

DATE IN 6/19/06	SUBMITTER 7/5/06	ENGINEER WILL JONES	LOGGED IN 6/20/06	TYPE SWD	APP NO. PTD5061714/8352
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

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

Application Acronyms:

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

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[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.

Print or Type Name

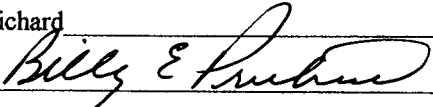
Signature

Title

Date

e-mail Address

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: Secondary Recovery Pressure Maintenance ☒ Disposal Storage
Application qualifies for administrative approval? ☒ Yes No
- II. OPERATOR: John R. Stearns dba Stearns Inc Ogrid # 215886 JUN 19 PM 2 11
ADDRESS: HC 65 Box 988, Crossroads, NM 88114
CONTACT PARTY: John R. Stearns PHONE: 505-675-2356
- 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 ☒ 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: Billy E. Prichard TITLE: Agent
SIGNATURE:  DATE: 5/30/06
E-MAIL ADDRESS: shabillron01@warpdiveonline.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: 2/22/06

C108 Application for Authority to Inject
Stearns ~~Inc~~
Miller Federal # 6
API 30-005-20530
660 FSL X 660 FWL
Unit Letter "M", Section 34, T7S, R31E
Chaves County, New Mexico

- I. The purpose of this application is to convert the Miller Federal # 6 API # 30-005-20530 from a Tom Tom; San Andres producer to a lease salt water disposal well.
- II. John R. Stearns dba Stearns Inc. Ogrid # 21566
HC 65 Box 988
Crossroads, New Mexico 88114
John R. Stearns 505-675-2356
- III. Well Data - Please see Attachment A
- IV. This is not an expansion of an existing project
- V. Please see Attachment B
- VI. There are 13 wells in the 0.5 mile Area of Review that penetrate the proposed disposal interval. 6 wells are active San Andres producers. 7 wells are plugged and abandoned. Please see Attachment C
- VII.
 1. Average daily disposal rate 500 BWPD
Maximum daily disposal rate 1000 BWPD
 2. This will be an Open System to San Andres produced water.
 3. Average injection pressure 400 psig
Maximum injection pressure 722 psig
 4. Sources of injection fluid will be San Andres produced water from wells with in 1 mile radius of proposed disposal well. Only San Andres water will be disposed in to the San Andres formation. Please see Attachment D for general analysis of San Andres produced water.
 5. The Miller Federal # 6 was originally a Tom Tom; San Andres producer. The last production was June, 2002. Please see Attachment E
- VIII. Please see Attachment F.
- IX. No stimulation program is planned unless rates and pressure dictate.

- X. Logs have been previously filed with NMOCD. Please see Attachment G.
- XI. There is only one active fresh water well identified in the one (1) mile Area of Review. Please Attachment E.
- XII. Please see Attachment H.
- XIII. Please see Attachment I.

C108 Application for Authority to Inject
Stearns, Inc
Miller Federal # 6
30-005-20530 W
660 FSL X 660 FEL
Unit Letter "M", Section 34, T7S, R31 E
Chaves County, New Mexico

Well History

Data obtained from records maintained by the NMOCD

Miller Federal # 6 was spudded on 2/24/1976 by Amoco Production Company as a Tom Tom; San Andres oil well.

8 5/8" 24# K55 ST&C casing was set in a 12 1/4" hole at 1465 feet. Cemented with 500 sacks Class "C" cement with 4% Gel, followed by 100 sacks Class "C" cement with 2% CaCL. Records do not indicate that cement circulated. Cement volumes pumped are sufficient to circulate the cement on the 8 5/8" surface pipe.

5 1/2" 15.5# K55 LT&C casing was set in 7 7/8" hole at 4125 feet. Cemented with 275 sacks Class "C" cement. Top of cement calculated at 2650 feet using 1.32 cu feet per sack of Class "C" and 70% fill.

3/8/1976 Perforated San Andres intervals 1 SPF
3870, 71, 72, 78, 80, 81, 82, 86, 87, 88, 90, 93, 94, 95, 96, 99
3900, 01, 02, 06, 08

4/18/ - 4/28/1976 Squeezed perforations
3870, 71, 72, 78, 80, 81, 82, 86, 87, 88, 90, 93, 94, 95, 96, 99
3900, 01, 02, 06, 08 with 225 sacks Class "C" cement. Cement drilled out to PBTD 3888ft.

4/18/ - 4/28/1976 Perforate San Andres intervals 2 SPF
3870-3872, 3878-3883

7/28/1980 Perforate San Andres interval 4 SPF
3827-3837

**C108 Application for Authority to Inject
Stearns, Inc
Miller Federal # 6
30-005-20530
660 FSL X 660 FEL
Unit Letter "M", Section 34, T7S, R31 E
Chaves County, New Mexico**

Well History

Data obtained from records received by Stearns Inc. from Petroleum Development Corporation in 2002,

December 1994 Operator Petroleum Development Corporation per Order *R-10275*

Cement retainer set at 3840. Squeezed San Andres perforations 3870-3883 feet with 200 sacks Class "C" cement. 5 ½" casing milled from 3612-3687ft. Cement plug spotted from 3840 back 3550 feet. Wait on cement. Drill out cement to 3662 feet. Kicked well off to the northeast and drilled a San Andres horizontal lateral to bottom hole location 1113 FSL X 2482 FWL unit letter "N", Section 34, T7S, R31E with true vertical depth of 3912ft. Measured depth to TD 5675 feet.

Stearns has filed the appropriate 3160-5, C102 and C103 and deviation surveys with Bureau of Land Management and with the NMOCD per order *R-10275*.

Well: MILLER FEDERAL **No.:** 006
Operator: STEARNS
API: 3000520530 **Township:** 07.0S **Range:** 31E
Section: 34 **Unit:** M
Land Type: F **County:** Chaves **True Vertical Depth:** 4125

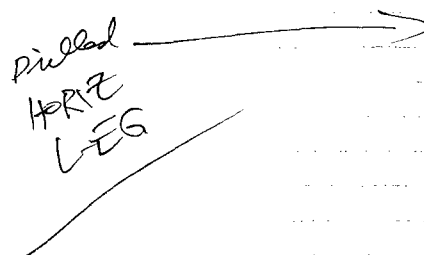
Attachment E

San Andres production in the Tom Tom, Tomahawk, and Cato has historically produced vast amounts of water. The Miller Federal # 6 has been shut in since 2002. The conversion of the Miller Federal # 6 to SWD would allow the return to production of several San Andres wells in the area that are currently shut in due to high water cut. The Miller Federal # 6 was shut in due to the production of no oil or gas.

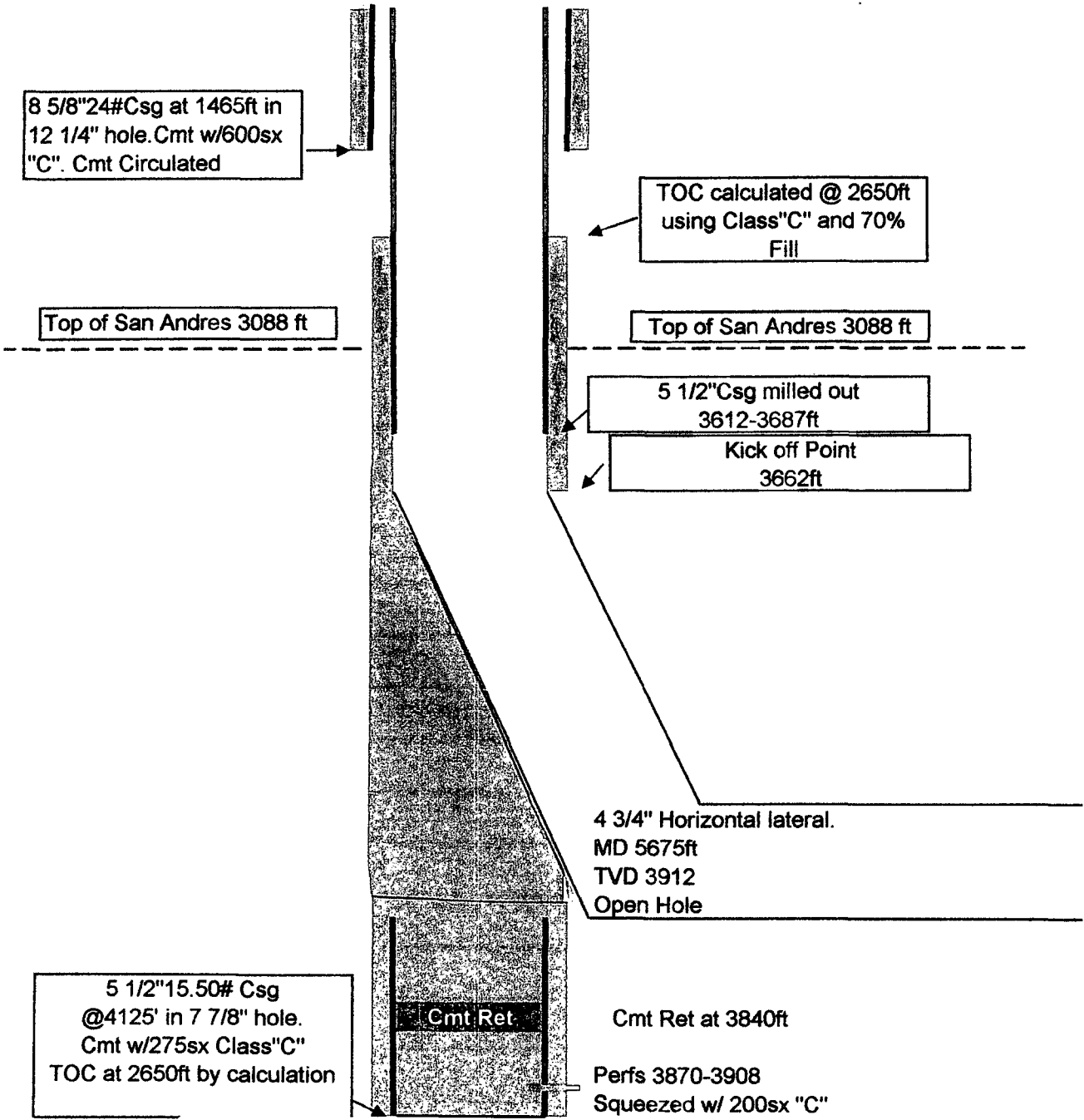
Production Summary of api:3000520530 pool:TOM TOM;SAN ANDRES

producing year	Oil	Gas	Water	Co2
1992**	7359	18296	98082	0
1993	875	61	991	0
1994	1136	0	3379	0
1995	1275	1052	10501	0
1996	177	70	936	0
1997	272	163	701	0
1998	174	86	331	0
1999	173	0	620	0
2000	207	0	696	0
2001	205	0	696	0
2002	104	0	348	0
2003	0	0	0	0
2004	0	0	0	0
2005	0	0	0	0
2006	0	0	0	0
summary	11957	19728	117281	

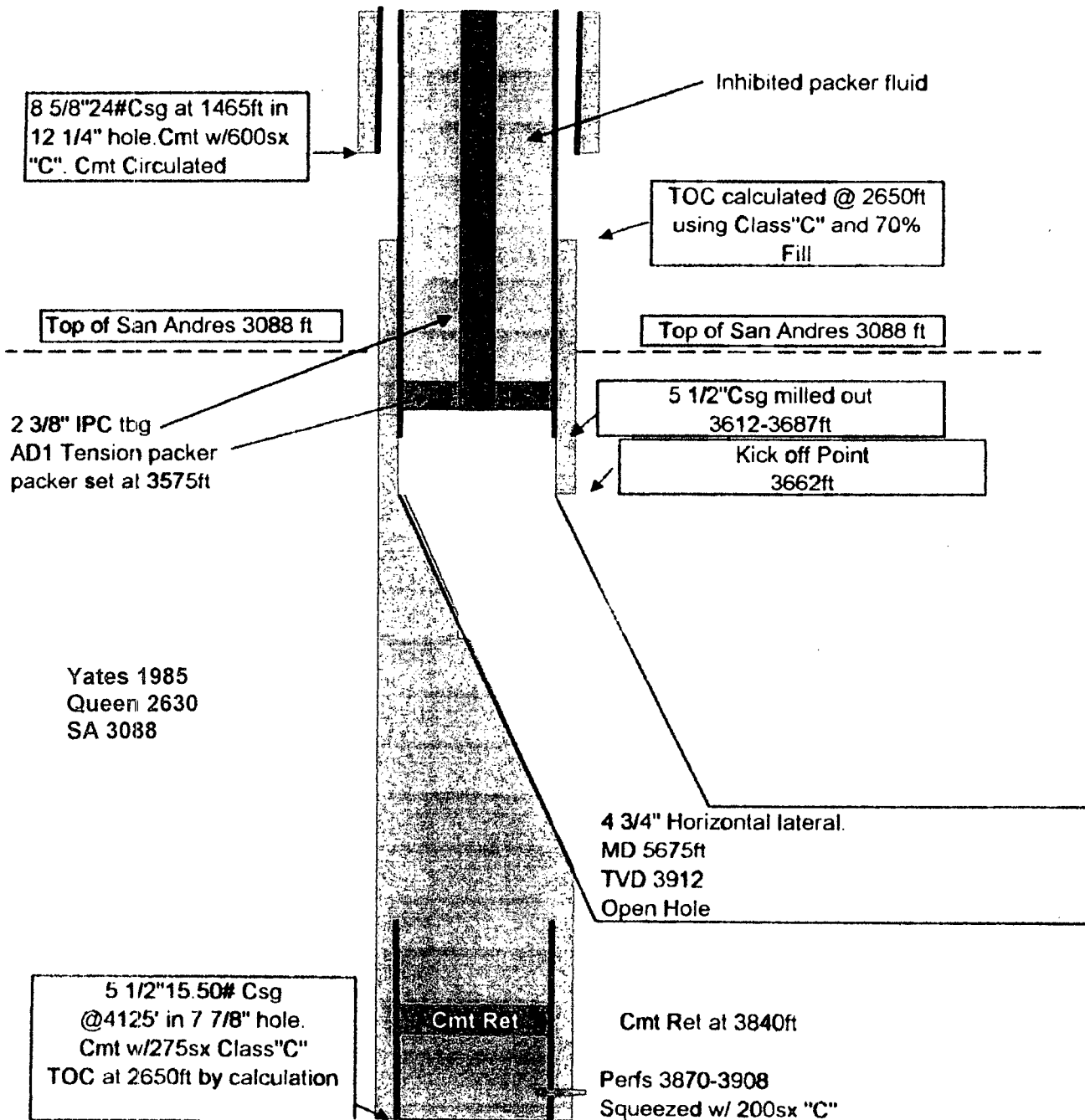
pulled
 HORIZ
 LEG



Stearns Inc
Miller Federal # 6
API # 30-005-20530
Surface Location 660 FSL X 660 FWL, Section 34, T7S,R31E
Bottom hole location 1113 FSL X 2482 FWL, Section 34,T7S,R31E
Chaves County, New Mexico
Prior to Conversion to SWD



Stearns Inc
 Miller Federal # 6
 API # 30-005-20530
 Surface Location 660 FSL X 660 FWL, Section 34, T7S,R31E
 Bottom hole location 1113 FSL X 2482 FWL, Section 34,T7S,R31E
 Chaves County, New Mexico
After Conversion to SWD



Attachment A

**C108 Application for Authority to Inject
Stearns, Inc
Miller Federal # 6
30-005-20530
660 FSL X 660 FEL
Unit Letter "M", Section 34, T7S, R31 E
Chaves County, New Mexico**

VIII

The proposed disposal interval is the San Andres formation. The San Andres is a carbonate reservoir of Permian age. Immediately above the San Andres is the Queen formation and immediately below the San Andres is the Glorieta formation.

