

Submit To Appropriate District Office  
 Five Copies  
 District I  
 1625 N. French Dr., Hobbs, NM 88240  
 District II  
 1301 W. Grand Avenue, Artesia, NM 88210  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals and Natural Resources

Oil Conservation Division  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

Form C-105  
 June 19, 2008

WELL API NO.  
 30-015-37787

5. Indicate Type of Lease  
 STATE  FEE

State Oil & Gas Lease No.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well:  
 OIL WELL  GAS WELL  DRY  OTHER  SWD   
 b. Type of Completion:  
 NEW  WORK  DEEPEN  PLUG  DIFF.   
 WELL OVER  BACK  RESVR.  OTHER

7. Lease Name or Unit Agreement Name

Empire State SWD

2. Name of Operator

COG Operating, LLC

8. Well No.

002

3. Address of Operator

550 W. Texas Ave., Suite 1300; Midland, TX 79701

9. Pool name or Wildcat

Cisco, SWD; Cisco

< 96099

4. Well Location

Unit Letter F : 1980 Feet From The North Line and 1980 Feet From The West Line

Section 9 Township 17S Range 29E NMPM Eddy County

10. Date Spudded  
 06/24/10

11. Date T.D. Reached  
 07/11/10

12. Date Rig Released  
 07/12/10

13. Date Completed (Ready to Produce)  
 10/06/10

14. Elevations (DF and RKB,  
 RT, GR, etc.) 3583 GR

15. Total Measured Depth of Well  
 8866

16. Plug Back Measured Depth  
 8780

17. If Multiple Compl. How Many Zones?

18. Producing Interval(s), of this completion - Top, Bottom, Name  
 Cisco 8370-8790

19. Was Directional Survey Made  
 No

20. Type Electric and Other Logs Run  
 CN / HNGS, Micro CFL / HNGS

21. Was Well Cored  
 No

22. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13.375	48	517	17.5	974	
9.625	36	2508	12.25	1025	
7	26	8850	8.75	1600	

23. LINER RECORD

24. TUBING RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2 3/8	8313	8299

25. Perforation record (interval, size, and number)

Cisco 8370-8790 2 spf 160 holes Open

26. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
8370-8790	39000 gal acid

27. PRODUCTION

Date First Production		Production Method (Flowing, gas lift, pumping - Size and type pump)			Well Status (Prod. or Shut-in) <b>SWD</b>		
Date of Test	Hours Tested	Choke Size	Prod'n For Test Period	Oil - Bbl	Gas - MCF	Water - Bbl.	Gas - Oil Ratio
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API - (Corr.)	

28. Disposition of Gas (Sold, used for fuel, vented, etc.)

Test Witnessed By

29. List Attachments

C-102, C-103, Logs, Deviation Report

I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature Natalie Krueger Printed Name Natalie Krueger Title Regulatory Analyst Date 10/14/2010

E-mail Address nkrueger@condhoresources.com

SWD - 1214

dm





New Mexico Energy, Minerals and Natural Resources Department

**Bill Richardson**  
Governor

Jon Goldstein  
Cabinet Secretary

Jim Noel  
Deputy Cabinet Secretary

Mark Fesmire  
Division Director  
Oil Conservation Division



Administrative Order SWD-1214  
May 3, 2010

30-015-37787

ADMINISTRATIVE ORDER  
OF THE OIL CONSERVATION DIVISION

Under the provisions of Division Rule 26.8B., COG Operating, LLC seeks an administrative order to utilize its Empire State SWD Well No. 2 (API 30-015-NA) located 1980 feet from the North line and 1980 feet from the West line, Unit F of Section 9, Township 17 South, Range 29 East, NMPM, Eddy County, New Mexico, for produced water disposal purposes.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of Division Rule 26.8B. Satisfactory information has been provided that affected parties as defined in Rule 26.8B.(2) have been notified and no objections have been received within the prescribed waiting period. The applicant has presented satisfactory evidence that all requirements prescribed in Rule 26.8 will be met and the operator is in compliance with Division Rule 5.9.

IT IS THEREFORE ORDERED THAT:

The applicant, COG Operating, LLC, is hereby authorized to utilize its Empire State SWD Well No. 2 (API 30-015-NA) located 1980 feet from the North line and 1980 feet from the West line, Unit F of Section 9, Township 17 South, Range 29 East, NMPM, Eddy County, New Mexico, for disposal of oil field produced water (classified as UIC Class II) into the Cisco Reef through perforations from a gross interval of approximately 8300 feet to 8900 feet through plastic lined tubing and packer set within 100 feet of the disposal interval.

Prior to commencing disposal, the Conoco 9 State Well No. 1 (30-015-30690) shall be re-entered to approximately 9200 feet and re-plugged under the direction of the Division's district office in Hobbs with new cement plugs set across the top (approximately 8300 feet) and the bottom (approximately 8900 feet) of the equivalent Cisco Reef permitted disposal interval. Completion of this work shall be confirmed by the Division to the operator after operator submits appropriate sundry reports of this work.

IT IS FURTHER ORDERED THAT:



The operator shall take all steps necessary to ensure that the disposed water enters only the proposed disposal interval and is not permitted to escape to other formations or onto the surface.

After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The wellhead injection pressure on the well shall be limited to **no more than 1660 psi**. In addition, the disposal well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressure to the maximum allowable pressure for this well.

The Director of the Division may authorize an increase in tubing pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the disposed fluid from the target formation. Such proper showing shall be demonstrated by sufficient evidence including but not limited to an acceptable Step-Rate-Test.

The operator shall notify the supervisor of the Division's district office of the date and time of the installation of disposal equipment and of any mechanical integrity test so that the same may be inspected and witnessed. The operator shall provide written notice of the date of commencement of disposal to the Division's district office. The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Division Rules 26.13 and 7.24.

Without limitation on the duties of the operator as provided in Division Rules 30 and 29, or otherwise, the operator shall immediately notify the Division's district office of any failure of the tubing, casing or packer in the well, or of any leakage or release of water, oil or gas from around any produced or plugged and abandoned well in the area, and shall take such measures as may be timely and necessary to correct such failure or leakage.

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

The division may revoke this injection permit after notice and hearing if the operator is in violation of 19.15.5.9 NMAC.

In accordance with Division Rule No 26.12.C., the disposal authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations into the subject well, provided however, the Division, upon written request, mailed by the operator prior to the termination date, may grant an extension thereof for good cause. One year after disposal into the well has ceased, the authority to dispose will terminate *ipso facto*.

Compliance with this order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

Jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the disposal authority granted herein.



MARK E. FESMIRE, P.E.  
Acting Director

MEF/wvjj

cc: Oil Conservation Division – Artesia  
State Land Office – Oil, Gas, and Minerals Division

WELL NAME AND NUMBER Empire State SWD #2 30-015-39287  
 LOCATION Section 9, T17S, R29E, 1980 FNL, 1980 FWL, Eddy County  
 OPERATOR COG Operating LLC  
 DRILLING CONTRACTOR United Drilling, Inc.

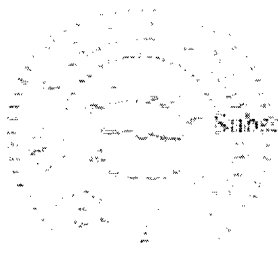
The undersigned hereby certifies that he is an authorized representative of the drilling contractor who drilled the above described well and had conducted deviation test and obtained the following results:

Degrees @ Depth	Degrees @ Depth	Degrees @ Depth
1.2 @ 210'	0.7 @ 3469'	1.4 @ 7182'
1.9 @ 447'	0.3 @ 3668'	0.9 @ 7277'
1.4 @ 652'	0.3 @ 3890'	1.4 @ 7405'
1.6 @ 820'	0.9 @ 4281'	1.0 @ 7542'
1.3 @ 939'	0.2 @ 4421'	1.8 @ 7669'
0.9 @ 1065'	0.4 @ 4654'	2.1 @ 7722'
0.1 @ 1193'	0.5 @ 5034'	2.5 @ 7844'
0.4 @ 1315'	0.2 @ 5520'	2.0 @ 7954'
0.5 @ 1734'	0.3 @ 5658'	3.5 @ 8050'
0.8 @ 2020'	0.6 @ 5922'	2.5 @ 8176'
0.9 @ 2234'	0.9 @ 6068'	3.4 @ 8257'
1.5 @ 2457'	1.0 @ 6134'	2.4 @ 8305'
0.7 @ 2683'	0.9 @ 6293'	3.8 @ 8788'
0.5 @ 2937'	1.1 @ 6525'	
1.0 @ 3112'	0.5 @ 6652'	
1.0 @ 3254'	0.8 @ 6937'	

Drilling Contractor- UNITED DRILLING, INC.

By: *Loisa Noriega*  
(Loisa Noriega)

Title: Assistant Office Manager



Subscribed and sworn to before me this 18<sup>th</sup> day of August, 2010.

*Carlene Martin*  
Notary Public

*Charles Newmex*  
County State

My Commission Expires: 10-8-12