

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB NO 1004-0135  
Expires: July 31, 2010

## SUNDRY NOTICES AND REPORTS ON WELLS

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

RECEIVED

MAY 14 2008

Lease Serial No.  
NMLC029509B

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side

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

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other8. Well Name and No.  
JC FEDERAL 32. Name of Operator  
COG OPERATING LLCContact: KANICIA CARRILLO  
E-Mail: kcarrillo@conchoresources.com9. API Well No.  
30-025-359883a. Address  
550 WEST TEXAS AVE STE 1300  
MIDLAND, TX 797013b. Phone No. (include area code)  
Ph: 432-685-433210. Field and Pool, or Exploratory  
MALJAMAR; YESO, WEST

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

- Sec 22 T17S R32E 2310FNL 330FWL

11. County or Parish, and State

LEA COUNTY, NM

Unit 2

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

| TYPE OF SUBMISSION                                | TYPE OF ACTION                                |                                            |                                                    |                                         |
|---------------------------------------------------|-----------------------------------------------|--------------------------------------------|----------------------------------------------------|-----------------------------------------|
| <input type="checkbox"/> Notice of Intent         | <input type="checkbox"/> Acidize              | <input checked="" type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report        | <input type="checkbox"/> Alter Casing         | <input type="checkbox"/> Fracture Treat    | <input type="checkbox"/> Reclamation               | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair        | <input type="checkbox"/> New Construction  | <input type="checkbox"/> Recomplete                | <input type="checkbox"/> Other          |
|                                                   | <input type="checkbox"/> Change Plans         | <input type="checkbox"/> Plug and Abandon  | <input type="checkbox"/> Temporarily Abandon       |                                         |
|                                                   | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back         | <input type="checkbox"/> Water Disposal            |                                         |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

COG Respectfully request to deepen to the Yeso as follows:

1. MIRU rig.
2. PU 4-3/4" bit and drill 4-3/4" from 5945' to 7000'.
3. POOH w/bit and drillstring.
4. RIH w/ logs and log from TD to 5945'.
5. RIH w/4", 11.3# casing.
6. Cmt casing from TD to 5700'. w/115 sxs class C cmt.
7. RDMO rig.

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

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

Electronic Submission #59819 verified by the BLM Well Information System  
For COG OPERATING LLC, sent to the Hobbs

Name (Printed/Typed) KANICIA CARRILLO

Title PREPARER

Signature (Electronic Submission)

Date 04/22/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

OC DISTRICT SUPERVISOR/GENERAL MANAGER

MAY 10 2008

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon

Office

WESLEY W. INGRAM  
PETROLEUM ENGINEER

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

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

JC Federal 3  
May 10, 2008  
Conditions of Approval

1. Work to be complete within 90 days.
2. Variance for stand-off of less than 0.422" is approved due to NMOCD classifying the formations in this area as the Yeso group – Pool 44500 (R-12899).
3. Variance for not testing seal also approved based on NMOCD classification of formations in this area as the Yeso group – Pool 44500 (R-12899)
4. Radial CBL to be run. Submit copy to BLM.
5. Surface disturbance is not to exceed existing pad without prior approval.
6. Steel tanks to be used.
7. BOP to be tested to 1000 psi based on BHP expected.
8. Subsequent sundry and completion report required when work is complete.

WWI 051008

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
**District II**  
1301 W. Grand Avenue, Artesia, NM 88210  
**District III**  
1000 Rio Brazos Rd., Aztec, NM 87410  
**District IV**  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised June 10, 2003  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

|                                                |                                                        |                                                       |
|------------------------------------------------|--------------------------------------------------------|-------------------------------------------------------|
| <sup>1</sup> API Number<br><b>30-025-35988</b> | <sup>2</sup> Pool Code<br><b>44500</b>                 | <sup>3</sup> Pool Name<br><b>Maljamar; Yeso, West</b> |
| <sup>4</sup> Property Code<br><b>302508</b>    | <sup>5</sup> Property Name<br><b>JC Federal</b>        |                                                       |
| <sup>7</sup> OGRID No.<br><b>229137</b>        | <sup>8</sup> Operator Name<br><b>COG OPERATING LLC</b> |                                                       |
|                                                |                                                        | <sup>6</sup> Well Number<br><b>3</b>                  |
|                                                |                                                        | <sup>9</sup> Elevation<br><b>4012</b>                 |

<sup>10</sup> Surface Location

|                           |                      |                        |                     |         |                              |                                  |                             |                               |                      |
|---------------------------|----------------------|------------------------|---------------------|---------|------------------------------|----------------------------------|-----------------------------|-------------------------------|----------------------|
| UL or lot no.<br><b>L</b> | Section<br><b>22</b> | Township<br><b>17S</b> | Range<br><b>32E</b> | Lot Idn | Feet from the<br><b>2310</b> | North/South line<br><b>North</b> | Feet from the<br><b>330</b> | East/West line<br><b>West</b> | County<br><b>Lea</b> |
|---------------------------|----------------------|------------------------|---------------------|---------|------------------------------|----------------------------------|-----------------------------|-------------------------------|----------------------|

<sup>11</sup> Bottom Hole Location If Different From Surface

|                                            |                               |                                  |       |                         |               |                  |               |                |        |
|--------------------------------------------|-------------------------------|----------------------------------|-------|-------------------------|---------------|------------------|---------------|----------------|--------|
| UL or lot no.                              | Section                       | Township                         | Range | Lot Idn                 | Feet from the | North/South line | Feet from the | East/West line | County |
|                                            |                               |                                  |       |                         |               |                  |               |                |        |
| <sup>12</sup> Dedicated Acres<br><b>40</b> | <sup>13</sup> Joint or Infill | <sup>14</sup> Consolidation Code |       | <sup>15</sup> Order No. |               |                  |               |                |        |

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

|  |                                                                                                                                                                                                                                                                                                                                                          |  |  |  |
|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|--|
|  | <sup>17</sup> OPERATOR CERTIFICATION<br><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i><br><br>Signature<br><b>Kanicia Carrillo</b><br>Printed Name<br><b>Regulatory Analyst</b><br>Title and E-mail Address<br><b>04/22/08</b><br>Date                                       |  |  |  |
|  | <sup>18</sup> SURVEYOR CERTIFICATION<br><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i><br>Referred Original Plat<br>Date of Survey<br>Signature and Seal of Professional Surveyor: |  |  |  |
|  | Certificate Number                                                                                                                                                                                                                                                                                                                                       |  |  |  |
|  |                                                                                                                                                                                                                                                                                                                                                          |  |  |  |

### JC FED #3 MASTER DEEPENING PROGRAM

#### 1. Estimated Tops of Important Geologic Markers

Yeso Group 5325'

#### 2. Estimated Depths of Anticipated Fresh Water, Oil, and Gas

Yeso Group 5325'

This deepening originates in the Yeso and will finish at the base of the Yeso. The entire Yeso group is an oil and gas bearing interval.

#### 3. Casing Program

*11.6 NEM*

| Hole Size | Interval      | OD Casing | Weight | Grade | Jt./Condition | Burst/collapse/tension |
|-----------|---------------|-----------|--------|-------|---------------|------------------------|
| 4-3/4"    | 5946' – 7000' | 4"        | 11.3#  | L-80  | ULT-FJ/New    | 3.07/3.16/3.37         |

**NOTE: COG OPERATING LLC REQUESTS A VARIANCE TO THE 0.422" STAND OFF RULE BETWEEN CASING AND WELLBORE.**

#### 4. Cement Program

4" Liner: Class C, 115 sxs, yield 1.37. 200' minimum tie back to production casing.

**NOTE: COG OPERATING LLC REQUESTS A VARIANCE TO THE LINER TOP FLUID ENTRY OR PRESSURE TEST BECAUSE THE DEEPENED WELL WILL BE COMPLETED IN THE SAME ZONE AS THE CURRENT PERFS AND THE ENTIRE INTERVAL IS RECOGNIZED BY THE OCD AS ONE INTERVAL (YESO). AS PER ONSHORE ORDER NO. 2 SECT III: REQUIREMENTS, PART B. CASING AND CEMENTING REQUIREMENTS, SUBPART b. "NO TEST SHALL BE REQUIRED FOR LINERS THAT DO NOT INCORPORATE OR NEED A SEAL MECHANISM." COG BELIEVES WE MEET THE CRITERIA TO NOT BE REQUIRED TESTING THE LINER TOP BECAUSE THERE IS NO NEED FOR A SEAL MECHANISM.**

#### 5. Minimum Specifications for Pressure Control

The BOP equipment will be a 3000 psi double ram type manually operated preventer. This equipment will be nipple up to a 7-1/16" 3K flange. The pipe rams are located above blind rams. There is no choke or kill manifold. The BOP is tested to ~~500~~ psi prior to drilling new formation. Access to the annulus will be through the valves on the 5-1/2" casing head. *see COA*

#### 6. Types and Characteristics of the Proposed Mud System

This well will drilled from end of the existing 5-1/2" casing to TD with 2% KCl.

#### 7. Auxillary Well Control and Monitoring Equipment

- A. A full opening drill pipe-stabbing valve with proper drill pipe connections will be on the rig floor at all times.

#### 8. Logging, Testing, and Coring Program

- A. The electric logging program will consist of GR-Dual Laterolog, Spectral Density, Dual Spaced Neutron, CSNG Log and will be run from TD to 5-1/2" production casing shoe.
- B. No drill stem tests.
- C. No conventional coring anticipated.
- D. Further testing procedures will be determined after the 4" liner has been cemented at TD, based on drill shows and log evaluation.

### **9. Abnormal Conditions, Pressure, Temperatures, and Potential Hazards**

No abnormal pressures or temperatures are anticipated. The estimated bottomhole temperature at TD is 110 degrees and the estimated maximum bottomhole pressure is 2300 psig. The drilling starts in the Yeso and ends in the Yeso. The section of Yeso being drilled has very low permeability (less than 1 md).

### **10. Anticipated Starting Date and Duration of Operations**

There will be no road or location work required as this is an existing well location. Once commenced, drilling operations should be finished in approximately 14 days. If the well is productive, an additional 30 days will be required for completion and testing before a decision is made.

### **11. Centralizer Program**

Fixed blade stabilizer subs will be utilized in the casing string to insure adequate isolation and seal throughout the wellbore. These stabilizer subs are positive fixed blade type. These subs will actually be screwed into the casing string. A diagram of the fixed blade stabilizer sub is located at the end of this program.

The standard location of the stabilizers will be the following:

#### *Shoe Location*

Guide shoe, 1 jt casing, stabilizer sub, float collar, 1 jt casing, stabilizer sub

#### *Perf Interval Location – between perf intervals*

Stabilizer sub, 1 jt casing, stabilizer sub

#### *Top of Liner Location*

DV tool, 1 jt casing, stabilizer sub, 1 jt casing, stabilizer sub

### **12. Summary Drilling and Completion Program**

#### **Deepening Procedure**

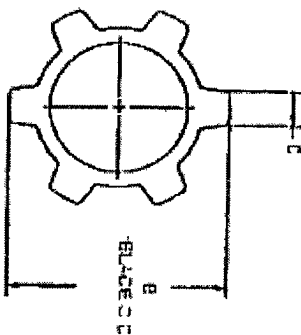
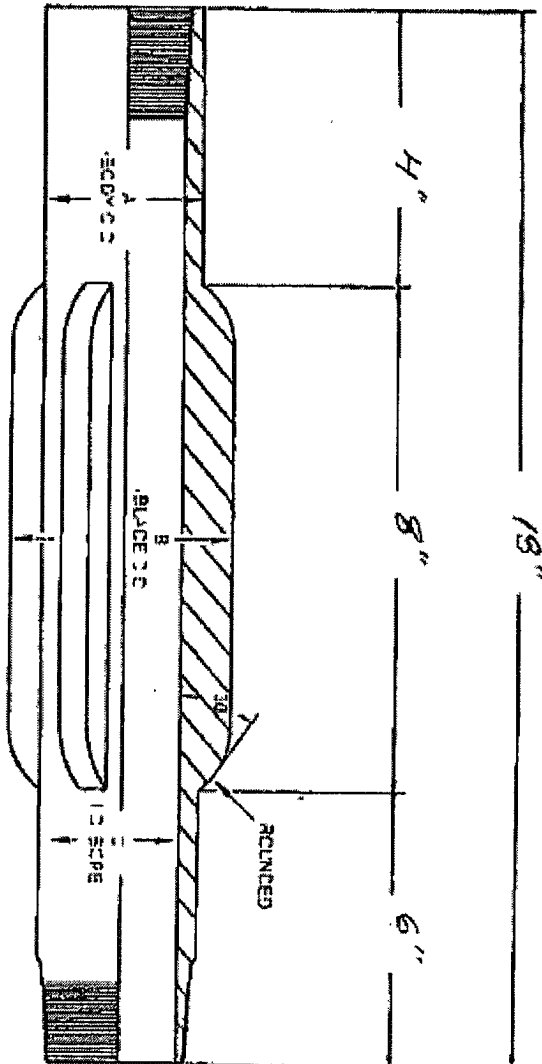
1. MIRU rig.
2. PU 4-3/4" bit and drill 4-3/4" from 5946' to 7000'.
3. POOH w/ bit and drillstring.
4. RIH w/ logs and log from TD to 5900'.
5. RIH w/ 4", 11.3# casing. See section 11 for general centralizer program.
6. Cement casing from TD to 5746' w/ 115 sxs Class C cmt. Drop plug and open DV tool. Circ cmt off DV tool. Drop plug to close DV tool.
7. PU workstring and RIH and drill out DV tool. POOH and LD workstring.
8. RDMO rig.

#### **Completion Procedure**

1. MIRU rig.
2. RIH/ w/ perforating guns and perforate Yeso from 6900 – 6700 w/ 2 spf, 30 holes.
3. Acidize w/ 2500 gals of 15% HCl. Frac zone w/ 89,900 # of sand. Set plug at 6600'.

4. RIH w/ perforating guns and perforate Yeso from 6500' – 6300'.
5. Acidize w/ 2500 gals of 15% HCl. Frac zone w/ 89,900 # of sand. Set plug at 6200'.
6. RIH w/ perforating guns and perforate Yeso from 6100' – 5900'.
7. Acidize w/ 2500 gals of 15% HCl. Frac zone w/ 89,900 # of sand.
8. RIH and drill out plug at 6200' and 6600'.
9. RIH and cut or back off 4" casing at 5746'. POOH w/ 4" casing. Leave 4" liner from 5746' to 7000' (TD).
10. RIH w/ tbg and locate end of tbg at 5700'.
11. RIH w/ rods and pump.
12. RDMO rig.

# Centralizer Diagram



1/4"  
L80 L  
P110

TOP ±.000  
BOS 0.0

| SIZE              | A     | B     | C      | D    | E | F | G | DRIFT  |
|-------------------|-------|-------|--------|------|---|---|---|--------|
| 4" 1/4 3/4 11/16" | 4.050 | 4.750 | 3.397" | 3/4" |   |   |   | 3.303" |

|                         |                        |
|-------------------------|------------------------|
| RAY OIL TOOL CO.        |                        |
| STAND CIP 3             |                        |
| CENTRALIZED INTERCASING |                        |
| CLIENT                  | Concho Res             |
| WELL NAME AND           |                        |
| CASING                  | 4" P145 11/16"         |
| MATERIAL                | 4 3/4 x 3/4 x 18" 4145 |

INCHES L77

12