

UIC-I - _____10_____

**GENERAL
CORRESPONDENCE**

YEAR(S):

2006 - Present

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Friday, August 10, 2007 5:23 PM
To: 'ken@carihobbs.com'
Cc: Brooks, David K., EMNRD; Price, Wayne, EMNRD
Subject: Assignment of Cash Collateral Deposit

Ken:

Re: SWD-1035 (currently under a Class II Well Bond)

Hi. I was tied up in a meeting all afternoon. You are requesting to place a CD on the proposed Monument Disposal Class I Well in the amount of \$50,000.00. The well for formerly approved to be a Class II Well before reapplying for Class I Well status.

Wayne Price requested that I have you contact Mr. David Brooks our OCD Attorney to discuss the process for completing a CD or to determine whether a CD in lieu of a bond is appropriate for a Class I Well.

Some links that may assist you in advance of talking to David are provided below.

Assignment of Cash Collateral Deposit Form (Assignment of Cash Collateral Deposit – Form O & G CBA)

<http://www.emnrd.state.nm.us/oed/documents/formcba.pdf>

TYPES OF BONDS

BLANKET BONDS \$

50,000 (No limit as to how many wells)

There are three options:

\$50,000 Blanket Cash Plugging Bond – Form No. O & G CBB – MUST BE A NEW MEXICO BANK

(Assignment of Cash Collateral Deposit – Form O & G CBA)– must be submitted with Blanket Cash Bond form and filled out by bank officer and signed by both operator and bank officer notarized signatures)

FAQs Bonds

http://www.emnrd.state.nm.us/oed/documents/HOWTOBECOMEAWELLOPERATORINNEWMEXICO20060125_C

OCD Rules (search for “collateral”)

http://www.emnrd.state.nm.us/oed/documents/RULEBOOK07-02-14_001.pdf

19.15.36.11 FINANCIAL ASSURANCE REQUIREMENTS:

E. Forms of financial assurance. The division may accept the following forms of financial assurance.

(1) Surety bonds. A surety bond shall be executed by the applicant and by a corporate surety licensed to do business in the state, and shall be non-cancelable.

(2) Letters of credit. A letter of credit shall be issued by a bank organized or authorized to do commercial banking business in the United States, shall be irrevocable for a term of not less than five years and shall provide for automatic renewal for successive, like terms upon expiration, unless the issuer has notified the division in writing of non-renewal at least 90 days before its expiration date. The letter of credit shall be payable to the state of New Mexico in part or in full upon receipt from the director or the director's authorized representative of demand for payment accompanied by a notice of

8/10/2007

forfeiture.

(3) Cash accounts. An applicant may provide financial assurance in the form of a federally insured or equivalently protected cash account or accounts in a financial institution, provided that the operator and the financial institution shall execute as to each such account a collateral assignment of the account to the division, which shall provide that only the division may authorize withdrawals from the account. In the event of forfeiture pursuant to Subsection C of 19.15.36.18 NMAC, the division may, at any time and from time to time, direct payment of all or part of the balance of such account (excluding interest accrued on the account) to itself or its designee for the surface waste management facility's closure.

19.15.3.101 (F & G) NMAC (From OCD UIC Manual at
<http://www.emnrd.state.nm.us/oed/documents/UICManual.pdf>)

F. A cash bond may be accepted by the Division pursuant to the conditions set forth hereinafter.

Cash representing the full amount of the bond shall be deposited by the operator in an account in a federally insured

financial institution located within the State of New Mexico, such account to be held in trust for the Division. Both one well and blanket cash bonds shall be in the amount specified for surety bonds. A document, approved by the Division, evidencing the terms and conditions of the cash bond shall be executed by an authorized representative of the operator and the depository institution and filed with the Division prior to the effective date of the bond. No cash bond will be authorized by the Director and no wells may be drilled or acquired under a blanket cash bond unless the operator/applicant is in good standing with the Division. If the financial status or reliability of the applicant is unknown to the Director he may require the filing of a financial statement or such other information as may be necessary to evaluate the ability of the applicant/operator to fulfill the conditions of the bond.

G. From time to time any accrued interest over and above the face amount of the bond may be paid to the operator. Upon satisfactory plugging by the operator of any well(s) covered by a cash bond, the Director shall issue an order authorizing the release of said bond.

Monument Disposal Inc. may want to hold off on the above until after the well is approved, since there may be corrective actions required in the approval, and it will be Monument's decision at that point on whether it will proceed to permit the well. I am currently working to complete a final draft of the discharge plan for the Class I Well and am reviewing the AOR for any required corrective action(s).

Please contact Mr. Brooks at 476-3450 to discuss the CD for your Class I Well further. Thank you.

Carl J. Chavez, CHMM
 New Mexico Energy, Minerals & Natural Resources Dept.
 Oil Conservation Division, Environmental Bureau
 1220 South St. Francis Dr., Santa Fe, New Mexico 87505
 Office: (505) 476-3491
 Fax: (505) 476-3462
 E-mail: CarlJ.Chavez@state.nm.us
 Website: <http://www.emnrd.state.nm.us/oed/index.htm>
 (Pollution Prevention Guidance is under "Publications")

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Tuesday, April 03, 2007 4:22 PM
To: 'seay04@leaco.net'
Cc: Price, Wayne, EMNRD; Jones, William V., EMNRD
Subject: Monument Class I Well C-108 Update

Mr. Seay:

Good afternoon. I notice that you have already public noticed the well in advance of the OCD's determination of "administrative completeness." Monument Disposal Inc. and the OCD begin the public notice process after the application has been deemed "Administratively Complete."

From your AOR, the following wells where cement appears to be lacking are of concern to the OCD:

API# 30-025-33190
API# 30-025-33045
API# 30-025-20517
API# 30-025-12481

It appears that corrective action is needed at the above wells in the San Andres Formation at the injection interval 4351 and 5000 ft. depth before injection may be approved by the OCD?

Due to current projects and priorities, I have been reviewing your application on and off as time permits. However, the public notice process begins only after the OCD deems the application to be administratively complete.

Thanks in advance for your cooperation in the application review process. Please contact me if you have questions. Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3491
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/>
(Pollution Prevention Guidance is under "Publications")

4/3/2007

Chavez, Carl J, EMNRD

From: Jones, William V., EMNRD
Sent: Tuesday, March 06, 2007 9:22 AM
To: Chavez, Carl J, EMNRD
Cc: Price, Wayne, EMNRD; Ezeanyim, Richard, EMNRD; Williams, Chris, EMNRD
Subject: SWD: CLASS I application Monument #1 in Lea County

Hello Carl:

You said you are evaluating a proposal from Eddie Seay to permit this SWD well as a Class I well.

Here attached is my search of all wells within 1 mile of this well that penetrated the proposed injection interval. You can compare this list to the list that Eddie sent and see if there are discrepancies. Then when you have your final list, you can examine all the wellbores for adequate cement and casing and see if they are producing in this injection interval.

Apache protested the latest Class II SWD application AFTER it was issued, then retracted its protest. You might call them and see if they are concerned if this becomes a Class I well or not as they may have production nearby.

For your info: This spreadsheet also has an EXCEL VBA "AOR calculation" tool and a cement top calculation tool that I wrote.

Thanks,

Will

3/6/2007

Oil Prod 2004	Water Prod 2004	Gas Prod 2003	Oil Prod 2003	Water Prod 2003	Property	Water Inj 2005	Water Inj 2004	Water Inj 2003	Scaling	Prod	End	Dr Cond	Dr Perm	Max Allow	Permit	Inf
0	0	0	0	0	3041	10000	28853	29259	WIX	765		10-Oct-00	WIX-765			
2732	15715	4981	6154	0	135	0	0	0								
235	19846	6080	2316	11605	19407	0	0	0								749
20498	43218	34841	33435	42065	20770	0	0	0								749
0	0	0	0	0	20770	0	0	0								
235	15415	70130	45277	13923	19407	0	0	0								
9624	28225	15534	1243	33179	19407	0	0	0								
1280	898	5609	1955	75	20738	0	0	0								
49749	14373	80574	78401	37265	19407	308437	61114	568106	SWD	561	A	03-Jun-94	SWD-561			800
0	0	0	0	0	17751	0	0	0								800
0	0	9611	4340	12835	135	0	0	0								
0	0	0	0	0	135	0	0	0								
0	0	0	0	0	135	0	0	0								
9181	106981	3412	10513	70764	191	0	0	0								
0	2	28897	0	118		0	0	0								

February 19, 2007

NMOCD Environmental
ATTN: Carl J. Chavez
1220 South Saint Francis Drive
Santa Fe, NM 87504

RE: Monument Disposal Inc.
Notice Requirement

Mr. Chavez:

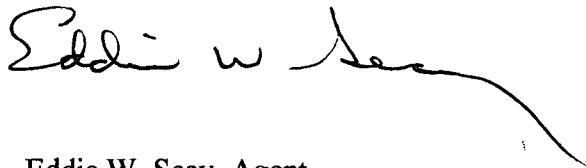
Monument has filed and completed all notice requirements as required.

- 1) Sent notices of offset land owner.
- 2) Published notice in paper, both Spanish and English.
- 3) Posted notice in both Spanish and English off of county road going to well, and posted notice in Monument at convenience store.

Copies and/or photos are within, the posting will run until March 12, 2007 (30 days).

I hope this will help in the review process. Call if you have any questions.

Thanks,



Eddie W. Seay, Agent
Eddie Seay Consulting
601 W. Illinois
Hobbs, NM 88242
(505)392-2236
seay04@leaco.net

Affidavit of Publication

STATE OF NEW MEXICO)

) ss.

COUNTY OF LEA)

Joyce Clemens being first duly sworn on oath deposes and says that she is Advertising Director of **THE LOVINGTON LEADER**, a daily newspaper of general paid circulation published in the English language at Lovington, Lea County, New Mexico; that said newspaper has been so published in such county continuously and uninterruptedly for a period in excess of Twenty-six (26) consecutive weeks next prior to the first publication of the notice hereto attached as hereinafter shown; and that said newspaper is in all things duly qualified to publish legal notices within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico.

That the notice which is hereto attached, entitled

Public Notice

was published in a regular and entire issue of **THE LOVINGTON LEADER** and not in any supplement thereof, for one (1) day, beginning with the issue of February 6, 2007 and ending with the issue of February 6, 2007.

And that the cost of publishing said notice is the sum of \$ 74.64 which sum has been (Paid) as Court Costs.

Joyce Clemens

Subscribed and sworn to before me this 6th day of February 2007

Debbie Schilling

Debbie Schilling

Notary Public, Lea County, New Mexico

My Commission Expires June 22, 2010

Public Notice

Notice is hereby given that pursuant to New Mexico Water Quality Control Regulations, the following proposed discharge plan has been submitted for approval to the Director of the Oil Conservation Division, Energy, Minerals & Natural Resources Dept., 1220 South St. Francis Dr., Santa Fe, New Mexico 87505. Telephone (505) 476-3440.

Monument Disposal Inc. 1314 Brittany, Hobbs, New Mexico 88240, has submitted a discharge plan application for a Class I Disposal Well and its associated facility, located 3 1/2 miles west of Monument, New Mexico at 8205 South Highway 322, approximately 1000 feet north of the abandoned Climax Chemical facility. The disposal well is located in the SE/4 of the NE/4 of Section 35 of Township 19 South, Range 36 East NMPM, Lea County, New Mexico. This facility will temporarily store and dispose of Non Hazardous-Regulated Liquid waste such as spent acids or caustics, well treating chemical fluids, completion fluids, or waste that is approved under 40 CFR Part 261 Environmental Protection Agency. No other fluids will be stored at this facility. The non-hazardous regulated liquid waste will be stored in three (3), 500 bl above ground tanks. The facility will receive approximately 3000 to 5000 barrels of produced water and non-hazardous regulated liquid waste per day. The ground water likely to be affected by discharges is in thin localized sand lens in the surface alluvium at depths of 30 to 70 feet, with a total dissolved solids concentrations of less than 1000 mg/l. The saturate thickness in the surface alluvium ranges from 0' to 35'.

Any interested person may obtain further information from the Oil Conservation Division and may submit comments and statements to Carle J Chavez, CHMM, New Mexico Energy, Minerals & Natural Resources Dept., Oil Conservation Division, Environmental Bureau, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, Telephone (505) 476-3491. Also any interested person may request to be placed on a mailing list for future notices regarding this application.

Published in the Lovington Leader February 6, 2007.

Affidavit of Publication

STATE OF NEW MEXICO)

) ss.

COUNTY OF LEA)

Joyce Clemens being first duly sworn on oath deposes and says that she is Advertising Director of **THE LOVINGTON LEADER**, a daily newspaper of general paid circulation published in the English language at Lovington, Lea County, New Mexico; that said newspaper has been so published in such county continuously and uninterruptedly for a period in excess of Twenty-six (26) consecutive weeks next prior to the first publication of the notice hereto attached as hereinafter shown; and that said newspaper is in all things duly qualified to publish legal notices within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico.

That the notice which is hereto attached, entitled

Public Notice

was published in a regular and entire issue of **THE LOVINGTON LEADER** and not in any supplement thereof, for one (1) day, beginning with the issue of February 6, 2007 and ending with the issue of February 6, 2007.

And that the cost of publishing said notice is the sum of \$ 74.64 which sum has been (Paid) as Court Costs.

Joyce Clemens

Subscribed and sworn to before me this 6th day of February, 2007

Debbie Schilling

Debbie Schilling

Notary Public, Lea County, New Mexico

My Commission Expires June 22, 2010

ATENCION PUBLICA

El aviso es por este medio dado esto de acuerdo con Nuevas Regulaciones de Control de Calidad de Agua de México, el plan de descarga propuesto siguiente ha sido presentado para la aprobación al Director de la División de Conservación del Aceite, Energía, Minerales y departamento de Recursos Natural, 1220 Sur, San Francis Dr, Santa Fe, Nuevo México 87505. Teléfono (505) 476-3440.

El Monument Disposal Inc 1314 Bretaña, Hobbs, Nuevo México 88240, ha presentado una descarga planea la aplicación para una Clase I Disposición Pozo y su instalación asociada, localizada 3 1/4 millas al Oeste de Monumento, Nuevo México en 8205 Carretera del Sur 322, aproximadamente 1000 pies al norte de la instalación de Sustancias químicas de Punto culminante abandonada. La disposición pozo es localizada en el SE/4 del NE/4 de la Sección 35 de Municipio 19 Sur, Recorra 36 NMPM del este, Lea County, Nuevo México. Esta instalación almacenará temporalmente y eliminará No la basura Líquida Regulada Arriesgada como ácidos gastados o caustics, pozo tratando fluidos químicos, fluidos de finalización, o basura que es aprobada bajo 40 Agencia de Protección del Medio Ambiente de la Parte 261 CFR. Ningunos otros fluidos serán almacenados en esta instalación. El no arriesgado la basura líquida regulada será almacenada en tres (3), 500 bl. tanques sobre la tierra. La instalación recibirá aproximadamente 3000 a 5000 barriles de agua producida y basura líquida regulada no arriesgada por día. El agua subterránea probablemente para ser afectado por descargas está en la lente de arena localizada delgada en la aluvión superficial en profundidades de 30 a 70 pies, con la concentración de sólidos disuelta de un total de menos de 1000 mg/l. El grosor saturar en la aluvión superficial se extiende de 0 pies. a 35 pies.

Cualquier persona interesada puede obtener la información adicional de la División de Conservación del Aceite y puede presentar comentarios y declaraciones a Carle J. Chávez, CHMM, Nueva Energía de México, Minerales y departamento de Recursos Natural, División de Conservación del Aceite, Oficina Ambiental, 1220 Sur San. Francis Dr, Santa Fe, Nuevo México 87505, teléfono (505) 476-3491. También cualquier persona interesada puede solicitar para ser colocado en una lista de direcciones para futuros avisos en cuanto a esta aplicación.

Published in the Lovington Leader February 6, 2007.





PUBLIC NOTICE

Notice is hereby given that pursuant to New Mexico Water Quality Control Regulations, the following proposed discharge plan has been submitted for approval to the Director of the Oil Conservation Division, Energy, Minerals & Natural Resources Dept., 1220 South St. Francis Dr., Santa Fe, New Mexico 87505. Telephone (505) 476-3440.

Monument Disposal Inc. 1314 Brittany, Hobbs, New Mexico 88240, has submitted a discharge plan application for a Class I Disposal Well and its associated facility, located 3 ½ miles west of Monument, New Mexico at 8205 South Highway 322, approximately 1000 feet north of the abandoned Climax Chemical facility. The disposal well is located in the SE/4 of the NE/4 of Section 35 of Township 19 South, Range 36 East NMPM, Lea County, New Mexico. This facility will temporarily store and dispose of Non Hazardous Regulated Liquid waste such as spent acids or caustics, well treating chemical fluids, completion fluids, or waste that is approved under 40 CFR Part 261 Environmental Protection Agency. No other fluids will be stored at this facility. The non-hazardous regulated liquid waste will be stored in three (3), 500 bl. above ground tanks. The facility will receive approximately 3000 to 5000 barrels of produced water and non-hazardous regulated liquid waste per day. The ground water likely to be affected by discharges is in thin localized sand lens in the surface alluvium at depths of 30 to 70 feet, with a total dissolved solids concentrations of less than 1000 mg/l. The saturate thickness in the surface alluvium ranges from 0' to 35'.

Any interested person may obtain further information from the Oil Conservation Division and may submit comments and statements to Carle J Chavez, CHMM, New Mexico Energy, Minerals & Natural Resources Dept., Oil Conservation Division, Environmental Bureau, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, Telephone (505) 476-3491. Also any interested person may request to be placed on a mailing list for future notices regarding this application.

ATENCIÓN PÚBLICA

El aviso es por este medio dado esto de acuerdo con Nuevas Regulaciones de Control de Calidad de Agua de México, el plan de descarga propuesto siguiente ha sido presentado para la aprobación al Director de la División de Conservación del Aceite, Energía, Minerales y departamento de Recursos Natural, 1220 Sur San. Francis Dr, Santa Fe, Nuevo México 87505. Teléfono (505) 476-3440.

El Monument Disposal Inc 1314 Breña, Hobbs, Nuevo México 88240, ha presentado una descarga planea la aplicación para una Clase I Disposición Pozo y su instalación asociada, localizada 3 ½ millas al Oeste de Monumento, Nuevo México en 8205 Carretera del Sur 322, aproximadamente 1000 pies al norte de la instalación de Sustancias químicas de Punto culminante abandonada. La disposición pozo es localizada en el SE/4 del NE/4 de la Sección 35 de Municipio 19 Sur, Recorra 36 NMPM del este, Lea County, Nuevo México. Esta instalación almacenará temporalmente y eliminará No la basura Líquida Regulada Arriesgada como ácidos gastados o caustics, pozo tratando fluidos químicos, fluidos de finalización, o basura que es aprobada bajo 40 Agencia de Protección del Medio Ambiente de la Parte 261 CFR. Ningunos otros fluidos serán almacenados en esta instalación. El no arriesgado la basura líquida regulada será almacenada en tres (3), 500 bl. tanques sobre la tierra. La instalación recibirá aproximadamente 3000 a 5000 barriles de agua producida y basura líquida regulada no arriesgada por día. El agua subterránea probablemente para ser afectado por descargas está en la lente de arena localizada delgada en la aluvión superficial en profundidades de 30 a 70 pies, con la concentración de sólidos disuelta de un total de menos de 1000 mg/l. El grosor saturar en la aluvión superficial se extiende de 0 pies. a 35 pies.

Cualquier persona interesada puede obtener la información adicional de la División de Conservación del Aceite y puede presentar comentarios y declaraciones a Carle J. Chavez, CHMM, Nueva Energía de México, Minerales y departamento de Recursos Natural, División de Conservación del Aceite, Oficina Ambiental, 1220 Sur San. Francis Dr, Santa Fe, Nuevo México 87505, teléfono (505) 476-3491. También cualquier persona interesada puede solicitar para ser colocado en una lista de direcciones para futuros avisos en cuanto a esta aplicación.

Chavez, Carl J, EMNRD

From: Jones, William V., EMNRD
Sent: Tuesday, January 30, 2007 2:32 PM
To: Chavez, Carl J, EMNRD
Subject: RE: Monument Disposal Inc. Class II Well Application File

Hey Carl:
This is all in RBDMS and on the Imaging Site.
Come over and I will show you how to access these?

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

From: Chavez, Carl J, EMNRD
Sent: Friday, January 26, 2007 1:43 PM
To: Jones, William V., EMNRD
Cc: Price, Wayne, EMNRD
Subject: Monument Disposal Inc. Class II Well Application File

Willie:

Ken marsh has decided after receiving OCD approval of his Class II Well that he now wants OCD approval of it as a Class I Well.

The application indicates that all of the well info. is in the Class II file. I need to review the file, assess any AOR issues, and complete a discharge plan permit pronto. Could you please bring the file to me or show me where it is. Thanks.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3491
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/>
(Pollution Prevention Guidance is under "Publications")

8/9/2007

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Tuesday, January 16, 2007 8:53 AM
To: 'seay04@leaco.net'
Cc: Price, Wayne, EMNRD
Subject: Monument Disposal Inc.

Mr. Seay:

Could you please take a look at the "New and Mod WQCC Notice Regs.pdf" file attached 20.6.2.3108 (A) NMAC, which specifies the public notice provisions to satisfy administrative completeness that Monument Disposal Inc. needs to submit to the OCD in order to deem Monument Disposal Inc.s Class I Well Application administratively complete. It appears Monument Disposal Inc. has submitted most of the information with the exception of the relatively new WQCC Public Notice provisions. Please contact me if you have questions. Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3491
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/oed/>
(Pollution Prevention Guidance is under "Publications")

1/16/2007

January 2, 2007

2007 JAN 5 PM 1 21

NMOCD Environmental
ATTN: Carl J. Chavez
1220 South St. Francis Dr.
Santa Fe, NM 87505

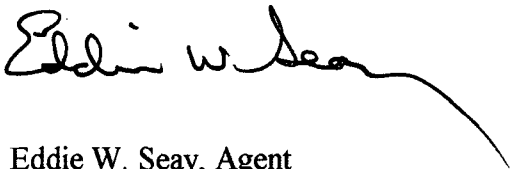
RE: Monument #1
Class I Disposal Application

Mr. Chavez:

Find attached new forms signed by one of the owners of Monument #1. I have also provided answers to some of the questions you may have as you review the application.

If you have further questions, please call.

Thanks,

A handwritten signature in black ink, appearing to read "Eddie W. Seay", with a long, sweeping underline that extends to the right.

Eddie W. Seay, Agent
Eddie Seay Consulting
601 W. Illinois
Hobbs, NM 88242
(505)392-2236

Eddie W. Seay

From: "Chavez, Carl J, EMNRD" <CarlJ.Chavez@state.nm.us>
To: <seay04@leaco.net>
Cc: "Price, Wayne, EMNRD" <wayne.price@state.nm.us>
Sent: Friday, December 08, 2006 8:26 AM
Subject: Monument #1 Discharge Plan For Class I Disposal & Application for Authorization to Inject

Mr. Seay:

Good morning. After reviewing the C-108, C-103, and various other signed forms in the Monument #1 submittal, the OCD has determined that any signatures on submitted paperwork need to be signed by the owner, i.e., Monument Disposal Inc.

Since we have the submittal, you mail the signed paperwork to me and I can replace the existing sheets or you may resend a new submittal. This may be a good opportunity for Monument Disposal Inc. to recheck its submittal in the process. For example, the depth to the fresh water table is missing; the injection data sheet indicates that the well is a new well drilled for injection, but is a converted well; and the OCD does not recommend fiberglass tubing due to its mechanical integrity.

The OCD believes this presents an opportunity for Monument Disposal Inc. to double check the contents of its submittal for completeness and obtain the necessary signatures. Upon receipt of the information, we will begin the 15 day administrative completeness process. Please contact me if you have questions. Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3491
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/oed/>
(Pollution Prevention Guidance is under "Publications")

Confidentiality Notice: This e-mail, including all attachments is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited unless specifically provided under the New Mexico Inspection of Public Records Act. If you are not the intended recipient, please contact the sender and destroy all copies of this message. – This email has been scanned by the Sybari - Antigen Email System.

12/13/2006

Attachment to Application C-108
Class I Disposal

Additional information as requested.

- 1) The Ogallala Formation is not present at the site and is present 2 miles north and 6 miles east of the proposed disposal well. In the area of Monument, NM the saturated thickness of the Quaternary alluvium in the Monument area is 0' to 30' thick. In the vicinity of the disposal well site, the saturated thickness ranges from 0' to 35'. There is no surface water in close proximity to the proposed site. (This was noted in the application)
- 2) We will replace the fiberglass tubing with steel N-80 IPC tubing.
- 3) This well was originally drilled under the Environment Dept. guidelines for a Class I well. During the approval process the company filed bankruptcy and the well was never approved. I resubmitted the application for the new owner to the OCD as a Class II SWD. This application for Class II was approved by Will Jones under administrative order SWD-1035. After approval it was decided not to use this well as a Class II SWD, we are now attempting to get approval as a class I permit from the OCD.
- 4) Will Jones has all the information about drilling, completion ED info in the case file for the Class II SWD.

If you have any additional questions call Eddy Seay at 505-392-2236 or cell phone 505-390-2454. Email to seay04@leaco.net

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

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

Form C-103
May 27, 2004

WELL API NO.
30-025-37918

5. Indicate Type of Lease
STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name
MONUMENT DISPOSAL (35738)

8. Well Number # 1

9. OGRID Number 242044

10. Pool name or Wildcat
SWD;SAN ANDRES

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

1. Type of Well: Oil Well ☐ Gas Well ☐ Other SWD

2. Name of Operator
MONUMENT DISPOSAL INC

3. Address of Operator
1314 BRITTANY, HOBBS, NM 88240

4. Well Location
Unit Letter H : 2582 feet from the N line and 809 feet from the E line
Section 35 Township 19S Range 36E NMPM LEA County

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

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type Depth to Groundwater Distance from nearest fresh water well Distance from nearest surface water

Pit Liner Thickness: mil Below-Grade Tank: Volume bbls; Construction Material

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

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

1) Propose to convert this well from Class II SWD to a Class I Disposal well

2) Notify OCD Hobbs office at least 24 hours prior to working on well

3) RIH with tubing, set at approximately 4355' with packer at 4260'

4) Pressure test well to 500 psi w/ chart

4A) If well test successful submit follow up C-103 w/ chart to OCD

or

4B) If test unsuccessful follow up C-103 to OCD with plan of action to repair well.

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

SIGNATURE [Signature] TITLE Monument Manager Sec 18 DATE 1-2-07

Type or print name
For State Use Only

E-mail address:

Telephone No.

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):

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

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

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

WELL API NO.
30-025-37918

5. Indicate Type of Lease
STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name
MONUMENT DISPOSAL (35738)

8. Well Number # 1

9. OGRID Number 242044

10. Pool name or Wildcat
SWD;SAN ANDRES

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. Type of Well: Oil Well ☐ Gas Well ☐ Other SWD

2. Name of Operator
MONUMENT DISPOSAL INC

3. Address of Operator
1314 BRITTANY, HOBBS, NM 88240

4. Well Location

Unit Letter H : 2582 feet from the N line and 809 feet from the E line
Section 35 Township 19S Range 36E NMPM LEA County

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

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☒
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

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

- 1) Notify OCD Hobbs office at least 24 hours prior to rigging up on the well prior to commencing P&A
- 2) Pull tubing and packer
- 3) RIH with tubing, set retainer at 4260'. Pump 215 sxs cement. Cap retainer with 25 sx cement.
- 4) Load hole with 9.5 brine
- 5) Set 25 sx plug from 2860-2750 to cover 50' below/ 50' above intermediate shoe at 2809 Tag plug
- 6) Set 25 sx plug from 2500-2400 to cover base of salt.
- 7) Set 25 sx plug from 1143-1043 to cover top of salt
- 8) Set 24 sx plug from 414-314 to cover surface shoe @ 364' Tag plug
- 9) Set 60' plug at surface.
- 10) Set P&A marker

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

SIGNATURE [Signature] TITLE member - mgr Sec VP DATE 1-2-06

Type or print name

E-mail address:

Telephone No.

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):

APPLICATION FOR AUTHORIZATION TO INJECT

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

II. OPERATOR: Monument Disposal Inc.

ADDRESS: 1314 Brittany, Hobbs, NM 88240

CONTACT PARTY: Darrell Bearden PHONE: (505) 390-9576

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? X Yes No
If yes, give the Division order number authorizing the project: SWD-1035

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).

*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: Ken Marsh TITLE: Manager See UP

SIGNATURE: Ken Marsh DATE: 1-2-07

E-MAIL ADDRESS: _____

* 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: Original C-108, 2005

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

District I
1625 N. French Dr., Hobbs, NM
88240

District II
1301 W. Grand Avenue, Artesia, NM
88210

District III
1000 Rio Brazos Road, Aztec, NM
87410

District IV
1220 S. St. Francis Dr., Santa Fe,
NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

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

Oct 08, 2002

Submit Original
Plus 1 Copy
to Santa Fe
1 Copy to
Appropriate
District Office

DISCHARGE PLAN APPLICATION FOR CLASS I NON-HAZARDOUS WASTE INJECTION WELL FACILITY

☒ New ☐ Renewal

- I. Facility Name: MONUMENT DISPOSAL
- II. Operator: MONUMENT DISPOSAL INC
- Address: 1314 Brittany, Hobbs, NM 88240
- Contact Person: Darrell Bearden Phone: (505) 390-9576
- III. Location: SE /4 NE /4 Section 35 Township 19S Range 36E
Submit large scale topographic map showing exact location.
- IV. Attach the name and address of the landowner of the facility site.
- V. Attach a description of the types and quantities of fluids at the facility.
- VI. Attach a description of all fluid transfer and storage and fluid and solid disposal facilities.
- VII. Attach a description of underground facilities (well diagrams etc. including a C-101 or C-103, and C-108).
- VIII. Attach a contingency plan for reporting and clean-up of spills or releases.
- IX. Attach geological/hydrological evidence demonstrating that operations will not adversely impact fresh water.
- X. Attach such other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.
- XI. CERTIFICATION:

I hereby certify under penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment.

Name: Ken Muech

Title: See - up

Signature: K Muech

Date: 1-2-07

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Friday, December 08, 2006 8:26 AM
To: 'seay04@leaco.net'
Cc: Price, Wayne, EMNRD
Subject: Monument #1 Discharge Plan For Class I Disposal & Application for Authorization to Inject

Mr. Seay:

Good morning. After reviewing the C-108, C-103, and various other signed forms in the Monument #1 submittal, the OCD has determined that any signatures on submitted paperwork need to be signed by the owner, i.e., Monument Disposal Inc.

Since we have the submittal, you mail the signed paperwork to me and I can replace the existing sheets or you may resend a new submittal. This may be a good opportunity for Monument Disposal Inc. to recheck its submittal in the process. For example, the depth to the fresh water table is missing; the injection data sheet indicates that the well is a new well drilled for injection, but is a converted well; and the OCD does not recommend fiberglass tubing due to its mechanical integrity.

The OCD believes this presents an opportunity for Monument Disposal Inc. to double check the contents of its submittal for completeness and obtain the necessary signatures. Upon receipt of the information, we will begin the 15 day administrative completeness process. Please contact me if you have questions. Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3491
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/oed/>
(Pollution Prevention Guidance is under "Publications")

12/8/2006

November 6, 2006

NMOCD Environmental
ATTN: Wayne Price
1220 S. Saint Francis Drive
Santa Fe, NM 87504

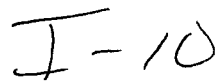

RE: C-108 and Discharge Plan
Monument Disposal
Class I Non-Hazardous

Mr. Price:

Within is the application for Monument Disposal to convert its SWD to Class I. Also, attached is a check for \$100.00 Application Fee.

After you have reviewed this application, please call if you have any questions.

Sincerely,



Eddie W. Seay, Agent
Eddie Seay Consulting
601 W. Illinois
Hobbs, NM 88242
(505)392-2236
seay04@leaco.net

cc: Monument Disposal Inc.

2006 NOV 9 PM 3 34

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. 4993 dated 11/6/06

or cash received on _____ in the amount of \$ 100⁰⁰

from Monument Disposal

for I-10

Submitted by: Lawrence Romero Date: 12/1/06

Submitted to ASD by: Lawrence Romero Date: 12/1/06

Received in ASD by: _____ Date: _____



Filing Fee ☒ New Facility _____ Renewal _____

Modification _____ Other _____

Organization Code 521.07 Applicable FY 2004

To be deposited in the Water Quality Management Fund.

Full Payment _____ or Annual Increment _____

EDDIE SEAY CONSULTING 601 W. ILLINOIS PH. (505) 392-2236 HOBBS, NM 88240		4993
DATE <u>11/6/06</u>		95-219/1070 616 1100154253
PAY TO THE ORDER OF <u>Water Quality Management Fund</u>		\$ <u>100.⁰⁰</u>
<u>One hundred dollar + ⁰⁰/₁₀₀</u>		DOLLARS  Security Features Details on Back.
 Wells Fargo Bank, N.A. New Mexico wellsfargo.com		<u>I-10</u>
FOR <u>Monument Disposal</u>		<u>Eddie W Seay</u> MP
⑆107002192⑆ 1100154253⑆ 04993⑆		

Description	FUND	CEB	DFA ORG	DFA ACCT	ED ORG	ED ACCT	AMOUNT	
1 CY Reimbursement Project Tax	064	01		2328	900000	2328134		1
2 Gross Receipt Tax	064	01						2
3 Air Quality Title V	092	13	1300	1696	900000	4168134		3
4 PRP Prepayments	248	14	1400	9696	900000	4889014		4
5 Climax Chemical Co.	248	14	1400	9696	900000	4889016		5
6 Circle K Reimbursements	248	14	1400	9696	900000	4889248		6
7 Hazardous Waste Permits	339	27	2700	1696	900000	4169027		7
8 Hazardous Waste Annual Generator Fees	339	27	2700	1696	900000	4169339		8
9 Water Quality - Oil Conservation Division	341	29		2328	900000	2328029		10
10 Water Quality - GW Discharge Permit	341	29	2900	1696	900000	4169029		11
11 Air Quality Permits	631	31	2500	1696	900000	4169031		12
12 Payments under Protest	651	33		2919	900000	2919033		13
13 Xerox Copies	652	34		2349	900000	2349001		*14
14 Ground Water Penalties	652	34		2349	900000	2349002		15
15 Witness Fees	652	34		2349	900000	2349003		16
16 Air Quality Penalties	652	34		2349	900000	2349004		17
17 OSHA Penalties	652	34		2349	900000	2349005		18
18 Prior Year Reimbursement	652	34		2349	900000	2349006		19
19 Surface Water Quality Certification	652	34		2349	900000	2349009		20
20 Jury Duty	652	34		2349	900000	2349012		21
21 CY Reimbursements (i.e. telephone)	652	34		2349	900000	2349014		22
22 UST Owner's List	783	24	2500	9696	900000	4889201		*23
23 Hazardous Waste Notifiers List	783	24	2500	9696	900000	4889202		*24
24 UST Maps	783	24	2500	9696	900000	4889203		*25
25 UST Owner's Update	783	24	2500	9696	900000	4889205		*26
26 Hazardous Waste Regulations	783	24	2500	9696	900000	4889207		*28
27 Radiologic Tech. Regulations	783	24	2500	9696	900000	4889208		*29
28 Superfund CERLIS List	783	24	2500	9696	900000	4889211		*30
29 Solid Waste Permit Fees	783	24	2500	9696	900000	4889213		31
30 Smoking School	783	24	2500	9696	900000	4889214		32
31 SWQB - NPS Publications	783	24	2500	9696	900000	4889222		*33
32 Radiation Licensing Regulation	783	24	2500	9696	900000	4889228		*34
33 Sale of Equipment	783	24	2500	9696	900000	4889301		*35
34 Sale of Automobile	783	24	2500	9696	900000	4889302		*36
35 Lost Recoveries	783	24	2500	9696	900000	4889814		**37
36 Lost Repayments	783	24	2500	9696	900000	4889815		**38
37 Surface Water Publication	783	24	2500	9696	900000	4889801		39
38 Exxon Reese Drive Ruidoso - CAF	783	24	2500	9696	900000	4889242		40
39 Emerg. Hazardous Waste Penalties NOV	957	32	9600	1696	900000	4164032		41
40 Radiologic Tech. Certification	957	05	0500	1696	900000	4169005		42
41 Ust Permit Fees	989	20	3100	1696	900000	4169020		44
42 UST Tank Installers Fees	989	20	3100	1696	900000	4169021		45
43 Food Permit Fees	991	26	2600	1696	900000	4169026		46
44 Other								43

Gross Receipt Tax Required

-- Site Name & Project Code Required

TOTAL

Contact Person: Wayne Price Phone: 426-3490 Date: 12/1/06

Received in ASD By: _____ Date: _____ RT #: _____ ST #: _____



2006 NOV 3 09:10 44
TWO WARREN PLACE, SUITE 1500 / 6120 SOUTH YALE / TULSA, OK 74134-1224

[918] 491-4900
FAX: [918] 491-4853
FAX: [918] 491-4854

November 2, 2006

Mr. William Jones
Engineering Bureau
New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

RE: Monument #1 (30-025-37918)
C108 Injection Application
Unit H, Section 35, Township 19 South, Range 36E
Lea County, NM

Dear Mr. Jones:

Apache Corporation is officially entering a protest of the C108 Application for Authorization to Inject submitted for the Monument #1 in Unit H, Sec 35, T19S, R36E.

Should you have any questions, please contact me at 918 491 4800 or through email at rick.crist@apachecorp.com

Very truly yours,

APACHE CORPORATION

A handwritten signature in black ink, appearing to read "Rick Crist", enclosed within a large, loopy oval shape.

Rick Crist
Production Engineer

c: Eddie W. Seay, Agent – Monument Disposal, Inc.

6120 SOUTH YALE / SUITE 1500 / TULSA, OK 74136-4224



Telephone (918) 491-4900
WWW.APACHECORP.COM

November 2, 2006

Mr. William Jones
Engineering Bureau
New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

RE: Monument #1 (30-025-37918)
C108 Injection Application
Unit H, Section 35, Township 19 South, Range 36E
Lea County, NM

Dear Mr. Jones:

Apache Corporation is officially withdrawing its protest of the C108 Application for Authorization to Inject submitted for the Monument #1 in Unit H, Sec 35, T19S, R36E.

Should you have any questions, please contact me at 918 491 4800 or through email at rick.crist@apachecorp.com

Very truly yours,

APACHE CORPORATION

A handwritten signature in black ink, appearing to read "Rick Crist", enclosed within a hand-drawn oval.

Rick Crist
Production Engineer

c: Eddie W. Seay, Agent – Monument Disposal, Inc.



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

ADMINISTRATIVE ORDER SWD-1035

APPLICATION OF MONUMENT DISPOSAL INC. FOR PRODUCED WATER DISPOSAL, LEA COUNTY, NEW MEXICO.

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 701(B), Monument Disposal Inc. made application to the New Mexico Oil Conservation Division for permission to utilize for produced water disposal its Monument Well No. 1 (API No. 30-025-37918) located 2582 feet from the North line and 809 feet from the East line of Section 35, Township 19 South, Range 36 East, NMPM, Lea County, New Mexico.

THE DIVISION DIRECTOR FINDS THAT:

- (1) The application has been duly filed under the provisions of Rule 701(B) of the Division Rules and Regulations;
- (2) Satisfactory information has been provided that all offset operators and surface owners have been duly notified;
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in Rule 701 will be met; and
- (4) No objections have been received within the waiting period prescribed by said rule.

IT IS THEREFORE ORDERED THAT:

The applicant is hereby authorized to utilize its Monument Well No. 1 (API No. 30-025-37918) located 2582 feet from the North line and 809 feet from the East line of Section 35, Township 19 South, Range 36 East, NMPM, Lea County, New Mexico, in such manner as to permit the injection of produced water for disposal purposes into the San Andres formation through an open hole from approximately 4359 feet to 5000 feet and through plastic-lined tubing set in a packer located within 100 feet of the top of the injection interval.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

Prior to beginning commercial injection operations, the operator shall report the initial static fluid level in the well.

After installing injection tubing, the casing shall be pressure tested from the surface to the packer setting depth to assure the integrity of said casing.

The casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer.

The wellhead injection pressure on the well shall be limited to **no more than 872 psi**. In addition, the injection well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface injection pressure to the maximum allowable pressure for this well.

The Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the injection formation. Such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

The operator shall notify the supervisor of the Hobbs district office of the Division of the date and time of the installation of disposal equipment and of any mechanical integrity test so that the same may be inspected and witnessed.

The operator shall immediately notify the supervisor of the Hobbs district office of the Division of the failure of the tubing, casing, or packer in said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

PROVIDED FURTHER THAT, jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh water or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the injection authority granted herein.

The operator shall provide written notice of the date of commencement of injection to the Hobbs district office of the Division.

The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Rule Nos. 706 and 1120 of the Division Rules and Regulations.

The injection authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations into the subject well, provided however, the Division, upon written request by the operator, may grant an extension thereof for good cause shown.

Approved at Santa Fe, New Mexico, on June 28, 2006.


MARK E. FESMIRE, P.E.
Director

MEF/wvjj

cc: Oil Conservation Division – Hobbs

DATE IN 3/15/06	SUSPENSE 6/15/06	ENGINEER WILL JONES	LOGGED IN 3/15/06	TYPE SWD	APP NO. 1035
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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.

Eddie W Seay Eddie W Seay Agent 3/3/06
 Print or Type Name Signature Title Date
 Seay 04 @ lease.net
 e-mail Address

2006 MAR 15 PM 12 30

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: Secondary Recovery Pressure Maintenance ☒ Disposal Storage
Application qualifies for administrative approval? ☒ Yes No
- II. OPERATOR: Monument Disposal Inc.
ADDRESS: 1314 Brittany, Hobbs, NM 88240
CONTACT PARTY: Darrell Bearden PHONE (505) 390-9576
- III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? Yes ☒ No
If yes, give the Division order number authorizing the project: _____
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
 2. Whether the system is open or closed;
 3. Proposed average and maximum injection pressure;
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
 5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- *VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- *X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
- *XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: Eddie W. Seay

TITLE: Agent

SIGNATURE: Eddie W. Seay

DATE: 02/28/06

- * 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

Injection Permit Checklist

SWD Order Number 1035 Dates: Division Approved _____ District Approved _____

Well Name/Num: MONUMENT #1 Date Spudded: 7/1982

API Num: (30-) 025-37918 County: LEA

Footages 2582 FNL / 809 FEL Sec 35 Tsp 19S Rge 36E

Operator Name: MONUMENT DISPOSAL INC Contact DARRELL BEARDEN ³⁹⁰⁻⁹⁵⁷⁶

Operator Address: 1314 BRITANY, HOBBS, NM 88240 ^{C/O Eddie Saly}

	Hole/Pipe Sizes	Depths	Cement	Top/Method
Surface	15" 13 3/8"	364'	350	CIRC
Intermediate	12 1/4" 9 5/8"	2809'	2200	CIRC
Production	8 3/4" 7"	4319'	850	CIRC
Last DV Tool				
Open Hole/Liner	5 1/2"	4319-4359'		CIRC
Plug Back Depth		5000'		

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

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

Intervals:	Depths	Formation	Producing (Yes/No)
Salt/Potash	1095-2450'	Salt	—
Capitan Reef			
In Reef, Cliff House, Etc:			
Formation Above	3628'	GBG	Yes
Top Inj Interval	4359'	SA (Lower)	No
Bottom Inj Interval	5000'	SA (Lower)	No
Formation Below	5000-5500'	GLR	

No Tin RBDMS

3/30/06

No Bond Yet
either

872 PSI Max. WHIP

Y Open Hole (Y/N)

N Deviated Hole (Y/N)

Water Analysis Included (Y/N): Fresh Water Y Injection Zone Y Disposal Waters OK

Affirmative Statement Included (Y/N): Y

Surface Owner Free Mineral Owner(s) Y

Checks (Y/N): Newspaper Notice Y Well Table Y Adequate Well Table Y

Adequate Certified Notice: Surface Owner _____ AOR Owners _____ CID/Potash/Others _____

AOR Num Active Wells 1 Repairs? NO Producing in Injection Interval NO

AOR Number of P&A Wells 0 Diagrams Included? — Repairs Required? —

No Bond Yet
either
larger WBD
- what was disposed
before

Data to Generate New AOR Table

Y New Table Generated? (Y/N)

	STR	E-W Footages	N-S Footages
Wellsite			
Northeast			
North			
Northwest			
West			
Southwest			
South			
Southeast			
East			

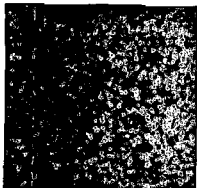
Conditions of Approval:

- _____
- _____
- _____

RBDMS Updated (Y/N) _____

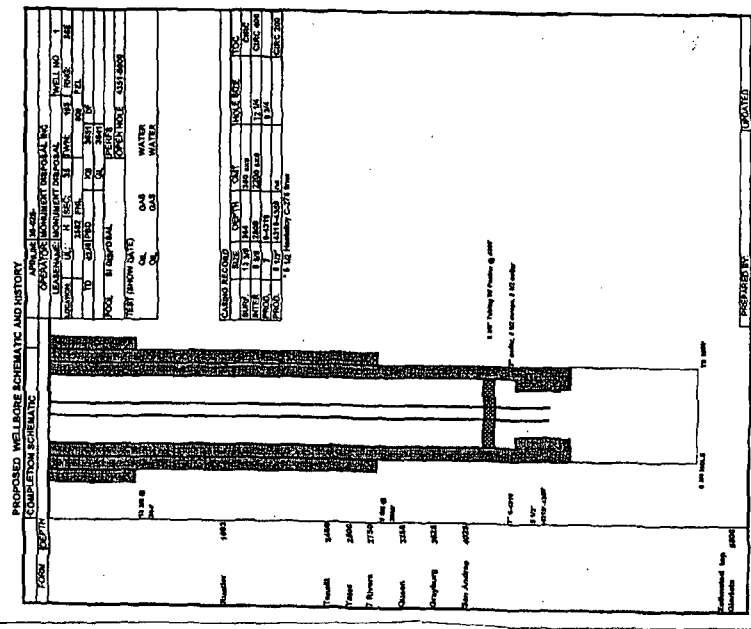
UIC Form Completed (Y/N) _____

This Form completed _____



OPERATOR Monument Disposal Inc LEASE Monument
 WELL NO. 1 2582/N 809/E Unit H SECTION 35 TOWNSHIP 19 RANGE 36
 FOOTAGE LOCATION

Schematic



Well Construction Data

Surface Casing
 Size 13 3/8 Cemented with 350 SX.
 TOC Surface feet determined by Circulation
 Hole Size 15"
 Intermediate Casing
 Size 9 5/8 Cemented with 2200 SX.
 TOC Surface feet determined by Circulation 400 SX
 Hole Size 12 1/4
 Long String
 Size 7 1/2 Cemented with 850 SX.
 TOC Surface feet determined by Circulation
 Hole Size 8 3/4 5 1/2 lines 4319-4359
 Total Depth 5080

Injection Interval

4359 feet to 5000 feet
 (perforated or open-hole) indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 2 3/8 Lining Material: Fiberglass
 Type of Packer: Lot Model 12
 Packer Setting Depth: 4260
 Other Type of Tubing/Casing Seal (if applicable): None

Additional Data

1. Is this a new well drilled for injection? ☒ Yes ☐ No.
 If no, for what purpose was the well originally drilled? Class I injection permitted by EID
2. Name of the Injection Formation: San Andres
3. Name of Field or Pool (if applicable): Monument
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.
NO

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:

The Grayburg at 3628' and
Glorieta at 5500'

PRESENT WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC		APINUM: 30-025-																																					
FORM	DEPTH	OPERATOR: MONUMENT DISPOSAL INC																																					
		LEASENAME: MONUMENT DISPOSAL																																					
		WELL NO 1																																					
		LOCATION: UL: H SEC: 35 TWN: 19S RNG: 36E																																					
		2582 FNL	809 FEL																																				
		TD 4240 PBD	KB 3651 DF																																				
		GL 3641																																					
POOL SI DISPOSAL		PERFS																																					
		OPEN HOLE 4351-5000																																					
TEST (SHOW DATE)																																							
OIL GAS WATER																																							
OIL GAS WATER																																							
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th colspan="6">CASING RECORD</th> </tr> <tr> <th></th> <th>SIZE</th> <th>DEPTH</th> <th>CMT</th> <th>HOLE SIZE</th> <th>TOC</th> </tr> </thead> <tbody> <tr> <td>SURF.</td> <td>13 3/8</td> <td>364</td> <td>350 sxs</td> <td></td> <td>CIRC</td> </tr> <tr> <td>INTER</td> <td>9 5/8</td> <td>2809</td> <td>2200 sxs</td> <td>12 1/4</td> <td>CIRC 400</td> </tr> <tr> <td>PROD.</td> <td>7</td> <td>0-4319</td> <td></td> <td>8 3/4</td> <td></td> </tr> <tr> <td>PROD.</td> <td>5 1/2*</td> <td>4319-4359</td> <td>na</td> <td></td> <td>CIRC 200</td> </tr> </tbody> </table> <p style="text-align: center;">* 5 1/2 Hastelloy C-276 liner</p>				CASING RECORD							SIZE	DEPTH	CMT	HOLE SIZE	TOC	SURF.	13 3/8	364	350 sxs		CIRC	INTER	9 5/8	2809	2200 sxs	12 1/4	CIRC 400	PROD.	7	0-4319		8 3/4		PROD.	5 1/2*	4319-4359	na		CIRC 200
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PROD.	5 1/2*	4319-4359	na		CIRC 200																																		
Rustler	1093																																						
Tansill	2450																																						
Yates	2500																																						
7 Rivers	2750																																						
Queen	3258																																						
Grayburg	3628																																						
San Andres	4028																																						
		7" 0-4319	7" collar, 5 1/2 swage, 5 1/2 collar																																				
		5 1/2"																																					
		4319'-4359'																																					
		8 3/4 HOLE	TD 5000'																																				
Estimated top Glorieta	5500																																						
		PREPARED BY:	UPDATED																																				

COMPLETION SCHEMATIC

APINUM: 30-025-	
OPERATOR: MONUMENT DISPOSAL INC	
LEASENAME: MONUMENT DISPOSAL	WELL NO 1
LOCATION: UL: H SEC: 35 TWN: 19S RNG: 36E	
2582 FNL	809 FEL
TD 4240 PBD	KB 3651 DF
GL 3641	
POOL SI DISPOSAL	PERFS
	OPEN HOLE 4351-5000
TEST (SHOW DATE)	
OIL	GAS WATER
OIL	GAS WATER

CASING RECORD					
	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	13 3/8	364	350 sxs		CIRC
INTER	9 5/8	2809	2200 sxs	12 1/4	CIRC 400
PROD.	7	0-4319		8 3/4	
PROD.	5 1/2"	4319-4359	na		CIRC 200

* 5 1/2 Hastelloy C-276 liner

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC		APINUM: 30-025-33877	
FORM	DEPTH	OPERATOR: AMERADA HESS CORP	
		LEASENAME: W B MAVEETY	
		WELL NO. 11	
		LOCATION: UL: B SEC: 35 TWN: 19S RNG: 36E	
		520 FNL 2310 FEL	
		TD 7610 PBD 7518 KB DF	
		GL 3647	
POOL Monument Abo		PERFS 7138-7207	
TEST (SHOW DATE)		7250-7372	
May-97 OIL 96 GAS 113 WATER 3		OIL GAS WATER	

CASING RECORD					
	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	8 5/8	1167	400 sxs	11	CIRC
PROD.	5 1/2	7610	1225 sxs	7 7/8	Est 980'

Oct-98 Sqzd 300 sxs casing leak @ 4088-4151'
Press. Tested csg to 500 psi for 30 min. Held OK.

Oct-98 Added perfs 7138-7207

PREPARED BY: _____

UPDATED _____

Attachment to Application C-108

Monument #1
Unit H, Section 35, Tws. 19 S., Rng. 36 E.
Lea Co., NM

III. Well Data

- A. 1) See injection well data sheet.
- 2) See injection well data sheet.
- 3) 2 3/8" plastic coated tubing.
- 4) LotModel 12 Packer.

- B. 1) Injection formation - Lower San Andres.
- 2) Injection interval - 4351' to 5000'.
- 3) Well was drilled and permitted as a class I injection for the NM Environmental Dept.
- 4) Next higher producing zone is the Grayburg at 3628'.
Next lower producing zone is the Glorieta at 5500'.

IV. No.

V. Attached.

VI. Attached - list of wells and data.

VII. Proposed Operations.

- 1) 3000 to 5000 bls. per day of produced water.
- 2) Open system for commercial use.
- 3) Average pressure is 800#, or whatever limit OCD allows.
- 4) Attached.
- 5) Waters from within the area San Andres, Glorieta, Tubb, Queen, Blinberry and others.
(See attached analysis.)

VIII. The proposed disposal formation is interbedded shale and limestone. The primary geologic name is the Lower San Andres, which occurs from 4319' to 5000'. The fresh water formation in the area is the Ogallala and Alluvium which ranges in thickness from 20' to 60'. An analysis from the only producing water wells is attached.

IX. Acid as needed.

X. Previously submitted to the ED.

XI. Attached.

XII. I, Eddie W. Seay, have examined all available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zones and any underground source of drinking water pertaining to this well.

XIII. Attached.

March 13, 2006

2006 MAR 15 PM 12 30

NMOCD Engineering
ATTN: Will Jones
Box 6429
1220 S. Saint Francis Drive
Santa Fe, NM 87504

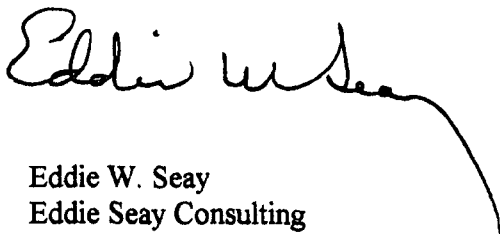
RE: Monument #1
C-108 Application for Disposal

Mr. Jones:

When you receive this application, you will not find a file on it. I have given all information to Hobbs District, call Paul Kautz. This well was originally permitted as a class I well with the Environmental Department.

If you have any questions, please call.

Thanks,



Eddie W. Seay
Eddie Seay Consulting
601 W. Illinois
Hobbs, NM 88242
(505)392-2236
seay04@leaco.net

XI



CARDINAL LABORATORIES

PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
EDDIE SEAY CONSULTING
ATTN: EDDIE SEAY
601 W. ILLINOIS
HOBBS, NM 88242
FAX TO: (505) 392-6949

Receiving Date: 04/12/05
Reporting Date: 04/13/05
Project Owner: BEARDEN
Project Name: MONUMENT SWD
Project Location: MONUMENT, NM

Sampling Date: 04/11/05
Sample Type: GROUNDWATER
Sample Condition: COOL & INTACT
Sample Received By: BC
Analyzed By: AH

LAB NUMBER	SAMPLE ID	Na (mg/L)	Ca (mg/L)	Mg (mg/L)	K (mg/L)	Conductivity (uS/cm)	T-Alkalinity (mgCaCO ₃ /L)
------------	-----------	--------------	--------------	--------------	-------------	-------------------------	--

ANALYSIS DATE:		04/12/05	04/12/05	04/12/05	04/12/05	04/12/05	04/12/05
H9698-1	COOPER #1	54	43	21	6.35	562	228
H9698-2	SECTION 30 #2	94	85	27	3.56	1014	288
Quality Control		NR	58	54	4.90	1322	NR
True Value QC		NR	50	50	5.00	1413	NR
% Recovery		NR	116	108	98.0	93.6	NR
Relative Percent Difference		NR	3.1	3.8	0.8	0.7	NR
METHODS:		SM3500-Ca-D	3500-Mg E	8049	120.1	310.1	

		Cl ⁻ (mg/L)	SO ₄ (mg/L)	CO ₃ (mg/L)	HCO ₃ (mg/L)	pH (s.u.)	TDS (mg/L)
ANALYSIS DATE:		04/12/05	04/12/05	04/12/05	04/12/05	04/12/05	04/13/05
H9698-1	COOPER #1	44	29	0	278	6.84	477
H9698-2	SECTION 30 #2	92	110	0	351	6.74	773
Quality Control		998	50.33	NR	961	7.11	NR
True Value QC		1000	50.00	NR	1000	7.00	NR
% Recovery		99.8	101	NR	96.1	102	NR
Relative Percent Difference		0.2	0.2	NR	1.6	0.1	1.4
METHODS:		SM4500-Cl-B	375.4	310.1	310.1	150.1	160.1

Amy Hill
Chemist

4/13/05
Date

PLEASE NOTE: **Liability and Damages.** Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. ~~H9698~~ shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.

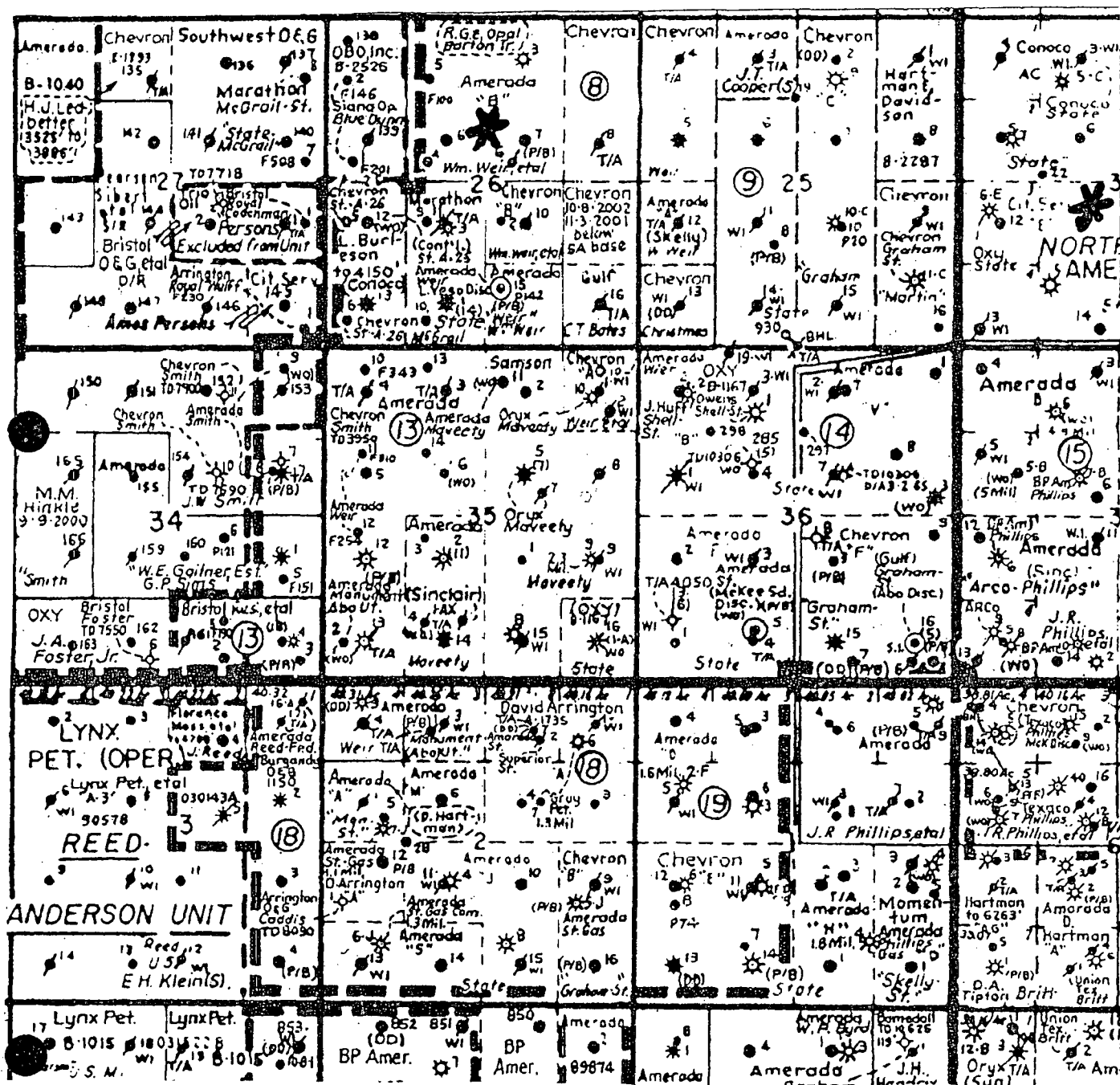
CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page 1 of 1

ARDINAL LABORATORIES, INC.

2111 Beechwood, Abilene, TX 79603 101 East Marland, Hobbs, NM 88240
(915) 673-7001 Fax (915) 673-7020 (505) 393-2326 Fax (505) 393-2476

Company Name: <u>Eddie's Sea Consulting</u>		BILL TO PO #:		ANALYSIS REQUEST																			
Project Manager: <u>Eddie's Sea Consulting</u>		Company:																					
Address: <u>601 W. Illinois</u>		Attn:																					
City: <u>Hobbs</u>		Address:																					
Phone #: <u>2-2236</u>		City:																					
Fax #: <u>2-6949</u>		State:																					
Project #: <u>Monument SWD</u>		Project Owner:																					
Project Name: <u>Monument SWD</u>		Phone #:																					
Project Location: <u>Monument</u>		Fax #:																					
FOR LAB USE ONLY		MATRIX		PRES.		SAMPLING																	
LAB I.D.		Sample I.D.		CONTAINERS		GROUNDWATER		WASTEWATER		SLUDGE		OTHER:		ACID:		ICE / COOL		OTHER:		DATE		TIME	
H9698-1		Cooper # 1		1		1		1		1		1		1		1		1		4/11		4:20	
-2		Section 30 + 2		1		1		1		1		1		1		1		1		4/11		4:40	



WATER ANALYSIS BY
NEW MEXICO OIL CONSERVATION COMMISSION
HOBBS, NEW MEXICO

PRODUCED WATER ANALYSIS

<u>POOL</u>	<u>LOCATION</u>	<u>CHLORIDES</u>
Jalmat Yates Seven Rivers	✓ 11-23-35	23,572
Langlie Mattix Seven Rivers Queen	✓ 32-24-37	44,740 (Reef)
Langlie Mattix Seven Rivers Queen	✓ 34-23-37	41,890
Langlie Mattix Seven Rivers Queen	✓ 27-23-37	5,745 (Reef)
Eunice Grayburg San Andres	✓ 33-21-37	137,385
Arrowhead Grayburg	✓ 13-22-36	2,059
Blinebry	✓ 26-21-37	99,755
Terry Blinebry	✓ 23-21-37	109,340
Drinkard	— 33-21-37	2,556 ?
Penrose Skelly	✓ 29-21-37	6,248
Paddock Glorieta	✓ 22-22-37	64,255
Paddock Glorieta	✓ 28-21-37	62,222
McCormack Silurian	✓ 33-21-37	28,684
Brunson Ellenburger	✓ 28-21-37	105,000
Hare McKee	— 18-21-37	69,580
Justis Paddock	✓ 14-25-37	54,315
Justis Tubb Drinkard	✓ 24-25-37	63,900
Justis Montoya	✓ 25-25-37	69,935
Justis Fusselman	✓ 25-25-37	✓ 44,304
Justis Ellenburger	✓ 13-25-37	66,030
North Justis Blinebry	✓ 2-25-37	173,240

POOL: Monument - Tybb

五、

[illegible]

Pool Chloride Average (All Pool Formations).	Form.	Tubbs	61,900
Pool Formation Average - PPM Cl.	Form.		
Pool Formation Average - PPM Cl.	Form.		
Pool Formation Average - PPM Cl.	Form.		

WF = Water Flood Water

PW = Produced Water (Primary)

R = Reef water.

VIII

5/13/2005 GEM
GEM01

LEA COUNTY ASSESSOR
INDIVIDUAL PROPERTY LIST

Page 1
Assessment Year 2005

Owner # 0004421	Dist 160	VALUATION		RECAP
Non-Rend% 0		0	Central	2298222 Full Value
DLD CORPORATION		26340	Land	
E. LARRY %		189	Improvements	766074 Taxable Value
27 POINT CLEAR DR		2271693	Personal Prop	0 Exemptions
		0	Mfg Home	
FORT MILL	SC 29715	0	Livestock	766074 Net Taxable

Property Description	Code	Value	Description	Quantity	Rate	Taxable
----------------------	------	-------	-------------	----------	------	---------

4 000 442 100 001	150		MISCELLANOUS LAND	606.91		8780
BOOK 758 PG 458	240		FENCES			63
SECTION-35 TOWNSHIP-19S RANGE-36E	350		PERSONAL/OTHER			89937
542.70 AC M/L W2, W2E2, SE4NE4,	360		IND-PLANT			667294
NE4SE4 -LESS TRS A & B						

TR A-BEG NW COR SEC 35, TH S89D
55'E 30', S 851.6', S86D35'E
589.4', S0D48' W 901.5', S81D1'W
522.4', N2D37'E 982.9', N86D35'W
134.9', N 879.8' TO BEG 11.623 AC
TR B-BEG S0D16'W 719.8' FROM E4
COR SEC 35, TH S0D16'W 30.1',
N84D43'W 1048.6', N4D46'W 589',
S87D2'E 288.3', S8D37'W 107.6',
N74D21'E 360.6', S19D8'E 640.3',
S84D43'E 265.5' TO BEG 9.49 AC M/L
10/96-CLIMAX CHEMICAL CO PRT40439

4 000 442 100 003
FILE 759 PG 458 000100364 11/06/96
SECTION-30 TOWNSHIP-19S RANGE-37E
23.90 AC LOC SE4
TR BEG S0D3'E 1318.68' & S89D40'
W 208.7' FROM E4 COR OF SEC 30,
TH N89D40'W 1111.30', S0D3'E
819.83', S70D56'30"E 823.37',
S62D23'54"E 93.69', S0D3'E 192',
43'E 110.3', N0D3'W 785.5',
40'E 140', N0D3'W 525 TO BEG
LESS TR S0D3'E 2143.68' &
N89D40' 408.7' FROM NE COR SE4 SEC
30, TH S0D3'E 75', N89D40'W 140',
N03'W 75', S89D40'E 140 TO BEG
10/96-CLIMAX CHEMICAL CO PRT 40439

4 000 442 100 002
BOOK 758 PG 458
SECTION-02 TOWNSHIP-20S RANGE-36E
40.31 AC NW4NW4 AKA LOT 4
10/96-CLIMAX CHEMICAL CO PRT 40439

N/R-Values Full	2298222
N/R-Values Taxable	766074
15712.94 N/R-Values Net	766074

VIII

Lease Owners and Offsets

LANDOWNER

DLD Corporation
3027 Point Clear Dr.
Fort Mill, SC 29715



OFFSET OPERATORS

Amerada Hess Corporation
Box 2040
Houston, TX 77252

VIII

MONUMENT DISPOSAL INC.
1314 Brittany
Hobbs, NM 88240

February 28, 2006

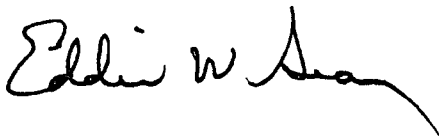
RE: Monument #1
Unit H, Sect. 35, T. 19 S., R. 36 E.

Dear Sirs:

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

Any questions about the permit can be directed to Eddie W. Seay, (505)392-2236. Any objections or request for hearing must be filed with the Oil Conservation Division within fifteen (15) days from the date received. The OCD address is P. O. Box 6429, 1220 S. Saint Francis Drive, Santa Fe, NM 87504, (505)476-3440.

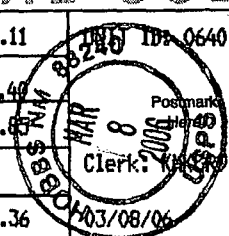
Thank you,



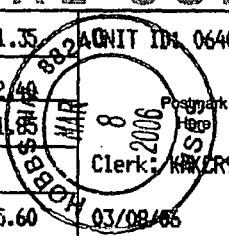
Eddie W. Seay, Agent
601 W. Illinois
Hobbs, NM 88242
(505)392-2236

VIII

7004 0750 0003 4816 3729

U.S. Postal Service TM	
CERTIFIED MAIL RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
HOUSTON, TX 77252	
Postage	\$ 1.11
Certified Fee	2.40
Return Receipt Fee (Endorsement Required)	1.85
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 5.36
	
Sent To: Amerada Hess Corporation	
Street, Apt. No., or PO Box No.: Box 2040	
City, State, ZIP+4: Houston, TX 77252	
PS Form 3800, June 2002 See Reverse for Instructions	

7004 0750 0003 4816 3736

U.S. Postal Service TM	
CERTIFIED MAIL RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
FORT MILL, SC 29715	
Postage	\$ 1.35
Certified Fee	2.40
Return Receipt Fee (Endorsement Required)	1.85
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 5.60
	
Sent To: DLD Corporation	
Street, Apt. No., or PO Box No.: 2027 Point Clear Dr.	
City, State, ZIP+4: Fort Mill, SC 29715	
PS Form 3800, June 2002 See Reverse for Instructions	

VIII

LEGAL NOTICE

Pursuant to the rules and regulations of the Oil Conservation Division of the State of New Mexico, Monument Disposal Inc., 1314 Brittany, Hobbs, NM 88240, is filing a C-108, Application for a Commercial Salt Water Disposal. The well being applied for is the Monument #1, located in Unit H, Section 35, Township 19 S., Range 36 E., Lea Co., NM. The injection formation is San Andres located from 4351' to 5000' below surface. Expected maximum injection rate is 3000 bpd. and the expected maximum injection pressure is 800 lbs. or what the OCD allows. Any questions about the application can be directed to Eddie W. Seay, (505)392-2236, or any objections or request for hearing must be directed to the Oil Conservation Division, (505)476-3440, Box 6429, 1220 South Saint Francis Drive, Santa Fe, NM 87504, within fifteen (15) days.

Affidavit of Publication

VIII

STATE OF NEW MEXICO)
) ss.
COUNTY OF LEA)

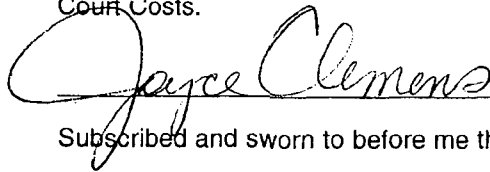
Joyce Clemens being first duly sworn on oath deposes and says that she is Advertising Director of **THE LOVINGTON DAILY LEADER**, a daily newspaper of general paid circulation published in the English language at Lovington, Lea County, New Mexico; that said newspaper has been so published in such county continuously and uninterruptedly for a period in excess of Twenty-six (26) consecutive weeks next prior to the first publication of the notice hereto attached as hereinafter shown; and that said newspaper is in all things duly qualified to publish legal notices within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico.

That the notice which is hereto attached, entitled

Legal Notice

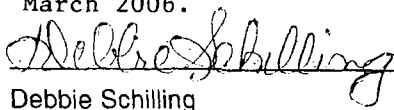
was published in a regular and entire issue of **THE LOVINGTON DAILY LEADER** and not in any supplement thereof, for one (1) day, beginning with the issue of March 9, 2006 and ending with the issue of March 9, 2006.

And that the cost of publishing said notice is the sum of \$ 22.69 which sum has been (Paid) as Court Costs.



Joyce Clemens

Subscribed and sworn to before me this 9th day of
March 2006.



Debbie Schilling

Notary Public, Lea County, New Mexico

My Commission Expires June 22, 2006

LEGAL NOTICE

Pursuant to the rules and regulations of the Oil Conservation Division of the State of New Mexico, Monument Disposal Inc., 1314 Brittany, Hobbs, NM 88240, is filing a C-108, Application for a Commercial Salt Water Disposal. The well being applied for is the Monument #1, located in Unit H, Section 35, Township 19 S., Range 36 E., Lea Co., NM. The injection formation is San Andres located from 4351' to 5000' below surface. Expected maximum injection rate is 3000 bpd. and the expected maximum injection pressure is 800 lbs. or what the OCD allows. Any questions about the application can be directed to Eddie W. Seay, (505) 392-2236, or any objections or request for hearing must be directed to the Oil Conservation Division, (505) 476-3440, Box 6429, 1220 South Saint Francis Drive, Santa Fe, NM 87504, within fifteen (15) days. Published in the Lovington Leader March 9, 2006.

C) Wells which penetrate the proposed disposal interval and are within 1/2 mile radius of the proposed disposal well.

DISPOSAL WELL

30-025- MOMUMENT DISPOSAL INC 1 H 35 19 S 36 E 2582 N 809 E MOMUMENT DISPOSAL

5280 5280

API #	OPERATOR	PROPERTY NAME	#	status	U/L	SEC	TWN	RNG	N/S	E/W	TD	Distance
30-025-33877	AMERADA HESS CORP	W B MAVEETY	011	A	B	35	19 S	36 E	520 N	2310 E	7610	2550

*This is the
only AOR
well*

Wells within 1/2 mile which penetrate disposal zone.

B) Wells which do not penetrate the proposed disposal interval and are within 1/2 mile radius of the proposed disposal well.

DISPOSAL WELL

30-025- MOMUMENT DISPOSAL INC 1 H 35 19 S 36 E 2582 N 809 E MOMUMENT DISPOSAL

5280

API #	OPERATOR	PROPERTY NAME	#	status	U/L	SEC	TWN	RNG	N/S	E/W	TD	Distance
30-025-12463	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	002	A	B	35	19	S 36 E	660 N	1980 E	3982	2250
30-025-04125	BP AMERICA PRODUCTION COMPANY	SELBY MAVEETY	002	A	K	35	19	S 36 E	1980 S	1980 W	3890	2592
30-025-04126	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	015	A	O	35	19	S 36 E	660 S	1980 E	3956	2350
30-025-26152	GRUY PETROLEUM MANAGEMENT CO.	MAVEETY STATE GAS COM	008	A	O	35	19	S 36 E	810 S	2030 E	3800	2248
30-025-32299	GRUY PETROLEUM MANAGEMENT CO.	MAVEETY STATE GAS COM	009	A	I	35	19	S 36 E	1980 S	810 E	3700	718
30-025-12464	CHESAPEAKE OPERATING, INC.	W B MAVEETY	005	A	G	35	19	S 36 E	1989 N	1991 E	3940	1322
30-025-04119	AMERADA HESS CORP	W A WEIR GAS COM	004	A	F	35	19	S 36 E	1980 N	1980 W	3945	2562
30-025-04127	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	016	A	P	35	19	S 36 E	660 S	660 E	3929	2043
30-025-32778	CHESAPEAKE OPERATING, INC.	W B MAVEETY	010	A	A	35	19	S 36 E	750 N	760 E	3700	1832
30-025-12461	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	008	A	H	35	19	S 36 E	1980 N	660 E	3996	620
30-025-04123	AMERADA HESS CORP	W A WEIR NCT A	001	P&A	A	35	19	S 36 E	660 N	660 E	3978	1927
30-025-27303	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	001	TA	A	35	19	S 36 E	990 N	480 E	3975	1625
30-025-12486	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	009	A	I	35	19	S 36 E	1980 S	660 E	3960	733
30-025-12462	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	010	A	J	35	19	S 36 E	1988 S	1991 E	3938	1378
30-025-21886	ORYX ENERGY CO	W B MAVEETY	007	P&A	G	35	19	S 36 E	2310 N	1650 E	4100	883
30-025-12483	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	005	A	E	36	19	S 36 E	1980 N	660 W	3935	1587
30-025-36674	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	334	A	E	36	19	S 36 E	2245 N	1250 W	3960	2086
30-025-13229	TARGA MIDSTREAM SERVICES LTD PTR	LPG STORAGE WELL	002	A	M	36	19	S 36 E	1020 S	1220 W	TD SALT	2632
30-025-24422	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	013	A	M	36	19	S 36 E	990 S	610 W	4050	2220
30-025-35197	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	298	A	D	36	19	S 36 E	1310 N	1250 W	4009	2420
30-025-31504	AMERADA HESS CORP	MONUMENT G/SA UT. BLK 14 N.	020	A	D	36	19	S 36 E	243 N	150 W	Aband Loc	NA
30-025-12469	AMERADA HESS CORP	STATE F GAS COM	001	A	M	36	19	S 36 E	660 S	660 W	3903	2512
30-025-12484	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	004	A	D	36	19	S 36 E	660 N	660 W	3953	2419
30-025-33838	JACK HUFF	SHELL B STATE	002	A	D	36	19	S 36 E	660 N	810 W	3800	2513
30-025-36913	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	337	A	L	36	19	S 36 E	2630 S	150 W	3944	961
30-025-12470	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	012	A	L	36	19	S 36 E	1980 S	660 W	3939	1635

Wells within 1/2 mile which do not penetrate disposal zone.

A) Wells within 1 mile of proposed disposal well.

DISPOSAL WELL

30-025- MOMUMENT DISPOSAL INC MOMUMENT DISPOSAL 1 H 35 19 S 36 E 2582 N 809 E

30-025-12476	XTO ENERGY, INC	GRAHAM STATE NCT F	003	J	36	19	S	36	E	1980	S	1980	E	4171
30-025-31593	JACK HUFF	SHELL B STATE	001	C	36	19	S	36	E	990	N	1980	W	3211
30-025-36913	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	337	L	36	19	S	36	E	2630	S	150	W	961
30-025-31587	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	019	C	36	19	S	36	E	81	N	1505	W	3407
30-025-12470	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	012	L	36	19	S	36	E	1980	S	660	W	1635
30-025-12480	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	006	F	36	19	S	36	E	1980	N	1980	W	2853
30-025-35127	CHEVRON U S A INC	NEW MEXICO E STATE NCT-1	008	L	1	20	S	36	E	1650	S	660	W	4479
30-025-04152	CHEVRON U S A INC	NEW MEXICO E STATE NCT-1	002	N	1	20	S	36	E	660	S	1980	W	4276
30-025-04145	AMERADA HESS CORP	STATE H	001	O	1	20	S	36	E	660	S	1980	E	5233
30-025-04153	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	012	L	1	20	S	36	E	1980	S	660	W	4792
30-025-33774	CHEVRON U S A INC	NEW MEXICO E STATE NCT-1	007	N	1	20	S	36	E	990	S	1855	W	4456
30-025-04151	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	013	M	1	20	S	36	E	660	S	660	W	3559
30-025-32899	CHEVRON U S A INC	NEW MEXICO E STATE NCT-1	006	L	1	20	S	36	E	1980	S	810	W	4840
30-025-04160	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	014	N	2	20	S	36	E	660	S	1980	W	4088
30-025-04156	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	015	O	2	20	S	36	E	660	S	1980	E	3446
30-025-04161	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	013	M	2	20	S	36	E	660	S	660	W	5003
30-025-32960	AMERADA HESS CORP	STATE J GAS COM	008	O	2	20	S	36	E	990	S	2193	E	3830
30-025-32341	AMERADA HESS CORP	STATE J GAS COM	005	I	2	20	S	36	E	1650	S	990	E	4235
30-025-04163	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	016	P	2	20	S	36	E	660	S	660	E	3245
30-025-04157	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	010	J	2	20	S	36	E	1980	S	1980	E	4709
30-025-25216	AMERADA HESS CORP	STATE J GAS COM	004	K	2	20	S	36	E	1980	S	2081	W	5150
30-025-32533	AMERADA HESS CORP	STATE J GAS COM	006	M	2	20	S	36	E	990	S	990	W	4987
30-025-04164	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	009	I	2	20	S	36	E	1980	S	660	E	4564
30-025-04169	GRUY PETROLEUM MANAGEMENT CO.	STATE A	006	A	2	20	S	36	E	990	S	990	W	4987
30-025-04158	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	011	K	2	20	S	36	E	1980	S	1980	W	5197

**** Wells within 1/2 mile of disposal well.

A) Wells within 1 mile of proposed disposal well.

DISPOSAL WELL

30-025- MOMUMENT DISPOSAL INC MOMUMENT DISPOSAL 1 H 35 19 S 36 E 2582 N 809 E

30-025-33944	AMERADA HESS CORP	SELBY MAVEETY	003	K	35	19	S	36	E	2310	S	1650	W	2847
30-025-04117	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	013	M	35	19	S	36	E	660	S	660	W	4321
30-025-04129	AMERADA HESS CORP	ARCO SELBY MAVEETY	001Y	N	35	19	S	36	E	950	S	2310	W	2779
30-025-04123	AMERADA HESS CORP	W A WEIR NCT A	001	A	35	19	S	36	E	660	N	660	E	1927
30-025-33551	AMERADA HESS CORP	W A WEIR	010	D	35	19	S	36	E	330	N	660	W	4426
30-025-33877	AMERADA HESS CORP	W B MAVEETY	011	B	35	19	S	36	E	520	N	2310	E	2550
30-025-27303	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	001	A	35	19	S	36	E	990	N	480	E	1625
30-025-12486	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	009	I	35	19	S	36	E	1980	S	660	E	733
30-025-12462	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	010	J	35	19	S	36	E	1988	S	1991	E	1378
30-025-21886	ORYX ENERGY CO	W B MAVEETY	007	G	35	19	S	36	E	2310	N	1650	E	883
30-025-04118	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	012	L	35	19	S	36	E	1980	S	660	W	3878
30-025-04128	SINCLAIR OIL & GAS CO	SELBY MAVEETY A	001	N	35	19	S	36	E	990	S	2310	W	2754
30-025-04121	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	003	C	35	19	S	36	E	660	N	1980	W	3146
30-025-05104	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	003	C	36	19	S	36	E	660	N	1980	W	3387
30-025-20517	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	286	G	36	19	S	36	E	1980	N	1830	E	4301
30-025-12483	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	005	E	36	19	S	36	E	1980	N	660	W	1587
30-025-12472	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	014	N	36	19	S	36	E	660	S	1980	W	3454
30-025-12477	XTO ENERGY, INC	GRAHAM STATE NCT F	004	O	36	19	S	36	E	660	S	1980	E	4586
30-025-12482	TARGA MIDSTREAM SERVICES LTD PTR	GRAHAM STATE NCT-F	007	O	36	19	S	36	E	330	S	1650	E	5031
30-025-12473	AMERADA HESS CORP	STATE F GAS COM	005	N	36	19	S	36	E	785	S	1980	W	3382
30-025-36674	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	334	E	36	19	S	36	E	2245	N	1250	W	2086
30-025-35177	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	297	B	36	19	S	36	E	1310	N	2525	E	3784
30-025-13229	TARGA MIDSTREAM SERVICES LTD PTR	LPG STORAGE WELL	002	M	36	19	S	36	E	1020	S	1220	W	2632
30-025-33568	AMERADA HESS CORP	STATE V	007	B	36	19	S	36	E	660	N	1880	E	4627
30-025-12468	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	007	G	36	19	S	36	E	1980	N	1980	E	4152
30-025-12481	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	285	F	36	19	S	36	E	1830	N	1980	W	2888
30-025-24422	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	013	M	36	19	S	36	E	990	S	610	W	2220
30-025-24094	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	008	H	36	19	S	36	E	1650	N	990	E	5183
30-025-35197	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	298	D	36	19	S	36	E	1310	N	1250	W	2420
30-025-31504	AMERADA HESS CORP	MONUMENT G/SA UT. BLK 14 N.	020	D	36	19	S	36	E	243	N	150	W	2527
30-025-12469	AMERADA HESS CORP	STATE F GAS COM	001	M	36	19	S	36	E	660	S	660	W	2512
30-025-12484	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	004	D	36	19	S	36	E	660	N	660	W	2419
30-025-33838	JACK HUFF	SHELL B STATE	002	D	36	19	S	36	E	660	N	810	W	2513
30-025-24166	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	010	J	36	19	S	36	E	2310	S	2265	E	3843
30-025-12466	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	002B	B	36	19	S	36	E	660	N	1980	E	4536
30-025-12471	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	011	K	36	19	S	36	E	1980	S	1980	W	2879

**** Wells within 1/2 mile of disposal well.

A) Wells within 1 mile of proposed disposal well.

DISPOSAL WELL

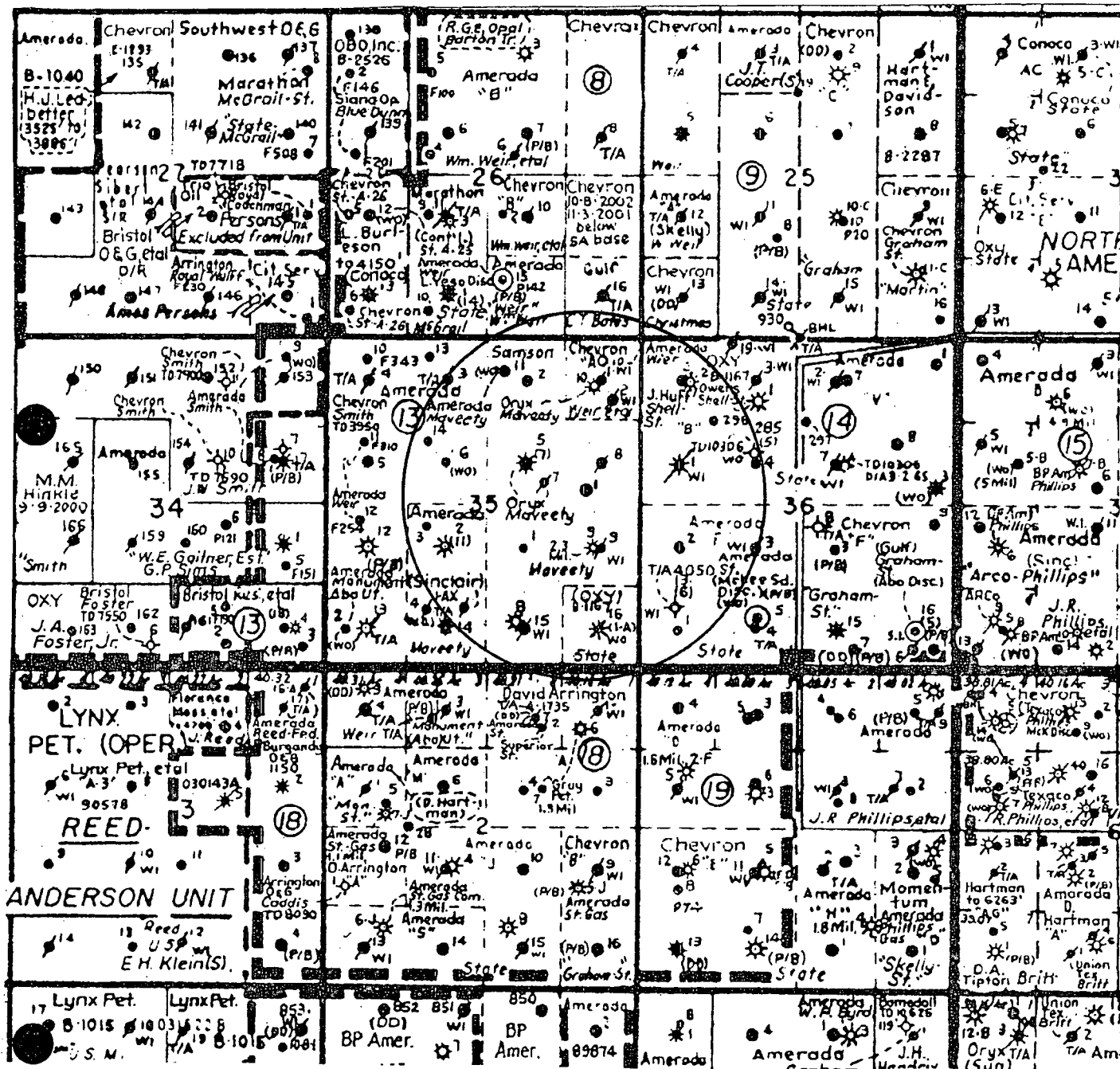
30-025- MOMUMENT DISPOSAL INC

MOMUMENT DISPOSAL

1 H 35 19 S 36 E 2582 N 809 E

API #	OPERATOR	PROPERTY NAME	#	U/I	SEC	TWN	RNG	N/S	E/W	Distance
30-025-04067	XTO ENERGY, INC	WILLIAM WEIR	001	E	25	19	S 36 E	1980 N	660 W	4903
30-025-04068	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	004	D	25	19	S 36 E	663 N	661 W	3668
30-025-31586	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	019	C	25	19	S 36 E	1295 N	2560 W	5224
30-025-04056	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	003	C	25	19	S 36 E	660 N	1980 W	4365
30-025-34024	AMERADA HESS CORP	W A WEIR B	006	G	26	19	S 36 E	2310 N	2175 E	5190
30-025-33758	AMERADA HESS CORP	W A WEIR B	005	C	26	19	S 36 E	990 N	1650 W	4643
30-025-04070	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	007	G	26	19	S 36 E	1980 N	1980 E	4822
30-025-04075	RHOMBUS OPERATING CO LTD	NORTHWEST EUMONT UNIT	138	D	26	19	S 36 E	330 N	330 W	5129
30-025-04080	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	008	H	26	19	S 36 E	1980 N	660 E	4680
30-025-26168	AMERADA HESS CORP	W A WEIR B	003	B	26	19	S 36 E	660 N	1980 E	3556
30-025-04104	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	017	H	34	19	S 36 E	1980 N	660 E	5166
30-025-31982	DAVID H ARRINGTON OIL & GAS INC	FOSTER	003	P	34	19	S 36 E	660 S	330 E	5215
30-025-30923	XTO ENERGY, INC	J W SMITH	007	H	34	19	S 36 E	1900 N	660 E	5176
30-025-33190	AMERADA HESS CORP	M E GAITHER	005	I	34	19	S 36 E	1650 S	660 E	5236
30-025-36183	CLIMAX CHEMICAL CO	SALINE WATER WELL	002	P	34	19	S 36 E	1020 S	330 E	5085
30-025-04101	AMERADA HESS CORP	M E GAITHER	001	I	34	19	S 36 E	1980 S	660 E	5180
30-025-12463	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	002	B	35	19	S 36 E	660 N	1980 E	2250
30-025-04125	BP AMERICA PRODUCTION COMPANY	SELBY MAVEETY	002	K	35	19	S 36 E	1980 S	1980 W	2592
30-025-04126	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	015	O	35	19	S 36 E	660 S	1980 E	2350
30-025-33567	AMERADA HESS CORP	W A WEIR	011	L	35	19	S 36 E	1680 N	580 W	3994
30-025-26152	GRUY PETROLEUM MANAGEMENT CO.	MAVEETY STATE GAS COM	008	O	35	19	S 36 E	810 S	2030 E	2248
30-025-33759	AMERADA HESS CORP	W A WEIR	014	F	35	19	S 36 E	1650 N	1650 W	2970
30-025-32299	GRUY PETROLEUM MANAGEMENT CO.	MAVEETY STATE GAS COM	009	I	35	19	S 36 E	1980 S	810 E	718
30-025-04120	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	005	E	35	19	S 36 E	1980 N	660 W	3858
30-025-12484	CHESAPEAKE OPERATING, INC.	W B MAVEETY	005	G	35	19	S 36 E	1989 N	1991 E	1322
30-025-04119	AMERADA HESS CORP	W A WEIR GAS COM	004	F	35	19	S 36 E	1980 N	1980 W	2562
30-025-04122	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	004	D	35	19	S 36 E	660 N	660 W	4268
30-025-04124	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	014	N	35	19	S 36 E	660 S	1980 W	3218
30-025-04127	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	016	P	35	19	S 36 E	660 S	660 E	2043
30-025-33045	AMERADA HESS CORP	MONUMENT ABO 35	002	M	35	19	S 36 E	660 S	330 W	4615
30-025-32778	CHESAPEAKE OPERATING, INC.	W B MAVEETY	010	A	35	19	S 36 E	750 N	760 E	1832
30-025-33696	AMERADA HESS CORP	W A WEIR	013	C	35	19	S 36 E	330 N	1650 W	3609
30-025-12461	AMERADA HESS CORP	NORTH MONUMENT G/SA UNIT	008	H	35	19	S 36 E	1980 N	660 E	620
30-025-33670	AMERADA HESS CORP	W A WEIR	012	L	35	19	S 36 E	2130 S	560 W	3952
30-025-34056	AMERADA HESS CORP	SELBY MAVEETY	004	N	35	19	S 36 E	975 S	1650 W	3305

**** Wells within 1/2 mile of disposal well.



Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Wednesday, June 07, 2006 4:23 PM
To: 'seay04@leaco.net'
Subject: FW: SWD Application: Monument #1 Lea County, New Mexico

From: Phillips, Dorothy, EMNRD
Sent: Wednesday, June 07, 2006 3:47 PM
To: Jones, William V., EMNRD
Subject: RE: SWD Application: Monument #1 Lea County, New Mexico

I now have an API Number for this well but I have not entered the bond because it was incorrect. I sent the cash bond for correction to a Mr. Ken Marsh. Upon receipt of the corrected bond, I will continue the processing and enter it into the system. The API Issued is 30-025-37918. The OGRID issued to Monument Disposal Inc. is OGRID 242044.

From: Jones, William V., EMNRD
Sent: Wednesday, June 07, 2006 2:38 PM
To: Jones, William V., EMNRD; seay04@leaco.net
Cc: Ezeanyim, Richard, EMNRD; Kautz, Paul, EMNRD; Price, Wayne, EMNRD; Phillips, Dorothy, EMNRD
Subject: RE: SWD Application: Monument #1 Lea County, New Mexico

Hello Eddie:
Thanks for the re-notices.
Let me know whenever a valid bond exists, an API number is assigned, and the elogs and well file are actually in our system.

The elogs should be in the system for Amerada to review and have time to decide on any protest before we issue this permit. If you talk to Amerada about this, let me know.

Thanks,

William V. Jones Engineering Bureau Oil Conservation Division Santa Fe

From: Jones, William V., EMNRD
Sent: Monday, March 20, 2006 11:32 AM
To: 'seay04@leaco.net'
Cc: Ezeanyim, Richard, EMNRD; Kautz, Paul, EMNRD; Price, Wayne, EMNRD
Subject: SWD Application: Monument #1 Lea County, New Mexico

Hello Mr. Seay:

The Division received your application to inject March 15, 2006 on behalf of Monument Disposal, Inc. As of March 20, the subject well is not in our database of wells and therefore an API number or well file or logs are not available to review. In addition, Monument Disposal, Inc. is registered with the NMPRC but does not have a bond or OGRD with the Division (See Rule 40).

Other items are:

6/7/2006

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Monday, March 20, 2006 11:32 AM
To: 'seay04@leaco.net'
Cc: Ezeanyim, Richard, EMNRD; Kautz, Paul, EMNRD; Price, Wayne, EMNRD
Subject: SWD Application: Monument #1 Lea County, New Mexico

Hello Mr. Seay:

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Other items are:

- 1) The notice to Amerada Hess Corp (OGRD 495) should be made to: PO Box 840, Seminole, TX 79360 (413)-758-6700
- 2) The address of the Division in Santa Fe does not have a PO Box and is simply: Oil Conservation Division, 1220 South St. Francis Dr, Santa Fe, NM, 87505
- 3) If this injection well was permitted by the NMED, please send details of what the permitted materials were and how much was disposed over which years. Did they have a pressure limit? A copy of the permit and copies of reports made to NMED would also help. What elogs exist on this well?

None, per Eddie Seay 5/16/06

Submitted to Hella

The following is required:

- 1) Please let us know when the bond is in place,
- 2) what is the API number,
- 3) details on the previous disposal permit from NMED and current status of this well
- 4) are the elogs available on the Division web site for Amerada and others to review?
- 5) Notice issues:
 Include with all notices some details about the history of this well including what was disposed into the well and over which years.
Redo the newspaper notice with the correct NMOCD address and this additional information
Redo notices to the landowner and to Amerada in Seminole with detailed cover letters containing the correct OCD address and information about this well's history.

Due to the expected time delay in receiving these items remaining and the violation of Rule 40, this permit application is being cancelled from our system. When all necessary information arrives, you should re-apply with the Division.

When the permit application is received and everything necessary in the application is complete, the 15 day suspense period will start (per Rule 701).

Regards,

William V. Jones

Engineering Bureau

Oil Conservation Division

Santa Fe

3/20/2006

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Tuesday, May 16, 2006 11:56 AM
To: Kautz, Paul, EMNRD; 'seay04@leaco.net'
Cc: Ezeanyim, Richard, EMNRD; Price, Wayne, EMNRD; Mull, Donna, EMNRD; Macquesten, Gail, EMNRD; Phillips, Dorothy, EMNRD
Subject: SWD Application: Monument #1 from Eddie Seay. Lea County, New Mexico

Hello Paul:

Eddie came by this morning and said he had talked to all of us about this old NMED wellbore. He also said that he had left drilling, completion, and log info with you in Hobbs for this wellfile after it is created. He said the company that drilled and completed the well for injection as a deep Class I well (regulated by NMED), had went bankrupt prior to ANY injection into this well. Apparently NMED had never officially granted a final permit to inject, but the well had been drilled - and never assigned an API number.

As you know, here is the Catch-22 (details here for Gail's benefit):

Since the company has no bond, I am prohibited from issuing an SWD permit - new Rule 40.

(Even with the bond, if the API number is not assigned, I don't like to grant permits, but sometimes I have to)

Dorothy can't give them a bond until the API number is assigned.

You (Hobbs) won't give them an API number until the SWD is permitted.

In order to solve this circle of bureaucracy: Eddie said that you stated to him that you may grant the API number (for this already drilled NMED wellbore) if I give you an assurance that the SWD permit will be issued. So here is my assurance to you:

Today, again, I have reviewed this application and it looks "permissible" - except I am requiring re-noticing to the newspaper, to Amerada, and to the landowner. Eddie could obtain a waiver from Amerada and the landowner to give us more assurance prior to issuing the API number if you want.

The notice to Amerada may spur them to examine whatever San Andres logs are available in order for them to be assured the San Andres is not productive. I believe this is the lower San Andres and therefore less likely to be productive. I will require a swab test or test information on the injection zone as part of the permit. Whenever you give this well an API number, create a file, and scan in the logs, then Amerada can review the logs - or Eddie could send Amerada a copy of the logs.

So the application looks fine and should be granted unless someone protests.

Thanks,

William V. Jones Engineering Bureau Oil Conservation Division Santa Fe

From: Jones, William V., EMNRD
Sent: Monday, March 20, 2006 11:32 AM
To: 'seay04@leaco.net'
Cc: Ezeanyim, Richard, EMNRD; Kautz, Paul, EMNRD; Price, Wayne, EMNRD
Subject: SWD Application: Monument #1 Lea County, New Mexico

Hello Mr. Seay:

The Division received your application to inject March 15, 2006 on behalf of Monument Disposal, Inc. As of March 20, the subject well is not in our database of wells and therefore an API number or well file or logs are not available to review. In addition, Monument Disposal, Inc. is registered with the NMPRC but does not have a bond or OGRD with the Division (See Rule 40).

5/16/2006

NMPRC Corporation Information Inquiry

Public Regulation Commission

3/20/2006

- [Follow this link to start a new search.](#)

MONUMENT DISPOSAL, INC.

SCC Number: 2581981
Tax & Revenue Number:
Incorporation Date: MAY 02, 2005, in NEW MEXICO
Corporation Type: IS A DOMESTIC PROFIT
Corporation Status: IS ACTIVE
Good Standing: In GOOD STANDING through 9/15/2007
Purpose: DISPOSAL OF WASTE

CORPORATION DATES

Taxable Year End Date: 06/30/07
Filing Date: 06/02/05
Expiration Date:

SUPPLEMENTAL POST MARK DATES

Supplemental:
Name Change:
Purpose Change:
Agent Resigned:

MAILING ADDRESS

1314 BRITTANY HOBBS, NEW MEXICO 88240

PRINCIPAL ADDRESS

CMD :
OG70GRD

ONGARD
MAINTAIN OGRID

03/20/06 10:42:32
OGODLP -TPON

OGRID:..... 495
OGRID Name:..... AMERADA HESS CORP
OMID:..... 450 AMERADA HESS CORPORATION
OGRID Sort Name:.. AMERADA HESS
DFA Vendor Code:..
Issuing User:.....
Issuing Agency:.. OCD
Addressee:..... JAY BAKER
Mail Stop:.....
Address(1):..... PO BOX 840
Address(2):.....
City:..... SEMINOLE
State:..... TX
Zip Code:..... 79360
City/State/Zip:..
Country:..... U.S.A.
Phone:..... (432)758-6700

Comment :

History :
Last Modified:.. 12-22-2005

Filing Medium..
Status:..... A ACTIVE
Effective:..... 07-26-1993
Bankruptcy:
Ever Filed?:.... N
Status date:....

Fax:..... (713)609-4271

E0005: Enter data to modify or PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05 Comment	PF06 CONFIRM
PF07	PF08 History	PF09	PF10 OMID	PF11 ROLE	PF12 ROLES

will

Here are the new notices for Monument
S&D, as you ask.

2006 JUN 5 PM 2 12

The Owner is working with Dorothy
on Bond.

let me know if you need anything
else.

Thanks

Eddie Wilson

P.S. - My Computer went out.

Received
6/5/06

Affidavit of Publication


STATE OF NEW MEXICO)
) ss.
COUNTY OF LEA)

Joyce Clemens being first duly sworn on oath deposes and says that she is Advertising Director of **THE LOVINGTON DAILY LEADER**, a daily newspaper of general paid circulation published in the English language at Lovington, Lea County, New Mexico; that said newspaper has been so published in such county continuously and uninterruptedly for a period in excess of Twenty-six (26) consecutive weeks next prior to the first publication of the notice hereto attached as hereinafter shown; and that said newspaper is in all things duly qualified to publish legal notices within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico.

That the notice which is hereto attached, entitled

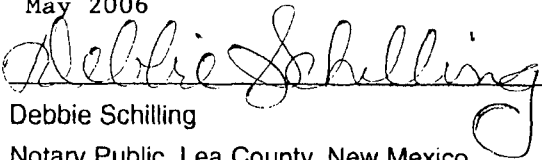
Legal Notice
was published in a regular and entire issue of **THE LOVINGTON DAILY LEADER** and not in any supplement thereof, for one (1) day, beginning with the issue of May 20, 2006 and ending with the issue of May 20, 2006.

And that the cost of publishing said notice is the sum of \$ 23.28 which sum has been (Paid) as Court Costs.



Joyce Clemens

Subscribed and sworn to before me this 31st day of May 2006



Debbie Schilling
Notary Public, Lea County, New Mexico
My Commission Expires June 22, 2006

LEGAL NOTICE

Pursuant to the rules and regulations of the Oil Conservation Division of the State of New Mexico, Monument Disposal Inc., 1314 Brittany, Hobbs, NM 88240, is filing a C-108, Application for a Commercial Salt Water Disposal. The well being applied for is the Monument #1, located in Unit H, Section 35, Township 19 S., Range 36 E., Lea Co., NM. The injection formation is San Andres located from 4351' to 5000' below surface. Expected maximum injection rate is 3000 bpd. and the expected maximum injection pressure is 800 lbs. or what the OCD allows. Any questions about the application can be directed to Eddie W. Seay, (505) 392-2236, or any objections or request for hearing must be directed to the Oil Conservation Division, (505) 476-3440, 1220 South Saint Francis Drive, Santa Fe, NM 87504, within fifteen (15) days.
Published in the Lovington Leader May 20, 2006.

7004 0750 0003 4816 3750

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CERTIFIED MAIL™ RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage \$	NM 0.35
Certified Fee \$	2.35
Return Receipt Fee (Endorsement Required)	1.00
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees \$	USPS 3.70
UNIT ID: 0640	
Postmark Here	
Clerk: B2Y6BC	
05/18/06	
Sent To DLD Corp.	
Street, Apt. No. or PO Box No. 2027 Point Clear Dr.	
City, State, ZIP+4® Fort Mill SC 29715 29708	
PS Form 3800, June 2002 See Reverse for Instructions	

7004 0750 0003 4816 3743

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(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
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Postage \$	NM 0.35
Certified Fee \$	2.40
Return Receipt Fee (Endorsement Required)	1.00
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees \$	USPS 3.75
UNIT ID: 0640	
Postmark Here	
Clerk: B2Y6BC	
05/18/06	
Sent To Amerada Hess Corp.	
Street, Apt. No. or PO Box No. P.O. Box 840	
City, State, ZIP+4® Seminole TX 79360	
PS Form 3800, June 2002 See Reverse for Instructions	

Will Jones,

2006 MAY 22 PM 2 01

Here is a copy of the ED report, I promise.
Concerning the Monument SWD we are
working on.

I have re-advertised and have sent
out notices to landowners & Amerasia as
directed, when I get certified notice back
I will send them to you. The ~~land~~ owner
is out of town, but will file bond next
week.

I appreciate your help.

Thanks

Eddie ~~Lee~~

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece or on the front if space permits.

1. Article Addressed to:

Jimmie T. and Betty Cooper Trust
Box 55
Monument, NM 88265

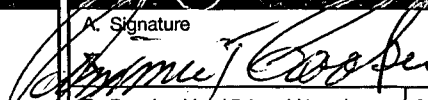
2. Article Number

(Transfer from)

7005 1820 0004 7482 8022

COMPLETE THIS SECTION ON DELIVERY

A. 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

3. Service Type

☒ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

NM State Land Office
310 Old Santa Fe Trail, Box 1148
Santa Fe, NM 87504-1148

2. Article Number
(Transfer from)

7005 1820 0004 7483 9066

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

☒ Certified Mail

☐ Express Mail

☐ Registered

☐ Return Receipt for Merchandise

☐ Insured Mail

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes