

**BW - \_\_\_\_\_ 38 \_\_\_\_\_**

**GENERAL  
CORRESPONDENCE**

**From:** [Chavez, Carl J. EMNRD](#)  
**To:** [darrangell@gmail.com](mailto:darrangell@gmail.com); "Marvin"  
**Cc:** [Polak, Tiffany, EMNRD](#); [Mike EMNRD Bratcher \(mike.bratcher@state.nm.us\)](mailto:mike.bratcher@state.nm.us); [Robinson, Gary, EMNRD](#)  
**Subject:** BW-38 (Llano Disposal, L.L.C. State '27' BSW No. 1 API# 30-025-20592) Brine Well: Well Problem  
**Date:** Monday, October 19, 2020 9:13:00 AM  
**Attachments:** [BW-38 Communications with Operator.pdf](#)  
[C-103 12-17-18.pdf](#)

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Mr. Angell, et al.,

Good morning!

The New Mexico Oil Conservation Division (OCD) was recently updated on the status of a C-103 Sundry for well work submitted and processed by Gary Robinson in the Hobbs District Office. The District Office communicated with Llano Operators recently. It was reported that fluids being produced from the brine cavern turned red in color and the operator was attempting to continue working on the well.

As you will recall, OCD engaged in communications on the former oil and gas well, which was later converted to a brine well (see attachment).

In the most recent communications with well operators, OCD learned that the brine well was not constructed as proposed in the Sundry referencing the BW-38 Discharge Permit (see attachment).

OCD hereby orders the well to be shut-in by COB today, and requires a C-105 Sundry "Final Well Completion" be submitted electronically in Acrobat Reader™ format to the OCD (Gary Robinson with copy to Carl Chavez) within the next 5 working days. The C-105 Form shall depict the actual well completion or construction details of the well via well diagram depicting actual footages relative to geologic formations (similar to the well diagram in the attached C-103 Sundry). OCD records indicate a final C-105 Form is not present in the OCD Administrative Record(s).

OCD recommends that Llano operators determine the nature of the problem for future communication(s) with the OCD on the current well problem.

OCD will work to evaluate the actual construction of the well relative to the current well problem to derive conclusions for communication with the Permittee and/or its operators for a potential "path forward".

Please contact me if you have questions. Thank you.

Mr. Carl J. Chavez, CHMM (#13099)  
New Mexico Oil Conservation Division (Albuquerque Office)  
Energy Minerals and Natural Resources Department  
5200 Oakland Avenue, NE  
Albuquerque, New Mexico 87113  
Ph. (505) 660-7923  
E-mail: [CarlJ.Chavez@state.nm.us](mailto:CarlJ.Chavez@state.nm.us)

**"Why not prevent pollution, minimize waste to reduce operating costs, reuse or recycle, and move forward with the rest of the Nation?" (To see how, go to: <http://www.emnrd.state.nm.us/OCD> and see "Publications")**

Submit 1 Copy To Appropriate District Office  
 District I - (575) 393-6161  
 1625 N. French Dr., Hobbs, NM 88240  
 District II - (575) 748-1283  
 811 S. First St., Artesia, NM 88210  
 District III - (505) 334-6178  
 1000 Rio Brazos Rd., Aztec, NM 87418  
 District IV - (505) 476-3460  
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals and Natural Resources

Form C-103  
 Revised July 18, 2013

HOBBBS OGD  
 DEC 14 2018  
 RECEIVED

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

WELL API NO. <b>30-025-20592</b>
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. <b>BSW</b>
7. Lease Name or Unit Agreement Name <b>STATE 27</b>
8. Well Number <b>1</b>
9. OGRID Number <b>370661</b>
10. Pool name or Wildcat <b>SALANO</b>
11. Elevation (Show whether DR, RKB, RT, GR, etc.)

SUNDRY NOTICES AND REPORTS ON WELLS  
 (DO NOT USE THIS FORM FOR PROPOSAL TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well  Gas Well  Other **BSW**

2. Name of Operator  
**LLANO DISPOSAL, LLC**

3. Address of Operator  
**Box 250, Lovington N.M. 88260**

4. Well Location  
 Unit Letter **L** : **1980** feet from the **S** line and **660** feet from the **W** line  
 Section **27** Township **16 S** Range **33 E** NMPM County **Lea**

12. 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"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: <b>Re-entry/complete</b> <input checked="" type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

*Per plan outlined in NMOCK permit BSW038, cut a window in the 9 5/8" casing, then drilled into the SALT section. Discovered SALT BEARING STRATA. Ran temp production string to circulate clean (fresh down tubing, brine up casing).*

Spud Date:

Rig Release Date: **12/6/18**

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

SIGNATURE Marvin Burrows TITLE AGENT FOR DATE 12/14/18  
 Type or print name MARVIN BURROWS E-mail address: BURROWS MARVIN@GMAIL.COM PHONE: 575-631-8067  
**For State Use Only**

APPROVED BY: [Signature] TITLE Petroleum Engineer DATE 12/17/18  
 Conditions of Approval (if any):

# PROPOSED WELLBORE

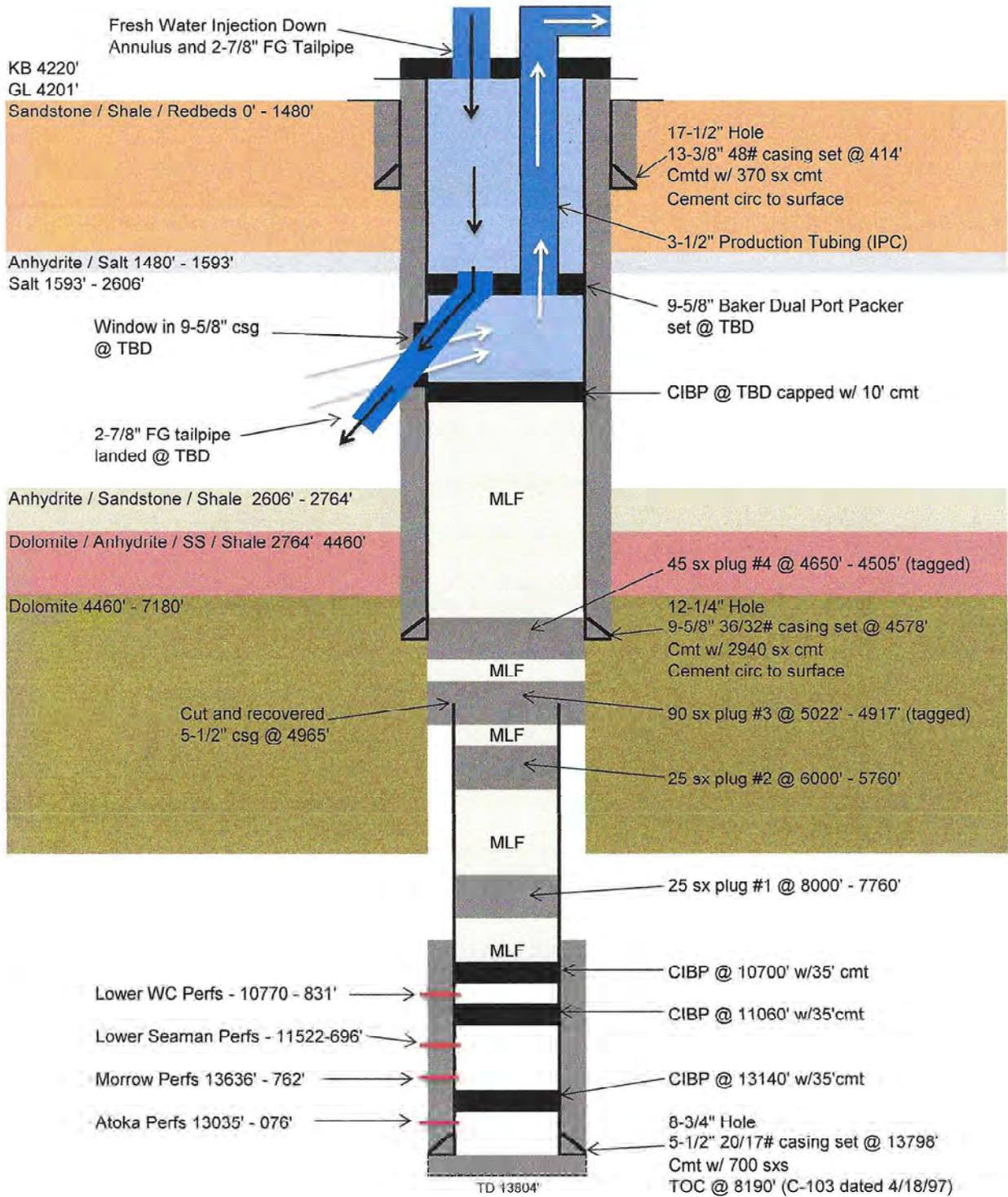
Configured for Brine Service Well

Llano Disposal, LLC

State 27 #1 P&A

API # 30-025-20592

1980' FSL x 660' FWL, UL 'L', Sec 27, T16S, R33E, Lea County, NM



Drawing Not to Scale

Note: This wellbore diagram represents information obtained from OCD files

Holcomb Consultants  
6900 Spring Cherry Lane  
Amarillo, Texas 79124

April 18, 2018

NMOCD District 1  
1625 N. French Drive  
Hobbs, New Mexico 88240  
Attn: Mr. Paul Kautz

Re: State 27 #1 – API# 30-025-20592  
L-27-16S-33E, Lea County, New Mexico

Dear Mr. Kautz,

Per Llano Disposal LLC's separate meetings with you and the Environmental Bureau referencing the subject well, attached are copies of a C-101, C-102 and C-103 to provide Llano access to this wellbore for brine well evaluation. The C-103 requests permission to drill out the top three plugs in this well in order to obtain a casing bond log, compensated neutron log and caliper log. This work was agreed upon by Mr. Jim Griswold and Mr. Carl Chavez of the Environmental Bureau during discussions to consider this well for possible conversion to brine well service.

Bonding for this well was approved today by Ms. Allison Marks. If you have any questions concerning any of these forms, please let me know. Thank you in advance for your consideration.

Sincerely,



Danny J. Holcomb  
Agent for Llano Disposal, LLC  
Email: [danny@pwillc.net](mailto:danny@pwillc.net)  
Cell: 806-471-5628

Attachments

cc: Mr. Carl Chavez – OCD Environmental Bureau

**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

Form C-101  
Revised July 18, 2013

Energy Minerals and Natural Resources

Oil Conservation Division

AMENDED REPORT

1220 South St. Francis Dr.

Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

<sup>1</sup> Operator Name and Address <b>Llano Disposal, LLC PO Box 190 Lovington, NM 88260</b>		<sup>2</sup> OGRID Number <b>370661</b>
		<sup>3</sup> APT Number <b>30-025-20592</b>
<sup>4</sup> Property Code	<sup>5</sup> Property Name <b>State '27'</b>	<sup>6</sup> Well No. <b>001</b>

<sup>7</sup> Surface Location

UL - Lot <b>L</b>	Section <b>27</b>	Township <b>16S</b>	Range <b>33E</b>	Lot Ida	Feet from <b>1980</b>	N/S Line <b>S</b>	Feet From <b>660</b>	E/W Line <b>W</b>	County <b>Lea</b>
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<sup>8</sup> Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Ida	Feet from	N/S Line	Feet From	E/W Line	County
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<sup>9</sup> Pool Information

Pool Name <b>BSW; Salado</b>	Pool Code <b>96173</b>
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Additional Well Information

<sup>11</sup> Work Type <b>E</b>	<sup>12</sup> Well Type <b>M</b>	<sup>13</sup> Cable/Rotary <b>R</b>	<sup>14</sup> Lease Type <b>S</b>	<sup>15</sup> Ground Level Elevation <b>4201</b>
<sup>16</sup> Multiple <b>N</b>	<sup>17</sup> Proposed Depth <b>4505' (PBD)</b>	<sup>18</sup> Formation <b>Salado</b>	<sup>19</sup> Contractor <b>Unknown</b>	<sup>20</sup> Spud Date <b>Unknown</b>
Depth to Ground water <b>60' - 190'</b>	Distance from nearest fresh water well <b>-2542 feet</b>		Distance to nearest surface water <b>Greater than 1 mile</b>	

We will be using a closed-loop system in lieu of lined pits

<sup>21</sup> Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TGC
Surface	17-1/2"	13-3/8"	48	414	370	Surface - In Place
Intermed	12-1/4"	9-5/8"	36/32	4578	2940	Surface - In Place
Production	8-3/4"	5-1/2"	20/17	4965 - 13798	700	8190' - In Place

Casing/Cement Program: Additional Comments

Enclosures: Current and Proposed Wellbore Diagrams

<sup>22</sup> Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double/Pipe/Blinds	3000	3000	Cameron/Schaffer

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> , if applicable. Signature: <i>D. J. Holcomb</i> Printed name: <b>Danny J. Holcomb</b> Title: <b>Agent for Llano Disposal, LLC</b> E-mail Address: <b>danny@pwllc.net</b> Date: <b>4/18/2018</b> Phone: <b>806-471-5628</b>	OIL CONSERVATION DIVISION	
	Approved By:	
	Title:	
	Approved Date:	Expiration Date:
	Conditions of Approval Attached	

