

Goetze, Phillip, EMNRD

From: Bill Carr <WCarr@concho.com>
Sent: Thursday, February 15, 2018 10:09 AM
To: Goetze, Phillip, EMNRD
Cc: Tom Kendall; Jackie Chatterton; Ryan Murphy; Harvin Broughton; Ramon Reyes
Subject: Ronco Federal SWD 1 - Oil Production

RONCO FEDERAL SWD 1 (API No. 30-015-44420), Unit C, Sec. 19, T17S, R30E, Eddy County, New Mexico.

On October 27, 2016 COG Operating, LLC filed its Application for Permit to Drill its Ronco Federal SWD 1 Well (API No. 30-015-44420) for the disposal of produced water into the Cisco-Canyon formation at a location 660' FNL & 1650' FWL, Unit C, Sec. 19, T17S, R30E, Eddy County, New Mexico. This application was approved by the BLM on August 18, 2017. This application was filed with the Oil Conservation Division On November 22, 2017 and accepted for record by the Oil Conservation Division on November 27, 2017.

An Administrative Application for SWD was filed with the OCD on May 10, 2017 and a copy of application was provided to all affected persons by certified mail as required by 19.15.26.8.B(2) NMAC on April 19 and May 23, 2017. There were no objections from affected persons and the application was approved by **Administrative Order SWD - 1677** dated June 12, 2017.

The well was drilled in November, 2017 to a depth of 9,650 feet with an open hole injection interval in the Cisco-Canyon formation. Oil was encountered while drilling. Since these are federal minerals, COG immediately contacted the BLM which instructed COG to flow back a minimum of 1,000 barrels of fluid to determine the well's oil-water ratio. COG produced approximately 3,000 barrels of oil during the four day testing period. The well's initial oil-water ratio was approximately 75% during the test period it dropped to 50% and should continue to decline. Once the well has a pumped off fluid level, COG will be able to provide evidence to the BLM that will enable it to determine whether the well will be able produce oil in paying quantities. When the BLM makes a final determination on this issue, COG will advise the Oil Conservation Division of this decision.

If you have questions concerning this well, please contact me at (505) 780-8000 or wcarr@concho.com

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