

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



December 29, 2015

Mr. Bryant Coy, Director of Operations
Aka Energy Group, LLC
65 Mercado Street
Durango, CO 81301

**RE: Commission Orders No. R-13443-B and R-13443-C;
Approval of Sundry for Proposed Modifications to Well Construction**

Maljamar AGI Well No. 2 (API 30-025-42628)
400' FSL and 2100' FEL; Unit O, Sec 21, T17S, R32E, NMPM, Lea County, New Mexico
Order Dates: November 19, 2014, and October 7, 2015, respectively
Injection into the Wolfcamp formation; approved interval: 9600 feet to 10200 feet

Mr. Coy:

Reference is made to your request on behalf of Frontier Field Services LLC ("Frontier" or "operator") for approval of modifications of the original well construction design as detailed in Form C-108 Application dated June 1, 2014, and submitted as Exhibit No. 1 in Case No. 15193.

Frontier later re-opened Case No. 15193 for approval of changes to Commission Order No. R-13443-B. This application approved an increase in the maximum injection rate for the Maljamar AGI Wells. The operator noted in the application that there may be modification to the well construction based on the review of the drilling reports for the Maljamar AGI Well No. 1 (Page 13 of Exhibit No. 3 for re-opened Case No. 15193).

Following the approval of Commission Order No. R-13443-C, Frontier filed a Sundry Notice of Intent with the Bureau of Land Management. This Sundry included a change in casing design that added a second intermediate casing string for increased well bore control during drilling and for improved safety and durability after completion. As a result of the additional casing string, other parameters for shallower casing strings had to be redesigned along with the drilling and cement programs. These new cement procedures satisfied the same safety and operational parameters approved in the above-referenced Commission orders.

Pursuant to Ordering Paragraph (4) of Commission Order No. R-13443-B, Frontier has requested that the changes, which are not substantive and will improve the well construction, be approved

administratively by the Division Director. It is the Division's understanding from your request that there have been no other significant changes in the applications submitted to the Commission in the above-referenced Commission orders.

The Division finds that granting this approval of the modifications contained in the Sundry Notice are in the interest of conservation, will prevent waste, and will protect the environment.

All requirements of the above-referenced Commission orders and agreements in the application remain in full force and effect.

The modifications of the final well construction design for the Maljamar AGI Well No. 2, as submitted in the Sundry Notice dated October 13, 2015, to the Bureau of Land Management, are hereby approved.

Sincerely,



DAVID R. CATANACH
Director and Commission Chairperson

DRC/prg

cc: Oil Conservation Division – Hobbs District Office
Bureau of Land Management – Carlsbad Field Office
Well File API 30-025-42628
File Case No. 15193