

Rule 5.9
 OCE
 5/16/15
 8/13/15

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



ABOVE THIS LINE FOR DIVISION USE ONLY

ADMINISTRATIVE APPLICATION CHECKLIST

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

Application Acronyms:

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

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
 - [A] Location - Spacing Unit - Simultaneous Dedication
 - ☐ NSL ☐ NSP ☐ SD
 - Check One Only for [B] or [C]
 - [B] Commingling - Storage - Measurement
 - ☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
 - [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 - ☐ WFX ☐ PMX ☒ SWD ☐ IPI ☐ EOR ☐ PPR
 - [D] Other: Specify _____
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☐ Does Not Apply
 - [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
 - [B] ☒ Offset Operators, Leaseholders or Surface Owner
 - [C] ☒ Application is One Which Requires Published Legal Notice
 - [D] ☒ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 - [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
 - [F] ☐ Waivers are Attached
- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

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

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

Kay Havenor	<i>Kay Havenor</i>	Agent	5/5/2015
Print or Type Name	Signature	Title	Date
		Kay.Havenor@gmail.com	
		e-mail Address	

RECEIVED OCB
 MAY 13 P 2:55

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: Secondary Recovery Pressure Maintenance X Disposal Storage
Application qualifies for administrative approval? X Yes No
- II. OPERATOR: Reas & Stevens, Inc
ADDRESS: P.O. Box 1518 Roswell, NM 88202-1518
CONTACT PARTY: Kay Havenor PHONE: 575-626-4518
- III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? Yes X No
If yes, give the Division order number authorizing the project: _____
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
 2. Whether the system is open or closed;
 3. Proposed average and maximum injection pressure;
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
 5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- *VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- *X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
- *XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
- NAME: Kay Havenor TITLE: Agent
SIGNATURE: Kay C Havenor DATE: 4/23/2015
E-MAIL ADDRESS: Kav@georesources.com
- * If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____

III. WELL DATA

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

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

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

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

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

XIV. PROOF OF NOTICE

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

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

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

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

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

INJECTION WELL DATA SHEET

OPERATOR: Read & Stevens, Inc. (OGRID 18917 ~~10024~~)WELL NAME & NUMBER: Pure Federal C SWD #1 30-025-02417WELL LOCATION: 660' FNL & 1982' FEL B 4 20S 34E
FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGEWELLBORE SCHEMATIC

See attached diagram

PRESENT & PROPOSED WELL CONSTRUCTION DATASurface CasingHole Size: 17½" Casing Size: 13⅝" 94# J-55 STCCemented with: 525 sx. or ft³Top of Cement: Surface Method Determined: OprIntermediate-1 CasingHole Size: 12¼" Casing Size: 9⅝" (NR)Cemented with: 2 Stage 2900 sx. or ft³Top of Cement: Surface Method Determined: OprIntermediate-2 CasingHole Size: 8¾" Casing Size: 7" (NR)Cemented with: 510 sx. or ft³Top of Cement: 12,090' Method Determined: Temp survey

Re-entry enlarge/deepen for liner to 14,590

Hole Size 6" (13,800'-14,590')

Casing Size 4½" 13.5# N-80 LTC

Cemented with: 200 sx.

or _____ ft³

Top of Cement Top liner 13,800'

Method Determined Opr

Total Depth: 14,960'

Open Hole (3¾") 14,590' To 14,960'

(Perforated or Open Hole; indicate which) Open Hole

INJECTION WELL DATA SHEET

Tubing Size: 2 7/8" N-80 Lining Material: Fiberglass coated

Type of Packer: Lok-Set or equivalent

Packer Setting Depth: Approx 14,540' ft

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

Additional Data

1. Is this a new well drilled for injection? _____ Yes X No

If no, for what purpose was the well originally drilled? O/G

2. Name of the Injection Formation: Siluro-Devonian

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

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. Yes. See Item VI (a) below

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: Queen, Tubbs, Delaware, Bone Springs, Penn horizons all above approximately 13,000'

<p>32</p> <p>Pure</p> <p>State</p>	<p>R 34 E</p> <p>33</p> <p>Signal</p> <p>U. S. A.</p> <p>N. 89° 52' E.</p>	<p>34</p> <p>H. A. Peterson</p> <p>1953</p> <p>U. S. A.</p>
<p>Pure</p>	<p>Pure</p> <p>"C"</p>	<p>Signal</p>
<p>5</p>	<p>4</p>	<p>3</p> <p>T 20 S</p>
<p>U. S. A.</p>	<p>U. S. A.</p>	<p>U. S. A.</p>
<p>8</p>	<p>9</p>	<p>10</p>

I, R. R. Reid, Registered Professional Engineer, do hereby certify that the Location as shown hereon was made by actual measurement upon the ground.

R. R. Reid

Registered Professional Engineer
State of Texas

RECEIVED

DEC 18 1958

U. S. GEOLOGICAL SURVEY
HOBBS, NEW MEXICO

The Pure Oil Co.

FEDERAL "C" LEASE

802.4 Acres

ON PLAT-SEC. 4, T-20-S-R-34-E, OF THE NEW MEXICO PRINCIPAL MERIDIAN

LEA COUNTY, NEW MEXICO

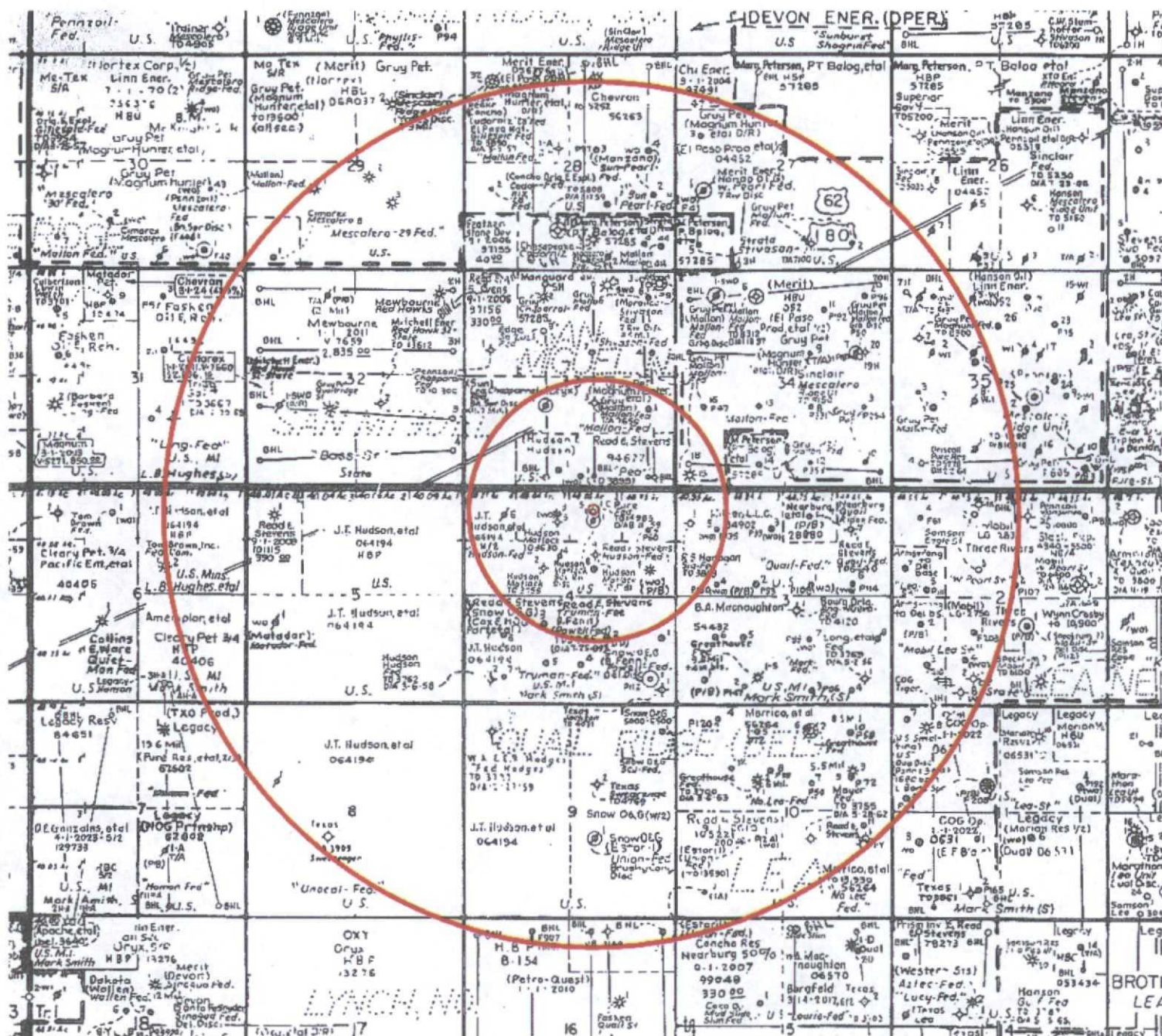
Scale: 4 inches = One Mile

<p>THE PURE OIL CO.</p> <p>TEXAS PRODUCING DIVISION</p> <p>PRODUCTION ENGINEERING DEPT.</p>	<p>DES. SUR. ORN. SWMC. TRD. CHK.</p>	<p>SUBMITTED:</p> <p>APPROVED:</p>	<p>DATE 12-5-58</p> <p>REVISED</p>
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API 30-025-02417

