

30-025-41208

Surface Use & Operating Plan

Pintail 3 Federal SWD #1

- Surface Tenant: Oliver Kiehne, P O Box 135, Orla, TX 79770.
- New Road: Approximately 2316'
- Flow Line: on well pad
- Facilities: will be constructed on well pad – see Exhibit 3

Well Site Information

V Door: East

Topsoil: North

Interim Reclamation: North and East

Notes

Onsite: On-site still needed

SURFACE USE AND OPERATING PLAN

1. Existing & Proposed Access Roads

- A. The well site survey and elevation plat for the proposed well is attached with this application. It was staked by John West Surveying Company, Hobbs, NM.
- B. All roads to the location are shown in Exhibit #2A. The existing lease roads are illustrated and are adequate for travel during drilling and production operations. Upgrading existing roads prior to drilling the well will be done where necessary. The road route to the well site is depicted in Exhibit #2. The road highlighted in Exhibit #2 will be used to access the well.
- C. Directions to location: See 600 x 600 plat for directions to location.
- D. 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. Roads will be maintained according to specifications in section 2A of this Surface Use and Operating Plan.

2. Proposed Access Road:

The Elevation Plat shows that 2316' of new access road will be required for this location. If any road is required it will be constructed as follows:

- A. The maximum width of the running surface will be 14'. The road will be crowned, ditched and constructed of 6" rolled and compacted caliche. Ditches will be at 3:1 slope and 4 feet wide. Water will be diverted where necessary to avoid ponding, prevent erosion, maintain good drainage, and to be consistent with local drainage patterns.
- B. The average grade will be less than 1%.
- C. No turnouts are planned.
- D. No culverts, cattleguard, gates, low water crossings or fence cuts are necessary.
- E. Surfacing material will consist of native caliche. Caliche will be obtained from the actual well site if available. If not available onsite, caliche will be hauled from the nearest BLM approved caliche pit.

3. Location of Existing Well:

The One-Mile Radius Map shows existing wells within a one-mile radius of surface hole location and the bottom hole location.

There are numerous wells producing from the Bone Spring formation and one well producing from the Delaware formation within the one-mile radius area.

4. Location of Existing and/or Proposed Facilities:

- 1) An SWD facility will be constructed as shown on Exhibit 3.
- 2) The facility will be installed according to API specifications.
- 3) Any additional caliche will be obtained from the actual well site. If caliche does not exist or is not plentiful from the well site, the caliche will be hauled from a BLM approved caliche pit. Any additional construction materials will be purchased from contractors.
- 4) It will be necessary to run electric power if this well is productive. Power will be provided by Xcel Energy and they will submit a separate plan and ROW for service to the well location.
- 5) Rehabilitation plans will include the following:
 - The original topsoil from the well site will be returned to the location, and the site will be re-contoured as close as possible to the original site.

5. Location and Type of Water Supply:

The well will be drilled with combination brine and fresh water mud system as outlined in the drilling program. The water will be obtained from commercial water stations in the area and hauled to location by transport truck over the existing and proposed access roads shown in Exhibit #2A. If a commercial fresh water source is nearby, fast line may be laid along existing road ROW's and fresh water pumped to the well. No water well will be drilled on the location.

6. Source of Construction Materials and Location “Turn-Over” Procedure:

Obtaining caliche: The primary way of obtaining caliche to build locations and roads will be by “turning over” the location. This means, caliche will be obtained from the actual well sight. A caliche permit will be obtained from BLM prior to pushing up any caliche. 2400 cu. Yards is max amount of caliche needed for pad and roads. Amount will vary for each pad. The procedure below has been approved by BLM personnel:

- A. The top 6 inches of topsoil is pushed off and stockpiled along the side of the location.**
- B. An approximate 160' X 160' area is used within the proposed well site to remove caliche.**
- C. Subsoil is removed and stockpiled along the entire length of one side of a 340' x 340' pad.**
- D. When caliche is found, material will be stock piled within the pad site to build the location and road.**
- E. Then subsoil is pushed back in the hole and caliche is spread accordingly across entire location and road.**
- F. Once well is drilled, the stock piled top soil will be used for interim reclamation and spread along areas where caliche is picked up and the location size is reduced. Neither caliche nor subsoil will be stock piled outside of the well pad. Topsoil will be stockpiled along the edge of the pad as depicted in attached plat.**

In the event that no caliche is found onsite, caliche will be hauled in from a BLM approved caliche pit or other source.

7. Methods of Handling Water Disposal:

- A. The well will be drilled utilizing a closed loop mud system. Drill cuttings will be held in roll-off style mud boxes and taken to an NMOCD approved disposal site.**
- B. Drilling fluids will be contained in steel mud pits.**
- C. Water produced from the well during completion will be held temporarily in steel tanks and then taken to an NMOCD approved commercial disposal facility.**
- D. Garbage and trash produced during drilling or completion operations will be collected in a trash bin and hauled to an approved landfill. No toxic waste or hazardous chemicals will be produced by this operation.**

- E. Human waste and grey water will need to be properly contained and disposed of. Proper disposal and elimination of waste and grey water may include but are not limited to portable septic systems and/or portable waste gathering systems (i.e. portable toilets).
- F. After the rig is moved out and the well is either completed or abandoned, all waste materials will be cleaned up within 30 days. In the event of a dry hole only a dry hole marker will remain.

8. Ancillary Facilities:

No airstrip, campsite or other facilities will be built as a result of the operation on this well.

9. Well Site Layout:

- A. The drill pad layout, with elevations staked by John West Surveying Company, is shown in the Elevation Plat. Dimensions of the pad and pits are shown on the Rig Layout. V door direction is East. Topsoil, if available, will be stockpiled per BLM specifications. Because the pad is almost level no major cuts will be required.
- B. The Rig Layout Closed-Loop exhibit shows the proposed orientation of closed loop system and access road. No permanent living facilities are planned, but a temporary foreman/toolpusher's trailer will be on location during the drilling operations.

10. Plans for Restoration of the Surface:

- A. Interim Reclamation will take place after the well has been completed. The pad will be downsized by reclaiming the areas not needed for production operations. The portions of the pad that are not needed for production operations will be re-contoured to its original state as much as possible. The caliche that is removed will be reused to either build another pad site or for road repairs within the lease. The stockpiled topsoil will then be spread out reclaimed area and reseeded with a BLM approved seed mixture. In the event that the well must be worked over or maintained, it may be necessary to drive, park, and/or operate machinery on reclaimed land. This area will be repaired or reclaimed after work is complete.
- B. Final Reclamation: Upon plugging and abandoning the well all caliche for well pad and lease road will be removed and surface will be recountoured to reflect its surroundings as much as possible. Caliche will be recycled for road repair or reused for another well pad within the lease. If any topsoil remains, it will be spread out and the area will be reseeded with a BLM approved mixture and re-vegetated as per BLM orders.

11. Surface Ownership:

- A. The surface is owned by the U.S. Government and is administered by the Bureau of Land Management. The surface is multiple uses with the primary uses of the region for grazing of livestock and the production of oil and gas.
- B. The surface tenant is Oliver Kiehne, P O Box 135, Orla, TX 79770.
- C. The proposed road routes and surface location will be restored as directed by the BLM

12. Other Information:

- A. The area around the well site is grassland and the topsoil is sandy. The vegetation is moderately sparse with native prairie grasses, some mesquite and shinnery oak. No wildlife was observed but it is likely that mule deer, rabbits, coyotes and rodents traverse the area.
- B. There is no permanent or live water in the immediate area.
- C. There are no dwellings within 2 miles of this location.
- D. If needed, a Cultural Resources Examination is being prepared by Southern New Mexico Archaeological Services, Inc. P.O. Box 1, Bent New Mexico, 88314, phone # 505-671-4797 and the results will be forwarded to your office in the near future. Otherwise, **COG will be participating in the Permian Basin MOA Program.**

13. Bond Coverage:

Bond Coverage is Statewide Bonds # NMB000215 and NMB000740

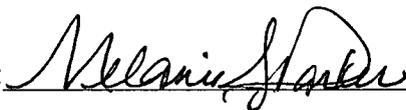
14. Lessee's and Operator's Representative:

The COG Operating LLC representative responsible for assuring compliance with the surface use plan is as follows:

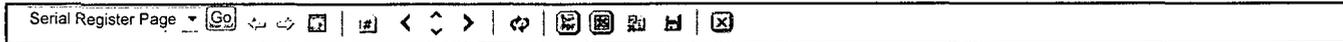
Sheryl Baker
Drilling Superintendent
COG Operating LLC
2208 West Main Street
Artesia, NM 88210
Phone (575) 748-6940 (office)
(432) 934-1873 (cell)

Ray Peterson
Drilling Manager
COG Operating LLC
One Concho Center
600 W Illinois Ave
Midland, TX 79701
Phone (432) 685-4304 (office)
(432) 818-2254 (business)

I hereby certify that I, or persons under my direct supervision, have inspected the drill site and access road proposed herein; that I am familiar with the conditions that presently exist; that I have full knowledge of State and Federal laws applicable to this operation; that the statements made in this 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 COG Operating, LLC, 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 5th day of April, 2013.

Signed:  _____

Printed Name: Melanie J. Parker
Position: Regulatory Analyst
Address: 2208 W. Main Street, Artesia, NM 88210
Telephone: (575) 748-6940
Field Representative (if not above signatory): Rand French
E-mail: mparker@concho.com



DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page

Run Time: 11:08 AM
Page 1 of 1

Run Date: 04/04/2013

01 12-22-1987;101STAT1330;30USC181 ET SE
Case Type 312021: O&G LSE COMP PD -1987
Commodity 459: OIL & GAS L
Case Disposition: AUTHORIZED

Total Acres 1,218.620
Serial Number NMNM-- - 120910

Name & Address	Serial Number: NMNM-- - 120910	Int Rel	% Intere
COG PRODUCTION LLC 800 WILLINOIS AVE, ONE CONCHO CENTE MOLAND TX 79701	LESSEE		100 0000000

Serial Number: NMNM-- - 120910

Mar	Twn	Rng	Sec	S Typ	SNR SUFF	Subdivision	District/Field Office	County	Mgmt Agency	
23	0260S	0320E	003	ALIQ		E2;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT	1 0320E
23	0260S	0320E	005	ALIQ		SWSE;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT	1 0320E
23	0260S	0320E	006	ALIQ		NENW;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT	1 0320E
23	0260S	0320E	006	LOTS		1-4;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT	1 0320E
23	0260S	0320E	007	ALIQ		SE;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT	1 0320E
23	0260S	0320E	010	ALIQ		E2;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT	1 0320E
23	0260S	0320E	031	ALIQ		N2E,NENW;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT	1 0320E
23	0260S	0320E	031	LOTS		1-3;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT	1 0320E

Relinquished/Withdrawn Lands

Serial Number: NMNM-- - 120910

Mar	Twn	Rng	Sec	S Typ	SNR SUFF	Subdivision	District/Field Office	County	Mgmt Agency	
23	0260S	0320E	710	FF		SWSW,SEGR;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT	1 0320E
23	0260S	0320E	708	FF		NW,SEGR;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT	1 0320E

