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

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION, THROUGH THE ENFORCEMENT AND COMPLIANCE MANAGER, FOR A COMPLIANCE ORDER AGAINST JOHN CRAVEY D/B/A JRC PETROLEUM FINDING THAT THE OPERATOR IS IN VIOLATION OF 19.15.25.8 NMAC AND 19.15.5.9 NMAC, REVOKING ADMINISTRATIVE ORDER SWD-1141, REQUIRING OPERATOR TO PROPERLY PLUG AND ABANDON ALL HIS WELLS BY A DATE CERTAIN, AND IN THE EVENT OF NON-COMPLIANCE AUTHORIZING THE DIVISION TO PLUG AND ABANDON THE WELLS, EDDY COUNTY, NEW MEXICO.

CASE NO. 14320

PRE-HEARING STATEMENT OF THE OIL CONSERVATION DIVISION

The Oil Conservation Division (OCD) submits this entry of appearance and pre-hearing statement pursuant to 19.15.4.13(B) NMAC.

APPEARANCES

APPLICANT
Oil Conservation Division

APPLICANT'S ATTORNEY
Gail MacQuesten
Oil Conservation Division
Energy, Minerals and Natural
Resources Department
1220 S. St. Francis Drive
Santa Fe, NM 87505
(505) 476-3451
FAX: 476-3462
E-mail: gail.macquesten@state.nm.us

RESPONDENT
John Cravey
P.O. Box 447
Pecos, TX 79772

RESPONDENT'S ATTORNEY

No entry of appearance filed at this time.

STATEMENT OF CASE

John Cravey is a sole proprietor who operates 5 federal wells in New Mexico.

The OCD is asking for an order:

1) Revoking Mr. Cravey's injection permit, SWD-1141, because Mr. Cravey is in violation of 19.15.5.9(A) NMAC. The Division may revoke an injection permit if an operator is out of compliance with 19.15.5.9(A). See 19.15.26.8 NMAC. Mr. Cravey is in violation of 19.15.5.9(A) NMAC because he has too many inactive wells.

2) Requiring Mr. Cravey to plug and abandon all his wells, or transfer all his wells to another operator, by a date certain. This request is made pursuant to NMSA 1978, Section 70-2-13(B), based on Mr. Cravey's history of non-compliance with OCD's inactive well rule, 19.15.25 NMAC.

3) Authorizing the OCD to plug and abandon Mr. Cravey's wells if he fails to meet the deadline set in the order.

OCD'S PROPOSED EVIDENCE

Witness: Daniel Sanchez, OCD Compliance and Enforcement Manager
ESTIMATED TIME: 30 minutes, if pre-filed written testimony is accepted; otherwise 1 and ½ hours

PROCEDURAL MATTERS

The OCD will offer the pre-filed written testimony of Daniel Sanchez. A copy of the testimony, and the exhibits referenced in the testimony, are attached to this pre-hearing statement. Mr. Sanchez will appear at the hearing to summarize his testimony, introduce the exhibits, and adopt the pre-filed written testimony under oath. He will be available for cross-examination, and the respondent will have the opportunity to object to portions of his testimony, and to the introduction of exhibits referenced in his testimony. If the OCD is not allowed to introduce Mr. Sanchez' pre-filed written testimony, it will proceed with his live testimony. The time estimate for the hearing will need to be adjusted accordingly.

The OCD may offer testimony and evidence through Mr. Sanchez in addition to the testimony and exhibits provided with this pre-hearing statement.

Respectfully submitted
this 22nd day of May 2009 by

Gail MacQuesten
Oil Conservation Division
Energy, Minerals and Natural
Resources Department
1220 S. St. Francis Drive
Santa Fe, NM 87505
(505) 476-3451

Attorney for the Oil Conservation Division

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was mailed by first class mail this 22nd day of May 2009 to Mr. Cravey at the address listed above.

Gail MacQuesten

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

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION, THROUGH THE ENFORCEMENT AND COMPLIANCE MANAGER, FOR A COMPLIANCE ORDER AGAINST JOHN CRAVEY D/B/A JRC PETROLEUM FINDING THAT THE OPERATOR IS IN VIOLATION OF 19.15.25.8 NMAC AND 19.15.5.9 NMAC, REVOKING ADMINISTRATIVE ORDER SWD-1141, REQUIRING OPERATOR TO PROPERLY PLUG AND ABANDON ALL HIS WELLS BY A DATE CERTAIN, AND IN THE EVENT OF NON-COMPLIANCE AUTHORIZING THE DIVISION TO PLUG AND ABANDON THE WELLS, EDDY COUNTY, NEW MEXICO.

CASE NO. 14320

TESTIMONY OF DANIEL SANCHEZ

My name is Daniel Sanchez.

Since November 22, 2004, I have been the Compliance and Enforcement Manager of the Oil Conservation Division (OCD) of the Energy, Minerals and Natural Resources Department.

My duties as Compliance and Enforcement Manager include supervising the four district offices of the OCD and the Environmental Bureau of the OCD, and overseeing the enforcement and compliance actions of the OCD.

I have researched the compliance history of John Cravey d/b/a JRC Petroleum, and the allegations made in the application in Case 14320.

Summary:

To summarize, Mr. Cravey operates 5 wells in New Mexico. They are federal wells, and there is no financial assurance posted for the plugging of the wells. When Mr. Cravey acquired

Case 14320
John Cravey dba
JRC Petroleum
OCD Exhibit 2

the wells they were out of compliance with the inactive well rule, 19.15.25.8 NMAC, and subject to a plugging order. Mr. Cravey represented to the OCD that he could produce the wells if he had an economical way of disposing of the water that was produced with the oil, and proposed to use one of the wells as a disposal well. He was not eligible for an injection permit, however, because his inactive wells put him in violation of 19.15.5.9 NMAC (formerly known as Rule 40). The OCD and Mr. Cravey entered into an inactive well agreed compliance order covering four of the five wells, so that he could be in compliance with 19.15.5.9 NMAC and be eligible for an injection permit. He applied for, and obtained, the injection permit. He did not comply with the agreed compliance order, and it has expired. Currently, none of his wells shows activity. Four of his five wells are in violation of the inactive well rule, and the remaining well will be in violation of the inactive well rule by the end of August 2009 if it continues to be inactive.

The OCD is asking for an order revoking the injection permit, requiring Mr. Cravey to plug all of his wells by a date certain, and authorizing the OCD to plug the wells if Mr. Cravey fails to meet that deadline.

Background:

The five wells at issue in this case were previously operated by Mr. Thornton Hopper. In 2007, the OCD obtained compliance Order R-12706 against Mr. Hopper regarding these wells. **OCD Exhibit 3** is a copy of Order R-12706. In that case, the Division found the five wells to be in violation of the inactive well rule. The order required Mr. Hopper to bring the wells into compliance with the inactive well rule by March 1, 2007, and authorized the OCD to plug the wells if Mr. Hopper did not meet that deadline. Order R-12706 was actually the second compliance order issued to Mr. Hopper requiring him to return the five wells to compliance. The order references a prior order, Order R-11710 issued in Case No. 12733 on January 15, 2002

59 requiring Mr. Hopper to return the wells to compliance within 30 days. Mr. Hopper did not
60 return the wells to compliance under either order. Instead, he transferred them to Mr. Cravey,
61 effective 9-1-2007. **OCD Exhibit 4** is a copy of the operator transfer documentation.

62 Mr. Cravey remains the operator of record for the five wells. They are the only wells he
63 operates in New Mexico. **OCD Exhibit 5** is a copy of the well list for Mr. Cravey, taken from
64 OCD's website, identifying those five wells and providing information on the status of the wells.
65 The well list is used by the OCD, and by operators and members of the general public, in the
66 normal course of business to research information on operators and their wells. It shows all the
67 wells for which Mr. Cravey is operator of record according to OCD records (excluding wells that
68 have been plugged and released).

69 Mr. Cravey entered into an inactive well agreed compliance order, ACOI 197, regarding
70 four of the wells. **OCD Exhibit 6** is a copy of ACOI 197. (The well that was not included in
71 ACOI 197, the Bradley Federal #001, briefly reported small amounts of production, and
72 therefore was not out of compliance with the inactive well rule. **OCD Exhibit 7** is a copy of the
73 production information for the Bradley Federal #001, taken from the GOTECH website.
74 GOTECH uses production information reported to the OCD and provides it in a format that
75 shows production for individual wells. The GOTECH website is used by the OCD and by
76 operators and members of the general public, to research production by individual wells.)

77 When he obtained ACOI 197, Mr. Cravey represented to the OCD that the wells he
78 acquired from Mr. Hopper were capable of producing, but produced so much water that he
79 needed an economical way to dispose of the water in order to produce the wells. He wanted to
80 obtain a salt water disposal (SWD) permit for one of the wells, the Bradley Federal #006, and
81 use it to dispose of the water produced from the other wells. He could not obtain the SWD

82 permit, however, because OCD rules prohibit issuing injection permits to operators in violation
83 of 19.15.4.9 NMAC. Mr. Cravey was in violation of that rule because he had too many inactive
84 wells, and those wells were not subject to an agreed compliance order.

85 The OCD entered into ACOI 197 with Mr. Cravey so that he would be eligible to apply
86 for the SWD permit, in the hope that he would then be able to return the remaining wells to
87 production. ACOI 197 required Mr. Cravey to do the following: file an application for a salt
88 water disposal permit for the Bradley Federal #006 by August 29, 2008; return the four wells
89 identified in ACOI 197 to compliance with the inactive well rule by January 30, 2009; and file a
90 compliance report by January 30, 2009. Mr. Cravey agreed to pay a penalty of $1000 times the
91 number of wells he failed to return to compliance under the order. The order provided that Mr.
92 Cravey could seek an extension of the compliance deadlines, and could apply for a reduction or
93 waiver of the penalties if unanticipated circumstances prevented him from meeting his goal.

94 Mr. Cravey filed an application for the SWD permit by the deadline set in ACOI 197.
95 **OCD Exhibit 8** is a copy of the application. The OCD granted the permit in Administrative
96 Order SWD-1141 on September 18, 2008. **OCD Exhibit 9** is a copy of SWD-1141. Mr. Cravey
97 has not reported injection in the Bradley Federal #006.

98 Mr. Cravey did not take the other actions required by ACOI 197: he did not return the
99 four identified wells to compliance; he did not file a compliance report; he did not pay the
100 penalties due under ACOI 197. He also did not seek an extension of the compliance deadlines;
101 and he did not apply for a reduction or waiver of the penalties due under the order. The order
102 has expired.

103 **Violations of 19.15.25.8 NMAC, the "inactive well rule:"**

104 19.15.25.8.B NMAC provides that the operator of a well that has been inactive for a
105 continuous period in excess of one year plus ninety days shall either plug the well or place the
106 well on approved temporary abandonment status.

107 All five of Mr. Cravey's wells were found to be out of compliance with 19.15.25.8.B
108 NMAC in Order R- 11710 and Order R-12706. Four of the wells remain out of compliance. As
109 shown on the well list, OCD Exhibit 5, the Bradley Federal #002, #005 and #008 have not
110 reported activity since 1992. The Bradley Federal #006 has never reported production or
111 injection, but has been in existence for years. I have reviewed the well files for these four wells,
112 and they are not plugged and are not on approved temporary abandonment status.

113 The only well that has been returned to compliance is the Bradley Federal #001, which
114 reported small amounts of production as recently as April 2008. See OCD Exhibit 7. This well
115 will be out of compliance with 19.15. 25.8 NMAC by the end of August 2009 if it reports no
116 activity and is not plugged or placed on approved temporary abandonment status.

117 NMSA 1978, Section 70-2-14(B) provides, in relevant part, "If any of the requirements
118 of the Oil and Gas Act [70-2-1 NMSA 1978] or the rules promulgated pursuant to that act have
119 not been complied with, the oil conservation division, after notice and hearing, may order any
120 well plugged and abandoned by the operator or surety or both in accordance with division rules."

121 NMSA 1978, Section 70-2-12(B)(18) gives the OCD the power to "do all acts necessary
122 and proper to plug dry and abandoned oil and gas wells in accordance with the provisions of the
123 Oil and Gas Act and the Procurement Code...."

124 **Violations of 19.15.5.9 NMAC**

125 To be in compliance with 19.15.5.9.A NMAC, an operator may have no more than a
126 certain number of wells out of compliance with 19.15.25.8 NMAC (the inactive well rule) that

are not subject to an agreed compliance order setting a schedule for bringing wells into compliance and imposing sanctions if the schedule is not met. The number of wells is determined by the number of wells the operator operates.

An operator with 5 wells, such as Mr. Cravey, may have no more than 2 wells in violation with the inactive well rule and not covered by an agreed compliance order.

Mr. Cravey has 4 wells out of compliance with the inactive well rule; they are not covered by an inactive well agreed compliance order, because the order Mr. Cravey had in place has expired.

19.15.26.8 NMAC provides, in relevant part, "The division shall grant a permit for injection under 19.15.26.8 NMAC only to an operator who is in compliance with Subsection A of 19.15.5.9 NMAC. The division may revoke a permit for injection issued under 19.15.26.8 NMAC after notice and hearing if the operator is not in compliance with Subsection A of 19.15.5.9 NMAC."

Requested Relief:

The OCD requests that an order be issued finding Mr. Cravey to be in violation of 19.15.25.8 NMAC (the inactive well rule) as to four wells: the Bradley Federal #002, #005, #006 and #008. Based on that violation, pursuant to NMSA 1978, Section 70-2-14(B), the order should require Mr. Cravey to plug all of his wells by a date certain, and authorize the OCD to plug the wells if Mr. Cravey does not meet the deadline.

In addition the OCD requests that the order revoke SWD-1141 based on Mr. Cravey's violation of 19.15.5.9 NMAC.

I, Daniel Sanchez, swear that the foregoing is true and correct.

Daniel Sanchez

Compliance and Enforcement Manager
Oil Conservation Division

Subscribed and sworn to before me this 18th day of May 2009 by Daniel Sanchez.

Denise M Zordl
Notary Public

My commission expires:

01-09-2012

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

CASE NO. 13844
ORDER NO. R-12706

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION FOR A COMPLIANCE ORDER AGAINST THORNTON HOPPER, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on January 4, 2007, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 25th day of January, 2007, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given, and the Division has jurisdiction of this case and its subject matter.

(2) Thornton Hopper ("Mr. Hopper" or "operator") is the current owner and operator of the following-described five wells located on various Federal leases in Eddy County, New Mexico:

Well Name & Number	API Number	Well Location
Bradley Federal No. 1	30-015-00391	Unit D, Section 13, T-24S, R-26E
Bradley Federal No. 2	30-015-00387	Unit P, Section 11, T-24S, R-26E
Bradley Federal No. 5	30-015-00382	Unit P, Section 11, T-24S, R-26E
Bradley Federal No. 6	30-015-00386	Unit I, Section 11, T-24S, R-26E
Bradley Federal No. 8	30-015-00383	Unit K, Section 11, T-24S, R-26E

(3) The New Mexico Oil Conservation Division ("Division") seeks an order finding that Mr. Hopper is in violation of Rule 19.15.4.201 NMAC as to the five subject wells, requiring the operator to bring the five wells into compliance with Rule 19.15.4.201 NMAC by a date certain and, in the event of non-compliance, authorizing the Division to plug the wells in accordance with a Division-approved plugging program.

Case 14320
John Cravey dba
JRC Petroleum
OCD Exhibit 3

(4) The Division appeared at the hearing and presented evidence to support its application.

(5) Division records and evidence presented by the Division demonstrate that:

(a) by letters dated May 11, and December 26, 2000, the Division advised Mr. Hopper that the five subject wells, by virtue of not having been produced or injected into since prior to 1997, were not in compliance with Rule 19.15.4.201 NMAC; and

(b) by Order No. R-11710 issued in Case No. 12733 on January 15, 2002, the Division ordered Mr. Hopper to bring the five subject wells into compliance with Rule 19.15.4.201 NMAC within 30 days from the date of the order by either: i) causing the wells to be properly plugged and abandoned in accordance with a Division-approved plugging program; ii) returning the wells to active production and/or injection; or iii) causing the wells to be temporarily abandoned in accordance with Division rules. Order No. R-11710 also assessed a civil penalty of $5,000.00 against Mr. Hopper for non-compliance.

(6) The Division presented further evidence that demonstrates that:

(a) the Bradley Federal Wells No. 1, 2, 5 and 8 are currently classified as oil wells and the Bradley Federal Well No. 6 is currently classified as a disposal well;

(b) the Bradley Federal Well No. 1 has not produced since January, 1989, and the Bradley Federal Wells No. 2, 5 and 8 have not produced since December, 1992;

(c) Mr. Hopper was again contacted by the Division by letter dated June 2, 2006, and was advised at that time that no C-115's (Operator's Monthly Report) had been filed for the subject wells for several reporting periods. The operator was also advised at that time that if the delinquent reports were not filed by August 15, 2006, the Division would seek to revoke the operator's Form C-104 (Request for Allowable and Authorization to Transport);

(d) no delinquent production reports were filed by the operator prior to the deadline date; and

(e) by letter dated October 12, 2006, the Division cancelled Mr. Hopper's authority to transport or inject into the five subject wells.

(7) Mr. Hopper has made no attempt to comply with Order No. R-11710, or with any other directives that were issued by the Division in 2006.

(8) Mr. Hopper is in violation of Rule 19.15.4.201 NMAC.

(9) By virtue of the failure to use the wells for beneficial purposes or to have an approved temporary abandonment permit, the subject wells are presumed to have been abandoned by Mr. Hopper.

(10) The subject wells are not currently covered by a plugging bond held by the Division.

(11) Mr. Hopper was provided notice of this application, but did not appear at the hearing.

(12) In order to prevent waste and to adequately protect correlative rights and the environment, Mr. Hopper should be required to bring the five subject wells into compliance with Rule 19.15.4.201 NMAC on or before March 1, 2007.

(13) Should Mr. Hopper not meet this March 1, 2007 obligation, the Division Director should then be authorized to take such action as is deemed necessary to properly plug and abandon the wells and recover from the operator the costs the Division may incur to properly plug and abandon these wells.

IT IS THEREFORE ORDERED THAT:

(1) Thornton Hopper is hereby ordered to bring the following-described wells, located in Eddy County, New Mexico, into compliance with Rule 19.15.4.201 NMAC on or before March 1, 2007, by either: i) causing the wells to be properly plugged and abandoned in accordance with a Division-approved plugging program; ii) returning the wells to active production and/or injection; or, iii) causing the wells to be temporarily abandoned in accordance with Division rules:

Well Name & Number	API Number	Well Location
Bradley Federal No. 1	30-015-00391	Unit D, Section 13, T-24S, R-26E
Bradley Federal No. 2	30-015-00387	Unit P, Section 11, T-24S, R-26E
Bradley Federal No. 5	30-015-00382	Unit P, Section 11, T-24S, R-26E
Bradley Federal No. 6	30-015-00386	Unit I, Section 11, T-24S, R-26E
Bradley Federal No. 8	30-015-00383	Unit K, Section 11, T-24S, R-26E

(2) Thornton Hopper, prior to performing any work on the above-described wells, shall

obtain from the supervisor of the Division's district office in Hobbs, an approved work plan, and shall notify the Hobbs District Office of the date and time this work is to commence whereupon the Division may witness such work.

(3) In the event the operator fails to comply with the ordering paragraphs above, then:

(a) the Division is authorized to plug and abandon the subject well in accordance with 19.15.4.202 NMAC; and

(b) the Division is authorized to demand and collect reimbursement from the operator of its costs incurred in plugging the wells and restoring and remediating the well sites and associated production facilities.

(4) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

(5) 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

SEAL

District II
1301 W. Grand Ave., Artesia, NM 88210
Phone:(505) 748-1283 Fax (505) 748-9720

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-145
Permit 59357

Change of Operator

Previous Operator Information		New Operator Information	
		Effective Date:	9/1/2007
OGRID:	22997	OGRID:	252682
Name:	THORNTON HOPPER	Name:	JOHN CRAVEY DBA JRC PETROLEUM
Address:	PO BOX 953	Address:	BO 447
Address:		Address:	
City, State, Zip:	MIDLAND , TX 79701	City, State, Zip:	PECOS , TX 79772

I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information on this form and the certified list of wells is true to the best of my knowledge and belief.

Previous Operator		New Operator	
Signature:	Wanema Hopper	Signature:	
Printed Name:	Wanema Hopper	Printed Name:	John Cravey
Title:	Owner	Title:	Owner
Date:	8-17-07 Phone: 432-377-2262	Date:	8-16-07 Phone: 432-445-9331

NMOCD Approval
Electronic Signature: Carmen Reno, District 2
Date: August 21, 2007

Case 14320
John Cravey dba
JRC Petroleum
OCD Exhibit 4

From Operator THORNTON HOPPER OGRID 22997
To Operator JOHN CRAVEY DBA JRC PETROLEUM OGRID 252682
Wells Selected for Transfer, Permit 59357
Permit Status: APPROVED

OCD District: Artesia

Property	Well	Lease Type	ULSTR	OCD Unit	API	Well Type	Pool ID	Pool Name
303850	BRADLEY FEDERAL #001	F	D-13-24S-26E	D	30-015-00391	O	6270	BLACK RIVER;DELAWARE
	BRADLEY FEDERAL #002	F	P-11-24S-26E	P	30-015-00387	O	6270	BLACK RIVER;DELAWARE
	BRADLEY FEDERAL #005	F	P-11-24S-26E	P	30-015-00382	O	6270	BLACK RIVER;DELAWARE
	BRADLEY FEDERAL #006	S	I-11-24S-26E	I	30-015-00386	S	96100	SWD;DELAWARE
	BRADLEY FEDERAL #008	F	K-11-24S-26E	K	30-015-00383	O	6270	BLACK RIVER;DELAWARE

Well List

252682 JOHN CRAVEY DBA JRC PETROLEUM
TOTAL WELL COUNT:5
PRINTED ON:MONDAY, MAY 18, 2009

Property	Well Name	Lease Type	ULSTR	OCD UL	API	Well Type	Pool		Last Prod/Inj	Oil POD	Gas POD	In Add. Bond
303850	BRADLEY FEDERAL #001	F	D-13-24S-26E	D	30-015-00391	O	6270	BLACK RIVER;DELAWARE	12/2008	1100110	1100130	
	BRADLEY FEDERAL #002	F	P-11-24S-26E	P	30-015-00387	O	6270	BLACK RIVER;DELAWARE	12/1992	1100110	1100130	
	BRADLEY FEDERAL #005	F	P-11-24S-26E	P	30-015-00382	O	6270	BLACK RIVER;DELAWARE	12/1992	1100110	1100130	
	BRADLEY FEDERAL #006	S	I-11-24S-26E	I	30-015-00386	S	96100	SWD;DELAWARE				
	BRADLEY FEDERAL #008	F	K-11-24S-26E	K	30-015-00383	O	6270	BLACK RIVER;DELAWARE	12/1992	1100110	1100130	

Case 14320
John Cravey dba
JRC Petroleum
OCD Exhibit 5

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

NMOCD ACOI 197

IN THE MATTER OF JOHN CRAVEY DBA JRC PETROLEUM,

Respondent.

INACTIVE WELL AGREED COMPLIANCE ORDER

Pursuant to the New Mexico Oil and Gas Act, NMSA 1978, Sections 70-2-1 through 70-2-38, as amended ("Act") and OCD Rule 1227.E [19.15.14.1227(E) NMAC], the Director of the Oil Conservation Division ("OCD") and John Cravey ("Operator") enter into this Inactive Well Agreed Compliance Order ("Order" or "ACOI") under which Operator agrees to plug, place on approved temporary abandonment status or restore to production or other beneficial use the wells identified herein pursuant to the Act and OCD Rule 201 [19.15.4.201 NMAC] in accordance with the following agreed schedule and procedures, and agrees to pay penalties as set out below if it fails to meet the schedule set out in this Order.

FINDINGS

1. The OCD is the state division charged with administration and enforcement of the Act, and rules and orders adopted pursuant to the Act.

2. Operator is a sole proprietor doing business in the state of New Mexico as JRC Petroleum.

3. Operator is the operator of record under OGRID 252682 for the following wells:

- Bradley Federal #002 30-015-00387
- Bradley Federal #005 30-015-00382
- Bradley Federal #006 30-015-00386
- Bradley Federal #008 30-015-00383

4. OCD Rule 201 [19.15.4.201 NMAC] states, in relevant part:

"A. The operator of any of the following wells, whether cased or uncased, shall be responsible for the plugging thereof: wells drilled for oil or gas; or service wells including but not limited to seismic, core, exploration or injection wells.

Case 14320
John Cravey dba
JRC Petroleum
OCD Exhibit 6

B. A well shall be either properly plugged and abandoned or placed in approved temporary abandonment in accordance with these rules within 90 days after:

....

....

(3) a period of one year in which a well has been continuously inactive."

5. The wells identified in Findings Paragraph 3, above

(a) have been continuously inactive for a period of one year plus 90 days;
(b) are not plugged or abandoned under OCD Rule 202 [19.15.4.202 NMAC]; and
(c) are not on approved temporary abandonment status under OCD Rule 203 [19.15.4.203 NMAC].

6. Operator became operator of record for the wells identified in Findings Paragraph 3, above, effective September 1, 2007. Operator represents that he has performed work to return the Bradley Federal #002, #005 and #008 to production. However, the wells are producing significant amounts of water. Operator plans to apply for a salt water disposal permit for the Bradley Federal #006. That well previously had a permit for injection, but the permit has expired due to lack of use. If Operator obtains an injection permit for the Bradley Federal #006, he anticipates that it will be able to return the Bradley Federal #002, #005 and #008 to production very quickly.

7. NMSA 1978, Section 70-2-31(A) authorizes the assessment of civil penalties of up to one thousand dollars per day per violation against any person who knowingly and willfully violates any provision of the Oil and Gas Act or any rule or order adopted pursuant to the Act.

8. NMSA 1978, Section 70-2-33(A) defines "person" in relevant part as

"any individual, estate, trust, receiver, cooperative association, club, corporation, company, firm, partnership, joint venture, syndicate or other entity..."

CONCLUSIONS

1. The OCD has jurisdiction over the parties and subject matter in this proceeding.

2. The wells identified in Findings Paragraph 3 are out of compliance with Rule 201 [19.15.4.201 NMAC].

3. As operator of the wells identified in Findings Paragraph 3, Operator is responsible for bringing those wells into compliance with Rule 201 [19.15.4.201 NMAC].

4. Operator is a "person" as defined by NMSA 1978, Section 70-2-33(A) and may be subject to civil penalties for knowing and willful violations of the Oil and Gas Act or rules or orders adopted pursuant to the Act.

ORDER

1. Operator agrees to file an application for a salt water disposal permit for the Bradley Federal #006 by August 29, 2008.

2. Operator agrees to bring the wells identified in Findings Paragraph 3 into compliance with OCD Rule 201 [19.15.4.201 NMAC] by January 30, 2009 by

   (a) restoring the well to production or other OCD-approved beneficial use **and filing a C-115 documenting such production or use**;
   (b) causing the wellbore to be plugged in accordance with OCD Rule 202.B(2) [19.15.4.202(B)(2) NMAC] **and filing a C-103 describing the completed work**; or
   (c) placing the well on approved temporary abandonment status pursuant to OCD Rule 203 [19.15.4.203 NMAC].

3. Operator shall file a compliance report identifying each well returned to compliance, stating the date it was returned to compliance and describing how the well was returned to compliance (restored to production or other approved beneficial use, plugged wellbore, approved temporary abandonment status.) Transfer of a well identified in Findings Paragraph 3 to another operator does not count towards Operator's obligation to return wells to compliance under the terms of this Order, but does reduce the total number of wells for which Operator is responsible under the terms of this Order. The written compliance report must be mailed or e-mailed to the OCD's Enforcement and Compliance Manager and to the OCD attorney in charge of inactive well agreed compliance orders so that it is **received by** the compliance deadline of January 30, 2009.

4. If Operator fails to return all the wells identified in Findings Paragraph 3 into compliance by January 30, 2009, Operator agrees to pay a penalty of $1000 times the number of wells it failed to bring into compliance. In the event the Operator encounters unanticipated circumstances that prevent it from meeting its goal, Operator may apply for a waiver or reduction of the penalty by making the request in writing to the OCD's Enforcement and Compliance Manager. If the Enforcement and Compliance Manager concurs with the Operator's request, the request for waiver or reduction of penalties may be granted administratively. If the Enforcement and Compliance Manager does not concur with the Operator's request or fails to respond within 10 days, the Operator may file an application for

hearing on the request. Any application for hearing on a request for waiver or reduction of penalty must be filed within 30 days of the date the compliance report is due.

5. Upon the written request of the Operator, and for good cause shown, the OCD may amend this Order to extend the deadline for compliance for a period not to exceed six months. A written request for amendment must be received by the OCD by January 30, 2009. OCD will not amend the Order to extend the deadline for compliance if Operator is not in compliance with the OCD's financial assurance requirements.

6. Thirty days after the compliance deadline set by this Order or by an amendment issued pursuant to Ordering Paragraph 5, above, any wells identified in Findings Paragraph 3 not in compliance with OCD Rule 201 [19.15.4.201 NMAC] still operated by Operator will appear on the Operator's inactive well list kept pursuant to OCD Rule 40.F [19.15.1.40(F) NMAC].

7. By signing this Order, Operator expressly:

   (a) acknowledges the correctness of the Findings and Conclusions set forth in this Order;
   (b) agrees to return to compliance all of the wells identified in Findings Paragraph 3 by January 30, 2009 or by the deadline set by an amendment to this Order issued pursuant to Ordering Paragraph 5;
   (c) agrees to submit a compliance report as required in Ordering Paragraph 3 by January 30, 2009 or by the deadline set by an amendment to this Order issued pursuant to Ordering Paragraph 5;
   (d) agrees to pay penalties as set out in and limited by Ordering Paragraph 4 if it fails to return the required number of wells to compliance under the deadlines set by January 30, 2009 or by the deadline set by an amendment to this Order issued pursuant to Ordering Paragraph 5;
   (e) waives any right, pursuant to the Oil and Gas Act or otherwise, to an appeal from this Order, or to a hearing either prior to or subsequent to the entry of this Order other than a hearing on a request for waiver or reduction of penalties; and
   (f) agrees that the Order and amendments to the Order may be enforced by OCD or Oil Conservation Commission Order, by suit or otherwise to the same extent and with the same effect as a final Order of the OCD or Oil Conservation Commission entered after notice and hearing in accordance with all terms and provisions of the Oil and Gas Act.

8. This Order applies only to the enforcement of OCD Rule 201 [19.15.4.201 NMAC] against those wells identified in Findings Paragraph 3. Other wells operated by Operator out of compliance with OCD Rule 201 [19.15.4.201 NMAC] may be subject to immediate enforcement action under the Oil and Gas Act and OCD Rules. Wells identified in Findings Paragraph 3 that are out of

compliance with the Oil and Gas Act or OCD Rules other than Rule 201 [19.15.4.201 NMAC] may be subject to immediate enforcement action under the Oil and Gas Act and OCD Rules.

9. The OCD reserves the right to file an application for hearing to obtain authority to plug any well identified in Findings Paragraph 3 and forfeit the applicable financial assurance if the well poses an immediate environmental threat.

Done at Santa Fe, New Mexico this 4th day of ~~July~~ August 2008

By: _____
Mark Fesmire, P.E.
Director, Oil Conservation Division

ACCEPTANCE

John Cravey hereby accepts the foregoing Order, and agrees to all of the terms and provisions set forth in that Order.

John Cravey

By: _____
(Please print name) John Cravey
Title: owner
Date: 7-28-08

View Production Data

In Internet Explorer, right click and select[Save Target As...]
In Netscape, right click and select [Save Link As...]

Download: API_NO_3001500391.csv

API #: 3001500391 **Well_Name:** BRADLEY FEDERAL # 001
Location: D-13-24.0S-26E , 330 FNL, 330 FWL **Lat:**32.2237093204 **Long:**-104.254057781
Operator Name: JOHN CRAVEY DBA JRC PETROLEUM [Operator and Lessee Info] **County:** Eddy
Land Type: Federal **Well Type:** Oil **Spud Date:** **Plug Date:**
Elevation GL: 3259 **Depth TVD:**
Pools associated:

- BLACK RIVER;DELAWARE **Total Acreage:** 40.00 **Completion:** 1 Summary of Production
- Show All

Year: 2007
Pool Name: BLACK RIVER;DELAWARE

Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days Produced
January	0	0	0	0
February	0	0	0	0
March	0	0	0	0
April	0	0	0	0
May	0	0	0	0
June	0	0	0	0
July	0	0	0	0
August	0	0	0	0
September	0	0	0	0
October	0	0	0	0
November	3	0	0	0
December	4	0	0	0

Year: 2008
Pool Name: BLACK RIVER;DELAWARE

Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days Produced
January	5	0	0	0
February	14	0	0	0
March	14	0	0	0
April	14	0	0	0
May	0	0	0	0
June	0	0	0	0
July	0	0	0	0
August	0	0	0	0
September	0	0	0	0

Case 14320
John Cravey dba
JRC Petroleum
OCD Exhibit 7

October	0	0	0	0
November	0	0	0	0
December	0	0	0	0

DATE IN 7/31/08	SUSPENSE	ENGINEER W Jones	LOGGED IN 7/31/08	TYPE	APP NO. PKVR0821355316

ABOVE THIS LINE FOR DIVISION USE ONLY

SWD-1141

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505

Cravey

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 _____

RECEIVED 2008 JUL 31 PM 2 48

[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.

John Cravey		Owner	7/25/08
Print or Type Name	Signature	Title	Date

jrcpetroleum@cebridge.net
e-mail Address
neostone_consultant@excite.com (agent)

Case 14320
John Cravey dba
JRC Petroleum
OCD Exhibit 8

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL
RESOURCES DEPARTMENT

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

FORM C-108
Revised June 10, 2003.

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: ***Salt Water Disposal*** and the application ***qualifies*** for administrative approval.

II. OPERATOR: ***John Cravey dba JRC Petroleum***

ADDRESS: ***P.O. Box 447, 20 Winding Way, Pecos, Texas 79772***

CONTACT PARTY: ***John Cravey (432) 445-9331***
Agent: SOS Consulting, LLC – Ben Stone (903) 488-9850

III. WELL DATA: All well data and wellbore diagrams are attached hereto.

IV. ***This is not an expansion of an existing project however, the well had previously been approved for salt water disposal, OCD Order No.R-5348 (attached hereto) which was revoked 7/3/01 due to non-injection for a period of greater than one year by the former operator.***

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

*VI. ***A tabulation is attached*** of data on all wells of public record within the area of review which penetrate the proposed injection zone. ***The data includes*** 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. ***The following data is attached*** on the proposed operation, including:

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

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

IX. ***No stimulation program is proposed at this time.***

*X. ***There is no applicable logging and test data on the well however, any previous well logs have been filed with the Division and they need not be resubmitted.***

*XI. ***There are no fresh water wells within one mile the proposed salt water disposal well.***

XII. ***An affirmative statement is attached that available geologic and engineering data has been examined and no evidence was found*** of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

XIII. ***"Proof of Notice" section on the next page of this form has been completed.***

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: ***John Cravey*** TITLE: ***Owner, JRC Petroleum***

SIGNATURE: _____ DATE: 7-25-08

E-MAIL ADDRESS: ***jrcpetroleum@cebridge.net - Agent: SOS Consulting, LLC: neostone_consultant@excite.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:

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

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

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

(1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.

(2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.

(3) A description of the tubing to be used including its size, lining material, and setting depth.

(4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

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

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

(1) The name of the injection formation and, if applicable, the field or pool name.

(2) The injection interval and whether it is perforated or open-hole.

(3) State if the well was drilled for injection or, if not, the original purpose of the well.

(4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.

(5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

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

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

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

(1) The name, address, phone number, and contact party for the applicant;

(2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;

(3) The formation name and depth with expected maximum injection rates and pressures; and,

(4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

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

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.

C-108 APPLICATION OVERVIEW STATEMENT

Pursuant to the request of the New Mexico Oil Conservation Division engineering and legal staff, I hereby certify that the following conditions are true to the best of my knowledge.

1) JRC Petroleum will by way of an Agreed Compliance Order, be in compliance with OCD Rule 40. Approval of this SWD application will enable three Bradley Federal producing wells to return to active status.

2) JRC Petroleum requests an initial injection pressure of 640 psi pursuant to the permitted pressure on the well prior to termination of injection operations. The requested injection pressure was and is based on a previously conducted step rate test which is included as part of this application.

3) SOS Consulting, LLC prepared this application and is available if additional information is required. SOS has no further involvement other than in a consulting / agent capacity for this application.

John Cravey
dba JRC Petroleum

C-108 ITEM XII – GEOLOGIC AFFIRMATION

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

Further, prior reviews of such data determined the same results.

John Cravey
dba JRC Petroleum

C-108 – ITEM VII.5
(Delaware Water Analysis)

SAMPLE NO._____

THE WESTERN COMPANY
Service Laboratory

WATER ANALYSIS

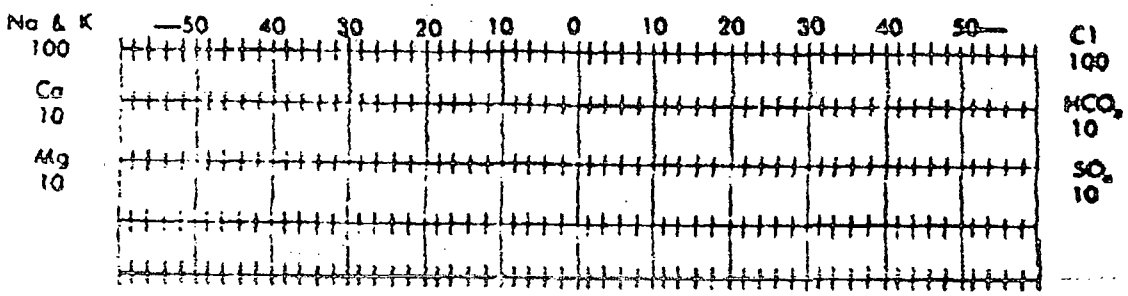
Operator	Thornton Hopper	Date Sampled	3-7-69
Well	Bradley Federal	Date Received	3-11-69
Field	Black River	Submitted by	Kermit District
Formation	Delaware	Worked by	Jones
Depth	1850'	Other Description	Pit Sample
County	Eddy, N. M.		

CHEMICAL DETERMINATIONS

Density	1.150 @ 70°F	pH	8.6
Iron	No Trace	Hydrogen Sulfide	Very Strong Trace
Sodium and Potassium	77,200 ppm	Bicarbonate	573 ppm
Calcium	3,100 ppm	Sulfate	3,400 ppm
Magnesium	630 ppm	Phosphate	ppm
Chloride	123,600 ppm	as Sodium Chloride	ppm

Remarks:

for Stiff type plot (in meq./L)



STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

TONEY ANAYA
GOVERNOR

November 12, 1986

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Thornton Hopper
P. O. Box 953
Midland, Texas 79702

Re: Injection Pressure Increase
Bradley Federal No. 6 Well
Eddy County, New Mexico

Dear Sir:

Reference is made to your request of October 29, 1986 to increase the surface injection pressure on your Bradley Federal No. 6 Well. This request is based on a step rate test conducted on the well on September 11, 1986. The results of the test have been reviewed by my staff and we feel an increase in injection pressure on this well is justified at this time.

You are therefore authorized to increase your surface injection pressure on the following well:

Well & Location	Maximum Injection Surface Pressure
Bradley Federal Well No. 6 1650 FSL & 990 FEL, Sec. 11 T-24 South, R-26 East, NMPM Eddy County, New Mexico.	640 PSIG

The Division Director may rescind this injection pressure increase if it becomes apparent that the injected water is not being confined to the injection zone or it is endangering any fresh water aquifers.

Sincerely,

R. L. STAMETS
Director

RLS/DRC/et

cc: Oil Conservation Division - Artesia

RECEIVED BY
OCT 27 1986
O. C. D.
ARTESIA, OFFICE

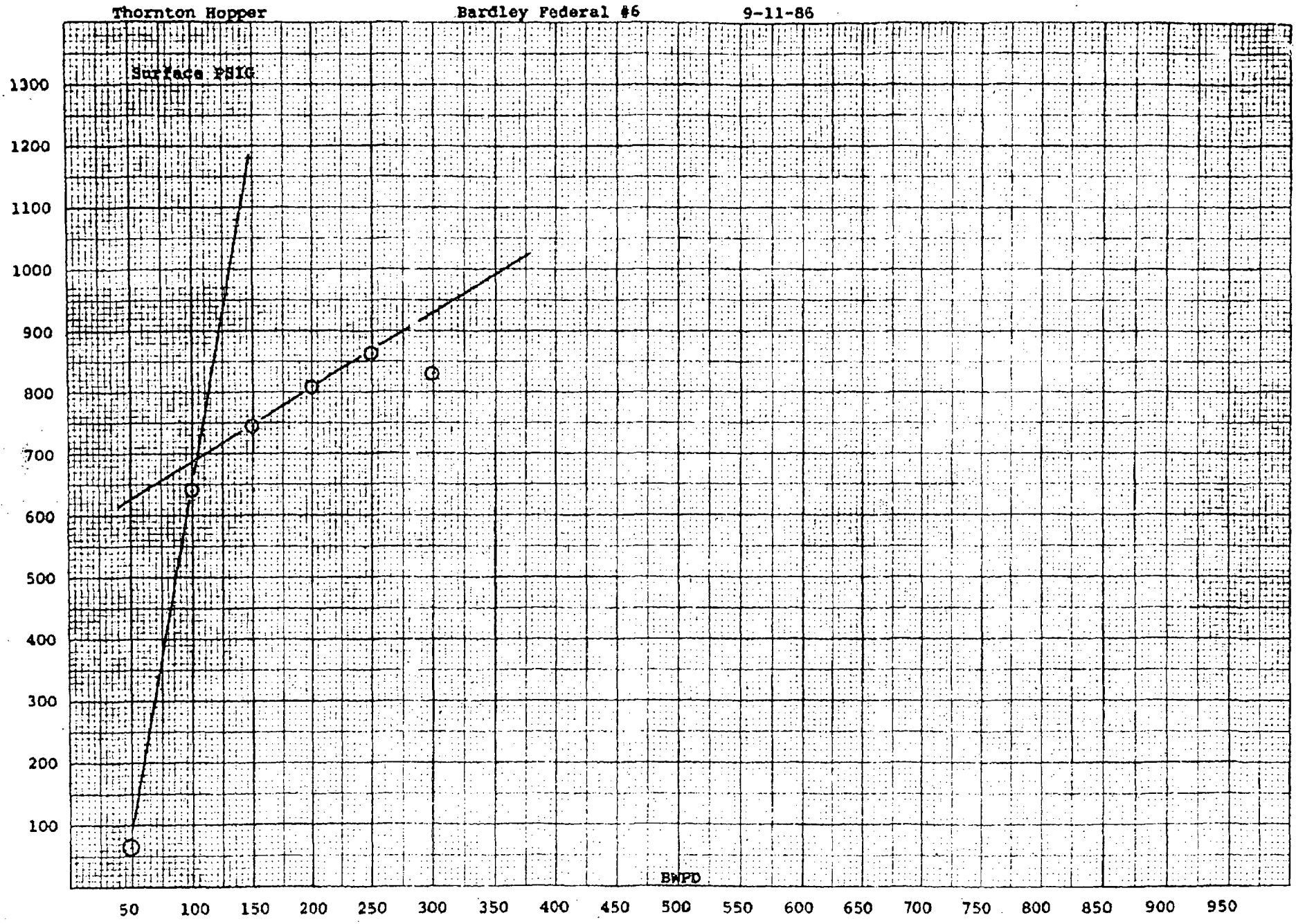
B & D WELL TESTERS
Step Rate Test

Phone (505) 397-3914 — Hobbs, New Mexico 88240

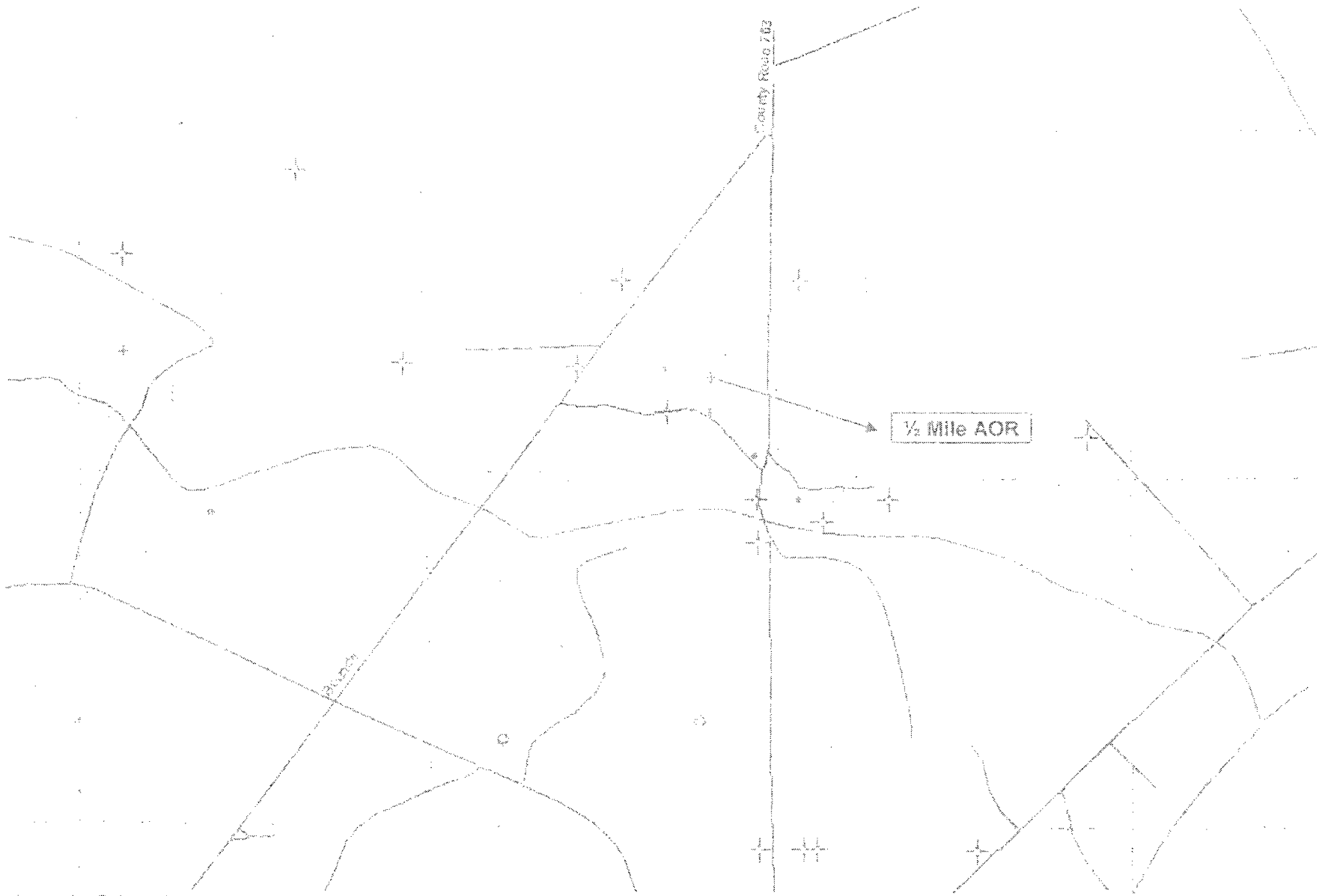
Company Thornton Hopper — Test Date 9-11-86 — Unit
Lease Bradley Federal
Total Depth Exp. 2000' — Plug Back TD — Elevation — Well # 6
Csg size 7 Wt d Set at Perfs: From To Ut I — Sec 11 Twp-Blk 24 Rge 26
Tbg size Wt d Set at Perfs: From To — County Eddy State New Mexico
Producing thru — Packer set at — Co. Rep

Time of Reading	Elap Time Hrs.	Rate BBLS Per Day	Total BBLS Per Rate	Surface PSIG	Surface PSI Cor for Friction	BHP	Remarks
		Well Information					
10:55	S.I.			Vac.			
11:00	Start			Vac.			
11:05		50		0			
11:10		50		50			
11:15	:15	50		65			
11:20		100		460			
11:25		100		630			
11:30	:30	100		640			
11:35		150		705			
11:40		150		730			
11:45	:45	150		745			
11:50		200		770			
11:55		200		785			
12:00	1:00	200		810			
12:05		250		820			
12:10		250		845			
12:15	1:15	250		865			
12:20		300		865			
12:25		300		850			
12:30	1:30	300		830			End Test

B-8815


Thornton Hopper
Bardley Federal #6
9-11-86
Surface PSIG
1300
1200
1100
1000
900
800
700
600
500
400
300
200
100
BWPD
50
100
150
200
250
300
350
400
450
500
550
600
650
700
750
800
850
900
950

Bradley Federal No.6 – Area of Review

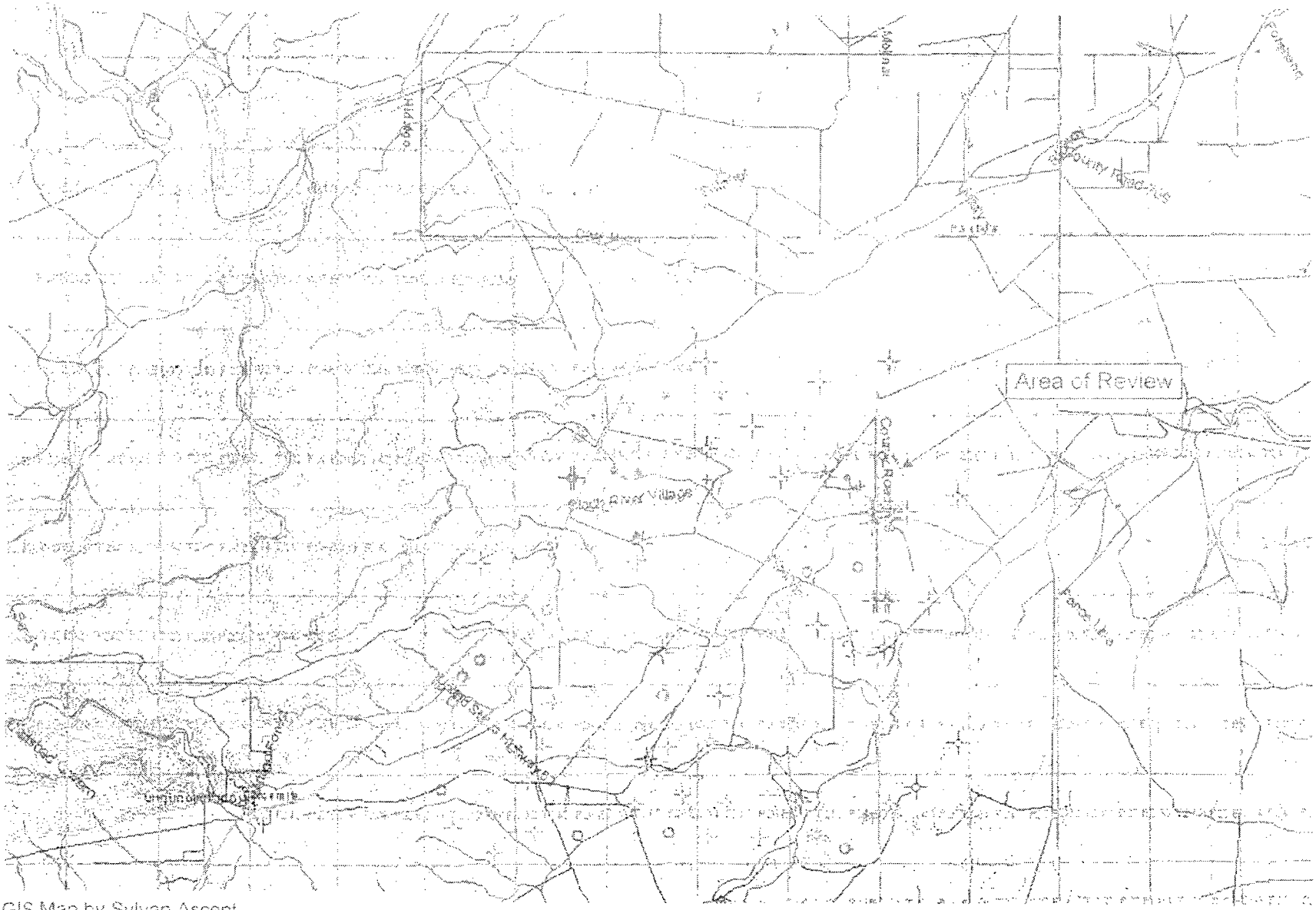


GIS Map by Sylvan Ascenl
Drawn 7/9/08
Drawn by Ben Stone, SOS Consulting, LLC
For JRC Petroleum, Pecos, Texas

SOS Consulting, LLC

Well spots generated from RBDMS database with most current recordset provided by NMT Octane AllWells mdb

Subject Area – South of Carlsbad, NM

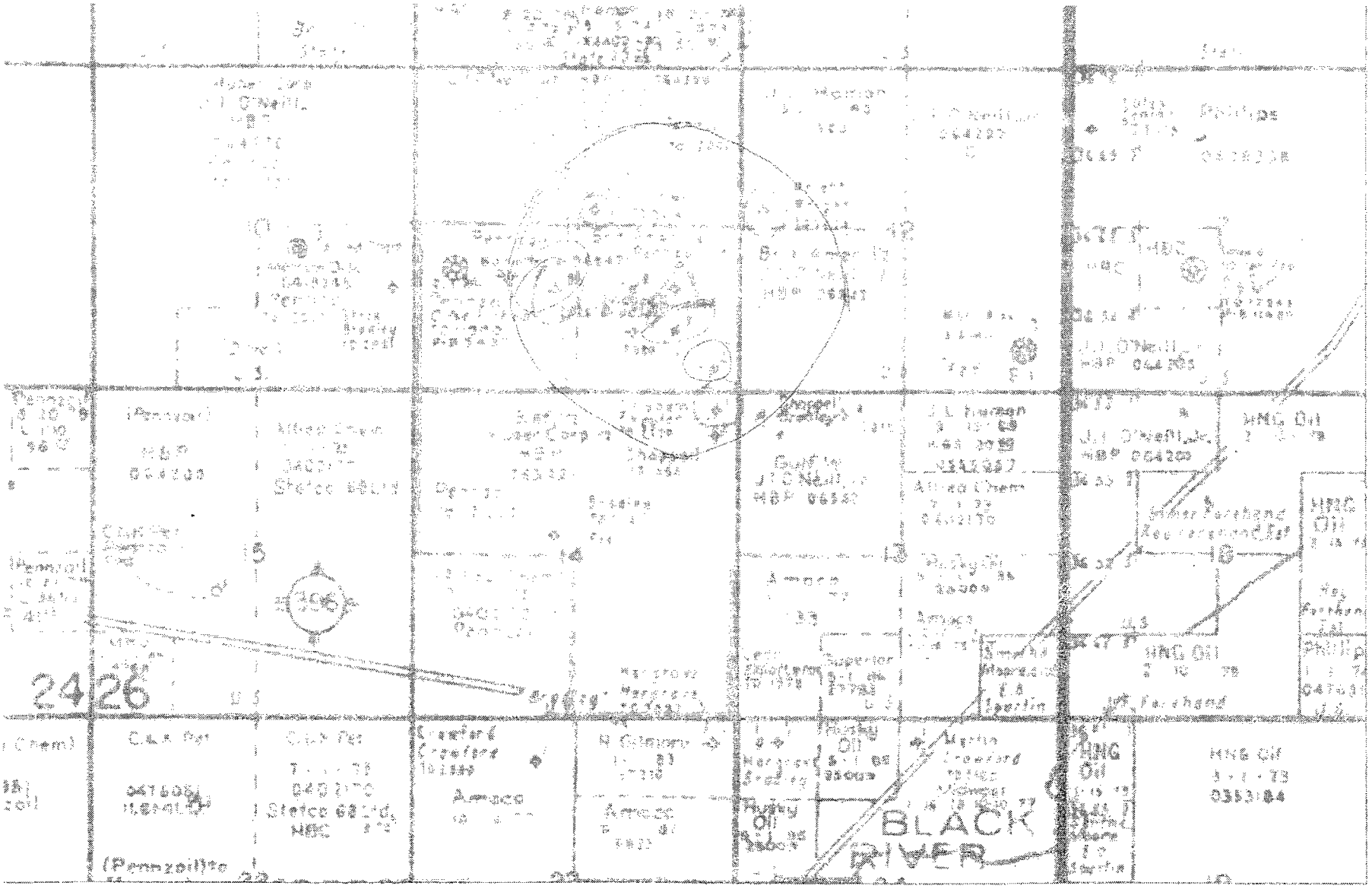


GIS Map by Sylvan Ascent
Drawn 7/9/08
Drawn by Ben Stone, SOS Consulting, LLC
For JRC Petroleum, Pecos, Texas

SOS Consulting, LLC

Well spots generated from RBDMS database with most current recordset provided by NMT Octane AllWells.mdb

Map of Subject Area as permitted in 1977



Bradley Federal No.6 - Area of Review Well Data

SOS Consulting, LLC

BRADLEY FEDERAL 001 No.001

API Number	Well No.	Well Type	Status	Operator	Sec	Twp	Rng	Latitude	Longitude
30015003910000	001	O	A	JOHN CRAVEY DBA JRC P	13	24 S	26 E	32.22370932	-104.254058

Pipe, Borehole & Cement Data:

	Diameter	Top of String	Bot.of String	Sx Cmt.	Bot. ofCmt.	Top of Cmt.
HOL1	8	0	1967			
PROD	7	0	1948	50	1948	1287

BLACK RIVER POOL DELAWARE

BRADLEY FEDERAL 002 No.002

API Number	Well No.	Well Type	Status	Operator	Sec	Twp	Rng	Latitude	Longitude
30015003870000	002	O	A	JOHN CRAVEY DBA JRC P	11	24 S	26 E	32.22555522	-104.256227

Pipe, Borehole & Cement Data:

	Diameter	Top of String	Bot.of String	Sx Cmt.	Bot. ofCmt.	Top of Cmt.
HOL1	8	0	1996			
PROD	7	0	1970	50	1970	1309

INACTIVE

BRADLEY FEDERAL 003 No.003

API Number	Well No.	Well Type	Status	Operator	Sec	Twp	Rng	Latitude	Longitude
30015003950000	003	O	P	PRE-ONGARD WELL OPER	14	24 S	26 E	32.22192505	-104.256181

Pipe, Borehole & Cement Data:

	Diameter	Top of String	Bot.of String	Sx Cmt.	Bot. ofCmt.	Top of Cmt.
HOL1	8	0	1967			
PROD	7	0	1950	50	1950	1289

BRADLEY FEDERAL 005 No.005

API Number	Well No.	Well Type	Status	Operator	Sec	Twp	Rng	Latitude	Longitude
30015003820000	005	O	A	JOHN CRAVEY DBA JRC P	11	24 S	26 E	32.22741356	-104.258398

Pipe, Borehole & Cement Data:

	Diameter	Top of String	Bot.of String	Sx Cmt.	Bot. ofCmt.	Top of Cmt.
HOL1	8	0	1972			
PROD	7	0	1936	50	1936	1275

INACTIVE

BRADLEY FEDERAL 006 No.006

API Number	Well No.	Well Type	Status	Operator	Sec	Twp	Rng	Latitude	Longitude
30015003860000	006	S	A	JOHN CRAVEY DBA JRC P	11	24 S	26 E	32.2292287	-104.258424

Pipe, Borehole & Cement Data:

	Diameter	Top of String	Bot.of String	Sx Cmt.	Bot. ofCmt.	Top of Cmt.
HOL1	8	0	1987			
PROD	7	0	1987	50	1987	1316
HOL2	4.5	1987	2100			

BRADLEY FEDERAL 007 No.007

API Number	Well No.	Well Type	Status	Operator	Sec	Twp	Rng	Latitude	Longitude
30015003850000	007	O	P	PRE-ONGARD WELL OPER	11	24 S	26 E	32.2274567	-104.260544

Pipe, Borehole & Cement Data:

	Diameter	Top of String	Bot.of String	Sx Cmt.	Bot. ofCmt.	Top of Cmt.
HOL1	8	0	1955			
PROD	7	0	1920	50	1920	1259

BRADLEY FEDERAL 008 No.008

API Number	Well No.	Well Type	Status	Operator	Sec	Twp	Rng	Latitude	Longitude
30015003830000	008	O	A	JOHN CRAVEY DBA JRC P	11	24 S	26 E	32.22927184	-104.260569

Pipe, Borehole & Cement Data:

INACTIVE

	Diameter	Top of String	Bot.of String	Sx Cmt.	Bot. ofCmt.	Top of Cmt.
HOL1	8	0	1975			
PROD	7	0	1965	50	1965	1304

BRADLEY FEDERAL 009 No.009

API Number	Well No.	Well Type	Status	Operator	Sec	Twp	Rng	Latitude	Longitude
30015003840000	009	O	P	PRE-ONGARD WELL OPER	11	24 S	26 E	32.22935899	-104.264907

Pipe, Borehole & Cement Data:

	Diameter	Top of String	Bot.of String	Sx Cmt.	Bot. ofCmt.	Top of Cmt.
HOL1	8	0	2000			
PROD	7	0	1980	50	1990	1329

CHAYTOR PERMIT 001 No.001

API Number	Well No.	Well Type	Status	Operator	Sec	Twp	Rng	Latitude	Longitude
30015003940000	001	O	P	PRE-ONGARD WELL OPER	14	24 S	26 E	32.22374011	-104.256203

Pipe, Borehole & Cement Data:

	Diameter	Top of String	Bot.of String	Sx Cmt.	Bot. ofCmt.	Top of Cmt.
HOL1	7.25	0	1980			
PROD	5.5	0	1967	100	1967	845

FEDERAL D 006 No.001

API Number	Well No.	Well Type	Status	Operator	Sec	Twp	Rng	Latitude	Longitude
30015003880000	001	O	P	PRE-ONGARD WELL OPER	11	24 S	26 E	32.23293355	-104.262766

Pipe, Borehole & Cement Data:

	Diameter	Top of String	Bot.of String	Sx Cmt.	Bot. ofCmt.	Top of Cmt.
HOL1	12.25	0	200			
SURF	8.625	0	200	200	200	0
HOL2	7.875	0	2100			
PROD	5.5	0	2100	175	2100	900

WRIGHT No.001

API Number	Well No.	Well Type	Status	Operator	Sec	Twp	Rng	Latitude	Longitude
30015003330000	001	O	P	PRE-ONGARD WELL OPER	12	24 S	26 E	32.23286123	-104.254185

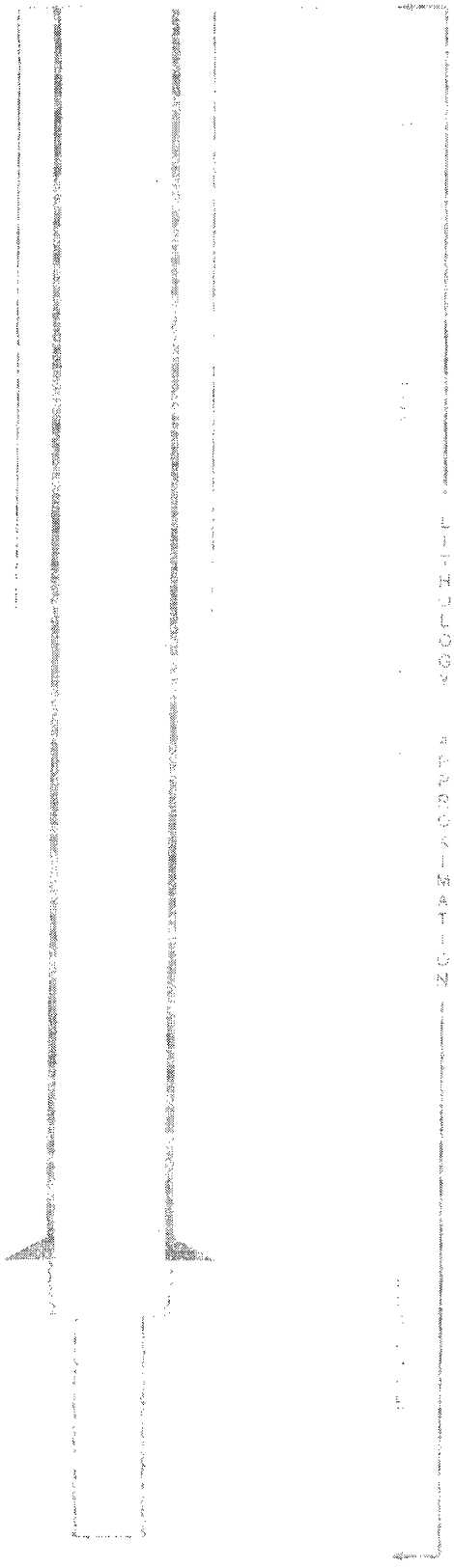
Pipe, Borehole & Cement Data:

	Diameter	Top of String	Bot.of String	Sx Cmt.	Bot. ofCmt.	Top of Cmt.
HOL1	10.5	0				
SURF	8	0	300	250	300	0
HOL2	7.25	0				
PROD	5.5	0	2018	100	2018	1156

JRC Petroleum

CURRENT WELLBORE CONFIGURATION

GL Elevation 3777'



Bradley Federal No. 6

API No. 30-015-00386

~~Location: 660' FSL & 1980' FWL~~

~~Section 35, Twp 16S, Rng 30E~~ NMPM

~~Lat/Dec: 32.8278°N Longitude: -103.938608~~

Eddy County, New Mexico

Delaware SWD (Pool No 96100)

Formation [illegible]

Formation [illegible]

~~Casing/Tubing annulus loaded with Packer Fluid:~~

[illegible]

Cement 50 Sacks Class C from 1987' to 1316' (by CALC.)

Production [illegible] @ 1987' (Revision 8.0")

Formation [illegible] (Apr 1987)

Perforations [illegible]

[illegible] 1740-42'

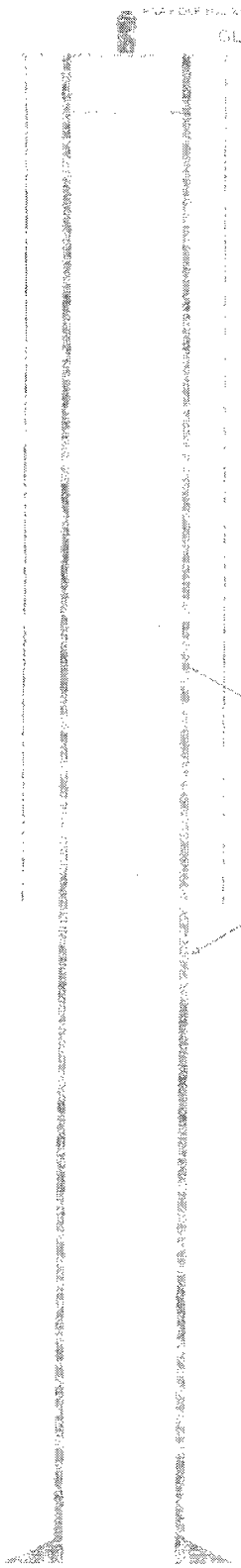
[illegible]

Open Hole: 4 ½" OH from 1987' to 2100'

OTD: 2100'

Pre-ONGARD Operator

CURRENT WELL CONFIGURATION
Plugged and Abandoned 1967



Chayton Permit No. 1

API No. 30-015-00394
Location: 330' FNL & 330' FEL
Section 14, Twp 24S, Rng 26E, NMPM
Latitude: 32.2037.40 Longitude: -104.256203
Eddy County, New Mexico

Cement Plug: 3 sx 20' - 0'

Cement Plug: 5 sx 1000' - 1000'

Production: 5.5", 14.5# @ 1967' (Borehole 7.25")
Cement: 160 Sacks Class C from 1967' to 845' (CALC)

Cement Plug: 15 sx 1975' - 1925'

TD: 1980'

SOS Consulting, LLC

JRC Petroleum

CURRENT WELLBORE CONFIGURATION

GL Elevation: [illegible]

Bradley Federal No. 6

API No. 30-015-00386

~~Location: 990' FSL & 660' FWL~~

~~Section 28, Twp 26, Rng 28E, NMPM~~

~~Latitude: 32.3577941, Longitude: -104.0330000~~

Eddy County, New Mexico

Delaware, SWD (Pool No 96100)

[illegible]

[illegible]

~~Casing/Tubing Annulus loaded with Packer Fluid:~~

[illegible]

Cement: 50 Sacks Class C from 1987' to 1316' (by CALC.)

Production: 8" 20.00 @ 1987' (Borehole 8.0")

[illegible]

[illegible]

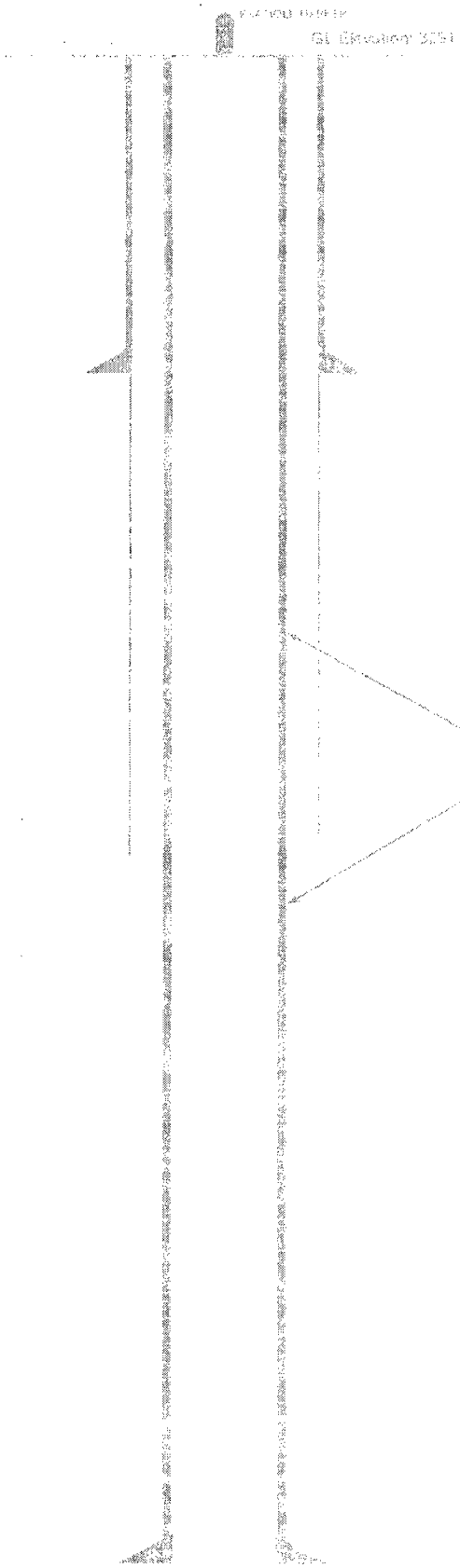
Open Hole: 4 [illegible] OH from 1987' to 2100'

OTD: 2100'

Pre-ONGARD Operator

CURRENT WELL CONFIGURATION
Plugged and Abandoned [illegible]

Federal 'O' No. 1
API No. 30-015-05358
Location: 2310' FNL & 2310' FEL
Section 11, Twp 24S, Rng 26E, NMPM
Latitude: 32.232934 Longitude: -104.267766
Eddy County, New Mexico



Cement Plug: 5 sx 25' - 0'

Formation Tops:

Cement: 300 Sacks Class C from 263' to 0' (Circulated)

Formation Tops:

Cement Plug: 10 sx 1060' - 1010'

Total Between Plugs

Formation Tops:

Formation Tops:

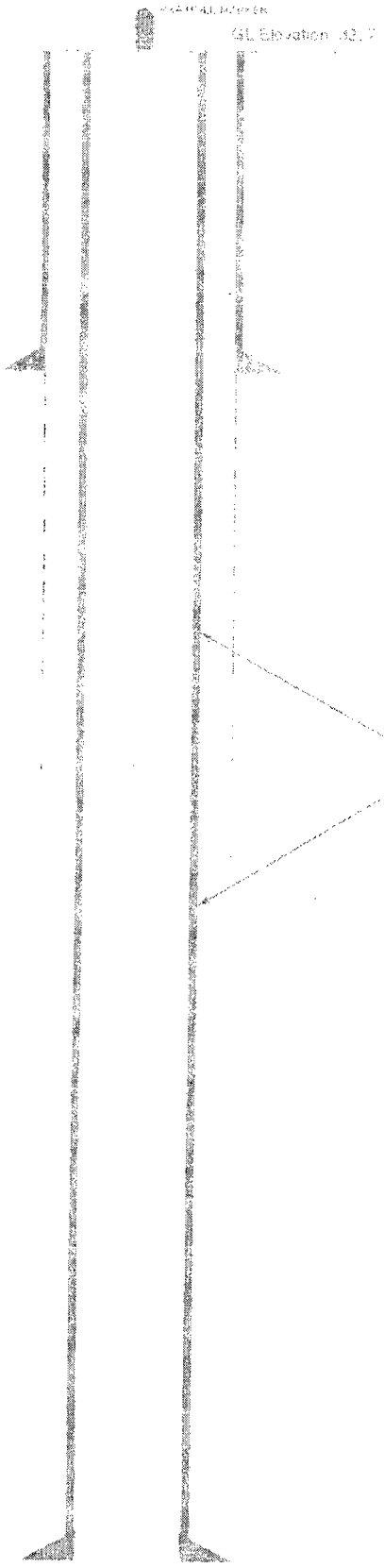
Production: 8.5" 14 ¾ @ 2100' (Borehole 7.875")
Cement: 175 Sacks Class C from 2016' to 1110' (CALC)

Cement Plug: 25 sx 2100' - 1875'

TD: 2100'

Pro-ONGARD Operator

CURRENT WELL CONFIGURATION



Wright No. 1

API No. 30-015-00233
Location: 2310' FNL & 330' FWL
Section 12 Twp 24S Rng 26E NMPM
Latitude: 32.232934 Longitude: -104.250203
Eddy County, New Mexico

Cement Plug: 5 sx 10' - 0'

Cement: 150 Sacks Class C from 298' to 0' (Circulated)

Cement Plug: 10 sx 1030' - 1000'

Production: 5.5" 14.5#/ft @ 2018' (Borehole 7.25")
Cement: 250 Sacks Class C from 2018' to 1156' (CALC)

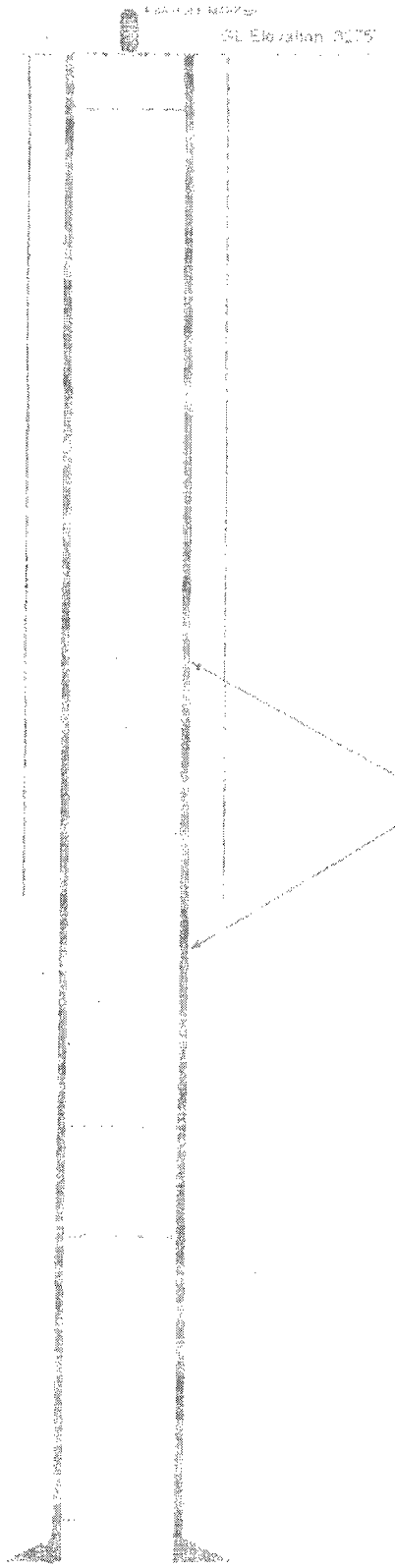
Cement Plug: 25 sx 2018' - 1940'

TD: 2018'

SOs Consulting, LLC

Pre-ONGARD Operator

CURRENT WELL CONFIGURATION
Plugged [illegible]



Bradley Federal No. 7
API No. 30-015-00385
Location: 990' FSL & 1650' FEL
Section 1[illegible], Twp 24S, Rng 36E NMPM
Latitude: 32.207467 Longitude: 103.260544
Eddy County, New Mexico

Cement Plug: 15 sx 60' - 0'

Cement Plug: 10 sx 1100' - 1060'

Cement Plug: 10 sx 1620' - 1505'

Production: 7.0" 23# @ 1920' (Sch-40 sc 8.0")
Cement: 50 Sacks Class C from 1920' to 1470' (CALC)

Cement Plug: 25 sx 1955' - 1853'

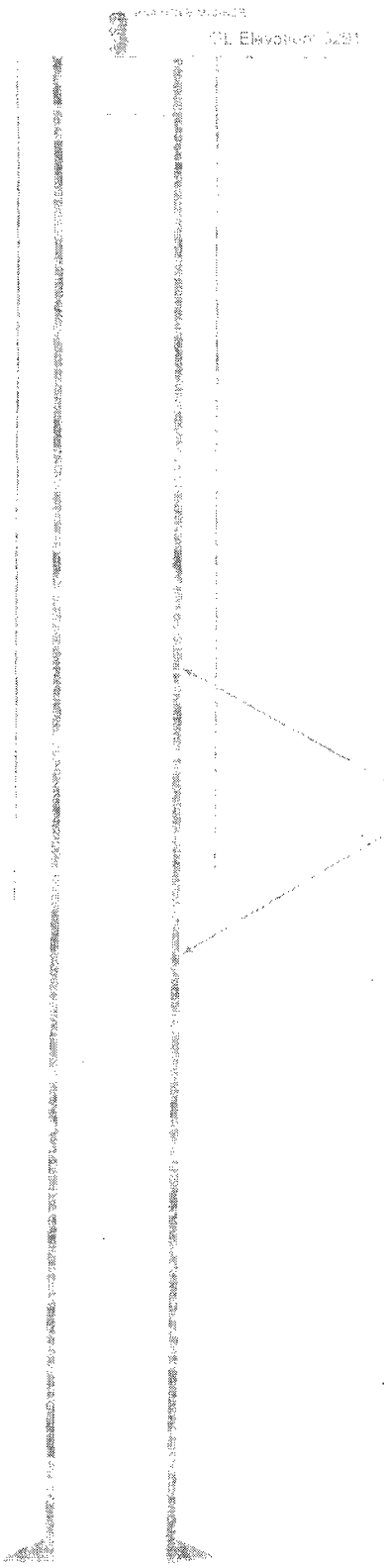
TD: 1955'

Pro-ONGARD Operator

CURRENT WELL CONFIGURATION
Principal and Associated

Brauley Federal No. 8

API No. 30-015-00663
Location: 1550' FSL & 1650' FEL
Section 11, Twp 24S, Rng 26E, NMPM
Latitude: 32.2292772 Longitude: -104.2603559
Eddy County, New Mexico



Cement Plug: 15 sx 60' - 0'

Cement Plug: 10 sx 1125' - 1075'

Cement Plug: 10 sx 1665' - 1625

Production: 7.0" 23# @ 1965' (Borehole 8.0")
Cement: 50 Sacks Class C from 1965' to 1515' (CALC)

Cement Plug: 25 sx 1975' - 1750'

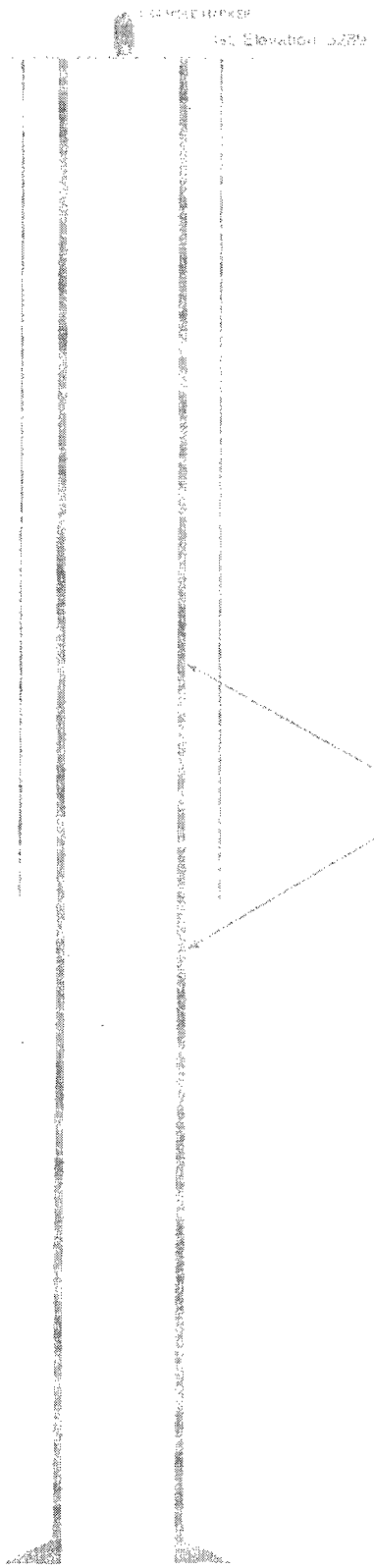
TD: 1975'

305 Consulting, LLC

Pre-ONGARD Operator

CURRENT WELL CONFIGURATION
Plugged and Abandoned

Bradley Federal No. 9
API No. 30-015-00358
Location: 1650' FSL & 2310' FWL
Section 11, Twp 24S, Rng 26E, NMPM
Latitude: 32.229359 Longitude: -104.264907
Eddy County, New Mexico



Cement Plug: 15 sx 60' - 0'

Formation: Rustler

Formation: Salado

Cement Plug: 10 sx [illegible] - 1075'

Anal Exchange Plug.

Formation: Yates

Cement Plug: 10 sx 1670' - 1625'

Formation: Delaware

Production: 7.0" 23# @ 1940' (Borehole 8.0")
Cement: 50 Sacks Class C from 1980' to 1530' (CALC)

Cement Plug: 25 sx 2000' - 1926'

TD: 2000'

SOS Consulting, LLC

C-108 ITEM XIII – PROOF OF NOTIFICATION
INTERESTED PARTY LIST

SURFACE OWNER

U.S. Department of Interior
Bureau of Land Management
Oil & Gas Division
620 E. Greene Street
Carlsbad, NM 88220

100% LESSEE of RECORD

O'Neill Properties, LTD
P.O. Box 2840
Midland, TX 79702

REGULATORY

New Mexico Oil Conservation Division
1301 W. Grand Avenue
Artesia, NM 88210

SOS Consulting, LLC

July 21, 2008

NOTIFICATION TO INTERESTED PARTIES

To Whom It May Concern:

JRC Petroleum, Pecos, Texas has made application to the New Mexico Oil Conservation Division to convert its Bradley Federal No.6 for the purpose of salt water disposal.

Following is the notice as published in the Carlsbad Current Argus, Carlsbad, New Mexico on Thursday, July 10, 2008.

LEGAL NOTICE

John Cravey dba JRC Petroleum, P.O. Box 447, Pecos, TX 79772 is filing Form C-108 (Application for Authority to Inject) with the New Mexico Oil Conservation Division for administrative approval for salt water disposal in its Bradley Federal Well No.6. The well, API No.30-015-00386 is located 1650 FSL & 990 FEL in Section 11, Township 24 South, Range 26 East in Eddy County, New Mexico. Produced water from the Delaware formation will be disposed into the Delaware formation from approximately 1987 to 2100 feet at a maximum injection pressure of 640 psi and a maximum rate of 300 barrels per day.

Interested parties wishing to object to the proposed application must file with the New Mexico Oil Conservation Division, 1220 St. Francis Dr., Santa Fe, NM 87505 within 15 days of the date of this notice. Additional information may be obtained from JRC Petroleum (432)445-9331 or its agent, SOS Consulting, LLC, (903)488-9850.

Thank you for your attention in this matter.

Regards,

Ben Stone, SOS Consulting, LLC
Agent for JRC Petroleum

Cc: Application File

P.O. Box 300 Como, Texas 75431 903-488-9850 neostone@consultant.com

Affidavit of Publication

State of New Mexico,
County of Eddy, ss.

Kathy McCarroll, being first duly sworn, on oath says:

That she is the Classified Supervisor of the Carlsbad Current-Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

July 10 2008

That the cost of publication is $ **43.79** that Payment Thereof has been made and will be assessed as court costs.

Kathy McCarroll

Subscribed and sworn to before me this

11th day of July, 2008

Stephanie Dobson

My commission Expires on 1/25/2010

Notary Public

OFFICIAL SEAL
STEPHANIE DOBSON
Notary Public
State of New Mexico
My Comm. Expires 1/25/2010

July 10, 2008

John Cravey dba. JRC Petroleum, P.O. Box 447, Pecos, TX 79772 is filing Form C-108 (Application for Authority to Inject) with the New Mexico Oil Conservation Division for administrative approval for salt water disposal in its Bradley Federal Well No.6. The well, API No.30-015-00386 is located 1650 FSL & 990 FEL in Section, 11, Township 24 South, Range 26 East in Eddy County, New Mexico. Produced water from the Delaware formation will be disposed into the Delaware formation from approximately 1987 to 2100 feet at a maximum injection pressure of 640 psi and a maximum rate of 300 barrels per day. Interested parties wishing to object to the proposed application must file with the New Mexico Oil Conservation Division, 1220 St. Francis Dr., Santa Fe, NM87505 within 15 days of the date of this notice. Additional information may be obtained from JRC Petroleum (432)445-9331 or its agent, SOS Consulting, LLC,(903)488-9850.

Inactive Well List

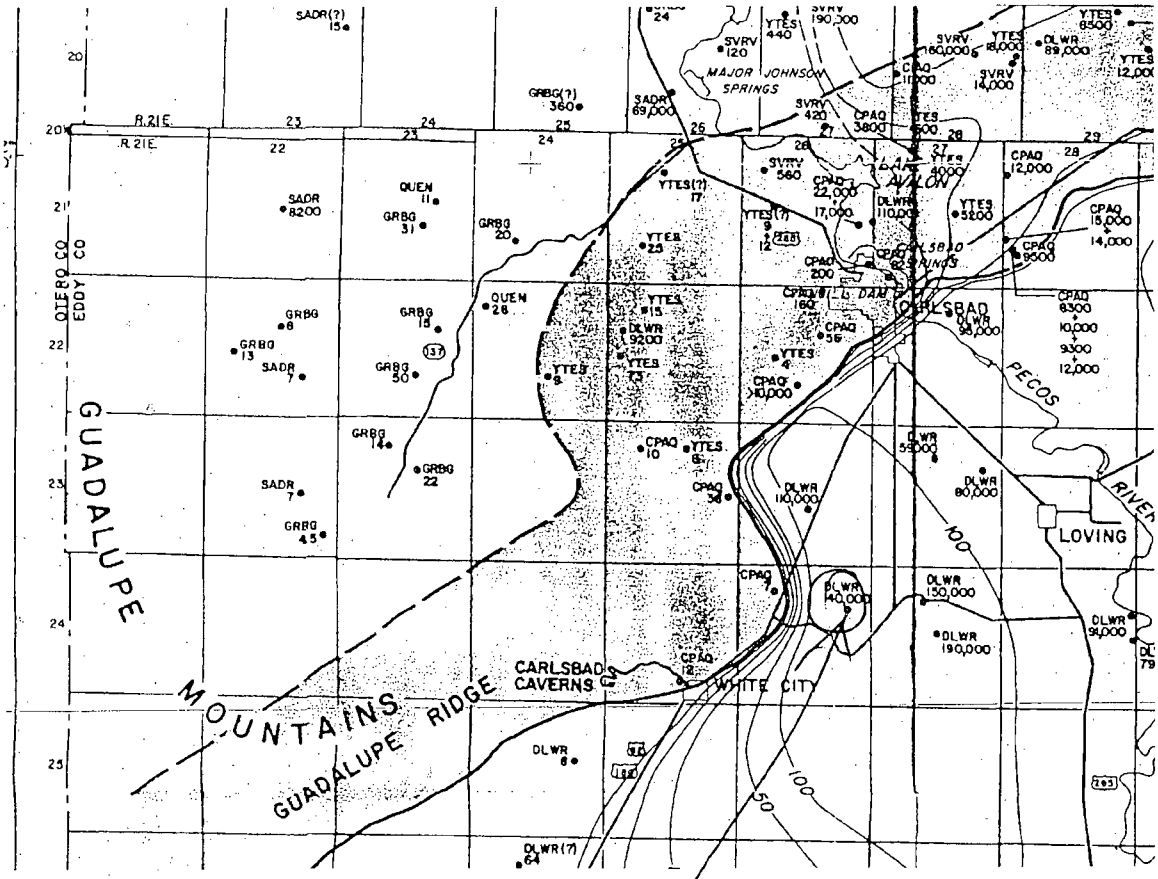
Total Well Count: 5 Inactive Well Count: 3 Since: 6/26/2007

Printed On: Thursday, September 18 2008

District	API	Well	ULSTR	OCD Unit	OGRID	Operator	Lease Type	Well Type	Last Production	Formation/Notes	Status	TA Exp Date
2	30-015-00387	BRADLEY FEDERAL #002	P-11-24S-26E	P	252682	JOHN CRAVEY DBA JRC PETROLEUM	F	O	12/1992			
2	30-015-00382	BRADLEY FEDERAL #005	P-11-24S-26E	P	252682	JOHN CRAVEY DBA JRC PETROLEUM	F	O	12/1992			
2	30-015-00383	BRADLEY FEDERAL #008	K-11-24S-26E	K	252682	JOHN CRAVEY DBA JRC PETROLEUM	F	O	12/1992			

WHERE Ogrid:252682, County:All, District:All, Township:All, Range:All, Section:All, Production(months):15, Excludes Wells Under ACOI, Excludes Wells in Approved TA Period

These wells may produce if SWD is approved - - WVJJ


R.21E.
R.21E.
OTERO CO
EDDY CO
GUADALUPE
MOUNTAINS
GUADALUPE RIDGE
CARLSBAD CAVERNS
WHITE CITY
CARLSBAD
LOVING
PECOS
RIVER
MAJOR JOHNSON SPRINGS
AVALON
LAKE
100
50
TAIS area

Injection Permit Checklist (7/8/08)

Case _____ R- _____ SWD 1141 WFX _____ PMX _____ IPI _____ Permit Date Sept 18/08 UIC Qtr July or Sept

Wells ___ Well Name: Bradley Federal #6

API Num: (30-) 015-00386 Spud Date: 1949 New/Old: O (UIC primacy March 7, 1982)

1650FSL 990FEL

Footages ~~1650 FSL/660 FWL~~ Unit I Sec ~~36~~ 11 Tsp 24S Rge 26E County EDDY

Operator: John Gravey dba JRC Petroleum Contact John Gravey / Ben Stone

OGRID: 252682 RULE 40 Compliance (Wells) 3/5 (Finan Assur) OK

Operator Address: PO Box 447, 20 Winding Way, Pecos, TX 79772

Current Status of Well: Poor CMT @ Base of PIPE

Planned Work to Well: _____ Planned Tubing Size/Depth: 2 3/8 @ 1950

	Sizes Hole.....Pipe	Setting Depths	Cement Sx or Cf	Cement Top and Determination Method
Existing ___ Surface				
Existing ___ Intermediate				
Existing ___ Long String	8" — 7"	1983	~~150~~ 50	1316 To C

~~DV Tool~~ _____ ~~Liner~~ _____ Open Hole Yes Total Depth _____ PBTD _____

Well File Reviewed ✓ TIGHT inj Zone!! Core 3823 1/17/77

Diagrams: Before Conversion ✓ After Conversion ✓ Elogs in Imaging File: ✓ CBL/GR-N

R-5348 Prev SWD revoked BY INACTIVITY 7/3/01

Intervals:	Depths	Formation	Producing (Yes/No)
Above (Name and Top)			
Above (Name and Top)			
Injection..... Interval TOP:	1,987'	Del	
Injection..... Interval BOTTOM:	2,100'	Del	
Below (Name and Top)			

640 (per 11/12/86 OCD letter) PSI Max. WHIP

Yes (Perfs) Open Hole (Y/N)

NO Deviated Hole?

Sensitive Areas: ~~Capitan Reef~~ _____ ~~Cliff House~~ _____ Salt Depths 500 — 1075'

Potash Area (R-111-P) _____ ~~Potash Lessee~~ _____ ~~Noticed?~~ _____

Fresh Water: Depths: 0 — 160' Wells(Y/N) None ~~Analysis Included (Y/N):~~ _____ Affirmative Statement ✓

Salt Water: Injection Water Types: Del Analysis? _____

Injection Interval.....Water Analysis: Del Hydrocarbon Potential Yes in offset wells

Notice: Newspaper(Y/N) ✓ Surface Owner BLM ✓ Mineral Owner(s) _____

RULE 701B(2) Affected Parties: O'Neil Prop

Area of Review: Adequate Map (Y/N) ✓ and Well List (Y/N) ✓

Active Wells 5 Num Repairs NO Producing in Injection Interval in AOR ?

P&A Wells 6 Num Repairs NO All Wellbore Diagrams Included? Yes

Questions to be Answered:

No Certi. Receipts Sent

Run INJ Survey on O.H. w/in 6 months

If dropped / Tried in Bradenhead Test

Required Work on This Well: _____ Request Sent _____ Reply: _____

AOR Repairs Needed: _____ Request Sent _____ Reply: _____

_____ Request Sent _____ Reply: _____

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division

Administrative Order SWD-1141
September 18, 2008

APPLICATION OF JOHN CRAVEY DBA JRC PETROLEUM FOR PRODUCED WATER DISPOSAL, EDDY COUNTY, NEW MEXICO

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 701(B), John Cravey dba JRC Petroleum (OGRID 252682) made application to the New Mexico Oil Conservation Division for permission to utilize for produced water disposal its Bradley Federal Well No. 6 (API No. 30-015-00386) located 1650 feet from the South line and 990 feet from the East line of Section 11, Township 24 South, Range 26 East, NMPM, Eddy County, New Mexico.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of Rule 701(B) of the Division Rules and Regulations. Satisfactory information has been provided that affected parties as defined in Rule 701B(2) have been notified and no objections have been received within the prescribed waiting period. The applicant has presented satisfactory evidence that all requirements prescribed in Rule 701 will be met and the operator will be in compliance with the Division's Rule 40 after production wells surrounding this subject injection well are re-activated.

IT IS THEREFORE ORDERED THAT:

John Cravey dba JRC Petroleum is hereby authorized to utilize its Bradley Federal Well No. 6 (API No. 30-015-00386) located 1650 feet from the South line and 990 feet from the East line of Section 11, Township 24 South, Range 26 East, NMPM, Eddy County, New Mexico, in such manner as to permit the injection of produced water for disposal purposes into the Delaware Mountain Group through an open hole from 1987 feet to 2100 feet and through plastic-lined tubing set with a packer located within 100 feet of the top of the injection interval.

IT IS FURTHER ORDERED THAT:

Case 14320
John Cravey dba
JRC Petroleum
OCD Exhibit 9

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.

As preparation and prior to injection in this well, the operator shall ensure the Division has copies of sundry notices showing the deepening of this well from 2000 to 2100 feet and showing squeeze operations on any older perforations in the 7 inch casing. The operator shall report to the Division on sundry notice the initial standing fluid level or reservoir pressure of the injection interval prior to beginning injection.

Within 6 months of beginning injection, the operator shall supply the Division with a copy of an injection [temperature and tracer survey] log run while injecting at this well's average injection rate, identifying the injection intervals within the open hole.

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

The wellhead injection pressure on the well shall be limited to **no more than 640 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.

This well is NOT eligible for future injection pressure increases, except after sufficient evidence and notice are presented at an examiner hearing. Such notice shall include new cement bond log run on the injection casing.

The operator shall notify the supervisor of the Division's district office 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 provide written notice of the date of commencement of injection to the Division's district office. The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Rule Nos. 706 and 1115 of the Division Rules and Regulations.

Without limitation on the duties of the operator as provided in Division Rules 19 and 116, or otherwise, the operator shall immediately notify the Division's district office of any failure of the tubing, casing or packer in the well, or of any leakage or release of water, oil or gas from around any produced or plugged and abandoned well in the area, and shall take such measures as may be timely and necessary to correct such failure or leakage.

In accordance with Rule No 705.C, 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, mailed by the operator prior to the termination date, may grant an

extension thereof for good cause shown. One year after injection operations into the well has ceased, the injection authority will terminate *ipso facto.*

Compliance with this order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

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 or protectable waters or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the injection authority granted herein.

MARK E. FESMIRE, P.E.
Director

MEF/wvjj

cc: Oil Conservation Division – Artesia
Bureau of Land Management - Carlsbad