

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB NO. 1004-0135 Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

5. Lease Serial No. NMLC060199B

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well Oil Well Gas Well Other: INJECTION

8. Well Name and No. MALJAMAR SWD 30 2

2. Name of Operator COG OPERATING LLC Contact: KANICIA CASTILLO E-Mail: kcastillo@concho.com

9. API Well No. 30-025-40310

3a. Address ONE CONCHO CENTER 600 W ILLINOIS AVE MIDLAND, TX 79701

3b. Phone No. (include area code) Ph: 432-685-4332

10. Field and Pool, or Exploratory SWD;WOLFCAMP

4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 30 T17S R32E Mer NMP 1350FNL 770FEL

11. County or Parish, and State EDDY COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

Table with 2 columns: TYPE OF SUBMISSION and TYPE OF ACTION. Includes checkboxes for Notice of Intent, Subsequent Report, Final Abandonment Notice, Acidize, Deepen, Production, Water Shut-Off, etc.

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. 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.)

COG Operating LLC, respectfully requests to complete in the lower wolfcamp.

The Maljamar SWD 30 #2 was drilled in late 2011 to be a SWD well servicing the eastern portion of Concho's shelf development. This well targeted the Wolfcamp reef at approximately 9500' TVD and was drilled to 10,365' to completely penetrate the Wolfcamp interval. This location was selected based on sub-surface mapping and seismic interpretation, which indicated a thicker Wolfcamp interval than in the southern portions of sections 28 and 29 where good SWD wells exist in the Wolfcamp reef. The seismic interpretation and geologic mapping were correct and a thicker Wolfcamp interval was encountered, however significant hydrocarbon shows were encountered in the top of the reef. Upon realizing the possibility of this interval producing in paying quantities, Concho reached out to the mineral lease holder, Mack Energy, in order to make some sort of deal to produce the well. No agreement could be reached at the time and the well has been sitting in an uncompleted state since

DENIED

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #266949 verified by the BLM Well Information System For COG OPERATING LLC, sent to the Hobbs Committed to AFSS for processing by PAUL SWARTZ on 10/09/2014 ()

SEE ATTACHED FOR CONDITIONS OF APPROVAL

Name (Printed/Typed) KANICIA CASTILLO

Title PREPARER

Signature (Electronic Submission)

Date 09/29/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By Paul R Swartz

Title PET

Date 10/09/2014

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 which would entitle the applicant to conduct operations thereon.

Office CFP

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.

\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\*

OCT 16 2014

**Additional data for EC transaction #266949 that would not fit on the form**

**32. Additional remarks, continued**

that point.

Mack subsequently offset this well three times with producing wells, Brook #3, #4 and #5. These wells have made oil commercially but are now making large quantities of water from the upper portion of the reef. It is Concho's belief that this reef interval may have watered out at this point and that a completion deeper into the Wolfcamp reef in the Maljamar SWD 30 #2 could yield a suitable SWD candidate. Concho would like to perforate and test this lower interval to establish it as a SWD candidate.

Procedure: Please see attachment.

### Well Information

Name: Maljamar SWD 30 #2

API: 30-025-40310

Location: 1350 FNL; 770 FEL, Sec 30, T17S, R32E, Lea Co. NM

Permit: SWD 1286

Elevation: GR: 3917; KB 3930

BHT: 121°

Base Log: Schlumberger Triple/Combo Log

Current Status: TA

Objective: The objective of this procedure is to complete the Maljamar SWD 30 #2 in the Wolfcamp, run in hole with injection equipment, and put well on injection.

### Well History

11-17-2011: Spud

12-15-2011: Install capping flange, Release Rig, TA well

7-29-2014: Passed MIT Test, witnesses by OCD rep. Mark Whitker

### Procedure

- Please make sure well sign is on location
- Contact OCD/Richard Inge with notice we are performing work on this well
- This well will need a well head. Currently has capping flange only
- PJSM/LOTO
- MIRU WSU & kill truck
- ND well head/capping flange
- NU & function test BOP w/ hydraulic accumulator, pipe rams, & blind rams
- PU 6-1/8" mill tooth bit, 6 x 3-1/2" 27 lb/ft drill collars, & 2-7/8" L-80 work-string
- RU swivel, Drill out DVT @ 8,016'
- Tag float collar @ 10,259'
- Circulate hole clean w/ 2% KCL
- pickle tubing with 250 gal 15% acid, spot acid to btm
- POOH and LD collars and bit
- RU Allied and run GR/CCL/CBL. Use OH SBL Triple/Combo Log to tie in GR. Log to PBTD to surface CSG @ 740'.
- Wolfcamp is from 9,050' - 10,200'
- Acid breakdown will be in two stages separated by RBP
- **Lower Wolfcamp Interval:** frac gradient: 0.65 – 0.7 psi/ft
- Perforate f/ 10,097' – 10,011' (86', 51 holes, 3/SPF)
- Perf w/ 4" CSG gun w/ EHD 0.45"
- See attached perforation depths
- Please list each perforation in PERC
- **Acid Breakdown/Ball out**
- MIRU Elite Well Services for Acid Job
- **Max Pressure: 5,800 psi**
- **Max Rate: 4-5 BPM**
- TIH w/ 7" x 2-7/8" treating packer (Tarrent County Tools), SN, & 2-7/8" L-80 work-string
- Total Acid Job: 6,550 gals 15% NE-FE w/ 120 7/8" RCN, BS

- Spot 250 gals 15% NE-FE acid
- POOH w/ 4 JTS, reverse 4 bbl
- Set Packer @ +/- 9,960'
- Break down pressure is 5,111 psig
- Roll pumps to breakdown; record ISIP @ 5, 10, & 15 min
- Ball-out formation 4-5 BPM w/ the following schedule

Gals (15% NE-FE)	Ball Sealers (S.G. 1.3)
900	None
900	40
900	None
900	40
900	None
900	40
900	None

6,300

120

- Flush to top perf w/ 2% KCL
- POOH
- RIH w/ RBP & extended neck ball catcher set @ +/- 9,940'
- **Upper Wolfcamp Interval:** frac gradient: 0.65 – 0.7 psi/ft
- Perforate f/ 9,875' – 9,640' (235', 111 holes, 3/SPF)
- Perf w/ 4" CSG gun w/ EHD 0.45"
- See attached perforation depths
- Please list each perforation in PERC
- **Acid Breakdown/Ball out**
- Max Pressure: 5,800 psi
- Max Rate: 4-5 BPM
- TIH w/ 7" x 2-7/8" treating packer (Tarrant County Tools), SN, & 2-7/8" L-80 work-string
- Total Acid Job: 14,000 gals 15% NE-FE w/ 125 7/8" RCN, BS
- Spot 250 gals 15% NE-FE acid
- POOH w/ 4 JTS, reverse 4 bbl
- Set Packer @ +/- 9,920'
- Break down pressure is 5,111 psig
- Roll pumps to breakdown; record ISIP @ 5, 10, & 15 min
- Ball-out formation 4-5 BPM w/ the following schedule

Gals (15% NE-FE)	Ball Sealers (S.G. 1.3)
1,250	None
1,250	40
1,250	None
1,250	40
1,250	None
1,250	40
1,250	None
1,250	40
1,250	None
1,250	40
1,250	None

13,750                      200

- Flush to top perf w/ 2% KCL
- TIH and pull RBP
- Set RBP below bottom perms @ +/- 10,150'
- Set Packer < 100' above top perms +/- 9,540'
- Perform step rate test (Notify Richard Inge, prior to completing test, needs notice only)
  - TBG pressure must stabilize before test is performed
  - Have water tanks on location full of produced water ~ 1000 bbls
  - Max Pump rate is 10 BPM
  - Put 100 psi on annulus
  - Record initial shut in pressure and TBG before starting
  - Step rate schedule below

Rate (BPM)	Time (mins)	Fluid needed/stage (BBLS)
0.50	30	15
0.75	30	22.5
1.00	30	30
1.5	30	45
2.0	30	60
4.0	30	120
6.0	30	180
8.0	30	240

- Pump time for each stage should be consistent, adjust to 45 to 60 min/stage during the first stage if pressure isn't stabilizing
- Modify test "on the fly" is needed
- Collect shut-in pressure data for 30 minutes. Report data VS pressure data to engineer
- POOH/LD WS, SN, Packer, RBP
- TIH w/ BHA
  - 7" x 3-1/2 Arrow set 1-X w/ non/Carbide Slips NP
  - T2 on/off tool 2.813 Profile Nipple Nickel Plated
  - +/- 298' JTS 3-1/2" J-55 IPC TBG
  - Set packer +/- 9,550' (<100' above top perms)
- Release packer @ O/O tool, PU and reverse circulate annular capacity with packer fluid
- Latch onto packer, wait ~ 1 hour top off backside with packer fluid

- Flange up Downing Std COG SENM SWD well head (diagram attached)
- **SI well over night, prep for MIT**
- Contact Richard Inge to witness and complete Mechanical Integrity Test to OCD specifications
  - Bring chart to Susan Lopez
- ND BOP and NU WH
- Contact Jason Barnett and turn over to injection

Richard Inge – 575-626-0831

## Notice of Intent - Denial Comments

COG Operating LLC  
Maljamar SWD - 02  
API 3002540310, T17S-R32E, Sec 30  
October 09, 2014

This well has been out of compliance since 06/09/2013. See the Written Order attached to the subsequent report accepted for record by BLM 05/10/2013.

COG has submitted two C-108 applications to NMOCD. COG recently has withdrawn the SWD-1286 (09/09/2014) and filed (08/25/2014) an application ~~for~~ for the Tubb/Drinkard interval located between 6890'-7112'.

The notice of intent submitted 09/29/2014 has no semblance of NMOCD or Federal regulatory compliance for this Federal Wellbore.

This well's recorded activity has been inactive/shut-in for more than 30 days without authorization. An inactive/shut-in well bore is a non-producing completion that is capable of "beneficial use" i.e. production in **paying quantities** or of service use. Temporary abandonment status will be granted only with justification and after the well has been plugged back per Onshore Order #2.III.G. and N.M.O.C.D. plugging guidelines.

- Return the well to "beneficial use" in an acceptable wellbore integrity condition.
- Submit evidence to support your determination that active "beneficial use" exists for BLM approval on the Sundry Notice Form 3160-5 (the original and 3 copies).
- **Should "beneficial use" not be achieved, submit for BLM approval a plan for plug and abandonment.**

Access information for use of Form 3160-5 "Sundry Notices and Reports on Wells"

NM Fed Regs & Forms - [http://www.blm.gov/nm/st/en/prog/energy/oil\\_and\\_gas.html](http://www.blm.gov/nm/st/en/prog/energy/oil_and_gas.html)

§ 43 CFR 3162.3-2 Subsequent Well Operations.

§ 43 CFR 3160.0-9 (c)(1) Information collection.

§ 3162.4-1 (c) Well records and reports.