

Additional Information

2nd extension request 10/7/20

Lamkin, Baylen, EMNRD

From: dwhite@geolex.com
Sent: Tuesday, October 6, 2020 4:38 PM
To: Engineer, OCD, EMNRD
Cc: Goetze, Phillip, EMNRD; 'Alberto A. Gutierrez'; 'Mike Solomon'
Subject: [EXT] Order SWD-1704 Extension Request (Doodle Bug State SWD #1)
Attachments: 3 Bear 30-025-44144 Doodlebug Ext. Request.pdf

Importance: High

To whom it may concern,

Please see attached request for a one-time extension to allow for the completion of the 3Bear Field Services, LLC Doodle Bug State SWD #1 well (API: 30-025-44144). All information required to be provided in order to approve this request is contained within as well as a detailed timeline for completing the project within the extension period. If you have any questions regarding this request, please do not hesitate to contact Alberto A. Gutiérrez (aag@geolex.com) or David White (dwhite@geolex.com) at (505)842-8000.

Regards,

David A. White, M.S.
Geolex, Incorporated®
500 Marquette Avenue, NW Suite 1350
Albuquerque, NM 87102
(505)842-8000 Office
(859)967-7231 Cell

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NMOCD Engineering Bureau
Santa Fe, NM 87501

Via Electronic Submittal OCD Site

NMOCD UIC Program Director
Santa Fe, NM 87501

RE: 3 BEAR FIELD SERVICES LLC DOODLE BUG STATE SWD #1 API #30-025-44144
REQUEST FOR EXTENSION OF ORDER SWD #1704 FOR GOOD CAUSE

To Whom It May Concern

Geolex, Incorporated (“Geolex”) has been retained by 3 Bear Field Services, LLC (“3 Bear”) to request a one-time extension to allow for the completion of the above referenced SWD well.

By way of background information, 3 Bear acquired this well permit from Judah Oil, LLC in November 2019 and had to complete its own evaluation of the potential of the well before committing significant capital to drill and complete this well. 3 Bear was diligently conducting these investigations including acquisition and analysis of 3D seismic to confirm the likelihood of the well to accept the required produced water volumes. In the midst of this analysis in the spring and summer of 2020, the Covid 19 Pandemic and associated effects on the oil and gas industry caused a delay in the completion of this analysis and the initiation of the well. For this reason, 3 Bear is requesting an extension to the deadlines set forth in the Order to allow for the drilling and completion of the well.

3 Bear is fully committed to drill and complete this well. In fact, 3 Bear has initiated building the required road and pad and intends to spud the well with a rig obtained by Chisholm during the week of October 19, 2020. In any case, the well will be spudded before the current Order #1704 expires on 11/25/2020. However, even conducting its operations with all due diligence, it will not be completed by the expiration date to initiate injection in the Order. SWD #1704 was previously extended by the prior owner and the Order only allows for another extension contingent upon the well being spud. This condition is acceptable to 3 Bear as spudding will occur nearly a full month prior to the expiration of injection authority under the order.

3 Bear specifically requests the following

1. An extension of the time required to inject for a period of 9 months from the date of the authority under this order to begin (from November 20, 2020 to August 20, 2021)
2. OCD can place a condition on the extension that the drilling of the well must have been initiated by November 25th, 2020.

To support this request 3 Bear has completed the following items:

1. Shown good cause and intention to drill and complete the well by having 1) already invested over two million dollars on equipment, engineering services and geologic analysis for the well, 2) begun construction on the access road and well pad and 3) secured a rig operator and a rig with a commitment to a spud date prior to the expiration of the current APD.
2. Completed a review of the AOR of the original application and determined that no wells penetrate the injection zone or are permitted to penetrate the injection zone since the original C-

108 application submitted 10/23/2017 by Judah Oil. No new wells penetrating the proposed injection zone have been permitted or installed in the ½ mile AOR. See current map of wells in the ½ mile AOR and in the two-mile radius of the proposed well included as Attachment 1.

3. A review of the water wells within 1 mile of the proposed well and no water wells or points of diversion exist within the 1 mile radius of the proposed well (See Attachment 1)
4. Lonquist was retained by 3 Bear to conduct a detailed review of the land status, lease status, surface ownership and operators within the AOR to identify if any changes have occurred since the date of the original C-108. This review confirmed that the original list of parties notified in the C-108 (Exhibit F) have not changed since the original application. The eight parties originally provided notice maintain their substantially similar operations in the area and no new parties have entered the AOR (See current land/lease status and notification list from the original C-108 included herein as Attachment 2).

For these reasons, 3 Bear requests that the Division issue a revised order to provide for this extension with appropriate condition that 3 Bear must spud the well prior to November 20, 2020 and that injection commence no later than August 20, 2021.

Should you have any questions or require any additional information to obtain an approval of this extension under the Director's administrative authority please contact David White or Alberto Gutierrez of Geolex via email or by phone at the office number below.

Sincerely

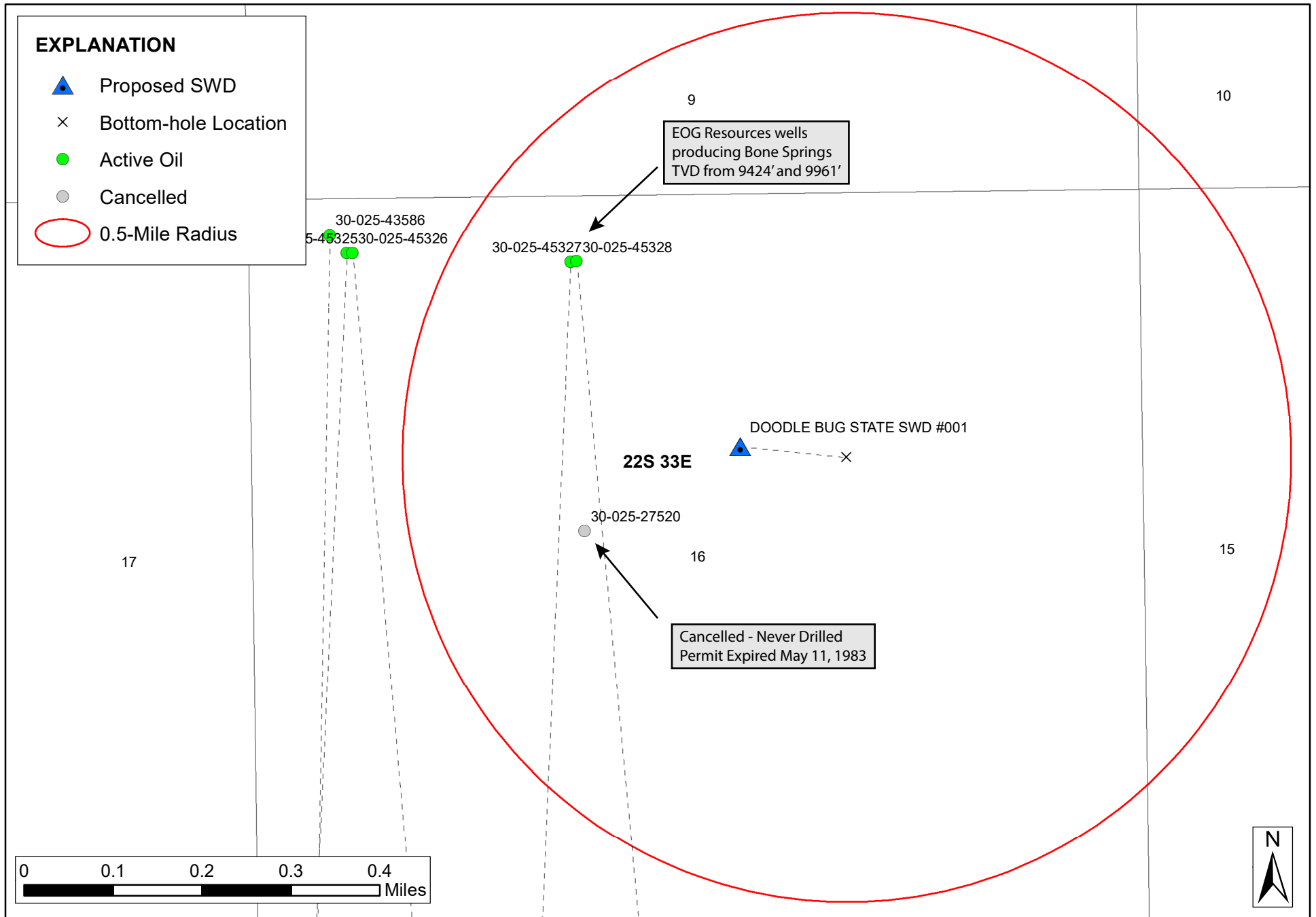


Alberto A. Gutierrez
Geolex Inc. on behalf of 3 Bear Field Services LLC
aag@geolex.com
505-842-8000

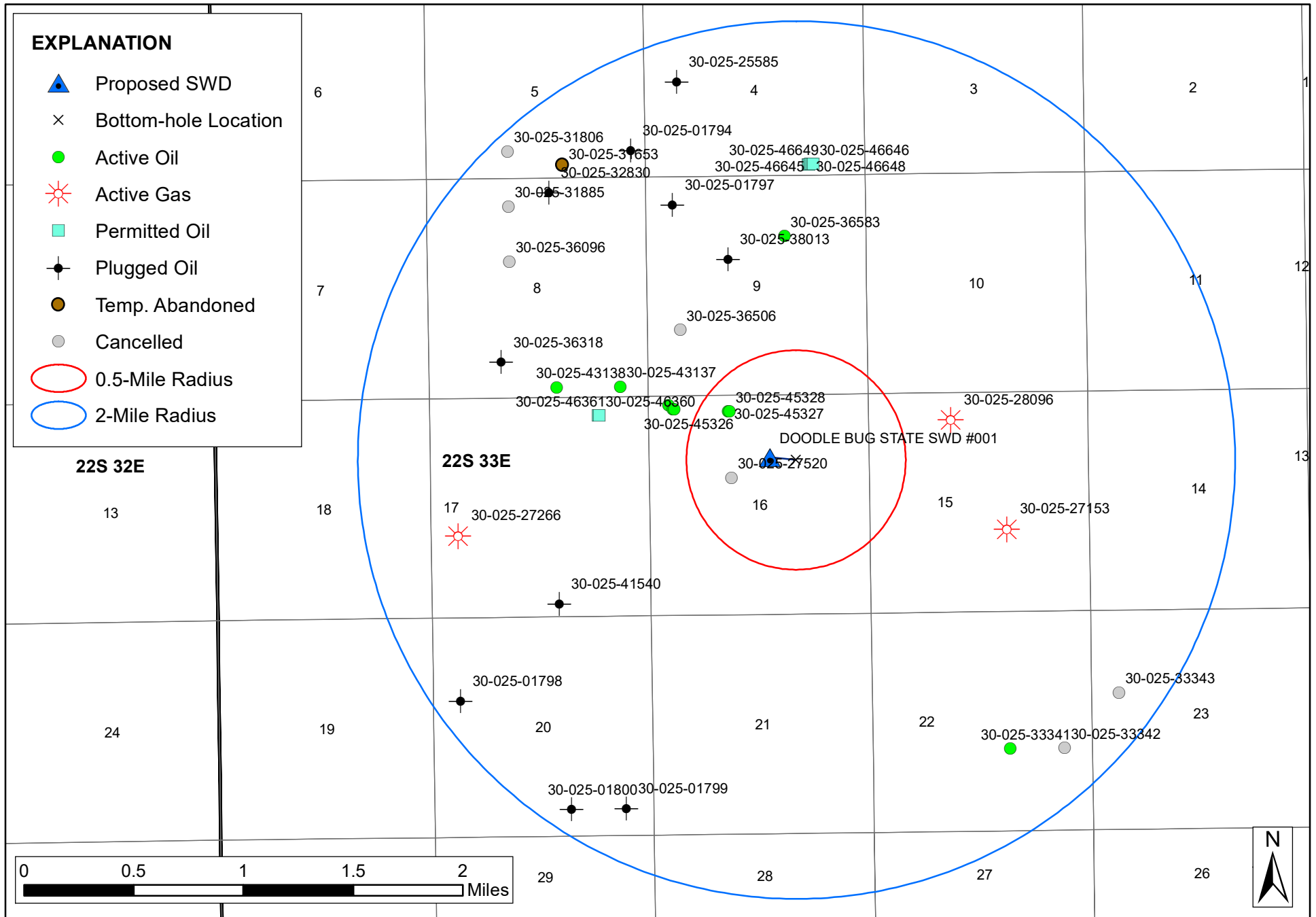
David White
dwhite@geolex.com
505-842-8000

Attachment 1 – Wells in the AOR and at 2 Miles and Water Wells
Attachment 2 – Land and Lease Status Maps and Notification List

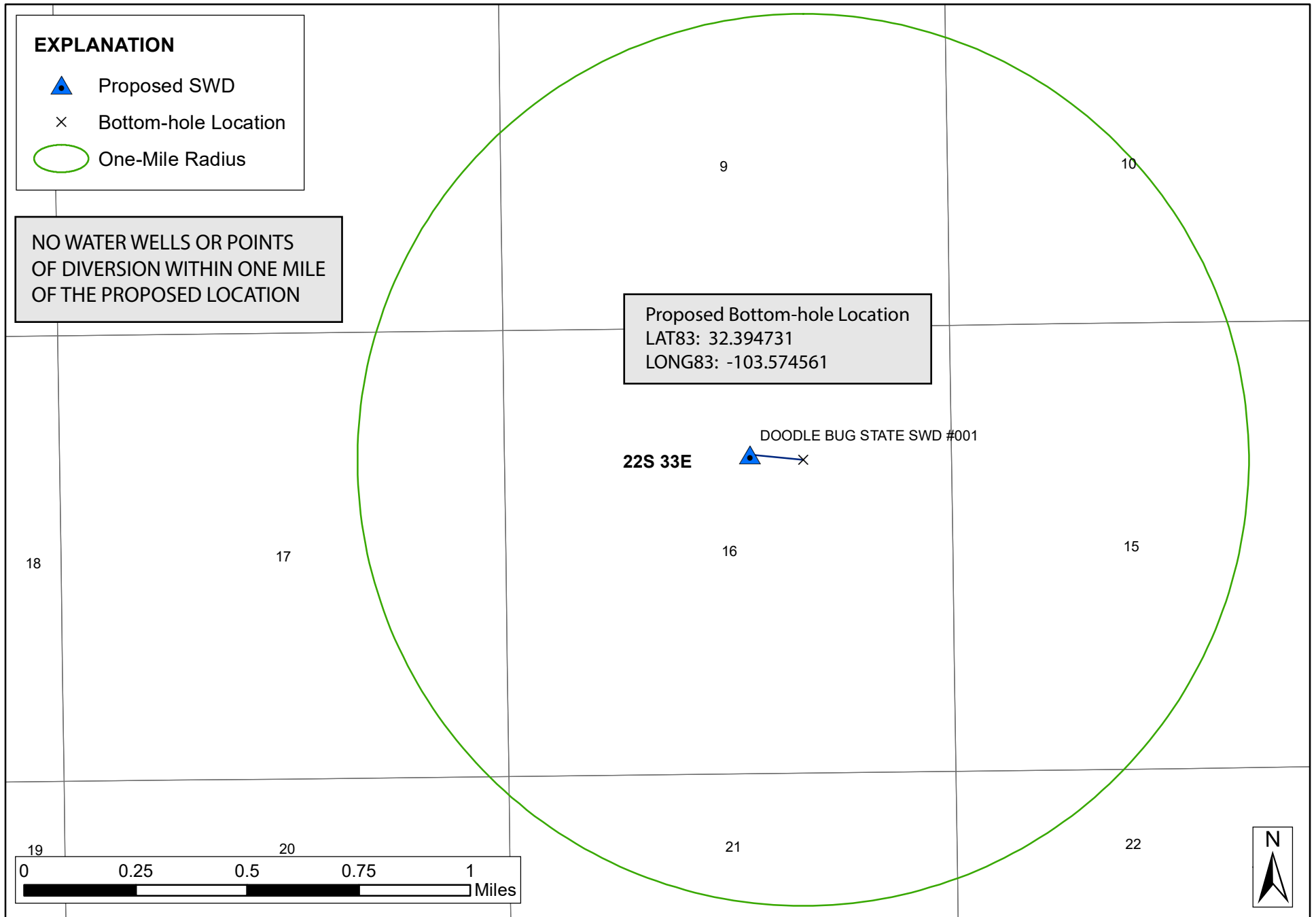
ATTACHMENT 1



All wells within the proposed Doodle Bug SWD #1 one-half mile area of review



All wells within two miles of revised Doodlebug SWD #1 bottom-hole location



Water wells within one mile of revised Doodlebug SWD #1 bottom-hole location



New Mexico Office of the State Engineer

Wells with Well Log Information

No wells found.

UTMNAD83 Radius Search (in meters):

Easting (X): 634066.261

Northing (Y): 3585083.644

Radius: 1610



New Mexico Office of the State Engineer

Water Column/Average Depth to Water

No records found.

UTMNAD83 Radius Search (in meters):

Easting (X): 634066.261

Northing (Y): 3585083.644

Radius: 1610



New Mexico Office of the State Engineer
Active & Inactive Points of Diversion
(with Ownership Information)

No PODs found.

UTMNAD83 Radius Search (in meters):

Easting (X): 634066.261

Northing (Y): 3585083.644

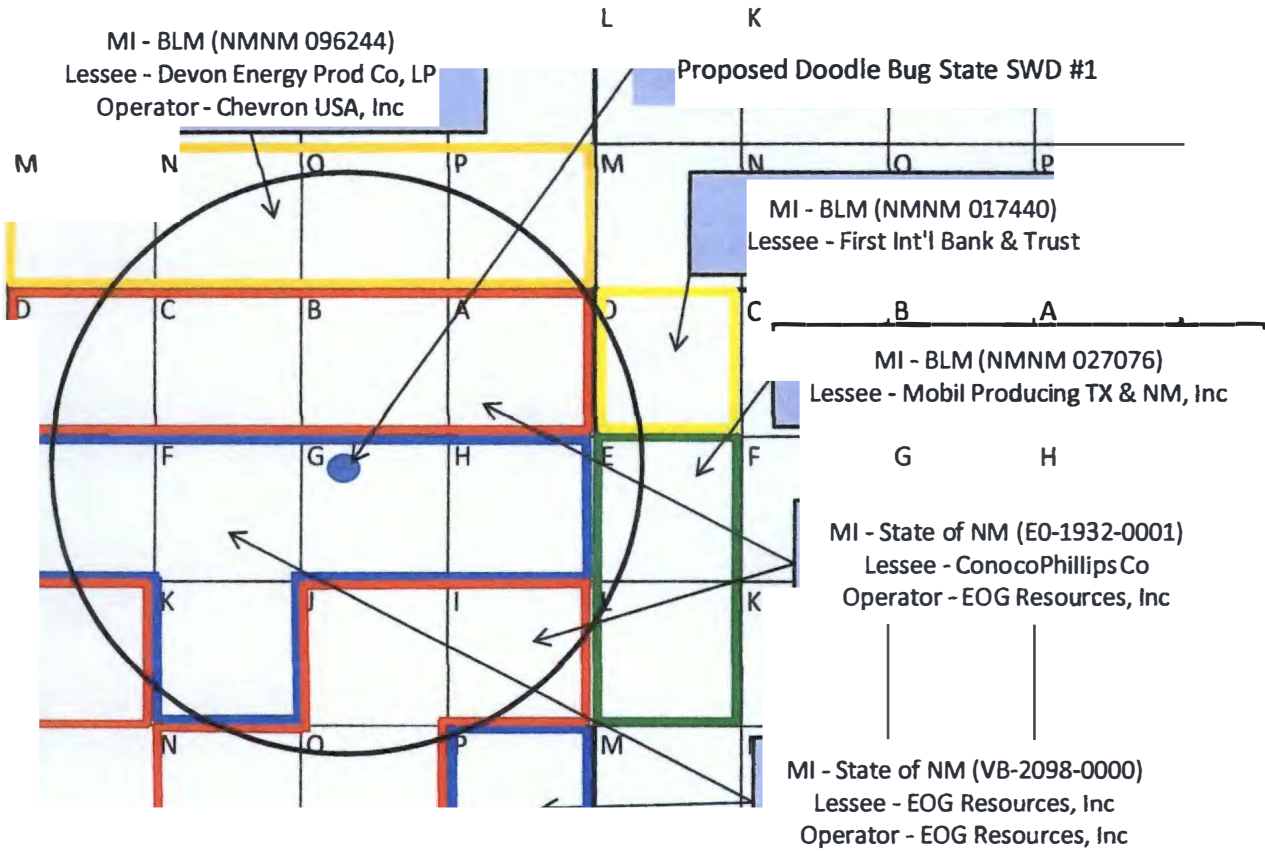
Radius: 1610

ATTACHMENT 2

Judah Oil, LLC
 Doodle Bug State SWD #1
 API # 30-025-44144
 0.5 Mile AOR

Sec 9, T22S, R33E

Sec 10, T22S, R33E



Sec 16, T22S, R33E

Sec 15, T22S, R33E

This location 1498 FNL X 2389 FEL
 Surface Owner - State of NM, Commissioner of Public Land,
 PO Box 1148, Santa Fe, NM 87504

Judah Oil, LLC
Doodle Bug State SWD #1
API #30-025-44144

EXHIBIT 'F' - NOTIFICATION LIST

#	NAME	ADDRESS	CITY STATE ZIP	TYPE
1	State of New Mexico Commissioner of Public Land	P. O. Box 1148	Santa Fe, NM 87504	Surface Owner
	Merchant Livestock Company	P. O. Box 1105	Eunice, NM 88231-1105	Surface Lessee

Section 9, T22S, R33E, NMPM (ULs M, N, O, P)

#	NAME	ADDRESS	CITY STATE ZIP	TYPE
2	United States Dept of Interior Bureau of Land Management	620 E. Greene Street	Carlsbad, NM 88220	Mineral Owner
3	Chevron USA, Inc	6301 Deauville Blvd	Midland, TX 79706-2964	Operator

Section 15, T22S, R33E, NMPM (UL D)

#	NAME	ADDRESS	CITY STATE ZIP	TYPE
	United States Dept of Interior Bureau of Land Management	620 E. Greene Street	Carlsbad, NM 88220	Mineral Owner
4	First International Bank & Trust	100 North Main Street	Watford City, ND 58854	Lessee

Section 15, T22S, R33E, NMPM (ULs E, L)

#	NAME	ADDRESS	CITY STATE ZIP	TYPE
	United States Dept of Interior Bureau of Land Management	620 E. Greene Street	Carlsbad, NM 88220	Mineral Owner
5	Mobil Producing TX & NM, Inc	22777 Springwoods Village Parkway	Spring, TX 77389	Lessee

Section 16, T22S, R33E, NMPM (ULs A, B, C, D, I, J, L, N, O)

#	NAME	ADDRESS	CITY STATE ZIP	TYPE
	State of New Mexico Commissioner of Public Land	P. O. Box 1148	Santa Fe, NM 87504	Mineral Owner
6	EOG Resources, Inc	P. O. Box 2267	Midland, TX 79702	Operator

Section 16, T22S, R33E, NMPM (ULs E, F, G, H, K, P)

#	NAME	ADDRESS	CITY STATE ZIP	TYPE
	State of New Mexico Commissioner of Public Land	P. O. Box 1148	Santa Fe, NM 87504	Mineral Owner
	EOG Resources, Inc	P. O. Box 2267	Midland, TX 79702	Lessee/Oper

NMOCD Notices

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

Notice Mailed 10/17/17

Notice Mailed 10/23/17