

DATE IN: 4/26/2017	SUSPENSE	ENGINEER: <i>RAM</i>	LOGGED IN: 7/26/2017	TYPE: SLD	APP NO: 11.711646237
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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 \_\_\_\_\_**

#### [2] NOTIFICATION REQUIRED TO: -Check Those Which Apply, or ☐ Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners**  
**[B] ☒ Offset Operators, Leaseholders or Surface Owner**  
**[C] ☒ Application is One Which Requires Published Legal Notice**  
**[D] ☒ Notification and/or Concurrent Approval by BLM or SLO**  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office  
**[E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,**  
**[F] ☐ Waivers are Attached**

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

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

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

Ben Stone  
 Print or Type Name

Signature

Agent for Ray Westall Operating, Inc. 4/20/17

Title

Date

ben@sosconsulting.us

e-mail Address

RECEIVED  
2017-07-26

well  
 - SLD 4/20/28  
 State Com # 1  
 30-05-34001  
 Pool  
 - SLD, WorkCamp  
 - Penn  
 96138

- SLD 1674  
 - Ray Westall Operating, Inc.  
 119305

**APPLICATION FOR AUTHORIZATION TO INJECT**

- I. PURPOSE: **Salt Water Disposal** and the application *qualifies* for administrative approval.
- II. OPERATOR: **Ray Westall Operating, Inc. (119305)**  
ADDRESS: **P.O. Box 4, Loco Hills, NM 88255**  
  
CONTACT PARTY: **Donnie Mathews (575) 677-2372**  
**Agent: SOS Consulting, LLC – Ben Stone (903) 488-9850**
- III. WELL DATA: **All well data and applicable wellbore diagrams are ATTACHED hereto.**
- IV. **This is not an expansion of an existing project.**
- V. **A map is ATTACHED** 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. **A tabulation is ATTACHED** of data on all wells of public record within the area of review which penetrate the proposed injection zone. **(0 (NO) AOR wells penetrate the subject interval.)** The data includes a description of each well's type, construction, date drilled, location, depth, and a schematic of any plugged well illustrating all plugging detail.
- VII. **The following data is ATTACHED** 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. **Appropriate geologic data on the injection zone is ATTACHED** 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. **The well may be acidized to clean perforations and formation wall w/ 15% HCl w/ up to 5000 gals/1000'.**
- \*X. **There is no applicable test data on the well however, any previous well logs have been filed with the Division and they need not be resubmitted. A log strip of subject interval is ATTACHED.**
- \*XI. **State Engineer's records indicate there is 1 water well within one mile the proposed salt water disposal well.**
- XII. **An affirmative statement is ATTACHED that available geologic and engineering data has been examined and no evidence was found** of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. **"Proof of Notice" section on the next page of this form has been completed and ATTACHED.**  
**There are 8 offset lessees and/or operators plus state minerals within one mile - all have been noticed.**
- 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: **Ben Stone** TITLE: **SOS Consulting, LLC agent / consultant for Ray Westall Operating, Inc.**

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

DATE: **4/20/2017**

E-MAIL ADDRESS: **ben@sosconsulting.us**

- \* 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:

III. WELL DATA – *The following information and data is included and ATTACHED:*

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.

XIV. PROOF OF NOTICE *pursuant to the following criteria is ATTACHED.*

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.**

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**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.

# WELL SCHEMATIC - CURRENT

**Saguaro "28" State #1**  
Turkey Track; Morrow, North

API No. 30 - 015 - 34001

1606' FSL & 518' FWL  
Section 28 - T18S - R28E  
Eddy County, New Mexico

## Final P & A Status

10/01/09

GL = 3542'

RKB = 14'

**B/Salt - Yates - Surface Shoe - Top Plug**  
0' - 1200'  
135' sx "C"  
Set 9/30/09

**Intermediate Casing Shoe Plug**  
Perforated 5 1/2" csg @ 3125'; set pkr @ 2720' & established circulation to surface via the 8 5/8" x 5 1/2" annulus. Cemented annulus to surface w/ 505 sx Class "C", displaced below pkr to 2875' and WOC overnight. Cementing completed on 9/29/09 & plug tagged @ 2878' on 9/30/09.

**Regulatory Plug**  
4950' - 5200'  
25' sx Class C  
Set 9/24/09

**Stage Tool, Wolfcamp Plug**  
7000' - 7505'  
55' sx Class H  
Set 9/24/09

**Claco - U. Penn Plug**  
8440' - 8840'  
45' sx Class H  
Set 9/24/09

**Producing Zone Plug**  
Set: CIBP @ 10,500', tested to 1000 psi & capped w/ 25' sx "H".  
Plugs set 9/22/09

13 3/8" 48# H-40 STC @ 488'  
Cmt'd w/ 595 sx, circ to surface

TOC = 3020' by CBL of 9/25/09  
Good cmt bond top is @ 3150', poor bonding above this depth to 3020'

8 5/8" 32# J-55 STC @ 3100'  
Cmt'd w/ 910 sx, TOC @ 18'

Regulation states that distance between plugs in a cased hole can not exceed 3000'

DV @ 7461' (note: drilled @ 7436' SLM)

Stage 2, cmt'd w/ 540 sx, calc'd TOC = 3000'

Morrow 10,583-592', 10,607-609' 2 JSPF  
Morrow 10,613' - 10,618' 4 JSPF

5 1/2" 17# P-110 LTC @ 10,844'

Stage 1, cmt'd w/ 525 sx, circ cmt from above  
DV tool @ 7461'

DCD 9/21/09

10,784' PBD  
10,860' TD

Event Date	
Spud	5/6/05
RR	6/10/05
Well Life	1609 days

5/7/05

5/14/05

2/14/08

6/20/05

6/7/05





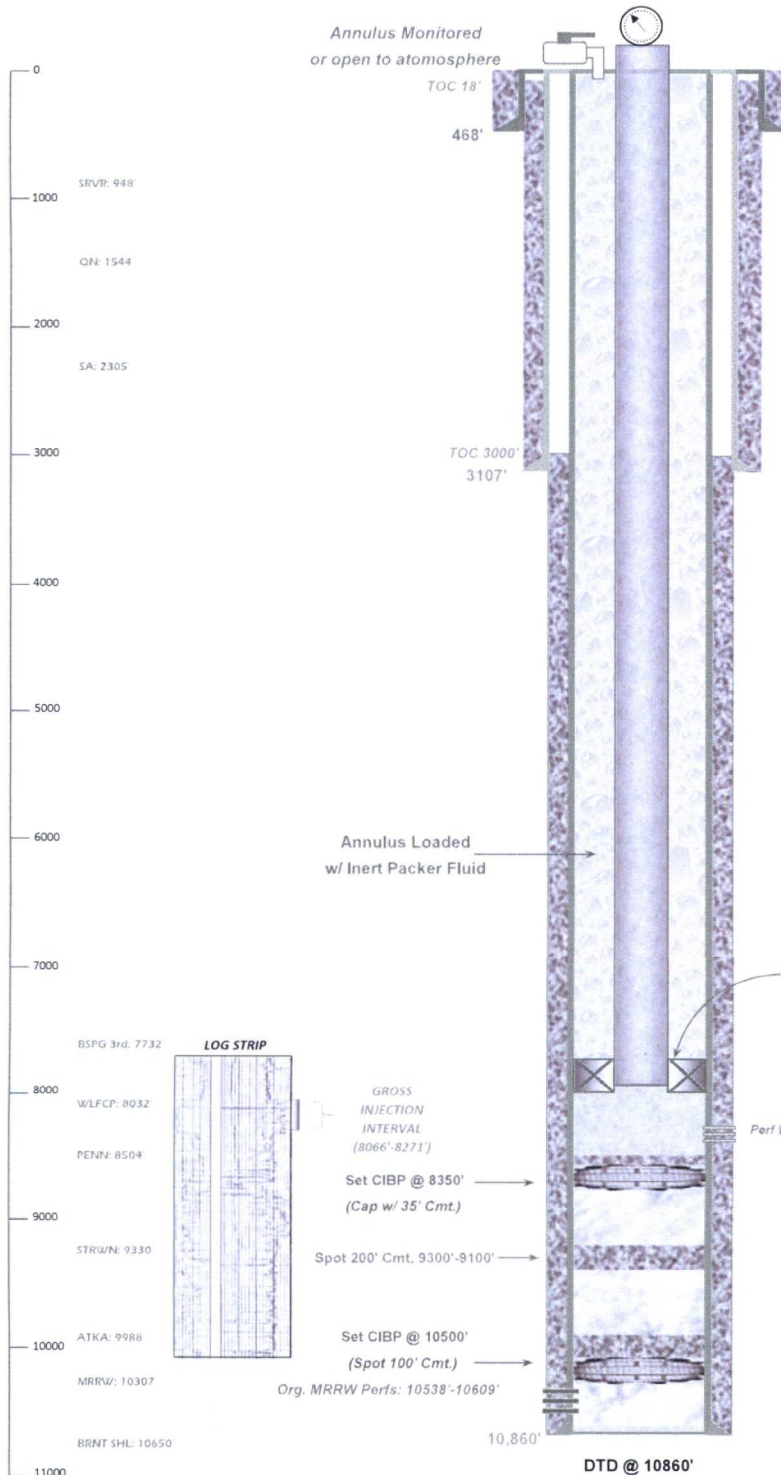
# WELL SCHEMATIC - PROPOSED Saguaro 28 State Well No.1 SWD

API 30-015-34001

1606' FSL & 518' FWL, SEC. 28-T18S-R28E  
EDDY COUNTY, NEW MEXICO

SWD; Wolfcamp (96135)

Spud Date: 5/06/2005  
Config SWD Dt (Est): ~6/15/2



Injection Pressure Regulated  
and Volumes Reported  
1613 psi Max. Surface (0.2 psi/ft)

## Surface Casing

13.375", 48.0# H-40 STC Csg. (17.5" Hole) @ 468'  
595 sx - Circulated to Surface

## Intermediate Casing

8.625", 32.0# J-55 Csg. (11.0" Hole) @ 3107'  
910 sx - TOC @ 18' Mth N/R

## RAY WESTALL OPERATING, INC.

Convert to SWD: D/O & C/O Existing Plugs.

Set CIBP @ 9830' w/ 35' Cmt Cap.

Perforate Specific Intervals TBD.

Run PC Tubing and PKR - Conduct MIT.

Commence Disposal Operations.

3.5" IC Tubing (or smaller)  
PKR ~7966'+

Note: PKR Set 100' Above Final Uppermost Perf Interval

Perf WC (8066'-8271')

Specific Perf Intervals To Be Determined  
Between Max Top 8066' and Max Bottom 8271'

## Production Casing

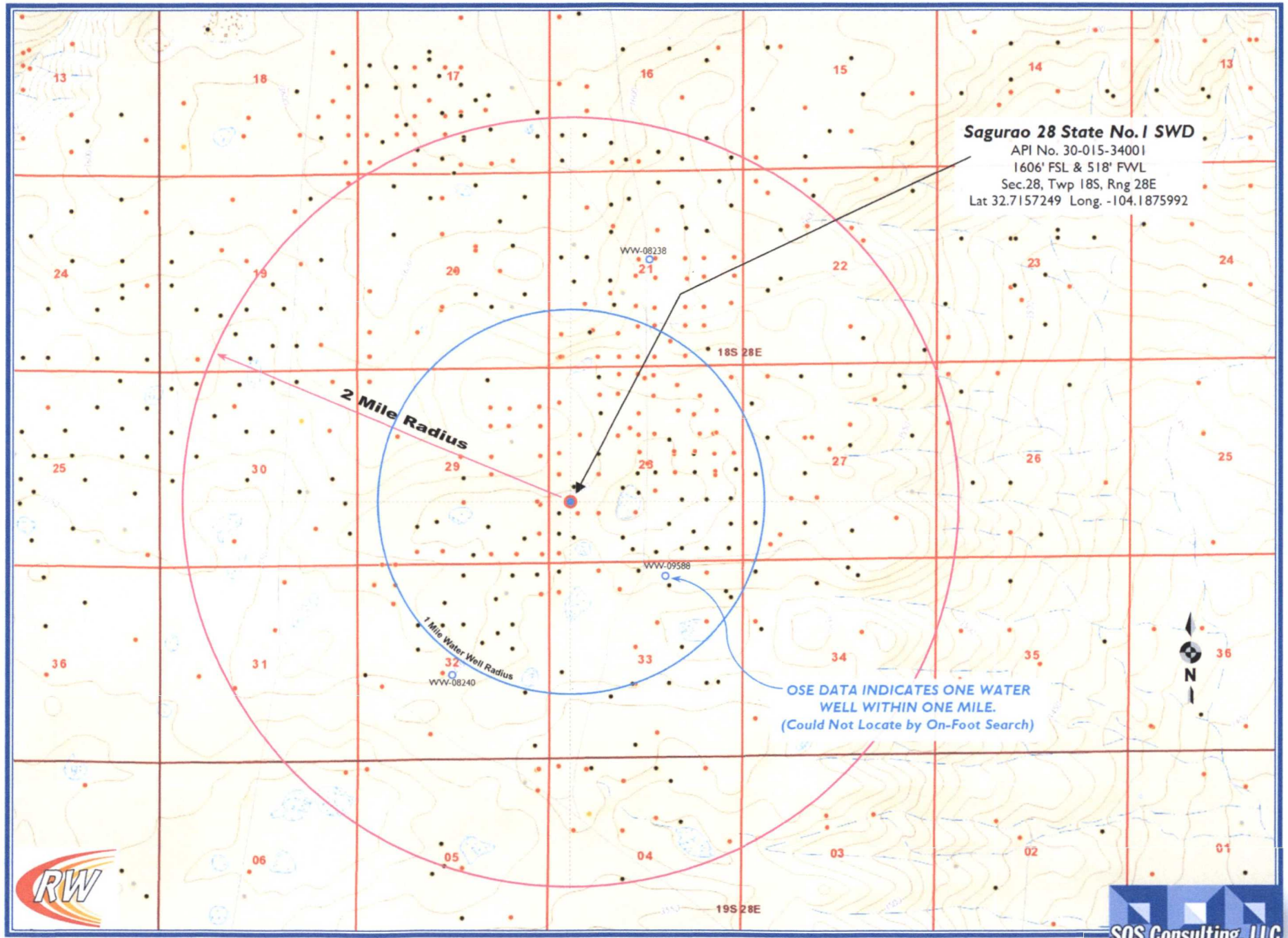
5.5", 17.0# P-110 Csg. (7.875" Hole) @ 10,860'  
DV @ 7461; w. 540 sx; 525 sx - TOC @ 3000' by Mth N

Drawn by: Ben Stone, Rvs'd 8/05/2017



# Saguaro State 28 No.1 SWD - Area of Review / 2 Miles

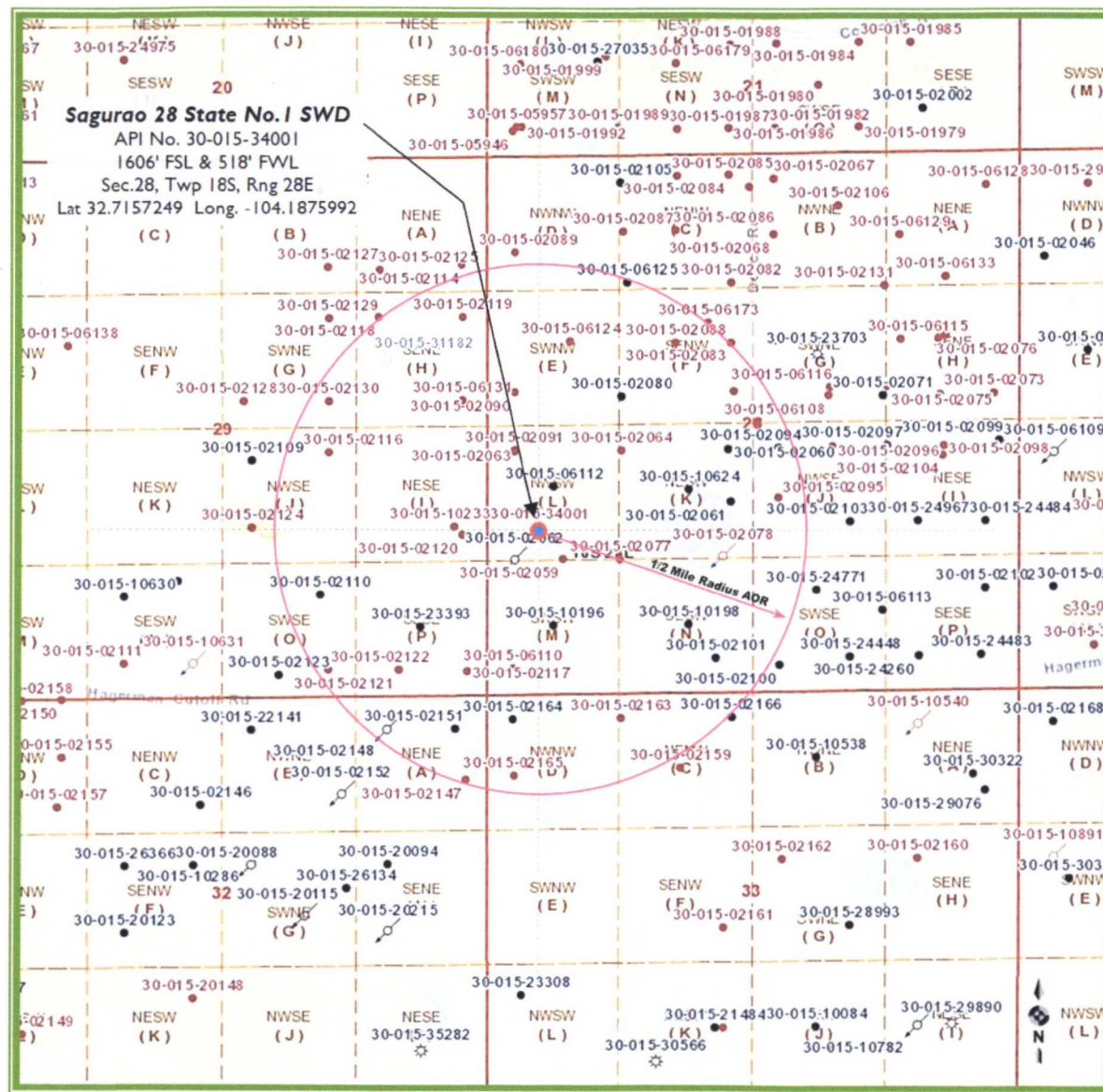
(Attachment to NMOCD Form C-108 - Item V)





# Saguaro 28 State Well No.1 SWD - Area of Review / Overview Map

(Attachment to NMOCD Form C-108 - Item V)



14.9 miles Southeast of Artesia, NM



Eddy County, New Mexico



RAY WESTALL OPERATING, INC.



Form C-108 Item VI - Tabulation of AOR Wells

Top of Proposed WOLFCAMP Interval 8066'

NO (0) Wells Penetrate Proposed Interval.

API	Current Operator	Well Name	Well Number	Type	Lease	Status	ULSTR	Depth	Plugged On
<i>Subject Well</i>									
30-015-34001	[225437] FINNEY OIL COMPANY	SAGUARO 28 STATE	#001	Gas	State	P&A-Rlsd	L-28-18S-28E	10860'	2/11/2010
See attached CURRENT (P&A) and PROPOSED Wellbore Diagrams.									
<i>Section 28 Wells</i>									
30-015-06125	[154329] SANDLOTT ENERGY (J. BREWER DBA)	WELCH DUKE STATE	#018	Oil	State	Active	C-28-18S-28E	2320'	
30-015-02090	[214263] PRE-ONGARD WELL OPERATOR	PRE-ONGARD WELL	#014	Oil	State	P&A-Rlsd	E-28-18S-28E	2022'	1/1/1900
30-015-06173	[214263] PRE-ONGARD WELL OPERATOR	PRE-ONGARD WELL	#013	Oil	State	P&A-Rlsd	E-28-18S-28E	2018'	1/1/1900
30-015-06124	[214263] PRE-ONGARD WELL OPERATOR	PRE-ONGARD WELL	#017	Oil	State	P&A-Rlsd	E-28-18S-28E	2035'	1/1/1900
30-015-02088	[214263] PRE-ONGARD WELL OPERATOR	PRE-ONGARD WELL	#011	Oil	State	P&A-Rlsd	F-28-18S-28E	2000'	1/1/1900
30-015-02083	[214263] PRE-ONGARD WELL OPERATOR	PRE-ONGARD WELL	#004	Oil	State	P&A-Rlsd	F-28-18S-28E	2043'	1/1/1900
30-015-02080	[154329] SANDLOTT ENERGY (J. BREWER DBA)	WELCH DUKE STATE	#001	Oil	State	Active	F-28-18S-28E	2300'	
30-015-02081	[214263] PRE-ONGARD WELL OPERATOR	PRE-ONGARD WELL	#002	Oil	State	P&A-Rlsd	F-28-18S-28E	2061'	1/1/1900
30-015-06108	[214263] PRE-ONGARD WELL OPERATOR	PRE-ONGARD WELL	#026	Oil	State	P&A-Rlsd	G-28-18S-28E	2075'	1/1/1900
30-015-02094	[371169] GFG OPERATING LLC	TOOMEY ALLEN	#001	Oil	State	Active	J-28-18S-28E	2078'	
30-015-02095	[214263] PRE-ONGARD WELL OPERATOR	PRE-ONGARD WELL	#002	Oil	State	P&A-Rlsd	J-28-18S-28E	2297'	1/1/1900
30-015-02078	[225437] FINNEY OIL COMPANY	TWIN LAKES	#013	Injection	State	P&A-Rlsd	K-28-18S-28E	2060'	12/10/2008
30-015-02064	[214263] PRE-ONGARD WELL OPERATOR	PRE-ONGARD WELL	#004	Oil	State	P&A-Rlsd	K-28-18S-28E	2052'	1/1/1900
30-015-02060	[225437] FINNEY OIL COMPANY	TWIN LAKES	#005	Oil	State	Active	K-28-18S-28E	2493'	
30-015-02061	[225437] FINNEY OIL COMPANY	TWIN LAKES	#006	Oil	State	Active	K-28-18S-28E	2300'	
30-015-10624	[225437] FINNEY OIL COMPANY	TWIN LAKES	#011	Oil	State	Active	K-28-18S-28E	2074'	
30-015-06112	[225437] FINNEY OIL COMPANY	TWIN LAKES	#010	Oil	State	Active	L-28-18S-28E	2068'	
30-015-02059	[214263] PRE-ONGARD WELL OPERATOR	PRE-ONGARD WELL	#003	Oil	State	P&A-Rlsd	L-28-18S-28E	2110'	1/1/1901
30-015-02063	[214263] PRE-ONGARD WELL OPERATOR	PRE-ONGARD WELL	#008	Oil	State	P&A-Rlsd	L-28-18S-28E	2015'	1/1/1900
30-015-02066	[214263] PRE-ONGARD WELL OPERATOR	PRE-ONGARD WELL	#002	Oil	State	P&A-Rlsd	M-28-18S-28E	Assm'd ~2100'	1/1/1901
30-015-02058	[225437] FINNEY OIL COMPANY	TWIN LAKES	#002	Oil	State	Active	M-28-18S-28E	2029'	
30-015-02062	[225437] FINNEY OIL COMPANY	TWIN LAKES	#007	Injection	State	Active	M-28-18S-28E	2050'	
30-015-02077	[214263] PRE-ONGARD WELL OPERATOR	PRE-ONGARD WELL	#012	Oil	State	P&A-Rlsd	M-28-18S-28E	2041'	1/1/1900
30-015-06110	[214263] PRE-ONGARD WELL OPERATOR	PRE-ONGARD WELL	#001	Oil	State	P&A-Rlsd	M-28-18S-28E	2036'	1/1/1901
30-015-10196	[225437] FINNEY OIL COMPANY	TWIN LAKES	#014	Oil	State	Active	M-28-18S-28E	2057'	
30-015-10198	[225437] FINNEY OIL COMPANY	TWIN LAKES	#015	Oil	State	Active	N-28-18S-28E	2083'	
30-015-02101	[225437] FINNEY OIL COMPANY	TWIN LAKES	#009	Oil	State	Active	N-28-18S-28E	2820'	
<i>Section 29 Wells</i>									
30-015-02130	[214263] PRE-ONGARD WELL OPERATOR	PRE-ONGARD WELL	#003	Oil	State	P&A-Rlsd	G-29-18S-28E	2060'	1/1/1900
30-015-06131	[214263] PRE-ONGARD WELL OPERATOR	PRE-ONGARD WELL	#034	Oil	State	P&A-Rlsd	H-29-18S-28E	2100'	1/1/1900
30-015-02118	[214263] PRE-ONGARD WELL OPERATOR	PRE-ONGARD WELL	#015	Oil	State	P&A-Rlsd	H-29-18S-28E	2050'	1/1/1901

Form C-108 Item VI - Tabulation of AOR Wells (cont.)

Section 29 Wells (cont.)

30-015-02119	[214263] PRE-ONGARD WELL OPERATOR	PRE-ONGARD WELL	#029	Oil	State	P&A-Rlsd	H-29-18S-28E	2032'	1/1/1900
30-015-02120	[214263] PRE-ONGARD WELL OPERATOR	PRE-ONGARD WELL	#040	Oil	State	P&A-Rlsd	I-29-18S-28E	2047'	1/1/1901
30-015-10233	[214263] PRE-ONGARD WELL OPERATOR	PRE-ONGARD WELL	#338	Oil	State	P&A-Rlsd	I-29-18S-28E	2043'	1/1/1900
30-015-02124	[214263] PRE-ONGARD WELL OPERATOR	PRE-ONGARD WELL	#058	Oil	State	P&A-Rlsd	J-29-18S-28E	1986'	1/1/1900
30-015-02116	[214263] PRE-ONGARD WELL OPERATOR	PRE-ONGARD WELL	#011	Oil	State	P&A-Rlsd	J-29-18S-28E	2040'	1/1/1901
30-015-02110	[154329] SANDLOTT ENERGY (J. BREWER DBA)	RESLER YATES STATE	#343	Oil	State	Active	O-29-18S-28E	2052'	
30-015-02117	[214263] PRE-ONGARD WELL OPERATOR	PRE-ONGARD WELL	#012	Oil	State	P&A-Rlsd	P-29-18S-28E	2025'	1/1/1901
30-015-02121	[214263] PRE-ONGARD WELL OPERATOR	PRE-ONGARD WELL	#048	Oil	State	P&A-Rlsd	P-29-18S-28E	2047'	1/1/1900
30-015-02115	[214263] PRE-ONGARD WELL OPERATOR	PRE-ONGARD WELL	#008	Oil	State	P&A-Rlsd	P-29-18S-28E	2024'	1/1/1900
30-015-23393	[154329] SANDLOTT ENERGY (J. BREWER DBA)	RESLER YATES STATE	#344	Oil	State	Active	P-29-18S-28E	2066'	
30-015-02122	[214263] PRE-ONGARD WELL OPERATOR	PRE-ONGARD WELL	#049	Oil	State	P&A-Rlsd	P-29-18S-28E	2052'	1/1/1900

Section 32 Wells

30-015-02147	[214263] PRE-ONGARD WELL OPERATOR	PRE-ONGARD WELL	#028	Oil	State	P&A-Rlsd	A-32-18S-28E	3126'	1/1/1900
30-015-02148	[154329] SANDLOTT ENERGY (J. BREWER DBA)	RESLER YATES STATE	#355	Injection	State	Active	A-32-18S-28E	2064'	
30-015-02151	[154329] SANDLOTT ENERGY (J. BREWER DBA)	RESLER YATES STATE	#020	Oil	State	Active	A-32-18S-28E	2100'	

Section 33 Wells

30-015-02163	[214263] PRE-ONGARD WELL OPERATOR	PRE-ONGARD WELL	#002	Oil	State	P&A-Rlsd	C-33-18S-28E	2700'	1/1/1900
30-015-02166	[225437] FINNEY OIL COMPANY	YATES	#004	Oil	State	Active	C-33-18S-28E	2110'	
30-015-02164	[225437] FINNEY OIL COMPANY	YATES	#001	Oil	State	Active	D-33-18S-28E	2050'	
30-015-02165	[214263] PRE-ONGARD WELL OPERATOR	PRE-ONGARD WELL	#003	Oil	State	P&A-Rlsd	D-33-18S-28E	2055'	1/1/1900

SUMMARY: 1 well penetrates proposed disposal interval; It is P&A'd.

**C-108 ITEM X – LOGS and AVAILABLE TEST DATA**

A log strip from subject well is attached.

**LOG STRIP FOLLOWS**

County: <b>Central Eddy</b>	Field: <b>1808' FSL &amp; 518' FWL</b>	Location: <b>1808' FSL &amp; 518' FWL</b>	Well: <b>Saguaro State 28 #1</b>	Company: <b>BP</b>	<b>PLATFORM EXPRESS</b>						
					<b>Three Detector Litho-Density</b>						
					<b>Compensated Neutron / Spectral Gamma Ray</b>						
					<table border="1"> <tr> <td>1806' FSL &amp; 518' FWL Section 28, T18S, R28E</td> <td>Elev. K.B. 3556 ft G.L. 3542 ft D.F. 3555 ft</td> </tr> <tr> <td>Permanent Datum: Ground Level</td> <td>Elev. 3542 ft</td> </tr> <tr> <td>Log Measured From: Kelly Bushing</td> <td>14.0 ft above Perm. Datum</td> </tr> <tr> <td>Drilling Measured From: Kelly Bushing</td> <td></td> </tr> </table>				1806' FSL & 518' FWL Section 28, T18S, R28E	Elev. K.B. 3556 ft G.L. 3542 ft D.F. 3555 ft	Permanent Datum: Ground Level
1806' FSL & 518' FWL Section 28, T18S, R28E	Elev. K.B. 3556 ft G.L. 3542 ft D.F. 3555 ft										
Permanent Datum: Ground Level	Elev. 3542 ft										
Log Measured From: Kelly Bushing	14.0 ft above Perm. Datum										
Drilling Measured From: Kelly Bushing											
API Serial No 30-015-34001		Section: 28	Township: 18S	Range: 28E							

RECEIVED  
JUL 10 1965

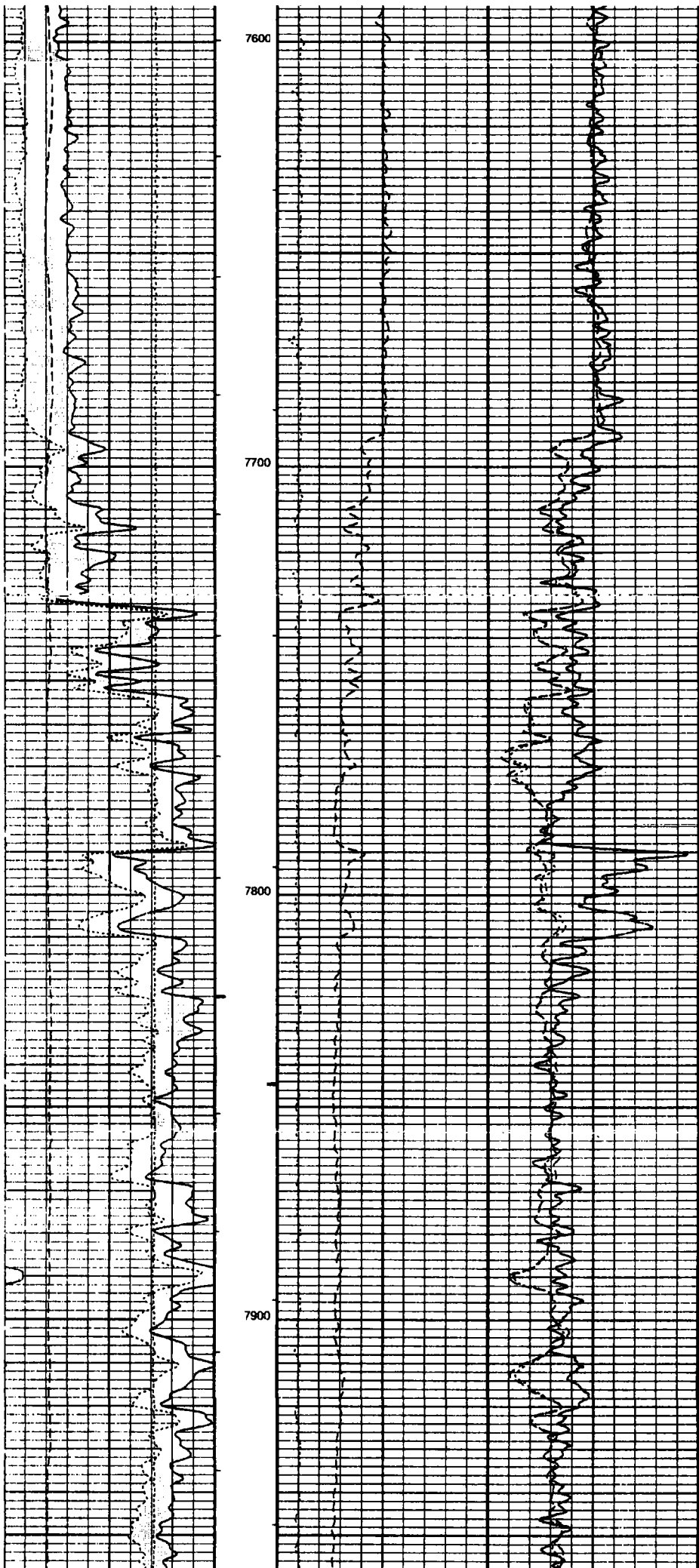
[illegible]

Date Created: 8-JUN-2005 13:17:31

Depth Measuring Device		Tension Device		Logging Cable	
Type:	IDW-B	Type:	CMTD-B/A	Type:	7-39P-LXS
Serial Number:	600804	Serial Number:	1740	Serial Number:	3158
Calibration Date:	3-Mar-2005	Calibration Date:	13-May-2005	Length:	17600.00 FT
Calibrator Serial Number:	1	Calibrator Serial Number:	1017	Conveyance Method:	Wiringline
Calibration Cable Type:	7-39P-LXS	Calibration Gain:	0.92	Rig Type:	LAND
Wheel Correction 1:	-1	Calibration Offset:	293.00		
Wheel Correction 2:	-4				

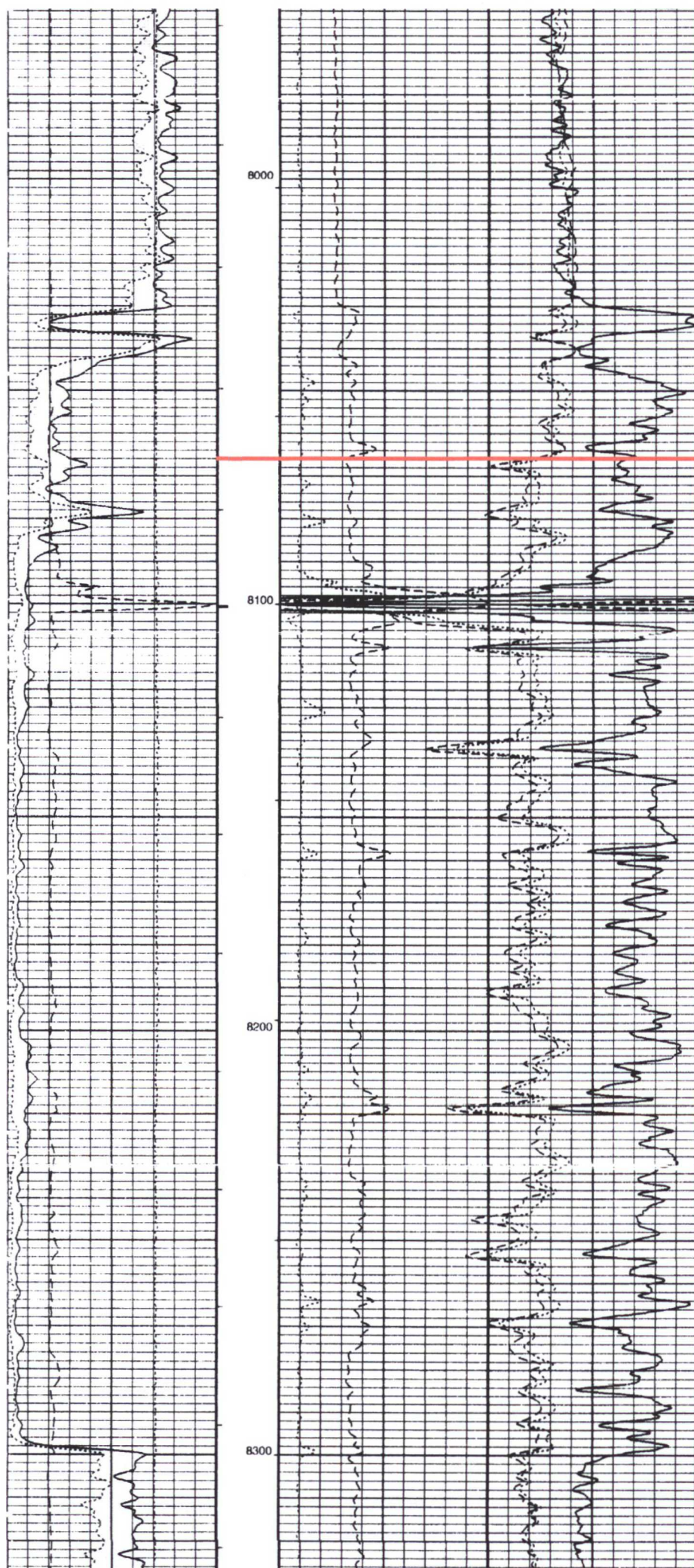
Log Sequence:	First Log in the Well
Rig Up Length At Surface:	246.70 FT
Rig Up Length At Bottom:	248.50 FT
Rig Up Length Correction:	0.20 FT
Stretch Correction:	3.50 FT
Tool Zero Check At Surface:	0.20 FT

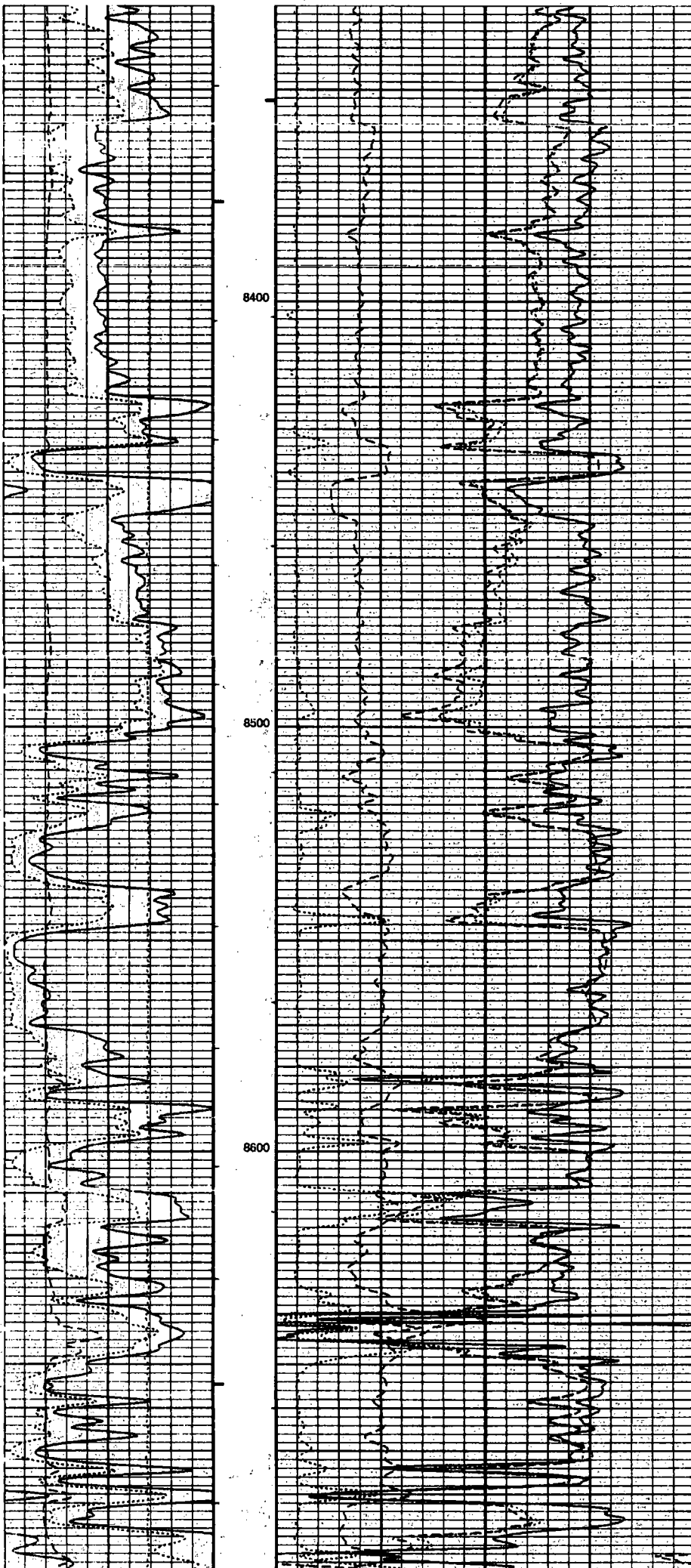
1. Standard Schlumberger depth policy followed for first run in hole.
2. Rig up length measured at surface and bottom; difference added to depth.
3. Stretch determined by comparing the uplog to the reference downlog.
4. Tool reset at surface to verify depth control.

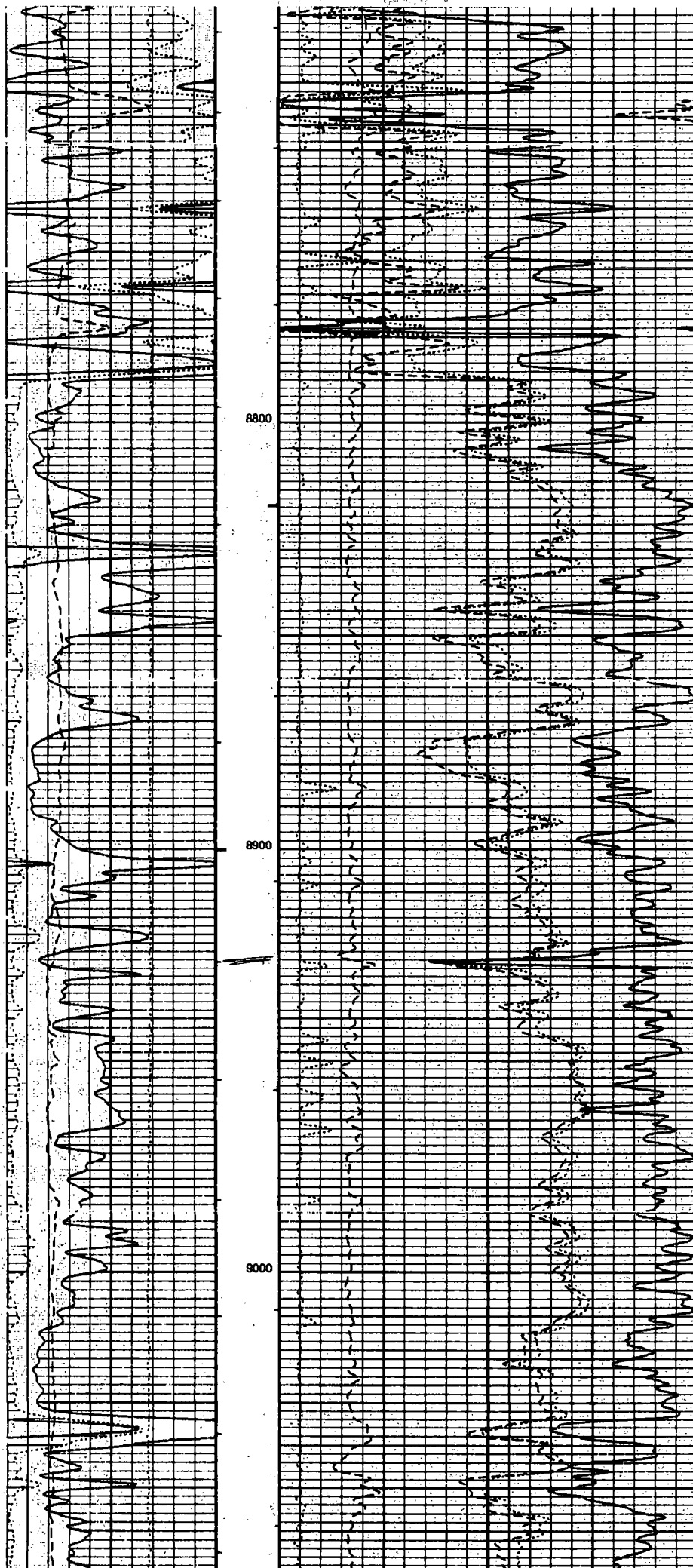




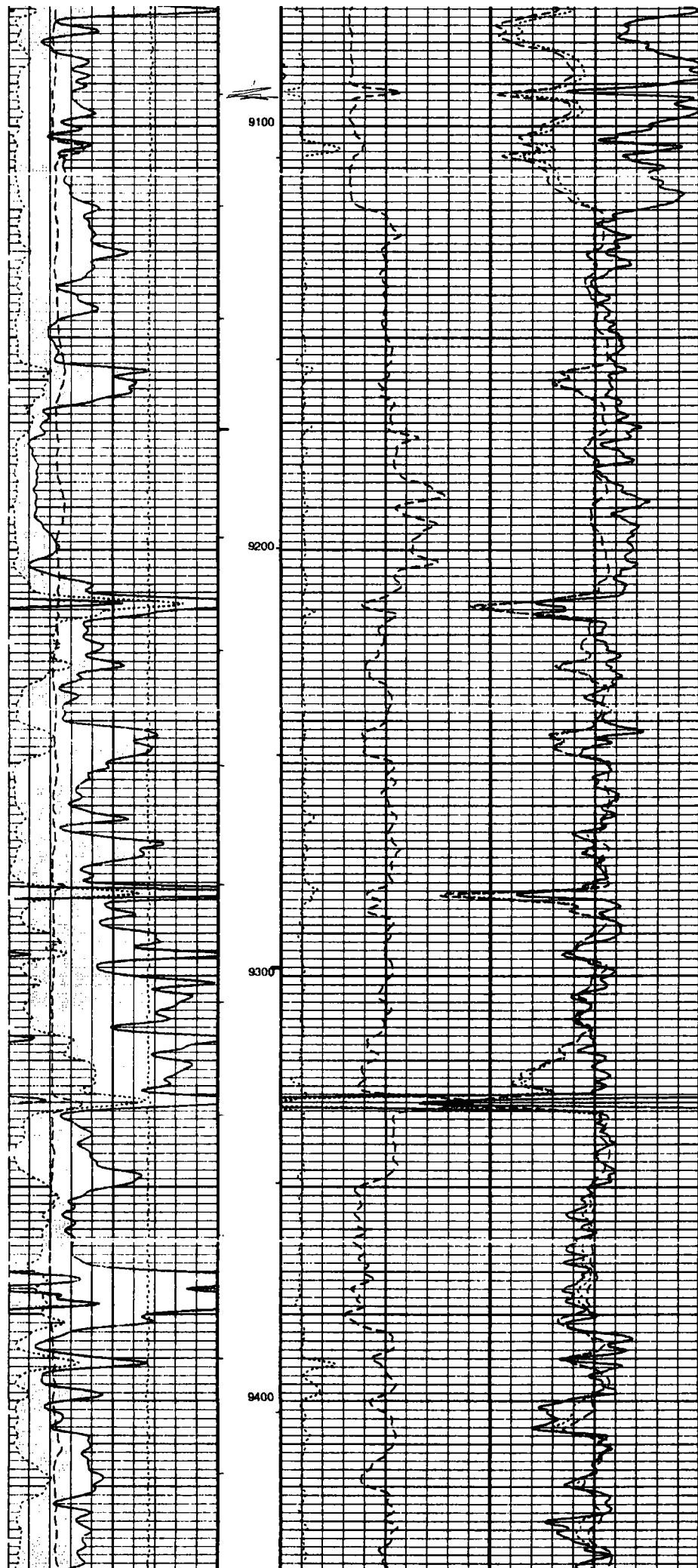
TOP of  
PROPOSED  
INTERVAL

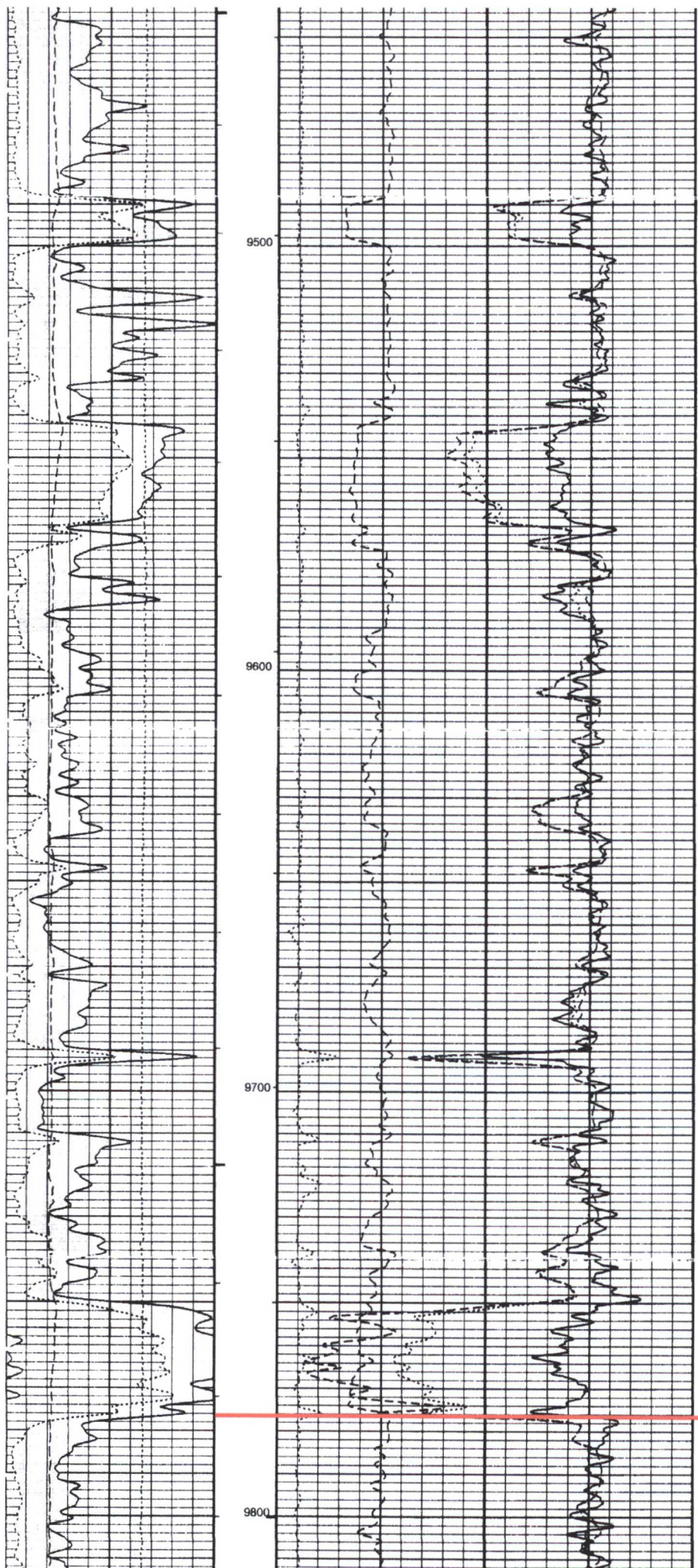




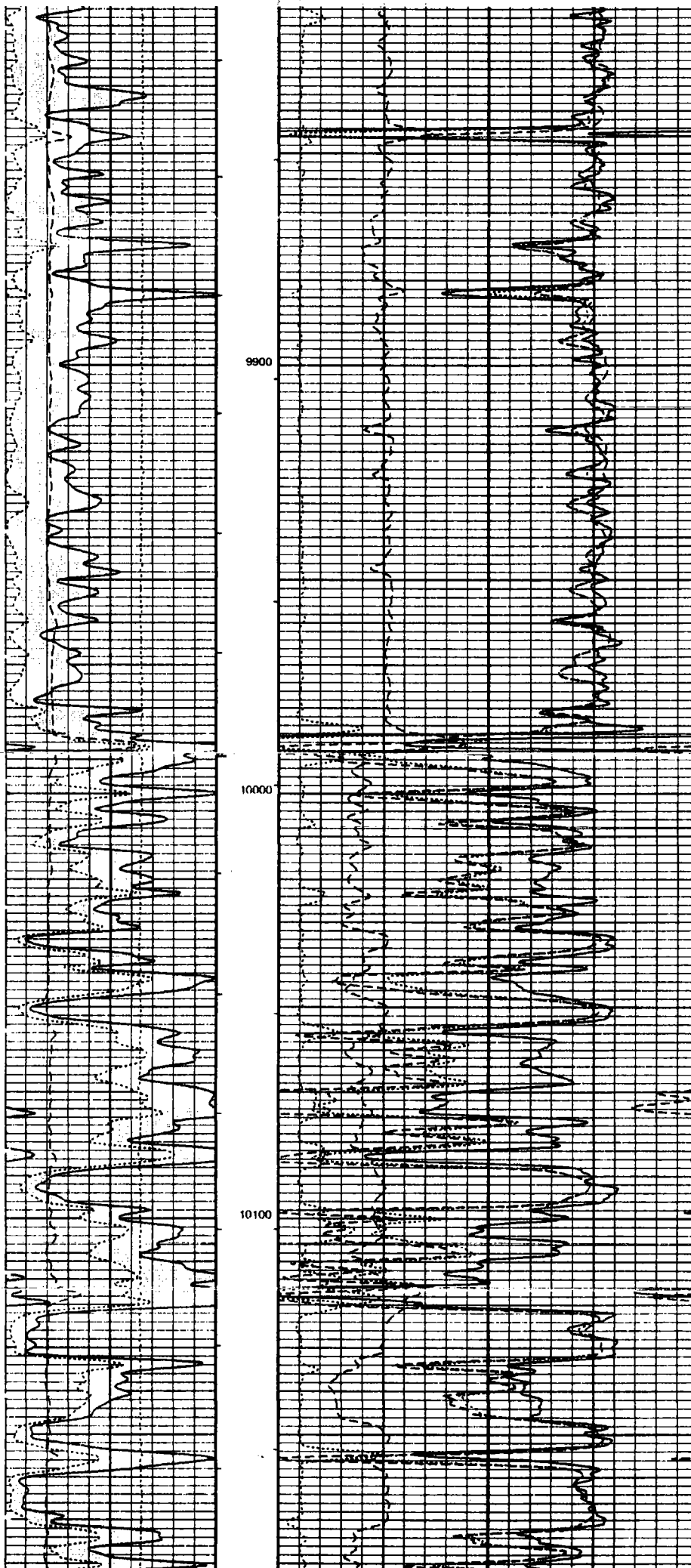








BOTTOM of  
PROPOSED  
INTERVAL



Main Page 9 In. = 100 ft. (Limestone Matrix 2.71 g/cc)			
Uranium Indicator	Stuck Stretch (STT)	Std. Res. Density Porosity (DPHZ)	
	0 (F) 50	0.3	(V/V) -0.1
Spectroscopy Gamma Ray Backup	Cable Drag From STIA to STT	Density Correction (HDRA) (G/C3) 0.45	
Caliper (HCAL)	Tool/lot Drag From D3T to STIA	Hilt Porosity CrossPlot (PKND HILT) (V/V) -0.1	
HNQS Computed Gamma Ray (HCGR)		Std. Res. Formation Pz (PEFZ) 10	
	0 (GAPI) 100	0	(---) 10
Tension (TENS)		Env. Corr. Thermal Neutron Porosity (TNPH) (V/V) -0.1	
	10000 (LBF) 0	0.3	(V/V) -0.1
HNQS Spectroscopy Gamma Ray (HSGR)			
	0 (GAPI) 100		

PIP SUMMARY

- Integrated Hole Volume Minor Pip Every 10 F3
- Integrated Hole Volume Major Pip Every 100 F3
- Integrated Cement Volume Minor Pip Every 10 F3
- Integrated Cement Volume Major Pip Every 100 F3

Time Mark Every 60 S

Parameters			
DLIS Name	Description	Value	
HILTB-FTB: High resolution Integrated Logging Tool-DTS			
BHFL	Borehole Fluid Type	WATER	
BH8	Borehole Status	OPEN	
BSCO	Borehole Salinity Correction Option	NO	
CCCO	Casing & Cement Thickness Correction Option	NO	
DFB	HILT Nuclear Mud Base	Water	
DHC	Density Hole Correction	BB	
FD	Fluid Density	1.1	G/C3
FSAL	Formation Salinity	-50000	PPM
FSCO	Formation Salinity Correction Option	NO	
GCSE	Generalized Caliper Selection	HCAL	
GDEV	Average Angular Deviation of Borehole from Normal	0	DEG
GGRD	Geothermal Gradient	0.01	DF/F
HSC0	Hole Size Correction Option	YES	
MATR	Rock Matrix for Neutron Porosity Corrections	LIMESTONE	
MCCO	Mud Cake Correction Option	NO	
MCOR	Mud Correction	NATU	
MDEN	Matrix Density	2.71	G/C3
MWCO	Mud Weight Correction Option	NO	
NAAC	NRDD APS Activation Correction	OFF	
NMT	HILT Nuclear Mud Type	BARITE	
NPRM	NRDD Processing Mode	HIRE	
NSAR	NRDD Depth Sampling Rate	1	IN
PTCO	Pressure/Temperature Correction Option	NO	
SDAT	Standoff Data Source	SOCH	
SHT	Surface Hole Temperature	82	DEGF
SOCN	Standoff Distance	0.125	IN
SOCO	Standoff Correction Option	YES	
HRLT-B: High Resolution Laterolog Array - B			
BH8	Borehole Status	OPEN	
GCSE	Generalized Caliper Selection	HCAL	
GDEV	Average Angular Deviation of Borehole from Normal	0	DEG
GGRD	Geothermal Gradient	0.01	DF/F
MATR	Rock Matrix for Neutron Porosity Corrections	LIMESTONE	
SHT	Surface Hole Temperature	82	DEGF
HNQS-BA: Hostile Natural Gamma Ray Sonde			
BAR1	HNQS Detector 1 Barite Constant	1	
BAR2	HNQS Detector 2 Barite Constant	1	
BHK	HNQS Borehole Potassium Correction Concentration	0	
BH8	Borehole Status	OPEN	
CS01	Inner Casing Outer Diameter	0	IN
CS02	Outer Casing Outer Diameter	0	IN
CSW1	Inner Casing Weight	0	LB/F
CSW2	Outer Casing Weight	0	LB/F
DBCC	HNQS Barite Constant Correction Flag	NONE	
GCSE	Generalized Caliper Selection	HCAL	
GDEV	Average Angular Deviation of Borehole from Normal	0	DEG
GGRD	Geothermal Gradient	0.01	DF/F
H1P	HNQS Detector 1 Allow/Disallow in Processing	ALLOW	
H2P	HNQS Detector 2 Allow/Disallow in Processing	ALLOW	
HABK	HNQS Borehole Potassium Running Average	0.00485066	
HALF	HNQS Alpha Filter Length	60	IN
HCRB	HNQS Apply Borehole Potassium Correction	NONE	
HMWM	Mud Weighting Material	NATU	
HNPE	HNQS Processing Enable	YES	
MATR	Rock Matrix for Neutron Porosity Corrections	LIMESTONE	
S1BI	HNQS Detector 1 Calibration Bismuth Count Rate	1.3	CPS
S2BI	HNQS Detector 2 Calibration Bismuth Count Rate	1.3	CPS
SGRC	HNQS Standard Gamma-Ray Correction Flag	YES	
SHT	Surface Hole Temperature	82	DEGF
TP08	Tool Position	ECCE	
VBA1	HNQS Detector 1 Variable Barite Factor Running Average	0.975029	
VBA2	HNQS Detector 2 Variable Barite Factor Running Average	0.968175	
HOLEV: Integrated Hole/Cement Volume			
BH8	Borehole Status	OPEN	
FGD	Future Casing (Outer) Diameter	8.5	IN
GCSE	Generalized Caliper Selection	HCAL	
GDEV	Average Angular Deviation of Borehole from Normal	0	DEG
GGRD	Geothermal Gradient	0.01	DF/F
HVCS	Integrated Hole Volume Caliper Selection	HCAL	
MATR	Rock Matrix for Neutron Porosity Corrections	LIMESTONE	
SHT	Surface Hole Temperature	82	DEGF
STI: Stuck Tool Indicator			
LBFR	Trigger for MAXIS First Reading Label	TDL	
STKT	STI Stuck Threshold	5	FT
TDD	Total Depth - Driller	10850.00	FT
TDL	Total Depth - Logger	10850.00	FT
System and Miscellaneous			
BS	Bit Size	7.875	IN
BSAL	Borehole Salinity	140000.00	PPM
CSIZ	Current Casing Size	8.625	IN
CWEI	Casing Weight	32.00	LB/F
DFD	Drilling Fluid Density	10.10	LB/G
DORL	Depth Offset for Repeat Analysis	0.0	FT
MSI	Mud Sample Temperature	91.90	DEGF
RMFB	Resistivity of Mud Filtrate Sample	0.0352	OHMM
TD	Total Depth	10850	FT

Format: NUC 5 Vertical Scale: 5" per 100'

Graphics File Created: 08-Jun-2008 13:59

OP System Version: 12C0-301

MCM

HILTB-FTB

SRPC-2600-HILT

HRLT-B

12C0-301

HNQC-A

SPC-2602-NUCL

HNQS-BA

SPC-2602-NUCL



## **C-108 ITEM VII – PROPOSED OPERATION**

The Saguaro 28 State No.1 SWD will be operated as a commercial disposal service to area operators to facilitate in disposal of produced water from typical producing formations in the area. (Samples are included in this application from San Andres, Delaware and Morrow potential source waters and Wolfcamp and Penn proposed disposal formation waters - chlorides and TDS are relative compatible.)

The system will be closed utilizing a tank battery facility located on the well site and possible future delivery via pipeline.

Injection pressure will be 1613 psi with rates limited only by that pressure but are not expected to be greater than approximately 1500 bwpd. In the future, Ray Westall Operating, Inc. may opt to conduct a step rate test if it is determined that greater rates may be required. This would be submitted to OCD as a request to increase the injection pressure.

Routine maintenance will be ongoing and any releases will be reported within 24 hours to OCD on form C-141 pursuant to various portions of 19.15.30 NMAC.

The facility will not be manned but will be available to Ray Westall's customers 24/7. The facility will be available for inspections at any time deemed necessary by OCD.



## **C-108 ITEM VII – PRODUCED WATER ANALYSES**

### **Item VII.4 – Water Analysis of Source Zone Water**

San Andres  
Delaware  
Morrow

### **Item VII.5 – Water Analysis of Disposal Zone Water**

Penn (Canyon)  
Wolfcamp

**Water Analyses follow this page.**

# C-108 - Item VII.5

Water Analysis - Source Water - SAN ANDRES

## B J Services Water Analysis

Artesia District Laboratory  
(505)-748-3140

Date: 6-Nov-00 Test #:   
Company: SDX Resources Well #:   
Lease: Chalk Federal #2 County: Eddy   
State: N.M. Formation San Andres   
Depth: 2900 Source:

pH: 8.51 Temp (F): 84.3  
Specific Gravity: 1.12

CATIONS	mg/l	meq/l	ppm
Sodium (calc.)	64602	2370.7	48862
Calcium	3208	160.1	2864
Magnesium	1459	120.0	1302
Barium	< 25	—	—
Potassium	< 10	—	—
Iron	3	0.1	2

ANIONS	mg/l	meq/l	ppm
Chloride	93000	2823.4	83036
Sulfate	1071	22.3	957
Carbonate	< 1	—	—
Bicarbonate	878	14.4	784
Total Dissolved Solids(calc.)	154120		137607
Total Hardness as CaCO3	14014	280.0	12513

### COMMENTS:

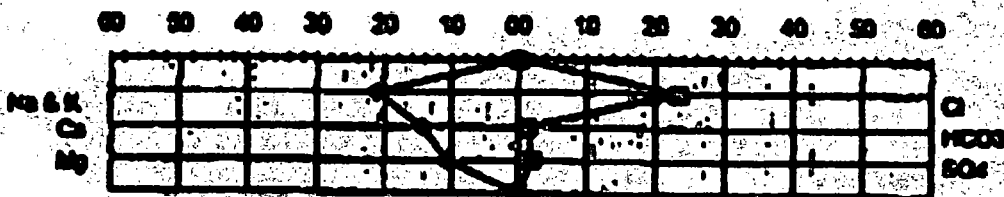
Res = 0.0847 @ 51.1 deg.

### SCALE ANALYSIS:

CaCO3 Factor 2817907 Calcium Carbonate Scale Probability ->  
CaSO4 Factor 3848600 Calcium Sulfate Scale Probability ->

Probabl  
Remote

### SDS Plot



## C-108 - Item VII.5

## Water Analysis - Source Water - DELAWARE



## Water Analysis

Date: 11-Jan-05

2788 West County Road, Hobbs NM 88240

Phone (505) 392-3336 Fax (505) 392-7387

## Analyzed For

Devon	Spud 16 State #1	Lee	New Mexico
-------	------------------	-----	------------

Sample Source	Sample	Sample #	1
---------------	--------	----------	---

Formation	Depth
-----------	-------

Specific Gravity	1.195	SG @ 60 °F	1.195
pH	9.98	Sulfides	Absent
Temperature (°F)	65	Reducing Agents	

## Cations

Sodium (Calc)	in Mg/L	73,885	in PPM	61,880
Calcium	in Mg/L	34,900	in PPM	28,428
Magnesium	in Mg/L	5,040	in PPM	4,214
Soluble Iron (FE2)	in Mg/L	50.8	in PPM	42

## Anions

Chlorides	in Mg/L	183,000	in PPM	157,191
Sulfates	in Mg/L	630	in PPM	460
Bicarbonates	in Mg/L	78	in PPM	65
Total Hardness (as CaCO3)	in Mg/L	186,000	in PPM	88,620
Total Dissolved Solids (Calc)	in Mg/L	391,763	in PPM	252,260
Equivalent NaCl Concentration	in Mg/L	254,733	in PPM	212,936

## Scaling Tendencies

*Calcium Carbonate Index	2,854,720
--------------------------	-----------

Below 500,000 Remote / 500,000 - 1,000,000 Possible / Above 1,000,000 Probable

*Calcium Sulfate (Gyp) Index	18,700,000
------------------------------	------------

Below 500,000 Remote / 500,000 - 10,000,000 Possible / Above 10,000,000 Probable

\*This Calculation is only an approximation and is only valid before treatment of a well or several weeks after treatment.

Remarks: MW=0.40@63f

# C-108 - Item VII.5

## Water Analysis - Source Water - MORROW



**HALLIBURTON**

**CENTRAL OPERATIONS LABORATORY  
WATER ANALYSIS REPORT  
HOBBS, NEW MEXICO**

**COMPANY** Morrob

**REPORT DATE** W02-128  
June 18, 2002  
**DISTRICT** Hobbs

**SUBMITTED BY** Jim Treia

**WELL** Ruger SL #1 **DEPTH** \_\_\_\_\_ **FORMATION** \_\_\_\_\_  
**COUNTY** \_\_\_\_\_ **FIELD** \_\_\_\_\_ **SOURCE** \_\_\_\_\_

**SAMPLE** Morrow Prod. Water

Sample Temp.	84	°F				
RESISTIVITY	0.13					
SPECIFIC GR.	1.040					
pH	6.93					
CALCIUM	4.900	mg/l				
MAGNESIUM	6.300	mg/l				
CHLORIDE	34.863	mg/l				
SULFATES	8.071	mg/l				
BICARBONATES	18	mg/l				
SOLUBLE IRON	0	mg/l				
Sodium		mg/l	0		0	0
TDS		mg/l	0		0	0
OIL GRAVITY	0		0		0	0

**REMARKS**

MPL = Milligrams per liter  
Resistivity measured in: Ohm-cm

This report is the property of Halliburton Company and neither this report nor a copy thereof is to be published or disclosed without first securing the express written approval of laboratory management. It may however, be used in the course of regular business operations by any person or company and employees thereof receiving such report from Halliburton Co.

**ANALYST:** Miss Armstrong

# C-108 - Item VII.5

## Water Analysis - Disposal Zone



## Water Analysis

Date: 2/24/2005

2401 Sirey, Artesia NM 88210  
Phone (505) 746-3140 Fax (505) 746-2293

### Analyzed For

Company	Well Name	County	State
Westall	State G#1	Eddy	New Mexico

### Sample Source

Sample #

1

### Formation

Canyon

### Depth

Specific Gravity	1.050	SG @ 60 °F	1.051
pH	6.90	Sulfides	Not Tested
Temperature (°F)	65	Reducing Agents	Not Tested

### Cations

Sodium (Calc)	in Mg/L	9,518	in PPM	9,056
Calcium	in Mg/L	5,600	in PPM	5,328
Magnesium	in Mg/L	240	in PPM	228
Soluble Iron (FE2)	in Mg/L	300.0	in PPM	285

### Anions

Chlorides	in Mg/L	24,000	in PPM	22,835
Sulfates	in Mg/L	2,000	in PPM	1,903
Bicarbonates	in Mg/L	186	in PPM	178
Total Hardness (as CaCO3)	in Mg/L	15,000	in PPM	14,272
Total Dissolved Solids (Calc)	in Mg/L	41,844	in PPM	39,813
Equivalent NaCl Concentration	in Mg/L	38,410	in PPM	36,546

### Scaling Tendencies

\*Calcium Carbonate Index 1,030,464

Below 500,000 Remote / 500,000 - 1,000,000 Possible / Above 1,000,000 Probable

\*Calcium Sulfate (Gyp) Index 11,200,000

Below 500,000 Remote / 500,000 - 10,000,000 Possible / Above 10,000,000 Probable

\*This Calculation is only an approximation and is only valid before treatment of a well or several weeks after treatment.

Remarks FAX 877-2281

# C-108 - Item VII.5

## Water Analysis - Disposal Zone - Wolfcamp

### WATER ANALYSIS REPORT

Lab ID No. : Analysis Date: June 9, 1992

Company : B.T.A Oil Production  
 Field : Corbin, Wolfcamp, South  
 Lease/Unit : French  
 Well ID. : 1  
 Sample Loc.: Well Head

Sampled By : Pro - Rom  
 Sample Date: 5/28/92  
 Salesperson: Curtis Baze  
 Formation : Wolfcamp  
 Location : SE/SE, Sec 24, T18S, R32E

CATIONS	MG/L	MEQ/L	ANIONS	MG/L	MEQ/L
Calcium as Ca++	7,699	385	Hydroxyl as OH-	0	0
Magnesium as Mg++	1,895	155	Carbonate as CO3=	0	0
Sodium as Na+ (Calc)	52,740	2,293	Bicarbonate as HCO3-	180	3
Barium as Ba++	Not Determined		Sulfate as SO4=	500	10
Oil Content	0		Chloride as Cl-	99,977	2,820

Total Dissolved Solids, Calculated: 162,993 mg/L.

Calculated Resistivity: 0.062 ohm-meters pH: 7.000  
 mg/L. Hydrogen Sulfide: 0 Specific Gravity 60/60 F.: 1.118  
 mg/L. Carbon Dioxide: 120 Saturation Index @ 80 F.: +0.435  
 mg/L. Dissolved Oxygen: Not Determined @ 140 F.: +1.340

Total Hardness: 27,000 mg/L. as CaCO3  
 Total Iron: 5.00 mg/L. as Fe++

	ESTIMABLE MINERAL COMPOSITION	
	COMPOUND	MG/L MEQ/L
Calcium Sulfate Scaling Potential Not Present	Ca(HCO3)2	240 3.0
	CaSO4	709 10.4
	CaCl2	20,623 371.6
Estimated Temperature of Calcium Carbonate Instability is 61 F.	Mg(HCO3)2	0 0.0
	MgSO4	0 0.0
	MgCl2	7,398 155.4
Analyst: <i>C. J. S. S. S.</i> 01:54 PM	NaHCO3	0 0.0
	Na2SO4	0 0.0
	NaCl	134,052 2,293.1

## **C-108 - Item VIII**

### **Geological Data**

The Wolfcamp is a light gray-brown fine to medium crystalline fossiliferous limestone with inter-crystalline vugular porosity interbedded with gray shale. Additional porosity can be found when the well bore encounters detrital carbonates which were shed off shelf and foreslope areas and transported down the Wolfcamp paleoslope.

The Penn formation (Cisco/Canyon) similar to the Wolfcamp, is a gray micritic (fine grained) fossiliferous limestone with vugular porosity. The reservoirs in this area are usually limited in size with up dip porosity loss due to shelf margin carbonate build up.

The Strawn consists of thin beds of isolated biohermal limestone and generally ranges from 200 to 500 feet thick and limited in areal extent. The porosity zones in these formations can be limited, averaging 2% to 9% but permeability can be fairly high.

The combined zones offer good porosity in the proposed injection interval located from 7334' to 9324' with very good porosity interspersed throughout the overall interval.

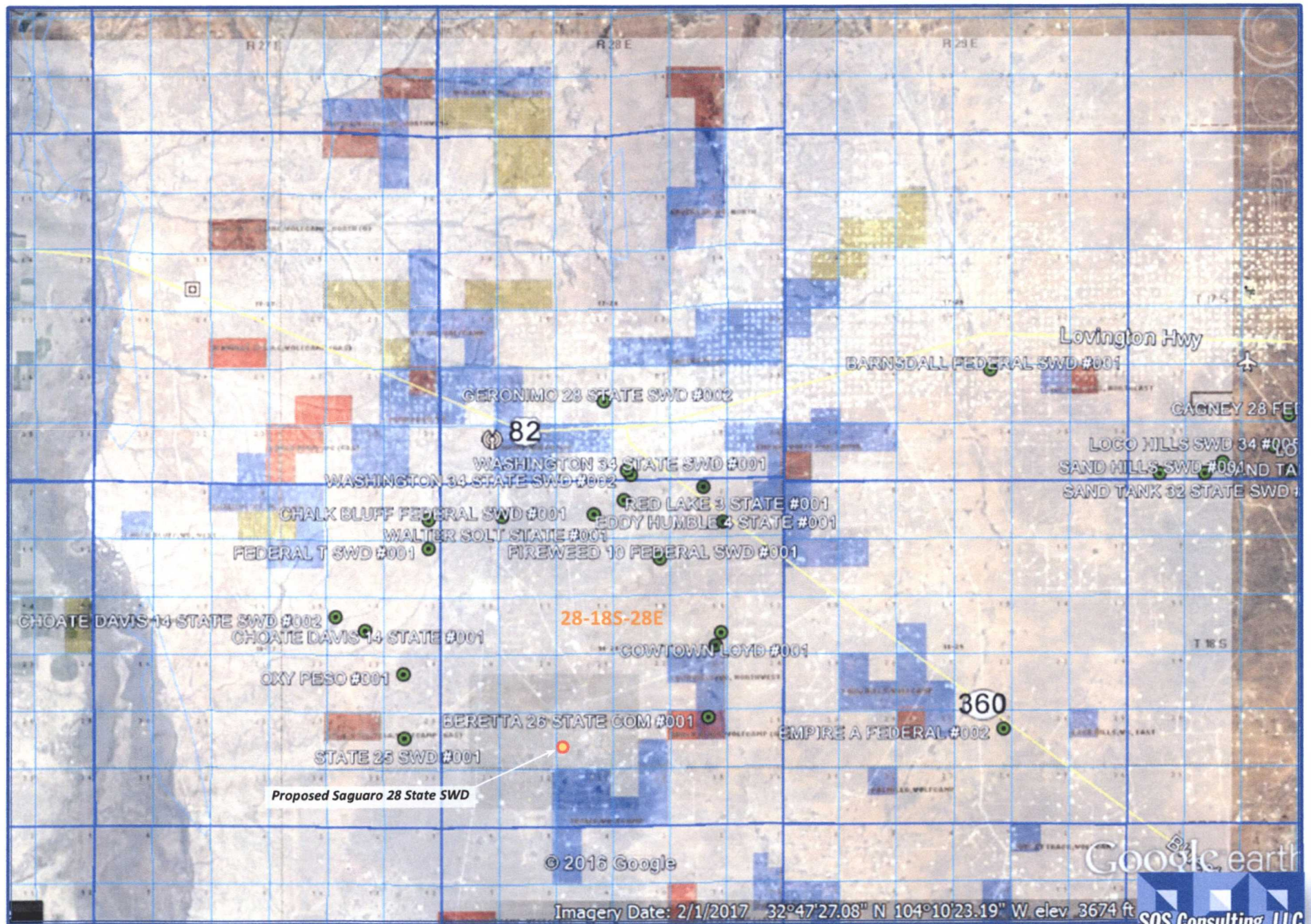
The Wolfcamp is overlain by the Bone Spring and the Strawn is underlain by the Atoka.

Fresh water in the area is generally available from the Santa Rosa formation (Capitan Basin). Based on State Engineer's records for a water well in Twp 18S, Rng 28E, groundwater is at a depth to water of 300 feet or greater.

The one water well indicated as located within one mile of the proposed SWD could not be found.



# AERIAL VIEW WITH WOLFCAMP POOL MAP OVERLAY AND EXISTING WOLFCAMP SWDs



(Note: Pool Image Overlay for Reference Only - Registration is Approximate.)



## C-108 - Item XI


### Water Wells Within One Mile

#### AFFIRMATIVE STATEMENT

State Engineer's records indicate that there is one water well located in the NW/NE Qtr of Section 33 based on the lat/long coordinates provided. I relayed this information along with a map to Mr. Donnie Mathews, Superintendent of Ray Westall Operating, Inc. so that a water sample could be obtained and analysis conducted. The map showed the well should be located just off a road.

On April 17, 2017, Mr. Mathews conducted a foot search of area and found no evidence of an operating or a plugged water well as indicated on the map and determined that if the well had existed, it must have been plugged out and there is no indication at surface that would confirm its existence.

This information was relayed to me by Mr. Mathews via a telephone conversation on 4/17/2017.

  
Ben Stone



### New Mexico Office of the State Engineer Active & Inactive Points of Diversion (with Ownership Information)

(acre ft per annum)		(R=POD has been replaced and no longer serves this file, C=the file is closed)		(quarters are 1=NW 2=NE 3=SW 4=SE) (quarters are smallest to largest) (NAD83 UTM in meters)	
WR File Nbr	Sub basin Use Diversion Owner	County	POD Number	Code Grant	Source 6416 4 Sec Twp Rng X Y
RA 08238	STK 1.47 BOGLE FARMS	ED	RA 08238		21 18S 28E 576766 3621980
RA 08240	STK 1.52 BOGLE FARMS	ED	RA 08240		32 18S 28E 575220 3618733
RA 09588	DOM 0 MARATHON OIL COMPANY	ED	RA 09588		1 2 33 18S 28E 576976 3619384

Record Count: 3

PLSS Search:

Section(s): 20, 21, 28, 29, Township: 18S Range: 28E  
32, 33

Sorted by: File Number

\*UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

4/14/17 12:30 PM

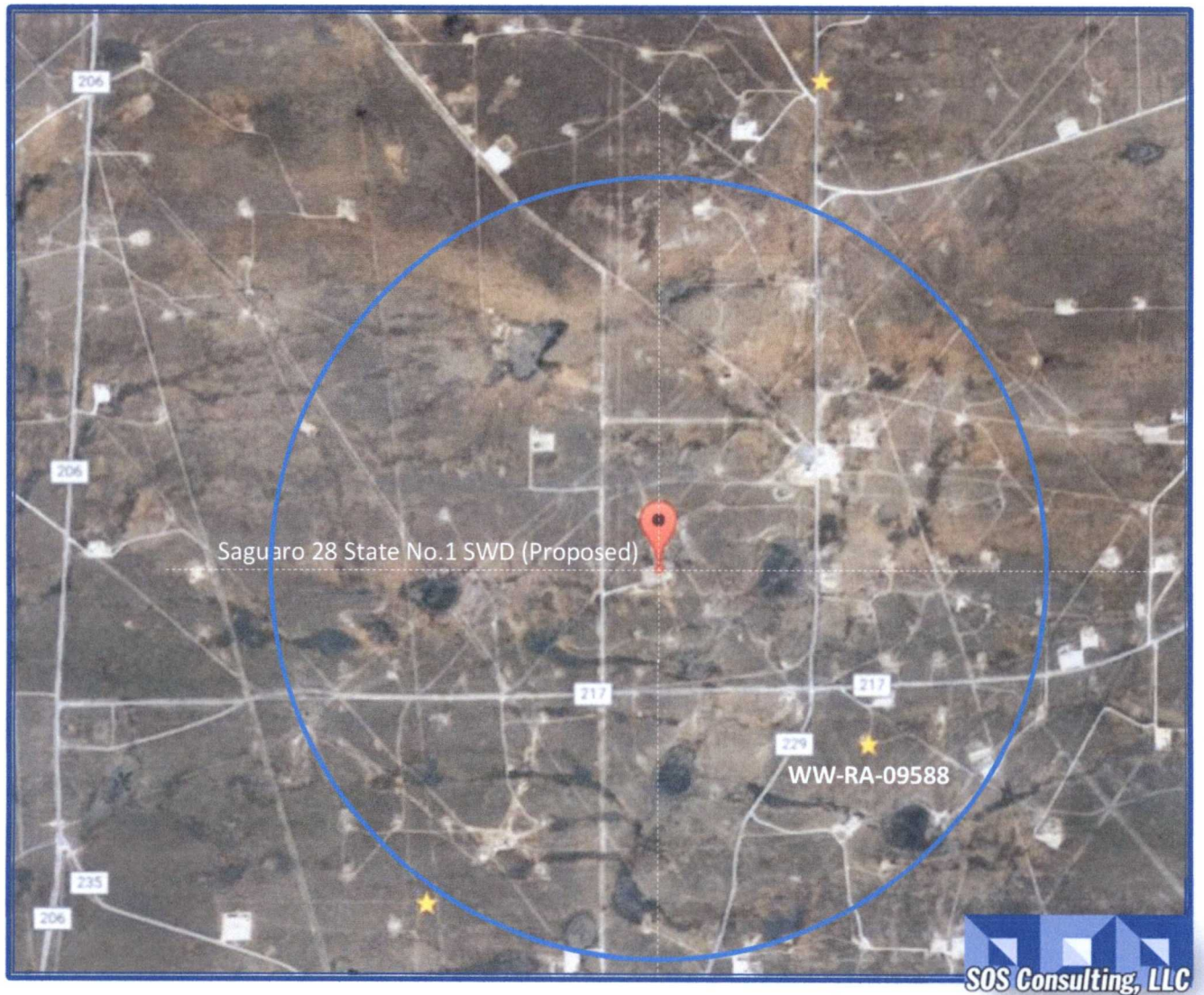
Page 1 of 1

ACTIVE & INACTIVE POINTS OF DIVERSION

## C-108 Item XI

### Water Wells Within One Mile


*One well (RA-09588) is shown to be within one mile of the proposed SWD...*



This aerial map was provided to RWO personnel so that the subject water wells could be sampled. Despite the reported location to be clearly very near a road, a foot search on 4/17/17 was not successful in locating the well or any signs of its existence.

## C-108 ITEM XII – GEOLOGIC AFFIRMATION

We have examined available geologic and engineering data and have found no evidence of open faults or other hydrologic connection between the disposal interval and any underground sources of drinking water.



---

Ben Stone, Partner  
SOS Consulting, LLC

Project: Ray Westall Operating, Inc.  
Saguaro 28 State No.1 SWD  
Reviewed 4/11/2017

**C-108 ITEM XIII – PROOF OF NOTIFICATION**

**IDENTIFICATION AND NOTIFICATION OF INTERESTED PARTIES**

**Exhibits for Section**

**Leasehold Plat**

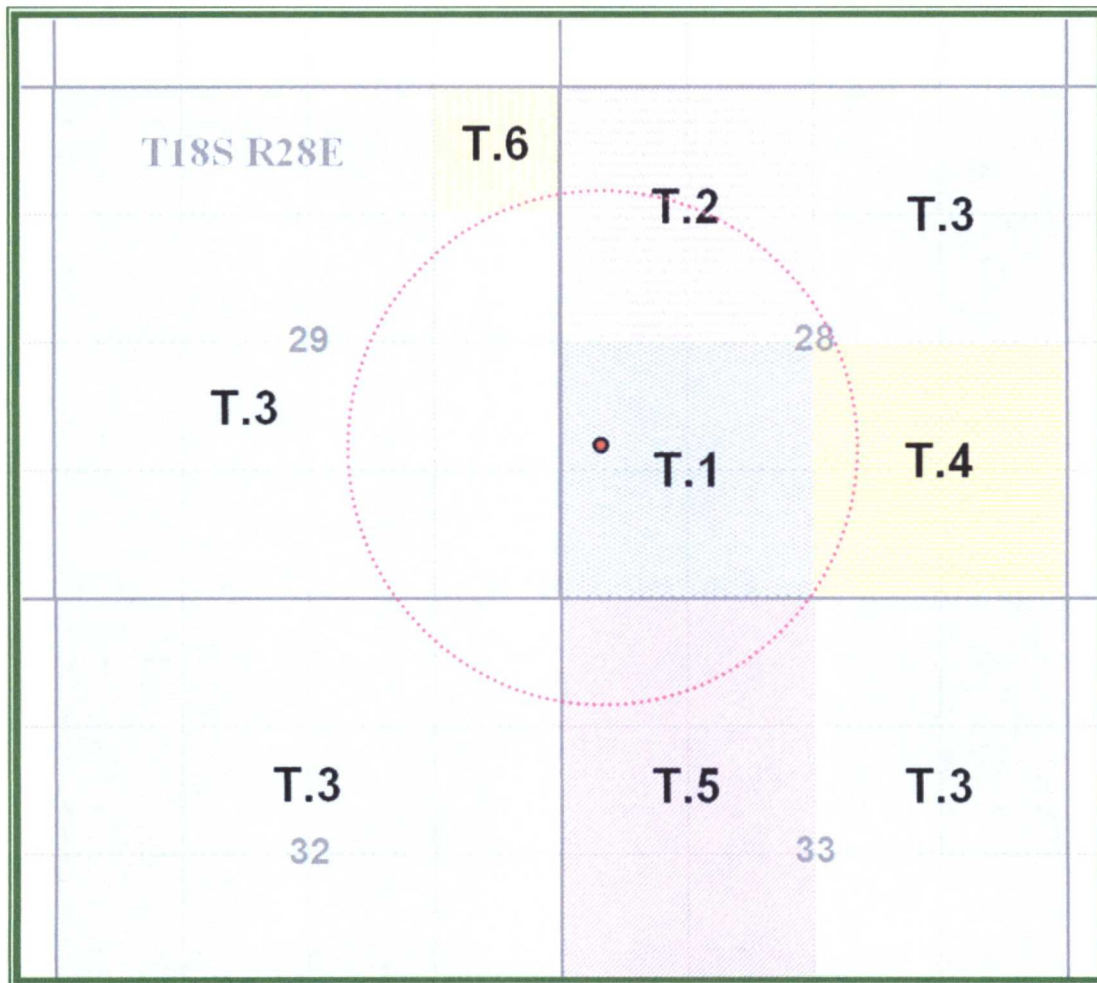
**List of Interested Parties**

**Notification Letter to Interested Parties**

**Proof of Certified Mailing**

**Published Legal Notice**

**Saguaro 28 State Well No.1 SWD - Leasehold Plat**  
(Attachment to NMOCD Form C-108, Application for Authority to Inject.)



**RAY WESTALL OPERATING, INC.**

**LEGEND**

- T.1 – X0-0647-0409 – ZPZ Delaware, LLC
- T.2 – X0-0647-0372 – Hanagan & Hanagan
- T.3 – X0-0647-0405 – Khody Land & Minerals Company
- T.4 – X0-0647-0141 – Marathon Oil Company
- T.5 – X0-0694-0020 – Alvrone Sater
- T.6 – B0-6811-0016 – Laura Jones & Paul Slayton

**C-108 ITEM XIII – PROOF OF NOTIFICATION  
INTERESTED PARTIES LIST**

**SURFACE OWNER**

STATE OF NEW MEXICO (FedEx'd copy)  
Oil, Gas and Minerals Division  
310 Old Santa Fe Trail  
Santa Fe, NM 87504

**OFFSET MINERALS LESSEES and OPERATORS (All Notified via USPS Certified Mail)**

**State Lease X0-0647-0409 (T.1 on plat.)**

***Lessee/Operator***

- 1 ZPZ DELAWARE, LLC  
Attn: Peggy Clark  
2000 Post Oak Blvd., Ste.100  
Houston, TX 77056

***Operators***

- 2 FINNEY OIL COMPANY  
P.O. Box 1569  
Artesia, NM 88211
- 3 GFG OPERATING, LLC  
4701 Teakwood Trace  
Midland, TX 79707

**State Lease X0-0647-0372 (T.2 on plat.)**

***Lessee***

- 4 HANAGAN & HANAGAN  
P.O. Box 1737  
Roswell, NM 88201

***Operator***

- 5 SANDLOTT ENERGY  
P.O. Box 711  
Lovington, NM 88260

**State Lease X0-0647-0405 (T.3 on plat.)**

***Lessee***

- 6 KHODY LAND AND MINERALS COMPANY  
210 Park Avenue, Ste., 900  
Oklahoma City, OK 73102

***Operator***

SANDLOTT ENERGY  
P.O. Box 711  
Lovington, NM 88260

**C-108 ITEM XIII – PROOF OF NOTIFICATION  
INTERESTED PARTIES LIST (cont.)**

**State Lease X0-0647-0141 (T.4 on plat.)**

**Lessee**

- 7 MARATHON OIL COMPANY  
P.O. Box 22164  
Tulsa, OK 74121-2164

**State Lease X0-0694-0020 (T.5 on plat.)**

**Lessee**

- 8 ALVRONE SATER  
4700 1<sup>ST</sup> City Circle  
1700 Pacific Ave.  
Dallas, TX 75201

**Operator**

FINNEY OIL COMPANY  
P.O. Box 1569  
Artesia, NM 88211

**State Lease B0-6811-0016 (T.6 on plat.)**

**Lessee**

- 9 LAURA JONES & PAUL SLAYTON  
P.O. Box 2035  
Roswell, NM 88201

**Operator**

SANDLOTT ENERGY  
P.O. Box 711  
Lovington, NM 88260

**REGULATORY**

NEW MEXICO OIL CONSERVATION DIVISION (FedEx'ed original and copy)  
1220 S. St. Francis Dr.  
Santa Fe, NM 87505

NEW MEXICO OIL CONSERVATION DIVISION (FedEx'ed copy)  
811 S. First St.  
Artesia, NM 88210

NEW MEXICO STATE LAND OFFICE (FedEx'ed copy)  
Commissioner of Public Lands  
310 Old Santa Fe Trail  
Santa Fe, NM





April 20, 2017

**NOTIFICATION TO INTERESTED PARTIES**  
**via U.S. Certified Mail**

To Whom It May Concern:

Ray Westall Operating, Inc., Loco Hills, New Mexico, has made application to the New Mexico Oil Conservation Division to reenter and convert for salt water disposal the Saguaro 28 State Well No.1. The proposed commercial operation will be for produced water disposal from area operators. As indicated in the notice below, the well is located in Section 28, Township 18 South, Range 28 East in Eddy County, New Mexico.

The published notice states that the interval will be from 8066 feet to 9766 feet.

Following is the notice published in the Artesia Daily Press, Artesia, New Mexico on or about April 19, 2017.

**LEGAL NOTICE**

Ray Westall, Inc., P.O. Box 4, Loco Hills, NM 88255 is filing Form C-108 (Application for Authority to Inject) with the New Mexico Oil Conservation Division for administrative approval to permit for salt water disposal in its Saguaro State 28 Well No.1. The well, API No.30-015-34001 is located 1606 FSL & 518 FWL in Section 28, Township 18 South, Range 28 East in Eddy County, New Mexico. Produced water from area production will be commercially disposed into the Wolfcamp, Penn and Strawn formations through selected perforated intervals between a maximum applied for top of 8066 feet to maximum depth of 9766 feet and based on further log analysis. Maximum injection pressure will be 1613 psi with a maximum rate limited only by such pressure.

Interested parties wishing to object to the proposed application must file with the New Mexico Oil Conservation Division, 1220 St. Francis Dr., Santa Fe, NM 87505, (505)476-3460 within 15 days of the date of this notice. Additional information may be obtained from the applicant's agent, SOS Consulting, LLC, (903)488-9850 or, email [info@sosconsulting.us](mailto:info@sosconsulting.us).

***You have been identified as a party who may be interested as an offset lessee or operator.***



You are entitled to a full copy of the application. A full copy in PDF format on a mini-CD will be arriving within a few days of this notice. If you do not receive it, please call or email SOS Consulting, LLC at 903-488-9850, [info@sosconsulting.us](mailto:info@sosconsulting.us), and a copy will be expedited to you and may also be sent via email if preferred.

Thank you for your attention in this matter.

Best regards,

A handwritten signature in black ink, appearing to read "Ben Stone". The signature is fluid and cursive, with the first name "Ben" and last name "Stone" clearly distinguishable.

Ben Stone, SOS Consulting, LLC  
Agent for Ray Westall Operating, Inc.

Cc: Application File

# C-108 - Item XIV

## Proof of Notice (Certified Mail Receipts)

7015 0640 0007 9482 6643

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☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$

Postage \$  
**Total Postage and Fees \$ 6.59**

Sent To  
 Street at  
 City, Sta  
 PS For

**ZPZ DELAWARE, LLC**  
 Attn: Peggy Clark  
 2000 Post Oak Blvd., Ste. 100  
 Houston, TX 77056

Postmark Here  
**APR 21 2017**

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☐ Adult Signature Required \$  
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Postage \$  
**Total Postage and Fees \$ 6.59**

Sent To  
 Street at  
 City, Sta  
 PS For

**FINNEY OIL COMPANY**  
 P.O. Box 1569  
 Artesia, NM 88211

Postmark Here  
**APR 21 2017**

USPS

7015 0640 0007 9482 6629

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☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$

Postage \$  
**Total Postage and Fees \$ 6.59**

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 Street at  
 City, Sta  
 PS For

**GFG OPERATING, LLC**  
 4701 Teakwood Trace  
 Midland, TX 79707

Postmark Here  
**APR 21 2017**

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2129 2846 2000 0490 5102

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☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$

Postage \$  
**Total Postage and Fees \$ 6.59**

Sent To  
 Street at  
 City, Sta  
 PS For

**HANAGAN & HANAGAN**  
 P.O. Box 1737  
 Roswell, NM 88201

Postmark Here  
**APR 21 2017**

USPS

# C-108 - Item XIV

Proof of Notice (Certified Mail Receipts – cont.)

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☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$

Postage \$  
 Total Postage and Fees \$ **6.59**

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 Street and City, State, ZIP+4®  
**SANDLOTT ENERGY**  
**P.O. Box 711**  
**Lovington, NM 88260**

PS Form 3849, October 2003 **Domestic Mail Only**

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☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$

Postage \$  
 Total Postage and Fees \$ **6.59**

Sent To  
 Street and City, State, ZIP+4®  
**KHODY LAND & MINERALS CO.**  
**210 Park Avenue, Ste.900**  
**OKC, OK 73102**

PS Form 3849, October 2003 **Domestic Mail Only**

7015 0640 0007 9482 6575

**U.S. Postal Service™**  
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For delivery information, visit our website at [www.usps.com](http://www.usps.com)®

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Certified Mail Fee \$  
 Extra Services & Fees (check box, add fee as appropriate)  
☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$

Postage \$  
 Total Postage and Fees \$ **6.59**

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**LAURA JONES & PAUL SLAYTON**  
**P.O. Box 2035**  
**Roswell, NM 88201**

PS Form 3849, October 2003 **Domestic Mail Only**

# Affidavit of Publication

No. 24272

State of New Mexico

County of Eddy:

Danny Scott

being duly sworn says: that she 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 Ad

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/day on the same

day as follows:

First Publication April 19, 2017

Second Publication

Third Publication

Fourth Publication

Fifth Publication

Sixth Publication

Subscribed and sworn before me this

20th day of April 2017



OFFICIAL SEAL  
Latisha Romine  
NOTARY PUBLIC-STATE OF NEW MEXICO

My commission expires: 5/12/2019

Latisha Romine

Notary Public, Eddy County, New Mexico

# Copy of Publication:

## Legal Notice

Ray Westall, Inc., P.O. Box 4, Loco Hills, NM 88255 is filing Form C-108 (Application for Authority to Inject) with the New Mexico Oil Conservation Division for administrative approval to permit for salt water disposal in its Saguaro State 28 Well No.1. The well, API No.30-015-34001 is located 1606 FSL & 518 FWL in Section 28, Township 18 South, Range 28 East in Eddy County, New Mexico. Produced water from area production will be commercially disposed into the Wolfcamp, Penn and Strawn formations through selected perforated intervals between a maximum applied for top of 8066 feet to maximum depth of 9776 feet and based on further log analysis. Maximum injection pressure will be 1613 psi with a maximum rate limited only by such pressure.

Interested parties wishing to object to the proposed application must file with the New Mexico Oil Conservation Division, 1220 St. Francis Dr., Santa Fe, NM 87505, (505)476-3460 within 15 days of the date of this notice. Additional information may be obtained from the applicant's agent, SOS Consulting, LLC, (903)488-9850 or, email info@sosconsulting.us.

Published in the Artesia Daily Press, Artesia, N.M., April 19, 2017 Legal No. 24272.

## McMillan, Michael, EMNRD

---

**From:** ben@sosconsulting.us  
**Sent:** Wednesday, April 26, 2017 1:29 PM  
**To:** McMillan, Michael, EMNRD  
**Subject:** RE: Ray Westall Operating, Inc. Saguaro 28 State SWD Well No.1

### C-108 ITEM XIII – PROOF OF NOTIFICATION INTERESTED PARTIES LIST

#### SURFACE OWNER

STATE OF NEW MEXICO (FedEx'ed copy)  
Oil, Gas and Minerals Division  
310 Old Santa Fe Trail  
Santa Fe, NM 87504

Did this not make it through in the application package on your desk?

If not, let me know and I can send you a PDF of the whole thing.

Thanks,  
Ben



Visit us on the web at [www.sosconsulting.us](http://www.sosconsulting.us)!

This electronic message and all attachments are confidential, and are intended only for the use of the individual to whom it is addressed; information may also be legally privileged. This transmission is sent in trust for the sole purpose of delivery to the intended recipient. If you have received this transmission in error, you are hereby notified that any use, dissemination, distribution or reproduction of this transmission is strictly prohibited and may be unlawful. If you are not the intended recipient, you must delete this message and any copy of it (in any form) without disclosing it. If this message has been sent to you in error, please notify the sender by replying to this transmission, or by calling SOS Consulting, LLC. 903-488-9850. Unless expressly stated in this e-mail, nothing in this message should be construed as a digital or electronic signature. Thank you for your cooperation.

#### ----- Original Message -----

**Subject:** RE: Ray Westall Operating, Inc. Saguaro 28 State SWD Well No.1  
**From:** "McMillan, Michael, EMNRD" <Michael.McMillan@state.nm.us>  
**Date:** 4/26/17 1:53 pm  
**To:** "ben@sosconsulting.us" <ben@sosconsulting.us>

Who is the surface owner

**From:** ben@sosconsulting.us [mailto:ben@sosconsulting.us]  
**Sent:** Wednesday, April 26, 2017 12:51 PM



UNION ILLINOIS (903) 400-9030  
BENJAMIN STONE  
SOS CONSULTING, LLC  
1950 CR 2331  
COMO, TX 75431  
UNITED STATES US

SHIP DATE: 2/24/11  
ACTWTG: 0.50 LB  
CAD: 100120607/NET3850

BILL SENDER

TO TERRY WARNELL

NM STATE LAND OFFICE - OIL & GAS  
310 OLD SANTA FE TRL

SANTA FE NM 87501

(505) 827-5791

REF: RWO - SAGUARO 28 STATE SWD

PO

DEPT



971117021401ur

TRK# 7789 8617 4950

0201

THU - 27 APR 4:30P

\*\* 2DAY \*\*

SX SAFA

87501  
NM-US ABQ



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1. Article Addressed to:

ZPZ DELAWARE, LLC  
Attn: Peggy Clark  
2000 Post Oak Blvd., Ste. 100  
Houston, TX 77056  
Saguaro

A. Signature

X *A Centeno* ☐ Agent ☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery  
4-28-17

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

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1. Article Addressed to:

SANDLOTT ENERGY  
P.O. Box 711  
Lovington, NM 88260  
Saguaro

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *[Signature]* ☐ Agent ☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- 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.

1. Article Addressed to:

LAURA JONES & PAUL SLAYTON  
P.O. Box 2035  
Roswell, NM 88201  
Saguaro

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *Kelly Roberts* ☐ Agent ☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

SENDER: COMPLETE THIS SECTION

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1. Article Addressed to:

*Hardy Land & Minerals Co.*  
*3500 Oak Williams Cir. MID 35*  
*TOLSA OK 74172*

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *KIM PENSE* ☐ Agent ☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

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- Print your name and address on the reverse so that we can return the card to you.
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1. Article Addressed to:

GFG OPERATING, LLC  
4701 Teakwood Trace  
Midland, TX 79707  
Saguaro

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *[Signature]* ☐ Agent ☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *Mary Finney* ☐ Agent ☐ Addressee

B. Received by (Printed Name)

MARY FINNEY

C. Is delivery address different from item 1? ☐ Yes, enter delivery address below



Service Type  
☐ Adult Signature  
☐ Adult Signature Restricted Delivery  
☐ Certified Mail®  
☐ Certified Mail Restricted Delivery  
☐ Collect on Delivery

SENDER: COMPLETE THIS SECTION

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- 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.

1. Article Addressed to:

FINNEY OIL COMPANY  
P.O. Box 1569  
Artesia, NM 88211  
Saguaro

9590 9402 1356 5285 2670 64

COMPLETE THIS SECTION

A. Signature

X *Mary* ☐ Agent ☐ Addressee

D. Is delivery address different from item 1? ☐ Yes, enter delivery address below

Service Type  
☐ Adult Signature  
☐ Adult Signature Restricted Delivery  
☐ Certified Mail®  
☐ Certified Mail Restricted Delivery  
☐ Collect on Delivery

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
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1. Article Addressed to:

MARATHON OIL COMPANY  
P.O. Box 2069  
Houston, TX 77252-2069  
Saguaro

9590 9403 0195 5120 3969 07

COMPLETE THIS SECTION

A. Signature

X *[Signature]* ☐ Agent ☐ Addressee

D. Is delivery address different from item 1? ☐ Yes, enter delivery address below

Service Type  
☐ Adult Signature  
☐ Adult Signature Restricted Delivery  
☐ Certified Mail®  
☐ Certified Mail Restricted Delivery  
☐ Collect on Delivery

COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- 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.

AN & HANAGAN  
P.O. Box 1737  
Midland, TX 79701  
Saguaro

195 5120 3969 14



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1. Article Addressed to:

FINNEY OIL COMPANY  
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Artesia, NM 88211  
Saguaro

9590 9402 1356 5285 2670 64

2. Article Number (Transfer from service label)

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PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt

## COMPLETE THIS SECTION ON DELIVERY

A. Signature

X Mary Finney

☐ Agent☐ Addressee

B. Received by (Printed Name)

MARY FINNEY

C. Date of Delivery

4/24/2017

D. Is delivery address different from item 1?

☐ Yes

If YES, enter delivery address below:

☐ No

3. Service Type

☐ Adult Signature☐ Adult Signature Restricted Delivery☐ Certified Mail®☐ Certified Mail Restricted Delivery☐ Collect on Delivery☐ Collect on Delivery Restricted Delivery

Mail

Restricted Delivery

(X)

☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricted Delivery☐ Return Receipt for Merchandise☐ Signature Confirmation™☐ Signature Confirmation Restricted Delivery

S/S

## SENDER: COMPLETE THIS SECTION

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1. Article Addressed to:

MARATHON OIL COMPANY  
P.O. Box 2069  
Houston, TX 77252-2069  
Saguaro

9590 9403 0195 5120 3969 07

2. Article Number (Transfer from service label)

7015 0640 0007 9482 6605

PS Form 3811, April 2015 PSN 7530-02-000-9053

Domestic Return Receipt

## COMPLETE THIS SECTION ON DELIVERY

A. Signature

X Marcos Camery

☐ Agent☐ Addressee

B. Received by (Printed Name)

Marcos Camery

C. Date of Delivery

4-27-17

D. Is delivery address different from item 1?

☐ Yes

If YES, enter delivery address below:

☐ No

3. Service Type

☐ Adult Signature☐ Adult Signature Restricted Delivery☐ Certified Mail®☐ Certified Mail Restricted Delivery☐ Collect on Delivery☐ Collect on Delivery Restricted Delivery

Mail

Restricted Delivery

(X)

☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricted Delivery☐ Return Receipt for Merchandise☐ Signature Confirmation™☐ Signature Confirmation Restricted Delivery

CERTIFIED MAIL

7015 0640 0007 9482 6575

ALVRONE SATFR  
4700 1STRETURN RECEIPT  
REQUESTED

## SENDER: COMPLETE THIS SECTION

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- Print your name and address on the reverse so that we can return the card to you.
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1. Article Addressed to:

HANAGAN & HANAGAN  
P.O. Box 1737  
Roswell, NM 88201  
Saguaro

9590 9403 0195 5120 3969 14

2. Article Number (Transfer from service label)

7015 0640 0007 9482 6612

PS Form 3811, April 2015 PSN 7530-02-000-9053

Domestic Return Receipt

## COMPLETE THIS SECTION ON DELIVERY

A. Signature

X Anna Marie Spake

☐ Agent☐ Addressee

B. Received by (Printed Name)

ANNA MARIE SPAKE

C. Date of Delivery

5-12-2017

D. Is delivery address different from item 1?

☐ Yes

If YES, enter delivery address below:

☐ No

3. Service Type

☐ Adult Signature☐ Adult Signature Restricted Delivery☐ Certified Mail®☐ Certified Mail Restricted Delivery☐ Collect on Delivery☐ Collect on Delivery Restricted Delivery

Mail

Restricted Delivery

(X)

☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricted Delivery☐ Return Receipt for Merchandise☐ Signature Confirmation™☐ Signature Confirmation Restricted DeliverySOS Consulting LLC  
Quality Service

**SOS Consulting, LLC**  
P.O. Box 300 Como, TX 75431

*Years of  
Quality Service*

**CERTIFIED MAIL**

7015 0640 0007.9482 6575



UNITED STATES POSTAGE  
PITNEY DOWES  
02 1P  
\$ 006.590  
0004702725 APR 21 2017  
MAILED FROM ZIP CODE 75431

S/K

**RETURN RECEIPT  
REQUESTED**

ALVRONF SATER  
4700 1ST  
1700 Par NIXIE  
Dallas, T

750 DE 1 0005/10/17

RETURN TO SENDER  
INSUFFICIENT ADDRESS  
UNABLE TO FORWARD

IA  
7543103000  
7520187982000822

BC: 75431030000 \*0334-11096-21-45



PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT  
OF THE RETURN ADDRESS. FOLD AT DOTTED LINE

**SENDER: COMPLETE THIS SECTION**

- Complete Items 1, 2, and 3.
- 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.

1. Article Addressed to:

ALVRONE SATER  
4700 1ST City Circle  
1700 Pacific Ave.  
Dallas, TX 75201  
Saguaro

9590 9403 0195 5120 3968 08

2. Article Number (Transfer from service label)

7015 0640 0007 9482 6575

PS Form 3811, April 2015 PSN 7530-02-000-9053

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X

☐ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☐ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery

- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

Mail  
Mail Restricted Delivery  
(0)

Domestic Return Receipt



## Goetze, Phillip, EMNRD

---

**From:** Holm, Anchor <aholm@slo.state.nm.us>  
**Sent:** Tuesday, May 2, 2017 12:10 PM  
**To:** Goetze, Phillip, EMNRD  
**Cc:** Martin, Ed; Warnell, Terry G.; Khalsa, Niranjana K.  
**Subject:** Ray Westhall Operating, Inc.- Saguaro 28 State #1 SWD: SLO Concerns  
**Attachments:** Saguaro 28 State #1 - GIS Map marked by AH.pdf

Phil,

On April 27, 2017, the State Land Office received the C-108 Application by Ray Westhall Operating, Inc. to ReEnter the Saguaro 28 State #1 (30-015-34001) P&A'd well (located in L-28-18S-28E, Eddy County) and convert it to SWD into the Wolfcamp-Penn-Strawn from a depth of 8066' to 9766'.

The Hondo Sinclair Com #1 (30-015-23703), located about ½ mile to the northeast of the proposed SWD, is an active oil well producing from the Penn with perforations at **9392'-9494'**. This well also tested oil and gas in the Wolfcamp from **8571'-8627'**. This well also tested gas from the Atoka at **10,114'-10120'**. Thus, the State Trust has proven oil and gas minerals in these three zones in the vicinity of this proposed SWD well on State Trust Lands.

The State Land Office concerns are damages to trust minerals. Using a 300' vertical buffer around each of these oil and gas zones leaves little intervals within the requested SWD from 8066' to 8271' and 8927' to 9092'. Below the requested SWD interval, the zones from 9794' to 9814' and below 10,918' of depth appear to be potential SWD intervals without State Land Trust mineral conflicts. See attached GIS map marked with data.

The State Land Office believes in order to protect our minerals that this application should be reduced to the intervals of 8066'-8271' and 8927'-9092', or preferably deepened to below a depth of 10,918'.

Respectfully yours,

Anchor E. Holm  
Geoscientist/Petroleum Engineering Specialist  
Oil Gas & Minerals Division  
505.827.5759  
New Mexico State Land Office  
310 Old Santa Fe Trail  
P.O. Box 1148  
Santa Fe, NM 87504-1148  
aholm@slo.state.nm.us  
[nmstatelands.org](http://nmstatelands.org)



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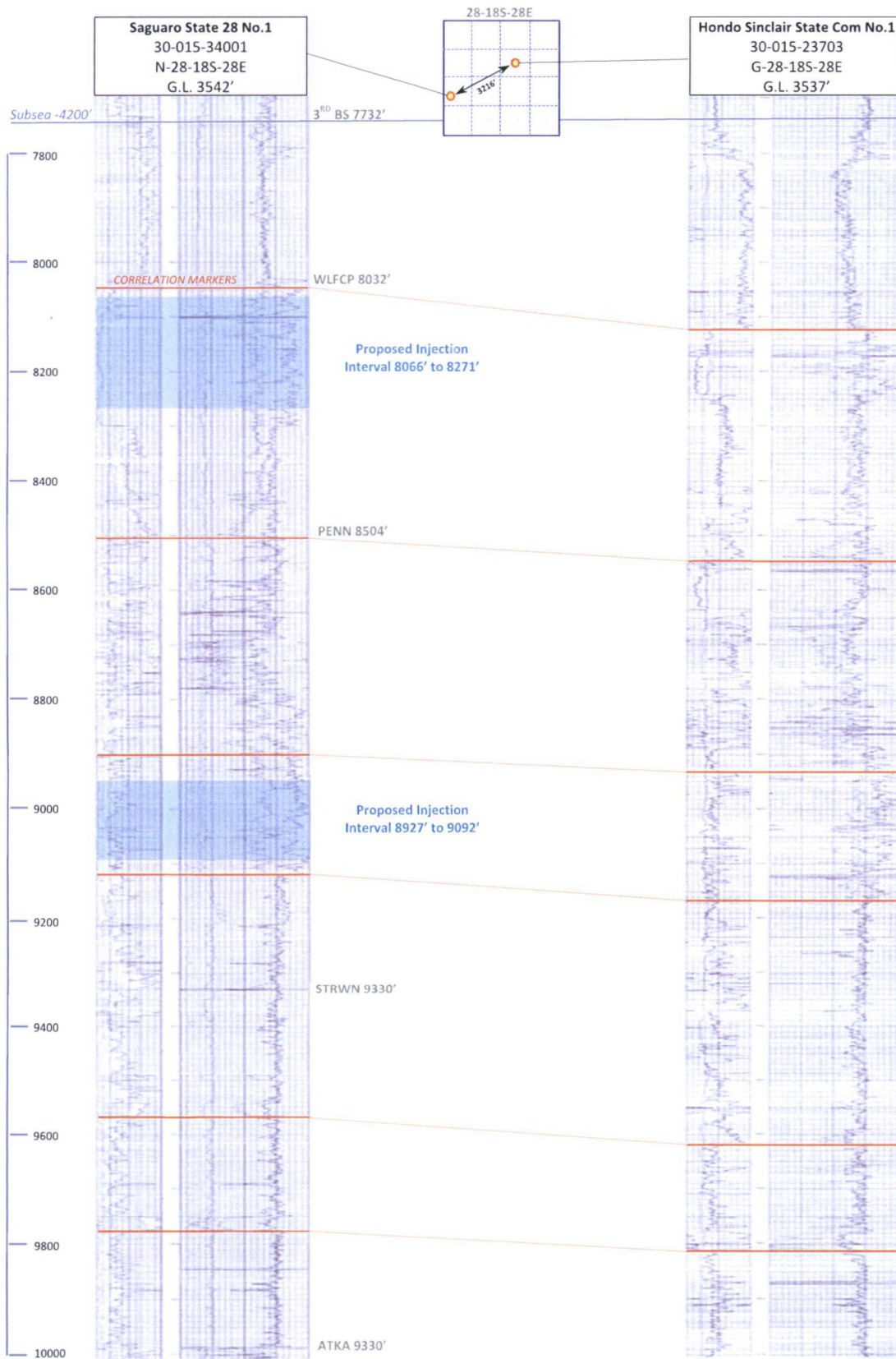
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# Saguaro State 28 No.1 – Cross Section w/ Offset



The  
AFF/pub  
ing interval  
blw  
8066-9776  
1613 psi

## McMillan, Michael, EMNRD

---

**From:** ben@sosconsulting.us  
**Sent:** Monday, June 5, 2017 9:19 AM  
**To:** McMillan, Michael, EMNRD  
**Cc:** Goetze, Phillip, EMNRD; Jones, William V, EMNRD; Lowe, Leonard, EMNRD; Inge, Richard, EMNRD; Podany, Raymond, EMNRD  
**Subject:** RE: FW: Ray Westhall Operating, Inc.- Saguaro 28 State #1 SWD: SLO Concerns

The top interval is fine... do you need a WBD with all other zones removed? Anything else?

Thanks,  
Ben



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

**Subject:** RE: FW: Ray Westhall Operating, Inc.- Saguaro 28 State #1 SWD: SLO Concerns  
**From:** "McMillan, Michael, EMNRD" <Michael.McMillan@state.nm.us>  
**Date:** 6/5/17 10:13 am  
**To:** "ben@sosconsulting.us" <ben@sosconsulting.us>  
**Cc:** "Goetze, Phillip, EMNRD" <Phillip.Goetze@state.nm.us>, "Jones, William V, EMNRD" <WilliamV.Jones@state.nm.us>, "Lowe, Leonard, EMNRD" <Leonard.Lowe@state.nm.us>, "Inge, Richard, EMNRD" <richard.inge@state.nm.us>, "Podany, Raymond, EMNRD" <Raymond.Podany@state.nm.us>

Ben:

The OCD will only allow one interval to be part of the application, this case from 8066' to 8271'.

So if that interval is not successful, the Ray Westall could apply for an amended application for the lower interval.

Mike

**From:** ben@sosconsulting.us [mailto:ben@sosconsulting.us]  
**Sent:** Monday, June 5, 2017 9:07 AM



## McMillan, Michael, EMNRD

---

**From:** McMillan, Michael, EMNRD  
**Sent:** Monday, June 5, 2017 8:33 AM  
**To:** 'ben@sosconsulting.us'; Holm, Anchor E.  
**Cc:** Goetze, Phillip, EMNRD; Jones, William V, EMNRD; Lowe, Leonard, EMNRD; Inge, Richard, EMNRD; Podany, Raymond, EMNRD  
**Subject:** RE: FW: Ray Westhall Operating, Inc.- Saguaro 28 State #1 SWD: SLO Concerns

Ben and Anchor:

The OCD will allow for injection only between 8927' to 9092'.

The OCD will not allow the dual interjection interval from 8066' to 8271', and from 8927' to 9092'.

- The OCD is concerned about correlative rights between 8571' and 8627'.
- Further, the large vertical distance between the proposed perforations makes it difficult to determine if a casing/tubing issue occurs.

If the approved interval is not perspective, then the Applicant can apply for an amended application to include only the upper zone.

Ray and Richard: **The API number for the proposed SWD Well is 30-015-34001.**

Thank You

Mike

### MICHAEL A. MCMILLAN

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

**From:** ben@sosconsulting.us [mailto:ben@sosconsulting.us]  
**Sent:** Friday, June 2, 2017 3:44 PM  
**To:** McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>; Holm, Anchor E. <aholm@slo.state.nm.us>  
**Subject:** RE: FW: Ray Westhall Operating, Inc.- Saguaro 28 State #1 SWD: SLO Concerns

Mike and Anchor,

I visited w/ Ray Westall staff and they'd like to proceed with intervals as specified by Anchor. That would be 8066' to 8271' and 8927' to 9092'.

Also, I generated a cross section w/ the subject Saguaro and Hondo Sinclair wells. I would point out that the injection intervals as proposed are convincingly updip from the applicable formations. (I could not generate a PDF with higher resolution without getting a HUGE file size but I think you can see the log curves adequately.)



# C-108 Review Checklist:

Received 4/26/2017 Add. Request: MAY 23 2017, JUNE 2 2017 Reply Date: \_\_\_\_\_ Suspended: \_\_\_\_\_ [Ver 15]

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

Well No. 1 Well Name(s): Sagueno 28 State San

API: 30-0 15-34001 Spud Date: 5/04/2005 New or Old: N (UIC Class II Primacy 03/07/1982)

Footages 1606 PSL 518 FWL Lot \_\_\_\_\_ or Unit ✓ Sec 28 Tsp 18S Rge 28E County Eddy

General Location: ~ 15 SW/Antesia Pool: Swi, WOLF CAMP - PCNN Pool No.: \_\_\_\_\_

BLM 100K Map: Antesia Operator: Ray Westcott Operating, Inc. OGRID: 119305 Contact: Ben Stone

COMPLIANCE RULE 5.9: Total Wells: 97 Inactive: 1 Fincl Assur: OK Compl. Order? NA IS 5.9 OK? Y Date: 6-05-2017

WELL FILE REVIEWED ☐ Current Status: P&A

WELL DIAGRAMS: NEW: Proposed ☐ or RE-ENTER: Before Conv. ☐ After Conv. ☒ Logs in Imaging: Y

Planned Rehab Work to Well: C/O D/O PLUGS

Well Construction Details		Sizes (in)	Setting	Cement	Cement Top and Determination Method
		Borehole / Pipe	Depths (ft)	Box or Cf	
Planned ___ or Existing ___	Surface	<u>17 1/2 3/8</u>	<u>964</u>	<u>545</u>	<u>SURFACE / VISUAL</u>
Planned ___ or Existing ___	Interm/Prod	<u>11 1/8 5/8</u>	<u>3107</u>	<u>910</u>	<u>185' / VISUAL</u>
Planned ___ or Existing ___	Interm/Prod	<u>7 1/8 5/2</u>	<u>10460</u>	<u>1065</u>	<u>7471' / VISUAL</u>
Planned ___ or Existing ___	Prod/Liner				<u>FITTED / VISUAL</u>
Planned ___ or Existing ___	Liner				<u>BEN - 3000'</u>
Planned ___ or Existing ___	OH / PERF	<u>9066-8271</u>		<u>Inj Length</u> <u>205'</u>	
Injection Lithostratigraphic Units:		Depths (ft)	Injection or Confining Units	Tops	Completion/Operation Details:
Adjacent Unit: Litho. Struc. Por.			<u>WC</u>	<u>8032</u>	Drilled TD <u>10860</u> PBTD <u>10776</u>
Confining Unit: Litho. Struc. Por.			<u>PN</u>	<u>9254</u>	NEW TD <u>10860</u> NEW PBTD <u>8350</u>
Proposed Inj Interval TOP:					NEW Open Hole <input type="radio"/> or NEW Perfs <input checked="" type="radio"/>
Proposed Inj Interval BOTTOM:					Tubing Size <u>3 1/2</u> in. Inter Coated? <u>Y</u>
Confining Unit: Litho. Struc. Por.					Proposed Packer Depth <u>7966</u> ft
Adjacent Unit: Litho. Struc. Por.					Min. Packer Depth <u>7966</u> (100-ft limit)
					Proposed Max. Surface Press. <u>143</u> psi
					Admin. Inj. Press. <u>1613</u> (0.2 psi per ft)

## AOR: Hydrologic and Geologic Information

POTASH: R-111-P \_\_\_\_\_ Noticed? \_\_\_\_\_ BLM Sec Ord ☐ WIPP ☐ Noticed? \_\_\_\_\_ Salt/Salado T 610 B: 1/2 NW: Cliff House fm \_\_\_\_\_

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

NMOSE Basin: ROSWELL CAPITAN REEF: thru adj NA No. Wells within 1-Mile Radius? \_\_\_\_\_ FW Analysis \_\_\_\_\_

Disposal Fluid: Formation Source(s) morroco, wy, B3 Analysis? Y On Lease ☐ Operator Only ☐ or Commercial ☒

Disposal Int: Inject Rate (Avg/Max BWPD): 1.5 K (max) Protectable Waters? Y Source: \_\_\_\_\_ System: Closed or Open

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

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

Penetrating Wells: No. Active Wells 1 Num Repairs? \_\_\_\_\_ on which well(s)? \_\_\_\_\_ Diagrams? \_\_\_\_\_

Penetrating Wells: No. P&A Wells 1 Num Repairs? \_\_\_\_\_ on which well(s)? "Proposed well" Diagrams? Y

NOTICE: Newspaper Date April 11, 2017 Mineral Owner AM SLO Surface Owner AM SLO N. Date 4-27-2017

RULE 26.7(A): Identified Tracts? \_\_\_\_\_ Affected Persons: Anthony, marathon, RFI N. Date 4-26-2017

Order Conditions: Issues: Swabs + test over injection interval, C-B-L