

**PECOS DISTRICT
DRILLING CONDITIONS OF APPROVAL**

**HOBBS OCD
APR 30 2018
RECEIVED**

| | |
|-----------------------|--------------------------------|
| OPERATOR'S NAME: | COG Operating LLC |
| LEASE NO.: | NM121958 |
| WELL NAME & NO.: | 711H-Dominator 25 Federal |
| SURFACE HOLE FOOTAGE: | 280'/S & 1522'/W |
| BOTTOM HOLE FOOTAGE: | 200'/N & 1500'/W |
| LOCATION: | Section 25, T. 25 S., R. 33 E. |
| COUNTY: | Lea County, New Mexico |

| | | | |
|----------------------|---|--|-------------------------------|
| Potash | <input checked="" type="radio"/> None | <input type="radio"/> Secretary | <input type="radio"/> R-111-P |
| Cave/Karst Potential | <input checked="" type="radio"/> Low | <input type="radio"/> Medium | <input type="radio"/> High |
| Variance | <input type="radio"/> None | <input checked="" type="radio"/> Flex Hose | <input type="radio"/> Other |
| Wellhead | <input checked="" type="radio"/> Conventional | <input type="radio"/> Multibowl | |
| Other | <input type="checkbox"/> 4 String Area | <input type="checkbox"/> Capitan Reef | <input type="checkbox"/> WIPP |

A. Hydrogen Sulfide

1. Hydrogen Sulfide (H₂S) monitors shall be installed prior to drilling out the surface shoe. If H₂S is detected in concentrations greater than 100 ppm, the Hydrogen Sulfide area shall meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, provide measured values and formations to the BLM.

B. CASING

1. The **10 3/4** inch surface casing shall be set at approximately **1150** feet (a minimum of 25 feet into the Rustler Anhydrite and 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 will be a minimum of **8 hours** or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)
 - 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.

Intermediate casing must be kept fluid filled to meet BLM minimum collapse requirement.

2. The minimum required fill of cement behind the **7 5/8** inch intermediate casing is:
 - Cement to surface. If cement does not circulate see B.1.a, c-d above.
3. The minimum required fill of cement behind the **5 1/2** inch production casing is:
 - Cement should tie-back at least **200** feet into previous casing string. Operator shall provide method of verification.

C. PRESSURE CONTROL

1. Variance approved to use flex line from BOP to choke manifold. Manufacturer's specification to be readily available. No external damage to flex line. Flex line to be installed as straight as possible (no hard bends).
2. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **5000 (5M) psi**.
3. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the **7 5/8** inch intermediate casing shoe shall be **10,000 (10M) psi. Variance approved to use a 5M annular. The annular must be tested to full working pressure (5000 psi.)**

D. SPECIAL REQUIREMENT(S)

Communitization Agreement

- The operator will submit a Communitization Agreement to the Carlsbad Field Office, 620 E Greene St. Carlsbad, New Mexico 88220, at least 90 days before the anticipated date of first production from a well subject to a spacing order issued by the New Mexico Oil Conservation Division. The Communitization Agreement will include the signatures of all working interest owners in all Federal and Indian leases subject to the Communitization Agreement (i.e., operating rights owners and lessees of record), or certification that the operator has obtained the written signatures of all such owners and will make those signatures available to the BLM immediately upon request.

- If the operator does not comply with this condition of approval, the BLM may take enforcement actions that include, but are not limited to, those specified in 43 CFR 3163.1.
- In addition, the well sign shall include the surface and bottom hole lease numbers. When the Communitization Agreement number is known, it shall also be on the sign.

Waste Minimization Plan (WMP)

In the interest of resource development, submission of additional well gas capture development plan information is deferred but may be required by the BLM Authorized Officer at a later date.

MHH 03272018

GENERAL 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)

Chaves and Roosevelt Counties
Call the Roswell Field Office, 2909 West Second St., Roswell NM 88201.
During office hours call (575) 627-0272.
After office hours call (575)

Eddy County
Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220,
(575) 361-2822

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

1. 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.
 - a. In the event the operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well, after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other well(s).
 - b. When the operator proposes to set surface casing with Spudder Rig
 - Notify the BLM when moving in and removing the Spudder Rig.
 - Notify the BLM when moving in the 2nd Rig. Rig to be moved in within 90 days of notification that Spudder Rig has left the location.
 - BOP/BOPE test to be conducted per Onshore Oil and Gas Order No. 2 as soon as 2nd Rig is rigged up on well.
2. 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 are located, this does not include the dog house or stairway area.

3. 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.

A. CASING

1. 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.
2. Wait on cement (WOC) for Potash Areas: 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 for all cement blends, 2) until cement has been in place at least 24 hours. WOC time will be recorded in the driller's log.
3. 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.
4. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.
5. No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.
6. On that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.
7. 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.

8. Whenever a casing string is cemented in the R-111-P potash area, the NMOCD requirements shall be followed.

B. 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. If a variance is approved for a flexible hose to be installed from the BOP to the choke manifold, the following requirements apply: 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.
3. 5M or higher system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.
4. If the operator has proposed a multi-bowl wellhead assembly in the APD. The following requirements must be met:
 - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
 - b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
 - c. Manufacturer representative shall install the test plug for the initial BOP test.
 - d. Operator shall perform the intermediate casing integrity test to 70% of the casing burst. This will test the multi-bowl seals.
 - e. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
5. 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. In potash areas, 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. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the plug. However, **no tests** shall commence until the cement has had a minimum of 24 hours setup time.
- c. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for water basin (8 hours) or potash (24 hours) or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).
- d. 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.
- e. The results of the test shall be reported to the appropriate BLM office.
- f. 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.
- g. 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.
- h. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.

C. DRILLING MUD

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the Wolfcamp formation, and shall be used until production casing is run and cemented.

D. 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.

**PECOS DISTRICT
SURFACE USE
CONDITIONS OF APPROVAL**

| | |
|-----------------------|--------------------------------|
| OPERATOR'S NAME: | COG Operating LLC |
| LEASE NO.: | NM121958 |
| WELL NAME & NO.: | 711H-Dominator 25 Federal |
| SURFACE HOLE FOOTAGE: | 280'/S & 1522'/W |
| BOTTOM HOLE FOOTAGE: | 200'/N & 1500'/W |
| LOCATION: | Section 25, T. 25 S., R. 33 E. |
| COUNTY: | Lea County, New Mexico |

TABLE OF CONTENTS

Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

- General Provisions**
- Permit Expiration**
- Archaeology, Paleontology, and Historical Sites**
- Noxious Weeds**
- Special Requirements**
 - Lesser Prairie-Chicken Timing Stipulations
 - Below Ground-level Abandoned Well Marker
 - Range
 - Watershed
- Construction**
 - Notification
 - Topsoil
 - Closed Loop System
 - Federal Mineral Material Pits
 - Well Pads
 - Roads
- Road Section Diagram**
- Production (Post Drilling)**
 - Well Structures & Facilities
 - Pipelines
- Interim Reclamation**
- Final Abandonment & Reclamation**

I. GENERAL PROVISIONS

The approval of the Application For Permit To Drill (APD) is in compliance with all applicable laws and regulations: 43 Code of Federal Regulations 3160, the lease terms, Onshore Oil and Gas Orders, Notices To Lessees, New Mexico Oil Conservation Division (NMOCD) Rules, National Historical Preservation Act As Amended, and instructions and orders of the Authorized Officer. Any request for a variance shall be submitted to the Authorized Officer on Form 3160-5, Sundry Notices and Report on Wells.

II. PERMIT EXPIRATION

If the permit terminates prior to drilling and drilling cannot be commenced within 60 days after expiration, an operator is required to submit Form 3160-5, Sundry Notices and Reports on Wells, requesting surface reclamation requirements for any surface disturbance. However, if the operator will be able to initiate drilling within 60 days after the expiration of the permit, the operator must have set the conductor pipe in order to allow for an extension of 60 days beyond the expiration date of the APD. (Filing of a Sundry Notice is required for this 60 day extension.)

III. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

Any cultural and/or paleontological resource discovered by the operator or by any person working on the operator's behalf shall immediately report such findings to the Authorized Officer. The operator is fully accountable for the actions of their contractors and subcontractors. The operator shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery shall be made by the Authorized Officer to determine the appropriate actions that shall be required to prevent the loss of significant cultural or scientific values of the discovery. The operator shall be held responsible for the cost of the proper mitigation measures that the Authorized Officer assesses after consultation with the operator on the evaluation and decisions of the discovery. Any unauthorized collection or disturbance of cultural or paleontological resources may result in a shutdown order by the Authorized Officer.

IV. NOXIOUS WEEDS

The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

V. SPECIAL REQUIREMENT(S)

Timing Limitation Stipulation / Condition of Approval for lesser prairie-chicken:

Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 feet from the source of the noise.

Below Ground-level Abandoned Well Marker to avoid raptor perching: Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well. For more installation details, contact the Carlsbad Field Office at 575-234-5972.

Range

The operator must contact the allotment holder prior to construction to identify the location of the pipeline. The operator must take measures to protect the pipeline from compression or other damages. If the pipeline is damaged or compromised in any way near the proposed project as a result of oil and gas activity, the operator is responsible for repairing the pipeline immediately. The operator must notify the BLM office (575-234-5972) and the private surface landowner or the grazing allotment holder if any damage occurs to structures that provide water to livestock.

Watershed

Tank battery locations will be lined and bermed. A 20 mil permanent liner will be installed with a 4 oz. felt backing to prevent tears or punctures. Tank battery berms must be large enough to contain 1 ½ times the content of the largest tank or 24 hour production, whichever is greater. Automatic shut off, check valves, or similar systems will be installed for tanks to minimize the effects of catastrophic line failures used in production or drilling.

VI. CONSTRUCTION

A. NOTIFICATION

The BLM shall administer compliance and monitor construction of the access road and well pad. Notify the Carlsbad Field Office at (575) 234-5909 at least 3 working days prior to commencing construction of the access road and/or well pad.

When construction operations are being conducted on this well, the operator shall have the approved APD and Conditions of Approval (COA) on the well site and they shall be made available upon request by the Authorized Officer.

B. TOPSOIL

The operator shall strip the top portion of the soil (root zone) from the entire well pad area and stockpile the topsoil along the edge of the well pad as depicted in the APD. The root zone is typically six (6) inches in depth. All the stockpiled topsoil will be redistributed over the interim reclamation areas. Topsoil shall not be used for berming the pad or facilities. For final reclamation, the topsoil shall be spread over the entire pad area for seeding preparation.

