Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

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FORM APPROVED

OMB NO 1004-0135 Expires: July 31, 2010

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SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter an

Lease Serial No. NMLC028480A

l. Use form 3160-3 (APL	D) for such proposals.		6. If Indian, Allottee C	or Tribe Name
PLICATE - Other instruc	tions on reverse side.		7 If Unit or CA/Agre	ement, Name and/or No
			9. API Well No.	
SKEN TOWER II	3b Phone No. (include area code Ph: 432-685-4332)	10. Field and Pool, or E EMPIRE	Exploratory
, R., M., or Survey Description	i)		 County or Parish, 	and State
60FNL 2310FEL	SEP - 3 200	8	EDDY COUNT	Y, NM
	OCD-ARTES	MA		
OPRIATE BOX(ES) TO			EPORT, OR OTHE	R DATA
	ТҮРЕ О	F ACTION		
☐ Acidize ☐ Alter Casing ☐ Casing Repair ☐ Change Plans ☐ Convert to Injection	Deepen Fracture Treat New Construction Plug and Abandon Plug Back	Reclam Recomp Tempor	ation olete rarily Abandon Disposal	☐ Water Shut-Of☐ Well Integrity☐ Other
	er Contact E-Mail: kcarrillo@c SKEN TOWER II , R., M., or Survey Description 60FNL 2310FEL COPRIATE BOX(ES) TO Acidize Casing Repair Change Plans Convert to Injection	Contact KANICIA CARRILLO E-Mail: kcarrillo@conchoresources.com SKEN TOWER II SKEN TOWER II SEP - 3 200 CONTEST COPRIATE BOX(ES) TO INDICATE NATURE OF TYPE O Acidize Acidize Acidize Acidize Casing Repair Change Plans Convert to Injection Plug Back	Contact KANICIA CARRILLO E-Mail: kcarrillo@conchoresources.com SKEN TOWER II Acidize Acidize Alter Casing Casing Repair Change Plans Convert to Injection Convert rease code Convert sides CARRILLO CARRILLO CARRILLO Cinclude area code) Ph: 432-685-4332 SEP - 3 2008 CINCLUDA SEP - 3 2008 CINCLUDA TYPE OF ACTION TYPE OF ACTION Plug Back Convert sides Convert si	PLICATE - Other instructions on reverse side. 8. Well Name and No WESTERN FEDE Contact KANICIA CARRILLO E-Mail: kcarrillo@conchoresources.com 3b Phone No. (include area code) Ph: 432-685-4332 COPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHE TYPE OF ACTION Casing Repair Casing Repair Change Plans Plug and Abandon 7. If Unit or CA/Agree 8. Well Name and No WESTERN FEDE 9. API Well No. 30-015-31777-0 10. Field and Pool, or E EMPIRE 11. County or Parish, EDDY COUNTY TYPE OF ACTION Production (Start/Resume) Reclamation Recomplete Plug and Abandon Temporarily Abandon

If the proposal is to deepen directionally or recomplete 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 recompletion 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 Respectfully request to deepen to the Yeso as follows:

See Attachment.

SEE ATTACHED FOR CONDITIONS OF APPROVAL APPROVED FOR — MONTH PERIOD ENDING 8/30/09

	,			CONTRACTOR FOR DE	COPD
14. Thereby certify that the	te foregoing is true and correct. Electronic Submission #61136 verified For COG OPERATING LI Committed to AFMSS for processing by KUI	.C, sen	t to the Carlsbad	ation System 08 (08KMS2113SE)	
Name (Printed/Typed)	KANICIA CARRILLO	Title	PREPARER	SEP 4 - 2008	
Signature	(Electronic Submission)	Date	06/27/2008	Gerry Guye, Deputy Field I NMOCD-District II AF	
	THIS SPACE FOR FEDERA	L OR	STATE OFFICE	E USE	
Approved By WESLE	/ INGRAM	TitleF	PETROLEUM EN	GINEER	200₽ Date 08/30/20
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.			: Carlsbad	Accepted for rec	ord

Western Federal 5 COG Operating LLC 30-015-31777 August 30, 2008 Conditions of Approval

- 1. Work to be complete within one year.
- 2. Variance for stand-off of less than 0.422" is approved due to being in the same formation classification.
- 3. Minimum tie back is to be 100'. When plugged, cement plug will be required across this tie back.
- 4. Variance for not testing seal also approved since deepening is in same formation.
- 5. Radial CBL to be run. Submit copy to BLM.
- 6. Surface disturbance is not to exceed existing pad without prior approval.
- 7. Steel tanks to be used.
- 8. BOP to be tested to 1000 psi based on BHP expected.
- 9. Subsequent sundry and completion report required when work is complete.

WWI 083008

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Rd, Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised June 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	² Pool Code	³ Pool N	ame	
30-015-31777	96210	Empire; Glo	rieta Yeso	
Property Code	* Property !	dame	⁶ Well Number	
302583	Western F	Western Federal		
OGRID No.	Operator i	⁹ Elevation		
229137	COG OPERATING LLC			

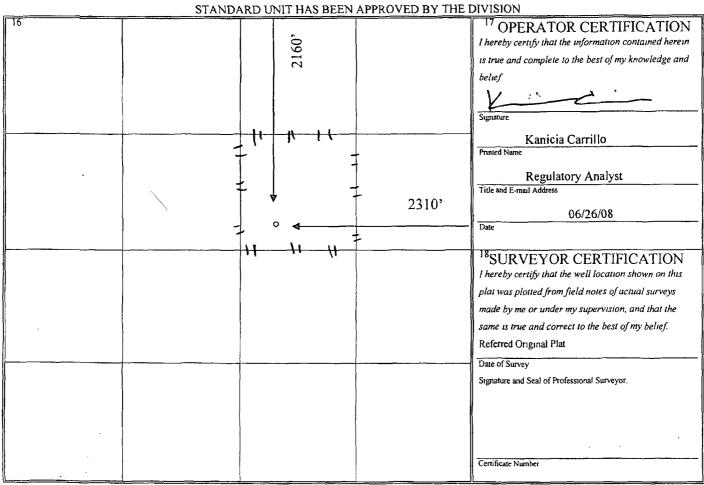
10 Surface Location

UL or lot no. Se	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	30	17S	29E		2160	North	2310	East	Eddy

Bottom Hole Location If Different From Surface

Bottom Hole Location II Different From Surface									
UL or lot no.	Section	Township	Range	Let Idn	Feet from the	North/South line	Feet from the	East/West line	County
		-	1 1	ŀ					
		<u> </u>	<u></u>						
12 Dedicated Acres	i 3 Joint o	r Infili 📑 C	Consolidation Co	ode ∫¹⁵ Orde	r No.				
40	1			ļ					
770		1							

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-



WESTERN FED #5 DEEPENING PROGRAM

1. Estimated Tops of Important Geologic Markers

Yeso Group 3875'

2. Estimated Depths of Anticipated Fresh Water, Oil, and Gas

Yeso Group 3875

This deepening originates in the Yeso and will finish at the base of the Yeso. The entire Yeso group is an oil and gas bearing interval.

3. Casing Program

Hole Size	Interval	OD Casing	Weight	Grade**	Jt./Condition	Burst/collapse/tension
4-3/4"	4366' – 5800'	4"	11.3#	L-80 or	ULT-FJ/New	3.98/4.09/3.21 (L80)
,				P-110		5.47/5.23/4.25 (P110)

^{**} Due to casing shortages, either L-80 or P-110 will be run. The exact grade is unknown at time of requesting permit.

NOTE: COG OPERATING LLC REQUESTS A VARIANCE TO THE 0.422" STAND OFF RULE BETWEEN CASING AND WELLBORE.

4. Cement Program

4" Liner: Class C, 115 sxs, yield 1.37. 75' minimum tie back to production casing.

NOTE: COG OPERATING LLC REQUESTS A VARIANCE TO THE LINER TOP FLUID ENTRY OR PRESSURE TEST BECAUSE THE DEEPENED WELL WILL BE COMPLETED IN THE SAME ZONE AS THE CURRENT PERFS AND THE ENTIRE INTERVAL IS RECOGNIZED BY THE OCD AS ONE INTERVAL (YESO). AS PER ONSHORE ORDER NO. 2 SECT III: REQUIREMENTS, PART B. CASING AND CEMENTING REQUIREMENTS, SUBPART b. "NO TEST SHALL BE REQUIRED FOR LINERS THAT DO NOT INCORPORATE OR NEED A SEAL MECHANISM." COG BELIEVES WE MEET THE CRITERIA TO NOT BE REQUIRED TESTING THE LINER TOP BECAUSE THERE IS NO NEED FOR A SEAL MECHANISM.

NOTE: COG OPERATING LLC REQUESTS A VARIANCE TO THE 200' MINIMUM TIE BACK TO THE PRODUCTION CASING BECAUSE THE LOWEST PERFORATION IS AT 4222'. THE 75' WILL ALLOW US TO NOT COVER EXISTING PERFORATIONS.

5. Minimum Specifications for Pressure Control

The BOP equipment will be a 3000 psi double ram type manually operated preventer. This equipment will be nipple up to a 7-1/16" 3K flange. The pipe rams are located above blind rams. There is no choke or kill manifold. The BOP is tested to 500 psi prior to drilling new formation. Access to the annulus will be through the valves on the 5-1/2" casing head.

6. Types and Characteristics of the Proposed Mud System

This well will drilled from end of the existing 5-1/2" casing to TD with 2% KCl.

7. Auxillary Well Control and Monitoring Equipment

A. A full opening drill pipe-stabbing valve with proper drill pipe connections will be on the rig floor at all times.

8. Logging, Testing, and Coring Program

- A. The electric logging program will consist of GR-Dual Laterolog, Spectral Density, Dual Spaced Neutron, CSNG Log and will be run from TD to 5-1/2" production casing shoe.
- B. No drill stem tests.
- C. No conventional coring anticipated.
- D. Further testing procedures will be determined after the 4" liner has been cemented at TD, based on drill shows and log evaluation.

9. Abnormal Conditions, Pressure, Temperatures, and Potential Hazards

No abnormal pressures or temperatures are anticipated. The estimated bottomhole temperature at TD is 110 degrees and the estimated maximum bottomhole pressure is 2300 psig. The drilling starts in the Yeso and ends in the Yeso. The section of Yeso being drilled has very low permeability (less than 1 md).

10. Anticipated Starting Date and Duration of Operations

There will be no road or location work required as this is an existing well location. Once commenced, drilling operations should be finished in approximately 14 days. If the well is productive, an additional 30 days will be required for completion and testing before a decision is made.

11. Centralizer Program

Fixed blade stabilizer subs will be utilized in the casing string to insure adequate isolation and seal throughout the wellbore. These stabilizer subs are positive fixed blade type. These subs will actually be screwed into the casing string. A diagram of the fixed blade stabilizer sub is located at the end of this program.

The standard location of the stabilizers will be the following:

Shoe Location

Guide shoe, 1 jt casing, stabilizer sub, float collar, 1 jt casing, stabilizer sub

Perf Interval Location – between perf intervals Stabilizer sub, 1 jt casing, stabilizer sub

Top of Liner Location

DV tool, 1 jt casing, stabilizer sub, 1 jt casing, stabilizer sub

12. Summary Drilling and Completion Program

Deepening Procedure

- 1. MIRU rig.
- 2. PU 4-3/4" bit and drill 4-3/4" from 4366' to 5800'.
- 3. POOH w/ bit and drillstring.
- 4. RIH w/ logs and log from TD to 4360'.
- 5. RIH w/ 4", 11.3# casing. See section 11 for general centralizer program.
- 6. Cement casing from TD to 4285' w/ 115 sxs Class C cmt. Drop plug and open DV tool. Circ cmt off DV tool. Drop plug to close DV tool.
- 7. PU workstring and RIH and drill out DV tool. POOH and LD workstring.
- 8. RDMO rig.

Completion Procedure

- 1. MIRU rig.
- 2. RIH/ w/ perforating guns and perforate Yeso from 5300 5500 w/ 2 spf, 30 holes.
- 3. Acidize w/ 2500 gals of 15% HCl. Frac zone w/ 89,900 # of sand. Set plug at 5250'.
- 4. RIH w/ perforating guns and perforate Yeso from 5000' 5200'.
- 5. Acidize w/ 2500 gals of 15% HCl. Frac zone w/ 89,900 # of sand. Set plug at 4950'.
- 6. RIH w/ perforating guns and perforate Yeso from 4700' 4900'.
- 7. Acidize w/ 2500 gals of 15% HCl. Frac zone w/ 89,900 # of sand.
- 8. RIH and drill out plug at 4950' and 5250'.
- 9. RIH and cut or back off 4" casing at 4285'. POOH w/ 4" casing. Leave 4" liner from 4285' to 5800' (TD).
- 10. RIH w/ tbg and locate end of tbg at 4200'.
- 11. RIH w/ rods and pump.
- 12. RDMO rig.

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