DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
2/18/2014		PRG	2/19/2014	SWD	pMAM1405028362

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

-SWD 1334-A
-COG Operating, LLC
229137

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

well

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☒ SWD ☐ IPI ☐ EOR ☐ PPR

-Pine Springs 2
SWD #2
30-015-21081
Pool

[D] Other: Specify _____

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

-SWD; Delaware
96100

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☒ Offset Operators, Leaseholders or Surface Owner

[C] ☒ Application is One Which Requires Published Legal Notice

[D] ☒ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

BRIAN COLLINS		SENIOR OPERATIONS ENGINEER	13 Feb 2014
Print or Type Name	Signature	Title	Date

bcollins@concho.com
e-mail Address

CONCHO

February 13, 2014

New Mexico Oil Conservation Division
Attn: Phillip Goetze
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: Application For Authorization To Inject
Pine Springs 2 State SWD #2
Township 26 South, Range 25 East, N.M.P.M.
Section 2: 1980' FSL & 1980' FEL
Eddy County, New Mexico

Dear Mr. Goetze:

COG Operating LLC respectfully requests administrative approval for authorization to inject for the referenced well. Attached, for your review, is a copy of the C-108 application. Once we receive the newspaper publication and all certified return receipts, I will send you a copy.

We would like to terminate Administrative Order SWD-1334, issued May 17, 2012, for this same well bore under the name Chelsi Well No. 1. This well has not been converted to SWD service and is still plugged and abandoned. We purchased Three Rivers Operating Company's southeast New Mexico properties and now operate this lease. The current order is for injection into the Upper Pennsylvanian formation from 9830 feet to 9992 feet. We're proposing to reenter this well bore and make it into a Delaware Sand open hole SWD well from 2655' to 4200'.

Please do not hesitate to contact me at (575) 748-6940 should you have any questions.

Sincerely,

Brian Collins
Senior Operations Engineer

BC/sw
Enclosures

CORPORATE ADDRESS
One Concho Center | 600 West Illinois Avenue | Midland, Texas 79701
PHONE 432.683.7443 | FAX 432.683.7441

LOCAL ADDRESS
Concho West | 2208 West Main Street | Artesia, New Mexico 88210
PHONE 575.748.6940 | FAX 575.748.6968

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL
RESOURCES DEPARTMENT

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

FORM C-108
Revised June 10, 2003

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: _____Secondary Recovery _____Pressure Maintenance __X__Disposal _____Storage
Application qualifies for administrative approval? __X__Yes _____No

II. OPERATOR: COG OPERATING LLC

ADDRESS: 2208 W. Main Street, ARTESIA, NM 88210

CONTACT PARTY: BRIAN COLLINS PHONE: 575-748-6940

III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? _____Yes __X__No
If yes, give the Division order number authorizing the project: _____

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).

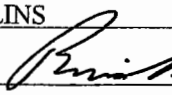
*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: BRIAN COLLINS TITLE: Senior Operations Engineer

SIGNATURE:  DATE: 13 Feb 2014

E-MAIL ADDRESS: bcollins@concho.com

* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

C-108 Application for Authorization to Inject
PINE SPRINGS 2 STATE SWD 2
1980' FSL, 1980' FEL
Unit J, Sec 2, T26S, R25E
Eddy County, NM

COG Operating, LLC, proposes to reenter the captioned well, clean out the well across the Delaware Sand, plug back to 4200' with cement and dispose of produced water into the Delaware Sand open hole interval from 2655' to 4200'.

V. Map is attached.

VI. No wells currently penetrate the proposed injection zone within the ½ mile radius area of review. One well lies just outside the ½ mile radius area of review and another well may be drilled within the area of review in the future. Well bore schematics for both are attached.

VII. 1. Proposed average daily injection rate = 5,000 BWPD
Proposed maximum daily injection rate = 10,000 BWPD

2. Closed system

3. Proposed maximum injection pressure = 531 psi
(0.2 psi/ft. x 2655 ft.)

4. Source of injected water will be Delaware Sand, Bone Spring and Wolfcamp produced water. No compatibility problems are expected (we've seen no compatibility issues in numerous Delaware Sand SWDs located in T25S R28E and T26s R28e that take the same produced water as the proposed SWD well). Analyses of Delaware, Bone Spring and Wolfcamp waters are attached.

VIII. The injection zone is the Delaware Sand from 2655' to 4200'. The proposed injection formation is composed of fine grained sandstone. Any underground water sources will be shallower than 150' per Office of State Engineer website.

IX. The Delaware Sand injection interval will be acidized with approximately 10,000 gals of 7.5% HCl acid and possibly fracture treated with approximately 200,000 lbs. of sand.

X. Well logs, if run, will be filed with the Division. A portion of the original Welex Guard log across the proposed injection interval is attached.

XI. There are no fresh water wells within a mile or the proposed SWD well.

XII. After examining the available geologic and engineering data, no evidence was found of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

XIII. Proof of Notice is attached.

III.

WELL DATA

Side 1

INJECTION WELL DATA SHEET

OPERATOR: COG Operating, LLC

WELL NAME & NUMBER: Pine Springs 2 State SWD No. 2 (Formerly Target Unit 1 & Chelsi 1)

WELL LOCATION: 1980' FSL 1980' FEL J 2 26s 25e

FOOTAGE LOCATION | UNIT LETTER | SECTION | TOWNSHIP | RANGE

WELLBORE SCHEMATIC

See Attached Before & After Schematics

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 17½" Casing Size: 13⅜" @ 199'

Cemented with: 200 sx. *or* – ft³

Top of Cement: Surface Method Determined: Circ 25sx.

Intermediate Casing

Hole Size: 12¼" Casing Size: 9⅝" @ 2655'

Cemented with: 900 sx. *or* – ft³

Top of Cement: Surface Method Determined: Circulated

Production Casing

Hole Size: _____ Casing Size: _____

Cemented with: – sx. *or* _____ ft³

Top of Cement: _____ Method Determined: _____

Total Depth: _____

Injection Interval

8¾" OH 2655' feet to 4200'

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 4 1/2" Lining Material: Glassbore / Duoline 20

Type of Packer: Nickel plated 10K retrievable double grip

Packer Setting Depth: ± 2600'

Other Type of Tubing/Casing Seal (if applicable): N/A

Additional Data

1. Is this a new well drilled for injection? ____ Yes X No

   If no, for what purpose was the well originally drilled? Oil & Gas

2. Name of the Injection Formation: Delaware Sand

3. Name of Field or Pool (if applicable): Cottonwood Spring

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. Yes - See wellbore schematic

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:

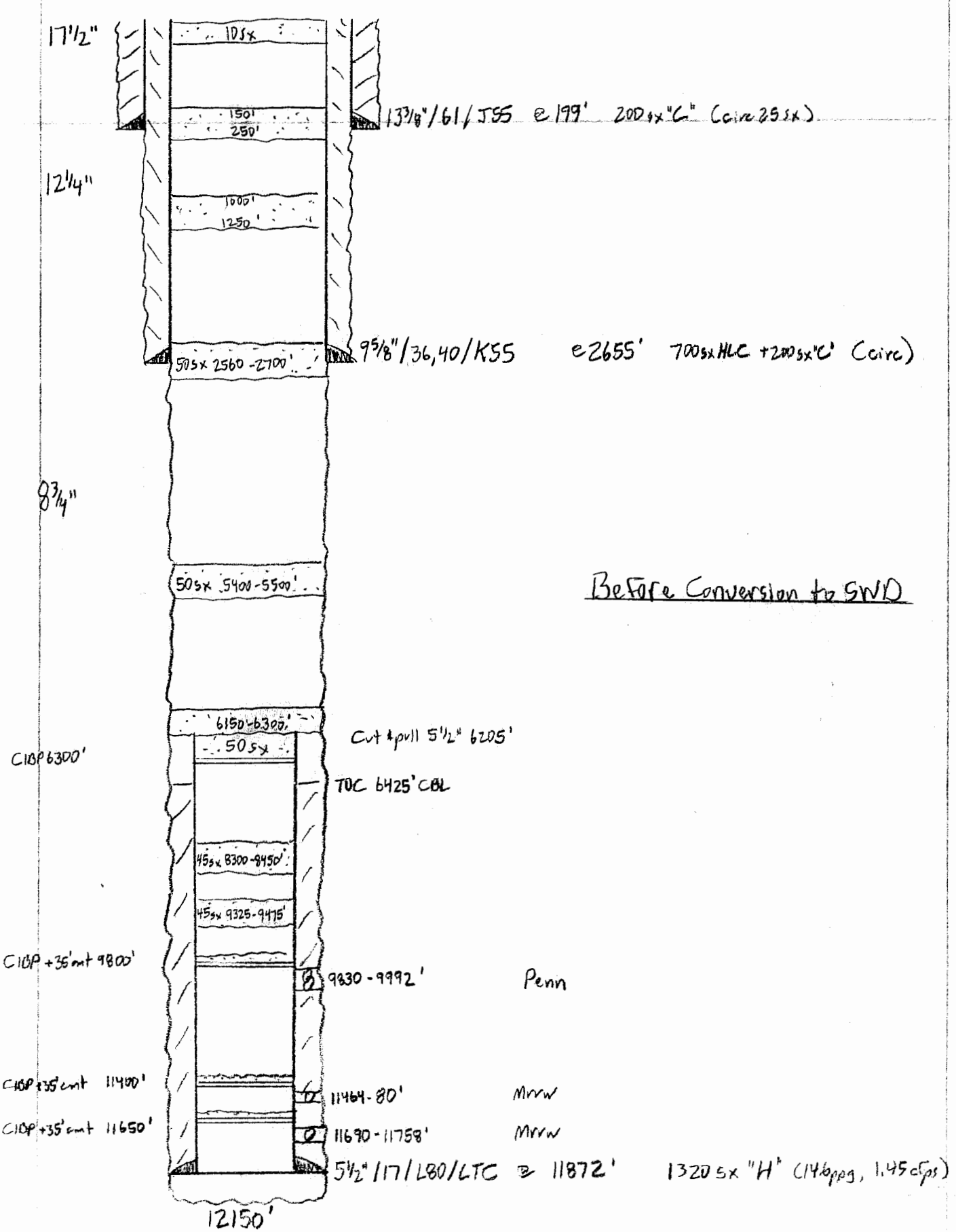
   Overlying : None

   Underlying : Bone Spring 5580-8300' ±, Wolfcamp 8500-9600' ±

   Upper Penn 9800-10250' ±, Morrow 11350-11675' ±

30-015-21081 (Formerly Target Unit 1, Chelsi 1)
1980'FSL, 1980'FEL
J-2-26s-25e
Eddy NM

GL: 3587.2'



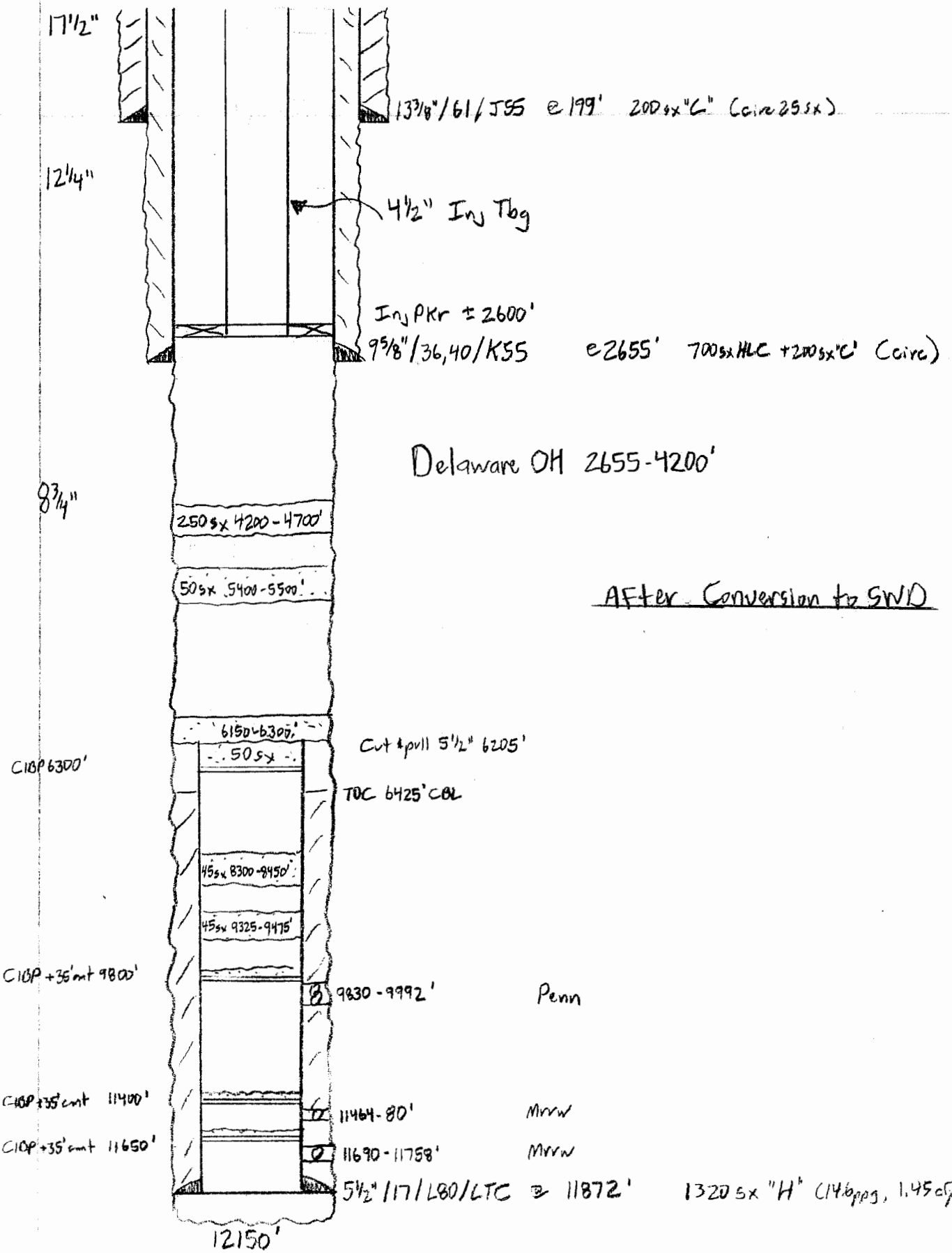
30-015-21081 (Formerly Target Unit 1, Chelsi 1)

1980'FSL, 1980'FEL

J-2-26s-25e

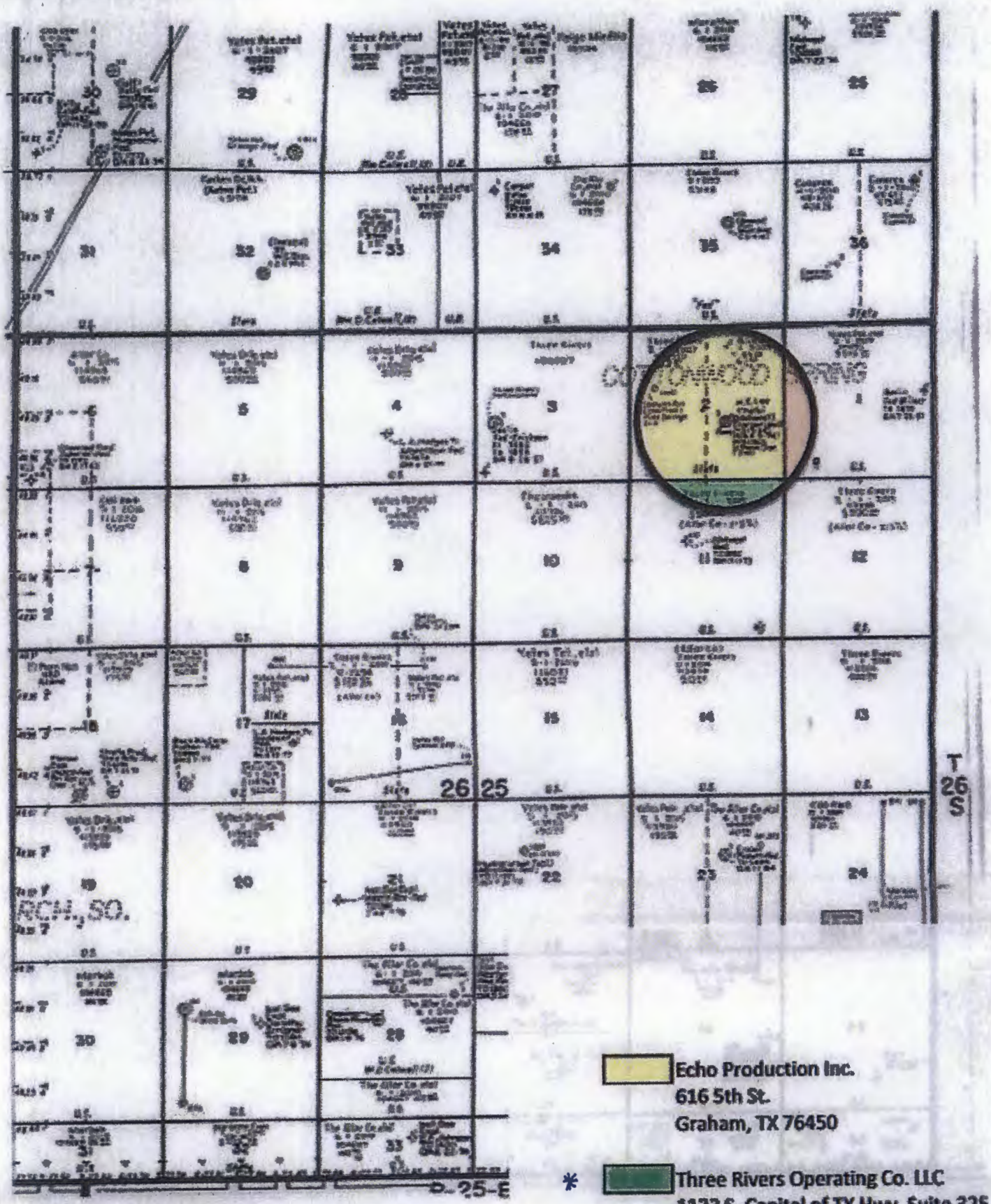
Eddy NM

GL: 3587.2'



V.

MAP



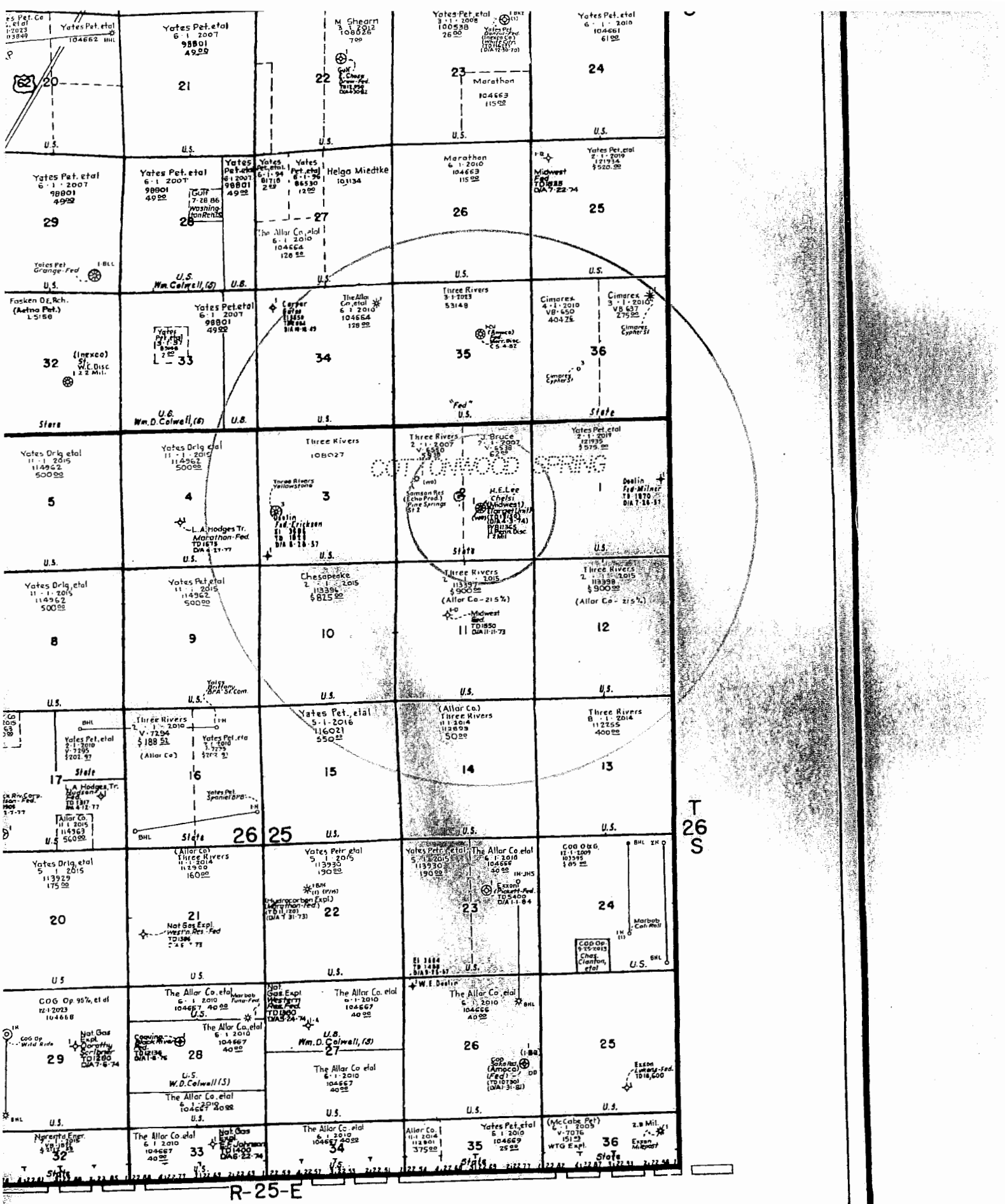
Pine Springs 2 State SWD No.2
1980' FSL, 1980' FEL
Unit J, Section 2, T26S, R25E
Eddy County, NM

Echo Production Inc.
616 5th St.
Graham, TX 76450

* Three Rivers Operating Co. LLC
1122 S. Capital of TX Hwy. Suite 325
Austin, TX 78746

Yates Petroleum Corporation
105 S. 4th St.
Artesia, NM 88210

* COG Operating, LLC purchased Three Rivers Operating properties in 2012.



Ownership Map

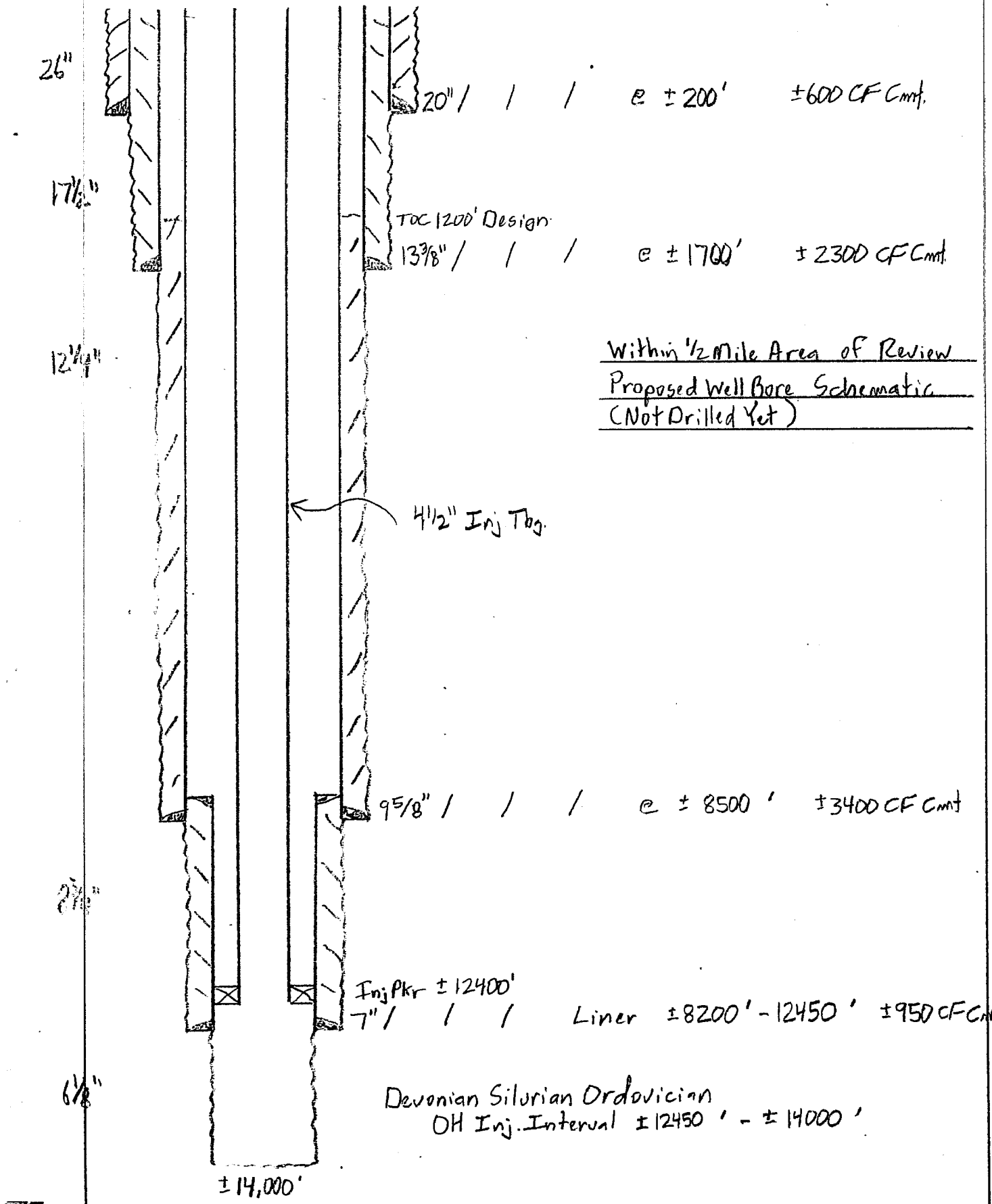
West Part Of

VI.

Wells Penetrating Proposed Disposal Interval Within Half Mile Area of Review

30-015-

Pine Springs 2 State SWD 1
2500' FSL, 2500' FWL
K-2-26s-25e
Eddy, NM



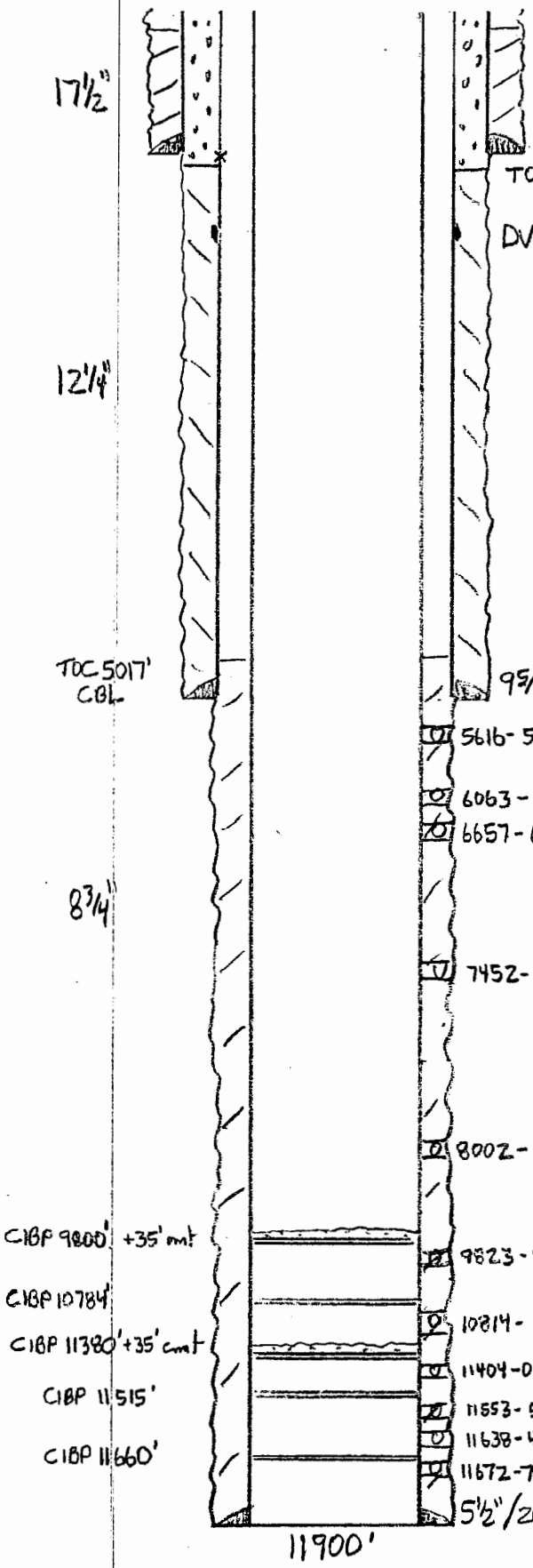
Within ½ Mile Area of Review
Proposed Well Bore Schematic
(Not Drilled Yet)

TOPS
35500

30-015-33562

Pine Springs 2 State No. 1
1980' FNL, 810' FWL
E-2-26s-25e
Eddy, NM

GL: 3584'



Just Outside ½ Mile Area of Review

VII.

Water Analysis Produced and Receiving Formation Water

VATER SAMPLES REPRESENTATIVE OF WATER BEING INJECTED INTO THE PROPOSED SWD WELL

Delaware

Lab Test #	Lease	Location	Salesman	Date Out	Sample Date	Specific Gravity	Ionic Strength	TDS	pH	conductivity	Ca (mg/L)	Mg (mg/L)
011128362	Sly Hawk State	1	William D Polk	9/28/2011	9/13/2011	1.17	4.06	256802.26	6.50		26180.00	4101.14

one Spring

Lab Test #	Lease	Location	Salesman	Date Out	Sample Date	Specific Gravity	Ionic Strength	TDS	pH	conductivity	Ca (mg/L)	Mg (mg/L)
012108003	Boyles	24 1H	William D Polk	4/16/2012	4/3/2012	1.13	3.41	206441.81	6.69		3700.86	841.87

Wolfcamp

Lab Test #	Lease	Location	Salesman	Date Out	Sample Date	Specific Gravity	Ionic Strength	TDS	pH	conductivity	Ca (mg/L)	Mg (mg/L)
012105892	Augustus 10	1H		3/15/2012	3/8/2012	1.06	1.46	89771.55	6.60		3963.30	639.83

Delaware sample representative of water in receiving formation.

H (CaCO3)	Na (mg/L)	K (mg/L)	Zn (mg/L)	Fe (mg/L)	Ba (mg/L)	Sr (mg/L)	Mn (mg/L)	Resistivity	HCO3 (mg/L)	CO3 (mg/L)	OH (mg/L)	SO4 (mg/L)	Cl (mg/L)	CO2 (mg/L)	H2S (mg/L)
83379.63	62970.16	1133.12	38.78	20.06	1.64	905.03	9.33		73.00	0.00		70.00	161300.00	360.00	0.00

H (CaCO3)	Na (mg/L)	K (mg/L)	Zn (mg/L)	Fe (mg/L)	Ba (mg/L)	Sr (mg/L)	Mn (mg/L)	Resistivity	HCO3 (mg/L)	CO3 (mg/L)	OH (mg/L)	SO4 (mg/L)	Cl (mg/L)	CO2 (mg/L)	H2S (mg/L)
13271.35	69386.15	1109.30	0.00	17.57	0.00	483.07	0.00		1403.00	0.00		700.00	128800.00	400.00	0.00

H (CaCO3)	Na (mg/L)	K (mg/L)	Zn (mg/L)	Fe (mg/L)	Ba (mg/L)	Sr (mg/L)	Mn (mg/L)	Resistivity	HCO3 (mg/L)	CO3 (mg/L)	OH (mg/L)	SO4 (mg/L)	Cl (mg/L)	CO2 (mg/L)	H2S (mg/L)
13352.51	28320.32	350.70	0.00	17.85	1.77	707.79	0.00		220.00	0.00		950.00	54600.00	60.00	0.00

X.

Log Across Proposed Delaware Sand Injection Interval

Welex

GUARD LOG

COMPANY Midwest Oil Corporation

WELL Target Unit # 1

FIELD Wildcat

County Eddy State N.M.

COMPANY MIDWEST OIL CORPORATION

WELL TARGET UNIT # 1

FIELD WILDCAT

COUNTY EDDY STATE NEW MEXICO

Location 1980' FSL & 1980' FEL

Other Services: Density, G/R - N/G

Sec. 2 Twp 26-S Rge 25-E

Permanent Datum Ground Level Elev. 3589'

Log Measured From K. B. - 18 Ft. Above Perm. Datum

Drilling Measured From Kelly Bushing

Elev.: K.B. 3607' D.F. 3606' G.L. 3589'

Date	3/26/74		
Run No.	- One -		
Depth—Driller	12,150		
Depth—Welex	12,135		
Btm. Log Inter.	12,130		
Top Log Inter.	2,640		
Casing—Driller	9-5/8" @2,655	@	@
Casing—Welex			
Bit Size	8-3/4"		
Type Fluid in Hole	Salt Mud		
Dens. | Visc.	10.1 | 37	|	|
pH | Fluid Loss	9.5 | 3.4ml	| ml	| ml
Source of Sample	Circulated		
R_m @ Meas.Temp.	.060 @ 64°F	@ °F	@ °F
R_{mf} @ Meas.Temp.	.055 @ 64°F	@ °F	@ °F
R_{mc} @ Meas.Temp.	@ °F	@ °F	@ °F
Source R_{mf} | R_{mc}	Measured	|	|
R_m @ BHT	.023 @ 182°F	@ °F	@ °F
Time Since Circ.			
Max. Rec. Temp.	182°F @ B.H.	°F @	°F @

ire

Ticket No. 082272 Remarks:

in Mud Type or Additional Samples		
Sample No.	|	|
-Driller		
uid in Hole		
| Visc.	|	|
| Fluid Loss	| ml	|
ce of Sample		
@ Meas.Temp.	@ °F	@ °F
@ Meas.Temp.	@ °F	@ °F
@ Meas.Temp.	@ °F	@ °F
ce: R_{mf} | R_{mc}	|	|
@ BHT	.023 @ 182°F	@ °F
BHT	.020 @ 182°F	@ °F
BHT	@ °F	@ °F

SCALE CHANGES

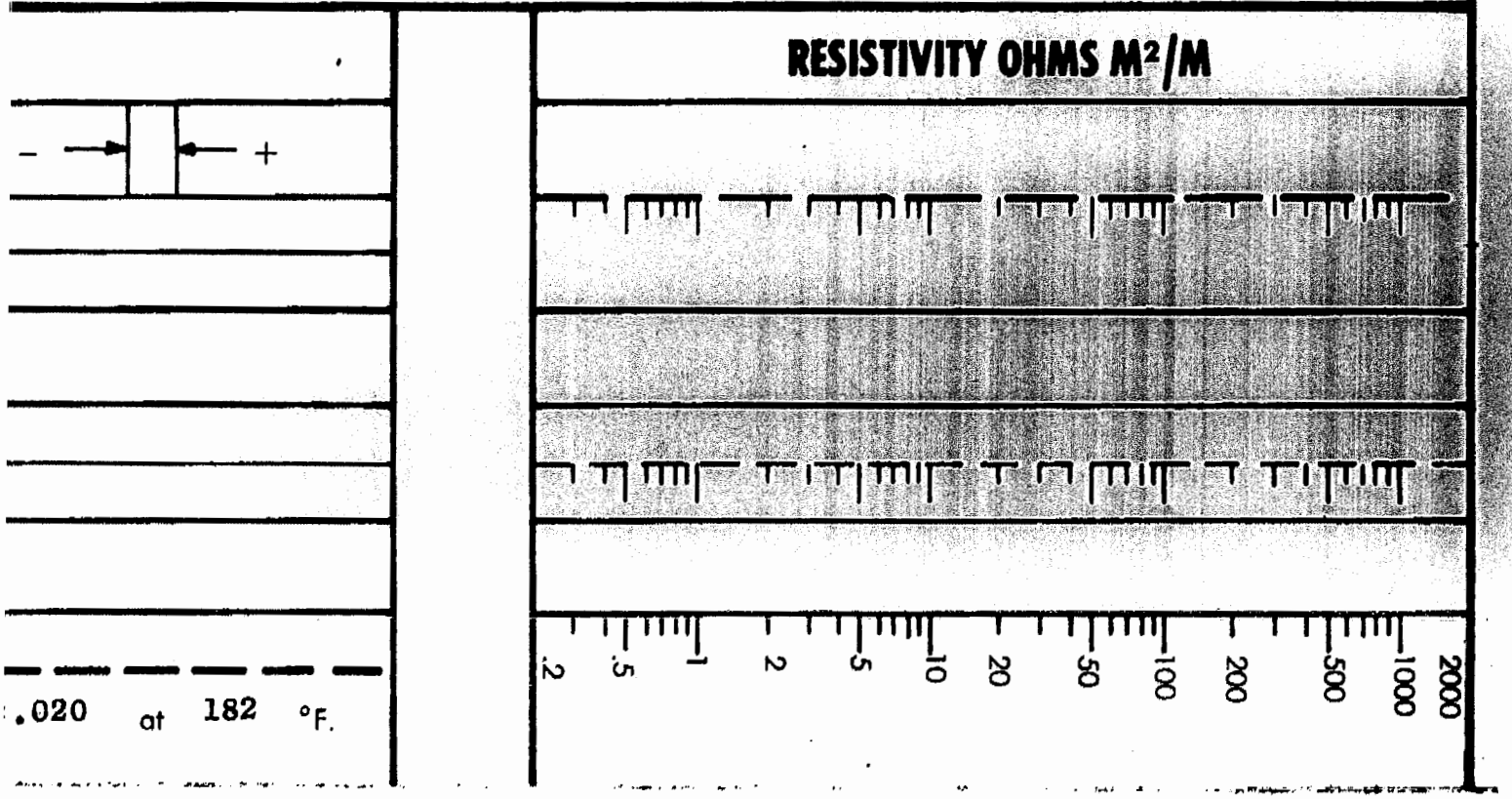
Type Log	Depth	Scale Up Hole	Scale Down Hole

EQUIPMENT DATA

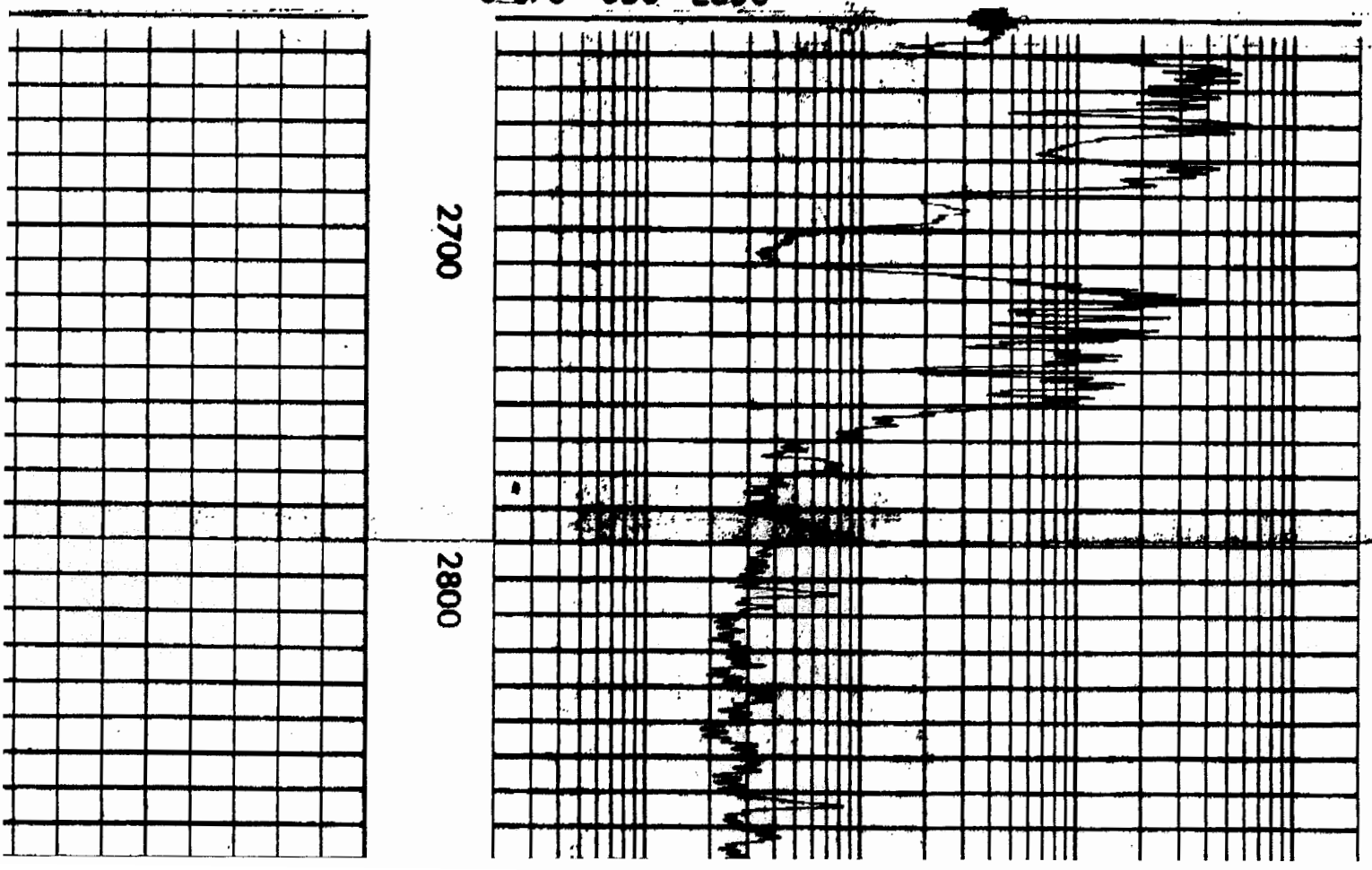
Run No.	Tool Type and No.	Pad Type	Tool Position	Other
-1-	Guard 12049		Free	

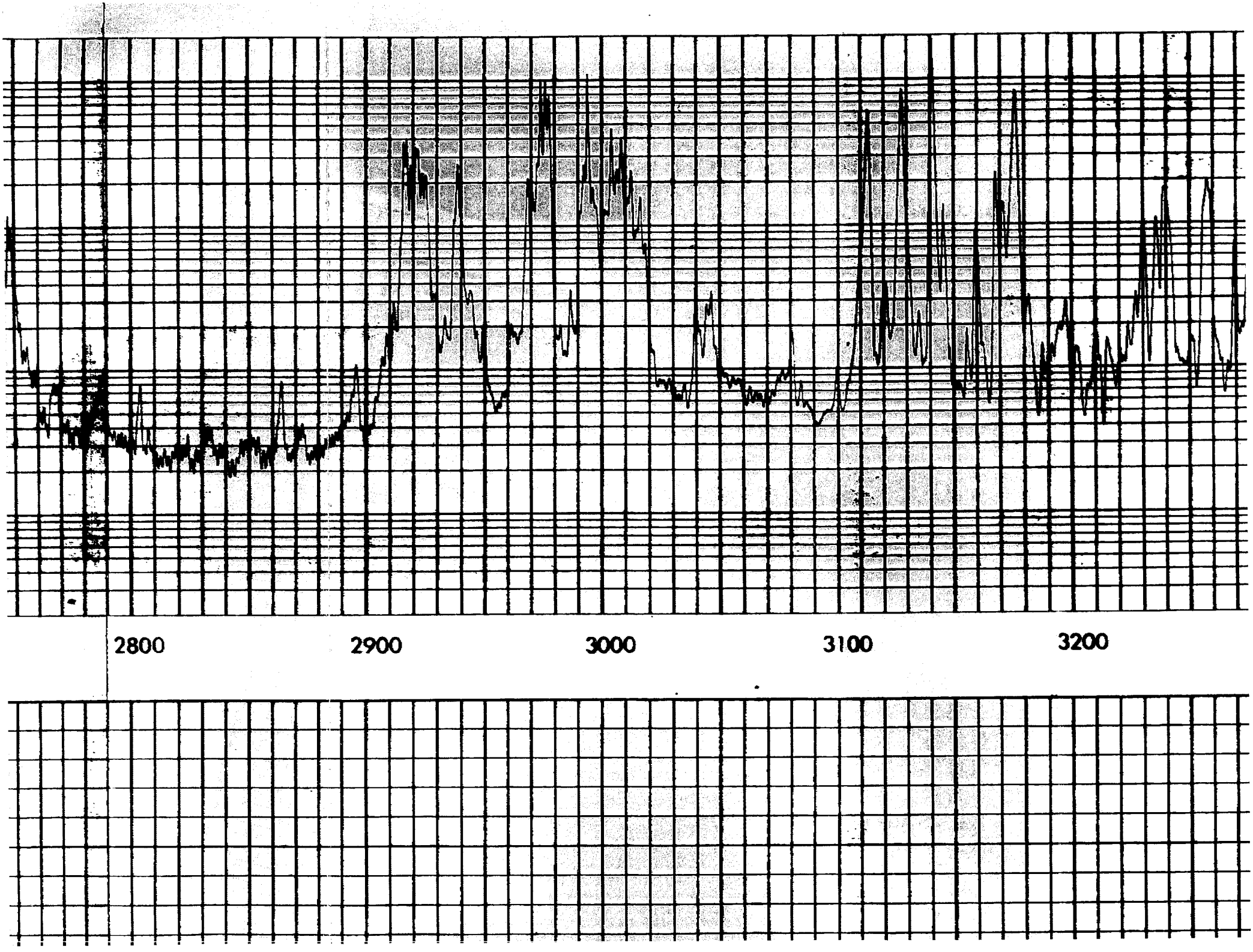
...y Welex personnel or which may appear on the log or in any other form. Any user of such data, interpretations, conversions, or recommendations agrees that ...is not responsible, except where due to gross negligence or wilful misconduct, for any loss, damages, or expenses resulting from the use thereof .

2" —100'



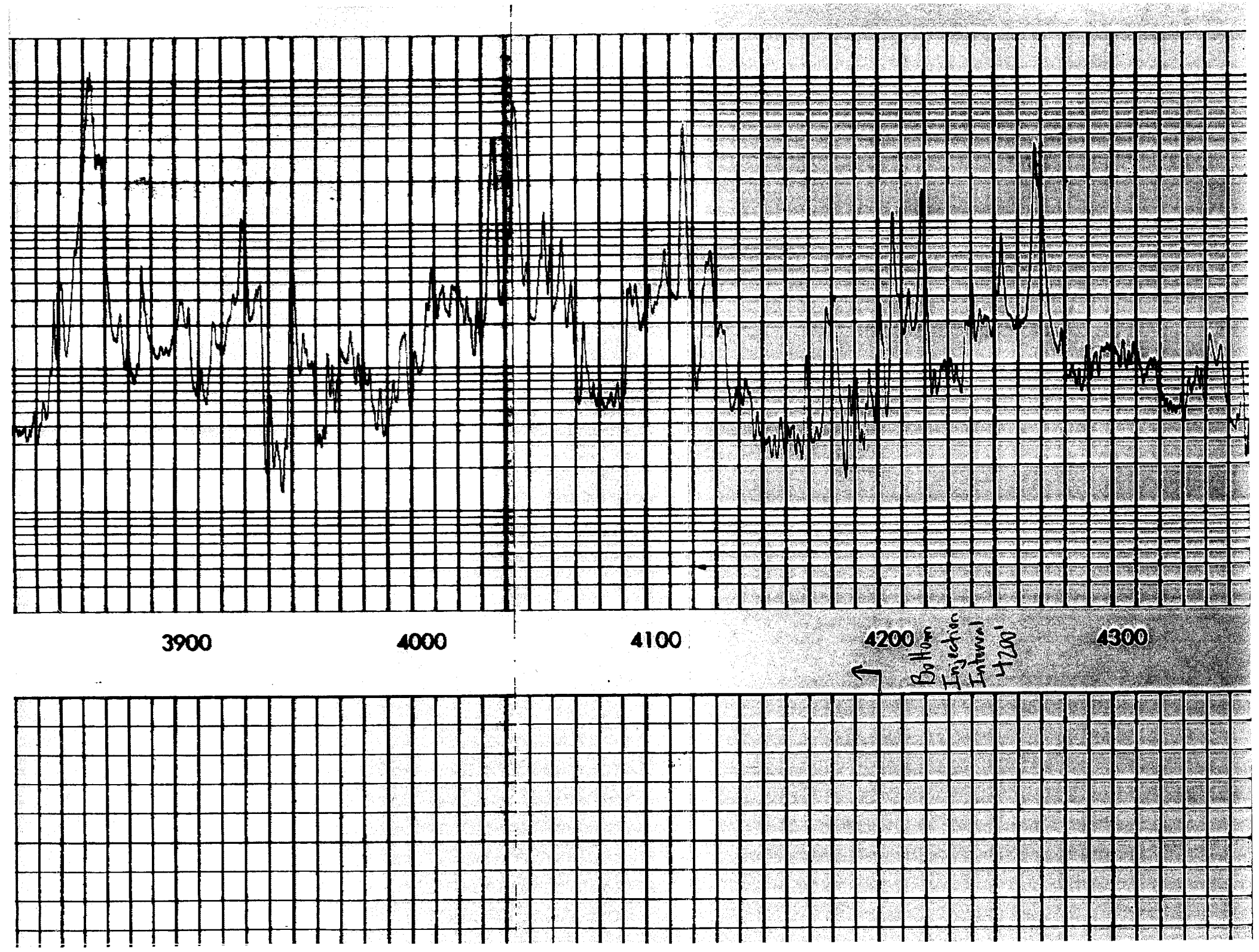
9 5/8" CSG—2655




2800
2900
3000
3100
3200

00
3200
3300
3400
3500
3600

3600
3700
3800
3900
4000


3900
4000
4100
4200
4300
Bottom Injection Tubing

XI.

Fresh Water Sample Analyses

New Mexico Office of the State Engineer

Active & Inactive Points of Diversion

(with Ownership Information)

(R=POD has been replaced and no longer serves this file, C=the file is closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)

(quarters are smallest to largest) (NAD83 UTM in meters)

(acre ft per annum)

File Nbr	Sub basin	Use	Diversion	Owner	County	POD Number	Code Grant	Source	q q q 6416 4	Sec	Tws	Rng	X	Y
)3783		STK	3	JOHN W. AND ANNE V. DUTTON	ED	SD 03783	> 1 mile away		4 4 4	36	25S	25E	562110	3549490*

ord Count: 1

PLSS Search:

Section(s): 34, 35, 36 **Township:** 25S **Range:** 25E

Sorted by: File Number

l location was derived from PLSS - see Help

New Mexico Office of the State Engineer
Water Column/Average Depth to Water

No records found.

PLSS Search:

Section(s): 34, 35, 36 **Township:** 25S **Range:** 25E

New Mexico Office of the State Engineer

Active & Inactive Points of Diversion

(with Ownership Information)

No PODs found.

PLSS Search:

Section(s): 1, 2, 3 **Township:** 26S **Range:** 25E

New Mexico Office of the State Engineer
Water Column/Average Depth to Water

No records found.

PLSS Search:

Section(s): 1, 2, 3 **Township:** 26S **Range:** 25E

New Mexico Office of the State Engineer

Active & Inactive Points of Diversion

(with Ownership Information)

(R=POD has been replaced and no longer serves this file, C=the file is closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)

(quarters are smallest to largest) (NAD83 UTM in meters)

(acre ft per annum)

File Nbr	Sub basin	Use	Diversion	Owner	County	POD Number	Code Grant	Source	q q q 64 16 4	Sec	Tws	Rng	X	Y
366	CUB	PLS	3	GUARANTY TITLE	ED	C 02366	> 1 mile away		4 4	12	26S	25E	562027	3546345*
321	C	STK	3	GARY LOVELADY	ED	C 03321	Dry Hole	Shallow	4 1 1	11	26S	25E	559375	3547431

ord Count: 2

PLSS Search:

Section(s): 10, 11, 12 **Township:** 26S **Range:** 25E

Sorted by: File Number

M location was derived from PLSS - see Help

New Mexico Office of the State Engineer
Water Column/Average Depth to Water

(A CLW##### in the POD suffix indicates the POD has been replaced & no longer serves a water right file.)

(R=POD has been replaced, O=orphaned, C=the file is closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)

(quarters are smallest to largest) (NAD83 UTM in meters) (In feet)

POD Number	POD Sub-basin Code	County	Q 64	Q 16	Q 4	Sec	Tws	Rng	X	Y	Depth Well	Depth Water	Water Column
C 02366	CUB	ED		4	4	12	26S	25E	562027	3546345*	80	150	-70
C 03321	C	ED	4	1	1	11	26S	25E	559375	3547431	150	23	127

Average Depth to Water: **86 feet**

Minimum Depth: **23 feet**

Maximum Depth: **150 feet**

Record Count: 2

PLSS Search:

Section(s): 10, 11, 12 **Township:** 26S **Range:** 25E

***UTM location was derived from PLSS - see Help**

CONCHO

February 13, 2014

New Mexico Oil Conservation Division
Attn: Phillip Goetze
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: Application For Authorization To Inject
Pine Springs 2 State SWD #2
Township 26 South, Range 25 East, N.M.P.M.
Section 2: 1980' FSL & 1980' FEL
Eddy County, New Mexico

Dear Mr. Goetze:

COG Operating LLC respectfully requests administrative approval for authorization to inject for the referenced well. Attached, for your review, is a copy of the C-108 application. Once we receive the newspaper publication and all certified return receipts, I will send you a copy.

We would like to terminate Administrative Order SWD-1334, issued May 17, 2012, for this same well bore under the name Chelsi Well No. 1. This well has not been converted to SWD service and is still plugged and abandoned. We purchased Three Rivers Operating Company's southeast New Mexico properties and now operate this lease. The current order is for injection into the Upper Pennsylvanian formation from 9830 feet to 9992 feet. We're proposing to reenter this well bore and make it into a Delaware Sand open hole SWD well from 2655' to 4200'.

Please do not hesitate to contact me at (575) 748-6940 should you have any questions.

Sincerely,

Brian Collins
Senior Operations Engineer

BC/sw
Enclosures

CORPORATE ADDRESS
One Concho Center | 600 West Illinois Avenue | Midland, Texas 79701

LOCAL ADDRESS
Concho West | 2208 West Main Street | Artesia, New Mexico 88210

CONCHO

February 13, 2014

Oil Conservation Division
Attn: Richard Inge
811 South 1st St.
Artesia, NM 88210

RE: **Application For Authorization To Inject**
Pine Springs 2 State SWD #2
Township 26 South, Range 25 East, N.M.P.M.
Section 2: 1980' FSL & 1980' FEL
Eddy County, New Mexico

Dear Mr. Inge:

COG Operating LLC respectfully requests administrative approval for authorization to inject for the referenced well. Attached, for your review, is a copy of the C-108 application. Once we receive the newspaper publication and all certified return receipts, I will send you a copy.

We would like to terminate Administrative Order SWD-1334, issued May 17, 2012, for this same well bore under the name Chelsi Well No. 1. This well has not been converted to SWD service and is still plugged and abandoned. We purchased Three Rivers Operating Company's southeast New Mexico properties and now operate this lease. The current order is for injection into the Upper Pennsylvanian formation from 9830 feet to 9992 feet. We're proposing to reenter this well bore and make it into a Delaware Sand open hole SWD well from 2655' to 4200'.

Please do not hesitate to contact me at (575) 748-6940 should you have any questions.

Sincerely,

Brian Collins
Senior Operations Engineer

BC/sw
Enclosures

CONCHO

February 13, 2014

New Mexico State Land Office
310 Old Santa Fe Trail,
Santa Fe, NM 87501

Re: **Application For Authorization To Inject**
Pine Springs 2 State SWD #2
Township 26 South, Range 25 East, N.M.P.M.
Section 2: 1980' FSL & 1980' FEL
Eddy County, New Mexico

To Whom It May Concern:

Enclosed for your review is a copy of COG Operating LLC's C-108 Application to Inject for the above referenced well. We plan to reenter this well for SWD service if our C-108 is approved. As a requirement of the New Mexico Oil Conservation Division, we are notifying you because you have been identified as an operator or surface owner. Any objections must be submitted in writing to NMOCD, 1220 S. St. Francis Drive, Santa Fe, New Mexico 87505. Objections must be received within fifteen (15) days of receipt of this letter.

This well will not be a commercial SWD well. Please do not hesitate to contact us at 575-748-6940 should you have any questions.

Sincerely,

Brian Collins
Senior Operations Engineer

BC/bg
Enclosures

CORPORATE ADDRESS
One Concho Center | 600 West Illinois Avenue | Midland, Texas 79701

LOCAL ADDRESS
Concho West | 2208 West Main Street | Artesia, New Mexico 88210

CONCHO

February 13, 2014

Yates Petroleum Corporation
105 S 4th St.
Artesia, NM 88210

RE: Application For Authorization To Inject
Pine Springs 2 State SWD #2
Township 26 South, Range 25 East, N.M.P.M.
Section 2: 1980' FSL & 1980' FEL
Eddy County, New Mexico

To Whom It May Concern:

Enclosed for your review is a copy of COG Operating LLC's C-108 Application to Inject for the above referenced well. We plan to reenter this well for SWD service if our C-108 is approved. As a requirement of the New Mexico Oil Conservation Division, we are notifying you because you have been identified as the surface owner or an operator within a half mile radius area of review. Any objections must be submitted in writing to NMOCD, 1220 S. St. Francis Drive, Santa Fe, New Mexico 87505. Objections must be received within fifteen (15) days of receipt of this letter.

Please do not hesitate to contact us at 575-748-6940 should you have any questions.

Sincerely,

Brian Collins
Senior Operations Engineer

BC/sw
Enclosures

CONCHO

February 13, 2014

Echo Production Inc.
616 5th St.
Graham, TX 76450

RE: Application For Authorization To Inject
Pine Springs 2 State SWD #2
Township 26 South, Range 25 East, N.M.P.M.
Section 2: 1980' FSL & 1980' FEL
Eddy County, New Mexico

To Whom It May Concern:

Enclosed for your review is a copy of COG Operating LLC's C-108 Application to Inject for the above referenced well. We plan to reenter this well for SWD service if our C-108 is approved. As a requirement of the New Mexico Oil Conservation Division, we are notifying you because you have been identified as the surface owner or an operator within a half mile radius area of review. Any objections must be submitted in writing to NMOCD, 1220 S. St. Francis Drive, Santa Fe, New Mexico 87505. Objections must be received within fifteen (15) days of receipt of this letter.

Please do not hesitate to contact us at 575-748-6940 should you have any questions.

Sincerely,

Brian Collins
Senior Operations Engineer

BC/sw
Enclosures

CONCHO

February 13, 2014

Artesia Daily Press
P. O. Box 190
Artesia, NM 88211-0190

Re: Legal Notice
Salt Water Disposal Well
Pine Springs 2 State SWD #2

To Whom It May Concern:

Enclosed is a legal notice regarding New Mexico Oil Conservation Division C-108 Application for Authorization to Inject for a salt water disposal well.

Please run this notice and return the proof of notice to the undersigned at:

COG Operating LLC, 2208 W. Main St., Artesia, NM 88210

Sincerely,

Brian Collins
Senior Operations Engineer

BC/sw
Enclosures

CORPORATE ADDRESS
One Concho Center | 600 West Illinois Avenue | Midland, Texas 79701

LOCAL ADDRESS
Concho West | 2208 West Main Street | Artesia, New Mexico 88210

ARTESIA DAILY PRESS
LEGAL NOTICES

COG Operating LLC, 2208 W. Main Street, Artesia, NM 88210 has filed Form C-108 (Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval for a salt water disposal well. The proposed well, the Pine Springs 2 State SWD No. 2 is located 1980' FSL & 1980' FEL, Section 2, Township 26 South, Range 25 East, Eddy County, New Mexico. Disposal water will be sourced from area wells producing from the Delaware, Bone Spring and Wolfcamp formations. The disposal water will be injected into the Delaware Sand formation at a depth of 2655' to 4200' at a maximum surface pressure of 531 psi and a maximum rate of 10,000 BWPD. The proposed SWD well is located approximately 7 miles south of White's City. Any interested party who has an objection to this must give notice in writing to the Oil Conservation Division, 1220 S. St. Francis Drive, Santa Fe, New Mexico 87505, within fifteen (15) days of this notice. Any interested party with questions or comments may contact Brian Collins at COG Operating LLC, 2208 W. Main Street, Artesia, NM 88210, or call 575-748-6940.

Published in the Artesia Daily Press, Artesia, New Mexico
_____, 2014.

Affidavit of Publication

No. 22865

State of New Mexico

County of Eddy:

Danny Scott

being duly sworn, sayes that he is the **Publisher**

of the Artesia Daily Press, a daily newspaper of General circulation, published in English at Artesia, said county and state, and that the hereto attached

Legal Notice

was published in a regular and entire issue of the said Artesia Daily Press, a daily newspaper duly qualified for that purpose within the meaning of Chapter 167 of the 1937 Session Laws of the state of New Mexico for

1 Consecutive weeks/day on the same day as follows:

First Publication	February 19, 2014
Second Publication	
Third Publication	
Fourth Publication	
Fifth Publication	

Subscribed ans sworn before me this 19th day of February 2014

OFFICIAL SEAL
Latisha Romine
NOTARY PUBLIC-STATE OF NEW MEXICO
My commission expires: 5/12/2015

Latisha Romine

Latisha Romine

Notary Public, Eddy County, New Mexico

Copy of Publication:

LEGAL NOTICE

COG Operating LLC, 2208 W. Main Street, Artesia, NM 88210 has filed Form C-108 (Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval for a salt water disposal well. The proposed well, the Pine Springs 2 State SWD No. 2 is located 1980' FSL & 1980' FEL, Section 2, Township 26 South, Range 25 East, Eddy County, New Mexico. Disposal water will be sourced from area wells producing from the Delaware, Bone Spring and Wolfcamp formations. The disposal water will be injected into the Delaware Sand formation at a depth of 2655' to 4200' at a maximum surface pressure of 531 psi and a maximum rate of 10,000 BWPD. The proposed SWD well is located approximately 7 miles south of White's City. Any interested party who has an objection to this must give notice in writing to the Oil Conservation Division, 1220 S. St. Francis Drive, Santa Fe, New Mexico 87505, within fifteen (15) days of this notice. Any interested party with questions or comments may contact Brian Collins at COG Operating LLC, 2208 W. Main Street, Artesia, NM 88210, or call 575-748-6940.

Published in the Artesia Daily Press, Artesia, N.M., Feb. 19, 2014 Legal No 22865.

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Yates Petroleum Corporation
105 South 4th Street
Artesia, NM 88210
Cottonwood 2 State SWD #2 C108

Pine Springs 2 State SWD # 2

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X A. Agee ☑ Agent ☐ Addressee

B. Received by (Printed Name) A. Agee C. Date of Delivery 2/19/14

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☑ Certified Mail® ☐ Priority Mail Express™
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ Collect on Delivery

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 7013 3020 0000 8750 4031

PS Form 3811, July 2013 Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

New Mexico Oil Conservation Division
Attn: Phillips Goetze
1220 South St. Francis Drive
Santa Fe, NM 87505
Cottonwood 2 State SWD #2 C108

Pine Springs 2 State SWD # 2

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X ☑ Agent ☐ Address

B. Received by (Printed Name) C. Date of Delive

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

FEB 18 2014

3. Service Type
☑ Certified Mail® ☐ Priority Mail Express™
☐ Registered ☐ Return Receipt for Merchandi
☐ Insured Mail ☐ Collect on Delivery

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 7013 3020 0000 8750 4000

PS Form 3811, July 2013 Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Echo Production, Inc.
616 5th Street
Graham, TX 76450
Pine Springs 2 State SWD #2 C108

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X Taylor Doyle ☐ Agent ☐ Addressee

B. Received by (Printed Name) Taylor Doyle C. Date of Delivery 2/19/14

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☑ Certified Mail® ☐ Priority Mail Express™
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ Collect on Delivery

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 7013 3020 0000 8750 4048

PS Form 3811, July 2013 Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Oil Conservation Division
Attn: Richard Inge
811 South 1st Street
Artesia, NM 88210
Cottonwood 2 State SWD #2 C108

Pine Springs 2 State SWD # 2

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X ☐ Agent ☐ Address

B. Received by (Printed Name) C. Date of Deliv

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☑ Certified Mail® ☐ Priority Mail Express™
☐ Registered ☐ Return Receipt for Merchandi
☐ Insured Mail ☐ Collect on Delivery

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 7013 3020 0000 8750 4017

PS Form 3811, July 2013 Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

New Mexico State Land Office
310 Old Santa Fe Trail
Santa Fe, NM 87501

Cottonwood 2 State SWD #2 C108

Pine Springs 2 State SWD #2

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X ☐ Agent ☐ Address

B. Received by (Printed Name) C. Date of Delive

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☐ Certified Mail® ☐ Priority Mail Express™
☐ Registered ☐ Return Receipt for Merchandi
☐ Insured Mail ☐ Collect on Delivery

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 7013 3020 0000 8750 4024

PS Form 3811, July 2013 Domestic Return Receipt

C-108 Review Checklist: Received 02/19/14 Add. Request: — Reply Date: — Suspended: — [Ver 13]

PERMIT TYPE: WFX / PMX / SWD Number: 1334-A Permit Date: 05/05/14 Legacy Permits/Orders: SWD-1334 (in effect/IP injector)

Well No. 2 Well Name(s): Pine Springs 2 State SWD [Target Unit#1 Chels: #1]

API: 30-0[1]5- 21081 Spud Date: 02/01/1974 New or Old: Old (UIC Class II Primacy 03/07/1982)

Footages 1980 FSL/1980 FEL Lot — or Unit J Sec 2 Tsp 26S Rge 25E County Eddy

General Location: North of Bea Slaughter Draw / 5 miles N of NM/TX boarder Pool: Wildcat; Penn Pool No.: —

BLM 100K Map: Carlsbad Operator: COG Operating, LLC OGRID: 229137 Contact: Brian Collins

COMPLIANCE RULE 5.9: Total Wells: 3680 Inactive: 7 Fincl Assur: OK Compl. Order? No **IS 5.9 OK?** Yes **Date:** 05/05/14 (* one - NA - old database problem)

WELL FILE REVIEWED ✓ Current Status: P&A Penn wildcat; cut 5½" casing & plugged

WELL DIAGRAMS: NEW: Proposed ○ or **RE-ENTER:** Before Conv. ✓ After Conv. ✓ Logs in Imaging: CBL/ Guardlog/ GR

Planned Rehab Work to Well: well was to be rehabed for IP; no to add cmt to plug TD & open hole

Well Construction Details:	Sizes (in) Borehole / Pipe	Setting Depths (ft)	Stage Tool	Cement Sx or Cf	Cement Top and Determination Method
Planned __or Existing ✓ Surface	17½ / 13⅜	0 to 199	Stage Tool	200	Circ. to surf.
Planned __or Existing ✓ Interm/Prod	12¼ / 9⅝	0 to 2655	None	900	Circ. to surface
Planned __or Existing ✓ Interm/Prod	8¾ /	0 to 11872	None	1320	CBL / 6425
Planned __or Existing __ Prod/Liner	—	—	—	(5½ cut	at 6205' - 1992 P&A)
Planned __or Existing __ Liner	—	—	—	—	—
Planned ✓ or Existing OH PERF	8¾	2655 to 4200	Inj Length 1545		

Injection Stratigraphic Units:	Depths (ft)	Injection or Confining Units	Tops
Adjacent Unit: Litho. Struc. Por.		Lamar	—
Confining Unit: Litho. Struc. Por.	÷2485	Delaware / Bell C	1720
Proposed Inj Interval TOP:	2655	Delaware / Cherry C	—
Proposed Inj Interval BOTTOM:	4200	Delaware / Brushy C	—
Confining Unit: Litho. Struc. Por.	-1195	Bone Spring	5395
Adjacent Unit: Litho. Struc. Por.		WC	—

Completion/Operation Details:

Drilled TD 12150 PBTD 11832

NEW TD — NEW PBTD 4200

NEW Open Hole ✓ or NEW Perfs ○

Tubing Size 4½ in. Inter Coated? Yes

Proposed Packer Depth 2600 ft

Min. Packer Depth 2555 (100-ft limit)

Proposed Max. Surface Press. 531 psi

Admin. Inj. Press. 531 (0.2 psi per ft)

AOR: Hydrologic and Geologic Information

POTASH: R-111-P No Noticed? NA **BLM Sec Ord** No **WIPP** No Noticed? NA **SALT/SALADO** T: 1200 B: 1950 **CLIFF HOUSE** NA

FRESH WATER: Aquifer Alluvial / Unconsolidated Max Depth <200' **HYDRO AFFIRM STATEMENT** By Qualified Person ✓

NMOSE Basin: Carlsbad **CAPITAN REEF:** thru ○ adj ○ NA ✓ **No. Wells within 1-Mile Radius?** 0 FW Analysis N/A

Disposal Fluid: Formation Source(s) Delaware / BS / Wolfcamp Analysis? Yes On Lease ○ Operator Only ✓ or Commercial ○

Disposal Int: Inject Rate (Avg/Max BWPD): — Protectable Waters? No Source: Samples System: Closed ✓ or Open ○

HC Potential: Producing Interval? No Formerly Producing? No Method: Logs/DST/P&A/Other — 2-Mile Radius Pool Map ○

AOR Wells: 1/2-M Radius Map? Yes Well List? NA Total No. Wells Penetrating Interval: 0 Horizontals? 0

Penetrating Wells: No. Active Wells 0 Num Repairs? 0 on which well(s)? — Diagrams? NA

Penetrating Wells: No. P&A Wells 0 Num Repairs? 0 on which well(s)? — Diagrams? NA

NOTICE: Newspaper Date 02/19/14 Mineral Owner SLO Surface Owner SLO N. Date 02/18/14

RULE 26.7(A): Identified Tracts? Yes Affected Persons: Echo Production / Yates Pet / — N. Date 02/18/14

Permit Conditions: Issues: - None / requested injection survey

Add Permit Cond: Injection survey within 2 years.