Other subsoil (below six inches) stockpiles must be completely segregated from the topsoil stockpile. Large rocks or subsoil clods (not evident in the surrounding terrain) must be buried within the approved area for interim and final reclamation.

C. CLOSED LOOP SYSTEM

Tanks are required for drilling operations: No Pits.

The operator shall properly dispose of drilling contents at an authorized disposal site.

D. FEDERAL MINERAL MATERIALS PIT

Payment shall be made to the BLM prior to removal of any federal mineral materials. Call the Carlsbad Field Office at (575) 234-5972.

E. WELL PAD SURFACING

Surfacing of the well pad is not required.

If the operator elects to surface the well pad, the surfacing material may be required to be removed at the time of reclamation. The well pad shall be constructed in a manner which creates the smallest possible surface disturbance, consistent with safety and operational needs.

F. EXCLOSURE FENCING (CELLARS & PITS)

Exclosure Fencing

The operator will install and maintain exclosure fencing for all open well cellars to prevent access to public, livestock, and large forms of wildlife before and after drilling operations until the pit is free of fluids and the operator initiates backfilling. (For examples of exclosure fencing design, refer to BLM's Oil and Gas Gold Book, Exclosure Fence Illustrations, Figure 1, Page 18.)

G. ON LEASE ACCESS ROADS**Road Width**

The access road shall have a driving surface that creates the smallest possible surface disturbance and does not exceed fourteen (14) feet in width. The maximum width of surface disturbance, when constructing the access road, shall not exceed twenty-five (25) feet.

Surfacing

Surfacing material is not required on the new access road driving surface. If the operator elects to surface the new access road or pad, the surfacing material may be required to be removed at the time of reclamation.

Where possible, no improvements should be made on the unsurfaced access road other than to remove vegetation as necessary, road irregularities, safety issues, or to fill low areas that may sustain standing water.

The Authorized Officer reserves the right to require surfacing of any portion of the access road at any time deemed necessary. Surfacing may be required in the event the road deteriorates, erodes, road traffic increases, or it is determined to be beneficial for future field development. The surfacing depth and type of material will be determined at the time of notification.

Crowning

Crowning shall be done on the access road driving surface. The road crown shall have a grade of approximately 2% (i.e., a 1" crown on a 14' wide road). The road shall conform to Figure 1; cross section and plans for typical road construction.

Ditching

Ditching shall be required on both sides of the road.

Turnouts

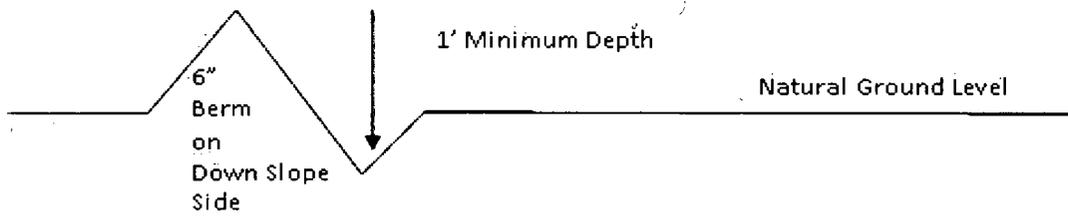
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall conform to Figure 1; cross section and plans for typical road construction.

Drainage

Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill out sloping and insloping, lead-off ditches, culvert installation, and low water crossings).

A typical lead-off ditch has a minimum depth of 1 foot below and a berm of 6 inches above natural ground level. The berm shall be on the down-slope side of the lead-off ditch.

Cross Section of a Typical Lead-off Ditch



All lead-off ditches shall be graded to drain water with a 1 percent minimum to 3 percent maximum ditch slope. The spacing interval are variable for lead-off ditches and shall be determined according to the formula for spacing intervals of lead-off ditches, but may be amended depending upon existing soil types and centerline road slope (in %);

Formula for Spacing Interval of Lead-off Ditches

Example - On a 4% road slope that is 400 feet long, the water flow shall drain water into a lead-off ditch. Spacing interval shall be determined by the following formula:

$$400 \text{ foot road with } 4\% \text{ road slope: } \frac{400'}{4\%} + 100' = 200' \text{ lead-off ditch interval}$$

Cattle guards

An appropriately sized cattle guard sufficient to carry out the project shall be installed and maintained at fence/road crossings. Any existing cattle guards on the access road route shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattle guards that are in place and are utilized during lease operations.

Fence Requirement

Where entry is granted across a fence line, the fence shall be braced and tied off on both sides of the passageway prior to cutting. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fences.

Public Access

Public access on this road shall not be restricted by the operator without specific written approval granted by the Authorized Officer.

Construction Steps

1. Salvage topsoil
2. Construct road

3. Redistribute topsoil
4. Revegetate slopes

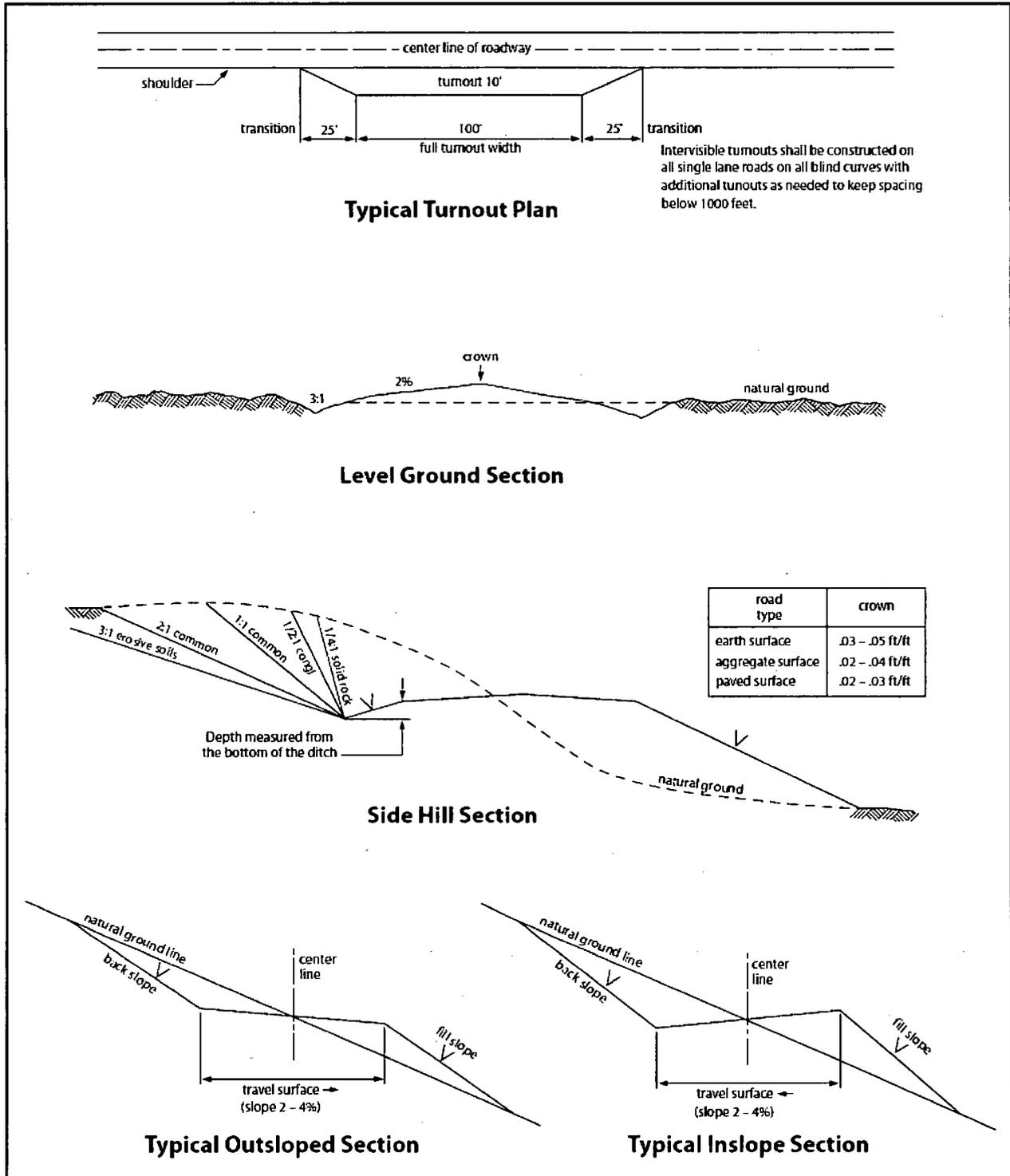


Figure 1. Cross-sections and plans for typical road sections representative of BLM resource or FS local and higher-class roads.

VII. PRODUCTION (POST DRILLING)

A. WELL STRUCTURES & FACILITIES

Placement of Production Facilities

Production facilities should be placed on the well pad to allow for maximum interim recontouring and revegetation of the well location.

Exclosure Netting (Open-top Tanks)

Immediately following active drilling or completion operations, the operator will take actions necessary to prevent wildlife and livestock access, including avian wildlife, to all open-topped tanks that contain or have the potential to contain salinity sufficient to cause harm to wildlife or livestock, hydrocarbons, or Resource Conservation and Recovery Act of 1976-exempt hazardous substances. At a minimum, the operator will net, screen, or cover open-topped tanks to exclude wildlife and livestock and prevent mortality. If the operator uses netting, the operator will cover and secure the open portion of the tank to prevent wildlife entry. The operator will net, screen, or cover the tanks until the operator removes the tanks from the location or the tanks no longer contain substances that could be harmful to wildlife or livestock. Use a maximum netting mesh size of 1 ½ inches. The netting must not be in contact with fluids and must not have holes or gaps.

Chemical and Fuel Secondary Containment and Exclosure Screening

The operator will prevent all hazardous, poisonous, flammable, and toxic substances from coming into contact with soil and water. At a minimum, the operator will install and maintain an impervious secondary containment system for any tank or barrel containing hazardous, poisonous, flammable, or toxic substances sufficient to contain the contents of the tank or barrel and any drips, leaks, and anticipated precipitation. The operator will dispose of fluids within the containment system that do not meet applicable state or U. S. Environmental Protection Agency livestock water standards in accordance with state law; the operator must not drain the fluids to the soil or ground. The operator will design, construct, and maintain all secondary containment systems to prevent wildlife and livestock exposure to harmful substances. At a minimum, the operator will install effective wildlife and livestock exclosure systems such as fencing, netting, expanded metal mesh, lids, and grate covers. Use a maximum netting mesh size of 1 ½ inches.

Open-Vent Exhaust Stack Exclosures

The operator will construct, modify, equip, and maintain all open-vent exhaust stacks on production equipment to prevent birds and bats from entering, and to discourage perching, roosting, and nesting. (*Recommended exclosure structures on open-vent exhaust stacks are in the shape of a cone.*) Production equipment includes, but may not be limited to, tanks, heater-treaters, separators, dehydrators, flare stacks, in-line units, and compressor mufflers.

Containment Structures

Proposed production facilities such as storage tanks and other vessels will have a secondary containment structure that is constructed to hold the capacity of 1.5 times the largest tank, plus freeboard to account for precipitation, unless more stringent protective requirements are deemed necessary.

Painting Requirement

All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color, **Shale Green** from the BLM Standard Environmental Color Chart (CC-001: June 2008).

B. PIPELINES

STANDARD STIPULATIONS FOR SURFACE INSTALLED PIPELINES

A copy of the Grant and attachments, including stipulations, survey plat(s) and/or map(s), shall be on location during construction. BLM personnel may request to review a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. Holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.
2. Holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, Holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC § 2601 *et seq.* (1982) with regard to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant (*see* 40 CFR, Part 702-799 and in particular, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193). Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the Authorized Officer concurrent with the filing of the reports to the involved Federal agency or State government.
3. Holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601, *et seq.* or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, *et seq.*) on the Right-of-Way (unless the release or threatened release is wholly unrelated to activity of the Right-of-Way Holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way Holder on the Right-of-Way. This provision applies without regard to whether a release is caused by Holder, its agent, or unrelated third

parties.

4. Holder shall be liable for damage or injury to the United States to the extent provided by 43 CFR Sec. 2883.1-4. Holder shall be held to a standard of strict liability for damage or injury to the United States resulting from pipe rupture, fire, or spills caused or substantially aggravated by any of the following within the right-of-way or permit area:

a. Activities of Holder including, but not limited to: construction, operation, maintenance, and termination of the facility;

b. Activities of other parties including, but not limited to:

- (1) Land clearing
- (2) Earth-disturbing and earth-moving work
- (3) Blasting
- (4) Vandalism and sabotage;

c. Acts of God.

The maximum limitation for such strict liability damages shall not exceed one million dollars (\$1,000,000) for any one event, and any liability in excess of such amount shall be determined by the ordinary rules of negligence of the jurisdiction in which the damage or injury occurred.

This section shall not impose strict liability for damage or injury resulting primarily from an act of war or from the negligent acts or omissions of the United States.

5. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil, salt water, or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil, salt water, or other pollutant, wherever found, shall be the responsibility of Holder, regardless of fault. Upon failure of Holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he/she deems necessary to control and clean up the discharge and restore the area, including, where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of Holder. Such action by the Authorized Officer shall not relieve Holder of any responsibility as provided herein.

6. All construction and maintenance activity shall be confined to the authorized right-of-way width of 20 feet. If the pipeline route follows an existing road or buried pipeline right-of-way, the surface pipeline shall be installed no farther than 10 feet from the edge of the road or buried pipeline right-of-way. If existing surface pipelines prevent this distance, the proposed surface pipeline shall be installed immediately adjacent to the outer surface pipeline. All construction and maintenance activity shall be confined to existing roads or right-of-ways.

7. No blading or clearing of any vegetation shall be allowed unless approved in writing by the Authorized Officer.

8. Holder shall install the pipeline on the surface in such a manner that will minimize suspension of the pipeline across low areas in the terrain. In hummocky or dune areas, the pipeline shall be "snaked" around hummocks and dunes rather than suspended across these features.

9. The pipeline shall be buried with a minimum of 24 inches under all roads, "two-tracks," and trails. Burial of the pipe will continue for 20 feet on each side of each crossing. The condition of the road, upon completion of construction, shall be returned to at least its former state with no bumps or dips remaining in the road surface.

10. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.

12. Excluding the pipe, all above-ground structures not subject to safety requirement shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be a color which simulates "Standard Environmental Colors" – **Shale Green**, Munsell Soil Color No. 5Y 4/2; designated by the Rocky Mountain Five State Interagency Committee.

13. The pipeline will be identified by signs at the point of origin and completion of the right-of-way and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. Signs will be maintained in a legible condition for the life of the pipeline.

14. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway.

15. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the authorized officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed

is issued by the authorized officer. An evaluation of the discovery will be made by the authorized officer to determine appropriate cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the authorized officer after consulting with the holder.

16. The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, powerline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

17. Surface pipelines shall be less than or equal to 4 inches and a working pressure below 125 psi.

18. Special Stipulations:

- a. **Lesser Prairie-Chicken:** Oil and gas activities will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Normal vehicle use on existing roads will not be restricted.

VIII. INTERIM RECLAMATION

During the life of the development, all disturbed areas not needed for active support of production operations should undergo interim reclamation in order to minimize the environmental impacts of development on other resources and uses.

Within six (6) months of well completion, operators should work with BLM surface management specialists (Jim Amos: 575-234-5909) to devise the best strategies to reduce the size of the location. Interim reclamation should allow for remedial well operations, as well as safe and efficient removal of oil and gas.

During reclamation, the removal of caliche is important to increasing the success of revegetating the site. Removed caliche that is free of contaminants may be used for road repairs, fire walls or for building other roads and locations. In order to operate the well or complete workover operations, it may be necessary to drive, park and operate on restored interim vegetation within the previously disturbed area. Disturbing revegetated areas for production or workover operations will be allowed. If there is significant disturbance and

loss of vegetation, the area will need to be revegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed.

All disturbed areas after they have been satisfactorily prepared need to be reseeded with the seed mixture provided below.

Upon completion of interim reclamation, the operator shall submit a Sundry Notices and Reports on Wells, Subsequent Report of Reclamation (Form 3160-5).

IX. FINAL ABANDONMENT & RECLAMATION

At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land are restored.

Earthwork for final reclamation must be completed within six (6) months of well plugging. All pads, pits, facility locations and roads must be reclaimed to a satisfactory revegetated, safe, and stable condition, unless an agreement is made with the landowner or BLM to keep the road and/or pad intact.

After all disturbed areas have been satisfactorily prepared, these areas need to be revegetated with the seed mixture provided below. Seeding should be accomplished by drilling on the contour whenever practical or by other approved methods. Seeding may need to be repeated until revegetation is successful, as determined by the BLM.

Operators shall contact a BLM surface protection specialist prior to surface abandonment operations for site specific objectives (Jim Amos: 575-234-5909).

Below Ground-level Abandoned Well Marker to avoid raptor perching: Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well.

Seed Mixture for LPC Sand/Shinnery Sites

Holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)* per acre. There shall be no primary or secondary noxious weeds in the seed mixture. Seed will be tested and the viability testing of seed shall be done in accordance with State law(s) and within nine (9) months prior to purchase. Commercial seed shall be either certified or registered seed. The seed container shall be tagged in accordance with State law(s) and available for inspection by the Authorized Officer.

Seed will be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (smaller/heavier seeds have a tendency to drop the bottom of the drill and are planted first). Holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be doubled. Seeding shall be repeated until a satisfactory stand is established as determined by the Authorized Officer. Evaluation of growth may not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed* per acre:

| <u>Species</u> | <u>lb/acre</u> |
|---------------------|----------------|
| Plains Bristlegrass | 5lbs/A |
| Sand Bluestem | 5lbs/A |
| Little Bluestem | 3lbs/A |
| Big Bluestem | 6lbs/A |
| Plains Coreopsis | 2lbs/A |
| Sand Dropseed | 1lbs/A |

*Pounds of pure live seed:

Pounds of seed x percent purity x percent germination = pounds pure live seed

COG OPERATING LLC
HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

1. HYDROGEN SULFIDE TRAINING

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing drilling operations on this well:

- a. The hazards and characteristics of hydrogen sulfide (H₂S).
- b. The proper use and maintenance of personal protective equipment and life support systems.
- c. The proper use of H₂S detectors, alarms, warning systems, briefing areas, evacuation procedures, and prevailing winds.
- d. The proper techniques for first aid and rescue procedures.

In addition, supervisory personnel will be trained in the following areas:

- a. The effects of H₂S on metal components. If high tensile tubulars are to be used, personnel will be trained in their special maintenance requirements.
- b. Corrective action and shut-in procedures when drilling or reworking a well and blowout prevention and well control procedures.
- c. The contents and requirements of the H₂S Drilling Operations Plan and the Public Protection Plan.

There will be an initial training session just prior to encountering a known or probable H₂S zone (within 3 days or 500 feet) and weekly H₂S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H₂S Drilling Operations Plan and the Public Protection Plan. This plan shall be available at the well site. All personnel will be required to carry documentation that they have received the proper training.

2. H₂S SAFETY EQUIPMENT AND SYSTEMS

Note: All H₂S safety equipment and systems will be installed, tested, and operational when drilling reaches a depth of 500 feet above, or three days prior to penetrating the first zone containing or reasonably expected to contain H₂S. If H₂S greater than 100 ppm is encountered in the gas stream we will shut in and install H₂S equipment.

- a. Well Control Equipment:
 - Flare line.
 - Choke manifold with remotely operated choke.
 - Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit.
 - Auxiliary equipment to include: annular preventer, mud-gas separator, rotating head.

- b. Protective equipment for essential personnel:
Mark II Surviveair 30-minute units located in the dog house and at briefing areas.
- c. H2S detection and monitoring equipment:
2 - portable H2S monitor positioned on location for best coverage and response. These units have warning lights and audible sirens when H2S levels of 20 ppm are reached.
- d. Visual warning systems:
Caution/Danger signs shall be posted on roads providing direct access to location. Signs will be painted a high visibility yellow with black lettering of sufficient size to be readable at a reasonable distance from the immediate location. Bilingual signs will be used, when appropriate. See example attached.
- e. Mud Program:
The mud program has been designed to minimize the volume of H2S circulated to the surface.
- f. Metallurgy:
All drill strings, casings, tubing, wellhead, blowout preventers, drilling spool, kill lines, choke manifold and lines, and valves shall be suitable for H2S service.
- g. Communication:
Company vehicles equipped with cellular telephone.

COG OPERATING LLC has conducted a review to determine if an H2S contingency plan is required for the above referenced well. We were able to conclude that any potential hazardous volume would be minimal. H2S concentrations of wells in this area from surface to TD are low enough; therefore, we do not believe that an H2S contingency plan is necessary.

W A R N I N G

**YOU ARE ENTERING AN H₂S AREA
AUTHORIZED PERSONNEL ONLY**

- 1. BEARDS OR CONTACT LENSES NOT ALLOWED***
- 2. HARD HATS REQUIRED***
- 3. SMOKING IN DESIGNATED AREAS ONLY***
- 4. BE WIND CONSCIOUS AT ALL TIMES***
- 5. CK WITH COG OPERATING LLC FOREMAN AT MAIN OFFICE***

COG OPERATING LLC

1-575-748-6940

EMERGENCY CALL LIST

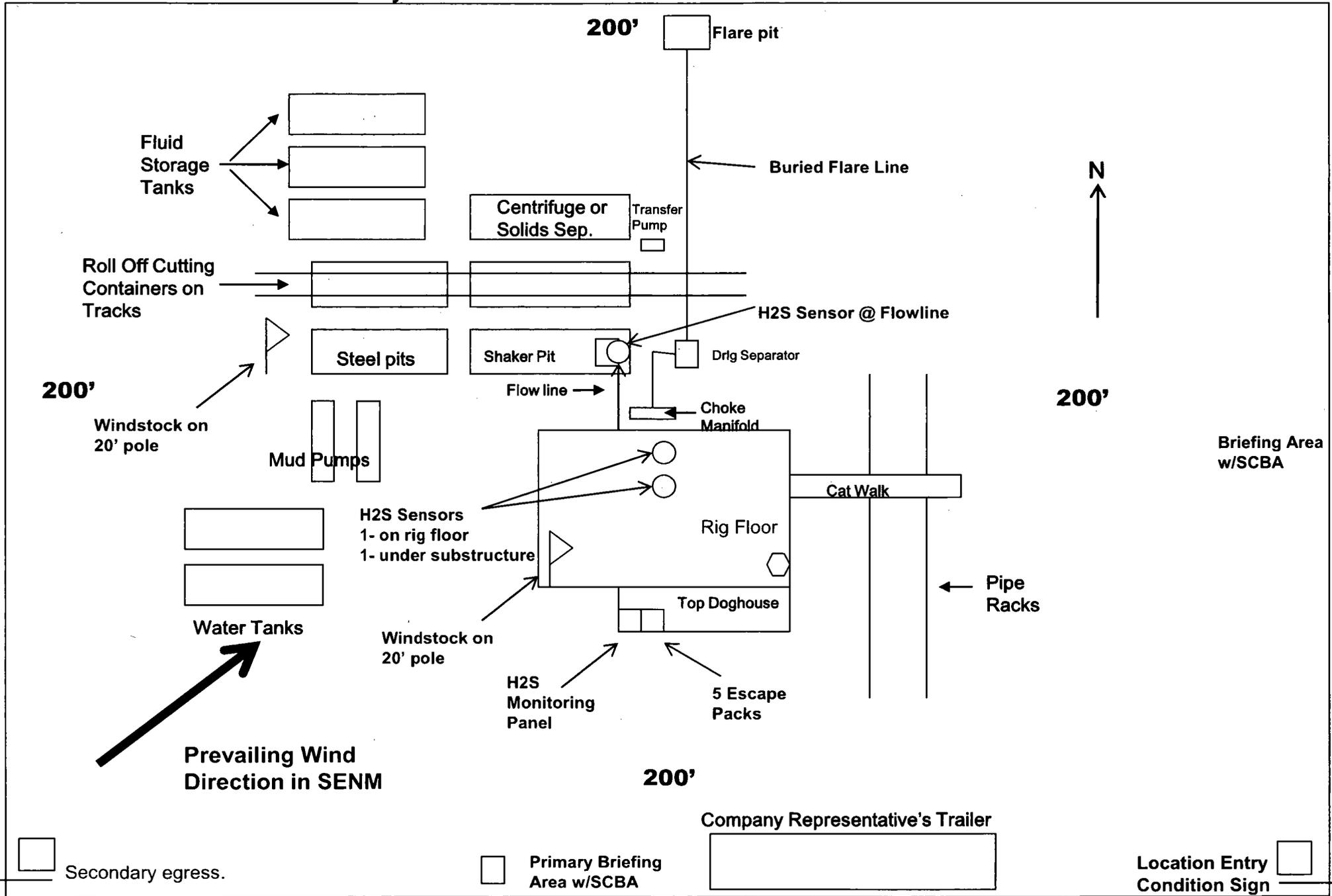
| | <u>OFFICE</u> | <u>MOBILE</u> |
|--------------------------|---------------|---------------|
| COG OPERATING LLC OFFICE | 575-748-6940 | |
| SETH WILD | 432-683-7443 | 432-528-3633 |
| WALTER ROYE | 575-748-6940 | 432-934-1886 |

EMERGENCY RESPONSE NUMBERS

| | <u>OFFICE</u> |
|--|---------------------|
| STATE POLICE | 575-748-9718 |
| EDDY COUNTY SHERIFF | 575-746-2701 |
| EMERGENCY MEDICAL SERVICES (AMBULANCE) | 911 or 575-746-2701 |
| EDDY COUNTY EMERGENCY MANAGEMENT (HARRY BURGESS) | 575-887-9511 |
| STATE EMERGENCY RESPONSE CENTER (SERC) | 575-476-9620 |
| CARLSBAD POLICE DEPARTMENT | 575-885-2111 |
| CARLSBAD FIRE DEPARTMENT | 575-885-3125 |
| NEW MEXICO OIL CONSERVATION DIVISION | 575-748-1283 |
| INDIAN FIRE & SAFETY | 800-530-8693 |
| HALLIBURTON SERVICES | 800-844-8451 |

COG Operating LLC
H₂S Equipment Schematic
Terrain: Shinnery sand hills.

Well pad will be 400' x 400'
with cellar in center of pad





COG Operating LLC

**Lea County, NM (NAD27 NME)
Dominator 25 Federal
711H**

**OH
Plan 1 11-16-17**

Anticollision Report

16 November, 2017





COG Operating LLC

Lea County, NM (NAD27 NME)

Dominator 25 Federal

711H

OH

Plan: Plan 1 11-16-17

Standard Planning Report

16 November, 2017





Phoenix Technology Services LP
Planning Report



| | | | |
|------------------|----------------------------|-------------------------------------|-------------------------|
| Database: | Compass 5000 GCR | Local Co-ordinate Reference: | Well 711H |
| Company: | COG Operating LLC | TVD Reference: | RKB @ 3364.60usft (TBD) |
| Project: | Lea County, NM (NAD27 NME) | MD Reference: | RKB @ 3364.60usft (TBD) |
| Site: | Dominator 25 Federal | North Reference: | Grid |
| Well: | 711H | Survey Calculation Method: | Minimum Curvature |
| Wellbore: | OH | | |
| Design: | Plan 1 11-16-17 | | |

| | | | |
|--------------------|--------------------------------------|----------------------|----------------|
| Project | Lea County, NM (NAD27 NME) | | |
| Map System: | US State Plane 1927 (Exact solution) | System Datum: | Mean Sea Level |
| Geo Datum: | NAD 1927 (NADCON CONUS) | | |
| Map Zone: | New Mexico East 3001 | | |

| | | | | | |
|------------------------------|----------------------|---------------------|-----------------|--------------------------|---------------------|
| Site | Dominator 25 Federal | | | | |
| Site Position: | | Northing: | 399,205.50 usft | Latitude: | 32° 5' 41.93048 N |
| From: | Map | Easting: | 748,959.60 usft | Longitude: | 103° 31' 45.86098 W |
| Position Uncertainty: | 0.00 usft | Slot Radius: | 13-3/16 " | Grid Convergence: | 0.43 ° |

| | | | | | | |
|-----------------------------|--------------|-------------|----------------------------|-----------------|----------------------|---------------------|
| Well | 711H | | | | | |
| Well Position | +N/-S | -29.40 usft | Northing: | 399,176.10 usft | Latitude: | 32° 5' 41.63511 N |
| | +E/-W | 60.20 usft | Easting: | 749,019.80 usft | Longitude: | 103° 31' 45.16376 W |
| Position Uncertainty | 0.00 usft | | Wellhead Elevation: | 0.00 usft | Ground Level: | 3,338.60 usft |

| | | | | | |
|-----------------|----|--|--|--|--|
| Wellbore | OH | | | | |
|-----------------|----|--|--|--|--|

| Magnetics | Model Name | Sample Date | Declination (°) | Dip Angle (°) | Field Strength (nT) |
|-----------|------------|-------------|-----------------|---------------|---------------------|
| | HDGM | 11/15/2017 | 6.78 | 59.82 | 47,930 |

| | | | | | |
|---------------|-----------------|--|--|--|--|
| Design | Plan 1 11-16-17 | | | | |
|---------------|-----------------|--|--|--|--|

| | | | | | |
|---------------------|--|---------------|-----------|----------------------|------|
| Audit Notes: | | | | | |
| Version: | | Phase: | PROTOTYPE | Tie On Depth: | 0.00 |

| Vertical Section: | Depth From (TVD) (usft) | +N/-S (usft) | +E/-W (usft) | Direction (°) |
|-------------------|-------------------------|--------------|--------------|---------------|
| | 0.00 | 0.00 | 0.00 | 359.30 |

| Plan Sections | | | | | | | | | | |
|-----------------------|-----------------|-------------|-----------------------|--------------|--------------|-------------------------|------------------------|-----------------------|---------|------------------|
| Measured Depth (usft) | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) | TFO (°) | Target |
| 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 2,000.00 | 0.00 | 0.00 | 2,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 2,249.93 | 5.00 | 185.57 | 2,249.62 | -10.84 | -1.06 | 2.00 | 2.00 | 0.00 | 185.57 | |
| 4,363.74 | 5.00 | 185.57 | 4,355.38 | -194.16 | -18.94 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 4,613.67 | 0.00 | 0.00 | 4,605.00 | -205.00 | -20.00 | 2.00 | -2.00 | 0.00 | 180.00 | |
| 12,161.21 | 0.00 | 0.00 | 12,152.54 | -205.00 | -20.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 12,909.63 | 89.81 | 359.56 | 12,630.00 | 270.87 | -23.68 | 12.00 | 12.00 | -0.06 | 359.56 | |
| 17,437.72 | 89.81 | 359.56 | 12,645.00 | 4,798.80 | -58.70 | 0.00 | 0.00 | 0.00 | 0.00 | BHL-Dominator 25 |



Phoenix Technology Services LP
Planning Report



| | | | |
|------------------|----------------------------|-------------------------------------|-------------------------|
| Database: | Compass 5000 GCR | Local Co-ordinate Reference: | Well 711H |
| Company: | COG Operating LLC | TVD Reference: | RKB @ 3364.60usft (TBD) |
| Project: | Lea County, NM (NAD27 NME) | MD Reference: | RKB @ 3364.60usft (TBD) |
| Site: | Dominator 25 Federal | North Reference: | Grid |
| Well: | 711H | Survey Calculation Method: | Minimum Curvature |
| Wellbore: | OH | | |
| Design: | Plan 1 11-16-17 | | |

Planned Survey

| Measured Depth (usft) | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) |
|---|-----------------|-------------|-----------------------|--------------|--------------|-------------------------|-------------------------|------------------------|-----------------------|
| 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 2,000.00 | 0.00 | 0.00 | 2,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| KOP, Begin 2.00°/100' Build | | | | | | | | | |
| 2,100.00 | 2.00 | 185.57 | 2,099.98 | -1.74 | -0.17 | -1.73 | 2.00 | 2.00 | 0.00 |
| 2,200.00 | 4.00 | 185.57 | 2,199.84 | -6.95 | -0.68 | -6.94 | 2.00 | 2.00 | 0.00 |
| 2,249.93 | 5.00 | 185.57 | 2,249.62 | -10.84 | -1.06 | -10.83 | 2.00 | 2.00 | 0.00 |
| Hold 5.00° Inc at 185.57° Azm | | | | | | | | | |
| 2,300.00 | 5.00 | 185.57 | 2,299.49 | -15.19 | -1.48 | -15.17 | 0.00 | 0.00 | 0.00 |
| 2,400.00 | 5.00 | 185.57 | 2,399.11 | -23.86 | -2.33 | -23.83 | 0.00 | 0.00 | 0.00 |
| 2,500.00 | 5.00 | 185.57 | 2,498.73 | -32.53 | -3.17 | -32.49 | 0.00 | 0.00 | 0.00 |
| 2,600.00 | 5.00 | 185.57 | 2,598.35 | -41.20 | -4.02 | -41.15 | 0.00 | 0.00 | 0.00 |
| 2,700.00 | 5.00 | 185.57 | 2,697.97 | -49.87 | -4.87 | -49.81 | 0.00 | 0.00 | 0.00 |
| 2,800.00 | 5.00 | 185.57 | 2,797.59 | -58.55 | -5.71 | -58.47 | 0.00 | 0.00 | 0.00 |
| 2,900.00 | 5.00 | 185.57 | 2,897.21 | -67.22 | -6.56 | -67.13 | 0.00 | 0.00 | 0.00 |
| 3,000.00 | 5.00 | 185.57 | 2,996.83 | -75.89 | -7.40 | -75.79 | 0.00 | 0.00 | 0.00 |
| 3,100.00 | 5.00 | 185.57 | 3,096.45 | -84.56 | -8.25 | -84.46 | 0.00 | 0.00 | 0.00 |
| 3,200.00 | 5.00 | 185.57 | 3,196.07 | -93.24 | -9.10 | -93.12 | 0.00 | 0.00 | 0.00 |
| 3,300.00 | 5.00 | 185.57 | 3,295.69 | -101.91 | -9.94 | -101.78 | 0.00 | 0.00 | 0.00 |
| 3,400.00 | 5.00 | 185.57 | 3,395.31 | -110.58 | -10.79 | -110.44 | 0.00 | 0.00 | 0.00 |
| 3,500.00 | 5.00 | 185.57 | 3,494.93 | -119.25 | -11.63 | -119.10 | 0.00 | 0.00 | 0.00 |
| 3,600.00 | 5.00 | 185.57 | 3,594.55 | -127.92 | -12.48 | -127.76 | 0.00 | 0.00 | 0.00 |
| 3,700.00 | 5.00 | 185.57 | 3,694.17 | -136.60 | -13.33 | -136.42 | 0.00 | 0.00 | 0.00 |
| 3,800.00 | 5.00 | 185.57 | 3,793.79 | -145.27 | -14.17 | -145.08 | 0.00 | 0.00 | 0.00 |
| 3,900.00 | 5.00 | 185.57 | 3,893.41 | -153.94 | -15.02 | -153.74 | 0.00 | 0.00 | 0.00 |
| 4,000.00 | 5.00 | 185.57 | 3,993.03 | -162.61 | -15.86 | -162.41 | 0.00 | 0.00 | 0.00 |
| 4,100.00 | 5.00 | 185.57 | 4,092.65 | -171.28 | -16.71 | -171.07 | 0.00 | 0.00 | 0.00 |
| 4,200.00 | 5.00 | 185.57 | 4,192.27 | -179.96 | -17.56 | -179.73 | 0.00 | 0.00 | 0.00 |
| 4,300.00 | 5.00 | 185.57 | 4,291.89 | -188.63 | -18.40 | -188.39 | 0.00 | 0.00 | 0.00 |
| 4,363.74 | 5.00 | 185.57 | 4,355.38 | -194.16 | -18.94 | -193.91 | 0.00 | 0.00 | 0.00 |
| Begin 2.00°/100' Drop | | | | | | | | | |
| 4,400.00 | 4.27 | 185.57 | 4,391.52 | -197.07 | -19.23 | -196.82 | 2.00 | -2.00 | 0.00 |
| 4,500.00 | 2.27 | 185.57 | 4,491.36 | -202.76 | -19.78 | -202.50 | 2.00 | -2.00 | 0.00 |
| 4,600.00 | 0.27 | 185.57 | 4,591.33 | -204.97 | -20.00 | -204.71 | 2.00 | -2.00 | 0.00 |
| 4,613.67 | 0.00 | 0.00 | 4,605.00 | -205.00 | -20.00 | -204.74 | 2.00 | -2.00 | 0.00 |
| Begin Vertical Hold | | | | | | | | | |
| 12,161.21 | 0.00 | 0.00 | 12,152.54 | -205.00 | -20.00 | -204.74 | 0.00 | 0.00 | 0.00 |
| KOP2, Begin 12.00°/100' Build | | | | | | | | | |
| 12,200.00 | 4.65 | 359.56 | 12,191.28 | -203.43 | -20.01 | -203.17 | 12.00 | 12.00 | 0.00 |
| 12,300.00 | 16.65 | 359.56 | 12,289.38 | -184.97 | -20.15 | -184.71 | 12.00 | 12.00 | 0.00 |
| 12,400.00 | 28.65 | 359.56 | 12,381.50 | -146.53 | -20.45 | -146.26 | 12.00 | 12.00 | 0.00 |
| 12,500.00 | 40.65 | 359.56 | 12,463.61 | -89.77 | -20.89 | -89.51 | 12.00 | 12.00 | 0.00 |
| 12,600.00 | 52.65 | 359.56 | 12,532.12 | -17.18 | -21.45 | -16.92 | 12.00 | 12.00 | 0.00 |
| 12,700.00 | 64.65 | 359.56 | 12,584.05 | 68.06 | -22.11 | 68.33 | 12.00 | 12.00 | 0.00 |
| 12,800.00 | 76.65 | 359.56 | 12,617.11 | 162.24 | -22.84 | 162.51 | 12.00 | 12.00 | 0.00 |
| 12,900.00 | 88.65 | 359.56 | 12,629.87 | 261.24 | -23.61 | 261.51 | 12.00 | 12.00 | 0.00 |
| 12,909.63 | 89.81 | 359.56 | 12,630.00 | 270.87 | -23.68 | 271.14 | 12.00 | 12.00 | 0.00 |
| LP, Hold 89.81° Inc at 359.56° Azm | | | | | | | | | |
| 13,000.00 | 89.81 | 359.56 | 12,630.30 | 361.23 | -24.38 | 361.51 | 0.00 | 0.00 | 0.00 |
| 13,100.00 | 89.81 | 359.56 | 12,630.63 | 461.23 | -25.15 | 461.50 | 0.00 | 0.00 | 0.00 |
| 13,200.00 | 89.81 | 359.56 | 12,630.96 | 561.23 | -25.93 | 561.50 | 0.00 | 0.00 | 0.00 |
| 13,300.00 | 89.81 | 359.56 | 12,631.30 | 661.22 | -26.70 | 661.50 | 0.00 | 0.00 | 0.00 |
| 13,400.00 | 89.81 | 359.56 | 12,631.63 | 761.22 | -27.47 | 761.50 | 0.00 | 0.00 | 0.00 |
| 13,500.00 | 89.81 | 359.56 | 12,631.96 | 861.22 | -28.25 | 861.50 | 0.00 | 0.00 | 0.00 |



Phoenix Technology Services LP
Planning Report



| | | | |
|------------------|----------------------------|-------------------------------------|-------------------------|
| Database: | Compass 5000 GCR | Local Co-ordinate Reference: | Well 711H |
| Company: | COG Operating LLC | TVD Reference: | RKB @ 3364.60usft (TBD) |
| Project: | Lea County, NM (NAD27 NME) | MD Reference: | RKB @ 3364.60usft (TBD) |
| Site: | Dominator 25 Federal | North Reference: | Grid |
| Well: | 711H | Survey Calculation Method: | Minimum Curvature |
| Wellbore: | OH | | |
| Design: | Plan 1 11-16-17 | | |

Planned Survey

| Measured Depth (usft) | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) |
|-----------------------|-----------------|-------------|-----------------------|--------------|--------------|-------------------------|-------------------------|------------------------|-----------------------|
| 13,600.00 | 89.81 | 359.56 | 12,632.29 | 961.21 | -29.02 | 961.50 | 0.00 | 0.00 | 0.00 |
| 13,700.00 | 89.81 | 359.56 | 12,632.62 | 1,061.21 | -29.79 | 1,061.49 | 0.00 | 0.00 | 0.00 |
| 13,800.00 | 89.81 | 359.56 | 12,632.95 | 1,161.21 | -30.57 | 1,161.49 | 0.00 | 0.00 | 0.00 |
| 13,900.00 | 89.81 | 359.56 | 12,633.28 | 1,261.20 | -31.34 | 1,261.49 | 0.00 | 0.00 | 0.00 |
| 14,000.00 | 89.81 | 359.56 | 12,633.61 | 1,361.20 | -32.11 | 1,361.49 | 0.00 | 0.00 | 0.00 |
| 14,100.00 | 89.81 | 359.56 | 12,633.95 | 1,461.20 | -32.89 | 1,461.49 | 0.00 | 0.00 | 0.00 |
| 14,200.00 | 89.81 | 359.56 | 12,634.28 | 1,561.19 | -33.66 | 1,561.49 | 0.00 | 0.00 | 0.00 |
| 14,300.00 | 89.81 | 359.56 | 12,634.61 | 1,661.19 | -34.43 | 1,661.48 | 0.00 | 0.00 | 0.00 |
| 14,400.00 | 89.81 | 359.56 | 12,634.94 | 1,761.18 | -35.21 | 1,761.48 | 0.00 | 0.00 | 0.00 |
| 14,500.00 | 89.81 | 359.56 | 12,635.27 | 1,861.18 | -35.98 | 1,861.48 | 0.00 | 0.00 | 0.00 |
| 14,600.00 | 89.81 | 359.56 | 12,635.60 | 1,961.18 | -36.75 | 1,961.48 | 0.00 | 0.00 | 0.00 |
| 14,700.00 | 89.81 | 359.56 | 12,635.93 | 2,061.17 | -37.53 | 2,061.48 | 0.00 | 0.00 | 0.00 |
| 14,800.00 | 89.81 | 359.56 | 12,636.26 | 2,161.17 | -38.30 | 2,161.48 | 0.00 | 0.00 | 0.00 |
| 14,900.00 | 89.81 | 359.56 | 12,636.59 | 2,261.17 | -39.07 | 2,261.48 | 0.00 | 0.00 | 0.00 |
| 15,000.00 | 89.81 | 359.56 | 12,636.93 | 2,361.16 | -39.85 | 2,361.47 | 0.00 | 0.00 | 0.00 |
| 15,100.00 | 89.81 | 359.56 | 12,637.26 | 2,461.16 | -40.62 | 2,461.47 | 0.00 | 0.00 | 0.00 |
| 15,200.00 | 89.81 | 359.56 | 12,637.59 | 2,561.16 | -41.39 | 2,561.47 | 0.00 | 0.00 | 0.00 |
| 15,300.00 | 89.81 | 359.56 | 12,637.92 | 2,661.15 | -42.17 | 2,661.47 | 0.00 | 0.00 | 0.00 |
| 15,400.00 | 89.81 | 359.56 | 12,638.25 | 2,761.15 | -42.94 | 2,761.47 | 0.00 | 0.00 | 0.00 |
| 15,500.00 | 89.81 | 359.56 | 12,638.58 | 2,861.15 | -43.71 | 2,861.47 | 0.00 | 0.00 | 0.00 |
| 15,600.00 | 89.81 | 359.56 | 12,638.91 | 2,961.14 | -44.49 | 2,961.46 | 0.00 | 0.00 | 0.00 |
| 15,700.00 | 89.81 | 359.56 | 12,639.24 | 3,061.14 | -45.26 | 3,061.46 | 0.00 | 0.00 | 0.00 |
| 15,800.00 | 89.81 | 359.56 | 12,639.58 | 3,161.14 | -46.03 | 3,161.46 | 0.00 | 0.00 | 0.00 |
| 15,900.00 | 89.81 | 359.56 | 12,639.91 | 3,261.13 | -46.81 | 3,261.46 | 0.00 | 0.00 | 0.00 |
| 16,000.00 | 89.81 | 359.56 | 12,640.24 | 3,361.13 | -47.58 | 3,361.46 | 0.00 | 0.00 | 0.00 |
| 16,100.00 | 89.81 | 359.56 | 12,640.57 | 3,461.12 | -48.35 | 3,461.46 | 0.00 | 0.00 | 0.00 |
| 16,200.00 | 89.81 | 359.56 | 12,640.90 | 3,561.12 | -49.13 | 3,561.46 | 0.00 | 0.00 | 0.00 |
| 16,300.00 | 89.81 | 359.56 | 12,641.23 | 3,661.12 | -49.90 | 3,661.45 | 0.00 | 0.00 | 0.00 |
| 16,400.00 | 89.81 | 359.56 | 12,641.56 | 3,761.11 | -50.67 | 3,761.45 | 0.00 | 0.00 | 0.00 |
| 16,500.00 | 89.81 | 359.56 | 12,641.89 | 3,861.11 | -51.45 | 3,861.45 | 0.00 | 0.00 | 0.00 |
| 16,600.00 | 89.81 | 359.56 | 12,642.23 | 3,961.11 | -52.22 | 3,961.45 | 0.00 | 0.00 | 0.00 |
| 16,700.00 | 89.81 | 359.56 | 12,642.56 | 4,061.10 | -52.99 | 4,061.45 | 0.00 | 0.00 | 0.00 |
| 16,800.00 | 89.81 | 359.56 | 12,642.89 | 4,161.10 | -53.77 | 4,161.45 | 0.00 | 0.00 | 0.00 |
| 16,900.00 | 89.81 | 359.56 | 12,643.22 | 4,261.10 | -54.54 | 4,261.44 | 0.00 | 0.00 | 0.00 |
| 17,000.00 | 89.81 | 359.56 | 12,643.55 | 4,361.09 | -55.31 | 4,361.44 | 0.00 | 0.00 | 0.00 |
| 17,100.00 | 89.81 | 359.56 | 12,643.88 | 4,461.09 | -56.09 | 4,461.44 | 0.00 | 0.00 | 0.00 |
| 17,200.00 | 89.81 | 359.56 | 12,644.21 | 4,561.09 | -56.86 | 4,561.44 | 0.00 | 0.00 | 0.00 |
| 17,300.00 | 89.81 | 359.56 | 12,644.54 | 4,661.08 | -57.63 | 4,661.44 | 0.00 | 0.00 | 0.00 |
| 17,400.00 | 89.81 | 359.56 | 12,644.88 | 4,761.08 | -58.41 | 4,761.44 | 0.00 | 0.00 | 0.00 |
| 17,437.72 | 89.81 | 359.56 | 12,645.00 | 4,798.80 | -58.70 | 4,799.16 | 0.00 | 0.00 | 0.00 |

TD at 17437.72



| | | | |
|------------------|----------------------------|-------------------------------------|-------------------------|
| Database: | Compass 5000 GCR | Local Co-ordinate Reference: | Well 711H |
| Company: | COG Operating LLC | TVD Reference: | RKB @ 3364.60usft (TBD) |
| Project: | Lea County, NM (NAD27 NME) | MD Reference: | RKB @ 3364.60usft (TBD) |
| Site: | Dominator 25 Federal | North Reference: | Grid |
| Well: | 711H | Survey Calculation Method: | Minimum Curvature |
| Wellbore: | OH | | |
| Design: | Plan 1 11-16-17 | | |

Design Targets

| Target Name | Dip Angle (°) | Dip Dir. (°) | TVD (usft) | +N/-S (usft) | +E/-W (usft) | Northing (usft) | Easting (usft) | Latitude | Longitude |
|--|------------------|-----------------|---------------|-----------------|-----------------|--------------------|-------------------|-------------------|--------------------|
| FTP-Dominator 25 Fe - hit/miss target - Shape - Point | 0.00 | 0.00 | 12,630.00 | 49.80 | -22.31 | 399,225.90 | 748,997.48 | 32° 5' 42.12960 N | 03° 31' 45.41880 W |
| - plan misses target center by 49.45usft at 12700.00usft MD (12584.05 TVD, 68.06 N, -22.11 E) | | | | | | | | | |
| LTP-Dominator 25 Fe - hit/miss target - Shape - Point | 0.00 | 0.00 | 12,645.00 | 4,668.68 | -57.69 | 403,844.78 | 748,962.11 | 32° 6' 27.83880 N | 03° 31' 45.42960 W |
| - plan misses target center by 0.43usft at 17307.60usft MD (12644.57 TVD, 4668.69 N, -57.69 E) | | | | | | | | | |
| BHL-Dominator 25 Fe - hit/miss target - Shape - Point | 0.00 | 0.00 | 12,645.00 | 4,798.80 | -58.70 | 403,974.90 | 748,961.10 | 32° 6' 29.12644 N | 03° 31' 45.43007 W |
| - plan hits target center | | | | | | | | | |

Plan Annotations

| Measured Depth (usft) | Vertical Depth (usft) | Local Coordinates | | Comment |
|-----------------------------|-----------------------------|-------------------|-----------------|------------------------------------|
| | | +N/-S (usft) | +E/-W (usft) | |
| 2,000.00 | 2,000.00 | 0.00 | 0.00 | KOP, Begin 2.00°/100' Build |
| 2,249.93 | 2,249.62 | -10.84 | -1.06 | Hold 5.00° Inc at 185.57° Azm |
| 4,363.74 | 4,355.38 | -194.16 | -18.94 | Begin 2.00°/100' Drop |
| 4,613.67 | 4,605.00 | -205.00 | -20.00 | Begin Vertical Hold |
| 12,161.21 | 12,152.54 | -205.00 | -20.00 | KOP2, Begin 12.00°/100' Build |
| 12,909.63 | 12,630.00 | 270.87 | -23.68 | LP, Hold 89.81° Inc at 359.56° Azm |
| 17,437.72 | 12,645.00 | 4,798.80 | -58.70 | TD at 17437.72 |

COG Operating, LLC - Dominator 25 Federal Com #711H

1. Geologic Formations

| | | | |
|---------------|-------------|-------------------------------|------|
| TVD of target | 12,645' EOL | Pilot hole depth | NA |
| MD at TD: | 17,437' | Deepest expected fresh water: | 142' |

| Formation | Depth (TVD) from KB | Water/Mineral Bearing/ Target Zone? | Hazards* |
|----------------------|---------------------|-------------------------------------|----------|
| Quaternary Fill | Surface | Water | |
| Rustler | 1070 | Water | |
| Top of Salt | 1510 | Salt | |
| Base of Salt | 5070 | Salt | |
| Lamar | 5188 | Salt Water | |
| Bell Canyon | 5230 | Salt Water | |
| Cherry Canyon | 6229 | Oil/Gas | |
| Brushy Canyon | 7809 | Oil/Gas | |
| Bone Spring Lime | 9275 | Oil/Gas | |
| U. Avalon Shale | 9649 | Oil/Gas | |
| L. Avalon Shale | 9960 | Oil/Gas | |
| 1st Bone Spring Sand | 10307 | Oil/Gas | |
| 2nd Bone Spring Sand | 10825 | Oil/Gas | |
| 3rd Bone Spring Sand | 11894 | Oil/Gas | |
| Wolfcamp | 12355 | Target Oil/Gas | |
| Strawn | 14182 | Not Penetrated | |

2. Casing Program

| Hole Size | Casing Interval | | Csg. Size | Weight (lbs) | Grade | Conn. | SF Collapse | SF Burst | SF Body |
|---------------------------|-----------------|--------|-----------|--------------|-------|-------|-------------|----------|--------------------|
| | From | To | | | | | | | |
| 13.5" | 0 | 1095 | 10.75" | 45.5 | N80 | BTC | 4.93 | 1.20 | 20.87 |
| 9.875" | 0 | 11794 | 7.875" | 29.7 | P110 | BTC | 1.29 | 1.04 | 3.10 |
| 6.75" | 0 | 11294 | 5.5" | 23 | P110 | BTC | 1.84 | 1.91 | 3.20 |
| 6.75" | 11294 | 17,437 | 5" | 18 | P110 | BTC | 1.84 | 1.91 | 3.20 |
| BLM Minimum Safety Factor | | | | | | | 1.125 | 1 | 1.6 Dry 1.8 Wet |

Intermediate casing will be kept at least 1/3 full while running casing to mitigate collapse. Surface burst based on 0.7 frac gradient at the shoe with Gas Gradient 0.1 psi/ft to surface and All casing strings will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.h

The 5" casing will be run back 500' into the intermediate casing to ensure the coupling OD clearance is greater than .422" for the cement bond tie in.

COG Operating, LLC - Dominator 25 Federal Com #711H

| | Y or N |
|--|--------|
| Is casing new? If used, attach certification as required in Onshore Order #1 | Y |
| Does casing meet API specifications? If no, attach casing specification sheet. | Y |
| Is premium or uncommon casing planned? If yes attach casing specification sheet. | N |
| Does the above casing design meet or exceed BLM's minimum standards? If not provide justification (loading assumptions, casing design criteria). | Y |
| Will the intermediate pipe be kept at a minimum 1/3 fluid filled to avoid approaching the collapse pressure rating of the casing? | Y |
| Is well located within Capitan Reef? | N |
| If yes, does production casing cement tie back a minimum of 50' above the Reef? | |
| Is well within the designated 4 string boundary? | |
| Is well located in SOPA but not in R-111-P? | N |
| If yes, are the first 2 strings cemented to surface and 3 rd string cement tied back 500' into previous casing? | |
| Is well located in R-111-P and SOPA? | N |
| If yes, are the first three strings cemented to surface? | |
| Is 2 nd string set 100' to 600' below the base of salt? | |
| Is well located in high Cave/Karst? | N |
| If yes, are there two strings cemented to surface? | |
| (For 2 string wells) If yes, is there a contingency casing if lost circulation occurs? | |
| Is well located in critical Cave/Karst? | N |
| If yes, are there three strings cemented to surface? | |

COG Operating, LLC - Dominator 25 Federal Com #711H

3. Cementing Program

| Casing | # Sks | Wt. lb/ gal | Yld ft³/ sack | H₂O gal/sk | 500# Comp. Strength (hours) | Slurry Description |
|---------------|--------------|------------------------|-------------------------------------|------------------------------|--|---|
| Surf. | 160 | 13.5 | 1.75 | 9 | 12 | Lead: Class C + 4% Gel + 1% CaCl ₂ |
| | 250 | 14.8 | 1.34 | 6.34 | 8 | Tail: Class C + 2% CaCl ₂ |
| Inter. | 970 | 10.3 | 3.6 | 21.48 | 16 | Tuned Light Blend |
| | 250 | 16.4 | 1.08 | 4.32 | 8 | Tail: Class H |
| Prod | 160 | 11.9 | 2.5 | 19 | 72 | Lead: 50:50:10 H Blend |
| | 650 | 14.4 | 1.24 | 5.7 | 19 | Tail: 50:50:2 Class H Blend |

Volumes Subject to Observed Hole Conditions and/or Fluid Caliper Results
 Lab reports with the 500 psi compressive strength time for the cement will be onsite for review.

| Casing String | TOC | % Excess |
|------------------------------|------------|--------------------------------|
| Surface | 0' | 50% |
| 1 st Intermediate | 0' | 50% |
| Production | 11,294' | 35% OH in Lateral (KOP to EOL) |

COG Operating, LLC - Dominator 25 Federal Com #711H

4. Pressure Control Equipment

| | |
|---|--|
| N | A variance is requested for the use of a diverter on the surface casing. See attached for schematic. |
|---|--|

| BOP installed and tested before drilling which hole? | Size? | Min. Required WP | Type | x | Tested to: |
|--|---------|------------------|------------|---|----------------------|
| 9-7/8" | 13-5/8" | 5M | Annular | x | 2500 psi |
| | | | Blind Ram | x | 5M |
| | | | Pipe Ram | x | |
| | | | Double Ram | | |
| | | | Other* | | |
| 6-3/4" | 13-5/8" | 10M | Annular | x | 50% testing pressure |
| | | | Blind Ram | x | 10M |
| | | | Pipe Ram | x | |
| | | | Double Ram | x | |
| | | | Other* | | |

BOP/BOPE will be tested by an independent service company to 250 psi low and the high pressure indicated above per Onshore Order 2 requirements. The System may be upgraded to a higher pressure but still tested to the working pressure listed in the table above. If the system is upgraded all the components installed will be functional and tested.

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment will include a Kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold. See attached schematics.

| | |
|---|---|
| X | Formation integrity test will be performed per Onshore Order #2. On Exploratory wells or on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.i. |
| 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. |
| N | Are anchors required by manufacturer? |
| N | A multibowl wellhead is being used. The BOP will be tested per Onshore Order #2 after installation on the surface casing which will cover testing requirements for a maximum of 30 days. If any seal subject to test pressure is broken the system must be tested. |

COG Operating, LLC - Dominator 25 Federal Com #711H

5. Mud Program

| From | Depth | | Type | Weight (ppg) | Viscosity | Water Loss |
|-----------------|-----------------|--|-----------------------|--------------|-----------|------------|
| | To | | | | | |
| 0 | Surf. Shoe | | FW Gel | 8.6 - 8.8 | 28-34 | N/C |
| Surf csg | 9-5/8" Int shoe | | Brine Diesel Emulsion | 8.4 - 9 | 28-34 | N/C |
| 7-5/8" Int shoe | Lateral TD | | OBM | 10.5 - 12 | 35-45 | <20 |

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept on location at all times.

| | |
|---|-----------------------------|
| What will be used to monitor the loss or gain of fluid? | PVT/Pason/Visual Monitoring |
|---|-----------------------------|

6. Logging and Testing Procedures

| Logging, Coring and Testing. | |
|------------------------------|---|
| Y | Will run GR/CNL from TD to surface (horizontal well – vertical portion of hole). Stated logs run will be in the Completion Report and submitted to the BLM. |
| Y | No Logs are planned based on well control or offset log information. |
| N | Drill stem test? If yes, explain. |
| N | Coring? If yes, explain. |

| Additional logs planned | | Interval |
|-------------------------|-------------|--|
| N | Resistivity | Pilot Hole TD to ICP |
| N | Density | Pilot Hole TD to ICP |
| Y | CBL | Production casing (If cement not circulated to surface) |
| Y | Mud log | Intermediate shoe to TD |
| N | PEX | |

COG Operating, LLC - Dominator 25 Federal Com #711H

7. Drilling Conditions

| Condition | Specify what type and where? |
|----------------------------|------------------------------|
| BH Pressure at deepest TVD | 7895 psi at 12645' TVD |
| Abnormal Temperature | NO 180 Deg. F. |

No abnormal pressure or temperature conditions are anticipated. Sufficient mud materials to maintain mud properties and weight increase requirements will be kept on location at all times.

Sufficient supplies of Paper/LCM for periodic sweeps to control seepage and losses will be maintained on location.

| | |
|--|-------------------|
| Hydrogen Sulfide (H2S) monitors will be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the operator will comply with the provisions of Onshore Oil and Gas Order #6. If Hydrogen Sulfide is encountered, measured values and formations will be provided to the BLM. | |
| N | H2S is present |
| Y | H2S Plan attached |

8. Other Facets of Operation

| | |
|---|----------------------------|
| Y | Is it a walking operation? |
| N | Is casing pre-set? |

| | |
|---|-------------------------|
| x | H2S Plan. |
| x | BOP & Choke Schematics. |
| x | Directional Plan |

1. Component and Preventer Compatibility Table

The table below covers drilling and casing of the 10M MASP portion of the well and outlines the tubulars and the compatible preventers in use. Combined with the mud program, the below documents that two barriers to flow can be maintained at all times, independent of the rating of the annular preventer.

| Component | OD | Preventer | RWP |
|-----------------------------|--------------|--------------------------------------|-----|
| Drill pipe | 4.5" | Upper 4.5-7" VBR Lower 4.5-7" VBR | 10M |
| HWDP | 4.5" | | |
| Jars | 4.875" - 5" | | |
| Drill collars and MWD tools | 4.75" - 5" | | |
| Mud Motor | 4.75"-5.875" | | |
| Production casing | 5.5" & 5" | | |
| ALL | 0- 13.625" | Annular | 5M |
| Open-hole | - | Blind Rams | 10M |

VBR = Variable Bore Ram with compatible range listed in chart.

2. Well Control and Shut-In Procedures

Well control procedures are specific to the rig equipment and the operation at the time the kick occurs. Below are minimum tasks prescribed to assure a proper shut-in while drilling, tripping, running casing, pipe out of the hole (open hole), and moving the BHA through the BOPs. The maximum pressure at which well control is transferred from the annular to another compatible ram is 2500 psi.

Drilling:

1. Sound the alarm (alert rig crew)
2. Space out the drill string
3. Shut down pumps and stop the rotary
4. Shut-in the well with the annular with HCR and choke in closed position
5. Confirm the well is shut-in
6. Notify contractor and company representatives
7. Read and record the following data
 - Time of shut-in
 - SIDPP and SICP
 - Pit gain
8. If pressure has increased to or is anticipated to increase to 2500 psi, confirm spacing and close the upper pipe rams.
9. Prepare for well kill operation.

Tripping:

1. Sound alarm (alert rig crew)
2. Stab full opening safety valve and close the valve
3. Space out the drill string
4. Shut-in the well with the annular with HCR and choke in closed position
5. Confirm shut-in
6. Notify contractor and company representatives
7. Read and record the following data:

- Time of shut-in
 - SIDPP and SICP
 - Pit gain
8. If pressure has increased to or is anticipated to increase to 2500 psi, confirm spacing and close the upper pipe rams.
 9. Prepare for well kill operation.

Running Casing

1. Sound alarm (alert rig crew)
2. Stab crossover and valve and close the valve
3. Shut-in the well with annular with HCR and choke in closed position
4. Confirm shut-in
5. Notify contractor and company representatives
6. Read and record the following data
 - Time of shut-in
 - SIDPP and SICP
 - Pit gain
7. If pressure has increased to or is anticipated to increase to 2500 psi, confirm spacing and close the upper pipe rams.
8. Prepare for well kill operation

No Pipe in Hole (Open Hole)

1. At any point when pipe or BHA are not in BOP stack, well will be shut in with blind rams, HCR will be open and choke will be closed. If pressure increase is observed:
2. Sound alarm (alert crew)
3. Confirm shut-in
4. Notify contractor and company representatives
5. Read and record the following data
 - Time of shut-in
 - Time of pressure increase
 - SICP
6. Prepare for well kill operation

Pulling BHA through BOP Stack

1. Prior to pulling last joint/stand of drillpipe through the stack, perform a flow check. If well is flowing:
 - a. Sound alarm (alert crew)
 - b. Stab full opening safety valve and close the valve
 - c. Space out drill string with tooljoint just beneath the upper pipe ram.
 - d. Shut-in the well with upper pipe ram with HCR and choke in closed position
 - e. Confirm shut-in
 - f. Notify contractor and company representatives
 - g. Read and record the following data
 - Time of shut-in
 - SIDPP and SICP
 - Pit gain
 - h. Prepare for well kill operation.

2. With BHA in the stack:
 - a. If possible to pick up high enough, pull BHA clear of the stack
 - i. Follow "Open Hole" procedure above
 - b. If impossible to pick up high enough to pull BHA clear of the stack:
 - i. Stab crossover, make up one joint/stand of drillpipe, and full opening safety valve and close
 - ii. Space out drill string with tooljoint just beneath the upper pipe ram.
 - iii. Shut-in the well with upper pipe ram with HCR and choke in closed position
 - iv. Confirm shut-in
 - v. Notify contractor and company representatives
 - vi. Read and record the following:
 - Time of shut-in
 - SIDPP and SICP
 - Pit gain
 - vii. Prepare for well kill operation.

3. Well Control Drills

Well control drills are specific to the rig equipment, personnel and operation at the time a kick occurs. Each crew will execute one drill weekly relevant to ongoing operations, but will make a reasonable attempt to vary the type of drills. The drills will be recorded in the daily drilling log. Below are minimum tasks for respective well control drills.

Drilling/Pit:

| Action | Responsible Party |
|--|--------------------------------------|
| Initiate Drill <ul style="list-style-type: none"> • Lift Flow Sensor or Pit Float to indicate a kick • Immediately record start time | Company Representative / Rig Manager |
| Recognition <ul style="list-style-type: none"> • Driller and/or Crew recognizes indicator • Driller stop drilling, pick up off bottom and spaces out drill string. stop pumps and rotary • Conduct flow check | Driller |
| Initiate Action <ul style="list-style-type: none"> • Sound alarm, notify rig crew that the well is flowing | Company Representative / Rig Manager |
| Reaction <ul style="list-style-type: none"> • Driller moves BOP remote and stands by • Crew is at their assigned stations • Time is stopped • Record time and drill type in the Drilling Report | Driller / Crew |

Tripping Pit Drills (either in the hole or out of the hole)

| Action | Responsible Party |
|--|--------------------------------------|
| Initiate Drill <ul style="list-style-type: none"> • Lift Flow Sensor or Pit Float to indicate a kick • Immediately record start time | Company Representative / Rig Manager |
| Recognition <ul style="list-style-type: none"> • Driller recognizes indicator • Suspends tripping operations • Conduct Flow Check | Driller |
| Initiate Action <ul style="list-style-type: none"> • Sound alarm, notify rig crew that the well is flowing | Company Representative / Rig Manager |
| Reaction <ul style="list-style-type: none"> • Position tool joint above rotary and set slips • Stab FOSV and close valve • Driller moves to BOP remote and stands by • Crew is at their assigned stations • Time is stopped • Record time and drill type in the Drilling Report | Driller / Crew |

Choke

| Action | Responsible Party |
|---|---|
| <ul style="list-style-type: none"> • Have designated choke operator on station at the choke panel • Close annular preventer • Pressure annulus up 200-300 psi • Pump slowly to bump the float and obtain SIDPP • At choke operator instruction, slowly bring pumps online to slow pump rate while holding casing pressure constant at the SICP. • Allow time for the well to stabilize. Mark and record circulating drillpipe pressure. • Measure time lag on drillpipe gauge after choke adjustments. • Hold casing pressure constant as pumps are slowed down while choke is closed. • Record time and drill type in the Drilling Report | Company Man / Rig Manager & Rig Crew |



APD ID: 10400024985

Submission Date: 11/28/2017

Highlighted data
reflects the most
recent changes

Operator Name: COG OPERATING LLC

Well Name: DOMINATOR 25 FEDERAL COM

Well Number: 711H

[Show Final Text](#)

Well Type: OIL WELL

Well Work Type: Drill

Section 1 - Existing Roads

Will existing roads be used? YES

Existing Road Map:

COG_Dominator_Existing_Rd_20171121094216.pdf

Existing Road Purpose: ACCESS

Row(s) Exist? NO

ROW ID(s)

ID:

Do the existing roads need to be improved? NO

Existing Road Improvement Description:

Existing Road Improvement Attachment:

Section 2 - New or Reconstructed Access Roads

Will new roads be needed? YES

New Road Map:

COG_Dominator_711H_Roads_20171128103418.pdf

New road type: TWO-TRACK

Length: 9029 Feet

Width (ft.): 30

Max slope (%): 33

Max grade (%): 1

Army Corp of Engineers (ACOE) permit required? NO

ACOE Permit Number(s):

New road travel width: 14

New road access erosion control: Water will be diverted where necessary to avoid ponding, prevent erosion, maintain good drainage, and to be consistent with local drainage patterns.

New road access plan or profile prepared? NO

New road access plan attachment:

Access road engineering design? NO

Access road engineering design attachment:

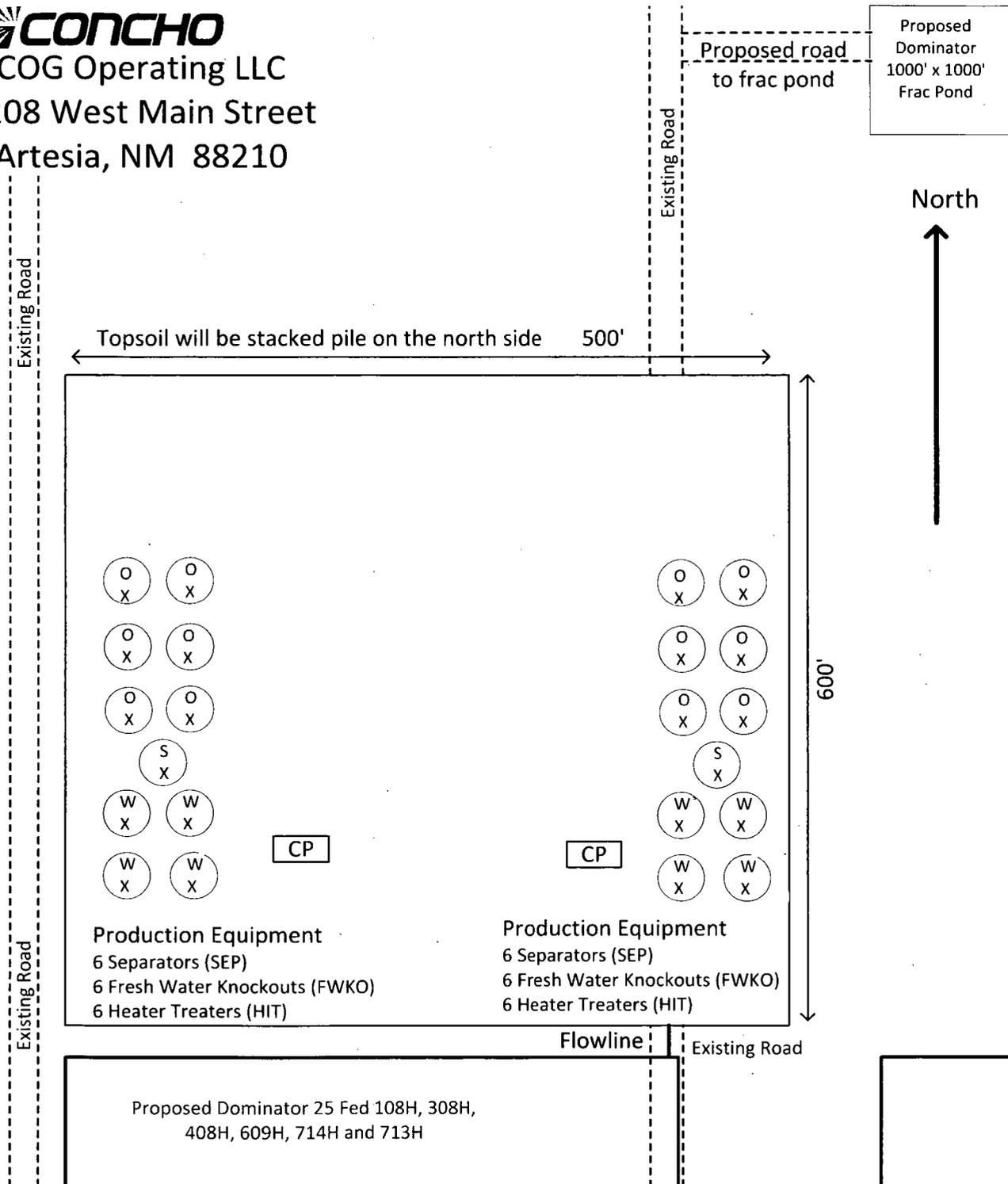
CONCHO
 COG Operating LLC
 2208 West Main Street
 Artesia, NM 88210

Exhibit 3

Well Site Layout

Production Facility Layout

Dominator CTB 1
 Section 25- T25S- R33E



- Legend**
- O = 750 BBL Steel Oil Tank
 - W = 750 BBL Steel Water Tank
 - S = 750 BBL Steel Water Tank
 - H = 6' x 20' Heater
 - X = Valve
 - SEP = Separator
 - FWKO = Fresh Water Knockout
 - HIT = Heater
 - CP = Control Panel
 - = Wellhead

Proposed Dominator 25 Fed 108H, 308H,
 408H, 609H, 714H and 713H

Proposed Dominator 25 Fed 107H, 307H,
 407H, 608H, 712H and 711H