

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John Bemis
Cabinet Secretary

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

Jami Bailey
Division Director
Oil Conservation Division



Administrative Order SWD-1399
February 21, 2013

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Under the provisions of 19.15.26.8B NMAC, COG Operating LLC, seeks an administrative order to utilize its proposed Magnum Pronto 32 State SWD Well No. 1 (API 30-025-NA) to be located 2300 feet from the North line and 2200 feet from the West line, Unit letter F of Section 32, Township 19 South, Range 32 East, NMPM, Lea County, New Mexico, for produced water disposal purposes.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of 19.15.26.8B NMAC and satisfactory information has been provided that affected parties as defined in said rule have been notified and no objections have been received within the prescribed waiting period. The applicant has presented satisfactory evidence that all requirements prescribed in 19.15.26.8 NMAC have been met and the operator is in compliance with 19.15.5.9 NMAC.

IT IS THEREFORE ORDERED THAT:

The applicant, COG Operating LLC, is hereby authorized to utilize its proposed Magnum Pronto 32 State SWD Well No. 1 (API 30-025-NA) to be located 2300 feet from the North line and 2200 feet from the West line, Unit letter F of Section 32, Township 19 South, Range 32 East, NMPM, Lea County, New Mexico, for disposal of oil field produced water (UIC Class II only) into the Devonian, Silurian, and Ordovician through an open hole interval from approximately 13450 feet to 14900 feet through internally coated tubing and a packer set within 100 feet of the permitted interval.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the disposed water enters only the approved disposal interval and is not permitted to escape to other formations or onto the surface.

After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The well shall pass an initial mechanical integrity test ("MIT") prior to initially commencing disposal and prior to resuming disposal each time the disposal packer is unseated. All MIT testing procedures and schedules shall follow the requirements in Division Rule 19.15.26.11A. NMAC. The Division Director retains the right to require at any time wireline verification of completion and packer setting depths in this well.

The wellhead injection pressure on the well shall be limited to **no more than 2690 psi**. In addition, the disposal well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressure to the maximum allowable pressure for this well.

The Director of the Division may authorize an increase in tubing pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the disposed fluid from the target formation. Such proper showing shall be demonstrated by sufficient evidence including but not limited to an acceptable Step-Rate-Test.

The operator shall notify the supervisor of the Division's district office of the date and time of the installation of disposal equipment and of any MIT test so that the same may be inspected and witnessed. The operator shall provide written notice of the date of commencement of disposal to the Division's district office. The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Division Rules 19.15.26.13 and 19.15.7.24 NMAC.

Without limitation on the duties of the operator as provided in Division Rules 19.15.29 and 19.15.30 NMAC, or otherwise, the operator shall immediately notify the Division's district office of any failure of the tubing, casing or packer in the well, or of any leakage or release of water, oil or gas from around any produced or plugged and abandoned well in the area, and shall take such measures as may be timely and necessary to correct such failure or leakage.

The injection authority granted under this order is not transferable except upon division approval. The division may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

The division may revoke this injection permit after notice and hearing if the operator is in violation of 19.15.5.9 NMAC.

The disposal authority granted herein shall terminate two years after the effective date of this order if the operator has not commenced injection operations into the subject well. One year after the last date of reported disposal into this well, the Division shall consider the well abandoned, and the authority to dispose will terminate *ipso facto*. The Division, upon written request mailed by the operator prior to the termination date, may grant an extension thereof for good cause.

Compliance with this order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

Jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the disposal authority granted herein.



JAMI BAILEY
Director

JB/wvjj

cc: Oil Conservation Division – Hobbs District Office
State Land Office – Oil, Gas, and Minerals Division

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]

[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 _____

MAGNUM Pronto 32 State SWD #1
F/32/19S/32E/LEA
POTASH NO
REF = YES
WIPP = NO

[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
 Print or Type Name

Brian Collins
 Signature

SENIOR OPERATIONS ENGINEER
 Title

3 Jan 13
 Date

bcollins@concho.com
 e-mail Address



RECEIVED OCD

2013 JAN 10 P 1:42

January 3, 2013

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

13,610' = DEV. TOP
14,100' = DEV. BOTTOM

RE: Application For Authorization To Inject
Magnum Pronto 32 State SWD #1
Township 19 South, Range 32 East, N.M.P.M.
Section 32: 2300' FNL & 2200' FWL
Lea County, New Mexico

Dear Mr. Jones:

COG Operating LLC respectfully requests administrative approval for authorization to inject for the Magnum Pronto 32 State SWD #1 well as referenced above. 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,

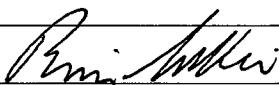
Brian Collins
Senior Operations Engineer

BC/sw
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: _____ 3 Jan 13 _____

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
MAGNUM PRONTO 32 STATE SWD #1
2300' FNL, 2200' FWL
Unit F, Sec 32 T19S R32E
Lea County, NM

COG Operating, LLC, proposes to drill the captioned well to 14900' for salt water disposal service into the Devonian-Silurian-Ordovician from 13450' to 14900'. 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 = 2690 psi
(0.2 psi/ft. x 13450' ft.)
 - 4. Source of injected water will be Bone Spring Sand 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 13450' to 14900'. Any underground water sources will be shallower than 900' (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 through the proposed injection interval when the well is drilled.
- XI. There are no fresh water wells within a mile of the proposed SWD well.
- 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 LLCWELL NAME & NUMBER: Magnum Pronto 32 State SWD 1WELL LOCATION: 2300' FNL 2200' FWL F 32 19s 32e
FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGEWELLBORE SCHEMATIC

See Attached Schematic

WELL CONSTRUCTION DATASurface CasingHole Size: 17 1/2" Casing Size: 13 3/8" e ± 900'
Cemented with: - sx. or 1250 ft³
Top of Cement: Surface Method Determined: CirculateIntermediate CasingHole Size: 12 1/4" Casing Size: 9 5/8" e ± 3900'
Cemented with: - sx. or 2450 ft³
Top of Cement: Surface Method Determined: CirculateProduction CasingHole Size: 8 3/4" Casing Size: 7" e ± 13450'
Cemented with: - sx. or 2250 ft³
Top of Cement: 3400' Method Determined: Design
Total Depth: ± 14900'Injection Interval± 13450' feet to ± 14900'(Perforated or Open Hole indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 4 1/2" Lining Material: Duoline 20 / Glassbore
 Type of Packer: Nickel plated double grip retrievable
 Packer Setting Depth: ± 13400'
 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
 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 ± 2500 - 2800', Delaware ± 4450 - 7200'

Bone Spring ± 7400 - 10,000', Wolfcamp ± 10300 - 10750'

Strawn ± 11200 - 11,600', Atoka ± 11875 - 12050', Morrow ± 12050 - 12725'

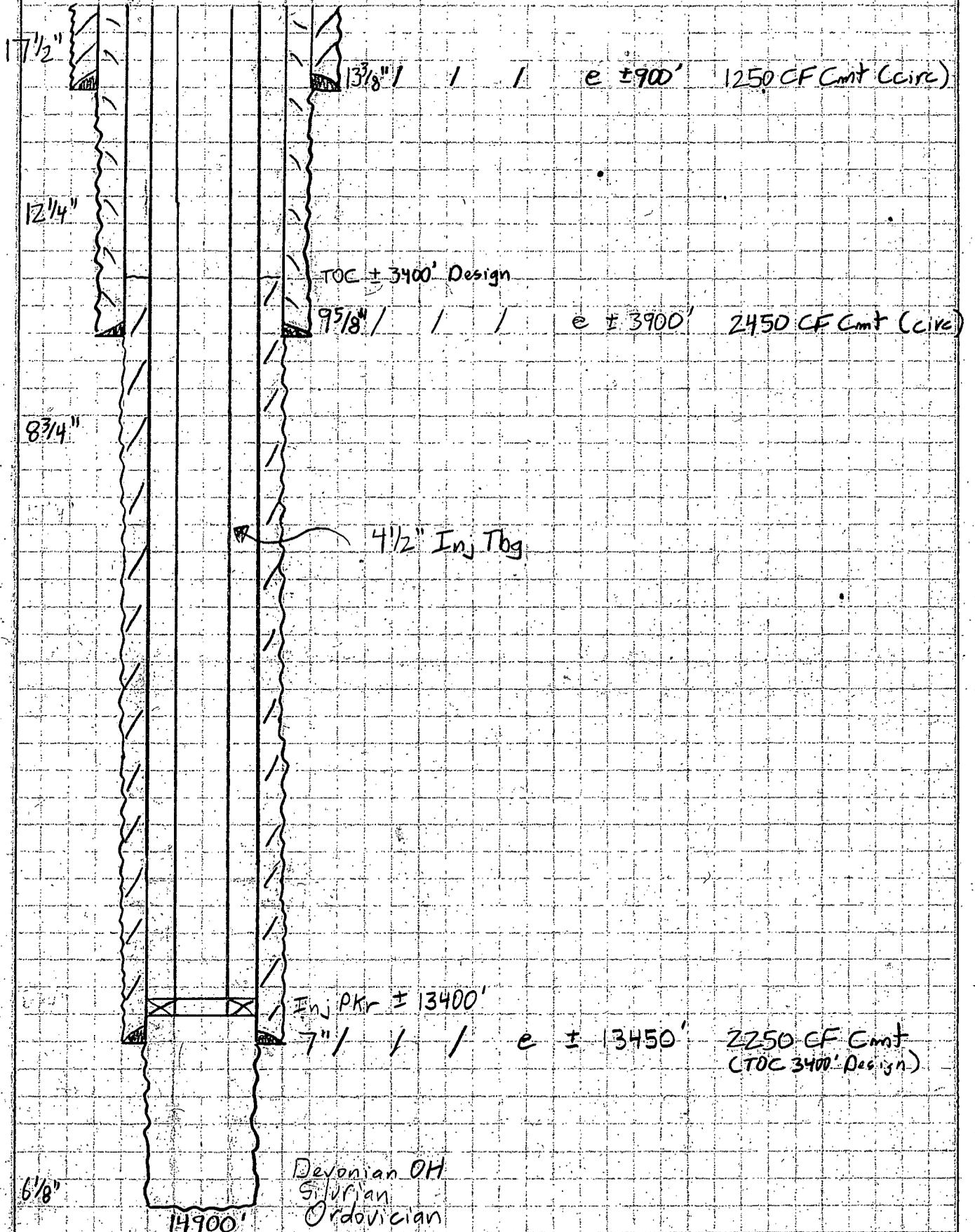
30-025-

Magnum Pronto 32 State SWD 1

2300' FWL 2200' FWL

F-32-195-32e

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 |
| 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 |
| 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)

No PODs found.

PLSS Search:

Section(s): 4-6

Township: 20S

Range: 32E



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

No PODs found.

PLSS Search:

Section(s): 28-33

Township: 19S

Range: 32E



January 3, 2013

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

Re: Legal Notice
Salt Water Disposal Well
Magnum Pronto 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 black ink, 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, New Mexico, 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 Magnum Pronto 32 State SWD No. 1 is located 2300' FNL and 2200' FWL, Sec. 32, Township 19 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 13450-14900' at a maximum surface pressure of 2690 psi and a maximum rate of 25,000 BWPD. This well is located approximately 30 miles northeast of Carlsbad. Any interested party who has an objection to this must give notice in writing to the Oil Conservation Division, 1220 South Saint Francis Street, 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, New Mexico 88210, or call 575-748-6940.

Published in the Hobbs News Sun, Hobbs, New Mexico
_____, 2013.

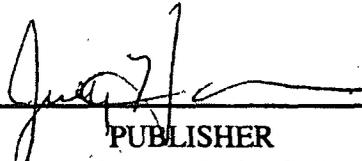
Affidavit of Publication

State of New Mexico,
County of Lea.

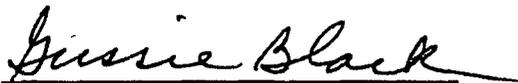
I, JUDY HANNA
PUBLISHER

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 10, 2013
and ending with the issue dated
January 10, 2013

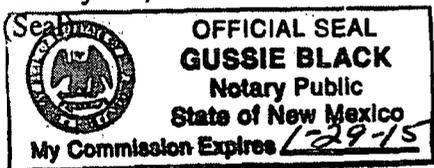

PUBLISHER

Sworn and subscribed to before me
this 10th day of
January, 2013



Notary Public

My commission expires
January 29, 2015



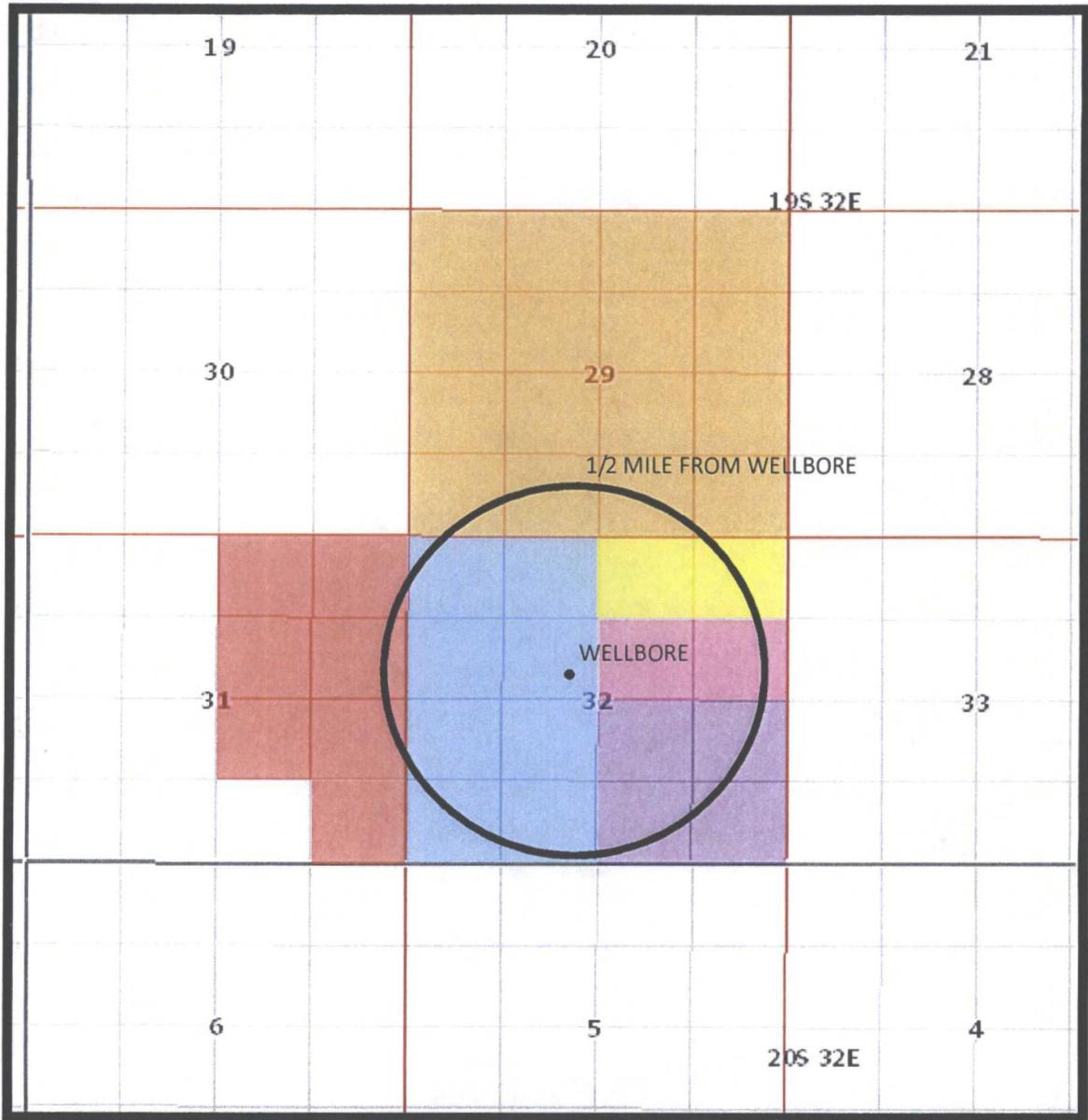
This newspaper is duly qualified to
publish legal notices or
advertisements within the meaning of
Section 3, Chapter 167, Laws of
1937 and payment of fees for said
publication has been made.

| LEGAL | LEGAL |
|--|-------|
| Legal Notice January 10, 2013 | |
| COG Operating LLC, 2208 W. Main Street, Artesia, New Mexico, 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 Magnum Pronto 32 State SWD No. 1 is located 2300' FNL and 2200' FWL, Sec. 32, Township 19 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 13450-14900' at a maximum surface pressure of 2890 psi and a maximum rate of 25,000 BWPD. This well is located approximately 30 miles northeast of Carlsbad. Any interested party who has an objection to this must give notice in writing to the Oil Conservation Division, 1220 South Saint Francis Street, 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, New Mexico 88210, or call 575-748-6940. #27832 | |

02107967

00107196

COG OPERATING LLC
FASKEN CENTER, TOWER II
550 W. TEXAS AVE., STE 1300
MIDLAND, TX 79701



-  Magnum Hunter Production, Inc.
-  COG Operating LLC
-  Prize Operating Company
-  COG Operating LLC

-  Dan Irwin, Kathleen Irwin Schuster Wallfarm LTD; WK Land Company
-  COG Operating LLC

also Cimrex was NOTICED

**Magnum Pronto 32 State SWD No. 1
 2300' FNL & 2200' FWL
 Section 32; T19s - R32e
 Lea County, New Mexico**



January 3, 2013

WK Land Company
911 Kimbark St
Longmont, CO 80501

RE: Application For Authorization To Inject
Magnum Pronto 32 State SWD #1
Township 19 South, Range 32 East, N.M.P.M.
Section 32: 2300' FNL & 2200' 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 an operator or surface owner 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 3, 2013

Magnum Hunter Production, Co.
600 N. Marienfeld St, Ste 600
Midland, TX 79701

RE: Application For Authorization To Inject
Magnum Pronto 32 State SWD #1
Township 19 South, Range 32 East, N.M.P.M.
Section 32: 2300' FNL & 2200' FWL
Lea County, New Mexico

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Sincerely,

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Brian Collins
Senior Operations Engineer

BC/sw
Enclosures



January 3, 2013

Prize Operating Company
20 East 5th St., Ste 1400
Tulsa, OK 74103

RE: Application For Authorization To Inject
Magnum Pronto 32 State SWD #1
Township 19 South, Range 32 East, N.M.P.M.
Section 32: 2300' FNL & 2200' FWL
Lea County, New Mexico

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Sincerely,

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Brian Collins
Senior Operations Engineer

BC/sw
Enclosures



January 3, 2013

Cimarex Energy Company
Attn: Gary Abbott
1700 Lincoln St., Ste 1800
Denver, CO 80203

RE: Application For Authorization To Inject
Magnum Pronto 32 State SWD #1
Township 19 South, Range 32 East, N.M.P.M.
Section 32: 2300' FNL & 2200' FWL
Lea County, New Mexico

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Brian Collins
Senior Operations Engineer

BC/sw



January 3, 2013

Dan Irwin
118 N. Grant St
Hinsdale, IL 60521

RE: Application For Authorization To Inject
Magnum Pronto 32 State SWD #1
Township 19 South, Range 32 East, N.M.P.M.
Section 32: 2300' FNL & 2200' 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 an operator or surface owner 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 3, 2013

Kathleen Irwin Schuster
3213 Pepperwood Lane
Ft. Collins, CO 80525

RE: Application For Authorization To Inject
Magnum Pronto 32 State SWD #1
Township 19 South, Range 32 East, N.M.P.M.
Section 32: 2300' FNL & 2200' FWL
Lea County, New Mexico

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Brian Collins
Senior Operations Engineer

BC/sw
Enclosures



January 3, 2013

Wallfam Ltd.
1811 Heritage Blvd., Ste 200
Midland, TX 79707-9715

RE: Application For Authorization To Inject
Magnum Pronto 32 State SWD #1
Township 19 South, Range 32 East, N.M.P.M.
Section 32: 2300' FNL & 2200' FWL
Lea County, New Mexico

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Sincerely,

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Brian Collins
Senior Operations Engineer

BC/sw
Enclosures



January 3, 2013

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

RE: Application For Authorization To Inject
Magnum Pronto 32 State SWD #1
Township 19 South, Range 32 East, N.M.P.M.
Section 32: 2300' FNL & 2200' FWL
Lea County, New Mexico

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Sincerely,

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Brian Collins
Senior Operations Engineer

BC/sw
Enclosures



January 3, 2013

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

RE: Application For Authorization To Inject
Magnum Pronto 32 State SWD #1
Township 19 South, Range 32 East, N.M.P.M.
Section 32: 2300' FNL & 2200' FWL
Lea County, New Mexico

Dear Mr. Kautz:

COG Operating LLC respectfully requests administrative approval for authorization to inject for the Magnum Pronto 32 State SWD #1 well as referenced above. 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/sw
Enclosures

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



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SENDER: COMPLETE THIS SECTION

- 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.

1. Article Addressed to:

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

2. Article Number

(Transfer from service label)

7011 1570 0000 7781 3912

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *[Signature]*

Agent

Addressee

B. Received by (Printed Name)

[Signature]

C. Date of Delivery

1-10-13

D. Is delivery address different from item 1? Yes

If YES, enter delivery address below: No

3. Service Type

Certified Mail

Express Mail

Registered

Return Receipt for Merchandise

Insured Mail

C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes

SENDER: COMPLETE THIS SECTION

- 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.

1. Article Addressed to:

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

2. Article Number

(Transfer from service label)

7011 1570 0000 7781 3929

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *[Signature]*

Agent

Addressee

B. Received by (Printed Name)

[Signature]

C. Date of Delivery

JAN 10 2013

D. Is delivery address different from item 1? Yes

If YES, enter delivery address below: No

3. Service Type

Certified Mail

Express Mail

Registered

Return Receipt for Merchandise

Insured Mail

C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes

SENDER: COMPLETE THIS SECTION

- 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.

1. Article Addressed to:

CIMAREX ENERGY
 600 N MARIENFELD ST
 MIDLAND TX 79701

2. Article Number

(Transfer from service label)

7011 1570 0000 7781 4797

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *[Signature]*

Agent

Addressee

B. Received by (Printed Name)

[Signature]

C. Date of Delivery

1-11-13

D. Is delivery address different from item 1? Yes

If YES, enter delivery address below: No

3. Service Type

Certified Mail

Express Mail

Registered

Return Receipt for Merchandise

Insured Mail

C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes

| 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>X Dan Irwin</i> | <input type="checkbox"/> Agent <input type="checkbox"/> Addressee |
| | B. Received by (Printed Name) <i>DAN IRWIN</i> | C. Date of Delivery <i>01/18/13</i> |
| 1. Article Addressed to: | D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No | |
| DAN IRWIN 118 N GRANT ST HINSDALE IL 60521 | | |
| 3. Service Type | <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. | |
| 4. Restricted Delivery? (Extra Fee) | <input type="checkbox"/> Yes | |
| 2. Article Number (Transfer from service label) | 7011 1570 0000 7781 4070 | |
| 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 <i>X Donna Russell</i> | <input type="checkbox"/> Agent <input type="checkbox"/> Addressee |
| | B. Received by (Printed Name) <i>Donna Russell</i> | C. Date of Delivery <i>1-10-13</i> |
| 1. Article Addressed to: | D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No | |
| MAGNUM HUNTER PRODUCTION INC 600 N MARIENFELD ST STE 600 MIDLAND TX 79701 | | |
| 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 4803 | |
| 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 <i>X Brianna Sorellano</i> | <input type="checkbox"/> Agent <input type="checkbox"/> Addressee |
| | B. Received by (Printed Name) <i>Brianna Sorellano</i> | C. Date of Delivery |
| 1. Article Addressed to: | D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No | |
| <i>Prize Operating Co</i> <i>20 E. 9th St, Ste 1400</i> <i>Tulsa, OK 74103</i> | | |
| 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 | | |

SENDER: COMPLETE THIS SECTION

- 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.

1. Article Addressed to:

KATHLEEN IRWIN SCHUSTER
 3213 PEPPERWOOD LANE
 FT COLLING CO 80525

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X Kathleen I. Schuster Agent Addressee

B. Received by (Printed Name)
 Kathleen I. Schuster

C. Date of Delivery
 1-19

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

2615 OAK DR #28
 LAKEWOOD CO 80215
 2013

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Transfer from service label) 7011 1570 0000 7781 4780

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

SENDER: COMPLETE THIS SECTION

- 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.

1. Article Addressed to:

WALLFAM LTD
 1811 HERITAGE BLVD STE 200
 MIDLAND TX 79707-9715

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X S Smith Agent Addressee

B. Received by (Printed Name)
 S Smith

C. Date of Delivery
 1-10-13

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Transfer from service label) 7011 1570 0000 7781 4087

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

SENDER: COMPLETE THIS SECTION

- 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.

1. Article Addressed to:

WK LAND COMPANY
 911 KIMBART ST
 LONGMONT CO 80501

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X Lori Barker Agent Addressee

B. Received by (Printed Name)
 Lori Barker

C. Date of Delivery
 1/15

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number 7011 1570 0000 7781 4094

Injection Permit Checklist: Received 1/10/13 First Email Date: — Final Reply Date: 1/2/13 Final Notice Date: 1/3/13

Issued Permit: Type: WFX/PMX/SWD Number: 1399 Permit Date 2/21/13 (Legacy Permit: —)

Wells 1 Well Name(s): MAGNUM PRONTO 32 STATE SWD #1

API Num: 30-025- Spud Date: NOT YET New/Old: N (UIC CI II Primacy March 7, 1982)

Footages 2300 FUL/2200 FWT Lot — Unit F 32 Sec — Tsp 19S Rge 32E County LEA

General Location or Pool Area: 30 MINE of Corral / LUSK

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 None Current Status: NOT Permitted

Planned Work to Well: Permit/Drill/EQP/Compl

Diagrams: Before Conversion — After Conversion ✓ Are Elogs in Imaging?: NOT YET

| Well Details: | Sizes Hole.....Pipe | Setting Depths | Stage Tool | Cement Sx or Cf | Cement Top and Determination Method |
|---|------------------------|-----------------------|------------|-----------------|-------------------------------------|
| <input checked="" type="checkbox"/> Planned <u>or Existing</u> Surface | <u>17 1/2 - 13 3/8</u> | <u>900'</u> | | <u>1250 CF</u> | <u>CIRC</u> |
| <input checked="" type="checkbox"/> Planned <u>or Existing</u> Interm | <u>12 1/4 - 9 5/8</u> | <u>3900'</u> | | <u>2450 CF</u> | <u>CIRC</u> |
| <input checked="" type="checkbox"/> Planned <u>or Existing</u> LongSt | <u>8 3/4 - 7</u> | <u>213450</u> | | <u>2250 CF</u> | <u>23400'</u> |
| <input type="checkbox"/> Planned <u>or Existing</u> Liner | | | | | |
| <input checked="" type="checkbox"/> Planned <u>or Existing</u> OpenHole | | <u>13450-14900 TD</u> | | | |

| Depths/Formations: | Depths, Ft. | Formation | Tops? |
|---------------------------|---------------|----------------|-------------------------------------|
| Above | | | |
| Above | <u>13610</u> | <u>Dev</u> | <input checked="" type="checkbox"/> |
| Proposed Interval TOP: | <u>13450'</u> | <u>Dev SIL</u> | |
| Proposed Interval BOTTOM: | <u>14900'</u> | <u>ORD</u> | |
| Below | <u>14100</u> | <u>SIL</u> | <input checked="" type="checkbox"/> |
| Below | | | |

Max. PSI 2690' OpenHole Perfs
 Tubing Size 4 1/2 Packer Depth 13400'

Capitan Reef? (In — thru —), Rotash? — Noticed? — WIPP? — Noticed? — Salado Top — Bot — Cliff House? —

Fresh Water: MaxDepth: 2900' FW Formation — Wells? NO Analysis? — Affirmative Statement

Disposal Fluid: Formation Source(s) Bona SPRING On Lease — Only from Operator or Commercial —

Disposal Interval: Protectable Waters? — H/C Potential: Log — Mudlog — /DST — /Tested — /Depleted — Other —

Notice: Newspaper Date 1/10/13 Mineral Owner — Surface Owner SLO N. Date 1/3/13

RULE 26.7(A) Identified Tracts? — Affected Persons: CIMOREX (Pawin/MH/Dirp/et) N. Date 1/3/13

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

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

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

Permit Conditions:
 Issues:
 Issues:
 Issues: