

DATE IN: 06/10/09	SUSPENSE	ENGINEER: W. Jones	LOGGED IN: 06/10/09	TYPE: SWD	APP NO: PKAA 0916148756
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ABOVE THIS LINE FOR DIVISION USE ONLY

RECEIVED

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

2009 JUN 10 AM 11 44 1220 South St. Francis Drive, Santa Fe, NM 87505



30-025-03685
State GA #4
Pecos Operating
246798

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATION 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.

Steve Gray

Print or Type Name

Signature

Title

Date

manager
steveq@pecoscompanies.com
e-mail Address

Conceded for
6/17/09
Re-opened
after agreement



400 W. Illinois, Suite 1210, Midland, Texas 79701 (432) 620-8480 Office (432) 682-2197 Fax

June 8, 2009

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

Re: C108 Application
State GA #4
990 FWL & 1980 FNL, Sec 16-T15S-R36E
Lea County, NM

Dear Sirs,

Attached herewith is form C-108 and supporting information seeking administrative approval to convert the State GA #4 well to a saltwater disposal well. This well will be used for an on lease, non-commercial disposal well for produced water from other wells on the lease.

Pecos Operating Company applied to re-enter and convert another plugged well on this lease, the State GA #7 well, located in the NW/4 of the NE/4 of this section to disposal in 2008. After a contested hearing, the commission approved that application under order number R-12978. Unfortunately, this work was never completed due to downhole conditions discovered on the well.

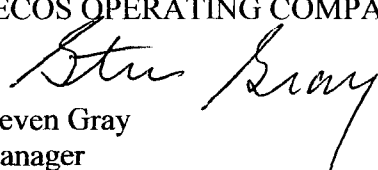
Pecos Operating Company now seeks approval to convert another plugged and abandoned well, the State GA #4 well, as a replacement well for the GA #7 (also known as Caudill SWD #1). Waivers have been sent to the landowner and offsetting operators. H&M Disposal, whom objected to our previous application, has been noticed verbally and by copy of this application.

Again, it is our intent to use this well as a replacement for the Caudill SWD which was previously approved, and not as an additional disposal well. The permit for the Caudill SWD will be allowed to expire under its terms if and when this well is successfully reactivated.

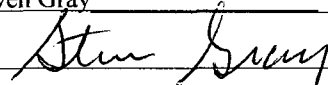
A copy of this application has been sent to all interested parties. Proof of mailing is included with this application. Also, a notice will be published in a local newspaper and proof of notice will be forwarded to your office when received.

Sincerely,

PECOS OPERATING COMPANY


Steven Gray
Manager

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: _____ Secondary Recovery _____ Pressure Maintenance XXX Disposal _____ Storage
Application qualifies for administrative approval? _____ Yes _____ No
- II. OPERATOR: Pecos Operating Company
ADDRESS: 400 W. Illinois Ave., Suite 1210, Midland, TX 79701
CONTACT PARTY: Steven Gray PHONE: 432-620-8480
- 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 XXX 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: Steven Gray TITLE: Manager
SIGNATURE:  DATE: 5/20/09
E-MAIL ADDRESS: steveg@pecoscompanies.com
- * If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____

III. WELL DATA

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

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

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

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

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

XIV. PROOF OF NOTICE

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

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

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

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

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

Pecos Operating Company
State GA #4 SWD
990' FWL & 1980' FNL
Sec16 – T15S – R36E

Form C-108 (continued)

V See attached maps, Exhibit 1 and Exhibit 1A

VI - Attached list of wells and wellbore sketches, Exhibit 2A and Exhibit 2B

- VII -
1. Proposed average daily volume 3000 bwpd. Maximum – 7000 bwpd
 2. The system is a closed system
 3. Avg injection pressure will be less than 500 psi. Maximum pressure – 2600 psi.
 4. Water will be produced Devonian water and will be re-injected in the Devonian.

VIII - The injection zone is the Devonian. The Devonian is a 300 foot thick section of limestone and dolomite. This reservoir has excellent permeability and should be capable of taking significant volumes of water at low pressure. Surface water in the area is located less than 200 feet from surface.

IX. – The old perforations were covered with cement when the well was plugged. It will be necessary to re-perforate and re-acidize the well upon re-entry. Stimulation will include acid only.

X Logs were previously filed by the original operator: Shell Oil Company

XI Two fresh water samples taken in 2002 for an earlier application are attached.

XII Affirmative statement is attached and labeled as Exhibit 4.

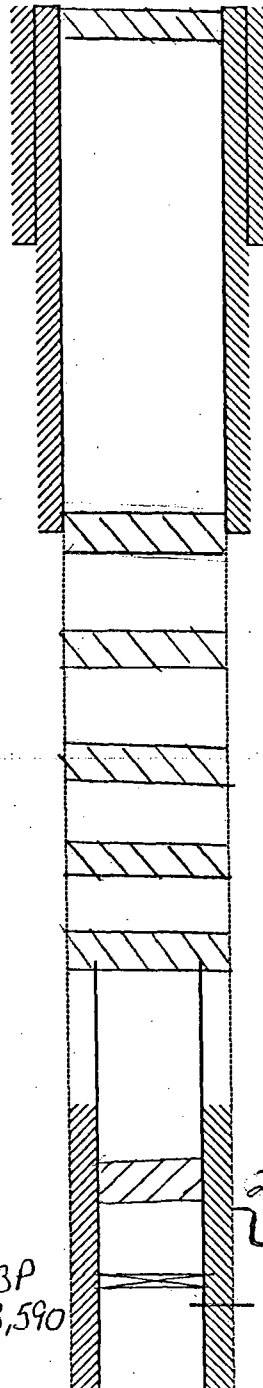
XIII Proof of notice will be mailed at a later date when received.

* Subject well prior to re-entry

* SHELL OIL COMPANY
STATE 'GA' #4
1980' FNL & 990' FWL
SEC 16 - T15S - R36E
Lea County, NM
Drilled: 1955 Plugged: 1967 API No: 30-025-03685

SURFACE CASING: 13 3/8
DEPTH: 336'
CEMENT: 400 SK
Circulated

INTERM. CASING: 8 5/8
DEPTH: 4739'
CEMENT: 1700 SK
Circulated



10 SK cement plug @ surface

25 sack cement plugs @
9025', 8098', 7408', 6616', 4740'

5 1/2" casing cut
& pulled @ 9025'

EST TOC 11,415'

PROD CASING: 5 1/2
DEPTH: 13,700'
CEMENT: 300 SK

CIBP
@ 13,590

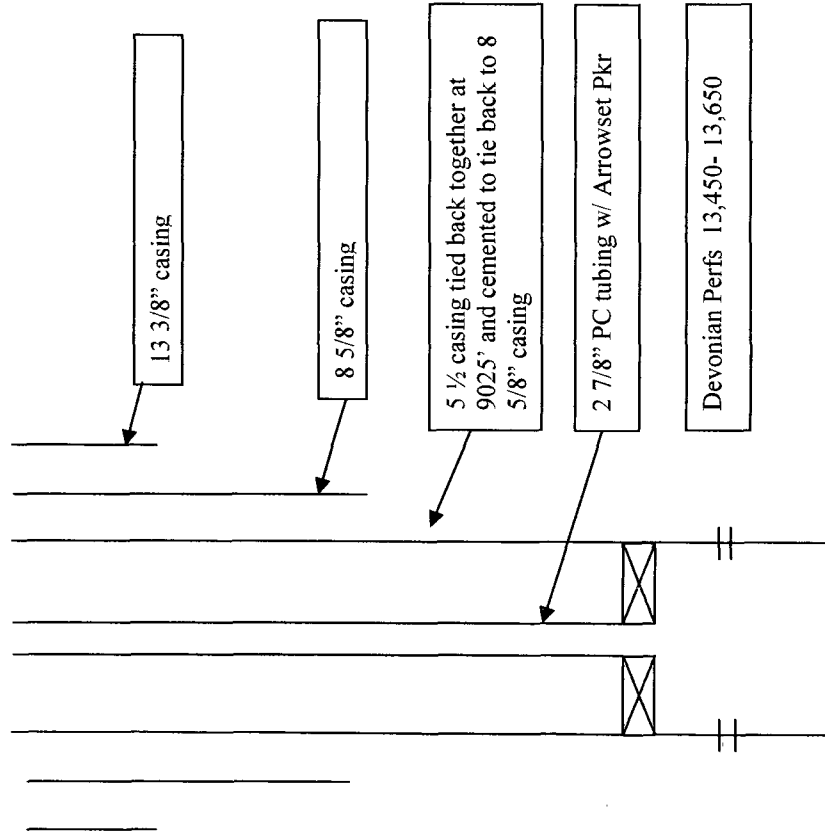
25 SK CMT PLUG 13454-13564

Perfs 13454-13564

Perfs 13614-13624

TD:

INJECTION WELL DATA SHEET

OPERATOR: Pecos Operating CompanyWELL NAME & NUMBER: State GA #4WELL LOCATION: 990' FWL & 1980' FNLFOOTAGE LOCATION E UNIT LETTER 16 SECTION 15N TOWNSHIP 36E RANGEWELLBORE SCHEMATICWELL CONSTRUCTION DATA
Surface CasingHole Size: 17 1/2" Casing Size: 13 3/8"Cemented with: 400 sx. or ft³Top of Cement: circulated Method Determined: Intermediate CasingHole Size: 11" Casing Size: 8 5/8"Cemented with: 1700 sx. or ft³Top of Cement: circulated Method Determined: Production CasingHole Size: 7 7/8" Casing Size: 5 1/2"Cemented with: 300 sx. or ft³
13650Top of Cement: 11,872' Method Determined: temp surveyTotal Depth: 13,700'Injection Interval13,450 feet To 13,700

(Perforated)

INJECTION WELL DATA SHEET

Tubing Size: 2 7/8" Lining Material: plastic coated

Type of Packer: 5 1/2" Lockset -internally plastic coated

Packer Setting Depth: 13,350'

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

Additional Data

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

If no, for what purpose was the well originally drilled? This will be a re-entry of a plugged well that previously produced from the Devonian

2. Name of the Injection Formation: Devonian

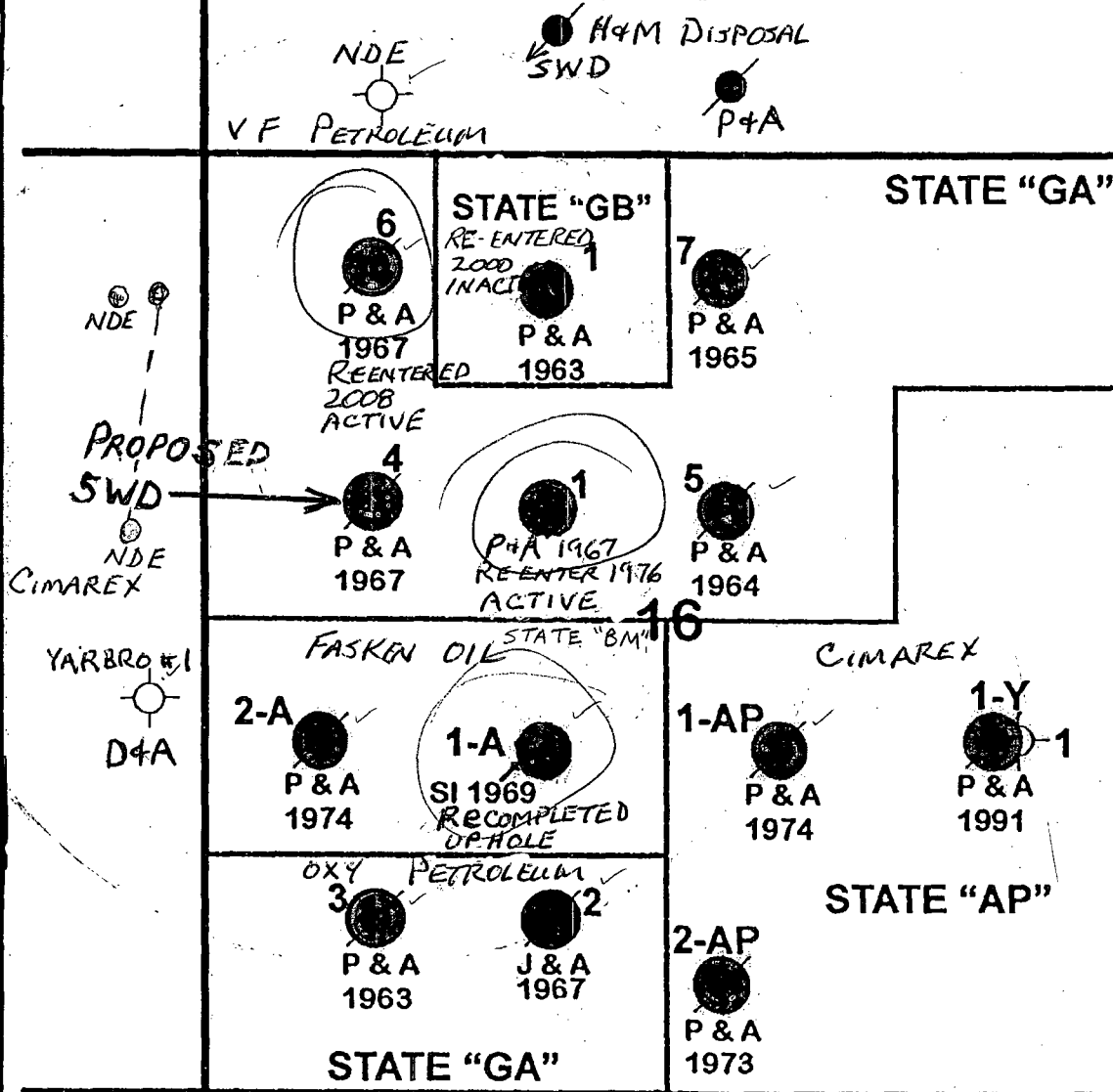
3. Name of Field or Pool (if applicable): Caudill Devonian

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

There is no record of any other zones being tested in this well.

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: Above - Mississippian @ 12,650' Below - none

R36E



T
15
S

EXHIBIT 1A

FORM C-108

APPLICATION FOR AUTHORIZATION TO INJECT
STATE GA-4

990' FWL & 1980' FNL
SEC 16 - T15S - R36E

PECOS OPERATING Co
CAUDILL FIELD

CURRENT WELL STATUS
(AS OF 12/2004)

SCALE: 1000 FT / INCH
500 0 FEET 500 1000

GEOLOGY BY: S. J. MEADER-ROBERTS 2/2005

Pecos Operating Company

Form C-108 Application to Inject

Exhibit 2A

Wells w/in 1/2 mile
of State GA #4

TOTAL WELLS:
PLUGGED WELLS:

12
9

Operator Well Name API Number	Location:	Status	Depth	Cementing/Casing Detail			Completion Date P&A Date
				Size	Depth	Sacks	
Columbia Carbon Co M. Graham #1 30-025-03672	330' FSL & 990' FWL Sec 9-T15S-R36E	D&A	13,547	13 3/8 8 5/8	312 4750	400 300	2/25/1956 6/22/1956 ✓
Shell Oil Company State GA #7 30-025-03688	660' FNL & 2310' FEL Sec 16-T15S-R36E	P&A	13,630 13,586 PBTD	13 3/8 8 5/8 5 1/2	353 4,749 13,629	400 1650 250	2/1/1956 5/18/1905 ✓
Shell Oil Company State GB #1 30-025-03689	660' FNL & 1980' FWL Sec 16-T15S-R36E	INACTIVE DEV PROD	13,672	13 3/8 8 5/8 5 1/2	354 4,748 13,672	350 2200 200	9/1/1955 ✓
Shell Oil Company State GA #6 30-025-03687	660' FNL & 990' FWL Sec 16-T15S-R36E	ACTIVE DEV PROD	13,682 13,639 PBTD	13 3/8 8 5/8 5 1/2	352 4,749 13,682	400 1700 200	11/9/1955 5/20/1905 ✓
Shell Oil Company State GA #1 30-025-03682	1980' FNL & 1980' FWL Sec 16-T15S-R36E	ACTIVE DEV PROD	14,079 13,491 PBTD	13 3/8 8 5/8 5 1/2	353 4738 14,078	400 1750 1250	1955 ✓
Shell Oil Company State GA #5 30-025-03686	1980' FNL & 2310' FEL Sec 16-T15S-R36E	P&A	13,656	13 3/8 8 5/8 5 1/2	338 4747 13,656	400 2700 255	1955 1964 ✓
Shell Oil Company State GA #2 30-025-03683	990' FSL & 1980' FWL Sec 16-T15S-R36E	P&A	13,796	13 3/8 8 5/8 5 1/2	323 4726 13783	400 2800 1025	1955 1967 ✓
Shell Oil Company State GA #3 30-025-03684	990' FSL & 990' FWL Sec 16-T15S-R36E	P&A	13,792	13 3/8 8 5/8 5 1/2	347 4737 13783	400 2300 1000	1955 1963 ✓
Cities Service Oil Co State AP #1 30-025-03678	1980' FSL & 1980' FEL Sec 16-T15S-R36E	P&A	13,657	13 3/8 8 5/8 5 1/2	315 4659 13,550	300 3250 425	1955 1974 ✓
Fasken Oil & Ranch, Ltd. Hall #1A 30-025-03681	1980' FSL & 1980' FWL Sec 16-T15S-R36E	RECOMPL UP TO 10,225-10,517	13,585	12 3/4 8 5/8 5 1/2	295 4755 13585	300 300 200	1955 ✓
Columbia Carbonate Company Hall #2A 30-025-03680	1980' FSL & 660' FWL Sec 16-T15S-R36E	P&A	13,596	12 3/4 8 5/8 5 1/2	284 4750 13596	425 500 300	1955 1974 ✓
Greathouse, Pierce & Davis J. L. Yarbrow #1 30-025-03690	220' FSL & 330' FEL Sec 17-T15S-R36E	P&A	14,630	16 10 3/4 4 1/2	374 4741 5650	650 2970	1955 1966 ✓

Exhibit 2B

**Wellbore Sketches of plugged wells within one half mile
of proposed re-entry**

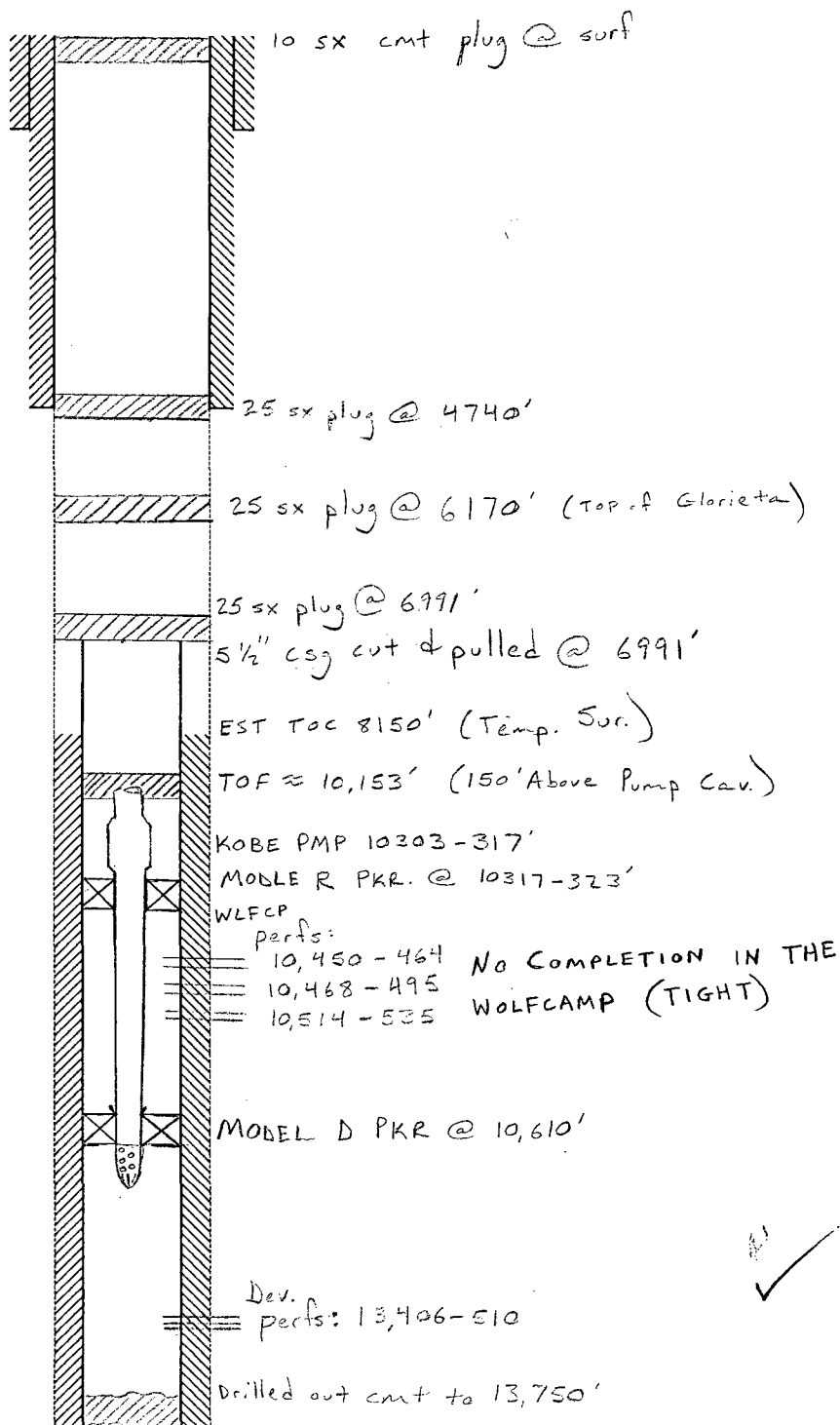
Shell Oil Company
 STATE "GA" #2
 990' FSL & 1980' FWL
 SEC. 16, T 15 S - R 36 E
 LEA COUNTY, NM

Drilled: 1955 P&A'd: 1967 API: 30-025-03683

SURFACE CASING: 13 $\frac{3}{8}$ "
DEPTH: 342'
CEMENT: 400 sx
circulated

INTERM. CASING: 8 $\frac{5}{8}$ "
DEPTH: 4740'
CEMENT: 2600 sx
circulated

PROD CASING: 5 $\frac{1}{2}$ "
DEPTH: 13,796'
CEMENT: 1025 sx



TD: 13,796'

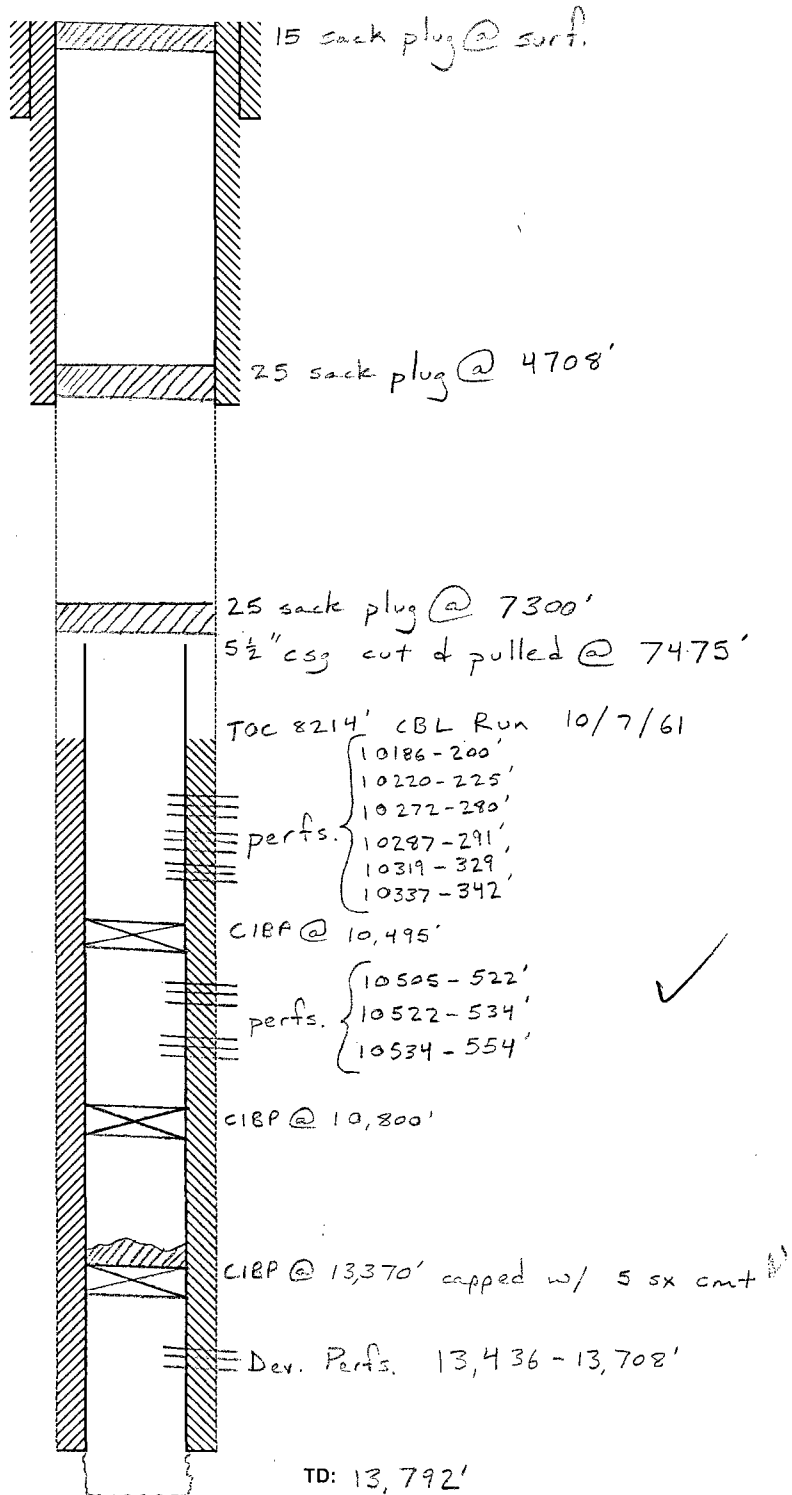
Shell Oil Company
 STATE "GA" #3
 990' FSL & 990' FWL
 SEC. 16, T 15 S - R 36 E
 LEA COUNTY, NM

Drilled: 1955 P&A'd: 1963 API: 30-025-03684

SURFACE CASING: 13 ³ / ₈ "
DEPTH: 347'
CEMENT: 400 sx
circulated

INTERM. CASING: 8 ⁵ / ₈ "
DEPTH: 4,737'
CEMENT: 2,300 sx
circulated

PROD CASING: 5 ¹ / ₂ "
DEPTH: 13,783'
CEMENT: 1000 sx
TOC: 8214'



Cities Service Oil Company

STATE 'AP' #1

1980 FSL & 1980 FEL

Sec 16 - T15S - R36E

Lea County, NM

Drilled: 1955

P4A'd: 1974

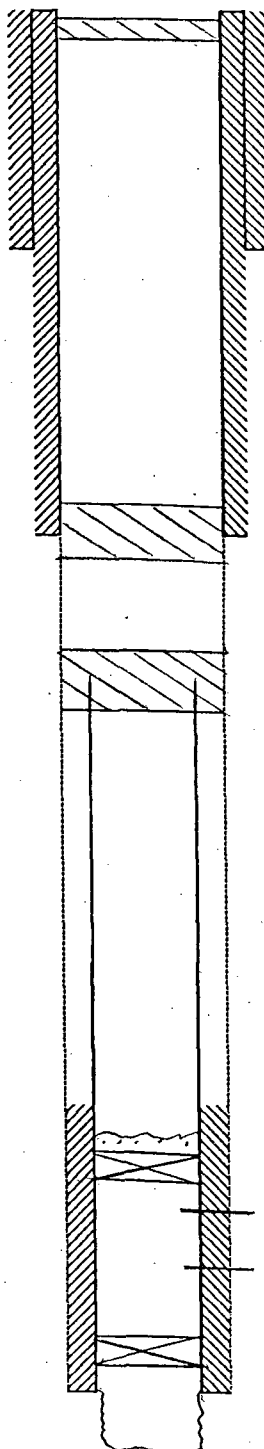
APINo: 30-025-03678

SURFACE CASING:	13 $\frac{3}{8}$
DEPTH:	315'
CEMENT:	300 sk
circulated	

INTERM. CASING:	8 $\frac{5}{8}$
DEPTH:	4659'
CEMENT:	3250 sk
circulated	

5 $\frac{1}{2}$ " casing cut &
pulled at 5430'

PROD CASING:	5 $\frac{1}{2}$
DEPTH:	13,550
CEMENT:	425 sk



10 sack cement plug @ surface

30 sk cement plug 4600 - 4700

30 sk cement plug 5478 - 5378'

EST TOC @ 10,690' ✓

CIBP @ 10,260 w/ 5 sk cement cap.

Perfs 10,290 - 10,310

Perfs 10,504 - 10,582

CIBP @ 13,500

TD: 13,657

Devonian openhole 13,550 - 13,657

Fasken Oil & Ranch, Ltd.

Hall #1A (STATE "BM" #1)

1980' FSL & 1980' FWL

SEC 16, T 15 S, R 36 E

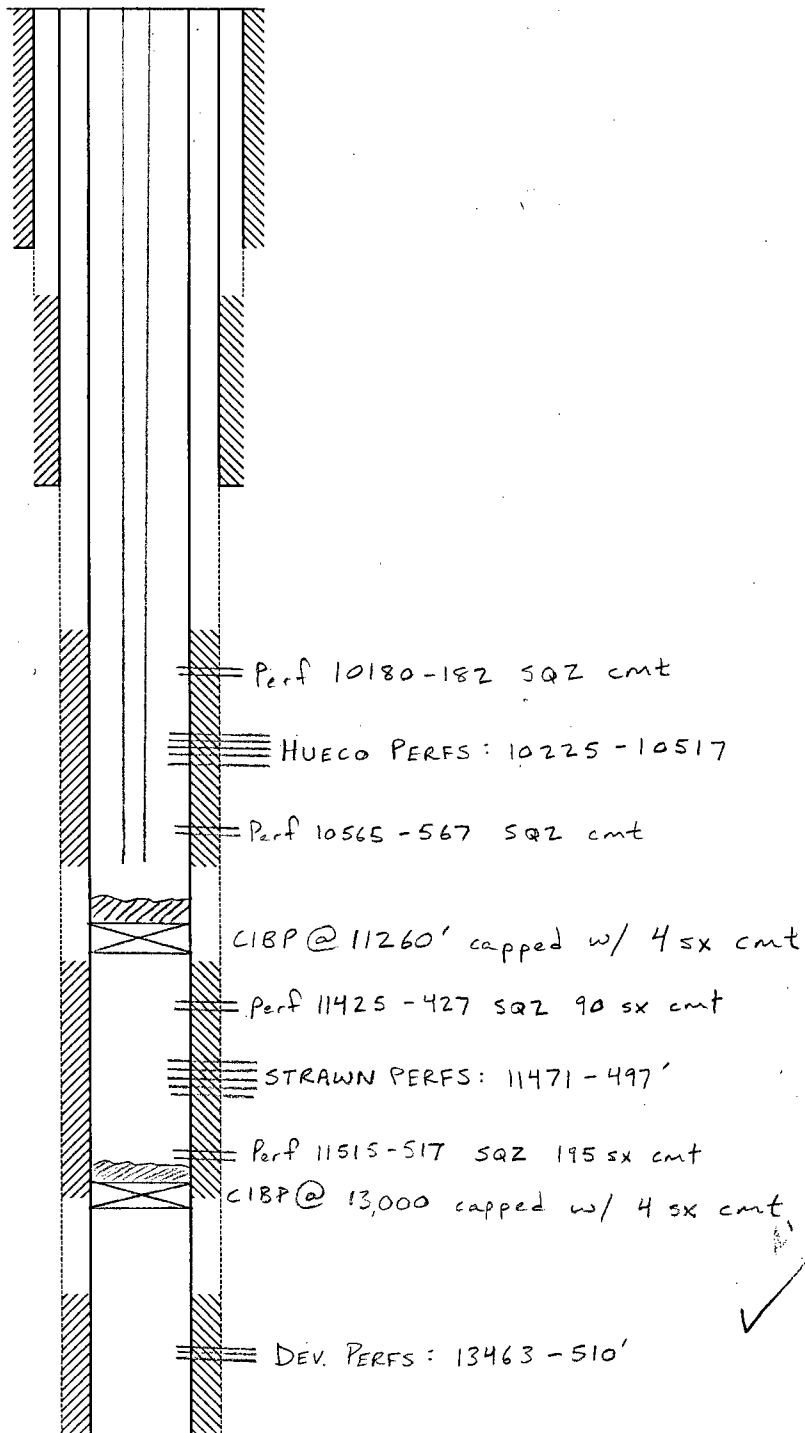
LEA COUNTY, NM

Drilled: 1954, Active well, API: 30-025-03681

SURFACE CASING:	12 3/4"
DEPTH:	295'
CEMENT:	300 sx

INTERM. CASING:	8 5/8"
DEPTH:	4755'
CEMENT:	300 sx

PROD CASING:	5 1/2"
DEPTH:	13,585
CEMENT:	200 sx



TD: 13,585'

Columbia Carbonate Company

Hall # 2A (STATE "BM" #2)

1980' FSL & 660' FWL

SEC. 16, T15S, R36E

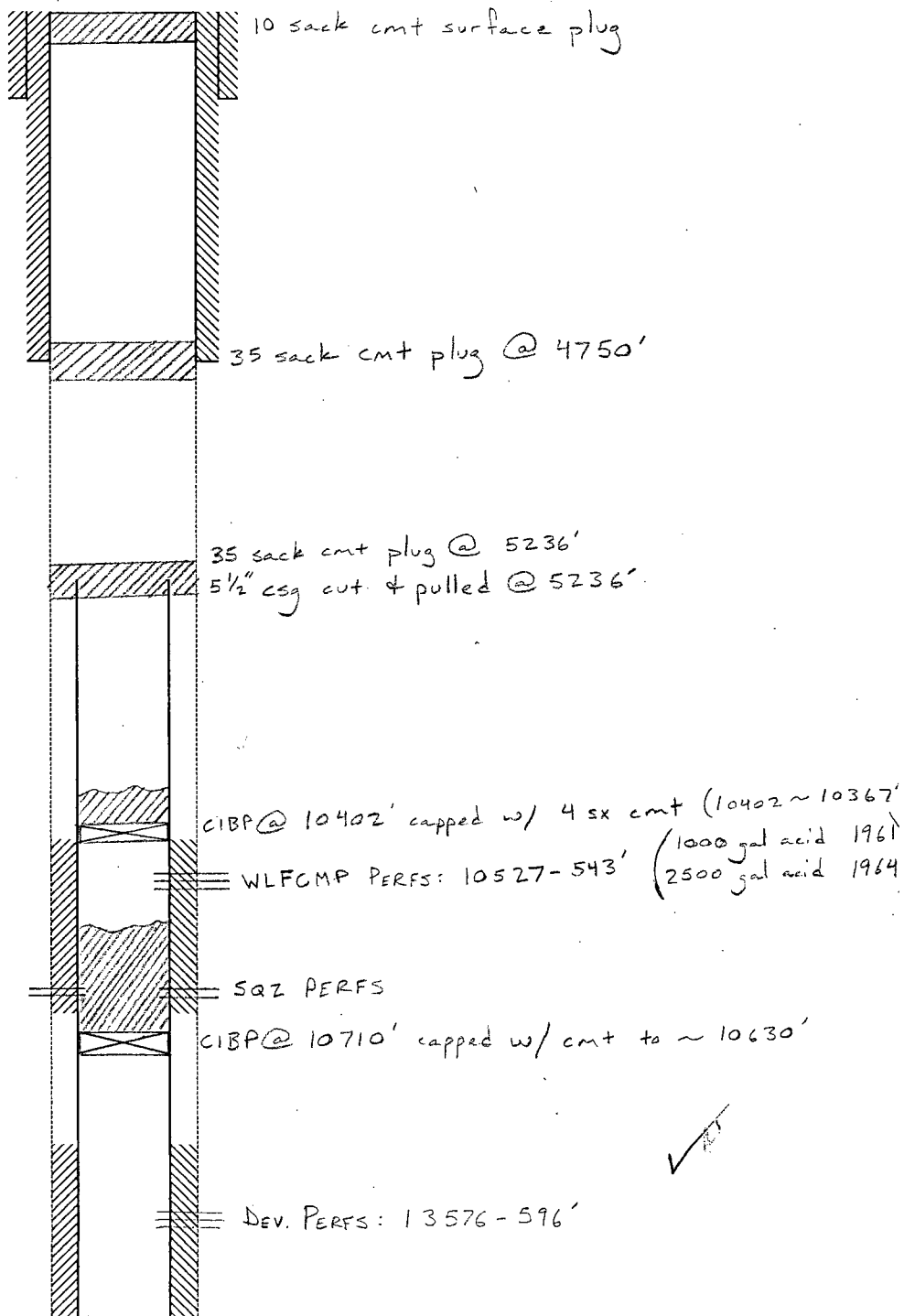
LEA COUNTY, NM

Drilled: 1955 P&A'd: 1974 API: 30-025-03680

SURFACE CASING: 12 ³ / ₄ "
DEPTH: 284'
CEMENT: 425 sx
circulated

INTERM. CASING: 8 ⁵ / ₈ "
DEPTH: 4750'
CEMENT: 500 sx

PROD CASING: 5 ¹ / ₂ "
DEPTH: 13,596'
CEMENT: 300 sx



TD: 13,596'

Greathouse, Pierce & Davis

J. L. Yarbrow #1

220' FSL & 330' FEL

SEC. 17, T 15 S, 36 E

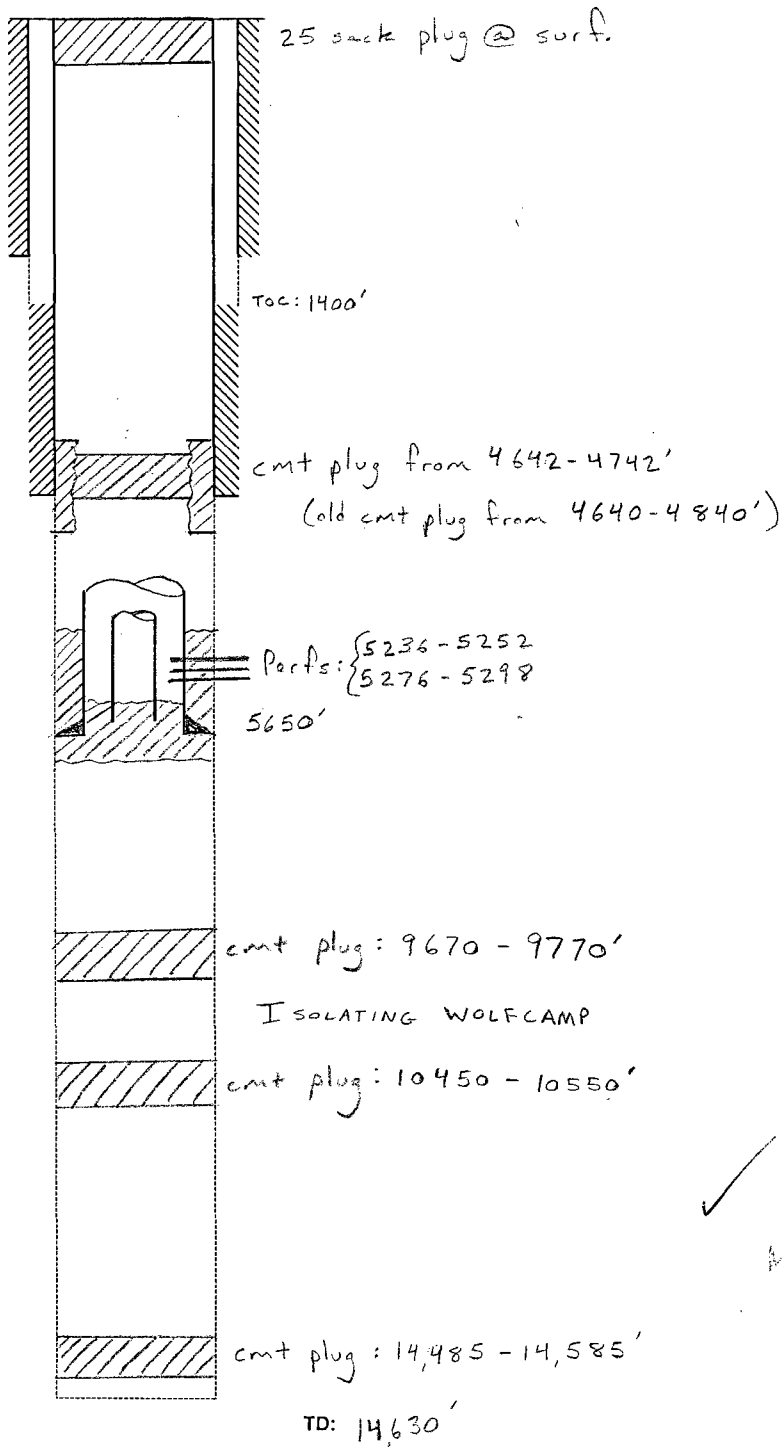
LEA COUNTY, NM

Drilled: 1955 P&A'd: 1966 API: 30-025-03690

SURFACE CASING: 16"
DEPTH: 374'
CEMENT: 650 sx
circulated

INTERM. CASING: 10 ³ / ₄ "
DEPTH: 4741'
CEMENT: 2970 sx

PROD CASING: 4 ¹ / ₂ "
DEPTH: 5650'
CEMENT:



Columbia Carbon Company

Graham #1

330' FSL & 990 FWL

Sec 9 - T15S - R36E

Lea County, NM

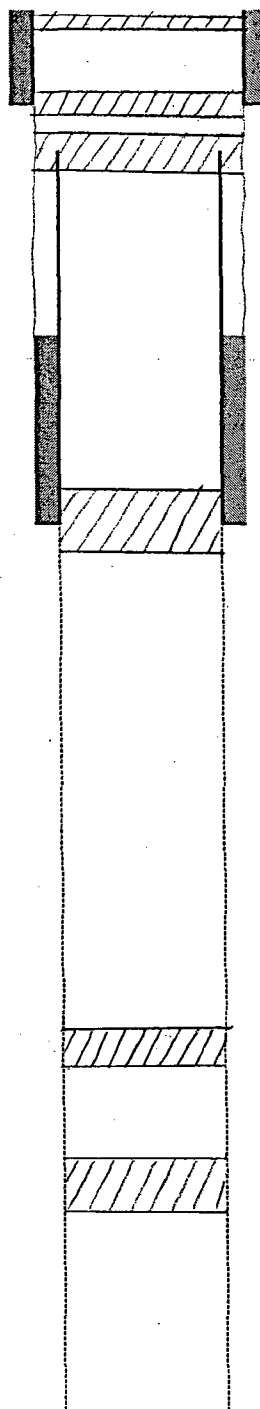
Drilled & abandoned in 1956 API No: 30-025-03672

SURFACE CASING:	13 $\frac{3}{8}$
DEPTH:	312'
CEMENT:	400 sk
circulated	

INTERM. CASING:	8 $\frac{5}{8}$
DEPTH:	4750'
CEMENT:	300 sk
TOC - ?	

Pulled 900 ft

PROD CASING:	None
DEPTH:	
CEMENT:	



10 sk cement plug - surface

25 sk cement plug 285-320

30 sk cement plug 860-940

100 sk cement plug 4700-5020

25 sk cement Plug 9605-9655

25 sk cement Plug 10,355-10,405

TD: 13,547

✓
area of this
Well Faulted
[Signature]

Current Wellbore Condition

Shell Oil Company

State "GA" #7

660' FNL + 2310' FEL

Sec. 16, T15S, R36E

Lea County, NM

Drilled: 1956

P&A'd: 1965

API: 30-025-03688

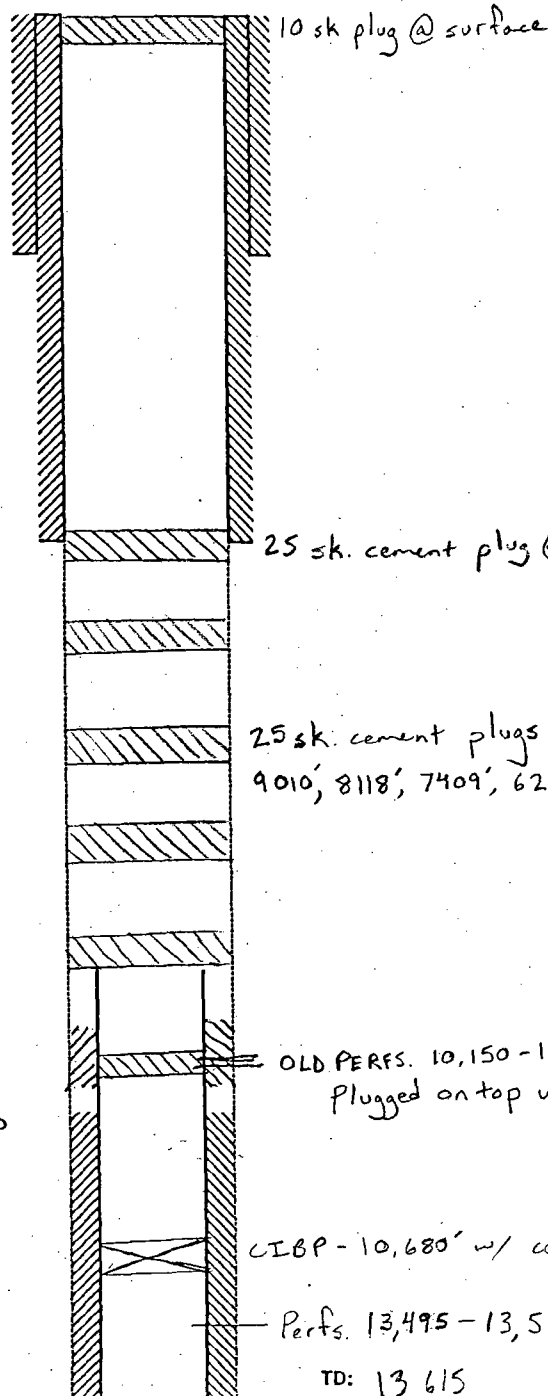
SURFACE CASING: 13 $\frac{3}{8}$ "
DEPTH: 336'
CEMENT: 400 sx.
circulated

INTERM. CASING: 8 $\frac{5}{8}$ "
DEPTH: 4,734'
CEMENT: 1,650 sx.
circulated

5 $\frac{1}{2}$ " casing cut
& pulled @ 9,010'

Toc 12,040

PROD CASING: 5 $\frac{1}{2}$ "
DEPTH: 13,615'
CEMENT: 250 sx



OLD PERFS. 10,150-10,600 overall (squeezed)
Plugged on top w/ 125 SX cement

CIBP - 10,680' w/ cement on top ✓

Perfs. 13,495-13,570

TD: 13,615

Shell Oil Company
 STATE "GA" #6
 660' FNL & 990' FWL
 Sec 16, T15S - R36E
 Lea County, NM

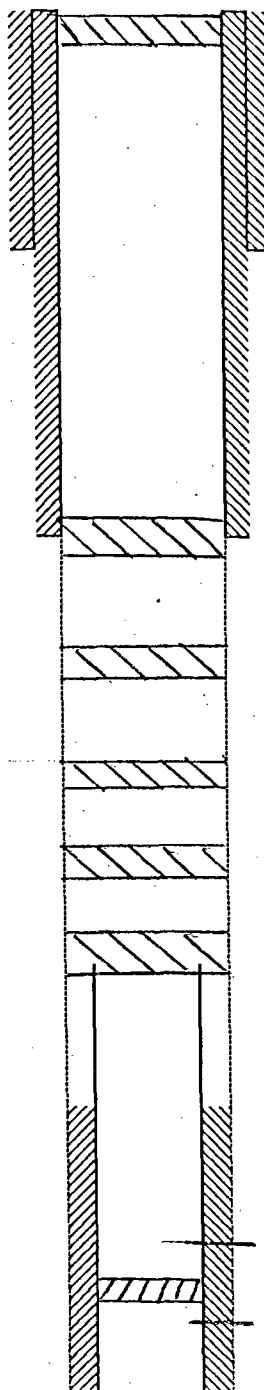
Drilled: 1955 P4A'd: 1967 API No. 30-025-03687

SURFACE CASING:	13 3/8"
DEPTH:	352'
CEMENT:	400 SK
Circulated	

INTERM. CASING:	8 5/8"
DEPTH:	4749'
CEMENT:	1700 SK
Circulated	

5 1/2" casing cut
 & Pulled @ 9006'

PROD CASING:	5 1/2"
DEPTH:	13682'
CEMENT:	200 SK



10 sk plug @ surface

25 sack cement plugs @
 9006, 8100, 7408, 6146, 4748'

EST TDC 12,159' ✓

Perfs 13370-13510
 CIBP - 13538 w/ CMT ON TOP
 Perfs 13548-13606
 TD: 13,682'

Shell Oil Company
 STATE 'GA' #5
 1980 FNL 4 2310 FEL
 Sec 16. T155. R36E
 Lea County, NM
 Drilled: 1955 PAD: 1964 API No.: 30-025-03686

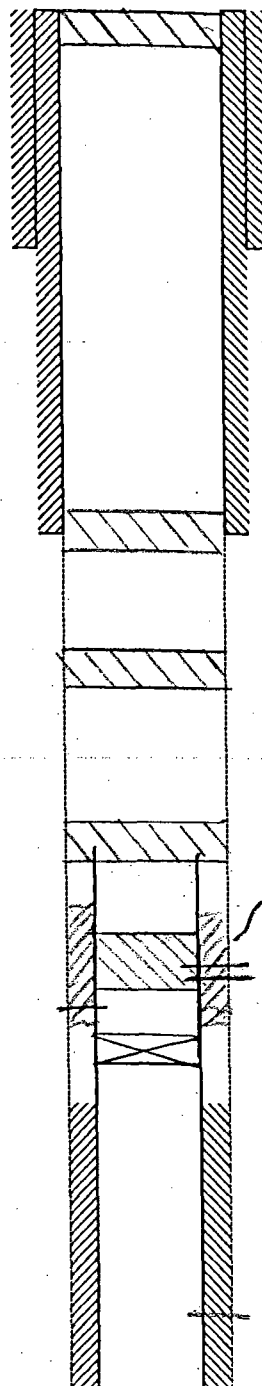
SURFACE CASING:	13 7/8"
DEPTH:	338'
CEMENT:	400 SX
	Circulated

INTERM. CASING:	8 5/8"
DEPTH:	4747'
CEMENT:	2700 SX
	Circulated

5 1/2" casing cut
 & pulled @ 8224'

Perf 10650 + SQZ
 w/ 255 SX

PROD CASING:	5 1/2"
DEPTH:	13,656
CEMENT:	200 SX



15 sack cement plug @ surface

25 sack cement plug @ 4800'

25 sack cement plug @ 6200'

50 sack cement plug @ 8224'

100 sack cement plug 10,560-10,189

Perfs 10,189 - 548 · SQUEEZED w/ 150 SX

GLBP @ 10,690 w/ CMT on TOP
 EST TOC - 12,134'

Perfs 13496 - 13560' ✓

TD: 13,656

EXHIBIT 3A

Oilfield Solutions, Inc.
2614 S.C.R. 1257, Midland, Tx. 79705

CA

WATER ANALYSIS REPORT

Company: C.W. TRAINOR
Location: FRESH WATER SAMPLE #1
Source: 0
Date Sampled: 0

Sampled By: L-CHEM
Analysis Date: 8/18/02
Salesman:

ANALYSIS

	mg/L	EQ. WT.	MEQ/L
1. pH	7.60		
2. Specific Gravity @60 F.	1.003		
3. Hydrogen Sulfide			
4. Carbon Dioxide			
5. Dissolved Oxygen			
6. Hydroxy (OH-)	0	17.0	0.00
7. Carbonate (CO3=)	0	30.0	0.00
8. Bicarbonate (HCO3-)	196	61.1	3.19
9. Chloride (Cl-)	1,000	35.5	28.17
10. Sulfate (SO4=)	1,580	48.6	31.87
11. Calcium (Ca++)	0	20.1	0.00
12. Magnesium (Mg++)	0	12.2	0.00
13. Sodium (Na+)	1,487	23.0	63.33
14. Barium (Ba++)			
15. Total Iron (Fe)	0.00		
16. Dissolved Solids	4,212		
17. Filterable Solids	4,212		
18. Total Solids	0		
19. Total Total Hardness As CaCO3			
20. Suspended On			
21. Volume Filtered (ml)			
22. Resistivity @ 75 F. (cm)	2,184		

Handwritten: 1/2 = Hydrogen

ERR	PROBABLE MINERAL COMPOSITION	EQ. WT.	X	MEQ/L	mg/L
ERR	Ca(HCO3)2	81.04			0.00
ERR	CaSO4	68.07			0.00
ERR	CaCl2	55.50			0.00
ERR	Mg(HCO3)2	73.17			0.00
ERR	MgSO4	60.19			0.00
ERR	MgCl2	47.62			0.00
	NaHCO3	84.00			3.19
	Na2SO4	71.03			31.87
	NaCl	58.46			28.17

1,500 mg/L

Chemist

EXHIBIT 3B

Oilfield Solutions, Inc.
2614 S.C.R. 1267, Midland, TX 79706

WATER ANALYSIS REPORT

Company: C.W. TRANSPORT
Location: FRESH WATER SAMPLE #2
Source: 0
Date Sampled: 0

Sampled By: L. CHELL
Analysis Date: 03/18/02

ANALYSIS

	mg/L	EQ. WT.	MEQ/L
1. pH	7.60		
2. Specific Gravity @60°F	1.005		
3. Hydrogen Sulfide			
4. Carbon Dioxide			
5. Dissolved Oxygen			
6. Hydroxyl (OH ⁻)	0 /	17.0 =	0.00
7. Carbonate (CO ₃ ⁼)	0 /	30.0 =	0.00
8. Bicarbonate (HCO ₃ ⁼)	185 /	61.1 =	3.18
9. Chloride (Cl ⁻)	1,000 /	35.5 =	28.17
10. Sulfate (SO ₄ ⁼)	800 /	48.8 =	12.30

NEGATIVE
Not Determined
Not Determined

2/2

11. Calcium (Ca ⁺⁺)	0 /	20.1 =	0.00
12. Magnesium (Mg ⁺⁺)	0 /	12.2 =	0.00
13. Sodium (Na ⁺)	1,004 /	23.0 =	43.65
14. Barium (Ba ⁺⁺)			
15. Total Iron (Fe)	0.00		

Not Determined

16. Dissolved Solids	2,790		
17. Filtrable Solids	2,789		
18. Total Solids	0		

F-3-

19. Total Total Hardness As CaCO ₃			
20. Suspended Oil			
21. Volume Filtered (ml)			

Resistivity @ 75 F. (calculated)

3.182 scm.

CaCO₃ Saturation Index

ERR			
ERR			
ERR			
ERR			

1,001 mg/L

Calcium Sulfate solubility @ 90 F.

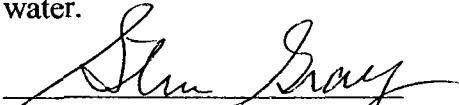
PROBABLE MINERAL COMPOSITION

COMPOUND	EQ. WT.	X	MEQ/L	= mg/L
Ca(HCO ₃) ₂	91.04			0.00
CaSO ₄	88.07			0.00
CaCl ₂	55.50			0.00
Mg(HCO ₃) ₂	73.17			0.00
MgSO ₄	60.18			0.00
MgCl ₂	47.62			0.00
NaHCO ₃	84.00			3.18
NaSO ₄	71.09			12.30
NaCl	58.46			28.17

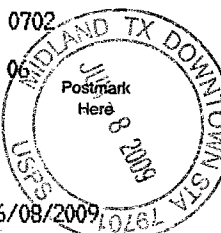
Chemist:

Exhibit 4

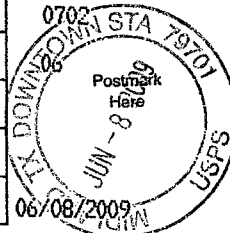
Per instructions on form C-108, item XII – Pecos Operating Company have examined the available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.


Steven Gray, manager

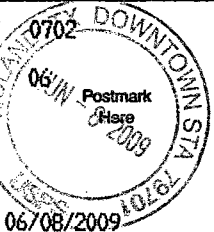
7004 0750 0000 6928 1764

U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)		
For delivery information visit our website at www.usps.com		
LOVINGTON NM 88260		
Postage	\$ 1.56	
Certified Fee	\$2.80	
Return Receipt Fee (Endorsement Required)	\$2.30	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 6.66	
Mrs. Wanda Alexander 14 Lemon Road Lovington, NM 88260		
PS Form 3800, June 2002 See Reverse for Instructions		

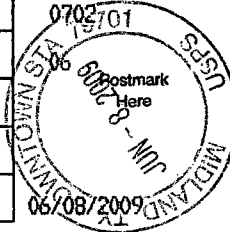
7004 0750 0000 6928 1795

U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)		
For delivery information visit our website at www.usps.com		
LOVINGTON NM 88260		
Postage	\$ 1.56	
Certified Fee	\$2.80	
Return Receipt Fee (Endorsement Required)	\$2.30	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 6.66	
Sent To H&M Disposal P.O. Box 1544 Lovington, NM 88260		
PS Form 3800, June 2002 See Reverse for Instructions		

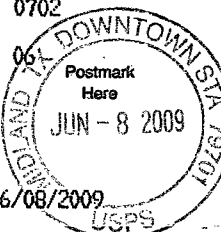
7004 0750 0000 6928 1771

U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)		
For delivery information visit our website at www.usps.com		
MIDLAND TX 79701		
Postage	\$ 1.56	
Certified Fee	\$2.80	
Return Receipt Fee (Endorsement Required)	\$2.30	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 6.66	
Fasken Oil & Ranch 303 W. Wall St. Midland, TX 79701		
PS Form 3800, June 2002 See Reverse for Instructions		

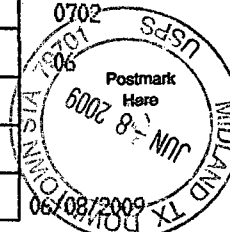
7004 0750 0000 6928 1801

U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)		
For delivery information visit our website at www.usps.com		
MIDLAND TX 79702		
Postage	\$ 1.56	
Certified Fee	\$2.80	
Return Receipt Fee (Endorsement Required)	\$2.30	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 6.66	
Sent To VF Petroleum P.O. Box 1889 Midland, TX 79702		
PS Form 3800, June 2002 See Reverse for Instructions		

7004 0750 0000 6928 1788

U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)		
For delivery information visit our website at www.usps.com		
MIDLAND TX 79701		
Postage	\$ 1.56	
Certified Fee	\$2.80	
Return Receipt Fee (Endorsement Required)	\$2.30	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 6.66	
Cimarex Energy 600 N. Marienfeld, Suite 600 Midland, TX 79701		
PS Form 3800, June 2002 See Reverse for Instructions		

7004 0750 0000 6928 1818

U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)		
For delivery information visit our website at www.usps.com		
MIDLAND TX 79705		
Postage	\$ 1.56	
Certified Fee	\$2.80	
Return Receipt Fee (Endorsement Required)	\$2.30	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 6.66	
Sent To Oxy Permian 6 Desta Drive, Suite 6000 Midland, TX 79705		
PS Form 3800, June 2002 See Reverse for Instructions		



RECEIVED
2009 JUN 17 PM 3 15

400 W. Illinois, Suite 1210, Midland, Texas 79701 (432) 620-8480 Office (432) 682-2197 Fax

June 15, 2009

06210
246798

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

Re: C108 Application
State GA #4
990 FWL & 1980 FNL, Sec 16-T15S-R36E
Lea County, NM

Dear Sirs,

Please find enclosed the "Proof of Publication" from the Lovington Leader in connection with the above referenced application.

PECOS OPERATING COMPANY

Sherma Bowen
Sherma Bowen

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 Director of **THE LOVINGTON LEADER**, a daily 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, beginning with the issue of June 11, 2009 and ending with the issue of June 11, 2009.

And that the cost of publishing said notice is the sum of \$27.32 which sum has been (Paid) as Court Costs.

Subscribed and sworn to before me this 11th day of June 2009

Debbie Schilling

Debbie Schilling

Notary Public, Lea County, New Mexico

My Commission Expires June 22, 2010

Authorization to Inject with the New Mexico Oil Conservation Division, seeking administrative approval for a salt water disposal well. The proposed well, the State OGA No. 4, which is located 990' FWL & 1980' FNL of Section 16, T15S, R36E, Lea County, NM, will be used for saltwater disposal only. Produced waters will be injected in to the Devonian formation at a depth of 13,450 to 13,700 feet with a proposed maximum pressure of 2700 psi and maximum rate of 8000 barrels of water per day. Interested parties must file any objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, NM 87505, within 15 days of this notice. Additional information may be obtained by contacting Steve Gray at 432-620-8480.

Legal Notice
June 11, 2009

Pecos Operating
Company, 400 W. Illinois
Ave, Suite 1210, Midland,
TX 79701, has filed form

C-108. (Application for

Published in the Lovington
Leader June 11, 2009.

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

RECEIVED OCD

2009 JUN 16 A 8:14

June 16, 2009

Via fax

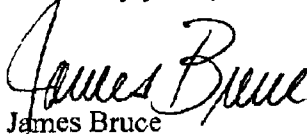
Mark E. Fesmire, P.E.
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Pecos Operating Company
SWD application
State GA Well No. 4
SW $\frac{1}{4}$ NW $\frac{1}{4}$ §16-15S-36E
Lea County, New Mexico

Dear Mr. Fesmire:

Cimarex Energy Co. hereby objects to Pecos Operating Company's administrative application for approval of the above injection well.

Very truly yours,


James Bruce

Attorney for Cimarex Energy Co.

cc: Pecos Operating Company

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruce@aol.com

June 29, 2009

Via fax

Mark E. Fesmire, P.E.
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Pecos Operating Company
SWD application
State GA Well No. 4
SW $\frac{1}{4}$ NW $\frac{1}{4}$ §16-15S-36E
Lea County, New Mexico

Dear Mr. Fesmire:

Cimarex Energy Co. objected to Pecos Operating Company's administrative application for approval of the above injection well. It hereby withdraws that objection.

Very truly yours,



James Bruce

Attorney for Cimarex Energy Co.

cc: Pecos Operating Company

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Wednesday, June 17, 2009 1:02 PM
To: 'steveg@pecoscompanies.com'
Cc: 'jamesbruc@aol.com'; Ezeanyim, Richard, EMNRD; Brooks, David K., EMNRD; Davidson, Florene, EMNRD; Kautz, Paul, EMNRD
Subject: Disposal Application on behalf of Pecos Operating Company: State GA Well No. 4 API: 30-025-03685 Unit E Sec 16 T15S R36E Devonian Disposal

Hello Mr. Gray:

The Division has received a copy of a protest to this application. This application has not otherwise been reviewed for administrative completeness.

Due to the protest, we cannot proceed to evaluate this application.

Please let me know if you wish this to be set for hearing and whom your attorney will be and I will provide Florene Davidson with this application and protest letter and she will contact your attorney for an application and will set this for hearing.

Please direct all future correspondence pertaining to this application to the representative from any party which has protested. Currently this includes Jim Bruce, Esq.

Regards,

William V. Jones PE
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505
505-476-3448

Jones, William V., EMNRD

From: Steve Gray [steveg@pecoscompanies.com]
Sent: Thursday, June 18, 2009 12:39 PM
To: Jones, William V., EMNRD
Subject: RE: Disposal Application on behalf of Pecos Operating Company: State GA Well No. 4 API: 30-025-03685 Unit E Sec 16 T15S R36E Devonian Disposal

Will,
I know there is a large fault at Devonian depth that falls right along our lease line with Cimarex but at Wolfcamp depth I don't think there is any faulting.

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]
Sent: Thursday, June 18, 2009 11:54 AM
To: Steve Gray
Subject: RE: Disposal Application on behalf of Pecos Operating Company: State GA Well No. 4 API: 30-025-03685 Unit E Sec 16 T15S R36E Devonian Disposal

Steve:
Ask Cimarex (Jim Bruce) to send a retraction letter to its objection and I can start looking at this again.

I remember a fault in this area. Do you have a map of the fault showing how much throw and the strike and dip?

William V. Jones PE
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505
505-476-3448

From: Steve Gray [mailto:steveg@pecoscompanies.com]
Sent: Thursday, June 18, 2009 10:12 AM
To: Jones, William V., EMNRD
Subject: RE: Disposal Application on behalf of Pecos Operating Company: State GA Well No. 4 API: 30-025-03685 Unit E Sec 16 T15S R36E Devonian Disposal

Will,

Cimarex was the party that protested our application. The person I spoke to at Cimarex said that they have a new Wolfcamp well across the lease line and they were concerned that our well does not have cement across the Wolfcamp interval. The Devonian is at 13,300 feet and has cement up to 11,800 feet. The Wolfcamp is at 10,300 feet, some 3000 feet above the Devonian. In addition the Devonian normally takes water on a vacuum whereas the Wolfcamp certainly won't.

I tried to call you to discuss this before we move to a hearing. Cimarex is asking for something outside the rules in our opinion and I wondered if you have a feel for whether or not the commission would expect us to cement across a zone 3,000 feet above the Devonian or not. I think if your opinion is that this wouldn't be required then Cimarex would withdraw their protest.

If you could call me when you get a chance. My number is 432-620-8480.
Thanks
Steve

Jones, William V., EMNRD

From: Steve Gray [steveg@pecoscompanies.com]
Sent: Thursday, June 25, 2009 7:50 AM
To: Jones, William V., EMNRD
Subject: RE: Disposal Application on behalf of Pecos Operating Company: State GA Well No. 4 API: 30-025-03685 Unit E Sec 16 T15S R36E Devonian Disposal

Mr. Jones,

I met with Cimarex and worked out our differences. They said they would have Jim withdraw the protest. I would appreciate it if you would let me know if and when you hear from them. Then hopefully you can take the application back up again.

Thanks,

Steve

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]
Sent: Thursday, June 18, 2009 11:54 AM
To: Steve Gray
Subject: RE: Disposal Application on behalf of Pecos Operating Company: State GA Well No. 4 API: 30-025-03685 Unit E Sec 16 T15S R36E Devonian Disposal

Steve:

Ask Cimarex (Jim Bruce) to send a retraction letter to its objection and I can start looking at this again.

I remember a fault in this area. Do you have a map of the fault showing how much throw and the strike and dip?

William V. Jones PE
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505
505-476-3448

From: Steve Gray [mailto:steveg@pecoscompanies.com]
Sent: Thursday, June 18, 2009 10:12 AM
To: Jones, William V., EMNRD
Subject: RE: Disposal Application on behalf of Pecos Operating Company: State GA Well No. 4 API: 30-025-03685 Unit E Sec 16 T15S R36E Devonian Disposal

Will,

Cimarex was the party that protested our application. The person I spoke to at Cimarex said that they have a new Wolfcamp well across the lease line and they were concerned that our well does not have cement across the Wolfcamp interval. The Devonian is at 13,300 feet and has cement up to 11,800 feet. The Wolfcamp is at 10,300 feet, some 3000 feet above the Devonian. In addition the Devonian normally takes water on a vacuum whereas the Wolfcamp certainly won't.

I tried to call you to discuss this before we move to a hearing. Cimarex is asking for something outside the rules in our opinion and I wondered if you have a feel for whether or not the commission would expect us to cement across a zone 3,000 feet above the Devonian or not. I think if your opinion is that this wouldn't be required then Cimarex would withdraw their protest.

If you could call me when you get a chance. My number is 432-620-8480.

Thanks

Steve



**MONTGOMERY
& ANDREWS**

J. SCOTT HALL

Cell: (505) 670-7362
Email: jshall@montand.com
Reply To: Santa Fe Office
www.montand.com

2009 JUN 24 P 4: 06

June 24, 2009

Mr. William V. Jones
NM Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Hand Delivered

**Re: Application of Pecos Operating Company for Administrative Approval
of a Salt Water Disposal Well**

**State GA No. 4
990' FWL & 1980' FNL
Sec. 16, T15S R36E
Lea County, New Mexico**

Dear Mr. Jones:

This firm represents H&D Disposal Company, the operator of the Mayme W. Graham SWD Well No. 1 (API No. 30-025-03688) located within the one-mile area of review in Unit N of Section 9, T15S R36E.

Pecos Operating Company notes in its application that the State GA No. 4 well is intended to be the replacement well for the GA Well No. 7, also known as the Caudill SWD No. 1 located in Unit B of Section 16, for operation as a closed system. Conversion of the Caudill SWD Well No. 1 to injection operations was previously approved by the Commission by Order No. R-12987-B entered on January 15, 2009. Among other things, Order No. R-12987-B provided as follows:

"(2) Prior to any use of the Caudill SWD Well No. 1 for off-lease injection or for injection of waste waters other than originating from the Devonian formation, or for conversion to commercial service:

- (a) the operator (Pecos or successor) shall provide proof to the Division of formal written notice to (i) the Devonian

REPLY TO:

325 Paseo de Peralta
Santa Fe, New Mexico 87501
Telephone (505) 982-3873 • Fax (505) 982-4289

Post Office Box 2307
Santa Fe, New Mexico 87504-2307

6301 Indian School Road NE, Suite 400
Albuquerque, New Mexico 87110
Telephone (505) 884-4200 • Fax (505) 888-8929

Post Office Box 36210
Albuquerque, New Mexico 87176-6210

Mr. William V. Jones
June 24, 2009
Page 2

mineral lessee (currently Occidental Petroleum) or to the State Land Office if the mineral lease is no longer valid; (ii) the surface owner (currently Ms. Wanda Alexander); and (iii) to H&M Disposal or the successor operator of the Mayme W. Graham SWD Well No. 1."

H&M Disposal Company respectfully requests that the Division's approval to convert the State GA Well No. 4 to disposal operations be made subject to the same condition provided for in Order No. R-12988-B.

H&M Disposal Company does not otherwise object to Pecos Operating Company's Application and agrees that with the provision requested, it may be approved administratively without the need for hearing.

Very truly yours,

A handwritten signature in black ink, appearing to read "J. Scott Hall", written in a cursive style.

J. Scott Hall

JSH:kw

cc: Michael Feldewert, Esq.
Mr. Don Harrod

Jones, William V., EMNRD

From: Michael Feldewert [MFeldewert@hollandhart.com]
Sent: Tuesday, July 14, 2009 10:06 AM
To: Jones, William V., EMNRD
Cc: Steve Gray; shall@montand.com; jamesbruc@aol.com
Subject: Disposal Application on behalf of Pecos Operating Company: State GA Well No. 4 API: 30-025-03685 Unit E Sec 16 T15S R36E Devonian Disposal

Mr. Jones: Pecos agrees with your proposal to add the language set forth in Scott Hall's June 24th protest letter to address the concerns raised by H&M Disposal. I understand Cimarex has withdrawn its protest of this application after meeting with Pecos Operating. Accordingly, I believe Pecos Operating's application can now move forward expeditiously.

Both Mr. Hall and Jim Bruce are copied on this email. If you need anything further to move this matter along, please contact me.

Michael H. Feldewert

HOLLAND & HART



CONFIDENTIALITY NOTICE: This message is confidential and may be privileged. If you believe that this email has been sent to you in error, please reply to the sender that you received the message in error; then please delete this e-mail. Thank you.

On Jul 7, 2009, at 9:57 AM, "Jones, William V., EMNRD" <William.V.Jones@state.nm.us> wrote:

Steve:

Is Mike Feldewert your attorney on this matter? If so, please ask him to reply...

As you know, H&D Disposal promised NOT to protest if the OCD adds an ordering paragraph to your pending permit requiring Pecos Operating or successor to notice H&D if in the future this well begins taking non-Devonian fluid or is used for commercial disposal.

This is unusual and normally this sort of thing would require some evidence presented by H&M at a hearing. I have consulted with our Division attorney and he advised me to contact you for your reaction to this and if positive, then issue the admin permit with this language.

Does Pecos agree to this?

Regards,

William V. Jones PE

New Mexico Oil Conservation Division

1220 South St. Francis

Santa Fe, NM 87505

505-476-3448

Jones, William V., EMNRD

From: Steve Gray [steveg@pecoscompanies.com]
Sent: Tuesday, July 07, 2009 4:16 PM
To: Jones, William V., EMNRD
Subject: Re: Disposal Application on behalf of Pecos Operating Company: State GA Well No. 4 API: 30-025-03685 Unit E Sec 16 T15S R36E Devonian Disposal

Will I got a message that Feldewert is out this week but we will contact H&M and see if they will let us settle this with an agreement between us. Will let you know

Sent from my iPhone

On Jul 7, 2009, at 7:57 AM, "Jones, William V., EMNRD" <William.V.Jones@state.nm.us> wrote:

Steve:

Is Mike Feldewert your attorney on this matter? If so, please ask him to reply...

As you know, H&D Disposal promised NOT to protest if the OCD adds an ordering paragraph to your pending permit requiring Pecos Operating or successor to notice H&D if in the future this well begins taking non-Devonian fluid or is used for commercial disposal.

This is unusual and normally this sort of thing would require some evidence presented by H&M at a hearing. I have consulted with our Division attorney and he advised me to contact you for your reaction to this and if positive, then issue the admin permit with this language.

Does Pecos agree to this?

Regards,

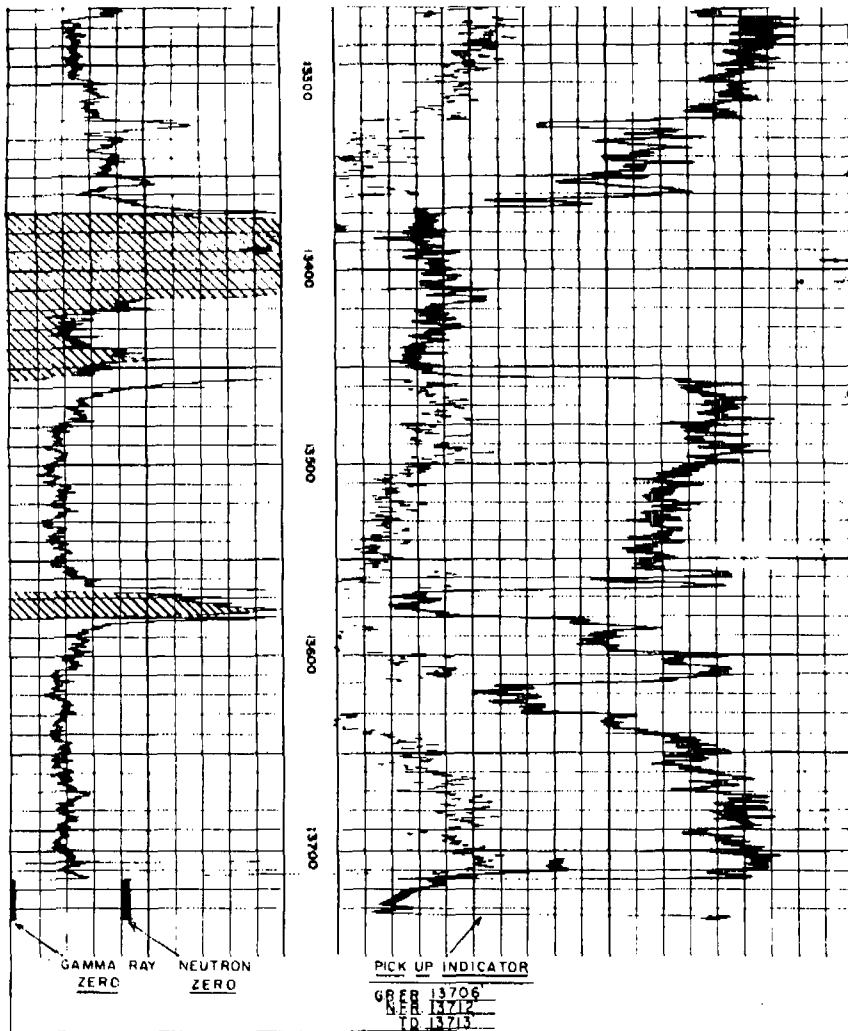
William V. Jones PE

New Mexico Oil Conservation Division

1220 South St. Francis

Santa Fe, NM 87505

505-476-3448



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NEW MEXICO OIL CONSERVATION COMMISSION
 HOURS OFFICE O.C.C.
 JAN 23 9 56 AM '67

Form C-103
 Supersedes Old
 C-102 and C-103
 Effective 1-1-65

5a. Indicate Type of Lease State <input checked="" type="checkbox"/> Fee <input type="checkbox"/>
5. State Oil & Gas Lease No. E-1044
7. Unit Agreement Name -
8. Farm or Lease Name State GA
9. Well No. 4
10. Field and Pool, or Wildcat Caudill-Devonian
12. County Lea

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. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>
2. Name of Operator Shell Oil Company (Western Division)
3. Address of Operator P. O. Box 1509, Midland, Texas 79701
4. Location of Well UNIT LETTER <u>E</u> , <u>1980</u> FEET FROM THE <u>north</u> LINE AND <u>990</u> FEET FROM THE <u>west</u> LINE, SECTION <u>16</u> TOWNSHIP <u>15S</u> RANGE <u>36E</u> NMPM.
15. Elevation (Show whether DF, RT, GR, etc.) 3920' DF

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input checked="" type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	OTHER <input type="checkbox"/>

17. 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.

December 29, 1966 thru January 13, 1967.

1. Spotted 25 sx cement plug 13,454' - 13,564' (Devonian Perforations).

2. Ran SLM to top of plug at 12,150'.

3. Cut and pulled 9025' of 5 1/2" casing.

4. Spotted the following cement plugs:

25 sx at 9025' (5 1/2" casing stub)
 25 sx at 8098' (top of Abo)
 25 sx at 7408' (top of Drinkard)
 25 sx at 6616' (top of Glorieta)
 25 sx at 4740' (base of 8 5/8" casing)
 10 sx at surface

5. Erected prescribed marker.

6. Plugged and Abandoned January 13, 1967

18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Original Signed By
 R. J. Doubek

SIGNED R. J. Doubek TITLE Division Mechanical Engineer DATE January 19, 1967

APPROVED BY John W. Runyan
 CONDITIONS OF APPROVAL, IF ANY:

TITLE _____ DATE _____

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NEW MEXICO OIL CONSERVATION COMMISSION

MAY 4 1 06 PM '66

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

5a. Indicate Type of Lease
State <input checked="" type="checkbox"/> Fee <input type="checkbox"/>
5. State Oil & Gas Lease No.
E-1044

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. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>	7. Unit Agreement Name
2. Name of Operator	8. Farm or Lease Name
Shell Oil Company (Western Division)	GA State
3. Address of Operator	9. Well No.
P. O. Box 1509, Midland, Texas 79701	4
4. Location of Well	10. Field and Pool, or Wildcat
UNIT LETTER E, 1980 FEET FROM THE north LINE AND 990 FEET FROM	Caudill-Devonian
THE west LINE, SECTION 16 TOWNSHIP 15S RANGE 36E NMPM.	
15. Elevation (Show whether DF, RT, GR, etc.)	12. County
3920' DF	Lee

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data	
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input checked="" type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>
OTHER <input type="checkbox"/>	OTHER <input type="checkbox"/>
PLUG AND ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
CHANGE PLANS <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>

17. 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.

April 13, 1966 thru April 28, 1966

1. Pulled tubing and Kobe pump.
2. Cleaned out 200' scale from casing.
3. Pulled packer at 13,005'.
4. Perforated 13,614' - 13,624' w/2-3/8" JSPF.
5. Ran 2" tubing and Baker Model "R" packer, set packer at 13,574' w/15,000# wt.
6. Swabbed 100% water.
7. Pulled tubing and packer.
8. Set CIBP at 13,590' and capped w/cement (PBTD 13,585').
9. Ran Baker Model "R" Double Grip packer w/Kobe pump on 210 jts (6540') 2", 8rd, N-80, tubing w/packer at 6550'. Placed on production.
10. Operation to open additional pay unsuccessful.

18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED	Original Signed By N. W. Harrison	TITLE	Senior Exploitation Engr.	DATE	May 2, 1966
APPROVED BY		TITLE		DATE	
CONDITIONS OF APPROVAL, IF ANY:					

If drill-stem or other special tests or deviation surveys were made, submit report on separate sheet and attach hereto.

Position or Title Division Exploitation Engineer

NEW MEXICO OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

MISCELLANEOUS REPORTS ON WELLS

Submit this report in TRIPLICATE to the District Office, Oil Conservation Commission, within 10 days after the work specified is completed. It should be signed and filed as a report on Beginning Drilling Operations, Results of test of casing shut-off, result of plugging of well, result of well repair, and other important operations, even though the work was witnessed by an agent of the Commission. See additional instructions in the Rules and Regulations of the Commission.

Indicate Nature of Report by Checking Below

REPORT ON BEGINNING DRILLING OPERATIONS		REPORT ON RESULT OF TEST OF CASING SHUT-OFF	<input checked="" type="checkbox"/>	REPORT ON REPAIRING WELL	
REPORT ON RESULT OF PLUGGING WELL		REPORT ON RECOMPLETION OPERATION		REPORT ON (Other)	

April 21, 1955

(Date)

Hobbs, New Mexico

(Place)

Following is a report on the work done and the results obtained under the heading noted above at the

Shell Oil Company

(Company or Operator)

State GA

(Lease)

Shell Company Rig No. 14

(Contractor)

Well No. 4 in the SW 1/4 NW 1/4 of Sec. 16

T15-S, R. 36-E, NMPM, Caudill Devonian Pool, Lea County.

The Dates of this work were as follows: April 19, 1955

Notice of intention to do the work ~~was~~ (was not) submitted on Form C-102 on _____, 19____, (Cross out incorrect words)

and approval of the proposed plan ~~was~~ (was not) obtained.

DETAILED ACCOUNT OF WORK DONE AND RESULTS OBTAINED

Ran 319' of 13-3/8" casing and cemented at 336' with 400 sacks regular cement. Circulated out an estimated 30 sacks cement. After WOC 12 hours tested casing with 600 psi for 30 minutes. Test O, K.

Witnessed by R. B. Flournoy

(Name)

Shell Oil Company

(Company)

Drilling Foreman

(Title)

Approved L. G. Stanley

OIL CONSERVATION COMMISSION

(Name)

(Title)

(Date)

I hereby certify that the information given above is true and complete to the best of my knowledge.

Original signed by

Name B. C. Meyers

D. C. Meyers

Position Division Mechanical Engineer

Representing Shell Oil Company

Address Box 1957, Hobbs, New Mexico

Injection Permit Checklist (7/8/08)

Case SWD 1183 WFX PMX IPI Permit Date UIC Qtr (J.A.S.)# Wells 1 Well Name: STAGE GA #4API Num: (30-) 025-03685 Spud Date: 1955 New/Old: OLD (UIC primacy March 7, 1982)Footages 990 FWL/1980 FNL Unit E Sec 16 Tsp 155 Rge 38E County LeaOperator: Paces Operating Company Contact STEVEN GRAYOGRID: RULE 40 Compliance (Wells) (Finan Assur)Operator Address: 400 W. ILLINOIS AVE SURE 1210, MIDLAND, TX 79701Current Status of Well: PEAPlanned Work to Well: REPAIR / install / ACIDIZEPlanned Tubing Size/Depth: 2 7/8 @ 13350

	Sizes Hole.....Pipe	Setting Depths	Cement 8x or Cf	Cement Top and Determination Method
Existing <input checked="" type="checkbox"/> Surface	13 13 3/8	336	400	CIRC
Existing <input checked="" type="checkbox"/> Intermediate	8 5/8	4739	1700	CIRC
Existing <input checked="" type="checkbox"/> Long String	5 1/2	13700	300	11415 EST WILL NOT BACK TO

DV Tool Open Hole Liner Open Hole Total Depth 13700Well File Reviewed ☒Diagrams: Before Conversion ☒ After Conversion ☒ Elogs in Imaging File: 1955 GR-N

Intervals:	Depths	Formation	Producing (Yes/No)
Above (Name and Top)			
Above (Name and Top)	12650	MISS	
Injection.....	13450	Dev	PEA
Interval TOP:	13450		
Injection.....	13650	Dev	"
Interval BOTTOM:	13650		
Below (Name and Top)			

See R-12978
STAGE GA #7
Candill-DEV POOL
2690 PSI Max. WHIP
NO Open Hole (Y/N)
NO Deviated Hole?

Sensitive Areas: Capitan Reef Off House Salt DepthsPotash Area (R-111-P) Potash Lessee Noticed?Fresh Water: Depths: 0-200' Wells (Y/N) yes Analysis Included (Y/N): yes Affirmative Statement ☒Salt Water: Injection Water Types: Devon only Analysis? yesInjection Interval.....Water Analysis: ☒ Hydrocarbon Potential in offset wellsNotice: Newspaper (Y/N) ☒ Surface Owner SLD Alexander Mineral Owner(s) SLDRULE 701B(2) Affected Parties: See LISTArea of Review: Adequate Map (Y/N) ☒ and Well List (Y/N) ☒Active Wells 4 Num Repairs 0 Producing in Injection Interval in AOR yes..P&A Wells 8 Num Repairs 0 All Wellbore Diagrams Included? yes

Questions to be Answered:

H&M DISPOSAL objects
Defined 1966
in lower parts below 13614

Required Work on This Well: Request Sent yes Reply: yesAOR Repairs Needed: Request Sent yes Reply: yes