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2010 MAR -2 P 4:40

March 2, 2010

Florene Davidson
New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Re: In the Matter of the Application of COG Operating, LLC for Authorization to Conduct Injection Operations for Evaluation for Secondary Recovery Operations, Eddy County, New Mexico, NMOCD Case No. 14455

Dear Ms. Davidson:

Attached for filing is an original and one copy of an Application in the above-referenced matter. I have included an extra copy to be conformed.

Please set this matter for hearing on April 1, 2010. Thank you.

Very truly yours,

Karen Williams
Assistant to J. Scott Hall

:kw
Enclosures

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**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

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2010 MAR -2 P 4: 40

**IN THE MATTER OF THE APPLICATION OF COG
OPERATING, LLC FOR AUTHORIZATION TO
CONDUCT INJECTION OPERATIONS FOR
EVALUATION FOR SECONDARY RECOVERY
OPERATIONS, EDDY COUNTY, NEW MEXICO.**

CASE NO. 14455

APPLICATION

COG Operating, LLC, ("COG"), through its undersigned counsel, Montgomery and Andrews, P.A. (J. Scott Hall, Esq.), applies pursuant to 19.15.26.8 NMAC for an order authorizing the injection of water into the Paddock and Blinebry members of the Glorieta-Yeso formation, Empire Yeso Pool (96210) in Eddy County, New Mexico. In support of its Application, COG states:

1. Applicant is the operator of the following wells:

Continental A State No. 11
API No. 30-015-34742
1450' FNL & 1907' FWL (Unit F)
Section 30
T-17-S, R-29-E, NMPM
Eddy County, New Mexico

Continental A State No. 12
API No. 30-015-35052
330' FNL & 583' FWL (Unit D)
Section 30
T-17-S, R-29-E, NMPM
Eddy County, New Mexico

2. Continental A State No. 11 well is drilled to a total depth of 5757' and the Continental A State No. 12 to a total depth of 5460'. Both wells were originally operated as producing oil wells. COG proposes to convert and utilize the wells for injection of water through a closed system into the Paddock and Blinebry formations, Empire Yeso Pool, through

perforations within the depths of 3,926' to 4,277' (Paddock) and 4,436' to 5,088' (Blinebry) (Continental A State Well No. 11). For the Continental A State No. 12, the perforations will be within the depths of 3,811' to 4,044' (Paddock) and 4,400' to 5,297' (Blinebry). Data from injection will be utilized to evaluate the feasibility of secondary recovery operations in the referenced formations.

3. Injection operations through the well will be conducted at an anticipated average daily injection pressure of 2,000 psi with a maximum surface injection pressure of 2,000 psi or as permitted by the Division, in excess of a 0.2 psi/ft. gradient. Applicant proposes injection of water at average daily rates of approximately 1,000 bbls and at maximum daily rates of approximately 2,000 bbls. The source of the injected fluids will be formation water from production wells that have been drilled and are scheduled to be drilled in the area.

4. Applicant's proposed injection operation can be conducted in a safe and responsible manner without causing waste, impairing correlative rights or endangering fresh water, public health or the environment.

WHEREFORE, Applicant requests that this Application be set for hearing before a duly appointed examiner of the Oil Conservation Division on April 1, 2010 and that after notice and hearing as required by law, the Division enter its Order approving the conversion of the Continental A State No. 11 and Continental A State No. 12 Wells for the injection of water into the Paddock and Blinebry members of the Glorieta-Yeso formation at the intervals and at the pressures, volumes and rates indicated, and making such other and further provisions as the Division determines appropriate.

Montgomery and Andrews, P.A.

By: J. Scott Hall

J. Scott Hall, Esq.
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Attorneys for COG Operating, LLC

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Case No. 14455 Application of COG Operating, LLC for authorization to conduct injection operations for evaluation for secondary recovery operations, Eddy County, New Mexico. RECEIVED OOD
Applicant seeks approval to convert the following wells for the injection:

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Continental A State No. 11
API No. 30-015-34742
1450' FNL & 1907' FWL (Unit F)
Section 30
T-17-S, R-29-E, NMPM
Eddy County, New Mexico

Continental A State No. 12
API No. 30-015-35052
330' FNL & 583' FWL (Unit D)
Section 30
T-17-S, R-29-E, NMPM
Eddy County, New Mexico

COG proposes to convert and utilize the well for injection of water through a closed system into the Paddock and Blinebry members of the Glorieta-Yeso formation, Empire Yeso Pool (96210) through perforations within the depths of 3,926' to 4,277' (Paddock) and 4,436' to 5,088' (Blinebry) (Continental A State Well No. 11). For the Continental A State No. 12, the perforations will be within the depths of 3,811' to 4,044' (Paddock) and 4,400' to 5,297' (Blinebry). Injection operations through the well will be conducted at an anticipated average daily injection pressure of 2,000 psi with a maximum surface injection pressure of 2,000 psi or as permitted by the Division, in excess of a 0.2 psi/ft. gradient. Applicant proposes injection of water at average daily rates of approximately 1,000 bbls and at maximum daily rates of approximately 2,000 bbls. The source of the injected fluids will be formation water from area production wells. The well is located approximately 1 mile southwest of Loco Hills, New Mexico.