

RECEIVED: 9/7/2017	REVIEWER: PRG	TYPE: SWD	APP NO: PKSC1725631000
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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: Kenemore Welding and Oilfield Services, Inc **OGRID Number:** 253010
Well Name: New Mexico 'A' SWD #2 **API:** 30-025-01269
Pool: SWD; Permo-Upper Penn **Pool Code:** 96116

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

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

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

FOR OCD ONLY

☐ Notice Complete
☐ Application Content Complete

- 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.

George Kenemore

Print or Type Name

George Kenemore
 Signature

Date

8/30/2017


575-390-3951

Phone Number

georgekenemore@yahoo.com

e-mail Address

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: Secondary Recovery Pressure Maintenance X Disposal Storage
Application qualifies for administrative approval? X Yes No
- II. OPERATOR: Kenemore Welding and Oilfield Services, Inc OGRID 253010
ADDRESS: P.O. Box 177, Lovington, New Mexico 88260
CONTACT PARTY: George Kenemore PHONE: 575-390-3951
- 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: Request for amended AO SWD-1088
- 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: Danny J. Holcomb TITLE: Agent
SIGNATURE:  DATE: 8/11/2017
E-MAIL ADDRESS: danny@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: _____

Kenemore Welding and Oilfield Services, Inc
New Mexico 'A' SWD #2
API # 30-025-01269
661 FNL x 1983 FEL
Unit Letter 'O', Section 25, T16S, R33E
Lea County, New Mexico
C108 Application for Amended Order (Authorization to Inject)

I.

The purpose of this application is seeking administrative approval for an amended order (SWD-1088) to expand the current injection interval from 10839' – 11556' to 10340' – 12130' within the Wolfcamp-Upper Penn formations.

II.

Operator: Kenemore Welding and Oilfield Services, Inc
Address: P. O. Box 177, Lovington, New Mexico 88260
Contact Party: George Kenemore 575-390-3951 email: georgekenemore@yahoo.com

III.

Well Name: New Mexico 'A' SWD #2
API Number: 30-025-01269
Location: Unit Letter 'O', Section 25, T16S, R33E, Lea County, New Mexico
Operator: Kenemore Welding and Oilfield Services, Inc OGRID: 253010
Proposed Formation: SWD; Permo-Upper Penn (Pool Code: 96116)
Please see Exhibit "A" for additional well data.

IV.

This is an expansion of an existing project. Reference OA SWD-1088.

V.

Please see Exhibit "B" for lease map.

VI.

There are four offset wells located within or near the 0.5 mile Area of Review. All of these offset wells penetrate the proposed disposal interval. See AOR map, list of offset wells and offset wellbore diagrams in Exhibit "C".

VII.

1. Anticipated disposal volume – 1000 BWPD with a maximum of 1500 BWPD.
2. System will be closed. It will include a central tank battery and pump. Water will be trucked in.
3. Anticipated disposal pressure: Average <100 psig, Maximum 2068 psig.
4. Disposed fluid will be trucked in from producing wells in the immediate area. Please see Exhibit "D" for fluid analysis from area wells.
5. Please see Exhibit "D" for disposal zone fluid analysis.

Kenemore Welding and Oilfield Services, Inc
New Mexico 'A' SWD #2
API # 30-025-01269
661 FNL x 1983 FEL
Unit Letter 'O', Section 25, T16S, R33E
Lea County, New Mexico
C108 Application for Amended Order (Authorization to Inject)

VIII.

Formation	Anticipated Depth (ft)
Rustler	1500
B. Salt	2756
T. San Andres	4505
T. Abo	7988
T. Wolfcamp	9785
T. Upper Penn	11560
T. Strawn	12252
Proposed disposal zone	10340 - 12130

IX.

Proposed Completion Procedure: Perforations will be added. A pump-in test will be performed to establish injection rate. If pump-in test results are favorable, no initial stimulation is planned. If pump-in test results are unfavorable, an acid job will be pumped. 2-7/8" internally plastic coated injection tubing and packer will be run. Packer will be set a maximum of 100' above the top perf.

X.

Any logs performed will be submitted after completion.

XI.

NM OSE records indicate there are seven fresh water wells within the 1 mile Area of Review. See Exhibit "E" for copies of OSE data base queries and an AOR map.


XII.

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

XIII.

Please see Exhibit "F" for Proof of Notice. Included is a map of the Area of Review, list of noticees, certified mail electronic signature receipts for notices and the original affidavit of publication from the Lovington Leader for the required public notice.

Danny J. Holcomb



Agent for Kenemore Welding and Oilfield Services, Inc

Date: 8/11/2017

**Kenemore Welding and Oilfield Services, Inc
New Mexico 'A' SWD #2
API # 30-025-01269
661 FSL X 1983 FEL
Unit Letter "O", Section 25, T16S, R33E
Lea County, New Mexico**

Well Data

Data obtained from records maintained by NMOCD

Well spudded on 6/12/1958 by Phillips Petroleum as a Lower Wolfcamp oil well (Kemnitz Lower Wolfcamp Pool).

13-3/8" 27# and 48# casing was set in 17-1/2" hole at 395'. Cemented with 500 sacks of regular cement. Cement circulated to surface.

8-5/8" 24# and 32# casing was set in 11" hole at 4552'. Cemented with 1110 sacks of cement. Cement circulated to surface.

7-7/8" hole was drilled to 11610'. Lower Wolfcamp tested dry. Well was plugged and abandoned in 1958.

Well was re-entered by Phillips Petroleum in 1982 as an Atoka-Morrow test.

Well was deepened to 13485'. 5-1/2" 17# and 20# N80 casing was set in 7-7/8" hole at 13484' with DV tool at 10102'. Cemented 1st stage with 950 sacks Class "H" cement with additives. Cement circulated. Cemented 2nd stage with 700 sacks Lite followed by 100 sacks Class "H" with additives. Temperature survey found top of cement at 5300'.

Perforated Morrow at 13282-13290' – unproductive. Set CIBP at 13207' capped with 20 feet of cement. Perforated Atoka at 12835-12842' – unproductive. Set cement retainer at 12700'. Squeezed Atoka perforations with 75 sacks Class "H" cement. Perforated Lower Wolfcamp at 10839-11556' with 163 shots – unproductive.

In 2007, well was converted to SWD operations in Lower Wolfcamp per AO SWD-1088. A RBP was set at 12178'. 2-7/8" tubing was run and packer set at 10778'. In 2017, additional perms were added at 10813-10838' and 11572-12130'.

Estimated Formation Tops:

Rustler – 1500'
B. Salt - 2756'
San Andres – 4505'
Abo – 7988'
Wolfcamp – 9785'
Upper Penn – 11560'
Strawn – 12252'

EXHIBIT "A"

CURRENT/PROPOSED WELLBORE

SWD Service

Kenemore Welding and Oilfield Services, Inc

New Mexico 'A' SWD #2

API# 30-025-01269

661' FSL X 1983' FEL, UL 'O' Sec 25, T16S, R33E, Lea County, NM

All Depths KB

KB 4180'

GL 4152'

17-1/2" Hole

13-3/8" 27/48# Csg

Set @ 395'

Cement to surface: yes

Top Rustler 1500'

Base Salt 2756'

Top San Andres 4505'

11" Hole

8-5/8" 24/32# Csg

Set @ 4552'

Cement to surface: yes

Top Glorieta 5950'

Top Tubb 7206'

Top Abo 7988'

Top Wolfcamp 9785'

Top Upper Penn 11560'

Top Strawn 12252'

Top Atoka 12419'

Top Morrow 12928'

7-7/8" Hole

5-1/2" 17/20# Csg

Set @ 13484'

Cement to surface: no

2-7/8" Injection Tubing IPC

Pkr fluid in annulus

TOC @ 5300' (TS)

DV Tool @ 10102'

5-1/2" x 2-7/8" Pkr NP set @ 10778'

Wolfcamp/Upper Penn Perfs

10813' - 10838' (51 holes)

10839' - 11556' (orig perfs)

11572' - 11578' (13 holes)

11593' - 11603' (21 holes)

11613' - 11633' (41 holes)

11770' - 11774' (9 holes)

12110' - 12130' (41 holes)

RBP @ 12178'

Cmt retainer @ 12700'

Atoka Perfs (Sqz'd)

12835' - 12842'

CIBP @ 13207'

w/20' cmt on top

TOC @ 13187'

Morrow Perfs (Isolated)

13282' - 13290'

TD @ 13485'

EXHIBIT "A"

