

DATE IN 1/12/12	SUSPENSE	ENGINEER WUJ	LOGGED IN 1/12/12	TYPE SWD	APP NO. 1201256135
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Last
NOTICE sent
1/30/12

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



OGX

Test unit "2" State #1
30-015-32799

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]

- [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

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

- [D] Other: Specify *Amend Order No. SWD-1164

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

- [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.

Ann Ritchie
Print or Type Name

Signature

Regulatory Agent
Title

12-5-11
Date

ann.wtor@gmail.com
E-Mail Address

RECEIVED OGD
2012 JAN 12 P 2:33

31601-4480

See 17-363
2/23/10
88578
1/15/10
1/15/10
1/15/10

C-2-265-29E
Eddy

(632 PSI)

December 5, 2011

Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Attention: Ms. Jami Bailey, CPG
Division Director

Re: Application to Amend Order No. SWD-1164
OGX Resources, LLC
Tesuque "2" State No. 1
API No. 30-015-32799
660' FNL & 1980' FWL, Unit C
Section 2, T-26S, R-29E, NMPM,
Eddy County, New Mexico

Dear Ms. Bailey,

By Order No. SWD-1164 dated March 10, 2009, OGX Resources, LLC ("OGX") was authorized to convert its Tesuque "2" State Well No. 1 (API No. 30-015-32799) located 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 2, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico to a produced water disposal well, injection to occur into the Bell Canyon and Cherry Canyon members of the Delaware formation through the perforated interval from 3,456 feet to 4,482 feet.

Subsequent to the issuance of Order No. SWD-1164, OGX perforated the Tesuque "2" State No. 1 in the Bell Canyon and Cherry Canyon members of the Delaware formation from 4,101 feet to 4,480 feet. OGX also plugged back the well to a depth of 4,670 feet as required by Order No. SWD-1164.

In order to increase the capacity to dispose of produced water, OGX has perforated additional intervals in the Bell Canyon member of the Delaware formation from 3,160 feet to 3,990 feet. **The well is now perforated in the Bell Canyon and Cherry Canyon members of the Delaware formation from 3,160 feet to 4,480 feet.** Consequently, OGX hereby requests that Order No. SWD-1164 be amended to authorize injection into the Tesuque "2" State Well No. 1 from **3,160 feet to 4,480 feet.**

An examination of the area of review ("AOR") data for the Tesuque "2" State No. 1 indicates that no additional wells have been drilled, no additional wells have been plugged and no other activity that might affect the AOR has been performed. **Consequently, AOR well data relating to the Tesuque "2" State No. 1 remains virtually unchanged since the issuance of Order No. SWD-1164.**

All other aspects with respect to the operation and maintenance of the Tesuque "2" State No. 1, as contained within the original Form C-108 (Application for Authorization to Inject) will also remain unchanged.

OGX is providing notice of the proposed amendment to all offset operators and/or leasehold owners within a ½ mile radius of the Tesuque "2" State No. 1. In addition, OGX will publish notice of the proposed amendment in the Artesia Daily Press.

Attached is a wellbore schematic diagram showing the proposed amended wellbore configuration.

All the information necessary to approve this request is attached. If additional information is necessary, please contact me at (432) 684-6381.

Sincerely,



Ann Ritchie
Regulatory Agent

Xc: OCD-Artesia

Submit 1 Copy To Appropriate District Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
Revised August 1, 2011

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30 015 32799
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> SWD		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator OGX Resources, LLC		6. State Oil & Gas Lease No.
3. Address of Operator Box 2064, Midland, TX 79702		7. Lease Name or Unit Agreement Name Tesuque 2 State
4. Well Location Unit Letter <u>C</u> : <u>660</u> feet from the <u>North</u> line and <u>1980</u> feet from the <u>West</u> line Section <u>2</u> Township <u>26S</u> Range <u>29E</u> NMPM Eddy County		8. Well Number <u>1</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. OGRID Number <u>217955</u>
		10. Pool name or Wildcat Brushy Draw, Delaware North

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☒ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Administrative Order SWD-1164, as attached.

Added perforations:

1/29/2010: TIH & perforated Bell Canyon perfs: 3160-84; 3236-50, 3290-3304, 3460-70, 3490-3510, 3570-90, 3640-54, 3766-90', 3890-3910, 3980-90'. Existing perforations are 4101-4480'.

