Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD – Artesia

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well ☒ Oil Well ☐ Gas Well ☐ Other	5. Lease Serial No NMNM29281
	6 If Indian, Allottee or Tribe Name
	7 If Unit or CA/Agreement, Name and/or No
	8 Well Name and No SCHLEY FED 13
2. Name of Operator COG OPERATING LLC Contact: KANICIA CARRILLO E-Mail: kcarrillo@conchoresources.com	9. API Well No. 30-015-32244-00-S1
3a Address 550 W TEXAS, STE 1300 FASKEN TOWER II MIDLAND, TX 79701 3b. Phone No (include area code) Ph: 432-685-4332	10. Field and Pool, or Exploratory E EMPIRE
4 Location of Well *(Footage, Sec., T., R., M., or Survey Description)* Sec 29 T17S R29E SWNW 1525FNL 990FWL SEP – 3 2008 OCD-ARTESIA	11. County or Parish, and State EDDY COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☒ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof 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.

APPROVED FOR 12 MONTH PERIOD
ENDING 8/30/09

SEE ATTACHED FOR CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct

Electronic Submission #61140 verified by the BLM Well Information System
For COG OPERATING LLC, sent to the Carlsbad
Committed to AFMSS for processing by KURT SIMMONS on 06/30/2008 (08KMS2115SE)

Name *(Printed/Typed)* KANICIA CARRILLO	Title PREPARER
Signature (Electronic Submission)	Date 06/27/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By WESLEY INGRAM	Title PETROLEUM ENGINEER Date 2008 08/30/2(
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.	Office Carlsbad Accepted for record NMOCD

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

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Schley Federal 13
COG Operating LLC
30-015-32244
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

[1] API Number	[2] Pool Code	[3] Pool Name
30-015-32244	96610	Empire; Glorieta Yeso, East

[4] Property Code	[5] Property Name	[6] Well Number
302561	Schley Federal	13

[7] OGRID No.	[8] Operator Name	[9] Elevation
229137	COG OPERATING LLC	3610

[10] Surface Location

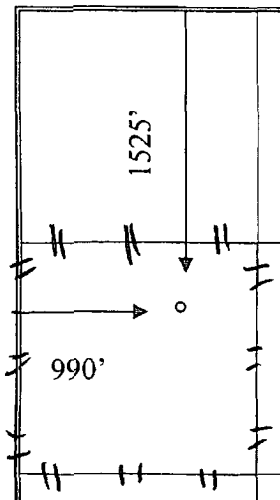
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	29	17S	29E		1525	North	990	West	Eddy

[11] Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
40			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



[17] OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Signature

Kanicia Carrillo
Printed Name

Regulatory Analyst
Title and E-mail Address

06/26/08
Date

[18] SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief

Referred Original Plat
Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number

SCHLEY FED #13 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"	4350' – 5800'	4"	11.3#	L-80 or P-110	ULT-FJ/New	3.98/4.09/3.21 (L80) 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 4197'. THE 75' WILL ALLOW US TO NOT COVER EXISTING PERFORATIONS. See COA

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. See COA

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 4350' to 5800'.
3. POOH w/ bit and drillstring.
4. RIH w/ logs and log from TD to 4300'.
5. RIH w/ 4", 11.3# casing. See section 11 for general centralizer program.
6. Cement casing from TD to 4269' 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 4269'. POOH w/ 4" casing. Leave 4" liner from 4269' to 5800' (TD).
10. RIH w/ tbg and locate end of tbg at 4225'.
11. RIH w/ rods and pump.
12. RDMO rig.

Centralizer Diagram