

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 \_\_\_\_\_

*Handwritten notes:*  
 - SWD well  
 - Stearns 21566  
 - well offset to well  
 - Bowen SWH 1  
 30-025 2383  
 Rod  
 - SWD's Bought C  
 96097

[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.

Danny J. Holcomb

*Signature: D. J. Holcomb*

Agent for Stearns

3/27/2017

Print or Type Name

Signature

Title

Date

danny@pwillc.net  
 e-mail Address

Pueblo West, LLC  
125 Greathouse Village  
Decatur, Texas 76234

April 4, 2017

State of New Mexico  
NMOCD Engineering Bureau  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

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

Stearns, HC 65 Box 988, Crossroads, NM 88114 has filed form C108 (Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval to convert the Bowen #1, API 30-025-23833, 660 FNL x 660 FEL, Unit Letter "A", Section 21, T9S, R35E, Lea County, New Mexico from a plugged and abandoned well to a commercial salt water disposal well. The proposed disposal interval would be the Bough "C" formation through perforations between 9810' – 9854'. Disposal fluid would be produced water from producing oil and gas wells in the area. Anticipated average disposal volume is 3500 BWPD with a maximum anticipated volume of 5000 BWPD. Anticipated disposal pressure is 0 (zero) psi with a maximum disposal pressure of 1962 psi. The well is located approximately 1.4 miles northwest of Crossroads, 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 Danny Holcomb at 806-471-5628.

Sincerely,



Danny J. Holcomb  
Pueblo West, LLC  
Agent for Stearns  
Email: [danny@pwllc.net](mailto:danny@pwllc.net)



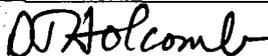
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**APPLICATION FOR AUTHORIZATION TO INJECT**

- I. PURPOSE: Secondary Recovery Pressure Maintenance  Disposal Storage  
Application qualifies for administrative approval?  Yes  No
- II. OPERATOR: Stearns OGRID 21566  
ADDRESS: HC 65 Box 988, Crossroads, New Mexico 88114  
CONTACT PARTY: Bobby Stearns PHONE: 575-760-2482
- 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: Danny J. Holcomb TITLE: Agent for Stearns

SIGNATURE:  DATE: 3/27/2017

E-MAIL ADDRESS: danny@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: \_\_\_\_\_

**Stearns**  
**Bowen SWD #1**  
**API # 30-025-23833**  
**660 FNL x 660 FEL**  
**Unit Letter 'A', Section 21, T9S, R35E**  
**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 Bowen #1 from a plugged and abandoned well to a commercial Bough "C" salt water disposal well.

II.

**Operator:** Stearns OGRID: 21566  
**Address:** HC 65 Box 988, Crossroads, New Mexico 88114  
**Contact Party:** Bobby Stearns 575-760-2482 email: [bobbystearns1@yahoo.com](mailto:bobbystearns1@yahoo.com)

III.

**Well Name:** Bowen #1  
**API Number:** 30-025-23833  
**Location:** Unit Letter 'A', Section 21, T9S, R35E, Lea County, New Mexico  
**Operator:** Stearns OGRID: 21566  
**Proposed Formation:** SWD; Bough C (Pool Code: 96067)  
Please see Exhibit "A" for additional well data.

IV.

This is not an expansion of an existing project.

V.

Please see Exhibit "B" of lease map.

VI.

There is one offset well located within the 0.5 mile Area of Review that does not penetrate the proposed disposal interval. There are no offset wells located within the 0.5 mile Area of Review that penetrate the proposed disposal interval. See AOR map and offset well descriptions in Exhibit "C".

VII.

1. Anticipated disposal volume – 3500 BWPD with a maximum of 5000 BWPD.
2. System will be open and closed. It will include a central tank battery and pump. Water will be trucked in and possibly pipelined in as well.
3. Anticipated disposal pressure: Minimum 0 (zero) psig, Maximum 1962 psig.
4. Disposed fluid will be trucked in from producing wells in the immediate area. Please see Exhibit "D" for fluid analysis from area wells.
5. Please see Exhibit "D" for disposal zone fluid analysis.



**Stearns**  
**Bowen SWD #1**  
**API # 30-025-23833**  
**660 FNL x 660 FEL**  
**Unit Letter 'A', Section 21, T9S, R35E**  
**Lea County, New Mexico**  
**C108 Application for Authorization to Inject**

VIII.

Formation Top	Anticipated Depth (ft)
Wolfcamp	8995
Penn	~9630
Bough C	9810
Proposed disposal zone	9810 - 9854
Strawn	~12000
Atoka	~12500

The proposed well is not located within the Capitan Reef Area. The Bough C formation consists of limestone usually with biomoldic and vugular secondary porosity. The Bough C formation in the Crossroads area is a known loss circulation zone and has proven to be void of oil and gas in much of this area. The subject well was drilled as a Bough C test in 1971 and abandoned without running production casing. We find no current Bough C oil/gas production within 4+ miles of the subject well.

IX.

**Proposed Completion Procedure:** Run a 7-7/8" bit and drill out all cement plugs to TD at 9854', circulate hole clean. Run 5-1/2" casing, set at 9854'. Cement with approximately 2000 sx cement to surface. Run TS, and if necessary, perf/sqz cement to surface, WOC. Perforate 5-1/2" casing at 9810' – 9854'. Obtain swab test if possible. Perform pump-in test to establish initial injection rate. If pump-in test results are favorable, no initial stimulation is planned. If pump-in test results are unfavorable, disposal interval will be acidized with 5000 gallons of 15% NEFE HCL acid. 2-7/8" internally plastic coated injection tubing and packer will be run. Packer will be set a maximum of 100' above the top perforation.

X.

Any additional logs performed will be submitted after completion.

XI.

NM OSE records indicate there are no fresh water wells within the 1 mile Area of Review. However, a site inspection found three fresh water wells located within the 1 mile AOR. Two are house water wells and the third is a windmill utilized for cattle production. Stearns obtained water sample analysis on these wells. See Exhibit "E" for copies of OSE data base queries, fresh water test results and an AOR map.



Stearns  
Bowen SWD #1  
API # 30-025-23833  
660 FNL x 660 FEL  
Unit Letter 'A', Section 21, T9S, R35E  
Lea County, New Mexico  
C108 Application for Authorization to Inject

XII.

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

XIII.

Please see Exhibit "F" for Proof of Notice. Included is a map of the Area of Review, list of noticees, certified mail receipts/electronic signature receipts for notices and the original affidavit of publication from the Lovington Leader for the required public notice.

Danny J. Holcomb  
Agent for Stearns



Date:

3/27/2017



**Stearns  
Bowen SWD #1  
API # 30-025-23833  
660 FNL x 660 FEL  
Unit Letter 'A', Section 21, T9S, R35E  
Lea County, New Mexico**

**Current Well Data**

Spud July 27, 1971 as a Bough C oil well test by VF Petroleum.

12-3/4" 34# casing set at 409' in 17-1/2" hole, cemented with 400 sacks of Class "C" cement. Cement was circulated to surface. Casing was pressure tested to 1000 psi for 30 minutes, held ok.

8-5/8" 28# & 32# casing set at 4074' in 11" hole, cemented with 375 sacks of Class "C" cement. Top of cement unknown. Casing was pressure tested to 1500 psi for 30 minutes, held ok.

Drilled 7-7/8" hole to TD at 9854', well was logged and one DST was performed. The Bough C was found to be dry and no production casing was run.

Well was plugged as dry and abandoned 10/21/1971. Plugs were reported at:

- Plug #1 – 40 sx cement @ 9854 (TD)
- Plug #2 – 25 sx cement @ 8995' (Wolfcamp)
- Plug #3 – 25 sx cement @ 7703' (Abo)
- Plug #4 – 25 sx cement @ 5490' (Glorieta)
- Plug #5 – 35 sx cement @ 4035' (Intermediate shoe)
- 8-5/8" casing was cut @ 1896' and 1693' with no recovery
- 8-5/8" casing was cut and pulled from 1461'
- Plug #6 – 35 sx cement @ 1461' (inside and outside 8-5/8" casing stub)
- Plug #7 – 50 sx cement @ 407' (surface shoe)
- Plug #8 – 10 sx cement @ surface

**Reported Formation Tops**

Anhydrite – 2275'  
San Andres – 4035'  
Glorieta – 5490'  
Abo – 7703'  
Wolfcamp – 8995'  
Bough C – 9810'



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**EXHIBIT "A"**

# CURRENT WELLBORE DIAGRAM

P&A

VF Petroleum

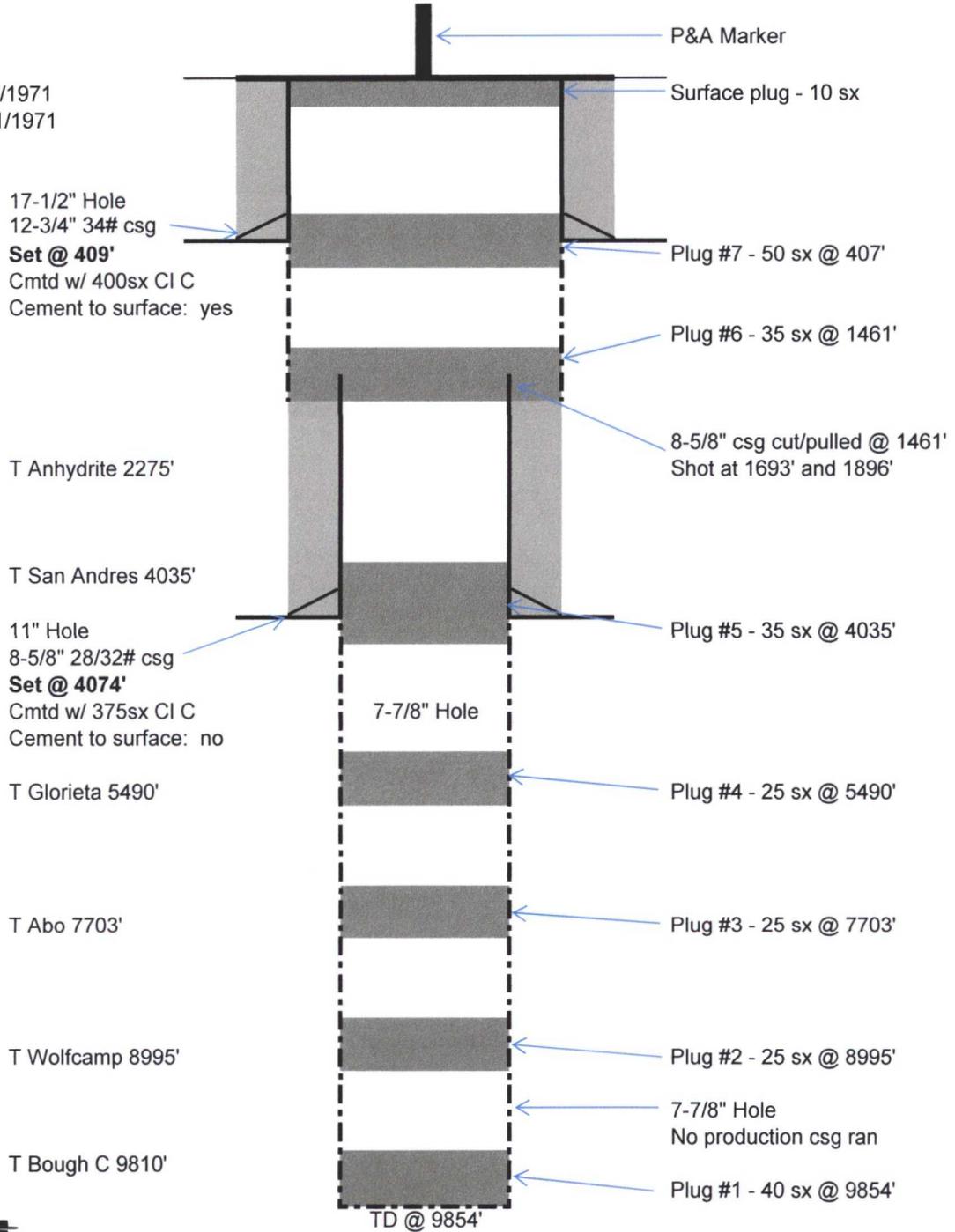
Bowen #1

API # 30-025-23833

660' FNL x 660' FEL, UL 'A' Sec 21, T9S, R35E, Lea County, NM

All Depths KB  
KB 4163'  
GL 4151'

Spud 7/27/1971  
P&A 10/21/1971



Drawing Not to Scale

EXHIBIT "A"



# PROPOSED WELLBORE DIAGRAM

Configured for SWD Service

Stearns

Bowen SWD #1

API # 30-025-23833

660' FNL x 660' FEL, UL 'A' Sec 21, T9S, R35E, Lea County, NM

All Depths KB  
KB 4163'  
GL 4151'

Spud 7/27/1971  
P&A 10/21/1971  
Re-entry 2017

17-1/2" Hole  
12-3/4" 34# csg  
**Set @ 409'**  
Cmt w/ 400sx CI C  
Cement to surface: yes

T Anhydrite 2275'

T San Andres 4035'

11" Hole  
8-5/8" 28/32# csg  
**Set @ 4074'**  
Cmt w/ 375sx CI C  
Cement to surface: no

T Glorieta 5490'

T Abo 7703'

T Wolfcamp 8995'

T Bough C 9810'

7-7/8" Hole  
5-1/2" 17# csg  
**Set @ 9854'**  
Cmt w/ 2000 sx  
Cement to surface: yes

11" hole

8-5/8" csg cut/pulled @ 1461'  
Shot at 1693' and 1896'

2-7/8" IPC Injection Tubing

Packer Fluid in Annulus

5-1/2" X 2-7/8" NC Arrowset  
Packer set @ 9760'

Proposed Injection Interval  
9810' - 9854'

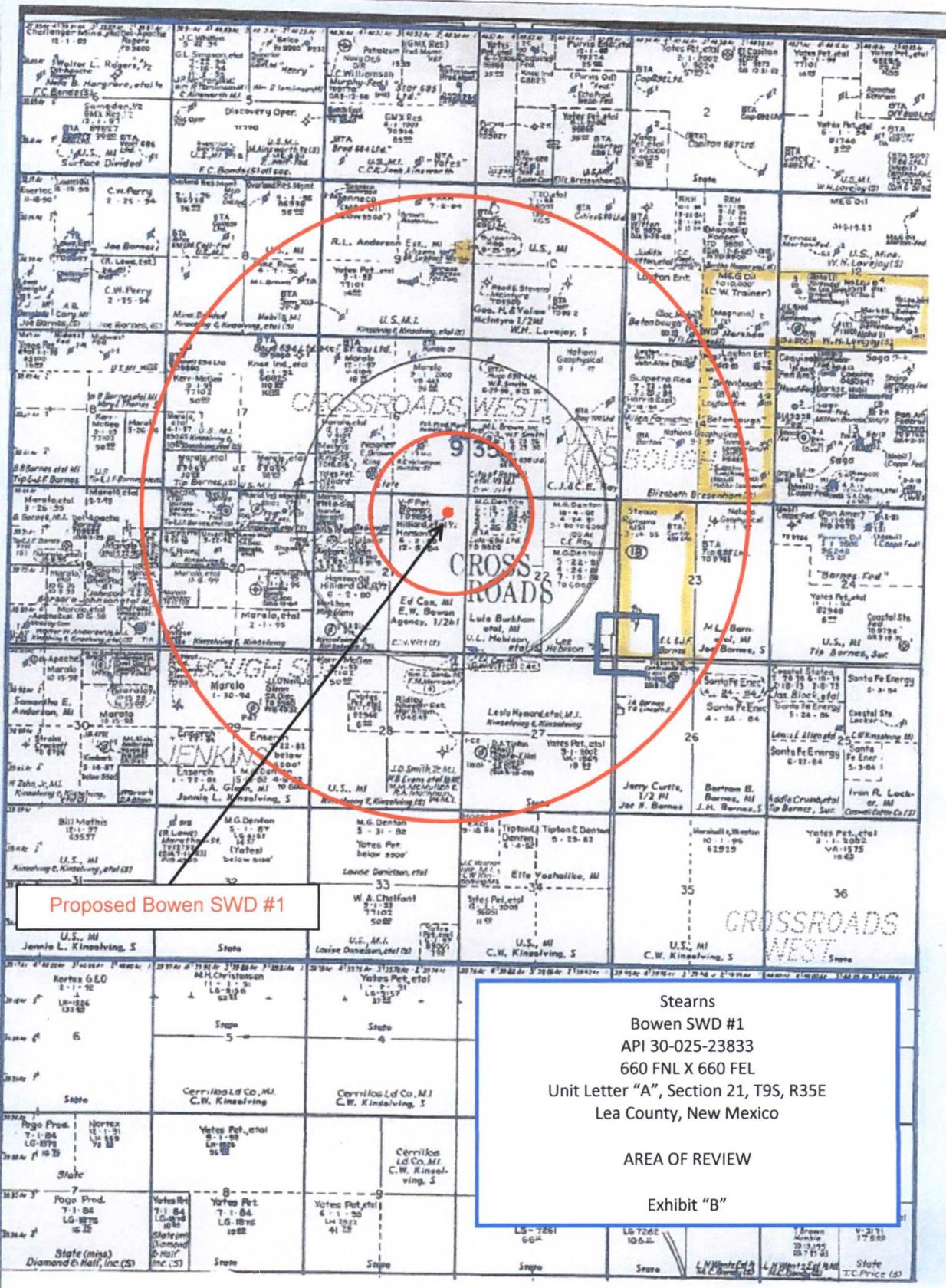
TD @ 9854'