There is no known fresh water strata underlying the San Andres formation.

There is one fresh water well located in the 1 mile Area of Review. Analysis and map with location of the well is included. Fresh water is in the alluvial fill from surface to the top of the Red Bed at a depth of 200-350 feet.

Attachment E

WellName: MILLER FEDERAL

API: 3000520120

Latitude: 33.66493

Section: 34

County: Chaves

Field: TOM TOM

Sample Date: Thu Sep 7 00:00:00 MDT 1967

pH: 5.3

Alkalinity: null

Resistivity: null

Na: Fe

null: null

Cl: CO3

181000: null

O2: null

null: null

WellID: 3

Longitude: -103.75508

Township: 07S

State: NM

Formation: SA

Analysis Date: null

@ null

Hardness as CaCO3:

@ null

Ba: null

null: null

HCO3: 390

390: null

Range:

Depth:

Specific Gravity:

Hardness(mgL):

Conductivity:

K: null

Mg: null

HO: null

200: null

31E: null

Unit: H

TDS: null

@ null

St: null

Mn: null

H2S: null

CO2: null

285361: null

285361: null

285361: null

Attachment D

Fresh water obtained from water well used for livestock water.

Well is located in SE 1/4 NW 1/4 NE 1/4 Section 4, T8S,R31E, Chaves County, New Mexico

Permian Treating Chemicals

WATER ANALYSIS REPORT

SAMPLE

Oil Co.: Stearns
Lease: Gerald Mathers
Well No.: #1
Location:
Attention:

Date Sampled: 02-August-2004
Date Analyzed: 09-August-2004
Lab ID Number: Aug0904.001-1
Salesperson:

File Name: F:\ANALYSES\Aug0904.001

ANALYSIS

1. Ph 7.960
2. Specific Gravity 60/60 F. 1.003
3. CaCO_3 Saturation Index

@ 80F
@ 140F

0.034
0.734

Dissolved Gases

4. Hydrogen Sulfide
5. Carbon Dioxide
6. Dissolved Oxygen

MG/L. EQ. WT. *MEQ/L
Not Present
Not Determined
Not Determined

Cations

7. Calcium (Ca++)
8. Magnesium (Mg++)
9. Sodium (Na+) (Calculated)
10. Barium (Ba++)

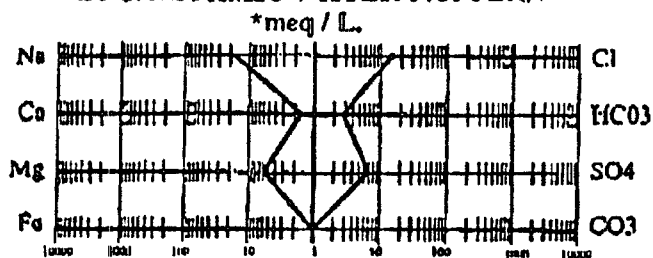
30 / 20.1 = 1.49
67 / 12.2 = 5.49
381 / 23.0 = 16.57
Not Determined

Anions

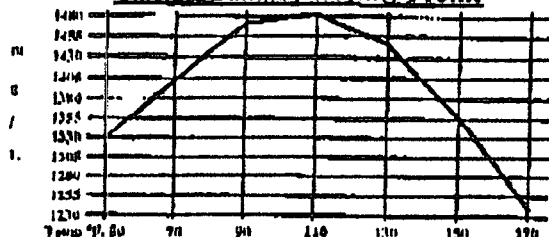
11. Hydroxyl (OH+)
12. Carbonate (CO3=)
13. Bicarbonate (HCO3-)
14. Sulfate (SO4=)
15. Chloride (Cl-)
16. Total Dissolved Solids
17. Total Iron (Fe)
18. Total Hardness as CaCO_3
19. Resistivity @ 75 F. (Calculated)

0 / 17.0 = 0.00
0 / 30.0 = 0.00
166 / 61.1 = 2.72
325 / 48.8 = 6.66
500 / 35.5 = 14.08
1,469
2 / 18.2 = 0.08
350
4.445 Ohm - meters

LOGARITHMIC WATER PATTERN



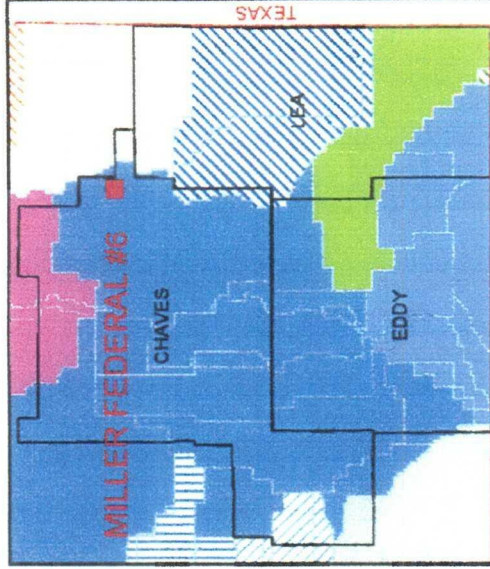
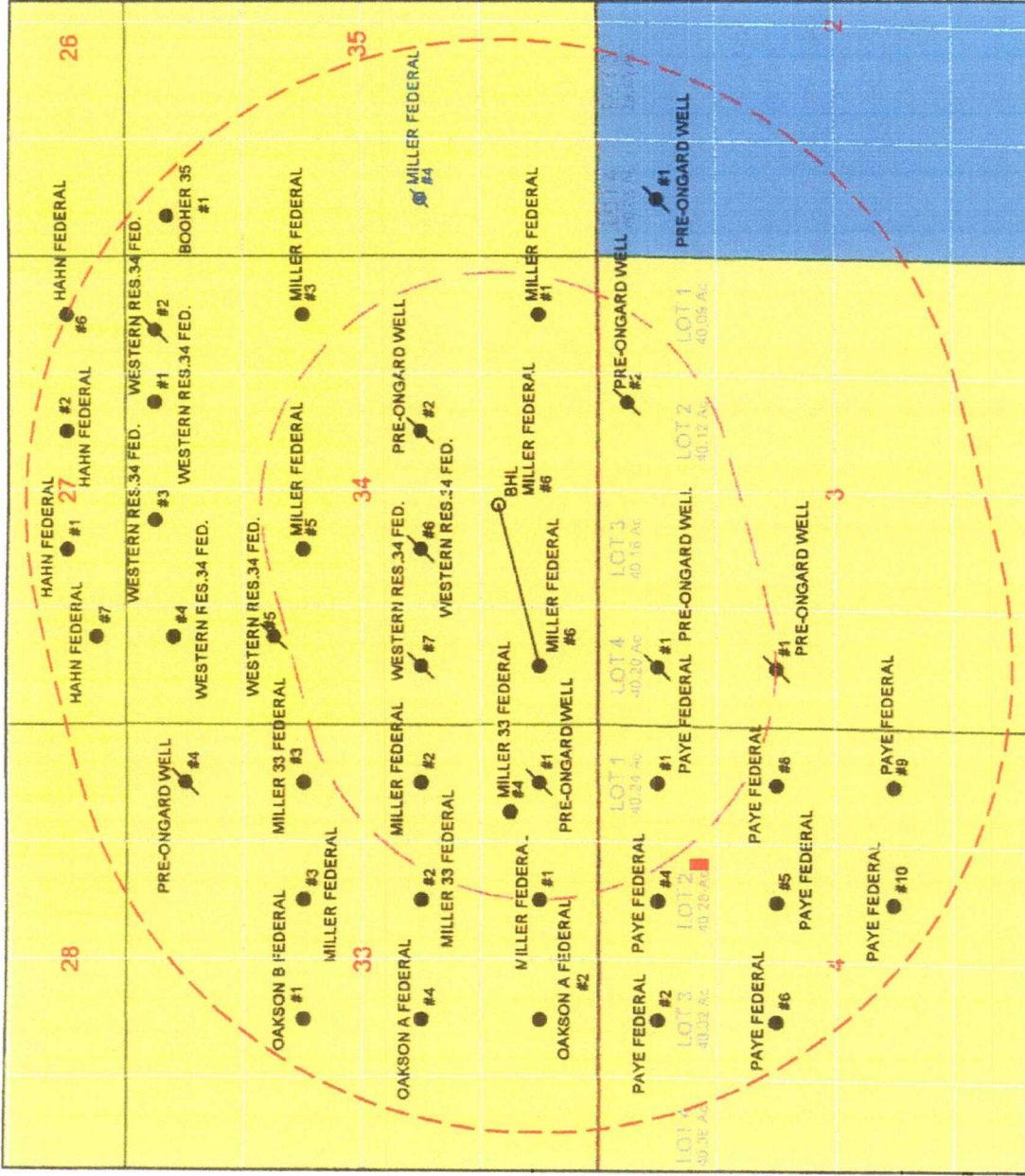
Calcium Sulfate Solubility Profile



PROBABLE MINERAL COMPOSITION

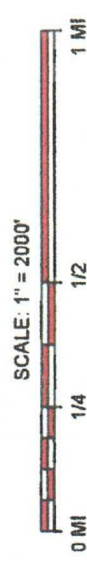
COMPOUND	EQ. WT.	X	*meq/L =	mg/L.
$\text{Ca(HCO}_3)_2$	81.04	1.49		121
CaSO_4	68.07	0.00		0
CaCl_2	55.50	0.00		0
$\text{Mg(HCO}_3)_2$	73.17	1.22		90
MgSO_4	60.19	4.27		257
MgCl_2	47.62	0.00		0
NaHCO_3	84.00	0.00		0
Na_2SO_4	71.03	2.39		170
NaCl	58.46	14.08		823

Attachment E



DECLARED GROUND WATER BASINS	
CAPITAN	LEA COUNTY
CARLSBAD	JAL
FORT SUMNER	HONDO
SALT BASIN	
PENASCO	PORTALES
ROSWELL	ARTESIAN

1 MILE RADIUS
1/2 MILE RADIUS
TOWNSHIP LINE
SECTION LINE



MILLER FEDERAL #6

API: 3000520530
SEC: 34
UNIT: M
TWP: 07S
RNG: 31E
SURFACE: 860' FSL - 660' FWL
BOTTOM HOLE: 1113' FSL - 2482' FWL

COUNTY: CHAVES

S 18 W - 20.9 MILES FROM ELIDA NM

LAT: 33°39.473' N. LON: 103°46.108' W.

NO WARRANTY IS EXPRESSED OR IMPLIED AS TO THE RELIABILITY OF THIS DATA.
DATE: 05/25/06 - REV 1

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Water Analysis of fresh water from well of Gerald Mathis used for livestock water.
Well is located SE 1/4 NW 1/4 NE 1/4 Section 4, T8S, R31E.

■ Livestock water well

New Mexico Office of the State Engineer
POD Reports and Downloads

Township: 07S Range: 31E Sections: 33,34,35

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

Owner Name: (First) (Last) ☐ Non-Domestic ☐ Domestic ☒

All

☐ POD / Surface Data Report ☐ Avg Depth to Water Report ☐ Water Column Report **AVERAGE DEPTH OF WATER REPORT 05/27/2006**

Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	(Depth Water in Feet)		
								Min	Max	Avg

No Records found, try again

Attachment E

New Mexico Office of the State Engineer
POD Reports and Downloads

Township: 08S Range: 31E Sections: 2,3,4

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

Owner Name: (First) (Last) ☐ Non-Domestic ☐ Domestic ☒ All

[POD / Surface Data Report](#) [Avg Depth to Water Report](#) [Water Column Report](#)

[Clear Form](#) [iWATERS Menu](#) [Help](#)

AVERAGE DEPTH OF WATER REPORT 05/27/2006

Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	(Depth Water in Feet)		
								Min	Max	Avg

No Records found, try again

Attachment E

**C108 Application for Authority to Inject
Stearns, Inc
Miller Federal # 6
30-005-20530
660 FSL X 660 FEL
Unit Letter "M", Section 34, T7S, R31 E
Chaves County, New Mexico**

X

The previous operator, Petroleum Development Corporation, had applied for special hearing to drill horizontal lateral in the San Andres in 1994. The Order *R-10275* was granted on 12/14/1994. Petroleum Development Corporation conducted the horizontal drilling operations. The filing of the surveys and account of the horizontal operations was never completed. A review of the well files that were given to Stearns after the acquisition of Petroleum Development Corporation properties revealed the activity reports and the deviation surveys.

On 6/1/2006 Federal form 3160-5 and OCD form C102 with bottom hole location was submitted to the BLM office in Roswell, New Mexico along with the deviation surveys that were conducted during the horizontal drilling of the San Andres lateral in the Miller Federal # 6.

On 6/1/2006 NMOCD form C103 and C102 was submitted to the NMOCD District 1 office in Hobbs, New Mexico along with the deviation surveys that were conducted during the horizontal drilling of the San Andres lateral in the Miller Federal # 6

Enclosed is a copy of 3160-5, C102, C103 and the deviation surveys.

Attachment G

XII
AFFIRMATIVE STATEMENT

As required by Item XII of form C-108, John R. Stearns dba STEARNS, has examined available geologic and engineering data and found no evidence of open faults or other hydrologic connection between the disposal zone and any other underground source of drinking water.

Attachment H

**C108 Application for Authority to Inject
Stearns, Inc
Miller Federal # 6
30-005-20530
660 FSL X 660 FEL
Unit Letter "M", Section 34, T7S, R31 E
Chaves County, New Mexico**

Proof of Notify

Surface and Mineral Owner
United States of America
Bureau of Land Management
2909 West Second Street
Roswell, New Mexico
88210

Surface Lessee
GERALD MATHIS
351 Hanover Rd
Kenna, NM
88122

Offset Operators in 0.5 Mile Area of Review
UHC New Mexico Corporation
PO Box 1956
Cleburne, Texas
76033

Offset Lessee in 0.5 Mile Area of Review
SE/NW Section 34, T7S, R31E
MEW Enterprises
300 South Kentucky
Roswell, New Mexico
88210

North ½ Section 3, T8S, R31E
Yates Petroleum Corp
105 S 4th Street
Artesia, New Mexico
88211

Attachment I

Legal Notice

John R. Stearns dba Stearns Inc HC 65 Box 988, Crossroads, New Mexico 88114 has filed form C-108 (Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval for conversion of the Miller Federal #6, API # 30-005-20530 660 FSL X 660 FWL, Unit Letter M, Section 34, T7S,R31E, Chaves County, New Mexico from a Tom Tom; San Andres oil well to lease salt water disposal well. The disposal interval would be the San Andres in an open hole horizontal lateral that extends 1822 feet in a northeastern direction to a bottom hole location 1113 FSL X 2482 FWL, Unit Letter N, Section 34, T7S,R31E, Chaves County, New Mexico. Disposal interval would be at depth from 3612 feet to a true vertical depth of 3912 feet. Anticipated disposal rate of 500 BWPD with a maximum disposal rate of 1000 BWPD. Anticipated disposal pressure 400 psi with a maximum disposal pressure 722 psi. ✓

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 John R. Stearns 505-675-2356

**C108 Application for Authority to Inject
Stearns, Inc
Miller Federal # 6
30-005-20530
660 FSL X 660 FEL
Unit Letter "M", Section 34, T7S, R31 E
Chaves County, New Mexico**

Proof of Notify

Surface and Mineral Owner
United States of America
Bureau of Land Management
2909 West Second Street
Roswell, New Mexico
88210

Surface Lessee
GERALD MATHIS
351 Hanover Rd
Kenna, NM
88122

Offset Operators in 0.5 Mile Area of Review
UHC New Mexico Corporation
PO Box 1956
Cleburne, Texas
76033

Offset Lessee in 0.5 Mile Area of Review
SE/NW Section 34, T7S, R31E
MEW Enterprises
300 South Kentucky
Roswell, New Mexico
88210

North ½ Section 3, T8S, R31E
Yates Petroleum Corp
105 S 4th Street
Artesia, New Mexico
88211

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

Gerald Mathis
351 Hanover Rd
Kenna, NM
88122

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *Gerald Mathis* ☐ Agent ☐ Addressee

B. Received by (Printed Name)

GERALD MATHIS

C. Date of Delivery

6-2-06

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

3. Service Type

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

4. Restricted Delivery? (Extra Fee)

☐ Yes

2. Article Number

(Transfer from service label)

70 7005 1820 0000 4950 5297

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

Yates Petroleum Corp
105 S 4th St.
Artesia, NM 88210

COMPLETE THIS SECTION ON DELIVERY

A. Signature

Kathy Donaghe ☐ Agent ☐ Addressee

B. Received by (Printed Name)

KATHY DONAGHE

C. Date of Delivery

6-1-06

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

3. Service Type

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

4. Restricted Delivery? (Extra Fee)

☐ Yes

2. Article Number

(Transfer from service label)

70 7005 1820 0000 4950 5280

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

- A. Signature ☐ Agent
Julian B... ☐ Addressee
- B. Received by (Printed Name) C. Date of Delivery
BACARA B... *10/1/03*
- D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below ☐ No

**UHC New Mexico Corp
PO Box 1956
Cleburne, TX
76033**

3. Service Type

<input checked="" type="checkbox"/> Certified Mail	<input type="checkbox"/> Express Mail
<input type="checkbox"/> Registered	<input type="checkbox"/> Return Receipt for Merchandise
<input type="checkbox"/> Insured Mail	<input type="checkbox"/> C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes


(Transfer from service label)

700

7005 1820 0000 4950 5259

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

- A. Signature 
- X ☐ Agent
☐ Addressee
- B. Received by (Printed Name) C. Date of Delivery 6/1/16
- D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

BLM
2909 W. Second Street
Roswell, NM 88201

3. Service Type

<input checked="" type="checkbox"/> Certified Mail	<input type="checkbox"/> Express Mail
<input type="checkbox"/> Registered	<input type="checkbox"/> Return Receipt for Merchandise
<input type="checkbox"/> Insured Mail	<input type="checkbox"/> C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes


(Transfer from service label)

700.

7005 1820 0000 4950 5273

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

- A. Signature  ☐ Agent
☒ Addressee
- B. Received by (Printed Name) Della Y. Kettes C. Date of Delivery 6-14-01
- D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

MEW Enterprises
PO Box 39
Roswell, NM
88202-0039

3. Service Type

<input type="checkbox"/> Certified Mail	<input type="checkbox"/> Express Mail
<input type="checkbox"/> Registered	<input type="checkbox"/> Return Receipt for Merchandise
<input type="checkbox"/> Insured Mail	<input type="checkbox"/> C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

(Transfer from service labe.

7005 1820 0000 4950 5310

102595-02-M-1540

AFFIDAVIT OF PUBLICATION
STATE OF NEW MEXICO

I, Fran Saunders
Legal Clerk

Of the Roswell Daily Record, a daily
newspaper published at Roswell, New
Mexico do solemnly swear that the
clipping hereto attached was published
in the regular and entire issue of said
paper and not in a supplement thereof
for a period of:

one time

beginning with the issue dated

June 5th 2006

and ending with the issue dated

June 5th 2006

Fran Saunders

Clerk

Sworn and subscribed to before me

this 9th day of June 2006

Marylon L. Shipper

Notary Public

My Commission expires
July 25, 2006

(SEAL)

Publish June 5, 2006

Legal Notice

John R. Stearns dba Stearns Inc HC
65 Box 988, Crossroads, New Mexico
88114 has filed form C-108 (Applica-
tion for Authorization to Inject) with the
New Mexico Oil Conservation Division
seeking administrative approval for
conversion of the Miller Federal #6,
API #30-005-20530 660 FSL X 660
FWL, Unit Letter M, Section 34, T7S,
R31E, Chaves County, New Mexico
from a Tom Tom San Andres oil well
to lease salt water disposal well. The
disposal interval would be the San An-
dres in an open hole horizontal lateral
that extends 1822 feet in a northeast-
ern direction to a bottom hole location
1113 FSL X 2482 FWL, Unit Letter N,
Section 34, T7S, R31E, Chaves
County, New Mexico. Disposal interval
would be at depth from 3612 feet to a
true vertical depth of 3912 feet. Antici-
pated disposal rate of 500 BWPD with
a maximum disposal rate of 1000
BWPD. Anticipated disposal pressure
400 psi with a maximum disposal
pressure 722 psi.

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 John R.
Stearns 505-675-2356

John R. Stearns dba Stearns Inc.
HC 65 Box 988
Crossroads, NM 88114

May 30, 2006

United States of America
Bureau of Land Management
2909 West Second Street
Roswell, New Mexico 88210

Mr. David Glass

Please find enclosed NMOCD form C108(Application for Authority to Inject). John R.Stearns dba Stearns Inc has applied with the NMOCD for administrative approval to convert its Miller Federal # 6, API # 30-005-20530, 660 FSL X 660 FWL, Unit Letter "M", Section 34, T7S, R31E, Chaves County, New Mexico from a Tom Tom; San Andres oil well to a lease salt water disposal well. Produced waters would be disposed in to the San Andres formation at a depth 3612-3912 feet.

Should you have any questions, please feel free to contact John R. Stearns 505-675-2356

Sincerely,

Billy (Bill) E. Prichard
505-390-9100
Email; shabillron01@warpdriveonline.com
Agent for Stearns Inc

John R. Stearns dba Stearns Inc.
HC 65 Box 988
Crossroads, NM 88114

May 30, 2006

Gerald Mathis
351 Hanover Rd
Kenna, New Mexico 88122

Mr. Mathis

Please find enclosed NMOCD form C108(Application for Authority to Inject). John R.Stearns dba Stearns Inc has applied with the NMOCD for administrative approval to convert its Miller Federal # 6, API # 30-005-20530, 660 FSL X 660 FWL, Unit Letter "M", Section 34, T7S, R31E, Chaves County, New Mexico from a Tom Tom; San Andres oil well to a lease salt water disposal well. Produced waters would be disposed in to the San Andres formation at a depth 3612-3912 feet.

Should you have any questions, please feel free to contact John R. Stearns 505-675-2356

Sincerely,

Billy (Bill) E. Prichard
505-390-9100
Email; shabillron01@warpdriveonline.com
Agent for Stearns Inc

John R. Stearns dba Stearns Inc.
HC 65 Box 988
Crossroads, NM 88114

May 30, 2006

UHC New Mexico Corporation
PO Box 1956
Cleburne, TX 76033

To Whom It May Concern:

Please find enclosed NMOCD form C108(Application for Authority to Inject).
John R.Stearns dba Stearns Inc has applied with the NMOCD for administrative approval to convert its Miller Federal # 6, API # 30-005-20530, 660 FSL X 660 FWL, Unit Letter "M", Section 34, T7S, R31E, Chaves County, New Mexico from a Tom Tom; San Anders oil well to a lease salt water disposal well. Produced waters would be disposed in the San Andres formation at a depth 3612-3912 feet.

Should you have any questions, please feel free to contact John R. Stearns 505-675-2356

Sincerely,

Billy (Bill) E. Prichard
505-390-9100
Email; shabillron01@warpdriveonline.com
Agent for Stearns Inc

John R. Stearns dba Stearns Inc.
HC 65 Box 988
Crossroads, NM 88114

May 30, 2006

New Mexico Oil Conservation Division
District 1
1625 N French Dr.
Hobbs, NM 88240

*Forwarded to
Artesia OCD*

To Whom It May Concern:

Please find enclosed NMOCD form C108(Application for Authority to Inject). John R.Stearns dba Stearns Inc has applied with the NMOCD for administrative approval to convert its Miller Federal # 6, API # 30-005-20530, 660 FSL X 660 FWL, Unit Letter "M", Section 34, T7S, R31E, Chaves County, New Mexico from a Tom Tom; San Andres oil well to a lease salt water disposal well. Produced waters would be disposed in to the San Andres formation at a depth 3612-3912 feet.

Should you have any questions, please feel free to contact John R. Stearns 505-675-2356

Sincerely,

Billy (Bill) E. Prichard
505-390-9100
Email; shabillron01@warpdriveonline.com
Agent for Stearns Inc

John R. Stearns dba Stearns Inc.
HC 65 Box 988
Crossroads, NM 88114

May 30, 2006

MEW Enterprises
300 South Kentucky
Roswell, New Mexico 88210

To Whom It May Concern:

Please find enclosed NMOCD form C108(Application for Authority to Inject). John R.Stearns dba Stearns Inc has applied with the NMOCD for administrative approval to convert its Miller Federal # 6, API # 30-005-20530, 660 FSL X 660 FWL, Unit Letter "M", Section 34, T7S, R31E, Chaves County, New Mexico from a Tom Tom; San Andres oil well to a lease salt water disposal well. Produced waters would be disposed in to the San Andres formation at a depth 3612-3912 feet.

Should you have any questions, please feel free to contact John R. Stearns 505-675-2356

Sincerely,

Billy (Bill) E. Prichard
505-390-9100
Email; shabillron01@warpdriveonline.com
Agent for Stearns Inc

John R. Stearns dba Stearns Inc.
HC 65 Box 988
Crossroads, NM 88114

May 30, 2006

Yates Petroleum Corporation
105 S. 4th Street
Artesia, NM 88211

To Whom It May Concern:

Please find enclosed NMOCD form C108(Application for Authority to Inject). John R. Stearns dba Stearns Inc has applied with the NMOCD for administrative approval to convert its Miller Federal # 6, API # 30-005-20530, 660 FSL X 660 FWL, Unit Letter "M", Section 34, T7S, R31E, Chaves County, New Mexico from a Tom Tom; San Andres oil well to a lease salt water disposal well. Produced waters would be disposed in to the San Andres formation at a depth 3612-3912 feet.

Should you have any questions, please feel free to contact John R. Stearns 505-675-2356

Sincerely,

Billy (Bill) E. Prichard
505-390-9100
Email; shabillron01@warpdriveonline.com
Agent for Stearns Inc

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

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

WELL API NO.

30-005-20530

5. Indicate Type of Lease

STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Miller Federal

8. Well Number 6

9. OGRID Number

21566

10. Pool name or Wildcat

Tom Tom; San Andres

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator

John R. Stearns dba Stearns Inc

3. Address of Operator

HC 65 Box 988

Crossroads, NM 88114

4. Well Location

Unit Letter M : 660 feet from the South line and 660 feet from the West line

Section 34 Township 7S Range 31E NMPM Chaves County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

4294.2

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ P AND A ☐

CASING/CEMENT JOB ☐

OTHER: Horizontal Lateral ☒

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Per Order R-10275

The previous operator of this well, Petroleum Development Corporation did not report the following work performed on the Miller Federal # 6 performed December 1994.

Cement retainer set at 3840ft. SA perfs 3870-3883 squeezed with 200sx Class C w/ 2% CaCl. 5 1/2" csg was milled from 3612-3687ft. Cement plug spotted from 3840-3550ft. WOC. Cmt drilled to 3662ft and kicked well off horizontally in a NE direction. Drilled to Measured depth of 5674ft with TVD 3912ft.

Surface location 660 FSL X 660 FWL, Section 34, T7S, R31E. Bottom Hole location is 1113 FSL X 2482 FWL, UL "N" Section 34, T7S, R31E.

Attached NMOCD form C102

Deviation surveys ran during horizontal operations.

BLM Form 3160-5 mailed to BLM Roswell office, Attention David Glass

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Billy E. Prichard TITLE Agent DATE 05/26/2006

Type or print name Billy E. Prichard E-mail address: shabillron01@warpdiveonline.com Telephone No. 505-390-9100

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any): _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFEDERAL APPROVED
OMB No. 1004-0137
Expires March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator John R.Stearns dba Stearns Inc Ogrid # 21566

3a. Address
HC 65 Box 988 Crossroads,NM 881143b. Phone No. (include area code)
505-675-23564. Location of Well (Footage, Sec., T., R., M., or Survey Description)
660 FSL X 660 FWL UL "M" Section 34, T7S,R31E Chaves Cty, NM5. Lease Serial No.
NM046153a

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No
Miller Federal # 69. API Well No.
30-005-2053010. Field and Pool, or Exploratory Area
Tom Tom; San Andres11. County or Parish, State
Chaves

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- | | | | |
|---|---|--|---|
| <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other |
| <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | Horizontal lateral |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Per NMOCD order R-10275. Petroleum Development Corp did not file the following work done to the Miller Federal # 6 in December 1994 with BLM or with NMOCD.

Cement retainer set at 3840ft. SA perfs 3870-3883 squeezed with 200sx Class C w/ 2% CaCl. 5 1/2" csg was milled from 3612-3687ft. Cement plug spotted from 3840-3550ft. WOC. Cmt drilled to 3662ft and kicked well off horizontally in a NE direction. Drilled to Measured depth of 5674ft with TVD 3912ft.

Surface location 660 FSL X 660 FWL, Section 34, T7S,R31E. Bottom Hole location is 1113 FSL X 2482 FWL, UL "N" Section 34, T7S,R31E.

Attached NMOCD form C102

Deviation surveys ran during horizontal operation.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Billy E. Prichard

Title Agent

Signature



Date

5/27/06

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title

Date

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

(Instructions on page 2)

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C 102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-005-20530	2 Pool Code 59460	3 Pool Name Tom Tom; San Andres
4 Property Code 30739	5 Property Name Miller Federal	6 Well Number # 6
7 OGRID No. 21566	8 Operator Name John R. Stearns dba Stearns Inc	9 Elevation 4294.2

10 Surface Location

UL or lot no. M	Section 34	Township 7S	Range 31E	Lot Idn	Feet from the 660	North/South line South	Feet from the 660	East/West line West	County Chaves
---------------------------	----------------------	-----------------------	---------------------	---------	-----------------------------	----------------------------------	-----------------------------	-------------------------------	-------------------------

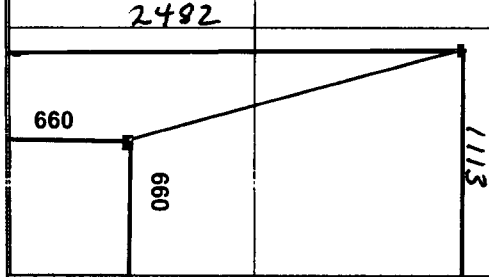
11 Bottom Hole Location If Different From Surface

UL or lot no. N	Section 34	Township 7S	Range 31E	Lot Idn	Feet from the 1113	North/South line South	Feet from the 2482	East/West line West	County Chaves
---------------------------	----------------------	-----------------------	---------------------	---------	------------------------------	----------------------------------	------------------------------	-------------------------------	-------------------------

12 Dedicated Acres 80	13 Joint or Infill	14 Consolidation Code	15 Order No. R-10275
---------------------------------	--------------------	-----------------------	--------------------------------

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

16				17 OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i> <i>Billy E. Prichard</i> 5/26/06 Signature Date Billy E. Prichard - Agent Printed Name
				18 SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i>
				Date of Survey Signature and Seal of Professional Surveyor:
				Certificate Number



* * * * *

VOGEL SURVEY PROGRAM

* *

WELL: PEDCO: MILLER FEDERAL NO. 6

Target Az:78.69
Target TVD 3899

Closure Direction: 76

MD	INC	AZ	TVD	Vert. Section	Coordinates N-S	E-W	Closure	Build Rate	Walk Rate	Dog Leg
3662	0.2	86.7	3661.8	18.8	16.1	15.9	22.6			
3694	7.4	100.0	3693.7	20.8	16.0	18.0	24.1	0.23	0.42	23
3726	15.3	105.6	3725.1	26.6	14.6	24.2	28.2	0.25	0.17	25
3758	23.0	107.5	3755.3	35.8	11.6	34.2	36.1	0.24	0.06	24
3790	30.0	107.0	3783.9	48.4	7.3	47.9	48.4	0.22	-0.02	22
3801	33.0	106.9	3793.3	53.4	5.7	53.4	53.7	0.27	-0.01	27
3811	35.7	106.7	3801.5	58.4	4.0	58.8	58.9	0.27	-0.02	27
3819	37.8	106.9	3807.9	62.6	2.7	63.4	63.4	0.26	0.03	26
3852	47.9	105.6	3832.1	82.5	-3.6	84.9	85.0	0.31	-0.04	31
3862	51.0	105.6	3838.6	89.3	-5.7	92.2	92.4	0.31	0.00	31
3882	57.3	104.9	3850.3	103.8	-9.9	107.9	108.3	0.31	-0.03	32
3898	62.1	103.2	3858.4	116.3	-13.3	121.3	122.0	0.30	-0.11	31
3913	66.5	100.7	3864.9	128.7	-16.1	134.5	135.4	0.29	-0.17	33
3929	70.8	97.8	3870.7	142.7	-18.5	149.2	150.3	0.27	-0.18	32
3945	75.2	95.0	3875.4	157.2	-20.2	164.4	165.6	0.27	-0.18	32
3961	79.0	90.9	3879.0	172.4	-21.0	180.0	181.2	0.24	-0.26	34
3977	82.4	85.7	3881.5	187.9	-20.5	195.8	196.8	0.21	-0.33	38
4006	84.1	77.6	3885.0	216.7	-16.3	224.2	224.8	0.06	-0.28	28
4040	85.1	77.4	3888.2	250.5	-9.0	257.3	257.5	0.03	-0.01	3
4072	87.8	77.3	3890.1	282.5	-2.0	288.5	288.5	0.08	-0.00	8.4
4135	88.5	77.5	3892.2	345.4	11.7	349.9	350.1	0.01	0.00	1.2
4166	88.3	77.2	3893.0	376.4	18.5	380.1	380.6	-0.01	-0.01	1.2
4198	88.7	77.3	3893.9	408.4	25.6	411.3	412.1	0.01	0.00	1.3
4230	89.9	77.7	3894.3	440.4	32.5	442.6	443.8	0.04	0.01	4
4294	90.5	78.3	3894.0	504.4	45.8	505.2	507.3	0.01	0.01	1.3
4325	90.1	77.5	3893.9	535.4	52.3	535.5	538.0	-0.01	-0.03	2.9
4391	88.9	75.3	3894.5	601.3	67.8	599.6	603.5	-0.02	-0.03	3.8
4421	89.0	75.6	3895.0	631.2	75.4	628.7	633.2	0.00	0.01	1.1
4483	91.5	75.9	3894.7	693.2	90.6	688.8	694.7	0.04	0.00	4.1
4514	91.7	74.7	3893.9	724.1	98.5	718.7	725.5	0.01	-0.04	3.9
4577	90.5	72.4	3892.7	786.8	116.3	779.2	787.8	-0.02	-0.04	4.1
4611	89.7	71.4	3892.6	820.6	126.9	811.5	821.3	-0.02	-0.03	3.8
4676	88.8	72.0	3893.4	885.1	147.3	873.2	885.5	-0.01	0.01	1.7
4707	89.5	71.9	3893.9	915.9	156.9	902.6	916.2	0.02	-0.00	2.3
4739	89.5	72.1	3894.2	947.7	166.8	933.1	947.9	0.00	0.01	0.6
4772	90.4	72.5	3894.2	980.5	176.8	964.5	980.6	0.03	0.01	3
4836	89.7	71.6	3894.2	1044.0	196.5	1025.4	1044.1	-0.01	-0.01	1.8
4868	89.9	71.4	3894.3	1075.8	206.7	1055.7	1075.8	0.01	-0.01	0.9
4901	89.2	72.1	3894.5	1108.5	217.0	1087.1	1108.5	-0.02	0.02	3
4965	88.5	73.0	3895.8	1172.2	236.2	1148.1	1172.2	-0.01	0.01	1.8
5002	89.0	72.9	3896.6	1209.0	247.1	1183.5	1209.0	0.01	-0.00	1.4
5035	88.2	73.0	3897.4	1241.8	256.7	1215.0	1241.9	-0.02	0.00	2.4
5067	87.3	70.6	3898.7	1273.5	266.7	1245.4	1273.7	-0.03	-0.08	8
5099	86.4	70.7	3900.4	1305.2	277.3	1275.6	1305.4	-0.03	0.00	2.8
5130	86.9	71.4	3902.3	1335.8	287.4	1304.8	1336.1	0.02	0.02	2.8

* * * * *

VOGEL SURVEY PROGRAM

* *

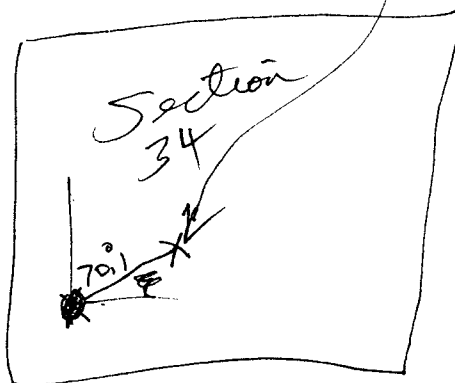
WELL: PEDCO: MILLER FEDERAL NO. 6

Target Az: 78.69
Target TVD 3899

Closure Direction: 76

MD	INC	AZ	TVD	Vert.	Coordinates		Closure	Build	Walk	Dog
				Section	N-S	E-W				
							Rate	Rate	Rate	Leg
5162	86.2	72.6	3904.2	1367.6	297.2	1335.2	1367.9	-0.02	0.04	4.3
5195	86.5	73.9	3906.3	1400.4	306.7	1366.7	1400.7	0.01	0.04	4
5228	86.0	74.2	3908.4	1433.2	315.8	1398.4	1433.6	-0.02	0.01	1.8
5260	85.7	73.2	3910.8	1465.0	324.7	1429.0	1465.5	-0.01	-0.03	3.3
5292	86.9	71.9	3912.8	1496.7	334.3	1459.5	1497.3	0.04	-0.04	5.5
5307	87.0	71.3	3913.6	1511.6	339.0	1473.7	1512.2	0.01	-0.04	4
5323	87.8	71.2	3914.3	1527.4	344.2	1488.8	1528.1	0.05	-0.01	5
5338	88.6	71.2	3914.8	1542.3	349.0	1503.0	1543.0	0.05	0.00	5.3
5357	90.2	73.0	3915.0	1561.2	354.8	1521.1	1562.0	0.08	0.09	13
5389	88.9	73.1	3915.3	1593.0	364.2	1551.7	1593.9	-0.04	0.00	4.1
5422	90.1	73.5	3915.6	1625.9	373.6	1583.3	1626.8	0.04	0.01	3.8
5487	88.3	70.7	3916.5	1690.4	393.6	1645.2	1691.6	-0.03	-0.04	5.1
5519	88.2	70.6	3917.4	1722.1	404.2	1675.4	1723.4	-0.00	-0.00	0.4
5552	89.8	72.2	3918.0	1754.8	414.7	1706.6	1756.3	0.05	0.05	6.9
5613	90.0	72.5	3918.1	1815.5	433.2	1764.8	1817.2	0.00	0.00	0.6
5645	91.1	70.8	3917.8	1847.2	443.3	1795.1	1849.1	0.03	-0.05	6.3
5674	91.7	70.1	3917.1	1875.9	453.0	1822.5	1877.9	0.02	-0.02	3.2

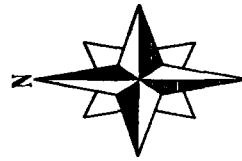
$$\begin{aligned} \text{FSL} \\ 060 + 453 &= 1113 \text{ FSL} \\ \text{FWL} \\ 060 + 1822 &= 2482 \text{ FWL} \\ &\text{BAL} \end{aligned}$$



VOGEL ENGINEERING, INC.
HORIZONTAL AND DIRECTIONAL DRILLING
415 WEST WALL ST. MIDLAND TX 79707
915-570-4719

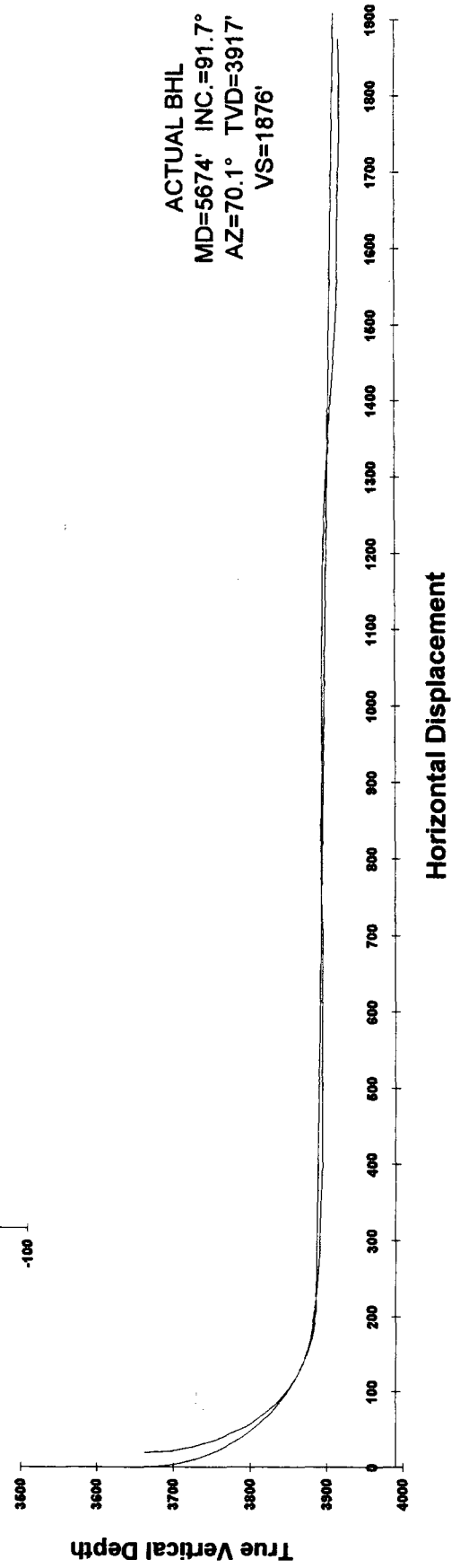
PEDCO
PETROLEUM DEVELOPMENT CORPORATION

MILLER FEDERAL
NO. 6
CHAVES COUNTY
NEW MEXICO
COMPLETION DATE:
12/14/94



600
400
300
200
100
0
-100

ACTUAL BHL: 453' N, 1822' E
VS=1876'



OPERATOR
PEDCO
 PETROLEUM DEVELOPMENT CORPORATION
MILLER FEDERAL No. 6

DIRECTIONAL DRILLING COMPANY
VOGEL ENGINEERING, INC.
 415 WEST WALL STREET MIDLAND TX 79707
 915-570-4719

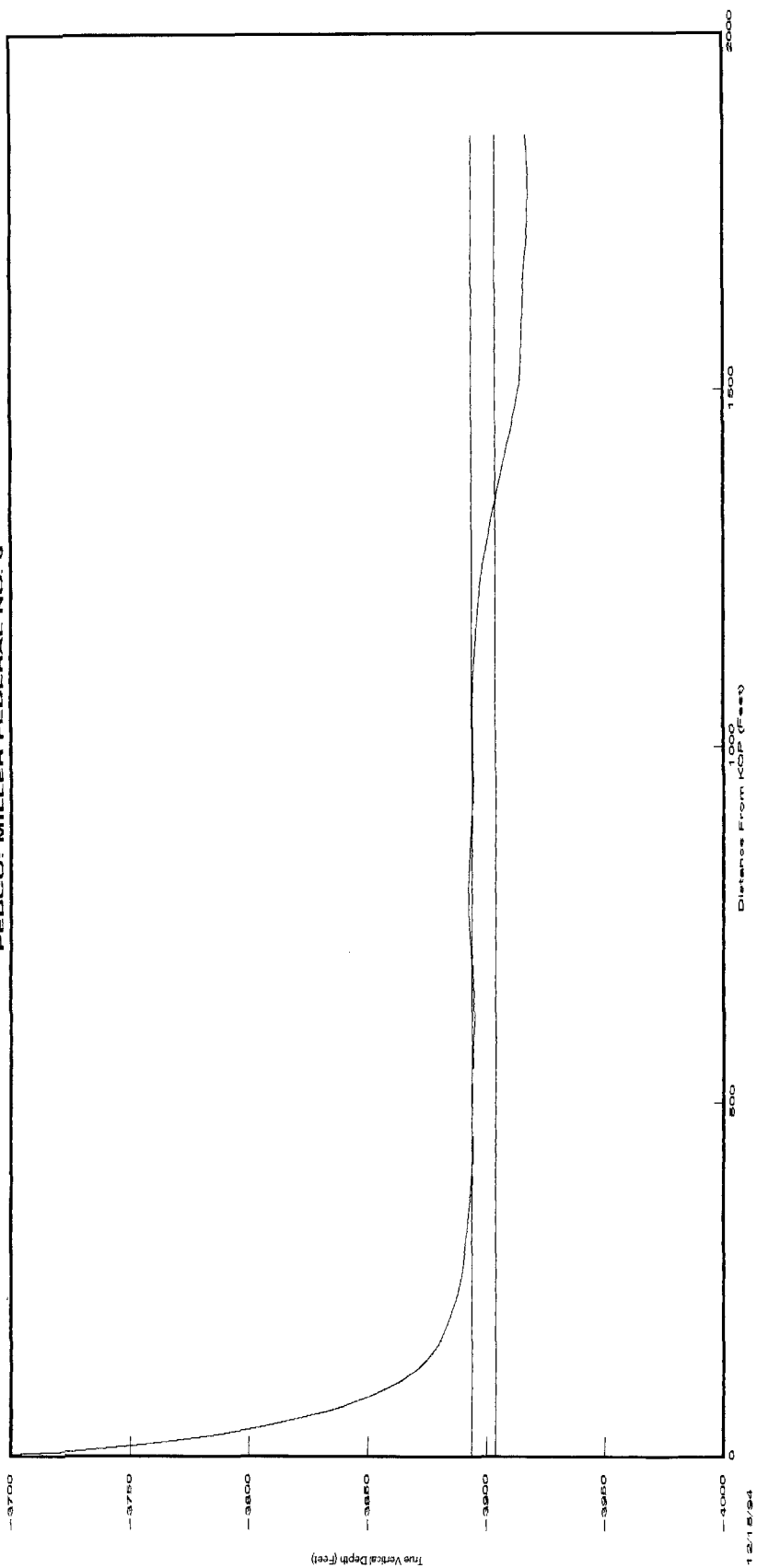
Target Az: 78.69
 Target TVD: 3912

Start Date: 12/11/1994
 End Date: 12/14/1994

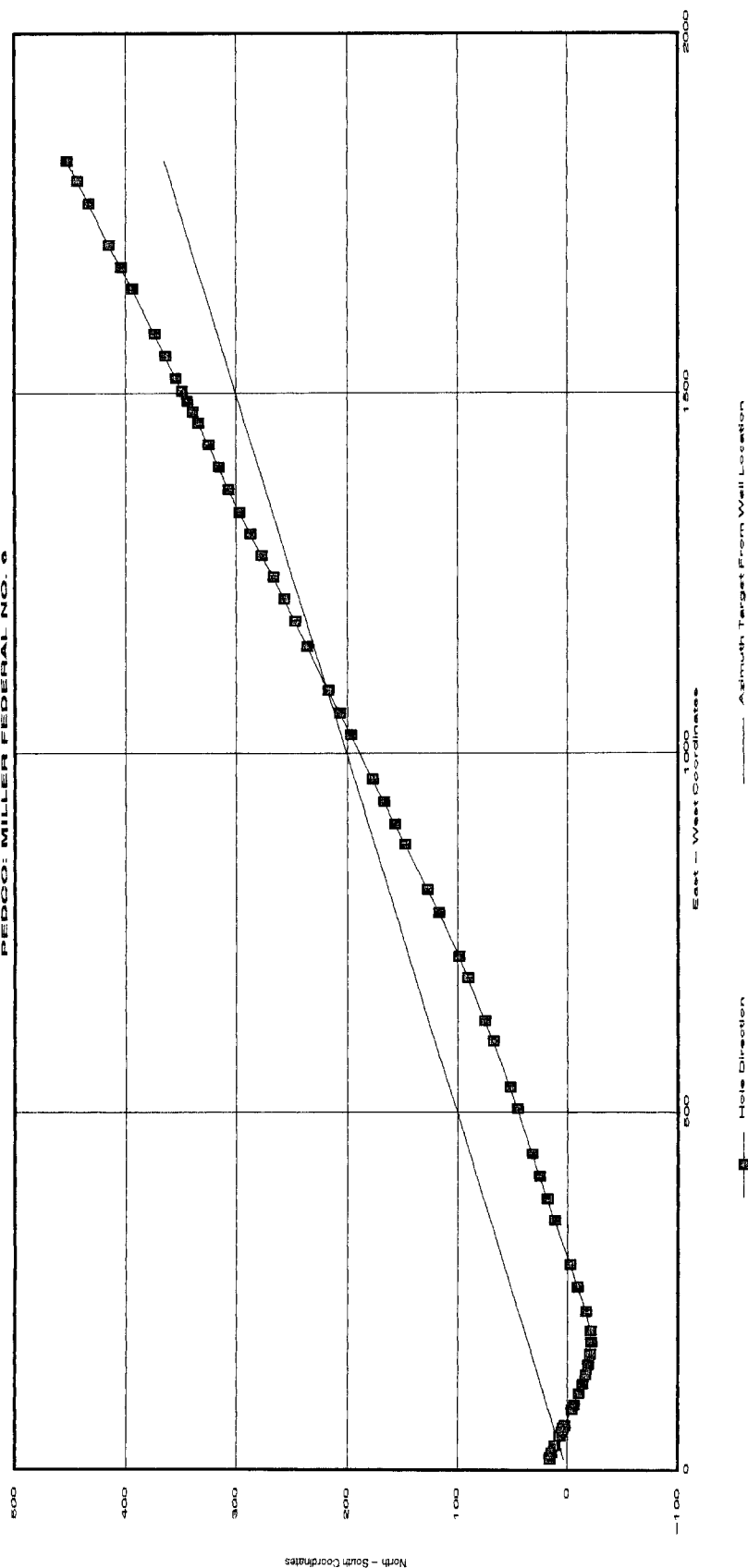
MD	INC	AZ	TVD	Vert. Section	Coordinates		Closure	Build Rate	Walk Rate
					N-S	E-W			
3662	0.2	86.7	3661.8	18.7	16.1	15.9	22.6		
3694	7.4	100.0	3693.7	20.8	16.0	18.0	24.1	0.23	0.42
3726	15.3	105.6	3725.1	26.5	14.6	24.2	28.2	0.25	0.18
3758	23.0	107.5	3755.3	35.8	11.6	34.2	36.1	0.24	0.06
3790	30.0	107.0	3783.9	48.4	7.4	47.9	48.4	0.22	-0.02
3801	33.0	106.9	3793.3	53.4	5.7	53.3	53.7	0.27	-0.01
3811	35.7	106.7	3801.5	58.4	4.1	58.8	58.9	0.27	-0.02
3819	37.8	106.9	3807.9	62.6	2.7	63.3	63.4	0.26	0.03
3852	47.9	105.6	3832.1	82.5	-3.6	84.9	85.0	0.31	-0.04
3862	51.0	105.6	3838.6	89.3	-5.7	92.2	92.4	0.31	0.00
3882	57.3	104.9	3850.3	103.8	-9.9	107.8	108.3	0.32	-0.03
3898	62.1	103.2	3858.4	116.3	-13.3	121.2	122.0	0.30	-0.11
3913	66.5	100.7	3864.9	128.7	-16.1	134.5	135.4	0.29	-0.17
3929	70.8	97.8	3870.7	142.7	-18.5	149.2	150.3	0.27	-0.18
3945	75.2	95.0	3875.4	157.2	-20.2	164.4	165.6	0.28	-0.18
3961	79.0	90.9	3879.0	172.3	-21.0	180.0	181.2	0.24	-0.26
3977	82.4	85.7	3881.5	187.9	-20.5	195.7	196.8	0.21	-0.33
4006	84.1	77.6	3885.0	216.7	-16.3	224.2	224.8	0.06	-0.28
4040	85.1	77.4	3888.2	250.5	-9.0	257.3	257.4	0.03	-0.01
4072	87.8	77.3	3890.1	282.4	-2.0	288.4	288.4	0.08	0.00
4135	88.5	77.5	3892.2	345.4	11.7	349.9	350.1	0.01	0.00
4166	88.3	77.2	3893.0	376.4	18.5	380.1	380.6	-0.01	-0.01
4198	88.7	77.3	3893.9	408.4	25.6	411.3	412.1	0.01	0.00
4230	89.9	77.7	3894.3	440.3	32.5	442.6	443.8	0.04	0.01
4294	90.5	78.3	3894.0	504.3	45.8	505.2	507.2	0.01	0.01
4325	90.1	77.5	3893.9	535.3	52.3	535.5	538.0	-0.01	-0.03
4391	88.9	75.3	3894.5	601.3	67.8	599.6	603.4	-0.02	-0.03
4421	89.0	75.6	3895.0	631.2	75.4	628.7	633.2	0.00	0.01
4483	91.5	75.9	3894.7	693.1	90.6	688.7	694.7	0.04	0.00
4514	91.7	74.7	3893.9	724.1	98.5	718.7	725.4	0.01	-0.04
4577	90.5	72.4	3892.7	786.8	116.3	779.1	787.8	-0.02	-0.04
4611	89.7	71.4	3892.6	820.6	126.9	811.4	821.3	-0.02	-0.03
4676	88.8	72.0	3893.4	885.1	147.3	873.2	885.5	-0.01	0.01
4707	89.5	71.9	3893.9	915.9	156.9	902.6	916.2	0.02	0.00
4739	89.5	72.1	3894.2	947.6	166.8	933.1	947.8	0.00	0.01

4772	90.4	72.5	3894.2	980.4	176.8	964.5	980.6	0.03	0.01
4836	89.7	71.6	3894.2	1044.0	196.5	1025.4	1044.0	-0.01	-0.01
4868	89.9	71.4	3894.3	1075.8	206.7	1055.7	1075.8	0.01	-0.01
4901	89.2	72.1	3894.5	1108.5	217.0	1087.1	1108.5	-0.02	0.02
4965	88.5	73.0	3895.8	1172.1	236.2	1148.1	1172.2	-0.01	0.01
5002	89.0	72.9	3896.6	1208.9	247.1	1183.5	1209.0	0.01	0.00
5035	88.2	73.0	3897.4	1241.8	256.7	1215.0	1241.8	-0.02	0.00
5067	87.3	70.6	3898.7	1273.5	266.7	1245.4	1273.6	-0.03	-0.08
5099	86.4	70.7	3900.4	1305.2	277.3	1275.5	1305.3	-0.03	0.00
5130	86.9	71.4	3902.3	1335.8	287.4	1304.8	1336.1	0.02	0.02
5162	86.2	72.6	3904.2	1367.6	297.2	1335.2	1367.9	-0.02	0.04
5195	86.5	73.9	3906.3	1400.3	306.7	1366.7	1400.7	0.01	0.04
5228	86.0	74.2	3908.4	1433.2	315.8	1398.4	1433.6	-0.02	0.01
5260	85.7	73.2	3910.8	1465.0	324.7	1429.0	1465.4	-0.01	-0.03
5292	86.9	71.9	3912.8	1496.7	334.3	1459.5	1497.3	0.04	-0.04
5307	87.0	71.3	3913.6	1511.6	339.0	1473.7	1512.2	0.01	-0.04
5323	87.8	71.2	3914.3	1527.4	344.2	1488.8	1528.1	0.05	-0.01
5338	88.6	71.2	3914.8	1542.3	349.0	1503.0	1543.0	0.05	0.00
5357	90.2	73.0	3915.0	1561.2	354.8	1521.1	1561.9	0.08	0.09
5389	88.9	73.1	3915.3	1593.0	364.2	1551.7	1593.9	-0.04	0.00
5422	90.1	73.5	3915.6	1625.8	373.7	1583.3	1626.8	0.04	0.01
5487	88.3	70.7	3916.5	1690.4	393.6	1645.2	1691.6	-0.03	-0.04
5519	88.2	70.6	3917.4	1722.1	404.2	1675.3	1723.4	0.00	0.00
5552	89.8	72.2	3918.0	1754.8	414.8	1706.6	1756.3	0.05	0.05
5613	90.0	72.5	3918.1	1815.4	433.2	1764.7	1817.1	0.00	0.00
5645	91.1	70.8	3917.8	1847.2	443.3	1795.1	1849.0	0.03	-0.05
5674	91.7	70.1	3917.1	1875.9	453.0	1822.4	1877.9	0.02	-0.02

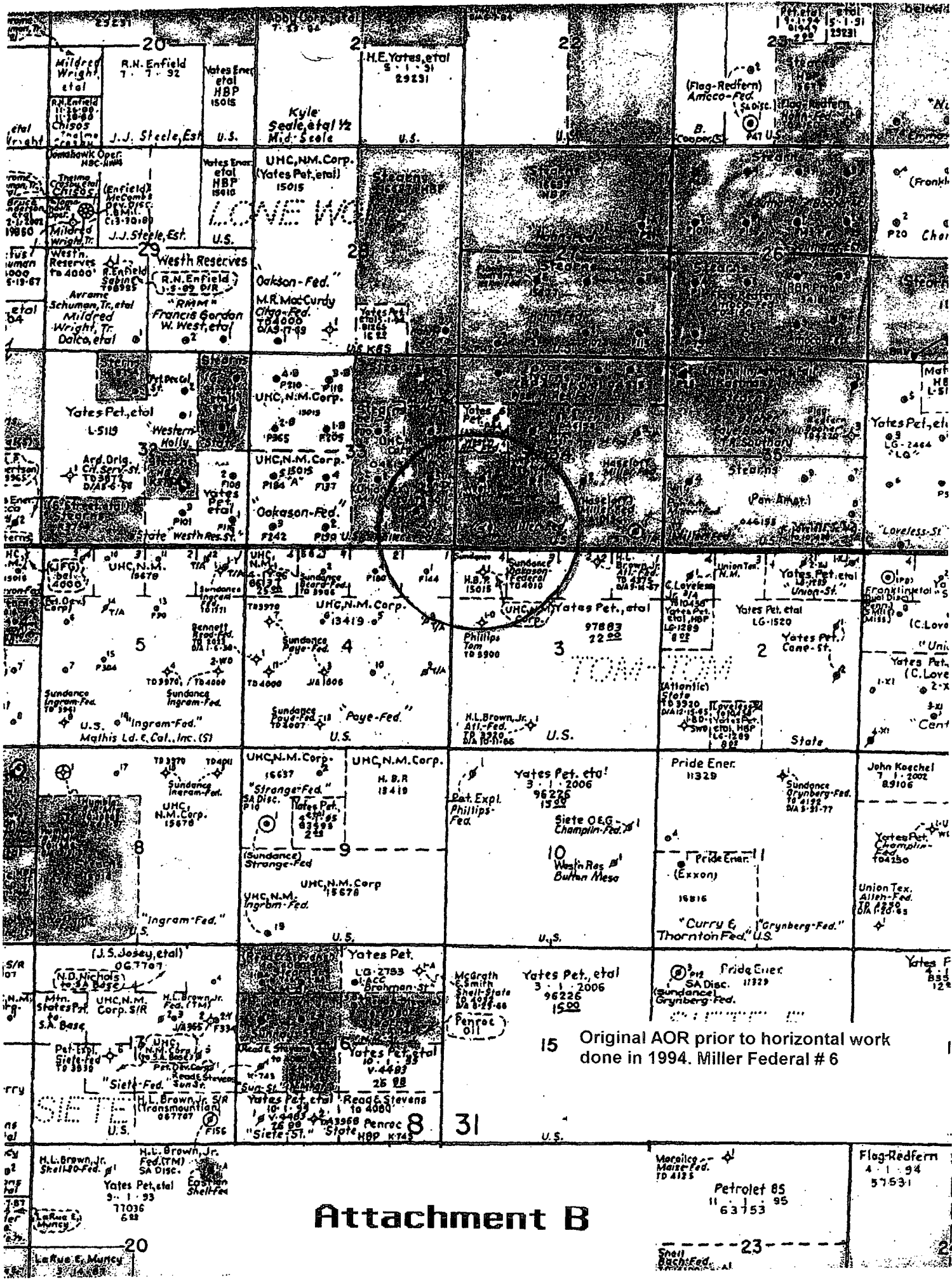
PEDCO: MILLER FEDERAL NO. 9



PEDCO: MILLER FEDERAL NO. 6



12/15/94



15 Original AOR prior to horizontal work done in 1994. Miller Federal # 6

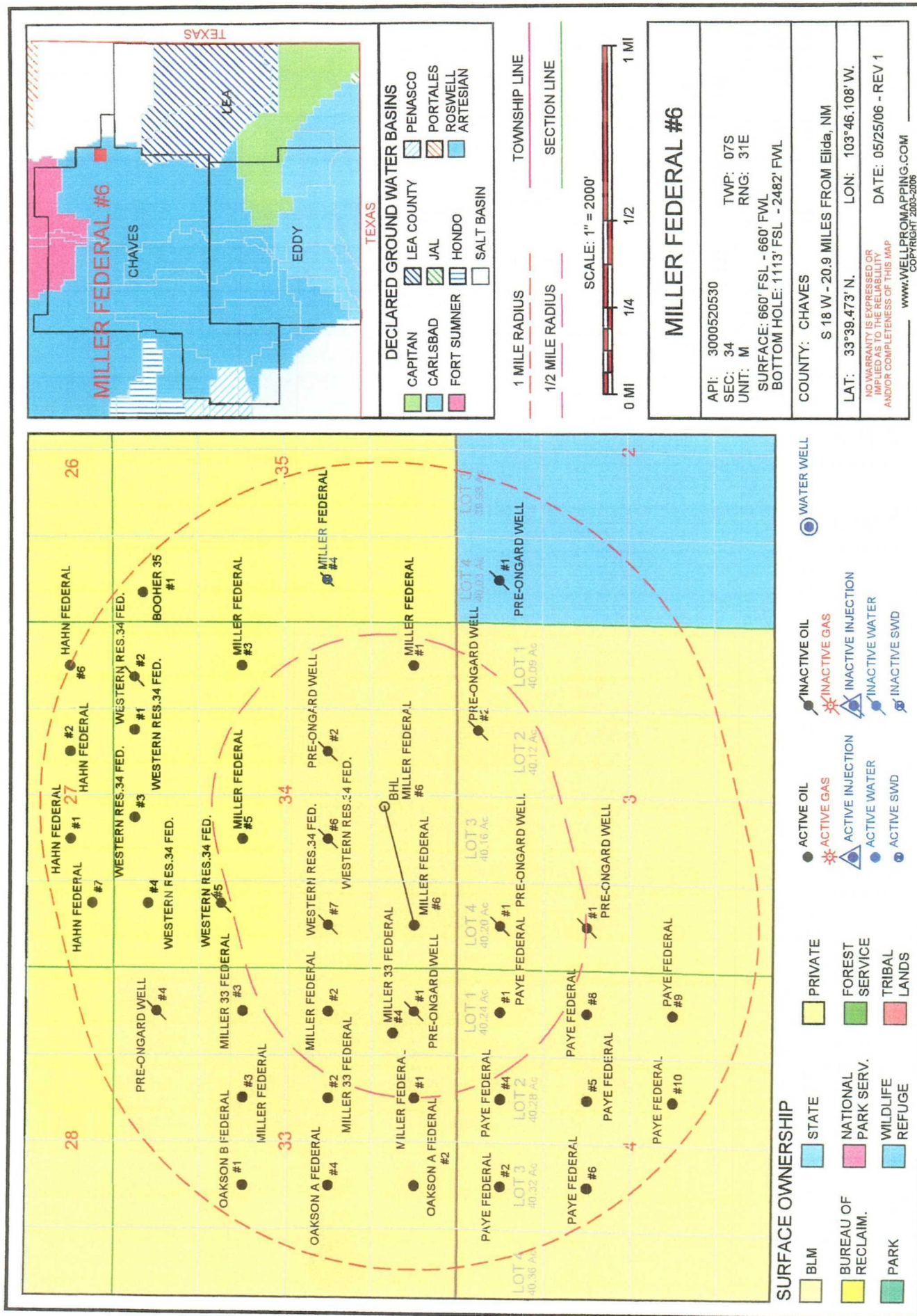
Attachment B

20

23

2

Attachment B



RADIUS	API	OPERATOR	LEASE	WELL
	3000520530	STEARNS	MILLER FEDERAL	6

[illegible]

Attachment B

**C108 Application for Authority to Inject
Stearns, Inc
Miller Federal # 6
30-005-20530
660 FSL X 660 FEL
Unit Letter "M", Section 34, T7S, R31 E
Chaves County, New Mexico**

Wells in 0.5 Mile Area of Review

**Union Texas Petroleum Corporation
Federal 33 # 1
30-005-20523
660 FSL X 660 FEL
Unit Letter "P", Section 33, T7S, R31E
Chaves County, New Mexico
Plugged and Abandoned**

**Well: MILLER 33 FEDERAL No.: 004
Operator: UHC NEW MEXICO CORPORATION
API: 3000520890 Township: 07.0S Range: 31E
Section: 33 Unit: P
Land Type: F County: Chaves True Vertical Depth: 4000
Currently San Andres Producer**

**Well: WESTERN RESERVES 34 FEDERAL No.: 007
Operator: WESTERN RESERVES OIL CO INC
API: 3000520857 Township: 07.0S Range: 31E
Section: 34 Unit: L
Land Type: F County: Chaves True Vertical Depth: 3970
Plugged and Abandoned**

**Well: WESTERN RESERVES 34 FEDERAL No.: 006
Operator: WESTERN RESERVES OIL CO INC
API: 3000520834 Township: 07.0S Range: 31E
Section: 34 Unit: K
Land Type: F County: Chaves True Vertical Depth: 3975
Plugged and Abandoned**

**Well: MILLER FEDERAL No.: 002
Operator: UHC NEW MEXICO CORPORATION
API: 3000520613 Township: 07.0S Range: 31E
Section: 33 Unit: I
Land Type: F County: Chaves True Vertical Depth: 4020
Currently SA Producer**

Attachment C

Well: OAKARSON FEDERAL No.: 001
Operator: SUNDANCE OIL CO
API: 3000520498 Township: 08.0S Range: 31E
Section: 3 Unit: D
Land Type: F County: Chaves True Vertical Depth: 4010
Plugged and Abandoned

Well: PAYE FEDERAL No.: 001
Operator: UHC NEW MEXICO CORPORATION
API: 3000520458 Township: 08.0S Range: 31E
Section: 4 Unit: A
Land Type: F County: Chaves True Vertical Depth: 4005
Currently San Andres Producer

Well: TOM D No.: 001
Operator: PHILLIPS PETROLEUM
API: 3000520511 Township: 08.0S Range: 31E
Section: 3 Unit: E
Land Type: County: Chaves True Vertical Depth: 3909
Plugged and Abandoned


Well: ATLANTIC FEDERAL No.: 002
Operator: H L BROWN JR
API: 3000520114 Township: 08.0S Range: 31E
Section: 3 Unit: B
Land Type: F County: Chaves True Vertical Depth: 4020
Plugged and Abandoned

Well: MILLER FEDERAL No.: 001
Operator: STEARNS
API: 3000520044 Township: 07.0S Range: 31E
Section: 34 Unit: P
Land Type: F County: Chaves True Vertical Depth: 4385
Currently San Andres Producer


Well: MILLER FEDERAL No.: 005
Operator: STEARNS
API: 3000520122 Township: 07.0S Range: 31E
Section: 34 Unit: F
Land Type: F County: Chaves True Vertical Depth: 4050
Currently San Andres Producer

Attachment C

Well:MILLER FEDERAL **No.:** 002
Operator: TKL OIL PROPERTIES
API: 3000520091 **Township:** 07.0S **Range:** 31E
Section: 34 **Unit:** J
Land Type: F **County:** Chaves **True Vertical Depth:** 4039
Plugged and Abandoned



Well: MILLER FEDERAL **No.:** 001
Operator: UHC NEW MEXICO CORPORATION
API: 3000520606 **Township:** 07.0S **Range:** 31E
Section: 33 **Unit:** O
Land Type: F **County:** Chaves **True Vertical Depth:** 4004
Currently San Andres Producer



Attachment C

Union Texas Petroleum Corporation
Federal 33 # 1
30-005-20523
UL "P", Section 33, T7S, R31E
Chaves County, New Mexico

Spud 2/11/1976
PA 6/25/1977

Drilled as San Andres
Oil Well

8 5/8" 24# Csg set at
401ft in 12 1/4" hole.
Cmt w/ 300sx
Class "C"
Cmt Circ.

TS 1530
Yates 1931
Queen 2576
SA 3060

4 1/2" 10.79# Csg set at
4011ft in 7 7/8" hole.
Cmt w/ 275sx Class "C"

5sx cmt plug at surface

35sx cmt plug at 450ft

35sx cmt plug at 1530ft

35sx cmt plug at 3060ft

Cut and Pull 4 1/2" from 3010ft

CIBP @3750 capped w/ 3sx Class
Re-Perf 3849-3871ft
Perfs -3848-3925 Sqz w/ 150sx CI

Attachment C

UHC
Miller 33 Federal # 4
30-005-20890
UL"P", Section 33, T7S, R31E
Chaves County, New Mexico

Spud 11/20/1982
Currently SA Producer

8 5/8 24# Csg set at
1474ft in 12 1/4" hole.
Cmt w/ 900sx Howco Lite
Cmt Circ.

TOC 940ft calculated

5 1/2" 14# Csg set at 3987ft
in 7 7/8" hole. Cmt w/
800 sx Class"C"
TOC calculated at 940ft w/
1.32 cu/ft yield and 50% fill

Perfs 3847-3885ft

Attachment C

Western Reserves Oil Co. Inc
Western Reserves 34 Federal # 7
30-005-20857
UL "L", Section 34, T7S, R31E
Chaves County, New Mexico

Spud 3/5/1982
PA 7/28/1989

Drilled as San Andres
Oil Well

8 5/8" 24# Csg set at
1520ft in 12 1/4" hole.
Cmt w/ 500sx
Class "C"
Cmt Circ.

4 1/2" 10.5# Csg set at
3962ft in 7 7/8" hole.
Cmt w/ 350sx Class "C"

18sx cmt plug at surface

Cmt plug tagged at 1458ft

Cut and Pull 4 1/2" from 1709ft

CIBP @3875 capped w/ 10sx

Perfs -3934-3938 9SPF

Attachment C

Western Reserves Oil Co. Inc
Western Reserves 34 Federal # 6
30-005-20834
UL "K", Section 34, T7S, R31E
Chaves County, New Mexico

Spud 11/8/1981
PA 7/28/1989

Drilled as San Andres
Oil Well

8 5/8" 24# Csg set
at 1495ft in 12 1/4"
hole. Cmt w/ 700sx
Class "C"
Cmt Circ.

4 1/2" 10.5# Csg set at
3983ft in 7 7/8" hole.
Cmt w/ 300sx Class "C"

18sx cmt plug at surface

8 5/8" CIBP set at 1470ft
Capped with 15sx cmt

Spotted 179sx cmt @ 1557ft
No tag

Tag stub plug at 1657ft
Spot additional 10 sx cmt
60sx total
Cut and Pull 4 1/2" from 1687ft

CIBP @ 3675 capped w/ 5sx
Class H cmt
Perfs -3809-3912

Attachment C

Well: MILLER FEDERAL No.: 002
Operator: UHC NEW MEXICO
CORPORATION [NM SLO data]
API: 3000520613 Township: 07.0S
Range: 31E
Section: 33 Unit: I
Land Type: F County: Chaves True
Vertical Depth: 4020

Spud 1/3/1978
Drilled as SA Oil Well
Currently SA Producer

8 5/8" 23# Csg set at
1493ft in 11" Hole.
Cmt w/ 275sx Lite and
100sx Class "C"
Cmt Circ.

4 1/2" Csg set at 4027ft in
7 7/8" Hole. Cmt w/ 200sx Class
"C" Poz Mix. Yield 1.35cu/ft per
sack. TOC calculated at 3197ft
w/ 70% fill

TOC calculated @ 3197ft

Perfs 3857-3896

Attachment C

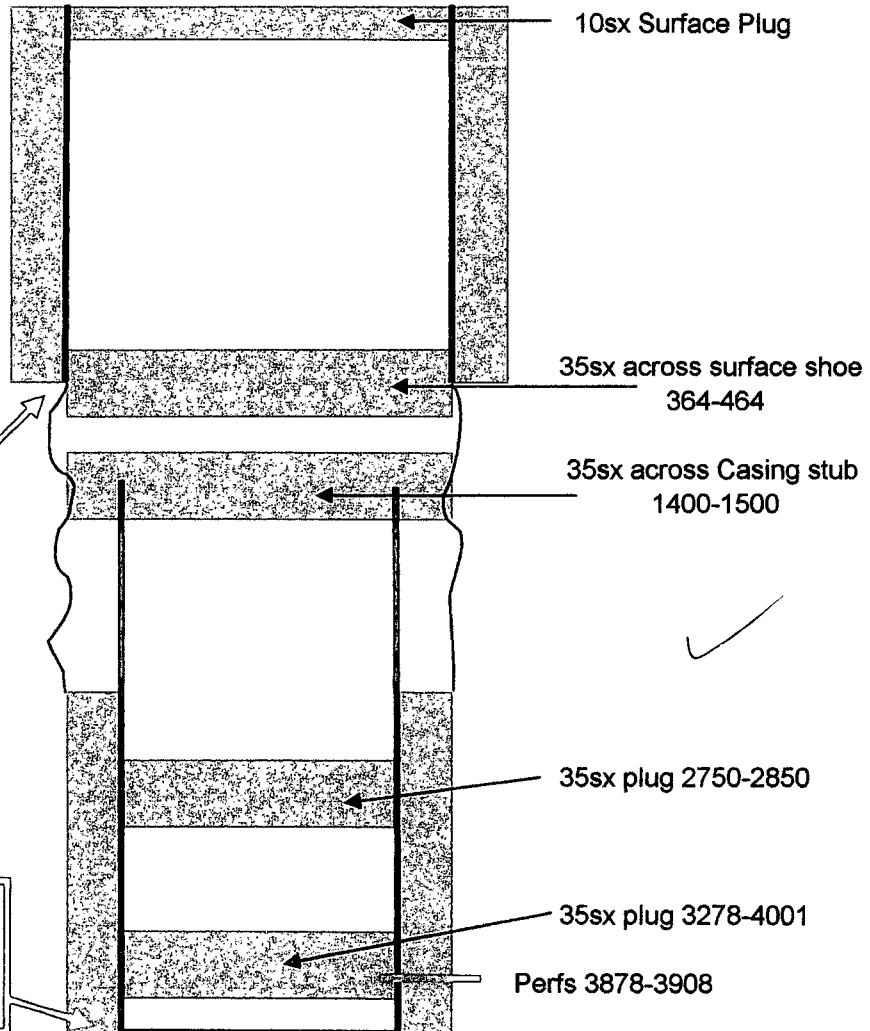
Well: OAKARSON FEDERAL No.: 001
Operator: SUNDANCE OIL CO
API: 3000520498 Township: 08.0S Range: 31E
Section: 3 Unit: D
Land Type: F County: Chaves True Vertical
Depth: 4010

Spud 10/18/1975
Drilled as SA Oil Well
PA 6/11/1976

Rustler 1504
Top Salt 1555
Yates 1972
SA 3085

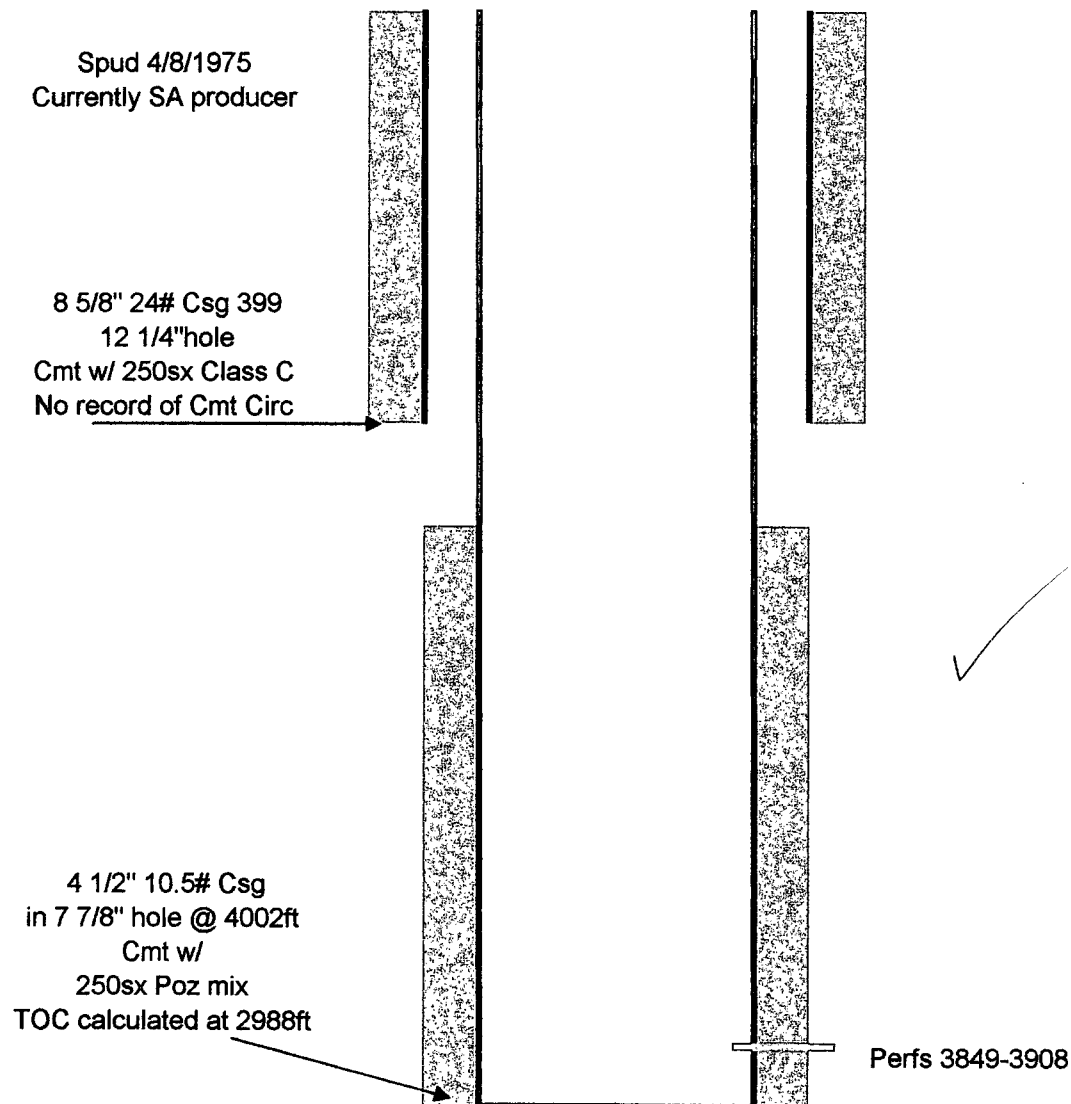
8 5/8" Csg set at 414ft in
12 1/4" Hole. Cmt w/ 200sx
Class "C"
Cmt Circ.

4 1/2" 11.6# Csg set at 4030ft
in 7 7/8" Hole. Cmt w/ 200sx
Lite and 100sx Class "C".



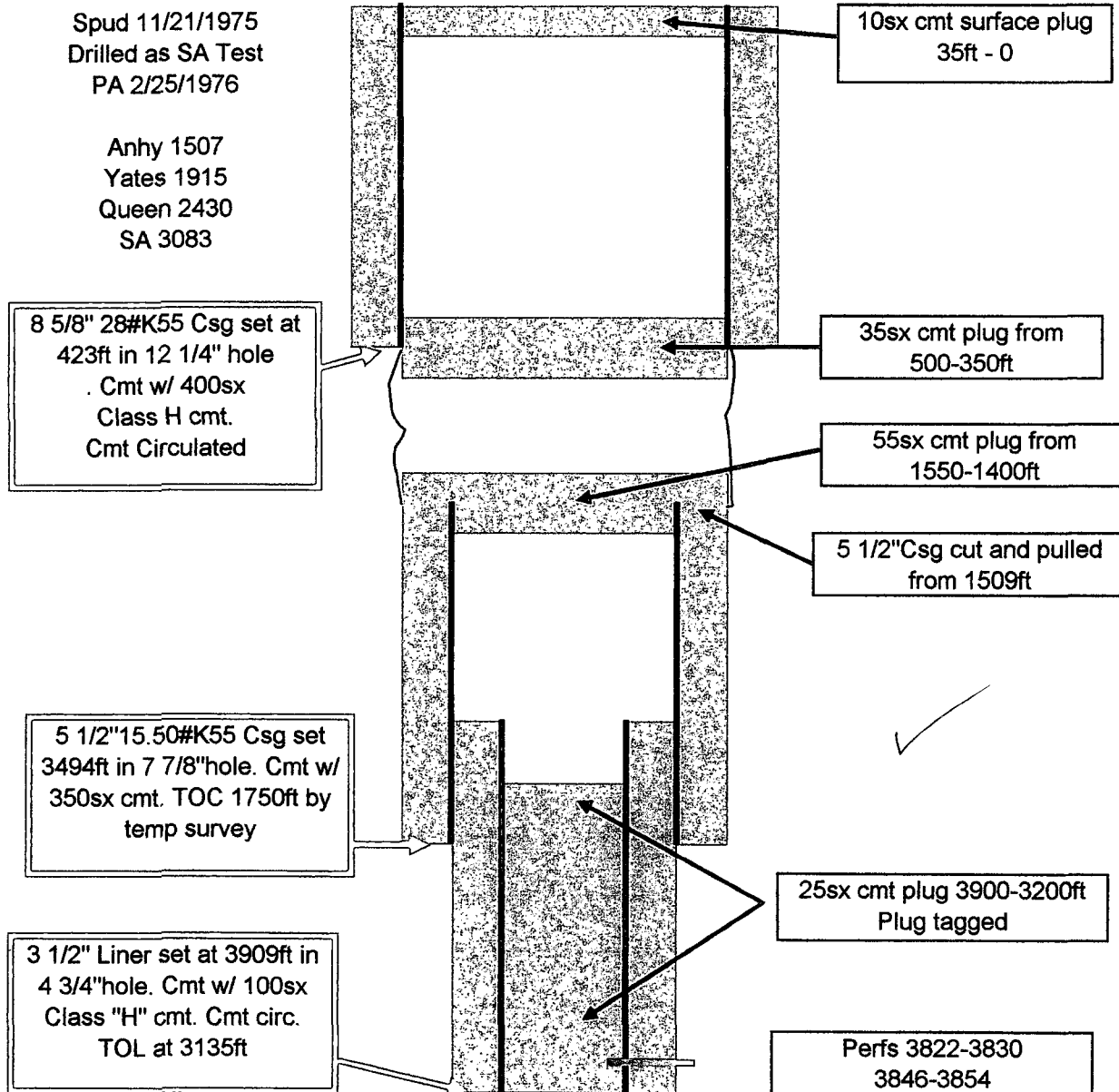
Attachment C

Well: PAYE FEDERAL No.: 001
Operator: UHC NEW MEXICO CORPORATION
API: 3000520458 Township: 08.0S Range: 31E
Section: 4 Unit: A
Land Type: F County: Chaves True Vertical Depth: 4005



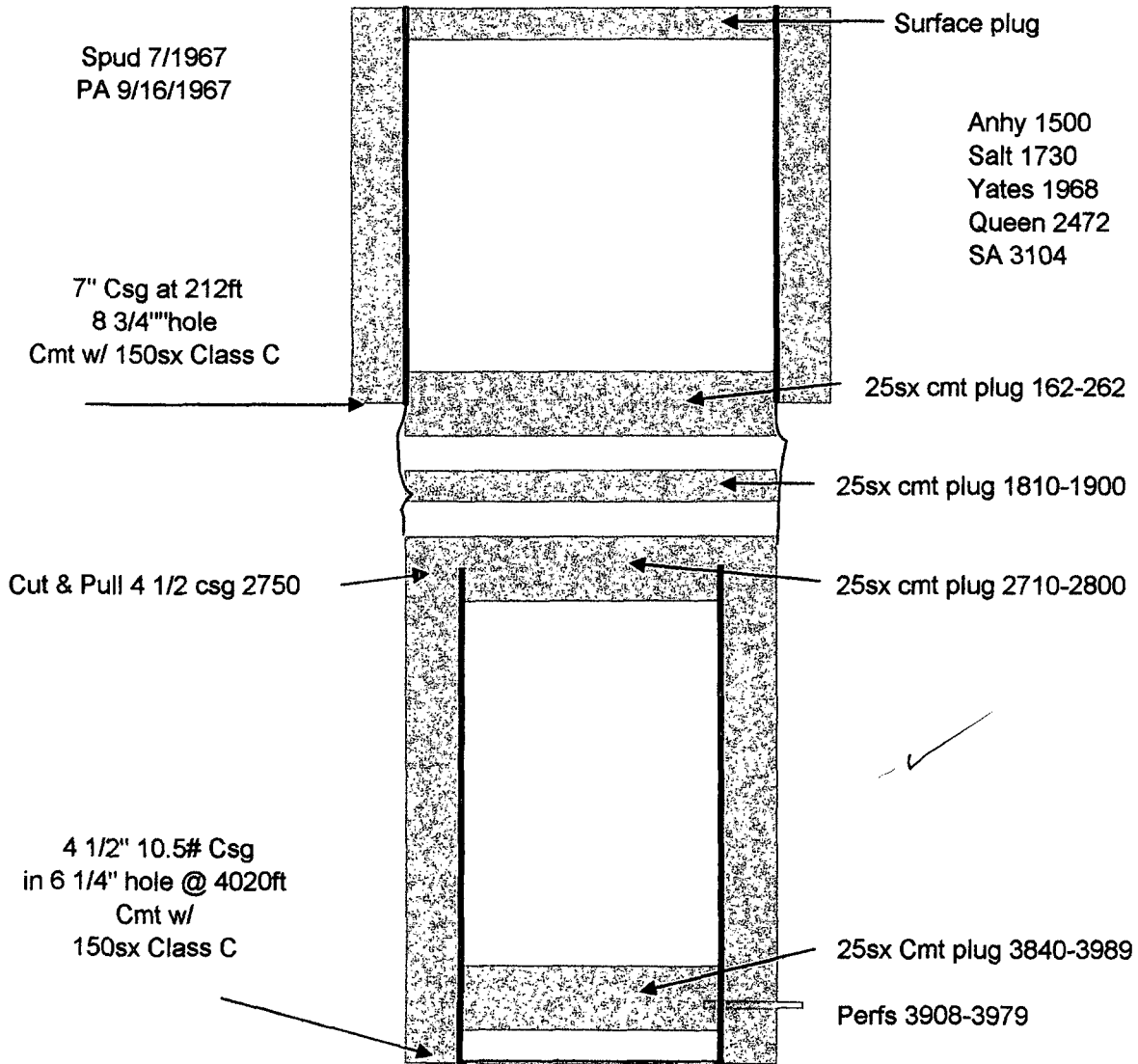
Attachment C

Well: TOM D No.: 001
Operator: PHILLIPS PETROLEUM
API: 3000520511 Township: 08.0S Range: 31E
Section: 3 Unit: E
Land Type: County: Chaves True Vertical Depth: 3909



Attachment C

Well: ATLANTIC FEDERAL No.: 002
 Operator: H L BROWN JR
 API: 3000520114 Township: 08.0S
 Range: 31E
 Section: 3 Unit: B
 Land Type: F County: Chaves True
 Vertical Depth: 4020



Attachment C

Well: MILLER FEDERAL No.: 001
Operator: STEARNS
API: 3000520044 Township: 07.0S
Range: 31E
Section: 34 Unit: P
Land Type: F County: Chaves True
Vertical Depth: 4385

Spud 3/15/1967
Currently SA producer

8 5/8" 24# Csg
11" hole
300sx Class C
Cmt Circ

4 1/2" 9.5# Csg
in 7 7/8" hole @ 4385ft
Cmt w/
800sx Class C
TOC calculated at 1865 w/ 50% fill

Perfs 3914-3984
CIBP at 4025
Perfs 4054-4316

Attachment C

Well: MILLER FEDERAL No.: 005
Operator: STEARNS
API: 3000520122 Township: 07.0S
Range: 31E
Section: 34 Unit: F
Land Type: F County: Chaves True
Vertical Depth: 4050

Spud 8/9/1967
Currently SA producer

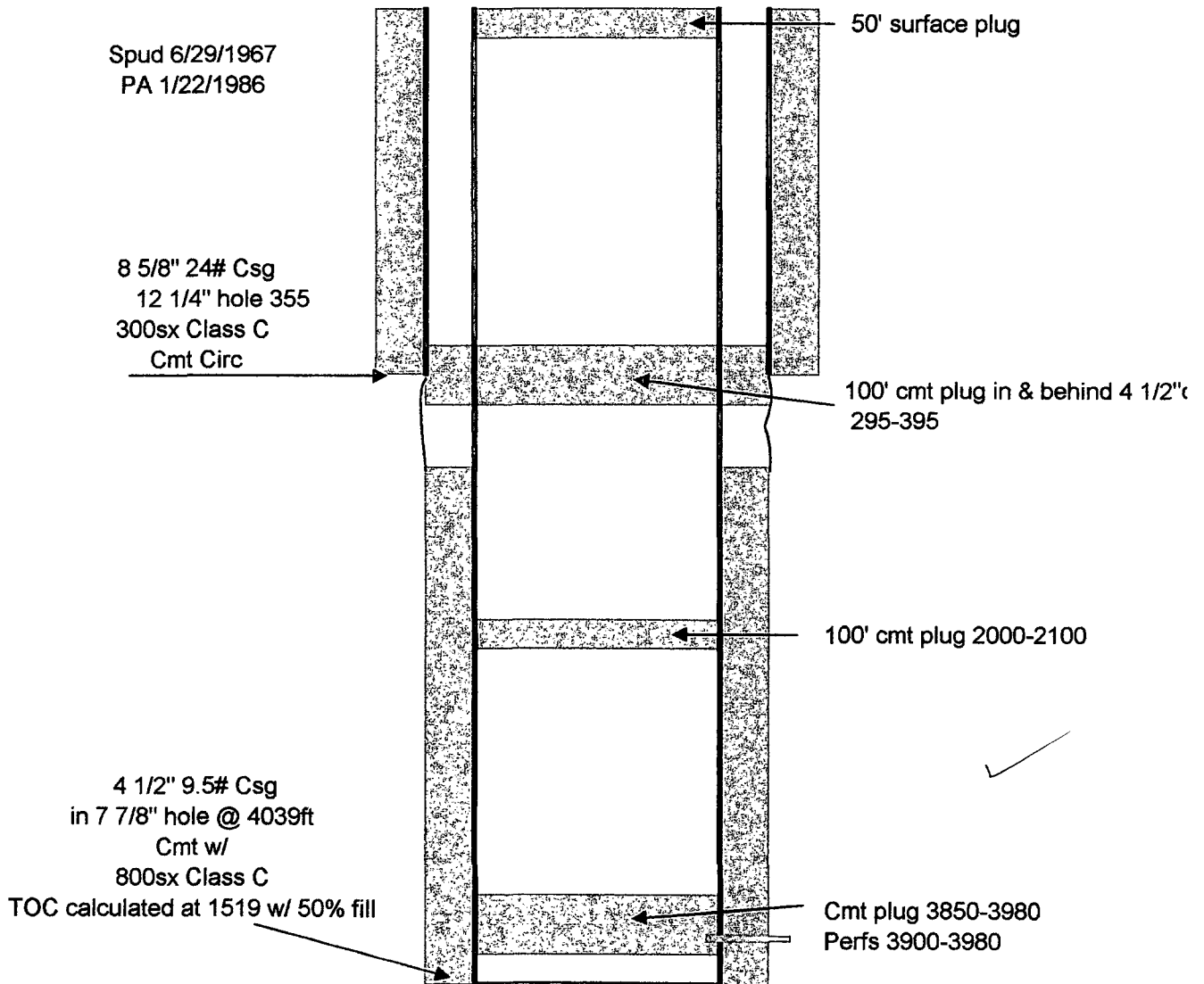
8 5/8" 24# Csg
11" hole 360
300sx Class C
Cmt Circ

4 1/2" 9.5# Csg
in 7 7/8" hole @ 4050ft
Cmt w/
300sx Class C
TOC calculated at 3105 w/ 50% fill

Perfs 3839-3974

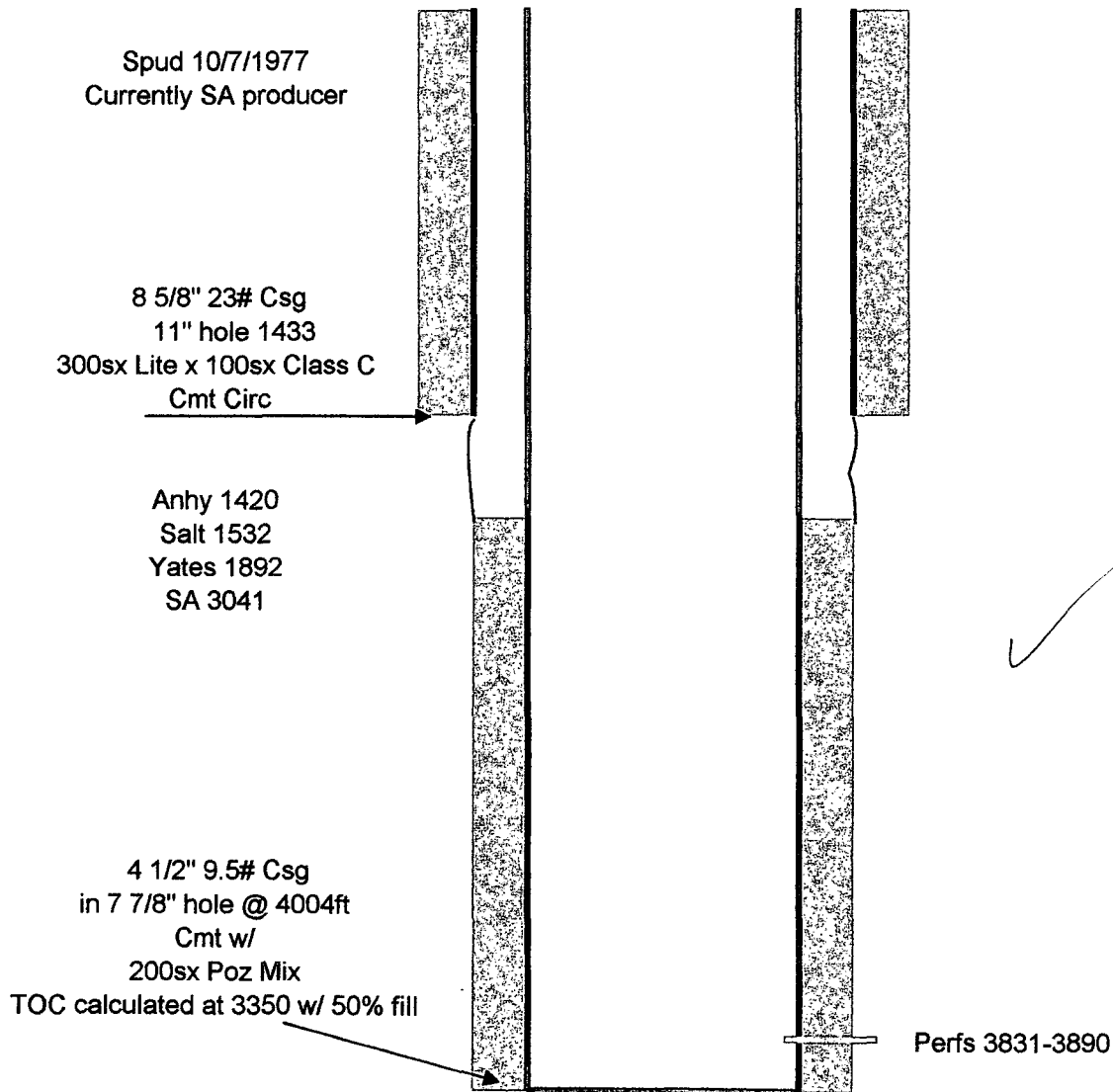
Attachment C

Well: MILLER FEDERAL No.: 002
Operator: TKL OIL PROPERTIES
API: 3000520091 Township: 07.0S
Range: 31E
Section: 34 Unit: J
Land Type: F County: Chaves True
Vertical Depth: 4039



Attachment C

Well: MILLER FEDERAL No.: 001
Operator: UHC NEW MEXICO CORPORATION
API: 3000520606 Township: 07.0S Range: 31E
Section: 33 Unit: O
Land Type: F County: Chaves True Vertical Depth: 4004



Attachment C

Inactive Well List

Total Well Count:72 Inactive Well Count:0 Since:3/28/2005

Printed On: Wednesday, June 21 2006

District API Well ULSTR OCD Unit OGRID Operator Lease Type Well Type Last Production Formation/Notes Status Days in TA

WHERE Ogrid:21566, County:All, District:All, Township:All, Range:All, Section:All, Production(months):15

From: Billy Prichard [shabillron01@warpdiveonline.com]
Sent: Wednesday, June 21, 2006 5:28 PM
To: Jones, William V., EMNRD
Cc: Ezeanyim, Richard, EMNRD; Kautz, Paul, EMNRD; Sanchez, Daniel J., EMNRD; Macquesten, Gail, EMNRD
Subject: Re: SWD Application: Miller Federal #6 API No. 30-005-20530 John R. Stearns dba Stearns Inc.

Yates had producing wells in the same section as the Miller Federal when the application was filed in 2004. Yates has since sold those wells to MEW Enterprises in January 2006. Yates is the lease holder of the section to the south of the Miller Federal and a copy of this recent application was sent to Yates. I enclosed a Proof of Notification that Yates received a copy of the application in the application. I too read that Yates had protested the application in 2004 on the Internet and would have mentioned it in the application had I thought that today's circumstances required the note in the application. I assumed that you would read the imaged well file as well. There was certainly no deception intended. I think that period of 2 years and the selling of the wells in Section 34 would have started the clock again. Please advise as we will contact Yates again if needed.

Billy (Bill) E. Prichard
Agent for Stearns
505-390-9100 Cell
432-955-0680 Phone/Fax

```
> Hello Billy:  
> I can't find anything wrong with this application, but it did seem  
> familiar.  
>  
> After reviewing the imaged well file, I found that Yates protested a  
> similar application to inject into this well in 2004.  
> Since you did not include any reference to the earlier application or  
> to Yates protest of that application, I must assume there is a reason  
> for this omission.  
>  
> Please let me know if Yates has ever formally withdrawn their previous  
> protest to this identically proposed SWD, and send me a copy of their  
> letter of withdrawal.
```

```
> William V. Jones                                Engineering Bureau
> <http://www.emnrd.state.nm.us/oed/Bureaus/Engineering/engineer.htm>
> *Oil Conservation Division*
> <http://www.emnrd.state.nm.us/oed/> Santa Fe
> <http://www.emnrd.state.nm.us/oed/general/SFdirectory.htm>
```

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NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary
John R. Stearns

HC 65 Box 988

Crossroads, NM 88114

Applicant for SWD

9/10/2004

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

RECEIVED

SEP 20 2004

OOD-ARTESIA

RE: Application of John R. Stearns for Salt Water Disposal

Miller Federal Well No. 6

Surface Location: 660 from the South and West lines

Section 34, Township 7 South, Range 31 East, NMPM, Chaves County, NM

Injection into a northwest direction, horizontal, open hole, San Andres interval from 3,662 to 3,912 TVD

Dear Sir or Madam:

As Yates has objected to your application, we can no longer process this administratively.

If you do not reach agreement with Yates and still desire to inject into this well, you must work with Florene Davidson of this office to set the application to hearing. If you do reach an agreement, I must have a letter from Yates withdrawing the protest, prior to resuming administrative review of this application.

If I don't hear from you by next Wednesday, September 15, 2004, I will mail your application back.

Many Regards,


William V. Jones, P.E.

505-476-3448

wvjones@state.nm.us

Cc: William F. Carr as attorney for

Kathy Porter

Yates Petroleum Corporation

105 South Fourth Street

Artesia, NM 88210

Injection Permit Checklist

SWD Order Number 1037

Dates: Division Approved _____ District Approved _____

Information Request Letter or Email sent _____

Well Name/Num: MILLER FEDERAL #6

Date Spudded: 2/24/76

API Num: (30-) 005-20530

County: Chavez

Footages 660 FSL/660 FWL

Sec 34

Tsp 7S

Rge 31E

Operator Name: John R. Stearns aka Stearns

Contact JOHN STEARNS

Operator Address: HC 65 BOX 988 Crossroads, NM 88114

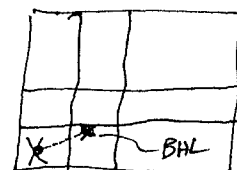
	Hole/Pipe Sizes	Depths	Cement	Top/Method
Surface	12 1/4 8 5/8	1465	500 + 100 = 600	No Record of CIRC
Intermediate				
Production	7 7/8 5 1/2	4125	275	Calc @ 2650' @ 70% FV
Last DV Tool				
<u>DEViated</u> Open Hole Liner	3612-3912	TVD (3612-5675 MD)		
Plug Back Depth				

Diagrams Included (Y/N): Before Conversion ☒ After Conversion ☒

Checks (Y/N): Well File Reviewed ☒ ELogs in Imaging ☒

Convert From SA Producer To SWD well
Last Prod. 6/02

Intervals:	Depths	Formation	Producing (Yes/No)
Salt/Potash	OK		
Capitan Reef	X		
Cliff House, Etc.	X		
Formation Above	Queen		
Top Inj Interval	3612	SA	
Bottom Inj Interval	3912	SA	
Formation Below	GLORIETA		



722 PSI Max. WHIP
Yes Open Hole (Y/N)
Yes Deviated Hole (Y/N)

Fresh Water Site Exists (Y/N) ☒ Analysis Included (Y/N): ☒

Salt Water Analysis: Injection Zone (Y/N/NA) SA Disposal Waters (Y/N/NA) ☒ Types: SA ONLY

Affirmative Statement Included (Y/N): ☒ Newspaper Notice Adequate (Y/N) _____ Well Table Adequate (Y/N) _____

Surface Owner BLM/Granddaddy Noticed (Y/N) ☒ Mineral Owner(s) _____

AOR Owners: UHC, NM CORP, MEW Enterprises, Yates Pet Co. Noticed (Y/N) ☒

CID/Potash/Etc Owners: _____ Noticed (Y/N) ☒

AOR Num Active Wells 6 Repairs? 0 Producing in Injection Interval in AOR Yes

AOR Num of P&A Wells 7 Repairs? 0 Diagrams Included? ☒

Data to Generate New AOR Table

No New Table Generated? (Y/N)

	STR	E-W Footages	N-S Footages
Wellsite	34/7/31		
Northeast			
North			
Northwest			
West	33/7/31		
Southwest	4/8/31		
South	3/8/31		
Southeast			
East			

Conditions of Approval

1. Protest of
2. THS
3.
4.

RBDMS Updated (Y/N) _____

UIC Form Completed (Y/N) _____

This Form completed _____