Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:
11/07/2018	MAM	SWD	DMAM1831 57857

ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Geological & 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

Applicant: Special Energy Corporation **OGRID Number: 138008**
Well Name: Glad Wallace #1 **API:30-025-07114**
Pool: Gladiola; Devonian **Pool Code: 27740**

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

SWD-1544

1) **TYPE OF APPLICATION:** Check those which apply for [A]
   A. Location – Spacing Unit – Simultaneous Dedication
   ☐ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD

   B. Check one only for [I] or [II]
   [I] Commingling – Storage – Measurement
   ☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
   [II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery
   ☐ WFX ☐ PMX ☒ SWD ☐ IPI ☐ EOR ☐ PPR

FOR OCD ONLY
☐ Notice Complete
☐ Application Content Complete

2) **NOTIFICATION REQUIRED TO:** Check those which apply.
   A. ☐ Offset operators or lease holders
   B. ☐ Royalty, overriding royalty owners, revenue owners
   C. ☒ Application requires published notice
   D. ☐ Notification and/or concurrent approval by SLO
   E. ☐ Notification and/or concurrent approval by BLM
   F. ☒ Surface owner
   G. ☐ For all of the above, proof of notification or publication is attached, and/or,
   H. ☐ No notice required

3) **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.

Clark M. Cunningham
Print or Type Name

Signature

11/5/2018
Date

405.377.11[illegible]
Phone Number

SCANNED

Clark.cunningham@specialenergycorp.com
e-mail Address

SPECIAL ENERGY CORPORATION

November 6th 2018

Energy Minerals Natural Resources Dept.
Oil Conservation Division (District IV)
1220 South St. Francis Drive
Santa Fe, NM 87505
ATTN: MICHAEL McMILLAN

Michael,

Please find enclosed form C-108 Application for Authority to Inject for the Glad Wallace #1 SWD.

Special Energy Corporation seeks to optimize the economical and operational efficiency of its hydrocarbon producing operations. Approval of this application aligns with the goals of Special Energy Corporation as well as the NMOCD's mission of preventing waste.

Currently, we have another SWD targeting the same Devonian zone located 1.3 mile southwest of the proposed injection well. We have not encountered any environmental disposal issues with that well, and we are confident that we can inject into the new SWD with the same success.

A published legal notice ran November 1st, 2018 in the Hobbs newspaper. Additionally, all interested parties have been notified individually. The legal notice of the affidavit is included in this package. This application includes a wellbore schematic, area of review maps, and other information required to complete the C-108.

I respectfully request that the approval of this salt water disposal will proceed swiftly and if you or your staff requires additional information or has any questions, please do not hesitate to call or email me.

Best regards,

Clark Cunningham
Petroleum Engineer

Enclosures

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL
RESOURCES DEPARTMENT

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

FORM C-108
Revised June 10, 2003

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: _____Secondary Recovery _____Pressure Maintenance ____X____Disposal _____Storage
Application qualifies for administrative approval? ____X____Yes _____No

II. OPERATOR: _Special Energy Corporation_____

ADDRESS: _PO Drawer 369 Stillwater, OK 74076_____

CONTACT PARTY: _Special Energy Corporation- Clark Cunningham_____PHONE: 405.377.1177_____

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? *No*

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. ***A conventional acid job will be performed to clean and open formation***

*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).

All well logs and files have already been submitted to the state.

*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: Clark Cunningham_____ TITLE: Petroleum Engineer_____

SIGNATURE: _____ DATE: _____

E-MAIL ADDRESS: clark.cunningham@specialenergycorp.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: _____

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

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.

Side 1

INJECTION WELL DATA SHEET

OPERATOR: _Special Energy Corporation_____

WELL NAME & NUMBER: _Glad Wallace 1_____

WELL LOCATION: __1980 FSL 660 FEL_____I_____31_____11S_____38E____
FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGE

WELLBORE SCHEMATIC ***(ATTACHED)***

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 17"_____ Casing Size:__13-3/8"___50#____

Cemented with: _425_____ sx. ***or*** _____ ft^3

Top of Cement: _Surface_____ Method Determined: CIRC._____

Intermediate Casing

Hole Size: _11"_____ Casing Size:_8-5/8" 32#_____

Cemented with: _2100_____ sx. ***or*** _____ ft^3

Top of Cement: Surface_____ Method Determined: _CIRC._____

Production Casing

Hole Size: _7-7/8"_____ Casing Size:_5-1/2" 17 & 20#___

Cemented with: _1150_____ sx. ***or*** _____ ft^3

Top of Cement: 5675'_____ Method Determined: Calc. w/ 20% Excess

Total Depth: 11,970'_____

Injection Interval

_____11,940'_____feet to____11,970'_____

(Open Hole)

INJECTION WELL DATA SHEET

Tubing Size: ___3-1/2"_____Lining Material: _TK-70_____

Type of Packer: ___Arrowset_1X_____

Packer Setting Depth: __11,880'_____

Other Type of Tubing/Casing Seal (if applicable): _N/A_____

Additional Data

1. Is this a new well drilled for injection? _____Yes ____X___No

   If no, for what purpose was the well originally drilled? _Conventional Devonian Production____

   _____

2. Name of the Injection Formation: Devonian_____

3. Name of Field or Pool (if applicable): _Gladiola_____

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. N/A_____

   _____

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: _Wolfcamp ~__9000-9100'_____

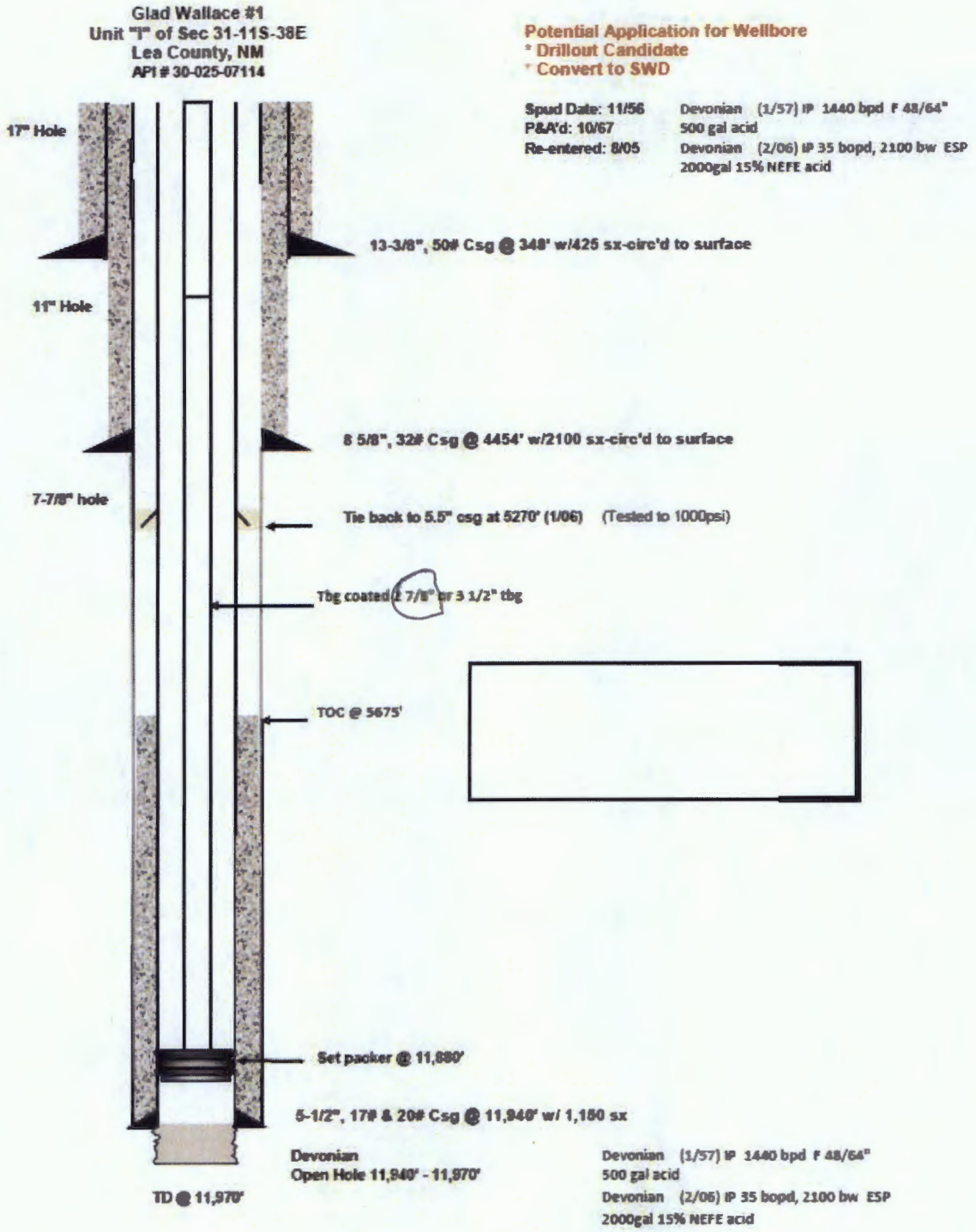
   _San Andres ~5100-5200'_____

   _____

   _____

Attachment to NMOCD Form C-108- Item III (WBD)

Planned SWD WBD

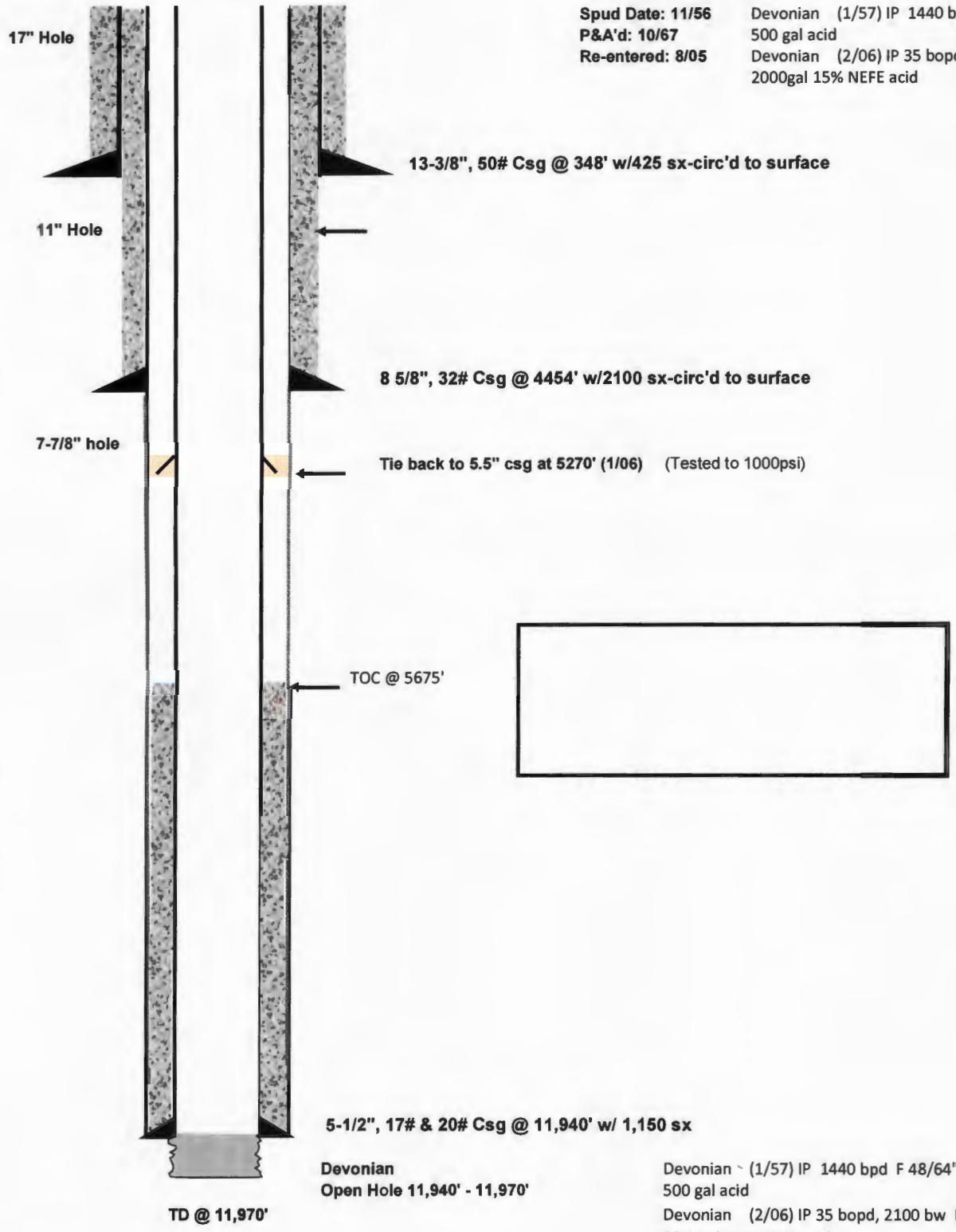


Glad Wallace #1 Current WBD
Unit "I" of Sec 31-11S-38E
Lea County, NM
API # 30-025-07114

Potential Application for Wellbore
*** Convert to SWD**

Spud Date: 11/56
P&A'd: 10/67
Re-entered: 8/05

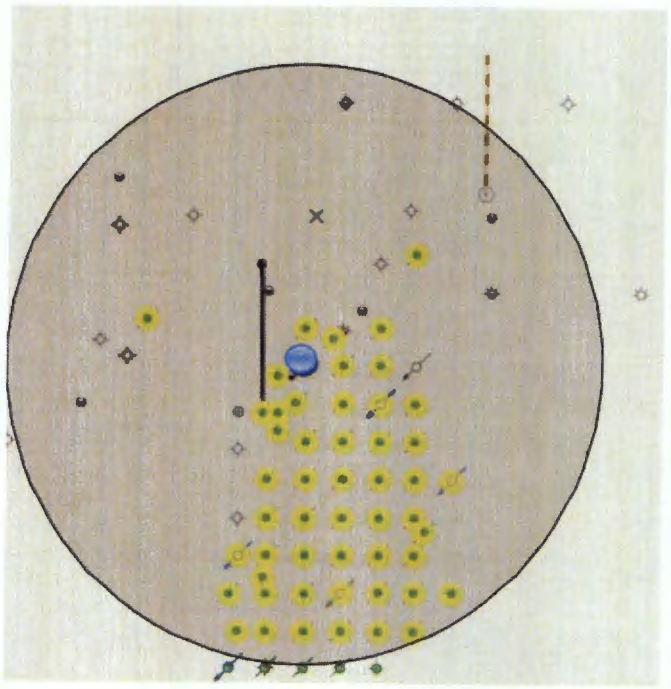
Devonian (1/57) IP 1440 bpd F 48/64"
500 gal acid
Devonian (2/06) IP 35 bopd, 2100 bw ESP
2000gal 15% NEFE acid



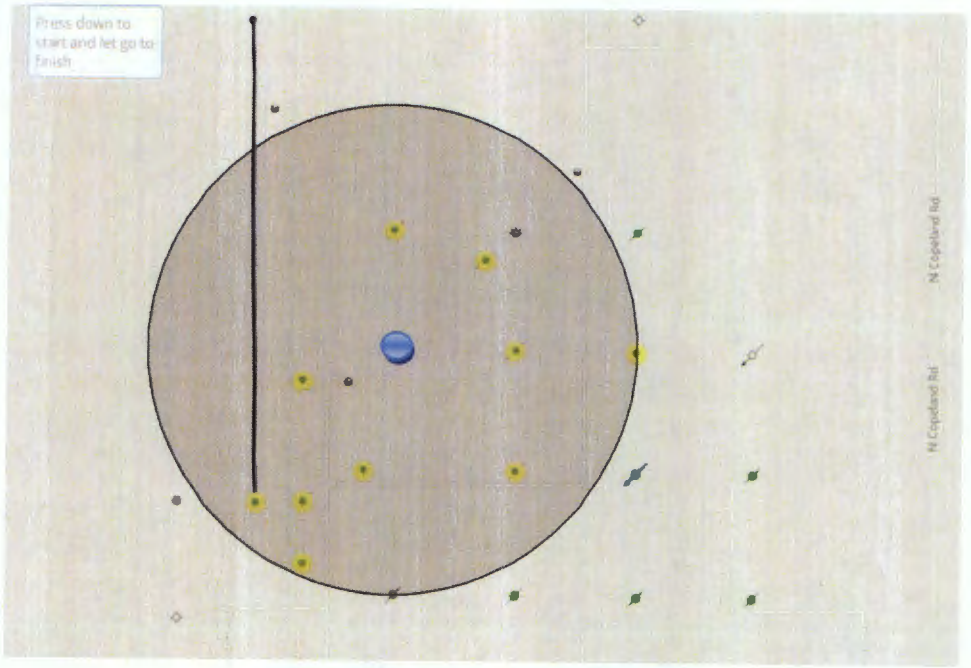
Devonian (1/57) IP 1440 bpd F 48/64"
500 gal acid
Devonian (2/06) IP 35 bopd, 2100 bw ESP
2000gal 15% NEFE acid

Attachment to NMOCD Form C-108- Item V (AOR)

2 Mile Radius



½ Mile Radius



Attachment to NMOCD Form C-108, Item VI AOR

API Number	Current Operator Name	Lease Name	Well Num	Current Status	Depth Total Driller	Formation at TD Name	Hole Direction	Final Statu	Date Spud	Date Completion	Date Abandonment	Surface Latitude	Surface Longitude	Acid (Gals
30025071130000	LOWE RALPH	SHELL-BROWNING	1	P	12078	DEVONIAN	VERTICAL	ABD-OW	05/15/1956	09/11/1956	01/15/1969	+33.3239713	-103.1296532	11500
30025071140000	SPECIAL ENERGY CORPORATION	GLAD WALLACE	1	P	11970	DEVONIAN	VERTICAL	ABD-OW	11/13/1956	01/22/1957	10/17/1967	+33.3203929	-103.1296267	500
30025071150000	SPECIAL ENERGY CORPORATION	GLAD WALLACE	2	A	11995	DEVONIAN	VERTICAL	OIL PRODI	05/27/1957	08/12/1957		+33.3194776	-103.1328605	500
30025071170000	LOWE RALPH	WARREN-STATE	1	P	11995	DEVONIAN	VERTICAL	ABD-OW	09/06/1956	11/10/1956	03/15/1972	+33.3167625	-103.1306799	6000
30025071180000	UNION OIL COMPANY OF CALIFORNIA	MJ WALLACE	1	P	12026	DEVONIAN	VERTICAL	ABD-OW	05/24/1956	08/27/1956	03/15/1972	+33.3158499	-103.1328334	500
30025071190000	LOWE RALPH	LAWTON STATE	1	P	12016	MORROW	VERTICAL	ABD-OW	03/30/1956	06/20/1956	12/15/1968	+33.3167593	-103.1252792	500
30025071220000	LOWE RALPH	LAWTON-STATE	4	P	12030	DEVONIAN	VERTICAL	ABD-OW	03/21/1957	05/26/1957	01/01/1967	+33.3203638	-103.1209852	500
30025071250001	RESOLUTE NATURAL RESOURCES COMPAN	STATE `A`	1	P	12010	DEVONIAN	VERTICAL	ABD-OW	03/31/1982	10/20/1982	10/30/1987	+33.3230670	-103.1264059	500
30025071250002	RESOLUTE NATURAL RESOURCES COMPAN	GLAD STATE	1	P	12010	DEVONIAN	VERTICAL	ABD-OW	11/02/2005	02/01/2006	10/02/2015	+33.3230670	-103.1264059	4000
30025071460000	LOWE RALPH	WALLACE "UU Wallace"	1	P	12116	DEVONIAN	VERTICAL	ABD-OW	12/21/1955	03/30/1956	01/15/1969	+33.3131376	-103.1295881	5500
30025071470000	SPECIAL ENERGY CORPORATION	VV WALLACE	2	A	12015	DEVONIAN	VERTICAL	OIL PRODI	10/16/1956	12/18/1956		+33.3140360	-103.1328439	3000
30025071200000	LOWE RALPH	LAWTON-STATE	2	P	12084	DEVONIAN	VERTICAL	ABD-OW	06/24/1956	09/19/1956	01/01/1967	+33.3203870	-103.1253059	500

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

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State of New Mexico
Energy, Minerals and Natural Resources

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

Form C-103
Revised August 1, 2011

WELL API NO.
30-025-07115

5. Indicate Type of Lease
STATE FEE X

6. 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.)

7. Lease Name or Unit Agreement Name
GLAD WALLACE

1. Type of Well: Oil Well X Gas Well Other

8. Well Number
002

2. Name of Operator
SPECIAL ENERGY CORP.

9. OGRID Number
138008

3. Address of Operator
P.O. DRAWER 369, STILLWATER, OK 74076

10. Pool name or Wildcat
GLADIOLA; DEVONIAN

4. Well Location
Unit Letter J : 1650 feet from the SOUTH line and 1650 feet from the EAST line
Section 31 Township 11S Range 38E NMPM LEA County

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*
3,885' – GR

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

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK		PLUG AND ABANDON	X	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPNS.	☐	P AND A	
PULL OR ALTER CASING	☐	MULTIPLE COMPL	☐	CASING/CEMENT JOB	☐		
DOWNHOLE COMMINGLE	☐						
OTHER:	☐			OTHER:			

See Attached Conditions of Approval

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.

1) SET 5-1/2" CIBP @ 11,900'; CIRC. WELL W/ M.L.F.; PUMP 25 SXS. CMT. @ 11,900'-11,700'.
2) PUMP 30 SXS. CMT. @ 9,127'-8,937' (T/W.C.).
3) PUMP 25 SXS. CMT. @ 7,865'-7,695' (T/ABO).
4) PUMP 25 SXS. CMT. @ 5,915-5,765' (T/GLOR.).
5) PUMP 55 SXS. CMT. @ 4,480'-4,266' (8-5/8" CSG.SHOE, T/S.A., 5-1/2" CSG.STUB); WOC X TAG CMT. PLUG.
6) PUMP 90 SXS. CMT. @ 3,079'-2,825' (T/YATES, B/SALT); WOC X TAG CMT. PLUG.
7) PUMP 70 SXS. CMT. @ 2,385'-2,210' (T/SALT, T/ANHY.); WOC X TAG CMT. PLUG.
8) PUMP 40 SXS. CMT. @ 398'-298' (13-3/8" CSG.SHOE); WOC X TAG CMT. PLUG.
9) CIRC. 20 SXS. CMT. @ 63'-3'; DIG OUT X CUT OFF WELLHEAD 3' B.G.L.; WELD ON STEEL PLATE TO CSGS. X INSTALL DRY HOLE MARKER.

^ VERIFY CMT

DURING THIS PROCEDURE WE PLAN TO USE THE CLOSED-LOOP SYSTEM W/ A STEEL TANK AND HAUL CONTENTS TO THE REQUIRED DISPOSAL, PER OCD RULE 19.15.17.

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 David A. Eyler TITLE: AGENT DATE: 09/26/18

Type or print name: DAVID A. EYLER E-mail address: DEYLER@MILAGRO-RES.COM PHONE: 432.687.3033

For State Use Only

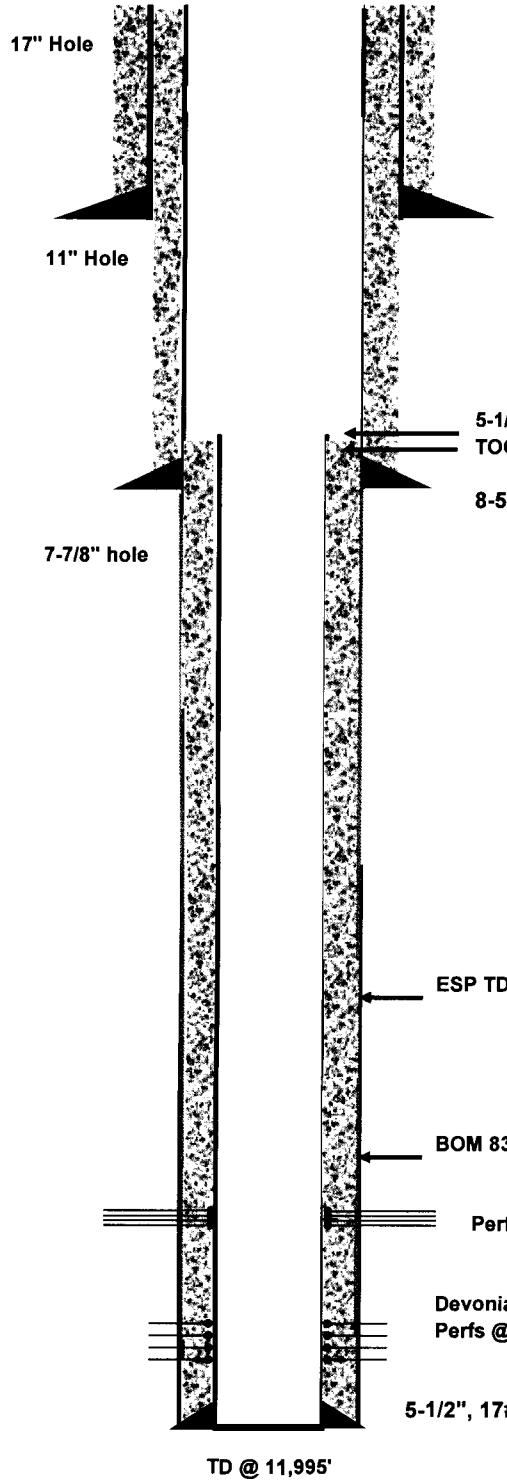
APPROVED BY: Mark Whitaker TITLE P.E.S. DATE 10/03/2018

Conditions of Approval (if any):

Current WBD

Glad Wallace #2
Unit "J" of Sec 31-11S-38E
Lea County, NM
API # 30-025-07115

To be P&A'd



Spud date: 5/57
P&A'd: 10/67
Re-entered: 6/90
P&A'd: 7/90
Re-entered: 1/06

Devonian 8/57 IP 2160 bopd F 48/64
500 gal acid
Devonian 7/90 swab test no show 100% wtr

Devonian 1/06 IP 530bo, 2884 bw on ESP
acid?

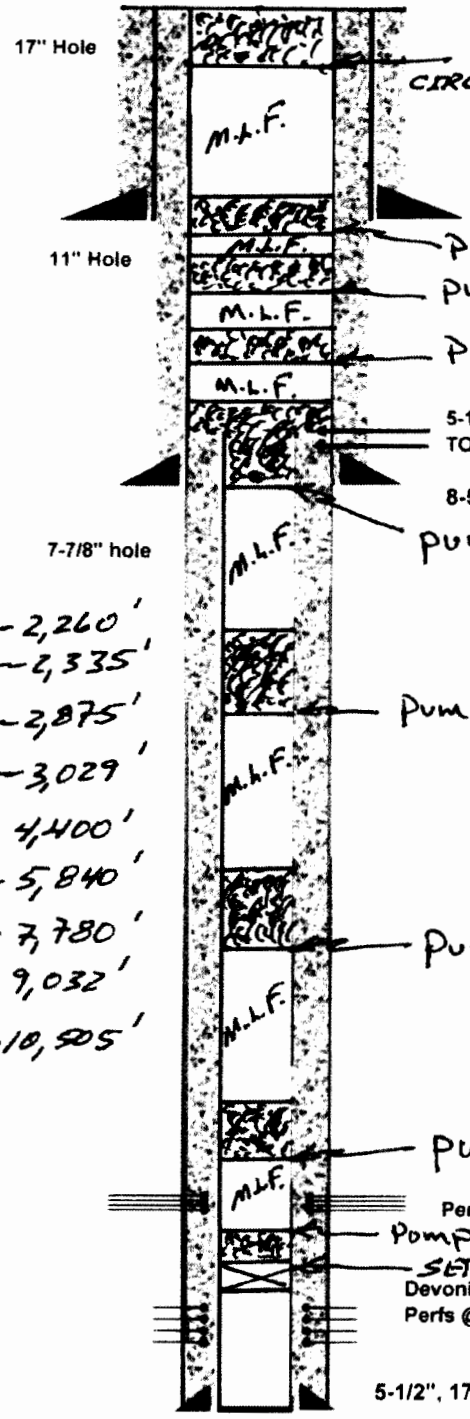
Devonian 8/57 IP 2160 bopd F 48/64
500 gal acid
Devonian 7/90 swab test no show 100% wtr
Devonian 1/06 IP 530bo, 2884 bw on ESP
acid?

GLAD WALLACE #002

30-025-07115

Post P&A WBD

SPECIAL ENERGY CORP.



Spud date: 5/57
P&A'd: 10/67
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Re-entered: 1/06

Devonian 8/57 IP 2160 bopd F 48/64
500 gal acid
Devonian 7/90 swab test no show 100% wtr
Devonian 1/06 IP 530bo, 2884 bw on ESP acid?

CIRC. 20 SXS. @ 63'-3'

13-3/8", 50# casing @ 348' w/425 sx-circ'd

Pump 40 sxs. @ 398'-298'- TAG

Pump 70 sxs @ 2385'-2216'- TAG.

Pump 90 sxs. @ 3079'-2825'- TAG

5-1/2" casing stub @ 4316', (8/05)
TOC @ 4350'

8-5/8", 32# casing @ 4430' w/2100 sx-circ'd to surface

Pump 55 sxs. @ 4480'-4266'- TAG.

T/ANHY – 2,260'
T/SALT – 2,335'
B/SALT – 2,875'
T/YATES – 3,029'
T/S.A. – 4,400'
T/GLOR. – 5,840'
T/ABO. – 7,780'
T/W.C. – 9,032'
T/STRAWN – 10,505'

Pump 25 sxs. @ 5915'-5765'

Pump 25 sxs. @ 7865'-7695'

Pump 30 sxs. @ 9127'-8937'

Perfs - 10,005' squeezed w/950 sx TOC @ 4350' (8/57)

Pump 25 sxs. @ 11900'-11700'

SET 5 1/2" CIBP @ 11900'.

Devonian
Perfs @ 11,950' - 11,980'

Devonian 8/57 IP 2160 bopd F 48/64
500 gal acid
Devonian 7/90 swab test no show 100% wtr
Devonian 1/06 IP 530bo, 2884 bw on ESP acid?

5-1/2", 17# & 20# casing @ 11,995' w/350 sx

DAE 09/26/18

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

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

HOBBS OCD
OCT 02 2018
RECEIVED

Form C-103
Revised August 1, 2011

WELL API NO. 30-025-07147	
5. Indicate Type of Lease STATE FEE X	
6. 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.)	7. Lease Name or Unit Agreement Name V.V. WALLACE
1. Type of Well: Oil Well X Gas Well Other	8. Well Number 002
2. Name of Operator SPECIAL ENERGY CORP.	9. OGRID Number 138008
3. Address of Operator P.O. DRAWER 369, STILLWATER, OK 74076	10. Pool name or Wildcat GLADIOLA; DEVONIAN
4. Well Location Unit Letter B : 330 feet from the NORTH line and 1655 feet from the EAST line Section 06 Township 12S Range 38E NMPM LEA County	
	11. Elevation (*Show whether DR, RKB, RT, GR, etc.*) 3,873' – GR

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

NOTICE OF [redacted] TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK	PLUG AND ABANDON [redacted]	REMEDIAL WORK ☐	ALTERING CASING ☐
TEMPORARILY ABANDON ☐	CHANGE PLANS ☐	COMMENCE DRILLING OPNS. ☐	P AND A
PULL OR ALTER CASING ☐	MULTIPLE COMPL ☐	CASING/CEMENT JOB ☐	
DOWNHOLE COMMINGLE ☐			
OTHER: ☐		OTHER:	

See Attached Conditions of Approval

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.

1) SET 5-1/2" CIBP @ 11,900'; CIRC. WELL W/ M.L.F.; PUMP 25 SXS. CMT. @ 11,900'-11,700'.
2) PUMP 30 SXS. CMT. @ 9,135'-8,945' (T/W.C.).
3) PUMP 25 SXS. CMT. @ 7,884'-7,714' (T/ABO).
4) PERF. X ATTEMPT TO SQZ. 45 SXS. CMT. @ 5,918'-5,768' (T/GLOR.).
5) PUMP 55 SXS. CMT. @ 4,502'-4,300' (8-5/8" CSG.SHOE, T/S.A., 5-1/2" CSG.STUB); WOC X TAG CMT. PLUG.
6) PUMP 60 SXS. CMT. @ 3,085'-2,950' (T/YATES, B/SALT); WOC X TAG CMT. PLUG.
7) PUMP 50 SXS. CMT. @ 2,340'-2,220' (T/SALT, T/ANHY.); WOC X TAG CMT. PLUG.
8) PUMP 40 SXS. CMT. @ 388'-288' (13-3/8" CSG.SHOE); WOC X TAG CMT. PLUG.
9) CIRC. 20 SXS. CMT. @ 63'-3'; DIG OUT X CUT OFF WELLHEAD 3' B.G.L.; WELD ON STEEL PLATE TO CSGS. X INSTALL DRY HOLE MARKER.

VERIFY CMT

DURING THIS PROCEDURE WE PLAN TO USE THE CLOSED-LOOP SYSTEM W/ A STEEL TANK AND HAUL CONTENTS TO THE REQUIRED DISPOSAL, PER OCD RULE 19.15.17.

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 David A. Eyler TITLE: AGENT DATE: 09/26/18

Type or print name: DAVID A. EYLER E-mail address: DEYLER@MILAGRO-RES.COM PHONE: 432.687.3033

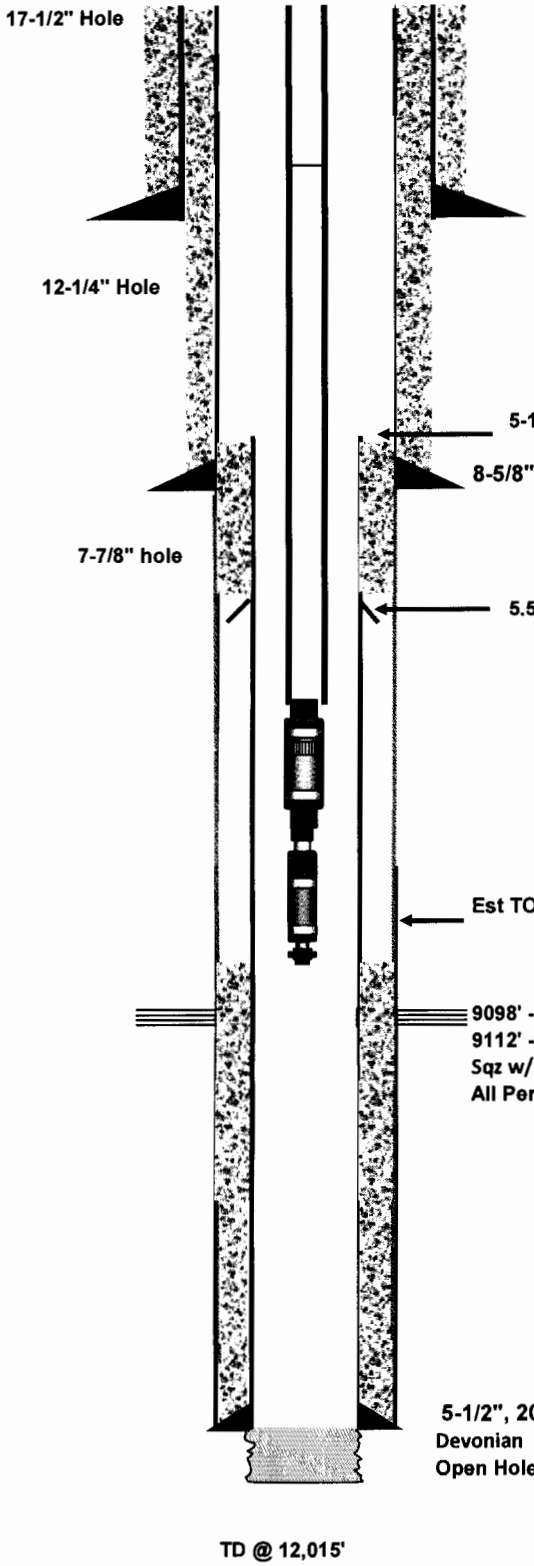
For State Use Only

APPROVED BY: Mark Whitaker TITLE P.E.S. DATE 10/03/2018

Conditions of Approval (if any):

Current WBD

VV Wallace #2
Unit "B" of Sec 6-12S-38E
API # 30-025-07147



Spud Date: 10/56
P&A'd: 6/69
Re-entered: 3/82
P&A'd: 2/89
Re-entered: 7/05

Devonian 12/56 IP 1728 bo, F 3/4"
3000 gal acid
WFCP 9/83 IP 450bw, 100% wtr
2000gal 15% MCA
Devonian 1/06 IP 217 bo, 3231bw, on ESP
3000 gal 15% NEFE

13-3/8", 54.5# csg @ 338' w/425 sx-circ'd

5-1/2" casing stub @ 4350' (cut off 2/3/89)

8-5/8", 32# csg @ 4452' w/2100 sx-circ'd

5.5" cutoff @ 4584' (6/69), Tie- back @ 4484" (3/82) Tested to 1000psi

No Well Report
2 7/8" tbg 8rd & PH6 @ 8221' ?

ESP - unknown

Est TOC @ 7690'

9098' - 9110', Wolfcamp Perfs
9112' - 9124'
Sqz w/100 sx (3/83)
All Perfs sqz'd w/150sx (8/05) Slht leak

WFCP 9/83 IP 450bw, 100% wtr
2000gal 15% MCA

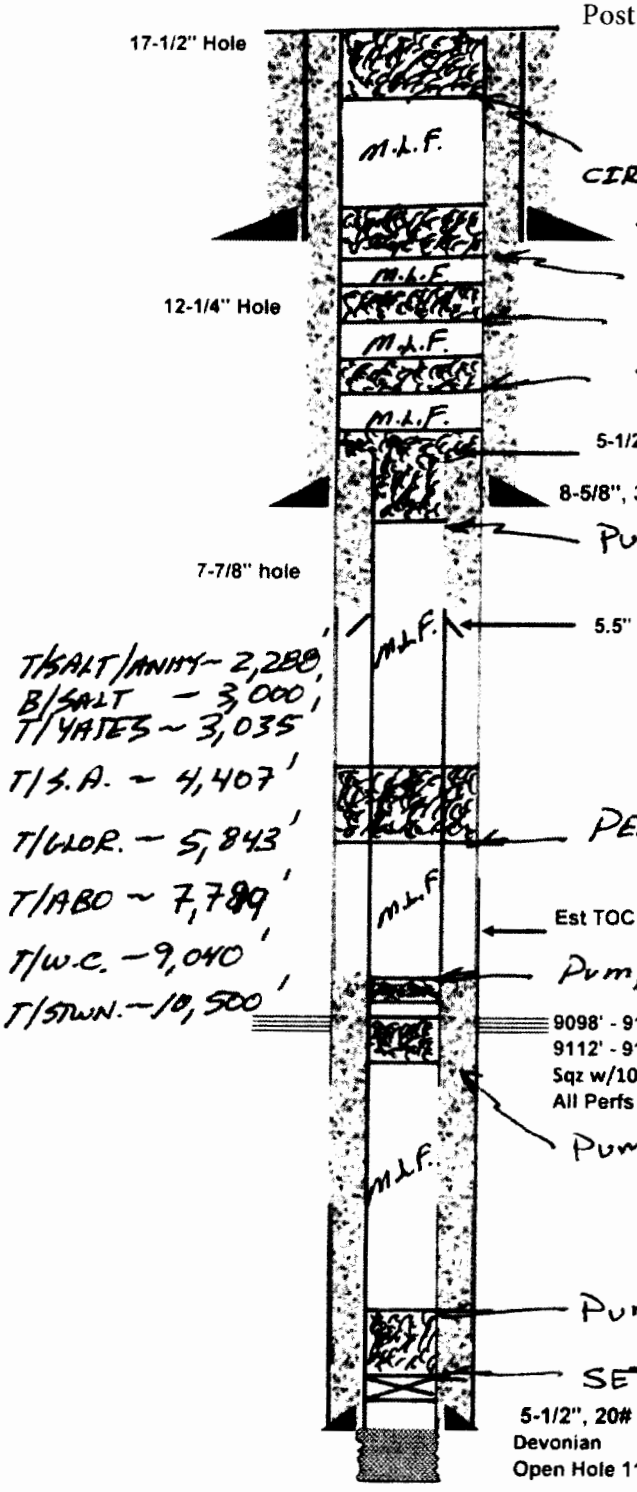
5-1/2", 20# csg @ 11,985' w/850 sx
Devonian
Open Hole 11985' - 12014'

Devonian 12/56 IP 1728 bo, F 3/4"
3000 gal acid
Devonian 1/06 IP 217 bo, 3231bw, on ESP
3000 gal 15% NEFE

TD @ 12,015'

Post P&A WBD

SPECIAL ENERGY CORP.



Spud Date: 10/56	Devonian 12/56 IP 1728 bo, F 3/4"
P&A'd: 6/69	3000 gal acid
Re-entered: 3/82	WFCP 9/83 IP 450bw, 100% wtr
P&A'd: 2/89	2000gal 15% MCA
Re-entered: 7/05	Devonian 1/06 IP 217 bo, 3231bw, on ESP
	3000 gal 15% NEFE

Devonian 12/56 IP 1728 bo, F 3/4"
3000 gal acid
Devonian 1/06 IP 217 bo, 3231bw, on ESP
3000 gal 15% NEFE

DAE 09/26/18

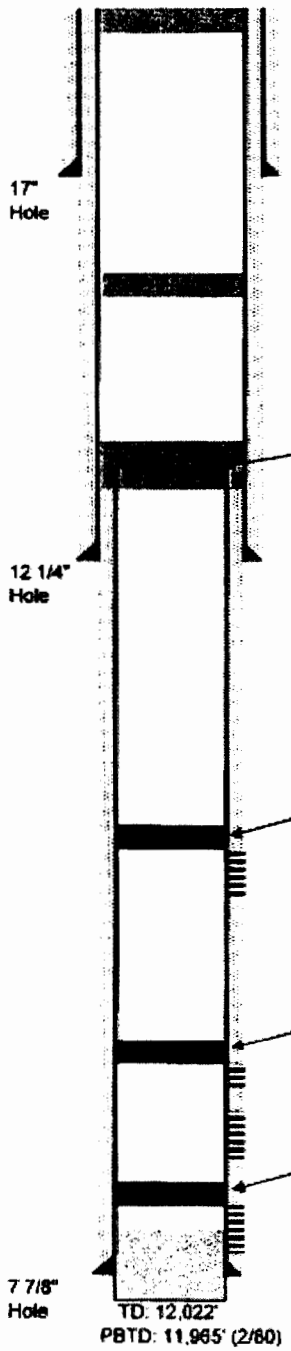
CURRENT

#17

Lawton State No. 1

660' FSL & 660' FWL
M, Sec 32, T-11S, R-38E
30-025-07119
Lea County, NM
Spud 1/30/56
Originally plugged (9/68)
Re-entered (2/80)

Well Type: Re-plugged (8/80)



10 sx surf plug (8/80)

13 3/8" 50# @ 370' w/ 350 sx
TOC: Surf-Circ

100' Cmt plug @ 2000' (8/80)

5 1/2" csg-cut and pulled @ 4085' (9/68)

100' Cmt plug @ 4142' (8/80)

8 5/8" 32# @ 4495' w/ 2000 sx
TOC: Surf-Circ

CIBP set @ 9400' w/ 35' cmt on top (8/80)

Perf 9432'- 9576'; sqz'd w/ 50 sx cmt; (2/80)
Perf 9458'- 9480'; (2/80)

CIBP set 11,300' w/ 35' cmt on top (8/80)

Perf 11,370'- 11,413'; swabbed load wtr (8/80)

Perf 11,646'- 11,670'; swabbed load wtr (8/80)

CIBP set @ 11,814'; (8/80)

Perf 11,956'- 12,010'; 6 holes per foot (6/56)

5 1/2" 20# @ 12,016' w/ 1200 sx
TOC: 4130' (TS 6/56)

6/21/2005

CURRENT

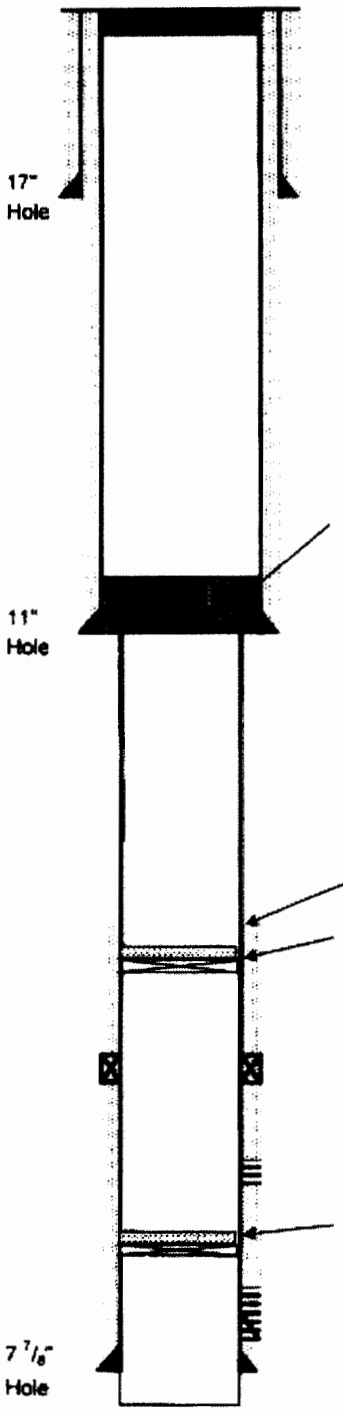
Lawton State No. 2

1980' FSL & 660' FWL
Sec 32, T-11S, R-38E
Lea County, NM

API#: 30-025-07120

Well Type: Plugged (10/66)
SPUD: 6/26/1956
COMPLETED: 9/14/1956

GL: 3883' KB: 3894'



Cmt plug @ surf w/ 10 sx

13 3/8" 50# @ 380' w/ 400 sx
Circ'd to sfc.

5 1/2" Csg cut off @ 4,310'
Cmt plug in & out of 5 1/2" Csg stub w/ 25 sx

8 5/8" 32# @ 4,500' w/ 2,000 sx
Circ'd to sfc.

Formation Tops		
Woodford		
Devonian	12003	-8109
Oil-water	12,074	-8180

TOC: 9357" calc w/20% ex

CIBP set @ 9,000' - 8,960' w/ 5 sx cmt (12/1966)

DVT @ unknown depth

MISSISSIPPIAN:
Perf 11,860'- 11,874'; (12/59)

CIBP set @ 11,900' - 11,860', tagged, w/ 5 sx cmt (12/59)
DEVONIAN:
Perf 12,010'- 12,050'; 6 Shots per foot
Sqzd perf's 12,010'-50' w/ 150 sx cmt; (3/58)
RePerf 12,008'- 12,026'; (3/58)
Squeezed (12/59)
5 1/2" 17/20# @ 12,081' w/ 500 sx in 2 stages

TD: 12,084'
PBTD: 11,860'

CURRENT

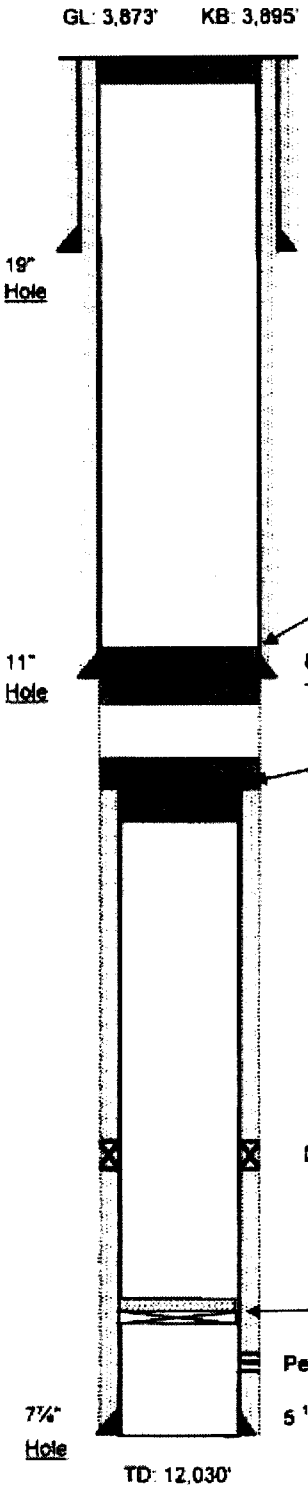
#15

Lawton State No. 4

1980' FWL & 1980' FSL
K, Sec 32, T-11S, R-38E
Lea County, NM
API#: 30-025-07122

Spud Date: 3/21/1957
Completed: 5/26/1957
POTENTIALED: Flwng 2,448 BO + 0 BW + $^{48}/_{64}$" chk, 200 psi, GOR 160, 47.2 ° API

Well Type: P&A'd 10/66



Cmt plug @ surf w/ 10 sx

13 $^{3}/_{8}$" 50# @ 346' w/ 425 sx
Circ'd to sfc.

Cmt plug f/ 4,500'-4,452' w/ 25 sx

8 $^{5}/_{8}$" 32# @ 4,452' w/ 2,050 sx
TOC: Surface-Calc w/20% ex

5 $^{1}/_{2}$" Csg cut off @ 5,053'
Cmt plug in & out of 5 $^{1}/_{2}$" Csg stub w/ 25 sx

Formation Tops		
Woodford	11,920	-8,025
Devonian	11,994	-8,099
Oil-water	12,076	-8,180

DVT @ unknown depth

CIBP set @11,900' w/ 5 sx cmt on top

Perf 11,996'-12,010', 6 JSPF

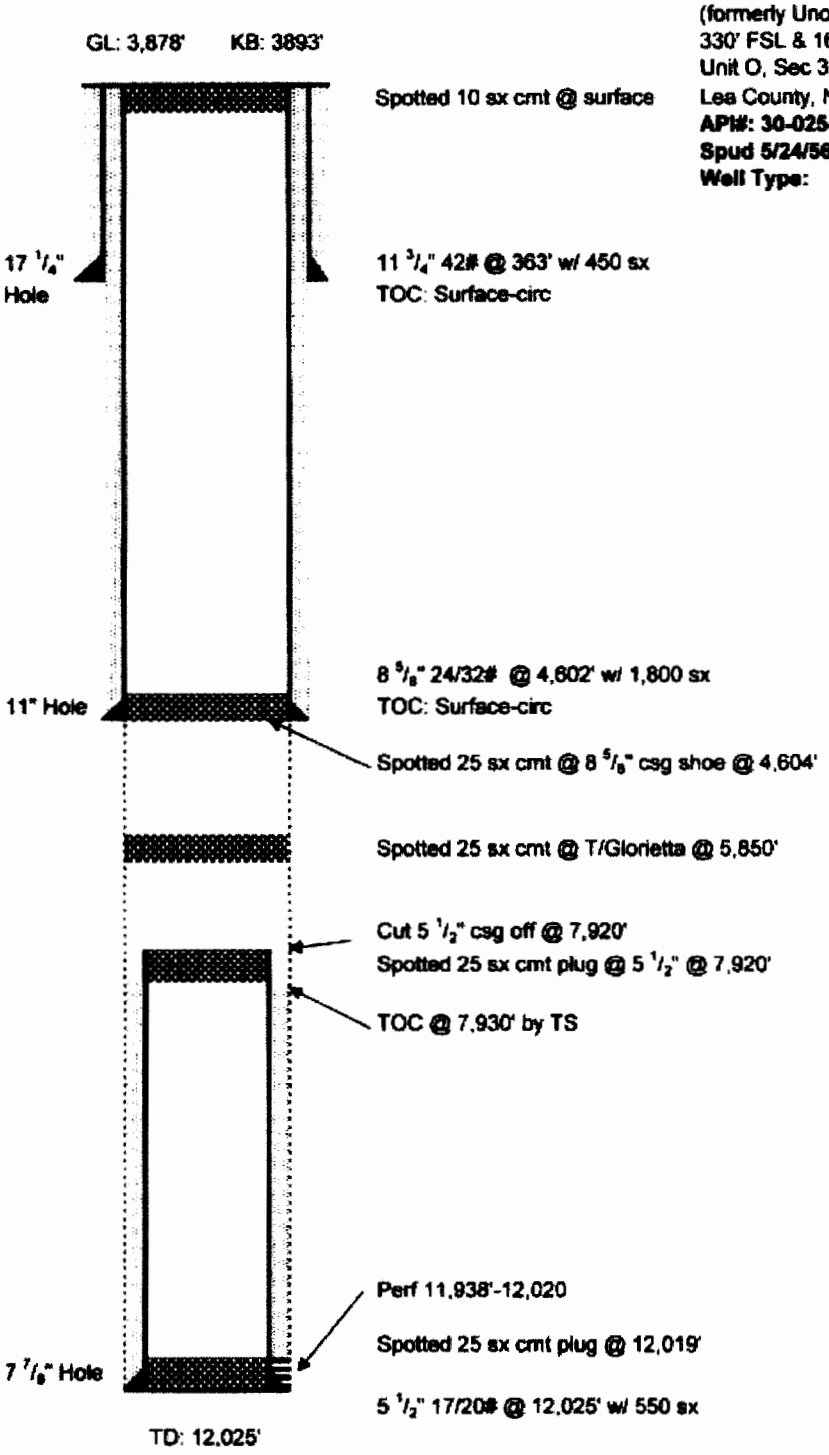
5 $^{1}/_{2}$" 17/20# @ 12,030' w/ 1,300 sx in 2 stages

8/5/05 JMR

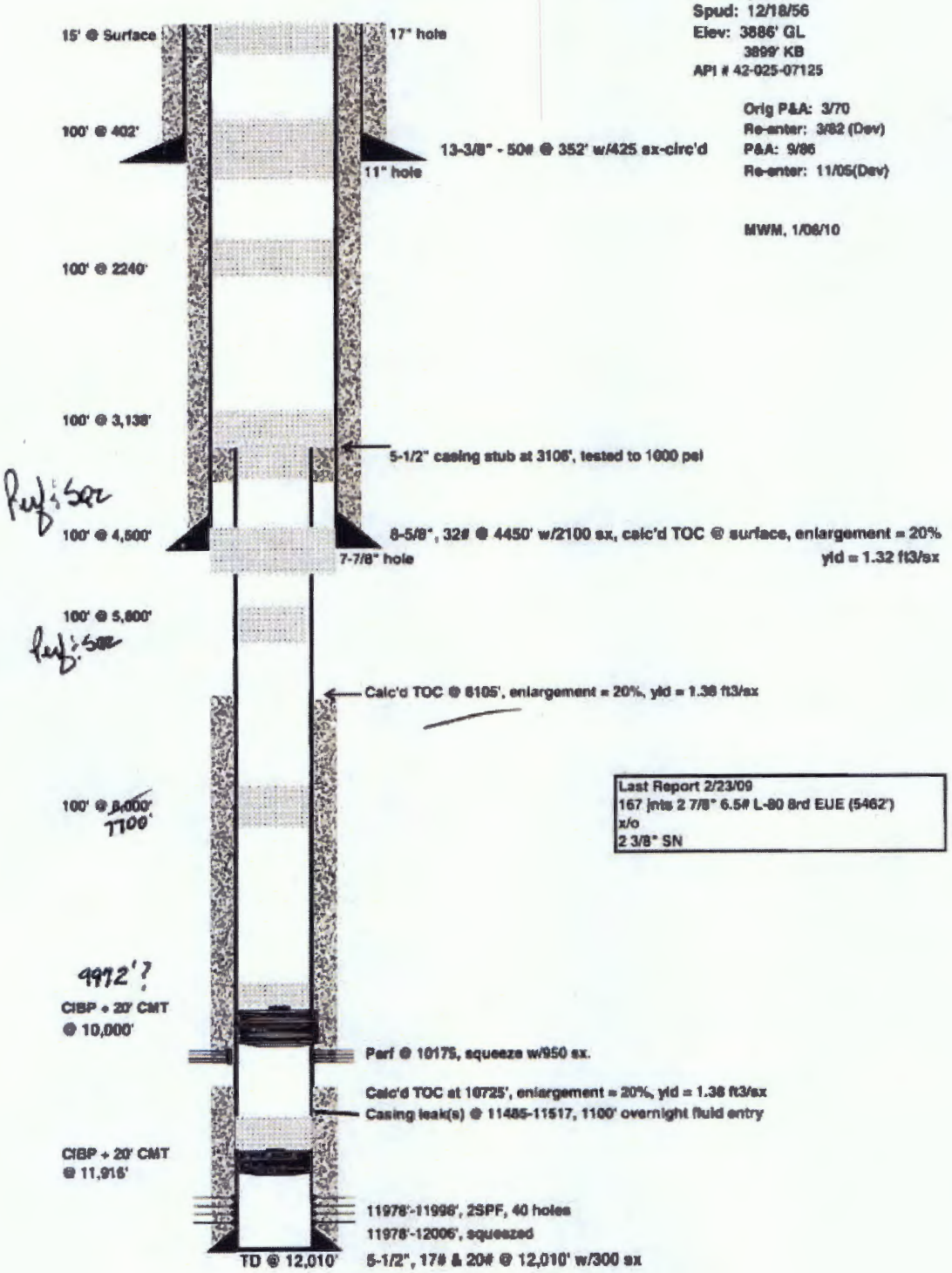
CURRENT

Glad Wallace # 3

(formerly Unocal M. J. Wallace #1)
330' FSL & 1650' FEL
Unit O, Sec 31, T-11S, R-38E
Lea County, NM
API#: 30-025-07118
Spud 5/24/56
Well Type: P&A 12/70



Glad-State #1 - 330' FWL & 2310' FNL of Sec. 32, T-11S, R38E - Unit Letter "E"



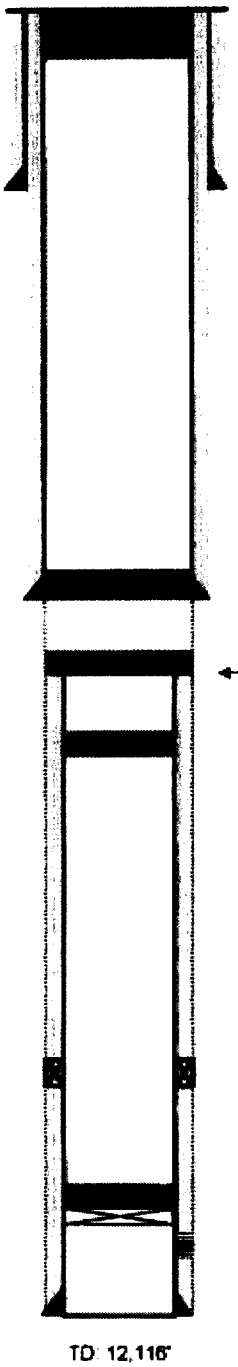
U. U. WALLACE No. 1

660' FNL & 660' FEL
Unit A, Sec 6 T-12S, R-38E
Lea County, NM

API#: 30-025-07146

Well Type: Plugged, (6/69)
SPUD 12/22/1955
Completed 3/24/1956

GL: 3,876' KB: 3,886'



Cmt Plug @ surf w/ 10 sx

13 3/8" 50# @ 343' w/ 385 sx
Circ'd to surface

Cmt Plug in & out of 9 5/8" @ 4,450 w/ 25 sx
9 5/8" 36# @ 4,450' w/ 2,000 sx
Circ'd to surface

Cmt Plug @ stub w/ 25 sx
5 1/2" csg cut off @ 5,143'

Cmt Plug @ 5,857' (Glorieta) w/ 25 sx

Formation Tops		
Woodford	11950	-8062
Devonian	11996	-8108
Oil-water	12068	-8180

DVT @ unkown depth

CIBP @ 11,860' w/ 4 sx on top

Perf 12,010' - 060' (3/56)

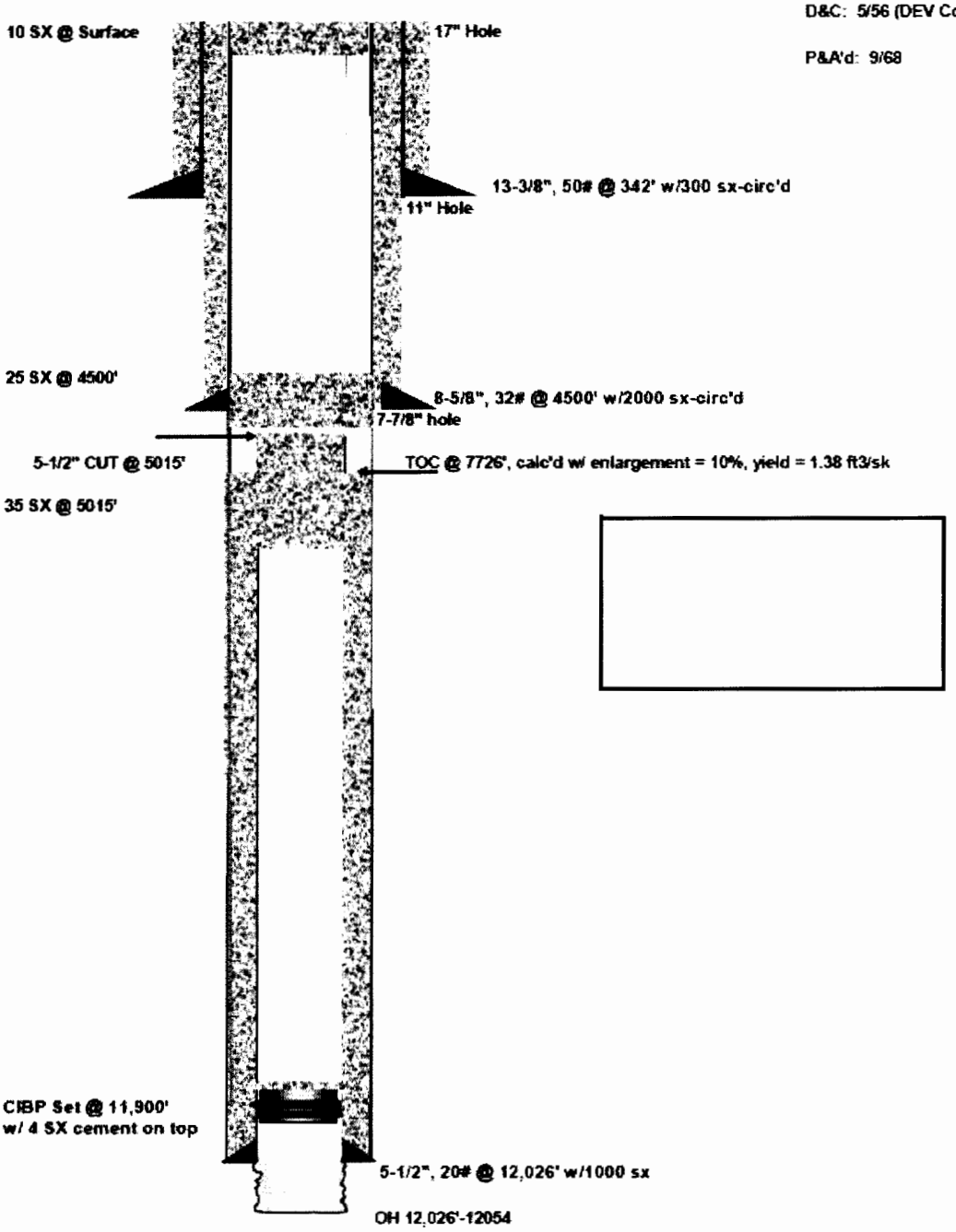
5 1/2" 20# @ 12,115 w/ 1,450 sx in 2 stages

TD: 12,116'

Shell Browning # 1 - 1980' FNL & 660' FEL of Sec. 31, T-11S, R-38E, Unit "H"
API # 30-025-07113

D&C: 5/56 (DEV Compl)

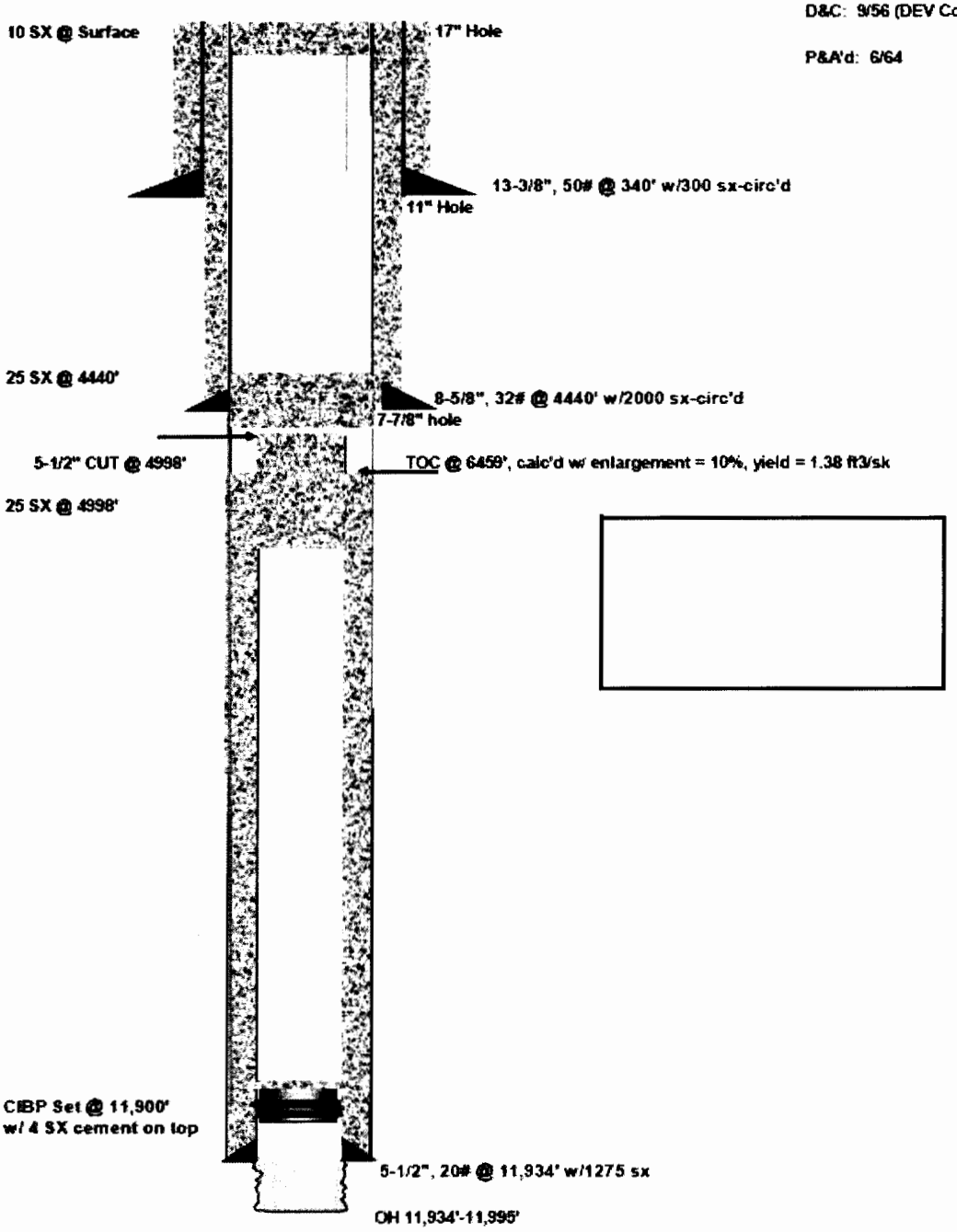
P&A'd: 9/68



Warren State # 1 - 660' FSL & 990' FEL of Sec. 31, T-11S, R-38E, Unit "P"
API # 30-025-07117

D&C: 9/56 (DEV Compl)

P&A'd: 6/64



Attachment to NMOCD Form C-108- Item VII (Proposed Operations)

Glad Wallace #1 SWD

Private SWD Facility

Upon approval of all permits for SWD, operations will begin within 30 days. Completion of the well operations will take approximately 4 weeks. Facility construction will consist of installing tank batteries, building berms, plumbing equipment and other associated equipment, and installing all necessary downhole equipment. The operator has negotiated a Surface Owner Agreement for the facility.

Prior to commensing any work, an NOI sundry will be submitted to configure the well for SWD and will detail the workover/ completion procedure for all work described above. After completion and before injection mechanical integrity tests will be performed and documented to ensure installation quality.

Operational Summary

The well and injection equipment will be a closed system and equipped with pressure limiting devices and volume meters. The annulus, loaded with an inert, anti-corrison packer fluid, will be monitored for pressure.

The tanks will be equipped with telemetry devices and visual alarms to alert the operator of full tanks or overflow situation.

Anticipated daily maximum volume is 10,000 bpd and average of 5000 bpd at a maximum injection pressure of 2388 psi (.2 psi/ft gradient) with an average injection pressure of 1200 PSI.

Potential releases will be contained and cleaned up immediately. The operator shall repair or otherwise correct the situation within 48 hours before resuming operations. OCD will be notified within 24 hours of any release greater than 5 bbls. If required, remediation will start as soon as practicable.

