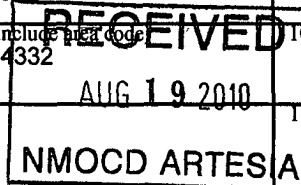


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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 <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMLC029419A	
2. Name of Operator COG OPERATING LLC		6. If Indian, Allottee or Tribe Name	
3a. Address 550 W TEXAS, STE 1300 FASKEN TOWER II MIDLAND, TX 79701		7. If Unit or CA/Agreement, Name and/or No. NMNM71030X	
3b. Phone No. (include area code) Ph: 432-685-4332		8. Well Name and No. SKELLY UNIT 987	
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 22 T17S R31E SWNE 1800FNL 2300FEL 32.82231 N Lat, 103.85585 W Lon		9. API Well No. 30-015-36497-00-X1	
		10. Field and Pool, or Exploratory FREN	
		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			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Well Spud
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 recompleat 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 recompleat 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.)

7/6/10 Spud 17-1/2? @ 12:30AM. TD 17-1/2? @ 453?. Ran 11jts 13-3/8 H40 48# @ 453?. Cmt w/500sx C. Circ 188sx. WOC 18 hrs. Test BOP to 1200# for 30 min., ok.
7/8/10 TD 11? @ 1834?. Ran 41jts 8-5/8 J55 32# @ 1265?. Cmt w/900sx C. lead. PD @ 4:24pm. Circ 297sx. WOC 18 hrs. Test BOP to 2000# for 30 min., ok.
7/16/10 TD 7-7/8? @ 6630. Ran 150jts 5-1/2 J55 17# @ 6614. Cmt w/700sx C. lead, 400sx C. tail. Circ 235sx WOC 24hrs.
7/17/10 RR. Will test csg to 3500# for 30 min on completion rig.

14. I hereby certify that the foregoing is true and correct. Electronic Submission #89993 verified by the BLM Well Information System For COG OPERATING LLC, sent to the Carlsbad Committed to AFMSS for processing by KURT SIMMONS on 07/22/2010 (10KMS1851SE)	
Name (Printed/Typed) KANICIA CARRILLO	Title PREPARER
Signature (Electronic Submission)	Date 07/21/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By ACCEPTED	DUSTIN WINKLER Title PETROLEUM ENGINEER	Date 08/12/20
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.		Office Carlsbad

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 ****

OPERATOR _____ COG _____
WELL/LEASE _____ Skelly Unit 987 _____
COUNTY _____ Eddy _____

RECEIVED

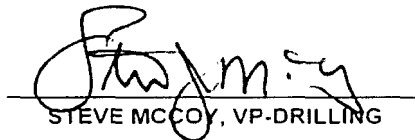
AUG 20 2010

HOBBSOCD

STATE OF NEW MEXICO
DEVIATION REPORT

229	0.75
844	0.50
1669	1.25
1287	1.00
2115	0.75
2556	0.75
3000	0.75
3445	1.00
3763	0.25
4205	1.25
4679	1.00
4154	2.00
5375	2.75
5660	2.00
6137	2.00

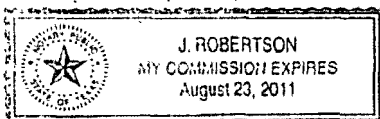
SIGNED BY:


STEVE MCCOY, VP-DRILLING

STATE OF TEXAS
COUNTY OF MIDLAND

ON THIS 14th DAY OF August, 2010, BEFORE ME, J ROBERTSON, A NOTARY
PUBLIC, PERSONALLY APPEARED STEVE MCCOY, WHO ACKNOWLEDGED AND EXECUTED
THIS DOCUMENT. WITNESS MY HAND AND OFFICIAL SEAL.

(SEAL)




NOTARY PUBLIC