# CURRENT WELLBORE

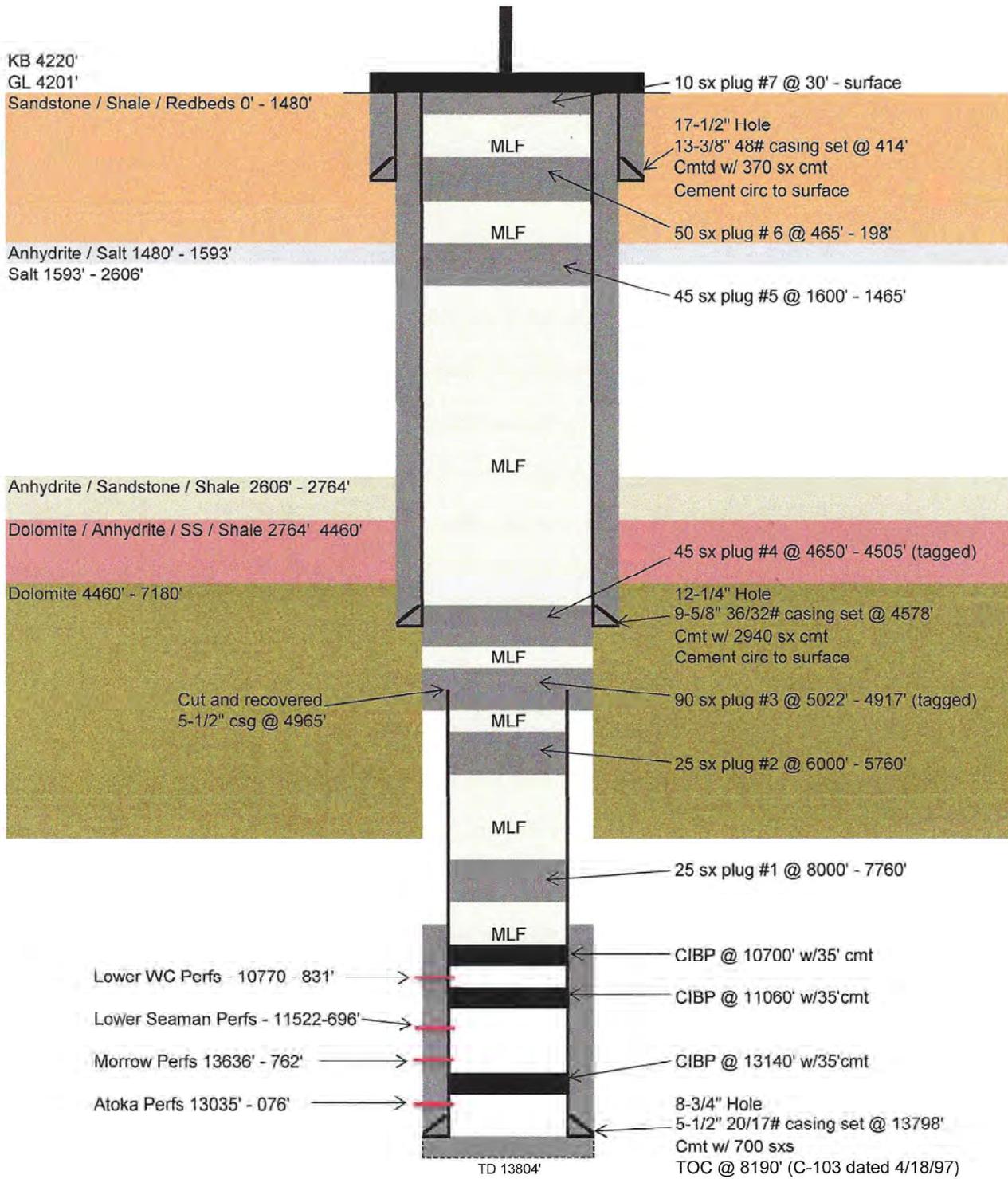
## P&A Well

Llano Disposal, LLC

State 27 #1 P&A

API # 30-025-20592

1980' FSL x 660' FWL, UL 'L', Sec 27, T16S, R33E, Lea County, NM



Drawing Not to Scale

Note: This wellbore diagram represents information obtained from OCD files

# PROPOSED WELLBORE AFTER PLUG DRILLOUT

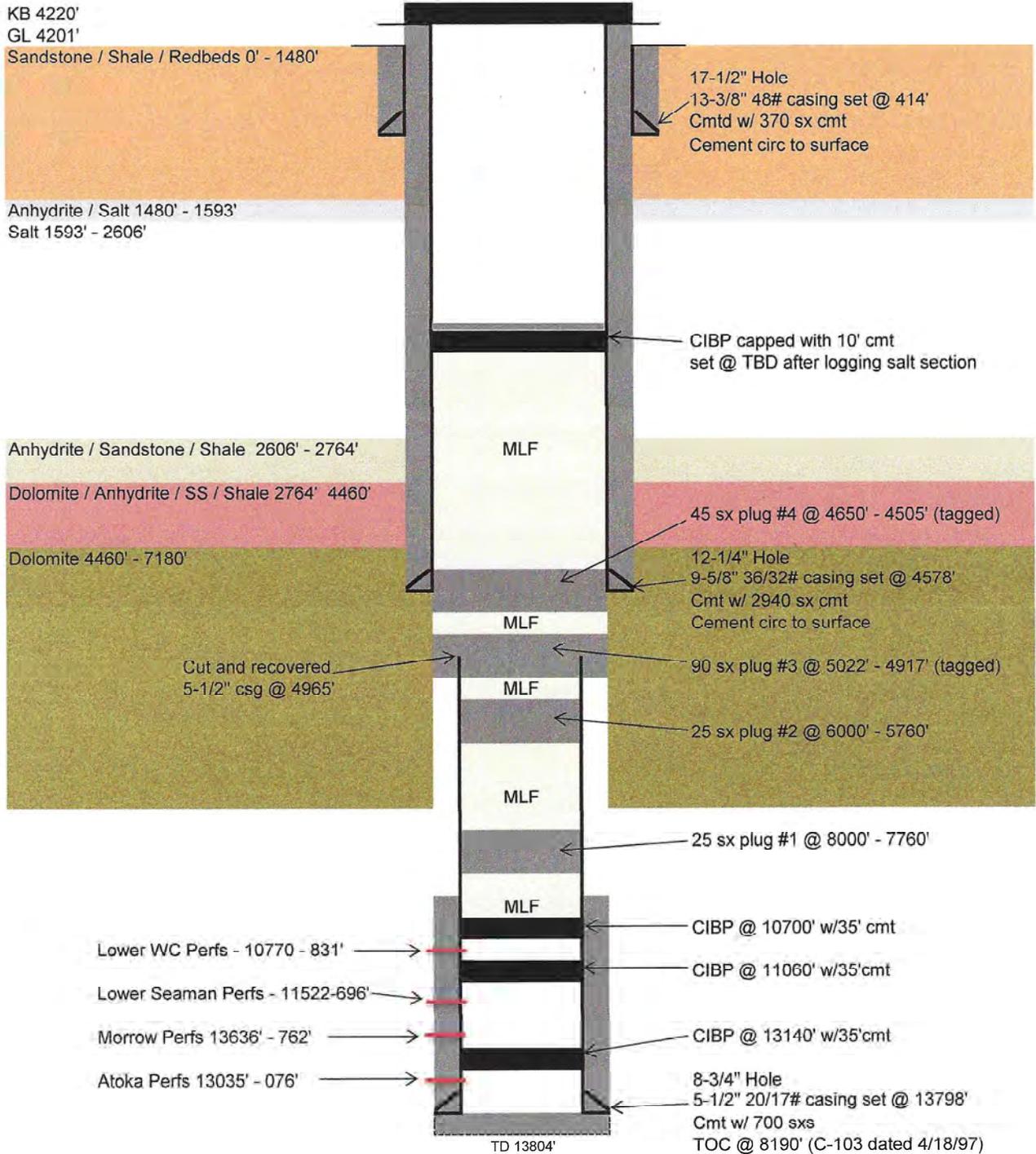
## P&A Well

Llano Disposal, LLC

State 27 #1 P&A

API # 30-025-20592

1980' FSL x 660' FWL, UL 'L', Sec 27, T16S, R33E, Lea County, NM



Drawing Not to Scale

Note: This wellbore diagram represents information obtained from OCD files

# PROPOSED WELLBORE

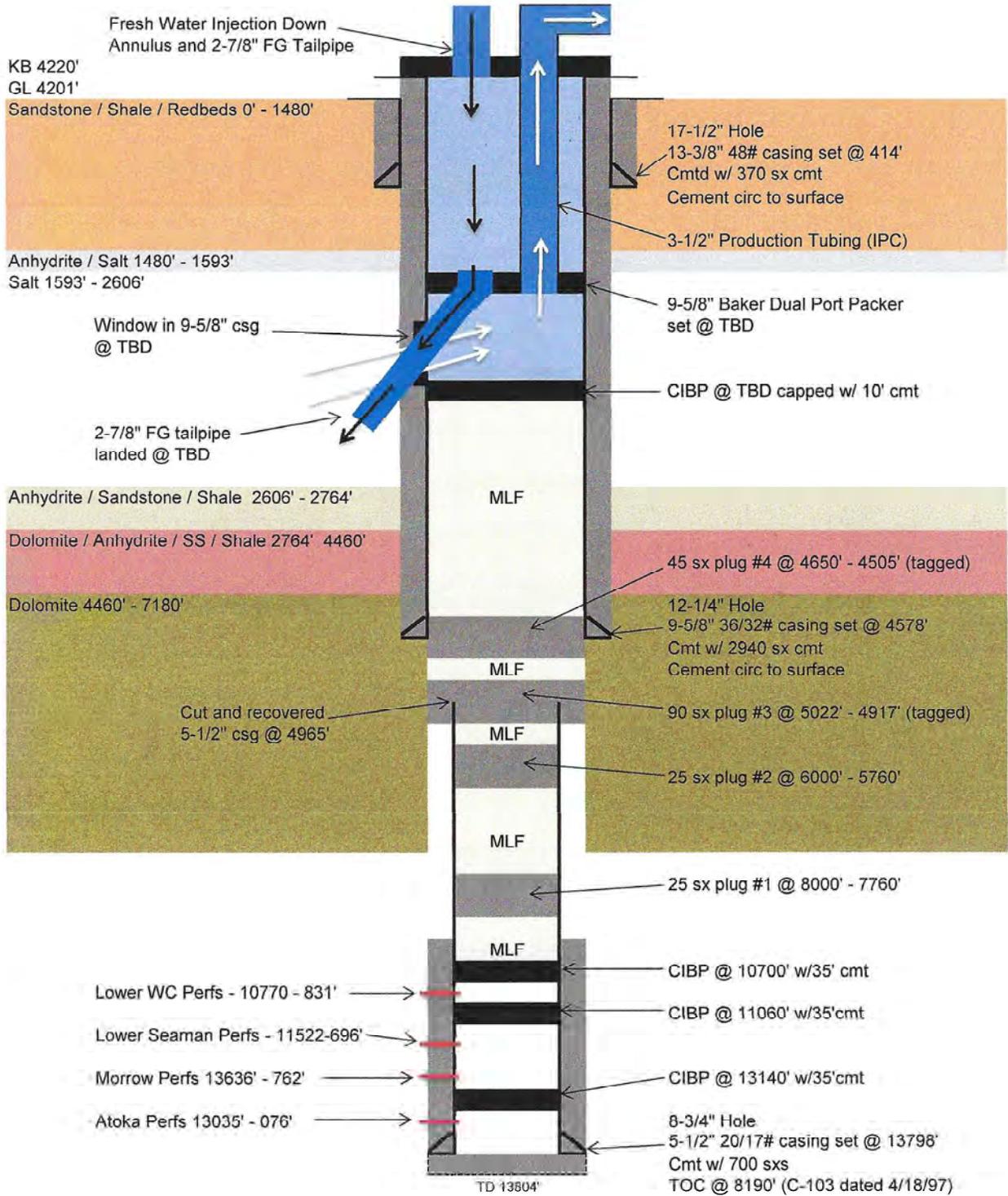
Configured for Brine Service Well

Llano Disposal, LLC

State 27 #1 P&A

API # 30-025-20592

1980' FSL x 660' FWL, UL 'L', Sec 27, T16S, R33E, Lea County, NM



Drawing Not to Scale

Note: This wellbore diagram represents information obtained from OCD files

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, NM 87505

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-20592		<sup>2</sup> Pool Code 96173		<sup>3</sup> Pool Name BSW; Salado	
<sup>4</sup> Property Code		<sup>5</sup> Property Name State 27			<sup>6</sup> Well Number 001
<sup>7</sup> OGRID No. 370661		<sup>8</sup> Operator Name Llano Disposal, LLC			<sup>9</sup> Elevation 4201'

<sup>10</sup> Surface Location

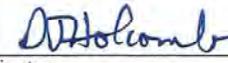
UL or lot no. L	Section 27	Township 16S	Range 33E	Lot Idn	Feet from the 1980	North/South line S	Feet from the 660	East/West line W	County Lea
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<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
(Pending WQCC Discharge Permit BW-38 approval)			

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. 32.8909645,-103.6576157 NAD83 per OCD online well file

	<p><sup>16</sup></p>			<p><b><sup>17</sup> OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p style="text-align: right;">  4/18/2018            Signature Date         </p> <p> <b>Danny J. Holcomb</b> – Agent for Llano Disposal            Printed Name         </p> <p> <b>danny@pwllc.net</b>            E-mail Address         </p>
	<p><b><sup>18</sup> SURVEYOR CERTIFICATION</b> 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.</p> <p style="text-align: center;">See Original Survey dated June 23, 1964 attached</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p style="text-align: center;">See Original Survey dated June 23, 1964 attached</p> <p>Certificate Number</p>			

NUMBER OF COPIES RECEIVED	
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SANTA FE	
FILE	
USER	
LAND OFFICE	
TRANSPORTER	OIL
	BAR
PROBATION OFFICE	
OPERATOR	

**NEW MEXICO OIL CONSERVATION COMMISSION**  
**WELL LOCATION AND ACREAGE DEDICATION PLAT**

FORM C-128  
 Revised 5/1/57

HOBI'S OFF. P. O. C. C.

*Original C-102*

JUN 25 2 53 PM '64

**SECTION A**

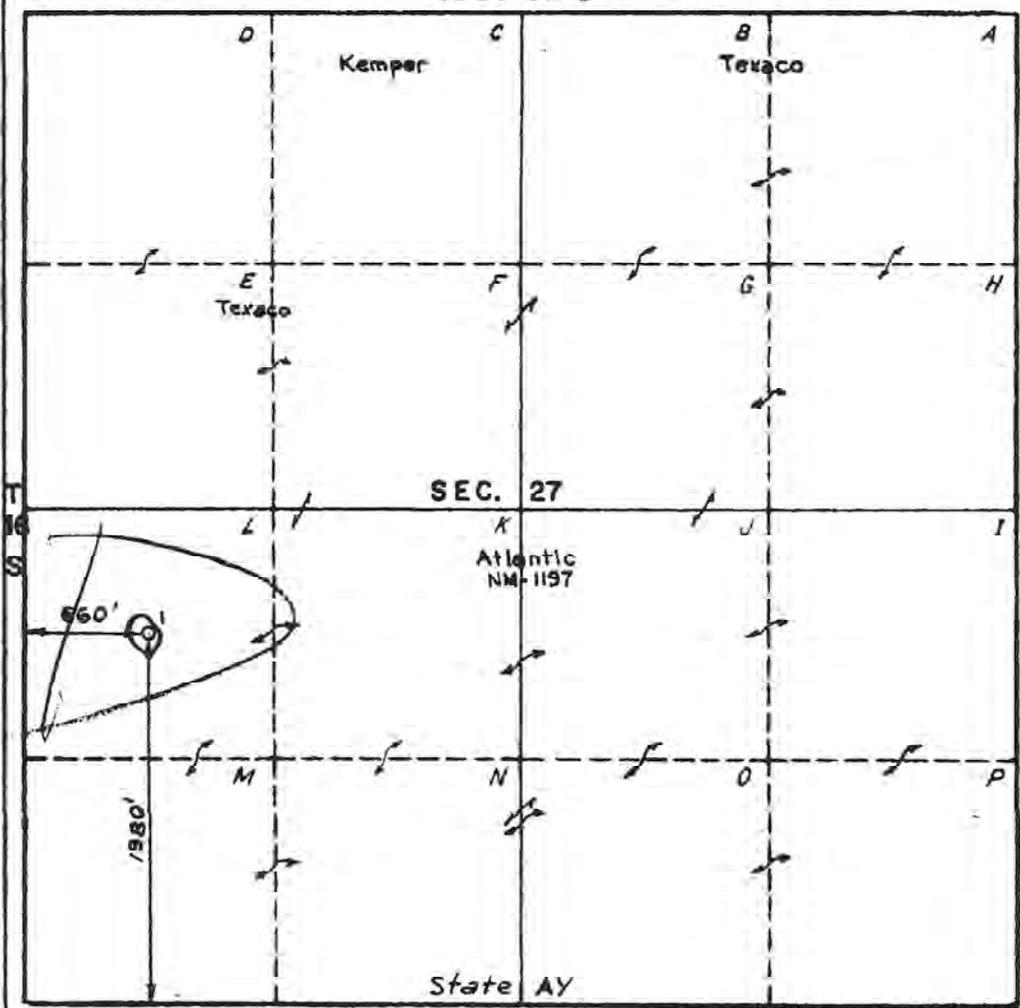
Operator <b>The Atlantic Refining Company</b>		Lease <b>State AY</b>		Well No. <b>1</b>
Unit Letter <b>L</b>	Section <b>27</b>	Township <b>16 South</b>	Range <b>33 East</b>	County <b>Lea</b>
Actual Footage Location of Well: <b>1980</b> feet from the <b>South</b> line and <b>660</b> feet from the <b>West</b> line				
Ground Level Elev.	Producing Formation <b>Permian</b>	Pool <b>NC Exploratory</b>	Dedicated Acreage: <b>40</b> Acres	

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES  NO  "Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1935 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES  NO  If answer is "yes," Type of Consolidation \_\_\_\_\_
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

**R 33E**

**SECTION B**



**CERTIFICATION**

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

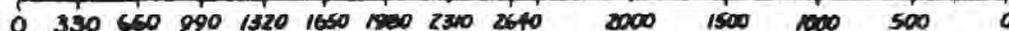
*A. D. Kloxin*  
 Name  
**A. D. Kloxin**  
 Position  
**Dist. Drlg. & Prod. Supt.**  
 Company  
**The Atlantic Refining Co.**  
 Date  
**6-24-64**

I hereby certify that the well location shown on the plat in SECTION B 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 knowledge and belief.

*R. W. Williams*  
 Surveyor  
 The Atlantic Refining Company

Date Surveyed: **6-23-64**

FA10-1283



Submit 1 Copy To Appropriate District Office  
 District I - (575) 393-6161  
 1625 N. French Dr., Hobbs, NM 88240  
 District II - (575) 748-1283  
 811 S. First St., Artesia, NM 88210  
 District III - (505) 334-6178  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV - (505) 476-3460  
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals and Natural Resources

Form C-103  
 Revised July 18, 2013

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

WELL API NO. 30-025-20592
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name State 27
8. Well Number 1
9. OGRID Number 370661
10. Pool name or Wildcat BSW; Salado

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other - PxA Well Re-entry	
2. Name of Operator Llano Disposal, LLC	
3. Address of Operator P.O. Box 190, Lovington, NM 88260	
4. Well Location Unit Letter <u>L</u> : <u>1980</u> feet from the <u>South</u> line and <u>660</u> feet from the <u>West</u> line Section <u>27</u> Township <u>16S</u> Range <u>33E</u> NMPM Lea County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4201' GL	

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

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK  PLUG AND ABANDON   
 TEMPORARILY ABANDON  CHANGE PLANS   
 PULL OR ALTER CASING  MULTIPLE COMPL   
 DOWNHOLE COMMINGLE   
 CLOSED-LOOP SYSTEM   
 OTHER: Re-entry to run CBL, CNL and caliper log

SUBSEQUENT REPORT OF:

- REMEDIAL WORK  ALTERING CASING   
 COMMENCE DRILLING OPNS.  P AND A   
 CASING/CEMENT JOB   
 OTHER:

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

In accordance with discussions with OCD Environmental Bureau, OCD District 1 and SLO, Llano Disposal LLC proposes to re-entry this P&A well to inspect casing for possible conversion to a brine supply well pending WQCC Discharge Permit BW-38 approval:

- 1) Back drag/level location, set anchors, dig out around existing PxA marker, MI welder, cut off PxA marker, reveal good 13-3/8" and 9-5/8" casing, install new casing (if necessary) and well head at ground level.
- 2) MIRU pulling unit, NU BOP, unload and tally 2-7/8" workstring, set 2 frac tanks and fill one with FW. MIRU reverse unit, swivel and stripping head, RIH with 8-3/4" skirted MT bit, bit sub, four 4-3/4" DCs and 2-7/8" workstring, drill cement plug #7 (surface to 30"), plug # 6 (465' - 198') and plug #5 (1600' - 1465') utilizing closed loop system.
- 3) Tag plug #5 at 4505', circulate hole clean, close BOP, test casing to 300#, POOH & LD 2-7/8" workstring, DCs, bit sub and bit.
- 4) MIRU WL, run CBL, CNL and casing caliper log from base of salt at approximately 2606' to surface, RDMO WL.
- 5) ND BOP, install B-1 adaptor, secure and close in well, RDMO pulling unit, reverse unit and tanks.
- 6) Submit CBL, CNL and caliper log to OCD Environmental Bureau (SF) and OCD District 1 (Hobbs) to determine if well is suitable for brine well service. Suspend further well work until additional permitting is approved.

Spud Date:

Rig Release Date:

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

SIGNATURE DJ Holcomb TITLE Agent for Llano Disposal, LLC DATE 4/18/2018

Type or print name Danny J. Holcomb E-mail address: danny@pwllc.net PHONE: 806-471-5628

**For State Use Only**

APPROVED BY: \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

Conditions of Approval (if any): \_\_\_\_\_

## Chavez, Carl J, EMNRD

---

**From:** Marks, Allison, EMNRD  
**Sent:** Wednesday, April 18, 2018 9:40 AM  
**To:** Chavez, Carl J, EMNRD; Griswold, Jim, EMNRD  
**Cc:** danny@pwillc.net; Marvin Burrows  
**Subject:** RE: Llano disposal

I received the LOC for the brine well and reviewed the location and amount with Carl. The LOC and financial assurance is approved as submitted.

Allison R. Marks  
New Mexico Oil Conservation Division  
1220 S. St. Francis Dr.  
Santa Fe, NM 87505  
Tel: (505) 476-3206  
Fax: (505) 476-3462

---

**From:** Chavez, Carl J, EMNRD  
**Sent:** Tuesday, April 17, 2018 2:27 PM  
**To:** Marks, Allison, EMNRD <AllisonR.Marks@state.nm.us>; Griswold, Jim, EMNRD <Jim.Griswold@state.nm.us>  
**Cc:** danny@pwillc.net; Marvin Burrows <burrowsmarvin@gmail.com>  
**Subject:** RE: Llano disposal

Allison:

The WQCC Bond with OCD approved financial assurance amount is for a prospective brine well permit that has yet to be issued. The operator wants to access the plugged well to conduct logging to provide OCD for reuse of the existing well. If the well is permitted, it will be "BW-38."

The operator uses this approach on existing wells for conversion to brine wells. In order to obtain ownership of the plugged wells, the operator obtains bonding, and submits C-101, 102 and 103 Forms to the District for approval. Once approved, they complete the well work to evaluate the condition of the well and make a decision to proceed with a WQCC DP Application.

This well is an interesting one because Paul Kautz (DO1) has identified some PA'd wells within the AOR in need of corrective action to cement the Santa Rosa Fm, which would be a condition of approval for Llano if it proceeds with the application for a brine well.

Please contact me if you have questions. Thank you.

---

**From:** Marks, Allison, EMNRD  
**Sent:** Tuesday, April 17, 2018 2:17 PM  
**To:** Griswold, Jim, EMNRD <[Jim.Griswold@state.nm.us](mailto:Jim.Griswold@state.nm.us)>  
**Cc:** Jones, Brad A., EMNRD <[brad.a.jones@state.nm.us](mailto:brad.a.jones@state.nm.us)>; Chavez, Carl J, EMNRD <[CarlJ.Chavez@state.nm.us](mailto:CarlJ.Chavez@state.nm.us)>; Billings, Bradford, EMNRD <[Bradford.Billings@state.nm.us](mailto:Bradford.Billings@state.nm.us)>  
**Subject:** Llano disposal

I received a bond for \$108k for the State 27 #1 for a discharge permit. Please advise if this is the correct amount and advise what the permit no. is.

Thanks..

Allison R. Marks  
New Mexico Oil Conservation Division  
1220 S. St. Francis Dr.  
Santa Fe, NM 87505  
Tel: (505) 476-3206  
Fax: (505) 476-3462

## Chavez, Carl J, EMNRD

---

**From:** danny@pwllc.net  
**Sent:** Monday, January 8, 2018 2:16 PM  
**To:** Chavez, Carl J, EMNRD  
**Cc:** Marvin Burrows  
**Subject:** Hummingbird State BSW #1 (30-025-25647)  
**Attachments:** Hummingbird State BSW #1 Closure Plan and Financial Assurance Plan Submitted to OCD 010818.docx

Carl,  
Per our telcon last week, Llano Disposal, LLC has multiple brine well applications to file. Last week we discussed the State 4 #1 well just south of Tatum, NM. In addition, Llano is looking at permitting a brine well in the Maljamar area. That well is the SNM 33-16-33 #1 (30-025-25647) which Llano plans to rename to the Hummingbird State BSW #1. It is located just off Hummingbird Road, thus the new name's origin.

I wanted to give you a heads up on this additional well to permit. With Division bonding personnel being out of office in the near future, we would like to obtain your approval for the bond amount for the Hummingbird well and brine station. We propose that it would be the same \$108,000 total amount per the proposed closure plan and financial assurance plan attached.

I figure you will have questions. Just let me know. Also, I'm working on the C-102 and C-103 for this well and would like to set up a time to review them with you. Please advise.

Thank you,  
Danny J. Holcomb  
Cell: 806-471-5628  
Email: [danny@pwllc.net](mailto:danny@pwllc.net)

Submit 1 Copy To Appropriate District Office  
 District I - (575) 393-6161  
 1625 N. French Dr., Hobbs, NM 88240  
 District II - (575) 748-1283  
 811 S. First St., Artesia, NM 88210  
 District III - (505) 334-6178  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV - (505) 476-3460  
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals and Natural Resources

Form C-103  
 October 13, 2009

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

WELL API NO. 30-025-25647
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name SNM 33-16-33
8. Well Number: 001
9. OGRID Number 269324
10. Pool name or Wildcat SANMAL; WOLFCAMP

**SUNDRY NOTICES AND REPORTS ON WELLS**  
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well  Gas Well  Other  **HOBBS OCD**

2. Name of Operator  
LINN OPERATING, INC. **MAY 31 2013**

3. Address of Operator  
600 TRAVIS, SUITE 5100, HOUSTON, TEXAS 77002 **RECEIVED**

4. Well Location  
 Unit Letter \_\_\_\_\_ F: 1980 feet from the \_\_\_\_\_ N line and \_\_\_\_\_ 1980 feet from the \_\_\_\_\_ W line  
 Section 33 Township 16S Range 33E NMPM LEA County

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

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

<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input checked="" 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"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

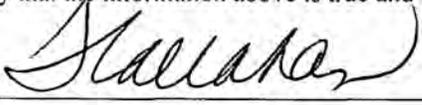
13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

**PLEASE SEE ATTACHED**

Spud Date:

Rig Release Date:

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

SIGNATURE 

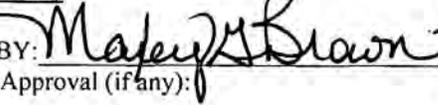
TITLE: REGULATORY COMPLIANCE III DATE MAY 30, 2013

Type or print name TERRY B. CALLAHAN

E-mail address: tcallahan@linenergy.com

PHONE: 281-840-4272

**For State Use Only**

APPROVED BY:   
 Conditions of Approval (if any):

TITLE Compliance Officer DATE 6/3/2013

*T.M.*

JUN 04 2013

SNM 33-16-33 #001  
API #30-025-25647  
ATTACHMENT TO SUNDRY C-103

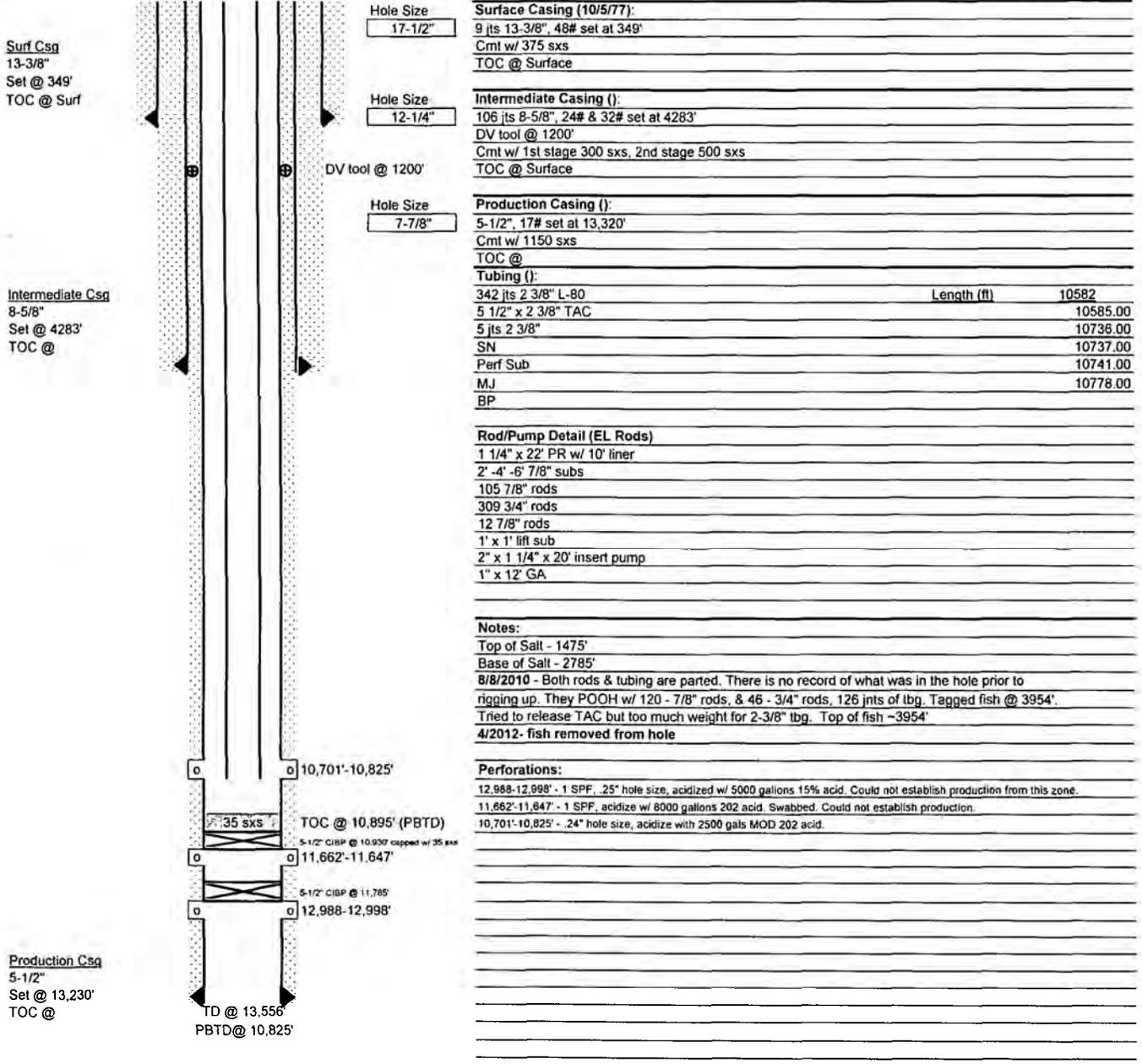
---

1. MIRUPU, ND WH AND NUBOP.
2. RIH W/ WORKSTRING & TAG CIBP CAPPED W/ CMT @ 10,895'.
3. ~~POH AND SPOT 25 SXS CMT @ 10675-10425'. WOG & TAG.~~ *SET CIBP @ 10675. CAP W/ 25 SXS CMT* CIRC HOLE W/ MUD LADEN FLUID.
4. POH AND SPOT 25 SX CMT @ 7860-7910'
5. POH & SPOT 25 SX CMT @ 5900-5650'. POH W/ TBG.
6. PULL STRETCH ON 5-1/2 CSG. CUT CSG & PULL OUT OF HOLE. +/- 4300'.
7. RIH & SPOT 45 SXS PLUG @ ~~4330-4200'~~ <sup>4350'</sup>
8. POH & SPOT 55 SXS @ 2835-2735' (BTM OF SALT)
9. POH & SPOT 55 SX @ 1525-1425' (TOP OF SALT)
- 9B. *SPOT 55 SXS @ 1250'-1150'. (COVERS DV TOOL - 8 5/8 CSG)*
10. POH & SPOT 55 SXS @ 400-300.
11. POH & SPOT 10 SXS SURFACE PLUG.  
*60' - SURFACE*
12. CUT OFF WELLHEAD AND WELD ON GROUND LEVEL "DRY HOLE MARKER".

**Wellbore Schematic**

Well Name: SNM 33-16-33 #1  
 Location: F-33-16S-33E 1980 FNL 1980 FWL  
 LEA COUNTY, NM  
 API #: 30-025-25647  
 Elevations: GROUND: 4212'  
 KB: 4231'  
 Depths (KB): PBTD: 10825'  
 TD: 13556'

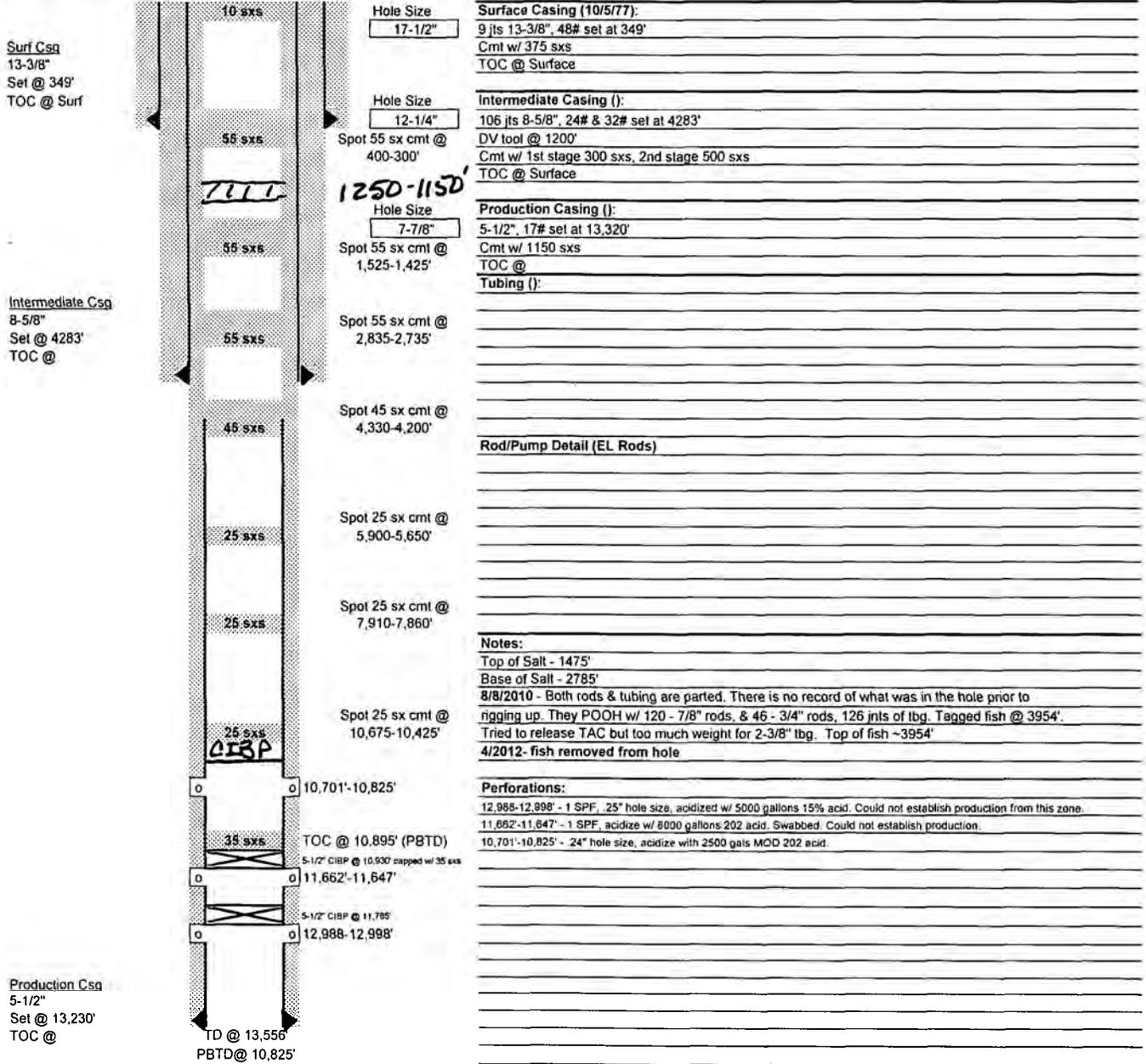
Date Prepared: K. MURPHY  
 Last Updated: 30-Apr-13  
 Spud Date: 5-Oct-77  
 RR Date: \_\_\_\_\_  
 Spud Date to RR Date: \_\_\_\_\_  
 Completion Start Date: \_\_\_\_\_  
 Completion End Date: 15-Jan-78  
 Completion Total Days: \_\_\_\_\_  
 Co-ordinates: \_\_\_\_\_



Proposed Wellbore Schematic

Well Name: SNM 33-16-33 #1  
 Location: F-33-16S-33E 1980 FNL 1980 FWL  
 LEA COUNTY, NM  
 API #: 30-025-25647  
 Elevations: GROUND: 4212'  
 KB: 4231'  
 Depths (KB): PBD: 10825'  
 TD: 13556'

Date Prepared: B. Williams  
 Last Updated: 3-May-13  
 Spud Date: 5-Oct-77  
 RR Date:  
 Spud Date to RR Date:  
 Completion Start Date:  
 Completion End Date: 15-Jan-78  
 Completion Total Days:  
 Co-ordinates:



## Chavez, Carl J, EMNRD

---

**From:** Marvin <burrowsmarvin@gmail.com>  
**Sent:** Thursday, June 21, 2018 3:56 PM  
**To:** Griswold, Jim, EMNRD  
**Cc:** Kautz, Paul, EMNRD; Chavez, Carl J, EMNRD; Danny  
**Subject:** Re: Llano Disposal Telephone Conf. Call BW-38

Thanks fellas. As usual, we sincerely appreciate your guidance and participation as we make our way through these processes.

Marvin  
Llano

Sent from my iPhone

On Jun 21, 2018, at 3:43 PM, Griswold, Jim, EMNRD <[Jim.Griswold@state.nm.us](mailto:Jim.Griswold@state.nm.us)> wrote:

It appears this well is potentially a viable candidate for a brine well under the UIC regulations. Llano may proceed with a formal application under 20.6.2 NMAC. Thanks.

**Jim Griswold**

*Environmental Bureau Chief*  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505  
505.476.3465  
email: [jim.griswold@state.nm.us](mailto:jim.griswold@state.nm.us)

NMAC.

---

**From:** Marvin <[burrowsmarvin@gmail.com](mailto:burrowsmarvin@gmail.com)>  
**Sent:** Thursday, June 21, 2018 2:15 PM  
**To:** Kautz, Paul, EMNRD <[paul.kautz@state.nm.us](mailto:paul.kautz@state.nm.us)>  
**Cc:** Chavez, Carl J, EMNRD <[CarlJ.Chavez@state.nm.us](mailto:CarlJ.Chavez@state.nm.us)>; Danny <[danny@pwillc.net](mailto:danny@pwillc.net)>; Griswold, Jim, EMNRD <[Jim.Griswold@state.nm.us](mailto:Jim.Griswold@state.nm.us)>  
**Subject:** Re: Llano Disposal Telephone Conf. Call BW-38

In addition, our flow scheme allows that only fresh water be conducted by the casing/tubing annulus, giving yet another level of GW protection, and one not offered by other BSW designs.

M

Sent from my iPhone

On Jun 21, 2018, at 2:07 PM, Kautz, Paul, EMNRD <[paul.kautz@state.nm.us](mailto:paul.kautz@state.nm.us)> wrote:

It would be great if the cement on the 9 5/8 was at the surface, because you would have additional protection supposedly however that is not a guarantee. In this case the cement on the 9 5/8 is at 250 feet and the 13 3/8 is set 414 feet. The cement tied back into the next higher string (Surface String) by 164 feet. The ground water in the lower

portion by 2 strings of pipe and two layers of cement. Above 250 feet the ground water is protected by 2 layers of pipe and one layer of cement.

Paul Kautz  
Hobbs District Geologist  
Energy Minerals Natural Resources Dept.  
Oil Conservation Division  
1625 N. French Dr.  
Hobbs, NM 88240  
575-393-6161 ext. 104

---

**From:** Marvin <[burrowsmarvin@gmail.com](mailto:burrowsmarvin@gmail.com)>  
**Sent:** Thursday, June 21, 2018 1:45 PM  
**To:** Chavez, Carl J, EMNRD <[CarlJ.Chavez@state.nm.us](mailto:CarlJ.Chavez@state.nm.us)>  
**Cc:** Danny <[danny@pwillc.net](mailto:danny@pwillc.net)>; Griswold, Jim, EMNRD <[Jim.Griswold@state.nm.us](mailto:Jim.Griswold@state.nm.us)>; Kautz, Paul, EMNRD <[paul.kautz@state.nm.us](mailto:paul.kautz@state.nm.us)>  
**Subject:** Re: Llano Disposal Telephone Conf. Call BW-38

Carl :  
From the schematic, note the depth of the surface casing. When the well was initially drilled, they were required to run and set surface casing to a depth well below GW. Cement was circulated on the surface pipe (13 3/8). TOC on the 9 5/8 was well up inside the 13 3/8. We called that "tied in". I'm sure that's why Paul gave it a thumbs up.  
M

Sent from my iPhone

On Jun 21, 2018, at 1:00 PM, Chavez, Carl J, EMNRD <[CarlJ.Chavez@state.nm.us](mailto:CarlJ.Chavez@state.nm.us)> wrote:

Marvin:

OCD- SF will double-check with Paul on this. OCD-SF noticed the TOC of 250 ft. as I recall, and there was concern that there may be no cement present to protect the fresh water zone(s).

OCD- SF will get back with you if we believe a meeting with the diagrams, etc. in front of us is still needed communication purposes.

Thank you.

---

**From:** Marvin <[burrowsmarvin@gmail.com](mailto:burrowsmarvin@gmail.com)>  
**Sent:** Thursday, June 21, 2018 12:37 PM  
**To:** Chavez, Carl J, EMNRD <[CarlJ.Chavez@state.nm.us](mailto:CarlJ.Chavez@state.nm.us)>  
**Cc:** Danny <[danny@pwillc.net](mailto:danny@pwillc.net)>  
**Subject:** Re: Llano Disposal Telephone Conf. Call BW-38

Carl, if I remember right, we did telcon w Jim. Paul couldn't make it, so we asked him for later comment on the logs. That next week, Paul

stated that all looked good, and he had no objections to use of the well. Since that time, we have just been waiting on the OK to proceed w the app.  
M

Sent from my iPhone

On Jun 21, 2018, at 11:29 AM, Chavez, Carl J, EMNRD <[CarlJ.Chavez@state.nm.us](mailto:CarlJ.Chavez@state.nm.us)> wrote:

It appears that OCD's E-mail system did not send out the meeting with documents notice to the recipients after I transmitted on 6/1/2018. I apologize for the inconvenience, since the meeting was supposed to occur with recipient access to documents, diagrams, etc. to occur on Thursday 6/7 during my absence.

I would be glad to alter the date so a new meeting will be scheduled with all documents included for the meeting. Let me know your schedules?

Thx.

---

**From:** Marvin <[burrowsmarvin@gmail.com](mailto:burrowsmarvin@gmail.com)>  
**Sent:** Thursday, June 21, 2018 11:01 AM  
**To:** Chavez, Carl J, EMNRD <[CarlJ.Chavez@state.nm.us](mailto:CarlJ.Chavez@state.nm.us)>  
**Cc:** Danny <[danny@pwllc.net](mailto:danny@pwllc.net)>  
**Subject:** Re: Llano Disposal Telephone Conf. Call BW-38

Carl :

I responded to your email that Danny had taken some time off, and that he was going to let us know when he was back in the saddle. I'll check w/ him and will get back with you.

Thanks,  
M

Sent from my iPhone

On Jun 21, 2018, at 11:48 AM, Chavez, Carl J, EMNRD <[CarlJ.Chavez@state.nm.us](mailto:CarlJ.Chavez@state.nm.us)> wrote:

Marvin:

What happened to the 6/7 meeting I setup?

Thank you.

---

**From:** Marvin <[burrowsmarvin@gmail.com](mailto:burrowsmarvin@gmail.com)>  
**Sent:** Tuesday, June 19, 2018 10:32 AM  
**To:** Chavez, Carl J, EMNRD

<[CarlJ.Chavez@state.nm.us](mailto:CarlJ.Chavez@state.nm.us)>

Cc: [danny@pwllic.net](mailto:danny@pwllic.net); Griswold, Jim,  
EMNRD <[Jim.Griswold@state.nm.us](mailto:Jim.Griswold@state.nm.us)>;  
Kautz, Paul, EMNRD  
<[paul.kautz@state.nm.us](mailto:paul.kautz@state.nm.us)>

**Subject:** Re: Llano Disposal Telephone  
Conf. Call BW-38

Carl :

Danny has taken a few days off, but will  
be back soon. As soon as he is available,  
we'll start coordinating all participants  
for the call. Thanks!  
Marvin.

Sent from my iPhone

On Jun 19, 2018, at 10:55 AM, Chavez,  
Carl J, EMNRD  
<[CarlJ.Chavez@state.nm.us](mailto:CarlJ.Chavez@state.nm.us)> wrote:

Gentlemen:

See APD for well  
diagram. Included  
herein are the logs to  
discuss for meeting and  
photos of the well  
provided by Marvin at  
the well re-work site.

Tentative Agenda:

- 1) Intro. (see APD  
for well bore  
diagram) and  
Marvin's  
Photos of the  
Well Re-work
  - a. Same  
well  
constru  
ction  
design  
and  
flow  
regime  
as BW-  
37?
- 2) Caliper, CBL  
(TOC at 250 ft.)  
and CNL (top of

- salt at 1,650  
ft.?)
- 3) Well issues  
based on  
logging?
  - 4) Path Forward
  - 5) Miscel.
  - 6) End

Llano will provide call in  
codes or call you  
directly to add you to  
phone line for  
conference call.

Thank you.

<mime-attachment.ics>

<llano disposal state 27  
#1 CIL 100 DPI.PDF>

<llano disposal state 27  
#1 CNL 100 DPI.PDF>

<llano disposal state 27  
#1 RCBL 100 DPI.PDF>

<Logs Meeting Memo  
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<image1.jpeg>

<image4.jpeg>

<image2.jpeg>

<image3.jpeg>

<APD Pkg Submitted to  
OCD-Hobbs  
041818.pdf>

**Griswold, Jim, EMNRD**

---

**From:** dvr burrows <dvrburrows@gmail.com>  
**Sent:** Tuesday, June 12, 2018 4:05 PM  
**To:** Griswold, Jim, EMNRD  
**Subject:** State 27 # 1.

Jim ;

Sorry, but in my last email I forgot to mention Mr. Holm's comment on deviation below top of salt at the State 27 # 1 (east of Maljamar). I pointed out that the casing above our window depth is straight, and very typical for such large pipe. Also pointed out that we would not be using any portion of the existing well below window depth, and that in fact it would be isolated below a CIBP w/ cement cap.

Thanks again.

Marvin

Sent from my iPad

## Griswold, Jim, EMNRD

---

**From:** Martin, Ed <emartin@slo.state.nm.us>  
**Sent:** Tuesday, June 12, 2018 2:01 PM  
**To:** Griswold, Jim, EMNRD  
**Cc:** Riley, Laura; 'Marvin Burrows'; Yates, Jack; Holm, Anchor E.; Khalsa, Niranjan K.  
**Subject:** FW: Llano Disposal, LLC Salt Mineral Lease Application HS-0012-0  
**Attachments:** HS-0012-0 Application.pdf; Anchor Holm HS-0012-0 Well Concerns.pdf

The New Mexico State Land Office intends to process this lease application, but wishes to inform the NMOCD that we have concerns about the brine well and its operations. Please see the attachment showing our technical concerns in this case. Ultimate regulatory approval is in the purview of the NMOCD.

If you have any questions, do not hesitate to contact me.

**From:** Yates, Jack  
**Sent:** Monday, June 11, 2018 2:59 PM  
**To:** Martin, Ed <emartin@slo.state.nm.us>  
**Subject:** Llano Disposal, LLC Salt Mineral Lease Application HS-0012-0

Ed,

We have received a Salt Mineral Lease application from Llano Disposal which we have assigned Lease Number HS-0012-0. Minerals Section is preparing lease documents to be sent out for signatures. However, Anchor Holm has done a well review of this location and has some concerns.

Attached is a copy of the application as well as Anchor's Memo stating the well concerns.

Thanks,

-Jack

**Jack Yates**  
*Minerals Manager*  
*Oil, Gas and Minerals Division*  
505.827.5750  
New Mexico State Land Office  
310 Old Santa Fe Trail  
P.O. Box 1148  
Santa Fe, NM 87504-1148  
[jyates@slo.state.nm.us](mailto:jyates@slo.state.nm.us)  
[nmstatelands.org](http://nmstatelands.org)



.....  
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Oil Gas & Mineral Division  
New Mexico State Land Office  
Commissioner Aubrey Dunn

May 15, 2018

To: Jack Yates, Minerals Manager  
From: Anchor E. Holm, Geoscientist/Petroleum Engineering Specialist  
RE: Llano Disposal, LLC – Proposed State 27#1 Brine Well ReEntry.

