Form 3160-5 (August, 2007)

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# UNITED STATES DEPARTMENT OF THE INTERIOR

MAR 03 2011

FORM APPROVED OMB No. 1004-0137

Expires: July 31, 2010

#### BUREAU OF LAND MANAGEMENT HOBBSOC D Lease Serial No NMNM118720 SUNDRY NOTICES AND REPORTS ON WE 6. If Indian, Allottee, or Tribe Name Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals. 7. If Unit or CA. Agreement Name and/or No. SUBMIT IN TRIPLICATE - Other Instructions on page 2. Type of Well Well Name and No. X Oil Well Gas Well Other Patterson B-52 Federal #3H Name of Operator API Well No. COG Operating LLC Phone No. (include area code) 3a. Address 30-025-39638 2208 W. Main Street 575-748-6946 10. Field and Pool, or Exploratory Area Artesia, NM 88210 Lusk; Bone Spring, North Location of Well (Footage, Sec., T., R., M., or Survey Description) Lat. 11. County or Parish, State 2310' FSL & 1500' FEL, Unit J (NWSE) Long. NM Lea Sec 5-T19S-R32E 12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF ACTION TYPE OF SUBMISSION Production (Start/Resume) Water Shut-off Deepen Acidize Notice of Intent Reclamation Well Integrity Altering Casing Fracture Treat Recomplete Casing Repair **New Construction** X Subsequent Report Change of Operator Plug and abandon Temporarily Abandon Change Plans Water Disposal Plug back Convert to Injection Final Abandonment Notice 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 or pertinent markers and sands. Attach the Bond under which the work will performed or provide the Bond No. on file with the 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 Notice shall be filed only after all requirements, including reclamantion, have been completed, and the operator has determined that the site is ready for final inspection.) As required by 43 CFR 3100.0-5(a) and 43 CFR 3162.3, we are notifying you of a change of operator on the above-referenced lease. COG Operating LLC, as new operator, accepts all applicable terms, conditions, stipulations & restrictions concerning operations conducted on the lease or portion of lease described. APPROVED COG Operating LLC meets federal bonding requirements as follows (43 CFR 3104): Bond Coverage: Individually Bonded BLM Bond File No.: B001039 /nn B000740 FEB 2 6 2011 The effective date of the change: October 1, 2010 /s/ JD Whitlock Jr SEE ATTACHED FOR BUREAU OF LAND MANAGEMENT Previous Owner: Marbob Energy Corporation CONDITIONS OF APPROVAL CARLSBAD FIELD OFFICE OC PHED REPRESENTATIVE STATE SANSTER 14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Title: Regulatory Analyst Stormi Davis Signature: 2/8/11 THIS SPACE FOR FEDERAL OR STATE OFFICE USE MAR 0 7 2011 Approved by: 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 Office: applicant

Section 1001 AND Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make any department or agency of the United

States any false, fictitiousor fraudulent statements or representations as to any matter within its jurisdiction.

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

# **Conditions of Approval**

### **COG Operating LLC.**

- 1. Tank battery must be bermed/diked (must be able to contain 1 1/2 times the volume of the largest tank).
- 2. All above ground structures and equipment on the lease shall be painted Shale Green (5Y 4/2). This is to be done within 90 days, if you have not already done so.
- 3. Submit for approval of water disposal method.
- 4. Submit updated facility diagrams as per Onshore Order #3
- 5. This agency shall be notified of any spill or discharge as required by NTL-3A.
- 6. All outstanding environmental issue must be addressed within 90 days. Contact Jim Amos for inspection and to resolve environmental issues. 575-234-5909
- 7. Subject to like approval by NMOCD.