

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

Form C-101
Revised July 18, 2013

☐ AMENDED REPORT

NOV 29 2018
RECEIVED

F/P

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

¹ Operator Name and Address 3BEAR FIELD SERVICES, LLC 1512 LARIMER ST., SUITE 540 DENVER, CO 80202		² OGRID Number 372603
³ Property Code <i>722-448</i>		⁴ Property Name SMITH RANCH SWD
		⁵ API Number <i>30-024-45390</i>
		⁶ Well No. 1

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
A	35	19S	33E		358	NORTH	2362	EAST	LEA

8. Proposed Bottom Hole Location

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

9. Pool Information

Pool Name SWD; DEVONIAN-SILURIAN	Pool Code 97869
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Additional Well Information

¹¹ Work Type N	¹² Well Type S	¹³ Cable/Rotary R	¹⁴ Lease Type <i>S F</i>	¹⁵ Ground Level Elevation <i>3253 3595</i>
¹⁶ Multiple YES	¹⁷ Proposed Depth 15,800'	¹⁸ Formation SILURO-DEVONIAN	¹⁹ Contractor JDC DRILLING	²⁰ Spud Date UPON APPROVAL OF C-108
Depth to Ground water 110'		Distance from nearest fresh water well 2963'		Distance to nearest surface water 11,600 (LAGUNA TONTO)

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

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
SURF	26"	20.0"	94# J-55	1400	2515	0
INTER	17.5	13.375"	54.5# J-55	3050	2140	0
<i>PROD</i> INTER-2	12.25"	9.625"	40# L-80 HC	10880	2555	0

Casing/Cement Program: Additional Comments

LINER/8.75"/7.625"/39# P-110 UFJ/14471/365 SXS/TOC @ 10630'; OPEN HOLE FROM 1400'-15800'; PLEASE SEE ATTACHED WBD

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
	SEE ATTACHMENT		

²³ 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 type="checkbox"/> if applicable. Signature: <i>Jennifer Elrod</i> Printed name: JENNIFER ELROD Title: SR. REGULATORY TECH E-mail Address: jelrod@chisholmenenergy.com Date: 11/29/2018 Phone: 817-953-3728	<div style="text-align: center;">OIL CONSERVATION DIVISION</div> Approved By: <i>[Signature]</i> Title: Petroleum Engineer Approved Date: <i>12/04/18</i> Expiration Date: <i>12/04/20</i> Conditions of Approval Attached
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See Attached
Conditions of Approval

CONDITIONS OF APPROVAL

API #	Operator	Well name & Number
30-025-45390	3BEAR FIELD SERVICES LLC	SMITH RANCH SWD # 001

Applicable conditions of approval marked with XXXXXX

Administrative Orders Required

XXXXXXX	Review administrative order when approved for additional conditions of approval

Other wells

Casing

XXXXXXX	1) SURFACE & INTERMEDIATE CASING - Cement must circulate to surface -- 2) PRODUCTION CASING - Cement must circulate to surface -- 3) Liner – Cement must tie back into production casing
XXXXXXX	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water

Lost Circulation

XXXXXXX	Must notify OCD Hobbs Office if lost circulation is encountered at 575-370-3186

Water flows

XXXXXXX	Must notify OCD Hobbs Office of any water flow in the Salado formation at 575-370-3186. Report depth and flow rate.

Stage Tool

XXXXXXX	Must notify OCD Hobbs Office prior to running Stage Tool at 575-370-3186
XXXXXXX	If using Stage Tool on Surface casing, Stage Tool must be greater than 350' and a minimum 200 feet above surface shoe.
XXXXXXX	When using a Stage Tool on Intermediate or Production Casing Stage must be a minimum of 50 feet below previous casing shoe.

Completion & Production

XXXXXXX	Will require a deviational survey with the C-105
XXXXXXX	Must notify Hobbs OCD office prior to conducting MIT (575) 393-6161 ext. 114
XXXXXXX	May not inject prior to SWD order approval
XXXXXXX	Must conduct & pass MIT prior to any injection



Smith Ranch SWD 1

Permit # --- API #

Revised: 10/4/2018

TVD ft-RKB	Geological Tops	Wellbore Sketch	Hole Size	Casing	Drilling Fluids	Cement	Potential Mineral Bearing Formations
1,000'	1,350 Rustler		26"	Surface: 20" 94.0# J55 BTC	FW Spud Mud 8.5 - 9.2 ppg 38 - 40 Viscosity 8 - 10 PV 8 - 10 YP NC - API Filtrate	Lead - Class C 12.2 ppg 1.86 cuft/sk TOC - Surf 1,620 sks Tail - Class C 14.8 ppg 1.35 cuft/sk TOC - 1,000' 895 sks	
2,000'			17-1/2"	Intermediate: 13-3/8" 54.5# L80HC BTC	Saturated Brine 10.0 - 10.2 ppg 28 - 29 Viscosity PV, YP - NA	Lead - Class C 12.7 ppg 2.25 cuft/sk TOC - Surf 1,485 Sks Tail - Class C 14.8 ppg 1.38 cuft/sk TOC 2,400' 655 Sks	
3,000'	2,975 Base of Salt		12-1/4"	Intermediate 2: 9-5/8" 40.0# L80HC BTC	Cut Brine 8.9 - 9.2 ppg 29 - 30 Viscosity 1 - 3 PV 1 - 3 YP NC API Filtrate	Lead - Class H 12.7 ppg 2.25 cuft/sk TOC - Surf 1,575 Sks Tail - Class H 14.5 ppg 1.38 cuft/sk TOC - 8,000' 980 Sks	
4,000'							
5,000'	5,350 Delaware						
8,000'	8,120 Bone Spring		8-3/4"	Liner: 7-5/8" 39.0# P110 UFJ	Saturated Brine 10.0 - 12.0 ppg 35 - 45 Viscosity PV 10 - 15 YP 6 - 8	Tail - Class H 14.5 ppg 1.23 cuft/sk TOC - 10,630' 365 sks	
10,000'	10,800 Wolfcamp						
12,000'	12,060 Strawn 12,330 Atoka 12,820 Morrow 13,070 Barnett						
14,000'	13,450 Mississippian 14,250 Woodford 14,370 Devonian 15,520 Montoya 15,930 Simpson						
16,000'							
			6-1/8"	NA	Cut Brine 8.9 - 9.2 ppg 29 - 30 Viscosity	NA	

JDC Drilling Company, LLC

RIG NO. 7

Annular Preventer

13-5/8 5,000 PSI WP

Ram Preventers

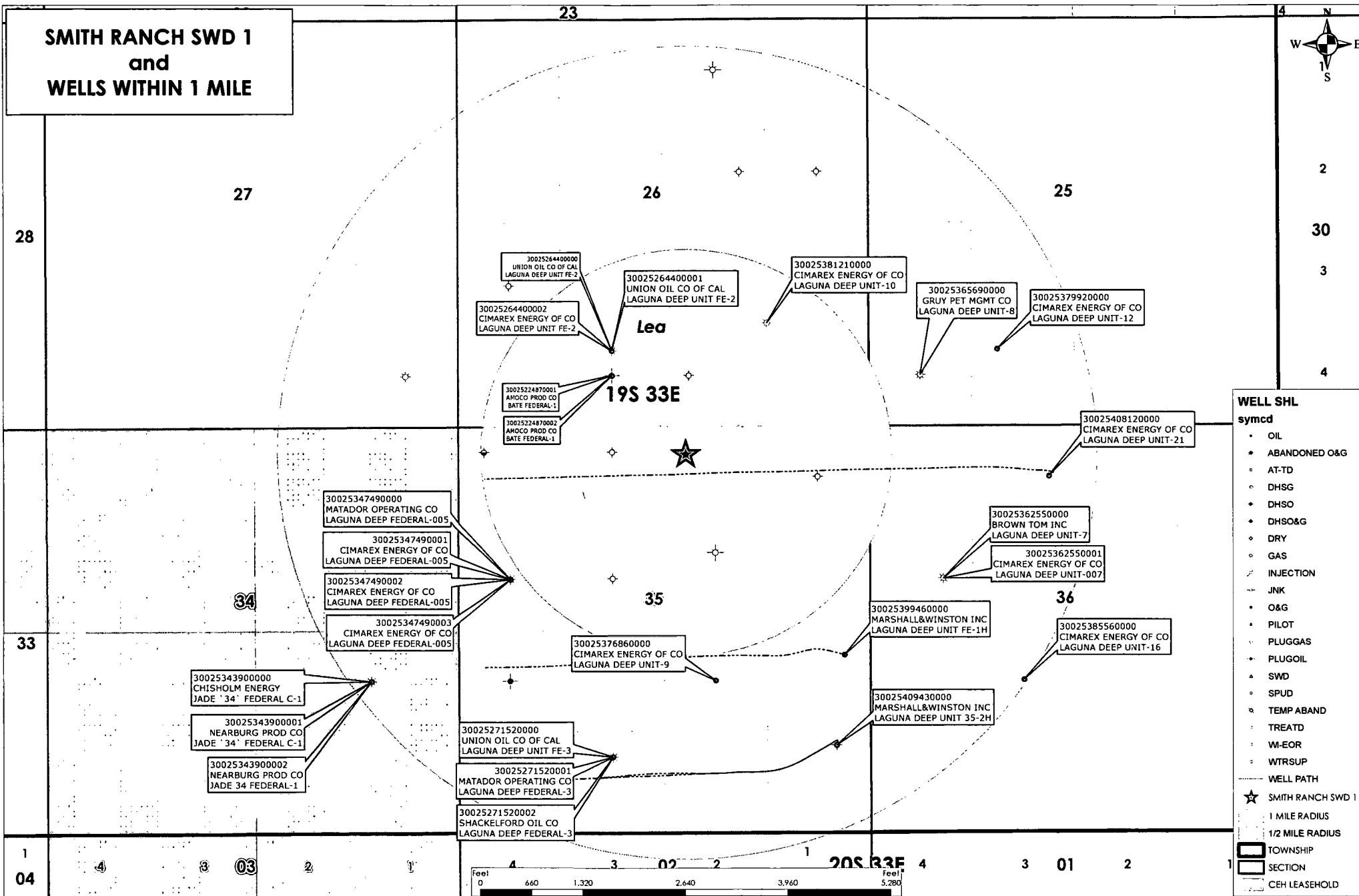
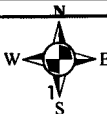
13-5/8" 10,000 PSI WP Double Ram

13-5/8" 10,000 PSI WP Single Ram

Test the pipe rams, blind rams, floor valves (IBOP and/or upper Kelly valve), choke lines and manifold to 250 psi/5,000 psi with a test plug and a test pump.

Test the annular to 250 psi/2,500 psi with same as above.

**SMITH RANCH SWD 1
and
WELLS WITHIN 1 MILE**



WELL SHL
symcd

- OIL
- ABANDONED O&G
- AT-TD
- DHSG
- DHSG
- DHSG&G
- DRY
- GAS
- ✓ INJECTION
- JNK
- O&G
- PILOT
- ✓ PLUGGAS
- ✓ PLUGOIL
- SPUD
- TEMP ABAND
- TREATD
- WI-EOR
- WTRSUP

--- WELL PATH

★ SMITH RANCH SWD 1

○ 1 MILE RADIUS

○ 1/2 MILE RADIUS

□ TOWNSHIP

□ SECTION

□ CEH LEASEHOLD

From: Bell, Ric [<mailto:Ric.Bell@mosaicco.com>]
Sent: Tuesday, November 6, 2018 10:48 AM
To: Kevin Burns <kburns@3bearllc.com>; jrutley@blm.gov
Cc: Douglas Swanson <tbarsllc@aol.com>; Morehouse, Dan <Dan.Morehouse@mosaicco.com>
Subject: 3 Bear Energy SWD Wells

Kevin,
Mosaic will not object to the #2 Smith Ranch SWD located 1297'FNL, 1154FEL, Sec 25, T19S, R33E. We will also not object to the #1 Smith Ranch SWD located 358'FNL, 2362FEL, Sec 35, T19S, R33E.
Cheers,
Ric



Ric Bell | Senior Geologist
The Mosaic Company | 1361 Potash Mines Road | Carlsbad, New Mexico, 88220
P: 575.628.6242 | C: 575.361.3854 | E: ric.bell@mosaicco.com |
W: www.mosaicco.com

From: Rutley, James [<mailto:jrutley@blm.gov>]
Sent: Tuesday, November 6, 2018 9:32 AM
To: Kevin Burns <kburns@3bearllc.com>
Cc: Bell, Ric - Carlsbad (Third Party) <ric.bell@mosaicco.com>; Douglas Swanson <tbarsllc@aol.com>; dan.morehouse@mosaicco.com
Subject: Re: [EXTERNAL] FW: 3 Bear Energy proposed SWD well 19-33 Sec 35

Good Morning Kevin,

I apologize for not getting back to you sooner. We're a little thin staffed in geology department with two employees going to other departments both in our office and the State Office. Covering a lot of ground till the positions are filled.

I have reviewed both Smith Ranch SWD locations in Sections 25 and 35 of 19S 33E. BLM has no concern with either location as staked. The Section 35 well is within the corridor for drilling being established to the east and west of this location. The Section 25 well is outside of R-111-P and development area is not required.

Thank you for running the locations by me.

Jim

James S. Rutley

Affidavit of Publication


STATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

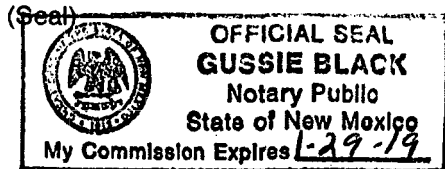
Beginning with the issue dated
August 03, 2018
and ending with the issue dated
August 03, 2018.


Publisher

Sworn and subscribed to before me this
3rd day of August 2018.


Business Manager

My commission expires
January 29, 2019



This newspaper is duly qualified to publish
legal notices or advertisements within the
meaning of Section 3, Chapter 167, Laws of
1937 and payment of fees for said

LEGALS

LEGAL NOTICE August 3, 2018

3Bear Field Services, LLC is applying to drill the Smith Ranch SWD-1 as a saltwater disposal well. Disposal will be in the Silurian and Devonian from 13,977' MD-15477' MD. The well will be located 33.8 miles northwest from Monument, NM @ 358 FNL & 2362.FEL, Sec. 35, T 19S, R 33E, Lea County, NM. Maximum injection rate proposed is 25,000 bpsd with an avg. injection rate of 20,000 bpsd. Maximum injection pressure proposed is 2,340 psi. Interested parties must file objections or requests for hearing with the E.N.M.R.D. Oil Conservation Division, 1220 South Saint Francis Dr., Santa Fe, NM 87505 within 15 days.

Additional information can be obtained by contacting: Jennifer Elrod, Chisholm Energy Operating, 801 Cherry St., Suite 1200-Unit 20, Fort Worth, TX 76102; (817)953-3728; #33066

67115144

00216020

BETTIE WATSON
CHISHOLM ENERGY OPERATING, LLC
801 CHERRY ST. STE 1200-UNIT 20
FORT WORTH, TX 76102