State Land Office Concerns:

1. Ogallala Ground Water will be put at risk (see: Geology and Hydrology).
2. Use of a plugged and abandoned wellbore (drilled in 1964) is not reasonable nor currently being done in New Mexico. Cutting a sidetrack window in a 54 year old casing string to access the salt beds will be mechanically of high risk and extremely difficult to effectively plug and abandon in the future.
3. The current application lacks the wellbore design including the casing window to be cut, method of cutting, tubing sizes, and downhole control systems. No plan of operation was included in the application. Any design of the proposed wellbore for brine production must be prepared and signed by a New Mexico Licensed Professional Engineering with petroleum engineering drilling and completion expertise. In the past, successful brine wells have been new drill wellbores. This new wellbore method controls the mechanical integrity of the wellbore to the maximum extent possible. Additionally, the new wellbore will not penetrate any of the formations below the salt beds, and will not compromise the natural salt barrier preventing vertical flows from deeper oil and gas zones.
4. The deviation encountered in the wellbore of the State 27#1 exceeded 1 degree at 1,350' of depth, ranging from 2 to 3 until a depth of 2,355', then again ranging from 2 to 4 degrees until 4,000'. This is a very crooked hole as compared to all offset wells within one mile, which had deviations of 1 degree or less. Thus, the actual location and verticality of the casing in the vertical section of interest of the planned casing window for brine production will need to be determined by running a wellbore directional survey by a licensed surveying company.



Oil Gas & Mineral Division  
New Mexico State Land Office  
Commissioner Aubrey Dunn

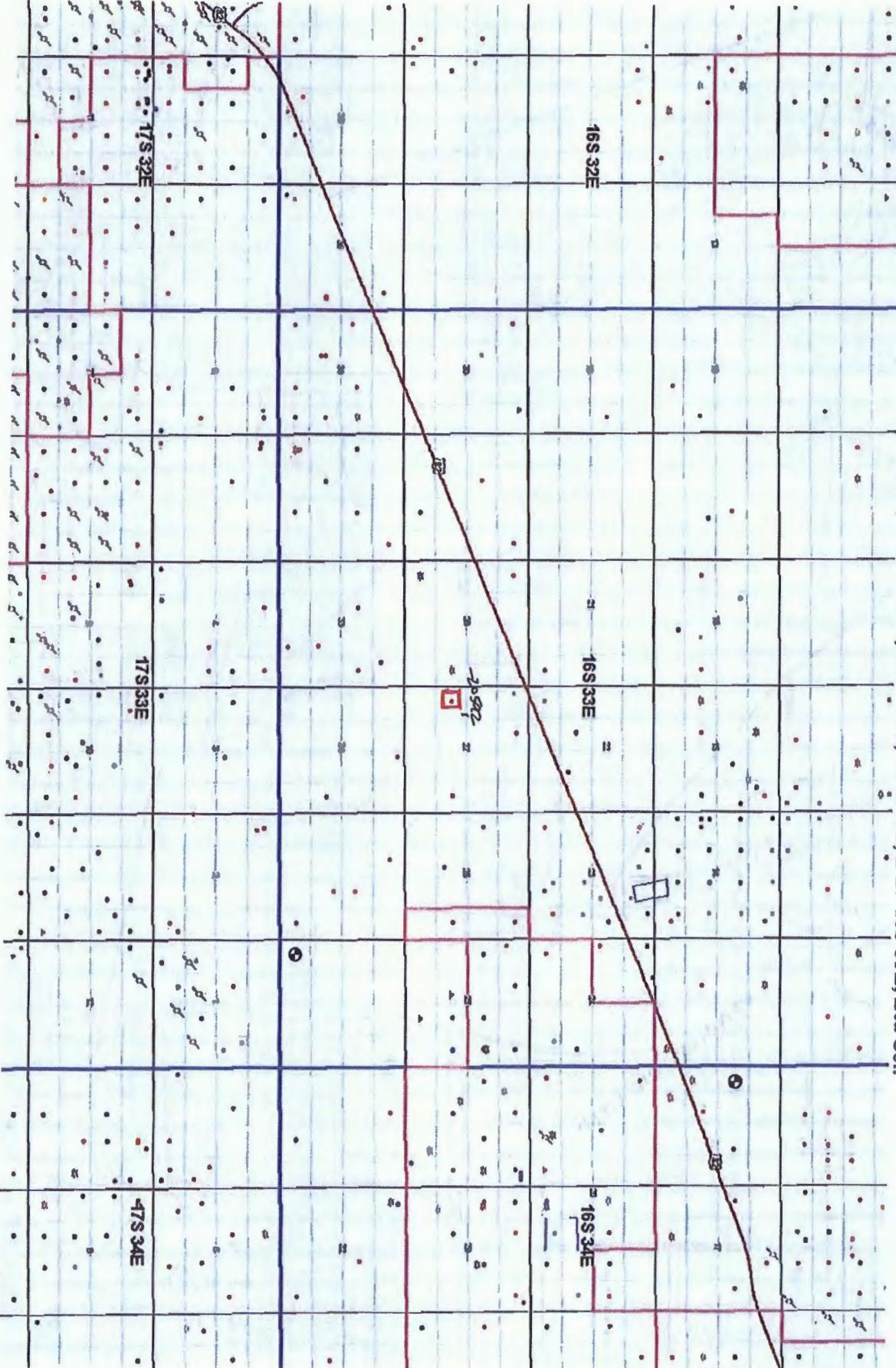
5. The 1964 intermediate casing was reported as being new 9-5/8", ODSR, 32.3# & 36# combination casing. No report as to centralizers used, only the float shoe and float collar. The casing was cemented with 2690 sacks of 1:1 mix Incor-Diamix plus 8% gel and 2% CaCl, tailed in with 250 sacks of Incor neat cement. Cement was reported as circulated, but no volume of cement circulated was reported. This currently 54 year old casing and cement placed in a crooked hole is suspect as to internal and external corrosion, plus the quality of cement placement around the casing string. As a result of the crooked hole, the quality of the 1964 cement job is very questionable. Thus, a cement bond log (CBL) is needed from the plugback total depth 4,505' to the surface and a casing integrity log capable of measuring the internal and external remaining casing wall thickness should be required.
6. Submittal of CBL, CNL, Caliper, Wellbore Directional Survey, and Wall Thickness logs from 0' to 4,505' of depth shall include the State Land Office for review and approval of any brine easement.

Geology and Hydrology:

- a. At the Surface, the Ogallala formation outcrops and contains several sink holes which appear to be locally recharging the Ogallala aquifer. The well site is located on the southern edge of a southeasterly trending drainage discharging into a large sink hole about ¾ miles away.
- b. The western edge of the Ogallala (Mescalero Ridge or Llano Estacado) is located approximately six miles to the Southwest from the proposed well site. As a result, the saturated thickness of the Ogallala aquifer is likely less than 100 feet. No irrigation wells are located within five miles of this proposed brine well. This suggests that the saturated thickness of the Ogallala aquifer at this site is less than 50 feet.
- c. Water Easements have been issued by the State Land Office to the City of Carlsbad, the Maljamar Water System, LLC and ConocoPhillips Company. These water easements are located from 660 feet to over a mile from the proposed brine well. It appears that the two municipalities are using the very good Ogallala water in the area surrounding the proposed brine well. These water easements must be protected from any brine spills, or downhole failure causing sink hole to erupt at the well site compromising the Ogallala aquifer water quality and causing loss of ground water downhole.
- d. Three (3) domestic/stock water wells are present within two miles of this proposed brine well. One of the water wells is located along the sink hole drainage trend connected to the well site. As a result it should be considered a primary point of exposure caused by any brine spillage that flows off site. The other two water wells are located on strike with the Ogallala formation and aquifer water table relative to the proposed brine well site. Thus, they are appear to be secondary brine spill exposure risk sites.
- e. The likely source of fresh water for mining the salt is the Ogallala aquifer. This use would be 100% consumptive and have limited value to the State Land Trust. Additionally, diversion of municipal water supplies for a consumptive use will likely be a drain on the water supply of any municipality involved with no reuse potential.



Llano Disposal, LLC - State 27#1 Brine Well ReEntry (30-025-20592) 1980°FSL, 660°FWL, L-27-16S-33E, Lea Co.:



**NEW MEXICO STATE LAND OFFICE  
APPLICATION FOR A RULE 4 (19.2.4 NMAC)  
SALT LEASE ON STATE TRUST LAND**

FOR LAND OFFICE USE ONLY

Lease No.: HS-12-0

New:  Renewal:

STID No.: 3706661

Phone: \_\_\_\_\_

TO: Commissioner of Public Lands  
Post Office Box 1148  
Santa Fe, New Mexico 87504-1148      Date of Application: May 25, 2018

FROM: Llano Disposal, LLC (Company Name)  
Darr Angell (Contact Name)  
P.O. Box 250 (Street Address/PO Box)  
Lovington, NM 88260 (City, State, Zip)  
(575) 704-2777 (Phone #)  
angelllauram@gmail.com (Email Address)

I, Llano Disposal, LLC, whose address  
(Company / Corporation Name)

is listed above, am a citizen, or eligible to become a citizen of the United States, over the age of twenty-one years (or a corporation qualified to do business in New Mexico) do hereby make application for a mineral lease for the exploration, development and production of Salt (NaCl) upon the following described lands, or such portion thereof as may be available for leasing, situated in the County of Lea, State of New

Mexico:  
Subdivision NW/4 SW/4      Section 27      Township 16 South      Range 33 East

containing 40 acres, more or less; and do tender as first annual rental, the sum of \$1.00 per acre (\$40.00 minimum) together with an application fee of \$250.00. The appraised value of this land for mineral purposes is purely speculative (state actual value, if known; if speculative, insert the words "purely speculative"). Attached is a sworn appraisal of the land and minerals by a disinterested party familiar with the land. The estimated tonnage or amount to be produced and general plan of operations are as follows:  
Estimated amount produced: 1,000 bbl. per day, 70 lbs. salt per bbl., 35 tons salt per day, 1,050 tons salt per month.

Operational Plan: Circulate fresh water owned by Llano Disposal, LLC into the Salado formation at 1700 ft BGL to the Brine Sales Facility

**Cultural Resource Protection:**

Please indicate that you (Applicant) have read the Threatened & Endangered Species and Cultural Resources Notice to Applicants and that you understand and agree to abide by the terms and conditions set forth therein.      Yes X      No \_\_\_\_\_

An Archaeological Survey is strongly recommended. If no survey is provided an Archaeological Records Management Section Inspection (ARMS Inspection) in accordance with NMAC 4.10.15.9 is required. If the ARMS Inspection is not provided by the applicant, the Land Office will provide the ARMS Inspection in the order applications are received.

NOTE TO APPLICANTS: Completion and submission of this lease application does NOT constitute issuance of a lease by the New Mexico State Land Office. The application fee is non-refundable. Any other payments submitted with this application will be deposited in a suspense account as provided by law and do not obligate the Commissioner of Public Lands to issue a lease. Rental payments are subject to refund if the application is denied.      Rev. 7-1-2016

FEES      4 NMSLO 001-00000      LAND SUSPENSE      3 NMSLO 001-00000  
70    0 07-JUN-18 11:14      250.00      69    0 07-JUN-18 11:14      40.00

An Archaeological Survey is attached with a cover page labeled:

Confidential Exhibit \_\_\_\_\_.

Yes \_\_\_\_\_ No X \_\_\_\_\_

An ARMS Inspection is attached with a cover page labeled:

Confidential Exhibit \_\_\_\_\_.

Yes \_\_\_\_\_ No X \_\_\_\_\_

The Applicant would like the NMSLO to provide the ARMS Inspection:

Yes \_\_\_\_\_ No X \_\_\_\_\_

**Shape Files:**

Shape Files are optional with all applications.

Shape Files for this project are available: Yes \_\_\_ No X \_\_\_\_\_

If yes, the NMSLO lease analyst will contact you at the address you provide:

Applicant Shape File Custodian (email contact information): \_\_\_\_\_

2018 JUN 7 AM 9 03

I, Llano Disposal, LLC. the above applicant, do solemnly swear, or \_\_\_\_\_  
(Company / Corporation Name)

affirm, that each and every statement made in this application is true and correct to the best of my knowledge and belief.

Llano Disposal, LLC  
Applicant

By: [Signature]  
Attorney in Fact or Authorized Agent

\_\_\_\_\_  
Manager  
(Title of Authorized Agent)

NOTE TO APPLICANTS: Completion and submission of this lease application does NOT constitute issuance of a lease by the New Mexico State Land Office. The application fee is non-refundable. Any other payments submitted with this application will be deposited in a suspense account as provided by law and do not obligate the Commissioner of Public Lands to issue a lease. Rental payments are subject to refund if the application is denied.

Rev. 7-1-2016

Complete this section if representing yourself as an individual.

**ACKNOWLEDGMENT IN AN INDIVIDUAL CAPACITY**

State of \_\_\_\_\_

County of \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_ 20\_\_\_\_ by \_\_\_\_\_  
(date) (name(s) of person(s))

Signature of Notarial Officer \_\_\_\_\_

Printed Name: \_\_\_\_\_  
(Notary)

My commission expires: \_\_\_\_\_

2018 JUN 7 7 AM 9 03

(Seal)

Complete this section if representing another individual or company.

**ACKNOWLEDGMENT IN A REPRESENTATIVE CAPACITY**

State of NM

County of Sea

This instrument was acknowledged before me on 5-25-18 (date) by

Dave Angelo (name(s) of person(s))

as Manager (type of authority, e.g., officer, trustee, etc.) of

Flano Disposal, LLC  
(name of party on behalf of whom instrument was executed.)

Rachel Smith  
Signature of Notarial Officer

Printed Name: Rachel Smith  
(Notary)

My commission expires: 4-3-22



OFFICIAL SEAL  
RACHEL SMITH  
NOTARY PUBLIC State of New Mexico

My Commission Expires 4-3-22

(Seal)

NOTE TO APPLICANTS: Completion and submission of this lease application does NOT constitute issuance of a lease by the New Mexico State Land Office. The application fee is non-refundable. Any other payments submitted with this application will be deposited in a suspense account as provided by law and do not obligate the Commissioner of Public Lands to issue a lease. Rental payments are subject to refund if the application is denied.

Rev. 7-1-2016

To: Ed Martin  
Acting Assistant Commissioner  
New Mexico State Land Office  
Post Office Box 1148  
Santa Fe, New Mexico 87504-1148

From: Llano Disposal, LLC  
PO Box 250  
Lovington, NM 88260

Date: May 25, 2018

Subject: Brine Well Application – Pricing Structure  
NW/4 SW/4 of Section 27, Township 16 South, Range 33 East  
State 27 #1  
API No. 30-025-20592

2018 JUN 7 9:03 AM

---

Llano plans to charge the customer \$2.00 per barrel of brine water sold and expects production to be approximately 30,000 barrels per month.

Llano proposes to pay royalty to the State Land Office at a rate of \$.0333 per barrel sold and expects a monthly payment to the Land Office of \$999 for 30,000 barrels.



## Chavez, Carl J, EMNRD

---

**To:** Marvin; Brown, Maxey G, EMNRD; Whitaker, Mark A, EMNRD  
**Cc:** Dannys (Elec And Permitting both); darrangell@gmail.com; Griswold, Jim, EMNRD; Kautz, Paul, EMNRD  
**Subject:** RE: Llano Disposal, LLC, State 27 # 1.

Marvin:

Good morning. I want to be sure to remind Llano, if based after this log work and OCD of the well for brine well conversion, it decides to move forward with reconstruction of the well into a Brine Well, Llano will need to definitely coordinate and schedule this MIT after well reconstruction with OCD- Hobbs.

Thank you for the update. Good luck!

-----Original Message-----

From: Marvin <burrowsmarvin@gmail.com>

Sent: Tuesday, May 15, 2018 7:27 AM

To: Brown, Maxey G, EMNRD <MaxeyG.Brown@state.nm.us>; Whitaker, Mark A, EMNRD <MarkA.Whitaker@state.nm.us>

Cc: Dannys (Elec And Permitting both) <danny@pwllc.net>; darrangell@gmail.com; Chavez, Carl J, EMNRD <CarlJ.Chavez@state.nm.us>

Subject: Llano Disposal, LLC, State 27 # 1.

Maxey/Mark :

I've finally managed to coordinate a workover rig and reverse unit to be on our State 27 # 1. We'll rig up today, then start work first thing in the morning. Per earlier C-103, we'll re-enter 9 5/8 casing to about 4500' (cement plug), then run logs (caliper, CNL, and CBL), to determine suitability of wellbore for BSW service. Will pressure test casing to 500 psi for 30 min.

State 27 # 1 : API 30-025-20592. L-27-16-33. About 5 miles east of Maljamar, turn south at Angell Ranch sign. Go to pipe corrals on left. Go through gate on left, go north then east to rig (Lucky).

Marvin

Sent from my iPhone

## Chavez, Carl J, EMNRD

---

**From:** Marvin <burrowsmarvin@gmail.com>  
**Sent:** Monday, May 14, 2018 9:10 AM  
**To:** Chavez, Carl J, EMNRD  
**Subject:** Re: Interest only.

Carl :

Sorry, I just saw your email. What this picture shows is the bucket arm of the backhoe digging down into the original cellar (yellow) to find where the pluggers cut off the wellhead when the well was plugged. It's customary to cut the casing off below the wellhead so that the expensive head can be used at another drilling location. If you look at the largest diameter pipe at the bottom of the hole, you will see that it's surrounded by dark cement. I'm always happy to see that, as it tells me for sure that cement was circulated to surface on the surface (shallow) string. That cement is what protects our gw. The pipe you see sticking up out of the cellar is just a length of 4" pipe that they welded all legal information onto. It rose about 5' above ground level so that all the information (legal location, company, well name, API number, etc) could be read by any person interested. At this point in the picture, we could look inside the 13 3/8 surface pipe and see the cut off 9 5/8" casing, which also had cement around it. Again, seeing that cement was proof that they did indeed circulate cement on the 9 5/8 casing string. Many, many wells didn't have cement circulated to surface on the casing strings. Those are usually nothing but trouble, as the casing can be exposed to corrosive waters, etc. Cement is definitely our friend.

M

Sent from my iPhone

> On May 1, 2018, at 9:15 AM, Chavez, Carl J, EMNRD <CarlJ.Chavez@state.nm.us> wrote:

>

> Marvin:

>

> Good morning. Bit hungup on boulder?

>

> -----Original Message-----

> From: Marvin <burrowsmarvin@gmail.com>

> Sent: Tuesday, May 1, 2018 9:12 AM

> To: Chavez, Carl J, EMNRD <CarlJ.Chavez@state.nm.us>

> Cc: Dannys (Elec And Permitting both) <danny@pwillc.net>

> Subject: Interest only.

>

>

>

## Chavez, Carl J, EMNRD

---

**From:** Marvin <burrowsmarvin@gmail.com>  
**Sent:** Thursday, May 3, 2018 8:44 AM  
**To:** Chavez, Carl J, EMNRD  
**Cc:** Clayton; Dannys (Elec And Permitting both)  
**Subject:** St 27 # 1, re-entry.  
**Attachments:** image1.jpeg; ATT00001.txt; image2.jpeg; ATT00002.txt; image3.jpeg; ATT00003.txt; image4.jpeg; ATT00004.txt

Interest only.









## Chavez, Carl J, EMNRD

---

**From:** Marvin <burrowsmarvin@gmail.com>  
**Sent:** Tuesday, May 1, 2018 9:12 AM  
**To:** Chavez, Carl J, EMNRD  
**Cc:** Dannys (Elec And Permitting both)  
**Subject:** Interest only.  
**Attachments:** image1.jpeg; image3.jpeg; ATT00001.txt





## Chavez, Carl J, EMNRD

---

**From:** danny@pwllc.net  
**Sent:** Wednesday, April 18, 2018 10:33 AM  
**To:** Kautz, Paul, EMNRD  
**Cc:** Chavez, Carl J, EMNRD; Marvin Burrows  
**Subject:** BW-38 - State 27 #1 (30-025-20592)  
**Attachments:** APD Pkg Submitted to OCD-Hobbs 041818.pdf

Paul,

Attached is an electronic copy of a C-101, C-102 and C-103 for the subject well. The hard copies are being mailed to you today. As Carl has previously advised, Llano Disposal LLC's bonding for this well was approved today by Ms. Allison Marks. The C-103 is requesting approval to re-enter the well, drill out the top three plugs and obtaining logs (CBL, CNL, casing inspection) for further evaluating this well for possible brine service under pending BW-38.

If you have any questions, please let me know.

Thank you,

Danny J. Holcomb

Agent for Llano Disposal, LLC

Cell: 806-471-5628

Email: [danny@pwllc.net](mailto:danny@pwllc.net)

Holcomb Consultants  
6900 Spring Cherry Lane  
Amarillo, Texas 79124

April 18, 2018

NMOCD District 1  
1625 N. French Drive  
Hobbs, New Mexico 88240  
Attn: Mr. Paul Kautz

Re: State 27 #1 – API# 30-025-20592  
L-27-16S-33E, Lea County, New Mexico

Dear Mr. Kautz,

Per Llano Disposal LLC's separate meetings with you and the Environmental Bureau referencing the subject well, attached are copies of a C-101, C-102 and C-103 to provide Llano access to this wellbore for brine well evaluation. The C-103 requests permission to drill out the top three plugs in this well in order to obtain a casing bond log, compensated neutron log and caliper log. This work was agreed upon by Mr. Jim Griswold and Mr. Carl Chavez of the Environmental Bureau during discussions to consider this well for possible conversion to brine well service.

Bonding for this well was approved today by Ms. Allison Marks. If you have any questions concerning any of these forms, please let me know. Thank you in advance for your consideration.

Sincerely,



Danny J. Holcomb  
Agent for Llano Disposal, LLC  
Email: [danny@pwllic.net](mailto:danny@pwllic.net)  
Cell: 806-471-5628

Attachments

cc: Mr. Carl Chavez – OCD Environmental Bureau

**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

Form C-101  
Revised July 18, 2013

Energy Minerals and Natural Resources

Oil Conservation Division

AMENDED REPORT

1220 South St. Francis Dr.

Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

<sup>1</sup> Operator Name and Address <b>Llano Disposal, LLC PO Box 190 Lovington, NM 88260</b>		<sup>2</sup> OGRID Number <b>370661</b>
		<sup>3</sup> API Number <b>30-025-20592</b>
<sup>4</sup> Property Code	<sup>5</sup> Property Name <b>State '27'</b>	<sup>6</sup> Well No. <b>001</b>

<sup>7</sup> Surface Location

UL - Lot <b>L</b>	Section <b>27</b>	Township <b>16S</b>	Range <b>33E</b>	Lot Idn	Feet from <b>1980</b>	N/S Line <b>S</b>	Feet From <b>660</b>	E/W Line <b>W</b>	County <b>Lea</b>
----------------------	----------------------	------------------------	---------------------	---------	--------------------------	----------------------	-------------------------	----------------------	----------------------

<sup>\*</sup> Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
----------	---------	----------	-------	---------	-----------	----------	-----------	----------	--------

<sup>9</sup> Pool Information

Pool Name <b>BSW; Salado</b>	Pool Code <b>96173</b>
---------------------------------	---------------------------

Additional Well Information

<sup>11</sup> Work Type <b>E</b>	<sup>12</sup> Well Type <b>M</b>	<sup>13</sup> Cable/Rotary <b>R</b>	<sup>14</sup> Lease Type <b>S</b>	<sup>15</sup> Ground Level Elevation <b>4201</b>
<sup>16</sup> Multiple <b>N</b>	<sup>17</sup> Proposed Depth <b>4505' (PBD)</b>	<sup>18</sup> Formation <b>Salado</b>	<sup>19</sup> Contractor <b>Unknown</b>	<sup>20</sup> Spud Date <b>Unknown</b>
Depth to Ground water <b>60' - 190'</b>	Distance from nearest fresh water well <b>-2542 feet</b>		Distance to nearest surface water <b>Greater than 1 mile</b>	

We will be using a closed-loop system in lieu of lined pits

<sup>21</sup> Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surface	17-1/2"	13-3/8"	48	414	370	Surface - In Place
Intermed	12-1/4"	9-5/8"	36/32	4578	2940	Surface - In Place
Production	8-3/4"	5-1/2"	20/17	4965 - 13798	700	8190' - In Place

Casing/Cement Program: Additional Comments

Enclosures: Current and Proposed Wellbore Diagrams

<sup>22</sup> Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double/Pipe/Blinds	3000	3000	Cameron/Schaffer

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> , if applicable. Signature: <i>D. Holcomb</i> Printed name: <b>Danny J. Holcomb</b> Title: <b>Agent for Llano Disposal, LLC</b> E-mail Address: <b>danny@pwllc.net</b> Date: <b>4/18/2018</b> Phone: <b>806-471-5628</b>	OIL CONSERVATION DIVISION	
	Approved By:	
	Title:	
	Approved Date:	Expiration Date:
	Conditions of Approval Attached	

# CURRENT WELLBORE

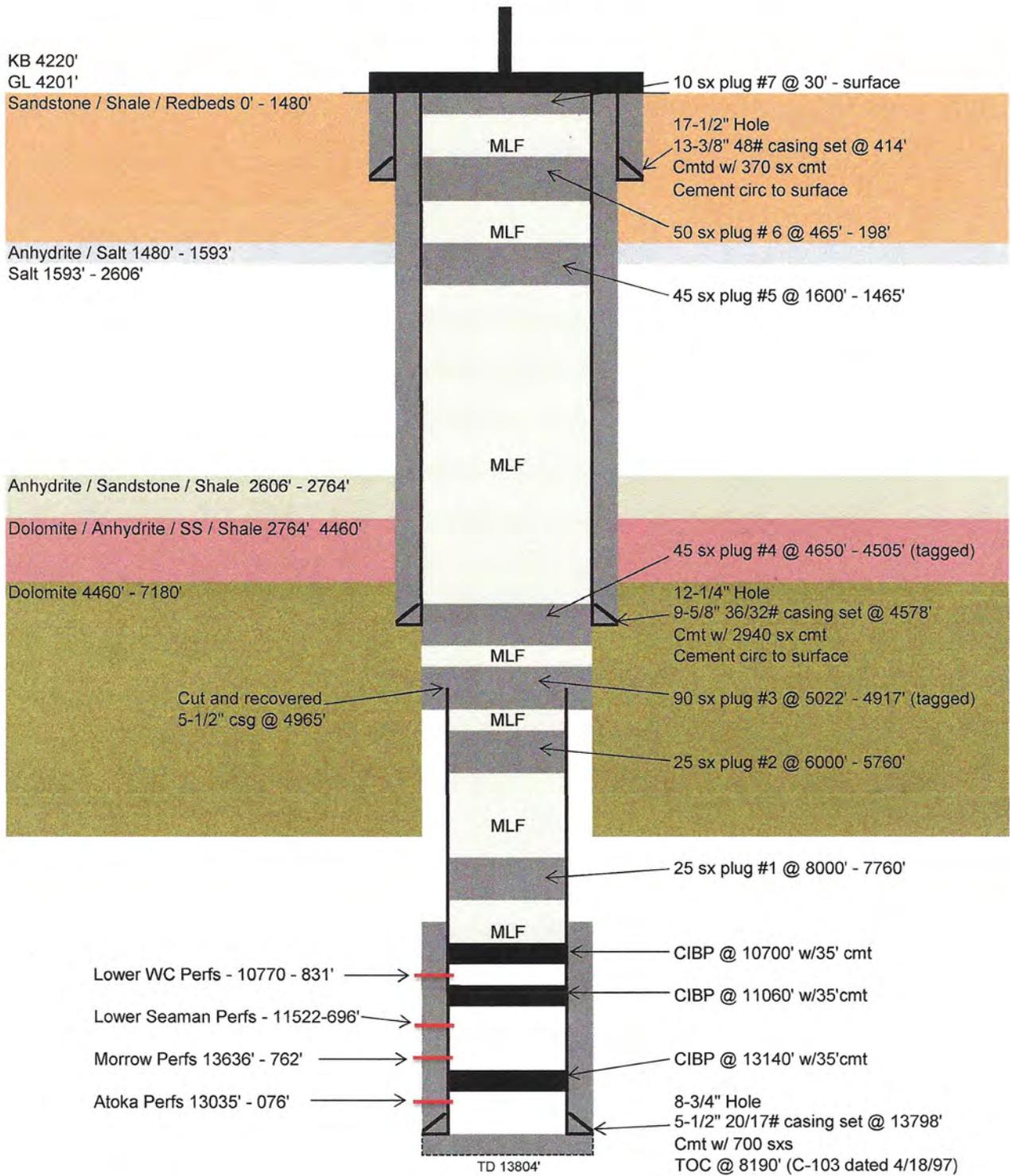
## P&A Well

Llano Disposal, LLC

State 27 #1 P&A

API # 30-025-20592

1980' FSL x 660' FWL, UL 'L', Sec 27, T16S, R33E, Lea County, NM



Drawing Not to Scale

Note: This wellbore diagram represents information obtained from OCD files

# PROPOSED WELLBORE AFTER PLUG DRILLOUT

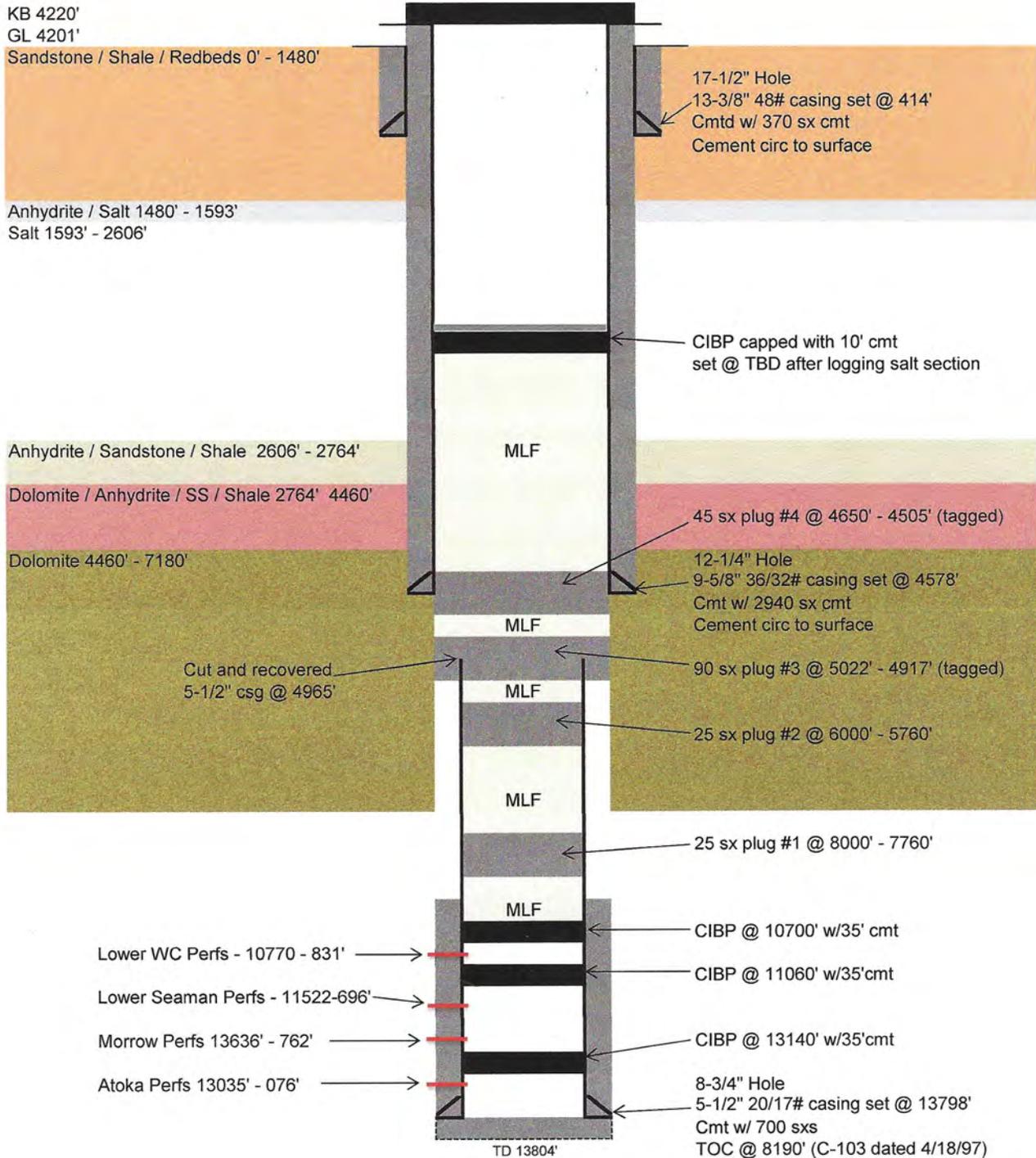
## P&A Well

Llano Disposal, LLC

State 27 #1 P&A

API # 30-025-20592

1980' FSL x 660' FWL, UL 'L', Sec 27, T16S, R33E, Lea County, NM



Drawing Not to Scale

Note: This wellbore diagram represents information obtained from OCD files

# PROPOSED WELLBORE

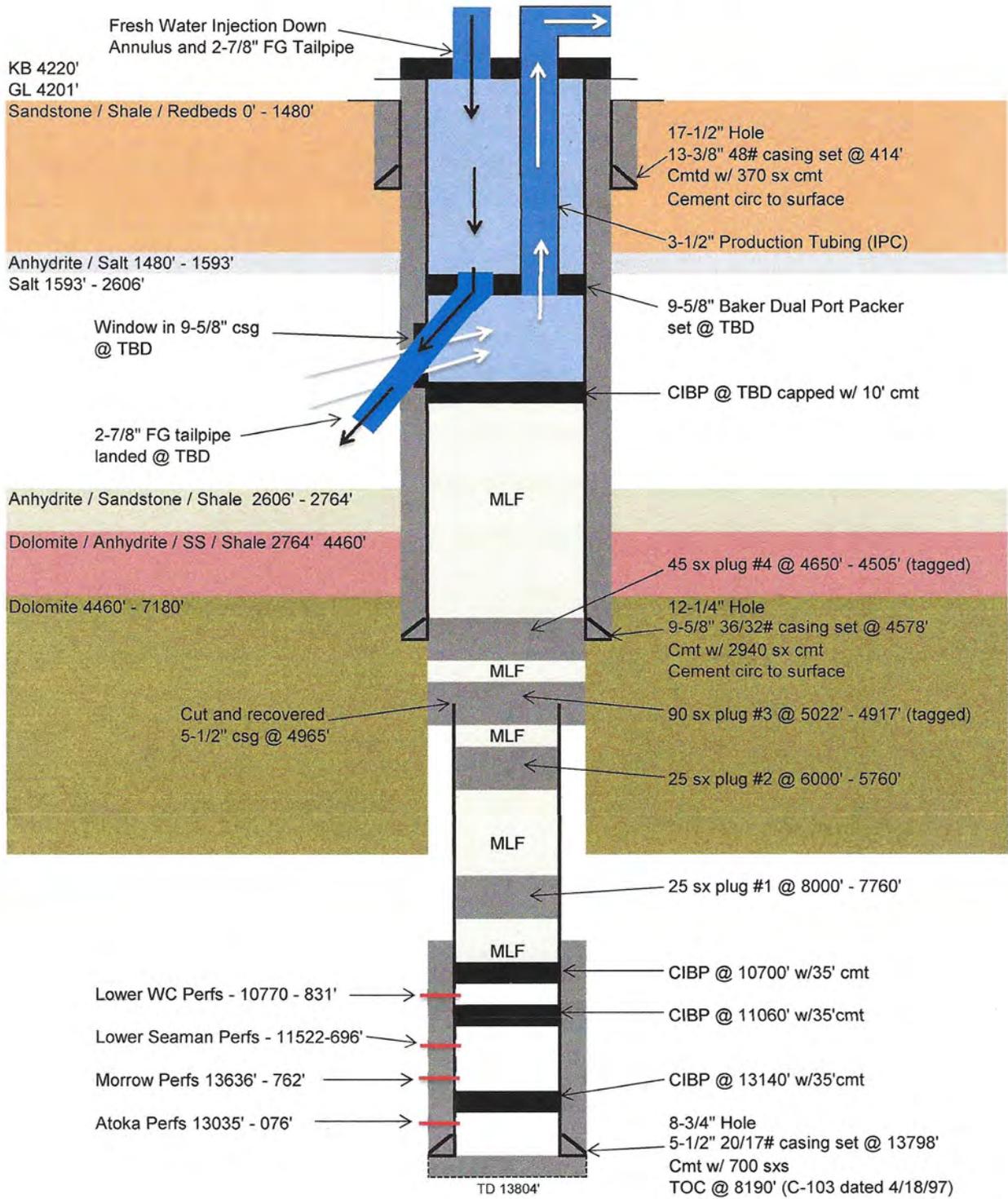
Configured for Brine Service Well

Llano Disposal, LLC

State 27 #1 P&A

API # 30-025-20592

1980' FSL x 660' FWL, UL 'L', Sec 27, T16S, R33E, Lea County, NM



Drawing Not to Scale

Note: This wellbore diagram represents information obtained from OCD files

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, NM 87505

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-20592		<sup>2</sup> Pool Code 96173		<sup>3</sup> Pool Name BSW; Salado	
<sup>4</sup> Property Code		<sup>5</sup> Property Name State 27			<sup>6</sup> Well Number 001
<sup>7</sup> OGRID No. 370661		<sup>8</sup> Operator Name Llano Disposal, LLC			<sup>9</sup> Elevation 4201'

<sup>10</sup> Surface Location

UL or lot no. L	Section 27	Township 16S	Range 33E	Lot Idn	Feet from the 1980	North/South line S	Feet from the 660	East/West line W	County Lea
--------------------	---------------	-----------------	--------------	---------	-----------------------	-----------------------	----------------------	---------------------	---------------

<sup>11</sup> 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
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<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
(Pending WQCC Discharge Permit BW-38 approval)			

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. 32.8909645,-103.6576157 NAD83 per OCD online well file

				<p><sup>17</sup> OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p style="text-align: right;"><i>D. Holcomb</i> 4/18/2018</p> <p>Signature _____ Date _____</p> <p><b>Danny J. Holcomb – Agent for Llano Disposal</b> Printed Name</p> <p><b>danny@pwllc.net</b> E-mail Address</p>
				<p><sup>18</sup> SURVEYOR CERTIFICATION</p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p style="text-align: center;">See Original Survey dated June 23, 1964 attached</p> <p>Date of Survey _____ Signature and Seal of Professional Surveyor: _____</p> <p style="text-align: center;">See Original Survey dated June 23, 1964 attached</p> <p>Certificate Number _____</p>

NUMBER OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	
FILE	
USER	
LAND OFFICE	
TRANSPORTER	OIL
	BAR
PRODUCTION OFFICE	
OPERATOR	

**NEW MEXICO OIL CONSERVATION COMMISSION**  
**WELL LOCATION AND ACREAGE DEDICATION PLAT**

FORM C-128  
 Revised 5/1/57

*Original C-102*

HOBBS OFFICE, N. M.  
 JUN 25 2 53 PM '64

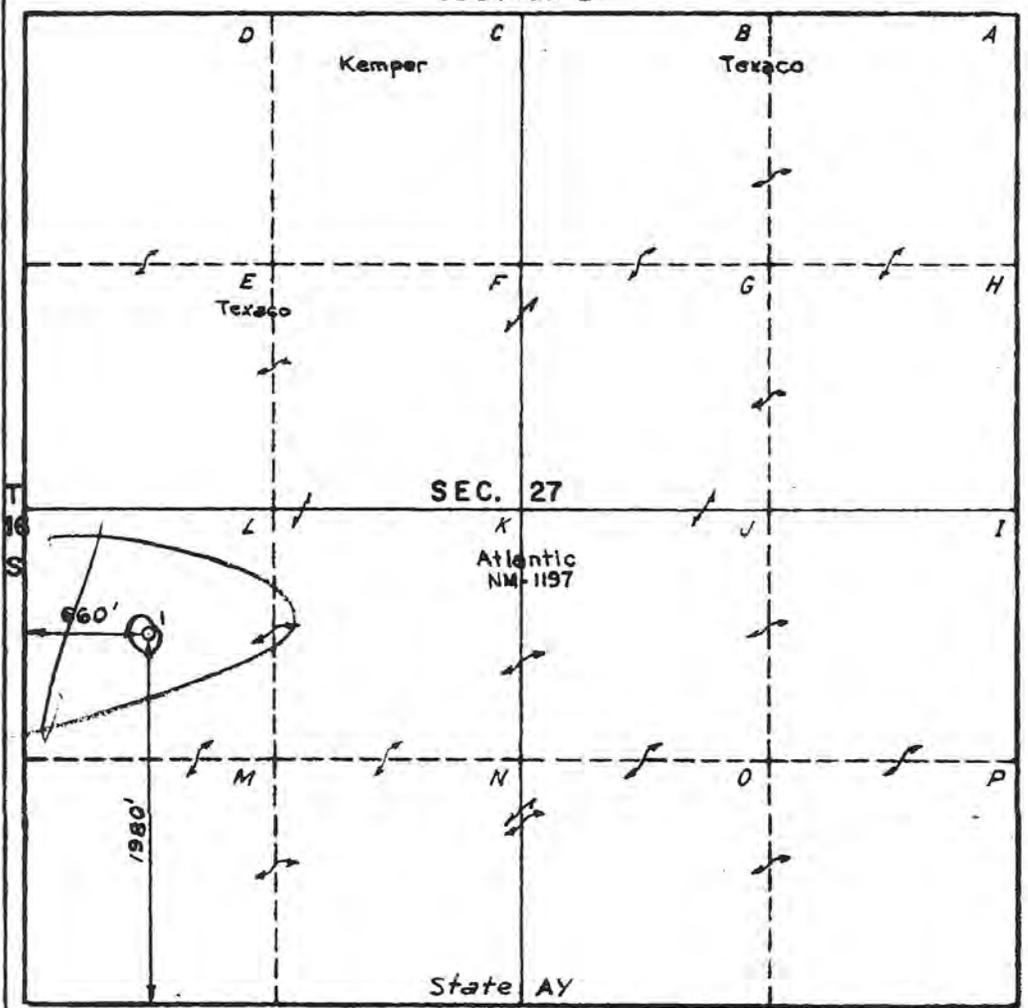
**SECTION A**

Operator The Atlantic Refining Company		Lease State AY		Well No. 1
Unit Letter L	Section 27	Township 16 South	Range 33 East	County Lea
Actual Footage Location of Well: 1980 feet from the South line and 660 feet from the West line				
Ground Level Elev.	Producing Formation <i>Permian</i>	Pool <i>NC</i> Exploratory	Dedicated Acreage: 40 Acres	

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES  NO . "Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1935 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES  NO . If answer is "yes," Type of Consolidation \_\_\_\_\_
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

**R 33E**  
**SECTION B**



**CERTIFICATION**

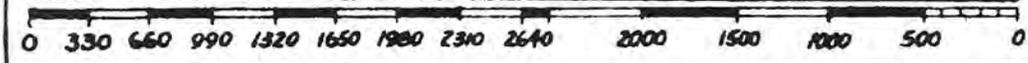
I hereby certify that the information in SECTION A above is true and complete to the best of my knowledge and belief.

Name	<i>A. D. Kloxin</i>
Position	Dist. Drlg. & Prod. Supt.
Company	The Atlantic Refining Co.
Date	6-24-64

I hereby certify that the well location shown on the plat in SECTION B 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 knowledge and belief.

<i>R. W. ...</i>	Surveyor
The Atlantic Refining Company	

Date Surveyed: 6-23-64  
 FA10-1283



Submit 1 Copy To Appropriate District Office  
 District I – (575) 393-6161  
 1625 N. French Dr., Hobbs, NM 88240  
 District II – (575) 748-1283  
 811 S. First St., Artesia, NM 88210  
 District III – (505) 334-6178  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV – (505) 476-3460  
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals and Natural Resources

Form C-103  
 Revised July 18, 2013

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

WELL API NO. 30-025-20592
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name State 27
8. Well Number 1
9. OGRID Number 370661
10. Pool name or Wildcat BSW; Salado

**SUNDRY NOTICES AND REPORTS ON WELLS**  
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well  Gas Well  Other - PxA Well Re-entry

2. Name of Operator  
Llano Disposal, LLC

3. Address of Operator  
P.O. Box 190, Lovington, NM 88260

4. Well Location  
 Unit Letter L : 1980 feet from the South line and 660 feet from the West line  
 Section 27 Township 16S Range 33E NMPM Lea County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
4201' GL

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

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK  PLUG AND ABANDON   
 TEMPORARILY ABANDON  CHANGE PLANS   
 PULL OR ALTER CASING  MULTIPLE COMPL   
 DOWNHOLE COMMINGLE   
 CLOSED-LOOP SYSTEM   
 OTHER: Re-entry to run CBL, CNL and caliper log

SUBSEQUENT REPORT OF:

- REMEDIAL WORK  ALTERING CASING   
 COMMENCE DRILLING OPNS.  P AND A   
 CASING/CEMENT JOB   
 OTHER:

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

In accordance with discussions with OCD Environmental Bureau, OCD District 1 and SLO, Llano Disposal LLC proposes to re-entry this P&A well to inspect casing for possible conversion to a brine supply well pending WQCC Discharge Permit BW-38 approval:

- 1) Back drag/level location, set anchors, dig out around existing PxA marker, MI welder, cut off PxA marker, reveal good 13-3/8" and 9-5/8" casing, install new casing (if necessary) and well head at ground level.
- 2) MIRU pulling unit, NU BOP, unload and tally 2-7/8" workstring, set 2 frac tanks and fill one with FW. MIRU reverse unit, swivel and stripping head, RIH with 8-3/4" skirted MT bit, bit sub, four 4-3/4" DCs and 2-7/8" workstring, drill cement plug #7 (surface to 30"), plug # 6 (465' – 198") and plug #5 (1600' – 1465') utilizing closed loop system.
- 3) Tag plug #5 at 4505', circulate hole clean, close BOP, test casing to 300#, POOH & LD 2-7/8" workstring, DCs, bit sub and bit.
- 4) MIRU WL, run CBL, CNL and casing caliper log from base of salt at approximately 2606' to surface, RDMO WL.
- 5) ND BOP, install B-1 adaptor, secure and close in well, RDMO pulling unit, reverse unit and tanks.
- 6) Submit CBL, CNL and caliper log to OCD Environmental Bureau (SF) and OCD District 1 (Hobbs) to determine if well is suitable for brine well service. Suspend further well work until additional permitting is approved.

Spud Date:

Rig Release Date:

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

SIGNATURE DJ Holcomb TITLE Agent for Llano Disposal, LLC DATE 4/18/2018

Type or print name Danny J. Holcomb E-mail address: danny@pwllc.net PHONE: 806-471-5628

**For State Use Only**

APPROVED BY: \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

Conditions of Approval (if any): \_\_\_\_\_

## Chavez, Carl J, EMNRD

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**From:** Marks, Allison, EMNRD  
**Sent:** Wednesday, April 18, 2018 9:40 AM  
**To:** Chavez, Carl J, EMNRD; Griswold, Jim, EMNRD  
**Cc:** danny@pwillc.net; Marvin Burrows  
**Subject:** RE: Llano disposal

I received the LOC for the brine well and reviewed the location and amount with Carl. The LOC and financial assurance is approved as submitted.

Allison R. Marks  
New Mexico Oil Conservation Division  
1220 S. St. Francis Dr.  
Santa Fe, NM 87505  
Tel: (505) 476-3206  
Fax: (505) 476-3462

---

**From:** Chavez, Carl J, EMNRD  
**Sent:** Tuesday, April 17, 2018 2:27 PM  
**To:** Marks, Allison, EMNRD <AllisonR.Marks@state.nm.us>; Griswold, Jim, EMNRD <Jim.Griswold@state.nm.us>  
**Cc:** danny@pwillc.net; Marvin Burrows <burrowsmarvin@gmail.com>  
**Subject:** RE: Llano disposal

Allison:

The WQCC Bond with OCD approved financial assurance amount is for a prospective brine well permit that has yet to be issued. The operator wants to access the plugged well to conduct logging to provide OCD for reuse of the existing well. If the well is permitted, it will be "BW-38."

The operator uses this approach on existing wells for conversion to brine wells. In order to obtain ownership of the plugged wells, the operator obtains bonding, and submits C-101, 102 and 103 Forms to the District for approval. Once approved, they complete the well work to evaluate the condition of the well and make a decision to proceed with a WQCC DP Application.

This well is an interesting one because Paul Kautz (DO1) has identified some PA'd wells within the AOR in need of corrective action to cement the Santa Rosa Fm, which would be a condition of approval for Llano if it proceeds with the application for a brine well.

Please contact me if you have questions. Thank you.

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**From:** Marks, Allison, EMNRD  
**Sent:** Tuesday, April 17, 2018 2:17 PM  
**To:** Griswold, Jim, EMNRD <[Jim.Griswold@state.nm.us](mailto:Jim.Griswold@state.nm.us)>  
**Cc:** Jones, Brad A., EMNRD <[brad.a.jones@state.nm.us](mailto:brad.a.jones@state.nm.us)>; Chavez, Carl J, EMNRD <[CarlJ.Chavez@state.nm.us](mailto:CarlJ.Chavez@state.nm.us)>; Billings, Bradford, EMNRD <[Bradford.Billings@state.nm.us](mailto:Bradford.Billings@state.nm.us)>  
**Subject:** Llano disposal

I received a bond for \$108k for the State 27 #1 for a discharge permit. Please advise if this is the correct amount and advise what the permit no. is.

Thanks..

Allison R. Marks  
New Mexico Oil Conservation Division  
1220 S. St. Francis Dr.  
Santa Fe, NM 87505  
Tel: (505) 476-3206  
Fax: (505) 476-3462

## Chavez, Carl J, EMNRD

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**From:** danny@pwllc.net  
**Sent:** Monday, January 8, 2018 2:16 PM  
**To:** Chavez, Carl J, EMNRD  
**Cc:** Marvin Burrows  
**Subject:** Hummingbird State BSW #1 (30-025-25647)  
**Attachments:** Hummingbird State BSW #1 Closure Plan and Financial Assurance Plan Submitted to OCD 010818.docx

Carl,  
Per our telcon last week, Llano Disposal, LLC has multiple brine well applications to file. Last week we discussed the State 4 #1 well just south of Tatum, NM. In addition, Llano is looking at permitting a brine well in the Maljamar area. That well is the SNM 33-16-33 #1 (30-025-25647) which Llano plans to rename to the Hummingbird State BSW #1. It is located just off Hummingbird Road, thus the new name's origin.

I wanted to give you a heads up on this additional well to permit. With Division bonding personnel being out of office in the near future, we would like to obtain your approval for the bond amount for the Hummingbird well and brine station. We propose that it would be the same \$108,000 total amount per the proposed closure plan and financial assurance plan attached.

I figure you will have questions. Just let me know. Also, I'm working on the C-102 and C-103 for this well and would like to set up a time to review them with you. Please advise.

Thank you,  
Danny J. Holcomb  
Cell: 806-471-5628  
Email: [danny@pwllc.net](mailto:danny@pwllc.net)

Submit 1 Copy To Appropriate District Office  
 District I - (575) 393-6161  
 1625 N. French Dr., Hobbs, NM 88240  
 District II - (575) 748-1283  
 811 S. First St., Artesia, NM 88210  
 District III - (505) 334-6178  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV - (505) 476-3460  
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals and Natural Resources

Form C-103  
 October 13, 2009

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

WELL API NO. 30-025-25647
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name SNM 33-16-33
8. Well Number: 001
9. OGRID Number 269324
10. Pool name or Wildcat SANMAL;WOLFCAMP
11. Elevation (Show whether DR, RKB, RT, GR, etc.)

**SUNDRY NOTICES AND REPORTS ON WELLS**  
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well  Gas Well  Other  **HOBBS OCD**

2. Name of Operator  
LINN OPERATING, INC. **MAY 31 2013**

3. Address of Operator  
600 TRAVIS, SUITE 5100, HOUSTON, TEXAS 77002 **RECEIVED**

4. Well Location  
 Unit Letter F; 1980 feet from the N line and 1980 feet from the W line  
 Section 33 Township 16S Range 33E NMPM LEA County

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

<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input checked="" 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"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

**PLEASE SEE ATTACHED**

Spud Date:

Rig Release Date:

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

SIGNATURE Terry Callahan TITLE: REGULATORY COMPLIANCE III DATE MAY 30, 2013

Type or print name TERRY B. CALLAHAN E-mail address: tcallahan@linnenergy.com PHONE: 281-840-4272

**For State Use Only**

APPROVED BY: Mary Brown TITLE Compliance Officer DATE 6/3/2013  
 Conditions of Approval (if any):

*T.M.*

JUN 04 2013

SNM 33-16-33 #001  
API #30-025-25647  
ATTACHMENT TO SUNDRY C-103

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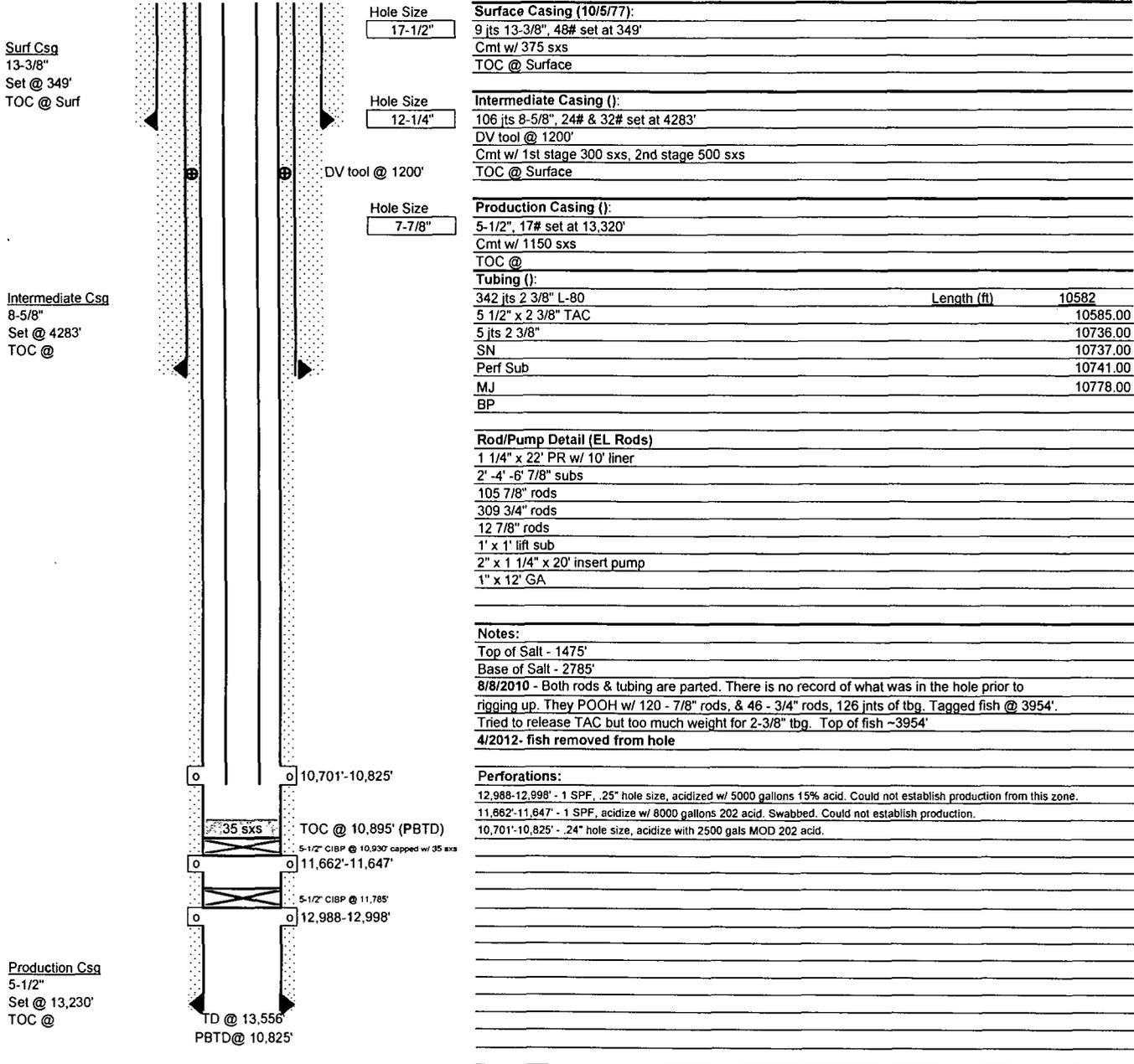
1. MIRUPU, ND WH AND NUBOP.
2. RIH W/ WORKSTRING & TAG CIBP CAPPED W/ CMT @ 10,895'.
3. ~~POH AND SPOT 25 SXS CMT @ 10675-10425'. WOG & TAG.~~ *SET CIBP @ 10675. CAP W/ 25 SXS CMT* CIRC HOLE W/ MUD LADEN FLUID.
4. POH AND SPOT 25 SX CMT @ 7860-7910'
5. POH & SPOT 25 SX CMT @ 5900-5650'. POH W/ TBG.
6. PULL STRETCH ON 5-1/2 CSG. CUT CSG & PULL OUT OF HOLE. +/- 4300'.
7. RIH & SPOT 45 SXS PLUG @ ~~4330-4200'~~ <sup>4350'</sup>
8. POH & SPOT 55 SXS @ 2835-2735' (BTM OF SALT)
9. POH & SPOT 55 SX @ 1525-1425' (TOP OF SALT)
- 9B. *SPOT 55 SXS @ 1250'-1150'. (COVERS DV TOOL - 8 5/8 CSG)*
10. POH & SPOT 55 SXS @ 400-300.
11. POH & SPOT 10 SXS SURFACE PLUG.  
*60' - SURFACE*
12. CUT OFF WELLHEAD AND WELD ON GROUND LEVEL "DRY HOLE MARKER".

**Wellbore Schematic**

Well Name: SNM 33-16-33 #1  
 Location: F-33-16S-33E 1980 FNL 1980 FWL  
 LEA COUNTY, NM  
 API #: 30-025-25647

Elevations: GROUND: 4212'  
 KB: 4231'  
 Depths (KB): PBTD: 10825'  
 TD: 13556'

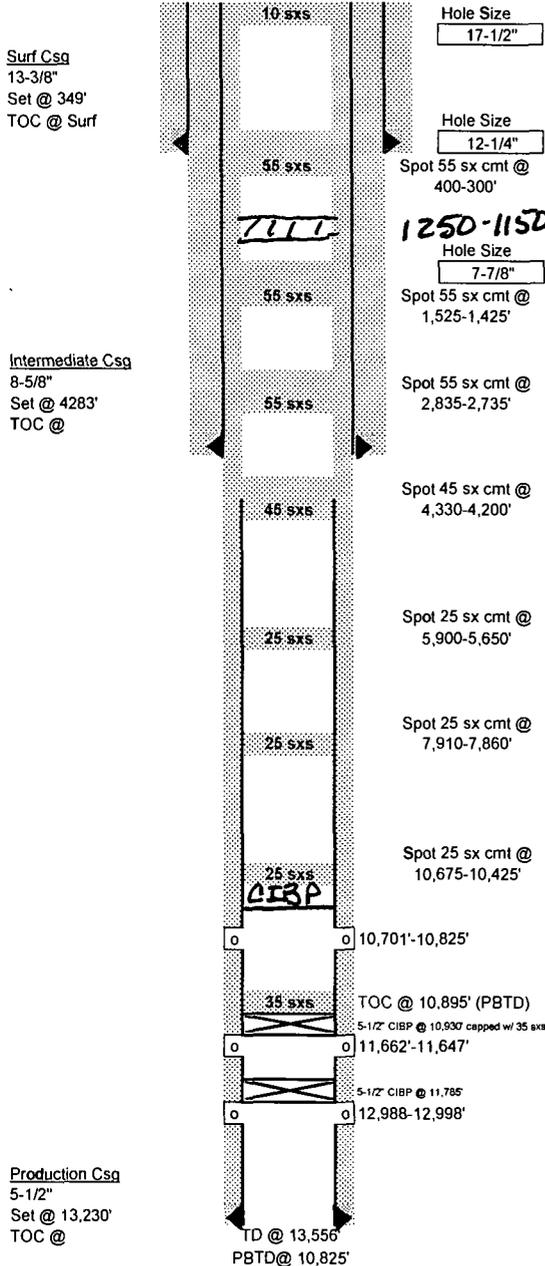
Date Prepared: K. MURPHY  
 Last Updated: 30-Apr-13  
 Spud Date: 5-Oct-77  
 RR Date: \_\_\_\_\_  
 Spud Date to RR Date: \_\_\_\_\_  
 Completion Start Date: \_\_\_\_\_  
 Completion End Date: 15-Jan-78  
 Completion Total Days: \_\_\_\_\_  
 Co-ordinates: \_\_\_\_\_



Proposed Wellbore Schematic

Well Name: SNM 33-16-33 #1  
 Location: F-33-16S-33E 1980 FNL 1980 FWL  
 LEA COUNTY, NM  
 API #: 30-025-25647  
 Elevations: GROUND: 4212'  
 KB: 4231'  
 Depths (KB): PBTD: 10825'  
 TO: 13556'

Date Prepared: B. Williams  
 Last Updated: 3-May-13  
 Spud Date: 5-Oct-77  
 RR Date:  
 Spud Date to RR Date:  
 Completion Start Date:  
 Completion End Date: 15-Jan-78  
 Completion Total Days:  
 Co-ordinates:



**Surface Casing (10/5/77):**  
 9 jts 13-3/8", 48# set at 349'  
 Cmt w/ 375 sxs  
 TOC @ Surface

**Intermediate Casing (I):**  
 106 jts 8-5/8", 24# & 32# set at 4283'  
 DV tool @ 1200'  
 Cmt w/ 1st stage 300 sxs, 2nd stage 500 sxs  
 TOC @ Surface

**Production Casing (I):**  
 5-1/2", 17# set at 13,320'  
 Cmt w/ 1150 sxs  
 TOC @  
 Tubing (I):

**Rod/Pump Detail (EL Rods)**

Spot 55 sx cmt @ 400-300'  
 Spot 55 sx cmt @ 1,525-1,425'  
 Spot 55 sx cmt @ 2,835-2,735'  
 Spot 45 sx cmt @ 4,330-4,200'  
 Spot 25 sx cmt @ 5,900-5,650'  
 Spot 25 sx cmt @ 7,910-7,860'  
 Spot 25 sx cmt @ 10,675-10,425'

**Notes:**  
 Top of Salt - 1475'  
 Base of Salt - 2785'  
 8/8/2010 - Both rods & tubing are parted. There is no record of what was in the hole prior to rigging up. They POOH w/ 120 - 7/8" rods, & 46 - 3/4" rods, 126 jnts of tbg. Tagged fish @ 3954'. Tried to release TAC but too much weight for 2-3/8" tbg. Top of fish ~3954'  
 4/2012- fish removed from hole

**Perforations:**  
 12,988-12,998' - 1 SPF, 25" hole size, acidized w/ 5000 gallons 15% acid. Could not establish production from this zone.  
 11,662-11,647' - 1 SPF, acidize w/ 8000 gallons 202 acid. Swabbed. Could not establish production.  
 10,701-10,825' - 24" hole size, acidize with 2500 gals MOD 202 acid.

**Production Csg**  
 5-1/2"  
 Set @ 13,230'  
 TOC @

TD @ 13,556'  
 PBTD @ 10,825'