

8/04/2014 DATE IN	SUSPENSE	PRG ENGINEER	8/29/2014 LOGGED IN	SWD TYPE	PMAM/421735571 APP NO.
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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] -SWD-558-A
- [A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD OG, S.W.D. L.L.C.
- Check One Only for [B] or [C] NO OGRID
- [B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM well
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☒ SWD ☐ IPI ☐ EOR ☐ PPR -State AK SWD
- [D] Other: Specify _____ 30-025-21800
- [D] _____ Pool
- [D] _____ -SWD, State AK SWD
- [D] _____ 96188
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☐ Does Not Apply
- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☐ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached
- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Billy E. Prichard
Print or Type Name

Billy E. Prichard
Signature

Agent
Title

7/21/14
Date

billy@pwlle.net
e-mail Address



Pueblo West Resources
125 Greathouse Village
Decatur, Texas 76234
432-934-7680

July 21, 2014

Per the rules and regulations of the New Mexico Oil Conservation Division please find enclosed a copy of NMOCD form C108

06 SWD, L.L.C., PO Box 553, Lovington, New Mexico 88260 has filed form C-108 (Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval to return to active service SWD-558 the State AK SWD # 1, API #30-025-21800, 660 FSL X 1980 FWL, Unit Letter "N", Section 10, Township 11 South, Range 33 East, Lea county, New Mexico from a shut in salt water disposal well to a commercial Strawn salt water disposal well. The disposal interval would be the Strawn formation through perforations from 9500-10151 feet. Disposal fluid would be produced water trucked in from numerous producing wells in the area.

Anticipated disposal rate of 1000 BWPD with a maximum disposal rate of 1500 BWPD. Anticipated disposal pressure 0 (Zero) psi with a maximum disposal pressure of 1900 psi.

Well is approximately 21 miles northwest of Tatum, New Mexico.

All interested parties opposing the aforementioned must file objections with the New Mexico Oil Conservation Division


1220 South St. Francis Drive

Santa Fe, New Mexico 87505 with in 15 days.

Additional information can be obtained by contacting Billy Prichard 432-934-7680

Billy(Bill) E. Prichard
Pueblo West Consulting
Email; billy@pwllc.net
www.pwllc.net

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: _____ Secondary Recovery _____ Pressure Maintenance X Disposal _____ Storage
Application qualifies for administrative approval? X Yes _____ No
- II. OPERATOR: **06 SWD, L.L.C.**
ADDRESS: **PO Box 553 Lovington, NM 88260**
CONTACT PARTY: **Billy E. Prichard** PHONE: **432-934-7680**
- III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? X Yes _____ No
If yes, give the Division order number authorizing the project: **SWD-558**
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
 2. Whether the system is open or closed;
 3. Proposed average and maximum injection pressure;
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
 5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- *VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- *X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
- *XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
- NAME: **Billy E. Prichard** TITLE: **Agent for 06 SWD, L.L.C.**
SIGNATURE:  DATE: 7/21/14
E-MAIL ADDRESS: **billy@pwllc.net**
- * If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____

**06 SWD, L.L.C.
State AK SWD # 1
API # 30-025-21800
660 FSL x 1980 FWL
Unit Letter "N", Section 10, T11S, R33E NMPM
Lea County, New Mexico**

C108 (Application for Authorization to Inject)

I.

The purpose of this application is to convert the State AK SWD # 1 from a shut in salt water disposal well to an active commercial salt water disposal well by reinstating of SWD -558.

The application qualifies for administrative approval.

II.

**Operator: 06 SWD, L.L.C.
Address: PO Box 553 Lovington, NM 88260
Contact Party: Billy E. Prichard Phone: 432-934-7680**

III.

Please see Exhibit "A" for well data

IV.

This is an not expansion of an existing project.

V.

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

VI.

Please see Exhibit "C" for Area of Review data

VII.

- 1. Anticipated disposal rate is 1000 BWPD with a maximum disposal rate of 1500 BWPD.**
- 2. The system will be open.**
- 3. Anticipated disposal press is 0(Zero)psi with a maximum disposal pressure of 1900 psi.**
- 4. Disposed fluid will be trucked in from producing wells in the immediate area. Please see Exhibit D for disposal fluid analysis**
- 5. Please see Exhibit "D" for Strawn water analysis.**

VIII.

The proposed disposal interval is the Strawn formation 9500-10151 feet.



06 SWD, L.L.C.
State AK SWD # 1
API # 30-025-21800
660 FSL x 1980 FWL
Unit Letter "N", Section 10, T11S, R33E NMPM
Lea County, New Mexico

C108 (Application for Authorization to Inject

Fresh water is in the alluvial fill from the surface to the top of the Red Bed.

IX.

Acid stimulation will be based on initial injection rate after repairs

X.

Logs and completion data filed by previous operators.

XI.

Please see Exhibit "E" fresh water analysis

XII.

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

XIII.

Please see Exhibit "F" for Legal Notice and Proof of Notify

Billy E. Prichard
Agent for 06 SWD, L.L.C.



Date 7/21/14

Page 2 of 2



www.pwllc.net

06 SWD, L.L.C.
State AK SWD # 1
API # 30-025-21800
660 FSL x 1980 FWL
Unit Letter "N", Section 10, T11S, R33E NMPM
Lea County, New Mexico

Well Data

Data obtained from records maintained by NMOCD

Spud 7/2/1966 by Texas Pacific Oil Company as Pennsylvania test.

13 3/8" 48# casing set at 368 feet in 17 1/2" hole. Cemented with 425 sacks cement. Cement circulated to surface.

8 5/8" 24# & 32# casing set at 3777 feet in 11" hole. Cemented with 700 sacks cement. Cement circulated to surface.

5 1/2" 15.50# & 17# casing set at 10200 feet in 7 7/8" hole. Cemented with 525 sacks cement. Top of cement at 7865 feet by temperature survey

Perforations

9500 feet to 10151 feet

Well converted to salt water disposal 8/13/1994 per SWD-558



www.pwllc.net

Exhibit "A"

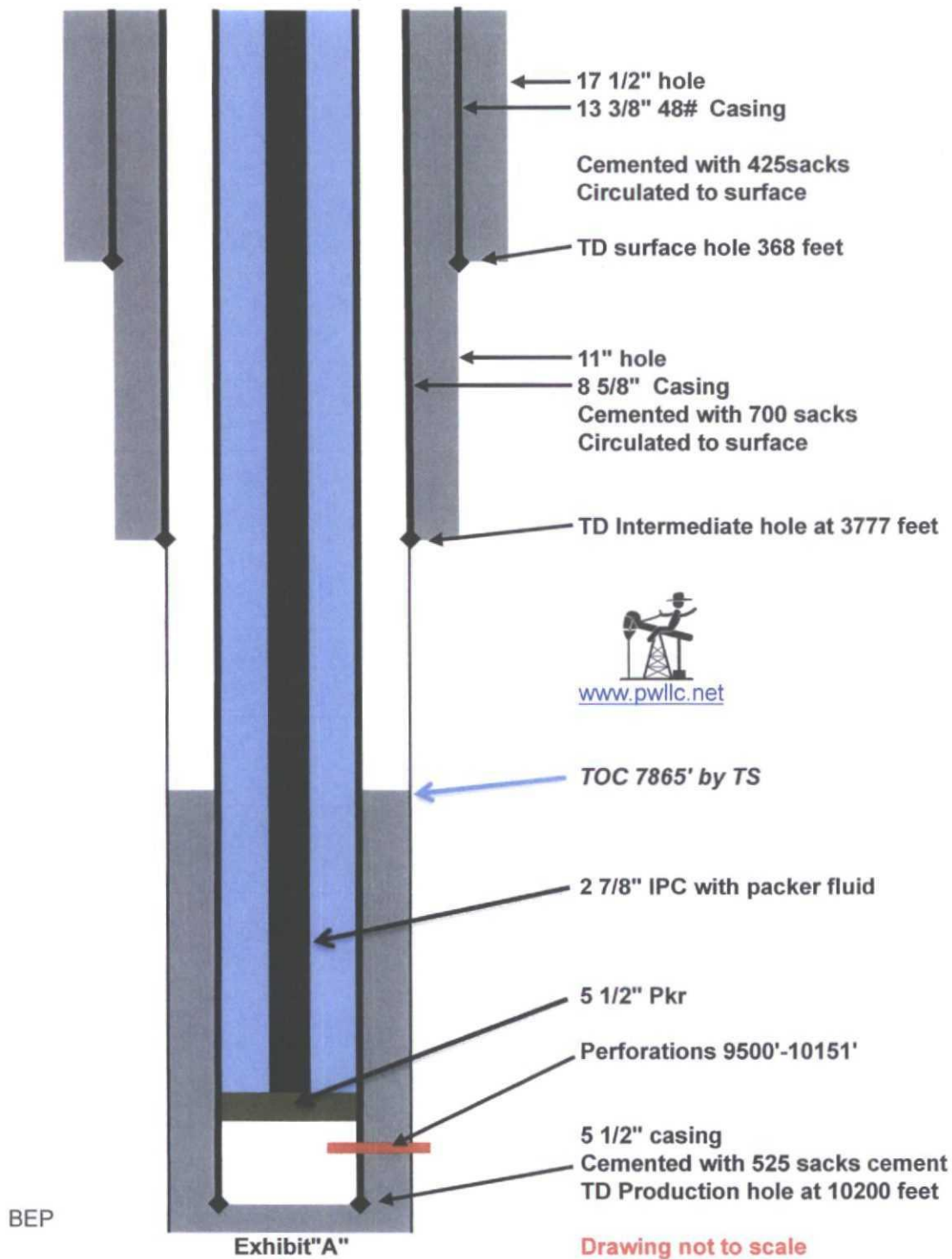
State AK SWD # 1

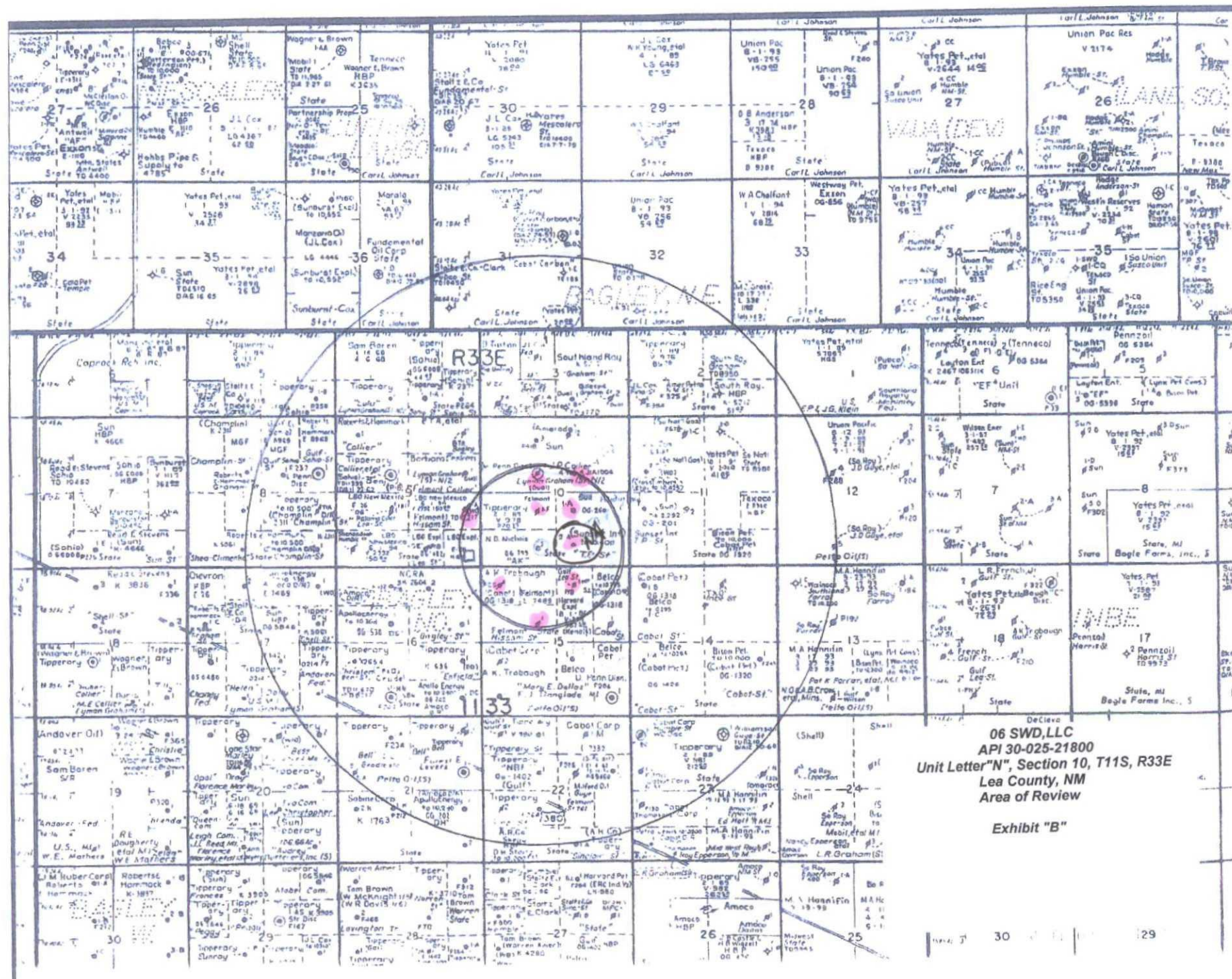
API 30-025-21800

660 FSL X 1980 FWL

Unit Letter N, Section 10, T11S, R33E

Lea County, New Mexico





06 SWD, LLC
API 30-025-21800
Unit Letter "N", Section 10, T11S, R33E
Lea County, NM
Area of Review

Exhibit "B"

