

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



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-Quallified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR
- [D] Other: Specify _____
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☐ Does Not Apply
- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☐ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached
- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an Individual with managerial and/or supervisory capacity.

Print or Type Name _____	Signature _____	Title _____	Date _____
e-mail Address _____			

JUN 19 2004

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: X Secondary Recovery Pressure Maintenance OIL CONSERVATION Disposal Storage
Application qualifies for administrative approval? Yes No DIVISION
- II. OPERATOR: Stephens & Johnson Operating Co.
ADDRESS: P O Box 2249, Wichita Falls, TX 76307-2249
CONTACT PARTY: William M. Kincaid PHONE: (940)723-2166
- 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? X Yes No
If yes, give the Division order number authorizing the project: Case No. 9646 Order No. R-9001
- 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: William M. Kincaid TITLE: Petroleum Engineer

SIGNATURE: William M. Kincaid DATE: June 11, 2004

E-MAIL ADDRESS: mkincaid@sjoc.net

- * If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: Original "Application for Authorization to Inject" January, 1989 Case No. 9646 Order

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

No. R-9001

III. WELL DATA

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

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

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

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

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

XIV. PROOF OF NOTICE

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

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

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

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

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.

Application for Authorization to Inject

Stephens & Johnson Operating Co. - Mobil 22 Federal No. 2
Unit Letter I, Sec. 22, T26S, R29E
2310' FSL & 300' FEL, API #30-015-25105
Eddy Co., New Mexico

- I. Stephens & Johnson Operating Co. plans to convert Mobil 22 Federal No. 2 to an injection well in the Delaware formation.
- II. Operator: Stephens & Johnson Operating Co.
P. O. Box 2249
Wichita Falls, TX 76307-2249

Attention: William M. Kincaid 940/723-2166
- III. Well Data: See Attachment "A".
- IV. This is an expansion of an existing project, Case No. 9646 Order No. R-9001
- V. See Attachment "B".
- VI. Data on old wells within the area of review were previously submitted in the original "Application for Authorization to Inject" in January, 1989 for this project. Case No. 9646, Order No. R-9001. See attachment "C" for new wells drilled and old wells plugged and abandoned since the original application in January, 1989.
- VII.
 - 1) Proposed average daily injection volume: 600 BWPD.
Maximum daily injection volume: 1200 BWPD.
 - 2) System will be a closed system.
 - 3) Proposed average injection pressure: 500 psi
Proposed maximum injection pressure: 1013 psi
 - 4) Injection water will be reinjected produced water from the producing wells on the Mobil 22 Federal, Gulf Federal, Exxon Federal and Worth Federal leases in the Brushy Draw - Delaware Pool.

Application for Authorization to Inject

Mobil 22 Federal No. 10

Page 2

- VIII. Geological data on the injection zone and information on underground sources of drinking water were previously submitted in the "Application for Authorization to Inject" in January, 1989 for this project. Case No. 9646, Order No. R-9001.
- IX. The proposed injection interval may be acidized with 2000 gals. 15% NEFE acid.
- X. Well logs and test data are on file at the OCD.
- XI. Fresh Water Analysis from fresh water well was previously submitted in the original "Application for Authorization to Inject" in January, 1989 for this project. Case No. 9646, Order No. R-9001.
- XII. Geologic and engineering data have been examined and no evidence of open faults or any other hydrological connection between the injection zone and any fresh water aquifer has been found.
- XIII. A) Certified letters sent to offset operators (See Attachment "D"). Surface is owned by J. C. Ross, 3311 40th St., Lubbock, TX 79413.

B) Copy of legal advertisement attached, along with an Affidavit of Publication (Attachment "E").

ATTACHMENT "A"

Side 1

INJECTION WELL DATA SHEET

OPERATOR: Stephens & Johnson Operating Co.

WELL NAME & NUMBER: Mobil "22" Federal No. 2

WELL LOCATION: 2310' FSL, 330' FEL UNIT LETTER I SECTION 22 TOWNSHIP 26S RANGE 29E

FOOTAGE LOCATION

WELLBORE SCHEMATIC

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 12 1/4" Casing Size: 8 5/8"

Cemented with: 256 sx. or ft³

Top of Cement: surface Method Determined: site

Intermediate Casing

Hole Size: Casing Size:

Cemented with: sx. or ft³

Top of Cement: Method Determined:

Production Casing

Hole Size: 7 7/8" Casing Size: 5 1/2"

Cemented with: 675 sx. or ft³

Top of Cement: 2800' Method Determined: Temperature

Survey

Total Depth: 6048'

Injection Interval

5004 feet to 5068

(Perforated or ~~Open Hole~~, indicate which)

INJECTION WELL DATA SHEETTubing Size: 2 3/8" Lining Material: Salta LiningType of Packer: Nickel Plated Baker LocksetPacker Setting Depth: 4954'

Other Type of Tubing/Casing Seal (if applicable): _____

Additional Data

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

If no, for what purpose was the well originally drilled? As a productive oil well

2. Name of the Injection Formation: Delaware

3. Name of Field or Pool (if applicable): Brushy Draw-Delaware Pool

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. Upper Cherry Canyon

3807-3838'; perforations to be cement squeezed. Amount of cement to be determined.

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: Bell Canyon formation is approximately 2800' from

surface. The Brushy Draw Canyon formation is approximately

5350' from surface.

Mobil 22 Federal No. 2
WELL

Brushy Draw - Delaware
FIELD

DATE

PRESENT COMPLETION

SUGGESTED COMPLETION ☒

WELL CLASS WI

KB ELEVATION 2912

DF ELEVATION 2911

GL ELEVATION 2905

PERMANENT WELL BORE DATA

DATA ON THIS COMPLETION

8 5/8" 23 # casing
Set at 428'
256 SX cmt
12 1/4" Hole

5 1/2" 15.5 # casing
Set at 6048'
675 SX cmt
7 3/8" Hole
Toc @ 2800' (Temp. Sur.)

2 3/8" Salta Lined
Tubing set @ 4954'

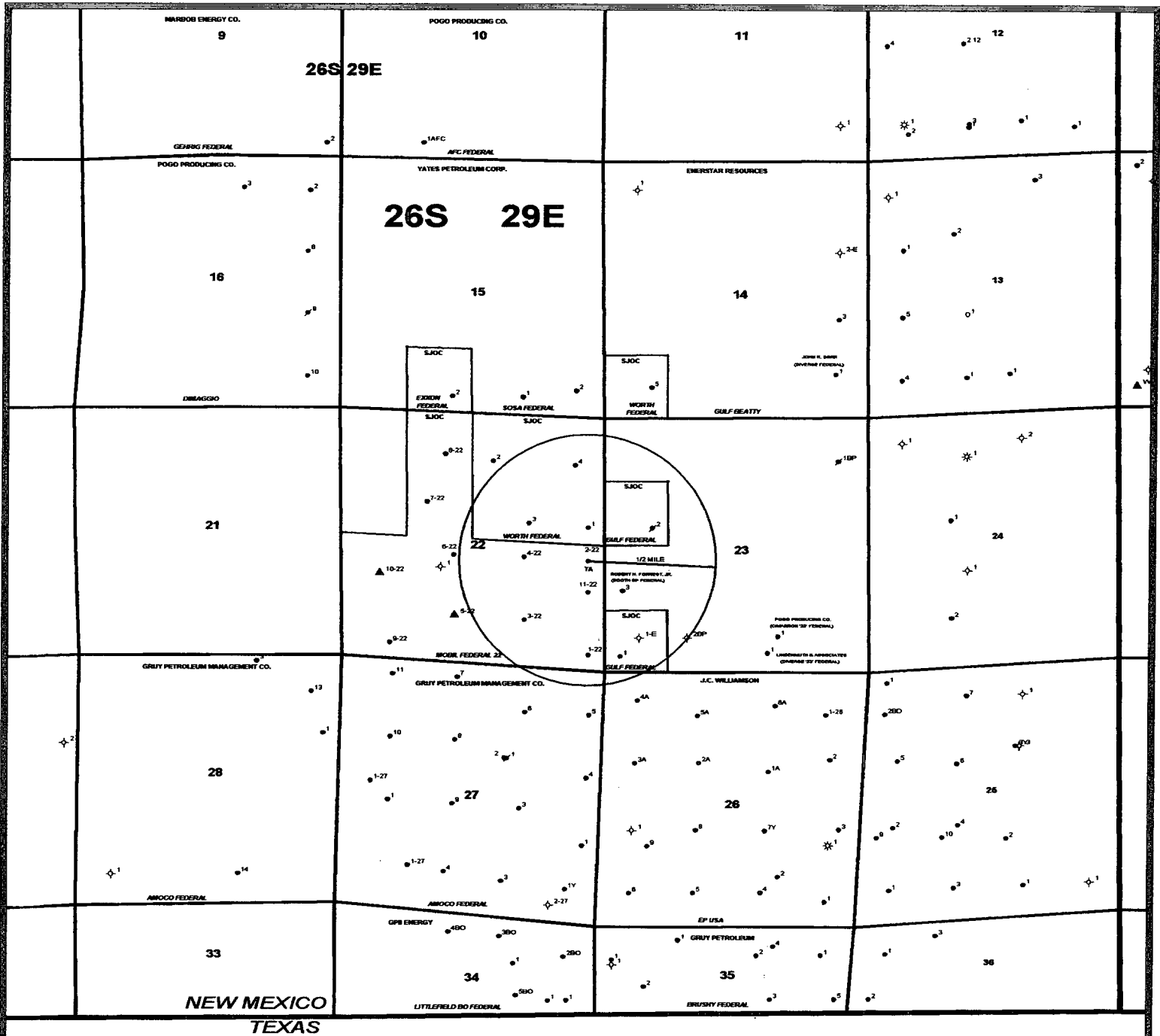
PFS: 3807-3838'
To be cement squeezed
Amount of cement to
be determined.

2 3/8" x 5 1/2" Nickel
Plated Baker Lockset
Packer @ 4954'

PFS: 5004-5068'

PBTD - 6012'
TD - 6048'

ATTACHMENT "B"



STEPHENS & JOHNSON OPERATING COMPANY

BRUSHY DRAW FIELD
EDDY COUNTY, NEW MEXICO

LEGEND

- Producing Oil Well
- ★ Producing Gas Well
- ▲ Water Injection Well
- ◇ Dry Hole
- ⊗ Plugged & Abandoned Well
- Location

1" = 3000'

1000 0 1000 2000 3000 4000 5000 feet



ATTACHMENT "C"
NEW WELLS DRILLED AND OLD WELLS PLUGGED SINCE JANUARY, 1989
WELLS WITHIN 1/2 MILE RADIUS

WELL NAME & NO.	WELL TYPE	SPUD/PLUG DATE	LOCATION	TOTAL DEPTH	SURFACE CASING		PRODUCTION CASING		PERFORATIONS	NAME OF ZONE
Sec. 22, T26S, R29E										
Mobil 22 Federal No. 11	Oil	3-27-2000	330' FEL, 1650' FSL	5180	8 5/8" @ 829'		5 1/2" @ 5164'		5015-5065	Delaware (Williamson Sand)
Sec. 23, T26S, R29E										
Gulf Federal No. 2	P&A	4-28-2000	2310' FNL, 900' FWL	5180	8 5/8" @ 536'		5 1/2" @ 5180'		3918-4024 5085-5113	Delaware (Cherry Canyon) Delaware (Williamson Sand)

Gulf Federal No. 2

WELL

Brushy Draw - Delaware

FIELD

December, 2000

DATE

PRESENT COMPLETION P+A

SUGGESTED COMPLETION _____

WELL CLASS P+A

KB ELEVATION 2924'

DF ELEVATION 2923'

GL ELEVATION 2913'

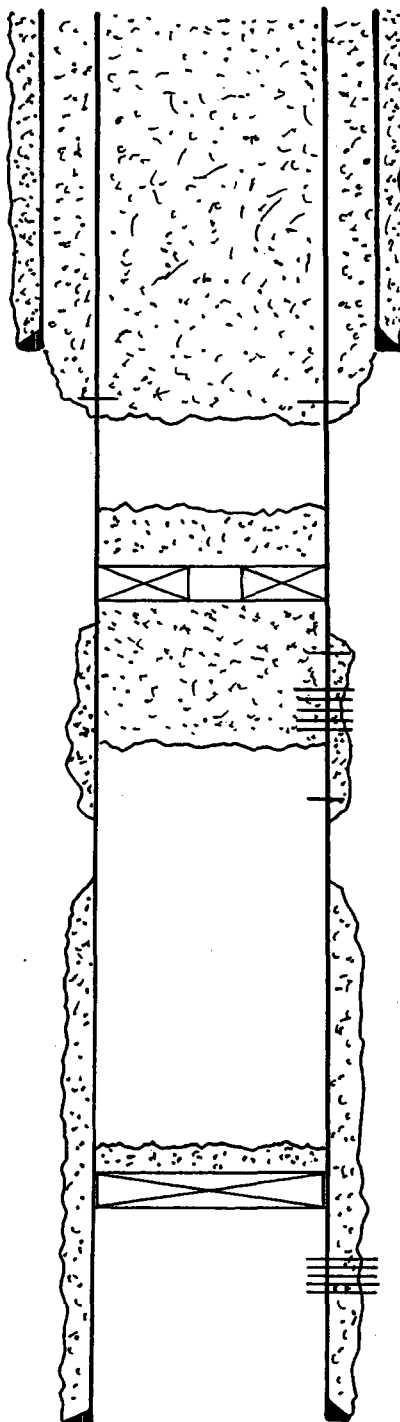
PERMANENT WELL BORE DATA

DATA ON THIS COMPLETION

8 5/8" 24# CSG @ 536'
Cemented w/ 250 SX (circ)
in 11" hole

Cement Retainer @ 3787'
Perfs 3918 - 4024'
Squeezed w/ 150 SX.
65' of cement on top
of cement retainer

5 1/2" 15.50# CSG @ 5180'
Cemented w/ 350 SX
TOC @ 4152' (COL)



+ Squeeze holes 600 - 601
Circulate 190 SX cement
down 5 1/2" CSG out holes
@ 600 - 601 and back to
surface between 5 1/2"
and 8 5/8" annulus.

Squeeze hole @ 3775'

Perfs: 3918 - 4024'

Squeeze hole @ 4050

CIBP @ 5000'
w/ 4 SX cmt. on top

Perfs: 5085 - 5113'

PBTD -

TD - 5180'

ATTACHMENT "D"

List of all offset leasehold operators and surface owner that were sent certified letters of notification:

Leasehold Operators Within One-Half Mile

Robert H. Forrest, Jr.
609 Elora Dr.
Carlsbad, NM 88220

POGO Producing Company
Box 2504
Houston, TX 77252

Gruy Petroleum Management Company
600 E. Las Colinas Blvd., Suite 1200
Irving, TX 75014

J. C. Williamson
214 W. Texas, Suite 1250
Midland, TX 79707

Lindenmuth & Associates
510 Hearn Street
Austin, TX 78703

Yates Petroleum Corporation
105 S. Fourth Street
Artesia, NM 88210

Surface Owner:

J. G. Ross
3311 40th Street
Lubbock, TX 79413

ATTACHMENT D1

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 		A. Signature X <i>[Signature]</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee B. Received by (Printed Name) <i>[Signature]</i> C. Date of Delivery <i>6-18-04</i> D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
1. Article Addressed to: Robert H. Forrest, Jr. 609 Elora Dr. Carlsbad, NM 88220		3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D. 4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
2. Article Number (Transfer from service label) 7000 0520 0024 2740 7965			
PS Form 3811, August 2001		Domestic Return Receipt 102595-02-M-1035	

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 		A. Signature X <i>Sandy Driskell</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee B. Received by (Printed Name) <i>Sandy Driskell</i> C. Date of Delivery <i>6-24-06</i> D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
1. Article Addressed to: Gruy Petroleum Management Company 600 E Las Colinas Blvd, Suite 1200 Irving, TX 75014		3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D. 4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
2. Article Number (Transfer from service label) 7000 0520 0024 2740 8566			
PS Form 3811, August 2001		Domestic Return Receipt 102595-02-M-1035	

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 		A. Signature X <i>[Signature]</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee B. Received by (Printed Name) <i>[Signature]</i> C. Date of Delivery <i>6-24-06</i> D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
1. Article Addressed to: Lindenmuth & Associates 510 Hearn Street Austin, TX 78703		3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D. 4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
2. Article Number (Transfer from service label) 7000 0520 0024 2740 7941			
PS Form 3811, August 2001		Domestic Return Receipt 102595-02-M-1035	

ATTACHMENT D2

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>		<p>A. Signature X GEE <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>	
<p>1. Article Addressed to:</p> <p>POGO Producing Company</p> <p>Box 2504</p> <p>Houston, TX 77252</p>		<p>B. Received by (Printed Name) C. Date of Delivery JUN 16 2004</p>	
<p>2. Article Number (Transfer from service label) 7000 0520 0024 2740 7927</p>		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>	
<p>PS Form 3811, August 2001 Domestic Return Receipt 102595-02-M-1035</p>		<p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D. </p>	
		<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>		<p>A. Signature <i>[Signature]</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>	
<p>1. Article Addressed to:</p> <p>J. C. Williamson</p> <p>214 W Texas, Suite 1250</p> <p>Midland, TX 79707</p>		<p>B. Received by (Printed Name) C. Date of Delivery JUN 16 2004</p>	
<p>2. Article Number (Transfer from service label) 7000 0520 0024 2740 7910</p>		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>	
<p>PS Form 3811, August 2001 Domestic Return Receipt 102595-02-M-1035</p>		<p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D. </p>	
		<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>		<p>A. Signature X <i>[Signature]</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>	
<p>1. Article Addressed to:</p> <p>Yates Petroleum Corporation</p> <p>105 S Fourth Street</p> <p>Artesia, NM 88210</p>		<p>B. Received by (Printed Name) C. Date of Delivery KATHY DONAGHE JUN 18 2004</p>	
<p>2. Article Number (Transfer from service label) 7000 0520 0024 2740 7903</p>		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>	
<p>PS Form 3811, August 2001 Domestic Return Receipt 102595-02-M-1035</p>		<p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D. </p>	
		<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	

ATTACHMENT D3

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>		<p>A. Signature X <i>JG Ross</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>	
<p>1. Article Addressed to:</p> <p>J. G. Ross</p> <p>3311 40th Street</p> <p>Lubbock, TX 79413</p>		<p>B. Received by (Printed Name) C. Date of Delivery</p>	
		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, enter delivery address below: <input type="checkbox"/> No</p>	
		<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>	
		<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	
<p>2. Article Number (Transfer from service label) 7000 0520 0024 2749 7934</p>			
<p>PS Form 3811, August 2001 Domestic Return Receipt 102595-02-M-1035</p>			

ATTACHMENT "E"

STATE OF NEW MEXICO

COUNTY OF Eddy

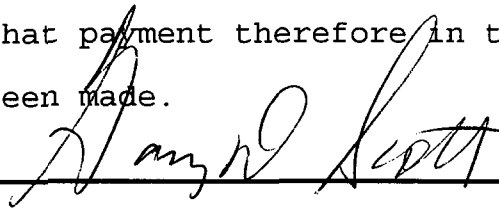
Gary D. Scott being duly sworn, says: That he is the Publisher of The Artesia Daily Press, a daily newspaper of general circulation, published in English at Artesia, said county and state, and that the hereto attached Legal Notice

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

First Publication June 16, 2004

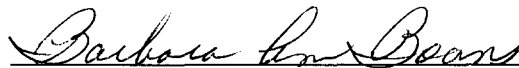
Second Publication _____

And that payment therefore in the amount of \$ _____ has been made.



Subscribed and sworn to before me this the 16th day of

June, 2004.



Notary Public in and for

Eddy County, New Mexico.

My Commission expires: September 23, 2007

LEGAL NOTICE

NOTICE OF APPLICATION FOR FLUID INJECTION WELL PERMIT

Stephens & Johnson Operating Co., P.O. Box 2249, Wichita Falls, TX 76307 is applying to the New Mexico Oil Conservation Division for a permit to inject fluid into a formation which is productive of oil or gas. The applicant propose to inject fluid into the Delaware Zone, Brushy Draw-Delaware Pool, Mobil 22 Federal Lease, Well Number 2. The proposed injection well is located in Sec. 22, T-28-S, R-29-E, 2310' FSL & 330' FWL, in Eddy County, New Mexico. Fluid will be injected into strata in the average subsurface depth interval from 5004 feet to 5068 feet. Expected maximum injection rate will be 1200 BWPD and the maximum injection pressure will be 1013 psig. Interested parties must file objections or requests for hearings with the Oil Conservation Division, P.O. Box 2089, Santa Fe, New Mexico 87501. Published in the Artesia Daily Press, Artesia, N.M. June 16, 2004. Legal 18495

RECEIVED

JUN 28 2004

Wells within ½ mile radius for the Mobil Federal "22" #5

LEASE NAME	CSG SIZE @ CSG SEAT W/SX CMT	DATE	LOCATION	DEPTH	ZONE
Sec. 22, T-26-S, R-29-E					
J. Glen Bennett #1	10-3/4 @ 352 w/?	8/6/58	1980 FSL/1980 FWL	3050	Wildcat
*Worth Federal #1	5½ @ 5173 w/450	8/18/84	2310 FNL/330 FEL	5175	Brushy Draw
Mobil "22" Fed #1	5½ @ 6081 w/655	9/23/84	330 FSL/330 FEL	6081	Brushy Draw
*Worth Federal #2	5½ @ 5140 w/450	2/19/85	990 FNL/2280 FEL	5140	Brushy Draw
Mobil "22" Fed #2	5½ @ 6048 w/675	12/23/84	2310 FSL/330 FEL	6048	Brushy Draw
Mobil "22" Fed #3	5½ @ 6170 w/790	3/18/85	990 FSL/1650 FEL	6170	Brushy Draw
Mobil "22" Fed #4	5½ @ 6179 w/775	4/10/85	2310 FWL/1650 FEL	6179	Brushy Draw
*Worth Federal #4	5½ @ 5147 w/350	3/27/85	2265 FNL/1550 FEL	5147	Brushy Draw
Worth Federal #3	5½ @ 5110 w/350	4/28/85	990 FSL/2310 FWL	5110	Brushy Draw
Mobil "22" Fed #6	5½ @ 6213 w/950	12/1/85	2260 FWL/2310 FWL	6213	Brushy Draw
Mobil "22" Fed #9	5½ @ 6128 w/715	7/13/86	330 FSL/990 FWL	6128	Brushy Draw
Mobil "22" Fed #7	5½ @ 5174 w/200	2/26/88	1905 FNL/1780 FWL	5505	Brushy Draw
*Mobil "22" Fed #8	5½ @ 5241 w/725	7/3/87	890 FNL/2160 FWL	5241	Brushy Draw
Mobil "22" Fed #10	5½ @ 6192 w/1815	9/19/88	1775 FSL/790 FWL	6192	Brushy Draw

Sec. 27, T-26-S, R-29-E					
*Red Bluff Fed #1	5½ @ 2982 w/250	11/15/74	1980 FNL/1980 FEL	2991	Pecos
*Amoco Fed #5	5½ @ 5096 w/350	6/4/84	990 FNL & 330 FEL	5125	Brushy Draw
Amoco Fed #6	4½ @ 5069 w/400	12/2/84	990 FNL & 1650 FEL	5070	Brushy Draw
Amoco Fed #7	5½ @ 5130 w/350	2/20/85	330 FNL & 2310 FWL	5130	Brushy Draw
Amoco Fed #8	5½ @ 5197 w/350	5/12/85	1650 FNL/2310 FWL	5200	Brushy Draw
Pecos Fed #2	4½ @ 5509 w/3500	11/13/85	1980 FNL & 2030 FEL	5509	Brushy Draw
Amoco Fed #11	5½ @ 6199 w/725	12/1/86	330 FNL/990 FWL	6200	Brushy Draw
Amoco Fed #10	5½ @ 5067 w/480	2/27/87	1650 FNL/990 FWL	5073	Brushy Draw

Sec. 28, T-26-S, R-29-E					
*Amoco Fed. #13		12/8/87	760 FNL/660 FEL	5103	Brushy Draw

*Wells not included within the ½ mile radius as shown on plat, but included on above list.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. Division

811 S. 1st St
Artesia, NM 88210-2834

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

c151

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other Instructions on reverse side

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
Stephens & Johnson Operating Co.

3a. Address **76307**
P.O. Box 2249, Wichita Falls, TX

3b. Phone No. (include area code)
(940) 723-2166

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1650' FSL, 330' FEL, Sec. 22, T26S, R29E

5. Lease Serial No.

NM - 22634

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

Mobil "22" Federal No. 11

9. API Well No.

30-015-30987

10. Field and Pool, or Exploratory Area

Brushy Draw, Delaware

11. County or Parish, State

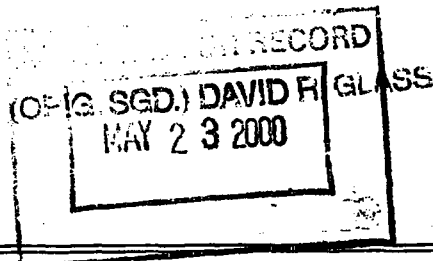
Eddy County, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Surface Casing</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

3-27-2000: Spud 12 1/4" surface hole @ 11:30 AM. Drill to 830' KB. Run 20 jts 8 5/8" new Maverick, J-55, 24 lb/ft surface csg. Set csg at 829' KB. Cement with 260 sx Premium Plus w/2% CC. Circulate 33 sx to pit. Plug down at 5:15 AM 3-28-2000. WOC 18 hrs.



14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

William M. Kincaid

Signature

Title

Petroleum Engineer

Date

May 18, 2000

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Conservation
811 S. 1st Street
Artesia, NM 88210-2834

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
Stephens & Johnson Operating Co.

3a. Address 76307
P.O. Box 2249, Wichita Falls, TX

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1650' FSL, 330' FEL, Sec. 22, T26S, R29E

3b. Phone No. (include area code)
(940) 723-4215

5. Lease Serial No.
NM - 22634

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
Mobil "22" Federal No. 11

9. API Well No.
30-015-30987

10. Field and Pool, or Exploratory Area
Brushy Draw, Delaware

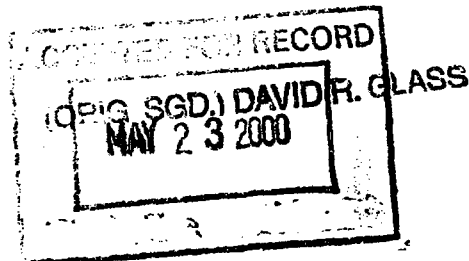
11. County or Parish, State
Eddy County, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Production Casing</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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March 28 thru April 4, 2000: Drill 7 7/8" hole to TD of 5180' KB. Ran 5 1/2", 15.50 lb/ft, K-55 smls, LT&C, new Baoghan csg to 5164' KB. DV Tool at 4345' KB. Cement Stage 1 w/200 sx Premium Plus w/0.5% Halad 322, 3 lbs/sk gilsonite and 1/4 lb/sk Flocele. Plug down @ 10:45 4-4-2000. Wait 5 hrs and cement Stage 2 thru DV Tool w/300 sx Interfill C and 50 sx Premium Plus. Plug down at 4:45 PM 4-4-2000. Top of cement at 2690' KB.



14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

William M. Kincaid

Signature

William M. Kincaid

Title

Petroleum Engineer

Date

May 18, 2000

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

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

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

CASE NO. 9646
ORDER NO. R-9001

APPLICATION OF SUN EXPLORATION AND
PRODUCTION COMPANY FOR A WATERFLOOD
PROJECT, EDDY COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on April 12, 1989, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 26th day of September, 1989, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Sun Exploration and Production Company ("Sun"), seeks authority to institute a pilot waterflood project on its Mobil "22" Federal Lease comprising the E/2 NW/4 and S/2 of Section 22, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico, by the injection of water into the Brushy Draw-Delaware Pool through its existing Mobil Federal "22" Well No. 5 located 990 feet from the South line and 2310 feet from the West line (Unit N) of Section 22.

(3) J.C. Williamson, an operator in the Brushy Draw-Delaware Pool and operator of a commercial disposal well in the area, filed a written objection to Sun's application prior to the hearing and at the time of the hearing appeared in opposition to this case.

(4) At the hearing, Sun demonstrated that an incremental secondary recovery of oil of 220.8 MSTBU could be obtained by institution of the proposed pilot waterflood project, resulting in the recovery of additional oil which would not otherwise be recovered, and the waste of oil would thereby be prevented.

100-100-100
100-100-100
100-100-100

(5) The volumes which Sun proposes to inject do not exceed the current reservoir voidage from the proposed injection well and the four offsets thereto and the correlative rights of operators in the pool will therefore not be impaired by the proposed injection.

(6) The wells in the proposed project area are in an advanced state of depletion and should therefore be properly classified as "stripper wells."

(7) Sun proposes to utilize the Mobil Federal "22" Well No. 5 to inject water produced from the Brushy Draw-Delaware Pool back into this pool in the perforated interval from approximately 4938 feet to 5010 feet.

(8) The operator should take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape into other formations or onto the surface from injection, production or plugged and abandoned wells.

(9) Injection should be accomplished through 2 7/8-inch internally cement-lined tubing installed in a packer set at approximately 5850 feet; the casing-tubing annulus should be filled with an inert fluid; and a pressure gauge or approved leak-detection device should be attached to the annulus in order to determine leaks in the casing, tubing or packer.

(10) Prior to commencing injection operations, the casing of the subject well should be pressure-tested throughout the interval, from the surface down to the proposed packer-setting depth, to assure integrity of such casing.

(11) Sun testified that injection at a pressure equal to 0.2 psi per foot of depth to the uppermost perforation (987.6 psi) may be sufficient but requested that it be authorized to inject at higher rates to be administratively approved by the Division after step-rate tests are run by Sun and witnessed by the Division and establishing that injection under higher pressures will not damage the confining strata.

(12) The Director of the Division should be authorized to administratively approve an increase in the injection pressure upon a proper showing by the operator that such high pressure will not result in migration of the injected waters from the Delaware formation.

(13) The operator should give advance notification to the supervisor of the Artesia District Office of the Division of the date and time of the installation of injection equipment and of the mechanical integrity pressure-test in order that the same may be witnessed.

(14) The subject application should be approved and the project should be governed by the provisions of Rules 702 through 708 of the Division Rules and Regulations.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Sun Exploration and Production Company, is hereby authorized to institute a pilot waterflood project on its Mobil "22" Federal Lease, as described below, by the injection of water into the Brushy Draw-Delaware Pool through its existing Mobil Federal "22" Well No. 5 located 990 feet from the South line and 2310 feet from the West line (Unit N) of Section 22, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico:

MOBIL "22" FEDERAL LEASE
EDDY COUNTY, NEW MEXICO

TOWNSHIP 26 SOUTH, RANGE 29 EAST, NMPM
Section 22: E/2 NW/4 and S/2

(2) Injection into said well shall be accomplished through 2 7/8-inch internally cement-lined tubing installed in a packer set at approximately 5850 feet, with injection into the perforated interval from approximately 4938 feet to 5010 feet;

PROVIDED HOWEVER THAT, the casing-tubing annulus shall be filled with an inert fluid; and a pressure gauge shall be attached to the annulus or the annulus shall be equipped with an approved leak-detection device in order to determine leakage in the casing, tubing or packer.

PROVIDED FURTHER THAT, prior to commencing injection operations, the casing in the subject well shall be pressure-tested to assure the integrity of such casing in a manner that is satisfactory to the supervisor of the Division's Hobbs District Office.

(3) The injection well or system shall be equipped with a pressure-limiting switch or other acceptable device which will limit the wellhead pressure on the injection well to no more than 987 psi.

(4) The Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the Delaware formation.

(5) The operator shall notify the supervisor of the Artesia District Office of the Division in advance of the date and time of the installation of injection equipment and of the mechanical integrity pressure-test in order that the same may be witnessed.

(6) The operator shall immediately notify the supervisor of the Division's Artesia District Office of the failure of the tubing, casing or packer, in said well or the leakage of water from or around said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

(7) The subject waterflood project is hereby designated the Mobil

S E A L

Catanach, David

From: William (Mike) Kincaid [mkincaid@sjoc.net]
Sent: Thursday, August 12, 2004 10:04 AM
To: 'Catanach, David'
Subject: RE: Mobil 22 Fed No. 2

Mr. Catanach

Please be advised that I will re-run the newspaper ad to correct the well location and the OCD address. A copy of the new ad will be forwarded to you as soon as possible.

Thank You.

William (Mike) Kincaid
Stephens Engineering
811 Sixth St., Suite 300
Wichita Falls, TX 76301
940-723-2166 Bus
940-723-8113 Fax

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

From: Catanach, David [mailto:DCATANACH@state.nm.us]
Sent: Thursday, August 12, 2004 10:25 AM
To: 'mkincaid@sjoc.net'
Subject: Mobil 22 Fed No. 2

Mr. Kincaid,

I am currently reviewing your application to convert the Mobil 22 Fed No. 2 to an injection well. Please be advised that the application looks okay, except for the newspaper advertisement. Please note that the well location is not correct, and that the address given for the OCD is not correct. Our correct address is:

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

Please re-run the ad to correct the mistakes. I will issue the approval in the next day or so, however, please forward a copy of the new ad to me as soon as you can. Also, if there happens to be an objection filed as a result of running the new ad, I will revoke the permit and set the application to hearing.

If you have any questions, please call me at (505) 476-3466.

David Catanach
Engineer

Confidentiality Notice: This e-mail, including all attachments is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited unless specifically provided under the New Mexico Inspection of Public Records Act. If you are not the intended recipient, please contact the sender and destroy all copies of this message. -- This email has been scanned by the MessageLabs Email Security System.

Catanach, David

From: Catanach, David
Sent: Thursday, August 12, 2004 9:25 AM
To: 'mkincaid@sjoc.net'
Subject: Mobil 22 Fed No. 2

Mr. Kincaid,

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