

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

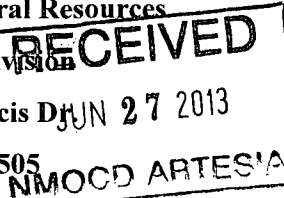
State of New Mexico
Energy Minerals and Natural Resources

Form C-101
Revised November 14, 2012

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505



☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address COG Operating LLC 2208 West Main Street Artesia, NM 88210		2. OGRID Number 229137
3. Property Code 39991	4. Property Name Cottonwood 36 State SWD #1	5. API Number 30-015-29560
		6. Well No 1

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
K	36	25S	26E		1980	South		West	Eddy

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County

9. Pool Information

Pool Name	Pool Code
SWD; Delaware	96100

Additional Well Information

11. Work Type Reentry	12. Well Type SWD	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3324.1'
16. Multiple N	17. Proposed Depth 4550'	18. Formation Delaware	19. Contractor	20. Spud Date 7/10/2013
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC

Casing/Cement Program: Additional Comments

See original completion for installed casing strings.

Reenter well and convert to Delaware SWD. Drill out plugs to 5 1/2" stub @ 3014'. RIH with 5 1/2" 7/17 ppf/J55/LTC casing. Land casing on stub at approximately 3014'; pump 500 sx. Haliburton Light Cement followed by 100 Class "C" neat. RIH with 4.75" bit and clean out to 4600', perforate Delaware from 3595' to 4550' and acidize with 8550 gals. 7 1/2 % HCl. Pick up nickel plated injection packer on 3 1/2" injection tubing and set packer @ 3550'. Test annulus to 500 psi for 30 minutes. Place well in service as a Delaware SWD 3595' - 4550' (Order SWD - 1226 A).

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Hydraulic Double Ram	3000	3000	

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

I further certify that I have complied with 19.15.14.9 (A) NMAC ☐ and/or 19.15.14.9 (B) NMAC ☐, if applicable.

Signature: *Mayte Reyes*

Printed name: Mayte Reyes

Title: Regulatory Analyst

E-mail Address: mreyes1@concho.com

Date: 6/25/2013

Phone: 575-748-6945

OIL CONSERVATION DIVISION

Approved By: *I. C. Shepard*

Title: *Inspector*

Approved Date: *7/3/2013*

Expiration Date: *7/3/2015*

Conditions of Approval Attached

DISTRICT I
1825 N. FRENCH DR., HOBBS, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210
Phone: (505) 748-1283 Fax: (505) 748-9720

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
11885 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
11885 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015- <u>29560</u>	Pool Code 96100	Pool Name SWD; DELAWARE
Property Code <u>39991</u>	Property Name COTTONWOOD 36 STATE SWD	Well Number 1
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3324.1

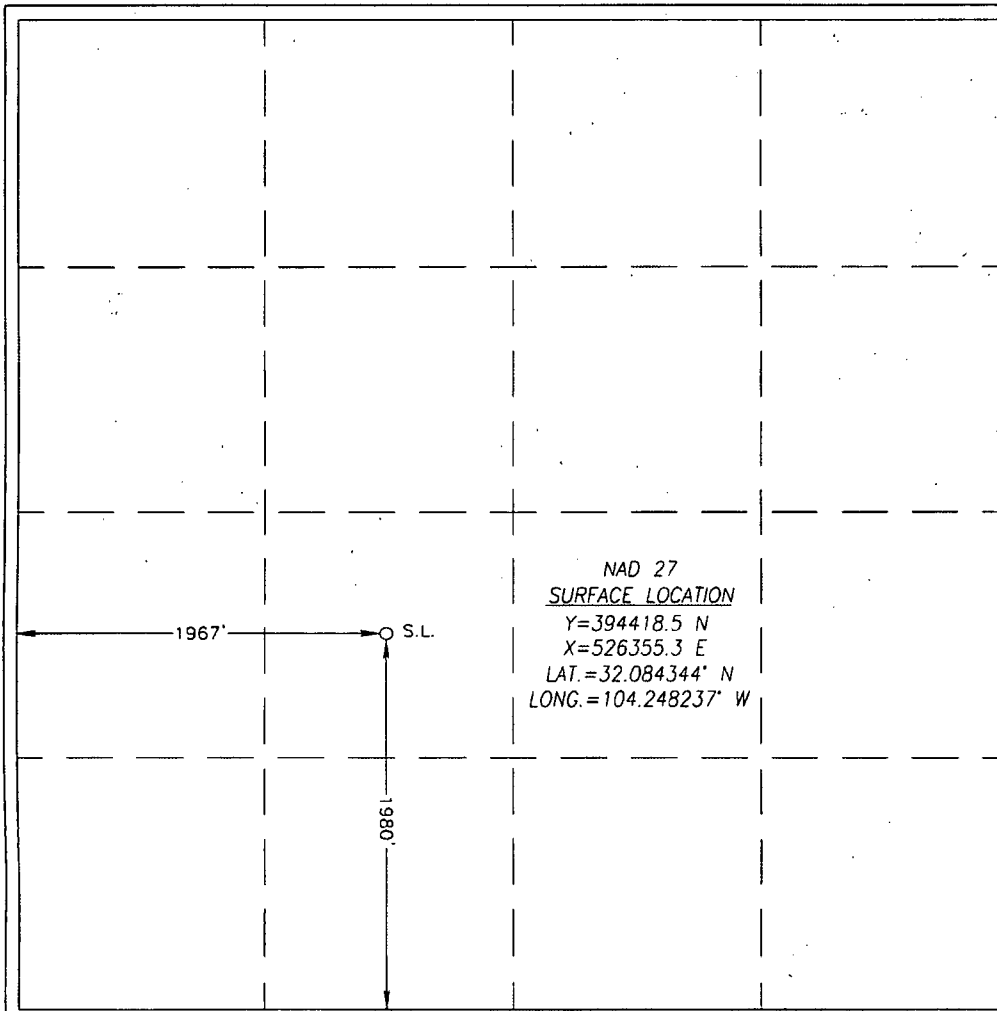
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	36	25-S	26-E		1980	SOUTH	1967	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.	<u>SWD- 1226</u>					

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Melanie Parker 6/25/13
Signature Date

Melanie Parker
Printed Name

mparker@concho.com
E-mail Address

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

MAY 8, 2013

Date of Survey

Signature & Seal of Professional Surveyor



Chad Harcrow 5/24/13
Certificate No. CHAD HARCROW 17777

W.O. # 13-278 DRAWN BY: VD

NEW MEXICO



APPROVED BY: CH DRAWN BY: VD FILE: 13-278

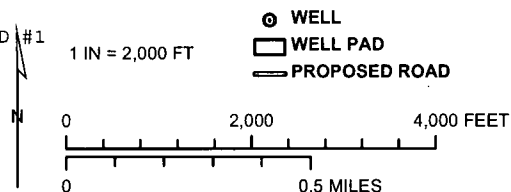
LOCATION VERIFICATION MAP



SEC. 36, TWP. 25S, RGE. 26E
 SURVEY: N.M.P.M
 COUNTY: EDDY STATE: NEW MEXICO
 DESCRIPTION: COTTONWOOD 36 STATE SWD #1
 1980' FSL, 1967' FWL

OPERATOR: COG OPERATING LLC
 LEASE: COTTONWOOD 36

W.O. # 13-278



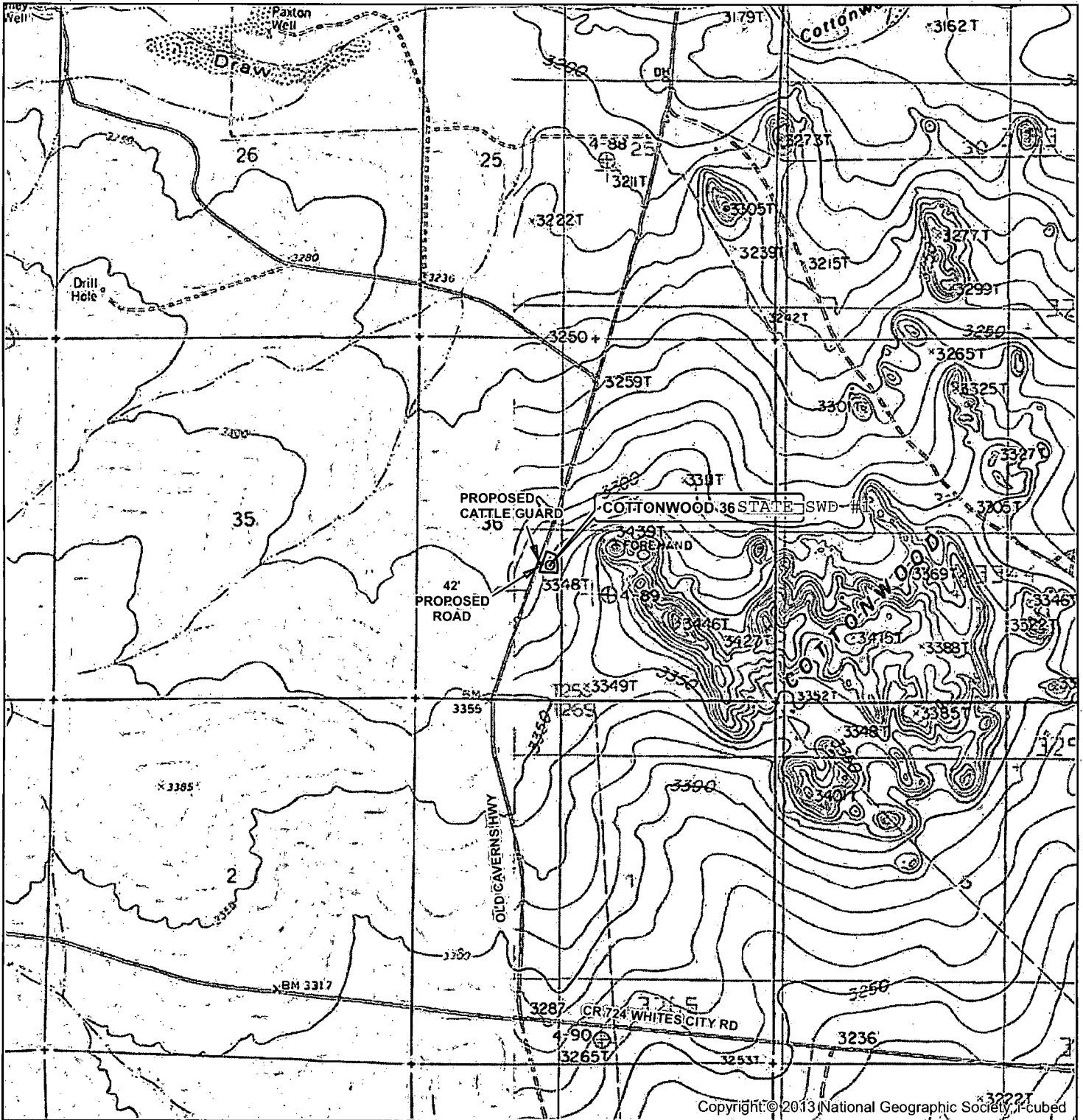
⊙ WELL
 □ WELL PAD
 — PROPOSED ROAD

HARCROW SURVEYING, LLC
 1107 WATSON, ARTESIA N.M. 88210
 PH: (575) 513-2570 FAX: (575) 746-2158
 chad_harcrow77@yahoo.com



MAP DATE: 5/14/2013

LOCATION VERIFICATION MAP



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SEC. 36, TWP. 25S, RGE. 26E

SURVEY: N.M.P.M

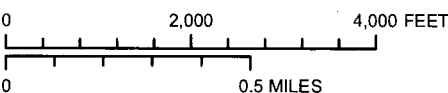
COUNTY: EDDY STATE: NEW MEXICO

DESCRIPTION: COTTONWOOD 36 STATE SWD #1
1980' FSL, 1967' FWL

OPERATOR: COG OPERATING LLC
LEASE: COTTONWOOD 36

W.O. # 13-278

1 IN = 2,000 FT



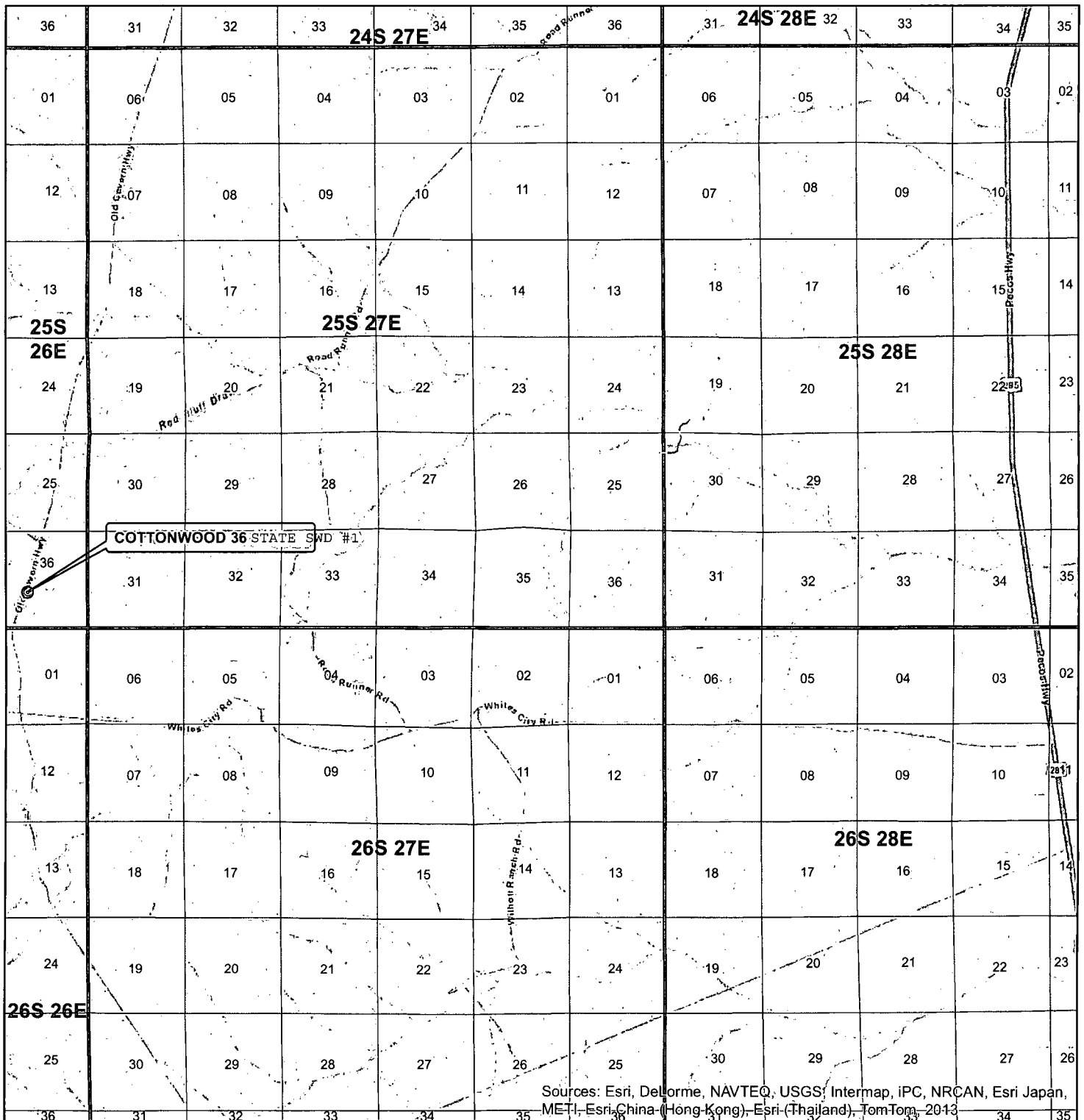
- WELL
- WELL PAD
- PROPOSED ROAD

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MAP DATE: 5/14/2013

VICINITY MAP

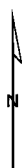


Sources: Esri, DeLorme, NAVTEQ, USGS, Intermap, iPC, NRCAN, Esri Japan, METI, Esri China (Hong Kong), Esri (Thailand), TomTom, 2013

SEC. 36, TWP. 25S, RGE. 26E
 SURVEY: N.M.P.M.
 COUNTY: EDDY STATE: NEW MEXICO
 DESCRIPTION: COTTONWOOD 36 STATE SWD #1
 1980' FSL, 1967' FWL

OPERATOR: COG OPERATING LLC
 LEASE: COTTONWOOD 36

W.O. # 13-278



1 IN = 7,500 FT

0 0.5 1 1.5 2 MILES

WELL

TOWNSHIP

SECTION

HARCROW SURVEYING, LLC
 1107 WATSON, ARTESIA N.M. 88210
 PH: (575) 513-2570 FAX: (575) 746-2158
 chad_harcrow77@yahoo.com



MAP DATE: 5/14/2013

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John Bemis
Cabinet Secretary

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

Jami Bailey
Division Director
Oil Conservation Division



Administrative Order SWD-1226-A
March 29, 2013

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Under the provisions of 19.15.26.8B NMAC, COG Operating LLC, seeks an administrative order to utilize its Cottonwood 36 State Well No. 1 (API 30-015-29560) located 1980 feet from the South line and 1980 feet from the West line, Unit letter K of Section 36, Township 25 South, Range 26 East, NMPM, Eddy County, New Mexico, for produced water disposal purposes.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of 19.15.26.8B NMAC and satisfactory information has been provided that affected parties as defined in said rule have been notified and no objections have been received within the prescribed waiting period. The applicant has presented satisfactory evidence that all requirements prescribed in 19.15.26.8 NMAC have been met and the operator is in compliance with 19.15.5.9 NMAC.

IT IS THEREFORE ORDERED THAT:

The applicant, COG Operating LLC, is hereby authorized to utilize its Cottonwood 36 State Well No. 1 (API 30-015-29560) located 1980 feet from the South line and 1980 feet from the West line, Unit letter K of Section 36, Township 25 South, Range 26 East, NMPM, Eddy County, New Mexico, for disposal of oil field produced water (UIC Class II only) into the Cherry Canyon member of the Delaware Mountain Group through perforated intervals from 3595 to 3775 feet and from 4206 to 4550 feet through internally coated tubing and a packer set within 100 feet of the permitted interval.

Within one year of commencing disposal, the operator shall run a tracer/temperature injection profile log (or equivalent) and supply a copy of this log to the Division for inclusion into this permit file.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the disposed water enters only the approved disposal interval and is not permitted to escape to other formations or onto the surface.

After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and

equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The well shall pass an initial mechanical integrity test ("MIT") prior to initially commencing disposal and prior to resuming disposal each time the disposal packer is unseated. All MIT testing procedures and schedules shall follow the requirements in Division Rule 19.15.26.11A. NMAC. The Division Director retains the right to require at any time wireline verification of completion and packer setting depths in this well.

The wellhead injection pressure on the well shall be limited to **no more than 719 psi**. In addition, the disposal well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressure to the maximum allowable pressure for this well.

The Director of the Division may authorize an increase in tubing pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the disposed fluid from the target formation. Such proper showing shall be demonstrated by sufficient evidence including but not limited to an acceptable Step-Rate-Test.

The operator shall notify the supervisor of the Division's district office of the date and time of the installation of disposal equipment and of any MIT test so that the same may be inspected and witnessed. The operator shall provide written notice of the date of commencement of disposal to the Division's district office. The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Division Rules 19.15.26.13 and 19.15.7.24 NMAC.

Without limitation on the duties of the operator as provided in Division Rules 19.15.29 and 19.15.30 NMAC, or otherwise, the operator shall immediately notify the Division's district office of any failure of the tubing, casing or packer in the well, or of any leakage or release of water, oil or gas from around any produced or plugged and abandoned well in the area, and shall take such measures as may be timely and necessary to correct such failure or leakage.

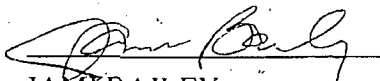
The injection authority granted under this order is not transferable except upon division approval. The division may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

The division may revoke this injection permit after notice and hearing if the operator is in violation of 19.15.5.9 NMAC.

The disposal authority granted herein shall terminate two years after the effective date of this order if the operator has not commenced injection operations into the subject well. One year after the last date of reported disposal into this well, the Division shall consider the well abandoned, and the authority to dispose will terminate *ipso facto*. The Division, upon written request mailed by the operator prior to the termination date, may grant an extension thereof for good cause.

Compliance with this order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

Jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the disposal authority granted herein.



JAMI BAILEY
Director

JB/wvj

cc: Oil Conservation Division – Artesia District Office
State Land Office – Oil, Gas, and Minerals Division