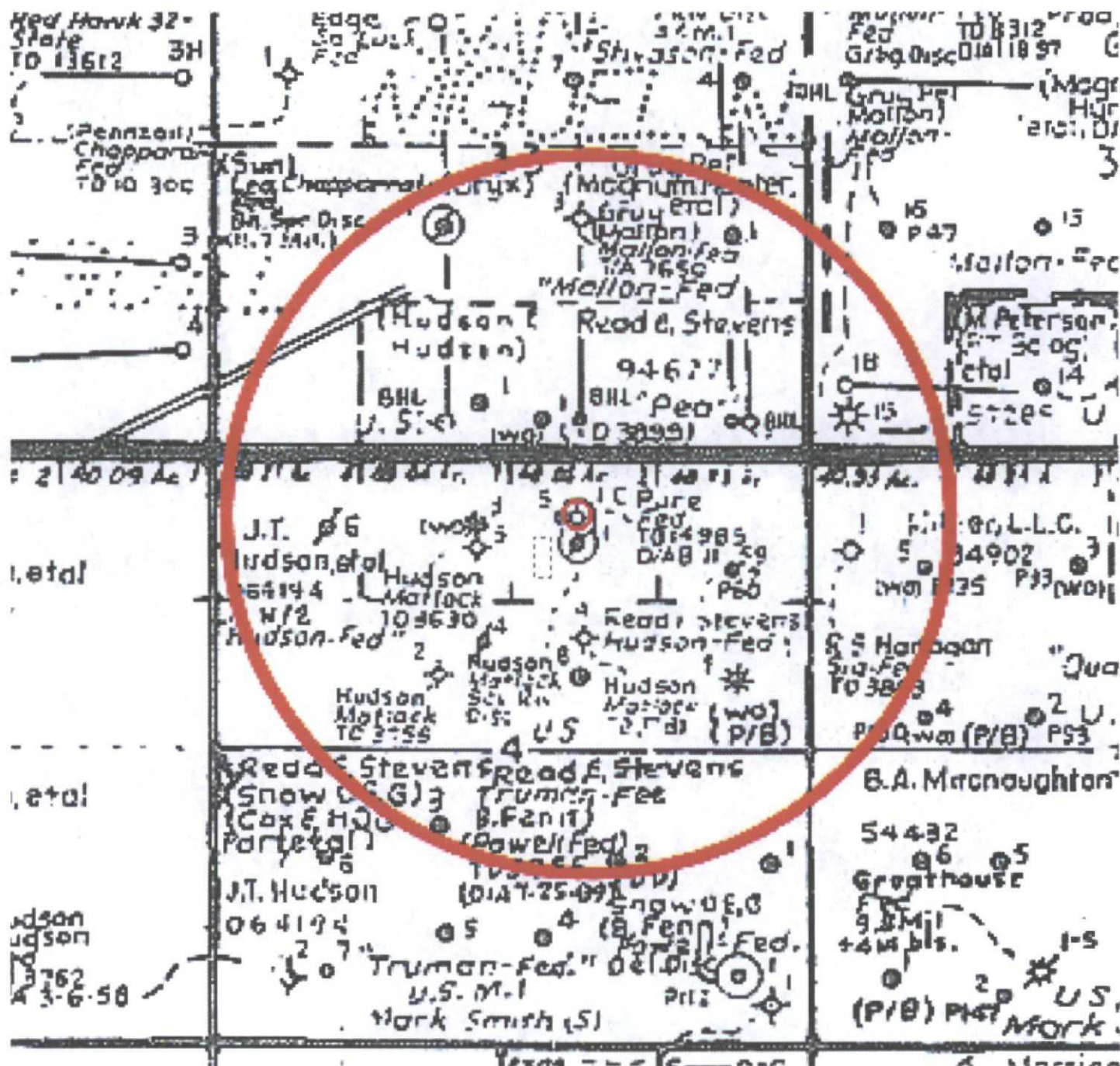
Item V:

Area of Review
1/2 Mile AOR and 2 Mile Radius



API 30-025-02417

AOR Half - Mile



Read & Stevens, Inc.
 Pure Federal C SWD #1
 660' FNL & 1982' FEL
 Sec. 4, T20S-R34E Lea Co., NM

API 30-025-02417

Item VI: Data on wells in AOR:

