

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  
 - Judah Oil LLC  
 245872  
 well  
 - Cotton Tree  
 SWD # 1  
 30-025-2057  
 Pool  
 - SWD; Bell Canyon  
 Cherry Canyon  
 46802  
 (F-32-259-324)

[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

*Billy E. Prichard*  
Signature

Agent for Judah Oil, LLC  
Title

2/3/15  
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: *Judah Oil, L.L.C.*  
ADDRESS: *PO Box 568 Artesia, NM 88210*  
CONTACT PARTY: *Blaise Campanella jbc@judahoil.com* PHONE: *575-748-5488*
- 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 E. Prichard* TITLE: *Agent for Judah Oil, L.L.C.*  
SIGNATURE: *Billy E. Prichard* DATE: *2/3/15*  
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

**Judah Oil, L.L.C.**  
**Cotton Tree State SWD # 1**  
**API # 30-025-20577**  
**1980 FNL X 1980 FWL**  
**Unit Letter "F", Section 32, T25S, R32E**  
**Lea County, New Mexico**  
**C108 Application for Authorization to Inject**

**I.**

**The purpose of this application is seeking administrative approval for the conversion of the Cotton Tree State SWD #1 from a dry and abandoned oil well test to a commercial Bell-Cherry Canyon salt water disposal well.**

**II.**

**Operator: Judah Oil, L.L.C. Ogrid: 245872**  
**Address: PO Box 568 Artesia, NM 88211**  
**Contact Party: Blaise Campanella 575-748-5488 email: [jbc@judahoil.com](mailto:jbc@judahoil.com)**

**III.**

**Please see Exhibit "A" for well data**

**IV.**

**This is not an expansion of an existing project**

**V.**

**Please see Exhibit "B" of map of Area of Review**

**VI.**

**There are 2 wells with in the 0.5 mile Area of Review that penetrate the proposed disposal zone. Please see Exhibit "C" for offset well data.**

**VII.**

- 1. Anticipated disposal volume 18000 BWPD with a maximum of 20000 BWPD.**
- 2. System will be open.**
- 3. Anticipated disposal pressure of 0 (Zero) psig with a maximum disposal pressure of 980 psig.**
- 4. Please see Exhibit "D" for disposed fluid analysis.**
- 5. Please see Exhibit "D" for disposal zone fluid analysis.**



**Judah Oil, L.L.C.**  
**Cotton Tree State SWD # 1**  
**API # 30-025-20577**  
**1980 FNL x 1980 FWL**  
**Unit Letter "F", Section 32, T25S, R32E**  
**Lea County, New Mexico**  
**C108 Application for Authorization to Inject**

**VIII.**

**Above the Bell Canyon is the Lamar Lime and below the Cherry Canyon is the Bone Spring formation.**  
**The Bell-Cherry Canyon is part of the Delaware Mountain Group and consist mainly of sandstone estimated 4554' - 6900'**  
**Proposed disposal zone 4900' - 6800'**

**IX.**

**No stimulation is planned at this time. If disposal rates and pressures dictate, disposal zone will acidized to clean up near wellbore damage.**

**X.**

**Logs will be submitted after completion.**

**XI.**

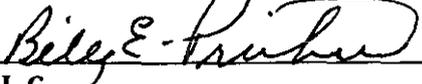
**No fresh water wells have been located within the 1 mile Area of Review Please see Exhibit "E" for data from New Mexico State Engineer data.**

**XII.**

**Available geological and engineering data have been examined and no evidence of open faults or hydrological connection between the disposal zone and any underground sources of drinking water has been found.**

**XIII.**

**Please see Exhibit "F" for Proof of Notify**

**Billy E. Prichard**   
**Agent for Judah Oil, L.L.C.**

**Date** 2/3/15



Judah Oil, L.L.C.  
Cotton Tree State SWD # 1  
API 30-025-20577  
1980 FNL X 1980 FWL  
Unit Letter "F", Section 32, T25S, R32E  
Lea County, New Mexico  
Well Data

Spud June 3, 1963 as test of Ramsey Sand

7 5/8" 26# casing set at 366' in 10 1/4" hole, cemented with 225 sacks cement.  
Cement circulated to the surface

Drill 6 3/4" hole to total depth of 4624'.

Well plugged and abandoned June 11, 1963

Plug 1 - 25 sacks 4524' - 4624'  
Plug 2 - 20 sacks 4210' - 4290'  
Plug 3 - 20 sacks 1000' - 1080'  
Plug 4 - 35 sacks 300' - 400'  
Plug 5 - 10 sack surface plug

**Estimated Formation Tops**

Anhydrite - 1050'

Top of Salt - 1400'

Base of Salt - 4270'

Lamar Lime - 4514'

Bell Canyon - 4554'

Cherry Canyon - 5500'

Brushy Canyon - 6900'

✓ 6075 June 1963



www.pwllc.net

EXHIBIT "A"

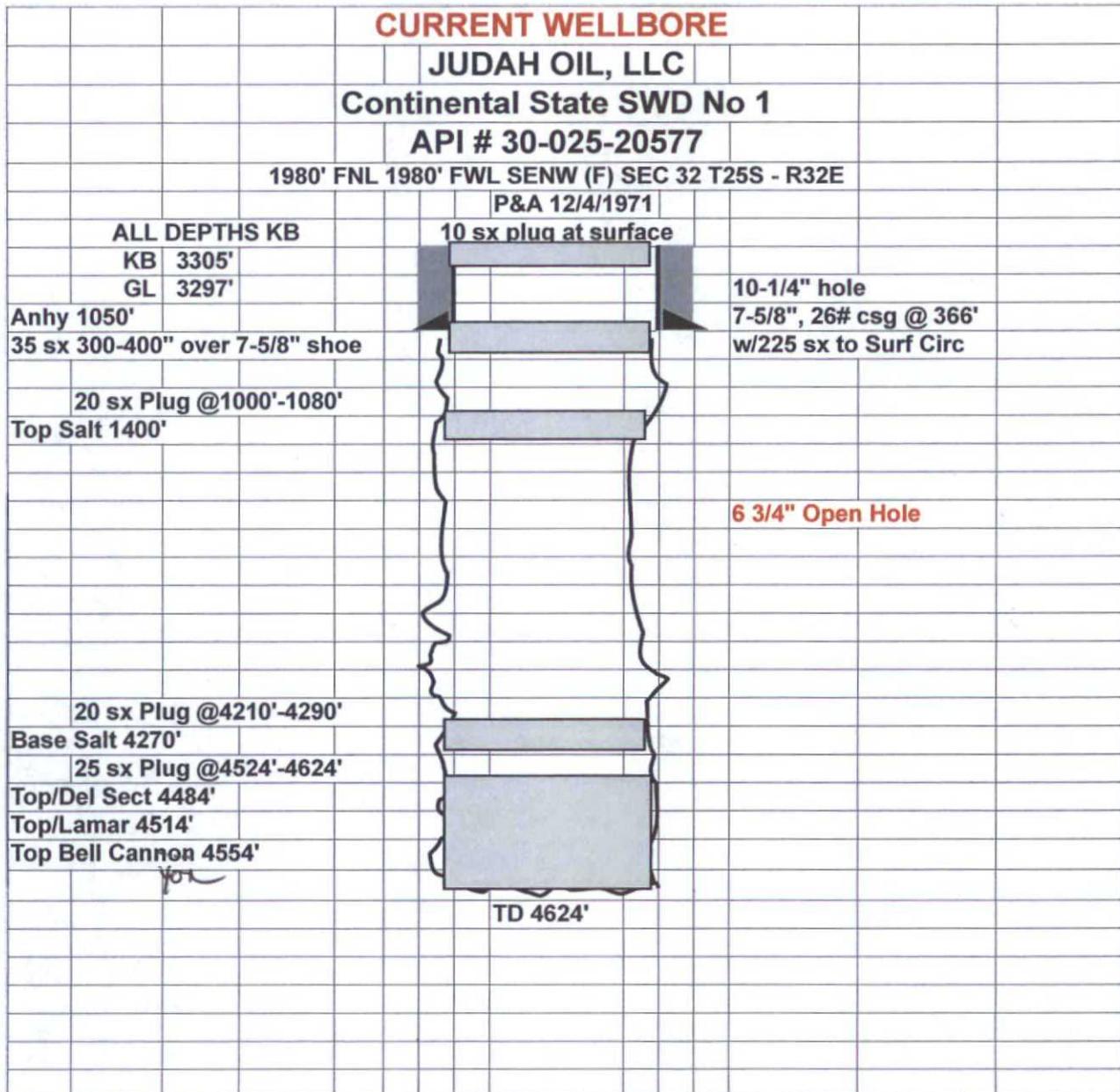


EXHIBIT "A"

# PROPOSED WELLBORE STATUS

## JUDAH OIL, LLC

### Cotton Tree State SWD No 1

### API # 30-025-20577

1980' FNL 1980' FWL SENW (F) SEC 32 T25S - R32E

#### ALL DEPTHS KB

KB 3305'

GL 3297'

Anhy 1050'

10-1/4" hole

7-5/8", 26# csg @ 366'  
w/225 sx to Surf Circ

Top Salt 1400'

3-1/2" 9.6# Du-o-line'

Drill Out  
6-3/4" Open Hole

Base Salt 4270'

Top/Del Sect 4484'

Top/Lamar 4514'

Top Bell Cannon 4554'

5-1/2" X 3-1/2" ASI-X NP

PKR @ 5025'

06/18/2015  
*[Signature]*

**TOP PERF 5100'**

Est. Top Cherry Can 5500'

**PERFS TO BE SELECTED  
FROM ACTUAL LOGS**

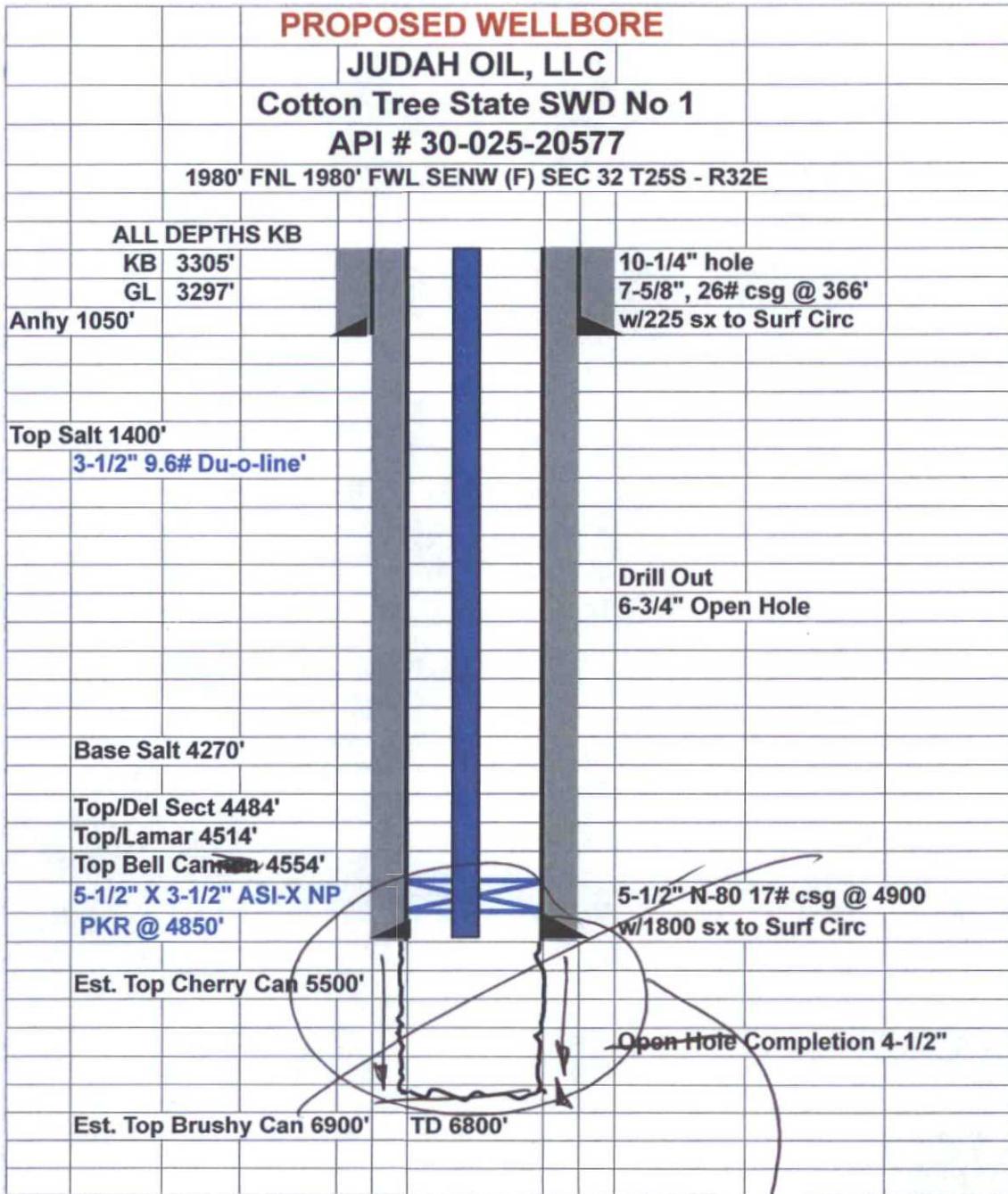
**BTM PERF 6825'**

*6800 per Notice*

Est. Top Brushy Can 6875'

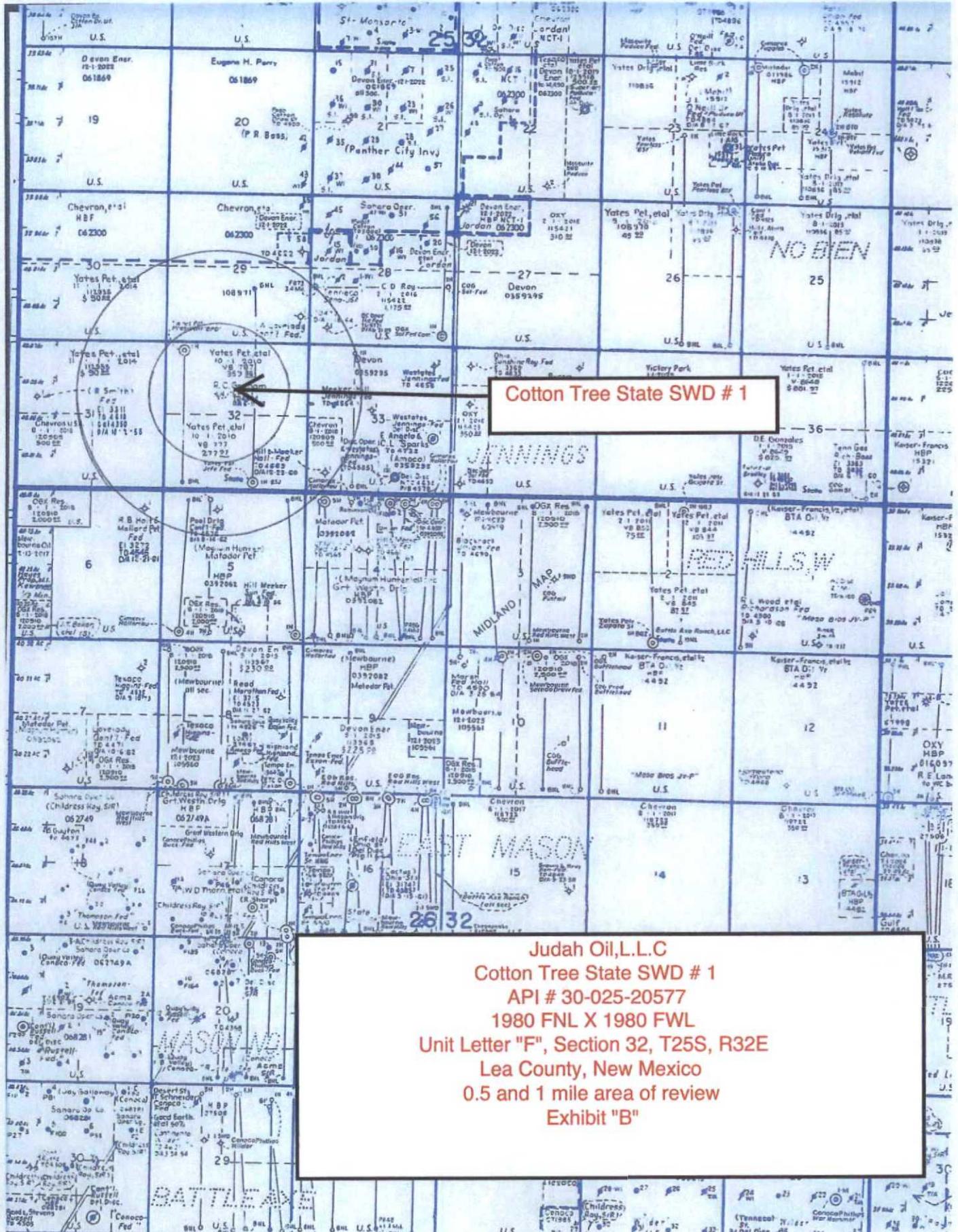
TD 6900'

5-1/2" N-80 18# csg @ 6900  
w/2000 sx to Surf Circ



**EXHIBIT "A"**

Replaced with new  
Construction Diagram  
Dated 06/18/2015 *[Signature]*



Cotton Tree State SWD # 1

Judah Oil, L.L.C  
Cotton Tree State SWD # 1  
API # 30-025-20577  
1980 FNL X 1980 FWL  
Unit Letter "F", Section 32, T25S, R32E  
Lea County, New Mexico  
0.5 and 1 mile area of review  
Exhibit "B"

Judah Oil, L.L.C.  
Cotton Tree State SWD # 1  
API # 30-025-20577  
0.5 Mile AOR

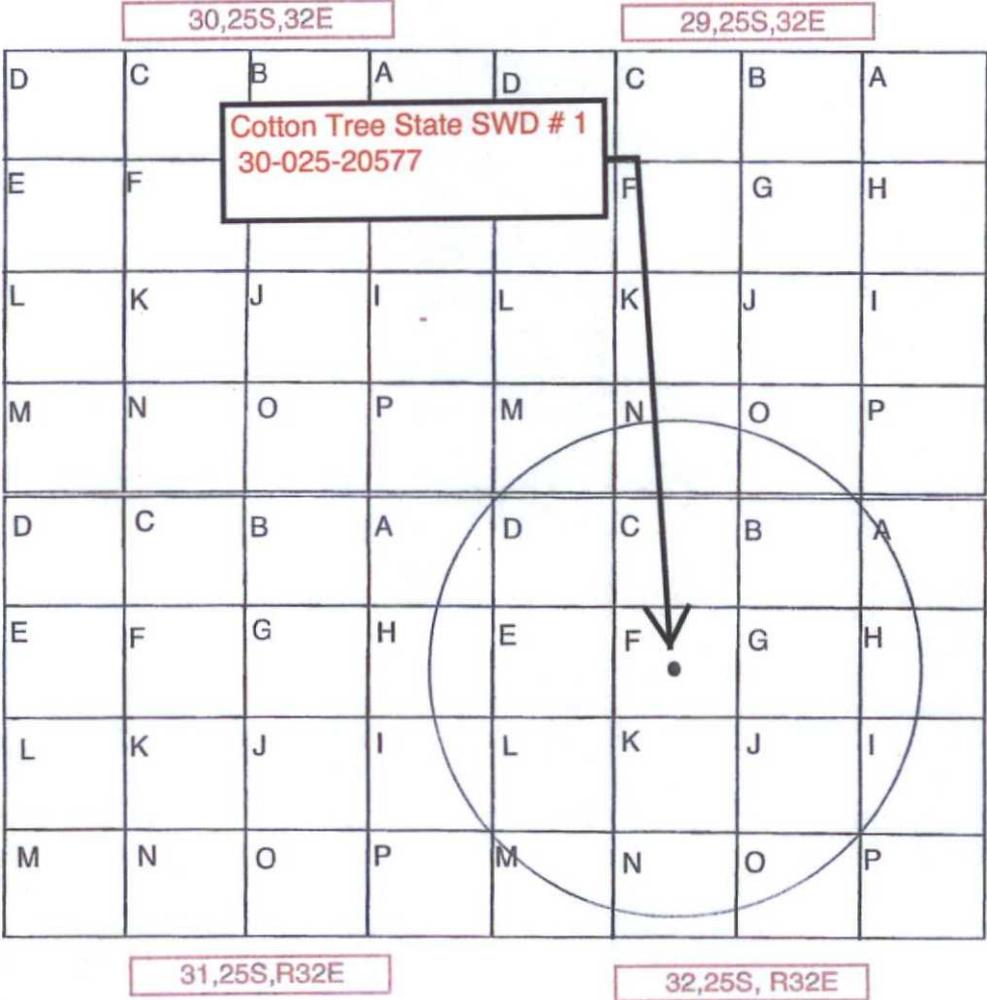


Exhibit "C"

**JUDAH OIL, LLC**  
**Cotton Tree State SWD # 1**  
**API # 30-025-20577**  
**Offset wells in 0.5 AOR**

**Section 32, T25S, R32E**

Unit Letter	API #	Well Name & #	TD	WBD
A	None			
B	None			
C	None			
D	3002539660	Presidente BPD State Com # 1H	13132	Y
E	None			
F	3002520577	Cotton Tree State SWD #1	6800	Y
G	None			
H	None			
I	None			
J	None			
K	None			
L	None			
M	None			
N	None			
O	3002540722	Jefe BSJ Federal Com # 1H	17319	Y

**Section 31, T25S, R32E**

A	None
H	None
I	None

**Section 29, T25S, R32E**

M	None
N	None
O	None

2 wells identified that penetrate the proposed disposal zone



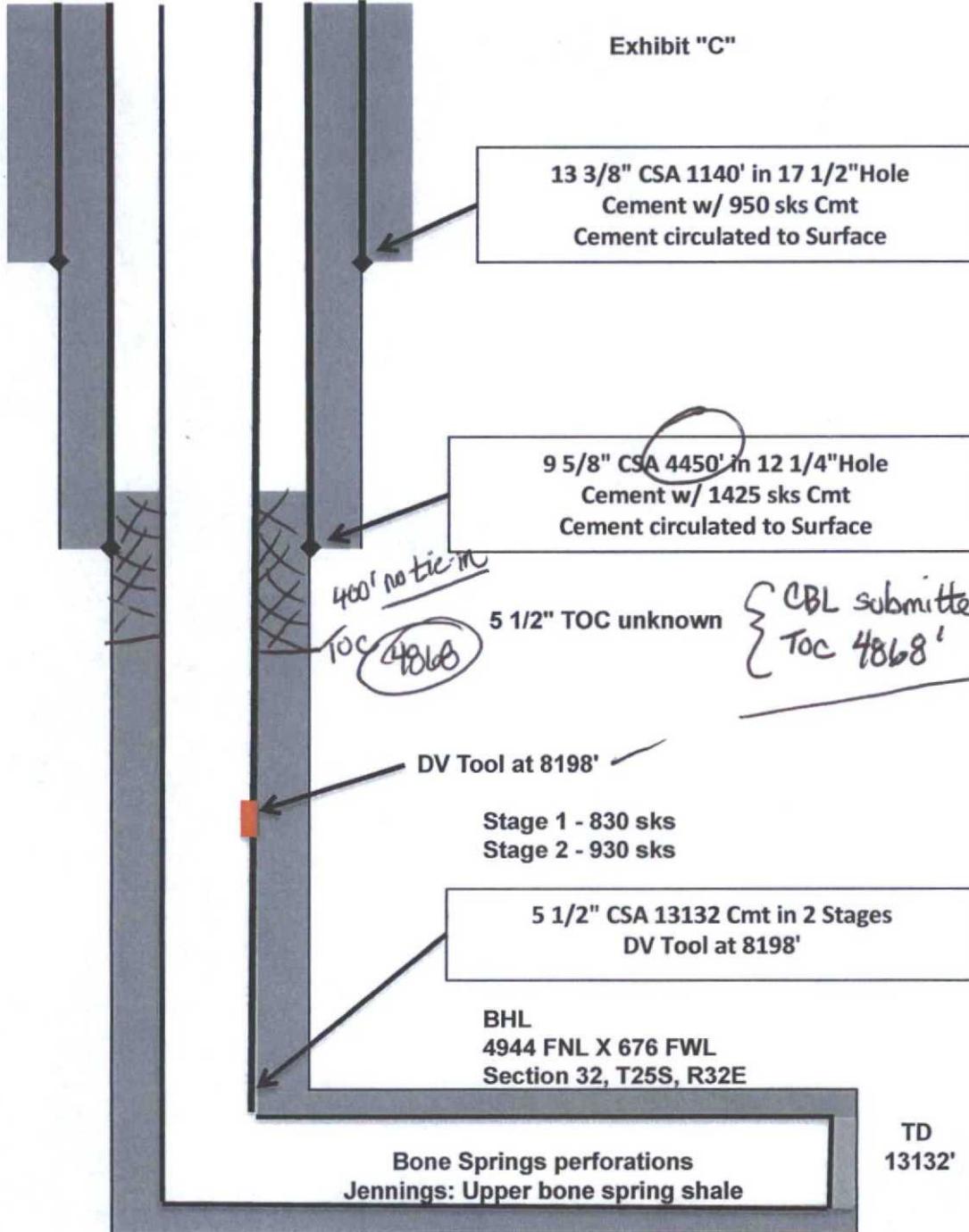
[www.pwllc.net](http://www.pwllc.net)

Exhibit "C"

**Yates Petroleum Corp**  
Surface Location - Unit Letter "D", Section 32, T25S, R32E  
Lea County, New Mexico  
330 FNL X 660 FWL

**Presidente BPD State Com #1H**  
API # 30-025-39660

Exhibit "C"



BEP

Drawing not to scale

[www.pwllc.net](http://www.pwllc.net)

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone:(505) 393-6161 Fax:(505) 393-6720

District II  
1301 W. Grand Ave., Artesia, NM 88210  
Phone:(505) 748-1263 Fax:(505) 748-9720

District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV  
1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico  
**Energy, Minerals and Natural Resources**  
Oil Conservation Division  
1220 S. St Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Permit 108693

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-39660	2. Pool Code	3. Pool Name WILDCAT BONE SPRING
4. Property Code 38016	5. Property Name PRESIDENTE BPD STATE COM	6. Well No. 001H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3335

**10. Surface Location**

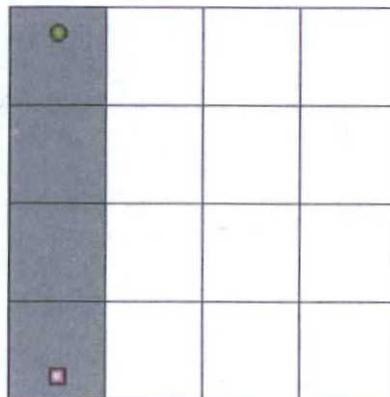
UL - Lot	Section	Township	Range	Lot Idn	Feet From	N-S Line	Feet From	E-W Line	County
D	32	25S	32E		330	N	660	W	LEA

**11. Bottom Hole Location If Different From Surface**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N-S Line	Feet From	E-W Line	County
M	32	25S	32E	M	330	S	660	W	LEA

12. Dedicated Acres 160.00	13. Joint or Infill	14. Consolidation Code	15. Order No.
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**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**



**Horizontal lateral runs underneath AOR  
Exhibit "C"**

**OPERATOR CERTIFICATION**

*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(s) 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.*

E-Signed By: Monti Sanders  
Title:  
Date: 1/29/2010

**SURVEYOR CERTIFICATION**

*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.*

Surveyed By: Gary Jones  
Date of Survey: 1/14/2010  
Certificate Number: 7977

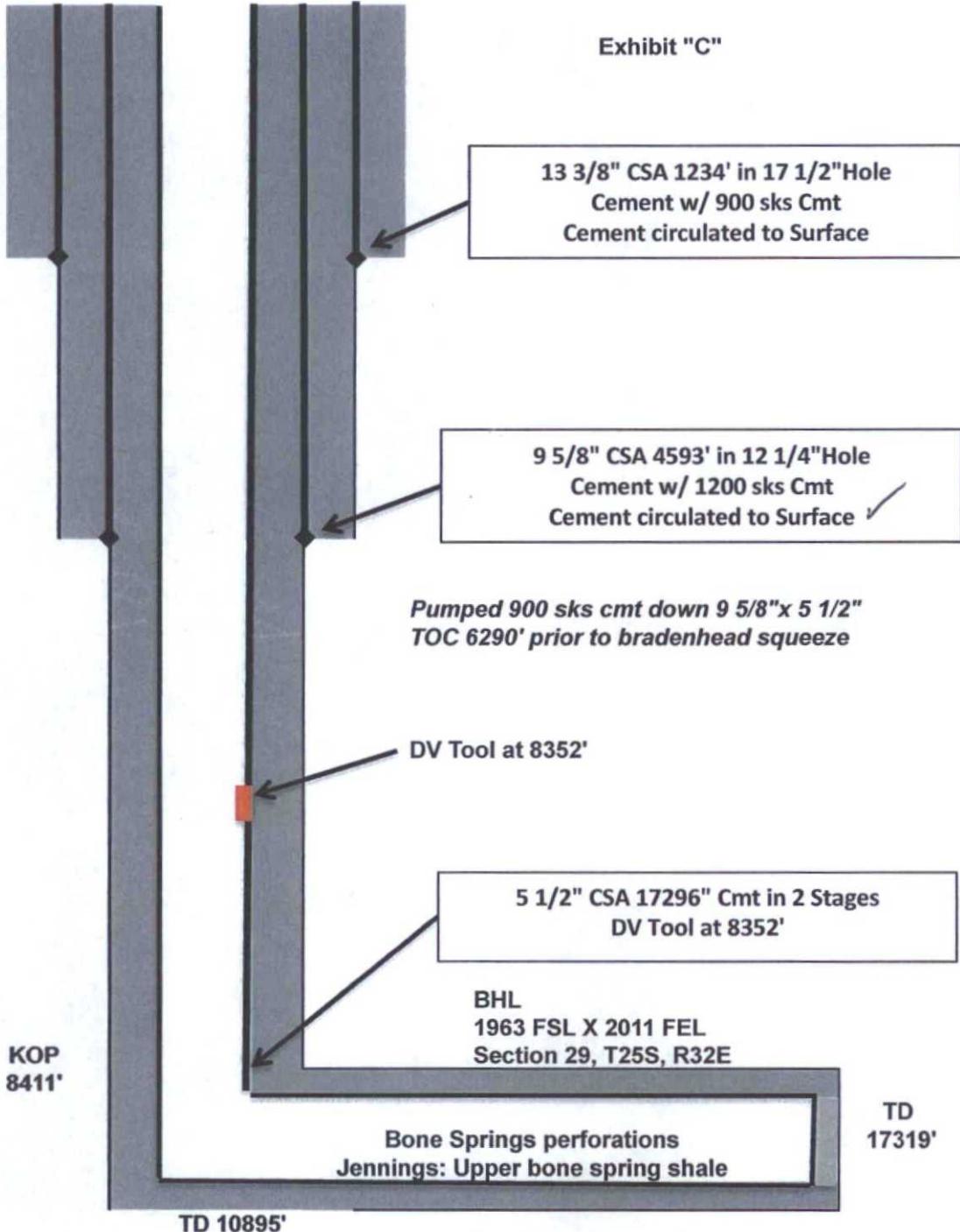
**Yates Petroleum Corp**

Surface Location - Unit Letter "O", Section 32, T25S, R32E  
Lea County, New Mexico  
330 FSL X 1980 FEL

**Jefe BSJ Federal Com #1H**

API # 30-025-40722

Exhibit "C"



Drawing not to scale

DISTRICT I.  
1626 N. FRENCH DR., HOBBBS, NM 87040

DISTRICT II  
1301 W. GRAND AVENUE, ARTESIA, NM 87003

DISTRICT III  
1000 RIO BRAZOS RD., AZTEC, NM 87410

DISTRICT IV  
11885 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION  
11885 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

Form C-102  
Revised October 12, 2010  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-025-40722	Pool Code 97870	Pool Name WC-025 G-04 92632081, AS UPPER SHALE Bone-Spring/Wildcat
Property Code 39389	Property Name JEFE BSJ FEDERAL COM	Well Number 1H
OCRID No. 25575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3297'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	32	25-S	32-E		330	SOUTH	1980	EAST	LEA

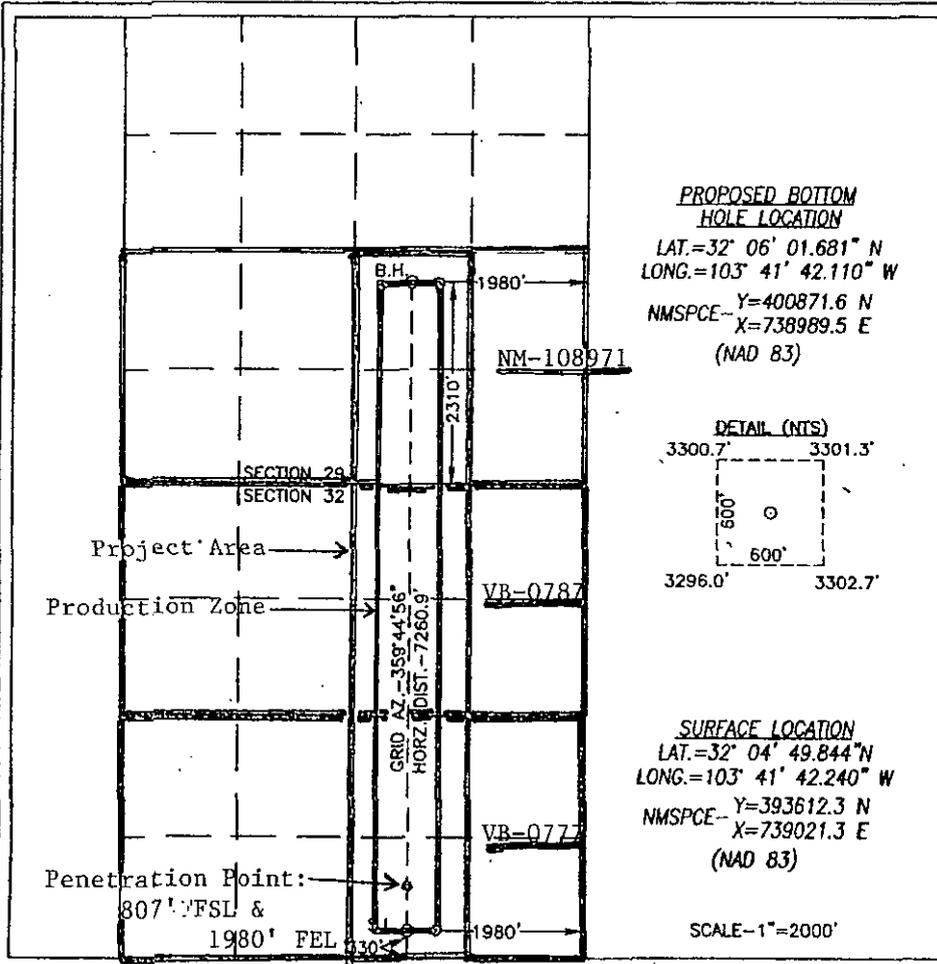
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	29	25-S	32-E		2310	SOUTH	1980	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
240			

Exhibit "C"  
Horizontal Lateral runs underneath the 0.5 mile AOR

NO ALLOWABLE WILL BE ASSIGNED TO THIS COM  
OR A NON-STANDARD UNIT H



OPERATOR CERTIFICATION

I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Travis Hahn* 4/20/12  
Signature Date

Travis Hahn  
Printed Name

SURVEYOR CERTIFICATION

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.

NEW MEXICO  
FEBRUARY 18, 2012  
Date Surveyed  
Signature & Seal of Professional Surveyor

*Chad Harrow*  
12-07

Certificate No. CHAD HARCROW 17777

LA 008-2012

AUG 16 2012

Judah Oil, L.L.C.  
Cotton Tree State SWD # 1  
API # 30-025-20577  
1980 FNL x 1980 FWL  
Unit Letter "F", Section 32, T25S, R32E  
Lea County, New Mexico

Produced Water

Data obtained from Go-Tech

API	Formation	TDS	Chorides
30-015-20179	Delaware	19205	8484

Possibe Disposed Fluid

30-015-10329	Artesia	43392	20700
30-015-20179	Delaware	19205	8484
30-015-10775	Strawn	122896	75260
30-015-27939	Del/WC	189739	116724
30-015-22002	Morrow	Unk	81792

No Data available for Bell-Cherry Canyon produced water Delaware only

**Exhibit "D"**



[www.pwllc.net](http://www.pwllc.net)



---

*New Mexico Office of the State Engineer*  
**Water Column/Average Depth to Water**

---

No records found.

**PLSS Search:**

**Section(s):** 28, 29, 30, 31,  
32, 33      **Township:** 25S      **Range:** 32E

**EXHIBIT"E"**

---

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

---

2/2/15 9:20 AM

Page 1 of 1

WATER COLUMN/ AVERAGE  
DEPTH TO WATER



---

*New Mexico Office of the State Engineer*  
**Water Column/Average Depth to Water**

---

No records found.

**PLSS Search:**

**Section(s):** 4, 5, 6

**Township:** 26S

**Range:** 32E

**EXHIBIT"E"**

---

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

---

2/2/15 9:21 AM

Page 1 of 1

WATER COLUMN/ AVERAGE  
DEPTH TO WATER

### Legal Notice

Judah Oil, L.L.C., PO Box 568, Artesia, NM 88211 has filed form C-108 (Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval to convert the Cotton Tree State SWD # 1, API # 30-025-20577, 1980 FNL x 1980 FWL, Unit Letter "F", Section 32, T25S, R32E, Lea County, New Mexico from a plugged and abandoned well to commercial salt water disposal well. The disposal interval would be the Bell-Cherry Canyon formation through open hole from 4900 feet to 6800 feet. Disposal fluid would be produced water from numerous producing oil and gas wells in the area.

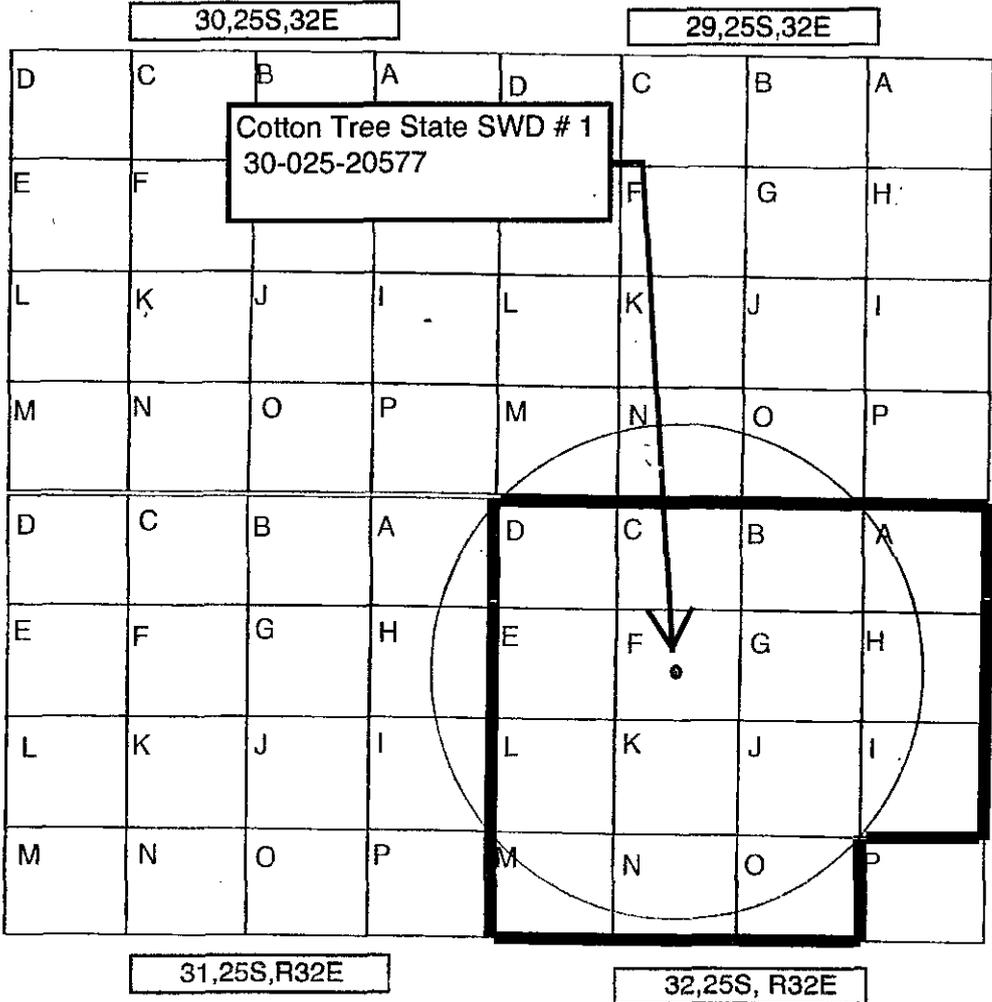
Anticipated disposal rate of 18000 BWPD with a maximum disposal rate of 20000 BWPD. Anticipated disposal pressure 0 (Zero) psi with a maximum disposal pressure of 980 psi.

Well is approximately 29 miles West of Jal, 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 within 15 days. Additional information can be obtained by contacting Blaise Campanella 575-748-5488.

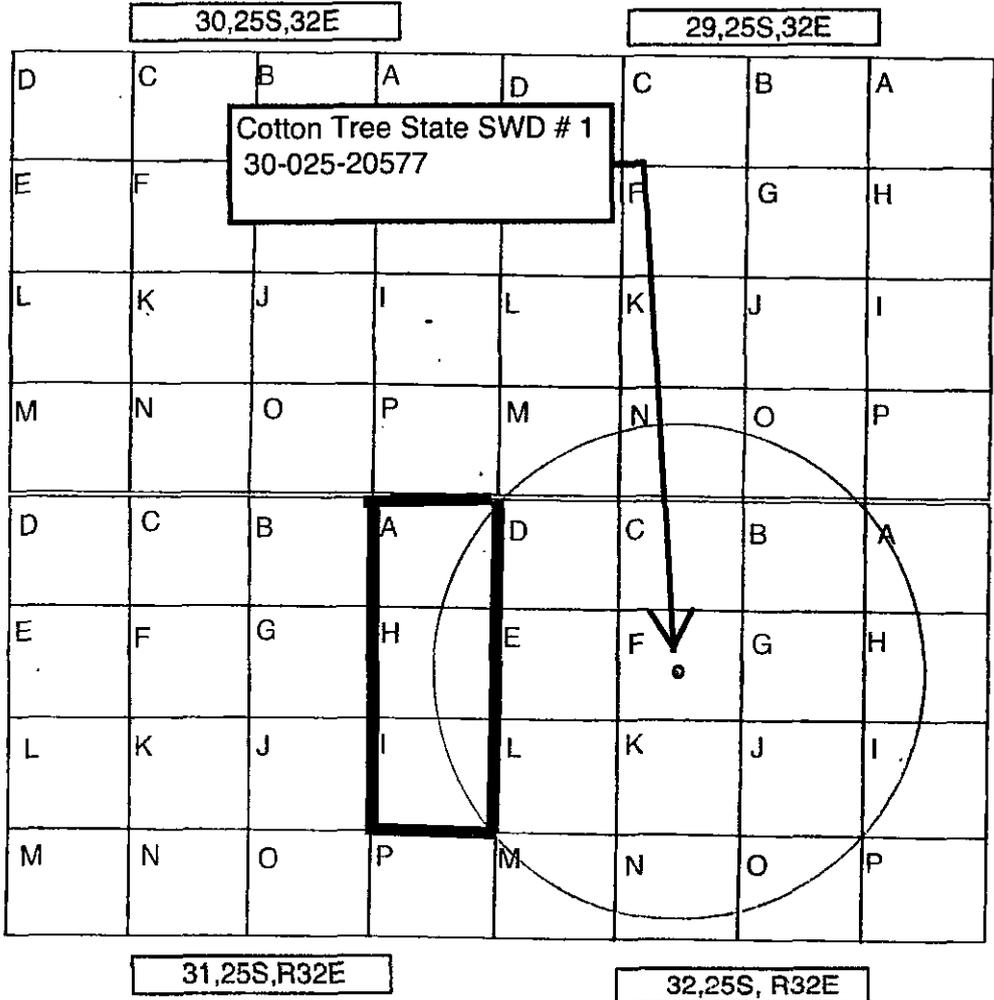
Exhibit "F"

Judah Oil, L.L.C.  
 Cotton Tree State SWD # 1  
 API # 30-025-20577  
 0.5 Mile AOR



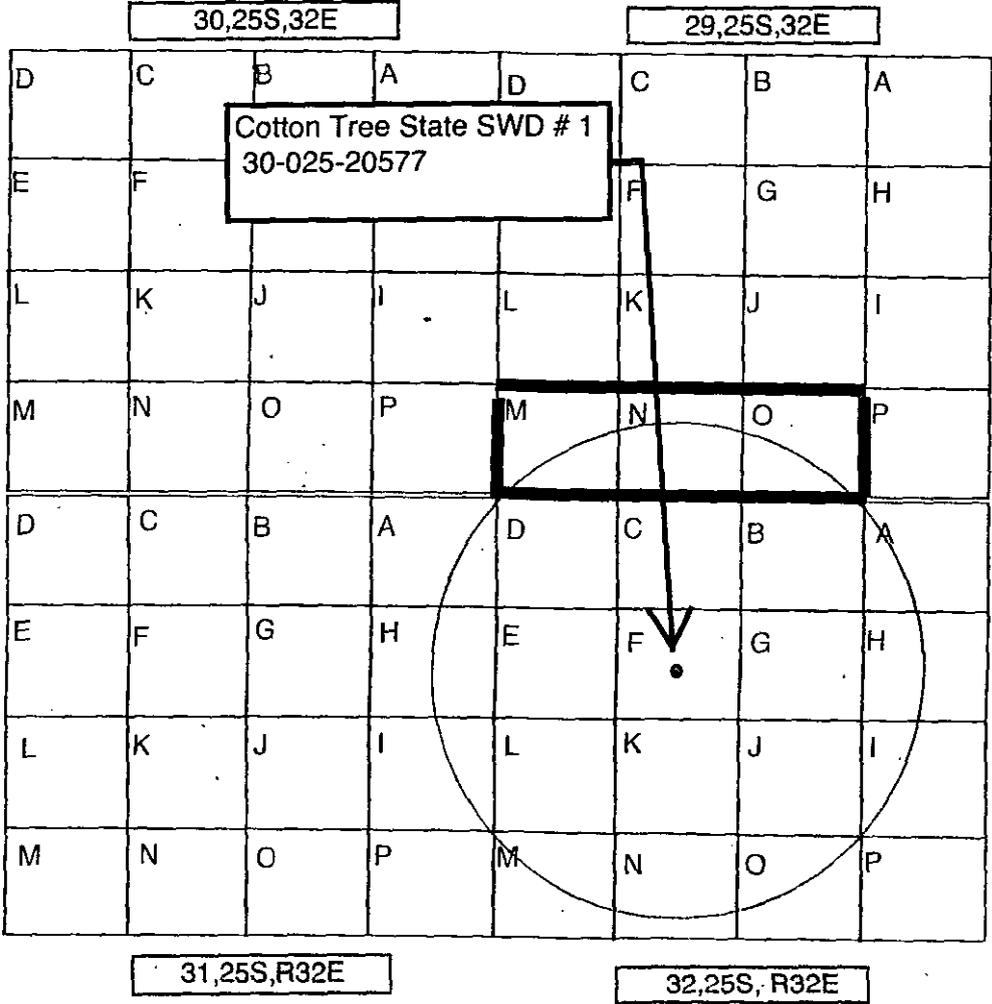
Mineral and Surface Owner  
 State of New Mexico - NM State Land Office  
 PO Box 1148 Santa Fe, NM 87504 - 1148  
 Surface Lessee  
 Jesse T. Baker  
 731 Country Club Road Silver City, NM 88061  
 Lease Holders  
 Yates Petroleum Corporation  
 105 S Fourth Street Artesia, NM 88211  
 ConocoPhillips  
 3401 E. 30TH STREET FARMINGTON, NM 87402  
 Exhibit "F"

Judah Oil, L.L.C.  
Cotton Tree State SWD # 1  
API # 30-025-20577  
0.5 Mile AOR



Mineral Owner  
United States of America  
Bureau of Land Management  
602 East Green Street    Carlsbad, NM 88220  
Lease Holder  
Yates Petroleum Corporation  
105 South Fourth Street    Artesia, NM 88211  
Exhibit "F"

Judah Oil, L.L.C.  
Cotton Tree State SWD # 1  
API # 30-025-20577  
0.5 Mile AOR



Mineral Owner  
United States of America  
Bureau of Land Management  
602 East Green Street Carlsbad, NM 88220  
Lease Holder  
Yates Petroleum Corporation  
105 South Fourth Street Artesia, NM 88210  
Exhibit "F"

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

For delivery information visit our website at [www.usps.com](http://www.usps.com)

**SILVER CITY NM 88061 OFFICIAL USE**

Postage	\$ 1.82	0634
Certified Fee	\$3.30	03
Return Receipt Fee (Endorsement Required)	\$2.70	FEB - 2 Postmark Here
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage	\$7.82	02/02/2015 76234

Sent To: **Jesse T. Baker**  
 731 Country Club Road  
 Silver City, NM 88061

PS Form 3800, August 2006

**U.S. Postal Service™**  
**CERTIFIED MAIL™ RECEIPT**  
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Total Postage	\$7.82	02/02/2015

Sent To: **ConocoPhillips**  
 3401 E. 30TH STREET  
 FARMINGTON, NM 87402

PS Form 3800, August 2006

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For delivery information visit our website at [www.usps.com](http://www.usps.com)

**ARTESIA NM 88211 OFFICIAL USE**

Postage	\$ 1.82	0634
Certified Fee	\$3.30	03
Return Receipt Fee (Endorsement Required)	\$2.70	FEB - 2 Postmark Here
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage	\$7.82	02/02/2015

Sent To: **Yates Petroleum Corporation**  
 105 S Fourth Street  
 Artesia, NM 88211

PS Form 3800, August 2006

**U.S. Postal Service™**  
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**CARLSBAD NM 88220 OFFICIAL USE**

Postage	\$ 1.82	0634
Certified Fee	\$3.30	03
Return Receipt Fee (Endorsement Required)	\$2.70	FEB - 2 Postmark Here
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage	\$7.82	02/02/2015

Sent To: **Bureau of Land Management**  
 602 East Green Street  
 Carlsbad, NM 88220

PS Form 3800, August 2006

**U.S. Postal Service™**  
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**HOBBS NM 88240 OFFICIAL USE**

Postage	\$ 1.82	0634
Certified Fee	\$3.30	03
Return Receipt Fee (Endorsement Required)	\$2.70	FEB - 2 Postmark Here
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage	\$7.82	02/02/2015 76234

Sent To: **NMOCD District 1**  
 1625 N French Drive  
 Hobbs, NM 88240

PS Form 3800, August 2006

**EXHIBIT "F"**



Pueblo West Resources  
125 Greathouse Village  
Decatur, Texas 76234  
432-934-7680

February 3, 2015

Per the rules and regulations of the New Mexico Oil Conservation Division please find enclosed a copy of NMOCD form C108

Judah Oil, L.L.C., PO Box 568, Artesia, NM 88211 has filed form C-108 (Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval to convert the Cotton Tree State SWD # 1, API # 30-025-20577, 1980 FNL x 1980 FWL, Unit Letter "F", Section 32, T25S, R32E, Lea County, New Mexico from a plugged and abandoned well to commercial salt water disposal well. The disposal interval would be the Bell-Cherry Canyon formation through open hole from 4900 feet to 6800 feet. Disposal fluid would be produced water from numerous producing oil and gas wells in the area.

Anticipated disposal rate of 18000 BWPD with a maximum disposal rate of 20000 BWPD. Anticipated disposal pressure 0 (Zero) psi with a maximum disposal pressure of 980 psi.

Well is approximately 29 miles West of Jal, 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 within 15 days. Additional information can be obtained by contacting Blaise Campanella 575-748-5488

Sincerely

A handwritten signature in cursive script that reads "Billy E. Prichard". The signature is written in black ink and is positioned below the word "Sincerely".

Billy(Bill) E. Prichard  
email; [billy@pwllc.net](mailto:billy@pwllc.net)  
[www.pwllc.net](http://www.pwllc.net)

# 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  
February 03, 2015  
and ending with the issue dated  
February 03, 2015.



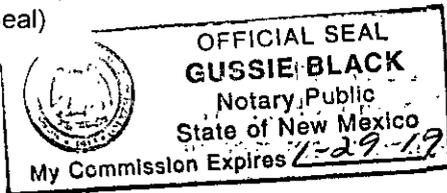
Publisher

Sworn and subscribed to before me this  
3rd day of February 2015.



Business Manager

My commission expires  
January 29, 2019  
(Seal)



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  
February 3, 2015

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BILLY E. PRICHARD  
PUEBLO WEST LLC  
125 GREENHOUSE VILLAGE  
DECATUR, TX 76234

**Legal Notice  
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**EXHIBIT "F"**



Pueblo West Resources  
125 Greathouse Village  
Decatur, Texas 76234  
432-934-7680

RECEIVED OCD  
2015 FEB 12 P 2: 50

February 9, 2015

Please find enclosed original Affidavit of Publication for the below C108

Judah Oil, L.L.C., PO Box 568, Artesia, NM 88211 has filed form C-108 (Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval to convert the Cotton Tree State SWD # 1, API # 30-025-20577, 1980 FNL x 1980 FWL, Unit Letter "F", Section 32, T25S, R32E, Lea County, New Mexico from a plugged and abandoned well to commercial salt water disposal well. The disposal interval would be the Bell-Cherry Canyon formation through open hole from 4900 feet to 6800 feet. Disposal fluid would be produced water from numerous producing oil and gas wells in the area.

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Sincerely

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Billy(Bill) E. Prichard  
email; [billy@pwllc.net](mailto:billy@pwllc.net)  
[www.pwllc.net](http://www.pwllc.net)



C-108 Review Checklist: Received 02/03/15 Add. Request: \* Reply Date: \_\_\_\_\_ Suspended: \_\_\_\_\_ [Ver 16]

ORDER TYPE: WFX / PMX (SWD) Number: 1583 Order Date: 09/25/15 Legacy Permits/Orders: In Paduca / Mesquite Delaware Disposal - protested SWDs due to Delaware

Well No. 1 Well Name(s): Cotton Tree State

API: 30-0 25-20577 Spud Date: 06/03/1963 New or Old: Old (UIC Class II Primacy 03/07/1982)

Footages 1980 FUL / 1980 FUL Lot - or Unit F Sec 32 Tsp 25S Rge 32E County Lea

General Location: Paduca Field / ~30 W of Jal Pool: SWD; Bell/Cherry Canyons Pool No.: 96802

BLM 100K Map: Jal Operator: Judah Oil, LLC OGRID: 245872 Contact: B. Pritchard / Judah reps.

COMPLIANCE RULE 5.9: Total Wells: 32 Inactive: 1 Fincl Assur: Yes Compl. Order? No IS 5.9 OK? Yes Date: 09/25/15

WELL FILE REVIEWED  Current Status: Wildcat test - Upper DMG/Ramsay - Bell Canyon; P&A 1963

WELL DIAGRAMS: NEW: Proposed  or RE-ENTER: Before Conv.  After Conv.  Logs in Imaging (CBL) - No logs on file

Planned Rehab Work to Well: Original open-hole denied/redesign with casing to TD - cont of perf.

Well Construction Details		Sizes (in) Borehole / Pipe	Setting Depths (ft)	Cement SX or Cf	Cement Top and Determination Method
Planned <input type="checkbox"/> or Existing <input checked="" type="checkbox"/>	Surface	<u>10 1/4 / 7 3/8</u>	<u>0 to 366'</u>	<u>255</u>	<u>Cur. to surface</u>
Planned <input checked="" type="checkbox"/> or Existing <input type="checkbox"/>	Intern/Prod	<u>5 1/2</u>	<u>0 to 690'</u>	<u>2000</u>	<u>Cur. to surface of</u>
Planned <input type="checkbox"/> or Existing <input type="checkbox"/>	Intern/Prod	<u>-</u>	<u>-</u>	<u>-</u>	<u>(CBL) -</u>
Planned <input type="checkbox"/> or Existing <input type="checkbox"/>	Prod/Liner	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Planned <input type="checkbox"/> or Existing <input type="checkbox"/>	Liner	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Planned <input checked="" type="checkbox"/> or Existing <input type="checkbox"/>	OH (PERF)	<u>5 1/2</u>	<u>5100' to 6800'</u>	<u>Inj Length 1900'</u>	

Injection Lithostratigraphic Units:	Depths (ft)	Injection or Confining Units	Tops	Completion/Operation Details:	
Adjacent Unit: Litho. Struc. Por.		<u>Salt/Salado</u>	<u>-</u>	Drilled TD <u>4624</u>	PBTD <u>PA to surface</u>
Confining Unit: Litho. Struc. Por.		<u>Base of Salt</u>	<u>4270</u>	NEW TD <u>6900</u>	NEW PBTD <u>6900</u>
Proposed Inj Interval TOP:	<u>5100 - 6800</u>	<u>Thermal Confiner</u>	<u>4515</u>	NEW Open Hole <input type="checkbox"/> or NEW Perfs <input checked="" type="checkbox"/>	
Proposed Inj Interval BOTTOM:		<u>Brushy Confiner</u>		Tubing Size <u>3 1/2</u> in.	Inter Coated? <u>Yes</u>
Confining Unit: Litho. Struc. Por.	<u>100' to</u>	<u>Axon/Bs Shale</u>	<u>6900'</u>	Proposed Packer Depth <u>NA</u> ft	
Adjacent Unit: Litho. Struc. Por.		<u>Bone Spring</u>		Min. Packer Depth <u>5000</u> (100-ft limit)	
				Proposed Max. Surface Press. <u>NA</u> psi	
				Admin. Inj. Press. <u>1020</u> (0.2 psi per ft)	

**AOR: Hydrologic and Geologic Information**

POTASH: R-111-P NA Noticed? NA BLM Sec Ord NA WIPP NA Noticed? NA Salt/Salado T: - B: - NW: Cliff House fm NA

FRESH WATER: Aquifer Carbonate/Aluvial / Brushy Max Depth < 900' HYDRO AFFIRM STATEMENT By Qualified Person

NMOSE Basin: Carbonate CAPITAN REEF: thru - adj NA No. GW Wells in 1-Mile Radius? 0 FW Analysis? No

Disposal Fluid: Formation Source(s) Bone Spring / Delaware / WC / Strawn Analysis? Yes On Lease  Operator Only  or Commercial

Disposal Interval: Inject Rate (Avg/Max BWPD): 15000/20000 Protectable Waters? No Source: Historical System: Closed  or Open

HC Potential: Producing Interval? No Formerly Producing? No - Ramsay/Bell Method: Logs/DST/P&A/Other Historical Mile Radius Pool Map

AOR Wells: 1/2-M Radius Map? Yes Well List? Yes Total No. Wells Penetrating Interval: 2 Horizontals? 2

Penetrating Wells: No. Active Wells 2 Num Repairs? 0 on which well(s)? Cotho Mesquite Paduca Diagrams? Yes

Penetrating Wells: No. P&A Wells 0 Num Repairs? 0 on which well(s)? Commercial wells to North Diagrams? NA

NOTICE: Newspaper Date 02/03/15 Mineral Owner SLO Surface Owner SLO N. Date 02/02/15

RULE 26.7(A): Identified Tracts? Yes Affected Persons: BLM / Yates / J. Baker / Conrad Phillips N. Date 02/02/15

Order Conditions: Issues: HC potential (Ramsay tested - Chng) (CBL of new); Old surface casing

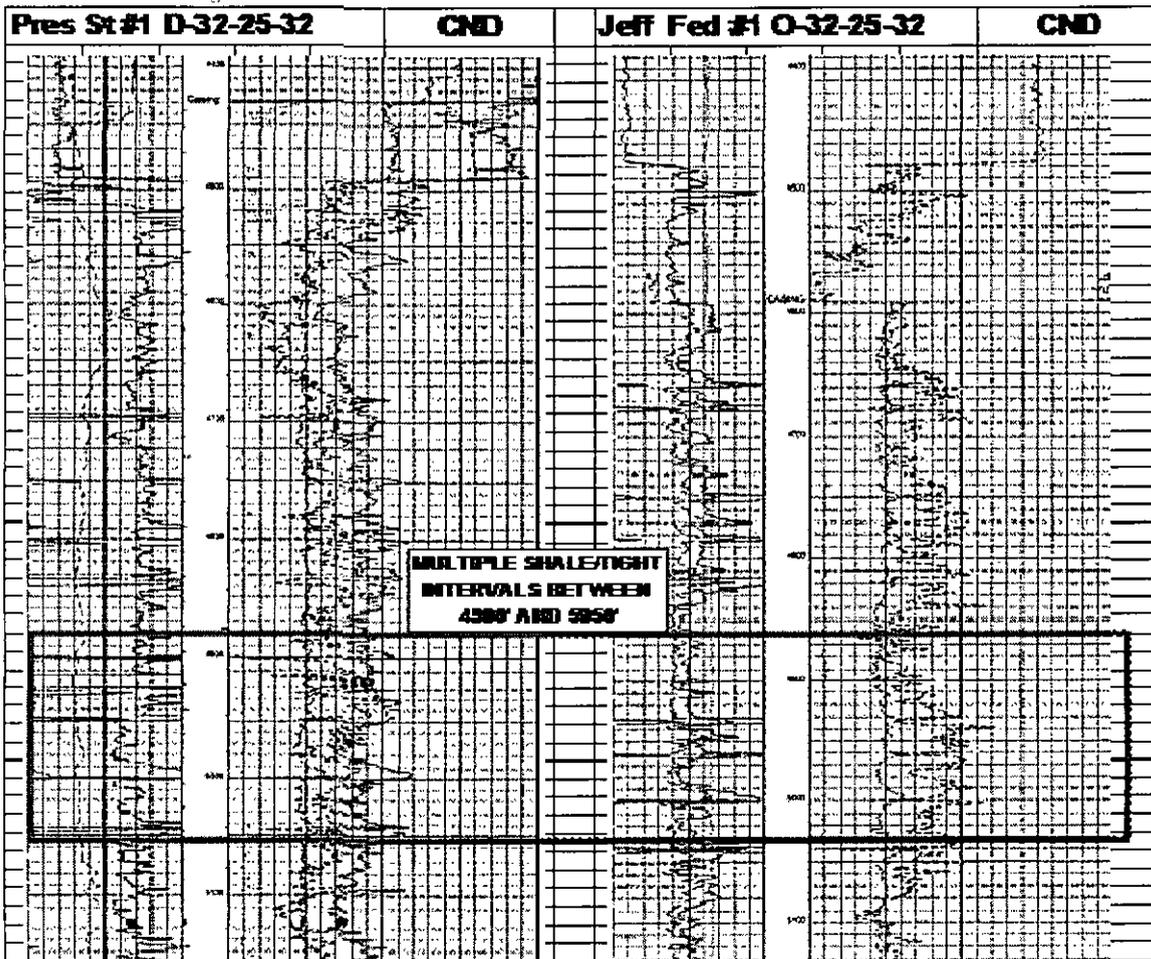
Add Order Cond: Injection survey; CBL on new 5 1/2 casing; (2 years)

## Goetze, Phillip, EMNRD

**From:** Vanwelch2@aol.com  
**Sent:** Thursday, June 18, 2015 12:10 PM  
**To:** Goetze, Phillip, EMNRD  
**Cc:** jbc@JUDAHOIL.com; Jones, William V, EMNRD; McMillan, Michael, EMNRD  
**Subject:** Re: Cotton Tree State #1  
**Attachments:** Lone Tree St SWD 1 Wellbore Schematic rev 18jun15.pdf

Phillip,

Blaise (Campanella) forwarded your email to me and below is the response to your request. I'm a reservoir engineer and partner with Judah Oil. We fully understand the State's concerns relative to Delaware injection. I have further reviewed the two Yates wells (Presidente BPD St Com #1H UL D and Jeff BSJ Fed Com #1H UL O) in Sect 32 T25S-R32E. As shown in the two logs below, I believe the multiple shale/tight streaks from 4900' to 5050' should contain any injection to the Lower Delaware (the tight streaks are also supported by the resistivity logs).



We anticipate the top of Brushy Canyon to be 6875' which has several shale/tight intervals (50') above it which should prevent any injection in to the Bushy Canyon. Based on this, please find the new well bore schematic attached for the Lone Tree St SWD No 1 which has been revised as follows:

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5) 5-1/2" injection packer to be set within 100' of top perf ( $\pm 5025'$ ).

I hope this satisfies your request and if you need anything further please contact Blaise or myself.

Van S. Welch II, PE  
Partner Judah Oil  
281.635.1718

In a message dated 6/17/15 4:11:53 P.M. Central Daylight Time, jbc@JUDAHOIL.com writes:

Thanks for the info Phillip, I will look into your request and resubmit my app.

Have a great day,

James B Campanella

*Member/Manager*

*Judah Oil, LLC*

575-748-4730 Office

575-748-4731 Fax

575-748-5488 Cell

P.O. Box 870

1805 W Jacobs Ave

Artesia, NM 88211-0870

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

Subject: RE: Cotton Tree State #1

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

Date: Wed, June 17, 2015 11:27 am

To: "jbc@JUDAHOIL.com" <jbc@JUDAHOIL.com>

Cc: "Jones, William V, EMNRD" <WilliamV.Jones@state.nm.us>, "McMillan, Michael, EMNRD" <Michael.McMillan@state.nm.us>

Mr. Campanella:

Mr. Ezeanyim forward your inquiry to me. I started on this response a week ago in response to your e-mail, but was detoured by requests from higher authority and the June 11<sup>th</sup> hearing.

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Phillip R. Goetze, P.G.

Engineering and Geological Services Bureau, Oil Conservation Division

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

O: 505.476.3466 F: 505.476.3462

[phillip.goetze@state.nm.us](mailto:phillip.goetze@state.nm.us)

---

**From:** [jbc@JUDAHOIL.com](mailto:jbc@JUDAHOIL.com) [<mailto:jbc@JUDAHOIL.com>]

**Sent:** Thursday, May 28, 2015 1:55 PM

**To:** Goetze, Phillip, EMNRD

**Subject:** Cotton Tree State #1

Good afternoon Philip,

I am checking on the status of my Cotton Tree State #1 (API #30-025-20577) C-108 app. I know you are very busy but just wanted to check in on it. If you get a chance, could you give me an update.

Thanks a bunch,

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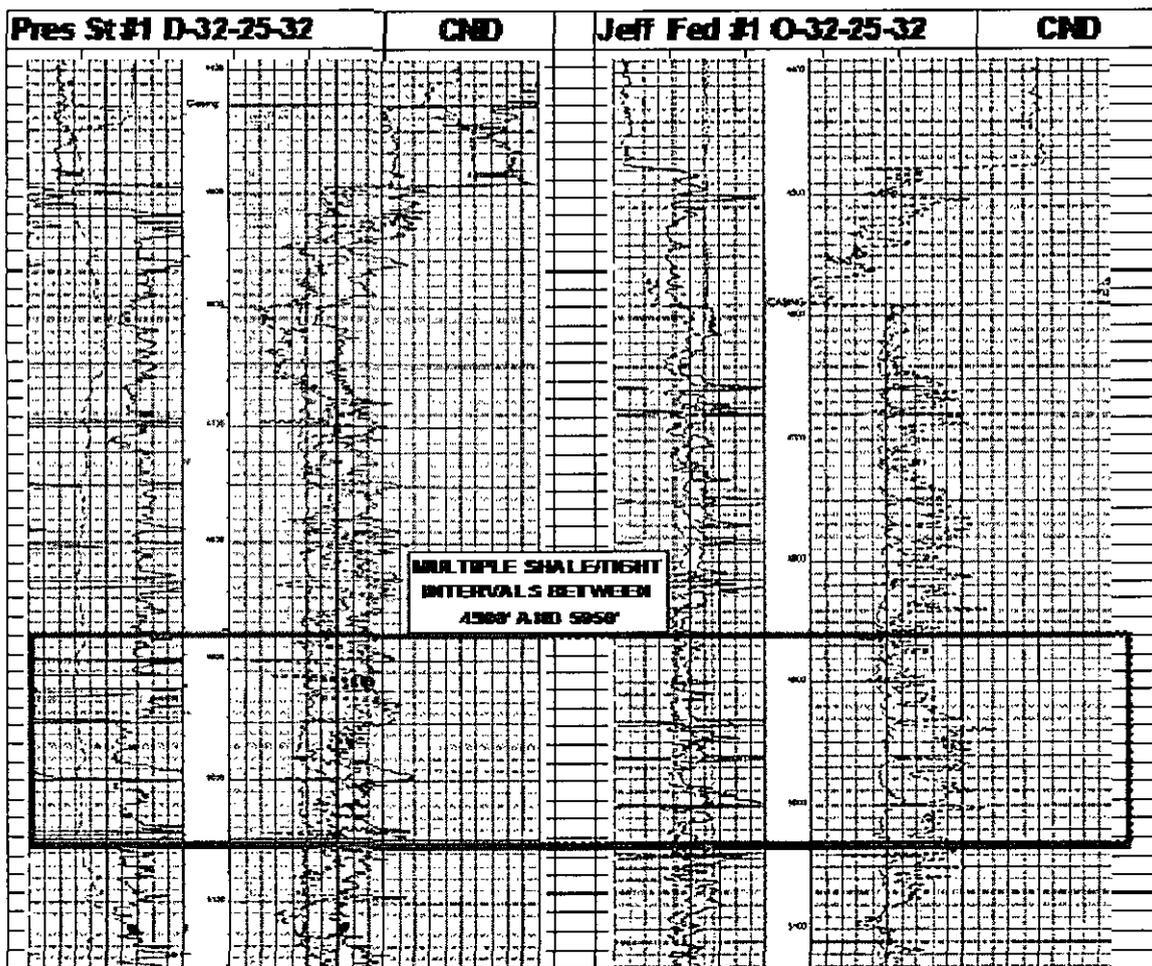
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**Subject:** Re: Cotton Tree State #1

Correction: drilling to 6900' is a change from 6800'.  
apologies  
van

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[phillip.goetze@state.nm.us](mailto:phillip.goetze@state.nm.us)

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**Sent:** Monday, June 22, 2015 2:20 PM  
**To:** Goetze, Phillip, EMNRD  
**Cc:** jbc@JUDAHOIL.com; Jones, William V, EMNRD; McMillan, Michael, EMNRD  
**Subject:** Re: Cotton Tree State #1  
**Attachments:** Cotton Tree St SWD 1 Wellbore Schematic rev 22jun15.pdf

Apologies again, I had an incorrect well name on the schematic.  
cheers  
van

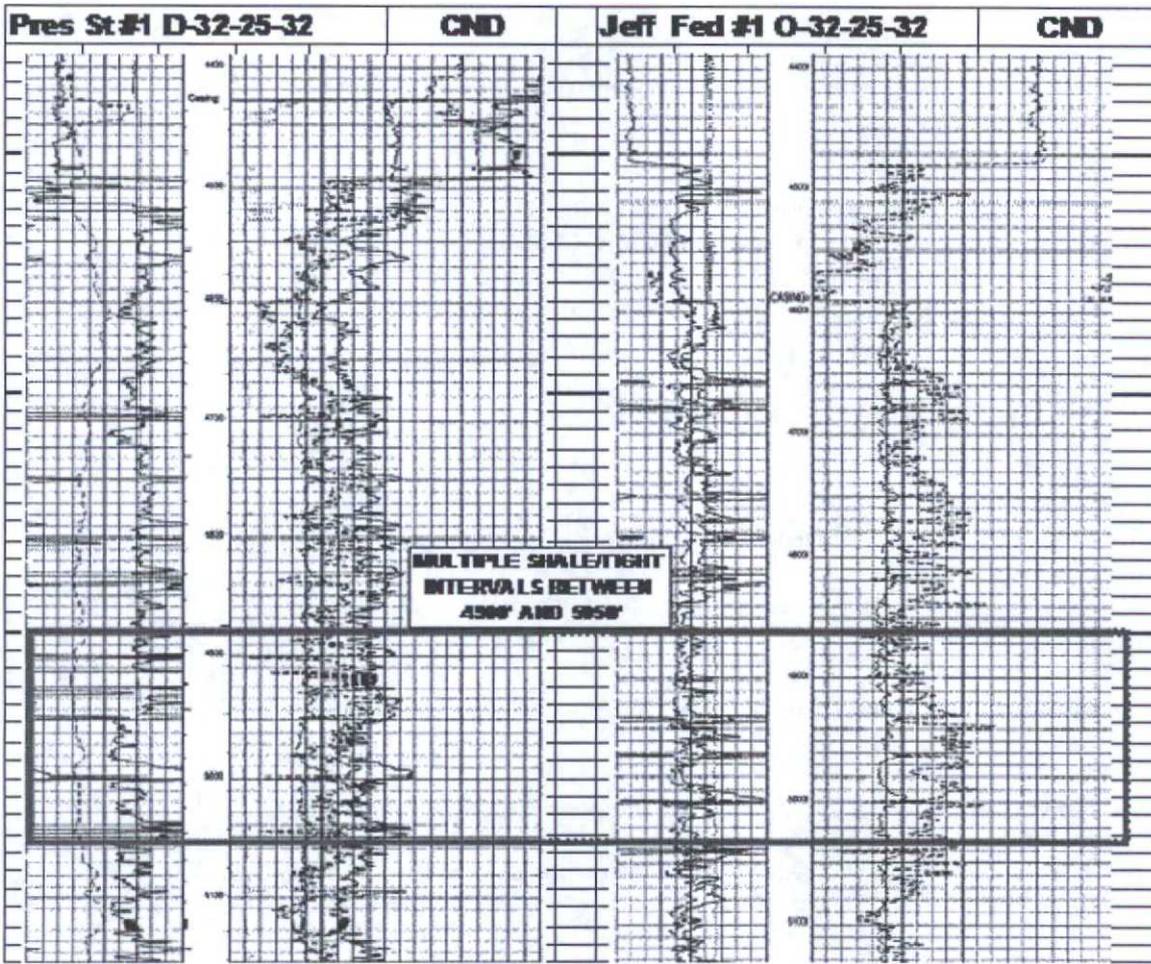
In a message dated 6/18/15 1:14:50 P.M. Central Daylight Time, Vanwelch2@aol.com writes:

Correction: drilling to 6900' is a change from 6800'.  
apologies  
van

In a message dated 6/18/15 1:09:43 P.M. Central Daylight Time, Vanwelch2@aol.com writes:

Phillip,

Blaise (Campanella) forwarded your email to me and below is the response to your request. I'm a reservoir engineer and partner with Judah Oil. We fully understand the State's concerns relative to Delaware injection. I have further reviewed the two Yates wells (Presidente BPD St Com #1H UL D and Jeff BSJ Fed Com #1H UL O) in Sect 32 T25S-R32E. As shown in the two logs below, I believe the multiple shale/tight streaks from 4900' to 5050' should contain any injection to the Lower Delaware (the tight streaks are also supported by the resistivity logs).



We anticipate the top of Brushy Canyon to be 6875' which has several shale/tight intervals (50') above it which should prevent any injection in to the Brushy Canyon. Based on this, please find the new well bore schematic attached for the Lone Tree St SWD No 1 which has been revised as follows:

- 1) Drill to 6900 ft (same)
- 2) Run and set 5-1/2" csg at @6900 ft (TD)
- 3) Cement csg with 2000 sxs (est) and circulate to surface.
- 4) Perforate csg (based on new logs) no higher than 5100' nor any lower than 6825'.
- 5) 5-1/2" injection packer to be set within 100' of top perf ( $\pm 5025'$ ).

I hope this satisfies your request and if you need anything further please contact Blaise or myself.

Van S. Welch II, PE  
 Partner Judah Oil  
 281.635.1718

In a message dated 6/17/15 4:11:53 P.M. Central Daylight Time, jbc@JUDAH OIL.com writes:

Thanks for the info Phillip, I will look into your request and resubmit my app.

Have a great day,

James B Campanella  
 Member/Manager  
 Judah Oil, LLC  
 575-748-4730 Office  
 575-748-4731 Fax  
 575-748-5488 Cell

P.O. Box 870  
 1805 W Jacobs Ave  
 Artesia, NM 88211-0870

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

Subject: RE: Cotton Tree State #1

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

Date: Wed, June 17, 2015 11:27 am

To: "jbc@JUDAHOIL.com" <jbc@JUDAHOIL.com>

Cc: "Jones, William V, EMNRD" <WilliamV.Jones@state.nm.us>, "McMillan, Michael, EMNRD" <Michael.McMillan@state.nm.us>

Mr. Campanella:

Mr. Ezeanyim forward your inquiry to me. I started on this response a week ago in response to your e-mail, but was detoured by requests from higher authority and the June 11<sup>th</sup> hearing.

I've taken a look at the application. First, the application is for disposal in the Delaware Mountain group (DMG) - an interval which has been a recent focus of hearings and suspension of injection authority. The assessment of potential resources vs. disposal will require a little more effort. Second, OCD will not administratively approve open-hole completion in the DMG for commercial or operator/lease disposal since Mesquite open-hole well's demonstrated no vertical control and injection out of interval. So, I am requesting a new well construction with cemented casing to total depth will be substituted in the application.

Second, there is the issue of one of the AOR wells – the Presidente BPD State Com #1 H. The application states that the top of cement for the 5 ½ inch casing is unknown, but Yates submitted a CBL (Feb 21, 2011) that shows TOC at 4868 ft (poor) to 4884 ft (good). So the 5 ½ inch casing does not tie in with the intermediate 9 5/8 set at 4450 ft. To compensate, OCD will be asking for a decrease in the top of the proposed injection interval as determined using the existing logs in the area – the next lithology that represents a “confining zone”.

Finally, the proposed location is within one mile of the Jennings; Delaware pool. This appears not to be an issue since production is from the top of the Bell Canyon formation, roughly 4560 ft to 4594 ft and there are no Brushy Canyon completions in proximity. However, any order issued for this proposed well will include a stipulation for a mudlog/e-log suite over the new portion of the injection interval.

At this, the only additional information required would be the new completion diagram and a new pick for the top of the injection interval. Please contact me with any questions on this matter. PRG

Phillip R. Goetze, P.G.

Engineering and Geological Services Bureau, Oil Conservation Division

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

O: 505.476.3466 F: 505.476.3462

[phillip.goetze@state.nm.us](mailto:phillip.goetze@state.nm.us)

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**From:** [jbc@JUDAHOIL.com](mailto:jbc@JUDAHOIL.com) [<mailto:jbc@JUDAHOIL.com>]

**Sent:** Thursday, May 28, 2015 1:55 PM

**To:** Goetze, Phillip, EMNRD

**Subject:** Cotton Tree State #1

Good afternoon Philip,

I am checking on the status of my Cotton Tree State #1 (API #30-025-20577) C-108 app. I know you are very busy but just wanted to check in on it. If you get a chance, could you give me an update.

Thanks a bunch,

James B Campanella

*Member/Manager*

*Judah Oil, LLC*

575-748-4730 Office

575-748-4731 Fax

575-748-5488 Cell

P.O. Box 870

1805 W Jacobs Ave

Artesia, NM 88211-0870

Presidente BPD State Com # 1H  
30-025-39660

①

CBL  
2/21/2011

4850

60

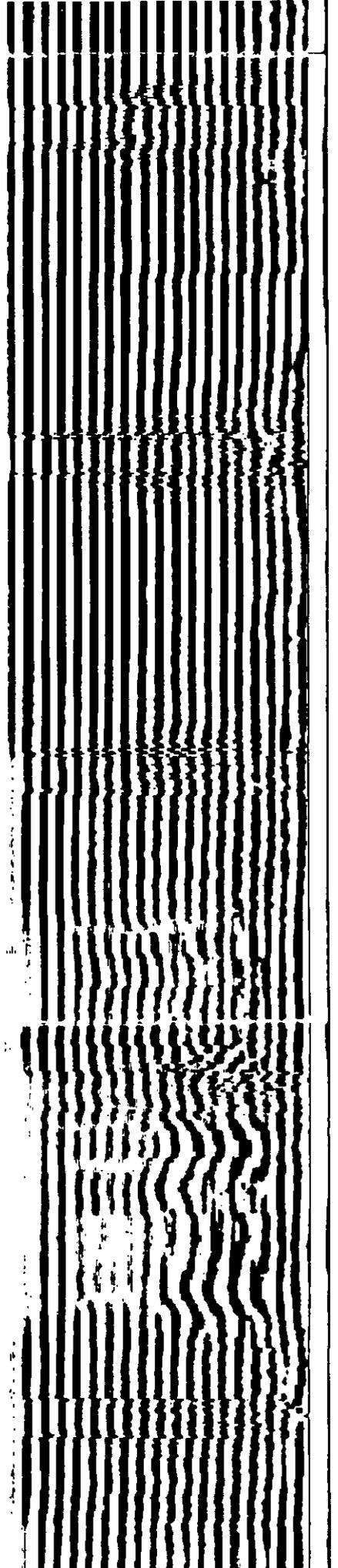
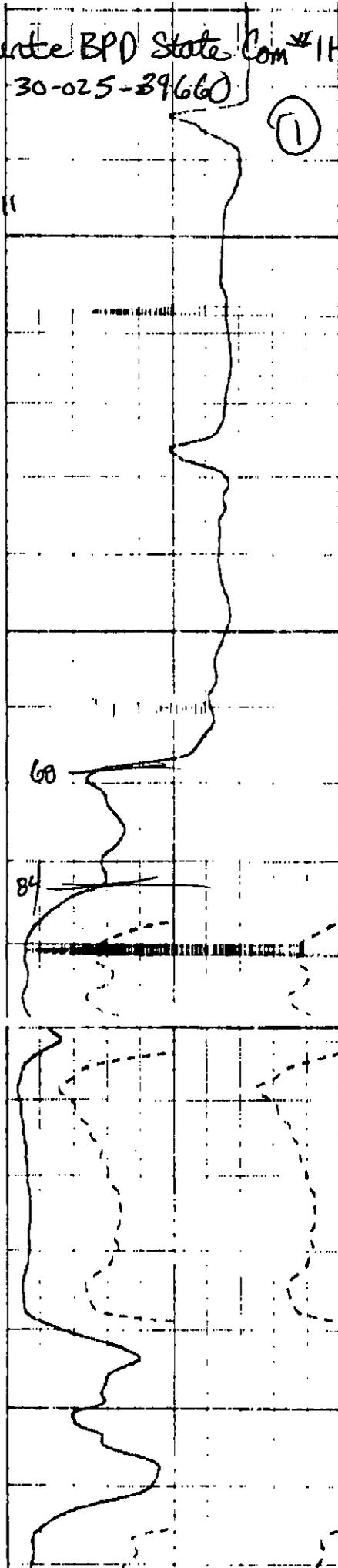
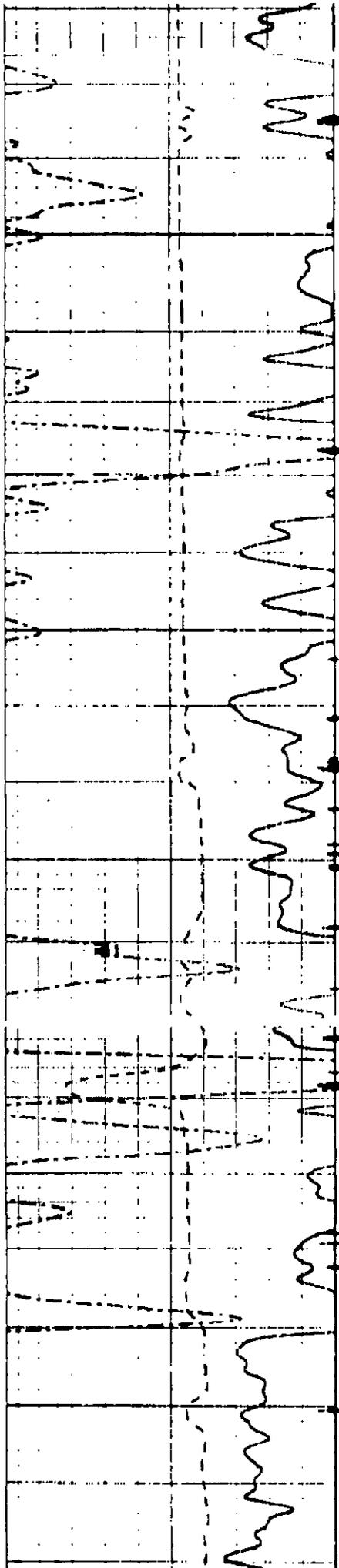
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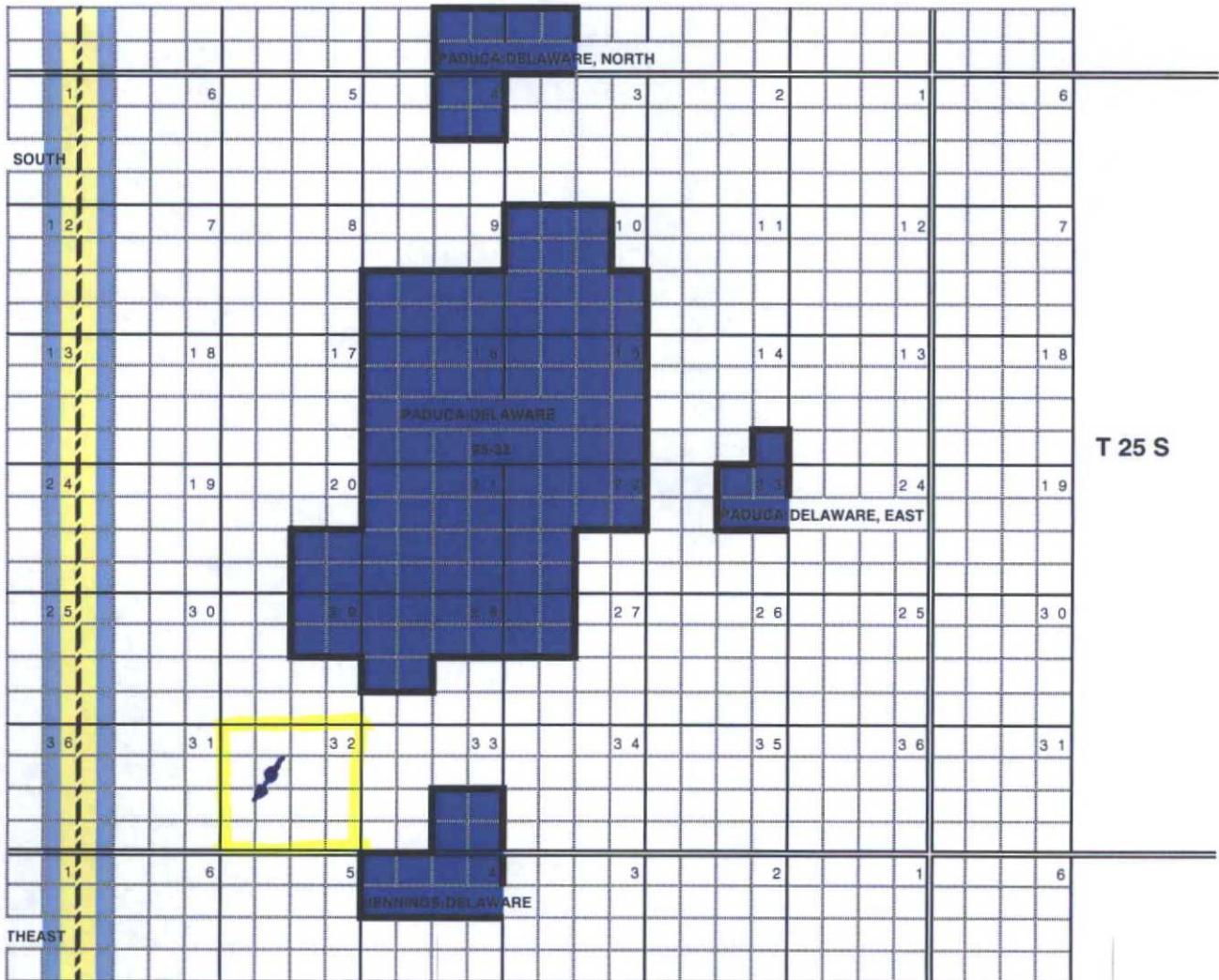
90

4900

4950



Cotton Tree State SWD No. 1  
Delaware Pools





# New Mexico Office of the State Engineer

## Point of Diversion Summary

(quarters are 1=NW 2=NE 3=SW 4=SE)

(quarters are smallest to largest)

(NAD83 UTM in meters)

POD Number  
C 03829 POD1

Q64 Q16 Q4 Sec Tws Rng  
3 3 1 06 26S 32E

X Y  
620628 3549186

Driller License: 1607

Driller Name: DURAN, LUIS (TONY)

Drill Start Date: 02/11/2015

Drill Finish Date: 02/15/2015

Plug Date:

Log File Date: 02/23/2015

PCW Rcv Date:

Source: Shallow

Pump Type:

Pipe Discharge Size:

Estimated Yield: 58 GPM

Casing Size: 7.00

Depth Well: 646 feet

Depth Water: 350 feet

Water Bearing Stratifications:	Top	Bottom	Description
	330	337	Sandstone/Gravel/Conglomerate
	390	470	Sandstone/Gravel/Conglomerate
	580	610	Sandstone/Gravel/Conglomerate

Casing Perforations:	Top	Bottom
	341	645

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