

ABOVE THIS LINE FOR DIVISION USE ONLY

*8/22/15
Final
ITEM*

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 *operator: COG Operating LLC*
 NSL NSP SD *well: Macho Nacho 7 state SWD #2*
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement *API: 30-025-Pending*
 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 *Brian Collins* Operations Engineering Advisor 20 May 2015
 Print or Type Name Signature Title Date
bcollins@concho.com
 e-mail Address



RECEIVED OGD

May 19, 2015

2015 MAY 27 P 3:22

New Mexico Oil Conservation Division
Attn: Phillip Goetze
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: Application For Authorization To Inject
Macho Nacho 7 State SWD #2
Township 24 South, Range 33 East, N.M.P.M.
Section 7: 330' FSL & 330' FWL
Lea County, New Mexico

Dear Mr. Goetze:

COG Operating LLC respectfully requests administrative approval for authorization to inject for the referenced well. 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.

Our geologic prognosis has the top of the Devonian at 17250'. I'm permitting the injection interval a couple of hundred feet shallower than the prognosis just in case the formation tops are different than expected due to the lack of deep well control in this area. We will likely call TD about 1250' to 1500' below the actual top of the Devonian when we drill the well.

(17050 - 18750)
(OH)

Please do not hesitate to contact me at (575) 748-6940 should you have any questions.

Sincerely,

Brian Collins
Operations Engineering Advisor

BC/sw
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 West Main St, 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: Operations Engineering Advisor

SIGNATURE:  DATE: 20 May 2015

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
MACHO NACHO 7 STATE SWD #2
330' FSL, 330' FWL
Unit M, Section 7, T24S, R33E
Lea County, NM

COG Operating, LLC, proposes to drill the captioned well to 18,750' for salt water disposal service into the Devonian/Silurian/Upper Ordovician from approximately 17,050' to 18,750'. A drilling permit will be submitted after 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 = 17,300 BWPD
Proposed maximum daily injection rate = 25,000 BWPD
 - 2. Closed system
 - 3. Proposed maximum injection pressure = 3410 psi
(0.2 psi/ft. x 17,050' ft.)
 - 4. Source of injected water will be Delaware Sand, Bone Spring Sand and Wolfcamp produced waters. No compatibility problems are expected. Analyses of Delaware, Bone Spring and Wolfcamp waters from analogous source wells are attached.
- VIII. The injection zone is the Devonian/Silurian/Upper Ordovician, a mixture of non-hydrocarbon bearing limestone and dolomite from 17050' to 18750'.
Any underground water sources will be shallower than 1171', the estimated top of the Rustler Anhydrite.
- IX. The Devonian/Silurian/Upper Ordovician injection interval will be acidized with approximately 40,000 gals of 20 % HCl acid.
- X. Well logs will be filed with the Division. There are no nearby Devonian penetrations so no analog well logs are available.
- XI. There are no fresh water wells within a mile of the proposed SWD well.
- 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: Macho Nacho 7 State SWD #2

WELL LOCATION: 330' FSL 330' FWL M 7 24s 33e
FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGE

WELLBORE SCHEMATIC

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 26" Casing Size: 20" @ ± 1200'

Cemented with: - sx. or 3500 ft³

Top of Cement: Surface Method Determined: Design

Intermediate Casing

Hole Size: 17 1/2" Casing Size: 13 3/8" @ ± 5000'
12 1/4" Casing Size: 9 5/8" @ ± 12250'

Cemented with: - sx. or ± 6500 ft³
± 3500

Top of Cement: Surface Method Determined: Design
4500' Design

Production Casing

Hole Size: 8 1/2" Casing Size: 7" liner ± 12000 - 17050'

Cemented with: - sx. or 1000 ft³

Top of Cement: Top of liner Method Determined: Design

Total Depth: 18750'

Injection Interval

17050' feet to 18750'

(Perforated or Open Hole; indicate which)

See Attached Schematic

INJECTION WELL DATA SHEET

Tubing Size: 4 1/2" Lining Material: Glassbore / Ovaline 20

Type of Packer: CRA 10K Permanent PKr

Packer Setting Depth: ± 17000'

Other Type of Tubing/Casing Seal (if applicable): N/A

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 / Silurian / Ordovician

3. Name of Field or Pool (if applicable): Triple X

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

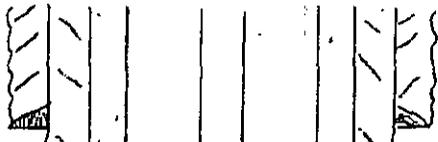
Overlying : Delaware 4964-5063', Bone Spring 10396-11050',
Wolfcamp 12693-13708', Morrow 14922-14932'

30-025-

Macho Nacho 7 State SWD # 2
330' FSL, 330' FWL
M-7-24s-33e
Leq, NM

Zerr:
HB:
GL:

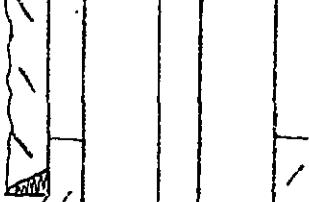
26"



20" / / /

@ ±1200' ±3500 CF Cmt
(cirt)

17 1/2"

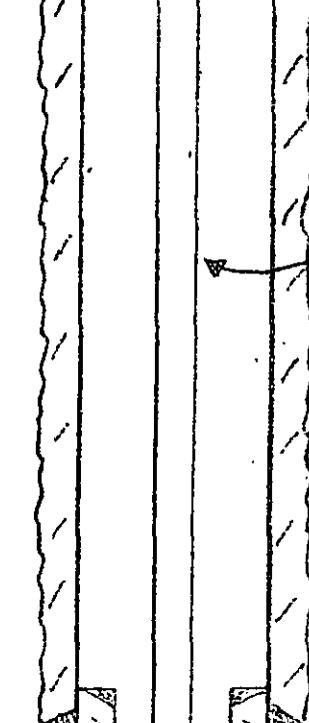


TOC ±4500' Design

13 3/8" / / /

@ ±5000' ±6500 CF Cmt
(cirt)

12 1/4"

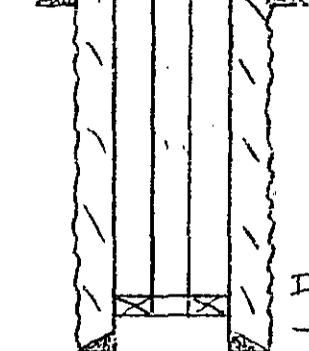


4 1/2" Inj. Tbg.

9 5/8" / / /

@ ±12250' ±3500' CF Cmt

8 1/2"



Inj Pkr ±17000'

7" / / /

Liner @ ±12000'-17050'
±1000 CF Cmt (cirt)

6 1/8"

18750'

Devonian / Silurian / Ordovician OH

V.

MAP

VI.

**No Wells Penetrate
Proposed Disposal
Interval Within Half
Mile Area of Review**

VII.

Water Analysis Produced Formation Water

**No Water Analyses
Available for Receiving
Formation**

WATER SAMPLES REPRESENTATIVE OF WATER BEING INJECTED INTO THE PROPOSED SWD WELL												
Delaware												
2012103128	Gehrig	Fed #2	William D Polk	2/15/2012	1/10/2012	1.16	4.00	251245.24	6.47		25915.00	3525.76
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)
2012104723	Phantom 18 State	2H	William D Polk	2/29/2012	1/6/2012	1.09	2.23	136209.81	6.52		6156.63	1132.53
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
2011128833	Trail Boss 4	4H	William D Polk	9/30/2011	9/21/2011	1.05	1.31	78745.89	7.10		3143.00	406.00

81017.80	66969.32	1342.77	64.22	35.40	4.51	1492.00	24.27		122.00	0.00		450.00	151300.00	250.00	0.00
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)
20530.54	43509.27	957.44	0.00	28.72	0.00	414.86	1.36		159.00	0.00		850.00	83000.00	140.00	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
10421.23	27950.00	433.00		15.00	2.48	780.00	0.41		366.00	0.00		150.00	45500.00	140.00	0.00

X.

**No Log Available Across
Proposed
Devonian/Silurian/Upper
Ordovician Injection Interval**

XI.

**Fresh Water Sample
Analyses**



New Mexico Office of the State Engineer

Active & Inactive Points of Diversion

(with Ownership Information)

(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)

WR File Nbr	Sub Basin	Use	Diversion	Owner	County	POD Number	Code	Grant	Source	Q1	Q2	Q3	Q4	Sec	Twp	Rng	UTM X	UTM Y
C 02431		COM	15	MARK T. AND ANNETTE E. MCCLOY	LE	C 02431			Shallow	4	4	4	17	24S	33E		633175	3564728*
C 02432		COM	128	MARK T. AND ANNETTE E. MCCLOY	LE	C 02432			Shallow	4	4	4	17	24S	33E		633175	3564728*
C 03565		EXP	0	INTERNATIONAL POTASH CORP USA	LE	C 03565 POD1				1	4	06	24S	33E		630870	3568316	
					LE	C 03565 POD2				3	4	07	24S	33E		631155	3566515	
					LE	C 03565 POD3				3	4	08	24S	33E		632763	3566546	
					LE	C 03565 POD7				2	2	06	24S	33E		631361	3569250	
C 03591	C	EXP	0	INTERCONTINENTAL POTASH CORP	LE	C 03591 POD1			Artesian	2	1	4	05	24S	33E		632731	3568518

Boreholes for mineral exploration - no water appropriation

Record Count: 7

PLSS Search:
Section(s): 5, 6, 7, 8, 17, 18 Township: 24S Range: 33E
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.



Transaction Summary

EXPL Permit To Explore

Transaction Number: 509298

Transaction Desc: C 03565

File Date: 06/14/2012

Primary Status: PMT Permit

Secondary Status: APR Approved

Person Assigned: *****

Applicant: INTERCONTINENTAL POTASH CORP.

Contact: TOM COPE

Events

Date	Type	Description	Comment	Processed By
06/14/2012	APP	Application Received	*	*****
08/07/2012	FTN	Finalize non-published Trans.		*****
12/11/2012	LOG	Well Log Received	*	*****
12/18/2012	QAT	Quality Assurance Completed	IMAGES	*****
12/18/2012	DRY	Dry well log received		*****
04/02/2013	LOG	Well Log Received	*POD8	*****
04/02/2013	DRY	Dry well log received	POD8	*****
04/02/2013	LOG	Well Log Received	*POD9	*****
04/02/2013	DRY	Dry well log received	POD9	*****
05/07/2013	QAT	Quality Assurance Completed	IMAGES WELL RECORDS PODS 8-9	*****

Water Right Information

WR File Nbr	Acres	Diversion	Consumptive	Purpose of Use
C 03565	0	0		EXP EXPLORATION

**Point of Diversion

C 03565 POD2	631156	3566515	
C 03565 POD3	632763	3566546	
C 03565 POD4	633672	3567057	
C 03565 POD1	630871	3568316	
C 03565 POD5	634135	3566496	
C 03565 POD9	636430	3565005	
C 03565 POD6	635022	3566373	
C 03565 POD7	631361	3569250	
C 03565 POD8	635485	3565610	

Conditions

- 2 The well shall be constructed to artesian well specifications and the State Engineer shall be notified before casing is landed or cemented
- 4 No water shall be appropriated and beneficially used under this permit. 
- C Driller's well record must be filed with the State Engineer within 20 days after the well is drilled or driven. Well record forms will be provided by the State Engineer upon request.
- G If artesian water is encountered, all rules and regulations pertaining to the drilling and casing of artesian wells shall be complied with.
- P The well shall be constructed, maintained, and operated to prevent inter-aquifer exchange of water and to prevent loss of hydraulic head between geologic zones.

Action of the State Engineer

**** See Image For Any Additional Conditions of Approval ****

Approval Code: A - Approved

Action Date: 08/07/2012

Log Due Date: 08/31/2013

State Engineer: Scott A. Verhines, P.



Transaction Summary

EXPL Permit To Explore

Transaction Number: 517368

Transaction Desc: C-3591 BOREHOLES

File Date: 11/20/2012

Primary Status: PMT Permit

Secondary Status: LOG Well Log Received

Person Assigned: *****

Applicant: INTERCONTINENTAL POTASH CORP

Contact: TOM COPE

Events

	Date	Type	Description	Comment	Processed By
	11/20/2012	APP	Application Received	*	*****
	11/21/2012	FTN	Finalize non-published Trans.		*****
	01/25/2013	LOG	Well Log Received	*POD1	*****
	02/19/2013	QAT	Quality Assurance Completed	IMAGES	*****
	04/03/2013	QAT	Quality Assurance Completed	IMAGES WELL RECORD	*****

Water Right Information

WR File Nbr	Acres	Diversion	Consumptive	Purpose of Use
C 03591	0	0		EXP EXPLORATION

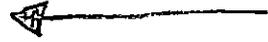
**Point of Diversion

C 03591 POD1 632732 3568518

Remarks

"BOREHOLE FOR MINERAL EXPLORATION"

Conditions

- 2 The well shall be constructed to artesian well specifications and the State Engineer shall be notified before casing is landed or cemented
- 4 No water shall be appropriated and beneficially used under this permit. 
- C Driller's well record must be filed with the State Engineer within 20 days after the well is drilled or driven. Well record forms will be provided by the State Engineer upon request.
- G If artesian water is encountered, all rules and regulations pertaining to the drilling and casing of artesian wells shall be complied with.
- P The well shall be constructed, maintained, and operated to prevent inter-aquifer exchange of water and to prevent loss of hydraulic head between geologic zones.
- C2 No water shall be diverted from this well except for testing purposes which shall not exceed twenty (20) cumulative days, and well shall be plugged or capped on or before, unless a permit to use water from this well is acquired from the Office of the State Engineer.

Action of the State Engineer



New Mexico Office of the State Engineer

Active & Inactive Points of Diversion

(with Ownership Information)

(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)

WR File Nbr.	Sub	Basin	Use	Diversion	Owner	County	POD Number	Code	Grant	Source	64	16	4	Sec	Twp	Range	X	Y
C 01896	C	STK	0	US DEPT OF INTERIOR BUREAU OF LAND MANAGEMENT	LE	C 01896	Permit expired.			3	4	3	12	24S	32E	628946	3566287	
C 01932	C	STK	3	MARK MCCLOY	ED	C 01932	> 1 mile away			Shallow	3	1	12	24S	32E	628633	3567188	

Record Count: 2

PLSS Search:

Section(s): 1, 12, 13 **Township:** 24S **Range:** 32E

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.



Transaction Summary

72121 All Applications Under Statute 72-12-1

Transaction Number: 465298

Transaction Desc: C 01896

File Date: 03/06/1980

Primary Status: EXP Expired Permit

Secondary Status: EXP Expired

Person Assigned: *****

Applicant: US DEPT OF INTERIOR BUREAU OF LAND MANAGEMENT

Contact: DAVID BOEHLER

Events

Date	Type	Description	Comment	Processed By
03/06/1980	APP	Application Received	*	*****
03/07/1980	FIN	Final Action on application		*****
03/07/1980	WAP	General Approval Letter		*****
12/02/1980	EXP	Expired Permit (well log late)		*****
05/19/2011	ARV	Rec & Arch - file location	C 01896 Box: 1868	*****

Change To:

WR File Nbr	Acres	Diversion	Consumptive	Purpose of Use
C 01896		3		STK 72-12-1 LIVESTOCK WATERING

**Point of Diversion

C 01896	628946	3566287*
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An () after northing value indicates UTM location was derived from PLSS - see Help

Remarks

"RE-ENTRY OF ABANDONED OIL WELL (DRY HOLE) TO CONVERT TO WATER WELL - PROPOSE TO DRILL OUT SURFACE PLUG (O-35') AND PERFORATE 8-5/8 CASING IN REPORTED AQUIFER BETWEEN 240' AND 440'." CONTINENTAL OIL COMPANY.

ABSTRACTORS NOTE: NO WELL RECORD IS ON FILE WITH THE OFFICE OF THE STATE ENGINEER. HAND WRITTEN NOTE ON APPLICATIONS "NOT DRILLED 12/02/80 P.C"

Conditions

- 4 Use shall be limited to household, non-commercial trees, lawn and garden not to exceed one acre and/or stock use.
- 1A Depth of the well shall not exceed the thickness of the valley fill.

Action of the State Engineer

** See Image For Any Additional Conditions of Approval **

Approval Code: A - Approved

Action Date: 03/07/1980

Log Due Date: 03/31/1981

State Engineer:

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

POD Number
C 01932

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

Q64.Q16 Q4 Sec Tws Rng
3 1 12 24S 32E

(NAD83 UTM in meters)

X Y
628633 3567188*

Driller License: 421

Driller Name: GLENN, CLARK A. "CORKY" (LD)

Drill Start Date: 10/13/1980

Drill Finish Date: 10/27/1980

Plug Date:

Log File Date: 12/15/1980

PCW/Rcv Date:

Source: Shallow

Pump Type:

Pipe Discharge Size:

Estimated Yield:

Casing Size: 6.63

Depth Well: 492 feet

Depth Water:

Casing Perforations:	Top	Bottom
	80	98
	235	250
	382	405
	428	440

*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.

T24S R32E 2

SE SW

SW SE

SE SE

T24S R32E 1

SW SW

SE SW

SW SE

NE NW

NW NE

NE NE

NW NW

NE NW

NW NE

SE NW

SW

SE NE

T24S R32E 11

SW NW

C-1932

SW NE

T24S R32E 12

NE SW

NE E

NE SE

NW SW

NE SW

NW SE

SE SW

SW SE

SE SE

SW SW

SE SW

SW SE



May 19, 2015

New Mexico State Land Office
310 Old Santa Fe Trail,
Santa Fe, NM 87501

RE: Application For Authorization To Inject
Macho Nacho 7 State SWD #2
Township 24 South, Range 33 East, N.M.P.M.
Section 7: 330' FSL & 330' FWL
Lea 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.

This well will not be a commercial SWD well. 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
Operations Engineering Advisor

BC/bg
Enclosures



May 19, 2015

Hobbs News-Sun
P.O. Box 850
Hobbs, NM 88240

**Re: Legal Notice
Salt Water Disposal Well
Macho Nacho 7 State SWD #2**

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 black ink, appearing to read "Brian Collins".

Brian Collins
Operations Engineering Advisor

BC/sw
Enclosures

CORPORATE ADDRESS

One Concho Center | 600 West Illinois Avenue | Midland, Texas 79701
PHONE 432.683.7443 | FAX 432.683.7441

LOCAL ADDRESS

Concho West | 2208 West Main Street | Artesia, New Mexico 88210
PHONE 575.748.6940 | FAX 575.748.6968

HOBBS NEWS-SUN
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 Macho Nacho 7 State SWD No. 2 is located 330' FSL and 330' FWL, Section 7, Township 24 South, Range 33 East, Lea 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 17,050' to 18,750' at a maximum surface pressure of 3410 psi and a maximum rate of 25,000 BWPD. The proposed SWD well is located approximately 27 miles west/northwest of Jal. 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 Hobbs News-Sun Hobbs, New Mexico
_____, 2015.



May 19, 2015

Chevron USA Inc.
15 Smith Rd.
Houston, TX 79705

**RE: Application For Authorization To Inject
Macho Nacho 7 State SWD #2
Township 24 South, Range 33 East, N.M.P.M.
Section 7: 330' FSL & 330' FWL
Lea County, New Mexico**

To Whom It May Concern:

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Please do not hesitate to contact us at 575-748-6940 should you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Brian Collins".

Brian Collins
Operations Engineering Advisor

BC/sw
Enclosures



May 19, 2015

Chevron USA Inc.
4508 N Big Spring St.
Midland, TX 79705

**RE: Application For Authorization To Inject
Macho Nacho 7 State SWD #2
Township 24 South, Range 33 East, N.M.P.M.
Section 7: 330' FSL & 330' FWL
Lea County, New Mexico**

To Whom It May Concern:

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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
Operations Engineering Advisor

BC/sw
Enclosures



May 19, 2015

Chevron USA Inc.
3310 W Wall St
Midland, TX 79701

RE: Application For Authorization To Inject
Macho Nacho 7 State SWD #2
Township 24 South, Range 33 East, N.M.P.M.
Section 7: 330' FSL & 330' FWL
Lea County, New Mexico

To Whom It May Concern:

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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
Operations Engineering Advisor

BC/sw
Enclosures

CORPORATE ADDRESS

One Concho Center | 600 West Illinois Avenue | Midland, Texas 79701
PHONE 432.683.7443 | FAX 432.683.7441

LOCAL ADDRESS

Concho West | 2208 West Main Street | Artesia, New Mexico 88210
PHONE 575.748.6940 | FAX 575.748.6968



May 19, 2015

Cimarex Energy Company
600 North Marienfeld #600
Midland, TX 79701

RE: Application For Authorization To Inject
Macho Nacho 7 State SWD #2
Township 24 South, Range 33 East, N.M.P.M.
Section 7: 330' FSL & 330' FWL
Lea County, New Mexico

To Whom It May Concern:

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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
Operations Engineering Advisor

BC/sw
Enclosures

CORPORATE ADDRESS

One Concho Center | 600 West Illinois Avenue | Midland, Texas 79701
PHONE 432.683.7443 | FAX 432.683.7441

LOCAL ADDRESS

Concho West | 2208 West Main Street | Artesia, New Mexico 88210
PHONE 575.748.6940 | FAX 575.748.6968



May 19, 2015

Conoco Phillips Company
P.O. Box 7500
Bartlesville, Oklahoma 74005

**RE: Application For Authorization To Inject
Macho Nacho 7 State SWD #2
Township 24 South, Range 33 East, N.M.P.M.
Section 7: 330' FSL & 330' FWL
Lea County, New Mexico**

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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
Operations Engineering Advisor

BC/sw
Enclosures



May 19, 2015

Magnum Hunter Production, Inc.
5215 N. O'Conner Blvd. #1500
Irving, TX 75039

RE: Application For Authorization To Inject
Macho Nacho 7 State SWD #2
Township 24 South, Range 33 East, N.M.P.M.
Section 7: 330' FSL & 330' FWL
Lea 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
Operations Engineering Advisor

BC/sw
Enclosures

CORPORATE ADDRESS

One Concho Center | 600 West Illinois Avenue | Midland, Texas 79701
PHONE 432.683.7443 | FAX 432.683.7441

LOCAL ADDRESS

Concho West | 2208 West Main Street | Artesia, New Mexico 88210
PHONE 575.748.6940 | FAX 575.748.6968



May 19, 2015

OXY USA, Inc.
P.O. Box 50250
Midland, TX 79710

RE: Application For Authorization To Inject
Macho Nacho 7 State SWD #2
Township 24 South, Range 33 East, N.M.P.M.
Section 7: 330' FSL & 330' FWL
Lea County, New Mexico

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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
Operations Engineering Advisor

BC/sw
Enclosures



May 19, 2015

Ronnie Martin
1604 Bridle Path
Odessa, TX 79763

**RE: Application For Authorization To Inject
Macho Nacho 7 State SWD #2
Township 24 South, Range 33 East, N.M.P.M.
Section 7: 330' FSL & 330' FWL
Lea 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
Operations Engineering Advisor

BC/sw
Enclosures

CORPORATE ADDRESS

One Concho Center | 600 West Illinois Avenue | Midland, Texas 79701
PHONE 432.683.7443 | FAX 432.683.7441

LOCAL ADDRESS

Concho West | 2208 West Main Street | Artesia, New Mexico 88210
PHONE 575.748.6940 | FAX 575.748.6968



May 19, 2015

SOGO II, LLC
310 W Wall, Ste. 1000
Midland, TX 79701

**RE: Application For Authorization To Inject
Macho Nacho 7 State SWD #2
Township 24 South, Range 33 East, N.M.P.M.
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Lea County, New Mexico**

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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
Operations Engineering Advisor

BC/sw
Enclosures



May 19, 2015

Oil Conservation Division
Attn: Paul Kautz
1625 North French Dr.
Hobbs, NM 88240

RE: Application For Authorization To Inject
Macho Nacho 7 State SWD #2
Township 24 South, Range 33 East, N.M.P.M.
Section 7: 330' FSL & 330' FWL
Lea County, New Mexico

Dear Mr. Kautz:

COG Operating LLC respectfully requests administrative approval for authorization to inject for the referenced well. 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.

Our geologic prognosis has the top of the Devonian at 17250'. I'm permitting the injection interval a couple of hundred feet shallower than the prognosis just in case the formation tops are different than expected due to the lack of deep well control in this area. We will likely call TD about 1250' to 1500' below the actual top of the Devonian when we drill the well.

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
Operations Engineering Advisor

BC/sw
Enclosures

CORPORATE ADDRESS

One Concho Center | 600 West Illinois Avenue | Midland, Texas 79701
PHONE 432.683.7443 | FAX 432.683.7441

LOCAL ADDRESS

Concho West | 2208 West Main Street | Artesia, New Mexico 88210
PHONE 575.748.6940 | FAX 575.748.6968



May 19, 2015

New Mexico Oil Conservation Division
Attn: Phillip Goetze
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: Application For Authorization To Inject
Macho Nacho 7 State SWD #2
Township 24 South, Range 33 East, N.M.P.M.
Section 7: 330' FSL & 330' FWL
Lea County, New Mexico

Dear Mr. Goetze:

COG Operating LLC respectfully requests administrative approval for authorization to inject for the referenced well. 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.

Our geologic prognosis has the top of the Devonian at 17250'. I'm permitting the injection interval a couple of hundred feet shallower than the prognosis just in case the formation tops are different than expected due to the lack of deep well control in this area. We will likely call TD about 1250' to 1500' below the actual top of the Devonian when we drill the well.

Please do not hesitate to contact me at (575) 748-6940 should you have any questions.

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Brian Collins
Operations Engineering Advisor

BC/sw
Enclosures

CORPORATE ADDRESS

One Concho Center | 600 West Illinois Avenue | Midland, Texas 79701
PHONE 432.683.7443 | FAX 432.683.7441

LOCAL ADDRESS

Concho West | 2208 West Main Street | Artesia, New Mexico 88210
PHONE 575.748.6940 | FAX 575.748.6968



May 19, 2015

New Mexico State Land Office
310 Old Santa Fe Trail,
Santa Fe, NM 87501

RE: Application For Authorization To Inject
Macho Nacho 7 State SWD #2
Township 24 South, Range 33 East, N.M.P.M.
Section 7: 330' FSL & 330' FWL
Lea County, New Mexico

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This well will not be a commercial SWD well. 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
Operations Engineering Advisor

BC/bg
Enclosures

CORPORATE ADDRESS

One Concho Center | 600 West Illinois Avenue | Midland, Texas 79701
PHONE 432.683.7443 | FAX 432.683.7441

LOCAL ADDRESS

Concho West | 2208 West Main Street | Artesia, New Mexico 88210
PHONE 575.748.6940 | FAX 575.748.6968

Jones, William V, EMNRD

From: Brian Collins <BCollins@concho.com>
Sent: Monday, August 24, 2015 6:31 AM
To: Jones, William V, EMNRD
Cc: Jason Hanzel; Marissa Villa
Subject: FW: COG C-108 Macho Nacho 7 State SWD 2 (Devonian Silurian Ordovician, 7-24s-33e)
Attachments: 8-21-2015 10-46-00 AM.png

Will:

Neither the Gold Coast 26 Fed SWD 3 nor the Macho Nacho 7 State SWD 2 proposed Devonian SWD wells are on a Devonian structure. Please see the attached structure map and our geologist's comments below. I believe Marissa Villa will send you the proof of notice items you requested. Let me know if you need anything else or have questions. Thanks.

Brian Collins

Operations Engineering Advisor
NM Basin Team

COG OPERATING LLC
2208 W. Main Street
Artesia, New Mexico 88210-3720
Phone # 575.748.6924
Email: bcollins@concho.com



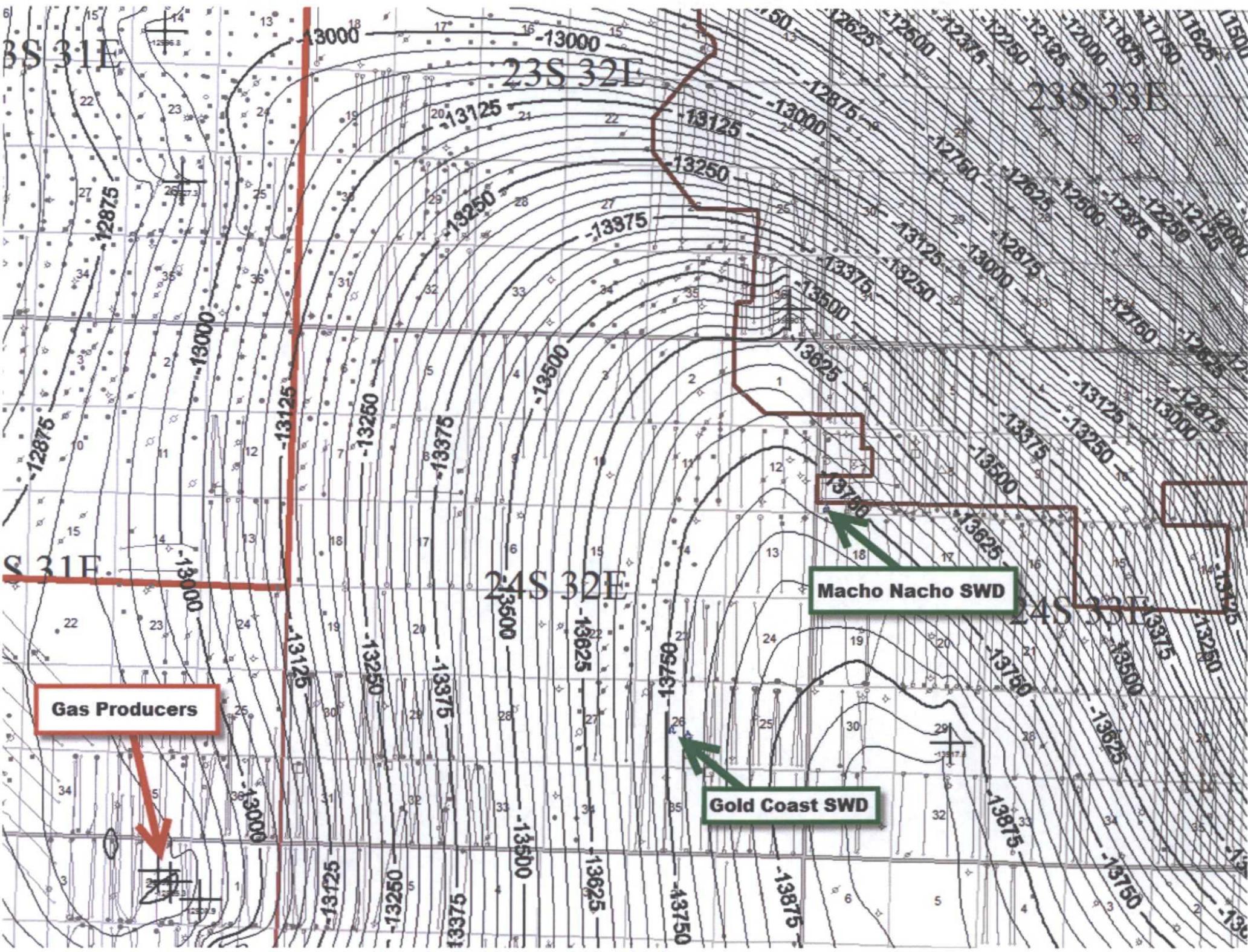
From: Jason Hanzel
Sent: Friday, August 21, 2015 9:52 AM
To: Brian Collins; Marissa Villa
Subject: RE: COG C-108 Macho Nacho 7 State SWD 2 (Devonian Silurian Ordovician, 7-24s-33e)

Brian,

I have attached a structure map of the area, it appears both the Gold Coast SWD and the Macho Nacho SWD are not on any type of Devonian structure. I have highlighted each well and shown the area to the southwest that is a Devonian gas producing area which is on a structure on the map. This map was also confirmed by seismic. Let me know if you need anything else.

Thanks,
Jason Hanzel

From: Brian Collins
Sent: Wednesday, August 19, 2015 4:04 PM
To: Marissa Villa; Jason Hanzel
Subject: FW: COG C-108 Macho Nacho 7 State SWD 2 (Devonian Silurian Ordovician, 7-24s-33e)



Affidavit of Publication

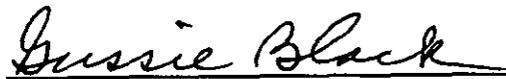
STATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

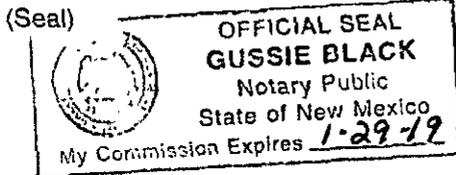
Beginning with the issue dated
May 22, 2015
and ending with the issue dated
May 22, 2015.


Publisher

Sworn and subscribed to before me this
22nd day of May 2015.


Business Manager

My commission expires
January 29, 2019



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGALES

LEGAL NOTICES
May 22, 2015

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 Macho Nacho 7 State SWD No. 2 is located 330' FSL and 330' FWL, Section 7, Township 24 South, Range 33 East, Lea 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 17,050 to 18,750' at a maximum surface pressure of 3410 psi and a maximum rate of 25,000 BWPD. The proposed SWD well is located approximately 27 miles west/northwest of Jalisco. 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. #300511

67112034

00156756

BRIAN COLLINS
COG OPERATING LLC
2208 W. MAIN ST.
ARTESIA, NM 88210

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:

OXY USA, Inc.
 P.O. Box 50250
 Midland, TX 79710
 Macho Nacho 7 State SWD #2 MV

2. Article Number

(Transfer from service label)

7013 3020 0000 8748 8591

PS Form 3811, July 2013

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature

[Handwritten Signature]

Agent

Addressee

B. Received by (Printed Name)

Ashton E. Mason

C. Date of Delivery

5/27/15

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type

Certified Mail® Priority Mail Express™

Registered Return Receipt for Merchandise

Insured Mail Collect on Delivery

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:

Conoco Phillips Company
 P.O. Box 7500
 Bartlesville, Oklahoma 74005
 Macho Nacho 7 State SWD #2 MV

2. Article Number

(Transfer from service label)

7013 3020 0000 8748 8577

PS Form 3811, July 2013

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X ConocoPhillips

Agent

Addressee

B. Received by (Printed Name)

MAY 26 2015

C. Date of Delivery

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

Mail Services
 Bartlesville, OK

3. Service Type

Certified Mail® Priority Mail Express™

Registered Return Receipt for Merchandise

Insured Mail Collect on Delivery

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:

SOGO II, LLC
 310 W Wall, Ste. 1000
 Midland, TX 79701

Macho Nacho 7 State SWD #2 MV

2. Article Number

(Transfer from service label)

7013 3020 0000 8748 8614

PS Form 3811, July 2013

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature

Bernadette S. Janning Agent
 Addressee

B. Received by (Printed Name)

BERNADETTE S. JANNING

C. Date of Delivery

JAN 10 2013

D. Is delivery address different from item 1? Yes

If YES, enter delivery address below: No

3. Service Type

- Certified Mail® Priority Mail Express™
- Registered Return Receipt for Merchandise
- Insured Mail Collect on Delivery

4. Restricted Delivery? (Extra Fee) Yes

SENDER: COMPLETE THIS SECTION

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- 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:

New Mexico Oil Conservation Division
 Attn: Phillip Goetze
 1220 South St. Francis Drive
 Santa Fe, NM 87505

Macho Nacho 7 State SWD #2 MV

2. Article Number

(Transfer from service label)

7013 3020 0000 8748 8638

PS Form 3811, July 2013

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature

Ann Kelly Agent
 Addressee

B. Received by (Printed Name)

Ann Kelly

C. Date of Delivery

MAY 26 2015

D. Is delivery address different from item 1? Yes

If YES, enter delivery address below: No

3. Service Type

- Certified Mail® Priority Mail Express™
- Registered Return Receipt for Merchandise
- Insured Mail Collect on Delivery

4. Restricted Delivery? (Extra Fee) Yes

SENDER: COMPLETE THIS SECTION

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1. Article Addressed to:

Cimarex Energy Company
600 North Marienfeld #600
Midland, TX 79701

Macho Nacho 7 State SWD #2 MV

2. Article Number (Transfer from service label) **7013 3020 0000 8748 8560**

PS Form 3811, July 2013 Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee

[Signature]

B. Received by (Printed Name) *Debra Ann* C. Date of Delivery *5-20-15*

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type

Certified Mail® Priority Mail Express™

Registered Return Receipt for Merchandise

Insured Mail Collect on Delivery

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:

New Mexico State Land Office
310 Old Santa Fe Trail,
Santa Fe, NM 87501

Macho Nacho 7 State SWD #2 MV

2. Article Number (Transfer from service label) **7013 3020 0000 8748 8645**

PS Form 3811, July 2013 Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee

[Signature]

B. Received by (Printed Name) *ANNE R. HOLL* C. Date of Delivery *5-26-2015*

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type

Certified Mail® Priority Mail Express™

Registered Return Receipt for Merchandise

Insured Mail Collect on Delivery

4. Restricted Delivery? (Extra Fee) Yes

U.S. Postal Service
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

9035 548 0000 020E ET04
 7013 3020 0000 8748 8607

Ronnie Martin
 1604 Bridle Path
 Odessa, TX 79763
 Macho Nacho 7 State SWD #2

(End
 No
 (En

Total Postage & Fees

Sent to Sent again
 Street, Apt. No., or PO Box No. 7-1-15
 City, State, ZIP+4

PS Form 3800, August 2006 See Reverse for Instructions

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:

Ronnie Martin

UNCLAIMED

COMPLETE THIS SECTION ON DELIVERY

- A. 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

3. Service Type
- Certified Mail® Priority Mail Express™
 - Registered Return Receipt for Merchandise
 - Insured Mail Collect on Delivery
4. Restricted Delivery? (Extra Fee) Yes

(Transfer from) 0 0000 8748 8607

PS Form 3811, July 2013 Domestic Return Receipt

STATE 797631076-1N 06/16/15

**RETURN TO SENDER
 UNCLAIMED
 UNABLE TO FORWARD
 RETURN TO SENDER**



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:

Chevron USA Inc.
15 Smith Rd.
Houston, TX 79705
Macho Nacho 7 State SWD #2 MV

2. Article Number
(Transfer from service label) 7013 3020 0000 8748 8538

PS Form 3811, July 2013 Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee
X [Signature]

B. Received by (Printed Name) *Maria [Signature]* C. Date of Delivery *5/24*

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type
 Certified Mail® Priority Mail Express™
 Registered Return Receipt for Merchandise
 Insured Mail Collect on Delivery

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:

Chevron USA Inc.
3310 W Wall St
Midland, TX 79701
Macho Nacho 7 State SWD #2 MV

2. Article Number
(Transfer from service label) 7013 3020 0000 8748 8538

PS Form 3811, July 2013 Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee
X Isabel Ruiz

B. Received by (Printed Name) *Isabel Ruiz* C. Date of Delivery

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type
 Certified Mail® Priority Mail Express™
 Registered Return Receipt for Merchandise
 Insured Mail Collect on Delivery

4. Restricted Delivery? (Extra Fee) Yes

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information, visit our website at www.usps.com

OFFICIAL USE

Postage \$ _____
 Return
 (Endorse) _____
 Restricted
 (Endorse) _____
 Total P. _____

Sent To Returned
 Street, Apt. No.,
 or PO Box No. _____
 City, State, ZIP+4 _____

PS Form 3800, August 2006 See Reverse for Instructions

7013 3020 0000 8748 8584 ETD

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:
 Magnum Hunter Production, Inc.
 5215 N. O'Conner Blvd. #1500
 Irving, TX 75039
 Macho Nacho 7 State SWD #2 MV

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X

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

3. Service Type
 Certified Mail® Priority Mail™

72-5
 0777
 1111

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> 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. 	<p>A. Signature <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Address <i>[Signature]</i></p> <p>B. Received by (Printed Name) <i>[Signature]</i></p> <p>C. Date of Delivery <i>6-4-15</i></p>
<p>1. Article Addressed to:</p> <p style="text-align: center;">Chevron USA Inc. 4508 N Big Spring St. Midland, TX 79705 Macho Nacho 7 State SWD #2 MV</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>3. Service Type <input type="checkbox"/> Certified Mail® <input type="checkbox"/> Priority Mail Express™ <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> Collect on Delivery</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label) <i>7013 3020 0000 8748 8546</i></p>	
<p>PS Form 3811, July 2013 Domestic Return Receipt</p>	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> 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. 	<p>A. Signature <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Address <i>[Signature]</i></p> <p>B. Received by (Printed Name) <i>[Signature]</i></p> <p>C. Date of Delivery <i>5-26-15</i></p>
<p>1. Article Addressed to:</p> <p style="text-align: center;">Oil Conservation Division Attn: Paul Kautz 1625 North French Dr. Hobbs, NM 88240 Macho Nacho 7 State SWD #2 MV</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>3. Service Type <input type="checkbox"/> Certified Mail® <input type="checkbox"/> Priority Mail Express™ <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> Collect on Delivery</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label) <i>7013 3020 0000 8748 8621</i></p>	
<p>PS Form 3811, July 2013 Domestic Return Receipt</p>	

RE: COMPLETE THIS SECTION

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Write your name and address on the reverse of this card to the back of the mailpiece, the front if space permits.

Addressed to:

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
x Blum

B. Received by (Printed Name) *BONNIE FUSSEL* C. Date of Delivery *7/6/15*

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

Magnum Hunter Production Inc.
 300 N Marienfeld St Ste 600
 Midland, TX 79701
 Macho Nacho 7 State SWD #2

Mail® Priority Mail Express™
 Return Receipt for Merchandise
 Collect on Delivery

4. Restricted Delivery? (Extra Fee) Yes

Number (from service label) 7013 3020 0000 8749 5292

Jones, William V, EMNRD

From: Jones, William V, EMNRD
Sent: Saturday, August 22, 2015 4:43 PM
To: Marissa Villa
Subject: FW: COG C-108 Macho Nacho 7 State SWD 2 (Devonian Silurian Ordovician, 7-24s-33e)

Marissa,
Brian may be on vacation, ✓
Would you check on this? ✓

Will

From: Jones, William V, EMNRD
Sent: Wednesday, August 19, 2015 2:59 PM
To: 'Brian Collins'
Subject: RE: COG C-108 Macho Nacho 7 State SWD 2 (Devonian Silurian Ordovician, 7-24s-33e)

Brian,
Need newspaper posting, and mailers (with dates). ✓
Also, is the Devonian on any type of structure here? Or do you know yet? ✓

Will

From: Brian Collins [<mailto:BCollins@concho.com>]
Sent: Wednesday, August 19, 2015 1:54 PM
To: Goetze, Phillip, EMNRD; Jones, William V, EMNRD; McMillan, Michael, EMNRD
Subject: COG C-108 Macho Nacho 7 State SWD 2 (Devonian Silurian Ordovician, 7-24s-33e)

Phillip, Will, Michael:

I think processing has begun on the captioned C-108 application, but I don't think it's been approved yet. Let me know if there's anything you're lacking and I'll get it sent to you. Thanks.

Brian Collins

Operations Engineering Advisor
NM Basin Team

COG OPERATING LLC
2208 W. Main Street
Artesia, New Mexico 88210-3720
Phone # 575.748.6924
Email: bcollins@concho.com



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

Marissa: Would you send/re-send the newspaper ad and mailers to Will?

Jason: Did you get a chance to see if this location is on any type of Devonian structure?

Thanks.

Brian

From: Jones, William V, EMNRD [<mailto:WilliamV.Jones@state.nm.us>]
Sent: Wednesday, August 19, 2015 2:59 PM
To: Brian Collins
Subject: RE: COG C-108 Macho Nacho 7 State SWD 2 (Devonian Silurian Ordovician, 7-24s-33e)

Brian,
Need newspaper posting, and mailers (with dates).
Also, is the Devonian on any type of structure here? Or do you know yet?

Will

From: Brian Collins [<mailto:BCollins@concho.com>]
Sent: Wednesday, August 19, 2015 1:54 PM
To: Goetze, Phillip, EMNRD; Jones, William V, EMNRD; McMillan, Michael, EMNRD
Subject: COG C-108 Macho Nacho 7 State SWD 2 (Devonian Silurian Ordovician, 7-24s-33e)

Phillip, Will, Michael:

I think processing has begun on the captioned C-108 application, but I don't think it's been approved yet. Let me know if there's anything you're lacking and I'll get it sent to you. Thanks.

Brian Collins

Operations Engineering Advisor
NM Basin Team

COG OPERATING LLC
2208 W. Main Street
Artesia, New Mexico 88210-3720
Phone # 575.748.6924
Email: bcollins@concho.com



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C-108 Review Checklist: Received 5/27/15 Add. Request: 8/19 Reply Date: 8/24/15 Suspended: _____ [Ver 14]

PERMIT TYPE: WFX / PMX / SWD Number: 1575 Permit Date: 8/27/15 Legacy Permits/Orders: _____

Well No: _____ Well Name(s): Macho Nacho 7 State SWD # 2

API: 30-0 25 - Pandj Spud Date: _____ New or Old: NEW (UIC Class II Primacy 03/07/1982)

Footages 330 FSL/FWL Lot or Unit PM Sec 7 Tsp 24S Rge 33E County LEA

General Location: _____ Pool: _____ Pool No.: _____

BLM 100K Map: _____ Operator: COG O Pandj LLC OGRID: 229137 Contact: Ben Collins

COMPLIANCE RULE 5.9: Total Wells: _____ Inactive: _____ Fincl Assur: _____ Compl. Order? _____ IS 5.9 OK? Date 8/27/15

WELL FILE REVIEWED Current Status: NOT Permitted

WELL DIAGRAMS: NEW: Proposed or RE-ENTER: Before Conv. After Conv. Logs in Imaging: Will be filed

Planned Rehab Work to Well: PIR/EO P/IRU

Well Construction Details	Sizes (in) Borehole / Pipe	Setting Depths (ft)	Cement Sx or Cf	Cement Top and Determination Method
Planned <input checked="" type="checkbox"/> or Existing _____ Surface	<u>26-20</u>	<u>1200'</u>	<u>3500 CF</u>	<u>CIRC</u>
Planned <input checked="" type="checkbox"/> or Existing _____ Interm/Prod	<u>17 1/2-13 3/8</u>	<u>5000</u>	<u>6500 CF</u>	<u>CIRC</u>
Planned <input checked="" type="checkbox"/> or Existing _____ Interm/Prod	<u>12 1/4-9 5/8</u>	<u>12,250</u>	<u>3500 CF</u>	<u>4500'</u>
Planned <input checked="" type="checkbox"/> or Existing _____ Prod/Liner	<u>8 1/2-7 (12-17,050)</u>		<u>1000 CF</u>	<u>T.O.L.</u>
Planned _____ or Existing _____ Liner				
Planned <input checked="" type="checkbox"/> or Existing <u>OH/PERF</u>		<u>17050-18750</u>		

Injection Lithostratigraphic Units:	Depths (ft)	Injection or Confining Units	Tops	Completion/Operation Details:
Adjacent Unit: Litho. Struc. Por.				Drilled TD _____ PBSD _____
Confining Unit: Litho. Struc. Por.				NEW TD <u>18750</u> NEW PBSD _____
Proposed Inj Interval TOP:	<u>17250</u>	<u>DEV SIL</u>		NEW Open Hole <input checked="" type="checkbox"/> or NEW Perfs <input type="checkbox"/>
Proposed Inj Interval BOTTOM:	<u>18750</u>	<u>V. ORD</u>		Tubing Size <u>4 1/2</u> in. Inter Coated? <input checked="" type="checkbox"/>
Confining Unit: Litho. Struc. Por.				Proposed Packer Depth _____ ft
Adjacent Unit: Litho. Struc. Por.				Min. Packer Depth _____ (100-ft limit)
				Proposed Max. Surface Press. _____ psi
				Admin. Inj. Press: <u>340</u> (0.2 psi per ft)

AOR: Hydrologic and Geologic Information

ROTASH: R-111-P Noticed? _____ BLM Sec Ord WIPP Noticed? _____ SALT/SALADO T: _____ B: _____ CREE HOUSE

FRESH WATER: Aquifer _____ Max Depth 171' HYDRO AFFIRM STATEMENT By Qualified Person

NMOSE Basin: _____ CAPITAN REEF thru adj NAO No. Wells within 1-Mile Radius? FW Analysis

Disposal Fluid: Formation Source(s) BS/WC/Dal Analysis? On Lease Operator Only or Commercial

Disposal Int: Inject Rate (Avg/Max BWPD): _____ Protectable Waters? NO Source: _____ System: Closed or Open

HC Potential: Producing Interval? Formerly Producing? _____ Method: Logs/DST/P&A/Other NO Structure 2-Mile Radius Pool Map

AOR Wells: 1/2-M Radius Map? Well List? Total No. Wells Penetrating Interval: 0 Horizontals? _____

Penetrating Wells: No. Active Wells 0 Num Repairs? 0 on which well(s)? _____ Diagrams? _____

Penetrating Wells: No. P&A Wells 0 Num Repairs? 0 on which well(s)? _____ Diagrams? _____

NOTICE: Newspaper Date 5/27/15 Mineral Owner SLD Surface Owner SLD N. Date 5/25/15

RULE 26.7(A): Identified Tracts? Affected Persons: See APPL N. Date 5/27/15

Permit Conditions: Issues: _____