Drawing Not to Scale

Original perfs are red

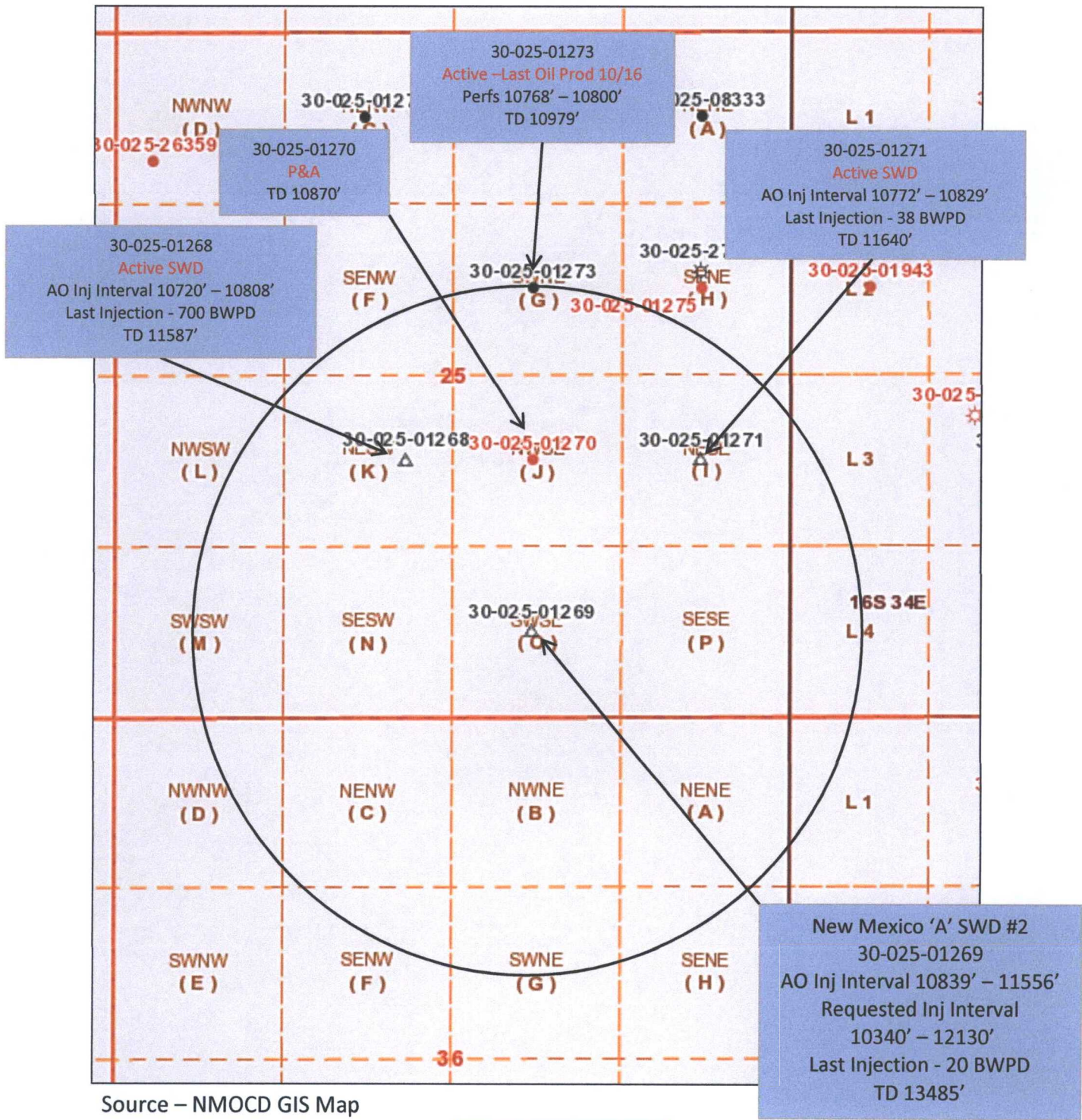
Perfs added 5/17/17 are blue

Kenemore Welding and Oilfield Services, Inc
 New Mexico 'A' SWD #2
 API # 30-025-01269
 661 FSL X 1983 FEL
 UL 'O', Sec 25, T16S, R33E
 Lea County, New Mexico
 Lease Map - 0.5 Mile and 2 Mile AOR



EXHIBIT "B"

Kenemore Welding and Oilfield Services, Inc.
 New Mexico 'A' SWD #2
 API 30-025-01269
 661 FSL x 1983 FEL, UL 'O', Sec 25, T16S, R33E
 0.5 Mile AOR



Source - NMOCD GIS Map

EXHIBIT "C"

Kenemore Welding and Oilfield Services, Inc
New Mexico 'A' SWD #2
API # 30-025-01269
Offset Wells within 0.5 Mile AOR

There are four offset wells within and just outside the 0.5 mile AOR that penetrate the proposed disposal zone.

UL, Sec, T, R	API Well No.	Well Name	TVD	Status
K-25-16S-33E	30-025-01268	New Mexico 'A' SWD #1	11587'	Active SWD well @ 10720' – 10808'
J-25-16S-33E	30-025-01270	New Mexico 'A' #3	10870'	P&A'd in 2004
I-25-16S-33E	30-025-01271	Phillips State SWD #1	11640'	Active SWD well @ 10772'-10829'
G-25-16S-33E	30-025-01273	Kemnitz WC Unit #22	10979'	Inactive oil well @ 10768'-10800'

30-025-01273

- This well is located approximately 2655' away from the New Mexico 'A' #2 (just outside of the 0.5 mile AOR).
- This well is located approximately 1650' away from the New Mexico 'A' SWD #1 which is injecting @ 10720' – 10808'.
- This well is located approximately 1868' away from the Phillips State SWD #1 which is injecting @ 10772' – 10829'.
- No oil production has been reported from this well in the past 10 months. Last reported Wolfcamp oil production was in October, 2016. Average oil production for the last 3 months reported was 1.5 BOPD.
- A reported well test dated 7/7/08 on form C104 in OCD well file indicated 0 BOPD. Per OCD production records, this well has only sporadically produced oil.

Attached on pages 8-11 are wellbore diagrams for these four wells from OCD well files.

EXHIBIT "C"

Offset Well

New Mex A # 1

API 30-025-01268

1983 FSL X 2313 FWL

Unit Letter K, Section 25, T16S, R33E

Lea County, New Mexico

After Conversion to SWD

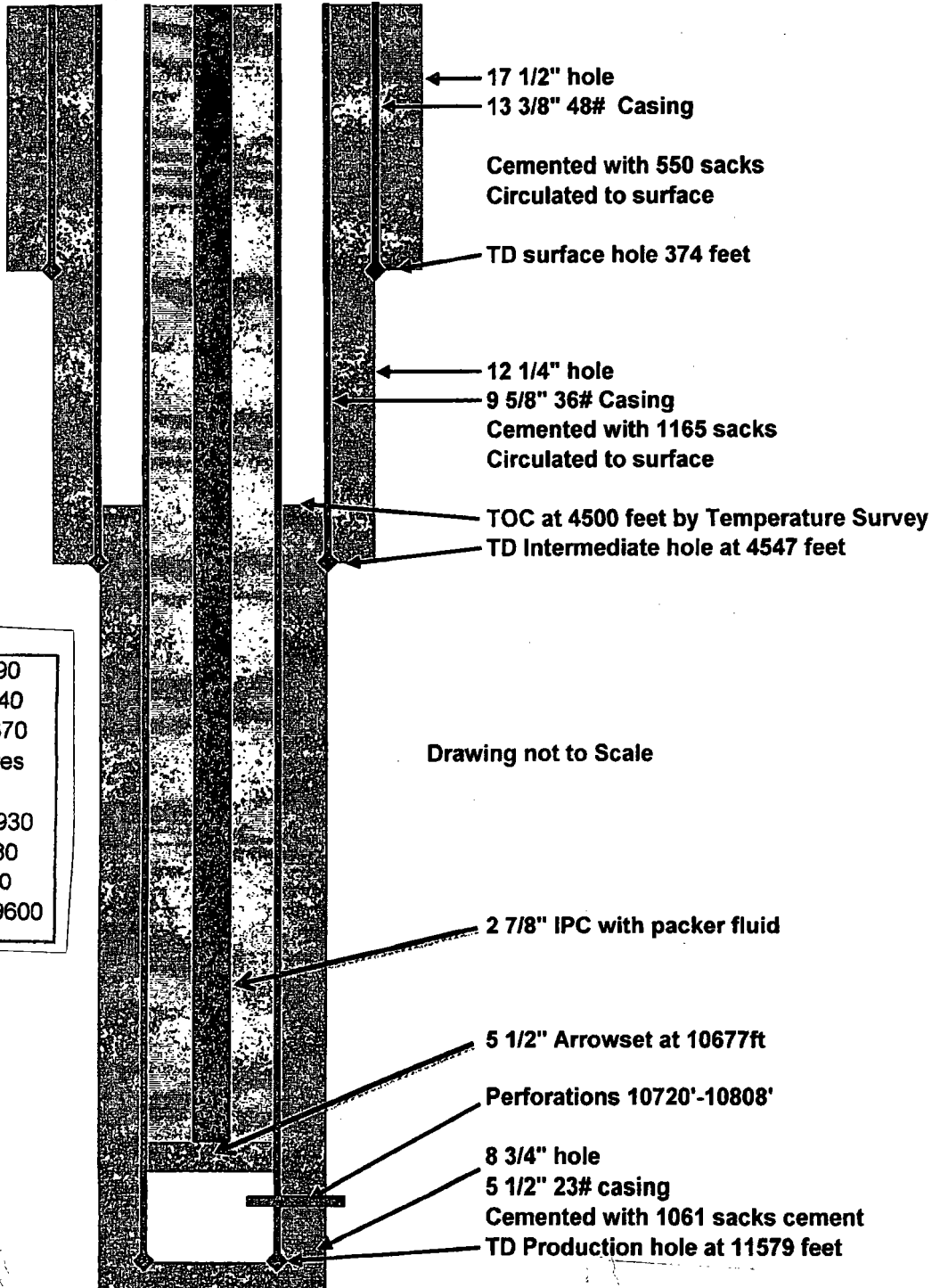


Exhibit C

Offset Well

Penroc Oil Corporation
Ogrid # 17213
C108(Application for Authorization to Inject)
New Mex A # 3
API # 30-025-01270
1980 FEL X 1980 FSL
Unit Letter "J", Section 25, T16S, R33E
Lea County, New Mexico
Kemnitz Lower Wolfcamp Oilwell PA

Spud 12/04/1960

PA 8/17/2004

Anhy 1490
Yates 2748
Queen 3675
San Andres
4480
Glorieta 5932
Tubb 7188
Abo 7945
Wolfcamp 9604
Kemnitz 10680

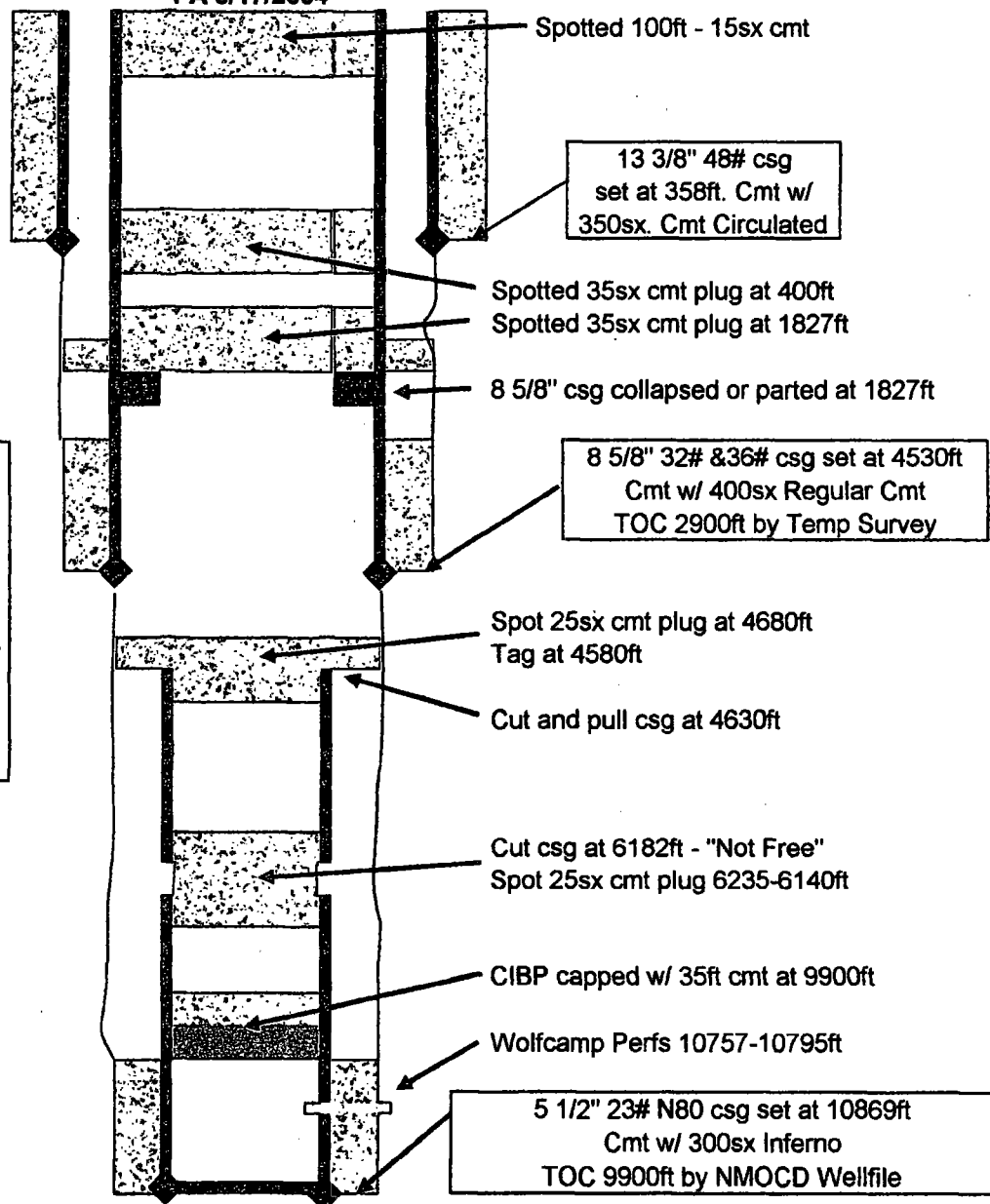


Exhibit C

HOBBS OCD

SEP 22 2016

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Phillips State # 1

1980 FSL X 660 FEL

Unit Letter I, Section 25, T16S, R33E

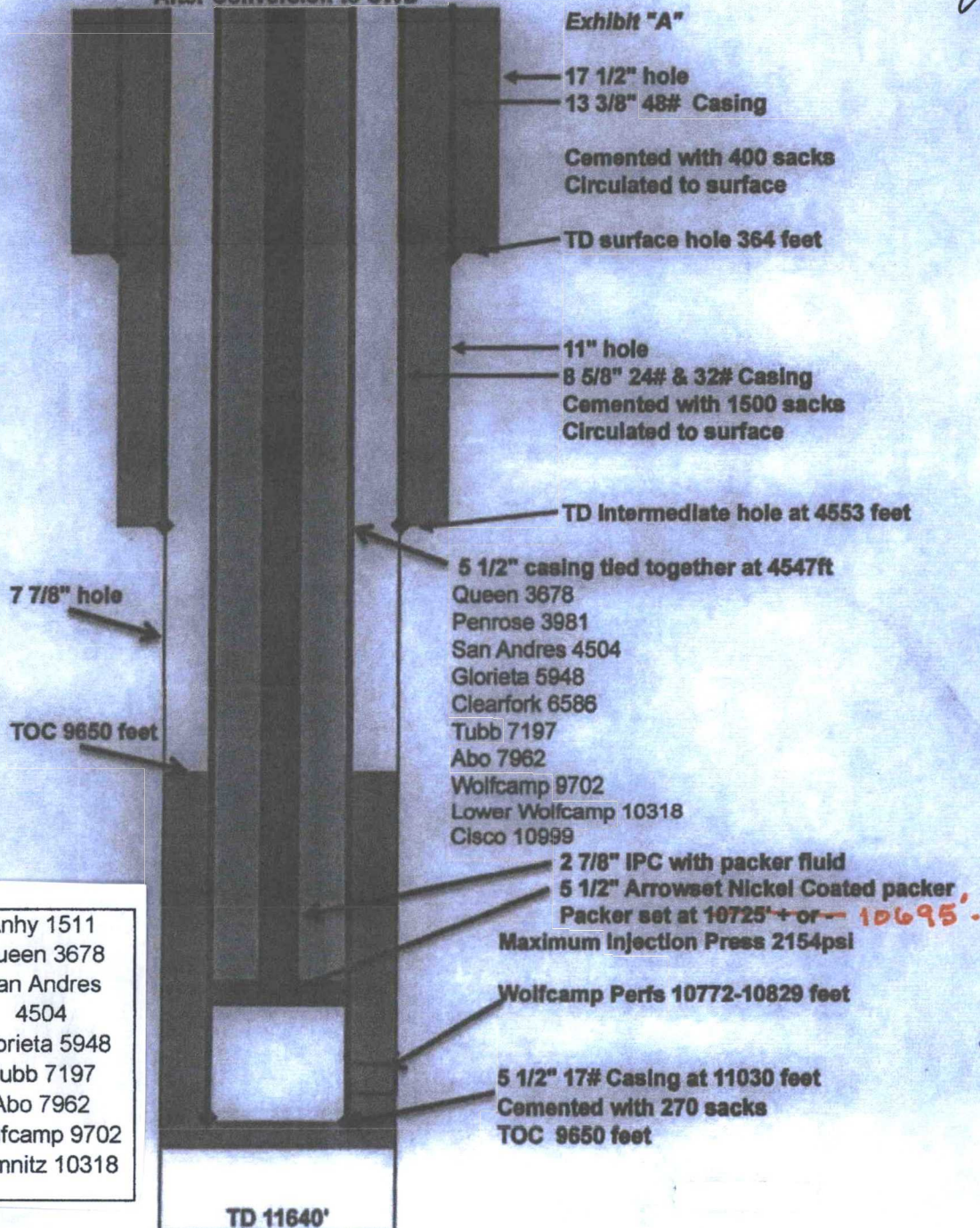
Lea County, New Mexico

Spud 6/18/1957

After Conversion to SWD

API 30-025-01271

Offset Well

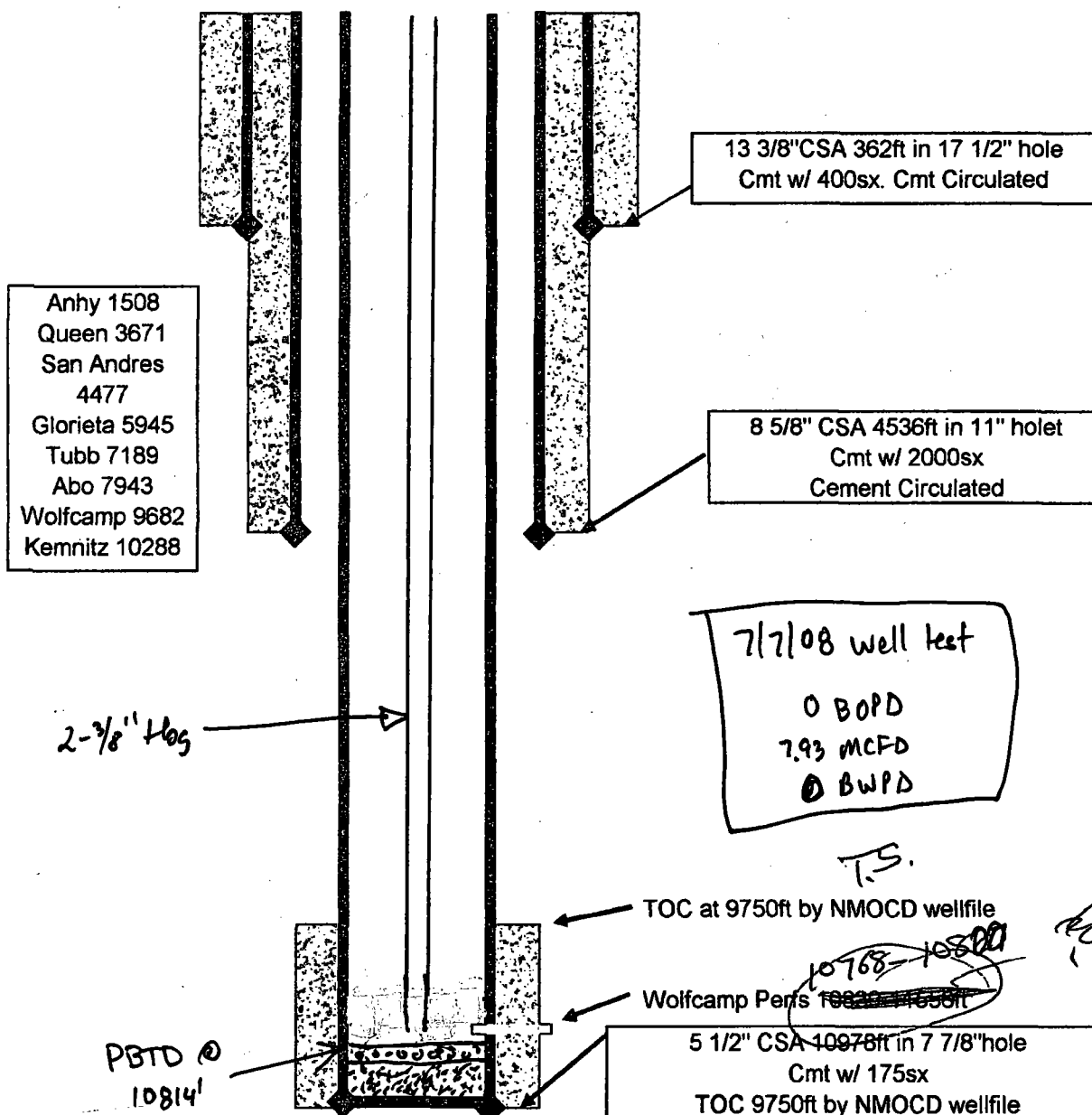


Anhy 1511
Queen 3678
San Andres
4504
Glorieta 5948
Tubb 7197
Abo 7962
Wolfcamp 9702
Kemnitz 10318

Exhibit C

Offset Well

MGM Oil and Gas Company
 Kernitz Wolfcamp Unit # 22
 API # 30-025-01273
 Unit Letter "G", Section 25, T16S, R33E
 Lea County, New Mexico
 Drilled as Lower Wolfcamp Oil Well
 Spud 8/31/1957



Sample as proposed by wellfile

Exhibit C

10768-10827

Kenemore Welding and Oilfield Services, Inc
New Mexico 'A' SWD #2
API # 30-025-01269
Unit Letter 'O', Section 25, T16S, R33E
Lea County, New Mexico

Injection Formation Water

<u>API Number</u>	<u>Formation</u>	<u>TDS</u>	<u>Chlorides</u>
30-025-01271	Wolfcamp	105,626	64,640
30-025-01274	Wolfcamp	63,599	37,760
30-025-08333	Wolfcamp	130,512	80,590

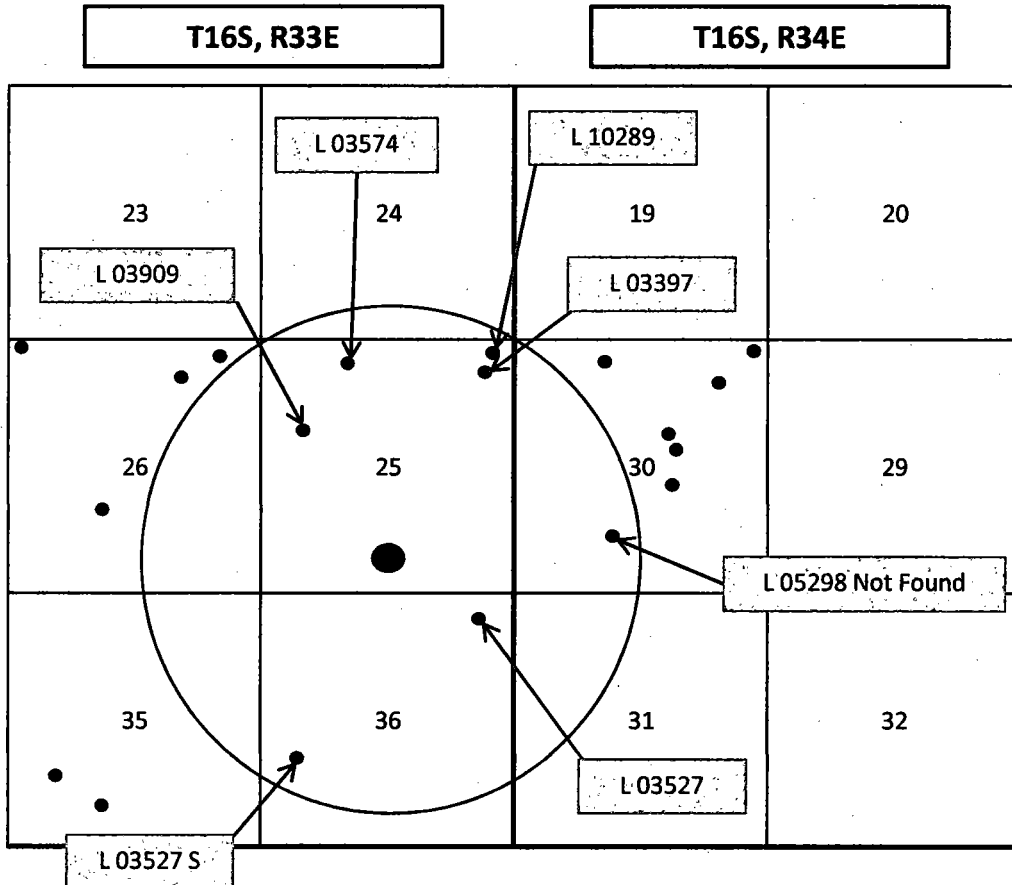
Possible Disposal Fluid

<u>API Number</u>	<u>Formation</u>	<u>TDS</u>	<u>Chlorides</u>
30-025-01265	Wolfcamp	140,936	86,193
30-025-01272	Wolfcamp	27,624	16,060
30-025-30163	Delaware	96,262	56,415
30-025-28400	Bone Spring	149,906	98,373
30-025-20647	Abo	51,887	26,700
30-025-33584	Devonian	52,742	31,735
30-025-00369	Cisco	55,365	31,900

Data obtained from GO-Tech NMWAIDS data base.

EXHIBIT "D"

Kenemore Welding and Oilfield Services, Inc
New Mexico 'A' SWD #2
API # 30-025-01269
1 Mile AOR for Water Wells



According to OSE records, there are seven fresh water wells
within 1 mile of the New Mexico 'A' SWD #2

Exhibit "E"



New Mexico Office of the State Engineer Water Column/Average Depth to Water

(A CLW##### in the
POD suffix indicates the
POD has been replaced
& no longer serves a
water right file.)

(R=POD has
been replaced,
O=orphaned,
C=the file is
closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)

(quarters are smallest to largest)

(NAD83 UTM in meters)

(In feet)

POD Number	POD Sub-Code	basin	County	Q 64	Q 16	Q 4	Sec	Twp	Rng	X	Y	Depth Well	Depth Water	Water Column
L 03397	L	LE		2	2	25	16S	33E		629987	3640869*	160	124	36
L 03527	L	LE		1	2	2	36	16S	33E	629907	3639359*	278	125	153
L 03527 S	L	LE		1	1	3	36	16S	33E	628715	3638131*	250	160	90
L 03527 S2	L	LE		3	4	3	35	16S	33E	627508	3637911*	275	138	137
L 03527 S3	L	LE		2	3	3	35	16S	33E	627305	3638104*	240	155	85
L 03574	L	LE		2	1	25	16S	33E		629182	3640855*	160	115	45
L 03712	L	LE		2	2	26	16S	33E		628377	3640841*	170	135	35
L 03751	L	LE		2	2	26	16S	33E		628377	3640841*	175		
L 03789	L	LE				26	16S	33E		627788	3640216*	223	145	78
L 03909	L	LE		3	1	25	16S	33E		628785	3640445*	180	120	60
L 06222	L	LE		2	3	26	16S	33E		627582	3640022*	205	154	51
L 10289	L	LE		2	2	25	16S	33E		629987	3640869*	200		

Average Depth to Water: 137 foot

Minimum Depth: 115 foot

Maximum Depth: 160 foot

Record Count: 12

PLSS Search:

Section(s): 24, 25, 26, 35, Township: 16S Range: 33E
36

Ogallala Top of water / not
Base of aquifer.
Base of protectable water 420'-450'

The wells with red boxes around them are not located within the 1 mile AOR.

The other six wells are spotted on the AOR map on page 13.

EXHIBIT "E"

Source:
USGS SIM-3044 (Tillery 2008)

*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.

8/9/17 2:18 PM



New Mexico Office of the State Engineer

Water Column/Average Depth to Water

(A CLW#### in the
POD suffix indicates the
POD has been replaced
& no longer serves a
water right file.)

(R=POD has been
replaced,
O=orphaned,
C=the file is
closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)

(quarters are smallest to largest)

(NAD83 UTM in meters)

(In feet)

POD Number	Code	POD Sub-basin	County	Q 64	Q 16	Q 4	Sec	Twp	Range	X	Y	Depth Well	Depth Water	Water Column
L 03306		L	LE	2	2	30	16S	34E		631521	3640897*	190	125	65
L 03476		L	LE	2	1	30	16S	34E		630717	3640882*	166	115	51
L 03477		L	LE	3	3	2	30	16S	34E	631024	3640386*	150	115	35
L 03529		L	LE	4	3	2	30	16S	34E	631224	3640386*	260	120	140
L 03529 S		L	LE	1	1	4	30	16S	34E	631030	3640184*	260	170	90
L 05298		L	LE			3	30	16S	34E	630606	3639870*	145	94	51

Average Depth to Water: 123 feet

Minimum Depth: 94 feet

Maximum Depth: 170 feet

Record Count: 6

PLSS Search:

Section(s): 30, 31

Township: 16S

Range: 34E

*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.

8/9/17 3:29 PM

WATER COLUMN/ AVERAGE DEPTH TO
WATER

None of these wells within this box are located within the 1 mile AOR.

This water well could not be located. It's location is approximated on the AOR map on page 13.

EXHIBIT "E"

Kenemore Welding and Oilfield Services, Inc
New Mexico 'A' SWD #2
API # 30-025-01269

Legal Notice

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 August 12, 2017 and ending with the issue of August 12, 2017.

And that the cost of publishing said notice is the sum of \$ 34.46 which sum has been (Paid) as Court Costs.

Joyce Clemens
Joyce Clemens, Advertising Manager
Subscribed and sworn to before me this 14th day of August, 2017.

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



Legal Notice

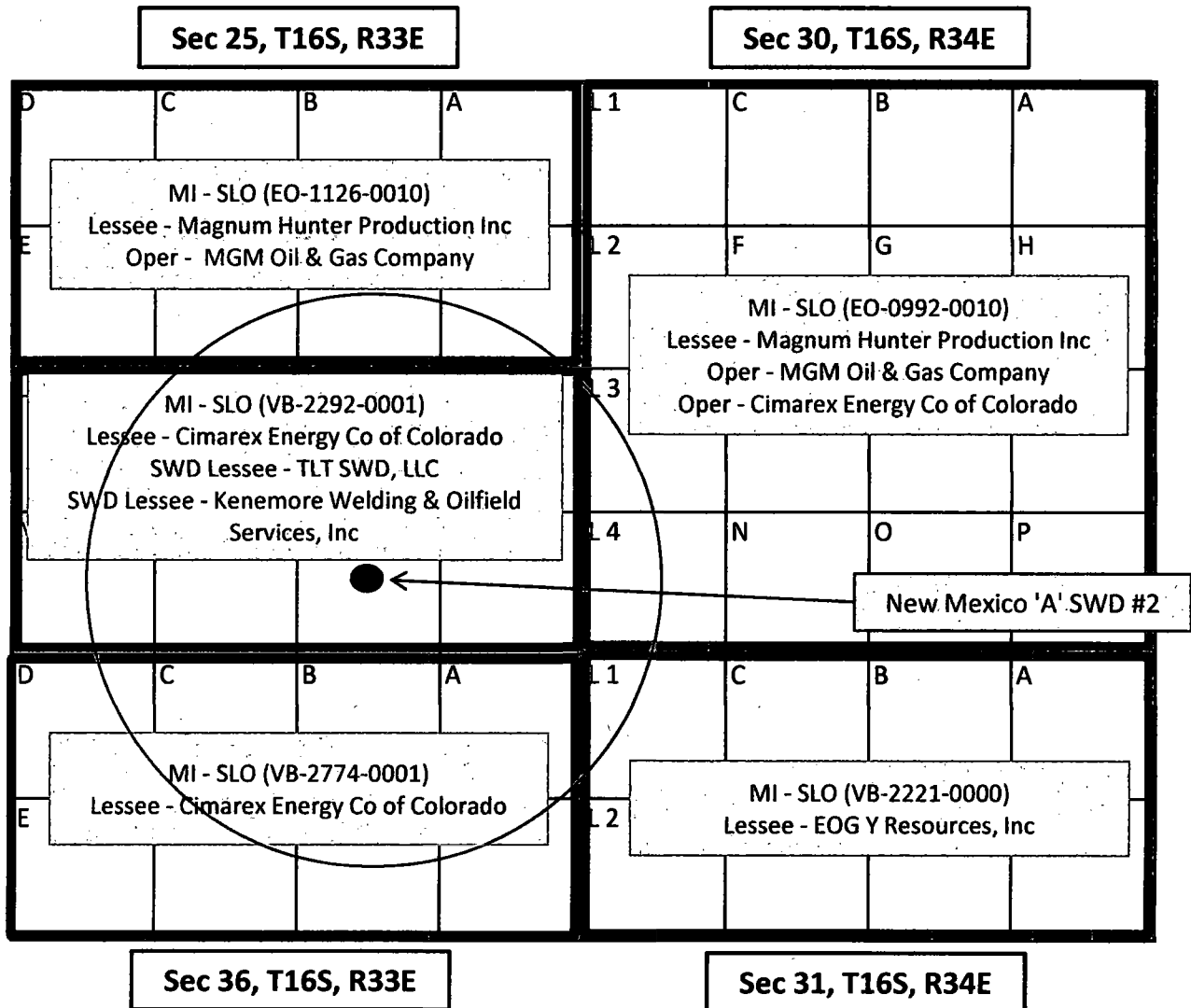
Kenemore Welding and Oilfield Services, Inc; PO Box 177, Lovington, NM 88260 has filed form C108 (Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval to amend Administrative Order SWD-1088 on the New Mexico 'A' SWD #2, API 30-025-01269, 661 FSL x 1883 FEL, Unit Letter 'O', Section 25, T16S, R33E, Lea County, New Mexico. The amendment involves a request to expand the disposal interval within the Wolfcamp-Upper Penn formations from 10,839' - 11,556' to 10,340' - 12,130'. Disposal fluid would be produced water from producing oil and gas wells in the area. Anticipated disposal rate would remain 1000 BWPD with a maximum rate of 1500 BWPD. Anticipated disposal pressure would be 0 (zero) psi with a maximum disposal pressure of 2068 psi. The well is located approximately 9.4 miles northeast of Maljamar, 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 within 15 days. Additional information can be obtained by contacting Danny Holcomb at 808-471-6628.

Published in the Lovington Leader August 12, 2017.

EXHIBIT "F"

Kenemore Welding and Oilfield Services, Inc
 New Mexico 'A' SWD #2
 API # 30-025-01269
 0.5 Mile AOR



This location 661 FSL X 1983 FEL
 Surface Owner - State of New Mexico Commissioner of Public Land
 Drawing not to scale

EXHIBIT "F"

Kenemore Welding and Oilfield Services, Inc
New Mexico 'A' SWD #2
API #30-025-01269

EXHIBIT 'F' - NOTIFICATION LIST

#	NAME	ADDRESS	CITY STATE ZIP	TYPE
1	State of New Mexico Commissioner of Public Land	P. O. Box 1148	Santa Fe, NM 87504	Surface Owner

Section 25, T16S, R33E, NMPM (ULs A, B, C, D, E, F, G, H)

#	NAME	ADDRESS	CITY STATE ZIP	TYPE
1	State of New Mexico Commissioner of Public Land	P. O. Box 1148	Santa Fe, NM 87504	Mineral Owner
2	MGM Oil & Gas Company	P. O. Box 891	Midland, TX 79702-0891	Operator

Section 25, T16S, R33E, NMPM (ULs I, J, K, L, M, N, O, P)

#	NAME	ADDRESS	CITY STATE ZIP	TYPE
1	State of New Mexico Commissioner of Public Land	P. O. Box 1148	Santa Fe, NM 87504	Mineral Owner
2	Cimarex Energy Co of Colorado	600 N. Marienfeld, Suite 600	Midland, TX 79701	Lessee
3	TLT SWD, LLC	P. O. Box 1906	Hobbs, NM 88241	SWD Lessee
	Kenemore Welding and Oilfield Services, Inc	P. O. Box 177	Lovington, NM 88260	SWD Lessee

Section 36, T16S, R33E, NMPM (ULs A, B, C, D, F, G, H)

#	NAME	ADDRESS	CITY STATE ZIP	TYPE
1	State of New Mexico Commissioner of Public Land	P. O. Box 1148	Santa Fe, NM 87504	Mineral Owner
2	Cimarex Energy Co of Colorado	600 N. Marienfeld, Suite 600	Midland, TX 79701	Lessee

Section 30, T16S, R34E, NMPM (ULs L3, L4)

#	NAME	ADDRESS	CITY STATE ZIP	TYPE
1	State of New Mexico Commissioner of Public Land	P. O. Box 1148	Santa Fe, NM 87504	Mineral Owner
2	MGM Oil & Gas Company	P. O. Box 891	Midland, TX 79702-0891	Operator

Section 31, T16S, R34E, NMPM (UL L1)

#	NAME	ADDRESS	CITY STATE ZIP	TYPE
1	State of New Mexico Commissioner of Public Land	P. O. Box 1148	Santa Fe, NM 87504	Mineral Owner
2	EOG Y Resources, Inc	105 Soth Fourth Street	Artesia, NM 88210	Lessee

NMOCD Notices

#	NAME	ADDRESS	CITY STATE ZIP
1	NMOCD Engineering Bureau	1220 South St. Francis Drive	Santa Fe, NM 87505
2	NMOCD District 1 Office	1625 N. French Drive	Hobbs, NM 88240

EXHIBIT "F"



Date: August 14, 2017

Danny Holcomb:

The following is in response to your August 14, 2017 request for delivery information on your Certified Mail™ item number 70151730000222123015. The delivery record shows that this item was delivered on August 14, 2017 at 9:44 am in HOBBS, NM 88240. The scanned image of the recipient information is provided below.

Signature of Recipient :

B Casu

Address of Recipient :

1625 N French Dr

Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,
United States Postal Service

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HOBBS, NM 88240

Certified Mail Fee	\$3.35
Extra Services & Fees (check box, add fee if applicable)	\$0.00
<input type="checkbox"/> Return Receipt (hardcopy)	\$1.45
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00
Postage	\$1.82
Total Postage and Fees	

Sent To
State of New Mexico
NMOC District 1 Office
1625 N. French Drive
Hobbs, NM 88240

City, State, ZIP+4®

PS Form 3800, Apr 2016

89101516171819202122232425
02067 01
AUG 2017
Hobbs
08/11/2017

5102 5102 2212 2212 2212 2212 2212 2212 2212 2212



Date: August 14, 2017

Danny Holcomb:

The following is in response to your August 14, 2017 request for delivery information on your Certified Mail™ item number 70151730000222122988. The delivery record shows that this item was delivered on August 14, 2017 at 1:28 pm in MIDLAND, TX 79701. The scanned image of the recipient information is provided below.

Signature of Recipient :

Address of Recipient :

Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,
United States Postal Service

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only	
For delivery information, visit our website at www.usps.com ®.	
MIDLAND TX 79701	
OFFICIAL USE	
Certified Mail Fee	\$3.35
Extra Services & Fees (check box, add fee as appropriate)	\$0.00
<input type="checkbox"/> Return Receipt (hardcopy)	\$1.45
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00
Postage	\$1.82
Total Postage and F	\$6.62
Sent To	Cimarex Energy Co of Colorado
Street and Apt. No.	600 N. Marienfeld, Suite 600
City, State, ZIP+4®	Midland, TX 79701
PS Form 3800, Apr 2016	

7015 1730 0002 2212 2988

Postmark Here
AUG 2017
MIDLAND TX 79701
08/11/2017




Date: August 14, 2017

Danny Holcomb:

The following is in response to your August 14, 2017 request for delivery information on your Certified Mail™ item number 70151730000222122971. The delivery record shows that this item was delivered on August 14, 2017 at 12:15 pm in HOBBS, NM 88240. The scanned image of the recipient information is provided below.

Signature of Recipient :

Delivery record
Signature of Recipient: 
Name: Mike Briseno

Address of Recipient :

Address of Recipient: 1906 PO Box

Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,
United States Postal Service

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HOBBS, NM 88241

OFFICIAL USE

Certified Mail Fee \$3.35

Extra Services & Fees (check box, add fee as appropriate)

<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00

Postage \$1.82

Total Postage and Fees \$6.62

Sent To TLT SWD, LLC

Street and Apt. No. P. O. Box 1906

City, State, ZIP+4 Hobbs, NM 88241

PS Form 3800, A

Postmark: HOBBS, NM 88241 AUG 14 2017

7015 1730 0002 2212 2971



Date: August 15, 2017

Danny Holcomb:

The following is in response to your August 15, 2017 request for delivery information on your Certified Mail™ item number 70151730000222123008. The delivery record shows that this item was delivered on August 15, 2017 at 7:33 am in SANTA FE, NM 87501. The scanned image of the recipient information is provided below.

Signature of Recipient :

Signature: *[Handwritten Signature]*
Printed Name: *Samantha Romero*

Address of Recipient :

Address: *1148*

Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,
United States Postal Service

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Santa Fe, NM 87504

Certified Mail Fee	\$3.35
Extra Services & Fees (check box, add fee if selected)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$1.45
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00

Postage \$1.82

Total Postage and Fees \$5.17

Sent To: State of New Mexico
Commissioner of Public Land
P. O. Box 1148
City, State, ZIP+4® Santa Fe, NM 87504

Postmark: AUG 2017

PS Form 3800, Apr 2016

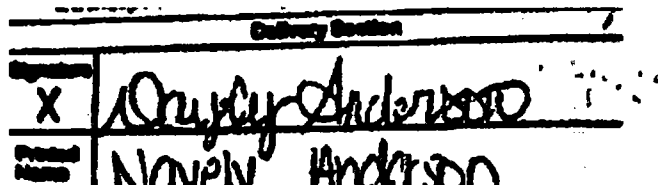


Date: August 17, 2017

Danny Holcomb:

The following is in response to your August 17, 2017 request for delivery information on your Certified Mail™ item number 70151730000222122957. The delivery record shows that this item was delivered on August 17, 2017 at 7:40 am in ARTESIA, NM 88210. The scanned image of the recipient information is provided below.

Signature of Recipient :



Address of Recipient :



Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,
United States Postal Service

7015 1730 0002 2212 2957

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only	
For delivery information, visit our website at www.usps.com ®.	
ARTESIA NM 88210	
OFFICIAL USE	
Certified Mail Fee	\$3.35
Extra Services & Fees (check box, add fee as appropriate)	\$0.00
<input type="checkbox"/> Return Receipt (hardcopy)	\$1.55
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00
Postage	\$1.82
Total Postage and Fees	\$6.62
Sent To	EOG Y Resources, Inc
Street and Apt. No.	105 South Fourth Street
City, State, ZIP+4®	Artesia, NM 88210
PS Form 3800, Apr 2016	

Postmark Here
AUG 2017
08/11/2017

91011129206
15161718



Date: August 30, 2017

Danny Holcomb:

In response to your request dated August 30, 2017, we regret to inform you that we were unable to locate any delivery information in our records regarding your item number 70151730000222122995.

If you would like additional assistance with this inquiry, please take this receipt to your local Post Office or postal representative.

Sincerely,
United States Postal Service

I hereby attest that Cheryl from the MGM Oil & Gas Office in Midland, TX confirmed to me by telephone today, August 30, 2017 that they received the notice today. MGM's telephone number is 432-682-7714.

Signed: *D Holcomb*

7015 1730 0002 2212 2995

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only	
For delivery information, visit our website at www.usps.com ®.	
MIDLAND TX 79702	
OFFICIAL USE	
Certified Mail Fee	\$3.35
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00
Postage	\$1.82
Total Postage and Fees	\$6.62
Sent To	MGM Oil & Gas Company
Street and Apt. No.	P. O. Box 891
City, State, ZIP+4®	Midland, TX 79702-0891
PS Form 3800, Apr 2016	

Postmark: MIDLAND TX 79702 AUG 30 2017

Holcomb Consultants
6900 Spring Cherry Lane
Amarillo, Texas 79124

RECEIVED OGD

2017 SEP -7 A 11:15

August 30, 2017

New Mexico Oil Conservation Division
Engineering Bureau
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Original Affidavit of Publication
Amended C108 Application (SWD-1088) from Kenemore Welding & Oilfield Services, Inc.
New Mexico 'A' SWD #2 (30-025-01269)

Dear Sirs,

Attached is the original AOP received from the Lovington Leader for the legal notice publication made on August 12, 2017 as part of the amended C108 application (Authority to Inject) on the above referenced well.

If you have any questions concerning this notice or need any additional information, please let me know.

Sincerely,



Danny J. Holcomb
Agent for Kenemore Welding & Oilfield Services, Inc.
Email: danny@pwillc.net
Cell: 806-471-5628

Attachment

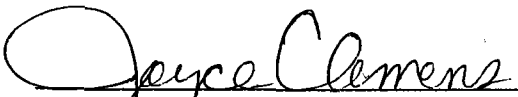
Affidavit of Publication

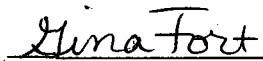
STATE OF NEW MEXICO)
) ss.
COUNTY OF LEA)

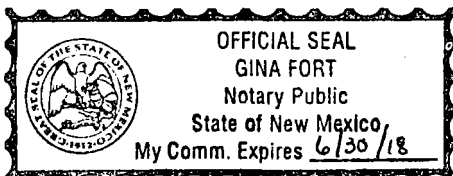
Joyce Clemens being first duly sworn on oath deposes and says that she is Advertising Manager of THE LOVINGTON LEADER, a thrice a week newspaper of general paid circulation published in the English language at Lovington, Lea County, New Mexico; that said newspaper has been so published in such county 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 August 12, 2017 and ending with the issue of August 12 , 2017.

And that the cost of publishing said notice is the sum of \$ 34.46 which sum has been (Paid) as Court Costs.


Joyce Clemens, Advertising Manager
Subscribed and sworn to before me this 14th day of August , 2017.


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



Legal Notice

Kenemore Welding and Oilfield Services, Inc, PO Box 177, Lovington, NM 88260 has filed form C108 (Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval to amend Administrative Order SWD-1088 on the New Mexico 'A' SWD #2, API 30-025-01269, 661 FSL x 1983 FEL, Unit Letter "O", Section 25, T16S, R33E, Lea County, New Mexico. The amendment involves a request to expand the disposal interval within the Wolfcamp-Upper Penn formations from 10,839' - 11,556' to 10,340' - 12,130'. Disposal fluid would be produced water from producing oil and gas wells in the area. Anticipated disposal rate would remain 1000 BWPD with a maximum rate of 1500 BWPD. Anticipated disposal pressure would be 0 (zero) psi with a maximum disposal pressure of 2068 psi. The well is located approximately 9.4 miles northeast of Maljamar, 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 within 15 days. Additional information can be obtained by contacting Danny Holcomb at 806-471-5628.

Published in the Lovington Leader August 12, 2017

Holcomb Consultants
6900 Spring Cherry Lane
Amarillo, Texas 79124

August 30, 2017

State of New Mexico
NMOCD Engineering Bureau
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Per the rules and regulations of the New Mexico Oil Conservation Division, please find enclosed a copy of NMOCD form C108. Kenemore Welding and Oilfield Services, Inc, PO Box 177, Lovington, NM 88260 has filed form C108 (Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval to amend Administrative Order SWD-1088 on the New Mexico 'A' SWD #2, API 30-025-01269, 661 FSL x 1983 FEL, Unit Letter "O", Section 25, T16S, R33E, Lea County, New Mexico. The amendment involves a request to expand the disposal interval within the Wolfcamp-Upper Penn formations from 10,839' – 11,556' to 10,340' – 12,130'. Disposal fluid would be produced water from producing oil and gas wells in the area. Anticipated disposal rate would remain 1000 BWPD with a maximum rate of 1500 BWPD. Anticipated disposal pressure would be 0 (zero) psi with a maximum disposal pressure of 2068 psi. The well is located approximately 9.4 miles northeast of Maljamar, 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 within 15 days. Additional information can be obtained by contacting Danny Holcomb at 806-471-5628.

Sincerely,



Danny J. Holcomb
Agent for Kenemore Welding and Oilfield Services, Inc
Email: danny@pwllc.net

Attachment



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

DATE RECORD: First Rec: 9/7/17 Admin Complete: 9/7/17 or Suspended: — Add. Request/Reply: —

ORDER TYPE: WFX / PMX / SWD Number: 1088-A Order Date: 12/4/17 Legacy Permits/Orders: SWD-1088

Well No. 2 Well Name(s): New Mex A See R-13612 [Perfs added - amend existing]

API: 30-0 25-01269 Spud Date: 06/12/58 New or Old (EPA): Old (UIC Class II Primacy 03/07/1982)

Footages 661 FSL/1983 FEL Lot — or Unit 0 Sec 25 Tsp 16S Rge 33E County Lea

General Location: 1.75 mi south of 8882; between Maljamas and Livingston SWD: Permian-Upper Permian Pool No.: 96116

BLM 100K Map: Hobbs Operator: Kenemore Welding Oilfield Services Inc. OGRID: 253010 Contact: D. Holcomb

COMPLIANCE RULE 5.9: Total Wells: 1 Inactive: 0 Fincl Assur: Yes Compl. Order? No IS 5.9 OK? Yes Date: 12/4/17

WELL FILE REVIEWED ☒ Current Status: Operating SWD - shut in while application pending

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

Planned Rehab Work to Well: Operator expanded perf interval without obtaining amended order

Well Construction Details		Sizes (in) Borehole / Pipe	Setting Depths (ft)	Cement Sx or Cf	Cement Top and Determination Method
Planned <input type="checkbox"/> or Existing <input checked="" type="checkbox"/> Surface		17 1/2 / 13 3/8	395'	500	Circ to surface
Planned <input type="checkbox"/> or Existing <input checked="" type="checkbox"/> Intern/Prod		11 / 8 5/8	4522'	1100	Circ to surface
Planned <input type="checkbox"/> or Existing <input checked="" type="checkbox"/> Intern/Prod		7 7/8 / 5 1/2	13,484 (Geotech) <u>8 1/2 / 10 / 102</u>	950/800	5300' TS
Planned <input type="checkbox"/> or Existing <input type="checkbox"/> Prod/Liner		—	—	—	—
Planned <input type="checkbox"/> or Existing <input type="checkbox"/> Liner		—	Proposed <u>10,340 - 12,130 (Disposal)</u>	—	—
Planned <input checked="" type="checkbox"/> or Existing <input checked="" type="checkbox"/> OH/PERF		7 7/8 / 5 1/2	<u>10,834 - 11,556 (Prod)</u>	Inj Length	—

Injection Lithostratigraphic Units	Depths (ft)	Units	Tops
Adjacent Unit: Litho. Struc. Por.			
Confining Unit: Litho. Struc. Por.	<u>10,645</u>	<u>Abo(?)</u>	<u>7988</u>
Proposed Inj Interval TOP:	<u>10,340</u>	<u>Wolfcamp</u>	<u>9785</u>
Proposed Inj Interval BOTTOM:	<u>12,130</u>	<u>Perm (Circ/Comp)</u>	<u>11,560</u>
Confining Unit: Litho. Struc. Por.		<u>Strawn</u>	<u>12,252</u>
Adjacent Unit: Litho. Struc. Por.		<u>Atoka</u>	<u>12,419</u>

Completion/Operation Details:	
Drilled TD <u>13,484</u>	PBTD <u>12,178</u>
NEW TD <u>—</u>	NEW PBTD <u>—</u>
NEW Open Hole <input type="checkbox"/> or NEW Perfs <input checked="" type="checkbox"/>	
Tubing Size <u>2 7/8</u> in. Inter Coated? <u>Yes</u>	
Proposed Packer Depth <u>10,778</u> ft	
Min. Packer Depth <u>10,580</u> (100-ft limit)	
Proposed Max. Surface Press. <u>2068</u> psi	
Admin. Inj. Press. <u>2068</u> (0.2 psi per ft)	

AOR: Hydrologic and Geologic Information

POTASH: R-111-P NA Noticed? — BLM Sec Ord NA WIPP NA Noticed? — Salt/Salado T: — B: — NW: Cliff House fm NA

FRESH WATER: Aquifer Alluvial/Ogallala Max Depth 450' HYDRO AFFIRM STATEMENT By Qualified Person ☒

NMOSE Basin: Lea CAPITAN REEF: thru — adj — NA ☒ No. GW Wells in 1-Mile Radius? 7 FW Analysis? No

Disposal Fluid: Formation Source(s) Wolfcamp/Daw/Abo/Cisco Analysis? Yes On Lease ☐ Operator Only ☐ or Commercial ☒

Disposal Interval: Inject Rate (Avg/Max BWPD): 1000/1500 Protectable Waters? No Source: Sample/History System: Closed or Open ☐

HC Potential: Producing Interval? to the north Formerly Producing? Yes Method: Logs/DST/P&A/Other Report R-13612 2-Mile Radius Pool Map ☒

AOR Wells: 1/2-M Radius Map and Well List? Yes No. Penetrating Wells: 4 [AOR Horizontals: 0 AOR SWDs: 2]

Penetrating Wells: No. Active Wells 3 Num Repairs? 0 on which well(s)? — Diagrams? Yes

Penetrating Wells: No. P&A Wells 1 Num Repairs? 0 on which well(s)? — Diagrams? Yes

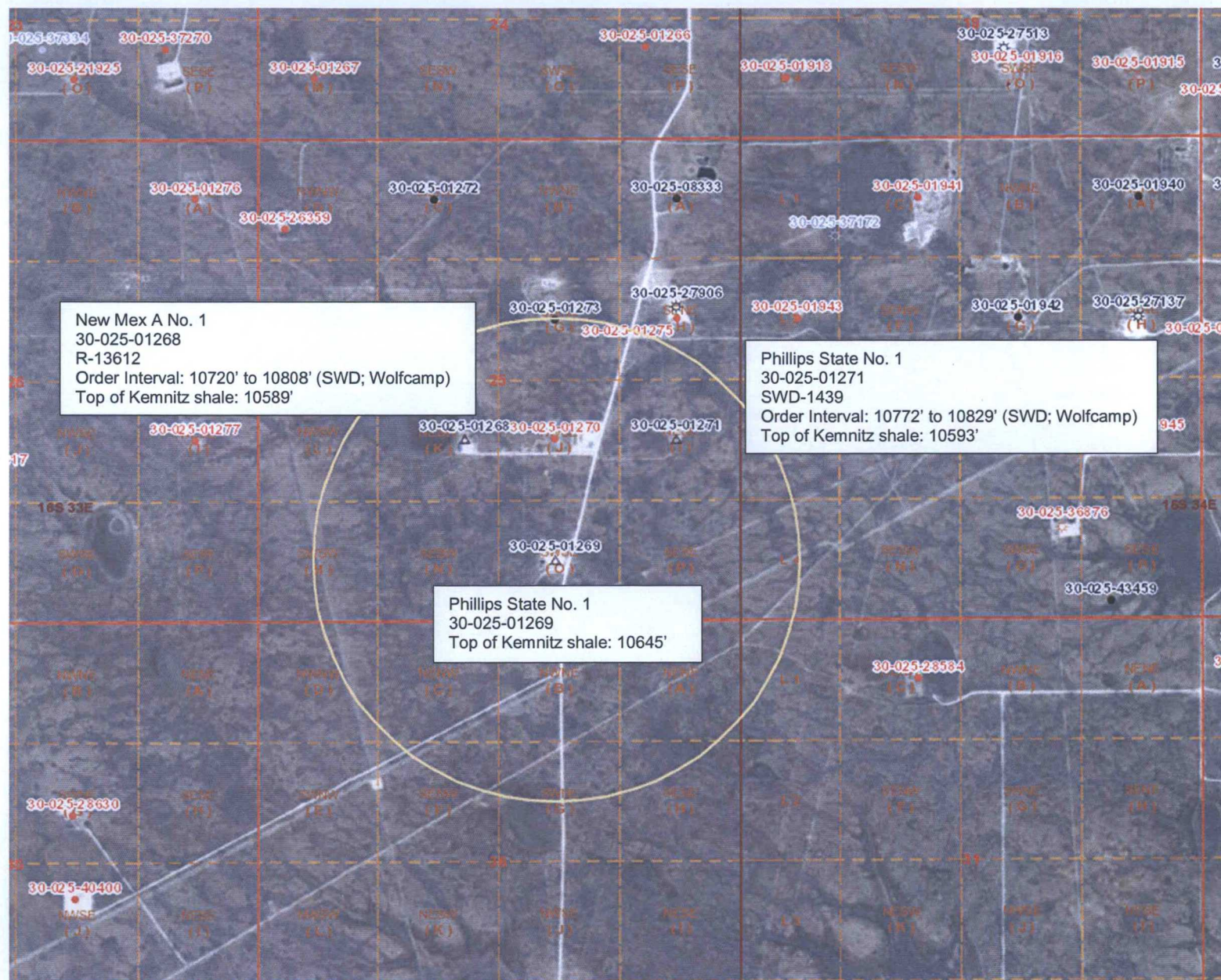
NOTICE: Newspaper Date 08/12/2017 Mineral Owner NMSLO Surface Owner NMSLO N. Date 8/11/17

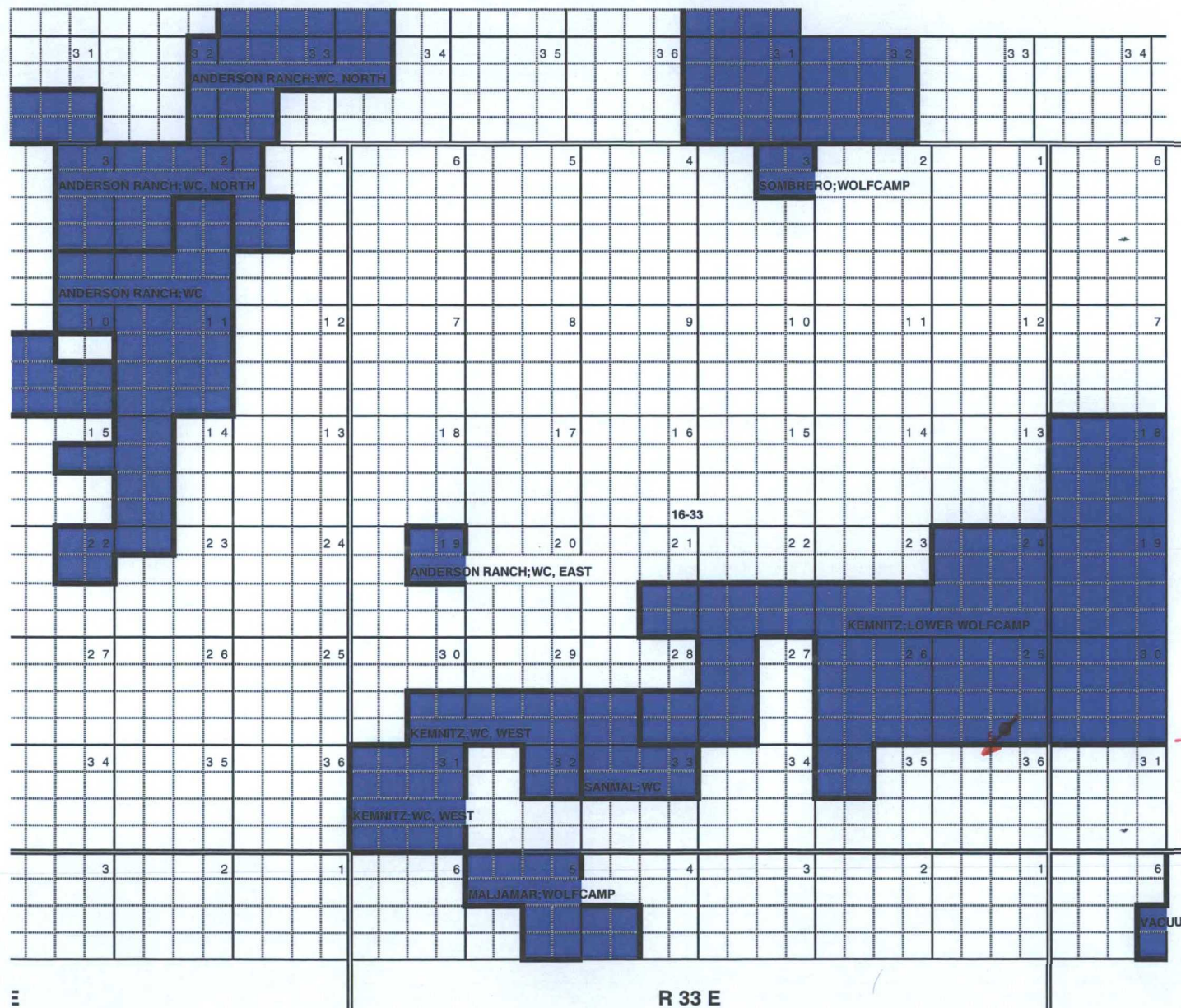
RULE 26.7(A): Identified Tracts? Yes Affected Persons: Cimarex / EOG / TM(?) / MGM N. Date 8/11/17

Order Conditions: Issues: None

Additional COAs: None - reduced top of interval to 10,645 feet +25 feet (top of Kernitz Shale)

New Mexico A SWD No. 2 (30-025-01269); Kenemore Welding; UL O Sec 25, T16S, R33E





T 16 S

See attached
Exhibit 2 / Case No. 14874

GLEN C. LUFF & ASSOCIATES, INC.
P.O. Box 10674
MIDLAND, TX 79702

May 25, 2012

Re: STAR OIL AND GAS CO.
Water Disposal Proposal
New Mexico # 1-A
25(K), T16S-R33E
Lea County, New Mexico

The subject disposal project is located at the west end of the Kemnitz Field in central Lea County, New Mexico. The proposal is for injection into existing perforations in the Kemnitz-Wolfcamp pay zone of the New Mexico #1-A located in Sec. 25(K), T16S-R33E.

The Kemnitz-Wolfcamp Field was discovered in 1956 and has produced over 16 MMBO and 67 BCFG. Initially, production was from the Wolfcamp carbonate bank, but since then pays were found in the San Andres, other Wolfcamp intervals, the Pennsylvanian Cisco, Seaman zones and the Morrow sands. The interval of discussion is the Kemnitz-Wolfcamp at a depth of about 10,800'.

