Form 3160 -3 (April 2004)	MOBBS C	2011	FORM APP OMB No. 10 Expires Marc	04-0137	
UNITED STATE DEPARTMENT OF THE BUREAU OF LAND MAI	INTERIOR WATER	FO.,	5. Lease Serial No. NMLC-029405B		
APPLICATION FOR PERMIT TO		VED	6. If Indian, Allotee or N/A	Tribe Name	
1a. Type of work: ✓ DRILL REENT	ER		7 If Unit or CA Agreeme N/A	ent, Name and N	0.
lb. Type of Well: ✓Oil Well ☐ Gas Well ☐ Other	Single Zone Multi	ple Zone	8. Lease Name and Well G C FEDERAL	l No. #53	3024
2. Name of Operator COG Operating LLC 22	7137)		9. API Well No	D137	
3a. Address 550 W. Texas, Suite 1300 Midland TX 79701	3b. Phone No. (include area code) (432) 685-4385		10. Field and Pool, or Expl Maljamar; Yeso,	~ `	
4. Location of Well (Report location clearly and in accordance with a At surface SHL: 621' FSL & 851' FWL Unit	· \		11. Sec., T. R. M. or Blk.a	and Survey or Ar	ea
At surface SHL: 621' FSL & 851' FWL Unit At proposed prod. zone BHL: 990' FSL & 990' FWL, Unit			Sec 19, T17S, R32	!E	
 Distance in miles and direction from nearest town or post office* 3 miles south of Maljam 	ar NM		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) 621'	16. No. of acres in lease	17. Spacir	g Unit dedicated to this well		
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 130'	19. Proposed Depth 7000'		BIA Bond No. on file		
I. Elevations (Show whether DF, KDB, RT, GL, etc.) 3913' GL	22 Approximate date work will sta 12/31/2010	rt*	23. Estimated duration 10 days	<u>.</u>	
	24. Attachments				
he following, completed in accordance with the requirements of Onsho 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 SUPO shall be filed with the appropriate Forest Service Office).	4. Bond to cover the ltem 20 above). Lands, the 5. Operator certific	he operation ation specific info	is form: ns unless covered by an exis primation and/or plans as may		`
25. Signature Holos (John)	Name (Printed Typed) Robyn M. Odom		Date	e 09/09/2010	
itle Regulatory Analyst					
Approved by (Signature) /s/ Don Peterson	Name (Printed Typed)		Da	MAY 9	2011
itle FIELD MANAGER	Office CA	ARLSBA	FIELD OFFICE		
Application approval does not warrant or certify that the applicant hold onduct operations thereon. Conditions of approval, if any, are attached.	ls legal or equitable title to those righ	rs in the sub PPRO'	ect lease which would entitle VAL FOR TWO	the applicant to YEARS	
itle 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a c tates any false, fictitious or fraudulent statements or representations as	rime for any person knowingly and v	villfully to m	ake to any department or ag	ency of the Unit	ed

*(Instructions on page 2)

Roswell Controlled Water Basin

Ka offerly

Approval Subject to General Requirements & Special Stipulations Attached

SEE ATTACHED FOR CONDITIONS OF APPROVAL

MOSBS OCD

MASTER DRILLING PROGRAM

MAY 17 2011

1. Geologic Name of Surface Formation

Quaternary

RECEIVED

2. Estimated Tops of Important Geologic Markers:

Quaternary	Surface
Rustler	680'
Top of Salt	900'
Base of Salt	1700'
Yates	2010'
Seven Rivers	2375'
Queen	2980'
Grayburg	3355'
San Andres	3700'
Glorietta	5260'
Paddock	5310'
Blinebry	5870'
Tubb	6810'

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

Water Sand	150'	Fresh Water
Grayburg	3355'	Oil/Gas
San Andres	3700'	Oil/Gas
Glorietta	5260'	Oil/Gas
Paddock	5310'	Oil/Gas
Blinebry	5870'	Oil/Gas
Tubb	6810'	Oil/Gas

