

DATE IN 10/30/2013	SUSPENSE	ENGINEER PG	LOGGED IN 10/30/13	TYPE SWD	APP NO. PRG 1332244374
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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



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 _____

*Nearburg
Federal L #1
30-025-20811
Second Appl.
→ Yates / 7-Rués*

[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.

Tim Green	See C108 Application	Production Supervisor	10/30/2013
_____ Print or Type Name	_____ Signature	_____ Title	_____ Date
		tgreen@nearburg.com e-mail Address	

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: _____ Secondary Recovery _____ Pressure Maintenance X Disposal _____ Storage _____
Application qualifies for administrative approval? _____ Yes _____ No
- II. OPERATOR: NEARBURG PRODUCING COMPANY - OGRID #15742
ADDRESS: 3300 N. A Street, Bldg, 2-Suite 120, Midland, TX 79705
CONTACT PARTY: Tim Green PHONE: (432) 818-2940
- 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 X No
If yes, give the Division order number authorizing the project: _____
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
 2. Whether the system is open or closed;
 3. Proposed average and maximum injection pressure;
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
 5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- *VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- *X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
- *XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
- NAME: Tim Green TITLE: Manager of Production Services
SIGNATURE: [Signature] DATE: 10/11/13
E-MAIL ADDRESS: tgreen@nearburg.com
- * 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: _____

III. WELL DATA

- A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

- B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

**Nearburg Producing Company
Application for Authority to Inject
Federal L #1
Lea County, New Mexico**

III. Well Data

- A. (1) **Well Name:** Federal L #1
1650' FNL & 1980' FWL
Sec. 25 T20S-R34E
Lea County, New Mexico
- (2) **Casing Data:** (Also see Exhibit "B" and "C")
- Surface:**
13 3/8" csg set @ 853' and cemented with 800 sx. Cement Circulated.
- Intermediate:**
9 5/8" csg set in a 12 1/4" hole to 5,490' and cemented with 1,387 sx.
Cement circulated.
- Production:**
7" csg set in an 8 3/4 " hole to 14,566' and cemented with 1,000 sx.
- (3) **Injection Tubing:**
2 7/8" 8 RD EUE fiberglass or plastic coated tubing set @ approximately
3,730'.
- (4) **Packer:**
A Baker Lok-set or equivalent packer set @ approximately 3,655'.

- B. (1) **Injection Formation:**
Seven Rivers
- (2) **Injection Interval:**
Injection will be through perforations from 3,705' to 3,832'. *Revised bottom perf*
- (3) **Original Purpose:**
This well was originally drilled to test the Morrow, and was subsequently
completed as a Bone Spring producer.
- (4) **Added Perforated Intervals:**
July 1965: Well was P & A'd. The 7" casing was cut and pulled from 7,591'.
Several plugs were set from 7,591' to surface. *✓*

April 1985: The wellbore was re-entered and cleaned out to the old casing
stub and 7" casing was run and cemented with 250 sacks cement. Top of
cement @ 6,800' by temperature survey. Remaining plugs were drilled and
the Morrow zone was perforated from 13,335.6' to 13,405.5'.

April 1997: CIBP was set @ 12,648' with 35' cement on top. Set another CIBP @ 10,500' with 40' cement on top and perforated Bone Spring 10,064' to 10,074'.

September 2000: CIBP was set @ 10,030' with 35' cement on top and perforated Upper Bone Spring 9,608' to 9,636'.

October 2003: CIBP was set @ 9,575' with 35' cement on top. Shot holes 6,751' to 6,755' and 6,745' to 6,749' and squeezed 7" casing with 1,190 sacks cement. Top of cement @ 1,270' by temperature survey. Perforated Cherry Canyon zone 5,813' to 5,879'.

February 2004: Squeezed off Cherry Canyon perforations and cleaned out wellbore down to 9,553'. Perforated Delaware (current zone) from 8,325' to 8,346'.

(5) **Higher/Lower Oil Zones:**

There is no shallower oil zone and the top of the Cherry Canyon is 8,515'.

V. **Map:** (See Exhibit "A")

VI. **Wells in Area of Review:**

(1) <u>Well Name:</u>	Federal LS Com #1 (API # 30-025-29518)
<u>Location:</u>	580' FNL & 1,880' FEL Sec 25 T20S-R34E Lea County, New Mexico
<u>Spud:</u>	November 29, 1985
<u>Surface Csg:</u>	13 3/8" set @ 833', cement with 725 sx to surface.
<u>Intermediate Csg:</u>	8 5/8" set @ 5,518', cement with 2,100 sx to surface.
<u>Production Csg:</u>	5 1/2" set @ 14,485', cement with 1,200 sx. Top of cement @ 3,258' by TS.
<u>Total Depth:</u>	The well was drilled to the Morrow and completed as a gas well from perfs 12,987' - 13,079' in 1986. A CIBP was set @ 13,000' with 35' of cement on top in March 1997. Brushy Canyon zone was perforated from 8,276' to 8,316'. In July 2004, additional perforations were added from 8,216' to 8,250' (current zone).

VII. **Proposed Operations Data:**

(1) Average daily injection rate = 2,000 BWPB ✓
Maximum daily injection rate = 4,000 BWPB ✓

(2) Type of system is closed.

- (3) Average injection pressure = 750 psi
Maximum injection pressure = 1,500 psi
- (4) Source – Bone Spring produced water from wells to be drilled in Section 25. Water analysis from Bone Spring production in Section 23, T20S/R34E is attached.
- (5) Chemical analysis of Seven Rivers is attached.

VIII. Geological Data:

The proposed injection zone is the Yates/Seven Rivers formation from 3,705'-3,900'. The formation consists primarily of dolomite and limestone that is interbedded with sandstone.

The underground source of drinking water overlying the proposed injection zone is where the bottom of the Tertiary and the top of the Permian Rustler interface at approximately 1,700'.

There are no known sources of fresh water underlying the proposed injection zone.

IX. Proposed Stimulation Program:

Plans are to acidize the Seven Rivers @ 3,705'-3,900' with approximately 8,000 gals 15% NE-FE acid in stages using balls as a diverter.

X. Well Logs:

Copies of the well logs have been filed with the Commission.

XI. Chemical Analysis of Fresh Water:

There are no known producing fresh water wells within one mile of the proposed injection well.

XII. Upon examination of the available geologic and engineering data, no evidence of open faults or any other hydrologic connection between the disposal zone and the underground source of drinking water was found.

SURFACE OWNER:

Section 23: SE/4 – Bureau of Land Management (they require a copy of the Application to be filed with the OCD)
Carlsbad Field Office
Attn: Wesley Ingram
620 E. Greene Street
Carlsbad, New Mexico 88220

Section 24: All - S & S, Inc.
P. O. Box 1046
Eunice, New Mexico 88231

Section 25: N/2 - Curtis K. Skeen and wife 50%
1508 Riverside Drive
Carlsbad, New Mexico 88220

Linda S. Jurva 50%
1134 Tracy Place
Carlsbad, New Mexico 88220

Section 25: S/2 - Martha W. Skeen and The Kelly Skeen Testamentary Trust
301 South Canyon
Carlsbad, New Mexico 88220

Section 26: All - Daniel C. Berry, III
P. O. Box 160
Eunice, New Mexico 88231

OFFSET OPERATORS:

Nearburg Producing Company
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705

BTA Oil Producers, LLC
104 S. Pecos
Midland, Texas 79701

Burk Royalty Co., LTD
4245 Kemp Blvd.
Suite 600
Wichita Falls. Texas 76308

Cimarex Energy Co.
600 N. Marienfeld St.
Suite 600
Midland, Texas 79701

CURRENT WELLBORE DIAGRAM

EXHIBIT B

LEASE: Federal L	WELL: 1	FIELD:	API: 30-025-20811
LOC: 1650 FN & 1980 FW	SEC: 25	BLK: T20S R34E	Reservoir
SVY:	GL: 3702	CTY/ST: Lea Co., NM	SPUD: 1/14/1964
CURRENT STATUS:	KB:	DF: 3724	TD DATE: 5/18/1964
			COMP. DATE:

FRESH WATER
DEPTH:

HOLE SIZE: 17.5"
SURF CSG & SIZE: 13-3/8" 48# H-40
SET @: 853'
SXS CMT: 800
CIRC: yes: 60 sx
TOC AT:
TOC BY:

COMMENTS:

*****GEOLOGY*****

TOPS OF ALL ZONES
PRODUCTIVE OF HYDRO-
CARBONS:
Yates 3615'
Queen 4671'
BS 8473'
Wolfcamp 11232'
Atoka 12486'
Morrow 12660'
Silurian 14536'
CURRENT PERFS:

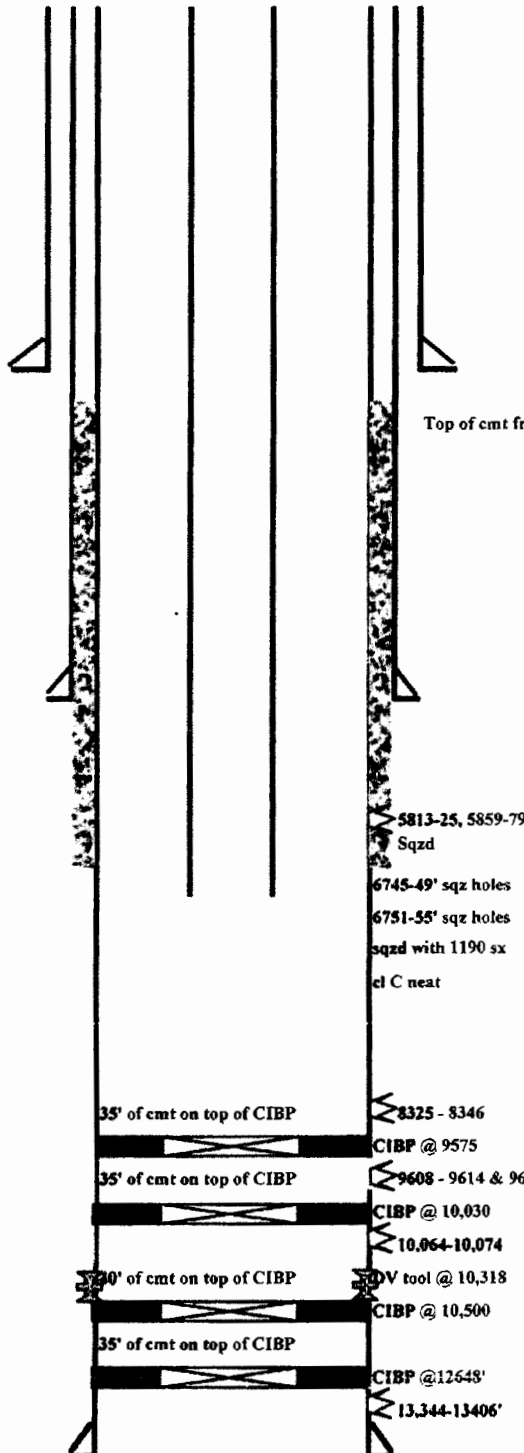
TBG:
JTS:
SN:
TAC:
ROD SIZE:

PKR:
TYPE:

HOLE SIZE: 12.25"
INT. CSG & SIZE: 9-5/8" 40# N-80 & J-55
SET @: 5490'
SXS CMT: 1st stage 312 sx C + 200 sx C circ 75 sx
CIRC: 2nd stage 675 sx C + 200 sx C circ 25 sx
TOC AT: Surface
TOC BY: Circ

SQUEEZE JOBS:

OH ID:
COTD:
PBTB: 9553'
TD: 14700'



OPEN HOLE:

LINER:

BY:
9/16/2013

PROPOSED WELLBORE DIAGRAM

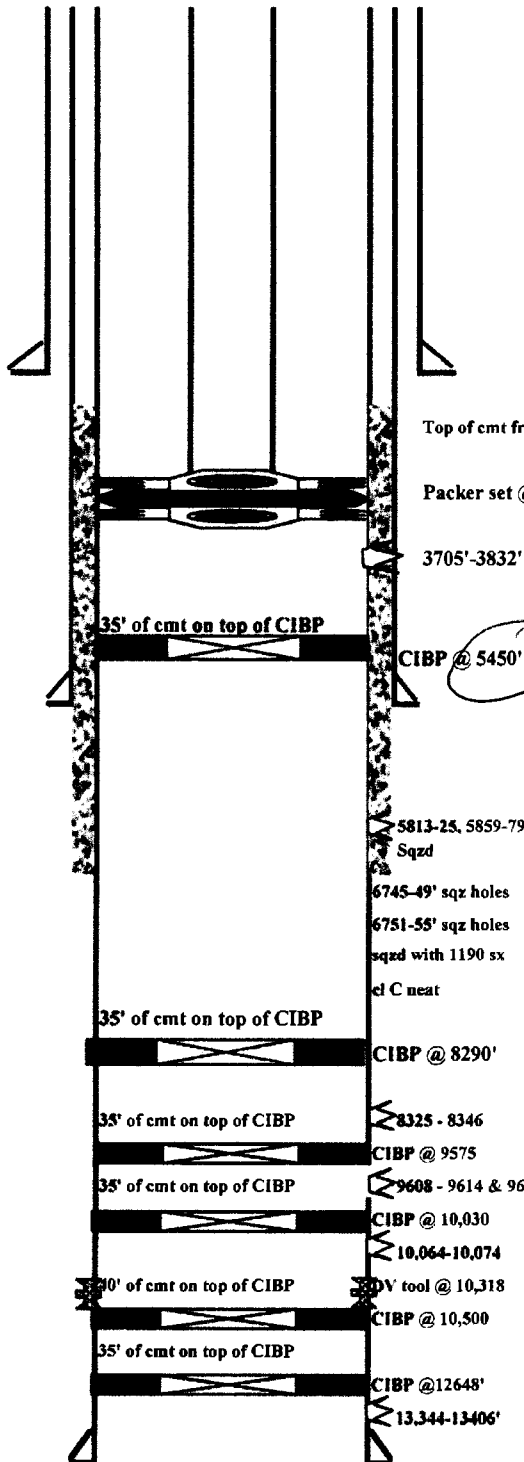
EXHIBIT C

LEASE: <u>Federal L</u>	WELL: <u>1</u>	FIELD:	API: <u>30-025-20811</u>
LOC: <u>1650 FN & 1980 FW</u>	SEC: <u>25</u>	BLK: <u>T20S R34E</u>	Reservoir
SVY:	GL: <u>3702</u>	CTY/ST: <u>Lea Co., NM</u>	SPUD: <u>1/14/1964</u>
CURRENT STATUS:	KB:	DF: <u>3724</u>	TD DATE: <u>5/18/1964</u>
			COMP. DATE:

FRESH WATER
DEPTH:

HOLE SIZE: 17.5"
SURF CSG & SIZE: 13-3/8" 48# H-40
SET @: 853'
SXS CMT: 800
CIRC: yes: 60 sx
TOC AT:
TOC BY:

COMMENTS:



Top of cmt from sqz @ 1270 by TS

Packer set @ 3655'

3705'-3832'

CIBP @ 5450'

5813-25, 5859-79
Sqzd

6745-49' sqz holes

6751-55' sqz holes

sqzd with 1190 sx

el C neat

CIBP @ 8290'

8325 - 8346

CIBP @ 9575

9608 - 9614 & 9628 - 9636

CIBP @ 10,030

10,064-10,074

SDV tool @ 10,318

CIBP @ 10,500

CIBP @ 12,648'

13,344-13,406'

HOLE SIZE: 12.25"
INT. CSG & SIZE: 9-5/8" 40# N-80 & J-55
SET @: 5490'
SXS CMT: 1st stage 312 sx C + 200 sx C circ 75 sx
CIRC: 2nd stage 675 sx C + 200 sx C circ 25 sx
TOC AT: Surface
TOC BY: Circ

HOLE SIZE: 8-3/4"
PROD. CSG & SIZE: 7" 29/26/32/35# N-80
SET @: 14556'
SXS CMT: 1st stage 600 sx incor neat
CIRC: 2nd stage 400 sx incor neat +
TOC BY:

*****GEOLOGY*****

TOPS OF ALL ZONES

Yates 3615'

Queen 4671'

BS 8473'

Wolfcamp 11232'

Atoka 12486'

Morrow 12660'

Silurian 14536'

TBG:
JTS:
SN:
TAC:
ROD SIZE OH ID:

PKR:
TYPE:

OH ID:
COTD:

PBTD: 5415'
TD: 14700'

OPEN HOLE:

LINER:

BY:
9/3/2013

**Nearburg Producing Company
Federal L #1
SWD Application**

Well Selection Criteria Quick Print

WH_SEC = 25 and WH_TWPN = 20 and WH_TWPD Like 'S' and WH_RNGN = 34 and WH_RNGD Like 'E'

API Well #	Well Name and No.	Operator Name	Typ	Stat	County	Surf	UL	Sec	Twp	Rng	Ft N/S	Ft E/W	UICPrmt	Lst Insp Dt
30-025-29518-00-00	FEDERAL LS	001	NEARBURG PRODUCING CO	O	A	Lea	F	B	25	20 S	34 E	585 N	1880 E	6/26/2007
30-025-29518-00-00	FEDERAL LS	001	NEARBURG PRODUCING CO	O	A	Lea	F	B	25	20 S	34 E	585 N	1880 E	6/26/2007
30-025-20811-00-00	FEDERAL L	001	NEARBURG PRODUCING CO	O	A	Lea	F	F	25	20 S	34 E	1650 N	1980 W H2S-19	6/26/2007
30-025-20811-00-00	FEDERAL L	001	NEARBURG PRODUCING CO	O	A	Lea	F	F	25	20 S	34 E	1650 N	1980 W H2S-19	6/26/2007
30-025-20811-00-00	FEDERAL L	001	NEARBURG PRODUCING CO	O	A	Lea	F	F	25	20 S	34 E	1650 N	1980 W H2S-19	6/26/2007
30-025-02453-00-00	PRE-ONGARD WELL	001	PRE-ONGARD WELL OPERATOR	O	P	Lea	F	H	25	20 S	34 E	1980 N	660 E	
30-025-40723-00-00	LYNCH 25 FEDERAL	001	NEARBURG PRODUCING CO	O	N	Lea	F	I	25	20 S	34 E	1650 S	330 E	
30-025-41367-00-00	LEA SOUTH 25 FEDERAL COM	005H	NEARBURG PRODUCING CO	O	A	Lea	F	M	25	20 S	34 E	60 S	660 W	
30-025-02452-00-00	HANSON FEDERAL	001	BURK ROYALTY CO., LTD.	O	P	Lea	F	M	25	20 S	34 E	330 S	330 W	
30-025-41090-00-00	LYNCH 25 FEDERAL	002H	NEARBURG PRODUCING CO	O	N	Lea	F	P	25	20 S	34 E	660 S	150 E	

φ wells

CHEMLINK WATER ANALYSIS REPORT

Part VII #5

Lab ID No. : 060188A

Analysis Date: June 1, 1988

Company : Hondo Oil & Gas

Sampled By : Don Bannert

Field :

Sample Date: *

Lease/Unit : Fletcher

Salesperson: Don Bannert

Well ID. :

Formation :

Sample Loc : 27-20S-34E

exico

7 RVTS

CATIONS	MG/L	MEQ/L	ANIONS	MG/L	MEQ/L
Calcium as Ca++	1,337	66.9	Hydroxyl as OH-	0	0.0
Magnesium as Mg++	232	19.0	Carbonate as CO3=	0	0.0
Sodium as Na+ (Calc)	3,531	153.5	Bicarbonate as HCO3-	1,102	18.1
Barium as Ba++	Not Determined		Sulfate as SO4=	2,500	52.1
Other	0		Chloride as Cl-	5,999	169.2

Total Dissolved Solids, Calculated:

14,700 mg/L.

Calculated Resistivity: 0.365 ohm-meters

pH: 7.710

mg/L. Hydrogen Sulfide: Present

Specific Gravity 60/60 F.: 1.013

mg/L. Carbon Dioxide: Not Determined

Saturation Index @ 80 F.: +1.529

mg/L. Dissolved Oxygen: Not Determined

@ 140 F.: +2.389

Total Hardness:

4,288

mg/L. as CaCO3

Total Iron:

2.5

mg/L. as Fe++

PROBABLE MINERAL COMPOSITION

	COMPOUND	MG/L	MEQ/L
	Ca(HCO3)2	1,464	18
Calcium Sulfate Scaling Potential Mild to Moderate	CaSO4	3,322	49
	CaCl2	0	0
Estimated Temperature of Calcium Carbonate Instability is 52 F.	Mg(HCO3)2	0	0
	MgSO4	197	3
	MgCl2	748	16
	NaHCO3	0	0
	Na2SO4	0	0
Analyst	NaCl	8,974	154
10:11 AM			

CHEMLINK WATER ANALYSIS REPORT

Part VII #5

Lab ID No. : 060188D

Analysis Date: June 1, 1988

Company : Hondo Oil & Gas
Field :
Lease/Unit : Gulf "DE" Fed.
Well ID. :
Sample Loc.: 27-20S-34E 7-RYS

Sampled By : Don Bammert
Sample Date: *
Salesperson: Don Bammert
Formation :
Location : Hobbs, New Mexico

CATIONS	MG/L	MEQ/L	ANIONS	MG/L	MEQ/L
Calcium as Ca++	1,051	52.5	Hydroxyl as OH-	0	0.0
Magnesium as Mg++	232	19.0	Carbonate as CO3=	0	0.0
Sodium as Na+ (Calc)	2,632	114.4	Bicarbonate as HCO3-	582	9.5
Barium as Ba++	Not Determined		Sulfate as SO4=	1,700	35.4
Other	0		Chloride as Cl-	4,999	141.0

Total Dissolved Solids, Calculated: 11,196 mg/L.

Calculated Resistivity: 0.396 ohm-meters
mg/L. Hydrogen Sulfide: Present
mg/L. Carbon Dioxide: Not Determined
mg/L. Dissolved Oxygen: Not Determined

pH: 7.580
Specific Gravity 60/60 F.: 1.009
Saturation Index @ 80 F.: +1.188
@ 140 F.: +2.028

Total Hardness: 3,573 mg/L. as CaCO3
Total Iron: 5 mg/L. as Fe++

PROBABLE MINERAL COMPOSITION

	COMPOUND	MG/L	MEQ/L
	Ca(HCO3)2	774	10
Calcium Sulfate Scaling Potential Marginal	CaSO4	2,411	35
	CaCl2	420	8
Estimated Temperature of Calcium Carbonate Instability is 53 F.	Mg(HCO3)2	0	0
	MgSO4	0	0
	MgCl2	904	19
	NaHCO3	0	0
	Na2SO4	0	0
Analyst	NaCl	6,691	114
10:11 AM			

CHEMLINK WATER ANALYSIS REPORT

Part VII # 5

Lab ID No. : 060188B

Analysis Date: June 1, 1988

Company : Hondo Oil & Gas
Field :
Lease/Unit : Ballard "DE"
Well ID. :
Sample Loc.:

Sampled By : Don Bammert
Sample Date: *
Salesperson: Don Bammert
Formation :
Location : Hobbs, New Mexico

27-205-34E T-Rvrs

CATIONS	MG/L	MEQ/L	ANIONS	MG/L	MEQ/L
Calcium as Ca++	955	47.8	Hydroxyl as OH-	0	0.0
Magnesium as Mg++	289	23.7	Carbonate as CO3=	70	2.3
Sodium as Na+ (Calc)	5,848	245.6	Bicarbonate as HCO3-	830	10.3
Barium as Ba++	Not Determined		Sulfate as SO4=	1,075	22.4
Other	0		Chloride as Cl-	9,998	282.0

Total Dissolved Solids, Calculated:

18,665 mg/L.

Calculated Resistivity: 0.320 ohm-meters
mg/L. Hydrogen Sulfide: Present
mg/L. Carbon Dioxide: Not Determined
mg/L. Dissolved Oxygen: Not Determined

pH: 8.020
Specific Gravity 60/60 F.: 1.013
Saturation Index @ 80 F.: +1.488
@ 140 F.: +2.328

Total Hardness: 3,573 mg/L. as CaCO3
Total Iron: 10 mg/L. as Fe++

PROBABLE MINERAL COMPOSITION

	COMPOUND	MG/L	MEQ/L
	Ca(HCO3)2	837	10
Calcium Sulfate Scaling Potential Not Present	CaSO4	1,524	22
	CaCl2	835	15
Estimated Temperature of Calcium Carbonate Instability is 52 F.	Mg(HCO3)2	0	0
	MgSO4	0	0
	MgCl2	1,130	24
	NaHCO3	0	0
	Na2SO4	0	0
Analyst	NaCl	14,219	243
10:11 AM			

CERTIFICATION
NOTICE OF APPLICATION

NEARBURG PRODUCING COMPANY
FEDERAL L #1
1650' FNL and 1980' FWL
Section 25, T20-S, R-34E
Lea County, New Mexico

I certify that letters were sent via certified mail or hand-carry delivery to serve notice of application and provide a copy of the application to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location. In addition, a copy of the application was delivered to the Bureau of Land Management Carlsbad Field Office. The letters were delivered as follows:

Mr. and Mrs. Curtis K. Skeen 1508 Riverside Drive Carlsbad, NM 88220	Certified Mail/Return Receipt	7013 0600 0001 4363 6385
BTA Oil Producers, LLC 104 South Pecos Midland, TX 79701	Certified Mail/Return Receipt	7013 0600 0001 4363 6347
Burk Royalty Company, LTD 4245 Kemp Blvd., Suite 600 Wichita Falls, TX 76308	Certified Mail/Return Receipt	7013 0600 0001 4363 6354
Cimarex Energy Company 600 North Marienfeld St., Ste. 600 Midland, TX 79701	Certified Mail/Return Receipt	7013 0600 0001 4363 6378
Nearburg Producing Company 3300 North A St., Bldg. 2, Ste. 120 Midland, TX 79705	Hand-Carry Delivery	
Bureau of Land Management Attn: Wesley Ingram 620 E. Greene Carlsbad, NM 88220	Certified Mail/Return Receipt	7013 0600 0001 4363 5913

Vicki Johnston 10/7/13

Vicki Johnston
Gray Surface Specialties
Agent for Nearburg Producing Company
116 White Oak Trail
Boerne, TX 78006
(830) 537-4599
email: vjohnston1@gmail.com



3106 N. Big Spring St. Ste. 100
Midland, TX 79705
Tel: (432) 685-9158

October 1, 2013

SENT VIA CERTIFIED MAIL
7013 0600 0001 4363 6385

Mr. and Mrs. Curtis K. Skeen
1508 Riverside Drive
Carlsbad, New Mexico 88220

Re: **Notice of Application for Salt Water Disposal Well - Federal L #1 (API #30-025-20811)**
Nearburg Producing Company

Mr. and Mrs. Skeen:

Enclosed please find a copy of the application (Form C-108) of Nearburg Producing Company (NPC) in the above-referenced matter. As a quick summary of the project, below is the text of a legal notice as published in the local newspaper:

Nearburg Producing Company, 3300 N. A Street, Bldg. 2, Ste. 120, Midland, TX 79705, will file Form C-108 (Application for Authorization to Inject) with the New Mexico Energy, Minerals and Natural Resources Department Oil Conservation Division seeking administrative approval to inject salt water into the Federal L #1, located 1650' FNL & 1980' FWL, Section 25, Township 20 South, Range 34 East, Lea County, New Mexico.

Injection water will be sourced from area wells producing from the Bone Spring formation. The injection water will be injected into the Yates/Seven Rivers formation from 3705' to 3900'. The maximum injection rate will be 4000 BWPD at a maximum surface injection pressure of 1500 psi.

Any interested party opposing the action must file an objection or request a hearing with the Oil Conservation Division, 1220 South St. Francis, Santa Fe, NM 87505, within 15 days. Additional information may be obtained by contacting Tim Green at Nearburg Producing Company, 3300 N. A Street, Bldg. 2, Ste. 120, Midland, TX 79705 or (432) 818-2940.

This application is provided to you as owner of the surface of the land upon which the subject well is located. Please note instructions for objections and additional information in the legal notice above.

Sincerely,

A handwritten signature in cursive script that reads 'Vicki Johnston'.

Vicki Johnston

Gray Surface Specialties, Agent for Nearburg Producing Company



3106 N. Big Spring St. Ste. 100
Midland, TX 79705
Tel: (432) 685-9158

October 1, 2013

SENT VIA CERTIFIED MAIL
7013 0600 0001 4363 6347

BTA Oil Producers, LLC
104 South Pecos
Midland, Texas 79701

Re: **Notice of Application for Salt Water Disposal Well - Federal L #1 (API #30-025-20811)**
Nearburg Producing Company

Ladies and Gentlemen:

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As a leasehold operator within one-half mile of the proposed injection well, your company is entitled to receive a copy of the enclosed application. Please note instructions for objections and additional information in the legal notice above.

Sincerely,

A handwritten signature in cursive script that reads 'Vicki Johnston'.

Vicki Johnston

Gray Surface Specialties, Agent for Nearburg Producing Company



3106 N. Big Spring St. Ste. 100
Midland, TX 79705
Tel: (432) 685-9158

October 1, 2013

SENT VIA CERTIFIED MAIL
7013 0600 0001 4363 6354

Burk Royalty Company, LTD
4245 Kemp Boulevard, Suite 600
Wichita Falls, Texas 76308

Re: **Notice of Application for Salt Water Disposal Well - Federal L #1 (API #30-025-20811)**
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Sincerely,

A handwritten signature in cursive script that reads 'Vicki Johnston'.

Vicki Johnston

Gray Surface Specialties, Agent for Nearburg Producing Company



3106 N. Big Spring St. Ste. 100
Midland, TX 79705
Tel: (432) 685-9158

October 1, 2013

SENT VIA CERTIFIED MAIL
7013 0600 0001 4363 6378

Cimarex Energy Company
600 North Marienfeld Street, Suite 600
Midland, Texas 79701

Re: **Notice of Application for Salt Water Disposal Well - Federal L #1 (API #30-025-20811)**
Nearburg Producing Company

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Sincerely,

A handwritten signature in cursive script that reads 'Vicki Johnston'.

Vicki Johnston

Gray Surface Specialties, Agent for Nearburg Producing Company



3106 N. Big Spring St. Ste. 100
Midland, TX 79705
Tel: (432) 685-9158

October 1, 2013

HAND-CARRY DELIVERY

Nearburg Producing Company
3300 North A Street, Building 2, Suite 120
Midland, Texas 79705

ATTN: Tim Green

Re: **Notice of Application for Salt Water Disposal Well - Federal L #1 (API #30-025-20811)**
Nearburg Producing Company

Dear Mr. Green:

Enclosed please find a copy of the application (Form C-108) of Nearburg Producing Company (NPC) in the above-referenced matter. As a quick summary of the project, below is the text of a legal notice as published in the local newspaper:

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Sincerely,

A handwritten signature in black ink that reads 'Vicki Johnston'.

Vicki Johnston

Gray Surface Specialties, Agent for Nearburg Producing Company



3106 N. Big Spring St. Ste. 100
Midland, TX 79705
Tel: (432) 685-9158

October 1, 2013

SENT VIA CERTIFIED MAIL
7013 0600 0001 4363 5913

Bureau of Land Management
Attn: Wesley Ingram
620 E. Greene
Carlsbad, New Mexico 88220

Re: **Notice of Application for Salt Water Disposal Well - Federal L #1 (API #30-025-20811)**
Nearburg Producing Company

Dear Mr. Ingram:

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Please note instructions for objections and additional information in the legal notice above.

Sincerely,

A handwritten signature in cursive script that reads 'Vicki Johnston'.

Vicki Johnston
Gray Surface Specialties, Agent for Nearburg Producing Company

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS. FOLD AT DOTTED LINE

CERTIFIED MAIL™



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7013 0600 0001 4363 6385

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

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

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees		\$

Sent To
Mr. and Mrs. Curtis K. Skeen
1508 Riverside Drive
Carlsbad, New Mexico 88220

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS. FOLD AT DOTTED LINE

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Wichita Falls, TX 76308

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CERTIFIED MAIL™



7013 0600 0001 4363 6378
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Postage	\$	Postmark Here
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Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees		\$

Sent To
Cimarex Energy Company
600 N. Marienfeld St., Suite 600
Midland, TX 79701



7013 0600 0001 4363 6347
7013 0600 0001 4363 6347

U.S. Postal Service™	
CERTIFIED MAIL™ RECEIPT	
<i>(Insurance, Mail Boxes, No Insurance Coverage Provided)</i>	
Postage and Fees	
Postage	\$
Certified Fee	
Picture Receipt Fee (Commercial Mail Only)	
Registered Delivery Fee (First-class Mail Only)	
Total Postage and Fees	\$
Sent to	
BTA Oil Producers, LLC	
104 S. Pecos	
Midland, TX 79701	
Signature	

2. Article Number
(Transfer from service label)
PS Form 3811, February 2004

7013 0600 0001 4363 6378

Domestic Return Receipt

102595-02-M-1540

Cimarex Energy Company
600 N. Marientfeld St., Suite 600
Midland, TX 79701

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
 - Print your name and address on the reverse so that we can return the card to you.
 - Attach this card to the back of the mailpiece, or on the front if space permits.
1. Article Addressed to:

BTA Oil Producers, LLC
104 S. Pecos
Midland, TX 79701

COMPLETE THIS SECTION ON DELIVERY

- A. Signature ☒ Agent ☐ Addressee
- B. Received by (Printed Name) C. Date of Delivery
- D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☒ No
3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.
4. Restricted Delivery? (Extra Fee) ☐ Yes

SENDER: COMPLETE THIS SECTION

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BTA Oil Producers, LLC
104 S. Pecos
Midland, TX 79701

2. Article Number
(Transfer from service label)

7013 0600 0001 4363 6347

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

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Burk Royalty Company, LTD
4245 Kemp Blvd., Suite 600
Wichita Falls, TX 76308

2. Article Number
(Transfer from service label)

7013 0600 0001 4363 6354

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

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Mr. and Mrs. Curtis K. Skeen
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Carlsbad, New Mexico 88220

2. Article Number
(Transfer from service label)

7013 0600 0001 4363 6385

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☒ No

3. Service Type

☒ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

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- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Bureau of Land Management
620 E. Greene
Carlsbad, NM 88220

2. Article Number
(Transfer from service label)

7013 0600 0001 4363 5913

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

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A. Signature

X

☐ Agent☐ Addressee

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If YES, enter delivery address below: ☒ No

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4. Restricted Delivery? (Extra Fee)

☐ Yes

Affidavit of Publication

State of New Mexico,
County of Lea.

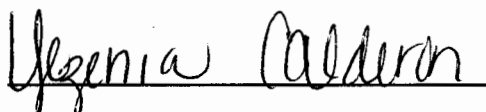
I, DANIEL RUSSELL
PUBLISHER
of the Hobbs News-Sun, a
newspaper published at Hobbs, New
Mexico, do solemnly swear that the
clipping attached hereto was
published in the regular and entire
issue of said newspaper, and not a
supplement thereof for a period

of 1 issue(s).
Beginning with the issue dated
September 24, 2013
and ending with the issue dated
September 24, 2013



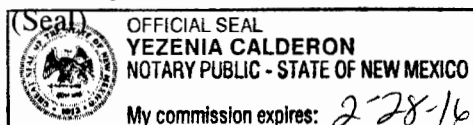
PUBLISHER

Sworn and subscribed to before me
this 24th day of
September, 2013

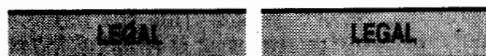


Notary Public

My commission expires
February 28, 2016



This newspaper is duly qualified to
publish legal notices or
advertisements within the meaning of
Section 3, Chapter 167, Laws of
1937 and payment of fees for said
publication has been made.



LEGAL NOTICE September 24, 2013

Nearburg Producing Company, 3300 N. A Street, Bldg. 2, Ste. 120, Midland, TX 79705, will file Form C-108 (Application for Authorization to Inject) with the New Mexico Energy, Minerals and Natural Resources Department Oil Conservation Division seeking administrative approval to inject salt water into the Federal L #1, located 1650' FNL & 1980' FWL, Section 25, Township 20 South, Range 34 East, Lea County, New Mexico.

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#28453

67101863

00122863

GRAY SURFACE SPECIALTIES
3106 N. BIG SPRING, SUITE 100
MIDLAND, TX 79705

Goetze, Phillip, EMNRD

From: Vicki Johnston <vjohnston1@gmail.com>
Sent: Friday, October 11, 2013 2:21 PM
To: Goetze, Phillip, EMNRD
Cc: Mull, Donna, EMNRD; Mark Kelley; Tim Green
Subject: Federal L #1 Revised C-108 Application Package - Surface Owner Addition and Possible Water Well
Attachments: C108 Pkg REVISED 10-11-13 Pg 6 and Addtl Cert Ltr.pdf

Hi, Phillip and Donna: We inadvertently omitted a surface landowner for the Federal L #1 SWD well location. Attached is a revised C-108 package. The only change is on page 6 (adding Linda Jurva as 50% interest owner in N2 Sec 25 & adding trust to Martha Skeen in S2 Sec 25).

I sent a notification letter and copy of the package to Ms. Jurva today. A copy of the letter and Certified Mail Receipt are attached. If you need me to mail additional hardcopies of any of this, please let me know.

Also, Ms. Jurva informed me that they just started drilling a water well near the Federal L #1. They haven't completed it yet, and they aren't sure whether it will "make." The well file # is CPO1204. They plan to sell the water to Cimarex for drilling operations if the well is good. Mark Kelley at Nearburg asked me to mention this to you.

Thanks!

--

Vicki Johnston
Gray Surface Specialties
(830) 537-4599 home office
(281) 468-2448 cell

**CERTIFICATION -- NOTICE OF APPLICATION
NEARBURG PRODUCING COMPANY
FEDERAL L #1
1650' FNL and 1980' FWL
Section 25, T20-S, R-34E
Lea County, New Mexico**

I certify that letters were sent via certified mail or hand-carry delivery to serve notice of application and provide a copy of the application to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location. In addition, a copy of the application was delivered to the Bureau of Land Management Carlsbad Field Office. The letters were delivered as follows:

Mr. and Mrs. Curtis K. Skeen 1508 Riverside Drive Carlsbad, NM 88220	Certified Mail/Return Receipt	7013 0600 0001 4363 6385
Linda S. Jurva 1134 Tracy Place Carlsbad, NM 88220	Certified Mail/Return Receipt	7013 0600 0001 4363 5890
BTA Oil Producers, LLC 104 South Pecos Midland, TX 79701	Certified Mail/Return Receipt	7013 0600 0001 4363 6347
Burk Royalty Company, LTD 4245 Kemp Blvd., Suite 600 Wichita Falls, TX 76308	Certified Mail/Return Receipt	7013 0600 0001 4363 6354
Cimarex Energy Company 600 North Marienfeld St., Ste. 600 Midland, TX 79701	Certified Mail/Return Receipt	7013 0600 0001 4363 6378
Nearburg Producing Company 3300 North A St., Bldg. 2, Ste. 120 Midland, TX 79705	Hand-Carry Delivery	
Bureau of Land Management Attn: Wesley Ingram 620 E. Greene Carlsbad, NM 88220	Certified Mail/Return Receipt	7013 0600 0001 4363 5913


Vicki Johnston
Gray Surface Specialties
Agent for Nearburg Producing Company
116 White Oak Trail
Boerne, TX 78006
(830) 537-4599
email: vjohnston1@gmail.com



3106 N. Big Spring St. Ste. 100
Midland, TX 79705
Tel: (432) 685-9158

October 11, 2013

SENT VIA CERTIFIED MAIL
7013 0600 0001 4363 5890

Ms. Linda S. Jurva
1134 Tracy Place
Carlsbad, New Mexico 88220

Re: **Notice of Application for Salt Water Disposal Well - Federal L #1 (API #30-025-20811)**
Nearburg Producing Company

Dear Ms. Jurva:

Enclosed please find a copy of the application (Form C-108) of Nearburg Producing Company (NPC) in the above-referenced matter. As a quick summary of the project, below is the text of a legal notice as published in the local newspaper:

Nearburg Producing Company, 3300 N. A Street, Bldg. 2, Ste. 120, Midland, TX 79705, will file Form C-108 (Application for Authorization to Inject) with the New Mexico Energy, Minerals and Natural Resources Department Oil Conservation Division seeking administrative approval to inject salt water into the Federal L #1, located 1650' FNL & 1980' FWL, Section 25, Township 20 South, Range 34 East, Lea County, New Mexico.

Injection water will be sourced from area wells producing from the Bone Spring formation. The injection water will be injected into the Yates/Seven Rivers formation from 3705' to 3900'. The maximum injection rate will be 4000 BWPD at a maximum surface injection pressure of 1500 psi.

Any interested party opposing the action must file an objection or request a hearing with the Oil Conservation Division, 1220 South St. Francis, Santa Fe, NM 87505, within 15 days. Additional information may be obtained by contacting Tim Green at Nearburg Producing Company, 3300 N. A Street, Bldg. 2, Ste. 120, Midland, TX 79705 or (432) 818-2940.

This application is provided to you as owner of the surface of the land upon which the subject well is located. Please note instructions for objections and additional information in the legal notice above.

Sincerely,

A handwritten signature in cursive script that reads 'Vicki Johnston'.

Vicki Johnston
Gray Surface Specialties, Agent for Nearburg Producing Company

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS FOLD AT DOTTED LINE
CERTIFIED MAIL[®]



7013 0600 0001 4363 5890
7013 0600 0001 4363 5890

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

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

Fed C#1	Postage	\$ 1.52
	Certified Fee	3.10
	Return Receipt Fee (Endorsement Required)	2.55
	Restricted Delivery Fee (Endorsement Required)	
	Total Postage & Fees	\$ 7.17

Postmark
Here

Street
or PO
City, S
PS Fo

Linda S. Jurva
1134 Tracy Place
Carlsbad, NM 88220

Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Linda S. Jurva
1134 Tracy Place
Carlsbad, NM 88220

2. Article Number
(Transfer from service label)

7013 0600 0001 4363 5890

PS Form 3811, February 2004

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

- ☐ Agent
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☒ No

3. Service Type

- ☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

10005-02-M-1540



C-108 Review Checklist:

PERMIT TYPE: WFX / PMX / SWD Number: 1471

Received 10/30/13

Add. Request:

Reply Date:

Suspended:

[Ver 13]

Permit Date: 04/01/14

Legacy Permits/Orders: NA

Well No. 1

Well Name(s): Federal L

API: 30-0 25-20811

Spud Date: 1/29/1985

New or Old: N

(UIC Class II Primacy 03/07/1982)

Footages 1650 FNL/1980 FWL Lot - or Unit F Sec 25 Tsp 203 Rge 34E County Lea

General Location: south of 180 bcn Halfway & Hobbs Pool: Morrow / Lea Penn Gas 80040 / 19694 / 37580

BLM 100K Map: Hobbs Operator: Newburg Producing Co. OGRID: 15742 Contact: Tom Green

COMPLIANCE RULE 5.9: Total Wells: 167 Inactive: 2 Fincl Assur: OK Compl. Order? No IS 5.9 OK? Yes Date: 04/01/14

WELL FILE REVIEWED Current Status: Drilled as Morrow producer (perfs 12987 to 13079) / later Breezy Canyon

WELL DIAGRAMS: NEW: Proposed or RE-ENTER: Before Conv. After Conv. Logs in Imaging: GR/Casing (too deep) Microlog (too deep)

Planned Rehab Work to Well: Plug back using CIBP (require 200') - new perfs GR/ST - overs internal

Well Construction Details:		Sizes (in)	Setting	Cement	Cement Top and
		Borehole / Pipe	Depths (ft)	Sx or Cf	Determination Method
Planned or Existing	Surface	17 1/2 / 13 3/8	0 to 853	800	Cir to Surf
Planned or Existing	Interm/Prod	12 1/4 / 9 5/8	0 to 5490	1st: 512 / 2nd: 875	Cir to Surf
Planned or Existing	Interm/Prod	9 3/4 / 7	0 to 14566	5 1st: 600 / 2nd: 400	Caliper second squeeze
Planned or Existing	Prod/Liner			(Lost squeeze)	15 / 1270 in 1985
Planned or Existing	Liner				
Planned or Existing	OH / PERF	8 3/4 / 7	Reamed 3705 - 3832	Inj Length 187	
Injection Stratigraphic Units:		Depths (ft)	Injection or Confining Units	Tops	Completion/Operation Details:
Adjacent Unit: Litho. Struc. Por.			Blm's Salado/RB	1717	Drilled TD 14700 Current PBDT 9575 CIBP
Confining Unit: Litho. Struc. Por.			Tansil		NEW TD NEW PBDT Proposed 5450
Proposed Inj Interval TOP:		3705	Yates	3615	NEW Open Hole or NEW Perfs
Proposed Inj Interval BOTTOM:		3832	Seven River		Tubing Size 2 7/8 in. Inter Coated? Yes
Confining Unit: Litho. Struc. Por.		+200' Green/Capitan Reef		4071	Proposed Packer Depth 3655 ft
Adjacent Unit: Litho. Struc. Por.			Densapine	8473	Min. Packer Depth 3605 (100 ft limit)
AOR: Hydrologic and Geologic Information					
POTASH: R-111-P (Noticed? NA) BLM Sec Ord (Noticed? NA) WIPP (Noticed? NA) SALT/SALADO T: B: 1717 CLIFF HOUSE NA					
FRESH WATER: Aquifer River Max Depth Rot 300 HYDRO AFFIRM STATEMENT By Qualified Person					
NMOSE Basin: Capitan (Capitan in vicinity) CAPITAN REEF: (Noticed? NA) No. Wells within 1-Mile Radius? 0 FW Analysis					
Disposal Fluid: Formation Source(s) Bone Spring Analysis? Yes On Lease Operator Only or Commercial					
Disposal Int: Inject Rate (Avg/Max BWPD): 2000/4000 Protectable Waters? No Source 10,000 submitted System: Closed or Open					
HC Potential: Producing Interval? No Formerly Producing? Yes Method: Logs/DST/P&A/Other 2-Mile Radius Pool Map					
AOR Wells: 1/2-M Radius Map? Yes Well List? No Total No. Wells Penetrating Interval: 0 Horizontals? 0 (some proposed)					
Penetrating Wells: No. Active Wells 0 Num Repairs? on which well(s)? Diagrams?					
Penetrating Wells: No. P&A Wells 0 Num Repairs? on which well(s)? Diagrams?					
NOTICE: Newspaper Date Sept 24th / 2013 Mineral Owner BLM Surface Owner BLM/Private N. Date 10/11/13					
RULE 26.7(A): Identified Tracts? No Affected Persons: Cimarex / Bask Royalty / BTO AI / Newburg N. Date 10/11/13					

Permit Conditions: Issues: Proximity to Capitan Reef - BLM withdrawn with reduction of

Add Permit Cond: Injection survey in first two years - every 4 years after; 200 ft CIBP

Goetze, Phillip, EMNRD

From: Mark Kelley <mkelley@nearburg.com>
Sent: Thursday, October 31, 2013 3:10 PM
To: Goetze, Phillip, EMNRD
Subject: FW: Federal L #1 2nd Revision C-108 Package (revised perforation interval)
Attachments: Fed L #1 X Section.pdf; FED L #1 Amended C-108 10-31-13.pdf

Sorry Phillip – I had the wrong address for you the first time.

Mark Kelley

From: Mark Kelley
Sent: Thursday, October 31, 2013 3:59 PM
To: 'wingram@blm.gov'
Cc: 'Phillip.Goetz@state.nm.us'; 'donna.mull@state.nm.us'
Subject: Federal L #1 2nd Revision C-108 Package (revised perforation interval)

Mr. Ingram

Per our recent conversation in regard to the BLM objection for our proposed salt water disposal well, we have revised the perforation interval to 3705' – 3832' in the application and included a cross-section for reference. The lowest perforated interval is now approximately 158' above the Capitan Reef with several tight intervals in between. The revised C-108 package is attached with the only changes being in Sec. III B (2), Sec. VIII, Sec. IX and the well bore diagram. The revised package and cross-section have also been sent to the OCD.

If you have any questions regarding the revised application or require additional information, please contact Mark Kelley at (432) 818-2952.

Thank You

Mark Kelley
Petroleum Engineer
Nearburg Producing Company



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Pecos District

Carlsbad Field Office

620 E. Greene

Carlsbad, New Mexico 88220-6292

www.blm.gov/nm



IN REPLY REFER TO:
3162.3-2 (P0220)

March 17, 2014

Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Federal L 1

Nearburg has supplied the BLM with additional information regarding the injection zone on this well. An evaluation of that information by BLM engineering and geological staff allows the BLM to withdraw their objection to the use of this well as a Salt Water Disposal (produced water) well.

The BLM does recommend that injection profiles be performed periodically to verify that the injected water appears to stay in zone and is not entering the Capitan Reef..

If you have any questions regarding this approval, please contact Wesley W. Ingram, Supervisory Petroleum Engineer at (575) 234-5982.

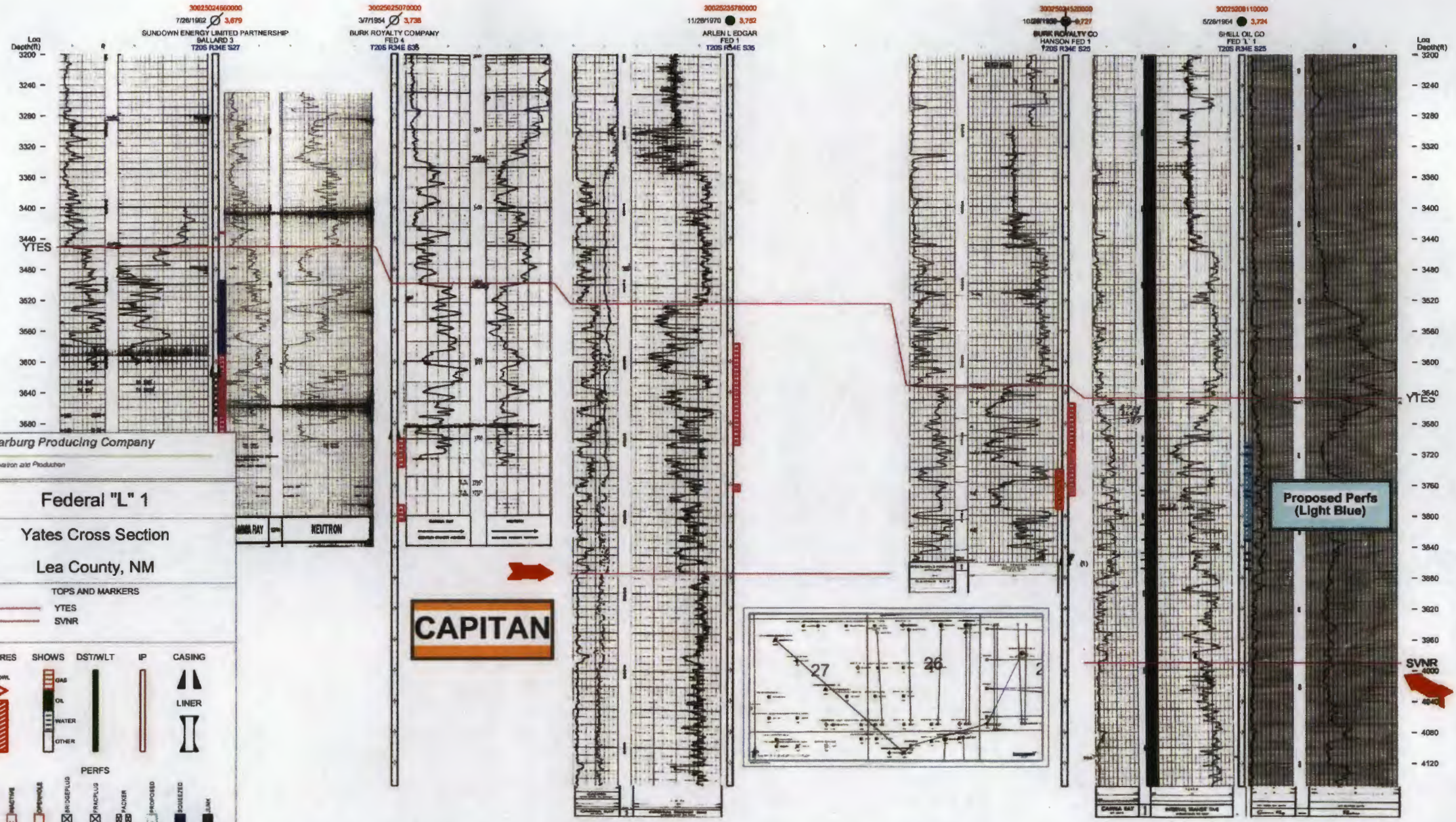
Sincerely,

Wesley W. Ingram
Supervisory Petroleum Engineer
Bureau of Land Management
Carlsbad Field Office

cc: Nearburg Producing Company

WEST

EAST



Proposed Perfs
(Light Blue)

CAPITAN

Nearburg Producing Company
Exploration and Production

Federal "L" 1
Yates Cross Section
Lea County, NM

TOPS AND MARKERS
 ——— YTES
 ——— SVNR

CORES SHOWS DST/WLT IP CASING

GRWL GAS OIL WATER OTHER

PERFS

By: wgs
October 29, 2013 5:00 PM