

8/30/12 DATE IN	9/15/12 APPROVE	WJ ENGINEER	8/30/12 LOGGED IN	SWD TYPE 630-A	PWJ APP NO.
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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

Title

Date

e-mail Address



August 28, 2012

Bureau of Land Management
620 East Greene Street
Carlsbad, NM 88220-6292

Re: Amendment to C-108 Application to Inject
COG Operating LLC
Charger 29 Federal #1 SWD
Township 23 South, Range 30 East, N.M.P.M.
Section 29: 1780' FNL & 810' FWL
Eddy County, New Mexico
SWD Order 630, API 30-015-28808

To Whom It May Concern:

COG Operating LLC is requesting administrative approval from the NMOCD to make a minor expansion to the currently permitted water disposal interval in the captioned well. The currently permitted injection interval in the Delaware Sand is 5479' to 7220'. We are requesting that the permitted injection interval be changed to 5370' to ~~7220'~~ which is 109' shallower than the currently permitted injection interval.

This well has a casing leak from 5395' to 5402' which has been cement squeezed in the past, but is likely to become chronically communicated with the injection interval 77' down hole resulting in frequent workovers to re-squeeze the casing leak. We propose to include the casing leak interval in the amended injection interval so we can put the packer above the casing leak and isolate it below the packer. We propose to decrease the maximum allowable injection pressure to 1074 psi. The rest of the original C-108 submitted by Maralo is still applicable and unchanged.

The nearest shallow Delaware Sand production occurs from 4068' to 4107' in Section 30 to the west of this well. A section of the porosity log is attached showing the proximity of the porosity zone where the casing leak is relative to the porosity zone where the top of the currently approved injection interval is.

25 ACTIVE AVALON wells in ADR
(CMT TRPS ≈ 5250 or ABOVE)

(1074 PSI)

Production is @ 7150'
TO THE SOUTH
(Avalon)

(ball C, 5370' - 6380'
Cherry C.)

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 should you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Collins". The signature is fluid and cursive, with the first name "Brian" being more prominent than the last name "Collins".

Brian Collins
Senior Operations Engineer

BC/dlw
Enclosure

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.
NM-92180

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.

1. Type of Well

Oil Well Gas Well Other SWD

8. Well Name and No.
CHARGER 29 FEDERAL #1 SWD

2. Name of Operator
COG OPERATING, LLC

9. API Well No.
30-015-28808

3a. Address
2208 W. MAIN STREET, ARTESIA, NM 88210

3b. Phone No. (include area code)
575-748-6940

10. Field and Pool or Exploratory Area
UNDESIGNATED DELAWARE

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SEC 29, T23S-R30E, 1780' FNL & 810' FWL, UNIT LETTER E

11. 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 checked="" type="checkbox"/> Other SWD
	<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	

13. 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 recomplete 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 recompletion 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.)

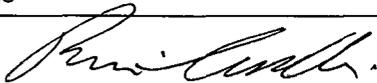
SUBMITTED FORM C-108 - COPY ATTACHED

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

BRIAN COLLINS

Title SENIOR OPERATIONS ENGINEER

Signature



Date 08/27/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

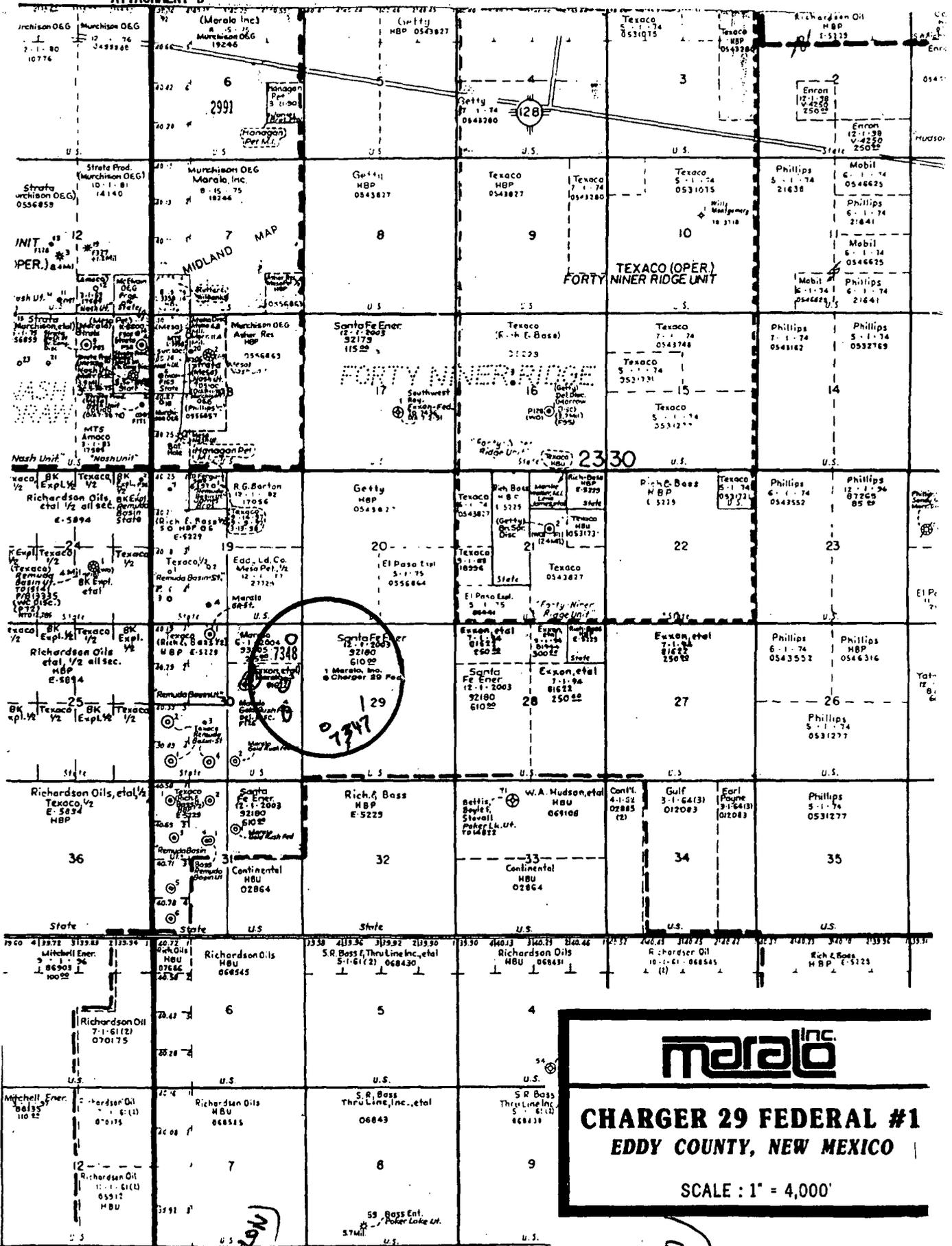
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

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)

ATTACHMENT B



MARALO INC.
CHARGER 29 FEDERAL #1
EDDY COUNTY, NEW MEXICO
 SCALE: 1" = 4,000'

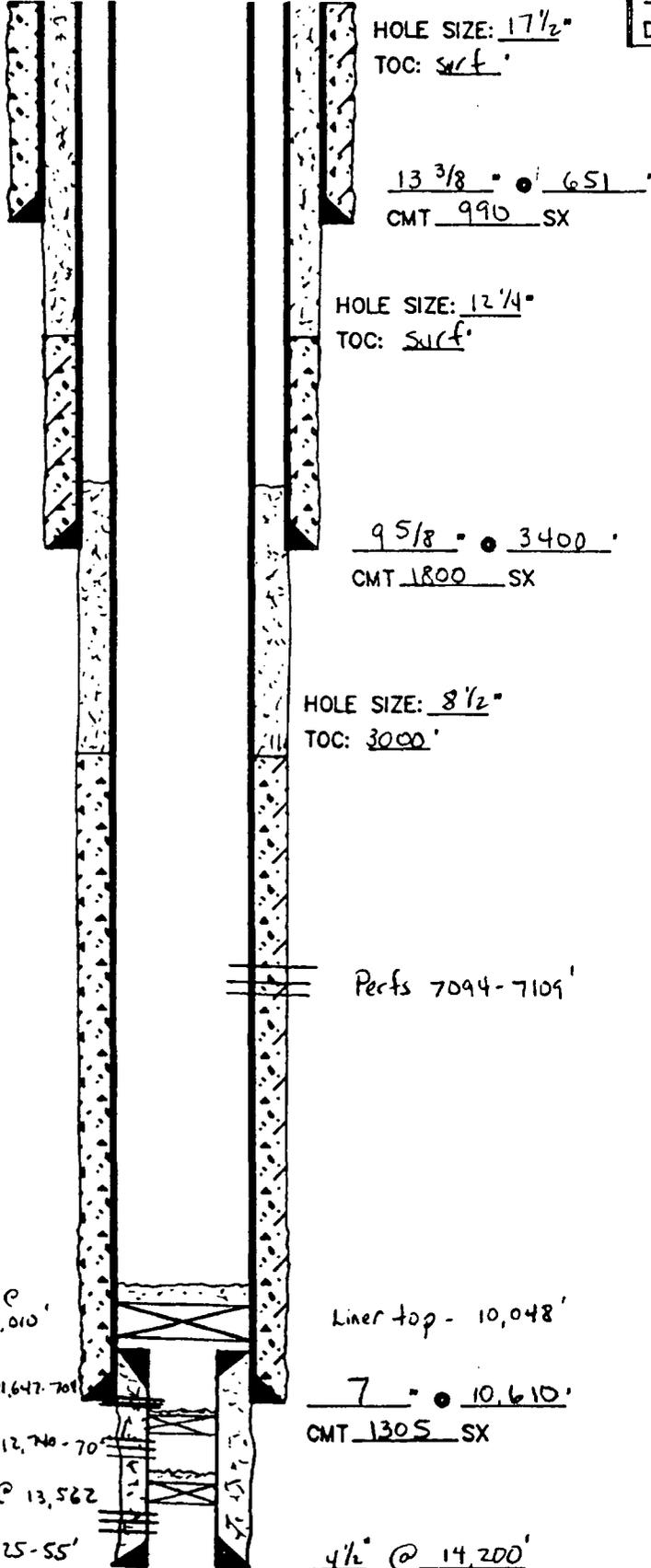
(5 AMMON)
 BOR wells
 (O PFA)

(OLD MAP)

WELLBORE SKETCH AND WELL HISTORY

ELEV.: KB 3110.5 ' , 26.5 ' ABOVE GL

LEASE & WELL NAME: Gold Rush "30" Fed #1
 FIELD: Wash Draw COUNTY: Eddy ST.:
 LOCATION: 1980' FNL - 1980' FEL Sec 30
T23S R30E
 DATE: 5/21/96 BY: RAC REV.: BY:



CASING RECORD

SURFACE CASING

O.D.	WT/FT	GRADE	SET
13 3/8"	54.5 #	J-55	65
9 5/8"	36 #		34

PRODUCTION CASING

O.D.	WT/FT	GRADE	SET
7"	26 @ 29 #	P110	10,1
4 1/2"	15.1 #	P110	14,20

TUBING

NO. JTS.	O.D.	THD.	TYPE	WT.	GDE.
226	2 7/8"				

WELL HISTORY:

7/1/94	Spud well
10/2/94	Released Rig
10/24/94	Perf 13,625 - 13,655'
10/28/94	A/ w/ 1900 gals 7 1/2% MCA
11/3/94	Set plug in plr @ 13,562' Cap w/ 35' cmt.
	Perf 12,740 - 12,770'
11/8/94	A/ 2000 gals 15% NEFE
11/15/94	A/ 5000 gals 15% NEFE
11/29/94	Set plug in plr @ 12,669' Cap w/ 35' cmt
12/1/94	Perf 11,647 - 11,704'
12/2/94	A/ 4000 gals 15% NEFE
2/25/95	Set CIBP @ 10,010' Cap w/ 35' cmt.
2/27/95	Perf 7094 - 7109'
2/28/95	A/ 750 gals 7 1/2% MCA
3/2/95	F/ 12,000 gals + 32,000 "
3/6/95	OPT F 126 BD + 176 BW + 300 r
	20/64" chd FTP - 150 psi
9/1/95	put well on rod pump

APPLICATION TO DRILL

COG OPERATING, LLC.
 GOLD RUSH "29" FEDERAL # 2
 UNIT "L" SECTION 29
 T23S-R30E EDDY CO. NM

In response to questions asked under Section II of Bulletin NTL-6 the following information on the above well is provided for your consideration.

1. Location of well: 2045' FSL & 405' FWL SECTION 29 T23S-R30E EDDY CO. NM
2. Ground Elevation above Sea Level: 3098' GR
3. Geological age of surface formation: Quaternary Deposits:
4. Drilling tools and associated equipment: Conventional rotary drilling rig using drilling mud as a circulating medium to remove solids from hole.
5. Proposed drilling depth: 7450'

6. Estimated tops of geological markers:

Lamar	3290'	Brushy Canyon	6350'
Bell Canyon	4280'	Bone Spring	7080'
Cherry Canyon	5780'	Avalon Sand	7190'

7. Possible mineral bearing formations:

Brushy Canyon	Oil
Bone Spring	Oil
Avalon Sand	Oil

8. Casing Program:

Hole Size	Interval	OD of Casing	Weight	Thread	Collar	Grade
25"	0-40'	20"	NA	NA	NA	Conductor
17½"	0- 630' 250-350'	13 3/8"	54.5	8-R	ST&C	J-55
12½"	0-3100'	8 5/8"	32	8-R	ST&C	J-55
7 7/8"	0-7450'	5½"	15.5	8-R	LT&C	J-55

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Co. Division
811 S. 1st Street
Artesia, NM 88210-2834

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

dkf

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.

Lease Serial No. **33269**

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
GOLD RUSH "30" FEDERAL #6

9. API Well No.
30-015-28978 31198

10. Field and Pool, or Exploratory Area
MASH DRAW; BRUCHY CANYON

11. County or Parish, State
EDDY COUNTY, NEW MEXICO

SUBMIT IN TRIPLICATE - Other instructions on reverse side

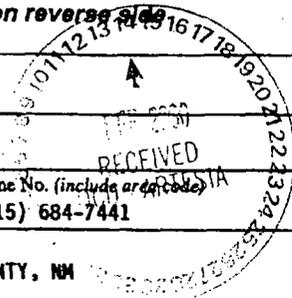
1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
MARALO, LLC

3a. Address
P. O. BOX 832, MIDLAND, TX 79702

3b. Phone No. (include area code)
(915) 684-7441

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
430' FML & 710' FEL, SECTION 30, T23S, R30E, EDDY COUNTY, NM



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

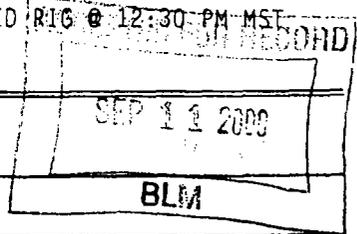
TYPE OF SUBMISSION	TYPE OF ACTION				
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off	
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> 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 checked="" type="checkbox"/> Other <u>CASING TEST & CEMENT JOB. LOGGING.</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		

GOLD RUSH "30" FEDERAL #6 EDDY COUNTY, NM

08/20/00 TD 12-1/4" HOLE @ 3285'. RU & RUN 73 JTS 8-5/8" 32# J-55 ST&C CSG. SET @ 3285'. RU BJ SERVICES & CEMENTED W/800 SXS CLASS "C" 50/50/10 W/3# SALT + 1/4# FLOCELE. TAIL W/300 SXS CLASS "C" W/2% CACL2. CEMENT CIRCULATED. BLM NOTIFIED, NO ONE PRESENT.

08/21/00 8-1/2 HRS SET SLIPS, CUT OFF CSG, NU BOP. 10 HRS TEST BOP, BLINDS, PIPE RAMS, CHOKE MANIFOLD AND KILL VALVE TO 3000 PSI. TEST HYDRIL & KELLY COCK TO 1500 PSI. DRILLED FLOAT & CEMENT, TESTED CSG TO 1000 PSI, WOC. DRILLED CEMENT SHOE, DRILLED FORMATION.

08/26-28/00 DEPTH OUT 7300'. RU RUN SWSO PLATFORM EXPRESS NEUTRON DENSITY, AIT FROM TD TO CSG W/GRN TO SURFACE. LOGGERS TD @ 7304'. 5-1/4 HRS LOGGED. 4 HRS CIRCULATED AND NOTIFIED D. WHITLOCK/BLM/CARLSBAD. RU CSG CREW RUN 175 JTS. 5-1/2" K-55 & N-80 17# LTC CSG SET @ 7300'. CEMENTED W/700 SXS 50/50/10 W/10% GEL+ 5# SALT + 1/4# CELLOFLAKE. TAILED W/200 SXS CLASS "C" MOD 15/11 + 5% SALT + 1% FL62. PLUG DOWN @ 8:05AM MST 08/27/00. CEMENT DID NOT CIRCULATE. 2 HRS ND, CUT OFF 5-1/2" CSG, NU WELLHEAD. 2-1/4 HRS JET PITS. RELEASED RIG @ 12:30 PM MST. 08/27/00. TEMP SURVEY TOC @ 3400'.



14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) **DOROTHEA LOGAN** Title **REGULATORY ANALYST**

Signature *Dorothea Logan* Date **AUGUST 28, 2000**

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 these 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.

30-015-28808

Charge or 29 Fed 1 SWD
178' FNL, 810' FWL
E-29-235-30e
Eddy, NM

SWD Order 630
Max Inj Press 1096 psi

17 1/2"

11"

7 1/8"

13 3/8" / 48 / H40 / STC @ 625' 600sx "C" 4 3/8 gal + 200sx "C" (civ 225sx)

2 1/8" / 6.5 / K56 / EVE Duoline 20 Tbg
Versaset J2 Pkr @ 5416'

TDC 2500' TS

8 5/8" / 32 / J55 / STC @ 3320' 600sx 50-50 Por C + 200sx "C" (civ 186sx)

Csg 5395-5402'
Sgsd 150sx H

- 5473-5527'
- 5592-5616'
- 5711-5740' (402)
- 6213-6254'
- 6332-6380'

RBP 7100'
+ 25sx H

7190-7220' (121)

5 1/2" / 15.5 / J55 / LTC @ 7450' 400sx "C" Lite + 340sx H

7450'

COMPANY: Santa Fe Energy Resources Inc
 WELL: Charger 29 Federal No. 1
 FIELD: Undesignated Group 4
 COUNTY: Eddy STATE: New Mexico

Run 1

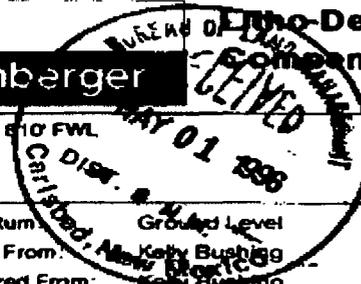
COUNTY: Eddy
 Field: Undesignated Group 4
 Location: 1780' FNL and 810' FWL
 Well: Charger 29 Federal No. 1
 Company: Santa Fe Energy Resources Inc

LOCATION

Sludgometer **Compensated Neutron**

1780' FNL and 810' FWL Elev.: K.B. 3101 F
 G.L. 3068 F
 D.F. 3100 F

Permanent Datum Ground Level Elev.: 3068 F
 Log Measured From: Kelly Bushigg 13.0 F above Perm. Datum
 Drilling Measured From: Kelly Bushigg



API Serial No. 30-015-28808 SECTION 29 TOWNSHIP 23-S RANGE 30-E

Logging Date: 12 March, 1996
 Run Number: One
 Depth Driller: 7460 F
 Schlumberger Depth: 7448 F
 Bottom Log Interval: 7406 F
 Top Log Interval: 200 F
 Casing Driller Size @ Depth: 8.625 IN @ 3320 F
 Casing Schlumberger: 3322 F
 Bit Size: 7.875 IN
 Type Fluid In Hole: Impermex/Fresh Water
 Density: 8.9 LB/G Viscosity: 29 S
 Fluid Loss: PH: 10
 Source Of Sample: Circulation Tank
 RM @ Measured Temperature: 0.147 OHMM @ 72 DEGF
 RMF @ Measured Temperature: 0.147 OHMM @ 72 DEGF
 RMC @ Measured Temperature: @
 Source RMF: Flowline
 RM @ MRT: 0.091 @ 121 RMC @ MRT: 0.091 @ 121
 Maximum Recorded Temperatures: 121 DEGF
 Circulation Stopped: 12 Mar, 1996 08.45
 Logger On Bottom: 12 Mar, 1996 1400
 Unit Number: 3015 Location: Roswell
 Recorded By: Faith M. Kara/Dave Roberts
 Witnessed By: Mike Dilli

FINAL PRINT



SWD 630

Logging Date
 Run Number
 Depth Driller
 Schlumberger Depth
 Bottom Log Interval
 Top Log Interval
 Casing Driller Size @ Depth
 Casing Schlumberger
 Bit Size
 Type Fluid In Hole
 Density Viscosity
 Fluid Loss PH
 Source Of Sample
 RM @ Measured Temperature
 RMF @ Measured Temperature
 RMC @ Measured Temperature
 Source RMF RMC
 RM @ MRT RMC @ MRT
 Maximum Recorded Temperatures
 Circulation Stopped Time
 Logger On Bottom Time
 Unit Number Location
 Recorded By
 Witnessed By

MAXIMUM STRING DIAMETER 6.88 IN
 MEASUREMENTS RELATIVE TO TOOL ZERO
 POSITION IN FEET

Output DLIS Files

DEFAULT SPEA .007 FN:6 FIELD 12-MAR-1994 14:33 7484.0 FT 125.0 FT

Integrated Hole/Cement Volume Summary

Hole Volume = 1748.35 F3
 Cement Volume = 1065.23 F3 (assuming 5.50 IN casing O.D.)
 Computed from 7484.0 FT to 3320.0 FT using data channel(s) CALI

OP System Version: 7C0-428

MBM

AIT-B RPCAX-600 CNT-H RPCAX-600
 HOLEV RPCAX-600

Changed Parameter Summary

DLIS Name	New Value	Previous Value	Depth & Time
BHS	CASED	OPEN	3258.1 16:54:38

PIP SUMMARY

- Integrated Hole Volume Minor Pip Every 10 F3
- Integrated Hole Volume Major Pip Every 100 F3
- Integrated Cement Volume Minor Pip Every 10 F3
- Integrated Cement Volume Major Pip Every 100 F3

Time Mark Every 60 S

GR Backup
 From T1 to GR1

Gamma Ray 1 (GR)



Tension (TENS)
 (LBF)

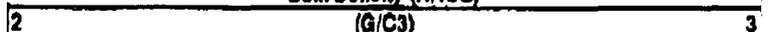


Gamma Ray (GR)
 (GAPI)

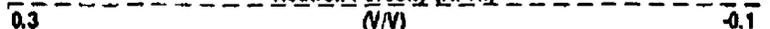


MAIN LOG

Bulk Density (RHOB)
 (G/C3)



Neutron Porosity (NPHI)
 (V/V)



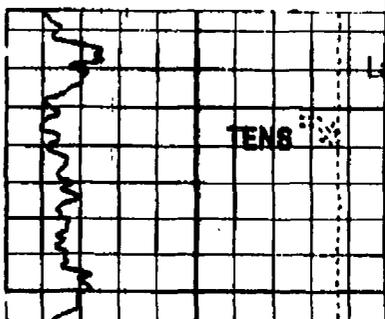
Caliper (CALI)
 (IN)



Bulk Density
 Quality
 Curve
 (BDQC)

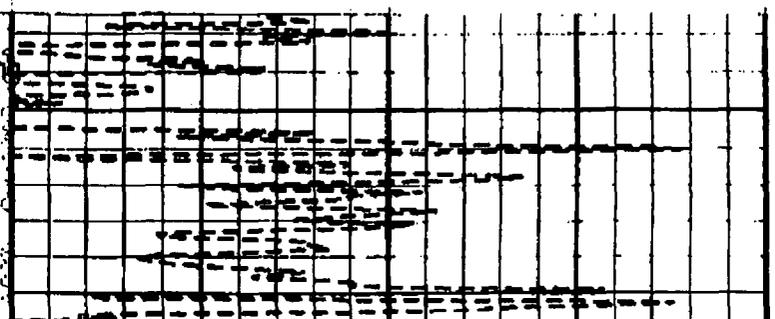
10 (---) 0

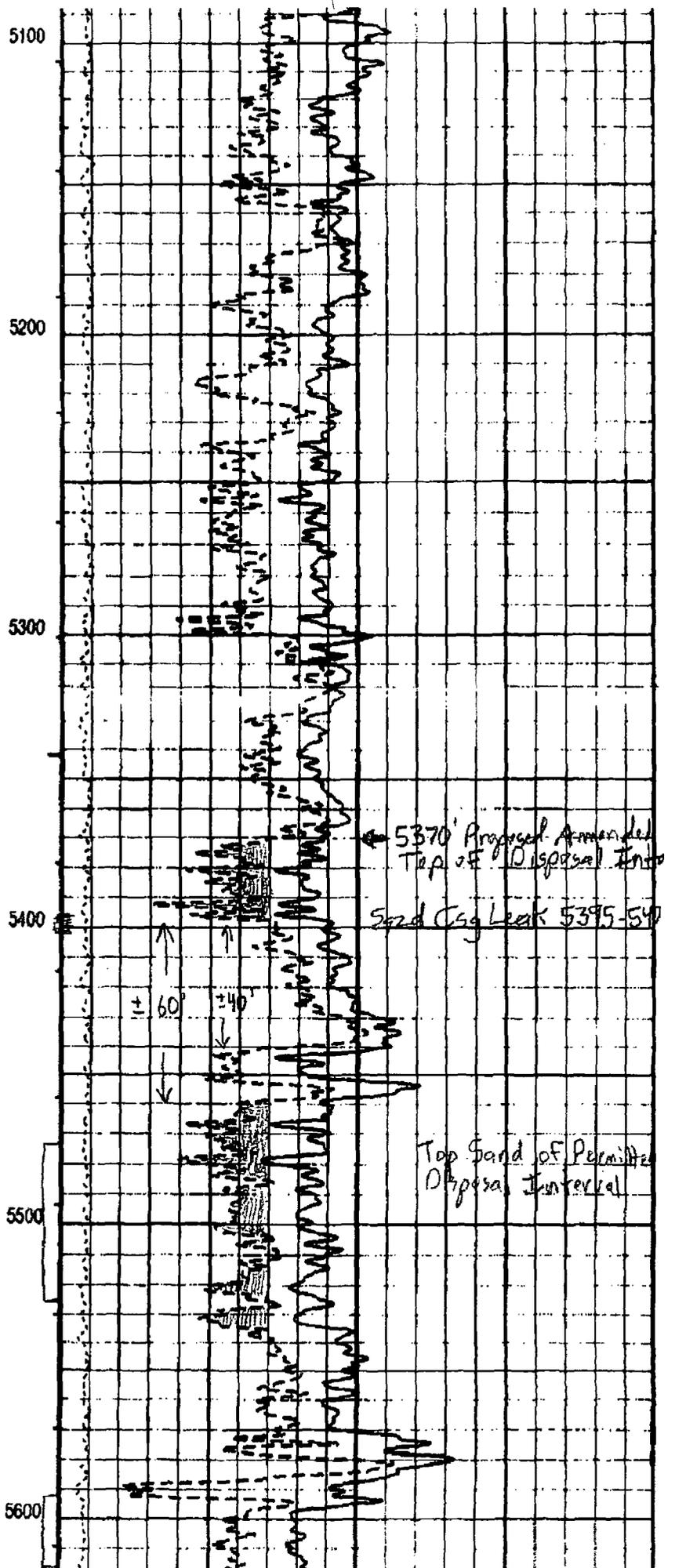
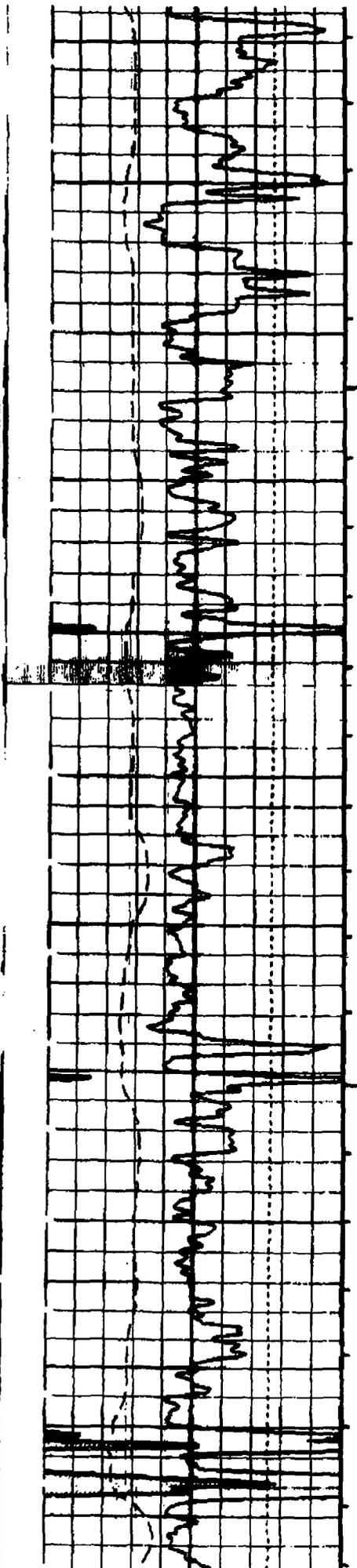
Bulk Density Correction (DRHO)
 (G/C3)



Last Reading

STIA
 200







August 28, 2012

Chevron USA Inc.
15 Smith Road
Midland, TX 79705

**Re: Amendment to C-108 Application to Inject
COG Operating LLC
Charger 29 Federal #1 SWD
Township 23 South, Range 30 East, N.M.P.M.
Section 29: 1780' FNL & 810' FWL
Eddy County, New Mexico
SWD Order 630, API 30-015-28808**

To Whom It May Concern:

COG Operating LLC is requesting administrative approval from the NMOCD to make a minor expansion to the currently permitted water disposal interval in the captioned well. The currently permitted injection interval in the Delaware Sand is 5479' to 7220'. We are requesting that the permitted injection interval be changed to 5370' to 7220' which is 109' shallower than the currently permitted injection interval.

This well has a casing leak from 5395' to 5402' which has been cement squeezed in the past, but is likely to become chronically communicated with the injection interval 77' down hole resulting in frequent workovers to re-squeeze the casing leak. We propose to include the casing leak interval in the amended injection interval so we can put the packer above the casing leak and isolate it below the packer. We propose to decrease the maximum allowable injection pressure to 1074 psi. The rest of the original C-108 submitted by Maralo is still applicable and unchanged.

The nearest shallow Delaware Sand production occurs from 4068' to 4107' in Section 30 to the west of this well. A section of the porosity log is attached showing the proximity of the porosity zone where the casing leak is relative to the porosity zone where the top of the currently approved injection interval is.

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 should you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Collins". The signature is fluid and cursive, with a large initial "B" and "C".

Brian Collins
Senior Operations Engineer

BC/dlw
Enclosure



August 28, 2012

Devon Energy Production Company, LP
333 W. Sheridan Ave.
Oklahoma City, OK 73102-5010

**Re: Amendment to C-108 Application to Inject
COG Operating LLC
Charger 29 Federal #1 SWD
Township 23 South, Range 30 East, N.M.P.M.
Section 29: 1780' FNL & 810' FWL
Eddy County, New Mexico
SWD Order 630, API 30-015-28808**

To Whom It May Concern:

COG Operating LLC is requesting administrative approval from the NMOCD to make a minor expansion to the currently permitted water disposal interval in the captioned well. The currently permitted injection interval in the Delaware Sand is 5479' to 7220'. We are requesting that the permitted injection interval be changed to 5370' to 7220' which is 109' shallower than the currently permitted injection interval.

This well has a casing leak from 5395' to 5402' which has been cement squeezed in the past, but is likely to become chronically communicated with the injection interval 77' down hole resulting in frequent workovers to re-squeeze the casing leak. We propose to include the casing leak interval in the amended injection interval so we can put the packer above the casing leak and isolate it below the packer. We propose to decrease the maximum allowable injection pressure to 1074 psi. The rest of the original C-108 submitted by Maralo is still applicable and unchanged.

The nearest shallow Delaware Sand production occurs from 4068' to 4107' in Section 30 to the west of this well. A section of the porosity log is attached showing the proximity of the porosity zone where the casing leak is relative to the porosity zone where the top of the currently approved injection interval is.

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 should you have any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "Brian Collins".

Brian Collins
Senior Operations Engineer

BC/dlw
Enclosure



RECEIVED OCD

2012 AUG 29 P 12:47

August 28, 2012

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

**Re: Amendment to C-108 Application to Inject
COG Operating LLC
Charger 29 Federal #1 SWD
Township 23 South, Range 30 East, N.M.P.M.
Section 29: 1780' FNL & 810' FWL
Eddy County, New Mexico
SWD Order 630, API 30-015-28808**

Dear Mr. Jones:

COG Operating LLC respectfully requests administrative approval to make a minor expansion to the currently permitted water disposal interval in the captioned well. The currently permitted injection interval in the Delaware Sand is 5479' to 7220'. We are requesting that the permitted injection interval be changed to 5370' to 7220' which is 109' shallower than the currently permitted injection interval.

This well has a casing leak from 5395' to 5402' which has been cement squeezed in the past, but is likely to become chronically communicated with the injection interval 77' down hole resulting in frequent workovers to re-squeeze the casing leak. We propose to include the casing leak interval in the amended injection interval so we can put the packer above the casing leak and isolate it below the packer. We propose to decrease the maximum allowable injection pressure to 1074 psi. The rest of the original C-108 submitted by Maralo is still applicable and unchanged.

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Please do not hesitate to contact us should you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Collins". The signature is fluid and cursive, with a large initial "B" and "C".

Brian Collins
Senior Operations Engineer

BC/dlw
Enclosure

**Charger 29 Federal #1 SWD
- Sec. 29, T23S - R30E
1780' FNL & 810' FWL**

7011 1570 0000 7781 2243

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620 East Greene Street	
Street, Apt. No., or PO Box No. Carlsbad, NM 88220-6292	
City, State, ZIP+4® Charger 29 Fed #1 SWD/Notification	
PS Form 3800, August 2006 See Reverse for Instructions	

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15 Smith Road	
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City, State, ZIP+4® Charger 29 Fed #1 SWD/Notification	
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Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees \$	
Sent To Devon Energy Production Co., LP	
333 W. Sheridan Ave.	
Street, Apt. No., or PO Box No. Oklahoma City, OK 73102-5010	
City, State, ZIP+4® Charger 29 Fed #1 SWD/Notification	
PS Form 3800, August 2006 See Reverse for Instructions	

Jones, William V., EMNRD

From: Brian Collins <BCollins@concho.com>
Sent: Tuesday, August 14, 2012 9:39 AM
To: Jones, William V., EMNRD
Subject: RE: Process to Get Approval to Expand Injection Interval on SWD

Will: Thanks a bunch. I'll get it started. --Brian

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]
Sent: Tuesday, August 14, 2012 10:19 AM
To: Brian Collins
Cc: Glenn Carter; Dean Chumbley
Subject: RE: Process to Get Approval to Expand Injection Interval on SWD

Brian,
Nice, thorough explanation.

Would you put your email explanation into a letter, attach the nice annotated log, and attach a map of the "affected persons" within ½ mile (see attached example) and mail the 3 page package out to Santa Fe OCD, Artesia OCD, and certified mail to the affected persons. The definition of "affected persons" is:

19.15.26.7 DEFINITIONS:

A. "Affected person" means the division designated operator; in the absence of an operator, a lessee whose interest is evidenced by a written conveyance document either of record or known to the applicant as of the date the applicant files the application; or in the absence of an operator or lessee, a mineral interest owner whose interest is evidenced by a written conveyance document either of record or known to the applicant as of the date the applicant filed the application for permit to inject.

I know this puts most of the work on Dean – sorry Dean. After the 15 days, I will issue an amended permit. This is much better than spending money squeezing that well.

Have a nice week,

Will

From: Brian Collins [mailto:BCollins@concho.com]
Sent: Tuesday, August 14, 2012 7:37 AM
To: Jones, William V., EMNRD
Cc: Glenn Carter; Dean Chumbley
Subject: RE: Process to Get Approval to Expand Injection Interval on SWD

Will:

The example well is the Charger 29 Fed 1 SWD in Sec 29-23s-30e, Eddy County (API 30-015-28808, SWD Order 630). The permitted injection interval is the Delaware Sand 5479-7220'. In late 2010 this well had a casing leak 5395-5402' that was squeezed with 150 sx cement. The packer is set at 5425'. This leak is within 77' of the top of the permitted interval and 23' above the packer.

It appears there is pressure on the tubing x casing annulus so we're going to take action to see if there is a leak and, if so, repair the well. If there is a leak, I suspect there could be communication from the top of the injection interval to the squeezed leak at 5402'. If this is the case, I think we'll always be fighting a battle with communication behind casing due to the proximity of the leak to the injection zone.

I think the solution is to expand the injection interval to include the interval with the previously squeezed casing leak since it's in the Delaware and is so close to the existing permitted injection interval. The sand across the leak appears to be 40 to 60' above the top of the porosity of the sand at the top of the injection interval. A porosity log section is attached. I would propose to expand the approved injection interval to 5370-7220' (109' shallower). We would set the packer at approximately 5320' and limit the injection pressure to a maximum of 1074 psi. The nearest shallow Delaware production occurs from 4068' to 4107' in Section 30 to the west. Let me know how you want us to handle this and I'll get started on it. Thanks.

Brian

From: Jones, William V., EMNRD [<mailto:William.V.Jones@state.nm.us>]
Sent: Monday, August 13, 2012 12:47 PM
To: Brian Collins
Cc: Dean Chumbley; Glenn Carter
Subject: RE: Process to Get Approval to Expand Injection Interval on SWD

Brian,
Let me know what formation and depths are already permitted and what you propose.

Normally this would require a new C-108, but sometimes just a letter stating what you want to do will work. For example, if it is deepening in the Devonian or other reservoir that has a known oil-water contact and doesn't reach a deeper formation, a letter would be fine.

Will

From: Brian Collins [<mailto:BCollins@concho.com>]
Sent: Monday, August 13, 2012 8:12 AM
To: Jones, William V., EMNRD
Cc: Dean Chumbley; Glenn Carter
Subject: Process to Get Approval to Expand Injection Interval on SWD

Will: If I wanted to expand the permitted injection interval on an existing SWD, what process do I need to do? Does it require a new C108 application or some type of amendment request to the original C108? Thanks.

Brian Collins
Senior Operations Engineer - NM Basin
COG OPERATING LLC
2208 W Main St
Artesia, New Mexico 88210-3720
575.748.6983 W
432-254-5870 C



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

CHECKLIST for ADMINISTRATIVE INJECTION APPLICATIONS

Operator: MARALU, INC. Well: CHARGER '29' Fed. No. 1

Contact: RICHARD GILL Title: P.E. Phone: 915-684-7441

DATE IN 5-28-96 RELEASE DATE 6-12-96 DATE OUT 6-28-96 8/30/12

Proposed Injection Application is for: **WATERFLOOD** Expansion Initial

Original Order: R- Secondary Recovery Pressure Maintenance

SENSITIVE AREAS

SALT WATER DISPOSAL Commercial Well

1 SECTION
To SW

WIPP Capitan Reef

Data is complete for proposed well(s)? YES Additional Data Req'd NO

AREA of REVIEW WELLS

5 3 Total # of AOR

0 # of Plugged Wells

YES Tabulation Complete

Schematics of P & A's

YES Cement Tops Adequate

AOR Repair Required

**5 ACTIVE
ANALOG
WELLS**

INJECTION FORMATION

Injection Formation(s) DELAWARE Compatible Analysis YES

Source of Water or Injectate AREA PRODUCTION (DRUSM CANYON, ETC.)

PROOF of NOTICE

Copy of Legal Notice

YES Information Printed Correctly

Correct Operators

N/A Copies of Certified Mail Receipts

NO Objection Received

Set to Hearing Date

NOTES: _____

APPLICATION QUALIFIES FOR ADMINISTRATIVE APPROVAL? YES

COMMUNICATION WITH CONTACT PERSON:

Contact	Method	Letter	Date	Nature of Discussion
1st Contact:	<input type="checkbox"/> Telephoned	<input type="checkbox"/> Letter	_____	_____
2nd Contact:	<input type="checkbox"/> Telephoned	<input type="checkbox"/> Letter	_____	_____
3rd Contact:	<input type="checkbox"/> Telephoned	<input type="checkbox"/> Letter	_____	_____