

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico

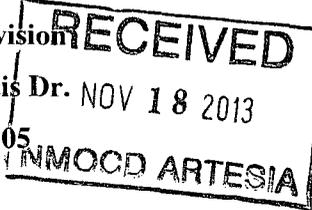
Form C-101
Revised November 14, 2012

Energy Minerals and Natural Resources

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505



AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address COG Operating LLC 2208 West Main Street Artesia, NM 88210		2. OGRID Number 229137
3. Property Code 40229		4. API Number 30-015-41805
5. Property Name Corsair 2 State SWD		6. Well No 1.

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
1	2	19S	31E		250'	North	800'	East	Eddy

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County

9. Pool Information

Pool Name SWD: Devonian	Pool Code 96101
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Additional Well Information

11. Work Type New Well	12. Well Type SWD	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3632.7'
16. Multiple N	17. Proposed Depth 14,350'	18. Formation Devonian	19. Contractor	20. Spud Date 12/1/2013
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surface	17.5	13.375	54.5	825'	1150	
Intmrd	12.25	9.625	40	3000'	1900	0
Production	8.75	7	29	12900'	2400	2500
Disposal	6.125	OH		14350'		

Casing/Cement Program: Additional Comments

Plan to drill a 17-1/2" hole to 825' with Fresh Water. Run 13-3/8", 54.5#, J-55 and cement to surface. Drill 12-1/4" hole to approximately 3000' with brine, and run 9-5/8", 40#, J-55/ N80 csg and cement to surface. Drill 8-3/4" hole to approximately 12,900' with cut brine, run 7", 29#, N80 and cement back to 2500'. Drill 6-1/8" hole to approximately 14,350' with cut brine, and leave it open hole for salt water disposal purposes.

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5000	5000	Cameron

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

I further certify that I have complied with 19.15.14.9 (A) NMAC and/or 19.15.14.9 (B) NMAC , if applicable.

Signature: *Mayte Reyes*

Printed name: Mayte Reyes

Title: Regulatory Analyst

E-mail Address: mreyes1@concho.com

Date: 11/18/2013

Phone: 575-748-6945

OIL CONSERVATION DIVISION

Approved By:

T. C. Shepard

Title:

"Geologist"

Approved Date:

11/18/2013

Expiration Date:

11/18/2015

Conditions of Approval Attached

DISTRICT I
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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015- 41805	Pool Code 96101	Pool Name SWD; Devonian
Property Code 40229	Property Name CORSAIR 2 STATE SWD	Well Number 1
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3632.7'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	2	19-S	31-E		250	NORTH	800	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres N/A	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

LOT 4 39.78 AC.	LOT 3 39.85 AC.	LOT 2 NAD 27 <u>SURFACE LOCATION</u> Y=617263.8 N X=653730.1 E LAT.=32.695961° N LONG.=103.833613° W 39.89 AC.	250' S.L. 800'	LOT 1 39.89 AC.
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OPERATOR CERTIFICATION
I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Melanie Parker 11/18/13
Signature Date
Melanie Parker
Printed Name
mparker@comcho.com
E-mail Address

SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

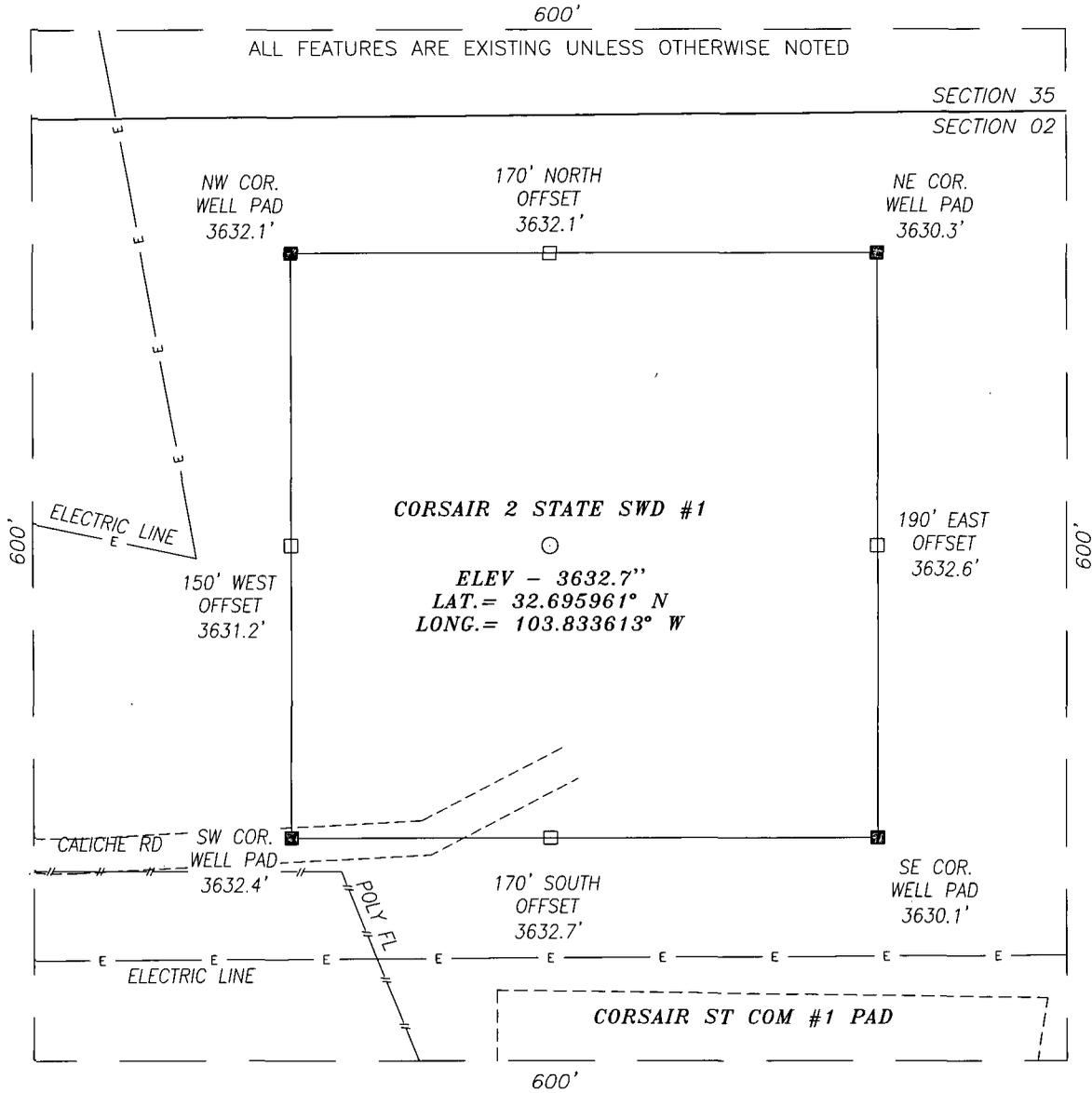
SEPTEMBER 5, 2013
Date of Survey

Signature & Seal of Professional Surveyor



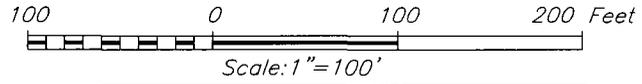
Chad Harcrow 9/19/13
Certificate No: CHAD HARCROW 17777
W.O. # 13-599 DRAWN BY: TL

SECTION 2, TOWNSHIP 19 SOUTH, RANGE 31 EAST, N.M.P.M.,
 EDDY COUNTY NEW MEXICO



DIRECTIONS TO LOCATION:

HEADING SOUTH ON CR #222 (SHUGART RD) TURN LEFT (EAST) ONTO WESTALL ROAD AND GO APPROX. 2.4 MILES TO PROPOSED WELL.

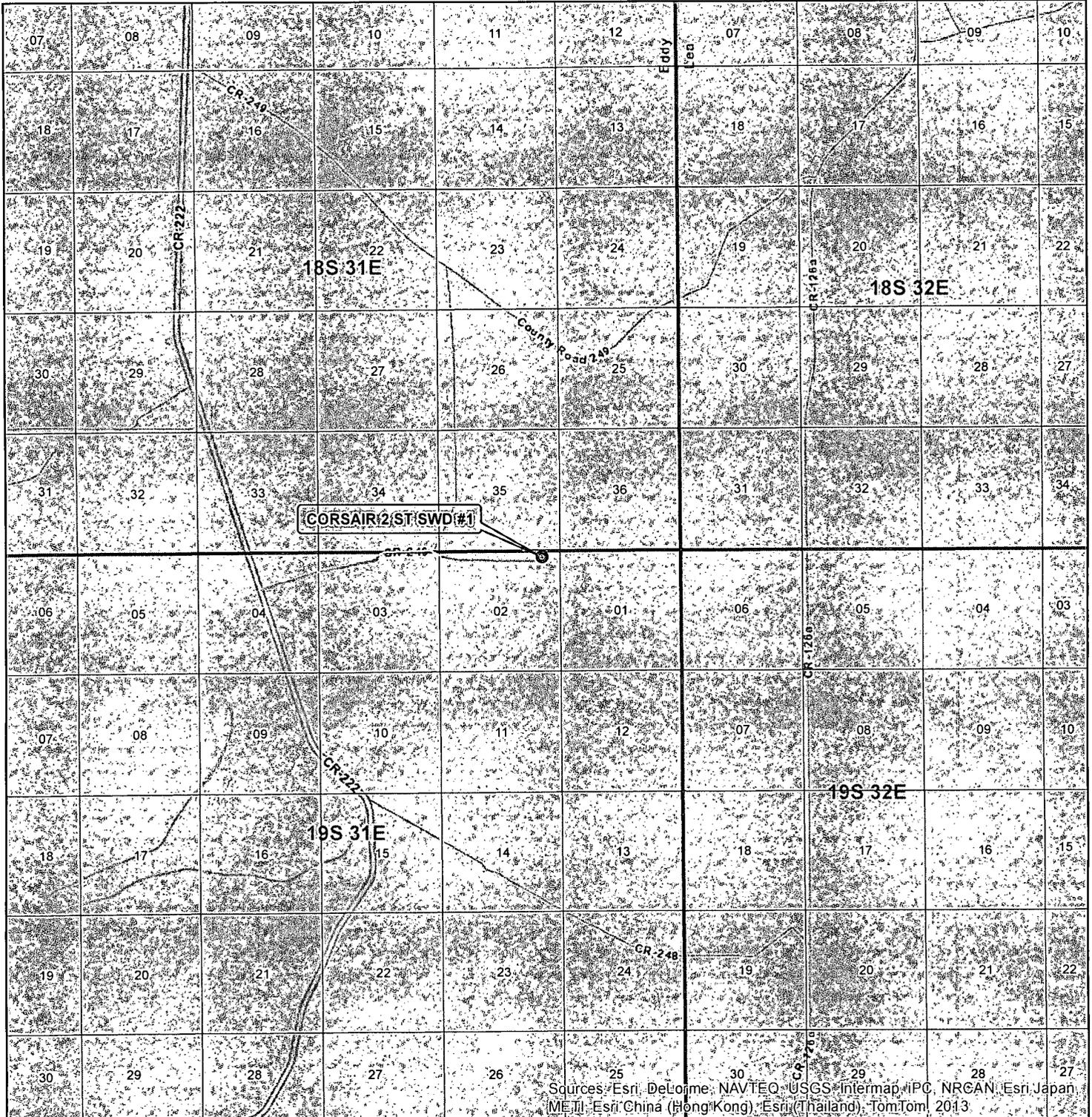


HARCROW SURVEYING, LLC
 2314 W. MAIN ST, ARTESIA, N.M. 88210
 PH: (575) 513-2570 FAX: (575) 746-2158
 chad_harcrow77@yahoo.com



COG OPERATING, LLC		
CORSAIR 2 STATE SWD #1 WELL LOCATED 250 FEET FROM THE NORTH LINE AND 800 FEET FROM THE EAST LINE OF SECTION 2, TOWNSHIP 19 SOUTH, RANGE 31 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO		
SURVEY DATE: 09/05/2013	PAGE: 1 OF 1	
DRAFTING DATE: 09/09/2013		
APPROVED BY: CH	DRAWN BY: TL	FILE: 13-599

VICINITY MAP



Sources: Esri, DeLorme, NAVTEQ, USGS, Intermap, iPC, NRCAN, Esri Japan, MEI, Esri China (Hong Kong), Esri (Thailand), TomTom, 2013

SEC. 2, TWP. 19 S, RGE. 31E
 SURVEY: N.M.P.M
 COUNTY: EDDY STATE: NEW MEXICO
 DESCRIPTION: CORSAIR 2 ST SWD #1
 250' FNL, 800' FEL

ELEVATION: 3632.7
 OPERATOR: COG OPERATING LLC
 LEASE: CORSAIR 2 ST SWD

W.O. # 13-599



1 IN = 6,000 FT

0 0.5 MILES

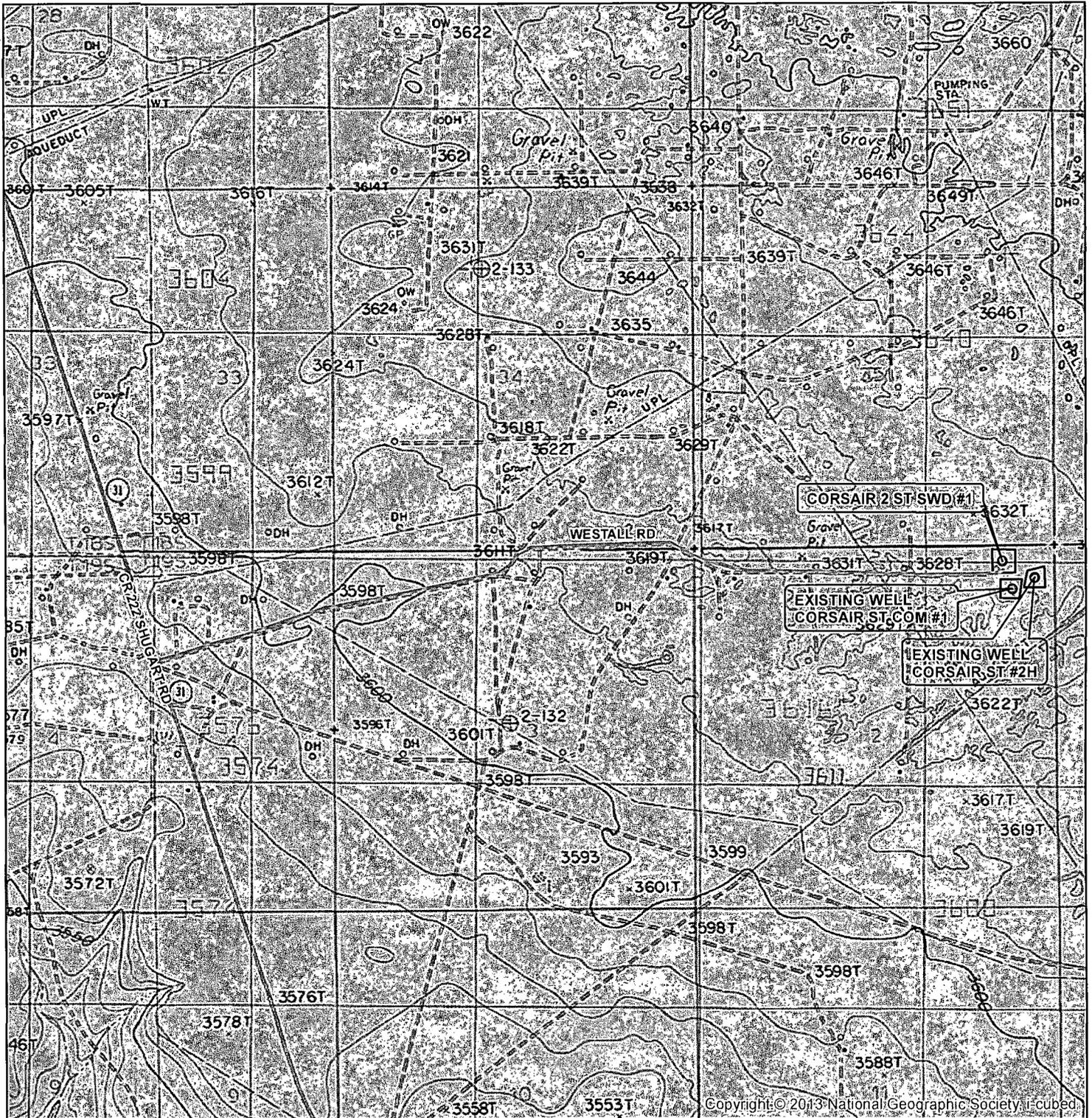
- WELL
- TOWNSHIP
- SECTION

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 1107 WATSON, ARTESIA N.M. 88210
 PH: (575) 513-2570 FAX: (575) 746-2158
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MAP DATE: 9/6/2013

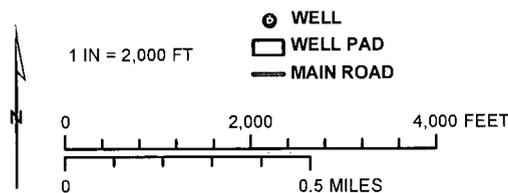
LOCATION VERIFICATION MAP



SEC. 2, TWP. 19 S, RGE. 31E
 SURVEY: N.M.P.M
 COUNTY: EDDY STATE: NEW MEXICO
 DESCRIPTION: CORSAIR 2 ST SWD #1
 250' FNL, 800' FEL

ELEVATION: 3632.7
 OPERATOR: COG OPERATING LLC
 LEASE: CORSAIR 2 ST SWD

W.O. # 13-599

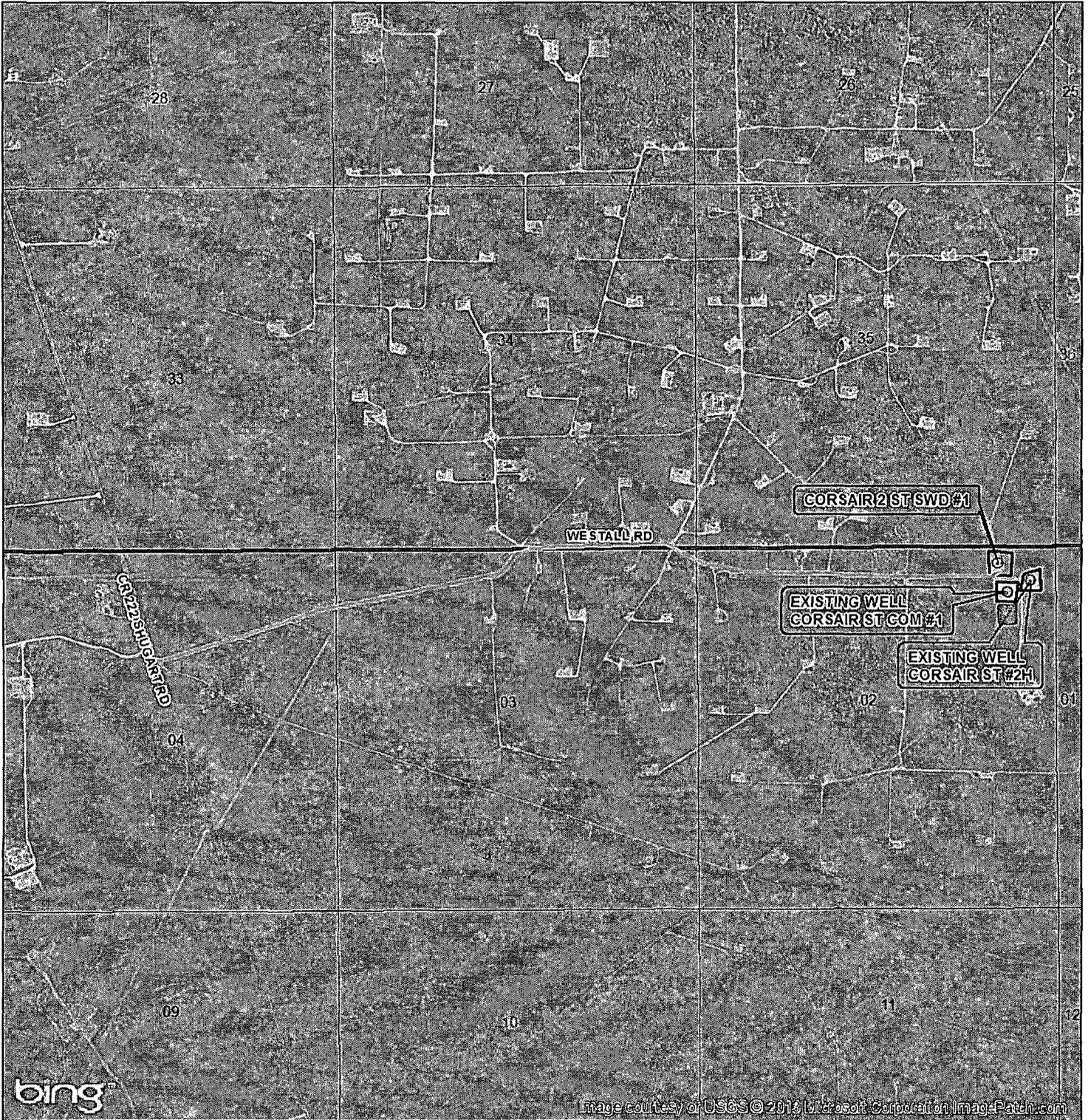


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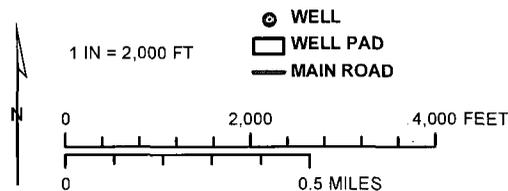
LOCATION VERIFICATION MAP



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MAP DATE: 9/6/2013

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-1400
February 22, 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 ~~Corsair 2 State SWD Well No. 1~~ (API 30-015-NA) to be located 250 feet from the North line and 800 feet from the East line, Unit letter A of Section 2, Township 19 South, Range 31 East, NMPM, Eddy 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 Corsair 2 State SWD Well No. 1 (API 30-015-NA) to be located 250 feet from the North line and 800 feet from the East line, Unit letter A of Section 2, Township 19 South, Range 31 East, NMPM, Eddy 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 12900 feet to 14350 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 2580 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.

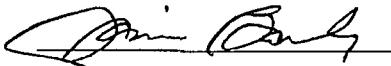
The injection authority granted under this order is not transferable except upon division approval. The division may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

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 – Artesia District Office
State Land Office – Oil, Gas, and Minerals Division

Permit Conditions of Approval

API: 30-015-41805

OCD Reviewer	Condition
CSHAPARD	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string