

Surface Use Plan  
COG Operating, LLC  
Roy Batty Federal Com #4H  
SL: 190' FSL & 380' FEL      UL P  
Section 11, T24S, R33E  
BHL: 330' FNL & 380' FEL      UL A  
Section Sec 11, T24S, R33E  
Lea County, New Mexico

30-025-41334

---

# Surface Use & Operating Plan

## Roy Batty Federal Com #4H

- Surface Owner: Mark McCloy, PO Box 1076, Jal, NM 88252
- New Road: No new road needed.
- Flow Line: Will follow the existing road to the tank battery located on the Roy Batty Federal Com #1H.
- Facilities: No facilities needed.

HOBBS OCD

### Well Site Information

AUG 10 2013

V Door: East

Topsoil: East

Interim Reclamation: North & East

RECEIVED

### Notes

**Onsite:** On-site was done by Tanner Nygren (BLM) & Eric Conklin (COG) on May 22, 2013.

AUG 16 2013<sup>1</sup>



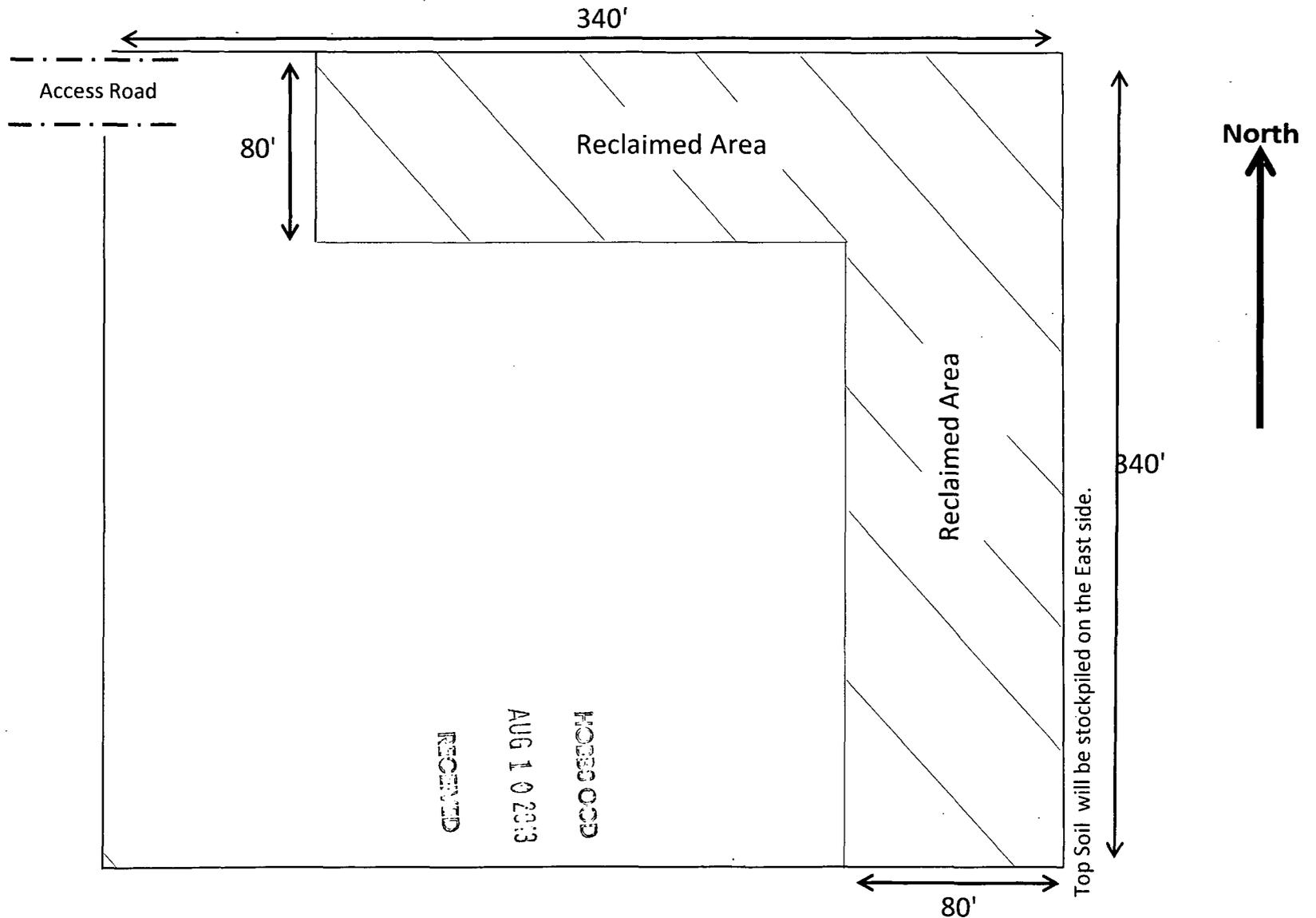
COG Operating LLC  
2208 West Main  
Artesia, NM 88210

# EXHIBIT 3

## Production Facility Layout

Roy Batty Federal Com #4H

Section 11-T24S-R33E



*Surface Use Plan*  
*COG Operating, LLC*  
*Roy Batty Federal Com #4H*  
*SL: 190' FSL & 380' FEL*      *UL P*  
*Section 11, T24S, R33E*  
*BHL: 330' FNL & 380' FEL*      *UL A*  
*Section Sec 11, T24S, R33E*  
*Lea County, New Mexico*

HOBBS OCD

AUG 10 2013

---

## SURFACE USE AND OPERATING PLAN

RECEIVED

### 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 Harcrow Surveying, Artesia, NM.
- B. All roads to the location are shown on the Location Verification Map Exhibit 2. 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 attached 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:

COG will be using the existing access road that was constructed for the drilling of the Deckard Fee #1H, with approximately 50' of new access road to be constructed. 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.

*Surface Use Plan*  
*COG Operating, LLC*  
*Roy Batty Federal Com #4H*  
*SL: 190' FSL & 380' FEL*      *UL P*  
*Section 11, T24S, R33E*  
*BHL: 330' FNL & 380' FEL*      *UL A*  
*Section Sec 11, T24S, R33E*  
*Lea County, New Mexico*

HOZES OGD

AUG 10 2013

---

**3. Location of Existing Well:**

RECEIVED

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

There are several vertical wells producing from the Wolfcamp formation; and three horizontal wells producing from the Bone Spring formation within the one-mile radius area.

**4. Location of Existing and/or Proposed Facilities:**

- A. COG Operating LLC operates a production facility on this lease.
- B. If the well is productive, the existing facility at the Roy Batty Federal Com #1 will be utilized. See Exhibit 3.
  - 1) A surface flow line of approximately 4200' of 2 7/8" steel pipe carrying oil, gas and water under a maximum pressure of 125 psi will follow the access road to the Roy Batty Federal Com #1H facility. The flow line is be layed a safe distance, estimated at 5-10' from the road.
  - 2) All flow lines and piping 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 Lea County Electric and they will submit a separate plan and ROW for service to the well location.
  - 5) If the well is productive, 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 #1. 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.

*Surface Use Plan  
COG Operating, LLC  
Roy Batty Federal Com #4H  
SL: 190' FSL & 380' FEL      UL P  
Section 11, T24S, R33E  
BHL: 330' FNL & 380' FEL      UL A  
Section Sec 11, T24S, R33E  
Lea County, New Mexico*

HOBBS OCD

AUG 10 2013

**6. Source of Construction Materials and Location "Turn-Over" Procedure:**

RECEIVED

Obtaining caliche: One 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 site. A caliche permit will be obtained from BLM prior to obtaining caliche. 2400 cubic yards is the maximum 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 within the surveyed well 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.
- G. 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 the Well Site Layout or survey plat.

In the event that no caliche is found onsite, caliche will be hauled in from a BLM approved caliche pit or other established mineral pit. A BLM mineral material permit will be acquired prior to obtaining any mineral material from BLM pits or land.

**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.

*Surface Use Plan*  
*COG Operating, LLC*  
*Roy Batty Federal Com #4H*  
*SL: 190' FSL & 380' FEL      ULP*  
*Section 11, T24S, R33E*  
*BHL: 330' FNL & 380' FEL      ULA*  
*Section Sec 11, T24S, R33E*  
*Lea County, New Mexico*

HOBBBS OGD

AUG 10 2013

RECEIVED

- 
- 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 Harcrow Surveying, 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

*Surface Use Plan*  
*COG Operating, LLC*  
*Roy Batty Federal Com #4H*  
*SL: 190' FSL & 380' FEL*      *UL P*  
*Section 11, T24S, R33E*  
*BHL: 330' FNL & 380' FEL*      *UL A*  
*Section Sec 11, T24S, R33E*  
*Lea County, New Mexico*

HOBBS OCD

AUG 10 2013

RECEIVED

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 re-seeded with a BLM approved mixture and re-vegetated as per BLM orders.

#### **11. Surface Ownership:**

- A. The surface is owned by Marc McCloy, PO Box 1076, Jal, NM 88252. A Surface Use Agreement has been executed between COG Operating LLC and Marc McCloy. The surface is multiple uses with the primary uses of the region for grazing of livestock and the production of oil and gas.
- B. COG Operating LLC's representative whose signature appears on the Operator's Certification attached hereby certifies that a copy of this Surface Use Plan has been mailed by certified mail, return receipt requested to the surface owner.
- 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

*Surface Use Plan*  
*COG Operating, LLC*  
*Roy Batty Federal Com #4H*  
*SL: 190' FSL & 380' FEL      UL P*  
*Section 11, T24S, R33E*  
*BHL: 330' FNL & 380' FEL      UL A*  
*Section Sec 11, T24S, R33E*  
*Lea County, New Mexico*

HOBBS OOD

AUG 10 2013

RECEIVED

---

**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)

Surface Use Plan  
COG Operating, LLC  
Roy Batty Federal Com #4H  
SL: 190' FSL & 380' FEL      UL P  
Section 11, T24S, R33E  
BHL: 330' FNL & 380' FEL      UL A  
Section Sec 11, T24S, R33E  
Lea County, New Mexico

HOBBS OGD

AUG 10 2013

---

**OPERATOR CERTIFICATION**

RECEIVED

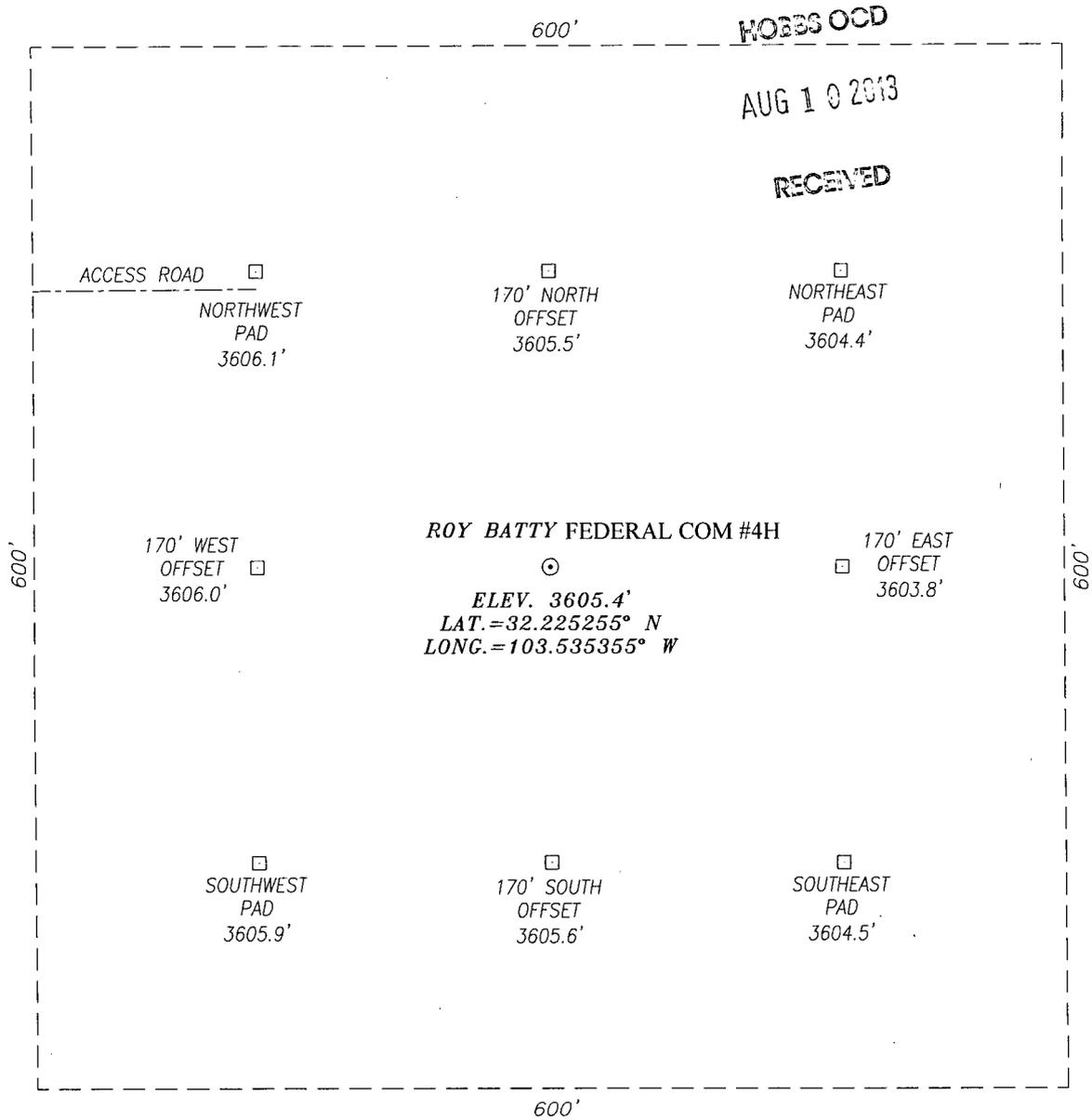
I hereby certify that I, or persons under my direct supervision, have inspected the drill site and access road proposed herein; that I am familiar with the conditions that presently exist; that I have full knowledge of State and Federal laws applicable to this operation; that the statements made in this 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 12<sup>th</sup> day of June, 2013.

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



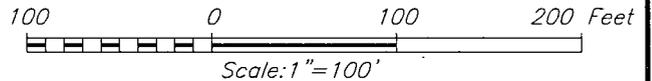
Printed Name: Melanie J. Parker  
Position: Regulatory Coordinator  
Address: 2208 W. Main Street, Artesia, NM 88210  
Telephone: (575) 748-6940  
Field Representative (if not above signatory): Rand French  
E-mail: [mparker@concho.com](mailto:mparker@concho.com)

SECTION 11, TOWNSHIP 24 SOUTH, RANGE 33 EAST, N.M.P.M.,  
LEA COUNTY NEW MEXICO



DIRECTIONS TO LOCATION:

HEADING EAST ON HWY. 128 TURN LEFT (NORTH) 0.6 MILES PAST MILE MARKER 28 ONTO A CALICHE LEASE ROAD. FOLLOW ROAD FOR 0.8 MILES THEN TURN RIGHT (EAST) STAY ON ROAD FOR 0.5 MILES THEN MAKE A LEFT (NORTH) STAY ON ROAD FOR 0.3 MILES AND MAKE ANOTHER RIGHT (EAST) STAY ON ROAD FOR 0.8 MILES AND WELL IS 3200 FEET SOUTHEAST.

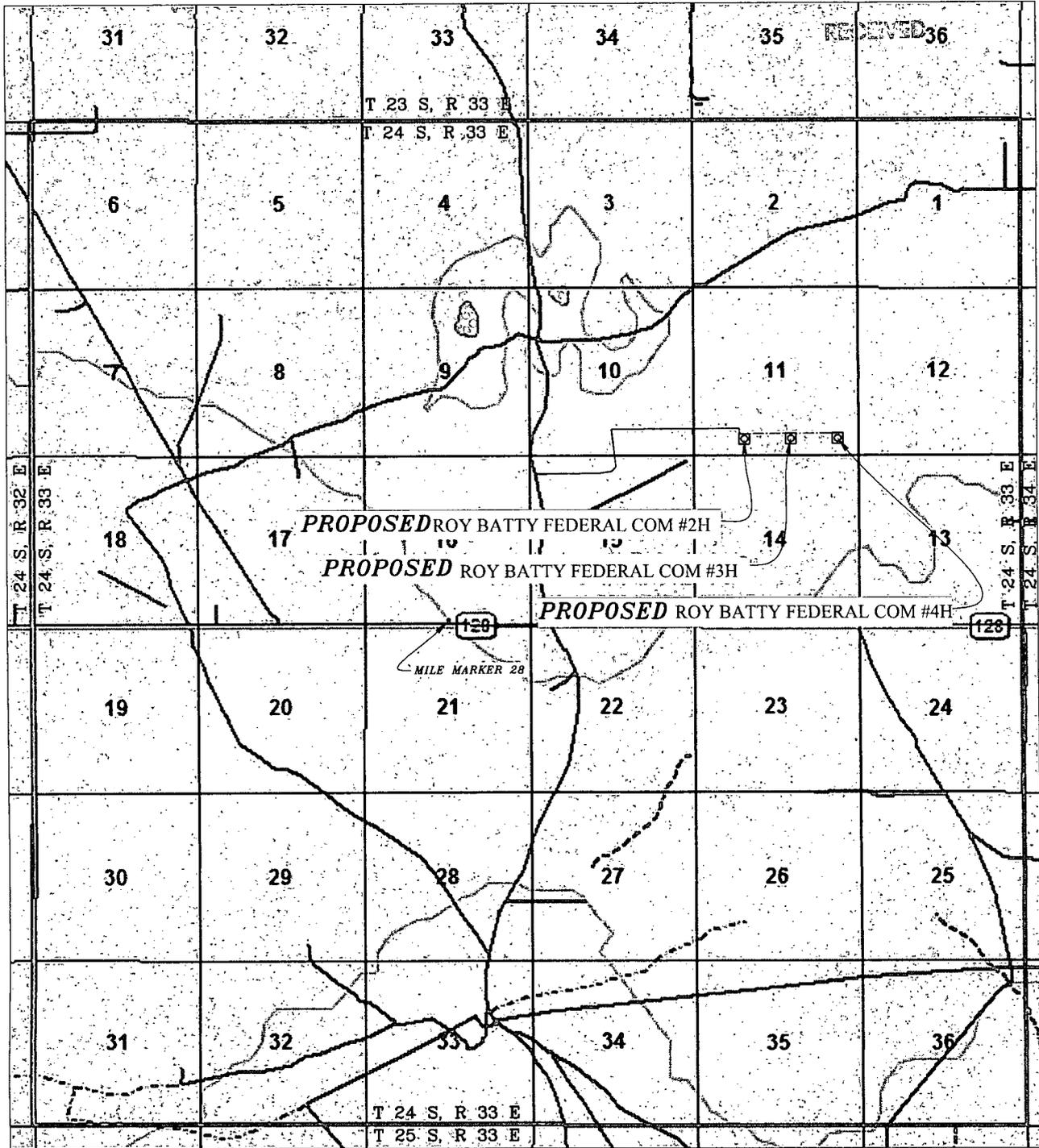


**HARCROW SURVEYING**  
1107 WATSON, ARTISIA N.M. 88210  
PH: (575) 513-2570  
FAX: (575) 746-2808  
EST. 2007

<b>COG OPERATING, LLC</b>		
ROY BATTY FEDERAL COM #4H LOCATED 190 FEET FROM THE SOUTH LINE AND 380 FEET FROM THE EAST LINE OF SECTION 11, TOWNSHIP 24 SOUTH, RANGE 33 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO		
SURVEY DATE: NOVEMBER 06, 2012	PAGE: 1 OF 1	
DRAFTING DATE: NOVEMBER 12, 2012		
APPROVED BY: CH	DRAWN BY: DDSI	FILE: 12-203

AUG 10 2013

# VICINITY MAP



SEC. 11 TWP. 24-S RGE. 33-E  
 SURVEY N.M.P.M.  
 COUNTY LEA STATE NEW MEXICO  
 DESCRIPTION 190' FSL & 380' FEL  
 ELEVATION 3605'  
 OPERATOR COG OPERATING, LLC  
 LEASE ROY BATTY FEE

SCALE: 1" = 1 MILE

HARCROW SURVEYING  
 1107 WATSON, ARTESIA N.M. 88210  
 PH: (575) 513-2570  
 FAX: (575) 746-2808  
 EST. 2007

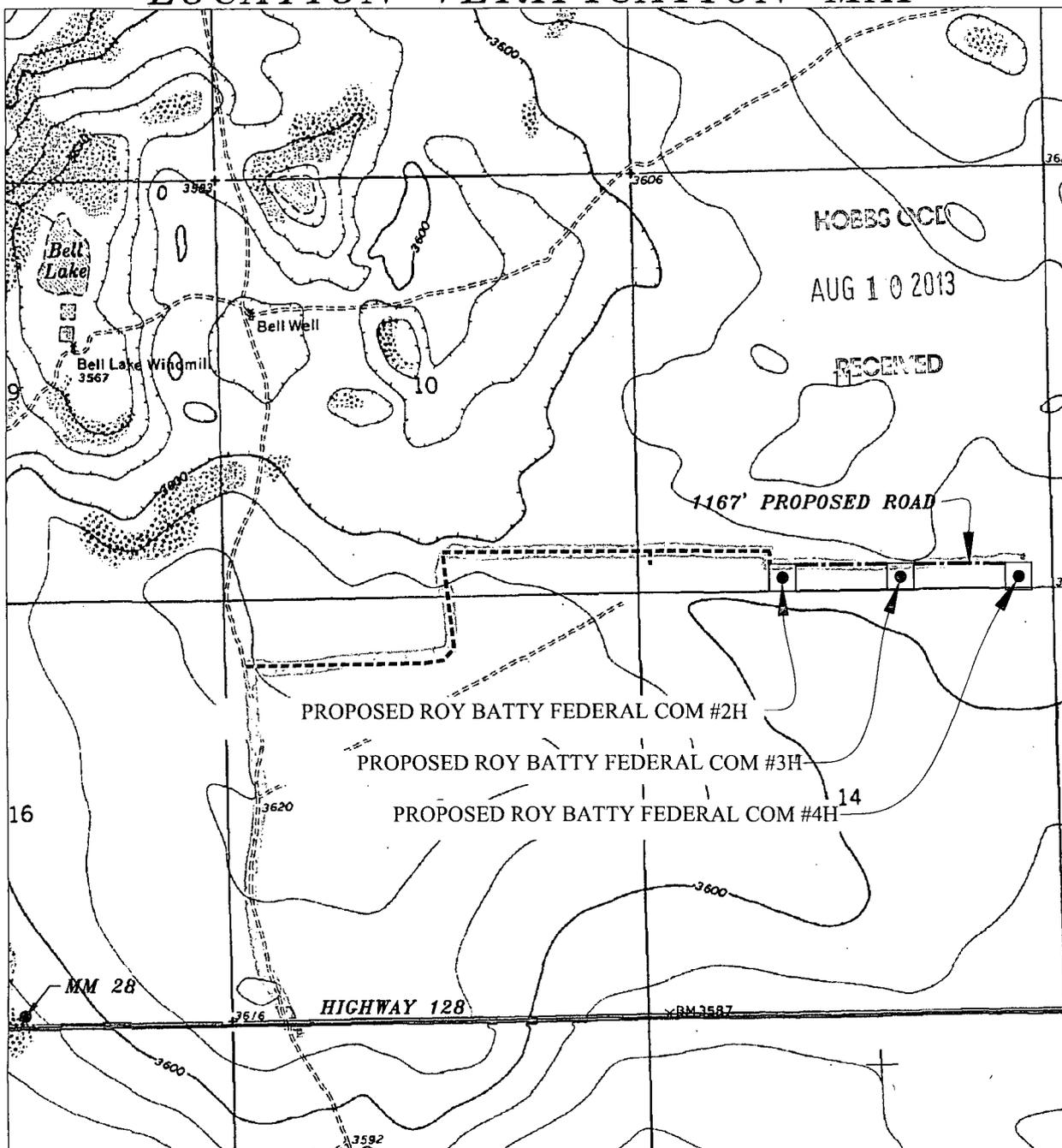


## COG OPERATING, LLC

SURVEY DATE: NOV. 06, 2012	PAGE: 1 OF 1
DRAFTING DATE: NOV. 12, 2012	
APPROVED BY: CH	DRAWN BY: DDSI
	FILE: 12-203

# EXHIBIT 2

## LOCATION VERIFICATION MAP



HOBBBS OCL

AUG 10 2013

RECEIVED

1167' PROPOSED ROAD

PROPOSED ROY BATTY FEDERAL COM #2H

PROPOSED ROY BATTY FEDERAL COM #3H

PROPOSED ROY BATTY FEDERAL COM #4H

16

MM 28

HIGHWAY 128

SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'

SEC. 11 TWP. 24-S RGE. 33-E

SURVEY N.M.P.M.

COUNTY LEA STATE NEW MEXICO

DESCRIPTION 190' FSL & 380' FEL

ELEVATION 3605'

OPERATOR COG OPERATING, LLC

LEASE ROY BATTY FEDERAL COM

U.S.G.S. TOPOGRAPHIC MAP

BELL LAKE, N.M.

HARCROW SURVEYING

1107 WATSON, ARTESIA N.M. 88210

PH: (575) 513-2570

FAX: (575) 746-2808

EST. 2007



**COG OPERATING, LLC**

SURVEY DATE: NOV. 06, 2012

PAGE: 1 OF 1

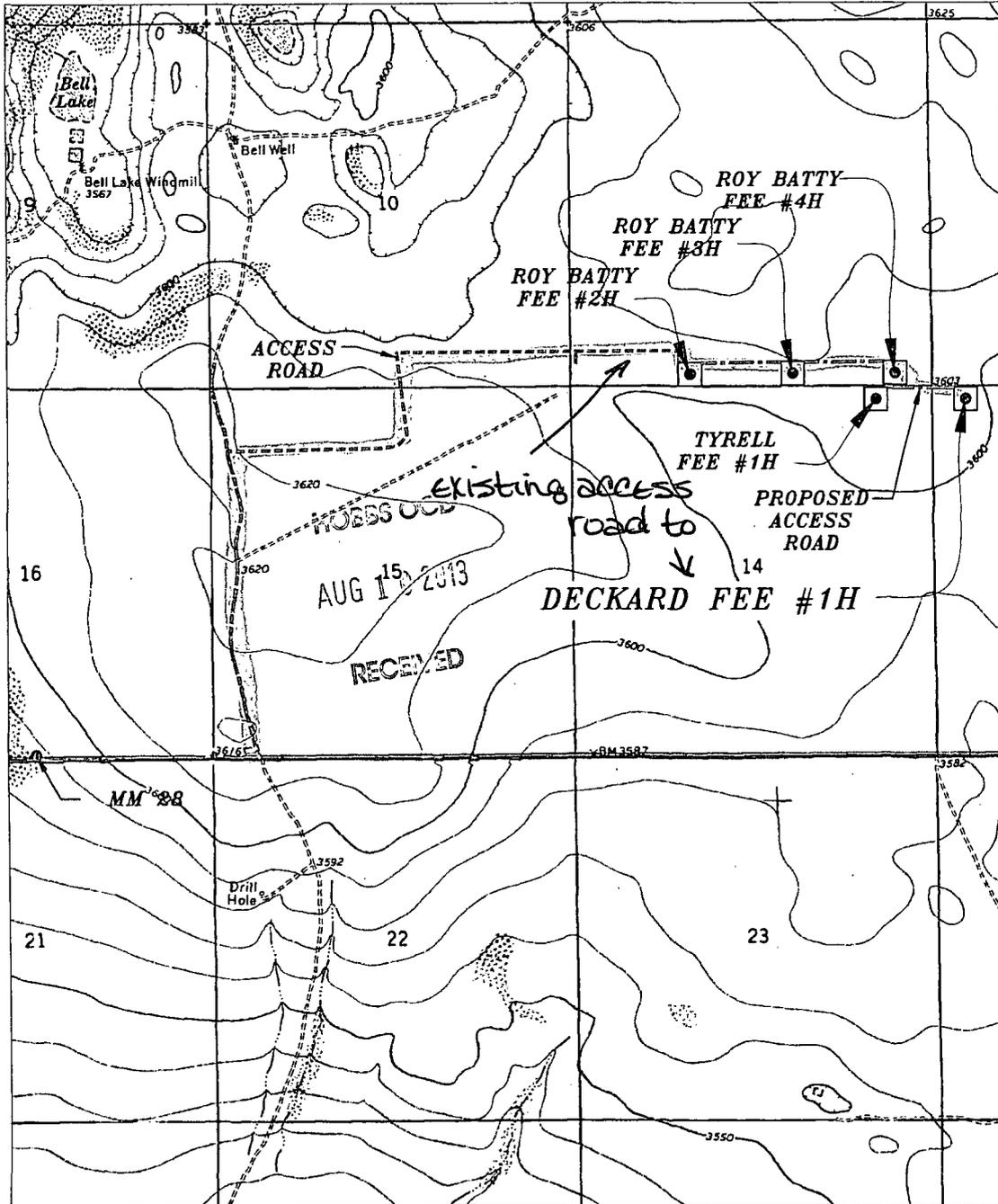
DRAFTING DATE: NOV. 12, 2012

APPROVED BY: CH

DRAWN BY: DDSI

FILE: 12-203

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'

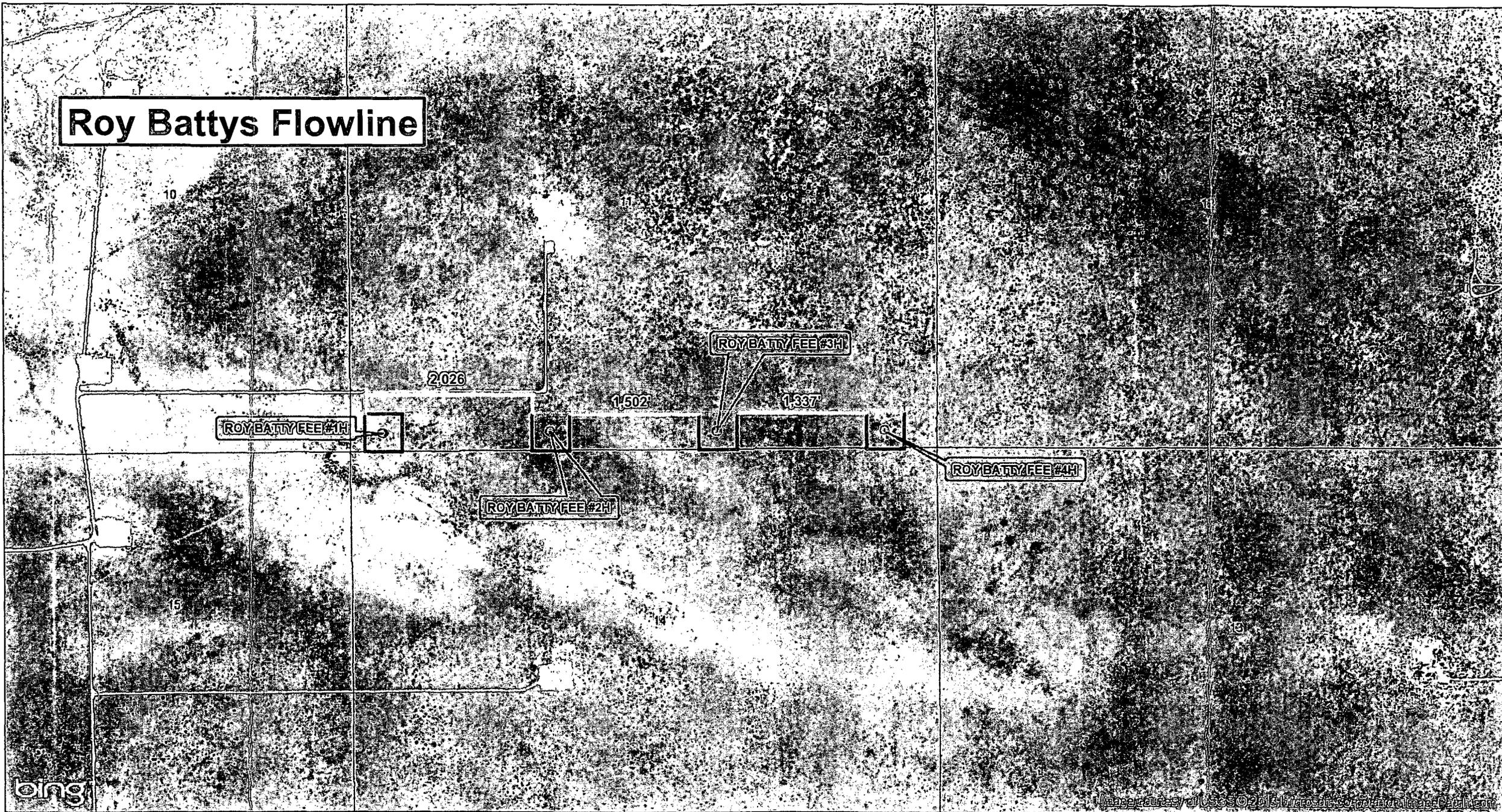
SEC. 13 TWP. 24-S RGE. 33-E  
 SURVEY N.M.P.M.  
 COUNTY LEA STATE NEW MEXICO  
 DESCRIPTION 190' FNL & 660' FWL  
 ELEVATION 3601'  
 OPERATOR COG OPERATING, LLC  
 LEASE DECKARD FEE  
 U.S.G.S. TOPOGRAPHIC MAP  
BELL LAKE, N.M.

**HARCROW SURVEYING**  
 1107 WATSON, ARTESIA N.M. 88210  
 PH: (575) 513-2570  
 FAX: (575) 746-2808  
 EST. 2007



<b>COG OPERATING, LLC</b>	
SURVEY DATE: NOV. 16, 2012	PAGE: 1 OF 1
DRAFTING DATE: DEC. 06, 2012	
APPROVED BY: CH	DRAWN BY: DDSI FILE: 12-204

# Roy Battys Flowline



SEC. 11, TWP. 24 S, RGE. 33 E  
 SURVEY: N.M.P.M.  
 COUNTY: LEA STATE: NEW MEXICO  
 DESCRIPTION: ROY BATTYS FLOWLINE

FLOWLINE LENGTH: 4,865'  
 OPERATOR: COG OPERATING  
 LEASE: ROY BATTYS FLOWLINE

W.O. # 13-393

AUG 10 2013  
 1 IN = 1,000 FT

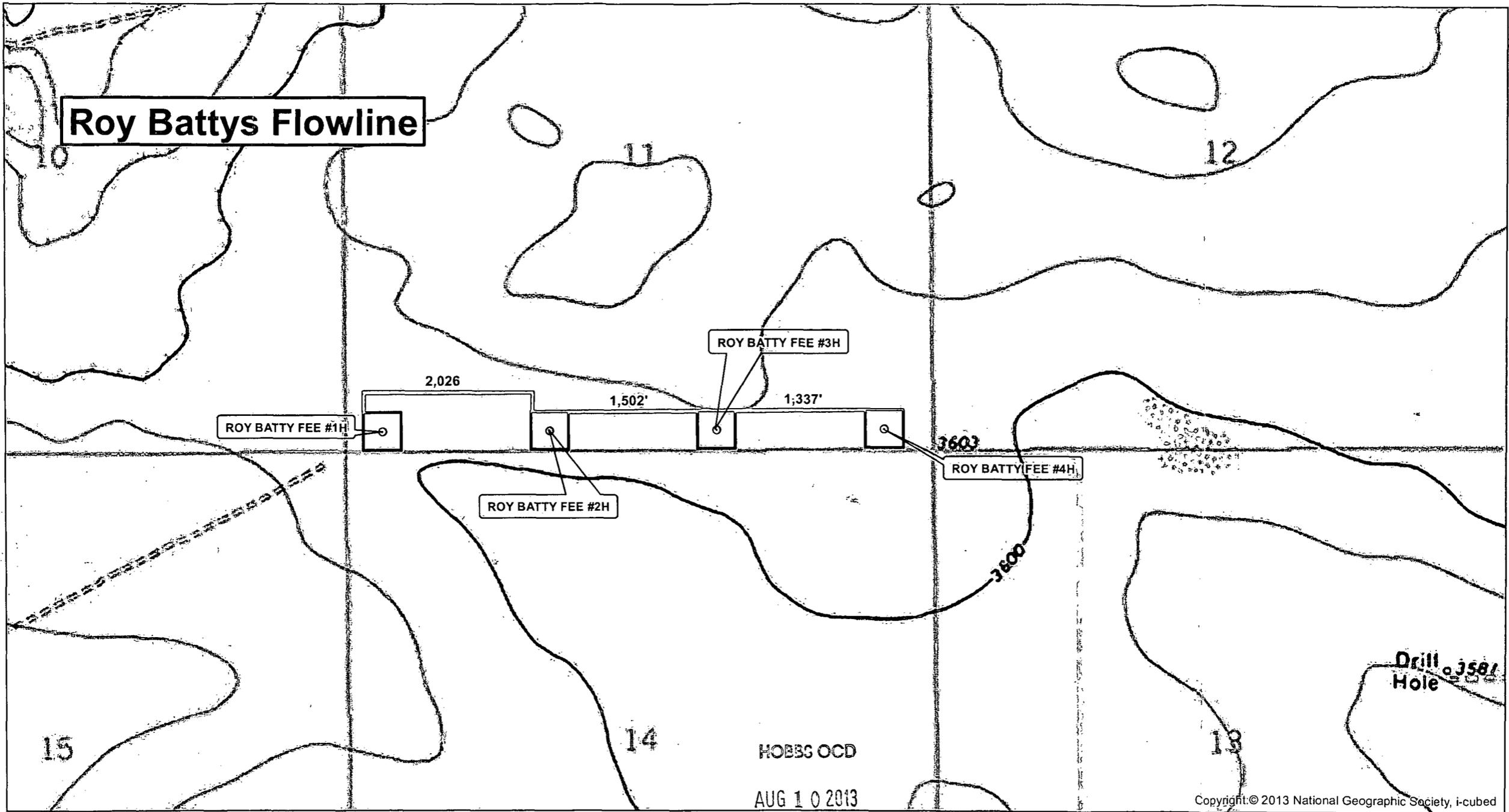
RECEIVED

- FLOWLINE
- ROAD
- WELL
- WELLPAD

HARCROW SURVEYING, LLC  
 1107 WATSON, ARTESIA N.M. 88210  
 PH: (575) 513-2570 FAX: (575) 746-2158  
 chad\_harcrow77@yahoo.com



# Roy Battys Flowline



SEC. 11, TWP. 24 S, RGE. 33 E  
 SURVEY: N.M.P.M.  
 COUNTY: LEA STATE: NEW MEXICO  
 DESCRIPTION: ROY BATTYS FLOWLINE

FLOWLINE LENGTH: 4,865'  
 OPERATOR: COG OPERATING  
 LEASE: ROY BATTYS FLOWLINE

W.O. # 13-393

RECEIVED  
 1 IN = 1,000 FT

AUG 10 2013

HOBBG OCD

- FLOWLINE
- ROAD
- WELL
- WELLPAD

Copyright © 2013 National Geographic Society, i-cubed

HARCROW SURVEYING, LLC  
 1107 WATSON, ARTESIA N.M. 88210  
 PH: (575) 513-2570 FAX: (575) 746-2158  
 chad\_harcrow77@yahoo.com



MAP DATE: 6/19/2013

(Cont'l)  
Bell Lake  
Unit "1"  
(76.6 Mil.)

Bala En.  
Bell Lk.  
39784  
Cont'l  
Bell Lk St  
TD12616

"Little Ut St."  
\*4 \*6  
1.3 Mil.  
State

Roy Batty Federal Com #4H  
BHL: 330' FNL & 380' FEL  
Section 11 - T24S - R33E

State

EOG Res. \*2  
(Devon)  
V-5289

COG Op.  
3-1-2015  
VB-1814  
\$531.00

Continental  
(Bell Lake Unit)  
TD 11688  
Kaiser-Francis  
E-5890

Kaiser-Francis  
Bell Lk Unit  
85 Dist.  
P-53  
39804

3 "Jackson-St.  
Com."  
Mesa Pet.  
Jog-St.  
TD 15,557

Yates Petr., etal  
3-1-2015  
VB-1819  
\$662.50

Continental  
Bell Lake Unit  
(Morrow Disc)  
Kaiser-Francis  
H8PT  
E 490

Kaiser Frac  
Bell Lk Ut  
Str Disc  
3917 Ac

\*4.5 Mil.  
+120 bbls.  
State

(Devon, 1/3)  
EOG Res.  
V-4397

Richardson Oil  
2-1-11 (21)  
063798

(Richardson Oil)  
9-1-11 (21)  
063993  
Kaiser-Francis  
EOG  
Bell Lk. Ut.

Kaiser-Fr  
0661  
Rube

\*2  
6.5 Mil  
+100 bbls

EOG Res. 67%  
(Devon)  
VA-730  
(Enron)  
Jackson-St  
TD 15550  
13.1 Mil  
+224 bbls

Devon  
(Murchison)  
Stevens  
TD 13650  
MUD15250  
COG Op.  
5-1-2013  
Lela Mae Stevens &  
Betty Jean Holland, M.I.  
Diamond Gulf, Inc. (S)

Bell Lake Unit  
U.S., MI  
Robert Madera, (S)

EOG  
11-2010

Enron  
4.9 Mil. Jackson Unit  
+82 bbls (Atoka Disc)  
(F28)

Richardson Oil  
2-1-11 (21)  
063798

M.M. Hinkle  
4-14-2015  
COG Op.  
9-7-2013

Energex  
11-2-2013

U.S.

Murchison, etal  
Unit Oil)  
LG-6397 #360

Enron  
L Stevens-Fed  
TD 13840  
Lela Stevens  
etal M.I.  
J. Beck  
etal M.I.

Lela  
Stevens  
etal M.I.  
J. Beck  
etal M.I.

Bass Ent  
Sims  
TD 15007 (P/B)  
J. Mollard, M.I.  
Richardson Oil  
2-1-11 (21)  
063798  
Bonnert  
Holland  
TD 14250  
063881

Shackel-  
ford  
1-18-2014  
Robert M  
396  
Agave En.  
Rod Hills

State

U.S.M.I.

U.S., MI

U.S., MI  
Robert Madera, S

Billin

EOG, Murchison  
Chaparral, etal  
LG-4138  
HBP  
Cullough Oil  
Jackson  
TD 15506  
M.A.S. 9-11-11

Roy Batty Federal Com #4H  
SHL: 190' FSL & 380' FEL  
Section 11 - T24S - R33E

Oil  
EOG  
Res.  
Superior

39664

Jackson (P/B)  
Mesa Pet.  
Jackson Ut  
Morrow Disc  
4.8 Mil  
W.C. Disc  
18P  
-5168

U.S.  
R. Madera (S)

U.R.E  
Landreth

HBC  
W/2

Madera  
Ridge  
(P/B) F33

39194

S.R. Holland etal M.I.