

HOBBS OCD

DEC 24 2012

30-025-40896

**COG PRODUCTION LLC**  
**RECEIVED MULTI-POINT SURFACE USE AND OPERATIONS PLAN**

**Gold Coast 26 Federal 1H**  
**SHL: 330' FSL & 330' FEL**  
**BHL: 330' FNL & 380' FEL**  
**Section 26 T24S R32E**  
**Lea County, New Mexico**

This plan is submitted with Form 3160-3, Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of the surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of the operations, so that a complete appraisal can be made of the environmental effect associated with the operations.

**1. EXISTING ROADS:**

- a. The well site and elevation plat for the proposed well are reflected on the well site layout; Form C-102. The well was staked by John West Surveying Company.
- b. Exhibit 2 is a portion of a topo map showing the well and roads in the vicinity of the proposed location. The proposed wellsite and the access route to the location are indicated in red on Exhibit 2. Right of way using this proposed route is being requested if necessary.
- c. Routine grading and maintenance of existing roads will be conducted as necessary to maintain their condition as long as any operations continue on this lease.

**DIRECTIONS:**

From the intersection of Co. Rd. J1 and NM Hwy #128 and go south on Co. Rd. J1 approx. 3.1 miles. Turn left and go east approx. 1.1 miles. Turn left and go northeast approx. 0.2 miles. Turn right and go east approx. 0.7 miles. Turn left and go north approx. 0.6 miles to a road survey. Follow road survey 189 feet north to the location.

**PLANNED ACCESS ROAD:**

COG will be using a proposed access road of 189' coming in from the southeast side of the pad. The road width will be 14', crown design. The road will be crowned and ditched with a 2% slope from the tip of the crown to the edge of the driving surface. The ditches will be 3 feet wide with 3:1 slopes.

**2. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:**

- In the event the well is found productive, the Gold Coast 26 Federal 1H
- A. tank battery would be utilized and the necessary production equipment will be installed at the well site. See Exhibit #3.
  - B. All flowlines will adhere to API standards

JAN. 08 2013

- C. If electricity is needed, power will be obtained from Central Valley Electric. Central Valley Electric will apply for ROW for their power lines.
- D. If the well is productive, rehabilitation plans are as follows:
  - i. The original topsoil from the well site will be returned to the location. The drill site will then be contoured as close as possible to the original state.

**3. LOCATION AND TYPES OF WATER SUPPLY:**

This location will be drilled using a combination of water mud systems (outlined in the Drilling Program). The water will be obtained from commercial water stations in the area and hauled to location by transport truck using the existing and proposed roads shown in Exhibit #2. On occasion, water will be obtained from a pre-existing water well, running a pump directly to the drill rig. In these cases where a poly pipeline is used to transport water for drilling purposes, the existing and proposed road shown in Exhibit "2" will be utilized.

**5. CONSTRUCTION MATERIALS:**

All Caliche utilized for the drilling pad and proposed access road will be obtained from an existing BLM approved pit or from prevailing deposits found under the location. All roads will be constructed of 6" rolled and compacted caliche. Will use BLM recommended use of extra caliche from other locations close by for roads, if available.

**6. METHODS OF HANDLING WASTE MATERIAL:**

- a. All trash, junk and other waste material will be removed from the wellsite within 30 days after finishing drilling and/or completion operations. All waste material will be contained in trash cages or trash bins to prevent scattering. When the job is completed, all contents will be removed and disposed of in an approved sanitary landfill.
- b. The supplier, including broken sacks, will pick up slats remaining after completion of well.
- c. A porto-john will be provided for the rig crews. This equipment will be properly maintained during the drilling and completion operations and will be removed when all operations are complete.
- d. Disposal of fluids to be transported by an approved disposal company.

**6. ANCILLARY FACILITIES:**

No campsite or other facilities will be constructed as a result of this well.

**7. WELLSITE LAYOUT:**

- a. Exhibit 1 shows the proposed well site layout with dimensions of the pad layout.
- b. This exhibit indicates proposed location of reserve and sump pits if utilized and living facilities.
- c. Mud pits in the active circulating system will be steel pits and a closed loop system will be utilized.

**8. PLANS FOR SURFACE RECLAMATION:**

- a. After finishing drilling and/or completion operations, if the well is found non-commercial, the caliche will be removed from the pad and transported to the original caliche pit or used for other drilling locations. The road will be reclaimed as directed by the BLM. The original top soil will again be returned to the pad and contoured, as close as possible, to the original state.
- b. The location and road will be rehabilitated as recommended by the BLM.
- c. Caliche from areas of the pad site not required for operations will be reclaimed. The original top soil will be returned to the area of the drill pad not necessary to operate the well. These unused areas of the drill pad will be contoured, as close as possible, to match the original topography.

**9. SURFACE OWNERSHIP:**

The surface is owned by the US Government and is administered by the Bureau of Land Management. The surface is multiple use with the primary uses of the region for the grazing of livestock and the production of oil and gas. The proposed road routes and the surface location will be restored as directed by the BLM.

**10. OTHER INFORMATION:**

- a. The area surrounding the well site is grassland. The vegetation is moderately sparse with native prairie grass and mesquite bushes. No wildlife was observed but it is likely that deer, rabbits, coyotes, and rodents traverse the area.
- b. There is no permanent or live water in the general proximity of the location.
- c. If the well is deemed commercially productive, caliche from areas of the pad site not required for operations will be reclaimed. The original top soil will be returned to the area of the drill pad not necessary to operate the well. These unused areas of the drill pad will be contoured, as close as possible, to match the original topography. Reserve pit will not be used on this location therefore no reclamation is needed.
- d. Topsoil will be stockpiled on the NORTH SIDE of the location until it is needed for interim reclamation described in paragraph above.

**12. OPERATOR'S REPRESENTATIVE:**

A. Through A.P.D. Approval:

Melanie Parker, Regulatory Coordinator  
COG PRODUCTION LLC  
Artesia, NM 88210  
Phone (575)748-6940  
Cell (432) 553-9834

B. Through Drilling Operations

Sheryl Baker, Drilling Supervisor  
COG PRODUCTION LLC  
Artesia, NM 88210  
Phone (575)748-6940  
Cell (432)934-7873

STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

Date: 10/10/2012

Lease #: NMNM120907  
Gold Coast 26 Federal 1H

Legal Description: Sec. 26- T24S - R32E  
Lea County, New Mexico

Formation(s): 2nd Bone Spring Sand

Bond Coverage: Statewide

BLM Bond File #: NMB000740 & NMB00215

COG PRODUCTION LLC

A handwritten signature in cursive script, reading "Mayte Reyes", is written over a horizontal line.

Mayte Reyes  
Regulatory Analyst

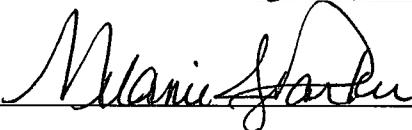
COG PRODUCTION LLC  
Gold Coast 26 Federal 1H  
Section 26-T24S-R32E

## Operator Certification

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in the APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Executed this 11<sup>th</sup> day of October, 2012.

