

ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



*Biscuit Hills DSP*  
*TRANSFERRED 29 Feb 11*

**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 \_\_\_\_\_

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- [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.**

<u>Billy E. Prichard</u> Print or Type Name	<u><i>Billy E. Prichard</i></u> Signature	<u>Agent for Biscuit Hills Disposal, LLC</u> Title	<u>3/8/08</u> Date
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shabillron01@warpdrievonline.com  
e-mail Address

**Pueblo West LLC**  
Oilfield Consulting Service

March 8, 2008

Mr. William Jones  
New Mexico Energy, Minerals, and Natural Resources Department  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505

Subject

Biscuit Hills Disposal, L.L.C.  
Salt Water Disposal Permit Application  
**Tracey 29 Federal #001**  
**API # 30-015-28142**  
**950 FSL X 1980 FEL**  
**Section 28, T17S, R31E**  
**Eddy County, New Mexico**

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Mr. Jones:

Attached, please find copy of Biscuit Hills Disposal, L.L.C. application to convert the Tracey 29 Federal #001 from a Temporarily Abandoned Wolfcamp oil well to a commercial salt water disposal well. Federal Bonding is in place and currently waiting on change of operator, which should be complete soon.

Attached in support of this application is each of the following:

1. Administrative Application checklist.
2. Form C-108, Application for Authorization to Inject
3. Supporting documents for form C-108

If any further information is needed, please contact me at the address below or by telephone, 575-390-9100.

Sincerely,



Billy E. Prichard

1611 SE 5<sup>th</sup> Street  
Seminole, TX 79360  
Phone: 432-955-0680  
Cell: 575-390-9100  
E-mail: shabillron01@warpdriveonline.com

**APPLICATION FOR AUTHORIZATION TO INJECT**

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

II. OPERATOR: **Biscuit Hills Disposal , L.L.C.**  
ADDRESS: **P.O. Box 564 Lovington, NM 88260**

CONTACT PARTY: **Billy E. Prichard** PHONE: **575-390-9100**

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 for Biscuit Hills Disposal , LLC**

SIGNATURE: \_\_\_\_\_



DATE:   3/8/08  

E-MAIL ADDRESS: **shabillron01@warppdriveonline.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: \_\_\_\_\_

**Biscuit Hills Disposal, L.L.C.**  
**C-108 ( Application for Authorization to Inject)**  
**Tracey 29 Federal # 001**  
**API # 30-015-28142**  
**950 FSL X 1980 FEL**  
**Unit Letter "O", Section 29, T17S, R31E**  
**Eddy County, New Mexico**

- I. The purpose of this application is for the conversion of the above well from a Cedar Lake Morrow gas well to a commercial salt water disposal well. This application qualifies for administrative approval.**
- II. Biscuit Hills Disposal, L.L.C.**  
**PO Box 564**  
**Lovington, New Mexico 88260**  
**Contact; Billy (Bill) E. Prichard 575-390-9100**
- III. Well data – Attachment A**
- IV. This is not an expansion of an existing project.**
- V. Map of Area of Review – Attachment B**
- VI. Wells in AOR – Attachment C**
- VII. The proposed daily disposal rate is expected to be 3000 BWPD with a maximum disposal rate of 6000 BWPD.**  
**This will be an open system**  
**The proposed average disposal pressure is expected to be 0 psig with a maximum disposal pressure of 1665 psig.  $0.2\text{psi/ft} \times 8327\text{feet}$**   
**The disposed fluid will be produced water trucked in from numerous producing formations in southeastern New Mexico. – Attachment D**
- VIII. Geological Data – Attachment E**
- IX. No stimulation is planned unless rates and pressures dictate.**
- X. Logs and completion data submitted by a previous operator.**
- XI. No fresh water wells were identified in the 1.0 mile AOR. – Attachment F**
- XII. Affirmative water statement – Attachment G**
- XIII. Proof of Notify and Proof of Publication – Attachment H**

**Biscuit Hills Disposal, L.L.C operates no other wells in New Mexico**

API Number                      ULSTR                                      Footages  
 3001528142                      O-29-17S-31E                                      950 FSL & 1980 FEL  
 Well Name & Number: TRACY 29 FEDERAL No. 001  
 Operator: YESO ENERGY, INC.

Spud 10/11/1994 as Morrow test

13 3/8" 48# H40 csg at 640ft in 17 1/2" hole. Cement as follows;  
 270 sacks Class C with 4% gel and 2% CaCl X 350 sacks Class C with 2%CaCl  
 Cement circulated

8 5/8" 32# J55 csg at 4524ft in 11" hole. Cement as follows;  
 1775 sacks 65/35 Class C Poz with 6% Gel x 5% salt x 1/4 # per sack of cello flakes  
 200 sacks Class C Neat  
 Cement circulated

5 1/2" 17# S95 X N80 csg at 11821ft in 7 7/8" hole. Cement as follows;  
 DV Tool at 10800ft  
 1<sup>st</sup> Stage 50 sacks 65/35 Class H/Poz w/ 6% Gel x 5# salt  
 Tailed in with 250 sacks Class H/Poz w/ 2% Gel + KCL  
 2<sup>nd</sup> Stage 575 sacks 65/35 Class H/Poz filler X 575 sacks 50/50 Class H/Poz w/ 2% Gel +  
 KCL. Tailed in 100 sacks Class H Neat. Top of cement calculated at 2680ft with 70%  
 fill.  
 65/35 Class "H"/Poz with 6% Gel and 5# Salt yield = 2.07 cubic feet per sack  
 Class "H"/Poz with 2% Gel yield = 1.24 cubic feet per sack  
 65/35 Class "H"/Poz filler yield = 2.01 cubic feet per sack  
 50/50 Class "H"/Poz with 2% Gel = 1.28 cubic feet per sack  
 Morrow perforations – 11544-11642ft  
 Cast iron bridge plug at 11350ft, capped with 35ft of cement  
 Wolfcamp perforations – 8327-8584ft  
 Cast iron bridge plug at 8270ft, capped with 35ft of cement

**Production Summary of api:3001528142 pool:CEDAR LAKE;MORROW, EAST (GAS)**

producing year	Oil	Gas	Water	Co2
1995	0	0	0	0
1997	306	13271	2	0
1998	131	9634	12	0
1999	1	3136	0	0
2000	117	2910	0	0
2001	0	278	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
summary	555	29229	14	0

**Subject:** Cement Info.

**From:** "Donnie Seay" <Donald.Seay@Halliburton.com>

**Date:** Wed, 12 Dec 2007 07:33:18 -0600

**To:** <shabillron01@warpdriveonline.com>

Bill,

Here the info you were asking me about:

1. 65/35 Class H/Poz with 6% Gel and 5# Salt  
(12.5 #/gal-2.07 ft<sup>3</sup>/sk-11.65 gal/sk)
2. Class H/Poz with 2% Gel  
(14.4#/gal-1.24ft<sup>3</sup>/sk-5.80 gal/sk)
3. 65/35 Class H/Poz filler???  
(12.4 #/gal-2.01ft<sup>3</sup>/sk-11.41 gal/sk)
- 4.50/50 Class H/Poz with 2% Gel  
(14.2#/gal-1.28ft<sup>3</sup>/sk-6.12 gal/sk)

Regards,

**Donnie Seay**

**Performance Development Coordinator**

**Cementing Services**

**Hobbs, New Mexico**

**505-392-0725 Office**

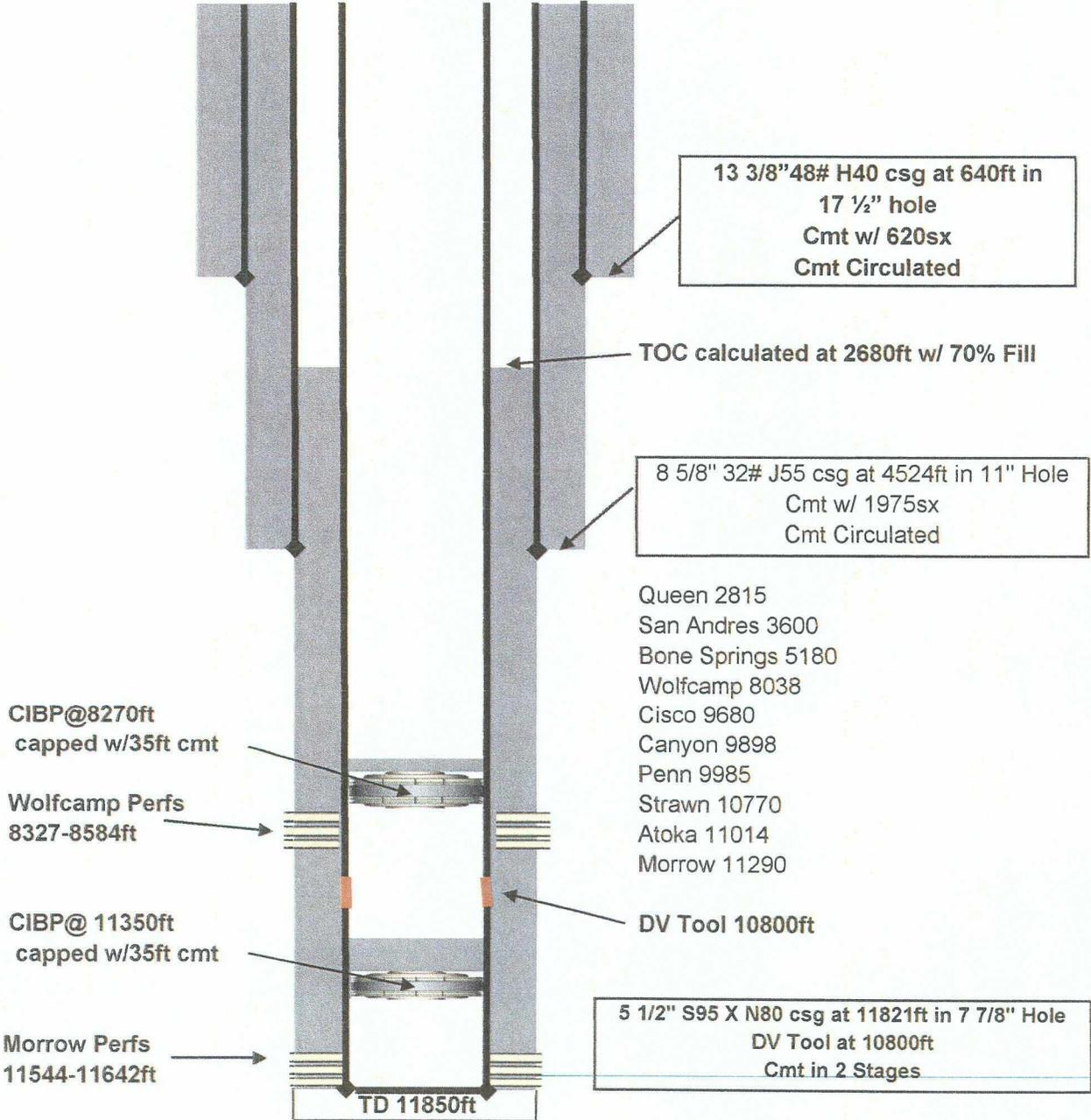
**505-390-1033 Cellular**

**HALLIBURTON**

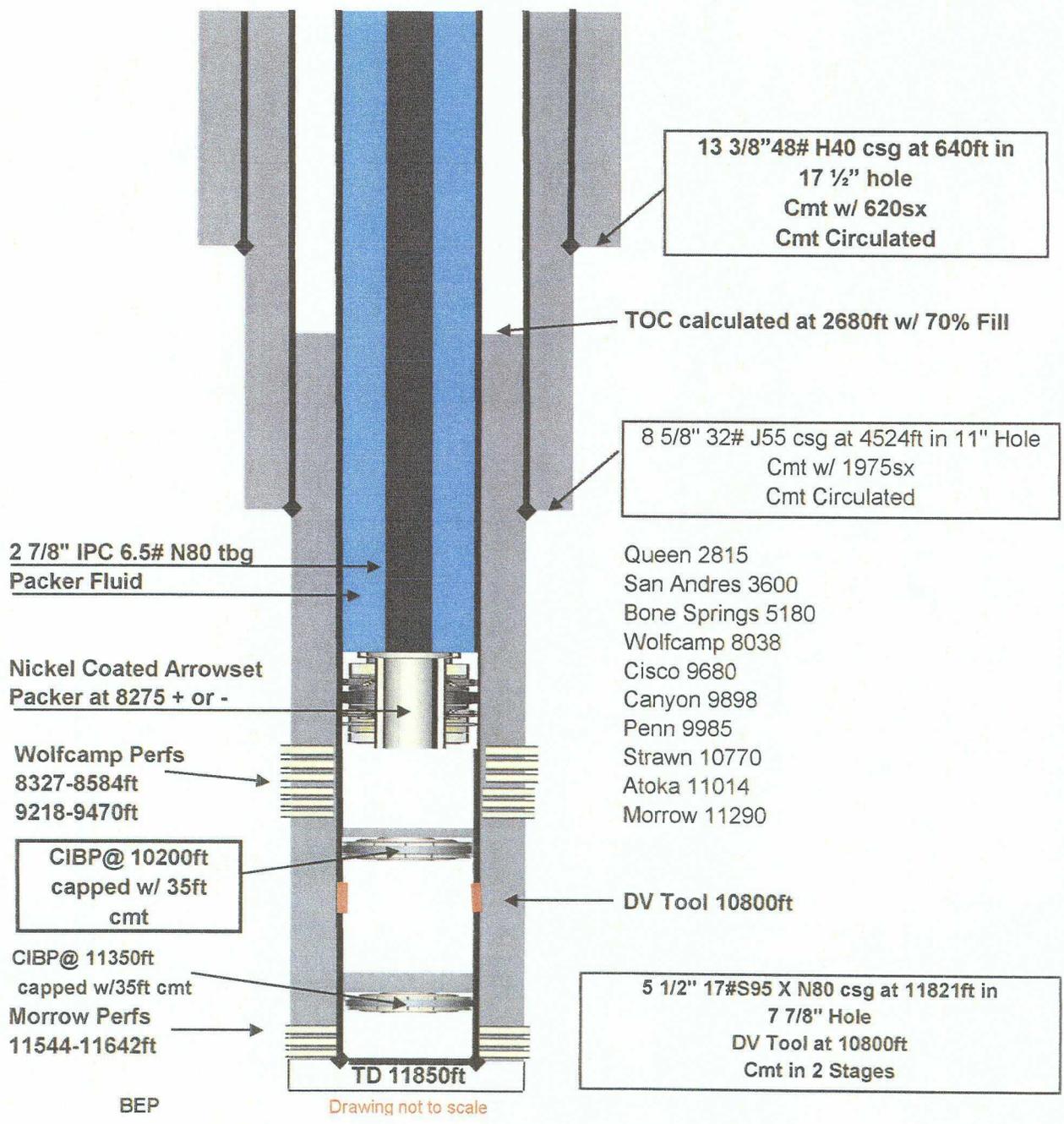
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*Attachment A*

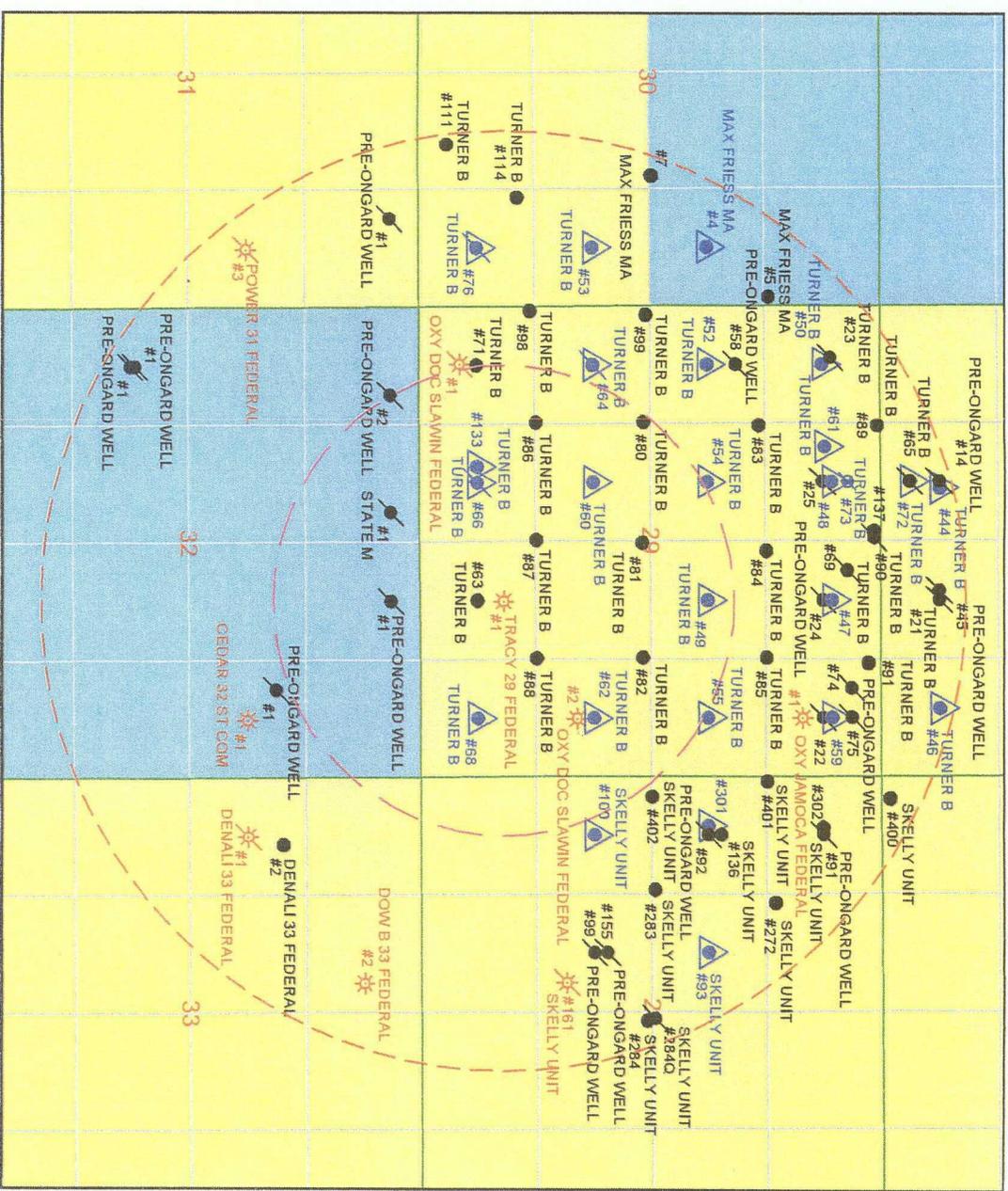
**Yeso Energy, Inc**  
**Tracey 29 Federal # 001**  
**API # 30-015-28142**  
**950 FSL X 1980 FEL**  
**Unit Letter "O", Section 29, T17S, R31E**  
**Eddy County, New Mexico**  
**Spud 10/11/1994 as Morrow Test**  
**Prior to Conversion to SWD**



**Biscuit Hills Disposal, L.L.C.**  
**Tracey 29 Federal # 001**  
**API # 30-015-28142**  
**950 FSL X 1980 FEL**  
**Unit Letter "O", Section 29, T17S, R31E**  
**Eddy County, New Mexico**  
**Spud 10/11/1994 as Morrow Test**  
**After Conversion to SWD**



# Attachment B

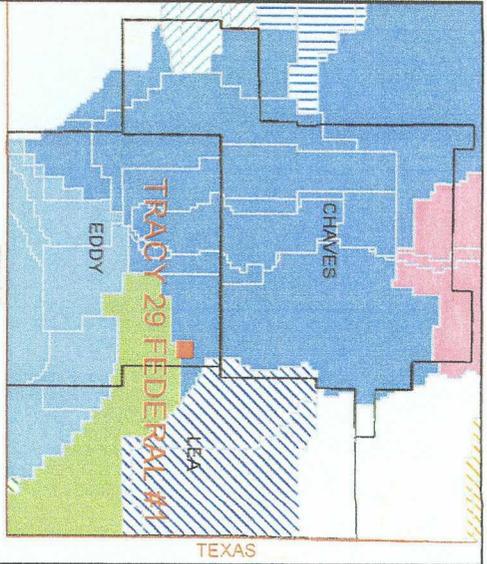


**SURFACE OWNERSHIP**

- BLM
- STATE
- PRIVATE
- BUREAU OF RECLAIM.
- NATIONAL PARK SERV.
- FOREST SERVICE
- PARK
- WILDLIFE REFUGE
- TRIBAL LANDS

**WELL TYPES**

- ACTIVE OIL
- ACTIVE GAS
- INACTIVE OIL
- INACTIVE GAS
- ACTIVE INJECTION
- ACTIVE WATER
- INACTIVE INJECTION
- INACTIVE WATER
- ACTIVE SWD
- INACTIVE SWD
- WATER WELL



**DECLARED GROUND WATER BASINS**

- CAPITAN
- CARLSBAD
- FORT SUMNER
- SALT BASIN
- LEA COUNTY
- JAL
- HONDO
- PENASCO
- PORTALES
- ROSWELL
- ARTESIAN

1 MILE RADIUS

1/2 MILE RADIUS

TOWNSHIP LINE

SECTION LINE

SCALE: 1" = 2000'

0 MI 1/4 1/2 1 MI

**YESO ENERGY, INC.**

**TRACY 29 FEDERAL #1**

API: 3001528142

SEC: 29

UNIT: O

950 FSL

TWP: 17S

RNG: 31E

1980 FEL

COUNTY: EDDY

S 85 E - 30.0 MILES FROM Artesia, NM

LAT: 32°48.056' N.

LONG: 103°53.382' W.

NO WARRANTY IS EXPRESSED OR IMPLIED AS TO THE RELIABILITY AND/OR COMPLETENESS OF THIS MAP

DATE: 12/06/07

WWW.WELLFROMAPPING.COM

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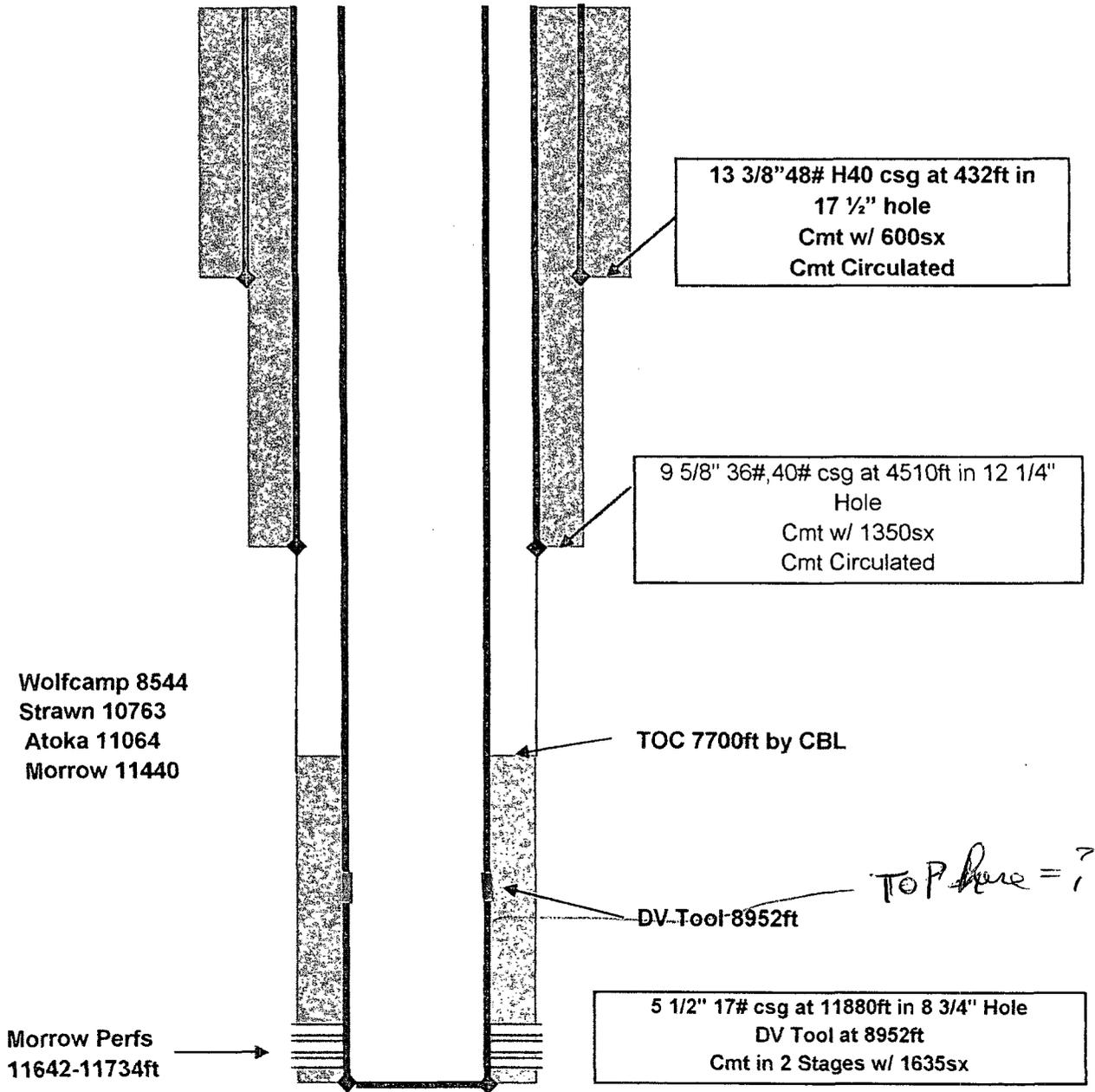
RAD	API	OPERATOR	LEASE	#	TYPE	STAT	TWN	RNG	SEC	UNT	TD
3001528142		BISCUIT HILLS DISPOSAL	TRACY 29 FEDERAL	1	GAS	ACT	17S	31E	29	O	11850
290	3001505450	MERIT ENERGY CO	TURNER B	63	OIL	ACT	17S	31E	29	O	3670
751	3001526571	MERIT ENERGY CO	TURNER B	88	OIL	ACT	17S	31E	29	J	3745
777	3001526387	MERIT ENERGY CO	TURNER B	87	OIL	ACT	17S	31E	29	K	3725
1280	3001505484	POWO	PRE-ONGARD WELL	1	OIL	PLU	17S	31E	32	B	3810
1350	3001504902	AVON ENERGY CORP	TURNER B	66	INJ	PLU	17S	31E	29	N	3706
1352	3001505452	MERIT ENERGY CO	TURNER B	68	INJ	ACT	17S	31E	29	P	3718
1527	3001529649	MERIT ENERGY CO	TURNER B	133	INJ	ACT	17S	31E	29	N	3953
1558	3001532585	OXY	OXY DOC SLAWIN FEDERAL	2	GAS	ACT	17S	31E	29	I	11880
1616	3001505489	ME-TEX OIL & GAS INC	STATE M	1	OIL	PLU	17S	31E	32	C	3704
1673	3001505449	MERIT ENERGY CO	TURNER B	62	INJ	ACT	17S	31E	29	I	3690
1675	3001505447	MERIT ENERGY CO	TURNER B	60	INJ	ACT	17S	31E	29	K	3626
1717	3001526389	MERIT ENERGY CO	TURNER B	81	OIL	ACT	17S	31E	29	J	3700
1725	3001526385	MERIT ENERGY CO	TURNER B	82	OIL	ACT	17S	31E	29	J	3724
2031	3001526392	MERIT ENERGY CO	TURNER B	86	OIL	ACT	17S	31E	29	L	3730
2343	3001505436	MERIT ENERGY CO	TURNER B	49	INJ	ACT	17S	31E	29	G	3502
2569	3001526388	MERIT ENERGY CO	TURNER B	80	OIL	ACT	17S	31E	29	L	3597
2638	3001505488	POWO	PRE-ONGARD WELL	2	OIL	PLU	17S	31E	32	D	3654
2655	3001505454	MERIT ENERGY CO	TURNER B	71	OIL	ACT	17S	31E	29	M	
2688	3001505444	MERIT ENERGY CO	TURNER B	55	INJ	ACT	17S	31E	29	H	
2691	3001505443	MERIT ENERGY CO	TURNER B	54	INJ	ACT	17S	31E	29	F	
2703	3001533180	MARBOB ENERGY CORP	OXY DOC SLAWIN FEDERAL	1	GAS	PLU	17S	31E	29	M	
2784	3001505482	POWO	PRE-ONGARD WELL	1	OIL	PLU	17S	31E	32	H	
2786	3001529860	WISER OIL CO (THE)	SKELLY UNIT	402	OIL	ACT	17S	31E	28	E	
2833	3001505432	WISER OIL CO (THE)	SKELLY UNIT	100	INJ	ACT	17S	31E	28	L	
2835	3001505451	DEVON	TURNER B	64	INJ	PLU	17S	31E	29	L	
3067	3001526391	MERIT ENERGY CO	TURNER B	84	OIL	ACT	17S	31E	29	B	
3085	3001526386	MERIT ENERGY CO	TURNER B	85	OIL	ACT	17S	31E	29	B	
3216	3001527929	HARVEY E YATES CO	CEDAR 32 ST COM	1	GAS	ACT	17S	31E	32	H	
3265	3001526620	MERIT ENERGY CO	TURNER B	98	OIL	ACT	17S	31E	29	M	
3454	3001529496	WISER OIL CO (THE)	SKELLY UNIT	301	INJ	ACT	17S	31E	28	E	
3528	3001505431	POWO	PRE-ONGARD WELL	92	OIL	PLU	17S	31E	28	E	
3531	3001526390	MERIT ENERGY CO	TURNER B	83	OIL	ACT	17S	31E	29	F	
3532	3001505442	MERIT ENERGY CO	TURNER B	52	INJ	ACT	17S	31E	29	E	

3599	3001526621	MERIT ENERGY CO	TURNER B	99	OIL	ACT	17S	31E	29	L
3629	3001522481	WISER OIL CO (THE)	SKELLY UNIT	136	OIL	ACT	17S	31E	28	E
3645	3001529817	WISER OIL CO (THE)	SKELLY UNIT	401	OIL	ACT	17S	31E	28	D
3663	3001505433	POWO	POW	24	OIL	PLU	17S	31E	29	B
3667	3001532265	OXY	OXY JAMOCA FEDERAL	1	GAS	ACT	17S	31E	29	A
3686	3001529227	WISER OIL CO (THE)	SKELLY UNIT	283	OIL	ACT	17S	31E	28	E
3734	3001532164	V-F PETROLEUM INC	DENALI 33 FEDERAL	2	OIL	ACT	17S	31E	33	E
3759	3001505445	POWO	POW	58	OIL	PLU	17S	31E	29	E
3763	3001505435	MERIT ENERGY CO	TURNER B	47	INJ	ACT	17S	31E	29	B
3892	3001505439	SOCORRO PET CO	TURNER B	22	OIL	PLU	17S	31E	29	A
3895	3001505434	MERIT ENERGY CO	TURNER B	25	OIL	T/A	17S	31E	29	C
3948	3001531723	EOG RESOURCES INC	DENALI 33 FEDERAL	1	GAS	PLU	17S	31E	33	E
3957	3001505453	MARBOB	TURNER B	69	OIL	PLU	17S	31E	29	B
3969	3001505475	MERIT ENERGY CO	TURNER B	76	INJ	UNC	17S	31E	30	P
3986	3001505446	MERIT ENERGY CO	TURNER B	59	INJ	ACT	17S	31E	29	A
3989	3001505458	MERIT ENERGY CO	TURNER B	48	INJ	ACT	17S	31E	29	C
4068	3001505448	MERIT ENERGY CO	TURNER B	61	INJ	ACT	17S	31E	29	J
4091	3001504829	POWO	POW	99	OIL	PLU	17S	31E	28	K
4093	3001505472	MERIT ENERGY CO	TURNER B	53	INJ	ACT	17S	31E	30	I
4112	3001505456	POWO	POW	74	OIL	PLU	17S	31E	29	A
4131	3001522533	POWO	POW	155	OIL	PLU	17S	31E	28	K
4159	3001505455	MARBOB	TURNER B	73	SWD	PLU	17S	31E	29	C
4203	3001505457	POWO	POW	75	OIL	PLU	17S	31E	29	D
4241	3001526603	MERIT ENERGY CO	TURNER B	91	OIL	ACT	17S	31E	29	A
4304	3001526606	DEVON	TURNER B	90	OIL	UNC	17S	31E	29	C
4317	3001529954	MERIT ENERGY CO	TURNER B	137	OIL	ACT	17S	31E	29	B
4346	3001528140	WISER OIL CO (THE)	SKELLY UNIT	161	GAS	PLU	17S	31E	28	K
4468	3001529712	WISER OIL CO (THE)	SKELLY UNIT	302	OIL	ACT	17S	31E	28	D
4474	3001505481	POWO	POW	1	OIL	PLU	17S	31E	31	A
4512	3001505427	POWO	POW	91	OIL	PLU	17S	31E	28	D
4517	3001505437	MERIT ENERGY CO	TURNER B	50	INJ	ACT	17S	31E	29	D
4523	3001529187	MERIT ENERGY CO	TURNER B	114	OIL	ACT	17S	31E	30	P
4572	3001526656	MERIT ENERGY CO	MAX FRIESS MA	5	OIL	ACT	17S	31E	30	A
4585	3001527675	V-F PETROLEUM INC	DOW B 33 FEDERAL	2	GAS	ACT	17S	31E	33	C
4599	3001504885	WISER OIL CO (THE)	SKELLY UNIT	93	INJ	ACT	17S	31E	28	F
4604	3001505471	MERIT ENERGY CO	MAX FRIESS MA	4	INJ	ACT	17S	31E	30	H

4611	3001529064	WISER OIL CO (THE)	SKELLY UNIT	272	OIL	ACT	17S	31E	28	C
4638	3001505438	MERIT ENERGY CO	TURNER B	23	OIL	T/A	17S	31E	29	D
4717	3001526595	MERIT ENERGY CO	TURNER B	89	OIL	ACT	17S	31E	29	C
4838	3001505302	MERIT ENERGY CO	TURNER B	72	INJ	ACT	17S	31E	20	O
4838	3001505299	MARBOB	TURNER B	65	OIL	PLU	17S	31E	20	N
4920	3001531806	DEVON	POWER 31 FEDERAL	3	GAS	PLU	17S	31E	31	H
4950	3001525053	POWO	POW	1	OIL	PLU	17S	31E	32	L
4955	3001529856	WISER OIL CO (THE)	SKELLY UNIT	400	OIL	ACT	17S	31E	21	M
4983	3001505293	HONDO OIL & GAS CO	TURNER B	21	OIL	PLU	17S	31E	20	O
4984	3001505312	POWO	POW	45	OIL	PLU	17S	31E	20	O
4992	3001505485	POWO	POW	1	OIL	PLU	17S	31E	32	L
5000	3001529314	WISER OIL CO (THE)	SKELLY UNIT	284	OIL	ACT	17S	31E	28	J
5002	3001528976	WISER OIL CO (THE)	SKELLY UNIT	284Q	OIL	PLU	17S	31E	28	G
5062	3001526883	MERIT ENERGY CO	MAX FRIESS MA	7	OIL	ACT	17S	31E	30	G
5128	3001505313	MERIT ENERGY CO	TURNER B	46	INJ	ACT	17S	31E	20	P
5137	3001505311	MERIT ENERGY CO	TURNER B	44	INJ	ACT	17S	31E	20	N
5156	3001505286	POWO	POW	14	OIL	PLU	17S	31E	20	N
5161	3001529530	MERIT ENERGY CO	TURNER B	111	OIL	ACT	17S	31E	30	O

POWO = PRE-ONGARD WELL OPERATOR  
POW= PRE-ONGARD WELL

Oxy USA WTP Limited Partnership  
 Oxy Doc Slawin Federal # 2  
 API # 30-015-32585  
 1780 FSL X 660 FEL  
 Unit Letter "I", Section 29, T17S, R31E  
 Eddy County, New Mexico  
 Spud 3/29/2003 as Morrow Test



# NM WAIDS

DATA

MAPS

HOME

SCALE

General Information About: Sample 3509			
EL VIS 002			
API	3002533854	Sample Number	
Unit/Section/ Township/Range	O / 17 / 17 S / 32 E	Field	
County	Lea	Formation	WOLF
State	NM	Depth	
Lat/Long	32.82945 / -103.78728	Sample Source	
TDS (mg/L)	120258	Water Type	
Sample Date (MM/DD/YYYY)	1/25/2000	Analysis Date (MM/DD/YYYY)	2/9/2000
Remarks/Description			
Cation Information (mg/L)		Anion Information (mg/L)	
Potassium (K)	307.004	Sulfate (SO)	1368.55
Sodium (Na)	44579.4	Chloride (Cl)	78216.8
Calcium (Ca)	4415.89	Carbonate (CO <sub>3</sub> )	0
Magnesium (Mg)	817.236	Bicarbonate (HCO <sub>3</sub> )	172.96
Barium (Ba)	0.2162	Hydroxide (OH)	
Manganese (Mn)		Hydrogen Sulfide (H <sub>2</sub> S)	9.729
Strontium (Sr)	100.533	Carbon Dioxide (CO <sub>2</sub> )	
Iron (Fe)	19.458	Oxygen (O)	



## Attachment D

# NM WAIDS

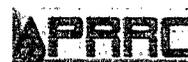
**DATA**

**MAPS**

**HOME**

**SCALE**

General Information About: Sample 5872			
CAPROCK MALJAMAR UNIT 202			
API	3002526552	Sample Number	
Unit/Section/ Township/Range	J / 24 / 17 S / 32 E	Field	MALJAMAR
County	Lea	Formation	GBG/SA
State	NM	Depth	
Lat/Long	32.81633 / -103.71877	Sample Source	
TDS (mg/L)	147211	Water Type	
Sample Date (MM/DD/YYYY)	5/21/1998	Analysis Date (MM/DD/YYYY)	6/8/1998
Remarks/Description			
Cation Information (mg/L)		Anion Information (mg/L)	
Potassium (K)	592.956	Sulfate (SO)	2489.76
Sodium (Na)	58478.8	Chloride (Cl)	95509.6
Calcium (Ca)	1794.16	Carbonate (CO <sub>3</sub> )	0
Magnesium (Mg)	1235.05	Bicarbonate (HCO <sub>3</sub> )	518.7
Barium (Ba)	0.2184	Hydroxide (OH)	
Manganese (Mn)		Hydrogen Sulfide (H <sub>2</sub> S)	43.68
Strontium (Sr)	42.588	Carbon Dioxide (CO <sub>2</sub> )	
Iron (Fe)	92.82	Oxygen (O)	



## Attachment D

# NM WAIDS



General Information About: Sample 2292			
MITCHELL B 011			
API	3002500589	Sample Number	
Unit/Section/ Township/Range	N / 17 / 17 S / 32 E	Field	MALJAMAR
County	Lea	Formation	PAD
State	NM	Depth	
Lat/Long	32.82915 / -103.79119	Sample Source	UNKNOWN
TDS (mg/L)	181672	Water Type	
Sample Date (MM/DD/YYYY)		Analysis Date (MM/DD/YYYY)	
Remarks/Description			
Cation Information (mg/L)		Anion Information (mg/L)	
Potassium (K)		Sulfate (SO)	3250
Sodium (Na)		Chloride (Cl)	108000
Calcium (Ca)		Carbonate (CO <sub>3</sub> )	
Magnesium (Mg)		Bicarbonate (HCO <sub>3</sub> )	512
Barium (Ba)		Hydroxide (OH)	
Manganese (Mn)		Hydrogen Sulfide (H <sub>2</sub> S)	
Strontium (Sr)		Carbon Dioxide (CO <sub>2</sub> )	
Iron (Fe)		Oxygen (O)	



## Attachment D

# NM WAIDS



General Information About: Sample 5710			
TURNER B 077			
API	3001505476	Sample Number	
Unit/Section/ Township/Range	M / 30 / 17 S / 31 E	Field	CEDAR LAKE
County	Eddy	Formation	ATOKA
State	NM	Depth	
Lat/Long	32.80011 / -103.91437	Sample Source	UNKNOWN
TDS (mg/L)	73554	Water Type	
Sample Date (MM/DD/YYYY)	7/24/1961	Analysis Date (MM/DD/YYYY)	
Remarks/Description			
Cation Information (mg/L)		Anion Information (mg/L)	
Potassium (K)		Sulfate (SO)	372
Sodium (Na)		Chloride (Cl)	44104
Calcium (Ca)		Carbonate (CO <sub>3</sub> )	
Magnesium (Mg)		Bicarbonate (HCO <sub>3</sub> )	462
Barium (Ba)		Hydroxide (OH)	
Manganese (Mn)		Hydrogen Sulfide (H <sub>2</sub> S)	
Strontium (Sr)		Carbon Dioxide (CO <sub>2</sub> )	
Iron (Fe)		Oxygen (O)	



## Attachment D

# NM WAIDS

**DATA**

**MAPS**

**HOME**

**SCALE**

General Information About: Sample 6982			
PUCKETT B 013			
API	3001505403	Sample Number	
Unit/Section/ Township/Range	O / 25 / 17 S / 31 E	Field	MALJAMAR
County	Eddy	Formation	GBG/SA
State	NM	Depth	
Lat/Long	32.80015 / -103.82049	Sample Source	WELLHEAD
TDS (mg/L)	25537	Water Type	
Sample Date (MM/DD/YYYY)	6/27/1960	Analysis Date (MM/DD/YYYY)	
Remarks/Description			
Cation Information (mg/L)		Anion Information (mg/L)	
Potassium (K)		Sulfate (SO)	4424
Sodium (Na)		Chloride (Cl)	12460
Calcium (Ca)		Carbonate (CO <sub>3</sub> )	
Magnesium (Mg)		Bicarbonate (HCO <sub>3</sub> )	102
Barium (Ba)		Hydroxide (OH)	
Manganese (Mn)		Hydrogen Sulfide (H <sub>2</sub> S)	
Strontium (Sr)		Carbon Dioxide (CO <sub>2</sub> )	
Iron (Fe)		Oxygen (O)	



## Attachment D

# NM WAIDS

**DATA**

**MAPS**

**HOME**

**SCALE**

General Information About: Sample 5147			
FREN OIL CO 019			
API	3001505265	Sample Number	
Unit/Section/ Township/Range	I / 19 / 17 S / 31 E	Field	CEDAR LAKE
County	Eddy	Formation	ABO
State	NM	Depth	
Lat/Long	32.81732 / -103.90282	Sample Source	DST
TDS (mg/L)	50975	Water Type	
Sample Date (MM/DD/YYYY)		Analysis Date (MM/DD/YYYY)	
Remarks/Description			
Cation Information (mg/L)		Anion Information (mg/L)	
Potassium (K)		Sulfate (SO)	3078
Sodium (Na)		Chloride (Cl)	26260
Calcium (Ca)		Carbonate (CO <sub>3</sub> )	
Magnesium (Mg)		Bicarbonate (HCO <sub>3</sub> )	882
Barium (Ba)		Hydroxide (OH)	
Manganese (Mn)		Hydrogen Sulfide (H <sub>2</sub> S)	
Strontium (Sr)		Carbon Dioxide (CO <sub>2</sub> )	
Iron (Fe)		Oxygen (O)	



## Attachment D

# NM WAIDS

**DATA**

**MAPS**

**HOME**

**SCALE**

General Information About: Sample 1785			
TURNER B066			
API	3001504902	Sample Number	
Unit/Section/ Township/Range	N / 29 / 17 S / 31 E	Field	GRAYBURG JACK
County	Eddy	Formation	ARTESIA
State	NM	Depth	
Lat/Long	32.80009 / -103.89333	Sample Source	UNKNOWN
TDS (mg/L)	253751	Water Type	
Sample Date (MM/DD/YYYY)	7/20/1960	Analysis Date (MM/DD/YYYY)	
Remarks/Description			
Cation Information (mg/L)		Anion Information (mg/L)	
Potassium (K)		Sulfate (SO)	4059
Sodium (Na)		Chloride (Cl)	151263
Calcium (Ca)		Carbonate (CO <sub>3</sub> )	
Magnesium (Mg)		Bicarbonate (HCO <sub>3</sub> )	390
Barium (Ba)		Hydroxide (OH)	
Manganese (Mn)		Hydrogen Sulfide (H <sub>2</sub> S)	
Strontium (Sr)		Carbon Dioxide (CO <sub>2</sub> )	
Iron (Fe)		Oxygen (O)	



## Attachment D

**C-108 Application  
Biscuit Hills Disposal, L.L.C.  
Tracey 29 Federal # 001  
API # 30-015-28142  
UL"O", Section 29, T17S, R31E  
Eddy County, New Mexico**

**Geological Data**

The Wolfcamp formation in the Tracey 29 Federal # 001 is approximately 1650 feet thick and is a light to dark gray reefoid limestone of Permian age. Above the Wolfcamp is the Bone Springs formation and below the Wolfcamp is the Cisco or Canyon formation. The Wolfcamp in the area is usually a zone of lost circulation and is non productive of oil or gas.

There is no known fresh water strata underlying the Wolfcamp formation.

No fresh water wells were identified or found in the 1 mile area of view. Fresh water is contained in the alluvial fill from surface to the top of the Red Bed. Surface casing on oil and gas wells in the area average 616 feet.

***Attachment E***

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

Township: 17S Range: 31E Sections: 28,29,30,31,32,33

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

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

AVERAGE DEPTH OF WATER REPORT 12/22/2007

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

No Records found, try again

**Attachment F**

# NM WAIDS



## Water Samples for Sect 31 Township 17 South Range 31 East

### Instructions:

The number represents the number of water samples of certain well. Click the number if you want to download the data.

No Record Is Found!

# of samples	S	T	R	Formation	Date	Chlorides (mg/L)	Location (qtr/qtr)
--------------	---	---	---	-----------	------	------------------	--------------------

SELECT/DESELECT ALL

Submit



Attachment F

# NM WAIDS



## Water Samples for Sect 29 Township 17 South Range 31 East

### Instructions:

The number represents the number of water samples of certain well. Click the number if you want to download the data.

No Record Is Found!

# of samples	S	T	R	Formation	Date	Chlorides (mg/L)	Location (qtr/qtr)
--------------	---	---	---	-----------	------	------------------	--------------------

SELECT/DESELECT ALL

Submit



## Attachment F

# NM WAIDS



## Water Samples for Sect 32 Township 17 South Range 31 East

### Instructions:

The number represents the number of water samples of certain well. Click the number if you want to download the data.

No Record Is Found!

# of samples	S	T	R	Formation	Date	Chlorides (mg/L)	Location (qtr/qtr)
--------------	---	---	---	-----------	------	------------------	--------------------

SELECT/DESELECT ALL



*Attachment F*

# NM WAIDS

**DATA**

**MAPS**

**HOME**

**SCALE**

## Water Samples for Sect 20 Township 17 South Range 31 East

### Instructions:

The number represents the number of water samples of certain well. Click the number if you want to download the data.

No Record Is Found!

# of samples	S	T	R	Formation	Date	Chlorides (mg/L)	Location (qtr/qtr)
--------------	---	---	---	-----------	------	------------------	--------------------

SELECT/DESELECT ALL



**Attachment F**

# NM WAIDS

**DATA**

**MAPS**

**HOME**

**SCALE**

## Water Samples for Sect 28 Township 17 South Range 31 East

**Instructions:**

The number represents the number of water samples of certain well. Click the number if you want to download the data.

No Record Is Found!

# of samples	S	T	R	Formation	Date	Chlorides (mg/L)	Location (qtr/qtr)
--------------	---	---	---	-----------	------	------------------	--------------------

SELECT/DESELECT ALL



*Attachment F*

# NM WAIDS

**DATA**

**MAPS**

**HOME**

**SCALE**

## Water Samples for Sect 30 Township 17 South Range 31 East

### Instructions:

The number represents the number of water samples of certain well. Click the number if you want to download the data.

No Record Is Found!

# of samples	S	T	R	Formation	Date	Chlorides (mg/L)	Location (qtr/qtr)
--------------	---	---	---	-----------	------	------------------	--------------------

SELECT/DESELECT ALL

**Submit**



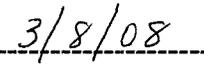
*Attachment F*

C-108 Application  
Biscuit Hills Disposal, L.L.C.  
Tracey 29 Federal #001  
API # 30-015-28142  
UL"O", Section 29, T17S, R31E  
Eddy County, New Mexico

Water Statement

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

  
-----  
Billy E. Prichard  
Agent for Biscuit Hills Disposal, LLC

  
-----  
Date

Attachment G

Legal Notice

Biscuit Hills Disposal, L.L.C., P.O. Box 564, Lovington, NM 88260 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 Tracey 29 Federal #001, API # 30-015-02762, 950 FSL X 1980 FEL, Unit letter "O", Section 29, T17S, R31E, Eddy County, New Mexico from a shut in Cedar Lake; Morrow gas well to a commercial salt water disposal well. The disposal interval would be the Wolfcamp formation through perforations 8327-9470 feet. Disposal fluid would be produced water trucked in from numerous producing formations in southeastern New Mexico. Anticipated disposal rate of 3000 BWPD with a maximum disposal rate of 6000 BWPD. Anticipated disposal pressure 0 psi with a maximum disposal pressure of 1665 psi.

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 Billy Prichard 505-390-9100.

Legal Notice will be published in the

Artesia Daily Press  
P.O. Box 190  
Artesia, New Mexico 88211

Original publication will be forwarded to the Oil Conservation Division when published.

*Attachment H*

**Biscuit Hills Disposal Company, LLC**  
**C-108 ( Application for Authorization to Inject)**  
**Tracey 29 Federal #001**  
**API # 30-015-28142**  
**950 FSL X 1980 FEL**  
**Section 28, T17S, R31E**  
**Eddy County, New Mexico**

**Notified Parties**

**Surface Owner**

United States of America  
Bureau of Land Management  
2909 West Second Street  
Roswell, NM 88201

**Surface Lessee**

Williams and Son Cattle Company  
PO BOX 30  
Maljamar, NM 88264

**Offset Operators**

Oxy USA WTP Limited Partnership  
P.O. Box 4234  
Houston, TX 77210

Merit Energy Company  
13727 Noel Rd. Suite 500  
Dallas, TX 75240

**Offset Leases**

*Section 32, T17S, R31E*

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

Harvey E. Yates Company  
PO Box 1933  
Roswell, NM 88202

***Attachment H***

**Notified Parties**

N ½ , Section 29, T17S, R31E

Oxy USA WTP Limited Partnership  
P.O.Box 4234  
Houston, TX 77210

NW ¼, Section 33, T17S, R31E

V-F Petroleum Inc  
P.O. Box 1889  
Midland, TX 79702

S ½, Section 28, T17S, R31E

Yeso Energy, Inc  
P.O. Box 2248  
Roswell, NM 88202-2248

***Attachment H***



7006 2150 0002 8216 7069

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

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

**OFFICIAL USE**

Postage	\$ 1.65	0488
Certified Fee	\$2.65	04
Return Receipt Fee (Endorsement Required)	\$2.15	Postmark Here
Restricted Delivery Fee (Endorsement Required)	\$0.00	
<b>Total Postage &amp; Fees</b>	<b>\$ 6.45</b>	<b>03/11/2008</b>

Sent To

Street, Apt. No.,  
or PO Box No. **Merit Energy Co.**

City, State, ZIP+4 **13727 Noel Rd**

**Suite 500**

**Dallas, TX 75240**

PS Form 3800, At \_\_\_\_\_ Use for Instructions

7006 2150 0002 8216 7072

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

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

**OFFICIAL USE**

Postage	\$ 1.65	0488
Certified Fee	\$2.65	04
Return Receipt Fee (Endorsement Required)	\$2.15	Postmark Here
Restricted Delivery Fee (Endorsement Required)	\$0.00	
<b>Total Postage &amp; Fees</b>	<b>\$ 6.45</b>	<b>03/11/2008</b>

Sent To

Street, Apt. No.,  
or PO Box No. **OXY USA WTP Limited Partnership**

City, State, ZIP+4 **PO BOX 4294**

**HOUSTON TX 77210**

PS Form 3800, At \_\_\_\_\_ Use for Instructions

RECEIVED

Pueblo West LLC  
Oilfield Consulting Service

2008 APR 3 PM 2 00

March 31, 2008

Mr. William Jones  
New Mexico Energy, Minerals, and Natural Resources Department  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505

Subject

---

Biscuit Hills Disposal, L.L.C.  
Salt Water Disposal Permit Application  
**Tracey 29 Federal #001**  
**API # 30-015-28142**  
**950 FSL X 1980 FEL**  
**Section 28, T17S, R31E**  
**Eddy County, New Mexico**

Mr. Jones:

Please find enclosed the Affidavit of Publication for the above well.

Sincerely,



Billy E. Prichard

1611 SE 5<sup>th</sup> Street  
Seminole, TX 79360  
Phone: 432-955-0680  
Cell: 575-390-9100  
E-mail: shabilron01@warpdriveonline.com

# Affidavit of Publication

NO. 20110

STATE OF NEW MEXICO

County of Eddy

GARY D. SCOTT being duly

sworn, says: That he is the PUBLISHER of The

Artesia Daily Press, a daily newspaper of general circulation, published in English at Artesia, said county and county and state, and that the here to attached

### Legal Notice

was published in a regular and entire issue of the said Artesia Daily Press, a daily newspaper duly qualified for that purpose within the meaning of Chapter 167 of the 1937 Session Laws of the state of New Mexico for 1 Consecutive week/days on the same

day as follows:

First Publication March 9, 2008

Second Publication \_\_\_\_\_

Third Publication \_\_\_\_\_

Fourth Publication \_\_\_\_\_

Fifth Publication \_\_\_\_\_

Subscribed and sworn to before me this

28th Day March 2008

Amanda K. Lamb

Notary Public, Eddy County, New Mexico

My Commission expires April 5, 2011

# Copy of Publication:

**LEGAL NOTICE**

Biscuit Hills Disposal, L.L.C. P.O. Box 564, Lovington, NM 88260 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 Tracey 29 Federal #001 API # 30-013-02762-950 FSL X 1990 FEL Unit letter "O" Section 29 T17S R31E Eddy County, New Mexico from a shut in Cedar Lake Morrow gas well to a commercial salt water disposal well. The disposal interval would be the Wolfcamp formation through perforations 8327-9470 feet. Disposal fluid would be produced water trucked in from numerous producing formations in southeastern New Mexico. Anticipated disposal rate of 3000 BWPD with a maximum disposal rate of 6000 BWPD. Anticipated disposal pressure 0 psi with a maximum disposal pressure of 1665 psi. 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 Billy Prichard 505-390-9100. Published in the Artesia Daily Press, Artesia, N.M. March 9, 2008. Legal 20110.

X  
OK

CL

Form 3160-5  
(June 1990)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals

**SUBMIT IN TRIPLICATE**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. <b>LC-029395-B</b>
2. Name of Operator <b>Coastal Management Corporation</b>	6. If Indian, Allottee or Tribe Name
3. Address and Telephone No. <b>P.O. Box 2726 Midland, Texas 79702 (915) 688-0700</b>	7. If Unit or CA, Agreement Designation
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <b>950'FSL &amp; 1980'FEL Sec.29 T-17S R-31E</b>	8. Well Name and No. <b>Tracy 29 Federal #1</b>
	9. API Well No. <b>30-015-28142</b>
	10. Field and Pool, or Exploratory Area <b>Cedar Lake(east) MORROW</b>
	11. County or Parish, State <b>Eddy, New Mexico</b>

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other <b>TD'ed, Logs, &amp; Prod Csg.</b>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

11-25-94 TD'ed 7 7/8" hole @ 11:30 AM(11850'). Ran 'E' logs from TD to Surface.

11-30-94 Ran 5 1/2" 17#, S-95 & N-80 Csg to 11821. DV tool @ 10800'. Cemented w/50 sks 65/35 H/Poz w/6% gel & 5# Salt. Tailed w/250 sks 50/50 H/Poz w/2% Gel & KCL. Plug Down @ 5:00 PM 11-30-94. Open DV Tool & circl 6 Hrs. 2ND Stage Cement was 575 sks 65/35 H/Poz filler, 575 sks 50/50 H/Poz w/2% gel & KCL, & tailed w/100 sks 'H'. Close tool @ 1:00 AM. 12/1/94 Release Rig @ 2:00 PM 12/1/94

ACCEPTED FOR RECORD  
JAN 17 1995  
CARLSBAD, NEW MEXICO

RECEIVED  
DEC 15 11 23 AM '94  
OIL & GAS DIV.

14. I hereby certify that the foregoing is true and correct

Signed *Larry Snyder* for Larry Snyder Title Land Supervisor Date 12-15-94

(This space for Federal or State office use)

Approved by \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_  
Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*dst*

Form 3160-5  
 (June 1990)

UNITED STATES  
 DEPARTMENT OF THE INTERIOR  
 BUREAU OF LAND MANAGEMENT

FORM APPROVED  
 Budget Bureau No. 1004-0135  
 Expires: March 31, 1993

5. Lease Designation and Serial No.  
 LC-029395B

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.  
 Tracy 29 Federal #1

9. API Well No.  
 30-015-28142

10. Field and Pool, or Exploratory Area  
 Cedar Lake Wildcat

11. County or Parish, State  
 Eddy Co., N.M.

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
 Use "APPLICATION FOR PERMIT—" for such proposals

**SUBMIT IN TRIPLICATE**

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
 Coastal Management Corporation

3. Address and Telephone No.  
 P. O. Box 2726, Midland, Tx. 79702 915/688-0700

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
 950' FSL & 1980' FEL  
 Sec. 29 T-17-S R-31-E

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other <u>test Wolfcamp then T&amp;A</u>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

- 1-28-95 Perforate Wolfcamp @ 8496-8584' (25 PF-49' w/99 holes) swab test.
- 1-31-95 Perforate Wolfcamp @ 8411-8445' (25 PF-26' w/52 holes) swab test.
- 2-2-95 Perforate Wolfcamp @ 8327-8396' (25 PF-53' w/106 holes) swab test.
- 2-7-95 POOH w/ tools & tbg. Set CIBP @ 8270' & bail 35' cement on top. New PBTB @ 8235'.
- 2-8-95 ND BOP & NU tree. SWI for evaluation

RECEIVED  
 MAR 8 1995  
 OIL CON. DIV.  
 ACCEPTED FOR RECORD  
 ALLEN  
 MAR 3 1995  
 DIST. 2

14. I hereby certify that the foregoing is true and correct

Signed Darryl R. Snyder Title DIST. 2 LAND SUPERVISOR Date 2-16-95

(This space for Federal or State office use)

Approved by \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_  
 Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*See Instruction on Reverse Side

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):

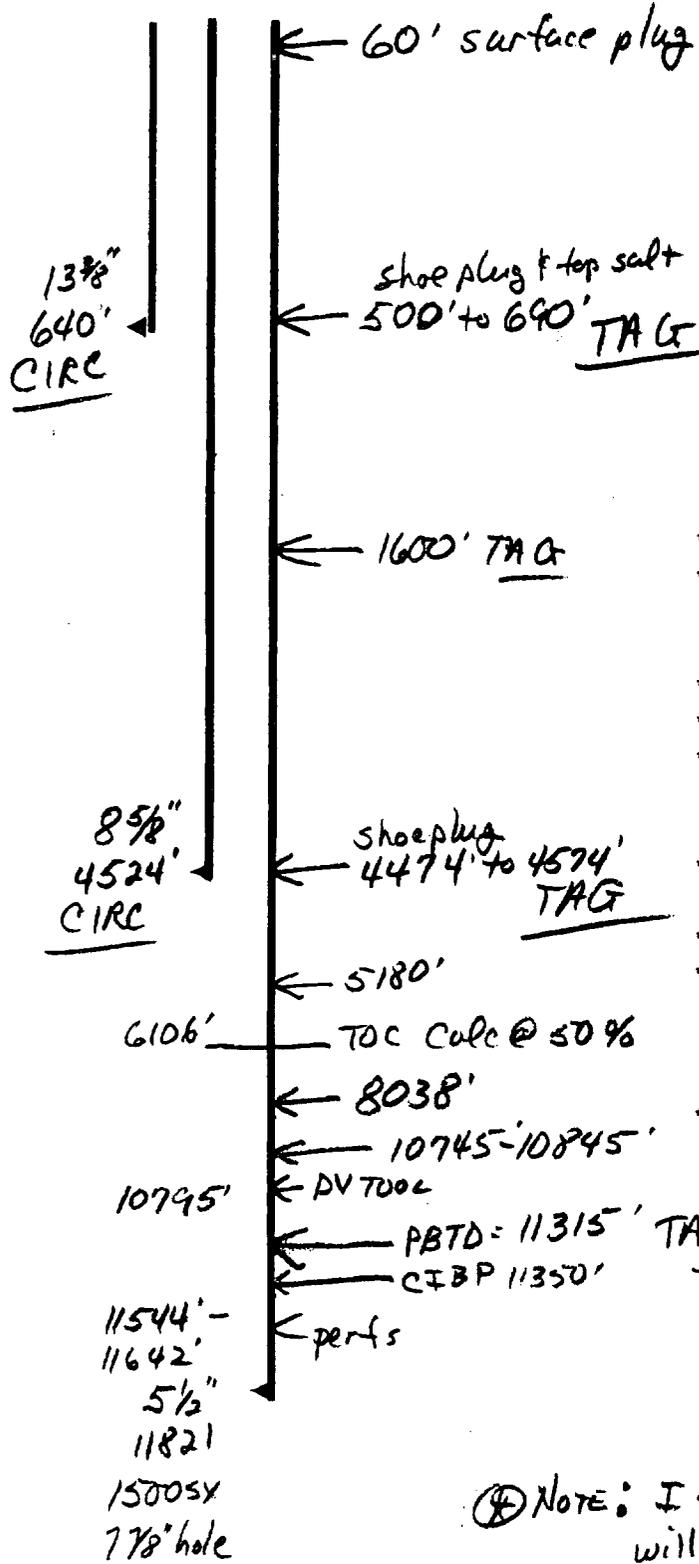
FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
Wolfcamp	8326	8346	PF & Swb Sulf W	QUEEN	2815	+ 938
"	8361	8396	"	SAN ANDRES	3600	+ 153
"	8410	8445	"	WOLFCAMP	8038	- 4285
"	8496	8584	"	CISCO	9680	- 5927
LOW	11546	11552	PF & Swb LD	CANYON	9898	- 6145
	11630	11646	PF & FL 100 MCFG	STRAWN	10770	- 7017
"				ATOKA	11014	- 7261
				MORROW		
				CARBONATE	11231	- 7478
				MORROW		
				CLASTICS	11504	- 7751
				CHESTER	11766	- 8013

38. GEOLOGIC MARKERS

Operator Prarie Sun Inc.  
 Well Tracy 29 Fed. #1  
 Unit 0 Section 29 Township 17 Range 31  
 API # 30-015-28142

TOPS

Rustler	~	500
Salado	~	600
B Salt	~	1500
Yates	~	1700
Timbers	~	1900
Bowers	~	2500
Avenue	~	2750
San Andres	~	3600
Bone Spring	~	5180
Wolfcamp	~	8038
Cisco	~	9680
Canyon	~	9898
Penn	~	9985
Strawn	~	10770
Atoka	~	11014
Morrow Limestone	~	11290
Morrow Clastics	~	11490



- \* Contact OCD 24 hrs. prior to any work done.
- \* Salt gel mud consisting of 10# brine with 25# of gel per barrel must be placed between each plug.
- \* Install dry hole marker as per Rule 202.B.2
- \* Plugs are to be set from point indicated up.
- \* Plugs must not be less than 100' or 25 Sacks of cement, whichever is greater, unless specifically indicated.
- \* Shoe and stub plugs will be 50' above and below shoe or stub and tagged.
- \* Surface plug will be from 0' - 60'
- \* Where plugs are required, cement must be placed inside and outside of all casing string(s) in the correct footage or sacks required, if no cement exists.
- \* Plugs to be tagged will be indicated.

⊕ NOTE: If TD is below perfs, first plug will be 50' above perfs

MLB

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, 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-104A  
Revised June 10, 2003

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

Submit 1 copy of the final affected wells  
list along with 1 copy of this form per  
number of wells on that list to appropriate  
District Office

### Change of Operator

#### Previous Operator Information:

OGRID: 173235  
Name: PRAIRIE SUN, INC  
Address: P.O. BOX 8280  
Address: \_\_\_\_\_  
City, State, Zip: ROSWELL, N.M.

#### New Operator Information:

Effective Date: 3-01-02  
New Ogrid: \_\_\_\_\_  
New Name: YESO ENERGY, INC  
Address: \_\_\_\_\_  
Address: P.O. BOX 2248  
City, State, Zip: ROSWELL, N.M. 89250

I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information on this form and the attached list of wells is true and complete to the best of my knowledge and belief.

New Operator  
Signature: H. E. Lee  
Printed name: H. E. LEE  
Title: AGENT  
E-mail  
Address: Leeconinc@aol.com  
Date: 3-10-02 Phone: 505-622-7355

#### Previous operator complete below:

Previous  
Operator: PRAIRIE SUN, INC.  
Previous  
OGRID: 173235  
Signature: H. E. Lee  
Printed Name: Agent  
E-mail  
Address: \_\_\_\_\_

NMOCD Approval	
Signature:	<u>Jim Lee</u>
Printed Name:	<u>District Supervisor</u>
District:	_____
Date:	<u>SEP 16 2003</u>

30-015-28142

**Jones, William V., EMNRD**

---

**From:** Jones, William V., EMNRD  
**Sent:** Tuesday, April 22, 2008 8:10 PM  
**To:** 'Billy Prichard'  
**Cc:** Ezeanyim, Richard, EMNRD; Macquesten, Gail, EMNRD; Warnell, Terry G, EMNRD; Brooks, David K., EMNRD; Phillips, Dorothy, EMNRD; Gum, Tim, EMNRD  
**Subject:** SWD Application on behalf of Biscuit Hills Disposal, LLC: Tracey 29 Federal #1 30-015-28142 Wolfcamp Injection

Hello Bill E. Prichard:

I have reviewed this application for a commercial SWD and it seems fine, unless something else crops up that I have not thought of. As far as provisions in any SWD order, the Division will likely require a CIBP to be placed below the Wolfcamp and above the Cisco - around 9,600 feet. Also, the new perfs in the Wolfcamp should be swab tested, but that is relatively routine.

Biscuit Hills is not listed in our system, but I understand it is a one-well company and you say it has a federal bond in place, will you tell me which OGRID number applies - and send a copy of the bond?

Yeso Energy is still officially the operator of this well - and the well has not been Plugged and Released. Yeso is extremely OUT of compliance with Rule 40, and, as you know, the Engineering Bureau cannot release any injection permit for this well until the operator of the well is in compliance with Rule 40.

Let me know ASAP as to when Biscuit is planning on processing a "change of operator" form for this well (from Yeso to Biscuit). If this will not happen very soon, I must cancel this application.

Regards,

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

4/22/2008

**Jones, William V., EMNRD**

---

**From:** Billy Prichard [shabillron01@warpdriveonline.com]  
**Sent:** Wednesday, April 23, 2008 5:01 AM  
**To:** Jones, William V., EMNRD  
**Subject:** Re: SWD Application on behalf of Biscuit Hills Disposal, LLC: Tracey 29 Federal #1 30-015-28142 Wolfcamp Injection

Will, The change of operator has been filed(4/8/2008) with the District 2 office and is currently in review. The federal bond is in place with the BLM and is Bond # NM B000526...Dorothy has issued the OGRID # which is 258858. Thanks BEP

Jones, William V., EMNRD wrote:

> Hello Bill E. Prichard:  
> I have reviewed this application for a commercial SWD and it seems  
> fine, unless something else crops up that I have not thought of. As  
> far as provisions in any SWD order, the Division will likely require a  
> CIBP to be placed below the Wolfcamp and above the Cisco - around  
> 9,600 feet. Also, the new perms in the Wolfcamp should be swab  
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>  
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> Regards,  
>  
> William V. Jones PE  
> New Mexico Oil Conservation Division  
> 1220 South St. Francis  
> Santa Fe, NM 87505  
> 505-476-3448  
>  
>  
>  
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**Jones, William V., EMNRD**

**From:** Phillips, Dorothy, EMNRD  
**Sent:** Wednesday, April 23, 2008 9:28 AM  
**To:** Jones, William V., EMNRD  
**Subject:** RE: SWD Application on behalf of Biscuit Hills Disposal, LLC: Tracey 29 Federal #1 30-015-28142 Wolfcamp Injection

Biscuit Hills Disposal, LLC has OGRID 258858 but they do not have a bond with the OCD. It is for identification purposes only as the well they are dealing with was on federal land. I have a change of operator pending from Yeso Energy, Inc. to Biscuit Hills.

**From Operator YESO ENERGY, INC. OGRID 221710**  
**To Operator BISCUIT HILLS DISPOSAL LLC OGRID 258858**  
**Wells Selected for Transfer, Permit 72243**  
**Permit Status: REVIEW**

**OCD District: Artesia**

Property Well	Lease Type	ULSTR	OCD Unit	API	Well Type	Pool ID	Pool Name	Last Prod/Inj	Additional Bonding
32903 TRACY 29 FEDERAL #001	F	O-29-17S-31E		30-015-28142	G	74605	CEDAR LAKE,MORROW, EAST (GAS)	10/01	0

**Total Additional bond****0**


---

**From:** Jones, William V., EMNRD  
**Sent:** Tuesday, April 22, 2008 8:10 PM  
**To:** Billy Prichard  
**Cc:** Ezeanyim, Richard, EMNRD; Macquesten, Gail, EMNRD; Warnell, Terry G, EMNRD; Brooks, David K., EMNRD; Phillips, Dorothy, EMNRD; Gum, Tim, EMNRD  
**Subject:** SWD Application on behalf of Biscuit Hills Disposal, LLC: Tracey 29 Federal #1 30-015-28142 Wolfcamp Injection

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Regards,

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

4/23/2008

District II  
1301 W. Grand Ave., Artesia, NM 88210  
Phone: (505) 748-1283 Fax (505) 748-9720

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

Form C-145  
Permit 72243

**Change of Operator**

**Previous Operator Information**

**New Operator Information**

OGRID:	<u>221710</u>	OGRID:	<u>258858</u>
Name:	<u>YESO ENERGY, INC.</u>	Name:	<u>BISCUIT HILLS DISPOSAL LLC</u>
Address:	<u>P.O. BOX 8280</u>	Address:	<u>P.O. BOX 564</u>
Address:	<u>3103 YESO</u>	Address:	<u></u>
City, State, Zip:	<u>ROSWELL, NM 88202</u>	City, State, Zip:	<u>LOVINGTON, NM 88260</u>

I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information on this form and the certified list of wells is true to the best of my knowledge and belief.

**Previous Operator**

**New Operator**

Signature: *H.E. Gene Lee*  
 Printed Name: H.E. GENE LEE  
 Title: Pres.  
 Date: 4-5-2008 Phone: 575-626-4292

Signature: *Donald M Harrod*  
 Printed Name: DONALD M HARROD  
 Title: MANAGER  
 Date: 4/8/08 Phone: 575-396-5777

**NMOCD Approval**  
 Electronic Signature: Carmen Reno, District 2  
 Date: April 14, 2008

**Injection Permit Checklist 2/8/07**

Rule 40  
 with  
 Unitized  
 No change of Operator & Year out of compliance

SWD Order Number 118 Dates: Division Approved \_\_\_\_\_ District Approved \_\_\_\_\_

Well Name/Num: TRACEY 29 Federal #1 Date Spudded: 10/11/94

API Num: (30-) 015-28142 County: EDDY

Footages 950 FSL/1950 FEL Sec 29 Tsp. 17S Rge 31E

Operator Name: BISQUIT HILLS DISPOSAL, L.L.C. Contact Bill E. Prichard agent

Operator Address: PO BOX 564 LOVINGTON, NM 88260

Current Status of Well: TA-~~BE~~ <sup>Medium Flow Test Well</sup> Planned Work: Commercial SWD Inj. Tubing Size: \_\_\_\_\_

	Hole/Pipe Sizes		Depths	Cement	Top/Method
Surface	11 1/2	13 5/8	640'	270	CIRC
Intermediate	11	8 5/8	4524	175+200	CIRC
Production	7 1/8	5 1/2	11,821	(50/575 250/575 PO)	calc @ 2681
Last DV Tool			> 10,950'		
Open Hole/Liner					
Plug Back Depth					

Diagrams Included (Y/N): Before Conversion  After Conversion

Checks (Y/N): Well File Reviewed  ELogs in Imaging

Intervals:	Depths	Formation	Producing (Yes/No)
Salt/Potash			
Capitan Reef			
Cliff House, Etc:		BS	NO
Formation Above	8038	WC TOP	
Top Inj Interval	8321	WC OIL	
Bottom Inj Interval	<del>8554</del> 9470	WC OIL	
Formation Below	9680	CISCO TOP	NO

no pools in W.C. near these

1665 PSI Max. WHIP  
 Open Hole (Y/N)  
 Deviated Hole (Y/N)

**Fresh Water:** Depths: 0-616' Wells (Y/N) NO Analysis Included (Y/N): NO Affirmative Statement

**Salt Water Analysis:** Injection Zone (Y/N/NA) Y<sup>22</sup> Disp Waters (Y/N/NA) Y<sup>22</sup> Types: WC/GSA/PAD/ATOKA/ABO

**Notice:** Newspaper (Y/N)  Surface Owner BLM Mineral Owner(s) BLM/SCO

Other Affected Parties: ODY/Ment/SLS/Valer/WREATHSON/Y<sup>22</sup> Energy, NC

**AOR/Repairs:** Num Active Wells 1 Repairs? --- Producing in Injection Interval in AOR NO

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

Well Table Adequate (Y/N) Y<sup>22</sup> AOR STRs: Sec 29 Tsp 17S Rge 31E UIC Form Completed (Y/N) ---

New AOR Table Filename \_\_\_\_\_ Sec 28 WHP SRG/4 This Form completed \_\_\_\_\_

**Conditions of Approval:** Sec 32 11/2/11/2 Data Request Sent \_\_\_\_\_

→ Set CIBP below interval and above THE CISCO @ 9600'  
 → Swab Test NEW, lower WC perf?  
 Check Rule 40 for Y<sup>22</sup> Energy, INC (221710) 11/13 Rule 40 = X

AOR Required Work: \_\_\_\_\_

Required Work to this Well: \_\_\_\_\_