Drawing Not to Scale

**EXHIBIT "A"**



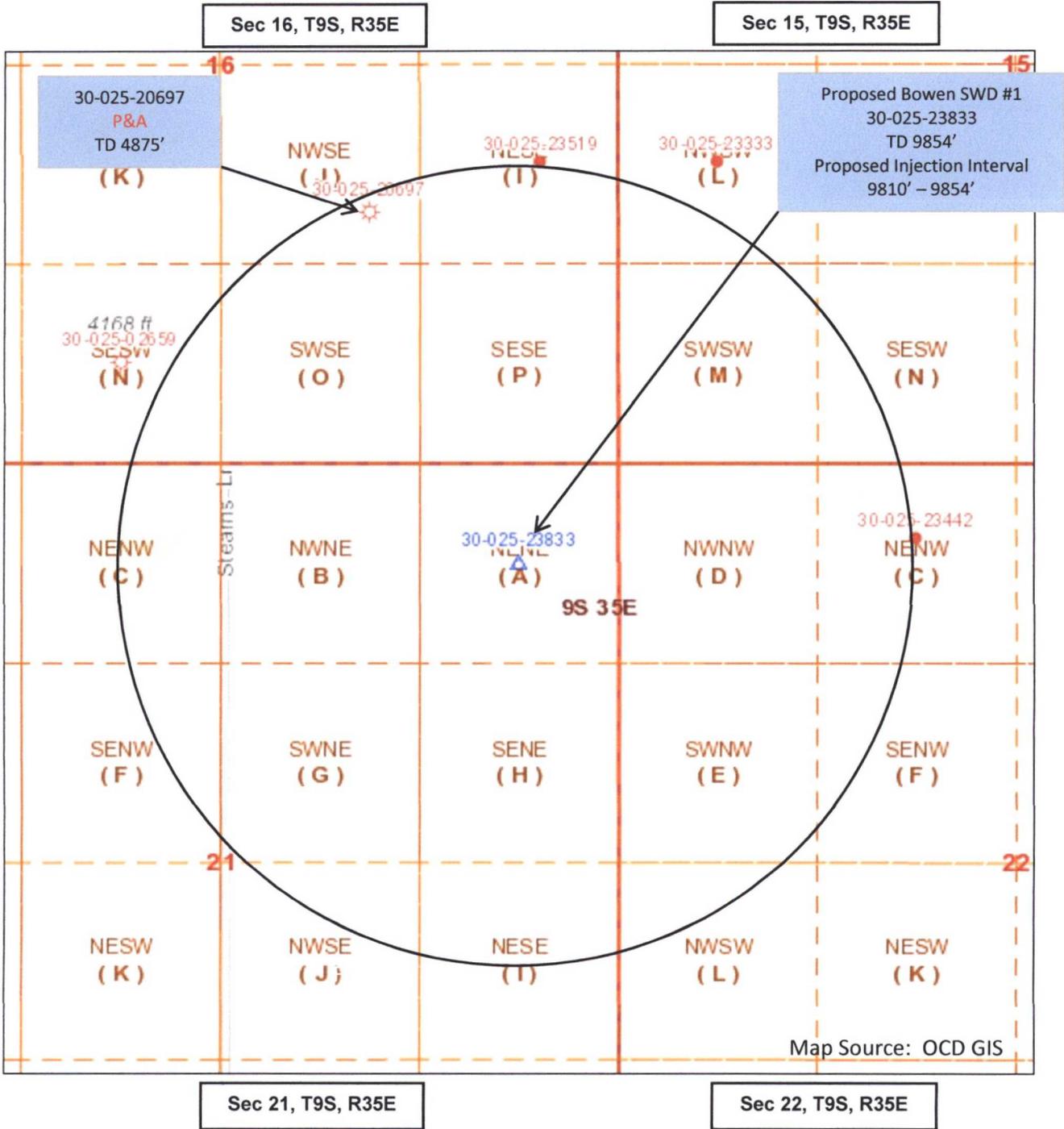
[www.pwllc.net](http://www.pwllc.net)



Proposed Bowen SWD #1

Stearns  
Bowen SWD #1  
API 30-025-23833  
660 FNL X 660 FEL  
Unit Letter "A", Section 21, T9S, R35E  
Lea County, New Mexico  
AREA OF REVIEW  
Exhibit "B"

Stearns  
Bowen SWD #1  
API # 30-025-23833  
0.5 Mile AOR



This location 660 FNL x 660 FEL, UL 'A',  
Section 21, T9S, R35E, Lea County, New Mexico

EXHIBIT "C"

**Stearns**  
**Bowen SWD #1**  
**API # 30-025-23833**  
**Offset Wells within 0.5 Mile AOR**

There are no offset wells within the 0.5 mile AOR that penetrates the proposed disposal zone.

There is one offset well within the 0.5 mile AOR that does not penetrate the proposed disposal zone.

<b>UL, Sec, T, R</b>	<b>API Well No.</b>	<b>Well Name</b>	<b>TVD</b>	<b>Status</b>
J-16-9S-35E	30-025-20697	Humble-State #1	4875'	Drilled in 1964, P&A in 1976

**EXHIBIT "C"**



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

**Stearns**  
**Bowen SWD #1**  
**API # 30-025-23833**  
**660 FNL x 660 FEL**  
**Unit Letter 'A', Section 21, T9S, R35E**  
**Lea County, New Mexico**

**Exhibit "D"**

<u>Formation Water</u>			
<u>API Number</u>	<u>Formation</u>	<u>TDS</u>	<u>Chlorides</u>
30-025-03566	Bough C	128,389	78,582

<u>Possible Disposal Fluid</u>			
<u>API Number</u>	<u>Formation</u>	<u>TDS</u>	<u>Chlorides</u>
30-025-03587	Penn	110,068	60,770
30-025-03622	Devonian	92,794	55,910
30-025-03583	Penn	244,439	149,100
30-025-21005	San Andres	226,221	134,200
30-025-20048	San Andres	227,350	136,000
30-025-20380	Penn	87,460	49,400
30-025-03580	Penn	129,388	78,120
30-025-01806	Wolfcamp	96,330	Not reported

Data obtained from GO-Tech NMWAIDS data base.

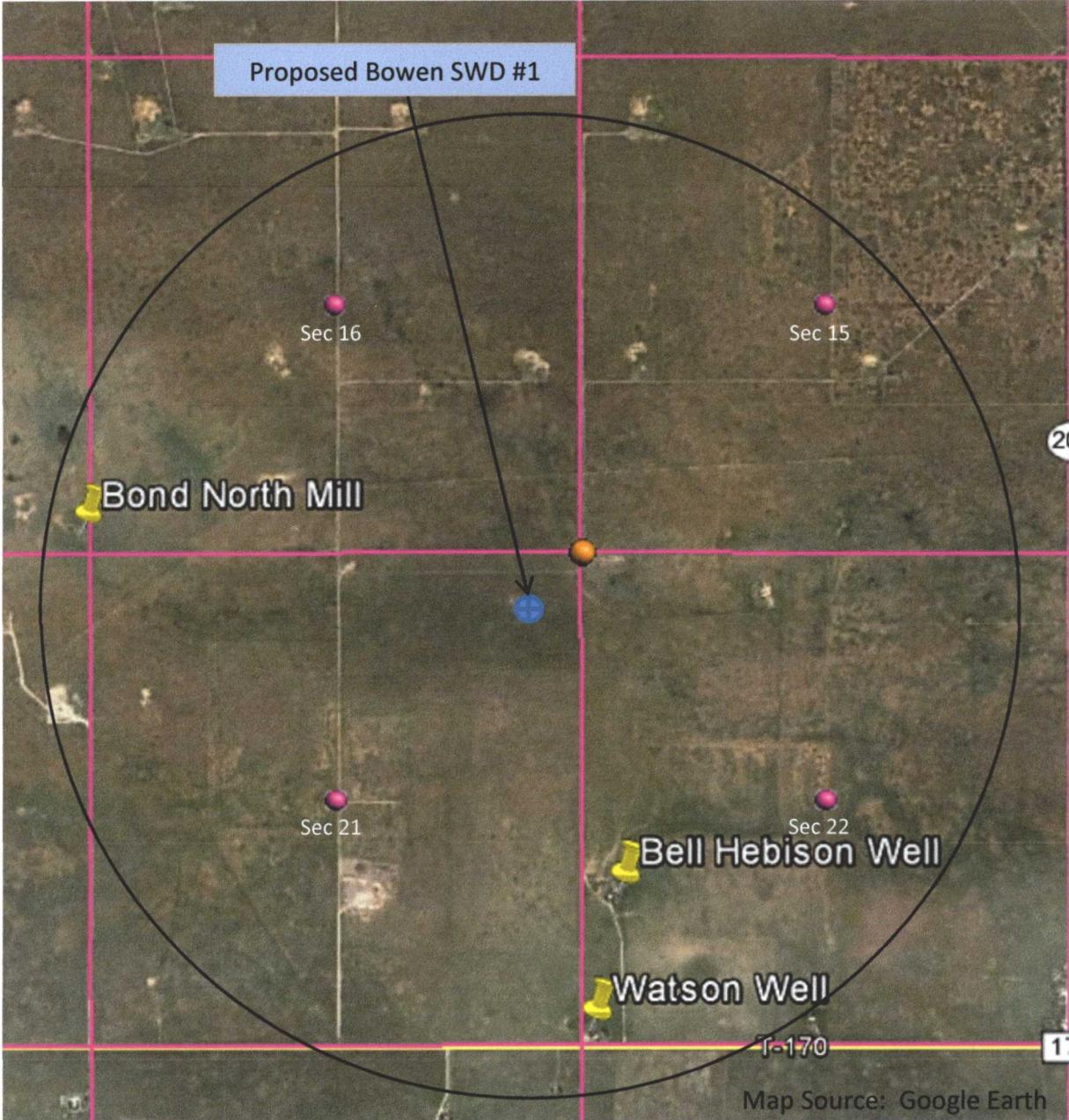
EXHIBIT "D"



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

Stearns  
Bowen SWD #1  
1 Mile AOR for Water Wells

T9S, R35E



OSE records indicated that there were no ground water wells located within the 1 mile AOR. A site inspection found 3 ground water wells located within the 1 mile AOR.



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

Exhibit "E"



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

No records found.

**PLSS Search:**

Section(s): 15, 16, 17, 20, Township: 09S Range: 35E  
21, 22, 27, 28,  
29

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.

**Stearns  
Bowen SWD #1  
1 Mile AOR List of Water Wells**

**List of Water Wells Within 1 Mile AOR Based on Site Inspection**

Watson Well – owned by applicant, located at unoccupied house, utilized for livestock water	Lat: 33° 30' 45.68"N Lon: 103° 21' 21.95"W
Bell Hebison Well – located at abandoned house, utilized for livestock water	Lat: 33° 31' 0.73"N Lon: 103° 21' 21.37"W
Bond North Mill Well – windmill utilized for livestock water	Lat: 33° 31' 39.16"N Lon: 103° 22' 28.70"W

**See fresh water sample test results for the wells noted above on pages 14 – 16.**

**EXHIBIT "E"**

# Pro-Kem WATER ANALYSIS REPORT

## AMPL

Oil Co. : J&B Well Services  
Lease : Waston Well  
Well No.:  
Location:  
Attention:

Date Sampled : 08-October-2014  
Date Analyzed: 08-October-2014  
Lab ID Number: Oct0814.002- 4  
Salesperson :  
File Name : Oct0814.002

## NALYSIS

1. Ph 7.760
2. Specific Gravity 60/60 F. .973
3. CACO3 Saturation Index

@ 80F  
@140F

0.880  
1.480

Moderate  
Severe

### Dissolved Gasses

4. Hydrogen Sulfide
5. Carbon Dioxide
6. Dissolved Oxygen

MG/L.	EQ. WT.	*MEQ/L
Not Present		
Not Determined		
Not Determined		

### Cations

7. Calcium (Ca++)
8. Magnesium (Mg++)
9. Sodium (Na+) (Calculated)
10. Barium (Ba++)

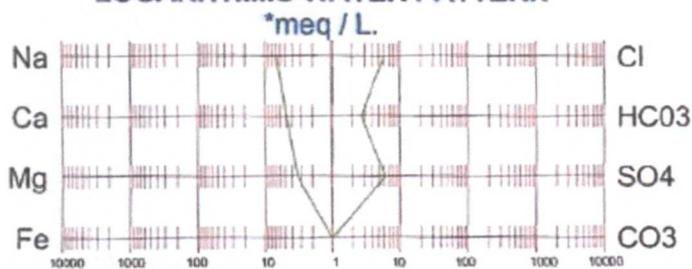
93	/ 20.1 =	4.63
38	/ 12.2 =	3.11
149	/ 23.0 =	6.48
Below 10		

### Anions

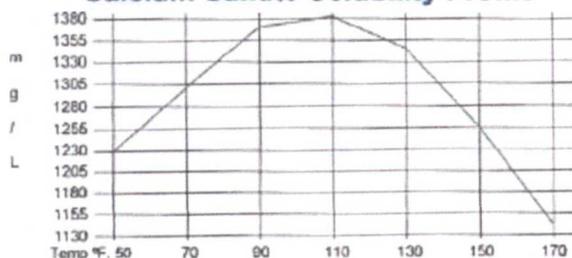
11. Hydroxyl (OH-)
12. Carbonate (CO3=)
13. Bicarbonate (HCO3-)
14. Sulfate (SO4=)
15. Chloride (Cl-)
16. Total Dissolved Solids
17. Total Iron (Fe)
18. Manganese (Mn++)
19. Total Hardness as CaCO3
20. Resistivity @ 75 F. (Calculated)

0	/ 17.0 =	0.00
0	/ 30.0 =	0.00
159	/ 61.1 =	2.60
288	/ 48.8 =	5.90
200	/ 35.5 =	5.63
927		
0.08	/ 18.2 =	0.00
Not Determined		
390		
2.845	Ohm · meters	

### LOGARITHMIC WATER PATTERN



### Calcium Sulfate Solubility Profile



### PROBABLE MINERAL COMPOSITION

COMPOUND	*meq/L	X	EQ. WT.	=	mg/L.
Ca(HCO3)2	2.60		81.04		211
CaSO4	2.02		68.07		138
CaCl2	0.00		55.50		0
Mg(HCO3)2	0.00		73.17		0
MgSO4	3.11		60.19		187
MgCl2	0.00		47.62		0
NaHCO3	0.00		84.00		0
NaSO4	0.76		71.03		54
NaCl	5.63		58.46		329

\* milliequivalents per Liter

Tony Abernathy, Analyst

EXHIBIT "E"

# Pro-Kem WATER ANALYSIS REPORT

## AMPL

Oil Co. : J&B Well Services  
 Lease : Bell Hebison  
 Well No. :  
 Location :  
 Attention :

Date Sampled : 08-October-2014  
 Date Analyzed: 09-October-2014  
 Lab ID Number: Oct0914.001- 1  
 Salesperson :  
 File Name : Oct0914.001

## NALYSIS

1. Ph 7.510
2. Specific Gravity 60/60 F. .973
3. CACO3 Saturation Index @ 80F

@140F

0.724  
1.324

Moderate  
Severe

### Dissolved Gasses

4. Hydrogen Sulfide
5. Carbon Dioxide
6. Dissolved Oxygen

MG/L.	EQ. WT.	*MEQ/L
Not Present		
Not Determined		
Not Determined		

### Cations

7. Calcium (Ca++)
8. Magnesium (Mg++)
9. Sodium (Na+) (Calculated)
10. Barium (Ba++)

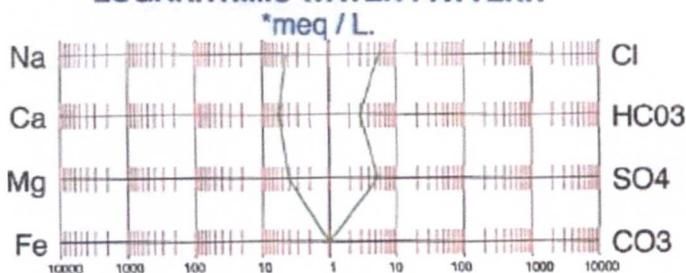
107	/ 20.1 =	5.32
47	/ 12.2 =	3.85
96	/ 23.0 =	4.17
Below 10		

### Anions

11. Hydroxyl (OH-)
12. Carbonate (CO3=)
13. Bicarbonate (HCO3-)
14. Sulfate (SO4=)
15. Chloride (Cl-)
16. Total Dissolved Solids
17. Total Iron (Fe)
18. Manganese (Mn++)
19. Total Hardness as CaCO3
20. Resistivity @ 75 F. (Calculated)

0	/ 17.0 =	0.00
0	/ 30.0 =	0.00
171	/ 61.1 =	2.80
250	/ 48.8 =	5.12
190	/ 35.5 =	5.35
861		
0.07	/ 18.2 =	0.00
Not Determined		
461		
2.815	Ohm · meters	

### LOGARITHMIC WATER PATTERN

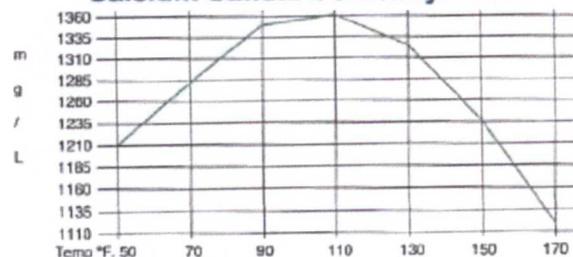


### PROBABLE MINERAL COMPOSITION

COMPOUND	*meq/L	X	EQ. WT. =	mg/L.
Ca(HCO3)2	2.80		81.04	227
CaSO4	2.52		68.07	172
CaCl2	0.00		55.50	0
Mg(HCO3)2	0.00		73.17	0
MgSO4	2.60		60.19	156
MgCl2	1.25		47.62	60
NaHCO3	0.00		84.00	0
NaSO4	0.00		71.03	0
NaCl	4.10		58.46	240

\* milliequivalents per Liter

### Calcium Sulfate Solubility Profile



Tony Abernathy, Analyst

EXHIBIT "E"

# Pro-Kem WATER ANALYSIS REPORT

**AMPL**

Oil Co. : **J&B Well Services**  
 Lease : **Bond North Mill**  
 Well No.:  
 Location:  
 Attention:

Date Sampled : **08-October-2014**  
 Date Analyzed: **09-October-2014**  
 Lab ID Number: **Oct0914.001- 3**  
 Salesperson :  
 File Name : **Oct0914.001**

**NALYSIS**

- 1. Ph 7.670
- 2. Specific Gravity 60/60 F. .973
- 3. CACO3 Saturation Index @ 80F
- @140F

**0.215**      **Mild**  
**0.915**      **Moderate**  
MG/L.      EQ. WT.      \*MEQ/L

**Dissolved Gasses**

- 4. Hydrogen Sulfide Not Present
- 5. Carbon Dioxide Not Determined
- 6. Dissolved Oxygen Not Determined

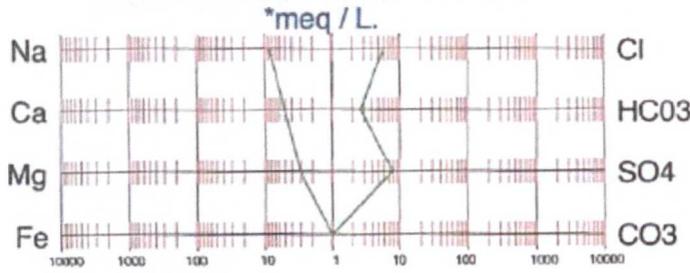
**Cations**

- 7. Calcium (Ca++) 96 / 20.1 = 4.78
- 8. Magnesium (Mg++) 34 / 12.2 = 2.79
- 9. Sodium (Na+) (Calculated) 190 / 23.0 = 8.26
- 10. Barium (Ba++) Below 10

**Anions**

- 11. Hydroxyl (OH-) 0 / 17.0 = 0.00
- 12. Carbonate (CO3=) 0 / 30.0 = 0.00
- 13. Bicarbonate (HCO3-) 157 / 61.1 = 2.57
- 14. Sulfate (SO4=) 367 / 48.8 = 7.52
- 15. Chloride (Cl-) 200 / 35.5 = 5.63
- 16. Total Dissolved Solids 1,044
- 17. Total Iron (Fe) 0.02 / 18.2 = 0.00
- 18. Manganese (Mn++) Not Determined
- 19. Total Hardness as CaCO3 381
- 20. Resistivity @ 75 F. (Calculated) 2.889 Ohm · meters

**LOGARITHMIC WATER PATTERN**

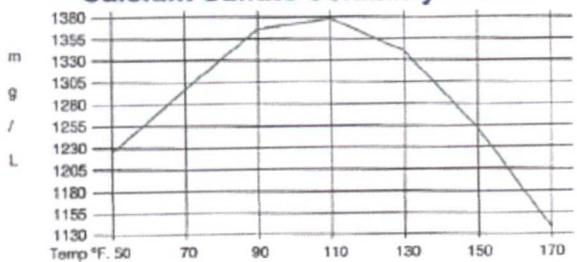


**PROBABLE MINERAL COMPOSITION**

COMPOUND	*meq/L	X	EQ. WT.	= mg/L.
Ca(HCO3)2	2.57		81.04	208
CaSO4	2.21		68.07	150
CaCl2	0.00		55.50	0
Mg(HCO3)2	0.00		73.17	0
MgSO4	2.79		60.19	168
MgCl2	0.00		47.62	0
NaHCO3	0.00		84.00	0
NaSO4	2.53		71.03	179
NaCl	5.63		58.46	329

\* milliequivalents per Liter

**Calcium Sulfate Solubility Profile**



Tony Abernathy, Analyst

EXHIBIT "E"

## **Legal Notice**

Stearns, HC 65 Box 988, Crossroads, NM 88114 has filed form C108 (Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval to convert the Bowen #1, API 30-025-23833, 660 FNL x 660 FEL, Unit Letter "A", Section 21, T9S, R35E, Lea County, New Mexico from a plugged and abandoned well to a commercial salt water disposal well. The proposed disposal interval would be the Bough "C" formation through perforations between 9810' – 9854'. Disposal fluid would be produced water from producing oil and gas wells in the area. Anticipated average disposal volume is 3500 BWPD with a maximum anticipated volume of 5000 BWPD. Anticipated disposal pressure is 0 (zero) psi with a maximum disposal pressure of 1962 psi. The well is located approximately 1.4 miles northwest of Crossroads, 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 Danny Holcomb at 806-471-5628.

**The above legal notice was published in the Lovington Leader newspaper on March 28, 2017. See original Affidavit of Publication on the next page.**

**EXHIBIT "F"**

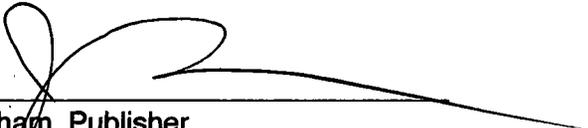
**Affidavit of Publication**

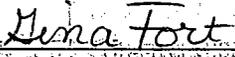
STATE OF NEW MEXICO )  
 ) ss.  
COUNTY OF LEA )

John Graham being first duly sworn on oath deposes and says that he is Publisher of THE LOVINGTON LEADER, a thrice a week newspaper of general paid circulation published in the English language at Lovington, Lea County, New Mexico; that said newspaper has been so published in such county continuously and uninterruptedly for a period in excess of Twenty-six (26) consecutive weeks next prior to the first publication of the notice hereto attached as hereinafter shown; and that said newspaper is in all things duly qualified to publish legal notices within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico.

That the notice which is hereto attached, entitled Legal Notice was published in a regular and entire issue of THE LOVINGTON LEADER and not in any supplement thereof, for one (1) day(s), beginning with the issue of March 28, 2017 and ending with the issue of March 28, 2017.

And that the cost of publishing said notice is the sum of \$ 34.46 which sum has been (Paid) as Court Costs.

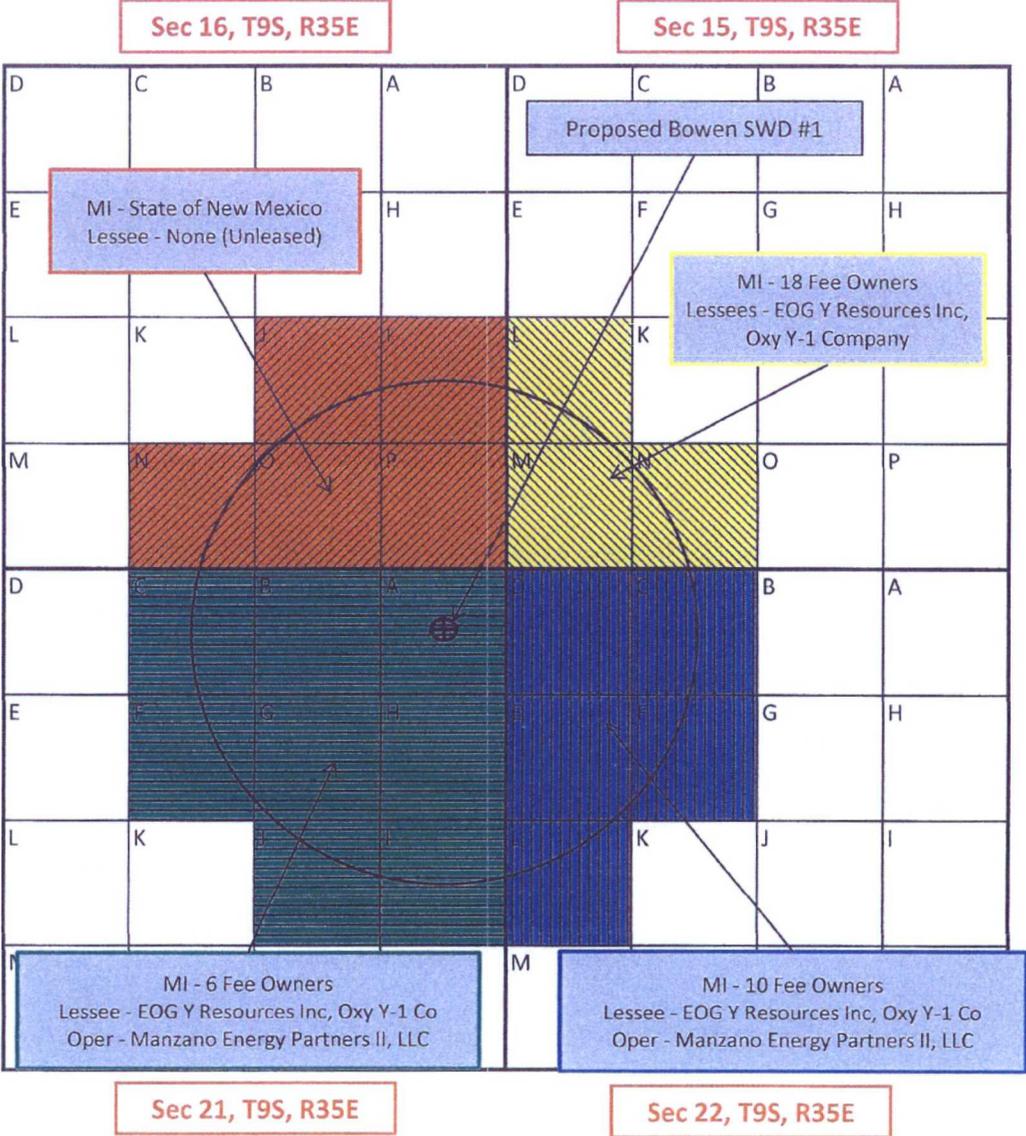
  
\_\_\_\_\_  
John Graham, Publisher  
Subscribed and sworn to before me this 28th day of March, 2017.

  
\_\_\_\_\_  
Gina Fort  
Notary Public, Lea County, New Mexico  
My Commission Expires June 30, 2018



Legal Notice  
Stearns, HC 65 Box 988, Crossroads, NM 88114 has filed form C108 (Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval to convert the Bowen #1, API 30-025-23833, 660 FNL x 660 FEL, Unit Letter "A", Section 21, T9S, R35E, Lea County, New Mexico from a plugged and abandoned well to a commercial salt water disposal well. The proposed disposal interval would be the Bough "C" formation through perforations between 9810' - 9854'. Disposal fluid would be produced water from producing oil and gas wells in the area. Anticipated average disposal volume is 3500 BWPD with a maximum anticipated volume of 5000 BWPD. Anticipated disposal pressure is 0 (zero) psi with a maximum disposal pressure of 1962 psi. The well is located approximately 1.4 miles north-west of Crossroads, 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 Danny Holcomb at 806-471-5628.  
Published in the Lovington Leader March 28, 2017

Stearns  
Bowen SWD #1  
API # 30-025-23833  
0.5 Mile AOR



This location 660 FNL X 660 FEL  
Surface Owner - John R. Stearns,  
HC 65, Box 988, Crossroads, New Mexico 88114  
Drawing not to scale

**EXHIBIT "F"**



Stearns  
Bowen SWD #1  
API #30-025-23833

**EXHIBIT 'F' - NOTIFICATION LIST**

#	NAME	ADDRESS	CITY STATE ZIP	TYPE
1	John R. Stearns ( Also C108 Applicant)	HC65 Box 988	Crossroads, NM 88114	Surface Owner

**Section 15, T9S, R35E, NMPM (ULs L, M, N)**

#	NAME	ADDRESS	CITY STATE ZIP	TYPE
2	EOG Y Resources, Inc.	105 S. Fourth Street	Artesia, NM 88210	Lessee
3	Oxy Y-1 Company	P. O. Box 27570	Houston, TX 77227-7570	Lessee
	18 Fee Mineral Owners - Not notified			Mineral Owner

**Section 16, T9S, R35E, NMPM (ULs I, J, N, O, P)**

#	NAME	ADDRESS	CITY STATE ZIP	TYPE
4	State of New Mexico Commissioner of Public Land	P. O. Box 1148	Santa Fe, NM 87504	Mineral Owner
	None - Unleased			Lessee

**Section 21, T9S, R35E, NMPM (ULs A, B, C, F, G, H, I, J)**

#	NAME	ADDRESS	CITY STATE ZIP	TYPE
2	EOG Y Resources, Inc.	105 S. Fourth Street	Artesia, NM 88210	Lessee
3	Oxy Y-1 Company	P. O. Box 27570	Houston, TX 77227-7570	Lessee
4	Manzano Energy Partners II, LLC	P. O. Box 2107	Roswell, NM 88202-2107	Operator
	6 Fee Mineral Owners - Not notified			Mineral Owner

**Section 22, T9S, R35E, NMPM (ULs C, D, E, F, L)**

#	NAME	ADDRESS	CITY STATE ZIP	TYPE
2	EOG Y Resources, Inc.	105 S. Fourth Street	Artesia, NM 88210	Lessee
3	Oxy Y-1 Company	P. O. Box 27570	Houston, TX 77227-7570	Lessee
4	Manzano Energy Partners II, LLC	P. O. Box 2107	Roswell, NM 88202-2107	Operator
	10 Fee Mineral Owners - Not notified			Mineral Owner

**NMOCD Noticees**

#	NAME	ADDRESS	CITY STATE ZIP
5	State of New Mexico NMOCD Engineering Bureau	1220 South St. Francis Drive	Santa Fe, NM 87505
6	State of New Mexico NMOCD District 1	1625 N. French Drive	Hobbs, NM 88240

Notices with electronic signature receipts attached



Date: May 2, 2017

Danny Holcomb:

The following is in response to your May 2, 2017 request for delivery information on your Certified Mail™ item number 70151730000222122803. The delivery record shows that this item was delivered on May 1, 2017 at 9:41 am in ROSWELL, NM 88201. The scanned image of the recipient information is provided below.

Signature of Recipient :

Address of Recipient :

Box 2107

Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,  
United States Postal Service

7015 1730 0002 212 2803

<b>U.S. Postal Service™</b>	
<b>CERTIFIED MAIL® RECEIPT</b>	
Domestic Mail Only	
For delivery information, visit our website at <a href="http://www.usps.com">www.usps.com</a>	
ROSWELL, NM 88201	
<b>OFFICIAL USE</b>	
Certified Mail Fee	\$3.35
Extra Services & Fees (check box, add fee as appropriate)	\$0.00
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00
Postage	\$2.03
Total Postage and Fees	\$6.53
Sent to	Manzano Energy Partners II, LLC
Street and Apt. No.	P. O. Box 2107
City, State, ZIP+4®	Roswell, NM 88202-2107
PS Form 3800, 01	

Postmark: ROSWELL, NM 05/27/2017

Date: March 30, 2017

Danny Holcomb:

The following is in response to your March 30, 2017 request for delivery information on your Certified Mail™ item number 70151730000222122759. The delivery record shows that this item was delivered on March 29, 2017 at 7:23 am in ARTESIA, NM 88210. The scanned image of the recipient information is provided below.

Signature of Recipient :

Delivery Section	
Signature	X <i>Nancy Anderson</i>
Printed Name	NANCY ANDERSON

Address of Recipient :

Delivery Address	105 S 4th St
------------------	--------------

Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,  
United States Postal Service

7015 1730 0002 2212 2759

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only	
For delivery information, visit our website at <a href="http://www.usps.com">www.usps.com</a>	
ARTESIA, NM 88210	
Certified Mail Fee	\$3.35
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$1.45
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$3.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00
Postage	\$1.61
Total Postage and	\$6.41
Sent To	EOG Y Resources, Inc.
Street and Apt. No.	105 S. Fourth Street
City, State, ZIP+4®	Artesia, NM 88210
PS Form 3800, 7-11	

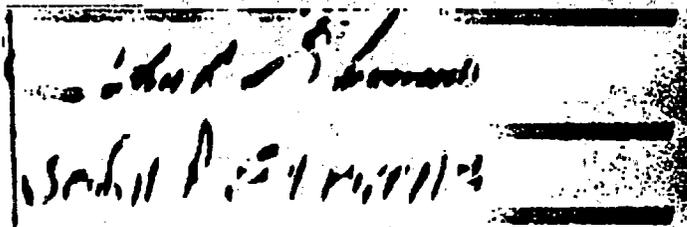
OFFICIAL USE  
MILLO, TX 79124  
03/27/2017  
0206

Date: March 30, 2017

Danny Holcomb:

The following is in response to your March 30, 2017 request for delivery information on your Certified Mail™ item number 70151730000222122766. The delivery record shows that this item was delivered on March 29, 2017 at 7:28 am in CROSSROADS, NM 88114. The scanned image of the recipient information is provided below.

Signature of Recipient :



Address of Recipient :



Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,  
United States Postal Service

7015 1730 0002 2212 2766

<b>U.S. Postal Service™ CERTIFIED MAIL® RECEIPT</b> Domestic Mail Only	
For delivery information, visit our website at <a href="http://www.usps.com">www.usps.com</a>	
<b>OFFICIAL USE</b>	
Certified Mail Fee	\$3.35
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$1.25
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$5.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$5.00
Postage	\$1.61
Total Postage and Fees	\$6.41
Sent To	John R. Stearns
Street and Apt. No.	HC65 Box 988
City, State, ZIP+4®	Crossroads, NM 88114
PS Form 3800, April 2016	

PS JORDAN STATION  
MAR 29 2017  
7107 107121314151617  
7107 107121314151617

Date: April 4, 2017

Danny Holcomb:

The following is in response to your April 4, 2017 request for delivery information on your Certified Mail™ item number 70151730000222122742. The delivery record shows that this item was delivered on April 4, 2017 at 6:04 am in HOUSTON, TX 77227. The scanned image of the recipient information is provided below.

**Delivery Section**

Signature of Recipient :

*[Handwritten Signature]*  
**J BURD**

Address of Recipient :

*[Handwritten Address]*

Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,  
 United States Postal Service

7015 1730 0002 2212 2742

**U.S. Postal Service™  
 CERTIFIED MAIL® RECEIPT**  
 Domestic Mail Only

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

**HOUSTON OFFICIAL USE**

Certified Mail Fee	\$3.35
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$1.45
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00
Postage	\$1.61
Total Postage and	\$6.41

Sent To: **Oxy Y-1 Company**  
 Street and Apt. No.: **P. O. Box 27570**  
 City, State, ZIP+4®: **Houston, TX 77227-7570**

AMHULLO, TX 77084  
 03/22/2017 10:18:17  
 5678910111213141516171819

PS Form 3800, A



**UNITED STATES  
POSTAL SERVICE.**

Date: April 4, 2017

Danny Holcomb:

The following is in response to your April 4, 2017 request for delivery information on your Certified Mail™ item number 70151730000222122728. The delivery record shows that this item was delivered on April 4, 2017 at 7:59 am in SANTA FE, NM 87501. The scanned image of the recipient information is provided below.

Signature of Recipient :

Signature	
Printed Name	Eric Auger

Address of Recipient :

Delivery Address	1148
------------------	------

Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,  
United States Postal Service

7015 1730 0002 2212 2728

U.S. Postal Service™  
**CERTIFIED MAIL® RECEIPT**  
Domestic Mail Only

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

**OFFICIAL USE**

Certified Mail Fee \$3.35

Extra Services & Fees (check box, add fee as appropriate)

<input type="checkbox"/> Return Receipt (hardcopy)	\$ 2.00
<input type="checkbox"/> Return Receipt (electronic)	\$ 0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$ 0.00
<input type="checkbox"/> Adult Signature Required	\$ 0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$ 0.00

Postage \$1.61

Total Postage and Fees \$6.41

Sent To: NM Commissioner of Public Land  
Street and Apt. No.: P. O. Box 1148  
City, State, ZIP+4®: Santa Fe, NM 87504

PS Form 3800, A

Postmark: SANTA FE, NM 87504 03/27/2017

## **McMillan, Michael, EMNRD**

---

**From:** McMillan, Michael, EMNRD  
**Sent:** Friday, April 7, 2017 10:20 AM  
**To:** 'danny@pwillc.net'  
**Cc:** Kautz, Paul, EMNRD; Goetze, Phillip, EMNRD; Lowe, Leonard, EMNRD; Jones, William V, EMNRD; Lowe, Leonard, EMNRD  
**Subject:** Stearns SWD Well No. 1 Lea County API 30-025-23833

Danny:

Based on a Paul Kautz map of the Upr Penn, the proposed Stearns SWD Well No. 1 API 30-025-23833, is within ½ mile of the Vada; Penn Pool.

As a result, the applicant must show that the proposed SWD will not affect correlative rights.

Did the proposed well test the Bough C-was it perforated?-DST can be very suspect in the Bough C.

The OCD will require verification with the Hobbs District geologist that the disposal well will not affect correlative rights.

Thank You

Mike

### **MICHAEL A. MCMILLAN**

Engineering Bureau, Oil Conservation Division

1220 south St. Francis Dr., Santa Fe NM 87505

O: 505.476.3448

Michael.McMillan@state.nm.us

## McMillan, Michael, EMNRD

---

**From:** McMillan, Michael, EMNRD  
**Sent:** Friday, April 21, 2017 10:47 AM  
**To:** 'danny@pwllc.net'  
**Cc:** 'Bill Prichard'; Goetze, Phillip, EMNRD; Lowe, Leonard, EMNRD; Jones, William V, EMNRD  
**Subject:** RE: Stearns SWD Well No. 1 Lea County API 30-025-23833

Danny:

After looking at your application, it appears that Manzano Energy Partners II, LLC was not properly notified of the SWD application. As a result your application will be suspended until the OCD receives return receipt from Manzano Energy Partners II, LLC.

I have spoken to Melisa Randle, landman at Manzano Energy Partners II, LLC, and they are expecting the SWD application.

If the return receipts are not received within 10-working days or attempted a good faith effort, your application will be cancelled

Contact Information for Manzano Energy Partners II, LLC

Chad Barbe  
Manzano Energy Partners II, LLC  
PO Box 2107  
Roswell, New Mexico 88202  
Phone number: 575.623.1996

Thank You

### **MICHAEL A. MCMILLAN**

Engineering Bureau, Oil Conservation Division  
1220 south St. Francis Dr., Santa Fe NM 87505  
O: 505.476.3448  
Michael.McMillan@state.nm.us

---

**From:** McMillan, Michael, EMNRD  
**Sent:** Tuesday, April 18, 2017 7:54 AM  
**To:** 'danny@pwllc.net' <danny@pwllc.net>  
**Cc:** Bill Prichard <billy@pwllc.net>  
**Subject:** RE: Stearns SWD Well No. 1 Lea County API 30-025-23833

There have been no protests  
Mike

---

**From:** danny@pwllc.net [mailto:danny@pwllc.net]  
**Sent:** Tuesday, April 18, 2017 7:45 AM

To: McMillan, Michael, EMNRD <[Michael.McMillan@state.nm.us](mailto:Michael.McMillan@state.nm.us)>

Cc: Bill Prichard <[billy@pwllc.net](mailto:billy@pwllc.net)>

Subject: RE: Stearns SWD Well No. 1 Lea County API 30-025-23833

Michael,

While we work on the correlative rights concern mentioned below, could you please advise if there were any protests from noticees?

Thank you,

Danny J. Holcomb

Pueblo West, LLC

Cell: 806-471-5628

Email: [danny@pwllc.net](mailto:danny@pwllc.net)

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

Subject: Stearns SWD Well No. 1 Lea County API 30-025-23833

From: "McMillan, Michael, EMNRD" <[Michael.McMillan@state.nm.us](mailto:Michael.McMillan@state.nm.us)>

Date: Fri, April 07, 2017 11:19 am

To: "[danny@pwllc.net](mailto:danny@pwllc.net)" <[danny@pwllc.net](mailto:danny@pwllc.net)>

Cc: "Kautz, Paul, EMNRD" <[paul.kautz@state.nm.us](mailto:paul.kautz@state.nm.us)>, "Goetze, Phillip,

EMNRD" <[Phillip.Goetze@state.nm.us](mailto:Phillip.Goetze@state.nm.us)>, "Lowe, Leonard, EMNRD"

<[Leonard.Lowe@state.nm.us](mailto:Leonard.Lowe@state.nm.us)>, "Jones, William V, EMNRD"

<[WilliamV.Jones@state.nm.us](mailto:WilliamV.Jones@state.nm.us)>, "Lowe, Leonard, EMNRD"

<[Leonard.Lowe@state.nm.us](mailto:Leonard.Lowe@state.nm.us)>

Danny:

Based on a Paul Kautz map of the Upr Penn, the proposed Stearns SWD Well No. 1 API 30-025-23833, is within ½ mile of the Vada; Penn Pool.

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Thank You

Mike

**MICHAEL A. MCMILLAN**

Engineering Bureau, Oil Conservation Division

1220 south St. Francis Dr., Santa Fe NM 87505

O: 505.476.3448

[Michael.McMillan@state.nm.us](mailto:Michael.McMillan@state.nm.us)

**McMillan, Michael, EMNRD**

---

**From:** danny@pwllc.net  
**Sent:** Monday, April 24, 2017 1:03 PM  
**To:** McMillan, Michael, EMNRD  
**Cc:** Bill Prichard  
**Subject:** RE: Stearns SWD Well No. 1 Lea County API 30-025-23833

Michael,  
The notice to Manzano Energy Partners II, LLC was sent via certified mail today (USPS tracking number 70151730000222122797). I will send you the signature receipt when received. Sorry for omitting them. They must have become the operator of that acreage after our landman work was performed. Thank you,  
Danny J. Holcomb  
Pueblo West, LLC  
Cell: 806-471-5628  
Email: danny@pwllc.net

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

**Subject:** RE: Stearns SWD Well No. 1 Lea County API 30-025-23833  
**From:** "McMillan, Michael, EMNRD" <Michael.McMillan@state.nm.us>  
**Date:** Fri, April 21, 2017 11:47 am  
**To:** "danny@pwllc.net" <danny@pwllc.net>  
**Cc:** Bill Prichard <billy@pwllc.net>, "Goetze, Phillip, EMNRD" <Phillip.Goetze@state.nm.us>, "Lowe, Leonard, EMNRD" <Leonard.Lowe@state.nm.us>, "Jones, William V, EMNRD" <WilliamV.Jones@state.nm.us>

Danny:

After looking at your application, it appears that Manzano Energy Partners II, LLC was not properly notified of the SWD application. As a result your application will be suspended until the OCD receives return receipt from Manzano Energy Partners II, LLC.

I have spoken to Melisa Randle, landman at Manzano Energy Partners II, LLC, and they are expecting the SWD application.

If the return receipts are not received within 10-working days or attempted a good faith effort, your application will be cancelled

Contact Information for Manzano Energy Partners II, LLC

Chad Barbe  
Manzano Energy Partners II, LLC  
PO Box 2107  
Roswell, New Mexico 88202  
Phone number: 575.623.1996

Thank You

**MICHAEL A. MCMILLAN**

Engineering Bureau, Oil Conservation Division  
1220 south St. Francis Dr., Santa Fe NM 87505  
O: 505.476.3448  
[Michael.McMillan@state.nm.us](mailto:Michael.McMillan@state.nm.us)

---

**From:** McMillan, Michael, EMNRD  
**Sent:** Tuesday, April 18, 2017 7:54 AM  
**To:** 'danny@pwllc.net' <danny@pwllc.net>  
**Cc:** Bill Prichard <billy@pwllc.net>  
**Subject:** RE: Stearns SWD Well No. 1 Lea County API 30-025-23833

There have been no protests  
Mike

---

**From:** danny@pwllc.net [mailto:danny@pwllc.net]  
**Sent:** Tuesday, April 18, 2017 7:45 AM  
**To:** McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>  
**Cc:** Bill Prichard <billy@pwllc.net>  
**Subject:** RE: Stearns SWD Well No. 1 Lea County API 30-025-23833

Michael,  
While we work on the correlative rights concern mentioned below, could you please advise if there were any protests from noticees?  
Thank you,  
Danny J. Holcomb  
Pueblo West, LLC  
Cell: 806-471-5628  
Email: [danny@pwllc.net](mailto:danny@pwllc.net)

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

**Subject:** Stearns SWD Well No. 1 Lea County API 30-025-23833  
**From:** "McMillan, Michael, EMNRD" <Michael.McMillan@state.nm.us>  
**Date:** Fri, April 07, 2017 11:19 am  
**To:** "danny@pwllc.net" <danny@pwllc.net>  
**Cc:** "Kautz, Paul, EMNRD" <paul.kautz@state.nm.us>, "Goetze, Phillip, EMNRD" <Phillip.Goetze@state.nm.us>, "Lowe, Leonard, EMNRD" <Leonard.Lowe@state.nm.us>, "Jones, William V, EMNRD" <WilliamV.Jones@state.nm.us>, "Lowe, Leonard, EMNRD" <Leonard.Lowe@state.nm.us>

Danny:  
Based on a Paul Kautz map of the Upr Penn, the proposed Stearns SWD Well No. 1 API 30-025-23833, is within ½ mile of the Vada; Penn Pool.  
As a result, the applicant must show that the proposed SWD will not affect correlative rights.  
Did the proposed well test the Bough C-was it perforated?-DST can be very suspect in the Bough C.

The OCD will require verification with the Hobbs District geologist that the disposal well will not affect correlative rights.

Thank You  
Mike

**MICHAEL A. MCMILLAN**

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C-108 Review Checklist: Received April 6, 2017 Add. Request: 4/16/2017 Reply Date: 5/10/2017 Suspend: 5/10/2017 (Ver 15)

ORDER TYPE: WFX / PMX (SWD) Number: \_\_\_\_\_ Order Date: \_\_\_\_\_ Legacy Permits/Orders: \_\_\_\_\_

Well No. 1 Well Name(s): BOWEN SWD

API: 30-0 25-23833 Spud Date: 7-27-1971 New or Old: \_\_\_\_\_ (UIC Class II Primacy 03/07/1982)

Footages 660FNL 660FEL Lot \_\_\_\_\_ or Unit A Sec 21 Tsp 9S Rge 35E County Lea

General Location: 1/2 mile NW CROSSROADS Pool: SWD, BOWEN Pool No.: 96017

BLM 100K Map: Elida Operator: Stevens OGRID: 21566 Contact: Danny Holcomb

COMPLIANCE RULE 5.9: Total Wells: 9 Inactive: 0 Fincl Assur: OK Compl. Order? NA IS 5.9 OK? OK Date: 05/17/2017

WELL FILE REVIEWED  Current Status: PFA

WELL DIAGRAMS: NEW: Proposed  or RE-ENTER: Before Conv.  After Conv.  Logs in Imaging: N/A

Planned Rehab Work to Well: \_\_\_\_\_

Well Construction Details		Sizes (in) Borehole / Pipe	Setting Depths (ft)	Cement Sx or Cf	Cement Top and Determination Method
Planned ___ or Existing ___	Surface	17 1/2 / 13 1/8	909	400	SURFACE / VISUAL
Planned ___ or Existing ___	Intern/Prod	11 7/8 / 8 1/8	4074	375	SURFACE / VISUAL
Planned ___ or Existing ___	Intern/Prod	7 7/8 / 5 1/2	9854	2000	SURFACE / VISUAL
Planned ___ or Existing ___	Prod/Liner				
Planned ___ or Existing ___	Liner				
Planned ___ or Existing ___	OH / PERF	9810 - 9880		Inj Length 44'	

Injection Lithostratigraphic Units:	Depths (ft)	Injection or Confining Units	Tops	Completion/Operation Details:
Adjacent Unit: Litho. Struc. Por.		W.C.	8995	Drilled TD <u>9854</u> PBDT _____
Confining Unit: Litho. Struc. Por.		Bowden	9810	NEW TD _____ NEW PBDT _____
Proposed Inj Interval TOP:				NEW Open Hole <input type="radio"/> or NEW Perfs <input checked="" type="radio"/>
Proposed Inj Interval BOTTOM:				Tubing Size <u>2 7/8</u> in. Inter Coated? <input checked="" type="checkbox"/>
Confining Unit: Litho. Struc. Por.				Proposed Packer Depth <u>9760</u> ft
Adjacent Unit: Litho. Struc. Por.				Min. Packer Depth <u>9710</u> (100-ft limit)
				Proposed Max. Surface Press. <u>1962</u> psi
				Admin. Inj. Press. <u>1962</u> (0.2 psi per ft)

**AOR: Hydrologic and Geologic Information**

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

FRESH WATER: Aquifer NA Max Depth \_\_\_\_\_ HYDRO AFFIRM STATEMENT By Qualified Person

NMOSE Basin: Lea CAPITAN REEF: thru adj  No. Wells within 1-Mile Radius? 3 FW Analysis

Disposal Fluid: Formation Source(s) \_\_\_\_\_ Analysis?  On Lease  Operator Only  or Commercial

Disposal Int: Inject Rate (Avg/Max BWPD): 35K/SUC Protectable Waters? \_\_\_\_\_ Source: \_\_\_\_\_ System: Closed or Open

HC Potential: Producing Interval? NA Formerly Producing? \_\_\_\_\_ Method: Logs DST / P&A / Other \_\_\_\_\_ 2-Mile Radius Pool Map

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

Penetrating Wells: No. Active Wells 0 Num Repairs? \_\_\_\_\_ on which well(s)? \_\_\_\_\_ Diagrams? \_\_\_\_\_

Penetrating Wells: No. P&A Wells 0 Num Repairs? \_\_\_\_\_ on which well(s)? \_\_\_\_\_ Diagrams? \_\_\_\_\_

NOTICE: Newspaper Date March 21, 2017 Mineral Owner EDDY, YATES Surface Owner Stevens N. Date \_\_\_\_\_

RULE 26.7(A): Identified Tracts? \_\_\_\_\_ Affected Persons: NMSLO, EDDY, OXY-Y-1 N. Date March 23, 2017

Order Conditions: Issues: Open SWAB test b/f commence injection