30-015-25332

COG Operating LLC
Moose "23" Federal #1Y
SL: 1665' FSL & 1026' FWL, Unit L
BHL: 1650' FSL & 330' FEL, Unit I
Section 23, T16S, R28E
Eddy County, NM

AUG 02 2007
OCD-ARTESIA

LOCATED

Approximately 12 miles Northwest from Loco Hills, New Mexico

OIL & GAS LEASE

NM #117117

RECORD TITLE LESSEE

Encore Operating, LP, 777 Main Street, #1400, Fort Worth, TX 76102

BOND COVERAGE

\$25,000 statewide bond of C.O.G. Operating, L.L.C.

SURFACE OWNER

Bureau of Land Management

MINERAL OWNER

Bureau of Land Management

GRAZING TENANT

Bogle LTD CO LLC, PO Box 460, Dexter, NM 88230; 505-734-5442

POOL

Crow Flats Wolfcamp (#97102)

PROPOSED TOTAL DEPTH

This well will be drilled to a Total Vertical Depth of approximately 6775' and a Measured Depth of approximately 10,710'.

EXHIBITS

- A. Well Location & Acreage Dedication Map
- B. Area Road Map
- C. Vicinity Oil & Gas Map
- D. Topographic & Location Verification Map
- E. Proposed Lease Road and Pad Layout Map
- F. Drilling Rig Layout
- G. BOPE Schematic
- H. Choke Manifold Schematic

EXISTING ROADS

- A. Exhibit A is a portion of a section map showing the location of the proposed well as staked.
- B. Exhibit B is a map showing existing roads in the vicinity of the proposed well site.
- C. Directions to well location:
From the junction of U.S. Hwy 82 and County Road 202 (Southern Union), go North on County Road 202 for 3.8 miles to lease road. On lease road go North 1.3 miles to lease road, thence East 1.5 miles to lease road, thence North 2.5 miles to lease road, thence East 1.0 miles, thence South 1.0 miles to proposed lease road.

ACCESS ROADS

- A. Length and Width: 6813.2' long and 30' wide. The access road will be built and is shown on Exhibit E.
- B. Surface Material: Existing
- C. Maximum Grad: Less than five percent
- D. Turnouts: None necessary
- E. Drainage Design: Existing
- F. Culverts: None necessary
- G. Gates and Cattle Guards: None needed

LOCATION OF EXISTING WELLS

Existing wells in the immediate area are shown in Exhibit C.

LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

Necessary production facilities for this well will be located on the well pad.

LOCATION AND TYPE OF WATER SUPPLY

It is not contemplated that a water well will be drilled. Water necessary for drilling will be purchased and hauled to the site over existing roads shown on Exhibit B.

METHODS OF HANDLING WASTE DISPOSAL

- A. Drilling fluids will be allowed to evaporate in the drilling pits until the pits are dry.
- B. Water produced during tests will be disposed of in the drilling pits.
- C. Oil produced during tests will be stored in test tanks.
- D. Trash will be contained in a trash trailer and removed from well site.
- E. All trash and debris will be removed from the well site within 30 days after finishing drilling and/or completion operations.

ANCILLARY FACILITIES

None required.

WELL SITE LAYOUT

Exhibits E and F show the relative location and dimensions of the well pad, mud pits, reserve pit, and trash pit, and the location of major rig components.

PLANS FOR RESTORATION OF THE SURFACE

- A. After completion of drilling and/or completion operations, all equipment and other material not needed for operations will be removed. The well site will be cleaned of all trash and junk to leave the site in an as aesthetically pleasing condition as possible.
- B. After abandonment, all equipment, trash, and junk will be removed and the site will be clean.

OTHER INFORMATION

- A. **Topography:**
The topography consists of sandy soil with native grasses. No wildlife was observed, but the usual inhabitants of this region are Jackrabbits, Reptiles, Coyotes, etc.
- B. **Soil:** Topsoil at the well site is sandy soil.
- C. **Flora and Fauna:** The location is in an area sparsely covered with mesquite and range grasses.
- D. **Ponds and Streams:** There are no rivers, lakes, ponds, or streams in the area.
- E. **Residences and Other Structures:** There are no residences within a mile of the proposed well site.
- F. **Archaeological, Historical, and Cultural sites:** An Archaeological Survey has been ordered and a copy to be sent to the BLM Office.
- G. **Land Use:** Grazing

ONLEASE RIGHT OF WAY REQUEST

Requesting Right of Way for all on lease appurtenances, including proposed lease roads and electric lines.

- A. **Roads:** Building of a proposed lease road 6813.2' in length. (See Exhibit A-1).
- B. **Pipe Lines:** Constructing of proposed Pipe Lines to follow proposed lease road (plat will be forthcoming).

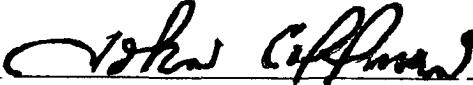
OPERATOR'S REPRESENTATIVE

John Coffman
COG Operating LLC
550 W. Texas, Suite 1300
Midland, TX 79701
432-683-7443

CERTIFICATION

I hereby certify that I, or person under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by COG Operating LLC and its contractors and subcontractors in conformity with this plan and the terms and conditions which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

7-31-07
Date


John Coffman
Drilling Supt.

Statement Accepting Responsibility for Operations

Operator Name: COG Operating LLC
Street or Box #: 550 W. Texas, Suite 1300
City, State: Midland, TX
Zip Code: 79701

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

Lease No.: NM-117117

Well Name: Moose '23' Federal #1Y

Legal Description of Land:

Surface location: 1665' FSL & 1026' FWL, Unit L
BHL: 1650' FSL & 330' FEL, Unit I

Section 23 T-16S R-28E
Eddy County, NM

Formation (s) (if applicable): Crows Flat; Wolfcamp

Bond Coverage: \$25,000 Statewide Bond – COG Operating LLC

BLM Bond File No.: NMB000215

Authorized Signature: _____


John Coffman

Title: Drilling Supt.

Date: 7-31-07
