

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Thursday, February 22, 2007 2:55 PM
To: 'EverQuest@nts-online.net'
Cc: Ezeanyim, Richard, EMNRD; Williams, Chris, EMNRD
Subject: RE: Gandy SWD

Hello Terry:

I have your Gandy SWD permit ready to release BUT today we received a protest letter from P. Kay Stokes 870-256-4892 and from D.B. Wharton 501-941-0522, both from Arkansas. I see from your included notice receipts that the latest notices to these parties were mailed 2/14/07 - so they did object within the 15 day suspension period.

Please let me know as soon as possible if you can successfully negotiate with these two parties. One option you have is having your attorney set this application for hearing. If you are successful in persuading these two to formally drop the objections, we can proceed administratively, otherwise, the hearing schedule would proceed.

Let me know,

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

From: Terry M. Duffey [mailto:EverQuest@nts-online.net]
Sent: Thursday, February 08, 2007 3:46 PM
To: Jones, William V., EMNRD
Subject: Gandy SWD

Have you made any progress at assessing the DRAFT SWD application of the Gandy-Julia Culp #2 Devonian?

Terry M. Duffey
EverQuest Energy Corporation – Dominating World Oil - One Well at a Time.
PO Box 10079
Midland, Texas 79702
432-686-9790
432-682-3821 Fax
EverQuest@nts-online.net

2/22/2007

P. Kay Stokes
10853 Dabbler LN
Des Arc, AR 72040
870-256-4892

2007 FEB 22 AM 10 35

February 20, 2007

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

To Whom It May Concern:

In response to the notice we received on February 16, 2007. I would like to go on record as having and objection to the capped well being used as a disposal site for salt water.

If this project proceeds I want to go on record as having an objection, therefore protecting myself from any lawsuits that may be filed in the future.
(see attached information).

Sincerely,


P. Kay Stokes

January 2007

RE: NOTIFICATION OF SALTWATER DISPOSAL APPLICATION

Gandy Corporation - Julia Culp #2 - Unit H, Section 34, T15S, R35E, Lea County, NM

Proposal to re-enter plugged and abandoned wellbore and inject into Devonian formation; a non-productive strata

To Potentially Affected Parties:

EverQuest Energy Corporation, as Agent for Gandy Corporation, is coordinating the effort to re-enter the subject well and apply for a COMMERCIAL disposal permit into the Devonian formation interval from 13,865-14,500 feet. This project is being undertaken by Gandy in order to inject at a sufficient depth to avoid the potential problems associated with injection into more shallow strata. The wellbore was originally drilled in May 1990 by Bridge Oil USA to a total depth of 13,950 feet. The Devonian zone was drill stem tested and determined to be productive of saltwater only. Following several other production tests in the Atoka and Mississippian strata the well was plugged and abandoned in January 1991.

The Applicant, Gandy Corporation, can be contacted at the following address:

1008 W. Broadway
Hobbs, NM 88240
505-396-0797

The wellbore location is as follows:

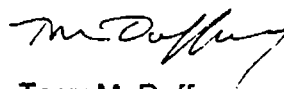
Section 34, T15S, R35E, Unit H
Lea County, New Mexico
2310' FNL and 660' FEL
API# 30-025-30879

The Devonian injection interval being permitted with the enclosed Form C-108 is penetrated by only one (1) well in the 1-mile required Area of Review encircling the well. The deepest producing interval in the area, the Strawn, is typically perforated at depths ranging from 11,500-12,000'.

Produced water and typical oilfield fluids will be disposed into the Devonian interval from 13,865-14,500 feet. Expected maximum injection rate and pressure is 5000 barrels per day and 2500 psi respectively.

Any affected party who has an objection to this application must give notice to the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, NM 87505, within 15-days from the postmarked date of this certified mail notice. Additional information can be obtained by contacting me at the letterhead address.

Sincerely,



Terry M. Duffey
Agent - Gandy Corporation

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: Secondary Recovery Pressure Maintenance X Disposal Storage
Application qualifies for administrative approval? X Yes No
- II. OPERATOR: GANDY CORPORATION
ADDRESS: 1008 W. BROADWAY, HOBBS, NM 88240
CONTACT PARTY: TERRY DUFFEY PHONE: 432-686-9790
- 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: TERRY M. DUFFEY TITLE: AGENT
SIGNATURE: Tm Duffey DATE: 1-30-07
E-MAIL ADDRESS: EVERQUEST@NTS-ONLINE.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: _____

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.

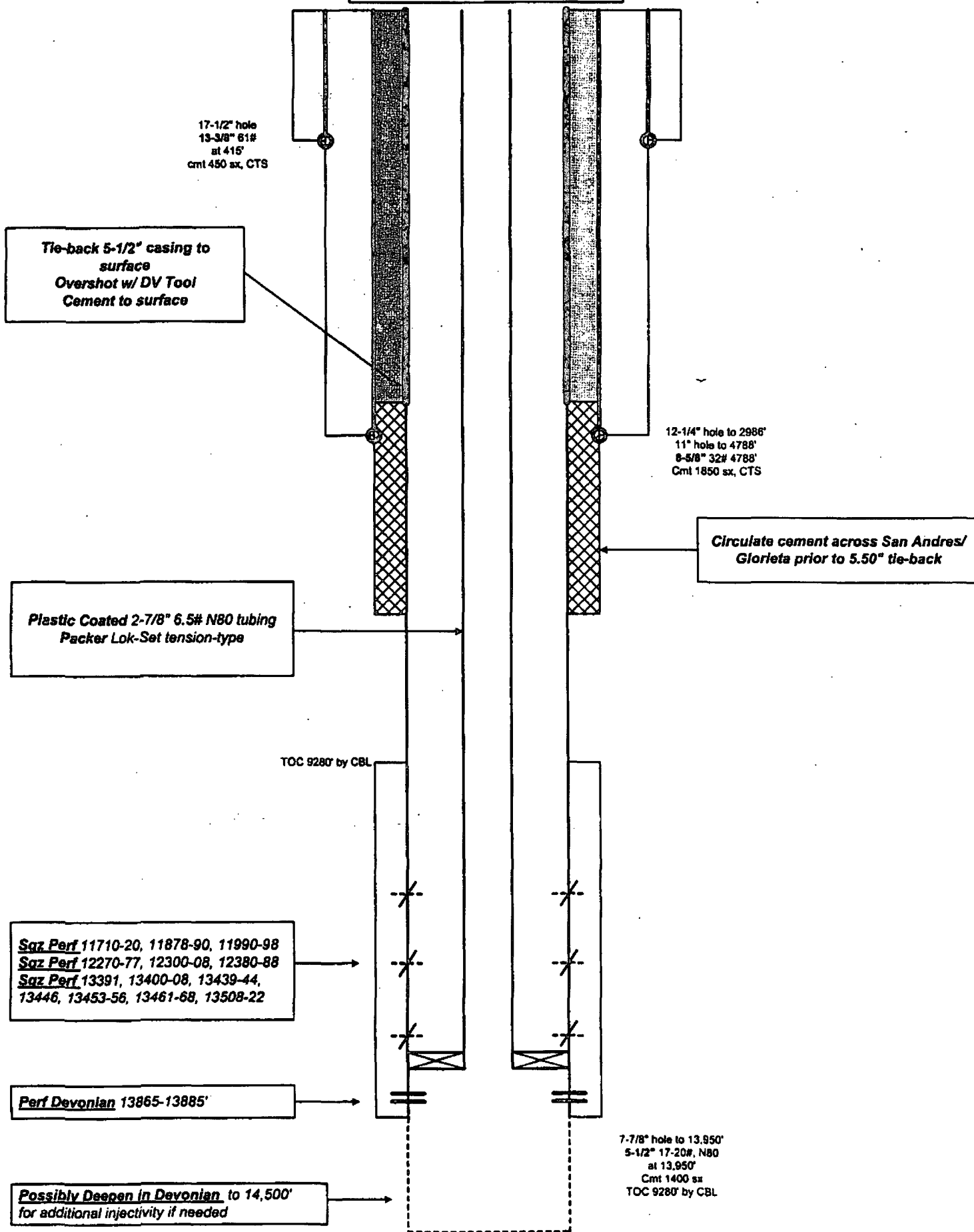
NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

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.

Gandy Corporation
Julia Culp #2
API# 30-025-30879

Spud May 1990
Drilled and Abandoned
3955' GL, Ref: KB 3975' AGL

Proposed SWD Configuration

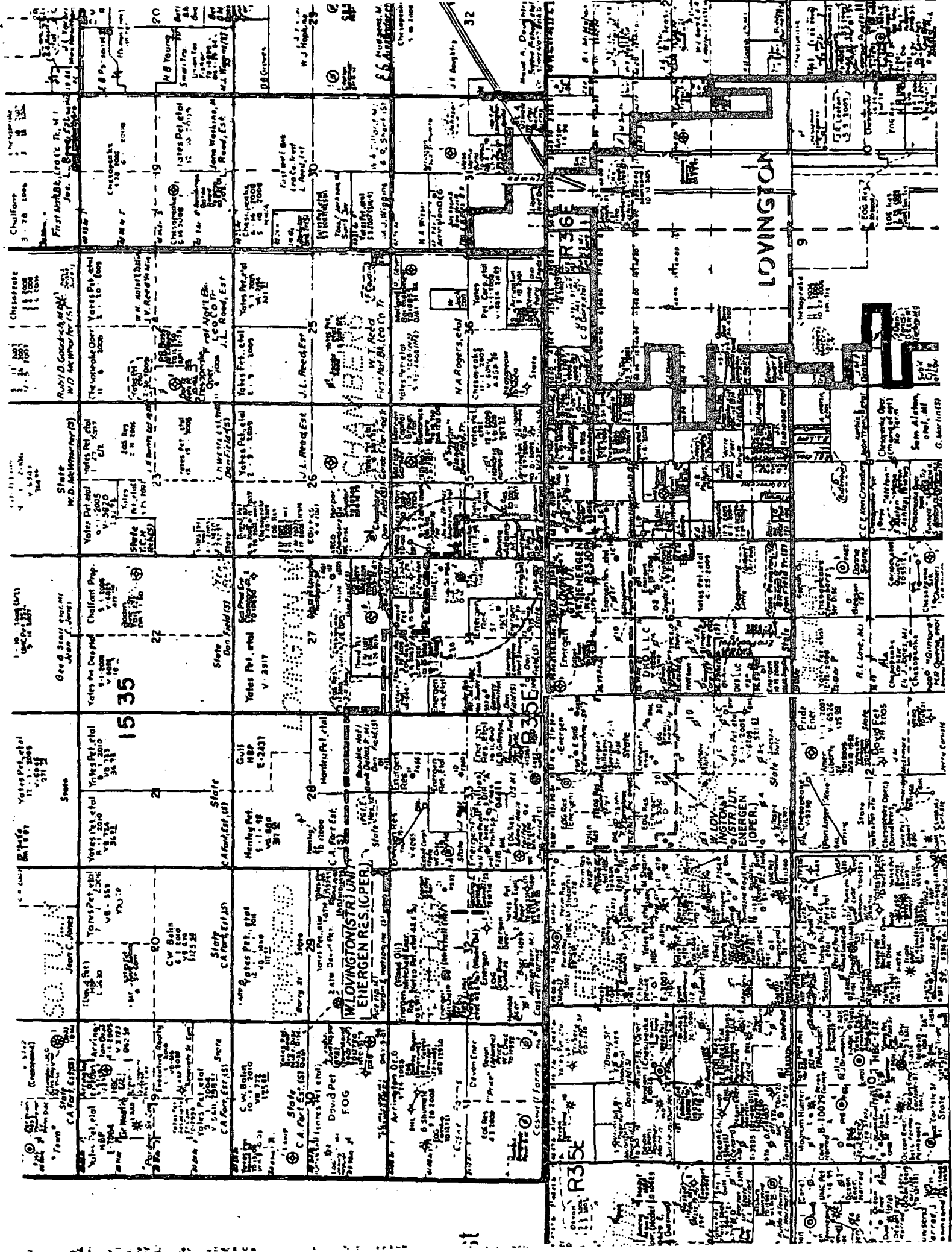


Map Ref	AP#	Location	Operator	Lease/Well	Status	TD	Compl		Surface Casing				Intermediate Casing				Production Casing				Date
							Date	Surface Casing			Intermediate Casing			Production Casing							
								Size	Depth	Vol	TOC	Size	Depth	Vol	TOC	Size	Depth	Vol	TOC	Perfs	
A	25-02698	Unit H, Sec 34, T15S, R35E	Devon Energy	Daley Chambers #1	OK PSA'd	14015	Nov-55	13 3/75 484 H40	369	450 sq. chc surf		9 625 364 J55	4734	2800 sq 480" by TS		15 5-17" J55N40	10639	550 sq 8662" by TS	10581-606 10004-399 OA	Dec-92	

The Applicant has reviewed the wellbore mechanics of all wells located within 1/2-mile radius of the proposed disposal well.

There is only ONE WELL within the Area of Review that penetrates the proposed injection interval.

Based on this evidence it is reasonable to conclude that the likelihood of injected fluid movement from the disposal zone into freshwater strata or currently more shallow productive intervals is remote.



LOVINGTON

R36

R35

CHAMBERLAIN

LOVINGTON (STR) UNIT

LOVINGTON (OPR) UNIT

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D.B. Wharton
1620 Kerr Station Rd
Cabot, AR 72023
501-941-0522 2007 FEB 22 AM 10 35

February 20, 2007

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

To Whom It May Concern:

In response to the notice we received on February 16, 2007. I would like to go on record as having and objection to the capped well being used as a disposal site for salt water.

If this project proceeds I want to go on record as having an objection, therefore protecting myself from any lawsuits that may be filed in the future.
(see attached information).

Sincerely,



D.B. Wharton

Begin the Climb...

January 2007

RE: NOTIFICATION OF SALTWATER DISPOSAL APPLICATION

Gandy Corporation - Julia Culp #2 - Unit H, Section 34, T15S, R35E, Lea County, NM

Proposal to re-enter plugged and abandoned wellbore and inject into Devonian formation; a non-productive strata

To Potentially Affected Parties:

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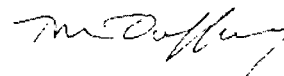
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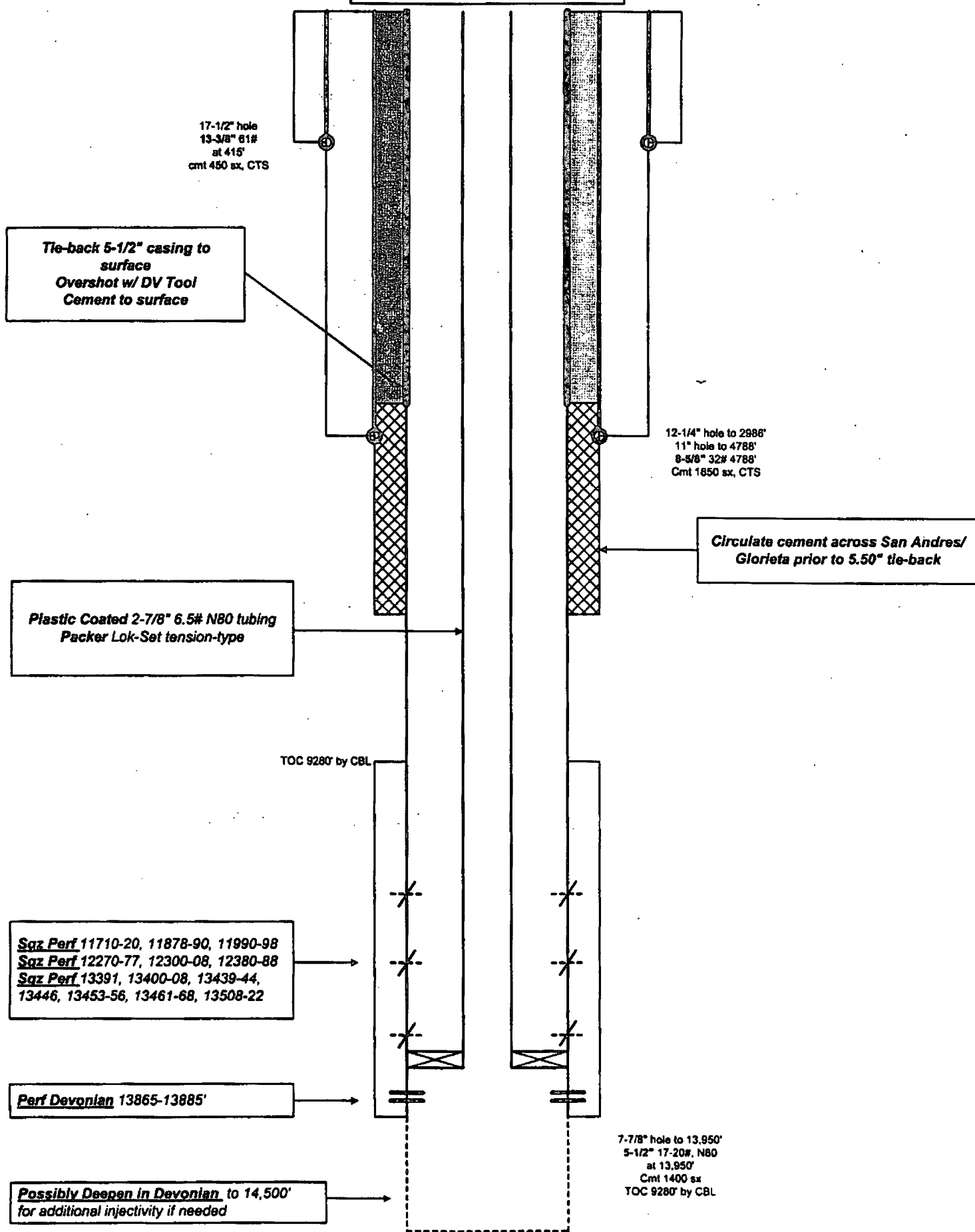
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Gandy Corporation
Julia Culp #2
API# 30-025-30879

Spud May 1990
Drilled and Abandoned
3955' GL, Ref: KB 3975' AGL

Proposed SWD Configuration



Map Ref	AP#	Location	Operator	Lease/Well	Status	TD	Compl Date	Surface Casing				Intermediate Casing				Production Casing				Perfs	Date	
								Size	Depth	Vol	TOC	Size	Depth	Vol	TOC	Size	Depth	Vol	TOC			
A	25-02686	Unit H, Sec 34, T15S, R35E	Devon Energy	Dairy Chambers #1	Oil P&A	14015	Nov-55	13.375	484	369	450 sq circ surf	9.625	364	2800 sq	460' by TS	15 5/8-17 1/2	J55NBD	10639	550 sq	8662' by TS	10581-606 10004-359 OA	Dec-92

The Applicant has reviewed the wellbore mechanics of all wells located within 1/2-mile radius of the proposed disposal well.

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Based on this evidence it is reasonable to conclude that the likelihood of injected fluid movement from the disposal zone into freshwater strata or currently more shallow productive intervals is remote.

