

DATE IN 11/06/13	SUSPENSE	ENGINEER PG	LOGGED IN 11/06/13	TYPE SWD 315-B	PPR NO. 1331056257
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ABOVE THIS LINE FOR DIVISION USE ONLY

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



ED 000
 5 P 2:45

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 Loss of Authorization SWD-315

Kevin O. Butler & Assoc.

30-025-23089

Maxwell #2

*Shot-In on Oct 22,
 2013 OGD Correspond./
 MIT/2002/Failed
 No injection past 10 yrs.
 5.9 Not satisfied*

[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

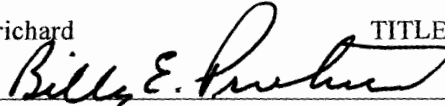
Billy E. Prichard
 Signature

Agent
 Title

10/31/13
 Date

billy@pwllc.net
 e-mail Address

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: _____ Secondary Recovery _____ Pressure Maintenance X Disposal _____ Storage
Application qualifies for administrative approval? X Yes _____ No
- II. OPERATOR: Kevin O. Butler and Associates, Inc Ogrid # 12627
ADDRESS: 550 W. Texas, Suite 600, Midland, Tx 79702
CONTACT PARTY: Billy(Bill) E. Prichard billy@pwllc.net PHONE: 432-934-7680
- 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? X Yes _____ No
If yes, give the Division order number authorizing the project: SWD - 315
- 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
SIGNATURE:  DATE: 10/31/2013
E-MAIL ADDRESS: billy@pwllc.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: _____

**Kevin O Butler and Associates, Inc
Maxwell # 2
30-025-23089
2310 FNL X 990 FWL
Unit Letter "E", Section 6, T13S, R38E
Lea County, New Mexico**

C108 (Application for Authorization to Inject)

I.

The purpose of this application is to convert the Maxwell # 2 from a shut in Wolfcamp salt water to an active Wolfcamp salt water disposal well. The application qualifies for administrative approval.

II.

**Operator: Kevin O. Butler and Associates, Inc Ogrid # 12627
Address: 550 W. Texas, Suite 600 Midland, TX 79702
Contact Party: Billy E. Prichard Phone: 432-934-7680**

III.

Please see Exhibit "A" for well data

IV.

This is an expansion of an existing project.

SWD - 315

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 500 BWPD with a maximum disposal rate of 1000 BWPD.**
- 2. The system will be open.**
- 3. Anticipated disposal press is 0(Zero)psi with a maximum disposal pressure of 1924 psi.**
- 4. Disposed fluid will piped in from producing wells in the immediate area.**

5.

Wolfcamp produced water will be re-injected in the Wolfcamp.

VIII.

The proposed disposal interval is the Wolfcamp formation. It is a light to dark gray reefoid limestone of Permian Age. Above the Wolfcamp is the Abo formation and below the Wolfcamp is the Strawn formation.

**There is no known fresh water strata below the 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.
Surface casing on numerous oil wells in area set at 375 feet.**

Kevin O Butler and Associates, Inc
Maxwell # 2
30-025-23089
2310 FNL X 990 FWL
Unit Letter"E", Section 6, T13S, R38E
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 "D" 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 "E" for Proof of Notice

Billy E. Prichard 
Agent for Kevin O. Butler and Associates, Inc

Date 11/4/13

Kevin O. Butler and Associates, Inc
Maxwell # 2
API # 30-025-23089
2310 FNL x 990 FWL
Unit Letter "E", Section 6, T13S, R38E
Lea County, New Mexico

Well Data

Spud 3/28/1969 as Devonian Development well.

13 3/8" 48# casing set at 379' in 17 1/2" hole, cemented with 375 sacks of cement.

Cement circulated to surface.

8 5/8" 24#&32# casing set at 4526' in 11" hole, cemented with 700 sacks of cement. No record of cement top.

5 1/2" 17#&20# casing set at 12236' in 7 7/8" hole with DV Tool at 9993'
Cement in 2 stages

Stage 1 - 275sx Class "H" Top of cement calculated at 10363'.

Stage 2 - 175sx Class "H" Top of cement calculated at 8799'.

4 3/4" Open hole 12236-12244'.

Cast iron bridge plug set at 9803' capped with 35' of cement.

Perforations 9624'-9682'

Converted to SWD in 1987 per SWD-315

Anhy - 2226'

Top of Salt - 2320'

Base of Salt - 3026'

Yates - 3096'

Queen - 3916'

San Andres - 4510'

Glorieta - 5947'

Tubb - 7250'

Abo - 7945'

Wolfcamp - 9150'

Mississippi - 11457'

Devonian - 12233'

Exhibit "A"

Page 1

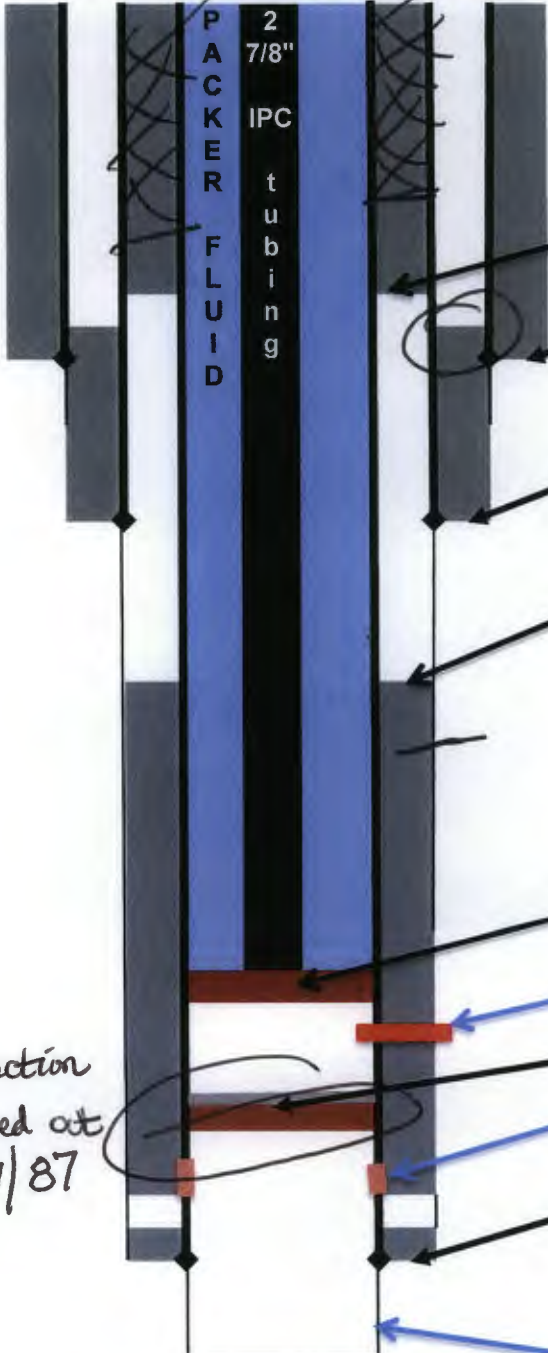
**Kevin O. Butler and Associates, Inc
Maxwell # 2
API # 30-025-23089
2310 FNL x 990 FWL
Unit Letter"E", Section 6, T13S, R38E
Lea County, New Mexico**

Well Data

6/19/2013-7/11/2013

**Squeezed holes 2685' - 3011' in 5 1/2" with 450sx Class"C" cement. Circulated
cement to surface via 5 1/2" x 8 5/8" annulus.
Drilled out and tested to 500psi - OK**

Kevin O Butler and Associates, Inc
Maxwell # 2
API # 30-025-23089
Unit Letter E, Section 6, T13S, R38E
Lea County, New Mexico



No cement to surface

Exhibit "A"

2685'-3011' *326'*
 Squeezed holes in 5 1/2" csg
 450sx Class "C"

13 3/8" csg set at 379ft
 Cmt w/ 375sx cmt
 Cmt circ *?*

8 5/8" 24# & 32 set at 4526ft
 Cmt w/ 700sx cmt
 No record of cement top

Top of cmt calculated 8799'

Maximum Inject Prs.
 9624ft x 0.2
 1925psi

*Adjacent Anderson
 Calc. at 8918'
 1987C-108 gpd*

Nickel Coated Arrowset packer
 9548'

Perfs 9624-9682'

*** CIBP at 9803ft capped w/ 35ft cement**

DV Tool 9993'

5 1/2" 17&20# set at 12236ft
 DV tool at 9993'
 Stage 1 - 275sx Class H cement
 Stage 2 - 175sx Class H cement
www.pwllc.net

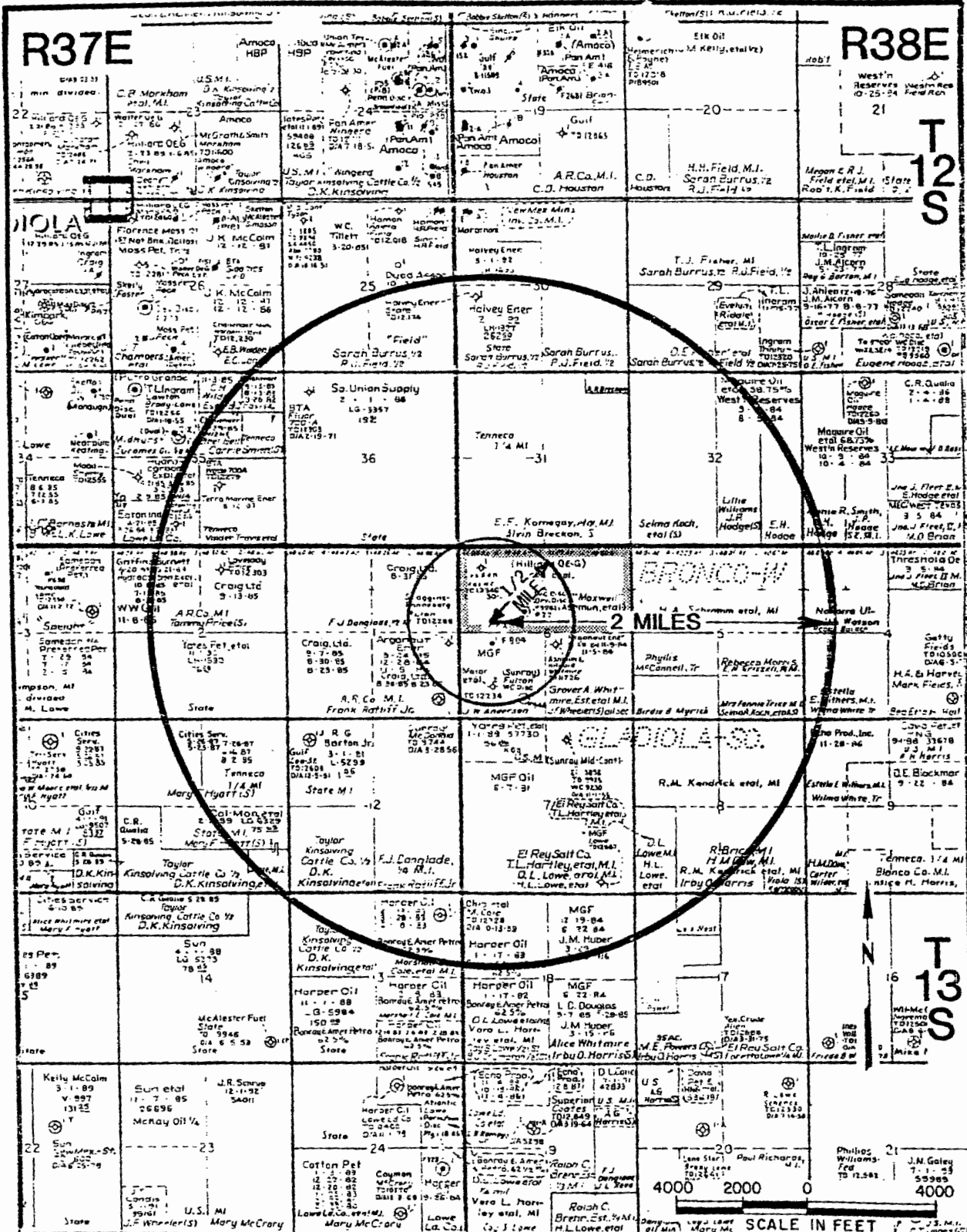
OH 12236'-12244'
*Approved for injection
 in OH on 6/27/87
 Amendment*

** Remedial action
 - CIBP drilled out
 on 06/27/87*

BEP

Drawing not to scale

*No approval
 for inter
 betw
 We
 &
 Dev.*



Kevin O. Butler and Associates, Inc



LOCATION PLAT
MAXWELL #2
 Lea County, New Mexico

1"=4000'

Kevin O Butler and Associates, Inc
Maxwell # 2
Area of Review

Sec 36, T12S, R37E				Sec 31, T12S, R38E			
D	C	B	A	D	C	B	A
E	F	G	H	E	F	G	H
L	K	J	I	L	K	J	I
M	N	O	P	M	N	O	P
D	C	B	A	D	C	B	A
E	F	G	H	E	F	G	H
L	K	J	I	L	K	J	I
M	N	O	P	M	N	O	P
Sec 1, T13S, R37E				Sec. 6, T13S, R38E			

Maxwell # 2

Exhibit "C"

Kevin O Butler and Associates, Inc
Maxwell # 2
API # 30-025-23089
2310 FNL x 990 FWL
Unit Letter "E", T13S, R38E
Lea County, New Mexico

Wells located in 0.5 mile Area of Review

Kevin O Butler and Associates, Inc
EB Anderson # 1
API # 30-025-22340
Unit Letter "L", Section 6, T13S, R38E

Kevin O. Butler and Associates, Inc
EB Anderson # 2
API # 30-025-22454
Unit Letter "M", Section 6, T13S, R38E

Kevin O. Butler and Associates, Inc
EB Anderson # 3
API # 30-025-29786
Unit Letter "M", Section 6, T13S, R38E

Kevin O. Butler and Associates, Inc
Maxwell # 1
API # 30-025-21186
Unit Letter "F", Section 6, T13S, R38E

Cosden Petroleum Corporation
AL Maxwell # 1
API # 30-025-07223
Unit Letter "D", Section 6, T13S, R38E
PA 10/1959

Ashmund & Hilliard
OE Fulton # 1
API # 30-025-07224
Unit Letter "N", Section 6, T13S, R38E
PA 10/1967

Kevin O Butler and Associates, Inc
Maxwell # 2
API # 30-025-23089
2310 FNL x 990 FWL
Unit Letter "E", T13S, R38E
Lea County, New Mexico

Wells located in 0.5 mile Area of Review

Ashmund and Hilliard
GA Whitmire # 1
API # 30-025-21631
Unit Letter "J", Section 6, T13S, R38E
PA 3/1966

Ashmund & Hilliard
Rulon # 1
API # 30-025-22847
Unit Letter "I", Section 1, T13S, R37E
PA 1985

Kevin O Butler and Associates, Inc
EB Anderson # 1
API # 30-025-22340
Unit Letter "L", Section 6, T13S, R38E

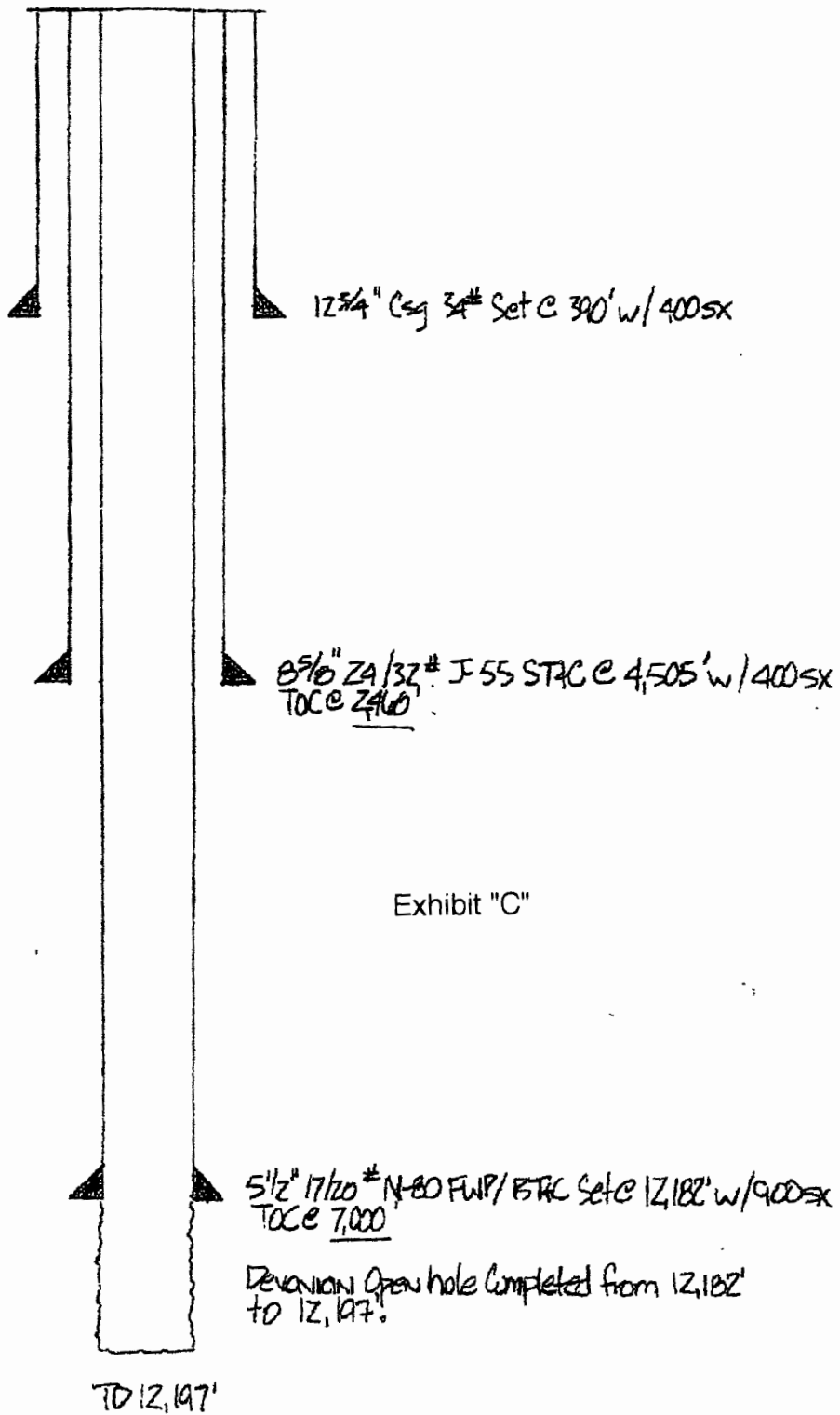
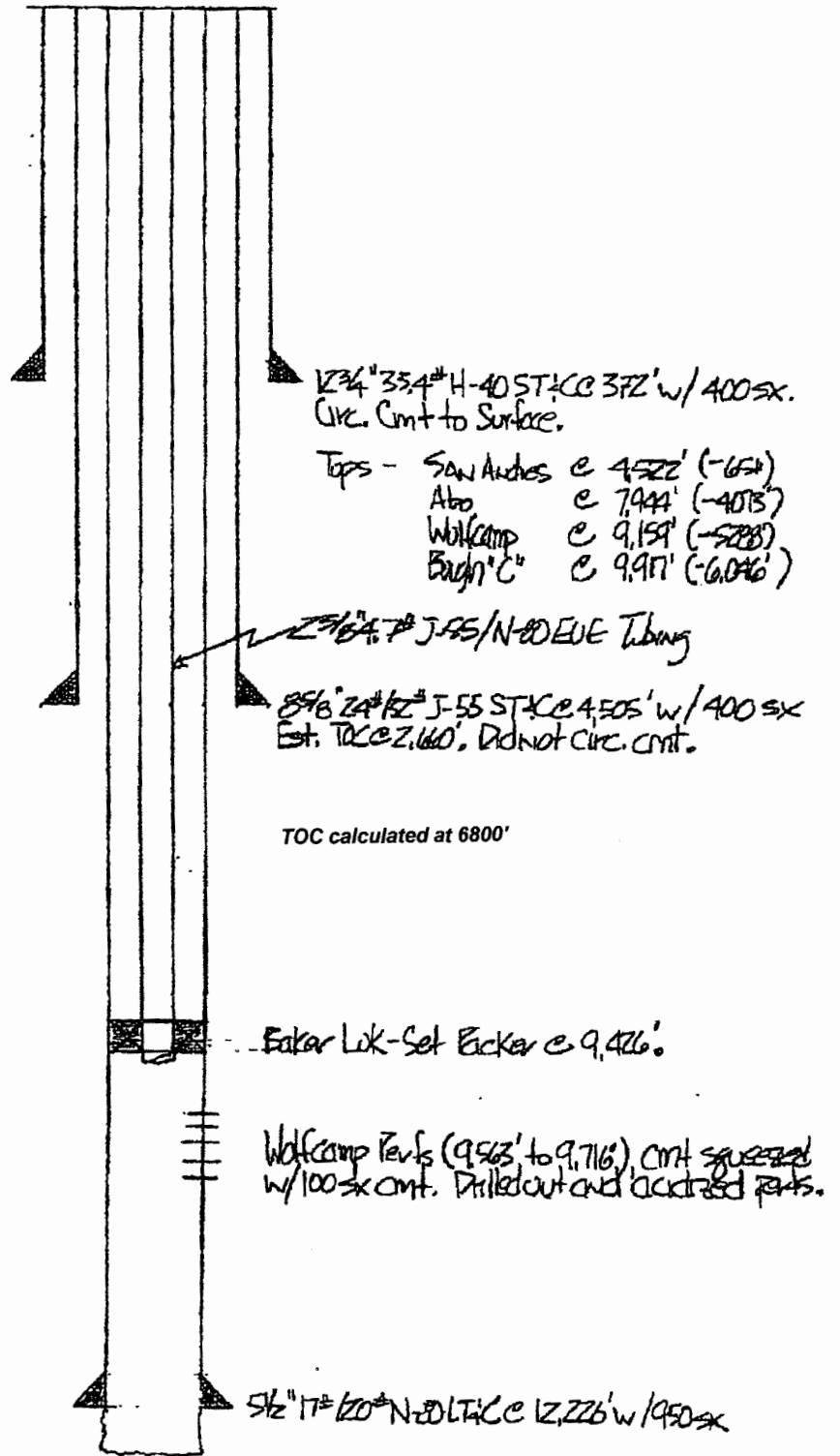


Exhibit "C"

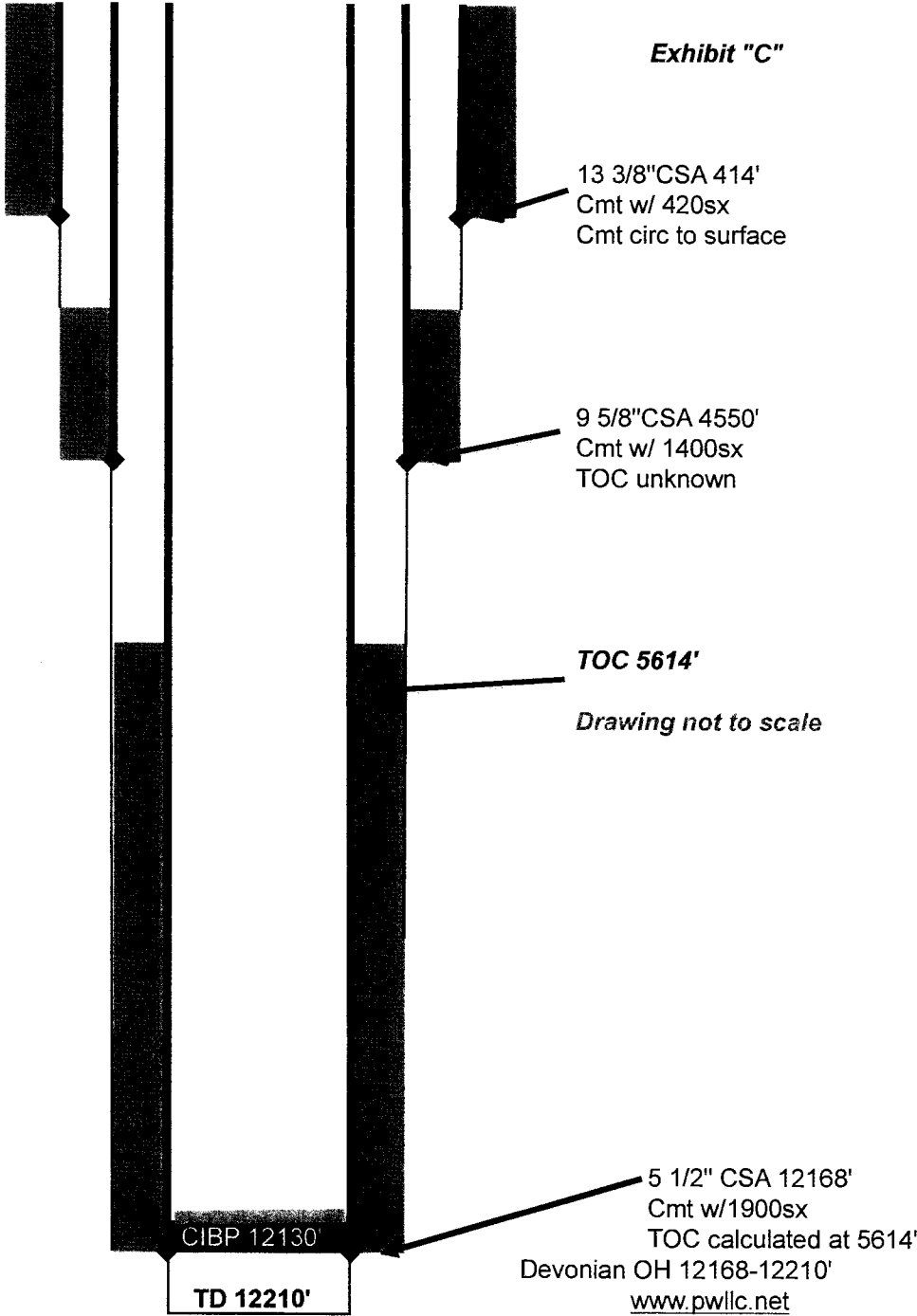
Kevin O Butler and Associates, Inc
 EB Anderson # 2
 API # 30-025-22454
 Unit Letter "M", Section 6, T13S, R38E

Exhibit "C"



Kevin O Butler and Associates, Inc
EB Anderson # 3
API # 30-025-29786
Unit Letter M, Sec. 6, T13S, R38E
Lea County, New Mexico
Current WBD

Exhibit "C"

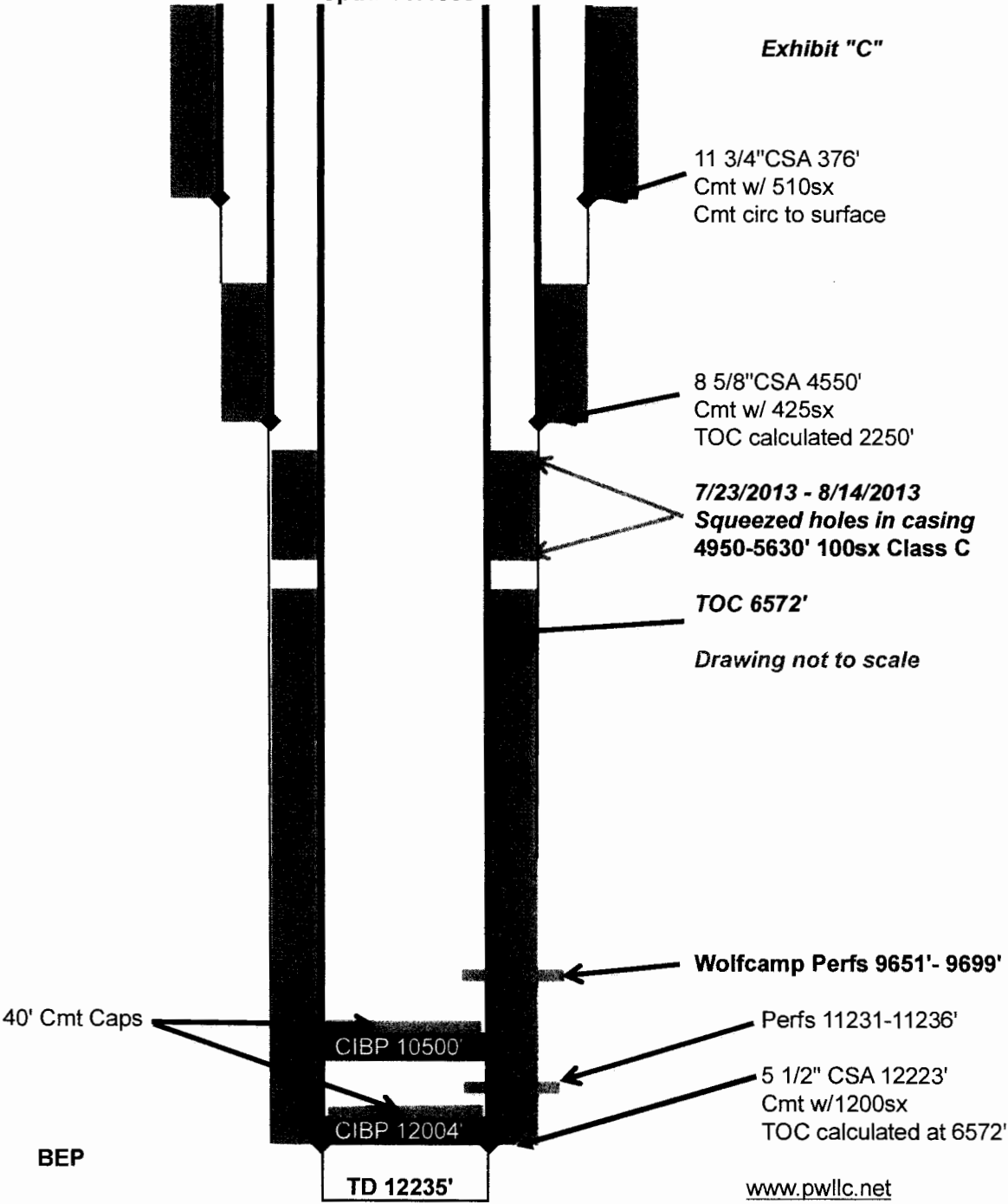


BEP

Kevin O Butler and Associates, Inc
Maxwell # 1
API # 30-025-21186
Unit Letter F, Sec. 6, T13S, R38E
Lea County, New Mexico
Current WBD

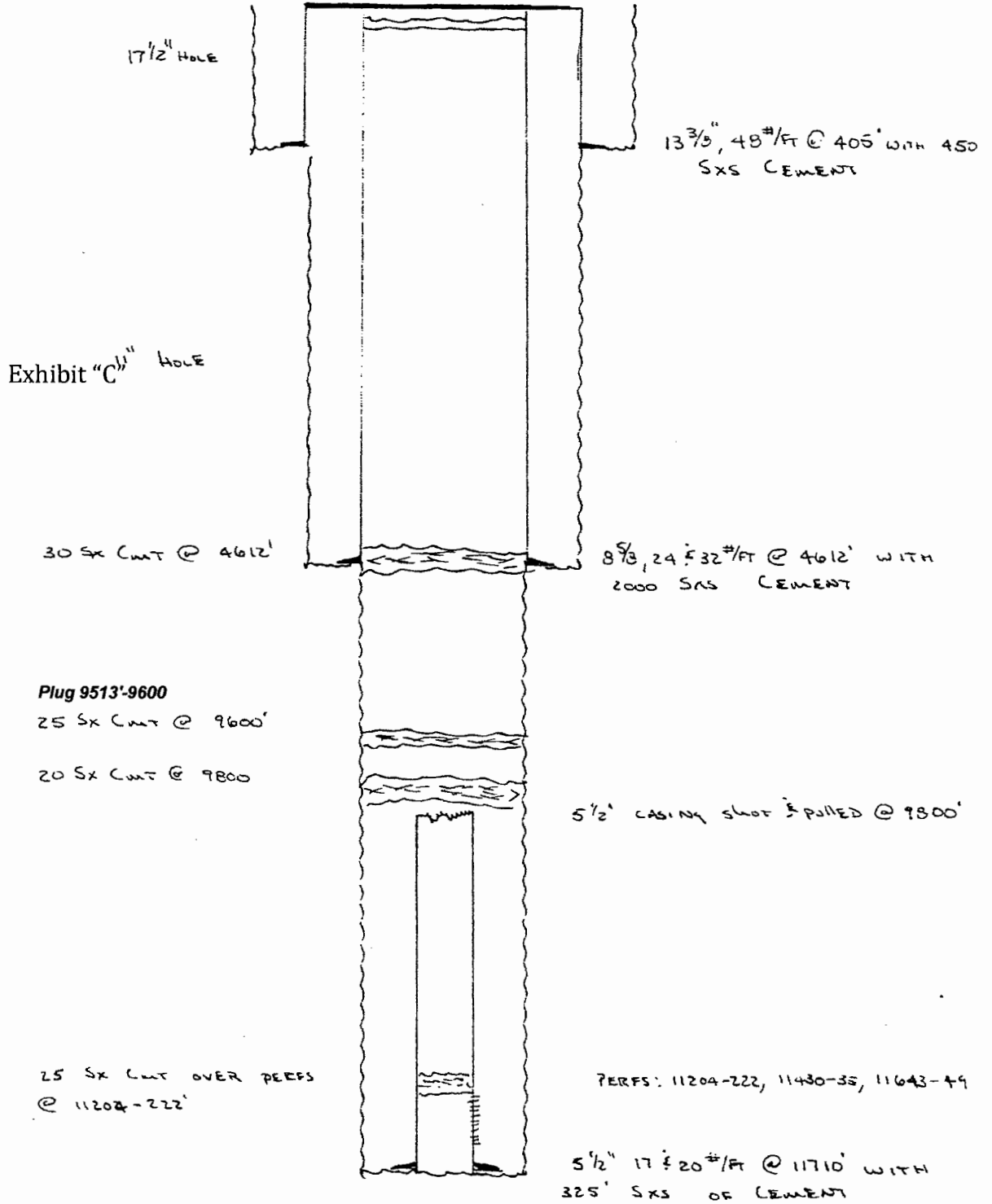
Spud 2/7/1965

Exhibit "C"



Cosden Petroleum Corporation
 AL Maxwell # 1
 API # 30-025-07223
 Unit Letter "D", Section 6, T13S, R38E
 PA 10/1959

10 SX CMT @ SURFACE. WELD ON 1/2" STEEL PLATE



Ashmund & Hilliard
 OE Fulton # 1
 API # 30-025-07224
 Unit Letter "N", Section 6, T13S, R38E
 PA 10/1967

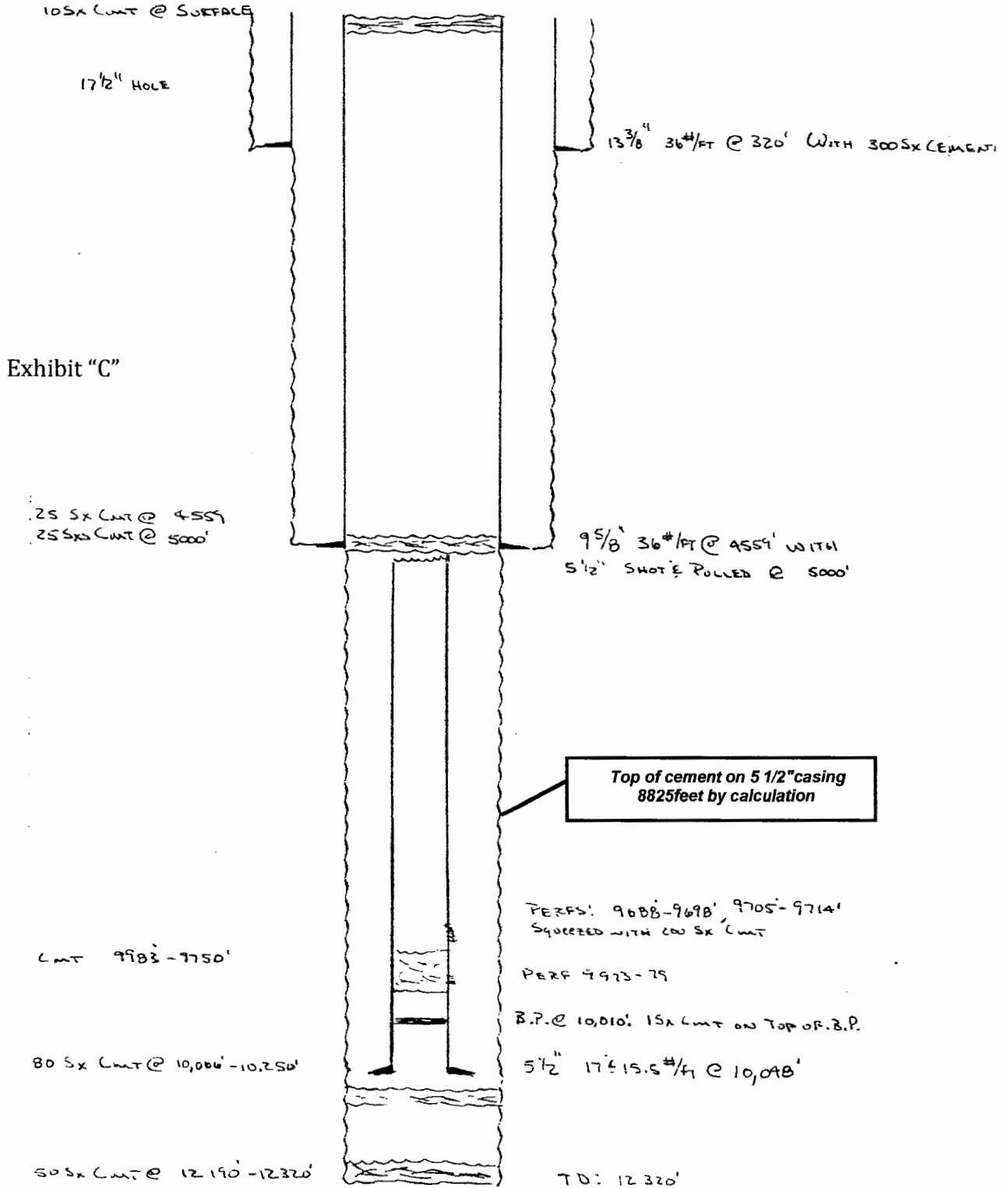
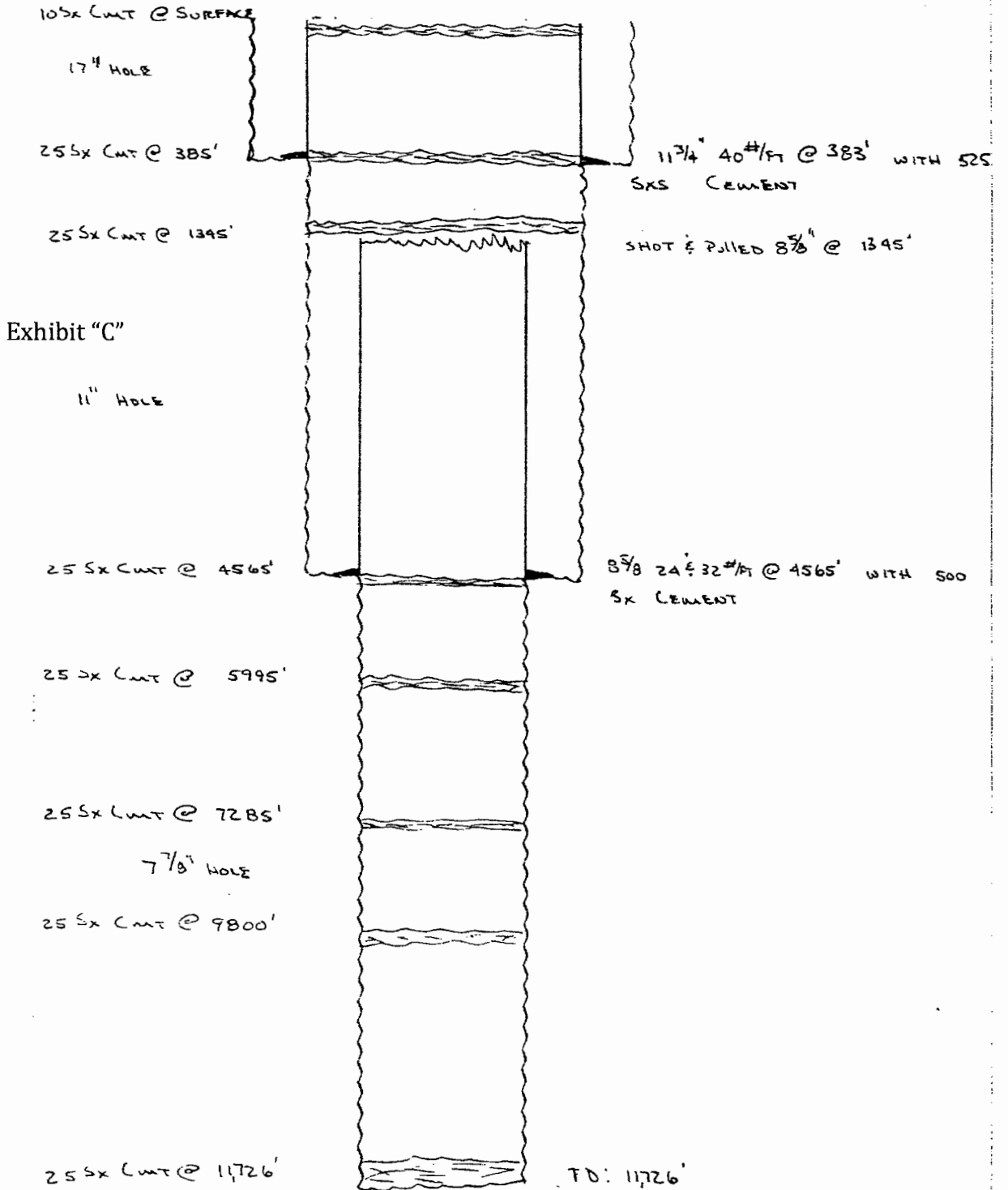


Exhibit "C"

Ashmund & Hilliard
GA Whitmire # 1
API # 30-025-21631
Unit Letter "J", Section 6, T13S, R38E
PA 3/1966



Ashmund & Hilliard
 Rulon # 1
 API # 30-025-22847
 Unit Letter "I", Section 1, T13S, R37E
 PA 1985

40 SXS CEMENT @ SURFACE TO 408'. CAP WITH STEEL PLATE

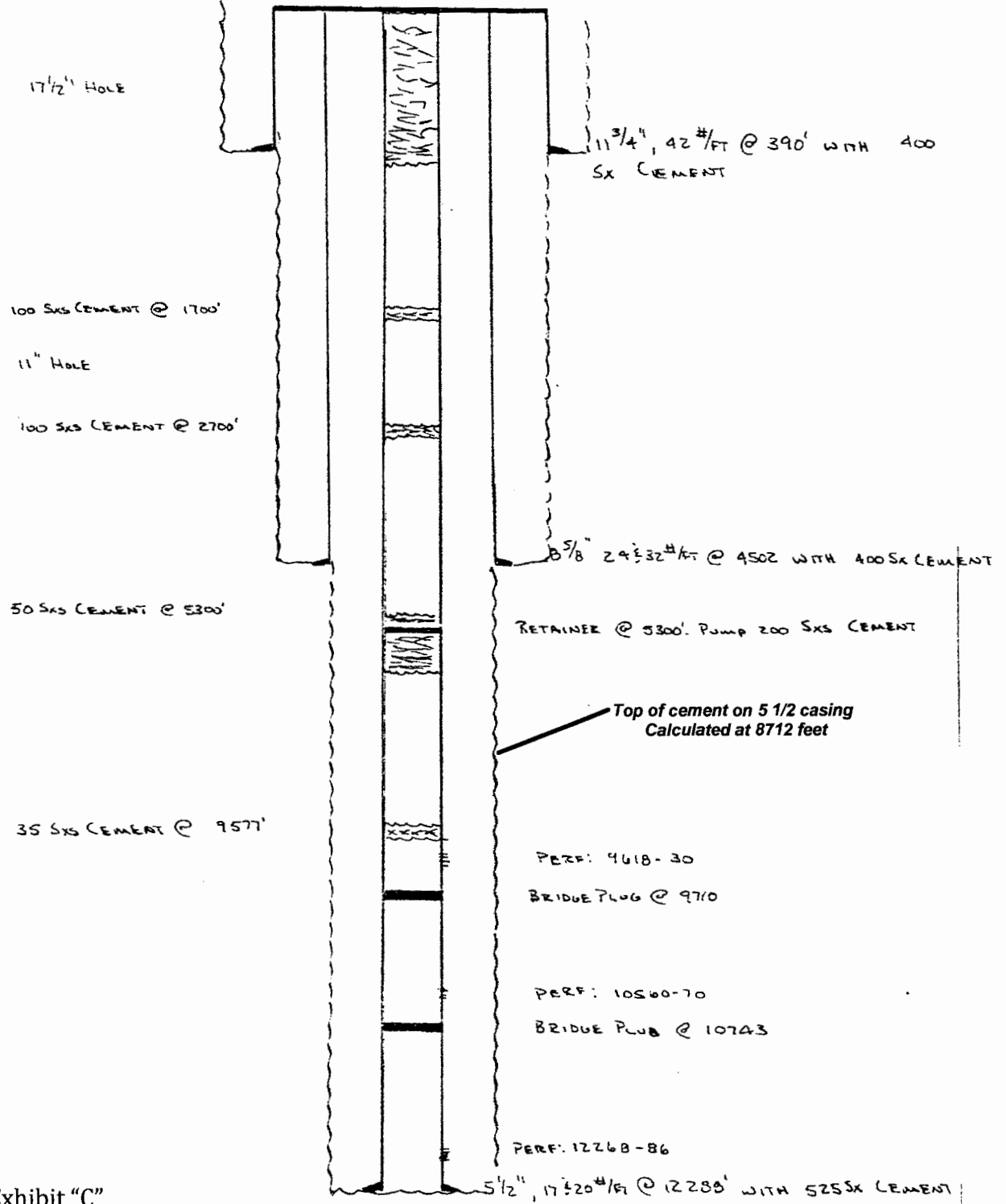


Exhibit "C"

WATER ANALYSIS REPORT



BOX 4513
ODESSA, TEXAS 79760

TECH SERVICE LABORATORY: Odessa, Texas Phone (915) 327-0255 & 365-0255
RESEARCH LABORATORY: Houston, Texas Phone (713) 431-2981
PLANT: Odessa, Texas Phone (915) 327-0255

REPORT FOR	Donnie Hill	DATE SAMPLED	1/26/87
CC	Skidmore	DATE REPORTED	1/28/87
CC		FIELD LEASE OR WELL	Near Maxwell Well
CC		COUNTY	STATE
COMPANY	Kirby	FORMATION	
ADDRESS		DEPTH	
SERVICE ENGINEER	Ray Adrian	SUBMITTED BY	Kirby Pumper

CHEMICAL ANALYSIS (BY PARTS PER MILLION)

Chemical Component	Fresh Well	Field, Lease, or Well			
Chloride (Cl)	500				
Iron (Fe)	1				
Total Hardness (CaCO ₃)	1400				
Calcium (Ca)	521				
Magnesium (Mg)	24				
Bicarbonate (HCO ₃)	170				
Carbonate (CO ₃)	0				
Sulfate (SO ₄)	211				
Hydrogen Sulfide (H ₂ S)					
Density Gravity	1.001				
Acidity, 10/pt.	8.342				
H-Secaman II Strip ()	5.400				
Carbon Dioxide					
Sodium (calc.)	0				
DS	1528				
3504 Sol @ 82F	1528				
3504 Present	300				

RECEIVED
FEB 02 1987
EUNICE DISTRICT

OTHER DESCRIPTION, REMARKS AND RECOMMENDATIONS

3503 SI @ 85 F	-0.16
104 F	+0.06
122 F	+0.29
140 F	+0.53
158 F	+0.78

Exhibit "D"

REPORTED BY: Joseph A. Best TITLE: Chemist

**Legal Notice will be published in Lovington Leader on 10/31/2013
Affidavit of publication will be forwarded to NMOCD when received**

Legal Notice

Kevin O. Butler and Associates, Inc 550 W. Texas, Suite 600, Midland, Texas 79702 has filed form C108(Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval for the conversion of the Maxwell # 2, API # 30-025-23089, 2310 FNL x 990 FWL, Unit Letter"E", Section 6, T13S, R38E Lea County, New Mexico from a shut in Wolfcamp salt water disposal well to an active Wolfcamp lease salt water disposal well. The disposal interval would be the Wolfcamp formation through perforations 9624feet to 9682feet. Disposal fluid would be produced water piped in from numerous producing oil wells in the immediate area. Anticipated disposal rate 500 BWPD with a maximum disposal rate of 1000 BWPD. Anticipated disposal pressure of 0(Zero) psi with a maximum disposal pressure of 1924 psi. Well is located approximately 12 miles east of Tatum, New Mexico.

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

Sincerely,

A handwritten signature in black ink that reads "Billy E. Prichard". The signature is fluid and cursive, with a large loop at the end of the last name.

Billy(Bill)E.Prichard
Pueblo West Consulting
125 Greathouse Village
Decatur, TX 76234
432-934-7680
email; billy@pwllc.net
www.pwllc.net

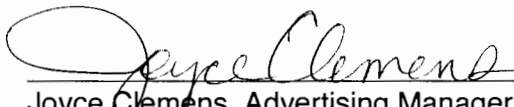
Affidavit of Publication

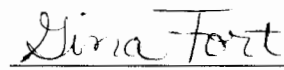
STATE OF NEW MEXICO)
) ss.
COUNTY OF LEA)

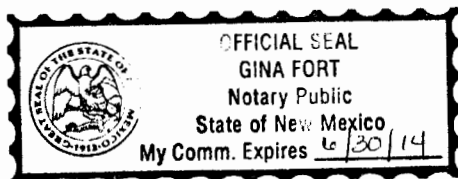
Joyce Clemens being first duly sworn on oath deposes and says that she is Advertising Manager of THE LOVINGTON LEADER, a thrice a week newspaper of general paid circulation published in the English language at Lovington, Lea County, New Mexico; that said newspaper has been so published in such county 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 October 31 , 2013 and ending with the issue of October 31 , 2013.

And that the cost of publishing said notice is the sum of \$ 37.71 which sum has been (Paid) as Court Costs.


Joyce Clemens, Advertising Manager
Subscribed and sworn to before me this 5th day of November , 2013.


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



Legal Notice

Kevin O. Butler and Associates, Inc 550 W. Texas, Suite 600, Midland, Texas 79702 has filed form C108 (Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval for the conversion of the Maxwell # 2, API #30-025-23089, 2310 FNL x 990 FWL, Unit Letter "E", Section 6, T13S, R38E Lea County, New Mexico from a shut in Wolfcamp salt water disposal well to an active Wolfcamp lease salt water disposal well. The disposal interval would be the Wolfcamp formation through perforations 9624 feet to 9682 feet. Disposal fluid would be produced water piped in from numerous producing oil wells in the immediate area. Anticipated disposal rate 500 BWPD with a maximum disposal rate of 1000 BWPD. Anticipated disposal pressure of 0 (Zero) psi with a maximum disposal pressure of 1924 psi. Well is located approximately 12 miles east of Tatum, 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 with in 15 days. Additional information can be obtained by contacting Billy Prichard 432-934-7680

Published in the Lovington Leader October 31, 2013.

**Kevin O Butler and Associates, Inc
Maxwell # 2
30-025-23089
2310 FNL X 990 FWL
Unit Letter "E", Section 6, T13S, R38E
Lea County, New Mexico**

**Notified Parties
Surface Owner**

**Ross Wier
145 Simpson Road
Lovington, NM 88260**

Mineral Owners in 40 acre tracts in 0.5 AOR

**Danglade/Speight Family Oil and Gas I, LP
777 Main Street, Suite 3250
Ft. Worth, TX 76102**

**Rebecca Ann Whitaker
8276 Country Club Road
San Angelo, TX 76904**

**Mary Frank Whitmire Hyatt
1712 W. 3rd Street
Roswell, NM 88201**

**Marshall & Winston, Inc
PO Box 50880
Midland, TX 79710**

**Lease Holder
Kevin O Butler and Associates, Inc**

Additional Notified Parties

**NMOCD
District 1
1625 N. French Drive
Hobbs, NM 88240**

Exhibit "E"

Submit 1 Copy To Appropriate District Office
 District I - (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II - (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III - (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV - (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised July 18, 2013

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-025-23089
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other SWD <input type="checkbox"/>		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator Kevin O Butler & Assoc, Inc		6. State Oil & Gas Lease No. 002404
3. Address of Operator 550 W Texas, Suite 660, Midland, TX 79702		7. Lease Name or Unit Agreement Name Maxwell
4. Well Location Unit Letter <u>E</u> : 2310 feet from the <u>North</u> line and <u>990</u> feet from the <u>West</u> line Section <u>6</u> Township <u>13S</u> Range <u>38E</u> NMPM County <u>Lea</u>		8. Well Number 002
11. Elevation (Show whether DR, RKB, RT, GR, etc.) GL 3964		9. OGRID Number 12627
		10. Pool name or Wildcat Wolfcamp, Penn, Miss. Devonian

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input checked="" type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: <input checked="" type="checkbox"/> fix casing, replace tubing and packer	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

6/19/13 - 7/11/13 :

RU well servicing unit. Install BOP. PU work sting & TOH with overshot. Found top of tbg (fish) @ 72.5 jts down. Successfully fished same. LD bad tbg and injection packer. PU work string. Using packer and plug located hole (s) in the casing (2685-3011"). Squeeze holes with 450 sxs of class C cement. Circulated up thru 8 5/8" casing. Had light cement to surface. After WOC drilled out cement and tested squeeze to 500# for 30 minutes. O.K. LD work string on 7/10/13. Tallied and PU 9600' of new 2 7/8" plastic coated tbg and nickel coated packer. Set pkt @ 9548' (perforations 9624 to 9682') with 15K compression. Tested annulus to 500# for 30 mins. Well ready for SWD after electric work & battery revamp is completed. Chart attached. Well to be retested for MIT / to be witnessed by OCD. Waiting on electricity and triplex.

Spud Date:

Rig Release Date:

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

SIGNATURE [Signature] TITLE Agent DATE 10-26-13
 Type or print name M.Y. Merchant E-mail address mymerch@penraccoi.com PHONE (575) 492-1236
 For State Use Only

APPROVED BY Accepted for Record Only TITLE _____ DATE _____
 Conditions of Approval (if any):

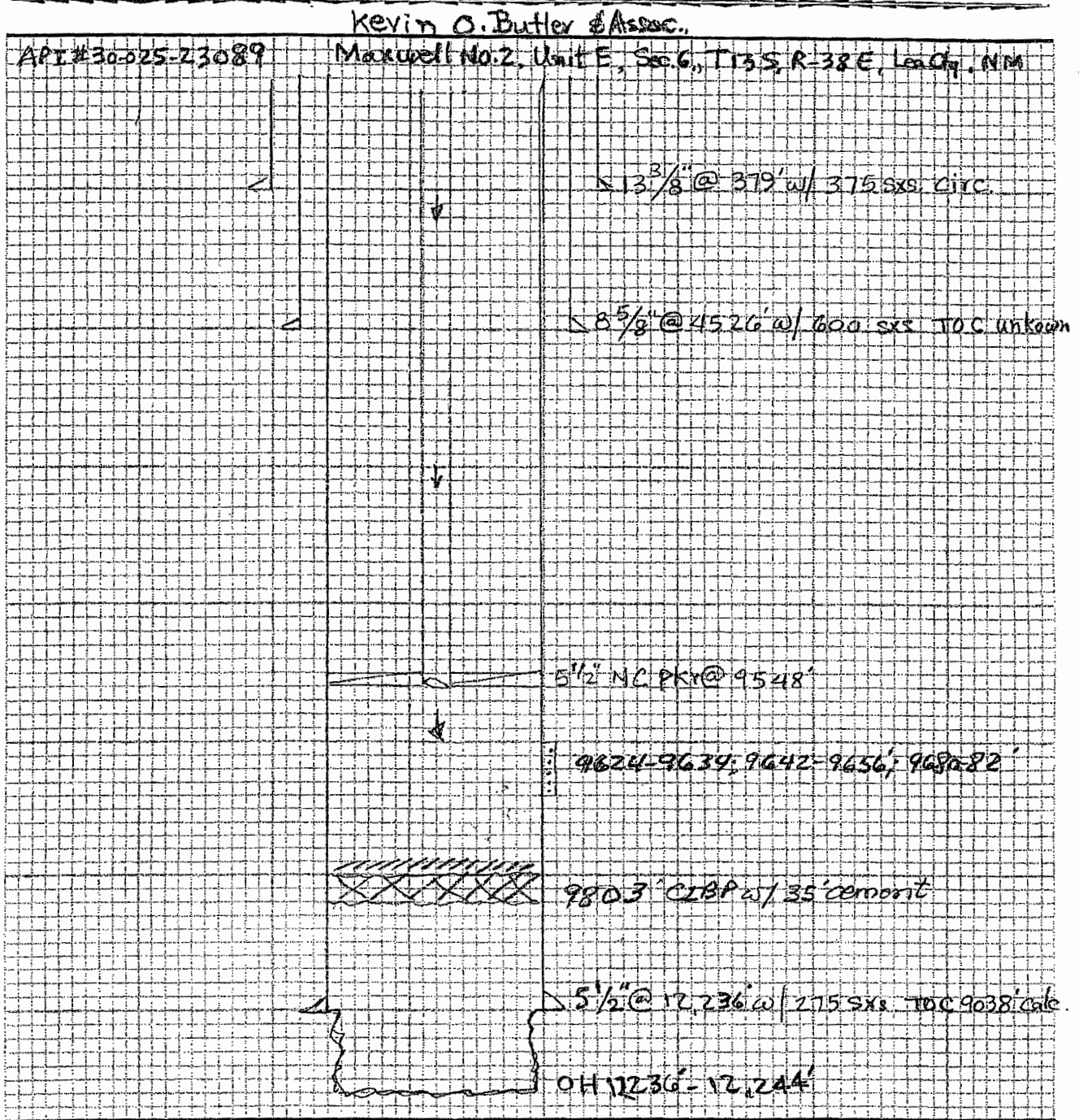
ELG 10-28-2013

OCT 29 2013

HOBBS OGD

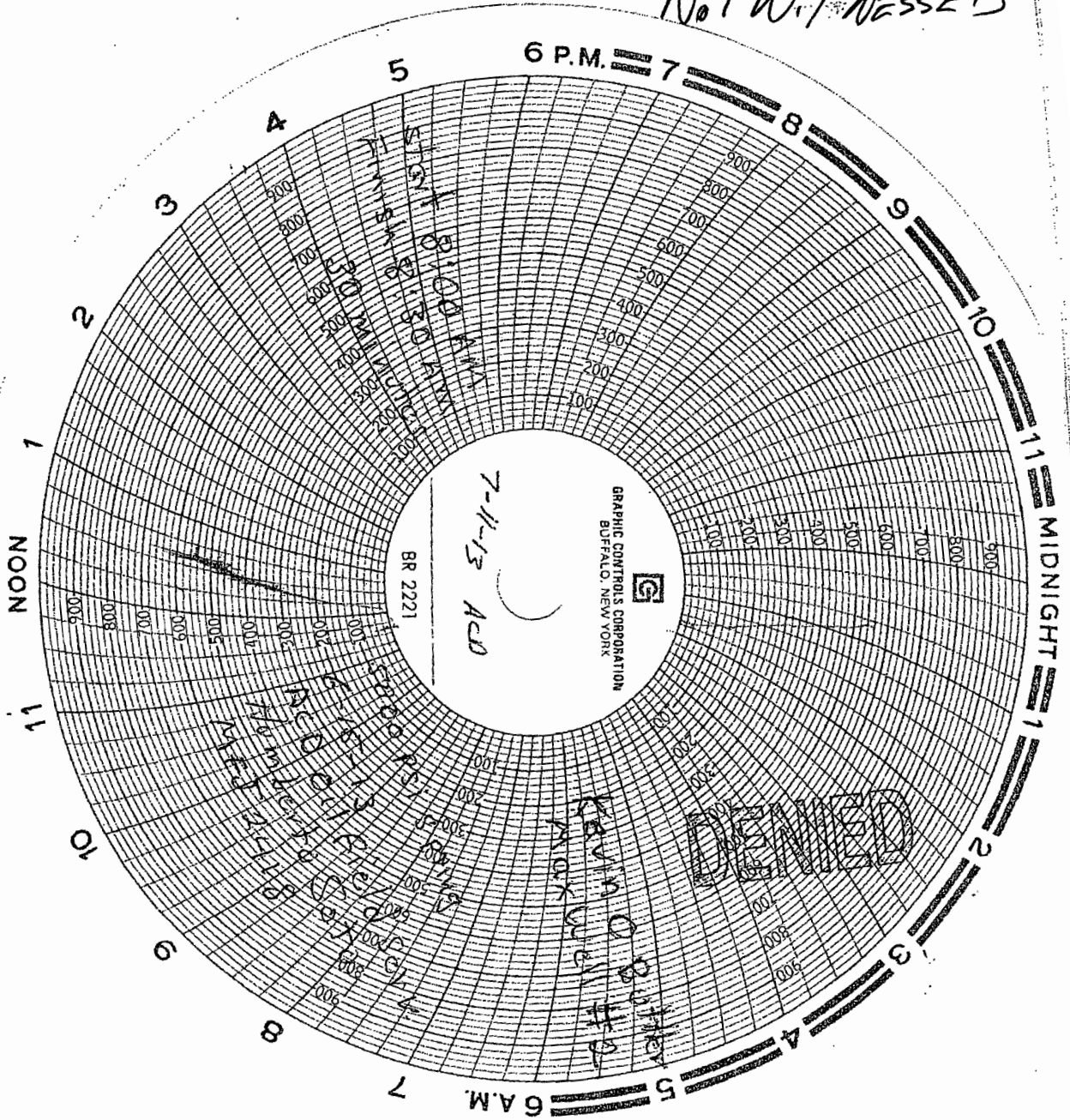
OCT 28 2013

RECEIVED



DENIED

NOT WITNESSED



Submit 1 Copy To Appropriate District Office
 District I - (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II - (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III - (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV - (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised July 18, 2013

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-025-21186
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> HOBBS OGD		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator Kevin O Butler & Assoc, Inc		6. State Oil & Gas Lease No. 002404
3. Address of Operator 550 W Texas, Suite 660, Midland, TX 79702		7. Lease Name or Unit Agreement Name Maxwell
4. Well Location Unit Letter <u>F</u> : <u>1980</u> feet from the <u>North</u> line and <u>1980</u> feet from the <u>West</u> line Section <u>6</u> Township <u>13S</u> Range <u>38E</u> NMPM County <u>Lea</u>		8. Well Number 001
11. Elevation (Show whether DR, RKB, RT, GR, etc.) GL 3873		9. OGRID Number 12627
10. Pool name or Wildcat Wolfcamp		

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input checked="" type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

7/23/13-8/14/13:

RU unit. Pulled rods & pump. NU BOP. Well was pumping under a packer. Tried to unset pkr - tbg parted. Fished & replaced with new tubing. Unset packer. Located hole (s) in 5 1/2" casing (from 4950-5630'). Squeezed same with 100 sxs class C cement. After W.O.C. drilled out cement. Tested good to 500# for 30 mins. Run tubing, anchor, rods and pump. Well ready to produce.

Spud Date: Rig Release Date:

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

SIGNATURE M. Y. Merchant TITLE Agent DATE 10/26/13
 Type or print name M. Y. Merchant E-mail address: mymerch@pennacoil.com PHONE: (575) 492-1236
 For State Use Only

APPROVED BY: Accepted for Record Only TITLE _____ DATE _____
 Conditions of Approval (if any): EG 10-28-2013

OCT 29 2013

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

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

Jami Bailey
Division Director
Oil Conservation Division



October 22, 2013

HOBBS OCD

OCT 23 2013

RECEIVED

Kevin O Butler & Assoc. INC
550 W Texas, Suite 660
Midland, TX 79701

RE: Kevin O Butler & Assoc. INC, OGRID # 12627
Maxwell #2, Unit E, Sec.6, T-13s, R-38e, API # 30-025-23089

Gentlemen:

Oil Conservation Division, Hobbs office has been informed that you have been performing work on this well. After reviewing the OCD well file, no C-103, Intent to perform remedial work nor a Subsequent C-103, with dates showing what work was done, has been received. At this time, the OCD is requiring that you shut-in this well.

This well shows no injection being reported on the C-115, Monthly Production Report, for the past 10 years. Whenever there is a continuous one year period of not-injection into all wells in an injection or storage project or into a salt water disposal well or special purpose injection well, the division shall consider the project or well abandoned, and the authority for injection shall automatically terminate ipso facto. Rule 19.15.26.12.C.1.

The last MIT performed on this well was in 2002 and at that time it failed to pass. The tubing failed to hold pressure, which was most likely caused by corrosion in general. At that time, the operator did not and has still not submitted paperwork for the repair of this well.

If Kevin O Butler & Assoc. does not take steps to shut-in this well and until the proper paperwork has been submitted and approved by the OCD, the OCD will be forced to notify the Environmental Protection Agency (EPA) of a significant non-compliance (SNC), which may lead to the issuance of penalties by the EPA.

Kevin O Butler & Assoc. is also out of compliance with their Inactive well list. Per OCD Rule 19.15.25.8, an operator that has 4 to 100 wells may have 2 wells on their Inactive well list. Kevin O Butler & Assoc. has 34 wells and 9 are on the Inactive well list.

If you have further questions on this matter, please call Daniel Sanchez (505) 476-3493.

OCT 23 2013


October 23, 2013

Page 2

OCD needs to have a response in writing from Kevin O Butler & Assoc. by November 1, 2013 to resolve this matter. Send this written response to Mr. Sanchez at the OCD Santa Fe office.

Respectfully yours,

OIL CONSERVATION DIVISION



E.L. Gonzales
OCD District 1, Supervision

CC: Scott Dawson, Deputy Director
Daniel Sanchez, OCD Compliance and Enforcement Manager
Gabriel Wade, Assistant General Counsel-Santa Fe
Donna Mull, Line Manager - Hobbs

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

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

Jami Bailey, Division Director
Oil Conservation Division



December 16, 2013

Kevin O. Butler & Associates, Inc.
550 W Texas, Suite 660
Midland, TX 79701

Re: ACOI No. 280
Operator: Kevin O. Butler & Associates, Inc.; OGRID No. 12627

Dear Operator:

Thank you for returning the signed agreed compliance order regarding inactive wells operated by Kevin O. Butler & Associates. Enclosed is a copy of the fully executed order.

The Order requires Kevin O. Butler & Associates to bring 4 of the wells identified in the Order into compliance with Rule 19.15.4.201 NMAC (Rule 201) by **June 15, 2014**. Please remember that to bring a well into compliance under the order, Kevin O. Butler & Associates must not only plug the wellbore, place the well on approved temporary abandonment, or return it to production or other beneficial use, Kevin O. Butler & Associates must also file the appropriate paperwork. For example, if Kevin O. Butler & Associates plugs the wellbore of a well, it must also file a C-103 subsequent report on the plugging. You may wish to confirm the status of each well on the list with the appropriate district office prior to the expiration of the Order.

The Order also requires Kevin O. Butler & Associates to file a compliance report with the Oil Conservation Division (OCD) Compliance and Enforcement Manager, Daniel Sanchez, by **June 15, 2014**. This means **the compliance report must be received by the OCD by June 15, 2014**. I will review the report to determine whether the wells have been returned to compliance. If you have questions about how to file a compliance report, please contact me at (505) 476-3493.

As Kevin O. Butler & Associates works to fulfill its obligations under the order, it should also monitor the status of its other wells to ensure that wells do not remain inactive for a period exceeding 15 months. Remember that you can search the OCD's Inactive Well List for wells that are inactive, but not yet out of compliance.

December 16, 2013
Page 2

The OCD appreciates Kevin O. Butler & Associates commitment to bringing its inactive wells into compliance. If you have any questions, or if I can help you in any way, please do not hesitate to call. My email address is daniel.sanchez@state.nm.us.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Daniel Sanchez", with a long, sweeping flourish extending to the right.

Daniel Sanchez
NMOCD Compliance & Enforcement Manager

Encl. ACOI No. 280

CC: Paul Kautz, OCD District Geologist
Randy Dade, OCD District II Supervisor
Charlie Perrin, OCD District III Supervisor
Ed Martin, OCD District IV Supervisor

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

NMOCD – ACOI-280

IN THE MATTER OF KEVIN O BUTLER & ASSOCIATES, INC.

Respondent.

**INACTIVE WELL
AGREED COMPLIANCE ORDER**

Pursuant to the New Mexico Oil and Gas Act, NMSA 1978, Sections 70-2-1 through 70-2-38, as amended ("Act") and OCD Rule 19.15.5.10(E) NMAC, the Director of the Oil Conservation Division ("OCD") and Kevin O Butler & Associates, Inc. ("Operator") enter into this Inactive Well Agreed Compliance Order ("Order" or "ACOI"). Operator agrees to plug, place on approved temporary abandonment status, or restore to production or other beneficial use the wells identified herein in accordance with the following agreed schedule and procedures, or face the possibility of no further agreed compliance orders. See 19.15.25.8 NMAC

FINDINGS

1. The OCD is the state division charged with administration and enforcement of the Act, and rules and orders adopted pursuant to the Act.
2. Operator is a corporation doing business in the state of New Mexico.
3. Operator is the operator of record under OGRID 12627 for the wells identified in Exhibit "A," attached.
4. OCD Rule 19.15.25.8 NMAC states, in relevant part:

"A. The operator of wells drilled for oil or gas or services wells including seismic, core, exploration or injection wells, whether cased or uncased, shall plug the wells as Subsection B of 19.15.25.8 NMAC requires.

B. The operator shall either properly plug and abandon a well or place the well in approved temporary abandonment in accordance with 19.15.25 NMAC within 90 days after:

....

....

(3) a period of one year in which a well has been continuously inactive."

ACOI

5. The wells identified in Exhibit "A"
 - (a) have been continuously inactive for a period of one year plus 90 days;
 - (b) are not plugged or abandoned in accordance with OCD Rule 19.15.25.9 NMAC through 19.15.25.11 NMAC; and
 - (c) are not on approved temporary abandonment status in accordance with OCD Rule 19.15.25.12 NMAC through 19.15.25.14 NMAC.
6. An operator faces sanctions if it is out of compliance with OCD Rule 19.15.5.9 NMAC. Sanctions include possible denial of registration by operator or certain related entities (OCD Rule 19.15.9.8B NMAC), possible denial of change of operator that would transfer wells to the noncompliant operator (OCD Rule 19.15.9.9C.1 NMAC), mandatory denial of injection permits (OCD Rule 19.15.26.8A NMAC), possible revocation of injection permits after notice and hearing (OCD Rule 19.15.26.8A NMAC), possible denial of applications for a drilling permit (OCD Rule 19.15.14.10A NMAC), and mandatory denial of allowable and authorization to transport (OCD Rule 19.15.16.19A NMAC).
7. Operator is currently out of compliance with OCD Rule 19.15.5.9.A(4) NMAC because it has too many wells out of compliance with OCD Rule 19.15.25.8 NMAC (the inactive well rule) that are not subject to an agreed compliance order setting a schedule for bringing the wells into compliance with the inactive well rule and imposing sanctions if the schedule is not met. See OCD Rule 19.15.5.9(A)(4) NMAC.
8. As the operator of record of 34 wells, to be in compliance with OCD Rule 19.15.5.9.A(4) NMAC, Operator may have no more than 2 wells out of compliance with OCD Rule 19.15.25.8 NMAC (inactive well rule). See OCD Rule 19.15.5.9A(4)(b) NMAC. According to the inactive well list kept pursuant to OCD Rule 19.15.5.9(F) NMAC, Operator has 9 wells out of compliance with the inactive well rule. A copy of Operator's inactive well list as of December 11, 2013 is attached as Exhibit "A." Operator faces sanctions for being out of compliance with OCD Rule 19.15.5.9 NMAC.
9. Operator intends to seek privileges from the OCD that would be subject to sanction due to Operator being out of compliance with OCD Rule 19.15.5.9 NMAC. By placing the wells identified in Exhibit "A" under this Order, Operator will not face sanctions for being out of compliance with OCD Rule 19.15.5.9 NMAC.

CONCLUSIONS

1. The OCD has jurisdiction over the parties and subject matter in this proceeding.

ACOI

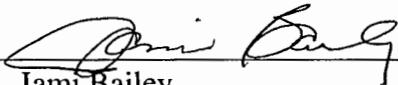
2. The wells identified in Exhibit "A" are out of compliance or will be out of compliance with OCD Rule 19.15.25.8 NMAC.
3. As operator of the wells identified in Exhibit "A," Operator is responsible for bringing those wells into compliance with OCD Rule 19.15.25.8 NMAC.
4. The OCD and Operator enter into this Order to remove the wells identified in Exhibit "A" from the inactive well list kept pursuant to OCD Rule 19.15.5.9(F) NMAC and consideration of Operator's compliance with the inactive well rule for purposes of Operator's compliance with OCD Rule 19.15.5.9 NMAC. Operator remains subject to sanctions for being out of compliance with OCD Rule 19.15.5.9 NMAC *IF* Operator becomes out of compliance with OCD Rule 19.15.5.9 NMAC for any reason other than the inactive wells identified in Exhibit "A."

ORDER

1. Operator agrees to bring 4 wells identified in Exhibit "A" into compliance with OCD Rule 19.15.25.8 NMAC by June 15, 2014 via
 - (a) restoring the well to production or other OCD-approved beneficial use **and filing a C-115 documenting such production or use;**
 - (b) causing the wellbore to be plugged in accordance with OCD Rule 19.15.25.10(B) NMAC **and filing a C-103 describing the completed work;** or
 - (c) placing the well on approved temporary abandonment status in accordance with OCD Rule 19.15.25.12 NMAC through 19.15.25.14 NMAC.
2. Oil and gas produced during swabbing does not count as production for purposes of this Order.
3. Operator shall file a compliance report identifying each well returned to compliance, stating the date it was returned to compliance and describing how the well was returned to compliance (restored to production or other approved beneficial use, plugged wellbore, approved temporary abandonment status.) Transfer of a well identified on Exhibit "A" to another operator does not count towards Operator's obligation to return wells to compliance under the terms of this Order, but does reduce the total number of wells for which Operator is responsible under the terms of this Order. The written compliance report must be mailed or e-mailed to the OCD's Enforcement and Compliance Manager and to the OCD attorney in charge of inactive well agreed compliance orders so that it is **received by** the compliance deadline of June 15, 2014. The total length of this Agreed Compliance Order is six months.

4. Operator understands that if it fails to meet the terms of this Order, the OCD may decide not to enter into any further agreed compliance orders with Operator. *Operator is awaiting permit approval for the Maxwell #2 SWD. The permit, as issued, contains a requirement to perform successfully an annual Mechanical Integrity Test (MIT) in order to meet the terms of the permit. The permit is also contingent on the Operator being in compliance with OCD Rule 19.15.5.9 NMAC. Failure to meet the terms of this ACOI may also determine the future status of the Maxwell #2 SWD permit.*
5. This Order shall expire on June 15, 2014. At that time, any wells on Exhibit "A" not in compliance with OCD Rule 19.15.25.8 NMAC will appear on the inactive well list kept pursuant to OCD Rule 19.15.5.9(F) NMAC, and will be considered when determining Operator's compliance with OCD Rule 19.15.5.9 NMAC.
6. By signing this Order, Operator expressly:
 - (a) acknowledges the correctness of the Findings and Conclusions set forth in this Order;
 - (b) agrees to return to compliance 4 wells identified in Exhibit "A" by June 15, 2014;
 - (c) agrees to submit a compliance report as required in Ordering Paragraph 3 by the June 15, 2014 compliance deadline set by this Order;
 - (d) waives any right, pursuant to the Oil and Gas Act or otherwise, to an appeal from this Order, or to a hearing either prior to or subsequent to the entry of this Order other than a hearing on a request for waiver; and
 - (e) agrees that the Order may be enforced by OCD or Oil Conservation Commission Order, by suit or otherwise to the same extent and with the same effect as a final Order of the OCD or Oil Conservation Commission entered after notice and hearing in accordance with all terms and provisions of the Oil and Gas Act.
7. This Order applies only to the enforcement of OCD Rule 19.15.25.8 NMAC against those wells identified in Exhibit "A." Other wells operated by Operator out of compliance with OCD Rule 19.15.25.8 NMAC may be subject to immediate enforcement action under the Oil and Gas Act and OCD Rules. Wells identified in Exhibit "A" that are out of compliance with the Oil and Gas Act or OCD Rules other than OCD Rule 19.15.25.8 NMAC may be subject to immediate enforcement action under the Oil and Gas Act and OCD Rules.
8. The OCD reserves the right to file an application for hearing to obtain authority to plug any well identified in Exhibit "A" and forfeit the applicable financial assurance if the well poses an immediate environmental threat.

Done at Santa Fe, New Mexico this 16th day of December, 2013

By: 
Jami Bailey
Director, Oil Conservation Division

ACCEPTANCE

Kevin O Butler & Associates, Inc. hereby accepts the foregoing Order, and agrees to all of the terms and provisions set forth in that Order.

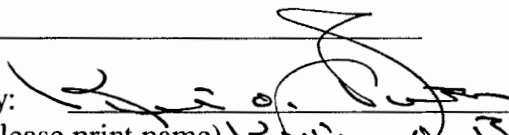
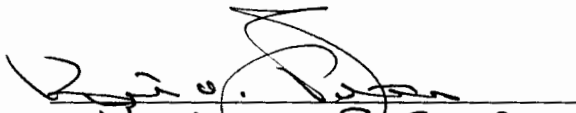

By: _____
(Please print name) Kevin O. Butler
Title: PRESIDENT
Date: 12/12/13

Exhibit A to Agreed Compliance Order for Kevin O Butler & Associates, Inc.

**Total Well Count: 34 Inactive Well Count: 9
Printed On: Monday, December 11 2013**

District	API	Well	ULSTR	OCD Unit	OGRID	Operator	Lease Type	Well Type	Last Production	Formation/Notes	Status	TA Exp Date
1	30-025-29953	ANDERSON #001	I-1 -16S-36E	Q	12627	KEVIN O BUTLER & ASSOC INC	P	O	07/2001	PENN INTENT TO PA 04/14/09		
1	30-025-29748	ANDERSON 6 #001	18-6 -16S-37E	U	12627	KEVIN O BUTLER & ASSOC INC	P	O	07/2001	INTENT TO PA 04/16/09		
1	30-025-22340	E B ANDERSON #001	L-6 -13S-38E	L	12627	KEVIN O BUTLER & ASSOC INC	P	O	11/2004	DEVONIAN, INTENT PA 04/16/09		
1	30-025-22454	E B ANDERSON #002	M-6 -13S-38E	M	12627	KEVIN O BUTLER & ASSOC INC	P	S	05/1996	INT TO PA 04/16/09		
1	30-025-29786	E B ANDERSON #003	M-6 -13S-38E	M	12627	KEVIN O BUTLER & ASSOC INC	P	O	05/1994	INT TO P&A 04/16/09		
1	30-025-03942	NEW MEXICO X STATE #002	G-20-17S-36E	G	12627	KEVIN O BUTLER & ASSOC INC	S	O	06/1995	TA 11/06/09 TA EXP 11/16/2011	T	11/16/2011
1	30-025-00376	STATE LAND 76 #001	10-2 -16S-32E	J	12627	KEVIN O BUTLER & ASSOC INC	S	O	11/1995	INT TO TA 04/28/09		
1	30-025-29066	STATE LAND 76 #003	9-2 -16S-32E	I	12627	KEVIN O BUTLER & ASSOC INC	S	O	12/1992	INT TO TA 04/28/09		
1	30-025-29869	V E RODDY #001	A-23-16S-38E	A	12627	KEVIN O BUTLER & ASSOC INC	P	O	08/2009	TA 05/20/09 TA EXP 05/20/2011	T	5/20/2011

WHERE Ogrid:12627, County:All, District:All, Township:All, Range:All, Section:All, Production(months):15, Excludes Wells Under ACOI, Excludes Wells in Approved TA Period


 By: Kevin O. Butler
 Title: PRESIDENT

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION



March 24, 1987

GARREY CARRUTHERS
GOVERNOR

ORDER SWD-315

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE NEW MEXICO 87501
(505) 827-5800

THE APPLICATION OF KIRBY EXPLORATION
COMPANY OF TEXAS.

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 701(B), Kirby Exploration Company of Texas made application to the New Mexico Oil Conservation Division on March 5, 1987, for permission to complete for salt water disposal its Maxwell No. 2 Well located in Unit E of Section 6, Township 13 South, Range 38 East, NMPM, Lea County, New Mexico.

The Division Director finds:

- (1) That application has been duly filed under the provisions of Rule 701(B) of the Division Rules and Regulations;
- (2) That satisfactory information has been provided that all offset operators and surface owners have been duly notified; and
- (3) That the applicant has presented satisfactory evidence that all requirements prescribed in Rule 701 will be met.
- (4) That no objections have been received within the waiting period prescribed by said rule.

IT IS THEREFORE ORDERED:

That the applicant herein, Kirby Exploration Company of Texas is hereby authorized to complete its Maxwell No. 2 Well, located in Unit E of Section 6, Township 13 South, Range 38 East, NMPM, Lea County, New Mexico, in such a manner as to permit the injection of salt water for disposal purposes into the Wolfcamp formation at approximately 9624 feet to approximately 9682 feet through 2 7/8 inch plastic lined tubing set in a packer located within 100 feet of the uppermost perforations.

IT IS FURTHER ORDERED:

That the operator shall take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

That the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge at the surface or left open to the atmosphere to facilitate detection of leakage in the casing, tubing, or packer.

That prior to commencing injection operations into the well, the casing shall be pressure tested from the surface to the packer setting depth to assure the integrity of the casing.

That the injection well or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection well to no more than 1925 psi.

That the Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the Wolfcamp formation. That such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

That the operator shall notify the supervisor of the Hobbs district office of the Division of the date and time of the installation of disposal equipment and of the mechanical integrity test so that the same may be inspected and witnessed.

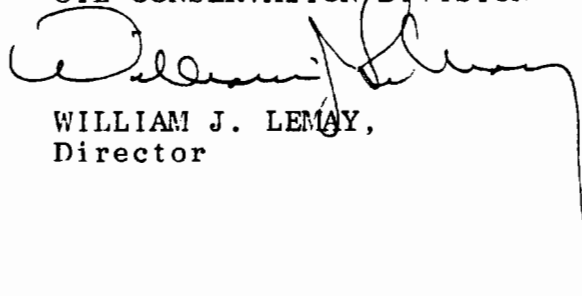
That the operator shall immediately notify the supervisor of the Division's Hobbs district office of the failure of the tubing, casing, or packer, in said well or the leakage of water from or around said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

PROVIDED FURTHER, That jurisdiction of this cause is hereby retained by the Division for such further order or orders as may seem necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of applicant to comply with any requirement of this order after notice and hearing, the Division may terminate the authority hereby granted in the interest of conservation. That applicant shall submit monthly reports of the disposal operations in accordance with Rule 706 and 1120 of the Division Rules and Regulations.

That the Division Director may rescind or suspend this injection authority if it becomes apparent that the injected water is not being confined to the injection zone or it is endangering any fresh water aquifers.

Approved at Santa Fe, New Mexico, on this 20th day of March,
1987.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read 'William J. Lemay', is written over the printed name. The signature is fluid and cursive, with a long, thin vertical line extending downwards from the end of the signature.

WILLIAM J. LEMAY,
Director

S E A L



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
 OIL CONSERVATION DIVISION
 HOBBS DISTRICT OFFICE

TONY ANAYA
 GOVERNOR

March 5, 1987

POST OFFICE BOX 1980
 HOBBS, NEW MEXICO 88240
 (505) 393-6161

OIL CONSERVATION DIVISION
 P. O. BOX 2088
 SANTA FE, NEW MEXICO 87501

RE: Proposed:
 MC _____
 DHC _____
 NSL _____
 NSP _____
 SWD XX _____
 WFX _____
 PMX _____

Gentlemen:

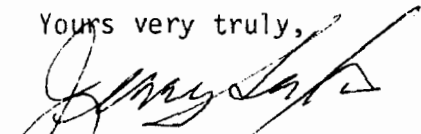
I have examined the application for the:

Kirby Exploration Co. of Texas	Maxwell #2-E	6-13-38
Operator	Lease & Well No.	Unit
		S-T-R

and my recommendations are as follows:

OK -- Jerry Sexton

Yours very truly,


 Jerry Sexton
 Supervisor, District 1

/nc

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION



GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2000
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

June 22, 1987

Kirby Exploration Company of Texas
P.O. Box 1745
Houston, TX 77251

Attention: Jim Kovar

RE: Amendment of Division
Order No. SWD-315

Dear Mr. Kovar:

Reference is made to your request dated June 5, 1987 for an amendment to Order No. SWD-315. This order authorized the use of the Maxwell No. 2 Well to dispose of produced water into the Wolfcamp formation from 9624 feet to 9682 feet. It is our understanding that you now propose injecting into the Devonian formation as well as the Wolfcamp. It is also our understanding that all offset operators have been notified of the proposed amendment and that no objection has been received within the 15 day waiting period.

You are therefore authorized to recomplete said Maxwell No. 2 well in such a manner as to permit the injection of produced water into the Wolfcamp formation from 9624 feet to 9682 feet, and into the Devonian formation from 12,236 feet to 12,244 feet, provided that all other provisions contained in Order No. SWD-315 are fully complied with.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay".

William J. LeMay
Director

WJL/DC/ag

xc: OCD - Hobbs
File: SWD-315
D. Catanach



KIRBY EXPLORATION COMPANY OF TEXAS

Rec'd June 8, 1987

June 5, 1987

State of New Mexico
Oil Conservation Commission
P. O. Box 2088
Santa Fe, NM 87501

Attn: David Catanach

Re: Salt Water Disposal Application
Maxwell No. 2
Sec. 6, T13S, R38E
Lea County, New Mexico

Dear Sir:

On February 18, 1987, Kirby Exploration Company submitted an application to convert the above referenced well to a salt water disposal facility. Administrative approval was granted by the OCC, State of New Mexico, to inject into the Wolfcamp formation at 9510'. The work was completed and the well was put into use as proposed. A problem developed in that the Wolfcamp was found to be inadequate in accepting the volume of salt water that it was intended to.

With this letter as a supplement to the original application, Kirby is hereby requesting administrative approval to dispose of the additional salt water into the Devonian at 12,235'. Included with this letter is the information we feel is necessary for the updating of this request. If any additional requirements need to be met, please contact me at your earliest convenience.

Yours very truly,

Jim Kovar
Regulatory Supervisor

JK:SK



C-108 Review Checklist: Received 11/6/13 Add. Request: _____ Reply Date: _____ Suspended: _____ [Ver 1]

PERMIT TYPE: WFX / PMX / SWD Number: 315-B Permit Date: 12/15/13 Legacy Permits/Orders: SWD-315

Well No. 2 Well Name(s): Maxwell (SWD) Amended / SWD-315-A
to include open-hole in Devonian

API: 30-0 25-23089 Spud Date: 03/28/1969 New or Old: Old (UIC Class II Primacy 03/07/1982)

Footages 2310 FNL / 990 FWL Lot - Unit E Sec 6 Tsp 13S Rge 38E County Lea

General Location: 210 east of Tatum / south of Gladwin Pool: SWD; Wolfcamp / Devonian Pool No.: 12627

Operator: Kevin O. Butler and Associates OGRID: 12 Contact: Billy Prichard

Part of ACOII - 9 Total Wells: 34 Fincl Assur: _____ Compl. Order: ACOII 5.9 OK? No

Well File Reviewed Current Status: SI on 10/22/2013; original devonian & Wolfcamp wildcat

Well Diagrams: NEW: Proposed RE-ENTER: Before Conv. After Conv. Are Elogs in Imaging?: GR/acoustic

Planned Rehab Work to Well: Rehab conducted in 2013 without District notification

Well Construction Details:	Sizes (in) Borehole / Pipe	Setting Depths (ft)	Cement SX or Cf	Cement Top and Determination Method
Planned ___ or Existing ___ Conductor	—	—	—	—
Planned ___ or Existing <input checked="" type="checkbox"/> Surface	<u>13 3/8</u>	<u>0 to 379</u>	<u>450</u>	<u>Cur to surf.</u>
Planned ___ or Existing <input checked="" type="checkbox"/> Interm/Prod	<u>8 5/8</u>	<u>0 to 4</u>	<u>700</u>	<u>Calc - not measured</u>
Planned ___ or Existing <input checked="" type="checkbox"/> Prod/Interm	<u>5 1/2</u>	<u>0 to 12236</u>	<u>275 + 175</u>	<u>TOC 8799 / Calc</u>
Planned ___ or Existing ___ Liner/Prod	—	<u>[Open hole / 12236 - 12244]</u>	—	—
Planned ___ or Existing <input checked="" type="checkbox"/> OH / PERF	<u>[Wolfcamp only]</u>	<u>9624 - 9682</u>	<u>Inj Length 58'</u>	—

Injection Stratigraphic Units:	Depths (ft)	Injection or Confining Units	Tops?	Completion/Operation Details:
Adjacent Unit: Litho. Struc. Por.	—	<u>Tubb</u>	<u>5250</u>	Drilled TD <u>12244</u> PBDT <u>NA</u>
Confining Unit: <input checked="" type="checkbox"/> Litho. <input checked="" type="checkbox"/> Struc. <input type="checkbox"/> Por.	<u>+474</u>	<u>Abc</u>	<u>1945</u>	NEW TD — NEW PBDT <u>9803</u>
Proposed Inj Interval TOP:	<u>9624</u>	<u>Wolfcamp</u>	<u>9150</u>	NEW Open Hole <u>NA</u> or NEW PERS <u>NA</u>
Proposed Inj Interval BOTTOM:	<u>9682</u>	<u>fm</u>	—	Tubing Size <u>2 7/8</u> in. Inter Coated? <u>Yes</u>
Confining Unit: <input checked="" type="checkbox"/> Litho. <input type="checkbox"/> Struc. <input type="checkbox"/> Por.	<u>+1358</u>	<u>Atoka</u>	<u>11,040</u>	Proposed Packer Depth <u>9548</u> ft
Adjacent Unit: Litho. Struc. Por.	—	—	—	Min. Packer Depth <u>9524</u> (100-ft limit)
				Proposed Max. Surface Press. <u>1925</u> psi
				Admin. Inj. Press. <u>1925</u> (0.2 psi per ft)

AOR: Hydrologic and Geologic Information

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

FRESH WATER: Formation Devonian Max Depth 300' Wells? No FW Analysis NA HYDROLOGIC AFFIRM By Qualified Person

Disposal Fluid: Formation Source(s) Devonian & Wolfcamp Analysis? on record On Lease Operator Only or Commercial

Disposal Interval: Injection Rate (Avg/Max BWPD): 500/1800 Protectable Waters: No CAPITAN REEF: thru adj NAE

H/C Potential: Producing Interval? No Formerly Producing? Yes Method: E Log /Mudlog/DST Depleted Other Prod. history

AOR Wells: 1/2-M Radius Map? Yes Well List? Yes Total No. Wells Penetrating Interval: 8 Horizontals? No

Penetrating Wells: No. Active Wells 4 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 Oct. 31/2013 Mineral Owner: Fee Surface Owner: Fee - Pecos N. Date 11/01

RULE 26.7(A): Identified Tracts? Yes Affected Persons: Marshall & Winston / Whitaker / Wier / Hyatt / Dunlap / Family of G N. Date 11/01

Permit Conditions: Issues: -no tie of 5 1/2 to 8 5/8 casing

Add Permit Cond: Annual MIT for wells; tag/wireline of CIPD in place.

Goetze, Phillip, EMNRD

From: Goetze, Phillip, EMNRD
Sent: Wednesday, December 11, 2013 11:56 AM
To: billy@pwillc.net
Cc: Ezeanyim, Richard, EMNRD; McMillan, Michael, EMNRD; Sanchez, Daniel J., EMNRD; Dawson, Scott, EMNRD; Kautz, Paul, EMNRD
Subject: Kevin O. Butler and Assoc. C-108 Application for the Maxwell SWD #2

RE: C-108 Application for the Maxwell SWD #2 (API 30-025-23089; pPRG1331056257)

Billy:

At the request of your client, I have reviewed the application to re-authorize injection for the Maxwell SWD #2. This review found a significant item that needs to be addressed before continuing in the process. The current well bore diagram shows a cast-iron bridge plug (CIBP with cement cap) at 9803 feet. A Subsequent Report filed by Kirby Exploration on Feb 12, 1988 (OCD approved March 9, 1988), states "*Drilled out CIBP @ 9803*" on June 27, 1987. Additionally, this action was approved through an amendment to Division Order SWD-315 dated June 22, 1987, which authorized the inclusion of the open-hole portion of the well (the Devonian fm from 12,236 ft to 12,244 ft) as part of the injection interval. District I also notes this expansion of injection interval with the assignment of this well to Pool 96137, Wolfcamp-Penn-Miss-Devonian. Based on this information, please confirm with your client if the C-108 application is to be considered only for injection into the Wolfcamp perms from 9624 to 9682 ft. If this is the case, then the application can proceed and OCD will require the installation of a CIBP (with cement cap) 200 feet below the deepest Wolfcamp perf (~9882 ft). As you know, the selection of the injection interval will impact the notification requirements and AOR summary.

Please get back to me on this one as soon as you can. Also, I need a copy/affidavit of the published newspaper notification for this application. Thanks. Call with any questions. PRG

Phillip R. Goetze, P.G.

Engineering and Geological Services Bureau, Oil Conservation Division
1220 South St. Francis Dr., Santa Fe, NM 87505
O: 505.476.3466 F: 505.476.3462

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-103
Revised 10-1-76

NO. OF COPIES RECEIVED	
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OPERATOR	

3a. Indicate Type of Lease
State Fee
5. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR.
USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

OIL WELL GAS WELL OTHER- Salt water disposal

Name of Operator: Kirby Exploration Company of Texas
7. Unit Agreement Name: Maxwell

Address of Operator: P. O. Box 1745, Houston, Texas 77251
8. Farm or Lease Name: Maxwell

Location of Well: UNIT LETTER E 2310 FEET FROM THE north LINE AND 990 FEET FROM
9. Well No. 2

THE west LINE, SECTION 6 TOWNSHIP 13 S RANGE 38E NMPM.
10. Field and Pool, or Wildcat: ~~Bladder~~ (Wolfcamp)

15. Elevation (Show whether DF, RT, GR, etc.): 3964' - GR
12. County: Lea

6. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input checked="" type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
FULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	OTHER <input type="checkbox"/>

Swd 315

7. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

6-27-87 Released packer and pulled out of hole with tubing. Drilled out CIBP @ 9803'.

6-28-87 Tripped in hole with packer. Set @ 8510'. Placed well on active SWD status.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.
SIGNED: [Signature] TITLE: Regulatory Supervisor DATE: Feb. 12, 1988

ORIGINAL SIGNED BY JERRY SEXTON
APPROVED BY: DISTRICT SUPERVISOR TITLE: _____ DATE: MAR 9 - 1988
CONDITIONS OF APPROVAL, IF ANY: SEE ATTACHED LETTER 2-17-88