No other formations are expected to give up oil, gas or fresh water in measurable quantities. Setting 13 3/8" casing to 650° and circulating cement back to the surface will protect the surface fresh water sand. The Salt Section will be protected by setting 8 5/8" casing to 2100' and circulating cement, in a single or multi-stage job and/or with an ECP, back to the surface. Any shallower zones above TD, which contain commercial quantities of oil and/or gas, will have cement circulated across them. This will be achieved by cementing, with a single or multi-stage job, the 5 1/2" production casing back 200' into the intermediate casing, to be run at TD. If wellbore conditions arise that require immediate action.

4. Casing Program

Sel COA <

			OD			Jt.,	
	Hole Size	Interval	Casing	Weight	Grade	Condition	burst/collapse/tension
	17 ½"	0-650'690		48#	H-40orJ-55	ST&C/New	6.03/2.578/10.32
-	11"	0-2100/94	8 5/8"	24or32#	J-55	ST&C/New	1.85/1.241/4.78
	7 7/8"	0-T.D.	5 1/2"	15.5or17#	J-55orL-80	LT&C/New	1.59/1.463/2.05

5. Cement Program

13 3/8" Surface Casing:

LEAD Class C, 4% Gel, 2% CaCl2, .25 pps CF, 325 sx, yield-1.75 + TAIL 200 sx w/ 2% CaCl2, 0.25 pps CF, yield-1.32. 133% excess

8 5/8" Intermediate Casing:

11" Hole:

Single Stage: LEAD 50:50:10 C:Poz:Gel w/ 5% Salt +0.25% CF, 375 sx, yield-2.45 + TAIL Class C w/2% CaCl2, 200 sx, yield-1.32, back to surface. 133% excess

Multi-Stage: Stage 1: Class C w/2% CaCl2, 400 sx, yield - 1.32; 48% excess Stage 2: Class C w/2% CaCl2, 200 sx, yield - 1.32, back to surface, 48% excess; assumption for tool is lost circulation. Multi stage tool to be set at approximately, depending on hole conditions, 700' (50' below the surface casing). Cement volumes will be adjusted proportionately for depth changes of multi stage tool.

Gee COA

5 1/2" Production Casing:

Single Stage: LEAD 35:65:6 C:Poz:Gel w/5% Salt + 5 pps LCM + 0.2% SMS + 0.3% FL-52A + 0.125 pps CF, 500 sx, yield-2.05 + TAIL 50:50:2 C:Poz:Gel w/5% Salt + 3 pps LCM + 0.6% SMS + 1% FL-25 + 1% BA-58 + 0.3% FL-52A + 0.125 pps CF, 400 sx, yield-1.37, to 200' minimum tie back to intermediate casing. 30% excess back to surface.

Zee COA Multi-Stage: Stage 1: (Assumed TD of 7000') 50:50:2, C:Poz:Gel w/ 5% Salt + 3

> pps LCM + 0.6% SMS + 1% FL-25 + 1% BA-58 + 0.3% FL-52A + 0.125 pps CF, 500 sx, yield - 1.37, 13% excess: Stage 2: LEAD 50:50:2 C:Poz:Gel w/ 5% Salt + 3 pps LCM + 0.6% SMS + 1% FL-25 + 1% BA-58 + 0.3% FL-52A + 0.125 pps CF, 450 sx, yield - 1.37, + TAIL Class C w/ 0.3% R-3 + 1.5% CD-32, 250 sx, yield - 1.02 43% excess calculated back to surface. stage tool to be set at approximately, depending on hole conditions, Cement volumes will be proportionately for depth changes of multi stage tool, assumption for tool is water flow.

6. Minimum Specifications for Pressure Control

The blowout preventer equipment (BOP) shown in Exhibit #9 will consist of a double ram-type (2000 psi WP) preventer, and in some cases possibly a 2000 psi Hydril type annular preventer as provided for in Onshore Order #2. This unit will be hydraulically operated and the ram type preventer will be equipped with blind rams on top of 4 1/2" drill pipe rams on the bottom. A 13-5/8" or 11" BOP will be used, depending on the rig selected, during the drilling of the well. The BOP will be nippled up on the 13 3/8" surface casing with BOP equipment and tested to 2000 psi. When 11" BOP is used the special drilling flange will be utilized on the 13-3/8" head to allow testing the BOP with a retrievable test plug. After setting 8-5/8" the BOP will then be nippled up on the 8 5/8" intermediate casing and tested by a third party to 2000 psi and used continuously until total depth is reached. 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 (Exhibit #10) will include a Kelly cock and floor safety valve, choke lines and a choke manifold (Exhibit #11) with a 2000 psi WP rating.

The majority of the rigs currently in use have a 13-5/8" BOP, so no special provision is needed for most wells in the area for conventionally testing the BOP with a test plug. However, due to the vagaries of rig scheduling, it might be that one of the few rigs with 11" BOP's might be called upon to drill any specific well in the area. Note that intermediate hole size is always 11". Therefore, COG Operating LLC respectfully requests a variance to the requirement of 13-5/8" BOP on 13-3/8" casing. When that circumstance is encountered the special flange will be utilized to allow testing the entire BOP with a test plug, without subjecting the casing to test pressure. The special flange also allows the return to full-open capability if desired.

Sel COA

7. Types and Characteristics of the Proposed Mud System

The well will be drilled to TD with a combination of brine, cut brine and polymer mud system. The applicable depths and properties of this system are as follows:

DEPTH	TYPE	WEIGHT	VISCOSITY	WATERLOSS
0-650' 690	Fresh Water	8.5	28	N.C.
650-2100' 1940	Brine	10	30	N.C.
2100'-TD	Cut Brine	8.7-9.1	29	N.C.

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

8. Auxiliary Well Control and Monitoring Equipment

- A. Kelly cock will be kept in the drill string at all times.
- B. A full opening drill pipe-stabbing valve with proper drill pipe connections will be on the rig floor at all times.

9. Logging, Testing and Coring Program Lech

- 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 8 5/8" casing shoe.
- B. Drill Stem test is not anticipated.
- C. No conventional coring is anticipated.
- D. Further testing procedures will be determined after the 5 ½" production casing has been cemented at TD, based on drill shows and log evaluation.

10. Abnormal Conditions, Pressure, Temperatures and Potential Hazards

No abnormal pressures or temperatures are anticipated. The estimated bottom hole at TD is 110 degrees and the estimated maximum bottom hold pressure is 2300 psig. Measurable gas volumes or Hydrogen Sulfide levels have not been encountered during drilling operations in this area, although a Hydrogen Sulfide Drilling Operation Plan is attached to this program. No major loss of circulation zones has been reported in offsetting wells.

11. Anticipated Starting Date and Duration of Operations

Road and location work will not begin until approval has been received from the BLM. As this is a Master Drilling plan, please refer to the Form 3160-3 for the anticipated start date. Once commenced, drilling operations should be finished in approximately 15 days. If the well is productive, an additional 30 days will be required for completion and testing before a decision is made to install permanent facilities.



COG Operating LLC

Lea County, NM (NAD27 NME) GC Federal #53 GC Federal #53

HOBBS OCD

MAY 1 7 2011

OH

RECEIVE

Plan: Plan #1 - 7-7/8" Hole SHL = 621' FSL & 851' FWL BHL = 980' FSL & 980' FWL

Top of Paddock = 980' FSL & 980' FWL @ 5375' TVD

Standard Planning Report

18 November, 2010





Scientific Drilling

Planning Report



Database: Company: EDM-Julio

COG Operating LLC

Project: Lea County, NM (NAD27 NME)

GC Federal #53 Site: 🦂 🧳 Well: GC Federal #53

Wellbore: ОН

Design: Plan #1 - 7-7/8" Hole Local Co-ordinate Reference:

TVD Reference: MD Reference:

North Reference:

Survey Calculation Method:

Well GC Federal #53 GL Elev. @ 3913.00usft

GL Elev. @ 3913.00usft

Grid Minimum Curvature

Project Lea County, NM (NAD27 NME)

Map System:

US State Plane 1927 (Exact solution)

NAD 1927 (NADCON CONUS)

Geo Datum: Map Zone:

New Mexico East 3001

System Datum:

Site GC Federal #53

Site Position:

Well Position

From:

Map

Easting:

660,410.40 usft

Longitude:

Position Uncertainty:

Slot Radius:

13-3/16 "

Grid Convergence:

103° 48' 40.343 W

0.28

0.00 usft

Plan #1 - 7-7/8" Hole

Well GC Federal #53

Northing:

660,423.20 usft Easting: 660,410.40 usft Latitude:

32° 48' 52.209 N

Position Uncertainty

+E/-W 0.00 usft 0.00 usft

0.00 usft

Wellhead Elevation:

2010/11/18

Longitude: Ground Level: 103° 48' 40.343 W 3,913.00 usft

Wellbore 1 ОН

Model Name Magnetics

Declination

Dip Angle

49,000

Field Strength

IGRF2010

Audit Notes: Version:

0.00

PLAN

Tie On Depth:

0.00

0.00

19.45

Vertical Section: +E/-W (usft)

Plan Sections.		COME OF STATE AND A		enterperatur (m. Indiana)	manari menangkan di kecamatan di	And the contract of the contra	A. Z. Santa Mallaconia, i Nov. 19	C. 12 C670 1.30, 1810 A. 1410 B	- 21, 20; _ 31 #ERONA,	
Measured			Vertical			Dogleg	Build	Turn		
Depth	Inclination	Azimuth	Depth.	+N/-S	4+E/-W	Rate	Rate	Rate	TFO	
(usft)	(°).	(°)	(usft)	(usft)	(usft)	(°/100usft)	(°/100usft)	(°/100usft)	(°)	Target
			Charles Ta				of Frankling			Chiff diller de L. La Fil
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2,200.00	0.00	0.00	2,200.00	0.00	0.00	0.00	0.00	0.00	0.00	
2,589.68	7.79	19.45	2,588.48	24.95	8.81	2.00	2.00	0.00	19.45	
5,010.07	7.79	19.45	4,986.52	334.45	118.09	0.00	0.00	0.00	0.00	
5,399.76	0.00	0.00	5,375.00	359.40	126.90	2.00	-2.00	0.00	180.00	TG1-GC Fed #53
7,124.76	0.00	0.00	7,100.00	359.40	126.90	0.00	0.00	0.00	0.00	PBHL-GC Fed #53

0.00



Scientific Drilling

Planning Report



Database: EDM-Julio Company: COG Operating LLC

Local Co-ordinate Reference: Well GC Federal #53

abase: npany: ect: -	EDM-Julio COG Operating Lea County, NM GC Federal #53 GC Federal #53	Operating LLC ounty, NM (NAD27 NME) deral #53 TVD Reference: MD Reference: North Reference:					Well GC Federal #53 GL Elev. @ 3913.00usft GL Elev. @ 3913.00usft Grid Minimum Curvature		
ign:	Plan #1 - 7-7/8"	Hole		Sulp.			ž L		
nned Survey	TO STORAGE TAGES	PALTERIA SER	Carrier Carrier Ser	The same was been been and an all the	ale de la	F. BARA NAME.	Secretaria de la composición del composición de la composición del composición de la composición del composición del composición del composición de la composición del composición del composición del composición del composición d	ACT DE LES COMMENS DE LA C	entroper appropriate announce de la company de la comp La company de la company d
									ESELECTIVE CONTRACTOR
'Measured.			Vertical	表外的	S.M. Far. H	Vertical	Dogleg	Build	Turn
Depth .		Azimuth 🧢	Depth	+N/-S	+E/-W	Section-	Rate	Rate	Rate
(usft)	T & S(°)	(°)	🥦 (üsft) 🐫	(usft)"	√(usft)	(usft)	(°/100usft); 🎠	(°/100usft)	* (°/100usft)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2,100.00	0.00	0.00	2,100.00	0.00	0.00	0.00	0.00	0.00	0.00
8-5/8" Casii	-								
2,200.00	0.00	0.00	2,200.00	0.00	0.00	0.00	0.00.	0.00	0.00
	Build 2.00°/100'								•
2,300.00	2.00	19.45	2,299.98	1.65	0.58	1.75	2.00	2.00	0.00
2,400.00	4.00	19.45	2,399.84	6.58	2.32	6.98	2.00	2.00	0.00
2,500.00	6.00	19.45	2,499.45	14.80	5.23	15.69	2.00	2.00	0.00
2,589.68	7.79	19.45	2,588.48	24.95	8.81	26.46	2.00	2.00	0.00
EOC hold 7			•						
2,600.00	7.79	19.45	2,598.70	26.27	9.28	27.86	0.00	0.00	0.00
2,700.00	7.79	19.45	2,697.78	39.06	13.79	41.42	0.00	0.00	0.00
2,800.00	7.79	19.45	2,796.86	51.85	18.31	54.98	0.00	0.00	0.00
2,900.00	7.79	19.45	2,895.93	64.63	22.82	68.54	0.00	0.00	0.00
3,000.00	7.79	19.45	2,995.01	77.42	27.34	82.10	0.00	0.00	0.00
3,100.00	7.79	19.45	3,094.09	90.21	31.85	95.66	0.00	0.00	0.00
3,200.00	7.79	19.45	3,193.16	102.99	36,37	109.23	0.00	0.00	0.00
3,300.00	7.79	19.45	3,292.24	115.78	40.88	122.79	0.00	0.00	0.00
3,400.00	7.79	19.45	3,391.31	128.57	45.40	136.35	0.00	0.00	0.00
3,500.00	7.79	19.45	3,490.39	141.35	49.91	149.91	0.00	0.00	0.00
3,600.00	7.79	19.45	3,589.47	154.14	54.43	163.47	0.00	0.00	0.00
3,700.00	7.79	19.45	3,688.54	166.93	58.94	177.03	0.00	0.00	0.00
3,800.00	7.79	19.45	3,787.62	179.72	63.46	190.59	0.00	0.00	0.00
3,900.00	7.79	19.45	3,886.70	192.50	67.97	204.15	0.00	0.00	0.00
4,000.00	7.79	19.45	3,985.77	205.29	72.49	217.71	0.00	0.00	0.00
4,100.00	7.79	19.45	4,084.85	218.08	77.00	231.27	0.00	0.00	0.00
4,200.00	7.79	19.45	4,183.92	230.86	81.52	244.83	0.00	0.00	0.00
4,300.00	7.79	19.45	4,283.00	243.65	86.03	258.39	0.00	0.00	0.00
4,400.00	7.79	19.45	4,382.08	256.44	90.55	271.95	0.00	0.00	0.00
4,500.00	7.79	19.45	4,481.15	269.22	95.06	285.51	0.00	0.00	0.00
4,600.00	7.79	19.45	4,580.23	282.01	99.57	299.07	0.00	0.00	0.00
4,700.00	7.79	19.45	4,679.31	294.80	104.09	312.63	0.00	0.00	0.00
4,800.00	7.79	19.45	4,778.38	307.58	108.60	326.20	0.00	0.00	0.00
4,900.00	7.79	19.45	4,877.46	320.37	113.12	339.76	0.00	0.00	0.00
5,000.00	7.79	19.45	4,976.53	333.16	117.63	353.32	0.00	0.00	0.00
5,010.07	7.79	19.45	4,986.51	334.45	118.09	354.68	0.00	0.00	0.00
Start Drop 2									
5,100.00	6.00	19.45	5,075.79	344.63	121.68	365.48	2.00	-2.00	0.00
5,200.00	4.00	19.45	5,175.40	352.84	124.58	374.18	2.00	-2.00	0.00
5,300.00	2.00	19.45	5,275.26	357.76	126.32	379.41	2.00	-2.00	
5,399.76	0.00	0.00	5,375.00	359.40	126.90	381.15	2,00	-2.00 -2.00	0.00 -19.49
EOC hold 0.0	00° - TG1-GC Fed #8		•			1, 10	2,00	-2.00	- 13.43
7,124.76	0.00	0.00	7,100.00	359.40	126.90	381.15	0.00	0.00	0.00
PBHL-GC Fe				· · •	3.00	55 1.10	5.00	0.00	0.00



Scientific Drilling

Planning Report



Database:

EDM-Julio

COG Operating LLC Company:

Project: Site: Elea County, NM (NAD27 NME) GC Federal #53

Well: GC Federal #53

Wellbore: Design: OH Plan #1 - 7-7/8" Hole

Local Co-ordinate Reference:

TVD Reference:

MD Reference:

North Reference:

Survey Calculation Method:

Well GC Federal #53

GL Elev. @ 3913.00usft

Grid

Minimum Curvature

Design Targets Target Name - hit/miss target Dip - Shape		ilp Dir. (°)	TVD (usft)	Care Contra Marine Contra	+E/:W /// (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
West HL-GC Fed #53 - plan misses target cente - Rectangle (sides W0.00			0.00 Dusft MD (0.0	369.40 00 TVD, 0.00 N	136.90 1 , 0.00 E)	660,792.60	660,547.30	32° 48' 55.858 N	103° 48' 38.718 W
South HL-GC Fed #53 - plan misses target cente - Rectangle (sides W100.0			0.00 Dusft MD (0.0	369.40 00 TVD, 0.00 N	136.90 √, 0.00 E)	660,792.60	660,547.30	32° 48′ 55.858 N	103° 48′ 38.718 W
TG1-GC Fed #53 - plan hits target center - Circle (radius 10.00)	0.00	0.00	5,375.00	359.40	126.90	660,782.60	660,537.30	32° 48′ 55.759 N	103° 48′ 38.835 W
PBHL-GC Fed #53 - plan hits target center - Circle (radius 10.00)	0.00	.0.00	7,100.00	359.40	126.90	660,782.60	660,537.30	32° 48′ 55.759 N	103° 48' 38.835 W

		ertical Depth (usft)	Name	Casing Diameter ('')	Hole Damete (1)
ĺ	2,100.00	2,100.00	8-5/8" Casing	8-5/8	12-1/4

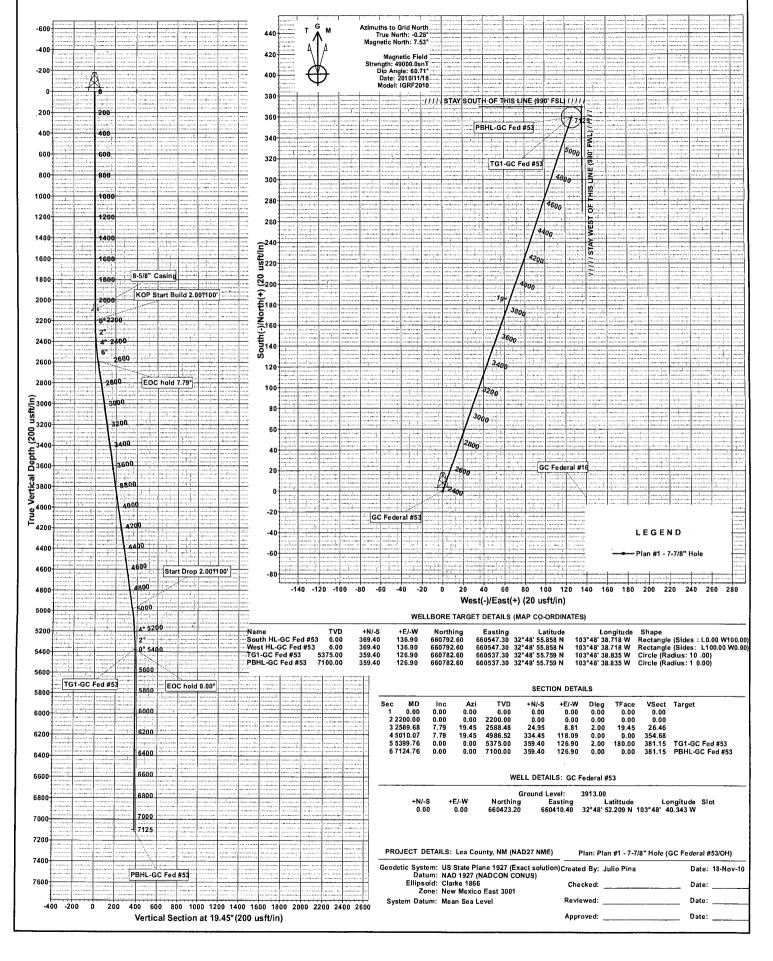
Plan Annotations Measured Depth (usft)	Vertical Depth (usft)	Local Coordin •N/-S (usft)	ates +E/-W- (usft)	Comment
2,200.00	2,200.00	0.00	0.00	KOP Start Build 2.00°/100'
2,589.68	2,588.48	24.95	8.81	EOC hold 7.79°
5,010.07	4,986.51	334.45	118.09	Start Drop 2.00°/100'
5,399.76	5,375.00	359.40	126.90	EOC hold 0.00°



Scientific Drilling for COG Operating LLC Site: Lea County, NM (NAD27 NME) Well: GC Federal #53

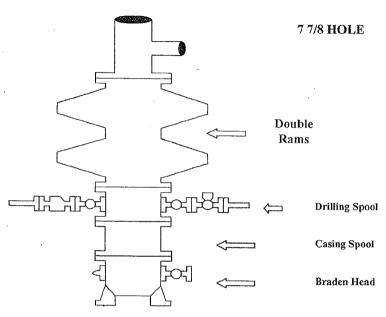
Wellbore: OH Design: Plan #1 - 7-7/8" Hole





COG Operating LLC

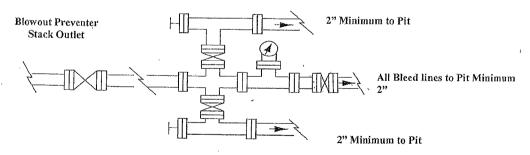
Exhibit #9 BOPE and Choke Schematic



Minimum 4" Nominal choke and kill lines

Choke Manifold Requirement (2000 psi WP) No Annular Required

Adiustable Choke



Adjustable Choke (or Positive)

NOTES REGARDING THE BLOWOUT PREVENTERS Master Drilling Plan Eddy County, New Mexico

- 1. Drilling nipple to be so constructed that it can be removed without use of a welder through rotary table opening, with minimum I.D. equal to preventer bore.
- 2. Wear ring to be properly installed in head.
- 3. Blow out preventer and all fittings must be in good condition, 2000 psi WP minimum.
- 4. All fittings to be flanged.
- 5. Safety valve must be available on rig floor at all times with proper connections, valve to be full 2000 psi WP minimum.
- 6. All choke and fill lines to be securely anchored especially ends of choke lines.
- 7. Equipment through which bit must pass shall be at least as large as the diameter of the casing being drilled through.
- 8. Kelly cock on Kelly.
- 9. Extension wrenches and hands wheels to be properly installed.
- 10. Blow out preventer control to be located as close to driller's position as feasible.
- 11. Blow out preventer closing equipment to include minimum 40-gallon accumulator, two independent sources of pump power on each closing unit installation all API specifications.

Blowout Preventers Page 2

