OCD Hobbs

Form 3160-5
(August 2007)

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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

HOBBS OCD

JUL 27 2015

RECEIVED

5. Lease Serial No.
NMNM120907

6. If Indian, Allottee or Tribe Name

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

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
EIDER FEDERAL 2H

2. Name of Operator
COG PRODUCTION LLC
Contact: MAYTE X REYES
E-Mail: mreyes1@concho.com

9. API Well No.
30-025-41813-00-X1

3a. Address
2208 W MAIN STREET
ARTESIA, NM 88210

3b. Phone No. (include area code)
Ph: 575-748-6945

10. Field and Pool, or Exploratory
WC-025 G07 S243225C

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 35 T24S R32E SWSE 0190FSL 1795FEL
32.167234 N Lat, 103.642247 W Lon

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

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Change to Original APD
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. 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 Production LLC, respectfully requests approval for the following drilling changes to the original approved APD.

Drilling changes attached.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

Electronic Submission #309382 verified by the BLM Well Information System
For COG PRODUCTION LLC, sent to the Hobbs
Committed to AFMSS for processing by JENNIFER SANCHEZ on 07/17/2015 (15JAS0074SE)

Name *(Printed/Typed)* MAYTE X REYES — Title REGULATORY ANALYST

Signature (Electronic Submission) — Date 07/16/2015

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

APPROVED
JUL 17 2015
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

Approved By — Title — Date

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

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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

JUL 27 2015

COG Production LLC Eider Federal 2H

COG Production LLC respectfully requests the following modifications to the approved drilling plan.

Cementing Program

Casing	# Sks	Wt. lb/ gal	Yld ft3/ sack	H_20 gal/sk	500# Comp. Strength (hours)	Slurry Description
Inter.	1310	12.9	1.92	10.0	12	Lead: Class C Lite (65:35:6) + 4% Salt + 5# Kolseal
	200	14.8	1.34	6.4	6	Tail: Class C
Prod.	700	10.3	3.52	21.3	75	Lead: Halliburton Tuned Lite w/ 2# kolseal, 1.5# salt, 1/4# D-Air 5000, 1/8# PEF, etc
	2480	14.4	1.25	5.7	22	Tail:50:50:2 H blend (FR, Retarder, FL adds as necessary)

Casing String	TOC	% Excess
Intermediate	0'	101%
Production	4350'	35%

*Production cement is designed to overlap into intermediate casing 500'.

Pressure Control Equipment

Y	A variance is requested for the use of a flexible choke line from the BOP to Choke Manifold. See attached for specs and hydrostatic test chart.	
		Are anchors required by manufacturer? No.

Other Facets of Operation

Is this a walking operation? No.
Will be pre-setting casing? No.
Will well be hydraulically fractured? Yes.

Attachments

- Flex hose certification

Technip
TECHNIP Umbilicals Inc.
COFLEXIP® Products Division

CERTIFICATE OF CONFORMITY

SUPPLIER	COFLEXIP® Products Division 16661 Jacintoport Blvd. Houston, Texas 77015
CUSTOMER	OFS CANADA INC
CUSTOMER PROJECT	OFS GLOBAL RIG 772 PROJECT 59
CONTRACT NUMBER	OFS-012060-1
COFLEXIP REFERENCE NUMBER	K12386
COFLEXIP LINE DESCRIPTION	3" x 30' 10K CHOKE/KILL LINE
COFLEXIP LINE SERIAL NUMBER	K12386-202
WORKING / TEST PRESSURE (PSI)	10000 / 15000
COFLEXIP ID (inches)/PART NUMBER	3 / 076 60414 13 13
COFLEXIP STRUCTURE NUMBER	076 60414
END FITTING REFERENCE NUMBER	EM 076 65000 13 / EM 076 65000 13
END FITTING DESCRIPTION	4 1/16" 10K FLG BX 155 INC. 625 RG / 4 1/16" 10K FLG BX 155 INC. 625 RG

IRC REFERENCE

SAFE WORKING LOADS

NOMINAL DAMAGING PULL (STRAIGHT LINE)

MINIMUM BENDING RADIUS

MAXIMUM DESIGN TEMPERATURE -4 Deg. F To 212 Deg. F/B

We certify that the supply detailed above was manufactured and inspected in accordance with the technical specifications specified within the contract referenced above and any specifications checked below.This document serves as a Declaration and Confirmation from the Manufacturer, TECHNIP Umbilicals Inc., Houston, Texas, that asbestos materials are not utilized in any part(s) or sub-part(s) or component(s) during the assembly process of any of our Coflexip ® flexible pipes.

Licence Number 16C-0001 (If Required)

TECHNIP QUALITY CONTROL

JCW Reekie 4/30/15

Name/ Date/ Stamp

Technip

TECHNIP Umbilicals Inc.
COFLEXIP® Products Division

Quality Control Department

Control Report Dated 4/28/2015

COFLEXIP FLEXIBLE PIPE TEST CERTIFICATE

Customer	OFS CANADA INC	**Job Number**	K12387
Address		**Line Serial Number**	K12387-202
		Part Number	076 60414 13 13
Application	3" x 30' 10K CHOKE/KILL LINE		

COFLEXIP certifies that the results of the test and controls performed on the above mentioned flexible pipe is as follows:

Internal Diameter	3	**inches**
Length	30.83	**feet**
Working Pressure	10000	**psi**
Test Pressure	15000	**psi**
As per attached recorder chart Test Duration	24	**hours**

4-28-15

THIRD PARTY INSPECTION FIRM OR CUSTOMER REPRESENTATIVE

DUCO INC. QUALITY CONTROL

Test Configuration 12 Zone

Production Information Input

Customer ID
OFS CANADA INC.

Line S/N	Technician
K12386-202@K12387-202	ROY

QC Information Input

QC Insp	Third Party
PAT	BV
Witness?	Test Procedure
Yes	SIC 01 60

Special Instructions

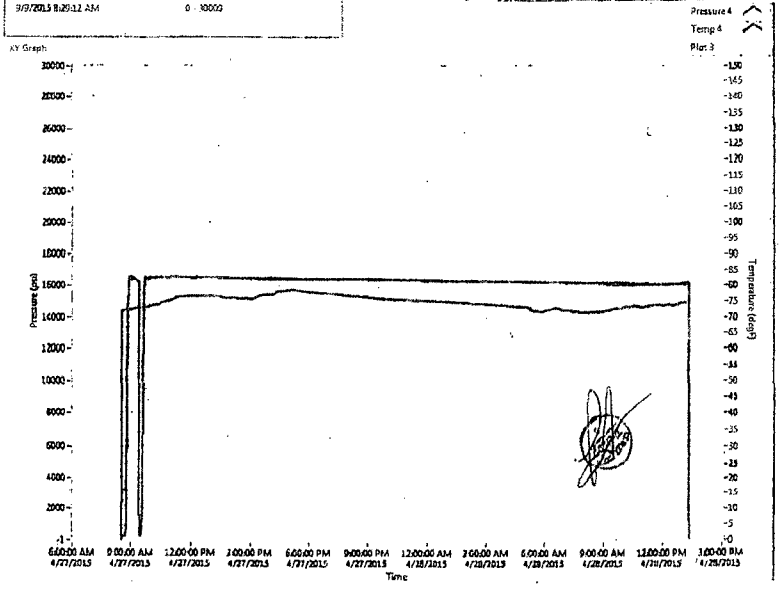
Station 04

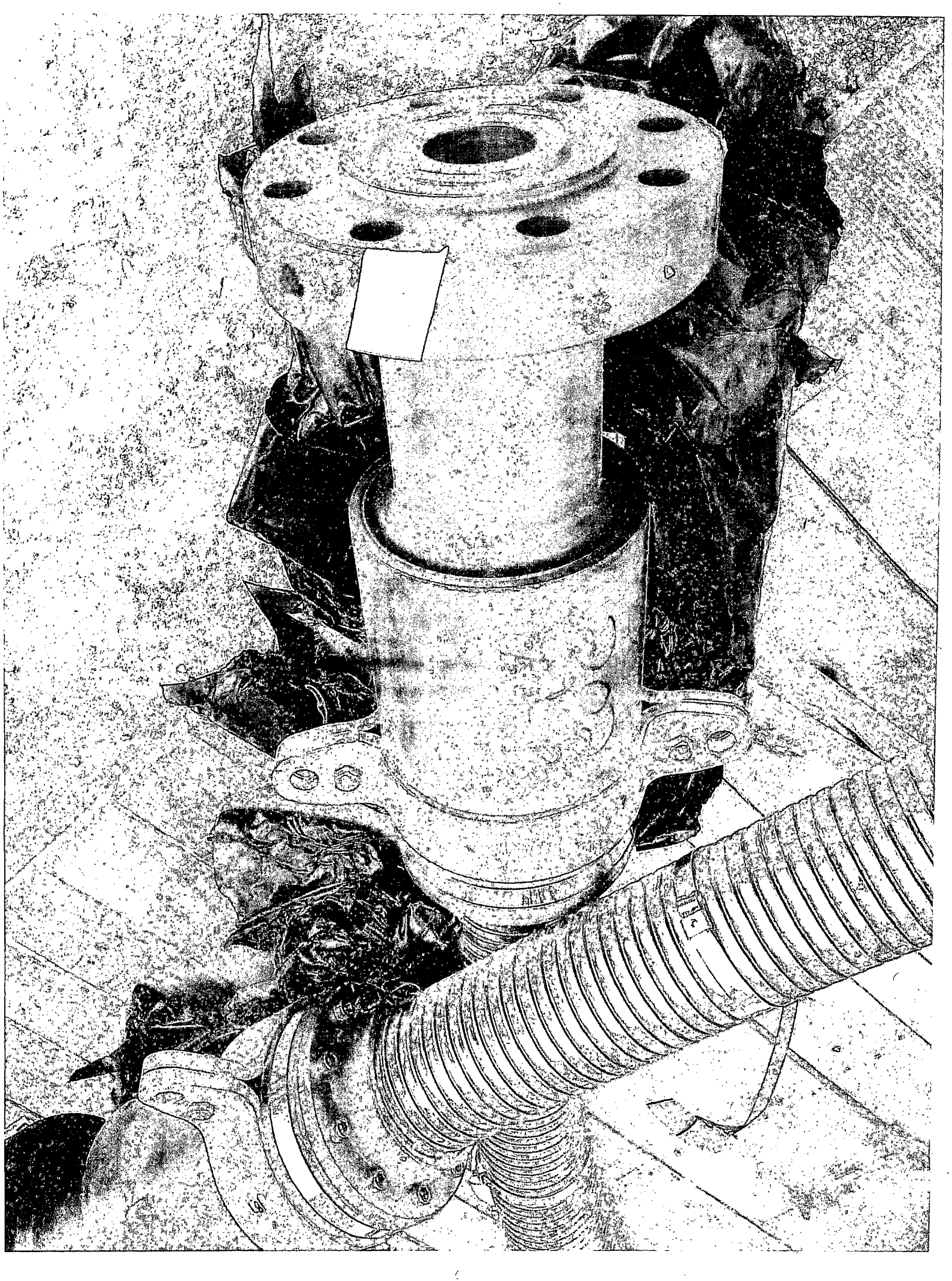
Station Information

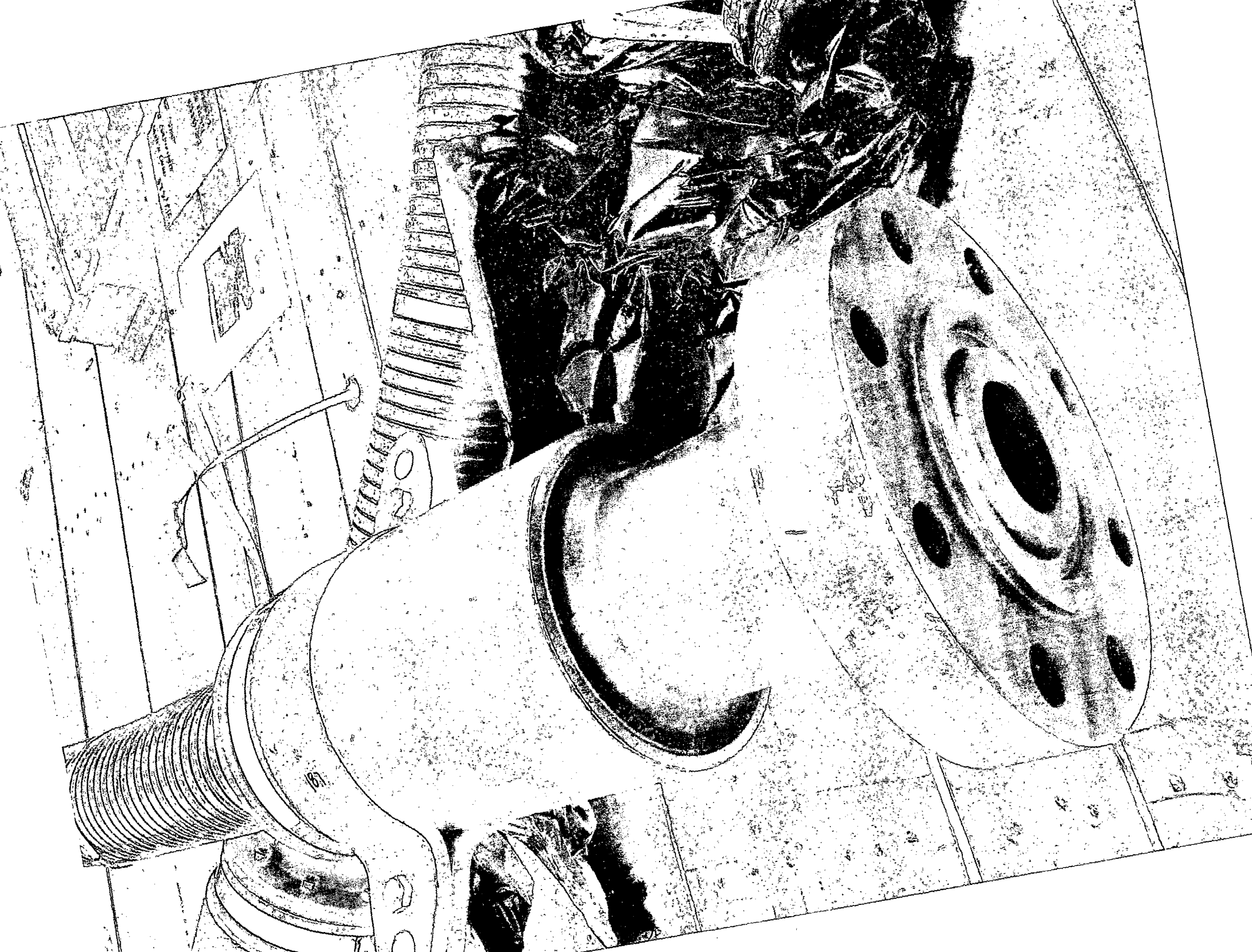
Pressure Transducer S/N	Temperature S/N
1213570	T13A
Stable Press	Test Press
16500	15000
Calib. Due	Pressure Range
9/9/2015 11:29:12 AM	0 - 30000

Calibration

Raw Minimum	Eng Minimum
0.004000	0.000000
Raw Maximum	Eng Maximum
0.020000	30000.000000







PECOS DISTRICT
CONDITIONS OF APPROVAL

OPERATOR'S NAME:	COG Production LLC
LEASE NO.:	NMNM-120907
WELL NAME & NO.:	Eider Federal 2H
SURFACE HOLE FOOTAGE:	0190' FSL & 1795' FEL
BOTTOM HOLE FOOTAGE	0330' FNL & 1795' FEL Sec. 26, T. 24 S., R 32 E.
LOCATION:	Section 35, T. 24 S., R 32 E., NMPM
COUNTY:	Lea County, New Mexico
API:	30-025-41813

The original COAs still stand with the following drilling modifications:

I. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified in advance for a representative to witness:

a. Spudding well (minimum of 24 hours)
b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
c. BOPE tests (minimum of 4 hours)

☒ **Lea County**
Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240,
(575) 393-3612

1. **Although Hydrogen Sulfide has not been reported in the area, it is always a potential hazard. Operator has stated that they will have monitoring equipment in place prior to drilling out of the surface shoe. If Hydrogen Sulfide is encountered, report measured amounts and formations to the BLM.**

2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval. **If the drilling rig is removed without approval – an Incident of Non-Compliance will be written and will be a "Major" violation.**

3. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works is located, this does not include the dog house or stairway area.

4. **The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well – vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.**

B. CASING

Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.). The initial wellhead installed on the well will remain on the well with spools used as needed.

Centralizers required on surface casing per Onshore Order 2.III.B.1.f.

Wait on cement (WOC) for Water Basin:
After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi at the shoe, 2) until cement has been in place at least 8 hours. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements.

No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

Possibility of water flows in the Salado and Castile.
Possibility of lost circulation in the Rustler and Delaware.

1. The **13-3/8** inch surface casing shall be set at approximately **1050** feet (**in a competent bed below the Magenta Dolomite, which is a Member of the Rustler, and if salt is encountered, set casing at least 25 feet above the salt**) and cemented to the surface.

    a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.

b. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry.**

c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.

d. If cement falls back, remedial cementing will be done prior to drilling out that string.

2. The minimum required fill of cement behind the **9-5/8** inch intermediate casing, which shall be set at approximately **4850** feet, is:

   ☒ Cement to surface. If cement does not circulate see B.1.a, c-d above.

Centralizers required on horizontal leg, must be type for horizontal service and a minimum of one every other joint.

3. The minimum required fill of cement behind the **5-1/2** inch production casing is:

   ☒ Cement should tie-back at least 500 feet into previous casing string. Operator shall provide method of verification.

4. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

C. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.

2. Variance approved to use flex line from BOP to choke manifold. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. **Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.** If the BLM inspector questions the straightness of the hose, a BLM engineer will be contacted and will review in the field or via picture supplied by inspector to determine if changes are required (operator shall expect delays if this occurs).

3. **In the case where the only BOP installed is an annular preventer, it shall be tested to a minimum of 2000 psi (which may require upgrading to 3M or 5M annular).**

4. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **2000 (2M)** psi.

5. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the **9-5/8** intermediate casing shoe shall be **3000 (3M)** psi.

6. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.

    a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead when specified), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).

    b. The tests shall be done by an independent service company utilizing a test plug **not a cup or J-packer**.

    c. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.

    d. The results of the test shall be reported to the appropriate BLM office.

    e. All tests are required to be recorded on a calibrated test chart. **A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.**

    f. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to the test at full stack pressure.

D. DRILL STEM TEST

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

E. WASTE MATERIAL AND FLUIDS

All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of drilling operations and completion operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area.

Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

JAM 071715