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[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.

Michael S. Allen	Inichal Latter	Project Manager	11/30/11
Print or Type Name	Signature	Title	Date

mallen@highplainsop.com e-mail Address

.

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

1 . .

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

Revised June 10, 2003

APPLICATION FOR AUTHORIZATION TO INJECT

 CONTACT PARTY: Michael S. AllenPHONE: 719-207-22. 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?YesXNo		
ADDRESS: PO Box 5046, 113 Centennial Plaza, Buena Vista, CO 81211	I.	
 CONTACT PARTY: Michael S. AllenPHONE: 719-207-27. 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. Is this an expansion of an existing project? YesNo If yes, give the Division order number authorizing the project:	II.	OPERATOR: HPOC, LLC
 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?YesXNo If yes, give the Division order number authorizing the project:		ADDRESS: PO Box 5046, 113 Centennial Plaza, Buena Vista, CO 81211
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 V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile rad drawn around each proposed injection well. This circle identifies the well's area of review. See attached map VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and of any plugged well illustrating all plugging detail. No wells within area of review VII. Attach data on the proposed operation, including: See attached information Proposed average and maximum daily rate and volume of fluids to be injected; Whether the system is open or closed; Proposed average and maximum injection pressure; Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reproduced water; and, If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studie wells, etc.). *VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such source be immediately underlying the injection interval. See attached information 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 re (Logs will be submitted to NM OCD when acquired by HPOC.) *XI. Attach achemical analysis of fr	III.	
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 XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knobelief. NAME: Michael S. Allen 	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. <i>See attached</i>
belief.	XIII.	Applicants must complete the "Proof of Notice" section on the reverse side of this form.
NAME: Michael S. Allen	XIV.	Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
SIGNATURE: Michael & allen DATE: 11/30/2011		NAME: Michael S. Allen
		SIGNATURE:DATE: 11/30/2011

E-MAIL ADDRESS: mallen@highplainsop.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:

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

Side 2

III. WELL DATA

- A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:
 - (1) Lease name; Well No., Location by Section, Township and Range, and footage location within the section.
 - (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
 - (3) A description of the tubing to be used including its size, lining material, and setting depth.
 - (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

- B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.
 - (1) The name of the injection formation and, if applicable, the field or pool name.
 - (2) The injection interval and whether it is perforated or open-hole.
 - (3) State if the well was drilled for injection or, if not, the original purpose of the well.
 - (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
 - (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIII. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well, with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,

(4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

Side 1	INJECTION WELL DATA SHEET	ET		
OPERATOR: HPOC, LLC				
WELL NAME & NUMBER: Ojo Encino 31Federal-SWD 1				
WELL LOCATION: 340' FNL and 2,300' FEL FOOTAGE LOCATION	Unit B UNIT LETTER	31 SECTION	20N TOWNSHIP	5W RANGE
WELLBORE SCHEMATIC		WELL CONSTR Surface Casing	WELL CONSTRUCTION DATA Surface Casing	<u>A</u>
Well has not been drilled or completed. Data will be submitted post completion.	Hole Size:		Casing Size:	
See exhibit sneet for proposed well configuration.	Cemented with:	SX.	or	ft ³
	Top of Cement:		Method Determined:	
	:	Intermediate Casing	e Casing	•
	Hole Size:		Casing Size:	
	Cemented with:	SX.	or	ft ³
	Top of Cement:		Method Determined:	
		Production Casing	1 Casing	
	Hole Size:		Casing Size:	
	Cemented with:	SX.	or	ft ³
	Top of Cement:		Method Determined:	
	Total Depth:			
· · ·		Injection Interval	[nterval	
		feet	to	
		(Perforated or Open Hole; indicate which)	ole; indicate which)	

INJECTION WELL DATA SHEET

INJECTION WELL DATA SHEET

Tubing Size: Lining Material: Type of Packer:
Type of Packer:
Dadras Catting Danth.
Other Type of Tubing/Casing Seal (if applicable):
Additional Data
1. Is this a new well drilled for injection? X_YesNo
If no, for what purpose was the well originally drilled?
2. Name of the Injection Formation: Entrada Formation
3. Name of Field or Pool (if applicable): Pending
4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used.
5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: Fruitland Coal

.

Side 2

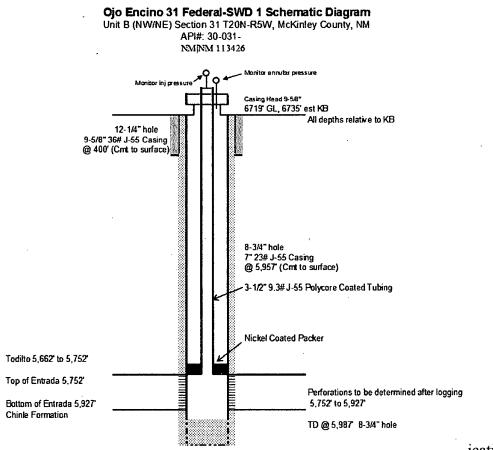
EXHIBITS TO ACCOMPANY APPLICATION FOR AUTHORIZATION TO INJECT, SECTION III (Proposed well configuration.)

The well has not been drilled or completed. Data will be submitted post completion. See the following description and schematic drawing for proposed well configuration.

Hole Size	Csg O.D.	Weight/Ft.	Grade	Thread Type	Condition	Depth
12.25"	9 5/8"	36#	J-55	8rd ST&C	New	400'
8.75″	7″	23# ·	J-55	8rd LT&C	New	5,957'

The 9 5/8" surface casing will be cemented in one stage with 240 sks circulated to surface with a final volume no less than 100% excess over gauge hole. Type G cement will be used, containing 2% calcium chloride and $1/8^{th}$ lb/sk poly-E-flake mixed at 15.8 ppg with a 1.15 yield. Centralizers will be placed and the surface casing will be set and cemented following the provisions of Onshore Order #2, "Drilling Operations."

The 7" intermediate casing will be cemented in one stage with returns to surface using foamed lead cement. The 7" casing will be run as follows. First, a 7" guide shoe will be run, then a 7" shoe joint, followed by a float collar and casing back to surface. Centralizers will be placed according to indicated porous zones. The 7" casing is proposed to be cemented as follows: Pump 10 bbls 8.33 lb/gal fresh water, followed by 20 bbls 10.0 lb/gal Super Flush 101, followed by 10 bbls 8.33 lb/gal fresh water, followed by 750 sks foamed lead cement, followed by 120 sks tail cement, followed by 242 bbls 8.33 lb/gal fresh water. The foamed lead cement will be mixed at 13 ppg with a 1.43 yield. The cement will be foamed to a density no less than 9.0 ppg. Actual cement volumes will be determined using the open-hole log caliper plus 25% excess.



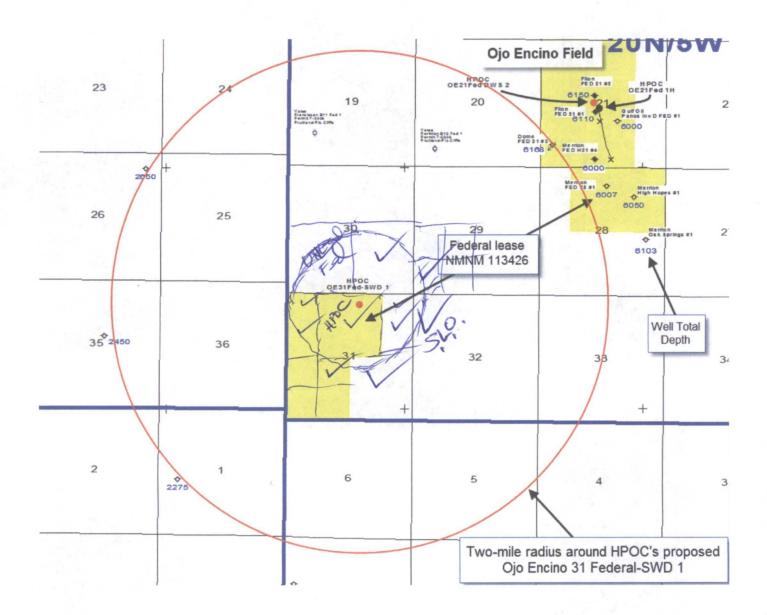
HPOC, LLC

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EXHIBITS TO ACCOMPANY <u>APPLICATION FOR AUTHORIZATION TO INJECT, SECTION V</u> (Map showing leases and wells within a 2-mile radius)

There are no wells of record within ½ mile of the proposed well. The nearest producing well to the proposed SWD well is HPOC 21 Federal #1H approximately 2.5 miles away. The nearest well within the two mile radius is the old Dome 21 Federal #3 (non-productive) at just under two miles away. Two Yates wells were permitted in sections 19 and 20, but were never drilled.

High Plains New Mexico through agreement with Pintado controls the affected portion on Federal lease NM|NM113426 (W/2NE/4 and E/2NW4 Section 31 T20N R5W).



HPOC, LLC

APPLICATION FOR AUTHORIZATION TO INJECT; SECTION VII

(Injection details, source and receiving waters)

Operational Data

- 1. Average initial daily injection rate: 6,000 BWPD; Maximum daily injection rate: 9,000 BWPD; Average initial daily injection volume: 6,000 bbls; Maximum daily injection volume: 9,000 bbls; Over the life of the Entrada producing wells generating water to be disposed of, the water cut will continually increase necessitating increased injection volumes over time.
- 2. The system will be a closed system.
- 3. Average wellhead injection pressure is anticipated at 400-500 psi. Maximum proposed wellhead injection pressure is approximately 1,350 psi. The maximum injection pressure will be based on the depth of the uppermost perforation of the injection interval. The injection facility will have calibrated water flow measuring device as well as calibrated pressure gauges and recording meter.
- 4. The source water to be injected by this well is water produced from HPOC's nearby Entrada reservoir oil wells. The proposed well will inject into the Entrada Formation. Water analyses from nearby (regional) Entrada wells are presented subsequently. The general water chemistry of the Entrada Formation transected by the proposed well is in all likelihood similar to the waters from near-by Entrada wells. HPOC will collect an Entrada Formation water sample following perforation of the proposed well, have analyzed, and submit the results to NM OCD.
- 5. The Entrada Formation has no record of being productive of oil within two miles of this proposed injection well. The Ojo Encino Entrada oil pool appears limited to the dune structure based on HPOC's 3-D seismic survey as well as intervening non-productive wells. No indication of oil-favorable structural/stratigraphic control is interpreted from HPOC's review of available information. HPOC will log the SWD well, and collect an Entrada Formation water sample following perforation, have analyzed, and submit the results to NM OCD.

<u>APPLICATION FOR AUTHORIZATION TO INJECT: SECTION VII (cont.)</u> (Water analyses of source – produced - water) (HPOC21Federal#1H)

Core Laboratories LP High Plains Well: 2 Federal 21 Colorado 4

Routine Water Analysis

PENCOR ID No. 36840-01 Date and time collected: not provided Ojo Encino 21 Federal 1H

Cations		Test Method	(mg/l)	MW	Valence	Meq/I
Calcium	Ca ⁺²	ICP	235	40.08	2.0	11.83
Iron (dissolved)	Fe ⁺²	ICP	0.9	55.85	2.0	0.03
Magnesium	Mg ⁺²	ICP	11	24.31	2.0	0.91
Sodium	Na⁺	ICP	3,080	22.99	1.0	133.89

Anions		Test Method	(mg/l)	MW	Valence	Meq/i
Alkalinity (as Bicarbonate)	HCO3	Titration	290	61.02	1.0	4.72
Carbonate	CO3-2	Titration	0.0	60.01	2.0	0.00
Chloride	cr	Titration / IC	1,020	35,45	1.0	28.66
Sulfate	SO4-2	IC	5,460	96.06	2.0	113.69

Total Cation Meq's	147
Total Anion Meq's	147
TDS (mg/l)	10,097
TDS (ppm)	10,012
Ion Balance	0.001

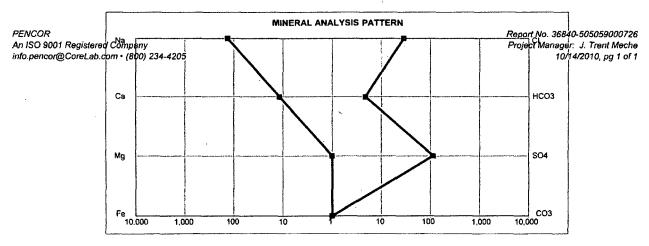
рН	7.08
Resistivity (Ohm-Meter) at 77 °F	0.74
Conductivity, microSiemens/cm	13,570
Specific Gravity 60 / 60 °F	1.0095

)1	-1.91	 Stability Index at 100 °F
8	-0 <u>.0</u> 8	Stability Index at 200 °F
10	-0.08	 Stability moex at 200 F

% Deviation in Meq. Bat.	0.14
% Deviation in TDS	9.81

QA/QC Run ID's

ICP	10132010 1 to 4
IC - Anions	March 2010 # 794
IC - Organic Acids	N/A
Titration - Bicarbonates and Chloride	10132010



HPOC, LLC

APPLICATION FOR AUTHORIZATION TO INJECT; SECTION VII (cont.) (Water analyses thought to be typical of Entrada injection zone water)

HPOC Eagle Springs 8Fed#2M

Key Pressure Pumping Services Water Analysis Result Form Farmington, NM. 708 S. Tucker Phone: (505)325-4192 Fax: (505)564-3524 Zip:87401

Operator:	High Plains Operating	Sample Date:	August 28, 2007
		Analysis Date:	August 29, 2007
Well	Eagle Springs 8 Fed 2 M	District:	Farmington
Formation:	Entrada	Requested By:	Brad Salzman
County:	San Juan, NM	Technician:	Roger Nash
Depth:		Source:	1" connection

PHYSICAL AND CHEMICAL DETERMINATION SPECIFIC GRAVITY: 1010 84 (°F) S.G. (Corrected): 1.010

pH:	7.77		MAGNESIUM:	19 ppm	
RESISTIVITY:	0.74	ohm/meter	CALCIUM:	32 ppm	
IRON:	0.10	ppm	BICARBONATES:	242 ppm	
H2 S:	0	ppm	CHLORIDES:	2772 ppm	
POTASSIUM:	15	ppm	SODIUM :	1824 ppm	
SULFATES:	173	ppm	TDS:	5077 ppm	

CaCO3 Scale Tendency = Remote CaSO4 Scale Tendency = Remote

	 1	4	Stiff Plot			
30	20	10	00	10	20	30
Na&K Ca						СІ
Mg						SO4

Data contained in this document is based on the best information & most current test procedures and materials available. No liability is expressed or implied.

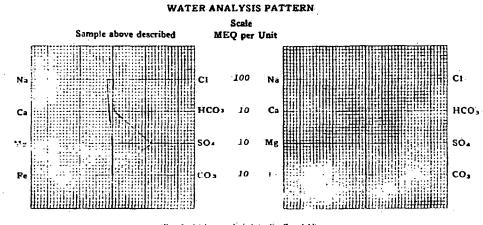
APPLICATION FOR AUTHORIZATION TO INJECT; SECTION VII (cont.)

(Water analyses thought to be typical of Entrada injection zone water)

(Dome 21Federal#1)

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		P. O. Bo. Casper, W			
	Ŵ	ATER ANA	LYSIS REPORT		
OPERATOR	Dome Petroleum	Corp.		976 LAB NO	21604
WELL NO	Federal 21 No.	1		21-20N-5W	
PIELD	Wildcat		PORMATION	rada	
COUNTY	McKinley		INTERVAL		
STATE	New Maxico		SAMPLE PROM	(10-2	0-76)
Cations	<u>mg/1</u>	meg/1	Anions	<u>mg/1</u>	<u>mtq/1</u>
	3301	143.61	Sulfate	5900	122.7
Sodium				5900	122.7
Sodium	<u>3301</u> 67.	<u>143.61</u> <u>1.72</u>	Sulfate	<u> </u>	<u>122.7</u> 30.1
Sodium Potassium Lithium	<u>3301</u> 67. 238	<u>143.61</u> <u>1.72</u> <u>11.88</u>	Sulfate	<u> </u>	<u>122.7</u> 30.1
Sodium Potessium Lithium • Calcium •	<u>3301</u> 67.	<u>143.61</u> <u>1.72</u>	Sulfate	<u> </u>	<u>122.7</u> 30.1
Sodium Potassium Lithium Calcium Magnesium	<u>3301</u> 67. 238	<u>143.61</u> <u>1.72</u> <u>11.88</u>	Sulfate	<u> </u>	<u>122.7</u> 30.1
Sodium Potassium Lithium Calcium Magnesium Iron	<u>3301</u> 67. 238	<u>143.61</u> <u>1.72</u> <u>11.88</u>	Sulfaride	<u> </u>	<u> 122.7</u> ; <u> 30.1</u> ; <u> 4.8</u> ;
Sodium Potassium Lithium Calcium Magneelum Iron 7	3301 67. 238 6 	<u>143.61</u> <u>1.72</u> <u>11.88</u> <u>0.49</u>	Sulfate		<u>122.72</u> 30.12 4.81
Sodium Potassium Lithium Calcium Magnesium Iron	3301 67 67 238 6 6 70tal Cations	<u>143.61</u> <u>1.72</u> <u>11.88</u> <u>0.49</u> <u>157.70</u>	Sulfate		<u>meq/1</u> 122.72 30.17 4.81

7705 0.90 V O₂ ohm 7.6 0.86 V ahm-meters Calculated



(No volue in above graphs includes No. K. and L1) NOTE: M#/! Miligrams per liter Meng/1 - Miligram equivalents Solium chloride equivalent ±by Duntap & Hawshorne calculati des No. K, and LJ) Milligram equivale

HPOC, LLC

Observed pH

APPLICATION FOR AUTHORIZATION TO INJECT; SECTION VII (cont.)

(Water analyses thought to be typical of Entrada injection zone water)

(Merrion Arena Blanca 36Fed#1)

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	Wildcat Entrad	Well	. 36, T20N, R5W	Formation	Water, B/D	÷į
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	DISSOLVED SOLIDS			OTHER PROPERTY	55	
	CATIONS mp			p£ Specific Gravity, 60/6	0 F	7.5
	Calcium, Ca	11.4		Rezistivity (onm-mete	<u></u>	0.80
	Magnesium, Mg335 Barium, Ba	27.6_		Total hardness		1950
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				THE WESTERN NORTH AMERIC		
				(505) 327-62		
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<u>APPLICATION FOR AUTHORIZATION TO INJECT; SECTION VII (cont.)</u> (Water analyses thought to be typical of Entrada injection zone water) (Limark 27Fed#1)

P. 0. BOX 1428 Martin Water Laboratories, Inc. Now How How How How How How How How How H		EXHIBIT "			
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EXHIBITS TO ACCOMPANY APPLICATION FOR AUTHORIZATION TO INJECT; SECTION VIII.

(Geologic Description of the Injection Zone)

The objective disposal reservoir is the Entrada Formation. The Entrada Formation in the southeastern part of the San Juan Basin is predominantly eolian sand deposited during the Middle Jurassic. The Entrada disposal reservoir is composed of fine-grained, well-sorted sandstone, massive or horizontally bedded in the upper part and thinly laminated, with steeply dipping cross bedding, in the lower part. Porosity (23 percent average) and permeability (370 millidarcies average) are very good throughout. The reservoir thickness is expected to be approximately than 175 ft. The Entrada is anticipated to be encountered in the range of 5,752 to 5,927 ft deep.

Essentially all domestic and municipal water is from the Ojo Alamo Aquifer (Torreon Sub area which includes the Chapters of Counselor, Ojo Encino, Torreon, and Pueblo Pintado. The base of the Ojo Alamo (an unconformity with the underling Cretaceous-age formations) is approximately 300 ft deep in this area. HPOC is unaware of any aquifers below the Ojo Alamo with a TDS of 10,000 mg/L, or less, though some samples of Entrada Formation water from wells in the region show TDS ranging from 5,000 mg/L to more than 10,000 mg/L (see previous section).

There are no known fresh water zones below the proposed injection zone (Entrada).

APPLICATION FOR AUTHORIZATION TO INJECT; SECTION IX.

(Description of stimulation program)

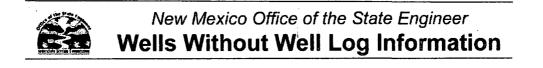
HPOC will determine the final program for stimulation of this well after drilling and logging.

It is anticipated that the injection perforations will be broken down with produced Entrada water and rates and pressures measured. If 6 bbls/minute at a maximum of 1,350 p.s.i. is not attained, the perforations will be treated with 2,000 gals of 15% HCL with 100% excess ball sealers and flushed with 50 bbls of water and rates and pressures will be tested again. Depending on these results, fracture stimulation may be considered, with notice to and approval from OCD prior to any fracture treatment.

APPLICATION FOR AUTHORIZATION TO INJECT; SECTION XI.

(Chemical analysis of water from fresh-water wells within 1 mile)

According to published records, there are no fresh water wells within one mile of the proposed injection well.



	No we	ells found.		
Basin/County Search:				
County: McKinley				
UTMNAD83 Radius Search (In	n meters):			
Easting (X): 282980.93	Northing (Y):	3978468.32	Radius: 2000	
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12/11 10:25 AM	Page 1		WELLS WITHOUT WELL LOG INFORMAT	TION
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County: McKinley UTMNAD83 Radius Search (in meters):	Wells wit	No wells found.	-	
County: McKinley UTMNAD83 Radius Search (in meters):	Wells wit	No wells found.	-	
County: McKinley UTMNAD83 Radius Search (in meters):	Wells wit	No wells found.	-	
County: McKinley UTMNAD83 Radius Search (in meters):	Wells wit	No wells found.	-	
County: McKinley UTMNAD83 Radius Search (in meters):	Wells wit	No wells found.	-	

APPLICATION FOR AUTHORIZATION TO INJECT; SECTION XII.

(Certification of information)

HPOC, LLC does hereby state that we have examined all 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.

APPLICATION FOR AUTHORIZATION TO INJECT; SECTION XIII.

(Notice to surface and mineral owners, publication)

As of this 18 day of November, 2011, HPOC, LLC has delivered via courier service a copy of this application to the following:

SURFACE OWNER

Mr. Jim Lovato United States Department of the Interior Bureau of Land Management 1235 La Plata Highway, Ste. A Farmington, NM 87401

OFFSET MINERAL OWNER—UNLEASED FEDERAL TRACT COVERING THE SW/4 OF SECTION 30 T20N R5W

Attn: Jim Lovato United States Department of the Interior Bureau of Land Management 1235 La Plata Highway, Ste. A Farmington, NM 87401

OFFSET MINERAL OWNER—LEASED FEDERAL TRACT NM|NM126075 COVERING THE SW/4 OF THE SW/4 SECTION 29, AND SE/4 OF SECTION 30, AND E/2 OF THE NE/4 OF SECTION 31 T20N R5W

Mr. John Michael Richardson J Bar Cane Inc. P.O. Box 16 Stanley, NM 87056

OFFSET MINERAL OWNER—LEASED FEDERAL TRACT NM|NM113426 COVERING THE NE/4 OF SW/4, AND LOTS 1&2 OF SECTION 31 T20N R5W

Pintado Oil & Gas LLC 909 Fannin Street #2600 Houston, TX 77010

OFFSET MINERAL OWNER—NAVAJO ALLOTTED COVERING SE/4 OF SECTION 31 T20N R5W

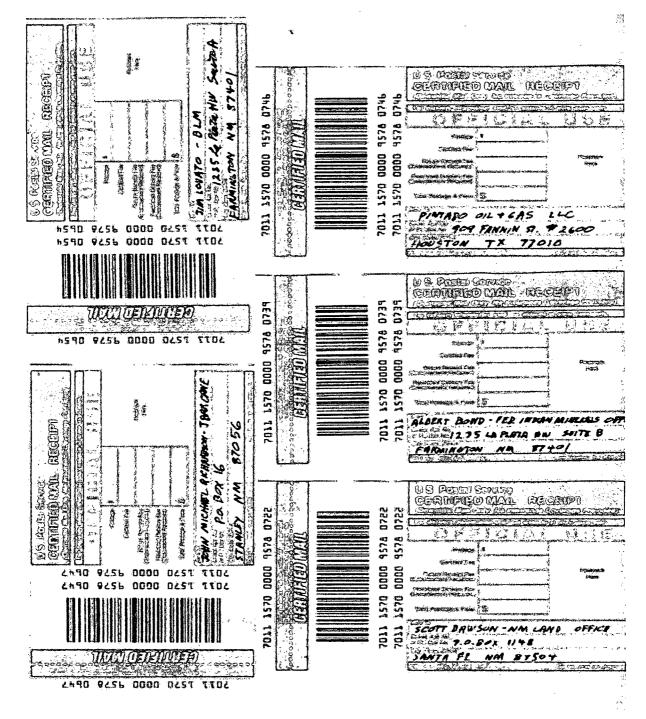
Mr. Albert Bond, Director Federal Indian Minerals Office Agent for Navajo Allottees 1235 La Plata Highway, Ste. B Farmington, NM 87401

HPOC, LLC

STATE OFFSET MINERAL OWNER— COVERING SECTION 32 T20N R5W

Mr. Scott Dawson New Mexico Land Office P.O. Box 1148 Santa Fe, NM 87504-1148

Mail certificates:



HPOC, LLC

PROOF OF PUBLICATION

As of this 30th day of November 2011, HPOC, LLC has received a notice for publication to the following: *Gallup Independent* (to be published in the December 1, 2011 edition)

LEGAL NOTICE Gallup - McKinley County New Mexico

NOTICE. HPOC, LLC, Attn: Michael S. Allen, Box 5046, Buena Vista, CO 81211 (719-395-8059) is making application to the New Mexico Oil Conservation Division for administrative approval to dispose of produced water into the Entrada Formation through perforations from approximately 5,752 ft to 5,927 ft measured depth in the Oio Encino 31 Federal-SWD 1 well located 340 ft FNL and 2,300 ft FEL of section 31-T20N-R5W. McKinley County, NM. The maximum expected injection rate is 9,000 bbls of water per day and the maximum expected injection pressure is 1,350 psi. Interested parties may file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, NM 87505 within 15 days of the date of publication of this notice.

Legal # XXXX Published in The Independent December 1 & 2 & 3 & 5 & 6, 2011.

Jones, William V., EMNRD	
From: Sent: To: Subject: Attachments:	mallen@chaffeeco.net Wednesday, December 07, 2011 11:02 AM Jones, William V., EMNRD Re: Disposal application from HPOC, LLC: proposed Ojo Encino 31 Fed SWD #1 30-031-NA Entrada perforations Attachment information; Mail Certificates.pdf
Will,	
Please find attached the r	Please find attached the mail certifications (stamped). They were sent on December 1, 2011.
Also, based on our review	Also, based on our review of the State water resource records, we can find no evidence of any water wells within a mile of the site.
The following pantograph is from our APD discuss "The logging suite will consist of a Triple-combo lo The Array Induction Log will be run over the open requirement and any potential injection intervals."	The following pantograph is from our APD discussing our logging plan for the well: "The logging suite will consist of a Triple-combo log; Gamma Ray-Formation Density Log-Compensated Neutron Log-Spontaneous Potential-Array Induction Log. The Array Induction Log will be run over the open hole from +/- 400¢ to TD. The porosity log will be run over the logging contractor's minimum footage requirement and any potential injection intervals."
We do not anticipate the need to inji with you in order to do so. Correct?	We do not anticipate the need to inject any water produced from other than the Entrada at this time. I assume that if the need arose, we would need to re-apply with you in order to do so. Correct?
The location of the propos	The location of the proposed well has not changed, but if it does, I will let you know as soon a possible.
Please let me know if you Mike	Please let me know if you have any other questions or need additional information. Mike
On 6 Dec 2011 at 23:55, .	On 6 Dec 2011 at 23:55, Jones, William V., EMNRD wrote:

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Jones, William V., EMNRD	EMNRD
From: Sent:	Jones, William V., EMNRD Tuesday, December 06, 2011 4:56 PM
To: Cc: Subject:	'mallen@highplainsop.com' Ezeanyim, Richard, EMNRD; Perrin, Charlie, EMNRD Disposal application from HPOC, LLC: proposed Ojo Encino 31 Fed SWD #1_30-031-NA_Entrada perforations
Hello Mr. Allen,	
Thank you for the applica	Thank you for the application. Looked it over today and preparing a permit for release 12/16/11.
l didn't see any dates on Are there any shallow fre	I didn't see any dates on the notices, do you remember when then went out? Are there any shallow fresh water wells or windmills within 1 mile of this location? If so, please collect a sample and send the analysis in to me.
What sort of logging prog Are you OK with limiting	What sort of logging program do you have planned? Are you OK with limiting disposal into this proposed Entrada well to only Entrada produced waters?
Let me know of any pend	Let me know of any pending changes in the planned spud location.

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Thank You,

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

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Jones, William V., EMNRD	/., EMNRD
From:	Jones. William V. EMNRD
Sent:	Wednesday, December 07, 2011 11:11 AM
To: Co:	'mallen@chaffeeco.net' Perrin. Charlie. EMNRD
Subject:	RE: Disposal application from HPOC, LLC: proposed Ojo Encino 31 Fed SWD #1 30-031-NA Entrada perforations
Thanks Mike,	
I have this ready to rel	I have this ready to release after the wait period – 12/21/11 is about 15 days after it was received here – as long as no protests arrive.
As far as expanding th	As far as expanding this permit to allow taking oil field waste waters other than from the Entrada.
by hole issues, then you want to do this, send i	by hole issues, then you want to do that, please do a log analysis of the logs you plan to this proposed wen to there for hitplied samily. If your logs get interrupted by hole issues, then you would need to swab test the well for this future amendment. If the salinity from logs or swabbing is more than 10,000 mg/I TDS and you want to do this, send in another C-108 with new notices and we can then likely issue another permit allowing other types of water.
Have a wonderful holi	Have a wonderful holiday in Buena Vista (maybe go to the Princeton Hot Springs?)
Will Jones New Mexico	
Images Contacts	
From: mallen@chaffee Sent: Wednesday, De	From: mallen@chaffeeco.net [mailto:mallen@chaffeeco.net] Sent: Wednesday, December 07, 2011 11:02 AM
Subject: Re: Disposal applica	Subject: Re: Disposal application from HPOC, LLC: proposed Ojo Encino 31 Fed SWD #1 30-031-NA Entrada perforations
Will,	
Please find attached th	Please find attached the mail certifications (stamped). They were sent on December 1, 2011.
Also, based on our rev	Also, based on our review of the State water resource records, we can find no evidence of any water wells within a mile of the site.
The following pantogra	The following pantograph is from our APD discussing our logging plan for the well:

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STEIN & BROCKMANN, P.A. Attorneys at Law

JAY F. STEIN* JAMES C. BROCKMANN* SETH'R: FULLERTON

Of Counsel KATHERINE W HALL

* New Mexico Board Certified Specialists in Water Law street address 505 Don Gaspar Avenue Santa Fe, New Mexico 87505

MAILING ADDRESS Post Office Box 2067 Santa Fe, New Mexico 87504-2067 Telephone: 505-983-3880 Telecopier: 505-986-1028

December 20, 2011

Hand Delivered And Via First Class Mail

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

Re: Objection and Request for Hearing

The City of Gallup ("Gallup"), by and through its counsel, Stein & Brockmann, P.A., hereby submits this objection and request for hearing with regard to HPOC, LLC's application to the New Mexico Oil Conservation Division for administrative approval to dispose of produced water into the Entrada Formation through perforations from approximately 5,752 feet to 5,927 feet measured depth in the Ojo Encino 31 Federal-SWD 1 well located 340 feet FNL and 2,300 feet FEL of section 31, T20N, R5W, McKinley County, NM. The City of Gallup has existing groundwater wells, water rights, and pending applications for additional water rights, which groundwater is used for municipal purposes and is concerned about this application in that respect.

This objection and request for hearing was going to be filed yesterday, but it could not be because all state offices were closed due to the weather. Please feel free to contact me if you have any questions.

Sincerely AMES C. BROCKMANN

cc: Lance Allgood

P:\Gallup\Protests\OCD\Objection re Ojo Encino 31 Federal-SWD 1 well injection of produced water doc

Jones, William V., EMNRD

Sent: From: Subject: <u>,</u> Attachments: Objection and protest DOC (2).PDF Jones, William V., EMNRD James C. Brockmann [JCBrockmann@newmexicowaterlaw.com] Tuesday, December 20, 2011 11:24 AM

Will, I left you a voice message earlier this morning to discuss the attached letter. Please give me a call at 983-3880 to discuss this further. Thank you. Jim

James C. Brockmann Stein & Brockmann, P.A. P.O. Box 2067 Santa Fe, NM 87504-2067 (505) 983-3880 (505) 986-1028 (fax) <u>icbrockmann@newmexicowaterlaw.com</u>

email or by calling 505.983.3880, so that our address record can be corrected. Thank you. communication is strictly prohibited. If you have received this electronic transmission in error, please delete it from your system without copying, and notify the sender by reply message is not the intended recipient or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination or copying of this This message is intended only for the use of the individual or entity to which it is addressed and may contain information that is privileged and confidential. If the reader of this

STEIN & BROCKMANN, P.A. Attorneys At Law

JAY F. STEIN* JAMES C. BROCKMANN* SETH R. FULLERTON

Of Counsel KATHERINE W. HALL

* New Mexico Board Certified Specialists in Water Law street address 505 Don Gaspar Avenue Santa Fe, New Mexico 87505

MAILING ADDRESS Post Office Box 2067 Santa Fe, New Mexico 87504–2067 Telephone: 505-983-3880 Telecopier: 505-986-1028

2012 JAN 32

January 31, 2012

PDF and First Class Mail

William V. Jones, Engineer New Mexico Oil Conservation Division 1220 South St. Francis Drive Santa Fe, NM 87505

Re: Withdrawal of City of Gallup Objection and Request for Hearing

The City of Gallup ("Gallup"), by and through its counsel, Stein & Brockmann, P.A., hereby withdraws its objection and request for hearing with regard to HPOC, LLC's application to the New Mexico Oil Conservation Division for administrative approval to dispose of produced water into the Entrada Formation through perforations from approximately 5,752 feet to 5,927 feet measured depth in the Ojo Encino 31 Federal-SWD 1 well located 340 feet FNL and 2,300 feet FEL of section 31, T20N, R5W, McKinley County, NM. Please feel free to contact me if you have any questions.

Sincerely, JAMES C. BROCKMANN

cc: Lance Allgood Mike Allen Butch Butler

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	Footages 340 FNL/23	COFEL Uni	it_BSec31_Tsp			MCKIULEY	
	General Location:	Swfc					
	Operator: HPOC, L	ICI		Contact	MICHael S	5, ALLEN	
		5.9 Compliance (Wells	3) / 5	(Finan Ass	sur <u>) Ó K</u> IS 5.9 OK	<u>204</u>	
	Well File Reviewed No Surrent S	itatus: NOT	PRILLED	·			
	Planned Work to Well:	ull, Equ	MP DISP	SE			
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	Notice: Newspaper Date 12/1	Surface Owner			Mineral Owner(s)		
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	AOR: Maps? Well List?	 Producing in Interva 	ar: IN -Wellbore Diag.	rams?			
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