06 SWD, L.L.C.
State AK SWD # 001
API 30-025-21800
Wells in AOR

	Name	Number	Operator	API	ULSTR	TD	Status	
1	TPA State	2	Weststar	3002522013	O-10-11S-33E	4500	Plugged	✓ NA
2	TPA State	1	Oxy	3002521868	J-10-11S-33E	10300	Active	✓
3	Pre-Ongard	1	Pre-Ongard	3002500995	K-10-11S-33E	10121	Plugged	✓
4	JP Collier	1	Pride	3002500996	F-10-11S-33E	11750	Active	✓
5	JP Collier	4Y	Pride	3002522133	G-10-11S-33E	10200	Active	✓
6	Pre-Ongard	4	Pre-Ongard	3002522114	G-10-11S-33E	1006	Plugged	✓ NA
7	Pre-Ongard	1	Pre-Ongard	3002522086	B-15-11S-33E	10200	Plugged	✓
8	Pre-Ongard	1	Pre-Ongard	3002522184	D-15-11S-33E	10258	Plugged	✓
9	Pre-Ongard	1	Pre-Ongard	3002520158	F-15-11S-33E	10224	Plugged	✓
10	Pre-Ongard	1	Pre-Ongard	3002520677	I-9-11S-33E	10217	Plugged	✓

10 well located in 0.5 mile area of review

2 wells do not penetrate the disposal interval

Exhibit "C"

8 wells —
 3 active —
 8
 5/6 P&A
 1/6



www.pwllc.net

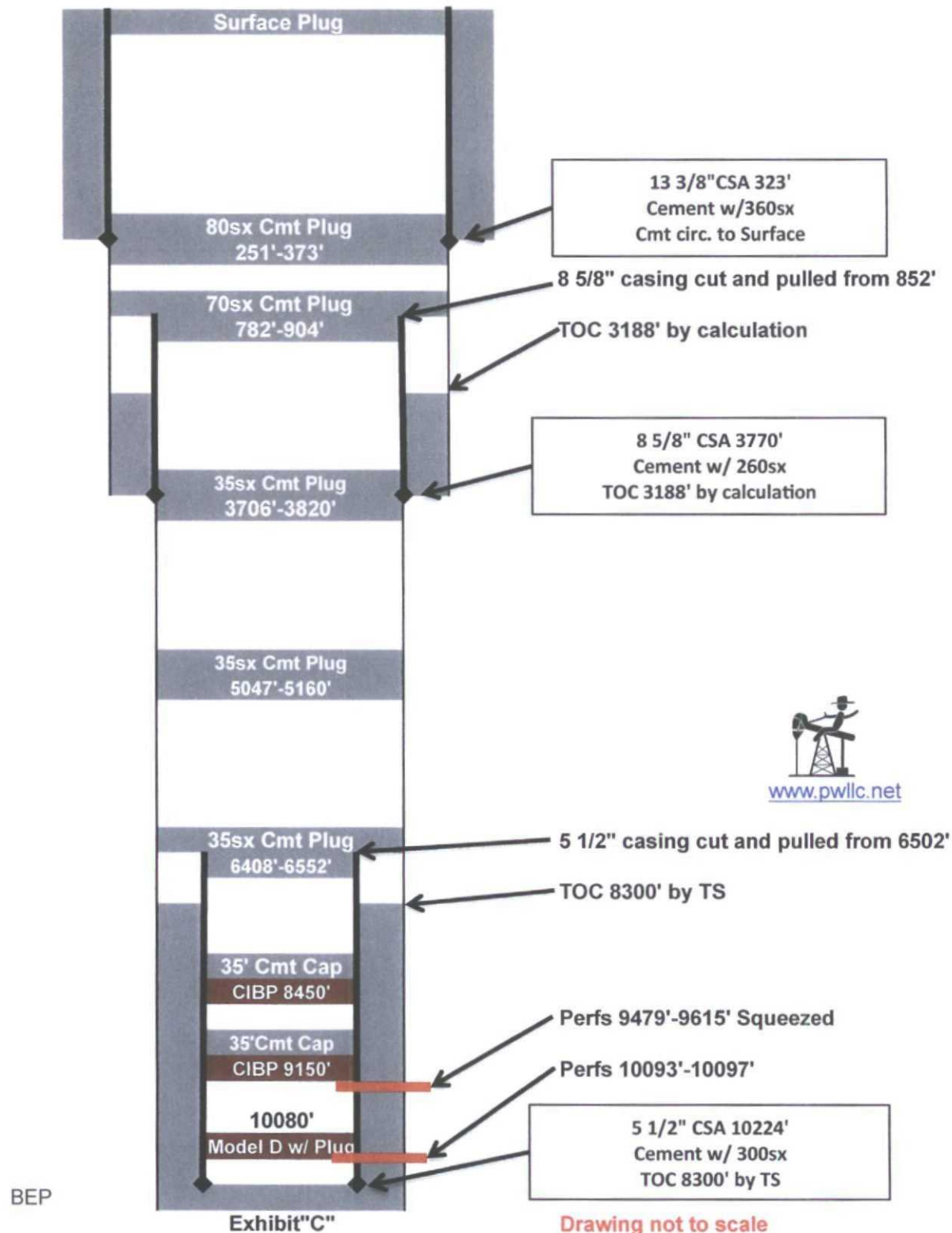
Hisson State # 1

API 30-025-20158

Unit Letter F, Section 15, T11S, R33E

Lea County, New Mexico

Pre-ongard well and operator



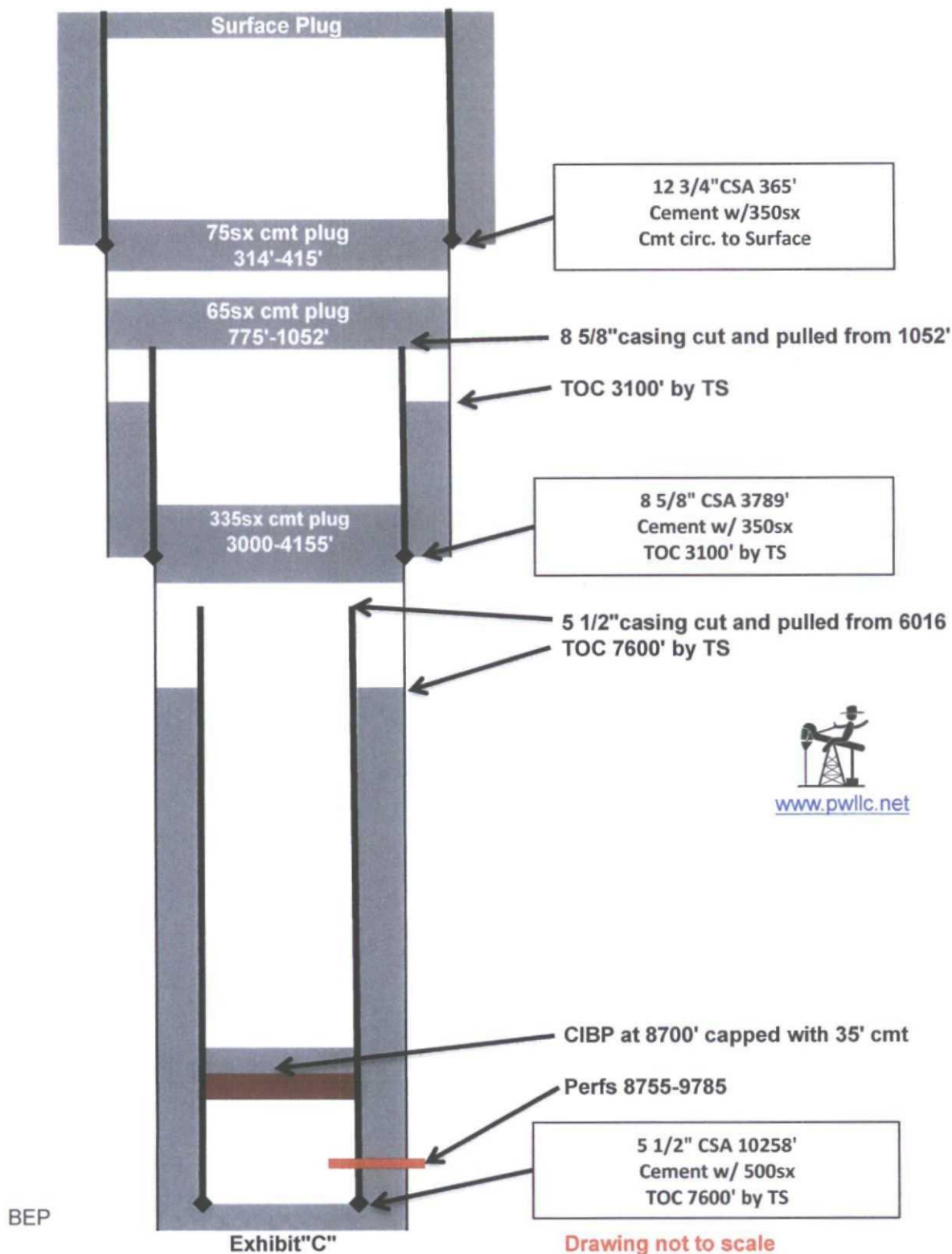
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API 30-025-22184

Unit Letter D, Section 15, T11S, R33E

Lea County, New Mexico

Pre-ongard well and operator



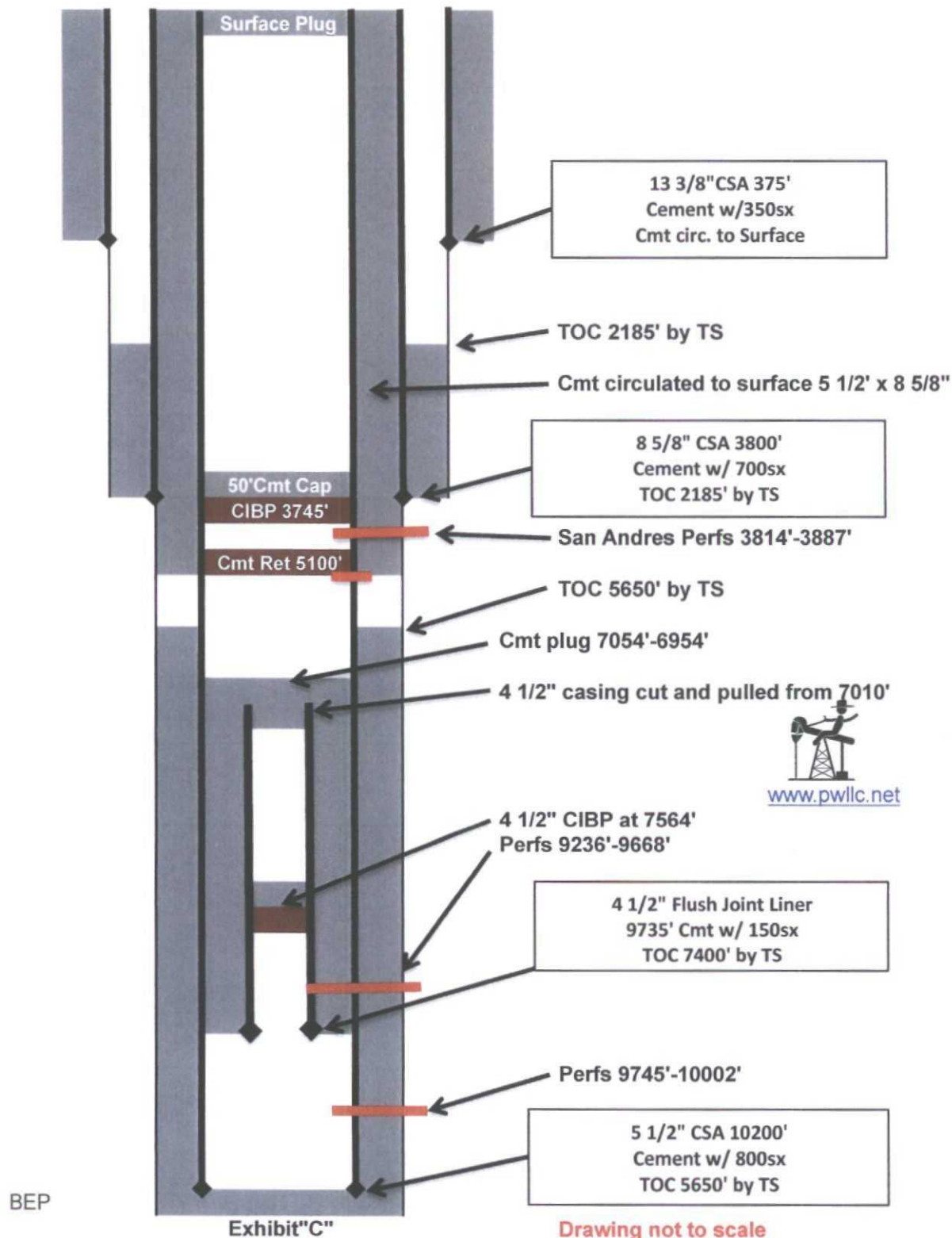
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API 30-025-22086

Unit Letter B, Section 15, T11S, R33E

Lea County, New Mexico

Pre-Ongard well and operator

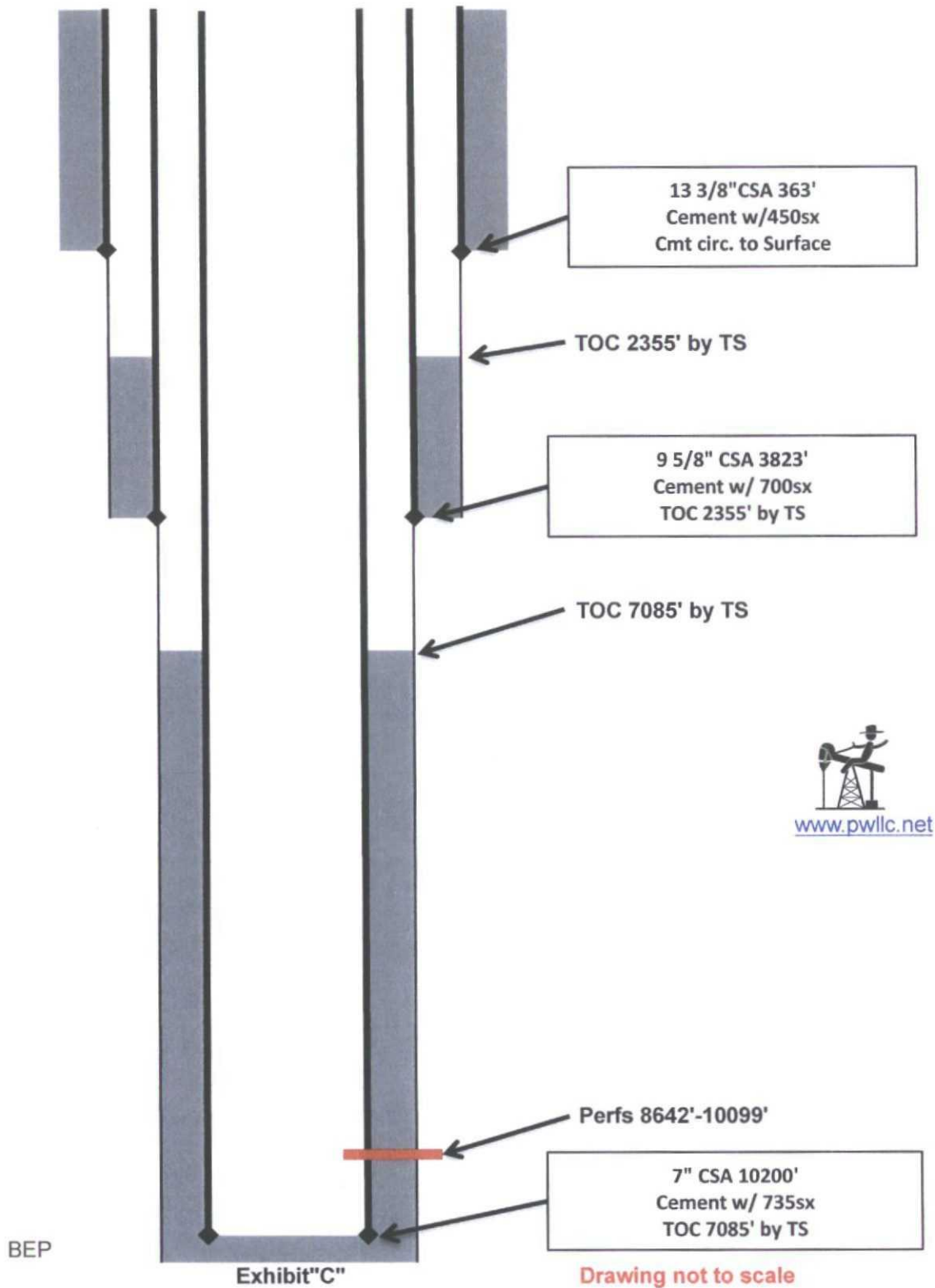


JP Collier 4Y

API 30-025-22133

Unit Letter G, Section 10, T11S, R33E

Lea County, New Mexico

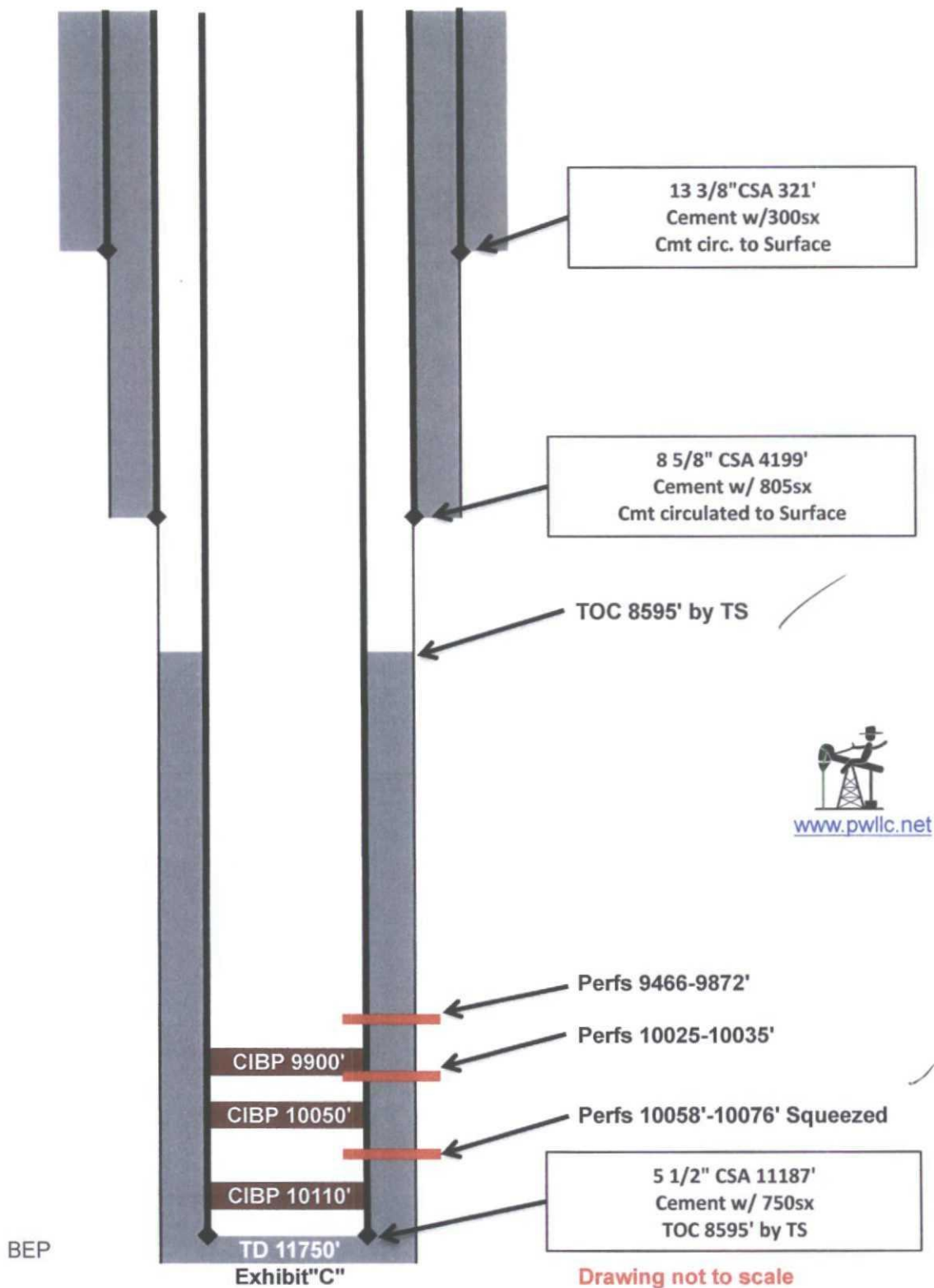


JP Collier

API 30-025-00996

Unit Letter F, Section 10, T11S, R33E

Lea County, New Mexico



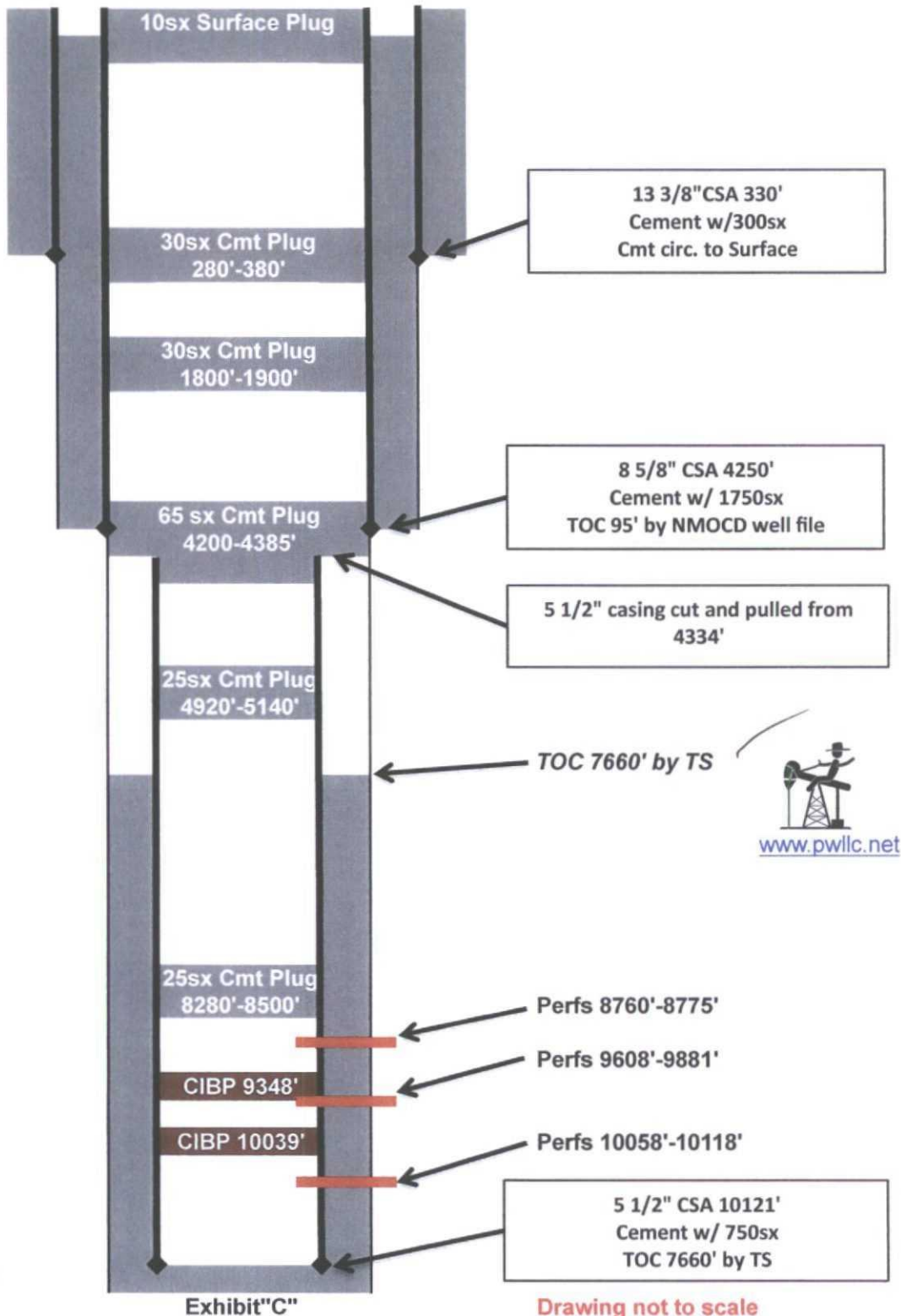
State F # 1

API 30-025-00995

Unit Letter K, Section 10, T11S, R33E

Lea County, New Mexico

Pre-Ongard well and operator

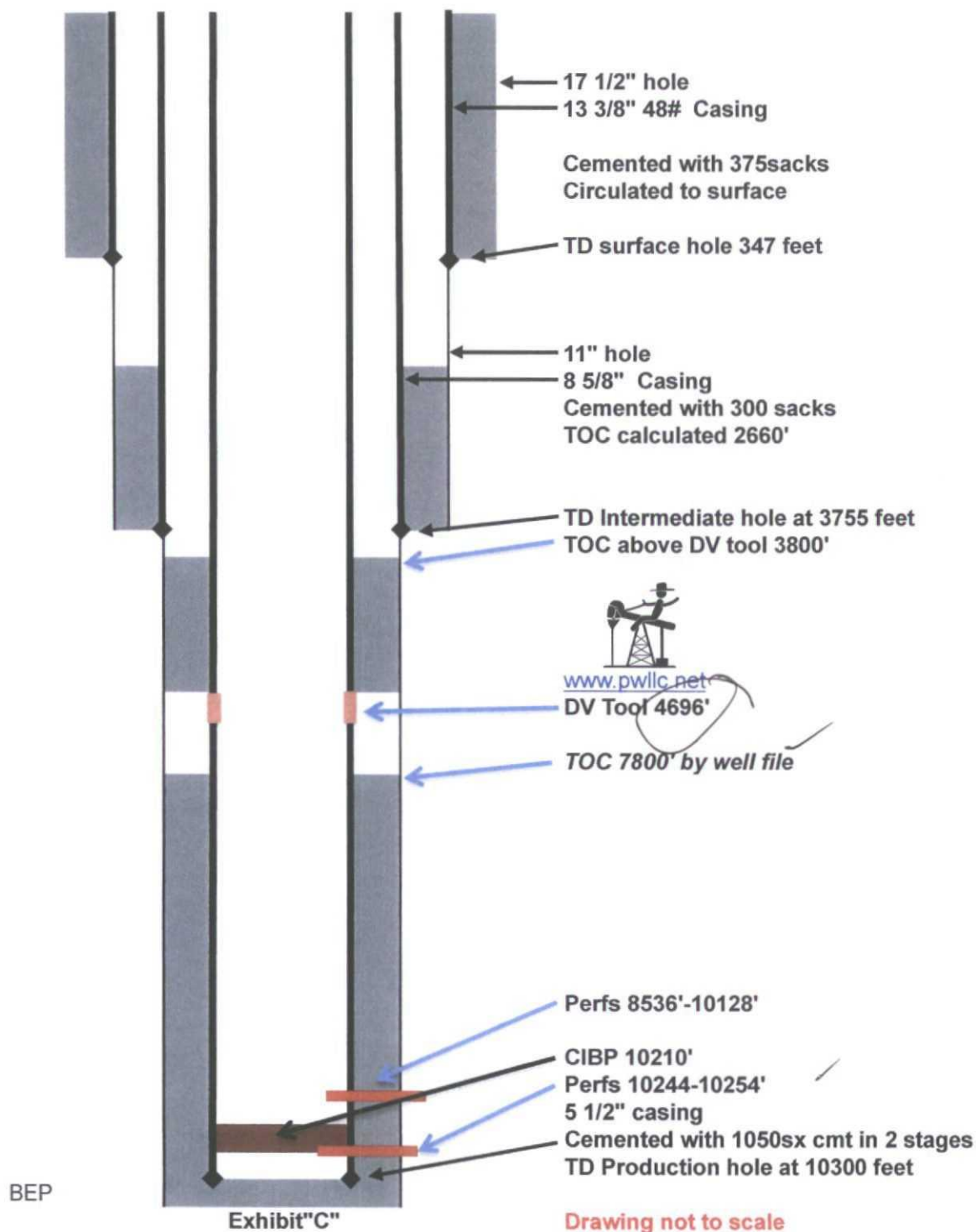


TPA State #1

API 30-025-21868

Unit Letter J, Section 10, T11S, R33E

Lea County, New Mexico



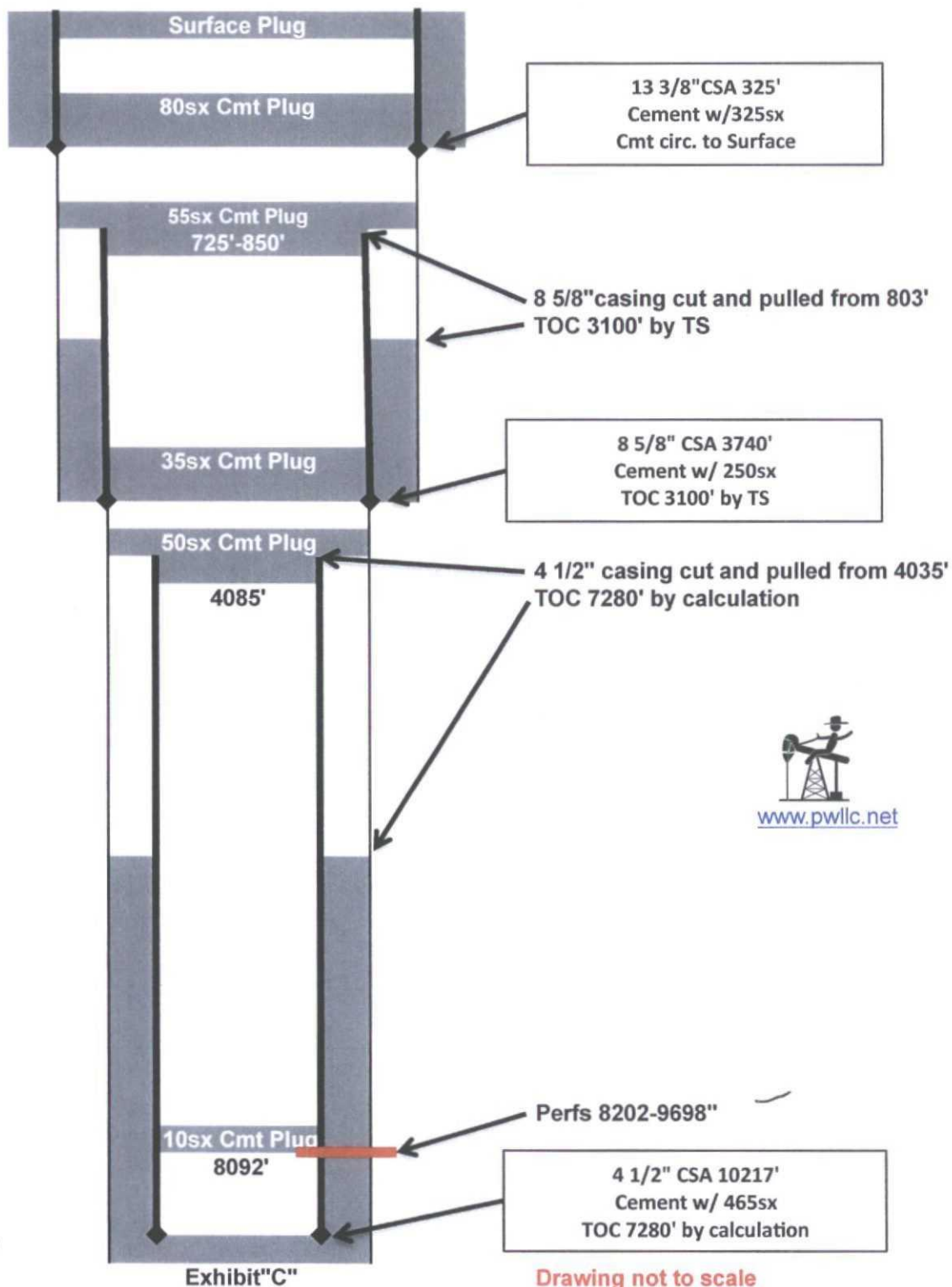
Hissom A State # 1

API 30-025-20677

Unit Letter I, Section 9, T11S, R33E

Lea County, New Mexico

Pre-ongard well and operator



06 SWD,L.L.C.
State AK SWD # 1
30-025-21800
Water analysis
Data obtained from Go-Tech

Stawn Produced Water

API	TDS	Chlorides
30-025-34073	72615	45588

Possible disposed fluid

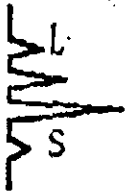
	TDS	Chlorides	Formation
30-025-01820	40992	23533	Devonian
30-025-01825	88019	53350	Penn
30-025-01827	45828	26600	Penn
30-025-01014	73630	42400	Penn
30-025-01047	45817	26290	Devonian

Exhibit"D"

BEP



www.pwllc.net



Laboratory Services
1331 Tasker Drive
Hobbs, New Mexico 88240
(505) 397-3713

WATER ANALYSIS

COMPANY LBO

SAMPLE Fresh Water from Windmill

SAMPLED BY KENT LEARLEY

DATE TAKEN JULY 13, 1993

REMARKS Located on OG State Lease

Nitrate	4.0
Barium as Ba	0
Carbonate alkalinity PPM	0
Bicarbonate alkalinity PPM	208
pH At Lab	7.14
Specific Gravity @ 60 F	1.000
Magnesium as Mg	164
Total Hardness as CaCO ₃	282
