

ABOVE THIS LINE FOR DIVISION USE ONLY

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-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 _____

- SWD 1587
 - Ray Westall Operating, Inc
 119305
 - well
 - DHY State 'B' #1
 30-015-21971
 Pool
 - SWD, Cisco-Canyon
 96186

2015 AUG 11 P. 2: 12
 RECEIVED OGD

[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.

Ben Stone

 Print or Type Name

 Signature

Agent for Ray Westall Operating, Inc. 8/08/15

 Title Date

ben@sosconsulting.us

 e-mail Address



August 8, 2015

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

Attn: Mr. David Catanach, Director

Re: Application of Ray Westall Operating, Inc. to permit for salt water disposal the DHY State 'B' Well No.1 located in Section 11, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico.

Dear Mr. Catanach,

Please find enclosed form C-108 Application for Authority to Inject, supporting the above-referenced request to covert for disposal, the DHY State 'B' Well No.1. Concurrent with this application, Ray Westall will be submitting a C-101 to reenter and configure the well for SWD.

Ray Westall Operating seeks to optimize efficiency, both economically and operationally, of its operations. Approval of this application is consistent with that goal as well as the NMOCD's mission of preventing waste and protection of correlative rights.

Published legal notice ran in the June 26, 2015 edition of the Artesia Daily Press and all offset operators and other interested parties have been notified individually. The legal notice affidavit is included in this application package. This application also includes wellbore schematics, area of review maps, leaseholder plats and other required information for a complete Form C-108. The well is located on state land and minerals and a copy of this application has been submitted to the State Land Office, Oil and Gas Division.

I respectfully request that the approval of this salt water disposal well proceed swiftly and if you or your staff requires additional information or has any questions, please do not hesitate to call or email me.

Best regards,

A handwritten signature in black ink, appearing to read 'Ben Stone', is written over a white background.

Ben Stone, Partner
SOS Consulting, LLC
Agent for Ray Westall Operating, Inc.

Cc: Application attachment and file

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: **Salt Water Disposal** and the application *qualifies* for administrative approval.
- II. OPERATOR: **Ray Westall Operating, Inc. Ogrid - 119305**
ADDRESS: **P.O. Box 4, Loco Hills, NM 88255**
- CONTACT PARTY: **Donnie Mathews (575) 677-2372**
Agent: SOS Consulting, LLC – Ben Stone (903) 488-9850
- III. WELL DATA: **All well data and applicable wellbore diagrams are ATTACHED hereto.**
- IV. **This is not an expansion of an existing project.**
- 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. **(2 AOR wells penetrate the subject interval - No P&As penetrate. 1 Horizontal – does NOT penetrate.)** The data includes a description of each well's type, construction, date drilled, location, depth, 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. **The well may be acidized to clean perforations and formation wall w/ 15% HCl w/ up to 5000 gals.**
- *X. **There is no applicable test data on the well however, any previous well logs (1 well log available via OCD Online) have been filed with the Division and they need not be resubmitted. A log strip of subject interval is ATTACHED.**
- *XI. **State Engineer's records indicate there are NO 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 and ATTACHED.**
There are 6 offset lessees and/or operators plus state minerals within one mile - all have been noticed.
- 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: **Ben Stone** TITLE: **SOS Consulting, LLC agent / consultant for Ray Westall Operating, Inc.**

SIGNATURE:  DATE: **8/06/2015**

E-MAIL ADDRESS: **ben@sosconsulting.us**

- * 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:

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

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.

CURRENT CONFIGURATION

PLUGGED WELL SCHEMATIC
DHY State 'B' Well No.1

Well Plugged by:
Mayo Marrs, Inc.

(See Well Notes Below)

API 30-015-21971
1980' FSL & 990' FWL, SEC. 11-T19S-R28E
EDDY COUNTY, NEW MEXICO

Spud Date: 2/07/1977

P&A Date: 3/22/2007

<PLUGGING ITEMS LISTED LEFT>

PLUGS:

Perf @ 60'
Circ & Fill to Surf.

Spot 25 sx 1108' 415'

1485' SQZ / Circ.

(Tag @ 217)

Spot 35 sx Cmt

1780'-1521'

(Tagged)

Casing Parted 1660'

Ran New 5.5" & Circ w/ Cmt.

Spot 25 sx Cmt

4350'-4114'

(Tagged)

Spot 25 sx Cmt

4350'-4114'

(Tagged)

Spot 25 sx Cmt

6174'-5922'

(Tagged)

Spot 25 sx Cmt

7134'-6948'

(Tagged)

Circulate Hole w/
Plugging Mud

Spot 25 sx Cmt

8788'-8526'

(Tagged)

CIBP Proposed at 8870'

May or May NOT Exist.

MAYO MARRS CASINO PULLING INC.
BOX 863
KERMIT, TEXAS 79745

NMBCD

License: DHY STATE "B" #1
Project: P & A

- 3/13/2007 SPOT 25 SACKS @ 8788' - TAG @ 8526'
- SPOT 25 SACKS @ 7134' - TAG @ 6948'
- 3/15/2007 SPOT 25 SACKS @ 6174' - TAG @ 5922'
- 3/16/2007 SPOT 25 SACKS @ 4350' - TAG @ 4114'
- 3/20/2007 SPOT 25 SACKS @ 2900' - TAG @ 2917'
- SPOT 25 SACKS @ 1780' - TAG @ 1521'
- 3/21/2007 SPOT 25 SACKS @ 1108' -
- PERF @ 400' - PUMP 120 SACKS - TAG @ 217'
- 3/22/2007 PERF @ 60' - CIRCULATE 20 SACKS TO SURFACE

PUMPED PLUGGING MUD BETWEEN ALL PLUGS
INSTALLED DRY HOLE MARKER

Well Notes: Well file records sketchy.

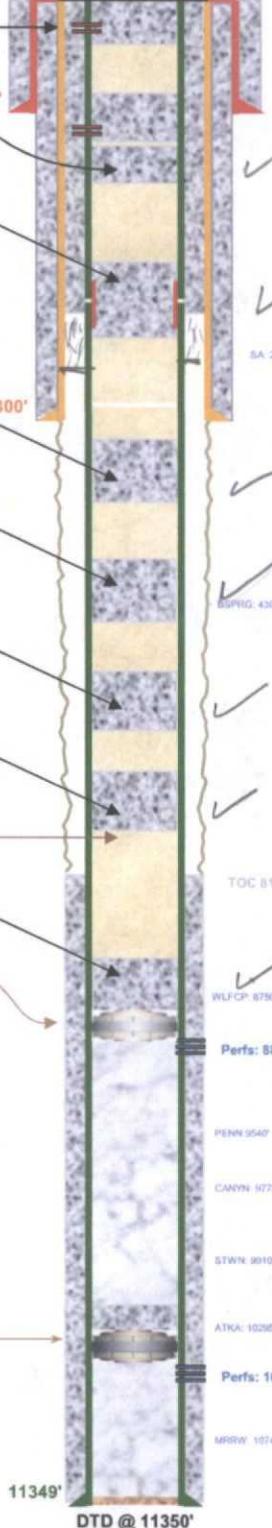
Unable to confirm events leading up to Forced Plugging. Operator unresponsive during last 2 years of operations. Verified CIBP at 10400' w/ 20' cmt cap - proposed CIBP at 8870' could NOT be verified by any well file sundry notice. P&A diagram in wellfile is a "proposed" diagram from the operator. That diagram does not reflect the P&A performed by Mayo and Marrs, Inc. Mayo Marrs P&A sundry does not mention tagging TD so it is not known why the bottom plug was set at 8788'. This may be circumstantial evidence that the CIBP @ 8870' was possibly set and not properly documented.

Ray Westall Operating, Inc. reentry operations will take unknowns into account and drillout & cleanout as necessary to establish solid PBTD ~10000' for SWD completion.

CIBP @ 10400 w/ 20' Cmt Cap

Formation Fluids

P&A Marker G.R. 3477'



<PRE-P&A EXISTING ITEMS LISTED RIGHT>

Surface Casing

13.375" 48.0# Csg. (17.5" Hole) @ 415'
425 sx - Circulated 65 sx to Surface

Intermediate Casing

8.625" 32.0# Csg. (11.0" Hole) @ 2800'
1300 sx - Circulated 35 sx to Surface

<P&A SUBSEQUENT SUNDRY>

03/16/2009 MON 10:53 FILE 4325862453 MARRS BAYO CASING MAR 18 2009 Form C-103 May 21, 2004

State of New Mexico
Energy, Minerals and Natural Resources
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO: 30-015-21971
WELL STATE: NM
WELL NUMBER: 081
WELL TYPE: P & A
WELL STATUS: 648

OPERATOR: MAYO MARRS CASINO PULLING INC.
ADDRESS: BOX 863, KERMIT, TEXAS 79745

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator: MAYO MARRS CASINO PULLING INC.

3. Address of Operator: BOX 863, KERMIT, TEXAS 79745

4. Well Location: Section 11, Township 19S, Range 28E, County EDDY, NM

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:
PERFORM REMEDIAL WORK PLUG AND ABANDON TEMPORARILY ABANDON CHANGE PLANS P&A OR AS TEST CASING MULTIPLE COMPS. OTHER

SUBSEQUENT REPORT OF:
REMEDIAL WORK ALTERING CASING COMMENCE DRILLING OPER. P AND A CASING/PLUG JOB

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work.) SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

SEE ATTACHMENT

Signature: [Signature] TITLE: [Title] DATE: 3/30/09

APPROVED BY: [Signature] DATE: 3/30/09

Production Casing

5.5" 17.0/20.0# Csg (7.875" Hole) @ 11349'
700 sxs Cls H - TOC @ 8100' by Temp
*Top 1660' replaced 10/87 w/ 600 sx
Followed w/ 1" job Circ. to Surf.



Drawn by: Ben Stone, 8/09/2015



WELL SCHEMATIC - PROPOSED

DHY State 'B' Well No.1 SWD

API 30-015-21971

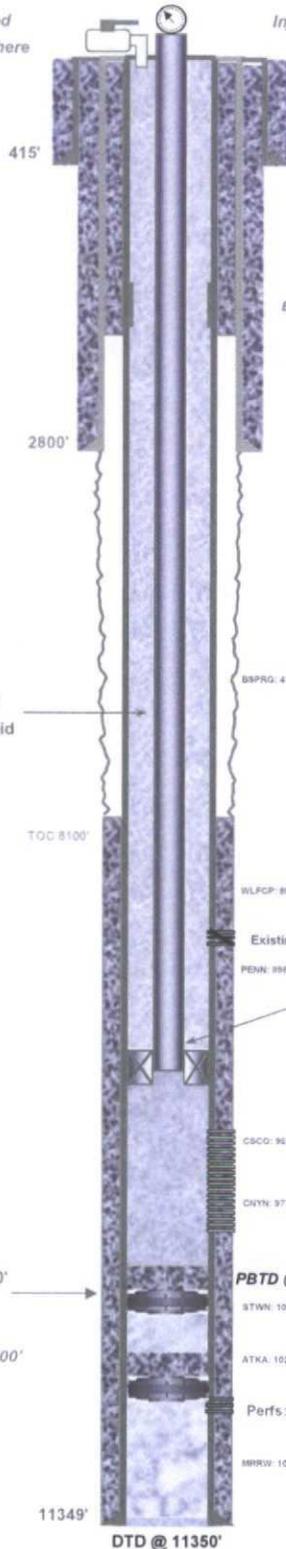
1980' FSL & 990' FWL, SEC. 11-T19S-R28E
EDDY COUNTY, NEW MEXICO

P&A Date: 3/22/2007

SWD Config Date: -9/15/2015

Annulus Monitored
or open to atmosphere

Injection Pressure Regulated
and Volumes Reported
1920 psi



Surface Casing

13.375" 48.0# Csg. (17.5" Hole) @ 415'
400 sx - Circulated to Surface

Intermediate Casing

8.625" 24.0/28.0# Csg. (11.0" Hole) @ 2800'
1121 sx - TOC @ 541' by Temp

Production Casing

5.5" 17.0/20.0# Csg (7.875" Hole) @ 11349'
700 sx Cls H - TOC @ 8100' by Temp

RAY WESTALL OPERATING, INC.

Convert to SWD: D/O & C/O Existing Plugs to 10050'.

Test Existing Perfs Going Down - SQZ if Rqr'd.

Set CIBP @ 10030' w/ 30' Cement Cap.

Perforate Selected Interval Between 9600'-9950'.

Acidize w/ Max. 5000 gals. 15% HCl - Flowback/Swab.

Run Internally Coated Tubing w/ PKR set ~9505'.

Perform OCD Witnessed MIT (24 hr. notice).

Commence Disposal Operations.

Annulus Loaded
w/ Inert Packer Fluid

Existing Csg Patch 1660'

SA: 2500'

DBPRG: 4302'

TOC @ 8100'

WLFPCP: 8915'

Existing Perfs: 8870'-8942' (SQZ if Rqr'd.)

PERH: 8962'

3.5" or 2.875" IC Tubing
PKR ~9555'

CSCD: 9630'

CHYN: 9778'

Perf Interval: 9600' to 9950'

Set CIBP @ -10030'
Cap w/ 30' Cmt.

PBTD @ 10000'

STWN: 10020'

Existing CIBP @ 10400'
w/ 20' Cmt. Cap

ATKA: 10295'

Perfs: 10458'-68'

Formation Fluids

MRRW: 10740'

11349'
DTD @ 11350'

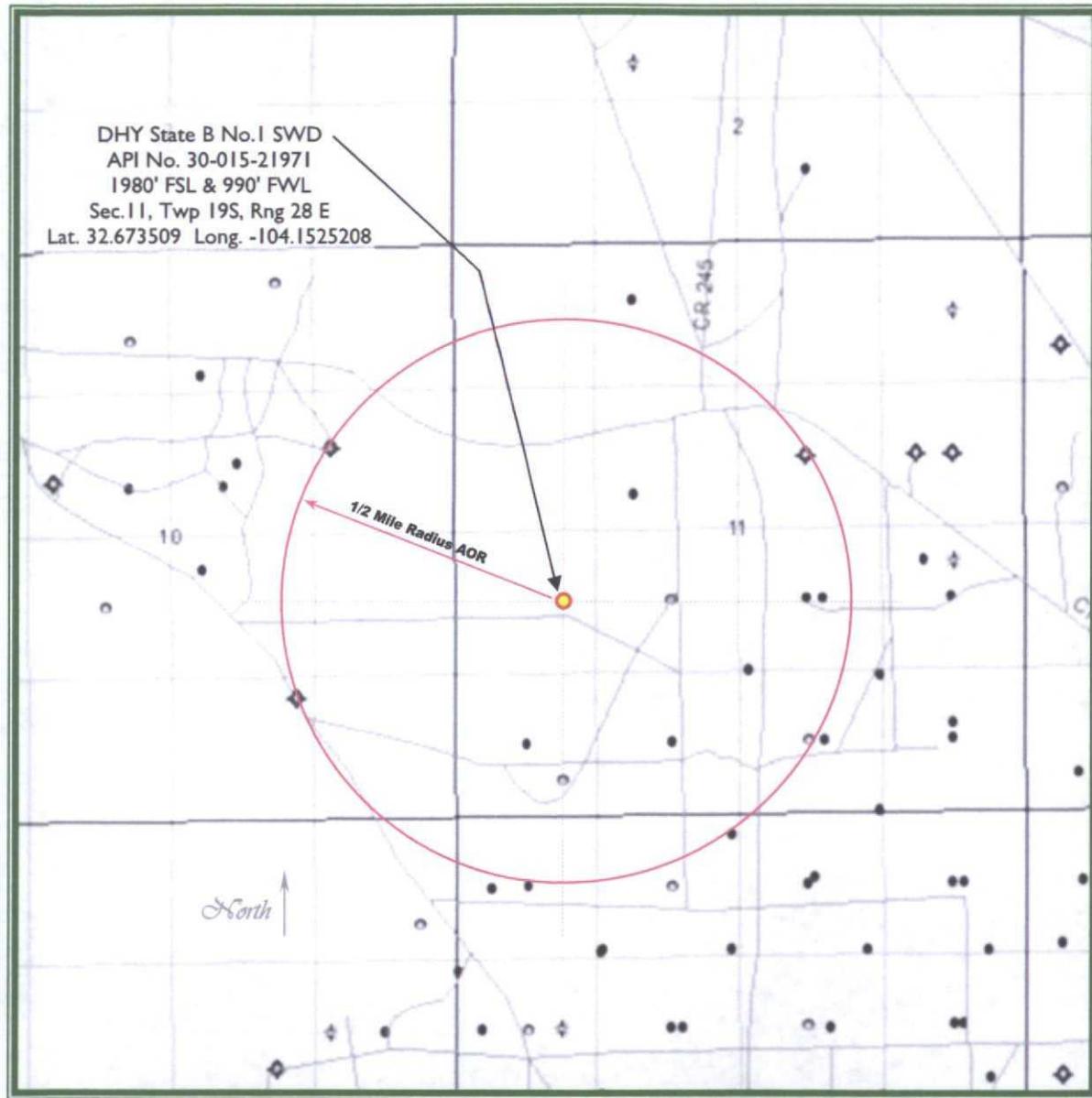
squeeze



Drawn by: Ben Stone Rvs'd: 9/22/2015

DHY State 'B' No.1 SWD - Area of Review / Overview Map

(Attachment to NMOCD Form C-108 - Item V)



~17.2 miles Southwest
of Loco Hills, NM



Eddy County, New Mexico



RAY WESTALL OPERATING, INC.



Form C-108 Item VI - Tabulation of AOR Wells

Top of Proposed GISCO Interval 9600'

2 Wells Penetrate Proposed Interval.

API	Current Operator	Well Name	Well Number	Type	Lease	Status	ULSTR	Depth	Plugged On
<u>Subject Well</u>									
30-015-21971	[10882] IT PROPERTIES	DHY STATE B	#001	Gas	State	P&A	L-11-195-28E	11350'	9/22/2008
<i>See CURRENT (P&A) Diagram</i>									

Section 10 Wells

30-015-02675	[214263] PRE-ONGARD WELL OPERATOR	PRE-ONGARD WELL	#075	Oil		P&A	H-10-195-28E	2238'	9/29/1983
30-015-02206	[214263] PRE-ONGARD WELL OPERATOR	PRE-ONGARD WELL	#069	Oil	State	P&A	O-10-195-28E	2180'	9/29/1983

Section 11 Wells

30-015-27308	[19958] STEPHENS & JOHNSON OP CO	STATE BN	#007	Oil	State	Active	O-10-195-28E	2350'	
30-015-33964	[229137] COG OPERATING LLC	STATE 11 COM	#002	Gas	State	Active	A-10-195-28E	11300'	
Morrow Perfs: 11,040'-11,120'; 13.375" (17.5" hole) @ 485' w/ 500 sx - circ.; 8.625" (12.25" hole) @ 2805' w/ 1100 sx - TOC @ 361'; 5.5" (7.875" hole) @ 11300' w/ 1540 sx - TOC @ 3195'									
30-015-32120	[246289] RKI EXPLORATION & PRODUCTION, LLC	TURKEY TRACK 11 STATE	#001	Oil	State	Active	C-10-195-28E	8650'	
30-015-02214	[214263] PRE-ONGARD WELL OPERATOR	PRE-ONGARD WELL	#113	Oil	State	P&A	E-10-195-28E	2940'	7/1/1952
30-015-31771	[246289] RKI EXPLORATION & PRODUCTION, LLC	TURKEY TRACK 11 STATE	#004	Oil	State	Active	F-11-195-28E	8705'	
30-015-10882	[214263] PRE-ONGARD WELL OPERATOR	PRE-ONGARD WELL	#001	Oil	State	P&A	G-11-195-28E	2302'	2/13/1969
30-015-10883	[214263] PRE-ONGARD WELL OPERATOR	PRE-ONGARD WELL	#002	Oil	State	P&A	H-11-195-28E	2254'	2/13/1969
30-015-28712	[19958] STEPHENS & JOHNSON OP CO	MILLMAN 11 STATE	#002	Oil	State	Active	I-11-195-28E	2927'	
30-015-27916	[229137] COG OPERATING LLC	STATE 11 COM	#001	Gas	State	Active	I-11-195-28E	11300'	
Morrow Perfs: 10,927'-33'; 13.375" (17.5" hole) @ 435' w/ 450 sx - circ.; 8.625" (11" hole) @ 2700' w/ 1200 sx - TOC @ surf.; 5.5" (7.875" hole) @ 11300' w/ 1505 sx - TOC @ 3334'									
30-015-02212	[19958] STEPHENS & JOHNSON OP CO	STATE BN	#003	Oil	State	Active	I-11-195-28E	2235'	
30-015-02213	[19958] STEPHENS & JOHNSON OP CO	STATE BN	#004	Oil	State	Active	J-11-195-28E	2230'	
30-015-29043	[19958] STEPHENS & JOHNSON OP CO	MILLMAN 11 STATE	#003	Oil	State	P&A	J-11-195-28E	2746'	8/19/2011
30-015-02216	[20451] SDX RESOURCES INC	EAST MILLMAN UNIT	#160	Injection	State	P&A	K-11-195-28E	2245'	6/30/2000
30-015-10110	[19958] STEPHENS & JOHNSON OP CO	EAST MILLMAN UNIT	#189	Injection	State	Active	M-11-195-28E	2265'	
30-015-28457	[19958] STEPHENS & JOHNSON OP CO	EAST MILLMAN UNIT	#301	Oil	State	Active	M-11-195-28E	6630'	
30-015-02215	[19958] STEPHENS & JOHNSON OP CO	EAST MILLMAN UNIT	#155	Oil	State	Active	N-11-195-28E	2260'	
30-015-02211	[19958] STEPHENS & JOHNSON OP CO	STATE BN	#002	Injection	State	Active	O-11-195-28E	2225'	
30-015-27307	[19958] STEPHENS & JOHNSON OP CO	STATE BN	#005	Oil	State	P&A	O-11-195-28E	2350'	8/18/2011
30-015-29044	[19958] STEPHENS & JOHNSON OP CO	MILLMAN 11 STATE	#004	Oil	State	Active	O-11-195-28E	2700'	
30-015-27309	[20451] SDX RESOURCES INC	STATE BN	#006	Oil	State	P&A	O-11-195-28E	2350'	3/21/2001
30-015-29045	[19958] STEPHENS & JOHNSON OP CO	MILLMAN 11 STATE	#005	Oil	State	Active	P-11-195-28E	2700'	

(continued on next page)



Form C-108 Item VI - Tabulation of AOR Wells (cont.)

Top of Proposed @ SGO Interval 9600'

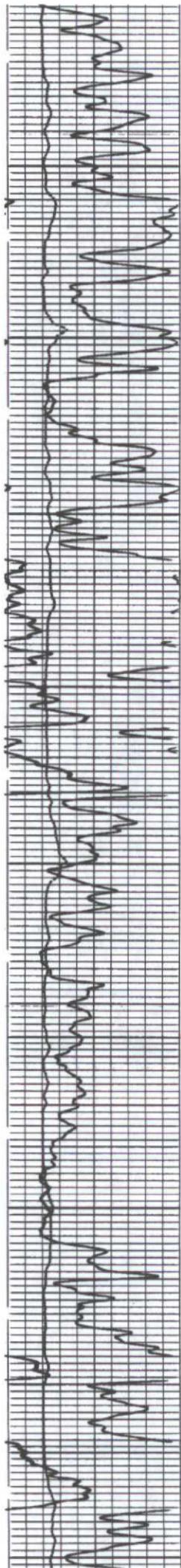
2 Wells Penetrate Proposed Interval.

30-015-02210	[19958] STEPHENS & JOHNSON OP CO	STATE BN	#001	Oil	State	Active	P-11-19S-28E	2246'
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Section 14 Wells

30-015-02252	[19958] STEPHENS & JOHNSON OP CO	EAST MILLMAN UNIT	#153	Injection	State	Active	C-14-19S-28E	2296'
30-015-34762	[19958] STEPHENS & JOHNSON OP CO	EAST MILLMAN UNIT	#229	Oil	State	Active	C-14-19S-28E	3000'
30-015-34763	[19958] STEPHENS & JOHNSON OP CO	EAST MILLMAN UNIT	#230	Oil	State	Active	C-14-19S-28E	3000'
30-015-34849	[19958] STEPHENS & JOHNSON OP CO	EAST MILLMAN UNIT	#729	Oil	State	Active	C-14-19S-28E	1340'
30-015-34859	[19958] STEPHENS & JOHNSON OP CO	EAST MILLMAN UNIT	#231	Oil	State	Active	C-14-19S-28E	3024'
30-015-42543	[873] APACHE CORP	PALMILLO 14 STATE	#004H	Oil	State	Active	D-14-19S-28E	11759' TVD
HZNTL Bone Spring Lateral ~7500'; 13.375" (17.5" hole) @ 437' w/ 486 sx - circ.; 9.625" (12.25" hole) @ 3000' w/ 1021 sx - TOC @ 11'; 5.5" (7.875" hole) @ 11759' w/ 2075 sx - TOC @ 776'								
30-015-02253	[19958] STEPHENS & JOHNSON OP CO	EAST MILLMAN UNIT	#159	Oil	State	Active	D-14-19S-28E	2265'

SUMMARY: 2 wells penetrate proposed disposal interval. 0 P&A.



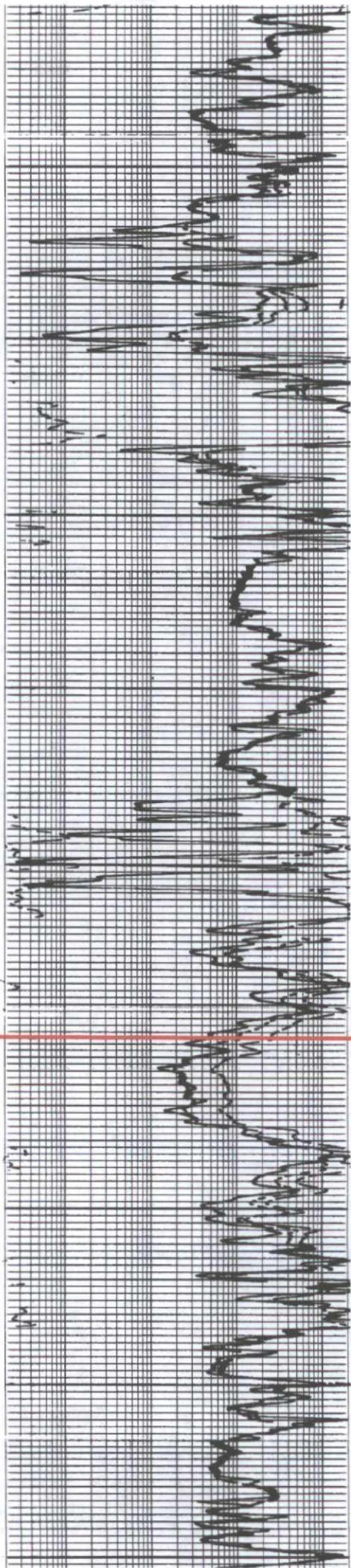
9600

9600

9600

9600

9600



TOP OF PROPOSED
INTERVAL @ 9600'

C-108 - Item VII.5

Water Analysis - Disposal Zone



Water Analysis

Date: 2/24/2005

2401 Sireley, Artesia NM 88210
 Phone (505) 746-3160 Fax (505) 746-2293

Analyzed For

Company	Well Name	County	State
Westall	State G#1	Eddy	New Mexico

Sample Source Canyon Sample # 1

Formation	Canyon	Depth	
Specific Gravity	1.050	SG @ 60 °F	1.051
pH	6.30	Sulfides	Not Tested
Temperature (°F)	65	Reducing Agents	Not Tested

Cations

Sodium (Calc)	in Mg/L	9,318	in PPM	9,056
Calcium	in Mg/L	5,600	in PPM	5,328
Magnesium	in Mg/L	240	in PPM	228
Soluble Iron (FE2)	in Mg/L	300.0	in PPM	285

Anions

Chlorides	in Mg/L	24,000	in PPM	22,835
Sulfates	in Mg/L	2,000	in PPM	1,903
Bicarbonates	in Mg/L	185	in PPM	176
Total Hardness (as CaCO3)	in Mg/L	15,000	in PPM	14,272
Total Dissolved Solids (Calc)	in Mg/L	41,844	in PPM	39,813
Equivalent NaCl Concentration	in Mg/L	38,410	in PPM	36,546

Scaling Tendencies

*Calcium Carbonate Index	1,038,464
Below 500,000 Remote / 500,000 - 1,000,000 Possible / Above 1,000,000 Probable	
*Calcium Sulfate (Gyp) Index	11,200,000
Below 500,000 Remote / 500,000 - 10,000,000 Possible / Above 10,000,000 Probable	

*This Calculation is only an approximation and is only valid before treatment of a well or several weeks after treatment.

Remarks FAX 677-2261

C-108 ITEM VII – PROPOSED OPERATION

The DHY State 'B' Well No.1 SWD will be operated as a commercial disposal service to area operators to facilitate in disposal of produced water from typical producing formations in the area. (Samples are included in this application from San Andres, Delaware and Morrow formation waters - chlorides and TDS are relative compatible with Cisco and Canyon formation waters.)

The system will be closed utilizing a tank battery facility located on the well site.

Injection pressure will be 1920 psi with rates limited only by that pressure. In the future, Ray Westall Operating, Inc. may opt to conduct a step rate test if it is determined that greater rates may be required. This would be submitted to OCD as a request to increase the injection pressure.

Routine maintenance will be ongoing and any releases will be reported within 24 hours to OCD on form C-141 pursuant to various portions of 19.15.30 NMAC.

The facility will not be manned but will be available to Ray Westall's customers 24/7. The facility will be available for inspections at any time deemed necessary by OCD.

C-108 - Item VII.4

Water Analysis - Source Water - SAN ANDRES

B J Services Water Analysis

Artesia District Laboratory
(305)-746-3140

Date: 6-Nov-00 Test #:
 Company: SDX Resources Well #:
 Lease: Chalk Federal #2 County: Eddy
 State: N.M. Formation: San Andrea
 Depth: 2900 Source:

pH:	8.51	Temp (F):	88.3
Specific Gravity	1.12		

CATIONS	mg/l	meq/l	ppm
Sodium (calc.)	64502	2370.7	48662
Calcium	3208	160.1	2884
Magnesium	1458	120.0	1302
Barium	< 25	---	---
Potassium	< 10	---	---
Iron	3	0.1	2

ANIONS	mg/l	meq/l	ppm
Chloride	93000	2823.4	83038
Sulfate	1071	22.3	957
Carbonate	< 1	---	---
Bicarbonate	678	14.4	784

Total Dissolved Solids(calc.) 154120 137607

Total Hardness as CaCO3 14014 280.0 12513

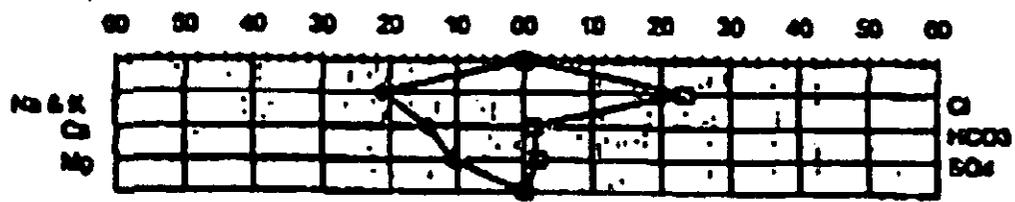
COMMENTS:

Res = 0.0647 @ 51.1 deg.

SCALE ANALYSIS:

CaCO3 Factor 2817907 Calcium Carbonate Scale Probability → Probabl
 CaSO4 Factor 3849500 Calcium Sulfate Scale Probability → Remote

SEM Plot



C-108 - Item VII.4

Water Analysis - Source Water - DELAWARE



Water Analysis

Date: 11-Jan-05

2788 West County Road, Hobbs NM 88240
 Phone (505) 392-3336 Fax (505) 392-7307

Analyzed For

County	Well Name	City	State
Devon	Spud 16 State #1	Lea	New Mexico

Sample Source	Sample	Sample #	1
Formation	Depth		
Specific Gravity	1.185	SG @ 60 °F	1.185
pH	8.98	Sulfides	Absent
Temperature (°F)	85	Reducing Agents	

Cations

Sodium (Calc)	In Mg/L	73,885	In PPM	61,860
Calcium	In Mg/L	34,800	In PPM	28,428
Magnesium	In Mg/L	5,040	In PPM	4,214
Soluble Iron (FE2)	In Mg/L	50.0	In PPM	42

Anions

Chlorides	In Mg/L	188,000	In PPM	157,191
Sulfates	In Mg/L	550	In PPM	460
Bicarbonates	In Mg/L	78	In PPM	65
Total Hardness (as CaCO3)	In Mg/L	188,628	In PPM	157,616
Total Dissolved Solids (Calc)	In Mg/L	301,783	In PPM	252,268
Equivalent NaCl Concentration	In Mg/L	284,733	In PPM	241,988

Scaling Tendencies

Calcium Carbonate Index 2,654,720

Below 500,000 Remote / 500,000 - 1,000,000 Possible / Above 1,000,000 Probable

Calcium Sulfate (Gyp) Index 18,700,000

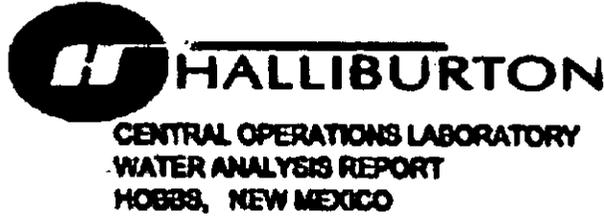
Below 500,000 Remote / 500,000 - 10,000,000 Possible / Above 10,000,000 Probable

This Calculation is only an approximation and is only valid before treatment of a well or several weeks after treatment.

Remarks rw=0.40@63l

C-108 - Item VII.4

Water Analysis - Source Water - MORROW



COMPANY Morcho

REPORT WD2-12B
 DATE June 18, 2002
 DISTRICT Hobbs

SUBMITTED BY Jim Treis

WELL Ruger St. #1 DEPTH _____ FORMATION _____
 COUNTY _____ FIELD _____ SOURCE _____

SAMPLE Morrow Prod. Water

Sample Temp.	<u>84</u>	°	_____	°	_____	°	_____	°
RESISTIVITY	<u>0.13</u>		_____		_____		_____	
SPECIFIC GR.	<u>1.040</u>		_____		_____		_____	
pH	<u>8.93</u>		_____		_____		_____	
CALCIUM	<u>4.500</u>	ppm	_____	ppm	_____	ppm	_____	ppm
MAGNESIUM	<u>0.300</u>	ppm	_____	ppm	_____	ppm	_____	ppm
CHLORIDE	<u>34.883</u>	ppm	_____	ppm	_____	ppm	_____	ppm
SULFATES	<u>8.01</u>	ppm	_____	ppm	_____	ppm	_____	ppm
BICARBONATES	<u>18</u>	ppm	_____	ppm	_____	ppm	_____	ppm
SOLUBLE IRON	<u>0</u>	ppm	_____	ppm	_____	ppm	_____	ppm
Sodium	_____	ppm	<u>0</u>	ppm	<u>0</u>	ppm	<u>0</u>	ppm
TDS	_____	ppm	<u>0</u>	ppm	<u>0</u>	ppm	<u>0</u>	ppm
OIL GRAVITY	<u>0</u>	ppm	<u>0</u>	ppm	<u>0</u>	ppm	<u>0</u>	ppm

REMARKS _____

MPL = Milligrams per liter
 Resistivity measured in Ohm-cm/25°C

This report is the property of Halliburton Company and neither it nor any part thereof nor a copy thereof is to be published or disclosed without first securing the express written approval of laboratory management; it may however, be used in the course of regular business operations by any person or persons and employees thereof receiving such report from Halliburton Co.

ANALYST: Mike Armstrong

C-108 - Item VIII

Geological Data

The Cisco Formation (Upper Penn) is a gray micritic (fine grained) fossiliferous limestone with vugular porosity. The reservoirs in this area are usually limited in size with up dip porosity loss due to shelf margin carbonate build up.

The [Pennsylvanian] Canyon formation consists of similarly medium-grained carbonates, primarily dolomite and porous and permeable sandstone interbedded with shale and is generally 150 to 200 feet in thickness.

The combined zones offer good porosity in the proposed injection interval located from 9600 feet to 9950 feet with some very good porosity interspersed throughout the overall interval.

The Cisco is overlain by the Wolfcamp and the Canyon is underlain by the Strawn and Atoka. (See Pool Map and Data exhibit included.)

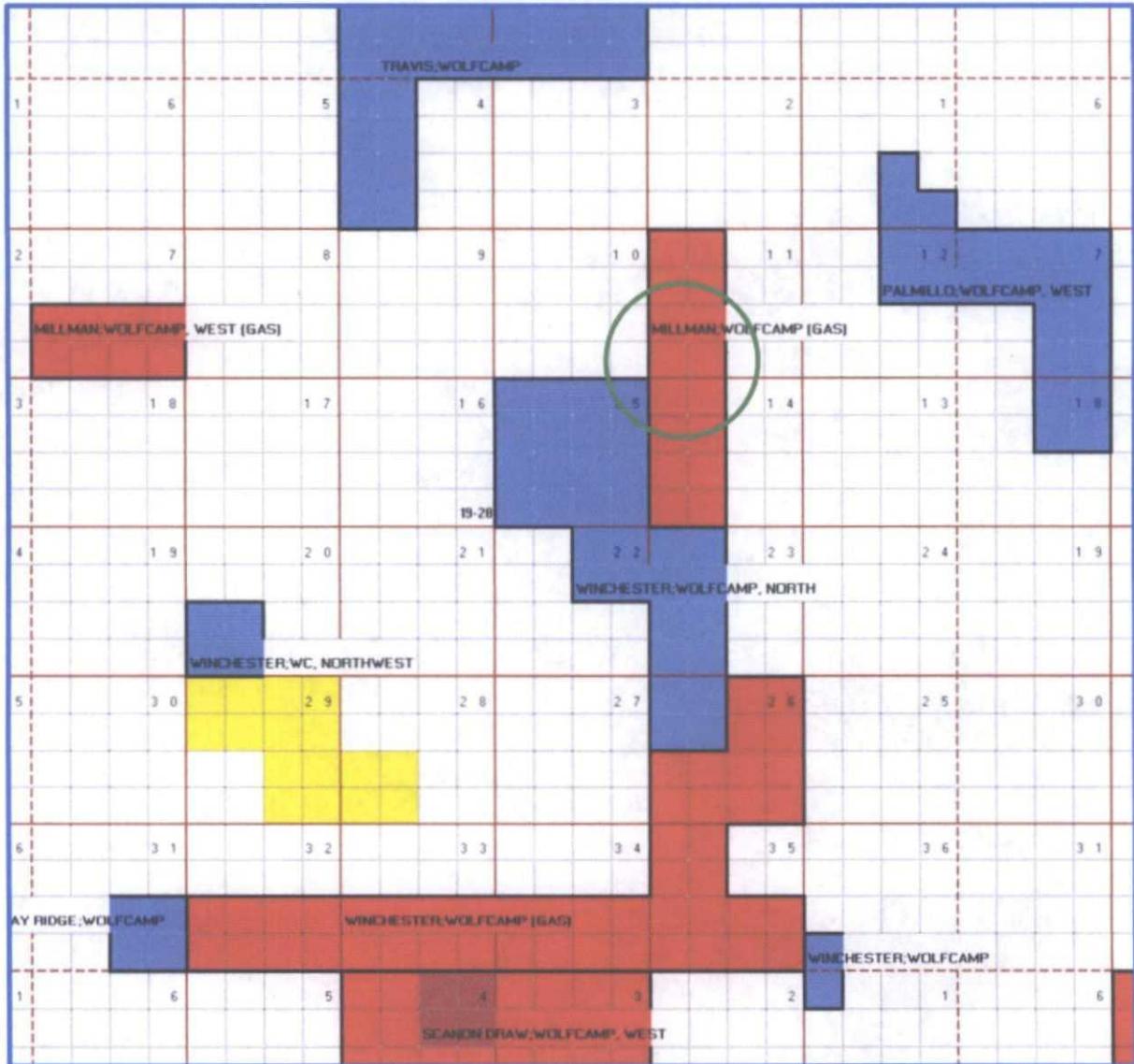
Fresh water in the area is generally available from the Santa Rosa formation (Capitan Basin). Based on State Engineer's records for water wells in Section Twp 19S, Rng 28E, groundwater is found from 75 feet to 265 feet, average depth 143 feet.

There are no water wells located within one mile of the proposed SWD.

C-108 – Item VIII – Geologic Data
SUPPLEMENTAL INFORMATION – POOL DATA

WOLFCAMP POOLS IN REGION

(Overlying Disposal Formation)

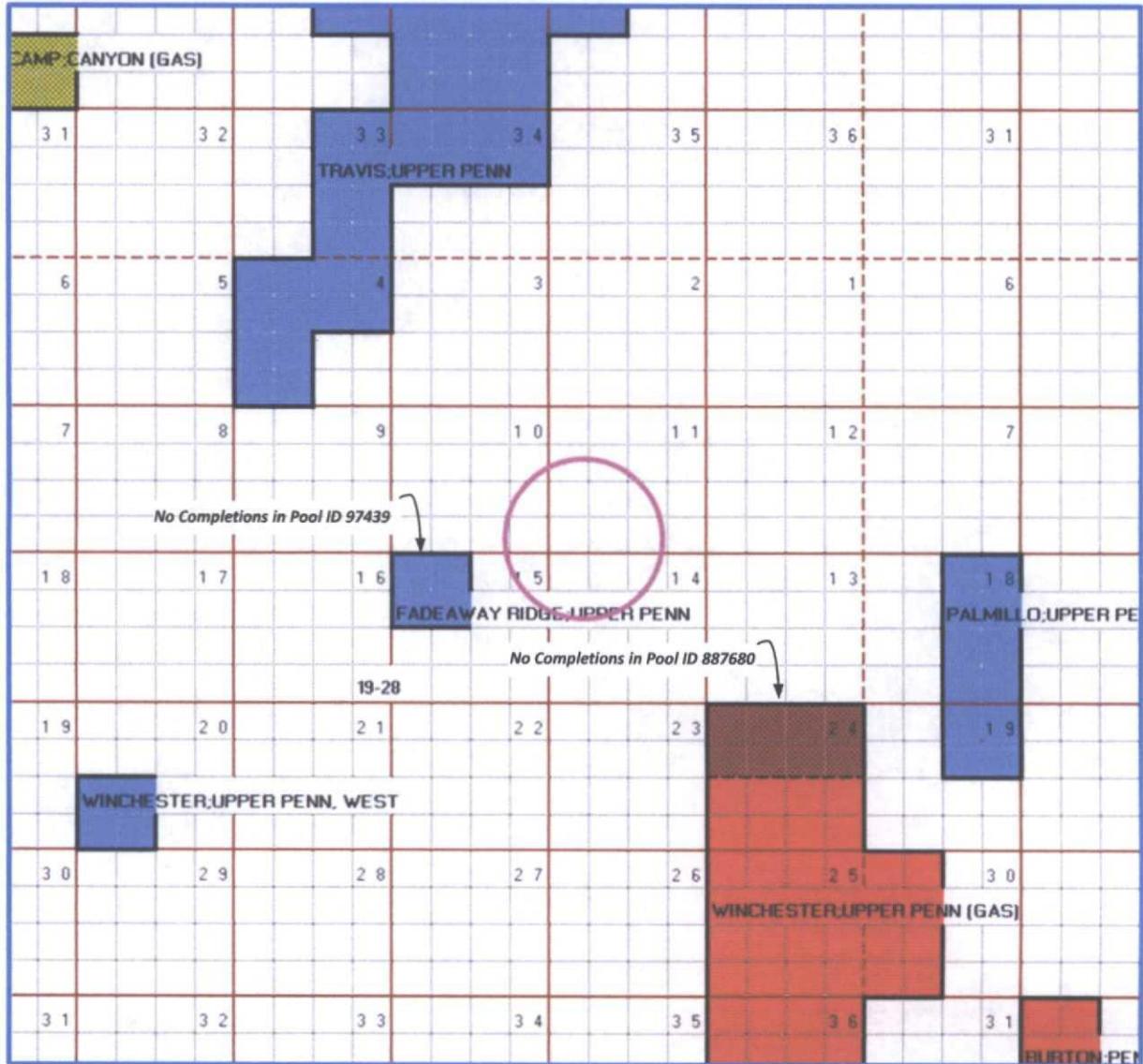


Pool Maps Courtesy of Paul Kautz

C-108 – Item VIII – Geologic Data
SUPPLEMENTAL INFORMATION – POOL DATA

UPPER PENN / CISCO / CANYON POOLS IN REGION

(Cisco & Canyon Disposal Formations)



Pool Maps Courtesy of Paul Kautz

C-108 ITEM XI – WATER WELLS IN AOR

A search of the State Engineer's database indicates one water well located in any section surrounding the subject section. This well is NOT within one mile of the proposed salt water disposal well. The location is spotted on the 2-Mile AOR map.



New Mexico Office of the State Engineer Active & Inactive Points of Diversion (with Ownership Information)

WR File Nbr	Sub basin	Use	Diversion	Owner	County	POD Number	Code	Grant	Source	Q	Q	Q	Sec	Tws	Rng	X	Y
CP 00918	PRO			ST MARY LAND AND EXPL.	ED	CP 00918			Shallow	2	1	2	13	19S	28E	581837	3614736

Record Count: 1

PLSS Search:

Section(s): 13, 14, 15, 22, 23, 24, 25, 26, 27
 Township: 19S Range: 28E

Sorted by: File Number

The nearest water wells in Twp 19-S, Rng 28-E were used for the average depth to groundwater; shown to be 143 feet.



New Mexico Office of the State Engineer Water Column/Average Depth to Water

POD Number	Sub-Code	basin	County	Q	Q	Q	Sec	Tws	Rng	X	Y	Depth Well	Depth Water	Water Column
CP 00361	ED		3	1	3	09	19S	28E	576094	3615246*	365	265	100	
CP 00502	ED		1	1	18	19S	28E	573001	3614478*	100	91	9		
CP 00836	ED		1	1	18	19S	28E	573001	3614478*	110				
CP 00837	ED		1	1	18	19S	28E	573001	3614478*	110				
CP 00838	ED		1	1	18	19S	28E	573001	3614478*	110				
CP 01231 POD1	ED		4	4	2	36	19S	28E	582311	3609372*	300	75	225	

Average Depth to Water: 143 feet
 Minimum Depth: 75 feet
 Maximum Depth: 265 feet

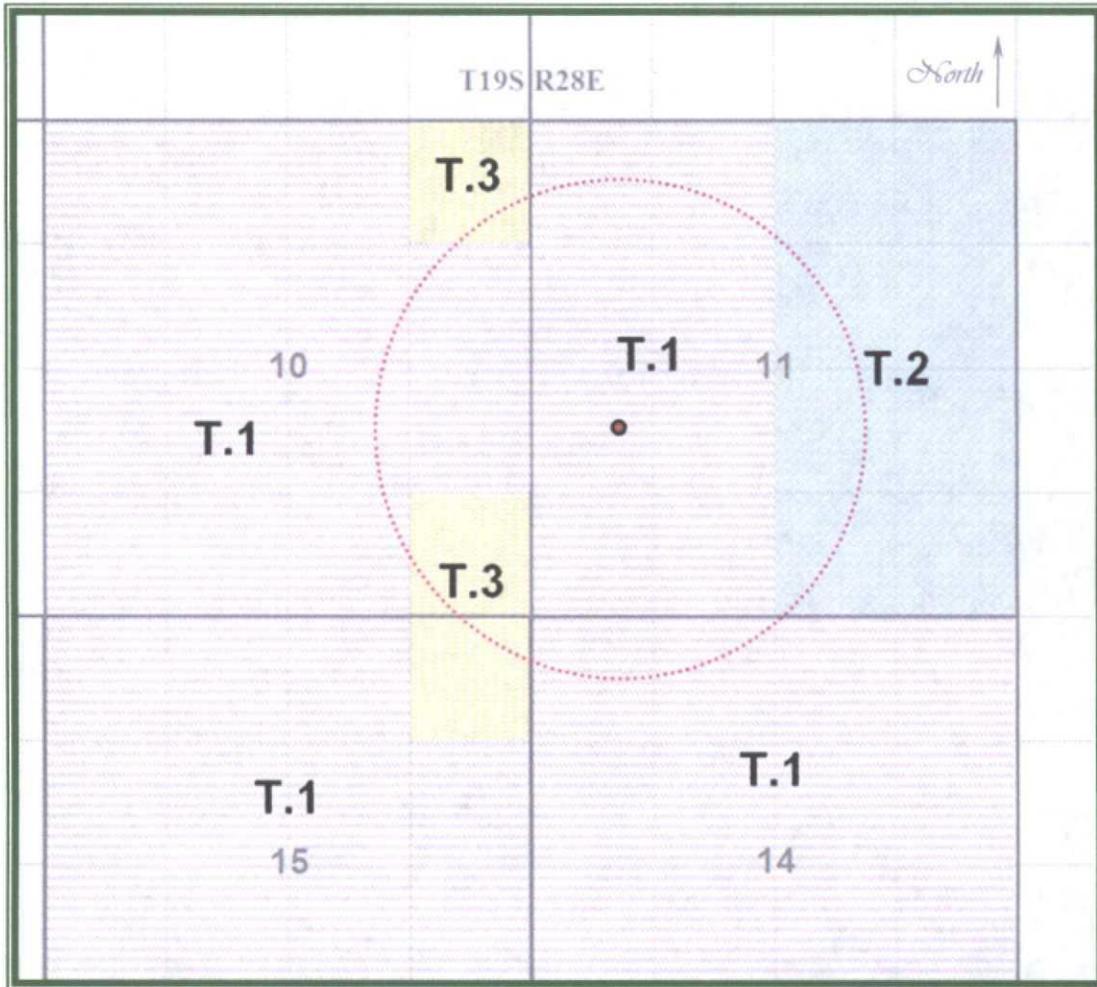
Record Count: 6

PLSS Search:

Township: 19S Range: 28E

DHY State 'B' SWD No.1 - Leasehold Plat

(Attachment to NMOCD Form C-108, Application for Authority to Inject.)



RAY WESTALL OPERATING, INC.

LEGEND

- T.1 – X0-0648-0131 – Marathon Oil Company
- X0-0648-0151 - Khody Land and Minerals Company
- T.2 – OG-0272-0004 – COG Operating, LLC
- T.3 – E0-5003-0004 – Khody Land and Minerals Company

**C-108 ITEM XIII – PROOF OF NOTIFICATION
INTERESTED PARTIES LIST**

SURFACE OWNER

STATE OF NEW MEXICO (FedEx'ed copy)
Oil, Gas and Minerals Division
310 Old Santa Fe Trail
Santa Fe, NM 87504

OFFSET MINERALS LESSEES and OPERATORS (All Notified via USPS Certified Mail)

State Lease X0-0648-0131

Lessee/Operator

- 1 MARATHON OIL COMPANY
P.O. Box 22164
Tulsa, OK 74121-2164

Operators

- 2 STEPHENS & JOHNSON OPERATING CO.
P.O. Box 2249
Wichita Falls, TX 76307
- 3 RKI EXPLORATION & PRODUCTION, LLC
210 Park Avenue, Ste.900
OKC, OK 73102

State Leases X0-0648-0151; E0-5003-0004

Lessee

- 4 KHODY LAND AND MINERALS COMPANY
210 Park Avenue, Ste., 900
Oklahoma City, OK 73102

Operators

- STEPHENS & JOHNSON OPERATING CO.
P.O. Box 2249
Wichita Falls, TX 76307
- 5 APACHE CORPORATION
303 Veterans Airpark Lane, Ste.3000
Midland, TX 79705

State Lease OG-0272-0004

Lessee/Operator

- 6 COG OPERATING, LLC
Attn: Jim Bob Burnett
2208 W. Main St.
Artesia, NM 88210

**C-108 ITEM XIII – PROOF OF NOTIFICATION
INTERESTED PARTIES LIST (cont.)**

State Lease OG-0272-0004 (cont.)

Operators

STEPHENS & JOHNSON OPERATING CO.
P.O. Box 2249
Wichita Falls, TX 76307

REGULATORY

NEW MEXICO OIL CONSERVATION DIVISION (FedEx'ed original and copy)
1220 S. St. Francis Dr.
Santa Fe, NM 87505

NEW MEXICO OIL CONSERVATION DIVISION (FedEx'ed copy)
811 S. First St.
Artesia, NM 88210

NEW MEXICO STATE LAND OFFICE (FedEx'ed copy)
Commissioner of Public Lands
310 Old Santa Fe Trail
Santa Fe, NM



August 5, 2015

NOTIFICATION TO INTERESTED PARTIES
via U.S. Certified Mail

To Whom It May Concern:

Ray Westall Operating, Inc., Loco Hills, New Mexico, has made application to the New Mexico Oil Conservation Division to convert for salt water disposal the DHY State 'B' No.1. The proposed commercial operation will be for produced water disposal from area operators. As indicated in the notice below, the well is located in Section 11, Township 19 South, Range 28 East in Eddy County, New Mexico.

The published notice states that the interval will be from 9600 feet to 9950 feet.

Following is the notice published in the Artesia Daily Press, Artesia, New Mexico on or about June 26, 2015

LEGAL NOTICE

Ray Westall, Inc., P.O. Box 4, Loco Hills, NM 88255 is filing Form C-108 (Application for Authority to Inject) with the New Mexico Oil Conservation Division for administrative approval to permit for salt water disposal in its DHY State 'B' No.1. The well, API No.30-015-21971 is located 1980 FSL & 990 FWL in Section 11, Township 19 South, Range 28 East in Eddy County, New Mexico. Produced water from area production will be commercially disposed into the Cisco and Canyon formations through selected perforated intervals between a maximum applied for top of 9600 feet to maximum depth of 9950 feet and based on further log analysis. Maximum injection pressure will be 1920 psi with a maximum rate limited only by such pressure.

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, (505)476-3460 within 15 days of the date of this notice. Additional information may be obtained from the applicant's agent, SOS Consulting, LLC, (903)488-9850 or, email info@sosconsulting.us.

You have been identified as a party who may be interested as an offset lessee or operator.

You are entitled to a full copy of the application. A full copy in PDF format on a mini-CD will be arriving within a few days of this notice. If you do not receive it, please call or email SOS Consulting, LLC at 903-488-9850, info@sosconsulting.us, and a copy will be expedited to you and may also be sent via email if preferred.

Thank you for your attention in this matter.

Best regards,

A handwritten signature in black ink, appearing to read "Ben Stone". The signature is fluid and cursive, with the first name "Ben" and last name "Stone" clearly distinguishable.

Ben Stone, SOS Consulting, LLC
Agent for Ray Westall Operating, Inc.

Cc: Application File

C-108 - Item XIV

Proof of Notice (Certified Mail Receipts)

7015 0640 0007 9482 5424
7015 0640 0007 9482 53
7015 0640 0007 9482 56
7015 0640 0007 9482 53

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 City, State, Zip P.O. Box 2069
 Houston, TX 77252-2069

PS Form 3800

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 OKC, OK 73102

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Postage \$
Total Postage and Fees \$ 6.74

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 Street and APACHE CORPORATION
 City, State, 303 Veterans Airpark Lane, Ste.3000
 Midland, TX 79705

PS Form 3800

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 Adult Signature Restricted Delivery \$

Postage \$
Total Postage and Fees \$ 6.74

Sent To
 Street and STEPHENS & JOHNSON OP. CO.
 City, State, P.O. Box 2249
 Wichita Falls, TX 76307

PS Form 3800

Postmark: AUG 05 2015 Here

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 Adult Signature Restricted Delivery \$

Postage \$
Total Postage and Fees \$ 6.74

Sent To
 Street and KHODY LAND & MINERALS CO.
 City, State, 210 Park Avenue, Ste.900
 OKC, OK 73102

PS Form 3800

Postmark: AUG 05 2015 Here

For delivery information, visit our website at www.usps.com

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 Adult Signature Required \$
 Adult Signature Restricted Delivery \$

Postage \$
Total Postage and Fees \$ 6.74

Sent To
 Street and COG OPERATING, LLC
 City, State, Attn: Jim Bob Burnett
 2208 W. Main St.
 Artesia, NM 88210

PS Form 3800

Postmark: AUG 05 2015 Here

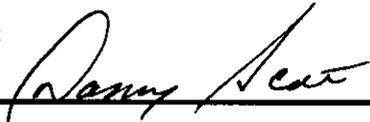
Affidavit of Publication

No. 23549

State of New Mexico

County of Eddy:

Danny Scott



Publisher

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

Legal Notice

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

day as follows:

First Publication June 26, 2015

Second Publication _____

Third Publication _____

Fourth Publication _____

Fifth Publication _____

Sixth Publication _____

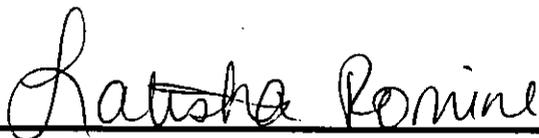
Subscribed and sworn before me this

29th day of June 2015



OFFICIAL SEAL
Latisha Romine
NOTARY PUBLIC-STATE OF NEW MEXICO

My commission expires: 5/12/2019



Latisha Romine

Notary Public, Eddy County, New Mexico

Copy of Publication:

LEGAL NOTICE

Ray Westall, Inc., P.O. Box 4, Loco Hills, NM 88255 is filing Form C-108 (Application for Authority to Inject) with the New Mexico Oil Conservation Division for administrative approval to permit for salt water disposal in its DHY State 'B' No. 1. The well, API No.30-015-21971 is located 1980 FSL & 990 FWL in Section 11, Township 19 South, Range 28 East in Eddy County, New Mexico. Produced water from area production will be commercially disposed into the Cisco and Canyon formations through selected perforated intervals between a maximum applied for top of 9600 feet to maximum depth of 9950 feet and based on further log analysis. Maximum injection pressure will be 1920 psi with a maximum rate limited only by such pressure.

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Published in the Artesia Daily Press, Artesia, N.M., June 26, 2015 Legal No. 23549.

ORIGIN ID: TYRA (903) 488-9850
BENJAMIN STONE
SOS CONSULTING, LLC
1950 CR 2331
COMO, TX 75431
UNITED STATES US

SHIP DATE: 10AUG15
ACTWGT: 0.50 LB
CAD: 100120607/INET3670
BILL SENDER

TO: TERRY WARNELL
NM STATE LAND OFFICE - OIL & GAS
310 OLD SANTA FE TRL

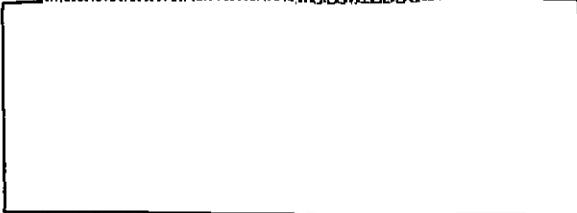
SANTA FE NM 87501

(505) 827-5791
INV.
PO#

REF: RWO DHY B&F (2) SWDS

DEPT:

539J1FECA9100



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FILED 15/08/2015

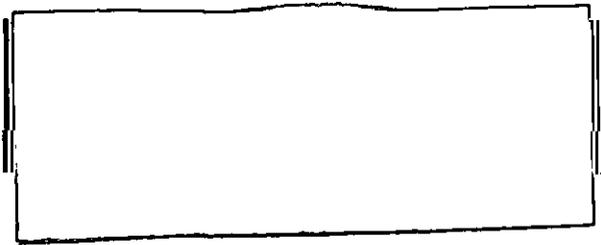
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C-108 Review Checklist: Received _____ Add. Request: _____ Reply Date: _____ Suspended: _____ [Ver 15]

ORDER TYPE: WFX / PMX / SWD Number: _____ Order Date: _____ Legacy Permits/Orders: _____

Well No. 1 Well Name(s): DHystate B SWD

API: 30-0 15-21971 Spud Date: 2-7-77 New or Old: 0 (UIC Class II Primacy 03/07/1982)

Footages 1980 FSL
940 FNL Lot _____ or Unit L Sec 11 Tsp 19S Rge 28E County Eddy

General Location: 2.15 miles SE of _____ Pool: SWD Canyon Pool No.: 96186

BLM 100K Map: Antesic Operator: Ruby Westwell Operating, Inc OGRID: 118305 Contact: Ben Stone

COMPLIANCE RULE 5.9: Total Wells: _____ Inactive: _____ Fincl Assur: _____ Compl. Order? _____ IS 5.9 OK? _____ Date: _____

WELL FILE REVIEWED Current Status: P&A

WELL DIAGRAMS: NEW: Proposed or RE-ENTER: Before Conv. After Conv. Logs in Imaging: Y (Induction NO LOG)

Planned Rehab Work to Well: Sg 4002 = Perfs 8870-8942' DO PLUGS

Well Construction Details	Sizes (in) Borehole / Pipe	Setting Depths (ft)	Cement Sx or Cf	Cement Top and Determination Method
Planned <input checked="" type="checkbox"/> Existing <input checked="" type="checkbox"/> Surface	<u>17 1/2 / 13 3/8</u>	<u>415</u>	<u>425</u>	<u>Surface / visual</u>
Planned <input checked="" type="checkbox"/> Existing <input checked="" type="checkbox"/> Interm/Prod	<u>11" / 8 5/8"</u>	<u>2800</u>	<u>35</u>	<u>Surface</u>
Planned _____ or Existing _____ Interm/Prod	<u>7 7/8 / 5 1/2</u>	<u>11349</u>	<u>700</u>	<u>8100 / T.S.</u>
Planned _____ or Existing <input checked="" type="checkbox"/> Prod/Liner	<u>7 7/8</u>	<u>7800 / 1775</u>	<u>600</u>	<u>Surface / visual</u>
Planned _____ or Existing _____ Liner				

Injection Lithostratigraphic Units:	Depths (ft)	Injection or Confining Units	Tops	Completion/Operation Details:
Adjacent Unit: Litho. Struc. Por.		<u>SWD</u>	<u>9540</u>	Drilled TD <u>11350</u> PBTD <u>10000</u>
Confining Unit: Litho. Struc. Por.		<u>cn shales</u>	<u>8150</u>	NEW TD _____ NEW PBTD _____
Proposed Inj Interval TOP:	<u>9660</u>			NEW Open Hole <input type="radio"/> or NEW Perfs <input type="radio"/>
Proposed Inj Interval BOTTOM:	<u>9950</u>			Tubing Size <u>3 1/2</u> in. Inter Coated? <u>Y</u>
Confining Unit: Litho. Struc. Por.				Proposed Packer Depth <u>9585</u> ft
Adjacent Unit: Litho. Struc. Por.				Min. Packer Depth <u>9500</u> (100-ft limit)

AOR: Hydrologic and Geologic Information

POTASH: R-111-P _____ Noticed? _____ BLM Sec Ord WIPP Noticed? _____ Salt/Salado T: _____ B: _____ **NW:** Cliff House fm _____

FRESH WATER: Aquifer SWD / Permian Max Depth 265 **HYDRO AFFIRM STATEMENT** By Qualified Person

NMOSE Basin: Capitan **CAPITAN REEF:** thru adj NA No. Wells within 1-Mile Radius? _____ FW Analysis

Disposal Fluid: Formation Source(s) morrow, Delaware Analysis? _____ On Lease Operator Only or Commercial

Disposal Int: Inject Rate (Avg/Max BWPD): _____ Protectable Waters? _____ Source: _____ System: Closed or Open

HC Potential: Producing Interval? _____ Formerly Producing? Method: Logs/DST/P&A Other _____ 2-Mile Radius Pool Map

AOR Wells: 1/2-M Radius Map? Well List? _____ Total No. Wells Penetrating Interval: 2 Horizontals? 0

Penetrating Wells: No. Active Wells 2 Num Repairs? _____ on which well(s)? _____ Diagrams? _____

Penetrating Wells: No. P&A Wells 0 Num Repairs? _____ on which well(s)? _____ Diagrams? _____

NOTICE: Newspaper Date 4/20/01 Mineral Owner MMSL Surface Owner MMSL N. Date Aug 10

RULE 26.7(A): Identified Tracts? Affected Persons: RK F. Warriner, Stephens T 9/11 N. Date 8-05

Order Conditions: Issues: _____

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NOV 22 '88

O. C. D.
ARTESIA, OFFICE

5a. Indicate Type of Lease
State For
5. State Oil & Gas Lease No.
648

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT -" (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	7. Unit Agreement Name
2. Name of Operator DEKALB Energy Company	8. Farm or Lease Name DHY State "B"
3. Address of Operator 800 Central, Odessa, Texas 79761	9. Well No. 1
4. Location of Well UNIT LETTER <u>L</u> <u>1980</u> FEET FROM THE <u>South</u> LINE AND <u>990</u> FEET FROM <u>West</u> LINE, SECTION <u>11</u> TOWNSHIP <u>19S</u> RANGE <u>28E</u> N.M.P.M.	10. Field and Pool, or Wildcat Millman-Wolfcamp Gas
15. Elevation (Show whether DF, RT, GR, etc.) 3477 GR	12. County Eddy

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input checked="" type="checkbox"/>	

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

- 10-23-87: 5 1/2" csg was parted @ 1660'. Pulled 1660' csg out of hole. Backed off csg @ 1975' & pulled. Reran csg w/10 new jts 5 1/2" 17# N-80 on bottom (403.52') @ 1975'. Tested csg @ 800#, Held OK.
- 10-27-87: Perf @ 3105'.
- 10-28-87 Sqz perf w/500 sx Hal-lite w/2% CaCl & 1/4# flocel & 3# gel, followed w/100 sx Class "C" w/2% CaCl. TOC 620'
- 10-29-87: Ran 1" pipe to tag cmt outside 5 1/2" csg & circulated 100 sx lite w/2% CaCl to sfs.
- 10-30-87: Drld out cmt in 5 1/2" csg & tested to 1500#. Held OK.
- 10-31-87: Ran tbg & Baker Lokset pkr set @ 8789'.

18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED R. L. Denney TITLE Chief Production Clerk DATE 11-21-88

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY: