

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

2220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

CHECKLIST IS VALIDATORY 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 _____

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 is:
- [F] Waivers are Attached

Cancelled
Reinstated
6/27/07
7/19/07

SEMI-ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

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

This certification must be completed by an individual with managerial and/or supervisory capacity

Jones, William V., EMNRD

From: Billy Prichard [shabillron01@warpdriveonline.com]
Sent: Thursday, July 19, 2007 9:24 AM
To: Jones, William V., EMNRD
Subject: SWD application - Stearns - Tom 36 State # 1

Will, Betty Southard has withdraw her objection to the conversion to SWD of Tom 36 State # 1. We have her signed letter and will fax to 505-476-3462 this afternoon. I will also scan copy of letter and send to you via email. Would you please reconsider the application for SWD permit for Stearns Thanks Billy (Bill) E. Prichard 505-390-9100

This inbound email has been scanned by the MessageLabs Email Security System.

7/20/07 ~~STILL~~
- need Letter FROM Mrs Southard ✓
~~to be under analysis~~

**John R. Stearns dba Stearns
C108(Application for Authorization to Inject)
Tom 36 State # 1
API # 30-005-20686
660 FNL & 660 FEL
Unit Letter "A", Section 36, T7S, R31E
Chaves County, New Mexico**

Well Data

**Data obtained from Stearns records from previous operator
Petroleum Development Corporation**

The previous operator applied for special hearing to drill horizontal lateral in the San Andres in 1994. The Order R-10274 was granted in 1994. Petroleum Development conducted the horizontal drilling operations. The filings of the surveys and account of the operations was never completed. Stearns has filed the forms required of Order R-10274 with the NMOCD, District 1, Hobbs office.

Cement Retainer set at 4080ft. SA perfs 4104-4216ft squeezed w/ 200sx Class C w/ 2% CaCl.

5 ½" casing milled from 3874-3949ft. Cement plug spotted from 4080-3774ft.

Cement drilled from 3774-3904ft and kicked well off horizontally in a SW direction.

Drilled to TVD 4125ft, drilled horizontal lateral to Measured depth 5678ft

Surface Location: 660 FNL X 660 FEL, Unit Letter "A", Section 36, T7S, R31E

Chaves County, New Mexico

Bottom Hole Location: 1897 FNL X 1695 FEL, Unit Letter "G". Section 36, T7S,

R31E Chaves County, New Mexico

Enclosed is copy of C102,C103 and deviation surveys labeled as Attachment AA

Attachment A

John R. Stearns dba Stearns
HC 65 Box 988
Crossroads, New Mexico 88114

RECEIVED

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

MAY 25 2007

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

RE: SWD application

Mr. William V. Jones

Please find enclosed ~~SWD~~ application seeking administrative approval for the conversion of the Tom 36 State # 1 from Tomahawk; San Andres oil well to a San Andres SWD well. Also enclosed are copies of paperwork that was filed with the NMOCD District 1 concerning the San Andres horizontal lateral. A copy of this permit application has also been sent to the NMOCD District 1 office. Should you have any questions or need further information do not hesitate to call or email.

Thanks



Billy (Bill) E. Prichard
Agent for Stearns
505-390-9100 cellular
432-955-0680 office phone/fax
Email; shabillron01@warpdriveonline.com

Stearns Tom 36 State # 1
SWD Permit

Original – Will Jones – OCD

1. Copy – OCD district 1
2. Copy – State Land Office
3. Copy – T Rex
4. Copy – Cano Petro
5. Copy – Stearns
6. Copy – Rancher – Southard

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: _____ Secondary Recovery _____ Pressure Maintenance X Disposal _____ Storage
Application qualifies for administrative approval? X Yes _____ No

II. OPERATOR: **John R. Stearns dba Stearns**

ADDRESS: **HC 65 Box 988 Crossroads, New Mexico 88114**

CONTACT PARTY: **John R. Stearns**

PHONE: **505-675-2356**

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 X 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

SIGNATURE: *Billy E. Prichard* DATE: 5/14/07

E-MAIL ADDRESS: shabillron01@warpdriveonline.com

* 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: _____

John R. Stearns dba Stearns, Inc
C108(Application for Authorization to Inject)
Tom 36 State # 1
API # 30-005-20686
660 FNL & 660 FEL
Unit Letter "A", Section 36, T7S, R31E
Chaves County, New Mexico

- I. The purpose of this application is for the conversion of the above well from a Tomahawk; San Andres oil well to a lease San Andres salt water disposal well. This application qualifies for administrative approval.**
- II. John R. Stearns dba Stearns Ogrid # 21566
HC 65 Box 988 Crossroads, New Mexico 88114
Contact; John R. Stearns 505-675-2356**
- III. Well data – Attachment A**
- IV. This is not an expansion of an existing project**
- V. Map – Attachment B**
- VI. Wells in AOR – Attachment C**
- VII. The proposed average daily disposal rate is expected to be 500 BWPD with maximum disposal rate of 1000 BWPD
This will be a closed system
The proposed average daily disposal pressure is expected to be 400psi with a maximum disposal pressure of 775psi
The disposal fluid will be San Andres produced water from surrounding San Andres producing wells. The fluid will be disposed in to the San Andres formation.**
- VIII. Geological Data – Attachment D**
- IX. No stimulation program is planned unless rates and pressures dictate.**
- X. NMOCD C102, C103 and directional surveys submitted to District 1 on 4/23/2007. Please see Attachment AA**
- XI. No fresh water wells were identified in the 1.0 mile area of review. Please see Attachment E**
- XII. Water statement – Attachment F**
- XIII. Proof of Notify and Proof of Publication – Attachment G**

Stearns Ogrid # 21566 Inactive well list printed 4/22/07 – Attachment H

John R. Stearns dba Stearns
C108(Application for Authorization to Inject)
Tom 36 State # 1
API # 30-005-20686
660 FNL & 660 FEL
Unit Letter "A", Section 36, T7S, R31E
Chaves County, New Mexico

Well Data

Data obtained from records maintained by NMOCD

Well spudded 7/9/1979 as Tomahawk; San Andres Oil well

8 5/8" 24# K55 Casing set in 12 1/4" hole at 1749ft. Cemented with 750 sacks Lite and Class "C" cement. Cement circulated to surface.

5 1/2" 15.50# K55 Casing set in 7 7/8" hole at 4295ft. Cemented with 400 sacks Class "C" cement. Top of cement calculated at 2162ft with 70% fill

Perforations 4104-4138 and 4174-4216ft

Formation Tops

Anhy – 1760ft

Top of Salt – 1780ft

Base of Salt – 2060ft

Yates – 2168ft

San Andres – 3340ft

Production Summary of api:3000520686 pool:TOMAHAWK;SAN ANDRES

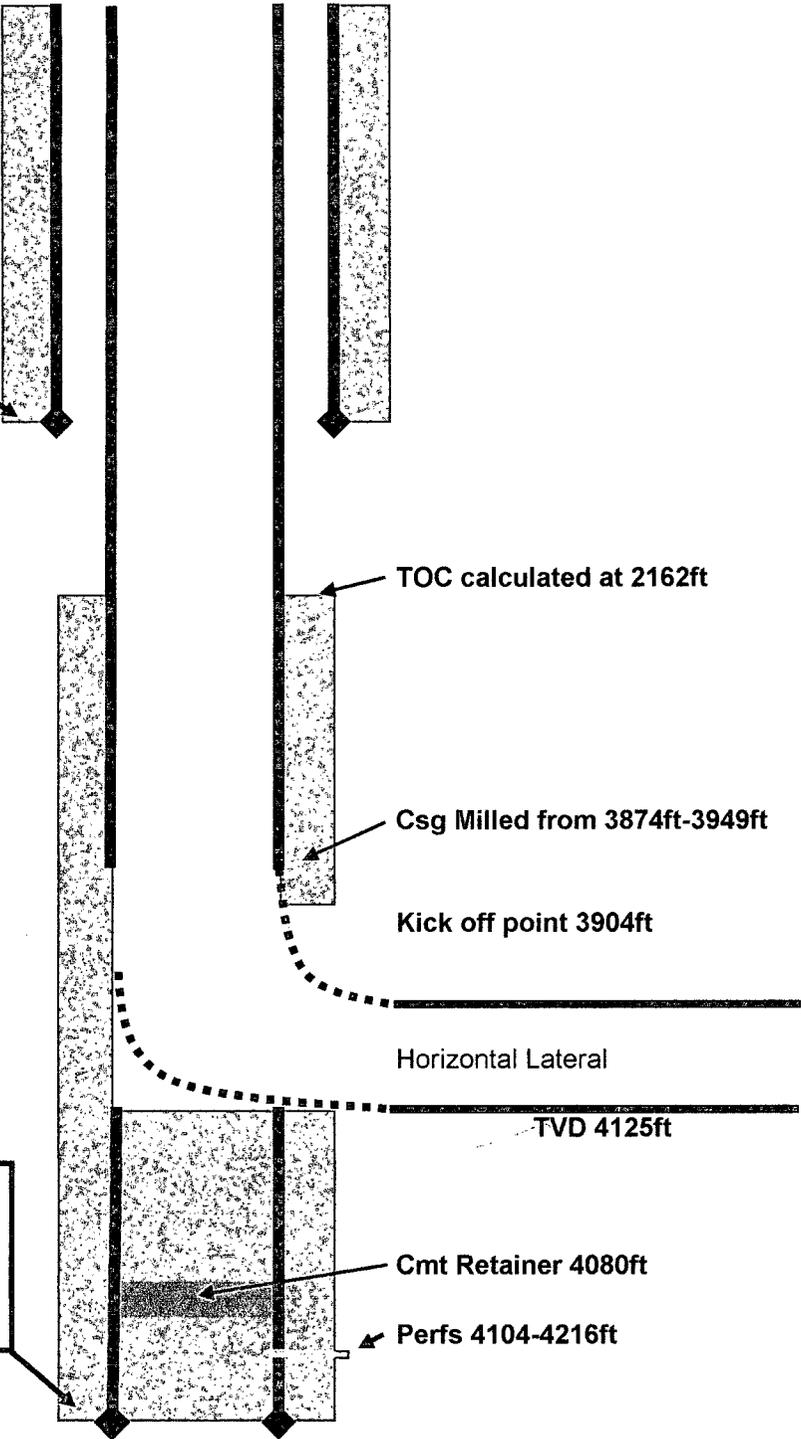
producing year	Oil	Gas	Water	Co2
1992**	20742	51205	46175	0
1993	529	1448	3860	0
1994	25	470	850	0
1995	0	0	0	0
1996	0	0	0	0
1997	0	0	0	0
1998	0	0	0	0
1999	0	0	0	0
2000	0	0	0	0
2001	0	0	0	0
2002	0	0	0	0
2003	0	0	0	0
2004	0	0	0	0
2005	0	0	0	0
2006	0	0	0	0
2007	0	0	0	0
summary	554	1918	4710	0

Tom 36 State # 001
API # 30-005-20686
"SFL" - UL "A", Sec 36,T7S,R31E
"BHL" - UL "G", Sec 36,T7S,R31E
Chaves County, New Mexico
Prior to conversion to SWD

Spud 7/9/1979

Anhy - 1760ft
Top Salt - 1780ft
Base Salt - 2060ft
Yates - 2168ft
SA - 3340ft

8 5/8" 24# K55 set in
12 1/4" hole at 1749ft
Cement w/ 750sx cmt
Cement Circ



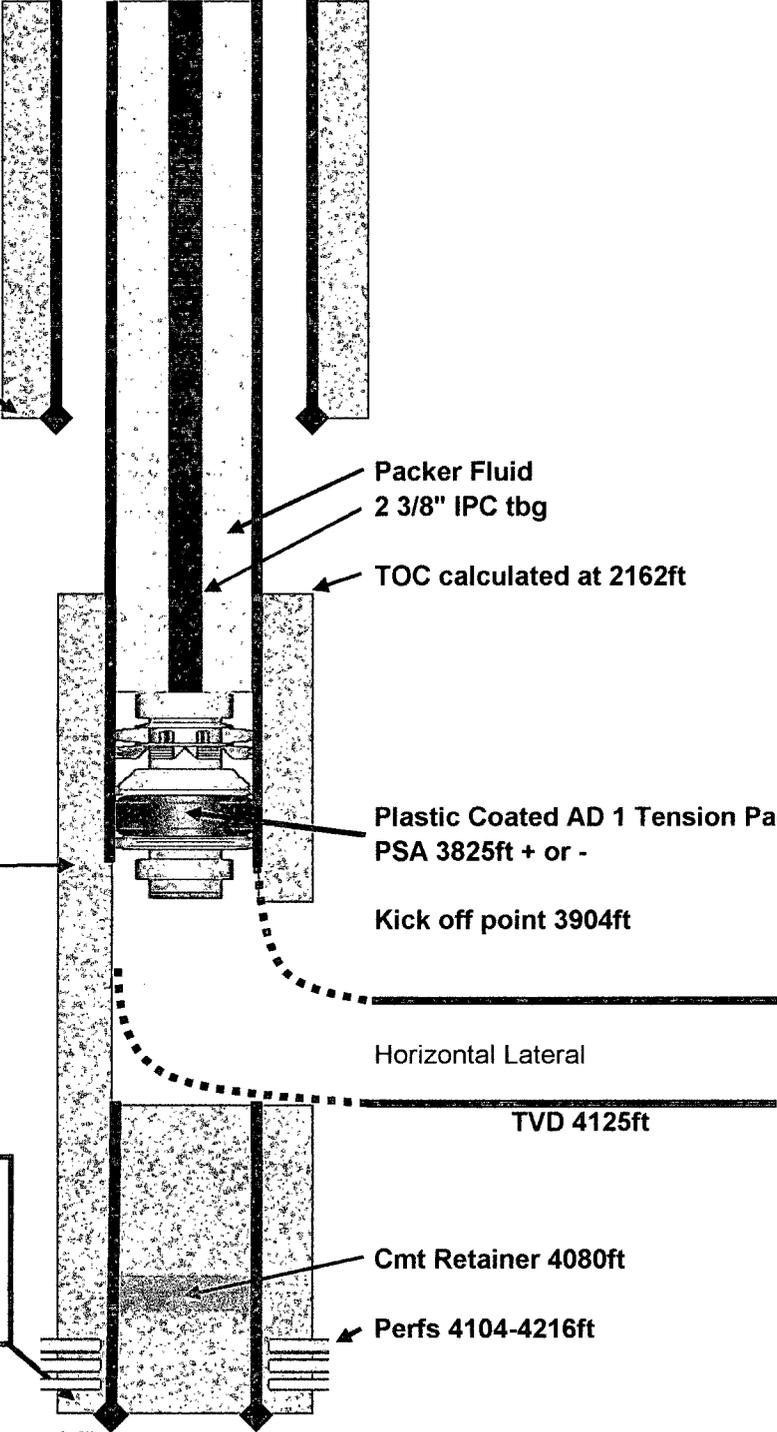
5 1/2" 15.50# K55 casing
set in 7 7/8" hole at 4295ft
Cement w/ 400sx Class C
TOC calculated at 2162ft
w/ 70% fill

Tom 36 State # 001
 API # 30-005-20686
 "SL" - UL "A", Sec 36, T7S, R31E
 "BHL" - UL "G". Sec 36, T7S, R31E
 Chaves County, New Mexico
 After to conversion to SWD

Spud 7/9/1979

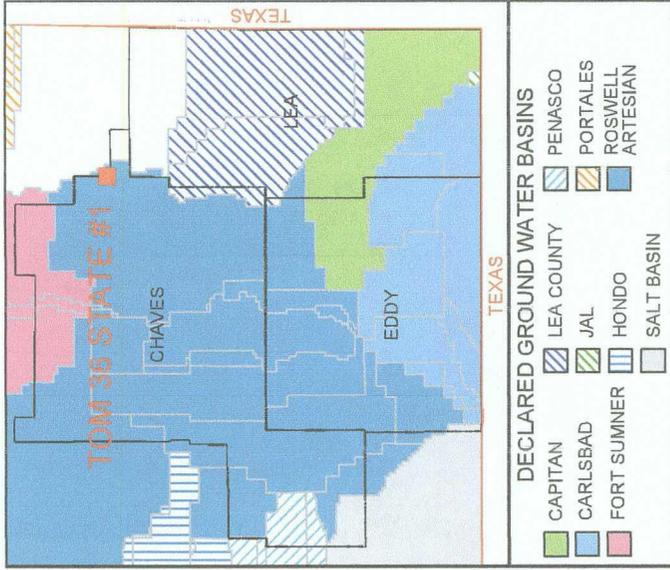
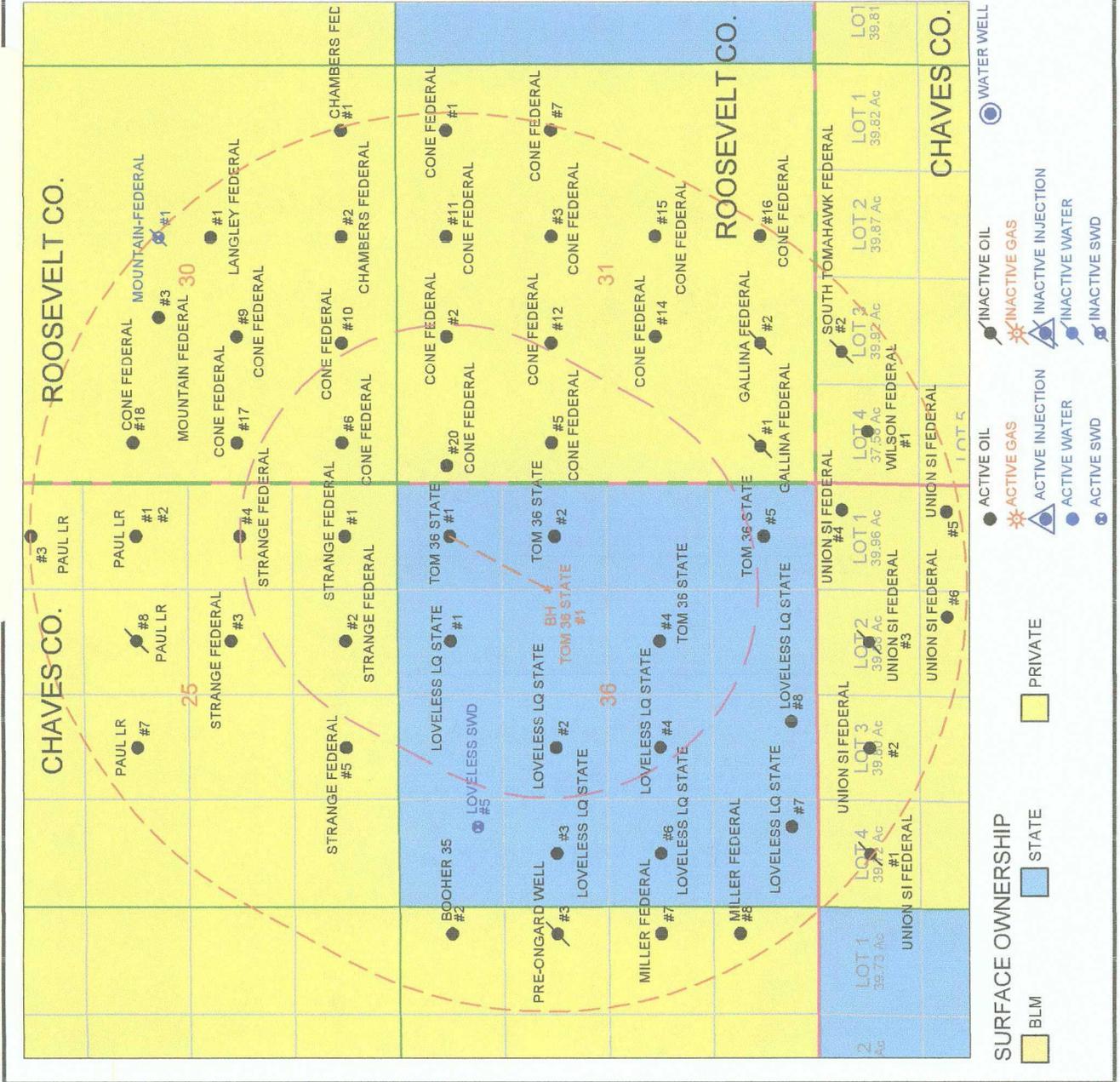
Anhy - 1760ft
 Top Salt - 1780ft
 Base Salt - 2060ft
 Yates - 2168ft
 SA - 3340ft

8 5/8" 24# K55 set in
 12 1/4" hole at 1749ft
 Cement w/ 750sx cmt
 Cement Circ

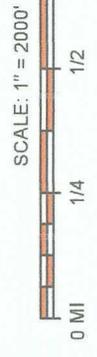


5 1/2" 15.50# K55 casing
 set in 7 7/8" hole at 4295ft
 Cement w/ 400sx Class C
 TOC calculated at 2162ft
 w/ 70% fill

Attachment B



- DECLARED GROUND WATER BASINS**
- CAPITAN
 - CARLSBAD
 - FORT SUMMER
 - SALT BASIN
- LEA COUNTY**
- LEA COUNTY
 - JAL
 - HONDO
 - SALT BASIN
- OTHER BASINS**
- PENASCO
 - PORTALES
 - ROSSELL
 - ARTESIAN



STEARNS	
TOM 36 STATE #1	
API: 3000520686	TWP: 07S
SEC: 36	RNG: 31E
UNIT: A	660 FNL
COUNTY: CHAVES	S 10 W - 19.5 MILES FROM Elida, NM
LAT: 33°40.127' N. LON: 103°43.223' W.	
NO WARRANTY IS EXPRESSED OR IMPLIED AS TO THE RELIABILITY AND/OR COMPLETENESS OF THIS MAP	
DATE: 04/14/07	
www.WELLFROMAPPING.COM	
COPYRIGHT 2005-2006	

- SURFACE OWNERSHIP**
- BLM
 - STATE
 - PRIVATE
- WELL TYPES**
- ACTIVE OIL
 - ACTIVE GAS
 - ACTIVE INJECTION
 - ACTIVE WATER
 - ACTIVE SWD
 - INACTIVE OIL
 - INACTIVE GAS
 - INACTIVE INJECTION
 - INACTIVE WATER
 - INACTIVE SWD
 - WATER WELL

John R. Stearns dba Stearns
C108 (Application for Authorization to Inject)
Tom 36 State # 1
API # 30-005-20686
660 FNL X 660 FEL
Unit Letter A, Section 36, T7S, R31E
Chaves County, New Mexico

Wells located in 0.5 mile AOR

API # 30-005-20690
1980 FNL X 1980 FEL
Unit Letter G, Section 36, T7S, R31E
Chaves County, New Mexico
Well permitted but never drilled

API # 30-005-20691
1980 FSL X 1980 FEL
Unit Letter "J", Section 36, T7S,R31E
Chaves County, New Mexico
Well permitted but never drilled

Stearns
Tom 36 State # 2
API # 30-005-20687
1980 FNL X 660 FEL
Unit Letter "H", Section 36, T7S,R31E
Chaves County, New Mexico
San Andres oil well

Stearns
Tom 36 State # 4
API # 30-005-21015
1980 FSL X 1980 FEL
Unit Letter "J", Section 36, T7S, R31E
Chaves County, New Mexico
San Andres oil well

Stearns
Strange Federal # 1
API # 30-005-20717
660 FSL X 660 FEL
Unit Letter "P", Section 25, T7S, R31E
Chaves County, New Mexico
San Andres oil well

Attachment C

John R. Stearns dba Stearns
C108 (Application for Authorization to Inject)

Tom 36 State # 1

API # 30-005-20686

660 FNL X 660 FEL

Unit Letter A, Section 36, T7S, R31E

Chaves County, New Mexico

Wells located in 0.5 mile AOR

Stearns

Strange Federal # 2

API # 30-005-20718

660 FSL X 1980 FEL

Unit Letter "O", Section 25, T7S, R31E

Chaves County, New Mexico

San Andres oil well

Stearns

Strange Federal # 4

API # 30-005-20720

1980 FSL X 660 FEL

Unit Letter "I", Section 25, T7S, R31E

Chaves County, New Mexico

San Andres oil well

Texas Reexploration Operating, L.C.

Loveless LQ State #1

API # 30-005-20692

660 FNL X 1980 FEL

Unit Letter "B", Section 36, T7S, R31E

Chaves County, New Mexico

San Andres oil well

Texas Reexploration Operating, L.C.

Loveless LQ State #2

API # 30-005-20787

1980 FNL X 1980 FWL

Unit Letter "F", Section 36, T7S, R31E

Chaves County, New Mexico

San Andres oil well

John R. Stearns dba Stearns
C108 (Application for Authorization to Inject)

Tom 36 State # 1

API # 30-005-20686

660 FNL X 660 FEL

Unit Letter A, Section 36, T7S, R31E

Chaves County, New Mexico

Wells located in 0.5 mile AOR

Texas Reexploration Operating, L.C.

Loveless LQ State #4

API # 30-005-20827

1980 FSL X 1980 FWL

Unit Letter "K", Section 36, T7S, R31E

Chaves County, New Mexico

San Andres oil well

Cano Petro of New Mexico, Inc

Cone Federal # 2

API # 30-041-20440

660 FNL X 1980 FWL

Unit Letter "C", Section 31, T7S, R32E

Roosevelt County, New Mexico

San Andres oil well

Cano Petro of New Mexico, Inc

Cone Federal # 5

API # 30-041-20464

1980 FNL X 660 FWL

Unit Letter "E", Section 31, T7S, R32E

Roosevelt County, New Mexico

San Andres oil well

Cano Petro of New Mexico, Inc

Cone Federal # 6

API # 30-041-20458

660 FSL X 660 FWL

Unit Letter "M", Section 31, T7S, R32E

Roosevelt County, New Mexico

San Andres oil well

Cano Petro of New Mexico, Inc

Cone Federal # 20

API # 30-041-20509

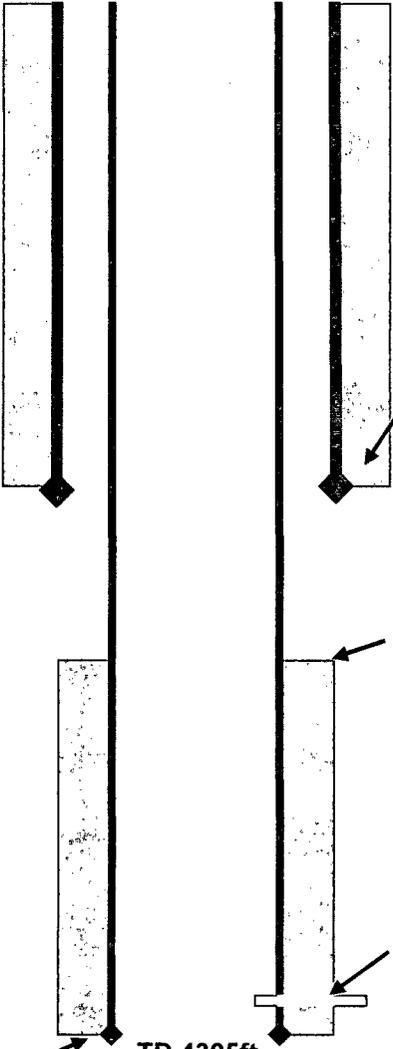
660 FNL X 374 FWL

Unit Letter "D", Section 31, T7S, R32E

Roosevelt County, New Mexico

Attachment C

Stearns
Tom 36 State # 2
API # 30-005-20687
1980 FNL X 660 FEL
Unit Letter "H", Section 36, T7S,R31E
Chaves County, New Mexico
San Andres oil well
Spud 7/17/1979



Anhy 1753ft
TS 1779ft
BS 2168ft
Yates 2182ft
SA 3331

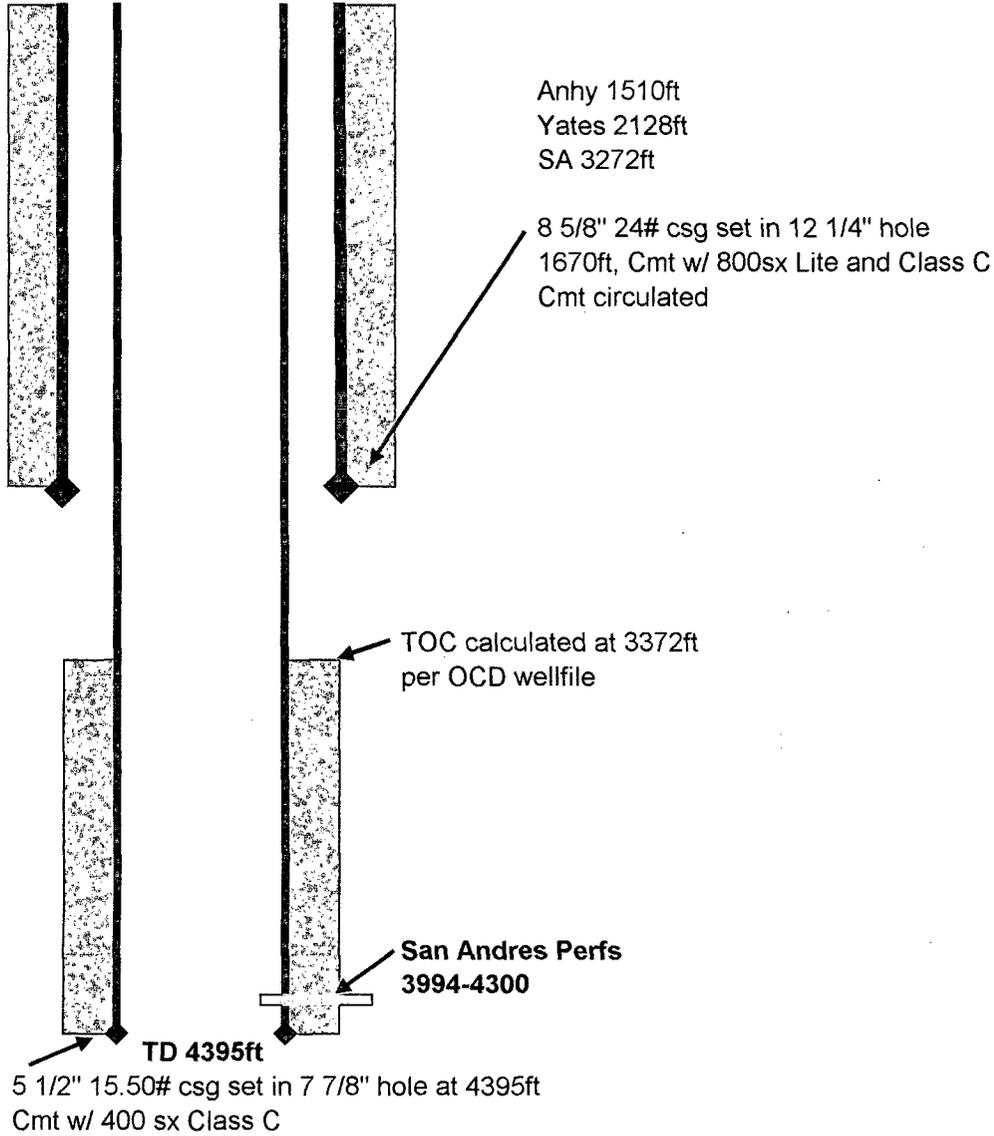
8 5/8" 24# csg set in 12 1/4" hole
1654ft, Cmt w/ 750sx Lite and Class C
Cmt circulated

TOC calculated at 2150ft

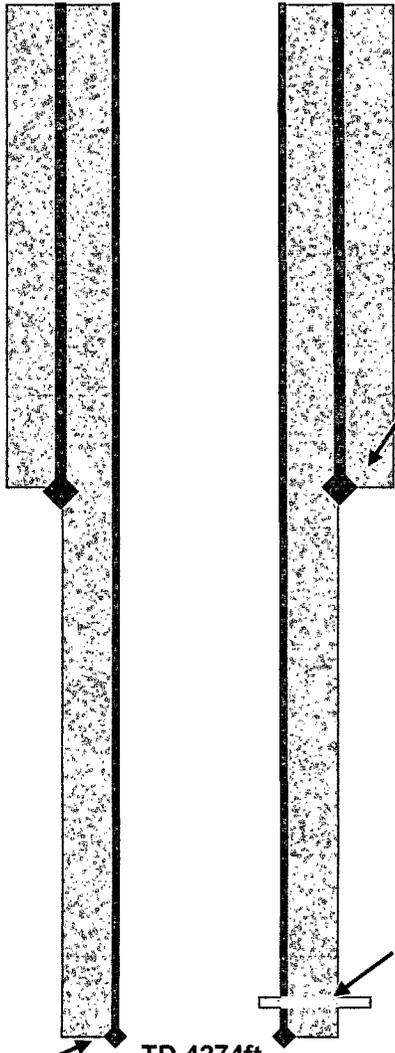
San Andres Perfs
4197-4217ft

TD 4305ft
5 1/2" 15.50# csg set in 7 7/8" hole at 4305ft
Cmt w/ 400 sx Class C

Stearns
Tom 36 State # 4
API # 30-005-21015
1980 FSL X 1980 FEL
Unit Letter "J", Section 36, T7S, R31E
Chaves County, New Mexico
San Andres oil well
Spud 3/2/1985



Stearns
Strange Federal # 1
API # 30-005-20717
660 FSL X 660 FEL
Unit Letter "P", Section 25, T7S, R31E
Chaves County, New Mexico
San Andres oil well
Spud 3/8/1980

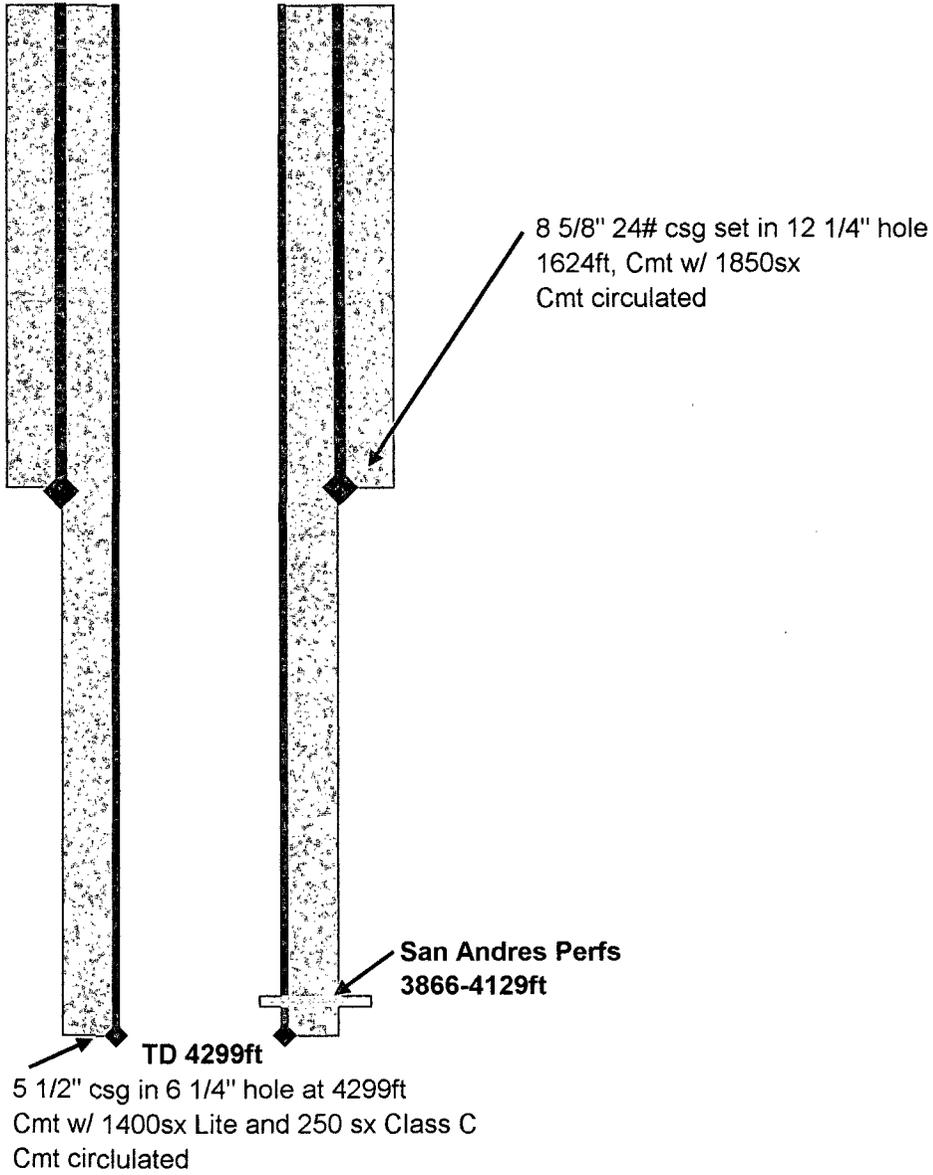


Rustler 1688ft
Yates 2144ft
Queen 2659ft
SA 3291ft
8 5/8" 24# csg set in 12 1/4" hole
1699ft, Cmt w/ 850sx
Cmt circulated

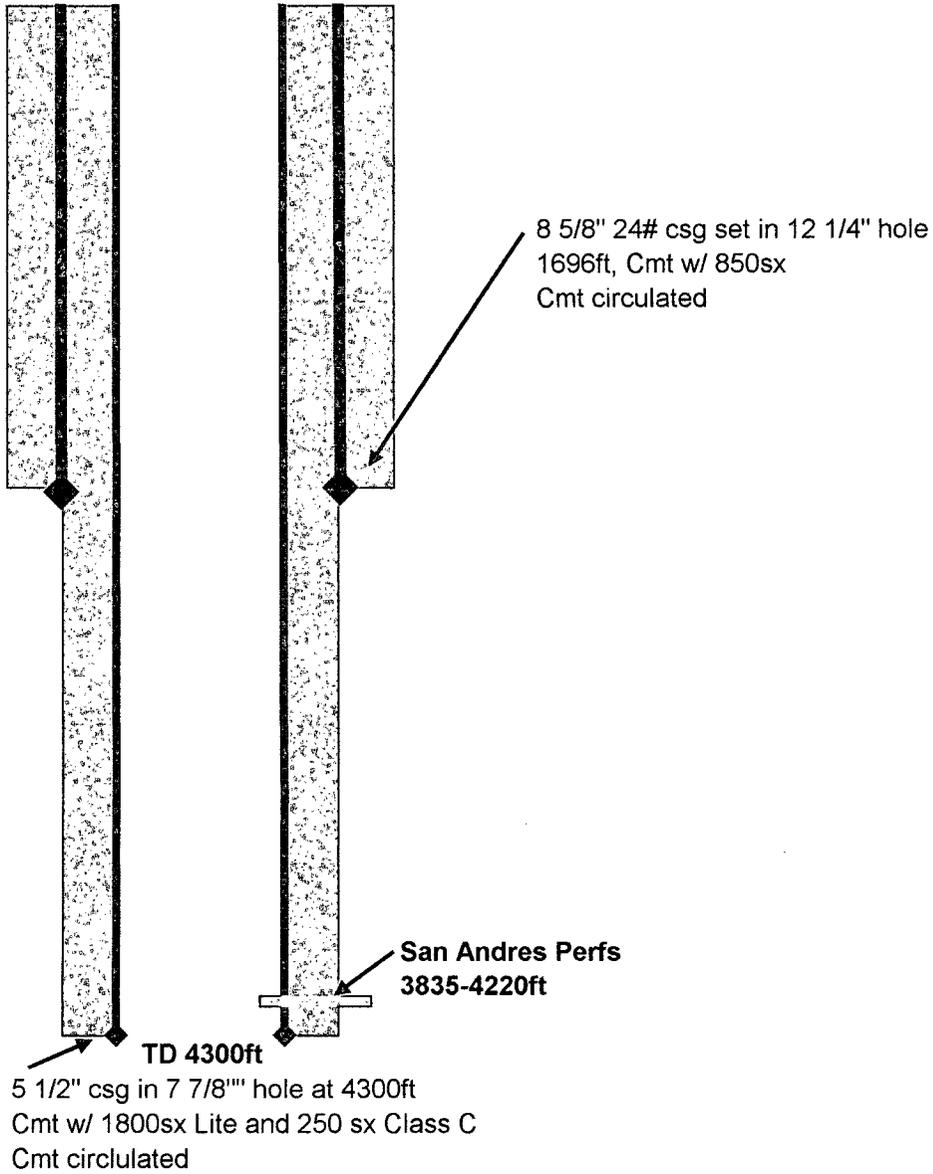
San Andres Perfs
3894-4172ft

TD 4274ft
5 1/2" 14# csg set in 7 7/8" hole at 4274ft
Cmt w/ 1570sx. Cmt circ

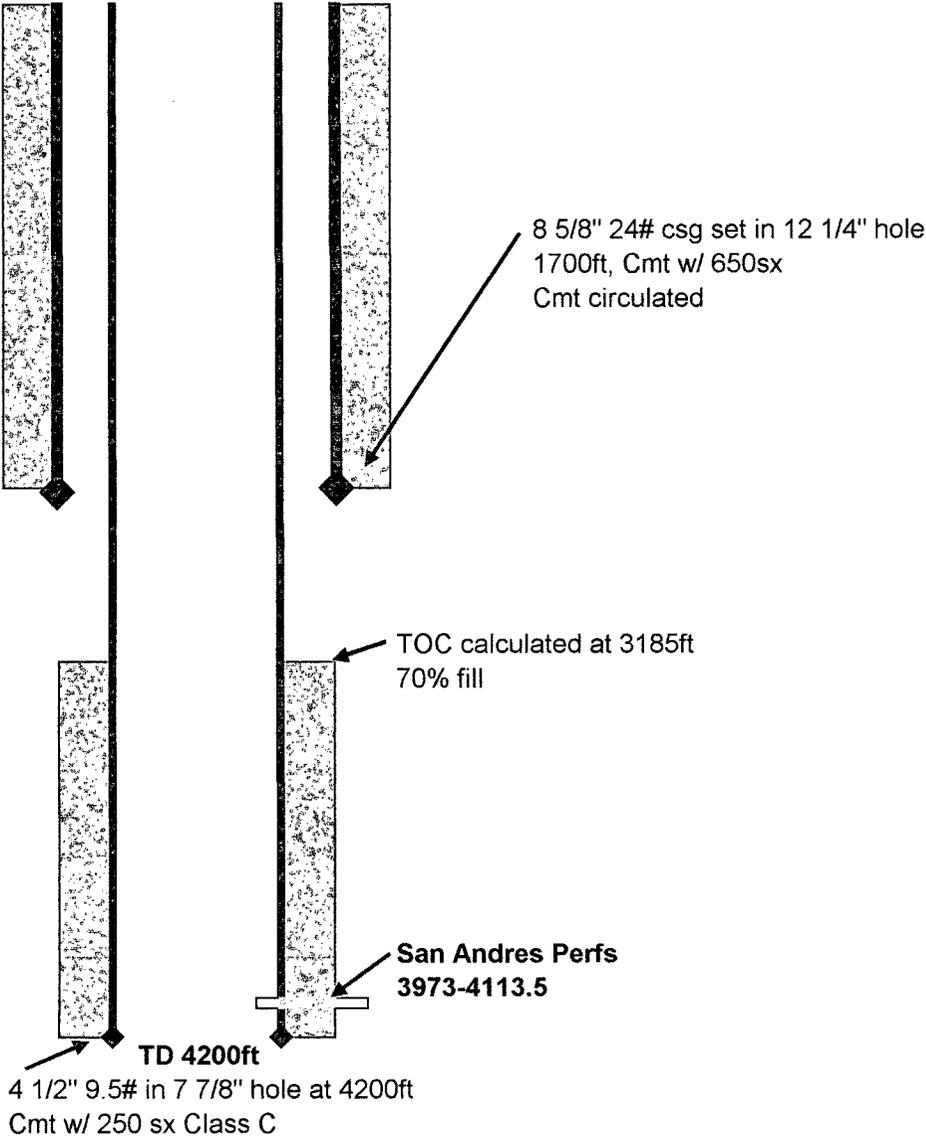
Stearns
Strange Federal # 2
API # 30-005-20718
660 FSL X 1980 FEL
Unit Letter "O", Section 25, T7S, R31E
Chaves County, New Mexico
San Andres Oil Well
Spud 5/12/1980
Prior to Horizontal lateral
Per Order R-9969
BHL 1468 FSL X 1196 FEL



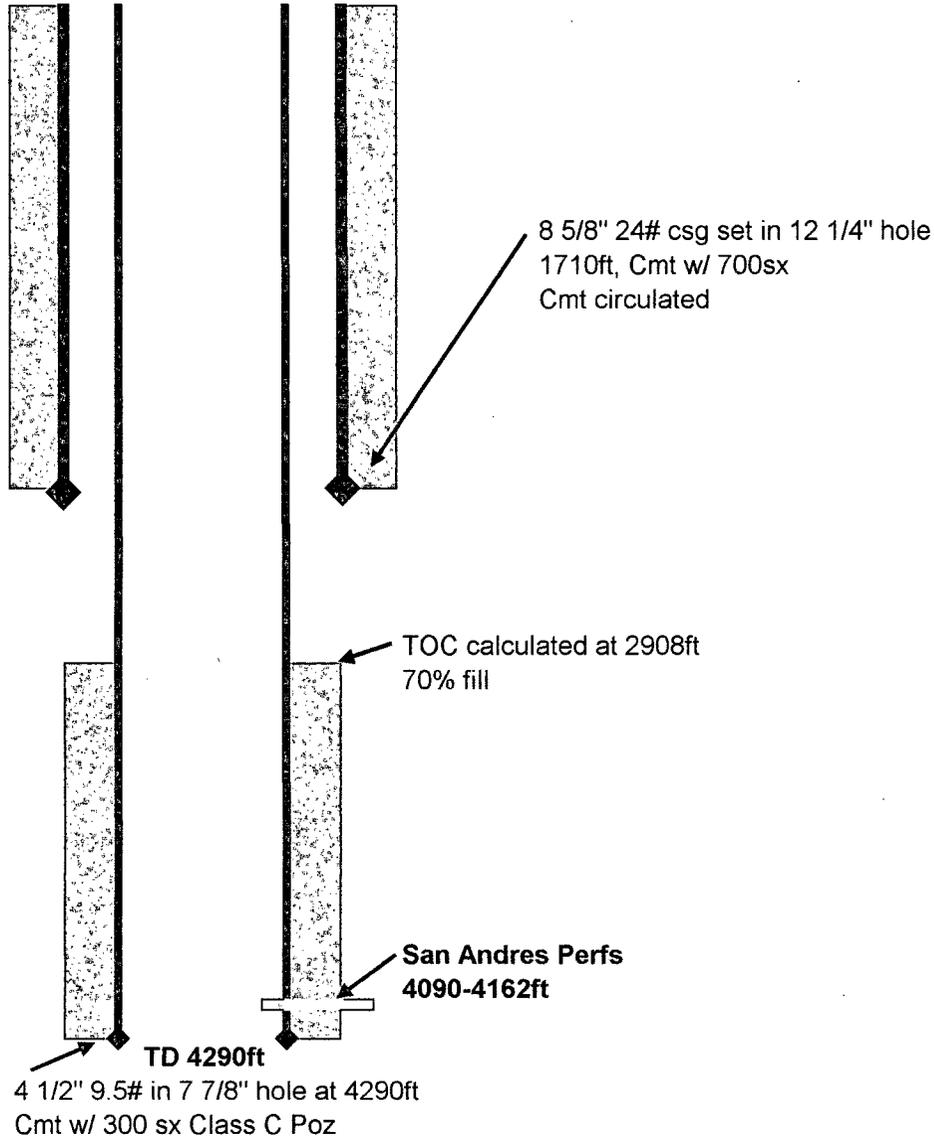
Stearns
Strange Federal # 4
API # 30-005-20720
1980 FSL X 660 FEL
Unit Letter "I", Section 25, T7S, R31E
Chaves County, New Mexico
San Andres Oil Well
Spud 7/4/1980
Prior to Horizontal lateral
BHL 2387 FSL X 1209 FEL



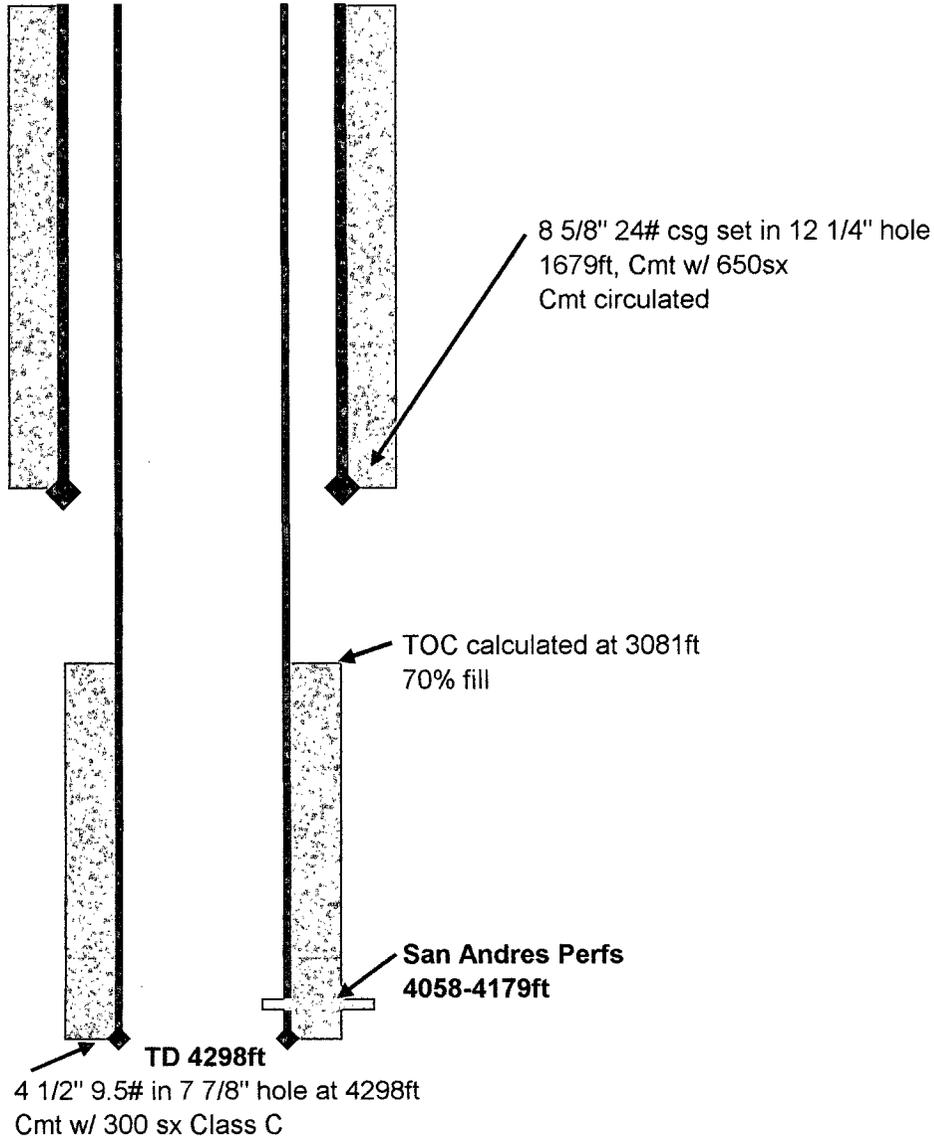
Texas Reexploration Operating, L.C.
Loveless LQ State #4
API # 30-005-20827
1980 FSL X 1980 FWL
Unit Letter "K", Section 36, T7S, R31E
Chaves County, New Mexico
San Andres oil well
Spud 9/29/1981



Texas Reexploration Operating, L.C.
Loveless LQ State #1
API # 30-005-20692
660 FNL X 1980 FEL
Unit Letter "B", Section 36, T7S, R31E
Chaves County, New Mexico
San Andres oil well
Spud 2/14/1980

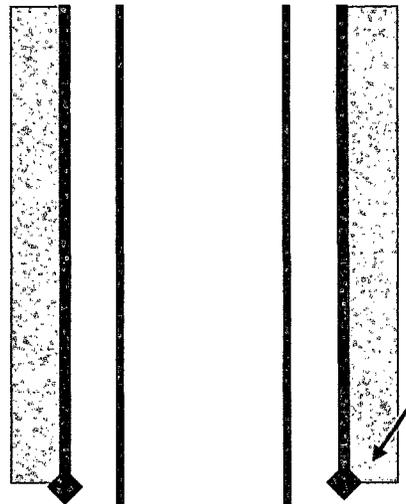


Texas Reexploration Operating, L.C.
Loveless LQ State #2
API # 30-005-20787
1980 FNL X 1980 FWL
Unit Letter "F", Section 36, T7S, R31E
Chaves County, New Mexico
San Andres oil well
Spud 7/16/1981

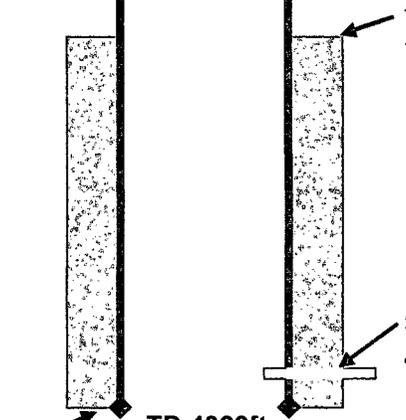


Cano Petro of New Mexico, Inc
Cone Federal # 2
API # 30-041-20440
660 FNL X 1980 FWL
Unit Letter "C", Section 31, T7S, R32E
Roosevelt County, New Mexico
San Andres oil well
Spud 12/21/1977

Anhy 1774
Salt 1822
Yates 2176
SA 3331
P1 4037
P2 4118
P3 4230



8 5/8" 24# csg set in 12 1/4" hole
1799ft, Cmt w/ 600sx
Cmt circulated



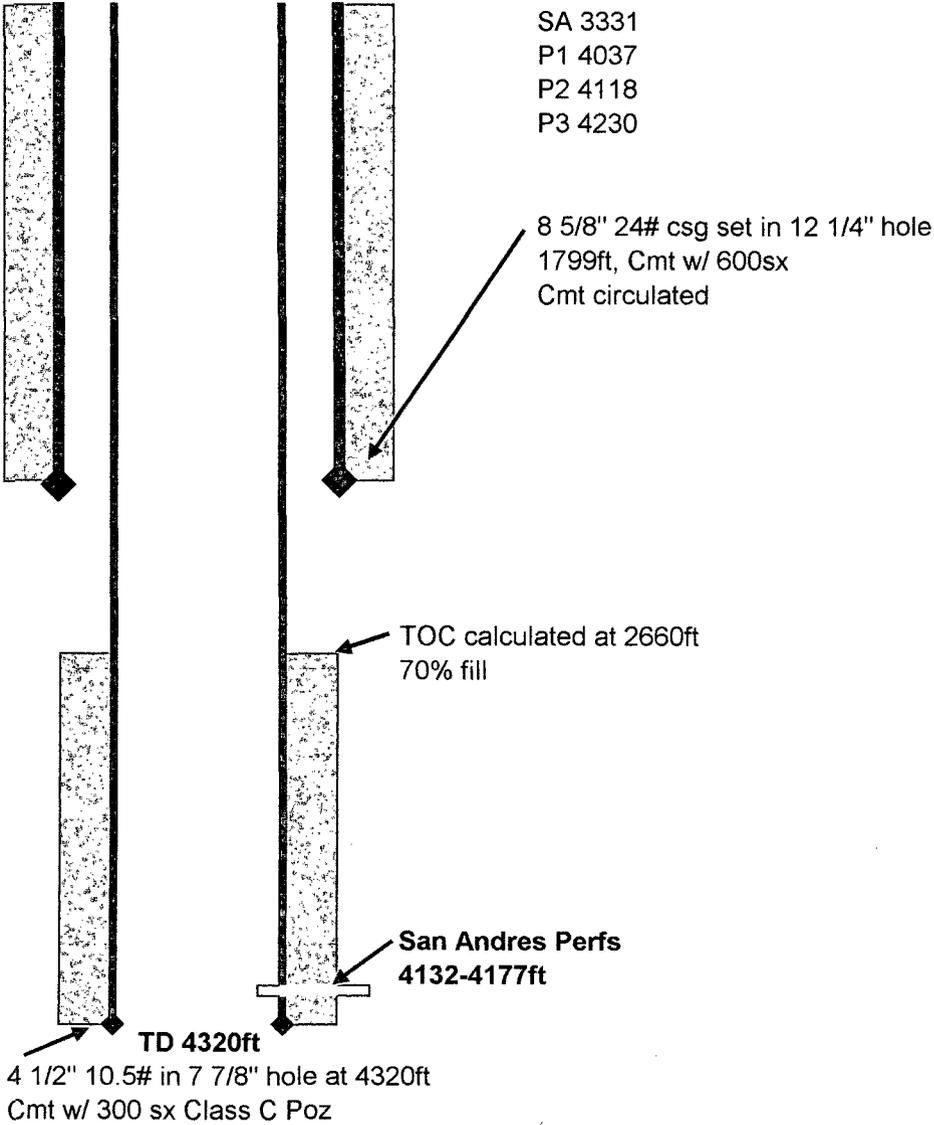
TOC calculated at 2660ft
70% fill

San Andres Perfs
4132-4177ft

TD 4320ft
4 1/2" 10.5# in 7 7/8" hole at 4320ft
Cmt w/ 300 sx Class C Poz

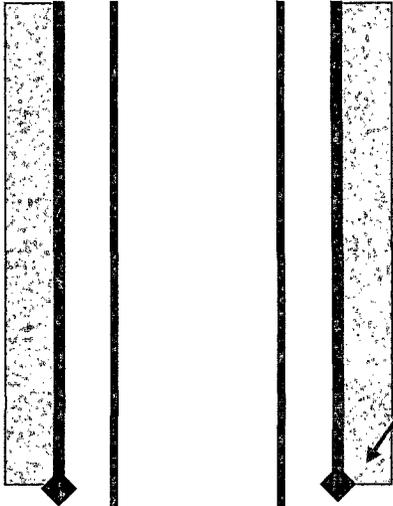
Cano Petro of New Mexico, Inc
Cone Federal # 5
API # 30-041-20464
1980 FNL X 660 FWL
Unit Letter "E", Section 31, T7S, R32E
Roosevelt County, New Mexico
San Andres oil well
Spud 12/21/1977

Anhy 1774
Salt 1822
Yates 2176
SA 3331
P1 4037
P2 4118
P3 4230

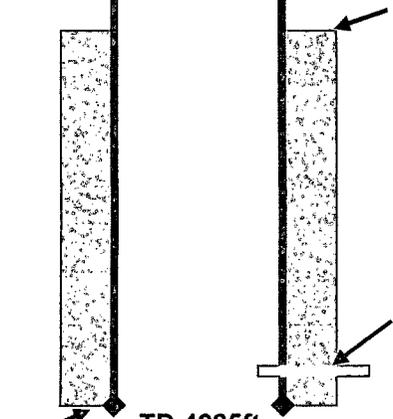


Cano Petro of New Mexico, Inc
Cone Federal # 6
API # 30-041-20458
660 FSL X 660 FWL
Unit Letter "M", Section 31, T7S, R32E
Roosevelt County, New Mexico
San Andres oil well
Spud 12/21/1977

Anhy 1776
Salt 1776
Yates 2169
SA 3304
P1 4008
P2 4086
P3 4199



8 5/8" 24# csg set in 12 1/4" hole
1768ft, Cmt w/ 600sx
Cmt circulated

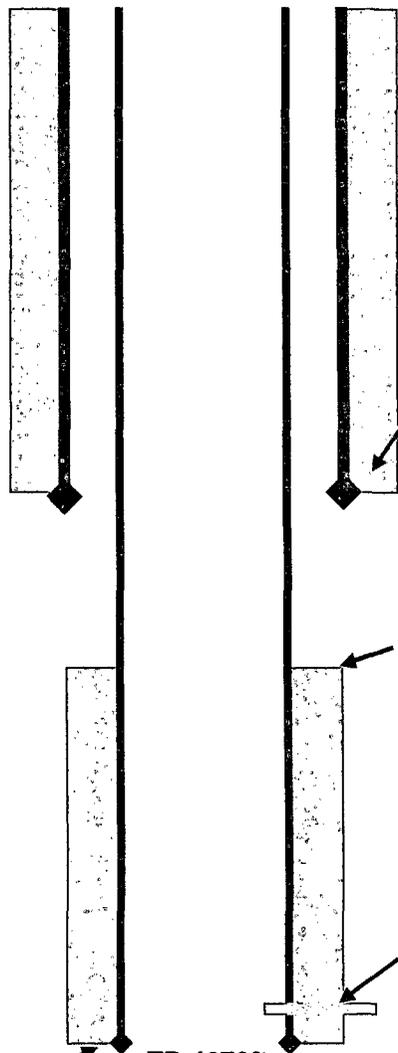


TOC calculated at 2626ft
70% fill

San Andres Perfs
4096-4135

TD 4285ft
4 1/2" 10.5# in 7 7/8" hole at 4285ft
Cmt w/ 300 sx Class C Poz

Cano Petro of New Mexico, Inc
Cone Federal # 20
API # 30-041-20509
660 FNL X 374 FWL
Unit Letter "D", Section 31, T7S, R32E
Roosevelt County, New Mexico
San Andres oil well
Spud 12/21/1977



SA 3308
P1 4008
P2 4087
P3 4198

8 5/8" 24# csg set in 12 1/4" hole
1764ft, Cmt w/ 500sx
Cmt circulated

TOC calculated at 2611ft
70% fill

San Andres Perfs
4094-4172ft

TD 4270ft
4 1/2" 10.5# in 7 7/8" hole at 4270ft
Cmt w/ 300 sx Class C Poz

**John R. Stearns dba Stearns
C108 (Application for Authorization to Inject)
Tom 36 State # 1
API # 30-005-20686
660 FNL X 660 FEL
Unit Letter A, Section 36, T7S, R31E
Chaves County, New Mexico**

The proposed disposal interval is the San Andres formation. The San Andres is a carbonate reservoir of Permian Age. Immediately above the San Andres is the Queen formation. The average depth to the top of the San Andres in the area of the proposed disposal well is at 3300feet. Below the San Andres is the Glorieta formation.

There is no known fresh water strata underlying the San Andres formation,

There were no fresh water wells identified in the 1 mile Area of Review. Records from the Office of State Engineer web site are attached. Fresh water is in the alluvial fill from surface to the top of the Red Bed at depth of 200-300 feet.

New Mexico Office of the State Engineer
POD Reports and Downloads

Township: Range: Sections:

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

Owner Name: (First) (Last) Non-Domestic Domestic
 All

AVERAGE DEPTH OF WATER REPORT 05/12/2007

Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	(Depth Water in Feet)		
								Min	Max	Avg

No Records found, try again

Attachment E

**New Mexico Office of the State Engineer
POD Reports and Downloads**

Township: Range: Sections:

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

Owner Name: (First) (Last) Non-Domestic Domestic
 All

AVERAGE DEPTH OF WATER REPORT 05/12/2007

Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	(Depth Water in Feet)		
								Min	Max	Avg

No Records found, try again

Attachment E

New Mexico Office of the State Engineer
POD Reports and Downloads

Township: 08S Range: 32E Sections: 6

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

Owner Name: (First) (Last) Non-Domestic Domestic
 All

POD / Surface Data Report Avg Depth to Water Report

Water Column Report

Clear Form iWATERS Menu Help

AVERAGE DEPTH OF WATER REPORT 05/12/2007

Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	(Depth Water in Feet)		
								Min	Max	Avg

No Records found, try again

Attachment E

New Mexico Office of the State Engineer
POD Reports and Downloads

Township: 08S Range: 31E Sections: 1,2

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

Owner Name: (First) (Last) Non-Domestic Domestic
 All

POD / Surface Data Report Avg Depth to Water Report

Water Column Report

Clear Form iWATERS Menu Help

AVERAGE DEPTH OF WATER REPORT 05/12/2007

Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	(Depth Water in Feet)		
								Min	Max	Avg

No Records found, try again

Attachment E

John R. Stearns dba Stearns
C108 (Application for Authorization to Inject)
Tom 36 State # 1
API # 30-005-20686
660 FNL X 660 FEL
Unit Letter A, Section 36, T7S, R31E
Chaves County, New Mexico

xu

WATER STATEMENT

As required by Item XII of form C-108, John R. Stearns dba STEARNS, has examined available geologic and engineering data and found no evidence of open faults or other hydrologic connection between the disposal zone and any other underground source of drinking water.

John R. Stearns dba Stearns, Inc
C108(Application for Authorization to Inject)
Tom 36 State # 1
API # 30-005-20686
660 FNL & 660 FEL
Unit Letter "A", Section 36, T7S, R31E
Chaves County, New Mexico

Proof of Notify

Surface Owner

State of New Mexico
State Land Office
PO Box 1148
Santa Fe, NM
87504-1148

Mineral Owner

State of New Mexico
State Land Office
PO Box 1148
Santa Fe, NM
87504-1148

Surface Lessee

James P. Southard Rev. Trust
P. O. BOX 94
KENNA, NM
88116-0094

Offset Operators

Texas Reexploration Operating LLC
3025 Maxroy
Houston, TX
77008

Cano Petro of New Mexico, Inc
801 Cherry Street
Unit # 25
Suite 3200
Ft. Worth, TX 76102

Attachment G

Legal Notice

John R. Stearns dba Stearns Inc. HC65 Box 988, Crossroads, New Mexico 88114 has filed form C-108(Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval for the conversion of the Tom 36 State # 1, API # 30-005-20686 660 FNL X 660 FEL, Unit letter A, Section 36, T7S,R31E, Chaves County, New Mexico from a Tomahawk; San Andres oil well to a lease salt water disposal well. The disposal interval would be the San Andres formation in a horizontal lateral that extends 1609 feet in a southwestern direction to a bottom hole location 1897 FNL X 1695 FEL, Unit letter G, Section 36, T7S, R31E, Chaves County, New Mexico. Disposal interval would be at a depth from 3874 feet to a true vertical depth of 4125 feet. Anticipated disposal rate of 500 BWPD with a maximum disposal rate of 1000 BWPD. Anticipated disposal pressure 400 psi with a maximum disposal pressure of 775psi.

All interested parties opposing the aforementioned must file objections with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, with in 15 days. Additional information can be obtained by contacting John R. Stearns 505-675-2356

John R. Stearns dba Stearns, Inc
C108(Application for Authorization to Inject)
Tom 36 State # 1
API # 30-005-20686
660 FNL & 660 FEL
Unit Letter "A", Section 36, T7S, R31E
Chaves County, New Mexico

Inactive Well List

Total Well Count:70 Inactive Well Count:1 Since:1/27/2006
Printed On: Sunday, April 22 2007

District	API	Well	ULSTR	OCD Unit	OGRID	Operator	Lease Type	Well Type	Last Production	Formation/Notes	Status	Days in TA
1	30-025-34070	STATE 16 #001Y	P-16-09S-37E	P	21566	STEARNS	S	O	10/2005	DEVONIAN		

WHERE Ogrid:21566, County:All, District:All, Township:All, Range:All, Section:All, Production(months):15

AFFIDAVIT OF PUBLICATION
STATE OF NEW MEXICO

I, Fran Saunders
Legals Clerk

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

one time

beginning with the issue dated

May 16th 2007

and ending with the issue dated

May 16th 2007



Clerk

Sworn and subscribed to before me

this 18th day of May 2007



Notary Public

My Commission expires
June 13, 2010

(SEAL)

ATTACHMENT G

Publish May 16, 2007

Legal Notice

John R. Stearns dba Stearns Inc. HC65 Box 988, Crossroads, New Mexico 88114 has filed form C-108 (Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval for the conversion of the Tom 36 State #1, API # 30-005-20686 660 FNL X660 FEL, Unit letter A, Section 36, T7S, R31E, Chaves County, New Mexico from a Tomahawk, San Andres oil well to a lease salt water disposal well. The disposal interval would be the San Andres formation in a horizontal lateral that extends 1609 feet in a southwestern direction to a bottom hole location 1897 FNL X 1695 FEL, Unit letter G, Section 36, T7S, R31E, Chaves County, New Mexico. Disposal interval would be at a depth from 3874 feet to a true vertical depth of 4125 feet. Anticipated disposal rate of 500 BWPD with a maximum disposal rate of 1000 BWPD. Anticipated disposal pressure 400 psi with a maximum disposal pressure of 775 psi.

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John R. Stearns dba Stearns, Inc

State of New Mexico
State Land Office
PO Box 1148
Santa Fe, NM
87504-1148

To Whom It May Concern:

John R. Stearns dba Stearns Inc. HC65 Box 988, Crossroads, New Mexico 88114 has filed form C-108(Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval for the conversion of the Tom 36 State # 1, API # 30-005-20686 660 FNL X 660 FEL, Unit letter A, Section 36, T7S,R31E, Chaves County, New Mexico from a Tomahawk; San Andres oil well to a lease salt water disposal well. The disposal interval would be the San Andres formation in a horizontal lateral that extends 1609 feet in a southwestern direction to a bottom hole location 1897 FNL X 1695 FEL, Unit letter G, Section 36, T7S, R31E, Chaves County, New Mexico. Disposal interval would be at a depth from 3874 feet to a true vertical depth of 4125 feet. Anticipated disposal rate of 500 BWPD with a maximum disposal rate of 1000 BWPD. Anticipated disposal pressure 400 psi with a maximum disposal pressure of 775psi. Please find enclosed a copy of the permit application

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Sincerely,



Billy E. Prichard
Agent for Stearns
505-390-9100

7006 2150 0005 7877 5899

U.S. Postal Service™		
CERTIFIED MAIL™ RECEIPT		
<i>(Domestic Mail Only; No Insurance Coverage Provided)</i>		
For delivery information visit our website at www.usps.com		
SANTA FE, NM 87504-1148		
OFFICIAL USE		
Postage	\$ 1.82	0488
Certified Fee	\$ 2.65	01
Return Receipt Fee (Endorsement Required)	\$ 2.15	Postmark Here
Restricted Delivery Fee (Endorsement Required)	\$ 0.00	
Total Postage & Fees	\$ 6.62	05/15/2007

New Mexico State Land Office
PO Box 1148
Santa Fe, NM 87504-1148

John R. Stearns dba Stearns, Inc

Texas Reexploration Operating LLC
3025 Maxroy
Houston, TX
77008

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Sincerely,

Billy E. P
Agent for
505-390-9

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none">Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.Print your name and address on the reverse so that we can return the card to you.Attach this card to the back of the mailpiece, or on the front if space permits.	A. Signature <i>[Signature]</i>	<input type="checkbox"/> Agent <input type="checkbox"/> Addressee
1. Article Addressed to: Texas Reexploration Operating, LLC 3025 Maxroy Houston, TX 77008	B. Received by (Printed Name) <i>[Signature]</i>	C. Date of Delivery <i>5/17/07</i>
	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
	Service Type <input type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
2. Article Number (Transfer from service label)	4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
	7006 2150 0005 7877 5868	

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

John R. Stearns dba Stearns, Inc

Cano Petro of New Mexico, Inc
801 Cherry Street
Unit # 25
Suite 3200
Ft. Worth, TX 76102

To Whom It May Concern:

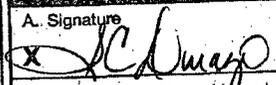
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Sincerely,



Billy E. Prichard

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none">Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.Print your name and address on the reverse so that we can return the card to you.Attach this card to the back of the mailpiece, or on the front if space permits.		A. Signature <input checked="" type="checkbox"/> Agent  <input type="checkbox"/> Addressee	
1. Article Addressed to:		B. Received by (Printed Name) S.C. Durazo	C. Date of Delivery 5-18-07
Cano Petro of New Mexico, Inc 801 Cherry Street Unit # 25 Suite 3200 Ft.Worth, TX 76102		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
2. Article Number: (Transfer from service label)		3. Service Type: <input type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
PS Form 3811, February 2004		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
Domestic Return Receipt		7006 2150 0005 7877 5875	
		102595-02-M-15401	

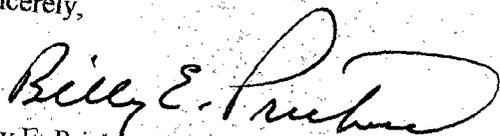
John R. Stearns dba Stearns, Inc

James P. Southard Rev. Trust
P. O. BOX 94
KENNA, NM
88116-0094

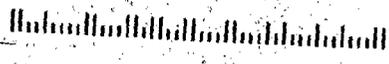
To Whom It May Concern:
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Sincerely,



Billy E. Prichard
Agent for Stearns
505-390-9100

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none">Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.Print your name and address on the reverse so that we can return the card to you.Attach this card to the back of the mailpiece, or on the front if space permits.	A. Signature <i>James P. Southard Rev Trust</i> <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee <i>Billy E. Prichard</i>	
1. Article Addressed to:	B. Received by (Printed Name)	C. Date of Delivery
James P. Southard Rev. Trust PO Box 94 Kenna, NM 88116-0094	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
	3. Service Type <input type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
2. Article Number (Transfer from service label)	4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
7006 2150 0005 7877 5882		
PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540		

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 May 27, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-005-20686
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Tom 36 State
8. Well Number #001
9. OGRID Number 21566
10. Pool name or Wildcat Tomahawk; San Andres

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other
 2. Name of Operator
John R. Stearns dba Stearns Inc Ogrid # 21566
 3. Address of Operator
HC 65 Box 988 Crossroads, New Mexico 88114

4430. Well Location
 Unit Letter A : 660 feet from the North line and 660 feet from the East line
 Section 36 Township 7S Range 31E NMPM Chaves County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
4430 KB

Pit or Below-grade Tank Application or Closure
 Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____
 Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: Horizontal Lateral <input checked="" type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Petroleum Development Corp did the following work to the Tom 36 State # 1 Completion date 12/8/1994
Per Order R-10274 Stearns is submitting the following data.

Cement Retainer set at 4080ft. SA perfs 4104-4216ft squeezed w/ 200sx Class C w/ 2% CaCl.
5 1/2" casing milled from 3874-3949ft. Cement plug spotted from 4080-3774ft. Cement drilled from 3774-3904ft and kicked well off horizontally in a SW direction. Drilled to TVD 4125ft, drilled horizontal lateral to Measured depth 5678ft
Surface Location: 660 FNL X 660 FEL, Unit Letter "A", Section 36, T7S, R31E Chaves County, New Mexico
Bottom Hole Location: 1897 FNL X 1695 FEL, Unit Letter "G". Section 36, T7S, R31E Chaves County, New Mexico

Attached is NMOCD form C102
 Deviation Surveys from horizontal drilling operations

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Billy E. Prichard TITLE Agent DATE 4/22/07

Type or print name **Billy E. Prichard** E-mail address: **shabillron01@warpdrievonline.com** Telephone No. **505-390-9100**
For State Use Only **OCD FIELD REPRESENTATIVE / STAFF MANAGER**

APPROVED BY: Harry W. Wind TITLE _____ DATE MAY 10 2007

Conditions of Approval (if any):

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-005-20686		² Pool Code 59469		³ Pool Name Tomahawk; San Andres	
⁴ Property Code 30746		⁵ Property Name Tom 36 State			⁶ Well Number 001
⁷ OGRID No. 21566		⁸ Operator Name John R. Stearns dba Stearns			⁹ Elevation 4430 KB

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	36	7S	31E		660	North	660	East	Chaves

¹¹ 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
G	36	7S	31E		1897	North	1695	East	Chaves

¹² Dedicated Acres 80	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No. R-10274
--	-------------------------------	----------------------------------	---

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.

<p>¹⁶</p> <p style="text-align: center;">Surface Location</p> <p style="text-align: center;">Horizontal Lateral</p> <p style="text-align: center;">Btm hole location</p>	<p>¹⁷ OPERATOR CERTIFICATION</p> <p><i>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 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.</i></p> <p style="text-align: right;"> Signature Date 4/22/07 </p> <p>Billy E. Prichard - Agent Printed Name</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p><i>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.</i></p>
	<p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>Certificate Number</p>

Results of Directional Survey

API number:	30-005-20686		
OGRID:		Operator:	JOHN R STEARNS dba STEARNS INC
		Property:	TOM 36 STATE # 1

surface	ULSTR: A	36	T 07S		R 31E
		660	FNL	660	FEL

BH Loc	ULSTR: G	36	T 07S		R 31E
		1897	FNL	1695	FEL

	MD	N/S	E/W	VD
	3800	21.01	-1.82	3799.75
TOP PERFS/OH	3874	21.71	-2.09	3873.71
	3904	22.00	-2.20	3903.70
	5650	-1219.00	-1013.00	4124.70
BOT PERFS/OH	5678	-1236.90	-1034.50	4125.60
	5678	-1236.90	-1034.50	4125.60

NEXT TO LAST	5650	-1219.00	-1013.00	4124.70
LAST READING	5678	-1236.90	-1034.50	4125.60
TD	5678	-1236.90	-1034.50	4125.60

Surface Location	660	FN	660	FE
Projected BHL	1897	FN	1695	FE
Location of				
Top Perfs/OH	638	FN	662	FE
Bottom Perfs/OH	1897	FN	1695	FE

SUMMARY of Subsurface Locations

Surface Location	A-36-07S-31E	660	FN	660	FE	Vert. Depth
Top Perfs/OH	A-36-07S-31E	638	FN	662	FE	3873.71
Bottom Perfs/OH	G-36-07S-31E	1897	FN	1695	FE	4125.60
Projected TD	G-36-07S-31E	1897	FN	1695	FE	4125.60

Attachment AA

Submit To Appropriate District
 State Lease - 6 copies
 Fee Lease - 5 copies
 District I
 1625 N. French Dr., Hobbs
 District II
 1301 W. Grand Avenue, Hobbs
 District III
 1000 Rio Brazos Rd., Aztec
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

Attachment AA

Form C-105
 Revised June 10, 2003

WELL API NO.
 3000520686

5. Indicate Type of Lease
 STATE FEE

State Oil & Gas Lease No.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well:
 OIL WELL GAS WELL DRY OTHER _____
 b. Type of Completion:
 NEW WORK DEEPEN PLUG DIFF.
 WELL OVER BACK RESVR. OTHER

7. Lease Name or Unit Agreement Name
 TOM 36 STATE

2. Name of Operator
 John R. Stearns dba Stearns Inc Ogrid # 21566

8. Well No.
 #001

3. Address of Operator
 HC 65 Box 988 Crossroads, NM 88114

9. Pool name or Wildcat
 Tomahawk; San Andres

4. Well Location
 Unit Letter A : 660 Feet From The North Line and 660 Feet From The East Line
 Section 36 Township 7S Range 31E NMPM Chaves County

10. Date Spudded 7/9/1979	11. Date T.D. Reached 7/15/1979	12. Date Compl. (Ready to Prod.) 7/23/1979	13. Elevations (DF& RKB, RT, GR, etc.) 4420 GR	14. Elev. Casinghead
------------------------------	------------------------------------	---	---	----------------------

15. Total Depth 4295	16. Plug Back T.D.	17. If Multiple Compl. How Many Zones?	18. Intervals Drilled By Rotary Tools 0-4295ft	Cable Tools
-------------------------	--------------------	--	--	-------------

19. Producing Interval(s), of this completion - Top, Bottom, Name
 Proposed disposal interval 3904-4125 TVD

20. Was Directional Survey Made
 Yes

21. Type Electric and Other Logs Run
 Logs previously submitted

22. Was Well Cored

23. CASING RECORD (Report all strings set in well)					
CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8"	24#	1749	12 1/4"	750 sacks	Cmt Circulated
5 1/2"	15.50#	4295	7 7/8"	400 sacks	None

24. LINER RECORD				25. TUBING RECORD			
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET

26. Perforation record (interval, size, and number) 12/1994 Horizontal Lateral 1609.8ft to a BHL Unit letter G, Sec 36, T7S,R31E Kick off point at 3904 to a TVD 4125ft	27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.	
	DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
	4104-4216ft	Squeezed with 200sx cmt

28. PRODUCTION

Date First Production		Production Method (Flowing, gas lift, pumping - Size and type pump) SI			Well Status (Prod. or Shut-in) SI		
Date of Test	Hours Tested	Choke Size	Prod'n For Test Period	Oil - Bbl	Gas - MCF	Water - Bbl.	Gas - Oil Ratio
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API - (Corr.)	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

Test Witnessed By

30. List Attachments

31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief

Signature *Billy E. Prichard* Printed Name **Billy E. Prichard** Title **Agent** Date **5/8/07**
 E-mail Address **shabillron01@warpdiveonline.com**

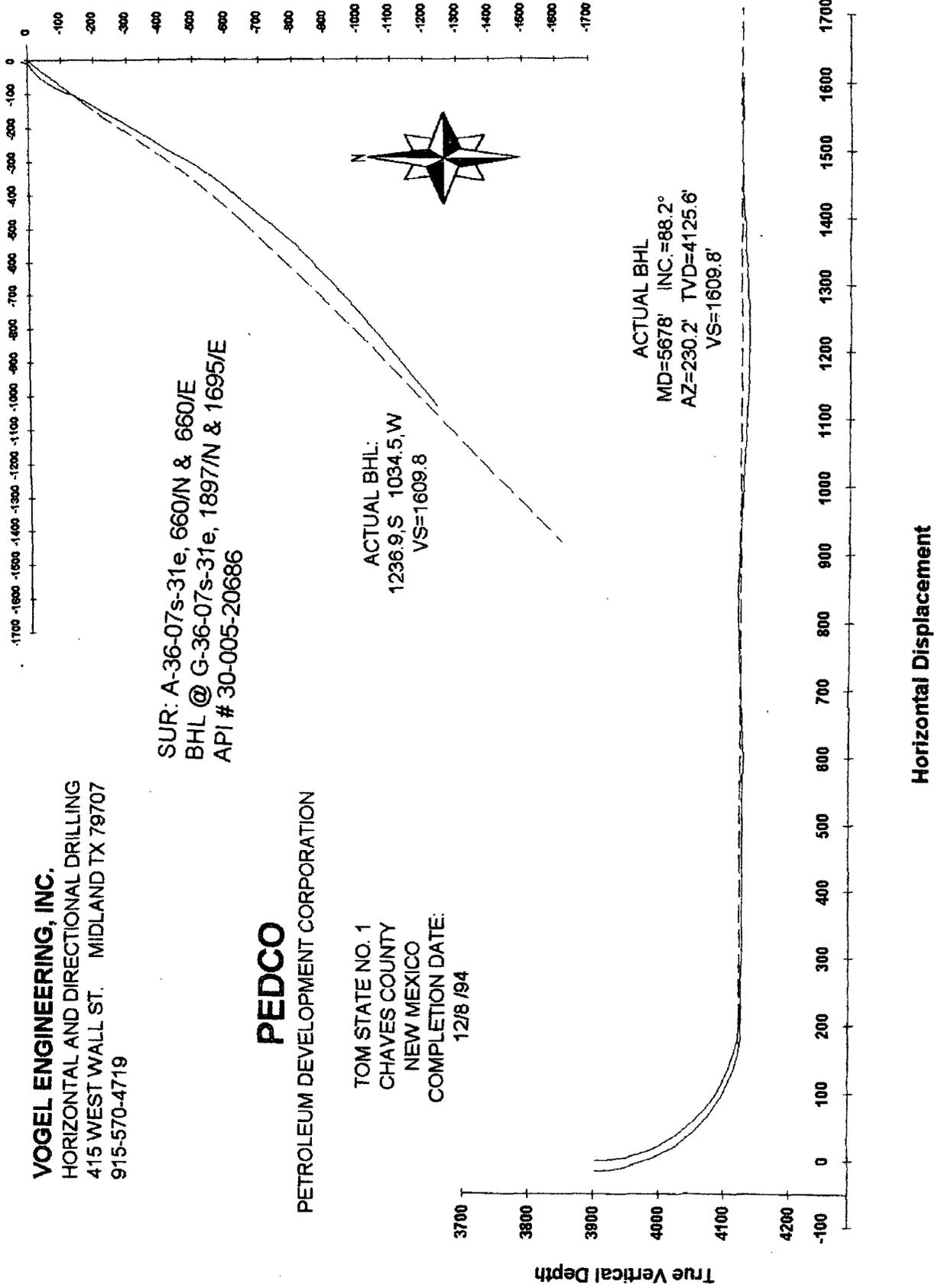
Attachment AA

VOGEL ENGINEERING, INC.
HORIZONTAL AND DIRECTIONAL DRILLING
415 WEST WALL ST. MIDLAND TX 79707
915-570-4719

SUR: A-36-07s-31e, 660/N & 660/E
BHL @ G-36-07s-31e, 1897/N & 1695/E
API # 30-005-20686

PEDCO
PETROLEUM DEVELOPMENT CORPORATION

TOM STATE NO. 1
CHAVES COUNTY
NEW MEXICO
COMPLETION DATE:
12/8 /94



Attachment AA

OPERATOR
PEDCO
 PETROLEUM DEVELOPMENT CORPORATION
TOM STATE 36 No. 1

DIRECTIONAL DRILLING COMPANY
VOGEL ENGINEERING, INC.
 415 WEST WALL STREET MIDLAND TX 79707
 915-670-4719

Target Az: 216.59
 Target TVD: 4124

Start Date: 12/3/1994
 End Date: 12/8/1994

MD	INC	AZ	TVD	Vert. Section	Coordinates		Closure	Build Rate	Walk Rate
					N-S	E-W			
3904.0	0.5	351.3	3903.7	-16.4	22.0	-2.2	22.1		
3910.0	3.0	208.3	3909.7	-16.3	22.0	-2.3	22.1	0.42	-23.83
3926.0	8.0	199.2	3925.7	-14.8	20.6	-3.0	20.8	0.31	-0.57
3942.0	13.6	197.2	3941.4	-11.9	17.8	-3.9	18.2	0.35	-0.13
3953.0	16.6	195.7	3952.0	-9.2	15.0	-4.7	15.7	0.27	-0.14
3963.0	19.3	192.2	3961.5	-6.4	12.0	-5.4	13.2	0.27	-0.35
3974.0	21.3	195.4	3971.8	-2.9	8.3	-6.4	10.5	0.18	0.29
3985.0	22.0	203.2	3982.0	1.0	4.5	-7.7	8.9	0.06	0.71
3995.0	22.7	211.9	3991.3	4.7	1.1	-9.5	9.5	0.07	0.87
4005.0	23.7	219.8	4000.5	8.7	-2.1	-11.8	11.9	0.10	0.79
4021.0	26.8	228.0	4015.0	15.5	-7.0	-16.5	17.9	0.19	0.51
4037.0	31.8	229.4	4028.9	23.1	-12.2	-22.4	25.5	0.31	0.09
4068.0	42.3	227.3	4053.6	41.4	-24.6	-36.3	43.9	0.34	-0.07
4100.0	52.6	222.5	4075.2	64.7	-41.3	-53.0	67.2	0.32	-0.15
4133.0	58.3	212.1	4093.9	91.9	-62.9	-69.4	93.7	0.17	-0.32
4166.0	65.6	202.5	4109.4	120.6	-88.8	-82.8	121.4	0.22	-0.29
4182.0	70.5	201.5	4115.4	135.0	-102.5	-88.4	135.4	0.31	-0.06
4199.0	76.3	202.0	4120.3	150.8	-117.7	-94.4	150.9	0.34	0.03
4211.0	80.1	203.0	4122.7	162.1	-128.5	-98.9	162.2	0.32	0.08
4230.0	86.7	206.4	4124.9	180.6	-145.7	-106.8	180.6	0.35	0.18
4242.0	89.3	207.5	4125.3	192.4	-156.4	-112.2	192.5	0.22	0.09
4261.0	89.4	207.6	4125.6	211.2	-173.2	-121.0	211.3	0.01	0.01
4292.0	89.5	208.0	4125.8	241.8	-200.6	-135.5	242.1	0.00	0.01
4324.0	88.1	207.1	4126.5	273.4	-229.0	-150.3	273.9	-0.04	-0.03
4356.0	89.1	207.8	4127.3	305.0	-257.4	-165.0	305.7	0.03	0.02
4385.0	90.7	210.1	4127.4	333.8	-282.8	-179.0	334.7	0.06	0.08
4418.0	90.1	209.7	4127.1	366.5	-311.4	-195.5	367.6	-0.02	-0.01
4515.0	89.8	212.7	4127.2	463.1	-394.3	-245.7	464.6	0.00	0.03
4612.0	89.5	209.8	4127.8	559.7	-477.3	-296.1	561.6	0.00	-0.03
4645.0	90.0	209.5	4127.9	592.4	-505.9	-312.4	594.6	0.02	-0.01
4678.0	91.5	212.4	4127.5	625.3	-534.2	-329.4	627.6	0.05	0.09
4706.0	92.8	215.4	4126.5	653.2	-557.5	-345.0	655.6	0.05	0.11
4738.0	93.0	217.5	4124.8	685.2	-583.2	-364.0	687.4	0.01	0.07
4770.0	93.3	219.6	4123.1	717.1	-608.2	-383.9	719.2	0.01	0.07

Attachment AA

4802.0	92.0	219.8	4121.6	749.0	-632.7	-404.3	750.9	-0.04	0.01
4835.0	90.8	220.0	4120.8	782.0	-658.1	-425.4	783.6	-0.04	0.01
4852.0	91.1	217.0	4120.5	799.0	-671.4	-436.0	800.5	0.02	-0.18
4875.0	90.5	218.4	4120.2	822.0	-689.6	-450.1	823.4	-0.03	0.06
4906.0	89.4	218.6	4120.2	852.9	-713.8	-469.4	854.3	-0.04	0.01
4938.0	88.3	219.1	4120.9	884.9	-738.7	-489.5	886.2	-0.03	0.02
4969.0	87.0	220.8	4122.1	915.8	-762.5	-509.3	917.0	-0.04	0.05
4981.0	86.8	220.0	4122.8	927.8	-771.6	-517.1	928.9	-0.02	-0.07
5029.0	86.6	222.3	4125.5	975.5	-807.7	-548.6	976.4	0.00	0.05
5063.0	86.7	225.6	4127.5	1009.2	-832.1	-572.2	1009.9	0.00	0.10
5097.0	87.7	227.3	4129.2	1042.7	-855.5	-596.8	1043.1	0.03	0.05
5130.0	87.8	227.0	4130.5	1075.1	-877.9	-621.0	1075.4	0.00	-0.01
5193.0	87.5	227.9	4133.1	1136.9	-920.5	-667.4	1137.0	0.00	0.01
5225.0	88.3	228.1	4134.2	1168.3	-941.9	-691.1	1168.3	0.02	0.01
5257.0	90.9	228.8	4134.5	1199.6	-963.1	-715.1	1199.6	0.08	0.02
5290.0	89.4	228.0	4134.4	1231.9	-985.0	-739.8	1231.9	-0.05	-0.02
5321.0	90.5	228.8	4134.4	1262.2	-1005.6	-762.9	1262.3	0.04	0.03
5355.0	92.6	229.6	4133.5	1295.4	-1027.8	-788.7	1295.5	0.06	0.02
5386.0	93.0	229.4	4132.0	1325.6	-1047.9	-812.2	1325.8	0.01	-0.01
5419.0	93.4	229.1	4130.1	1357.7	-1069.5	-837.2	1358.2	0.01	-0.01
5451.0	93.3	229.2	4128.3	1388.9	-1090.3	-861.3	1389.5	0.00	0.00
5483.0	92.8	229.3	4126.6	1420.1	-1111.2	-885.5	1420.9	-0.02	0.00
5515.0	92.9	229.2	4125.0	1451.2	-1132.1	-909.8	1452.3	0.00	0.00
5544.0	92.1	230.3	4123.7	1479.5	-1150.8	-931.9	1480.8	-0.03	0.04
5559.0	91.0	230.1	4123.3	1494.0	-1160.4	-943.4	1495.5	-0.07	-0.01
5579.0	89.6	229.7	4123.2	1513.5	-1173.3	-958.7	1515.1	-0.07	-0.02
5643.0	88.1	230.1	4124.5	1575.8	-1214.5	-1007.6	1578.1	-0.02	0.01
5650.0	88.2	230.2	4124.7	1582.6	-1219.0	-1013.0	1584.9	0.01	0.01
5678.0	88.2	230.2	4125.6	1609.8	-1236.9	-1034.5	1612.5	0.00	0.00

SCIENTIFIC DRILLING INTERNATIONAL
MIDLAND, TEXAS

Finder Survey
for

Job Number : 32F0694192
Well Number : TOM STATE "36" NO. 1
Site Location : CHAVES COUNTY, NEW MEXICO
Latitude : 33.830
Survey Date(s) : 06-JUN-94
S.D.C. personnel : GARY DESPAIN
Calculation Method : Minimum Curvature
Survey Depth Zero : RKB
Proposal Direction :
Depth Unit : Feet

Comments :
FINDER GYRO (0-4000')

Attachment AA

Inrun Survey

Well number : TOM STATE "36" NO.

Date : 06-JUN-94

Measured Depth	Vertical Depth	Vert. Section	Inc Deg	Azimuth Deg	Coordinates		D-leg /100ft
					Latitude	Departure	
0.0	0.00	0.0	0.00	0.00	0.00	0.00	0.00
100.0	100.00	0.2	0.68	66.10	0.24	0.54	0.68
200.0	199.99	0.7	0.42	50.43	0.71	1.37	0.30
300.0	299.99	1.2	0.47	57.52	1.17	2.00	0.07
400.0	399.99	1.5	0.43	66.41	1.54	2.69	0.08
500.0	499.98	1.6	0.32	108.65	1.60	3.29	0.29
600.0	599.98	1.4	0.27	123.97	1.38	3.75	0.09
700.0	699.98	1.1	0.18	136.50	1.13	4.06	0.10
800.0	799.98	1.0	0.13	122.84	0.96	4.26	0.06
900.0	899.98	0.8	0.28	103.56	0.84	4.59	0.16
1000.0	999.98	0.5	0.34	148.64	0.53	4.99	0.24
1100.0	1099.98	-0.1	0.53	146.77	-0.11	5.39	0.19
1200.0	1199.97	-0.9	0.48	150.53	-0.86	5.85	0.06
1300.0	1299.97	-1.5	0.34	141.56	-1.46	6.24	0.15
1400.0	1399.97	-2.0	0.67	125.18	-2.03	6.91	0.36
1500.0	1499.96	-2.7	0.49	134.15	-2.67	7.69	0.20
1600.0	1599.95	-3.2	0.73	115.96	-3.24	8.57	0.31
1700.0	1699.95	-4.0	0.64	143.62	-3.97	9.47	0.34
1800.0	1799.95	-4.0	0.46	345.56	-4.03	9.71	1.08
1900.0	1899.94	-3.3	0.46	332.78	-3.29	9.42	0.10
2000.0	1999.94	-2.2	0.85	349.05	-2.20	9.10	0.43
2100.0	2099.93	-0.9	0.73	339.18	-0.88	8.73	0.18
2200.0	2199.92	0.4	0.86	336.46	0.41	8.20	0.14
2300.0	2299.91	1.6	0.62	341.45	1.61	7.73	0.25
2400.0	2399.90	2.7	0.71	329.92	2.66	7.25	0.16
2500.0	2499.89	3.9	0.85	336.95	3.88	6.65	0.17
2600.0	2599.88	5.2	0.77	335.05	5.17	6.08	0.08
2700.0	2699.87	6.3	0.82	315.22	6.28	5.29	0.28
2800.0	2799.86	7.4	0.76	327.88	7.35	4.43	0.18
2900.0	2899.85	8.6	0.93	329.28	8.61	3.66	0.17
3000.0	2999.84	10.1	0.99	339.68	10.12	2.95	0.18
3100.0	3099.82	11.7	0.95	333.01	11.67	2.27	0.12
3200.0	3199.81	13.2	0.98	335.85	13.19	1.55	0.06
3300.0	3299.80	14.6	0.72	337.62	14.55	0.96	0.26
3400.0	3399.79	15.9	0.95	334.44	15.88	0.36	0.23
3500.0	3499.78	17.2	0.79	329.24	17.22	-0.35	0.18
3600.0	3599.76	18.6	0.96	334.06	18.57	-1.07	0.19
3700.0	3699.75	19.9	0.68	353.63	19.91	-1.50	0.39
3800.0	3799.75	21.0	0.66	333.45	21.01	-1.82	0.24

DISTRICT I P.O. Box 1980, Hobbs, NM 88240

DISTRICT II P.O. Drawer DD, Artesia, NM 88210

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION P.O. Box 2088 Santa Fe, New Mexico 87504-2088

WELL API NO. 30-005-20686
5. Indicate Type of Lease STATE [X] FEB []
6. State Oil & Gas Lease No. L5120

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE 'APPLICATION FOR PERMIT' (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: OIL WELL [X] GAS WELL [] OTHER []

2. Name of Operator Petroleum Development Corporation

3. Address of Operator 9720-B Candelaria NE Albuquerque, NM 87112

4. Well Location Unit Letter A : 660 Feet From The North Line and 660 Feet From The East Line Section 36 Township 7S Range 31E NMPM Chaves County

7. Lease Name or Unit Agreement Name Tom State #36

8. Well No. 1

9. Pool name or Wildcat Tomahawk San Andres

10. Elevation (Show whether DF, RKB, RT, GR, etc.) 4430' KB

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data. NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK [XX] PLUG AND ABANDON [] TEMPORARILY ABANDON [] CHANGE PLANS [] PULL OR ALTER CASING [] OTHER: Prepare for horizontal drilling [] SUBSEQUENT REPORT OF: REMEDIAL WORK [] ALTERING CASING [] COMMENCE DRILLING OPNS. [] PLUG AND ABANDONMENT [] CASING TEST AND CEMENT JOB [] OTHER: []

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEB RULE 1103.
1) Set cement retainer @ 4080'. Cement squeeze perforation 4104'-4216'.
2) Mill casing: 3874' to 3949' (collars 3964', 4006' & 4049').
3) Set 45 sx. cement plug 4080' - 3774'.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. SIGNATURE [Signature] TITLE President DATE 3/31/94 TYPE OR PRINT NAME J.C. Johnson TELEPHONE NO.

(This space for State Use) APPROVED BY [Signature] TITLE Geologist DATE APR 19 1994 CONDITIONS OF APPROVAL, IF ANY:

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Wednesday, June 27, 2007 4:38 PM
To: 'Billy Prichard'; 'collinsd@zianet.com'; 'Randall Harris'
Cc: Ezeanyim, Richard, EMNRD; Brooks, David K., EMNRD
Subject: SWD Applications Returned

Tracking:

Recipient	Read
'Billy Prichard'	
'collinsd@zianet.com'	
'Randall Harris'	
Ezeanyim, Richard, EMNRD	Read: 6/28/2007 8:52 AM
Brooks, David K., EMNRD	Read: 6/27/2007 5:03 PM

Hello Billy, Dean, and Randall:

My instructions are to return applications to the operator if they are not resolved within 30 days of receipt in Santa Fe. The following applications have therefore been cancelled from consideration for administrative approval.

Ray Westall: Loco Hills Water Disposal #1 30-015-03979
San Juan Resources, Inc.: Apperson #1E 30-045-31250
Stearns: Tom 36 State #1 30-005-20686

If in the future, all conditions which delayed these from being approved are resolved, feel free to re-apply to this office. You will at that time need to do another take-off and re-notice all affected parties and otherwise complete form C-108 again. The good news is that it should be quicker at that time.

Thank You,

William V. Jones PE
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505
505-476-3448

7/3/2007

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Tuesday, July 03, 2007 3:37 PM
To: 'Billy Prichard'
Cc: Ezeanyim, Richard, EMNRD; Brooks, David K., EMNRD; Kautz, Paul, EMNRD
Subject: SWD application on behalf of Stearns: Tom 36 State #1 API No. 30-005-20686

Hello Mr. Prichard:

Received a verbal request for a status report on this application today. After reviewing this application:

- 1) Need a formal signed request letter from Betty Southard withdrawing her protest of this application.
- 2) Since Stearns proposes to inject lease waste water back into the San Andres near other San Andres producing wells, the question of waste arises. Please send a statement signed by Mr. Stearns as to the expected effect of injection into this horizontal hole on surrounding producers, in particular, the Tom 36 State Well No. 2.
- 3) Did you check for windmills or other water wells in this area that are not recorded on the State Engineers site? If they exist, please have a sample analyzed and send a copy of the analysis to this office. Where is the nearest water well that Betty Southard uses for her ranch cattle or her residence? You can send the analysis later after this permit is issued, but it should be sent.
- 4) The 30 day time limit expired on this application and it has been cancelled from our system. Since it was logged in very recently (May 31, 2007), it is not considered necessary to re-notice all affected parties. Just send in a formal request to re-consider this application - email or fax will work.

Regards,

William V. Jones PE
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505
505-476-3448

7/3/2007

May 29, 2007

2007 JUN 4 PM 1:00

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

Dear Sirs:

I wish to file an objection to John R. Stearns dba Stearns Inc. HC65 Box 988, Crossroads, New Mexico, 88114 plans to convert the Tom 36 State#1 , API # 30-005-20686 660 FNL X 660 FEL, Unit Letter A, Section 36, T7S, R31E, Chaves County, New Mexico from a Tomahawk oil well to a lease salt water disposal well.

I am concerned that Mr. Stearns cannot prove exactly where the waste salt water will go once it enters the horizontal lateral line he proposes to use. It is possible for Mr. Stearns to do a step rate test, in given intervals, on the lateral line to insure that waste salt water does not find its way to the fresh water in the Santa Rosa Aquifer? Is it possible that waste salt water be limited to ONLY the waste salt water from the wells on the Tom State Lease?

I don't believe that at this time Mr. Stearns has established the working condition of the horizontal lateral line to verify exactly where the waste salt water will go.

Thank you for your consideration in this matter.

James P. Southard Rev. Trust



Betty Southard, Successor Trustee
P. O. Box 94
Kenna, N. M. 88122

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Friday, June 08, 2007 10:17 AM
To: 'shabillron01@warpdriveonline.com'
Cc: Ezeanyim, Richard, EMNRD; Arrant, Bryan, EMNRD
Subject: SWD Application on Behalf of John R. Stearns dba Stearns: Tom 36 State #1 (API No 30-005-20686)
Attachments: StearnsProtest.tif

Hello Mr. Pritchard:

The Division received your application on behalf of Stearns and has also received a protest letter from Betty Southard (see attached).

We will hold the administrative application a maximum of 30 days - pending your negotiation with Ms. Southard.

Please feel free to set this case for hearing if you do not anticipate success in negotiations with the protestant. If you do intend to pursue this, let me know.

Thank You,

William V. Jones PE
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505
505-476-3448

6/8/2007

Jones, William V., EMNRD

From: Billy Prichard [shabillron01@warpdriveonline.com]
Sent: Monday, July 16, 2007 6:00 AM
To: Jones, William V., EMNRD
Cc: Bobby Stearns
Subject: SWD application of Stearns

Attachments: email answer.doc



email answer.doc
(21 KB)

Will, Please find attached copy of statement from Stearns. Hard copy has been mailed..Betty Southard has not furnished us with a copy of letter withdrawing her objection to SWD permit. She will call and visit with you on Wednesday of this week. She has given us verbal that she will withdraw her objection.. Call if you need something else.
BEP

This inbound email has been scanned by the MessageLabs Email Security System.

John R. Stearns dba Stearns
C108(Application for Authorization to Inject)

RECEIVED

Tom 36 State # 1
API # 30-005-20686 2007 JUL 16 PM 1:39

660 FNL & 660 FEL
Unit Letter "A", Section 36, T7S, R31E
Chaves County, New Mexico

New Mexico Oil Conservation Division
Engineering Bureau

Attention: William V. Jones

RE: Email dated 7/3/2007

San Andres production in the Tom Tom, Tomahawk and Cato fields has historically produced vast amounts of water. The Tom 36 State # 1 has been shut in since March, 1994. The well was SI due to very small oil cut and high water production. The closest offset well the Tom 36 State # 2 has been SI since 1995. The Tom 36 State # 2 was permitted and used as SWD well from 1994-1995 when it was SI due to some mechanical integrity problem. The Tom 36 State # 2 is currently on Stearns plugging list. The conversion of the Tom 36 State #1 to SWD well would allow the return to production of several Stearns wells that are currently SI due to high water cut and the expense of hauling produced water. Production would actually be gained by the conversion of the Tom 36 State # 1 to SWD.

Betty Southard has pointed out a windmill that is close to the border of the 1.0 mile area of review..Samples are currently being analyzed. Analysis will be forwarded when completed. Betty Southard residence is estimated at 6 miles north of disposal.

Sincerely,



John R. Stearns, Jr.

Post-it [®] Fax Note 7671		Date 7-19-07	# of pages 1
To Will Jones	From Betty Southard		
Co./Dept. NM Oil Cons. Div	Co.		
Phone #	Phone #		
Fax # 505-476-3462	Fax #		

July 19, 2007

Mr. Will Jones
 New Mexico Oil Conservation Division
 1220 South St. ^{FRANCIS} Dr.
 Santa Fe, New Mexico 87505

RECEIVED

JUL 23 2007

Oil Conservation Division
 1220 S. St. Francis Drive
 Santa Fe, NM 87505

Dear Mr. Jones:

I wish to withdraw my objection to John R. Stearns dba Stearns, Inc. HC65 Box 988, Crossroads, New Mexico 88114 plans to convert the Tom 36 State #1, API # 30-005-20686 FNL X 660 FEL, Unit Letter A, Section 36, T7S, R31E, Chaves County, New Mexico from a Tomahawk oil well to a lease salt water disposal well.

I also respectfully request that if Mr. Stearns request is approved by the Oil Conservation Division, that the OCD provide me with the maximum amount of pressure permitted for the disposal of the salt water at this site, and that Mr. Stearns show me the gauge and how to read it.

Thank you for requesting a water sample from the Gowdy Windmill for your records, and I certainly appreciate your time and consideration in this matter.

James P. Southard Rev. Trust

Betty Southard

Betty Southard, Successor Trustee
 P. O. Box 94
 Kenna, New Mexico 88122

Injection Permit Checklist 2/8/07

Just next to Roosevelt CTX

SWD Order Number _____ Dates: Division Approved _____ District Approved _____

Well Name/Num: TOM 36 STATE #1 Date Spudded: 7/9/79

API Num: (30-) 005-20686 County: Chaves (Hobbs)

Footages: 660 FNL/660 FEL Sec 36 Tsp 7S Rge 31E

Operator Name: John R. Stearns dba Stearns Contact: John R. Stearns Bill E. Prichard agent

Operator Address: HC 65 Box 988, Crossroads, NM, 88114

Current Status of Well: LONG TIME INACTIVE Planned Work: (convert to Lease SWD) Inj. Tubing Size: 2 3/8" @ 3825'

06 RIB
21566
Took over
THIS well
7/1/02

	Hole/Pipe Sizes	Depths	Cement	Top/Method
Surface	12 1/4 8 5/8	1749	750 SX	CIRC
Intermediate				
Production	7 7/8 5 1/2	4295'	400 SX	2162 calc
Last DV Tool				
Open Hole/Liner				
Plug Back Depth				

Diagrams Included (Y/N): Before Conversion After Conversion
 Checks (Y/N): Well File Reviewed ELogs in Imaging Log's Lack Depth Track

Intervals:	Depths	Formation	Producing (Yes/No)
Salt/Petash	1780-2060		
Gepitan Reef			
Cliff House, Etc.		Queen	
Formation Above	3340'	SATOP	
3904 KOP Top Inj Interval	4104	SA	
4125 Bottom Inj Interval	4216	SA	
Formation Below		GLORIETA	

R-10274 (1994)
 To drill Lateral
 A 5HL
 G 1897 FNL
 BHL
 775 PSI Max. WHIP 1695 FEET
 Yes Open Hole (Y/N)
 Yes HORIZ
 Deviated Hole (Y/N)

3874
 5678 m.p.

Fresh Water: Depths: 0-300' Wells(Y/N) NO Analysis Included (Y/N): NO Affirmative Statement

Salt Water Analysis: Injection Zone (Y/N/NA) SA DispWaters (Y/N/NA) _____ Types: SA

Notice: Newspaper(Y/N) Surface Owner: SLO Mineral Owner(s): SLO

Other Affected Parties: Texas RE-EXPL, Canofor, Jimp, Southard OK

AOR/Repairs: NumActiveWells 12 Repairs? 1 Producing in Injection Interval in AOR yes

AOR Num of P&A Wells 0 Repairs? _____ Diagrams Included? _____ RBDMS Updated (Y/N) _____

Well Table Adequate (Y/N) OK AOR STRs: Sec _____ Tsp _____ Rge _____ UIC Form Completed (Y/N) _____

New AOR Table Filename _____ Sec _____ Tsp _____ Rge _____ This Form completed _____

Conditions of Approval: Sec _____ Tsp _____ Rge _____ Data Request Sent 7/3/07

- Protest withdrawn from Betty Southard.
- Stopdown above waste
- Re-activate

AOR Required Work: _____

Required Work to this Well: _____

Rule 40 checked
 7/3/07
 wells are in
 track
 OK

3874
 7748