1/31/2010: Treated perforations with 3402 gals 16% NEFE; pre-pad 1440 bbls; Ambormax 1030 w/103,220# 12/20 sand as follows: 5000 gals 1#, 10,000 gals 2#, 10,000 gals 3# & 12,000 gals 4#. Flush to top perforation 2/74 bbls.

2/3/2010: TIH and cleanout sand from 4491-PBTD @ 4670'. Set injection tubing/packer @ 3123', Baker Hornet packer. Circulated packer fluid, set w/8K compression.

10/04/2011: Ran Mechanical Integrity Test, 500 psi for 30 minutes, NMOCD witness.

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Ann Ritchie TITLE Regulatory DATE 11/14/2011

Type or print name Ann Ritchie E-mail address: ann.wtor@gmail.com PHONE: 432 6846381

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any): _____

Proposed Wellbore Configuration

OGX Resources, LLC

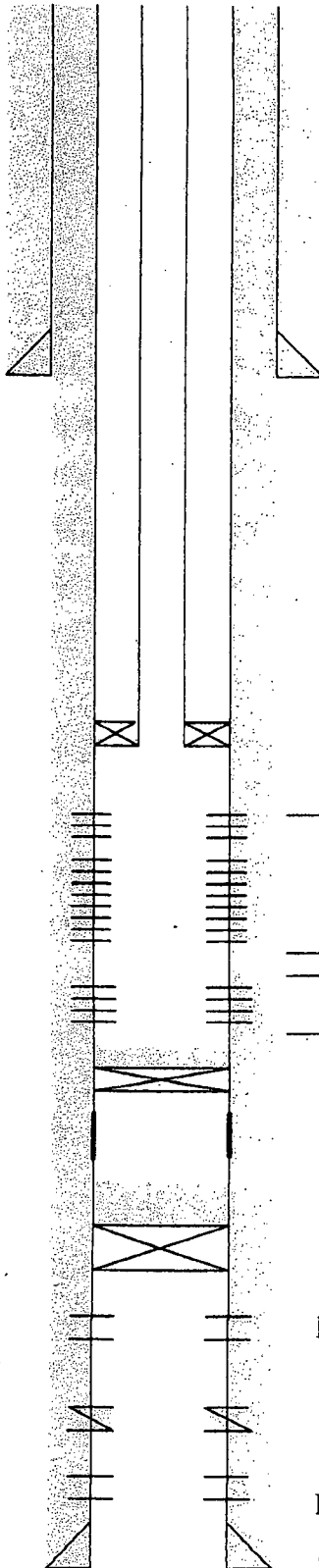
Tesuque "2" State No. 1

API No. 30-015-32799

660' FNL & 1980' FWL (Unit C)

Section 2, T-26 South, R-29 East, NMPM

Eddy County, New Mexico



12 1/4" Hole; Set 8 5/8" 24# J-55 Csg. @ 581'
2 stage cement job. 1st stage- 200 Sx. Class H
2nd stage-250 Sx. Class C. Pumped 200 Sx.
via 1". Cement circulated to surface.

Formation Tops:

Bell Canyon-2,940'
Cherry Canyon-4,021'
Brushy Canyon-5,663'

2 7/8" IPC Tubing set in a
Baker Hornet Packer @ 3,123'

Added Injection Perforations: 3,160'-3,990'

Initial Injection Perforations: 4,101'-4,480'

CIBP @ 4,695' w/40' of cement on top

D.V. Tool @ 4,988'

CIBP @ 5,231' w/ 39' of cement on top

Perforations: 5,256'-5,343'

Perforations: 5,585'-5,606',
Squeezed w/ 320 Sx.

Perforations: 5,915'-5,930'

T.D. - 6,010'

7 7/8" Hole; Set 5 1/2" 15.5# J-55 Csg. @ 6,010'
2 stage cement job. 1st stage: 500 Sx. Class C.
2nd stage: 1300 Sx. Class C. DV Tool @ 4,988'
Cement circulated to surface.

December 5, 2011

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: OFFSET LEASEHOLD OPERATORS & SURFACE OWNER

Re: OGX Resources, LLC
Application to Amend Order No. SWD-1164
Tesuque "2" State No. 1
API No. 30-015-32799
660' FNL & 1980' FWL, Unit C, Section 2, T-26S, R-29E, NMPM,
Eddy County, New Mexico

Ladies & Gentlemen:

Enclosed please find a copy of an application filed with the Oil Conservation Division for an amendment to Division Order No. SWD-1164 dated March 10, 2009. This order authorized OGX Resources, LLC ("OGX") to utilize the Tesuque "2" State Well No. 1 as a water disposal well, injection to occur into the Bell Canyon and Cherry Canyon members of the Delaware formation from a depth of 3,456 feet to 4,482 feet. OGX has filed the application seeking authorization to expand the injection interval such that injection in the well will now occur from a depth of **3,160 feet to 4,480 feet**. The proposed expanded injection interval is within the Bell Canyon and Cherry Canyon members of the Delaware formation. You are being provided a copy of the application as an offset operator, offset leaseholder or surface owner.

Objections must be filed with the Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, within 15 days.

If you should have any questions, please contact me at (432) 684-6381.

Sincerely,



✓ Ann Ritchie
Regulatory Agent, OGX Resources, LLC
P.O. Box 953
Midland, Texas 79702

Enclosure

2E99 E9E5 T000 0440 T102

U.S. Postal ServiceTM
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For delivery information visit our website at www.usps.com.

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Certified Fee	2.85 \$2.85
Return Receipt Fee (Endorsement Required)	2.30 \$2.30
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 5.59 \$5.59

Postmark Here
 MIDLAND TX CLAYDESTA STA 9 2011

Sent To *Oil Conservation Division*
 Street, Apt. No., or PO Box No. *1301 W. Grand Avenue*
 City, State, ZIP+4 *Artesia, NM 88210*

PS Form 3800, August 2006 See Reverse for Instructions

2059 E9E5 T000 0440 T102

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Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 5.59 \$5.59

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 MIDLAND TX CLAYDESTA STA 9 2011

Sent To *Mr. Bryon Wayne Paschal*
 Street, Apt. No., or PO Box No. *PO Box 992*
 City, State, ZIP+4 *Pecos, TX 79772*

PS Form 3800, August 2006 See Reverse for Instructions

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Total Postage & Fees	\$ 5.59 \$5.59

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 MIDLAND TX CLAYDESTA STA 9 2011

Sent To *Southwest Royalties, Inc.*
 Street, Apt. No., or PO Box No. *6 Desta Drive Ste. 2100*
 City, State, ZIP+4 *Midland, TX 79705*

PS Form 3800, August 2006 See Reverse for Instructions

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Total Postage & Fees	\$ 5.59 \$5.59

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Sent To *Quantum Resources Mngt. LLC*
 Street, Apt. No., or PO Box No. *1401 Mc Kinney St. Ste. 2400*
 City, State, ZIP+4 *Houston, TX 77010*

PS Form 3800, August 2006 See Reverse for Instructions

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Restricted Delivery Fee (Endorsement Required)	\$0.00	0110
Total Postage & Fees	\$ 5.59	12/09/2011

Sent To
 ExxonMobil Oil Corp.
 Street, Apt. No.,
 or PO Box No. PO Box 4358
 City, State, ZIP+4 Houston, TX 77210

PS Form 3800, August 2006

See Reverse for Instructions

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Restricted Delivery Fee (Endorsement Required)	\$0.00	0110
Total Postage & Fees	\$ 5.59	12/09/2011

Sent To
 XTO Energy, Inc.
 Street, Apt. No.,
 or PO Box No. 810 Houston St., Ste. 2000
 City, State, ZIP+4 Fort Worth, TX 76102

PS Form 3800, August 2006

See Reverse for Instructions

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Restricted Delivery Fee (Endorsement Required)	\$0.00	0110
Total Postage & Fees	\$ 5.59	12/09/2011

Sent To
 Devon Energy Production Co., LP
 Street, Apt. No.,
 or PO Box No. 20 North Broadway, Ste. 1500
 City, State, ZIP+4 Oklahoma City, OK 73102

PS Form 3800, August 2006

See Reverse for Instructions

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Return Receipt Fee (Endorsement Required)	2.30	0110
Restricted Delivery Fee (Endorsement Required)	\$0.00	0110
Total Postage & Fees	\$ 5.59	12/09/2011

Sent To
 EL PASO Natural Gas Co.
 Street, Apt. No.,
 or PO Box No. PO Box 1492
 City, State, ZIP+4 EL PASO, TX 79978

PS Form 3800, August 2006

See Reverse for Instructions

Affidavit of Publication

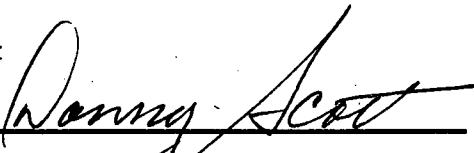
NO.

