



OCEAN MUNDS-DRY
Senior Attorney

RECEIVED OCD

2014 DEC -4 P 2: 11 December 4, 2014

VIA E-MAIL

Ms. Jami Bailey, Director
Oil Conservation Division
New Mexico Department of Energy, Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Owl SWD operating, LLC application for salt water disposal in the McCloy-
SWD Well No: 1, Section 15, Township 24 South, Range 32 East, NMPM, Lea
County, New Mexico.

Dear Ms. Bailey:

COG Operating LLC (Concho) withdraws its objection to the above-referenced
application. Concho objected to Owl's application on October 23, 2014. Since that time,
Owl has revised its application and Concho no longer has any objection.

Thank you for your time and attention to this matter.

Sincerely,


Ocean Munds-Dry

cc: Ben Stone

Goetze, Phillip, EMNRD

From: Goetze, Phillip, EMNRD
Sent: Thursday, October 23, 2014 2:19 PM
To: Ben Stone (ben@sosconsulting.us)
Cc: Dawson, Scott, EMNRD; McMillan, Michael, EMNRD; Carol Leach (cleach@concho.com); Holm, Anchor E. (aholm@slo.state.nm.us); Davidson, Florene, EMNRD
Subject: Protest of Application for Injection - McCloy SWD No. 1
Attachments: COG Protest_Owl McCloy No. 1.pdf

RE: McCloy SWD No. 1 (API 30-025-Pending; pMAM1428741704) Sec. 15, T. 24 S., R. 32 E., NMPM, Lea County.

Mr. Stone:

OCD was notified by COG Operating LLC that they are protesting this application due to the potential for impact on their correlative rights for hydrocarbon resources in the proposed injection interval. Therefore, you are being notified that if Owl SWD Operating, LLC wishes for this application to be considered, it must either go to hearing or may be reviewed administratively if the protest is withdrawn as a result of a negotiated resolution with this party. The application will be retained by OCD, but suspended from further administrative review. Please contact OCD once you have made a decision regarding the application. Please me call with any questions regarding this matter. PRG

Contact Information:

Ms. Carol Leach
COG Operating LLC
1048 Paseo De Peralta
Santa Fe, NM 87501
505-780-8000 (phone)
e-mail: Carol Leach (cleach@concho.com)

Phillip R. Goetze, P.G.

Engineering and Geological Services Bureau, Oil Conservation Division
1220 South St. Francis Drive, Santa Fe, NM 87505
O: 505.476.3466 F: 505.476.3462
phillip.goetze@state.nm.us



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2014 OCT 23 P 1:12

October 23, 2014

VIA HAND DELIVERY

Jami Bailey, Director
Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505

Re: COG Operating LLC (Concho) Protest of Proposed McCloy SWD Well No. 1
Proposed by Owl SWD Operating, LLC

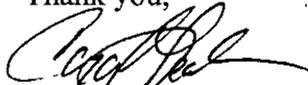
Dear Director Bailey:

Concho Resources Inc., acting through COG Operating LLC, protests the application of Owl SWD Operating, LLC for an open hole commercial salt water disposal well, specifically the McCloy SWD Well No. 1.

The proposed disposal interval will be through open hole from 4850 feet to 7300 feet in the Delaware formation. In support of its proposal COG initially notes that many portions of the Delaware are productive for oil and gas. COG is planning production from this same depth for its Foxglove area and believes the open hole disposal in the same zone will impair its ability to produce oil and gas which wastes the hydrocarbons and denies COG its opportunity to produce oil and gas.

If this matter is set for hearing, please provide notice directly to COG Operating LLC.

Thank you,



Carol Leach

cc: Phillip Goetz (via hand delivery)
Keith Corbett (via email)
Ocean Munds-Dry (via email)
Henry Zollinger (via email)
Brian Collins (via email)

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