

30-025-41411

HOBBS OCD

COG OPERATING LLC
MULTI-POINT SURFACE USE AND OPERATIONS PLAN

SEP 13 2013

Ringo 32 Federal Com #1H
SHL: 330' FSL & 490' FEL of Section 32 T19S R32E
BHL: 330' FSL & 380' FEL of Section 5 T20S R32E
Lea County, New Mexico

RECEIVED

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:

See attached 600 x 600 plat for directions to well

PLANNED ACCESS ROAD:

COG will be using the existing Magnum Pronto State Com #1H access road.

2. LOCATION OF EXISTING WELLS:

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

According to records found in OCD online, there are two wells producing from the Morrow formation, three wells producing from the Delaware formation and numerous wells producing from the Bone Spring formation within the one-mile radius area.

3. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

- a. In the event the well is found productive a tank battery would be constructed and the necessary production equipment will be installed at the well site. See Exhibit #3.
- b. All flowlines will adhere to API standards

SEP 23 2013

- c. If electricity is needed, power will be obtained from Xcel Energy. Xcel Energy will apply for ROW for their power lines.
- d. If the well is productive, rehabilitation plans are as follows:
 1. 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.

4. 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. SOURCE OF CONSTRUCTION MATERIALS AND LOCATION "TURN-OVER" PROCEDURES:

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.

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.

7. ANCILLARY FACILITIES:

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

8. WELLSITE LAYOUT:

- a. The drill pad layout, with elevations staked by John West Surveying, is shown in the Elevation Plat. Dimensions of the pad and pits are shown on the Rig Layout. V door direction is South. Topsoil, if available, will be stockpiled per BLM specifications. Because the pad is almost level no major cuts will be required. We will be utilizing part of the existing Magnum Pronto State Com #4H well pad.
- 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.

9. 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.

10. 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. The surface tenant is G & L Cattle, LLC, 23104 County Road 19, Springfield, CO 81073.

11. 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 WEST 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 Analyst
COG Operating LLC
Artesia, NM 88210
Phone (575)748-6940
Cell (432) 254-5556 | B. Through Drilling Operations
Sheryl Baker, Drilling Supervisor
COG Operating LLC
Artesia, NM 88210
Phone (575)748-6940
Cell (432)934-7873 |
|---|--|

COG Operating LLC

Artesia, NM 88210

OPERATOR CERTIFICATION

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 1st day of May, 2013.

Signed:  _____

Printed Name: Melanie J. Parker

Position: Regulatory Analyst

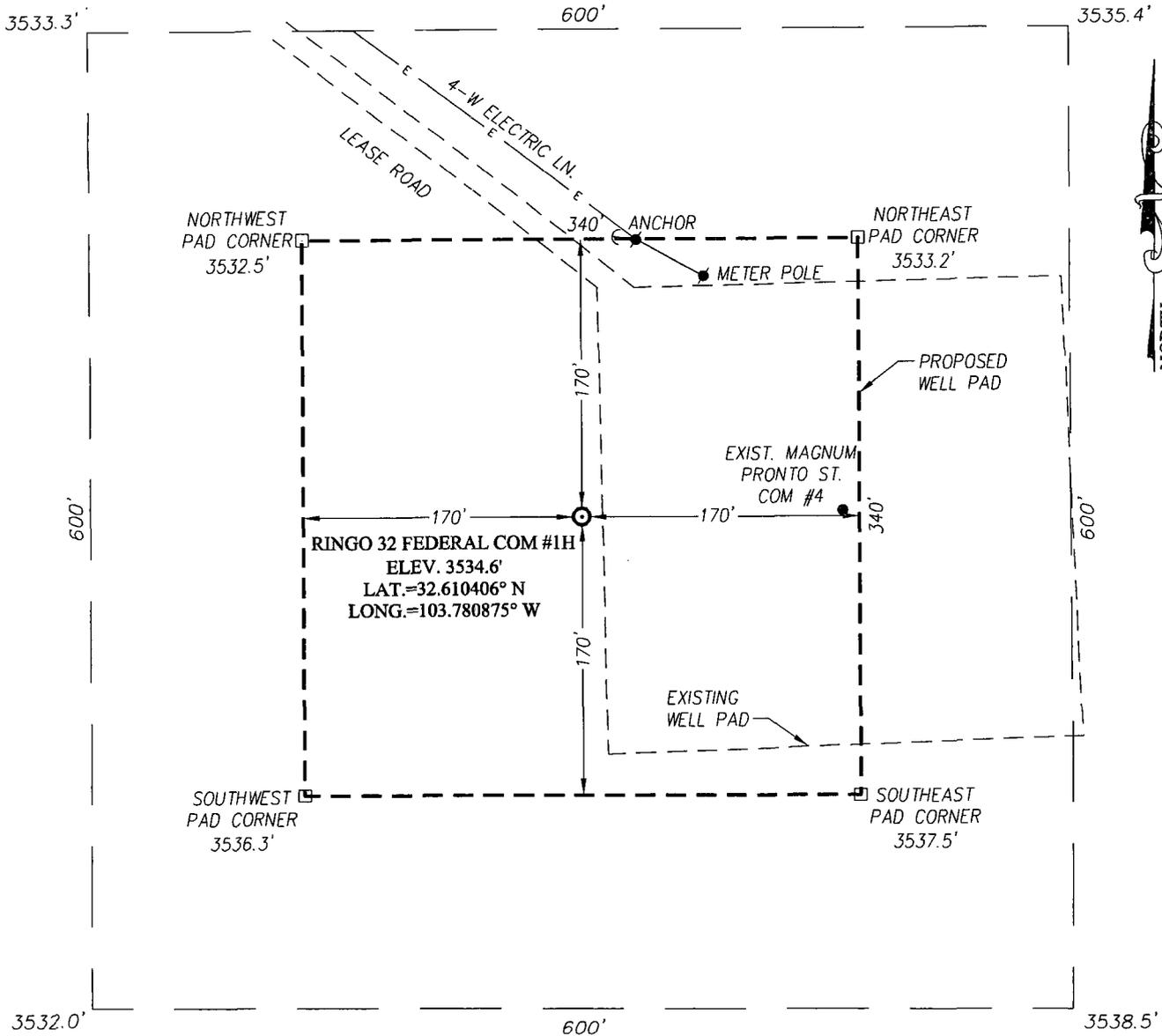
Address: 2208 W. Main Street, Artesia, NM 88210

Telephone: (575) 748-6940

Field Representative (if not above signatory): Rand French

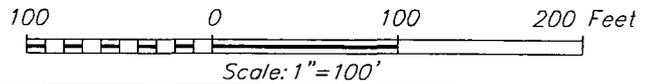
E-mail: mparker@concho.com

SECTION 32, TOWNSHIP 19 SOUTH, RANGE 32 EAST, N.M.P.M.
LEA COUNTY **NEW MEXICO**



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF ST. HWY. 243 AND CO. RD. #H126 (MALJAMAR RD.), GO NORTH ON MALJAMAR RD. APPROX. 3.4 MILES. TURN RIGHT AND GO EAST APPROX. 0.6 MILES. TURN RIGHT AND GO SOUTH APPROX. 0.4 MILES. TURN LEFT AND GO EAST APPROX. 0.2 MILES. TURN RIGHT AND GO SOUTHEAST APPROX. 0.15 MILES TO THE EXISTING MAGNUM PRONTO ST. COM #1H WELL AND THIS LOCATION.



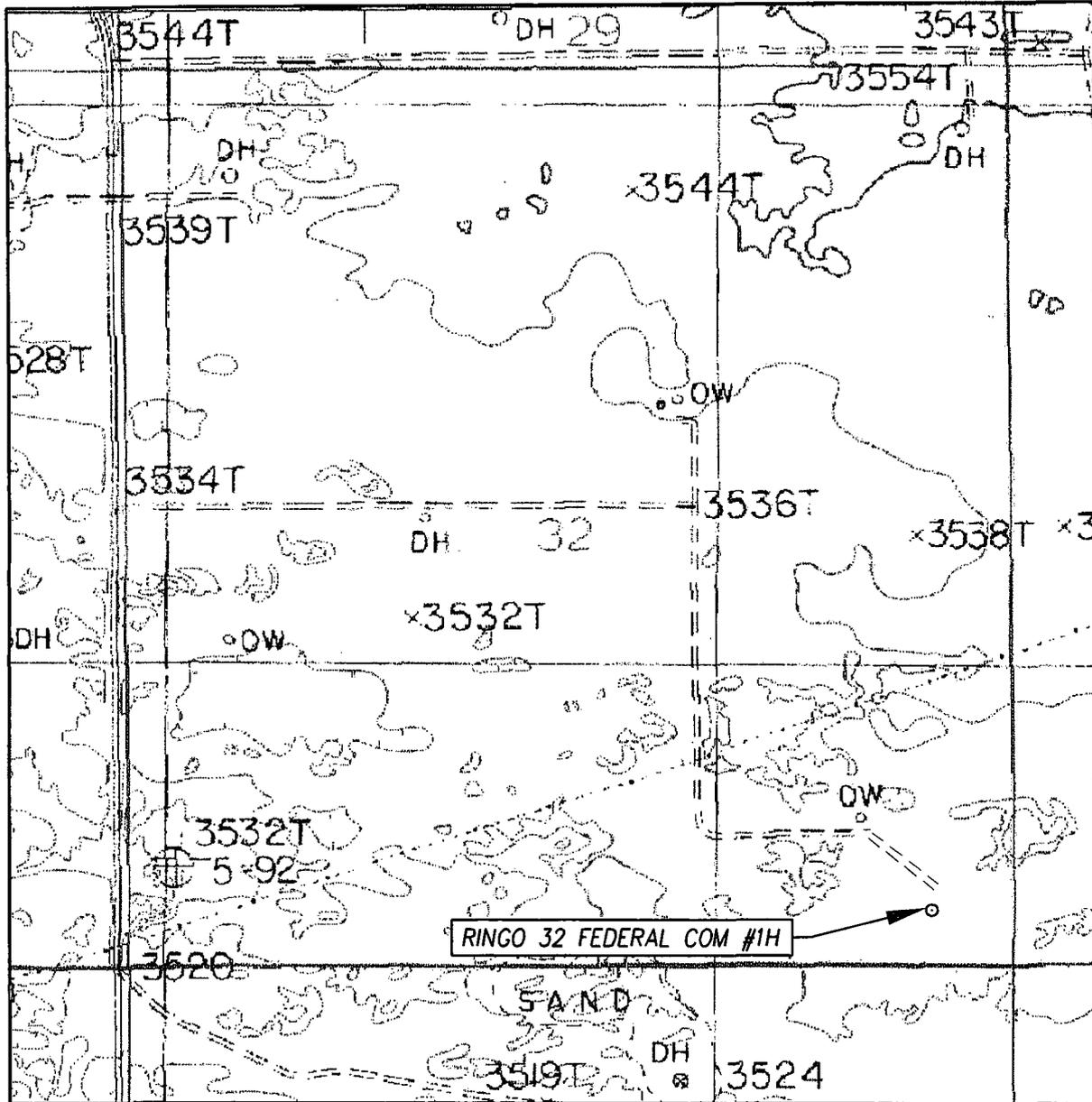
COG OPERATING, LLC

RINGO 32 FEDERAL COM #1H WELL
LOCATED 330 FEET FROM THE SOUTH LINE
AND 490 FEET FROM THE EAST LINE OF SECTION 32,
TOWNSHIP 19 SOUTH, RANGE 32 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO

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

Survey Date: 5/23/12	CAD Date: 6/7/12	Drawn By: AF
W.O. No.: 12110944	Rev: .	Rel. W.O.:
		Sheet 1 of 1

LOCATION VERIFICATION MAP



SCALE: 1" = 1000'

CONTOUR INTERVAL:
WILLIAMSINK, N.M. - 10'

SEC. 32 TWP. 19-S RGE. 32-E

SURVEY _____ N.M.P.M. _____

COUNTY LEA STATE NEW MEXICO

DESCRIPTION 330' FSL & 490' FEL

ELEVATION 3535'

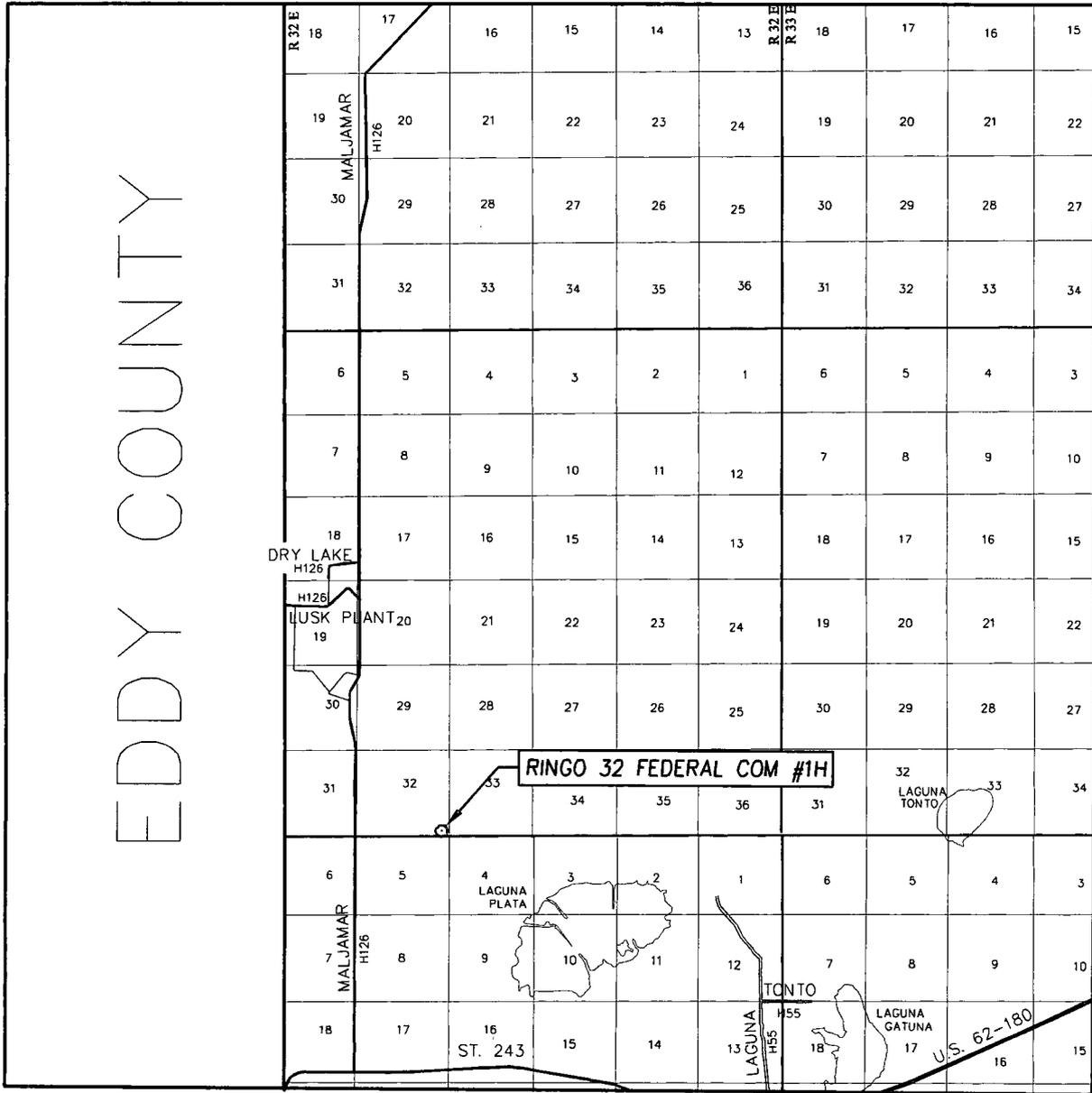
OPERATOR COG OPERATING, LLC

LEASE RINGO 32 FEDERAL COM

U.S.G.S. TOPOGRAPHIC MAP
WILLIAMSINK, N.M.

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VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 32 TWP. 19-S RGE. 32-E
 SURVEY _____ N.M.P.M.
 COUNTY LEA STATE NEW MEXICO
 DESCRIPTION 330' FSL & 490' FEL
 ELEVATION 3535'
 OPERATOR COG OPERATING, LLC
 LEASE RINGO 32 FEDERAL COM

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