Chlorides as CL	70.6
Sulfate as SO ₄	145
Iron as Fe	0.25
Potassium	0.11
Hydrogen Sulfide	0
Conductivity mS/cm	0.78 @ 23.0° C
Total Dissolved Solids	380
Carbonate as CO ₃ G/L	0
Calcium as CA	118

Results reported as Parts Per Million Unless Stated.

Langelier Saturation Index • 0.52

Analysis By: Vickie Walker
Date: 7/14/93

Exhibit "E"

Legal Notice

06 SWD,L.L.C., PO Box 553, Lovington, New Mexico 88260 has filed form C-108 (Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval to return to active service SWD-558 the State AK SWD # 1, API #30-025-21800, 660 FSL X 1980 FWL, Unit Letter "N", Section 10, Township 11 South, Range 33 East, Lea county, New Mexico from a shut in salt water disposal well to a commercial Strawn salt water disposal well. The disposal interval would be the Strawn formation through perforations from 9500-10151 feet. Disposal fluid would be produced water trucked in from numerous producing wells in the area.

Anticipated disposal rate of 1000 BWPD with a maximum disposal rate of 1500 BWPD. Anticipated disposal pressure 0 (Zero) psi with a maximum disposal pressure of 1900 psi. Well is approximately 21 miles northwest of Tatum, New Mexico.


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

Exhibit "F"

[illegible]

That the notice which is hereto attached, entitled Legal Notice was published in a regular and entire issue of THE LOVINGTON LEADER and not in any supplement thereof, for one (1) day(s), beginning with the issue of July 10 , 2014 and ending with the issue of July 10 , 2014.

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


Joyce Clemens, Advertising Manager
Subscribed and sworn to before me this 10th
day of July, 2014.

Gina Fort
Gina Fort
Notary Public, Lea County, New Mexico
My Commission Expires June 30, 2018

Legal Notice

06 SWD, L.L.C., PO Box 553, Lovington, New Mexico 88260 has filed form C-108 (Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval to return to active service SWD-558 the State AK SWD # 1, API #30-025-21800, 660 FSL X 180° FWL, Unit Letter "N", Section 10, Township 11 South, Range 33 East, Lea county, New Mexico from a shut in salt water disposal well to a commercial Strawn salt water disposal well. The disposal interval would be the Strawn formation through perforations from 9500-10151 feet. Disposal fluid would be produced water trucked in from numerous producing wells in the area.

Anticipated disposal rate of 1000 BWP/D with a maximum disposal rate of 1500 BWP/D.

Anticipated disposal pressure 0 (Zero) psi with a maximum disposal pressure of 1900 psi.

Well is approximately 21 miles northwest of Tatum New Mexico.

All interested parties opposing the aforementioned must file objections with the New Mexico Oil Conservation Division, 1220 South St Francis Drive, Santa Fe New Mexico 87505 with in 15 days.

Additional information can be obtained by contacting Billy Pritchard 432-934 7680

Published in the Lovington Leader July 10 2014

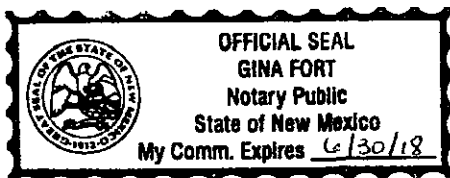
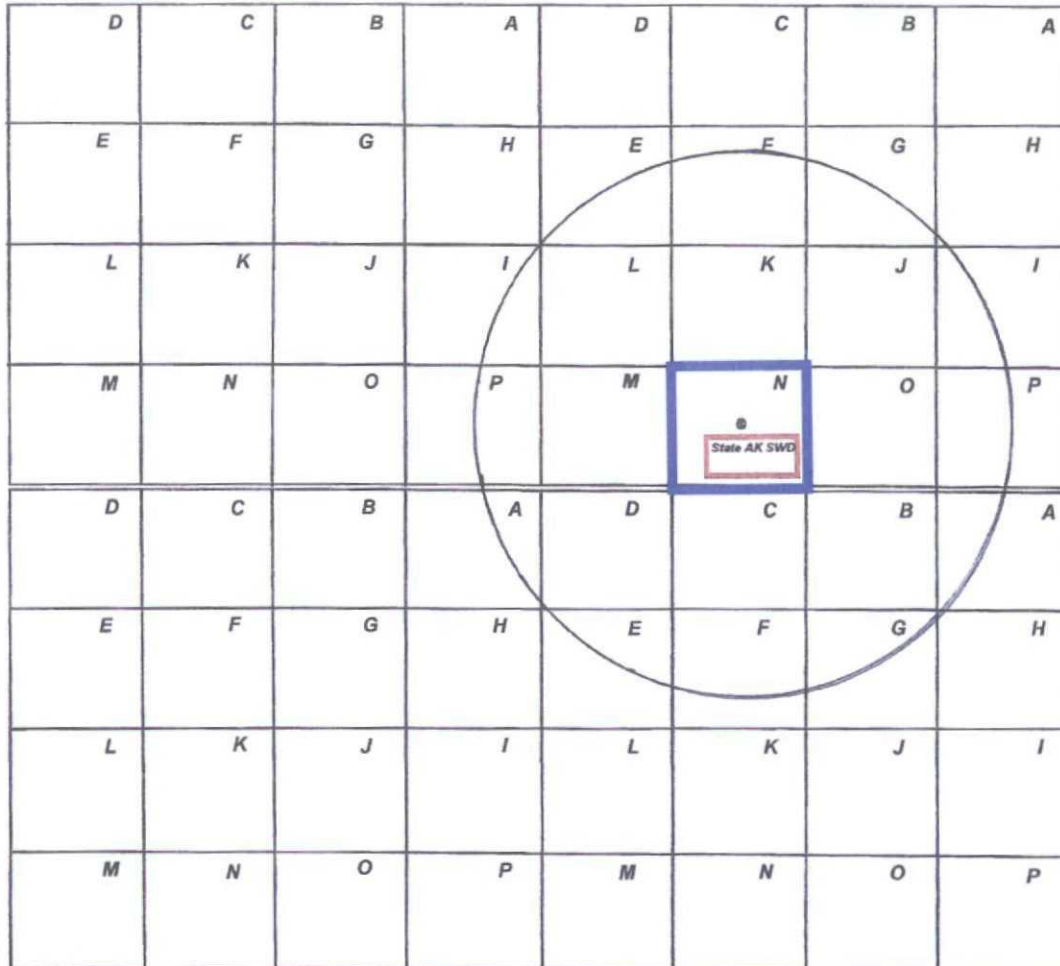


Exhibit "F"

06 SWD, L.L.C.
State AK SWD # 001
30-025-21800
Area of Review

Sec.9, T11S, R33E

Sec.10, T11S, R33E



Sec. 16, T11S, R33E

Sec.15, T11S, R33E

Surface Owner
State of New Mexico
New Mexico State Land Office
PO Box 1148 Santa Fe, NM 87504

Mineral Owner
New Mexico State Land Office

Surface Lessee
Pearce Trust
1717 Jackson Pecos, TX 79772

Mineral Lessee
The Blanco Company
PO Box 25968 Albuquerque, NM 87125

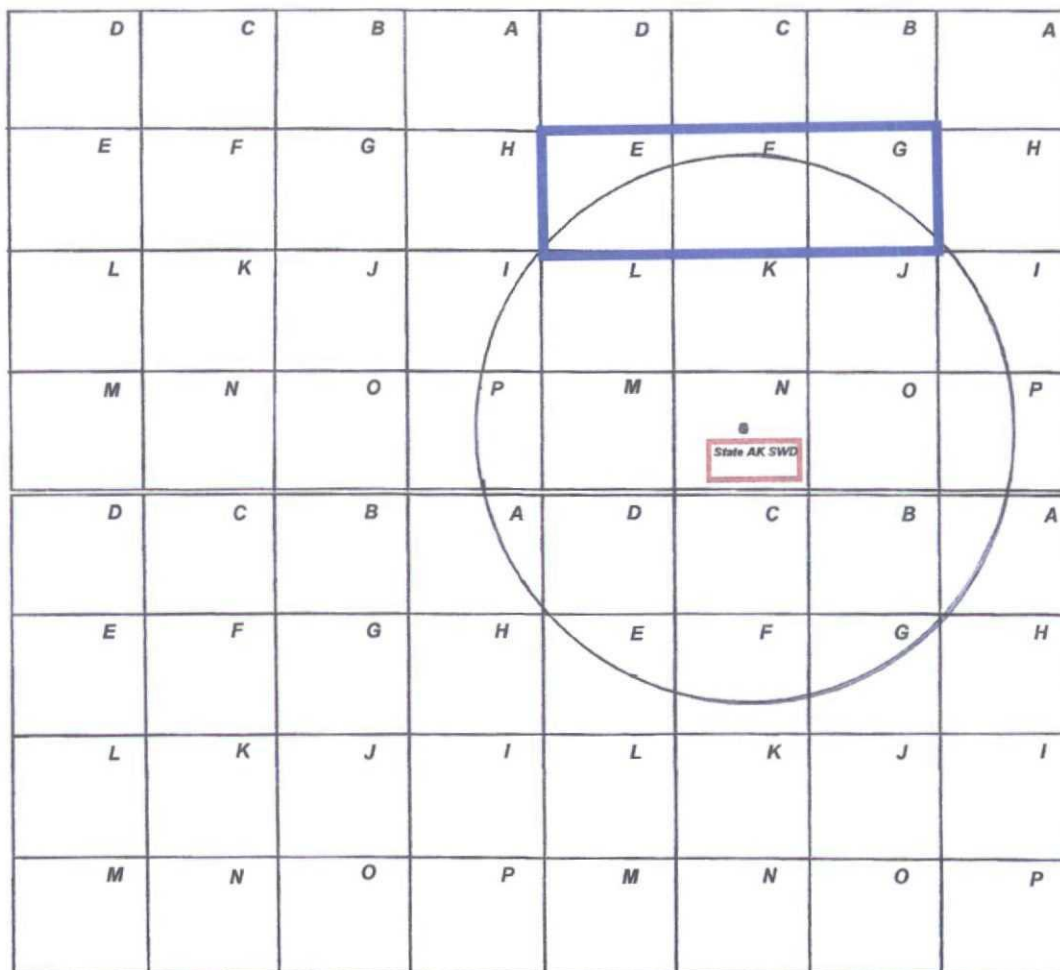
Salt Water Disposal Lease
06 SWD, LLC
PO Box 553 Lovington, NM 88260

✓

06 SWD, L.L.C.
State AK SWD # 001
30-025-21800
Area of Review

Sec.9, T11S, R33E

Sec.10, T11S, R33E



Sec. 16, T11S, R33E

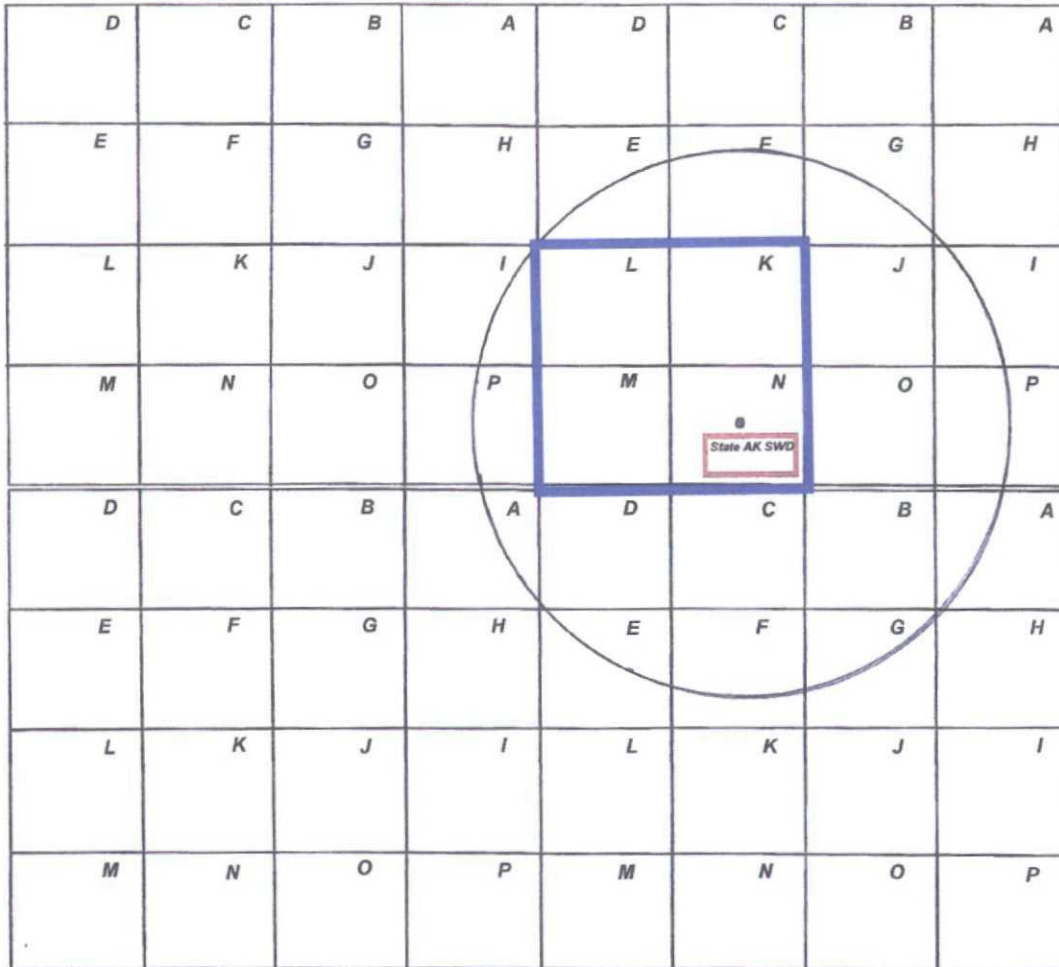
Sec.15, T11S, R33E

Mineral Lessee
Pride Energy Company
PO Box 701602 Tulsa, OK 74170

06 SWD, L.L.C.
State AK SWD # 001
30-025-21800
Area of Review

Sec.9, T11S, R33E

Sec.10, T11S, R33E



Sec. 16, T11S, R33E

Sec.15, T11S, R33E

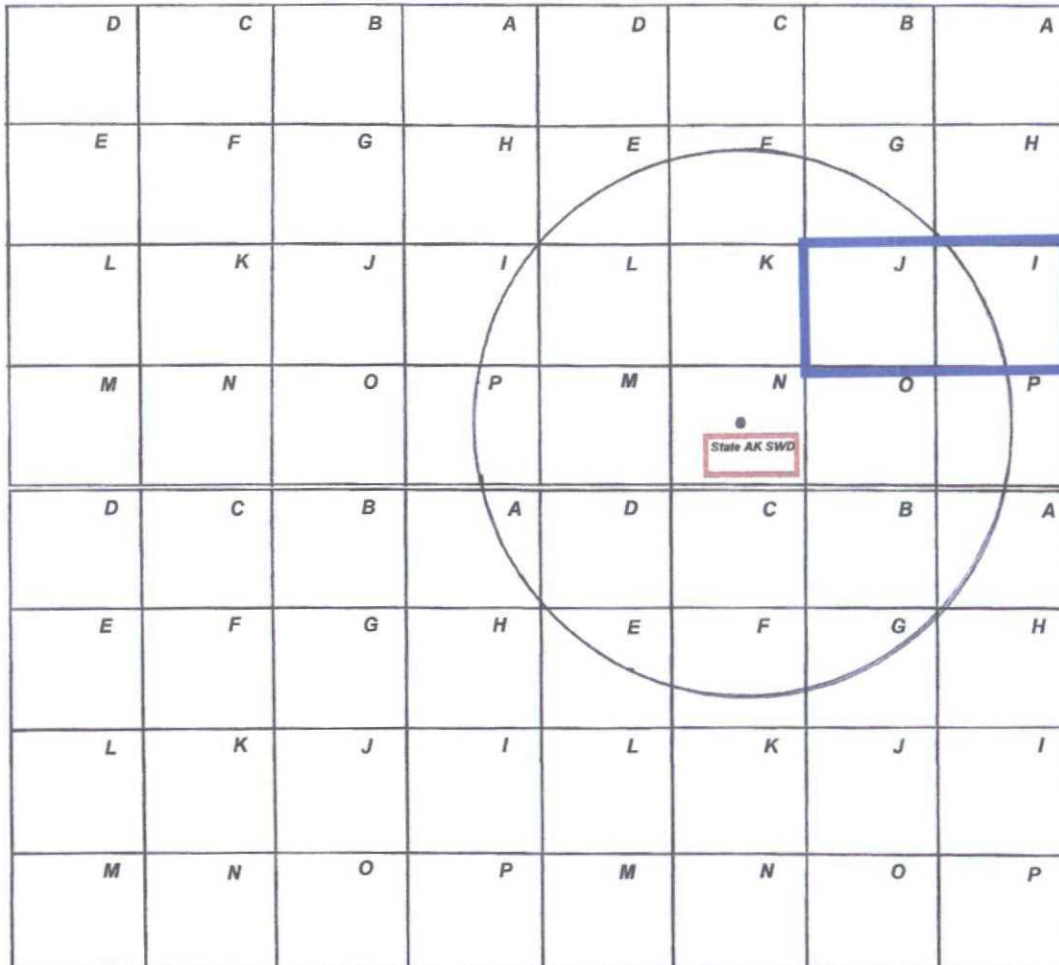
Mineral Owner
New Mexico State Land Office

Mineral Lessee
The Blanco Company
PO Box 25968 Albuquerque, NM 87125

06 SWD, L.L.C.
State AK SWD # 001
30-025-21800
Area of Review

Sec.9, T11S, R33E

Sec.10, T11S, R33E



Sec. 16, T11S, R33E

Sec.15, T11S, R33E

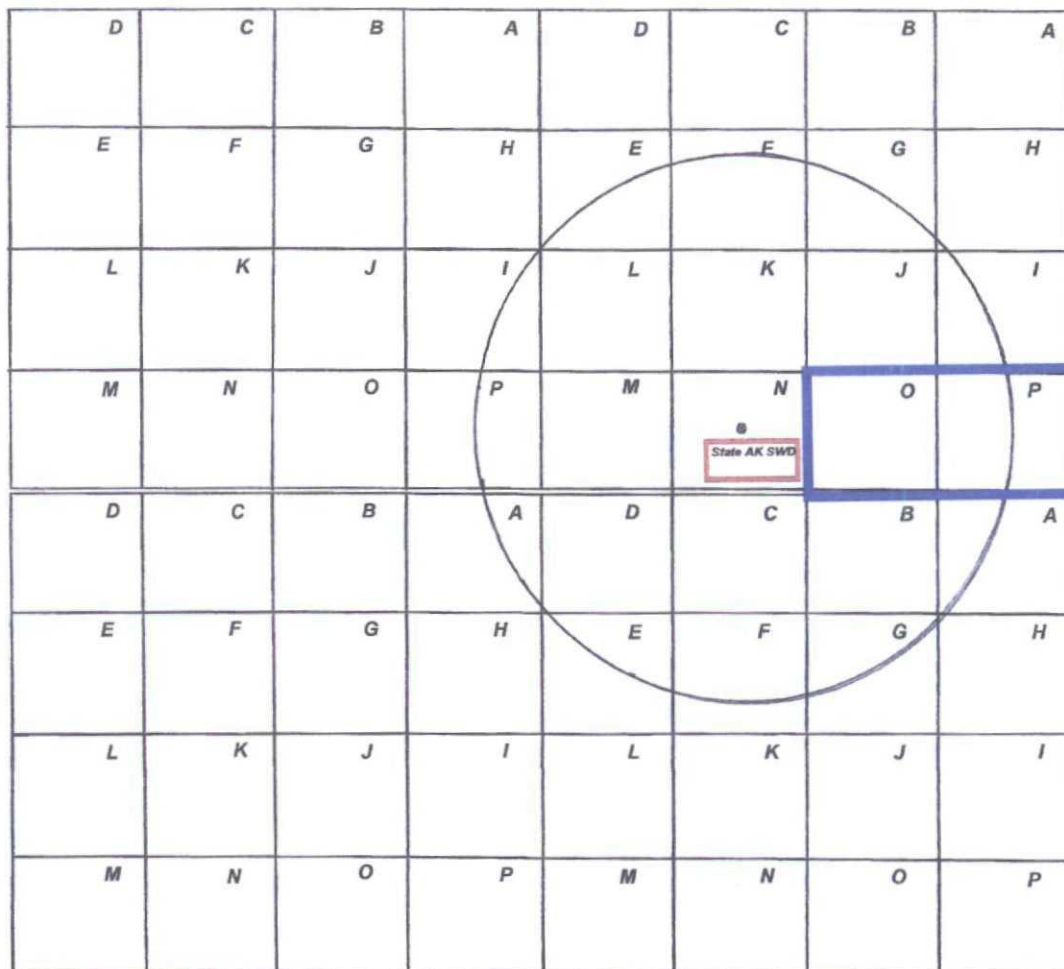
Mineral Owner
New Mexico State Land Office

Mineral Lessee
Oxy USA Inc - Oil
Carol Starks
PO Box 27757 Houston, TX 77227-7757

06 SWD, L.L.C.
State AK SWD # 001
30-025-21800
Area of Review

Sec.9, T11S, R33E

Sec.10, T11S, R33E



Sec. 16, T11S, R33E

Sec.15, T11S, R33E

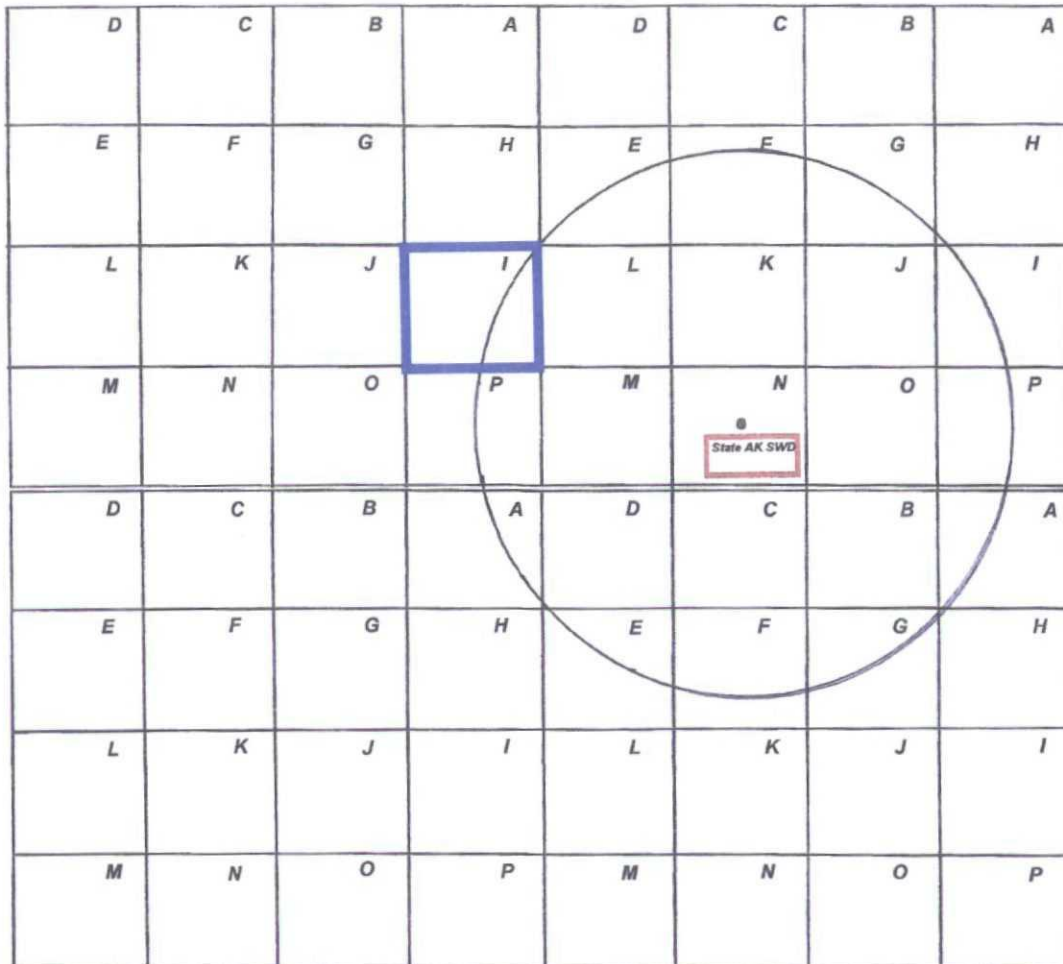
Mineral Owner
New Mexico State Land Office

Mineral Lessee
Musselman Owen & King Operating
911 Walker Suite 969 Houston, TX 77002

06 SWD, L.L.C.
State AK SWD # 001
30-025-21800
Area of Review

Sec.9, T11S, R33E

Sec.10, T11S, R33E



Sec. 16, T11S, R33E

Sec.15, T11S, R33E

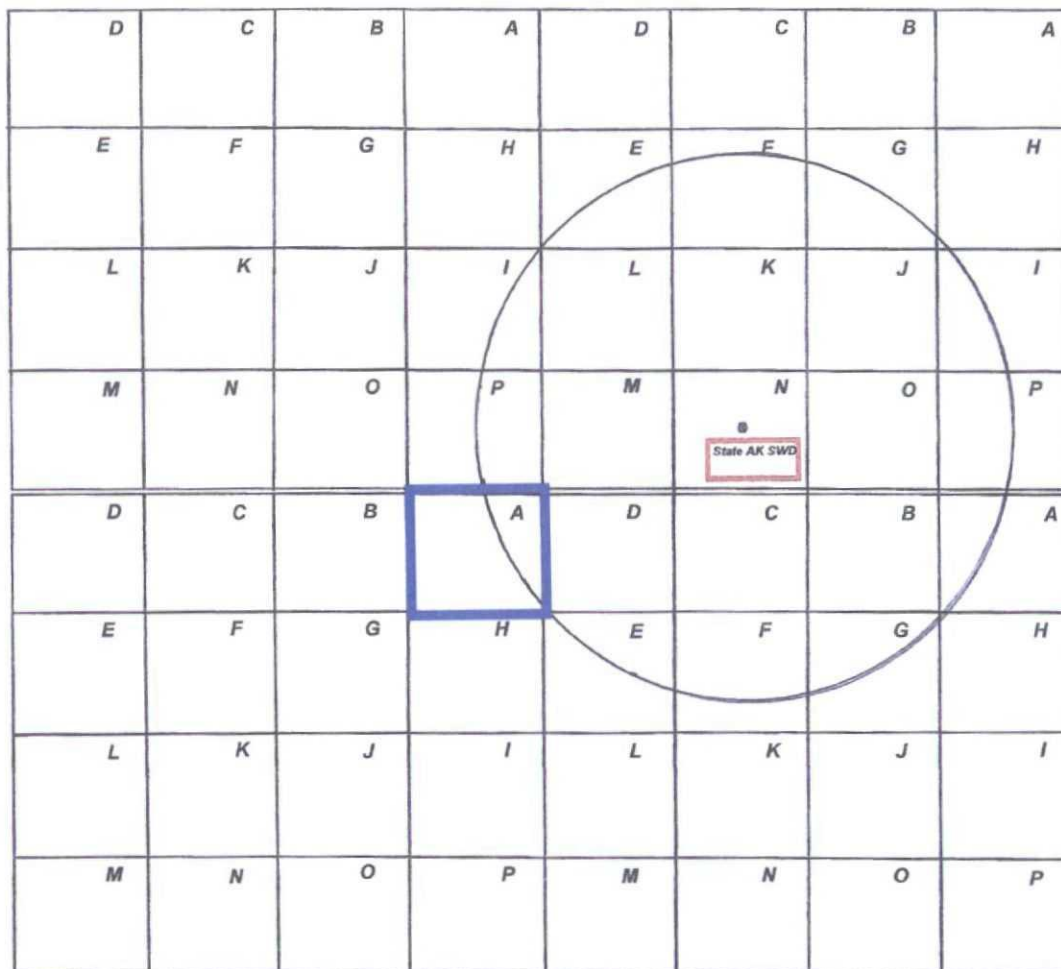
Mineral Owner
New Mexico State Land Office

Mineral Lessee
Un Leased - Open Acreage

06 SWD, L.L.C.
State AK SWD # 001
30-025-21800
Area of Review

Sec.9, T11S, R33E

Sec.10, T11S, R33E



Sec. 16, T11S, R33E

Sec.15, T11S, R33E

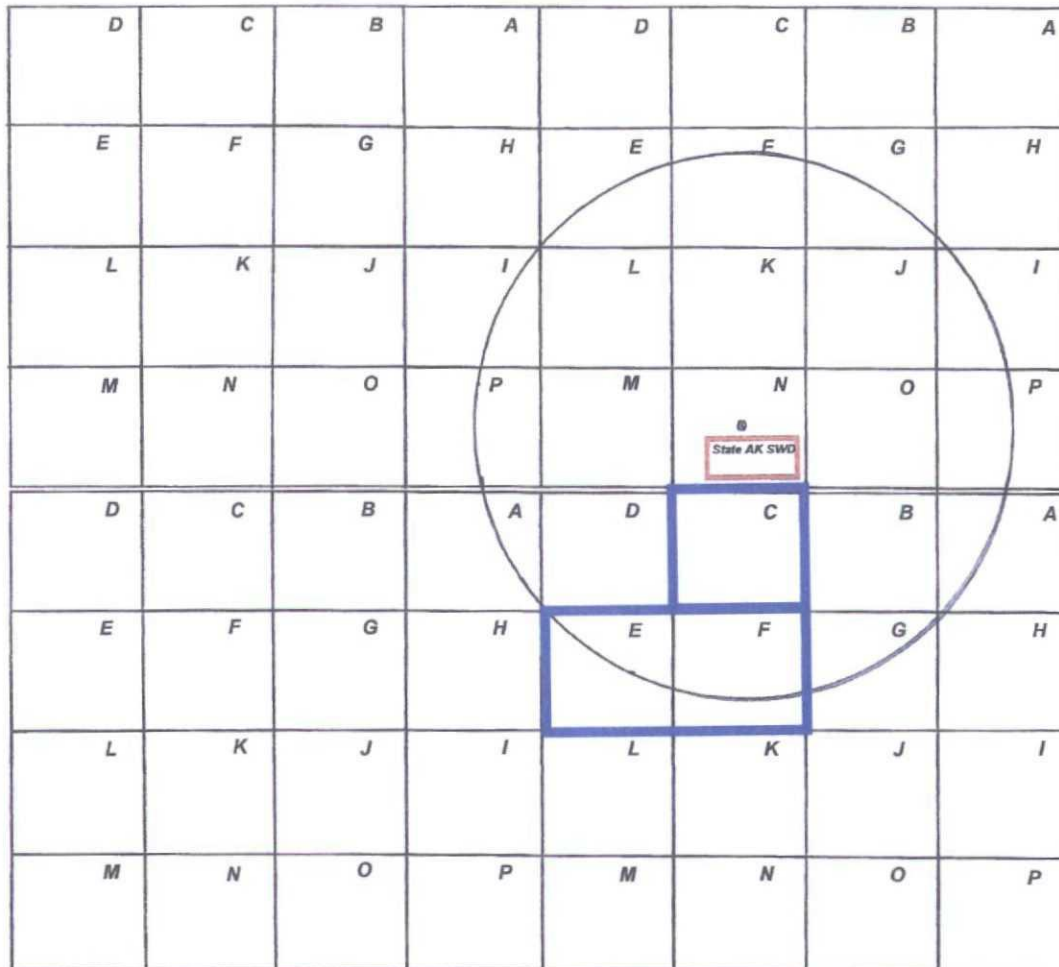
Mineral Owner
New Mexico State Land Office

Mineral Lessee
Featherstone Development Corporation
PO Box 429 Roswell, NM 88202

06 SWD, L.L.C.
State AK SWD # 001
30-025-21800
Area of Review

Sec.9, T11S, R33E

Sec.10, T11S, R33E



Sec. 16, T11S, R33E

Sec.15, T11S, R33E

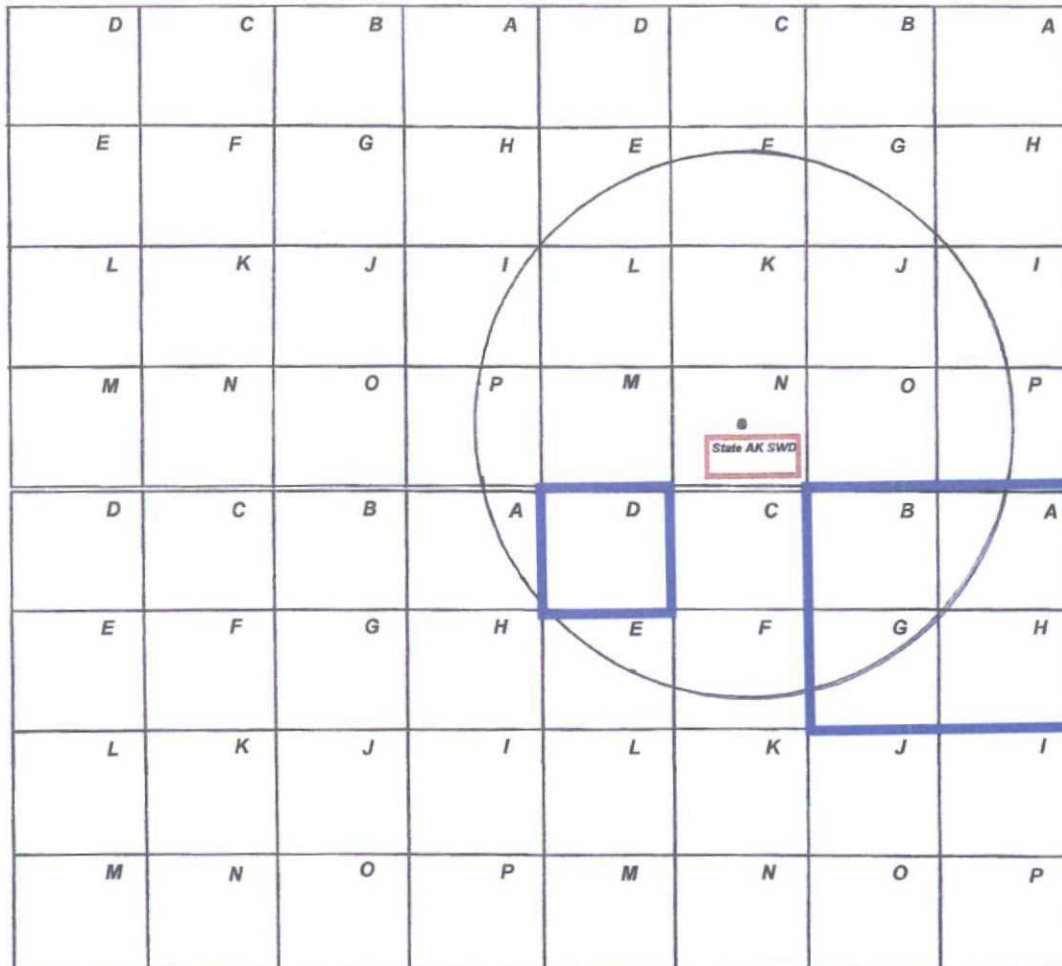
Mineral Owner
New Mexico State Land Office

Mineral Lessee
Occidental Permain, LTD
Karen M.Sinard PO Box 4294 Houston, TX 77210

06 SWD, L.L.C.
State AK SWD # 001
30-025-21800
Area of Review

Sec.9, T11S, R33E

Sec.10, T11S, R33E



Sec. 16, T11S, R33E

Sec.15, T11S, R33E

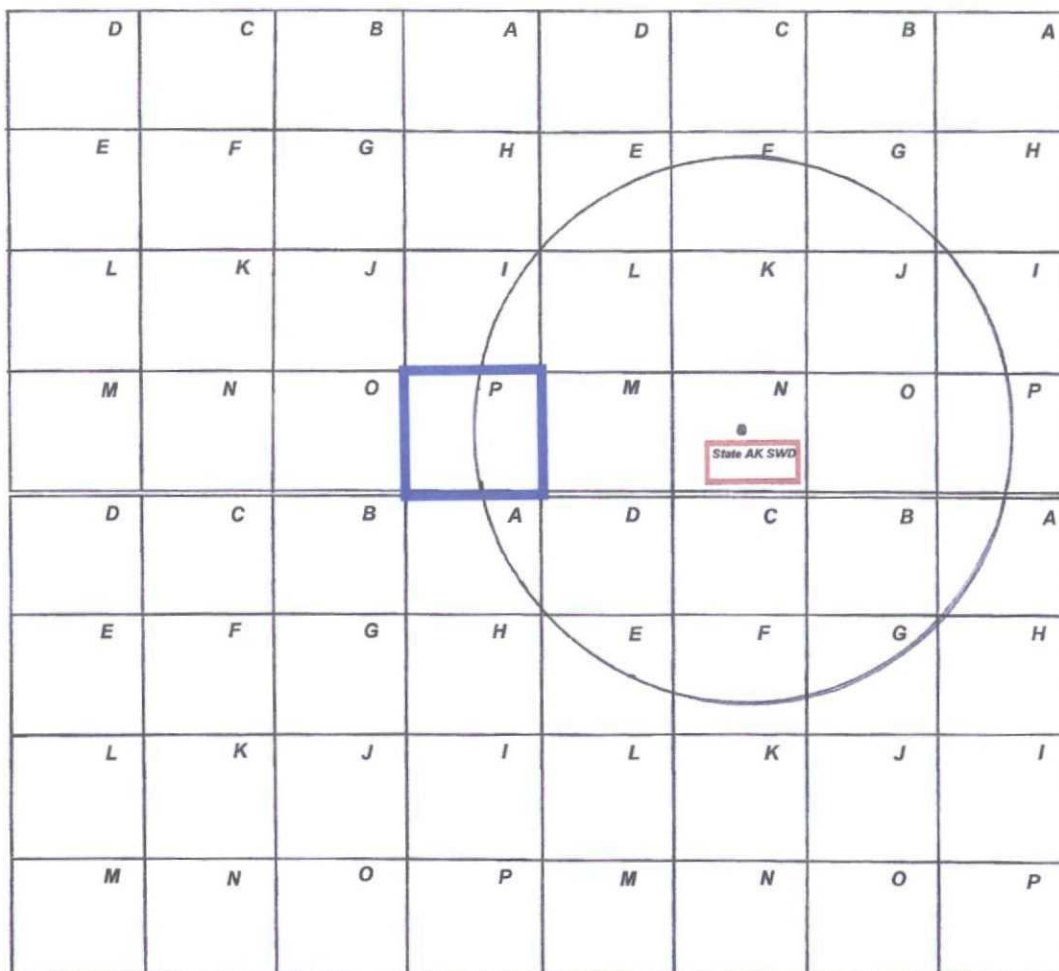
Mineral Owner
New Mexico State Land Office

Mineral Lessee
Legacy Reserves Operating, LP
Paul T. Horne PO Box 10848 Midland, TX 79702

06 SWD, L.L.C.
State AK SWD # 001
30-025-21800
Area of Review

Sec.9, T11S, R33E

Sec.10, T11S, R33E



Sec. 16, T11S, R33E

Sec.15, T11S, R33E

Mineral Owner
New Mexico State Land Office

Mineral Lessee
Chevron USA, Inc
Sandy Stedman-Daniel
1400 Smith Houston, TX 77002

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Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$8.03	07/22/2014

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1717 JACKSON
PECOS TX 797728260

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Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$8.03	07/22/2014

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CHEVRON USA INC
SANDY STEDMAN-DANIEL
1400 SMITH
HOUSTON TX 77002

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Total Postage & Fees	\$8.03	07/22/2014

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NM SLO
PO Box 1148
Santa Fe, NM 87504

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Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$8.03	07/22/2014

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PRIDE ENERGY COMPANY
PO BOX 701602
TULSA OK 74170

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Total Postage & Fees	\$8.03	07/22/2014

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NMOCD DISTRICT
1625 NORTH FRENCH DR
HOBBS NM 88240

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THE BLANCO COMPANY
PO BOX 25968
ALBUQUERQUE NM 87125

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OFFICIAL USE
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Return Receipt Fee (Endorsement Required)	\$2.70	Postmark Here
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total	\$8.03	07/22/2014

Sent To
PAUL T HORNE
PO BOX 10848
MIDLAND TX 79702

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HOUSTON TX 77210

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Certified Fee	\$3.30	01
Return Receipt Fee (Endorsement Required)	\$2.70	Postmark Here
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total	\$8.03	07/22/2014

Sent To
KAREN M SINARD
PO BOX 4294
HOUSTON TX 77210

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Certified Fee	\$3.30	01
Return Receipt Fee (Endorsement Required)	\$2.70	Postmark Here
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total	\$8.03	07/22/2014

Sent To
FEATHERSTONE CORP
PO BOX 429
ROSWELL NM 88202

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Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total	\$8.03	07/22/2014

Sent To
MUSSLEMAN OWEN &
KING OPERATING
911 WALKER STE 969
HOUSTON TX 77002

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Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total	\$8.03	07/22/2014

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OXY USA INC - OIL
CAROL STARKS
PO BOX 27757
HOUSTON TX 77227-7757

PS Form 3800, August 2006



C-108 Review Checklist: Received 08/05/14 Add. Request: _____ Reply Date: _____ Suspended: _____ [Ver 14]

PERMIT TYPE: WFX / PMX / SWD Number: 558-A Permit Date: 10/21/14 Legacy Permits/Orders: SWD-558

Well No. 1 Well Name(s): State Ak SWD [Commercial] Existing permit expired due to inactive period (+12 months)

API: 30-0 25-21800 Spud Date: 07/02/1966 New or Old: Old (UIC Class II Primacy 03/07/1982)

Footages 660 FSL / 1980 FWL Lot — or Unit N Sec 10 Tsp 11S Rge 33 E County Lea

General Location: ~6 mi. east of Caprock/n. of 16380 Pool: Barro-Pem Pool 3820 Pool No.: —
Bagley; North SWD; Strawn

BLM 100K Map: Tatum Operator: Ok SWD, LLC OGRID: 308397 Contact: B. Pinchard

COMPLIANCE RULE 5.9: Total Wells: 1 Inactive: 0 Fincl Assur: Yes Compl. Order? No IS 5.9 OK? Yes Date: 1/27/14

WELL FILE REVIEWED ☒ Current Status: Temp. shut-in; injection authority lost (LOI)

WELL DIAGRAMS: NEW: Proposed ☐ or RE-ENTER: Before Conv. ☐ After Conv. ☒ Logs in Imaging: No change

Planned Rehab Work to Well: None - no changes to well - use existing perforations

Well Construction Details		Sizes (in)	Setting Depths (ft)	Cement	Cement Top and Determination Method
Planned or Existing	Surface	Borehole / Pipe	Stage Tool	6x or Cf	
Planned or Existing	Surface	17 1/2 / 13 3/8	0 to 368	425	Cir. to Surface
Planned or Existing	Interm/Prod	11 / 8 5/8	0 to 3777	700	Cir. to Surface
Planned or Existing	Interm/Prod	5 1/2	0 to 10200	625	7865' by TS
Planned or Existing	Prod/Liner	—	—	—	—
Planned or Existing	Liner	—	—	—	—
Planned or Existing	OH / PERR	9500-10151	9500-10151	Inj Length 651	Completion/Operation Details:
Injection Lithostratigraphic Units:		Depths (ft)	Injection or Confining Units	Tops	
Adjacent Unit: Litho. Struc. Por.			WC		Drilled TD 10200 PBDT —
Confining Unit: Litho. Struc. Por.		140	Strawn Canyon	9350	NEW TD No change NEW PBDT No change
Proposed Inj Interval TOP:		9500	Strawn Canyon	9450	NEW Open Hole 16 or NEW Perfs 16
Proposed Inj Interval BOTTOM:		10151	Strawn	10054	Tubing Size 2 7/8 in. Inter Coated? YES
Confining Unit: Litho. Struc. Por.		—	Atoka (deeper than)	?	Proposed Packer Depth NA ft
Adjacent Unit: Litho. Struc. Por.			Morrow	10200	Min. Packer Depth 9400 (100-ft limit)
AOR: Hydrologic and Geologic Information					
POTASH: R-111-P		Noticed? NA	BLM Sec Ord	Noticed? NA	SALT/SALADO T: — B: — CLIFF HOUSE
FRESH WATER: Aquifer		Shallow Alluvial / Ogallala	Max Depth	< 200 / 100	HYDRO AFFIRM STATEMENT By Qualified Person
NMOSE Basin:		Lea	CAPITAN REEF: thru	add	No. Wells within 1-Mile Radius? 11 FW Analysis
Disposal Fluid: Formation Source(s)		Devonian / Penn Perm	Analysis?	Yes	On Lease Operator Only or Commercial
Disposal Int: Inject Rate (Avg/Max BWPD):		1000/1500	Protectable Waters?	No	Source: Historical 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?	Yes	Total No. Wells Penetrating Interval: 8 Horizontals? 0
Penetrating Wells: No. Active Wells		3	Num Repairs?	0	on which well(s)? — Diagrams? Yes
Penetrating Wells: No. P&A Wells		5	Num Repairs?	0	on which well(s)? — Diagrams? Yes
NOTICE: Newspaper Date 07/10/2014 Mineral Owner SLO Surface Owner SLO N. Date 07/22/14					
RULE 26.7(A): Identified Tracts? Yes Affected Persons: Pearce; Pride; Blanco; OKY; Chevron N. Date 07/22/14					

Permit Conditions: Issues: 2012 failed MIT due to wellhead leak; no NOI / formation picks

Add Permit Cond: - MIT for commerce injection / District witness



New Mexico Office of the State Engineer

Active & Inactive Points of Diversion

(with Ownership Information)

(acre ft per annum)					(R=POD has been replaced and no longer serves this file, (quarters are 1=NW 2=NE 3=SW 4=SE) C=the file is closed) (quarters are smallest to largest) (NAD83 UTM in meters)														
WR File Nbr	Sub basin	Use	Diversion	Owner	County	POD Number	Code	Grant	Source	q	q	q	Sec	Tws	Rng	X	Y	Distance	
L 06173	L	PRO	0	CACTUS DRILLING COPR	LE	L 06173	- DTW 55' / TD 85'		Shallow	1	1	15	11S	33E		629447	3693313*	569	
L 06860	L	STK	3	LA RANCH	LE	L 06860	- DTW 49' / TD 85'		Shallow	2	2	4	09	11S	33E		629131	3694212*	865
L 05393	L	PRO	0	LYMAN GRAHAM	LE	L 05393			Shallow	2	4	09	11S	33E		629032	3694113*	901	
L 03470	L	PRO	0	ROWAN DRILLING COMPANY	LE	L 03470			Shallow	1	4	1	10	11S	33E		629731	3694624*	909
L 03483	L	DOL	3	HUGH GRAHAM & SONS	LE	L 03483	- DTW 50' / TD 140'		Shallow	1	4	1	10	11S	33E		629731	3694624*	909
L 05113	L	PRO	0	LYMAN R GRAHM	LE	L 05113	- DTW 45' / TD 105'		Shallow			15	11S	33E		630067	3692709*	1036	
L 06060	L	PRO	0	TRO SERVICE DRILLING CO	LE	L 06060	- DTW 45' / TD 95'		Shallow	4	2	16	11S	33E		629050	3692906*	1138	
L 05465	L	IRR	442.2	PELTO OIL COMPANY	LE	L 05465 X			Shallow	1	3	15	11S	33E		629458	3692508*	1273	
L 06303	L	PRO	0	MARCUM DRILLING COMPANY	LE	L 06303			Shallow	1	1	14	11S	33E		631059	3693334*	1275	
L 05493	L	PRO	0	TRI SERVICE DRILLING CO.	LE	L 05493			Shallow	2	2	2	09	11S	33E		629119	3695017*	1484
L 05465	L	IRR	442.2	PELTO OIL COMPANY	LE	L 05465		R	Shallow	1	3	4	15	11S	33E		630169	3692216*	1540
					LE	L 05465 POD2		R	Shallow	1	3	4	15	11S	33E		630169	3692216*	1540
					LE	L 05465 POD3			Shallow	1	3	4	15	11S	33E		630169	3692216*	1540

*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.

Record Count: 13

POD Search:

POD Basin: Lea County

UTMNAD83 Radius Search (in meters):

Easting (X): 629843.77 Northing (Y): 3693721.67 Radius: 1609

Sorted by: Distance



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

ADMINISTRATIVE ORDER SWD-558

APPLICATION OF PENROC OIL CORPORATION FOR SALT WATER DISPOSAL, LEA COUNTY, NEW MEXICO.

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Under the provisions of Rule 701(B), Penroc Oil Corporation made application to the New Mexico Oil Conservation Division on March 22, 1994, for permission to complete for salt water disposal its State "AK" Well No. 1 located 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 10, Township 11 South, Range 33 East, NMPM, Lea County, New Mexico.

THE DIVISION DIRECTOR FINDS THAT:

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

IT IS THEREFORE ORDERED THAT:

The applicant herein, Penroc Oil Corporation is hereby authorized to complete its State "AK" Well No. 1 located 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 10, Township 11 South, Range 33 East, NMPM, Lea County, New Mexico, in such manner as to permit the injection of salt water for disposal purposes into the Strawn formation at approximately 9400 feet to 10,151 feet through 2 7/8-inch plastic-lined tubing set in a packer located at approximately 9300 feet.

IT IS FURTHER ORDERED THAT:

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

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

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

The injection well or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection well to no more than 1880 psi.

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

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

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

PROVIDED FURTHER THAT, jurisdiction of this cause is hereby retained by the Division for the entry of such further order or orders as may be deemed necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of the operator to conduct operations in a manner which will ensure the protection of fresh water or in a manner inconsistent with the requirements set forth in this order, the Division may, after notice and hearing, terminate the injection authority granted herein.

The operator shall submit monthly reports of the disposal operations in accordance with Rule Nos. 706 and 1120 of the Division Rules and Regulations.

Administrative Order SWD-558

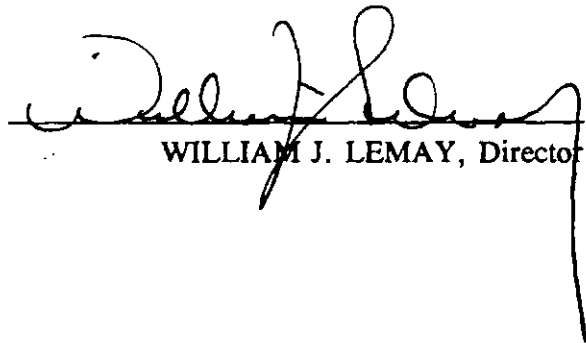
Penroc Oil Corporation

May 3, 1994

Page 3

The injection authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations into the subject well, provided however, the Division, upon written request by the operator, may grant an extension thereof for good cause shown.

Approved at Santa Fe, New Mexico, on this 3rd day of May, 1994.



WILLIAM J. LEMAY, Director

WJL/DRC/amg

xc: Oil Conservation Division - Hobbs
NM State Land Office - Oil and Gas Division