21931

STATE OF NEW MEXICO

County of Eddy:

Danny Scott



being duly sworn, says 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/days on the same

day as follows:

First Publication

December 4, 2011

Second Publication

Third Publication

Fourth Publication

Fifth Publication

Subscribed and sworn to before me this

4th day of

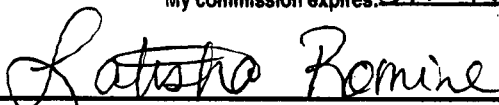
December

2011



OFFICIAL SEAL
Latisha Romine
NOTARY PUBLIC-STATE OF NEW MEXICO

My commission expires: 5/12/2015



10th

Latisha Romine

Notary Public, Eddy County, New Mexico

Copy of Publication:

LEGAL NOTICE

OGX Resources, LLC ("OGX"), c/o P.O. Box 953, Midland, Texas 79702, has filed a application to amend Division Order No. SWD-1164 dated March 10, 2009. This order authorized OGX to utilize the Tesuque "2" State Well No. 1 (API No. 30-015-32799) located 660' FNL & 1980' FWL (Unit C) of Section 2, Township 26, South Range 29 East, NMPM, Eddy County, New Mexico as a produced water disposal well injection to occur into the Bell Canyon and Cherry Canyon members of the Delaware formation from a depth of 3,456 feet to 4,482 feet. OGX is seeking authorization to expand the injection interval in the Bell Canyon and Cherry Canyon members of the Delaware formation to now include the entire interval from a depth of 3,160 feet to 4,480 feet. The average and maximum injection rates will be 2,000 and 4,000 barrels of water per day and the average and maximum surface injection pressure is anticipated to be 691 psi and 1,050 psi, respectively.

Interested parties must file objections with the New Mexico Oil Conservation Division 1220 S. St. Francis Drive, Santa Fe, New Mexico 87505, within 15 days of the date of this publication.

Additional information can be obtained by contacting Ms. Ann Ritchie, Regulatory Agent, OGX Resources, LLC, at (432) 684-6381.

Published in the Artesia Daily Press, Artesia, N.M., Dec. 4, 2011, Legal No. 21931.

AREA OF REVIEW WELL DATA--OGX RESOURCES, LLC-TESUQUE 2 STATE NO. 1

API NUMBER	OPERATOR	LEASE NAME	WELL NO.	WELL TYPE	ST.	FTG. N/S	FTG. E/W	UNIT	SEC.	TSHP	RNG	DATE	TOTAL DEPTH	HOLE SIZE	CSG SIZE	SET AT	SX. CMT.	CMT. TOP		
30-015-03724	Tom Brown Drilling Co.	State	1	Dry	PA	860'	N 660'	E A	2	26S	29E	Jun-60	3,359'	11" 6 3/4"	7 5/8" N/A	788' N/A	300' N/A	Surface N/A		
30-015-36774	OGX Resources, LLC	Resposado 2 State	1H	P	Drilling	330'	N 1980'	E B	2	26S	29E	Dec-08		17 1/2"	13 3/8"	548'	500	Surface		
						Surface Well Location									12 1/4"	9 5/8"	3,075'	1400	Surface	
						350'	S 1980'	E O	2	26S	29E			8 3/4"	5 1/2"	12,460' M.D.	1417	Surface		
						Bottomhole Well Location														
30-015-27874	Southwest Royalties, Inc.	N. Brushy Draw A 35	8	P	Active	990'	S 1980'	E O	35	25S	29E	Mar-94	5,741'	17 1/2"	13 3/8"	605'	650	Surface		
														11" 7 7/8"	8 5/8" 5 1/2"	3,185' 5,741'	1050 600	Surface 2,320'		
30-015-32592	Devon Energy Prod. Co.	Tesuque 2 State	2	P	ND	1980'	N 1780'	W F	2	26S	29E									
30-015-32953	Devon Energy Prod. Co.	Tesuque 2 State	3	P	ND	660'	N 660'	W D	2	26S	29E									
30-015-31838	Devon Energy Prod. Co.	Tesuque 35 Federal	1	P	ND	660'	S 660'	W M	35	25S	29E									
30-015-32948	Devon Energy Prod. Co.	Tesuque 35 Federal	1Q	P	ND	660'	S 660'	W M	35	25S	29E									

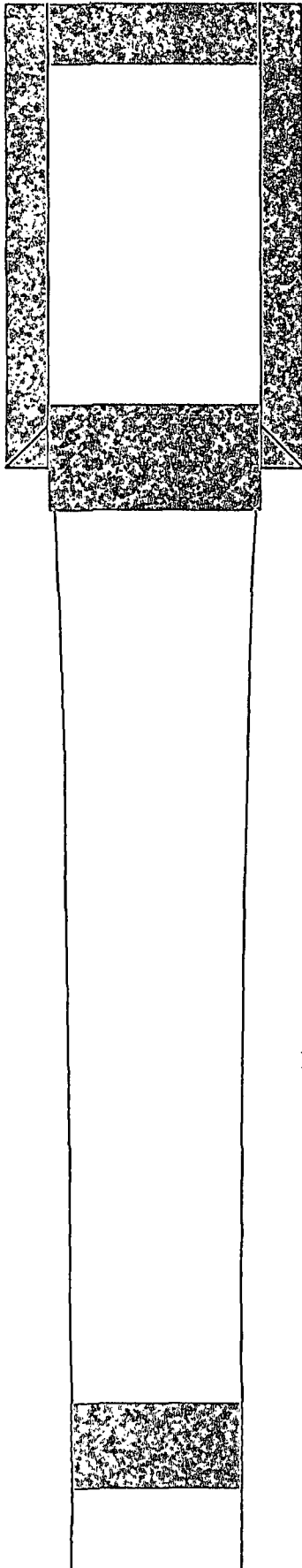
Tom Brown Drilling Company

State No. 1

API No. 30-015-03724

660' FNL & 660' FEL, Unit A

Section 2, T-26S, R-29E



20 Sx. Surface Plug
150'-Surface

Drilled: 6/60

Plugged: 6/60

11" Hole; 7 5/8" Csg. Set @ 768'
Cemented w/300 Sx.
Cement circulated to surface.

20 Sx. 625'-775'

10.5 lb. mud between plugs

20 Sx. 3,050'-3,200'

Drilled 6 3/4" hole to T.D.

T.D. 3,359'

Shallow

NEW MEXICO OIL CONSERVATION COMMISSION

FORM C-103
(Rev 3-55)

MISCELLANEOUS REPORTS ON WELLS

(Submit to appropriate District Office as per Commission Rule 1106)

Name of Company Tom Brown Drilling Company		Address Midland Savings & Loan Building			
Lease State	Well No. 1	Unit Letter A	Section 2	Township 26-S	Range 29-E
Date Work Performed	Pool <i>Willard</i>			County	

THIS IS A REPORT OF: (Check appropriate block)

- ☐ Beginning Drilling Operations ☐ Casing Test and Cement Job ☐ Other (Explain):
☒ Plugging ☐ Remedial Work

Detailed account of work done, nature and quantity of materials used, and results obtained.

20 sack plug - 3,200 - 3,050
20 sack plug - 775 - 625
20 sack plug - 150 - 0

Plugs were pumped down with 10.5 weight jell mud.

RECEIVED
JUL 1 1960
N. C. C.
ARTESIA, OFFICE

Witnessed by Glen Upton	Position Toolpusher	Company Tom Brown Drilling Company
-----------------------------------	-------------------------------	--

FILL IN BELOW FOR REMEDIAL WORK REPORTS ONLY

ORIGINAL WELL DATA

D F Elev. 3,049	T D 3359	P B T D	Producing Interval Dry Hole	Completion Date 6-20-60
---------------------------	--------------------	---------	---------------------------------------	-----------------------------------

Tubing Diameter	Tubing Depth	Oil String Diameter	Oil String Depth
-----------------	--------------	---------------------	------------------

Perforated Interval(s)

Open Hole Interval	Producing Formation(s)
--------------------	------------------------

RESULTS OF WORKOVER

Test	Date of Test	Oil Production BPD	Gas Production MCFPD	Water Production BPD	GOR Cubic feet/Bbl	Gas Well Potential MCFPD
Before Workover						
After Workover						

OIL CONSERVATION COMMISSION		I hereby certify that the information given above is true and complete to the best of my knowledge. <i>Thomas C. Brown</i>	
Approved by <i>W. A. Gressett</i>		Name Operator	
Title OIL AND GAS INSPECTOR		Position Tom Brown Drilling Company	
Date SEP 12 1960		Company	

Jones, William V., EMNRD

From: Ann Ritchie [ann.wtor@gmail.com]
Sent: Monday, January 30, 2012 1:06 PM
To: Jones, William V., EMNRD
Subject: Fwd: Requested SWD amendment from OGX Resources LLC: Tesuque 2 State 1 C-108 amendment

Please see below. I will send a copy of the filing to the State Land Office today.
When will OGX/COG be able to utilize the well ?

Thank you,

Ann

----- Forwarded message -----

From: Gary Lang <glang@ogxresources.com>
Date: Fri, Jan 27, 2012 at 9:22 AM
Subject: RE: Requested SWD amendment from OGX Resources LLC: Tesuque 2 State 1 C-108 amendment
To: Jeff Birkelbach <jbirkelbach@ogxresources.com>, Richard Coats <rcoats@ogxresources.com>, Kip Agar <kagar@ogxresources.com>
Cc: Ann Ritchie <ann.wtor@gmail.com>

Ann, COG Production LLC is the Operator, the State of New Mexico is the surface owner and Bryon Paschal is the surface tenant.

From: Jeff Birkelbach
Sent: Friday, January 27, 2012 9:11 AM
To: Gary Lang; Richard Coats; Kip Agar
Subject: FW: Requested SWD amendment from OGX Resources LLC: Tesuque 2 State 1 C-108 amendment

Gary / Richard / kip: what is the answer to OCD's question below?

From: Ann Ritchie [mailto:ann.wtor@gmail.com]
Sent: Friday, January 27, 2012 8:58 AM

To: Jeff Birkelbach
Subject: Fwd: Requested SWD amendment from OGX Resources LLC: Tesuque 2 State 1 C-108 amendment

Jeff - please see questions below, should we go ahead and tell them to issue it to COG? Also, the landowner - if it is the state and Paschal is the "tenant", I will submit a copy to State Land Office. Also - the pressure issue...

Thank you,

Ann

----- Forwarded message -----

From: **Jones, William V., EMNRD** <William.V.Jones@state.nm.us>
Date: Thu, Jan 26, 2012 at 6:48 PM
Subject: Requested SWD amendment from OGX Resources LLC: Tesuque 2 State 1 C-108 amendment
To: Ann Ritchie <ann.wtor@gmail.com>
Cc: "Dade, Randy, EMNRD" <Randy.Dade@state.nm.us>, "cleach@concho.com" <cleach@concho.com>, "Ezeanyim, Richard, EMNRD" <richard.ezeanyim@state.nm.us>, "Warnell, Terry G, EMNRD" <TerryG.Warnell@state.nm.us>

Hello Ann,

I have this amended SWD prepared, but before it goes out, I must ask,

Since the OCD must ensure Rule 5.9 is complied with and allows this operator to receive disposal permits, I should know the correct entity name.

Apparently OGX no longer exists as a New Mexico entity and it appears that COG Production, LLC has taken its place?

Please confirm .. and confirm the spelling of "Production". It does appear that COG Production, LLC is OK with Rule 5.9.

Byron Paschal was listed as the "Surface Owner" on this and on the original permit application even though this well is called the Tesuque 2 State #1.

Please reassure me one more time that the State Land Office does not own the surface at this well site.. If it does, please send them a copy of your letter asking for this amendment.

There was an IPI (injection pressure increase permit) issued for this well before the perforations were raised.

Because of the new disposal interval, we must go back to the 0.2 psi/ft gradient. If this operator needs a higher pressure, it will need to run another Step Rate Test. Please pass this on to your client (whomever it is at this point) ☺

Sorry for the delay,

Will Jones

New Mexico

Oil Conservation Division

Images Contacts

From: Ann Ritchie [mailto:ann.wtor@gmail.com]

Sent: Monday, January 23, 2012 3:26 PM

To: Jones, William V., EMNRD

Subject: Re: Tesuque 2 State 1 C-108 amendment

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Thursday, January 26, 2012 5:49 PM
To: 'Ann Ritchie'
Cc: Dade, Randy, EMNRD; cleach@concho.com; Ezeanyim, Richard, EMNRD; Warnell, Terry G., EMNRD
Subject: Requested SWD amendment from OGX Resources LLC: Tesuque 2 State 1 C-108 amendment

Hello Ann,

I have this amended SWD prepared, but before it goes out, I must ask,

Since the OCD must ensure Rule 5.9 is complied with and allows this operator to receive disposal permits, I should know the correct entity name. Apparently OGX no longer exists as a New Mexico entity and it appears that COG Production, LLC has taken its place? Please confirm .. and confirm the spelling of "Production". It does appear that COG Production, LLC is OK with Rule 5.9.

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Sorry for the delay,

Will Jones
New Mexico
Oil Conservation Division
[Images Contacts](#)

From: Ann Ritchie [mailto:ann.wtor@gmail.com]
Sent: Monday, January 23, 2012 3:26 PM
To: Jones, William V., EMNRD
Subject: Re: Tesuque 2 State 1 C-108 amendment

Will,

Just writing to make sure you received the C-108 amendment as below? Order SWD 1164.

Thank you,
Ann

1164-A

1/26/12

Further Source

Injection Permit Checklist (7/8/08)

Case _____ R- SWD 1164 WFX _____ PMX _____ IPI _____ Permit Date _____ UIC Qtr _____
Wells _____ Well Name: Tesque 2 State #1
API Num: (30-) 015-32799 Spud Date: 5/03 New/Old _____ (UIC primacy March 7, 1982)
Footages 660 FWL / 1980 FWL Unit C Sec 2 Tsp 26S Rge 29E County EDDY
Operator: OGX Resources LLC COG Production LLC Contact _____
OGRID: 217955 RULE 40 Compliance (Wells) 0/11 (Finan Assur) OK
Operator Address: P.O. Box 953, MIDLAND TX 79702
Current Status of Well: PAED Cheng/Bridge Test

Planned Work to Well:

Planned Tubing Size/Depth:

27/8 @ 3356'

	Sizes Hole.....Pipe	Setting Depths	Cement Sx or Cf	Cement Top and Determination Method
Existing <input checked="" type="checkbox"/> Surface	12 1/4 8 5/8	581	650	CIRC
Existing <input type="checkbox"/> Intermediate				
Existing <input checked="" type="checkbox"/> Long String	7 7/8 5 1/2	6010	500 + 1300	CIRC TOP STAGE

DV Tool 4988 inner Open Hole Total Depth 6010 PBTD (2701 later)

Well File Reviewed _____

Diagrams: Before Conversion ☒ After Conversion ☒ Logs in Imaging File: _____

Intervals:	Depths	Formation	Producing (Yes/No)
Above (Name and Top)			
Above (Name and Top)	2940	Bed C. Top	
Injection.....	5456	Bed C.	NO
Interval TOP:			
Injection.....	4482	Cheng C. (Top of Top)	NO
Interval BOTTOM:			
Below (Name and Top)	5663	Brushy C.	offshore

Just North of
Red BLUFF
691 PSI Max. WHIP Reservoir

Sensitive Areas: Capitan Reef _____ Cliff House _____ Salt Depths 596-2940

Potash Area (R-111-P) _____ Potash Lessee _____ Noticed? _____

Fresh Water: Depths: 0-120 Wells (Y/N) NO Analysis Included (Y/N) Yes Affirmative Statement ☒

Salt Water: Injection Water Types: BS / Monow Analysis? _____

Injection Interval: Water Analysis: No Hydrocarbon Potential ?

Notice: Newspaper (Y/N) _____ Surface Owner SWD Bu Paschal Mineral Owner(s) SLO.

RULE 701B(2) Affected Parties:

Quantal/Baron/XTO/ExxonMobil/SW Royals

Area of Review: Adequate Map (Y/N) ☒ and Well List (Y/N) ☒

Active Wells 2 Num Repairs 0 Producing in Injection Interval in AOR NO

P&A Wells 1 Num Repairs 0 All Wellbore Diagrams Included? Yes

Questions to be Answered:

Proof of NOTICE + Newspaper NOTICE
Set PLWG Close To Perps

Required Work on This Well: _____ Request Sent _____ Reply: _____

AOR Repairs Needed: _____ Request Sent _____ Reply: _____

_____ Request Sent _____ Reply: _____