PROPOSED ADVERTISEMENT

Case No. 15408: (Readvertised)

Application of Apex Disposal Services, LLC for approval of a water disposal well, Eddy County, New Mexico. Applicant seeks an order approving produced water disposal into the Devonian formation at a depth of 14,955-15,460 feet subsurface in the Mobley Ranch SWD Well No. 1, to be located 225 feet from the north line and 2460 feet from the west line of Section 19, Township 23 South, Range 30 East, NMPM. The well is located approximately 7 miles northeast of Harroun, New Mexico.

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF APEX DISPOSAL SERVICES, LLC FOR APPROVAL OF A SALT WATER DISPOSAL WELL, EDDY COUNTY, NEW MEXICO.

Case No. 15,408

APPLICATION

Apex Disposal Services, LLC applies for an order approving a salt water disposal well, and in support thereof, states:

1. Applicant proposes to drill its Mobley Ranch SWD Well No. 1, to be located 225 feet from the north line and 2460 feet from the west line of Section 19, Township 23 South, Range 30 East, N.M.P.M., Eddy County, New Mexico, to be used as a commercial salt water disposal well.

2. Injection will be into the Devonian formation at an open hole interval from 14,955-15,460 feet subsurface. The average disposal volumes are expected to be 5,000 BWPD, with a maximum volume of 15,000 BWPD. The maximum injection pressure will be 2,991 psi.

3. A Form C-108 for the well is attached hereto as Exhibit A.

4. The granting of this application will prevent waste and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order approving this application.

Respectfully submitted,

James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Apex Disposal Services, LLC

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

FORM C-108
Revised June 10, 2003

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: _____Secondary Recovery _____Pressure Maintenance ____X____Disposal _____Storage
Application qualifies for administrative approval? _____X____Yes _____No

II. OPERATOR: Apex Disposal Services, LLC

ADDRESS: PO Box 2737, Littleton, CO 80161

CONTACT PARTY: Matthew Meyer PHONE: 903-241-4544

III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? _____Yes _____X____No
If yes, give the Division order number authorizing the project: _____

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).

*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: Danny J. Holcomb TITLE: Agent for Apex Disposal Services, LLC

SIGNATURE: DJ Holcomb DATE: 8/25/15

E-MAIL ADDRESS: danny@pwllc.net

* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appr

EXHIBIT A

Apex Disposal Services, LLC
Mobley Ranch SWD #1
API # 30-015-43267
225 FNL x 2460 FWL
Unit Letter 'C', Section 19, T23S, R30E
Eddy County, New Mexico
C108 Application for Authorization to Inject

I.

The purpose of this application is seeking administrative approval for the use of the proposed Mobley Ranch SWD #1 to be drilled/completed as a commercial Devonian salt water disposal well.

II.

Operator: Apex Disposal Services, LLC OGRID: 370604
Address: PO Box 2737, Littleton, Colorado 80161
Contact Party: Matthew Meyer 903-241-4544 email: apex.disposal@gmail.com

III.

Please see Exhibit "A" for proposed well data.

IV.

This is not an expansion of an existing project.

V.

Please see Exhibit "B" of lease map.

VI.

There are no wells identified within the 0.5 mile AoR that penetrate the proposed disposal zone.
Please see Exhibit "C" for offset well data.

VII.

1. Anticipated disposal volume – 5,000 BWPD with a maximum of 15,000 BWPD.
2. System will be open.
3. Anticipated disposal pressure: Minimum 0 (zero) psig, Maximum 2991 psig.
4. Please see Exhibit "D" for disposed fluid analysis.
5. Please see Exhibit "D" for disposal zone fluid analysis.

Apex Disposal Services, LLC
Mobley Ranch SWD #1
API # 30-015-43267
225 FNL x 2460 FWL
Unit Letter 'C', Section 19, T23S, R30E
Eddy County, New Mexico
C108 Application for Authorization to Inject

VIII.

Formation	Anticipated Depth (ft)
Mississippi Lime	14549
Woodford	14869
Devonian	15074
Proposed disposal zone	14955 - 15460'
Simpson	16510

IX.

After open hole is drilled from 14955-15460', plan to perform pump-in test. No stimulation work initially planned (pending pump in test results).

X.

Logs will be submitted after completion.

XI.

NM OSE records indicate there is one fresh water well within the 1 mile Area of Review. The latest GO-Tech recorded sample is from 1976 and the results are included in Exhibit "E". An additional sample from this fresh water well was obtained 8/6/15. The new test results for this sample are also included in Exhibit "E". This water well is located approximately 1668' from the proposed Mobley Ranch SWD #1.

XII.

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

XIII.

Please see Exhibit "F" for Proof of Notice".

Danny J. Holcomb DJ Holcomb

Agent for Apex Disposal Services, LLC

Date: 8/25/15

Apex Disposal Services, LLC
Mobley Ranch SWD #1
API # 30-015-43267
225 FNL x 2460 FWL
Unit Letter 'C', Section 19, T23S, R30E
Eddy County, New Mexico
Well Data

Propose to drill salt water disposal well in the Devonian formation.

Drill 17-1/2" hole to 795', run 13-3/8" 48# casing to 795', cement with 552 sacks cement. Circulate cement to surface.

Drill 12-1/4" hole to 6900', run 9-5/8" 36# casing to 6900', cement with 2178 sacks cement. Circulate cement to surface.

Drill 8-3/4" hole to 15,100', run 7" 29# casing to 14955', cement with 1937 sacks cement. Circulate cement to surface.

Drill 6-1/8" open hole to approximately 15400' TD.

No initial stimulation planned. Perform pump-in test to evaluate formation for disposal.

Estimated Formation Tops:

- Salado – 430'
- B Salado – 3296'
- Bell Canyon – 3326'
- Cherry Canyon – 4120'
- Brushy Canyon – 5432'
- Lower Brushy Canyon – 6826'
- Bone Springs – 7084'
- Wolfcamp – 10222'
- Strawn – 12050'
- Morrow – 13033'
- Devonian – 14929'
- Simpson – 10510'

PROPOSED WELL BORE DIAGRAM

Lease:	Mobley Ranch SWD	Well #:	1
Inj. Reservoir	Devonian		
Location	UL "C", Sec 19 / T23S / R30E	API #:	30-015-43267
County	Eddy	State:	NM

Hole Size	String	Length	Hole to Casing	Casing to Casing	Total Cement
17 1/2"	13 3/8"	795	552.21	0.00	552.21
12 1/4"	9 5/8"	6900	1912.09	266.64	2178.73
8 3/4"	7"	14955	1039.76	897.69	1937.45
N/A	4 1/2"	15000	N/A	N/A	N/A

Surface Casing

Size:	13 3/8"
Weight:	54.5#
Grade:	HCL-80, BTC
Set @:	795
Sxs cmt:	552
Top of Casing:	Surface
Hole Size:	17 1/2"

Intermediate Casing

Size:	9 5/8"
Weight:	36#
Grade:	L-80, LT&C
Set @:	6,900
Sxs cmt:	2178
Top of Casing:	Surface
Hole Size:	12 1/4"

Production Casing

Size:	7"
Weight:	29#
Grade:	P-110, Ultra FJ
Set @:	15,100
Sxs cmt:	1937
Top of Casing:	Surface
Hole Size:	8 3/4"

Tubing

Size:	4 1/2" IPC
Weight:	15.50# & 12.75#
Grade:	L-80, RTS-6
Set @:	14955'

Open Hole

Size:	6 1/8"
Depth:	14955' - 15460'

Injection Interval

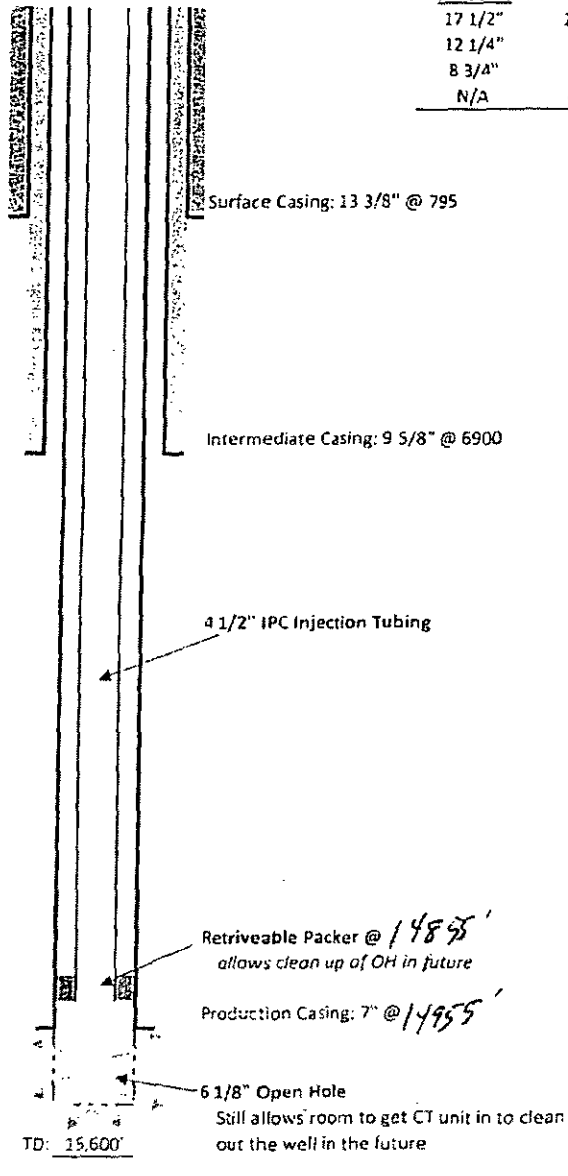


EXHIBIT "A"

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

DISTRICT III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

Form C-102
Revised August 1, 2011
Submit one copy to appropriate District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
30-015-43267	96101	SWD; DEVONIAN

Property Code	Property Name	Well Number
315075	MOBLEY RANCH SWD	001
OGRID No.	Operator Name	Elevation
370604	APEX DISPOSAL SERVICES,LLC	3065'

Surface Location

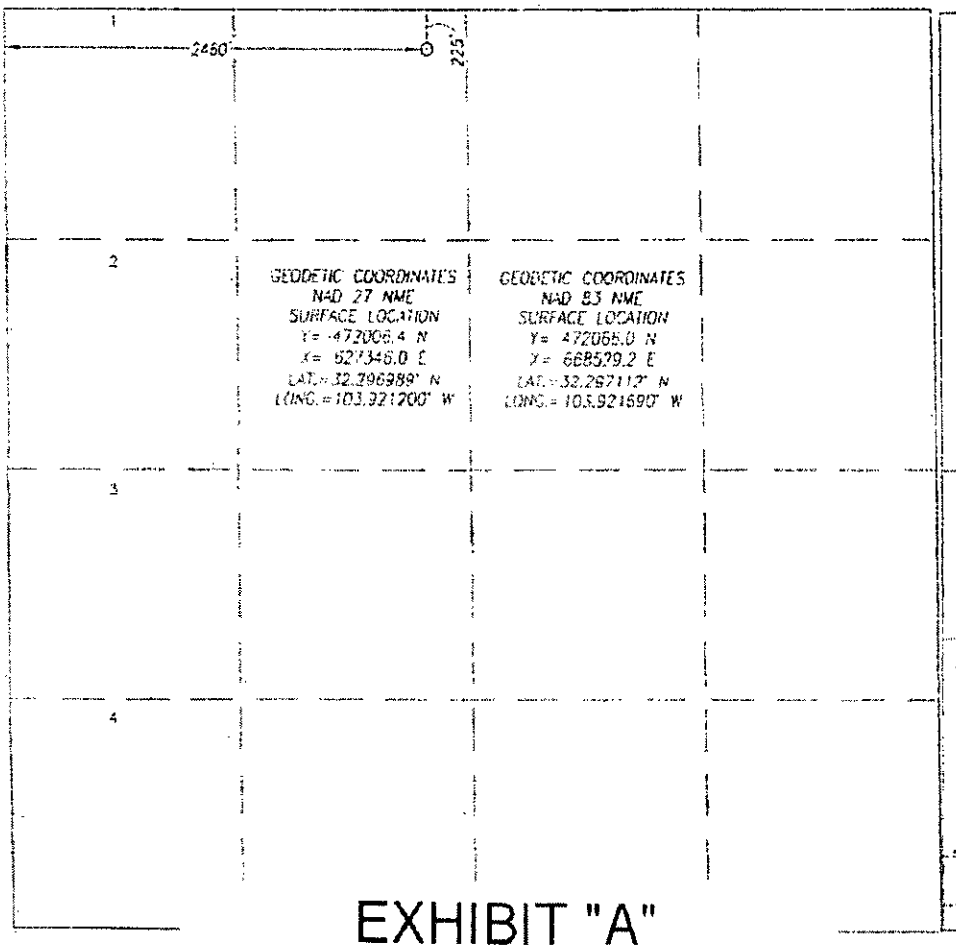
UL or lot No	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	19	23-S	30-E		225	NORTH	2460	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
20			

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



OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

DJHolcomb 8/25/15
Signature Date

Danny J. Holcomb
Printed Name

danny@pwllc.net
E-mail Address

SURVEYOR CERTIFICATION

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.

JUNE 23, 2015
Date of Survey

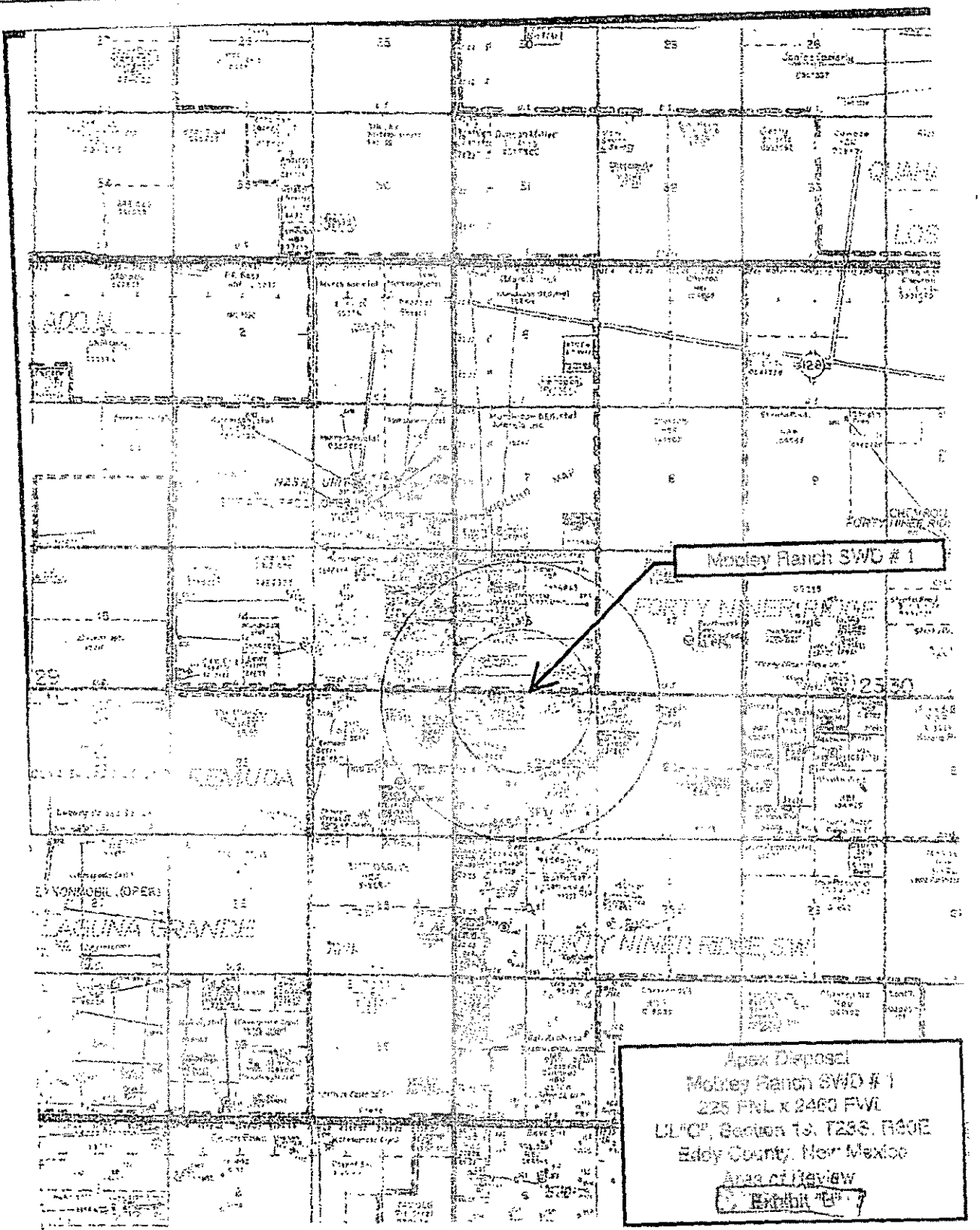
Signature & Seal of Professional Surveyor:

Ronald J. Eidson 8/24/2015

Certificate Number: Gary L. Eidson 12641
Ronald J. Eidson 3239

LSL JWSC W.O. 15.11.0648

EXHIBIT "A"


Mobley Ranch SWD # 1
FORTY NINER RIDGE
LAGUNA GRANDE
Apex Disposal
Mobley Ranch SWD # 1
225 FNL x 2460 FWL
Lt "C", Section 13, T23S, R30E
Eddy County, New Mexico
Area of Review
Exhibit "B" 7

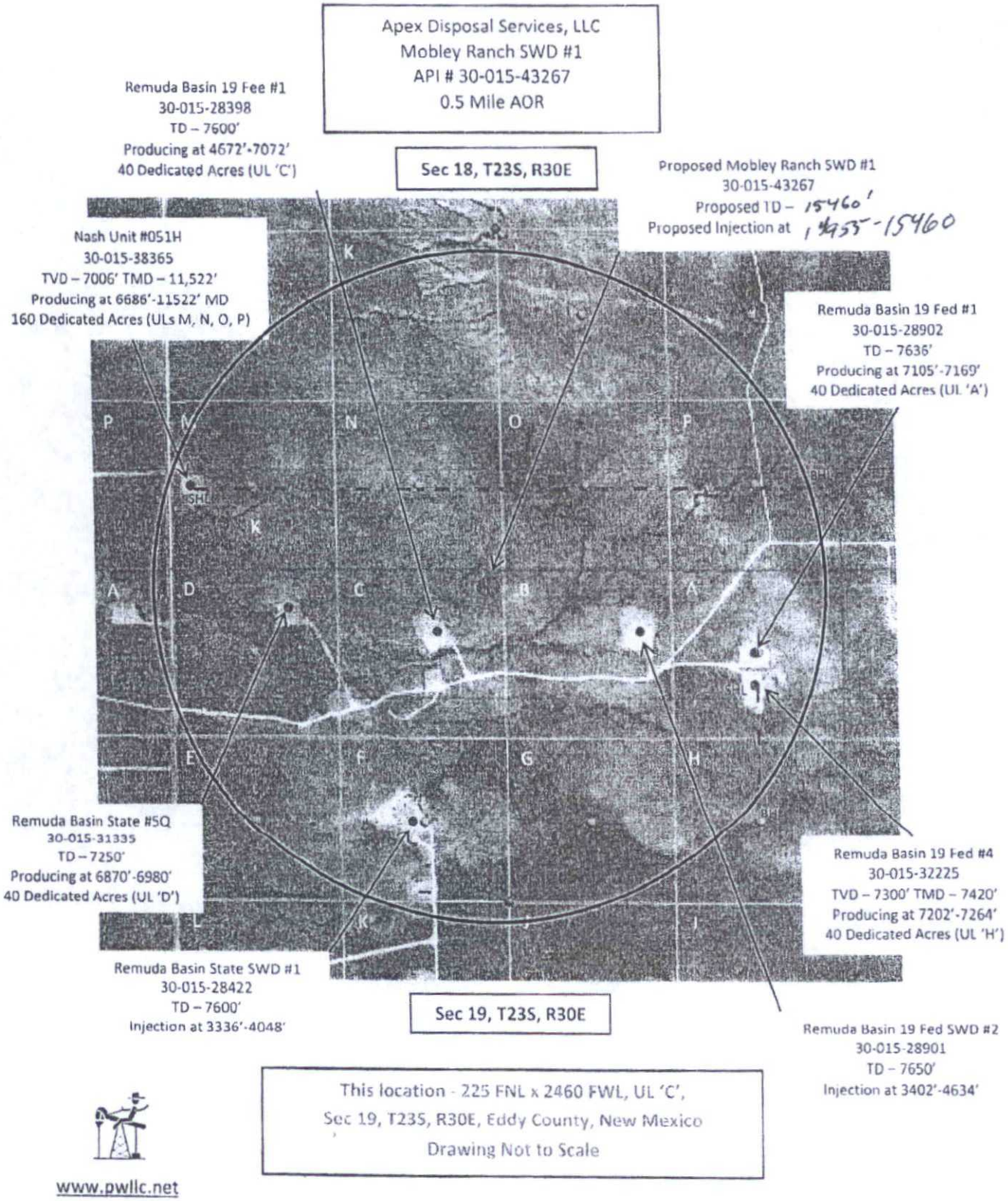

Apex Disposal Services, LLC
Mobley Ranch SWD #1
API # 30-015-43267
0.5 Mile AOR
Remuda Basin 19 Fee #1
30-015-28398
TD – 7600'
Producing at 4672'-7072'
40 Dedicated Acres (UL 'C')
Sec 18, T23S, R30E
Proposed Mobley Ranch SWD #1
30-015-43267
Proposed TD – 15460'
Proposed Injection at 14955'-15460'
Nash Unit #051H
30-015-38365
TVD – 7006' TMD – 11,522'
Producing at 6686'-11522' MD
160 Dedicated Acres (ULs M, N, O, P)
Remuda Basin 19 Fed #1
30-015-28902
TD – 7636'
Producing at 7105'-7169'
40 Dedicated Acres (UL 'A')
Remuda Basin State #5Q
30-015-31335
TD – 7250'
Producing at 6870'-6980'
40 Dedicated Acres (UL 'D')
Remuda Basin 19 Fed #4
30-015-32225
TVD – 7300' TMD – 7420'
Producing at 7202'-7264'
40 Dedicated Acres (UL 'H')
Remuda Basin State SWD #1
30-015-28422
TD – 7600'
Injection at 3336'-4048'
Sec 19, T23S, R30E
Remuda Basin 19 Fed SWD #2
30-015-28901
TD – 7650'
Injection at 3402'-4634'
This location - 225 FNL x 2460 FWL, UL 'C',
Sec 19, T23S, R30E, Eddy County, New Mexico
Drawing Not to Scale
www.pwllc.net

EXHIBIT "C"

Apex Disposal Services, LLC
Mobley Ranch SWD #001
API # 30-015-43267
Offset Wells within 0.5 Mile AOR

Exhibit "C"

Wells within the AOR that Do Not Penetrate the Proposed Injection Zone

UL, Sec, T, R	API Well No.	Well Name	Operator	TVD	
M-18-23S-30E	30-015-38365	Nash Unit No. 051H	XTO Energy, Inc	7006'	
C-19-23S-30E	30-015-28398	Remuda Basin 19 Fee No. 001	XTO Energy, Inc	7600'	
F-19-23S-30E	30-015-28422	Remuda Basin State No. 001	XTO Energy, Inc	7600'	1
B-19-23S-30E	30-015-28901	Remuda Basin 19 Federal No. 002	XTO Energy, Inc	7650'	2
A-19-23S-30E	30-015-28902	Remuda Basin 19 Federal No. 001	XTO Energy, Inc	7636'	
D-19-23S-30E	30-015-31335	Remuda Basin State No. 005Q	XTO Energy, Inc	7250'	
A-19-23S-30E	30-015-32225	Remuda Basin 19 Federal No. 004	XTO Energy, Inc	7420'	

1. This well was converted to SWD in 2010 injecting into 3336' - 4048' (AO SWD-1238).

2. This well was converted to SWD in 2000 injecting into 3402' - 4634' (AO SWD-626).

No wells identified within 0.5 mile AOR penetrate the proposed disposal zone.

www.pwllc.net

DJH

Apex Disposal Services, LLC
Mobley Ranch SWD #1
API # 30-015-43267
225 FNL x 2460 FWL
Unit Letter 'C', Section 19, T23S, R30E
Eddy County, New Mexico

Exhibit "D"

Formation Water

API Number	Formation	TDS	Chlorides
30-015-03691	Devonian	64,582	37,500

Possible Disposed Fluid

API Number	Formation	TDS	Chlorides
30-015-03691	Devonian	64,582	37,500
30-015-22553	Morrow	62,523	37,600
30-015-28127	Bone Springs	Unknown	84,981
30-015-28638	Delaware	8,856	62,858
30-015-27173	Brushy Canyon	255,443	179,189

Data obtained from GO-Tech.

www.pwllc.net

DJH

Apex Disposal Services, LLC
Mobley Ranch SWD #1
API # 30-015-43267
225 FNL x 2460 FWL
Unit Letter 'C', Section 19, T23S, R30E
Eddy County, New Mexico

Exhibit "E"

Ground Water

POD Number	Location	Well Depth	Water Depth	Sample Date	TDS	Chlorides	Note
C-02486	Sec 19, T23S, R30E	350 ft	100 ft	12/10/76	0	36	1
C-02486	Sec 19, T23S, R30E	350 ft	100 ft	8/6/15	3950	470	2

1 - Data obtained from GO-Tech.
2 – Data obtained from Cardinal Labs report.

www.pwllc.net

DJH

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

No records found.

PLSS Search:

Section(s): 13, 24 Township: 23S Range: 29E

EXHIBIT "E"

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

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

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

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

(quarters are smallest to largest)

(NAD83 UTM in meters)

(In feet)

POD Number	POD Sub-basin	County	Q64	Q16	Q4	Sec	Twp	Rng	X	Y	Depth Well	Depth Water	Water Column
C 02486	C	ED	3	2	3	19	23S	30E	601304	3572832*	350		

Average Depth to Water: --

Minimum Depth: --

Maximum Depth: --

Record Count: 1

PLSS Search:

Section(s): 17-20 Township: 23S Range: 30E

EXHIBIT "E"

*UTM location was derived from PLSS - see Help

Ground Water Samples Query

Water Sample Search

SECTION 19
Township 23S
Range 30E
Formation
DATE
CHLORIDE (mg/L)
Find | Export Data

Water Samples for TOWNSHIP 23S RANGE 30E SECTION 19

Operation	# of samples	S	T	R	Location (qtr/qtr)
select	1	19	23S	30E	23S.30E.19.123421

Water Samples for Township 23SRANGE 30E Section 19 Location 23S.30E.19.123421

Operation	SampleID	Township	Range	Section	Formation	Location	Date	Chlorides
select	27820	23S	30E	19	RSLR	23S.30E.19.123421	12/10/1976	36

From GO-Tech

EXHIBIT "E"

CARDINAL Laboratories

PHONE (575) 393-2326 ° 101 E. MARLAND ° HOBBS, NM 88240

Analytical Results For:

DTC ENERGY GROUP 518 17NTH STREET SUITE 650 DENVER CO, 80202	Project: MOBLEY RANCH SWD #001 Project Number: NONE GIVEN Project Manager: MATT MEYER Fax To:	Reported: 17-Aug-15 14:44

MOBLEY RANCH

H502051-01 (Water)

Analyte	Result	MDL	Reporting Limit	Units	Dilution	Batch	Analyst	Analyzed	Method	Notes
Cardinal Laboratories										
Inorganic Compounds										
Alkalinity, Bicarbonate	170		5.00	mg/L	1	5080504	AP	14-Aug-15	310.1	
Alkalinity, Carbonate	ND		0.00	mg/L	1	5080504	AP	14-Aug-15	310.1	
Chloride*	470		4.00	mg/L	1	5081206	AP	13-Aug-15	4500-Cl-B	
Conductivity*	4250		1.00	uS/cm	1	5081103	AP	11-Aug-15	120.1	
pH*	7.34		0.100	pH Units	1	5081104	AP	11-Aug-15	150.1	
Sulfate*	1440		500	mg/L	50	5081105	AP	13-Aug-15	375.4	
TDS*	3950		5.00	mg/L	1	5081404	AP	14-Aug-15	160.1	
Alkalinity, Total*	140		4.00	mg/L	1	5080504	AP	14-Aug-15	310.1	
Green Analytical Laboratories										
Total Recoverable Metals by ICP (E200.7)										
Calcium*	624		0.200	mg/L	10	B508149	JGS	15-Aug-15	EPA200.7	
Magnesium*	159		1.00	mg/L	10	B508149	JGS	15-Aug-15	EPA200.7	
Potassium*	11.0		10.0	mg/L	10	B508149	JGS	15-Aug-15	EPA200.7	
Sodium*	309		10.0	mg/L	10	B508149	JGS	15-Aug-15	EPA200.7	

EXHIBIT "E"

Cardinal Laboratories

*=Accredited Analyte

Celey D. Keene, Lab Director/Quality Manager