

F/P  
(H)

JUL 18 2019

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**RECEIVED**

**APPLICATION FOR PERMIT TO DRILL OR REENTER**

1a. Type of work:  DRILL  REENTER  
 1b. Type of Well:  Oil Well  Gas Well  Other  
 1c. Type of Completion:  Hydraulic Fracturing  Single Zone  Multiple Zone

5. Lease Serial No.  
NMNM125658

6. If Indian, Allottee or Tribe Name

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

8. Lease Name and Well No.

FEZ FEDERAL COM  
401H  
(322742)

2. Name of Operator  
COG OPERATING LLC (229177)

9. API-Well No.  
50-025 46239

3a. Address  
600 West Illinois Ave Midland TX 79701

3b. Phone No. (include area code)  
(432)683-7443

10. Field and Pool, or Exploratory  
WC-025 G-09 S243532M / WOLFBONE (95098)

4. Location of Well (Report location clearly and in accordance with any State requirements. \*)  
 At surface SESE / 330 FSL / 1310 FEL / LAT 32.138547 / LONG -103.368165  
 At proposed prod. zone LOT 1 / 50 FNL / 1310 FEL / LAT 32.16659 / LONG -103.368142

11. Sec., T. R. M. or Blk. and Survey or Area  
SEC 9 / T25S / R35E / NMP

14. Distance in miles and direction from nearest town or post office\*  
9 miles

12. County or Parish  
LEA

13. State  
NM

15. Distance from proposed\* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)  
50 feet

16. No of acres in lease  
640

17. Spacing Unit dedicated to this well  
641.64

18. Distance from proposed location\* to nearest well, drilling, completed, applied for, on this lease, ft.  
639 feet

19. Proposed Depth  
10635 feet / 20865 feet

20. BLM/BIA Bond No. in file  
FED: NMB000215

21. Elevations (Show whether DF, KDB, RT, GL, etc.)  
3238 feet

22. Approximate date work will start\*  
05/01/2019

23. Estimated duration  
30 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, and the Hydraulic Fracturing rule per 43 CFR 3162.3-3 (as applicable)

- 1. Well plat certified by a registered surveyor.
- 2. A Drilling Plan.
- 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
- 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- 5. Operator certification.
- 6. Such other site specific information and/or plans as may be requested by the BLM.

25. Signature (Electronic Submission) Name (Printed/Typed) Date  
Mayte Reyes / Ph: (575)748-6945 02/14/2019

Title  
Regulatory Analyst

Approved by (Signature) (Electronic Submission) Name (Printed/Typed) Date  
Christopher Walls / Ph: (575)234-2234 07/11/2019

Title  
Office  
Petroleum Engineer CARLSBAD

Application approval 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.  
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

6CP Rec 07/18/19

K2  
07/19/19

**APPROVED WITH CONDITIONS**  
Approval Date: 07/11/2019

## INSTRUCTIONS

**GENERAL:** This form is designed for submitting proposals to perform certain well operations, as indicated on Federal and Indian lands and leases for action by appropriate Federal agencies, pursuant to applicable Federal laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from local Federal offices.

**ITEM 1:** If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable Federal regulations concerning subsequent work proposals or reports on the well.

**ITEM 4:** Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local Federal offices for specific instructions.

**ITEM 14:** Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on the reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal agency offices.

**ITEMS 15 AND 18:** If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective productive zone.

**ITEM 22:** Consult applicable Federal regulations, or appropriate officials, concerning approval of the proposal before operations are started.

**ITEM 24:** If the proposal will involve hydraulic fracturing operations, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

## NOTICES

The Privacy Act of 1974 and regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

**AUTHORITY:** 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR 3160

**PRINCIPAL PURPOSES:** The information will be used to: (1) process and evaluate your application for a permit to drill a new oil, gas, or service well or to reenter a plugged and abandoned well; and (2) document, for administrative use, information for the management, disposal and use of National Resource Lands and resources including (a) analyzing your proposal to discover and extract the Federal or Indian resources encountered; (b) reviewing procedures and equipment and the projected impact on the land involved; and (c) evaluating the effects of the proposed operation on the surface and subsurface water and other environmental impacts.

**ROUTINE USE:** Information from the record and/or the record will be transferred to appropriate Federal, State, and local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecution, in connection with congressional inquiries and for regulatory responsibilities.

**EFFECT OF NOT PROVIDING INFORMATION:** Filing of this application and disclosure of the information is mandatory only if you elect to initiate a drilling or reentry operation on an oil and gas lease.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to allow evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases. This information will be used to analyze and approve applications. Response to this request is mandatory only if the operator elects to initiate drilling or reentry operations on an oil and gas lease. The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

**BURDEN HOURS STATEMENT:** Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Connection Clearance Officer (WO-630), 1849 C Street, N.W., Mail Stop 401 LS, Washington, D.C. 20240.

## Additional Operator Remarks

### Location of Well

1. SHL: SESE / 330 FSL / 1310 FEL / TWSP: 25S / RANGE: 35E / SECTION: 9 / LAT: 32.138547 / LONG: -103.368165 ( TVD: 0 feet, MD: 0 feet )  
PPP: SESE / 100 FNL / 1310 FEL / TWSP: 25S / RANGE: 35E / SECTION: 9 / LAT: 32.137915 / LONG: -103.368166 ( TVD: 3296 feet, MD: 3300 feet )  
PPP: SENE / 2640 FNL / 1310 FWL / TWSP: 25S / RANGE: 35E / SECTION: 9 / LAT: 32.144896 / LONG: -103.36816 ( TVD: 10621 feet, MD: 13000 feet )  
BHL: LOT 1 / 50 FNL / 1310 FEL / TWSP: 25S / RANGE: 35E / SECTION: 4 / LAT: 32.16659 / LONG: -103.368142 ( TVD: 10635 feet, MD: 20865 feet )

### BLM Point of Contact

Name: Tenille Ortiz

Title: Legal Instruments Examiner

Phone: 5752342224

Email: tortiz@blm.gov

**CONFIDENTIAL**

## Review and Appeal Rights

A person contesting a decision shall request a State Director review. This request must be filed within 20 working days of receipt of the Notice with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington, VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

**CONFIDENTIAL**



APD ID: 10400038999

Submission Date: 02/14/2019

Operator Name: COG OPERATING LLC

Federal/Indian APD: FED

Well Name: FEZ FEDERAL COM

Well Number: 401H

[Show Final Text](#)

Well Type: OIL WELL

Well Work Type: Drill

Application

Section 1 - General

APD ID: 10400038999

Tie to previous NOS?

Submission Date: 02/14/2019

BLM Office: CARLSBAD

User: Mayte Reyes

Title: Regulatory Analyst

Federal/Indian APD: FED

Is the first lease penetrated for production Federal or Indian? FED

Lease number: NMNM125658

Lease Acres: 640

Surface access agreement in place?

Allotted?

Reservation:

Agreement in place? NO

Federal or Indian agreement:

Agreement number:

Agreement name:

Keep application confidential? YES

Permitting Agent? NO

APD Operator: COG OPERATING LLC

Operator letter of designation:

Operator Info

Operator Organization Name: COG OPERATING LLC

Operator Address: 600 West Illinois Ave

Zip: 79701

Operator PO Box:

Operator City: Midland

State: TX

Operator Phone: (432)683-7443

Operator Internet Address: RODOM@CONCHO.COM

Section 2 - Well Information

Well in Master Development Plan? NO

Master Development Plan name:

Well in Master SUPO? NO

Master SUPO name:

Well in Master Drilling Plan? NO

Master Drilling Plan name:

Operator Name: COG OPERATING LLC

Well Name: FEZ FEDERAL COM

Well Number: 401H

Well Name: FEZ FEDERAL COM

Well Number: 401H

Well API Number:

Field/Pool or Exploratory? Field and Pool

Field Name: WC-025 G-09  
S243532M

Pool Name: WOLFBONE

Is the proposed well in an area containing other mineral resources? USEABLE WATER,OIL

Describe other minerals:

Is the proposed well in a Helium production area? N

Use Existing Well Pad? NO

New surface disturbance?

Type of Well Pad: SINGLE WELL

Multiple Well Pad Name:

Number:

Well Class: HORIZONTAL

Number of Legs:

Well Work Type: Drill

Well Type: OIL WELL

Describe Well Type:

Well sub-Type: EXPLORATORY (WILDCAT)

Describe sub-type:

Distance to town: 9 Miles

Distance to nearest well: 639 FT

Distance to lease line: 50 FT

Reservoir well spacing assigned acres Measurement: 641.64 Acres

Well plat: COG\_Fez\_401H\_C102\_20190213162548.pdf

Well work start Date: 05/01/2019

Duration: 30 DAYS

### Section 3 - Well Location Table

Survey Type: RECTANGULAR

Describe Survey Type:

Datum: NAD83

Vertical Datum: NAVD88

Survey number:

	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	MD	TVD
SHL Leg #1	330	FSL	131 0	FEL	25S	35E	9	Aliquot SESE	32.13854 7	- 103.3681 65	LEA	NEW MEXI CO	NEW MEXI CO	F	NMNM 125658	323 8	0	0
KOP Leg #1	330	FSL	131 0	FEL	25S	35E	9	Aliquot SESE	32.13854 7	- 103.3681 65	LEA	NEW MEXI CO	NEW MEXI CO	F	NMNM 125658	323 8	0	0
PPP Leg #1	100	FNL	131 0	FEL	25S	35E	9	Aliquot SESE	32.13791 5	- 103.3681 66	LEA	NEW MEXI CO	NEW MEXI CO	F	NMNM 125658	-58	330 0	329 6

Operator Name: COG OPERATING LLC

Well Name: FEZ FEDERAL COM

Well Number: 401H

	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	MD	TVD
PPP Leg #1	2640	FNL	1310	FWL	25S	35E	9	Aliquot SENE	32.144896	-103.36816	LEA	NEW MEXICO	NEW MEXICO	F	FEE	-7383	13000	10621
EXIT Leg #1	100	FNL	1310	FEL	25S	35E	4	Lot 1	32.166453	-103.368142	LEA	NEW MEXICO	NEW MEXICO	F	FEE	-7396	20800	10634
BHL Leg #1	50	FNL	1310	FEL	25S	35E	4	Lot 1	32.16659	-103.368142	LEA	NEW MEXICO	NEW MEXICO	F	FEE	-7397	20865	10635

### Drilling Plan

#### Section 1 - Geologic Formations

Formation ID	Formation Name	Elevation	True Vertical Depth	Measured Depth	Lithologies	Mineral Resources	Producing Formation
1	UNKNOWN	3238	0	0		NONE	No
2	RUSTLER	2417	821	821		NONE	No
3	TOP SALT	2076	1162	1162	SALT	NONE	No
4	BOTTOM SALT	-1719	4957	4957	ANHYDRITE	NONE	No
5	LAMAR	-2049	5287	5287	LIMESTONE	NATURAL GAS,OIL	No
6	BELL CANYON	-2096	5334	5334		NONE	No
7	CHERRY CANYON	-3039	6277	6277		NATURAL GAS,OIL	No
8	BRUSHY CANYON	-4500	7738	7738		NATURAL GAS,OIL	No
9	BONE SPRING LIME	-5734	8972	8972	SANDSTONE	NATURAL GAS,OIL	No
10	UPPER AVALON SHALE	-5846	9084	9084		NATURAL GAS,OIL	No
11	--	-6481	9719	9719		NATURAL GAS,OIL	No
12	BONE SPRING 1ST	-7094	10332	10332		NATURAL GAS,OIL	Yes

Operator Name: COG OPERATING LLC

Well Name: FEZ FEDERAL COM

Well Number: 401H

Formation ID	Formation Name	Elevation	True Vertical Depth	Measured Depth	Lithologies	Mineral Resources	Producing Formation
13	BONE SPRING 2ND	-7615	10853	10853		NATURAL GAS,OIL	No
14	BONE SPRING 3RD	-8672	11910	11910		NATURAL GAS,OIL	No
15	WOLFCAMP	-9076	12314	12314	SHALE	NATURAL GAS,OIL	No

## Section 2 - Blowout Prevention

Pressure Rating (PSI): 10M

Rating Depth: 10635

Requesting Variance? YES

**Testing Procedure:** 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.

**Choke Diagram Attachment:**

COG\_Fez\_401H\_10M\_Choke\_20190211075724.pdf

**BOP Diagram Attachment:**

COG\_Fez\_401H\_Flex\_Hose\_20190211075747.pdf

COG\_Fez\_401H\_10M\_BOP\_20190515103853.pdf

Pressure Rating (PSI): 5M

Rating Depth: 9835

Requesting Variance? YES

**Testing Procedure:** 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.

**Choke Diagram Attachment:**

COG\_Fez\_401H\_5M\_Choke\_20190211075619.pdf

Operator Name: COG OPERATING LLC

Well Name: FEZ FEDERAL COM

Well Number: 401H

COG\_Fez\_401H\_5M\_Choke\_20190211075619.pdf

**BOP Diagram Attachment:**

COG\_Fez\_401H\_5M\_BOP\_20190211075628.pdf

COG\_Fez\_401H\_Flex\_Hose\_20190211075638.pdf

**Section 3 - Casing**

Casing ID	String Type	Hole Size	Csg Size	Condition	Standard	Tapered String	Top Set MD	Bottom Set MD	Top Set TVD	Bottom Set TVD	Top Set MSL	Bottom Set MSL	Calculated casing length MD	Grade	Weight	Joint Type	Collapse SF	Burst SF	Joint SF Type	Joint SF	Body SF Type	Body SF
1	SURFACE	17.5	13.375	NEW	API	N	0	1100	0	1100	-9411	-10581	1100	J-55	54.5	STC	2.3	6.87	DRY	8.57	DRY	8.57
2	INTERMEDIATE	12.25	9.625	NEW	API	N	0	9835	0	9835	-9411	-21491	9835	HCL-80	47	OTHER - BTC	1.89	1.27	DRY	2.43	DRY	2.43
3	PRODUCTION	8.75	5.5	NEW	API	N	0	20866	0	10635	-9411	-29318	20866	P-110	23	OTHER - BTC	2.1	2.48	DRY	2.96	DRY	2.96

**Casing Attachments**

Casing ID: 1 String Type: SURFACE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

COG\_Fez\_401H\_Casing\_Prog\_20190211080009.pdf

Operator Name: COG OPERATING LLC

Well Name: FEZ FEDERAL COM

Well Number: 401H

**Casing Attachments**

Casing ID: 2 String Type: INTERMEDIATE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

COG\_Fez\_401H\_Casing\_Prog\_20190211080018.pdf

Casing ID: 3 String Type: PRODUCTION

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

COG\_Fez\_401H\_Casing\_Prog\_20190211080031.pdf

**Section 4 - Cement**

String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
SURFACE	Lead			1100	470	1.75	13.5	822	50	Class C	4% Gel
SURFACE	Tail			1100	250	1.34	14.8	335	50	Class C	2% CaCl2
INTERMEDIATE	Lead			9835	650	2.8	11	1820	50	Stage 1: Lead NeoCem. Stage 2: Lead NeoCem, #720sks, 11gal, 2.8yld, 50% excess.	As needed

Operator Name: COG OPERATING LLC

Well Name: FEZ FEDERAL COM

Well Number: 401H

String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
INTERMEDIATE	Tail			9835	300	1.1	16.4	330	50	Class H	As needed
PRODUCTION	Lead			2086 6	400	2	12.7	800	35	Lead: 35:65:6 H BLEND	As needed
PRODUCTION	Tail			2086 6	3040	1.24	14.4	3769	35	Tail: 50:50:2 Class H Blend.	As needed

### Section 5 - Circulating Medium

Mud System Type: Closed

Will an air or gas system be Used? NO

Description of the equipment for the circulating system in accordance with Onshore Order #2:

Diagram of the equipment for the circulating system in accordance with Onshore Order #2:

Describe what will be on location to control well or mitigate other conditions: Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept on location at all times.

Describe the mud monitoring system utilized: PVT/Pason/Visual Monitoring

### Circulating Medium Table

Top Depth	Bottom Depth	Mud Type	Min Weight (lbs/gal)	Max Weight (lbs/gal)	Density (lbs/cu ft)	Gel Strength (lbs/100 sqft)	PH	Viscosity (CP)	Salinity (ppm)	Filtration (cc)	Additional Characteristics
9835	2086 6	OIL-BASED MUD	10.5	12.5							OBM
0	1100	OTHER : FW Gel	8.4	8.6							FW Gel
1100	9835	OTHER : Diesel Brine Emulsion	8.6	8.9							Diesel Brine Emulsion

**Operator Name:** COG OPERATING LLC

**Well Name:** FEZ FEDERAL COM

**Well Number:** 401H

## **Section 6 - Test, Logging, Coring**

**List of production tests including testing procedures, equipment and safety measures:**

None planned

**List of open and cased hole logs run in the well:**

CNL,GR

**Coring operation description for the well:**

None planned

## **Section 7 - Pressure**

**Anticipated Bottom Hole Pressure:** 6915

**Anticipated Surface Pressure:** 4575.3

**Anticipated Bottom Hole Temperature(F):** 165

**Anticipated abnormal pressures, temperatures, or potential geologic hazards?** NO

**Describe:**

**Contingency Plans geohazards description:**

**Contingency Plans geohazards attachment:**

**Hydrogen Sulfide drilling operations plan required?** YES

**Hydrogen sulfide drilling operations plan:**

COG\_Fez\_401H\_H2S\_Schem\_20190211080521.pdf

COG\_Fez\_401H\_H2S\_SUP\_20190211080530.pdf

## **Section 8 - Other Information**

**Proposed horizontal/directional/multi-lateral plan submission:**

COG\_Fez\_401H\_Direct\_Plan\_20190211080724.pdf

**Other proposed operations facets description:**

**Other proposed operations facets attachment:**

COG\_Fez\_401H\_GCP\_20190211080810.pdf

COG\_Fez\_401H\_Drilling\_Prog\_20190515104610.pdf

**Other Variance attachment:**

COG\_5M\_Variance\_Well\_Plan\_20190211080830.pdf

SUPO

**Operator Name:** COG OPERATING LLC

**Well Name:** FEZ FEDERAL COM

**Well Number:** 401H

### Section 1 - Existing Roads

**Will existing roads be used?** YES

**Existing Road Map:**

COG\_Fez\_401H\_Existing\_Road\_20190211080847.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\_Fez\_401H\_Maps\_Plat\_20190211080909.pdf

**New road type:** TWO-TRACK

**Length:** 82.7 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:**

**Access surfacing type:** OTHER

**Access topsoil source:** ONSITE

**Operator Name:** COG OPERATING LLC

**Well Name:** FEZ FEDERAL COM

**Well Number:** 401H

**Access surfacing type description:** Caliche

**Access onsite topsoil source depth:** 6

**Offsite topsoil source description:**

**Onsite topsoil removal process:** Blading

**Access other construction information:** No turnouts are planned. Re-routing access road around proposed well location.

**Access miscellaneous information:**

**Number of access turnouts:**

**Access turnout map:**

### **Drainage Control**

**New road drainage crossing:** OTHER

**Drainage Control comments:** None necessary.

**Road Drainage Control Structures (DCS) description:** None needed.

**Road Drainage Control Structures (DCS) attachment:**

### **Access Additional Attachments**

**Additional Attachment(s):**

### **Section 3 - Location of Existing Wells**

**Existing Wells Map?** YES

**Attach Well map:**

COG\_Fez\_401H\_1Mile\_Data\_20190211081142.pdf

**Existing Wells description:**

### **Section 4 - Location of Existing and/or Proposed Production Facilities**

**Submit or defer a Proposed Production Facilities plan?** SUBMIT

**Production Facilities description:** The Fez Federal Com Central Tank Battery East (CTB) is proposed in Section 9, T25S, R35E. Production from each of the 10 producing wells will be sent to the proposed Fez Federal Com CTB East. We plan to install 10 buried 4" FP 601HT production flowlines from each wellhead to the inlet manifold of the proposed CTB; the route for these flowlines will follow the "Mainline" route as shown in the attached plat. We will also install 1 buried 6" poly line for gas lift supply from the CTB to each production well pad; the route for this gas lift line will follow the "Mainline" route as shown in the attached plat. We will also install 1 buried 10" poly line for produced water transfer from the CTB to an existing pipeline connection in Section 16; this line will follow the "Mainline" route as shown in the attached plat.

**Production Facilities map:**

COG\_Fez\_401H\_CTB\_20190213154731.pdf

COG\_Fez\_401H\_CTB\_Layout\_20190213154739.pdf

COG\_Fez\_401H\_Reclamation\_20190213154758.pdf

**Operator Name:** COG OPERATING LLC

**Well Name:** FEZ FEDERAL COM

**Well Number:** 401H

COG\_Fez\_401H\_Layout\_20190213154807.pdf

## Section 5 - Location and Types of Water Supply

### Water Source Table

**Water source use type:** INTERMEDIATE/PRODUCTION CASING

**Water source type:** OTHER

**Describe type:** Brine water

**Source latitude:**

**Source longitude:**

**Source datum:**

**Water source permit type:** PRIVATE CONTRACT

**Source land ownership:** COMMERCIAL

**Water source transport method:** TRUCKING

**Source transportation land ownership:** COMMERCIAL

**Water source volume (barrels):** 30000

**Source volume (acre-feet):** 3.866793

**Source volume (gal):** 1260000

**Water source use type:** STIMULATION, SURFACE CASING

**Water source type:** OTHER

**Describe type:** Fresh Water

**Source latitude:**

**Source longitude:**

**Source datum:**

**Water source permit type:** PRIVATE CONTRACT

**Source land ownership:** PRIVATE

**Water source transport method:** PIPELINE

**Source transportation land ownership:** PRIVATE

**Water source volume (barrels):** 450000

**Source volume (acre-feet):** 58.001892

**Source volume (gal):** 18900000

**Water source and transportation map:**

COG\_Fez\_401H\_BrineH2O\_20190211154824.pdf

COG\_Fez\_401H\_FreshH2O\_20190211154835.pdf

**Water source comments:** Fresh water will be obtained from CP-1285 Dinwiddle Cattle Co. water well located in Section 5, T26S, R36E. Brine water will be obtained from the Salty Dog Brine station located in Section 5. T19S. R36E.

**New water well?** NO

### New Water Well Info

**Well latitude:**

**Well Longitude:**

**Well datum:**

**Well target aquifer:**

**Operator Name:** COG OPERATING LLC

**Well Name:** FEZ FEDERAL COM

**Well Number:** 401H

**Est. depth to top of aquifer(ft):**

**Est thickness of aquifer:**

**Aquifer comments:**

**Aquifer documentation:**

**Well depth (ft):**

**Well casing type:**

**Well casing outside diameter (in.):**

**Well casing inside diameter (in.):**

**New water well casing?**

**Used casing source:**

**Drilling method:**

**Drill material:**

**Grout material:**

**Grout depth:**

**Casing length (ft.):**

**Casing top depth (ft.):**

**Well Production type:**

**Completion Method:**

**Water well additional information:**

**State appropriation permit:**

**Additional information attachment:**

## **Section 6 - Construction Materials**

**Construction Materials description:** Caliche will be obtained from the actual well site if available. If not available onsite, caliche will be obtained from Quail Ranch LLC (CONCHO) caliche pit located in Section 6, T24S, R35 Phone # (575) 748-6940, or Bert Madera caliche pit located in Section 6. T25S. R35E. Phone 575-631-4444.

**Construction Materials source location attachment:**

## **Section 7 - Methods for Handling Waste**

**Waste type:** DRILLING

**Waste content description:** Drilling fluids and produced oil and water during drilling and completion operations

**Amount of waste:** 6000 barrels

**Waste disposal frequency :** One Time Only

**Safe containment description:** All drilling waste will be stored safely and disposed of properly

**Safe containmant attachment:**

**Waste disposal type:** HAUL TO COMMERCIAL FACILITY **Disposal location ownership:** COMMERCIAL

**Disposal type description:**

**Disposal location description:** Trucked to an approved disposal facility

**Waste type:** SEWAGE

**Waste content description:** Human waste and gray water

**Amount of waste:** 250 gallons

**Waste disposal frequency :** Weekly

**Operator Name:** COG OPERATING LLC

**Well Name:** FEZ FEDERAL COM

**Well Number:** 401H

**Safe containment description:** Waste will be properly contained and disposed of properly at a state approved disposal facility

**Safe containmant attachment:**

**Waste disposal type:** HAUL TO COMMERCIAL FACILITY      **Disposal location ownership:** COMMERCIAL FACILITY

**Disposal type description:**

**Disposal location description:** Trucked to an approved disposal facility

**Waste type:** GARBAGE

**Waste content description:** Garbage and trash produced during drilling and completion operations

**Amount of waste:** 125 pounds

**Waste disposal frequency :** Weekly

**Safe containment description:** Garbage and trash produced during drilling and completion operations will be collected in a trash container and disposed of properly at a state approved disposal facility

**Safe containmant attachment:**

**Waste disposal type:** HAUL TO COMMERCIAL FACILITY      **Disposal location ownership:** COMMERCIAL FACILITY

**Disposal type description:**

**Disposal location description:** Trucked to an approved disposal facility

### Reserve Pit

**Reserve Pit being used?** NO

**Temporary disposal of produced water into reserve pit?**

**Reserve pit length (ft.)**      **Reserve pit width (ft.)**

**Reserve pit depth (ft.)**      **Reserve pit volume (cu. yd.)**

**Is at least 50% of the reserve pit in cut?**

**Reserve pit liner**

**Reserve pit liner specifications and installation description**

### Cuttings Area

**Cuttings Area being used?** NO

**Are you storing cuttings on location?** YES

**Description of cuttings location** Roll off cuttings containers on tracks

**Cuttings area length (ft.)**      **Cuttings area width (ft.)**

**Cuttings area depth (ft.)**      **Cuttings area volume (cu. yd.)**

**Operator Name:** COG OPERATING LLC

**Well Name:** FEZ FEDERAL COM

**Well Number:** 401H

**Is at least 50% of the cuttings area in cut?**

**W**Cuttings area liner

**Cuttings area liner specifications and installation description**

## **Section 8 - Ancillary Facilities**

**Are you requesting any Ancillary Facilities?:** NO

**Ancillary Facilities attachment:**

**Comments:**

## **Section 9 - Well Site Layout**

**Well Site Layout Diagram:**

COG\_Fez\_401H\_CTB\_Layout\_20190213154847.pdf

COG\_Fez\_401H\_CTB\_20190213154858.pdf

COG\_Fez\_401H\_Reclamation\_20190213154906.pdf

COG\_Fez\_401H\_Layout\_20190213154915.pdf

**Comments:** The Fez Federal Com Central Tank Battery East (CTB) is proposed in Section 9, T25S, R35E. Production from each of the 10 producing wells will be sent to the proposed Fez Federal Com CTB East. We plan to install 10 buried 4" FP 601HT production flowlines from each wellhead to the inlet manifold of the proposed CTB; the route for these flowlines will follow the "Mainline" route as shown in the attached plat. We will also install 1 buried 6" poly line for gas lift supply from the CTB to each production well pad; the route for this gas lift line will follow the "Mainline" route as shown in the attached plat. We will also install 1 buried 10" poly line for produced water transfer from the CTB to an existing pipeline connection in Section 16; this line will follow the "Mainline" route as shown in the attached plat.

## **Section 10 - Plans for Surface Reclamation**

**Recontouring attachment:**

**Drainage/Erosion control construction:** If needed, immediately following pad construction approximately 400' of straw waddles will be placed on the north and south side of the location to reduce sediment impacts to fragile/sensitive soils.

**Drainage/Erosion control reclamation:** North 40' and West 40'

**Operator Name:** COG OPERATING LLC

**Well Name:** FEZ FEDERAL COM

**Well Number:** 401H

<b>Well pad proposed disturbance (acres):</b> 3.67	<b>Well pad interim reclamation (acres):</b> 0.15	<b>Well pad long term disturbance (acres):</b> 3.35
<b>Road proposed disturbance (acres):</b> 0.03	<b>Road interim reclamation (acres):</b> 0.03	<b>Road long term disturbance (acres):</b> 0.03
<b>Powerline proposed disturbance (acres):</b> 0	<b>Powerline interim reclamation (acres):</b> 0	<b>Powerline long term disturbance (acres):</b> 0
<b>Pipeline proposed disturbance (acres):</b> 0.02	<b>Pipeline interim reclamation (acres):</b> 0.02	<b>Pipeline long term disturbance (acres):</b> 0.02
<b>Other proposed disturbance (acres):</b> 4.59	<b>Other interim reclamation (acres):</b> 4.59	<b>Other long term disturbance (acres):</b> 4.59
<b>Total proposed disturbance:</b> 8.31	<b>Total interim reclamation:</b> 4.79	<b>Total long term disturbance:</b> 7.99

**Disturbance Comments:**

**Reconstruction method:** New construction of pad.

**Topsoil redistribution:** North 40' and West 40'

**Soil treatment:** None

**Existing Vegetation at the well pad:** Shinnery Oak/Mesquite grassland

**Existing Vegetation at the well pad attachment:**

**Existing Vegetation Community at the road:** Shinnery Oak/Mesquite grassland

**Existing Vegetation Community at the road attachment:**

**Existing Vegetation Community at the pipeline:** Shinnery Oak/Mesquite grassland

**Existing Vegetation Community at the pipeline attachment:**

**Existing Vegetation Community at other disturbances:** N/A

**Existing Vegetation Community at other disturbances attachment:**

**Non native seed used?** NO

**Non native seed description:**

**Seedling transplant description:**

**Will seedlings be transplanted for this project?** NO

**Seedling transplant description attachment:**

**Will seed be harvested for use in site reclamation?** NO

**Seed harvest description:**

**Seed harvest description attachment:**

**Operator Name:** COG OPERATING LLC

**Well Name:** FEZ FEDERAL COM

**Well Number:** 401H

**Seed Management**

**Seed Table**

**Seed type:**

**Seed source:**

**Seed name:**

**Source name:**

**Source address:**

**Source phone:**

**Seed cultivar:**

**Seed use location:**

**PLS pounds per acre:**

**Proposed seeding season:**

**Seed Summary**

**Total pounds/Acre:**

<b>Seed Type</b>	<b>Pounds/Acre</b>
------------------	--------------------

**Seed reclamation attachment:**

**Operator Contact/Responsible Official Contact Info**

**First Name:** Gerald

**Last Name:** Herrera

**Phone:** (432)260-7399

**Email:** gherrera@concho.com

**Seedbed prep:**

**Seed BMP:**

**Seed method:**

**Existing invasive species?** NO

**Existing invasive species treatment description:**

**Existing invasive species treatment attachment:**

**Weed treatment plan description:** N/A

**Weed treatment plan attachment:**

**Monitoring plan description:** N/A

**Monitoring plan attachment:**

**Success standards:** N/A

**Pit closure description:** N/A

**Pit closure attachment:**

COG\_Fez\_401H\_Closed\_Loop\_20190213155031.pdf

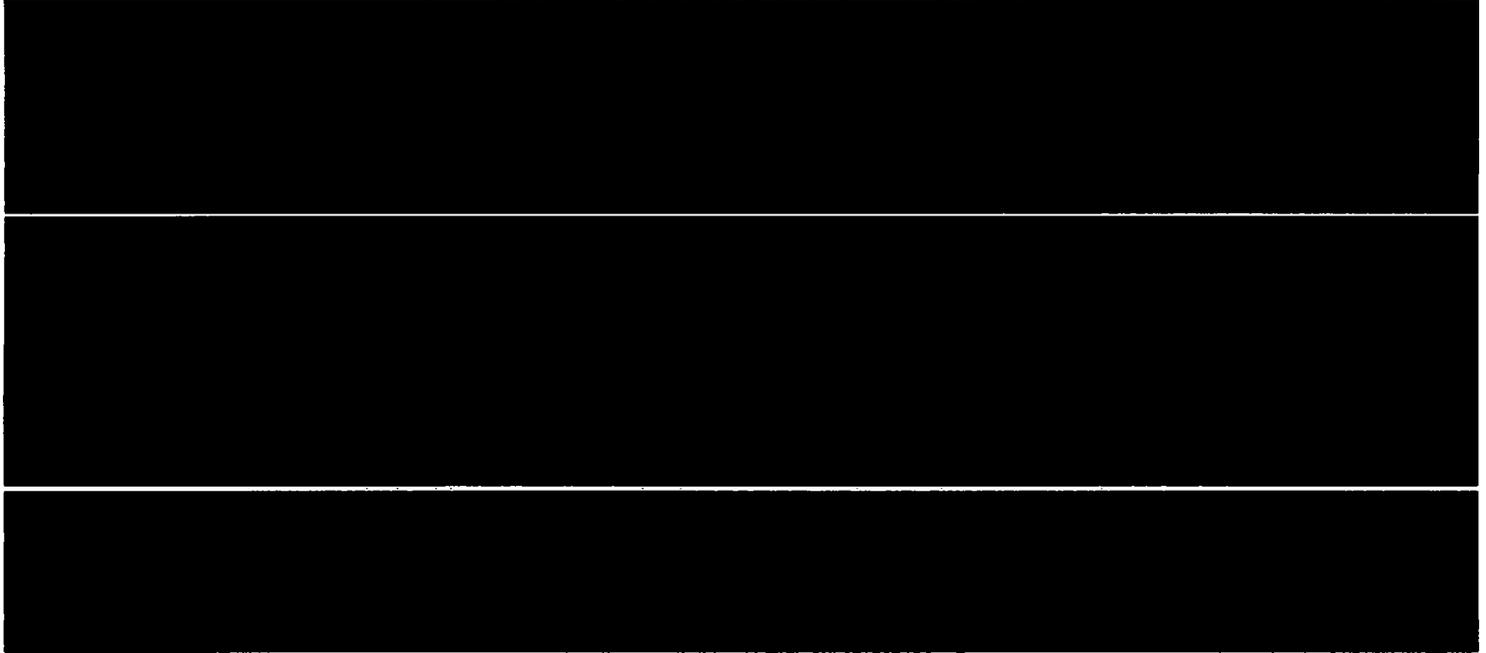
**Operator Name:** COG OPERATING LLC

**Well Name:** FEZ FEDERAL COM

**Well Number:** 401H

**Section 11 - Surface Ownership**

**Disturbance type:** WELL PAD



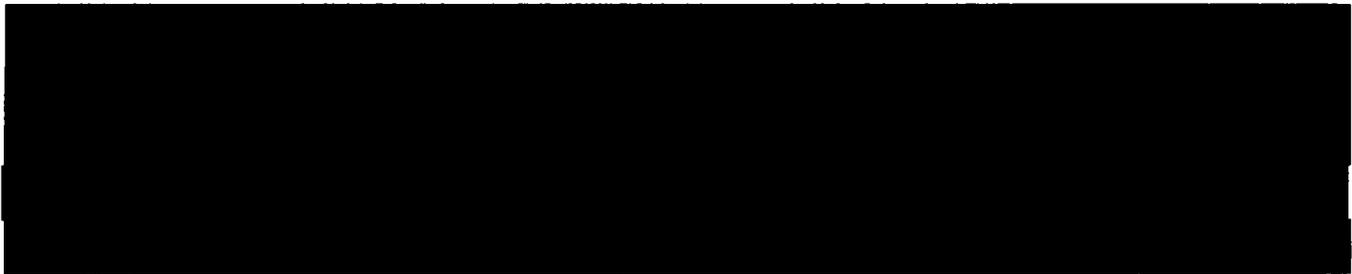
**USFS Region:**

**USFS Forest/Grassland:**

**USFS Ranger District:**



**Surface use plan certification document:**



**Operator Name:** COG OPERATING LLC

**Well Name:** FEZ FEDERAL COM

**Well Number:** 401H

**Section 12 - Other Information**

**Right of Way needed?** NO

**Use APD as ROW?**

**ROW Type(s):**

**ROW Applications**

**SUPO Additional Information:**

**Use a previously conducted onsite?** YES

**Previous Onsite information:** Onsite completed on 10/9/18 by Gerald Herrera (COG) and Jeff Robertson (BLM).

**Other SUPO Attachment**

COG\_Fez\_401H\_1Mile\_Data\_20190211155026.pdf

COG\_Fez\_401H\_BrineH2O\_20190211155046.pdf

COG\_Fez\_401H\_Existing\_Road\_20190211155108.pdf

COG\_Fez\_401H\_FreshH2O\_20190211155121.pdf

COG\_Fez\_401H\_Layout\_20190211155137.pdf

COG\_Fez\_401H\_Reclamation\_20190211155146.pdf

COG\_Fez\_401H\_Maps\_Plat\_20190211155200.pdf

COG\_Fez\_401H\_CTB\_20190213154934.pdf

COG\_Fez\_401H\_CTB\_Layout\_20190213154942.pdf

COG\_Fez\_401H\_SUP\_20190214095736.pdf

PWD

**Operator Name:** COG OPERATING LLC

**Well Name:** FEZ FEDERAL COM

**Well Number:** 401H

## Section 1 - General

**Would you like to address long-term produced water disposal? NO**

## Section 2 - Lined Pits

**Would you like to utilize Lined Pit PWD options? NO**

**Produced Water Disposal (PWD) Location:**

**PWD surface owner:**

**PWD disturbance (acres):**

**Lined pit PWD on or off channel:**

**Lined pit PWD discharge volume (bbl/day):**

**Lined pit specifications:**

**Pit liner description:**

**Pit liner manufacturers information:**

**Precipitated solids disposal:**

**Describe precipitated solids disposal:**

**Precipitated solids disposal permit:**

**Lined pit precipitated solids disposal schedule:**

**Lined pit precipitated solids disposal schedule attachment:**

**Lined pit reclamation description:**

**Lined pit reclamation attachment:**

**Leak detection system description:**

**Leak detection system attachment:**

**Lined pit Monitor description:**

**Lined pit Monitor attachment:**

**Lined pit: do you have a reclamation bond for the pit?**

**Is the reclamation bond a rider under the BLM bond?**

**Operator Name:** COG OPERATING LLC

**Well Name:** FEZ FEDERAL COM

**Well Number:** 401H

**Lined pit bond number:**

**Lined pit bond amount:**

**Additional bond information attachment:**

### **Section 3 - Unlined Pits**

**Would you like to utilize Unlined Pit PWD options?** NO

**Produced Water Disposal (PWD) Location:**

**PWD surface owner:**

**PWD disturbance (acres):**

**Unlined pit PWD on or off channel:**

**Unlined pit PWD discharge volume (bbl/day):**

**Unlined pit specifications:**

**Precipitated solids disposal:**

**Describe precipitated solids disposal:**

**Precipitated solids disposal permit:**

**Unlined pit precipitated solids disposal schedule:**

**Unlined pit precipitated solids disposal schedule attachment:**

**Unlined pit reclamation description:**

**Unlined pit reclamation attachment:**

**Unlined pit Monitor description:**

**Unlined pit Monitor attachment:**

**Do you propose to put the produced water to beneficial use?**

**Beneficial use user confirmation:**

**Estimated depth of the shallowest aquifer (feet):**

**Does the produced water have an annual average Total Dissolved Solids (TDS) concentration equal to or less than that of the existing water to be protected?**

**TDS lab results:**

**Geologic and hydrologic evidence:**

**State authorization:**

**Unlined Produced Water Pit Estimated percolation:**

**Unlined pit: do you have a reclamation bond for the pit?**

**Is the reclamation bond a rider under the BLM bond?**

**Unlined pit bond number:**

**Unlined pit bond amount:**

**Additional bond information attachment:**

**Operator Name:** COG OPERATING LLC

**Well Name:** FEZ FEDERAL COM

**Well Number:** 401H

### **Section 4 - Injection**

**Would you like to utilize Injection PWD options?** NO

**Produced Water Disposal (PWD) Location:**

**PWD surface owner:**

**PWD disturbance (acres):**

**Injection PWD discharge volume (bbl/day):**

**Injection well mineral owner:**

**Injection well type:**

**Injection well number:**

**Injection well name:**

**Assigned injection well API number?**

**Injection well API number:**

**Injection well new surface disturbance (acres):**

**Minerals protection information:**

**Mineral protection attachment:**

**Underground Injection Control (UIC) Permit?**

**UIC Permit attachment:**

### **Section 5 - Surface Discharge**

**Would you like to utilize Surface Discharge PWD options?** NO

**Produced Water Disposal (PWD) Location:**

**PWD surface owner:**

**PWD disturbance (acres):**

**Surface discharge PWD discharge volume (bbl/day):**

**Surface Discharge NPDES Permit?**

**Surface Discharge NPDES Permit attachment:**

**Surface Discharge site facilities information:**

**Surface discharge site facilities map:**

### **Section 6 - Other**

**Would you like to utilize Other PWD options?** NO

**Produced Water Disposal (PWD) Location:**

**PWD surface owner:**

**PWD disturbance (acres):**

**Other PWD discharge volume (bbl/day):**

**Other PWD type description:**

**Operator Name:** COG OPERATING LLC

**Well Name:** FEZ FEDERAL COM

**Well Number:** 401H

**Other PWD type attachment:**

**Have other regulatory requirements been met?**

**Other regulatory requirements attachment:**

## Bond Info

### Bond Information

**Federal/Indian APD:** FED

**BLM Bond number:** NMB000215

**BIA Bond number:**

**Do you have a reclamation bond?** NO

**Is the reclamation bond a rider under the BLM bond?**

**Is the reclamation bond BLM or Forest Service?**

**BLM reclamation bond number:**

**Forest Service reclamation bond number:**

**Forest Service reclamation bond attachment:**

**Reclamation bond number:**

**Reclamation bond amount:**

**Reclamation bond rider amount:**

**Additional reclamation bond information attachment:**

## Operator Certification

### Operator Certification

*I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.*

**NAME:** Mayte Reyes

**Signed on:** 02/11/2019

**Title:** Regulatory Analyst

**Street Address:** 2208 W Main Street

**City:** Artesia

**State:** NM

**Zip:** 88210

**Phone:** (575)748-6945

**Email address:** Mreyes1@concho.com

**Operator Name:** COG OPERATING LLC

**Well Name:** FEZ FEDERAL COM

**Well Number:** 401H

**Field Representative**

**Representative Name:** Gerald Herrera

**Street Address:** 2208 West Main Street

**City:** Artesia

**State:** NM

**Zip:** 88210

**Phone:** (575)748-6940

**Email address:** gherrera@concho.com

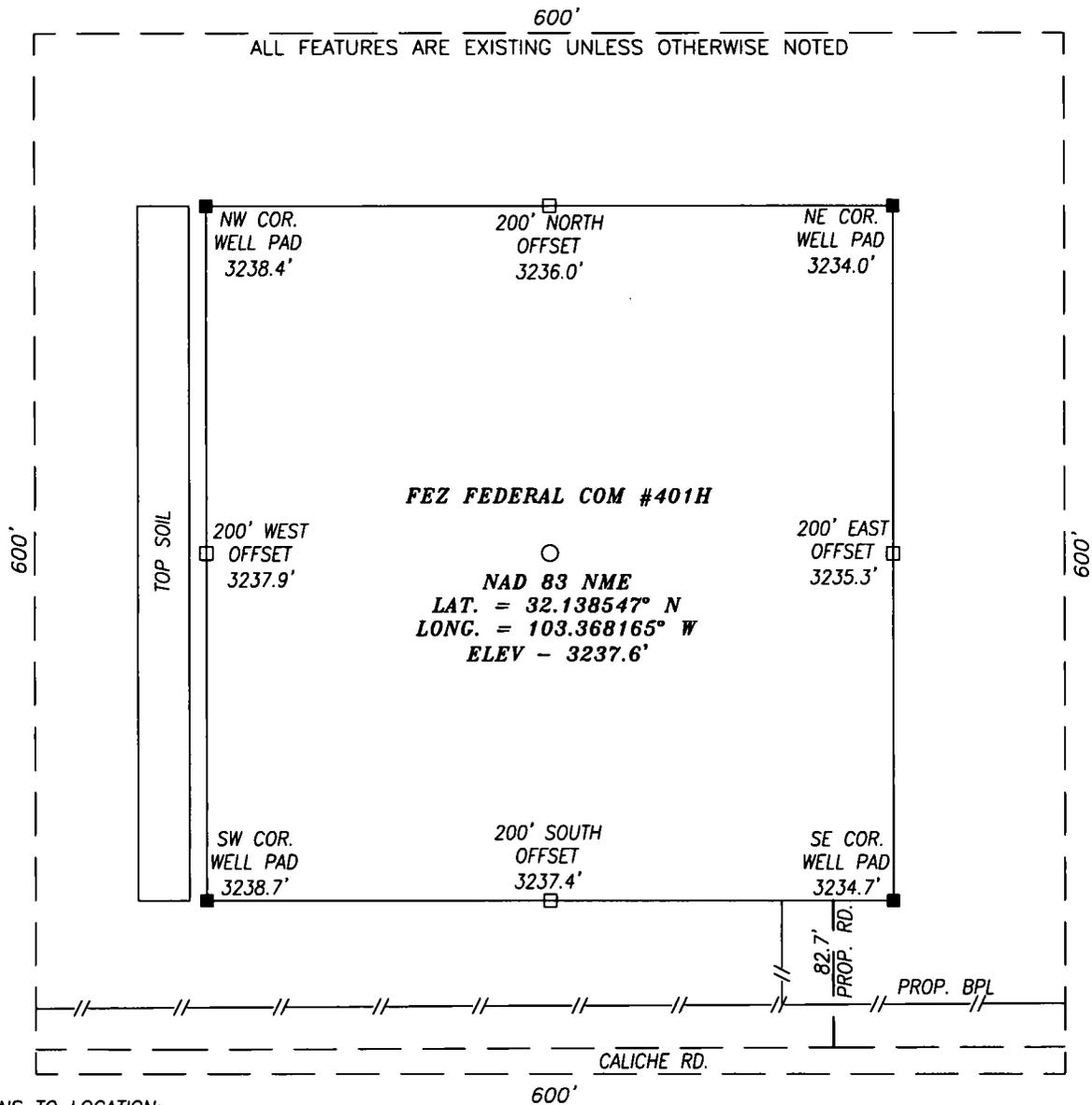
**Payment Info**

**Payment**

**APD Fee Payment Method:** PAY.GOV

**pay.gov Tracking ID:** 26FB5SFE

SECTION 9, TOWNSHIP 25 SOUTH, RANGE 35 EAST, N.M.P.M.,  
LEA COUNTY NEW MEXICO

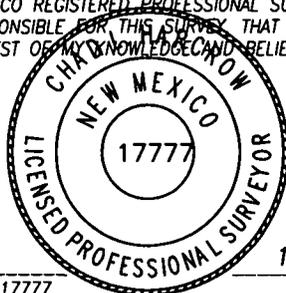


**DIRECTIONS TO LOCATION:**

HEADING SOUTHEASTERLY ON HWY. 128 TURN RIGHT (SOUTH) APPROX. 0.7 MI. PAST MM 38 AND GO APPROX. 1.2 MI.; THEN GO RIGHT (SOUTHWESTERLY FOR APPROX. 1 MILE; THEN GO LEFT (SOUTH) FOR APPROX. 0.2 MI.; THEN GO LEFT (EAST) FOR APPROX. 1.9 MI.; THEN GO RIGHT (SOUTHEAST) AND GO APPROX. 0.1 MI.; THEN GO LEFT EASTERLY FROM EXISTING PAD APPROX. 1.0 MI.; THEN GO RIGHT (SOUTHERLY) FOR APPROX. 1.0 MI.; THEN GO RIGHT (WESTERLY) FOR APPROX. 0.2 MI.; TO THE BEGINNING OF THE PROPOSED ROA; THE PROPOSED WELL LIES APPROX. 330 FEET TO THE NORTHWEST.

**CERTIFICATION**

I, CHAD HARCROW, A NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR CERTIFY THAT I DIRECTED AND AM RESPONSIBLE FOR THIS SURVEY. THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



*Chad Harrow*

CHAD HARCROW N.M.P.S. NO. 17777

11/9/18

DATE

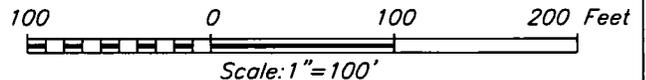
**HARCROW SURVEYING, LLC**

2314 W. MAIN ST, ARTESIA, N.M. 88210

PH: (575) 746-2158 FAX: (575) 746-2158

Texas Firm No. 10194089

c.harcrow@harcrowsurveying.com



<b>COG OPERATING, LLC</b>		
FEZ FEDERAL COM #401H LOCATED 330 FEET FROM THE SOUTH LINE AND 1310 FEET FROM THE EAST LINE OF SECTION 9, TOWNSHIP 25 SOUTH, RANGE 35 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO		
SURVEY DATE: OCTOBER 12, 2018	PAGE: 1 OF 1	
DRAFTING DATE: NOVEMBER 1, 2018		
APPROVED BY: CH	DRAWN BY: JH	FILE: 18-1357

# COG Operating, LLC - Fez Federal Com 401H

## 1. Geologic Formations

TVD of target	10,635'	Pilot hole depth	NA
MD at TD:	20,866'	Deepest expected fresh water:	207'

Formation	Depth (TVD) from KB	Water/Mineral Bearing/ Target Zone?	Hazards*
Quaternary Fill	Surface	Water	
Rustler	821	Water	
Top of Salt	1162	Salt	
Base of Salt	4957	Salt	
Lamar	5287	Salt Water	
Bell Canyon	5334	Salt Water	
Cherry Canyon	6277	Oil/Gas	
Brushy Canyon	7738	Oil/Gas	
Bone Spring Lime	8972	Oil/Gas	
U. Avalon Shale	9084	Oil/Gas	
L. Avalon Shale	9719	Oil/Gas	
1st Bone Spring Sand	10332	Target Oil/Gas	
2nd Bone Spring Sand	10853	Not Penetrated	
3rd Bone Spring Sand	11910	Not Penetrated	
Wolfcamp	12314	Not Penetrated	

## 2. Casing Program

Hole Size	Casing Interval		Csg. Size	Weight (lbs)	Grade	Conn.	SF Collapse	SF Burst	SF Tension
	From	To							
17.5"	0	1100	13.375"	54.5	J55	STC	2.30	6.87	8.57
12.25"	0	9835	9.625"	47	HCL80	BTC	1.89	1.27	2.43
8.75"	0	20,866	5.5"	23	P110	BTC	2.10	2.48	2.96
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. Intermediate burst based on 0.7 frac gradient at the shoe with Gas Gradient 0.1 psi/ft to surface.

All casing strings will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.h

**COG Operating, LLC - Fez Federal Com 401H**

	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? If yes, does production casing cement tie back a minimum of 50' above the Reef? Is well within the designated 4 string boundary?	N
Is well located in SOPA but not in R-111-P? If yes, are the first 2 strings cemented to surface and 3 <sup>rd</sup> string cement tied back 500' into previous casing?	N
Is well located in R-111-P and SOPA? If yes, are the first three strings cemented to surface? Is 2 <sup>nd</sup> string set 100' to 600' below the base of salt?	N
Is well located in high Cave/Karst? If yes, are there two strings cemented to surface? (For 2 string wells) If yes, is there a contingency casing if lost circulation occurs?	N
Is well located in critical Cave/Karst? If yes, are there three strings cemented to surface?	N

**COG Operating, LLC - Fez Federal Com 401H**

**3. Cementing Program**

Casing	# Sks	Wt. lb/ gal	Yld ft3/ sack	H <sub>2</sub> O gal/sk	500# Comp. Strength (hours)	Slurry Description
Surf.	470	13.5	1.75	9	12	Lead: Class C + 4% Gel
	250	14.8	1.34	6.34	8	Tail: Class C + 2% CaCl <sub>2</sub>
Inter.	650	11	2.8	19	48	Lead: NeoCem
Stage1	300	16.4	1.1	5	8	Tail: Class H
DV Tool @ 5250'						
Inter.	720	11	2.8	19	48	Lead: NeoCem
Stage2	100	14.8	1.35	6.34	8	Tail: Class C + 2% Cacl
5.5 Prod	400	12.7	2	10.6	16	Lead: 35:65:6 H Blend
	3040	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 <sup>st</sup> Intermediate	0'	50%
Production	8,835'	35%

## COG Operating, LLC - Fez Federal Com 401H

## 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:
12-1/4"	13-5/8"	5M	Annular	x	2500 psi
			Blind Ram	x	5M
			Pipe Ram	x	
			Double Ram		
			Other*		
8-3/4"	13-5/8"	10M	5M Annular	x	5000 psi
			Blind Ram	x	10M
			Pipe Ram	x	
			Double Ram		
			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.

Y	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 - Fez Federal Com 401H**

**5. Mud Program**

Depth		Type	Weight (ppg)	Viscosity	Water Loss
From	To				
0	Surf. Shoe	FW Gel	8.4 - 8.6	28-29	N/C
Surf csg	Int shoe	Diesel Brine Emul	8.6 - 8.9	30-40	N/C
Int shoe	Lateral TD	OBM	10.5 - 12.5	30-40	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.
N	Are 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 - Fez Federal Com 401H**

**7. Drilling Conditions**

<b>Condition</b>	<b>Specify what type and where?</b>
BH Pressure at deepest TVD	6915 psi at 10635' TVD
Abnormal Temperature	NO 165 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**

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

x	H2S Plan.
x	BOP & Choke Schematics.
x	Directional Plan
x	5M Annular Variance



**PHOENIX**  
TECHNOLOGY SERVICES

## **COG Operating LLC**

**Lea County, NM (NAD27 NME)**

**Fez Federal Com**

**401H**

**OH**

**Plan: Plan 1 01-25-19**

## **Standard Planning Report**

**25 January, 2019**





Planning Report



**Database:** USA Compass  
**Company:** COG Operating LLC  
**Project:** Lea County, NM (NAD27 NME)  
**Site:** Fez Federal Com  
**Well:** 401H  
**Wellbore:** OH  
**Design:** Plan 1 01-25-19

**Local Co-ordinate Reference:** Well 401H  
**TVD Reference:** RKB @ 3267.60usft (Scan Quest)  
**MD Reference:** RKB @ 3267.60usft (Scan Quest)  
**North Reference:** Grid  
**Survey Calculation Method:** Minimum Curvature

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

<b>Site</b>	Fez Federal Com				
<b>Site Position:</b>		<b>Northing:</b>	415,342.20 usft	<b>Latitude:</b>	32° 8' 17.81002 N
<b>From:</b>	Map	<b>Easting:</b>	795,972.50 usft	<b>Longitude:</b>	103° 22' 37.73484 W
<b>Position Uncertainty:</b>	0.00 usft	<b>Slot Radius:</b>	13-3/16 "	<b>Grid Convergence:</b>	0.51 °

<b>Well</b>	401H					
<b>Well Position</b>	<b>+N/-S</b>	77.30 usft	<b>Northing:</b>	415,419.50 usft	<b>Latitude:</b>	32° 8' 18.31672 N
	<b>+E/-W</b>	2,924.40 usft	<b>Easting:</b>	798,896.90 usft	<b>Longitude:</b>	103° 22' 3.71909 W
<b>Position Uncertainty</b>	0.00 usft		<b>Wellhead Elevation:</b>		<b>Ground Level:</b>	3,237.60 usft

<b>Wellbore</b>	OH				
<b>Magnetics</b>	<b>Model Name</b>	<b>Sample Date</b>	<b>Declination (°)</b>	<b>Dip Angle (°)</b>	<b>Field Strength (nT)</b>
	MVHD	3/24/2019	6.64	59.78	47,786.69600562

<b>Design</b>	Plan 1 01-25-19			
<b>Audit Notes:</b>				
<b>Version:</b>	<b>Phase:</b>	PROTOTYPE	<b>Tie On Depth:</b>	0.00
<b>Vertical Section:</b>	<b>Depth From (TVD) (usft)</b>	<b>+N/-S (usft)</b>	<b>+E/-W (usft)</b>	<b>Direction (°)</b>
	0.00	0.00	0.00	359.53

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	
2,249.97	5.00	179.55	2,249.66	-10.90	0.09	2.00	2.00	0.00	179.55	
5,212.46	5.00	179.55	5,200.87	-269.06	2.12	0.00	0.00	0.00	0.00	
5,462.44	0.00	0.00	5,450.53	-279.96	2.21	2.00	-2.00	0.00	180.00	
10,055.95	0.00	0.00	10,044.04	-279.96	2.21	0.00	0.00	0.00	0.00	
10,954.90	89.90	359.53	10,617.00	291.94	-2.49	10.00	10.00	-0.05	359.53	
20,865.12	89.90	359.53	10,635.00	10,201.80	-83.90	0.00	0.00	0.00	0.00	0.00 BHL - Fez Federal (



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**North Reference:** Grid  
**Survey Calculation Method:** Minimum Curvature

**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
<b>KOP, Begin 2.00°/100' Build</b>									
2,100.00	2.00	179.55	2,099.98	-1.75	0.01	-1.75	2.00	2.00	0.00
2,200.00	4.00	179.55	2,199.84	-6.98	0.06	-6.98	2.00	2.00	0.00
2,249.97	5.00	179.55	2,249.66	-10.90	0.09	-10.90	2.00	2.00	0.00
<b>Hold 5.00° Inc at 179.55° Azm</b>									
2,300.00	5.00	179.55	2,299.49	-15.26	0.12	-15.26	0.00	0.00	0.00
2,400.00	5.00	179.55	2,399.11	-23.97	0.19	-23.97	0.00	0.00	0.00
2,500.00	5.00	179.55	2,498.73	-32.69	0.26	-32.69	0.00	0.00	0.00
2,600.00	5.00	179.55	2,598.35	-41.40	0.33	-41.40	0.00	0.00	0.00
2,700.00	5.00	179.55	2,697.97	-50.12	0.40	-50.12	0.00	0.00	0.00
2,800.00	5.00	179.55	2,797.59	-58.83	0.46	-58.83	0.00	0.00	0.00
2,900.00	5.00	179.55	2,897.21	-67.54	0.53	-67.55	0.00	0.00	0.00
3,000.00	5.00	179.55	2,996.83	-76.26	0.60	-76.26	0.00	0.00	0.00
3,100.00	5.00	179.55	3,096.45	-84.97	0.67	-84.98	0.00	0.00	0.00
3,200.00	5.00	179.55	3,196.07	-93.69	0.74	-93.69	0.00	0.00	0.00
3,300.00	5.00	179.55	3,295.69	-102.40	0.81	-102.41	0.00	0.00	0.00
3,400.00	5.00	179.55	3,395.31	-111.12	0.88	-111.12	0.00	0.00	0.00
3,500.00	5.00	179.55	3,494.93	-119.83	0.95	-119.83	0.00	0.00	0.00
3,600.00	5.00	179.55	3,594.55	-128.55	1.01	-128.55	0.00	0.00	0.00
3,700.00	5.00	179.55	3,694.17	-137.26	1.08	-137.26	0.00	0.00	0.00
3,800.00	5.00	179.55	3,793.79	-145.97	1.15	-145.98	0.00	0.00	0.00
3,900.00	5.00	179.55	3,893.41	-154.69	1.22	-154.69	0.00	0.00	0.00
4,000.00	5.00	179.55	3,993.03	-163.40	1.29	-163.41	0.00	0.00	0.00
4,100.00	5.00	179.55	4,092.64	-172.12	1.36	-172.12	0.00	0.00	0.00
4,200.00	5.00	179.55	4,192.26	-180.83	1.43	-180.84	0.00	0.00	0.00
4,300.00	5.00	179.55	4,291.88	-189.55	1.50	-189.55	0.00	0.00	0.00
4,400.00	5.00	179.55	4,391.50	-198.26	1.57	-198.27	0.00	0.00	0.00
4,500.00	5.00	179.55	4,491.12	-206.97	1.63	-206.98	0.00	0.00	0.00
4,600.00	5.00	179.55	4,590.74	-215.69	1.70	-215.70	0.00	0.00	0.00
4,700.00	5.00	179.55	4,690.36	-224.40	1.77	-224.41	0.00	0.00	0.00
4,800.00	5.00	179.55	4,789.98	-233.12	1.84	-233.12	0.00	0.00	0.00
4,900.00	5.00	179.55	4,889.60	-241.83	1.91	-241.84	0.00	0.00	0.00
5,000.00	5.00	179.55	4,989.22	-250.55	1.98	-250.55	0.00	0.00	0.00
5,100.00	5.00	179.55	5,088.84	-259.26	2.05	-259.27	0.00	0.00	0.00
5,200.00	5.00	179.55	5,188.46	-267.97	2.12	-267.98	0.00	0.00	0.00
5,212.46	5.00	179.55	5,200.87	-269.06	2.12	-269.07	0.00	0.00	0.00
<b>Begin 2.00°/100' Drop</b>									
5,300.00	3.25	179.55	5,288.18	-275.36	2.17	-275.36	2.00	-2.00	0.00
5,400.00	1.25	179.55	5,388.10	-279.28	2.21	-279.29	2.00	-2.00	0.00
5,462.44	0.00	0.00	5,450.53	-279.96	2.21	-279.97	2.00	-2.00	0.00
<b>Begin Vertical Hold</b>									
10,055.95	0.00	0.00	10,044.04	-279.96	2.21	-279.97	0.00	0.00	0.00
<b>KOP2, Begin 10.00°/100' Build</b>									
10,100.00	4.41	359.53	10,088.05	-278.27	2.20	-278.28	10.00	10.00	0.00
10,200.00	14.41	359.53	10,186.58	-261.95	2.06	-261.95	10.00	10.00	0.00
10,300.00	24.41	359.53	10,280.78	-228.76	1.79	-228.77	10.00	10.00	0.00
10,400.00	34.41	359.53	10,367.79	-179.73	1.39	-179.73	10.00	10.00	0.00
10,500.00	44.41	359.53	10,444.96	-116.33	0.87	-116.33	10.00	10.00	0.00
10,600.00	54.41	359.53	10,509.94	-40.50	0.24	-40.50	10.00	10.00	0.00
10,700.00	64.41	359.53	10,560.78	45.47	-0.46	45.47	10.00	10.00	0.00
10,800.00	74.41	359.53	10,595.91	138.96	-1.23	138.96	10.00	10.00	0.00
10,900.00	84.41	359.53	10,614.27	237.12	-2.04	237.13	10.00	10.00	0.00



Planning Report



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10,954.90	89.90	359.53	10,617.00	291.94	-2.49	291.95	10.00	10.00	0.00
<b>LP, Hold 89.90° Inc at 359.53° Azm</b>									
11,000.00	89.90	359.53	10,617.08	337.03	-2.86	337.04	0.00	0.00	0.00
11,100.00	89.90	359.53	10,617.26	437.03	-3.68	437.04	0.00	0.00	0.00
11,200.00	89.90	359.53	10,617.44	537.03	-4.50	537.04	0.00	0.00	0.00
11,300.00	89.90	359.53	10,617.62	637.02	-5.32	637.04	0.00	0.00	0.00
11,400.00	89.90	359.53	10,617.81	737.02	-6.14	737.04	0.00	0.00	0.00
11,500.00	89.90	359.53	10,617.99	837.01	-6.97	837.04	0.00	0.00	0.00
11,600.00	89.90	359.53	10,618.17	937.01	-7.79	937.04	0.00	0.00	0.00
11,700.00	89.90	359.53	10,618.35	1,037.01	-8.61	1,037.04	0.00	0.00	0.00
11,800.00	89.90	359.53	10,618.53	1,137.00	-9.43	1,137.04	0.00	0.00	0.00
11,900.00	89.90	359.53	10,618.71	1,237.00	-10.25	1,237.04	0.00	0.00	0.00
12,000.00	89.90	359.53	10,618.90	1,337.00	-11.07	1,337.04	0.00	0.00	0.00
12,100.00	89.90	359.53	10,619.08	1,436.99	-11.89	1,437.04	0.00	0.00	0.00
12,200.00	89.90	359.53	10,619.26	1,536.99	-12.72	1,537.04	0.00	0.00	0.00
12,300.00	89.90	359.53	10,619.44	1,636.99	-13.54	1,637.04	0.00	0.00	0.00
12,400.00	89.90	359.53	10,619.62	1,736.98	-14.36	1,737.04	0.00	0.00	0.00
12,500.00	89.90	359.53	10,619.80	1,836.98	-15.18	1,837.04	0.00	0.00	0.00
12,600.00	89.90	359.53	10,619.99	1,936.98	-16.00	1,937.04	0.00	0.00	0.00
12,700.00	89.90	359.53	10,620.17	2,036.97	-16.82	2,037.04	0.00	0.00	0.00
12,800.00	89.90	359.53	10,620.35	2,136.97	-17.65	2,137.04	0.00	0.00	0.00
12,900.00	89.90	359.53	10,620.53	2,236.97	-18.47	2,237.04	0.00	0.00	0.00
13,000.00	89.90	359.53	10,620.71	2,336.96	-19.29	2,337.04	0.00	0.00	0.00
13,100.00	89.90	359.53	10,620.89	2,436.96	-20.11	2,437.04	0.00	0.00	0.00
13,200.00	89.90	359.53	10,621.08	2,536.95	-20.93	2,537.04	0.00	0.00	0.00
13,300.00	89.90	359.53	10,621.26	2,636.95	-21.75	2,637.04	0.00	0.00	0.00
13,400.00	89.90	359.53	10,621.44	2,736.95	-22.57	2,737.04	0.00	0.00	0.00
13,500.00	89.90	359.53	10,621.62	2,836.94	-23.40	2,837.04	0.00	0.00	0.00
13,600.00	89.90	359.53	10,621.80	2,936.94	-24.22	2,937.04	0.00	0.00	0.00
13,700.00	89.90	359.53	10,621.98	3,036.94	-25.04	3,037.04	0.00	0.00	0.00
13,800.00	89.90	359.53	10,622.17	3,136.93	-25.86	3,137.04	0.00	0.00	0.00
13,900.00	89.90	359.53	10,622.35	3,236.93	-26.68	3,237.04	0.00	0.00	0.00
14,000.00	89.90	359.53	10,622.53	3,336.93	-27.50	3,337.04	0.00	0.00	0.00
14,100.00	89.90	359.53	10,622.71	3,436.92	-28.32	3,437.04	0.00	0.00	0.00
14,200.00	89.90	359.53	10,622.89	3,536.92	-29.15	3,537.04	0.00	0.00	0.00
14,300.00	89.90	359.53	10,623.07	3,636.92	-29.97	3,637.04	0.00	0.00	0.00
14,400.00	89.90	359.53	10,623.26	3,736.91	-30.79	3,737.04	0.00	0.00	0.00
14,500.00	89.90	359.53	10,623.44	3,836.91	-31.61	3,837.04	0.00	0.00	0.00
14,600.00	89.90	359.53	10,623.62	3,936.91	-32.43	3,937.04	0.00	0.00	0.00
14,700.00	89.90	359.53	10,623.80	4,036.90	-33.25	4,037.04	0.00	0.00	0.00
14,800.00	89.90	359.53	10,623.98	4,136.90	-34.08	4,137.04	0.00	0.00	0.00
14,900.00	89.90	359.53	10,624.16	4,236.89	-34.90	4,237.04	0.00	0.00	0.00
15,000.00	89.90	359.53	10,624.35	4,336.89	-35.72	4,337.04	0.00	0.00	0.00
15,100.00	89.90	359.53	10,624.53	4,436.89	-36.54	4,437.04	0.00	0.00	0.00
15,200.00	89.90	359.53	10,624.71	4,536.88	-37.36	4,537.04	0.00	0.00	0.00
15,300.00	89.90	359.53	10,624.89	4,636.88	-38.18	4,637.04	0.00	0.00	0.00
15,400.00	89.90	359.53	10,625.07	4,736.88	-39.00	4,737.04	0.00	0.00	0.00
15,500.00	89.90	359.53	10,625.25	4,836.87	-39.83	4,837.04	0.00	0.00	0.00
15,600.00	89.90	359.53	10,625.44	4,936.87	-40.65	4,937.04	0.00	0.00	0.00
15,700.00	89.90	359.53	10,625.62	5,036.87	-41.47	5,037.04	0.00	0.00	0.00
15,800.00	89.90	359.53	10,625.80	5,136.86	-42.29	5,137.04	0.00	0.00	0.00
15,900.00	89.90	359.53	10,625.98	5,236.86	-43.11	5,237.04	0.00	0.00	0.00
16,000.00	89.90	359.53	10,626.16	5,336.86	-43.93	5,337.04	0.00	0.00	0.00



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 North Reference: Grid  
 Survey Calculation Method: Minimum Curvature

