

HOBBS

HOBBS OCD

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

MAY 25 2012

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No 1004-0137
Expires March 31, 2007

1a Type of work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5 Lease Serial No. NMLC-058395
1b Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6 If Indian, Allottee or Tribe Name N/A
2 Name of Operator COG Operating LLC		7 If Unit or CA Agreement, Name and No N/A
3a Address 550 W. Texas, Suite 100 Midland TX 79701		8 Lease Name and Well No S C FEDERAL #12 37483
3b Phone No. (include area code) (432) 221-0336		9 API Well No 30-025- 40599
4 Location of Well (Report location clearly and in accordance with any State requirements *) At surface SHL: 536' FSL & 1668' FEL, UL O At proposed prod zone BHL: 330' FSL & 1650' FEL, UL O		10 Field and Pool, or Exploratory Maljamar; Yeso, West 44500
14 Distance in miles and direction from nearest town or post office* 2.5 miles south of Maljamar NM		11 Sec, T, R, M or Blk and Survey or Area Sec 22, T17S, R32E
15 Distance from proposed* location to nearest property or lease line, ft (Also to nearest drg unit line, if any) 536'	16 No. of acres in lease 120	17 Spacing Unit dedicated to this well 40
18 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft 353'	19 Proposed Depth TVD: 7100' MD: 7104'	20. BLM/BIA Bond No on file NMB000740; NMB000215
21 Elevations (Show whether DF, KDB, RT, GL, etc) 3987' GL	22 Approximate date work will start* 05/31/2012	23 Estimated duration 15 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No 1, shall be attached to this form

- | | |
|---|--|
| 1 Well plat certified by a registered surveyor | 4 Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2 A Drilling Plan | 5 Operator certification |
| 3 A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office) | 6 Such other site specific information and/or plans as may be required by the authorized officer |

25 Signature <i>Kacie Connally</i>	Name (Printed/Typed) Kacie Connally	Date 03/12/2012
Title Permitting Tech		
Approved by (Signature) <i>/s/ Don Peterson</i>	Name (Printed/Typed)	Date MAY 23 2012
Title FOR FIELD MANAGER		
Office CARLSBAD FIELD OFFICE		

Application approval 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.

Conditions of approval, if any, are attached.

APPROVAL FOR TWO YEARS

Title 18 USC Section 1001 and Title 43 USC 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.

*(Instructions on page 2)

Roswell Controlled Water Basin

Ka 05/20/12

Approval Subject to General Requirements
& Special Stipulations Attached

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

MAY 31 2012

MASTER DRILLING PROGRAM

1. Geologic Name of Surface Formation

Quaternary

2. Estimated Tops of Important Geologic Markers:

Quaternary	Surface
Rustler	820'
Top of Salt	900'
Base of Salt	1700'
Yates	2140'
Seven Rivers	2500'
Queen	3110'
Grayburg	3500'
San Andres	3870'
Glorietta	5400'
Paddock	5450'
Blaine	5970'
Tubb	6900'

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

Water Sand	150'	Fresh Water
Grayburg	3500'	Oil/Gas
San Andres	3870'	Oil/Gas
Glorietta	5400'	Oil/Gas
Paddock	5450'	Oil/Gas
Blaine	5970'	Oil/Gas
Tubb	6900'	Oil/Gas

No other formations are expected to give up oil, gas or fresh water in measurable quantities. Setting 13 3/8" casing to 840' and circulating cement back to the surface will protect the surface fresh water sand. The Salt Section will be protected by setting 8 5/8" casing to 2400' and circulating cement, in a single or multi-stage job and/or with an ECP, back to the surface. Any shallower zones above TD, which contain commercial quantities of oil and/or gas, will have cement circulated across them. This will be achieved by cementing, with a single or multi-stage job, the 5 1/2" production casing back 200' into the intermediate casing, to be run at TD. If wellbore conditions arise that require immediate action and/or a change to this program, COG Operating LLC personnel will always react to protect the wellbore and/or the environment.

4. Casing Program

Hole Size	Interval	OD Casing	Weight	Grade	Jt., Condition	burst/collapse/tension
17 1/2"	0-840' 1025	13 3/8"	48#	H-40/J-55 hybrid	ST&C/New	6.03/2.578/10.32
11"	0-2100' 2495	8 5/8"	24or32#	J-55	ST&C/New	1.85/1.241/4.78
7 7/8"	0-T.D.	5 1/2"	15 5or17#	J-55orL-80	LT&C/New	1.59/1.463/2.05

5. Cement Program

13 3/8" Surface Casing:

LEAD Class C, 4% Gel, 2% CaCl₂, .25 pps CF, 325 sx, yield-1.75 + TAIL 200 sx w/ 2% CaCl₂, 0.25 pps CF, yield-1.32. 133% excess

8 5/8" Intermediate Casing:

11" Hole:

Single Stage: LEAD 50:50:10 C:Poz:Gel w/ 5% Salt + 0.25% CF, 375 sx, yield-2.45 + TAIL Class C w/2% CaCl₂, 200 sx, yield-1.32, back to surface. 133% excess

Multi-Stage: Stage 1: Class C w/2% CaCl₂, 400 sx, yield - 1.32; 48% excess
Stage 2: Class C w/2% CaCl₂, 200 sx, yield - 1.32, back to surface, 48% excess; assumption for tool is lost circulation. Multi stage tool to be set at approximately, depending on hole conditions, 700' (50' below the surface casing). Cement volumes will be adjusted proportionately for depth changes of multi stage tool.

5 1/2" Production Casing:

Single Stage: LEAD 35:65:6 C:Poz:Gel w/ 5% Salt + 5 pps LCM + 0.2% SMS + 0.3% FL-52A + 0.125 pps CF, 500 sx, yield-2.05 + TAIL 50:50:2 C:Poz:Gel w/ 5% Salt + 3 pps LCM + 0.6% SMS + 1% FL-25 + 1% BA-58 + 0.3% FL-52A + 0.125 pps CF, 400 sx, yield-1.37, to 200' minimum tie back to intermediate casing. 30% excess back to surface.

Multi-Stage: Stage 1: (Assumed TD of 7000') 50:50:2, C:Poz:Gel w/ 5% Salt + 3

pps LCM + 0.6% SMS + 1% FL-25 + 1%
BA-58 + 0.3% FL-52A + 0.125 pps CF, 500
sx, yield - 1.37, 13% excess; Stage 2:
LEAD 50:50:2 C:Poz:Gel w/ 5% Salt + 3
pps LCM + 0.6% SMS + 1% FL-25 + 1%
BA-58 + 0.3% FL-52A + 0.125 pps CF, 450
sx, yield - 1.37, + TAIL Class C w/ 0.3% R-
3 + 1.5% CD-32, 250 sx, yield - 1.02 43%
excess calculated back to surface. Multi
stage tool to be set at approximately,
depending on hole conditions, 3500'.
Cement volumes will be adjusted
proportionately for depth changes of multi
stage tool, assumption for tool is water flow.

6. Minimum Specifications for Pressure Control

The blowout preventer equipment (BOP) shown in Exhibit #9 will consist of a double ram-type (2000 psi WP) preventer, and in some cases possibly a 2000 psi Hydril type annular preventer as provided for in Onshore Order #2. This unit will be hydraulically operated and the ram type preventer will be equipped with blind rams on top of 4 1/2" drill pipe rams on the bottom. A 13-5/8" or 11" BOP will be used, depending on the rig selected, during the drilling of the well. The BOP will be nipped up on the 13 3/8" surface casing with BOP equipment and tested to 2000 psi. When 11" BOP is used the special drilling flange will be utilized on the 13-3/8" head to allow testing the BOP with a retrievable test plug. After setting 8-5/8" the BOP will then be nipped up on the 8 5/8" intermediate casing and tested by a third party to 2000 psi and used continuously until total depth is reached. Pipe rams will be operationally checked each 24-hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment (Exhibit #10) will include a Kelly cock and floor safety valve, choke lines and a choke manifold (Exhibit #11) with a 2000 psi WP rating.

The majority of the rigs currently in use have a 13-5/8" BOP, so no special provision is needed for most wells in the area for conventionally testing the BOP with a test plug. However, due to the vagaries of rig scheduling, it might be that one of the few rigs with 11" BOP's might be called upon to drill any specific well in the area. Note that intermediate hole size is always 11". Therefore, COG Operating LLC respectfully requests a variance to the requirement of 13-5/8" BOP on 13-3/8" casing. When that circumstance is encountered the special flange will be utilized to allow testing the entire BOP with a test plug, without subjecting the casing to test pressure. The special flange also allows the return to full-open capability if desired. *See CoA*

7. Types and Characteristics of the Proposed Mud System

The well will be drilled to TD with a combination of brine, cut brine and polymer mud system. The applicable depths and properties of this system are as follows:

DEPTH	TYPE	WEIGHT	VISCOSITY	WATERLOSS
0-840' <i>1025</i>	Fresh Water	8.5	28	N.C.
840-2100' <i>2295</i>	Brine	10	30	N.C.
2100'-TD	Cut Brine	8.7-9.1	29	N.C.

Sufficient mud materials will be kept at the well site to maintain mud properties and meet minimum lost circulation and weight increase requirements at all times.

8. Auxiliary Well Control and Monitoring Equipment

- A. Kelly cock will be kept in the drill string at all times.
- B. A full opening drill pipe-stabbing valve with proper drill pipe connections will be on the rig floor at all times.

9. Logging, Testing and Coring Program *See COA*

- 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 8 5/8" casing shoe.
- B. Drill Stem test is not anticipated.
- C. No conventional coring is anticipated.
- D. Further testing procedures will be determined after the 5 1/2" production casing has been cemented at TD, based on drill shows and log evaluation.

10. Abnormal Conditions, Pressure, Temperatures and Potential Hazards

No abnormal pressures or temperatures are anticipated. Based on BHP tests in this area, the estimated bottom hole at TD is 110 degrees and the estimated maximum bottom hole pressure is 3100 psig. Measurable gas volumes or Hydrogen Sulfide levels have not been encountered during drilling operations in this area, although a Hydrogen Sulfide Drilling Operation Plan is attached to this program. No major loss of circulation zones has been reported in offsetting wells.

11. Anticipated Starting Date and Duration of Operations

Road and location work will not begin until approval has been received from the BLM. As this is a Master Drilling plan, please refer to the Form 3160-3 for the anticipated start date. Once commenced, drilling operations should be finished in approximately 15 days. If the well is productive, an additional 30 days will be required for completion and testing before a decision is made to install permanent facilities.



COG Operating LLC

Lea County, NM (NAN27 NME)
SC Federal #12

OH

Plan: Plan #3 - 7-7/8" Hole

SHL = 536' FSL & 1668' FEL

BHL = 380' FSL & 1660' FEL

Top of Paddock Top = 380' FSL & 1660' FEL @ 5550' TVD

Standard Planning Report

19 April, 2012



Scientific Drilling
Directional Drilling Operations



Scientific Drilling International, Inc.
Planning Report



Database:	EDM-5000-1 Single User Db	Local Co-ordinate Reference:	Well: SC-Federal #12
Company:	COG Operating LLC	TVD Reference:	GL @ 3987.00usft
Project:	Lea County, NM (NAN27 NME)	MD Reference:	GL @ 3987.00usft
Site:	SC-Federal #12	North Reference:	Grid
Well:	SC-Federal #12	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #3 - 7 7/8" Hole		

Project:	Lea County, NM (NAN27 NME)		
Map System:	US State Plane 1927 (Exact solution)	System Datum:	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	New Mexico East 3001		

Site:	SC-Federal #12		
Site Position:		Northing:	660,407.00 usft
From:	Map	Easting:	679,031.00 usft
Position Uncertainty:	0.00 usft	Slot Radius:	13-3/16"
		Latitude:	32° 48' 51.086 N
		Longitude:	103° 45' 2.161 W
		Grid Convergence:	0° 32'

Well:	SC-Federal #12					
Well Position	+N/-S	0.00 usft	Northing:	660,407.00 usft	Latitude:	32° 48' 51.086
	+E/-W	0.00 usft	Easting:	679,031.00 usft	Longitude:	103° 45' 2.161 W
Position Uncertainty		0.00 usft	Wellhead Elevation:		Ground Level:	3,987.00 us

Wellbore	OH				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2010	04/19/12	7.61	60.68	48,863

Design:	Plan #3 - 7 7/8" Hole			
Audit Notes:				
Version:	Phase:	PLAN	Tie On Depth:	0 00
Vertical Section:	Depth From (TVD)	+N/-S	+E/-W	Direction
	(usft)	(usft)	(usft)	(°)
	0 00	0 00	0 00	176 66

Plan Sections										
Measured	Inclination	Azimuth	Vertical	+N/-S	+E/-W	Dogleg	Build	Turn	TFO	Target
Depth	(°)	(°)	Depth	(usft)	(usft)	Rate	Rate	Rate	(°)	
(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	
2,200.00	0.00	0.00	2,200.00	0.00	0.00	0.00	0.00	0.00	0.00	
2,339.32	2.79	176.66	2,339.27	-3.38	0.20	2.00	2.00	0.00	176.66	
5,414.42	2.79	176.66	5,410.73	-152.62	8.90	0.00	0.00	0.00	0.00	
5,553.75	0.00	0.00	5,550.00	-156.00	9.10	2.00	-2.00	0.00	180.00	T1-SC Fed #12
7,103.75	0.00	0.00	7,100.00	-156.00	9.10	0.00	0.00	0.00	0.00	PBHL-SC Fed #12



Scientific Drilling International, Inc.
Planning Report



Database:	EDM 5000-1 Single User Db	Local Co-ordinate Reference:	Well SC Federal #12
Company:	COG Operating LLC	TVD Reference:	GL @ 3987.00usft
Project:	Lea County NM (NAN27/NME)	MD Reference:	GL @ 3987.00usft
Site:	SC Federal #12	North Reference:	Grid
Well:	SC Federal #12	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #3 - 7-7/8" Hole		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2,100.00	0.00	0.00	2,100.00	0.00	0.00	0.00	0.00	0.00	0.00
8 5/8"									
2,200.00	0.00	0.00	2,200.00	0.00	0.00	0.00	0.00	0.00	0.00
KOP Start DLS 2.00°/100'									
2,300.00	2.00	176.66	2,299.98	-1.74	0.10	1.75	2.00	2.00	0.00
2,339.32	2.79	176.66	2,339.27	-3.38	0.20	3.39	2.00	2.00	0.00
Hold 2.79°									
2,400.00	2.79	176.66	2,399.87	-6.33	0.37	6.34	0.00	0.00	0.00
2,500.00	2.79	176.66	2,499.76	-11.18	0.65	11.20	0.00	0.00	0.00
2,600.00	2.79	176.66	2,599.64	-16.03	0.94	16.06	0.00	0.00	0.00
2,700.00	2.79	176.66	2,699.52	-20.89	1.22	20.92	0.00	0.00	0.00
2,800.00	2.79	176.66	2,799.40	-25.74	1.50	25.78	0.00	0.00	0.00
2,900.00	2.79	176.66	2,899.28	-30.59	1.78	30.64	0.00	0.00	0.00
3,000.00	2.79	176.66	2,999.16	-35.44	2.07	35.50	0.00	0.00	0.00
3,100.00	2.79	176.66	3,099.05	-40.30	2.35	40.37	0.00	0.00	0.00
3,200.00	2.79	176.66	3,198.93	-45.15	2.63	45.23	0.00	0.00	0.00
3,300.00	2.79	176.66	3,298.81	-50.00	2.92	50.09	0.00	0.00	0.00
3,400.00	2.79	176.66	3,398.69	-54.86	3.20	54.95	0.00	0.00	0.00
3,500.00	2.79	176.66	3,498.57	-59.71	3.48	59.81	0.00	0.00	0.00
3,600.00	2.79	176.66	3,598.45	-64.56	3.77	64.67	0.00	0.00	0.00
3,700.00	2.79	176.66	3,698.34	-69.42	4.05	69.53	0.00	0.00	0.00
3,800.00	2.79	176.66	3,798.22	-74.27	4.33	74.40	0.00	0.00	0.00
3,900.00	2.79	176.66	3,898.10	-79.12	4.62	79.26	0.00	0.00	0.00
4,000.00	2.79	176.66	3,997.98	-83.98	4.90	84.12	0.00	0.00	0.00
4,100.00	2.79	176.66	4,097.86	-88.83	5.18	88.98	0.00	0.00	0.00
4,200.00	2.79	176.66	4,197.75	-93.68	5.46	93.84	0.00	0.00	0.00
4,300.00	2.79	176.66	4,297.63	-98.53	5.75	98.70	0.00	0.00	0.00
4,400.00	2.79	176.66	4,397.51	-103.39	6.03	103.56	0.00	0.00	0.00
4,500.00	2.79	176.66	4,497.39	-108.24	6.31	108.42	0.00	0.00	0.00
4,600.00	2.79	176.66	4,597.27	-113.09	6.60	113.29	0.00	0.00	0.00
4,700.00	2.79	176.66	4,697.15	-117.95	6.88	118.15	0.00	0.00	0.00
4,800.00	2.79	176.66	4,797.04	-122.80	7.16	123.01	0.00	0.00	0.00
4,900.00	2.79	176.66	4,896.92	-127.65	7.45	127.87	0.00	0.00	0.00
5,000.00	2.79	176.66	4,996.80	-132.51	7.73	132.73	0.00	0.00	0.00
5,100.00	2.79	176.66	5,096.68	-137.36	8.01	137.59	0.00	0.00	0.00
5,200.00	2.79	176.66	5,196.56	-142.21	8.30	142.45	0.00	0.00	0.00
5,300.00	2.79	176.66	5,296.44	-147.07	8.58	147.32	0.00	0.00	0.00
5,400.00	2.79	176.66	5,396.33	-151.92	8.86	152.18	0.00	0.00	0.00
5,414.42	2.79	176.66	5,410.73	-152.62	8.90	152.88	0.00	0.00	0.00
Start Drop 2.00°/100'									
5,500.00	1.07	176.66	5,496.26	-155.50	9.07	155.76	2.00	-2.00	0.00
5,553.75	0.00	0.00	5,550.00	-156.00	9.10	156.27	2.00	-2.00	0.00
Hold 0.00° Top of Paddock - Tr SC Fed #12									
7,103.75	0.00	0.00	7,100.00	-156.00	9.10	156.27	0.00	0.00	0.00
PBHL SC Fed #12									



Database:	EDM 5000 1 Single User Db	Local Co-ordinate Reference	Well SC Federal #12
Company:	COG Operating LLC	TVD Reference:	GL @ 3987 00usft
Project:	Lea County NM (NAN27 NME)	MD Reference:	GL @ 3987 00usft
Site:	SC Federal #12	North Reference:	Grid
Well:	SC Federal #12	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #3 - 7-7/8" Hole		

Design Targets									
Target Name	hit/miss target	Dip Angle	Dip Dir	TVD	+N/-S	+E/-W	Northing	Easting	
Shape		(°)	(°)	(usft)	(usft)	(usft)	(usft)	(usft)	
									Latitude Longitude
T1-SC Fed #12	- plan hits target center	0 00	0 00	5,550.00	-156 00	9 10	660,251 00	679,040 10	32° 48' 49 542 N 103° 45' 2 065 W
	- Point								
PBHL-SC Fed #12	- plan hits target center	0 00	0 00	7,100 00	-156.00	9 10	660,251 00	679,040.10	32° 48' 49 542 N 103° 45' 2 065 W
	- Circle (radius 50.00)								

Casing Points				
Measured Depth	Vertical Depth		Casing Diameter	Hole Diameter
(usft)	(usft)	Name	(")	(")
2,100 00	2,100 00	8 5/8"	8-5/8	12-1/4

Formations				
Measured Depth	Vertical Depth		Dip	Dip Direction
(usft)	(usft)	Name	(°)	(°)
5,553 75	5,550.00	Top of Paddock	0 00	

Plan Annotations				
Measured Depth	Vertical Depth	Local Coordinates		Comment
(usft)	(usft)	+N/-S (usft)	+E/-W (usft)	
2,200 00	2,200 00	0 00	0 00	KOP Start DLS 2 00°/100'
2,339 32	2,339 27	-3 38	0.20	Hold 2 79°
5,414 42	5,410 73	-152 62	8 90	Start Drop 2 00°/100'
5,553 75	5,550 00	-156 00	9 10	Hold 0 00°

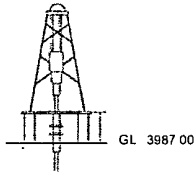


Azimuths to Grid North
True North -0 32°
Magnetic North 7 29°

Magnetic Field
Strength 48863.4nT
Dip Angle 60.68°
Date 04/19/2012
Model IGRF2010

To convert Magnetic North to Grid, Add 7 29°
To convert True North to Grid, Subtract 0 32°

SC Federal #12
Lea County, NM (NAN27 NME)
Northing: (Y) 660407.00
Easting: (X) 679031.00
Plan #3 - 7-7/8" Hole



WELL DETAILS: SC Federal #12

+N/-S	+E/-W	Northing	Ground Level	3987.00	Longitude
0 00	0 00	660407.00	Easting	679031.00	32° 48' 51.086 N

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSec	Target
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2	2200.00	0.00	0.00	2200.00	0.00	0.00	0.00	0.00	0.00	
3	2339.32	2.79	176.66	2339.27	-3.38	0.20	2.00	176.66	3.39	
4	5414.42	2.79	176.66	5410.73	-152.62	8.90	0.00	0.00	152.88	
5	5553.75	0.00	0.00	5550.00	-156.00	9.10	2.00	180.00	156.27	T1-SC Fed #12
6	7103.75	0.00	0.00	7100.00	-156.00	9.10	0.00	0.00	156.27	PBHL-SC Fed #12

DESIGN TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
T1-SC Fed #12 - plan hits target center	5550.00	-156.00	9.10	660251.00	679040.10	32° 48' 49.542 N	103° 45' 2.065 W
PBHL-SC Fed #12 - plan hits target center	7100.00	-156.00	9.10	660251.00	679040.10	32° 48' 49.542 N	103° 45' 2.065 W

SITE DETAILS: SC Federal #12

Site Centre Northing 660407.00
Easting 679031.00
Positional Uncertainty 0.00
Convergence 0.32
Local North Grid

PROJECT DETAILS: Lea County, NM (NAN27 NME)

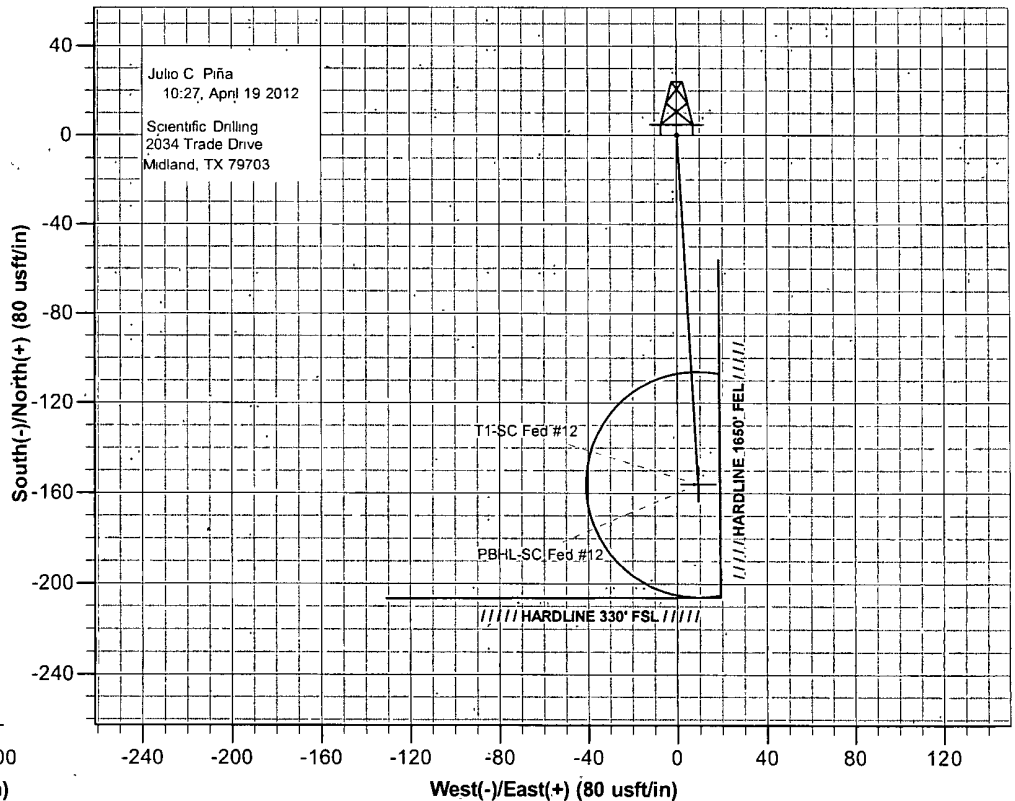
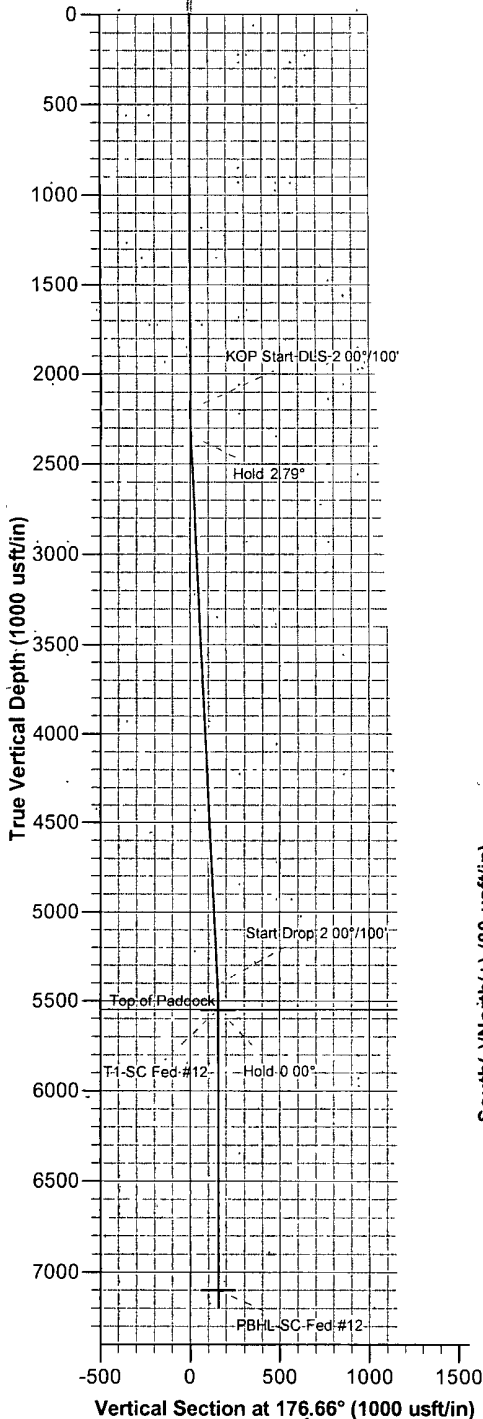
Geodetic System US State Plane 1927 (Exact solution)
Datum NAD 1927 (NADCON CONUS)
Ellipsoid Clarke 1866
Zone New Mexico East 3001
System Datum Mean Sea Level

FORMATION TOP DETAILS

TVDPath	MDPath	Formation	DipAngle	DipDir
5550.00	5553.75	Top of Paddock	0.00	

LEGEND

— Plan #3 - 7-7/8" Hole



COG OPERATING LLC

550 West Texas, Suite 1300
Midland, TX 79701

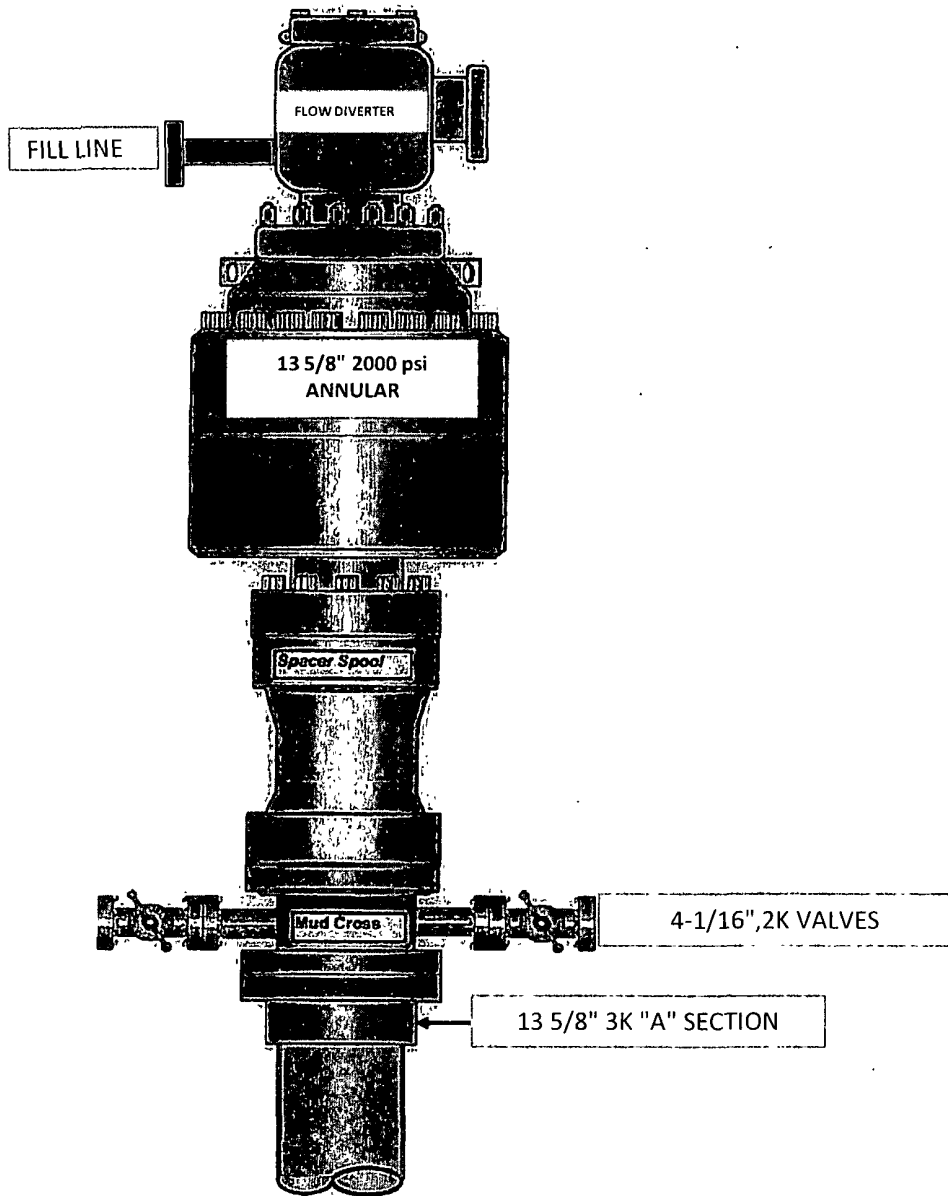
DIRECTIONAL PLAN VARIANCE REQUEST

**S C FEDERAL #12
LEA, NM**

SHL	536 FSL, 1668 FEL	Sec 22, T17S, R32E, Unit O
BHL	330 FSL, 1650 FEL	Sec 22, T17S, R32E, Unit O

COG Operating LLC, as Operator, desires that the APD reflect the footages as stated on the surveyor's plat. However, Operator also desires to avoid inadvertently drilling the well to a non-standard location. Therefore, due to the proximity of the plat bottom hole location to the pro-ration unit hard line(s), the attached directional plan is designed to avoid the hard lines by as much as fifty feet; said fifty feet being in either (or both) the north-south and/or east-west directions as applicable.

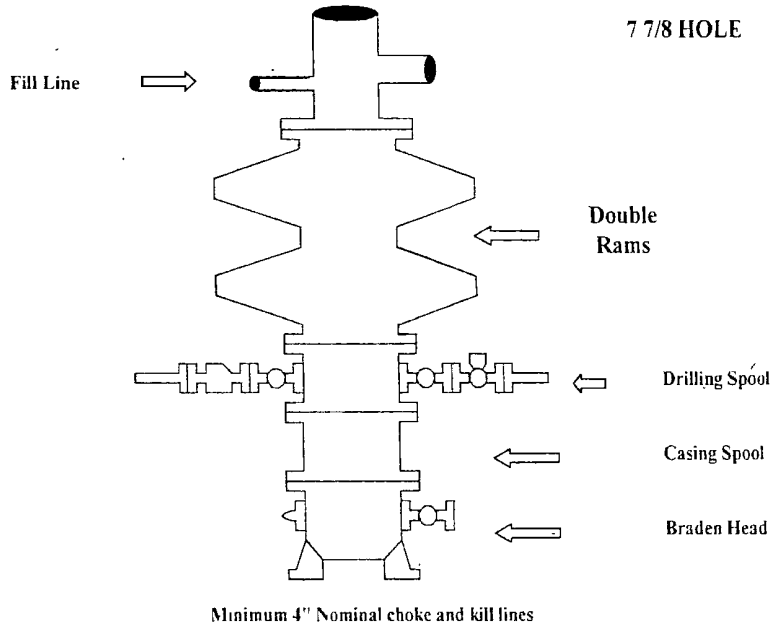
13 5/8" 2K ANNULAR



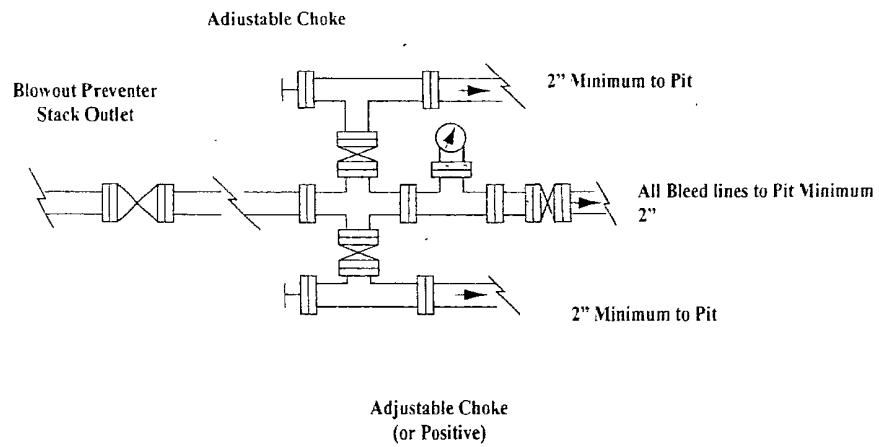
COG Operating LLC

Exhibit #9

BOPE and Choke Schematic



Choke Manifold Requirement (2000 psi WP)
No Annular Required

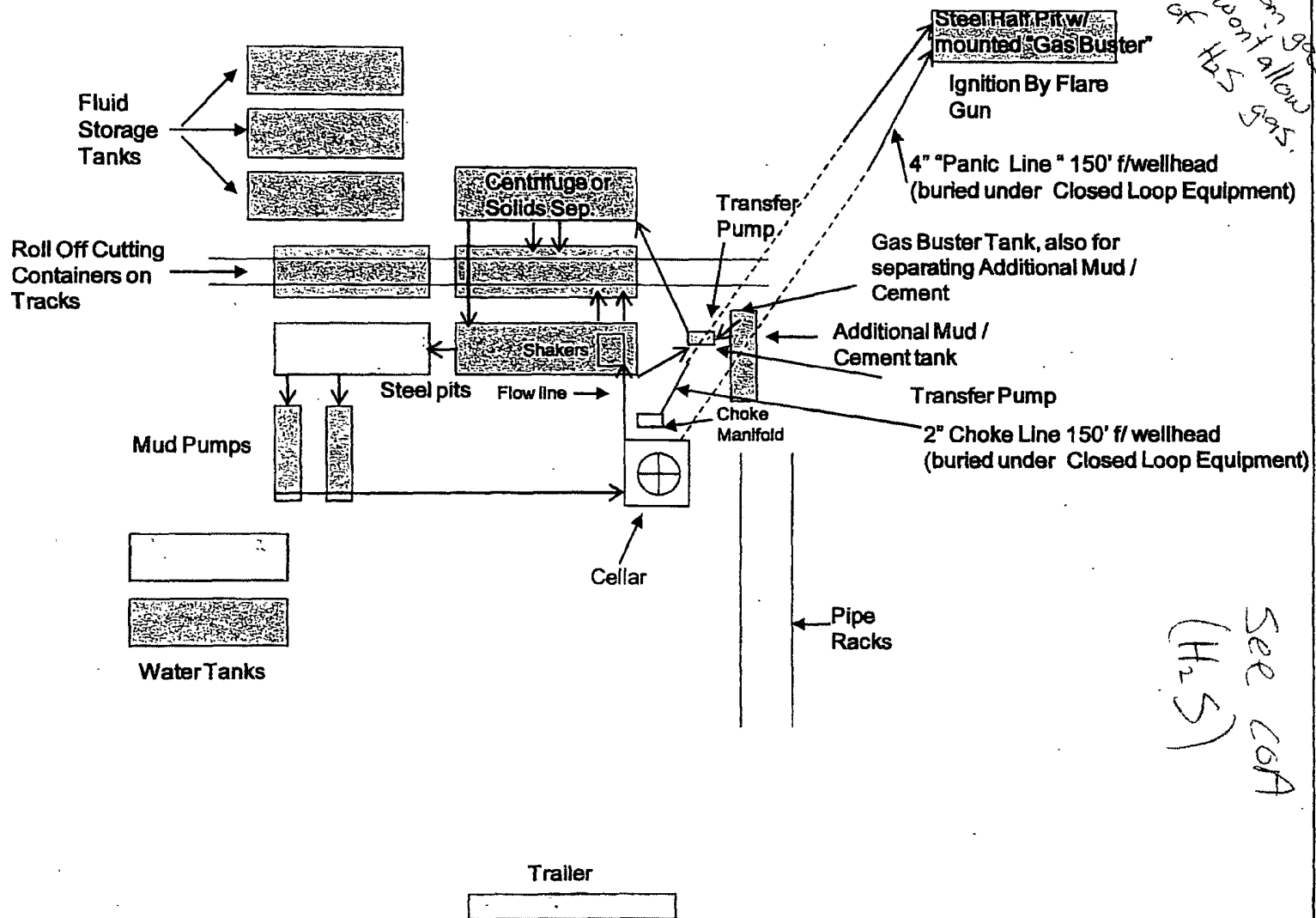


NOTES REGARDING THE BLOWOUT PREVENTERS

**Master Drilling Plan
Eddy County, New Mexico**

1. Drilling nipple to be so constructed that it can be removed without use of a welder through rotary table opening, with minimum I.D. equal to preventer bore
2. Wear ring to be properly installed in head.
3. Blow out preventer and all fittings must be in good condition, 2000 psi WP minimum.
4. All fittings to be flanged.
5. Safety valve must be available on rig floor at all times with proper connections, valve to be full 2000 psi WP minimum
6. All choke and fill lines to be securely anchored especially ends of choke lines
7. Equipment through which bit must pass shall be at least as large as the diameter of the casing being drilled through.
8. Kelly cock on Kelly.
9. Extension wrenches and hands wheels to be properly installed
10. Blow out preventer control to be located as close to driller's position as feasible
11. Blow out preventer closing equipment to include minimum 40-gallon accumulator, two independent sources of pump power on each closing unit installation all API specifications

COG Operating LLC
Closed Loop Equipment Diagram



All drilling fluid circulated over shaker(s) with cuttings discharged into roll off container.

Fluid and fines below shaker(s) are circulated with transfer pump through centrifuge(s) or solids separator with cuttings and fines discharged into roll off container.

Fluid is continuously re-circulated through equipment with polymer added to aid separation of cutting fines.

Roll off containers are lined and de-watered with fluids re-circulated into system.

Additional tank is used to capture unused drilling fluid or cement returns from casing jobs.

This equipment will be maintained 24 hrs./day by solids control personnel and or rig crews that stay on location.

Cuttings will be hauled to either:

CRI (permit number R9166)

or

GMI (permit number 711-019-001)

dependent upon which rig is available to drill this well.