

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD - Hobbs

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

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

5. Lease Serial No.
NMLC029405A
6 If Indian, Allottee or Tribe Name
7 If Unit or CA/Agreement, Name and/or No

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		8 Well Name and No BC FEDERAL 4
2. Name of Operator COG OPERATING LLC		9. API Well No. 30-025-35481
3a. Address 550 WEST TEXAS AVE STE 1300 MIDLAND, TX 79701	3b. Phone No. (include area code) Ph: 432-685-4332	10 Field and Pool, or Exploratory MALJAMAR; YESO, WEST
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 19 T17S R32E 330FNL 2310FEL		11. County or Parish, and State LEA COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION
<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 recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

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COG Respectfully request to deepen to the Yeso as follows:
See Attachment

JUN 02 2008

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**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #60244 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 05/12/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <i>Chris Williams</i>	Title	APPROVED JUN 27 2008 <i>Wesley W. Ingram</i>	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

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 any statement or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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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 02 2008
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

¹ API Number 30-025-35481		² Pool Code 44500		³ Pool Name Maljamar; Yeso, West	
⁴ Property Code 302456		⁵ Property Name BC Federal			⁶ Well Number 4
⁷ OGRID No. 229137		⁸ Operator Name COG OPERATING LLC			⁹ Elevation 4019

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	19	17S	32E		330	North	2310	East	Lea

¹¹ 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

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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

<p>¹⁶</p>	<p>¹⁷ OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p><i>[Signature]</i></p> <p>Signature Kanicia Carrillo</p> <p>Printed Name Regulatory Analyst</p> <p>Title and E-mail Address</p> <p>05/02/08</p> <p>Date</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p><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></p> <p>Referred Original Plat</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>
	<p>Certificate Number</p>

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BC FED #4 MASTER DEEPENING PROGRAM

JUN 02 2008

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1. Estimated Tops of Important Geologic Markers

Yeso Group 5375'

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

Yeso Group 5375'

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

Hole Size	Interval	OD Casing	Weight	Grade	Jt./Condition	Burst/collapse/tension
6-1/8"	5600' - 7000'	4.5"	11.6#	L-80	8rd-EUE /New	2.57/2.09/2.59

*LTC per operator
6/27/08
[Signature]*

4. Cement Program

4.5" Liner: Class C, 300 sxs, yield 1.37. 50' 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 7" casing head. *see COA*

6. Types and Characteristics of the Proposed Mud System

This well will drilled from end of the existing 7" 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 7" production casing shoe.
- B. No drill stem tests.
- C. No conventional coring anticipated.
- D. Further testing procedures will be determined after the 4.5" 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

Standard bow spring centralizers will be utilized in the string.

12. Summary Drilling and Completion Program

Deepening Procedure

1. MIRU rig.
2. PU 6-1/8" bit and drill 6-1/8" hole from 5600' to 7000'.
3. POOH w/ bit and drillstring.
4. RIH w/ logs and log from TD to 5500'.
5. RIH w/ 4-1/2", 11.6# casing. See section 11 for general centralizer program.
6. Cement casing from TD to 5532' w/ 300 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 4-1/2" casing at 5532'. POOH w/ 4-1/2" casing. Leave 4-1/2" liner from 5532' to 7000' (TD).
10. RIH w/ tbg and locate end of tbg at 5500'.
11. RIH w/ rods and pump.
12. RDMO rig.

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BC Federal 4
June 27, 2008
Conditions of Approval

1. Work to be complete within 180 days – expiring December 24, 2008.
2. **Variance granted for minimum tie back of 50'. When plugged, cement plug will be required across this tie back.**
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. BOP to be tested to 1000 psi based on BHP expected.
7. Subsequent sundry and completion report required when work is complete.

WWI 062708

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