arities. Form 3160-5 (August 2007)

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

OCD Hobbs HOBBS OCD

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

5. Lease Serial No. NMLC029405B	
6. If Indian, Allottee or Tribe N	ame

abandoned we	II. Use form 3160-3 (APD) for such proposals UG	2 5 2011 0. 11 midrail, Another	or Tribe Name
SUBMIT IN TRI	PLICATE - Other instruc	tions on reverse side.	7. If Unit or CA/Agr	eement, Name and/or No.
1. Type of Well		REC	CEIVED	
Oil Well Gas Well Ot	8. Well Name and No GC FEDERAL 5			
2 Name of Operator	Contact:	ROBYN ODOM	9. API Well No.	
COG OPERATING LLC	E-Mail: rodom@cor	3b Phone No (include area cod	30-025-39474	
3a. Address 550 WEST TEXAS AVE, STE MIDLAND, TX 79701	e) 10. Field and Pool, o MALJAMAR; Y	r Exploratory ESO, WEST		
4. Location of Well (Footage, Sec., 7	, R, M., or Survey Description)		11 County or Parish	, and State
Sec 19 T17S R32E 1100FSL	1910FEL		LEA COUNTY	, NM
12. CHECK APP	ROPRIATE BOX(ES) TO	INDICATE NATURE OF	NOTICE, REPORT, OR OTHE	CR' DATA
TYPE OF SUBMISSION		ТҮРЕ (OF ACTION	
Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
	Alter Casing	☐ Fracture Treat	Reclamation	☐ Well Integrity
☐ Subsequent Report	☐ Casing Repair	□ New Construction	□ Recomplete	Other
☐ Final Abandonment Notice	☐ Change Plans	Plug and Abandon	☐ Temporarily Abandon	
13. Describe Proposed or Completed Op	Convert to Injection	☐ Plug Back	■ Water Disposal	
COG Operating LLC respectfu 7/16/2011.	ally requests permission fo	r an extension to this APD s	APPROVED FOR 24MO	
			ENDING 1-10- at	21.3
Tec	DM Myca P	etroleun Eugin	eer 06/06/2011	
14. I hereby certify that the foregoing is	Electronic Submission #10	09407 verified by the BLM W PERATING LLC, sent to the	ell Information System Hobbs	
Name (Printed/Typed) ROBYN O	DOM	Title PERSO	ON RESPONSIBLE	
Signature (Electronic S	Submission)	Date 06/01/2	2011	2 AUG 2 6 201
	THIS SPACE FOR	R FEDERAL OR STATE	OFFICE USE	
Approved By	- V.J-	Title	FIELD MANAGER	Da8/23/11
Conditions of approval, if any, are attached certify that the applicant holds legal or equivalent would entitle the applicant to conduct the conduction of t	litable title to those rights in the	oot warrant or subject lease Office C.	ARLSBAD FIELD OFFICE	

Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

HOBBS OCD

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

Expires: July 31, Lease Serial No NMLC029405B

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an 5 2011

6 If Indian Allottee or Tribe Nam

abandoned we	II. Use form 3160-3 (AP	D) for such	přòposäls.		6. If Indian, Allottee C	r Inde Name
SUBMIT IN TRI	PLICATE - Other instruc	tions on re	vers <u>Reide</u> [VE	D	7 If Unit or CA/Agree	ement, Name and/or No
1. Type of Well ☐ Gas Well ☐ Otl	ner	,			8 Well Name and No. GC FEDERAL 56	
2 Name of Operator COG OPERATING LLC	Contact E-Mail: kholly@co	KELLY J H(nchoresource			9. API Well No. 30-025-39474	
3a. Address 550 WEST TEXAS AVENUE MIDLAND, TX 79707	SUITE 100	o (include area co 85-4384	ode)	10 Field and Pool, or Exploratory MALJAMAR; YESO, WEST		
4 Location of Well (Footage, Sec., 7	, R., M, or Survey Description	1)			11 County or Parish,	and State
Sec 19 T17S R32E Mer NMP	SWSE 1100FSL 1910FE	Ĺ	•		LEA COUNTY,	NM
12. CHECK APPI	ROPRIATE BOX(ES) TO) INDICAT	E NATURE O	F NOTICE, RI	EPORT, OR OTHE	R DATA
TYPE OF SUBMISSION			ТҮРЕ	OF ACTION		
Notice of Intent ☐ Subsequent Report ☐ Final Abandonment Notice	Alter Casing					☐ Water Shut-Off ☐ Well Integrity ☐ Other
following completion of the involved testing has been completed. Final Aldetermined that the site is ready for f. COG Operating permitted this SHL: 1100' FSL & 1910' FEL, BHL: 990' FSL & 2310' FEL, S. COG Operating respectfully results. SHL: 623' FSL & 1913' FEL, S. BHL: 990' FSL & 2310' FEL, S. A. Revised C-102 is attached f.	pandonment Notices shall be filinal inspection) well at this location: SEC 19, T17S, R32E, Uritized at the sequests permission to mo Sec 19, T17S, R32E, Unit Sec 19, T17S, R32E, Unit or your review.	ed only after al hit O t O ve this locai O O	I requirements, and ton to:	cluding reclamatio	n, have been completed,	and the operator has
Eng New Comp	true and correct		T	·		
	Electronic Submission #1 For COG (Committed to AFMSS for	OPERATING	LC, sent to th	e Hobbs	_	
Name(Printed/Typed) KELLY J F			1	MITTING TECH	==	
Signature (Electronic S	Submission) THIS SPACE FO	D EEDED)/2011 E OFFICE US		
-	THIS SPACE FO		T -			
Approved By			Title >	FIELD MAN	AGER	Date 2 23//
Conditions of approval, if any, are attache certify that the applicant holds legal or equivalent would entitle the applicant to conductive the applicant to conduct the applicant the applicant the applicant the applicant to conduct the applicant the ap	ntable title to those rights in the		Office	CARLSBAD	FIELD OFFICE	
Title 18 U S C Section 1001 and Title 43 States any false, fictitious or fraudulent	U.S.C. Section 1212, make it a statements or representations as	crime for any to any matter	person knowingly within its jurisdicti	and willfully to m	ake to any department or	agency of the United