The Kemnitz-Wolfcamp pay is a prolific carbonate bank(locally reefoid) formed in Lower Wolfcamp times along the northern shelf of the Delaware Basin of Southeast New Mexico. It is approximately 300' thick, but does vary in development and continuity of porosity and permeability. Most of the pay intervals are found in the upper half of the carbonate bank.

Cross-section A-A' shows Kemnitz-Wolfcamp wells within a ½ mile radius of the proposed disposal well. Because of the vintage of the wells, the logs displayed are of varying types and should be used for correlation only and not for evaluation. In most cases, intervals of clean carbonate and porosity are evident, but not definitive. The Kemnitz-Wolfcamp pay is highlighted and all cored intervals, tests and perforations are shown. Details of the tests can be found in the well records. It should be noted that perforated zones range in thickness from five to over 200 feet, but most are about 35' at varying correlative intervals, suggesting possible pockets of porosity and permeability that may or may not be connected. This then suggests that disposal in the New Mexico #1-A may have limited or no effect on offsetting wells or at best may only possibly slightly increase production.

Attached is a plat of the subject area with cumulatives for produced oil, gas and water of nearby wells. These amounts are also shown below each well on the cross-section A-A'.

A copy of the Roswell Geological Society structure map of 1960 shows the subject well at a west end and down dip position to the Field. The original oil/water contact is estimated at -6650. Perforations in the New Mexico #1-A are from -6500 to -6648. It is reasonable to assume that after 50+ years of production the oil/water level has risen to the perforated intervals and the reservoirs are nearing depletion. The zone has shown capability of accepting fluid.

Glen C. Luff
Glen C. Luff
Geologist
2 attach:

NMOCD CASE NO. 14874
STAR OIL & GAS
EXHIBIT NO. 2

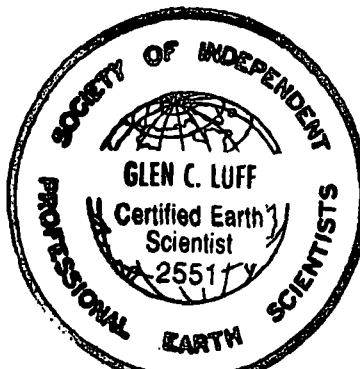
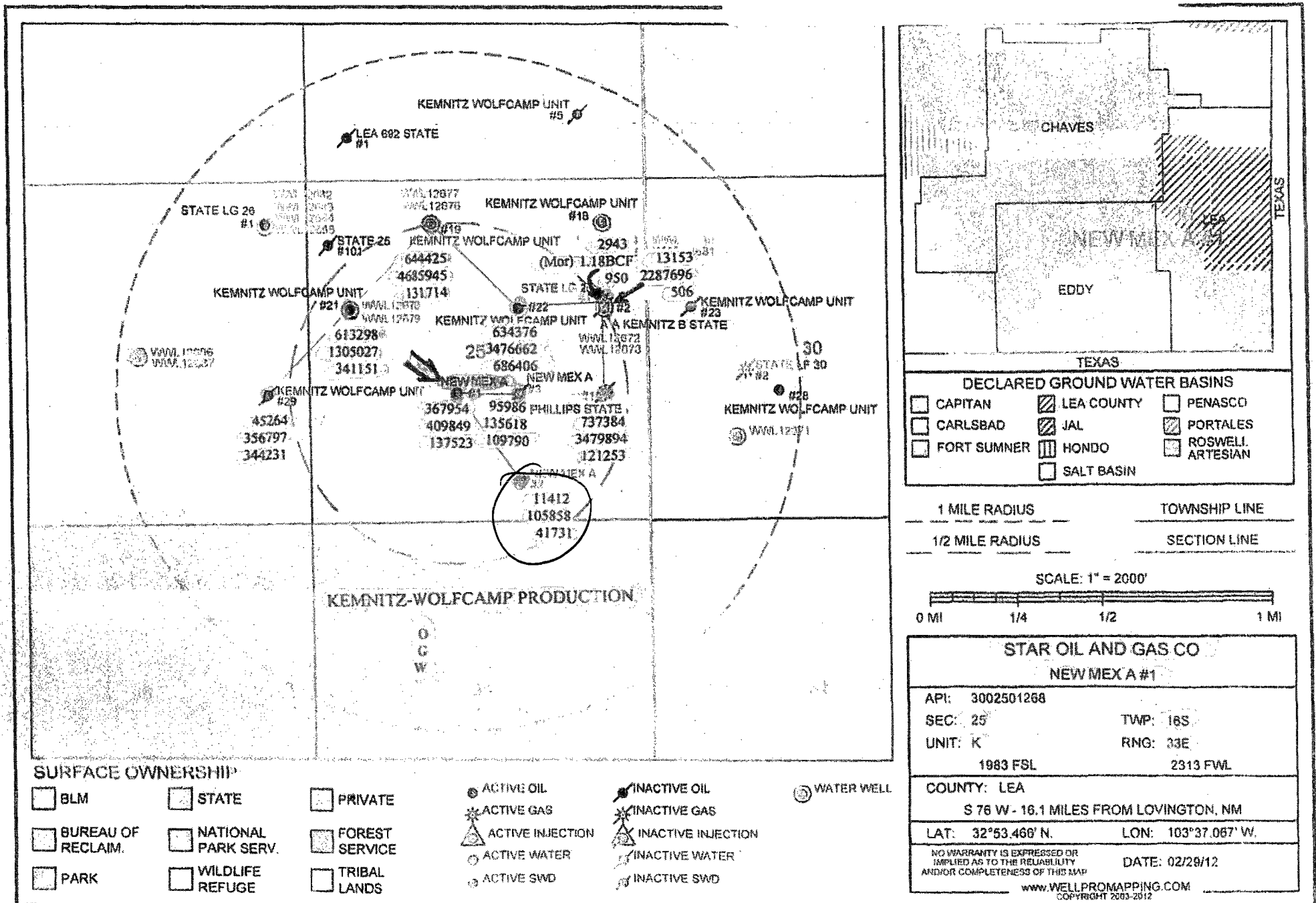
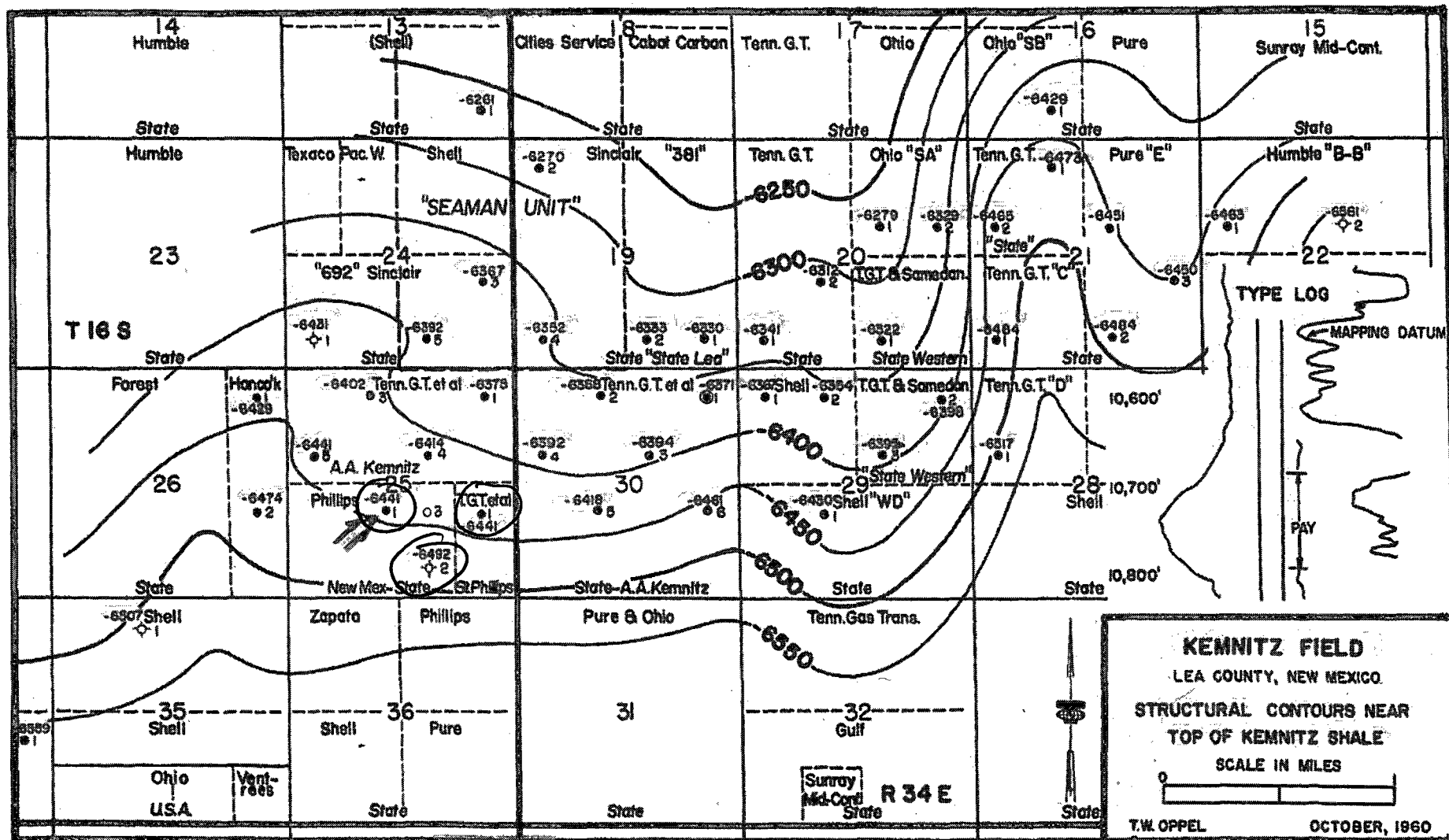


Exhibit "B"



STAR OIL AND GAS CO.

Water Disposal Proposal



KEMNITZ FIELD

LEA COUNTY, NEW MEXICO

STRUCTURAL CONTOURS NEAR
TOP OF KEMNITZ SHALE

SCALE IN MILES

T.W. OPPEL

OCTOBER, 1960

GLEN C. LUFF & Associates

05/25/2012

New Mex A # 1

Phillips # 1

4148
(- 6441)
10 589'

4152
(- 6441)
10 593'

#2
4153 GR
(- 6492) pp Kennitz Shale
10,645'

ROSWELL GEOLOGICAL SOCIETY
1960 Oil & Gas Fields of Southeast New Mexico