

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



PPRG 1321258802

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 _____

TLT SWD
Phillips State #1
30-025-01271
Wolfcamp

[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.

Billy E. Prichard
Print or Type Name

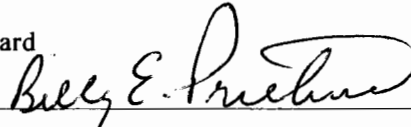
Billy E. Prichard
Signature

Agent for TLT
Title

7/7/13
Date

billy@pwllc.net
e-mail Address

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: _____ Secondary Recovery _____ Pressure Maintenance ☒ Disposal
Storage
Application qualifies for administrative approval? ☒ Yes _____ No
- II. OPERATOR: TLT SWD, L.L.C.
ADDRESS: PO Box 1906 Hobbs, New Mexico 88240
CONTACT PARTY: Billy E. Prichard billy@pwllic.net PHONE: 4329347680
- 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: Billy E. Prichard TITLE: Agent for TLT SWD, L.L.C.
SIGNATURE:  DATE: 7/7/13
E-MAIL ADDRESS: billy@pwllic.net
- * 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: _____

**TLT SWD, L.L.C.
Phillips State # 1
30-025-01271
1980 FSL X 660 FEL
Unit Letter "I", Section 25, T16S, R33E
Lea County, New Mexico**

C108 (Application for Authorization to Inject)

I.

The purpose of this application is to convert the Phillips State # 1 from a depleted Kemnitz Lower Wolfcamp oil well to a commercial salt water disposal well. The application qualifies for administrative approval.

II.

**Operator: TLT SWD, L.L.C. Ogrid# 287481
Address: P.O. Box 1906 Hobbs, New Mexico 88241
Contact Party: Billy E. Prichard Phone: 432-934-7680**

III.

Please see Exhibit "A" for well data

IV.

This is not an expansion of an existing project.

V.

Please see Exhibit "B" for map of Area of Review

VI.

Please see Exhibit "C" for off set well data

VII.

- 1. Anticipated disposal rate is 5000 BWPD with a maximum disposal rate of 7500 BWPD.**
- 2. The system will be open.**
- 3. Anticipated disposal press is 0(Zero)psi with a maximum disposal pressure of 2154 psi.**
- 4. Disposed fluid will trucked in from producing wells in southeastern New Mexico.**
- 5.**

Please see Exhibit "D" for analysis of possible disposal fluid and for analysis of Wolfcamp produced water.

VIII.

The proposed disposal interval is the Kemnitz Lower Wolfcamp formation. The Kemnitz Lower Wolfcamp was discovered in the 1950s, it is a light to dark gray reefoid limestone of Permian Age. Above the Kemnitz Lower Wolfcamp is the Wolfcamp and above the Wolfcamp is the Abo formation and below the Kemnitz is the Strawn formation.

There is no known fresh water strata below the Kemnitz Lower Wolfcamp. Numerous fresh water wells were identified within the 1 mile Area of review. Fresh water is in the alluvial fill from the surface to the top of the Red Bed.

**TLT SWD, L.L.C.
Phillips State # 1
30-025-01271
1980 FSL X 660 FEL
Unit Letter "I", Section 25, T16S, R33E
Lea County, New Mexico**

C108 (Application for Authorization to Inject)

IX.

There is no stimulation planned at this time.

X.

Logs and completion data filed by previous operators.

XI.

Please see Exhibit "E" for fresh water analysis.

XII.

Available geological and engineering data have been examined and no evidence of open faults or hydrological connection between the disposal zone and any underground sources of drinking water has been found.

XIII.

Please see Exhibit "F" for Proof of Notice

TLT SWD, LLC has no inactive wells

**TLT SWD, L.L.C.
Phillips State # 1
30-025-01271
1980 FSL X 660 FEL
Unit Letter "I", Section 25, T16S, R33E
Lea County, New Mexico**

Well Data

Data obtained from records maintained by NMOCD

Spud 6/18/1957 as Wolfcamp test

13 3/8" 48# casing set in 17 1/2" hole at 364'. Cemented with 400 sacks of cement. Cement circulated to surface.

8 5/8" 24# & 32# casing set in 11" hole at 4553'. Cemented with 1500 sacks of cement. Cement circulated to surface

Drilled 7 7/8" hole to TD of 11640'.

5 1/2" 17# casing set at 11030' in 7 7/8" hole. Cemented with 270 sacks of cement. Top of cement per NMOCD well file 9650'.

Plugged and abandoned 4/5/1994

Re-entered and returned to Wolfcamp production 1/12/2013

Well produced water only

Lower Wolfcamp perforations 10772-10829'

**Formation Tops
Anhy - 1511'
Queen - 3678'
Penrose - 3981'
San Andres - 4504'
Glorieta - 5948'
Clearfork - 6586'
Tubb - 7197'
Abo - 7962'
Wolfcamp - 9702'
Lower Wolfcamp - 10318'
Cisco - 10999'**

Exhibit "A"

Phillips State # 1

1980 FSL X 660 FEL

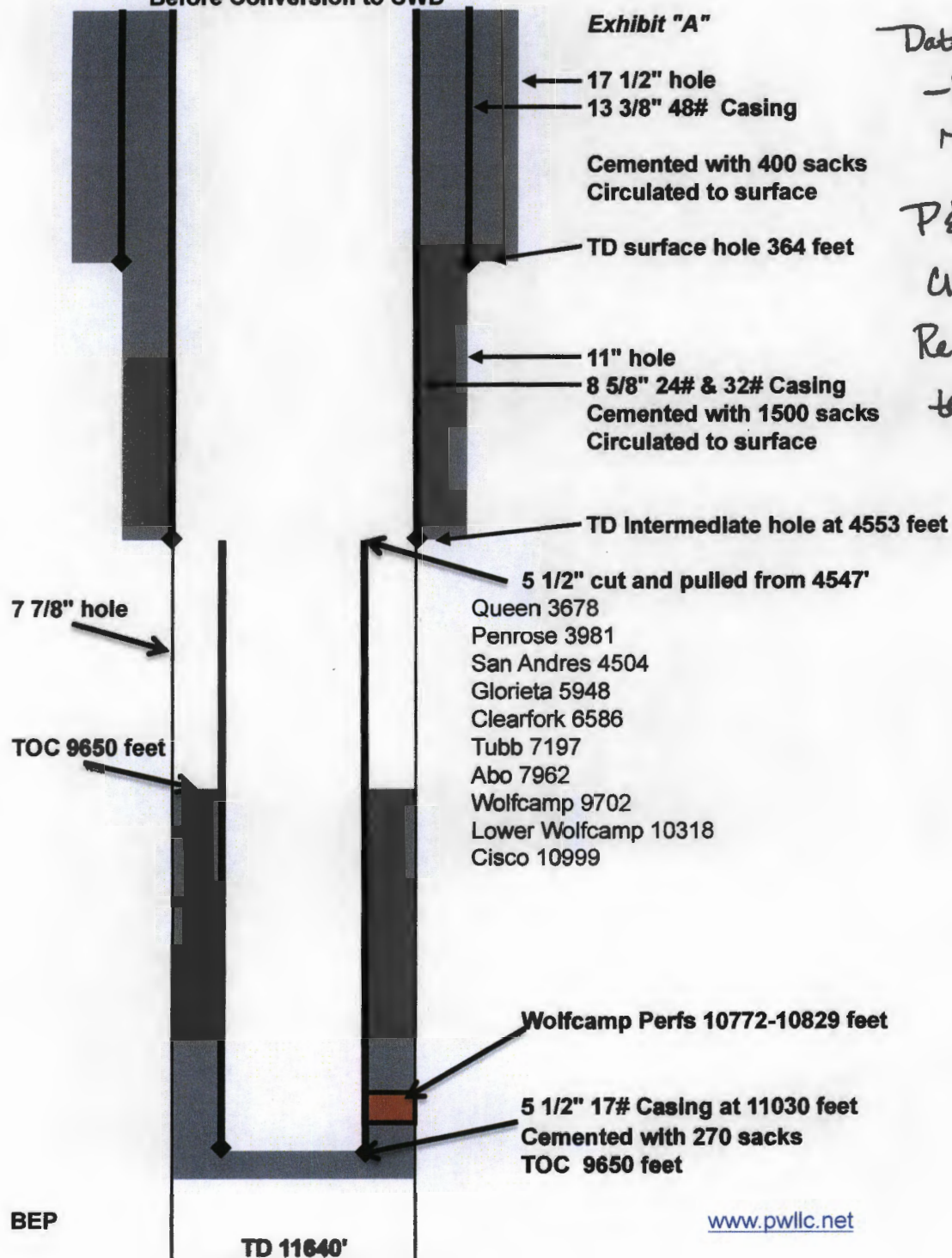
Unit Letter I, Section 25, T16S, R33E

Lea County, New Mexico

API 30-025-01271

Spud 6/18/1957

Before Conversion to SWD



Database

-last production
report

P&A Sundry - 7/15/94
UBP + 5cm plugs

Re-entered 11/2012 &
tested (Sundry 1/15/13)

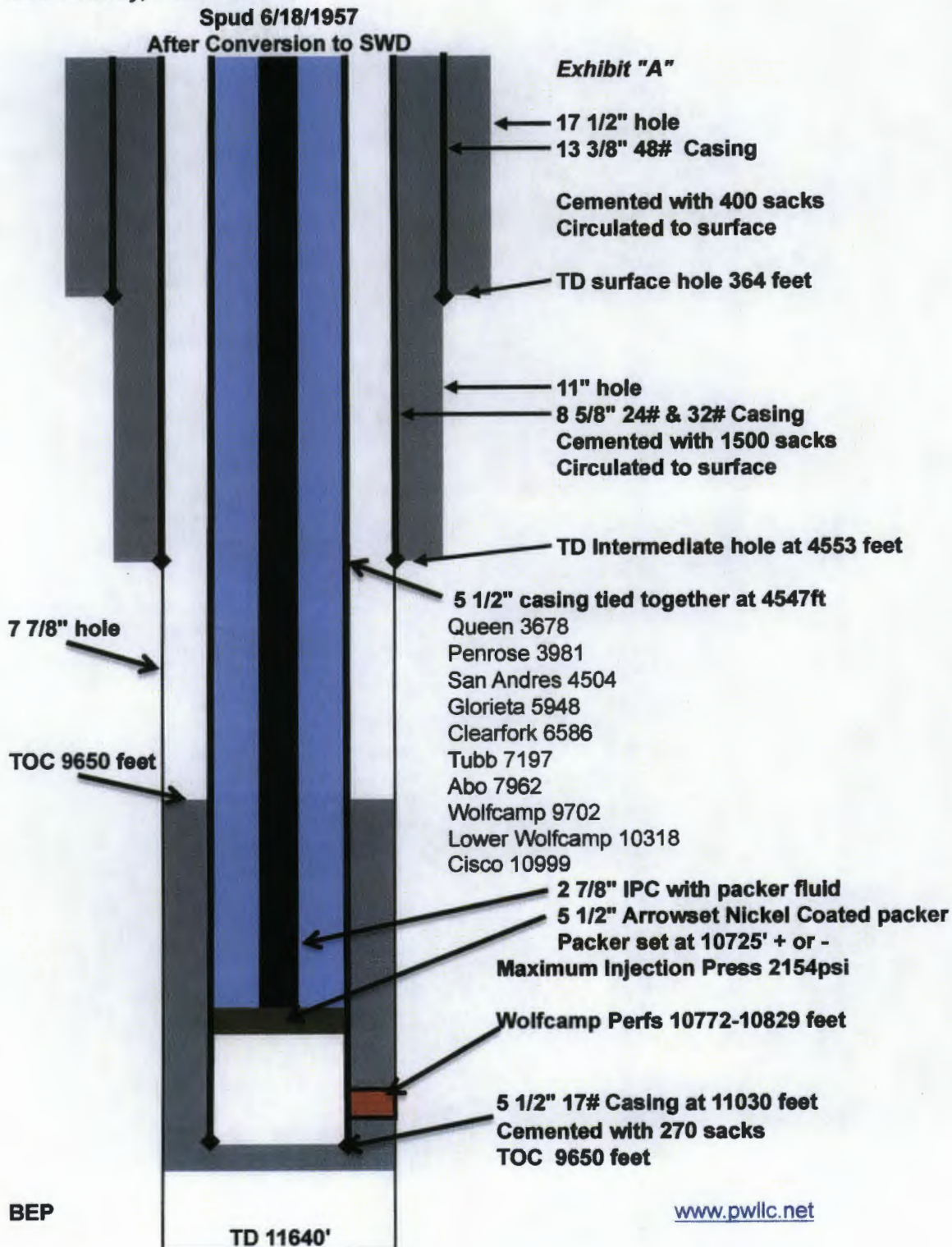
Phillips State # 1

API 30-025-01271

1980 FSL X 660 FEL

Unit Letter I, Section 25, T16S, R33E

Lea County, New Mexico



TLT SWD, L.L.C.
 Phillips State # 1
 Unit Letter I, Section 25, T16S, R33E
 Lea County, New Mexico
 Possible pools disposing in Phillips State # 1

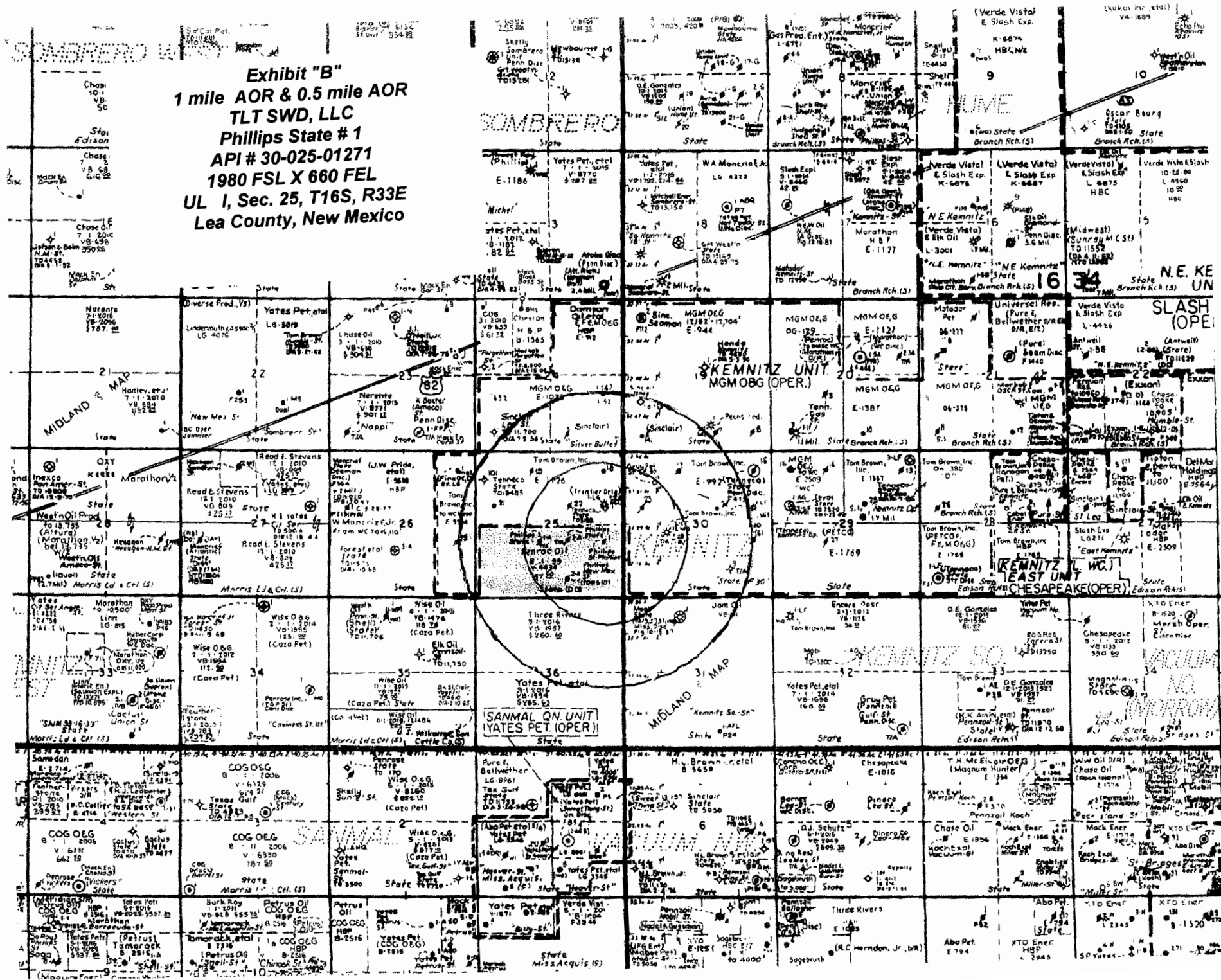
Pool	Section	Township	Range	TDS	Chlorides
EMPIRE;ABO	27	17S	28E	224062	135900
ARTESIA;QUEEN-GRAYBURG-SAN ANDRES	28	17S	28E	237482	147300
ARTESIA; GLORIETA-YESO	33	17S	28E	206471	137940
EMPIRE; MORROW, SOUTH	31	17S	29E	35148	19800
EMPIRE; GLORIETA-YESO	19	17S	29E	213384	142829
CROW FLATS;MORROW	3	17S	27E	44318	27242
LOGAN DRAW;MORROW	11	17S	27E	8567	4604
RED LAKE;QUEEN-GRAYBURG-SA	3	18S	37E	217737	146435

Data obtained from
<http://octane.nmt.edu>

Exhibit"D"

1 mile AOR & 0.5 mile AOR
TLT SWD, LLC
Phillips State # 1
API # 30-025-01271
1980 FSL X 660 FEL
UL 1, Sec. 25, T16S, R33E
Lea County, New Mexico

1 mile AOR & 0.5 mile AOR
TLT SWD, LLC
Phillips State # 1
API # 30-025-01271
1980 FSL X 660 FEL
UL 1, Sec. 25, T16S, R33E
Lea County, New Mexico



TLT SWD, LLC
Phillips State # 1
Wells in 0.5 mile AOR

	API	OPERATOR	LEASE	#	T	S	TWN	RNG	SEC	UNT	TVD	LEASE
	3002501271	TLT SWD	Phillips State	1	O	A	16S	33E	25	I	11640	Open
1	3002501270	PENROC	NEW MEX A	3	O	P	16S	33E	25	J	10870	S ✓
2	3002501269	KENEMORE	NEW MEX A	2	S	A	16S	33E	25	O	11610	S ✓
3	3002501273	MGM	KEMNITZ WOLFCAMP UNIT	22	O	A	16S	33E	25	G	10979	S ✓
4	3002501275	TENNECO	A A KEMNITZ B STATE	2	O	P	16S	33E	25	H	5191	S ✓
5	3002527906	CIMAREX	STATE LG 25	1	G	A	16S	33E	25	H	13350	S ✓
6	3002508333	MGM	KEMNITZ WOLFCAMP UNIT	18	O	A	16S	33E	25	A	11529	S ✓
7	3002501943	FINA	KEMNITZ WOLFCAMP UNIT	23	O	P	16S	34E	30	2	10891	S ✓
8	3002527458	CIMAREX	STATE LF 30	2	G	P	16S	34E	30	K	13350	S ✓
9	3002501944	MGM	KEMNITZ WOLFCAMP UNIT	28	O	A	16S	34E	30	K	10950	S SWD-1088
10	3002501268	TLT SWD	NEW MEX A	1	S	A	16S	33E	25	K	11587	S R-13612 ✓

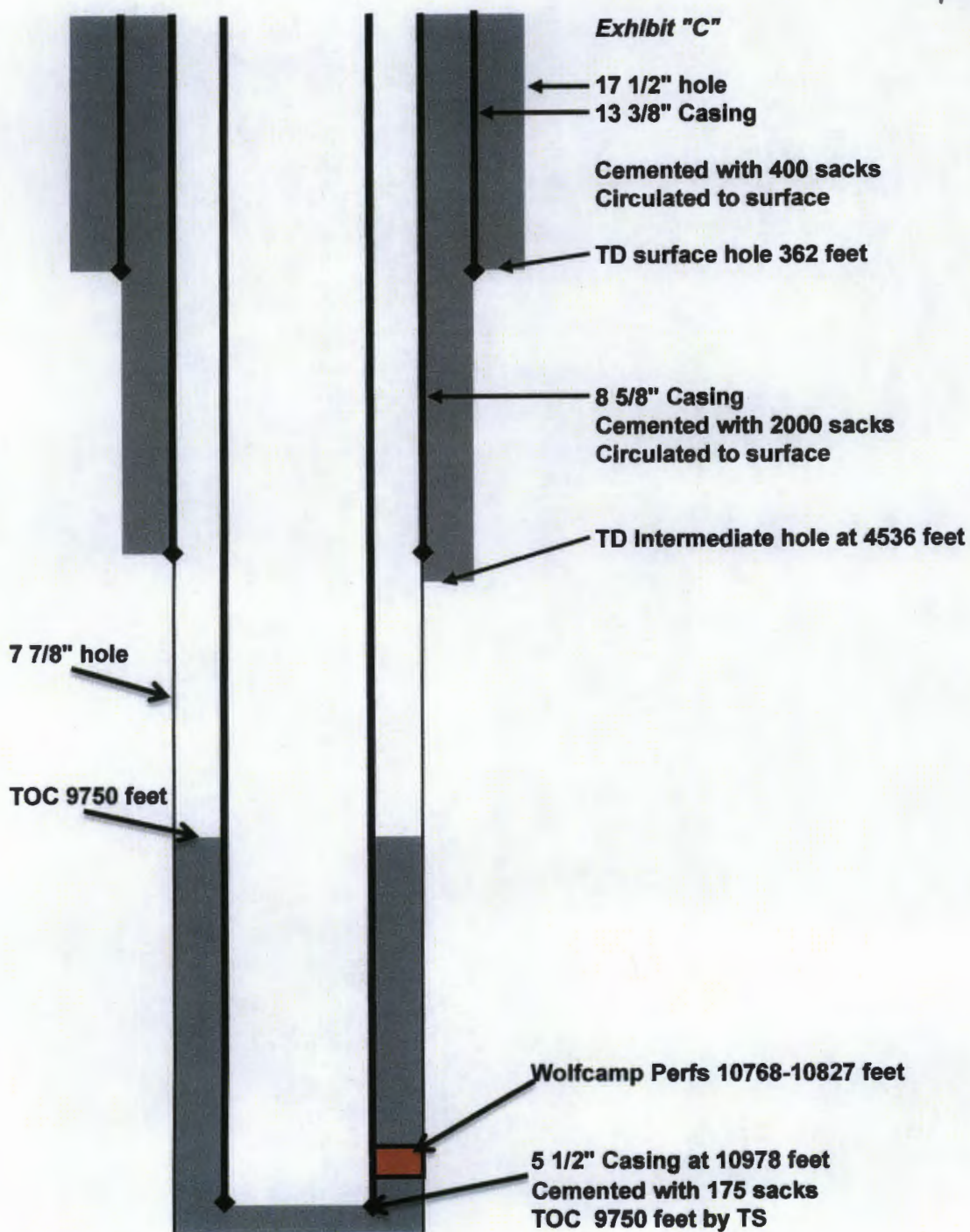
WELLS IN THE 0.5 MILE AREA OF REVIEW

EXHIBIT "C"

Kemnitz Wolfcamp Unit # 22
UL G, Section 25, T16S, R33E
Lea County, New Mexico

API 30-025-01273

~100 mcf per month 2 months since last prod. report



BEP

www.pwllc.net

New Mex A # 1

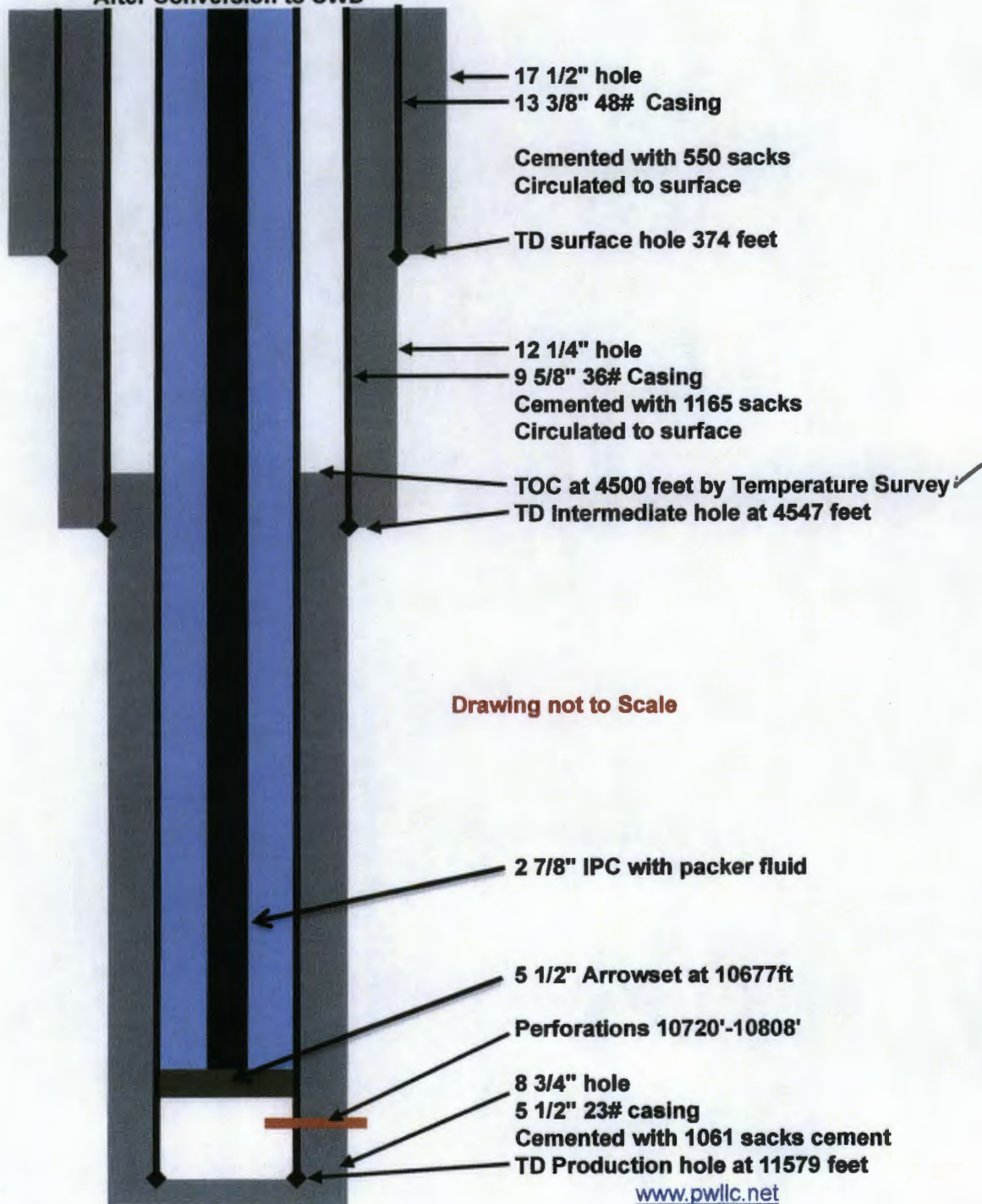
1983 FSL X 2313 FWL

Unit Letter K, Section 25, T16S, R33E

Lea County, New Mexico

API 30-025-01268

After Conversion to SWD



BEP

www.pwllc.net

Kenemore Welding

New Mex A # 2
 API # 30-025-01269
 661 FSL X 1983 FEL
 Unit Letter "O", Section 25, T16S, R33E
 Lea County, New Mexico
 After Conversion to SWD

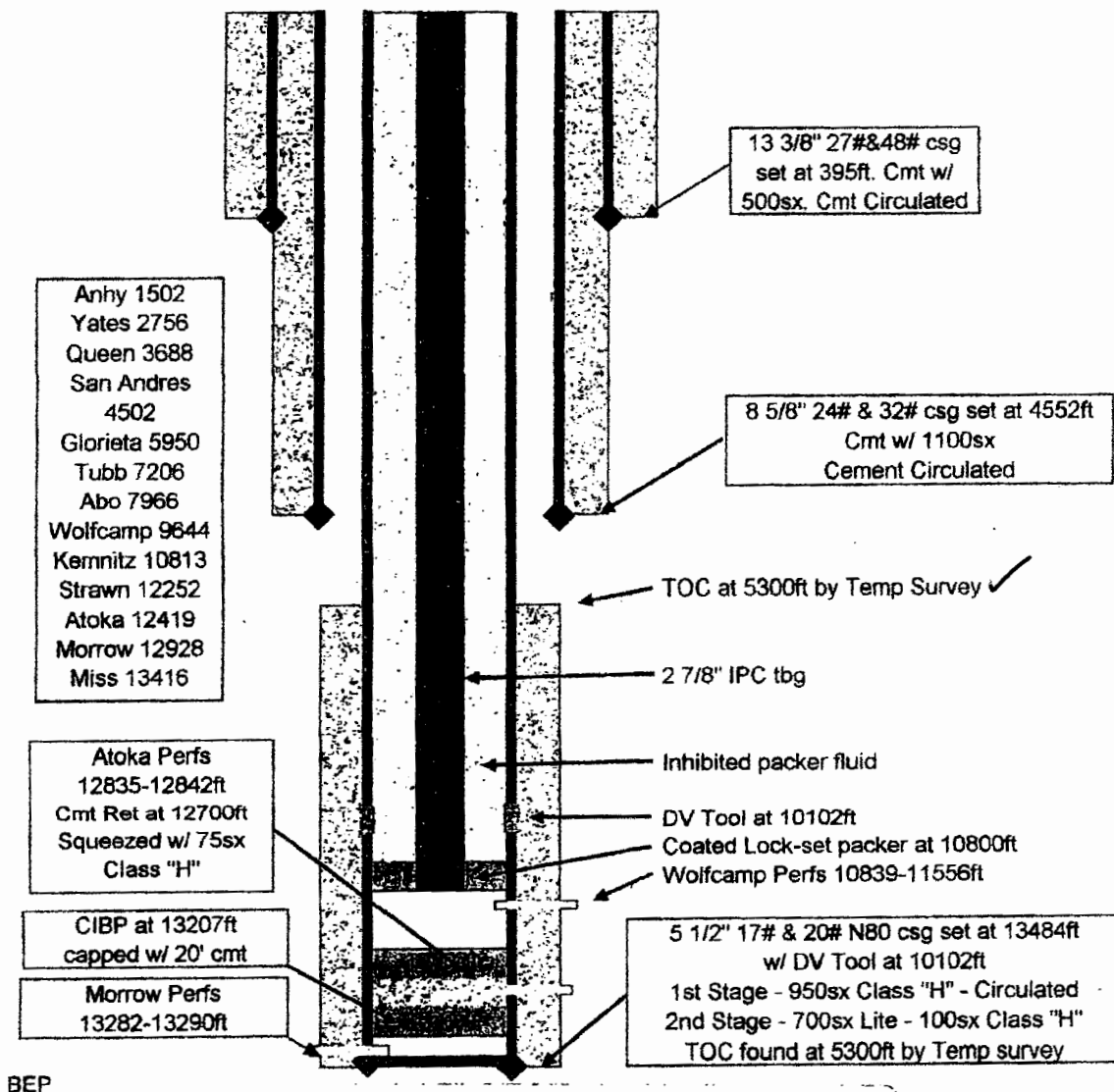
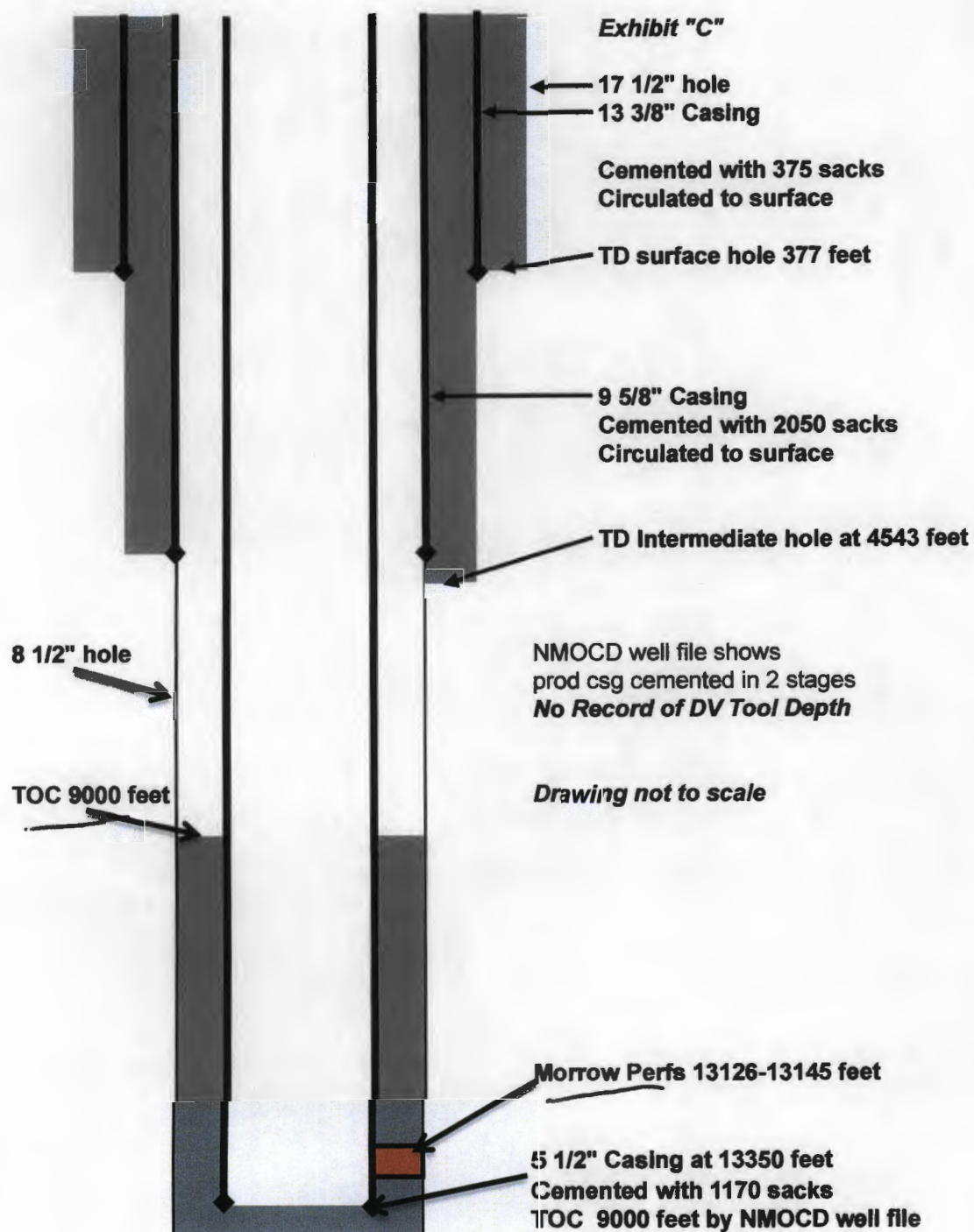


Exhibit "C"

State LG 25 # 1

UL H, Section 25, T16S, R33E
Lea County, New Mexico

API 30-025-27906

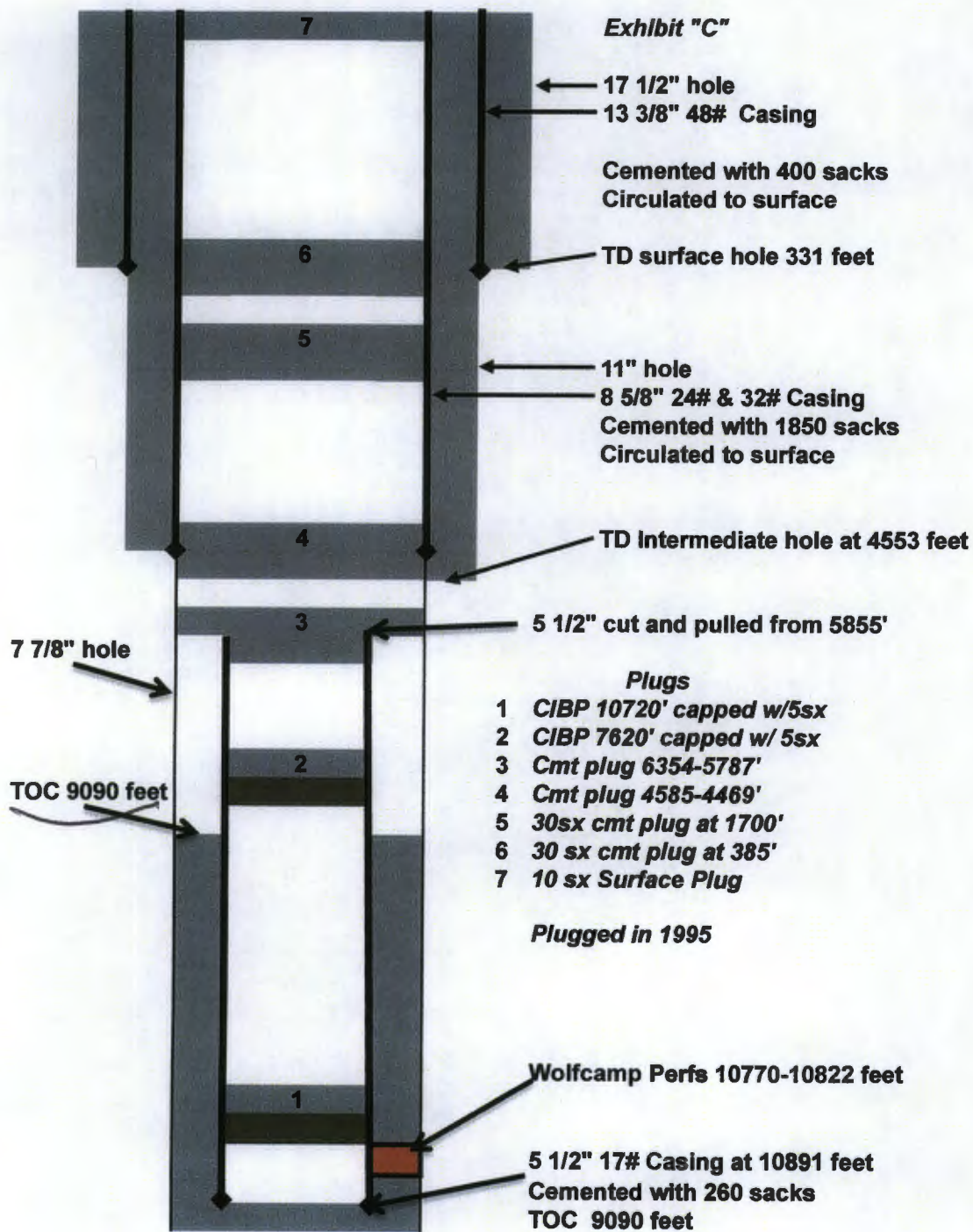


BEP

www.pwllc.net

Kemnitz Wolfcamp Unit # 23
 Lot 2, Section 30, T16S, R34E
 Lea County, New Mexico

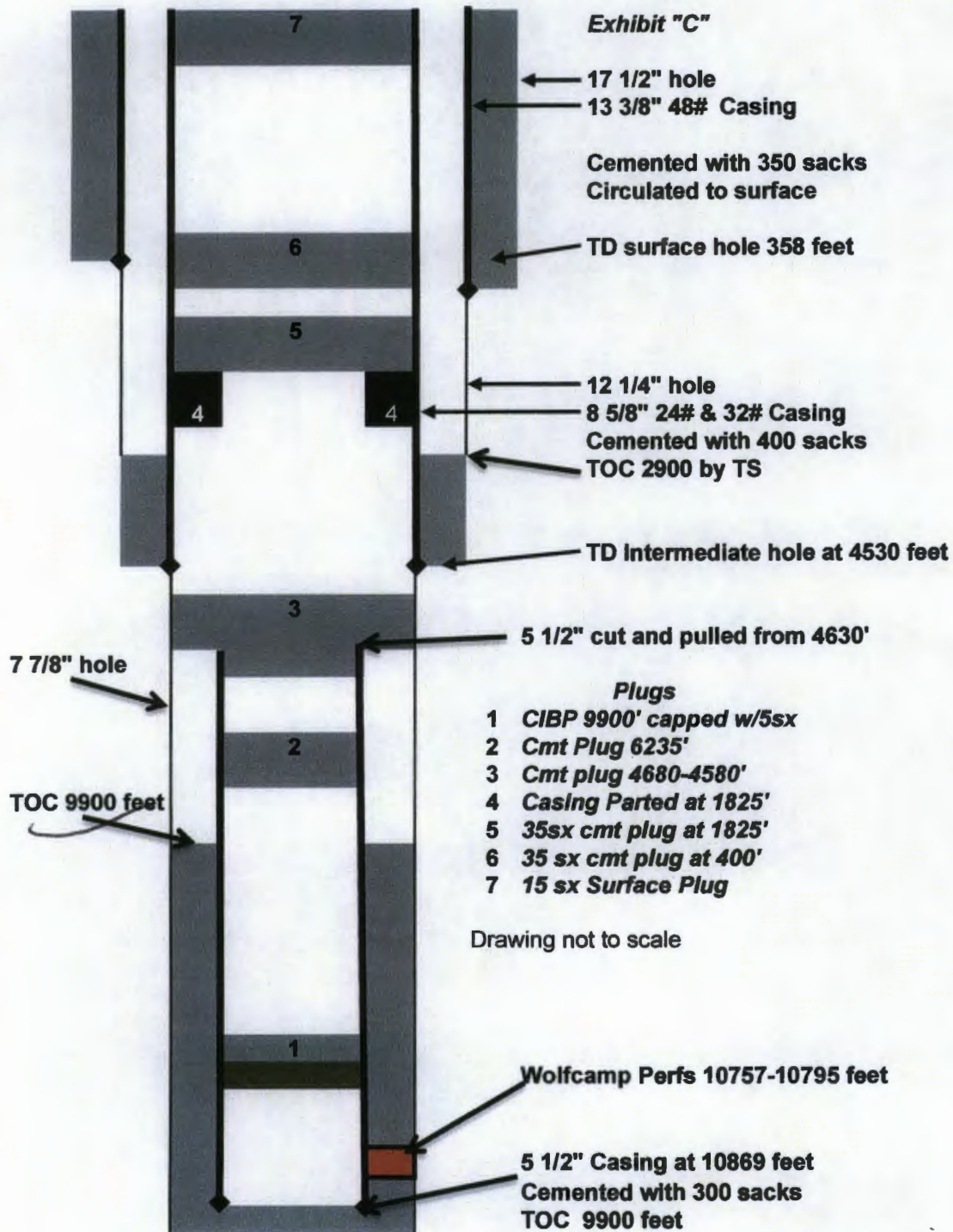
API 30-025-01943



New Mex A # 3

UL J, Section 25, T16S, R33E
Lea County, New Mexico

API 30-025-01270



BEP

www.pwllc.net

**Fresh Water Analysis
Section 25, T16S, R33E**

General Information About: Sample 3803

Section/ Township/Range	25 / 16 S / 33 E	Lat/Long	32.8923 / -103.6163
Elevation	4140	Depth	0
Date Collected	9/26/1995	Chlorides	36
Collector / Point of Collection	SEO / DP	Use	Stock
Formation	OGALLALA	TDS	0

Data obtained from <http://octane.nmt.edu>

Exhibit "E"

**TLT SWD, L.L.C.
Phillips State # 1
30-025-01271
1980 FSL X 660 FEL
Unit Letter "I", Section 25, T16S, R33E
Lea County, New Mexico**

Proof of Notify

**Minerals in Section 25, T16S, 33E
Owned by the State of New Mexico**

**Unit Letter "A"
Magnum Hunter Production, Inc
600 N. Marienfeld Street
Suite 600
Midland, TX 79701**

**Unit Letter "B"
Magnum Hunter Production, Inc
600 N. Marienfeld Street
Suite 600
Midland, TX 79701**

**Unit Letter "F"
Magnum Hunter Production, Inc
600 N Marienfeld Street
Suite 600
Midland, TX 79701**

**Unit Letter "G"
Magnum Hunter Production, Inc
600 N Marienfeld Street
Suite 600
Midland, TX 79701**

**Unit Letter "H"
Magnum Hunter Production, Inc
600 N Marienfeld
Suite 600
Midland, TX 79701**

**Unit Letter "I"
Open
Exhibit F**

**TLT SWD, L.L.C.
Phillips State # 1
30-025-01271
1980 FSL X 660 FEL
Unit Letter "I", Section 25, T16S, R33E
Lea County, New Mexico
*Proof of Notify***

**Minerals in Section 25 , T16S, R33E
Owned by the State of New Mexico**

**Unit Letter "J"
Salt Water Disposal Lease
TLT SWD, L.L.C.
PO Box 1906
Hobbs, NM 88241**

**Unit Letter "K"
Open
Unit Letter "N"
Open**

**Unit Letter "O"
Salt Water Disposal Lease
Kenemore Welding and Oilfield Services, Inc
George A. Kenemore
PO Box 154
Maljamar, NM 88264**

**Unit Letter "P"
Open**

Operators in Section 25, T16S, R33E

**Unit Letter "A" & "G" & "H"
MGM Oil and Gas Company
PO Box 891
Midland, TX 79702**

**Unit Letter "H"
Cimarex Energy of Company of Colorado
600 N Marienfeld
Suite 600
Midland, TX 79701
*Exhibit F***

**TLT SWD, L.L.C.
Phillips State # 1
30-025-01271
1980 FSL X 660 FEL
Unit Letter "I", Section 25, T16S, R33E
Lea County, New Mexico**

Proof of Notify

**Minerals in Section 36, T16S, R33E
Owned by the State of New Mexico**

**Unit Letter "A" and B"
Legacy Reserves Operating, LP
Paul T. Horne
PO Box 10848
Midland, TX 79702**

**Minerals in Section 30, T16S, R34E
Owned by the State of New Mexico**

**Unit Letter "D" Lot 1
Magnum Hunter Production, Inc
600 N Marienfeld
Suite 600
Midland, TX 79701**

**Unit Letter "E" Lot 2
Magnum Hunter Production, Inc
600 N Marienfeld
Suite 600
Midland, TX 79701**

**Unit Letter "F" & "K" & "L" & "M" & "N"
Magnum Hunter Production, Inc
600 N Marienfeld
Suite 600
Midland, TX 79701**

**Operator in Section 30, T16S, R34E
MGM Oil and Gas Company
PO Box 891
Midland, TX 79702**

Exhibit F

**TLT SWD, L.L.C.
Phillips State # 1
30-025-01271
1980 FSL X 660 FEL
Unit Letter "I", Section 25, T16S, R33E
Lea County, New Mexico**

Proof of Notify

**Minerals in Section 31, T16S, R34E
Owned by the state of New Mexico**

**Unit Letter "D" Lot 1
Yates Petroleum Corporation
105 South 4th Street
Artesia, NM 88210**

Other Notified Parties

**New Mexico Oil Conservation Division
District 1
1625 N. French Drive
Hobbs, NM 88240**

**New Mexico State Land Office
PO Box 1148
Santa Fe, NM 87504-1148**

Exhibit F

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

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

MALJAMAR, NM 88264

Postage	\$ 1.72
Certified Fee	\$3.10
Return Receipt Fee (Endorsement Required)	\$2.55
Restricted Delivery Fee (Endorsement Required)	\$0.00

Total Postage & Fees \$7.37



07/15/2013

Kenemore Welding & Oilfield

George A. Kenemore

PO Box 154

Maljamar, NM 88264

Sent To _____
Street, Apt. or PO Box _____
City, State _____
PS Form _____ Instructions

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

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

MIDLAND, TX 79701

Postage	\$ 1.72
Certified Fee	\$3.10
Return Receipt Fee (Endorsement Required)	\$2.55
Restricted Delivery Fee (Endorsement Required)	\$0.00

Total Postage & Fees \$7.37



07/15/2013

Cimarex Energy Co of Colorado

600 N Marienfeld

Suite 600

Midland, TX 79701

Sent To _____
Street, Apt. or PO Box _____
City, State _____
PS Form _____ Instructions

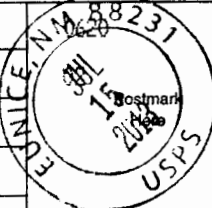
U.S. Postal Service™
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For delivery information visit our website at www.usps.com

MIDLAND, TX 79702

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Return Receipt Fee (Endorsement Required)	\$2.55
Restricted Delivery Fee (Endorsement Required)	\$0.00

Total Postage & Fees \$7.37



07/15/2013

MGM Oil and Gas Company

PO Box 891

Midland, TX 79702

Sent To _____
Street, Apt. or PO Box _____
City, State _____
PS Form _____ Instructions

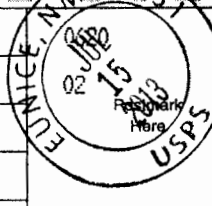
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MIDLAND, TX 79701

Postage	\$ 1.72
Certified Fee	\$3.10
Return Receipt Fee (Endorsement Required)	\$2.55
Restricted Delivery Fee (Endorsement Required)	\$0.00

Total Postage & Fees \$7.37



07/15/2013

Magnum Hunter Production, Inc

600 N. Marienfeld Street

Suite 600

Midland, TX 79701

Sent To _____
Street, Apt. or PO Box _____
City, State _____
PS Form _____ Instructions

7012 1010 0003 3405 2292

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

HOBBS NM 88240

Postage	\$ 1.72
Certified Fee	\$3.10
Return Receipt Fee (Endorsement Required)	\$2.55
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$7.37

07/15/2013

NMOCD
Sent To **District 1**
Street, Apt. or PO Box **1625 N. French Drive**
City, State **Hobbs, NM 88240**

PS Form 3800, August 2008 Instructions

7012 1010 0003 3405 2285

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

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

ARTESIA NM 88210

Postage	\$ 1.72
Certified Fee	\$3.10
Return Receipt Fee (Endorsement Required)	\$2.55
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$7.37

07/15/2013

Yates Petroleum Corporation
Sent To **105 South 4th Street**
Street, Apt. or PO **Artesia, NM 88210**
City, State

PS Form 3800, August 2008 Instructions

7012 1010 0003 3405 2308

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

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

SANTA FE NM 87504

Postage	\$ 1.72
Certified Fee	\$3.10
Return Receipt Fee (Endorsement Required)	\$2.55
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total	\$7.37

07/15/2013

New Mexico State Land Office
Sent To **PO Box 1148**
Street or PO **Santa Fe, NM 87504-1148**
City, State

PS Form 3800, August 2008 Instructions

7012 1010 0003 3405 2278

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

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

MIDLAND TX 79702

Postage	\$ 1.72
Certified Fee	\$3.10
Return Receipt Fee (Endorsement Required)	\$2.55
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total	\$7.37

07/15/2013

Legacy Reserves Operating, LP
Sent To **Paul T. Horne**
Street or PO **PO Box 10848**
City, State **Midland, TX 79702**

PS Form 3800, August 2008 Instructions

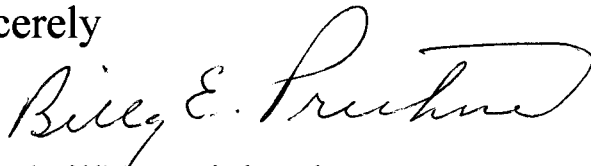
July 7, 2013
New Mexico Oil Conservation Division
Engineering Bureau
1220 South St. Francis
Santa Fe, NM 87504

RECEIVED OGD
2013 JUL 10 PM 2:21

RE: NMOCD form C108

Please find enclosed 2 copies of C108, also enclosed is original Affidavit of Publication for legal notice.
Should you have questions or need further information. Do not hesitate to call, email, or text with the below contact Information.

Sincerely



Billy(Bill) E. Prichard
Pueblo West Consulting
125 Greathouse Village
Decatur, TX 76234
4329347680 cellular or text
9406270086 fax
Email; billy@pwllc.net
www.pwllc.net

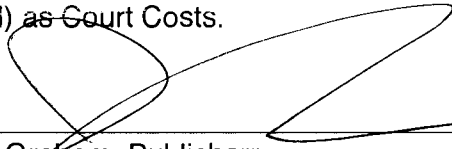
Affidavit of Publication

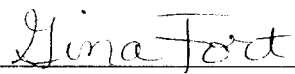
STATE OF NEW MEXICO)
) ss.
COUNTY OF LEA)

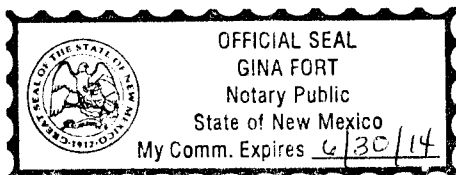
John Graham being first duly sworn on oath deposes and says that he is Publisher of THE LOVINGTON LEADER, a thrice a week newspaper of general paid circulation published in the English language at Lovington, Lea County, New Mexico; that said newspaper has been so published in such county continuously and uninterruptedly for a period in excess of Twenty-six (26) consecutive weeks next prior to the first publication of the notice hereto attached as hereinafter shown; and that said newspaper is in all things duly qualified to publish legal notices within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico.

That the notice which is hereto attached, entitled Legal Notice was published in a regular and entire issue of THE LOVINGTON LEADER and not in any supplement thereof, for one (1) day(s), beginning with the issue of June 11 , 2013 and ending with the issue of June 11 , 2013.

And that the cost of publishing said notice is the sum of \$ 36.36 which sum has been (Paid) as Court Costs.


John Graham, Publisher
Subscribed and sworn to before me this 14th day of June , 2013.


Gina Fort
Notary Public, Lea County, New Mexico
My Commission Expires June 30, 2014



LEGAL NOTICE

TLT SWD, L.L.C. , PO Box 1906, Hobbs, New Mexico 88241 has filed form C108(Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval for the conver-

sion of the Phillips State # 1, API 30-025-01271, 1980 FSL x 660 FEL, Unit Letter "I", Section 25, T16S, R33E, Lea County, New Mexico from a Kemnitz Lower Wolfcamp oil well to a commercial salt water disposal well. The disposal interval would be the lower Wolfcamp formation through perforations 10772 feet to 10829 feet. Disposal fluid would be produced water trucked in from numerous producing oil wells in southeastern New Mexico. Anticipated disposal rate 5000 BWPD with a maximum disposal rate of 7500 BWPD. Anticipated disposal pressure of 0(Zero) psi with a maximum disposal pressure of 2154 psi. Well is located approximately 10 miles west of Lovington, New Mexico.

All interested parties opposing the aforementioned must file objections with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505 within 15 days. Additional information can be obtained by contacting Billy Prichard 432-934-7680.

Published in the Lovington Leader June 11, 2013.



C-108 Review Checklist: Received 07/22/13 Add. Request: — Reply Date: — Suspended: — [Ver 8]

Issued Permit: WFX / PMX / SWD Number: 1439 Permit Date: 09/24/13 Legacy Permits/Orders: *R-13612 (included)

Well No. 1 Well Name(s): Phillips State

API: 30-0 25-01271 Spud Date: 06/10/1957 New or Old: (0) (UIC Class II Primacy 03/07/1982)

Footages 1980 FSL / 660 FEL Lot — Unit I Sec 25 Tsp 16S Rge 33E County Lea

General Location: 15 miles W of Lovington along 82 Pool: former: Kernitz Wolfcamp Pool No.: 35530

Operator: TLT SWD, LLC OGRID: 287481 Contact: Billy Prichard / JW

COMPLIANCE RULE 5.9: Inactive Wells: 0 Total Wells: 4 Fincl Assur: Yes Compl. Order? NO IS 5.9 OK? OK

Well File Reviewed ☒ Current Status: P&A - former Wolfcamp producer (1994) re-entered 10/11-2012 *R-13612: nearing for 30025-01268 (New Mex A #17) Wolfcamp

Well Diagrams: Proposed New ☐ Before Conversion ☒ After Conversion ☒ Are Elogs in Imaging? showing depletion - operator of WC wells did not object to SWD approach

Planned Rehab Work to Well: Re-enter & drill out/top of 5 1/2 in casing / install new 5 1/2 in casing

Well Construction Details:		Sizes (in) Borehole / Pipe	Setting Depths (ft)	Cement Sx or Cf	Cement Top and Determination Method
Planned <input type="checkbox"/> or Existing <input type="checkbox"/> Cond					
Planned <input type="checkbox"/> or Existing <input checked="" type="checkbox"/> Surface		<u>17 1/2 / 13 3/8</u>	<u>0 to 364</u>	<u>400</u>	<u>Cir to surf</u>
Planned <input type="checkbox"/> or Existing <input checked="" type="checkbox"/> Interm/Prod		<u>11 / 8 5/8</u>	<u>0 to 4353</u>	<u>1500</u>	<u>Cir to surf</u>
Planned <input type="checkbox"/> or Existing <input checked="" type="checkbox"/> Long St/Prod		<u>7 7/8 / 5 1/2</u>	<u>0 to 11030</u>	<u>270+</u>	<u>TS - 1650 ft</u>
Planned <input type="checkbox"/> or Existing <input type="checkbox"/> Liner					
Planned <input type="checkbox"/> or Existing <input checked="" type="checkbox"/> OH / PERF		<u>5 1/2 casing</u>	<u>10772 - 10829</u>	<u>Inj Length 57'</u>	

Injection Stratigraphic Units:	Depths (ft)	Injection or Confining Units	Tops?
Adjacent Unit: Litho. Struc. Por.	<u>+2810</u>	<u>Abo</u>	<u>7762</u>
Confining Unit: Litho. Struc. Por.	<u>T020</u>	<u>Wolfcamp</u>	<u>9702</u>
Proposed Inj Interval TOP:	<u>10772</u>	<u>Lower Wolfcamp</u>	<u>10318</u>
Proposed Inj Interval BOTTOM:	<u>10829</u>	<u>formation</u>	
Confining Unit: Litho. Struc. Por.	<u>—</u>	<u>Cisco</u>	<u>—</u>
Adjacent Unit: Litho. Struc. Por.	<u>—</u>	<u>Canyon</u>	<u>—</u>

Completion/Operation Details:	
Drilled TD	<u>11640</u> PBDT <u>11030</u>
New TD	<u>No Change</u> New PBDT <u>No Change</u>
Open Hole	<input type="checkbox"/> or Perfs <input checked="" type="checkbox"/>
Tubing Size	<u>2 7/8</u> Inter Coated? <u>Yes</u>
Proposed Packer Depth	<u>10725</u>
Min. Packer Depth	<u>10672</u> (100-ft limit)
Proposed Max. Surface Press	<u>2154</u>
Admin Inj. Press	<u>2154</u> (0.2 psi per ft)

AOR: Hydrologic and Geologic Information

POTASH: R-111-P NA Noticed? NA BLM Sec Ord NA WIPP NA Noticed? NA SALADO: T: — B: — CLIFF HOUSE NA

Fresh Water: FW Formation Capitana Max Depth ± 200 Wells? See attached Analysis? Yes Hydrologic Affirm Statement Yes

Disposal Fluid: Formation Source(s) Wolfcamp in Area / B5/G Analysis? Yes On Lease ☐ Operator Only ☐ or Commercial ☒

Disposal Interval: Injection Rate (Avg/Max BWPD): 5000/7500 Protectable Waters: No CAPITAN REEF: thru NA adjacent NA

H/C Potential: Producing Interval? Yes Formerly Producing? Yes Method: E Log / Mudlog/DST/Depleted / Other hearing for SWD in Area

AOR Wells: 1/2-M Radius Map? Yes Well List? Yes Total No. Wells Penetrating Interval: 10 Horizontals? 0

Penetrating Wells: No. Active Wells 6 Num Repairs? 0 on which well(s)? — Diagrams? Yes

Penetrating Wells: No. P&A Wells 4 Num Repairs? 0 on which well(s)? — Diagrams? Yes

NOTICE: Newspaper Date 06/11/13 Mineral Owner SLO Surface Owner SLO N. Date 07/15/13

RULE 26.7(A): Identified Tracts? Yes Affected Persons: Yates / Legacy Reser. / Magnum / MGM N. Date 7/15/13

Permit Conditions: Issues: Old casing - MIT will identify failure of casing

Add Permit Cond: None



New Mexico Office of the State Engineer

Active & Inactive Points of Diversion

(with Ownership Information)

(acre ft per annum)

(R=POD has been replaced
and no longer serves this file,
C=the file is closed)

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

(quarters are smallest to largest) (NAD83 UTM in meters)

WR File Nbr	Sub basin	Use	Diversion	Owner	County	POD Number	Code	Grant	Source	q	q	q	Sec	Tws	Rng	X	Y
L 03163	L	PRO	0	FRONTIER DRILLING CO.	LE	L 03163				64164	4	2	25	16S	33E	629992	3640466*
L 03397	L	PRO	0	TENNESSEE GAS TRANSMISSION CO	LE	L 03397			Shallow	2	2	25	16S	33E		629987	3640869*
L 03527	L	SRO	1418.7	WORKING INTEREST OWNERS MALJAMAR COOPERATIVE AGREEMENT	LE	L 03527			Shallow	1	2	2	36	16S	33E	629907	3639359*
					LE	L 03527 S			Shallow	1	1	3	36	16S	33E	628715	3638131*
					LE	L 03527 S2			Shallow	3	4	3	35	16S	33E	627508	3637911*
					LE	L 03527 S3			Shallow	2	3	3	35	16S	33E	627305	3638104*
L 03574	L	PRO	0	MCALISTER FUEL COMPANY	LE	L 03574			Shallow	2	1	25	16S	33E		629182	3640855*
L 03712	L	PRO	0	LLANE DRILLING COMPANY	LE	L 03712			Shallow	2	2	26	16S	33E		628377	3640841*
L 03751	L	PRO	0	LLANO DRILLING COMPANY	LE	L 03751				2	2	26	16S	33E		628377	3640841*
L 03789	L	DOM	3	FOREST OIL COMPANY	LE	L 03789			Shallow			26	16S	33E		627788	3640216*
L 03909	L	PRO	0	KREE-MCGEE OIL INDUSTRIES INC	LE	L 03909			Shallow	3	1	25	16S	33E		628785	3640445*
L 04260	L	PRO	0	SHELL OIL COMPANY	LE	L 04260				2	1	35	16S	33E		627593	3639218*
L 06072	L	PRO	0	JOHNN DRILLING CO	LE	L 06072			Shallow	3	4	23	16S	33E		627969	3641236*
L 06222	L	PRO	0	LOFFLAND BROTHER DRILLING CO	LE	L 06222			Shallow	2	3	26	16S	33E		627582	3640022*
L 06611	L	STK	3	MCVAY DRILLING COMPANY	LE	L 06611			Shallow	3	3	3	23	16S	33E	627063	3641121*
L 10289	L	PLS	3	CHARLES R. MARTIN, INC.	LE	L 10289			Shallow	2	2	25	16S	33E		629987	3640869*
L 10290	L	PDL	6	CHARLES R. MARTIN, INC.	LE	L 10290				2	2	25	16S	33E		629987	3640869*

*UTM location was derived from PLSS - see Help

(acre ft per annum)

(R=POD has been replaced
and no longer serves this file,
C=the file is closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are smallest to largest) (NAD83 UTM in meters)

WR File Nbr	Sub basin Use Diversion Owner	County POD Number	Code Grant	Source	q q q	6416 4	Sec	Tws	Rng	X	Y
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Record Count: 17

POD Search:

POD Basin: Lea County

PLSS Search:

Section(s): 23, 24, 25, 26, Township: 16S Range: 33E
35, 36

Sorted by: File Number



New Mexico Office of the State Engineer

Active & Inactive Points of Diversion

(with Ownership Information)

(acre ft per annum)

(R=POD has been replaced
and no longer serves this file,
C=the file is closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are smallest to largest) (NAD83 UTM in meters)

WR File Nbr	Sub basin	Use	Diversion	Owner	County	POD Number	Code Grant	Source	q q q 6416 4 Sec Tws Rng	X	Y
L 03282	L	PRO	0	WARREN & BRADSHAW DRILLING CO.	LE	L 03282		Shallow	1 1 19 16S 34E	630369	3642484*
L 03306	L	PRO	0	TENNASSEE GAS TRANSMISSION CO.	LE	L 03306		Shallow	2 2 30 16S 34E	631521	3640897*
L 03476	L	PRO	0	TENNESSE GAS TRANSMISSION CO	LE	L 03476		Shallow	2 1 30 16S 34E	630717	3640882*
L 03477	L	PRO	0	TENNESSEE GAS TRANSMISSION CO	LE	L 03477		Shallow	3 3 2 30 16S 34E	631024	3640386*
L 03529	L	SRO	825.7	WORKING INTEREST OWNERS MALJAMAR COOPERATIVE AGREEMENT	LE	L 03529		Shallow	4 3 2 30 16S 34E	631224	3640386*
					LE	L 03529 S		Shallow	1 1 4 30 16S 34E	631030	3640184*
					LE	L 03529 S2		Shallow	4 4 4 19 16S 34E	631614	3641198*
L 05298	L	SAN	3	TENNECO OIL COMANY	LE	L 05298		Shallow	3 30 16S 34E	630606	3639870*
L 05382	L	IND	0	EL PASO NATURAL GAS	LE	L 05382			3 30 16S 34E	630606	3639870*

Record Count: 9

POD Search:

POD Basin: Lea County

PLSS Search:

Section(s): 19, 30, 31 Township: 16S Range: 34E

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.

9/25/13 10:23 AM

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:**

**CASE NO. 14874
ORDER NO. R-13612**

**APPLICATION OF STAR OIL AND GAS COMPANY FOR
AUTHORIZATION TO INJECT, LEA COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on June 25, 2012, at Santa Fe, New Mexico, before Examiner David K. Brooks.

NOW, on this 31st day of July, 2012, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT:

(1) Due notice has been given, and the Division has jurisdiction of the subject matter of this case.

(2) By this application, Star Oil and Gas Company ("Applicant") seeks authorization to convert the following existing oil well (the "subject well") to a commercial disposal well in the Wolfcamp formation (SWD-Wolfcamp Pool):

New Mex A Well No. 1
API No. 30-025-01268
1983 feet FSL & 2313 feet FWL
Unit K, Section 25, Twsp 16 South, Range 33 East, NMPM
Lea County, New Mexico

(3) Applicant proposes to inject produced water from various neighboring wells into the Wolfcamp formation through the existing perforations in the subject well at a depth interval from 10,720 to 10,808 feet below the surface.

(4) At the hearing, Applicant appeared through counsel and presented testimony and exhibits to the effect that:

(a) The subject well is an existing Wolfcamp producer that has become marginal. Current production is less than two barrels of oil and less than three mcf of gas per day.

(b) There is an existing disposal well injecting into the Wolfcamp in the immediate vicinity, which is Kenmore's New Mex A Well No. 2, located in Unit O of Section 25.

(c) There is a need for additional disposal capacity for produced water generated by producing wells in the geographical vicinity of the subject well.

(d) There are no active fresh water wells in the vicinity. Fresh water is encountered at 150 to 200 feet below the surface.

(e) The subject well has 13 3/8-inch surface casing set at 374 feet, with cement circulated to surface, 9 5/8-inch intermediate casing set at 4,547 feet, with cement circulated to surface, and 5 1/2-inch production casing set at 11,579 feet with top of cement identified by temperature survey at 4,500 feet.

(f) Injection will be accomplished through 2 7/8-inch internally plastic coated tubing, set in a packer inside the existing production casing. Applicant expects that the formation will take the expected volumes of water without injection pressure, but nevertheless seeks authorization to inject at pressures up to 2,200 psig surface injection pressure.

(g) The injected fluids will consist of produced water from various formations produced from wells in the vicinity. No fluid compatibility problems are anticipated.

(h) There are 23 wells producing from the Wolfcamp within two miles from the subject well. Two of these wells are within the one-half mile area of review. These wells evidence substantial depletion, and currently produce a total of approximately 55 barrels of oil per day and small amounts of casinghead gas. The wells within one-half mile of the subject well are producing 3 to 4 barrels of oil per day.

(i) Based upon the location of the subject well in the extreme West/Southwest (structurally low) portion of the pool, the depleted nature of this pool and a geological report admitted in evidence, injection into the subject wells will not adversely affect production from the existing Wolfcamp wells in the vicinity, and might, sometime in the indeterminate future, improve that production.

(j) There have been no secondary recovery efforts undertaken in this pool, and the operator of the existing Wolfcamp wells has specifically indicated that it has no intention of attempting secondary recovery. However, conversion of the subject well to injection, if it improved production from existing wells, could provide an indication whether or not there is potential for secondary recovery.

(k) In addition to the two producing wells, in the half-mile area of review (AOR) surrounding the subject well there is one disposal well (described in Finding paragraph 4(b) above) and two plugged and abandoned wells. The plugged wells appear to be properly plugged so that neither will serve as a conduit to allow injected fluids to flow out of zone or the surface.

(5) No other party appeared at the hearing or otherwise opposed the application. MGM Oil & Gas Company, the operator of all the producing Wolfcamp wells within two miles from the subject well, filed a letter expressly stating that it has no objection to the granting of the application.

The Division concludes that:

(6) Granting of this application will provide additional capacity for disposal of produced water, facilitating production of oil and gas from reservoirs in the vicinity of the subject well and thereby preventing waste, and will not impair correlative rights.

(7) The wells in the AOR appear to be adequately cased and cemented, so that none of them will become a conduit for the escape of injected fluid from the permitted injection formation. Accordingly no remedial work on wells in the AOR need be required.

(8) Applicant has certified in the Form C-108 filed in this case that available geologic and engineering data have been examined, and no evidence of open faults or hydrological connection between the disposal zone and any underground sources of drinking water has been found.

(9) Based on the foregoing, it appears that the granting of the application will not be harmful to human health or the environment.

(10) Accordingly, the application should be approved, and Applicant should be authorized to inject fluids at a surface injection pressure not to exceed 2,144 psi (.2 psi per foot of depth to the shallowest perforation). The Applicant may apply to the Division for a higher injection pressure upon satisfactorily demonstrating that an increase in injection pressure will not result in fracturing of the injection formation or confining strata.

IT IS THEREFORE ORDERED THAT:

(1) Star Oil and Gas Company ("Star" or "Operator") is hereby authorized to inject produced water for the purpose of disposal into the Wolfcamp formation (SWD-Wolfcamp Pool), at an injection interval from approximately 10,720 to 10,808 feet below the surface, through its New Mex A Well No. 1 (API No. 30-025-01268), located 1983 feet from the South line and 2313 feet from the West line (Unit K) of Section 25, Township 16 South, Range 33 East, NMPM, in Lea County, New Mexico.

(2) Operator shall take all steps necessary to ensure that the injected fluid enters only the injection interval and is not permitted to escape to other formations or onto the surface from injection, production, or plugged and abandoned wells.

(3) Injection shall be accomplished through internally plastic-lined steel tubing installed in a packer set in the casing below the top of the injection formation and within 100 feet of the uppermost injection perforations. The casing-tubing annulus shall be filled with an inert fluid, and a gauge or approved leak-detection device shall be attached to the annulus in order to detect leakage in the casing, tubing or packer.

(4) The well shall pass a mechanical integrity test prior to initial commencement of disposal and prior to resumption of disposal each time the disposal packer is unseated. All testing procedures and schedules shall conform to the requirements of Division Rule 19.15.26.11.A NMAC. The Division Director retains the right to require at any time wireline verification of completion and packer setting depths.

(5) The injection well shall be initially equipped with a pressure control device or acceptable substitute that will limit the surface injection pressure to no more than 2,144 psi.

(6) The Division Director shall have the authority to administratively authorize an increase in injection pressure upon a showing by the operator that such higher pressure will not result in fracturing of the injection formation or confining strata.

(7) The operator shall give at least 72 hours advance notice to the supervisor of the Division's Hobbs District Office of the date and time (i) injection equipment will be installed, and (ii) the mechanical integrity pressure tests will be conducted, so these operations may be witnessed.

(8) The operator shall provide written notice of the date of commencement of injection into each well to the Hobbs District Office of the Division.

(9) The operator shall immediately notify the supervisor of the Division's Hobbs District Office of the failure of the tubing, casing or packer in the subject well, or the leakage of water, oil, gas or other fluid from or around any producing or abandoned well within one-half mile of the injection well, and shall take all steps as may be timely and necessary to correct such failure or leakage.

(10) The Project shall be governed by applicable provisions of Division Rules 19.15.26.1 through 19.15.26.15 NMAC. The operator shall submit monthly reports of the injection operations on Division Form C-115, in accordance with Division Rule 19.15.7.24 NMAC.

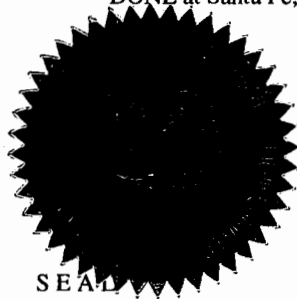
(11) In accordance with Division Rule 19.15.26.12(C), the injection authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations; provided, however, the Division, upon written request by the Operator, may grant an extension for good cause.

(12) This Order does not relieve Operator of responsibility should its operations cause any actual damage or threat of damage to protectable fresh water, human health or the environment; nor does it relieve the operator of responsibility for complying with applicable Division rules or other state, federal or local laws or regulations.

(13) Upon failure of the operator to conduct operations (1) in such manner as will protect fresh water or (2) in a manner consistent with the requirements in this Order, the Division may, after notice and hearing, (or without notice and hearing in event of an emergency, subject to the provisions of NMSA 1978 Section 70-2-23), terminate the injection authority granted herein.

(14) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



SEALED

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

JAMI BAILEY
Director