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

11885 S. ST. FRANCIS DR., SANTA FE, NM 87505

19

Joint or Infill

17-S

32-E

Consolidation Code

0

Dedicated Acres

State of New Mexico

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr. Santa Fe, New Mexico 87505 HOBBS OCD

Form C-102

AUG 2 5 2011

Revised July 16, 2010 Submit to Appropriate District Office

RECEIVED

☐ AMENDED REPORT

LEA

WELL LOCATION AND ACREAGE DEDICATION PLAT

A	Pl Number	Pool Code				Pool Name					
Property 0	Code			`	Well Number 56						
OGRID I	No.		Operator Name COG OPERATING, LLC						Elevation 3924'		
					Surface Local	tion					
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County		
0	19	17-S	32-E 623 SOUTH 1913 E						LEA		
	·	•		Bottom Hole	e Location If Diffe	rent From Surface					
UL or lot No.	Section	Township	ip Range Lot Idn Feet from the North/South line Feet from the					East/West line	County		

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

SOUTH

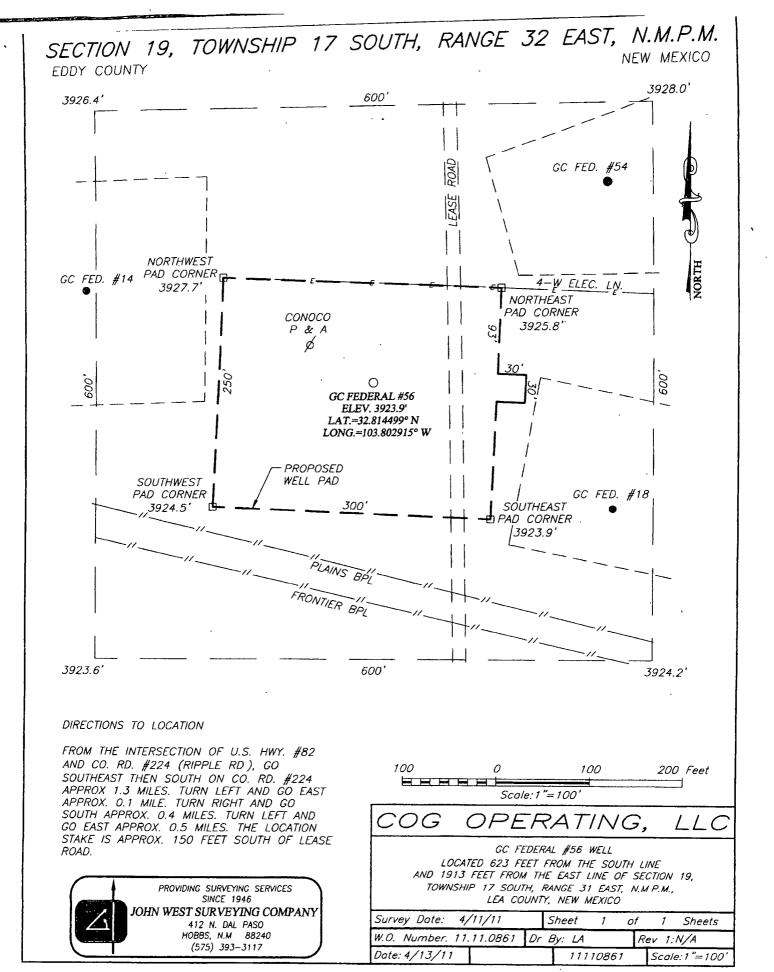
2310

EAST

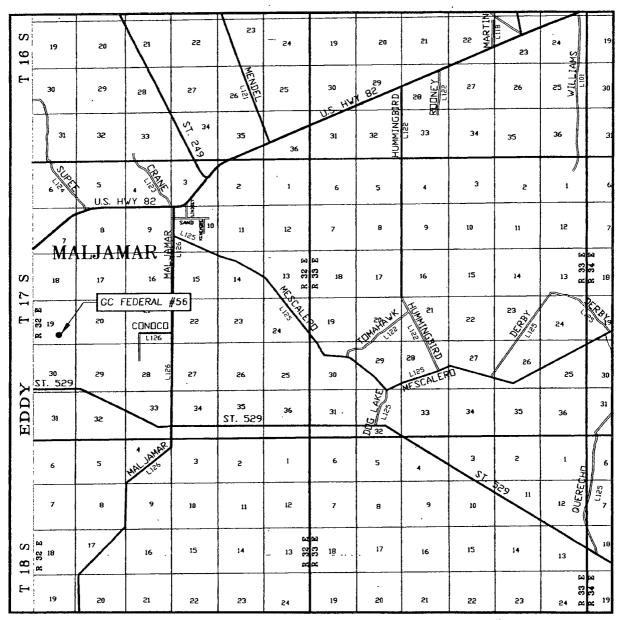
990

Order No.

	OPERATOR CERTIFICATION I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the lend including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.
GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION	Signature Date Printed Name
Y=660434.7 N X=662957.7 E LAT.=32.814499* N	E-mail Address SURVEYOR CERTIFICATION
LONG.=103.802915* W BOTTOM HOLE LOCATION Y=660800.0 N X=662558.9 E	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.
DETAIL 3926.4' 3928.0' Y=661129.2 N N-X=662215.1 E ACRID AZ312'28'48" Y=661134.1 N X=663540.7 E 2310'	APRIL 4, 2011 Date of Survey Signature & Seat of Professional Surveyor: ALD J. E. J.
Y=659809.0 N S L. SEE_DETAIL Y=659813.9 N X=663545.9 E	Certification of the second of



VICINITY MAP

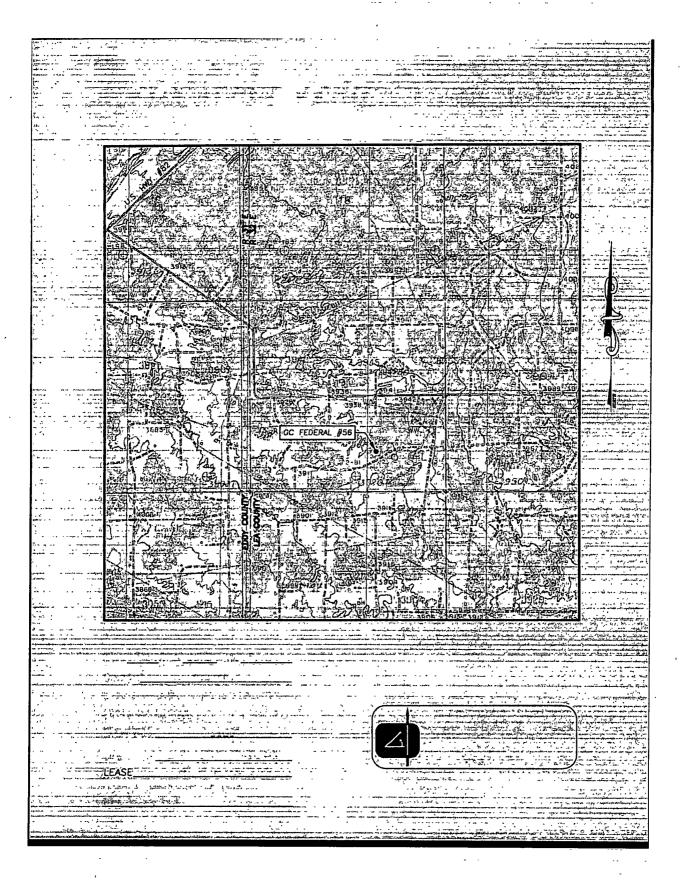


SCALE: 1" = 2 MILES

SEC. 19 T	WP. <u>17-S</u> RGE. <u>32-E</u>
SURVEY	N.M.P.M.
COUNTYL	EA STATE NEW MEXICO
DESCRIPTION	1100' FSL & 1910' FEL
ELEVATION	3929'
OPERATOR_	COG OPERATING, LLC
LEACE	CC EEDERAL



PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST-SURVEYING COMPANY
412 N. DAL PASO
HÖBBS, N.M. 88240
(575) 393-3117



LOCATION VERIFICATION MAP

HOBBS OCD

AUG 2 5 2011

RECEIVED

SCALE: 1" = 2000'

SEC. 19 TWP. 17-S RGE. 32-E

SURVEY

N.M.P.M.

COUNTY LEA STATE NEW MEXICO

DESCRIPTION 1100' FSL & 1910' FEL

ELEVATION

3929'

OPERATOR COG OPERATING, LLC

GC FEDERAL

U.S.G.S. TOPOGRAPHIC MAP

MALJAMAR, N.M.

PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPAN 412 N. DAL PASO HOBBS, N.M._ 88240 (575) 393-3117



AUG 2 5 2011

RECEIVED

COG Operating LLC

Lea County, NM (NAD27 NME) GC Federal #56 GC Federal #56

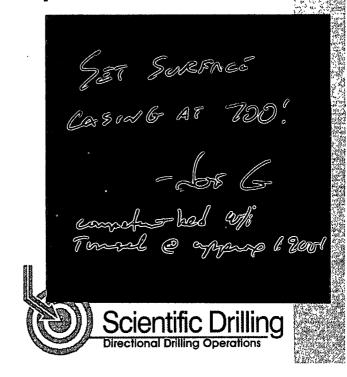
OH

Plan: Plan #2 - 7-7/8" Hole SHL = 623' FSL & 1913' FEL BHL = 980' FSL & 2300' FEL

Paddock Top = 288' N of Surface & 315' W of Surface @ 5270' TVD

Standard Planning Report

19 April, 2011





Scientific Drilling

Planning Report



Database Company

Project:

Site:

COG Operating LLC.

Lea County, NM (NAD27 NME)

GC Federal #56 GC Federal #56

Well: ′он ∵ ″

Wellbore:

Plan #2 - 7-7/8" Hole Design:

Local Co-ordinate Reference

Well GC Federal #56 GĽ Elev @ 3924.00usft

TVD Reference: MD Reference:

GL Elev @ 3924.00usft Grid 🦥 🎘

North Reference Survey Calculation Method:

Minimum Curvature

Lea County, NM (NAD27 NME)

Map System:

US State Plane 1927 (Exact solution)

NAD 1927 (NADCON CONUS)

Geo Datum: Map Zone:

New Mexico East 3001

System Datum:

Mean Sea Level

GC Federal #56

Site Position:

Well Position

From:

Northing: Easting:

660,434.70 usft 662,957 70 usft

Latitude:

32° 48' 52,198 N 103° 48' 10.495 W Longitude:

Position Uncertainty:

0 00 usft

Slot Radius:

0 "

Grid Convergence:

0.29

GC Federal #56

+N/-S +E/-W 0 00 usft

Northing:

660,434 70 usft

Latitude:

32° 48' 52 198 N

Position Uncertainty

0 00 usft 0 00 usft Easting: Wellhead Elevation: 662,957 70 usft

Longitude: **Ground Level:** 103° 48' 10.495 W

3,924.00 usft

Wellbore

Magnetics

Plan #2 - 7-7/8" Hole

IGRF2010

2011/04/19

60.70

48,959

Design

Audit Notes:

Version:

Phase:

PLAN

Tie On Depth:

0.00

Depth From (TVD) (usft)

0.00

(usft) 0.00

+E/-W (usft) 0.00

W. V.	easured Depth (usft)	inclination (°)	Azimuth	Vertical Depth (usft)	+N/-S (usft)	+É/-W (úsft)	Dogleg Rate (°/100usft)	Build Rate (7/100usft)	Turn Rate (°/100úsft)	TFO (°)	Target
	0.00	0.00	0 00	0.00	0.00	0 00	0 00	0 00	0 00	0.00	
	2,200 00	0 00	0 00	2,200 00	0 00	0 00	0.00	0.00	0.00	0.00	
	2,638.65	8 77	312 42	2,636.94	22.61	-24 74	2 00	2 00	0 00	312.42	
	5,028.05	8.77	312 42	4,998.38	268.45	-293 76	0 00	0 00	0 00	0.00	
	5,301 29	3 31	312 42	5,270.00	287.84	-314 98	2 00	-2.00	0.00	180.00	PP-GCF #56
	7,034.18	3 31	312 42	7,000 00	355.30	-388 80	0.00	0 00	0.00	0.00	PBHL-GCF #56



Scientific Drilling

Planning Report



Company: Project:

Site:

Well:

EDM-Julio COG Operating LLC

Lea County, NM (NAD27 NME)

GC Federal #56 GC Federal #56

Wellbore: ′он 🎺

Plan #2 - 7-7/8" Hole Design:

Local Co-ordinate Reference: TVD Reference:

MD Reference: North Reference: Survey Calculation Method: Well GC Federal #56 GL Elev @ 3924.00usft GL Elev @ 3924.00usft

Minimum Curvature

Planned Survey	100 Car 100 Ca		1860 " Prop."	and the second of the second o	Madalitatakili	<u> </u>	**************************************	The same of the sa	**************************************
Fiamed Survey		Waliozaka		Kirkerisiy					
							Sag <u>a</u> 4 Sagat Jan 4 (
Measured.			Vertical			Vertical	Dogleg	Build	Turn
	lination	Azimuth	Depth	+N/-S	+E/-W	Section	Rate	Rate	Rate
(usft)	(°)	(°)	(usft)	(usft)	(usft)	(usft)	(°/100usft)	(°/100usft)	(°/100usft)
0 00	0.00	0.00	0.00	0.00	0.00	0 00	0.00	0 00	0 00
					000	000 చినిక చెందిం	0.00 2 55824. E		880 J (SM SC 2
East HL-GCF #56							· Parking and	the sample of the second	(40 (4.57) A. A.
2,100.00	0.00	0.00	2,100 00	0 000	0.00	0.00	0.00	0.00	0.00
8 5/8" Casing		\$360 X 1860		\$ 454 july -	시작된 높.	1,2 % 1 25% 1			
2,200.00	0 00	0.00	2,200.00	0.00	0.00	0 00	0.00	0.00	0.00
(KOP Start Build 2					(in the 1980)	16 6 3 8.			ST 3 1/2 1/2 1/2 1/2 1/2 1/2 1/2 1/2 1/2 1/2
2,300.00	2 00	312 42	2,299.98	1.18	-1.29	1 75	2.00	2.00	0.00
2,400.00	4 00	312.42	2,399.84	4 71	-5.15	6 98	2.00	2.00	0 00
2,500.00	6 00	312.42	2,499.45	. 10 59	-11.58	15 69	2 00	2 00	0 00
2,600.00	8.00	312.42	2,598.70	18.81	-20.58	27 88	2.00	2 00	0.00
2,638.65	8.77	312 42	2,636.94	22 61	-24.74	33.52	2.00	2.00	0.00
EOC hold 8.772°	Color Color	19 30 3	San Service	3- 1- 1- 1- 1- 1- 1- 1- 1- 1- 1- 1- 1- 1-	Branch &	1 1 1 1 1 1 1 1 1 1 1 1	30 N A	4 . 6 / 182 . 1	7738 1 100 50
2,700.00	8.77	312,42	2,697 57	28 92	-31.65	42 87	0 00	0.00	0.00
2,800.00	8 77	312.42	2,796.40	39.21	-42.91	58 13	0 00	0.00	0.00
						'			
2,900.00	8 77	312.42	2,895 23	49.50	-54.17	73 38	0 00	0 00	0 00
3,000.00	8.77	312.42	2,994.06	59 79	-65 43	88.63	0.00	0.00	0.00
3,100.00	8.77	312.42	3,092.89	70.08	-76.68	103.88	0.00	0.00	0.00
3,200.00	8.77	312.42	3,191.72	80.37	-87.94	119.13	0.00	0.00	0 00
3,300,00	8.77	312.42	3,290.55	90.66	-99.20	134.39	0.00	0.00	0.00
3,400 00	8 77	312.42	3,389 38	100.94	-110 46	149 64	0 00	0.00	0.00
3,500.00	8 77	312.42	3,488 21	111 23	-121 72	164.89	0.00	0.00	0 00
3,600 00	8 77	312.42	3,587 04	121 52	-132.98	180.14	0.00	0 00	0.00
3,700.00	8 77	312.42	3,685.87	131 81	-144.24	195 39	0.00	0.00	0.00
3,800.00	8.77	312.42	3,784.70	142.10	-155.50	210.65	0.00	0 00	0.00
3,900.00	8 7 7	312.42	3,883.53	152 39	-166.76	225.90	0.00	0 00	0.00
4,000.00	8.77	312.42	3,982.36	162.68	-178.02	241.15	0.00	0 00	0.00
4,100.00	8.77	312.42	4,081 19	172.97	-189.27	256 40	0.00	0.00	0 00
4,200.00	8.77	312.42	4,180.02	183.25	-200.53	271 65	0.00	0.00	0.00
4,300.00	8 77	312 42	4,278 85	193.54	-211.79	286 91	0.00	0.00	0.00
			•						l
4,400.00	8 77	312 42	4,377 68	203 83	-223.05	302.16	0.00	0 00	0.00
4,500 00	8.77	312.42	4,476.51	214.12	-234.31	317 41	0.00	0.00	0.00
4,600.00	8 77	312.42	4,575.34	224.41	-245 57	332 66	0.00	0.00	0.00
4,700.00	8 77	312.42	4,674 17	234.70	-256.83	347.91	0.00	0.00	0 00
4,800 00	8.77	312 42	4,773.00	244.99	-268.09	363.17	0.00	0.00	0.00
4,900 00	8.77	312.42	4,871.83	255.28	-279.35	378 42	0.00	0.00,	0.00
5,000 00	8 77	312.42	4,970.66	265.56	-290 60	393.67	0 00	0.00	0.00
5,028.05	8 77	312 42	4,998 38	268 45	-293.76	397 95	0 00	0.00	0.00
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5,100.00	7.33	312.42	5,069.62	275 25	-301.20	408.03	2 00	-2.00	0.00
5,200.00	5.33	312.42	5,169.01	282 69	-309.35	419 06	2.00	-2.00	0 00
5,300.00	3.33	312.42	5,268.72	287.79	-314.92	426.62	2.00	-2.00	0.00
5,301.29	3.31	312.42	5.270.00	287.84	-314.98	426.69	2.00	-2.00	0.00
EOC hold 3.31% - 1						7 20.00	1 11 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	-2.00	
5,400.00	3.31	312.42	5,368.55		2310.18	432.39			
5,500.00	3.31	312.42	5,366.33 5,468.38	291.68	319.18 -323.44		0.00	0.00	0.00 0.00
5,600.00				295.58		438.16	0.00	0.00	
5,000.00	3 31	312.42	5,568.22	299.47	-327.70	443.93	0.00	0.00	0.00
5,700.00	3.31	312 42	5,668.05	303 36	-331.96	449.70	0.00	0.00	0 00
5,800.00	3 31	312 42	5,767.88	307 25	-336.22	455.47	0 00	0.00	0.00
5,900 00	3.31	312.42	5,867.72	311.15	-340.48	461.24	0.00	0.00	0 00
6,000.00	3 31	312 42	5,967.55	315.04	-344.74	467 01	0.00	0.00	0.00
6,100.00	3.31	312.42	6,067.38	318.93	-349.00	472.78	0.00	0 00	0.00
6,200.00	3.31	312.42	6,167,22	322.83	-353.26	478.55	0.00	0.00	0.00
								0.00	0.00
6,300.00	3.31	312.42	6,267.05	326.72	-357.52	484.32	0.00	0.00	0.00



Scientific Drilling

Planning Report



Database Company: Project:

EDM-Julio COG Operating LLC

Lea County, NM (NAD27 NWE)

Site: Well: GC Federal #56 ОН

Wellbore:

Plan #2 - 7-7/8" Hole Design: 🔾

Local Co-ordinate Reference: TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well GC Federal #56 GL Elev @ 3924.00usft GL Elev @ 3924.00usft

Grid Minimum Curvature

T 1 - 2 3 6 7 5 7 5 8 7 5 7 5 7 5 7 5 7 5 7 5 7 5 7	44 P. W. S.	18 18 18 25 18 18 18 18 18 18 18 18 18 18 18 18 18	2 20 ho 100 1 100 100 100 100 100 100 100 100	W. A.	\$\$\$\$\$\$\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	MX 1874 - 194 / SX 344	March or Experience and the	الماريك الأركام الميكراتية	VI CASSESSE SEE SEE SECT
Planned Survey)			Carrier Carrier			Section Control of) 岩棒茶色改矿	
		5944.78683.X3b.3			YUMUUUKK			ag Gurroat	
						82/1904 (AND 1904) (AND 1904)	XXXXXX and y		
Measured			Vertical 🐪	2555 DASA	×03.43.43.55	Vertical	Dogleg	Build.	Turn
Depth Inc	lination	Azimuth	Depth	+N/-S	+E/-W	Section ·	Rate	Rate	Rate
DD 90%0000000004649990 (***)		reillani 💯	でめてなりだぐなこ むしゃご	875 L DBH375 /4 825 W	ISO THE NEW MENSION	120 C 200 to 20 to 2	864 S. Jan. 1. 14 J. 1886 S.	M1.w7abb6670006866697	********************************
(usft)			(usft)	(usft)	(usft)	(usft) ('/100usft) (°/	(100üsft) (°	/100usft)
DARREST STATE OF THE STATE OF T	. 348,894(4, 7, 2, 2, 4); A	28 X 53 C 2 J 2 1 J 2 1 C 2	1 2000 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	estimation could be	CONSTRUCTOR	748 N. S. MASSESSE XX	40 miles (04)	Car Jak to 1 . S. M. M. S. W. M.	(MMMM
6,400.00	3.31	312 42	6,366 88	330.61	-361.78	490.09	0.00	0.00	0.00
6,500.00	['] 3.31	312.42	6,466.72	334.51	-366.04	495.87	0.00	0.00	0.00
6,600.00	3 31	312.42	6,566.55	338.40	-370 30	501.64	0.00	0.00	0.00
0.700.00		212.12							
6,700.00	3.31	312 42	6,666 38	342 29	-374.56	507.41	0.00	0.00	0 00
6,800 00	3 31	312.42	6,766.22	346 18	-378.82	513.18	0.00	0.00	0 00
6,900.00	3 31	312.42	6,866.05	350 08	-383.08	518.95	0.00	0.00	0.00
7,000 00	3.31	312.42	6,965.88	353 97	-387.34	524.72	0.00	0.00	0.00
7,034.18	3.31	312 42	7,000.00	355.30	-388.80	526.69	0.00	0.00	0 00
PBHL-GCF,#56	爱"。	·	\$	1911	110 1	S122222		J. 1988 1988 1988 1988 1988 1988 1988 198	\$ \$ 1,80 65
			•			*		• •	

	Carrier St.	ip Dir.	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
East HL-GCF #56 - plan misses target cente - Rectangle (sides W0.00			0.00 Ousft MD (0.	365.30 00 TVD, 0.00 I	-398.80 N, 0.00 E)	660,800.00	662,558 90	32° 48′ 55.832 N	·103° 48' 15.146 W
South HL-GCF #56 - plan misses target cente - Rectangle (sides W200.0			0 00 Ousft MD (0 (365 30 00 TVD, 0.00 I	-398.80 N, 0.00 E)	660,800.00	662,558 90	32° 48′ 55.832 N	103° 48' 15.146 W
PP-GCF #56 - plan hits target center - Point	0.00	0.00	5,270 00	287.84	-314 _. 98	660,722.55	662,642.72	32° 48′ 55 061 N	103° 48' 14.169 W
PBHL-GCF #56 - plan hits target center - Circle (radius 10 00)	0.00	0.00	7,000.00	355.30	-388 80	660,790 00	662,568.90	32° 48′ 55.733 N	103° 48' 15.030 W

Casing Points Measured Vertical Depth Depth (usft) (usft)	Name	Casing Hole Diameter Diameter (") (")
2,100.00 2,100.00	8 5/8" Casing .	8-5/8 10-5/8

Formations Measured Vertical Depth Depth (usft) (usft)	Name	Dip Dip Direction Lithology (°) (°)
5,301.29 5,270.00	Top of Paddock	0.00

Plan Annotations Measured V Depth (usft)	ertical Local C Depth +N/-S (usft) (usft)	oordinates +E/-W (usft)	Comment
2,200.00	2,200.00 0.00	0.00	KOP Start Build 2.00°/100'
2,638 65	2,636.94 22.61	-24.74	EOC hold 8.772°
5,028.05	4,998.38 268.45	-293.76	Start Drop 2.00°/100'
5,301.29	5,270.00 287.84	-314.98	EOC hold 3.31°

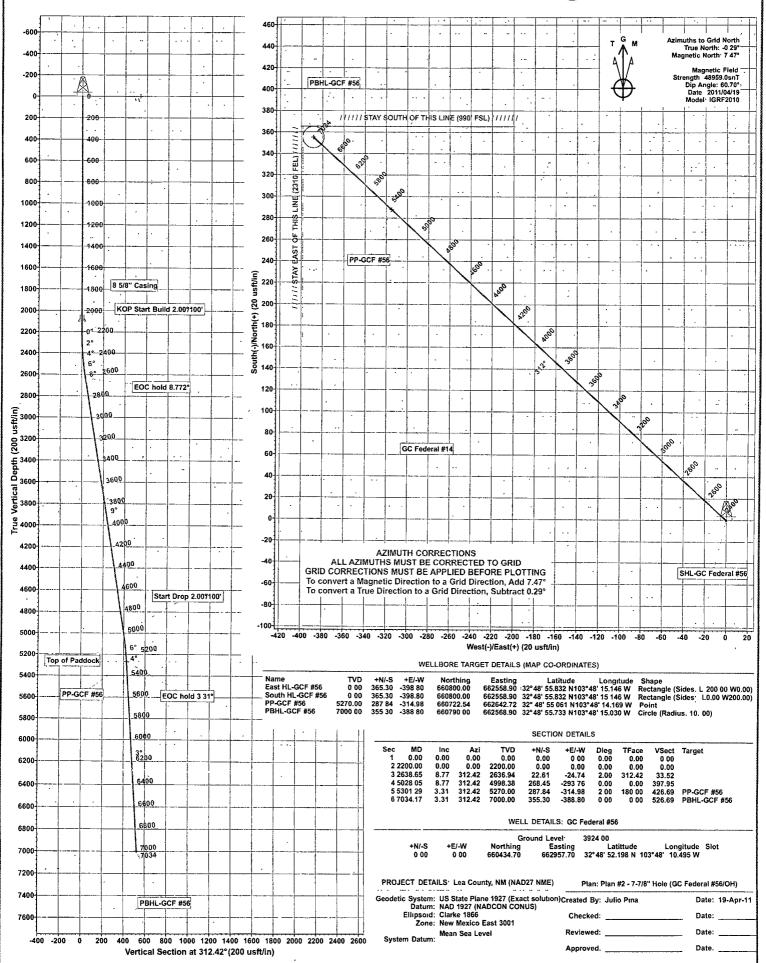


Scientific Drilling for COG Operating LLC Site: Lea County, NM (NAD27 NME)

Well: GC Federal #56 Wellbore: OH

Design: Plan #2 - 7-7/8" Hole





HOBBS OCD

PECOS DISTRICT CONDITIONS OF APPROVAL

AUG 2 5 2011

RECEIVED

OPERATOR'S NAME:
LEASE NO.:
LEASE NO.:
WELL NAME & NO.:
SURFACE HOLE FOOTAGE:
BOTTOM HOLE FOOTAGE
LOCATION:
COUNTY:
CO

TABLE OF CONTENTS

Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

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Low Profile Well Marker
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Road Section Diagram
☑ Drilling
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☑ Production (Post Drilling)
Pipelines
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Final Abandonment/Reclamation

I. GENERAL PROVISIONS

The approval of the Application For Permit To Drill (APD) is in compliance with all applicable laws and regulations: 43 Code of Federal Regulations 3160, the lease terms, Onshore Oil and Gas Orders, Notices To Lessees, New Mexico Oil Conservation Division (NMOCD) Rules, National Historical Preservation Act As Amended, and instructions and orders of the Authorized Officer. Any request for a variance shall be submitted to the Authorized Officer on Form 3160-5, Sundry Notices and Report on Wells.

II. PERMIT EXPIRATION

If the permit terminates prior to drilling and drilling cannot be commenced within 60 days after expiration, an operator is required to submit Form 3160-5, Sundry Notices and Reports on Wells, requesting surface reclamation requirements for any surface disturbance. However, if the operator will be able to initiate drilling within 60 days after the expiration of the permit, the operator must have set the conductor pipe in order to allow for an extension of 60 days beyond the expiration date of the APD. (Filing of a Sundry Notice is required for this 60 day extension.)

III. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

Any cultural and/or paleontological resource discovered by the operator or by any person working on the operator's behalf shall immediately report such findings to the Authorized Officer. The operator is fully accountable for the actions of their contractors and subcontractors. The operator shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery shall be made by the Authorized Officer to determine the appropriate actions that shall be required to prevent the loss of significant cultural or scientific values of the discovery. The operator shall be held responsible for the cost of the proper mitigation measures that the Authorized Officer assesses after consultation with the operator on the evaluation and decisions of the discovery. Any unauthorized collection or disturbance of cultural or paleontological resources may result in a shutdown order by the Authorized Officer.

IV. NOXIOUS WEEDS

The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

V. SPECIAL REQUIREMENT(S)

Lesser Prairie-Chicken Timing Stipulation

Timing Limitation Stipulation / Condition of Approval for lesser prairie-chicken: Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, pipeline, road, power line, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 feet from the source of the noise.

Low Profile Well Marker

The well marker will be approximately 2 inches above ground level and contain the following information: operator name, lease name, and well number and location, including unit letter, section, township, and range. The previous listed information will be welded, stamped, or otherwise permanently engraved into the metal of the marker.

VI. CONSTRUCTION

A. NOTIFICATION

The BLM shall administer compliance and monitor construction of the access road and well pad. Notify the Hobbs Field Station at (575) 393-3612 at least 3 working days prior to commencing construction of the access road and/or well pad.

When construction operations are being conducted on this well, the operator shall have the approved APD and Conditions of Approval (COA) on the well site and they shall be made available upon request by the Authorized Officer.

B. TOPSOIL

The operator shall stockpile the topsoil of the well pad. The topsoil shall not be used to backfill the reserve pit and will be used for interim and final reclamation.

C. RESERVE PITS

The operator has applied for a closed-loop system. The operator shall properly dispose of drilling contents at an authorized disposal site.

D. FEDERAL MINERAL MATERIALS PIT

If the operator elects to surface the access road and/or well pad, mineral materials extracted during construction of the reserve pit may be used for surfacing the well pad and access road and other facilities on the lease.

Payment shall be made to the BLM prior to removal of any additional federal mineral materials from any site other than the reserve pit. Call the Carlsbad Field Office at (575) 234-5972.

E. WELL PAD SURFACING

Surfacing of the well pad is not required.

If the operator elects to surface the well pad, the surfacing material may be required to be removed at the time of reclamation.

The well pad shall be constructed in a manner which creates the smallest possible surface disturbance, consistent with safety and operational needs.

VII. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified a minimum of 4 hours in advance for a representative to witness:

÷.,

- a. Spudding well
- b. Setting and/or Cementing of all casing strings
- c. BOPE tests

Lea County

Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (575) 393-3612

- 1. A Hydrogen Sulfide (H2S) Drilling Plan should be activated 500 feet prior to drilling into the Grayburg formation. As a result, the Hydrogen Sulfide area must meet Onshore Order 6 requirements, which includes equipment (well control, etc.) and personnel/public protection items. If Hydrogen Sulfide is encountered, please provide measured values and formations to the BLM.
- 2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
- 3. Rustler and Salt formation to be listed on Completion Report.

B. CASING

Changes to the approved APD casing and cement program require submitting a sundry and receiving approval prior to work. Failure to obtain approval prior to work will result in an Incident of Non-Compliance being issued.

Centralizers required on surface casing per Onshore Order 2.III.B.1.f.

Wait on cement (WOC) time for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater for all casing strings. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. See individual casing strings for details regarding lead cement slurry requirements.

No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

Possible lost circulation in the Grayburg and San Andres formations. Possible water and brine flows in the Salado and Artesia Group.

- 1. The 13-3/8 inch surface casing shall be set a minimum of 25 feet into the Rustler Anhydrite at approximately 650 feet and cemented to the surface.
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with a surface log readout will be used or a cement bond log shall be run to verify the top of the cement.
 - b. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry.
 - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
 - d. If cement falls back, remedial cementing will be done prior to drilling out that string.
- 2. The minimum required fill of cement behind the 8-5/8 inch intermediate casing is:
- 3. The minimum required fill of cement behind the 5-1/2 inch production casing is:
 - Cement should tie-back at least 200 feet into previous casing string. Operator shall provide method of verification.
- 4. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

C. PRESSURE CONTROL

- 1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
- 2. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **2000 (2M)** psi.

- 3. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. The tests shall be done by an independent service company.
 - b. The results of the test shall be reported to the appropriate BLM office.
 - c. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
 - d. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.
 - e. Effective November 1, 2008, no variances will be granted on reduced pressure tests on the surface casing and BOP/BOPE. Onshore Order 2 requirements will be in effect.

D. DRILL STEM TEST

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

WWI 060609

VIII. PRODUCTION (POST DRILLING)

A. WELL STRUCTURES & FACILITIES

Placement of Production Facilities

Production facilities should be placed on the well pad to allow for maximum interim recontouring and revegetation of the well location.

Containment Structures

The containment structure shall be constructed to hold the capacity of the entire contents of the largest tank, plus 24 hour production, unless more stringent protective requirements are deemed necessary by the Authorized Officer.

Painting Requirement

All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color Shale Green, Munsell Soil Color Chart # 5Y 4/2

B. PIPELINES

STANDARD STIPULATIONS FOR SURFACE INSTALLED PIPELINES

A copy of the grant and attachments, including stipulations, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

- 1. The holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.
- 2. The holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.
- 3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the

Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to activity of the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.

- 4. The holder shall be liable for damage or injury to the United States to the extent provided by 43 CFR Sec. 2883.1-4. The holder shall be held to a standard of strict liability for damage or injury to the United States resulting from pipe rupture, fire, or spills caused or substantially aggravated by any of the following within the right-of-way or permit area:
- a. Activities of the holder including, but not limited to construction, operation, maintenance, and termination of the facility.
- b. Activities of other parties including, but not limited to:
 - (1) Land clearing.
 - (2) Earth-disturbing and earth-moving work.
 - (3) Blasting.
 - (4) Vandalism and sabotage.
- c. Acts of God.

The maximum limitation for such strict liability damages shall not exceed one million dollars (\$1,000,000) for any one event, and any liability in excess of such amount shall be determined by the ordinary rules of negligence of the jurisdiction in which the damage or injury occurred.

This section shall not impose strict liability for damage or injury resulting primarily from an act of war or from the negligent acts or omissions of the United States.

5. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil, salt water, or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil, salt water, or other pollutant, wherever found, shall be the responsibility of the holder, regardless of fault. Upon failure of the holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including, where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve the holder of any responsibility as provided herein.

6. All construction an way width of2	ance activity will be confined to the authorized right-of-feet.
7. No blading or clear by the Authorized Off	vegetation will be allowed unless approved in writing

- 8. The holder shall install the pipeline on the surface in such a manner that will minimize suspension of the pipeline across low areas in the terrain. In hummocky of duney areas, the pipeline will be "snaked" around hummocks and dunes rather then suspended across these features.
- 9. The pipeline shall be buried with a minimum of <u>24</u> inches under all roads, "two-tracks," and trails. Burial of the pipe will continue for 20 feet on each side of each crossing. The condition of the road, upon completion of construction, shall be returned to at least its former state with no bumps or dips remaining in the road surface.
- 10. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.
- 11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.
- 12. Excluding the pipe, all above-ground structures not subject to safety requirement shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be a color which simulates "Standard Environmental Colors" **Shale Green**, Munsell Soil Color No. 5Y 4/2; designated by the Rocky Mountain Five State Interagency Committee.
- 13. The pipeline will be identified by signs at the point of origin and completion of the right-of-way and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. Signs will be maintained in a legible condition for the life of the pipeline.
- 14. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway.
- 15. Any cultural and/or paleontological resource (historic or prehistoric site or object)

discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the authorized officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the authorized officer. An evaluation of the discovery will be made by the authorized officer to determine appropriate cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the authorized officer after consulting with the holder.

(March 1989)

IX. INTERIM RECLAMATION & RESERVE PIT CLOSURE

A. INTERIM RECLAMATION

If the well is a producer, interim reclamation shall be conducted on the well site in accordance with the orders of the Authorized Officer. The operator shall submit a Sundry Notices and Reports on Wells (Notice of Intent), Form 3160-5, prior to conducting interim reclamation.

During the life of the development, all disturbed areas not needed for active support of production operations should undergo interim reclamation in order to minimize the environmental impacts of development on other resources and uses.

Operators should work with BLM surface management specialists to devise the best strategies to reduce the size of the location. Any reductions should allow for remedial well operations, as well as safe and efficient removal of oil and gas.

During reclamation, the removal of caliche is important to increasing the success of revegetating the site. Removed caliche may be used for road repairs, fire walls or for building other roads and locations. In order to operate the well or complete workover operations, it may be necessary to drive, park and operate on restored interim vegetation within the previously disturbed area. Disturbing revegetated areas for production or workover operations will be allowed. If there is significant disturbance and loss of vegetation, the area will need to be revegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed.

Seed Mixture for LPC Sand/Shinnery Sites

The holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)* per acre. There shall be <u>no</u> primary or secondary noxious weeds in the seed mixture. Seed will be tested and the viability testing of seed will be done in accordance with State law(s) and within nine (9) months prior to purchase. Commercial seed will be either certified or registered seed. The seed container will be tagged in accordance with State law(s) and available for inspection by the authorized officer.

Seed will be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (smaller/heavier seeds have a tendency to drop the bottom of the drill and are planted first). The holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be doubled. The seeding will be repeated until a satisfactory stand is established as determined by the authorized officer. Evaluation of growth will not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed* per acre:

Species	<u>lb/acre</u>
Plains Bristlegrass	5lbs/A
Sand Bluestem	5lbs/A
Little Bluestem	3lbs/A
Big Bluestem	6lbs/A
Plains Coreopsis	- 2lbs/A
Sand Dropseed	1lbs/A

^{**}Four-winged Saltbush

5lbs/A

Pounds of seed x percent purity x percent germination = pounds pure live seed

^{*} This can be used around well pads and other areas where caliche cannot be removed.

^{*}Pounds of pure live seed:

X. FINAL ABANDONMENT & REHABILITATION REQUIREMENTS

Upon abandonment of the well and/or when the access road is no longer in service the Authorized Officer shall issue instructions and/or orders for surface reclamation and restoration of all disturbed areas.

On private surface/federal mineral estate land the reclamation procedures on the road and well pad shall be accomplished in accordance with the private surface land owner agreement.