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)
16,100.00	89.90	359.53	10,626.34	5,436.85	-44.75	5,437.04	0.00	0.00	0.00
16,200.00	89.90	359.53	10,626.53	5,536.85	-45.58	5,537.04	0.00	0.00	0.00
16,300.00	89.90	359.53	10,626.71	5,636.84	-46.40	5,637.04	0.00	0.00	0.00
16,400.00	89.90	359.53	10,626.89	5,736.84	-47.22	5,737.04	0.00	0.00	0.00
16,500.00	89.90	359.53	10,627.07	5,836.84	-48.04	5,837.04	0.00	0.00	0.00
16,600.00	89.90	359.53	10,627.25	5,936.83	-48.86	5,937.04	0.00	0.00	0.00
16,700.00	89.90	359.53	10,627.43	6,036.83	-49.68	6,037.04	0.00	0.00	0.00
16,800.00	89.90	359.53	10,627.62	6,136.83	-50.51	6,137.04	0.00	0.00	0.00
16,900.00	89.90	359.53	10,627.80	6,236.82	-51.33	6,237.03	0.00	0.00	0.00
17,000.00	89.90	359.53	10,627.98	6,336.82	-52.15	6,337.03	0.00	0.00	0.00
17,100.00	89.90	359.53	10,628.16	6,436.82	-52.97	6,437.03	0.00	0.00	0.00
17,200.00	89.90	359.53	10,628.34	6,536.81	-53.79	6,537.03	0.00	0.00	0.00
17,300.00	89.90	359.53	10,628.52	6,636.81	-54.61	6,637.03	0.00	0.00	0.00
17,400.00	89.90	359.53	10,628.71	6,736.81	-55.43	6,737.03	0.00	0.00	0.00
17,500.00	89.90	359.53	10,628.89	6,836.80	-56.26	6,837.03	0.00	0.00	0.00
17,600.00	89.90	359.53	10,629.07	6,936.80	-57.08	6,937.03	0.00	0.00	0.00
17,700.00	89.90	359.53	10,629.25	7,036.80	-57.90	7,037.03	0.00	0.00	0.00
17,800.00	89.90	359.53	10,629.43	7,136.79	-58.72	7,137.03	0.00	0.00	0.00
17,900.00	89.90	359.53	10,629.61	7,236.79	-59.54	7,237.03	0.00	0.00	0.00
18,000.00	89.90	359.53	10,629.80	7,336.78	-60.36	7,337.03	0.00	0.00	0.00
18,100.00	89.90	359.53	10,629.98	7,436.78	-61.18	7,437.03	0.00	0.00	0.00
18,200.00	89.90	359.53	10,630.16	7,536.78	-62.01	7,537.03	0.00	0.00	0.00
18,300.00	89.90	359.53	10,630.34	7,636.77	-62.83	7,637.03	0.00	0.00	0.00
18,400.00	89.90	359.53	10,630.52	7,736.77	-63.65	7,737.03	0.00	0.00	0.00
18,500.00	89.90	359.53	10,630.70	7,836.77	-64.47	7,837.03	0.00	0.00	0.00
18,600.00	89.90	359.53	10,630.89	7,936.76	-65.29	7,937.03	0.00	0.00	0.00
18,700.00	89.90	359.53	10,631.07	8,036.76	-66.11	8,037.03	0.00	0.00	0.00
18,800.00	89.90	359.53	10,631.25	8,136.76	-66.94	8,137.03	0.00	0.00	0.00
18,900.00	89.90	359.53	10,631.43	8,236.75	-67.76	8,237.03	0.00	0.00	0.00
19,000.00	89.90	359.53	10,631.61	8,336.75	-68.58	8,337.03	0.00	0.00	0.00
19,100.00	89.90	359.53	10,631.79	8,436.75	-69.40	8,437.03	0.00	0.00	0.00
19,200.00	89.90	359.53	10,631.98	8,536.74	-70.22	8,537.03	0.00	0.00	0.00
19,300.00	89.90	359.53	10,632.16	8,636.74	-71.04	8,637.03	0.00	0.00	0.00
19,400.00	89.90	359.53	10,632.34	8,736.74	-71.86	8,737.03	0.00	0.00	0.00
19,500.00	89.90	359.53	10,632.52	8,836.73	-72.69	8,837.03	0.00	0.00	0.00
19,600.00	89.90	359.53	10,632.70	8,936.73	-73.51	8,937.03	0.00	0.00	0.00
19,700.00	89.90	359.53	10,632.88	9,036.72	-74.33	9,037.03	0.00	0.00	0.00
19,800.00	89.90	359.53	10,633.07	9,136.72	-75.15	9,137.03	0.00	0.00	0.00
19,900.00	89.90	359.53	10,633.25	9,236.72	-75.97	9,237.03	0.00	0.00	0.00
20,000.00	89.90	359.53	10,633.43	9,336.71	-76.79	9,337.03	0.00	0.00	0.00
20,100.00	89.90	359.53	10,633.61	9,436.71	-77.61	9,437.03	0.00	0.00	0.00
20,200.00	89.90	359.53	10,633.79	9,536.71	-78.44	9,537.03	0.00	0.00	0.00
20,300.00	89.90	359.53	10,633.97	9,636.70	-79.26	9,637.03	0.00	0.00	0.00
20,400.00	89.90	359.53	10,634.16	9,736.70	-80.08	9,737.03	0.00	0.00	0.00
20,500.00	89.90	359.53	10,634.34	9,836.70	-80.90	9,837.03	0.00	0.00	0.00
20,600.00	89.90	359.53	10,634.52	9,936.69	-81.72	9,937.03	0.00	0.00	0.00
20,700.00	89.90	359.53	10,634.70	10,036.69	-82.54	10,037.03	0.00	0.00	0.00
20,800.00	89.90	359.53	10,634.88	10,136.69	-83.37	10,137.03	0.00	0.00	0.00
20,865.12	89.90	359.53	10,635.00	10,201.80	-83.90	10,202.15	0.00	0.00	0.00

TD at 20865.12

**Database:** USA Compass  
**Company:** COG Operating LLC  
**Project:** Lea County, NM (NAD27 NME)  
**Site:** Fez Federal Com  
**Well:** 401H  
**Wellbore:** OH  
**Design:** Plan 1 01-25-19

**Local Co-ordinate Reference:** Well 401H  
**TVD Reference:** RKB @ 3267.60usft (Scan Quest)  
**MD Reference:** RKB @ 3267.60usft (Scan Quest)  
**North Reference:** Grid  
**Survey Calculation Method:** Minimum Curvature

**Design Targets**

Target Name	- hit/miss target	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
FTP - Fez Federal Co		0.00	0.00	10,617.00	-230.00	1.80	415,189.50	798,898.70	32° 8' 16.04068 N	103° 22' 3.72214 W
- plan misses target center by 202.94usft at 10525.67usft MD (10462.88 TVD, -97.97 N, 0.72 E)										
- Point										
LTP - Fez Federal Co		0.00	0.01	10,634.91	10,151.80	-83.50	425,571.30	798,813.40	32° 9' 58.77707 N	103° 22' 3.63115 W
- plan misses target center by 15.12usft at 20800.00usft MD (10634.88 TVD, 10136.69 N, -83.37 E)										
- Point										
BHL - Fez Federal Co		0.00	0.01	10,635.00	10,201.80	-83.90	425,621.30	798,813.00	32° 9' 59.27186 N	103° 22' 3.63058 W
- plan hits target center										
- Point										

**Formations**

Measured Depth (usft)	Vertical Depth (usft)	Name	Lithology	Dip (°)	Dip Direction (°)
847.60	847.60	Rustler		0.00	
1,188.60	1,188.60	TOS		0.00	
4,994.36	4,983.60	BOS (Fletcher)		0.00	
5,325.45	5,313.60	LMAR (Top Delaware)		0.00	
5,356.48	5,344.60	BLCN		0.00	
6,299.51	6,287.60	CYCN		0.00	
7,760.51	7,748.60	BYCN		0.00	
8,994.51	8,982.60	Bone Sprg (BSGL)		0.00	
9,106.51	9,094.60	U Avalon Sh		0.00	
9,741.51	9,729.60	L Avalon Sh		0.00	
10,283.44	10,265.60	B Avalon Sh		0.00	
10,404.63	10,371.60	FBSG		0.00	

**Plan Annotations**

Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates +N/-S (usft)	+E/-W (usft)	Comment
2,000.00	2,000.00	0.00	0.00	KOP, Begin 2.00°/100' Build
2,249.97	2,249.66	-10.90	0.09	Hold 5.00° Inc at 179.55° Azm
5,212.46	5,200.87	-269.06	2.12	Begin 2.00°/100' Drop
5,462.44	5,450.53	-279.96	2.21	Begin Vertical Hold
10,055.95	10,044.04	-279.96	2.21	KOP2, Begin 10.00°/100' Build
10,954.90	10,617.00	291.94	-2.49	LP, Hold 89.90° Inc at 359.53° Azm
20,865.12	10,635.00	10,201.80	-83.90	TD at 20865.12

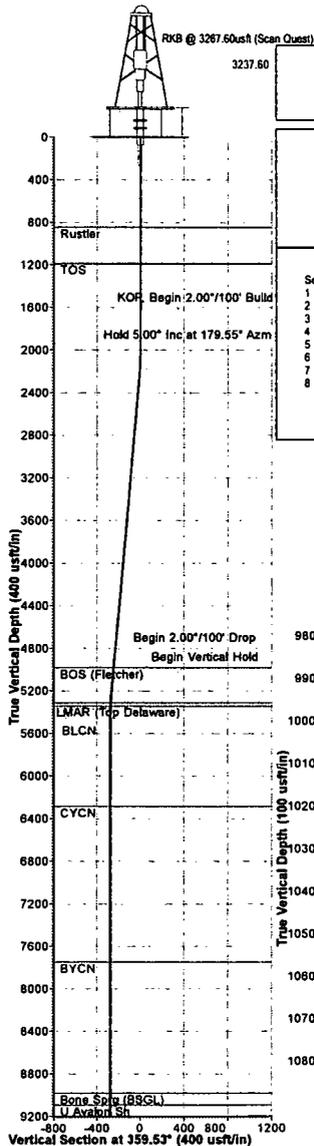


Project: Lea County, NM (NAD27 NME)  
 Site: Fez Federal Com  
 Well: 401H  
 Wellbore: OH  
 Design: Plan 1 01-25-19  
 Rig: Scan Quest



Azimuths to Grid North  
 True North: -0.51°  
 Magnetic North: 6.12°

Magnetic Field  
 Strength: 47786.7nT  
 Dip Angle: 59.78°  
 Date: 3/24/2019  
 Model: MVHD



WELL DETAILS						
+N-S	+E-W	Northing	Easting	Latitude	Longitude	
0.00	0.00	415419.50	798896.90	32° 8' 18.31672 N	103° 22' 3.71909 W	

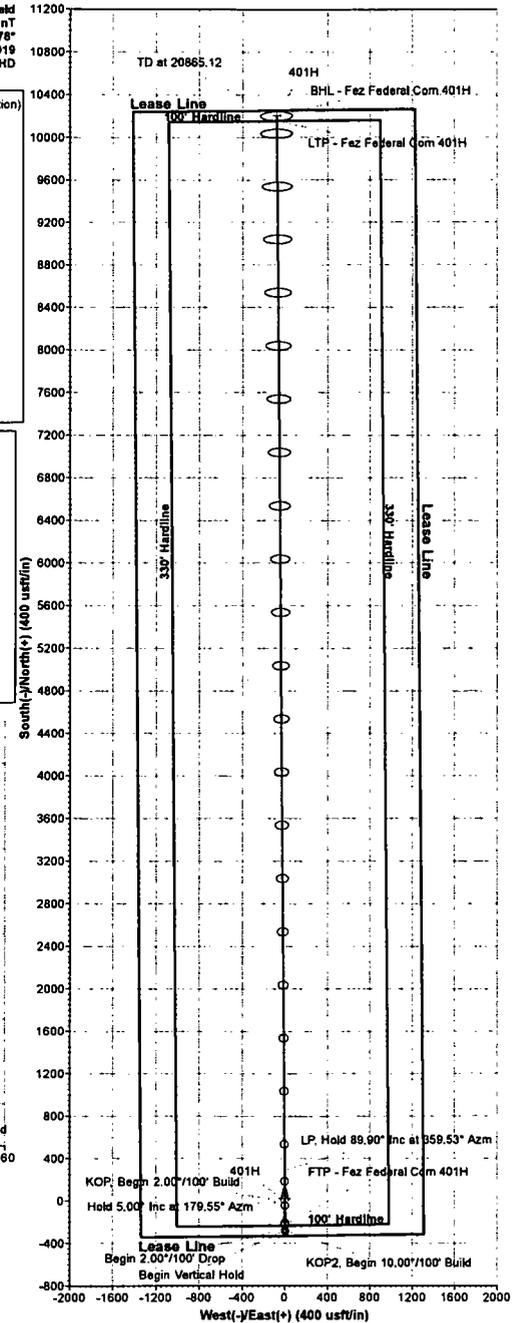
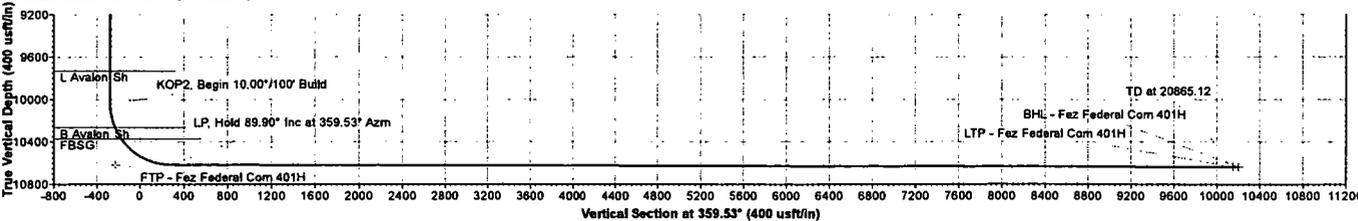
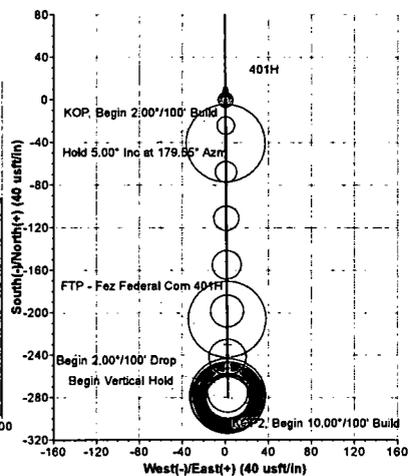
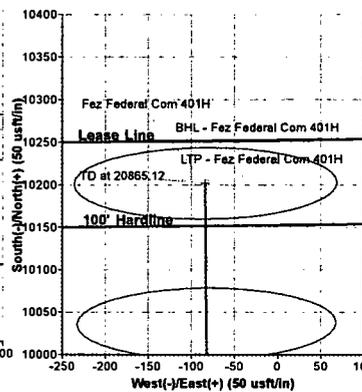
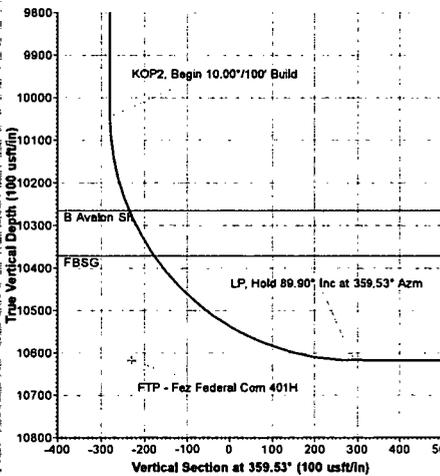
DESIGN TARGET DETAILS						
Name	TVD	+N-S	+E-W	Northing	Easting	Latitude
FTP - Fez Federal Com 401H	10617.00	220.00	1.00	415189.50	798896.70	32° 8' 16.04058 N
LTP - Fez Federal Com 401H	10634.91	10151.80	-83.50	425571.30	798813.40	32° 9' 58.77707 N
BHL - Fez Federal Com 401H	10635.00	10201.80	-83.90	425621.30	798813.00	32° 9' 59.27186 N

SECTION DETAILS												
Sec	MD	Inc	Azi	TVD	+N-S	+E-W	Dleg	TFace	Vsect	Target	Annotation	
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
2	2000.00	0.00	0.00	2000.00	0.00	0.00	0.00	0.00	0.00		KOP, Begin 2.00'/100' Build	
3	2249.97	5.00	179.55	2249.99	-10.90	0.09	2.00	179.55	-10.90		Hold 5.00' Inc at 179.55° Azm	
4	5212.46	5.00	179.55	5200.87	-269.96	2.12	0.00	0.00	-269.97		Begin 2.00'/100' Drop	
5	5462.43	0.00	0.00	5450.53	-279.96	2.21	2.00	180.00	-279.97		Begin Vertical Hold	
6	10055.94	0.00	0.00	10044.04	-279.96	2.21	0.00	0.00	-279.97		KOP2, Begin 10.00'/100' Build	
7	10954.90	89.90	359.53	10617.00	291.94	-2.49	10.00	359.53	291.95		LP, Hold 89.90° Inc at 359.53° Azm	
8	20865.12	89.90	359.53	10635.00	10201.80	-83.90	0.00	0.00	10202.14		BHL - Fez Federal Com 401H	TD at 20865.12

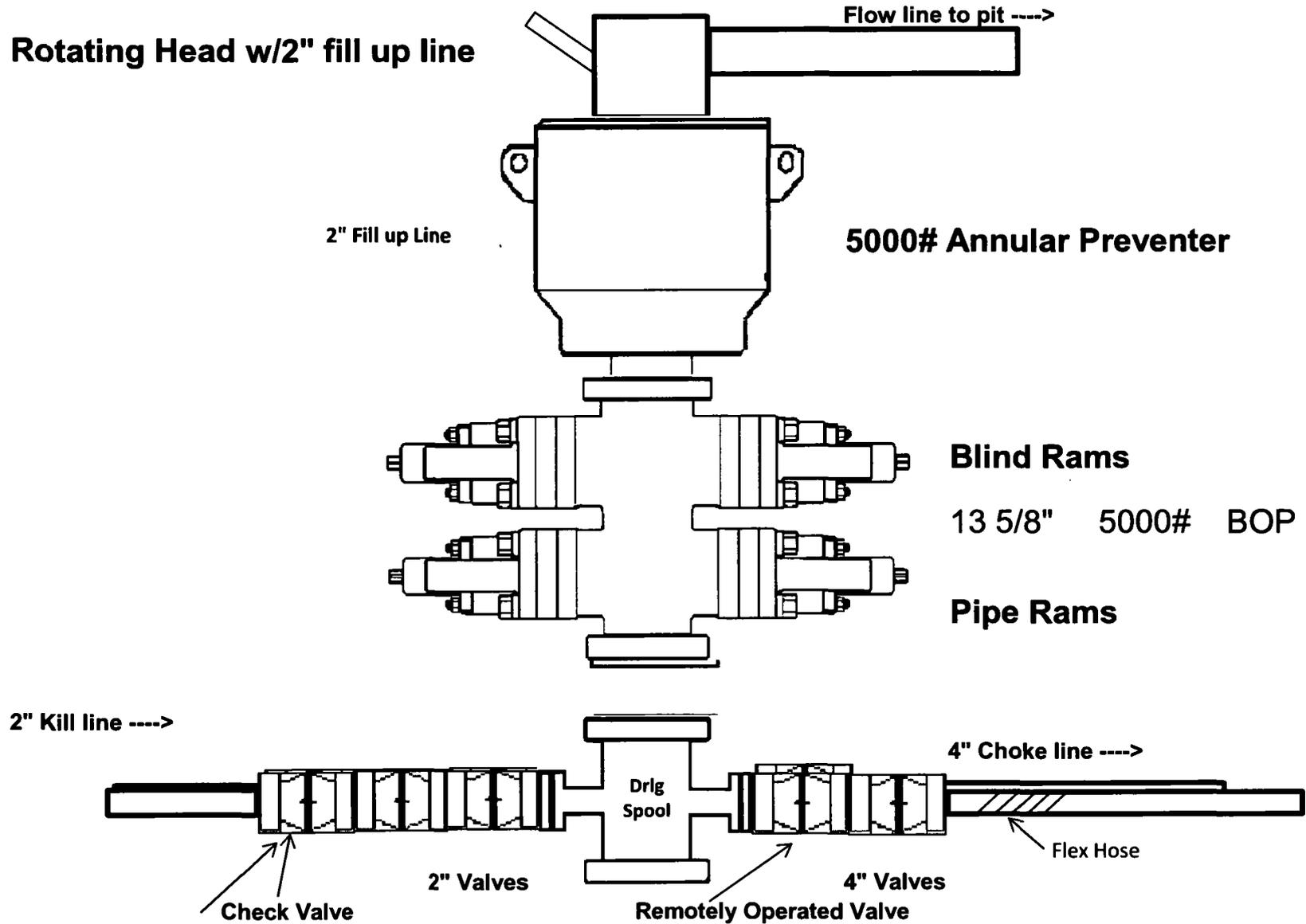
Map System: US State Plane 1927 (Exact solution)  
 Datum: NAD 1927 (NADCON CONUS)  
 Ellipsoid: Clarke 1866  
 Zone Name: New Mexico East 3001  
 Local Origin: Well 401H, Grid North  
 Latitude: 32° 8' 18.31672 N  
 Longitude: 103° 22' 3.71909 W  
 Grid East: 798896.90  
 Grid North: 415419.50  
 Scale Factor: 1.000  
 Geomagnetic Model: MVHD  
 Sample Date: 24-Mar-19  
 Magnetic Declination: 6.64°  
 Dip Angle from Horizontal: 59.78°  
 Magnetic Field Strength: 47786.69600561nT  
 To convert a Magnetic Direction to a Grid Direction, Add 6.12°  
 To convert a Magnetic Direction to a True Direction, Add 6.64° East  
 To convert a True Direction to a Grid Direction, Subtract 0.51°

FORMATION TOP DETAILS				
TVDPath	MDPath	Formation	DipAngle	DipDir
847.60	847.50	Rustler	0.00	
1188.60	1188.60	TOS	0.00	
4983.60	4994.38	BOS (Fletcher)	0.00	
5313.80	5325.45	LMAR (Top Delaware)	0.00	
5344.60	5358.48	BLCN	0.00	
6287.60	6299.50	CYCN	0.00	
7748.60	7760.50	BYCN	0.00	
6982.60	6994.50	Bone Spng (BSGL)	0.00	
9094.60	9106.50	U Avalon Sh	0.00	
9729.60	9741.50	L Avalon Sh	0.00	
10265.60	10283.44	B Avalon Sh	0.00	
10371.60	10404.63	FBSG	0.00	

LEGEND  
 — Plan 1 01-25-19

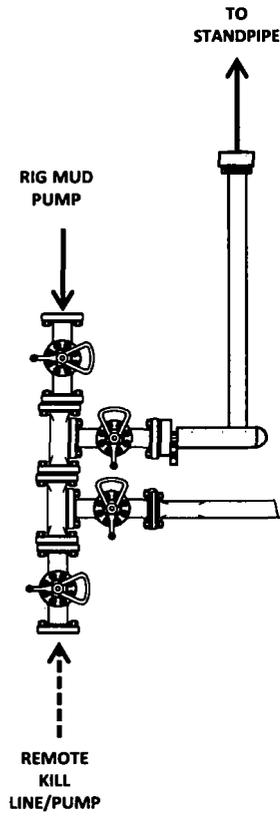


# 5,000 psi BOP Schematic

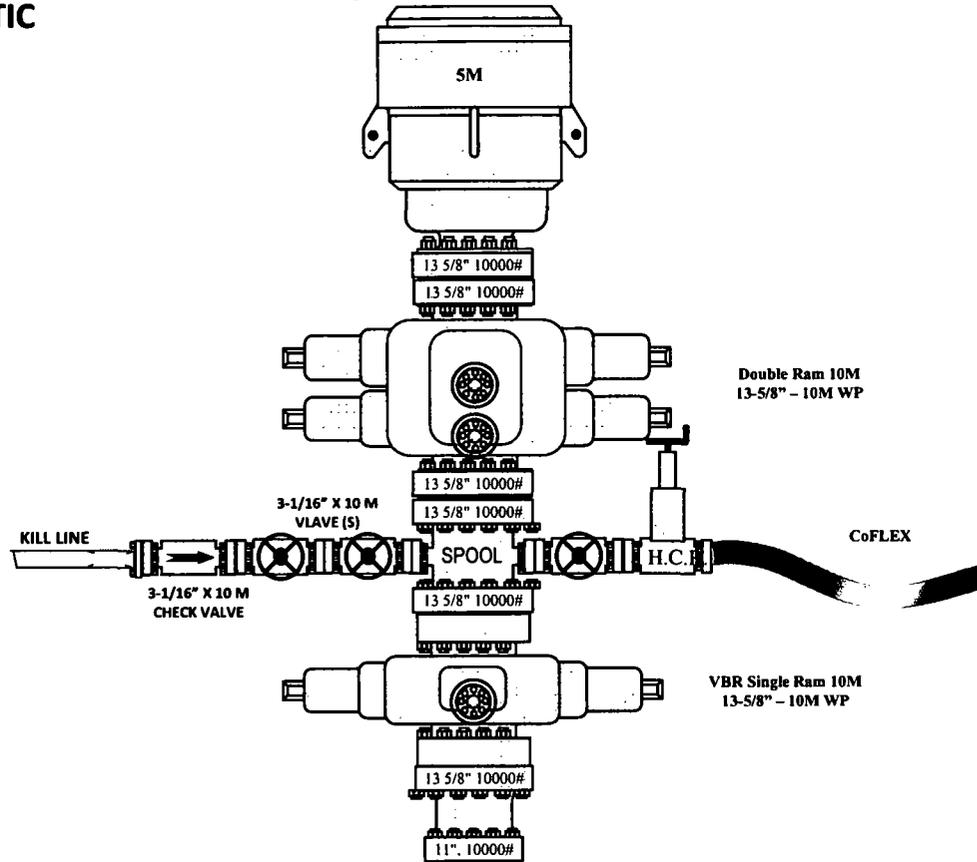


# 10M BOP Stack

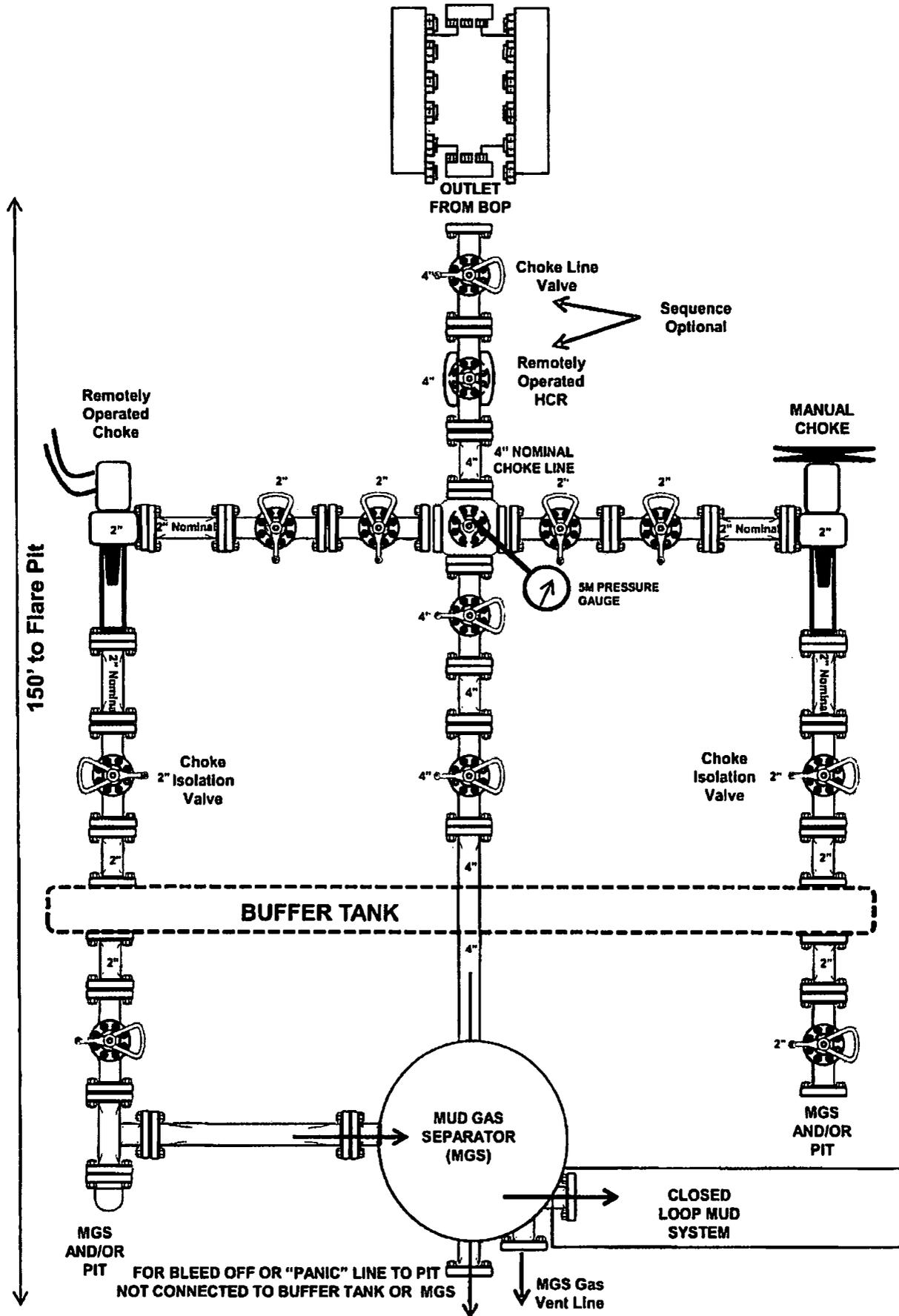
## 10M REMOTE KILL SCHEMATIC



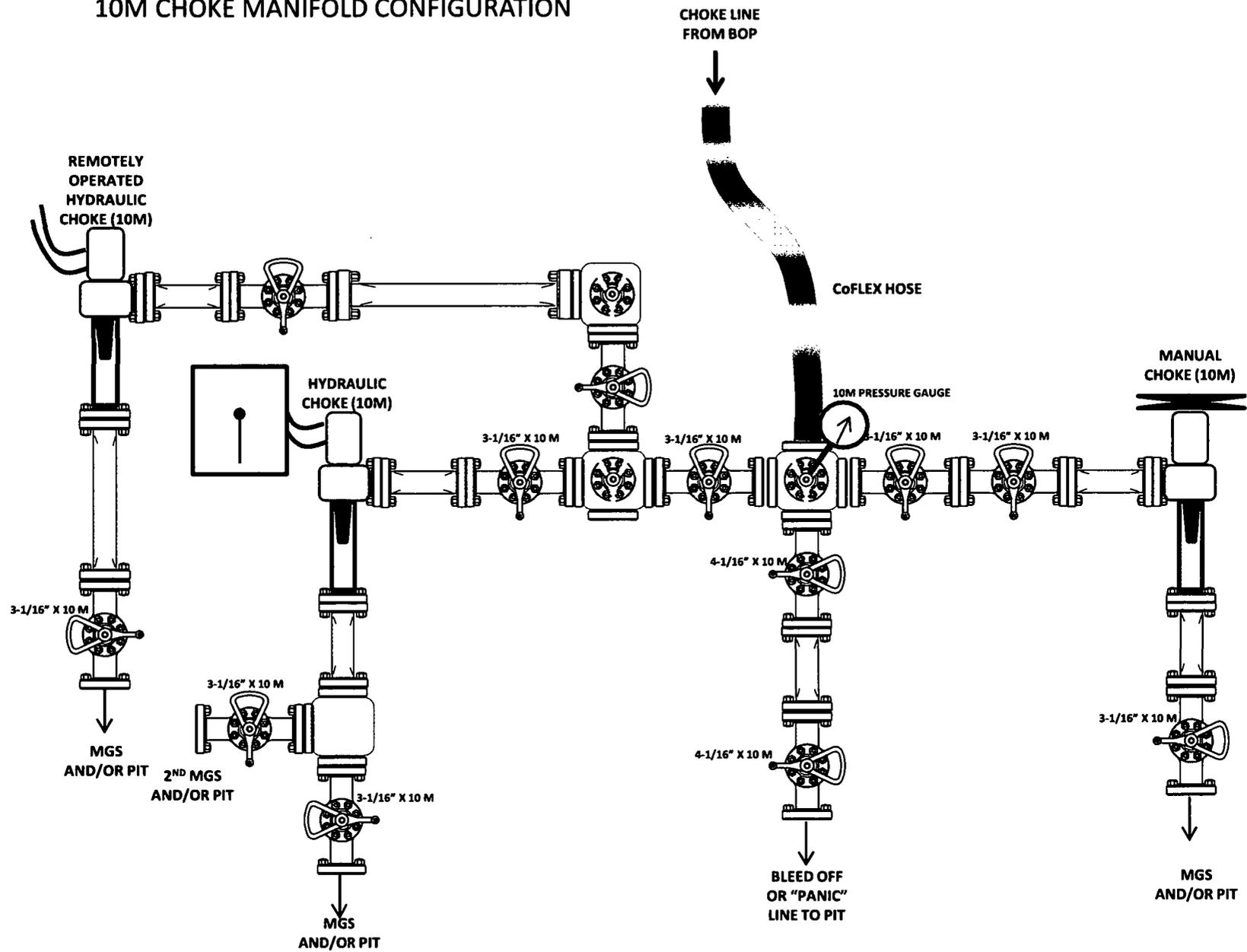
## 10M BOP Stack (5M Annular)



# 5M Choke Manifold Equipment (WITH MGS + CLOSED LOOP)



# 10M CHOKE MANIFOLD CONFIGURATION



ContiTech

QUALITY CONTROL	No.: QC-DB- 351 / 2016
	Page : 1 / 88
Hose No.: 72879	Revision : 0
	Date: 05. September 2016.
	Prepared by : <i>Robert Li Zoltan</i>
	Appr. by: <i>[Signature]</i>

# CHOKER AND KILL HOSE

id.: 3" 69 MPa x 13,72 m (45 ft)

## DATA BOOK

Purchaser: SCANDRILL

Purchaser Order No.: 143799

ContiTech Rubber Order No.: 543951

ContiTech Oil & Marine Corp. Order No.:  
4500795683 COM880841

**NOT DESIGNED FOR WELL TESTING**

CONTITECH RUBBER  
Industrial Kft.

No: QC-DB- 351 / 2016  
Page: 5 / 88

ContiTech

QUALITY CONTROL INSPECTION AND TEST CERTIFICATE		CERT. N°: 1050	
PURCHASER: ContiTech Oil & Marine Corp.		P.O. N°: 4500795683	
CONTITECH RUBBER order N°: 543951	HOSE TYPE: 3" ID Choke and Kill Hose		
HOSE SERIAL N°: 72879	NOMINAL / ACTUAL LENGTH: 13,72 m / 13,80 m		
W.P. 69,0 MPa 10000 psi	T.P. 103,5 MPa 15000 psi	Duration: 60 min.	
Pressure test with water at ambient temperature			
See attachment ( 1 page )			
COUPLINGS Type	Serial N°	Quality	Heat N°
3" coupling with 3 1/16" 10K API Swivel Flange end Hub	2587	AISI 4130	J5251
		AISI 4130	036809
		AISI 4130	J6433
3" coupling with 3 1/16" 10K API b.w. Flange end	2584	AISI 4130	J5251
		AISI 4130	62580
<b>Not Designed For Well Testing</b>		<b>API Spec 16 C 2<sup>nd</sup> Edition– FSL2</b>	
<b>Temperature rate:"B"</b>			
All metal parts are flawless			
<b>WE CERTIFY THAT THE ABOVE HOSE HAS BEEN MANUFACTURED IN ACCORDANCE WITH THE TERMS OF THE ORDER INSPECTED AND PRESSURE TESTED AS ABOVE WITH SATISFACTORY RESULT.</b>			
STATEMENT OF CONFORMITY: We hereby certify that the above items/equipment supplied by us are in conformity with the terms, conditions and specifications of the above Purchaser Order and that these items/equipment were fabricated inspected and tested in accordance with the referenced standards, codes and specifications and meet the relevant acceptance criteria and design requirements.			
COUNTRY OF ORIGIN HUNGARY/EU			
Date:  30. August 2016.	Inspector	Quality Control ContiTech Rubber Industrial Kft. Quality Control Dept. <i>Robert Koltai</i> <i>Yves C...</i>	

ATTACHMENT OF QUALITY CONTROL  
INSPECTION AND TEST CERTIFICATE  
No: 1050

CONTITECH RUBBER  
Industrial Kft.

No: QC-DB- 351 / 2016  
Page: 6 / 88

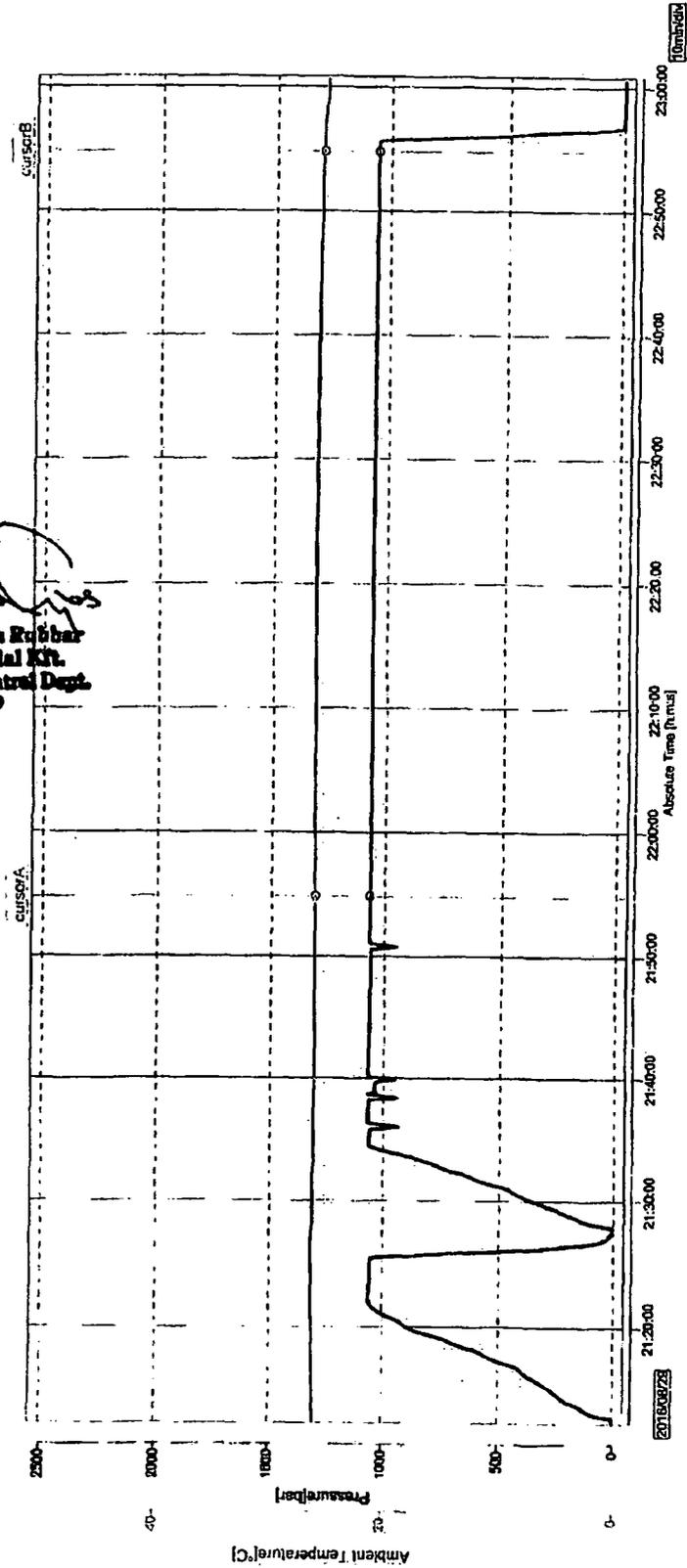
1/1

File Name : 014888\_72879.GEV.....014996\_72879.GEV  
 File Message : 72879  
 Device Type : GX10  
 Serial No. : SSP606399  
 Data Count : 1302  
 Print Group : Press-Temp  
 Print Range : 2016/08/29 21:12:25.000 - 2016/08/29 23:00:50.000  
 Comment : 142056635

Sampling Int. : 5.000 sec  
 Start Time : 2016/08/29 21:12:25.000  
 Stop Time : 2016/08/29 23:00:50.000

Data No.	Cursor A	Cursor B	Difference
720	509	1729	720
Absolute Time	2016/08/29 21:54:50.000	2016/08/29 22:54:50.000	01:00:00.000
Tag Comment	Value A	Value B	Value B-A
Pressure[bar]	1054.16	1054.43	-13.73
Ambient Temperature[C]	20.17	20.88	-0.29

*[Signature]*  
 Contitech Rubber  
 Industrial Kft.  
 Quality Control Dept.





### Hose Data Sheet

CRI Order No.	543951
Customer	ContiTech Oil & Marine Corp.
Customer Order No	4500795683 COM880841
Item No.	1
Hose Type	Flexible Hose
Standard	API SPEC 16C 2ND EDITION FSL2
Inside dia in inches	3
Length	45 ft
Type of coupling one end	FLANGE 3.1/16" 10K API SPEC 6A TYPE 6BX, BUTT WELDED, BX154ST.ST. LINED R.GR. SOUR
Type of coupling other end	FLANGE 3.1/16" 10K API SPEC 17D SV SWIVEL FLANGE, BX154 ST.ST. LINED R.GR. SOUR
H2S service NACE MR0175	Yes
Working Pressure	10 000 psi
Design Pressure	10 000 psi
Test Pressure	15 000 psi
Safety Factor	2,25
Marking	CONTINENTAL CONTITECH
Cover	NOT FIRE RESISTANT
Outside protection	St.steel outer wrap
Internal stripwound tube	No
Lining	OIL + GAS RESISTANT SOUR
Safety clamp	Yes
Lifting collar	Yes
Element C	Yes
Safety chain	Yes
Safety wire rope	No
Max.design temperature [°C]	100
Min.design temperature [°C]	-20
Min. Bend Radius operating [m]	0,90
Min. Bend Radius storage [m]	0,90
Electrical continuity	The Hose is electrically continuous
Type of packing	WOODEN CRATE ISPM-15

*S. L. Linder*  
ContiTech Rubber  
Industrial Kft.  
QC2



ContiTech Fluid Technology

ContiTech Oil & Marine Corp, # 11535 Britmoore Park Dr., Houston, TX 77041-8916 USA		<b>Delivery Note</b>									
ScanDrill Inc. 9395 HWY 2767 TYLER TX 75708		Document No. <b>83352143</b> Document Date <b>10/05/2016</b>	Customer Number <b>15483</b> Customer VAT No. Supplier Number N° EORI: <b>FR41027953300021</b> Purchase Order No. <b>143799</b> Purchase Order Date <b>07/01/2016</b> Sales Order Number <b>880841</b> Sales Order Date <b>07/05/2016</b> Unloading Point								
Transport-Details - Shipping		<b>Page 1 of 3</b>									
Conditions Shipping Conditions <b>0 days</b> Inco Terms <b>EXW Houston, TX</b> <b>Ex Works</b>	<b>Weights (Gross / Net)</b> Total Weight <b>2,323 LB</b> Net Weight <b>1,643 LB</b>										
<p> <i>Buyer: Joe Ward</i>  <i>E-mail: jward@scandrill.com</i>  <i>Tel: 903.597.5368</i> </p> <p> <i>Payment Terms:</i>  <i>50% Due at order Placement</i>  <i>50% Due Prior to Dispatch</i> </p> <p> <i>Rev 01 - 092116 - Sales Tax added to the order.</i> </p>											
<table border="1"> <thead> <tr> <th>Item</th> <th>Material/Description</th> <th>Quantity</th> <th>Weight</th> </tr> </thead> <tbody> <tr> <td>10</td> <td>           HCK3FA45IPSIVS            3" x 45ft, Choke and Kill Hose, WP 10K            End A: 3.1/16" 10K Flange, API Spec. 6A Type 6BX, Butt Welded; BX154            Stainless Steel 316 Lined Ring Groove - Sour            End B: 3.1/16" 10K Flange, API Spec 17D SV Swivel Flange, BX154            Stainless Steel 316 Lined Ring Groove - Sour            Standard: API SPEC 16C 2ND EDITION FSL2 - Monogrammed            Working Pressure: 10000 psi            Test Pressure: 15000 psi            Fire Rated: No            Armoured: Yes - Stainless Steel 316L Interlock            Design Temperature: -20 to 100°C            High Temperature Exposure / Survival @ 177 Deg C (internal in a kick situation) As Per API 16C B.12.5!         </td> <td>1 PC</td> <td>1,643 LB</td> </tr> </tbody> </table>	Item	Material/Description	Quantity	Weight	10	HCK3FA45IPSIVS 3" x 45ft, Choke and Kill Hose, WP 10K End A: 3.1/16" 10K Flange, API Spec. 6A Type 6BX, Butt Welded; BX154 Stainless Steel 316 Lined Ring Groove - Sour End B: 3.1/16" 10K Flange, API Spec 17D SV Swivel Flange, BX154 Stainless Steel 316 Lined Ring Groove - Sour Standard: API SPEC 16C 2ND EDITION FSL2 - Monogrammed Working Pressure: 10000 psi Test Pressure: 15000 psi Fire Rated: No Armoured: Yes - Stainless Steel 316L Interlock Design Temperature: -20 to 100°C High Temperature Exposure / Survival @ 177 Deg C (internal in a kick situation) As Per API 16C B.12.5!	1 PC	1,643 LB			
Item	Material/Description	Quantity	Weight								
10	HCK3FA45IPSIVS 3" x 45ft, Choke and Kill Hose, WP 10K End A: 3.1/16" 10K Flange, API Spec. 6A Type 6BX, Butt Welded; BX154 Stainless Steel 316 Lined Ring Groove - Sour End B: 3.1/16" 10K Flange, API Spec 17D SV Swivel Flange, BX154 Stainless Steel 316 Lined Ring Groove - Sour Standard: API SPEC 16C 2ND EDITION FSL2 - Monogrammed Working Pressure: 10000 psi Test Pressure: 15000 psi Fire Rated: No Armoured: Yes - Stainless Steel 316L Interlock Design Temperature: -20 to 100°C High Temperature Exposure / Survival @ 177 Deg C (internal in a kick situation) As Per API 16C B.12.5!	1 PC	1,643 LB								

ContiTech Oil & Marine Corp.  
 11535 Britmoore Park Drive  
 Houston, TX 77041  
 USA

Phone: (832)-327-0141  
 Fax: (832)-327-0148  
 www.contitech-oil-gas.com  
 sales@fluid.contitech.us

Managing Director  
 (President)  
 Zuzana Czovek

Bank: JPMorgan Chase,  
 707 Travis St, 9 Floor N, Houston, TX 77002  
 Account: 08100044552  
 ABA/Routing: 021000021, ACH: 111000614



<b>Conditions</b> Shipping Conditions 0 days Inco Terms EXW Houston, TX Ex Works	<b>Delivery Note</b> Document No. 83352143 Document Date 10/05/2016 Page 2 of 3
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**Brand Name:** Continental Contitech

serial no:72879

**Supplied with:**  
2 x Safety Clamps  
2 x Lifting Collars Double Eyed  
2 x Safety Chains c/w Shackles Each End x 8ft

**Packing to ISPM-15 Heat Treated**  
Packing type: Wooden Crate,  
Gross weight: 1056 kg / 2323 lbs  
Dimensions: 2870 x 640 x 2800 mm (L x W x H)  
113 x 25.2 x 110.2 Inch  
To be handled/shipped in a vertical position

HTS# 4009.42.0050  
ECCN: EAR99  
COO: Hungary

20 00TAX-SALES 1 PC 0 LB  
SALES TAX %8.25  
Buyer: Joe Ward  
E-mail: jward@scandril.com  
Tel: 903.597.5388

**Payment Terms:**  
50% Due at order Placement  
50% Due Prior to Dispatch

Rev 01 - 092116 - Sales Tax added to the order.

Order/Item 880841/20 07/05/2016  
Customer's PO no./item 143799

**Inner packages**



<b>Conditions</b>		<b>Delivery Note</b>	
Shipping Conditions	0 days	Document No.	83352143
Inco Terms	EXW Houston, TX	Document Date	10/05/2016
	Ex Works		Page 3 of 3

Quantity	Packaging	Material	Charge
1	113 X 25.2 X 110.2 INCH -Wooden crate	HCK3FA45IPSIVS	1
	Package number 118448718		

(1) Ship-to party <b>ScanDrill Inc. 9395 HWY 2767 TYLER TX 75708</b>		(2) Unloading point - storage location - usage	
(3) Delivery note no. <b>83352143</b> 		(4) Vendor address (short name, plant, ZIP, city) <b>ContiTech Oil &amp; Marine Corp. 11535 Brittmoore Park Drive Houston TX 77041-6916</b>	
(8) Supplier ref. no.			
(9) Quantity	(5) Net weight <b>1,643 LB</b>	(6) Gross weight <b>2,323 LB</b>	(7) Number of packages <b>1</b>
(12) ContiTech Sales order no.		(10) Description of delivery, service	
<i>SN: 72879</i>			
(15) Package no. <b>118448718</b> 		(13) Packing date <b>10/07/16</b>	(14) Engineering change status
		(16) Customer PO no. <b>143799</b> 	

Material label VDA 4902 Vers. 4

COG Operating LLC  
Rig Plat & Closed Loop Equipment Diagram

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

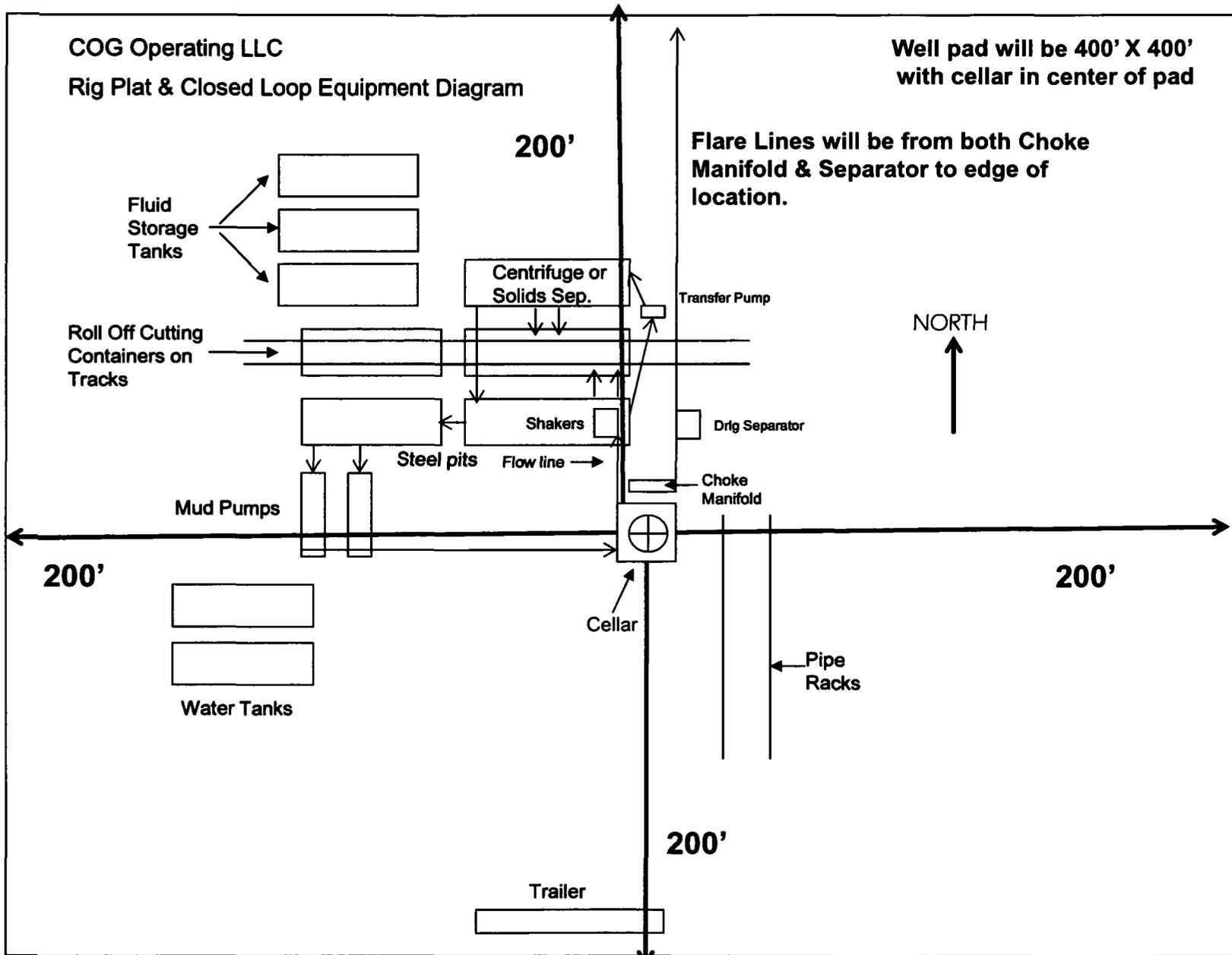


Exhibit 1

"I further certify that COG will comply with Rule 19.15.17  
NMAC by using a Closed Loop System."



**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 (H<sub>2</sub>S).
- b. The proper use and maintenance of personal protective equipment and life support systems.
- c. The proper use of H<sub>2</sub>S 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 H<sub>2</sub>S 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 H<sub>2</sub>S Drilling Operations Plan and the Public Protection Plan.

There will be an initial training session just prior to encountering a known or probable H<sub>2</sub>S zone (within 3 days or 500 feet) and weekly H<sub>2</sub>S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H<sub>2</sub>S 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. H<sub>2</sub>S SAFETY EQUIPMENT AND SYSTEMS**

Note: All H<sub>2</sub>S 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 H<sub>2</sub>S. If H<sub>2</sub>S greater than 100 ppm is encountered in the gas stream we will shut in and install H<sub>2</sub>S 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 H<sub>2</sub>S 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**

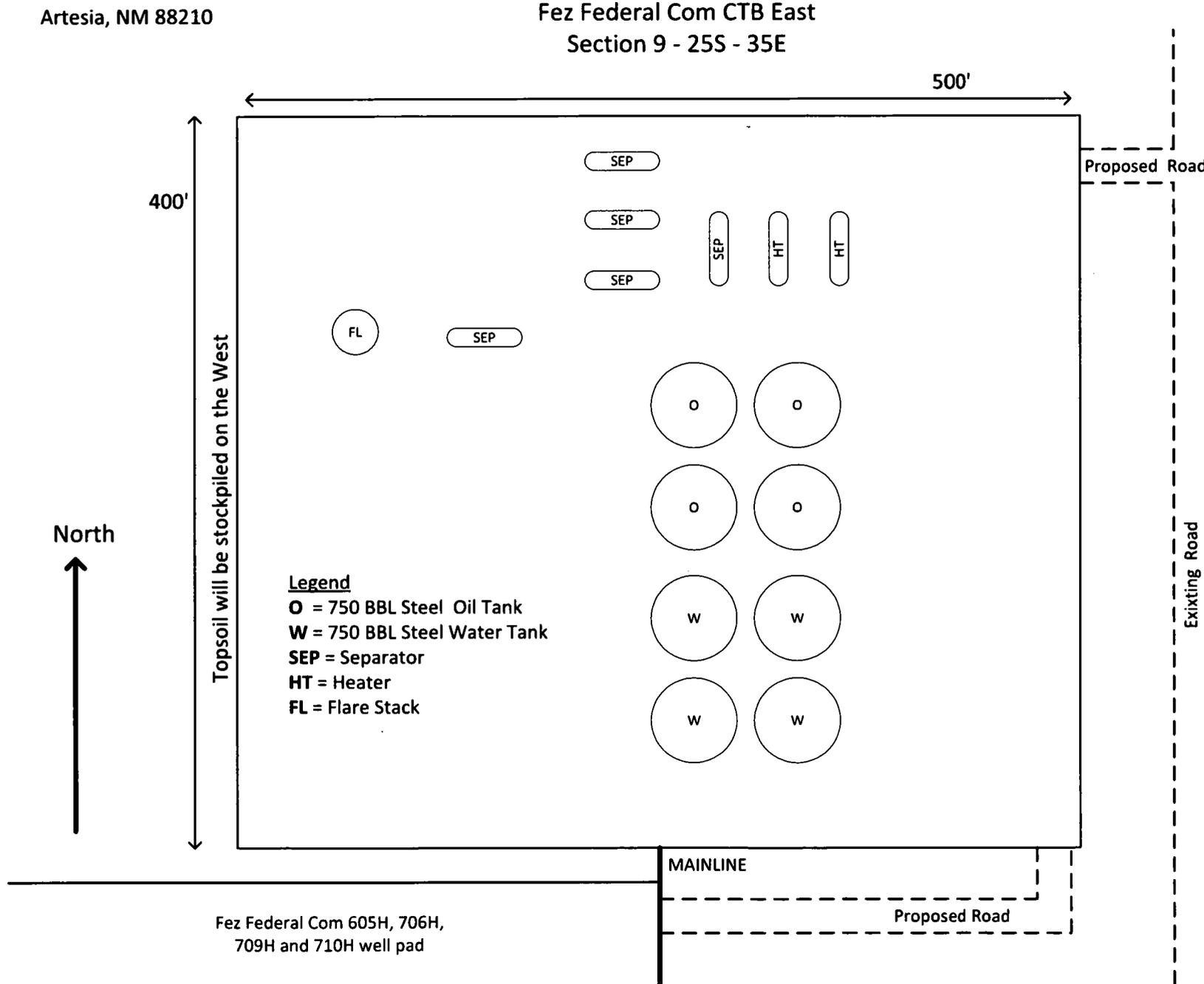
	<b><u>OFFICE</u></b>	<b><u>MOBILE</u></b>
COG OPERATING LLC OFFICE	575-748-6940	
SETH WILD	432-683-7443	432-528-3633
WALTER ROYE	575-748-6940	432-934-1886

## **EMERGENCY RESPONSE NUMBERS**

	<b><u>OFFICE</u></b>
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

**Well Site Layout**  
**Production Facility Layout**  
 Fez Federal Com CTB East  
 Section 9 - 25S - 35E

# Exhibit 3



**PECOS DISTRICT  
DRILLING CONDITIONS OF APPROVAL**

<b>OPERATOR'S NAME:</b>	<b>COG Operating LLC</b>
<b>LEASE NO.:</b>	<b>NMNM125658</b>
<b>WELL NAME &amp; NO.:</b>	<b>Fez Federal Com 401H</b>
<b>SURFACE HOLE FOOTAGE:</b>	<b>330'S &amp; 1310'E</b>
<b>BOTTOM HOLE FOOTAGE:</b>	<b>50'N &amp; 1310'E</b>
<b>LOCATION:</b>	<b>Section 9, T.25 S., R.35 E., NMPM</b>
<b>COUNTY:</b>	<b>Lea County, New Mexico</b>

COA

H2S	<input type="radio"/> Yes	<input checked="" type="radio"/> No	
Potash	<input checked="" type="radio"/> None	<input type="radio"/> Secretary	<input type="radio"/> R-111-P
Cave/Karst Potential	<input type="radio"/> Low	<input type="radio"/> Medium	<input checked="" type="radio"/> High
Variance	<input type="radio"/> None	<input checked="" type="radio"/> Flex Hose	<input type="radio"/> Other
Wellhead	<input type="radio"/> Conventional	<input type="radio"/> Multibowl	<input checked="" type="radio"/> Both
Other	<input type="checkbox"/> 4 String Area	<input type="checkbox"/> Capitan Reef	<input type="checkbox"/> WIPP
Other	<input type="checkbox"/> Fluid Filled	<input type="checkbox"/> Cement Squeeze	<input type="checkbox"/> Pilot Hole
Special Requirements	<input type="checkbox"/> Water Disposal	<input checked="" type="checkbox"/> COM	<input type="checkbox"/> Unit

**A. HYDROGEN SULFIDE**

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 13-3/8 inch surface casing shall be set at approximately 1100 feet (a minimum of 25 feet (Lea County) 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.

2. The minimum required fill of cement behind the 9-5/8 inch intermediate casing is: Operator has proposed a DV tool, the depth may be adjusted as long as the cement is changed proportionally. The DV tool may be cancelled if cement circulates to surface on the first stage.

- a. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.
- b. Second stage above DV tool: Cement to surface. If cement does not circulate, contact the appropriate BLM office.

**Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.**

- ❖ In High Cave/Karst Areas if cement does not circulate to surface on the first two casing strings, the cement on the 3rd casing string must come to surface.

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 **3000 (3M) psi**.
3. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the intermediate casing shoe shall be **10,000 (10M) psi. Variance is approved to use a 5000 (5M) Annular which shall be tested to 5000 (5M) psi.**

- 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. 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.
- e. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.

**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.

**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 2<sup>nd</sup> 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. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.
  - 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.

**ZS 060619**

**PECOS DISTRICT  
SURFACE USE  
CONDITIONS OF APPROVAL**

<b>OPERATOR'S NAME:</b>	COG Operating LLC
<b>WELL NAME &amp; NO.:</b>	Fez Federal Com 401H
<b>SURFACE HOLE FOOTAGE:</b>	330'S & 1310'E
<b>BOTTOM HOLE FOOTAGE:</b>	50'N & 1310'E
<b>LOCATION:</b>	Section 9, T.25 S., R.35 E., NMPM
<b>COUNTY:</b>	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
  - Ground-level Abandoned Well Marker
  - Hydrology
  - Range
- 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.

**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.

### **Timing Limitation Exceptions:**

The Carlsbad Field Office will publish an annual map of where the LPC timing and noise stipulations and conditions of approval (Limitations) will apply for the identified year (between March 1 and June 15) based on the latest survey information. The LPC Timing Area map will identify areas which are Habitat Areas (HA), Isolated Population Area (IPA), and Primary Population Area (PPA). The LPC Timing Area map will also have an area in red crosshatch. The red crosshatch area is the only area where an operator is required to submit a request for exception to the LPC Limitations. If an operator is operating outside the red crosshatch area, the LPC Limitations do not apply for that year and an exception to LPC Limitations is not required.

### **Hydrology**

The entire well pad will be bermed to prevent oil, salt, and other chemical contaminants from leaving the well pad. The compacted berm shall be constructed at a minimum of 12 inches with impermeable mineral material (e.g. caliche). Topsoil shall not be used to construct the berm. No water flow from the uphill side(s) of the pad shall be allowed to enter the well pad. The integrity of the berm shall be maintained around the surfaced pad throughout the life of the well and around the downsized pad after interim reclamation has been completed. Any water erosion that may occur due to the construction of the well pad during the life of the well will be quickly corrected and proper measures will be taken to prevent future erosion. Stockpiling of topsoil is required. The top soil shall be stockpiled in an appropriate location to prevent loss of soil due to water or wind erosion and not used for berming or erosion control. If fluid collects within the bermed area, the fluid must be vacuumed into a safe container and disposed of properly at a state approved facility.

When crossing ephemeral drainages the pipeline will be buried to a minimum depth of 48 inches from the top of pipe to ground level. Erosion control methods such as gabions and/or rock aprons should be placed on both up and downstream sides of the pipeline crossing. In addition, curled (weed free) wood/straw fiber wattles/logs and/or silt fences should be placed on the downstream side for sediment control during construction and maintained until soils and vegetation have stabilized. Water bars should be placed within the ROW to divert and dissipate surface runoff. A pipeline access road is not permitted to cross these ephemeral drainages. Traffic should be diverted to a preexisting route. Additional seeding may be required in floodplains and drainages to restore energy dissipating vegetation.

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.

A leak detection plan will be submitted to the BLM Carlsbad Field Office for approval prior to pipeline installation. The method could incorporate gauges to detect pressure drops, situating valves and lines so they can be visually inspected periodically or installing electronic sensors to alarm when a leak is present. The leak detection plan will incorporate an automatic shut off system that will be installed for proposed pipelines to minimize the effects of an undesirable event.

### **Range**

The proponent would not damage the allotment fence during construction of the pads or roads. If fence is damaged the blm must be contacted immediately and all work must cease till the fence has been repaired back to its original condition or better.

## **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**

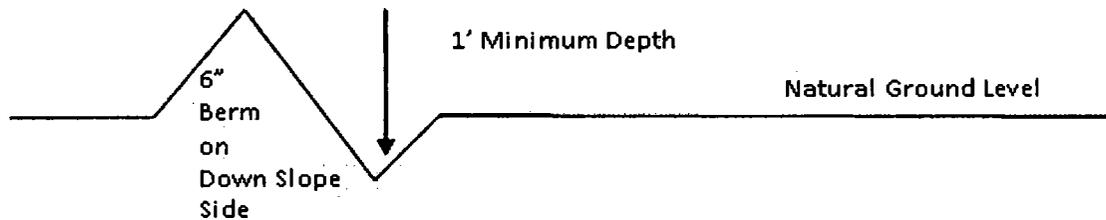
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall conform to Figure 1; cross section and plans for typical road construction.

**Drainage**

Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill out-sloping and in-sloping, 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:

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

### 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

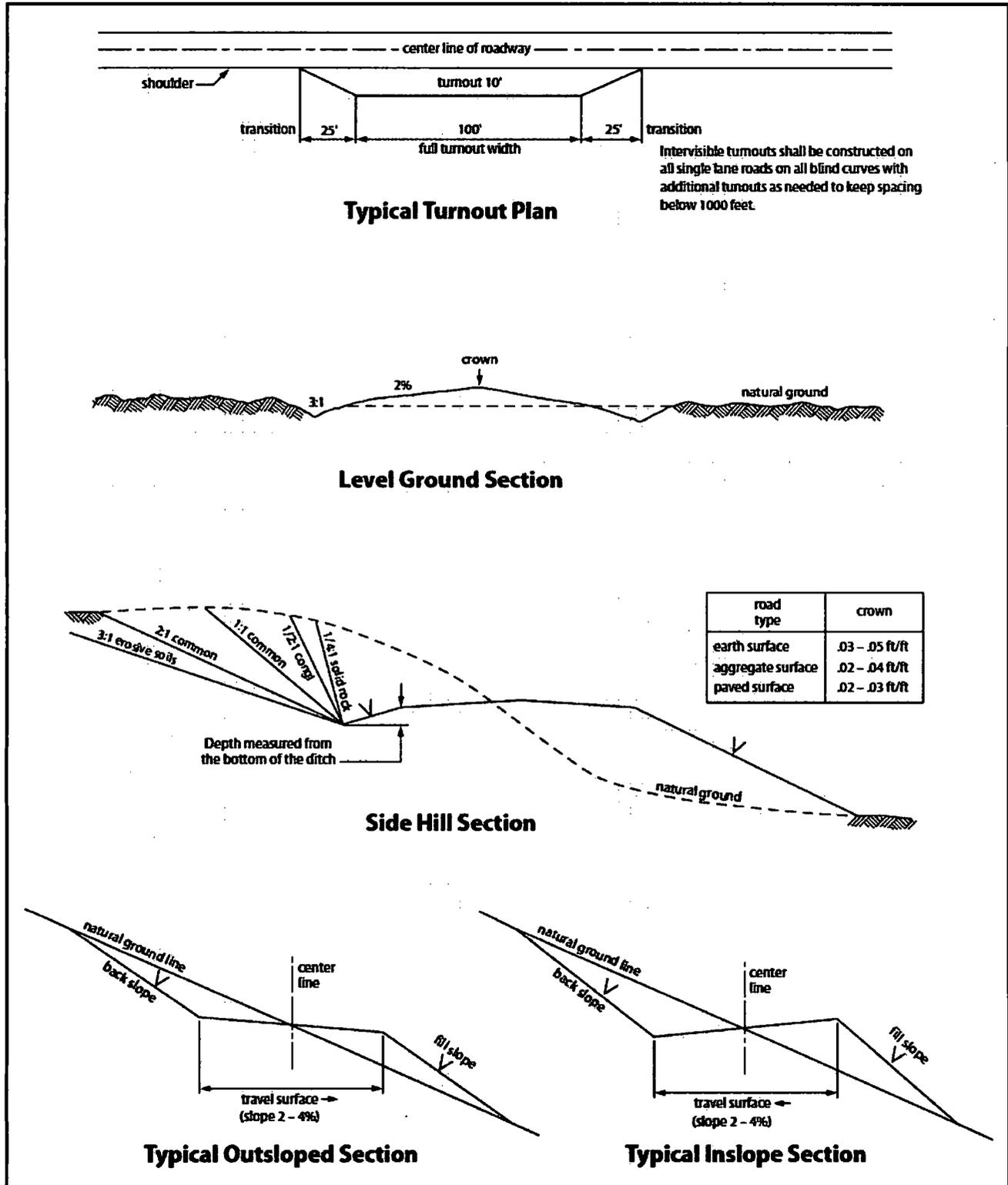


Figure 1. Cross-sections and plans for typical road sections representative of BLM resource or FS local and higher-class roads.

## **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**

**BURIED PIPELINE STIPULATIONS**

A copy of the application (Grant, APD, or Sundry Notice) and attachments, including conditions of approval, survey plat and/or map, will be on location during construction. BLM personnel may request to you 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. The 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. The Holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 *et seq.* (1982) with regards 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 especially, 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. The 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 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 agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.

4. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil 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 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 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 the holder. Such action by the Authorized Officer shall not relieve holder of any responsibility as provided herein.

5. All construction and maintenance activity will be confined to the authorized right-of-way.

6. The pipeline will be buried with a minimum cover of 36 inches between the top of the pipe and ground level.

7. The maximum allowable disturbance for construction in this right-of-way will be 30 feet:

- Blading of vegetation within the right-of-way will be allowed: maximum width of blading operations will not exceed 20 feet. The trench is included in this area. (*Blading is defined as the complete removal of brush and ground vegetation.*)
- Clearing of brush species within the right-of-way will be allowed: maximum width of clearing operations will not exceed 30 feet. The trench and bladed area are included in this area. (*Clearing is defined as the removal of brush while leaving ground vegetation (grasses, weeds, etc.) intact. Clearing is best accomplished by holding the blade 4 to 6 inches above the ground surface.*)
- The remaining area of the right-of-way (if any) shall only be disturbed by compressing the vegetation. (*Compressing can be caused by vehicle tires, placement of equipment, etc.*)

8. The holder shall stockpile an adequate amount of topsoil where blading is allowed. The topsoil to be stripped is approximately 6 inches in depth. The topsoil will be segregated from other spoil piles from trench construction. The topsoil will be evenly distributed over the bladed area for the preparation of seeding.

9. 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.

10. Vegetation, soil, and rocks left as a result of construction or maintenance activity will be randomly scattered on this right-of-way and will not be left in rows, piles, or berms, unless otherwise approved by the Authorized Officer. The entire right-of-way shall be recontoured to match the surrounding landscape. The backfilled soil shall be compacted and a 6 inch berm will be left over the ditch line to allow for settling back to grade.

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. The holder will reseed all disturbed areas. Seeding will be done according to the attached seeding requirements, using the following seed mix.

- |  |  |
|--|--|
| <input type="checkbox"/> seed mixture 1                | <input type="checkbox"/> seed mixture 3          |
| <input type="checkbox"/> seed mixture 2                | <input type="checkbox"/> seed mixture 4          |
| <input checked="" type="checkbox"/> seed mixture 2/LPC | <input type="checkbox"/> Aplomado Falcon Mixture |

13. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be color which simulates "Standard Environmental Colors" – **Shale Green**, Munsell Soil Color No. 5Y 4/2.

14. 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. All signs and information thereon will be posted in a permanent, conspicuous manner, and will be maintained in a legible condition for the life of the pipeline.

15. 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 before maintenance begins. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway. As determined necessary during the life of the pipeline, the Authorized Officer may ask the holder to construct temporary deterrence structures.

16. Any cultural and/or paleontological resources (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 actions to prevent the loss of significant 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.

17. 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 associated roads, 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.

18. Escape Ramps - The operator will construct and maintain pipeline/utility trenches [that are not otherwise fenced, screened, or netted] to prevent livestock, wildlife, and humans from becoming entrapped. At a minimum, the operator will construct and maintain escape ramps, ladders, or other methods of avian and terrestrial wildlife escape in the trenches according to the following criteria:

- a. Any trench left open for eight (8) hours or less is not required to have escape ramps; however, before the trench is backfilled, the contractor/operator shall inspect the trench for wildlife, remove all trapped wildlife, and release them at least 100 yards from the trench.
- b. For trenches left open for eight (8) hours or more, earthen escape ramps (built at no more than a 30 degree slope and spaced no more than 500 feet apart) shall be placed in the trench.

19. Special Stipulations:

**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, geophysical exploration other than 3-D operations, 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. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 ft. from the source of the noise.

## **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).

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