

06/21/12

Jones, W

06/22/2012

SWD

PJD0 1217453887

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



RECEIVED OOD

ADMINISTRATIVE APPLICATION CHECKLIST 2012 JUN 21 P 3:15

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

OG RID 230930

API NA

Well Name Lakeview SWD #1

Located B-8-T19S-R26E

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.

Mark A. Fairchild

Print or Type Name

Mark A. Fairchild

Signature

Senior Operations Engineer

Title

05/16/2012

Date

MFairchild@Conchoresources.com

e-mail Address

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: **550 West Texas, Ste 100, Midland TX 79701-4287**
CONTACT PARTY: **Mark A. Fairchild** PHONE: **432-686-3021**
- 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: **Mark A. Fairchild** TITLE: **Sr. Operations Engr.**
SIGNATURE: Mark A. Fairchild DATE: **5/16/2012**
E-MAIL ADDRESS: **MFairchild@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: _____

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

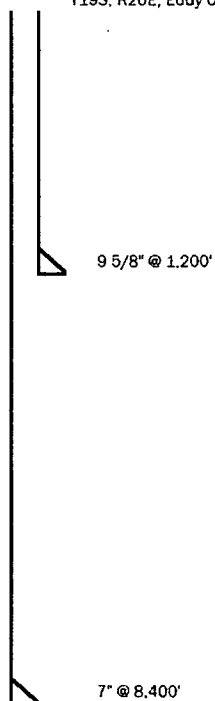
INJECTION WELL DATA SHEET

OPERATOR: **COG Operating, LLC.**WELL NAME & NUMBER: **Lakewood SWD #1**

WELL LOCATION:	1220 FNL; 2490 FEL	B	8	T19S	R26E
	FOOTAGE LOCATION	UNIT LETTER	SECTION	TOWNSHIP	RANGE

WELLBORE SCHEMATIC

Well: Lakewood SWD #1
 Location: 1220 FNL; 2490 FEL, Sec 8,
 T19S, R26E, Eddy Co., NM



*Cement volumes will increase of those shown on this application to account for hole conditions unknown at this time.

WELL CONSTRUCTION DATASurface Casing

Hole Size: **12 1/4"** Casing Size: **9 5/8"**
 Cemented with: **400** sx. *or* _____ ft³
 Top of Cement: **Surface** Method Determined: **Circulate**

Intermediate Casing

Hole Size: _____ Casing Size: _____
 Cemented with: _____ sx. *or* _____ ft³
 Top of Cement: _____ Method Determined: _____

Production Casing

Hole Size: **8 3/4"** Casing Size: **7"**
 Cemented with: **1,075** sx. *or* _____ ft³
 Top of Cement: **Surface** Method Determined: **Circulate**
 Total Depth: **8,400'**

Injection Interval

7,725 feet to **8,000**
Interval perforated
 (Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

Tubing Size: **3 1/2" EUE** Lining Material: **Internally plastic coated**

Type of Packer: **Double grip type, set in neutral**

Packer Setting Depth: **no more than 100' above top perf**

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? _____

2. Name of the Injection Formation: **Canyon**

3. Name of Field or Pool (if applicable): **None**

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, none

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

Yeso formation at approx. 2,630'

COG SENM SWD Well Questionnaires

Date: 5/16/12

By: Mark A. Fairchild, Office: 432-686-3021

Note: Answers to questions in this color

What will be the well name?

Lakewood SWD #1

What logs have been/will be run in the well?

Logs will be run as follows: porosity and resistivity

How will you re-enter/drill/convert the well?

The well will be drilled 100% with rotary tools.

How will you test the mechanical integrity of the casing?

A State of New Mexico supervised MIT test to 500 psig will be run on the tubing/casing annulus.

What size tubing do you plan to use?

The tubing will be 3 1/2" Nominal OD.

How will tubing be internally lined?

The tubing will be internally plastic coated.

What type packer will be used?

A nickel plated compression set packer will be utilized.

Where will packer be set?

To within 50 to 100' above casing shoe.

Will there be any other type of casing/tubing seal?

No.

What is the fracture gradient?

Approx 0.75

Will the well be stimulated?

Yes

If yes, how will the well be stimulated?

Large conventional acid job.

Into what perforated intervals will you inject?

Canyon Reef: 7,725 to 8000

What will be the average daily volume injected?

10-15,000 BWPD

What will be the maximum daily volume injected?

20, 000 BWPD

What will be the average injection pressure?

Vacuum

What will be the maximum injection pressure?

1572.5 psig

Will water be trucked or piped to the well?

Piped

What wells will dispose into it?

Various wells owned exclusively by COG on our SWD water line system

Any non-COG wells?

No outside operated water will be disposed of.

What surface facilities (e.g.; tanks, pumps, filters) will be installed?

4 - 750 Bbl water storage tanks, 1 - 1,000 Bbl Gun Barrel

2 - 500 Bbl steel tanks, 1 - 400 BHP H pump

Do you have an analysis of the produced water you plan to inject?

Yes

Do you have an analysis of the formation water into which you'll inject?

No, these well are on a vacuum and do not produce.

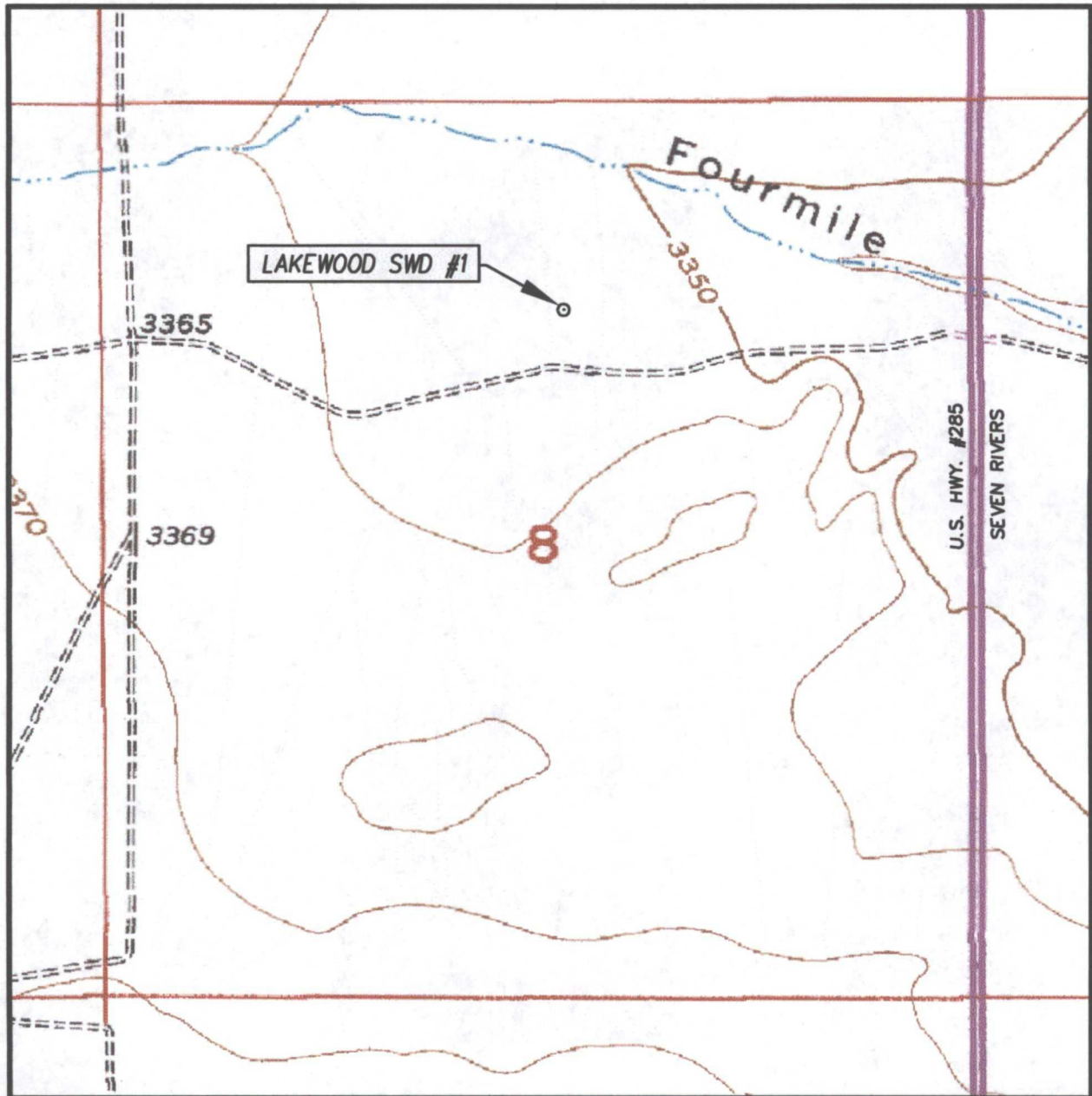
How will the geology prevent migration into fresh water zones (e.g., thickness of shale or salt layers)?

Various impervious geological barriers exist between the Cisco and the surface.

Will the system be open or closed?

Closed

LOCATION VERIFICATION MAP



SCALE: 1" = 1000'

CONTOUR INTERVAL:
DAYTON, N.M. - 10'

SEC. 8 TWP. 19-S RGE. 26-E

SURVEY _____ N.M.P.M.

COUNTY EDDY STATE NEW MEXICO

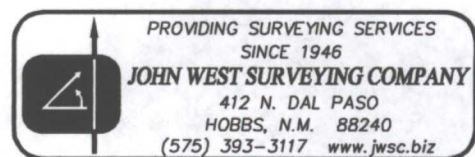
DESCRIPTION 1220' FNL & 2490' FEL

ELEVATION 3353'

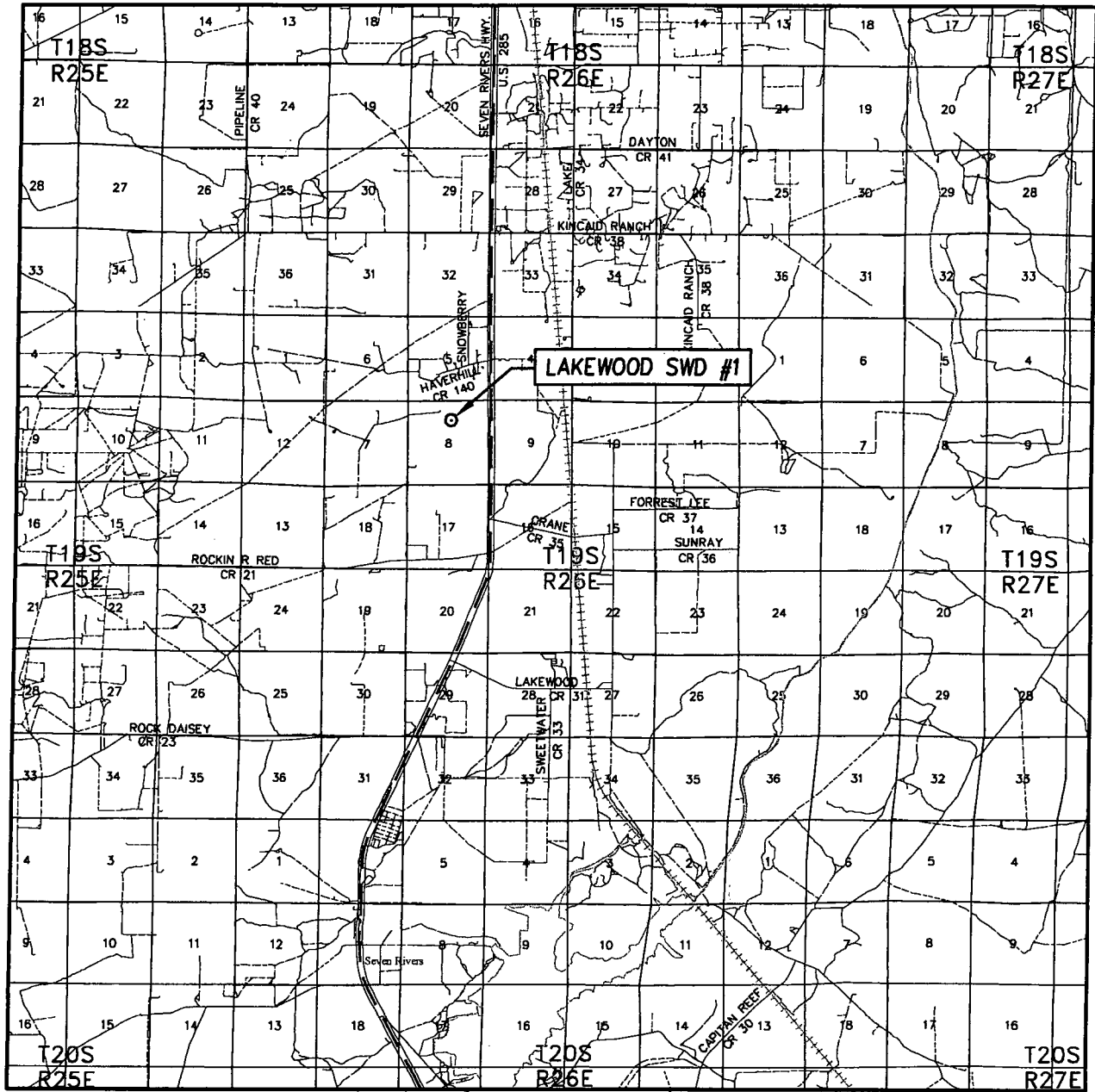
OPERATOR COG OPERATING, LLC

LEASE LAKEWOOD SWD

U.S.G.S. TOPOGRAPHIC MAP
DAYTON, N.M.



VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 8 TWP. 19-S RGE. 26-E

SURVEY N.M.P.M.

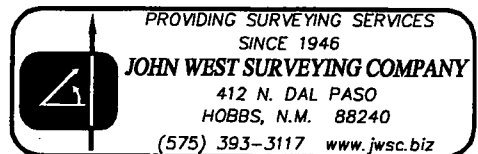
COUNTY EDDY STATE NEW MEXICO

DESCRIPTION 1220' FNL & 2490' FEL

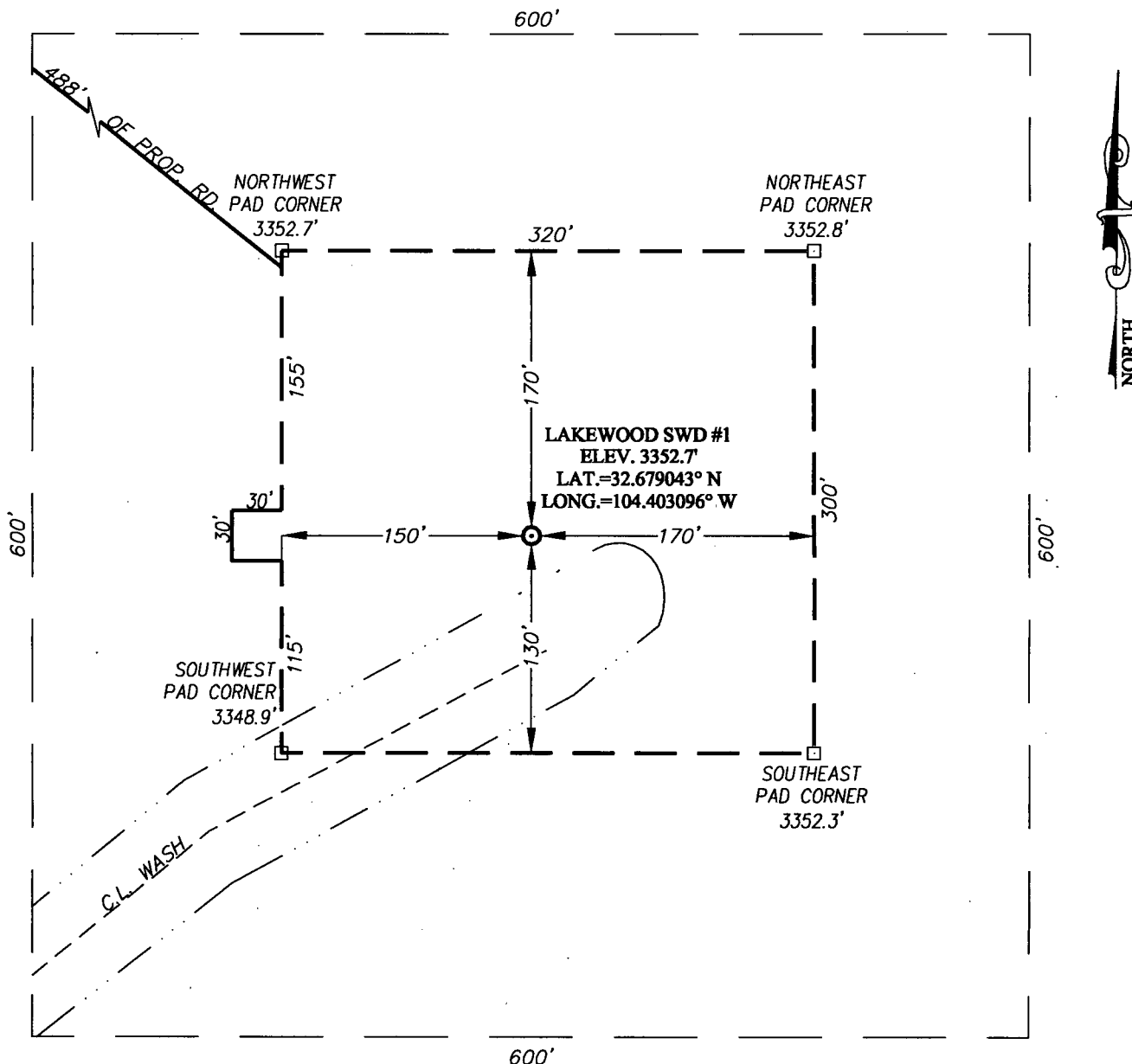
ELEVATION 3353'

OPERATOR COG OPERATING, LLC

LEASE LAKEWOOD SWD

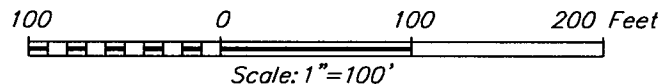


SECTION 8, TOWNSHIP 19 SOUTH, RANGE 26 EAST, N.M.P.M.
EDDY COUNTY **NEW MEXICO**



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF U.S. HWY. #285 (SEVEN RIVERS) AND CO. RD. #140 (HAVEN HILL), GO SOUTHWEST ON CO. RD. #140 APPROX. 0.5 MILES TO LEASE ROAD. TURN RIGHT AND GO NORTHWEST APPROX. 809 FEET. TURN LEFT AND GO WEST APPROX. 0.3 MILES. TURN LEFT AND GO SOUTH APPROX. 729 FEET. TURN RIGHT AND GO WEST APPROX. 664 FEET. FOLLOW ROAD LEFT THEN SOUTH APPROX. 0.5 MILES. TURN RIGHT AND GO EAST APPROX. 0.4 MILES TO OLD WELL PAD CORNER. THIS LOCATION IS SOUTHEAST APPROX. 705 FEET.



COG OPERATING, LLC

LAKEWOOD SWD #1 WELL
LOCATED 1220 FEET FROM THE NORTH LINE
AND 2490 FEET FROM THE EAST LINE OF SECTION 8,
TOWNSHIP 19 SOUTH, RANGE 26 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO

PROVIDING SURVEYING SERVICES
 SINCE 1946
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 HOBBS, N.M. 88240

Survey Date: 3/02/12

CAD Date: 3/13/12

Drawn By: ACR



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

No PODs found.

POD Search:

POD Basin: Jal

Basin/County Search:

County: Eddy

PLSS Search:

Section(s): 8

Township: 19S

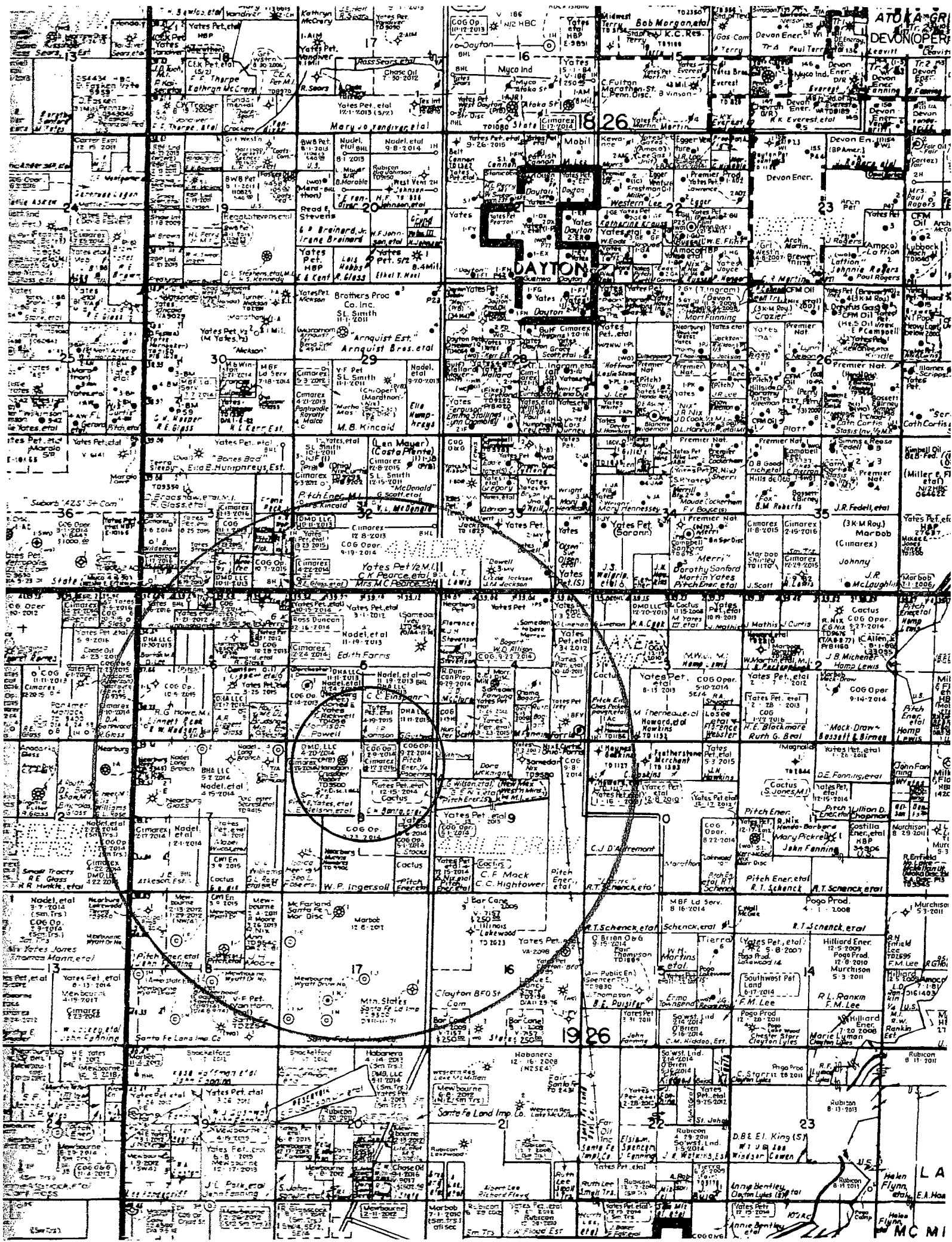
Range: 26E

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.

5/30/12 9:23 AM

Page 1 of 1

ACTIVE & INACTIVE POINTS OF DIVERSION



Lakewood SWD #3

~~AS PER~~
Wells within area of review that penetrate proposed disposal interval:

None. *Active wells*

Plugged Wells within area of review:

API #: 3001522599 Well Name: CRUSADER RABBIT COM # 001

Location: C-8-19.0S-26E, 660 FNL, 1980 FWL

Lat: 32.6808100355 Long: -104.406316682

Operator Name: NEARBURG PRODUCING CO [Operator and Lessee Info]

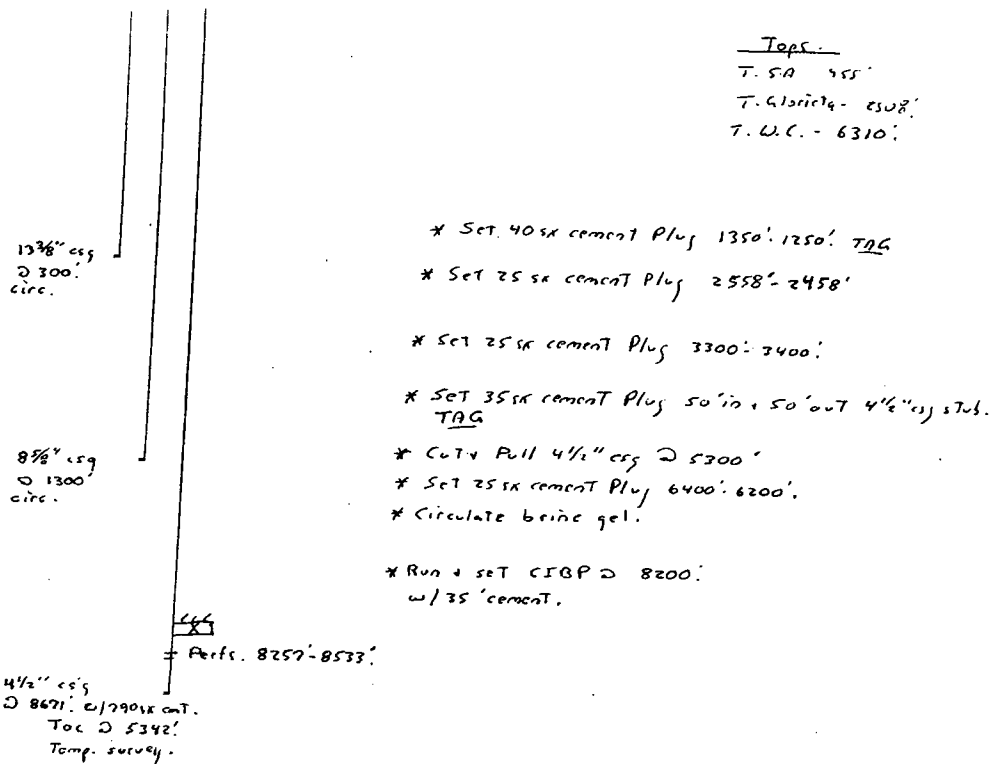
County: Eddy

Land Type: Private Well Type: Gas Spud Date: Plug Date: 4/5/2000 1

Elevation GL: 3378 Depth TVD:

Plugged Diagram Below:

30-015-22599 C-8-19-26
Nearburg Prod. Co.
Crusader Rabbit #1



API #: 3001500336 Well Name: FICKRELL Property Number.: 1

Location: M-5-19.0S-26E, 990 FSL, 990 FWL

Lat:32.6853623979 Long:-104.409615193

Operator Name: JONES & YATES ET AL County: Eddy

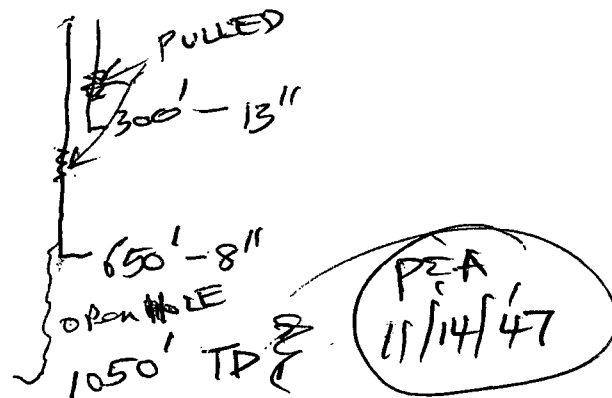
Land Type: Unknown Well Type: Oil Spud Date:1/1/1900 1 Plug

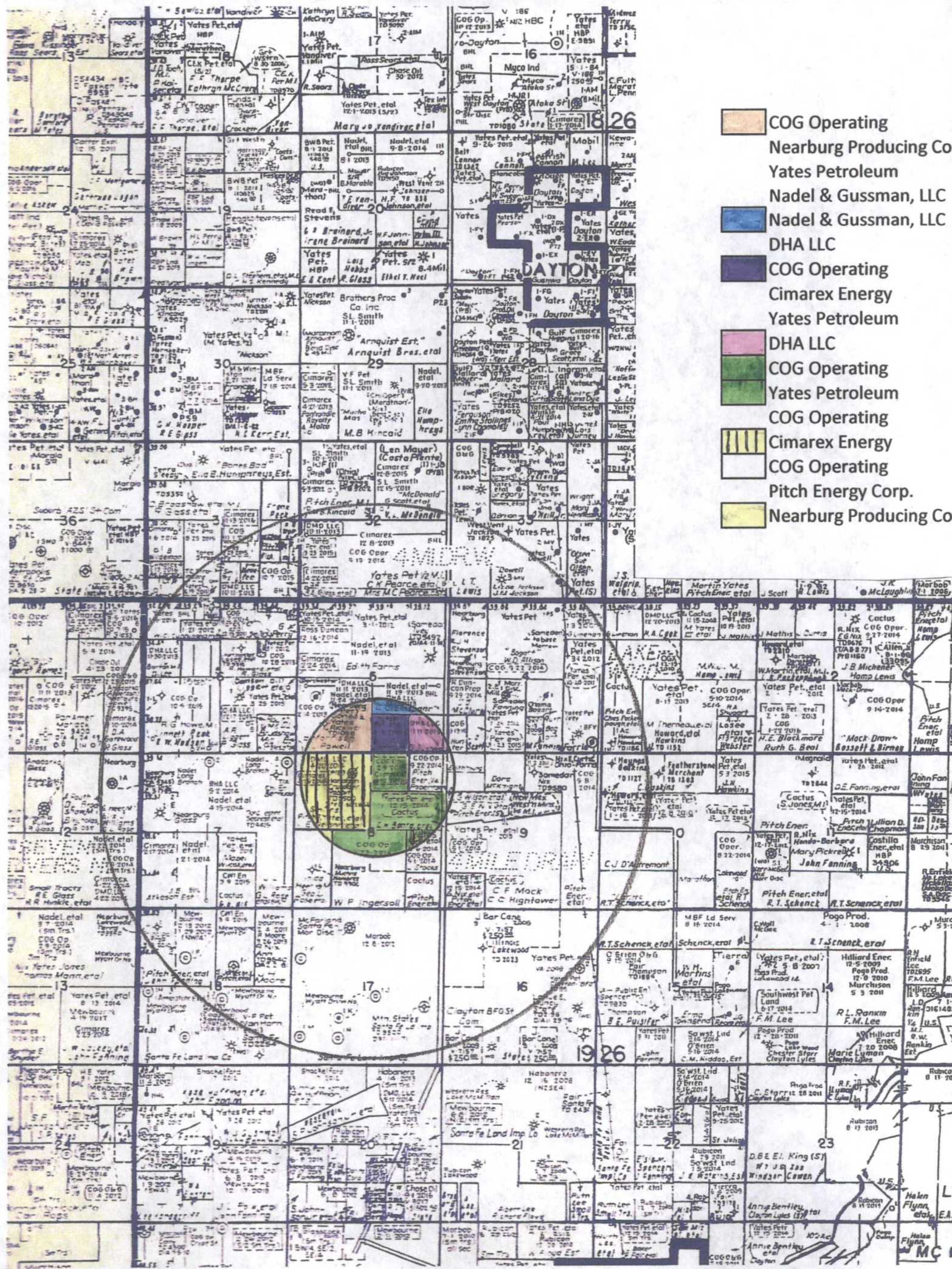
Date:1/1/1900 1

Elevation GL: 0 Depth TVD: 0

No Plug Diagram Available

© AOR LIMIT





- COG Operating
- Nearburg Producing Co.
- Yates Petroleum
- Nadel & Gussman, LLC
- Nadel & Gussman, LLC
- DHA LLC
- COG Operating
- Cimax Energy
- Yates Petroleum
- DHA LLC
- COG Operating
- Yates Petroleum
- COG Operating
- Cimax Energy
- COG Operating
- Pitch Energy Corp.
- Nearburg Producing Co.

Notice

June 4, 2012

Cimarex Energy
1700 Lincoln Street, Suite 1800
Denver, CO 80203

COG Operating LLC is applying (see attached application) to drill the Lakewood SWD #1 well as a salt water disposal well described below. As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following proposed water disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well: Lakewood SWD #1

Proposed Disposal Zone: Canyon (from 7,725' to 8,000')

Location: 1220' FNL & 2490' FEL Sec 8, T19S, R26E

Eddy County, NM

Approximate Location: 3-4 miles Northwest of Lakewood, NM

Applicant Name: COG Operating LLC (432) 685-4340

Applicant's Address: 550 West Texas, Suite 1300, Midland, TX 79701

Submittal Information: Application for a water disposal well will be filed with the NM Oil Conservation Division. If they determine the application complies with the applicable regulations, then it will be approved. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr., Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Mark Fairchild

Mark Fairchild
(432) 686-3021

TLO.

7011 0470 0001 5496 3923

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CERTIFIED MAIL TM RECEIPT	
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Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Se
or
C

Cimarex Energy
1700 Lincoln Street, Suite 1800
Denver, CO 80203

Postmark
Here
JUN 19 2012
MIDLAND TX 79701
USPS

Notice

June 4, 2012

DHA LLC
1220 South St. Francis
Santa Fe, NM 87504

7011 0470 0001 5496 4005

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For delivery information visit our website at www.usps.com	
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Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$
Sent To	
DHA LLC	
Street, Apt. No., or PO Box No. 1220 South St. Francis	
City, State, ZIP+4 Santa Fe, NM 87504	
PS Form 3800, August 2006 See Reverse for Instructions	

MIDLAND TX VILLAGE STA 79704
JUN 19 2012
USPS

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Eddy County, NM

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Please call me if you have any questions.

Sincerely,

Mark Fairchild
T.O.

Mark Fairchild
(432) 686-3021

Jones, William V., EMNRD

From: Tye Orr [tyeorr@petroplexland.com]
Sent: Thursday, June 28, 2012 3:29 PM
To: Jones, William V., EMNRD
Cc: Mark Fairchild
Subject: Lakewood SWD's #1 & #2
Attachments: PastedGraphic-7.tiff; DHA Corrected Notice.pdf; DHA Corrected Notice 2.pdf

Will,

Per your recent email to Mark Fairchild regarding the C 108 applications for the subject wells, I have attached copies of the corrected notices that went out to DHA, LLC that you had questioned in your email. Turns out there was not any mail merge issue, this was just an internal error when they were all being mailed out. DHA, LLC was the only one that had the wrong address. It has been corrected and the attached can be added to our file for these applications. Please let me know if you need anything else or have any questions. Thanks.

Tye Orr
Consulting Landman

P.O. Box 4463
Midland, TX 79701
Office: (432) 699-4528
Cell: (432) 349-4729

Notice

June 4, 2012

DHA LLC
12204 Towner Ne
Albuquerque, NM 87100

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Eddy County, NM

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Please call me if you have any questions.

Sincerely,

Mark Fairchild
M.F.

Mark Fairchild
(432) 686-3021

7011 0470 0001 5496 7495

U.S. Postal Service™	
CERTIFIED MAIL™ RECEIPT	
(Domestic Mail Only, No International Delivery Permitted)	
For Delivery to Addressee Only, No Return to Sender	
ALBUQUERQUE, NM 87100	
Postage	\$1.50
Certified Fee	\$2.50
Return Receipt Fee (Endorsement Required)	\$2.35
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$6.80

Sent To: DHA LLC
Street, Apt. No., or PO Box No.: 12204 Towner NE
City, State, ZIP+4: Albuquerque, NM 87100

PS Form 3800, August 2008 See Reverse for Instructions

Notice

June 4, 2012

Nadel and Gussman, LLC
Attn: Mary Hall
3232 1st Nat'l Tower 15 E. 5
Tulsa, OK 74103

U.S. Postal Service™
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For delivery information visit our website at www.usps.com

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Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage	

Sent To: Nadel and Gussman, LLC
Attn: Mary Hall
Street, Apt. No., or PO Box No. 3232 1st Nat'l Tower 15 E. 5
City, State, ZIP+4 Tulsa, OK 74103

MIDLAND TX VILLAGE STA 79701 JUN 19 2012

PS Form 3800, 11-10

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Location: 1220' FNL & 2490' FEL Sec 8, T19S, R26E

Eddy County, NM

Approximate Location: 3-4 miles Northwest of Lakewood, NM

Applicant Name: COG Operating LLC (432) 685-4340

Applicant's Address: 550 West Texas, Suite 1300, Midland, TX 79701

Submittal Information: Application for a water disposal well will be filed with the NM Oil Conservation Division. If they determine the application complies with the applicable regulations, then it will be approved. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr., Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Mark Fairchild
T.O.

Mark Fairchild
(432) 686-3021

Notice

June 4, 2012

Nearburg Producing Company
Attn: Terri Stathem
3300 N "A" St., Bldg. 2, Suite 120
Midland, TX 79707

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JUN 1 2012

Sent To
Nearburg Producing Company
Attn: Terri Stathem
3300 N "A" St., Building 2, Suite 120
Midland, TX 79707

PS Form 3800, August 2006 See Reverse for Instructions

COG Operating LLC is applying (see attached application) to drill the Lakewood SWD #1 well as a salt water disposal well described below. As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following proposed water disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

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Notice

June 4, 2012

Pitch Energy Corporation
P.O. Box 304
Artesia, NM 88211

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Mark Fairchild
(432) 686-3021

7011 0470 0001 5496 3961

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Pitch Energy Corporation	
P.O. Box 304	
Artesia, NM 88211	
PS Form 3800, August 2006	
See Reverse for Instructions	

MIDLAND TX 79704
JUN 19 2012
Postmark Here
USPS

Notice

June 4, 2012

Yate Petroleum Corporation
Attn: Michelle Taylor
105 S. 4th St.
Artesia, NM 88210

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Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$
Sent To	
Yate Petroleum Corporation	
Street, Apt. No., or PO Box No.	Attn: Michelle Taylor
City, State, ZIP+4	105 S. 4th St. Artesia, NM 88210

7011 0470 0001 5496 3978

PS Form 3800, August 2000

MIDLAND TX VILLAGE
Postmark
JUN 19 2012
USPS

COG Operating LLC is applying (see attached application) to drill the Lakewood SWD #1 well as a salt water disposal well described below. As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following proposed water disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

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Sincerely,

Mark Fairchild

Mark Fairchild
(432) 686-3021

T.O.

June 6, 2012

Legal Notice
June 4, 2012

COG Operating LLC is applying to drill the Lake-wood SWD #1 as a water disposal well. The well is located at 1220' FNL & 2490' EEL, Sec. 8, T. 19 S., R. 26 E., Eddy County, NM. The well will dispose of water produced from oil and gas wells into the Canyon Reef zone at a depth of 7725' to 8000' at a maximum rate of 20,000 barrels of water per day and at a maximum pressure of 1,572.5 psi. Interested parties must file objections or requests for hearing with the NM Oil Conservation Division, 1220 South Saint

Francis Dr., Santa Fe, NM 87505, within 15 days. Additional information can be obtained by contacting Mark Fairchild, COG Operating, LLC, phone number is (432)-686-3021.

Affidavit of Publication

State of New Mexico,
County of Eddy, ss.

Kathy McCarroll, being first duly sworn,
on oath says:

That she is the Classified Supervisor of the Carlsbad Current-Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

June 6 2012

That the cost of publication is \$37.25 and that payment thereof has been made and will be assessed as court costs.

Kathy McCarroll

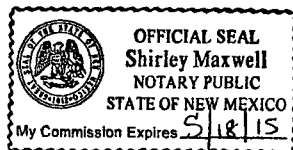
Subscribed and sworn to before me this

18th day of June, 2012

Shirley Maxwell

My commission Expires on May 18, 2015

Notary Public



Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Thursday, August 02, 2012 3:54 PM
To: 'Mark Fairchild'; 'Mark Fairchild'
Cc: Ezeanyim, Richard, EMNRD; Shapard, Craig, EMNRD
Subject: Disposal application from COG Operating, LLC: proposed Lakeview SWD #1 30-015-NA 1220fni 2490fel B/8/19S/26E Eddy Canyon formation perforated from 7725 to 8000 feet

Hello Mark,
Would you let me know:

1. Who owns the surface at this proposed well site and whether they were noticed (the application says it is "Fee" but not whom that fee owner is.)
2. Is there any fresh water sources (wells or lakes) within 1 mile of this location? Has your field people looked for Windmills? If so, please send a recent water analysis.

Otherwise, all seems OK. I found formation tops (Penn, Strawn) on an offsetting log.

Regards,

William V Jones, P.E.
Engineering, Oil Conservation Division
1220 South St. Francis Drive, Santa Fe, NM 87505
Tel 505.476.3448 ~ Fax 505.476.3462



M.A. Fairchild

COG OPERATING LLC

Office: 432-686-3021

Cell: 432-230-7170



From: Jones, William V., EMNRD [<mailto:William.V.Jones@state.nm.us>]

Sent: Thursday, August 02, 2012 5:46 PM

To: Mark Fairchild; Mark Fairchild

Cc: Ezeanyim, Richard, EMNRD; Shapard, Craig, EMNRD

Subject: RE: Disposal application from COG Operating, LLC: proposed Lakewood SWD #1 30-015-NA 1220fnl 2490fel B/8/19S/26E Eddy Canyon formation perforated from 7725 to 8000 feet

Sorry – Lakewood, not Lakeview....

Mark – would you send me the depth you will use for DV tool in this proposed well and the cementing volumes above and below.

Thank You

From: Jones, William V., EMNRD

Sent: Thursday, August 02, 2012 3:54 PM

To: 'Mark Fairchild'; 'Mark Fairchild'

Cc: Ezeanyim, Richard, EMNRD; Shapard, Craig, EMNRD

Subject: Disposal application from COG Operating, LLC: proposed Lakeview SWD #1 30-015-NA 1220fnl 2490fel B/8/19S/26E Eddy Canyon formation perforated from 7725 to 8000 feet

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Regards,

William V Jones, P.E.

Engineering, Oil Conservation Division

1220 South St. Francis Drive, Santa Fe, NM 87505

Tel 505.476.3448 ~ Fax 505.476.3462



Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Monday, August 13, 2012 11:50 AM
To: 'Mark Fairchild'
Subject: RE: Disposal application from COG Operating, LLC: proposed Lakewood SWD #1 30-015-NA 1220fnl 2490fel B/8/19S/26E Eddy Canyon formation perforated from 7725 to 8000 feet

Mark,
Thanks for this.
If the windmill is within one mile, send a water analysis.
I will prepare and release this permit and put the analysis in the file later.

Will

From: Mark Fairchild [<mailto:MFairchild@concho.com>]
Sent: Monday, August 13, 2012 8:44 AM
To: Jones, William V., EMNRD
Subject: RE: Disposal application from COG Operating, LLC: proposed Lakewood SWD #1 30-015-NA 1220fnl 2490fel B/8/19S/26E Eddy Canyon formation perforated from 7725 to 8000 feet

Will, been busy, trying to hurry to get info to you for approval. Answers for #2 shortly.

Answers for SWD #1:

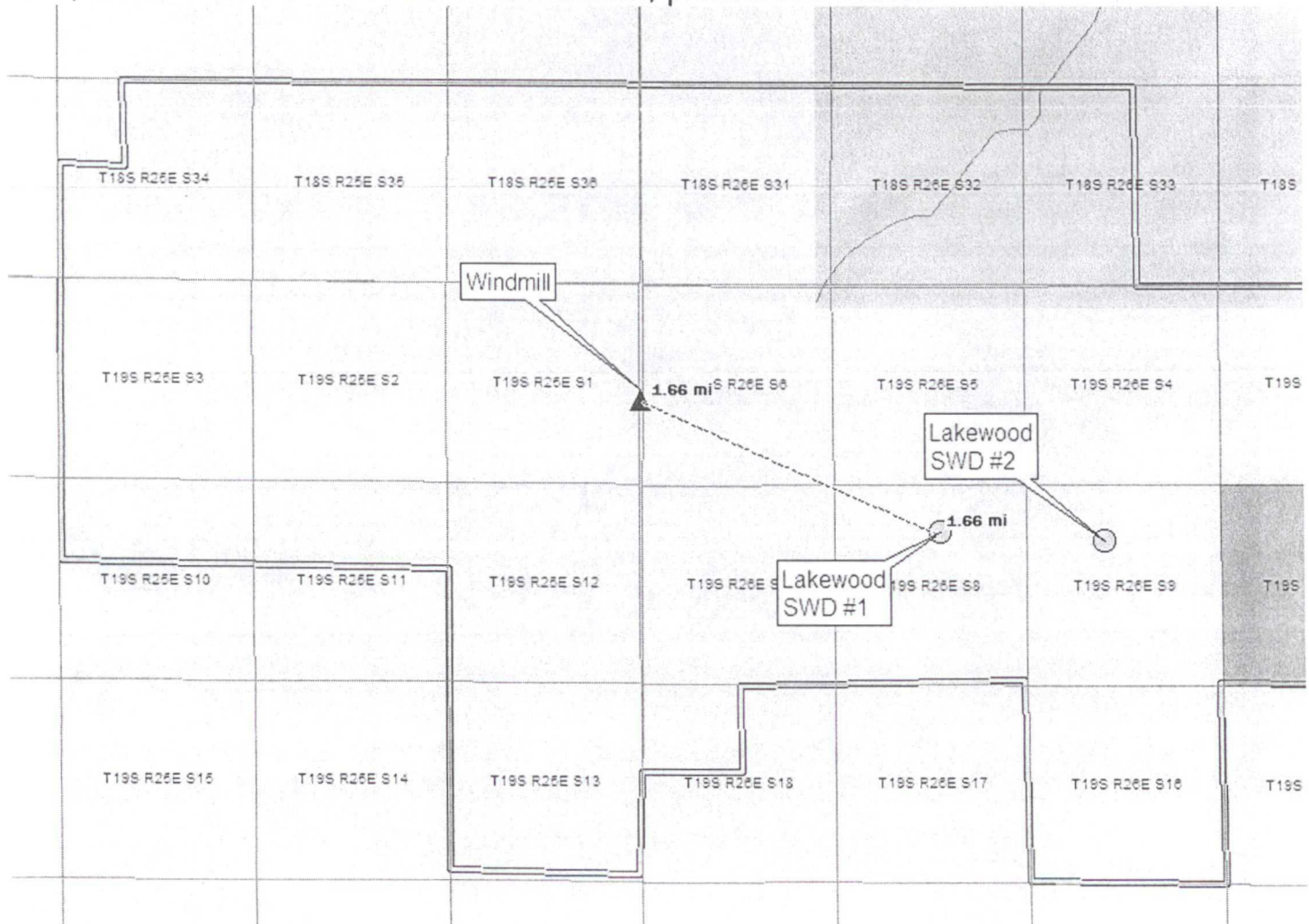
1. Surface owner: Concho
2. Windmills: One, located N 32' 41.360. W 104' 25.784 *Too Far out*
3. Cement:
 - a. DV tool @ 6,950
 - b. Cmt
8400 to 6950, 50% excess 280 sxs slurry #5
6950 to 5000, 50% excess 400 sxs slurry #5
5000 to surface, excess 50 to 35%, 600 sxs slurry #4

4. Slurry data		ppg	cu ft/
SX			
4	CLASS H 35/65 + 6% BENTONITE + 0.55% C-12 + 0.1% C-37 + 0.25% R-38	12.400	1.990
5	CLASS H + 1% C-12 + 0.3% C-37 + 0.15% C-45 + 0.1% C-20 + 0.25% R-38	15.700	1.170

Jones, William V., EMNRD

From: Mark Fairchild <MFairchild@concho.com>
Sent: Monday, August 13, 2012 3:01 PM
To: Jones, William V., EMNRD
Subject: Windmill

Will, we are 1.66 miles from this windmill, please see below.



M.A. Fairchild
COG OPERATING LLC
Office: 432-686-3021
Cell: 432-230-7170



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.

Injection Permit Checklist (11/15/2010)

WFX _____ PMX _____ SWD 1350 Permit Date _____ UIC Qtr (J/A/S)

Wells 1 Well Name(s): LAUREN SWD #1

API Num: 30-0 E-NA Spud Date: _____ New/Old: N (UIC primacy March 7, 1982)

Footages 1220 FNL/2490 FEL Unit B Sec 8 Tsp 19S Rge 26E County EDDY

General Location: ≈ 5 mi NW of Lake McPILLAN

Operator: COG Operating LLC Contact Mark A. Fairchild

OGRID: 22137-23930 RULE 5.9 Compliance (Wells) 9/3/94 (Finan Assur) OK IS-5.9 OK? OK

Well File Reviewed ✓ Current Status: NOT Yet Permitted

Planned Work to Well: _____

Diagrams: Before Conversion ✓ After Conversion ✓ Elogs in Imaging File: D/R will be RvN

Well Details:	Sizes Hole.....Pipe	Setting Depths	Stage/ Tool	Cement Sx or Cf	Determination Method
New <u>✓</u> Existing <u>✓</u> Surface	<u>12 1/4 9 5/8</u>	<u>1200'</u>		<u>400 SX</u>	<u>CIRC</u>
New <u>✓</u> Existing <u>✓</u> Interm					
New <u>✓</u> Existing <u>✓</u> LongSt	<u>8 3/4 7</u>	<u>8,400'</u>	<u>6950'</u>	<u>1025 SX</u>	<u>CIRC</u>
New <u>✓</u> Existing <u>✓</u> Liner					
New <u>✓</u> Existing <u>✓</u> OpenHole					

Depths/Formations:	Depth, ft	Formation	Top?
Formation(s) Above	<u>6310</u> <u>7270</u>	<u>W.C. Penn</u>	<u>✓</u>
Injection TOP:	<u>7725</u>	<u>CANYON</u>	<u>✓</u>
Injection BOTTOM:	<u>8000</u>	<u>"</u>	<u>✓</u>
Formation(s) Below	<u>8250</u>	<u>STRAWN</u>	<u>✓</u>

Capitan-Reef? ✓ Potash? ✓ Noticed? ✓ WIPR? ✓ Noticed? ✓ Salado Top/Bot ✓ Cliff House? ✓

Fresh Water: Depths: _____ Formation _____ Wells? NO Analysis? _____ Affirmative Statement _____

Disposal Fluid Analysis? yes Sources: COG water (PIPED in) (yes) SWD'S FORMAS also

Disposal Interval: Analysis? NO Production Potential/Testing: NOT Productive

Notice: Newspaper Date 6/6/12 Surface Owner KORCHAP Mineral Owner(s) ✓

RULE 26.7(A) Affected Persons: DHA VIC/CIMMEX/Neuch/YPC/NIG/PITCH 6/12

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

.....Active Wells 0 Repairs? ✓ Which Wells? ✓

.....P&A Wells 2 Repairs? 0 Which Wells? ✓

Issues: _____ Request Sent _____ Reply: _____