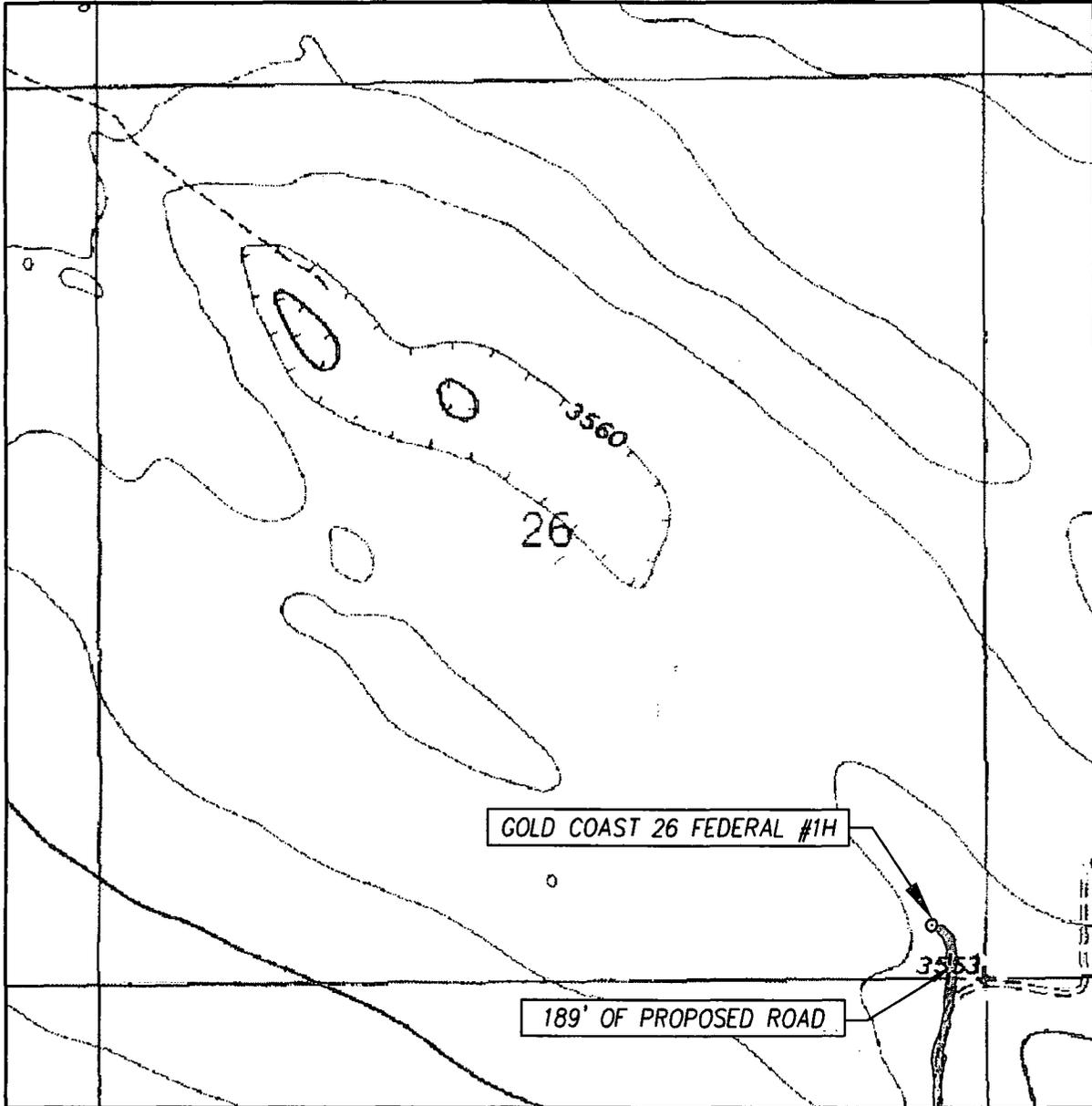
Signed: \_\_\_\_\_



Name : Melanie Parker  
Position Title: Regulatory Coordinator  
Address: 2208 West Main Street, Artesia, NM 88210  
Telephone: 575-748-6940

# EXHIBIT 2

## LOCATION VERIFICATION MAP



SCALE: 1" = 1000'

CONTOUR INTERVAL:  
PADUCA BREAKS NW, N.M. - 10'

SEC. 26 TWP. 24-S RGE. 32-E

SURVEY \_\_\_\_\_ N.M.P.M.

COUNTY LEA STATE NEW MEXICO

DESCRIPTION 330' FSL & 330' FEL

ELEVATION \_\_\_\_\_ 3561'

OPERATOR COG PRODUCTION, LLC

LEASE GOLD COAST 26 FEDERAL

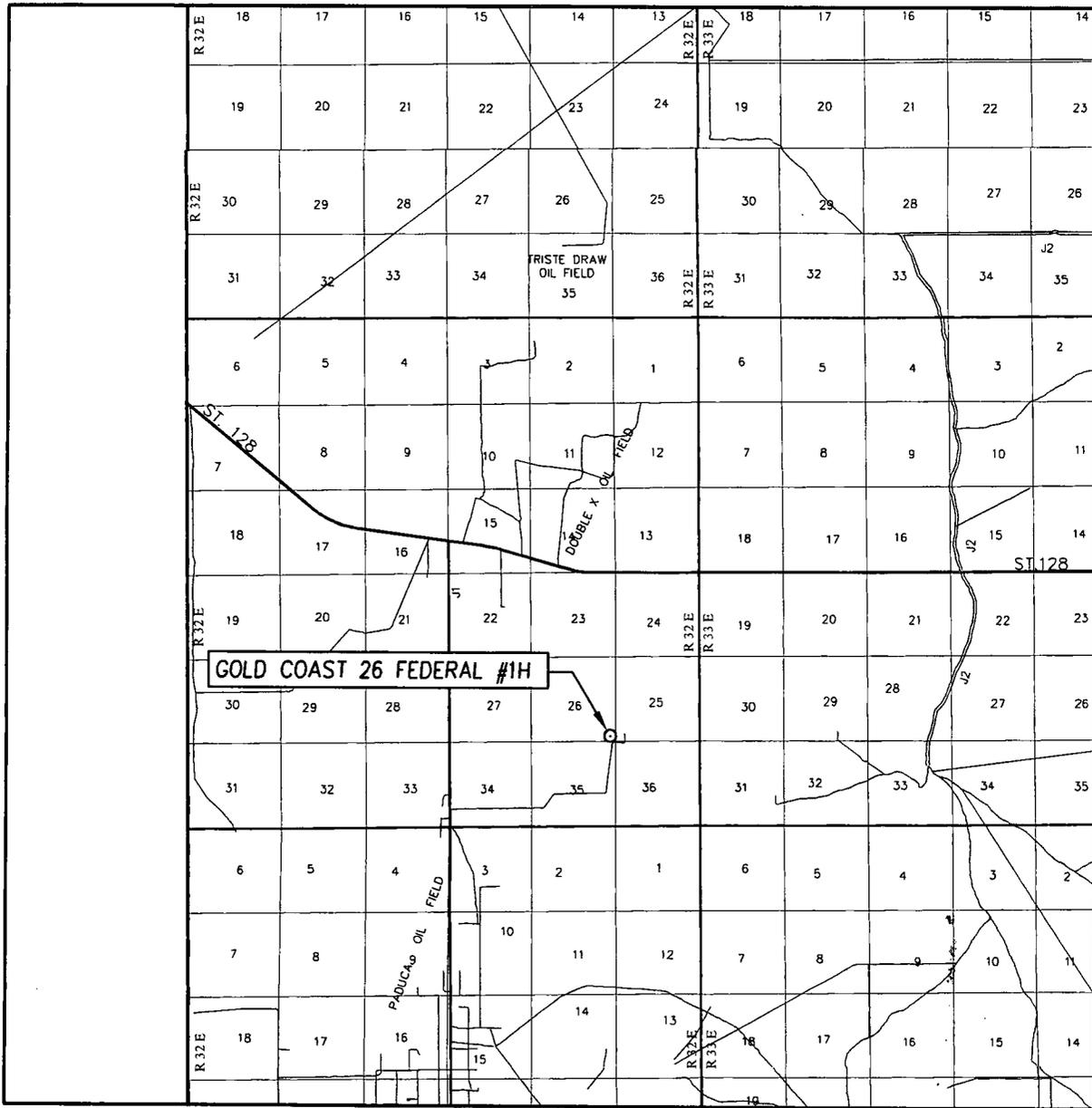
U.S.G.S. TOPOGRAPHIC MAP

PADUCA BREAKS NW, N.M.



PROVIDING SURVEYING SERVICES  
 SINCE 1946  
**JOHN WEST SURVEYING COMPANY**  
 412 N. DAL PASO  
 HOBBS, N.M. 88240  
 (575) 393-3117 [www.jwsc.biz](http://www.jwsc.biz)

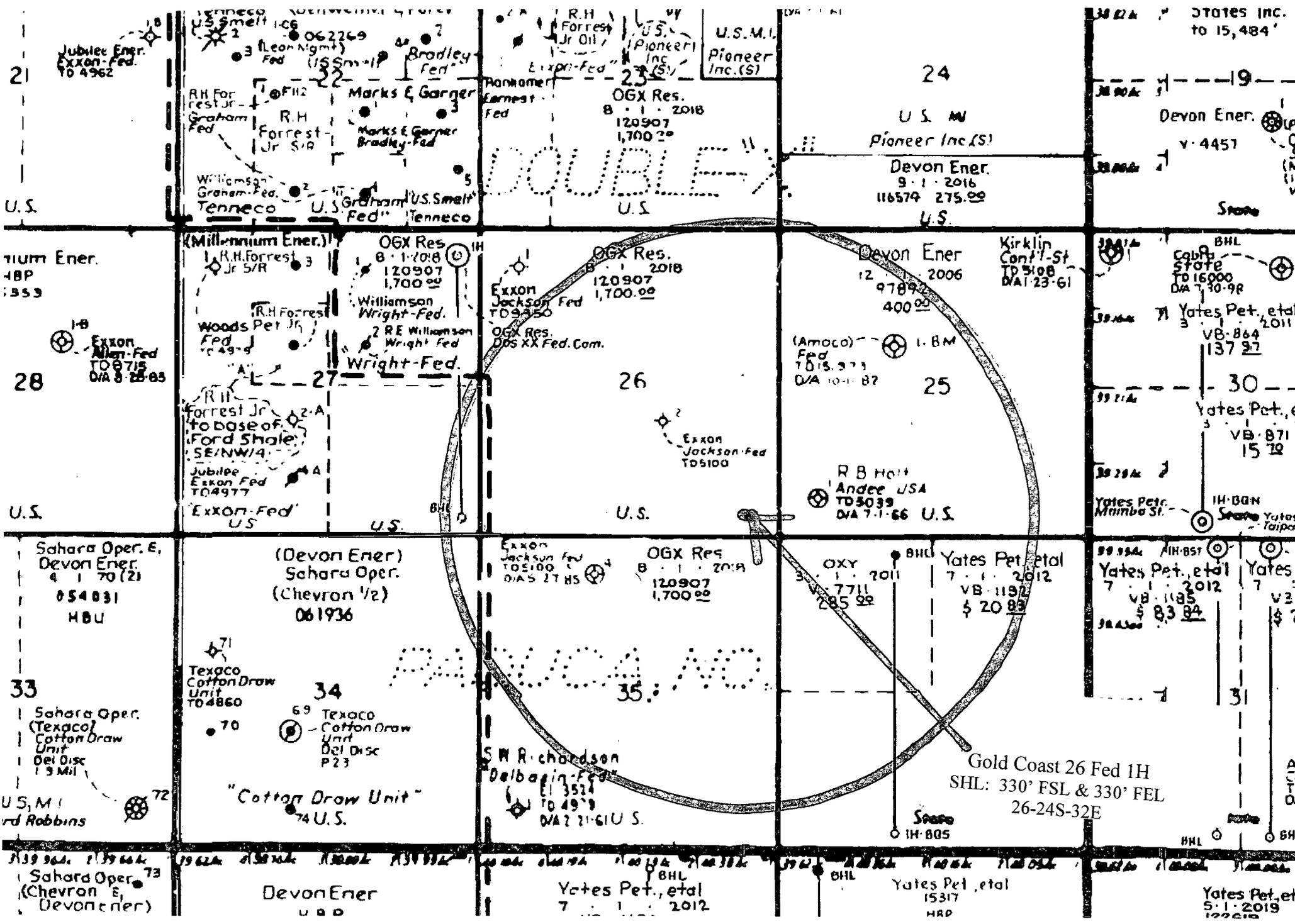
# VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 26 TWP. 24-S RGE. 32-E  
 SURVEY N.M.P.M.  
 COUNTY LEA STATE NEW MEXICO  
 DESCRIPTION 330' FSL & 330' FEL  
 ELEVATION 3561'  
 OPERATOR COG PRODUCTION, LLC  
 LEASE GOLD COAST 26 FEDERAL

PROVIDING SURVEYING SERVICES  
 SINCE 1946  
**JOHN WEST SURVEYING COMPANY**  
 412 N. DAL PASO  
 HOBBS, N.M. 88240  
 (575) 393-3117 www.jwsc.biz



Jubilee Ener.  
Exxon-Fed.  
TO 4962

Tenneco  
U.S. Smelt  
OGX Res.  
120907  
1,700.00  
R.H. Forrest Jr.  
Graham Fed.  
R.H. Forrest Jr. S/R  
Marks & Garner  
Bradley Fed.  
Williams Graham Fed.  
Tenneco  
U.S. Smelt  
Graham Fed.  
Tenneco

R.H. Forrest Jr. Oil  
Pioneer Inc.  
U.S.M.I.  
Pioneer Inc. (S)  
OGX Res.  
120907  
1,700.00  
U.S.  
**DOUBLE**

24  
U.S. M  
Pioneer Inc (S)  
Devon Ener.  
9-1-2016  
116574 275.00  
U.S.

States Inc.  
to 15,484'  
19  
Devon Ener.  
v. 4457  
Stone

Millennium Ener.  
4BP  
353  
1-B  
Exxon  
Allen Fed  
TO 8715  
D/A 8-25-85  
28  
U.S.

(Millennium Ener.)  
R.H. Forrest Jr S/R  
OGX Res.  
120907  
1,700.00  
Woods Per Jr.  
R.H. Forrest Jr.  
Wright-Fed.  
2 RE Williamson  
Wright Fed.  
Wright-Fed.  
R.H. Forrest Jr.  
to base of  
Ford Shale  
SE1/4  
Jubilee  
Exxon Fed  
TO 4977  
Exxon-Fed  
U.S.

OGX Res.  
120907  
1,700.00  
Exxon  
Jackson Fed  
TO 9350  
OGX Res.  
D/S XX Fed. Com.  
26  
U.S.  
Exxon  
Jackson Fed  
TO 5100

Devon Ener  
97892  
400.00  
2006  
Kirklin  
Conf 1-St  
TO 5108  
D/A 1-23-61  
(Amoco)  
Fed  
TO 15,573  
D/A 10-1-87  
1-BM  
25  
R B Holt  
Andee USA  
TO 5039  
D/A 7-1-66 U.S.

BHL  
State  
TO 16900  
D/A 7-30-98  
Yates Pet., etal  
2011  
VB-864  
137.97  
30  
Yates Pet., e  
VB-871  
15.72  
Yates Petr.  
Mimba St.  
IH-BM  
Yates  
Taiwan

Sahara Oper. E,  
Devon Ener.  
4-1-70 (2)  
054031  
HBU  
33  
Sahara Oper.  
(Texaco)  
Cotton Draw  
Unit  
Del Disc  
1.9 Mil  
U.S.M.I.  
rd Robbins

(Devon Ener)  
Sahara Oper.  
(Chevron 1/2)  
061936  
71  
Texaco  
Cotton Draw  
Unit  
TO 4860  
70  
69  
Texaco  
Cotton Draw  
Unit  
Del Disc  
P23  
"Cotton Draw Unit"  
74 U.S.

Exxon  
Jackson Fed  
TO 5100  
D/A 5-27-85  
OGX Res  
120907  
1,700.00  
35  
S W Richardson  
Delbabin Fed  
E1 3524  
TO 4979  
D/A 2-21-61 U.S.

OXY  
7711  
285.92  
2011  
Yates Pet., etal  
7-1-2012  
VB-1197  
\$ 20.83  
Gold Coast 26 Fed 1H  
SHL: 330' FSL & 330' FEL  
26-24S-32E  
Stone  
IH-805

AH-857  
Yates Pet., etal  
7-1-2012  
VB-1185  
\$ 83.84  
31  
Yates  
v. 2  
\$ 2

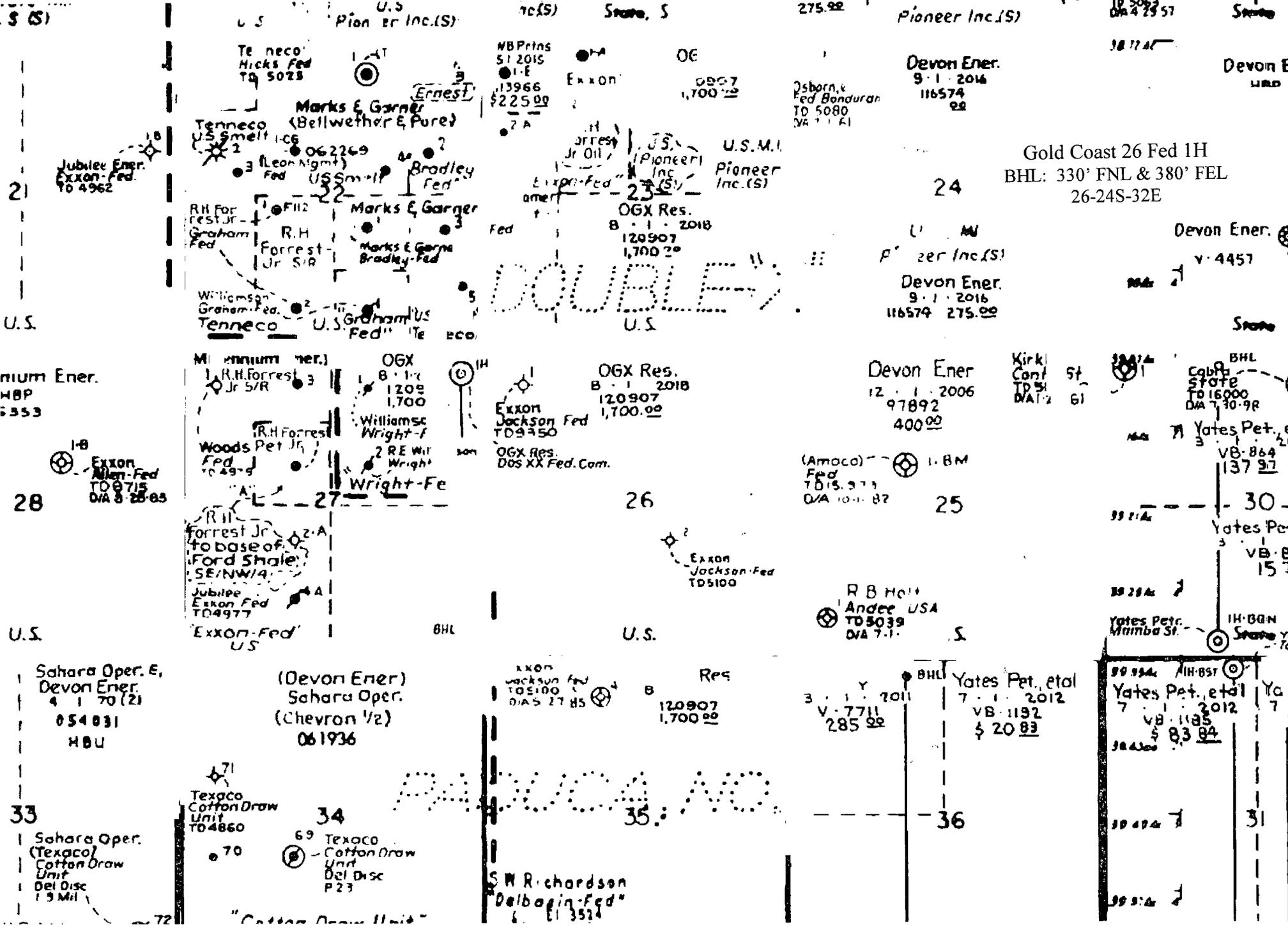
139964, 139964  
Sahara Oper.  
(Chevron E,  
Devon Ener)

Devon Ener  
U.S.

Yates Pet., etal  
7-1-2012  
BHL

Yates Pet., etal  
15317  
HRP

Yates Pet., etal  
5-1-2019  
122218



3 (S)

21

U.S.

ium Ener.  
HBP  
1353

28

U.S.

Sahara Oper. E.  
Devon Ener.  
4 1 70 (2)  
054031  
HBU

33

Sahara Oper.  
(Texaco)  
Cotton Draw  
Unit  
Del Disc  
1.3 Mil

U.S. Pion er Inc.(S)

Te neco  
Hicks Fed  
TD 5023

Ernest  
Marks & Garner  
(Bellwether & Pure)

Tenneco  
U.S. Smelt  
1-C6

OG 2269

Leon Nigmt  
Fed

Bradley  
Fed

R.H. For  
rest Jr.  
Graham  
Fed

R.H.  
Forrest  
Jr. S/R

Williams  
Graham Fed.  
Tenneco

U.S. Fed  
Graham

Minimum ver.)  
R.H. Forrest  
Jr S/R

OGX  
B 1 1 2018  
1209  
1,700

Woods Pet Jr.  
Fed  
TD 49-3

Wright-Fe  
2 RE WIL  
Wright

R.H. Forrest  
Jr. to base of  
Ford Shale  
SE/NW/4.

Jubilee  
Exxon Fed  
TD 4977

Exxon-Fed  
U.S.

(Devon Ener)  
Sahara Oper.  
(Chevron 1/2)  
061936

71  
Texaco  
Cotton Draw  
Unit  
TD 4860

34

69  
Texaco  
Cotton Draw  
Unit  
Del Disc  
P 23

"Cotton Draw Unit"

nc(S) Stato, S

WBPrins  
51 2018  
1-E  
13966  
\$225.00

Exxon

OGX-7  
1,700.00

OGX Res.  
B 1 1 2018  
120907  
1,700.00

U.S.M.I.  
Pioneer  
Inc. (S)

OGX Res.  
B 1 1 2018  
120907  
1,700.00

U.S.

OGX Res.  
B 1 1 2018  
120907  
1,700.00

Exxon  
Jackson Fed  
TD 9350

OGX Res.  
DOS XX Fed. Com.

U.S.

EXON  
Jackson Fed  
TD 5100  
DIA 27 HS

RP9  
B  
120907  
1,700.00

35

S.W. Richardson  
"Delbagin-Fed"  
1 3524

275.00

Pioneer Inc.(S)

Osborn,  
Fed Banduran  
TD 5080  
DIA 7 1 61

Devon Ener.  
9 1 2016  
116574  
02

24

U.S.M.I.  
Pioneer  
Inc. (S)

Devon Ener.  
9 1 2016  
116574 275.00

Devon Ener  
12 1 2006  
97892  
400.00

(Amoco)  
Fed  
TD 15,979  
DIA 10-1-82

1-BM

25

R B Holt  
Andee USA  
TD 5039  
DIA 7-1

BHL  
3 1 1 2011  
V-7711  
285.00

Yates Pet., et al  
7 1 2012  
VB-1132  
\$ 20.83

36

18 5063  
DIA 4 23 57

38 774

Stato

Devon Ener  
LMD

Gold Coast 26 Fed 1H  
BHL: 330' FNL & 380' FEL  
26-24S-32E

Devon Ener.  
V-4457

Stato

Kirk  
Cont  
TD 51  
DIA 2 61

30 74  
BHL  
SPOTE  
TD 16000  
DIA 7 30-9R

Yates Pet., et al  
3 1 2011  
VB-864  
137.97

30

Yates Pet.,  
3 1 2011  
VB-871  
15.28

30 284  
Yates Petr.  
Mamba St.

31  
IH-BGN  
Stato  
Yates

30 934  
Yates Pet., et al  
7 1 2012  
VB-1135  
\$ 83.84

31

30 934  
Yates Pet., et al  
7 1 2012  
VB-1135  
\$ 83.84