

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



April 2, 2012

COG Production, LLC
Attn: Diane Kuykendall
550 W. Texas Avenue, Suite 100
Midland, TX 79701

Email: dkuykendall@concho.com

**Notice of Termination of Authority to Inject into the Exxon State Well No. 1 (API
#30-015-25742), Administrative Order SWD-1227**

Dear Operator:

On June 22, 2010, the Oil Conservation Division issued Administrative Order SWD-1227 (hereinafter, "Disposal Order") to OGX Resources, LLC (hereinafter, "OGX") authorizing injection into the Exxon State #1. (Division records still show the well as being plugged from 1987.) According to division records, on December 1, 2011 the division approved OGX's form C-146 Change of Operator Name to COG Production, LLC (hereinafter, "COG").

The Disposal Order provides that the disposal authority granted by the Disposal Order shall terminate one year after the effective date of the Disposal Order if the operator has not commenced injection operations into the well unless the division, upon written request mailed by the operator prior to the termination date, has granted an extension.

Additionally, Division Rule 19.15.26.12(C) NMAC states:

- C. Abandonment of injection operations.
- (1) Whenever there is a continuous one year period of non-injection into all wells in an injection or storage project or into a salt water disposal well or special purpose injection well, the division shall consider the project or well abandoned, and the authority for injection shall automatically terminate ipso facto.
 - (2) For good cause shown, the director may grant an administrative extension or extensions of injection authority as an exception to Paragraph (1) of Subsection C of 19.15.26.12 NMAC, provided that any such extension may

be granted only prior to the end of one year or [sic] continuous non-injection, or during the term of a previously granted extension.

Division records (a copy of which is enclosed) do not show the commencement of injection operations into the well since the Disposal Order was issued on June 22, 2010, and there is no indication that the operator submitted a written request for an extension of the terms of the Disposal Order prior to the termination date.

Therefore, Administrative Order SWD-1227 has terminated pursuant to its own terms and Division Rule 19.15.26.12.C NMAC.

If COG wishes to inject into the well, it will have to apply for authority to inject with the Division's Engineering Bureau. Please contact Will Jones in the Division's Engineering Bureau at (505) 476-3448 or william.v.jones@state.nm.us to discuss this matter further.

Please feel free to contact me at (505) 476-3493 or daniel.sanchez@state.nm.us if you have any questions.

Sincerely,



Daniel Sanchez
New Mexico Underground Injection Control Program Director

cc: Richard Inge, OCD, Artesia
Randy Dade, OCD Artesia
William Jones, OCD, Santa Fe
Theresa Duran-Saenz, OCD Santa Fe
Ron Beasley, rbeasley@concho.cm

30-015-25742 EXXON STATE #001 [38299]**General Well Information****Status:** New (Not Drilled or Completed)**History****Comments****Operator**

Company: [217955] COG PRODUCTION, LLC
Address: 550 W. Texas Avenue, Suite 100
Midland, TX 79701
Country: U.S.A.
Main Phone: 432-683-7443

Central Contact Person**Hobbs Contacts****Artesia Contacts****Pits****Casing****Well Completions****[96802] SWD;BELL CANYON-CHERRY CANYON****Status:** New, Not Drilled**Last Produced:****Financial Assurance****Compliance**

Note that Financial Assurance and Inactive Well Compliance are documented in separate reports ([Inactive Well Report](#), [Financial Assurance Report](#)).

Also note that some compliance issues are addressed at the operator level so not listed under each well.

Complaints, Incidents and Spills

No Incidents Found

Please note that incidents that impact ground water are recorded along with "facilities" which may not be wells, so although the initial report may be recorded here as a spill, information related to the abatement plans, remediation plans and ground water impact information are not yet part of this application.

Orders**Salt Water Disposal SWD-1227-0****Production / Injection**[Show All Production](#)[Export to Excel](#)

Earliest Production in OCD Records:				Last					
Time Frame	Production				Injection				
	Oil(BBLS)	Gas(MCF)	Water (BBLS)	Days P/I	Water (BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure
Grand Total:	0	0	0	0	0	0	0	0	0

Transporters