

HOBBS OCD

DEC 28 2011

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs

FORM APPROVED
OMB No 1004-0137
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 page 2.

| | | |
|--|---|--|
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5 Lease Serial No NMNM120907 |
| 2 Name of Operator COG Production LLC | | 6 If Indian, Allottee, or Tribe Name |
| 3a Address 2208 W. Main Street Artesia, NM 88210 | 3b Phone No (include area code) 575-748-6940 | 7 If Unit or CA Agreement Name and/or No. |
| 4 Location of Well (Footage, Sec, T, R, M, or Survey Description) 180' FNL & 990' FEL Unit Letter A (NENE) Sec 35-24S-32E | | 8 Well Name and No Gadwall 35 Federal #1H |
| Lat. Long. | | 9 API Well No 30-025-40364 |
| | | 10 Field and Pool, or Exploratory Area Wildcat; Bone Spring |
| | | 11 County or Parish, State Lea County NM |

12 CHECK APPROPRIATE BOX(S) 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"/> Altering Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and abandon | <input type="checkbox"/> Temporarily Abandon | Change of Operator |
| <input type="checkbox"/> Final Abandonment Notice | <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 or pertinent markers and sands Attach the Bond under which the work will performed or provide the Bond No on file with the 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 Notice shall be filed only after all requirements, including reclamanon, have been completed, and the operator has determined that the site is ready for final inspection)

This is notification of Change of Operator on the above referenced well.

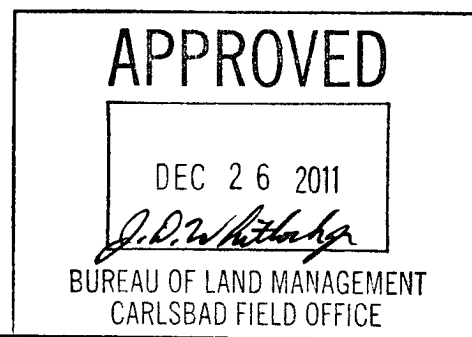
COG Production LLC, as a new operator, accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on this lease or portion of lease described.

Bond Coverage: BLM Bond File No: NMB006970

Change of Operator Effective: November 18, 2011

Former Operator: OGX Resources LLC

SEE ATTACHED FOR
CONDITIONS OF APPROVAL



| | |
|--|-----------------------------|
| 14 I hereby certify that the foregoing is true and correct | |
| Name (Printed/ Typed) Mayte Reyes | Title Regulatory Analyst |
| Signature <i>Mayte Reyes</i> | Date 12/20/11 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|--|--------|------|
| Approved by | Title | Date |
| 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 | |

Title 18 USC Section 1001 AND Title 43 U.S.C Section 1212, make it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

FEB 16 2012

**BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

Conditions of Approval

COG Operating LLC

1. Tank battery must be bermed/diked (must be able to contain 1 1/2 times the volume of the largest tank).
2. All above ground structures and equipment on the lease shall be painted Shale Green (5Y 4/2). This is to be done within 90 days, if you have not already done so.
3. Submit for approval of water disposal method.
4. Submit updated facility diagrams as per Onshore Order #3
5. This agency shall be notified of any spill or discharge as required by NTL-3A.
6. All outstanding environmental issue must be addressed within 90 days. Contact Jim Amos for inspection and to resolve environmental issues. 575-234-5909
7. Install legible well sign on location with operator name, well name and number, lease number, unit number, 1/4 1/4, section, township, and range. NMOCD requires the API number on well signs.
8. Subject to like approval by NMOCD.