Serial Number: NMNM-- - 120910

Act Date	Code	Action	Action Remark	Pending Office	
05/30/2008	587	CASE ESTABLISHED	200807028;		2008 05 30
06/30/2008	299	PROTEST FILED	SUSAN H BELL;		2008 06 30
07/01/2008	299	PROTEST FILED	WESTERN ENVR LAW CTR;		2008 07 01
07/01/2008	299	PROTEST FILED	WILD EARTH GUARDIANS;		2008 07 01
07/16/2008	191	SALE HELD			2008 07 16
07/16/2008	267	BID RECEIVED	84115100.00;		2008 07 16
09/08/2008	298	PROTEST DISMISSED	SUSAN H BELL;		2008 09 08
10/24/2008	298	PROTEST DISMISSED	WILD EARTH GUARDIANS;		2008 10 24
10/31/2008	237	LEASE ISSUED			2008 10 31
10/31/2008	298	PROTEST DISMISSED	WESTERN ENVR LAW CTR;		2008 10 31
10/31/2008	974	AUTOMATED RECORD VERIF	BTH		2008 10 31
11/01/2008	496	FUND CODE	05;145003		2008 11 01
11/01/2008	530	RLTY RATE - 12 1/2%			2008 11 01
11/01/2008	868	EFFECTIVE DATE			2008 11 01
10/25/2010	232	LEASE COMMITTED TO UNIT	UNIT NML25386		2010 10 25
10/25/2010	700	LEASE SEGREGATED	INTO NDM 128927;		2010 10 25
09/18/2011	899	TRF OF ORR FILED	1		2011 09 19
11/18/2011	940	NAME CHANGE RECOGNIZED	OGX RES LLC/COG PROD		2011 11 18
08/27/2012	974	AUTOMATED RECORD VERIF	JA;		2012 08 27
10/31/2018	763	EXPIRES			2018 10 31

Serial Number: NMNM-- - 120910

Line Nr	Remarks	
02	STIPULATIONS ATTACHED TO LEASE;	2
03	NM-11-IN SPECIAL CULTURAL RESOURCE	3
04	SENM-5-19 PLAYAS AND ALKALI LAKES	4

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM



New Mexico Office of the State Engineer

Water Column/Average Depth to Water

(A CLW##### in the POD suffix indicates the POD has been replaced & no longer serves a water right file.)

(R=POD has been replaced, O=orphaned, C=the file is closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)

(quarters are smallest to largest) (NAD83 UTM in meters) (In feet)

POD Number	POD Code	Subbasin	County	Q Q Q	64 16 4	Sec	Tws	Rng	X	Y	Depth Well	Depth Water	Water Column
<u>C 02271</u>			LE	3 2 3	21	26S	32E	624348	3544010*	300	260	40	
<u>C 02274</u>			LE	2 1 2	31	26S	32E	621742	3541730*	300	295	5	
<u>C 02323</u>	C		LE	3 2 3	21	26S	32E	624348	3544010*	405	405	0	
<u>C 03537 POD1</u>	C		LE	3 2 3	21	26S	32E	624250	3543985	850			

Average Depth to Water: **320 feet**

Minimum Depth: **260 feet**

Maximum Depth: **405 feet**

Record Count: 4

PLSS Search:

Township: 26S

Range: 32E

*UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.



New Mexico Office of the State Engineer
Water Column/Average Depth to Water

No records found.

PLSS Search:

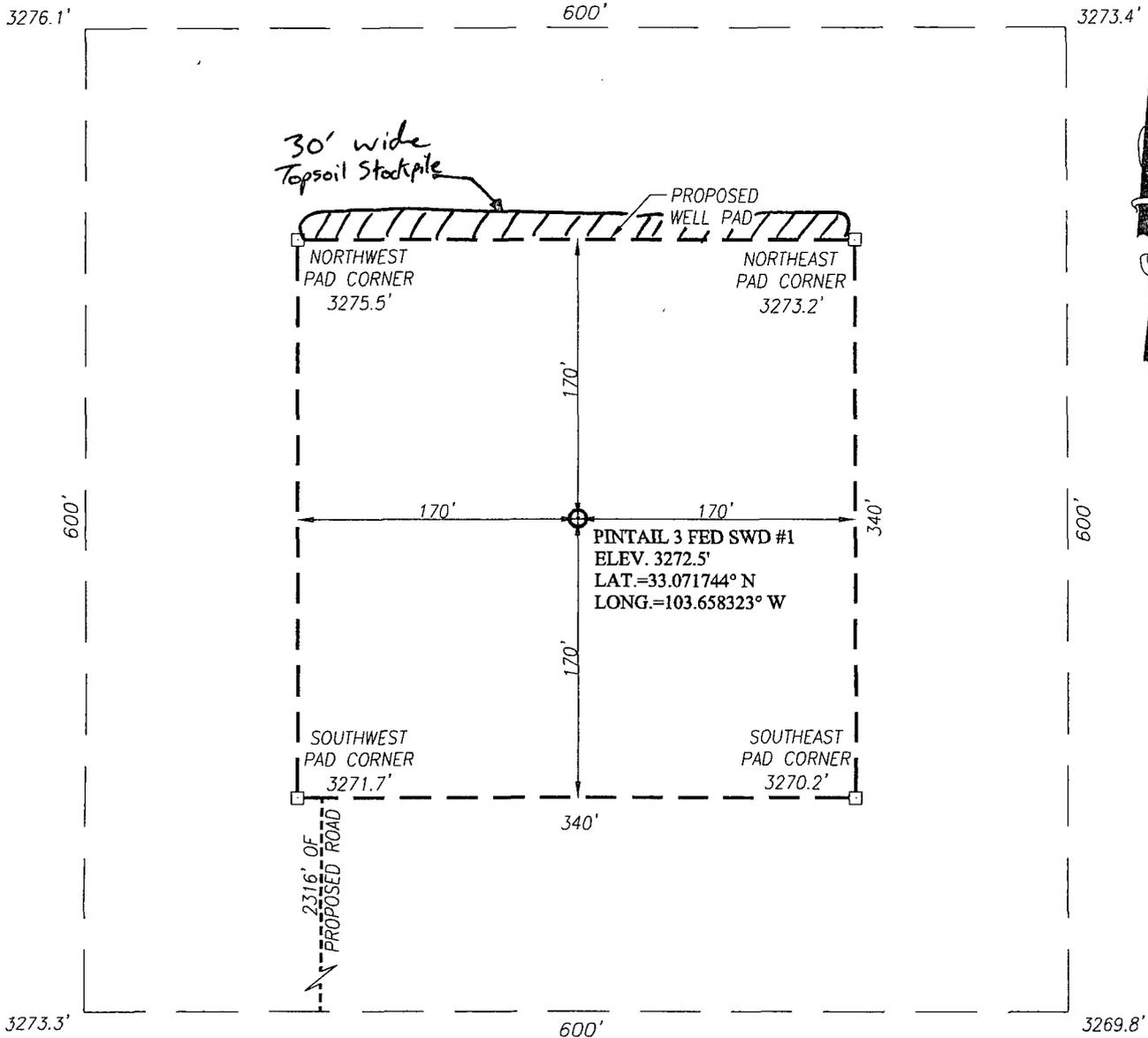
Section(s): 3

Township: 26S

Range: 32E

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

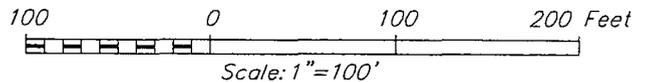
SECTION 3, TOWNSHIP 29 SOUTH, RANGE 32 EAST, N.M.P.M.
LEA COUNTY **NEW MEXICO**



TN
5/16/13

DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF STATE HIGHWAY 128 AND COUNTY ROAD 1(ORLA) GO SOUTH APPROX 10.2 MILES; TURN LEFT AND GO EAST APPROX 0.8 MILES TO BEGIN ROAD LATH. FOLLOW ROAD SURVEY LATH 143 FEET NORTHEAST AND THEN 2173 FEET NORTH TO THIS LOCATION.



COG OPERATING, LLC

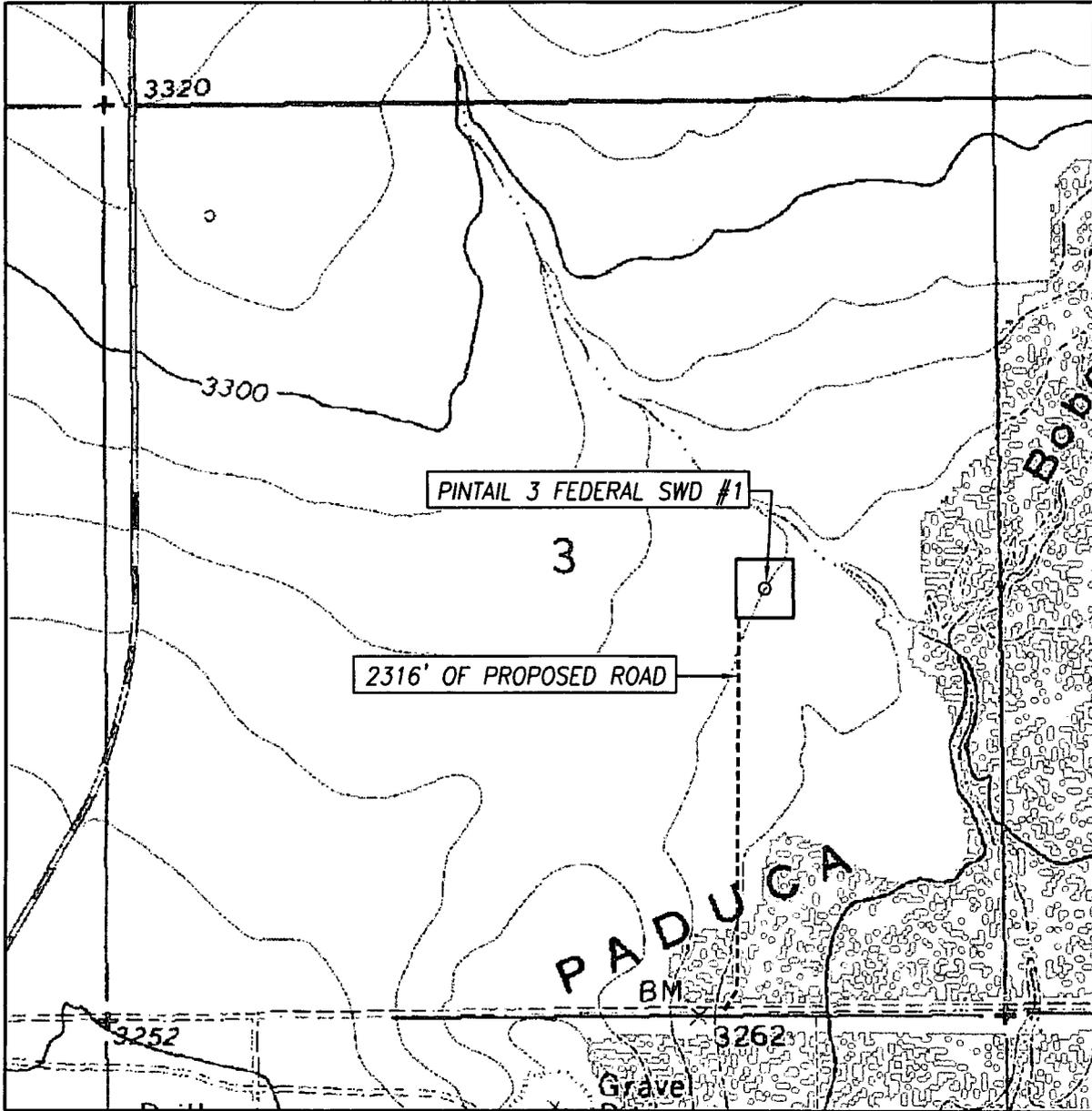
**PINTAIL 3 FEDERAL SWD #1 WELL
 LOCATED 2500 FEET FROM THE SOUTH LINE
 AND 1400 FEET FROM THE EAST LINE OF SECTION 3,
 TOWNSHIP 26 SOUTH, RANGE 32 EAST, N.M.P.M.,
 LEA COUNTY, NEW MEXICO**

Survey Date: 10/26/12	CAD Date: 10/30/12	Drawn By: BKL
W.O. No.: 12111786	Rev. :	Rel. W.O.:
		Sheet 1 of 1

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

EXHIBIT 2

LOCATION VERIFICATION MAP



SCALE: 1" = 1000'

CONTOUR INTERVAL:
PADUCAH BREAKS W, N.M. - 5'

SEC. 3 TWP. 26-S RGE. 32-E

SURVEY _____ N.M.P.M. _____

COUNTY LEA STATE NEW MEXICO

DESCRIPTION 2500' FSL & 1400' FEL

ELEVATION 3273'

OPERATOR COG OPERATING, LLC

LEASE PINTAIL 3 FEDERAL SWD

U.S.G.S. TOPOGRAPHIC MAP

PADUCAH BREAKS W, 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

Exhibit 2A

T25S
R32E

Orla Hwy

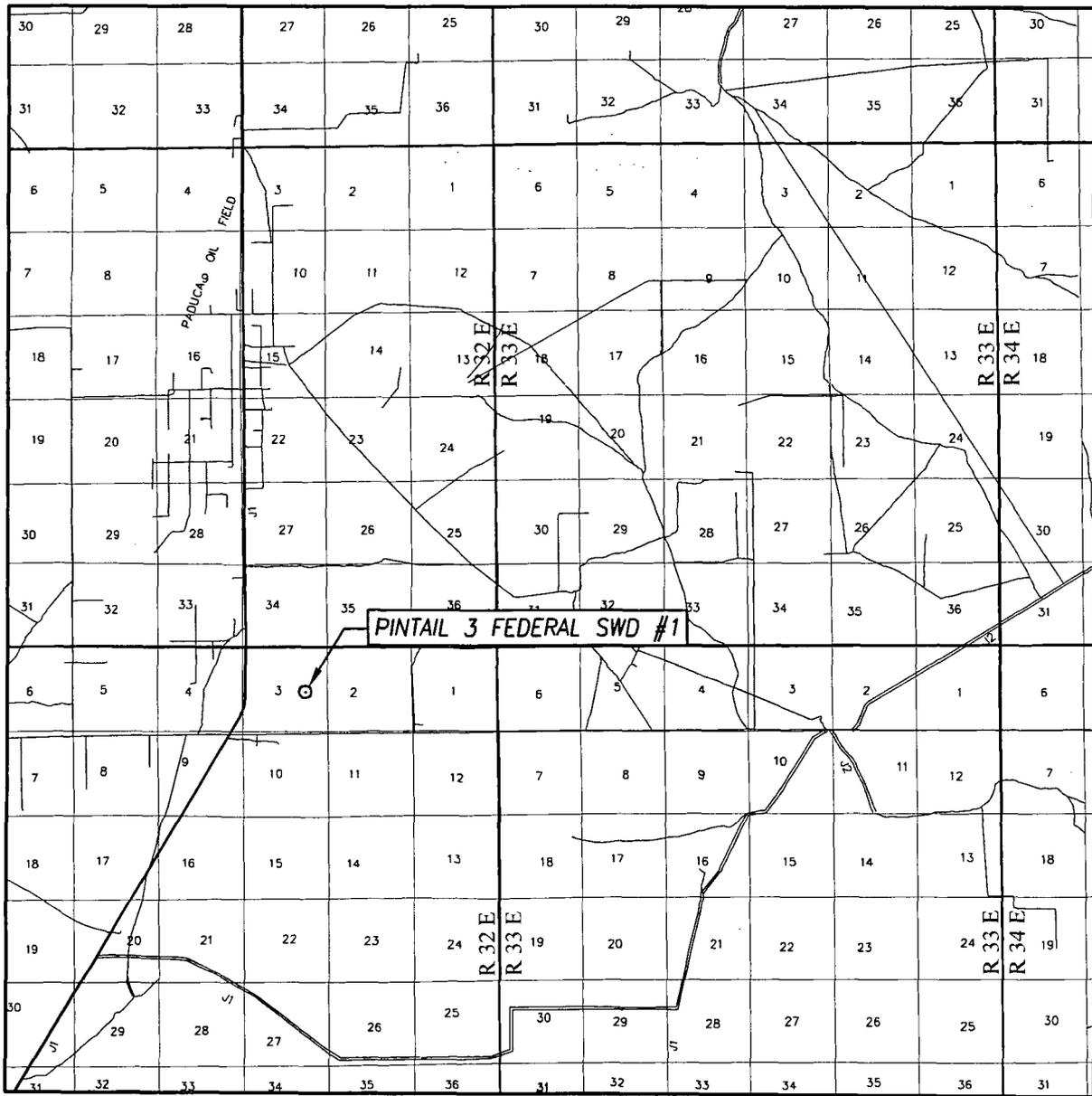
Proposed Access Road

T26S
R32E

Existing Lease Road

Pintail-3 Federal SWD #1
2500' FSE & 1400' FEL
Section 3, T26S, R32E
Lea County, NM

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 3 TWP. 26-S RGE. 32-E
 SURVEY N.M.P.M.
 COUNTY LEA STATE NEW MEXICO
 DESCRIPTION 2500' FSL & 1400' FEL
 ELEVATION 3273'
 OPERATOR COG OPERATING, LLC
 LEASE PINTAIL 3 FEDERAL SWD

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

ates Pet, etal
10-1-2010
VB 707
359 38

R. C. Graham
Conf
TD 4624
D/A 6-11-63

32
Pet, etal
2010
777
797

Hills Meeker
Hall - Fed
TD 4689
D/A 12-29-60

Peggy Jennings
HBP
0359295 Westates

Meeker - Hills
Jennings - Fed
TD 4664

Ohio
Sunshine Roy. Fed
EJ 3369
TD 4633

Victory Park
108973

Yates Pet, etal
1-1-2015
V-8648
\$ 881.97

Pintail 3 Federal SWD #1
2500' FSL & 1400' FEL
Section 3 - T26S - R32E

Chesa-
Pedke
8-1-2018
120909
500.00

Disc Oper. C.L. Sparks
Westates To 4732
(Amoco)
0359295
Jennings-Fed
(TD 4385)

U.S. Del Disc
NTD 4632
P/B 4578

Disc Oper
Dol. Fed
TD 4650

35

VR Op.
Harrier

D.E. Gonzales
1-1-2015
V-8649
\$ 825.07

Puller, or
Bradley
D/A 11-29-63

BHL
Flg. Fed.
16
4-62
Union Hunter
Matador Pet

5
HBP
392062 Hill Meeker
Syn. Fed.
D/A 4-16-66

Robinson Oil
Union-Fed
Matador Pet.
0392082
Union Fed. A-4
TD 4565

(Magnum Hunter) all sec
Grt West'n Drig
HBP
0392082

Cimarex
Hallortau
Mewbourne
12-1-2010
105561
65.00
Blackrock
Union-Fed
TD 4690

MIDLAND

OGX Res.
8-1-2018
20910
2,900.00

Yates Pet, etal
2-1-2011
VB 853
75.00

Yates Pet, etal
2-1-2011
VB 844
103.97

(Kaiser-Francis)
BTA Oil 1/2
14492

Yates Pet, etal
2-1-2011
VB 845
82.97

R.L. Wood, etal
Richardson Fed
TD 4900
D/A 9-10-66
"Mesa"

Cimarex
Hallortau

Mewbourne
HBP
0392082

Mewbourne
12-1-2010
105561
100.00
Marsh
Red Hall
TD 4590
D/A 3-25-64

Mewbourne
Red Hills West

Yates Petr.
Zapata St
IH-8QZ

OGX
Bufflehead
12-09-2018
2,900.00
Mewbourne
Salada Draw Fed.

Kaiser-Francis, etal 1/2
BTA Oil 1/2
HBP
14492

Cimarex
Hallortau
Devon En
5-1-2015
113967
\$ 230.00
Read
Marathon Fed. 1
EJ 3215
TD 4523
D/A 11-27-62

Sahara Op Co
Guay Valley
Exxon-Fed.
(OXY)
27467
Highland
Amoco Fed.
Highland
Fed.
Tempo En.
947

Devon Ener
5-1-2015
113968
\$ 225.00

Grt West'n
Drig
12-1-2010
105561
100.00

OGX Res.
8-1-2018
120910

Homestead
Clifford
TD 4868