

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]

COG OPERATIONS, LLC

- [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 _____

*Need Lusk 32 State SWD # 1
K/32/185/32E/LEA*

*(ESTIMATES)
13970' = DEV TOP
14460' = DEV BOT.*

- [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.

BRIAN COLLINS *Brian Collins* SENIOR OPERATIONS ENGINEER 11 Jan 2013
 Print or Type Name Signature Title Date

bcollins@concho.com
 e-mail Address



1/17/13

January 9, 2013

New Mexico Oil Conservation Division
Attn: William V. Jones
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: Application For Authorization To Inject
North Lusk 32 State SWD #1
Township 18 South, Range 32 East, N.M.P.M.
Section 32: 1550' FSL & 1800' FWL
Lea County, New Mexico

Dear Mr. Jones:

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.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Collins".

Brian Collins
Senior Operations Engineer

BC/bg
Enclosures

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).

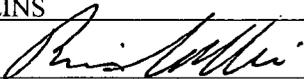
*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

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: _____ 11 Jan 2012 _____

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: _____

C-108 Application for Authorization to Inject
NORTH LUSK 32 STATE SWD #1
1550' FSL, 1800' FWL
Unit K, Sec 32 T18S R32E
Lea County, NM

COG Operating, LLC, proposes to drill the captioned well to 15250' for salt water disposal service into the Devonian-Silurian-Ordovician from 13800' to 15250'. An APD will be submitted upon approval of this C-108.

- V. Map is attached.
- VI. No wells within the ½ mile radius area of review penetrate the proposed injection zone.
- VII.
 - 1. Proposed average daily injection rate = 7500 BWPD
Proposed maximum daily injection rate = 25000 BWPD
 - 2. Closed system
 - 3. Proposed maximum injection pressure = 2760 psi
(0.2 psi/ft. x 13800' ft.)
 - 4. Source of injected water will be Bone Spring produced water. No compatibility problems are expected. Analyses of Bone Spring waters from analogous source wells are attached. No water analyses are available for the Devonian-Silurian-Ordovician receiving formation in this area.
- VIII. The injection zone is the Devonian-Silurian-Ordovician dolomite from 13800' to 15250'. Any underground water sources will be shallower than 1100' (surface casing setting depth).
- IX. The Devonian-Silurian-Ordovician injection interval will be acidized with approximately 40,000 gals 20% HCl acid.
- X. Well logs, if run, will be filed with the Division. There are no nearby Devonian-Silurian-Ordovician well logs available. A mud log will be run across the injection interval when the well is drilled.
- XI. There are three permitted, but not drilled, fresh water wells shown on the State Engineer website within a mile of the proposed SWD well. Chevron applied to drill three 200' deep wells in the SE/4 NW/4 SW/4 of Section 29-18s-32e to be used to fill a future frac pond. No drillers logs have been filed yet, so it appears the wells haven't been drilled.
- 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

INJECTION WELL DATA SHEET

OPERATOR: COG Operating, LLC

WELL NAME & NUMBER: North Lusk 32 State SWD No. 1

WELL LOCATION: 1550' FSL, 1800' FWL K 32 18s 32e
FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGE

WELLBORE SCHEMATIC

See Attached Wellbore Schematic

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 17 1/2" Casing Size: 13 3/8" e ± 1100'
Cemented with: _____ sx. or 1550 ft³
Top of Cement: Surface Method Determined: Design

Intermediate Casing

Hole Size: 12 1/4" Casing Size: 9 9/8" e ± 2950'
Cemented with: _____ sx. or 1850 ft³
Top of Cement: Surface Method Determined: Design

Production Casing

Hole Size: 8 3/4" Casing Size: 7" e ± 13800'
Cemented with: _____ sx. or 2600 ft³
Top of Cement: 2450' Method Determined: Design
Total Depth: 15250'

Injection Interval

13800' feet to 15250'

(Perforated or Open Hole indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 4 1/2" Lining Material: Dualine 20/ Glassbore
 Type of Packer: Nickel plated double grip retrievable
 Packer Setting Depth: ± 13750'
 Other Type of Tubing/Casing Seal (if applicable): N/A

Additional Data

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

If no, for what purpose was the well originally drilled? _____

2. Name of the Injection Formation: Devonian - Silurian - Ordovician

3. Name of Field or Pool (if applicable): Lusk North, Watkins

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. No

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

Underlying: None

Overlying: Yates TR Qn ±2900-3850', Grayburg San Andres ± 4250-5275'

Delaware ±7100-7125', Bone Spring ± 8200'-9700'

Wolfcamp ± 10275-10750', Strawn ± 11150-11725'

Morrow ± 12100-12975'

Jones, William V., EMNRD

From: Brian Collins <BCollins@concho.com>
Sent: Monday, January 07, 2013 3:12 PM
To: Jones, William V., EMNRD
Subject: COG Devonian Tops/Bases on C108's Soon to be Submitted

Will:

I'm still waiting on Devonian picks from geologists on Apple 5 St SWD 1, Willow 17 St SWD 1 and Reposado 2 St SWD 1. I do, however, have this information on 3 upcoming C108 applications which I'll go ahead and give you. These applications will be filed as Devonian-Silurian-Ordovician.

Corsair 2 State SWD 1 (250' fnl, 800' fel, Sec 2-19s-31e, Eddy Co): Geologist pick for Devonian top = 13,050' and Devonian bottom = 13,540'. I plan to file for interval from 12,900' to 14,350'.

Magnum Pronto 32 State SWD 1 (2300' fnl, 2200' fwl, Sec 32-19s-32e, Lea Co): Geologist pick for Devonian top = 13,610' and Devonian bottom = 14,100'. I plan to file for interval from 13,450' to 14,900'.

North Lusk 32 State SWD 1 (1550' fsl, 1800' fwl, Sec 32-18s-32e, Lea Co): Geologist pick for Devonian top = 13,970' and Devonian bottom = 14,460'. I plan to file for interval from 13,800' to 15,250'.

Thanks.

Brian Collins

Senior Operations Engineer - NM Basin
COG OPERATING LLC
2208 W Main St
Artesia, New Mexico 88210-3720
575.748.6924 W
432-254-5870 C

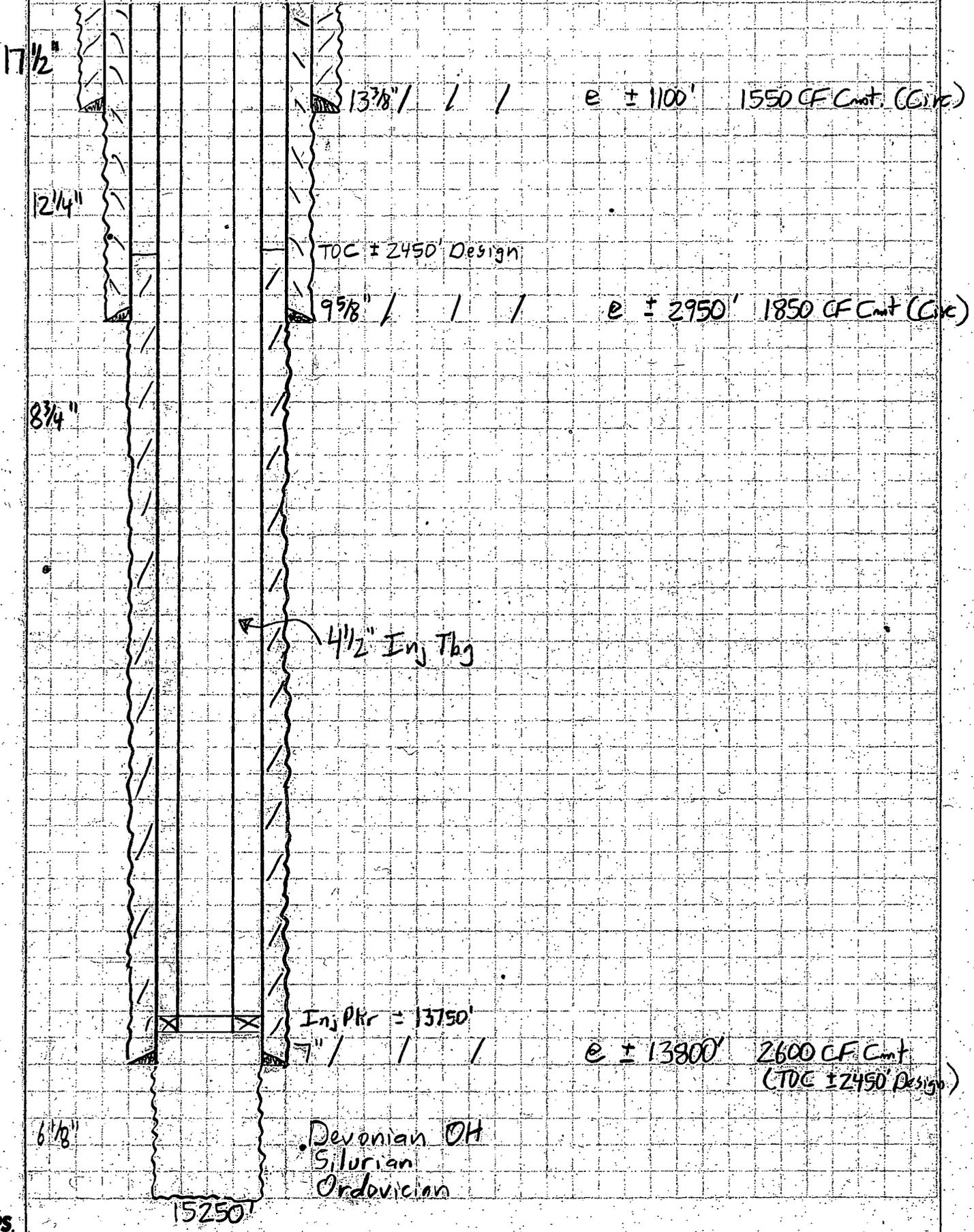


CONFIDENTIALITY NOTICE: The information in this email may be confidential and/or privileged. If you are not the intended recipient or an authorized representative of the intended recipient, you are hereby notified that any review, dissemination or copying of this email and its attachments, if any, or the information contained herein, is prohibited. If you have received this email in error, please immediately notify the sender by return email and delete this email from your system. Thank you.

CONFIDENTIALITY NOTICE: The information in this email may be confidential and/or privileged. If you are not the intended recipient or an authorized representative of the intended recipient, you are hereby notified that any review, dissemination or copying of this email and its attachments, if any, or the information contained herein, is prohibited. If you have received this email in error, please immediately notify the sender by return email and delete this email from your system. Thank you.

30-025-

North Lusk 32 State SWD No. 1
1550' FSL 1800' FWL
K-32-185-32e
Lea, NM



V.

MAP

VII.

Water Analysis Produced and Receiving Formation Water

WATER SAMPLES REPRESENTATIVE OF WATER BEING INJECTED INTO THE PROPOSED SWD WELL												
Bone Spring												
Lab Test #	Lease	Location	Salesman	Date Out	Sample Date	Specific Gravity	Ionic Strength	TDS	pH	conductivity	Ca (mg/L)	Mg (mg/L)
2011126701	Patterson B-52 Federal	4H	William D Polk	9/16/2011	8/17/2011	1.11	2.70	166647.70	6.50		8905.26	1281.11
2011128359	Patterson B-52 Federal	4H	William D Polk	9/28/2011	9/9/2011	1.11	2.68	164369.88	6.47		9015.23	1333.29
2012103274	Magnum Pronto State	4H	William D Polk	2/9/2012	2/7/2012	1.12	2.91	176497.81	6.56		9713.70	1525.22
2012103275	Magnum Pronto State	5H	William D Polk	2/9/2012	2/7/2012	1.11	2.84	173005.58	6.45		9326.68	1460.36

TH (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)
27853.36	50627.64	1179.02	64.08	28.77	7.78	268.77	1.28		134.00	0.00		1150.00	103000.00	160.00	0.00
28374.86	52144.86	1145.90	38.44	31.74	0.00	301.43	0.00		159.00	0.00		1100.00	99100.00	130.00	0.00
30925.66	60247.32	1260.33	67.49	46.13	1.47	312.65	1.50		122.00	0.00		1100.00	102100.00	150.00	0.00
29675.05	57191.80	1202.45	68.62	44.32	0.00	299.70	1.65		110.00	0.00		1300.00	102000.00	180.00	0.00

XI.

Fresh Water Sample Analyses



New Mexico Office of the State Engineer

Active & Inactive Points of Diversion

(with Ownership Information)

WR File Nbr	Sub basin	Use	Diversion	Owner	County	POD Number	Code Grant	q q q			X	Y			
								Source	64164	Sec			Tws	Rng	
CP 01106	PRO	0	CHEVRON INC.	LE	CP 01106	POD1		4	1	3	29	18S	32E	613081	3620496
CP 01107	PRO	0	CHEVRON INC.	LE	CP 01107	POD1		4	1	3	29	18S	32E	613102	3620505
CP 01108	PRO	0	CHEVRON INC.	LE	CP 01108	POD1		4	1	3	29	18S	32E	613084	3620514

(R=POD has been replaced and no longer serves this file, (quarters are 1=NW 2=NE 3=SW 4=SE)
 C=the file is closed) (quarters are smallest to largest) (NAD83 UTM in meters)

Record Count: 3

PLSS Search:

Section(s): 28-33 Township: 18S Range: 32E

Sorted by: File Number

Chevron applied to drill 3 water wells above for filling a future frac pond. Proposed TD=200'. Permits approved 8-23-2012, logs due by 8-31-2013. There are no well logs on State Engineer website yet, so it doesn't appear these wells have been drilled yet. They will be on the edge of the 1 mile radius area of review for FW wells.

SE-NW-SW

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.



New Mexico Office of the State Engineer
Active & Inactive Points of Diversion
(with Ownership Information)

No PODs found.

PLSS Search:

Section(s): 4-6

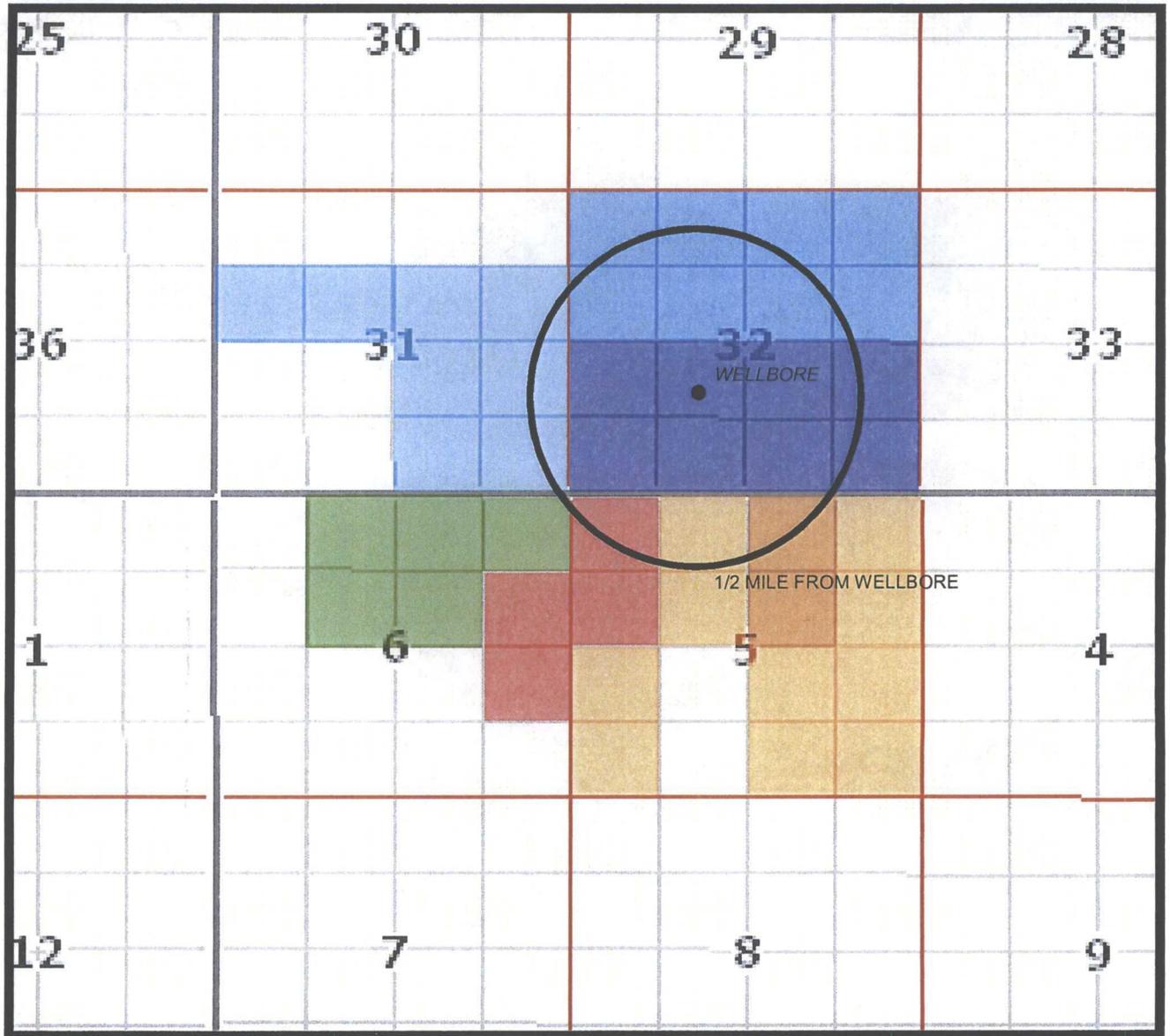
Township: 19S

Range: 32E

North Lusk 32 State SWD No. 1

K - Sec. 32 - T18s - 32e

Lea County, New Mexico



 Devon Energy Production Co.

 Echo Production Inc.

 Apache Corporation

 Mary Ard
Edward Hudson
William Hudson

 COG Operating LLC

 COG Operating LLC

 COG Operating LLC



January 9, 2013

Oil Conservation Division
Attn: Paul Kautz
1625 North French Dr.
Hobbs, NM 88240

RE: Application For Authorization To Inject
North Lusk 32 State SWD #1
Township 18 South, Range 32 East, N.M.P.M.
Section 32: 1550' FSL & 1800' FWL
Lea County, New Mexico

Dear Mr. Kautz:

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.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Collins".

Brian Collins
Senior Operations Engineer

BC/bg
Enclosures



January 11, 2013

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

RE: Application For Authorization To Inject
North Lusk 32 State SWD #1
Township 18 South, Range 32 East, N.M.P.M.
Section 32: 1550' FSL & 1800' FWL
Lea 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 drill 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,

A handwritten signature in black ink, appearing to read "Brian Collins".

Brian Collins
Senior Operations Engineer

BC/sw
Enclosures



January 11, 2013

Echo Production Inc.
Attn: Ronda Wellman
P O Box 1210
Graham, RX 76450

RE: Application For Authorization To Inject
North Lusk 32 State SWD #1
Township 18 South, Range 32 East, N.M.P.M.
Section 32: 1550' FSL & 1800' FWL
Lea 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 drill 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,

A handwritten signature in black ink, appearing to read "Brian Collins".

Brian Collins
Senior Operations Engineer

BC/sw
Enclosures



January 11, 2013

Devon Energy Production Co
P O Box 1678
Oklahoma City, OK 73101-1678

RE: Application For Authorization To Inject
North Lusk 32 State SWD #1
Township 18 South, Range 32 East, N.M.P.M.
Section 32: 1550' FSL & 1800' FWL
Lea 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 drill 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,

A handwritten signature in black ink, appearing to read "Brian Collins".

Brian Collins
Senior Operations Engineer

BC/sw
Enclosures



January 11, 2013

BLM
620 E. Greene St
Carlsbad, NM 88220

RE: Application For Authorization To Inject
North Lusk 32 State SWD #1
Township 18 South, Range 32 East, N.M.P.M.
Section 32: 1550' FSL & 1800' FWL
Lea 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 drill 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,

A handwritten signature in black ink, appearing to read "Brian Collins".

Brian Collins
Senior Operations Engineer

BC/sw
Enclosures



January 11, 2013

Mary Ard
801 Cherry Street
Fort Worth, TX 76102-4780

RE: Application For Authorization To Inject
North Lusk 32 State SWD #1
Township 18 South, Range 32 East, N.M.P.M.
Section 32: 1550' FSL & 1800' FWL
Lea 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 drill 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,

A handwritten signature in cursive script, appearing to read "Brian Collins".

Brian Collins
Senior Operations Engineer

BC/sw
Enclosures



January 11, 2013

Edward R Hudson, Jr
616 Texas Street
Fort Worth, TX 76102

RE: Application For Authorization To Inject
North Lusk 32 State SWD #1
Township 18 South, Range 32 East, N.M.P.M.
Section 32: 1550' FSL & 1800' FWL
Lea 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 drill 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,

A handwritten signature in black ink, appearing to read "Brian Collins".

Brian Collins
Senior Operations Engineer

BC/sw
Enclosures



January 11, 2013

William A Hudson II
616 Texas Street
Fort Worth, TX 76102

RE: Application For Authorization To Inject
North Lusk 32 State SWD #1
Township 18 South, Range 32 East, N.M.P.M.
Section 32: 1550' FSL & 1800' FWL
Lea 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 drill 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,

A handwritten signature in black ink, appearing to read "Brian Collins".

Brian Collins
Senior Operations Engineer

BC/sw
Enclosures



January 11, 2013

Apache Corporation
2000 Post Oak Blvd, Ste 100
Houston, TX 77056-4400

RE: Application For Authorization To Inject
North Lusk 32 State SWD #1
Township 18 South, Range 32 East, N.M.P.M.
Section 32: 1550' FSL & 1800' FWL
Lea 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 drill 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,

A handwritten signature in black ink, appearing to read "Brian Collins".

Brian Collins
Senior Operations Engineer

BC/sw
Enclosures



January 9, 2013

Hobbs News-Sun
P.O. Box 850
Hobbs, NM 88240

Re: Legal Notice
Salt Water Disposal Well
North Lusk 32 State SWD #1

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,

A handwritten signature in cursive script, appearing to read "Brian Collins".

Brian Collins
Senior Operations Engineer

BC/sw
Enclosures

HOBBS NEWS SUN
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 North Lusk 32 State SWD No. 1 is located 1550' FSL & 1800' FWL, Section 32, Township 18 South, Range 32 East, Lea County, New Mexico. Disposal water will be sourced from area wells producing from the Bone Spring formation. The disposal water will be injected into the Devonian-Silurian-Ordovician formation at a depth of 13800' to 15250' at a maximum surface pressure of 2760 psi and a maximum rate of 25,000 BWPD. The proposed SWD well is located approximately 33 miles northeast of Carlsbad. 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 Hobbs News Sun, Hobbs, New Mexico
_____, 2013.

Affidavit of Publication

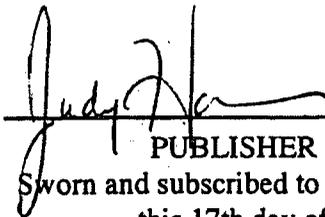
State of New Mexico,
County of Lea.

I, JUDY HANNA
PUBLISHER

of the Hobbs News-Sun, a
newspaper published at Hobbs, New
Mexico, do solemnly swear that the
clipping attached hereto was
published in the regular and entire
issue of said newspaper, and not a
supplement thereof for a period

of 1 issue(s).

Beginning with the issue dated
January 17, 2013
and ending with the issue dated
January 17, 2013

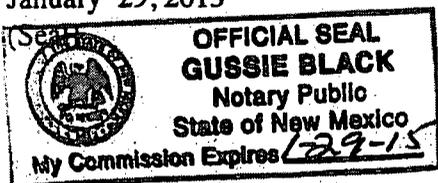

PUBLISHER

Sworn and subscribed to before me
this 17th day of
January, 2013

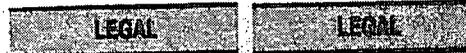


Notary Public

My commission expires
January 29, 2015



This newspaper is duly qualified to
publish legal notices or
advertisements within the meaning of
Section 3, Chapter 167, Laws of
1937 and payment of fees for said
publication has been made.



Legal Notice
January 17, 2013

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 North Lusk 32 State SWD No. 1 is located 1550' FSL & 1800' FWL, Section 32, Township 18 South, Range 32 East, Lea County, New Mexico. Disposal water will be sourced from area wells producing from the Bone Spring formation. The disposal water will be injected into the Devonian-Silurian-Ordovician formation at a depth of 13800' to 15250' at a maximum surface pressure of 2780 psi and a maximum rate of 25,000 BWPD. The proposed SWD well is located approximately 33 miles northeast of Carlsbad. 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.
#27844

02107967 00107512
COG OPERATING LLC
2208 W. MAIN ST
ARTESIA, NM 88210

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> 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. 		A. Signature <i>Stephanie Herrera</i> <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee <i>Stephanie Herrera</i>	
1. Article Addressed to:		B. Received by (Printed Name)	C. Date of Delivery
Attn: William V. Jones NM Oil Conservation Division 1220 S. St. Francis Drive Santa Fe, NM 87505		D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below:	
2. Article Number (Transfer from service label)		3. Service Type	
7011 1570 0000 7781 4025		<input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
PS Form 3811, February 2004		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
Domestic Return Receipt		102595-02-M-1540	

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> 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. 		A. Signature <i>Summ</i> <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee	
1. Article Addressed to:		B. Received by (Printed Name)	C. Date of Delivery
BUREAU OF LAND MANAGEMENT 620 E GREENE ST CARLSBAD NM 88220		D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below:	
2. Article Number (Transfer from service label)		3. Service Type	
7011 1570 0000 7781 4018		<input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
PS Form 3811, February 2004		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
Domestic Return Receipt		102595-02-M-1540	

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> 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. 		A. Signature <i>[Signature]</i> <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to:		B. Received by (Printed Name)	C. Date of Delivery
NM State Land Office 310 Old Santa Fe Trail Santa Fe, NM 87501		D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below:	
2. Article Number (Transfer from service label)		3. Service Type	
7011 1570 0000 7781 4933		<input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
PS Form 3811, February 2004		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
Domestic Return Receipt		102595-02-M-1540	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> 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. 	A. Signature <input checked="" type="checkbox"/> <i>Taylor Doyle</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to: Echo Production Inc. Attn: Ronda Wellman P O Box 1210 Graham, TX 76450	B. Received by (Printed Name) <i>Taylor Doyle</i>	C. Date of Delivery <i>1/23/13</i>
	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
2. Article Number (Transfer from service label)	3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
	4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
2. Article Number (Transfer from service label) 7011 1570 0000 7781 4940		
PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540		

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> 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. 	A. Signature <input checked="" type="checkbox"/> <i>June Galt</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to: Apache Corporation 2000 Post Oak Blvd., Ste 100 Houston, TX 77056	B. Received by (Printed Name)	C. Date of Delivery <i>1-22-13</i>
	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
2. Article Number (Transfer from service label)	3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
	4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
2. Article Number (Transfer from service label) 7011 1570 0000 7781 4001		
PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540		

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> 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. 	A. Signature <input checked="" type="checkbox"/> <i>Edward R. Hudson, Jr.</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to: Edward R. Hudson, Jr. 616 Texas Street Fort Worth, TX 76102	B. Received by (Printed Name) <i>Edward R. Hudson, Jr.</i>	C. Date of Delivery <i>1/18/13</i>
	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
2. Article Number (Transfer from service label)	3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
	4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
2. Article Number (Transfer from service label)		
PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540		

Injection Permit Checklist: Received 1/17/13 First Email Date: — Final Reply Date: 2/5/13 Final Notice Date: 1/23/13, receipt

Issued Permit: Type: WFX/PMX/SWD Number: 1394 Permit Date: 2/5/13 (Legacy Permit: —)

Wells 1 Well Name(s): NORTH LUSK 32 STATE SWD#1

API Num: 30-0 25- Spud Date: New New/Old: N (UIC Cl II Primacy March 7, 1982)

Footages 1550 FSL/1800 FWL Unit K Sec 32 Tsp 185 Rge 32E County LEA

General Location or Pool Area:

Operator: COG OPERATING LLC Contact: BRIAN COLLINS

OGRID: 229137 RULE 5.9 Compliance (Wells) 8755 (Finan Assur) OK IS 5.9 OK? OK

Well File Reviewed Current Status: NOT Permitted yet

Planned Work to Well:

Diagrams: Before Conversion After Conversion Are Elogs in Imaging?: —

Well Details:	Sizes Hole.....Pipe	Setting Depths	Stage Tool	Cement Sx or Cf	Cement Top and Determination Method
Planned <input checked="" type="checkbox"/> or Existing <input type="checkbox"/> Surface	<u>17 1/2 - 13 3/8</u>	<u>1100</u>	<u>—</u>	<u>1550 CF</u>	<u>TOP</u>
Planned <input checked="" type="checkbox"/> or Existing <input type="checkbox"/> Interm	<u>12 1/4 - 9 7/8</u>	<u>2950</u>	<u>—</u>	<u>1850 CF</u>	<u>TOP</u>
Planned <input checked="" type="checkbox"/> or Existing <input type="checkbox"/> LongSt	<u>8 3/4 - 7</u>	<u>13800</u>		<u>2600 CF</u>	<u>2450' Design</u>
Planned <input type="checkbox"/> or Existing <input type="checkbox"/> Liner					
Planned <input checked="" type="checkbox"/> or Existing <input type="checkbox"/> OpenHole	<u>6 1/8"</u>	<u>13800 - 15250</u>			

Depths/Formations:	Depths, Ft.	Formation	Tops?
Above			
Above	<u>13970</u>	<u>DEV</u>	<input checked="" type="checkbox"/>
Proposed Interval TOP:	<u>13800</u>	<u>DEV-SIL</u>	
Proposed Interval BOTTOM:	<u>15250</u>	<u>OKD</u>	
Below	<u>14460</u>	<u>SILURIAN</u>	<input checked="" type="checkbox"/>
Below			

Max. PSI 2760 OpenHole Perfs —
 Tubing Size 4 1/2 Packer Depth 13750

Capitan Reef? (in — thru —), Potash? Noticed? — WIPP? Noticed? — Delgado Top — Bot — Oil Flouse? —

Fresh Water: MaxDepth: 1100' FW Formation — Wells? NO Analysis? — Affirmative Statement

Disposal Fluid: Formation Source(s) B.S. On Lease — Only from Operator — or Commercial —

Disposal Interval: Protectable Waters? NO H/C Potential: Log WILL /Mudlog — /DST — /Tested — /Depleted — Other —

Notice: Newspaper Date 1/17/13 Mineral Owner — Surface Owner SLO N. Date 1/17

RULE 26.7(A) Identified Tracts? Affected Persons: ECHO / APACHE / DEVON / MARY EUGEN HOSN N. Date 1/23

AOR: Maps? Well List? Producing in Interval? NO Formerly Produced in Interval? NO

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

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

Permit Conditions:

Issues:

Issues:

Issues: