

DATE IN 8.18.10	SUSPENSE	ENGINEER WJ	LOGGED IN 8.18.10	TYPE SWD	APP NO. 1023046995
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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



Penroc Oil Corp.
17213

Gulf Beep 001

ADMINISTRATIVE APPLICATION CHECKLIST

30-005-01210

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.

Billy E. Prichard
Print or Type Name

Billy E. Prichard
Signature

Agent for Penroc Oil Corporation
Title

12/16/08
Date

billy@pwlcc.net
e-mail Address

RECEIVED OGD
2008 AUG 18 AM 11:54

OH 3817' - 4750'
763 psi
RUB 5.9-OK

Pueblo West
Oilfield Consulting Service
125 Greathouse Village
Decatur. TX 76234

August 16, 2010

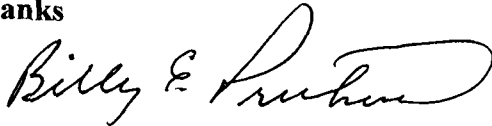
NMOCD
Engineering Bureau
1220 South St. Francis Drive
Santa Fe. NM 87505

RE: SWD – 1158

Will,

Per our phone conversation last week, please find enclosed a copy of the original C108 that was submitted for the SWD-1158. I am requesting an amended SWD order. Should you have questions or need further information, please call or email.

Thanks



Billy(Bill)E.Prichard
432-934-7680 cellular
940-627-5449 fax
Email; billy@pwllc.net

RECEIVED OGD
200 AUG 18 A 11:53

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: Secondary Recovery Pressure Maintenance X Disposal Storage
Application qualifies for administrative approval? X Yes No
- II. OPERATOR: **Penroc Oil Corporation** **Ogrid # 17213**
ADDRESS: PO Box 2769 Hobbs, New Mexico 88241-2769
CONTACT PARTY: Billy E. Prichard **PHONE: 432-934-7680**
- III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? Yes X No
If yes, give the Division order number authorizing the project: _____
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
 2. Whether the system is open or closed;
 3. Proposed average and maximum injection pressure;
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
 5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- *VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- *X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
- *XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: **Billy E. Prichard**

TITLE: **Agent for Penroc Oil Corporation**

SIGNATURE: 

DATE: 12/16/08

E-MAIL ADDRESS: **billy@pwillc.net**

- * 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:

**Penroc Oil Corporation
C108(Application for Authorization for Injection)
Gulf Deep # 001
API # 30-005-01210
660 FNL X 1980 FWL
Unit Letter "C", Section 34, T14S, R31E
Chaves County, New Mexico
I.**

**The purpose of this application is for the administrative approval of the use of the
Gulf Deep # 001 as a commercial San Andres Salt Water Disposal Well.**

**II.
Penroc Oil Corporation
Ogrid # 17213
PO Box 2769
Hobbs, New Mexico 88241
Billy E. Prichard
432-934-7680**

**III.
Well Data
Please see Exhibit "A"**

**IV.
This is not an expansion of an existing project**

**V.
Please see Exhibit "B"**

**VI.
13 wells were identified in the 0.5 mile area of review
No wells penetrate the proposed disposal interval in the 0.5 mile area of review
All of the 13 wells are plugged and abandoned
Please see Exhibit "C" for individual well total depth**

**VII.
Proposed average disposal volume is anticipated to be 3000 BWPD
with a maximum disposal volume of 6000 BWPD
Anticipated disposal pressure of 0psig
Maximum disposal pressure of 763 psig
This will be an open system
The disposed fluid will be fluid piped in and trucked in from numerous producing
formations in southeast New Mexico
Please see Exhibit D for produced water analysis**

**Penroc Oil Corporation
C108(Application for Authorization for Injection)
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Chaves County, New Mexico**

VIII.

**The San Andres is a carbonate reservoir of Permian Age.
Above the San Andres is the Queen formation.
Below the San Andres is the Glorieta formation.**

IX.

No stimulation is planned unless disposal rates and pressures dictate.

X.

Logs and completion data submitted by previous operators.

XI.

**No active and producing fresh water wells were found within the 1.0 mile AOR
Water samples were pulled and analyzed for a windmill well located in NW ¼,
Section 12, T15S, R31E Chaves county, New Mexico
Fresh water analysis of other wells in the area
Please see Exhibit "E".**

XII.

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

XIII.

**Proof of Notice and Proof of Publication
Please see Exhibit "F"**

**Penroc Oil Corporation
C108(Application for Authorization for Injection)
Gulf Deep # 001
API # 30-005-01210
660 FNL X 1980 FWL
Unit Letter "C", Section 34, T14S, R31E
Chaves County, New Mexico**

Well Data

Spud 11/7/1958 as deep morrow test

13 3/8" 35# & 48# H40 casing set in 17 1/2" hole at 428 feet. Cemented with 550 sacks Regular neat cement. Cement circulated to surface.

9 5/8" 36# S80 & J55 casing set 12 1/4" hole at 3817 feet. Cemented with 1800 sacks Class "C" cement with 4% Gel followed by 150 sacks Class "C" cement. Cement circulated to surface.

8 1/2" hole drilled to 13230 feet.

Plugged as follows

59 sack cement plug 13230-13030ft

44 sack cement plug 9800-9700ft

37 sack cement plug 8800-8700ft

118 sack cement plug 5200-4800ft

36 sack cement plug 3850-3750ft

15 sack cement plug 50ft to surface

Re-entered by CW Trainer March 2008

Drilled out surface plug and plug at 3750ft

PBTD 4750ft – San Andres non productive

Plugged and abandoned by CW Trainer July 2008

100feet of cement plug 3870-3763ft

100feet of cement plug at 2350ft

Squeezed at 457feet with 65 sack cement plug – tagged at 405ft

25 sack cement plug 60ft to surface

Exhibit A

Penroc Oil Corporation
 Gulf Deep # 1
 API # 30-005-01210
 660 FNL X 1980 FWL
 Unit Letter "C", Section 34, T14S, R31E
 Chaves County, New Mexico
 Current Well Diagram

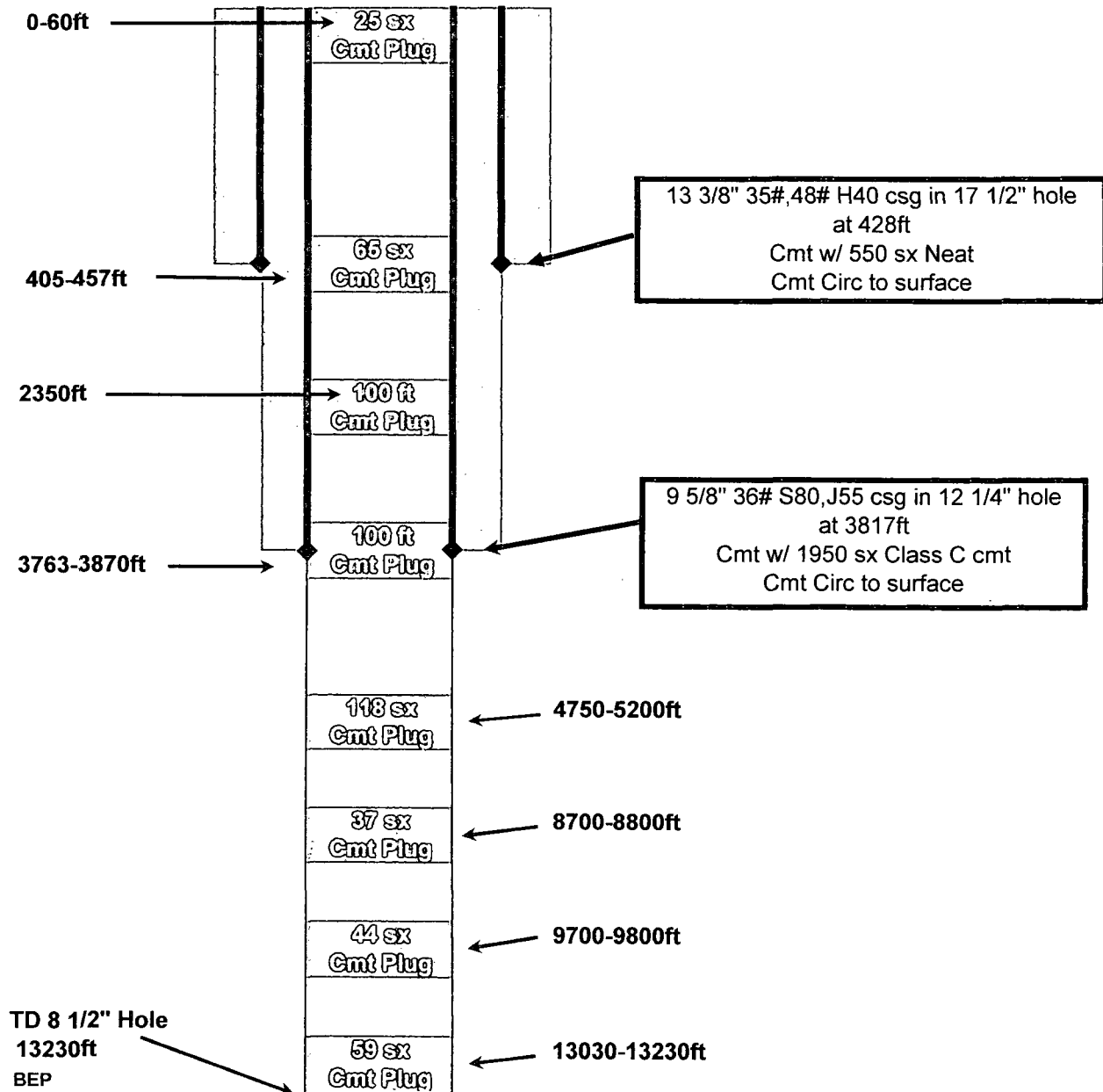


Exhibit A

Penroc Oil Corporation
Gulf Deep # 1
API # 30-005-01210
660 FNL X 1980 FWL
Unit Letter "C", Section 34, T14S, R31E
Chaves County, New Mexico
After Conversion to SWD

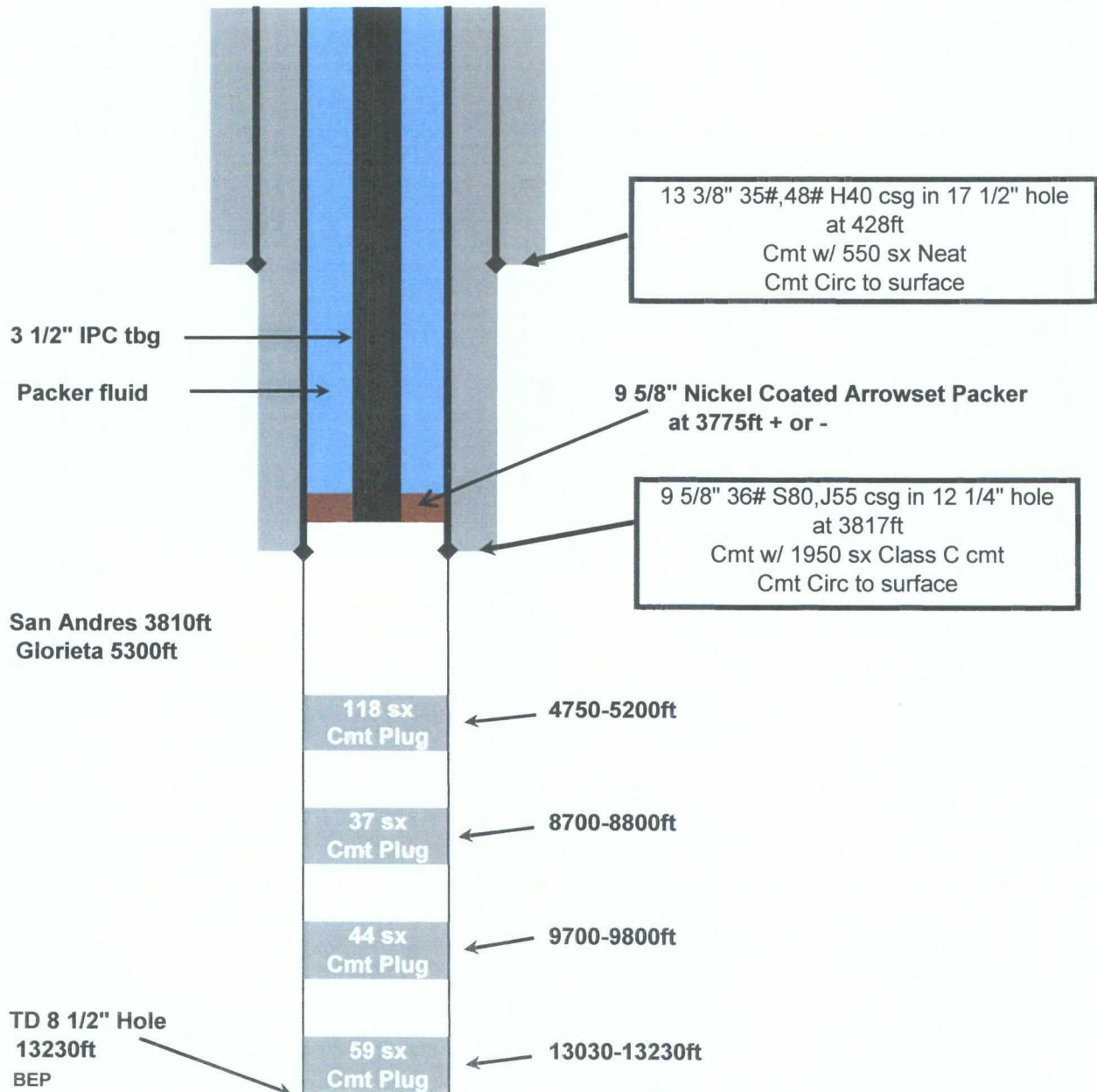
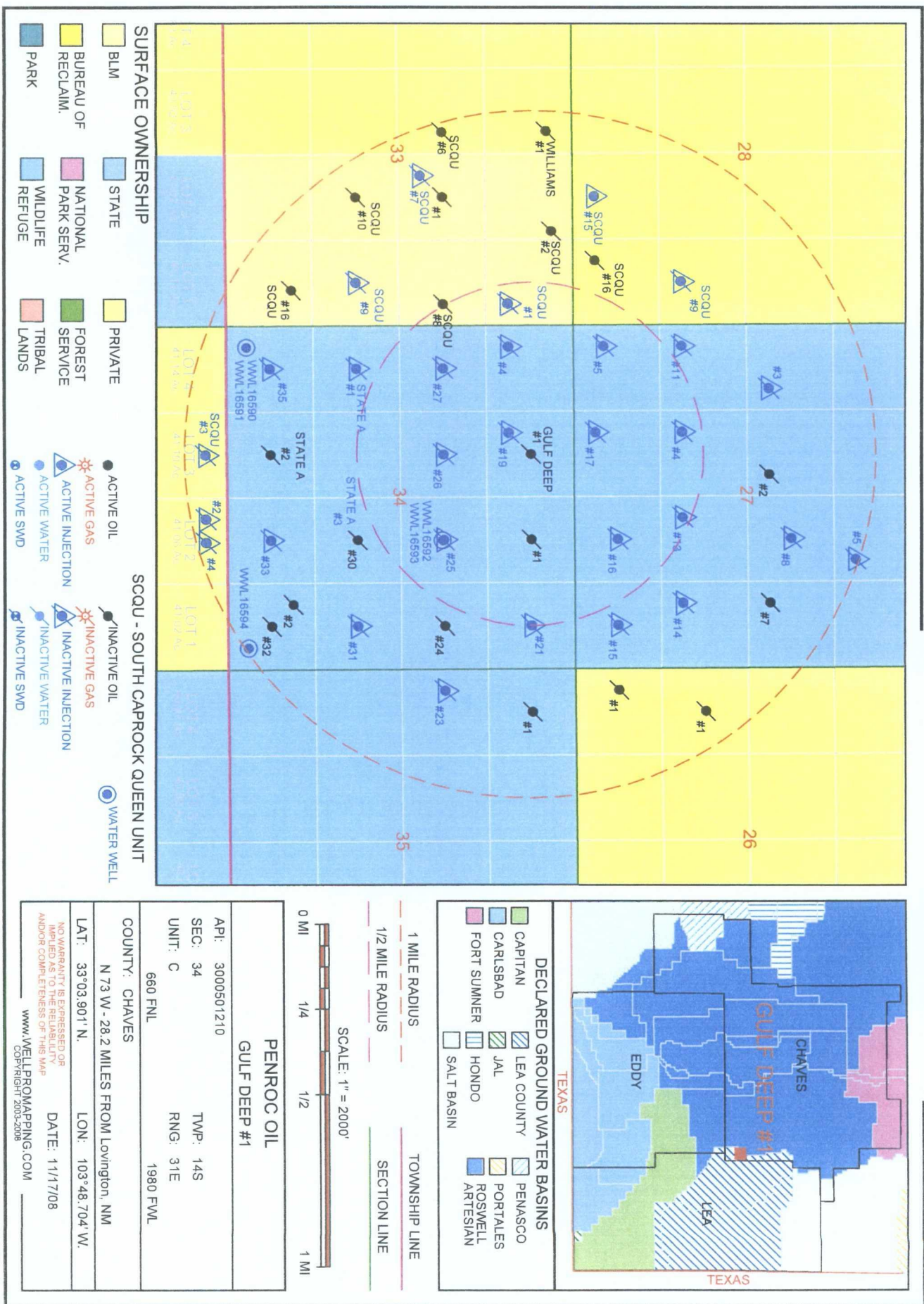


Exhibit A

Exhibit B



RAD	API	OPERATOR	LEASE	WELL	T	ST	TWN	RNG	SEC	UNT	TVD	COUNTY
	3000501210	C W TRAINER	GULF DEEP	1	O		14S	31E	34	C	0	CHAVES
467	3000501209	POWO	POW	19	I	PLU	14S	31E	34	C	3089	CHAVES
1043	3000501146	POWO	POW	17	I	PLU	14S	31E	27	N	3108	CHAVES
1319	3000501198	POWO	POW	1	O	PLU	14S	31E	34	B	3110	CHAVES
1320	3000501206	POWO	POW	26	I	PLU	14S	31E	34	F	3103	CHAVES
1683	3000501194	POWO	POW	4	I	PLU	14S	31E	34	D	3112	CHAVES
1864	3000501195	POWO	POW	25	I	PLU	14S	31E	34	G	3108	CHAVES
1868	3000501155	POWO	POW	16	I	PLU	14S	31E	27	O	3120	CHAVES
1869	3000501205	POWO	POW	27	I	PLU	14S	31E	34	E	3113	CHAVES
1992	3000501145	POWO	POW	5	I	PLU	14S	31E	27	M	3108	CHAVES
2333	3000501148	POWO	POW	4	I	PLU	14S	31E	27	K	3120	CHAVES
2334	3000501187	UNION O CO O SCQU	POW	1	I	PLU	14S	31E	33	A	3120	CHAVES
2515	3000501147	POWO	POW	13	I	PLU	14S	31E	27	J	3110	CHAVES
2639	3000501202	POWO	POW	21	I	PLU	14S	31E	34	A	3115	CHAVES
2664	3000501186	UNION O CO O SCQU	POW	8	O	PLU	14S	31E	33	H	3114	CHAVES
2836	3000501150	POWO	POW	11	I	PLU	14S	31E	27	L	3125	CHAVES
2948	3000501199	POWO	POW	24	O	PLU	14S	31E	34	H	3113	CHAVES
2951	3000501207	L.BURLESON STATE A	POW	3	S	PLU	14S	31E	34	K	3101	CHAVES
2951	3000501196	POWO	POW	30	O	PLU	14S	31E	34	J	3114	CHAVES
2953	3000501142	POWO	POW	15	I	PLU	14S	31E	27	P	3120	CHAVES
2958	3000501204	L.BURLESON STATE A	POW	1	I	PLU	14S	31E	34	L	3103	CHAVES
3128	3000501162	UNION O CO O SCQU	POW	16	O	PLU	14S	31E	28	P	3034	CHAVES
3270	3000521183	POWO	POW	14	I	PLU	14S	31E	27	P	3106	CHAVES
3445	3000501189	UNION O CO O SCQU	POW	2	O	PLU	14S	31E	33	B	3123	CHAVES
3504	3000501164	UNION O CO O SCQU	POW	9	I	PLU	14S	31E	28	I	3038	CHAVES
3648	3000501151	POWO	POW	2	O	PLU	14S	31E	27	F	3112	CHAVES
3730	3000501200	POWO	POW	31	I	PLU	14S	31E	34	I	3122	CHAVES
3742	3000501185	UNION O CO O SCQU	POW	9	I	PLU	14S	31E	33	I	3120	CHAVES
3765	3000501152	POWO	POW	3	I	PLU	14S	31E	27	E	3127	CHAVES
3858	3000500545	POWO	POW	23	I	PLU	14S	31E	35	E	3128	CHAVES
3864	3000510410	POWO	POW	1	O	PLU	14S	31E	26	M	3145	CHAVES
3959	3000500544	POWO	POW	1	O	PLU	14S	31E	35	D	3142	CHAVES
3964	3000501208	LEWIS B BURLI STATE A	POW	2	O	PLU	14S	31E	34	N	3114	CHAVES
4079	3000501161	KOB	SCQU	15	I	ACT	14S	31E	28	O	2991	CHAVES
4174	3000501197	POWO	POW	33	I	PLU	14S	31E	34	O	3122	CHAVES

PRE-ONGARD WELL OPER.
POWO

PRE-ONGARD WELL
POW



QA/QC Report Water Analysis

Client:	Penroc
Well:	
Field:	
Formation:	
BHST:	
MD:	(ft)
TVD:	(ft)
Perforation Start:	(ft)
Perforation End:	(ft)

Well Location:
State:
Country: United States

Service Order #:



Lab Request #:



Date Prepared:

12-12-2008

District:	HOBBS
Phone:	575 393 6186
Fax:	

Lab Technician:	A. Galindo	Well Site Technician:	
Phone:		Phone:	
Email Address:		Email Address:	

This information is presented
without liability for advice or recommendation
of product or service.

Exhibit D

Schlumberger assumes no
liability for the use of any

Client : Penroc
Well :
Report # :
Date : 12-12-2008

Summary

Section 1: District Lab Water Analysis

Water Analysis Results (1)															
Tank #	Tank ID	Sample #	Temp (degF)	pH ()	Sp Gravity ()	Iron (mg/l)	Chloride Percent As KCl (%)	Chloride (mg/l)	Carbo-nate (mg/l)	BiCarbo-nate (mg/l)	Hydro-xide (mg/l)	Magne-sium (mg/l)	Cal-cium (mg/l)	Hard-ness (mg/l)	Sul-phate (mg/L)
1	Production Water	1	65	6.65	1.15	0	14.14	67355	240	488	0	0	4010	18	200
2	Windmill Water	1	65	7.68	1.00	0	0.19	886	240	488	0	122	201	2	90

Exhibit D

Production water is from
Penroc Oil Corporation
API #: 3000521028 Well Name: L WRINKLE # 001
Location: D-13-15.0S-31E , 990 FNL, 660 FWL Lat:33.0206201945 Long:-103.781516655
Operator Name: PENROC OIL CORP [Operator and Lessee Info] County: Chaves
Land Type: Private Well Type: Oil Spud Date: Plug Date:
Elevation GL: Depth TVD: 11500
Tulk; Wolfcamp, Southwest

NM WAIDS



General Information About: Sample 2284

STATE JO 001

API	3002500354	Sample Number	
Unit/Section/ Township/Range	O / 33 / 15 S / 32 E	Field	
County	Lea	Formation	
State	NM	Depth	
Lat/Long	32.96851 / -103.71999	Sample Source	WELLHEAD
TDS (mg/L)	117536	Water Type	
Sample Date(MM/DD /YYYY)		Analysis Date(MM/DD /YYYY)	
Remarks/Description			
Cation Information (mg/L)		Anion Information (mg/L)	
Potassium (K)		Sulfate (SO)	1300
Sodium (Na)		Chloride (Cl)	71040
Calcium (Ca)		Carbonate (CO ₃)	
Magnesium (Mg)		Bicarbonate (HCO ₃)	606
Barium (Ba)		Hydroxide (OH)	
Manganese (Mn)		Hydrogen Sulfide (H ₂ S)	
Strontium (Sr)		Carbon Dioxide (CO ₂)	
Iron (Fe)		Oxygen (O)	



Exhibit D

NM WAIDS



General Information About: Sample 2354

LEA GE STATE 001

API	3002500351	Sample Number	
Unit/Section/ Township/Range	B / 32 / 15 S / 32 E	Field	
County	Lea	Formation	
State	NM	Depth	
Lat/Long	32.97835 / -103.73712	Sample Source	UNKNOWN
TDS (mg/L)	77222	Water Type	
Sample Date(MM/DD /YYYY)		Analysis Date(MM/DD /YYYY)	
Remarks/Description			
Cation Information (mg/L)		Anion Information (mg/L)	
Potassium (K)		Sulfate (SO)	1970
Sodium (Na)		Chloride (Cl)	44700
Calcium (Ca)		Carbonate (CO ₃)	
Magnesium (Mg)		Bicarbonate (HCO ₃)	870
Barium (Ba)		Hydroxide (OH)	
Manganese (Mn)		Hydrogen Sulfide (H ₂ S)	
Strontium (Sr)		Carbon Dioxide (CO ₂)	
Iron (Fe)		Oxygen (O)	



Exhibit D

NM WAIDS



General Information About: Sample 1243

TULK001

API	3000501050	Sample Number	
Unit/Section/ Township/Range	B / 13 / 14 S / 31 E	Field	
County	Chaves	Formation	
State	NM	Depth	
Lat/Long	33.10926 / -103.77335	Sample Source	heater treater
TDS (mg/L)	66509	Water Type	Produced Water
Sample Date(MM/DD /YYYY)	7/14/1983	Analysis Date(MM/DD /YYYY)	

Remarks/Description

Cation Information (mg/L)		Anion Information (mg/L)	
Potassium (K)		Sulfate (SO)	325
Sodium (Na)	31901	Chloride (Cl)	61000
Calcium (Ca)	2160	Carbonate (CO ₃)	
Magnesium (Mg)	2840	Bicarbonate (HCO ₃)	184
Barium (Ba)		Hydroxide (OH)	
Manganese (Mn)		Hydrogen Sulfide (H ₂ S)	0
Strontium (Sr)		Carbon Dioxide (CO ₂)	
Iron (Fe)	10	Oxygen (O)	2



Exhibit D

NM WAIDS



General Information About: Sample 5906

TRIGG FEDERAL 001

API	3000501006	Sample Number	
Unit/Section/ Township/Range	I / 09 / 14 S / 31 E	Field	CAPROCK
County	Chaves	Formation	ARTESIA
State	NM	Depth	
Lat/Long	33.11559 / -103.81959	Sample Source	
TDS (mg/L)	203550	Water Type	
Sample Date(MM/DD /YYYY)	7/19/2000	Analysis Date(MM/DD /YYYY)	8/2/2000
Remarks/Description			
Cation Information (mg/L)		Anion Information (mg/L)	
Potassium (K)	682.52	Sulfate (SO)	3986.64
Sodium (Na)	83464.1	Chloride (Cl)	136251
Calcium (Ca)	4144.84	Carbonate (CO ₃)	0
Magnesium (Mg)	940.16	Bicarbonate (HCO ₃)	468.95
Barium (Ba)	0.113	Hydroxide (OH)	
Manganese (Mn)		Hydrogen Sulfide (H ₂ S)	33.9
Strontium (Sr)	68.93	Carbon Dioxide (CO ₂)	
Iron (Fe)	3.955	Oxygen (O)	



Client : Penroc
Well :
Report # :
Date : 12-12-2008

Schlumberger

Section 1: District Lab Water Analysis

Water Analysis Results (1)															
Tank #	Tank ID	Sample #	Temp (degF)	pH ()	Sp Gravity ()	Iron (mg/l)	Chloride Percent As KCl (%)	Chloride (mg/l)	Carbo-nate (mg/l)	BiCarbo-nate (mg/l)	Hydro-xide (mg/l)	Magne-sium (mg/l)	Cal-cium (mg/l)	Hard-ness (mg/l)	Sul-phate (mg/L)
1	Production Water	1	65	6.65	1.15	0	14.14	67355	240	488	0	0	4010	18	200
2	Windmill Water	1	65	7.68	1.00	0	0.19	886	240	488	0	122	201	2	90

Exhibit E
Windmill Water

NM WAIDS

DATA

MAPS

HOME

SCALE

CC

General Information About: Sample 3629

Section/ Township/Range	30 / 14 S / 31 E	Lat/Long	33.0744 / -103.861
Elevation	4052	Depth	0
Date Collected	5/2/1961	Chlorides	450
Collector / Point of Collection	SEO / DP	Use	Stock
Formation	CHINLE	TDS	0



Exhibit E

NM WAIDS

[DATA](#)
[MAPS](#)
[HOME](#)
[SCALE](#)
[GO](#)

General Information About: Sample 4803

Section/ Township/Range	23 / 14 S / 31 E	Lat/Long	33.0889 / -103.7917
Elevation	4395	Depth	292
Date Collected	7/17/1990	Chlorides	35
Collector / Point of Collection	SEO / DP	Use	Commercial
Formation	OGALLALA	TDS	0

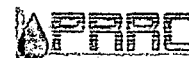


Exhibit E

Legal Notice

Penroc Oil Corporation, PO Box 2769, Hobbs, New Mexico 88241 has filed form C-108 (Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval of the conversion of the Gulf Deep #001, API #30-005- 01210, 660 FNL X 1980 FWL, Unit Letter "C", Section 34, Township 14 South, Range 31 East, Chaves county, New Mexico from a plugged and abandoned gas well to a San Andres commercial salt water disposal well. The disposal interval would be the San Andres formations through open hole from 3817-4750 feet. Disposal fluid would be produced water trucked in from numerous producing formations in SE New Mexico. Anticipated disposal rate of 3000 BWPD with a maximum disposal rate of 6000 BWPD. Anticipated disposal pressure 0 psi with a maximum disposal pressure of 763 psi.

All interested parties opposing the aforementioned must file objections with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505 within 15 days. Additional information can be obtained by contacting Billy Prichard 432-934-7680.

Legal Notice will be published in the Roswell Daily Record

Affidavit of Publication will be forwarded to NMOCD when received

Exhibit F

**Penroc Oil Corporation
C108(Application for Authorization for Injection)
Gulf Deep # 001
API # 30-005-01210
660 FNL X 1980 FWL
Unit Letter "C", Section 34, T14S, R31E
Chaves County, New Mexico**

Notified Parties

Surface Owner

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

Surface Lessee

Harvey Dale Taylor
PO BOX 1270
LOVINGTON, NM 88260

KERR-MCGEE O/G ONSHORE, LP
LAND DEPARTMENT
5735 PINELAND DRIVE, SUITE 300
DALLAS, TX 75231

KEVIN O. BUTLER & ASSOCIATES, INC.
500 W. TEXAS, SUITE 660
MIDLAND, TX 79701

CHEVRON U S A INC
BRUCE ISABEL
11111 S. WILCREST
HOUSTON, TX 77099

United State of America
BLM
2909 West Second Street
Roswell, NM 88201

New Mexico Oil Conservation Divison
District 1
1625 N. French Drive
Hobbs, NM 88240

Exhibit F

7006 2150 0002 8216 7195
7006 2150 0002 8216 7195
7006 2150 0002 8216 7195
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OFFICIAL USE

Postage	\$ 1.51	0634
Certified Fee	\$2.70	04
Return Receipt Fee (Endorsement Required)	\$2.20	Postmark Here
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 6.41	
		12/18/2008

Sent To
Street, Apt. No.,
or PO Box No.
City, State, ZIP+4
**Chevron USA
Bruce Isabell
11111 S. Wilcrest
Houston, TX 77099**
PS Form 3800, Apr 06 For Instructions

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Postage	\$ 1.51	0634
Certified Fee	\$2.70	04
Return Receipt Fee (Endorsement Required)	\$2.20	Postmark Here
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 6.41	
		12/18/2008

Sent To
Street, Apt. No.,
or PO Box
City, State, ZIP+4
**NMOC
1625 N French Drive
Hobbs, New Mexico
88240**
PS Form 3800, Apr 06 See Reverse for Instructions

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7006 2150 0002 8216 7195
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SANTA FE NM 87504
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Postage	\$ 1.51	0634
Certified Fee	\$2.70	04
Return Receipt Fee (Endorsement Required)	\$2.20	Postmark Here
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 6.41	
		12/18/2008

Sent
Street, Apt. No.,
or PO Box
City, State, ZIP+4
**New Mexico State Land Office
PO Box 1148
Santa Fe, NM 87504-1148**
PS Form 3800, Apr 06 Instructions

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LOVINGTON NM 88260
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Postage	\$ 1.51	0634
Certified Fee	\$2.70	04
Return Receipt Fee (Endorsement Required)	\$2.20	Postmark Here
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 6.41	
		12/18/2008

Sent To
Street, Apt. No.,
or PO Box No.
City, State, ZIP+4
**Harvey Dale Taylor
PO Box 1270
Lovington, NM
88260**
PS Form 3800, Apr 06 See Reverse for Instructions

Exhibit F

7006 2150 0002 0216 7201

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ROSWELL NM 88201

Postage	\$	\$1.51	0634
Certified Fee		\$2.70	04
Return Receipt Fee (Endorsement Required)		\$2.20	Postmark Here
Restricted Delivery Fee (Endorsement Required)		\$0.00	
Total Postage & Fees	\$	\$6.41	12/18/2008

Sent To
Street or P.O. Box
City, State, ZIP+4[®]
PS Form 3800, August 2008

BLM
2909 W. Second Street
Roswell, NM 88201

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MIDLAND TX 79701

Postage	\$	\$1.51	0634
Certified Fee		\$2.70	04
Return Receipt Fee (Endorsement Required)		\$2.20	Postmark Here
Restricted Delivery Fee (Endorsement Required)		\$0.00	
Total Postage & Fees	\$	\$6.41	12/18/2008

Sent To
Street or P.O. Box
City, State, ZIP+4[®]
PS Form 3800, August 2008

Kevin O. Butler & Associates, Inc.
500 W. Texas Suite 660
Midland, TX 79701

7006 1830 0000 5395 4206

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DALLAS TX 75231

Postage	\$	\$1.51	0634
Certified Fee		\$2.70	04
Return Receipt Fee (Endorsement Required)		\$2.20	Postmark Here
Restricted Delivery Fee (Endorsement Required)		\$0.00	
Total Postage & Fees	\$	\$6.41	12/18/2008

Sent To
Street, APO or FPO Box
City, State, ZIP+4[®]
PS Form 3800, August 2008

KERR-MCGEE O/G ONSHORE LP
LAND DEPARTMENT
5735 PINELAND DR STE 300
DALLAS TX 75231

Exhibit F

AFFIDAVIT OF PUBLICATION
STATE OF NEW MEXICO

I, Janice Bounds
Legals Clerk

Of the Roswell Daily Record, a daily
newspaper published at Roswell, New
Mexico do solemnly swear that the
clipping hereto attached was published
in the regular and entire issue of said
paper and not in a supplement thereof
for a period of:

one time

beginning with the issue dated

December 11th 2008

and ending with the issue dated

December 11th 2008



Clerk

Sworn and subscribed to before me

this 15h day of Decmeber, 2008



Notary Public

My Commission expires
June 13, 2010

(SEAL)

Publish December 11, 2008

Legal Notice

Penroc Oil Corporation, PO Box 2769,
Hobbs, New Mexico 88241 has filed
form C-108 (Application for
Authorization to Inject) with the New
Mexico Oil Conservation Division
seeking administrative approval of the
conversion of the Gulf Deep #001, API
#30-005-01210-660 FNL-X 1980
FWL Unit, Letter "C", Section 34,
Township 14 South, Range 31 East,
Chaves county, New Mexico from a
plugged and abandoned gas well to a
San Andres commercial salt water
disposal well. The disposal interval
would be the San Andres formations
through open hole from 3817-4750
feet. Disposal fluid would be
produced water trucked in from
numerous producing formations in SE
New Mexico.
Anticipated disposal rate of 3000
BWPD with a maximum disposal rate
of 6000 BWPD. Anticipated disposal
pressure 0 psi with a maximum
disposal pressure of 763 psi.

All interested parties opposing the
aforementioned must file objections
with the New Mexico Oil Conservation
Division, 1220 South St. Francis
Drive, Santa Fe, New Mexico 87505
with in 15 days. Additional information
can be obtained by contacting Billy
Prichard 432-934-7680.

Jones, William V., EMNRD

From: billy@pwllc.net
Sent: Monday, August 02, 2010 10:52 AM
To: Jones, William V., EMNRD
Cc: Hill, Larry, EMNRD; Brown, Maxey G, EMNRD; Gonzales, Elidio L, EMNRD; Merch
Subject: Gulf Deep

Will, In response to your email concerning the Gulf Deep SWD permit expiration.

1. The needed work to drill out the cement plugs and put the necessary downhole equipment in place was done prior to the deadline on January 29th, 2010. We could not put the well in to commercial operation until issued SWD Easement from the New Mexico State Land Office. The New Mexico State Land office requires \$10000 per annum plus 10 cents per barrel for an SWD easement on state surface and state minerals. This is fairly time consuming and was complicated by a very wet first quarter of 2010. We also had to build roads and battery, bring in electricity prior to starting commercial disposal. Because the work to the well was done and witnessed prior to the deadline, we did not apply for an extension.

2. Formation tops submitted in the C108 were based on data supplied by Gulf when the well was originally drilled in 1958 as no logs were available at the time of SWD permit application. Logs have recently been found that indicate the formation tops submitted at the time of permit application were correct. The top of the Glorieta is definitely at 5300ft. The logs were scanned in the NMOCD system this morning 8/2/2010.

Grayburg - 3450ft

SA - 3780ft

Glorieta - 5300ft

Blineberry - 5982ft

Tubb - 6617ft

Drinkard - 6750ft

Current PBTD is 4748ft and all the disposal fluid is going in to the San Andres and not the Top of the Glorieta.

Is there any real reason to re-submit the C108. The SWD permit application was submitted, published and copied to all affected parties with a PBTD 4750ft.

Thanks for any help you can provide.

Billy(Bill)E.Prichard

432-934-7680

email; billy@pwllc.net