Attachment to NMOCD Form C-108- Item VII (Proposed Operations)

VII.4 – Water Analysis of Source Zone Water (San Andres)

Chemplex
SOLVAY GROUP

Water Analysis

2811 S CR 1257 Midland, TX 79706
Phone (432) 561-8642 Fax (432) 561-9798

Date: 15-Dec-17 **Test #:** MS17203
Company: Special/Elite **Formation:** N/A
Well #: Jenna 1H **Sample #:** F171833
District Artesia
Depth: 5123 **Source:** Flowback Water

pH:	5.52	Temp (F):	73
Specific Gravity	1.120	H_2S:	Faint Trace

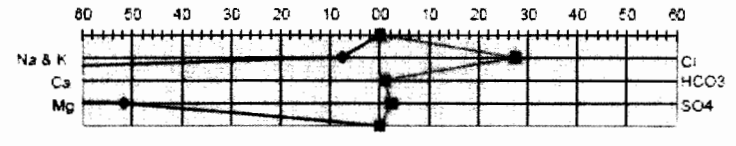
CATIONS	mg/l	me/l	ppm
Sodium (calc.)	19668	855.5	17561
Calcium	33600	1676.6	30000
Magnesium	7047	579.8	6292
Barium	< 25	—	—
Potassium	< 10	—	—
Iron	10.66	0.382	9.52
ANIONS			
Chloride	109217	3080.9	97515
Sulfate	1248	26.0	1114
Carbonate	< 1	—	—
Bicarbonate	537	8.8	479
Total Dissolved Solids(calc.)	171327		152971
Total Hardness as CaCO3	112922	2256.4	100823

COMMENTS:

SCALE ANALYSIS:

CaCO3 Factor	18036480 Calcium Carbonate Scale Probability->	Probable
CaSO4 Factor	41932800 Calcium Sulfate Scale Probability —>	Probable

Stiff Plot



Attachment to NMOCD Form C-108- Item VII (Proposed Operations)

VII.5 – Water Analysis of Disposal Zone Water (Devonian)

WATER ANALYSIS REPORT

SAMPLE

Oil Co. : Pride Energy
Lease : Marigold
Well No : # 1
Location:
Attention:

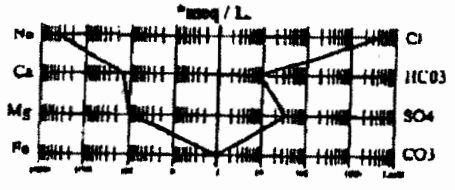
Date Sampled : 24-March-2004
Date Analyzed: 05-April-2004
Lab ID Number: Apr0504.001-3
Salesperson :

File Name : F:\ANALYSES\Apr0504.001

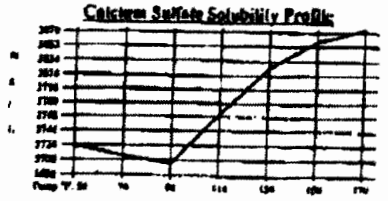
ANALYSIS

1.	Ph			6.050		
2.	Specific Gravity 60/60 F.			1.178		
3.	CACO3 Saturation Index		@ 80F	0.691		
			@140F	2.511		
	Dissolved Gasses			MG/L	EQ. WT.	*MEQ/L
4.	Hydrogen Sulfide			Not Present		
5.	Carbon Dioxide			Not Determined		
6.	Dissolved Oxygen			Not Determined		
	Cations					
7.	Calcium	(Ca++)		2,806	/ 20.1 =	139.60
8.	Magnesium	(Mg++)		1,167	/ 12.2 =	95.66
9.	Sodium	(Na+)	(Calculated)	95,374	/ 23.0 =	4,146.70
10.	Barium	(Ba++)		Not Determined		
	Anions					
11.	Hydroxyl	(OH-)		0	/ 17.0 =	0.00
12.	Carbonate	(CO3=)		0	/ 30.0 =	0.00
13.	Bicarbonate	(HCO3-)		515	/ 61.1 =	8.43
14.	Sulfate	(SO4=)		1,600	/ 48.8 =	32.79
15.	Chloride	(Cl-)		153,965	/ 35.5 =	4,337.04
16.	Total Dissolved Solids			255,427		
17.	Total Iron	(Fe)		8	/ 18.2 =	0.41
18.	Total Hardness as CaCO3			11,811		
19.	Resistivity @ 75 F. (Calculated)			0.801 /cm.		

LOGARITHMIC WATER PATTERN



Calcium Sulfate Solubility Profile

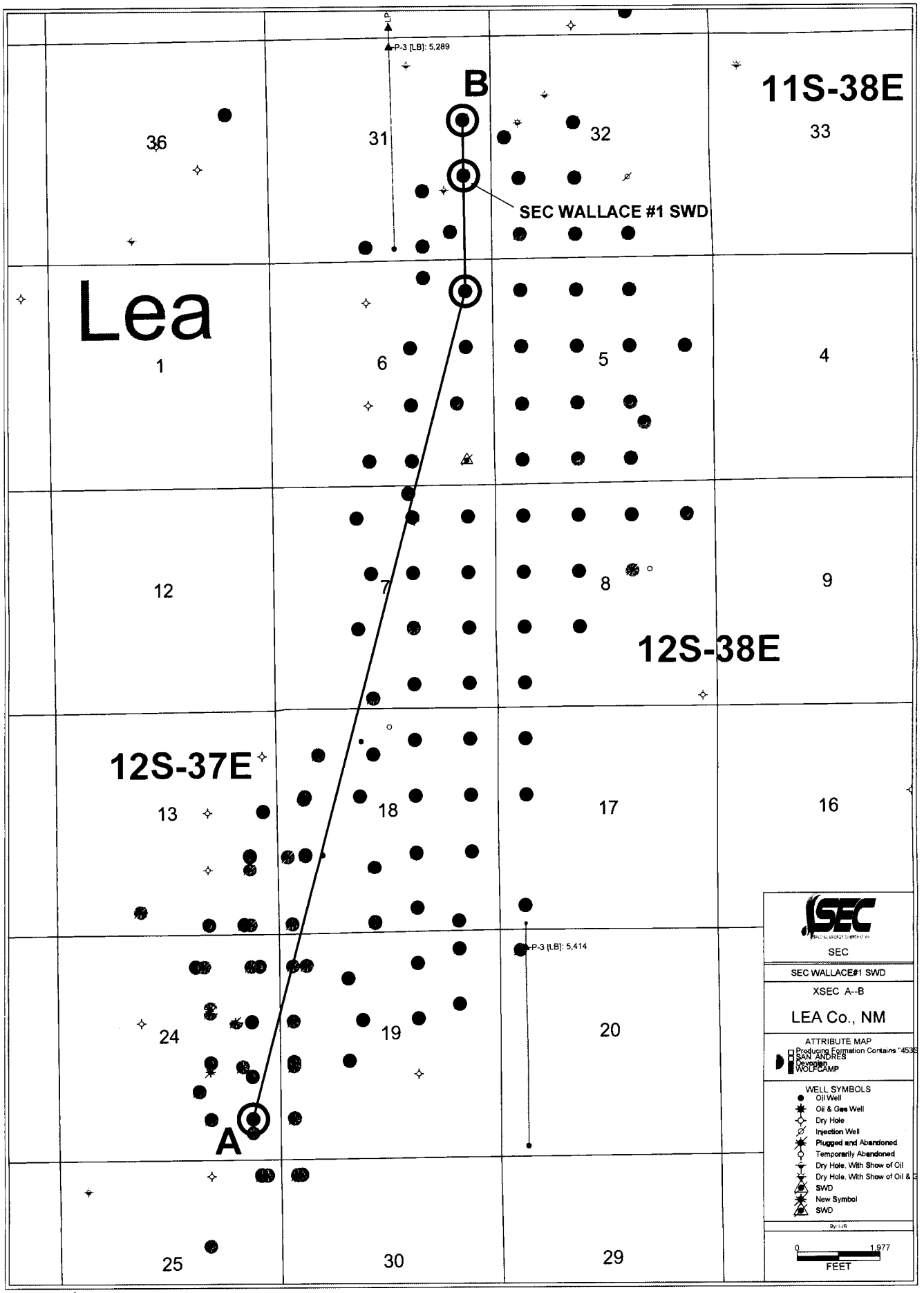


PROBABLE MINERAL COMPOSITION

COMPOUND	EQ. WT.	X	*meq/L	=	mg/L
Ca(HCO3)2	81.04		8.43		683
CaSO4	68.07		32.79		2,232
CaCl2	55.50		98.39		5,460
Mg(HCO3)2	73.17		0.00		0
MgSO4	60.19		0.00		0
MgCl2	47.62		95.66		4,555
NaHCO3	84.00		0.00		0
Na2SO4	71.03		0.00		0
NaCl	58.46		4,143.00		242,200

Attachment to NMOCD Form C-108- Item VIII (Geologic Information)

The Devonian Formation consists of several thick sections of porous dolomite capable of taking water. At a top open hole depth 11,940', the targeted injection interval is located at the top of the Devonian Formation. The Devonian is overlain by the Atoka and Mississippian Lime formations. The top of the Mississippian Lime is at 11,305'.The lower Sulurian (Fusselman) rock is underlain by the Ordovician, Simpson, and Ellenburger.



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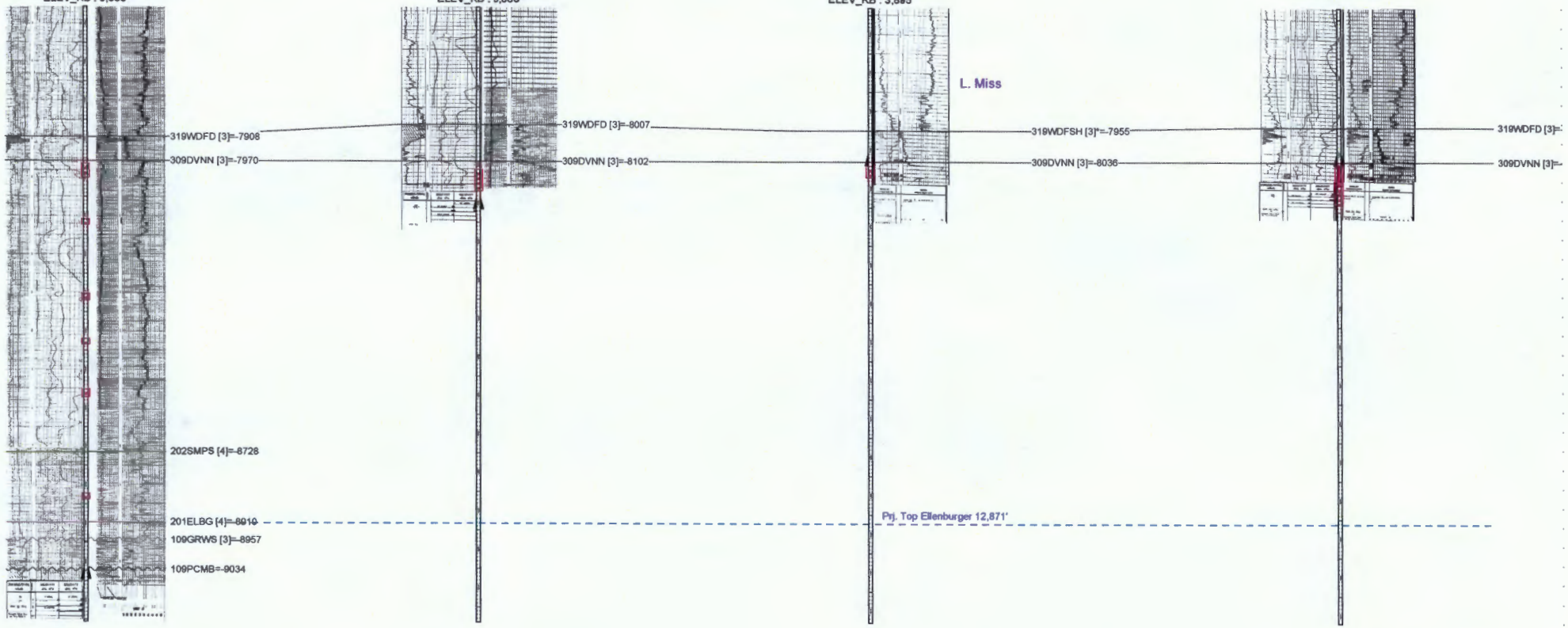
Stratigraphic cross-section A---B

Datum: Devonian



COMP_DATE : 10/25/1956
DEVONIAN
CUMOIL : 744,064
CUMGAS : 61,342

COMP_DATE : 3/30/1956
DEVONIAN
CUMOIL : 824,282
CUMGAS : 64,984

COMP_DATE : 1/22/1957
DEVONIAN
CUMOIL : 432,465

COMP_DATE : 10/11/1956
DEVONIAN
CUMOIL : 388,154
CUMGAS : 30,660

SEC
SPECIAL ENERGY CORPORATION

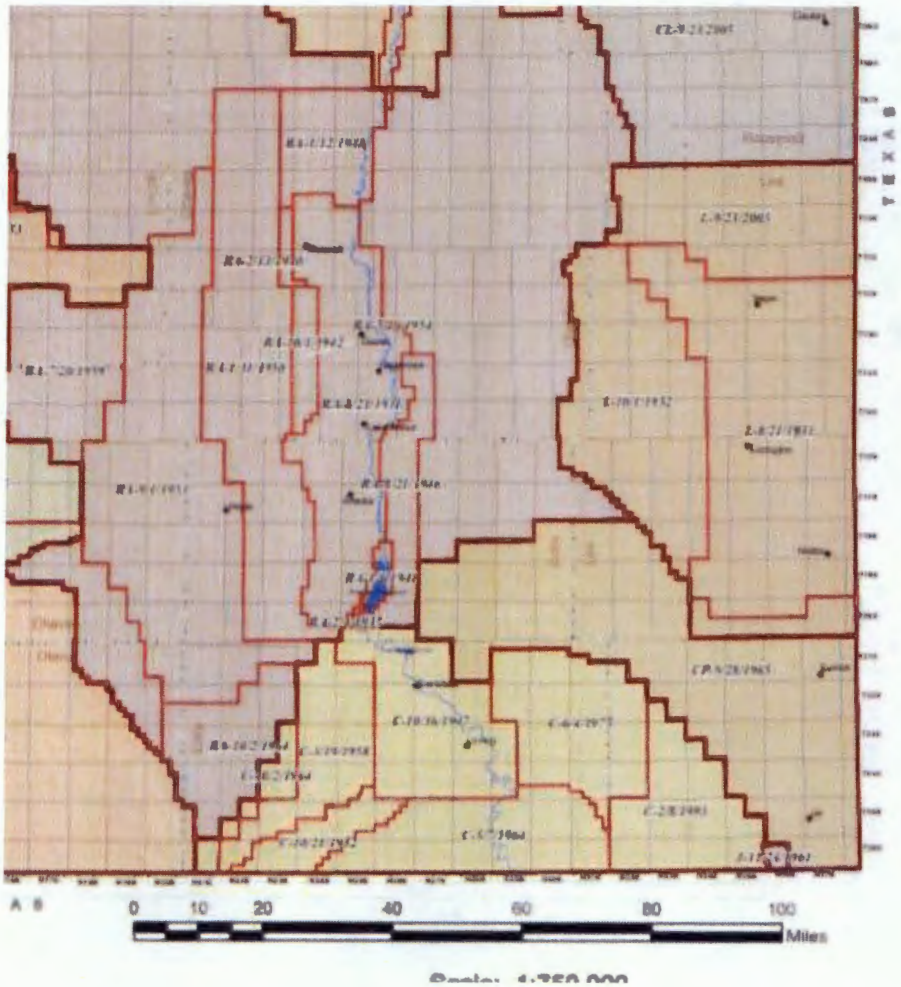
WALLACE 31- #1 SWD

STRATIGRAPHIC XSEC A—B
DATUM: DEVONIAN
By: LJB
September 18,2018

PETRA 9/18/2018 1:51:52 PM

Attachment to NMOCD Form C-108- Item XI (Geologic Information)

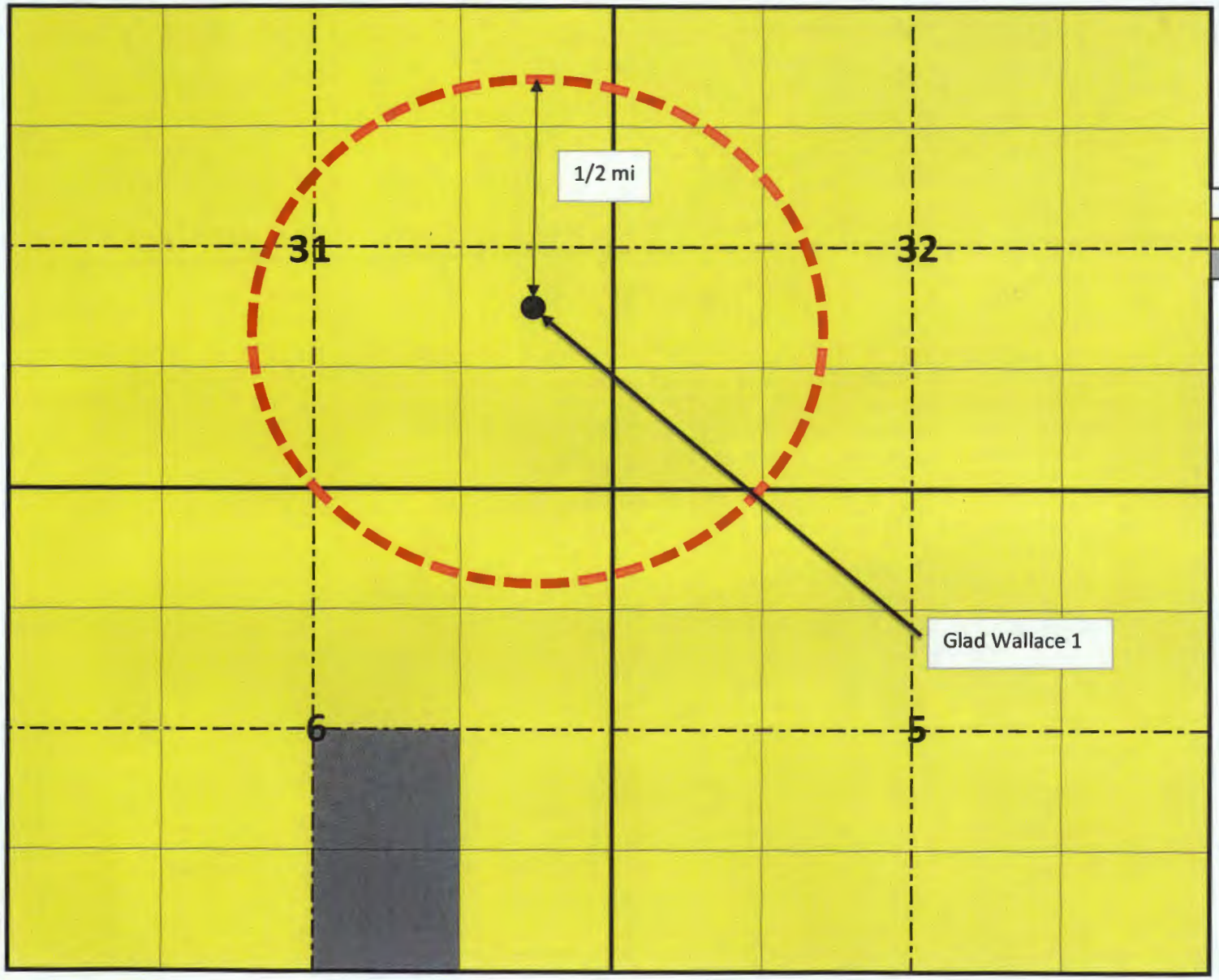
Fresh water in the area is typically drawn from the Ogallala Aquifer. The average depth to the top aquifer in this region is 60' and the bottom of the aquifer is at 150'. There have been 6 water wells drilled within a one mile radius of the proposed SWD conversion candidate. These wells are listed in the table below. Of the 6 wells, only 1 well is active. The active well is over ¾ mile away from the proposed SWD.



POD Number	POD Basin Sub Code	County		q64	q16	q4	Sec	Tws	Rng	X	Y	Distance (FT)	Depth Well	Depth Water	Water Column	Status
L 03564	L	LE	Shallow	4	3	2	31	11S	38E	673739	3688660	1496	78	45	134	PLG
L 03056	L	LE	Artesian		2	2	06	12S	38E	674065	3687561	2520	100	40	33	PLG
L 03362	L	LE	Shallow		1	1	05	12S	38E	674468	3687569	2841	110	110	134	PLG
L 03563	L	LE	Shallow		3	2	06	12S	38E	673670	3687151	4065	85	35	134	PLG
L 03363	L	LE	Shallow		4	1	05	12S	38E	674878	3687175	4652	115	115	134	PLG
L 03472	L	LE	Shallow		1	2	05	12S	38E	675273	3687585	4685	98	40	46	ACT


Proposed SWD Location
Active Water Well
Ruler
Line
Path
Polygon
Circle
3D path
3D polygon
Measure the distance between two points on the ground
Map Length: 0.88 Miles
Ground Length: 0.88
Heading: 122.32 degrees
Mouse Navigation
Save
Clear
33.323083, -103.13345355103868
33.31313, -103.12583582913379
33.309491, -103.13448439773204
33.309512, -103.12150979709409
Google Earth

11S-38E - Lea County, NM **AND** **12S-38E - Lea County, NM**



Lessor/Lessee
Special Energy Corp. (Yellow)
BLM (Gray)

C-108 Item XII – (Geologic Affirmation)

We have examined available geologic and engineering data and have found no evidence of open faults or other hydrologic connection between the disposal interval and any underground sources of drinking water.

Clark Cunningham
Special Energy Corporation

Local Fresh Water Quality

Special Energy used a water well located 2.25 miles southwest of the proposed SWD location for fresh water during a stimulation treatment. The water was transferred to a lined fresh water pit 1.1 miles east of the well and that is where the water sample was taken. Please find the well information and water quality listed below.

New Mexico Office of the State Engineer
Water Right Summary

get image list

WR File Number: L 14363 **Subbasin:** L **Cross Reference:** -

Primary Purpose: PRO 72-12-1 PROSPECTING OR DEVELOPMENT OF NATURAL RESOURCE

Primary Status: PMT PERMIT

Total Acres: **Subfile:** -

Total Diversion: 0 **Cause/Case:** -

Agent: SPECIAL ENERGY CORPORATION

Contact: TRAVIS GLENN GLENNS WATER WELL SERVICE INC

Documents on File

	Trn #	Doc	File/Act	Status 1	Status 2	Transaction Desc.	From/ To	Acres	Diversion	Consumptive
get images	614552	72121	2017-10-04	PMT	APR	L 14361 POD1 (T)	T		3	

Current Points of Diversion

(NAD83 UTM in meters)

POD Number	Well Tag	Source	Q 64	Q16	Q4	Sec	Twn	Rng	X	Y	Other Location Desc
L 14361 POD1	NA		3	3	3	01	12S	37E	671074	3686115	

Elite Well Services LLC

Elite Well Services

Quality Assurance Laboratory
2702 N Freeman
Artesia, NM 88210

Water Analysis

Customer	Special Energy Corp.	**Date of Analysis**	11/09/17
Wellsite	Jenna 1H	**Source**	Pit
Formation	San Andres	**Analyst**	Fowler
System	12# Borate	**Client**	Clark Cunningham
Depth	5115		

Water Description Water was Clear in color

Chemical and Measurable Properties of Water Sample

Specific Gravity	1.005	**Temp**	73	**pH**	7.98	

Test Results

Test Type	mg/L
Chloride	200
Sulfate	<200
Iron	0

Reducing Agents & BF Precipitants

Reducing Agents	None Detected
BF Precipitants	None Detected

C-108 Item XII – (Geologic Affirmation)

We have examined available geologic and engineering data and have found no evidence of open faults or other hydrologic connection between the disposal interval and any underground sources of drinking water.

Clark Cunningham
Special Energy Corporation

Elite Well Services LLC

Elite Well Services

Quality Assurance Laboratory
2702 N Freeman
Artesia, NM 88210

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New Mexico Office of the State Engineer

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get image list

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Primary Purpose: PRO 72-12-1 PROSPECTING OR DEVELOPMENT OF NATURAL RESOURCE

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(NAD83 UTM in meters)

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L 14361 POD1	NA		3	3	3	01	12S	37E	671074	3686115	

New Mexico Office of the State Engineer

Point of Diversion Summary

Well Tag	POD Number	(quarters are 1=NW 2=NE 3=SW 4=SE) (quarters are smallest to largest) Q64	Q16	Q4	Sec	Twn	Rng	(NAD83 UTM in meters) X	Y
	L 03472	1	2	05	12S	38E		675273	3687585*

Driller License: 46 **Driller Company:** ABBOTT BROTHERS COMPANY

Driller Name:

Drill Start Date:	03 24 1957	**Drill Finish Date:**	03 24 1957	**Plug Date:**	
Log File Date:	04 03 1957	**PCW Rcv Date:**		**Source:**	Shallow
Pump Type:		**Pipe Discharge Size:**		**Estimated Yield:**	
Casing Size:		**Depth Well:**	98 feet	**Depth Water:**	40 feet

Water Bearing Stratifications:	Top	Bottom	Description
	40	98	Sandstone Gravel Conglomerate

*UTM location was derived from PLSS - see Help

New Mexico Office of the State Engineer

Point of Diversion Summary

Well Tag	POD Number	(quarters are 1=NW 2=NE 3=SW 4=SE) (quarters are smallest to largest) Q64	Q16	Q4	Sec	Twn	Rng	(NAD83 UTM in meters) X	Y
	L 03563	4	1	05	12S	38E		674878	3687175*

Driller License: 134 **Driller Company:** STONE DRILLING CO.

Driller Name: CHRISTOPHER

Drill Start Date:	11 15 1956	**Drill Finish Date:**	11 17 1956	**Plug Date:**	05 18 1958
Log File Date:	12 26 1956	**PCW Rcv Date:**		**Source:**	Shallow
Pump Type:		**Pipe Discharge Size:**		**Estimated Yield:**	
Casing Size:		**Depth Well:**	115 feet	**Depth Water:**	115 feet

Water Bearing Stratifications:	Top	Bottom	Description
	0	4	Other Unknown
	4	15	Other Unknown
	15	50	Sandstone Gravel Conglomerate
	50	78	Sandstone Gravel Conglomerate
	78	115	Sandstone Gravel Conglomerate

*UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

New Mexico Office of the State Engineer

Point of Diversion Summary

Well Tag	POD Number	(quarters are 1=NW 2=NE 3=SW 4=SE) (quarters are smallest to largest) Q64	Q16	Q4	Sec	Twn	Rng	(NAD83 UTM in meters) X	Y
	L 03563	3	2		06	12S	38E	673670	3687151*

Driller License: 134 **Driller Company:** STONE DRILLING CO.

Driller Name: RAYMOND STONE

Drill Start Date:		**Drill Finish Date:**		**Plug Date:**	05 01 1958
Log File Date:	06 30 1958	**PCW Rcv Date:**		**Source:**	Shallow
Pump Type:		**Pipe Discharge Size:**		**Estimated Yield:**	
Casing Size:		**Depth Well:**	85 feet	**Depth Water:**	35 feet

Water Bearing Stratifications:	Top	Bottom	Description
	50	85	Sandstone Gravel Conglomerate

***UTM location was derived from PLSS - see Help**

New Mexico Office of the State Engineer

Point of Diversion Summary

Well Tag	POD Number	(quarters are 1=NW 2=NE 3=SW 4=SE) (quarters are smallest to largest) Q64	Q16	Q4	Sec	Twn	Rng	(NAD83 UTM in meters) X	Y
	L 03362	1	1		05	12S	38E	674468	3687569*

Driller License: 134 **Driller Company:** STONE DRILLING CO.

Driller Name:

Drill Start Date:	11 12 1956	**Drill Finish Date:**	11 15 1956	**Plug Date:**	05 18 1958
Log File Date:	04 19 1957	**PCW Rcv Date:**		**Source:**	Shallow
Pump Type:		**Pipe Discharge Size:**		**Estimated Yield:**	
Casing Size:		**Depth Well:**	110 feet	**Depth Water:**	110 feet

Water Bearing Stratifications:	Top	Bottom	Description
	70	110	Sandstone Gravel Conglomerate

***UTM location was derived from PLSS - see Help**

The data is furnished by the NMOSE ISC and is accepted by the recipient with the expressed understanding that the OSE ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

New Mexico Office of the State Engineer

Point of Diversion Summary

Well Tag	POD Number	Q64	Q16	Q4	Sec	Tws	Rng	X	Y
	L 03056	2	2		06	12S	38E	674065	3687561*

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

Driller License: 33 **Driller Company:** TATUM CLAUDE E.

Driller Name: TATUM, CLAUDE E.

Drill Start Date:	12 16 1955	**Drill Finish Date:**	12 17 1955	**Plug Date:**	10 18 1956
Log File Date:	01 26 1956	**PCW Rcv Date:**		**Source:**	Artesian
Pump Type:		**Pipe Discharge Size:**		**Estimated Yield:**	
Casing Size:		**Depth Well:**	100 feet	**Depth Water:**	40 feet

Water Bearing Stratifications:	Top	Bottom	Description
	40	100	Sandstone Gravel Conglomerate

***UTM location was derived from PLSS - see Help**

New Mexico Office of the State Engineer

Point of Diversion Summary

Well Tag	POD Number	(quarters are 1=NW 2=NE 3=SW 4=SE) (quarters are smallest to largest) Q64	Q16	Q4	Sec	Tws	Rng	(NAD83 UTM in meters) X	Y
	L 03564	4	3	2	31	11S	38E	673739	3688660*

Driller License: 134 **Driller Company:** STONE DRILLING CO.

Driller Name: RICHARD STONE

Drill Start Date:	05 24 1957	**Drill Finish Date:**	05 24 1957	**Plug Date:**	05 01 1958
Log File Date:	07 10 1957	**PCW Rcv Date:**		**Source:**	Shallow
Pump Type:		**Pipe Discharge Size:**		**Estimated Yield:**	
Casing Size:		**Depth Well:**	78 feet	**Depth Water:**	45 feet

Water Bearing Stratifications:	Top	Bottom	Description
	45	52	Sandstone Gravel Conglomerate
	52	55	Sandstone Gravel Conglomerate
	60	70	Sandstone Gravel Conglomerate

***UTM location was derived from PLSS - see Help**

C-108 Item XII – (Geologic Affirmation)

We have examined available geologic and engineering data and have found no evidence of open faults or other hydrologic connection between the disposal interval and any underground sources of drinking water.

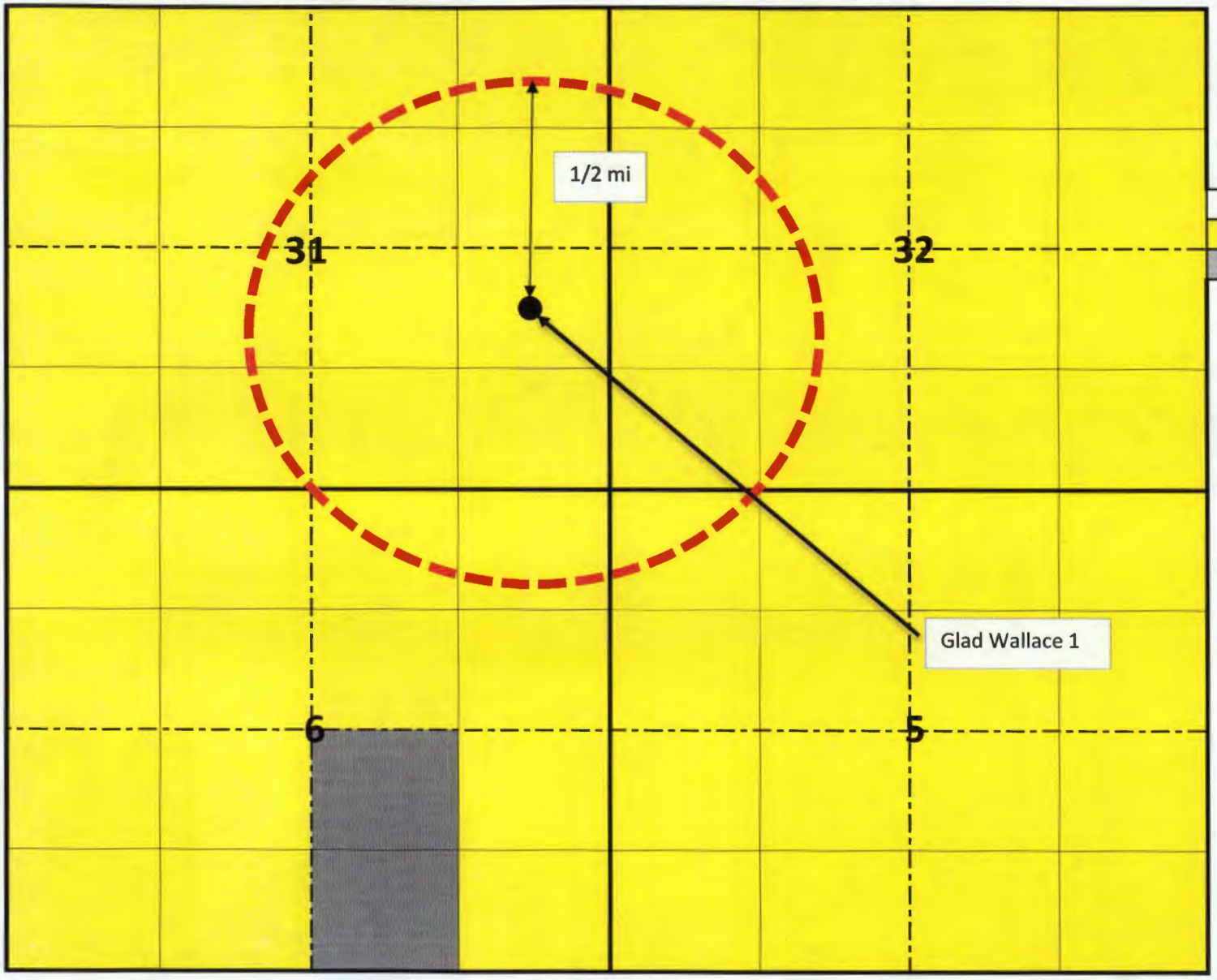
Clark Cunningham
Special Energy Corporation

C-108 Item XIII – (Proof of Notice)

Special Energy Corporation holds all leases within one mile of the proposed well and will not need to notify other operators.

The Kinsolving family owes the land and Special Energy Corporation already has ongoing usage agreements with the family.

11S-38E - Lea County, NM **AND** **12S-38E - Lea County, NM**



Lessor/Lessee
Special Energy Corp. (Yellow)
BLM (Gray)

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, 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
November 01, 2018
and ending with the issue dated
November 01, 2018.

Daniel Russell
Publisher

Sworn and subscribed to before me this
1st day of November 2018.

Gussie Black
Business Manager

My commission expires
January 29, 2019
(Seal)

OFFICIAL SEAL
GUSSIE BLACK
Notary Public
State of New Mexico
My Commission Expires 1-29-19

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

LEGALS

LEGAL NOTICE
November 1, 2018

Special Energy Corporation, PO Drawer 369, Stillwater, OK 74074, is filing Form C-108 (Application for Authority to Inject) with the New Mexico Oil Conservation Division seeking administrative approval for a salt water disposal well. The proposed well, the Glad Wallace No. 1, is located 1980' FSL and 660' FEL, Section 31, Township 11 South, Range 38 East, Lea County, New Mexico. Produced water from area production will be disposed into the Devonian formation at a depth of 11,940' to 11,970' at a maximum surface pressure of 2388 psi and a rate limited only by such pressure. The proposed SWD well is located approximately 10 miles northeast of Tatum, NM.

Interested parties wishing to object to the proposed application must file with the New Mexico Oil Conservation Division, 1220 St. Francis Dr., Santa Fe, NM 87505, (505)476-3460, within 15 days of the date of this notice.
#33414

67115466 00220241

CLARK CUNNINGHAM
SPECIAL ENERGY CORPORATION
4815 S. PERKINS ROAD
STILLWATER, OK 74074

SPECIAL ENERGY CORPORATION

November 6, 2018

Certified Mail-Return Receipt
#9171969009350195608460

Kinsolving & Kinsolving Ranch
Attn: Jenna Decker
PO Box 325
Tatum, NM 88267

RE: **Notice: Glad Wallace #1 Authorization to Inject**

Dear Ms. Decker:

Attached for your review is Form C-108, Application for Authorization to Inject, and its supplemental documentation prepared for Special Energy Corporation's ("SEC") Glad Wallace #1. Section XIV of Form C-108 requires that the surface land owner on which the well is located and each leasehold operator within one-half mile radius of the proposed well location be furnished with the application.

According to the New Mexico Oil Conservation Division, surface owners or offset operators must file any objects or requests for hearing of administrative applications within 15 days from the date in which the application was mailed to them.

Should you have any questions please call me.

Thank you.

Sincerely,

Gary Bond, Vice President

Enclosure

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

9171 9690 0935 0195 6084 60
9171 9690 0935 0195 6084 60

FIRST-CLASS

FIRST-CLASS CERTIFIED MAIL

9171 9690 0935 0195 6084 60

US POSTAGE $005.42

First Class Mail

First Class Mail

SPECIAL ENERGY CORPORATION
P.O. Drawer 369
Stillwater, OK 74076

Kinsolving & Kinsolving
Attn: Jenna Decker
PO Box 325
Tatum, NM 88267

McMillan, Michael, EMNRD

From: Whitaker, Mark A, EMNRD
Sent: Monday, November 26, 2018 9:47 AM
To: McMillan, Michael, EMNRD
Subject: Special Energy Group Wallace Well No. 1

Michael,
The wording for the required well P&A's looks fine to me. As noted they have approved C103 Intent to Plug & Abandon on both well.
As far as the proposed tubing size, you can OD fish the 3 ½" tubing body with a 4 ½" SH overshot, but it would be a straight pull only, no jarring. Any upset or connection would require spear fishing. My recommendation would be for the 2 7/8" IPC tubing. The collar on 2 7/8" upset is 3.668", which in the 5 ½" 17# casing can be fished, however the 5 ½" 20# presents the same issue.
Mark

FORM C-108 Technical Review Summary [Prepared by reviewer and included with application; V16.2]

DATE RECORD: First Rec:_____ **Admin Complete:** _____ **or Suspended:** _____ Add. Request/Reply:_____

ORDER TYPE: WFX / PMX / (SWD) Number: 1844 Order Date: _____ Legacy Permits/Orders: _____

Well No._____ Well Name(s): GLADWALLACE

API : 30-0 25-07114 Spud Date: 11/13/1956 New or Old (EPA): O (UIC Class II Primacy 03/07/1982)

Footages 1980FSL & 660FEL Lot___ or Unit I Sec 31 Tsp 11S Rge 38E County Lea

General Location: 2 miles NE/TAtm Pool: SWD; Devonian Pool No.: 96101

BLM 100K Map: TAtm Operator: Special Energy Corp OGRID: 138008 Contact: CLARK Cummings & Eng

COMPLIANCE RULE 5.9: Total Wells: 2/35 Inactive: 0 **Fincl Assur:** OK Compl. Order? N/A **IS 5.9 OK?** Y **Date:** 11-21-2018

WELL FILE REVIEWED ◯ Current Status: Active

WELL DIAGRAMS: NEW: Proposed ◯ or **RE-ENTER:** Before Conv. (1) ~~After Conv.~~ (2) Logs in Imaging: _____

Planned Rehab Work to Well: _____

Well Construction Details	Sizes (in) Borehole / Pipe	Setting Depths (ft)	Stage Tool	Cement (Sx) or Cf	Cement Top and Determination Method
Planned __or Existing __ **Surface**	17 1/2 / 13 3/8	347		~~425~~ 425	Surface / Visual
Planned__or Existing __ **Interm/Prod**	11" / 8 5/8"	4454 ~~4450~~		2100	Surface / Visual
Planned__or Existing __ **Interm/Prod**	7 7/8" / 5½	11940			5675 / Est
Planned__or Existing __ **Prod/Liner**					3 + CALC 5100
Planned__or Existing __ **Liner**					
Planned__or Existing __ (OH) / PERF	11940-11970		Inj Length		

Injection Lithostratigraphic Units:	Depths (ft)	Injection or Confining Units	Tops
Adjacent Unit: Litho. Struc. Por.	[redacted]	MS	11885
Confining Unit: Litho. Struc. Por.		DV	11305
Proposed Inj Interval TOP:			11440
Proposed Inj Interval BOTTOM:			11970
Confining Unit: Litho. Struc. Por.			
Adjacent Unit: Litho. Struc. Por.	[redacted]		

Completion/Operation Details:

Drilled TD 11970 PBTD _____

NEW TD _____ NEW PBTD _____

NEW Open Hole (1) ~~or~~ NEW Perfs ◯

Tubing Size 2 7/8 Y in. Inter Coated? Y

Proposed Packer Depth 11480 ft

Min. Packer Depth 11840 (100-ft limit)

Proposed Max. Surface Press. 2388 psi

Admin. Inj. Press. 2385 (0.2 psi per ft)

AOR: Hydrologic and Geologic Information

POTASH: R-111-P MK Noticed?___ **BLM Sec Ord** ◯ **WIPP** ◯ Noticed?___ **Salt/Salado** T:___B:___ **NW:** Cliff House fm___

FRESH WATER: Aquifer _____ Max Depth_____ **HYDRO AFFIRM STATEMENT By Qualified Person** ◯

NMOSE Basin: Leq **CAPITAN REEF:** thru___ adj___ NA___ **No. GW Wells in 1-Mile Radius?** (1) FW Analysis? Y

Disposal Fluid: Formation Source(s) San Andres Analysis? _____ On Lease ◯ Operator Only ◯ or Commercial ◯

Disposal Interval: Inject Rate (Avg/Max BWPD) N/A 10K Protectable Waters?___ Source:_____ System: Closed or Open

HC Potential: Producing Interval?___ Formerly Producing? Y Method: Logs/DST/P&A/Other_____ 2-Mi Radius Pool Map ◯

AOR Wells: 1/2-M Radius Map and Well List? Y **No. Penetrating Wells:** 12 [AOR Horizontals: 0 AOR SWDs: 0]

Penetrating Wells: No. Active Wells 2 Num Repairs?___ on which well(s)?_____ Diagrams?_____

Penetrating Wells: No. P&A Wells 10 Num Repairs?___ on which well(s)? _____ Diagrams?_____

NOTICE: Newspaper Date NMA Mineral Owner NA Surface Owner Kinsolv N. Date 11/06/2018

RULE 26.7(A): Identified Tracts? Y Affected Persons: Special Energy (Applicant) N. Date N/A

Order Conditions: Issues: Applicant Shall P&A GLAD WALLACE #2 30-025-07115

Additonal COAs: (2) Applicant Shall P&A U.U. WALLACE #2 30-025-07114