

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 _____

SwD-843 8/20/12
 30-015-21748
 Green A Federal #10
 K/29/175/29E
 Steam 9220-9600
 (1844 PSI)

COMMERCIAL DSP,

[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

~~SOUTHWEST ROYALTY INC~~
 FERONIMO SWD LLC
 P.O. Box 568
 ARTESIA, NM 88211
 (263 684)
 JAMES B. Campanella

[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.

James B. Campanella Print or Type Name	 Signature	Member/Manager Title	8/16/12 Date
		jbc@judahoil.com e-mail Address	

Geronimo SWD, LLC

RECEIVED OCD

Date: August 16, 2012

2012 AUG 20 P 12:47

To: Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Attn: William V. Jones
Examiner

Reference: Step-Rate-Test on Green "A" Fed No 10 (F-29-T17S-R28E)
API # 30-015-21748, Date August 14, 2012

Dear Sir,

Please find the certified report on the subject Step-Rate-Test report and prepared by Van S. Welch II, PE State of Texas # 66291. As presented in this report, the subject well did not fracture up to a surface pressure of 2680 psi and 5143 psi bottom-hole pressure (@ 9450' KB – mid perms). Based on these results, Geronimo SWD, LLC, as operator of this well, respectfully requests the limiting surface pressure be increased from 1844 psi to 2500 psi (180 psi below the highest pressure recorded at the surface).

The NM OCD is being advised simultaneously of this pressure increase request.

Respectfully,



James B. Campanella
Geronimo SWD, LLC
Managing Member

GERONIMO SWD, LLC

Review of Step-Rate Test Dated August 14, 2012

Green "A" Federal No. 10

API # 30-015-21748

F-29-T17S-R28E

Date : August 2012

DISCLAIMER - THIS REVIEW IS BASED ON THE INFORMATION COLLECTED ON LOCATION BY VAN WELCH, PE, OF VSW2 E&P, LLC (VSW2), DURING A STEP-RATE-TEST ON THE GREEN "A" FED NO. 10. THE INFORMATION COLLECTED WAS FROM RISING STAR SERVICES (SURFACE RATES AND PRESSURES) AND PRO WELL TESTING & WIRELINE, INC (BHP DATA). ALL DATA WAS ACCEPTED AS TRUE AND VALID. VSW2 DOES NOT GUARANTEE THE RESULTS OF ANY ACTIONS TAKEN BASED ON THIS REVIEW NOR DOES VSW2 ACCEPT ANY RESPONSIBILITY FOR ANY DECISIONS OR ACTIONS TAKEN BY GERONIMO SWD, LLC. ANY PARTNERS TO GERONIMO SWD, LLC, ANY ASSOCIATES OF GERONIMO SWD, LLC AND/OR OTHER THIRD PARTIES OR AGENCIES (PRIVATE OR GOVERNMENTAL) WITH WHOM GERONIMO SWD, LLC MAY SHARE THIS REVIEW.

Prepared by:

Van S. Welch II, PE # 66291 State of Texas

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Technical Review

Preface

This is a review prepared by **VSW2 E&P, LLC.** (VSW2) of Duncan, Oklahoma. Mr. Van Welch, **Professional Engineer (No. 66291 State of Texas)** has performed the "Technical Review" of the Step-Rate-Test (SRT) conducted on the Green "A" Fed No. 10, Eddy Co. New Mexico on August 14, 2012. Mr. Welch was physically present to collect all necessary data and assure that the Step-Rate-Test was properly performed in accordance with industry standards. The SRT program and pressure data collection met industry standards.

Disclaimer – VSW2 does not accept any responsibility for any decisions or actions taken by Geronimo SWD, LLC (its Partners, any associates of Geronimo SWD, LLC, third-parties or governmental agencies) relative to this "Technical Review". Due to the many uncertainties relative to individual wells and reservoirs, VSW2 cannot make any guarantees as to the best practices for future reservoir performance on the Green "A" 10 as presented in this document.

Summary Result

As discussed in the review, the surface and bottom-hole pressure (BHP) data establish that the well has not fractured up to a surface pressure of 2680 psi or 5143 psi bottom-hole @9450' KB (9431' GL). During the test, the lubricator on the BHP gauge wireline started to leak at the start of the second (2.5 BPM) step. To repair the leak, the BHP gauge had to be pulled and during this operation, the operator reset the BHP gauge and the initial BHP and the BHP during the first step was lost. The loss of this data did not effect the interpretation showing that the formation did not fracture during the test.

Discussion

Mr., Welch collected surface and BHP data from a SRT conducted on August 14, 2012. The surface data set on the SRT are included as **Appendix I** which is a copy of Rising Star Services surface pressure and rates. **Appendix II** is a copy of Pro Well Testing & Wireline, Inc BHP report which is only presented in graphic form. VSW2 included an extraction of the critical starting and ending BHP for each rate increase from Pro Well's extended file which records pressure every 6 seconds. If the BLM or OCD desire this extended pressure file, please advice.

The procedures used in the SRT were as follows:

1. Run Bottom-Hole Gauge to 9431 ft GL; 9450 ft KB (Perfs 9220-9600 ft KB)
2. Start Rate 1.5 BPM constant for approximately 30 Minutes and Record Pressures
3. Increase Rate to 2.5 BPM for approximately 30 Minutes and Record Pressures
4. Increase Rate to 3.5 BPM for approximately 30 Minutes and Record Pressures
5. Increase Rate to 4.5 BPM for approximately 30 Minutes and Record Pressures
6. Increase Rate to 5.5 BPM for approximately 30 Minutes and Record Pressures
7. Increase Rate to 6.0 BPM for approximately 30 Minutes and Record Pressures
8. SI Record Surface ISIP and 5 Minute SIP's

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Figure 1 illustrates the wellbore at the time of the SRT.

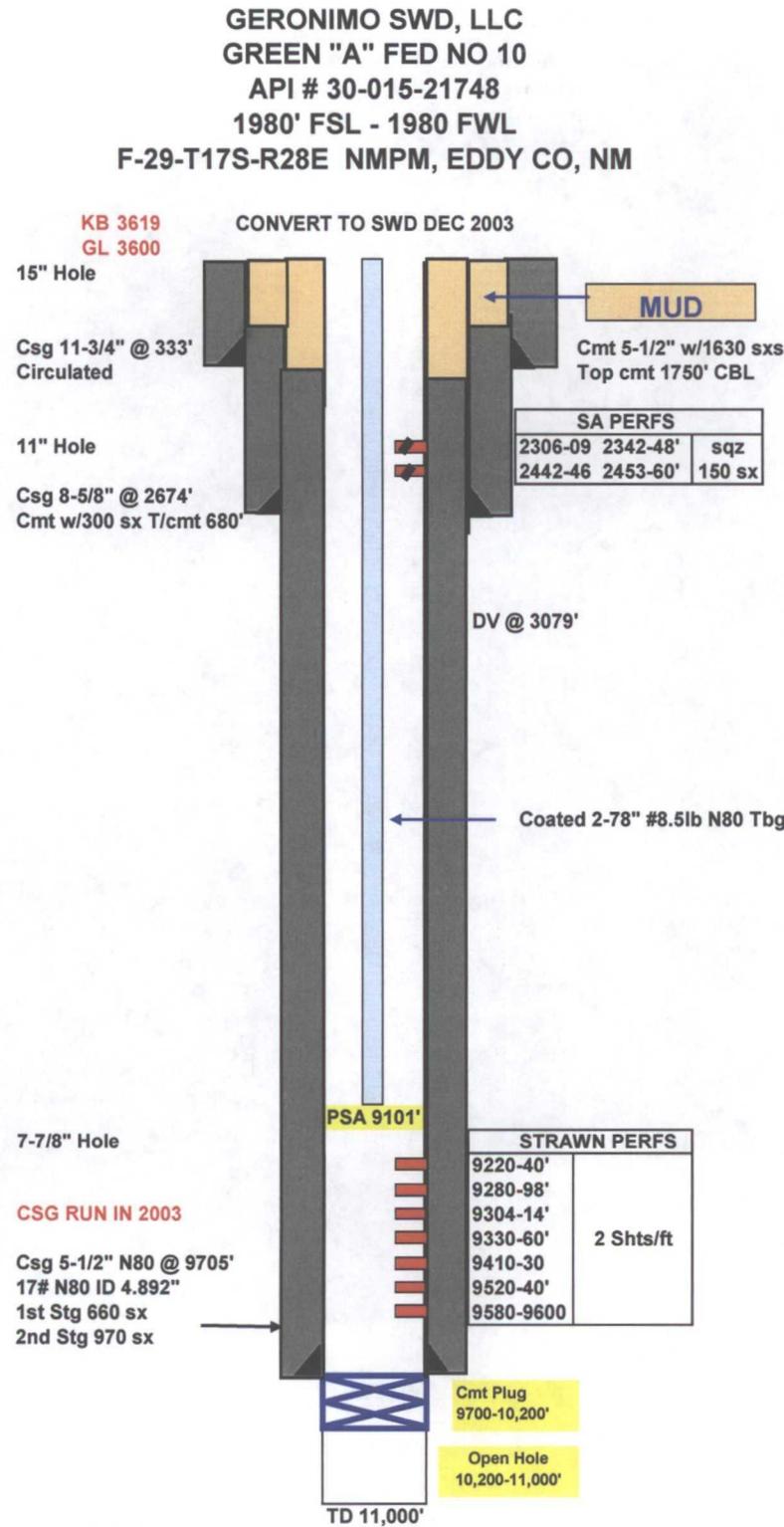


Figure 1 Wellbore Diagram

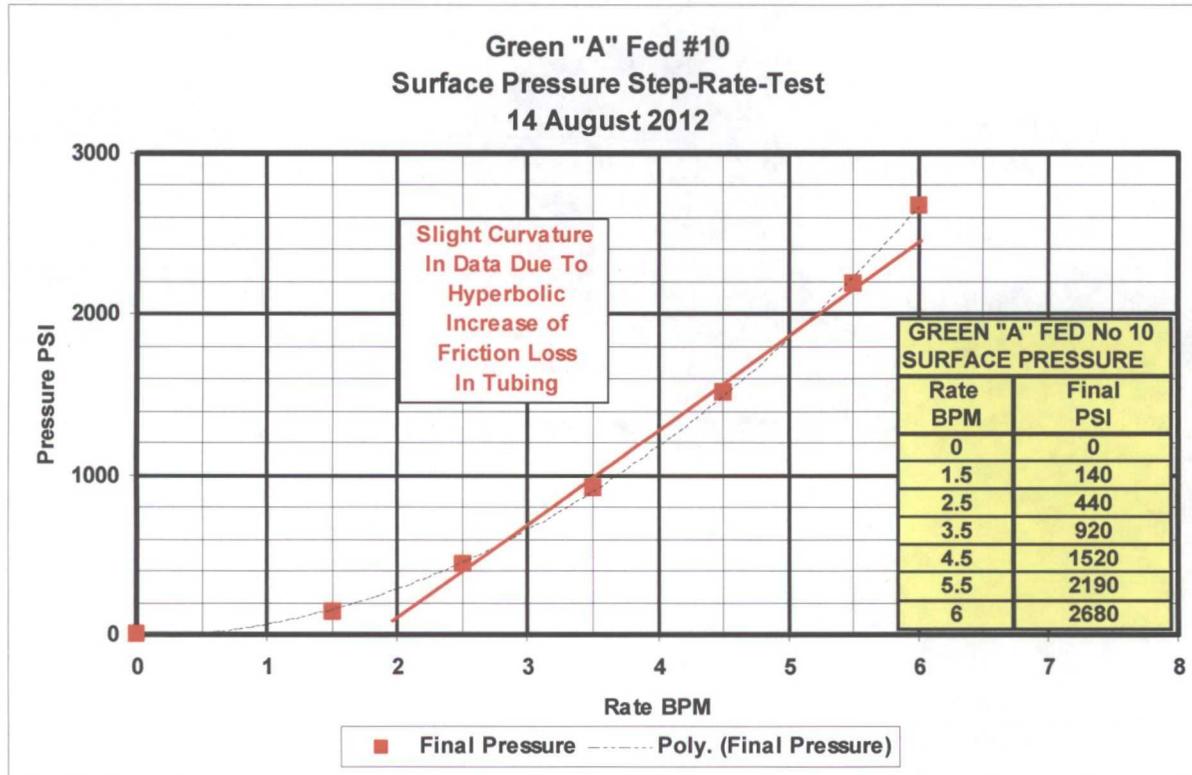
This review included graphing the data collected by Mr. Welch in a standard SRT format of plotting the surface and BHP at the end of each 30 minute (approx) injection period as a function of injection rate. Data used for these plots are shown in Table 1. Note that there was a one hour delay to repair the BHP lubricator before the start of the second step at 2.5 BPM.

Table 1: SRT Pressure Data

GREEN "A" FED No 10			
Ending Time	Rate BPM	Surface Final PSI	BHP Final PSI
11:03	0	0	NA
12:37	1.5	140	NA
1:07	2.5	440	4681
1:37	3.5	920	4805
2:07	4.5	1520	4898
2:37	5.5	2190	5030
3:07	6	2680	5143

The surface and bottom-hole graphs of this data are shown in Figure 2, surface pressure, and Figure 3, bottom-hole pressure.

Figure 2: Surface Pressure SRT



Mr. Welch received the complete BHP data file from Pro Well which had pressures on 6 second readings. The report attached from Pro Well only has graphical data. Mr. Welch extracted the starting and end pressures for each step rate and included it in **Appendix II**.

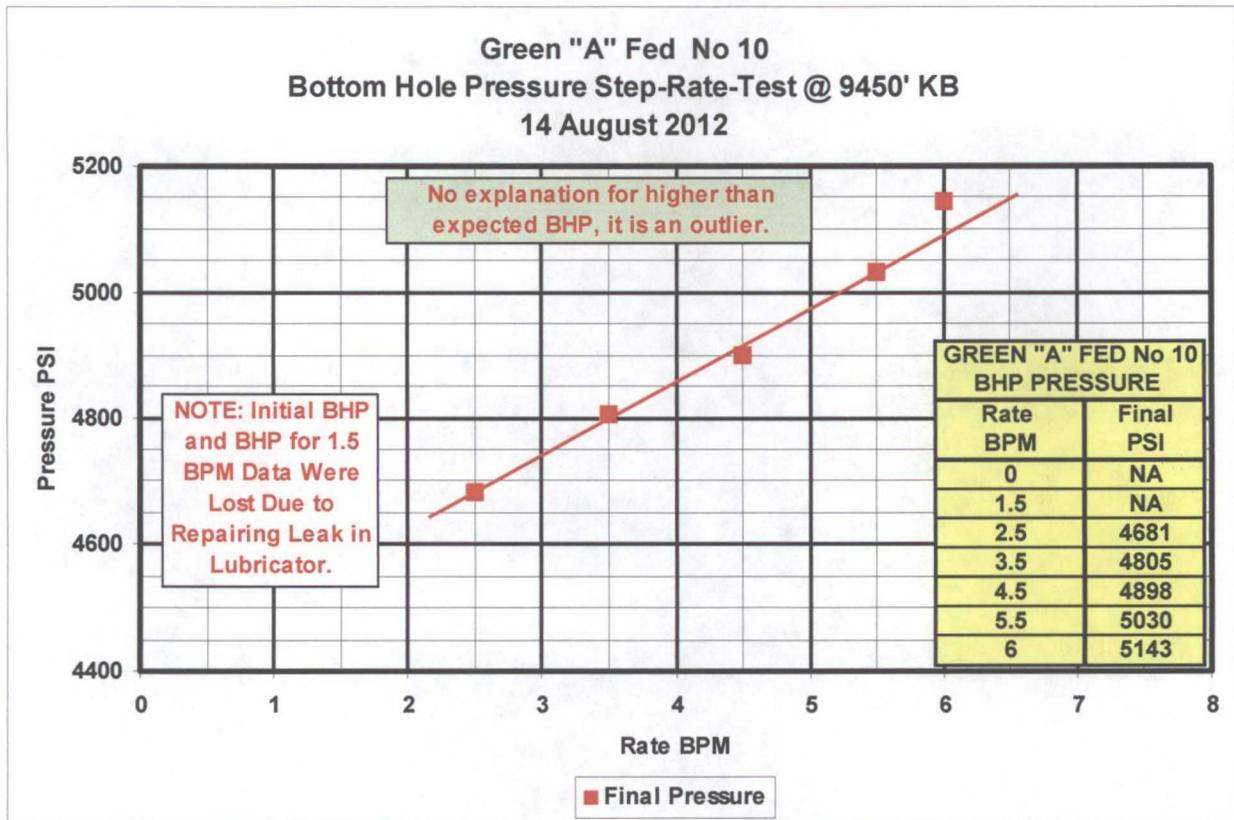


Figure 3: Bottom-Hole Pressure SRT

Both pressure graphs are representative of a typical SRT illustrating a continued straight-line increase in pressure with each rate increase. Neither graph illustrates the characteristic break associated with fracturing the reservoir in which the pressure increase is significantly reduced with each incremental increase in rate.

Van S. Welch
Van S. Welch II, PE
 V&C Properties, LLC.
 President
 Professional Engineer State of Texas (PE No. 66291)

Seal

Appendix :1 Rising Star Surface Rate and Pressure Report



Truck Called:	Date:	Time:
Arrived at location:	8/9/2012	8:00AM
Start Job:	8/14/2012	6:45AM
Finish Job:	8/14/2012	10:30AM
Leave Location:	8/14/2012	2:37PM
		3:37PM

Job Log

RISING STAR SERVICES LP.	Customer Name:	JUDAH OIL CO.	Ticket Number:	H2012-2390		
P.O. BOX 61193	Lease Name:	GREEN A FED	Supervisor:	ART MACHUCA		
MIDLAND, TEXAS 79711	Well #:	10	County:	EDDY		
OFFICE # 432-617-0114	Type of Job:	STEP RATE	CUSTOMER REPRESENTATIVE:	BLAISE CAMPANELLA		
FAX #432-339-0140	Date:	8/9/2012	PACKER:	9190.00		
Tubing Size:	2.875	Casing size:	5 1/2	Top Perf:	9220.00	On Form:
Tubing weight:	6.5	Casing weight:	17#	Bottom Perf:	9600.00	
Tubing bbl/ft:	53	Casing bbl/ft:		Flush Top Perf:		
Packer depth:	9190	Annulus:		Flush Bottom Perf:		
End of Tbg:	9180	Total Depth:	11000	Annular Capacity:		
Top Perf:	9220	Open Hole:	10200-11000	Maximum:	3000	Psi
Bottom Perf:	9600	Liner Size:				
Holes in Csg:	190	Top of Liner:				

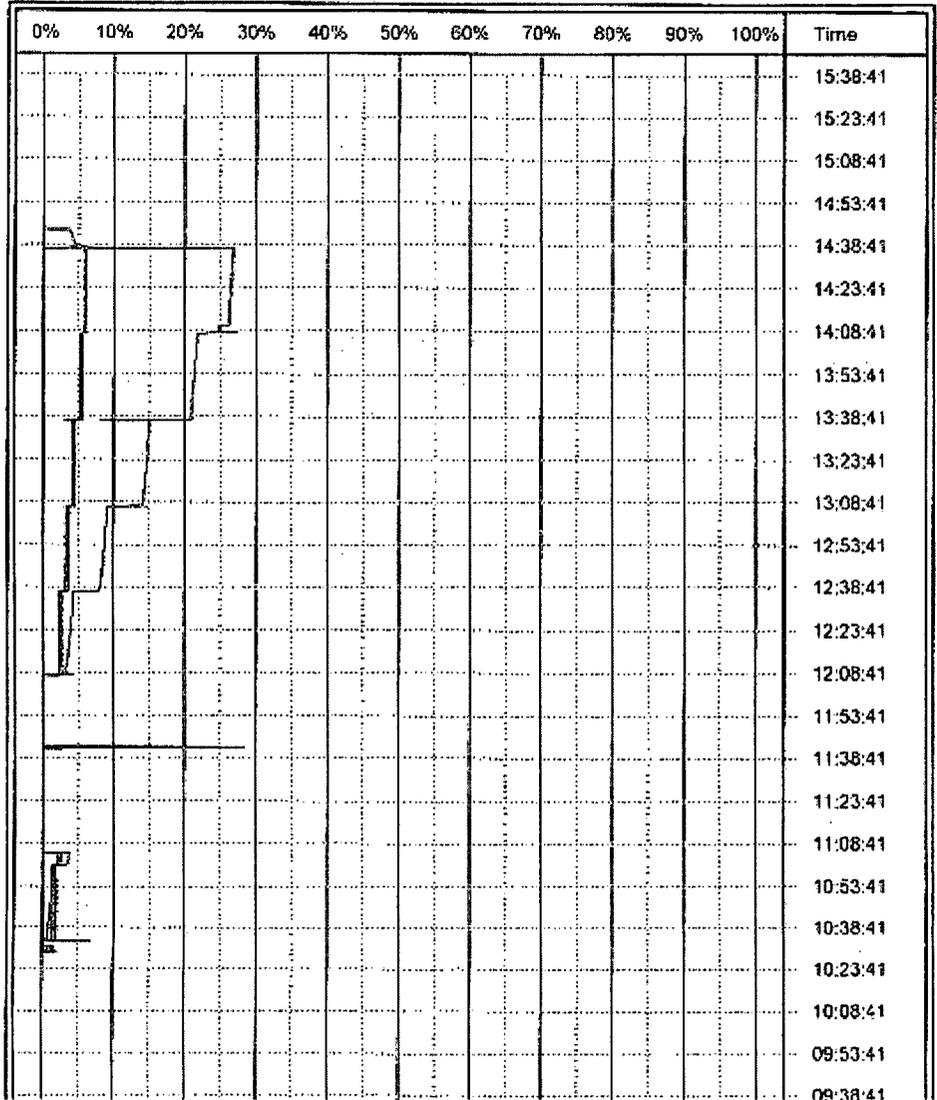
Max psi: 2000 Min psi: 0 Avg psi: 1320 Max rate: 6 Avg rate: 3.6 ISIP 600

Load to recover 716 5 min 10 min 15 min

STEP RATE						
Acid System:	NA		Gallons			
Diverter:		Balls		Coarse	Rock Salt	
Time	Rate:	Injection Rate:	Job Pressures		Job Log Remarks:	
		Bbls in	Tbg psi.	Csg psi		
4:30AM					CALL OUT TRUCKS	
6:45AM					ARRIVE ON LOCATION	
8:30AM					PRE RIG UP SAFETY MEETING	
9:00AM					PRE JOB SAFETY MEETING WITH CREW	
10:30AM	0		0		START ON WATER	
10:32AM	1.5	3	80		SHUT DOWN TO FIX LEAK ON WIRELINE	
10:33AM	1.5	3	80		RESTART ON WATER 1.5 BBL MIN	
10:35AM	1.5	8	80		RATE AND PRESSURE	
10:41AM	1.5	15.5	100		RATE AND PRESSURE	
10:50AM	1.5	26.5	120		RATE AND PRESSURE	
10:58AM	1.5	40.7	140		RATE AND PRESSURE	
11:01AM	2.5	48	380		STEP UP TO 2.5 BBL	
11:06AM		55.9	0		SHUT DOWN TO FIX LEAK ON WIRELINE	
11:48AM			2945		TEST LUBRICATOR	
12:08PM	2.5	58.2	310		RESTART ON WATER 2.5 BBL MIN	
12:20PM	2.5	87.5	390		RATE AND PRESSURE	
12:30PM	2.5	113	430		RATE AND PRESSURE	
12:37PM	2.5	132	440		RATE AND PRESSURE	
12:37PM	3.5	132.8	820		STEP UP TO 3.5 BBL MIN	
12:57PM	3.5	206	900		RATE AND PRESSURE	
1:07PM	4.5	238	1420		STEP UP TO 4.5 BBL MIN	
SERVICE REPRESENTATIVE:	Signature Please			CUSTOMER REPRESENTATIVE:	Signature Please	
ART MACHUCA				X		

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File Name	CURRENT.CSV	Memo.	Aug. 14, 12
0.00	Tubing Pressure	20000.00	PSI
0.00	Backside Pressure	28000.00	psi
0.00	rate 1	100.00	%
0.00	total bbls	1000.00	%



Appendix :2 Pro Well Testing Bottom-Hole Pressure Report

Pressure Survey Report



JUDAH OIL COMPANY
GREEN 'A' FED. #10 SWD
STEP RATE TEST
8/14/12

Pro Well Testing & Wireline, Inc.
P.O. Box 791 Hobbs, NM 88241
(505) 397-3590

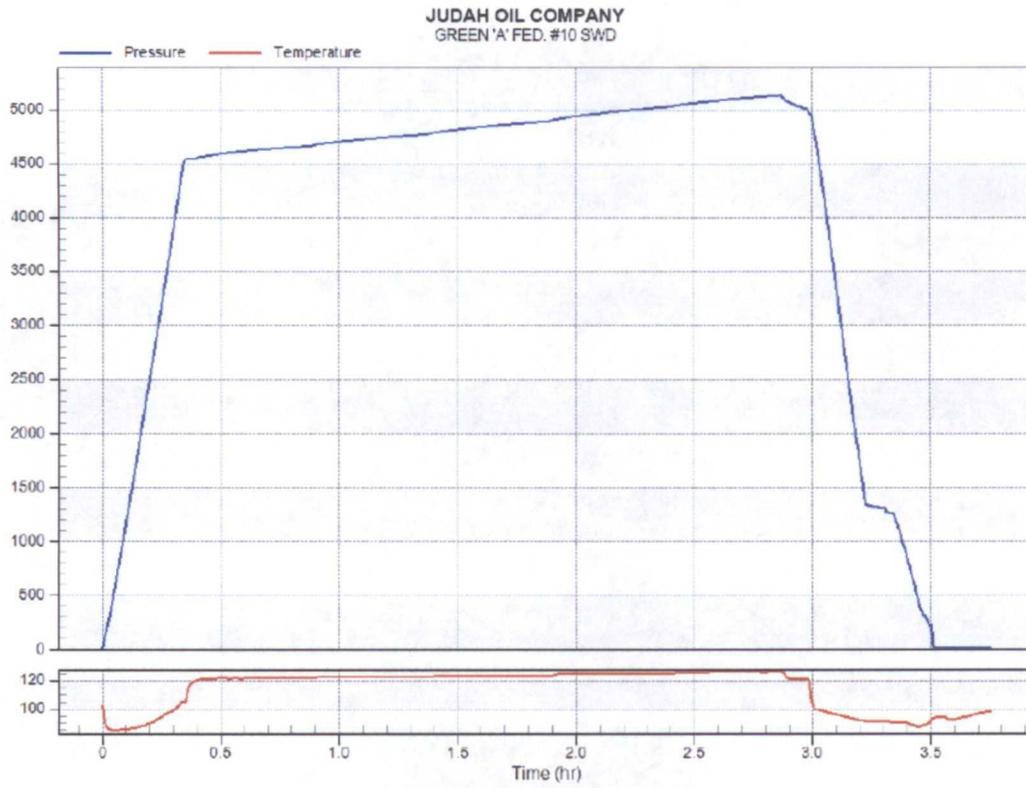
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BUILDUP JOB INFORMATION SHEET

Company Information		
Company Name:	JUDAH OIL COMPANY	
Address:		
Well Information		
Well Name:	GREEN A/ FED. #10 SWD	
Location:		
Field - Pool:		
Status:	INJECTING	
Test Information		
Type of Test:	STEP RATE TEST	
Gauge Depth:	9431 ft	
Production Interval:	NOT AVAILABLE	
Production Through:	2.575" TUBING	
Tubing Pressure:		
Casing Pressure:		
Shut In Time:		
Status:	INJECTING	
Temperature @ Run Depth:	128.34 degF	
Surface Temperature:	83.39 degF	
Gauge Information		
	Top Recorder	Bottom Recorder
Serial Number:	76404	77120
Calibration Date:	6/11/11	7/19/11
Pressure Range:	10005 psi	9995 psi
Comments		

Pro Well Testing & Wireline, Inc.
 P.O. Box 791 Hobbs, NM 88241
 (505) 397-3590



Pro Well Testing & Wireline, Inc.
P.O. Box 791 Hobbs, NM 88241
(505) 397-3590

**GREEN "A" FED NO 10 AUG 14, 2012
STARTING AND END-POINT BHP DATA
DATA FROM PRO WELL TESTING & WIRELINE
(Complete 6 sec reading data file available on request)**

Line No.	Date M/d/yyyy	T h:mm:ss	Time hr	Rate BPM	Pressure psi	Temp degF
229	8/14/2012	12:07:42	0.380	0	4544	119
230	8/14/2012	12:07:48	0.382	0	4543	119
231	8/14/2012	12:07:54	0.383	0	4543	119
232	8/14/2012	12:08:00	0.385	0	4543	120
233	8/14/2012	12:08:06	0.387	0	4544	120
234	8/14/2012	12:08:12	0.388	Start 2.5	4545	120
235	8/14/2012	12:08:18	0.390	2.5	4549	120
236	8/14/2012	12:08:24	0.392	2.5	4550	120
237	8/14/2012	12:08:30	0.393	2.5	4552	120
238	8/14/2012	12:08:36	0.395	2.5	4553	120
540	8/14/2012	12:38:48	0.898	2.5	4680	122
541	8/14/2012	12:38:54	0.900	2.5	4680	122
542	8/14/2012	12:39:00	0.902	2.5	4681	122
543	8/14/2012	12:39:06	0.903	2.5	4681	122
544	8/14/2012	12:39:12	0.905	End 2.5	4681	122
545	8/14/2012	12:39:18	0.907	Start 3.5	4682	122
546	8/14/2012	12:39:24	0.908	3.5	4683	122
547	8/14/2012	12:39:30	0.910	3.5	4683	122
548	8/14/2012	12:39:36	0.912	3.5	4684	122
549	8/14/2012	12:39:42	0.913	3.5	4684	122
865	8/14/2012	1:11:18	1.440	3.5	4804	124
866	8/14/2012	1:11:24	1.442	3.5	4805	124
867	8/14/2012	1:11:30	1.443	3.5	4805	124
868	8/14/2012	1:11:36	1.445	3.5	4805	124
869	8/14/2012	1:11:42	1.447	3.5	4805	124
870	8/14/2012	1:11:48	1.448	End 3.5	4805	124
871	8/14/2012	1:11:54	1.450	Start 4.5	4806	124
872	8/14/2012	1:12:00	1.452	4.5	4807	124
873	8/14/2012	1:12:06	1.453	4.5	4808	124
874	8/14/2012	1:12:12	1.455	4.5	4808	124
875	8/14/2012	1:12:18	1.457	4.5	4810	124
876	8/14/2012	1:12:24	1.458	4.5	4810	124
1124	8/14/2012	1:37:12	1.872	4.5	4897	123
1125	8/14/2012	1:37:18	1.873	4.5	4898	123
1126	8/14/2012	1:37:24	1.875	4.5	4898	123
1127	8/14/2012	1:37:30	1.877	4.5	4896	123
1128	8/14/2012	1:37:36	1.878	End 4.5	4896	123
1133	8/14/2012	1:38:06	1.887	Start 5.5	4905	124
1134	8/14/2012	1:38:12	1.888	5.5	4906	124
1135	8/14/2012	1:38:18	1.890	5.5	4907	124
1136	8/14/2012	1:38:24	1.892	5.5	4908	124
1137	8/14/2012	1:38:30	1.893	5.5	4909	124
1425	8/14/2012	2:07:18	2.373	5.5	5029	125
1426	8/14/2012	2:07:24	2.375	5.5	5029	125
1427	8/14/2012	2:07:30	2.377	5.5	5029	125
1428	8/14/2012	2:07:36	2.378	5.5	5030	125
1429	8/14/2012	2:07:42	2.380	End 5.5	5030	125
1430	8/14/2012	2:07:48	2.382	Start 6.0	5030	125
1431	8/14/2012	2:07:54	2.383	6.0	5031	125
1432	8/14/2012	2:08:00	2.385	6.0	5032	125
1433	8/14/2012	2:08:06	2.387	6.0	5033	125
1434	8/14/2012	2:08:12	2.388	6.0	5035	125
1721	8/14/2012	2:36:54	2.867	6.0	5142	126
1722	8/14/2012	2:37:00	2.868	6.0	5142	126
1723	8/14/2012	2:37:06	2.870	6.0	5142	126
1724	8/14/2012	2:37:12	2.872	6.0	5143	126
1725	8/14/2012	2:37:18	2.873	End 6.0	5143	126
1778	8/14/2012	2:43:24	2.975	5 Min SI	5014	121
1779	8/14/2012	2:43:30	2.977	5 Min SI	5012	121
1780	8/14/2012	2:43:36	2.978	5 Min SI	5011	121
1781	8/14/2012	2:43:42	2.980	5 Min SI	5010	121
1782	8/14/2012	2:43:48	2.982	5 Min SI	5009	121

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