

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



April 2, 2012

COG Operating, LLC
550 West Texas, Suite 1300
Midland, TX 79701

Notice of Termination of Authority to Inject into the SWD 4-22-27 #1 (API #30-015-34935), Administrative Order SWD-1078

Dear Operator:

According to Oil Conservation Division records, the authority to inject into the SWD 4-22-27 #1 **has terminated** pursuant to Division Rule 19.15.26.12.C NMAC. The SWD 4-22-27 #1 is identified in division records as a salt water disposal well. Division records show COG Operating, LLC, OGRID #229137 (COG) as the operator of record of the well.

Division Rule 19.15.26.12.C NMAC states:

C. Abandonment of injection operations.

- (1) Whenever there is a continuous one year period of non-injection into all wells in an injection or storage project or into a salt water disposal well or special purpose injection well, the division shall consider the project or well abandoned, and the authority for injection shall automatically terminate ipso facto.
- (2) For good cause shown, the director may grant an administrative extension or extensions of injection authority as an exception to Paragraph (1) of Subsection C of 19.15.26.12 NMAC, provided that any such extension may be granted only prior to the end of one year or [sic] continuous non-injection, or during the term of a previously granted extension.

Injection reports filed for the SWD 4-22-27 #1 indicate that there has been no injection into the well since June 2010. (A copy of the division's records is enclosed). As such, injection

authority would have terminated automatically after a continuous one year period of non-injection unless the division director granted an administrative extension prior to the end of the one year of continuous non-injection. There is no indication in the division's records that an administrative extension of injection authority was requested or granted prior to the end of one year of continuous non-injection.

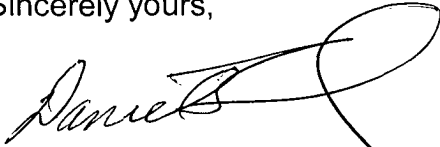
Therefore, based upon the injection reports filed for the SWD 4-22-27 #1, the authority to inject into the SWD 4-22-27 #1 has terminated pursuant to Division Rule 19.15.26.12.C NMAC.

Please disconnect any injection lines.

If COG wishes to inject into the SWD 4-22-27 #1, it will have to apply for authority to inject with the Division's Engineering Bureau. Please contact Will Jones in the Division's Engineering Bureau at (505) 476-3448 or william.v.jones@state.nm.us if you have any questions regarding reacquiring injection authority.

I would like to discuss this matter with COG further. Please call me at (505) 476-3493.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Daniel Sanchez", with a large, stylized loop extending from the end of the signature.

Daniel Sanchez
New Mexico Underground Injection Control Program Director

ec: Richard Inge, OCD, Artesia
Randy Dade, OCD, Artesia
William Jones, OCD, Santa Fe
Theresa Duran-Saenz, OCD, Santa Fe

30-015-34935 SWD 4-22-27 #001 [308023]**General Well Information****Status:** Active**History****Comments****Operator**

Company: [229137] COG OPERATING LLC
Address: 550 W TEXAS SUITE 1300
 MIDLAND, TX 79701
Country:
Main Phone:

Central Contact Person

Name:
Phone:
Cell:
E-Mail Address:

Title:
Fax:

No district contact found.

Pits**Casing****Well Completions****[96100] SWD:DELAWARE****Status:** Active**Last Produced:** 6/1/2010**[22640] ESPERANZA:DELAWARE****Status:** Zone Permanently Plugged**Last Produced:** 3/1/2007**Financial Assurance****Compliance**

Note that Financial Assurance and Inactive Well Compliance are documented in separate reports ([Inactive Well Report](#), [Financial Assurance Report](#)).

Also note that some compliance issues are addressed at the operator level so not listed under each well.

Complaints, Incidents and Spills

Please note that incidents that impact ground water are recorded along with "facilities" which may not be wells, so although the initial report may be recorded here as a spill, information related to the abatement plans, remediation plans and ground water impact information are not yet part of this application.

nMLB0721950218

Orders**Salt Water Disposal SWD-1078-0****Production / Injection**
[Show All Production](#) [Export to Excel](#)
Earliest Production in OCD Records: 8/2006**Last** 6/2010

Time Frame	Production				Injection				
	Oil(BBLS)	Gas(MCF)	Water (BBLS)	Days P/I	Water (BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure
2006	1177	1276	16106	109	0	0	0	0	0
2007	407	779	8315	50	27761	0	0	0	0
2008	0	0	0	0	66695	0	0	0	0
2009	0	0	0	0	42992	0	0	0	0
2010									
SWD:DELAWARE									
Jan	0	0	0	0	3824	0	0	0	0
Feb	0	0	0	0	2759	0	0	0	0

Mar	0	0	0	0	37	0	0	0	0
Apr	0	0	0	0	4083	0	0	0	0
May	0	0	0	0	0	0	0	0	0
Jun	0	0	0	0	1240	0	0	0	0
Jul	0	0	0	0	0	0	0	0	0
Aug	0	0	0	0	0	0	0	0	0
Sep	0	0	0	0	0	0	0	0	0
Oct	0	0	0	0	0	0	0	0	0
Nov	0	0	0	0	0	0	0	0	0
Dec	0	0	0	0	0	0	0	0	0
Pool Total:	0	0	0	0	11943	0	0	0	0
Annual Total:	0	0	0	0	11943	0	0	0	0
2011									
SWD;DELAWARE									
Jan	0	0	0	0	0	0	0	0	0
Feb	0	0	0	0	0	0	0	0	0
Mar	0	0	0	0	0	0	0	0	0
Apr	0	0	0	0	0	0	0	0	0
May	0	0	0	0	0	0	0	0	0
Jun	0	0	0	0	0	0	0	0	0
Jul	0	0	0	0	0	0	0	0	0
Aug	0	0	0	0	0	0	0	0	0
Sep	0	0	0	0	0	0	0	0	0
Oct	0	0	0	0	0	0	0	0	0
Nov	0	0	0	0	0	0	0	0	0
Dec	0	0	0	0	0	0	0	0	0
Pool Total:	0	0	0	0	0	0	0	0	0
Annual Total:	0	0	0	0	0	0	0	0	0
2012									
SWD;DELAWARE									
Jan	0	0	0	0	0	0	0	0	0
Pool Total:	0	0	0	0	0	0	0	0	0
Annual Total:	0	0	0	0	0	0	0	0	0
Grand Total:	1584	2055	24421	159	149391	0	0	0	0

Transporters