State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

David Martin
Cabinet Secretary

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

Jami Bailey, Division Director Oil Conservation Division



Administrative Order IPI-466 April 15, 2014

COG Operating, LLC 2208 West Main Street Artesia, NM 88210 Attn: Brian Collins

RE: Injection Pressure Increase

Injection Authority: Administrative Order SWD-1091
Pool: SWD; Cherry Canyon (Pool code 97003)
Owl 20505 JV-P Well No. 5 API 30-015-35435
Unit letter J, Sec 18, T26S, R27E, NMPM, Eddy County, New Mexico

Dear Mr. Collins:

Reference is made to your request on behalf of COG Operating, LLC (OGRID 229137) received by the Division on January 8, 2014, to increase the maximum allowed surface tubing pressure on the above named well.

This well was permitted by the Division for water disposal in the Cherry Canyon formation by Division Administrative Order SWD-1091 approved August 10, 2007. That permit allowed disposal through perforations from 2934 feet to 3282 feet at a maximum surface disposal pressure of 587 psi.

It is our understanding that this well will not take a sufficient volume of fluid at the current pressure limit and a higher pressure limit is needed. It is also understood that an increase will not result in the fracturing of the formation and confining strata.

Based on a step-rate test for this well conducted on November 22, 2013, through 4 ½-inch tubing, you are hereby authorized to inject at the following maximum surface tubing pressure:

Owl 20504 JV-P Well No. 5

API 30-015-35435

787 psi

This approval is based on the provision that the tubing size, packer setting depth and completion interval for this well does not change. Any future requested pressure increase will require resubmission of additional data and a new step-rate test. The Division Director retains the right to require at any time wireline verification of completion and packer setting depths in this well.

This approval is subject to your being in compliance with all other Division rules, including but not limited to Division Rule 19.15.5.9 NMAC.

The Division Director may rescind this permitted injection pressure increase if it becomes apparent that the injected fluid is not being confined to the permitted disposal interval or is endangering any fresh water aquifer.

Sincerely,

JAMI BAILEY

Director

JB/prg

cc: Oil Conservation Division - Artesia District Office

Bureau of Land Management - Carlsbad Office

Administrative Order SWD-1091