

DATE 01/30/14	SUSPENSE	ENGINEER PPG	LOGGED IN 02/03/14	TYPE SWD	APP NO. PPRG1403841383
---------------	----------	--------------	--------------------	----------	------------------------

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] **[NSP-Non-Standard Proration Unit]** **[SD-Simultaneous Dedication]**
[DHC-Downhole Commingling] **[CTB-Lease Commingling]** **[PLC-Pool/Lease Commingling]**
[PC-Pool Commingling] **[OLS - Off-Lease Storage]** **[OLM-Off-Lease Measurement]**
[WFX-Waterflood Expansion] **[PMX-Pressure Maintenance Expansion]**
[SWD-Salt Water Disposal] **[IPI-Injection Pressure Increase]**
[EOR-Qualified Enhanced Oil Recovery Certification] **[PPR-Positive Production Response]**

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ 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 _____

[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

Signature

Agent

Title

Date

billy@pwlrc.net
 e-mail Address

1/24/14

Kevin O. Butler & Assoc.
 EB Anderson #2
 30-025-22454

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: _____ Secondary Recovery _____ Pressure Maintenance ☒ Disposal
_____ Storage
Application qualifies for administrative approval? ☒ Yes _____ No
- II. OPERATOR: Kevin O. Butler and Associates, Inc. Ogrid # 12627
ADDRESS: 550 W. Texas, Suite 600, Midland, TX 79702
CONTACT PARTY: Billy E. Prichard email; billy@pwillc.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? ☒ Yes _____ No
If yes, give the Division order number authorizing the project: SWD-328
- 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: Billy E. Prichard DATE: 01/24/2014
E-MAIL ADDRESS: billy@pwillc.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
EB Anderson # 2
30-025-22454
990 FSL X 990 FWL
Unit Letter "M", Section 6, T13S, R38E
Lea County, New Mexico**

C108 (Application for Authorization to Inject)

I.

The purpose of this application is to convert the EB Anderson # 2 from a shut in Wolfcamp/Devonian salt water disposal to an active Wolfcamp/Devonian 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 - 328

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 1912 psi.**
- 4. Disposed fluid will piped in from producing wells in the immediate area.**
- 5. Wolfcamp/ Devonian produced water will be re-injected in the Wolfcamp/Devonian.**

VIII.

The proposed disposal interval is the Wolfcamp /Devonian formation.

Wolfcamp

Lime with a top at 9236' approximately 542' thick

Devonian

Dolomite with a top at 12227' approximately 58' thick

Kevin O Butler and Associates, Inc
EB Anderson # 2
30-025-22454
990 FSL X 990 FWL
Unit Letter "M", Section 6, T13S, R38E
Lea County, New Mexico

C108 (Application for Authorization to Inject

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.

IX.

There is no stimulation planned at this time.

X.

Logs and completion data filed by previous operators.

XI.

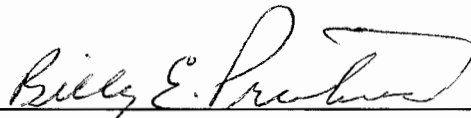
Please see Exhibit "D" for fresh water analysis.

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 1/24/14

**Kevin O. Butler and Associates, Inc
EB Anderson # 2
API # 30-025-22454
990 FSL x 990 FWL
Unit Letter "M", Section 6, T13S, R38E
Lea County, New Mexico**

Well Data

Spud 4/28/1968 as Devonian Development well.

12 3/4" 33.38# casing set at 372' in 17 1/2" hole, cemented with 400 sacks of cement.

Cement circulated to surface.

8 5/8" 24#&32# casing set at 4505' in 11" hole, cemented with 400 sacks of cement. Top of cement calculated 2660'

5 1/2" casing set at 12221' in 7 7/8" hole, cement with 950 sacks of cement. Top of cement calculated at 6800'

**Perforations 9563'-9668'
Open hole 12221'-12280'.**

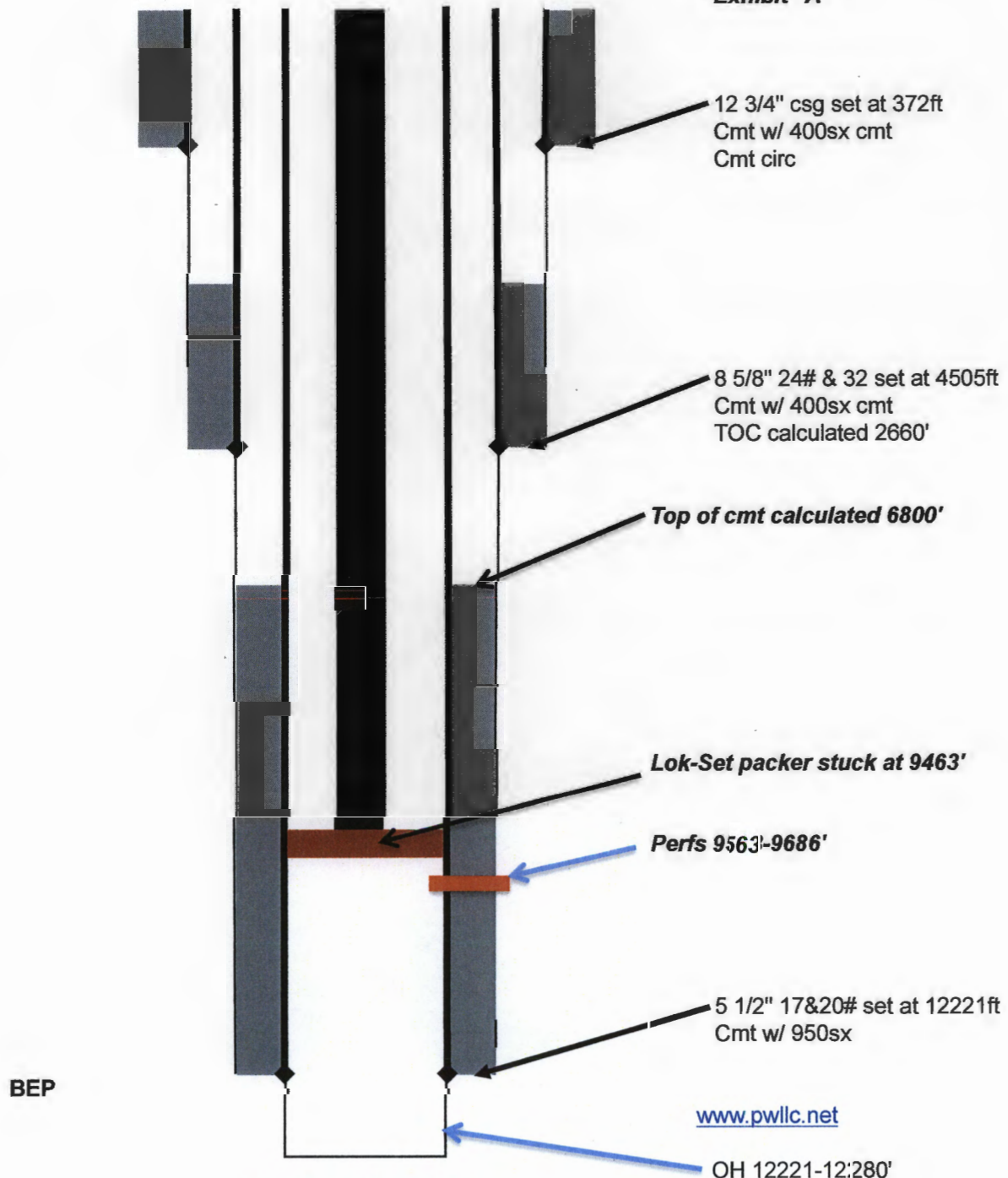
Converted to SWD in 1987 per SWD-328

**Anhy - 2240'
Top of Salt - 2323'
Base of Salt - 3028'
Yates - 3110'
Queen - 3891'
San Andres - 4522'
Tubb - 7370'
Abo - 7944'
Wolfcamp - 9159'
Mississippi - 11442'
Devonian - 12227'**

Exhibit "A"

Kevin O Butler and Associates, Inc
EB Anderson # 2
API # 30-025-22454
Unit Letter M, Section 6, T13S, R38E
Lea County, New Mexico
Current WBD

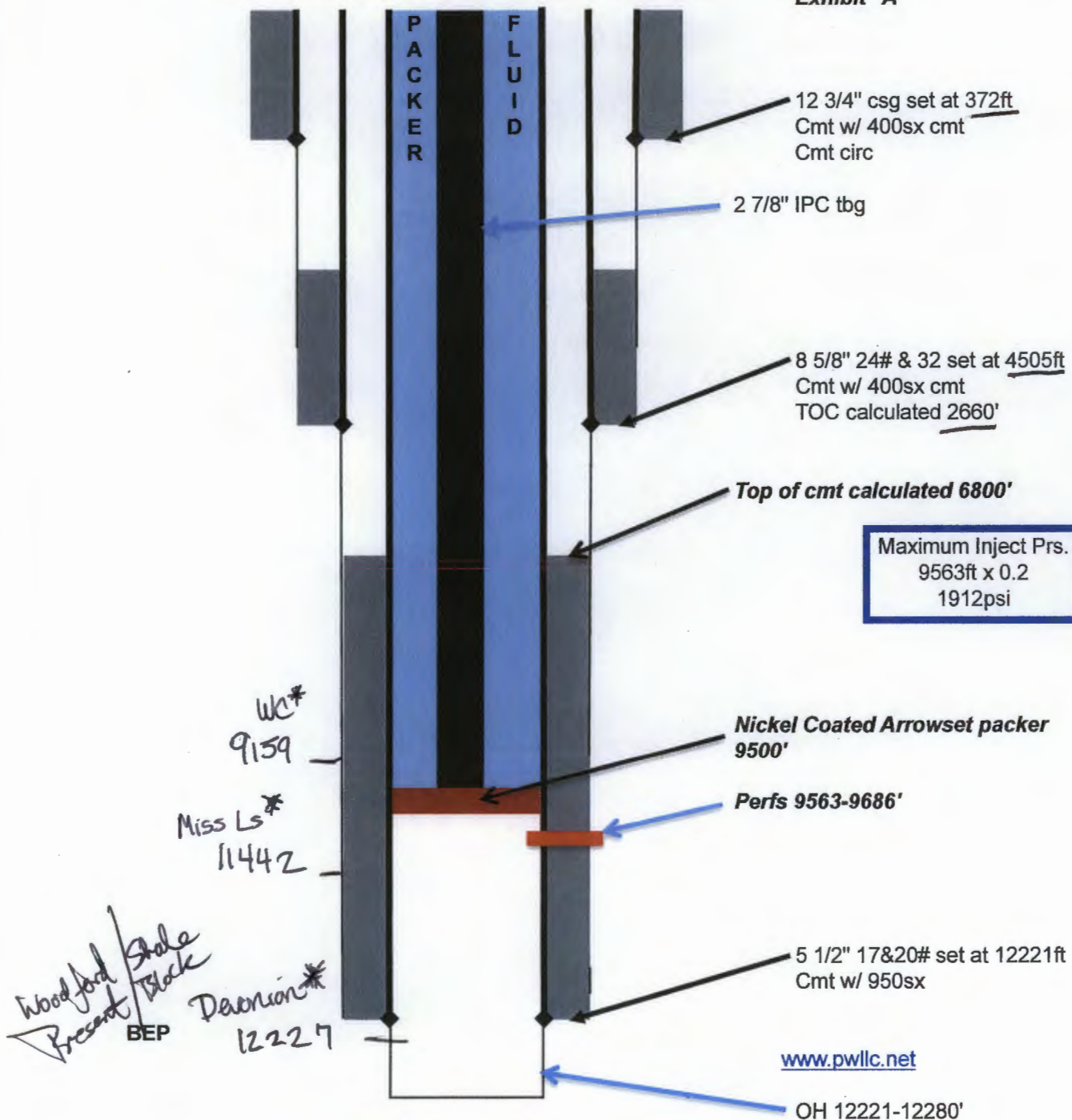
Exhibit "A"



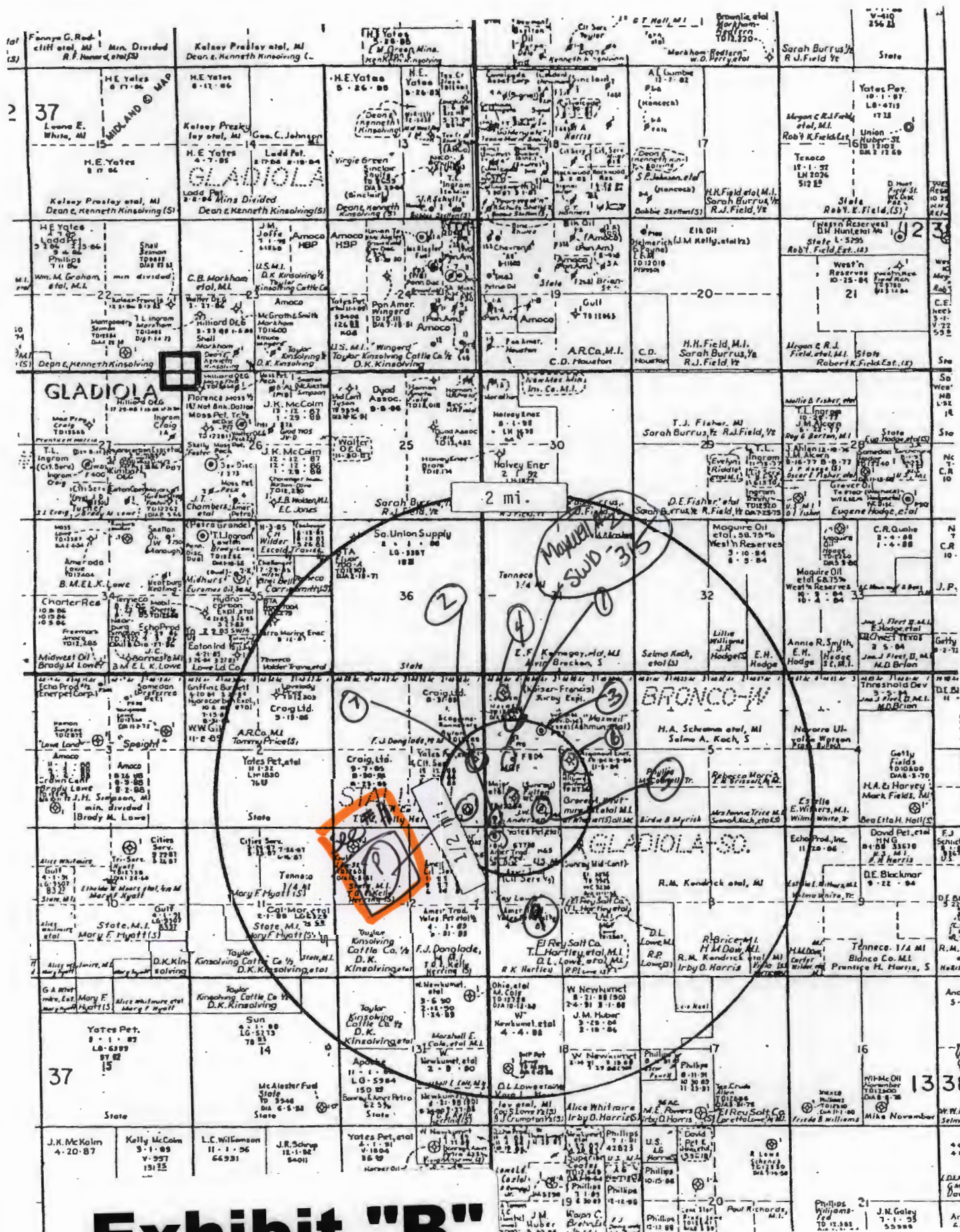
Drawing not to scale

Kevin O Butler and Associates, Inc
EB Anderson # 2
API # 30-025-22454
Unit Letter M, Section 6, T13S, R38E
Lea County, New Mexico
After return to disposal service

Exhibit "A"



Drawing not to scale



Kevin O Butler and Associates, Inc
EB Anderson # 2
API # 30-025-22454
990 FSL x 990 FWL
Unit Letter "M", 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

① ✓

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

② ✓

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

③ ✓

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

④ — outside 0.5 mile

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

⑤ -

Kevin O Butler and Associates, Inc
EB Anderson # 2
API # 30-025-22454
990 FSL x 990 FWL
Unit Letter "M", T13S, R38E
Lea County, New Mexico

Wells located in 0.5 mile Area of Review

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

Ashmund & Hilliard
Rulon # 1 (7)
API # 30-025-22847
Unit Letter "I", Section 1, T13S, R37E
PA 1985

Kevin O. Butler and Associated, Inc
Maxwell # 2 (8)
API # 30-025-21186
Unit Letter "E", Section 6, T13S, R38E

Roswell Operating, LLC
Lowe Federal # 1 (9)
API # 30-025-29646
Unit Letter "D", Section 7, T13S, R38E -

Primexx Operating Company
Coy Lowe # 1 (10)
API # 30-025-29705
Unit Letter "E", Section 7, T13S, R38E

Missed wells

#11 30-025-05071

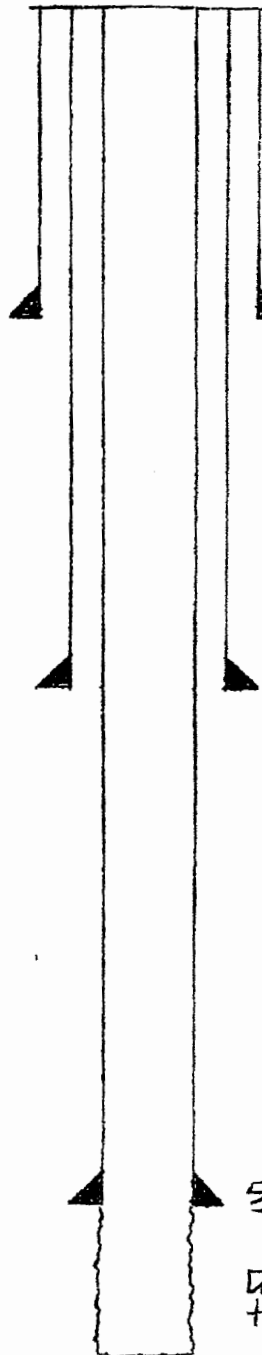
Sunray Mid-Cort/G K McDonald #1

10/05/55 > Set 5 1/2 at 9743' /
300sx / TAC at 8720'

by TS
No production / OP&A in April 1956
> 25 sx over perfs (9687-9729) -
5 1/2" & pull from 5683 - set 10 sx plug

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

①



12 3/4" Csg 34# Set @ 390' w/ 400SX

8 5/8" 24/32# J 55 STAC @ 4,505' w/ 400SX
TOC @ 4,900

Exhibit "C"

5 1/2" 17/20# N-80 FWP/ BTAC Set @ 12,182' w/ 900SX
TOC @ 7,000

Deviation Open hole Completed from 12,182'
to 12,197'

TD 12,197'

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

(2)

Exhibit "C"

13 3/8" CSA 414'
Cmt w/ 420sx
Cmt circ to surface

9 5/8" CSA 4550'
Cmt w/ 1400sx
TOC unknown

TOC 5614'

Drawing not to scale

5 1/2" CSA 12168'
Cmt w/ 1900sx
TOC calculated at 5614'
Devonian OH 12168-12210'
www.pwllc.net

BEP

CIBP 12130'

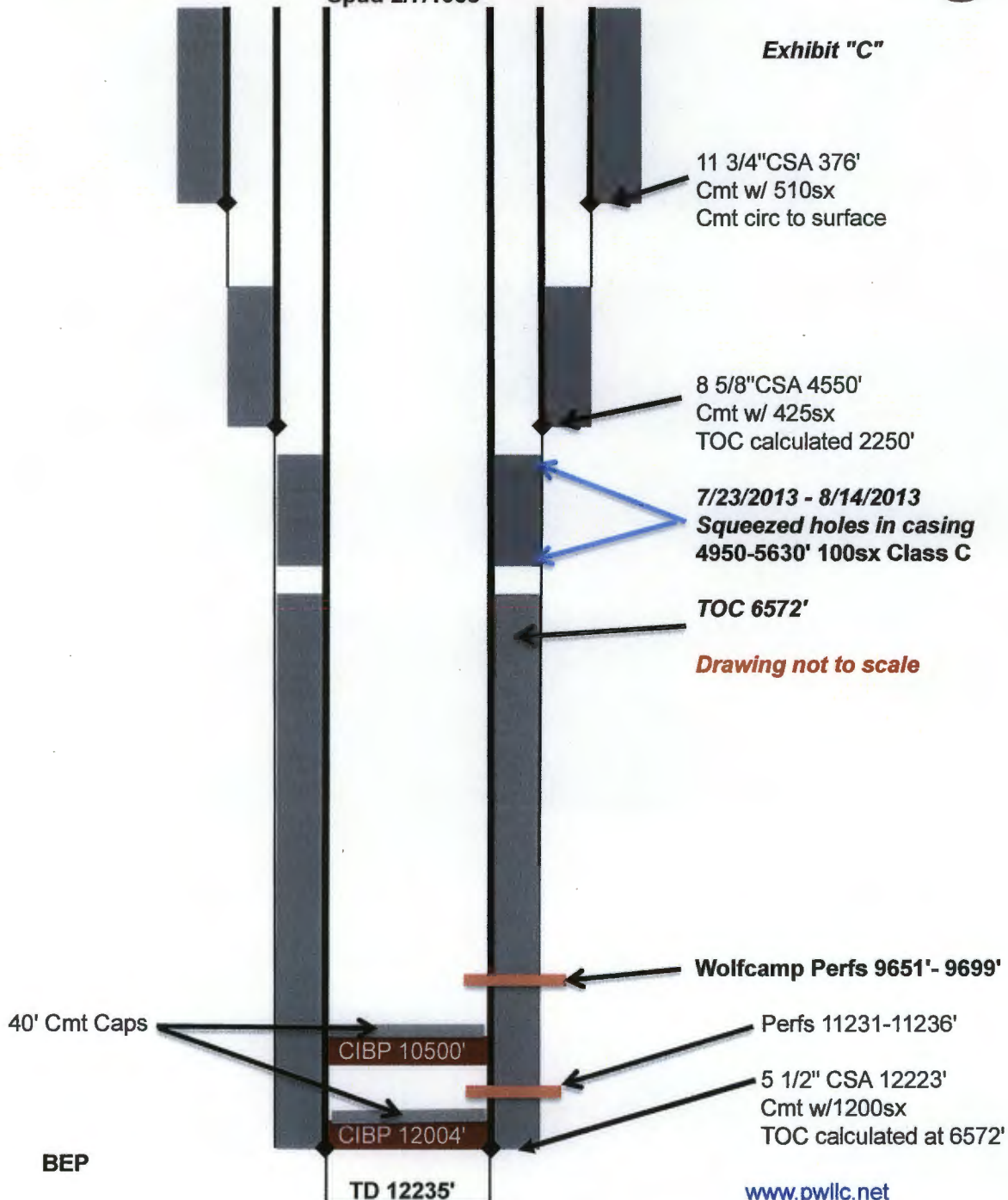
TD 12210'

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

3

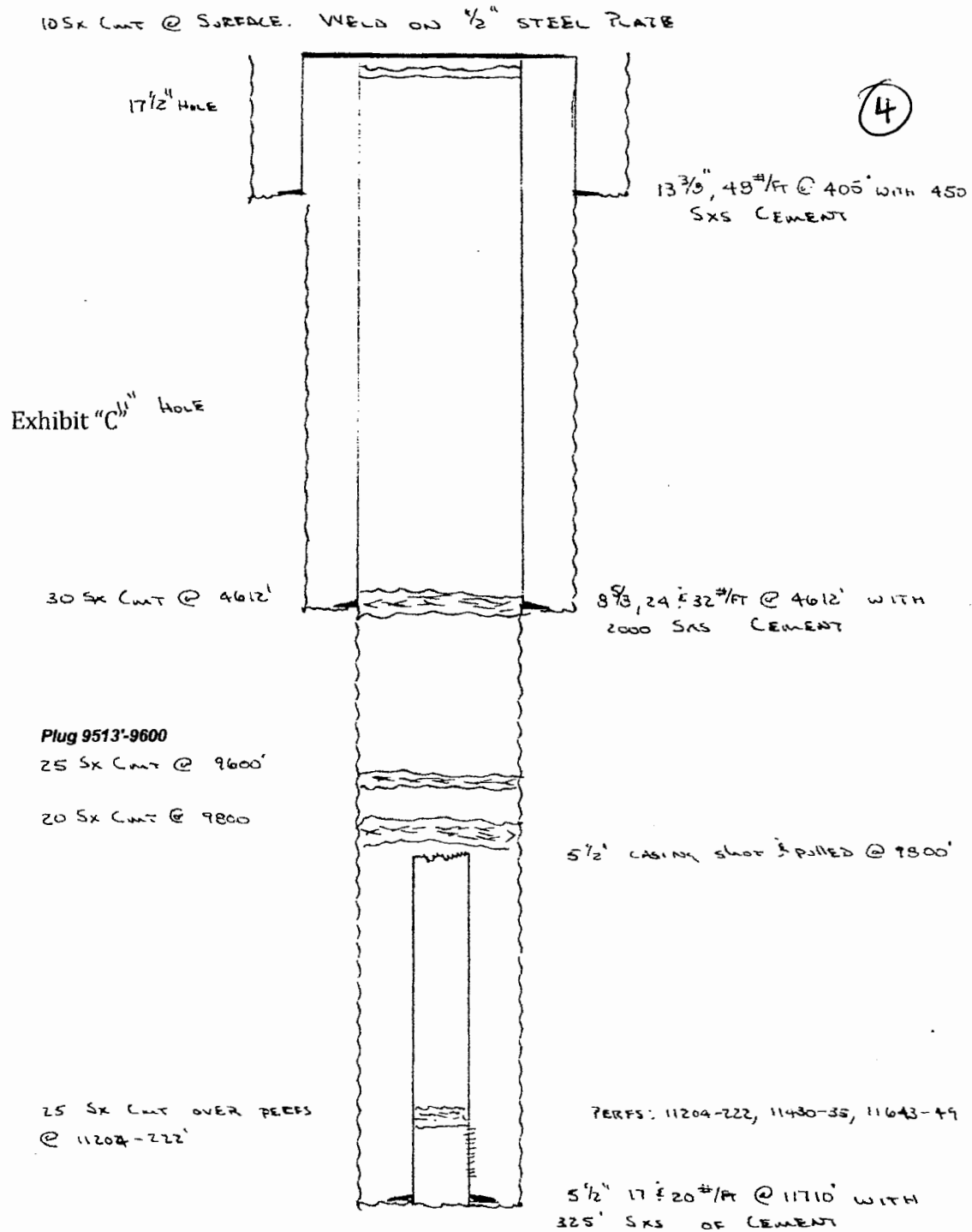
Spud 2/7/1965

Exhibit "C"

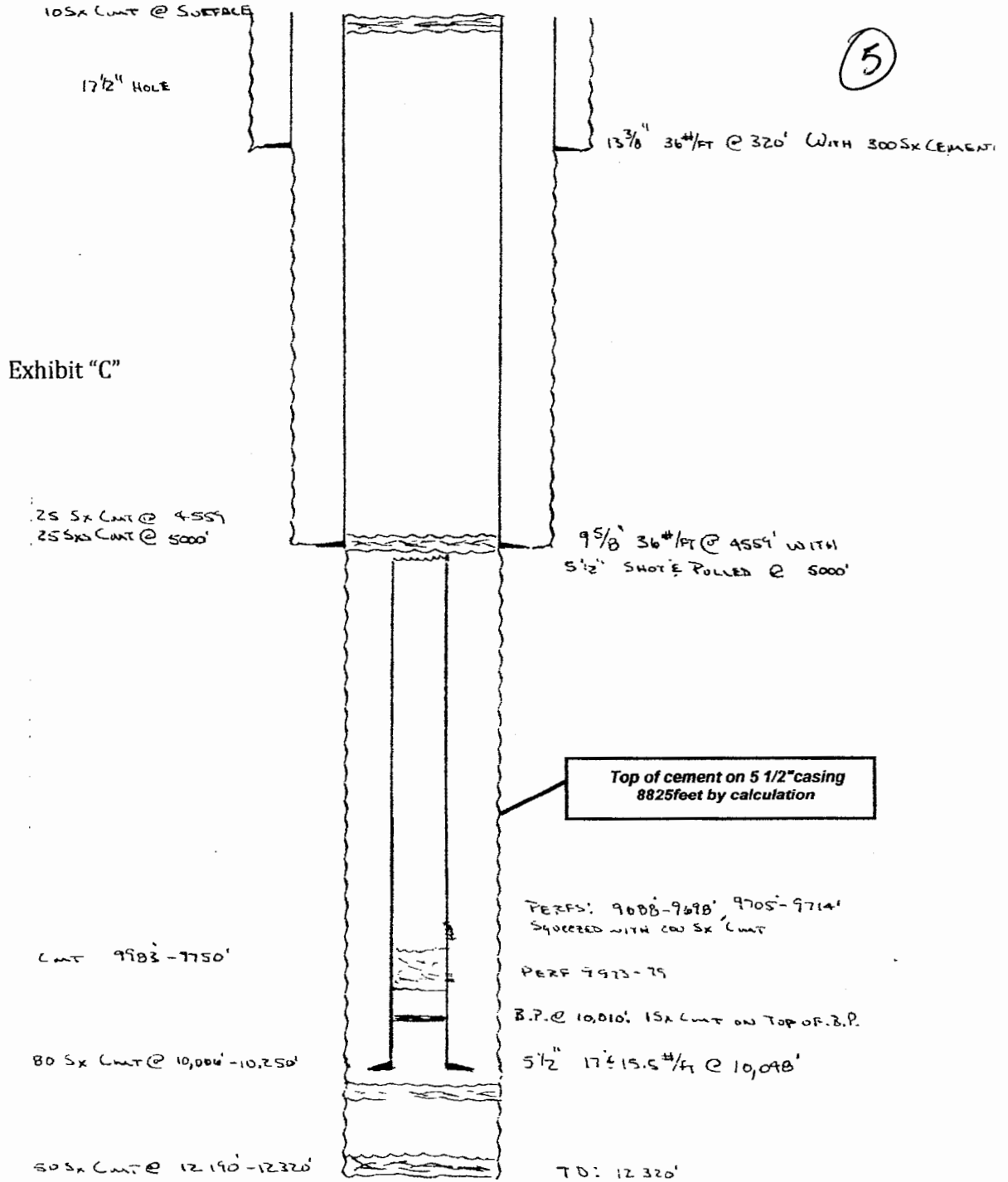


www.pwllc.net

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

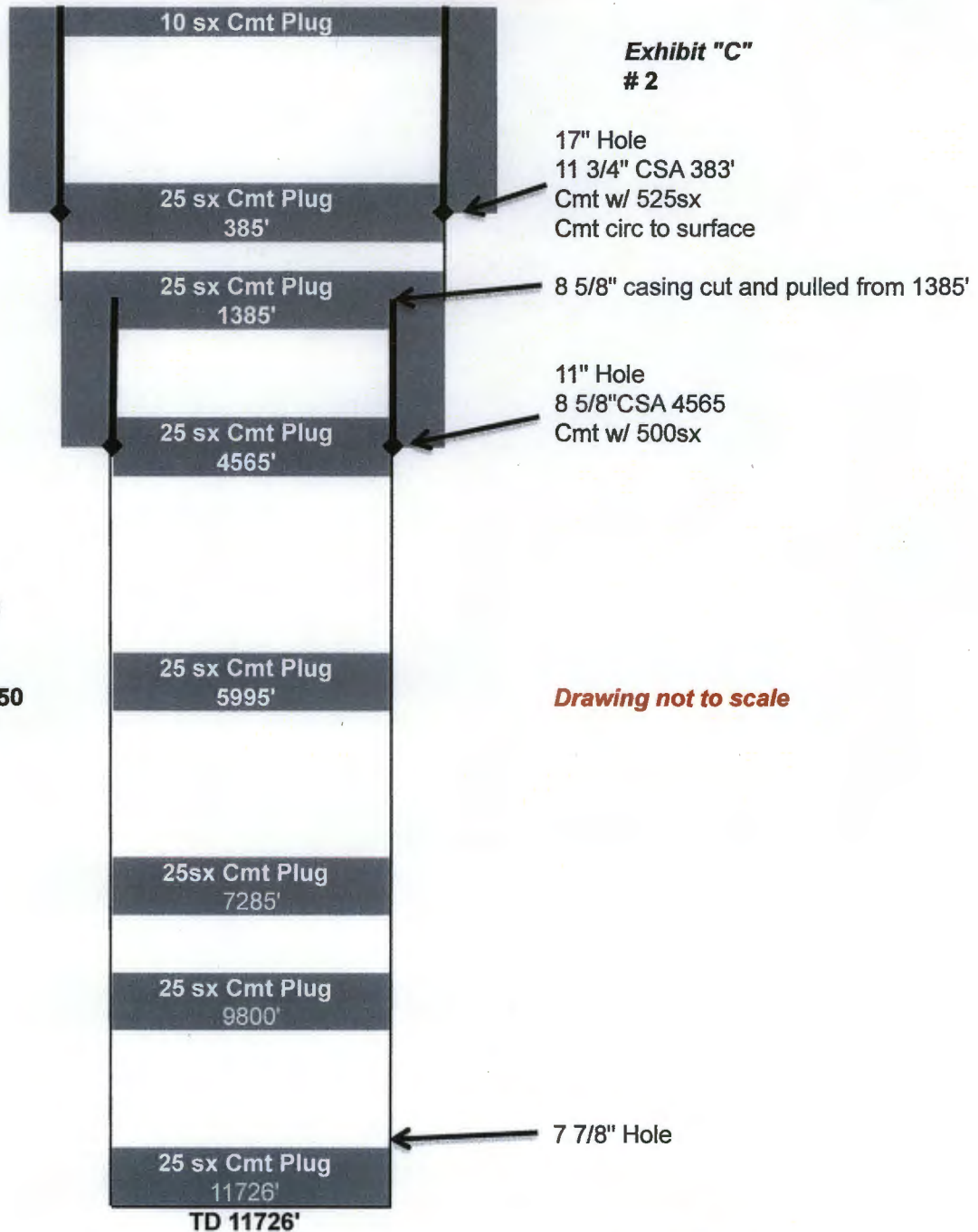


Ashmund & Hilliard
 OE Fulton # 1
 API # 30-025-07224
 Unit Letter "N", Section 6, T13S, R38E
 PA 10/1967



**Ashmun and Hilliard
G A Whitmire # 1
API # 30-025-21631
Unit Letter J, Sec. 6, T13S, R38E
Lea County, New Mexico
Current WBD**

(6)



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

⑦

17 1/2" HOLE

11 3/4", 42 #/FT @ 390' WITH 400
 SX CEMENT

100 SXS CEMENT @ 1700'

11" HOLE

100 SXS CEMENT @ 2700'

8 5/8" 24 3/32 #/FT @ 4502 WITH 400 SXS CEMENT

50 SXS CEMENT @ 5300'

RETAINER @ 5300'. PUMP 200 SXS CEMENT

Top of cement on 5 1/2 casing
 Calculated at 8712 feet

35 SXS CEMENT @ 9577'

PERF: 9618-30

BRIDGE PLUG @ 9710

PERF: 10560-70

BRIDGE PLUG @ 10743

PERF: 12268-86

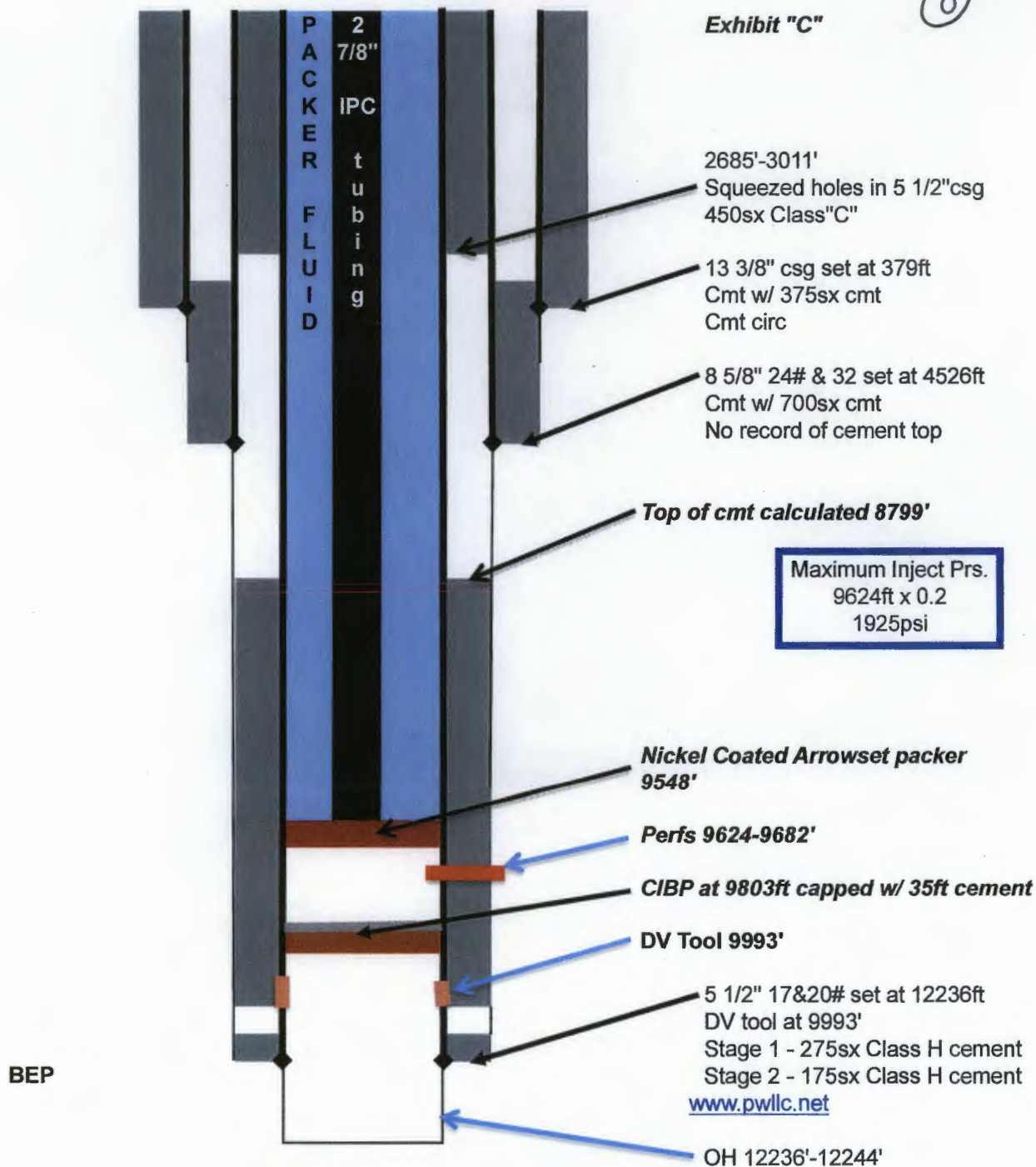
5 1/2", 17 1/2 #/FT @ 12288' WITH 525 SXS CEMENT

Exhibit "C"

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

8

Exhibit "C"

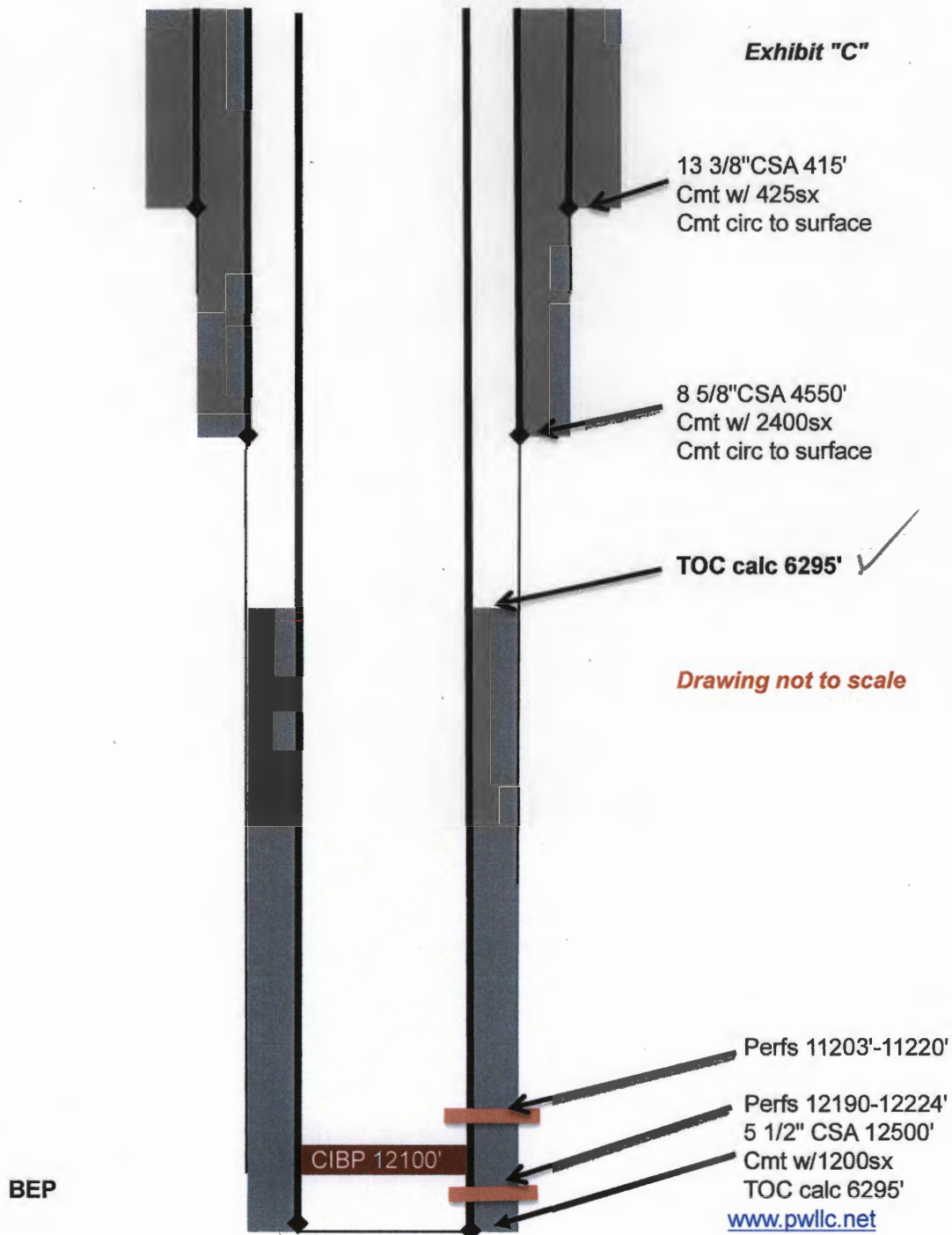


Drawing not to scale

Roswell Operating, LLC
Lowe Federal # 1
API # 30-025-29647
Unit Letter D, Sec. 7, T13S, R38E
Lea County, New Mexico
Current WBD

9

Exhibit "C"



[illegible]

**Legal Notice will be published in Lovington Leader
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 EB Anderson # 2, API # 30-025-22454, 990 FSL x 990 FWL, Unit Letter "M", Section 6, T13S, R38E Lea County, New Mexico from a shut in Wolfcamp/Devonian salt water disposal well to an active Wolfcamp/Devonian lease salt water disposal well. The disposal interval would be the Wolfcamp formation through perforations 9563feet to 9686 feet and the Devonian formation thru Open Hole from 12221 feet to 12280 feet Disposal fluid would be produced water piped in from numerous producing oil wells in the immediate area. 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 1912 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

Exhibit "E"

**Kevin O Butler and Associates, Inc
EB Anderson # 2
30-025-22454
990 FSL X 990 FWL
Unit Letter "M", Section 6, T13S, R38E
Lea County, New Mexico**

**Notified Parties
Surface Owner**

**Ross Wler
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**

**Roswell Operating, LLC
1515 Calle Sur
Hobbs, New Mexico 88240**

**Bureau of Land Management
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220**

**Primexx Operating Corporation
4849 Greenville Ave
Suite 1600
Dallas, TX 75206**

Exhibit "E"

**Kevin O Butler and Associates, Inc
EB Anderson # 2
30-025-22454
990 FSL X 990 FWL
Unit Letter "M", Section 6, T13S, R38E
Lea County, New Mexico**

Notified Parties

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

Additional Notified Parties

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

Exhibit "E"

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

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

HOBBBS NM 88240
OFFICIAL USE

Postage	\$ 1.82	0634
Certified Fee	\$3.30	02
Return Receipt Fee (Endorsement Required)	\$2.70	Postmark Here
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$7.82	01/27/2014

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

PS Form 3800

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

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

DALLAS TX 75206
OFFICIAL USE

Postage	\$ 1.82	0634
Certified Fee	\$3.30	02
Return Receipt Fee (Endorsement Required)	\$2.70	Postmark Here
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$7.82	01/27/2014

Sent To **Primexx Operating Corporation**
4849 Greenville Ave
Street, Apt.
or PO Box **Suite 1600**
City, State, **Dallas, TX 75206**

PS Form 3800

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

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

LOVINGTON NM 88260
OFFICIAL USE

Postage	\$ 1.82	0634
Certified Fee	\$3.30	02
Return Receipt Fee (Endorsement Required)	\$2.70	Postmark Here
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$7.82	01/27/2014

Sent To **Ross Wler**
145 Simpson Road
Street, Apt.
or PO Box **Lovington, NM 88260**

PS Form 3800

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

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

CARLSBAD NM 88520
OFFICIAL USE

Postage	\$ 2.03	0634
Certified Fee	\$3.30	02
Return Receipt Fee (Endorsement Required)	\$2.70	Postmark Here
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$8.03	01/27/2014

Sent To **Bureau of Land Management**
Carlsbad Field Office
Street, Apt.
or PO Box **620 East Greene Street**
City, State, **Carlsbad, New Mexico 88220**

PS Form 3800

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

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

HOBBBS NM 88240
OFFICIAL USE

Postage	\$ 1.82	0634
Certified Fee	\$3.30	02
Return Receipt Fee (Endorsement Required)	\$2.70	Postmark Here
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$7.82	01/27/2014

Sent To **Roswell Operating, LLC**
1515 Calle Sur
Street, Apt.
or PO Box **Hobbs, New Mexico 88240**

PS Form 3800

U.S. Postal Service
CERTIFIED MAIL[®] RECEIPT
(Domestic Mail Only: No Insurance Coverage Provided)

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

OFFICIAL USE

Postage	\$ 1.82	0634
Certified Fee	\$3.30	02 Postmark Here
Return Receipt Fee (Endorsement Required)	\$2.70	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$7.82	01/27/2014

Sent To
Danglade/Speight Family Oil and Gas I, LP
Street, Apt. or PO Box
City, State
777 Main Street, Suite 3250
Ft. Worth, TX 76102

U.S. Postal Service
CERTIFIED MAIL[®] RECEIPT
(Domestic Mail Only: No Insurance Coverage Provided)

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

OFFICIAL USE

Postage	\$ 1.82	0634
Certified Fee	\$3.30	02 Postmark Here
Return Receipt Fee (Endorsement Required)	\$2.70	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$7.82	01/27/2014

Sent To
Mary Frank Whitmire Hyatt
Street, Apt. or PO Box
City, State
712 W. 3rd Street
Roswell, NM 88201

U.S. Postal Service
CERTIFIED MAIL[®] RECEIPT
(Domestic Mail Only: No Insurance Coverage Provided)

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

OFFICIAL USE

Postage	\$ 1.82	0634
Certified Fee	\$3.30	02 Postmark Here
Return Receipt Fee (Endorsement Required)	\$2.70	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$7.82	01/27/2014

Sent To
Rebecca Ann Whitaker
Street, Apt. or PO Box
City, State
8276 Country Club Road
San Angelo, TX 76904

U.S. Postal Service
CERTIFIED MAIL[®] RECEIPT
(Domestic Mail Only: No Insurance Coverage Provided)

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

OFFICIAL USE

Postage	\$ 1.82	0634
Certified Fee	\$3.30	02 Postmark Here
Return Receipt Fee (Endorsement Required)	\$2.70	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$7.82	01/27/2014

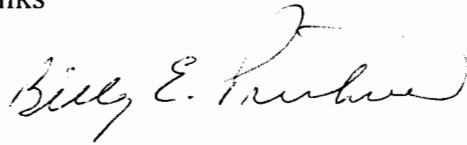
Sent To
Marshall & Winston, Inc
Street, Apt. or PO Box
City, State
PO Box 50880
Midland, TX 79710

Please find enclosed 2 copies of NMOCD form C108 for
Kevin O. Butler and Associates, Inc
Legal Notice - Scheduled to run in the Lovington Leader 1/28/2014.
Affidavit of Publication will be sent to NMOCD when received.

RECEIVED OGD

2014 JUN 30 P 3: 15

Thanks

A handwritten signature in black ink, appearing to read "Billy E. Prichard". The signature is fluid and cursive, with a large initial "B" and "P".

Billy(Bill) E. Prichard
Pueblo West
125 Greathouse Village
Decatur, TX 76234
432-934-7680 cellular or text
940-627-0086 fax
email; billy@pwllc.net
www.pwllc.net

Affidavit of Publication

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

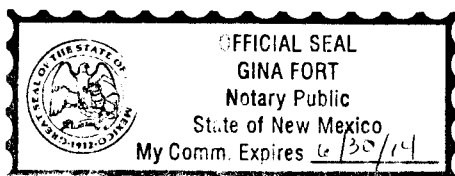
Joyce Clemens being first duly sworn on oath deposes and says that she is Advertising Manager of THE LOVINGTON LEADER, a thrice a week newspaper of general paid circulation published in the English language at Lovington, Lea County, New Mexico; that said newspaper has been so published in such county 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 January 28 , 2014 and ending with the issue of January 28 , 2014.

And that the cost of publishing said notice is the sum of \$ 38.38 which sum has been (Paid) as Court Costs.

Joyce Clemens
Joyce Clemens, Advertising Manager
Subscribed and sworn to before me this 28th day of January , 2014.

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



EB Anderson # 2, pal. Well is located
API # 30-025- approximately 12
22454, 990 FSL x miles east of
990 FWE, Unit Tatum, New
Letter M, Section Mexico.

6, T13S, R38E
Lea County, New All interested parties
Mexico from a shut opposing the
n aforementioned
Wolfcamp/Devoni must file objec-
an salt water dis- tions with the New
posal well to an Mexico Oil
a c t i v e Conservation
Wolfcamp/Devoni Division, 1220
an lease salt water South St. Francis
disposal well. The Ave, Santa Fe,
disposal interval New Mexico
would be the 1220
Wolfcamp forma- 1220
tion through perfo- days. Additional
rations 9563 feet to information can be
9686 feet and the obtained by con-
Devonian forma- tacting Billy
tion thru Open Prichard 432-934-
Hole from 12221 7880

Legal Notice

Kevin D. Y. Butler
and Associates, Inc.
550 W. Texas
Suite 600,
Midland, Texas
79702 has filed
for a permit
C108 (Application
for Authorization to
Inject) with the
New Mexico Oil
Conservation
Division seeking
administrative
approval for the
conversion of the
Disposal fluid
would be pro-
duced water piped
in from numerous
producing oil wells
in the immediate
area. Anticipated
disposal rate 5000
BWPD with a max-
imum disposal rate
of 7500 BWPD.
Anticipated dis-
posal pressure of
0 (Zero) psi with a
maximum disposal
pressure of 1912

Published in The
Lovington Leader
January 28, 2014



C-108 Review Checklist: Received 02/03/14 Add. Request: _____ Reply Date: _____ Suspended: _____ [Ver 12]

PERMIT TYPE: WFX / PMX / SWD Number: 1468 Permit Date: 03/26/14 Legacy Permits/Orders: SWD-328

Well No. 2 Well Name(s): E. B. Anderson

[Wolfcamp & Devonian]

API: 30-0 25-22454 Spud Date: 03/28/1968 New or Old: Old (UIC Class II Primacy 03/07/1982)

Footages 990 FSL / 990 FWL Lot — or Unit M Sec 6 Tsp 18S Rge 38E County Lea

General Location: ~5mi west of Texas / NM border / east of Tatum SWD: Wolfcamp & Devonian Pool No.: 7460

BLM 100K Map: Tatum Operator: Kevin O Butler and Assoc. Inc. OGRID: 12627 Contact: Billy Pritchard / Agent

COMPLIANCE RULE 5.9: Inactive Wells: 1 Total Wells: 34 Fincl Assur: Yes Compl. Order? Yes - required to revised IS 5.9 OK? Date: 03/26/14

WELL FILE REVIEWED ☒ Current Status: TA - well has tubing failure ACOI-288 / ACOI-280
Original wildcat for WC / Devonian / Fishing attempt for tubing & Lockset packer

WELL DIAGRAMS: NEW: Proposed ☐ or RE-ENTER: Before Conv. ☐ After Conv. ☒ Logs in Imaging: GR / Return

Planned Rehab Work to Well: Fish out tubing/packer; to retain previously approved injection interval

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>17 1/2 / 12 3/4</u>	<u>0 to 372</u>	<u>400</u>	<u>Circulate to surface</u>
Planned ___ or Existing <input checked="" type="checkbox"/> Interm/Prod	<u>11 / 8 5/8</u>	<u>0 to 2660</u>	<u>400</u>	<u>Calculated / 2660</u>
Planned ___ or Existing <input checked="" type="checkbox"/> Prod/Interm	<u>7 7/8 / 5 1/2</u>	<u>0 to 12221</u>	<u>950</u>	<u>Calc. TC / 16800</u>
Planned ___ or Existing ___ Liner/Prod	—	—	—	—
Planned ___ or Existing <input checked="" type="checkbox"/> OH / PERF	<u>WC perfs</u> <u>Devonian OH</u>	<u>Open hole 12221 - 12280</u> <u>perfs: 9563 - 9686</u>	<u>Inj Length</u> <u>123 + 59</u>	—

Injection Stratigraphic Units:	Depths (ft)	Injection or Confining Units	Tops?	Completion/Operation Details:
Adjacent Unit: Litho. Struc. Por.	—	—	—	Drilled TD <u>12280</u> PBDT <u>NA</u>
Confining Unit: Litho. Struc. Por.	<u>+</u>	—	—	NEW TD <u>NA</u> NEW PBDT <u>NA</u>
Proposed Inj Interval TOP:	<u>9563 - 9686</u>	<u>WC - woodford shale</u>	<u>9159</u>	NEW Open Hole <u>No</u> or NEW Perfs <u>No</u>
Proposed Inj Interval BOTTOM:	<u>12221 - 12280</u>	<u>Devonian</u>	<u>12227</u>	Tubing Size <u>2 7/8</u> in. Inter Coated? <u>Yes</u>
Confining Unit: Litho. Struc. Por.	—	—	—	Proposed Packer Depth <u>4500</u> ft
Adjacent Unit: Litho. Struc. Por.	—	—	—	Min. Packer Depth <u>9463</u> (100-ft limit)
				Proposed Max. Surface Press. <u>1912</u> psi
				Admin. Inj. Press. <u>1912</u> (0.2 psi per ft)

AOR: Hydrologic and Geologic Information

POTASH: R-111-P NA Noticed? NA BLM Sec Ord No WIPP No Noticed? NA SALADO: T: 3028 B: 3110 CLIFF HOUSE NA

FRESH WATER: Aquifer Opalata Max Depth 260' 1-Mile Wells? Yes FW Analysis Yes **HYDRO AFFIRM STAT By Qualified Person** ☒

Disposal Fluid: Formation Source(s) WC End Devonian Analysis? Yes On Lease ☐ Operator Only ☒ or Commercial ☐

Disposal Interval: Inject Rate (Avg/Max BWPD): 5000/7500 Protectable Waters?: No **CAPITAN REEF:** thru ☐ adj ☐ NA ☒

HC Potential: Producing Interval? No Formerly Producing? Yes Method: Logs/DST/P&A/Other Cross section 2-Mile Radius Pool Map ☐

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? _____

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

NOTICE: Newspaper Date 01/28/2014 Mineral Owner Free / lease Surface Owner Ross Wier / Private N. Date 01/27/14

RULE 26.7(A): Identified Tracts? Yes Affected Persons: Roswell Operating / Primex Operating / Danglede N. Date 01/27/14

Mary Frank Whitmore Hyatt / Marshall
Rebecca Ann Whitaker & Winston

Permit Conditions: Issues: Compliance ACOI-280

Add Permit Cond: None

A

ASHBURN & HILLIARD
NO. 1 MATTHEW

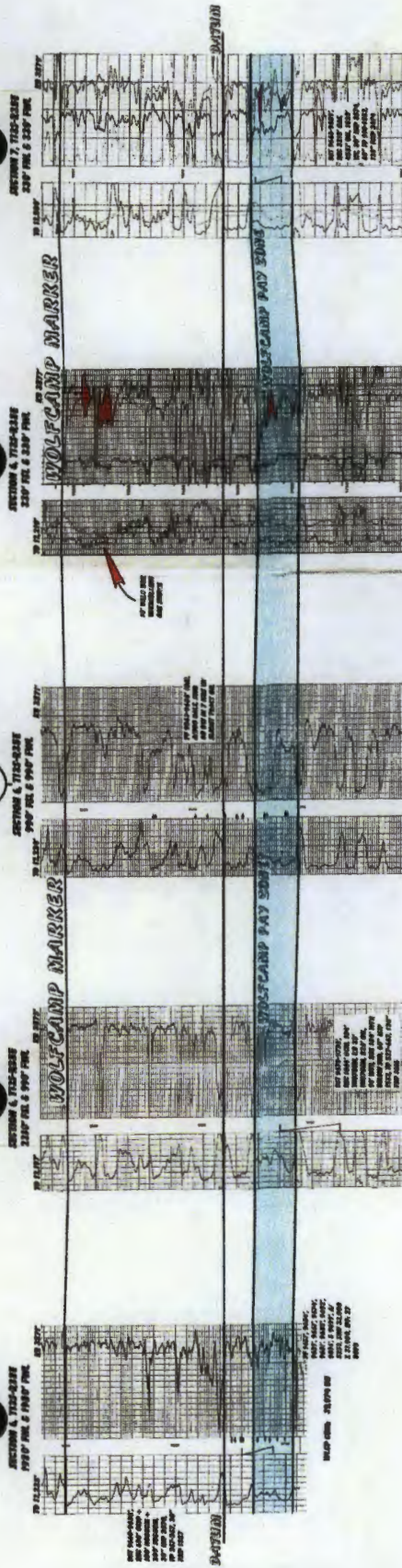
MAJOR GEBEL & FORSTER
NO. 2 ANDERSON

MAJOR GEBEL & FORSTER
NO. 3 ANDERSON

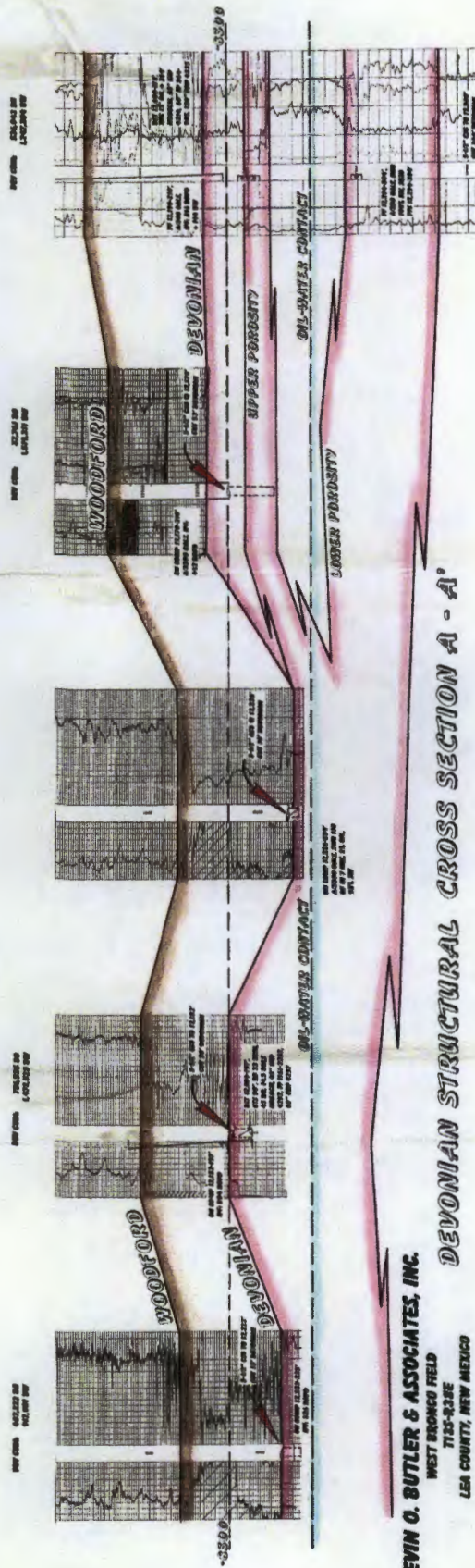
MAJOR GEBEL & FORSTER
NO. 3 ANDERSON

AMERICAN TRADING & PROD.
NO. 1 LOWE-FED.

A'



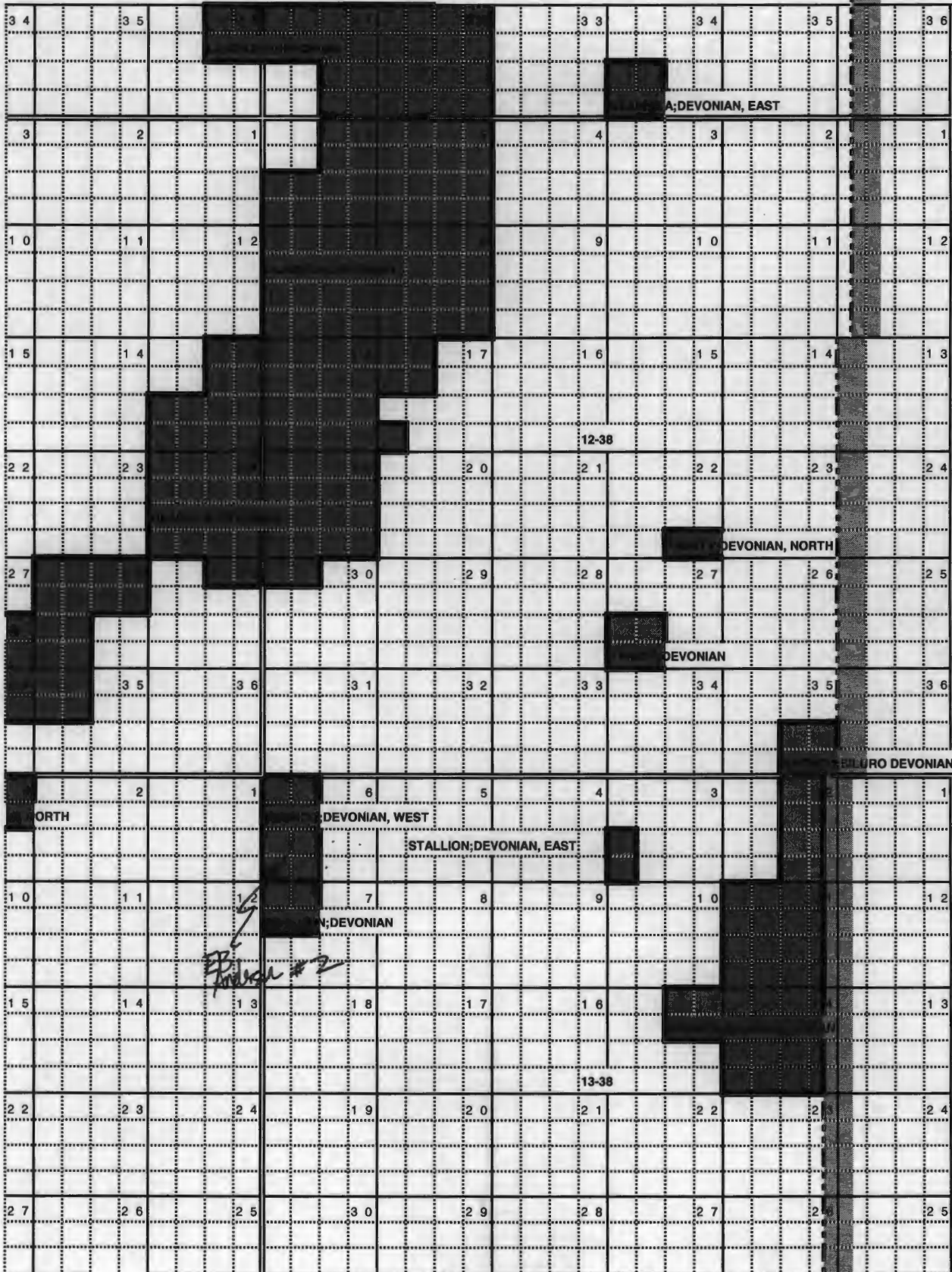
WOLF CAMP STRATIGRAPHIC CROSS SECTION A - A'



KEVIN O. BUTLER & ASSOCIATES, INC.
WEST BRONCO FIELD
T155-33SE
LEA COUNTY, NEW MEXICO

DEVONIAN STRUCTURAL CROSS SECTION A - A'

R 38 E



Devonian pools

ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION



GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2086
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

ORDER SWD-328

THE APPLICATION OF MGF OIL CORPORATION

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 701(B), MGF Oil Corporation made application to the New Mexico Oil Conservation Division on July 13, 1987, for permission to complete for salt water disposal its E. B. Anderson Well No. 2 located in Unit M 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, MGF Oil Corporation is hereby authorized to complete its E. B. Anderson Well No. 2, located in Unit M 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 and Devonian formations through the perforated interval from 9563 feet to 9686 feet and through the open-hole interval from 12,221 feet to 12,280 feet through 2 7/8 inch plastic lined tubing set in a packer located at approximately 9463 feet.

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 1912 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 and Devonian formations. 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.

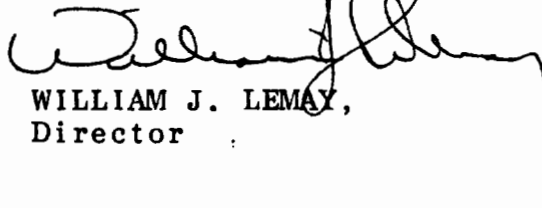
PROVIDED FURTHER, That jurisdiction of this cause is hereby retained by the Division for such further order or orders as may seem necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of applicant to comply with any requirement of this order after notice 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.

Page 3
Administrative Order SWD-328

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 7 day of August, 1987.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY,
Director

S E A L