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2012 MAY 25 P 4: 00

May 25, 2012

Ms. Jami Bailey, Director
NM Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87501

Hand-Delivered

Re: **NMOCD Case No. 14874 Application of Star Oil and Gas Company for Authorization to Conduct Injection Operations, Lea County, New Mexico**

Dear Ms. Bailey:

On behalf of Star Oil and Gas Company, enclosed is an original and one copy of an Application in the above-referenced case. Please set this matter for hearing on the June 25, 2012 examiner docket. Also enclosed is a proposed advertisement for the case.

Very truly yours,

J. Scott Hall

JSH:kw
Enclosures

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REPLY TO:

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Case 14874 *Application of Star Oil and Gas Company for Authorization to Inject, Lea County, New Mexico.* Applicant seeks an order authorizing the injection of salt water into the Wolfcamp formation, Kennnitz Lower Wolfcamp pool (35530) in the following proposed well:

New Mex A No. 1 SWD
API No. 30-025-01268
1983' FSL & 2313' FEL (Unit K)
Section 25
T-16-S, R-33-E, NMPM
Lea County, New Mexico

The subject well will be converted and utilized for injection of water through an open system into the Wolfcamp formation through perforations into the injection interval from 10,720' to 10,808'. Injection operations through the well will be conducted at an anticipated average daily injection pressure of zero psi (surface) with a maximum surface injection pressure of 2,144 psi or as permitted by the Division. Applicant proposes injection of water at average daily rates of approximately 5,000 bbls and at maximum daily rates of approximately 7,500 bbls. The lands and well are located approximately 10 miles west of Lovington, New Mexico.

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

**IN THE MATTER OF THE APPLICATION
OF STAR OIL AND GAS COMPANY FOR
AUTHORIZATION TO CONDUCT
INJECTION OPERATIONS, LEA COUNTY,
NEW MEXICO.**

CASE NO. 14874

APPLICATION

Star Oil and Gas Company ("Star"), through its undersigned counsel, Montgomery and Andrews, P.A. (J. Scott Hall, Esq.), applies pursuant to 19.15.26.8 NMAC for an order authorizing the injection of water into the Wolfcamp formation, Kemnitz Lower Wolfcamp Pool (35530), in Lea County, New Mexico. In support of its Application, Star states:

1. Applicant is the operator of the following well:

New Mex A No. 1 SWD
API No. 30-025-01268
1983' FSL & 2313' FEL (Unit K)
Section 25
T-16-S, R-33-E, NMPM
Lea County, New Mexico

2. The New Mex A No. 1 will be converted and utilized for injection of water through an open system into the Wolfcamp formation through perforations into the injection interval from 10,720' to 10,808'.

3. Injection operations through the well will be conducted at an anticipated average daily injection pressure of zero psi (surface) with a maximum surface injection pressure of 2,144 psi or as permitted by the Division.

4. Applicant proposes injection of water at average daily rates of approximately 5,000 bbls and at maximum daily rates of approximately 7,500 bbls. The lands and well are located approximately 10 miles west of Lovington, New Mexico. The source of the injected

fluids will be formation water from production wells that have been drilled and are scheduled to be drilled in the area.

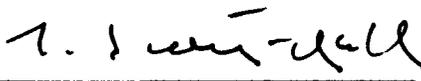
5. Applicant's proposed injection operation can be conducted in a safe and responsible manner without causing waste, impairing correlative rights or endangering fresh water, public health or the environment.

6. Applicant's request for administrative approval was originally filed with the Division on approximately March 2, 2012. The matter is being set for hearing on instruction of the Director pursuant to NMAC §19.15.26.8 D, with notice to be given by the Division.

WHEREFORE, Applicant requests that this Application be set for hearing before a duly appointed examiner of the Oil Conservation Division on June 25, 2012 and that after notice and hearing as required by law, the Division enter its Order approving the utilization of the New Mex A Well No. 1 for the injection of water into the lower Wolfcamp formation at the intervals and at the pressures, volumes and rates indicated, and making such other and further provisions as the Division determines appropriate.

Respectfully submitted,

MONTGOMERY & ANDREWS, P. A.

By: 

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Attorneys for Star Oil and Gas Company