

DATE IN 7/6/11	SUSPENSE 7/6/11	ENGINEER WJS	LOGGED IN 7/6/11	TYPE SWD 123	APP NO WJS 111829791
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

- [D] Other: Specify _____

RECEIVED OGD
2011 JUN 30 A 10:18

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U S Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Billy E. Prichard Print or Type Name	<u>Billy E. Prichard</u> Signature	Agent for Penroc Oil Corporation Title	6/28/11 Date
		billy@pwllc.net e-mail Address	

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: _____ Secondary Recovery _____ Pressure Maintenance Disposal _____ Storage
Application qualifies for administrative approval? Yes _____ No
- II. OPERATOR: *Penroc Oil Corporation* *Ogrid # 17213*
ADDRESS: *PO Box 2769* *Hobbs, New Mexico 88241-2769*
CONTACT PARTY: *Billy E. Prichard* PHONE: *432-934-7680*
- III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? _____ Yes No
If yes, give the Division order number authorizing the project: _____
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
 2. Whether the system is open or closed;
 3. Proposed average and maximum injection pressure;
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
 5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- *VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- *X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
- *XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: *Billy(Bill) E. Prichard*

TITLE: *Agent for Penroc Oil Corporation*

SIGNATURE: _____

DATE: *6/27/11*

E-MAIL ADDRESS: *billy@pwllc.net*

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

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

Penroc Oil Corporation
C108(Application for Authorization to Inject)
Hominy 36 State # 001
API 30-005-27945
660 FSL X 2310 FEL
Section 36, T15S, R31E, NMPM
Chaves County, New Mexico

Page 1

1. The purpose of this application is seeking the administrative approval of the conversion of the Hominy 36 State # 1 from a temporarily abandoned non productive Wolfcamp oil well to a commercial Devonian salt water disposal well.
2. **Operator:** Penroc Oil Corporation Ogrid # 17213
Address: P.O.Box 2769 Hobbs, New Mexico 88241-2769
Contact: Billy E. Prichard 432-934-7680
3. Please see Exhibit "A" for complete well data.
4. This is NOT an expansion of an existing project.
5. Please see Exhibit "B" for map of 0.5 mile and 1.0 mile area of review.
6. There was only one plugged and abandoned well in the area of review. That well does not penetrated the purposed disposal interval. Please see Exhibit "C" for list of wells in area of review and well diagram of plugged and abandoned well in AOR.
7.
 1. Anticipated average disposal volume of 3000 barrels of water per day with a maximum disposal volume of 7000 barrels of water per day.
 2. This will be an open system.
 3. The average disposal pressure is anticipated to be 0 psig, with a maximum disposal pressure of 2760 psig. $13800 \text{ feet} \times 0.2 = 2760 \text{ psig}$
 4. The source of the disposed fluid would be produced water trucked or brought in by pipeline from numerous producing oil wells in the area. Please see Exhibit "D" for analysis of possible water that could be disposed in the Hominy 36 State # 001.
 - 5, Please see Exhibit "E" for analysis of Devonian produced water.
8. ***The Devonian zone is the dolomite of the Devonian system. It is gray, tan, brown to white, fine to medium xln. dolomite. Pinpoint to vuggy porosity and permeability usually good due to vertical and horizontal fractures.*** Roswell Geological Society Symposium
9. There is no stimulation planned at this time.

Penroc Oil Corporation
C108(Application for Authorization to Inject)
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Chaves County, New Mexico
Page 2

10. Logs and completion data was submitted by previous operator.
11. Please see Exhibit "F" for fresh water analysis of water wells in the area.
12. Geologic and engineering data has been examined and there is no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
13. Please see Exhibit "G" for proof of notify and legal notice to be published in the Roswell Daily Record. Affidavit of Publication will be submitted when received.
14. Please find enclosed a copy of the In-active well list of Penroc Oil Corporation.

**Penroc Oil Corporation
C108 (Application for Authorization to Inject)
Hominy 36 State # 001
API 30-005-27945
660 FSL X 2310 FEL
Section 36, T15S, R31E, NMPM
Chaves County, New Mexico**

*Well Data
Page 1*

Well spud 4/12/2006 as Devonian test

13 3/8" 48# H40 casing set in 17 1/2" hole at 809 feet. Cemented with 750 sacks 35:65 Poz C followed by 250 sacks Class "C" Neat. Cement circulated to surface.

9 5/8" 43.5# N80 casing set in 12 1/4" hole at 4480 feet. Cemented with 1900 sacks 35:65 Poz C followed by 200 sacks Class "C" with 2% CaCL. Cement did not circulate. Top of cement at 410 feet by temperature survey.

**5 1/2" 17# P110 casing set in 8 1/2" and 7 7/8" hole at 14100 feet.
8 1/2" hole from 4480 feet to 10900 feet
7 7/8" hole from 10900 feet to 14100 feet**

Cemented in 3 Stages with DV tools at 11192 feet and 8890 feet.

1st Stage 875 sacks POZ C + additives. Cement calculated to circulate.

2nd Stage 1250 sacks POZ C + additives. Cement circulated

3rd Stage 1800 sacks 35:65 POZ C followed by 200 sacks C Neat. Cement circulated

**Formation Tops
Yates 2453 feet
7 Rivers 2741 feet
Queen 3305 feet
San Andres 4150 feet
Glorieta 5657 feet
Tubb 6845 feet
Abo 7628 feet
Wolfcamp 9000 feet
Strawn 11528 feet
Atoka 11760 feet
Silurian 13810 feet
Morrow 12200 feet
Chester 12642 feet
Woodford 13727 feet**

Exhibit "A"

**Penroc Oil Corporation
C108 (Application for Authorization to Inject)
Hominy 36 State # 001
API 30-005-27945
660 FSL X 2310 FEL
Section 36, T15S, R31E, NMPM
Chaves County, New Mexico**

Well Data

Page 2

Perf Devonian 13,816-834 w/ 2 spf. Acdz w/ 1500 gals 15% NeFe. Re-acidize w/ 2000 gals 15% NeFe. Set pkr @ 13,698.

Perf Silurian 13,872-890 w/ 2 spf. Acdz w/ 1500 gals 15% NeFe.

POHw/pkr@ 13,698.

Set CIBP @ 13,750 w/ 50' cmt.

Perf Atoka 12,114-118, 12,876-84w/ 1 spf.

Acdz 12,114-118 w/ 500 gals 7-1/2% acid.

Set CIBP @ 12,850 w/ 50' cmt. Set CIBP @ 12,090 w/ 50' cmt. PerfAtoka 11,876-884 w/ 1 spf.

Acdz Atoka w/ 750 gals 7-1/2% acid.

Set CIBP @ 11,840 w/ 50' cmt. Perf Strawn 11,590-96, 11,610-20, 11,630-38, 11,554-664, 11,680-692w/ 2 spf.

Acdz w/ 3750 gals 15% NeFe.

Set CIBP @ 11,560w/ 50' cmt. Perf Strawn 11,242-260 w/ 2 spf.

Acdz w/ 1800 gals 15% NeFe.

Set CIBP @ 11,200 w/ 50' cmt. Perf Cisco 10,142-52, 10,172-80, 10,290-300, 10,381-94 w/ 2 spf.

Acdz w/ 3750 gals 15% NeFe.

Set CIBP@ 10,110 w/50' cmt.

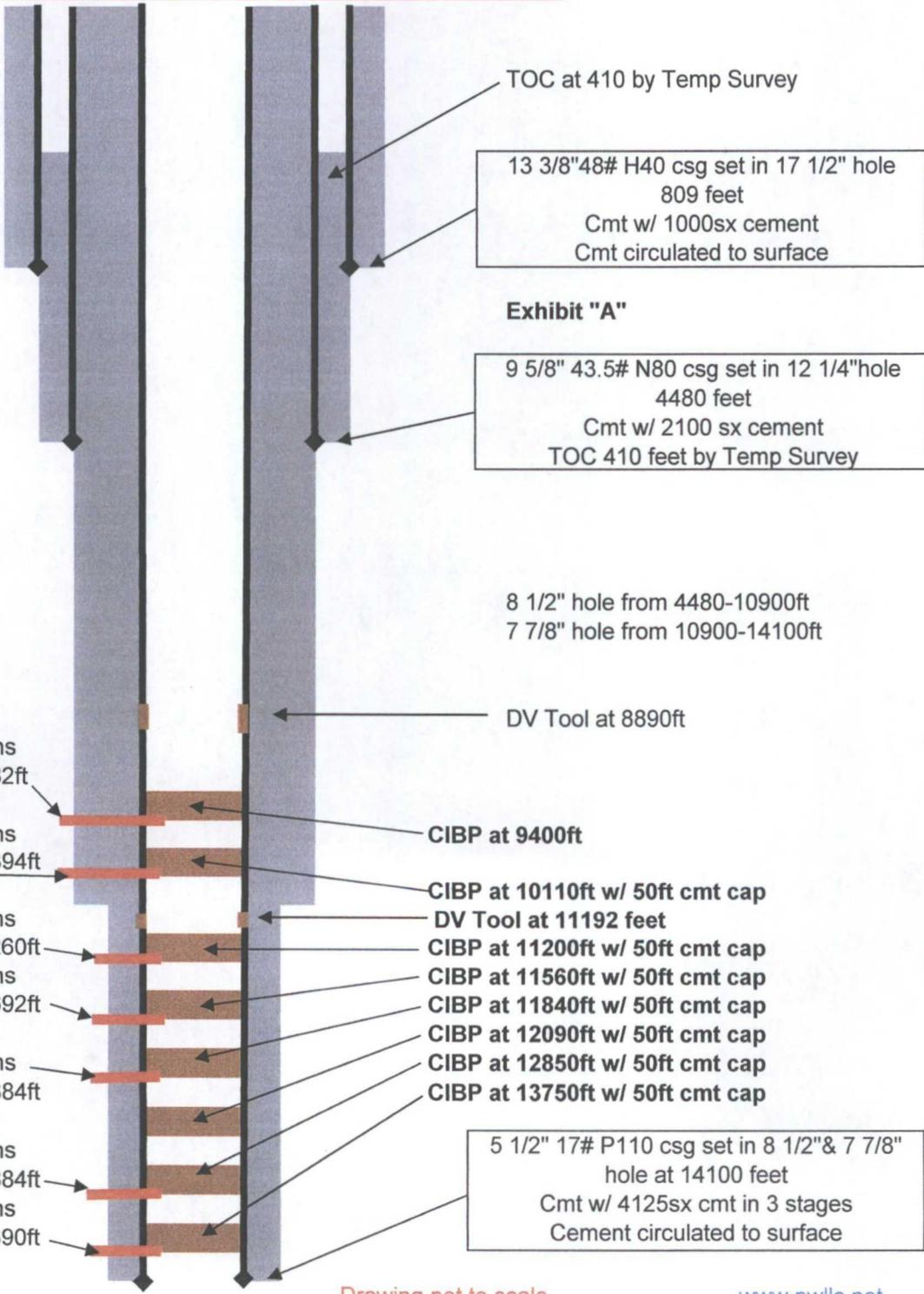
Perf Wolfcamp 94 12-20, 9432-4 1, 9532-40, 9700-08, 9758-64, 9798-9805, 9832-36, 9868-74, 9928-34, 9973-84,

10,020-32 w/ 2 spf.

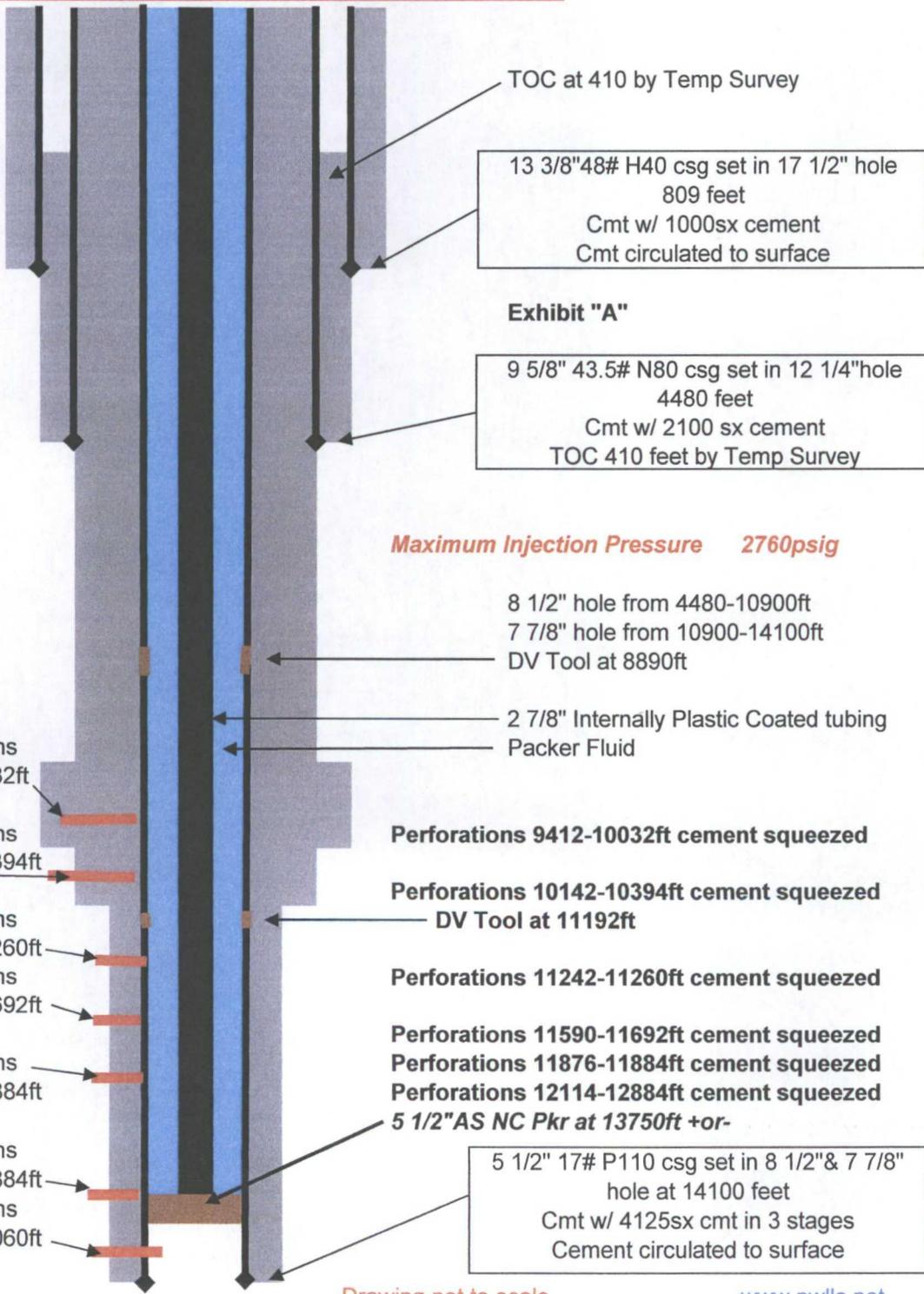
CIBP set at 9400 feet x well temporarily abandoned

Exhibit "A"

Penroc Oil Corporation
Hominy 36 State # 001
API 30-005-27945
Unit Letter "O", Section 36, T15S, R31E
Chaves County, New Mexico



Penroc Oil Corporation
Hominy 36 State # 001
API 30-005-27945
Unit Letter "O", Section 36, T15S, R31E
Chaves County, New Mexico
After Conversion to SWD



**Penroc Oil Corporation
Hominy 36 State # 001
Wells in 0.5 and 1 mile area of review**

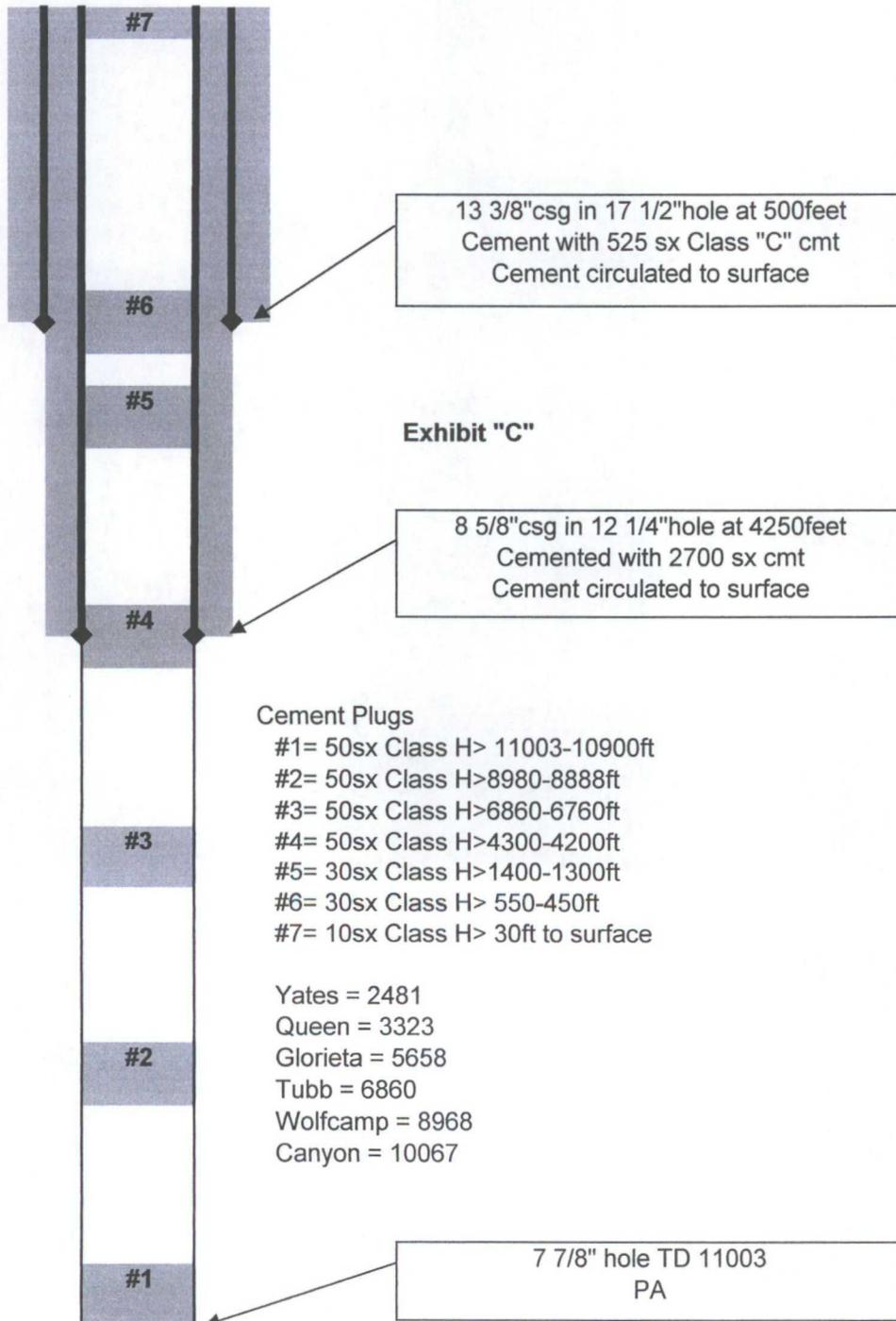
RADIUS	API	OPERATOR	LEASE	#	TYPE	S	TWN	RNG	SEC	UNT	TVD	LEASE TYPE	
	3000527945	OXY USA	HOMINY 36 STATE	1	OIL	TA	15S	31E	36	O	14100	S	
1249	3000521067	ARCO OIL AND GAS	HANKS 36 STATE	1	OIL	PA	15S	31E	36	J	11003	S	*****
2803	3000521160	CHEVRON	DULCE 36 STATE COM	1	GAS	PA	15S	31E	36	F	12942	S	
3000	3002536125	DEVON ENERGY	KEEL WEST WSW	1	WSW	A	15S	32E	31	4	NA	S	
4121	3002536126	DEVON ENERGY	KEEL-WEST WSW	2	WSW	A	15S	32E	31	2	NA	S	

***** PA diagram included

Keel West WSW 1 & 2 are water supply wells from the Ogallala

Exhibit "C"

Arco Oil and Gas Company
 Hanks 36 State # 001
 API 30-005-21067
 1850 FSL x 1930 FEL
 UL "J", Sec 36, T15S, R31E
 Chaves County, New Mexico
 Dry and Abandoned 10/29/1987



Penroc Oil Corporation
 Hominy 36 State # 001
 30-005-27945
 Possible pools disposing in Hominy 36 State # 001

Pool	Section	Township	Range	TDS	Chlorides
EMPIRE;ABO	27	17S	28E	224062	135900
ARTESIA;QUEEN-GRAYBURG-SAN ANDRES	28	17S	28E	237482	147300
ARTESIA; GLORIETA-YESO	33	17S	28E	206471	137940
EMPIRE; MORROW, SOUTH	31	17S	29E	35148	19800
EMPIRE; GLORIETA-YESO	19	17S	29E	213384	142829
CROW FLATS;MORROW	3	17S	27E	44318	27242
LOGAN DRAW;MORROW	11	17S	27E	8567	4604
RED LAKE;QUEEN-GRAYBURG-SA	3	18S	37E	217737	146435

Data obtained from
<http://octane.nmt.edu>

Exhibit "D"

General Information About: Sample 5537			
ANDERSON RANCH UNIT 001			
API	3002500383	Sample Number	
Unit/Section/ Township/Range	G / 11 / 16 S / 32 E	Field	ANDERSON RANCH
County	Lea	Formation	DEV
State	NM	Depth	
Lat/Long	32.93764 / - 103.73418	Sample Source	WELLHEAD
TDS (mg/L)	50920	Water Type	
Sample Date(MM/DD/YYYY)		Analysis Date(MM/DD/YYYY)	
Remarks/Description			
Cation Information (mg/L)		Anion Information (mg/L)	
Potassium (K)		Sulfate (SO)	1863
Sodium (Na)		Chloride (Cl)	27630
Calcium (Ca)		Carbonate (CO ₃)	
Magnesium (Mg)		Bicarbonate (HCO ₃)	293
Barium (Ba)		Hydroxide (OH)	
Manganese (Mn)		Hydrogen Sulfide (H ₂ S)	
Strontium (Sr)		Carbon Dioxide (CO ₂)	
Iron (Fe)		Oxygen (O)	

Devonian produced water from the area of the Hominy 36 State # 1

Data obtained from <http://octane.nmt.edu>

Exhibit "E"

Water Samples for Sect 31 Township 15 South Range 32 East

Instructions:

The number represents the number of water samples of certain well. Click the number if you want to download the data.

# of samples	S	T	R	Formation	Date	Chlorides (mg/L)	Location (qtr/qtr) 2 records are available.
<input type="checkbox"/> <u>1</u> sample	31	15S	32E	OGALLALA	9/29/1995	28	15S.32E.31.1320 0
<input type="checkbox"/> <u>1</u> sample	31	15S	32E	OGALLALA	7/17/1990	48	15S.32E.31.1320 0
<input type="checkbox"/> SELECT/DESELECT ALL							
<input type="button" value="Submit"/>							

General Information About: Sample 3887			
Section/ Township/Range	31 / 15 S / 32 E	Lat/Long	32.9738 / - 103.7566
Elevation	4318	Depth	320
Date Collected	9/29/1995	Chlorides	28
Collector / Point of Collection	SEO / YT	Use	Domestic
Formation	OGALLALA	TDS	0

Data obtained from:

http://octane.nmt.edu/waterquality/data/ViewGeneralInfoGWater.asp?sample_id=3887

Exhibit "F"

Pueblo West

June 28, 2011

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

RE: C108

Will,

Please find enclosed 2 copies of form C108 for the Hominy 36 State # 1 (API#30-005-27945) along with an email that I received from the Roswell Daily Record with commitment to publish the Legal Notice for this application. Proof of Publication will be sent to you as soon as it is received from the Roswell Daily Record. All of the minerals with in the 0.5 mile area of review are owned by the State of New Mexico. Our research has found no depth division of interest in the state leases, The notified lessee's have rights to all depths.

Please, call, email or text if you need further information.

Thanks for your help.



Billy (Bill) E. Prichard
Pueblo West Consulting
Agent for Penroc Oil Corporation
125 Greathouse Village
Decatur, Texas 76234
432-934-7680 cellular or text
940-627-5449 fax
Email; billy@pwllc.net
www.pwllc.net

RECEIVED OGD
2011 JUN 30 AM 10:18

Penroc Oil Corporation
 Hominy 36 State #001
 API # 30-005-27945

Notified Parties

Surface

Owner - State of New Mexico

Lessee- Shannon Kizer

PO Box 56, Pep,NM, 88126

Legal Description

Section 36, T15S, R31E

1/4 1/4	Unit Letter	Owner	Lessee	
SW4NW4	E	New Mexico	Open	New Mexico State Land Office
SE4NW4	F	New Mexico	3 Rivers Acquisition L.L.C.	1122 South Capital of Texas Highway, Suite 325 Austin, TX
SW4NE4	G	New Mexico	Open	New Mexico State Land Office
SE4NE4	H	New Mexico	Open	New Mexico State Land Office
NE4SE4	I	New Mexico	Open	New Mexico State Land Office
NW4SE4	J	New Mexico	Open	New Mexico State Land Office
NE4SW4	K	New Mexico	3 Rivers Acquisition L.L.C.	1122 South Capital of Texas Highway, Suite 325 Austin, TX
NW4SW4	L	New Mexico	3 Rivers Acquisition L.L.C.	1122 South Capital of Texas Highway, Suite 325 Austin, TX
SW4SW4	M	New Mexico	Open	New Mexico State Land Office
SE4SW4	N	New Mexico	Open	New Mexico State Land Office
SW4SE4	O	New Mexico	Open	New Mexico State Land Office
SE4SE4	P	New Mexico	Open	New Mexico State Land Office

Section 31, T15S, R32E

NW4SW4	L(Lot 3)	New Mexico	Devon Energy Production Company,LP	20 N Broadway	Oklahoma City, OK 73102
SW4SW4	M(Lot 4)	New Mexico	Devon Energy Production Company,LP	20 N Broadway	Oklahoma City, OK 73102

Section 4, T16S, 32E

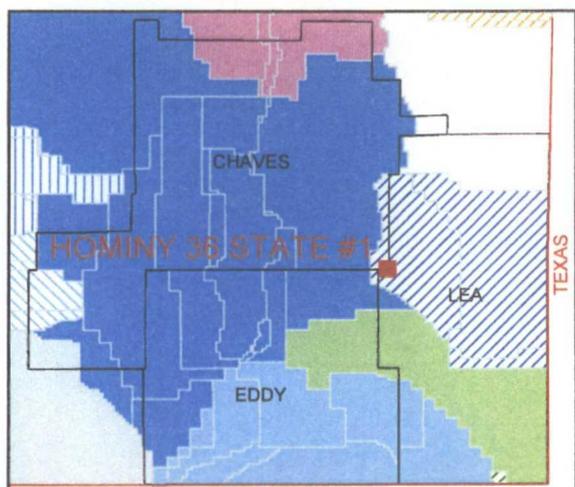
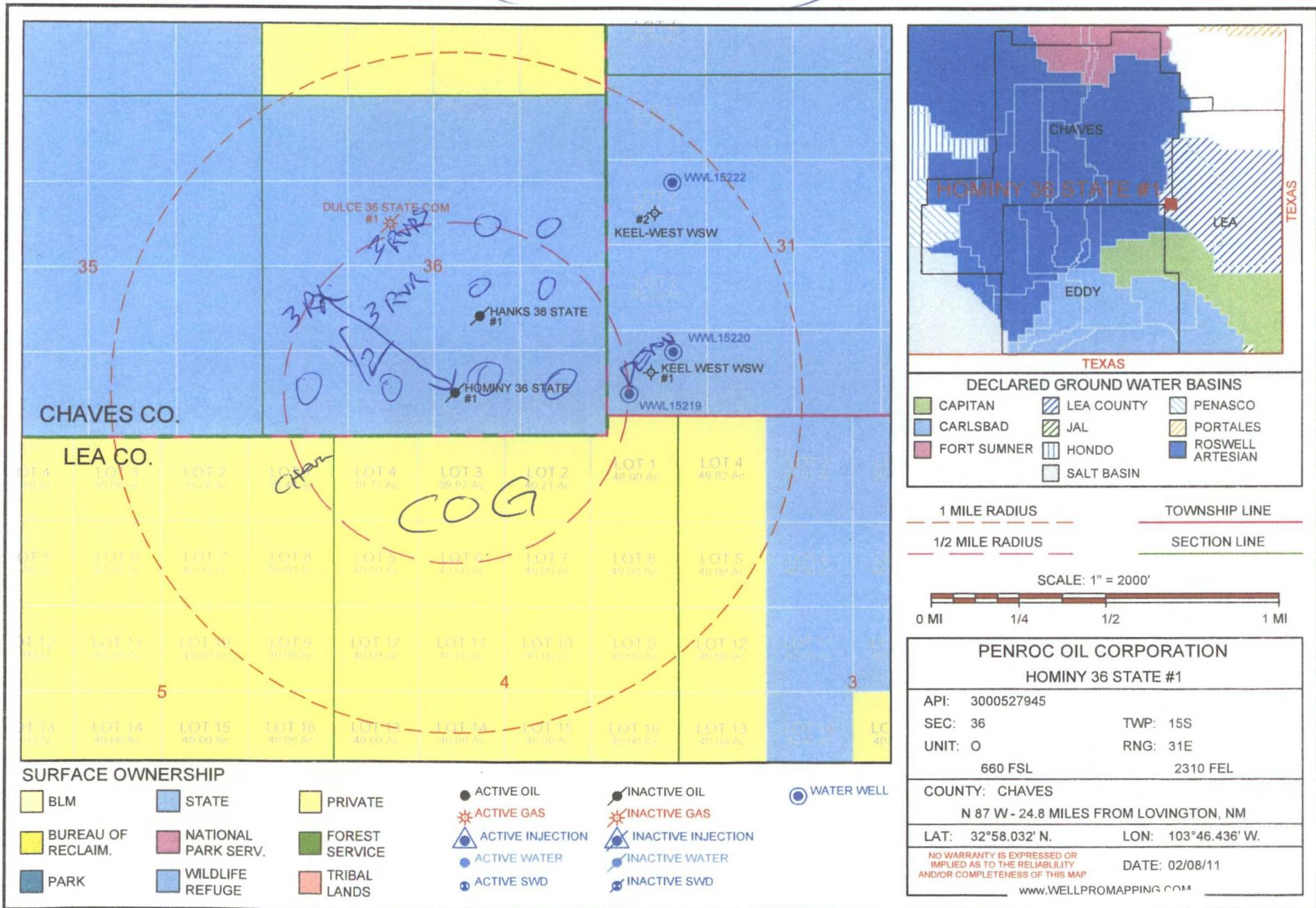
NE4NE4	Lot 1	New Mexico	Doug J. Schutz(COG Operating,LLC)	P. O. BOX 973	"Santa Fe,NM 87504-0973"
NW4NE4	Lot 2	New Mexico	Doug J. Schutz(COG Operating,LLC)	P. O. BOX 973	"Santa Fe,NM 87504-0973"
NE4NW4	Lot 3	New Mexico	Doug J. Schutz(COG Operating,LLC)	P. O. BOX 973	"Santa Fe,NM 87504-0973"
NW4NW4	Lot 4	New Mexico	Doug J. Schutz(COG Operating,LLC)	P. O. BOX 973	"Santa Fe,NM 87504-0973"
SW4NW4	Lot 5	New Mexico	Doug J. Schutz(COG Operating,LLC)	P. O. BOX 973	"Santa Fe,NM 87504-0973"
SE4NW4	Lot 6	New Mexico	Doug J. Schutz(COG Operating,LLC)	P. O. BOX 973	"Santa Fe,NM 87504-0973"
SWNE4	Lot 7	New Mexico	Doug J. Schutz(COG Operating,LLC)	P. O. BOX 973	"Santa Fe,NM 87504-0973"

Section 5, T16S, R32E

NE4NE4	Lot 1	New Mexico	Chevron USA, Inc	PO Box 1635	Houston,Texas 77251-1635
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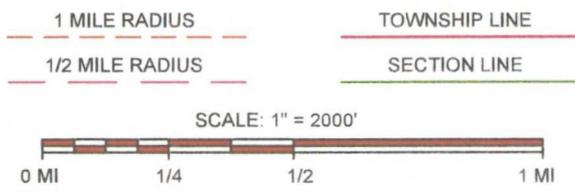
Exhibit "G"

Handwritten signature



DECLARED GROUND WATER BASINS

CAPITAN	LEA COUNTY	PENASCO
CARLSBAD	JAL	PORTALES
FORT SUMNER	HONDO	ROSWELL ARTESIAN
	SALT BASIN	



PENROC OIL CORPORATION
HOMINY 36 STATE #1

API: 3000527945
 SEC: 36 TWP: 15S
 UNIT: O RNG: 31E
 660 FSL 2310 FEL

COUNTY: CHAVES
 N 87 W - 24.8 MILES FROM LOVINGTON, NM

LAT: 32°58.032' N. LON: 103°46.436' W.

NO WARRANTY IS EXPRESSED OR IMPLIED AS TO THE RELIABILITY AND/OR COMPLETENESS OF THIS MAP DATE: 02/08/11

www.WELLPROMAPPING.COM

SURFACE OWNERSHIP

BLM	STATE	PRIVATE	ACTIVE OIL	INACTIVE OIL	WATER WELL
BUREAU OF RECLAIM.	NATIONAL PARK SERV.	FOREST SERVICE	ACTIVE GAS	INACTIVE GAS	
PARK	WILDLIFE REFUGE	TRIBAL LANDS	ACTIVE INJECTION	INACTIVE INJECTION	
			ACTIVE WATER	INACTIVE WATER	
			ACTIVE SWD	INACTIVE SWD	

Exhibit "B"

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

PEP NM 88126 **OFFICIAL USE**

Postage	\$ 1.48	0634
Certified Fee	\$2.85	01
Return Receipt Fee (Endorsement Required)	\$2.30	Postmark Here
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 6.63	06/28/2011

Sent To: **Shannon Kizer**
PO Box 56
Pep, NM 88126

Street, Apt. No. or PO Box No.
 City, State, ZIP+4

PS Form 3800, August 2006 See Reverse for Instructions

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

HOUSTON TX 77251 **OFFICIAL USE**

Postage	\$ 1.48	0634
Certified Fee	\$2.85	01
Return Receipt Fee (Endorsement Required)	\$2.30	Postmark Here
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 6.63	06/28/2011

Sent To: **Chevron USA, Inc**
PO Box 1635
Houston, TX

Street, Apt. No. or PO Box No.
 City, State, ZIP+4

PS Form 3800, August 2006 See Reverse for Instructions

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

SANTA FE NM 87504 **OFFICIAL USE**

Postage	\$ 1.48	0634
Certified Fee	\$2.85	01
Return Receipt Fee (Endorsement Required)	\$2.30	Postmark Here
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 6.63	06/28/2011

Sent To: **New Mexico State Land Office**
Oil, Gas, Mineral Division
PO Box 1148
Santa Fe, NM 87504-1148

Street, Apt. No. or PO Box
 City, State

PS Form 3800, August 2006 See Reverse for Instructions

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OKLAHOMA CITY OK 73101 **OFFICIAL USE**

Postage	\$ 1.48	0634
Certified Fee	\$2.85	01
Return Receipt Fee (Endorsement Required)	\$2.30	Postmark Here
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 6.63	06/28/2011

Sent To: **Devon Energy Production**
PO Box 1678
Oklahoma City, OK 73101-1678

Street, Apt. No. or PO Box
 City, State

PS Form 3800, August 2006 See Reverse for Instructions

EXHIBIT "G"

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

AUSTIN TX 78746

OFFICIAL USE

Postage	\$ 11.48	0634
Certified Fee	\$ 2.85	01
Return Receipt Fee (Endorsement Required)	\$ 2.30	Postmark Here
Restricted Delivery Fee (Endorsement Required)	\$ 0.00	
Total Postage & Fees	\$ 16.63	06/28/2011

Sent To
 Street, Apt. No. or PO Box No.
 City, State, ZIP

3 Rivers Acquisitions L.L.C.
1122 South Capital of Texas Hwy
Suite 325
Austin, TX 78746

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

MIDLAND TX 79701

OFFICIAL USE

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Total Postage & Fees	\$ 16.63	06/28/2011

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Midland, TX 79701

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HOBBS NM 88240

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Restricted Delivery Fee (Endorsement Required)	\$ 0.00	
Total Postage & Fees	\$ 16.63	06/28/2011

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 City, State, ZIP

District 1
New Mexico Oil Conservation Division
1625 N French Dr
Hobbs, NM 88240-9273

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SANTA FE NM 87504

OFFICIAL USE

Postage	\$ 11.48	0634
Certified Fee	\$ 2.85	01
Return Receipt Fee (Endorsement Required)	\$ 2.30	Postmark Here
Restricted Delivery Fee (Endorsement Required)	\$ 0.00	
Total Postage & Fees	\$ 16.63	06/28/2011

Sent To
 Street, Apt. No. or PO Box No.
 City, State, ZIP

Doug J. Schutz
PO Box 973
Santa Fe, NM 87504-0973

Exhibit "G"

Legal Notice

Penroc Oil Corporation, PO Box 2769, Hobbs, New Mexico 88240 has filed NMOCD form C108 seeking administrative approval to convert the Hominy 36 State # 001, API # 30-005-27945 located 660 FSL x 2310 FEL, Unit letter "O", Section 36 T15S, R31E, NMPM, Chaves County, New Mexico from a temporarily abandoned Wolfcamp oil well to a Devonian commercial salt water disposal well. Disposal fluid would come from producing wells in the area. The disposal interval would be the Devonian formation through perforations from 13800 feet to 14060 feet. Anticipated disposal rate is 3000-7000 barrels of water per day. Anticipated disposal pressure is expected to be 0 psig with a maximum disposal pressure of 2760 psig. Well is located 24.8 miles west of Lovington, New Mexico

All interested parties opposing the aforementioned must file objections with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505 with in 15 days. Additional information can be obtained by contacting Billy Prichard 432-934-7680.

Exhibit "G"

[Print](#) | [Close Window](#)

Subject: Re: Legal Notice
From: Corinna Martinez <legals@roswell-record.com>
Date: Fri, Jun 24, 2011 10:50 am
To: billy@pwllc.net
Attach: unknown.jpg

Dear Billy,

thank you for your early reply Your legal ad is ready for publishing. As soon as the publishing day has passed, I will send you the affidavit and invoice.

Thank you for your Business! Have a great weekend!

Best regards,

Corinna

On Jun 24, 2011, at 11:48 AM, billy@pwllc.net wrote:

Corinna, good to go.
Thanks
Bep
Sent via BlackBerry by AT&T

—Original Message—

From: Corinna Martinez <legals@roswell-record.com>
Date: Fri, 24 Jun 2011 11:36:56
To: <billy@pwllc.net><billy@pwllc.net>
Subject: Re: Legal Notice

Dear Billy,

Thank you for your early reply. I have put your ad into our system to be published as requested. Following you receive the proof and invoice. It is already cleared for publishing. If you have any corrections/changes, please let me know latest today by 12 pm.

Best regards,

Corinna

On Jun 24, 2011, at 10:59 AM, <billy@pwllc.net> <billy@pwllc.net> wrote:

Corinna, Please publish the attached legal notice in the Roswell paper as soon as possible. Invoice and affidavit of publication should be sent to the below address. Thanks for your help ..
Please respond to this email communication for verification of delivery
Billy (Bill) E. Prichard
Pueblo West Consulting
125 Greathouse Village
Decatur, TX 76234
432-934-7680 cellular
940-627-5449 fax
email: billy@pwllc.net
www.pwllc.net

Penroc Oil Corporation, PO Box 2769, Hobbs, New Mexico 88240 has filed NMOC form C108 seeking administrative approval to convert the Horniny 36 State # 001, API # 30-005-27945 located 660 FSL x 2310 FEL, Unit letter "O", Section 36 T15S, R31E, NMPM, Chaves County, New Mexico from a temporarily abandoned Wolfcamp oil well to a Devonian commercial salt water disposal well. Disposal fluid would come from producing wells in

the area The disposal interval would be the Devonian formation through perforations from 13800 feet to 14060 feet. Anticipated disposal rate is 3000-7000 barrels of water per day. Anticipated disposal pressure is expected to be 0 psig with a maximum disposal pressure of 2760 psig.

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<legal notice devonian.doc>

Corinna Martinez
Legal Clerk
Roswell Daily Record
2301 N Main St.
Roswell, NM 88201
575-622-7710 ext. 43
Fax: 575-625-0421
legals@roswell-record.com

NOTICE: If you have received a message in error, please notify the sender immediately at 575.622.7710 ext. 41 or by replying to the message and please delete it from your computer. The e-mail message and all attachments transmitted with it are intended solely for the use of the addressee and may contain legally privileged and confidential information. If the reader of the message is not the intended recipient, or an employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution, copying, or other use of the message or its attachments is strictly prohibited.

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Roswell Daily Record

Office: 575.622.7710
Fax: 575.625.0421

2301 North Main Street
Roswell, NM 88201

Injection Permit Checklist (11/15/2010)

WFX _____ PMX _____ SWD 1293 Permit Date 7/16/11 UIC Qtr (J/A/S)

Wells 1 Well Name(s): Hornoy 36 State #1

API Num: 30-005-27945 Spud Date: 4/12/06 New/Old: N (UIC primacy March 7, 1982)

Footages 660 FSL/231 OFEL Unit 0 Sec 36 Tsp 15S Rge 31E County CHCWA

General Location: 25 mi W. of LOUINGTON

Operator: PENROCK OIL CORPORATION Contact BILLY PRICHARD

OGRID: 17213 RULE 5.9 Compliance (Wells) 1/68 (Finan Assur) OK IS 5.9 OK? OK

Well File Reviewed _____ Current Status: TA, Non Producing - WC

Planned Work to Well: Drillout/convert

Diagrams: Before Conversion After Conversion Elogs in Imaging File:

Well Details:	Sizes		Setting Depths	Stage Tool	Cement Sx or Cf	Determination Method
	Hole.....	Pipe				
New ___ Existing ___ Surface	<u>17 1/2</u>	<u>13 3/8</u>	<u>809</u>	<u>---</u>	<u>750+250</u>	<u>CIRC</u>
New ___ Existing ___ Intern	<u>12 1/4</u>	<u>9 5/8</u>	<u>4480</u>		<u>1900+200</u>	<u>410 T.S.</u>
New ___ Existing ___ LongSt	<u>8 1/2</u>	<u>5 1/2</u>	<u>14,100</u>	<u>11,152/550</u>	<u>875/1250/1800/2250</u>	<u>CIRC (203)</u>
New ___ Existing ___ Liner						
New ___ Existing ___ OpenHole						

Depths/Formations:	Depths, Ft.	Formation	Tops?
Formation(s) Above	<u>13727</u>	<u>WOODFORD</u>	<input checked="" type="checkbox"/>
Injection TOP:	<u>13800</u>	<u>DEVONIAN</u>	Max. PSI <u>2760</u> OpenHole _____ Perfs <input checked="" type="checkbox"/>
Injection BOTTOM:	<u>14060</u>	<u>SILURIAN</u>	Tubing Size _____ Packer Depth _____
Formation(s) Below			

Capitan Reef? _____ (Potash? _____ Noticed? _____) [WIPP? _____ Noticed? _____] Salado Top/Bot 1380'-2320' Cliff House? _____

Fresh Water: Depths: 0-400' Formation OGelder Wells? _____ Analysis? _____ Affirmative Statement

Disposal Fluid Analysis? Sources: Commercial TRUCKED OR PIPELINE

Disposal Interval: Analysis? Production Potential/Testing: Tested already

Notice: Newspaper Date 7/12/11 Surface Owner SLO Mineral Owner(s) (SLO)

RULE 26.7(A) Affected Persons: Deon F. Kizer / Chem / COG / Schilly / 3 Rivers

AOR: Maps? Well List? Producing in Interval? NO Wellbore Diagrams? _____

.....Active Wells 0 Repairs? _____ Which Wells? _____

.....P&A Wells 0 Repairs? _____ Which Wells? _____

Issues: _____ Request Sent _____ Reply: _____

Pueblo West

July 6, 2011

RECEIVED OCD

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

2011 JUL -8 A 11: 54

RE: C108 – Affidavit of Publication

Will,

Please find enclosed the original affidavit of publication for the Hominy 36 State # 1
(API#30-005-27945).

Please, call, email or text if you need further information.

Thanks for your help.



Billy (Bill) E. Prichard
Pueblo West Consulting
Agent for Penroc Oil Corporation
125 Greathouse Village
Decatur, Texas 76234
432-934-7680 cellular or text
940-627-5449 fax
Email; billy@pwllc.net
www.pwllc.net

AFFIDAVIT OF PUBLICATION
STATE OF NEW MEXICO

I, Corinna Martinez
Legals Clerk

Of the Roswell Daily Record, a daily newspaper published at Roswell, New Mexico do solemnly swear that the clipping hereto attached was published in the regular and entire issue of said paper and not in a supplement thereof for a period of:

one time with the issue dated

June 28, 2011



Clerk

Sworn and subscribed to before me

this 28th June, 2011



Notary Public

My Commission expires
June 13, 2014

(SEAL)

Publish June 28, 2011

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