

Notice
1/30/13

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]

CG Obery LLC

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
 [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD

APPLE 15 State SWD #1
 30-05-IVA
 B/S/26S/28E/EDDY

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

also seen SWD-1192
 MUMT G 5005
 Del SWD
 Certificate 1152,000 BLPD

[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	27 Nov 12 Date
		bcollins@concho.com e-mail Address	



RECEIVED OCD

2012 DEC -3 A 9:17

November 27, 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
Apple 5 State SWD No. 1
Township 26 South, Range 28 East, N.M.P.M.
Section 5: 990' FNL & 1980' FEL
Eddy County, New Mexico

Dear Mr. Jones:

COG Operating LLC respectfully requests administrative approval for authorization to inject for the Apple 5 State SWD No. 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".

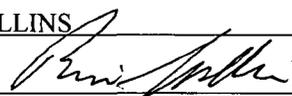
Brian Collins
Senior Operations Engineer

BC/bg
Enclosures

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: Secondary Recovery Pressure Maintenance Disposal Storage
Application qualifies for administrative approval? 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 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: 27 Nov 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
APPLE 5 STATE SWD #1
Unit B, Sec 5 T26S R28E
Eddy County, NM

COG Operating, LLC, proposes to drill the captioned well to 15400' for salt water disposal service into the Devonian from 14100' to 15400'. 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 = 2820 psi
(0.2 psi/ft. x 14100' ft.)
 - 4. Source of injected water will be Delaware Sand, Bone Spring Sand and Wolfcamp produced water. No compatibility problems are expected. Analyses of Delaware, Bone Spring and Wolfcamp waters from analogous source wells are attached. There are no Devonian receiving formation water analyses available in this area.
- VIII. The injection zone is the Devonian composed of limestone and dolomite from 14100' to 15400'. Any underground water sources will be shallower than 100' based on State Engineers records.
- IX. The Devonian injection interval might be acidized with approximately 40,000 gal. of 20% HCl acid.
- X. Well logs, if run, will be filed with the Division. There is only one Devonian penetration in this area, the SRO 102 SWD located in Sec. 16-26S-28E, and it was not logged in the Devonian.
- XI. There is one fresh water well within a mile of the proposed SWD well. Well could not be located on the site visit. Water analysis from a stock tank at this site is attached.
- 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: Apple 5 State SWD 1

WELL LOCATION: 990' FNL 1980' FEL B 5 26 s 28e
FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGE

WELLBORE SCHEMATIC

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 26" Casing Size: 20" @ 400' ±
Cemented with: - sx. or 1200 ft³
Top of Cement: Surface Method Determined: Design

See Attached Schematic

Intermediate Casing

Hole Size: 17 1/2"
12 1/4" Casing Size: 13 3/8" @ 2300' ±
9 5/8" @ 9500' ±
Cemented with: - sx. or 3200 ft³
3600
Top of Cement: Surface Method Determined: Design
1800' Design

Production Casing

Hole Size: 8 3/4" Casing Size: Liner
7" @ 9200' ± - 14100' ±
Cemented with: - sx. or 1100 ft³
Top of Cement: 9200' ± Top Liner Method Determined: Design
Total Depth: 15400'

Injection Interval

14100' feet to 15400'

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 4 1/2" Lining Material: IPC or Dupline 20
Type of Packer: Nickel plated double grip retrievable
Packer Setting Depth: 14050' ±
Other Type of Tubing/Casing Seal (if applicable): NIA

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

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

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

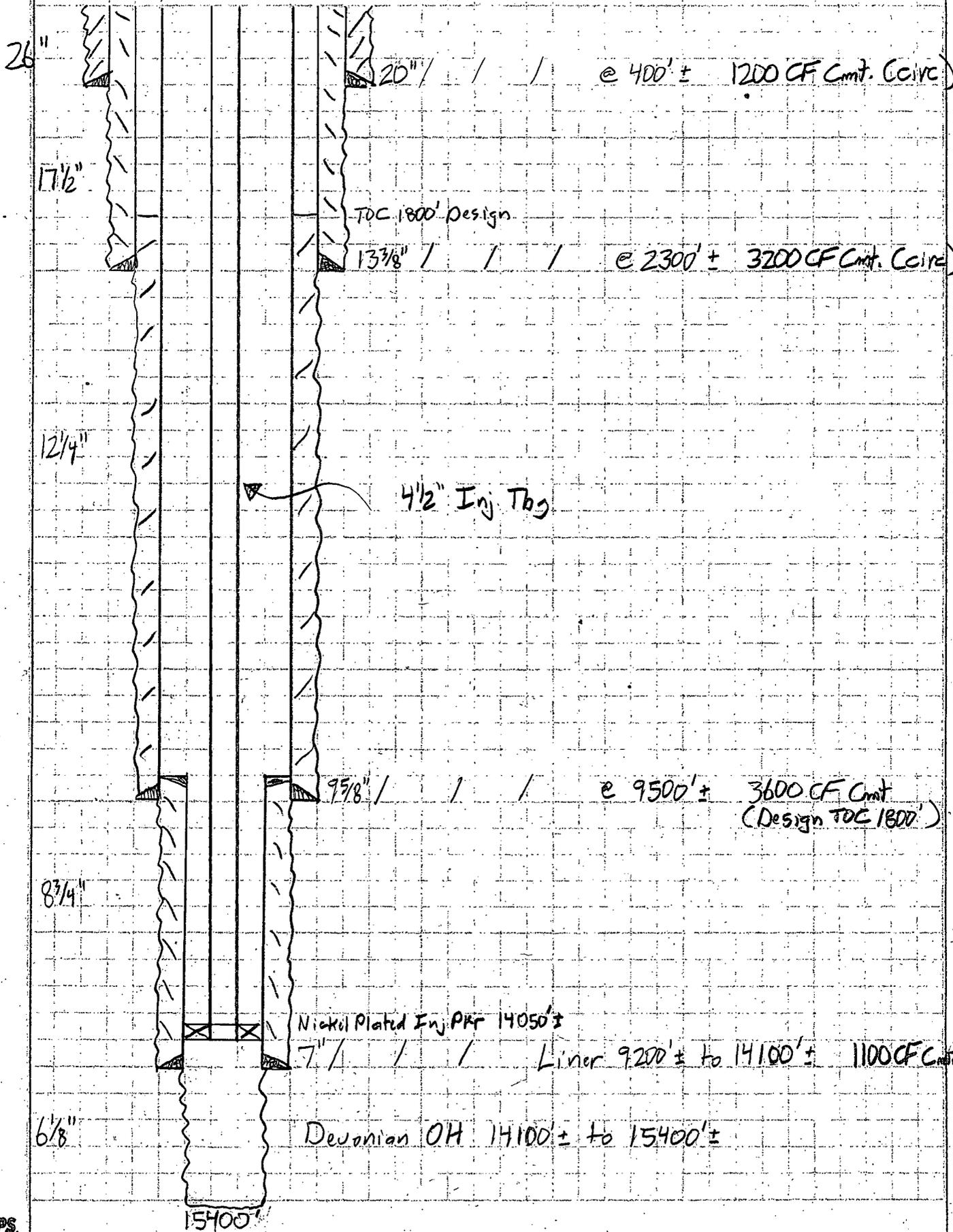
5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: _____

Underlying: None

Overlying: Morrow ±12300-12700' Atoka = Not Prod. Penn 11150' ± - 11225' ±
Strawn 11675' ± - 11725' ±
Wolfcamp ±9500-10500' Bone Spring ±6200' - ±9000'

30-D15-

Apple 5 State SWD 1
970' FNL, 1980' FEL
B-5-26s-28e
Eddy, NM



20" / / / @ 400' ± 1200 CF Cmt. (Circ)

TOC 1800' Design

13 3/8" / / / @ 2300' ± 3200 CF Cmt. (Circ)

4 1/2" Inj. Tbg

9 5/8" / / / @ 9500' ± 3600 CF Cmt (Design TOC 1800')

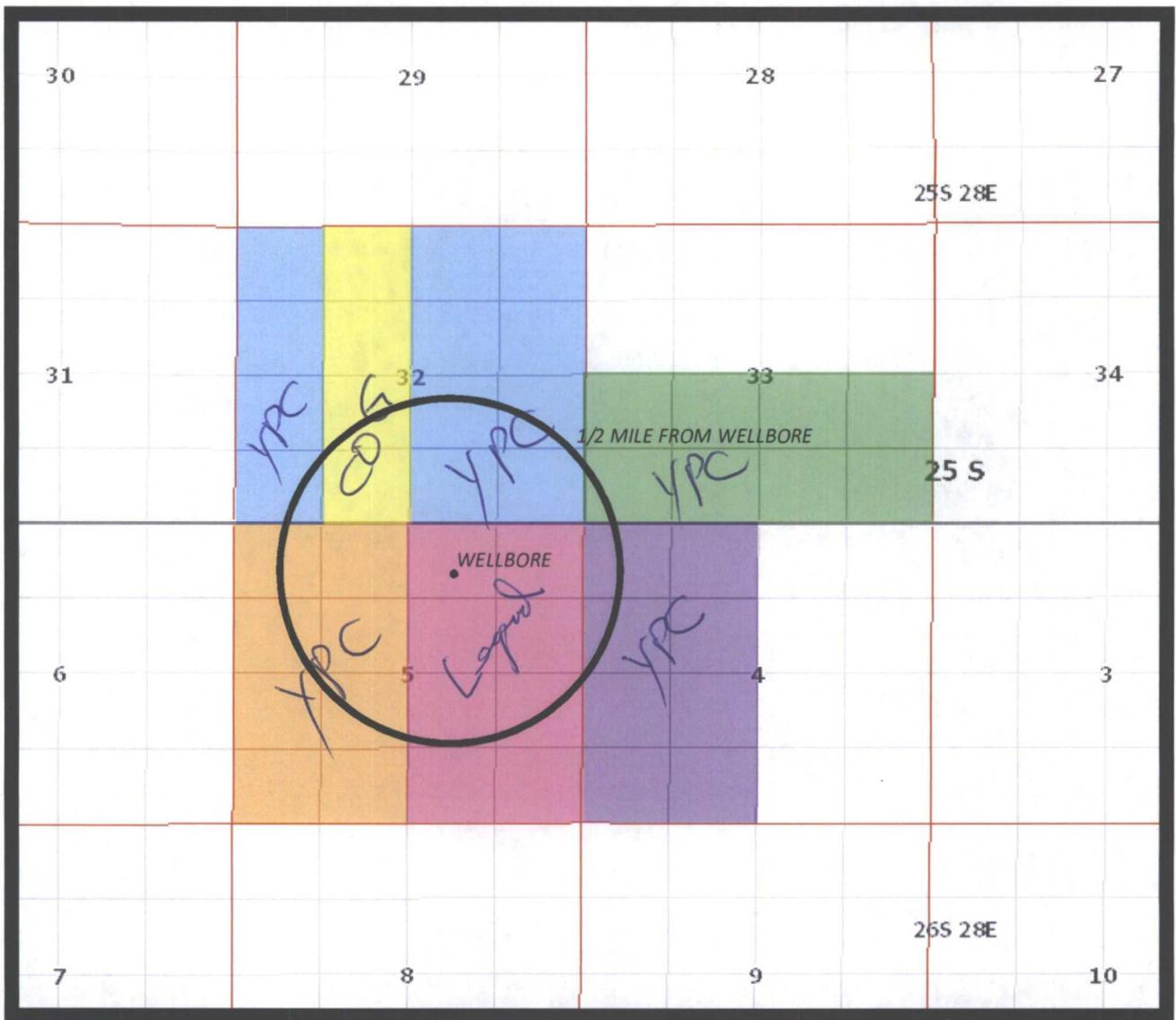
7" / / / Liner 9200' ± to 14100' ± 1100 CF Cmt.

Devonian OH 14100' ± to 15400' ±

15400'

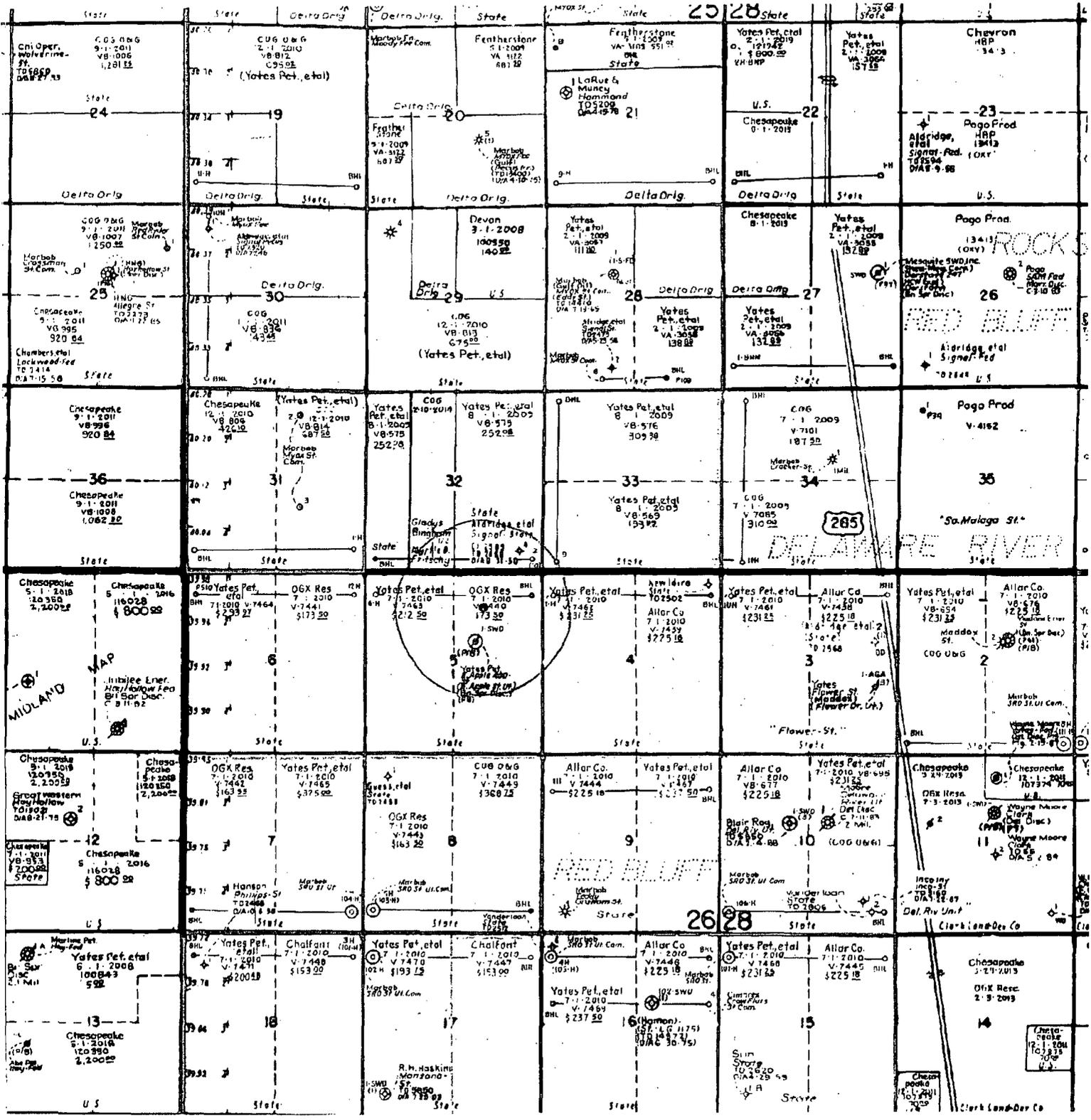
V.

MAP



- | | | | |
|---|-----------------------------|---|-----------------------------|
|  | Yates Petroleum Corporation |  | Yates Petroleum Corporation |
|  | COG Operating LLC |  | Legend Natural Gas II LP |
|  | Yates Petroleum Corporation |  | Yates Petroleum Corporation |

**Apple 5 State SWD No. 1
 990' FNL & 1980' FEL
 Sec. 5; T26s - R28e
 Eddy County, New Mexico**



COG Operating, LLC
Apple 5 State SWD #1
Unit B, Sec 5-T26S-R28E
Eddy County, NM

VII.

Water Analysis Produced and Receiving Formation Water

WATER SAMPLES REPRESENTATIVE OF WATER BEING INJECTED INTO THE PROPOSED SWD WELL												
Delaware												
Lab Test #	Lease	Location	Salesman	Date Out	Sample Date	Specific Gravity	Ionic Strength	TDS	pH	conductivity	Ca (mg/L)	Mg (mg/L)
2011128362	Sly Hawk State	1	William D Polk	9/28/2011	9/13/2011	1.17	4.06	256802.26	6.50		26180.00	4101.14
Bone Spring												
Lab Test #	Lease	Location	Salesman	Date Out	Sample Date	Specific Gravity	Ionic Strength	TDS	pH	conductivity	Ca (mg/L)	Mg (mg/L)
2012108003	Boyles	24 1H	William D Polk	4/16/2012	4/3/2012	1.13	3.41	206441.81	6.69		3700.86	841.87
Wolfcamp												
Lab Test #	Lease	Location	Salesman	Date Out	Sample Date	Specific Gravity	Ionic Strength	TDS	pH	conductivity	Ca (mg/L)	Mg (mg/L)
2012105892	Augustus 10	1H		3/15/2012	3/8/2012	1.06	1.46	89771.55	6.60		3963.30	639.83

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)
83379.63	62970.16	1133.12	38.78	20.06	1.64	905.03	9.33		73.00	0.00		70.00	161300.00	360.00	0.00
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)
13271.35	69386.15	1109.30	0.00	17.57	0.00	483.07	0.00		1403.00	0.00		700.00	128800.00	400.00	0.00
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)
13352.51	28320.32	350.70	0.00	17.85	1.77	707.79	0.00		220.00	0.00		950.00	54600.00	60.00	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): 31, 32, 33

Township: 25S

Range: 28E



New Mexico Office of the State Engineer

Active & Inactive Points of Diversion

(with Ownership Information)

WR File Nbr	Sub	basin	Use	Diversion	Owner	County	POD Number	Code	Grant	Source	q	q	q	Sec	Tws	Rng	X	Y
C 02478		CUB	PLS		3 MARTHA SKEEN	ED	C 02478			64164	2	1	05	26S	28E		583848	3549325*

(R=POD has been replaced and no longer serves this file, (quarters are 1=NW 2=NE 3=SW 4=SE)
C=the file is closed (quarters are smallest to largest) (NAD83 UTM in meters)

Couldn't find well on site visit.

Record Count: 1

PLSS Search:

Section(s): 4, 5, 6, 7, 8, 9 Township: 26S Range: 28E

Sorted by: File Number

*UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.



New Mexico Office of the State Engineer

Point of Diversion Summary

(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are smallest to largest) (NAD83 UTM in meters)

POD Number	Q64	Q16	Q4	Sec	Tws	Rng	X	Y
C 02478	2	1	05	26S	28E		583848	3549325*

Driller License:

Driller Name: HEPLER BROS

Drill Start Date:

Drill Finish Date: 12/31/1916

Plug Date:

Log File Date:

PCW Rcv Date:

Source:

Pump Type:

Pipe Discharge Size:

Estimated Yield: 5

Casing Size: 6.00

Depth Well: 100 feet

Depth Water:

*UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

HALLIBURTON

PERMAIN BASIN OPERATIONS LABORATORY
 WATER ANALYSIS REPORT
 HOBBS, NEW MEXICO

COMPANY Marbob
Stock Tank Water
NE14 NW14 Sec. 5-26s-28e

REPORT W09-059
 DATE July 30, 2009
 DISTRICT Hobbs

SUBMITTED BY _____

WELL Stock Tanks DEPTH _____ FORMATION _____
 COUNTY _____ FIELD _____ SOURCE _____

SAMPLE	5-26S-28C	C-2160 5-S	C03413	
Sample Temp.	70 °F	70 °F	70 °F	°F
RESISTIVITY	15.8	3.41	3.41	
SPECIFIC GR.	1.000	1.002	1.002	
pH	8.57	8.12	7.89	
CALCIUM	700 mpl	1,000 mpl	1,150 mpl	mpl
MAGNESIUM	390 mpl	750 mpl	750 mpl	mpl
CHLORIDE	45 mpl	1,222 mpl	316 mpl	mpl
SULFATES	Light mpl	Moderate mpl	Moderate mpl	mpl
BICARBONATES	170 mpl	366 mpl	292 mpl	mpl
SOLUBLE IRON	0 mpl	0 mpl	0 mpl	mpl
KCL	Negative	Negative	Negative	
Sodium	mpl	mpl	mpl	0 mpl
TDS	mpl	mpl	mpl	0 mpl
OIL GRAVITY	@ °F	@ °F	@ °F	@ °F

REMARKS _____

MPL = Milligrams per liter
 Resistivity measured in: Ohm/m2/m

This report is the property of Halliburton Company and neither it nor any part thereof nor a copy thereof is to be published or disclosed without first securing the express written approval of laboratory management: it may however, be used in the course of regular business operations by any person or concern and employees thereof receiving such report from Halliburton Co.

ANALYST: JH



November 27, 2012

New Mexico State Land Office
P O Box 1148
Santa Fe, NM 87504-1148

Re: Application to Inject
Apple 5 State SWD No. 1
Township 26 South, Range 28 East, N.M.P.M.
Section 5: 990' 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 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. 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/bg
Enclosures



November 27, 2012

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

RE: Application For Authorization To Inject
Apple 5 State SWD No. 1
Township 26 South, Range 28 East, N.M.P.M.
Section 5: 990' FNL & 1980' FEL
Eddy County, New Mexico

Dear Mr. Inge:

COG Operating LLC respectfully requests administrative approval for authorization to inject for the Apple 5 State SWD No. 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,

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Brian Collins
Senior Operations Engineer

BC/bg
Enclosures



November 27, 2012

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210

Re: Application to Inject
Apple 5 State SWD No. 1
Township 26 South, Range 28 East, N.M.P.M.
Section 5: 990' 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,

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Brian Collins
Senior Operations Engineer

BC/sw
Enclosures



November 27, 2012

Legend Natural Gas III Limited Partnership
410 W. Grand Parkway South, Suite 400
Katy, TX 77494

Re: Application to Inject
Apple 5 State SWD No. 1
Township 26 South, Range 28 East, N.M.P.M.
Section 5: 990' 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 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. 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,

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Brian Collins
Senior Operations Engineer

BC/sw
Enclosures



November 28, 2012

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

Re: Legal Notice
Salt Water Disposal Well
Apple 5 State SWD No. 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 cursive script, appearing to read "Brian Collins".

Brian Collins
Senior Operations Engineer

BC/bg
Enclosures

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 Apple 5 State SWD No. 1 is located 990' FNL and 1980' FEL, Sec. 5, Township 26 South, Range 28 East, Eddy County, New Mexico. Disposal water will be sourced from area wells producing from the Delaware, Bone Spring and Wolfcamp formations. The disposal water will be injected into the Devonian formation at a depth of 14100-15400' at a maximum surface pressure of 2820 psi and a maximum rate of 25,000 BWPD. This well is located approximately 14 miles south of Loving. 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.

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:

NM OIL CONSERVATION DIVISION
1220 S ST FRANCIS DR
SANTA FE NM 87505

2. Article Number

(Transfer from service label)

7011 1570 0000 7781 3394

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

Rebecca Lopez

Agent

Addressee

B. Received by (Printed Name)

Rebecca Lopez

C. Date of Delivery

D. Is delivery address different from item 1? Yes

If YES, enter delivery address below: No

NOV 30 2012

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:

NM STATE LAND OFFICE
P O BOX 1148
SANTA FE NM 87504-1148

2. Article Number

(Transfer from service label)

7011 1570 0000 7781 3424

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

[Signature]

Agent

Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? Yes

If YES, enter delivery address below: No

DEC - 3 2012

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:
 Legend Natural Gas, III
 Attn: Kemper Williams
 15021 Katy Freeway
 Suite 200
 Houston, TX 77494

2. Article Number
 (Transfer from service label)

COMPLETE THIS SECTION ON DELIVERY

A. Signature
[Signature] Agent Addressee

B. Received by (Printed Name) *L.M. Dees* C. Date of Delivery *1-30-13*

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

7012 2210 0001 7108 8602
 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:

YATES PETROLEUM CORPORATION
 105 S 4TH ST
 ARTESIA NM 88210

2. Article Number
 (Transfer from service label)

COMPLETE THIS SECTION ON DELIVERY

A. Signature
J. Delgado Agent Addressee

B. Received by (Printed Name) *J. Delgado* C. Date of Delivery *11-30-12*

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

7011 1570 0000 7781 3370
 PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Friday, December 28, 2012 5:19 PM
To: 'Bobbie Goodloe'; Brian Collins
Cc: Ezeanyim, Richard, EMNRD; Shapard, Craig, EMNRD; Brooks, David K., EMNRD
Subject: Disposal applications from COG Operating, LLC: proposed Reposado 2 State SWD #1, Apple 5 State SWD #1, and Willow 17 State SWD #1 all in Eddy County. (Devonian open holes)

in Reply 1/2/13, COG MAINTAINS NOTICE IS OK.

Hello Bobbie and Brian,

These SWD applications look OK, and the only things I seem to be missing or would ask about:

Would you ask the Geologist to estimate the top of Devonian and base of Devonian in each of these wells?

And please send to me a copy of the latest actual newspaper notice and the certified mailer receipts (or receipt numbers) with dates of mailing to the affected parties.

For the Reposado 2 State SWD #1 it appeared that El Paso may not have been noticed?

For the Willow 17 State SWD #1 it appeared that Delta and Devon may not have been noticed?

There are no producing wells in the AOR of a proposed SWD well, so in this case there are no dedicated spacing units with "Operators of Record" at Devonian depths.

Therefore the certified notices should be going out to the Lessees of Devonian oil and gas rights or whomever controls the rights to the Devonian minerals within the AOR. If no lessees, then notices should be sent to mineral owners. Would you check with your favorite Landman to verify this is happening? If there are any gray areas, the COG Landman could call David Brooks (our Landman/Attorney) at 505-476-3450 to ensure all is well in this regard. I have found that Land people speak best to other land people and I may not understand the conversation!

I may only be here on Monday of next week – so HAPPY NEW YEAR!

....There are several SWD permits for COG and others drafted and waiting for the Director to sign when she returns from vacation (we believe on January 3rd).

Thank You!

Will Jones

need certified mailer / actual newspaper NOTICE

Jones, William V., EMNRD

From: Brian Collins <BCollins@concho.com>
Sent: Wednesday, January 02, 2013 7:35 AM
To: Jones, William V., EMNRD
Subject: RE: Disposal applications from COG Operating, LLC: proposed Reposado 2 State SWD # 1, Apple 5 State SWD #1, and Willow 17 State SWD #1 all in Eddy County. (Devonian open holes)

Will: 

We'll get you some answers ASAP. I've got the estimated top of the Devonian from our geologists, but not the base. Due to geologic uncertainty on the tops and presence of good dolomite, I've filed for disposal intervals approx. 150' high to the estimated top of the Devonian and for gross injection interval thicknesses in the 1200' range. We'll actually set casing into the top of the Devonian (covering the Woodford shale) when we drill these wells. I'll visit with the geologists about estimated Devonian thicknesses. Thanks. --Brian

From: Jones, William V., EMNRD [<mailto:William.V.Jones@state.nm.us>]
Sent: Friday, December 28, 2012 6:19 PM
To: Bobbie Goodloe; Brian Collins
Cc: Ezeanyim, Richard, EMNRD; Shapard, Craig, EMNRD; Brooks, David K., EMNRD
Subject: Disposal applications from COG Operating, LLC: proposed Reposado 2 State SWD #1, Apple 5 State SWD #1, and Willow 17 State SWD #1 all in Eddy County. (Devonian open holes)

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Jones, William V., EMNRD

From: Brian Collins <BCollins@concho.com>
Sent: Wednesday, January 02, 2013 10:31 AM
To: Jones, William V., EMNRD
Cc: Dean Chumbley; Bobbie Goodloe
Subject: RE: Disposal applications from COG Operating, LLC: proposed Reposado 2 State SWD # 1, Apple 5 State SWD #1, and Willow 17 State SWD #1 all in Eddy County. (Devonian open holes)

Will:

Here's some answers to your notification questions:

Apple 5 State SWD 1: We've notified all the necessary lessees of record. COG operates all the wells that have been drilled within the AOR.

Willow 17 State SWD 1: We will notify Delta Drilling/Devon as lessees of record/mineral owners ASAP—our mistake. Devon owns Delta Drilling's surface and minerals in this area so the notice will be sent to Devon. COG operates all the wells that have been drilled within the AOR.

Reposado 2 State SWD 1: We didn't notify El Paso Natural Gas, but will send out notice ASAP—our mistake. Our notification list was for the lessees of record within the AOR.

If you still have notification questions, let me know and I'll have Dean Chumbley visit with you. Thanks for your patience.

Brian

From: Jones, William V., EMNRD [<mailto:William.V.Jones@state.nm.us>]
Sent: Friday, December 28, 2012 6:19 PM
To: Bobbie Goodloe; Brian Collins
Cc: Ezeanyim, Richard, EMNRD; Shapard, Craig, EMNRD; Brooks, David K., EMNRD
Subject: Disposal applications from COG Operating, LLC: proposed Reposado 2 State SWD #1, Apple 5 State SWD #1, and Willow 17 State SWD #1 all in Eddy County. (Devonian open holes)

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Jones, William V., EMNRD

From: Brian Collins <BCollins@concho.com>
Sent: Tuesday, January 08, 2013 2:58 PM
To: Jones, William V., EMNRD
Subject: COG Devonian-Silurian-Ordovician SWD Applications--Remaining Requested Devonian Tops/Bases

Will:

Here's the rest of the Devonian tops/bases you requested. Our geologist noted that the tops are approximate and the bases are very approximate due to the lack of well control. When the wells are drilled and actually penetrate the Devonian, we'll set 7" to the top of the Devonian and drill the rest of the way as an open hole disposal interval. Thanks.

Reposado 2 State SWD 1 (2-26s-29e): Geologist pick for Devonian top = 15654' and base = 16,143'
C108 application interval = 15,500-16,900'

Willow 17 State SWD 1 (17-25s-28e): Geologist pick for Devonian top = 14,323' and base = 14,723'
C108 application interval = 14,000-15,300'

Apple 5 State SWD 1 (5-26s-28e): Geologist pick for Devonian top = 14,279' and base = 14,679'
C108 application interval = 14,100-15,400'

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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in 11/3/12
 Letter 12/28/12
 Injection Permit Checklist (11/15/2010)

2/14/13

(Last NOTICE Return 1/30/13 Receipts)

WFX _____ PMX _____ SWD 1398 Permit Date ~~1/12~~ UIC Qtr ~~(0/1/0)~~

Wells 1 Well Name(s): APPLE 5 STATE SWD #1

API Num: 30-015-NA Spud Date: Not Yet New/Old: N (UIC primacy March 7, 1982)

Footages 990 FNL/1980 FEL Unit B Sec 5 Tsd 26S Rge 28E County BERREDDY

General Location: NW of Red Bluff Res. (500 SWD-1192 9/16/09 Deland)

Operator: COG OPERATING, LLC Contact BRIAN COLLINS

OGRID: 229137 RULE 5.9 Compliance (Wells) 9/27/55 (Finan Assur) OK IS 5.9 OK? OK

Well File Reviewed Not Current Status: NOT Permitted

Planned Work to Well: Drill/EQUIP/DSP.

Diagrams: Before Conversion _____ After Conversion ✓ Elogs in Imaging File: NOT drilled

Well Details:	Sizes Hole.....Pipe	Setting Depths	Stage Tool	Cement Sx or Cf	Cement Top and Determination Method
New <input checked="" type="checkbox"/> Existing _____ Surface	<u>26 - 20</u>	<u>400</u>	<u>-</u>	<u>1200 CF</u>	<u>Surf</u>
New <input checked="" type="checkbox"/> Existing _____ Interm	<u>17 1/2 - 13 1/8</u>	<u>2300</u>	<u>-</u>	<u>3200 CF</u>	<u>Surf</u>
New <input checked="" type="checkbox"/> Existing _____ LongSt	<u>12 1/4 - 9 1/8</u>	<u>9500</u>	<u>-</u>	<u>3600 CF</u>	<u>(into HIGHER ST.)</u>
New <input checked="" type="checkbox"/> Existing _____ Liner	<u>8 3/4 - 7"</u>	<u>9200' - 14100'</u>	<u>-</u>	<u>1100 CF</u>	<u>To Liner Top</u>
New <input checked="" type="checkbox"/> Existing _____ OpenHole	<u>6 1/8</u>	<u>14100' - 15400'</u>			

Depths/Formations:	Depths, Ft.	Formation	Tops?
Formation(s) Above	<u>14279</u>	<u>Dev</u>	<u>✓</u>
Injection TOP:	<u>14,100'</u>	<u>DEVONIAN</u>	Max. PSI <u>2820</u> Open Hole <u>✓</u> Parts <u>7</u>
Injection BOTTOM:	<u>15,400'</u>	<u>"</u>	Tubing Size <u>4 1/2"</u> Packer Depth <u>14550'</u>
Formation(s) Below	<u>14679</u>	<u>Base of Dev</u>	<u>✓</u>

modify later

Capitan Reef? ~~(Potash?) Noticed?~~ (WIPP?) ~~Noticed?~~ Salado Top/Bot 2500-3000' Cliff House? ~~_____~~

Fresh Water: Depths: < 400' Formation _____ Wells? yes Analysis? yes Affirmative Statement ✓

Disposal Fluid Analysis? ✓ Sources: Dev/B.S./WC

Disposal Interval: Analysis? NO Production Potential/Testing: NO SURVIVAL PROD OR TESTS

Notice: Newspaper Date 10/4/12 Surface Owner SIO Mineral Owner(s) _____

RULE 26.7(A) Affected Persons: YPC / Logand 11/27 11/27 1/30/13

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

.....Active Wells 0 Repairs? _____ Which Wells? _____

.....P&A Wells 0 Repairs? _____ Which Wells? _____

Issues: How Trace in DEV? Request Sent _____ Reply: _____