Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

OCD Hobbs

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

5. Lease Serial No. NMNM107392

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.

6. If Indian, Allottee or Tribe Name

		in the proposition		
SUBMIT IN TR	7. If Unit or CA/Agre	7. If Unit or CA/Agreement, Name and/or No.		
1. Type of Well			8. Well Name and No	
☑ Oil Well ☐ Gas Well ☐ Other			CAP FEDERAL ()1
Name of Operator COG OPERATING LLC	Contact: BF E-Mail: bmaiorino@c	RIAN MAIORINO oncho.com	DEC 2 1 (USAPI Well No. 30-025-36469-	00-S3 /
3a. Address ONE CONCHO CENTER 60 MIDLAND, TX 79701-4287		b. Phone No. (include area code Ph: 432-221-0467	RECEIVED LUSK	Exploratory
4. Location of Well (Footage, Sec., 7	T., R., M., or Survey Description)		11. County or Parish,	and State
Sec 6 T20S R32E NENW 660	OFNL 2100FWL		LEA COUNTY,	NM
12. CHECK APP	ROPRIATE BOX(ES) TO I	NDICATE NATURE OF	NOTICE, REPORT, OR OTHE	R DATA
TYPE OF SUBMISSION	TYPE OF ACTION			
- National Land	☐ Acidize	Deepen	☐ Production (Start/Resume)	■ Water Shut-Off
■ Notice of Intent	☐ Alter Casing	☐ Fracture Treat	Reclamation	☐ Well Integrity
☐ Subsequent Report	☐ Casing Repair	☐ New Construction	■ Recomplete	Other
☐ Final Abandonment Notice	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
_	Convert to Injection	☐ Plug Back	☐ Water Disposal	
testing has been completed. Final Al determined that the site is ready for f COG Operating LLC respectful Bone Spring proves to be une All operations will be conducted. Please see attached procedure.	bandonment Notices shall be filed of inal inspection.) ully request to test the Bone economical. ed using a closed loop syste	only after all requirements, inclu Spring and possibly the D m.		and the operator has
	, , , , , , , , , , , , , , , , , , , ,			
	SEE ATTACHED FOR			
		CONDITI	ONS OF APPROVA	L
North Control	9			
14. I hereby certify that the foregoing is	Electronic Submission #289	ERATING LLC, sent to the	Hobbs	
Name(Printed/Typed) BRIAN MA	AIORINO	Title AUTHO	DRIZED REPRESENTATIVE	
Signature (Electronic S	Submission)	Date 01/22/2015		
	THIS SPACE FOR	FEDERAL OR STATE	OFFICE USER ()VED	LA MILESTER
			PETROLEUM ENGIN	FR
Approved By		Title	and and an arrow	Date

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and will have been been stated by the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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.

CAP Fed 1 660' fnl, 2100' fwl C-6-20S-32E Lea Co., NM 30-025-36469

Bone Spring and Delaware Recompletion Procedure 22 Jan 15

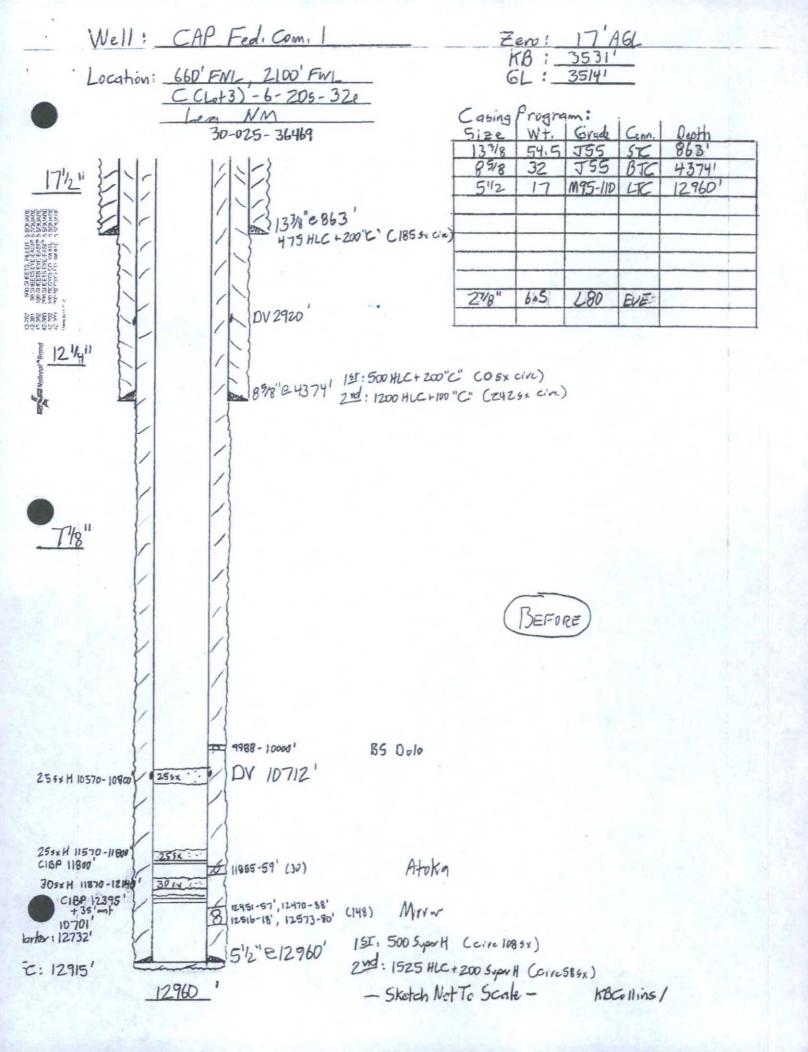
Basic Data:

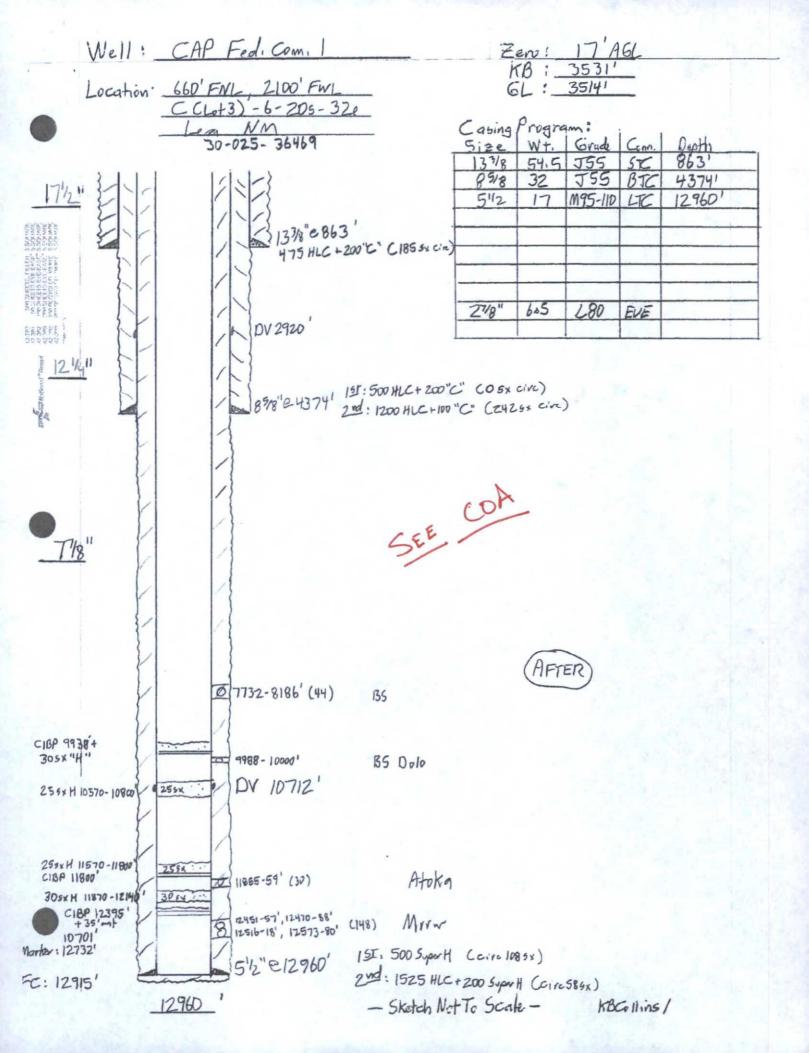
13-3/8" @ 863' Circ. Cmt. 9-5/8" @ 4374' Circ. Cmt. 5-1/2" @ 12960', DV @ 10712', Circ. Cmt. Both Stages.

Objective: Test Bone Spring and possibly Delaware if Bone Spring is uneconomic.

Procedure:

- 1. MIRU WSU, hot oil/water and pull rods and pump.
- 2. Kill well and NU 3k WP hydraulic double ram BOP (2-7/8" and blind rams) with hydraulic closing unit and manual hand wheels to close rams. TOOH with 2-7/8" tubing.
- 3. Set CIBP on tubing at 9938' (top BS perf at 9988'). Tag plug then spot 30 sx Class H cement on top of plug (15.6 ppg, 1.18 cfps, approx. 155 deg F BHST). Tag plug. If tag deeper than 9740', visit with BLM Pet Tech to see if plug back is adequate or if another plug is required. (30 sx H should occupy 272' of casing volume with plug approx. 9940-9670')
- RU pump truck, close blind rams and pressurize casing to 5000 psi. Record pressure for at least 30 minutes on a pressure chart for the BLM. Let's discuss if pressure falls more than 10% in 30 minutes.
- Perf the Bone Spring at 7732' (6 shots), 7832' (6 shots), 7893' (12 shots), 8082' (10 shots), 8186' (10 shots) and frac with 303,750 lbs sand while limiting treating pressure to 5000 psi.
- Test Bone Spring.
- 7. If Bone Spring non-commercial, set CIBP at 7682' (top perf at 7732'), tag plug then spot 25 sx Class H cement on top of plug (15.6 ppg, 1.18 cfps, approx. 135 deg F BHST). Tag plug. If tag deeper than 7500', visit with BLM Pet Tech to see if plug back is adequate or if another plug is required. If tag shallower than 7400', decision might be made to drill out part of plug to give enough rathole for rod pumping the Delaware. (25 sx H should occupy 226' of casing volume with plug approx. 7682-7456').
- 8. Perf the Delaware Sand 7298-7306' (16 shots), acidize 1000 gals 7-1/2% HCl, swab test and frac with 50,000 lbs sand while limiting treating pressure to 5000 psi if get good show.
- 9. Perf the Delaware Sand 6840-6844' (12 shots), acidize 500 gals 7-1/2% HCl, swab test and frac with 5,000 lbs sand while limiting treating pressure to 5000 psi if get good show.





CAP Federal 01 30-025-36469 COG Operating LLC Sec 06, T20S, R32E Conditions of Approval

Notify BLM at 575-393-3612 (Lea County) a minimum of 24 hours prior to commencing work. Some procedures are to be witnessed, which for this case shall be the tagging of certain Cement Plugs. If there is no response, leave a voice mail with the API#, workover purpose and a call back phone number.

Work to be completed by within ninety (90) days from the approval date.

Due to being within the Lesser Prairie Chicken habitat, this workover activity will be restricted to the hours of 9:00am through 3:00am for the period of March 1 through June 15. Exceptions to these restrictions may be granted by BLM's Mr. Johnny Chopp <jchopp@blm.gov or 575-234-2227>.

- 1. A minimum of a 3000 (3M) BOP to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (2M Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above precharge. The pre-charge test shall follow requirements in Onshore Order #2.
- 2. Operator approved to set CIBP at 9938 feet and cap with proposed cement to isolate the perforations at 10,000 to 9988 feet (Lower Bone Springs, Operator Step 3). Tag is required and shall be witnessed by BLM.
- 3. Before Operator proposed Step 5, must conduct a Casing Integrity Test (CIT) before perforating and fracturing. Test should be run for 30 minutes. Submit results to BLM. The CIT is to be performed on the production casing to max treating pressure. Notify BLM if test fails. Document the pressure test on a one hour full rotation calibrated recorder chart registering within 25 to 85 per cent of its full range. Greater than 10% pressure leakoff will be viewed as a failed tested. Less than 10% pressure leakoff will be evaluated site specifically and may restrict injection approval.

- 4. Operator approved to complete perforation and fracture operations as proposed for the Bone Springs (Operator Step 5). If the Bone Springs proved to be noncommercial, Operator approved to complete the Delaware. See the following (Approval Steps 5 to 7) for the Delaware recompletion.
- 5. Operator approved to set CIBP at 7732 feet and cap with proposed cement to isolate the perforations at 8186 to 7732 feet (Upper Bone Springs, Operator Step 7). Tag is required and shall be witnessed by BLM.
- 6. Before Operator proposed Step 8, Operator shall set a cement plug starting at 7682 feet to isolate top of Bone Springs formation. Length should be a minimum of 176 and be Class H cement. Tag is required.
- 7. Operator approved to complete perforation and fracture operations as proposed for the Delaware (Operator Step 8 to 11).
- 8. Surface disturbance beyond the originally approved pad must have prior approval.
- Before casing or a liner is added or replaced, prior BLM approval of the design is required. Use notice of intent Form 3160-5.
- 10. Closed loop system required.
- 11. All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over 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 onlocation during fracturing operations or any other crew-intensive operations.
- 12. Operator to have H2S monitoring equipment on location.
- 13. Subsequent sundry required detailing work done, a C-102 form, and completion report for the new formations. Operator to include well bore schematic of current well condition when work is complete.
- 14. See attached for General Plugback Guidelines.

KGR 12102015

BUREAU OF LAND MANAGEMENT Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220 575-234-5972

Permanent Abandonment of Federal Wells Conditions of Approval (LPC Habitat)

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within <u>ninety (90)</u> days from the approval date of this Notice of Intent to Abandon.

If you are unable to plug the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.

The rig used for the plugging procedure cannot be released and moved off without the prior approval of the authorized officer. Failure to do so may result in enforcement action.

- 2. <u>Notification:</u> Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.
- 3. <u>Blowout Preventers</u>: A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.
- 4. <u>Mud Requirement:</u> Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of **brine** water. Minimum nine (9) pounds per gallon.
- 5. <u>Cement Requirement</u>: Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient. Before pumping or bailing cement on top of CIBP, tag will be required to verify depth. Based on depth, a tag of the cement may be deemed necessary.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

6. Below Ground Level Cap (Lesser Prairie-Chicken Habitat): All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The BLM is to be notified a minimum of 4 hours prior to the wellhead being cut off to verify that cement is to surface in the casing and all annuluses. Wellhead cut off shall commence within ten (10) calendar days of the well being plugged. If the cut off cannot be done by the 10th day, the BLM is to be contacted with justification to receive an extension for completing the cut off. Upon the plugging and subsequent abandonment of wells that are located in lesser prairie-chicken habitat, the casings shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be covered with a metal plate at least ¼ inch thick and welded in place. A weep hole shall be left in the plate and/or casing.

NMOCD also requires the operator to notify NMOCD when this type of dry hole marker is used. This can be done on the subsequent report of abandonment which is submitted to the BLM after the well is plugged. State that a below ground cap was installed as required in the COA's from the BLM.

- 7. <u>Subsequent Plugging Reporting:</u> Within 30 days after plugging work is completed, file one original and three copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date well was plugged.**
- 8. <u>Trash:</u> All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration will be required. See attached reclamation objectives.

9. Timing Limitation Stipulation/ Condition of Approval for Lesser Prairie-Chicken: From March 1st through June 15th annually, abandonment activities will be allowed except between the hours from 3:00 am and 9:00 am. Normal vehicle use on existing roads will not be restricted