State of New Mexico Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham Governor

Sarah Cottrell Propst Cabinet Secretary

Todd E. Leahy, JD, PhD Deputy Secretary Adrienne Sandoval, Director Oil Conservation Division



January 13, 2020

Judah Oil LLC (OGRID 245872) c/o Holcomb Consultants

E-mail contact: danny@pwllc.net

RE: Administrative Order SWD-1704; Extension of Deadline to Inject

Well: Doodle Bug State SWD Well No. 1 (API 30-025-44144) Located: Unit G, Sec 16, T22S, R33E, NMPM, Lea County, New Mexico

Order Date: November 20, 2017

Injection formations: Devonian and Silurian formations; 16,420 feet to 17,200 feet

Dear Mr. Holcomb:

Reference is made to your August 15, 2019 request on behalf of Judah Oil LLC (the "operator") to extend the deadline stipulated in the above titled order to commence injection for the above referenced well for reasons outlined in your correspondence. The current deadline date to commence injection under said order is two years after issuance of the order: November 20, 2019.

It is the Division's understanding from your correspondence that since the date of issuance of this permit, no additional wells that penetrate the approved injection interval drilled in the one half-mile Area of Review (AOR). However, one new affected party within the AOR, Marathon Oil Permian LLC, was noticed and filed a protest on August 23, 2019. Subsequently, Marathon Oil Permian LLC withdrew its protest on December 17, 2019, and the extension request could be reviewed administratively for approval.

The Division finds that for reasons you have stated, the granting of this request to extend this administrative order is in the interest of conservation, will prevent waste, and will protect the environment. Therefore, the deadline to commence injection for the existing order is hereby extended until **November 20, 2020**.

All requirements of the above referenced administrative order and agreements in the application remain in full force and effect. Any additional extension of the deadline to commence injection for this administrative order will not be considered unless the operator has already commenced drilling of the referenced well. Otherwise, the injection authority shall expire under the terms of the extended administrative order and the operator shall be required to submit a new application to obtain injection authority for the referenced well.

ADRIENNE SANDOVAL

Director

AS/prg

cc: Oil Conservation Division – Hobbs District Office Order SWD-1704 and well file for 30-025-44144

Judah Oil, LLC c/o Holcomb Consultants 6900 Spring Cherry Lane Amarillo, Texas 79124

AUG 21 2019 PM01:06

August 15, 2019

State of New Mexico NMOCD Engineering Bureau 1220 South St. Francis Drive Santa Fe, New Mexico 87505 Attn: Mr. Michael McMillan

Administrative Request for Extension of Injection Authority
Doodle Bug State SWD #1 (30-025-44144)
G-16-22S-33E, Lea County, New Mexico
Injection Administrative Order SWD-1704 authorized November 20, 2017

Dear Mr. McMillan,

Judah Oil, LLC respectfully requests an administrative extension for injection authority for the subject well. Injection authority is set to expire on November 20, 2019. Judah Oil, LLC requests an extension be granted for one year for good cause. Judah Oil, LLC is a small operator with only one field representative. Since the approval of this injection authority, Judah has initiated two SWD wells and facilities as noted below:

Well: Shinnery Oak Federal SWD #1 (30-015-20866)

Injection Authority: AO SWD-1704 approved 3/4/15 (10/25/17 authority extension to 3/4/18)

Re-entry commenced: 11/6/2017 Completion ready: 12/15/2017 First injection: March, 2018

Well: Mile Marker 5 State SWD #1 (30-015-44818)

Injection Authority: AO SWD-1756 approved 10/3/2018 (for 1 year period)

Spud date: 11/16/2018

Completion ready: 3/25/2019 First injection: June, 2019

Judah Oil, LLC c/o Holcomb Consultants 6900 Spring Cherry Lane Amarillo, Texas 79124

Judah is now focused on drilling and constructing the Doodle Bug State SWD #1. However, as you can see from the Mile Marker 5 State SWD #1 timeline above, Judah cannot have the Doodle Bug well and facilities ready for first injection within 3-1/2 months. The time required to drill, complete and test a 17,000 foot well, then obtain NMSLO rights-of-way and leases for the surface facilities and then build those facilities requires more time. Therefore, Judah Oil, LLC respectfully requests a one year extension on the injection authority in order to implement the Doodle Bug State SWD #1.

Since the application for injection authority was approved on November 20, 2017, four additional wells have been permitted/drilled, but no completions reported within the 0.5 mile radius area of review. No wells within the 0.5 mile AOR penetrate the proposed injection interval. The operator of the four new wells was notified during the original injection application and did not protest. Attached is a copy of the updated 0.5 mile radius AOR map for offset wells and a list of the new offset wells titled "Exhibit C".

Since original application submission, there has been one change in the affected parties within the 0.5 mile radius AOR. Attached is a copy of the updated 0.5 mile AOR map for affected parties titled "Exhibit F". Marathon now operates acreage in Section 15, T22S, R33E. In 2017, we notified the lessees of those two leases since no operator was identified. Attached is a copy of the Marathon notice signature receipt.

Thank you for your consideration in this matter. If you need additional information, please contact me at danny@pwilc.net or 806-471-5628.

Sincerely,

Danny J. Holcomb Holcomb Consultants

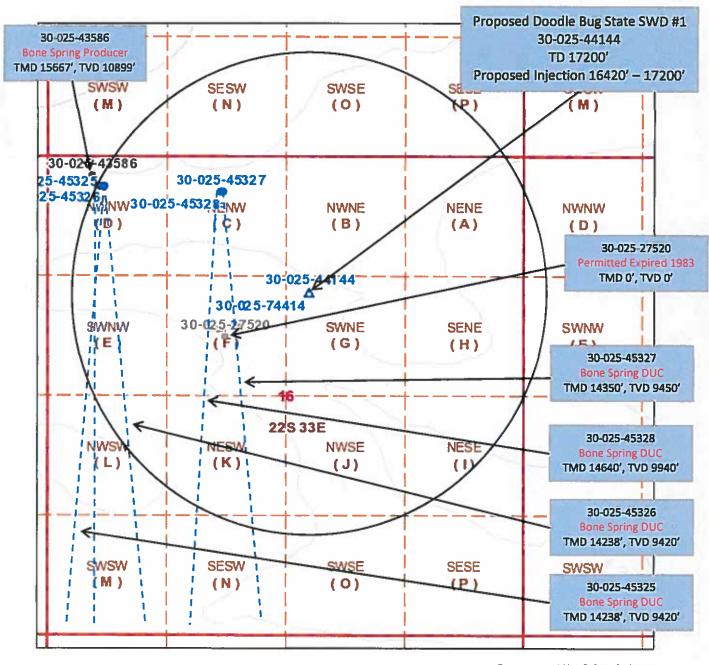
Agent for Judah Oil, LLC

WHolcomb

Attachments

cc: James B. Campanella

Judah Oil, LLC Doodle Bug State SWD #1 API 30-025-44144 1498 FNL x 2389 FEL, UL 'G', Sec 16, T22S, R33E Updated 0.5 Mile AOR



Source - NMOCD GIS Map

There are no offset wells within the 0.5 mile AOR that penetrate the proposed injection interval.

EXHIBIT "C"

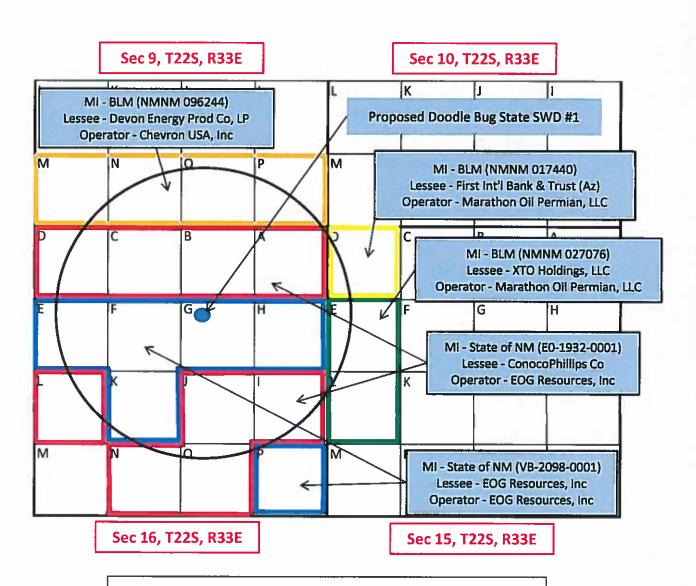
Judah Oil, LLC Doodle Bug State SWD #1 API # 30-025-44144 Offset Wells within 0.5 Mile AOR

There are four new offset wells within the 0.5 mile AOR that do not penetrate the proposed disposal zone.

UL, Sec, T, R	API Well No.	Well Name	Ū√T 0√T	Operator	Status
C-16-22S-33E	30-025-45327	Speedy 16 State Com #203H	9450′	EOG Resources, Inc	Drilled, uncompleted (per OCD records)
C-16-22S-33E	30-025-45328	Speedy 16 State Com #301H	9940'	EOG Resources, Inc	Drilled, uncompleted (per OCD records)
D-16-22S-33E	30-025-45325	Speedy 16 State Com #201H	9420'	EOG Resources, Inc	Drilled, uncompleted (per OCD records)
D-16-22S-33E	30-025-45326	Speedy 16 State Com #202H	9420'	EOG Resources, Inc	Drilled, uncompleted (per OCD records)

EXHIBIT "C"

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



This location 1498 FNL X 2389 FEL
Surface Owner - State of NM, Commissioner of Public Land,
PO Box 1148, Santa Fe, NM 87504
Drawing not to scale

EXHIBIT "F"

Judah Oil, LLC c/o Holcomb Consultants 6900 Spring Cherry Lane Amarillo, Texas 79124

August 7, 2019

Marathon Oil Permian, LLC 5555 San Felipe Street Houston, TX 77056

Re: Notice of Request for One Year Extension for Injection Authority
State Doodle Bug State SWD #1 (API 30-025-44144)
G-16-T22S-R33E, Lea County, New Mexico

Judah Oil, LLC applied for and received an approved Administrative Order SWD-1704 dated November 20, 2017 from the New Mexico Oil Conservation Division to drill and complete the Doodle Bug State SWD #1 (30-025-44144) as a Devonian/Silurian SWD well in Unit Letter G, Section 16, T225, R33E, Lea County, New Mexico. Judah is now applying to the NMOCD for a one year extension to this injection authority.

The proposed disposal interval would be the Devonian-Silurian formations through open-hole completion between 16420' – 17200'. Disposal fluid would be produced water from producing oil and gas wells in the area. Anticipated average disposal volume is 14,000 BWPD with a maximum anticipated volume of 18,000 BWPD. Anticipated average disposal pressure is 2200 psi with a maximum disposal pressure of 3284 psi. The well would be located approximately 19.8 miles southwest of Oil Center, New Mexico.

You are receiving this letter notice because you have been identified as an operator of non-producing acreage (see attachment) within 0.5 miles of the subject well. BLM records indicate you became the operator of this acreage in 2017.

All interested parties opposing this requested extension must file objections with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505 within 15 days. Additional information can be obtained by contacting Danny Holcomb at 806-471-5628 or the email address below.

Sincerely,

Danny J. Holcomb

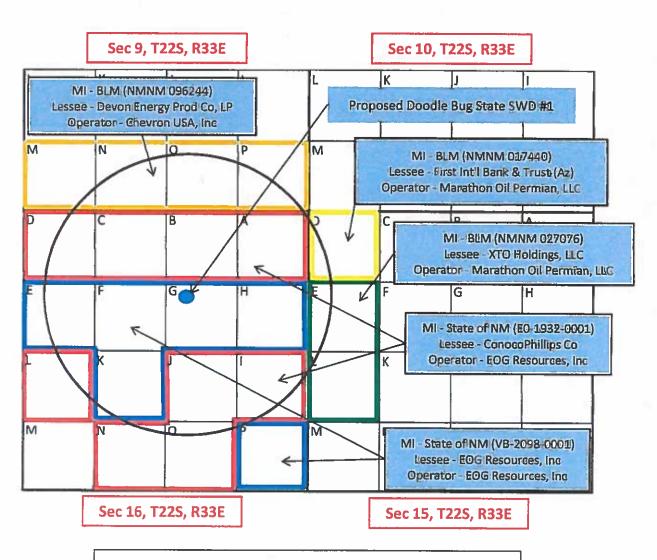
Molcombe

Agent for Judah Oil, LLC

Email: danny@pwllc.net

Attachment

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



This location 1498 FNL X 2389 FEL
Surface Owner - State of NM, Commissioner of Public Land,
PO Box 1148, Santa Fe, NM 87504
Drawing not to scale

EXHIBIT "F"



August 15, 2019

Dear Danny Holcomb:

The following is in response to your request for proof of delivery on your item with the tracking number: 7017 2680 0000 8751 2406.

Item Details

Status: Delivered, Front Desk/Reception/Mail Room

Status Date / Time: August 15, 2019, 2:25 pm Location: HOUSTON, TX 77057

Postal Product: First-Class Mail® Extra Services: Certified Mail™

Return Receipt Electronic

Shipment Details

Weight: 1.0oz

Recipient Signature

Signature of Recipient:

strine SSSSut

Address of Recipient:

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service® for your mailing needs. If you require additional assistance, please contact your local Post Office™ or a Postal representative at 1-800-222-1811.

Sincerely. United States Postal Service® 475 L'Enfant Plaza SW Washington, D.C. 20260-0004



Submit I Copy To Appropriate District State of	New Mexico	Form C-1	03		
District 1 - (575) 393-6161 Energy, Minerals and Natural Resources		es Revised July 18, 20 WELL API NO.	013		
1625 N. French Dr., Hobbs, NM 88240 <u>District II</u> – (575) 748-1283 OIL CONSEDVATION					
District III - (505) 334-6178 1220 South					
District IV - (505) 476-3460 Santa Fe	, NM 87505 S	STATE FEE 6. State Oil & Gas Lease No.	\dashv		
1220 S. St. Francis Dr., Santa Fe, NM 87505	PA 02 0	2			
SUNDRY NOTICES AND REPORTS OF	7. Lease Name or Unit Agreement Name	e			
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR THIS BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR BUCH		Doodle Bug State SWD 8. Well Number	_		
PROPOSALS.) 1. Type of Well: Oil Well Gas Well Other SV	001				
2. Name of Operator	9. OGRID Number	\neg			
Judah Oil, LLC 3. Address of Operator		245872 10. Pool name or Wildcat	\dashv		
P. O. Box 568, Artesia, NM 8821	SWD; Devonian - Silurian				
4. Well Location			\neg		
Unit Letter G: 1498 feet from the North line and 2390 feet from the East line Section 16 Township 22S Range 33E NMPM Lea County					
11. Elevation (Show wh					
<u> </u>	3554.5'				
12 Cheek Annuaniete Peute In	lianta Nistrus aCNI.	die Bered - Oh- B-			
12. Check Appropriate Box to Inc	ncate Nature of Inc	ouce, Report of Other Data			
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON		SUBSEQUENT REPORT OF:	_		
PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON TEMPORARILY ABANDON ☐ CHANGE PLANS	REMEDIAL COMMENS		1		
PULL OR ALTER CASING MULTIPLE COMPL		EMENT JOB	_		
DOWNHOLE COMMINGLE	_	_			
CLOSED-LOOP SYSTEM CTHER: Respect 4 years and a second for ASS	ET LES	_	_		
OTHER: Request 1 year extension for APD 13. Describe proposed or completed operations, (Clearly	State all pertinent deta	ils, and give pertinent dates, including estimated d	<u> </u> date		
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.					
Judah Oil, LLC respectfully requests a one year extension year extension from the NMOCD Engineering Bureau or	n on the C-101 for th	is well. Judah has additionally requested a or	ne		
year extension from the NWOCD Engineering Bureau or	AO SWD-1704 for	this well.			
Spud Date: Rig R	elease Date:				
***	-				
I hereby certify that the information above is true and complete to the best of my knowledge and belief.					
SIGNATURE DATOCOM TITL	EAgent for Juda	h Oil, LLC DATE10/3/2019			
Type or print name Danny J. Holcomb E-ma					
Type or print name Danny J. Holcomb E-ma For State Use Only	il address:danny@		—		
	Detro	leum Engineel	;		
APPROVED BY: TITL! Conditions of Approval (if any):		DATE 10/10/19			

From: Gorman, Jessica (MRO) < jgorman1@marathonoil.com>

Sent: Friday, August 23, 2019 3:06 PM

To: Bradfute, Jennifer (MRO); Brown, Matthew D. (MRO); Buening, Jon (MRO); Domangue,

Eric (MRO); Gyllenband, Ryan (MRO); Hall, Brian (MRO); Horn, Jennifer (MRO); Murphy, Kathleen A, EMNRD; Lowe, Leonard, EMNRD; McMillan, Michael, EMNRD; Perry, Ethan R. (MRO); Goetze, Phillip, EMNRD; Pohl, Nancy B. (MRO); Rule, Clayton W. (MRO); Jones,

William V, EMNRD; Wilty, Roy H. (MRO)

Cc: Bradfute, Jennifer (MRO)

Subject: [EXT] Application to Inject: 1 year extension: State Doodle Bug SWD 1 (API:

30-025-44144) 16-T22S-33E, Lea County, NM

Mr. McMillian,

Marathon Oil Permian is in receipt of an Application to Inject One Year Extension (SWD—1704 Dated November 20, 2017) from Judah Oil, LLC for their Doodle Bug State SWD 1 (30-025-44144), location (Unit G) of Section 16, T22S, R33E in Lea County, NM.

Marathon has reviewed their Application and we believe that the location of the proposed Salt Water Disposal is within 1 mile of a fault of concern, therefore we would like to notify the Commission of our Protest.

Judah Oil, LLC applied for and received an approved Administrative Order SWD-1704 di 20, 2017 from the New Mexico Oil Conservation Division to drill and complete the Door SWD #1 (30-025-44144) as a Devonian/Silurian SWD well in Unit Letter G, Section 16, T. County, New Mexico. Judah is now applying to the NMOCD for a one year extension to authority.

Respectfully,

Jessica Gorman



Advanced Land Specialist — Permian Telephone: 713-296-3024 5555 San Felipe St. Houston, Texas 77056

From:

jbc@JUDAHOIL.com

Sent:

Thursday, October 17, 2019 11:33 AM

To: Cc: Goetze, Phillip, EMNRD Jones, William V, EMNRD

Subject:

[EXT] Doodle Bug State SWD #1 Extension

Attachments:

Doodle Bug State SWD #1 Injection Authorization Extension Request.pdf

Good morning Phillip,

I am sending this E-mail as a follow up to an extension request for my Doodle Bug State SWD #1 API #30-025-44144. My agent Danny Holcomb, has sent the extension request to Michael McMillan on August 15, 2019 and received in Santa Fe on August 19, 2019. I am going to resend and make it in care of to you since we have learned that Michael as transferred to the NMSLO. I have attached a copy of the request for your convince.

Please let me know if you need anything else. The current permit will expire on November 20, 2019 and I do have plans to drill and complete this SWD before the exploration of the extension.

Thanks a bunch Phillip with your help with this.

James

James B Campanella Member/Manager Judah Oil, LLC 575-748-4730 Office

575-748-4731 Fax 575-748-5488 Cell P.O. Box 568 611 W Mahone, Suite F Artesia, NM 88211-0568

From:

Goetze, Phillip, EMNRD

Sent:

Friday, October 18, 2019 9:38 AM

To:

'Adam Rankin'

Cc:

Lowe, Leonard, EMNRD

Subject:

RE: Judah Oil - Dudlebug SWD - request for extension

Thanks since any more e-mails will only cause my mailbox to exceed its memory limit. PRG

Phillip Goetze, PG

Engineering Bureau, Oil Conservation Division, NM EMNRD

1220 South St. Francis Drive, Santa Fe, NM 87505

Direct: 505.476.3466

E-mail: phillip.goetze@state.nm.us

From: Adam Rankin < AGRankin@hollandhart.com>

Sent: Friday, October 18, 2019 9:35 AM

To: Goetze, Phillip, EMNRD < Phillip.Goetze@state.nm.us> Cc: Lowe, Leonard, EMNRD < Leonard.Lowe@state.nm.us>

Subject: [EXT] RE: Judah Oil - Dudlebug SWD - request for extension

Well.... then I won't send you another one.

I will let Mr. Campanella know not to worry.

From: Goetze, Phillip, EMNRD < Phillip.Goetze@state.nm.us

Sent: Friday, October 18, 2019 9:34 AM

To: Adam Rankin < AGRankin@hollandhart.com>

Cc: Lowe, Leonard, EMNRD < Leonard.Lowe@state.nm.us > Subject: RE: Judah Oil - Dudlebug SWD - request for extension

External Email

Yes, we have three copies. It has been submitted prior to the deadline requirement. PRG

Phillip Goetze, PG

Engineering Bureau, Oil Conservation Division, NM EMNRD

1220 South St. Francis Drive, Santa Fe, NM 87505

Direct: 505.476.3466

E-mail: phillip.goetze@state.nm.us

From: Adam Rankin < AGRankin@hollandhart.com>

Sent: Friday, October 18, 2019 9:31 AM

To: Goetze, Phillip, EMNRD < Phillip.Goetze@state.nm.us
Cc: Lowe, Leonard, EMNRD < Leonard.Lowe@state.nm.us
Subject: [EXT] Judah Oil - Dudlebug SWD - request for extension

Phil and Leonard,

Happy Friday. Judah submitted the attached request for extension to commence injection operations in September for its Doodlebug SWD (API 30-025-44144). Permit was issued 11/20/17, and expires 11/20/19. BLM has given its approval. Just wanted to be sure that you all have received this. I will follow up again before the deadline.

All best, Adam

Adam G. Rankin

Holland & Hart LLP 110 North Guadalupe Suite 1 P.O. Box 2208 Santa Fe, NM 87504

Office: (505) 988-4421 Direct: (505) 954-7294 Cell: (505) 570-0377 Fax (505) 983-6043

E-mail: agrankin@hollandhart.com

Download vCard

Web Bio



CONFIDENTIALITY NOTICE: This message is confidential and may be privileged. If you believe that this email has been sent to you in error, please reply to the sender that you received the message in error; then please delete this e-mail. Thank you.

From: Mike Solomon < MSolomon@3bearllc.com>

Sent: Wednesday, December 18, 2019 10:19 AM

To: jbc@JUDAHOIL.com; Goetze, Phillip, EMNRD

Cc: Forbes Herring

Subject: [EXT] RE: Doodle Bug State SWD 1 Admin Order SWD-1704

Attachments: Withdrawal of Marathon protest of Doodle Bug SWD application .msg

James, Phillip,

Please see attached email from Marathon's counsel withdrawing their protest for the Doodle Bug SWD.

Thanks,

Mike Solomon

3Bear Energy, LLC 303-862-3962 (O) 720-202-2824 (C)

From: jbc@JUDAHOIL.com <jbc@JUDAHOIL.com>

Sent: Tuesday, December 17, 2019 5:17 PM
To: Phillip Goetze < Phillip.Goetze@state.nm.us>

Cc: Forbes Herring <fherring@3bearllc.com>; Mike Solomon <MSolomon@3bearllc.com>

Subject: Doodle Bug State SWD 1 Admin Order SWD-1704

Good afternoon Phillip,

I have worked out an agreement with 3 Bears Energy on the Doodle Bug State #1 SWD. I will be transferring operations over as soon as the extension for 1 year has been granted by the NMOCD. They are ready to move forward with drilling the SWD and putting it into service as soon as possible.

As you are aware, Marathon has protested the extension due to their concerns of an area fault. 3 Bears has spoken with Marathon and have ran a fall slip analysis. What the findings show is no signs of fault slippage with rates up to at least 25,000 bwpd. Marathon has agreed to withdraw their protest and should be notifying the NMOCD in the next couple of weeks.

Thank you for your time and consideration. Hope you have a peaceful and Merry Christmas.

James

James B Campanella Member/Manager Judah Oil, LLC

575-748-4730 Office

575-748-4731 Fax 575-748-5488 Cell P.O. Box 568 611 W Mahone, Suite F Artesia, NM 88211-0568

From:

Deana M. Bennett <dmb@modrall.com>

Sent:

Tuesday, December 17, 2019 11:43 AM

To:

OCD.Engineer@state.nm.us

Subject:

Withdrawal of Marathon protest of Doodle Bug SWD application

Hello,

Marathon hereby withdraws its protest of the one year extension request for the Doodle Bug State SWD 1 (30-025-44144). Please let me know if you have any questions or need any further information.

Thanks,

Deana



Deana M. Bennett

Lawyer

Modrall Sperling | <u>www.modrall.com</u> P.O. Box 2168 | Albuquerque, NM 87103-2168

500 4th St. NW, Ste. 1000 | Albuquerque, NM 87102

D: 505.848.1834 | O: 505.848.1800

From:

Goetze, Phillip, EMNRD

Sent:

Monday, January 13, 2020 1:28 PM

To:

'Holm, Anchor'

Cc:

Crosby, Faith; Kautz, Paul, EMNRD; Rose-Coss, Dylan H, EMNRD

Subject:

RE: SWD-1704 Doodle Bug State SWD#1 Admin.Order Extension status request

RE: Doodle Bug State SWD No. 1; SWD-1704; API 30-025-44144

Anchor:

Judah Oil submitted a written request to extend the deadline for commencing injection on August 7, 2019. The request included the required information and was prior to deadline of November 20, 2019. On August 23, 2019, Marathon Oil Permian submitted a protest following notice of the requested extension since Marathon was a new affected party not in the original notice effort.

With this protest, the SWD order could not be extended administratively but the authority to inject for the order was maintained as valid pending outcome of the protest. On December 17, 2019, Marathon, through its legal counsel, withdrew its protest making possible the extension of the order by administrative approval of the Director. OCD should have an extension letter formalizing this outcome sometime this week. The new date to commence will be November 20, 2020. Give me a call if you have any further questions regarding this subject. PRG

From: Holm, Anchor <aholm@slo.state.nm.us> Sent: Monday, January 13, 2020 12:20 PM

To: Goetze, Phillip, EMNRD < Phillip.Goetze@state.nm.us>

Cc: Crosby, Faith <fcrosby@slo.state.nm.us>

Subject: [EXT] SWD-1704 Doodle Bug State SWD#1 Admin.Order Extension status request

Phil,

Has the Administrative Order for the Doodle Bug State SWD#1 (SWD-1702) been extended beyond November 20, 2019?

We have found a request for extension by Judah Oil that Paul Kautz appears to have approved. Now 3 Bear is wanting us to issue the easement.

Please verify.

Thank you,



Anchor E. Holm

Petroleum Engineering Specialist Advanced
Oil Gas & Minerals Division
505.827.5759

New Mexico State Land Office 310 Old Santa Fe Trail P.O. Box 1148 Santa Fe, NM 87504-1148 aholm@slo.state.nm.us nmstatelands.org



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