API	WELL_NAME	STATUS	SDIV	SEC	TWN	RANGE	FTG_	NS	FTG	EW	OCD	OPERATOR	WELL	LAND	PLUG_DATE	SPUD	ELEVGL	TVD_DEPTH
3002533738	MALLON 33 FEDERAL 001	Active	I	33	19.0S	34E	1880 S		560 E	I		CIMAREX ENERGY CO. OF COLORADO	O	F		02-May-97	3669	10300
3002534113	MALLON 33 FEDERAL 003	Plugged	J	33	19.0S	34E	2080 S		2080 E	J		BLACK HILLS GAS RESOURCES, INC.	O	F	14-Nov-00	10-Jan-98	3669	7650
3002530413	LEA CHAPARRAL FEDERAL 001	Plugged	K	33	19.0S	34E	1980 S		1980 W	K		CIMAREX ENERGY CO. OF COLORADO	O	P	22-Oct-03	19-Jul-88	3663	13600
3002534119	PEARL 33 FEDERAL 001	Active	N	33	19.0S	34E	480 S		2310 W	N		READ & STEVENS INC	O	F		26-Sep-97	3651	10250
3002502402	SIGNAL FEDERAL 001	Plugged	O	33	19.0S	34E	330 S		2310 E	O		HUDSON & HUDSON INC	O	F	12-Nov-59	30-Oct-59	3655	3899
3002532818	MALLON 34 FEDERAL 016	Active	L	34	19.0S	34E	1980 S		660 W	L		CIMAREX ENERGY CO. OF COLORADO	O	F		08-Nov-96	3678	14962
3002532817	MALLON 34 FEDERAL 017	Plugged	M	34	19.0S	34E	990 S		990 W	M		BLACK HILLS GAS RESOURCES, INC.	O	F	31-May-96		3673	40
3002533589	MALLON 34 FEDERAL 015	Plugged	M	34	19.0S	34E	330 S		330 W	M		CIMAREX ENERGY CO. OF COLORADO	G	F	14-May-12	04-Jun-96	3673	8354
3002532971	HUDSON FEDERAL 002	Active	1	4	20.0S	34E	990 N		990 E	A		READ & STEVENS INC	O	F		15-Nov-96	3648	8380
3002502413	MATLOCK 001	Plugged	2	4	20.0S	34E	823 N		2103 E	B		HUDSON OIL COMPANY OF TEXAS	O	F	05-May-93	4/8/1963	3649	3630
3002502417	PURE C FEDERAL 001	Plugged	2	4	20.0S	34E	660 N		1982 E	B		HUDSON OIL COMPANY	O	F	16-May-63	27-Dec-58	3646	14985
3002533247	HUDSON FEDERAL 005	Active	2	4	20.0S	34E	560 N		2130 E	B		READ & STEVENS INC	O	F		06-Apr-96	3650	8300
3002502415	MATLOCK 003	Plugged	3	4	20.0S	34E	823 N		2310 W	C		HUDSON OIL COMPANY OF TEXAS	O	F	23-Dec-59		0	3709
3002533017	HUDSON FEDERAL 003	Active	3	4	20.0S	34E	660 N		2310 W	C		READ & STEVENS INC	O	F		02-Jul-95	3649	8350
3002533325	HUDSON FEDERAL 006	Plugged	4	4	20.0S	34E	660 N		990 W	D		READ & STEVENS INC	O	F	31-Jan-01	18-Mar-96	3643	8330
3002502414	MATLOCK 002	Plugged	F	4	20.0S	34E	1994 N		1980 W	F		HUDSON OIL COMPANY OF TEXAS	O	F	05-Oct-59	25-Aug-59		3759
3002533181	HUDSON FEDERAL 004	Plugged	F	4	20.0S	34E	1650 N		2310 W	F		READ & STEVENS INC	O	F	07-Feb-01	20-Nov-95	3640	8350
3002502416	MATLOCK 004	Plugged	G	4	20.0S	34E	1650 N		1980 E	G		HUDSON OIL COMPANY OF TEXAS	O	F	06-Feb-60	07-Jan-60	3647	3781
3002533511	HUDSON FEDERAL 008	Plugged	G	4	20.0S	34E	1980 N		1980 E	G		READ & STEVENS INC	O	F	22-Nov-11	03-Aug-96	3649	8288
3002532819	HUDSON FEDERAL 001	Active	H	4	20.0S	34E	1980 N		660 E	H		READ & STEVENS INC	O	F		12-Jan-95	3641	13750
3002533043	TRUMAN FEDERAL 001	Active	I	4	20.0S	34E	1650 S		330 E	I		READ & STEVENS INC	O	F		29-Aug-95	3636	8330
3002530633	TRUMAN FEDERAL 002	Active	J	4	20.0S	34E	1650 S		1650 E	J		READ & STEVENS INC	O	F		27-Dec-95	3632	8285
3002533374	TRUMAN FEDERAL 003	Active	K	4	20.0S	34E	1980 S		1980 W	K		READ & STEVENS INC	O	F		11-Apr-96	3634	8370
3002533859	TRUMAN FEDERAL 006	Active	L	4	20.0S	34E	1650 S		990 W	L		READ & STEVENS INC	O	F		06-Mar-97	3628	8350
3002502409	SIGNAL FEDERAL 001	Plugged	4	3	20.0S	34E	330 N		330 W	D		ROBERT G HANAGAN	O	F	20-Jan-61	20-Dec-60	3652	3803
3002533885	QUAIL FEDERAL 005	Active	4	3	20.0S	34E	990 N		990 W	D		READ & STEVENS INC	O	F		21-Jun-97	3656	8350
3002533884	QUAIL FEDERAL 004	Active	E	3	20.0S	34E	2310 N		990 W	E		READ & STEVENS INC	O	F		19-Apr-97	3647	8360
3002532165	MARK FEDERAL 006	Active	L	3	20.0S	34E	1650 S		930 W	L		READ & STEVENS INC	O	F		08-Oct-93	3639	6340

Target Re-entry
 3002502417
 Read & Stevens, Inc.

API 30-025-02417

Pure Federal C SWD #1
660' FNL & 1982' FEL
Sec. 4, T20S-R34E Lea Co., NM

Item VI (a): Data on well in AOR that penetrate the proposed disposal interval:

1. Hudson & Hudson Pure Federal C #1, Unit B Sec. 4, T20S-R34E Lea Co., NM 660' FNL & 1982' FEL. Re-entry of Pure Oil Co. Federal C #1. Original spud 12/27/1958, Elev 3646' DF. 17½" hole set 13¾" @499' w/525 sx cmt, circ to surf. 12¼" hole to 4,801' ran 9 ⅝" csg w/DV @3,510' w/2900 sx cmt, circulated to surface. 8¾" hole to 13,915' set 7" w/510 sx cmt, TOC 12,090'. 4¾" hole to 14,985'. Cemented hole TD to 13,828' w/78 sx cmt. P&A 8/21/1959. Upper Pure Oil cmt plugs were DO April 1963 in re-entry by Hudson & Hudson to 13,008'. Set Baker BP 12,988'. Perf Morrow 12,892-920' w/2 SPF. Six hour DST 12,789-988' (over perms) recovered gas plus salt water w/declining pressures. Opr determined gas completion not commercial. Set Squeeze Packer 12,500' w/150 sx cmt. 30 sx cmt 4,083'-3,983', 10 sx cmt 20' to surface. Hole loaded w/12.2# mud. Re-P&A 5/13/1963.

Item VII:

1. The maximum injected volume anticipated is 15,000 BWPD. Average anticipated is 8,000 BWPD.
2. Injection will be through a closed system.
3. Maximum injection pressure is expected to be 2,918 psi, or as controlled by depth.
4. Sources will be local Permian Basin produced waters.
5. Water analyses from the Sundown Ballard (SWD-354) D- Sec. 27, T20S-R34E Lea Co., pages 10-12 below, demonstrate the Siluro-Devonian waters are greater than 10,000 mg/l dissolved solids in this area..

Read & Stevens, Inc.
 Pure Federal C SWD #1
 660' FNL & 1982' FEL
 Sec. 4, T20S-R34E Lea Co., NM

API 30-025-02417

Siluro-Devonian water.P. 1

CHEMLINK WATER ANALYSIS REPORT

Lab ID No. : 0601888

Analysis Date: June 1, 1988

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

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

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

Total Dissolved Solids, Calculated: 18,665 mg/L.

Calculated Resistivity: 0.320 ohm-meters pH: 8.020
 mg/L. Hydrogen Sulfide: Present Specific Gravity 60/60 F.: 1.013
 mg/L. Carbon Dioxide: Not Determined Saturation Index @ 80 F.: +1.488
 mg/L. Dissolved Oxygen: Not Determined @ 140 F.: +2.328

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

PROBABLE MINERAL COMPOSITION

	COMPOUND	MG/L	MEQ/L
	Ca(HCO3)2	837	10
Calcium Sulfate Scaling Potential Not Present	CaSO4	1,524	22
	CaCl2	836	15
Estimated Temperature of Calcium Carbonate Instability is 62 F.	Mg(HCO3)2	0	0
	MgSO4	0	0
	MgCl2	1,130	24
	NaHCO3	0	0
	Na2SO4	0	0
Analyst 10:11 AM	NaCl	14,219	243

Read & Stevens, Inc.
 Pure Federal C SWD #1
 660' FNL & 1982' FEL
 Sec. 4, T20S-R34E Lea Co., NM

API 30-025-02417-

Siluro-Devonian water P. 2

CHEMLINK WATER ANALYSIS REPORT

Lab ID No. : 060188D

Analysis Date: June 1, 1988

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

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

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

Total Dissolved Solids, Calculated: 11,198 mg/L.

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

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

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

PROBABLE MINERAL COMPOSITION

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

Read & Stevens, Inc.
 Pure Federal C SWD #1
 660' FNL & 1982' FEL
 Sec. 4, T20S-R34E Lea Co., NM

API 30-025-02417

Siluro-Devonian water P. 3

CHEMLINK WATER ANALYSIS REPORT

Lab ID No. : 060188A

Analysis Date: June 1, 1988

Company : Hondo Oil & Gas
 Field :
 Lease/Unit : Fletcher
 Well ID. :
 Sample Loc. :

Sampled By : Don Bammert
 Sample Date: *
 Salesperson: Don Bammert
 Formation :

exico

CATIONS	MG/L	MEQ/L	ANIONS	MG/L	MEQ/L
Calcium as Ca++	1,337	66.9	Hydroxyl as OH-	0	0.0
Magnesium as Mg++	232	19.0	Carbonate as CO3=	0	0.0
Sodium as Na+ (Calc)	3,531	153.6	Bicarbonate as HCO3-	1,102	18.1
Barium as Ba++	Not Determined		Sulfate as SO4=	2,500	52.1
Other	0		Chloride as Cl-	5,999	169.2

Total Dissolved Solids, Calculated:

14,700 mg/L.

