New Mexico Oil Conservation Division, District I 1625 N. French Drive Hobbs, NM 88240

Form 3160-5 (April 2004)

UNITED STATES FORM APPROVED OM B No. 1004-0137 Expires: March 31, 2007 DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT** 5. Lease Serial No. NM-85937 SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals. 7. If Unit or CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE- Other instructions on reverse side. 1. Type of Well ✓ Oil Well Other Gas Well 8. Well Name and No. Prohibition 12 Federal #7 2. Name of Operator COG Operating LLC 9. API Well No. 3a. Address 30-025-37228 3b. Phone No. (include area code) 550 W. Texas Ave., Suite 1300 Midland, TX 79701 432-685-4340 10. Field and Pool, or Exploratory Area 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Red Tank - Bone Spring 11. County or Parish, State 1880' FNL & 1650' FWL, Section 12, T22S, R32E Lea Co., NM Lea County, NM 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Acidize Deepen Production (Start/Resume) Water Shut-Off Notice of Intent Alter Casing Reclamation Fracture Treat Well Integrity Casing Repair Subsequent Report New Construction Recomplete ✓ Other Spud & set surface Change Plans Plug and Abandon Temporarily Abandon casing Final Abandonment Notice 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.) 9-10-05 Notified Jim Amos of Hobbs BLM @ 2 PM of intent to spud. 9-11-05 Spud 17-1/2" hole @ 3:30 PM CDT. 9-13-05 Drilled 17-1/2" hole to 930'. Run & 20 jts of 13-3/8" 48# H40 ST&C csg. Set @ 930'. Cemented w/ Lead: 650 sx Cl C + additives. 12.4#, Yield 2.02. Tail w/ 200 sx Cl C + 2% CaCl. Circulate 220 sx to pit. Cmt job witnessed by Patty Hutchinson w/ BLM. WOC 25 hrs. Cut off 13-3/8" csg & weld on head. NU. ACCEPTED FOR RECORD I hereby certify that the foregoing is true and correct 5 2005 Name (Printed/Typed)

Phyllis A. Edwards Title Regulatory Analyst **GARY GOURLEY** Date THIS SPACE FOR FEDERAL OR STATE OFFICE USE Date Title 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 Office which would entitle the applicant to conduct operations thereon. 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.

(Instructions on page 2)