

ABOVE THIS LINE FOR DIVISION USE ONLY

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



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

[D] Other: Specify _____

30-05-27346
 Judah Oil, LLC
 Sand Point State 001

Protested by
 BOPCO
 08/07/2013

[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

Protest withdrawn
 08/24/2013
 Reinstate Application
 08/26/2013

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

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

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

James B. Campanella		Member/Manager	07/18/2013
Print or Type Name	Signature	Title	Date

judahoil@yahoo.com
 e-mail Address

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: _____ Secondary Recovery _____ Pressure Maintenance Disposal _____ Storage
Application qualifies for administrative approval? Yes _____ No
- II. OPERATOR: Judah Oil, LLC
ADDRESS: P. O. Box 568 Artesia, NM 88211
CONTACT PARTY: James B Campanella PHONE: 575-748-5488
- III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? _____ Yes No
If yes, give the Division order number authorizing the project: _____
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
 2. Whether the system is open or closed;
 3. Proposed average and maximum injection pressure;
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
 5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- *VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- *X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
- *XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
- NAME: James B Campanella TITLE: Member/Manager
SIGNATURE: _____ DATE: 7-18-2013
E-MAIL ADDRESS: jbc@judahoil.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: October 2010. Opposed by BOPCO, L.P. Agreement has been reached with correction reflected in Application "see attached".

Judah Oil, L.L.C
Sand Point State #001
API # 30 -015-27346
Unit Letter "K", Section 2, T21S, R28E
Eddy County, New Mexico
C108(Application for Authorization to Inject)

I.

The purpose of this application is for administrative approval of the conversion of the Sand Point State #001

from a Delaware oil well to a Lease Delaware salt water disposal well.

II.

Operator: Judah Oil, L.L.C.

Address: PO Box 568 Artesia, New Mexico 88211

Contact Party: James B. Campanella

Phone: 575-748-5488

III.

Well Data – Please see Exhibit "A"

IV.

This is not an expansion of an existing project

V.

Please see Exhibit "B"

VI.

There are 2 wells identified in the 0.5 mile area of review that penetrate the proposed disposal interval. 1 well is an active Bone Springs producer, the other well has been plugged and abandoned.

Area of Review – Please see Exhibit "C"

VII.

Anticipated daily injection rate of 1000 BWPD with a maximum daily injection rate of 1500 BWPD.

This will be an open system. —

Anticipated average injection pressure of 250 psi with a maximum injection pressure of 706 psi.

Please see Exhibit "D" for analysis of possible fluid that will be disposed in the Sand Point State #001.

Please see Exhibit "E" for analysis of typical Delaware formation water.

VIII.

The proposed disposal interval is the Delaware. The disposal interval is through perforations from 3530 – ~~4500~~ 4416

Above the Delaware is the Lamar Lime and below the Delaware is the Bone Springs.

The Delaware is a sequence of well consolidated sandstone, siltstone, and shale strata of Permian Age.

IX.

No stimulation is planned unless disposal rates and pressures dictate.

X.

Well logs and completion data previously filed with NMOCD.

XI.

Fresh water is contained in the Alluvial fill and the Aeolian fill from surface to the top of the Magenta and Forty-Niner members of the Rustler Formation. Surface casing on several permitted wells in the area average setting depth is 475 ft. —

No fresh water wells were identified in the 1.0 mile area of review.

Please see Exhibit "F" for analysis of fresh water from wells in the area.

XII.

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

XIII.

Please see Exhibit "G" for "Proof of Notice" and "Proof of Publication"

Judah Oil, L.L.C
 Sand Point State #001
 API # 30 -015-27346
 Unit Letter "K", Section 2, T21S, R28E
 Eddy County, New Mexico
 C108(Application for Authorization to Inject)

Well Data
 Data obtained from records maintained by the NMOCD

Spudded 5/4/1993 as test of Delaware

20" 106.5# casing was set in 26" hole at 259ft. Cemented with 570 sacks Class "C" cement with 2% CaCl. Cement circulated to surface.

13 3/8" 54.5# K55 casing was set in 17 1/2" hole at 1252ft. Cemented with 670 sacks Howco Lite, followed with 200 sacks Class"C" cement with 2% CaCl. Cement circulated to surface.

8 5/8" 24# & 32# K55 casing was set in 12 1/4" hole at 3162ft. Cemented with 1170 sacks Howco Lite, followed with 200 sacks Class"C" cement with 2% CaCl. Cement circulated to surface.

5 1/2" 15.50# K55 casing set in 7 7/8" hole at 6285ft. Cemented with 200 sacks 50/50 Poz Mix. Yield 2.1cubic feet/sack. Top of cement calculated at 4589ft using 70% fill. Delaware perforations. 5713-5771ft, 5879-5890ft, 6000-6006ft, 6160-6164ft Work over May and June 2011 bring cement to 2200' by Temp Survey ✓

Production Summary of api:3001527346 pool:SCANLON;DELAWARE

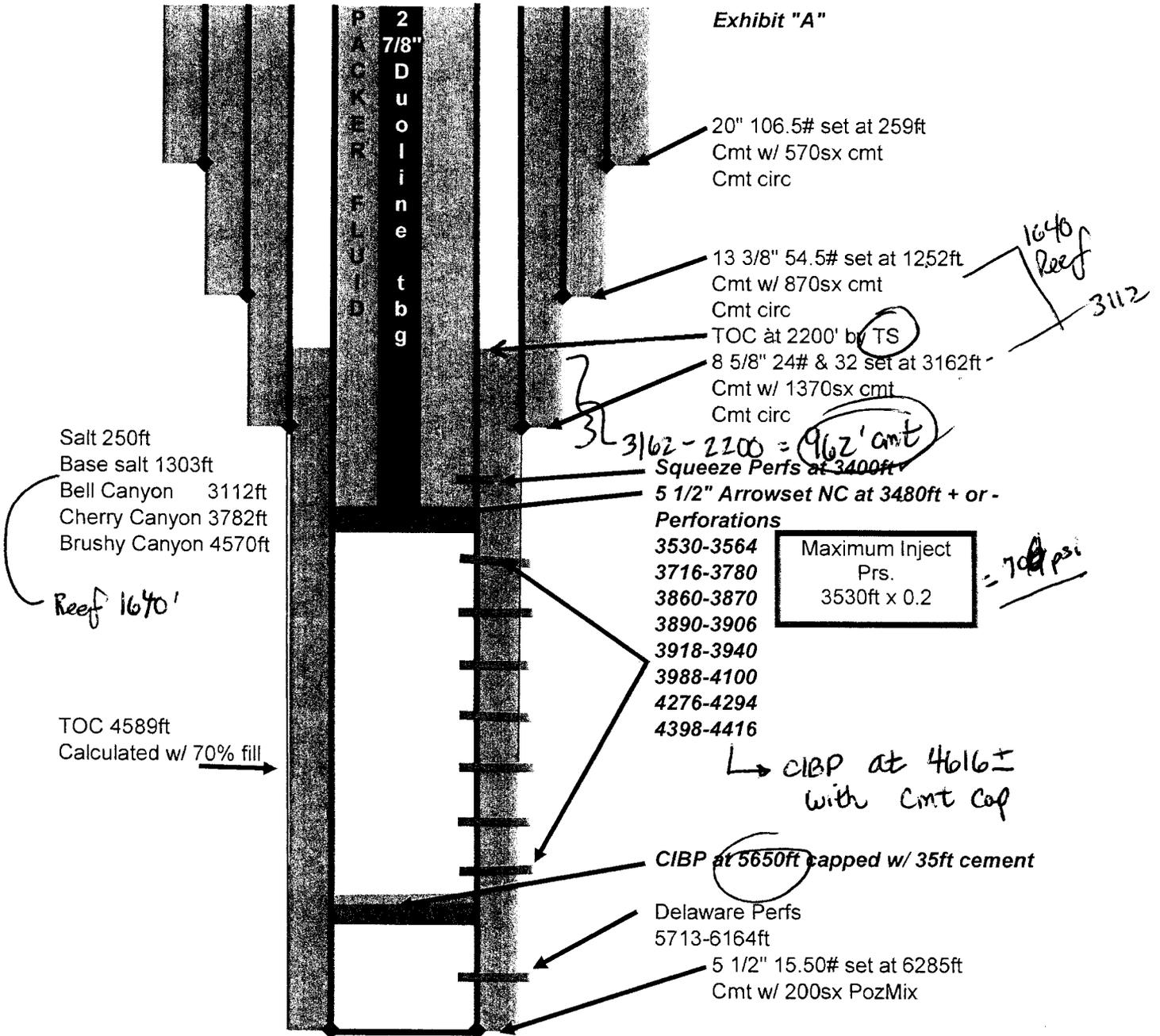
producing year	Oil	Gas	Water	Co2
1994	160	0	1374	0
1995	4	0	91	0
1996	20	0	8	0
1997	28	0	25	0
1998	0	0	0	0
1999	0	0	0	0
2000	0	0	0	0
2001	0	0	0	0
2002	83	0	0	0
2003	0	0	0	0
2004	1400	0	14267	0
2005	86	0	8143	0
2006	89	0	4734	0
2007	0	0	0	0
2008	0	0	0	0
2009	0	0	0	0
summary	1870	0	28642	0

Exhibit "A"

Judah Oil Company
 Sand Point State # 1
 API # 30-015-27346
 Unit Letter K, Section 2, T21S, R28E
 Eddy County, New Mexico
 Spudded 5/4/1993
 After Conversion to SWD

Revised "A"
 Submitted Aug 2, 2013

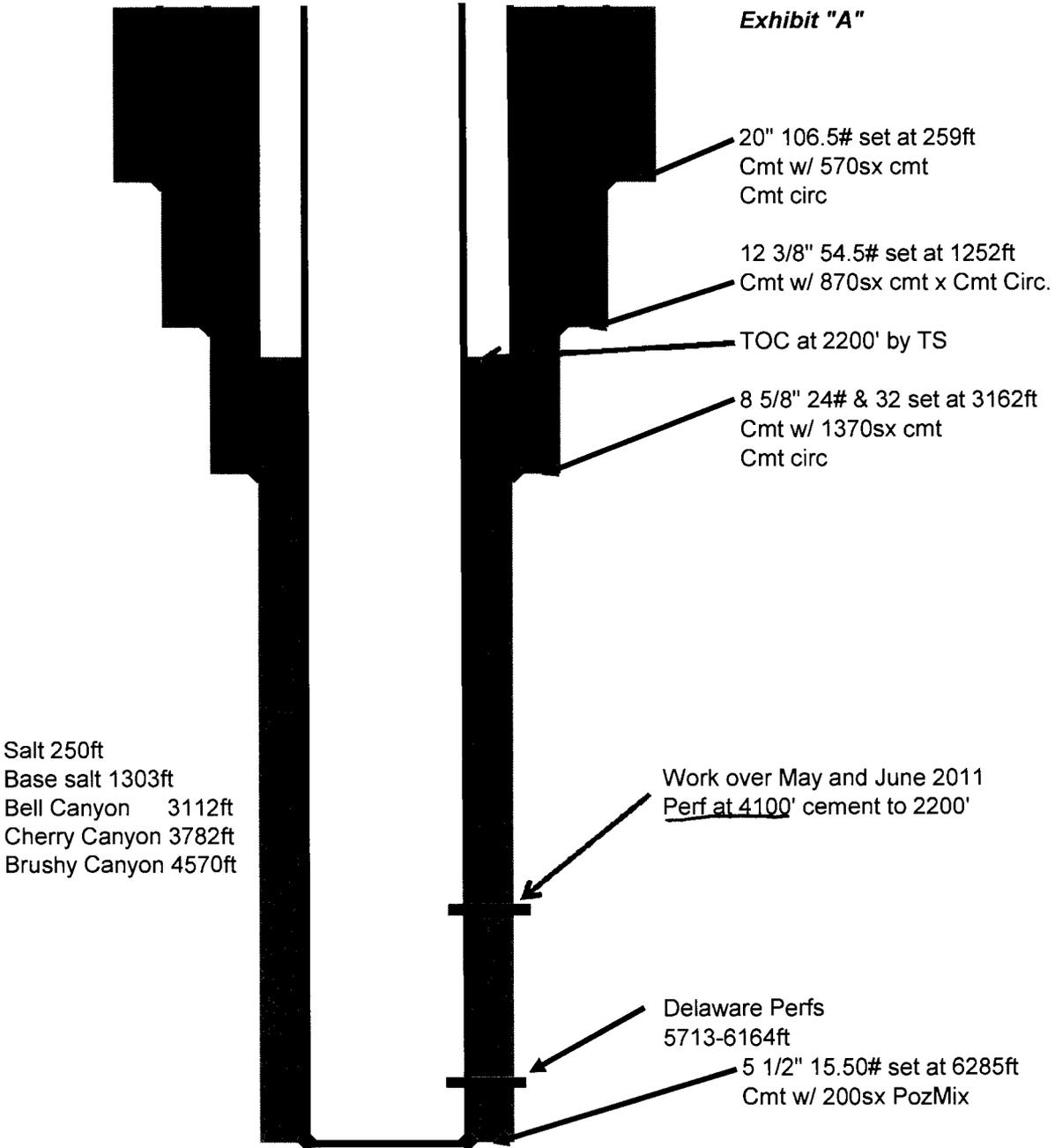
Exhibit "A"



Drawing not to Scale

Judah Oil Company
Sand Point State # 1
API # 30-015-27346
Unit Letter K, Section 2, T21S, R28E
Eddy County, New Mexico
Spudded 5/4/1993
Prior to Conversion to SWD

Exhibit "A"



Salt 250ft
 Base salt 1303ft
 Bell Canyon 3112ft
 Cherry Canyon 3782ft
 Brushy Canyon 4570ft

20" 106.5# set at 259ft
 Cmt w/ 570sx cmt
 Cmt circ

 12 3/8" 54.5# set at 1252ft
 Cmt w/ 870sx cmt x Cmt Circ.

 TOC at 2200' by TS

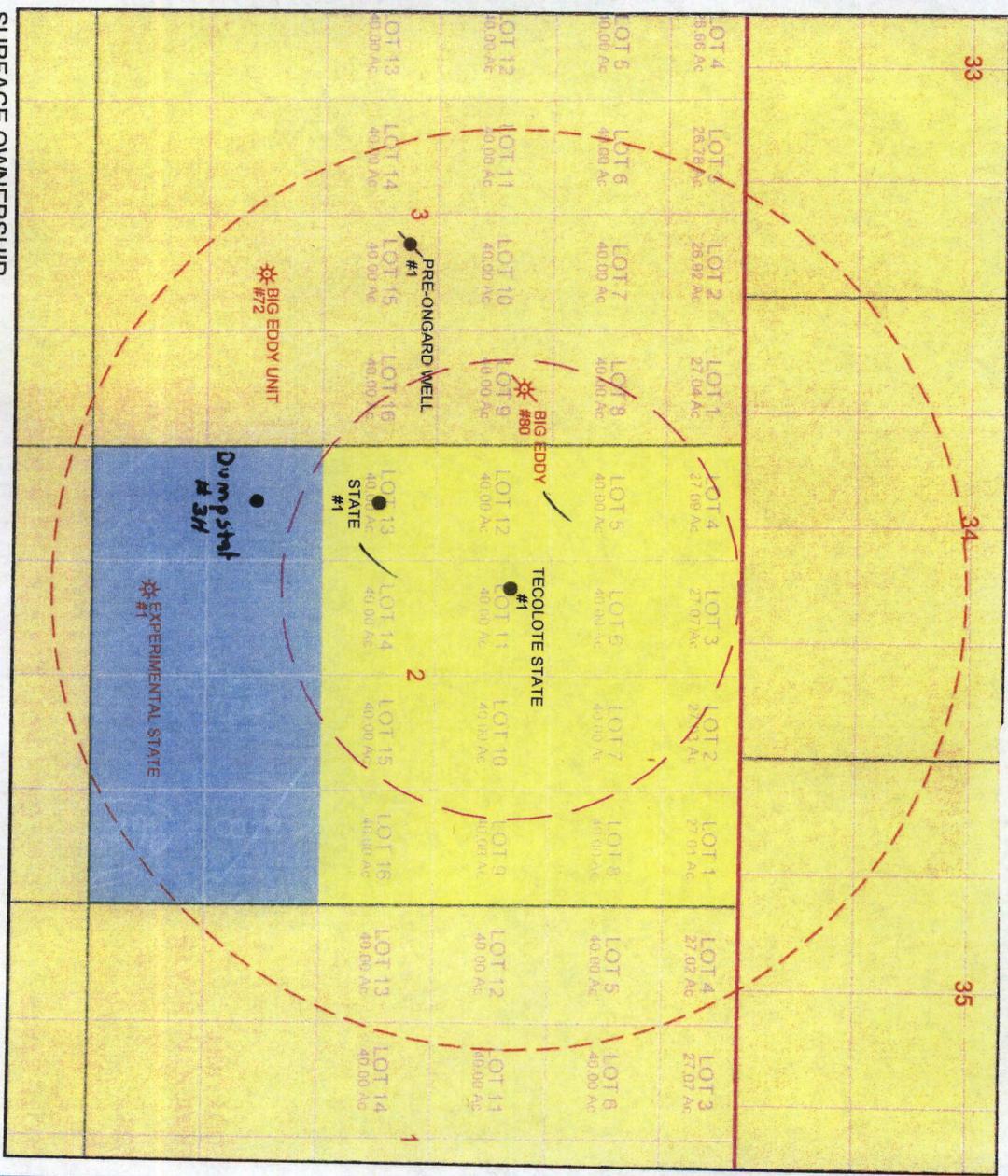
 8 5/8" 24# & 32 set at 3162ft
 Cmt w/ 1370sx cmt
 Cmt circ

Work over May and June 2011
Perf at 4100' cement to 2200'

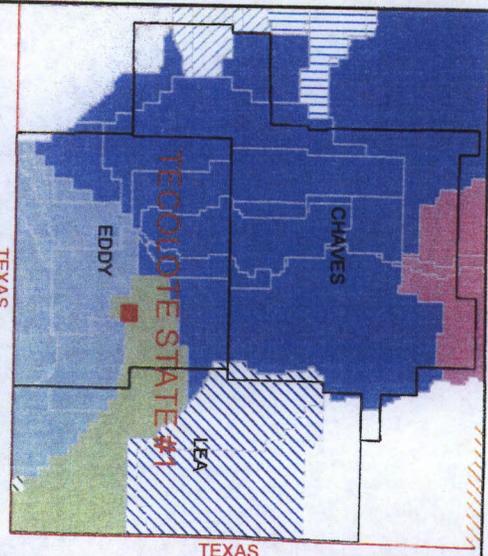
 Delaware Perfs
 5713-6164ft

 5 1/2" 15.50# set at 6285ft
 Cmt w/ 200sx PozMix

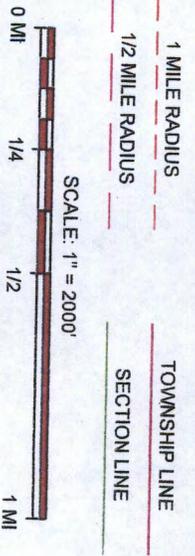
Drawing not to Scale



- SURFACE OWNERSHIP**
- BLM
 - STATE
 - PRIVATE
 - BUREAU OF RECLAIM.
 - NATIONAL PARK SERV.
 - FOREST SERVICE
 - PARK
 - WILDLIFE REFUGE
 - TRIBAL LANDS
-
- ACTIVE OIL
 - ACTIVE GAS
 - ACTIVE INJECTION
 - ACTIVE WATER
 - INACTIVE OIL
 - INACTIVE GAS
 - INACTIVE INJECTION
 - INACTIVE WATER
 - WATER WELL



- DECLARED GROUND WATER BASINS**
- CARITAN
 - CARLSBAD
 - FORT SUMNER
 - SALT BASIN
 - LEA COUNTY
 - JAL
 - HONDO
 - PENASCO
 - PORTALES
 - ROSWELL
 - ARTESIAN



JUDAH OIL LLC	
TECOLOTE STATE #1	
API: 3001527346	TWP: 21S
SEC: 2	RNG: 28E
UNIT: K	1650 FWL
COUNTY: EDDY	
N 56 E - 11.8 MILES FROM Carlsbad, NM	
LAT: 32°30.917' N.	LON: 104°03.640' W.
NO WARRANTY IS EXPRESSED OR IMPLIED AS TO THE RELIABILITY AND/OR COMPLETENESS OF THIS MAP	
DATE: 04/28/09	
WWW.WELLFROMMAPPING.COM	
CORNISH 2005-2009	

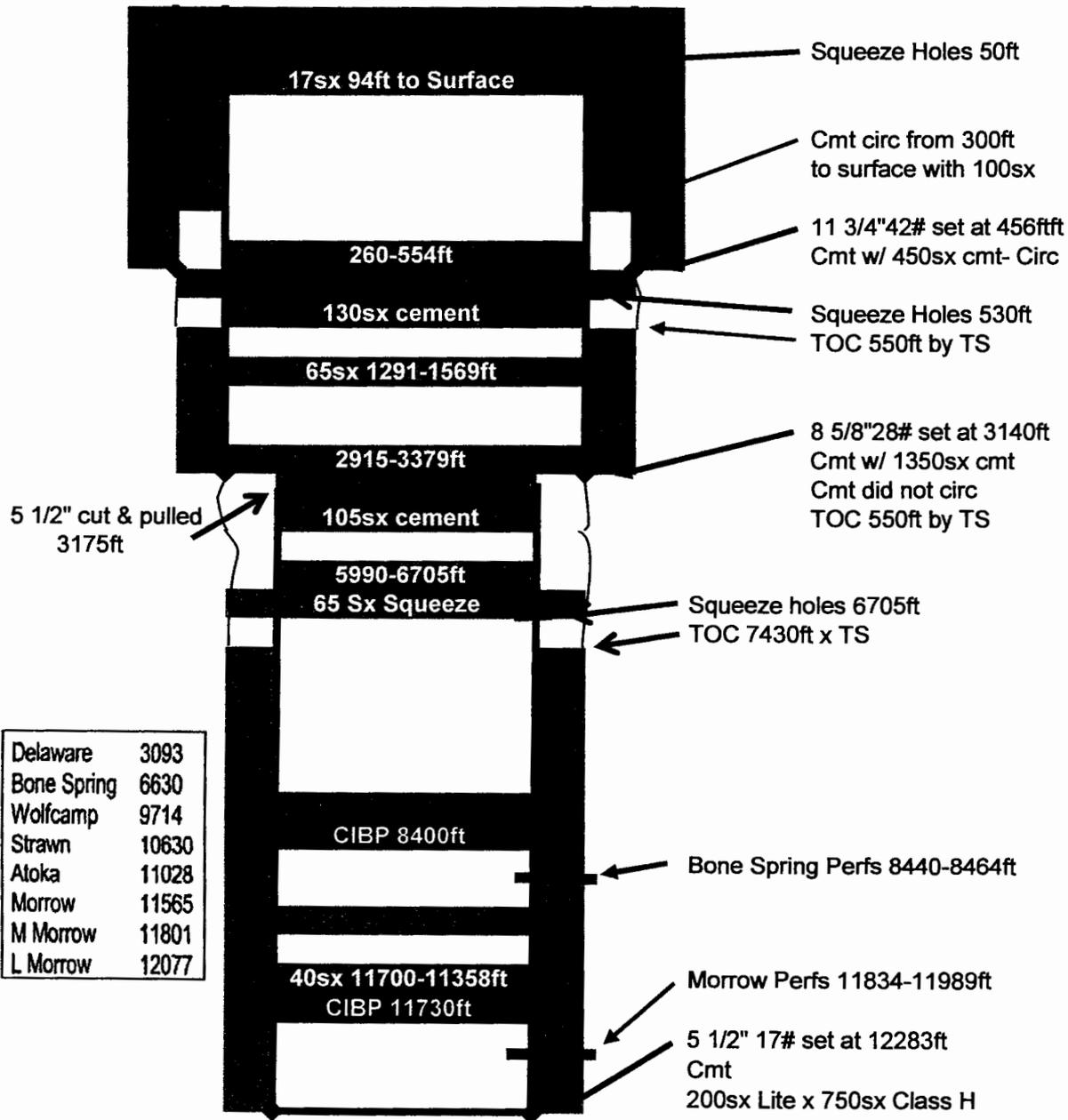
**Judah Oil, LLC
wells located within
0.5 AND 1 Mile
Area of Review**

	RADIUS	API	OPERATOR	LEASE	WELL	TYPE	STAT	TS	RNG	S	UL	T	TVD
		3001527346	JUDAH OIL,LLC	SAND POINT STATE	1	OIL	ACT	21S	28E	2	K	S	6285
1	1805	3001523100	JUDAH OIL,LLC	STATE	1	OIL	ACT	21S	28E	2	L	S	12348 ✓
2	2315	3001523236	BASS	BIG EDDY	80	GAS	PA	21S	28E	3	9	F	12283 ✓
3	3349	3001539848	Regeneration	Dump State	1	Oil	ACT	21S	28E	2	L	S	
4	4122	3001502460	POWO	POW	1	OIL	UNC	21S	28E	3	O	N	0
5	4158	3001529778	JUDAH OIL,LLC	EXPERIMENTAL STATE	1	GAS	ACT	21S	28E	2	N	S	12550
6	4583	3001522859	BASS	BIG EDDY UNIT	72	GAS	ACT	21S	28E	3	O	F	0

Well diagrams included for 1 and 2

Exhibit "C"

BEPCO
Big Eddy Unit # 080
API # 30-015-23236
Unit Letter A, Section 3, T21S, R28E
Eddy County, New Mexico
Spudded 4/19/1980
Plugged and Abandoned 2009



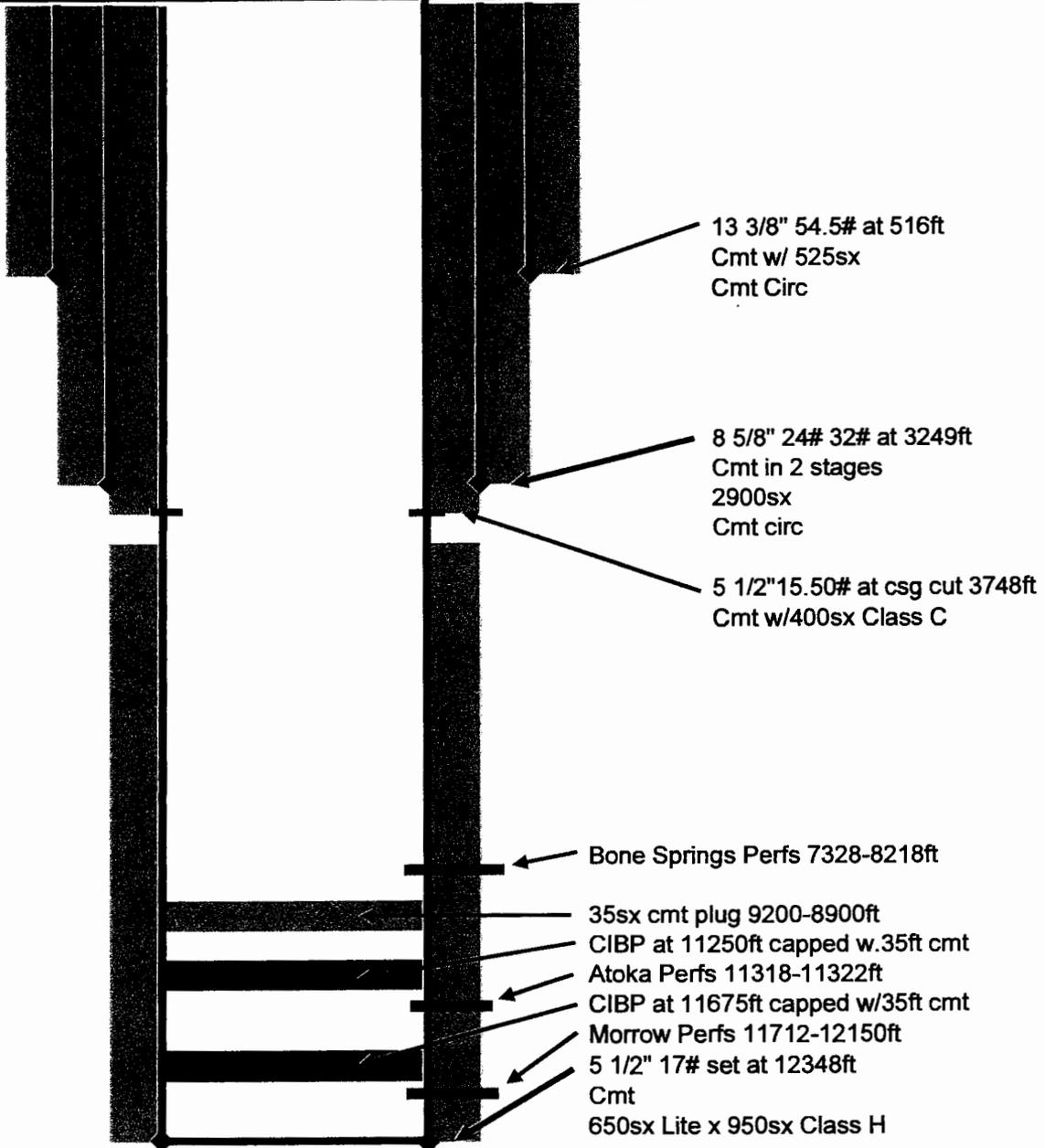
Delaware	3093
Bone Spring	6630
Wolfcamp	9714
Strawn	10630
Atoka	11028
Morrow	11565
M Morrow	11801
L Morrow	12077

BEP

Drawing not to scale

Exhibit "C"

Judah Oil, LLC
State # 1
API # 30-015-23100
L-2-21S-28E
Eddy County, New Mexico
Spudded 1/21/1980
PA 9/21/1987
Reenter 1992
Drilled as Morrow Test, Currently Bone Springs



BEP

Drawing not to Scale

**Judah Oil, LLC
Sand Point State #001
Water Analysis
of
Bone Springs and Delaware Produced Water
delivered to Sand Point State #001**

Pool or Field	Section	Township	Range	TDS	Chlorides
Fenton NW; Delaware	7	21S	28E	153408	103522
Old Millman Ranch; Bone Springs	4	20S	28E	6037	3352
Avalon; Delaware	30	20S	28E	161114	109216

Exhibit "D"

**Judah Oil, LLC
Sand Point State #001
Water Analysis
of
Bone Springs and Delaware Produced Water
delivered to Sand Point State #001**

Pool or Field	Section	Township	Range	TDS	Chlorides
Fenton NW; Delaware	7	21S	28E	153408	103522
Old Millman Ranch; Bone Springs	4	20S	28E	6037	3352
Avalon; Delaware	30	20S	28E	161114	109216

Exhibit "E"

Judah Oil,LLC

Typical Delaware water and possible fluid hauled to Sand Point State # 001

Pool or Field or Formation	Section	Township	Range	TDS	Chlorides
Fenton NW; Delaware	7	21S	28E	153408	103522
Old Millman Ranch; Bone Springs	4	20S	28E	6037	3352
Avalon; Delaware	30	20S	28E	161114	109216
Atoka	36	21S	28E	50026	29200
Apache Springs; Wolfcamp	22	20S	28E	297557	186000
Burton Flat; Morrow	18	20S	28E	36641	23004

Exhibit "D" and Exhibit "E"

Judah Oil, L.L.C.
Sand Point State # 001
API # 30-015-27346
Unit Letter "K", Section 2, T21S, R28E
Eddy County, New Mexico
C108 (Application for Authorization to Inject)

Fresh Water Analysis

General Information About: Sample 27993 Section/ Township/Range 04 / 21 S / 28
E Lat/Long 32.5121 / -104.0911 Elevation 3205 Depth 56 Date Collected 7/18/1997 Chlorides
44 Collector / Point of Collection SEO / DP Use Stock Formation RSLR TDS

General Information About: Sample 27151 Section/ Township/Range 17 / 21 S / 28
E Lat/Long 32.4791 / -104.1093 Elevation 3198.9 Depth 500 Date Collected 7/18/1997
Chlorides 1190 Collector / Point of Collection SEO / DP Use Formation CAP TDS

General Information About: Sample 8401 Section/ Township/Range 18 / 21 S / 28 E
Lat/Long 32.4791 / -104.1264 Elevation 3153.1 Depth 25 Date Collected 7/18/1997 Chlorides
90 Collector / Point of Collection SEO / TS@18' Use Formation OAL TDS

General Information About: Sample 27933 Section/ Township/Range 36 / 20 S / 28
E Lat/Long 32.5294 / -104.1302 Elevation 3205 Depth 0 Date Collected 5/11/1989 Chlorides
76 Collector / Point of Collection SEO / DP Use Stock Formation RSLR TDS 0

Data obtained for <http://octane.nmt.edu>

Exhibit "F"

Judah Oil, LLC
 Sand Point State # 1
 API # 30-015-27346
 Surface Owner
 Levi Oil & Gas, LLC
 P.O. Box 568
 Artesia, New Mexico 88211-0568

Judah Oil, LLC
 Sand Point State # 1
 API # 30-015-27346
 Mineral Owner
 New Mexico
 New Mexico State Land Office
 PO Box 1148
 Santa Fe, New Mexico 87504

Minerals

Section 2, T21S, R28E

	Owner	Lessee
Lot 2	New Mexico	Judah Oil, LLC, PO Box 568, Artesia, New Mexico 88211
Lot 3	New Mexico	Judah Oil, LLC, PO Box 568, Artesia, New Mexico 88211
Lot 4	New Mexico	Judah Oil, LLC, PO Box 568, Artesia, New Mexico 88211
Lot 5	New Mexico	Judah Oil, LLC, PO Box 568, Artesia, New Mexico 88211
Lot 6	New Mexico	Judah Oil, LLC, PO Box 568, Artesia, New Mexico 88211
Lot 7	New Mexico	Judah Oil, LLC, PO Box 568, Artesia, New Mexico 88211
Lot 8	New Mexico	Judah Oil, LLC, PO Box 568, Artesia, New Mexico 88211
Lot 9	New Mexico	Judah Oil, LLC, PO Box 568, Artesia, New Mexico 88211
Lot 10	New Mexico	Judah Oil, LLC, PO Box 568, Artesia, New Mexico 88211
Lot 11	New Mexico	Judah Oil, LLC, PO Box 568, Artesia, New Mexico 88211
Lot 12	New Mexico	Judah Oil, LLC, PO Box 568, Artesia, New Mexico 88211
Lot 13	New Mexico	Judah Oil, LLC, PO Box 568, Artesia, New Mexico 88211
Lot 14	New Mexico	Judah Oil, LLC, PO Box 568, Artesia, New Mexico 88211
Lot 15	New Mexico	Judah Oil, LLC, PO Box 568, Artesia, New Mexico 88211
Lot 16	New Mexico	Judah Oil, LLC, PO Box 568, Artesia, New Mexico 88211
UL "J"	New Mexico	Judah Oil, LLC, PO Box 568, Artesia, New Mexico 88211
UL "K"	New Mexico	Judah Oil, LLC, PO Box 568, Artesia, New Mexico 88211
UL "L"	New Mexico	Judah Oil, LLC, PO Box 568, Artesia, New Mexico 88211

Section 3, T21S, R28E

	Owner	Lessee
Lot 1	USA-BLM	BOPCO, L.P. 6 Desta Drive, Ste 3700 P. O. Box 2760 Midland TX 79702"
Lot 8	USA-BLM	BOPCO, L.P. 6 Desta Drive, Ste 3700 P. O. Box 2760 Midland TX 79702"
Lot 9	USA-BLM	BOPCO, L.P. 6 Desta Drive, Ste 3700 P. O. Box 2760 Midland TX 79702"
Lot 16	USA-BLM	BOPCO, L.P. 6 Desta Drive, Ste 3700 P. O. Box 2760 Midland TX 79702"

**Judah Oil, L.L.C.
Sand Point State # 001
API # 30-015-27346
Unit Letter "K", Section 2, T21S, R28E
Eddy County, New Mexico
C108 (Application for Authorization to Inject)**

Proof of Notify

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

Surface Owner
Southwest Petroleum Land Service
100 North Penn
Roswell, NM 88202

Other Notified Parties

United State of America
Bureau of Land Management
602 E. Green Street
Carlsbad, New Mexico 88220

New Mexico Oil Conservation Division
District II
1301 W. Grand Ave
Artesia, NM 88210

BOPCO, Inc.
PO Box 2760
Midland, TX 79702

Regeneration Energy Corp.
PO Box 210
Artesia, NM 88211-0210

COG Operating, LLC
600 W. Illinois Ave
Midland, TX 79701

Exhibit "G"

JUDAH OIL, LLC
Oil and Gas Operating

July 18, 2013

RE: Sandpoint State No. 1
UK, S2, T21S, R28E
Eddy County, New Mexico

Dear Sir:

In accordance with the Rules and Regulations of the Oil Conservation Division of the State of New Mexico, you are being provided a copy of the C-108, Application for Authorization to Inject in to the above captioned well.

Any questions about the permit can be directed to James B. Campanella, (575)746-1280. Any objections or request for hearing must be filed with the Oil Conservation Division within fifteen (15) days from the date received. The OCD address is 1220 S. Saint Francis Drive, Santa Fe, NM 87504, (505)476-3440.

Thank you,



James B. Campanella
Member/Manager

Legal Notice

Judah Oil ,L.L.C., PO Box 568, Artesia, New Mexico 88210 has filed form C-108 (Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval of the conversion of the Sand Point State # 001, API #30-015- 27346, 2673 FNL X 1650 FWL, Unit Letter "K", Section 2, Township 21 South, Range 28 East, Eddy county, New Mexico from a Delaware oil well to a Lease Delaware salt water disposal well. The disposal interval would be the Delaware formation through perforations from 3530-4500 feet. Disposal fluid would be produced water from Judah Oil's Experimental State (API 30-015-29778) and the State # 1 (API 30-015-23100)

Anticipated disposal rate of 1000 BWPD with a maximum disposal rate of 1500 BWPD. Anticipated disposal pressure 250 psi with a maximum disposal pressure of 706 psi. Well is 11.8 miles east of Carlsbad, New Mexico.

All interested parties opposing the aforementioned must file objections with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505 with in 15 days. Additional information can be obtained by contacting James B. Campanella 575-748-5488.

Legal Notice to be published in the Artesia Daily Press

Exhibit "G"

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

August 24, 2013

Jami Bailey, Director
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Judah Oil, LLC
Administrative SWD application

Sandpoint State Well No. 1 (API No. 30-015-27346)
Unit K §2-21S-28E
Eddy County, New Mexico

Dear Ms. Bailey:

BOPCO, L.P. withdraws its objection to the above application.

Very truly yours,



James Bruce

Attorney for BOPCO, L.P.

cc: Judah Oil, LLC
P.O. Box 568
Artesia, New Mexico 88211

RECEIVED
2013 AUG 26 P 2:18

JUDAH OIL, LLC
Oil and Gas Operating

August 2, 2013

RE: Revised Exhibit "A" Schematic
Sandpoint State No. 1
UK, S2, T21S, R28E
Eddy County, New Mexico

Dear Sir:

Please find enclosed a Revised Exhibit "A" Schematic. Please replace the third (3rd) page of Exhibit "A" that was originally included in the Oil Conservation Division C-108, Application for Authorization to Inject packet, with the Revised Exhibit "A" Schematic.

If you have any questions and/or concerns, please contact James B. Campanella, (575)746-1280.

Thank You,



Ashlie Quinones
Production Manager

Encl (1)

RECEIVED OGD
2013 AUG -5 P 2:11

Thanks

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

From: Adams, Kent A [mailto:KAAAdams@BassPet.Com]
Sent: Friday, March 08, 2013 10:43 AM
To: rmiller@pvtm.net
Cc: Jones, Walt; Montgomery, Monty
Subject: RE: SWD

Raye,

We have received a letter agreement from Judah that essentially addresses our concerns but we would like the permit amended so that we don't have to police it. Our disposal wells in the area inject above 4,000' at a pressure limited rate of less than 1,000 BWPD. It is unlikely that they could obtain an injection rate of 5,000 BWPD at permitted pressure. We would lift our objection if Judah would amend the permit to make the deepest injection perf at 4,500' and limit the maximum injection rate to 1500 BWPD. That gives them some latitude over the current injection needs and addresses our concerns about encountering water flows while drilling in the area. Should pressure data indicate that the rate could be increased and remain below frac pressure then an amendment to the SWD permit could be sought with appropriate offset notifications.

A letter agreement would still be beneficial to perform chemical tracers if we believe we see influence from the injection well. Let me know what you think and if you want to move forward.

Thanks...

Kent A. Adams
VP - Drilling & Completions
BOPCo, L.P.
(817) 390-8807

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

From: Raye P Miller [mailto:rmiller@pvtm.net]
Sent: Monday, March 04, 2013 11:19 AM
To: Adams, Kent A
Subject: RE: SWD

Kent;

Ok Thanks Raye

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

From: Adams, Kent A [mailto:KAAAdams@BassPet.Com]
Sent: Monday, March 04, 2013 8:27 AM
To: <rmiller@pvtm.net>
Subject: Re: SWD

Goetze, Phillip, EMNRD

From: Goetze, Phillip, EMNRD
Sent: Friday, August 09, 2013 11:02 AM
To: 'James Campanella'
Cc: jamesbruc@aol.com; Ezeanyim, Richard, EMNRD; Shapard, Craig, EMNRD
Subject: Notification of Protest for the Sandpoint State No. 1 C-108 Application

RE: Sandpoint State Salt Water Disposal Well No. 1 (API 30-015-27346) in Eddy County.

Mr. James Campanella:

OCD was notified by BOPCO through their counsel, Mr. Jim Bruce, that they are protesting this application. BOPCO states that the SWD well will interfere with their production operations in the area. Therefore, you are being notified that for this application to be considered, it must either go to hearing or may be reviewed administratively if the protest is withdrawn as a result of a negotiated resolution with BOPCO. Please contact OCD once you have made a decision. Please me call with any questions regarding this matter. PRG

Phillip R. Goetze, P.G.

Engineering Bureau, Oil Conservation Division
1220 South St. Francis Dr., Santa Fe, NM 87505
O: 505.476.3466 F: 505.476.3462

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

August 7, 2013

Via fax and U.S. Mail

Jami Bailey, Director
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

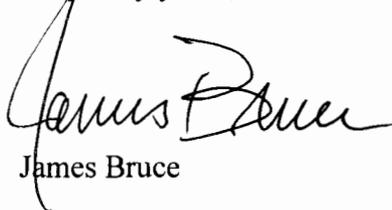
Re: Judah Oil, LLC
Administrative SWD application

Sandpoint State Well No. 1 (API No. 30-015-27346)
Unit K §2-21S-28E
Eddy County, New Mexico

Dear Ms. Bailey:

BOPCO, L.P. objects to the above application, which may interfere with its offset producing operations.

Very truly yours,



James Bruce

Attorney for BOPCO, L.P.

cc: Judah Oil, LLC
P.O. Box 568
Artesia, New Mexico 88211

RECEIVED OGD
2013 AUG -8 P 2:15

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruce@aol.com

RECEIVED 003
2013 AUG -7 P 12:58

August 7, 2013

Via fax and U.S. Mail

Jami Bailey, Director
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

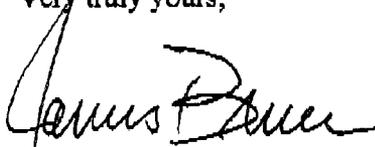
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Very truly yours,



James Bruce

Attorney for BOPCO, L.P.

cc: Judah Oil, LLC
P.O. Box 568
Artesia, New Mexico 88211

Affidavit of Publication

NO. 22665

STATE OF NEW MEXICO

County of Eddy:

Danny 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 state, and that the hereto 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 weeks/days on the same

day as follows:

- First Publication July 23, 2013
- Second Publication _____
- Third Publication _____
- Fourth Publication _____
- Fifth Publication _____

Subscribed and sworn to before me this

24th day of July 2013



OFFICIAL SEAL
Latisha Romine
NOTARY PUBLIC-STATE OF NEW MEXICO

My commission expires: 5/12/2015

Latisha Romine
Notary Public, Eddy County, New Mexico

Copy of Publication:

LEGAL NOTICE

Order Of J.L.C. PO Box 568, Artesia, New Mexico 88210 has filed form C-108 (Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval of the completion of the Carl Pugh State # 1071, API #30-015-22740, 2073 Pst. X 1020 Pst., Unit Letter "C" Section 2, Township 21 South, Range 28 East, Eddy County, New Mexico from a Delaware oil well to a Lease Delaware well water disposal well. The disposal interval would be the Delaware formation through perforations from 2520-4300 feet. Disposal fluid would be produced water from Order Of's Experimental State #API 30-015-21778 and the State # 1 (API 30-015-22910). Anticipated disposal rate of 1000 BOPD with a maximum disposal rate of 1500 BOPD. Anticipated disposal pressure 270 psi with a maximum disposal pressure of 700 psi, well is 11.8 miles west of Carlisle, New Mexico. All interested parties opposing the aforementioned must file objections with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87502 with in 15 days. Additional information can be obtained by contacting James B. Campanella 505-743-5433. Published in the Artesia Daily Press, Artesia, N.M., July 23 2013. Legal No. 22665.



C-108 Review Checklist: Received 07/23/13 Add. Request: 08/26/13 Reply Date: 11/03/13 Suspended: request copy of newspaper

BOPCO protested / BOPCO withdraws protest
Case 14561
R-13335 } 2010

PERMIT TYPE: WFX / PMK / SWD Number: 1451 Permit Date: 11/25/13 Legacy Permits/Orders: Final

Well No. 4 Well Name(s): Sand Point State (Original name: Tecolote State No. 1)

API: 30-0 15-27346 Spud Date: 05/04/1993 New or Old: New (UIC Class II Primacy 03/07/1982)

Footages 2673 FNL / 1650 FWL Lot 11 Unit (X) Sec 2 Tsp 21S Rge 28E County Eddy Pool No.: +3 attempts to get SWD approval

Operator: Judah Oil, LLC OGRID: 245872 Contact: James Campavella

COMPLIANCE RULE 5.9: Inactive Wells: 1 Total Wells: 38 Fincl Assur: Yes Compl. Order? No IS 5.9 OK? Yes

Well File Reviewed Current Status: TA - prior attempts noted problems Casing & Cement repairs conducted in May/June 2011 work over to bring online - declined prod.

Well Diagrams: NEW: Proposed RE-ENTER: Before Conv. After Conv. Are Elogs in Imaging? GR-SP/Inductance/Fluorescence

Planned Rehab Work to Well: Reef at 1640 Added to May/June 2011 workover | new perf per agreement

Well Construction Details:	Sizes (in) Borehole / Pipe	Setting Depths (ft)	Cement (Syr Cf)	Cement Top and Determination Method
Planned ___ or Existing ___ Conductor				
Planned ___ or Existing <input checked="" type="checkbox"/> Surface	<u>26" / 20"</u>	<u>0 to 259</u>	<u>570</u>	<u>Cir. to surf</u>
Planned ___ or Existing <input checked="" type="checkbox"/> Intern/Prod	<u>17 1/2 / 13 7/8</u>	<u>0 to 1252</u>	<u>870</u>	<u>Cir. to surf</u>
Planned ___ or Existing <input checked="" type="checkbox"/> Prod/Intern	<u>12 1/2 / 8 5/2</u>	<u>0 to 3162</u>	<u>1370</u>	<u>Cir. to surf</u>
Planned ___ or Existing <input checked="" type="checkbox"/> Liner/Prod	<u>7 7/8 / 5 1/2</u>	<u>0 to 6285</u>		<u>10C - 15 - 2200'</u>
Planned ___ or Existing ___ OH / PERF	<u>5 1/2</u>	<u>*3530 - 4416</u>		

Injection Stratigraphic Units:	Depths (ft)	Injection or Confining Units	Inj Length Tops?	Completion/Operation Details:
Adjacent Unit: Litho. Struc. Por.				Drilled TD <u>6285</u> PBDT <u>62875</u>
Confining Unit: Litho. Struc. Por.	<u>+418</u>	<u>Reef</u>	<u>1640</u>	NEW TD <u>NA</u> NEW PBDT <u>NA</u>
Proposed Inj Interval TOP:	<u>3530</u>	<u>Bell Canyon</u>	<u>3112</u>	NEW Open Hole <input type="checkbox"/> or NEW Perfs <input checked="" type="checkbox"/>
Proposed Inj Interval BOTTOM:	<u>4500-4416</u>	<u>Cherry Canyon</u>	<u>3782</u>	Tubing Size <u>2 7/8</u> in. Inter Coated? <u>Yes</u>
Confining Unit: Litho. Struc. Por.	<u>-1302</u>	<u>Brown Canyon</u>	<u>5718</u>	Proposed Packer Depth <u>3480</u> ft
Adjacent Unit: Litho. Struc. Por.		<u>Bone Spring</u>		Min. Packer Depth <u>3430</u> (100-ft limit)
AOR: Hydrologic and Geologic Information				Proposed Max. Surface Press. <u>700</u> psi
POTASH: R-111-P <u>NA</u> Noticed? <u>NA</u> BLM Sec Ord <u>NA</u> WIPP <u>NA</u> Noticed? <u>NA</u> SALADO: T: <u>585</u> B: <u>985</u> CLIFF HOUSE <u>NA</u>				Admin. Inj. Press. <u>700</u> (0.2 psi per ft)
FRESH WATER: Formation _____ Max Depth _____ Wells? _____ FW Analysis <input checked="" type="checkbox"/> HYDROLOGIC AFFIRM By Qualified Person <input checked="" type="checkbox"/>				
Disposal Fluid: Formation Source(s) <u>Bone Spring, Delaware, Marrow & Atoka</u> Analysis? <u>Yes</u> On Lease <input type="checkbox"/> Operator Only <input checked="" type="checkbox"/> or Commercial <input type="checkbox"/>				
Disposal Interval: Injection Rate (Avg/Max BWPD): <u>1500 BPD</u> Protectable Waters: <u>No</u> CAPTAN REEF: thru <input checked="" type="checkbox"/> adj <input type="checkbox"/> NA <input type="checkbox"/>				
H/C Potential: Producing Interval? <u>Not currently</u> Formerly Producing? <u>Yes</u> Method: E Log / Mudlog/DST/Depleted <u>Records/Case #</u>				
AOR Wells: 1/2-M Radius Map? <u>Yes</u> Well List? <u>Yes</u> Total No. Wells Penetrating Interval: <u>2</u> Horizontals? <u>0</u> 13335				
Penetrating Wells: No. Active Wells <u>1</u> Num Repairs? <u>0</u> on which well(s)? _____ Diagrams? <u>Y</u>				
Penetrating Wells: No. P&A Wells <u>1</u> Num Repairs? <u>0</u> on which well(s)? _____ Diagrams? <u>Y</u>				

NOTICE: Newspaper Date _____ Mineral Owner SLO Surface Owner -owned by N. Date July 18, 2013

RULE 26.7(A): Identified Tracts? Yes Affected Persons: BOPCO/BLM/COG/Registration N. Date July 18, 2013

Permit Conditions: Issues: BOPCO agreement: 1500 BWPD max / no perf below 4500

Add Permit Cond: 1500 BWPD maximum / CIBP plug installed at 200 ft below 4500 or lowest res

Submit 1 Copy To Appropriate District Office
 District I - (575) 393-6161
 1625 N French Dr., Hobbs, NM 88240
 District II - (575) 748-1283
 811 S First St., Artesia, NM 88210
 District III - (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV - (505) 476-3460
 1220 S. St Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised August 1, 2011

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

WELL API NO. 30-015-27346
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 Tecolote State Sand Point State
8. Well Number 001
9. OGRID Number 245872
10. Pool name or Wildcat Scanlon: Delaware
11. Elevation (Show whether DR, RKB, RT, GR, etc.)

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
Judah Oil, LLC

3. Address of Operator
P.O. Box 568, Artesia, NM 88211

4. Well Location
 Unit Letter K : 2673 feet from the North line and 1650 feet from the South line
 Section 2 Township 21S Range 28E NMPM Eddy County

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"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: casing repair and put on production <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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Work Over Procedure Attached

Spud Date: Rig Release Date:

RECEIVED

OCT 06 2011

NMOGD ARTESIA

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: *Ashlie Valverde* TITLE: production mgr. DATE: 10/3/11
 Type or print name: Ashlie Valverde E-mail address: Ashlie@judahoil.com PHONE: 575-246-1280
For State Use Only
 APPROVED BY: *T. L. Shepard* TITLE: Geologist DATE: OCT 13 2011
 Conditions of Approval (if any):

Sandpoint #1 Workover Report

6/07/11 Continued:

Laid back Swivel and picked up tubing. Tagged 10' down. POOH. Caught top of retainer. RIH w/Spear. Caught retainer. SION, 4:30 PM.

6/08/11

7:00 AM – POOH w/Fish. Laid down retainer. RIH w/Catch Tool for RBP. Tagged fill @ 3920', 10:00 AM. POOH w/ Catch Tool. RIH W/ Milltooth Bit. Started drilling cement @ 2:00 PM. Drilled 45' in 4 hours. SION, 6:00 PM.

6/09/11

7:00 AM – POOH w/Mill Bit. RIH w/Blade Bit. Drilled 3910' to 4040' out of cement @ 12:00 PM. RIH to 4706' and tagged sand. POOH w/Bit. PU catch tool. Washed over plug and caught. Pulled 15 stands and reset plug, washed over.

6/10/11

7:00 AM – POOH w/A-1 Airset w/bullplug and laid down. RIH w/Mill Bit, tagged CIBP #1 @ 5870' Drilled out CIBP @ 2:00 PM. Picked up tubing and tagged CIBP #2 @ 5950'. Circulate sand. Drilling on plug. SLOW, 6:15 PM.

6/13/11

7:00 AM – Continued drilling CIBP. Drilled out plug @ 10:00 AM, tagged @ 6013'. Cleaned out hole and circulated until 12:30 PM. POOH w/tubing and laid down collars, 3:30 PM. RIH w/SN, 12 joints, TA, 174 joints 2 3/8" tubing. Packed off. SION, 6:00 PM.

6/14/11

7:00 AM – Pumped 40 BBLS water down casing and circulate up tubing to vacuum truck. Dropped SV and pressure to 1500#'s, held. Fished SV, (several tight spots). Landed tubing @ 5976.84'. Pulled 12 points over. Landed tubing w/2 7/8" x 2 3/8" x 0 on flange. RIH w/2' x 1 1/2" x 20' RHBC-HVR w/3' Sand Screen, 12 – 1 1/4" K bars, 147 – 3/4" rods, 82 – 7/8" rods, 1 – 6', 1 – 4', 2 – 2' x 7/8" subs, 22' polish rod w/14' x 1 1/2" liner. RPPU waiting on Pumping Unit, 2:00 PM.

6/17/11

Set 320 Pumping Unit w/8 1/2 x 10 Ajax Engine. Hooked up flowline. Left down over weekend.

6/20/11

POL @ 10:00 AM, 9 SPM, 120" stroke

6-21-11 oil-7 wtr-32 gas-tstm

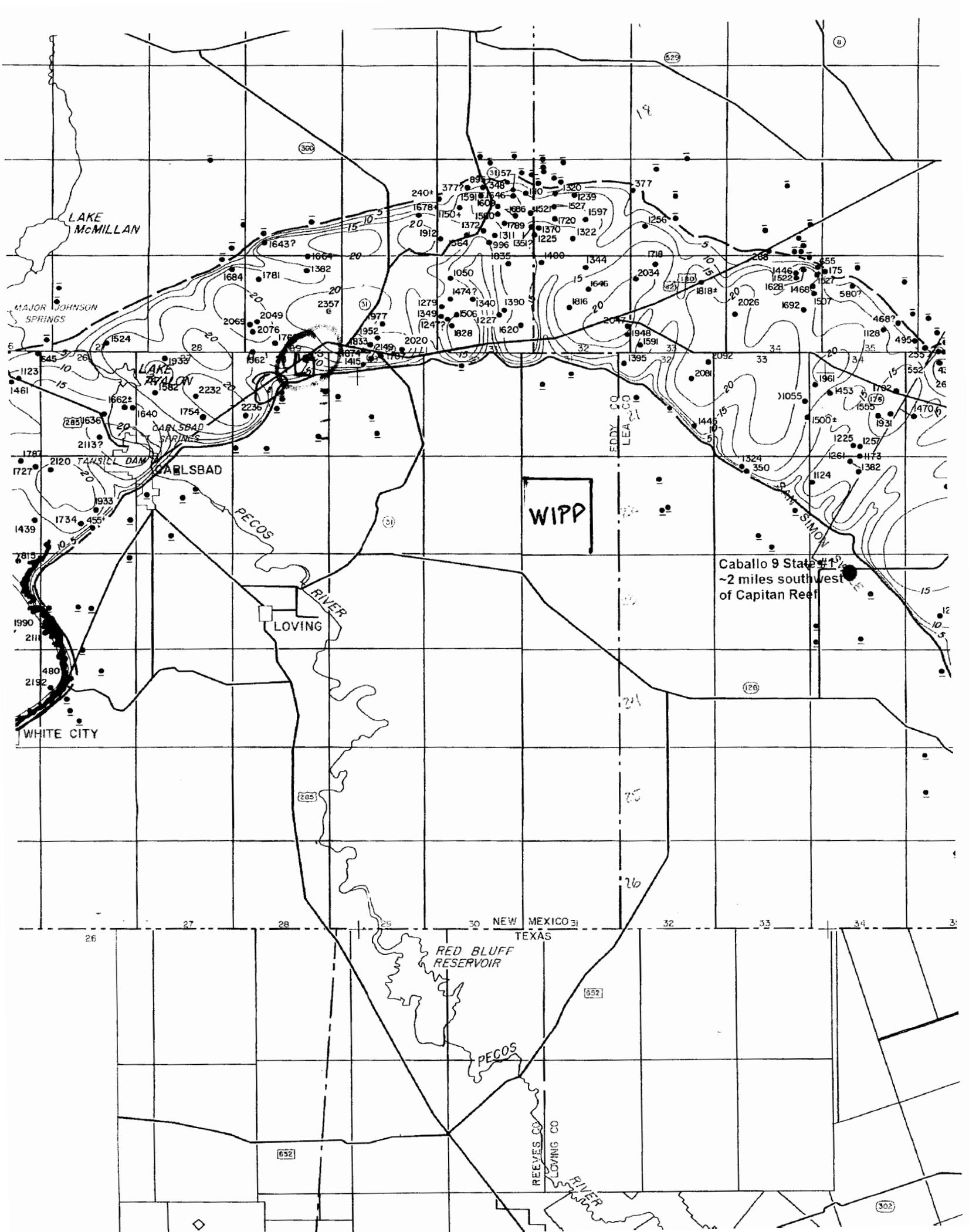
6-22-11 oil-0 wtr-12 gas-tstm Well not pumping, called for pressure truck

6-23-11 held press, no pump action

6-29-11 MIRU Tyler Well Service. POOH with rods and pump. PU swab and swabbed 40 bbls pw w/5% oil cut. Samples have frac sand and iron sulfide. SION

6-30-11 150# on csg. Made 3 swab runs. Flow loine plugged with solids. Made 5 runs to reverse pit. Top of fluid is 800'. Swabbed to 1500' with 20% oil cut. Swabbed 35 bbls total fluid. SION

7-1-11 TP 140# CP 200#. FL 1330" Made 3 swab runs, recovered 15 bbls fluid w/ 10% oil cut. RU kill truck to csg and pumped 15 bbls 2% KCL. Pressured to 320# and started flowing through tbg.



LAKE
McMILLAN

MAJOR JOHNSON
SPRINGS

LAKE
RYALON

LAKE
RYALON
SPRINGS

LORDSBURG

PECOS
RIVER

LOVING

WHITE CITY

WIPP

Caballo 9 State #1
~2 miles southwest
of Capitan Reef

NEW MEXICO

TEXAS

RED BLUFF
RESERVOIR

PECOS
RIVER

REEVES CO
LOVING CO

PECOS
RIVER

West

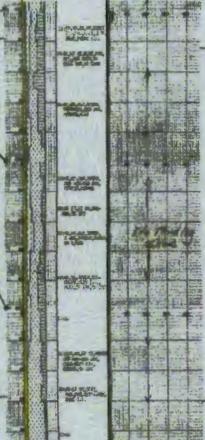
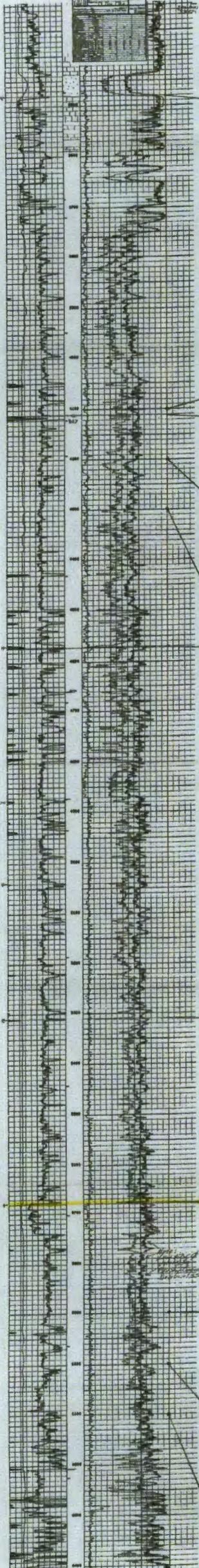
East

BASS Big Eddy Unit #80

Judah Oil proposed SWD - Reade 54

Area "E"

See Log Below



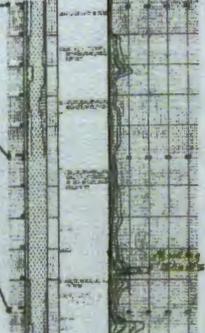
Above mudlog section for BASS Big Eddy #80

Note - No
 West-East
 strike slugs
 above 5920
 in Bass Enterprise
 Big Eddy Unit #80
 - Geo. L. Searles
 (mudlog unit log
 west of unit #80
 @ 515, 550, 800)

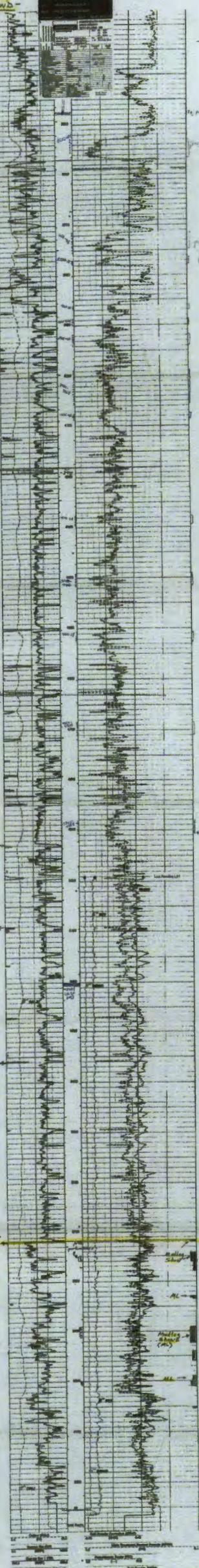
Brushy Canyon

Washed
 straggled
 pinpoint
 residual
 sandstone
 porous, gray
 calcareous

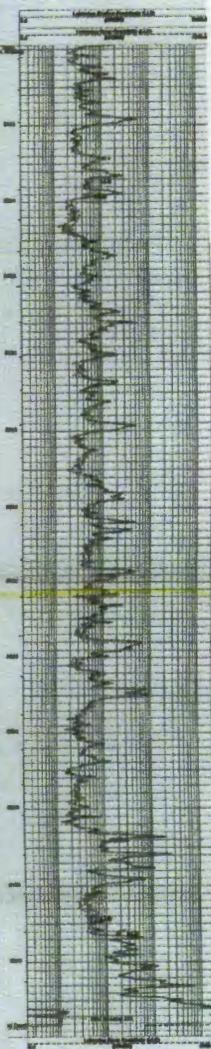
*NOTE: No Mudlog ss
 shows above and
 in proposed SWD
 Well (Judah Tank 51)



Above mudlog section for BASS Big Eddy Unit #80



Note: Calculated
 values reflect no
 production area above
 5700 (also in
 mudlog below)



Judah Oil Tank 51 proposed SWD

ONL-PAC

From Case 14561

Old map

Inactive Well List

Total Well Count: 38 Inactive Well Count: 1
Printed On: Wednesday, November 13 2013

District	API	Well	ULSTR	OCD Unit	OGRID	Operator	Lease Type	Well Type	Last Production	Formation/Notes	Status	TA Exp Date
1	30-005-10080	PENROC NEW MEXICO BW STATE #001	K-20-08S-33E	K	245872	JUDAH OIL LLC	S	O	01/2010	TA EXP 12/01/11 INT TO PA 01/6/2012	T	12/1/2011

WHERE Ogrid:245872, County:All, District:All, Township:All, Range:All, Section:All, Production(months):15, Excludes Wells Under ACOI, Excludes Wells in Approved TA Period

JUDAH OIL, LLC

Oil and Gas Operating

August 4, 2010

NMOCD
Engineering Bureau
1220 S St. Francis Dr
Santa Fe, NM 87505

RE: Tecolote State #1, API 30-015-27346
C-108 Application

RECEIVED OGD
2010 AUG - 9 A 11: 44

Dear Will,

I am sorry it has taken me so long to respond to your E-Mail dated June 30, 2010. I have been out of town quite a bit lately and have also been snowed under with some other issues. Thank you for your patience.

Listed below is my response to the questions you had concerning the Tecolote St #1 well. Please let me know if you need anything else.

A) We will set the CIBP at 5200 and put 100' of cement over plug. ✓

B) I am enclosing the workover report (**Attachment "A"**) which covers the holes that were found in the casing. A hole was found @ 4069' and another hole was found between 2534 and 4069. I will go with our previous plans and replace the 5 ½ casing down to 4150' +/- Cement will be pumped in two stages using a DV tool bringing cement to a minimum of 2000' below surface.

On the C-108 that was submitted on December 7, 2006, we were going to inject into perfs 5713-6164. We decided to use the upper Delaware (3530-4904) to inject into because the upper Delaware has no commercial shows. We feel that the proposed disposal interval will make a good candidate for injection.

C) The State of New Mexico received a Patent from the United States of America on January 22, 1960 covering this acreage, and then sold it to Mr. Gant and some of his partners on January 4, 1978. I am sending a copy of the Patent (**Attachment "B"**) and a copy of a Title Opinion dated February 24, 2010 for your convenience. (**Attachment "C"**)

Southwest Petroleum Land Services, LLC (SPLS) bought Mr. Gants interest and a Mr. Rhodes interest. I have attached a copy of the deeds (**Attachment "D"**) for you convenience. I have sent the other surface interest holders a copy of the permit. One, "Tenant in Common" where-a-bouts, is unknown. He owns 1/6 of the surface. I have heard he has passed away and there are no family members around this area. I am still trying to locate a family member. Judah still has the legal right to permit a lease injection well. That is why I am applying for a "Closed System" disposal well.

P.O. Box 568
611 W Mahone, Suite D
Artesia, NM 88211-0568

Office: (505) 746-1280
Fax: (505) 746-1290
E-Mail: judahoil@yahoo.com

D) BEPCO and BOPCO are the same entity. Their addresses are also the same. We have had no contact from BEPCO. They have received a copy of the C-108 Application. (**Attachment "E"**)

E) We are attempting to permit the upper Delaware formation. This well was producing from the lower Delaware formation and was uneconomical to produce due to high water invasion. Structural dip is approximately 60' per mile to the east-southeast direction and the Big Eddy # 80 well is higher structurally than the proposed Tecolote SWD well. The lower Delaware has a "pinch out" from the Tecolote #1 to the Big Eddy #80. I have enclosed a cross section for your convenience. (**Attachment "F"**)

The upper Delaware has no commercial hydrocarbon shows in either Big Eddy #80 or Tecolote St #1 wellbores. I have enclosed a copy of the Tecolote mud log for your convenience. (**Attachment "G"**)

Please call me if you have any further questions.

Thanks again,

A handwritten signature in black ink, appearing to read "James B Campanella", with a stylized flourish extending to the right.

James B Campanella
Member/ Manager

attc/jc



Disposal application on behalf of Judah Oil LLC: Tecolote State #1 30-015-27346 Bell and Cherry Canyon Disposal intervals

Wednesday, June 30, 2010 3:06 PM

From: "Jones, William V., EMNRD" <William.V.Jones@state.nm.us>
To: billy@pwillc.net, "Blaise Campanella" <judahoil@yahoo.com>
Cc: "Ezeanyim, Richard, EMNRD" <rRichard.ezeanyim@state.nm.us>, "Dade, Randy, EMNRD" <Randy.Dade@state.nm.us>, "Reeves, Jacqueta, EMNRD" <Jacqueta.Reeves@state.nm.us>, "Gray, Darold, EMNRD" <Darold.Gray@state.nm.us>

Hello Bill:

Concerning this application, some of the usual questions:

- a. Please plan on plugging back within the 5-1/2 inch pipe to within 200 feet of the bottom of the (disposal interval 3530 to 4916) – you might consider adding more cement on top of the planned 5650 foot CIBP to reach 5100 feet.
- b. The previous application states the 5-1/2 inch casing has numerous holes in it above the calculated cement top and the intention was to pull the old pipe and install new pipe and cement it in. The current application says the cement top is calculated at 4589 and the casing will be squeezed from 4150 up to a level above the intermediate shoe. Why did the plans get changed from last year to this year?
- c. How did you determine which is the actual surface owner? The ONGARD system shows the BLM as the surface owner, your 2009 application for this well showed Joe Erwin Gant (and he protested), the latest application shows Southwest Petroleum Land Service.
- d. BEPCO is now BOPCO, please let us know if the address and contacts are the same or if not, please send BOPCO a notice. BEPCO opposed the use of this well for disposal in 2009 – did you or Blaise talk to BOPCO before the latest application or work something out?
- e. The offsetting plugged well has the top and bottom of the entire Delaware isolated but not the interval you plan on disposing into. The subject well apparently watered out or at least was a high water producer in the Delaware (with perms below your proposed injection interval). Is the subject well on top of any Delaware structure or is the offsetting plugged well actually higher on structure?
- f. Is there any possibility of production from the proposed disposal interval? How will you know? Do you have a mudlog or log analysis or do you plan to swab test?
- g. The application and the advertisement specifies this will be used for lease disposal – would you please list which lease this is and which producing wells will be sending water to this well?

William V. Jones, P.E.
Engineering, Oil Conservation Division
1220 South St. Francis Drive, Santa Fe, NM 87505
Tel 505.476.3448 – Fax 505.476.3462

Att "A"

Judah Oil, LLC
P.O. Box 568
Artesia, NM 88210

cell: 505-748-5488
office: 505-746-1280
fax: 505-746-1290

WELL PULLING REPORT

Lease Name: Tecolote St. #1
Date of Report: 09/02/2008
Work Commenced: 08/18/2008
Work Completed: 08/20/2008

REASONS FOR PULLING

Reason: T/A
Corrosion: Moderate
Scale: Nil
Paraffin: Nil

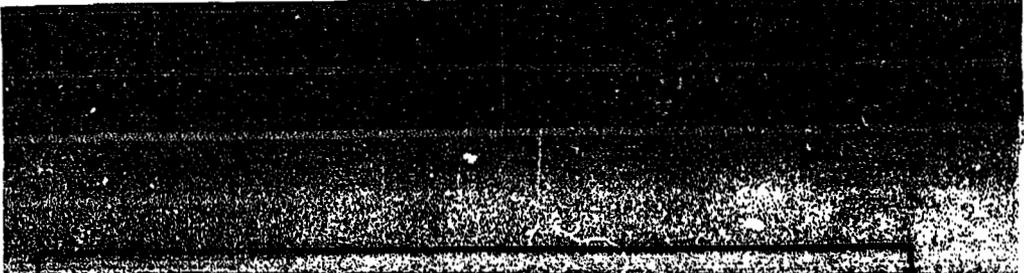
DETAILS OF WORK PERFORMED

- 08/18/2007 MIRU Mesa Well Service. Laid down 91 - 7/8 rods and 130 - 3/4 rods. 2 - 4' subs and 2' pump sub. Laid down 28 - 2 7/8 joints. POOH with 152 joints. Put in derrick. Laid down SN, perf sub and MA. (SN was @ 5552). RIH with 5 1/2 RBP and 154 joints tubing. Set RBP @ 4749; Pressure up to 600# would not hold. Pulled 2 joints. Set RBP @ 4979'. Pumped 17 bbls to 600#. Would not hold. SION 8:00 p.m.
- 08/19/2008 Unset RBP and pulled 24 stands out. Set RBP ^{@4743}. Casing didn't hold. Set RBP @ 2534'. Casing held 600#s. POOH with plug. RIH with RBP, 5 1/2 Packer, 154 joints; set plug @ 4743. Plug tested good. Tested up hole. Found hole @ 4069'. Pumped down casing and didn't hold. More holes between 4069' and 2534'. SION.
- 08/20/2008 Laid down tubing and packer. Left 5 1/2 RBP set @ 4743. RDPU.

WELL RECORD

EQUIPMENT	MATERIAL OUT			MATERIAL IN			REMARKS/CONDITION
	Size	Joints	Feet	Size	Joints	Feet	
Mud Anchor	2 7/8	1	31				
Perforations	2 7/8	1	3				
Seating Nipple	2 7/8	1	1				
Tubing	2 7/8	180	5552				
Tubing Subs							
Gas Anchor	1 1/4	1	6				
Pump	2 1/2 x 1 1/2 x 16						
Rods	7/8	91	2275				
Rods	3/4	130	3250				
Rod Subs	7/8	2	8				

Attch "B"



U. S. PATENT 21 623

State of New Mexico

No. 3365

PATENT FOR STATE LAND

We All the Whose Names Hereinafter Shall Come, Granting:
Ernl H. Miller, Gerald O. Rhoads, Joseph Erwin Gent, III, George S. Merkle, IV, an
undivided 1/5th interest each, and to M. Rosenberg, an undivided 1/3rd interest as
tenants in common,
of P.O. Box 1597, Carlsbad, State of New Mexico
be so purchased from the

STATE OF NEW MEXICO

according to the provisions of law, the following described tract of land, viz:
LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15 and 16
of Section 2, Township 21 South, Range 28 East,
New Mexico Principal Meridian, containing 588.20
acres or less, according to the government survey thereof, and
Ernl H. Miller, Gerald O. Rhoads, Joseph Erwin Gent, III, George S. Merkle, IV,
undivided 1/5th interest each, and to M. Rosenberg, an undivided 1/3rd
interest, as tenants in common,
be sold to the STATE OF NEW MEXICO, through the State Land Office, the amount of
Twenty Thousand Eight Hundred Eighty Two and 00/100 Dollars (\$2,882.00), the receipt
whereof is hereby acknowledged, and covered by Contract No. 4400 dated January 19, 1954, for the
Purchase Price of \$2,882.00,
that the STATE OF NEW MEXICO, by its Commissioner of Public Lands, its duty
being to sell, bargain, sell and convey

GRANT, BARGAIN, SELL and CONVEY

to the said Ernl H. Miller, Gerald O. Rhoads, Joseph Erwin Gent, III, George S. Merkle, IV, an
undivided 1/5th interest each, and to M. Rosenberg, an undivided 1/3rd interest, as
tenants in common,
the said tract of land above described, subject to and, existing rights, easements, rights of
way and encumbrances, and to the State of New Mexico all minerals of whatsoever kind, including oil and gas, in the
land so conveyed, together with the right to prospect for, mine, produce and remove the same, and perform
all other acts and operations thereon, upon compliance with the conditions and subject to the limitations of the laws
of the State of New Mexico, with the tract of land so conveyed being a portion of the lands granted to the State of New Mexico by
the United States Congress, approved June 21, 1898, and June 20, 1910 and May 22, 1928.
together with all the rights, privileges, immunities and appurtenances of whatsoever
kind and character, appertaining unto the said Ernl H. Miller, Gerald O. Rhoads, Joseph
Erwin Gent, III, George S. Merkle, IV, an undivided 1/5th interest each, and to M. Rosenberg, an
undivided 1/3rd interest, as tenants in common, and to their heirs and assigns forever



Witness My hand, the Commissioner of Public Lands of the State of New
Mexico, has hereunto set his hand and affixed the official seal of the State Land
Office, this 24th day of

Frederick A. D. 1928
Frederick A. D. 1928

State Record of Patents, Vol. 10, Page 1865

Commissioner of Public Lands, State of New Mexico
I hereby certify that
the above described tract of land is the State Land Office
and is subject to the conditions and limitations of the laws
of the State of New Mexico.
My hand and official seal at
Carlsbad, New Mexico, County Grant
this 24th day of

Attch "C"

KELLY M. CASSELS
CLARKE C. COLL*
ERIC J. COLL
STEVEN P. FISHER**
CLAYTON S. HIGHTOWER
IAN D. MCKELVY**
CLAY H. PAULOS**
OCTAVIO L. SANCHEZ**
ANDREW M. SHIPP
JEREMY M. WORLEY
JOSHUA T. WORLEY
MICHAEL T. WORLEY**

LAW OFFICES OF
SANDERS, BRUIN, COLL & WORLEY, P.A.
701 WEST COUNTRY CLUB ROAD
ROSWELL, NEW MEXICO 88201
POST OFFICE BOX 550
ROSWELL, NEW MEXICO 88202-0550

February 24, 2010

JAMES L. BRUIN
RETIRED
CHARLES H. COLL
OF COUNSEL
T. T. SANDERS, JR.
(1908-1996)
TELEPHONE
575-622-5440
FAX
575-622-5853
E-MAIL
sbcw@sbcw-law.com
WEBSITE
<http://www.sbcw-law.com>

*ALSO LICENSED IN VIRGINIA
**ALSO LICENSED IN TEXAS

IN RE: DIVISION ORDER TITLE OPINION—NO. 022306-S

**State of New Mexico Oil & Gas Lease VB-0183-2, insofar as
it embraces the following described land in Eddy County,
New Mexico, to-wit:**

Township 21 South, Range 28 East, N.M.P.M.

Section 2: Lots 1 through 16, and the S/2

Containing 908.2 acres, more or less.

Southwest Petroleum Land Services, LLC
c/o James Schultz
100 North Pennsylvania
Roswell NM 88203

Mr. Schultz:

At your request and in connection with title to the oil and gas mineral estate underlying the captioned lands, we have today examined the following:

STATE RECORDS:

Schutz Abstract Company, Inc., letter report regarding the status of the captioned lease and miscellaneous instruments of record in the Office of the Commissioner of Public Lands of the State of New Mexico faxed to you on January 27, 2010. A copy of this letter is attached hereto as Exhibit "A."



COUNTY RECORDS:

We have reviewed, and this opinion is based upon, certain documents provided by you pursuant to a take-off of the records of the Eddy County Clerk affecting the oil and gas mineral rights to the captioned lease and lands. The take-off was prepared by Southwest Petroleum Land Services, LLC purporting to cover the time period of November 16, 2005 down to January 7, 2010. A copy of the index from the take-off is attached hereto as Exhibit "B."

JUDGMENT AND LIEN SEARCH:

A Judgment and Lien Search of the Eddy County Records was performed as of February 17, 2010 at 8:00 a.m. by our office. No outstanding Judgments or Liens affecting the title to the captioned lease was found other than those specifically set forth herein.

PRIOR OPINIONS:

A. Christy, Bozarth, Vickers, Hennighausen & Olson Drilling Title Opinion No. 5020 dated November 12, 1992, covering the captioned lease and lands. The opinion was based upon the records of the Commissioner of Public Lands certified from the inception of the records down to November 6, 1992, at 8:00 a.m. and Eddy County records certified from the inception of the records down to November 6, 1992, at 8:00 a.m.

B. Interjurist Law Firm Division Order Title Opinion No. 5020-A dated December 30, 1992, covering Lot 13 of the captioned lease and lands from the surface down to the base of the Bone Spring formation. The opinion was based upon the records of the Commissioner of Public Lands certified from November 6, 1992, at 8:00 a.m. down to December 15, 1992, at 8:00 a.m. and Eddy County records certified from November 6, 1992, at 8:00 a.m. down to December 11, 1992, at 8:00 a.m.

C. Interjurist Law Firm Drilling Title Opinion No. 5022 dated March 31, 1993, covering Lot 11 of the captioned lease and lands. The opinion was based upon the records of the Commissioner of Public Lands certified from November 6, 1992, at 8:00 a.m. down to March 17, 1993, at 8:00 a.m. and Eddy County records certified from December 11, 1992, at 8:00 a.m. down to March 22, 1993, at 8:00 a.m.

D. Turner & Davis, P.C. Division Order Title Opinion dated May 27, 1998, covering the captioned lease and lands as to all depths below the base of the Bone Spring formation. The opinion was based upon the records of the Commissioner of Public Lands certified from July 29, 1997, at 8:00 a.m. down to January 13, 1998, at 8:00 a.m. and Eddy County records certified from July 30, 1997 at 8:00 a.m. down to January 14, 1998, at 8:00 a.m.

E. Sanders, Bruin, Coll & Worley, P.A. Division Order Title Opinion dated April 27, 2006, covering the captioned lease and lands. The opinion was based upon the records of the Commissioner of Public Lands certified from January 13, 1998, at 8:00 a.m. down to

Attch "E"

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 X <i>B. Bell</i> <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee
1. Article Addressed to:	B. Received by (Print Name) <i>B. Bell</i> C. Date of Delivery <i>6/17/02</i>
<div style="border: 1px solid black; padding: 10px; text-align: center;">BEP CO PO Box 2760 Midland, TX 79702</div>	D. Is delivery address different from item 1? <input checked="" type="checkbox"/> Yes If YES, enter delivery address below: <input checked="" 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 5936	

Attch "G"

WOODCO LOGGING SERVICE



3502 Cass Drive
Carlsbad, New Mexico 88220
(505) 887-2469

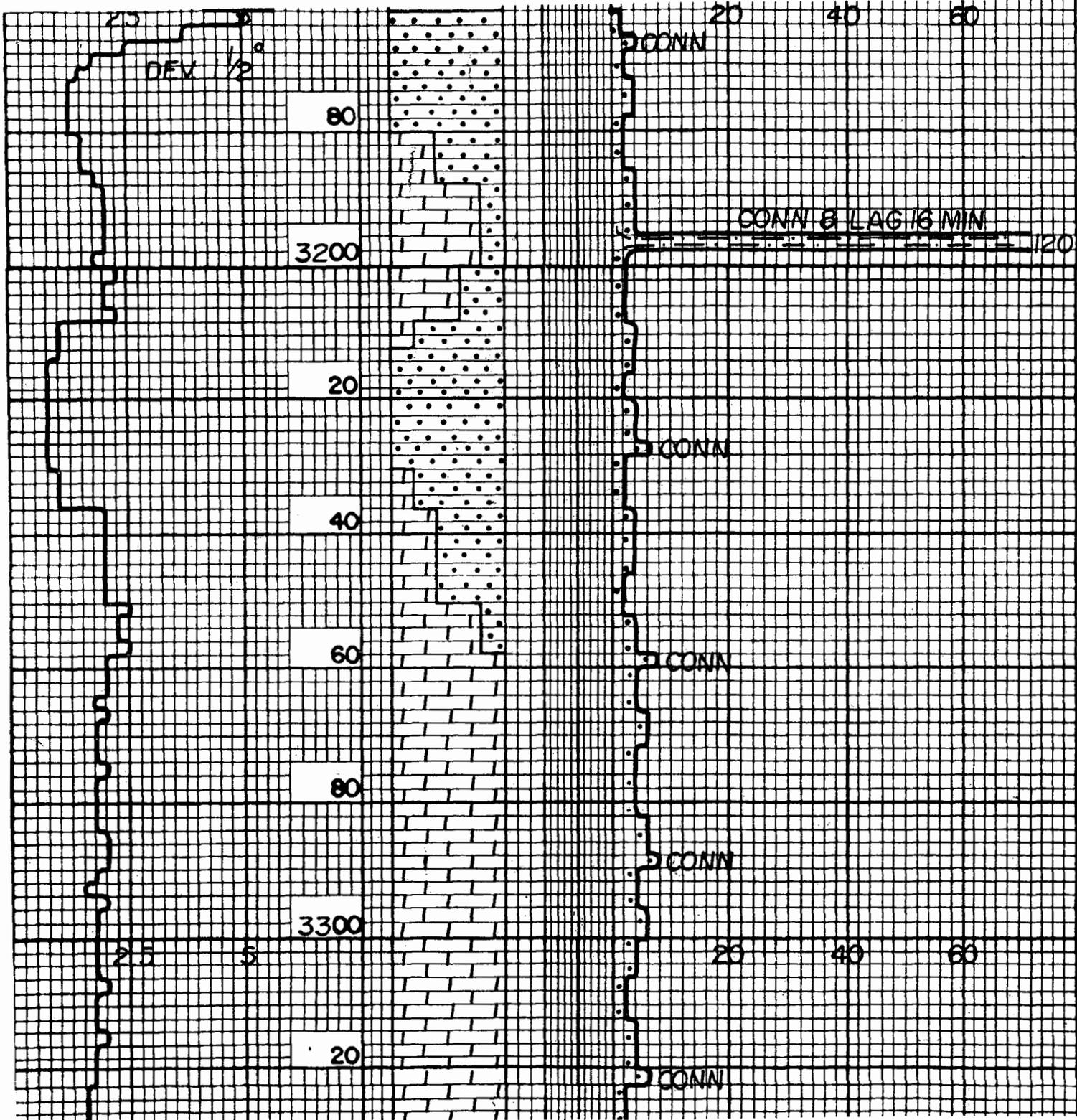
COMPANY ENERGEX COMPANY
WELL TECOLOTE STATE #1
LOCATION SECTION 2 TWP 21S RGE. 28E
COUNTY EDDY STATE NEW MEXICO
ELEVATION DR _____ GL 3324' KB 3335'
SUPERVISING ENGR. JIM WOOD Sr. — JIM WOOD Jr.
DEPTH LOGGED FROM 3162' TO 6285'
DATE LOGGED FROM 5-14-93 TO 5-19-93

SAND	LIMESTONE	GRANITE WASH
SILTSTONE	DOLOMITE	CONGLOMERATE
SHALE	ANHYDRITE	CHERT

NRS — NEW BIT NR — NO RETURN
DCB — DIAMOND CORE BIT CO — CIRCULATED OUT
DST — DRILL STEM TEST

METHANE _____ PROPANE _____ PENTANE _____
ETHANE _____ BUTANE _____

DRILLING RATE		TFG PORO.	LITHOLOGY	LEACHED UNIT TFG	FLUOR %OIL	OIL STAIN	HYDROCARBON ANALYSIS LOG		REMARKS				
MIN/FT	FT/HR						MAN SERVICE	CHROMATOGRAPH	W	V	F	CK	PH
SURF CSG 259'							BEGAN TWO MAN LOGGING						
ST INTRM CSG 1252'							AT 5:00PM M.S.T						
LG INTRM CSG 3162'		20					5-14-93						
		40											
BIT #6 7 7/8							HOT WIRE CALIBRATION						
REED HP52							1% CI=100U						
IN AT 3162'		60											
		80											
WOB 40													
RPM 60													
SPM 60													
PP 1050													



SS: frstd, gry, clr, v/fn
gn, s/rnd-s/ang, wl
srtid, consl, tite, fri,
fr cmntd w/calc,
lmy, fn pyr,

LS: tn, brn, crm, wht,
mott, v/fn-mic xln,
chky ip, sucro ip,
trs sndy,

SS: frstd, clr, gry, v/fn
gn, s/rnd-s/ang, wl
srtid, consl, tite,
calc, fnly mica,

LS: tn, crm, brn ip, wht,
mott, v/fn-mic xln,
dns, cln, pyr, chky ip
trs sndy,

LS: crm, wht, tn, mott,
v/fn-mic xln, dns,
cln, chky ip, sucro
ip, pyr, ip,

CONN 8 LAG 16 MIN

DEV 1/2

CONN

CONN

CONN

CONN

CONN

80

3200

20

40

60

80

3300

20

2.5

5

20

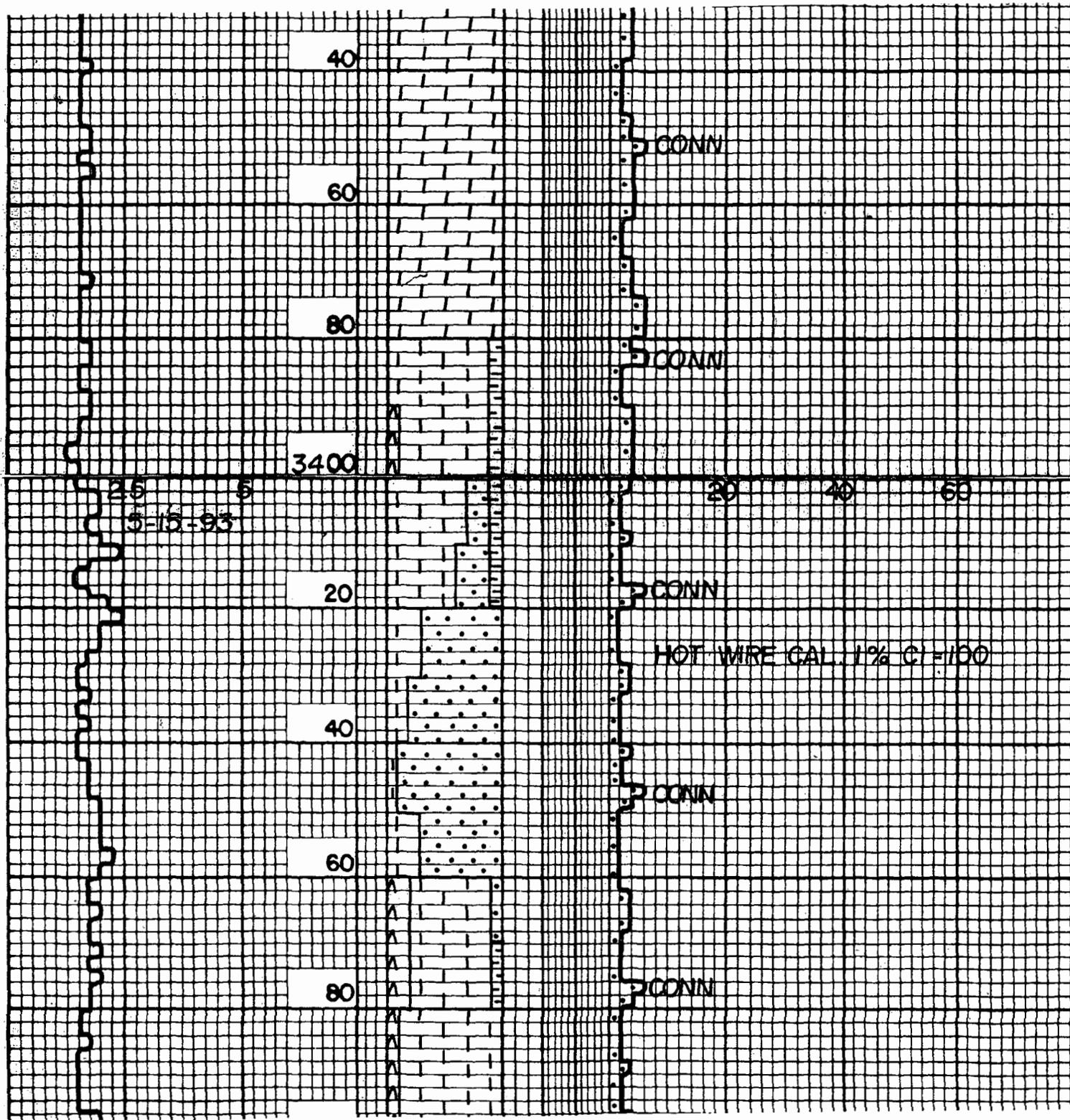
40

60

20

40

60



40

CONN

60

80

CONN

3400

2.5 5
5-15-93

20 40 60

20

CONN

HOT WIRE CAL. 1% CI=100

40

CONN

60

80

CONN

LS: crn, cn, dk brn, brn, mott, v/fn-mic xln, dns, cln, trs chky, fnly pyr, trs sh, SH: dk gry, blk, gry, blk, frm, sme slty, carb, calc, vfn pyr, CHT: wht, mlky, trns, cln

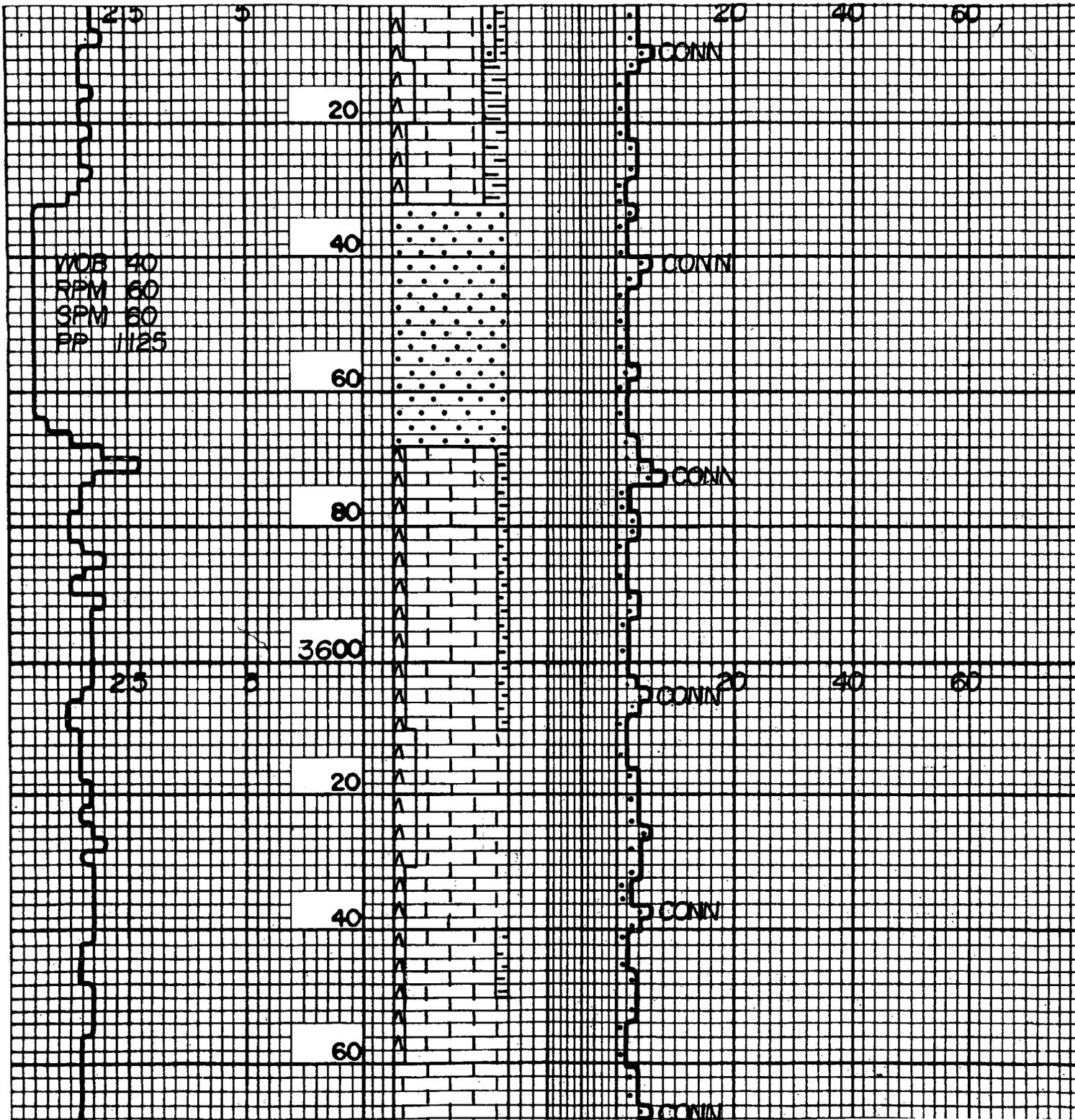
LS: brn, tn, wht, dk brn ip, mott, mic-v/fn xln, trns ip, dns fr cln, trs sh, fnly mica, trs pyr,

SS: tn, gry, brn, clr, frst vfn gr, lsly cons-cons s/rnd-s/ang, tite, lmy, vfn mica, vfn pyr

SS: clr, frst, gry, tn, br vfn gr, cons, tite, s/rnd-s/ang, w/srtd pr-fr cmt, lmy, vfn mica, vfn pyr, trs arg,

SHRT: tn, brn, wht, trns-trnsp, mlky-smky, calc strkd-speck,

LS: tn, brn, off wht, mott vfn-mic xln, dns, sm



SH: dk brn, dk gry, blk,
gry, blk, frm, slty,
carb, calc, vfn pyr,

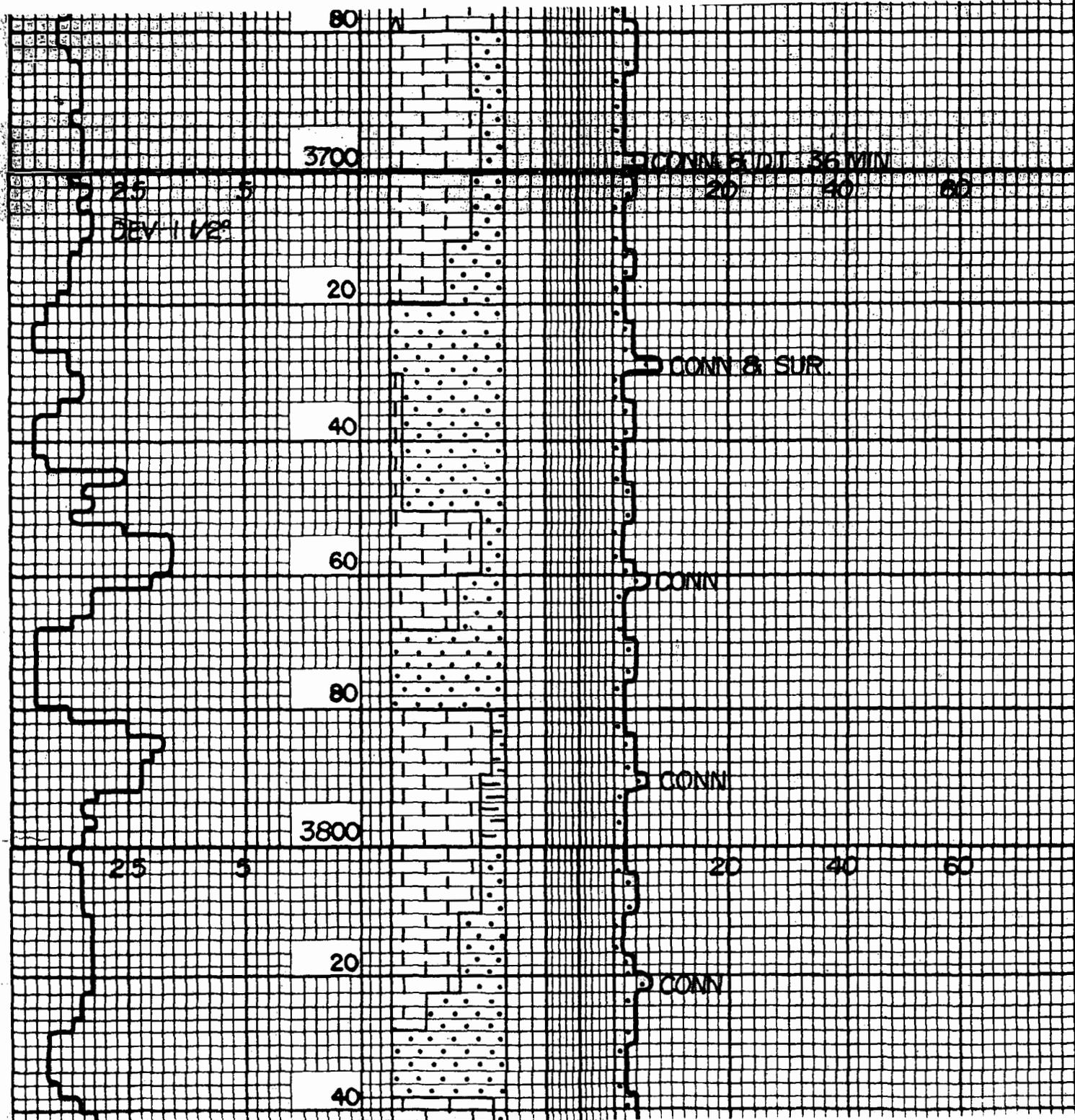
SS: clr, frstd, lsly cons
-uncons, s/rnd-s/ang
wll srtcd, priy cmyd
calc, vfn mica, vfn
pyr, sme glauc, no
vis show,

8.6, 28, N/C, 11.5, 40, 000

LS: off wht, tn, brn, mott
vfn-mic xln, dns, frm
chky, sme hd, silic
chrty, vfn pyr,

CHT: tn, lt brn, wht, trns
trns, strkd-specd
calc,

SH: dk gry, gry, lt gry,
frm, slty, carb, calc,
vfn pyr, vfn mica,



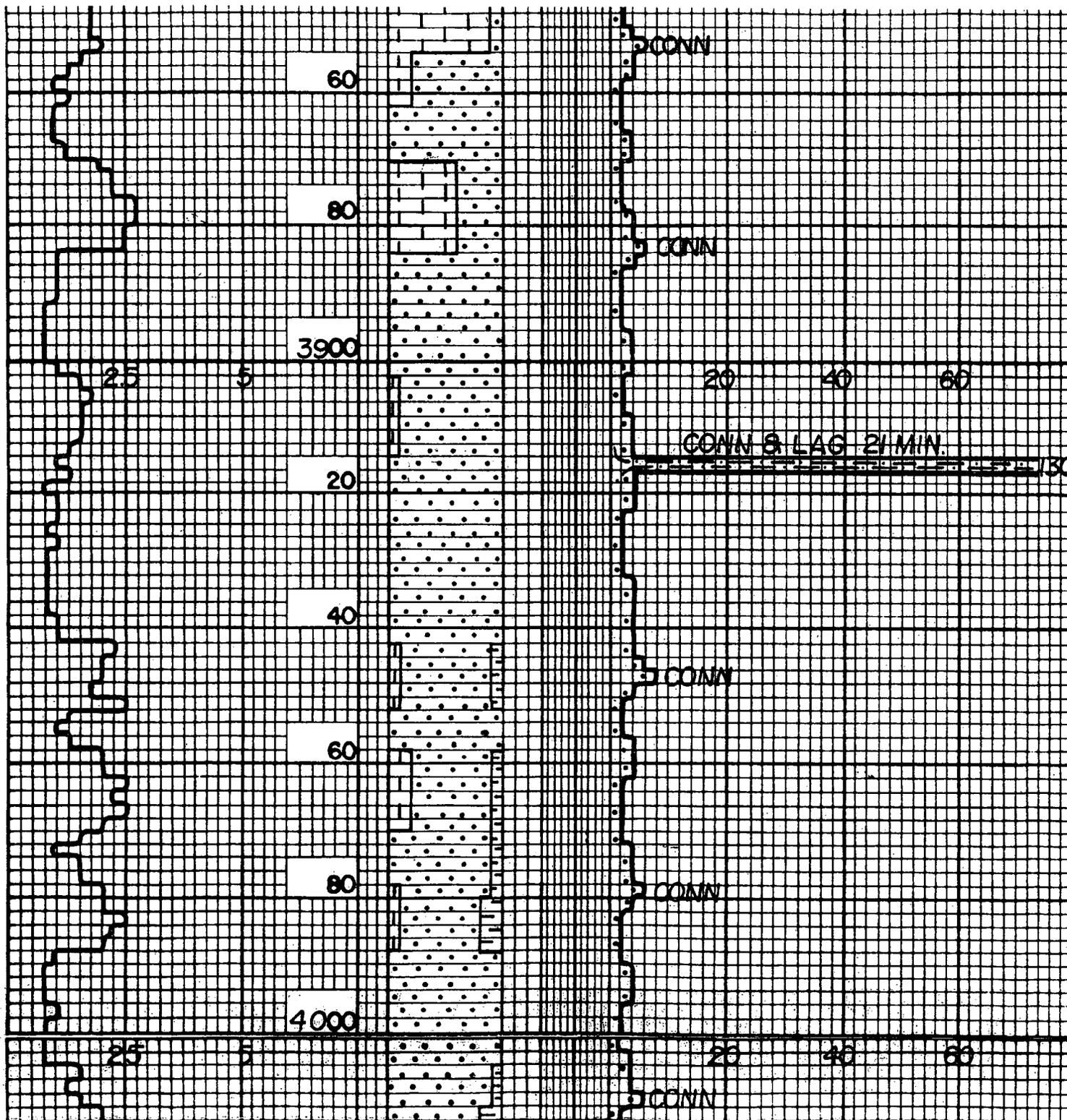
gr, cons, tite, s/rnd-
s/ang, well srted, pri
cmtd, calc, vfn mica,
vfn pyr, sme glauc,

SS: clr, frstd, wht, gry,
vfn gr, cons-lsly
cons, sme uncons, s/
rnd-s/ang, well srted
fr-pr cmtd, calc, vfn
mica, vfn pyr, sme
glauc,

LS: tn, lt brn, off wht,
brn, mic-vfn xln, dns
frm-sft, chlky, sme
hd, silic, chrty, vfn
pyr, sme sndy,

SH: lt grn, grn, flky, sft
calc, vfn pyr, bent,

SS: clr, frstd, lt gry,
vfn gr, lsly cons-
uncons, s/rnd-s/ang
well srted, pr cmtd,
calc, vfn mica, sme



LS: lt tn, lt brn, brn,
off wht, mic-vfn xln
dns, chlky, sme silic
frn hd, sme sndy, vf
pyr,

SS: clr, frstd, gry, vfn gr
lsly cons-uncons,
s/rnd-rnd-s/ang, fr
pr cmtd, calc, vfn mica
vfn pyr, trs glauc,

CONN & LAG 21 MIN

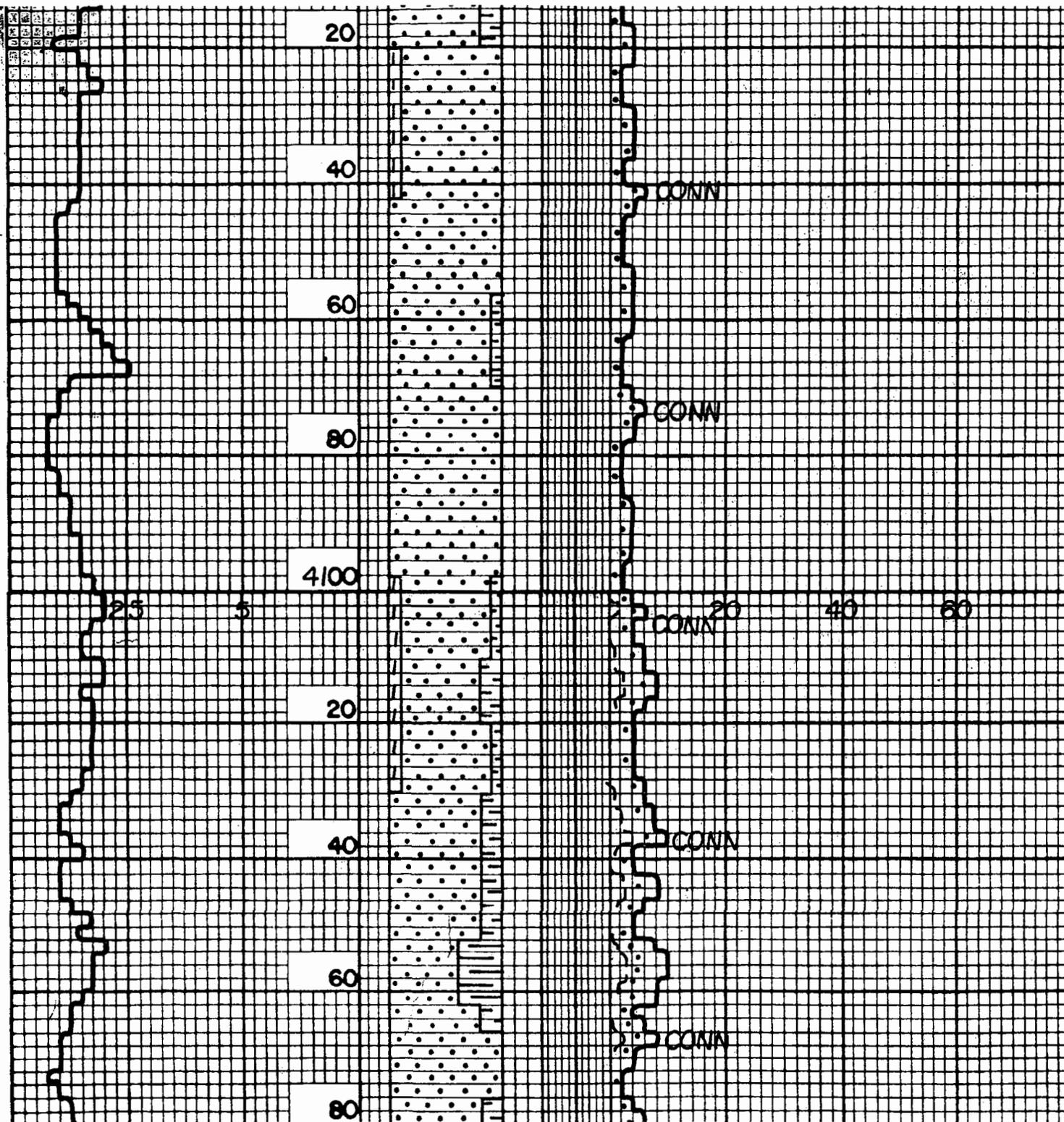
SS: frstd, clt, lt gry,
vfn gn, s/rnd-s/ang
wl srted, consl-uncon
fr cmted, calc, fnly
pyr ip,

SH: dk brn, brn, blk,
frn, calc, trs carb,
sndy, fnly mica,

LS: erm, tn, wht, mott,
mic-v/fn xln, cln,
dns, chlky ip, fnky
pyr ip,

SS: frstd, clr, gry, vfn
gn, s, rnd-s/ang, wl
srted, uncon-lsly
consl, pr cmted, calc
trs shly ip, pyr ip,

SH: dk brn, brn, blk,
frn, calc, sndy, sli
carb, fnly mica,



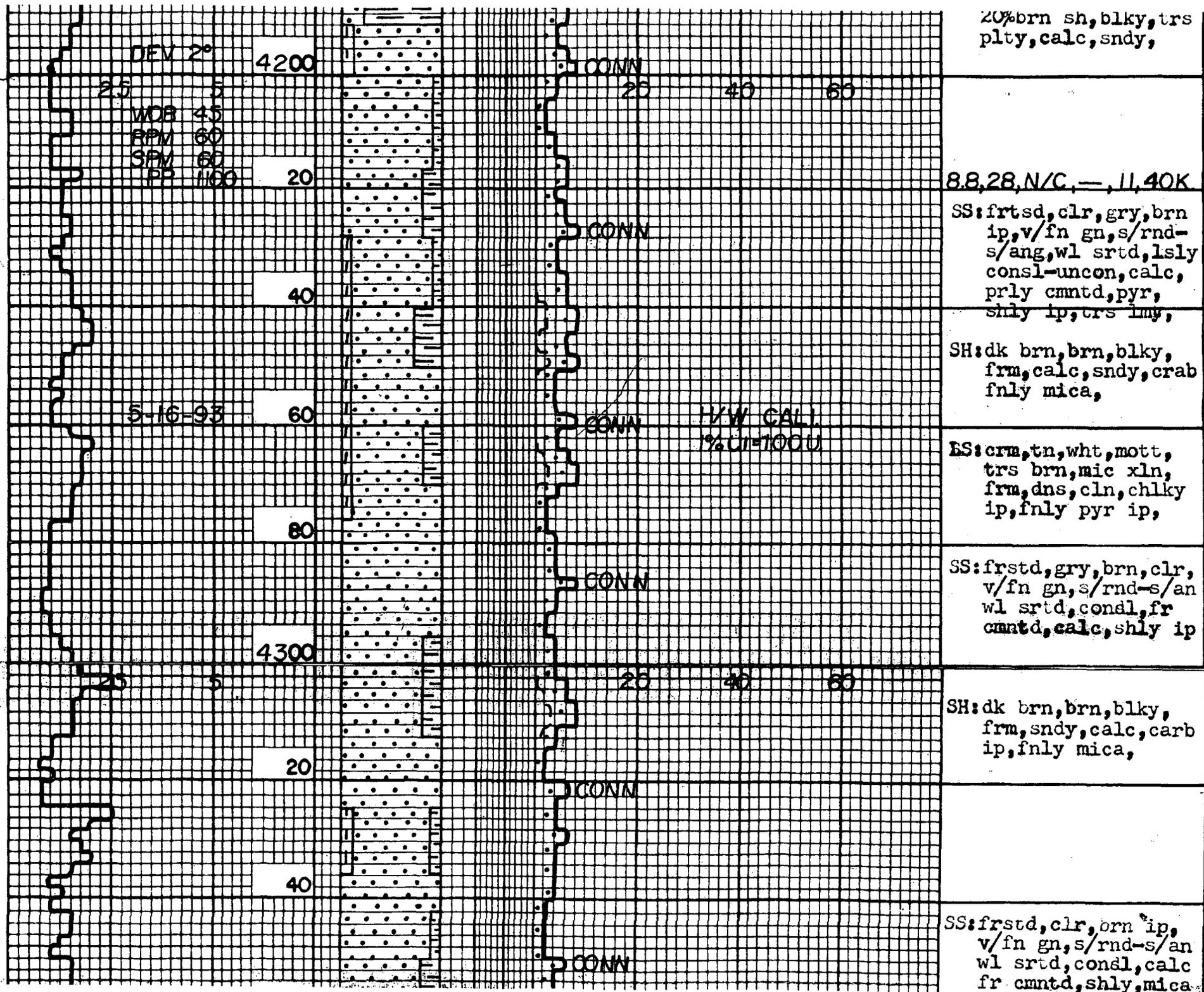
LS: crm, wht, tn, mott,
frn, cln, dns, chky
ip, fnly mica, pyr,

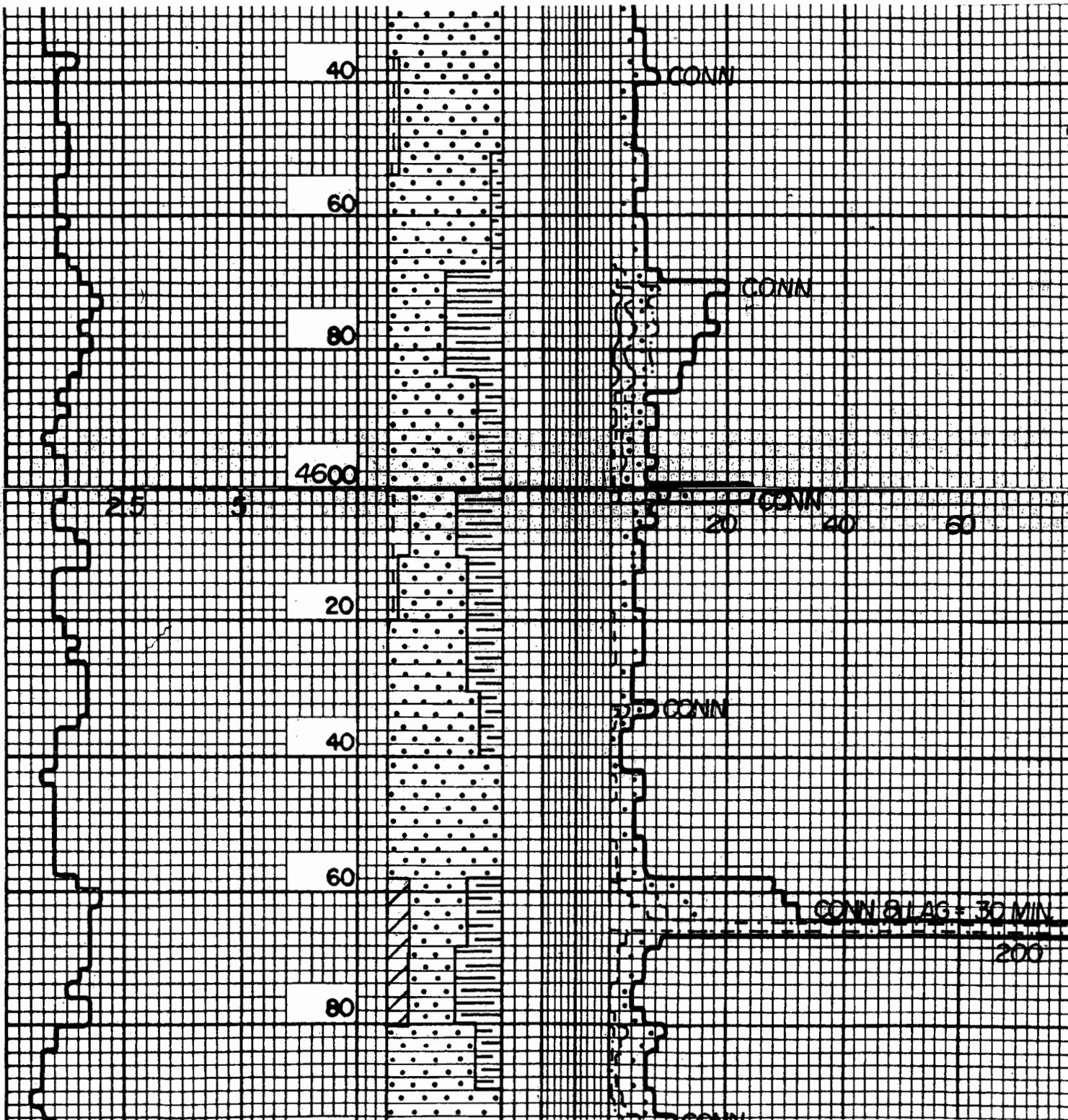
SS: frstd, gry, clr, brn
ip, v/fn gn, s/rnd-
s/ang, wl srted, lsly
consl-uncnsl, calc,
prly cmntd, shky
ip,

LS: crm, tn, wht, mott,
frn, mic-v/fn xln,
dns/cln, chky ip,
fnly pyr,

Hdk brn, brn, blk, frn
calc, sndy, carb ip,
fnly mica,

SS: frstd, clr, brn ip,
v/fn gn, s/rnd-s/an
wl srted, condl, calc
shly, lmy, pyr, mica,





LS: crm, brn, wht, tn, trs
 dk brn, mic xln, frm
 chky, trs shly, dns,
 frly cln, pyr ip,

SH: dk brn, brn, dk gry,
 gry, lt brn, blk, frm
 slty, andy, carb, calc
 vfn mica, vfn pyr,

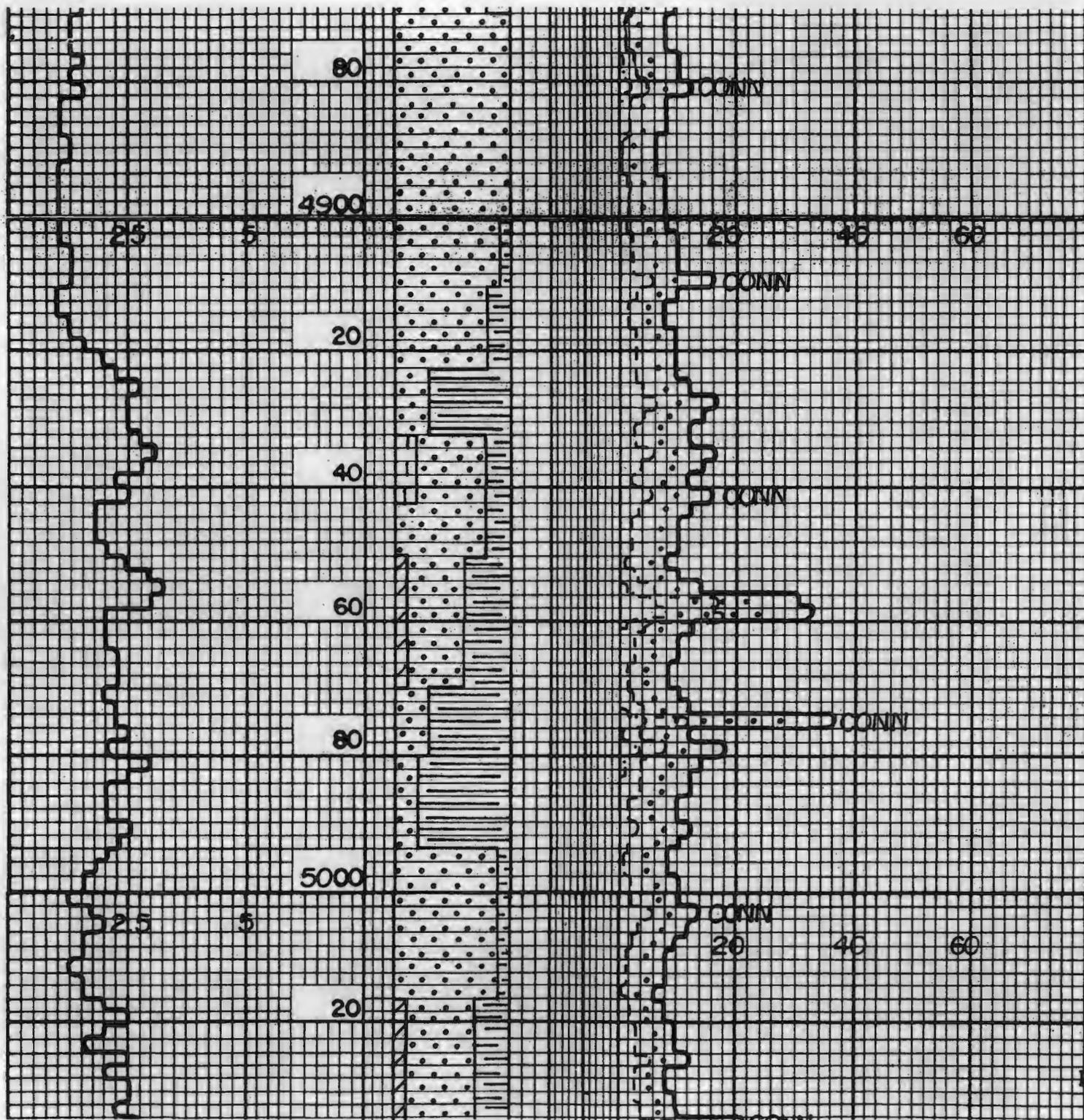
SS: clr, frstd, tn, brn, vf
 - gr, cons, tite, s/rnd
 -s/ang, well srtd, fr
 cmtd, arg, calc, vfn
 pyr, vfn mica, sm glauc

SH: lt brn, brn, blk, frm
 slty, sndy, vfn pyr,
 fnly mica,

DOL: brn, dk brn, mic xln,
 dns, frm hd, silic,
 slt chrty, arg i.p.
 vfn pyr,

SH: dk brn, brn, dk gry,
 lt brn, blk, frm, slty
 sndy, carb, calc, vfn
 pyr, fnly mica,

SS: clr, frstd, tn, brn, vf



-s/ang, ir-pr cmtd,
slt calc, vfn pyr,
mica, sme arg,

SS: clr, frstd, tn, brn, vf
-fn gr, cons, sme tite
fria, s/rnd-s/ang,
fr-pr cmtd, calc, arg
mica, vfn pyr,

LS: tn, brn, lt brn, mic xl
dns, chky, frm,

DOL: tn, brn, dk brn, mic
xln dns, frm, hd, silic
arg, vfn pyr,

SH: dk brn, brn, lt brn,
blky, frm, slty, sndy,
vfn pyr, mica, carb, sl
calc,

SS: clr, frstd, tn, brn, vf
-fn gr, lsly cons, sme
tite, s/rnd-s/ang,
fr-pr cmtd, calc, arg
sme shly, vfn pyr,
mica,

DOL: tn, brn, dk brn, mic
xln, dns, frm, silic,

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Friday, August 13, 2010 12:16 PM
To: 'billy@pwllc.net'; Blaise Campanella
Cc: Ezeanyim, Richard, EMNRD; Gray, Darold, EMNRD; 'Omundsdry@hollandhart.com'
Subject: Disposal application from Judah Oil LLC: Tecolote State #1 30-015-27346 Bell and Cherry Canyon Disposal intervals

Hello Bill and Blaise:

Thanks for the recent reply to my questions. I have looked those over. The only other issue I see is that the advertisement and application is for a "lease disposal" - I can discuss this with management here and our attorneys - but it is likely we must hold you to "lease only disposal" as language in the permit - or you can re-advertise this application?

The other issue is a protest has been received. I have been instructed to treat any received protest the same. This application can no longer be considered administratively until retraction of the protest. If you wish to have a hearing on this matter, please have your attorney contact Florene Davidson.

This well was proposed in the past by a Mr. Gant surface owner and we would therefore also need a retraction letter from Mr. Gant to proceed even though you may have purchased Mr. Gant's interests. If any hearing is held, please notify Mr. Gant and the currently protesting parties, Mr. Regan P. Weems and Mary Ann Weems.

One of the previous submittals to use this well for SWD in a lower interval was protested by BEPCO represented by Ocean Munds-Dry, Esq. with Holland and Hart. Please keep Ms. Munds-Dry and BOPCO informed of any further correspondence and notify Holland&Hart/BOPCO of any upcoming hearing.

Regards,

Will Jones
New Mexico
Oil Conservation Division
Images Contacts

From: Jones, William V., EMNRD
Sent: Wednesday, June 30, 2010 3:06 PM
To: 'billy@pwllc.net'; Blaise Campanella
Cc: Ezeanyim, Richard, EMNRD; Dade, Randy, EMNRD; Reeves, Jacqueta, EMNRD; Gray, Darold, EMNRD
Subject: Disposal application on behalf of Judah Oil LLC: Tecolote State #1 30-015-27346 Bell and Cherry Canyon Disposal intervals

Hello Bill:

Concerning this application, some of the usual questions:

- a. Please plan on plugging back within the 5-1/2 inch pipe to within 200 feet of the bottom of the (disposal interval 3530 to 4916) - you might consider adding more cement on top of the planned 5650 foot CIBP to reach 5100 feet.
- b. The previous application states the 5-1/2 inch casing has numerous holes in it above the calculated cement top and the intention was to pull the old pipe and install new pipe and cement it in. The current application says the cement top is calculated at 4589 and the

casing will be squeezed from 4150 up to a level above the intermediate shoe. Why did the plans get changed from last year to this year?

c. How did you determine which is the actual surface owner? The ONGARD system shows the BLM as the surface owner, your 2009 application for this well showed Joe Erwin Gant (and he protested), the latest application shows Southwest Petroleum Land Service.

d. BEPCO is now BOPCO, please let us know if the address and contacts are the same or if not, please send BOPCO a notice. BEPCO opposed the use of this well for disposal in 2009 - did you or Blaise talk to BOPCO before the latest application or work something out?

e. The offsetting plugged well has the top and bottom of the entire Delaware isolated but not the interval you plan on disposing into. The subject well apparently watered out or at least was a high water producer in the Delaware (with perfs below your proposed injection interval). Is the subject well on top of any Delaware structure or is the offsetting plugged well actually higher on structure?

f. Is there any possibility of production from the proposed disposal interval? How will you know? Do you have a mudlog or log analysis or do you plan to swab test?

g. The application and the advertisement specifies this will be used for lease disposal - would you please list which lease this is and which producing wells will be sending water to this well?

William V Jones, P.E.
Engineering, Oil Conservation Division
1220 South St. Francis Drive, Santa Fe, NM 87505
Tel 505.476.3448 ~ Fax 505.476.3462

Jones, William V., EMNRD

From: james campanella [judahoil@yahoo.com]
Sent: Tuesday, July 27, 2010 2:24 PM
To: Jones, William V., EMNRD
Subject: Re: Disposal application on behalf of Judah Oil LLC: Tecolote State #1 30-015-27346 Bell and Cherry Canyon Disposal intervals

Will,

I am working on your questions concerning this SWD App. In question "E" there is a pinchout in the lower Delaware from the proposed Tecolote SWD to the Big Eddy #80 (located in Sec 3, T-21-S, R-28-E). The Big Eddy #80 is the referenced P/A well plugged by BOPCO that is in the 1/2 mile area of review.

We are putting together a cross-section covering these wells for your convenience. We should have it completed by Friday and will send you all the information you requested.

Please give me a call if you have any further questions.

Thank you,
Blaise

James B. Campanella
Judah Oil, LLC
PO Box 568
Artesia, NM 88211
575-746-1280
575-746-1290 (fax)

--- On Wed, 6/30/10, Jones, William V., EMNRD <William.V.Jones@state.nm.us> wrote:

From: Jones, William V., EMNRD <William.V.Jones@state.nm.us>
Subject: Disposal application on behalf of Judah Oil LLC: Tecolote State #1 30-015-27346 Bell and Cherry Canyon Disposal intervals
To: billy@pwillc.net, "Blaise Campanella" <judahoil@yahoo.com>
Cc: "Ezeanyim, Richard, EMNRD" <richard.ezeanyim@state.nm.us>, "Dade, Randy, EMNRD" <Randy.Dade@state.nm.us>, "Reeves, Jacqueta, EMNRD" <Jacqueta.Reeves@state.nm.us>, "Gray, Darold, EMNRD" <Darold.Gray@state.nm.us>
Date: Wednesday, June 30, 2010, 3:06 PM

Hello Bill:

Concerning this application, some of the usual questions:

- a. Please plan on plugging back within the 5-1/2 inch pipe to within 200 feet of the bottom of the (disposal interval 3530 to 4916) – you might consider adding more cement on top of the planned 5650 foot CIBP to reach

5100 feet.

- b. The previous application states the 5-1/2 inch casing has numerous holes in it above the calculated cement top and the intention was to pull the old pipe and install new pipe and cement it in. The current application says the cement top is calculated at 4589 and the casing will be squeezed from 4150 up to a level above the intermediate shoe. Why did the plans get changed from last year to this year?
- c. How did you determine which is the actual surface owner? The ONGARD system shows the BLM as the surface owner, your 2009 application for this well showed Joe Erwin Gant (and he protested), the latest application shows Southwest Petroleum Land Service.
- d. BEPCO is now BOPCO, please let us know if the address and contacts are the same or if not, please send BOPCO a notice. BEPCO opposed the use of this well for disposal in 2009 – did you or Blaise talk to BOPCO before the latest application or work something out?
- e. The offsetting plugged well has the top and bottom of the entire Delaware isolated but not the interval you plan on disposing into. The subject well apparently watered out or at least was a high water producer in the Delaware (with perms below your proposed injection interval). Is the subject well on top of any Delaware structure or is the offsetting plugged well actually higher on structure?
- f. Is there any possibility of production from the proposed disposal interval? How will you know? Do you have a mudlog or log analysis or do you plan to swab test?
- g. The application and the advertisement specifies this will be used for lease disposal – would you please list which lease this is and which producing wells will be sending water to this well?

William V. Jones, P.E.

Engineering, Oil Conservation Division

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

Tel 505.476.3448 ~ Fax 505.476.3462