Calculated Resistivity: 0.385 ohm-meters
 mg/L. Hydrogen Sulfide: Present
 mg/L. Carbon Dioxide: Not Determined
 mg/L. Dissolved Oxygen: Not Determined

pH: 7.710
 Specific Gravity 60/60 F.: 1.013
 Saturation Index @ 80 F.: +1.529
 @ 140 F.: +2.389

Total Hardness: 4,288 mg/L. as CaCO3
 Total Iron: 2.5 mg/L. as Fe++

PROBABLE MINERAL COMPOSITION

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

Item VIII:

Disposal will be into the Siluro-Devonian formations.

There is no known fresh, potable water within a 2-mile radius. Records from the New Mexico Office of the State Engineer on November 29, 2014 shows no known water wells within the 2-mile radius of the proposed SWD disposal well.



New Mexico Office of the State Engineer
Wells with Well Log Information

No wells found.

Basin/County Search:

Basin: J2

UTM/AD83 Radius Search (in meters):

Easting (X): 665330

Northing (Y): 3555940

Radius: 3200

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

11/29/14 8:23 AM

Page 1 of 1

WELLS WITH WELL LOG INFORMATION

The surface geology of the greater area, including the 2-mile radius shown in Item V above, are Quaternary eolian and piedmont deposits of Holocene to middle Pleistocene age. These are underlain by the Permian Rustler Formation and evaporites. Based upon surface geology and available shallow data the depth to potential potable water, if present, is estimated to be less than 150'.

Item IX:

Some acid may be applied after completion. No other formation stimulation is currently planned.

Item X:

Logs are on file with the OCD from original Pure Oil Company drilling/completion of the well.

Item XI:

No water wells are reported in the 2-mile radius of the proposed SWD. Please note Item VIII discussion above.

Item XII:

There is no geological evidence of open faults or hydrologic connection between the disposal zone and any possible underground sources of protectable water.

Read & Stevens, Inc.
 Pure Federal C SWD #1
 660' FNL & 1982' FEL
 Sec. 4, T20S-R34E Lea Co., NM

API 30-025-02417

Hudson & Hudson Pure Federal C P & A well diagram

ORIGINAL WELL DIAGRAM

API: 3002502417
 Operator: Hudson & Hudson
 Lease: Pure Federal C
 Location: Sec 4, T20S-R34E Lea Co., NM
 Footage: 660 FNL, 1982 FEL

Well No: 1

Logs From: 3646 (SCF)
 GL: 3540 est

Surface Csg

Size: 13-3/8"
 Set @: 525
 Sxs cmt: 499
 Circ: Yes
 TOC: Surf
 Hole Size: 17-1/2"

Intermediate Csg

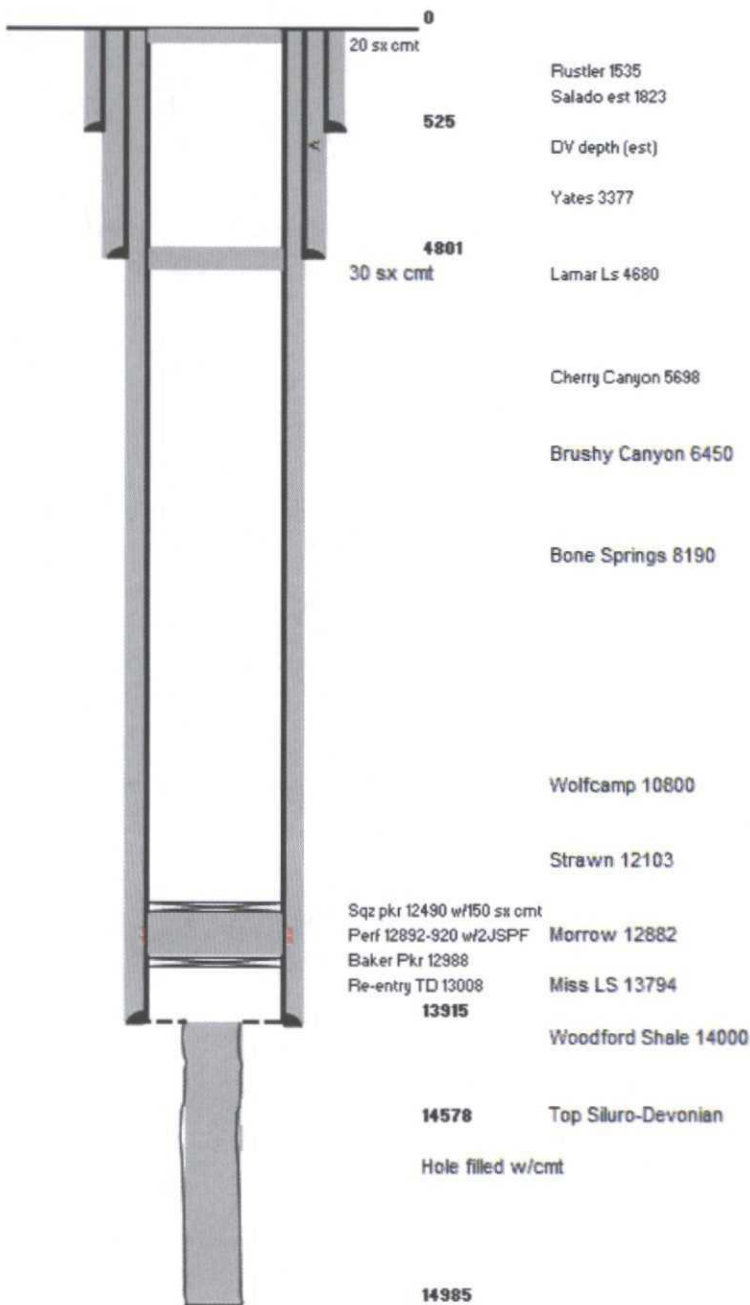
Size: 9-5/8"
 Set @: 4,801
 Sxs cmt: 2900 2-stage
 Circ: Yes
 TOC: Surf
 Hole Size: 12-1/4"

Production Csg

Size: 7"
 Set @: 13915
 Sxs cmt: 510
 Circ: No
 Hole Size: 8-3/4"

Original Exploration Hole

Hole Size: 4-1/2"
 Filled w/cmt on original drill



Not to Scale

Read & Stevens, Inc.
 Pure Federal C SWD #1
 660' FNL & 1982' FEL
 Sec. 4, T20S-R34E Lea Co., NM

API 30-025-02417

PROPOSED WELL DIAGRAM

API: 3002502417
 Operator: Read & Stevens, Inc
 Lease: Pure Federal C
 Location: Sec 4, T20S-R34E Lea Co., NM
 Footage: 660 FNL, 1982 FEL

Well No: 1

Logs From: 3646 (SCF)
 GL: 3540 est

Surface Csg

Size: 13-3/8"
 Set @: 525
 Sxs cmt: 499
 Circ: Yes
 TOC: Surf
 Hole Size: 17-1/2"

Intermediate Csg

Size: 9-5/8"
 Set @: 4,801
 Sxs cmt: 2900 2-stage
 Circ: Yes
 TOC: Surf
 Hole Size: 12-1/4"

Production Csg

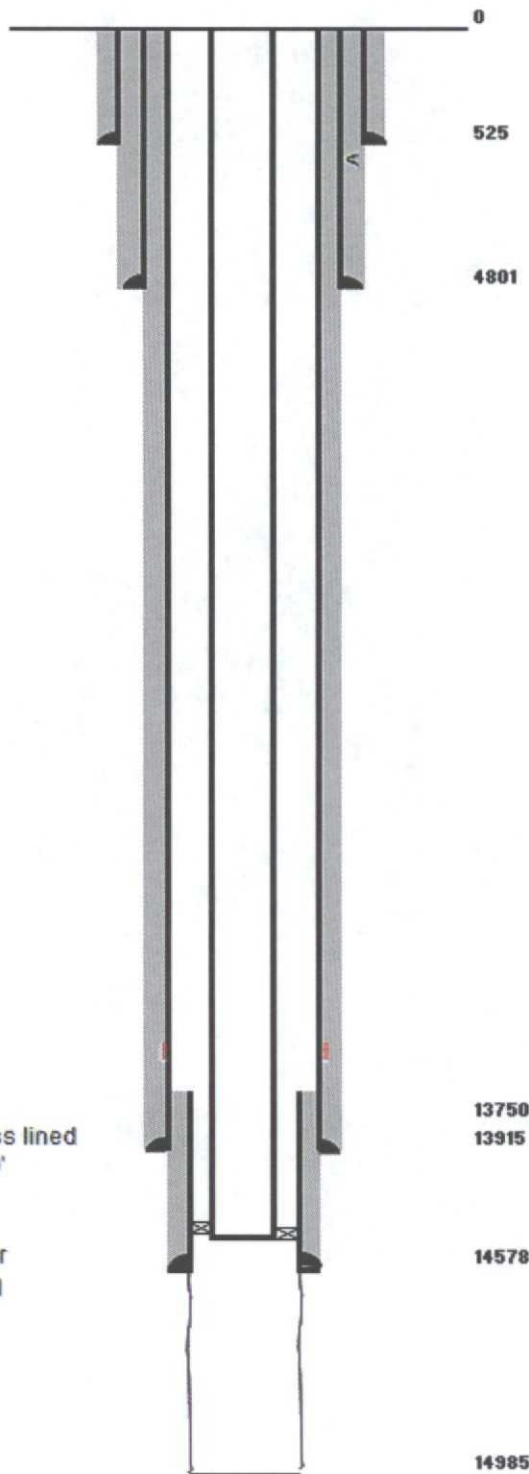
Size: 7"
 Set @: 13915
 Sxs cmt: 510
 Circ: No
 Hole Size: 8-3/4"

Production Csg Liner

Size 4-1/2" N-80 13.5#
 Set @ 13,750-14,590'
 Sxs cmt: 90
 Circ: Yes
 Hole Size 6"

Tubular requirements (made-up):
 14,540' 2-7/8" 13.5# N-80 Fiberglass lined
 Lok-Set or equivalent approx 14,540'

Open hole acid if required.
 Tubing annulis w/ corrosion inhibitor
 Complete surface head for disposal



0
 Rustler 1535
 Salado est 1823
 525
 DV depth (est)
 Yates 3377
 4801
 Lamar Ls 4680
 Cherry Canyon 5698
 Brushy Canyon 6450
 Bone Springs 8190
 Wolfcamp 10800
 Strawn 12103
 Morrow 12882
 13750 Miss LS 13794
 13915 Woodford 14000
 14578 Siluro-Devonian
 14985

Read & Stevens, Inc.
Pure Federal C SWD #1
660' FNL & 1982' FEL
Sec. 4, T20S-R34E Lea Co., NM

API 30-025-02417



Delorme XMap6

Approximately 26 miles SW of Hobbs, NM and 2000' south of US-62.

Read & Stevens, Inc.
Pure Federal C SWD #1
660' FNL & 1982' FEL
Sec. 4, T20S-R34E Lea Co., NM

API 30-025-02417

Item XIII: Proof of Notice

Minerals Owner:

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

Surface

Bureau of Land Management

Operators:

Cimarex Energy Co of Colorado
600 N. Marienfeld, Ste 600
Midland, TX 79701

Sec 33, T19S-R34E Units I-N 100%
Sec 34, T19S-R34E Units L-M 100%

Hudson & Hudson Oil Company of Texas
616 Texas St
Fort Worth, TX 76102-4612

Sec 33, T19S-R34E Unit N, Rights below Morrow
Sec 3, T20S-R34E Units D-E, J-L below Morrow
Sec 4, T20S-R34E A-L, Rights below Morrow

Read & Stevens, Inc (Applicant) holds operating rights to base of Morrow in all other acreage in AOR (Page 7).

Item XIII: Legal Publication

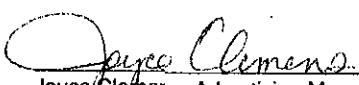
Affidavit of Publication

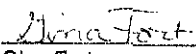
STATE OF NEW MEXICO)
) ss.
COUNTY OF LEA)

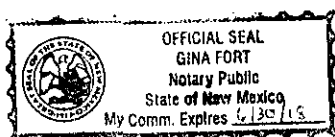
Joyce Clemens being first duly sworn on oath deposes and says that she is Advertising Manager of THE LOVINGTON LEADER, a thrice a week newspaper of general paid circulation published in the English language at Lovington, Lea County, New Mexico; that said newspaper has been so published in such county continuously and uninterruptedly for a period in excess of Twenty-six (26) consecutive weeks next prior to the first publication of the notice hereto attached as hereinafter shown; and that said newspaper is in all things duly qualified to publish legal notices within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico.

That the notice which is hereto attached, entitled Legal Notice was published in a regular and entire issue of THE LOVINGTON LEADER and not in any supplement thereof, for one (1) day(s), beginning with the issue of April 25, 2015 and ending with the issue of April 25, 2015.

And that the cost of publishing said notice is the sum of \$ 28.38 which sum has been (Paid) as Court Costs.


Joyce Clemens, Advertising Manager
Subscribed and sworn to before me this 28th day of April, 2015.


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



Legal Notice

Read & Stevens, Inc., c/o Kay Havenor, 904 Moore Ave, Roswell, NM 88201, (675) 626-4518, email: Kay.Havenor@gmail.com, is seeking approval from the New Mexico Oil Conservation Division to re-enter and complete the Pure Federal C No.1 well, API: 3002502417, located 660' FNL & 1982' FEL; Sec. 4, T20S-R34E Lea County, NM, approximately 26 miles SW of Hobbs, NM and 2,000' south of US-62, for non-commercial produced water disposal. The proposed disposal interval is in the Siluro-Devonian formation through open-hole approximately 14,590' to 14,960 feet. Read & Stevens, Inc plans to dispose of a maximum 15,000 BWPD at a maximum pressure of 2,918 psi. Parties with questions regarding this proposal are urged to contact Kay Havenor at the email address or phone number above. Interested parties must file objections or requests for hearing within 15 days to the New Mexico Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, NM 87505.

Published in the Lovington Leader April 25, 2015

Read & Stevens, Inc.
Pure Federal C SWD #1
660' FNL & 1982' FEL
Sec. 4, T20S-R34E Lea Co., NM

API 30-025-02417

Item XIII: Certified Mail Receipts

7014 2120 0001 6413 4718

U.S. Postal Service [™]	
CERTIFIED MAIL [®] RECEIPT	
Domestic Mail Only	
For delivery information, visit our website at www.usps.com	
OFFICIAL USE	
CARLSBAD, NM 88220	
Postage	\$ \$1.61
Certified Fee	\$3.30
Return Receipt Fee (Endorsement Required)	\$2.70
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ \$7.61
0602 08 04/25/2015	
Sent To Bureau of Land Management	
Street & Apt. No., or PO Box No. 620 E. Greene St	
City, State, ZIP+4 [®] Carlsbad, NM 88220	
PS Form 3800, July 2014 See Reverse for Instructions	

7014 2120 0001 6413 4732

U.S. Postal Service [™]	
CERTIFIED MAIL [®] RECEIPT	
Domestic Mail Only	
For delivery information, visit our website at www.usps.com	
OFFICIAL USE	
MIDLAND, TX 79701	
Postage	\$ \$1.61
Certified Fee	\$3.30
Return Receipt Fee (Endorsement Required)	\$2.70
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ \$7.61
0602 08 04/25/2015	
Sent To Cimarex Energy Co. of Colorado	
Street & Apt. No., or PO Box No. 600 N. Mariefeld. Ste 600	
City, State, ZIP+4 [®] Midland, TX 79701	
PS Form 3800, July 2014 See Reverse for Instructions	

7014 2120 0001 6413 4725

U.S. Postal Service [™]	
CERTIFIED MAIL [®] RECEIPT	
Domestic Mail Only	
For delivery information, visit our website at www.usps.com	
OFFICIAL USE	
FORT WORTH, TX 76102	
Postage	\$ \$1.61
Certified Fee	\$3.30
Return Receipt Fee (Endorsement Required)	\$2.70
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ \$7.61
0602 08 04/25/2015	
Sent To Hudson & Hudson Oil Co of Texas	
Street & Apt. No., or PO Box No. 616 Texas St	
City, State, ZIP+4 [®] Fort Worth, TX 76102-4612	
PS Form 3800, July 2014 See Reverse for Instructions	

Miss	Row	C-108	C-108 disposal application submittals... CHECKLIST to ensure all items are supplied or considered.
	1		Operator, Well, and Contact info:
	2	II	Name of person submitting the application: Kay Havenor Other Contact?
	3	II	Did you Include a contact Email in the application? Yes and Mailing Address? Yes and Phone? Yes
	4	II	Operator Name: Read & Stevens, Inc. OGRID Num: 18917
	5		RULE 5.9 Compliance..... Number of Inactive Wells 3 vs Total Wells Operated 121 Is financial assurance required on any well? <i>yes</i>
	6		Is there any hearing order finding this operator out of compliance with Division Rule 19.15.5.9 NMAC? No
	7		Are all Rule 5.9 issues OK to allow the Division to issue Disposal Permits? Yes
	8	III	Well Name: Pure Federal C #1
	9	III	API Num: 30-025-02417 Spud Date: 5/16/1963
	10		Have you included API numbers on all wellbore diagrams and well list(s) in this application? Yes
	11	III	Proposed well...Footages 660 FNL & 1982 FEL Unit 2 Sec 4 Tsp 20S S Rge 36E County Lea
	12		General Location (i.e. Y miles NW of Z): Approximately 26 miles SW of Hobbs, NM and 2000' South of US-62
	13		Current Well Status: P&A
	14	I	General Summary of Planned Work: DO plugs to 13915'. Ream to 13,915'. Set/circ cmt 7". Ream 14578, circ cmt 4-1/4" liner 13750-14590. Ream OH 3-3/4" 14958' TD
	15		<u>INTERVAL TOP and BOTTOM:</u>
	16	IIIB.(2)	Proposed disposal Top Depth: 14,590' Formation Name: Siluro-Devonian (include Member Names for Delaware or Mesaverde)
	17	IIIB.(2)	Proposed disposal Bottom Depth: 14,985' Formation Name: Siluro-Devonian
	18	IIIB.(2)	Is the disposal interval OpenHole? X or Perfed? or Both?
	19	IIIB.(2)	What will be the disposal tubing size OD? 2-7/8" Packer Seat, Feet: approx 14,540'

Miss	Row	C-108	C-108 disposal application submittals... CHECKLIST to ensure all items are supplied or considered.
	20	VII	What max surf inj. psi are you proposing? 2918 If differing from 0.2 psi/ft surf. Grad., is supporting data attached such as a Step Rate Test?
	21		<u>FRESH WATERS:</u>
	22	VIII	Depth to bottom of Fresh Waters: less than 150' Formation Name(s) Quaternary alluvium
	23	XI	Any Fresh Water Wells Within 1 Mile? See discussion Item VIII If so, did you attach an analysis from these Wells?
	24		Are all "Fresh" waters isolated with Casing and Cement? Yes ("Fresh" water is defined as less than 10,000 mg/l of TDS)
	25	XII	Included "Affirmative Statement" concerning any Connection from Disposal Depths to existing Fresh Waters? Yes Item XII
	26		<u>WASTE WATERS:</u>
	27	XIV	Will this be a Lease Only disposal well? or only used for the Operator's own waste needs? Yes or Commercial Disposal?
	28	VII	Which formations will supply the waste waters to be disposed into this well... List most common... Artesia Group, Pen Morrow
	29	VII	Are Waste waters compatible with proposed disposal interval waters? Yes Did you include waste water analysis? Yes
	30		<u>AT PROPOSED WELL....INSITU WATERS AND HYDROCARBON POTENTIAL:</u>
	31		Is a discussion included of the potential for future OIL/GAS recovery from the proposed disposal interval? Original drill tested water well
	32		If your proposed well for disposal is a depleted producer (within the proposed interval); do you know what was the cumulative oil/gas/water? and did you include a Rate-Time plot of this depleted interval?
	33	VII	Insitu water analysis Included? Yes, but from outside AOR Is the salinity within the disposal interval more than 10,000 mg/l of TDS? Yes or how will you determine this insitu water salinity?
	34	VIII	Does the application include a list of Formation tops down to and including the bottom of the target formation? Yes P. 16
	35		What is the top esr 1823' and bottom 3150' of the Salado Salt (...If this well is in the Southeast and the Salt is present)
	36	X	Are all existing Logs (including any CBL over the disposal interval) are on the OCD Web Site? Yes If logs not there, please send
	37	IIIA.	Are the wellbore diagrams for this well included in the Application.....Before Conversion? Y and After Conversion? Y

Miss	Row	C-108	C-108 disposal application submittals... CHECKLIST to ensure all items are supplied or considered.
	38		Are the top and bottom footage of the proposed disposal interval marked on the "after" diagram? Yes
	39		<u>NOTICE:</u>
	40	XIV	Date of the Newspaper Notice in the County: April 25, 2015 Lea Co. (P. 19) ✓
	41	V	Within 1/2 mile, did you clearly identify (either on a map or by legal description) all separately owned tracts of lands within the disposal interval? Yes ✓
	42	XIII	Did you identify the owner(s) of each of these separately owned tracts? Yes Were they all formally noticed? Yes ✓
	43	XIII	If reentering a P&Aed well, are there depth divisions of ownership within that well? Yes If so, have you also noticed all the shallower interests of the intent to use the well for disposal? Yes
	44	XIII	Is the proposed well within the R-111-P defined Potash Area or the BLM Secretaries Potash Area? No If so, did you send notice to the nearest Potash lessee?
	45	XIV	Who owns the surface lands at the disposal well site (BLM, SLO, or who)? BLM ✓ Was that party formally noticed? Yes ✓
	46		<u>Area of Review:</u>
	47	V	Did you include a map identifying all wells within 2 miles? Yes ✓
	48	VI	Did you include a list of all AOR wells? Yes (P. 8) ✓ Is the list available to be emailed (if requested) in spreadsheet format? Yes ✓
	49	VI	Does this list identify all wells penetrating (at least the top of) the disposal interval within 1/2 mile of the proposed well? Yes ✓
	50	VI	Did you include wellbore diagrams for all P&Aed wells that exist within the 1/2 mile AOR that penetrate the disposal interval? Yes ✓
	51	VI	How many wells exist within the 1/2 mile AOR that penetrate the disposal interval? Only target well. ✓ How many of these are Plugged/Dry and Abandoned? 1
	52	VI	Are details included on cement coverage of the proposed disposal interval for all wells penetrating the disposal interval within 1/2 mile of the roposedwell? NA
	53	VI	Do all reported cement tops describe how that "top" was determined? If Available Yes If you calculated any tops, what fillup efficiency factor did you use?
	54	VI	Did you identify the presence and depth of all Cement Stage Tools (DV) in the subject well and in the AOR wells? Yes, when info is available
	55	VIII	For the target formation, is there significant formation structural depth changes within the 1/2 mile AOR? No

Miss	Row	C-108	C-108 disposal application submittals... CHECKLIST to ensure all items are supplied or considered.
	56	VIII	Is there any Karst or Massive Limestone in this target formation? No ...or in the formations directly above or below? No
	57		<u>Administrative or Hearing:</u>
	58	VI	How many wells within the 1/2 mile AOR currently are producing (or still have open perforations) within the disposal interval? 0 is it "gas" or "oil"?
	59	 NOTE: If the proposed disposal interval is a "Gas" interval or if any AOR wells are producing or have open perforations within this interval then this application may not be properly classified as a "disposal". These types of applications must be processed at an examiner hearing.
	60		Any other Issues..? No

Jones, William V, EMNRD

From: Jones, William V, EMNRD
Sent: Friday, May 08, 2015 7:05 PM
To: 'kay.havenor@gmail.com'
Cc: Goetze, Phillip, EMNRD; Kautz, Paul, EMNRD; Wade, Gabriel, EMNRD; 'efernand@blm.gov'; Sanchez, Daniel J., EMNRD; 'kbarajas@read-stevens.com'; 'wpalmer@read-stevens.com'
Subject: SWD Application for ~~Commercial Disposal from Mesquite SWD~~ or Read&Stevens Inc.: proposed re-entry well Pure Federal C SWD Well No. 1 30-025-02417 660 FNL 1982 FEL Unit letter B Sec 4-T20S-R34E ✓
Attachments: LetterofNoticetoAffectedParties_COG SENM Lakewood SWD 2 Interval Expansion.docx; NoticeExample_AllDepths_Takeoff.pdf; NoticeExample_CiscoCanyon_MapView.pdf

Hello Dr. Havenor,
Thanks for the SWD application,
We received it today and I have done a quick look over, mainly just to ensure proper notice.
We are not logging applications in until we check over and ensure that the "notice" has all been done.

This location is a couple miles east of the R-111-P area and within the Secretaries Potash Area.
It is many miles NE of WIPP.
And the well penetrates the Capitan Reef and will inject below it.
There are no AOR wells at this proposed vertical depth.
These lands all Federal Surface and Federal Minerals.

Requests:

- a. ~~You listed Mesquite SWD, LLC in one place as the applicant and Read & Stevens in other places.... Which operator will apply to re-enter this wellbore?~~

~~If it is Mesquite SWD, please send a formal notice to Read & Stevens.~~

- b. Additional Notice Request:

The newspaper was posted April 25, 2015, one of the 2 surrounding operators were noticed, and the BLM were noticed.

Since there are no producing wells in the Devonian, we need to know exactly who owns (controls) the Devonian minerals.

Please identify all separately owned tracts of land at Devonian depths within ½ mile of this well and list the parties owning those lands – and send them formal notice.

If Read and Stevens is the applicant, it has a Land Department and should be able to supply you with these ownership details.

~~If Mesquite is the applicant, you may need to hire a land search or take off.~~

I am enclosing examples of the "land" detail we are looking for.

Many Regards,
Will Jones

Jones, William V, EMNRD

From: Kay Havenor <kay.havenor@gmail.com>
Sent: Saturday, May 09, 2015 4:27 PM
To: Jones, William V, EMNRD
Subject: Re: SWD Application for Commercial Disposal from Mesquite SWD or Read&Stevens Inc.: proposed re-entry well Pure Federal C SWD Well No. 1 30-025-02417 660 FNL 1982 FEL Unit letter B Sec 4-T20S-R34E
Attachments: C-108 R&S Pure Fed C SWD 4-10-T20S-R34E.pdf

Mr. Jones,

The copy sent to OCD Santa Fe and Hobbs was a "punched the wrong button" one! It was for an earlier application that was started and abandoned for Read & Stevens {30-025-29134 in Unit I, Sec 10, T20S-R34E). As I recall there was junk iron in that hole. My error and my apology.. The correct well being permitted is the Pure Oil Federal C 30-025-02417 Unit B, Sec 4, T20S-34E. All AOR parties were notified (and legal publication made) on April 28, 2015 for the Sec 4 well. My erroneous package was sent to you and Hobbs OCD after I received the Legal re: Sec 4 well from the newspaper. I mistakenly sent you the aborted (Sec 10) draft C-108 in error. Obviously, that "draft" was intended to be a modified application from a earlier Mesquite well. Attached please find a PDF of the REAL Sec. 4 application. On Monday I will resend with the correct complete application package for the Sec 4 well - to your attention - in Santa Fe - and a copy with explanation to Hobbs.

Thank you.

On Fri, May 8, 2015 at 7:04 PM, Jones, William V, EMNRD <WilliamV.Jones@state.nm.us> wrote:

Hello Dr. Havenor,

Thanks for the SWD application,

We received it today and I have done a quick look over, mainly just to ensure proper notice.

We are not logging applications in until we check over and ensure that the "notice" has all been done.

This location is a couple miles east of the R-111-P area and within the Secretaries Potash Area.

It is many miles NE of WIPP.

And the well penetrates the Capitan Reef and will inject below it.

There are no AOR wells at this proposed vertical depth.

These lands all Federal Surface and Federal Minerals.

Requests:

Mr. Jones:

May 10, 2015

Please additionally note that the Read & Stevens C-108 application is **NOT** for commercial disposal. It is intended only for Company SWD in this field area. Again, my apologies for wasting your time with the wrong initial file.

Kay Havenor

Jones, William V, EMNRD

From: Jones, William V, EMNRD
Sent: Thursday, May 14, 2015 6:40 PM
To: 'kay.havenor@gmail.com'
Cc: Goetze, Phillip, EMNRD; Sanchez, Daniel J, EMNRD
Subject: SWD Application for disposal from Read&Stevens Inc.: proposed re-entry well Pure Federal C SWD Well No. 1 30-025-02417 660 FNL 1982 FEL Unit letter B Sec 4-T20S-R34E

Attachments: LetterofNoticetoAffectedParties_COG SENM Lakewood SWD 2 Interval Expansion.docx; NoticeExample_AllDepths_Takeoff.pdf; NoticeExample_CiscoCanyon_MapView.pdf

Handwritten notes:
Release 6/1/15
5/15/15 after Review
all NOTICES OK

Hello Kay,

We just received the corrected copy, Thank You!

Would you please forward the following question as to "notice" to the attention of Read & Stevens Inc's Landman? And forward back to me the data provided?

Since there are no producing wells in the Devonian, there are no Devonian spacing units with an "operator of record" to provide notice.

However, there are owners of the rights to the minerals within the Devonian depths.

In order to proceed with a review of this SWD application, the OCD needs to know exactly who owns (controls) the Devonian minerals – lessee's of record or working interest owners.

Please identify all separately owned tracts of land at Devonian depths within ½ mile of this well and list the parties owning those lands – and if not already, please send them formal notice.

I am enclosing examples attached to this email of the "land" detail we are looking for.

Many Regards,
Will Jones



William V. Jones, P.E., District IV Supervisor
Oil Conservation Division <http://www.emnrd.state.nm.us/oed/>
1220 South St. Francis Drive, Santa Fe, NM 87505
P: 505.476.3477 C: 505.419.1995

Jones, William V, EMNRD

From: Kay Havenor <kay.havenor@gmail.com>
Sent: Friday, May 15, 2015 3:01 PM
To: Jones, William V, EMNRD
Subject: Re: SWD Application for disposal from Read&Stevens Inc.: proposed re-entry well Pure Federal C SWD Well No. 1 30-025-02417 660 FNL 1982 FEL Unit letter B Sec 4-T20S-R34E

Yes. H&H has all the deep rights in the AOR. Thank you.

On Fri, May 15, 2015 at 10:13 AM, Jones, William V, EMNRD <WilliamV.Jones@state.nm.us> wrote:

Kay,

They have not objected.

Does Hudson have all operating rights within ½ mile radius of this proposed well?

Thank You,

Will

From: Kay Havenor [mailto:kay.havenor@gmail.com]
Sent: Friday, May 15, 2015 10:10 AM
To: Jones, William V, EMNRD
Subject: Re: SWD Application for disposal from Read&Stevens Inc.: proposed re-entry well Pure Federal C SWD Well No. 1 30-025-02417 660 FNL 1982 FEL Unit letter B Sec 4-T20S-R34E

Please note P. 18 of C-108. All O/G rights are BLM. HuHudson & Hudson Oil Company of Texas has operating rights beneath the Morrow. They were notified and I do not believe they have objected. See Cert Mail receipt P. 20 dated 4/25/2015. Does this properly respond to your email?

Kay Havenor

On Thu, May 14, 2015 at 6:40 PM, Jones, William V, EMNRD <WilliamV.Jones@state.nm.us> wrote:

Hello Kay,

We just received the corrected copy, Thank You!

Would you please forward the following question as to "notice" to the attention of Read & Stevens Inc's Landman? And forward back to me the data provided?

Since there are no producing wells in the Devonian, there are no Devonian spacing units with an "operator of record" to provide notice.

However, there are owners of the rights to the minerals within the Devonian depths.

In order to proceed with a review of this SWD application, the OCD needs to know exactly who owns (controls) the Devonian minerals – lessee's of record or working interest owners.

Please identify all separately owned tracts of land at Devonian depths within ½ mile of this well and list the parties owning those lands – and if not already, please send them formal notice.

I am enclosing examples attached to this email of the "land" detail we are looking for.

Many Regards,

Will Jones



William V. Jones, P.E., District IV Supervisor
Oil Conservation Division <http://www.emnrd.state.nm.us/ocd/>

1220 South St. Francis Drive, Santa Fe, NM 87505
P: 505.476.3477 C: 505.419.1995

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Kay C. Havenor, Ph.D., P.G.
GeoScience Technologies
904 Moore Ave

Jones, William V, EMNRD

From: Jones, William V, EMNRD
Sent: Friday, May 22, 2015 4:34 PM
To: 'Kay Havenor'
Cc: Herrmann, Keith, EMNRD; Goetze, Phillip, EMNRD; Brown, Maxey G, EMNRD
Subject: SWD Application for disposal from Read&Stevens Inc.: proposed re-entry well Pure Federal C SWD Well No: 1 30-025-02417 660 FNL 1982 FEL Unit letter B Sec 4-T20S-R34E

Hello Dr. Havenor,
Happy Memorial Day.

I have your Read & Stevens Permit written pending the end of the suspense period, at which time it could be released.

However, it seems that well 30-005-60014 is listed as needing a single well bond – so I can't release this permit until that is resolved.

Would you please pass this information on to your client?

And, because I won't be regularly checking on this issue, would you please let me know with another email exactly when this is resolved?

I don't need to know all the intermediate steps.... Just when there is no longer a "Y" in the extreme right column of the following report:

<https://wwwapps.emnrd.state.nm.us/OCD/OCDPermitting/Reporting/Compliance/InactiveWellFinancialAssuranceReport.aspx?Operator=18917>

Many Regards,

Will Jones

STILL as of 6/11/15
7/3/15
7/23/15

OK 8/3/15
Told to Roddy Dade
in Artesia ---

Jones, William V, EMNRD

From: Jones, William V, EMNRD
Sent: Monday, August 03, 2015 9:54 AM
To: 'Kay Havenor'
Subject: RE: Canceled C-108 application Pure Fed C 30-025-02417

Kay,
Yes, I will proceed.

Karen Sharp will fix the bonding issue tomorrow or begin fixing it.
And we are hoping that Read & Stevens will correct its contact info with Denise Gallegos of this office?

Will

From: Kay Havenor [mailto:kay.havenor@gmail.com]
Sent: Friday, July 31, 2015 2:13 PM
To: Jones, William V, EMNRD
Subject: Canceled C-108 application Pure Fed C 30-025-02417

It is my understanding that the C-108 was canceled as a result of my failure to timely respond to the notification that one existing Read & Stevens (R&S) well had a bonding violation. The OCD attempt to directly notify R&S disclosed incorrect Company notification info I met with R&S staff this morning and they will promptly update that data.

The well reported in violation is the R&S Buffalo Valley Com #1 API 30-005-60014, however, the well file shows it was properly plugged and abandoned with proper reporting to OCD and P&A approved Jan 22, 2003. This fact should eliminate the single bonding violation. My logic is that without the one violation the SWD permit could be further processed.

Can we proceed with the C-108 in light of this information (and your verification)?

Respectfully,

Kay Havenor

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Kay C. Havenor, Ph.D., P.G.
GeoScience Technologies
904 Moore Ave
Roswell, NM 88201-1144
(575) 626-4518



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

PERMIT TYPE: WFX / PMX / SWD Number: 1568 Permit Date: 8/3/15 Legacy Permits/Orders: _____

Well No. 1 Well Name(s): Pure Federal "C" SWD

API: 30-0 25-02417 Spud Date: 12/27/58 New or Old (UIC Class II Primacy 03/07/1982)

Footages 660 FNL / 1982 FEL Lot _____ or Unit B Sec 4 Tsp 20S Rge 34E County LEA

General Location: _____ Pool: _____ Pool No.: 052 Rwy 18

BLM 100K Map: _____ Operator: Reed Stevens, Inc OGRID: 18917 Contact: Kay Hager

COMPLIANCE RULE 5.9: Total Wells: 121 Inactive: 3 Fincl Assur: X Compl. Order? 005-60014 IS 5.9 OK? X Date: 5/22/15

WELL FILE REVIEWED 0 Current Status: PAR (8/21/59) (RE-P&A 5/13/63)

WELL DIAGRAMS: NEW: Proposed 0 or RE-ENTER: Before Conv. 0 After Conv. 0 Logs in Imaging: ✓

Planned Rehab Work to Well: RE-enter (Drillout / RUN LIVER / Drill 6" Open Hole / EQUIP

Well Construction Details		Sizes (in) Borehole / Pipe	Setting Depths (ft)	Cement Sx or Ct	Cement Top and Determination Method
Planned <u>0</u> or Existing <u>✓</u> Surface		<u>17 1/2 - 13 3/8</u>	<u>499</u>	<u>525</u>	<u>CIRC</u>
Planned <u>0</u> or Existing <u>✓</u> Interm/Prod		<u>12 1/4 - 9 5/8</u>	<u>480</u>	<u>3510</u>	<u>CIRC</u>
Planned <u>0</u> or Existing <u>✓</u> Interm/Prod		<u>8 3/4 - 7"</u>	<u>13915</u>	<u>510</u>	<u>12090 T.S.</u>
Planned <u>0</u> or Existing <u>0</u> Prod/Liner					
Planned <u>✓</u> or Existing <u>0</u> Liner		<u>6" - 4 1/2"</u>	<u>13800' - 14590'</u>	<u>200</u>	<u>Liner Top</u>
Planned <u>✓</u> or Existing <u>0</u> OH / PERF		<u>3 7/8"</u>	<u>14590' - 14960'</u>	<u>Inj Length 370'</u>	

Injection Lithostratigraphic Units	Depths (ft)	Injection or Confining Units	Tops
Adjacent Unit: Litho. Struc. Por.	<u>14578</u>	<u>DEV</u>	<u>✓</u>
Confining Unit: Litho. Struc. Por.	<u>14578</u>	<u>DEV</u>	<u>✓</u>
Proposed Inj Interval TOP:	<u>14590</u>	<u>DEV</u>	
Proposed Inj Interval BOTTOM:	<u>14960</u>		
Confining Unit: Litho. Struc. Por.			
Adjacent Unit: Litho. Struc. Por.			

Completion/Operation Details:	
Drilled TD <u>14985</u>	PBTD <u>13960'</u>
NEW TD _____	NEW PBTD _____
NEW Open Hole <u>0</u> or NEW Perfs <u>0</u>	
Tubing Size <u>2 7/8</u> in. Inter Coated? <u>✓</u>	
Proposed Packer Depth <u>14540</u> ft	
Min. Packer Depth _____ (100-ft limit)	
Proposed Max. Surface Press. _____ psi	
Admin. Inj. Press. <u>2918</u> (0.2 psi per ft)	

AOR: Hydrologic and Geologic Information

2 mi East of POTASH: R-111-P Noticed? _____ BLM Sec Ord 0 WIPP 0 Noticed? _____ SALT/SALADO 0 CLIFF HOUSE 0

FRESH WATER: Aquifer 150' QAL Max Depth _____ HYDRO AFFIRM STATEMENT By Qualified Person 0

NMOSE Basin: _____ CAPITAN REEF: thru 0 adj 0 NA 0 No. Wells within 1-Mile Radius? 0 FW Analysis 0

Disposal Fluid: Formation Source(s) Artisan CRP / Perm Analysis? Local On Lease 0 Operator Only 0 or Commercial 0

Disposal Int: Inject Rate (Avg/Max BWPD): _____ Protectable Waters? NO Source: Dap System: Closed 0 or Open 0

HC Potential: Producing Interval? NO Formerly Producing? NO Method: Log 0 DST/P&A/Other _____ 2-Mile Radius Pool Map 0

AOR Wells: 1/2-M Radius Map? ✓ Well List? ✓ Total No. Wells Penetrating Interval: 0 Horizontals? _____

Penetrating Wells: No. Active Wells 0 Num Repairs? _____ on which well(s)? _____ Diagrams? _____

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

NOTICE: Newspaper Date 9/25/15 Mineral Owner Federal Surface Owner Federal N. Date 4/25/15

RULE 26.7(A): Identified Tracts? _____ Affected Persons: C. M. Allen / A. D. Son / Hussin N. Date 4/25/15

Permit Conditions: Issues: DEV (STED) Gassy (51° OIL)

Add Permit Cond: