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SEALY H. CAVIN, JR.†\*\*\*  
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◦ New Mexico Board of Legal  
Specialization Recognized Specialist in  
the Area of Natural Resources - Oil and  
Gas Law

September 23, 2010

Via FedEx

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

Case 14561

RECEIVED OGD  
200 SEP 24 A 11 15

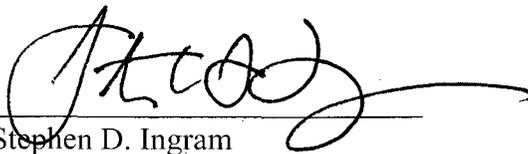
Re: Application of Judah Oil, LLC for Approval of Saltwater Disposal Well

Dear Ms. Davidson:

Enclosed for filing is an original and one copy of an Application for Hearing on Judah Oil, LLC's Application for Approval of Saltwater Disposal Well. Also enclosed is a proposed advertisement. This is to request that this matter be set on the October 28, 2010 Examiner Hearing Docket. Please contact the undersigned if you have any questions or need any further information. Thank you for your assistance.

Sincerely,

CAVIN & INGRAM, P.A.

By:   
Stephen D. Ingram

SDI:tg  
Enclosure

cc w/enc: Judah Oil, LLC

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF JUDAH OIL, LLC  
FOR APPROVAL OF SALTWATER  
DISPOSAL WELL, EDDY COUNTY,  
NEW MEXICO.

Case No. 14561

APPLICATION FOR HEARING

Judah Oil, LLC applies for an Order Approving a Saltwater Disposal Well, and in support thereof would show as follows:

1. Judah Oil, LLC proposes to convert to a saltwater disposal well the Tecolote State No. 1 Well, API No. 30-015-27346, located 2,673 feet from the north line and 1,650 feet from the west line of Section 2, Unit K, Township 21 South, Range 28 East, NMPM, Eddy County, New Mexico.
2. A copy of the Form C-108 for the Tecolote State No. 1 Well is attached as Exhibit A. Injection will be into the upper Delaware formation.
3. Water injected will be only from produced water from wells operated on the same lease as the proposed saltwater disposal well. These wells are currently the State No. 1 Well, API No. 30-015-23100, located in Unit L, Section 2, Township 21 South, Range 28 East, NMPM, Eddy County, New Mexico, and the Experimental State No. 1 Well, API No. 30-015-29778, located in Unit N, Section 2, Township 21 South, Range 28 East, NMPM, Eddy County, New Mexico.
4. Due to objections from certain interest owners, this Application cannot be processed administratively, and a hearing is necessary.
5. The granting of this Application will prevent waste and protect correlative rights.

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6. Judah Oil, LLC is in compliance with NMAC 19.15.5.9 and qualifies to apply for this permit.

WHEREFORE, Applicant Judah Oil, LLC requests that after notice and hearing the Division enter an Order approving the conversion of the Tecolote State No. 1 Well into a saltwater disposal well.

RESPECTFULLY SUBMITTED,

CAVIN & INGRAM, P.A.

By: 

Stephen D. Ingram  
P.O. Box 1216  
Albuquerque, NM 87103-1216  
(505) 243-5400

ATTORNEYS FOR APPLICANT  
JUDAH OIL, LLC

**APPLICATION FOR AUTHORIZATION TO INJECT**

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

II. OPERATOR: Judah Oil, LLC

ADDRESS: PO Box 568 Artesia, NM 88211

CONTACT PARTY: Blaise Campanella

PHONE: 575-748-5488

III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.  
Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? \_\_\_\_\_ Yes \_\_\_\_\_  No  
If yes, give the Division order number authorizing the project: \_\_\_\_\_

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

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

VII. Attach data on the proposed operation, including:

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

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

IX. Describe the proposed stimulation program, if any.

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

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

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

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

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

NAME: Billy(Bill) E. Prichard

TITLE: Agent for Judah Oil, LLC

SIGNATURE: \_\_\_\_\_

DATE: \_\_\_\_\_

5/28/10

E-MAIL ADDRESS: billy@pwllc.net

432-934-7680

\* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, Please show the date and circumstances of the earlier submittal: May 2009



**Judah Oil, L.L.C**  
**TECOLOTE STATE #001**  
**API # 30 -015-27346**  
**Unit Letter "K", Section 2, T21S, R28E**  
**Eddy County, New Mexico**  
**C108(Application for Authorization to Inject)**

**Proposed Disposal Well Data**  
**Data obtained from records maintained by the NMOCD**

Spudded 5/4/1993 as test of Delaware

20" 106.5# casing was set in 26" hole at 259ft. Cemented with 570 sacks Class "C" cement with 2% CaCl. Cement circulated to surface.

13 3/8" 54.5# K55 casing was set in 17 1/2" hole at 1252ft. Cemented with 670 sacks Howco Lite, followed with 200 sacks Class"C" cement with 2% CaCl. Cement circulated to surface.

8 5/8" 24# & 32# K55 casing was set in 12 1/4" hole at 3162ft. Cemented with 1170 sacks Howco Lite, followed with 200 sacks Class"C" cement with 2% CaCl. Cement circulated to surface.

5 1/2" 15.50# K55 casing set in 7 7/8" hole at 6285ft. Cemented with 200 sacks 50/50 Poz Mix. Yield 2.1cubic feet/sacks. Top of cement calculated at 4589ft using 70% fill.

Delaware perforations. 5713-5771ft, 5879-5890ft, 6000-6006ft, 6160-6164ft

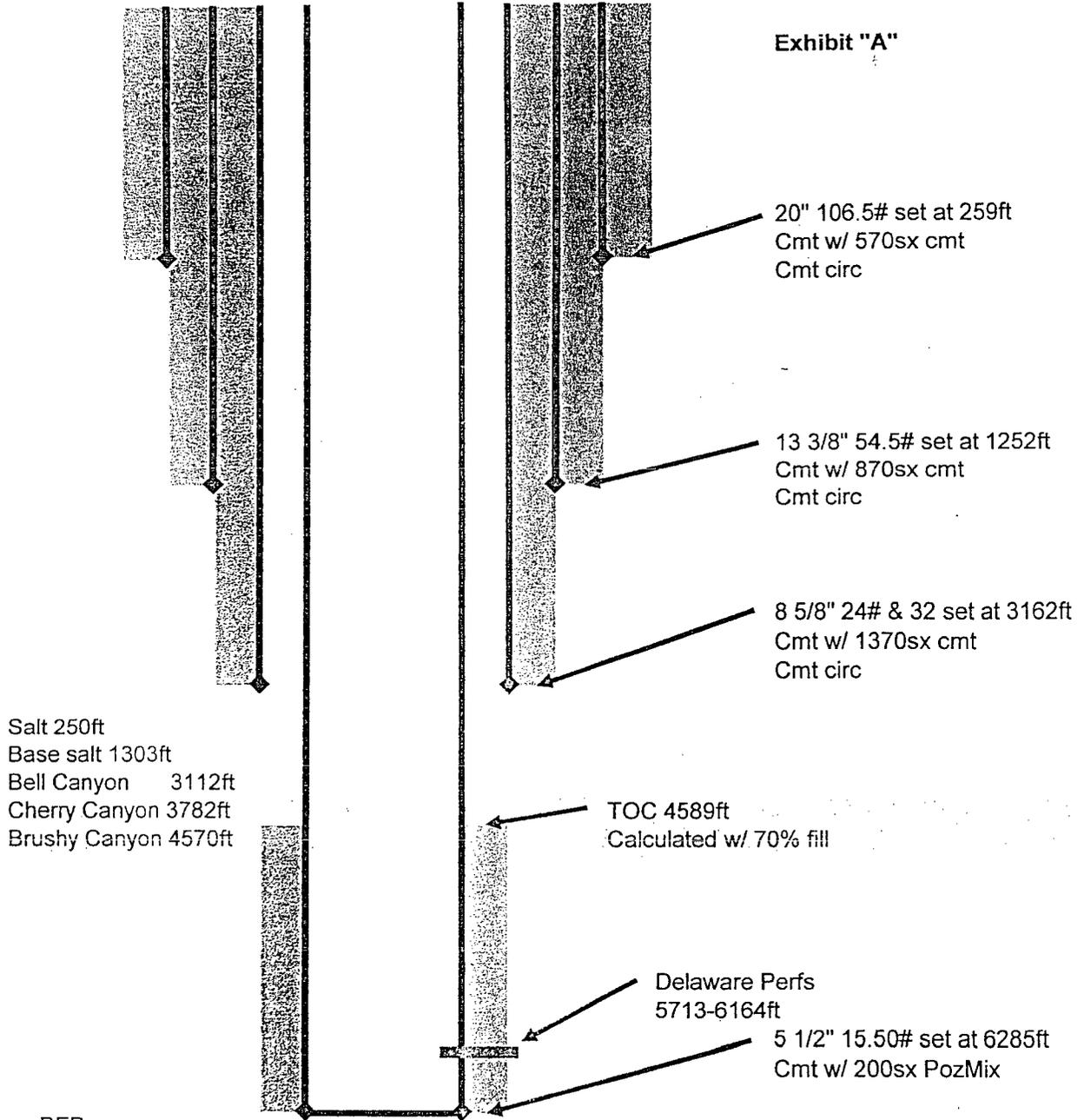
**Production Summary of api:3001527346 pool:SCANLON;DELAWARE**

producing year	Oil	Gas	Water	Co2
1994	160	0	1374	0
1995	4	0	91	0
1996	20	0	8	0
1997	28	0	25	0
1998	0	0	0	0
1999	0	0	0	0
2000	0	0	0	0
2001	0	0	0	0
2002	83	0	0	0
2003	0	0	0	0
2004	1400	0	14267	0
2005	86	0	8143	0
2006	89	0	4734	0
2007	0	0	0	0
2008	0	0	0	0
2009	0	0	0	0
summary	1870	0	28642	0

**Exhibit "A"**

**Judah Oil Company**  
**Tecolote State # 1**  
**API # 30-015-27346**  
**Unit Letter K, Section 2, T21S, R28E**  
**Eddy County, New Mexico**  
**Spudded 5/4/1993**  
**Prior to Conversion to SWD**

Exhibit "A"



Salt 250ft  
 Base salt 1303ft  
 Bell Canyon 3112ft  
 Cherry Canyon 3782ft  
 Brushy Canyon 4570ft

20" 106.5# set at 259ft  
Cmt w/ 570sx cmt  
Cmt circ

13 3/8" 54.5# set at 1252ft  
Cmt w/ 870sx cmt  
Cmt circ

8 5/8" 24# & 32 set at 3162ft  
Cmt w/ 1370sx cmt  
Cmt circ

TOC 4589ft  
Calculated w/ 70% fill

Delaware Perfs  
5713-6164ft

5 1/2" 15.50# set at 6285ft  
Cmt w/ 200sx PozMix

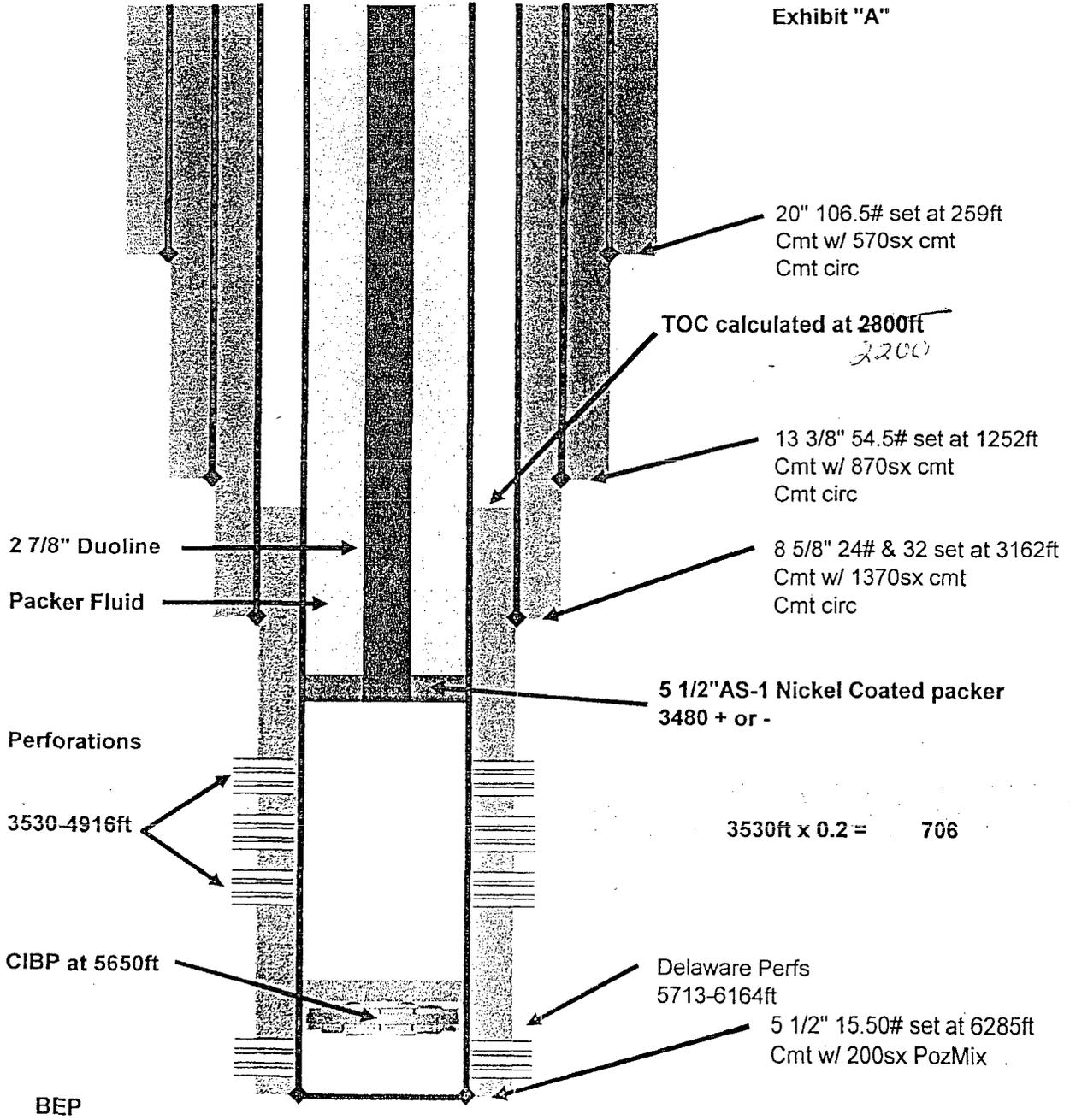
BEP

Drawing not to Scale

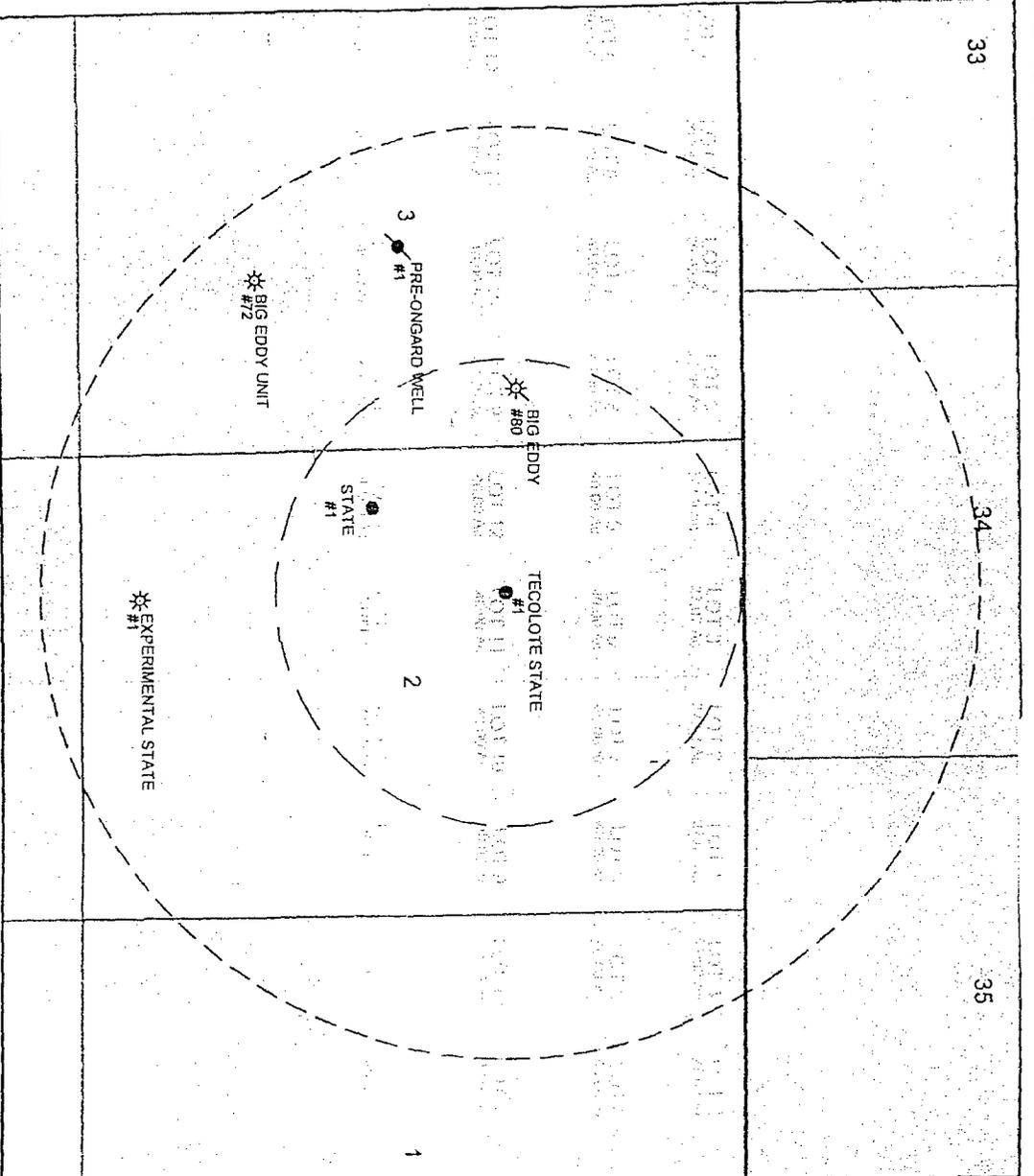
[www.pwllc.net](http://www.pwllc.net)

**Judah Oil Company**  
**Tecolote State # 1**  
**API # 30-015-27346**  
**Unit Letter K, Section 2, T21S, R28E**  
**Eddy County, New Mexico**  
**Spudded 5/4/1993**  
**After conversion to SWD**

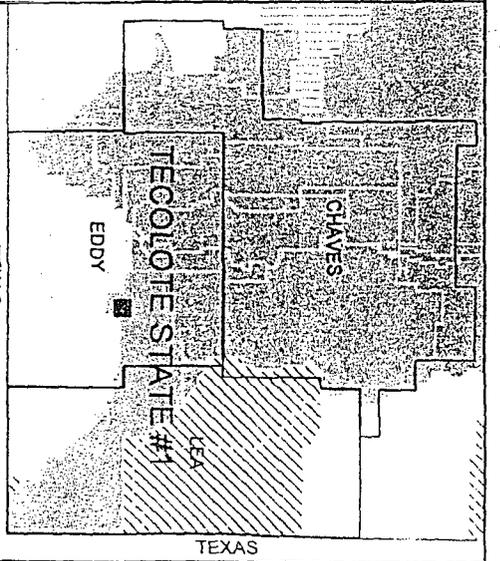
**Exhibit "A"**



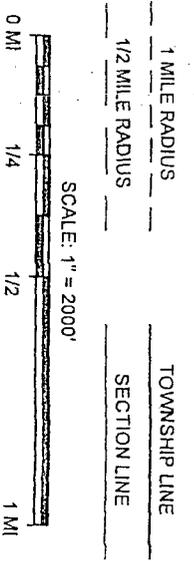
Drawing not to Scale



- SURFACE OWNERSHIP**
- BLM
  - STATE
  - PRIVATE
  - BUREAU OF RECLAIM.
  - NATIONAL PARK SERV.
  - FOREST SERVICE
  - PARK
  - WILDLIFE REFUGE
  - TRIBAL LANDS
- WELL STATUS**
- ACTIVE OIL
  - ACTIVE GAS
  - ACTIVE INJECTION
  - INACTIVE OIL
  - INACTIVE GAS
  - INACTIVE INJECTION
  - WATER WELL



- DECLARED GROUND WATER BASINS**
- CAPITAN
  - CARLSBAD
  - FORT SUMNER
  - SALT BASIN
  - LEA COUNTY
  - JAL
  - HONDO
  - PENASCO
  - PORTALES
  - ROSWELL
  - ARTESIAN



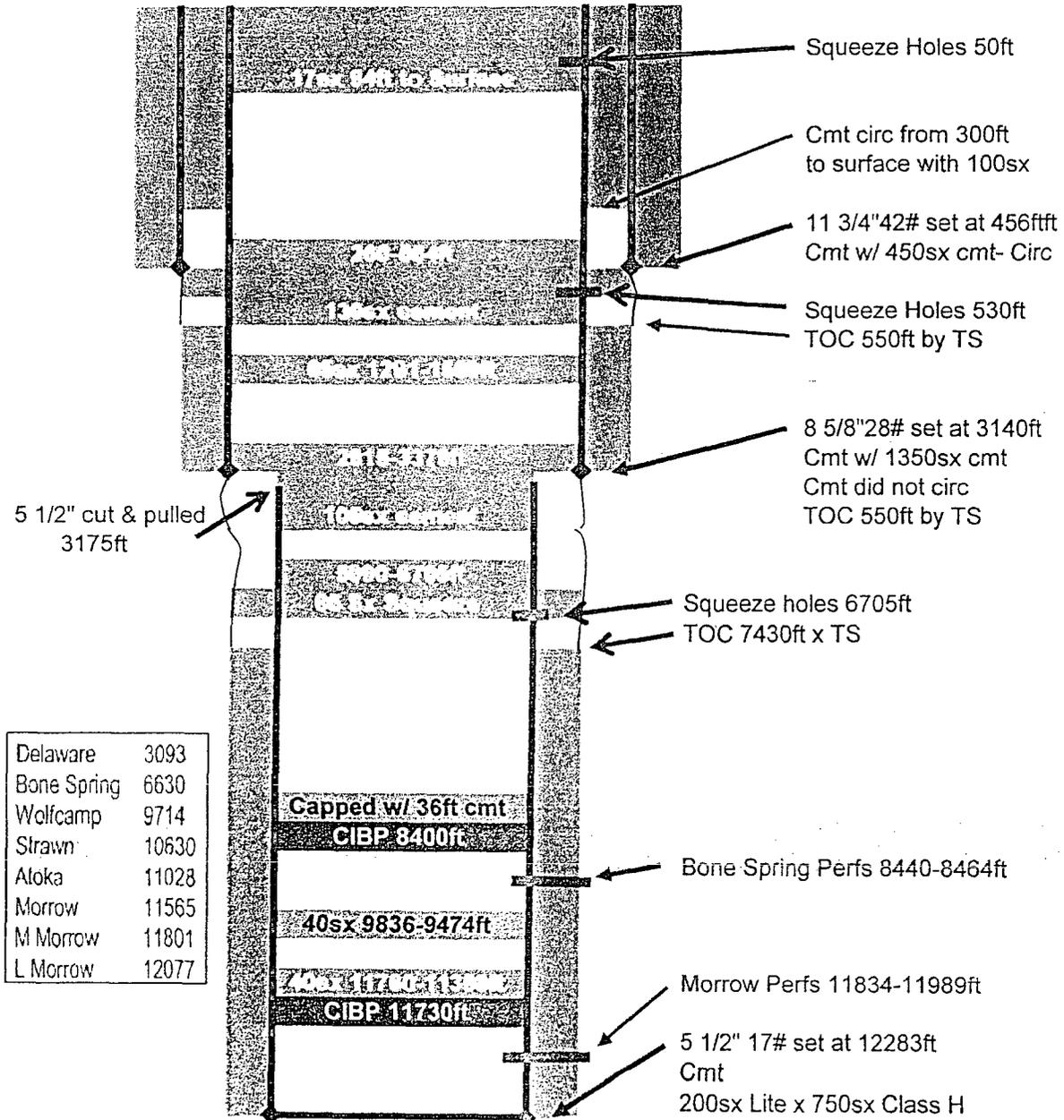
<b>JUDAH OIL LLC</b>	
TECOLOTE STATE #1	
API: 3001527346	TWP: 21S
SEC: 2	RNG: 28E
UNIT: K	1650 FWL
COUNTY: EDDY	
N 56 E - 11.8 MILES FROM Carlsbad, NM	
LAT: 32°30.917' N.	LN: 104°03.640' W.
NO WARRANTY IS EXPRESSED OR IMPLIED AS TO THE RELIABILITY OR ACCURACY OR COMPLETENESS OF THIS MAP	
DATE: 04/28/09	
WWW.WELLPROMAPPING.COM	
COPYRIGHT 2003-2008	

Judah Oil, LLC  
wells located within  
0.5 mile  
Area of Review

RADIUS	API	OPERATOR	LEASE	WELL TYPE	STAT	TS	RNG	S	ULT	TVD
	3001527346	Judah Oil, LLC	TECOLOTE STATE	1	OIL	ACT	21S 28E	2	K S	6285
1805	3001523100	Judah Oil, LLC	STATE	1	OIL	ACT	21S 28E	2	L S	12348
2315	3001523236	BASS	BIG EDDY	80	GAS	PA	21S 28E	3	9 F	12283
4122	3001502460	POWO	POW	1	OIL	UNC	21S 28E	3	O N	0
4158	3001529778	Judah Oil, LLC	EXPERIMENTAL STATE	1	GAS	ACT	21S 28E	2	N S	12550
4583	3001522859	BASS	BIG EDDY UNIT	72	GAS	ACT	21S 28E	3	O F	0

Exhibit "C"

**BEPCO**  
 Big Eddy Unit # 080  
 API # 30-015-23236  
 Unit Letter A, Section 3, T21S, R28E  
 Eddy County, New Mexico  
 Spudded 4/19/1980  
 Plugged and Abandoned 2009

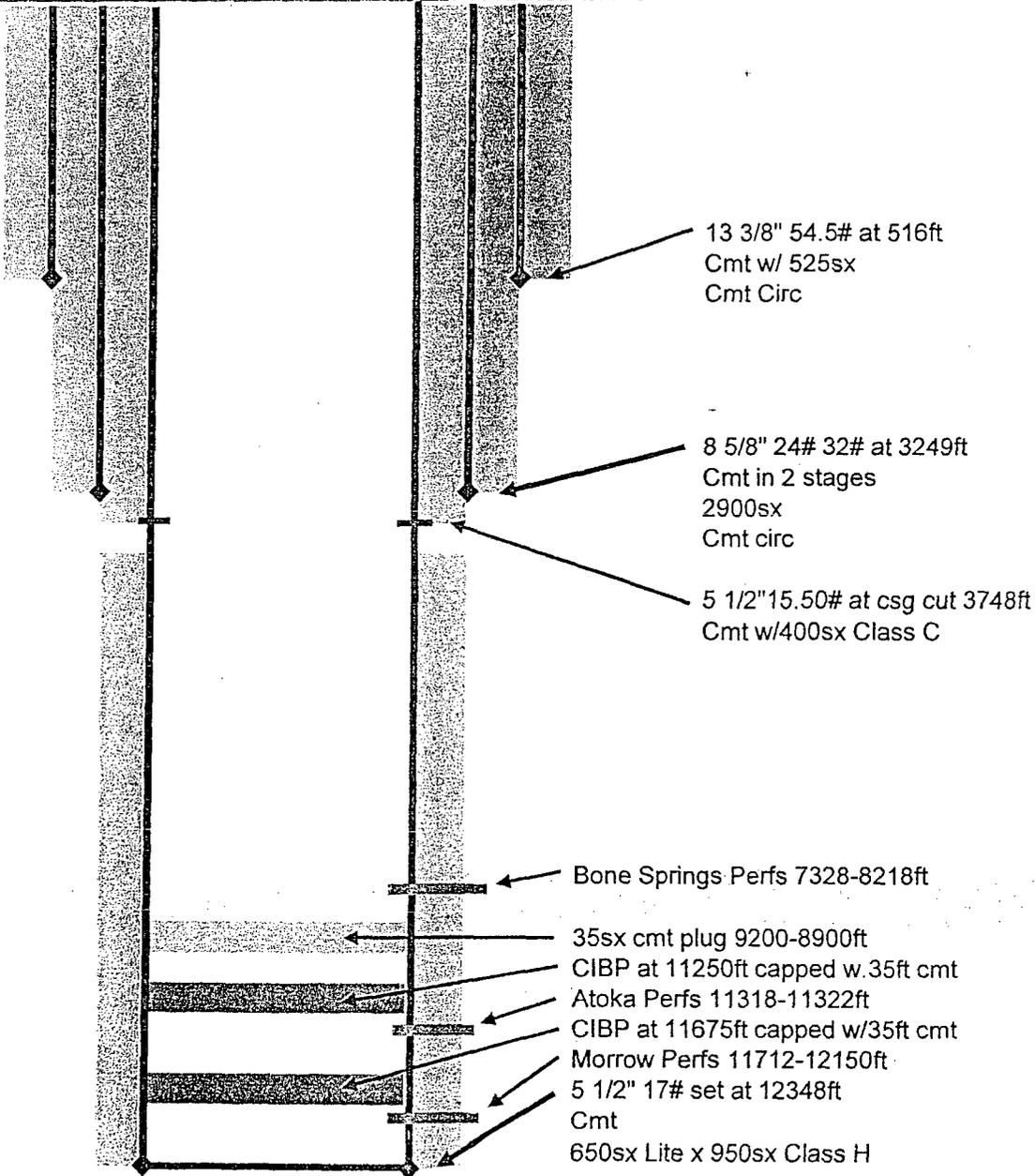


BEP

Drawing not to scale

Exhibit "C"

Judah Oil, LLC  
 State # 1  
 API # 30-015-23100  
 L-2-21S-28E  
 Eddy County, New Mexico  
 Spudded 1/21/1980  
 PA 9/21/1987  
 Reenter 1992  
 Drilled as Morrow Test, Currently Bone Springs



BEP

Drawing not to Scale

Judah Oil, LLC  
 Tecolote State # 001  
 Water Analysis  
 of  
 Bone Springs and Delaware Produced Water  
 delivered to Tecolote State #001

Pool or Field	Section	Township	Range	TDS	Chlorides
Fenton NW, Delaware	7	21S	28E	153408	103522
Old Millman Ranch, Bone Springs	4	20S	28E	6037	3352
Avalon, Delaware	30	20S	28E	161114	109216

Exhibit "D"

Data obtained from  
<http://octane.nmt.edu>

Judah Oil, LLC  
 Tecolote State # 001  
 Water Analysis

of

Bone Springs and Delaware Produced Water  
 delivered to Tecolote State #001

Pool or Field	Section	Township	Range	TDS	Chlorides
Fenton NW, Delaware	7	21S	28E	153408	103522
Old Millman Ranch; Bone Springs	4	20S	28E	6037	3352
Avaton, Delaware	30	20S	28E	161114	109216

Exhibit "E"

Judah Oil, L.L.C.  
Tecolote State # 001  
API # 30-015-27346  
Unit Letter "K", Section 2, T21S, R28E  
Eddy County, New Mexico  
C108 ( Application for Authorization to Inject)

Fresh Water Analysis

**General Information About: Sample 27993** Section/ Township/Range 04 / 21 S / 28  
E Lat/Long 32.5121 / -104.0911 Elevation 3205 Depth 56 Date Collected 7/18/1997 Chlorides  
44 Collector / Point of Collection SEO / DP Use Stock Formation RSLR TDS

**General Information About: Sample 27151** Section/ Township/Range 17 / 21 S / 28  
E Lat/Long 32.4791 / -104.1093 Elevation 3198.9 Depth 500 Date Collected 7/18/1997  
Chlorides 1190 Collector / Point of Collection SEO / DP Use Formation CAP TDS

**General Information About: Sample 8401** Section/ Township/Range 18 / 21 S / 28 E  
Lat/Long 32.4791 / -104.1264 Elevation 3153.1 Depth 25 Date Collected 7/18/1997 Chlorides  
90 Collector / Point of Collection SEO / TS@18' Use Formation OAL TDS

**General Information About: Sample 27933** Section/ Township/Range 36 / 20 S / 28  
E Lat/Long 32.5294 / -104.1302 Elevation 3205 Depth 0 Date Collected 5/11/1989 Chlorides  
76 Collector / Point of Collection SEO / DP Use Stock Formation RSLR TDS 0

Data obtained for <http://octane.nmt.edu>

**Exhibit "F"**

Judah Oil, L.L.C.  
Tecolote State # 001  
API # 30-015-27346  
Unit Letter "K", Section 2, T21S, R28E  
Eddy County, New Mexico

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C108 ( Application for Authorization to Inject)

Proof of Notify

*Mineral Owner*  
State of New Mexico  
New Mexico State Land Office  
PO Box 1148  
Santa Fe, New Mexico 87504-1148

*Surface Owner*  
Southwest Petroleum Land Service  
100 North Penn  
Roswell, NM 88202

Other Notified Parties

United States of America  
Bureau of Land Management  
602 E. Green Street  
Carlsbad, New Mexico 88220

New Mexico Oil Conservation Division  
District II  
1301 W. Grand Ave  
Artesia, NM 88210

BEPCO, Inc  
PO Box 2760  
Midland, TX 79702

NGX Company  
PO Box 5  
Roswell, New Mexico 88202-0005

Exhibit "G"

**Legal Notice**

Judah Oil ,L.L.C., PO Box 568, Artesia, New Mexico 88210 has filed form C-108 (Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval of the conversion of the Tecolote State # 001, API #30-015- 27346, 2673 FNL X 1650 FWL, Unit Letter "K", Section 2, Township 21 South, Range 28 East, Eddy county, New Mexico from a Delaware oil well to a Delaware lease salt water disposal well. The disposal interval would be the Delaware formation through perforations from 3530-4916 feet. Disposal fluid would be produced water piped in from Judah operated wells in the area from the Bone Springs and Delaware formations. Anticipated disposal rate of 2500 BWPD with a maximum disposal rate of 6500 BWPD. Anticipated disposal pressure 250 psi with a maximum disposal pressure of 760 psi.

All interested parties opposing the aforementioned must file objections with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505 with in 15 days. Additional information can be obtained by contacting Blaise Campanella 575-748-5488.

Exhibit "G"

Case 14561

**PROPOSED ADVERTISEMENT**

Judah Oil, LLC, P.O. Box 568, Artesia, NM 88210, has filed an Application with the New Mexico Oil Conservation Division seeking approval of the conversion of the Tecolote State #001 Well, API #30-015-27346, 2,673 FNL x 1,650 FWL, Unit "K," Section 2, Township 21 South, Range 28 East, Eddy County, New Mexico, from a Delaware oil well to a Delaware lease-only salt water disposal well. The disposal interval would be the Delaware formation through perforations from 3,530-4,916 feet. Disposal fluid would be produced water piped in only from wells operated on the same lease from the Bone Springs and Delaware formations. The Application will heard on October 28, 2010 at 8:15 a.m. before the New Mexico Energy, Minerals and Natural Resources Department, Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, NM 87505. Protests must be submitted in writing to the Oil Conservation Division at the above address and to Judah Oil, LLC prior to the hearing date.

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**PARTIES TO NOTIFY**

**Surface owners within one-half mile of wellsite:**

State of New Mexico  
New Mexico State Land Office  
P.O. Box 1148  
Santa Fe, NM 87504-1148

Southwest Petroleum Land Services, LLC  
100 North Pennsylvania  
Roswell, NM 88203

Regan P. Weems and Mary Ann Weems  
9 Berrendo Meadows Circle  
Roswell, NM 88201

Joseph Erwin Gant, III  
P.O. Drawer DD  
211 West Mermod  
Carlsbad, NM 88220  
(former surface owner)

Earl H. Miller  
Address Unknown  
Publication Notice

**Leasehold Operators within one-half mile of wellsite:**

BEPCO/BOPCO  
c/o Ocean Munds-Dry  
Holland & Hart, LLP  
P.O. Box 2208  
Santa Fe, NM 87504-2208

NGX Company  
f/k/a Energex Company  
P.O. Box 5  
Roswell, NM 88202-0005