

DATE IN	SUSPENSE 9/21/10	ENGINEER WJ.	LOGGED IN 9/21/10	TYPE SWD	APP NO. 1026456022
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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



PTG-W  
1254  
OGX 217955  
Latham Fed #1

## ADMINISTRATIVE APPLICATION CHECKLIST 30-015-22752

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.

Ann E. Ritchie  
 Print or Type Name

Signature

Regulatory Agent  
 Title

9-9-2010  
 Date

ann.wtor@gmail.com (432 684-6381)  
 e-mail Address

September 9, 2010

Energy, Minerals and Natural Resources Department  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505

Attn: Mr. Mark E. Fesmire, Director

RE: OGX Resources, LLC, NMOCD Form C-108, Latham Federal, Well #1, API 30 015 22752  
1980' FSL & 1800' FEL, Unit J, Section 15, T25S, R29E, NMPPM  
Eddy County, New Mexico

RECEIVED OGD  
2010 SEP 20 P 2:52

Dear Mr. Fesmire,

Enclosed please find the New Mexico Oil Conservation Division Form C-108 (Application for Authorization to Inject) for the OGX Resources, LLC, Latham Federal, Well No. 1. These application was previously submitted on February 26, 2009 and subsequently withdrawn due to protest received from OXY USA, Inc. & Bettis Boyle & Stovall, who have since withdrawn their objections. Enclosed is a copy of the withdrawals, as submitted to the New Mexico Oil Conservation Division.

This well was originally drilled by Mobil Oil Corporation in November 1978 to test the Delaware formation. The well encountered no Delaware production and was subsequently plugged by Mobil Oil Corporation in January 1979. OGX Resources, LLC proposes to utilize the well for disposal of produced water from the Bone Spring and Delaware formations originating from OGX Resources, LLC owned wells in this area. Injection is proposed to occur into the Bell Canyon and Cherry Canyon members of the Delaware formation through the perforated interval from 3306-4600'. There is offset Delaware production in Unit P of Section 15 and Unit K of Section 14; however, these wells have produced from a deeper Delaware horizon (5215-5280'), and both wells have been marginally productive. The proposed injection into the applied for interval will have no adverse affect on any offset Delaware production. Approval of this application will prevent the drilling of an unnecessary well and will not cause waste.

I believe that all the information necessary to approve the application is enclosed. In the event any additional information or documentation is needed, please contact me as below. Thank you.


Yours truly,



Ann E. Ritchie, Regulatory Agent  
OGX Resources, LLC  
P.O. Box 2064, Midland, TX 79702  
(432) 684-6381; 682-1458-fax; ann.wtor@gmail.com

xc: OCD- Artesia

**APPLICATION FOR AUTHORIZATION TO INJECT**

- I. PURPOSE: Secondary Recovery Pressure Maintenance X Disposal Storage  
Application qualifies for administrative approval? X Yes No
- II. OPERATOR: OGX Resources, LLC (Ogrid 217955)  
ADDRESS: c/o P.O. Box 953, Midland, TX 79702  
CONTACT PARTY: Ann Ritchie, Regulatory Agent PHONE: 432 684-6381
- 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: Ann Ritchie TITLE: Regulatory Agent  
SIGNATURE:  DATE: 09/09/2010  
E-MAIL ADDRESS: ann.wtor@gmail.com
- \* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: Updated filing requested by OCD. 02/26/2009

### III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

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

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

### XIV. PROOF OF NOTICE

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

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

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

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

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

## **OGX Resources, LLC**

Latham Federal Well No. 1  
Section 15, T25S, R29E NMPM  
1980 FSL & 1800 FEL, Unit J  
API 30 015 22752  
Eddy County, New Mexico

### **ATTACHMENT A**

#### III. Well Data

##### Section A:

1. Lease Name: Latham Federal, Well #1
2. Casing & Cement: Completion, Data Sheet w/wellbore attached
3. Tubing: 2 3/8" w/Baker AD-1 Tension packer, internally plastic coated set approximately 60' above top perforation @ 3306'.

##### Section B:

1. Injection formation: Bell & Cherry Canyon  
Pool: Undesignated; Delaware
2. Injection Interval: Bell/Cherry Canyon @ 3306 - 4600'.  
Current status is P & A.
3. Original purpose of well: Drilled for production oil/gas.
4. No other perforated intervals.
5. Next High oil/gas zone: Delaware: Lamar  
Next Lower oil/gas zone: Bone Springs below 5200'

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

V. Area of review data is attached. The one well within the area is the Latham Federal No. 2 located in Unit P of Sec 15, production from the Delaware from 5223-5280'. This well is adequately cased & cemented as to preclude any migration of injected fluids.

VI. Tabulation of wells within 1/2 mile radius attached, along with map.

VII. Operation Data:

1. Proposed average daily injection volume: 2000 bbls/day  
Proposed maximum daily injection volume: 5000 bbls/day
2. The well will operate within a closed system.
3. Proposed average daily injection pressure: 0.2 psi/ft or 661 psi  
Proposed maximum daily injection pressure: if higher injection pressure is necessary OGX will conduct and submit a step rate test to OCD.
4. Sources of injection water will be OGX Resources, LLC area Bone Springs and Delaware production. Representative Delaware and Bone Springs formation water analysis attached. No compatibility problems are anticipated, but any scaling indications will be appropriately chemically treated.
5. Chlorides are as listed on the attached water analysis from area wells enclosed in this application.  
Injection is to occur into the Bell and Cherry Canyon members of the Delaware formation. There is offset Delaware production in Unit P of Sec 15 & Unit K of Sec 14; however, these wells are producing from a deeper Delaware horizon (5215-5280') and both wells are marginally productive. The proposed injection interval in the Latham Federal No. 1 is non-productive in this area, and injection into this interval will have no adverse affect on any offset production.

VIII. Geological Data:

The Delaware Mountain Group, which is Guadalupian Age, consists of the Bell Canyon, Cherry Canyon and Brushy Canyon members. The top of the Bell Canyon interval in this well occurs at a depth of 3134' and is approximately 1050' thick. The Bell Canyon interval is composed of fine grained thin bedded sandstones with a number of limestone beds. The top of the Cherry Canyon interval in this well occurs at a depth of 4184'. The Cherry Canyon interval is composed of sandstones with some thin dark gray limestone beds.

According to the data from the New Mexico Office of the State Engineer, there is a fresh water well located within the NE/4 SW/4 of Section 15, T25S, R29E. This well is 200' deep and water is present in the wellbore at approximately 60'. Prior to commencing injection operations into the Latham Federal No. 1, OGX Resources, LLC will provide a water analysis from this well to the Oil Conservation Division.

IX: Stimulation Program: At this time there is no further stimulation program proposed for this injection interval.

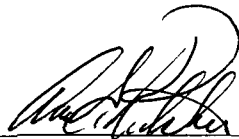
X. Logs: the log for this well was submitted to the Oil Conservation Division with the OGX Resources initial injection filing for this well on February 26, 2009.

XI: The fresh water is estimated to be at approximately 200-300' in this area, as stated above in Section VIII.

XII: Statement: To the best of current knowledge of this area there is no evidence of open faults or other hydrologic connection between the injection zone and any underground sources of drinking water.

XIII: Proof of Notice: Newspaper notice and certification of publication attached.

XIV: Certification: See NMOCD form C-108 "Application for Authorization to Inject".



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Ann E. Ritchie, Regulatory Agent  
OGX Resources, LLC  
September 9, 2010

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## INJECTION WELL DATA SHEET

OPERATOR: OGX Resources, LLCWELL NAME & NUMBER: Latham Federal No. 1 (API 30 015 22752)WELL LOCATION: 1980' FSL & 1800' FEL J 15 SECTION 25S TOWNSHIP 29E RANGE

FOOTAGE LOCATION

UNIT LETTER

WELLBORE SCHEMATICWELL CONSTRUCTION DATASurface Casing

Hole Size: 14 3/4" Casing Size: 10 3/4" @ 353'  
Cemented with: 325 sx. or            circulated            ft<sup>3</sup>  
Top of Cement: circulated to surface Method Determined:            circulated to  
pit.

Intermediate Casing

Hole Size: 9 5/8" Casing Size: 7" @ 3123'  
Cemented with: 1325 sx. or            ft<sup>3</sup>  
Top of Cement:            circulated to surface Method Determined: circulated to pit

Production Casing/Liner

Hole Size: 6 1/2" Casing Size: 4 1/2" @ 5300'  
Cemented with:            sufficient to circulate or            approx. 800 sx CI C;H/poz  
to surface.  
Top of Cement:            surface            Method Determined:            will circulate           

Total Depth: 5300'Injection IntervalFrom: 3306 to 4600'

(Perforated or Open Hole; indicate which)



INJECTION WELL DATA SHEET

Tubing Size: 2 3/8" Lining Material: internally plastic coated

Type of Packer: Baker AD-1 Tension Packer or similar type IPC injection packer

Packer Setting Depth: 3250' or within 100' of uppermost injection perforations

Other Type of Tubing/Casing Seal (if applicable): None

Additional Data

1. Is this a new well drilled for injection? Yes X No

If no, for what purpose was the well originally drilled? Well drilled by Mobil Oil Corporation, Nov. 1978 to test Bell and Cherry Canyon formations. Well encountered no production in the Delaware formation and was P&A in Jan 1979.

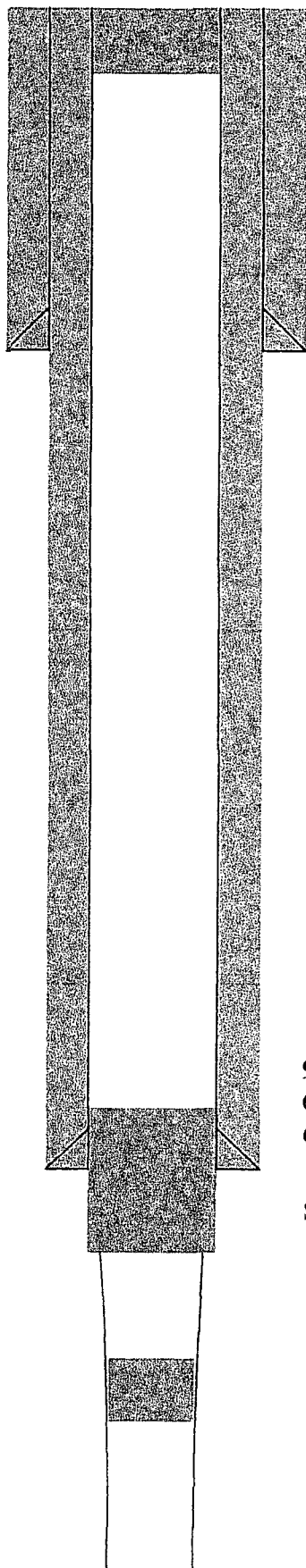
2. Name of the Injection Formation: Bell Canyon and Cherry Canyon members of the Delaware Formation.

3. Name of Field or Pool (if applicable): West Corral Canyon-Delaware Pool (oil-13365) or a per NMOCD.

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. Well was not perforated.

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: The West Corral Canyon-Delaware Pool is the only oil or gas pool in Sec 15. This pool extends north into Sec 10 & east into Sections 13 & 14. Within approximately 1 mile of Sec 15 are the Northwest Corral Canyon-Delaware Pool (Sec 2 & 11); Corral Draw-Morrow Gas Pool (Sec 14); Corral Draw-Wolfcamp Gas Pool (Sec 22); North Corral Draw-Wolfcamp Gas Pool (Sec 8 & 9); Rustler Bluff Atoka Gas Pool (Sec 4, 5 & 8) & the Rustler Bluff-Morrow Gas Pool (Sec 8, 9 & 10).

## Current Wellbore Configuration



## OGX Resources, LLC

Latham Federal Well No. 1

API No. 30-015-22752

1980' FSL & 1800' FEL (Unit J)

Section 15, T-25 South, R-29 East, NMPM

Eddy County, New Mexico

Date Drilled: November, 1978

14 3/4" Hole; Set 10 3/4" 30# Csg. @ 353'  
Cemented w/ 325 Sx. Class C. Cement  
circulated to surface.

Well was drilled in November, 1978 to test the Bell  
Canyon and Cherry Canyon members of the  
Delaware formation. The well encountered no  
commercial Delaware production and was  
subsequently plugged and abandoned in January,  
1979.

### Formation Tops (Well File)

Salado-780'

Castile-1,598'

Lamar-3,106'

Bell Canyon-3,134'

Cherry Canyon-4,184'

9 5/8" Hole; Set 7" 20# H-40 Csg. @ 3,123'  
Cemented w/1125 Sx. Howco Lite + 200 Sx.  
Class H. Cement Circulated to surface.

Set 50 Sx. cmt. @ 3,000'-3,320'

Set 35 Sx. cmt. @ 4,200'-4,396'

T.D. 5,300'

## Proposed Wellbore Configuration

**OGX Resources, LLC**

**Latham Federal Well No. 1**

**API No. 30-015-22752**

**1980' FSL & 1800' FEL (Unit J)**

**Section 15, T-25 South, R-29 East, NMPM**

**Eddy County, New Mexico**

**14 3/4" Hole; Set 10 3/4" 30# Csg. @ 353'**  
**Cemented w/ 325 Sx. Class C. Cement**  
**circulated to surface.**

### Formation Tops (Well File)

**Salado-780'**

**Castile-1,598'**

**Lamar-3,106'**

**Bell Canyon-3,134'**

**Cherry Canyon-4,184'**

**9 5/8" Hole; Set 7" 20 # H-40 Csg. @ 3,123'.**  
**Cemented w/1125 Sx. Howco Lite + 200 Sx.**  
**Class H. Cement circulated to surface.**

**2 3/8" IPC Tubing set in a packer @ 3,250'**

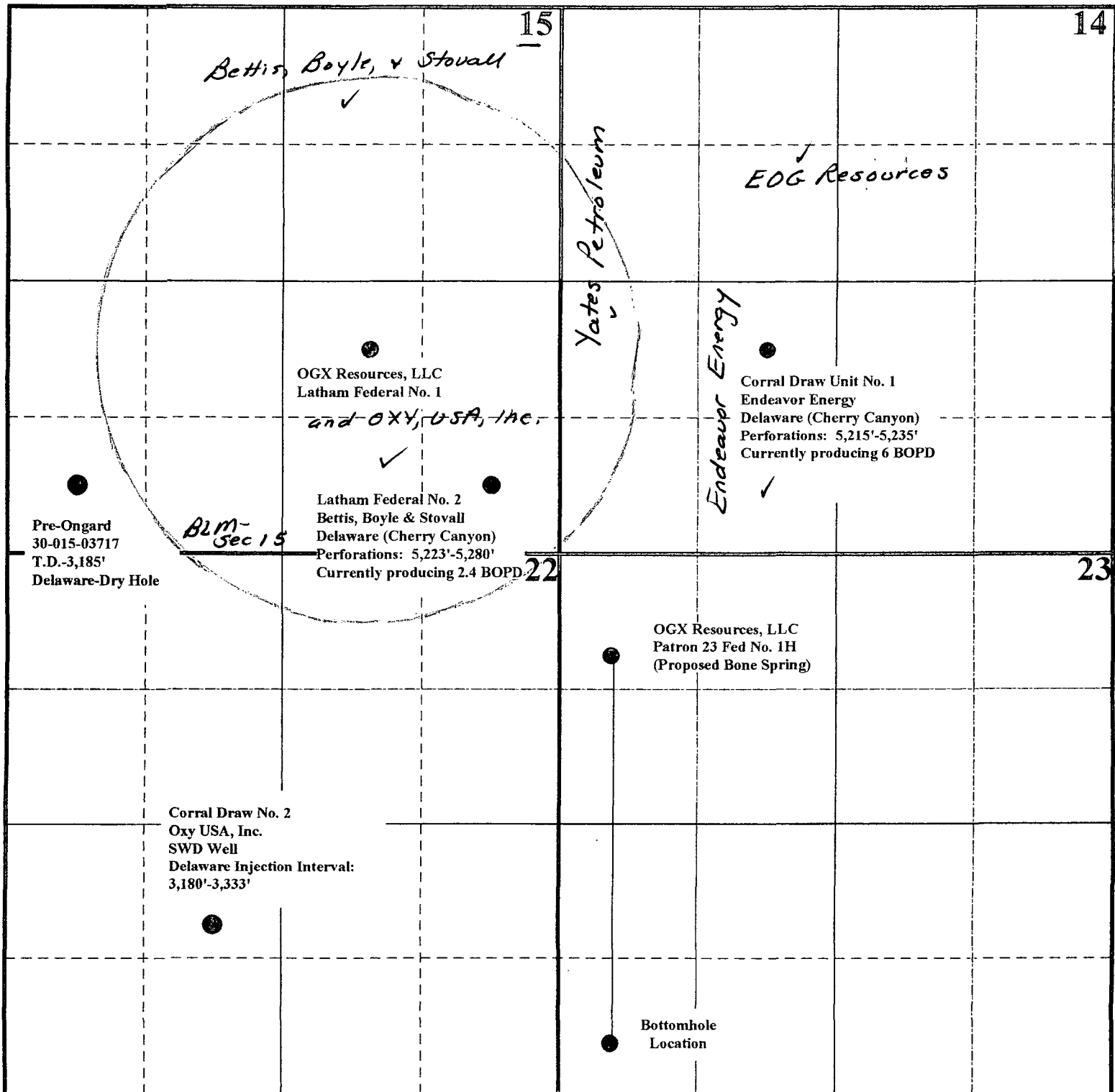
**Injection Perforations: 3,306'-4,600'**  
**Bell Canyon & Cherry Canyon**

**CIBP @ 4750'**

**6 1/2" Hole. Propose to set 4 1/2" Csg. @ 5,300'.**  
**Will cement with sufficient cement volume to**  
**circulate to surface.**

**T.D. 5,300'**

# Township 25 South, Range 29 East, NMPM



OGX Resources, LLC  
 Latham Federal Well No. 1  
 Form C-108: 1/2 Mile Area of Review Map

[illegible]

709 W. INDIANA  
MIDLAND, TEXAS 79701  
FAX (432) 682-8819

## RESULT OF WATER ANALYSES

TO: Mr. Jeff Birkenbach  
Box 11148, Midland, TX 79702

LABORATORY NO.	209-122
SAMPLE RECEIVED	2-9-09
RESULTS REPORTED	2-13-09

\*COMPANY OGX Resources

LEASE                      As listed

FIELD OR POOL

SECTION \_\_\_\_\_ BLOCK \_\_\_\_\_ SURVEY \_\_\_\_\_ COUNTY \_\_\_\_\_ STATE \_\_\_\_\_

SOURCE OF SAMPLE AND DATE TAKEN:

NO. 1 Repasado

NO. 2 Cooper

NO. 3 Challenger

NO. 4

REMARKS:

[illegible]

Form No. 3

By

Greg Ogden, B.S.

LATHAM PRINTING CO. - 333-1282

**Reposado—Delaware**  
**Cooper—Bone Spring**  
**Challenger—Bone Spring**

**OGX Resources, LLC**  
**Form C-108; Latham Fed. No. 1**  
**Produced Water Analysis**

OGX Resources, LLC  
Form C-108  
Latham Federal No. 1  
API 30 015 22752, 1980' FSL and 1800' FEL (Unit J)  
Section 15, T25S, R29E, NMPM  
Eddy County, NM

Affirmative Statement

Available geologic and engineering data have been examined by appropriate OGX Resources, LLC personnel and no evidence of open faults or hydrological connection between the disposal zone and any underground sources of drinking water has been found.

A handwritten signature in black ink, appearing to read "Ann E. Ritchie", is written over a horizontal line.

Ann E. Ritchie, Regulatory Agent  
OGX Resources, LLC

09/09/2010

**New Mexico Office of the State Engineer  
POD Reports and Downloads**

Township: 25S Range: 29E Sections: 15

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

Owner Name: (First) (Last) ☐ Non-Domestic ☐ Domestic  
☒ All

POD / Surface Data Report

Avg Depth to Water Report

Water Column Report

Clear Form

iWATERS Menu

Help

AVERAGE DEPTH OF WATER REPORT 02/17/2009

Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	(Depth Water in Feet)		
								Min	Max	Avg
C	25S	29E	15				1	60	60	60

Record Count: 1

**OGX Resources, LLC  
Form C-108; Latham Fed. No. 1  
Fresh Water Well Data  
Office of the State Engineer**



*New Mexico Office of the State Engineer*  
**Point of Diversion Summary**

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Back

(quarters are 1=NW 2=NE 3=SW 4=SE)  
(quarters are biggest to smallest)

POD Number	Tws	Rng	Sec	q	q	q	Zone	X	Y
C 02371	25S	29E	15	3	2				

Driller Licence: 1259 CAMPBELL DRILLING

Driller Name: MIKE CAMPBELL

Drill Start Date: 01/12/1995

Log File Date: 02/01/1995

Pump Type:

Casing Size: 8

Depth Well: 200

Source: Shallow

Drill Finish Date: 01/24/1995

PCW Received Date:

Pipe Discharge Size:

Estimated Yield: 20

Depth Water: 60

Water Bearing Stratifications:	Top	Bottom	Description
	162	200	Sandstone/Gravel/Conglomerate
Casing Perforations:	Top	Bottom	
	140	200	

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BHC  
*Acoustilog*

FILE NO.	COMPANY <u>MOBIL OIL CORPORATION</u>			
	WELL <u>LATHAM FEDERAL NO. 1</u>			
	FIELD <u>CORRAL DRAW</u>			
	COUNTY <u>EDDY</u> STATE <u>NEW MEXICO</u>			
	LOCATION: <u>1980' FSL &amp; 1800' FEL</u>			Other Services <u>CN/CDL/GR</u> <u>DLL/GR</u> <u>DIFL</u>
	SEC <u>15</u>	TWP <u>25-S</u>	RGE <u>29-E</u>	
Permanent Datum	<u>GROUND LEVEL</u>			Elev. <u>3054</u>
Log Measured from	<u>K. B.</u>			KB <u>3065</u>
Drilling Measured from	<u>K. B.</u>			DF <u>3054</u>
				GL <u>3054</u>
Date	<u>12-13-78</u>		<u>12-21-78</u>	
Run No.	<u>ONE</u>		<u>TWO</u>	
Depth- Driller	<u>3123</u>		<u>5300</u>	
Depth- Logger	<u>3082</u>		<u>5299</u>	
Bottom- Logged Interval	<u>3075</u>		<u>5293</u>	
Top Logged Interval	<u>324</u>		<u>3075</u>	
Casing- Driller	<u>10 3/4 @ 353</u>		<u>7" @ 3123</u>	
Casing- Logger	<u>324</u>		<u>3114</u>	
Bit Size	<u>9 1/2"</u>		<u>6 1/4"</u>	
Type Fluid in Hole	<u>SALT GEL</u>		<u>CMC</u>	
Density and Viscosity	<u>10.2   33</u>		<u>9.0   28</u>	
pH and Fluid Loss	<u>9.2   26-30cc</u>		<u>11   9.0 cc</u>	
Source of Sample	<u>CIRCULATED FLOWLINE</u>			
Rmt. Meas. Temp.	<u>.035 @ 73 °F</u>		<u>.097 @ 60 °F</u>	
Rmt. Meas. Temp.	<u>.035 @ 73 °F</u>		<u>.085 @ 60 °F</u>	
Rmt. Meas. Temp.	<u>- @ °F</u>		<u>- @ °F</u>	
Source of Rmt and Rmc	<u>MEAS.</u>		<u>MEAS.</u>	
Rmt. BHT	<u>.027 @ 95 °F</u>		<u>.056 @ 105 °F</u>	
Time Since Circ.	<u>7 1/2 HOURS</u>		<u>6 1/2 HOURS</u>	
Max. Rec. Temp. Dsg. F.	<u>95 °F</u>		<u>105 °F</u>	
Equip. No. and Location	<u>6123 HOBBS</u>		<u>6123 HOBBS</u>	
Recorded By	<u>MC ATEE</u>		<u>FRANKLIN-JACKSON</u>	
Witnessed By	<u>HCGLOSSON</u>		<u>SWANK</u>	

OGX Resources, LLC  
Latham Federal, Well No. 1  
NMOCD C-108, Injection Application  
Section 15, T25S, R29E, NMPM  
1980' FSL & 1800' FEL, Unit J  
Eddy County, NM

Operators within a 1/2 mile radius:

OXY USA, Inc., Box 4294, Houston, TX 77210  
Bettis, Boyle & Stovall, Box 1240, Graham, TX 76450  
EOG Resources, Inc., Box 2267, Midland, TX 79702  
Endeavor Energy Resources, LP, 110 N. Marienfeld, #200, Midland, TX 79701  
Yates Petroleum Corp., 105 S. 4th, Artesia, NM 88210  
Bureau of Land Management, 620 E. Greene St., Carlsbad, NM 88220/Federal Lands

Surface Owner:

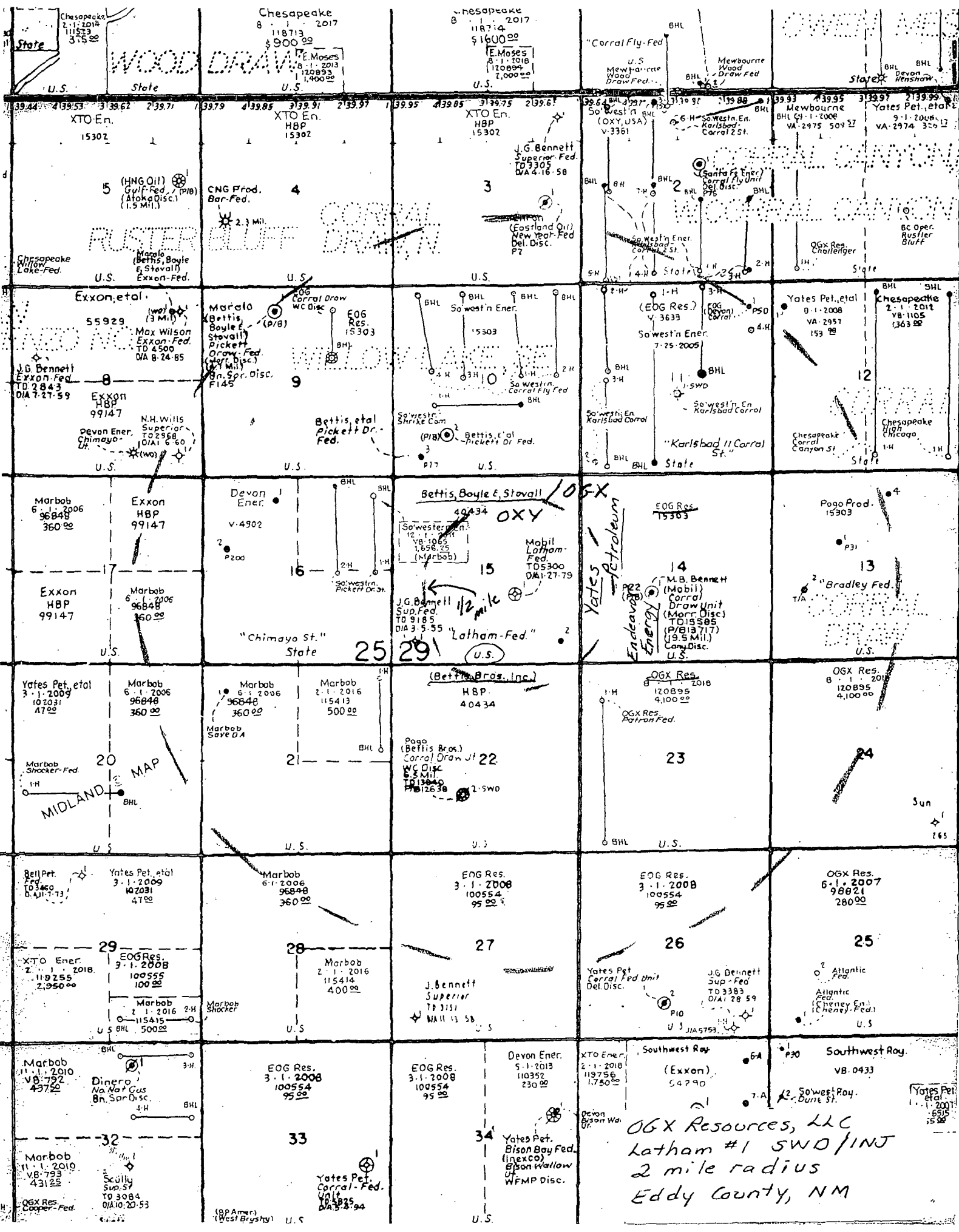
Surface Tenant is: Wayland Perry, P.O. Box 24, Cherokee, TX 76832

Certified mailings of the NMOCD Form C-108, Authorization for Injection Application, Data Sheet and maps have been sent the above stated parties on September 16, 2010.



---

Ann E. Ritchie, Regulatory Agent  
OGX Resources, LLC



OGX Resources, LLC  
Latham #1 SWD/INT  
2 mile radius  
Eddy County, NM



Patrick S. Sparks  
Landman

OXY USA INC.  
Box 4294, Houston, TX 77210

Phone (713)350-4784-5757  
Fax (713) 366-5200

June 22, 2010

*Via Facsimile 505-476-3462 and US Mail*

Mr. Mark Fesmire, P. E.  
Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

Re: Case No. 14339 Application of OGX Resources LLC for approval of a salt water disposal well, Latham Federal No. 1 SWD Well, located 1980' FSL and 1800' FEL of Section 15, T-25-S, R-29-E, N.M.P.M., Eddy County, New Mexico

Dear Mr. Fesmire:

OXY, USA, Inc. hereby withdraws its objection to the above referenced application filed by OGX Resources LLC seeking authorization to inject salt water in the Latham Federal No. 1 SWD Well, located 1980' FSL and 1800' FEL of Section 15, T-25-S, R-29-E, N.M.P.M., Eddy County, New Mexico.

Sincerely,

OXY USA Inc.

A handwritten signature in black ink, appearing to read "Patrick S. Sparks", written over a horizontal line.

Name: Patrick S. Sparks  
Title: Landman

**BETTIS, BOYLE & STOVALL, INC.**

P.O. BOX 1240  
GRAHAM, TEXAS 76450  
Off (940) 549-0780 ext. 123  
Fax (940) 549-7405

July 19, 2010

*Via Facsimile and U.S. Mail*

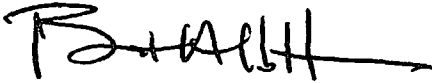
Mr. Mark Fesmire, P.E.  
Director  
Oil Conservation Division  
New Mexico Department of Energy, Management,  
and Natural Resources  
1220 South St. Francis Drive  
Santa Fe, New Mexico

Re: **Case No. 14339** Application of OGX Resources LLC for approval of a salt water disposal well, Latham Federal No. 1 SWD Well, located 1980' FSL and 1800' FEL of Section 15, T25S, R29E, NMPM, Eddy County, New Mexico

Dear Mr. Fesmire,

Bettis, Boyle & Stovall, Inc. hereby withdraws its objection to the above referenced application filed by OGX Resources LLC seeking authorization to inject salt water in the Latham Federal No. 1 SWD Well, located 1980' FSL and 1800' FEL of Section 15, T25S, R29E, NMPM, Eddy County, New Mexico.

Yours truly,  
BETTIS, BOYLE & STOVALL, INC.



Brint Albritton  
Vice President

7009 2250 0000 0835 6267

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**CERTIFIED MAIL™ RECEIPT**  
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ARTESIA NM 88210

Postage	\$ \$0.61	0702
Certified Fee	\$2.80	02
Return Receipt Fee (Endorsement Required)	\$0.00	Postmark Here
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ \$3.41	

Sent To *Yates Petroleum Corp.*  
 Street, Apt. No.,  
 or PO Box No. *105 S. 4th St.*  
 City, State, ZIP+4 *Artesia, NM 88210*

PS Form 3800, August 2006 See Reverse for Instructions

7009 2250 0000 0835 6205

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HOUSTON TX 77210

Postage	\$ \$0.44	0702
Certified Fee	\$2.80	02
Return Receipt Fee (Endorsement Required)	\$0.00	Postmark Here
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ \$3.24	

Sent To *Oxy USA, Inc.*  
 Street, Apt. No.,  
 or PO Box No. *PO Box 4294*  
 City, State, ZIP+4 *Houston, TX 77210*

PS Form 3800, August 2006 See Reverse for Instructions

7009 2250 0000 0835 6273

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MIDLAND TX 79701

Postage	\$ \$0.44	0702
Certified Fee	\$2.80	02
Return Receipt Fee (Endorsement Required)	\$0.00	Postmark Here
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ \$3.24	

Sent To *Endeavor Energy Resources, LP*  
 Street, Apt. No.,  
 or PO Box No. *110 W. Marlenfeld, Ste. 200*  
 City, State, ZIP+4 *Midland, TX 79701*

PS Form 3800, August 2006 See Reverse for Instructions

7009 2250 0000 0835 6274

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CHEROKEE TX 76832

Postage	\$ \$0.44	0702
Certified Fee	\$2.80	02
Return Receipt Fee (Endorsement Required)	\$0.00	Postmark Here
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ \$3.24	

Sent To *Wayland Perry*  
 Street, Apt. No.,  
 or PO Box No. *PO Box 24*  
 City, State, ZIP+4 *Cherokee, TX 76832*

PS Form 3800, August 2006 See Reverse for Instructions

7009 2250 0000 0835 6272

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GRAHAM TX 76450

Postage	\$ \$0.44	0702
Certified Fee	\$2.80	02
Return Receipt Fee (Endorsement Required)	\$0.00	Postmark Here
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ \$3.24	

Sent To *Bettis, Boyle & Stovall*  
 Street, Apt. No.,  
 or PO Box No. *PO Box 1240*  
 City, State, ZIP+4 *Graham, TX 76450*

PS Form 3800, August 2006 See Reverse for Instructions

7009 2250 0000 0835 6229

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MIDLAND TX 79702

Postage	\$ \$0.44	0702
Certified Fee	\$2.80	02
Return Receipt Fee (Endorsement Required)	\$0.00	Postmark Here
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ \$3.24	

Sent To *EOH Resources, Inc*  
 Street, Apt. No.,  
 or PO Box No. *PO Box 2267*  
 City, State, ZIP+4 *Midland, TX 79702*

PS Form 3800, August 2006 See Reverse for Instructions

RECEIVED OCD  
2010 SEP 27 P 1:22

OGX Resources, LLC

Latham Federal, Well #1 - SWD

OCD Form C-108 Filing 9-21-10

API 30 015 22752

Eddy County, NM

Attached:

Certified Mailing Receipt - Bureau of Land Management

Original of Newspaper Publication & Certification



March 4, 2009

RECEIVED

2009 MAR 9 PM 12 00

Oil Conservation Division  
Attn: Will Jones, Engineering  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

RE: OGX Resources, LLC, Latham Fed SWD, Well #1, Sec 15, T25S, R29E,  
1980 FSL & 1800 FEL, Eddy County, NM

Dear Will,

The surface tenant for the above referenced well, for which we have submitted the OCD Form C-108, is:

Wayland Perry, P.O. Box 24, Cherokee, TX 76832

A copy of the C-108, data sheet and map are being sent to him by certified mail this date.

Thank you,



Ann E. Ritchie, Regulatory Agent  
OGX Resources, LLC  
P.O. Box 2064  
Midland, TX 79702  
ann.wtor@gmail.com

9099 40E0 0000 0120 2002

<b>U.S. Postal Service</b> <b>CERTIFIED MAIL™ RECEIPT</b> (Domestic Mail Only, No Insurance Coverage Provided)			
For delivery information visit our website at <a href="http://www.usps.com">www.usps.com</a>			
CHEROKEE TX 76832			
<b>OFFICIAL USE</b>		0702	
obx Latham	Postage	\$ 1.17	MAR - 5 2009 Postmark Here
	Certified Fee	\$2.70	
	Return Receipt Fee (Endorsement Required)	\$0.00	
	Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees		\$ 3.87	03/05/2009
Sent To Wayland Perry Street, Apt. No., or PO Box No. P.O. Box 24 City, State, ZIP+4 Cherokee, TX 76832			
PS Form 3800, August 2006 See Reverse for Instructions			

7009 2250 0000 0835 6410

U.S. Postal Service		
CERTIFIED MAIL RECEIPT		
(Domestic Mail Only; No Insurance Coverage Provided)		
For delivery information visit our website at <a href="http://www.usps.com">www.usps.com</a>		
CARLSBAD NM 88220		
Postage	\$ 1.56	0702
Certified Fee	\$2.80	02
Return Receipt Fee (Endorsement Required)	\$0.00	Postmark Here
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$4.36	
Sent To		
Bureau of Land Management		
Street, Apt. No., or PO Box No. 620 E. Greene St.		
City, State, ZIP+4		
Carlsbad, NM 88220		
PS Form 3800, Rev. 05-2006 See Reverse for Instructions		

9-23-10

OGX Resources, LLC  
Latham Federal SWD, well #1  
30 015 22752  
Eddy County

Supplemental certified receipt for  
C-108 Filing sent to OCD-SF  
9-21-10.

*And. Latham*

**Affidavit of Publication**

NO.

21336

STATE OF NEW MEXICO

County of Eddy:

Walter L. Green*Walter L. Green*

being duly sworn, says that he is the Publisher  
 of the Artesia Daily Press, a daily newspaper of general  
 circulation, published in English at Artesia, said county  
 and state, and that the hereto attached

**Legal Notice**

was published in a regular and entire issue of the said  
 Artesia Daily Press, a daily newspaper duly qualified  
 for that purpose within the meaning of Chapter 167 of  
 the 1937 Session Laws of the state of New Mexico for  
1 Consecutive weeks/days on the same  
 day as follows:

First Publication August 15, 2010Second Publication Third Publication Fourth Publication Fifth Publication 

Subscribed and sworn to before me this

17th day of September 2010



**OFFICIAL SEAL**  
**Danny Scott**  
**NOTARY PUBLIC STATE OF NEW MEXICO**

My commission expires: 3/18/2014

*Danny Scott*  
 Danny Scott  
 Notary Public, Eddy County, New Mexico

**Copy of Publication:****LEGAL NOTICES**

**NOTICE OF AUTHORIZATION FOR INJECTION APPLICATION**  
 OGX Resources, LLC, c/o P.O. Box 953, Midland, TX 79702 will file the New Mexico Conservation Division Form C-108, Application for Authorization to Inject, with the NMOC seeking administrative approval for water injection/disposal into their Latham Federal No. 1 well, 1880' FSL and 1800' FEL of Sec. 15, T25S, R29E in Eddy County, NM, located 14 miles southeast of Lovington, New Mexico. The proposed injection interval is from 3308-4800'. The average and maximum injection rates will be 2,000 and 4,000 barrels of produced water per day and the average and maximum surface injection pressure is anticipated to be 661 psi and 1050 psi, respectively. The well will be utilized to dispose of Bone Spring and Morrow formation produced water from OGX Resources, LLC owned wells in the area. Injection will occur into the Bell Canyon and Cherry Canyon members of the Delaware formation.

All interested parties opposing the application must file objection with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, NM 87505 within 15 days of this notice. Additional information can be obtained by contacting Ann Ritchie, Regulatory Agent, OGX Resources, LLC, c/o P.O. Box 953, Midland, TX 79702, (432) 684-6381. Published in the Artesia Daily Press, Artesia, N.M., August 15, 2010. Legal No: 21336.

**Jones, William V., EMNRD**

**From:** Jones, William V., EMNRD  
**Sent:** Tuesday, June 29, 2010 9:19 AM  
**To:** 'Ann Ritchie'  
**Cc:** Wesley\_Ingram@blm.gov  
**Subject:** Disposal Application from OGX Resources LLC: Latham Federal #1 30-015-22752

(New off. Pending - - -)

Ann:

I just pulled up the old application and looked it over quickly. Your letter says Oxy withdraws its protest. ✓ I have a note in the old application that Bettis, Boyle & Stovall objected to this. Please ask BB&S if they will send a letter retracting their previous protest or did Oxy buy them out? If so, please include documentation of this. ✓

Please redo all notices and send in another application due to the March 2009 date of the previous one. ✓

Please include a wellbore diagram "after conversion" showing a CIBP/cement placed 200 feet or less, below the proposed disposal interval. The old application did not show this bottom plug back. ✓

It looks like notice was done adequately before, but in any case, to be sure I will bore you with the following:

.....since there is only a couple of Delaware producers within ½ mile or so and these producers would be spaced on 40 acre tracts, it is important to make sure all "affected persons" are noticed including the owner of the surface at the well site. Please include formal notice to the BLM in Carlsbad. ✓ We ask the applicant to identify all "tracts" partially or wholly included in the ½ mile AOR and list the "affected persons" in each tract.

**19.15.26.7 DEFINITIONS:**

A. "Affected person" means the division designated operator; in the absence of an operator, a lessee whose interest is evidenced by a written conveyance document either of record or known to the applicant as of the date the applicant files the application; or in the absence of an operator or lessee, a mineral interest owner whose interest is evidenced by a written conveyance document either of record or known to the applicant as of the date the applicant filed the application for permit to inject.

(2) The applicant shall furnish, by certified or registered mail, a copy of the application to each owner of the land surface on which each injection or disposal well is to be located and to each leasehold operator or other affected person within any tract wholly or partially contained within one-half mile of the well.

For all newspaper notices, please add a "relative location" similar to the following: "The well is located 8 miles East of Loving New Mexico."

Not Done but OK

Regards,

Will Jones  
New Mexico  
Oil Conservation Division  
Images Contacts

**From:** Ann Ritchie [mailto:ann.wtor@gmail.com]  
**Sent:** Tuesday, June 29, 2010 8:19 AM  
**To:** Jones, William V., EMNRD  
**Subject:** NMOCD Case # 14339

Will,

**Jones, William V., EMNRD**

---

**From:** Ann Ritchie [ann.wtor@gmail.com]  
**Sent:** Tuesday, June 29, 2010 8:19 AM  
**To:** Jones, William V., EMNRD  
**Subject:** NMOCD Case # 14339  
**Attachments:** Document.pdf

Will,  
Please see attached - would you please let me know where I need to go from here. I am thinking we probably have to start over?  
Thank you,  
Ann

----- Forwarded message -----

**From:** Gary Lang <glang@ogxresources.com>  
**Date:** Tue, Jun 29, 2010 at 9:14 AM  
**Subject:** FW:  
**To:** Ann Ritchie <ann.wtor@gmail.com>

Ann, here is the letter from OXY withdrawing their protest. Can you see if our application is still valid and if the OCD will grant the permit.  
Thanks.

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

**From:** Patrick Sparks@oxy.com [mailto:Patrick\_Sparks@oxy.com]  
**Sent:** Monday, June 28, 2010 3:47 PM  
**To:** Elizabeth\_Bush@oxy.com; Bob\_Doty@oxy.com; Peter\_Sadler@oxy.com  
**Cc:** Gary Lang  
**Subject:** FW:

This letter was Faxed to the NMOCD to withdraw our protest of the Latham SWD per our recent agreement with OGX

Pat

--

West Texas Oil Reports  
"Since 1948"  
P.O. Box 953  
Midland, TX 79702  
432 684-6381  
432 682-1458-fax  
[www.wtor.us](http://www.wtor.us)

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 14339  
ORDER NO. R-13146

APPLICATION OF OGX RESOURCES, LLC FOR APPROVAL OF A SALT  
WATER DISPOSAL WELL, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on July 23, 2009, at Santa Fe, New Mexico, before Examiner Terry G. Warnell.

NOW, on this 24<sup>th</sup> day of July, 2009, the Division Director, having considered the record and the recommendations of the Examiner,

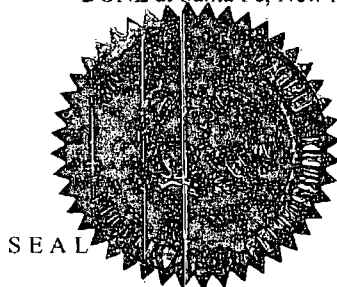
FINDS THAT:

The applicant's request for dismissal should be granted.

IT IS THEREFORE ORDERED THAT:

Case No. 14339 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

MARK E. FESMIRE, P.E.  
Director