

DATE IN 1/15/12	SUSPENSE 2/13/13	ENGINEER [Signature]	LOGGED IN	TYPE BWS	APP NO. PWVJ 1304540118
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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 _____

[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

Signature

SENIOR OPERATIONS ENGINEER
 Title

10/24/12
 Date

bcollins@concho.com
 e-mail Address



November 15, 2012

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

RE: Application For Authorization To Inject
South Shugart Deep 1 SWD
Township 19 South, Range 31 East, N.M.P.M.
Section 4: 760' FNL & 1980' FWL
Eddy County, New Mexico

Dear Mr. Jones:

COG Operating LLC respectfully requests administrative approval for authorization to inject for the South Shugart Deep 1 SWD 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.

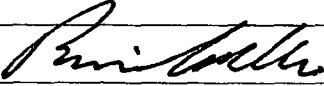
Sincerely,

A handwritten signature in black ink, appearing to read "Brian Collins", written in a cursive style.

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: 24 Oct 12
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
SOUTH SHUGART DEEP 1 SWD
Unit C, Sec 4 T19S R31E
Eddy County, NM

COG Operating, LLC, proposes to squeeze the depleted Morrow 11823-11969', clean out to 13500' and convert well to salt water disposal service into the Devonian from 13242' to 13500'.

- 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 = 3000 BWPD
Proposed maximum daily injection rate = 25,000 BWPD
 - 2. Closed system
 - 3. Proposed maximum injection pressure = 2648 psi
(0.2 psi/ft. x 13242' ft.)
 - 4. Source of injected water will be Bone Spring produced water. No compatibility problems are expected. Analysis of Bone Spring water is attached. There are no Devonian receiving formation water analyses available in this area.
- VIII. The injection zone is the Devonian Dolomite from 13242' to 13500' which recovered 6000' of sulfur water on a DST when drilled. Any underground water sources will be shallower than 497' based on surface casing setting depth. There are no fresh water wells in the area.
- IX. The Devonian injection interval might be acidized with approximately 30,000 gals of 20% HCl acid.
- X. Well logs are filed with the Division. A section of the neutron-density porosity log showing the injection interval is attached.
- 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, LLC

WELL NAME & NUMBER: South Shugart Deep 1 SWD

WELL LOCATION: 760' FNL 1980' FNL C 4 19s 31e

FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGE

WELLBORE SCHEMATIC

See Attached Before & After
Schematics

WELL CONSTRUCTION DATASurface Casing

Hole Size: 17 1/2" Casing Size: 13 3/8" @ 497'

Cemented with: 500 sx. or - ft³

Top of Cement: Surface Method Determined: Circulated

Intermediate Casing

Hole Size: 12 1/4" Casing Size: 9 5/8" @ 4150'

Cemented with: 1500 sx. or - ft³

Top of Cement: Surface Method Determined: Circulated

Production Casing

Hole Size: 8 1/2" Casing Size: 5 1/2" @ 13510'

Cemented with: 900 sx. or - ft³

Top of Cement: 9850' Method Determined: Temp Survey

Total Depth: 13510'

Injection Interval

13242' feet to 13500'

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 2 $\frac{7}{8}$ " or 3 $\frac{1}{2}$ " Lining Material: IPC or Ovaline 20
 Type of Packer: Nickel plated double grip retrievable
 Packer Setting Depth: 13200' \pm
 Other Type of Tubing/Casing Seal (if applicable): N/A

Additional Data

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

If no, for what purpose was the well originally drilled? Oil & Gas

2. Name of the Injection Formation: Devonian

3. Name of Field or Pool (if applicable): Shugart

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. Yes.

Morrow 11823-30', 11964-69'

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: Seven Rivers \pm 2600-2700', Queen/Grayburg \pm 3350-4150'

Delaware \pm 6600-6800', Bone Spring \pm 7950-7400'

Morrow \pm 11400-12000'

Well: South Shugart Deep 1 SWD

Zero: 19' AGL

Location: 760' FNL 1780' FNL

KB: 3605'

GL: 3586'

C-4-19s-31c

Eddy NM

30-DIS-23938

Casing Program:

Size	Wt.	Grade	Conn.	Depth
13 7/8"	48	H40	STC	497'
9 5/8"	40	N80/595	LTC	4150'
5 1/2"	17	N80/595	LTC	13510'
(59 ft 17/595 on bottom)				
(262 + 1 cut ft. 17/N80 on top)				

17 1/2"

13 7/8" @ 497'
500's x "C" (circ)

12 1/4"

9 5/8" @ 4150'
1200's x Gulfmix + 300's x "C" (circ)

27/8" or 3 1/2" Inj Tbg

AFTER SWD Conversion

8 1/2"

TOC 9850' TS

11823-30' Spud Mrrw
11964-69'

Inj Pkr ± 13200'
13242-13500' Devonian

5 1/2" @ 13510' 900's x "C"

13510'

Well: South Shugart Deep 1

Zen: 19' AGL

KB : 3605

GL: 3586'

Location: 760' FWL 1980' FWL
C-4-19s-31c
Eddy NM
30-DIS-23938

Casing Program:

Size	Wt.	Grade	Conn.	Depth
13 7/8"	48	H40	STE	497'
9 5/8"	40	N80/595	LTC	4150'
5 1/2"	17	N80/595	LTC	13510'
(59 1/2 17/595 on bottom)				
(262 x 1 dot 17/N80 on top)				
2 3/8"	4.7	N80	EVE	11769'
387 1/2	Bahar Laktat EL 010 1.61" profik			

17 1/2'

13 3/8" @ 497'
500 x "C" (circ)

12' 14" 11

9 5/8" @ 4150'
1200's x 6.1 fpm x 300's x "C" (circ)

8 1/2 "

Before SWD Conversion

TOC 9850' TS

11823-30'
11964-69' (24) mrrw

5 1/2" x 13510' 9000 x "C"

13510'

— Skatola Alut. T. Grala —

12-11-1

42-381	100 SHEETS EYE-EASE	5 SQUARE
42-382	100 SHEETS EYE-EASE	5 SQUARE
42-389	100 SHEETS EYE-EASE	5 SQUARE
42-392	100 RECYCLED WHITE	5 SQUARE
42-399	200 RECYCLED WHITE	5 SQUARE

Model no. G-5 A

McGraw-Hill National[®] Brand

Well: South Shugart Deep 1

Location: 760' FNL 1780' FNL
C-4-175-31c
Eddy NM
30-DIS-23938

Elev: 19' AGL
KB: 3605'
GL: 3586'

Casing Program:

Size	Wt.	Grade	Conn.	Depth
13 7/8"	48	H40	STC	497'
9 5/8"	40	N80/S95	LTC	4150'
5 1/2"	17	N80/S95	LTC	13510'
(59 ft 17/S95 on bottom)				
(262 + 1 cut ft. 17/N80 on top)				
2 7/8"	4.7	N80	EVE	11767'
387 ft Butter Locket w/ EL offset 1.81" per ft				

17 1/2"

13 7/8" @ 497'
5003 x "C" (c.c.)

12 1/4"

9 5/8" @ 4150'
12003 x 601 Fmix + 3003 x "C" (c.c.)

8 1/2"

FOC 1250' TS

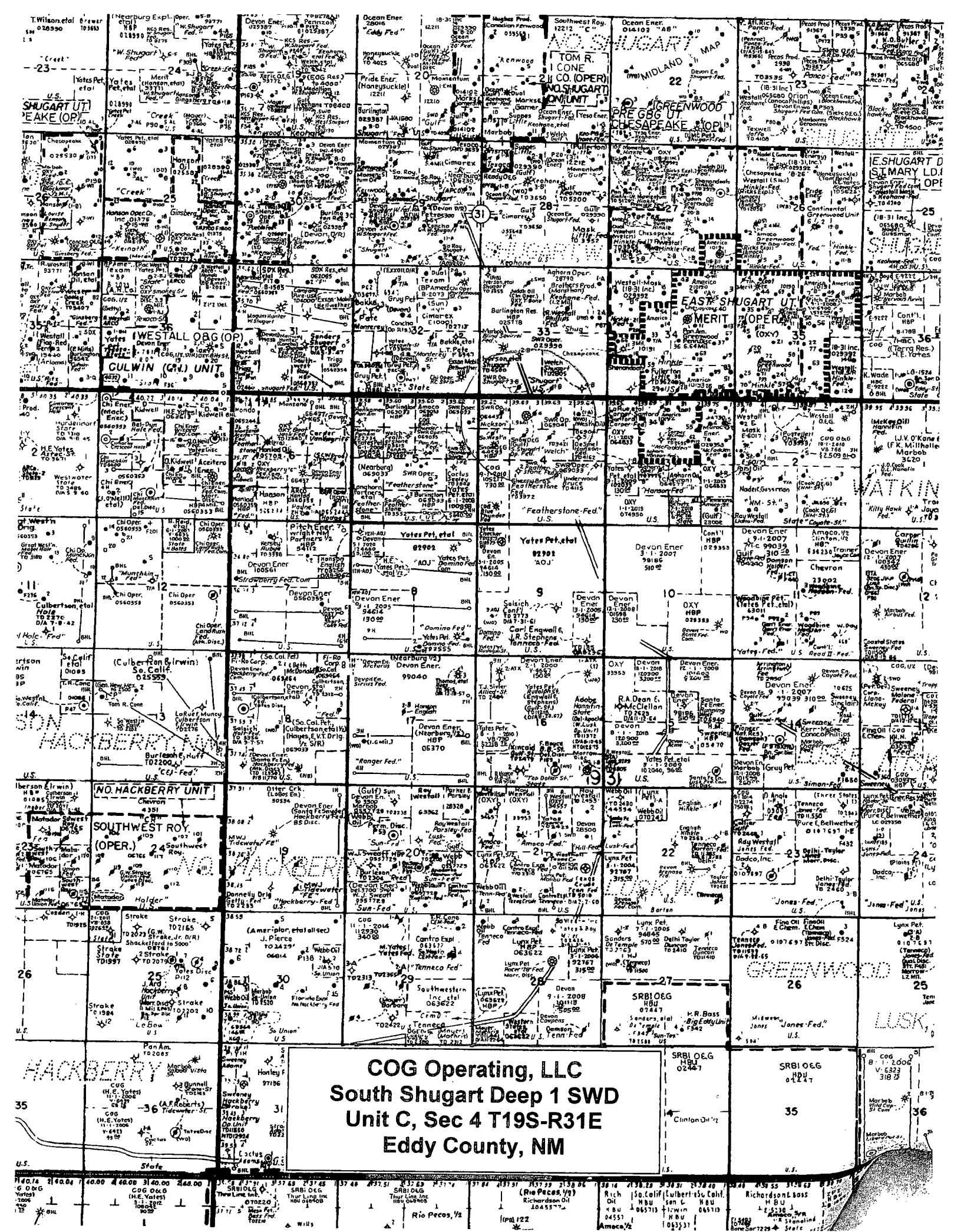
Proposed BUT
not done?
~~APR~~

11823-00' (14)
11581-4112' (12)
11764-17' (10)
112512-16' (15)

(MORROW)

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)
2012104123	Lusk Deep Unit	A #23H		2/24/2012	2/10/2012	1.11	2.89	175864.37	6.40		9307.00	1462.00
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
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

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)
29671.91	58163.00	1280.00		56.00	0.29	334.00	2.28		109.80	0.00		1050.00	104100.00	240.00	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
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

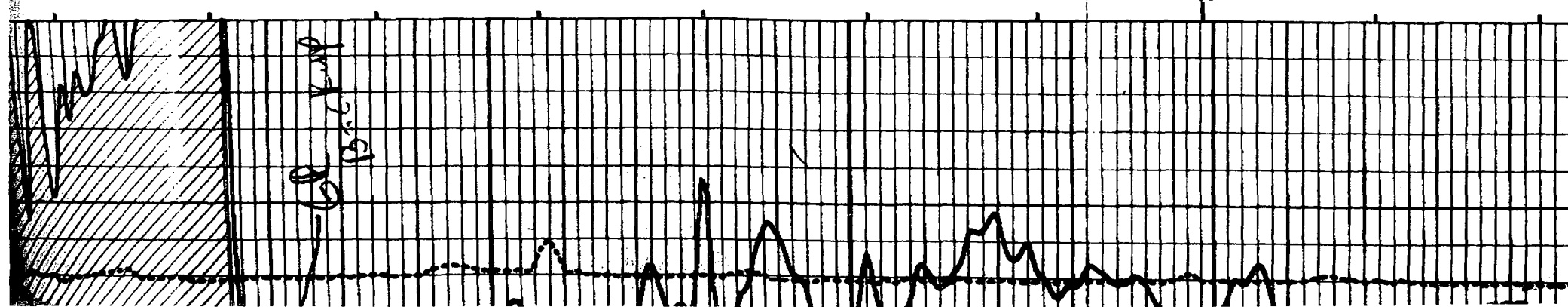
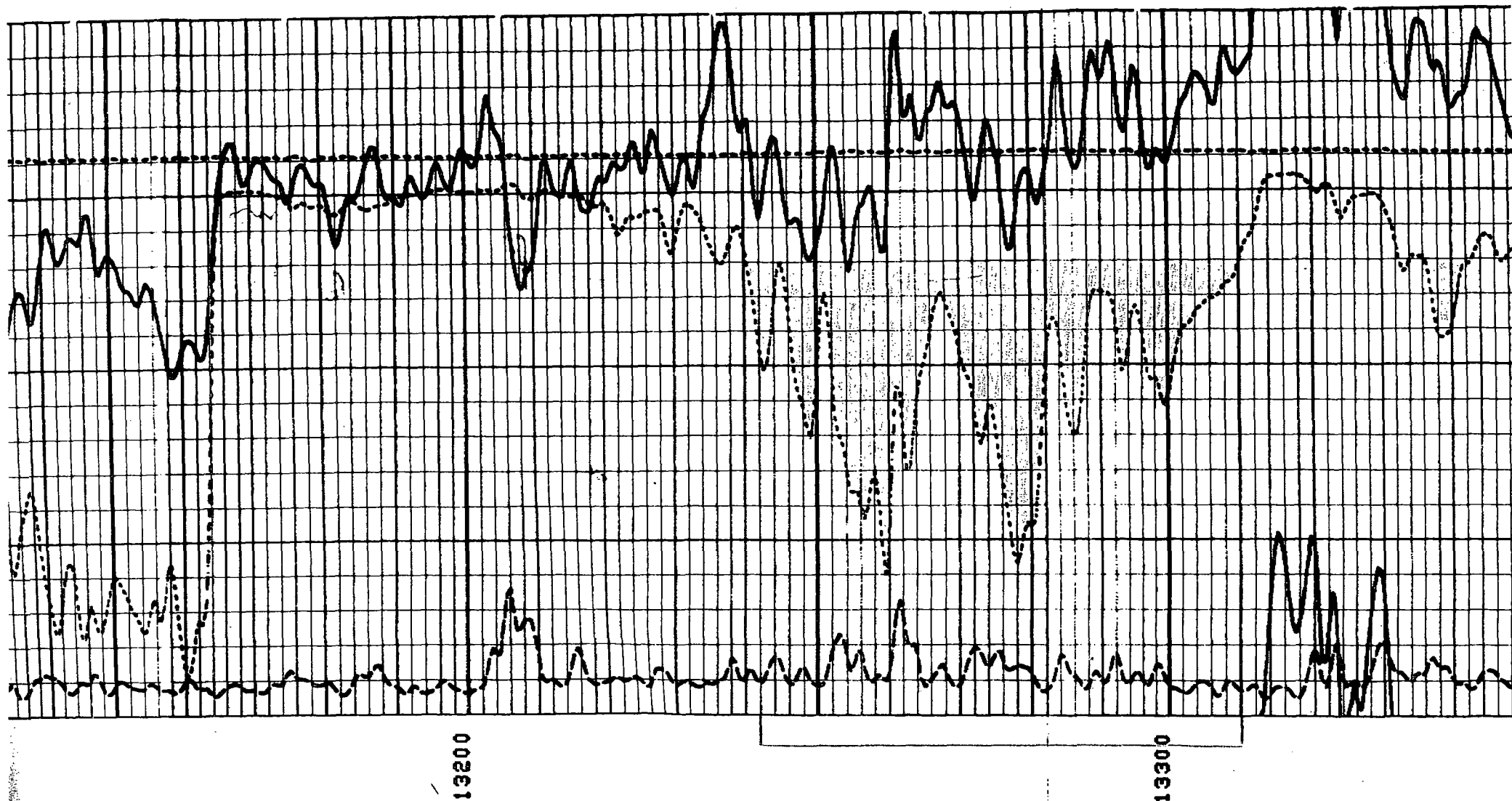
X.

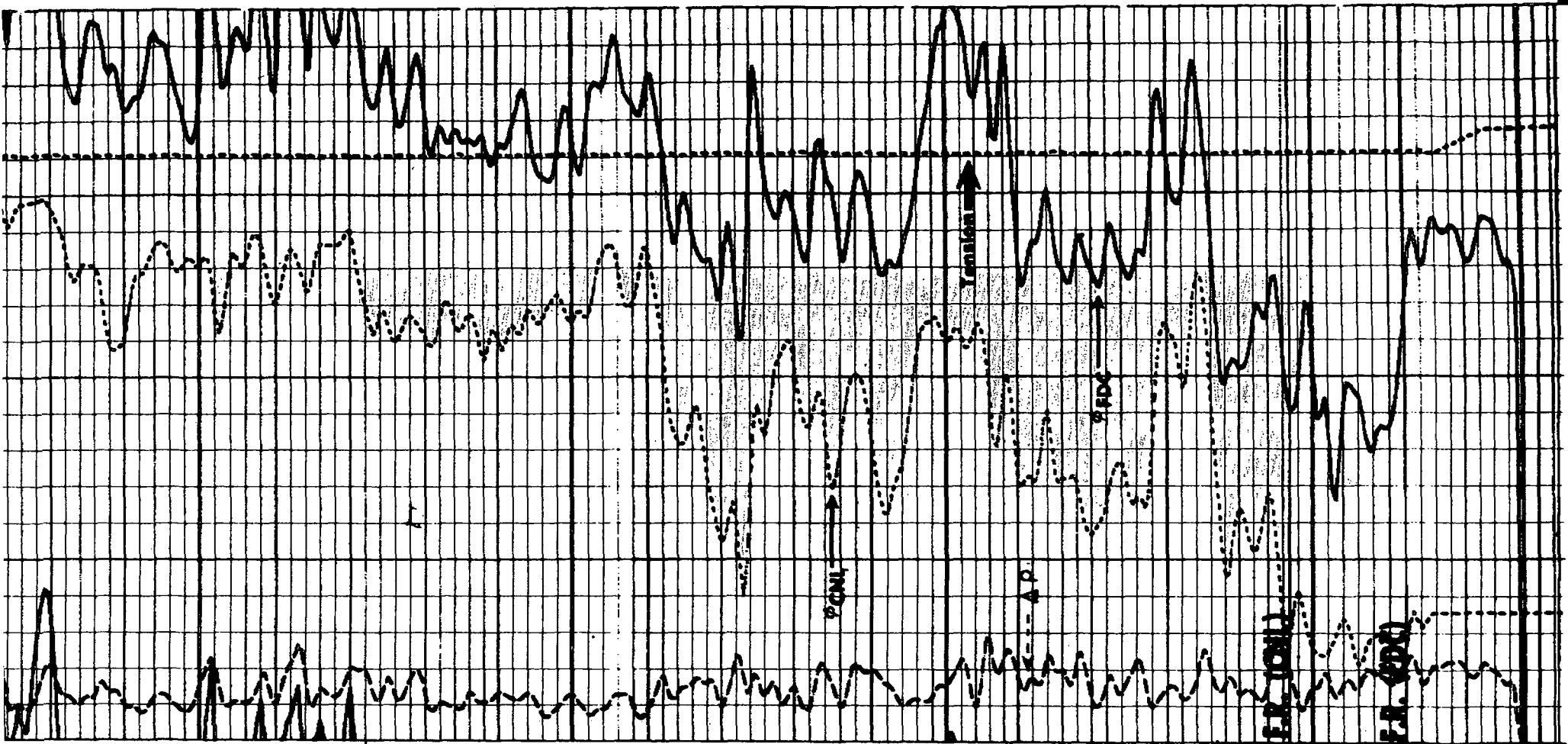
**Log Across Proposed
Delaware Sand
Injection Interval**

South Shugart Deep Federal Unit #1

DST Information

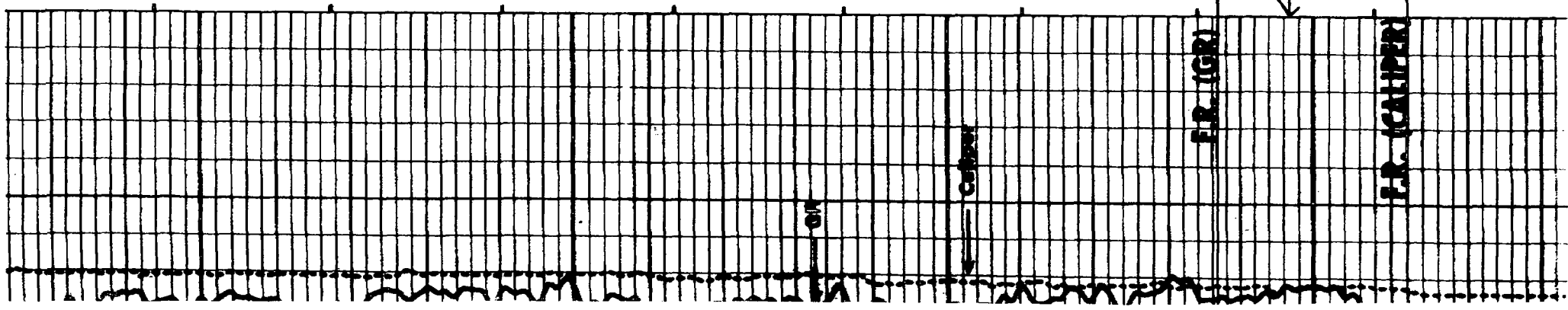
#1	Delaware	6,440'-6,520'	IHP 2856, FHP 2856, 6 min IFP 61, 55 min ISIP 1885, 1 hr FF 71-71, 2 hr FSIP 1887, rec 3' of oil & 20' of brine
#3	Wolfcamp	9,910-10,020	IHP 5410, FHP 5366, 5 min IFP 137-174, 1 hr ISIP 1063, 1 hr FFP 165, 2 hr FSIP 3742, rec 440' gas cut drlg mud
#4	Morrow	11,786-11,851	IHP 6441, FHP 6441, 12 min IFP 759-782, 1 hr ISIP 5084, 150 min FFP 621-759, 300 min FSIP 5216, 1566' GCWB & 189' GCDF
#5	Morrow	11,883-11,956	IHP 6544, FHP 6500, 9 min IF 619-607, 1 hr ISIP 3037, 99 min FF 607-575, 270 min 4790, rec 760' DF & 1200' WB
#6	Morrow	12,430-12,500	IHP 6623, FHP 6623, 6 min IFP 885-774, 1 hr ISIP 3773, 75 min FFP 802, 123 min FSIP 2680, 332' DF rec
#7	Mississippian	12,720-12,822	IHP 6894, FHP 6894, 8 min IFP 867-781, 69 min ISIP 5754, 63 min FFP 759-802, 115 min ISIP 5030, 2200 cc gas in sampler est 85 MCFGPD
#8	Devonian	13,165-13,261	IHP 7174, FHP 7152, 5 min IFP 1304-1431, 60 min ISIP 5452, 120 min FFP 1545-3907, 240 min FSIP 5452, 5940' of salt water & 2600' WB
#9	Devonian	13,410-13,510	IHP 7326, FHP 7262, 5 min IFP 1324-1355, 60 min ISIP 5952, 60 min FFP 1387, 116 min FSIP 5506, rec 2913' WP & 632' sulfer water





13400

13500



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): 32, 33, 34

Township: 18S

Range: 31E

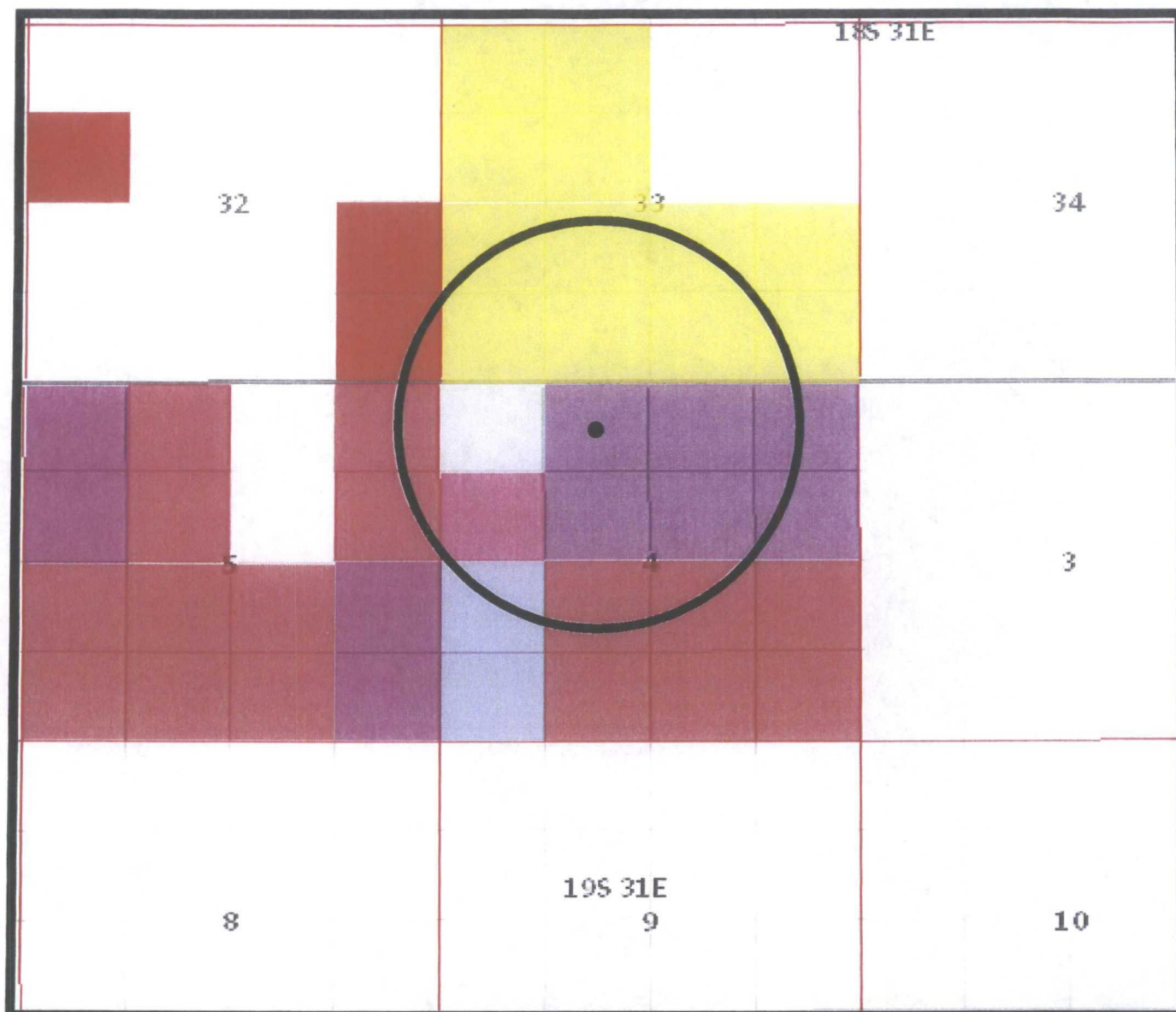


New Mexico Office of the State Engineer
Active & Inactive Points of Diversion
(with Ownership Information)

No PODs found.

PLSS Search:

Section(s): 3, 4, 5, 8, 9, 10 **Township:** 19S **Range:** 31E



- Paul Slayton
Kathryn Alexander; Walter Granbury;
Marie Wade; Leland & Virginia Wittkopp
- Atofina Petrochemicals/Exxon Corp.
- Yates, etal; Oxy Y-1 Company; ~
- Devon Energy Prod Co LP
- Yates, etal; Oxy Y-1 Company; ~
- Devon Energy Prod.; Paul Slayton ~
- Snow Oil and Gas Inc.
- COG Operating LLC
- 18-31 Inc.

South Shugart Deep 1 SWD
 760' FNL & 1980' FWL
 Sec. 4; Township 19s - Range 31e
 Eddy County, New Mexico



November 15, 2012

Oil Conservation Division
Attn: Richard Inge
811 South 1st St.
Artesia, NM 88210

RE: Application For Authorization To Inject
South Shugart Deep 1 SWD
Township 19 South, Range 31 East, N.M.P.M.
Section 4: 760' FNL & 1980' FEL
Eddy County, New Mexico

Dear Mr. Inge:

COG Operating LLC respectfully requests administrative approval for authorization to inject for the South Shugart Deep 1 SWD 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 cursive script, appearing to read "Brian Collins".

Brian Collins
Senior Operations Engineer

BC/bg
Enclosures



November 15, 2012

Chi Operating
P O Box 1799
Midland, TX 79702

Re: Application to Inject
South Shugart Deep 1 SWD
Township 19 South, Range 31 East, N.M.P.M.
Section 4: 760' FNL & 1980' FEL
Eddy 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 convert this well to 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. 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



November 15, 2012

Legacy Reserves Operating
P O Box 10848
Midland, TX 79702

Re: Application to Inject
South Shugart Deep 1 SWD
Township 19 South, Range 31 East, N.M.P.M.
Section 4: 760' FNL & 1980' FEL
Eddy County, New Mexico

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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



November 15, 2012

Artesia Daily Press
P. O. Box 190
Artesia, NM 88211-0190

**RE: Legal Notice
Salt Water Disposal Well
South Shugart Deep 1 SWD**

Gentlemen:

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/bg

enclosure

ARTESIA DAILY PRESS
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 South Shugart Deep 1 SWD is located 760' FNL and 1980' FWL, Sec. 4, Township 19 South, Range 31 East, Eddy 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 formation at a depth of 13242-13500' at a maximum surface pressure of 2648 psi and a maximum rate of 25,000 BWPD. This well is located approximately 27 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 Artesia Daily Press, Artesia, New Mexico
_____, 2012.

Affidavit of Publication

NO.

22377

STATE OF NEW MEXICO

County of Eddy:

Danny Scott

being duly sworn, says that he is the

Publisher

of the Artesia Daily Press, a daily newspaper of general

circulation, published in English at Artesia, said county

and state, and that the hereto attached

Legal Notice

was published in a regular and entire issue of the said

Artesia Daily Press, a daily newspaper duly qualified

for that purpose within the meaning of Chapter 167, of

the 1937 Session Laws of the state of New Mexico for

1 Consecutive weeks/days on the same

day as follows:

First Publication

November 21, 2012

Second Publication

Third Publication

Fourth Publication

Fifth Publication

Subscribed and sworn to before me this

23rd day of

November

2012



OFFICIAL SEAL
Latisha Romine
NOTARY PUBLIC-STATE OF NEW MEXICO

My commission expires: 5/21/2012

Latisha Romine
Notary Public, Eddy County, New Mexico

Copy of Publication:

LEGAL NOTICE

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 South Shugart Deep 1 SWD is located 760' FNL and 1980' FWL, Sec 4, Township 19 South, Range 31 East, Eddy 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 formation at a depth of 13242-13500' at a maximum surface pressure of 2648 psi and a maximum rate of 25,000 BWPD. This well is located approximately 27 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 Artesia Daily Press, Artesia, N.M., Nov. 21, 2012. Legal No. 22377.

11. F. Archeological, Historical and Cultural Sites: None observed in the area.

G. Land Use: ~~Grazing and hunting, in season.~~

H. Surface Ownership: Surface is Federal

12. Operator's Representative:

The field representative responsible for assuring compliance with the approved surface use and operations plan is as follows:

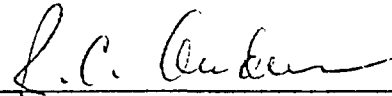
Gulf Oil Exploration & Production Co.
A Division of Gulf Oil Corporation
P. O. Box 670
Hobbs, New Mexico 88240
Telephone: (505) 393-4121
Area Production Manager: R. C. Anderson

13. Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Gulf Oil Corporation and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

September 9, 1981

Date



R. C. Anderson
Area Production Manager

KRP/jr

Jones, William V., EMNRD

From: Bobbie Goodloe <BGoodloe@concho.com>
Sent: Wednesday, January 02, 2013 11:17 AM
To: Jones, William V., EMNRD
Cc: Brian Collins
Subject: RE: South Shugart Deep 1 SWD
Attachments: BLM Proof of Delivery-S. Shugart Deep 1 SWD.pdf

Will,
Attached is the Proof of Delivery of notification to the Carlsbad BLM field office for the S. Shugart Deep #1 SWD as requested.

Thank you,
Bobbie Goodloe

From: Bobbie Goodloe
Sent: Thursday, December 27, 2012 1:24 PM
To: 'William.V.Jones@state.nm.us'
Subject: South Shugart Deep 1 SWD

Mr. Jones,
I have attached a copy of the 3160 that was sent out today to the Carlsbad BLM field office as well as the entire packet as you requested on the well named above. I will email proof of delivery when I receive it back.

Please let me know if there is anything else that you need.

Thank you,

Bobbie Goodloe

Administrative Assistant/Completions - NM Basin
COG OPERATING LLC
2208 W Main St
Artesia, New Mexico 88210-3720
575.748.6954



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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:

Carlsbad Field Office
B.L.M.
670 E. Greene St.
Carlsbad, NM 88210

2. Article Number

(Transfer from service label)

7011 1570 0000 7781 4049

PS Form 3811, February 2004

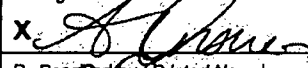
Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☒ Agent☐ Addressee

B. Received by (Printed Name)

J. H. Jones

C. Date of Delivery

12/28/12

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



RECEIVED OCD

December 7, 2012

2012 DEC 13 P 1:35

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

Re: Affidavit of Publication/Certified Return Receipts
South Shugart Deep 1 SWD
Township 19 South, Range 31 East, N.M.P.M.
Section 4: 760' FNL & 1980' FWL
Eddy County, New Mexico

Dear Mr. Jones:

Enclosed, per your request, please find one copy of the affidavit of publication and one copy of the certified return receipts from each party that was notified. Please note the Certified Mailers were sent out on November 15, 2012.

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/bg
Enclosures

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:

NMOED
Attn: William Jones
1220 S. St Francis Dr
Santa Fe, NM 87505

2. Article Number

(Transfer from service label)

7011 1570 0000 7781 3271

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

Cecy Vign

C. Date of Delivery

11-20-12

D. Is delivery address different from item 1? ☐ YesIf 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:

CHI OPERATING
P O BOX 1799
MIDLAND TX 79702

2. Article Number

(Transfer from service label)

7011 1570 0000 7781 3295

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

Dianna Bell

C. Date of Delivery

11/27/12

D. Is delivery address different from item 1? ☐ YesIf 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

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- 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:

LEGACY RESERVES OPERATING
P O BOX 10848
MIDLAND TX 79702

2. Article Number

(Transfer from service label)

7011 1570 0000 7781 3288

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☒ Agent☐ Addressee

B. Received by (Printed Name)

April Barlow

C. Date of Delivery

11/28/12

D. Is delivery address different from item 1? ☐ YesIf 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

Jones, William V., EMNRD

From: Bobbie Goodloe <BGoodloe@concho.com>
Sent: Tuesday, January 22, 2013 11:33 AM
To: Jones, William V., EMNRD
Subject: South Shugart #1 SWD
Attachments: South Shugart 1 SWD.PDF; BLM Proof of Delivery-S. Shugart Deep 1 SWD.PDF

Will,
Please review the attachment containing the affidavit of publication along with the Proof of Delivery receipts for the South Shugart #1 SWD well. This was on your list showing that it was never received so let me know if this is not what you are missing since I show them emailed out previously.

Thanks!

Bobbie Goodloe

Administrative Assistant/Completions - NM Basin
COG OPERATING LLC
2208 W Main St
Artesia, New Mexico 88210-3720
575.748.6954



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Affidavit of Publication

NO. 22377

STATE OF NEW MEXICO

County of Eddy:

Danny Scott

being duly sworn, says that he is the

Publisher

of the Artesia Daily Press, a daily newspaper of general circulation, published in English at Artesia, said county and state, and that the hereto attached

Legal Notice

was published in a regular and entire issue of the said Artesia Daily Press, a daily newspaper duly qualified for that purpose within the meaning of Chapter 167 of the 1937 Session Laws of the state of New Mexico for 1 Consecutive weeks/days on the same day as follows:

First Publication

November 21, 2012

Second Publication

Third Publication

Fourth Publication

Fifth Publication

Subscribed and sworn to before me this

23rd day of November, 2012



OFFICIAL SEAL
Latisha Romine
NOTARY PUBLIC-STATE OF NEW MEXICO

My commission expires: 5/12/2012

Latisha Romine

Latisha Romine
Notary Public, Eddy County, New Mexico

Copy of Publication:

LEGAL NOTICE

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 South Shugart Deep 1 SWD is located 760' FNL and 1980' FWL, Sec. 4, Township 19 South, Range 31 East, Eddy 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 formation at a depth of 13242-13500' at a maximum surface pressure of 2648 psi and a maximum rate of 25,000 BWP/D. This well is located approximately 27 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 Artesia Daily Press, Artesia, N.M., Nov. 21, 2012. Legal No 22377.

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:

Carlsbad Field Office
B.L.M.
670 E. Greene St.
Carlsbad, NM 88210

2. Article Number

(Transfer from service label)

7011 1570 0000 7781 4049

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

12/28/12

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:

NINECD
 ALVIN WILLIAM JONES
 1220 S. St Francis Dr
 Santa Fe, NM 87505

2. Article Number

(Transfer from service label)

7011 1570 0000 7781 3271

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

11-20-12

D. Is delivery address different from item 1? ☐ YesIf 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:

CHI OPERATING
 P O BOX 1799
 MIDLAND TX 79702

2. Article Number

(Transfer from service label)

7011 1570 0000 7781 3295

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

11-27-12

D. Is delivery address different from item 1? ☐ YesIf 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**

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- 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:

LEGACY RESERVES OPERATING
 P O BOX 10848
 MIDLAND TX 79702

2. Article Number

(Transfer from service label)

7011 1570 0000 7781 3288

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

11/28/12

D. Is delivery address different from item 1? ☐ YesIf 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

Jones, William V., EMNRD

From: Bobbie Goodloe <BGoodloe@concho.com>
Sent: Thursday, December 27, 2012 1:23 PM
To: Jones, William V., EMNRD
Subject: South Shugart Deep 1 SWD
Attachments: South Shugart Deep3160.pdf

Mr. Jones,

I have attached a copy of the 3160 that was sent out today to the Carlsbad BLM field office as well as the entire packet as you requested on the well named above. I will email proof of delivery when I receive it back.

Please let me know if there is anything else that you need.

Thank you,

Bobbie Goodloe

Administrative Assistant/Completions - NM Basin
COG OPERATING LLC
2208 W Main St
Artesia, New Mexico 88210-3720
575.748.6954



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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

7. If Unit of CA/Agreement, Name and/or No.

Type of Well

☐ Oil Well ☐ Gas Well ☒ Other SWD

8. Well Name and No.
SOUTH SHUGART DEEP 1 SWD

9. Name of Operator
COG OPERATING LLC

9. API Well No.
30-015-23938

10. Address
2208 W. MAIN STREET, ARTESIA, NM 88210

11. Phone No. (include area code)
575-748-6940

12. Field and Pool or Exploratory Area
SHUGART MORROW

13. Location of Well (Footage, Sec., T., R., M., or Survey Description)
780' FNL 1980' FWL SEC 4 T19S R31E UNIT LETTER C

14. Country or Parish, State
EDDY COUNTY, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other <u>CONVERT TO SWD</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

3. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

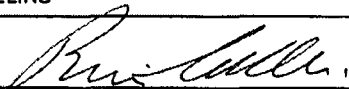
SUBMITTED FOR C-108 COPY ATTACHED

4. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

BRIAN COLLINS

Title SENIOR OPERATIONS ENGINEER

Signature



Date 12/27/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Instructions on page 2)



January 29, 2013

Abo Petroleum Corp.
105 S. 4th Street
Artesia, NM 88210

Re: Application to Inject
South Shugart Deep 1 SWD
Township 19 South, Range 31 East, N.M.P.M.
Section 4: 760' FNL & 1980' FEL
Eddy 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 convert this well to 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. 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 29, 2013

Lynx Petroleum Inc.
Attn: Mr. Larry Scott
3325 N. Enterprise Dr.
Hobbs, NM 88240

Re: Application to Inject
South Shugart Deep 1 SWD
Township 19 South, Range 31 East, N.M.P.M.
Section 4: 760' FNL & 1980' FEL
Eddy County, New Mexico

To Whom It May Concern:

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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



January 29, 2013

Devon Energy Prod. Co. LP
333 W. Sheridan Ave
Oklahoma City, OK 73102-5010

Re: Application to Inject
South Shugart Deep 1 SWD
Township 19 South, Range 31 East, N.M.P.M.
Section 4: 760' FNL & 1980' FEL
Eddy County, New Mexico

To Whom It May Concern:

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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 29, 2013

Myco Industries, Inc.
105 S. 4th Street
Artesia, NM 88210

Re: Application to Inject
South Shugart Deep 1 SWD
Township 19 South, Range 31 East, N.M.P.M.
Section 4: 760' FNL & 1980' FEL
Eddy 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 convert this well to 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. 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.

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Sincerely,

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

Brian Collins
Senior Operations Engineer

BC/sw
Enclosures



January 29, 2013

Oxy Y-1 Company
P O Box 27570
Houston, TX 77227-7570

Re: Application to Inject
South Shugart Deep 1 SWD
Township 19 South, Range 31 East, N.M.P.M.
Section 4: 760' FNL & 1980' FEL
Eddy County, New Mexico

To Whom It May Concern:

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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 29, 2013

Paul Slayton
P O Box 2035
Roswell, NM
88202-2035

Re: Application to Inject
South Shugart Deep 1 SWD
Township 19 South, Range 31 East, N.M.P.M.
Section 4: 760' FNL & 1980' FEL
Eddy County, New Mexico

To Whom It May Concern:

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Brian Collins
Senior Operations Engineer

BC/sw
Enclosures



January 29, 2013

Yates Petroleum Corp.
105 S. 4th Street
Artesia, NM 88210

Re: Application to Inject
South Shugart Deep 1 SWD
Township 19 South, Range 31 East, N.M.P.M.
Section 4: 760' FNL & 1980' FEL
Eddy 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 convert this well to 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. 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 29, 2013

18-31 Inc.
P O Box 1120
Roswell, NM 88202-1120

Re: Application to Inject
South Shugart Deep 1 SWD
Township 19 South, Range 31 East, N.M.P.M.
Section 4: 760' FNL & 1980' FEL
Eddy County, New Mexico

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Senior Operations Engineer

BC/sw
Enclosures



January 29, 2013

Kathryn Alexander
P O Box 1248
Fredricksburg, TX 78624-1248

Re: Application to Inject
South Shugart Deep 1 SWD
Township 19 South, Range 31 East, N.M.P.M.
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Senior Operations Engineer

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January 29, 2013

Walter Granberry
1923 33rd Street
Lubbock, TX 79411

Re: Application to Inject
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Brian Collins
Senior Operations Engineer

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January 29, 2013

Marie Wade
P O Box 1248
Fredricksburg, TX 78624-1248

Re: Application to Inject
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Brian Collins
Senior Operations Engineer

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January 29, 2013

Leland Wittkopp
803 Runyan
Artesia, NM 88210

Re: Application to Inject
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BC/sw
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January 29, 2013

Virginia Wittkopp
803 Runyan
Artesia, NM 88210

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Section 4: 760' FNL & 1980' FEL
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Brian Collins
Senior Operations Engineer

BC/sw
Enclosures



January 29, 2013

Snow Oil & Gas Inc.
P O BOX 1277
Andrews, TX 79714

Re: Application to Inject
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Township 19 South, Range 31 East, N.M.P.M.
Section 4: 760' FNL & 1980' FEL
Eddy County, New Mexico

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Brian Collins
Senior Operations Engineer

BC/sw
Enclosures



January 29, 2013

ExxonMobil Corporation
800 Bell Street
Houston, TX 77002

Re: Application to Inject
South Shugart Deep 1 SWD
Township 19 South, Range 31 East, N.M.P.M.
Section 4: 760' FNL & 1980' FEL
Eddy County, New Mexico

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Brian Collins
Senior Operations Engineer

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Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Wednesday, December 26, 2012 5:37 PM
To: 'Brian Collins'
Cc: Dean Chumbley; Ezeanyim, Richard, EMNRD
Subject: Disposal application from COG Operating LLC: South Shugart Deep #1 30-015-23938 C/4/19S/31E/Eddy County Devonian disposal from 13242 to 13500 feet

Hey Brian,

The only thing I see to question on this application for SWD in Eddy County is the notices:

- a. Surface Owner: Our well file shows the surface at this well location to be Federal – at least in the original APD for this well. If you agree, would you send Carlsbad Field Office a copy of the C-108 and let me know when it was mailed? I didn't see proof of notice to any surface owner.
- b. AOR "affected persons" – the list/map indicates several parties to notify, but the green cards are only for Legacy and Chi and those two were not on the list. So maybe a mix-up or I got the applications shuffled. Would you guys check it out?

Otherwise, all looks swell, the well was drilled for some reason to Devonian depths, but the DST's were wet. I didn't look for the nearest production, but it clearly is not within ½ mile.

Thanks Again,

Will

Jones, William V., EMNRD

From: Brian Collins <BCollins@concho.com>
Sent: Thursday, December 27, 2012 8:11 AM
To: Jones, William V., EMNRD
Subject: RE: Disposal application from COG Operating LLC: South Shugart Deep #1 30-015-23938 C/4/19S/31E/Eddy County Devonian disposal from 13242 to 13500 feet

Will: I'm embarrassed at the poor job we've done on notifying the surface owner recently. I thought we'd notified the BLM, but we didn't. Notification will be mailed to CFO BLM today. I promise to pay closer attention when proofing our notification letters. Dean Chumbley will check on b. below (he's out of the office). I think he determined that Legacy and Chi and ourselves were the only "lease operators" within the ½ mile radius. We'll let you know. Thanks. --Brian

From: Jones, William V., EMNRD [<mailto:William.V.Jones@state.nm.us>]
Sent: Wednesday, December 26, 2012 6:37 PM
To: Brian Collins
Cc: Dean Chumbley; Ezeanyim, Richard, EMNRD
Subject: Disposal application from COG Operating LLC: South Shugart Deep #1 30-015-23938 C/4/19S/31E/Eddy County Devonian disposal from 13242 to 13500 feet

Hey Brian,

The only thing I see to question on this application for SWD in Eddy County is the notices:

12/28/12 ✓ a. Surface Owner: Our well file shows the surface at this well location to be Federal – at least in the original APD for this well. If you agree, would you send Carlsbad Field Office a copy of the C-108 and let me know when it was mailed? I didn't see proof of notice to any surface owner.

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Thanks Again,

Will

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.

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Thursday, January 03, 2013 10:15 AM
To: 'Bobbie Goodloe'
Subject: RE: South Shugart Deep 1 SWD

I think the Landman is looking at this one – or the listing of “affected persons” in the application was incorrect...??

For the “affected persons” we are mainly interested in the owners of the formation depths being proposed for SWD. Normally those are Lessees as there should not be any “Division designated Operators” in the interval being proposed for SWD.

That being said, sometimes if there are shallower or deeper producing wells, and those operators like to be noticed also – sometimes they are concerned about effects on their uncemented wellbores.

Also notice should go to the surface owner of the well site and the nearest Potash Lessee if the ½ or so mile AOR extends into the R-111-P defined Potash Area.

From: Jones, William V., EMNRD
Sent: Thursday, December 27, 2012 2:51 PM
To: 'Bobbie Goodloe'
Subject: RE: South Shugart Deep 1 SWD

Thank You!

Only now waiting on a question of notice to Affected Persons.

The parties shown on the colored plat with the AOR circle on it were not shown as being noticed.

From: Bobbie Goodloe [<mailto:BGoodloe@concho.com>]
Sent: Thursday, December 27, 2012 1:23 PM
To: Jones, William V., EMNRD
Subject: South Shugart Deep 1 SWD

Mr. Jones,

I have attached a copy of the 3160 that was sent out today to the Carlsbad BLM field office as well as the entire packet as you requested on the well named above. I will email proof of delivery when I receive it back.

Please let me know if there is anything else that you need.

Thank you,

Bobbie Goodloe

Administrative Assistant/Completions - NM Basin
COG OPERATING LLC
2208 W Main St

NOTICE 12/13 in 11/15/12

Injection Permit Checklist (11/15/2010)

WFX PMX SWD 1397 Permit Date 12/14/12 UIC Q# 607112
Wells 1 Well Name(s): SOUTH SUGART DEEP #1
API Num: 30-0 15-23938 Spud Date: 11/8/12 New/Old: 0 (UIC primacy March 7, 1982) EDDY
Footages 760FNL/1980FWL Unit C Sec 4 Tsp 195 Rge 31E County DEAR

General Location:

Operator: COG OPERATING, LLC Contact: BRIAN COLLINS

OGRID: 229137 RULE 5.9 Compliance (Wells) 9/3755 (Finan Assur) OK IS 5.9 OK? OK

Well File Reviewed Current Status: Monitor 11,23'-11,967' since 8/2, Now Barely Producing

Planned Work to Well: SQE Monitor Pump

Diagrams: Before Conversion After Conversion Elogs in Imaging File: Yes

Well Details:	Sizes		Setting Depths	Stage Tool	Cement Sx or Cf	Cement Top and Determination Method
	Hole.....	Pipe				
New Existing Surface	17 1/2 - 13 3/8		497'		500SX	CRC
New Existing Interm	12 1/4 - 9 5/8		4,150'		1500SX	CRC
New Existing LongSt	8 1/2 - 5 1/2		13,910 TD		900SX C	9850 T.S.
New Existing Liner						
New Existing OpenHole						

Depths/Formations:

Depths, Ft. 13067 - 13164 Formations Dev SHUGART UNIT

Formation(s) Above

Injection TOP:	13242	Dev	Max. PSI 2648	OpenHole Perfs
Injection BOTTOM:	13500	Dev	Tubing Size 2 3/8 x 3 1/4	Packer Depth 13200'

Formation(s) Below

Capitan Reef? (Potash? Noticed?) [WIPP? Noticed?] Salado Top/Bot 810 - ~2400' Cliff House?

Fresh Water: Depths: 497' Formation Wells? None Analysis? Affirmative Statement

Disposal Fluid Analysis? Sources: B, S.

Disposal Interval: Analysis? NA Production Potential/Testing: DST = wet

Notice: Newspaper Date 11/21/12 Surface Owner BLM Mineral Owner(s)

RULE 26.7(A) Affected Persons: See LIST 11/22/12

AOR: Maps? Well List? Producing in Interval? NO Wellbore Diagrams?

Active Wells 0 Repairs? Which Wells?

P&A Wells 0 Repairs? Which Wells?

Issues: 497' drilled Test Pump? Request Sent Reply: